Vattenfall NV Annual Report 2024

photo: Vattenfall/Jorrit Lousberg

VATTENFALL

Table of contents

Report of the Management Board

About Vattenfall NV

Vattenfall AB is one of Europe's largest producers and retailers of electricity and heat. Vattenfall's main markets are Sweden, Germany, The Netherlands, Denmark, and the UK. The Group has approximately 20,000 employees. The Parent Company, Vattenfall AB, is 100% owned by the Swedish state, and its headquarters are in Solna, Sweden. Vattenfall Group is organised in five cross-border Business Areas: Wind, Customers & Solutions, Generation, Markets and Distribution. In The Netherlands Vattenfall NV is mainly active in the Business Areas: Wind and Customers & Solutions.

Vattenfall's operations in The Netherlands are carried out by Vattenfall NV and its subsidiaries. Vattenfall NV also operates one gas storage facility located in Germany. Vattenfall NV produces and supplies electricity, gas, heat and cooling, offering its customers a wide range of energy-saving products and services. Vattenfall NV has approximately 4,100 employees (FTEs) and around 3.5 million gas- and electricity contracts in The Netherlands. With net sales reaching almost EUR 5.0 billion in 2024, Vattenfall NV holds a top-three position in the Dutch energy market. The activities relating to market access, trading and power plant optimisation are centralised in one central Continental hub in Hamburg. The activities that serve and support Vattenfall NV's power plants and gas portfolio optimisation are also handled in Hamburg and are executed on behalf of Vattenfall NV. In this Annual Report, Vattenfall NV is mentioned specifically for all items applicable for The Netherlands. Vattenfall AB or Vattenfall is mentioned when the activities are presented from a Vattenfall Group perspective. The paragraphs where the operating segments are described start with an introduction of Vattenfall AB and continues with describing the specific situation for Vattenfall NV.

Vattenfall AB has committed itself to the Swedish Corporate Governance Code (SCGC). Within the Vattenfall Group focus on the SCGC is therefore emphasised. More information about Vattenfall can be found in the 2024 Annual and Sustainability Report of Vattenfall AB and can be found at www.vattenfall.com. As part of Vattenfall, Vattenfall NV's financial and sustainability results are included in this Vattenfall report. More detailed information about Vattenfall's work with sustainability is also available at https://group.vattenfall.com/who-we-are/sustainability.

In Focus

Our world needs to change. Fast. Although we've taken steps towards becoming net zero, society is still deeply dependent on fossil fuels, and this dependency endangers the environment, energy security and our way of life. But even as the effects of accelerating climate change are being felt more tangibly by people everywhere, the energy transition still isn't moving fast enough. Through all this, the direction to achieve net zero is clear. Our resilience was tested amid global challenges. Even so, Vattenfall delivered a stable financial result, advanced our key projects and sustainability goals. By prioritising profitable investments, operational excellence and collaboration, we continue to work towards net zero that drives society forward as a profitable energy company. Our focus to provide value to our customers while leveraging the energy transition to shape the energy system of tomorrow remains. This energy transition also comes with additional challenges like affordability of the transition for our customers.

Vattenfall NV developed a CO_2 roadmap that describes how Vattenfall NV, intends to become net zero by 2040 in The Netherlands.

Progress is rarely linear

Some stabilisation in European energy markets occurred during 2024, even as we continue to navigate a world marked by growing geopolitical and economic uncertainties. Economic and supply chain challenges, political turbulence, and regulatory ambiguity remain. As a result, the energy transition has lost pace, although ambitious goals of reaching net zero remain. When news of progress gets overshadowed by setbacks, it is easy to forget that transition takes time; it is not linear nor without its challenges. To deliver on both our financial and sustainability targets, we prioritise efficiency and prudence in our operations. This includes being a trusted partner to our customers, investing in the right projects with strong fundamentals, optimising our business processes, and ensuring that we are positioned to act swiftly as conditions change. Our early commitment to our CO_2 roadmap and footprint will make our business more competitive and resilient to the ever-changing world we operate in, while benefiting customers and the climate alike.

Partnering key to long-term success

Businesses and industries are in transformation mode, expecting renewable electricity to help them achieve their climate targets and meet customer demand. Collaboration across industries is key to create value chains and models that deliver affordable and competitive products and services, produced and delivered using renewable energy. Building the energy system of the future requires significant investments. The profitability challenges in today's uncertain environment call for innovative approaches. Vattenfall collaborates across value chains, and we have several extensive partnerships underway, such as with Copenhagen Infrastructure Partners on the IJmuiden Ver Beta tender. Synchronised investments in supply and demand can manage risk and drive progress by both decreasing project risk and supporting industries in their decarbonisation journey.

Navigating complexity with strategic focus

Our integrated business logic and diversified portfolio have served us well, acting as a natural hedge, positioning us to better manage risks and maintain resilience. We accelerated our efforts to strengthen our resilience and profitability this year. Being prudent with investments, only investing in line with our strategic priorities and when it gives us a competitive advantage, will continue to be a top priority for us. We will also continue to work on efficiencies within the business to reach operational excellence. This includes reviewing common processes to leverage synergies as well as the potential of AI. Operational excellence is key. Reflecting on 2024, we can take pride in completing key projects, delivering on our financial and strategic targets, and advancing sustainability goals. These achievements highlight our unwavering commitment to reaching net zero throughout our value chain by 2040. Climate change is the most important issue of our time, and it is our collective responsibility to work towards a safe, livable world for future generations.

Guiding customers through the energy transition

In 2024, customer service continued to be a primary focus area. We enhanced our customer support by expanding our digital services, including the "Mijn Vattenfall" portal and the Energy app, which allows customers to easily manage their energy accounts and access real-time information. In uncertain and expensive times, it is more important than ever to provide people with reliable and accurate information on their energy consumption and associated costs. Our chatbot, Nina, offered quick responses to common queries, while our dedicated customer service team was available via phone, email, and WhatsApp to address more complex issues. Through proactive communication and customer support initiatives, we guided our customers with transparency and reliability, reinforcing our position as a trusted energy partner during these turbulent times.

Important events in 2024

Renewi's green gas makes Vattenfall's gas mix more sustainable

Vattenfall and Renewi, a leading waste-to-product company, have initiated a new partnership. Vattenfall will purchase more than 7.5 million m^3 of green gas annually from Renewi. The green gas, made from food waste, is added to the regular Dutch gas network, where it mixes with natural gas. This process makes the gas mix less GHG emission-intensive and reduces waste, making it more sustainable.

Winning of tender for offshore wind farm IJmuiden Ver Beta

Wind farm IJmuiden Ver Beta will have a capacity of 2 GW, and a floating solar farm with a capacity of 50 MW will be built between the wind turbines. To meet the system integration obligation, an electrolyser will be constructed in the port of Rotterdam to convert part of the electricity from the wind farm into green hydrogen. By combining wind, solar, and hydrogen, this project will create a state-of-the-art energy system. In doing so, we support the further reduction of CO_2 emissions by industry and society, together with Copenhagen Infrastructure Partners (CIP).

Last turbine for Windplan Blauw wind farm installed

Nearly a year after the start of the installation, the 24th and final nearshore turbine of the Windplan Blauw wind farm has been installed. In 2024, both the onshore turbines and those in the IJsselmeer were completed. Windplan Blauw is a Dutch repowering project by Vattenfall and SwifterwinT, in which 74 turbines in the northern part of the Flevopolder have been replaced by 61 new and more powerful ones. Of these, 24 are located in the IJsselmeer. They replace the 28 turbines of the Irene Vorrink wind farm, which previously stood along the dike. The two rows of GE Cypress 5.5 MW turbines have a combined capacity of 132 MW. The production corresponds to the electricity consumption of 130,000 Dutch households. Vattenfall owns 14 of the turbines.

Vattenfall approved the construction of the Hoofddorp A5 solar farm

In 2024, approval was given for the construction of a solar farm in the municipality of Haarlemmermeer, with construction set to start in 2025. The solar farm will be named Hoofddorp A5 and is expected to be completed in the spring of 2026. The amount of electricity generated by the farm will be equivalent to the consumption of 16,500 households. The farm will be located between the Kagertocht and the A5, within the so-called "zonnecarré", an area with solar fields in the polders near Schiphol. The farm will cover 59 hectares, of which 52 hectares will be used for panels. Nearly 95,000 panels will be installed, with an expected installed capacity of 58.5 MWp. The space between the panels will be sown with a flower-rich mixture. Seven hectares are designated for recreational and educational purposes and will be developed as a public park.

Permits granted for Wind farm Eemshaven-West

The Provincial Executive of Groningen has granted permits for wind farm Eemshaven West, a collaboration between Vattenfall, Drei Meulen Wind BV, and ECOO BV. Construction of wind farm Eemshaven West is expected to start mid-2026, with the first green electricity anticipated in 2027. When fully operational, the wind farm will produce enough electricity to meet the annual consumption of 125,000 to 150,000 households, approximately equal to the number of households in the city of Groningen.

Expanding the E-mobility charging stations

The electrification of transport is another main area where we will support our customers. We continue to extend our e-mobility services and our charging network in The Netherlands, capturing the benefits of scale within the Group and enhancing value for our customers and key partners. In 2024, Vattenfall secured the growth of charging points under its management by winning multiple tenders. Firstly, Vattenfall InCharge won a new tender in 2024 for the provinces Limburg and North-Brabant. In recent years, Vattenfall NV has already installed more than 37,000 public charging points in Limburg and North-Brabant. Under the new tender, this number will grow to 59,000 over the next few years. The municipality of The Hague has also awarded the management and maintenance of its 5,400 public charging points to Vattenfall. Part of the agreement includes the expansion of the network by 3,200 charging points over the next four years. The new charging points are prepared for smart charging technologies and feature easy payment options. Lastly, Vattenfall InCharge will install and manage up to 35,000 public charging points in the provinces of North-Holland, Flevoland, and Utrecht, with two other operators over the next four years. Furthermore, we have introduced new charging solutions in combination with smart energy contracts like 'Slimladen' and 'Voordeelladen'.

Introduction dynamic energy contract FlexPrijs

Starting in 2024, Vattenfall offers FlexPrijs, a dynamic energy contract where the tariff fluctuates with the daily market prices of electricity and gas. This allows customers to align their energy consumption with market prices and plan their usage at the most cost-effective times of the day.

Introduction of fixed feed-in tariffs

In recent years, the number of households with solar panels has grown rapidly. This is good news for the energy transition. However, due to this growth, the costs associated with feeding electricity back into the grid have also increased significantly. These costs were largely borne by customers without solar panels. To better distribute these costs, Vattenfall started charging feed-in tariffs to customers with solar panels who feed electricity back into the grid. As a result, approximately 70% of customers will ultimately benefit compared to the situation without fixed feed-in tariffs. Starting 1 July 2024, Vattenfall customers with a variable contract and solar panels began paying a fee for feeding electricity back into the grid, also known as fixed feed-in tariffs. This also applies to customers with a new fixed contract starting from 1 July. The amount of the fee depends on the number of kWh of solar power fed back into the grid. Customers who feed electricity back into the grid less than 500 kWh will not pay any fixed feed-in tariffs at this time.

Sustainable heat sources of the Diemen heating network

Together with the municipalities of Almere, Amsterdam, Diemen, Ouder-Amstel, and the provinces of Flevoland and North-Holland, we reached an agreement on the desired development of renewable, circular, and low-GHG emitting heat sources for the Diemen heating network. The focus will be on the development of geothermal energy and the use of residual heat, in addition to the use of electric boilers and the conversion of the Diemen power plant to hydrogen. The plans have been documented in a cooperation agreement. Vattenfall takes responsibility for providing our heat customers with reliable, affordable, and sustainable heat The Diemen heating network supplies heat to customers in Amsterdam, Almere, Diemen, and Ouder-Amstel.

Website of the Year category Energy

The Website of the Year competition, an initiative by Emerce, is the annual online public award for the best and most popular websites in The Netherlands. In recent months, the nominated websites received a total of no less than 374,118 votes, leading to two awards per category: the best website and the most popular website. This resulted in Vattenfall's website being chosen by the public as the best in the Energy category. Additionally, we won second place for the most popular website of the year in the same category.

Markets and regulations

Elections on European level in 2024 and new European and Dutch governments in place

Both in European and national markets, policy development is largely influenced by the new European Commission (effective 1 December 2024) and Dutch government (effective 2 July 2024) coming into office. This change in governments delayed the original planning of policies but also created momentum for new policies based on agreements that support the agendas of the European Commission and Dutch government. An important topic is the competitiveness of Europe and green growth. In The Netherlands, the new government was clear on its ambition to reach the 2030 climate goals. The yearly Climate and Energy Outlook of The Netherlands 2024[1] foresees this will be a challenge, so additional policies must be put in place by the government. Greenhouse gas emissions in The Netherlands are projected to decrease by 44%-52% by 2030, relative to 1990 levels, based on adopted and proposed policies. The probability that The Netherlands will reach the climate goal of a 55% emission reduction relative to 1990 by 2030 is less than 5%.

Collective Heat Supply Act

The Ministry of Climate and Green Growth is developing the Collective Heat Supply Act. This law will replace the current Heat Act and aims to accelerate the growth and sustainability of heat networks in The Netherlands. It contains rules on the market model, tariff regulation, sustainability, and security of supply. An important aspect of the legislation is the mandatory majority public ownership of district heating companies, with a transitional period of up to 30 years for existing heat companies. The legislative proposal was sent to the Council of State for advice in November 2023. The Council of State published their advice in April 2024. In October 2024, a roundtable was held in the House of Representatives. The parliamentary debate is expected in Q2 and Q3 of 2025. Vattenfall announced in March 2025 to have started a process to assess the ownership of its district heating portfolio. As part of its continuous portfolio evaluation, Vattenfall will investigate future options for its district heating operations in the UK, Sweden and The Netherlands, including potential divestment.

Energy Act

The Energy Act will replace the current Gas Act and Electricity Act 1998 and includes the implementation of the EU Electricity Directive and aspects of the Dutch Climate Agreement. The Climate Agreement encompasses concrete agreements with stakeholder groups as an interpretation of the Climate Act. The Energy Act includes regulations on transmission system operators and distribution system operators, consumer protection regulations, and data regulations. The legislative proposal was adopted in parliament in 2024, and implementation is now ongoing.

Netting regime will end as of 2027

The netting scheme for self-generated solar electricity will stop on 1 January 2027. Legislation to accomplish this was adopted by Parliament in 2024. From 2027, owners of solar panels will no longer be able to offset self-generated electricity against their consumption.

Support on energy bill for low-income households

The Temporary Emergency Energy Fund is for households with a low income and a high energy bill. The Emergency Fund helps people prevent energy debts. Households receive support from the Emergency Fund for a period of six months. In 2024, 194,033 households submitted an application. Of these, 110,937 applications were approved with an average support amount of EUR 97 per month. Vattenfall was actively involved in the discussions to establish this public-private financed support fund and also contributed to it in 2024.

Grid regulation

The construction of new hydrogen infrastructure and the expansion and reinforcement of electricity infrastructure are crucial for the decarbonisation of the energy system. In 2024, the regulator ACM introduced tariff codes for electricity. These codes allow TenneT and Distribution System Operators (DSOs) to offer non-firm connection contracts to the market. In exchange for less security on grid access, TenneT can provide significant cost reductions. However, the expected increase in grid fees is a concern. Regulator ACM has also begun preparations for the introduction of a feed-in tariff for electricity production installations, which might significantly impact Vattenfall's operations.

Onshore renewables

Onshore renewables (both wind and solar) face an uphill battle in the densely populated Netherlands. The installed capacity of onshore renewables has grown significantly over the last few years. However, local acceptance for onshore renewables has decreased due to competition for spatial planning with agriculture, housing, and infrastructure. These discussions on the onshore potential continued in 2024.

Biomethane blending obligation

At the beginning of 2024, draft legislation for the biomethane blending obligation for energy suppliers was published. The draft legislation was also sent to the European Commission for approval, but this process raised fundamental questions for the Dutch government. Discussions between the Dutch government and the European Commission are ongoing, and by the end of 2024, it was still unclear when the legislation would be sent to the Dutch Parliament.

Our investment plan

Vattenfall NV's investment strategy reflects our ambition to become net zero by 2040. Substantial growth investments are planned in renewable production, with around EUR 961 million allocated for The Netherlands in 2025 and 2026. The plan includes expenditures for the new major offshore project Zeevonk (IJmuiden Ver Beta) in partnership with Copenhagen Infrastructure Partners (CIP). This project includes a 2 GW offshore wind farm, a 50 MWp floating offshore solar farm, and an electrolyser at the Port of Rotterdam to convert electricity into green hydrogen. Vattenfall NV is also investing in solar and battery projects and large-scale onshore wind projects as part of our 'asset owner flexibility' strategy. This strategy involves developing and constructing renewable assets that will be

[1] PBL Netherlands Environmental Assessment Agency: Climate and Energy Outlook of the Netherlands 2024 (The Hague 2024, PBL publication number: 5491); https://www.pbl.nl/system/files/document/2025-01/pbl-2024-climate-and-energy-outlook-of-the-netherlands-2024_5278.pdf

sold or partially divested after completion to free up cash for financing new assets.

Another area where investments are being made is the development of district heating and cooling networks by connecting new customers and areas to our network. In October 2022, the Dutch Ministry of Climate and Green Growth sent a proposal for the Collective Heat Supply Act to parliament. An important point in the proposal is the required future majority of public ownership for new district heating companies and for existing district heating companies after a transition period. Vattenfall NV is discussing with the ministry and municipalities on how investment security can be guaranteed for private heat companies in the coming decades and legal clarity on the future handover of the heat companies. The parliamentary process of the draft Act started in 2025, with an implementation date no earlier than January 1, 2026. Meetings with representatives of the Ministry of Climate and Green Growth have been constructive. Parallel to the discussions with the ministry, the Dutch heat sector had to put specific large investments on hold due to the lack of investment security from the ministry. Despite the uncertainty regarding the ownership of the heat companies, Vattenfall NV continues to invest in the decarbonisation and reliability of the heat sources of the existing heat grids. In Leiden, we are constructing new peak and backup capacity in relation to the Warmtelinq project, a new heat pipe from Rotterdam to Leiden. At the Diemen site, we have built a 150 MWe electrical boiler. At other locations, we are developing renewable and low-carbon heat sources like residual heat from data centres and geothermal heat. For cooling and heating new apartment buildings in the city, we construct thermal energy storage solutions that are also connected to the heat grids for additional heat supply.

Further growth activities include investments in electric vehicle charging stations and decentralised heat solutions. This also includes investments by our subsidiary Feenstra. Besides these growth activities, Vattenfall NV is planning significant investments in the maintenance, modernisation, and replacement of existing assets.

These investments in property, plant, and equipment at Vattenfall NV are funded as much as possible from operational earnings. Additionally, the partial sale of wind farms frees up cash that is used for investments in newly constructed wind farms or other property, plant, and equipment. Investment planning within Vattenfall AB is done centrally, including securing financing for these investments through partnerships and issuing green bonds. Vattenfall AB ensures that sufficient funds are available to Vattenfall NV by providing credit facilities or making capital contributions when necessary. In 2023, Vattenfall AB provided a loan of EUR 470 million to Vattenfall NV for the construction of wind farm Hollandse Kust Zuid. For more information, please refer to the Vattenfall AB Annual and Sustainability Report 2024.

Operational performance

Our operational results in 2024

EBIT (earnings before interest and taxes) increased from EUR 792 million in 2023 to EUR 1,179 million in 2024. The table below shows the EBIT per segment for 2024 compared to 2023 and includes the impact of items affected by market price volatility:

Amounts in EUR million, 1 January-31 December	**2024**	**2023**
Customers (Electricity, Gas & Heat), Heat Grids & Projects, Staff	183	101
Production (Wind and Heat Condensing Generation)	273	280
Markets	723	411
Operating profit/(loss) (EBIT)	**1,179**	**792**
Items affected by volatility of market prices		
Unrealised fair value gain/loss power and gas contracts	1,299	870
Provision onerous fixed-price customer contracts	0	351
Hedge result gas, electricity and CO_2	-569	-848
Other commodities (Guarantees of Origin)	-52	0
Revaluation of gas stock	75	-52
Total Items affected by volatility of market prices	753	321
Operating profit (EBIT) excluding items affected by volatility of market prices	**426**	**471**

The volatility of market prices had substantial impact on this increase of EBIT. The unrealised positive price development on our power and gas contracts had a positive contribution to EBIT in 2024. The unrealised positive price developments for power contracts were much lower compared to 2023 due to decreased prices, while the deviation for gas and CO_2 emission rights was positive due to increased prices. Revaluation of gas stock in the gas storages also has a positive contribution due to increased prices in 2024. The unrealised positive price development on our power contracts had a positive EBIT-contribution in 2023, partly offset by unrealised negative price developments on our gas contracts and CO_2 emission rights in 2023. EBIT in 2023 also included the release of the provision for onerous contracts. Other effects due to price developments are a negative hedge result for power, gas and CO_2.

Our business activities which are servicing our heat and cooling customers (Heat Grids & Projects) present a decreased EBIT-contribution, mainly due to warm weather. In the Rotterdam area we have incurred additional costs due to the temporary renting of heat boilers due to the fire at the AVR waste incinerator plant, our main heat supplier in the Rotterdam area. For our heat activities an annual statement has been prepared based on the existing Heat Act and the underlying ministerial regulations and decisions, which require preparation of separate financial information for each heat supply company as per 1 January 2014. Furthermore, these regulations require heat supply companies to publish an annual statement of their financial information. With this annual statement Vattenfall Warmte NV fulfils this obligation. This statement can be found at page 77 of this annual report. Regulated EBIT of Vattenfall Warmte NV decreased from EUR 9.8 million positive in 2023 to EUR 13.8 million negative in 2024, while the Return On Investment (ROI) decreased from a positive 3.1% in 2023 to a negative 4.1% in 2024. The business activities which are servicing our electricity and gas customers (including E-mobility) present an increased EBIT in 2024 because the margins in both the business and consumer market have improved, but this also includes incidental effects. The consumer market present positive price effects offset by negative volume effects due to warm weather and continuous focus on energy savings by our customers. The costs have increased mainly due to higher costs of staff, offset by lower outsourcing costs.

The production segment had a lower result compared to the previous year. Power plants in The Netherlands were affected by lower clean spark spreads despite high availability. Wind results benefited from higher volumes due to the commissioning of wind farm Hollandse Kust Zuid. The volatility of market prices had the largest impact on Markets.

An unrealised fair value gain on power and gas contracts[2] of EUR 1,299 million (2023: gain EUR 870 million) has been recognised in 2024. The gain in power of EUR 704 million is mainly due to the realisation of power hedges with negative fair values built up in prior periods and the related derecognition of the fair values leading to a positive fair value result in 2024. The gain in gas of EUR 595 million is mainly due to increased fair values for gas hedges as a result of increased gas prices as well as due to the realisation of gas hedges with negative fair values built up in prior periods and the related derecognition of the fair values leading to a positive fair value result in 2024. The release of provision for onerous contracts related to contingent losses from pending transactions from fixed price contracts with customers led to a gain of EUR 351 million in 2023, while the impact for 2024 is nil.

Other effects due to price volatility are a negative hedge result for power, gas and CO_2 of EUR 569 million (2023: EUR 848 million loss) due to lower average spot prices for electricity more in line with the increased hedge prices in combination with increased hedge volumes. For gas and CO_2 hedges the impact is more negative compared to 2023 due to decreased average spot prices while hedge prices have increased in combination with increased hedge volumes. Vattenfall NV does not apply hedge accounting. Revaluation of gas stock in the gas storages has a positive effect of EUR 75 million due to higher spot prices and therewith presenting a steeply improved result compared to 2023 (loss EUR 52 million). The deteriorating performance of the gas portfolio (2024: gain EUR 48 million vs 2023: gain EUR 173 million) has a negative effect. Lower trading result on biomass (2024: gain EUR 2.0 million vs 2023: gain EUR 19.5 million). There is a less negative effect in 2024 from power sourcing related to volatile market prices and increasing imbalance costs for wholesale customers (2024: loss EUR 66 million vs 2023: loss EUR 83 million million).

In 2022, the European Commission implemented a price cap for inframarginal power generation technologies, including nuclear, lignite, and most renewables, with exceptions for some types of hydropower, biomass, and biogas. The Dutch government decided to set the inframarginal cap at 130 EUR/MWh. The calculation is done monthly for the period that the regulation applies (December 2022 until June 2023). The relevant market prices are average Day Ahead prices. The settlement will take place in 2025. The difference between the recognised amounts at the end of 2023 and the amounts based on the agreed settlement method is negligible.

Customers & Solutions

Vattenfall's Customers & Solutions business provides electricity, heat, gas, and energy services to retail and business customers. Following the sale of the heat business in Berlin to the State of Berlin in May 2024, the former Business Areas Heat and Customers & Solutions merged into a new Business Area, Customers & Solutions, in 2024. The heat operating segment consists of the heating and condensing businesses, serving district heating customers in The Netherlands. Vattenfall NV is a market leader in The Netherlands with 3.5 million electricity and gas contracts, 271,000 housing equivalent heat customers, and 1.6 TWh of heat delivered. With this, Vattenfall NV supplies both the retail and business segments of energy sales in The Netherlands. Our subsidiary Feenstra installs heat boilers and heat pumps and services approximately 1.0 million contracts. Customers & Solutions also provides e-mobility charging solutions for homes, businesses, and public charging in towns and cities across our Dutch market. In The Netherlands, Vattenfall NV has around 40,000 charging points. Customers & Solutions aspires to be the partner of choice and support our customers with solutions to help them decarbonise. In addition to providing customers with renewable electricity options across markets, we are actively investing in our heating decarbonisation offerings like heat pumps for B2C customers and developing solutions for and with our B2B customers. Our heat operations offer attractive and reliable heat supply.

[2] no hedge accounting applied; own-use exemption applied for to a limited extend for Wind PPA/cPPA

Energy prices continued to decline in 2024. Customers are becoming increasingly aware of their energy consumption and demand more transparency and control over their real-time usage, leading to an increase in dynamic tariffs and digitalised or in-app insight capabilities. The experience and expertise of Customers & Solutions is used to support vulnerable customers who have difficulties paying their bills. Therefore, Vattenfall contributed to the Emergency Fund in 2024.

We provide a wide range of smart, data-driven, and decentralised energy solutions (e.g., solar panels) and services to retail and business customers. We offer flexibility services that help customers optimise their energy consumption and contribute to balancing the energy grid. We focus on decentralised generation (particularly solar panels and heat pumps) through our subsidiary Feenstra. We continue our efforts within the electrification of transport and industry as well as decarbonisation. We leverage Vattenfall's renewable electricity production to offer a diversified commodity portfolio that covers an increasing share of renewable electricity and its connected Guarantees of Origin. To stay competitive, our focus is on stabilising our customer base while reducing the cost to serve. Vattenfall strives to optimise the customer experience by accelerating digitalisation, offering bundled and integrated solutions, and supporting our customers in their energy needs of today and the future. We are increasing our fossil-free electricity share and investigating methods to secure additional fossil-free electricity certificates. We secured our first biomethane offtake contracts in The Netherlands. As electrification progresses, we are increasingly developing and offering flexibility solutions to empower our business and customers to use their energy efficiently.

Our retail customer base in The Netherlands slightly decreased during the year. The market remains volatile and risky given developments in the wholesale market and energy savings. The consumer market was affected by price competition in the first half of the year, but Vattenfall NV continued being a partner for our customers. Our overall absolute Net Promoter Score (NPS) rolling 12-month average for the Vattenfall NV consumer market in The Netherlands increased. Customers gave us a higher rating compared to 2023. We improved on quality and sales. In general, this is a very stable and satisfying performance. There are some vulnerabilities inside and outside our circle of influence. The introduction of feed-in tariffs for customers owning solar panels added additional complexity to the energy landscape. Our churn is below the market churn mainly due to our strong attention, reward, and appreciation for our loyal customer base. The Dutch market churn increased from 14.7% in 2023 to 15.8% in 2024. Customers are increasingly demanding renewable electricity. The electricity supply mix to our consumers in The Netherlands reached 100% renewable sources of Dutch origin, making us one of the suppliers with the highest share of Dutch renewable sources in the retail market. We aim to offer 100% Dutch Guarantees of Origin (GoO)-certified electricity to B2C customers in The Netherlands in the coming years as well.

In 2024, we initiated several new propositions (e.g., TijdPrijs, FlexPrijs). In Q4, the new adjusted Breakfree campaign was launched to further strengthen our brand values. Political developments and market conditions have a major impact on current sales and expected sales of heat pumps and solar panels for our subsidiary Feenstra. The installation of heat pumps is stagnating. We are exploring options to secure biomethane in The Netherlands in response to the expected Dutch biogas blend-in obligations and to help our customers to decarbonise their gas consumption. As society is being electrified, we are increasingly offering flexibility solutions to empower our customers to use their energy efficiently. Our existing customer apps enable customers to see consumption and energy prices in real time. In The Netherlands, we are introducing smart charging to enable our customers to charge during off-peak times and reduce their overall energy costs.

Competition in both the commodities and e-mobility business remains fierce. By securing supply through early investments and expanding our business across the value chain, we aim to stay ahead of the competition and continue meeting our customer demands. We are working to make the energy transition more attainable for all, which includes accessibility and social responsibility. We continuously investigate meaningful ways to make the transition more inclusive as we continue our efforts towards a just transition. Concrete actions in our billing process are implemented to help customers by offering them various solutions, such as choosing their own payment date and payment arrangements, to prevent increasing debts. Municipalities are obliged to follow up on these signals, as well as signals from housing corporations, water suppliers, and health insurers. We work together with all municipalities in The Netherlands for early signaling of debts. Vattenfall NV worked closely with the Dutch Municipalities Organisation (VNG), debt relief organisations, and the Ministry of Social Affairs to increase the possibilities of sharing debt signals from our customers and thus prevent forced disconnection of energy supply. We also work closely with over 1,000 Vattenfall Verlicht partners. Another example is our cooperation with Geldfit and Geldfit for Business, an initiative to support, advise, and connect customers to financial support.

Total volumes of sold electricity and gas in the consumer market (Vattenfall NV consumer market, DELTA Energie, powerpeers) and business market increased for both electricity (5.4%) and gas (6.5%) compared to 2023. Net sales decreased mainly due to lower electricity and gas prices in The Netherlands, partly offset by increased gas volumes for the business market. In the consumer market less gas was sold due to warm weather in 2024 compared to 2023 and realised energy savings by our customers. The Declaration of Compliance with the Code of Conduct for

Suppliers and Metering companies operating under their responsibility is included in the section Other Information.

The district heating supply to our heat customers relies on the heat from large heat production sources like Combined Heat and Power installations (CHPs) owned by Vattenfall NV, as well as other producers like Uniper and heat from waste incinerator plants, such as AVR in Rotterdam and Arnhem or AEB in Amsterdam. For Vattenfall NV, decarbonising our heat operations follows our ambition to reach net zero by 2040. We continue our efforts to replace fossil fuels with renewable and low GHG emission alternatives. We have widened our portfolio to include technologies like e-boilers, additional third-party heat infeed (TPI), thermal energy storage systems, geo and aqua thermal heat sources, and power-to-heat solutions. We supply heat to both B2B and B2C customers, including large private and publicly owned property companies and households. We are involved in partnerships with cities for the realisation of carbon reduction plans and with companies to integrate a higher share of renewable third-party heat sources.

The heat operating segment also includes Vattenfall's condensing power plants, consisting mainly of gas-fired power plants in The Netherlands. Vattenfall NV does not own any operational coal-fired plants. We closed our last coal fired power station in 2019. The dismantling of the coal-fired power plant Hemweg 8 is progressing with the aim of redeveloping the site into a sustainable energy transition hub for the production, conversion, and storage of heat, power, and hydrogen. Part of the land was sold to the Port of Amsterdam in 2024.

In The Netherlands, we are investigating the feasibility of lowering heat network temperatures. This would minimise heat losses and enable the integration of more renewable third-party heat sources, as most excess heat is supplied at lower temperatures than conventional power plants and waste incinerators. We aim to grow our customer base by connecting additional newly constructed buildings to both new and existing heat networks and by implementing smart hybrid and decentralised low-carbon heating and cooling solutions. This ensures a reliable heat supply, enabled by digitalised operation.

District heating systems remain crucial for decarbonising buildings and integrating sustainable energy sources like geothermal, biofuels, and excess heat, as they reduce reliance on natural gas and reduce pressure on the electricity grid. New large-scale heating networks for existing buildings in residential areas were paused in The Netherlands due to market conditions, also by Vattenfall NV, although local district heating tends to be highly competitive and efficient compared to individual heating solutions like oil or gas boilers and heat pumps.

The total produced electricity amounted to 6.7 TWh in 2024 (2023: 7.0 TWh) by our gas-fired power plants in The Netherlands. The decrease in production was also affected by the sale of the gas-fired power plant in Eemshaven on January 31, 2023. Our remaining gas-fired power plants had good availability, but clean spark spreads were lower compared to 2023. The number of heating customers, measured in dwelling equivalents, increased to 271 thousand in 2024 (2023: 262 thousand). Total sold heat amounted to 5.7 PJ in 2024 (2023: 5.5 PJ), and total realised CO_2 reduction in 2024, compared to 2023, was around 223,000 tons CO_2 (2023: 240,000 tons CO_2).

The Annual Statement 2024 in the framework of the Heat Act is presented in the section Other Information. An overview of energy sources of the heating networks and the environmental impact is presented in the district heating label (Other Information) and is also published on www.vattenfall.nl.

Our EV charging infrastructure continues to grow strongly. Significant progress was made within public charging, having won three concessions in The Netherlands during the first months of the year. Vattenfall InCharge is one of the top two players for operating charging points in The Netherlands, with a 15% (2023: 12%) market share.

Throughout 2024, the pace of public station installations operated by Vattenfall InCharge in The Netherlands increased to an average of 100 new stations per week, leading to stable and successful growth in four Dutch provinces: North-Brabant & Limburg with over 12,900 charging points (CPs) successfully reached by the end of 2024, and Gelderland & Overijssel with approximately 3,200 new alternating current (AC) points achieved during 2024. This proactive rollout was the result of close collaboration with the provinces, the individual municipalities in these provinces, the grid companies involved, and the installer companies. Additionally, we successfully submitted and won three additional tenders with exciting plans starting in 2024: namely, BraLi3, The Hague, and MRA-e (consisting of three provinces in The Netherlands: North-Holland, Utrecht, and Flevoland excluding Amsterdam & Utrecht). For The Hague, this meant that we took over approximately 5,500 charging points from one of our competitors in 2024. With Vattenfall InCharge, we will install approximately 35,000 charging points in four years' time together with other selected parties. The exact number of charging stations for the three won tenders depends on the pace of installations and could be more or less than planned.

In 2024, Vattenfall and Tata Steel entered into discussions to explore potential solutions regarding their cooperation, including the possible transfer of three gas-fired power plants—IJmond 1, Velsen 24, and Velsen 25—located on and near Tata Steel's site in IJmuiden. These plants utilise residual gases from Tata Steel's production processes to generate electricity, which is supplied to Tata Steel. The talks follow the upcoming expiration of the existing contract at the end of 2025 and reflect both parties' exploration of long-term solutions.

Planned Activities for Customers & Solutions

- Expand fossil-free electricity offering and continue developing the portfolio of energy solutions.
- Expand flexibility offering to give customers control over how and when to consume energy, reduce costs, integrate decentralised energy solutions, and balance the grid.
- Further expansion of low-carbon heat infrastructure; geothermal heat sources in The Netherlands.
- Growth in powering electrified transport by expanding our public charging network.
- Continue to work with governments to address the impacts of incoming regulations and address the concern regarding affordability of sustainable solutions and facilitate a fairer distribution of costs and benefits.
- Finalise the strategic evaluation of potential solutions for the future of the IJmuiden based power plants.

Wind

Wind is responsible for the development, construction, and operation of Vattenfall's wind farms, as well as large-scale solar power and batteries. Vattenfall's ever-growing renewables operations in northwestern Europe are key to achieving a sustainable energy system and form the backbone of widespread electrification of society. Vattenfall NV is one of the producers of onshore and offshore wind power in the Netherlands.

Vattenfall NV has innovative solutions in solar and batteries, such as co-location of these technologies. In the spring of 2024, we commissioned the Hollandse Kust Zuid wind farm, which has enough capacity to supply electricity to 1.5 million Dutch households. We also commissioned the onshore and nearshore wind farm Windplan Blauw. In 2024, we continued to expand our efforts within large-scale solar photovoltaic (PV) energy production in the Netherlands.

The energy market remained uncertain during 2024 due to political elections in the Netherlands and the European Union, presenting a mixed picture regarding meeting decarbonisation targets and national pathways. Simultaneously, wind development costs continued to increase. Decreasing electricity prices led to reduced investments industry-wide, slightly offset by decreasing interest rates. At the same time, global demand for electricity is expected to increase by up to one third by 2030, with renewable energy set to dominate long-term expansion. Battery storage solutions experienced high growth due to the increased need for flexibility in the European energy grids. Additionally, interest rates are coming down, allowing for more investments.

We accelerate Vattenfall's journey towards becoming net zero by 2040 through the power of renewables. By developing, constructing, and operating offshore and onshore wind farms, as well as large-scale solar PV with co-located batteries, we deliver renewable electricity to our customers and partners.

In offshore wind, our mid-term strategic priority is to deliver project Zeevonk in the Netherlands. Zeevonk is a joint venture of Vattenfall and Copenhagen Infrastructure Partners (CIP), which has been awarded a permit to build IJmuiden Ver Beta in the Netherlands. The project includes a 2 GW offshore wind farm, 50 MWp floating offshore solar capacity, and 1 GW system integration, including a large-scale electrolyser at the Port of Rotterdam, which will convert electricity into green hydrogen. When operational, the project will generate state-of-the-art integrated energy, supporting further industry decarbonisation through green hydrogen and supplying electricity.

In onshore wind, we balance our renewable growth ambitions with industry decarbonisation needs. For solar and batteries, we believe that hybrid development of large-scale solar and co-located batteries is the "new normal" to increase resilience and protect against lower prices.

We operate a portfolio of wind turbines with a total commissioned capacity of approximately 2.02 GW (2023: 1.24 GW) in the Netherlands. In 2024, the construction of Windplan Blauw (77 MW) and Hollandse Kust Zuid (1.5 GW, 50.5% ownership) was finalised. In addition to wind power, we operate solar power (PV) technology and battery storage. We now operate/own 65 MW (2023: 82 MW) of solar power, comprising decentralised and large-scale projects. Kooypunt and Echteld-Spoorstraat are already in operation. We have installed 24 MW (2023: 24 MW) of battery capacity in the Netherlands. In 2024, the development of our large-scale solar PV and battery storage pipeline continued. Simultaneously, construction continued for the three Dutch solar projects Echteld (12.8 MW) (fully commissioned in 2024), Goirle (14.5 MW), and Sas van Gent (19 MW) with an expected commissioning in the first months of 2025.

Regarding onshore wind, solar, and batteries, Vattenfall NV has an 'asset ownership flexibility' strategy. This 'asset ownership flexibility' strategy implies that Vattenfall NV is developing and constructing onshore wind and solar farms that will be sold or partially divested after completion to free up cash for the financing of new projects.

Planned Activities for Wind

- Collaborate with suppliers to mitigate supply-chain challenges.
- Foster partnerships with industries for decarbonisation and a just transition.
- Implement and enhance sustainability criteria in procurement tenders.
- Evaluate environmental impacts, mitigation, and biodiversity enhancement of wind and solar farms through our Environmental R&D program.
- Engage and inform decision-makers and relevant stakeholders on renewable energy risks and opportunities to facilitate a swift transition in a sustainable (environmental, social, and economic) manner.
- Enhance health and safety practices for both physical and mental well-being.

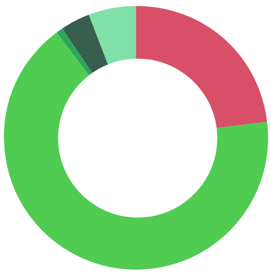
Fuel Mix supply

Electricity suppliers in The Netherlands are required by law to publish the fuel supply mix of the electricity they supply to customers. Our supply mix is shown in the figures below, illustrating that the share of renewable electricity in 2024 was 76.6%. The share of renewable electricity represents the number of Guarantees of Origin used for green electricity supplied to end-customers.

From January 2020 onwards, electricity suppliers must disclose their complete supply mix ("full disclosure"), which means they must not only cancel Guarantees of Origin for renewable sources but also Certificates of Origin for other sources, for the complete quantity of electricity supplied to their end-customers. Their fuel supply mix is based on the percentage of the different types of Guarantees of Origin and Certificates of Origin used in that activity.

Our supply mix is shown in the figures below, illustrating that the share of renewable electricity increased by 9.5% from 67.1% in 2023 to 76.6% in 2024. The share of renewable electricity represents the number of Guarantees of Origin (GoO) used for green electricity supplied to end-customers. The electricity supply mix to our consumers in The Netherlands reached 100% renewable sources of Dutch origin, making us one of the suppliers with the highest share of Dutch renewable sources in the retail market. More information and definitions are published on www.vattenfall.nl/stroometiket.

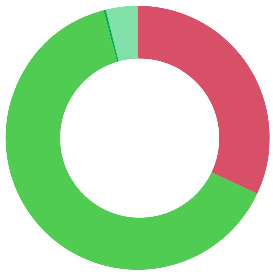
Fuel mix energy supply Vattenfall NV



- 23.4% Natural gas (32.9%)
- 66.9% Wind (53.2%)
- 0.3% Hydro (0,5%)
- 3.8% Biomass (5.1%)
- 5.6% Solar (8.3%)

Fossil-based energy	23.4%
Renewable energy	76.6%
CO_2 emissions rate	89.2 g/kWh
Radioactive waste rate	0.00000 g/kWh

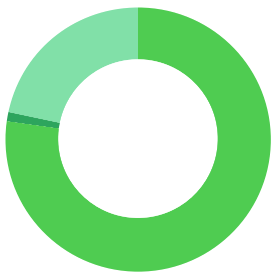
Fuel mix energy supply business market



- 33.1% Natural gas (48.1%)
- 66.1% Wind (50.2%)
- 0.1% Hydro (0.4%)
- 0.0% Biomass (0.3%)
- 0.7% Solar (1.0%)

Fossil-based energy	33.1%
Renewable energy	66.9%
CO_2 emissions rate	125.7 g/kWh
Radioactive waste rate	0.00000 g/kWh

Fuel mix energy supply consumer market



- 77.6% Wind (67.4%)
- 0.7% Hydro (1.0%)
- 21.7% Solar (31.6%)

Fossil-based energy	0.0%
Renewable energy	100.0%
CO_2 emissions rate	0.0 g/kWh
Radioactive waste rate	0.00000 g/kWh

Fuel mix energy supply powerpeers

- 47.2% Wind (57.1%)
- 21.1% Hydro (14.1%)
- 31.7% Solar (28.8%)

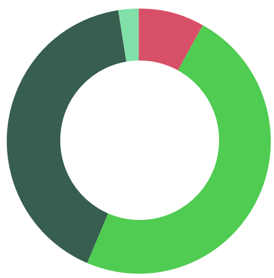
Fossil-based energy	0.0%
Renewable energy	100%
CO_2 emissions rate	0.0 g/kWh
Radioactive waste rate	0.00000 g/kWh

Fuel mix energy supply Delta Energie

- 69.5% Wind (38.0%)
- 15.0% Biomass (35.2%)
- 15.5% Solar (26.8%)

Fossil-based energy	0.0%
Renewable energy	100.0%
CO_2 emissions rate	0.0 g/kWh
Radioactive waste rate	0.00000 g/kWh

Full mix energy supply Vattenfall Energy Trading Netherlands



- 8.3% Natural gas (10.6%)
- 48.3% Wind (43.9%)
- 40.9% Biomass (45.5%)
- 2.5% Solar (0.0%)

Fossil-based energy	8.3%
Renewable energy	91.7%
CO_2 emissions rate	31.5 g/kWh
Radioactive waste rate	0.00000 g/kWh

Financial Performance

Income statement

The table below shows the results for 2024 compared to 2023.

Amounts in EUR million, 1 January-31 December	2024	2023
Net sales	4,980	7,510
Cost of purchases	-2,750	-5,758
Gross Margin	**2,230**	**1, 752**
Other external expenses	-427	-381
Personnel expenses	-401	-364
Other operating incomes and expenses, net	65	13
Participations in the results of associated companies	4	6
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	**1,471**	**1,026**
Depreciation, amortisation and impairments	-292	-234
Operating profit (EBIT)	**1,179**	**792**

Net sales

Net sales decreased by 33.7% to EUR 4,980 million in 2024. The gas and electricity prices settled with our customers have decreased in 2024 compared to 2023. Electricity volumes have increased compared to 2023, mainly due to the sale of electricity generated by wind farm Hollandse Kust Zuid to our partner BASF and increased volumes to large clients and business customers. The gas volumes sold to our business customers were higher in 2024 due to an increase in contracted customers, while the gas volumes sold to our retail customers were lower compared to 2023 due to warmer weather and a continued focus on energy savings by our customers.

Gross margin

In 2024, the gross margin increased steeply to EUR 2,230 million. The gross margin is also in 2024, like in 2023, affected by volatility of market prices (for a detailed explanation refer to the paragraph 'Operational Performance' on page 7). A net unrealised fair value gain on mainly power and gas forward contracts of EUR 1,299 million (2023: gain EUR 870 million) has been recognised in 2024. The release of the provision for onerous contracts resulted in a gain in 2023 of EUR 351 million, while there was no release of this provisions in 2024. An unrealised fair value loss of EUR 52 million is mainly related to guarantees of origin (loss EUR 51 million) and includes a fair value loss of EUR 1 million for credit and debit valuation adjustments. Other effects due to price volatility are a less negative hedge result (2024: loss EUR 569 million vs 2023: loss EUR 848 million) for gas, CO_2 and power hedges due to lower average spot prices for electricity more in line with the increased hedge prices. For gas and CO_2 hedges the impact is more negative compared to 2023 due to decreased average spot prices while hedge prices have increased. Vattenfall NV does not apply hedge accounting. The revaluation of gas stock in the gas storages has a positive effect due to higher spot prices (2024: gain EUR 75 million vs 2023: loss EUR 52 million). The deteriorating performance of the gas portfolio is due to decreased selling of hedges and lower result of using gas storages, partly compensated by less negative weather effects. Power sourcing has a less negative effect related to volatile market prices and increasing imbalance costs for wholesale customers. The commissioning of offshore wind farm Hollandse Kust Zuid has increased the production of electricity substantially, but wind farm yielded lower electricity prices in 2024. The gross margin of Wind was negatively affected by a revaluation of Windplan Blauw. The revaluation is due to usage of the assets and reassessment of the project assumptions. The gross margin for district heating is stable despite lower volumes due to warmer weather. The power plants present lower results due to lower clean spark spreads, despite a high availability.

Other external expenses

Operating expenses increased by 12% to EUR 427 million in 2024. The increase is mainly due to increased staffing and increase of activities in our support functions, E-mobility, consumer and business market and in the heat and wind segment the latter due to Hollandse Kust Zuid becoming operational and write-off charges of wind farm design due to discontinued offshore projects. For the costs incurred to execute the price cap arrangement for the government and our customers, a separate compensation was received in 2023, that was deducted from the other external expenses in 2023 and for small amount passed through to 2024 (covering activities in 2024 for the price cap model). Our subsidiary of Feenstra presents higher operational costs from business activities. Operational costs increased due to wage indexations from collective labour agreements and an increase in FTE in operations. At the same time, overhead costs were significantly lower due to realised savings. The heat segment experienced a cost increase due to the renting of temporary heat boilers in the Rotterdam area and increased maintenance costs related to overhauls of our power plants.

Personnel expenses

The total number of FTE increased to 4,130 at the end of 2024, up from 3,932 at the end of 2023. Part of this growth was related to the consumer and business market to service our customers. E-mobility also saw growth due to tenders won. There was also an increase in operational staff for Feenstra due to the ongoing need for technicians. The development of wind projects, such as project Zeevonk, required additional staff, and support functions also grew to service the increase in activities in the operating segments. The expansion of our heat grids required more staff as well

Other operating income and expenses, net

The other income and expenses of EUR 65 million in 2024 consists of a recognised claim of EUR 44 million to our supplier Siemens due to lower availability of project Hollandse Kust Zuid than agreed. The sale of part of the land at Hemweg power plant resulted in a capital gain of EUR 17 million. The remaining amount of EUR 4 million mainly consists of dunning fees and capital losses on equipment which is slightly lower compared to the amount in 2023 (EUR 7 million). In 2023 a capital loss and a compensation payment of net EUR 6 million was recognised for the damage to a monopile of wind farm Hollandse Kust Zuid caused by the cargo vessel Julietta D in January 2022.

EBITDA

EBITDA (earnings before interest, taxes, impairment, depreciation, and amortisation) increased from EUR 1,026 million in 2023 to EUR 1,471 million in 2024. A net unrealised fair value gain on power and gas contracts of EUR 1,299 million (2023: gain EUR 870 million) was recognised in 2024. The gain in power of EUR 704 million was mainly due to the realisation of power hedges with negative fair values built up in prior periods and the related derecognition of fair values, leading to a positive fair value result in 2024. The gain in gas of EUR 595 million was mainly due to increased fair values for gas hedges as a result of increased gas prices, as well as the realisation of gas hedges with negative fair values built up in prior periods and the related derecognition of the fair values, leading to a positive fair value result in 2024.

In 2023, there was a gain in power of EUR 1,688 million, mainly due to a net short position resulting from hedges for production assets and hedges for sourcing the customers' business with decreasing market prices. The loss in gas of EUR 576 million in 2023 was mainly due to the realisation of gas hedges with positive fair values built up in prior periods and the related derecognition of the fair values, leading to a negative fair value result in 2023. An unrealised fair value loss of EUR 52 million was mainly related to guarantees of origin. A positive effect in 2023, which was zero for 2024, was related to the release of the provision for onerous contracts related to contingent losses from pending transactions from fixed contracts with customers, leading to a gain of EUR 351 million.

Other effects due to price developments include a negative hedge result for power, gas and CO_2 (2024: loss EUR 569 million vs 2023: loss EUR 848 million) and a positive impact from the revaluation of gas stock in storage (2024: gain EUR 75 million vs 2023: loss EUR 52 million). The higher EBITDA contribution for Wind was related to the commissioning of the Hollandse Kust Zuid wind farm, which led to increased production for Wind, partly offset by lower electricity prices compared to 2023. Operational expenditure for Wind increased due to Hollandse Kust Zuid becoming fully operational and due to write-off charges of wind farm design due to discontinued offshore projects. The claim on our supplier Siemens for lower availability of project Hollandse Kust Zuid and the claim on Tennet for reduced capacity of the export cable were offset by the negative impact of the revaluation of wind farm Windplan Blauw. The revaluation was due to the usage of the assets during the lifetime of this project and reassessment of the assumptions for this project.

Our district heating business had a stable gross margin, despite lower volumes due to warm weather. In the Rotterdam area, we incurred additional costs due to the temporary hiring of heat boilers.

EBIT

EBIT (earnings before interest and taxes) increased from EUR 792 million positive in 2023 to EUR 1,179 million positive in 2024. The price volatility has a positive impact of EUR 432 million (2024: gain EUR 753 million vs 2023: gain EUR 321 million) on this increase of EBIT as highlighted already in the table on page 7 ('Our operational results in 2024').

Depreciation, amortisation and impairments increased from EUR 234 in 2023 to EUR 292 million in 2024. The main reason for the increase is the commissioning of wind farm Hollandse Kust Zuid. The potential divestment of the power plants in Velsen has a positive effect because the depreciation of the plant stopped per June 30th. The regular depreciation increased in 2024, mainly due to executed maintenance and growth investments in Heat. The depreciation values for Feenstra, IT and Markets are in line with previous years while the depreciation charges for intangible fixed assets in the consumer market (including Delta Energie B.V.) are only slightly lower due to a lower amount of acquired contracts in 2024 and previous years due to high energy prices and the COVID-19 pandemic. Depreciation charges for our real estate business are lower compared to previous years.

To summarise: the operating profit (EBIT) excluding items affected by volatility of market prices is EUR 426 million (2023: EUR 471 million) and has decreased mainly due to a lower EBIT-contribution from the heat and markets segment, partly compensated by a substantial higher contribution from the consumer and business market and the wind-segment.

Balance sheet

Non-current assets

Non-current assets decreased by 7% to EUR 4,982 million at the end of 2024. The majority of the amount presented in non-current assets is related to property, plant and equipment. The investments in the Hollandse Kust Zuid wind farm have continued in 2024, but at a much lower level than 2023 and the depreciation value is now much higher compared to 2023 due to the commissioning of Hollandse Kust Zuid during the course of 2023. The investments in E-boiler Diemen which started in 2022 are at the same level in 2023 and 2024. The construction of a heat peak-and-back-up installation and the connected heat grid in Leiden was started up in 2024. The contributions in associates and joint-ventures have increased due to contributions to project Zeevonk and wind farm Windplan Blauw. The decrease of other non-current receivables is due to a granted loan to wind farm Windplan Blauw now fully reclassed to current assets, while the loan to joint venture Westpoort Warmte is granted for a longer period and therefore is classified under non-current assets. The position of derivatives has decreased further related to the unrealised (net) fair value gain on power and gas forward contracts due to increased market prices for gas and decreasing market prices for electricity. Deferred tax assets decreased primarily due to changes in trade derivatives positions and hedge transactions, representing the difference between the carrying amount and tax base. Deferred tax assets increased as a consequence of recognition of a tax loss carry forward and also increased as a consequence of an impairment and reversals of differences. Netting is only applied if the possibility exists to offset deferred tax assets and deferred tax liabilities within the same fiscal unity.

Current assets

Current assets decreased by 6% to EUR 3,026 million at the end of 2024. The decrease of trade receivables (wholesale trading power and gas) from related parties is affected by price decreases. Receivables have decreased due to lower electricity and gas prices and due to execution of the price ceiling arrangement on energy rates introduced by the Dutch government for 2023, because the amounts paid out to our customers for electricity and gas exceeded the subsidy amounts received from the government. This had led to a receivable amount towards the government and our customers per end of 2023 which has fully been settled during 2024. Receivables have decreased also due to a lower settlement position towards Vattenfall AB. This decrease is offset by an increase in inventory. This increase is mainly due to an increased amount for develop-to-sell projects for wind. Another reason for inventory increasing is a positive stock revaluation for gas and biomass caused by higher gas prices, offset by lower gas and biomass storages. The current position for derivatives has also decreased related to aforementioned unrealised (net) fair value gains on power and gas forward contracts including gas storage. The claim on Siemens for lower availability of project Hollandse Kust Zuid and the claim on Tennet for reduced capacity of the export cable are presented under current assets as well. The amount of accrued income for electricity and gas and the settlement of reconciliation volumes with GasTerra BV has decreased substantially due to an open settlement per end of 2023, while the settlement per end of 2024 with GasTerra BV was done according to the agreed settlement schedule. The granted loan to wind farm Windplan Blauw is now classified under current assets. The tax receivables have decreased mainly as a consequence of the preliminary refund corporate income tax 2021, a tax loss carry back and paid German corporate income tax, while in 2023 the current tax asset has decreased due to the refund of the preliminary corporate income tax assessment 2022, income tax prior and current year movement through the income statement and paid German corporate income tax.

Cash and cash equivalents

Cash and cash equivalents increased with EUR 56 million to EUR 165 million at the end of 2024. This is mainly due to the positive cash flow from operating activities which exceeds the amounts for investments, lease payments and loans. The investment in wind farm Hollandse Kust Zuid are much lower in 2024 leading to a lower need for cash and the payments are also done by using the Vattenfall group cash pool. In 2023 the sales proceeds of the divestment of the power plant in Eemshaven and a loan provided by Vattenfall AB of EUR 470 million facilitated in our investments in property, plant and equipment due to a negative cashflow from operations despite a positive EBIT.

Condensed balance sheet

Amounts in EUR million	31 December 2024	31 December 2023
Non-current assets	4,982	5,360
Current assets	3,026	3,217
Cash and cash equivalents	165	109
Total assets	**8,173**	**8,686**
Equity	4,184	3,312
Non-current liabilities	1,409	1,443
Current liabilities	2,580	3,931
Total equity and liabilities	**8,173**	**8,686**

Equity
Equity increased by EUR 872 million to EUR 4,184 million. The positive result of EUR 895 million in 2024 is the main cause of this increase, together with an increase in equity attributable to non-controlling interests (EUR 28 million) due to a positive result and via received capital contributions which exceeded the dividend payments. There was no dividend payment to Vattenfall AB for 2023. In 2024 there are minority owners with a share capital of EUR 1,229 million (2023: EUR 1,201 million) primarily due to BASF and Allianz participating in Hollandse Kust Zuid. There are also minority owners for wind farm Klaverspoor and ARX.

Non-current liabilities
Non-current liabilities decreased by 2% to EUR 1,409 million at the end of 2024. The main reason for this decrease is the amount of derivatives which is lower. This is related to the unrealised fair value gain on power and gas forward contracts and CO_2 emission rights. The dismantling provisions have decreased in our wind segment which is mainly attributable to the continuation of the commissioning of wind farm Hollandse Kust Zuid in 2024 which has led to an update of the provision. Lease liabilities related to our wind activities have increased.

Current liabilities
Current liabilities decreased by 34% to EUR 2,580 million at the end of 2024. The decrease relates primarily to lower trade payables for power and gas in the markets segment, which is related to the decreased electricity prices and increased gas prices, and lower settlement positions for electricity and gas and lower deferred income for electricity and gas in the customers segment. Also, the amount of derivatives and the amounts payable towards our suppliers making use of supply chain finance have decreased. The liability to windfarm Windplan Blauw has increased due to unsettled, but rendered services. For wind farm Hollandse Kust Zuid the accrual for realised investments has increased. The impact of the price ceiling on energy rates introduced by the Dutch government on the liabilities is neglectable. The liability to the government regarding the overpayments received from the government compared to the settled amounts with our heat customers is lower than in 2023, while the liability towards the government for the retail customers has increased. The amount of Value-Added-Tax (VAT) to be settled with the Tax Authority has decreased. The accrued expenses regarding the purchase of emission rights have decreased.

The net debt position at the end of 2024 amounted to EUR 300 million, compared to a net debt position of EUR 109 million at the end of 2023. The cash position with Vattenfall AB has increased substantially in 2023 due to a loan provided by Vattenfall AB to Vattenfall NV of EUR 470 million to ensure the investments in e.g. wind farm Hollandse Kust Zuid with as opposite effect an increase of non-current interest-bearing liabilities. Vattenfall NV in turn issued the loan to finance the development of wind farm Windplan Blauw and increased the loan in 2024 and Vattenfall NV also made capital contributions to wind farm Windplan Blauw and to project Zeevonk in 2024. In 2023 Vattenfall NV has sold the power plant in Eemshaven to RWE per 31st of January 2023 and part of these sales proceeds were used for executing investments in 2023. Vattenfall NV expects that the positive operational cashflows in the coming years will turn the net debt position into a net cash position again. Vattenfall AB will ensure that sufficient funds are available at Vattenfall NV through providing credit facilities or making capital contributions when necessary. The total credit facility available at Vattenfall AB amounts to EUR 500 million which was not utilised.

The decrease in the net cash position is mainly due to investments in the Hollandse Kust Zuid wind farm, which were lower in 2024, and for a minor part onshore wind farms and due to investments in the heat segment like e.g. investments in E-boiler Diemen, peak-and-back up facility plus grid in the Leiden area and growth and maintenance investments. These investments are mainly financed via the Vattenfall cash pool. In 2024 there was a positive cashflow from operations due to the positive effect of changes in cashflow from operating assets and liabilities on top of a positive EBIT. The financing of the Hollandse Kust Zuid wind farm also involves BASF and Allianz. They hold a 49.5% share in the project. In 2021, BASF acquired 49.5% of the shares from Vattenfall and subsequently sold 25.2% of these shares to Allianz. In 2024, BASF and Allianz made a capital contribution of EUR 25 million (compared to EUR 510 million in 2023). Additionally, 2024 marked the first year dividends were paid, with BASF and Allianz receiving EUR 48 million. There were no proceeds from wind farm sales in 2024, whereas in 2023, the sale of the Ny Hiddum Houw wind farm generated EUR 40 million.

Net cash position

Reconciliation net cash position

Amounts in EUR million	31 December 2024	31 December 2023
Cash and cash equivalents	165	109
In-house Vattenfall group cash pool	267	495
Total free cash	**432**	**604**
Non-current interest-bearing liabilities	688	676
Current interest-bearing liabilities	44	37
Gross debt position	**732**	**713**
Net debt position	**-300**	**-109**

Vattenfall NV has set guidelines and processes for ensuring a solid liquidity and solvability. Vattenfall NV is part of the cash pool of the Vattenfall Group to ensure efficient use of liquidity. The main accounts within the cash pool have an internal overdraft facility linked to the in-house cash in order for Group entities to cover unanticipated short-term liquidity needs and overdraw their accounts. Funding through the cash pool will only be used for short-term liquidity needs. As soon as it is clear that Vattenfall NV has a more permanent funding need, the position in the cash pool should be converted into a long-term loan. At the end of 2024, Vattenfall NV has a loan of EUR 470 million, owed to Vattenfall AB, in order to be able to execute investments. This loan was issued in 2023. Presently Vattenfall NV has a EUR 500 million overdraft facility in place with Vattenfall AB which currently is not utilised and Vattenfall NV has the possibility of drawing EUR 310 million on a bilateral (uncommitted) overnight credit line from ING, our cash management bank which is also not utilised.

Also for the dividend proposal the impact on liquidity and solvability is assessed. The dividend proposal takes into consideration the net profit, adjusted for significant non-cash fair value movements on financial instruments to ensure a solid and transparent view on the available liquidity lines. A sustainable cash position for the next 12 months is required to ensure that the investment plan will be executed. Furthermore Vattenfall NV requires a debt/equity ratio that will not exceed 60/40 in order to ensure the repayment of long-term debt. End of 2024 this criterium is met with a debt/equity ratio of 48/52 and Vattenfall NV has therewith a solid solvability.

Our people

Our people are crucial to Vattenfall's success. This can only be realised if the right individuals with the right competencies and skills choose to join and stay with us. We strive endlessly to ensure a safe, inspiring, and caring work environment. We highly value diversity because we believe that a breadth of ideas is important, that open dialogue helps us learn from each other, and that to truly perform, everyone needs to feel welcome and be themselves at work. Vattenfall's operations in the Netherlands are carried out by Vattenfall NV and its subsidiaries. The principles stated about 'Our people' from an overall Vattenfall perspective apply to the Netherlands as well due to our cross-country organisational setup and shared vision on employership.

At Vattenfall, we are committed to empowering, engaging, and developing employees so they can perform at their peak while ensuring a safe, inspiring, inclusive, and caring workplace. We offer fair remuneration, flexible working hours, and a challenging international work environment with the opportunity to work with some of the best in the field. Vattenfall's culture rests on four guiding principles: Active, Open, Positive, and Safe. Our culture should empower us all to perform at our best and drive operational excellence and long-term value creation for the business. Our success is underpinned by a proactive and mature health and safety culture where our goal is zero accidents, injuries, and work-related illnesses. An integral part of our principles is creating a diverse and inclusive workplace. Vattenfall works actively to ensure all employees have the same opportunities and rights regardless of gender, ethnicity, age, gender identity or expression, religion or other belief, disability, or sexual orientation. Everyone is included in working towards a more sustainable world and contributes to building a more profitable and attractive company. We work hard to spread awareness, take concrete actions, and measure our progress.

The way Vattenfall manages its workforce and its reputation as an employer, from the perspective of current and potential employees, can impact the company's ability to attract and retain key talent and thus affect its competitiveness and ability to innovate and successfully execute Vattenfall's strategy. Vattenfall's managers play a crucial role in motivating and promoting employees. They act as role models in relation to Vattenfall's values and must ensure the creation of diverse and well-organised teams and provide individual employees with a platform for regular exchange. All managers at Vattenfall have a responsibility to foster a culture that promotes employee engagement. To ensure that all managers are sufficiently skilled, regular training sessions and various leadership tools are made available. Our employees are invited to annual mandatory training such as Code of Conduct and Integrity, as well as job-specific training.

Vattenfall has created development and career paths to help our people grow personally and professionally, showing them which (e-)learnings and training can help improve their competencies and skills. By accessing our free learning programs and knowledge libraries, employees are empowered to prepare for future roles and develop technical, digital, interpersonal and sustainability skills. This is linked to our efforts to develop our Performance Management process to build a culture of continuous development and feedback that empowers individuals and teams to reach their full potential. Additionally, Vattenfall has investigated ways to make it more transparent and easier to see which training is mandatory and recommended for different roles in the organisation, linked to development paths and available onboarding/training programs. Mandatory e-learnings and training cover topics like the code of conduct but can also be role-specific, such as electrical safety. Furthermore, we believe that a healthy feedback culture is essential for Vattenfall's cross-generational workforce, and we will continue to pilot initiatives to improve feedback culture in teams.

There is a strong demand for talent and competence in the energy sector, and this trend continued in 2024. The driver is the accelerating energy transition and the scarcity of critical competencies necessary to realise our goals. Securing and retaining talent is central, and from a strategic perspective, we are focusing on three key areas: 1) Attract – Attracting the right talent; 2) Enhance – Development through personal development; and 3) Retain – A culture of performance and feedback.

Vattenfall NV's ambition can only be realised by operating in a safe, inspiring, and caring work environment for everyone working at and for Vattenfall NV. Therefore, Health and Safety (H&S) is at the heart of Vattenfall's strategy and a key component in running a sustainable business. We recognise that working conditions are one of the areas where we can make the greatest impact—particularly in Health & Safety, where we consistently exceed existing standards and regulations to ensure the safety and well-being of all our employees. This is true both in terms of physical risks at our sites and other potential negative effects of unhealthy working conditions, such as excessive workloads. Vattenfall's operations include some high-risk activities, mainly related to the construction and maintenance of assets, where workers risk injuries if hazards are not correctly identified and mitigated. Additionally, Vattenfall acknowledges the material impacts of healthy working conditions by addressing topics such as mental health, work-life balance, and career development, as these lead to engaged and satisfied employees.

Vattenfall aims to achieve "world-class H&S," defined as being among the top three when benchmarked against peers in the European energy sector. In 2024, Vattenfall continued its company-wide three-year H&S strategy with four focus areas: 1) Management accountability; 2) Contractor H&S management; 3) Healthy work environment; and 4) H&S Culture. Each focus area has several targets, resulting in a total of 12 targets, with each unit setting up relevant activities to address gaps. Fulfillment scores towards these plans are measured and followed up quarterly. The target is 85%, and the result was 95.3% for 2024 compared to 95.6% for 2023. Vattenfall has a target for Lost Time Injury Frequency (LTIF), which measures the frequency of work-related injuries resulting in people being unable to work for one day or more annually. The LTIF (including Feenstra) in the Netherlands was slightly lower at 0.4 in 2024 (0.5 in 2023).

To achieve its H&S targets and foster a safe, inspiring, inclusive, and caring workplace, Vattenfall focuses on four key areas. The effectiveness of actions in these areas is tracked in the annual employee survey MyOpinion and assessed in risk assessments according to ISO 45001. Key actions in 2024 included the implementation of "Time out/Stop work," which means halting work when anyone has a concern about an unsafe or unhealthy situation. The Critical Control Management methodology, rolled out in 2022, continued to prevent fatalities and serious injuries by focusing on essential controls. Extensive training was provided to project members, and risk assessments were developed for Vattenfall's eight highest risks. Other actions included improving onboarding and offboarding processes to enhance employee engagement and the Health and Safety Contractor management project, which aims to drive health and safety performance for contractors.

Vattenfall's Health and Safety Policy outlines the principles and commitments as an employer and what is expected from employees and non-employees in the H&S area. Top management is responsible for implementing and cascading the policy throughout the organisation. Leaders must ensure their teams have the relevant knowledge, training, and resources for full compliance. All employees are responsible for adhering to the policy, and non-employees must follow it within their organisations when working for Vattenfall. Occupational health care covers all employees, with training provided based on local work requirements. Non-occupational medical and health care services vary by country due to differences in legislation and social security systems. The sick leave rate in the Netherlands increased to 5.7% in 2024, up from 4.2% in 2023 (including Feenstra).

Vattenfall encourages an H&S culture where best practices are shared, and active hazard reporting is used to detect and mitigate serious risks before they result in incidents. The company is committed to zero incidents and has a robust process to learn from them. Incidents are followed up with a Root Cause Analysis, and insights are used to update H&S procedures, adapt training, and implement new preventive and corrective actions. The H&S policy states that work must stop if an employee or contractor is in danger. The hierarchy of controls is outlined in the Code of Conduct and Integrity and in Intelex for managing risks. The H&S Policy is based on three pillars: Be Safe, Take Care, and Speak Up, providing guidance for behavior. Vattenfall aims to place more emphasis on the health element of its H&S strategy for 2026–2030, focusing on preventive initiatives driven by the increase in mental health-related sick leave.

Diversity, Equity, and Inclusion (DEI): Vattenfall believes that a diverse workforce accelerates progress toward achieving the goal of reaching net zero by 2040. The company is dedicated to fostering an inclusive culture where diverse perspectives and experiences drive innovation and growth. Diversity is embedded in Vattenfall's values and represented at the highest level of management. The vision is to be recognised as one of the most inclusive workplaces in the energy industry, creating an environment where everyone can thrive and contribute to a sustainable future. Vattenfall's DEI positive action plan focuses on embedding DEI throughout the employee lifecycle via programs, processes, and policies. In 2024, significant progress was made by expanding programs and broadening the reach of training and mentorship initiatives. A robust DEI-organisational roadmap and calendar ensure the recognition and participation in significant dates and events, such as Vattenfall Women in Energy Week, Pink Shirt Day, World Autism Awareness Day, Vattenfall Diversity Month, Vattenfall Pride Season, and Vattenfall Ethnicity Days.

In The Netherlands, the number of employees increased from 3,932 FTEs in 2023 to 4,130 FTEs in 2024, with 1,136 female employees (2023: 1,069) and 2,994 male employees (2023: 2,863). The annual employee survey, My Opinion, tracks the degree to which employees feel connected to Vattenfall's purpose and their individual contributions.

Vattenfall Foundation NL

The social impact of employees spending hours on a voluntary basis has grown further to 7.092 hours in 2024. More than half of the employees in The Netherlands participated in one of the activities at least once. The decision has also been taken by Vattenfall NV to introduce a formal leave scheme with effect from 2024, allowing all employees to use 4 hours of leave for an activity via the Foundation. The impact of the Vattenfall Foundation NL is considered an important contribution to the social aspect of the sustainability objectives. In addition to contributing to community investment, the use of volunteers also makes an important contribution to employer engagement.

Integrity

Vattenfall believes that free competition plays a decisive role for a market to function effectively and has a zero-tolerance policy for bribery and corruption. We require that all our employees act in accordance with our Code of Conduct and Integrity. We are a member of the Partnering Against Corruption Initiative (PACI), launched by the World Economic Forum. We are also member of the Business Integrity Forum of Transparency International Sweden, a separate initiative that focuses on promoting transparency and combating corruption among Swedish businesses. We have also established a robust supply chain compliance framework to proactively prevent, detect, respond to and remediate risks and meet legal requirements when dealing with counterparties. What is stated about 'Integrity' from an overall Vattenfall perspective is applicable for the business activities conducted by Vattenfall NV as well due to the cross-country organisational set-up and therewith a shared vision on ethical business conduct. We require that all employees take personal responsibility to act in accordance with the company's ethics guidelines, which are laid out in the Vattenfall Code of Conduct and Integrity. Tailor-made face-to-face training programs, mandatory e-learnings, instructions, flowcharts and Q&A documents support these ambitions. Equally, we expect our suppliers and business partners to act ethically and in full compliance with the applicable rules in every country they do business, as outlined in the Vattenfall Code of Conduct for Suppliers and Partners. Vattenfall AB has updated the Code of Conduct for Suppliers and Partners in 2024 to ensure alignment with external legislation and international standards. The goal was to further define our requirements and expectations in order to safeguard that our suppliers and partners share our values. Read more about Vattenfall's integrity organisation in the Corporate Governance Report in the Annual and Sustainability Report of Vattenfall AB. The Code of Conduct (CoC), outlines Vattenfall's work to establish, develop, promote and evaluate a positive corporate culture. It is the core of all work performed at Vattenfall and comprises what is expected from employees (including temporary staff) with regard to business integrity and corporate culture. Vattenfall works to identify, report and investigate concerns of unlawful behaviour or behaviour failing to uphold the CoC. Every employee is required to do an e-learning on the Code. The Code of Conduct and Integrity is published on the website of Vattenfall AB (www.vattenfall.com) and Vattenfall NV (www.vattenfall.nl).

An Integrity Survey is conducted annually and followed by targeted individual interviews if needed. The yearly group wide My Opinion survey and the, for managers, mandatory Integrity Survey are important tools to measure progress, identify risks and find areas of development and improvement. Employees (and external stakeholders) can also report suspected or observed breaches of the CoC, Internal rules and the Code of Conduct for Suppliers and partners to the Whistleblowing function. This can be done completely anonymously through an encrypted system, or directly to a national whistleblowing coordinator or Internal Audit. Vattenfall has implemented a whistleblowing system to comply with all relevant legislation. To investigate business conduct incidents, Vattenfall has an independent investigation function with employees from Legal, Internal Audit, Corporate Security & Resilience and People & Culture. The investigations teams work independently and have all means necessary to conduct investigations thoroughly, promptly and objectively. It is strictly prohibited for all Vattenfall employees and other representatives to attempt to determine the identity of a whistleblower.

To provide our employees the proper tools, extensive integrity trainings are provided. An example is the Vattenfall Integrity Programme (VIP) which mitigates integrity related risk by bringing repetitive knowledge and awareness regarding competition law, anti-corruption, conflict of interest, procurement and bribes to all managers on N to N-3 level, as well as employees who have regular outside contacts for example with suppliers, customers and trade associations. These trainings are essential to keep integrity related matters high on the agenda and continuously discussed by managers and employees in business units and teams within Vattenfall. During 2024, 1,004 employees completed the VIP within the international Vattenfall organisation. In addition, trainings were tailor-made and conducted with targeted stakeholders within Vattenfall. The procurement organisation has been identified as most at risk in respect of corruption and bribery because of the regular supplier contacts and position to award contracts. In addition, all new employees undertake a mandatory e-learning on the content and principles of the Code of Conduct, and a “four eyes principle” is applied in all procurement activities.

Our responsibilities are valid not just within our own operations, but extend to our supply chain as well. Vattenfall’s approach is grounded in the Code of Conduct for Suppliers and Partners (CoCfSP). The purpose of this code is to safeguard that our suppliers and partners share the same values as Vattenfall, when it comes to positive corporate culture and sustainability. It defines our requirements and expectations when it comes to environment, social and human rights, and governance topics, and lists the minimum standards that suppliers and partners should apply to their own operations and supply chains. Vattenfall continued to enforce its compliance measures to prevent, detect, respond, and mitigate risks and meet legal requirements. This includes an annual supplier risk assessment, counterparty screenings, new supplier risk assessment, sustainability on-site audits and sustainability assessment of partnerships. As a major improvement of counterparty risk assessment and regular surveillance over the risk of counterparties in an ongoing business relationships, Vattenfall has activated a continuous supplier monitoring process in which counterparties are monitored based on their associated risk level determined. We evaluated the effectiveness of our compliance framework and updated the necessary compliance checks in the supplier contracting process for Goods & Services, in light of emerging legal requirements on supply chain due diligence. Vattenfall AB also published a guide for suppliers and partners on fulfilling the expectations outlined in their Code of Conduct, covering governance, human rights, environment and business ethics. Finally, we continue to monitor the legal and regulatory landscape related to supply chain due diligence, such as the EU Corporate Sustainability Due Diligence Directive.

As already mentioned, we have strict requirements on our suppliers and counterparties. We require our suppliers to comply with the Vattenfall Code of Conduct for Suppliers and Partners or an equivalent standard agreed together with us. In the integrity area, the Code of Conduct for Suppliers and Partners puts special emphasis on business integrity, anti-corruption, conflicts of interest and competition law as well as information on how to use the whistleblowing function. It is based on, among other things, the UN Global Compact, the UN Guiding Principles for Business and Human Rights, ILO declarations and the OECD Guidelines for Multinational Enterprises. Additionally, Vattenfall has a process for managing counterparties where we seek to actively identify, manage and control the risk of transacting with counterparties that may be involved in money laundering, tax fraud, terrorist financing or that may be subject to EU sanctions or have poor performance on environment, social and governance issues.

Business risks and Risk management

Vattenfall AB applies conscious and balanced risk-taking and review of business transactions both from profitability and risk perspectives. The risks are managed based on a sound risk culture throughout the entire company, with the aim of supporting our short-term objectives and achieving our long-term strategic goals. In accordance with the Swedish Corporate Governance Code and the Risk Policy, adopted by the Board of Directors, Vattenfall's risk management framework ensures thorough identification and management of risks and acceptable risk exposure. What is stated about 'Risk management' from an overall Vattenfall perspective is applicable for the business activities conducted by Vattenfall NV as well due to the cross-country organisational set-up.

Risk management

Vattenfall NV is exposed to a number of risks that could have an adverse impact on operations and outcome. A better understanding of and control over these risks can potentially generate better results from the business activities. The Vattenfall NV Management Board is responsible for the company's risk management and control system. Vattenfall NV strives for transparency with regard to risk exposure and recognises all risks that may impact the company.

Vattenfall NV, as part of Vattenfall, applies the 'three lines' model for the management and control of risks. The first line is primarily represented by units associated with the provision of products or services to the organisation's customers, such as Business Units and certain Staff Functions. It is responsible for executing the strategy and managing risks. The second line provides control, expertise, support, monitoring and challenge on risk-related matters. It consists of Staff Functions governing the organisation, among them Health & Safety, Environment, Integrity, Security, Group Internal Financial Control and Risk Management. The third line is made up of internal audit, which oversees and evaluates the first and second lines.

The following paragraphs describe the performed risk management efforts.

The Vattenfall Risk Management Framework

The objective of the Vattenfall Risk Management Framework is to provide reasonable assurance that the achievement of strategic and operational objectives is effectively monitored, that the financial reporting is reliable and that current laws and regulations are complied with.

The framework is part of Vattenfall NV's Governance and designed to ensure an acceptable risk exposure, based on a thorough and transparent analysis of Vattenfall NV's risks, thus facilitating the in-control situation and risk exposure based on an appropriate assessment of the risk-reward balance. The framework facilitates the monitoring of risks with a potential impact on the organisation and is based on a set of best practice policies, procedures and internal control mechanisms. All risks as reported and discussed are continuously reconciled with the risk appetite defined by Vattenfall NV.

The Vattenfall Risk Management Framework focuses on ensuring that the most important risks are identified and that appropriate control measures are executed to manage these risks. The Framework is based on the COSO Enterprise Risk Management (ERM) Framework and the three lines model.

The ERM is executed as a continuous process for identifying, assessing, managing and following up on risks at all levels of the business at an early stage. An update of the risk situation is presented periodically for discussion at Management and Supervisory Board level.

Important components of Vattenfall NV's governance to manage risks are:

- The Vattenfall Management System (VMS) which Vattenfall NV, as part of Vattenfall, implemented and which contains regulations, guidelines and procedures that are relevant for all Vattenfall employees and for the relationship between Vattenfall AB and its subsidiaries, Business Units, Staff Functions and other Vattenfall companies. VMS includes the Vattenfall Code of Conduct and the Whistle-blower Policy, which are publicly accessible at www.vattenfall.com. VMS also comprises the IFRS accounting manual and the reporting manual;
- The Vattenfall Code of Conduct, which sets the behavioural rules for all employees. The Code of Conduct fosters an honourable business culture in which the rules applicable to employees are clear. Breaches of the Code of Conduct, if they come to the attention of Vattenfall, will be investigated and may lead to sanctioning;
- The Risk Management organisation, headed by the Chief Risk Officer of Vattenfall, supports Vattenfall NV in applying Vattenfall's risk framework. The Risk Management organisation monitors market risk on a daily basis, manages credit risk, oversees compliance with policies and risk limits and guides the group-wide reporting of significant business risks. Together with other specialist risk stakeholders (for example health and safety, information security), the Risk Management organisation supports the Business Units in the identification, quantification, mitigation, monitoring and reporting of risks;
- Vattenfall does not state a specific level of risk appetite. BoD and CEO state their risk appetite explicitly and implicitly in decision making through, e.g.
    - Group Strategic Direction
    - Decentralised business responsibility
    - Target setting
    - Clear boundaries in mandates (e.g. hedge deviation)
    - Hedge objectives/strategy
    - DHR (differentiated hurdle rate);
- The Integrity function, which advises and reports on issues with regard to competition, anti-bribery/corruption, conflict of interest, the whistleblowing function and inside information. In addition, the function advises management on measures to enhance compliance and monitoring compliance risks and it stimulates awareness of the Code of Conduct. The Vattenfall NV Integrity, Fraud and Incidents report is submitted semi-annually to the Vattenfall NV Management Board and Supervisory Board. This report focuses on integrity developments, fraud and other incidents reported in The Netherlands and is a combined report of Internal Audit and the Integrity department;
- The Legal department, which submits the Claims & Litigation report to the Management Board of Vattenfall NV. The report contains a summary of current legal proceedings and disputes;
- The Vattenfall Internal Financial Control Framework (IFC), which reports on the effectiveness of the controls which aims to assure reliable financial reporting and which is partly based on the results of the key controls for the primary processes within the different business areas;
- The planning & control cycle, in which annual budgets are assigned for each organisational unit and the outcome of which is subsequently discussed between the Management Board and the Business Units;
- The periodic reporting on Business Units' financial and operational performance, partly based on the system of Key Performance Indicators (KPIs);
- Business Areas within Vattenfall NV report risks into the ERM which enables Risk Management to create the Enterprise Risk Report, which summarises the most significant risks facing the organisation. The Vattenfall NV Risk reports are produced semi-annually: in the beginning of the year providing the risk values for the following Business Plan period and mid-year, whereby changes to the risk levels are highlighted but the values are not recalculated. The reports are discussed with the Management and Supervisory Board;
- The responsible management's confirmation at corporate and unit level of the reliability of the financial reporting through signed Letters of Representation;
- The execution of audits by the Internal Audit department in conformity with the annual plan, which is approved by the Supervisory Board. The outcome of their audits are discussed with management and summarised for the Supervisory Board;
- The follow-up of findings from internal and external audits by the Business Units, which are periodically reported on to the Management Board and summarised for the Supervisory Board.

All risks are quantified both with regard to exposure as well as with regard to probability according to the agreed ERM methodology. The Management Board periodically discusses all aspects of the framework, including all reported individual and aggregated quantified risks. This includes conclusions with regard to either the acceptance of the ultimate risks, or the instigation of actions to reduce risks, as well as with regard to the reconciliation with the risk appetite.

Main risks and mitigation

This section describes the most important risks within Vattenfall NV.

- Market Price Risk Assets. The revenues (Gross Margin) from Vattenfall NV's generation assets are highly dependent on the pricing developments on the energy markets. The risk continues to decline following the volatile period of the pandemic and the energy crisis, driven by both a decrease in market prices and an overall reduction in expected power production volumes.

- The gross Margin at Risk remains at a high level and continues to represent by far the largest single risk in the Group's overall risk profile. Mitigation(s): Risk is actively managed and monitored via the Hedge Strategy Process on Vattenfall level.
- Loss of margins due to a decrease of sales volume or unfavourable pricing structure. Developments in energy efficiency and decentralised generation could lead to lower consumption and demand for electricity and gas resulting in lower margins on commodities. Furthermore, usage of discounted pricing structures could lead to significant loss of margin under rising market prices. Another example is the solar netting regime risk related to increasing proportion of return deliveries of solar customers yielding negative margins which remains prominent despite the introduction of an explicit feed-in charge for solar power customers in The Netherlands.
- Mitigation(s): Decrease operational costs and development of volume independent solutions (e.g. solar lease, storage). Optimising management of contract portfolio.
- Consumption Risk Sourcing Adjustments captures the sourcing related financial impact on gross-margin due to potential demand fluctuation of the current customer base during delivery. Temperature is an important driver for gas and heat volumes. This risk displays possible additional cost from the need to adjust gas and power volumes in the wholesale market.
- Mitigation(s): Continuous refinements of forecasting process coupled with customer specific risk charges. Temperature as well as impact on volume offtake is monitored. Explore product innovation to make sales less temperature dependent.
- Credit risk for various counterparties. Credit risk is the risk that a counterparty cannot or will not meet its obligations to Vattenfall and exists across all activities.
- Mitigation(s): Robust credit check and credit monitoring processes. In case of trading counterparties and business customers, requesting additional securities and certain credit clauses.
- Operational and Compliance risks. This includes all risks of operating the business and includes breakdown of technical processes (both during operations and construction), data and information security risks, legal risks of litigation and potential (mass) claims and non-compliance with law and regulation. Fraud and unethical conduct could disrupt operations as well and have negative impact on people and environment.
- Mitigation(s): Maintenance, Business Continuity plans, Code of Conduct and Integrity, Code of Conduct for Suppliers, Compliance officers for dedicated risk areas.
- Increased competition. Missing profit due to increased competition both on current customer base and innovation. Mitigation(s): Continuously monitor the market for competitive products & new developments; develop non-traditional business models and actively work together with start-ups and other market entrants; attract right capability and create multi-disciplinary teams and foster customer co-creation.
- Economic feasibility of projects under pressure because of surging prices for input material and procurement risk, including risk of increasing competition for critical and low carbon materials for construction of renewable assets.
- Mitigation(s): Continued improvements of sustainability performance, including human rights action plan, environmental action plan, and sustainable supply chain. To ensure diversification of the supply chain and availability of resources, we cooperate with suppliers and peers.
- Fraud Risk: Management override of controls. Management has the ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- Mitigating action(s): via our Internal Control Framework we take into consideration this presumed risk via checking the appropriateness of e.g. journal entries by restricting system access to limited number of finance employees with the right competences, by requesting supporting documentation and by approval of the journal entry via an authorised person. These procedures are also applicable for other adjustments made in the preparation of the financial statements (e.g. manual corrections) and via signaling of significant transactions, if any, outside the normal course of business for the entity via applying system authorisations and a Tax review on material/non-routine transactions with a minimum of twice a year. Next to that, financial reports are analysed and discussed within both the Management Board and the Supervisory Board. Main risk of management override is reduced, since the CEO, CFO and CCO are not paid any variable pay dependent on Vattenfall's financial results; for other management a limited variable pay is in place, mainly based on Vattenfall AB group results.
- Fraudulent financial reporting: this includes the risk of overstating the revenue – sales of electricity, gas and heat to end-users (consumers and businesses). These sales are e.g. recognised as revenue at the time of delivery. The types of revenues with the assessed highest materiality could potentially result in a material misstatement due to fraud.
- Mitigating actions are: actuals are on a monthly basis reported and analysed versus previous year and plan value. The accuracy of sales prices, the accuracy and completeness of the registration of meter readings and information on EAN -codes is established via an internal control framework, which includes among other things authorisations and 4-eye principle of sales prices entered into the invoicing system. So the billing process, as connected process of revenue recognition is secured via

internal controls. Further, we refer to controls mentioned above at Fraud Risk – Management override of controls.

- Fraud Risk – Data theft might negatively impact Vattenfall's reputation and cause claims from customers and a fine from the data protection authority. Mitigating action(s): Vattenfall NV adapted procedures, such as reduction of the search possibilities into the customer database, increased monitoring of user logs, and tightened the process of hiring new employees.
- Fraud Risk – Other, such as breach of procurement rules (risk of vendor favouritism/corruption, risk of non-compliance with EU tender law and the risk of conflict of interest).
- Mitigating action(s): Vattenfall maintains a framework of internal controls, as further described in the section 'The Vattenfall Risk Management Framework'. Also, where applicable or pertinent, (forensic) investigations are requested both internally and externally. In that case a legal opinion by a specialised law firm and an external forensic investigation can be requested to assess compliance with e.g. procurement law and potential supplier favouritism.
- Going concern: The risk includes the ability to continue as a going concern for at least twelve months.
- Mitigation(s): Creating budget and liquidity forecasts, including expected future cash flows in relation to market developments, developments in the macro-economic environment, future pricing curves for power and gas, climate-related developments, investment projects and the relevant information, including, among other things, the cash flow projection of the five-year business plan obtained as part of the non-current assets impairment testing. Evaluation of the credit facilities and capital structures and requesting additional loans or capital injections from the parent company Vattenfall AB.
- Security risks including cyber risks, (e.g. phishing and espionage), as well as physical security risks.
- Mitigation(s): Applying and improving Business Continuity Management Processes. New cyber security awareness training mandatory to all employees. We constantly monitor cyber-attacks, and work to counter attacks and implement safeguards.
- Note 28 to the financial statements provides further qualitative and quantitative information on financial risk management.
- Climate risks: The changing climate affects Vattenfall NV both through physical changes to the environment we operate in and through changes in society associated with the transition from fossil fuels and materials. Vattenfall's greenhouse gas footprint poses a transition risk for some of Vattenfall's assets and business models. We have set science-based targets for 2030 and 2040 to transition away from fossil fuels and align our business with the requirements to limit global warming to 1.5°C. For 2040 Vattenfall NV has set a net zero target, which means at least a 90% reduction in absolute emissions and neutralising any outstanding emissions. Vattenfall NV also has a high focus on assessing and managing risks linked to physical climate change, such as sea level rise and changed temperatures. For physical risks impacting energy infrastructure or critical functions, adaptation measures for managing risks are in place and work is continuously ongoing to mitigate risks and reduce vulnerability to external disruptions. For more detailed information, see Vattenfall AB's 2024 Annual and Sustainability Report.

Responsibility

Vattenfall NV's Management Board is responsible to ensure that the design and operation of Vattenfall's internal risk management and control system is effective. Throughout the year, the design and operation of this system were monitored and evaluated, based on, among other things, business control information, Internal Audit reports, and the management letter from the external independent auditor.

The Vattenfall NV Enterprise Risk Management Framework does not provide absolute assurance as to the achievement of the corporate objectives, nor does it guarantee that material errors, losses, fraud or violations of laws and regulations will not occur in the operational processes and/or the financial reporting.

With due regard to the above, the Management Board is of the opinion that the internal risk management and control systems provide a reasonable assurance that the financial reporting does not contain any errors of material importance and that the risk management and control systems worked properly with regard to the financial reporting risks in the year under review.

The above was also discussed with the Supervisory Board in the presence of the internal and external independent auditor.

Outlook 2025

We strive to provide an easy customer experience and continue to seek opportunities to maintain our customer relationships in times where competition is increasing. We will increase our renewable power production. We will continue to work towards exceeding our customers' sustainability expectations with our products and services. We plan to grow our customer base organically while also working on retention initiatives, just as we will act upon acquisition opportunities when they arise as well as to further develop a portfolio of products and services that help our customers to reduce their CO_2 emissions. As we evolve to become more than an energy supplier and realising our CO_2 roadmap ambition, we will need to invest in our competencies in home energy management, personalised energy advice and innovative solutions such as the solar boiler. We plan to expand offering of renewable electricity and develop a portfolio of energy solutions to enable the energy transition in our markets, including biomethane, heat pumps, and other energy solutions as an example the roll-out of a heat pump system as an alternative to gas boilers. Additionally, we plan to expand flexibility offering, including storage solutions, to give customers control over how and when to consume energy, reduce costs and integrate decentralised energy solutions. We will also start rolling out 'Vattenfall Vooruit', that will supplement ´Blijven Loont' in the future.

The electrification of transport is another main area where we will support our customers. We will increase service levels to end-customers by collaborating with customers that provide e-mobility charging points. Further, make smart charging even smarter where a charging station can determine a smart charging profile based on customer needs. "Smarter" is about making best use of the lowest price blocks to charge, in addition to lowering grid congestion by moving charging to off-peak moments. Grow in powering electrified transport by expanding our public charging network and providing competitive offerings to our consumers. Together with our installation partners we execute the role out of 2,000 charging stations from 2025 until 2027 in 67 municipalities in the provinces Gelderland and Overijssel as we have won the prolongation with another 2 years. Brabant-Limburg 3 and MRA-e tenders were won in 2024 and could add up to 12,600 charging stations to our base during build out of four years. In The Hague we took over 2,750 charging stations in 2024 and we will install another 1,085 new stations in the year 2025 until 2026. Trial with smarter charging to relieve power grid is bearing fruit. The overcrowded power grid in The Netherlands could be relieved unprecedentedly if people were to charge electric cars at other times. A trial with eight hundred smart charging stations in Limburg and North-Brabant shows that it is possible: during the peak half of the requested capacity could be moved to off-peak moments. The first payment terminal at a McDonald's fast charger has been installed. The expectation is to implement a payment terminal in each municipality in the province of Brabant and Limburg before the end of 2025. Also we're installing charging stations with displays in three concessions. By displaying charging tariffs, price transparency improves for the e-driver.

Renewable energy is key in supporting Vattenfall NVs ambition to reach net zero in 2040. We aim to further strengthen our project pipeline by greenfield development and by bidding on, or acquiring attractive projects across all our renewable energy technologies. We continue to focus on forging partnerships with industrial off-takers of renewable electricity to support them in their decarbonisation endeavours as well as to stabilise revenues for our renewables projects. Being an industry frontrunner by delivering environmentally and socially sustainable solutions is paramount for us. We continue to focus on reducing greenhouse gas emissions, increasing circularity, working with suppliers to source goods and services in an environmentally and socially responsible manner, protecting biodiversity and fostering social sustainability. Sustainability is the basis for Vattenfall's strategy and is a prerequisite for long-term profitability. In 2025 and onwards we will take further steps to increase the share of renewable fuels in the energy mix to transition away from conventional fossil fuels, seek collaboration with suppliers to alleviate supply chain bottlenecks and develop minimum sustainability requirements and award criteria for major procurement tenders. Furthermore we will work on meeting the requirements on expected blend-in biomethane legislation.

As part of the decision to initiate a process to investigate the ownership of its district heating business in the UK, Sweden and The Netherlands and the IDNO electricity distribution business in the UK we will assess to what extent district heating can contribute to our financial and sustainability goals, while also taking into account future investment needs and payback periods. This could involve a potential divestment of our heat business in The Netherlands. After the assessment, we will make a final decision. During this review period our commitment to customers and employees remains unchanged, supplying them with reliable, affordable and more sustainable energy. We still believe that district heating and cooling is an important part of the energy transition. It has the potential for efficient, cost-effective and flexible large-scale use of low-CO_2 energy for heating and cooling. But in order to grow and further optimise district heating, significant investments are also needed. The energy transition is facing challenging times, costs are rising and we need to look at how we are going to combine our intention towards becoming net zero in 2040 with investments in activities that give us a competitive advantage.

In 2024, Vattenfall and Tata Steel entered into discussions to explore potential solutions regarding their cooperation, including the possible transfer of three gas-fired power plants—IJmond 1, Velsen 24, and Velsen 25—located on and near Tata Steel's site in IJmuiden. The talks will continue in 2025 and follow the upcoming expiration of the existing contract at the end of 2025 and reflect both parties' exploration of long-term solutions.

There are investments planned in wind farms, like Zeevonk, solar projects and heat and cooling grids. Regular investments are primarily related to planned major overhauls of some of our power plants. The investments will be financed through positive cash flows from operations and revenues from sale of wind farms or solar projects and if necessary by internal loans and a capital injection from our parent company Vattenfall AB. We have a credit facility in place with our parent Vattenfall AB of EUR 500 million, which is currently not utilised.

The aforementioned growth scenario and the corresponding investment program is accompanied by an expected increase of workforce for E-mobility, Feenstra and support functions (e.g. IT) in order to fulfil the additional demand from the business.

Our future efforts will also be directed to the concern we have about a fair and just transition. We will focus on an affordable energy transition and the need to continue discussing this with government, municipalities, housing cooperatives and energy suppliers and to find solutions to this complex matter.

Composition of the Management and Supervisory Board and management positions

The composition of the Supervisory Board changed in 2024. With the departure of a female board member and the appointment of a male member, the distribution of seats between men and women shifted, resulting in 1/3 of the seats being filled by female members. The balanced distribution of board seats in both the Management and Supervisory Boards ensures that Vattenfall NV meets the guidelines of the Act on Management and Supervision.

Within the Vattenfall Group, there is a strong emphasis on adhering to the Swedish governance code. The remuneration policy for Management Board members aligns with the policy for the management of Vattenfall AB and is consequently in line with the Swedish Code.

Management Board members are included in the Group's Annual Review process, with any changes in remuneration ultimately decided and formalised by the shareholder of Vattenfall NV. Supervisory Board members not employed by the Vattenfall Group receive a fixed annual fee determined by the shareholder, and incurred expenses are reimbursed.

In 2024, Vattenfall NV had 84 female managers (32.8%) and 172 male managers (67.2%). The Vattenfall Group has a strategic target of reaching 40% female manager representation by 2030, which also applies to Vattenfall NV as a subsidiary of Vattenfall AB. Vattenfall NV's commitment to this goal is demonstrated through its involvement in the Equality in Energy Transition initiative. In 2018, Vattenfall became a signatory of this initiative, committing to the Equal by 30 principles to advance women's participation in the energy sector. Alongside 13 governments and over 130 organisations, Vattenfall has an external commitment to take concrete action to close the gender gap. Progress is actively assessed using KPIs on the female manager ratio and female manager hires, with efforts to gradually increase the number of female managers in the coming years to reach the 2030 target.

A final word

As we reflect on 2024, we are proud of the significant strides we have made in advancing our mission to achieve net zero by 2040. This past year has been one of the busiest, most hectic, exciting, and challenging years. We know that the coming year will also bring its own set of challenges, good ideas, opportunities, and successes.

In a rapidly changing energy market and society, our employees and partners embraced the hectic pace and challenges of this year. By working together, continuing to challenge each other, and seeking smart solutions, we contributed to a reliable, affordable, and more sustainable energy supply to our customers.

As a team, we achieved several milestones: winning the offshore project Zeevonk, connecting houses to district heating and cooling grids in difficult market conditions, providing our customers with valuable advice about their energy contracts, introducing new energy solutions, optimising the operation of our electricity and heating plants, and installing thousands of charging points. We can look back on these accomplishments with pride.

Looking ahead to 2025, we are excited about the opportunities that lie ahead. We will continue to build on our successes, drive forward our ambitious goals, and remain steadfast in our dedication to creating a sustainable future. Our focus will be on further enhancing our renewable energy capabilities, exploring new markets, and fostering a culture of innovation and excellence.

None of these achievements would have been possible without the hard work, dedication, and passion of our employees. Their commitment to our vision and values has been the cornerstone of our success. We extend our heartfelt gratitude to each and every one of our employees for their invaluable contributions.

Thank you for your interest in reading our annual report and taking interest in our Vattenfall NV's journey. Together, we can make a positive impact and shape a brighter, more sustainable future.

Amsterdam, 19 May 2025

The Management Board
Martijn Hagens, Alexander van Ofwegen and Cindy Kroon

Financial statements

Consolidated accounts

Consolidated statement of comprehensive income

Amounts in EUR million, 1 January - 31 December	Note(s)	2024	2023
Net sales	4	4,980	7,510
Cost of sales	5	-2,750	-5,758
Other external expenses	7	-427	-381
Personnel expenses	32	-401	-364
Other operating income and expenses, net	8	65	13
Participations in the results of associated companies	15	4	6
Operating result before depreciation, amortisation and impairment losses (EBITDA)		**1,471**	**1,026**
Depreciation, amortisation and impairments	6, 12, 13	-292	-234
Operating result (EBIT)		**1,179**	**792**
Financial income	9	30	26
Financial expenses	9	-30	-16
Result before income taxes		**1,179**	**802**
Income tax	10	-284	-191
Result for the year		**895**	**611**
Other comprehensive income		–	–
Total comprehensive income/(expense) for the year		**895**	**611**
Attributable to owner of the parent company		844	581
Attributable to non-controlling interests		51	30

Consolidated balance sheet

Amounts in EUR million	Note(s)	31 December 2024	31 December 2023
Assets			
Non-current assets			
Intangible assets	6, 12	102	105
Property, plant and equipment	6, 11, 13	4,521	4,496
Participations in associated companies and joint ventures	15	94	56
Other shares and participations		1	1
Derivative assets	27	31	7
Deferred tax assets	10	173	455
Other non-current receivables	27	60	240
Total non-current assets		**4,982**	**5,360**
Current assets			
Inventories	16	479	247
Trade receivables and other receivables	17	2,031	2,357
Advance payments paid	18	2	1
Derivative assets	27	121	145
Prepaid expenses and accrued income	19	365	381
Current tax assets	10	28	86
Cash	20	165	109
Total current assets		**3,191**	**3,326**
Total assets		**8,173**	**8,686**
Equity and liabilities			
Equity attributable to owner of the Company			
Share capital and premium		2,895	2,895
Retained earnings/(accumulated losses) incl. result for the year		60	-784
Total equity attributable to owner of the Company	30	**2,955**	**2,111**
Equity attributable to non-controlling interests	**30**	**1,229**	**1,201**
Total equity		**4,184**	**3,312**
Non-current liabilities			
Interest-bearing liabilities	11, 21, 27	688	676
Provisions	23	365	379
Derivative liabilities	27	23	67
Contract liabilities	4	333	321
Total non-current liabilities		**1,409**	**1,443**
Current liabilities			
Trade payables and other liabilities	24	1,897	2,238
Contract liabilities	4	22	15
Advance payments received	25	2	2
Derivative liabilities	27	27	985
Accrued expenses and deferred income	26	571	635
Current tax liabilities	10	–	1
Interest-bearing liabilities	11, 21,27	44	37
Provisions	23	17	18
Total current liabilities		**2,580**	**3,931**
Total equity and liabilities		**8,173**	**8,686**

Consolidated statement of cash flows

Amounts in EUR million, 1 January-31 December	Note(s)	2024	2023
Operating activities			
Operating result before depreciation, amortisation and impairment losses		**1,471**	**1,026**
Tax paid	10	46	54
Capital gains, net		7	14
Interest received		17	5
Interest paid		-5	-5
Changes in the fair value of derivatives	27	-1,002	-661
Other, incl. non-cash items		-36	-374
Funds from operations (FFO)		**498**	**59**
Changes in inventories	16	-232	164
Changes in operating receivables		644	1,226
Changes in operating liabilities		-412	-1,960
Other changes		-1	-12
Cash flow from changes in operating assets and operating liabilities		**-1**	**-582**
Cash flow from operating activities		**497**	**-523**
Investing activities			
Investments in associated companies and other shares and participations	15	-34	–
Other investments in non-current assets	29	-290	-839
Total investments		**-324**	**-839**
Divestments recognised as assets and liabilities held for sale		–	408
Loans granted		-102	-130
Loans repaid		43	–
Cash flow from investing activities		**-383**	**-561**
Cash flow before financing activities		**114**	**-1,084**
Financing activities			
Interest-bearing debt raised		10	470
Interest-bearing debt repaid		-45	-44
Dividends paid to owners		-48	–
Contribution from owners of non-controlling interests		25	513
Cash flow from financing activities		**-58**	**939**
Cash flow for the year		**56**	**-145**
Cash			
Cash at start of year		109	254
Cash flow for the year		56	-145
Cash at end of year	**20**	**165**	**109**

Consolidated statement of changes in equity

for the year 1 January - 31 December						Attributable to non-controlling interests	Total equity
	Attributable to owner of the Company						
Amounts in EUR million	**Note(s)**	**Share capital**	**Share premium**	**(Accumulated losses)/Retained earnings**	**Total**		
Balance brought forward 2024	**30**	**684**	**2,211**	**-784**	**2,111**	**1,201**	**3,312**
Total comprehensive income for the year		**–**	**–**	**844**	**844**	**51**	**895**
Dividends paid to owners		–	–	–	–	-48	**-48**
Contribution from non-controlling interest		–	–	–	–	25	**25**
Total transactions with equity holders		**–**	**–**	**–**	**–**	**-23**	**-23**
Balance carried forward 2024	**30**	**684**	**2,211**	**60**	**2,955**	**1,229**	**4,184**

for the year 1 January - 31 December						Attributable to non-controlling interests	Total equity
	Attributable to owner of the Company						
Amounts in EUR million	**Note(s)**	**Share capital**	**Share premium**	**Accumulated losses**	**Total**		
Balance brought forward 2023	**30**	**684**	**2,211**	**-1,365**	**1,530**	**658**	**2,188**
Total comprehensive income for the year		**–**	**–**	**581**	**581**	**30**	**611**
Contribution from non-controlling interest		–	–	–	–	513	**513**
Total transactions with equity holders		**–**	**–**	**–**	**–**	**513**	**513**
Balance carried forward 2023	**30**	**684**	**2,211**	**-784**	**2,111**	**1,201**	**3,312**

See also Note 30 to the consolidated accounts, Specifications of equity.

Notes to the consolidated accounts

Note 1 Company information

Vattenfall N.V. is a public limited liability company, registered in Amsterdam, the Netherlands with its business address at Hoekenrode 8, 1102 BR Amsterdam. The most significant activities of Vattenfall N.V. and its subsidiaries comprise the production and supply of electricity, gas, heat and cooling to customers in the Netherlands, energy storage and network services as well as a broad portfolio of energy-saving products and services.

'We', 'Vattenfall NV', 'the Company' or similar expressions are used in these consolidated accounts as a synonym for Vattenfall N.V. and its subsidiaries. 'Vattenfall AB', 'the Parent' or 'the parent company' are used in these consolidated accounts as a synonym for Vattenfall AB and its subsidiaries. Vattenfall NV is registered at the Dutch Chamber of Commerce with registration number 33292246.

Vattenfall AB, owned by the Swedish government, is the sole shareholder of Vattenfall NV. The financial data of Vattenfall NV is included in the consolidated accounts of Vattenfall AB.

These consolidated accounts for the financial year 2024 are authorised for publication by the Management Board and Supervisory Board on 19 May 2025. Subsequently, these consolidated accounts have been adopted by the general meeting of shareholders on 19 May 2025.

As the company income statement for 2024 of Vattenfall NV is included in the consolidated accounts, a condensed income statement has been disclosed in the company accounts in accordance with Section 402, Book 2, of the Dutch Civil Code.

Note 2 Accounting policies

Conformity with standards and regulations

The consolidated accounts have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union as well as the interpretations issued by the IFRS Interpretations Committee (IFRS IC) for application within the European Union and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

Going concern

These financial statements have been prepared on the basis that the Company will continue to operate as a going concern. The management board performed its assessment of the entity's ability to continue as a going concern and does not expect any impact on the going concern assumption as a result of the current uncertain market conditions following the ongoing conflicts in Ukraine and the Middle East or any other considerations involved in the analysis.

In 2023, the company obtained financing of EUR 470 million, securing its ability to complete the construction of the Hollandse Kust Zuid offshore wind project. See to Note 21, Interest-bearing liabilities for more details.

Important changes in the financial statements compared with the preceding year

Changes in the presentation of the financial statements for 2023

No changes were made.

New accounting principles effective from 2024

None of the amendments to the existing accounting standards effective from 2024 have had a material impact on the Vattenfall NV's financial statements.

New accounting principles effective from 2025 and later

IFRS Accounting Standard 18, Presentation and Disclosure in Financial Statements is a new standard that is applicable from 1 January 2027 (early adoption is permitted). The new standard replaces IAS 1 with focus on updates to the structure of the income statement with defined subtotals and required disclosures regarding management-defined performance measures. Vattenfall is currently assessing the impact on its financial statements.

No other new or amended accounting standards or interpretations that have been published and are effective from 2025 and later are considered to have a material impact on Vattenfall N.V.'s financial statements.

Basis of measurement

Assets and liabilities are reported at cost or amortised cost, except for certain financial assets and liabilities and inventories held for trading, which are measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Vattenfall NV uses valuation methods that reflect the fair value of an asset or liability appropriately. Financial assets and liabilities that are measured at fair value are described below according to the fair value hierarchy (levels), which in IFRS Accounting Standard 13 is defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

Classification into a level is determined by the lowest level input that is significant for the measurement of the fair value at the end of a reporting period. Vattenfall NV assesses whether reclassifications between the levels are necessary. Observable input data are used whenever possible and relevant. The assumptions for the estimated cash flows are monitored on a regular basis and adjusted if necessary.

Determination of result

The result is the difference between the net sales and other income and the costs and other charges during the year. Income is recognised in the year in which it is realised. Losses are taken in the year in which they are foreseeable. Profit or loss is determined taking into account the recognition of unrealised changes in fair value of derivative financial instruments.

Functional and presentation currencies

The functional currency is the currency of the primary economic environment in which each entity of Vattenfall NV operates. The Company's functional currency is euro (EUR), which is also the presentation currency of both Vattenfall NV's consolidated and company financial statements. This means that the financial statements are presented in euro. Unless otherwise stated, all figures are rounded off to the nearest million euro (EUR million).

Significant accounting policies

The accounting policies of the Company described below and in each respective note to the consolidated accounts have been applied consistently for all periods presented in the consolidated financial statements.

Principles of consolidation

The consolidated financial statements cover Vattenfall NV, its subsidiaries, associated companies and joint ventures and joint arrangements that are reported as a joint operation according to IFRS Accounting Standard 11. For accounting principles on associated companies and joint ventures refer to Note 15 Participations in associated companies and joint ventures. For accounting principles on subsidiaries and joint operation refer to Note 14 Shares and participations in subsidiaries and joint operation.

Transactions that are eliminated upon consolidation

Intragroup receivables and liabilities, income and expenses, as well as gains or losses arising from intragroup transactions between Vattenfall NV companies, are eliminated in their entirety when preparing the consolidated accounts. Gains arising from transactions with associated companies and joint ventures are eliminated to an extent that corresponds to Vattenfall NV's holding in the company. Losses are eliminated in the same manner as gains but are treated as an indicator of impairment.

Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to the functional currency at the exchange rate on the day of the transaction. On the balance sheet date, monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate applicable on that day. Exchange rate differences arising from translation of currencies are reported in the income statement. Operationally derived exchange gains and losses are shown under Other operating income and Other operating expenses, respectively. Financially derived exchange gains and losses are shown as Financial income and Financial expenses, respectively.

Important estimations and assessments in the preparation of the financial statements

Preparation of the financial statements in accordance with IFRS Accounting Standards requires the Company's management board to make estimations and assessments as well as to make assumptions that affect application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimations and assessments are based on historic experience and other factors that seem reasonable under current conditions. The results of these estimations and assessments are then used to establish the reported values of assets and liabilities that are not otherwise clearly documented from other sources. The final outcome may deviate from the results of these estimations and assessments. The estimations and assessments are revised on a regular basis. The effects of changes in estimations are reported in the period in which the changes were made if the changes affected this period only or in the period the changes were made and future periods if the changes affect both the current period and future periods.

Important estimations and assessments are described further in the following notes to the consolidated accounts:

Key accounting estimates and judgements	Note
Estimated consumption relating to energy deliveries	4, Net sales
Assumptions used for the recognition and measurement of deferred tax	10, Income taxes
Assumptions for determining the provision for doubtful debts	17, Trade receivables and other receivables
Assumptions related to impairment testing	6, Impairment losses and reversed impairment losses
	12, Intangible assets
	13, Property, plant and equipment
	14, Shares and participations in subsidiaries and joint operation
	15, Participations in associated companies and joint ventures
Estimates of useful life	12, Intangible assets
	13, Property, plant and equipment
Consolidation method for partnerships	14, Shares and participations in subsidiaries and joint operation
	15, Participations in associated companies and joint ventures
Measurement of lease liabilities and right-of-use assets	11, Leasing
Assumptions and estimates related to future cash outflows regarding provisions	23, Provisions
Assumptions for determining the fair value measurement of level 2 financial instruments (fair value hierarchy)	27, Financial instruments

Price ceiling arrangement

From 1 January 2023 to 31 December 2023, the Dutch government has introduced a price ceiling ('Subsidieregeling bekostiging plafond energietarieven kleinverbruikers 2023 (CEK2023)') on energy rates. The government has requested suppliers of electricity, gas and district heating to implement this temporary arrangement. This price ceiling applied to all households and other small-scale consumers like self-employed persons, shops, associations, small social organizations and some small SMEs. This includes households that are connected to a heating network.

As of 1 December 2023, energy suppliers have started the monthly settlement process of the price cap, whereby the advances received from 2023 onwards are settled with the actual consumption of the consumer. The final settlement of the price cap scheme with the Dutch government will ultimately take place in June 2025 at the latest. The table below shows the amounts as of the end of 2024 that relate to this scheme:

Accounting policy

Vattenfall N.V. is not the beneficiary of the price ceiling arrangement, but households and other small-scale consumers are. That is why the amounts received from the government have been recognised as current liabilities on the balance sheet and subsequently settled with the households and other small-scale consumers through trade receivables arising from the supply of energy during 2023. Any amounts received in excess will be settled with the government. The amounts received from the government have had no influence on Vattenfall's net sales as presented in the statement of comprehensive income on the basis of the application of IFRS 15 Accounting Standard 'Revenue from contracts with customers'. Therefore, Vattenfall reserves the right to receive full consideration from the customer for the supply of electricity, gas and district heating based on the existing price ceiling scheme and/or the fixed or variable prices of the customer contracts and in such a way that the transaction price under IFRS Accounting Standard 15 remains unchanged.

Amounts in EUR million	Received from the government	Settled with the customer	Other receivables (Note 17)	Trade payables and other Liabilities (Note 24)	Accrued expenses and deferred income (Note 26)
CEK 2023	1.279	1.246	–	33[1]	–

[1] Of which EUR 33 million to be settled with the government

Temporary Energy Emergency Fund ('Tijdelijk Noodfonds Energie')

In addition to the price ceiling arrangement, a temporary energy emergency fund was initiated in 2023 by Vattenfall, Eneco, Essent and Greenchoice in collaboration with the Dutch government. This Energy Emergency Fund is intended for Dutch low-income households to (partly) compensate their energy bills and prevent energy debts. In 2023, the participating companies together and the government each paid EUR 29.5 million into the Emergency Fund, a total of €59 million, of which a substantial amount by Vattenfall. In 2023, around 50,000 households received a total of EUR 43.7 million in support. As of January 2024, the temporary Energy Emergency Fund was opened for the second time. The financing of the Energy Fund was once again a public-private collaboration with EUR 28 million support from energy suppliers. The total available budget for 2024 was EUR 84 million, of which EUR 65 million was granted to 110.000 households. As of the end of 2024, Vattenfall has no outstanding obligations to the fund. As energy poverty remains an important subject for our customers, we continue our talks with the government about structural and targeted support for vulnerable households.

Note 3 Acquired and divested operations

Acquired operations

Acquisitions in 2024

No acquisitions took place in 2024.

Divested operations

Divestments in 2024

No major divestments during 2024.

Note 4 Net sales

Accounting policy

Net sales include revenue from production, sales and distribution of electricity and heat, sales of gas, energy trading and other revenues such as service and consulting assignments and connection fees. Materially all revenues are generated in the Netherlands.

Vattenfall NV offers customers discounts and bonuses on sale of both electricity, gas and heat through various campaigns. The Company recognises discounts and bonuses when the performance obligation to the customer is satisfied and are recognised over the contract term.

Various sales channels are used to sell Vattenfall NV's products which gives rise to different types of costs associated with sales activities. These costs to obtain a contract related to revenues from contracts with customers are shown under Note 12, Intangible assets. Capitalisation of costs to obtain is either based on a portfolio approach (B2C) or a contract-by-contract approach (B2B). B2C applies practical expedients by which all contracts with a duration of more than 1 year are deemed one portfolio and costs to obtain a contract associated to 1-year contracts are expensed when incurred. In accordance with IFRS Accounting Standard 15, contracts with a variable term are considered short-term, the costs to obtain are therefore expensed when incurred. The amortisation schedule for contracts with a duration of more than 1 year depends on the contract duration by taking into consideration the probability that customers terminate their contracts prior to the end of the contractually agreed period.

Accounting for netting of electricity and backdelivery

For B2C customers who generate their own electricity (e.g. via solar panels) regulations in the Netherlands allow the supply and consumption of energy to be settled on an annual basis. Until the end of 2023, revenues and costs of goods sold were grossed up for the amount of electricity that was returned, resulting in higher revenues and higher costs of goods sold. We consider the supply of electricity within a contract period of 12 months (or shorter if the customer decides to leave earlier) as a series of separate services that are substantially the same and have the same pattern of transfer to the customer, as defined in IFRS Accounting Standards 15.22 and 15.23. IFRS Accounting Standards require that the supply of electricity be viewed as a single performance obligation. Therefor as of year-end 2024 the total electricity consumed by the customer is netted against the total electricity that was delivered back into the grid on a 12-month contract period basis.

Sales and distribution of electricity, heat and gas

Sales of electricity, heat and gas and related distribution are recognised as revenue at the time of delivery, excluding value-added tax and excise taxes. Depending on the system for metering of consumption, Vattenfall NV recognises revenues either based on expected consumption, with a reconciliation when the readout takes place, or based on actual consumption and adjusted for back-delivery.

Vattenfall has entered into long-term power purchase agreements which are supplied to the customers through physical delivery of electricity. The performance obligation is fulfilled over time and the income is reported within sales from electricity at delivery. These agreements do not contain derivatives nor are they to be treated as lease agreements.

Develop-to-sell projects

Vattenfall constructs Wind and Solar projects for the purpose of selling them in some cases. The assets under construction are accounted for as inventory and the sales proceeds are recognised as revenue in accordance with IFRS Accounting Standard 15. Depending on the contract details, revenue is being recognised as the performance obligation is satisfied at a point of time or over time.

Connection fees

Heat is responsible for physical connections of the Heating networks to houses and buildings. The fee for the physical connection is paid by the customer when the connection is established. Revenue from connection fees is recognised over time since Vattenfall NV handles maintenance and repairs of the assets used in the physical connection, which is satisfied over time. The basis for revenue recognition of connection fees is the useful life of the underlying assets.

Vattenfall NV recognises revenues from contracts with customers and other revenues through profit or loss. Revenue from contracts with customers is recognised when the performance obligation is satisfied. Contract assets mainly consist of bonus payments made to a customer for entering into a new contract or prolonging an existing contract. These are amortised over the minimum contractual period.

Amounts in EUR million	2024	2023
Sales of electricity	2,423	3,644
Sales of gas	1,792	3,013
Sale of heat, steam and cooling	292	395
Sales income Develop-to-Sell projects	–	41
Sales / lease of solar and battery assets	208	196
Service and consulting	157	120
Total Revenues from contracts with customers	**4,872**	**7,409**
Other revenues	108	101
Total revenues	**4,980**	**7,510**

The payment recognised may not match the revenue for the period, which results in the recognition of contract assets and contract liabilities. The Company applies the practical expedient not to adjust for the effects of a significant financing component if it is expected that, at inception, the period between satisfying the performance obligation and the payment will be one year or less.

Contract balances

Amounts in EUR million	2024	2023
Contract assets	–	–
– of which released as cost from opening balance during the year	1	1
Contract liabilities	355	336

Contract liabilities relate to cashbacks, obligations resulting from loyalty programs and construction contributions received. Construction contributions received are mainly attributable to district heating grids. The amortisation periods of these received amounts are equal to the depreciation periods of the underlying assets with a maximum of 30 years.

Note 5 Cost of sales

Amounts in EUR million	2024	2023
Cost of sales	4,080	6,937
Release from the provision for onerous contracts	-8	-361
Change in fair value of derivatives	-1,322	-818
Total cost of sales	**2,750**	**5,758**

Total cost of sales includes the fair value movements of commodity derivatives and the costs in relation to the onerous contracts provision. The EUR -1,322 million (2023: EUR -818 million) represents the net effect of accounting for derivatives at fair value through amount of profit and loss (FVTPL).

Note 6 Impairment losses and reversed impairment losses

Accounting policy

General principles

Assessments are made throughout the year for any indication that an asset may have decreased in value. If there is an indication of this kind, the asset's recoverable amount is estimated. For intangible assets that are still not ready for use, the recoverable amount is calculated at least annually or as soon there is an indication that an asset has decreased in value.

If the independent cash flow for an individual asset cannot be established for the assessment of any need for impairment, the assets must be grouped at the lowest level possible to identify the essentially independent cash flow (a so-called cash-generating unit). An impairment loss is reported when an asset or cash-generating unit's reported value exceeds the recoverable amount. Any impairment loss is recognised in profit or loss. Impairment of assets attributable to a cash-generating unit is allocated primarily to goodwill. Thereafter, a proportional impairment loss is conducted of other assets that are part of the unit.

Calculation of the recoverable amount

The recoverable amount is the higher of fair value less costs to sell and value in use. When calculating value in use, the future cash flow is estimated and discounted by a discounting rate that takes into consideration the risk-free interest rate and the risk associated with the specific asset.

Reversal of impairment losses

Impairment of goodwill is never reversed. Impairment of other assets is reversed if a significant and lasting change has occurred in the assumptions that formed the basis for the calculation of the recoverable amount. An impairment loss is reversed only if the asset's carrying amount after reversal does not exceed the carrying amount that the asset would have had if the impairment loss had not been recognised.

Financial information

Process for impairment testing

To ensure that the best available information is used for impairment testing and that that information represents management's best estimate, the basis for all impairment calculations is data used by management for strategic decision-making. Part of this information are cash flow projections and NPV calculations. Cash flows of the asset clusters Condensing, Heat, Customers & Solutions and the separate windfarms within Wind are calculated on a yearly basis in the asset book process. Those cash flow estimates form the basis of the impairment test. The main assumptions that executive management used in calculating projections of future cash flows in cash-generating units with finite useful lives are based on forecasts of the useful life of the respective assets. The projected cash flows are based on market prices and on Vattenfall NV's long-term market outlook. The calculated revenues in these forecasts are based on Vattenfall NV's long-term pricing projections, which are the result of a large number of simulations of the prices of oil, gas, electricity and CO_2 emission allowances in the relevant commodity markets.

The long-term market outlook is based on internal and external input parameters and is benchmarked against external price projections. Based on the price assumptions, the dispatch of the power plants is calculated, taking technical, economic and legal constraints into consideration. Technical flexibility of the assets, that is the ability to adapt generation to changes in spot market prices, has been taken into account as well. Cash flow projections of other cash-generating units are based on the business plan for the coming five years, after which their terminal value is taken into account, based on a growth factor of 0% (2023: 0%-2%). If the final year of the business plan horizon does not represent a reasonable basis for assessing the long-term value, an extended forecast may be required to arrive at a steady-state earnings situation on which to calculate the terminal value.

Future cash flows have been discounted to value in use using the following discount rates:

	2024		2023	
	Before tax	**After tax**	**Before tax**	**After tax**
Discount rate Condensing	8.9%	6.9%	9.6%	6.9%
Discount rate Heat	6.8%	5.1%	6.6%	5.2%
Discount rate Wind Onshore	7.6%	5.0%	8.3%	5.2%
Discount rate Wind Offshore	7.5%	5.0%	8.1%	5.2%
Discount rate Customers & Solutions	6.9%	5.3%	8.2%	5.5%

The discount rate varies for the various asset classes, depending on their risk. When setting the discount rate, consideration has been given to the extent to which the various asset classes are exposed to changes in the wholesale prices of electricity, fuel, CO_2 emission rights and regulatory risks. An increase in the discount rate by 0.5 percentage points would decrease the estimated value in use for the cash-generating unit Condensing by approximately EUR 62 million (2023: EUR 27 million). On the other hand, a decrease in the discount rate by 0.5 percentage points would increase the estimated value in use for the cash-generating unit Condensing by approximately EUR 69 million (2023: EUR 30 million). This would not give rise to an impairment.

Electricity prices and margins for generation assets represent another major value driver. Electricity prices are relevant for non-subsidised wind farms. The most important production margin is the “clean spark spread” for gas-fired power plants. This spread includes electricity prices as well as the respective costs for fuel and CO_2 emission allowances to produce the electricity, considering the fuel type and efficiency factors. Based on the assumptions used in the impairment testing, a decrease in future electricity prices by 5%, with unchanged costs for fuel and CO_2 emission allowances, would lead to a decrease in the value of gas-fired assets of 21 million. Furthermore, a reduction of 5% in future margin would decrease the estimated value in use for the cash-generating unit Condensing segment by 13% or approximately EUR 95 million. This would not lead to any impairment. For the non-subsidised wind farms Hollandse Kust Zuid 1&2 en Hollandse Kust Zuid 3&4, the corresponding figure is 6% or approximately EUR 263 million. This would not lead to any impairment.

Vattenfall has performed impairment testing by calculating the recoverable amount of the cash-generating units. The structure of the cash-generating units, which represent the smallest group of identifiable assets that generate continuous cash inflows that are largely independent of other assets or groups of assets, is based on the Company's Business Area structure. The cash-generating units are part of the business areas Condensing, Customers & Solutions, E-mobility and Wind.

The Business area Condensing contains 3 gas-fired plants, necessary equipment and infrastructure. Some of these plants are for district heating in addition to electricity.

The Business area Customers & Solutions operates Vattenfall's downstream retail activities as well as other decentralised, but still consumer-oriented businesses. It is a margin business subject to churn and counterparty risk. The diverse portfolio is structured to minimise single commodity exposure by offering different commodities to different types of customers.

The Business area E-mobility is responsible for the sale of electric vehicle charging solutions at people's homes, business locations and in large cities in markets where Vattenfall NV is active.

Ever since Vattenfall has been focusing its investment strategy on generation of renewable energy, it has led to continuous growth in BA Wind. Vattenfall NV operates approximately 10 wind farms. For a large amount of future Wind assets investments, decisions have already been taken which will lead to an even further growth in the near future. Two major projects in Offshore are wind farm Zeevonk and Zeevonk Electrolyser.

Impairment losses 2024
Impairment losses charged against operating result in 2024 are EUR nil.

Impairment losses 2023
Impairment losses charged against operating result in 2023 are EUR nil.

Note 7 Other external expenses

Amounts in EUR million	2024	2023
Purchased services	83	64
IT expenses	22	24
Consulting expenses	102	115
Non-capitalised lease expenses	16	16
Marketing and selling expenses	44	36
Facility service costs	8	7
Other[1]	152	119
Total	**427**	**381**

[1] The category "other" contains a.o. the following cost categories: insurance, legal, banking, education and training, office, travel, contributions and branche fees.

Note 8 Other operating income and expenses, net

Amounts in EUR million	2024	2023
Other operating income	70	34
Other operating expenses	-5	-21
Total	**65**	**13**

Other operating income mainly consists of received compensation for technical underperformance of windfarms, capital gains from divested assets and dunning income.

Other operating expenses mainly consist of capital loss from divested assets.

Note 9 Financial income and expenses

Accounting policy
Interest income is reported as it is earned. The calculation is made on the basis of the return on underlying assets in accordance with the effective interest method. Dividend income is reported when the right to receive payment is established. Interest income is adjusted for transaction costs and any rebates, premiums and other differences between the original value of the receivable and the amount received when due.

For calculation of interest effects attributable to provisions, discount rates have been used; see Note 23 to the consolidated accounts, Provisions for the discount rates used. Issue costs and similar direct transaction costs for raising loans are distributed over the term of the loan in accordance with the effective interest method. Borrowing costs directly attributable to investment projects in non-current assets which take a substantial period of time to complete are not reported as a financial expense but are included in the cost of the non-current asset during the construction period. Leasing fees pertaining to finance leases are distributed between interest expense and amortisation of the outstanding debt. Interest expenses are distributed over the leasing period so that each accounting period is charged in the amount corresponding to a fixed interest rate for the reported debt in each period. Variable fees are carried as an expense in the period in which they arise.

Financial income

Amounts in EUR million	2024	2023
Interest income	30	26
Total	**30**	**26**

Financial expenses

Amounts in EUR million	2024	2023
Interest expenses attributable to loans	24	16
Interest effects attributable to provisions	6	–
Total	**30**	**16**

Interest expenses, attributable to lease liabilities, amount to EUR 4 million (2023: EUR 3 million) and are included in interest expenses attributable to loans.

Note 10 Income tax

Accounting policy
Income taxes comprise current tax and deferred tax. Income tax is reported in the income statement except when the underlying transaction is reported in Other comprehensive income or in Equity, whereby also the associated tax effect is reported in Other comprehensive income and Equity, respectively. Current tax includes the

expected tax payable and receivable on the taxable income for the current year, using tax rates enacted or substantively enacted at reporting date, as well as (any adjustments to) tax payable and receivable with respect to previous years.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and it considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainly.

Deferred tax is recognised using the liability method on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxes are not recognised for the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences related to investments in subsidiaries to the extent that the entity is able to control the timing of the reversal of the differences and the differences will probably not reverse in the foreseeable future. The foreseeable future is defined as a period of 12 months from the end of the reporting period. However, this period may be extended depending on the facts and circumstances (including management intent). Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Measurement of deferred tax assets and liabilities is based upon the enacted or substantively enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be reversed.

Offset of deferred tax assets and liabilities

Deferred tax assets and liabilities can only be netted off if the following applies:
(1) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
(2) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Important estimations and assessments

The recognition of deferred tax assets is assessed annually. This assessment is mainly based on the business plan for the coming five years and on the assumption that future earnings after five years will be consistent with the business plan. For the assessment the enacted or substantively enacted tax rates and the applicable tax law at reporting date are considered. The nature of the evidence supporting the recognition of the deferred tax assets is regarding one-offs in prior years, business plan and forecast.

Unrecognised deferred tax assets

Unrecognised deferred tax assets relate to the temporary differences in the valuation of tax losses carried forward and amount to EUR 53.3 million (2023: EUR 53.8 million). Mentioned losses are so-called pre-fiscal unity losses and regards to Warmtebedrijf Rotterdam. These tax losses carried forward relate to losses in the Netherlands where it is not considered probable that sufficient taxable profit will be available in the foreseeable future to utilise the losses carried forward. From January 1, 2022, a tax loss can be carried forward indefinitely. To the extent that the taxable profit for the year is EUR 1 million or less, that taxable profit can be used in full to set off a loss of previous years. To the extent that the taxable profit for a year exceeds EUR 1 million, only 50% of that taxable profit in excess of EUR 1 million can be used to offset losses of previous years. The deferred tax for tax losses 2023 and 2024 of the fiscal unity (EUR 145.9 million) is recognised. Forecast and business plans as well as one-offs supported the evidence for the recognition.

Pillar II

The Group is subject to the global minimum top-up tax ('Pillar Two') legislation, which has entered into force in the Netherlands on 31 December 2023 and is effective as of 1 January 2024 onwards. The Group is active in the Netherlands and Germany. Based on the Pillar Two legislation, the Group is subject to an additional top-up tax for differences between the effective tax rate per tax jurisdiction as calculated under Pillar Two and a minimum tax rate of 15%.

The Company makes use of the so-called CbCR safe harbour rules, using the provisional 2024 Country-by-Country report and underlying financial statements. The rules are expected to apply for both countries where the Group operates. The Qualified Domestic Minimum Top-up Tax ('QDMTT') will be applicable in the Netherlands and the Income Inclusion Rule ('IRR') will be applicable with respect to Vattenfall AB. No top-up tax is included in the consolidated tax expense since at least one of the safe harbour rules are met.

Each of the subsidiaries is legally responsible for the minimum top-up taxes in the jurisdiction in which they operate. The Company is liable for the minimum top-up taxes under the IRR and charges this back to the respective subsidiaries.

The Group has applied the temporary mandatory exemption under the IFRS to recognize and disclose deferred tax assets and liabilities related to Pillar Two income taxes and recognizes income tax in the reporting period in which it is payable or refundable.

Financial information

Breakdown of the reported income tax

Amounts in EUR million	2024	2023
Current tax expense (-)	–	-2
Adjustment of current tax expense (-) / credit (+) for prior periods	-2	6
Deferred tax expense (-)	-287	-195
Adjustment of deferred tax credit (+) for prior periods	5	–
Total income tax expense	**-284**	**-191**

The difference between the nominal Dutch tax rate and the effective tax rate is explained as follows:

	2024		2023	
Amounts in EUR million	**%**		**%**	
Result before tax		1,179		802
Dutch income tax rate for the year ended 31 December	25.8	-304	25.8	-207
Tax adjustments for previous periods	-0.3	3	-0.9	7
Non-taxable income	-1.3	15	-0.7	6
Energy investment allowance	-0.2	3	-0.5	4
Other	0.1	-1	0.1	-1
Effective tax rate and total income tax expense	**24.1**	**-284**	**23.8**	**-191**

The difference between the expected income tax and the total income tax is mainly caused by the minority in results before tax third party share of fully consolidated (transparent entities) and the tax-exempt result of equity companies, in total EUR 15 million.

Balance sheet reconciliation of current tax

Amounts in EUR million	2024	2023
Balance brought forward net asset (+)	85	131
Change via income statement	-2	5
Taxes paid, net	-55	-51
Balance carried forward net asset (+)	**28**	**85**

Gross movement in deferred tax assets / (liabilities)

Amounts in EUR million	Plant and equipment	Inventories	Intangible assets	Non-settled derivatives	Tax losses	Provisions	Liabilities	Other	Total
Carrying amount as at 1 January 2024	**-43**	**18**	**-3**	**287**	**104**	**21**	**75**	**-4**	**455**
Movements 2024									
Charged to income	21	-20	3	-322	42	-2	-8	-1	**-287**
Charged to income prior year	-1	–	–	–	1	–	5	–	**5**
Reclassifications and other movements	-19	12	–	–	–	2	2	3	**–**
Total	**1**	**-8**	**3**	**-322**	**43**	**–**	**-1**	**2**	**-282**
Carrying amount as at 31 December 2024	**-42**	**10**	**–**	**-35**	**147**	**21**	**74**	**-2**	**173**

Based on the forecasted profits it is expected that an amount of EUR 45 million of deferred tax assets will be settled within one year as a consequence of tax loss utilisation.

Deferred tax assets related to unused tax losses, tax credits and deductible temporary differences are derecognised when it is no longer considered probable that future taxable profits will be available against which they can be utilised. The deferred tax positions for property, plant and equipment, inventories and intangible assets (including surplus values) mainly represent the differences between the carrying amount and the tax base of the power generating facilities, operated heat-grids, develop-to-sell projects and IFRS 16 right-of-use-assets, measured at the enacted or substantively enacted tax rates expected to apply to taxable income in which temporary differences are expected to be reversed.

The deferred tax position in respect of derivatives represents the temporary differences in valuation between the carrying amount and tax base. The deferred tax position for liabilities represents mainly the difference between the carrying amount and tax base of IFRS 16 related interest-bearing liabilities and other liabilities. The deferred tax position for provisions mainly represents the difference between the carrying amount and tax base of the provisions for onerous contracts and of the provisions for dismantling. The net deferred tax position changed with EUR -281 million during 2024 (2023: EUR -195), mainly caused by the change in non-settled derivatives, the tax losses carry forward recognition and reversal depreciation applied accelerated depreciation facility.

Utilisation unused tax losses

The fiscal unity Vattenfall NV has a history of recent tax losses as referred to in IAS 12. "Convincing other evidence" is required from which it may be concluded that sufficient taxable profit will be available against which the unused tax losses and/or unused tax credits can be utilised. Assessed is that the aforementioned conditions are met by the fiscal unity Vattenfall NV for the full recognition of its DTA per year end 2024. The nature of the evidence supporting the recognition of the deferred tax assets is regarding one-offs in prior years, business plan and forecast.

Note 11 Leasing

Accounting policy

Leased assets

A right-of-use asset along with a lease liability are recognised on the balance sheet for all lease contracts except for leases for which the underlying asset is of low value or if the contract duration is 12 months or less. For these types of lease contracts the practical expedient is applied whereby costs incurred are expensed directly.

The right-of-use-asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, while the leasing payments are reported as interest and amortisation of the debts.

The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date, discounted using Vattenfall NV's incremental borrowing rate, which is updated by the Treasury department twice a year. After the commencement date, the amount of lease liabilities increases to reflect the accretion of interest and is reduced for the lease payments made. The commitment to pay future leasing charges is reported as a non-current or current liability.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments
- Variable lease payments that depend on an index or rate
- Amounts expected to be payable under a residual value guarantee
- The exercise price under a purchase option that Vattenfall NV is reasonably certain to exercise
- Lease payments in an optional renewal period, if Vattenfall NV is reasonably certain to exercise an extension option
- Penalties for early termination of a lease unless Vattenfall NV is reasonably certain not to terminate early..

Assets leased out

Assets that are leased out under finance leases are not reported as property, plant and equipment, since the risks associated with ownership are transferred to the lessee. Instead, a financial receivable is entered for the future minimum lease payments.

Assets leased out under operating leases are reported as property, plant and equipment and are subject to depreciation.

Leased property, plant and equipment

As a lessee

Vattenfall NV leases different assets, including but not limited to land, office buildings, vehicles and other. More detailed information about leases for which the Company is a lessee is presented below.

Right-of-use-assets

	2024				
Amounts in EUR million	**Land**	**Buildings**	**Vehicles**	**Other**	**Total**
Balance brought forward	145	35	14	15	**209**
Depreciation for the year	-8	-5	-1	-16	**-30**
Additions to the right of use asset during the year	15	4	9	–	**28**
Other changes to the right of use asset during the year	6	-3	-5	19	**17**
Balance carried forward	**158**	**31**	**17**	**18**	**224**

Right-of-use-assets

	2023				
Amounts in EUR million	**Land**	**Buildings**	**Vehicles**	**Other**	**Total**
Balance brought forward	146	21	11	17	**195**
Depreciation for the year	-8	-7	–	-14	**-29**
Additions to the right of use asset during the year	–	10	9	1	**20**
Other changes to the right of use asset during the year	7	11	-6	11	**23**
Balance carried forward	**145**	**35**	**14**	**15**	**209**

Lease liability development

Amounts in EUR million	2024	2023
Balance brought forward	217	203
Additions to the liability	29	20
Repayment of the liability	-41	-41
Other changes	29	35
Balance carried forward	**234**	**217**

Total leasing related cash-outflows amounted to EUR 41 million in 2024 (2023: EUR 40 million) of which EUR 3 million (2023: EUR 2 million) is related to interest expenses.

Maturity analysis - contractual undiscounted cash flows

Amounts in EUR million	
< 1 year	41
1 - 5 years	77
> 5 years	150
Total as of 31 December 2024	**268**

Lease payments amounting to EUR 16 million (2023: EUR 16 million) have not been accounted for as right-of-use assets as a result of the practical expedients relating to short-term contracts and low value items or because they related to variable components of contracts.

Leasing revenues
Leasing revenues and future receivables relate mainly to leases of production facilities and heating equipment to consumers. On 31 December 2024, cost of assets reported under operating leases amounted to EUR 532 million (2023: EUR 538 million). Accumulated depreciation amounted to EUR 427 million (2023: EUR 418 million) and accumulated impairment losses amounted to EUR 9 million (2023: EUR 9 million).

Future leasing related cash-inflows for this type of facility are broken down as follows:

As of 31 December 2024

Amounts in EUR million	Operating leasing
2025	94
2026	7
2027	4
2028	2
Total	**107**

As of 31 December 2023

Amounts in EUR million	Operating leasing
2024	93
2025	91
2026	8
2027	5
2028	3
2029 and beyond	8
Total	**208**

The district heating grids belonging to Alliander N.V. which had been placed within a cross-border lease, were subleased to Vattenfall Warmte N.V., which is part of Vattenfall NV, as of mid-2008 until mid-2025. This sublease was terminated prematurely on 2 September 2024. It has been agreed with Alliander N.V. to continue the rental of the district heating grids as much as possible on the basis of the agreements from the terminated sublease until 1 December 2025. In addition, it was agreed to consult each other in 2025, in order to agree on a future-proof system for the ownership and operation of the heating grids, as well as the related financial aspects. The impact of the implementation of the Heat Act (WcW) will be taken into account, and is expected to be implemented in 2025.

Note 12 Intangible assets

Accounting policy

Intangible assets
Intangible assets such as concessions, patents, licences, trademarks and similar rights as well as renting rights are reported at cost less accumulated amortisation and impairment losses.

Principles for amortisation
Amortisation of intangible assets other than goodwill is reported on a straight-line basis in the income statement over the estimated useful life of the asset, provided the useful life is not indefinite.

Important estimations and assessments

Intangible assets are tested for impairment in accordance with the accounting policies described in Note 6 to the consolidated accounts, Impairment losses and reversed impairment losses. The recoverable amount for cash-generating units is determined by calculating the value in use or fair value less costs to sell. For these calculations, certain estimations must be made regarding future cash flows along with other adequate assumptions regarding the required rate of return, for example.

Financial information

Amounts in EUR million	2024 Concessions, customer lists and similar rights with finite useful lives	Cost to obtain a contract	Total
Cost			
Cost brought forward	263	16	**279**
Investments	23	2	**25**
Divestments/disposals	–	-11	**-11**
Accumulated cost carried forward	**286**	**7**	**293**
Accumulated amortisation			
Amortisation brought forward	-110	-15	**-125**
Amortisation for the year	-27	-1	**-28**
Divestments/disposals	–	11	**11**
Accumulated amortisation carried forward	**-137**	**-5**	**-142**
Impairment losses			
Impairment losses brought forward	-49	–	**-49**
Accumulated impairment losses carried forward	**-49**	**–**	**-49**
Carrying amount carried forward	**100**	**2**	**102**

Amounts in EUR million	2023 Concessions, customer lists and similar rights with finite useful lives	Cost to obtain a contract	Total
Cost			
Cost brought forward	252	34	**286**
Investments	17	–	**17**
Divestments/disposals	-6	-18	**-24**
Accumulated cost carried forward	**263**	**16**	**279**
Accumulated amortisation			
Amortisation brought forward	-90	-29	**-119**
Amortisation for the year	-23	-4	**-27**
Divestments/disposals	6	18	**24**
Reclassifications	-3	–	**-3**
Accumulated amortisation carried forward	**-110**	**-15**	**-125**
Impairment losses			
Impairment losses brought forward	-52	–	**-52**
Reclassifications	3	–	**3**
Accumulated impairment losses carried forward	**-49**	**–**	**-49**
Carrying amount carried forward	**104**	**1**	**105**

Estimated useful life	
Concessions, customer lists and similar rights	1-63 years
Costs to obtain a contract	2-3 years

Estimated useful lives are unchanged compared to the preceding year.

Note 13 Property, plant and equipment

Accounting policy

Property, plant and equipment are reported as assets on the balance sheet if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the asset can be measured reliably. Cost includes the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Examples of directly attributable expenses included in cost are delivery and handling, installation, land registration and consulting services. Borrowing costs directly attributable to investment projects in property, plant and equipment, which take a substantial period of time to complete, are included in the cost of the asset during the construction period.

Acquisition cost may include a calculated present value for the estimated cost for dismantling, removing assets and restoring the site to its original state. The equivalent estimated cost calculated on the basis of the present value is reported initially as a provision. See also Note 23 to the consolidated accounts, Provisions.

Subsequent costs

Subsequent costs for property, plant and equipment are only added to the acquisition cost if it is likely that there will be future financial benefits associated with the asset for the Company and the cost can be calculated in a reliable manner. All other subsequent costs are reported as expenses in the period in which they are incurred. What is decisive for the assessment when a subsequent cost is added to the acquisition cost is whether the cost concerns the replacement of identified components, or parts of them, whereby such costs are capitalised. Also, in cases where new components are created, the cost is added to the cost of the asset. Any undepreciated reported values of replaced components, or parts of components, are retired and carried as an expense in connection with the replacement. Repair and maintenance costs are expensed as incurred.

Depreciation principles

Depreciation is reported on a straight-line basis in the income statement over the estimated useful life of the asset. The Company applies component depreciation, which means that the components' estimated useful life provides the basis for the straight-line depreciation. Estimated useful life is described below in this note. Assessments of the residual value and useful life of an asset are conducted annually. Land and water rights are not subject to depreciation.

Key accounting estimates and judgements

Assumptions related to impairment testing

Property, plant and equipment are tested for impairment in accordance with the accounting policies described in Note 6 to the consolidated accounts, Impairment losses and reversed impairment losses. The recoverable amount for cash-generating units is determined by calculating the value in use or fair value less costs to sell. For these calculations, certain estimations must be made regarding future cash flows along with other adequate assumptions regarding the required rate of return, for example.

Estimates of useful life

The useful life is based on historical experience and judgement, and as a result it may differ from the actual useful life.

Estimated useful life

Hydro power installations	5-40 years
Combined heat and power installations	5-40 years
Wind power installations	10-25 years
Solar power installations	5-25 years
Office and warehouse buildings and workshops	25-50 years
Office equipment	5-10 years

Estimated useful lives are unchanged compared with the preceding year.

Property, plant & equipment

	2024				
Amounts in EUR million	Land and buildings[5]	Plant and machinery and other technical installations	Equipment, tools, fixtures and fittings	Construction in progress	Total
Cost					
Cost brought forward[1]	314	5,157	325	1,188	**6,984**
Investments[2]	20	106	17	150	**293**
Capitalised/reversed future payments for decommissioning, restoration[3]	–	-22	–	–	**-22**
Transfer from construction in progress	1	1,217	6	-1,224	**–**
Divestments/disposals[4]	-3	-15	-32	–	**-50**
Other reclassifications	6	–	19	–	**25**
Accumulated cost carried forward	**338**	**6,443**	**335**	**114**	**7,230**
Accumulated depreciation					
Depreciation brought forward	-86	-1,417	-218	–	**-1,721**
Depreciation for the year	-18	-209	-38	–	**-265**
Divestments/disposals[4]	3	11	30	–	**44**
Accumulated depreciation carried forward	**-101**	**-1,615**	**-226**	**–**	**-1,942**
Impairment losses					
Impairment losses brought forward	-13	-750	-4	–	**-767**
Accumulated impairment losses carried forward	**-13**	**-750**	**-4**	**–**	**-767**
Carrying amount carried forward	**224**	**4,078**	**105**	**114**	**4,521**

	2023				
Amounts in EUR million	Land and buildings	Plant and machinery and other technical installations	Equipment, tools, fixtures and fittings	Construction in progress	Total
Cost					
Cost brought forward[1]	287	3,406	330	1,872	**5,895**
Acquired companies	–	35	–	–	**35**
Investments[2]	10	16	18	808	**852**
Reversed investments	–	–	–	-9	**-9**
Capitalised/reversed future payments for decommissioning, restoration[3]	–	274	–	–	**274**
Transfer from construction in progress	1	1,476	6	-1,483	**–**
Divestments/disposals[4]	-6	-50	-40	–	**-96**
Other reclassifications	22	–	11	–	**33**
Accumulated cost carried forward	**314**	**5,157**	**325**	**1,188**	**6,984**
Accumulated depreciation					
Depreciation brought forward	-69	-1,281	-191	–	**-1,541**
Acquired companies	–	-29	–	–	**-29**
Depreciation for the year	-20	-154	-35	–	**-209**
Divestments/disposals[4]	6	47	29	–	**82**
Other reclassifications	-3	–	-21	–	**-24**
Accumulated depreciation carried forward	**-86**	**-1,417**	**-218**	**–**	**-1, 721**
Impairment losses					
Impairment losses brought forward	-14	-750	-25	–	**-789**
Other reclassifications	1	–	21	–	**22**
Accumulated impairment losses carried forward	**-13**	**-750**	**-4**	**–**	**-767**
Carrying amount carried forward	**215**	**2,990**	**103**	**1,188**	**4,496**

[1] Government grants received, balance brought forward, amount to EUR 41 million (2023: EUR 45 million).
[2] Government grants received during the year amounted to EUR 0 million (2023: EUR 0 million).
[3] Changes in the provision for decommissioning of wind- and solar farms have been recognised under Property, plant and equipment. The 2023 addition mainly relates to the wind farm Hollandse Kust Zuid (EUR 265 mln) in addition to land-based wind- and solar farms. Refer to Note 23, Provisions.
[4] Divestments and disposals consist of assets belonging to divested windfarms and (fully) depreciated and disposed assets.
[5] Cost for land and buildings includes cost of land rights amounting to EUR 1 million (2023: EUR 1 million), which are not subject to depreciation.

Note 14 Shares and participations in subsidiaries and joint operation

Accounting policy

Subsidiaries

Subsidiaries are all entities over which Vattenfall NV has control. Control is considered to exist when the following three criteria are met: (1) the investor is exposed to or is entitled to a variable return from the investment, (2) the investor has the opportunity to influence the return through its opportunity to govern the company, and (3) there is a link between the return that is received and the opportunity to govern the company. By influence is meant the rights that allow the investor to govern the relevant business, that is, the business which significantly influences the company's return. Business combinations are accounted for using the purchase method. Subsidiaries' financial statements, which are prepared in accordance with the Company's accounting policies, are included in the consolidated accounts from the point of acquisition to the date when control ceases.

Joint operation

A joint operation is when the Group has joint control with one or more external parties over an arrangement. A joint operation entails that the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Arrangements where the parties buy or are assigned all power generated and are responsible for cost coverage are considered a joint operation if Vattenfall has joint control. In a joint operation, the respective owners recognise in relation to their interest in the joint organisation, their assets and liabilities as well as their respective share of assets and liabilities held or incurred jointly.

Key accounting estimates and judgements

Consolidation method for partnerships

On establishment of partnerships and in connection with any restructuring of existing partnerships Vattenfall needs to assess whether it controls the partnership, i.e. if Vattenfall has control or joint control. When Vattenfall has joint control an assessment of whether it is a joint venture or a joint operation is needed. In the assessment we consider the decision making, corporate form/legal structure, financing, risks, if Vattenfall is entitled to the net profit (loss) or to income and expenses resulting from the operation and if Vattenfall can use its control to affect the returns from the partnership. The agreements are unique and sometimes difficult to assess.

Assumptions related to impairment testing

When shares in subsidiaries and joint operations are tested for impairment, assumptions need to be made regarding for example future cash flows. For more information regarding accounting principles and assumptions refer to Note 6 Impairment losses and reversed impairment losses. The following list includes the significant subsidiaries and the share that Vattenfall NV holds in these entities.

Shares and participations owned by Vattenfall NV

	Registered office	Participation in % 2024	Participation in % 2023
Netherlands			
Vattenfall Customers & Solutions Netherlands N.V[1]	Amsterdam	100	100
Vattenfall Duurzame Energie N.V.[1]	Amsterdam	100	100
Vattenfall Energy Sourcing Netherlands N.V.[1]	Amsterdam	100	100
Vattenfall Energy Trading Netherlands N.V.[1]	Amsterdam	100	100
Vattenfall Hollandse Kust Zuid 1&2 C.V.	Amsterdam	50.5	50.5
Vattenfall Hollandse Kust Zuid 3&4 C.V.	Amsterdam	50.5	50.5
Vattenfall Klantenservice N.V.[1]	Amsterdam	100	100
Vattenfall Power Generation Netherlands B.V.[1]	Amsterdam	100	100
Vattenfall Power Solutions Netherlands B.V.[1]	Amsterdam	100	100
Vattenfall Renewable Initiatives Netherlands B.V.	Amsterdam	100	100
Vattenfall Sales Nederland N.V.[1]	Amsterdam	100	100
Vattenfall Samen in Zon B.V.	Amsterdam	100	100
Vattenfall Storage Epe B.V.	Amsterdam	100	100
Vattenfall Warmte N.V[1]	Amsterdam	100	100
Vattenfall Wind Development Netherlands B.V.[1]	Amsterdam	100	100
Vattenfall Windpark Wieringermeer B.V.[1]	Amsterdam	100	100
DELTA Energie B.V.[1]	Middelburg	100	100
Feenstra N.V.[1]	Amsterdam	100	100
Feenstra Veiligheid B.V.[1]	Amsterdam	100	100
Feenstra Verwarming B.V.[1]	Lelystad	100	100
Nuon Epe Gas Service B.V.[1]	Amsterdam	100	100
powerpeers B.V.[1]	Amsterdam	100	100
Warmtebedrijf Holding B.V.	Rotterdam	100	100
Windpark Slufterdam West B.V.[1]	Amsterdam	100	100
Zuidlob Wind B.V.[1]	Amsterdam	100	100
V.O.F. Omgevingsvergunning Windpark Slufterdam	Rotterdam	50	50
Germany			
Nuon Epe Gasspeicher GmbH	Heinsberg	100	100

[1] Vattenfall NV has issued a declaration of liability for these subsidiaries.

A complete list of subsidiaries, associated companies and joint ventures, as required by sections 379 and 414 of Book 2 Title 9 of the Dutch Civil Code, is filed with the Chamber of Commerce in Amsterdam.

Note 15 Participations in associated companies and joint ventures

Accounting policy

Associated companies

Associated companies are companies in which Vattenfall NV has a significant influence over their operational and financial management, usually through shareholdings corresponding to between 20% and 50% of the votes. From the point at which the significant influence is acquired, participations in associated companies are reported in the consolidated accounts in accordance with the equity method.

Joint ventures

Joint ventures are companies in which the Group has joint control with one or several other external parties. A joint venture entails that the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are reported in accordance with the equity method.

Key accounting estimates and judgements

Consolidation method for partnerships

For judgements regarding whether a joint arrangement is a joint venture or a joint operation refer to Note 14 Shares and participations owned by Vattenfall NV and other Group companies.

Assumptions related to impairment testing

When participations in associated companies and joint ventures are tested for impairment, assumptions need to be made regarding for example future cash flows. For more information regarding accounting principles and assumptions refer to Note 6 Impairment losses and reversed impairment losses.

Shares and participations in associated companies and joint ventures

	Registered office	Participation in % 2024	Participation in % 2023	Carrying amount 2024	Carrying amount 2023
Significant associated companies and joint ventures owned by Vattenfall NV or other group companies				**million EUR**	**million EUR**
Netherlands					
Zeevonk Electrolyser C.V.[1]	Amsterdam	50	–	3	–
Zeevonk C.V.[1]	Amsterdam	50	–	16	–
Molenrak B.V.[1]	Amsterdam	58	58	34	20
Westpoort Warmte B.V.[1]	Amsterdam	50	50	41	35
Other associated companies and joint ventures				–	1
Total				**94**	**56**

[1] Joint venture

Financial information

Amounts in EUR million	2024	2023
Balance brought forward	56	50
New share issues and shareholders' contributions	34	–
Profit participations and dividends	4	6
Balance carried forward	**94**	**56**

The activities of the joint ventures and associated companies mainly relate to the construction and operation of wind farms and heat grids. The joint ventures and associated companies have no other significant contingent liabilities or commitments as at 31 December 2024 and 2023, except for those disclosed in Note 31.

Vattenfall NV has issued a series of loans to Westpoort Warmte B.V. and Molenrak B.V., totaling EUR 330 million (2023: EUR 271 million) against an average interest rate of 4.42% (2023: 3.41%).

Share of profit in associated companies and joint ventures

Amounts in EUR million	2024	2023
Netherlands		
Zeevonk C.V.[1]	-1	–
Molenrak B.V.[1]	–	-1
Westpoort Warmte B.V.[1]	5	7
Total	**4**	**6**

[1] Joint venture

These joint ventures cannot distribute their profits without the consent of the other investors in the relevant joint venture.

Note 16 Inventories

Accounting policy

Inventories (except for inventories held for trading) are valued at the lower of their cost and net realisable value. Net realisable value is the estimated sales price in operating activities, less estimated costs for completion and to bring about a sale. The cost of inventories is calculated, depending on the type of inventory, either through application of the first-in, first-out (FIFO) method or through the application of a method based on average prices. Both methods include costs that arose on acquisition of the inventory assets.

Inventories held for trading are valued at fair value less costs to sell. For CO_2 emission allowances that are held for trading, fair value is based on quoted prices (Level 1). For other commodities fair value measurement is derived from an observable market price, which means a categorisation into Level 2 of the fair value hierarchy. See Note 2 to the consolidated accounts, Accounting policies.

Develop-to-sell assets pertain to the operations within business area Wind, where Vattenfall NV constructs and builds wind- and solar farms with the purpose of selling to an external party. These are valued at the lower of their cost and net realisable value. Inventory sold through develop-to-sell transactions are EUR nil (2023: EUR 29 million).

Financial information

Amounts in EUR million	2024	2023
Inventories held for own use		
Materials and spare parts	65	56
Other	6	4
Total	**71**	**60**
Develop-to-sell assets		
Develop-to-sell assets	237	41
Total	**237**	**41**
Inventories held for trading		
Fossil fuel	154	111
CO_2 emission allowances/certificates	12	11
Biomass	5	24
Total	**171**	**146**
Total inventories	**479**	**247**

Note 17 Trade receivables and other receivables

Accounting policy

Refer to Note 27, Financial instruments for trade receivables accounting policy.

Credit risk

From its sales to customers, Vattenfall is exposed to credit risk in outstanding trade receivables. This risk is reduced as Vattenfall has trade receivables distributed among a large number of customers with a short expected maturity. Trade receivables and other receivables are measured, without discounting, at the amounts initially invoiced less allowances for expected losses. The allowance for expected credit losses is based on the remaining term. A collective method is used where the receivables are grouped together per business line based on e.g., the number of days past due including any past-due receivables, and a credit loss percentage is calculated for the respective intervals, where in the model Vattenfall NV has based its calculations on experience from historic loss levels for receivables with similar credit risk characteristics while taking into account forward-looking macro-economic conditions that may affect expected cash flows. For individual significant receivables, an individual assessment may be made.

The allowance for expected credit losses of trade receivables is reported in cost of purchases. Vattenfall NV evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in all Dutch regions and, in case of businesses, operate in several industries in largely independent markets.

For virtual gas storage agreements, a receivable (valued at spot price) is recognised at the time of the first delivery of natural gas. The receivable is subsequently remeasured at the spot prices prevailing at the reporting date, as the claim to return the gas at the reporting date corresponds to the volume and the spot price at the reporting date. This link to the price of natural gas represents an embedded derivative that must be separated from the host contract and must be recognised at fair value. The fair value of the embedded derivative corresponds to the difference between the fair values of the future injections and withdrawals (based on an optimisation model) and the extrinsic value and the receivable measured at the spot price at the relevant reporting date. The value of the receivable will fluctuate with changes in the price of natural gas.

Financial information

Amounts in EUR million	2024	2023
Accounts receivable - trade	784	706
Receivables from related companies	1,214	1,534
Energy price cap arrangement[1]	–	109
Other receivables	33	8
Total	**2,031**	**2,357**

[1] Energy price ceiling to be received from the government. See also note 2 - Accounting policies.

Receivables from related companies

Receivables from related companies include the transfer of financial resources and ongoing clearing of transactions settled with or on behalf of group companies with Vattenfall AB and transactions related to trading activities with Vattenfall Energy Trading GmbH. No provision for expected credit losses has been formed with regard to receivables from group companies. Interest-bearing amounts receivable from Vattenfall AB group companies are charged with an interest rate based on the Euro short-term rate (€STR) - 0.1% (with a floor of 0.0%).

Age analysis

The collection period is normally between 10 and 30 days.

	2024				2023			
Amounts in EUR million	**Receivables, gross**	**Impaired receivables**	**Receivables, net**	**Expected credit loss**	**Receivables, gross**	**Impaired receivables**	**Receivables, net**	**Expected credit loss**
Accounts receivable - trade								
Not due	667	–	**667**	**0%**	583	4	**579**	**1%**
Past due 1-30 days	56	1	**55**	**2%**	45	1	**44**	**2%**
Past due 31-90 days	22	2	**20**	**9%**	33	2	**31**	**6%**
Past due >90 days	70	28	**42**	**40%**	71	19	**52**	**27%**
Total	**815**	**31**	**784**	**4%**	**732**	**26**	**706**	**4%**

Loss allowance accounts receivable - trade

Amounts in EUR million	2024	2023
Balance brought forward	26	29
Provision for loss allowance	25	18
Receivables written off	-14	-19
Unused amounts reversed	-6	-2
Balance carried forward	**31**	**26**

Note 18 Advance payments paid

Amounts in EUR million	2024	2023
Margin calls paid, energy trading	2	1
Total	**2**	**1**

A margin call paid is a marginal security (collateral) that Vattenfall NV pays its counterparty as the holder of a derivative position to cover the counterparty's credit risk, either bilaterally via OTC or through an exchange. In Vattenfall NV's business activities, margin calls occur in energy trading and in the financing operations.

Note 19 Prepaid expenses and accrued income

Accounting policy

Prepaid expenses and accrued income are initially recognised at nominal value and are recognised through the income statement, based on the terms and conditions in the related contracts.

Amounts in EUR million	2024	2023
Accrued income, energy related	223	299
Prepaid expenses, other	90	61
Accrued income, other	52	21
Total	**365**	**381**

Note 20 Cash

Accounting policy

Cash and cash equivalents comprise bank balances and deposits with maturities of less than twelve months. Cash and cash equivalents are carried at their nominal amounts.

Amounts in EUR million	2024	2023
Cash and bank balances	165	109
Total	**165**	**109**

All liquid assets are freely available.

Note 21 Interest-bearing liabilities

Reported values for interest-bearing liabilities are specified as follows:

	Current portion		Non-current portion maturity 1-5 years		Non-current portion maturity >5 years		Total	
Amounts in EUR million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Loan from the Parent Company	–	–	470	470	**–**	**–**	**470**	**470**
Other liabilities	44	37	87	85	**131**	**121**	**262**	**243**
Total interest-bearing liabilities	**44**	**37**	**557**	**555**	**131**	**121**	**732**	**713**

In June 2023, the Company obtained a loan from the Parent Company of EUR 470 million to finance the construction of the Hollandse Kust Zuid project. The loan is repayable on June 30, 2028 and has an interest rate of 3.87% per year.

Leasing liabilities are part of the other liabilities. The non-current portion amounts to EUR 196 million (2023: EUR 184 million) and the current portion amounts to EUR 38 million (2023: EUR 33 million). Further reference is made to Note 11 to the consolidated accounts, Leasing.

Note 22 Pension

Accounting policy
Vattenfall NV's pension obligations are defined contribution plans.

Defined contribution pension plans
Defined contribution pension plans are post-employment benefit plans according to which fixed fees are paid to a separate legal entity. There is no legal or constructive obligation to pay additional fees if the legal entity does not have sufficient assets to pay all benefits to the employees. Fees for defined contribution pension plans are reported as an expense in the income statement in the period they apply to.

Dutch pension plans
Vattenfall NV has various pension and similar plans for its current and former employees. The majority of the pension obligations has been transferred to the ABP pension fund and the 'Metaal en Techniek' pension fund. In addition to these two main pension plans, Vattenfall NV has a small number of defined benefit plans that are in aggregate not material. The ABP and 'Metaal en Techniek' plans are classified and reported as defined contribution plans. The coverage ratio of the ABP pension fund amounts to 111.9% (2023: 110.5%) and the pension premium for 2024 amounts to 27.0% (2023: 27.9%). The coverage ratio of the 'Metaal en Techniek' pension fund amounts to 108.6% (2023: 105.5%) and the pension premium for 2024 amounts to 28.0% (2023: 28.0%).

Note 23 Provisions

Accounting policy
A provision is reported on the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of financial resources will be required to regulate the obligation and a reliable estimate of the amount can be made. Where the effect of the time when payment is made is material, provisions are estimated by discounting the anticipated future cash flow at an interest rate before tax that reflects market estimates of time value of money. The discount rate does not reflect such risks that are taken into consideration in the estimated future cash flow.

Changes in discounted provisions for dismantling, restoration or similar measures, which at the time of acquisition have also been reported as Property, Plant and Equipment, are reported as follows: In cases where the change is due to a change in the estimated outflow of resources or a change in the discount rate, the cost of Property, Plant and Equipment is changed in an amount corresponding to the provision. The periodic change of the present value is recognised as a financial expense.

A provision for onerous contracts is recognised when the expected economic benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on any assets associated with that contract.

Important estimations and assessments
For provisions for future commitments for gas and wind operations and other environmental measures/ undertakings, and for personnel-related provisions for non-pension purposes, or other provisions, the following discount rates are used, when discount effect is material:

- Personnel-related provisions for non-pension purposes: 2.50% (2023: 3.00%).
- Decommissioning provisions for new (since 2020) gas and wind operations: 1.75% (2023: 1.75%)
- Decommissioning provisions for existing (in operation before 2020) gas and wind operations: 1.25% (2023: 0.75%)

Provisions for future commitments for heat and wind operations and other environmental measures/ undertakings
Provisions are made in the Netherlands for the dismantling and removal of assets and restoration of sites where the Company conducts gas operations. Provisions are also made for restoration of sites where Vattenfall NV conducts wind operations and for environmental measures/ undertakings within other activities carried out by the Company.

The discount rates for wind and gas decommissioning provisions in The Netherlands are based on historical averages of market rates for Dutch government bonds, whereas the duration of the bond shall match the duration of the provision. Hence, for new windfarms, where the decommissioning will take place in approximately 20 years or longer, the company uses government bond rates with 20 years duration. For the "existing" gas and wind assets, which are much closer to decommissioning, a 10-year bond rate is applied.

Personnel-related provisions for non-pension purposes
Provisions are made for future costs pertaining to:

- Long-term sickness. This covers the obligation to continue paying all or part of an employee's salary during the first two years of sick leave.
- Jubilee payments. This covers the jubilee benefits paid to employees for every 10 years of service and after retiring upon reaching the retirement age. This

arrangement is no longer part of the Collective Labour Agreement, and only the first upcoming anniversary will be paid and is accrued for.
- Severance payments related to restructuring measures. This covers payments and/or supplements to benefits granted to employees whose employment contract has been terminated. These benefits and supplements are based on the Social Plan operated by Vattenfall NV and individual arrangements.
- Other costs for giving notice to personnel.

The discount rates for short-term personnel-related provisions for non-pension purposes are based on the Bloomberg AA credit yield curve BS165, whereas the duration of this yield curve shall match the duration of the provision. The discount rates for long-term personnel-related provisions for non-pension purposes are based on the Mercer discount rates, whereas the applied duration shall match with the duration of the provision.

Provision for onerous contracts

The provision for onerous contracts of EUR 19 million (2023: EUR 26 million) was created following the acquisition of Warmtebedrijf Rotterdam and is related to heat purchasing obligations.

Other provisions

Other provisions include, among others, guarantee commitments.

Financial information

	Non-current portion		Current portion		Total	
Amounts in EUR million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Provisions for future commitments of gas and wind operations and other environmental measures/undertakings	329	339	–	1	**329**	**340**
Personnel-related provisions for non-pension purposes	15	13	7	6	**22**	**19**
Provision for onerous contracts	12	18	7	8	**19**	**26**
Other provisions	9	9	3	3	**12**	**12**
Total	**365**	**379**	**17**	**18**	**382**	**397**

Movement schedule provisions

Amounts in EUR million	**Provisions for gas, wind and other environmental measures**	**Personnel-related provisions for non-pension purposes**	**Provision for onerous contracts**	**Other provisions**
Balance brought forward	340	19	26	12
Interest effects	6	–	–	–
Additions	-16	9	–	2
Provisions used	–	-3	–	-2
Provisions reversed	-1	-3	-7	–
Balance carried forward	**329**	**22**	**19**	**12**

Future commitments of non-current provisions

With the current assumptions, provisions are expected to result in outgoing payments as shown below:

2024 - Amounts in EUR million	**Provision for gas and wind operations**	**Personnel-related provision**	**Provision for onerous contracts**	**Other provisions**	**Total**
2-5 years	11	11	12	9	**43**
6-10 years	9	4	–	–	**13**
11-20 years	17	–	–	–	**17**
Beyond 20 years	292	–	–	–	**292**
Total	**329**	**15**	**12**	**9**	**365**

Note 24 Trade payables and other liabilities

Accounting policy

Refer to note 27, Financial instruments for accounting principles.

Amounts in EUR million	2024	2023
Accounts payable - trade	151	220
Liabilities to related companies	1,210	1,426
Energy price cap arrangement[1]	33	31
Other liabilities	503	561
Total	**1,897**	**2,238**

[1] Energy price ceiling to be paid to the government. See Note 2 - Accounting policies.

The decrease in the liabilities to related companies mainly relates to lower trading positions with Vattenfall Energy Trading GmbH.

Note 25 Advance payments received

Amounts in EUR million	2024	2023
Other advance payments	2	2
Total	**2**	**2**

Note 26 Accrued expenses and deferred income

Accounting policy

Accrued expenses are recognized for costs that have been incurred but not yet paid by the end of the reporting period.

Deferred income represents payments received in advance for services to be rendered in future periods. This liability is recognized on the balance sheet and transferred to revenue as the services are performed.

Amounts in EUR million	2024	2023
Accrued personnel-related costs	65	59
Accrued expenses, CO_2 emission allowances	115	147
Other accrued expenses	242	252
Deferred income, energy related	137	376
Accrued expenses, energy related	3	3
Energy price cap arrangement[1]	–	-223
Other deferred income	9	21
Total	**571**	**635**

[1] Energy price ceiling to be received from customers is offset against advances received from customers as included in deferred income, energy related in the table above. See Note 2 - Accounting policies.

All accrued expenses and deferred income are expected to fall due in less than one year. The fair value of the accrued expenses and deferred income approximates the carrying amount.

Note 27 Financial instruments by measurement category, offsetting of financial assets and liabilities, and financial instruments' effects on income

Accounting policy

Classification and measurement

Financial assets

Financial assets are classified in various categories based in part on the objective (the business model) of holding the financial asset, and in part on the financial instrument's contractual cash flows, in the event they consist only of principal amounts and interest. The classification is determined at the original point of acquisition. Settlement day accounting is applied for spot purchases and spot sales of financial assets.

Amortised cost

Financial assets (debt instruments) are classified in this category if they are held in a business model whose objective is to hold financial assets in order to collect their contractual cash flows, and if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These instruments are measured at amortised cost, where the reported gross value is adjusted for expected credit losses. For Vattenfall NV this category includes Other non-current receivables, Trade receivables and other receivables, Advance payments paid, and Cash and bank balances.

Fair value through profit or loss

This category includes all of Vattenfall NV's financial assets (debt instruments) that are not measured at amortised cost. This includes assets held for trading, which entails that the objective is that they will be sold in the near term, and assets that Vattenfall NV is monitoring and measuring based on fair value. Debt instruments are also classified in this category if the contractual terms do not consist solely of payments of principal and interest. This category also includes cash equivalents with terms shorter than three months, which Vattenfall monitors and measures based on their fair value. The category also includes certain short-term investments with original terms in excess of three months.

Derivative assets are measured at fair value through profit or loss, except for derivative instruments designated as hedging instruments in an effective hedge, where the principles for hedge accounting are used. The assets in this category are remeasured on a regular basis to fair value with changes in value reported in profit or loss. Vattenfall classifies holdings of equity instruments at fair value through profit or loss. Vattenfall does not apply the irrevocable option to measure equity instruments that are not held for trading at fair value through other comprehensive income. The assets in this category are remeasured on a regular basis to fair value with changes in value reported in profit or loss.

Financial liabilities

Financial liabilities at fair value through profit or loss
Derivative liabilities are always classified in this category. These financial liabilities are measured at fair value with changes in value recognised in profit or loss.

Other financial liabilities
In this category, interest-bearing and noninterest-bearing financial liabilities that are not held for trading purposes are reported. Other financial liabilities are measured at amortised cost. Trade liabilities have a short, anticipated term and are therefore valued at a nominal amount without discounting.

Impairment

Impairment of financial assets is based on models for expected credit losses. For trade receivables that do not include a significant financing component, a simplified method is used, where calculation of the loss reserve is based on expected credit losses for the remaining term. A collective method is used where the receivables are grouped together per business line based on e.g., the number of days past due including any past-due receivables, and a credit loss percentage is calculated for the respective intervals, where in the model Vattenfall NV has based its calculations on experience from historic loss levels for receivables with similar credit risk characteristics while taking into account forward-looking macro-economic conditions that may affect expected cash flows. For individual, significant receivables, an individual assessment may be made. The allowance for expected credit losses of trade receivables is reported in cost of purchases. Vattenfall NV evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in all Dutch regions and, in case of businesses, operate in several industries in largely independent markets.

For other financial assets where the policies for impairment are applied, a loss reserve is reported that corresponds to 12 months' expected credit losses at initial recognition. If the credit risk increases significantly since initial recognition, a reserve corresponding to expected credit losses during the entire term is reported. Vattenfall NV presumes that the credit risk has not increased significantly if the instrument has a low credit risk on the balance sheet date, such as instruments with an investment grade rating. The credit risk is considered to have increased significantly if the counterparty's rating has been lowered to a lower rating than investment grade or, alternatively, if the counterparty already had a lower credit rating than investment grade at initial recognition and this rating was significantly lowered further. Expected credit losses are calculated by assessing the probability of, the loss in the event of and the exposure to default.

Financial information

Risks arising from financial instruments are described in Note 28 of the consolidated accounts, Financial risks.

Financial instruments by measurement category

Presented below are assets and liabilities where the carrying amount differs from the fair value.

	2024		2023	
Amounts in EUR million	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets at amortised cost				
Other non-current receivables	60	64	240	249
Financial liabilities at amortised cost				
Other non-current interest-bearing liabilities	688	690	676	209

Presented below the derivative financial assets and liabilities as presented on the balance sheet.

Assets 31 December 2024

				Related amounts not set off on the balance sheet		
Amounts in EUR million	**Gross amounts of recognised financial assets**	**Gross amounts of recognised financial liabilities set off on the balance sheett**	**Net amounts of financial assets presented on the balance sheet**	**Financial liabilities, not intended to be settled net[1]**	**Cash collateral received**	**Net amount**
Derivatives, commodity contracts	819	667	152	–	–	152
Total	**819**	**667**	**152**	**–**	**–**	**152**
Derivatives, not subject to offsetting	–	–	–	–	–	–
Total derivative assets			**152**			**152**

Assets 31 December 2023

Amounts in EUR million	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off on the balance sheet	Net amounts of financial assets presented on the balance sheet	Related amounts not set off on the balance sheet: Financial liabilities, not intended to be settled net[1]	Related amounts not set off on the balance sheet: Cash collateral received	Net amount
Derivatives, commodity contracts	1,630	1,610	20	–	–	20
Total	**1,630**	**1,610**	**20**	**–**	**–**	**20**
Derivatives, not subject to offsetting	132	–	132	–	–	132
Total derivative assets			**152**			**152**

Net amounts of financial assets presented on the balance sheet with related parties amount to EUR 152 million (2023: EUR 20 million) as of 31 December 2024.

Liabilities 31 December 2024

Amounts in EUR million	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off on the balance sheet	Net amounts of financial liabilities presented on the balance sheet	Related amounts not set off on the balance sheet: Financial assets, not intended to be settled net[1]	Related amounts not set off on the balance sheet: Cash collateral pledged	Net amount
Derivatives, commodity contracts	716	667	49	–	–	49
Total	**716**	**667**	**49**	**–**	**–**	**49**
Derivatives, not subject to offsetting	1	–	1	–	–	1
Total derivative liabilities			**50**			**50**

Liabilities 31 December 2023

Amounts in EUR million	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off on the balance sheet	Net amounts of financial liabilities presented on the balance sheet	Related amounts not set off on the balance sheet: Financial assets, not intended to be settled net[1]	Related amounts not set off on the balance sheet: Cash collateral pledged	Net amount
Derivatives, commodity contracts	2,661	1,610	1,051	–	–	1,051
Total	**2,661**	**1,610**	**1,051**	**–**	**–**	**1,051**
Derivatives, not subject to offsetting	1	–	1	–	–	1
Total derivative liabilities			**1,052**			**1,052**

[1] These items cannot be settled net as each transaction has a unique due date and they were not entered into with the purpose to be settled net. Settlement can be entailed only in case of default and only and when it is intended to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Net amounts of financial liabilities presented on the balance sheet with related parties amount to EUR 49 million (2023: EUR 1.051 million) as of 31 December 2024.

Calculation of Fair Value

Vattenfall has financial instruments that are valued at fair value. These financial instruments are classified based on the extent to which market data has been used in the calculation of fair value. Level 1 valuation refers to quoted prices in an active market for identical assets or liabilities. Level 2 valuation refers to market-based prices that are observable for the asset or liability either directly or indirectly, derived from prices. Level 3 valuation is based on unobservable data. The financial instruments in Level 3 refer to financial liabilities related to contingent considerations. The valuation has been made considering probability-weighted averages of several possible scenarios and the time value of money.

Financial assets and liabilities that are measured at fair value on the balance sheet at 31 December 2024

Amounts in EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivative assets	–	152	–	**152**
Virtual gas storage carried at FVTPL as receivable	–	115	–	**115**
Total assets	**–**	**267**	**–**	**267**
Liabilities				
Derivative liabilities	–	50	–	**50**
Total liabilities	**–**	**50**	**–**	**50**

Financial assets and liabilities that are measured at fair value on the balance sheet at 31 December 2023

Amounts in EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivative assets	–	152	–	**152**
Total assets	**–**	**152**	**–**	**152**
Liabilities				
Derivative liabilities	–	1,052	–	**1,052**
Total liabilities	**–**	**1,052**	**–**	**1,052**

Derivative assets

	Non-current portion, maturity 1-5 years		Non-current portion, maturity >5 years		Total non-current portion		Current portion		Total	
Amounts in EUR million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Commodity and commodity-related contracts	31	7	–	–	**31**	**7**	121	145	**152**	**152**
Total	**31**	**7**	**–**	**–**	**31**	**7**	**121**	**145**	**152**	**152**

Derivative liabilities

	Non-current portion, maturity 1-5 years		Non-current portion, maturity >5 years		Total non-current portion		Current portion		Total	
Amounts in EUR million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Commodity and commodity-related contracts	22	67	1	–	**23**	**67**	27	985	**50**	**1,052**
Total	**22**	**67**	**1**	**–**	**23**	**67**	**27**	**985**	**50**	**1,052**

Changes in liabilities arising from financing activities

	2024				
Amounts in EUR million	**1 Januar y**	**Cash flows**	**New leases**	**Other**	**31 December**
Non-current interest-bearing liabilities	676	–	25	-13	**688**
Current interest-bearing liabilities	37	-35	3	39	**44**
Total liabilities from financing activities	**713**	**-35**	**28**	**26**	**732**

	2023				
Amounts in EUR million	**1 Januar y**	**Cash flows**	**New leases**	**Other**	**31 December**
Non-current interest-bearing liabilities	192	–	17	467	**676**
Current interest-bearing liabilities	39	429	3	-434	**37**
Total liabilities from financing activities	**231**	**429**	**20**	**33**	**713**

Note 28 Financial risks

Vattenfall AB manages risks from an overall group perspective. Individual positions entered into the market for Vattenfall NV by Vattenfall Energy Trading GmbH are mirrored and passed on to Vattenfall NV and presented as such in these financial statements. Vattenfall Germany is managing physical trade of electricity to and from the trading platforms on behalf of several business areas within Vattenfall group and Vattenfall NV. Vattenfall Energy Trading GmbH is also responsible for executing Vattenfall's group hedging strategy and managing financial risks by entering into commodity derivatives on behalf of another business area within Vattenfall group. Vattenfall Energy Trading GmbH offers access to the physical and financial trading markets to larger clients as well as managing ancillary trading.

Qualitative disclosure on Vattenfall AB's risk management process as set out below applies to Vattenfall NV as we follow the same risk management process, quantitative disclosure only relates to the legal positions between Vattenfall NV and AB and other trading partners.

The following risks can be identified with respect to financial instruments: market risk, credit risk and liquidity risk. These risks are managed on a Vattenfall AB level. Vattenfall AB's risk management to the extent to which it is relevant for Vattenfall NV is summarised below.

Market risk – commodities including electricity

Market risk for electricity and commodities refers to the risk of Vattenfall failing to achieve its financial targets as a result of an adverse change in commodity prices and is monitored daily. Market risk includes the risk of a change in volumes, especially in the Nordic market where hydro power production is highly dependent on precipitation. Vattenfall AB's price hedging strategy is focused on the Nordic generation assets although in the last couple of years the strategy has extended to also hedging thermal asset production. Vattenfall NV does not apply hedge accounting for new transactions in its consolidated account, since 2017.

Risk management activities

Through our asset ownership and sales activities we are exposed to electricity, fuel, and CO_2 emission allowance prices, which are affected by several fundamental factors, such as the global macro-economic situation, local supply, demand, and political decisions. We are active in the wholesale trading market to hedge our electricity position and fuel requirements through physical and financial forward contracts and long-term customer contracts. These contracts pertain to time horizons in which there is no possibility to hedge prices in the liquid part of the futures market, and stretch as far as 2030. Most volumes are hedged at the beginning of this time horizon, with falling volumes towards the end. The Vattenfall Risk Committee (VRC) decides how much generation is to be hedged within the mandates issued by the Board of Directors. To measure electricity price risk, we use methods such as Value at Risk (VaR) and Gross Margin at Risk along with various stress tests.

Portfolio structure

With the current portfolio structure, the dominant risk exposure is now coupled to Nordic nuclear and hydro power baseload generation. In addition, Vattenfall's continuing operations generate a higher share of regulated revenue from distribution, heat and tendered wind power, which diversifies the risk exposure on the Continent (Germany, the Netherlands as well as the UK). Vattenfall continues to have some price exposure between electricity and used fuel/emissions on the Continent. Such an exposure has a lower risk profile than the outright power exposure in the Nordic countries. The market price risk of Vattenfall's production assets and hedges for electricity, fuel prices and emissions as well as the ancillary trading market price risks are monitored daily.

Continental markets

Similar to the Nordic market, Vattenfall uses derivative instruments to manage the market price risk of the continental electricity production. This portfolio mainly consists of spread production (including power, gas, coal and emissions positions), price-indexed district heating contracts as well as outright wind power production and pumped storage hydro.

VaR levels

VaR calculation quantifies potential changes in the value of commodity positions as a result of market price movements. The inputs to the VaR calculation are positions (open volumes), current market prices and the variability of prices (volatilities and correlations), all of which are updated daily. The risk limits are designed to prevent maximum loss to exceed EUR 250 million, which can be compared to a VaR of EUR 26 million (2023: EUR 18 million), with a 99% confidence level and a 1-day holding period. Thus, the VaR measures the marked-to-market movement arising from a 1-day change in market prices, under normal market conditions, which should only be exceeded 1% of the time. The VaR levels for Vattenfall NV amount to EUR 0.6 million (2023: EUR 0.9 million).

Volume risk

Volume risk pertains to the risk for deviations between anticipated and actual delivered volume.

Risk management activities
District heating volumes are managed by improving and developing forecasts for heat consumption. There is a correlation between electricity prices and generated electricity volume. Volume risk also arises in the sales activities as deviations in the anticipated volumes against actual volumes delivered to customers. Here, too, improved monitoring and forecasting capabilities are the most efficient risk management instruments.

Liquidity risk
Liquidity risk refers to the risk of Vattenfall not being able to finance its capital needs and arises if asset values at maturity do not match those of liabilities and other derivatives.

Risk management activities
Access to capital and flexible financing solutions are ensured through several types of debt issuance programmes and credit facilities on the level of Vattenfall AB.

Short-term financing
Vattenfall AB has a defined target for its short-term accessibility to capital. The goal is that funds corresponding to at least 10% of consolidated net sales, or the equivalent of 90 days stressed liquidity needs of the business (whichever is higher) to be available. As per 31 December 2024, available liquid assets and/or committed credit facilities amounted to 43% (2023: 28%) of consolidated net sales.

Long-term financing
Vattenfall is committed to maintaining financial stability, which is reflected in the company's long-term targets for capital structure. On 6 July 2021, Moody's affirmed Vattenfall's long-term A3 and short-term P-2 ratings, and its Baa2 rating for hybrid bonds. At the same time, the rating outlook was revised from negative to stable. On 15 December 2023, Standard & Poor's affirmed Vattenfall's long-term BBB+ rating and short-term A-2 rating as well as its BB+ rating for hybrid bonds. The rating outlook was changed from postitive to stable. Vattenfall has a strong liquidity reserve but given our large future investments we aim to take advantage of the favourable market conditions for refinancing. Vattenfall has decided to use green financing in its funding activities. Investors should expect all future long-term financing to be made under Vattenfall's Green Bond framework.

Contractual cash flows
Vattenfall NV is financed via internal loans and credit facilities. To provide insight into the liquidity risk, the following table shows the contractual terms of the financial obligations (translated at the reporting date rate), including interest payments. The contractual cash flows of non-current assets as well as current assets combined with the internal loans and credit facilities available at Vattenfall AB cover the need for liquidity as included in the table. The total facilities available at Vattenfall AB amount to EUR 500 million, of which none was utilised.

Interest rate risk
Interest rate risk refers to the negative impact of changed interest rates on Vattenfall's income statement and cash flow.

Risk management activities
We quantify interest rate risk in our debt portfolio in terms of duration, which describes the average term of fixed interest. Duration is to have a norm of four years with a permissible variation of +2/–2 years. The duration of Vattenfall AB's debt portfolio at year-end was 4.49 years (2023: 3.53 years) including Hybrid Capital.

Sensitivity analysis in relation to cash flows for variable interest assets and liabilities
Vattenfall NV is not exposed to interest rate risk on its interest-bearing liabilities, see Note 21, since only fixed interest rates are applicable.

	Non-current portion maturity 1-5 years		Non-current portion maturity > 5 years		Total non-current portion		Current portion		Total	
Amounts in EUR million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Interest-bearing liabilities	604	622	150	134	754	**756**	63	58	**817**	**814**
Derivatives	401	590	2	–	403	**590**	1,307	2,033	**1,710**	**2,623**
Trade payables and other financial liabilities	–	–	–	–	–	**–**	1,897	2,238	**1,897**	**2,238**
Total	**1,005**	**1,212**	**152**	**134**	**1,157**	**1,346**	**3,267**	4,329	**4,424**	**5,675**

Currency risk

Currency risk refers to the negative impact of changed exchange rates on Vattenfall's income statement and balance sheet.

Risk management activities

Vattenfall AB is exposed to currency risk through exchange rate movements attributable to future cash flows (transaction exposure). Currency exposure in borrowing is limited by using currency exchange rate swaps. We strive for an even maturity structure for derivatives. Derivative assets and derivative liabilities are reported in Note 27 to the consolidated accounts, Financial instruments. We have limited transaction exposure, since most generation, distribution and sales of electricity take place in the respective local markets. Sensitivity to currency movements is therefore relatively low. All transaction exposure that exceeds a nominal value equivalent to SEK 10 million is to be hedged immediately when it arises. The target for hedging translation exposure is to, over time, match the currency composition in the debt portfolio with the currency composition of Vattenfall AB's funds from operations (FFO).

Sensitivity analysis in relation to currency risk

Vattenfall NV's exposure to significant currency risks based on nominal values amount to EUR 0.4 million (2023: EUR 23.9 million). This exposure is reduced by derivatives concluded to hedge the currency risk for an amount of EUR 0 million (2023: EUR 14.6 million). The pre-tax effect that a possible increase or decrease in the value of foreign currencies relative to the euro would have, assuming all other circumstances remain unchanged, on Vattenfall NV's financial income and expenses and equity, taking into account the derivatives, amount to EUR 0 million (2023: EUR -3.5 million).

Credit risk

Credit risk is the risk that a counterparty cannot or will not meet its obligations to Vattenfall and the risk exists across all activities.

Risk management activities

We have a strict framework for governing and reporting credit risks to ensure that risks are monitored, measured and minimised so that the total credit exposure is kept within Vattenfall AB's risk appetite. The company's credit risk management involves the analysis of its counterparties, reporting of credit risk exposures, contract negotiations and proposals for risk mitigation measures (e.g., obtaining collateral).

Note 29 Specifications of the cash flow statement

Other investments in non-current assets

Amounts in EUR million	2024	2023
Investments in intangible assets: non-current, including advance payments	-25	-17
Investments in property, plant and equipment, including advance payments	-265	-822
Total	**-290**	**-839**

Note 30 Specifications of equity

Authorised, issued and paid-up share capital

The authorised share capital of Vattenfall NV amounts to EUR 1,500,000,000 consisting of 300,000,000 shares, with a nominal value of EUR 5 per share. The total number of issued and paid-up shares amounts to 136,794,964 shares totalling a paid-up capital of EUR 683,974,820. All shares are held by Vattenfall AB.

Share premium

Share premium consists of the additional paid-up or contributed value to Vattenfall NV.

Retained earnings including result for the year

Retained earnings including result for the year include results of Vattenfall NV and its subsidiaries, associated companies and joint ventures.

Attributable to non-controlling interests

The sale of the minority share in the Hollandse Kust Zuid project to BASF in 2021, followed by the partial sale of their interest to Allianz, the subsequent contributions of these partners in the project and their share in the result in combination with minority shareholders in other projects has resulted in a non-controlling interest of EUR 1,229 million.

Dividend policy

Vattenfall NV's dividend policy stipulates the following:

- The maximum dividend distribution shall be the net profit, adjusted for significant non-cash fair value movements on financial instruments;
- As a result of the dividend distribution the debt/equity ratio will not exceed 60/40;
- The dividend distribution can only be done to the extent that adequate liquidity lines are available to Vattenfall NV and a sufficiently sustainable cash position is maintained over the next 12 months as proven by the long-term cash forecast of Vattenfall NV.

Note 31 Contingent liabilities

As per 31 December 2024 contingent liabilities amounted to EUR 4,322 million (2023: EUR 4,230 million). The contingent liabilities mainly consist of capital expenditure commitments regarding property, plant and equipment. The outstanding capital expenditure commitments relate mainly to construction in progress, and other purchasing commitments. Most of these commitments are covered by guarantees provided by the Parent Company or various banks.

In 2024 Vattenfall, together with its partner Copenhagen Infrastructure Partners, won the bid, on a 50%-50% basis, for plot Beta of the IJmuiden Ver wind area and committed itself to the realization of the Zeevonk wind farm and the Zeevonk Electrolyser installation by the end of 2029. Vattenfall has issued a bank guarantee amounting to EUR 100 million on behalf of the Dutch Government for the realisation of the wind farm and electrolyser. This amount has been included in the aforementioned contingent liabilities of the Company.

As a result of the permit for the construction of the wind farm and the electrolyser, joint venture Zeevonk CV has entered into an obligation to make an annual payment to the government of an amount of EUR 20 million for a remaining period of 39 years. Vattenfall's share in the fair value of this obligation is one of the components of the equity value of Zeevonk CV which is presented in Note 15, Participations in associated companies and joint ventures.

Sales and purchase commitments

Vattenfall NV has concluded a number of long-term purchase contracts with terms varying from 2025 to 2057. In addition, Vattenfall NV has concluded long-term sales contracts on varying terms and conditions. Vattenfall NV enters into energy commodity contracts for the sale and purchase of electricity, gas, biomass and emission allowances. The energy commodity contracts that are held for trading purposes and the energy commodity contracts that are designated as hedging instruments are recognised on the balance sheet at fair value. These contracts are not generally settled by means of physical delivery but by concluding opposite transactions in which only the net cash flows are settled.

Please refer to Note 28 Financial risks for the liquidity overview, which shows the contractual terms of all financial obligations recognised.

Legal proceedings and other contingencies

At the reporting date, Vattenfall NV (including its subsidiaries, associated companies and joint ventures) was involved in a number of legal proceedings and investigations by tax and other authorities. Provisions have been made as far as deemed necessary in accordance with management's estimate and the accounting principles. Vattenfall NV believes that the ultimate resolution of these claims and proceedings will not, in the aggregate, have a material adverse effect on the Company's financial position, consolidated income or cash flows.

Stichting Nuon claim

On 30th March 2022, Stichting Nuon claim started a class action against Vattenfall Sales NL, VET NL and Vattenfall N.V. claiming that (allegedly) 5,000 business customers were misled and suffered damage because they were charged a 'kilowatt-charge' (kW-charge) from 2002 onward. In our view the kW-charge is not misleading, but one of the components of the electricity price. The electricity price is not related to costs of the grid operator for the transport of energy as is being claimed. In its 9th October, 2024 judgement the court dismissed all claims of Stichting Nuon claim. The Stichting has appealed against this judgement. The procedure is currently ongoing.

Vattenfall Sales - General terms and conditions for consumers

In February 2023 the court of Amsterdam ruled that the clause to change the tariffs, incorporated in the GT&Cs since 2017 and used by all Dutch energy suppliers in the market, was considered unfair. Vattenfall filed an appeal against this judgement. On 8th March 2024, in a different court case, the court ruled that the clause is not unreasonable. Meanwhile, on 30th December 2024 Stichting Eerlijke Handelspraktijken informed Vattenfall it is preparing a class action against Vattenfall and other large energy suppliers. On 25th March 2025 the Court of Appeal in Amsterdam ruled that the clause to change the tariffs is unfair. Vattenfall will file an appeal in cassation against this judgment of the Amsterdam Court of Appeal. The financial impact of a potential class action that will follow might be significant, but is unknown at this point in time.

Vattenfall NV has provided several parent guarantees for its subsidiaries, joint ventures or associated companies, part of which are uncapped. On 31 December 2024, these parent guarantees amounted to EUR 1 million (2023: EUR 1 million).

Vattenfall NV has issued declarations of joint and several liability pursuant to article 403, Part 9, Book 2 of the Dutch Civil code for a number of its subsidiaries. The significant group companies for which such a declaration has been issued are included in the list of subsidiaries presented in Note 14 Shares and participations owned by Vattenfall NV and other group companies. As partners in a number of general and limited partnerships, subsidiaries of Vattenfall NV are liable for the obligations of these partnerships. The exposure under these obligations is not considered to be significant.

Vattenfall NV and the majority of its subsidiaries form a fiscal unity for both corporate income tax and VAT purposes. Consequently, every legal entity forming part of the fiscal unity is jointly and severally liable for the tax liabilities of the legal entities forming part of the fiscal unity.

Licences
Vattenfall NV has a licence for the supply of electricity, gas and heat and holds licences for constructing certain power and heat facilities.

Note 32 Number of employees and personnel expenses

Number of employees at 31 December, full-time equivalents:

	2024			2023		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Netherlands	2,972	1,133	**4,105**	2,842	1,067	**3,909**
Germany	22	3	**25**	21	2	**23**
Total	**2,994**	**1,136**	**4,130**	**2,863**	**1,069**	**3,932**

Average number of employees during the year, full-time equivalents:

	2024			2023		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Netherlands	2,931	1,108	**4,039**	2,802	1,036	**3,838**
Germany	21	2	**23**	19	2	**21**
Total	**2,952**	**1,110**	**4,062**	**2,821**	**1,038**	**3,859**

Personnel costs:

Amounts in EUR million	**2024**	**2023**
Salaries and other remuneration	307	280
Social security costs	54	46
Pension costs	40	38
Total	**401**	**364**

Benefits for Management and Supervisory Board members of Vattenfall NV

	2024			2023		
Amounts in EUR thousands	**Directors' fees and base salary including vacation pay**	**Other remuner-ation and benefits**	**Pension and severance costs**	**Directors' fees and base salary including vacation pay**	**Other remuner-ation and benefits**	**Pension and severance costs**
Management Board	2,022	49	267	1,702	164	237
Supervisory Board	22	–	–	18	–	–
Total	**2,044**	**49**	**267**	**1,720**	**164**	**237**

Note 33 Related party disclosures

As of 1 July 2015, 100% of Vattenfall NV's shares are owned by Vattenfall AB. Vattenfall AB has a casting vote in the Supervisory Board and qualifies as a related party. Vattenfall NV also conducts transactions with subsidiaries of Vattenfall AB. Furthermore, Vattenfall NV and its subsidiaries have interests in various associated companies and joint ventures over which it exercises significant influence, but no control or only joint control of the operations and financial policy. Transactions with the parties classified as related parties are conducted at market conditions and prices that are not more favourable than the conditions and prices offered to independent third parties.

Disclosures of transactions with key persons in executive positions in the Company are shown in Note 32 to the Consolidated accounts, Number of employees and personnel expenses.

The following transactions have taken place with related parties with regard to sales and purchases of goods and services, including leases.

Related parties transactions

	2024	2023
Sales of goods and services to Vattenfall AB and its subsidiaries	6,122	12,599
Sales of goods and services to associated companies and joint ventures	47	38
Costs charged by Vattenfall AB and its subsidiaries	-9,272	-17,840
Costs charged by associated companies and joint ventures	-1	-2

Various goods and services are bought or provided on normal commercial terms and conditions within Vattenfall AB. A cost-sharing program is in place, which entails that certain costs within the group are recharged to the users within Vattenfall AB based on actual usage. Vattenfall NV, in the ordinary course of business, trades commodities with and via Vattenfall Energy Trading Germany (VET Germany). Since VET Germany is not an end-user, transactions with this party are treated as if VET Germany is an external party. Trade transactions with VET Germany are netted and presented as part of Cost of sales in the Consolidated income statement.

In the ordinary course of business, Vattenfall NV has outstanding payables and receivables with Vattenfall AB and its subsidiaries (refer to Note 17 and Note 24) as well as with its associated companies and joint ventures (Note 15). Vattenfall NV has also granted a limited number of loans to related parties. Where relevant, this has been disclosed in these consolidated accounts.

The members of the management board and supervisory board of Vattenfall NV have been identified as individuals who qualify as related parties. The employee benefits related to these individuals have been disclosed in Note 32.

Note 34 Events after the balance sheet date

Heat operations

Vattenfall has started a process to assess the ownership of its heat operations. This means that, as part its continuous portfolio evaluation, Vattenfall will assess future options for its heating operations in the UK, Sweden and the Netherlands, including potential divestment.

Julietta D

In April 2025, Vattenfall NV, together with other claimants, reached an agreement with the owners of the vessel Julietta D (responsible for the collision with one of the pillars under construction of the Hollandse Kust Zuid wind farm) on a final settlement to compensate for the damage suffered. As a result of the agreement, the claimants will receive compensation in the amount of EUR 21.4 million. Vattenfall NV's share in this compensation is approximately 76%.

Company accounts

Company balance sheet

Amounts in EUR million, before appropriation of result	Note	31 December 2024	31 December 2023
Assets			
Fixed assets			
Property, plant and equipment	2	37	40
Investments in subsidiaries	3	3,761	3,376
Receivables from group companies	4	-	70
Other non-current receivables from group companies	5	48	228
Deferred tax assets	6	153	108
Total fixed assets		**3,999**	**3,822**
Current assets			
Other receivables	7	310	68
Receivables from group companies and other Vattenfall companies	8	7,126	11,545
Cash	9	75	15
Total current assets		**7,511**	**11,628**
Total assets		**11,510**	**15,450**
Equity and Liabilities			
Equity			
Share capital		684	684
Share premium		2,211	2,211
Legal reserve participating interests		94	56
Legal reserve revaluation of assets		113	113
Other reserves		- 991	- 1,534
Unappropriated result for the year		844	581
Total equity attributable to Vattenfall NV shareholder	**10**	**2,955**	**2,111**
Provisions	**11**	**20**	**18**
Long-term liabilities			
Interest-bearing liabilities	12	493	497
Long-term liabilities		**493**	**497**
Current liabilities			
Interest bearing liabilities	12	8	8
Trade payables and other liabilities		207	236
Payables to group companies and other Vattenfall companies	13	7,827	12,580
Total current liabilities		**8,042**	**12,824**
Total equity and liabilities		**11,510**	**15,450**

Company income statement

Amounts in EUR million, 1 January - 31 December	Note	2024	2023
Result after taxation from subsidiaries		885	611
Other income less expenses after taxation	15	- 41	- 30
Result after taxation		**844**	**581**

Company statement of changes in equity

Amounts in EUR thousands, for the year 1 January - 31 December	2024						
	Share capital	Share premium	Legal reserve participating interests	Legal reserve revaluation of assets	Other reserves	Unappropriated result for the year	Total
Balance brought forward 2024	**684**	**2,211**	**56**	**113**	**-1,534**	**581**	**2,111**
New share issues and shareholders' contributions	–	–	34	**–**	-34	–	**–**
Result for the year	–	–	–	**–**	–	844	**844**
Appropriation of last year's result	–	–	4	–	577	-581	**–**
Balance carried forward 2024	**684**	**2,211**	**94**	**113**	**-991**	**844**	**2,955**

Amounts in EUR million	2023						
	Share capital	Share premium	Legal reserve participating interests	Legal reserve revaluation of assets	Other reserves	Unappropriated result for the year	Total
Balance brought forward 2023	**684**	**2,211**	**50**	**417**	**-413**	**-1,419**	**1,530**
Result for the year	–	–	**–**	**–**	–	581	**581**
Appropriation of last year's result	–	–	6	**-304**	-1,121	1,419	**–**
Balance carried forward 2023	**684**	**2,211**	**56**	**113**	**-1,534**	**581**	**2,111**

Notes to the company accounts

Note 1 Accounting policies

The company accounts have been prepared in accordance with the provisions of Part 9, Book 2 of the Dutch Civil Code. In the company accounts, Vattenfall NV uses the option provided for in Part 9, Book 2 of the Dutch Civil Code to prepare the company accounts in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as adopted by the European Union that are used in the preparation of the consolidated accounts. The company income statement is presented in abridged form, as allowed by section 402, Part 9, Book 2 of the Dutch Civil Code. In addition to the accounting policies for the consolidated accounts, specific accounting policies for the company accounts are presented below.

In accordance with sub 8 of article 362, Book 2 of the Dutch Civil Code, the company's financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. Vattenfall NV applies the exemption provided for by section 382a, Part 9, book 2 of the Dutch Civil Code, that the audit fee does not need to be disclosed. The financial figures of Vattenfall NV are consolidated in the annual report of Vattenfall. In the Vattenfall annual report the total audit fee of Vattenfall, including Vattenfall NV, is disclosed.

Investments in subsidiaries

Investments in subsidiaries are valued at net asset value, which is determined on the basis of IFRS Accounting Standards as used in the consolidated accounts.

Receivables from group companies

Loans and receivables from subsidiaries are stated at amortised cost less impairment, if any. The company makes use of the option to eliminate intercompany expected credit losses against the investments in subsidiaries.

Note 2 Property, plant and equipment

	2024			
Amounts in EUR million	**Land and buildings**	**Equipment, tools and fixtures and fittings**	**Construction in progress**	**Total**
Cost				
Cost brought forward	76	72	–	**148**
Investments	1	4	4	**9**
Transfer from construction in progress	–	3	- 3	–
Divestments/disposals	- 1	- 8	-	**- 9**
Accumulated cost carried forward	**76**	**71**	**1**	**148**
Accumulated depreciation				
Depreciation brought forward	- 45	- 63	–	**- 108**
Depreciation for the year	- 7	- 4	–	**- 11**
Divestments/disposals	1	7	–	**8**
Accumulated depreciation carried forward	**- 51**	**- 60**	**–**	**- 111**
Carrying amount carried forward	**25**	**11**	**1**	**37**

	2023			
Amounts in EUR million	**Land and buildings**	**Equipment, tools and fixtures and fittings**	**Construction in progress**	**Total**
Cost				
Cost brought forward	64	246	–	**310**
Investments	17	3	3	**23**
Transfer from construction in progress	1	2	- 3	**-**
Divestments/disposals	- 6	- 179	–	**- 185**
Accumulated cost carried forward	**76**	**72**	–	**148**
Accumulated depreciation				
Depreciation brought forward	- 42	- 237	–	**- 279**
Depreciation for the year	- 9	- 5	–	**- 14**
Divestments/disposals	6	179	–	**185**
Accumulated depreciation carried forward	**- 45**	**- 63**	**–**	**- 108**
Carrying amount carried forward	**31**	**9**	–	**40**

During the period of construction or installation of an asset, costs are recorded as assets under construction. When an asset is ready for commercial operation, these costs are transferred to Assets in Operation.

An asset is ready for commercial operations when an approved final inspection has taken place or when the asset is to a considerable extent possible to take into operation.

For further disclosure, reference is made to Note 13 to the consolidated accounts, Property, plant and equipment.

Note 3 Investments in subsidiaries

Amounts in EUR million	2024	2023
Balance brought forward	3,376	2,765
Withdrawals/Repaid shareholders' contributions	-500	–
Share in result	885	611
Balance carried forward	**3,761**	**3,376**

In 2024 the company received a capital repayment of EUR 500 million from its subsidiary Vattenfall Energy Sourcing Netherlands N.V.

The result of investments includes the share of the company in the results of these investments. Results on transactions in which transfer of assets and liabilities has taken place between the company and its investments and between investments have been eliminated to the extent that they can be regarded as unrealised.

The Company participates (indirectly) as a partner in multiple general partnerships ('VOF') or limited partnerships ('CV'). For two of the limited partnerships the Company is jointly and severally liable:

- Vattenfall Hollandse Kust Zuid 1&2 C.V.
- Vattenfall Hollandse Kust Zuid 3&4 C.V.

A list of directly and indirectly held participations in subsidiaries is included in Note 13, Shares and participations to the consolidated accounts.

Note 4 Receivables from group companies

Amounts in EUR million	2024	2023
Balance brought forward	70	70
Loans repaid	-11	–
Loans transferred to short-term	-59	–
Balance carried forward	**–**	**70**

In 2022 the company issued a 3-year loan of EUR 70 million against an annual interest rate of 4.25% to group company Nuon Epe Gasspeicher GmbH as part of the financial restructuring of this entity. The remainder of this loan has been transferred to short- term receivables.

The effective interest rate on the non-current receivables from group companies during the year was 4.25% (2023: 4.25%).

Reference is made to Note 33 to the consolidated accounts, Related party disclosures.

Note 5 Other non-current receivables from group companies

Accounting policy

Loans granted are recognised at fair value and subsequently measured at amortised cost. No provision for expected credit losses is calculated for the non-current receivables from group companies.

Amounts in EUR million	2024	2023
Balance brought forward	228	98
Loans granted	107	177
Loans and interest repaid	-48	-47
Loans transferred to short-term	-239	–
Balance carried forward	**48**	**228**

Other non-current receivables consist of loans granted (including incremental costs) to related parties.

In November 2024, the Company issued a loan to Westpoort Warmte B.V. of EUR 48 million. The loan is repayable on November 29, 2029 and has an interest rate of 4.42% per year.

Note 6 Deferred tax assets

Amounts in EUR million	2024	2023
Balance brought forward	108	1
Temporary differences charged to profit or loss	45	107
Balance carried forward	**153**	**108**

The 2024 temporary differences charged to profit & loss relate mainly to the 2024 tax loss carry-forward of the fiscal unity Vattenfall NV.

Reference is made to Note 10 to the consolidated accounts, Income tax.

Note 7 Other receivables

Accounting policy

Other receivables are recognised at fair value and subsequently measured at amortised cost, less impairment, if any.

Amounts in EUR million	31 December 2024	31 December 2023
Interest bearing receivables from associated companies	282	43
Income tax receivable	25	24
Prepaid expenses	3	1
Total other receivables	310	**68**

Part of other receivables is the short-term part of a loan of EUR 282 million in relation with the construction of Windpark IJsselmeer to Molenrak B.V.

All receivables fall due within one year.

Note 8 Receivables from group companies and other Vattenfall companies

Accounting policy

Refer to Note 1, Accounting policies for the applicable policy on receivables from group companies.

Amounts in EUR million	31 December 2024	31 December 2023
Receivables from group companies	7,126	11,545
Total other receivables	**7,126**	**11.545**

Receivables from group companies include the transfer of financial resources and ongoing clearing of transactions settled with or on behalf of these group companies.

Interest-bearing amounts receivable from the Company's subsidiaries are charged with an interest rate based on the Euro short-term rate (€STR) + 0.085% (with a floor of 0.45%).

Interest-bearing amounts receivable from Vattenfall AB are charged with an interest rate based on €STR - 0.1% (with a floor of 0.0%).

All receivables fall due within one year

Reference is made to Note 33 to the consolidated accounts, Related party disclosures.

Note 9 Cash

There is no restricted cash at the end of 2024 and 2023.

Note 10 Total equity attributable to Vattenfall NV shareholder

The authorised share capital of Vattenfall NV amounts to EUR 1,500,000,000 consisting of 300,000,000 ordinary shares, with a nominal value of EUR 5 per share. The total number of issued and paid-up shares amounts to 136,794,964 shares totalling a paid-up capital of EUR 683,974,820. All shares are held by Vattenfall AB.

The Consolidated statement of changes in equity and disclosures to that statement are included in the Consolidated accounts. Reference is made to Note 30 to the consolidated accounts, Specifications of equity.

In addition to the Consolidated statement of changes in equity, a non-distributable legal reserve, in the form of a revaluation reserve (net of taxes), is recognised for unrealised fair value gains on financial instruments that are recognised in income, and for which no frequent market quotations are available (Level 2 financial instruments). With regard to Vattenfall NV, this relates to energy commodity contracts for gas, electricity, biomass and emission allowances that are not traded through recognised exchanges (e.g. Amsterdam Power Exchange, Endex), known as over-the-counter or OTC contracts. A legal reserve of EUR 113 million in total is held for the unrealised fair value movements of these contracts (2023: EUR 113 million).

In addition, a legal reserve participations of EUR 94 million (2023: EUR 56 million) is recognised. The legal reserve participations includes the increases in net asset value of joint ventures and associates since their first inclusion, less any amount that can be distributed without legal restrictions.

Changes in the other reserves occurred following an addition to the legal reserve (EUR -38 million) and the addition of last year's result (EUR 581 million).

The legal reserves are not freely distributable.

Note 11 Provisions

Amounts in EUR million	2024	2023
Balance brought forward	**18**	**21**
Reversed provisions	- 3	-7
Provisions for the period	8	9
Interest effects	–	-1
Provisions used	-3	-4
Balance carried forward	**20**	**18**

	31 December 2024	31 December 2023
Current portion	6	6
Non-current portion	14	12

Above provisions are personnel-related provisions for non-pension purposes. These provisions are made for future costs pertaining to:

- Long-term sickness. This covers the obligation to continue paying all or part of an employee's salary during the first two years of sick leave.
- Jubilee payments. This covers the jubilee benefits paid to employees for every 10 years of service and after retiring upon reaching the retirement age.
- Severance payments related to restructuring measures. This covers payments and/or supplements to benefits granted to employees whose employment contract has been terminated. These benefits and supplements are based on the Social Plan operated by Vattenfall NV and individual arrangements.
- Other costs for giving notice to personnel.

Future commitments of non-current provisions

With the current assumptions, provisions are expected to result in outgoing payments as shown below:

2024 Amounts in EUR million	Personnel-related provision
2-5 years	10
6-10 years	4
11-20 years	–
Total	**14**

Further reference is made to Note 23 to the consolidated accounts, Provisions.

Note 12 Interest-bearing liabilities

The maturity of interest-bearing liabilities can be specified as follows:

	Short-term part		Long-term part	
Amounts in EUR million	**31-dec 2024**	**31-dec 2023**	**31-dec 2024**	**31-dec 2023**
Loan from parent company	–	–	470	470
Leasing liabilities	8	8	23	27
Total	**8**	**8**	**493**	**497**

In June 2023, the Company obtained a loan from the Parent Company of EUR 470 million to finance the construction of the Hollandse Kust Zuid project. The loan is repayable on June 30, 2028 and has an interest rate of 3.87% per year. The fair value of the loan from the parent company approximates the carrying amount.

The movement in long term liabilities can be specified as follows:

Amounts in EUR million	2024	2023
Balance brought forward	**497**	**14**
New loans	5	491
Loans repaid	- 9	- 9
Transferred to short term interest bearing liabilities	–-	1
Balance carried forward	**493**	**497**

The contractual cash flows regarding the leasing liabilities are as follows:

Maturity analysis - contractual cash flows

Amounts in EUR million	31-dec 2024	31-dec 2023
< 1 year	8	8
1 - 5 years	23	27
> 5 years	–	–
Total as of 31 December 2023	**31**	**35**

The entity is not the legal owner of the leased assets. Further reference is made to Note 11 to the consolidated accounts, Leasing.

Note 13 Payables to group companies and other Vattenfall companies

Payables to group companies include the transfer of financial resources and ongoing clearing of transactions settled with or on behalf of these group companies.

Interest-bearing amounts due to the Company's subsidiaries are charged with an interest rate based on €STR - 0.1% (with a floor of 0.0%).

Interest-bearing amounts due to Vattenfall AB are charged with an interest rate based on €STR + 0.085% (with a floor of 0.45%).

All current liabilities fall due in less than one year. The fair value of the payables to group companies approximates the carrying amount.

Note 14 Contingent liabilities

Reference is made to Note 31 to the consolidated accounts, Contingent liabilities.

Note 15 Other income less expenses after taxation

Other income less expenses after taxation was EUR 41 million negative (2023: EUR 30 million negative) and consists mainly of income and expenses of company-wide activities at holding company level.

Note 16 Number of employees

The average number of employees in 2024 was 527 FTE based on a 38-hour working week (2023: 479 FTE) of which working in foreign countries 0 FTE (2023: 0 FTE).

Distribution of average number of employees by department:

	2024	2023
CEO & CFO Functions	128.6	120.8
Communications	18.8	20.8
Legal and Corporate Security & Resilience	31.1	28.2
People & Culture	85.8	87.9
IT and Strategic Development	262.4	221.6
Total	**526.7**	**479.3**

The employee benefits related to the members of the Management Board have been disclosed in Note 32 to the consolidated accounts, Number of employees and personnel expenses.

Note 17 Events after the balance sheet date

For subsequent events, see Note 34 to the consolidated accounts, Events after the balance sheet date.

Note 18 Proposed result appropriation

In accordance with the Articles of Association and the dividend policy, the Management Board, after consulting the Supervisory Board, proposes to distribute EUR 0 million to the shareholder and to add EUR 844 million to other reserves.

Amounts in EUR million	2024
Dividend	
Dividend Vattenfall AB	–
Total dividend to be distributed	–
Result after taxation	844
Dividend proposal: Dividend to be distributed	-
Amount to be added to other reserves	**844**

Amsterdam, 19 May 2025

Supervisory Board
Anna Borg
Gustav Bengtsson
Jan Haars

Management Board
Martijn Hagens
Alexander van Ofwegen
Cindy Kroon

Other Information

The articles of Association regarding the statutory profit appropriation

Article 36. Profits and Distributions.

36.1 The authority to decide over the allocation of profits determined by the adoption of the annual accounts and to make distributions is vested in the General Meeting, with due observance of the limitations prescribed by law.

36.2 Distributions may be made only up to an amount which does not exceed the amount of the Distributable Equity and, if it concerns an interim distribution, the compliance with this requirement is evidenced by an interim statement of assets and liabilities as referred to in Section 2:105, subsection 4, of the Dutch Civil Code. The Company must deposit the statement of assets and liabilities at the office of the Commercial Register within eight days after the day on which the resolution to make the distribution is published.

36.3 The General Meeting may resolve to make interim distributions and/or to make distributions at the expense of any reserve of the Company.

36.4 A claim of a Shareholder for payment of a distribution shall be barred after five years have elapsed.

Independent auditor's report

To: the general meeting and the supervisory board of Vattenfall N.V.

Report on the audit of the financial statements 2024

Our opinion

In our opinion:

- the consolidated financial statements of Vattenfall N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2024 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Vattenfall N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2024 of Vattenfall N.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2024;
- the following statements for 2024: the consolidated statements of comprehensive income, cash flows and changes in equity; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2024;
- the company income statement for the year then ended;
- the company statement of changes in equity; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Vattenfall N.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Vattenfall N.V. and its environment and the components of the internal control system. This included the management board's risk assessment process, the management board's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to the section 'Main risks and mitigation' of the management report, which includes the management board's fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct, whistleblower procedures, incident registration and the internal semi-annual integrity, fraud and other incidents reporting addressed to the management board and supervisory board, among other things. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked the members of the management board, the members of the supervisory board, the head of the internal audit department, the general counsel, and the finance managers of the business areas whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement in the financial statements due to fraud.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
1. The risk of management override of controls Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the presumed risk of management override of controls in: • the appropriateness of journal entries and other adjustments made in the preparation of the financial statements; • estimates.	We evaluated the design and implementation of the internal control system in the processes of generating and processing journal entries and other adjustments and making estimates. We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties. We performed our audit procedures primarily substantively based. We selected journal entries based on risk criteria, including unexpected users and unusual account combinations in revenue and expenses, and conducted specific audit procedures for these entries. These procedures include, among others, inspection of the entries to source documentation. We also paid particular attention to consolidation and elimination entries, focusing on testing entries that affect revenue and results in the relevant fiscal year. We performed specific audit procedures related to important estimates made by the management board, including: • the valuation of the derivatives and derivatives-related positions and transactions; • the completeness, accuracy, and valuation of the unbilled revenue; • the valuation of the allowance for expected credit loss on accounts receivable; • the valuation of the deferred tax asset; and • the valuation of non-current assets. We specifically paid attention to the inherent risk of bias of management in judgmental areas and estimates. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.

2a. The risk of fraudulent financial reporting due to overstating the revenue – sales of electricity, gas, and heat to end-users (consumers and businesses) As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue could potentially result in a material misstatement due to fraud. Management has been given specific targets for growth in revenue. This could lead to pressure on management to overstate revenue by recognising fictitious revenue. This risk is related to the assertion existence/occurrence.	We evaluated the design and implementation of the internal control system and assessed the effectiveness of relevant controls in the processes related to revenue reporting. We performed our audit procedures in a mix of controls and substantive procedures. We tested the effectiveness of automated and IT dependent manual controls regarding: • accuracy of sales prices in the financial administration; • accuracy and completeness of the registration of meter readings; and • information on EAN codes (which are unique codes per connection/customer) to ensure that all applicable EAN codes are included in the billing system. We performed substantive analytics on prices and volumes, using among others external market data, data obtained from the Vattenfall trading department in Germany, such as actual prices and volumes, forecasts, and budgets. We tested, on a sample basis, the accuracy of sales prices in the billing system based on prices, which are authorised by the Vattenfall Pricing Board. We performed data analyses to identify potential notable revenue entries in the fiscal year and performed specific substantive audit procedures on these entries. Finally, we performed look-back procedures on the revenue in December 2024, since this month's revenue is largely based on estimated volumes. We compared these estimated volumes with the actual volumes, which became available in January 2025, to mitigate the existence/occurrence risk. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the existence/occurrence of the revenue reporting.
2b. The risk of fraudulent financial reporting due to overstating the revenue – sales of wind-generated power to businesses As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue could potentially result in a material misstatement due to fraud. Management has been given specific targets for growth in revenue. This could lead to pressure on management to overstate revenue by recognising fictitious revenue. This risk is related to the assertion existence/occurrence.	We evaluated the design and implementation of the internal control system and assessed the effectiveness of relevant controls in the processes related to revenue reporting. We performed our audit procedures in a mix of controls and substantive procedures. We tested, on a sample basis, the sales prices based on external trading platforms for power. In addition, we tested, on a sample basis, the reconciliation of the quantity component of revenue with metering data from an external certified metering company. We performed substantive analytics on these prices and volumes. We performed data analyses to identify potential notable revenue entries in the fiscal year and performed specific substantive audit procedures on these entries. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the existence/occurrence of the revenue reporting.

We incorporated an element of unpredictability in our audit. We reviewed lawyer's letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern
As disclosed in the section 'Going concern' on page 33 of the financial statements, the management board performed its assessment of the entity's ability to continue as a going concern for at least twelve months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks).

Our procedures to evaluate the management board's going-concern assessment included, amongst others:

- considering whether the management board's going-concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with the management board regarding the management board's most important assumptions underlying its going-concern assessment;
- evaluating the management board's current budget including expected future cash flows in comparison with last year, and taking into account market developments, developments in the macroeconomic environment, future pricing curves for power and gas, climate-related developments, investment projects and the relevant information of which we are aware as a result of our audit, including, among others, the cash flow projection of the five-year business plan obtained as part of the non-current assets impairment testing;
- analysing the financial position as at balance sheet date, considering the existing credit facilities provided by the parent company Vattenfall AB, in relation to the financial position per prior year's balance sheet date to assess whether events or circumstances exist that may lead to a going-concern risk, and liquidity management as disclosed in note 28 of the consolidated financial statements;
- performing inquiries of the management board as to its knowledge of going-concern risks beyond the period of the management board's assessment.

Based on our procedures performed, we concluded that the management board's use of the going-concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

Report on the other information included in the annual report
The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit
Responsibilities of the management board and the supervisory board for the financial statements
The management board is responsible for:
- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The management board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. 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 but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists.

Misstatements may arise due to fraud or error. They 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 the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Utrecht, 19 May 2025
PricewaterhouseCoopers Accountants N.V.

Original has been signed by K. Hofstede RA

Appendix to our auditor's report on the financial statements 2024 of Vattenfall N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the supervisory board 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.

Declaration of Compliance with the Code of Conduct for Suppliers and Metering companies operating under their responsibility

(hereafter: Code of Conduct for energy suppliers and metering companies)

regarding data available through small-scale consumption metering devices which are read remotely.

Name legal entity: Vattenfall Sales Nederland N.V.
Statutory place of business: Amsterdam
Period: 1 January 2024 – 31 December 2024

Vattenfall Sales Nederland N.V. in Amsterdam uses data obtained from small-scale consumption metering devices which are read remotely with the purpose to provide a good performance of its services. In addition to the General Data Protection Legislation ("GDPR"), suppliers and metering companies operating under their responsibility in the Dutch energy sector, set up a Code of Conduct on the use, the capturing, the sharing and the storing of data obtained from small scale consumption measuring devices which are read remotely.

We hereby confirm that Vattenfall Sales Nederland N.V. in Amsterdam has fully complied with the rules and obligations as set out in the Code of Conduct for energy suppliers and metering companies during 2024.

Name legal entity: Powerpeers B.V.
Statutory place of business: Amsterdam
Period: 1 January 2024 – 31 December 2024

Powerpeers B.V. in Amsterdam uses data obtained from small-scale consumption metering devices which are read remotely with the purpose to provide a good performance of its services.

In addition to the General Data Protection Legislation ("GDPR"), suppliers and metering companies operating under their responsibility in the Dutch energy sector, set up a Code of Conduct on the use, the capturing, the sharing and the storing of data obtained from small scale consumption measuring devices which are read remotely.

We hereby confirm that Powerpeers B.V. in Amsterdam has fully complied with the rules and obligations as set out in the Code of Conduct for energy suppliers and metering companies during 2024.

Name legal entity: DELTA Energie B.V.
Statutory place of business: Middelburg
Period: 1 January 2024 – 31 December 2024

DELTA Energie B.V. in Middelburg uses data obtained from small-scale consumption metering devices which are read remotely with the purpose to provide a good performance of its services. In addition to the General Data Protection Legislation ("GDPR"), suppliers and metering companies operating under their responsibility in the Dutch energy sector, set up a Code of Conduct on the use, the capturing, the sharing and the storing of data obtained from small scale consumption measuring devices which are read remotely.

We hereby confirm that DELTA Energie B.V. in Middelburg has fully complied with the rules and obligations as set out in the Code of Conduct for energy suppliers and metering companies during 2024.

Amsterdam, 19 mei 2025

Signed by

Martijn Hagens

Annual Statement 2024 in the framework of the Heat Act

Introduction
Heat supply company Vattenfall Warmte N.V. (VF Warmte) is part of the energy production and supply company Vattenfall NV.

Shareholders as at 31 December 2024
The shares of VF Warmte are fully owned by Vattenfall Energy Sourcing Netherlands N.V., a 100% subsidiary of Vattenfall NV. From 1 July 2015 the Swedish state-owned Vattenfall AB owns 100% of the shares of Vattenfall NV.

Supply areas
VF Warmte manages and operates large-scale heat networks in the provinces Gelderland, Flevoland, Noord-Holland and Zuid-Holland.

License
Based on the Heat Act, heat suppliers are required to register heating networks with the Authority Consumer & Market (ACM) and apply for a permit for the supply of heat at the ACM. On 8 March 2016 the permit has been granted by the ACM.

Tasks
The tasks of VF Warmte, which are based on the Warmtewet 2014 (Heat Act) and underlying ministerial regulations and decisions, have a regulated character and include: The distribution and delivery of heat to consumers with a connected load of up to 100kW at a legally established maximum price; ensuring the safety and reliability of the networks and connections. In 2020, the Warmtewet 2014 is updated. As result, collective heat contracts that connect multiple houses with one heat connection with a combined capacity above 100 kW are now also in scope of the Heat Act.

Annual statement
This annual statement has been prepared based on the Heat act and the underlying ministerial regulations and decisions, which require to prepare separate financial information for each heat supply company as per 1 January 2014. Furthermore, these regulations require heat supply companies to publish an annual statement of their financial information. With this annual statement VF Warmte endorses this obligation.

The accounting policies and principles used in the annual statement are in accordance with the 2024 financial statements of Vattenfall NV and only includes the financial information of the operation of VF Warmte to which the regulation of the Heat Act applies, as VF Warmte also supplies non-regulated heat (supply of heat to consumers with a connected load capacity above 100kW). VF Warmte uses several allocation keys to allocate the total costs of VF Warmte to the regulated and non-regulated supply of heat. Variable purchase costs are allocated to the regulated and non-regulated activities based on the number of GJ sold to both customer groups. Fixed purchase costs and other costs are allocated based on the capacity of the connections or number of connections. For some cost items the 2024 figures are based on different allocation keys compared to 2023.

The financial position and performance of VF Warmte have been included in the consolidated financial statements of Vattenfall NV. PwC has issued an audit opinion on the consolidated financial statements of Vattenfall NV (see page 71). Based on Article 2 403 BW VF Warmte is exempted from publishing independent financial statements. In relation to this, a liability statement as referred to in Article 2: 403 BW, is filed at the Dutch Chamber of Commerce.

Financial information for 2024
The tables below represent the financial information for 2024, as far as it concerns the regulated supply of heat (heat to consumers with a connected load of up to 100kW).

Income statement heat-supply

Amounts in EUR million, 1 January - 31 December	2024	2023
Heating revenue	231.4	285.8
Power revenue	0.0	1.5
Amortization construction contributions	11.0	9.6
Other net sales	62.7	54.5
Net sales	**305.1**	**351.4**
Heating cost of purchases	-128.7	-172.9
Other cost of purchases	-48.5	-41.4
Other external expenses	-56.4	-53.1
Personnel expenses	-42.2	-38.4
Other operating incomes and expenses, net	-2.9	-0.6
Operating profit before depreciation, amortization and impairment losses (EBITDA)	**26.4**	**44.9**
Depreciation	-40.2	-35.2
Operating profit (EBIT)	**-13.8**	**9.8**

Balance sheet information heat-supply

Amounts in EUR million	31- dec-24	31- dec-23
Property, plant and equipment	593.8	557.8
Construction contributions	-251.8	-223.8
Return On Investment (ROI)	-4.1%	3,1

Explanation to the income statement

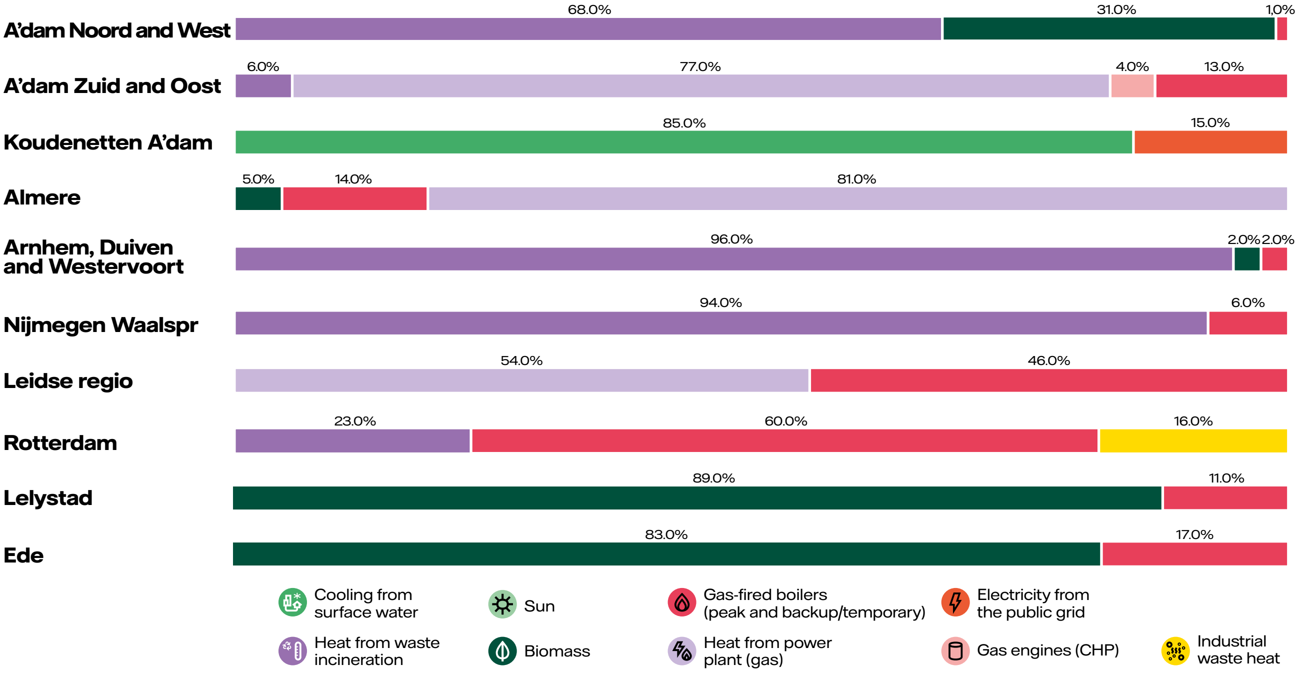
Amounts in EUR million, 1 January - 31 December	2024	2023
Breakdown of heating revenue	**231.4**	285.8
a1. Heat consumption	136.9	214.1
a2. Hot water consumption	6.9	13.5
b1. Fixed fee heat supply and metering services	70.8	46.5
b2. Delivery kit	16.8	11.7
Breakdown of cost of purchases	**-128.7**	**-172.9**
Variable heat purchase costs	-78.5	-130.6
Fixed heat purchase costs	-46.7	-39.1
Cold water purchase costs	-0.9	-0.1
Electricity purchase costs	-2.6	-3.1
Supplies		
Amount of heating supplied in GJs	3,731.588	3,500.459
Number of connections (<100 kW)	139,144	138,021
Amount of hot water supplied in m^3	830,497	806,099
Purchase		
Purchased heat in GJ	5,668,607	5,387,900
Purchased cold water in m^3	830,497	806,099
Purchase contracts according to Heat Act article 8	17	18
Vattenfall Power Generation B.V.	Production and transport of heat	Production and transport of heat
Vattenfall Warmte N.V. department Generation Operations	Production of Heat	Production of heat
Vattenfall Duurzame Energie N.V.	Production of heat	Production of heat
AVR Afvalverwerking B.V.	Production of heat	Production of heat
Eneco Warmte en Koude Leveringsbedrijf B.V.	Production and transport of heat	Production and transport of heat
Veolia Industriediensten B.V.	Production of heat	Production of heat
ARN B.V.	Production of heat	Production of heat
Indigo B.V.	Transport of heat	Transport of heat
Bio-Energie de Vallei B.V.	Production of heat	Production of heat
Bio-Warmte de Vallei B.V.	Transport of heat	Transport of heat
Primco BMC Lelystad B.V.	Production of heat	Production of heat
Warmtebedrijf Infra N.V. (Rotterdam – Hoogvliet)	Production and transport of heat	Production and transport of heat
Uniper Benelux N.V.	Production of heat	Production of heat
Warmtebedrijf Exploitatie N.V. (Leiden)	Production of heat	Production of heat
Warmtebedrijf Infra N.V. (Leiden)		Transport of heat
Bio-Energie Almere B.V.	Production and transport of heat	Production and transport of heat
Westpoort Warmte	Supply and transport of heat	Supply and transport of heat
Westpoort Warmte (Zeeburgereiland - Amsterdam)	Supply of heat by Vattenfall	

VF Warmte conducts transactions with subsidiaries of Vattenfall NV for the purchase of heat. Transactions with the parties classified as related parties are conducted at market conditions and prices that are not more favorable than the conditions and prices offered by independent external third parties. The transaction price for the purchase of heat from related parties is determined semi-annually in advance, based on forecasted commodity prices and related plant utilization. The list with purchase contracts includes the significant subsidiaries VF Warmte has transactions with. In addition VF Warmte receives internal charges for services delivered by related parties within the Vattenfall group.

VF Warmte performs construction activities and exploitation services for third parties. Revenues and costs related to these activities are part of the presented income statement as 'Other net sales' and 'Other cost of purchases'. The margin resulting from the work for third parties is part of the regulatory activities and contributes to the coverage of overhead expenses.

District heating label 2024

Energy sources by area



Environmental impact per area

	A'dam Noord and West	A'dam Zuid and Oost	Koudenetten A'dam	Almere	Arnhem, Duiven and Westervoort	Nijmegen Waalspr	Leidse regio	Rotterdam	Lelystad	Ede
Renewable share[1]	70%	8%	85%	9%	84%	64%	-	12%	86%	79%
Share of residual heat[1]	17%	11%	-	33%	-	13%	18%	15%	-	-
CO_2 reduction compared to HR gas boiler/compression cooling	80.7%	53.6%	52%	54%	79%	67%	22%	-5%	79%	71%
CO_2 emissions kg / GJ delivery	11.3	27.3	9.7	26.7	12.1	19,2	46.0	61,7	12.4	16.6
Heat loss	25%	20%	-	34%	26%	36%	25%	22%	40%	33%
Primary energy factor (fp_{del}) according to NTA8800	0.15	0.54	0.18	0.53	0.16	0.28	0.91	1,05	0.24	0.33
Renewable energy factor (fp_{ren}) according to NTA8800	0.86	0.18	0.85	0.42	0.84	0.77	0.18	0.26	0.86	0.79

1) Calculation method according to "Reporting format Sustainability Reporting for suppliers within the framework of the Heat Act"