ANNUAL REPORT 2024

NUKISSIORFIIT

CONTENTS

INTRODUCTION

2024 has been an eventful year for Nukissiorfiit, marking 75 years of public utility supply, where we have started working on our new strategy to bring Nukissiorfiit into balance.

As Greenland's utility company, we are critical infrastructure, as we were all reminded when a conductor on the transmission line from the Utoqqarmiut Kangerluarsunnguat hydropower plant fell down and caused a major power outage in Nuuk on December 28, 2024. At Nukissiorfiit, we have set procedures to test our emergency generators monthly, however, we can be hit by unpredictable events that make it difficult to restore the utility supply as was unfortunately the case here. In Ilulissat, we have also been affected by a prolonged outage during the year, just as there have been periodic challenges with the supply in Aasiaat and other places in the country.

Fortunately, our overall security of supply is very high. In most months of the year, we experience no downtime and in case of minor challenges, we get things up and running again quickly. However, it is clear that the outages are a major issue because everyone relies heavily on electricity, water and heating to keep the country running. The incidents underline that it is our most important task to ensure a high and up-to-date security of supply for all our citizens. If we do not want to see more breakdowns in the future, we at Nukissiorfiit must continue to continuously take care of our shared energy infrastructure and ensure that we replace and repair the parts that need that a timely manner.

By making the necessary reinvestments, we will extend the lifespan of our facilities and secure the supply. That is acting responsibly. If we can increase the lifetime of our facilities, it also reduces our carbon footprint and means that overall we need less funds to maintain our supply than if we did not make the necessary reinvestments. Therefore, the Government of Greenland has approved an increase in our rates so that we can better make the necessary investments. In order to reach our goal with reinvestments and at the same time make the necessary new investments, for example, in connection with the planned expansion of Utoqqarmiut Kangerluarsunnguat to supply Nuuk, there will be a need to make several adjustments to the rates.

The world is changing and we are facing an increased risk environment where there are actors who may not wish us well. Therefore, we at Nukissiorfiit have an increased focus on information security and operational technical security by continuously updating our emergency response plans, ensuring up-to-date IT systems and continuously holding relevant exercises. For example, this summer we conducted a major exercise in collaboration and in December 2024 with, for example, SectorCERT and the EU.

Our utility supply is part of the green transition. The expansion of Utoqqarmiut Kangerluarsunnguat is an important step that will both future-proof the utility supply in Nuuk and increase the share of renewable energy. NunaGreen has been appointed to be responsible for the construction of a hydropower plant to supply Aasiaat and Qasigiannguit and the expansion of Utoqqarmiut Kanger-

luarsunnguat, after which Nukissiorfiit will lease the plants and produce and sell the power. We look forward to a continued good cooperation with NunaGreen to ensure a stable supply of green energy for the people of Greenland.

A key aspect of the green transition is our carbon footprint, which is why we are proud that we are one of the first companies in Greenland to have prepared a baseline climate report for 2023. Going forward, we will present a climate report every year, which we will continuously develop and improve.

During the year, we have had a strong focus on informing about the initiatives we are taking to promote the green transition, including our work on the electrification of Greenlandic society. We are therefore also very pleased with our new collaboration with Munck Gruppen and Betoncentralen, just as we have collaborations with Iserit A/S, the Government of Greenland, the Churches in Nuuk, INI A/S, Grønlandsbanken, Hotel SØMA, Royal Arctic Line, Air Greenland and many more to electrify heating needs.

2024 has also been a year where Nukissiorfiit has had a particular focus on utility supply in the smaller settlements, working with renewable energy sources combined with generators and battery banks to provide enough stable and sufficient supply for all customers.

During the year, Nukissiorfiit has also worked on the implementation of new core systems that will contribute to

the modernisation of Nukissiorfiit's system portfolio to streamline process support and improve financial management in the future. The core systems are expected to be completed in 2025. It will be exciting for the organisation when the new core systems become a reality, and we hope it will help make workflows easier for our employees.

In connection with the implementation, the organisation's inventory of goods has been cleaned up. Nukissiorfiit has assessed that the FIFO (First in First out) inventory principle is more accurate than average prices. Therefore, Nukissiorfiit will switch to FIFO in 2025. This is also described under accounting policies.

2024 was also the year Nukissiorfiit said goodbye to former Technical Director Hans Rowedder and former Energy Director Cicilie Senderovitz, and we wish to thank them profusely for their time at Nukissiorfiit. 2024 has therefore been characterised by an evolving management team, and it was with great pleasure that we welcomed Filip Sivertsen to the role of Technical Director at the end of the year. In addition, Naalakkersuisut has appointed Johan Danielsen as the new energy director for Nukissiorfiit as of 1 January 2025. Both bring in-depth knowledge of Nukissiorfiit as an organisation and the work areas under which it operates. As we look into a new year, the Executive Board will head and communicate about our strategy called ‘Nukissiorfiit in balance 2030’.

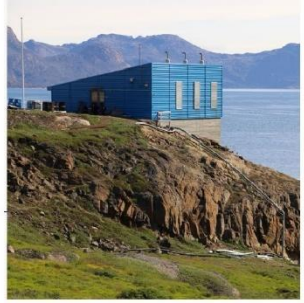
[signature]

Johan Danielsen,

Director of Energy

DKK 43.3 million

92
electric power plants
5 renovated in



Revenue
DKK 923.5

100%
get water from utilities with documented drinking water safety

5
hydropower plants
91.3 MW

27
heating plants

17 towns
54 small

8.1%
in training

1
Software robot
25 processes in operation

Investments
29.5% in the small settlements
DKK

411
employees

72
waterworks
3 renovated in 2024

4
Wind turbines
71 kW

20,600
Customers

Annual result
DKK - 60.2
million

Sales	266.5 GWh	5.2 million m³	363 GWh	17 Photovoltaic systems
Prices	DKK 1.81 per kWh	DKK 21.94 /m³	DKK 830 / MWh	

ORGANISATION & STRATEGY 2030

Nukissiorfiit's framework conditions

As Greenland's only utility company, Nukissiorfiit is responsible for the supply of electricity and water throughout the country as well as heat in some places. The framework for Nukissiorfiit's operations is set out in the Energy Supply Regulation of 1997 and the Water Supply Regulation of 2007.

Nukissiorfiit is a net-managed company, which means that prices as well as sales and delivery terms must be approved by Naalakkersuisut. For the past 4 years, Nukissiorfiit has reported to the Department of Agriculture, Self-sufficiency, Energy and Environment and is operated according to the principle of "net cost prices". This is to ensure that Nukissiorfiit does not generate profits for the owners or suffer losses as a result of deliveries to the public supply.

Nukissiorfiit's operations are primarily financed through revenues from the sale of electricity, water and heat. In addition, Nukissiorfiit receives an annual subsidy grant of approximately DKK 60 million. The grant is provided to cover the costs of maintaining energy and water supply in cities and settlements that are covered by Nukissiorfiit's universal service obligation.

The grant is also used for feasibility studies, preparation of decision-making foundations for future green investments, installation of test facilities, etc. to support the transition to renewable energy sources.

Nukissiorfiit does not have the opportunity to take out loans directly through the loan markets, but can do this through the Government of Greenland. In addition, the company has a drawing right of up to DKK 150 million through the Government of Greenland for unforeseen expenses such as breakdowns or the like.

In 2018, a new pricing model was introduced with equal prices for electricity and water across all of Greenland. The model is based on cross-subsidisation and ensures that consumers pay the same price regardless of local production costs.

1 The full regulatory framework consists of the following:

- Parliamentary regulation no. 14 of November 6, 1997 on energy supply,
- Parliamentary Act no. 13 of 6 November 1997 on Greenland Home Rule's takeover of electricity and water supply in settlements.
- Parliamentary regulation no. 2 of 31 October 1991 on the connection obligation for electric boilers.
- Parliamentary regulation no. 12 of 3 November 1994 on electrical power installations and electrical equipment.
- Parliamentary regulation no. 10 of 19 November 2007 on water supply.
- Inatsisartut Act no. 10 of June 3, 2015 on gas installations, gas equipment and requirements for authorisation.
- Government of Greenland's Executive Order No. 24 of 22 December 2017 on financial reporting for the Government of Greenland's net-controlled companies.
- A number of other executive orders as well as Nukissiorfiit's terms of sale and delivery.

2 Please note that Nukissiorfiit is authorised, with the approval of the Government of Greenland, to enter into agreements on the sale of surplus capacity for electricity, water and heat on special contract terms. For a more detailed description, reference is made to the appropriation acts (current Finance Act) text note 4, to main account 73.94.02 Nukissiorfiit.

3 For a more detailed description, reference is made to text note 2 to Notes to main account 73.94.02 Nukissiorfiit in the appropriation acts (current Finance Act)

NUKISSIORFIIT'S ORGANISATION

Nukissiorfiit's top management is based at the head office in Nuuk. Utilities in Greenland are organised into six districts, each led by a district manager and supported by local energy services.

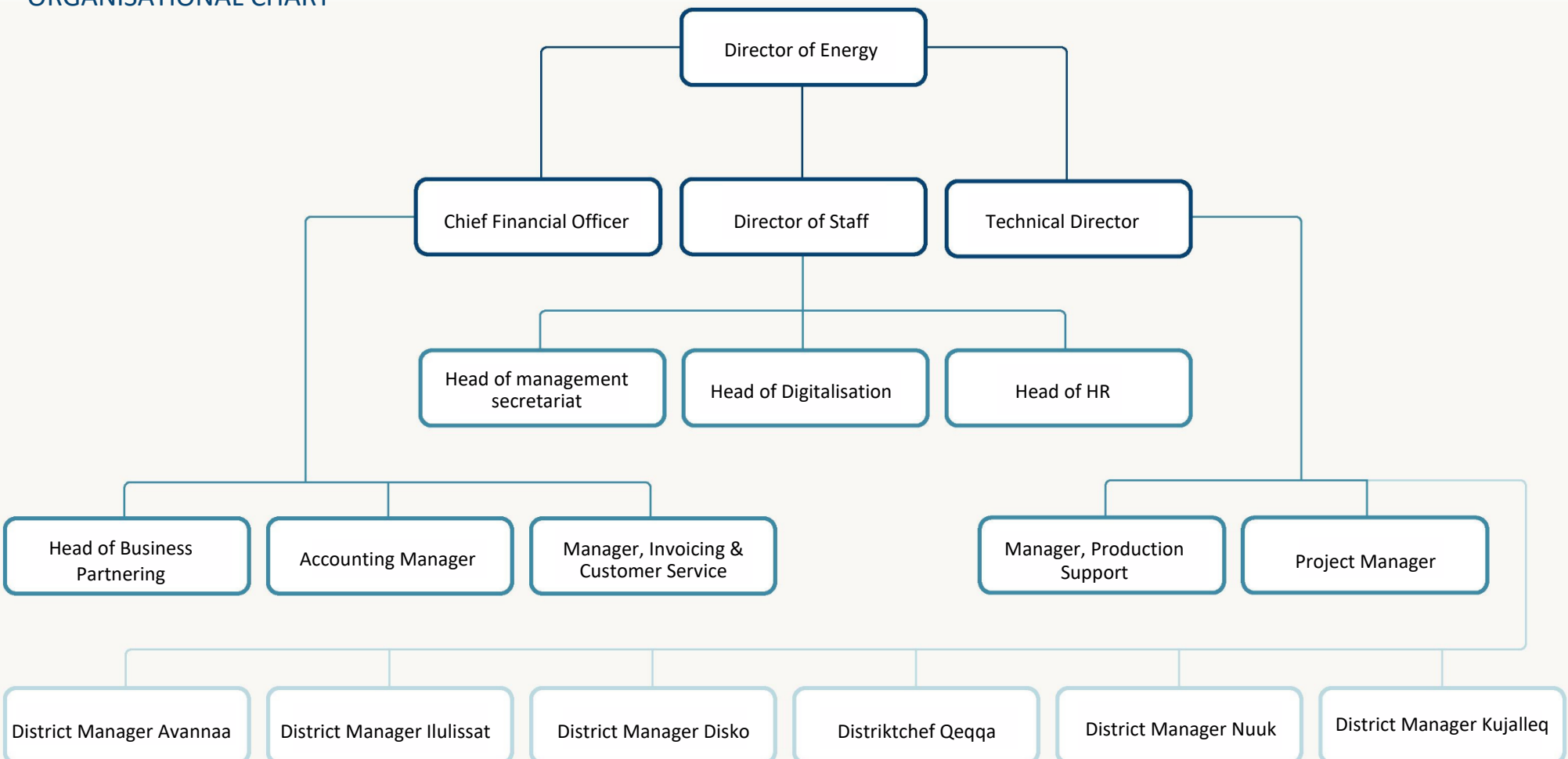
The implementation of Nukissiorfiit's new strategy has led to a reorganisation of the management team. In 2024, a staff director was added to the Executive Board to strengthen internal processes and increase efficiency. During 2024, the Executive Board has had a special focus on strengthening collaboration with relevant stakeholders and the Government of Greenland, which has contributed to a more integrated and transparent organisation.

In the past year, Nukissiorfiit has also prioritized creating overviews and transparency internally. With the development and upcoming implementation of a new ERP system, the company will be able to optimise data collection, improve workflows and streamline processes.

Nukissiorfiit is facing an increased need for reinvestments, which has led to an adjustment of rates in 2024 and 2025. The costs of operating and maintaining the existing supply infrastructure throughout the country are met by Nukissiorfiit's revenues from the sale of water and electricity. However, Nukissiorfiit's revenue data from the last 5 years shows that there is no balance between expenses and revenues for water and electricity sales. The lack of balance between expenses and revenues has meant that Nukissiorfiit has not been able to adequately maintain and reinvest in machinery, facilities and supply infrastructure. Therefore, there is a need for urgent reinvestments and a simultaneous need for new investments in facilities. Nukissiorfiit is therefore working to create a greater balance between revenue and expenses going forward, which is why rate increases are needed.

As part of the increased investments, Nukissiorfiit has sharpened its focus on liquidity management to ensure adequate preparedness. This is one of the reasons why the company's drawing rights (short-term credit facility) with Landskassen has been increased to DKK 150 million.

ORGANISATIONAL CHART



NUKISSIORFIIT IN BALANCE 2030

During 2024, Nukissiorfiit has started the important work of implementing the strategy called “Nukissiorfiit in Balance 2030”. The strategy is central to Nukissiorfiit and sets the direction for the organisation until 2030. The strategy focuses on different objectives that are anchored in four strategic tracks.

The four strategy tracks:

- Strategy track 1: Security of supply
- Strategy track 2: Efficient supply
- Strategy track 3: Green transition
- Strategy track 4: Organisational culture and competences

Below is a selection of the projects that have taken shape in 2024 related to the strategy:

In strategy track 1, Security of Supply, Nukissiorfiit has had a special focus on updating emergency response plans and our communication flow in connection with critical incidents. Nukissiorfiit is part of the Greenland Emergency Response Team (‘Grønlands Beredskabsstab / GBS’) and plays an important role in securing water and energy supply in crisis-affected areas. As an organisation, we are committed to keeping society informed and restoring water and energy supplies as quickly as possible in crises. The past year has especially shown us the importance of this in connection with the major power outage in Nuuk. 2024 has also been a year of increased focus on our information security and operational technical security in the organisation. Among other things, we have set up an information security and operational technical security committee in the organisation with participation from the entire management team to ensure increased awareness of the area. We have also gained greater insight into how we secure our systems in the best possible way through a major exercise in collaboration with the Centre for Cyber Security (‘Center for Cybersikkerhed’). In particular, the exercise has helped us to identify the points we can influence ourselves and thereby strengthen IT security from within.

As part of strategy track 2, Efficient supply, Nukissiorfiit focuses on creating better financial buffering, ensuring an organisation in better financial balance and ensuring the cheapest possible utility supply to consumers. In 2024, Nukissiorfiit has, among other things, established a new legal function to ensure that Nukissiorfiit has an efficient and transparent handling of contracts and maximises the value of contracts and insurance and minimises relevant risks. As part of the strategic tracks, work has also been done on the implementation of new core systems that will contribute to the modernisation of Nukissiorfiit's system portfolio to streamline process support and improve financial management in the future. The core systems are expected to be completed in 2025. At the same time, the approved rate increases have contributed to a better financial balance.

During the year, there has also been a special focus on district-level collaboration in the organisation. The management team and the Executive Board have held strategy seminars in Ilulissat and Qaqortoq, where Nukissiorfiit's project management model, "Nukissiorfiit in balance on the technical facilities and projects" with the project management model stems from the fact that in connection with the overall strategy, extra focus has been placed on how we in Nukissiorfiit work with projects and facilities, which is particularly related to strategy track 2, Efficient supply.

As Greenland's only utility company, Nukissiorfiit has a special responsibility to drive the green transition, which is directly linked to strategy track 3, Green transition. Nukissiorfiit is therefore continuously working on initiatives that can help reduce CO2 emissions for all of Greenland.

In 2024, Nukissiorfiit has prepared a baseline climate report in collaboration with Rambøll. Climate accounting is an important goal in the strategy and has therefore been a high priority in Nukissiorfiit. A climate impact account helps us create an overview of our CO2 emissions and what specific actions we as an organisation need to work on to reduce emissions. In addition, the account can also give us an indication of our suppliers' CO2 emissions. Nukissiorfiit can particularly drive the green transition for Greenlandic society through the replacement of fossil fuels with renewable energy, but as an organisation, we can also reduce our own carbon footprint. An example of this is that we have chosen to both reduce the amount of merchandise in the organisation and ensure that the merchandise purchased is recyclable with as low a carbon footprint as possible.

During the year, Nukissiorfiit has also worked on conversion projects, with several companies now having electric boilers installed in Nuuk, Ilulissat and Qaqortoq. Electric boilers

offers the opportunity to reduce CO2 emissions and offer several financial benefits at the same time.

In connection with strategy track 4, Organisational culture and competencies, we have focused on targeting our communication both internally and externally in the organisation to create a coherent organisational culture across the country. Nukissiorfiit plays a central role in Greenlandic society. That is why it is important that Nukissiorfiit is an attractive place to work and that our employees are happy and motivated so they are ready to step up something unfortunate occurs. We experienced this during the major power outage in Nuuk between Christmas and New Year, for example, where our employees worked around the clock to restore power as quickly as possible. As was the case in Ilulissat and Aasiaat during the outages in the cities, our employees worked hard to resolve the situation.

In 2024, Nukissiorfiit has also worked to further structure the training area so that even more people can benefit from the training funds. Going forward, a number of courses will be planned and prioritised three years ahead, especially for employees working in the operations area.

At the same time, we have focused on strengthening our recruitment efforts. With our nationwide presence, we are dependent on being able to recruit labour with the right skills throughout the country to ensure utility supply to Greenlandic consumers, which is why increased efforts on recruitment are particularly important. That is why Nukissiorfiit has focused on sharing employee stories that give an insight into what it means to be part of Nukissiorfiit as a permanent employee or as an intern. The employee stories help to strengthen the community across the organisation so that we in Nukissiorfiit get to know our colleagues better, even if we do not work in the same department or district. At the same time, the stories can help generate external interest in Nukissiorfiit as a workplace.

BUSINESS AREAS

ELECTRICITY

Electricity sales increased in 2024 to a total level of 247 GWh. This is an increase of 3% from 2023. Ilulissat and Kangerlussuaq have seen the largest increases in sales to ordinary consumers. Industry sales have been stable compared to 2023, with Nuuk and Maniitsoq's fishing industry accounting for the largest increases, while several cities and settlements have seen lower sales. Ilulissat's fishing industry has seen the biggest decline in sales. Revenue has increased 4.1%, which is due to both higher sales and an increase in rates that came into effect on 1 July 2024.

The maintenance level has seen an increase, while the investment level decreased in 2024.

in 2024, Nukissiorfiit has had a strong focus on implementing battery banks. This is to optimise operations in the settlements and ensure the delivery of a stable power supply and voltage so that our customers are not inconvenienced by potential outages. The battery banks work in such a way that they can take over the supply, ensuring stable power in the event of an outage. The three settlements of Saarloq, Qassimiut and Kangerluk have been provided with battery banks commissioned during 2024 and Nukissiorfiit will continue with the commissioning of battery banks in 2025.

As in 2023, Nukissiorfiit has also chosen to focus on strengthening employee skills through courses in advanced diesel generator operations. By creating the best prerequisites to maintain our motors, we will be able to ensure a longer lifetime of the current generators in conjunction with the installation of battery banks.

In 2024, the power plant in Aasiaat will also have a new motor generator at the main power plant. During the year, Nukissiorfiit carried out tests while fixing minor errors and defects that often occur when installing large new installations. The new unit, MG5 - Motor Generator 5, will slowly be incorporated into daily operations at the main plant.

Emergency supply

At the end of 2024, Nuuk experienced a major outage and Aasiaat, Qaqortoq and Ilulissat all suffered outages during the year. Emergency supply remains a high priority in the organisation, and Nukissiorfiit is continuously working to have the right backup system in place which can take over the supply in the event of an accident. Nukissiorfiit has acquired ten new emergency generators in the form of container power plants, eight of which are in Nuuk and two in Aasiaat. The emergency generators helped supply the capital during the outage on December 28. The eight emergency generators in Nuuk are a temporary measure to meet the demand and need for backup supply when the hydropower plant cannot provide power. This is a necessary temporary measure until we get a new emergency diesel generator built and commissioned in Nuuk.

Nukissiorfiit also continuously reinvests in supply facilities in the settlements. Most settlements have a diesel generator capacity that is large enough to be supplied by one out of three generators. This will allow time to send technicians and spare parts to the settlement in the event of a diesel generator failure, while the backup supply will remain sufficient until the machine is repaired. In most settlements, the diesel generators are built into separate fire cells so that a fire in one machine cannot spread to others. This strategy has proven to be robust in terms of supplying the settlements.

General maintenance

In order to maintain continuous operation of the electric power plants, general maintenance has been carried out on the supply units, such as changing oil, oil filters, fuel filters, wear parts, etc. Maintenance has also been carried out on switchboards and breakers as well as the CRM (control, regulation and monitoring) system. Upgrading SRO systems improves the interaction between the various motor generators, switches and interrelated components, thereby causing less inconvenience to consumers.

Cables and substations

During the year, Nukissiorfiit has had several major projects involving cables and substations. One of the more extensive projects is the establishment of a new larger 60KV substation in Ilulissat, which will be supplied directly from the hydropower plant via existing cables. The implementation of the project starts in 2025.

In Qaqortoq, we have set up a combined emergency power supply and substation that automatically starts up when the power supply fails. In Qaanaaq, a new supply from the city to the airport has been commissioned. In Sisimiut and Ilulissat, we have problems with melting permafrost, so the masts that hold the transmission lines from the hydropower plants are not completely vertical everywhere as they should be, and we are working to find a solution to this.

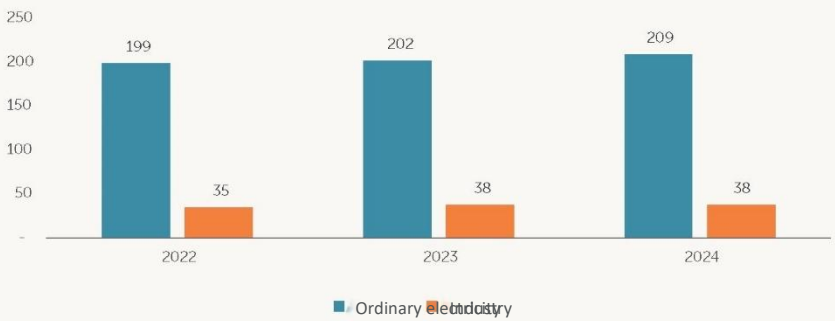
In Nuuk, we have connected the 60KV substation in Qinngorput to the 60kV substation at the Nordhavn power plant. This improves security of supply in Nuuk, as we now have two strong supply points - rather than one supply point that can receive the entire production from the hydropower plant in Bukse fjord.

In the settlements, we are working to upgrade the electricity grid where new fish factories will be built to ensure supply to these in the future. Nukissiorfiit has also focused on rectifying the challenges we are experiencing with heat pumps in some settlements. Inappropriate installation of the heat pumps has in some places resulted in power grid failures. The known issues are now localised and resolved.

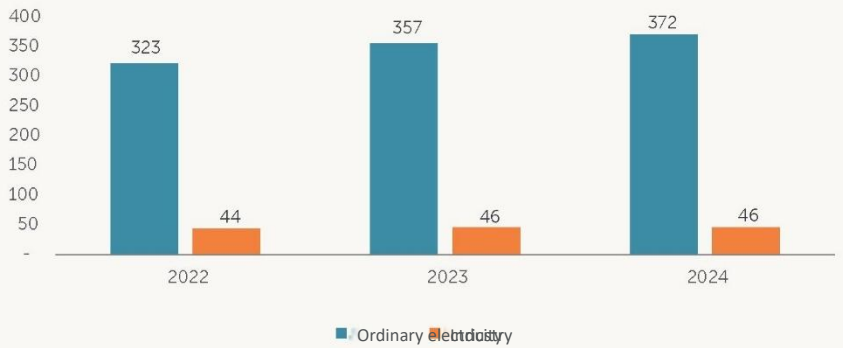
During the major outage in Nuuk on 28 December 2024, one of the conductors across the Ameralik fjord fell down, which meant that the supply in Nuuk was challenged for a longer period of time. The supply has now been transferred to a spare conductor, which today supplies the city. Nukissiorfiit is working to restore the fallen conductor. This is not expected to be resolved until summer 2026, as there are long lead times to manufacture a new conductor and it takes time to mobilise external contractors for the work. Due to wind and weather conditions, it will not be possible to install a new conductor during the winter months for safety reasons. In 2025, Nukissiorfiit will examine the other conductors in use for hidden faults with X-ray photography. If any weaknesses are found, these will be fixed during the summer of 2025 to secure the supply until we get a spare conductor across the Ameralikfjord again.

In 2024, maintenance funds of DKK 74 million were used in addition to internal hours. New investments have been made for DKK 87.2 million, which is a decrease of 22% compared to 2023. Nukissiorfiit has been awaiting a decision regarding rate regulation, which has led to necessary adjustments in the schedule for certain projects. For the individual consumer, renovations and maintenance may not be noticeable in everyday life, but it lays the foundation for the green transition expansion to take place without grid disruptions so heat pumps and electric boilers can be installed safely.

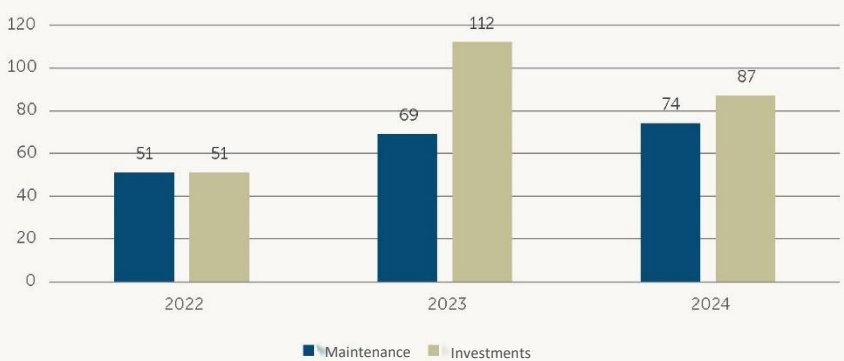
ELECTRICITY SALES, GWH



ELECTRICITY REVENUE, DKK MILLION



INVESTMENTS & MAINTENANCE, DKK MILLION



WATER

The sale of water compared to 2023 has increased to ordinary consumers, while there has been a significant decrease in sales to the fishing industry production, especially due to the decline in activity in Ilulissat. For ordinary consumers, the increase is 1.7% compared to 2023. The largest increases in sales to ordinary consumers are in Sisimiut and Ilulissat. Sisimiut and Ilulissat have also seen the biggest drop in water sales to the fishing industry, while sales have increased slightly in Maniitsoq and Nuuk.

Investments in the water sector

In 2024, the main focus for the water utility has been to improve water quality in particularly challenged settlements, as it has been for the previous two years. This involves both the continued renovation of existing plants and the establishment of standard urban waterworks. In 2024, the waterworks in Sarfannguit will be completed and work will continue on the ongoing projects in Upernavik, Kujalleq, Oqaatsut and Kangaamiut in 2025. All new waterworks are designed according to Nukissiorfiit's standard concept for settlement waterworks, which aims to improve water quality and ensure better management and monitoring of the works and water quality.

In Nuuk, the waterworks at the airport has been taken out of operation due to the rerouting of pipes to the new airport. The capital is now supplied by three waterworks. The parts of the airport waterworks that are still operational will be dismantled and reused elsewhere.

In Qeqertarsuaq, the waterworks underwent a major renovation that included replacing filters, installing an additional UV system, and replacing and automating valves. This aims to update the control and monitoring of the plant, significantly lowering the need for daily operations and ensuring the best possible water quality. Employees at the waterworks subsequently have fewer daily operational tasks as more tasks are automated and employees can concentrate more on maintenance and operational improvements.

In Tasiilaq, an emergency supply system was tested to ensure that Nukissiorfiit will be able to supply a small settlement in a crisis situation. The emergency supply system is designed to be moved by helicopter and turn seawater into drinking water. As part of its emergency preparedness, Nukissiorfiit will build several emergency supply facilities in 2025, which will be strategically located in Greenland.

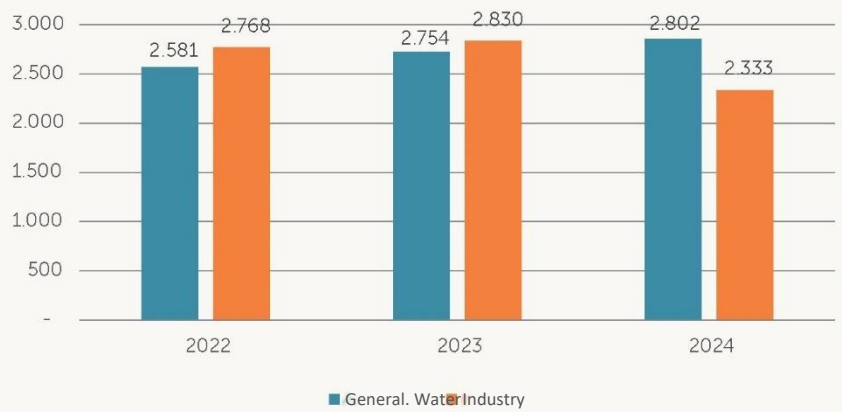
A significant part of Nukissiorfiit's investments in the water sector focus on the ongoing replacement of worn-out water pipes from cast iron to plastic ones, which helps to secure the supply and improve the quality of drinking water. This is an effort that is expected to continue in the coming years alongside further mapping of the condition and life expectancy of the water network.

Water quality

In 2023, Nukissiorfiit began a study on the possibility of how organic matter can be removed mechanically. These studies are part of the MUDP project (Miljøteknologisk Udviklings- og Demonstrationsprogram, or Environmental Technology Development and Demonstration Programme in English) project, which aims to improve water quality without the use of chemical additives. The project will continue in 2025.

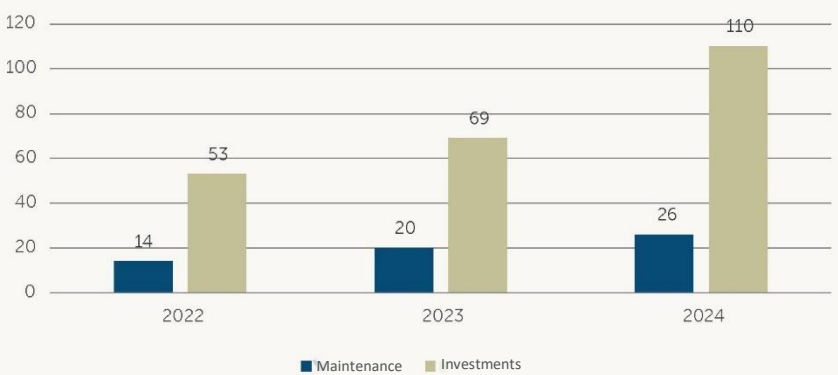
In 2024, Nukissiorfiit has intensified its efforts to take more water samples and has thus come closer to meeting this year's target. Water samples have been successfully taken in East Greenland, which has previously been challenging in terms of logistics and transportation, as samples cannot be more than 48 hours old when they arrive at the laboratory in order to be valid.

WATER DEPOSITION, (1,000) M3



REVENUE FROM WATER, DKK MILLION

INVESTMENTS & MAINTENANCE, DKK MILLION



HEATING

Total sales of heat, both hydronic and electric, were 362 GWh in 2024 compared to 355 GWh in 2023, an increase of 2.4%. Sales of interruptible electric heating in particular have increased in Ilulissat and Nuuk, whereas sales have decreased somewhat in Narsaq. Revenue increased by 10.3%, which can be attributed to both higher consumption and a price change. The price increase is mainly due to a recalculation as a result of a higher oil price in April.

In addition, urban development means a lot for sales opportunities, especially in Ilulissat, where demand is high. Maintenance decreased in 2024 by 20%, while investment levels decreased by 14%.

Conversion to electric heating

By 2024, Nukissiorfiit has installed 16 large electric boilers in Nuuk to take over the heat supply from the existing oil boilers. Of these, 15 have been put into operation. This conversion of oil-based heating to electricity-based heating results in large CO2 savings for society and is a great potential for Nukissiorfiit's renewable energy sales, as electric boilers use the green power from the hydropower plant in Utoqqarmiut Kangerluarsunnguat for heating instead of oil. These result in an annual reduction of approximately 1,560 tons of CO2.

The installation of the electric boilers is part of Nukissiorfiit's preparations for the upcoming expansion of the hydropower plant in Utoqqarmiut Kangerluarsunnguat. When the expansion is complete, there will be a surplus of hydropower energy that can be used to supply Nuuk's expected growth and thus energy demand with green energy.

Nukissiorfiit is therefore focusing on making Nuuk ready to sell the energy by, among other things, strengthening the city's electricity grid and uncovering opportunities for electrification. In this way, the installation of the 16 electric boilers helps pave the way for an even greener supply in the future. These include the installation of electric boilers at Hotel Søma, Iserit and INI-ejendomme and in churches. When the new hydropower plant in Utoqqarmiut Kangerluarsunnguat is completed, there will be more surplus energy than what we currently have known possibilities to sell the energy for. Therefore, in the coming years, Nukissiorfiit must work to attract new larger customers who can utilise the surplus energy in collaboration with NunaGreen and other relevant players.

Agreements have already been signed for the installation of five more electric boilers in Nuuk by 2025. At the same time, a project to uncover electrification potentials in Ilulissat has been initiated, which Nukissiorfiit will focus on in 2025. After more than 10 years of operation of the hydropower plant in Ilulissat, Nukissiorfiit is starting to update the estimate of its maximum annual production. The update is based on the data collected since commissioning and is necessary as the actual annual production is approaching the originally estimated maximum.

Collaboration with ESANI

In 2024, ESANI, Greenland's inter-municipal waste company, has commissioned a new incineration plant in Nuuk. This means that Nukissiorfiit's customers now get more surplus heat from waste incineration.

Nukissiorfiit has therefore combined two large district heating networks in the city to receive and distribute this heat. More business customers in Nuuk will be connected in 2025.

ESANI plans to supply heat from the new incinerator in Sisimiut from 2025. The city's grid has already been merged and the final steps include implementing control, establishing an expansion plant and ESANI's installation of larger pipes between the incineration plant and Nukissiorfiit's grid.

Overview of interruptible electric heating

In 2024, Nukissiorfiit has been working on a platform that can help manage interruptible electric heating. The platform has now been successfully used to turn interruptible electricity on and off, which can help create more security of supply for consumers during outages as emergency power plants will be less stressed when interruptible electric heating is turned off.

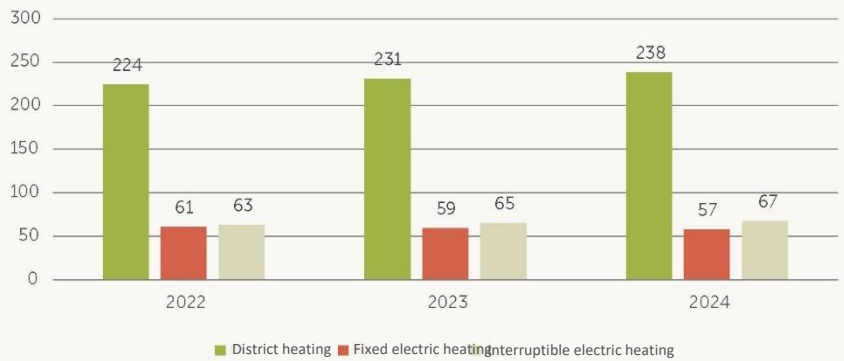
Focus areas for the future district heating network

Nukissiorfiit is working to optimise operations, especially by improving the cooling processes. Cooling is the difference between the flow temperature of the supplied district heating water and the return temperature when the water is returned. The greater this difference, the more heat can be delivered through the existing pipes and pumps.

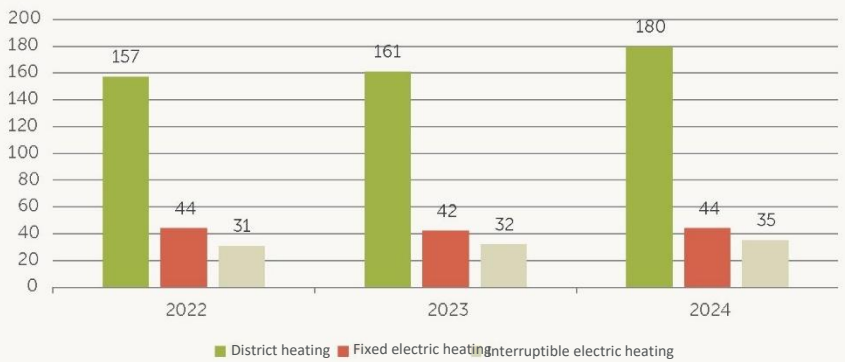
By reducing heat loss, pump operation and the need for large pipe dimensions, significant savings can be achieved. Cooling the return water as much as possible also increases the efficiency of future heat pumps in the district heating network.

To achieve this, Nukissiorfiit works closely with building owners and plumbers. In addition, a pilot test facility for heat pumps has been initiated in South Greenland.

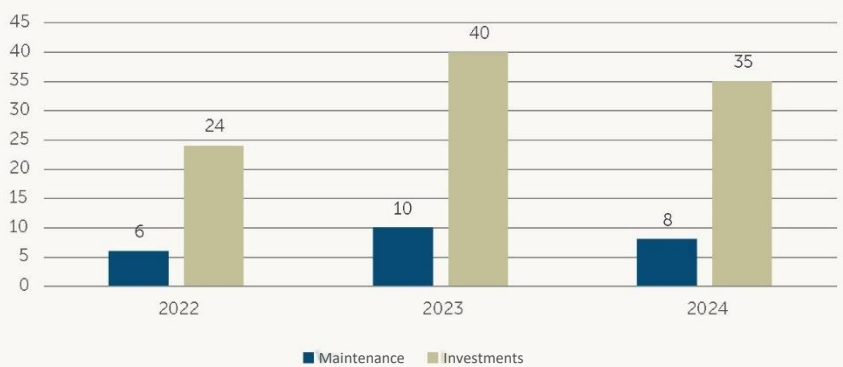
HEATING OUTPUT, GWH



REVENUE FROM HEATING, DKK MILLION



INVESTMENTS & MAINTENANCE, DKK MILLION



MANAGEMENT DIGITALISATION

MANAGEMENT DIGITALISATION

METERS

Since 2008, Nukissiorfiit has been using remotely read meters to register customers' consumption of electricity, water and heat. Back then, over 50,000 meters were replaced over a five-year period. Today, these meters are nearing the end of their expected lifetime and Nukissiorfiit has therefore initiated an analysis of how best to replace the now 56,000 meters in 2024.

Today, reading is done via centrally located concentrators that collect data from 100-200 meters at a time and send it via a SIM card on the 2G network to Nukissiorfiit's data collection system. In this solution, signals from water and heat meters are connected to the electricity meters, but in the future, Nukissiorfiit wants to separate these to simplify the infrastructure and facilitate the maintenance of the remote reading system.

This can be done in different ways, and to test alternative technologies, a proof of concept project has been initiated in Nuuk with 600 water meters and 300 heat meters. Here, Kamstrup's READy system is tested, which - like the current solution - is based on centrally located concentrators.

At the same time, Nukissiorfiit is investigating a new technology called NB-IoT technology (Narrowband Internet of Things) in collaboration with Tusass. Here the meters will send data directly to Nukissiorfiit via the NB-IoT network, completely eliminating the need for concentrators and simplifying the infrastructure. In the coming period, the studies will determine whether this technology can be implemented on a large scale so that Nukissiorfiit can continue to ensure a reliable and future-proof meter solution. This will also enable Tusass to phase out the current 2G connection, which is currently used to read data.

SECURITY

At Nukissiorfiit, we continuously work to strengthen digital security, which has become an entrenched focus point as an organisation dealing with critical infrastructure. In 2024, we set up an information security/operational technical security committee led by the Executive Board. The task of the committee is to select and ensure an appropriate level of security. This is done by continuing relevant security measures and initiating new ones.

We have continued our close collaboration with IT awareness specialists who now also offer their online courses in Greenlandic. The courses provide training and awareness of our employees' online behaviour and help employees focus on what they should pay particular attention to online.

In 2024, Nukissiorfiit began working with the Centre For Cybersecurity ('Center for Cybersikkerhed', CFCS) in 2024, and it is a collaboration that continues through ongoing dialogues on digital security for critical infrastructure. In 2024, we did a major exercise with CFCS where we simulated a hacker attack from the inside. This exercise has helped pinpoint the areas where we may be vulnerable so that we can ensure a stronger system from within. CFCS conducted the exercise over five days at Nukissiorfiit's headquarters, attempting to infiltrate the system through the server and production environment. We started working with the Centre for Cybersecurity in 2024, which continues through ongoing dialogues on digital security for critical infrastructure.

Nukissiorfiit is also a member of the independent institution SektorCERT, which also deals with critical infrastructure and cyber security. Engaging with institutions like this also helps to strengthen digital security in the organisation.

SEGMENTATION OF NETWORKS

Nukissiorfiit is also working to strengthen operational security in our facilities, and in this connection, Nukissiorfiit has been visited by two external consultants. The main purpose of the visit was to strengthen cybersecurity

through collaboration between the IT department, operational security managers, Production Support, the local operations department and suppliers. Through workshops, we aim to create a common understanding of the importance and necessity of securing our systems against new external cyber threats. The visit will lay the foundation for developing a more robust cyber defence and information security strategy with a focus on protecting operational security environments from attacks. This also includes continued network segmentation as an important part of security.

ENTERPRISE RESOURCE PLANNING (ERP)

Nukissiorfiit wishes to improve workflows and processes. To ensure the best possible overview of the business areas while strengthening customer service and reducing internal resource consumption, Nukissiorfiit has spent the last few years preparing to replace its core IT systems.

In 2022, Microsoft's regular security updates for Xellent were discontinued and Nukissiorfiit had to replace the Xellent ERP system. The new solution will be a collection of systems, each specialised in their own area, to strengthen process support in the areas that are particularly important to Nukissiorfiit. These systems are collectively referred to as core systems/ERP. Since February 2024, when the implementation started, an extensive development process and several tests have been carried out.

During the process it has been necessary to revise the schedule, and the implementation will therefore continue during 2025 and we expect to go live in the fall of 2025.

THE FIFO INVENTORY PRINCIPLE

In connection with the implementation, the organization's inventory of goods has been cleaned up. Nukissiorfiit has assessed that the FIFO (First in, First out) storage principle is more accurate than average prices. Therefore, Nukissiorfiit will switch to FIFO in 2025. This is also described under accounting policies. In connection with the change in the inventory principle, an inventory write-down totaling DKK 5.3 million has been made. The inventory write-down was made on items that have not had any inventory movements since 2015 or earlier.

CUSTOMER PORTAL

In November 2022, Nukissiorfiit launched its customer portal with a focus on improving the customer experience. The portal offers private customers a faster service where they can register and cancel payments and view their consumption. In 2023, Nukissiorfiit ran a campaign to increase awareness of the customer portal, which resulted in a significant increase in digital subscriptions and un-subscriptions via digital means.

In 2024, Nukissiorfiit has further developed the portal so that it can now also be used by business customers, including a special advanced portal for housing companies. During the year, we have seen that business customers have started using the portal, while the housing associations have yet to get started as they need to implement some necessary process changes first. Nukissiorfiit looks forward to welcoming them to the portal in 2025.

To further increase awareness of the customer portal, Customer Service launched five different awareness campaigns in the fall of 2024, each focusing on a relevant topic for using the portal. The campaigns have focused on estates, arrears clearance, missing registrations, registrations with arrears, e-Boks and have run from August to December. In 2025, we continue to spread knowledge about the customer portal through awareness campaigns.

RISK MANAGEMENT

RISK MANAGEMENT

SECURITY OF SUPPLY

Nukissiorfiit is tasked with ensuring a high level of security of supply in our society. We are continuously working to improve the infrastructure through increased monitoring, stocking of critical components, improved management, modernisation and redundancy in the distribution network. In all cities and settlements supplied by Nukissiorfiit, we have backup facilities and reserve capacity that are used in critical incidents. 2024 has been a year with security of supply in focus, especially with major outages in Ilulissat, Aasiaat and Nuuk.

The power outage in Nuuk on December 28, 2024 was caused by a fallen conductor on the transmission line from the hydropower plant at Utoqqarmiut Kangerluarsunnguat. The fallen conductor meant that parts of the city continued to be supplied, but with a skewed voltage from the transmission line, which meant that our emergency power plant did not automatically start up as it would otherwise. Incidents like these clearly show that Nukissiorfiit is part of the critical infrastructure and that Nukissiorfiit bears an important social responsibility.

Security of supply therefore also appears as one of the four main tracks in the "Nukissiorfiit in balance 2030" strategy. We need to initiate a number of measures to increase security of supply in all supply areas of the organisation. For example, in 2024 we have been working on long-term reinvestment plans to ensure that all our facilities are functional and can be replaced in a timely manner. We have also had a special focus on updating emergency plans and our communication flow during critical incidents. These actions are part of a new security of supply strategy. Work on the new security of supply strategy will continue in 2025.

COMPETENCES

Nukissiorfiit faces challenges in retaining and attracting a well-trained work force on public sector wages. For Nukissiorfiit, it is crucial to have a stable workforce to secure the supply now and in the future. Nukissiorfiit therefore works hard to ensure good working conditions for employees and to attract and retain competent workers. This means that there is a strong focus on work-life balance, flexible working hours, senior staff schemes, and exercise during working hours. Under "Nukissiorfiit from the inside", you can read more about competence development and our new strategy for course planning to secure our own competencies.

INTEREST RATE RISK

Nukissiorfiit has all its loan agreements with the Naalakkersuisut. There is therefore no risk of the impact of market interest rates on Nukissiorfiit's loans at present. Long-term loans from before 2016 are at 6% interest to Landskassen, while new loans are at 3% interest. Loans with a 6% interest rate are being gradually lowered to 3%. This is done with an annual interest rate reduction of 0.22%. Interest expenses are therefore expected to decrease over time, and there are currently no loans bearing interest of 6%.

ENVIRONMENTAL FACTORS

In 2024, Nukissiorfiit had no major environmental deviations to report. During the year, work has been done to improve environmental conditions and reduce the risk of oil spills.

In 2024, additional oil tanks were installed in the settlements of Aappilattoq (Upernavik) and Nuussuaq, which received three and two 30,000-liter oil tanks respectively. In these settlements, we have been running out of oil for a number of years and have therefore had to move oil from another settlement in the middle of winter, which has not been without risk to the environment. Work on the installation of additional oil tanks will continue in 2025, with the following plan:

- Aappilattoq (Nanortalik) 1 x 45,000 litres
- Innaarsuit 2 x 30,000 litres
- Siorapaluk 1 x 30,000 litres
- Savissivik 1 x 30,000 litres

In 2024, a decision was made to create a standard description for oil tank/oil pipeline installations in Nukissiorfiit. This standard description must be included in our maintenance strategy under our security of supply. The purpose of this addition is to ensure that by the end of 2025 we have a reinvestment/maintenance plan for our oil tank facilities so that we have a competent management tool and that we reduce our risk of oil leaks and spills that can harm the environment.

Nukissiorfiit handles waste oil by delivering it to either the municipalities or to KNI/Pilersuisoq. In addition, in 2024 we started a new initiative where Nukissiorfiit sends diesel generators that will no longer be used in operations to scrap dealers in Denmark. This is to prevent old installations from ending up in places where they can be harmful to the environment.

PRICES

Oil price and currencies

There is a correlation between oil prices and Nukissiorfiit's prices. Oil price fluctuations mean that Nukissiorfiit's costs vary with the oil price. Prices can also be affected by other factors that may have an impact on Nukissiorfiit's prices, such as construction projects and maintenance costs. However, pricing is politically determined, which is why there may be a time lag between the oil price or other prices rising before Nukissiorfiit's prices rise as well as individual cases with deviations from this principle.

Sales prices

Nukissiorfiit's prices and terms of sale and delivery are approved by the Government of Greenland on the basis of a proposal from Nukissiorfiit. Prices therefore reflect political decisions to some extent, and not the direct underlying production costs. Based on Naalakkersuisut's objectives, the then Naalakkersuisut decided to introduce uniform prices nationally for electricity, water and heating from 1 January 2018. This means that all customers across the country pay the same prices for Nukissiorfiit's products.

However, the land-based fishing industry pays up to 50% of the local unit costs, but up to a maximum of DKK 1.87 per kWh electricity and DKK 22.71 per m3 of water, which are the normal prices for these products, and a minimum of 50% of consumer prices. This means that in large cities there may be lower prices for the fishing industry, while in settlements and smaller towns there is no difference in pricing for consumers and the fishing industry. However, the pricing of Nukissiorfiit's products is lower than the production costs in most towns and settlements. The average weighted production price for a kWh of electricity in 2024 was thus DKK 2.19, but electricity was sold for DKK 1.81 per kWh to the consumer. The weighted average cost for a m3 of water was DKK 30.70 and had a consumer price of DKK 21.94 per m3. Production costs are generally higher in the smaller towns and settlements that are supplied with diesel, while the lowest production costs are found in the hydroelectric towns. The fishing industry discount has resulted in savings of DKK 43.3 million. A complete overview of Nukissiorfiit's production costs at each location can be found in the distribution accounts in Appendix 1. Electricity and water rates were last changed on 1 January 2025.

Suppliers

Due to Nukissiorfiit's organisational size, it is not always possible for Nukissiorfiit to enter into the same volume agreements as other larger foreign companies. In practice, this means that Nukissiorfiit cannot always achieve the same favourable delivery and pricing terms. However, Nukissiorfiit works to secure the best possible agreements with competent suppliers. Our procurement team visited Denmark this fall to meet with several of the suppliers that Nukissiorfiit works with. Through the visit, the team gained a greater insight into who we negotiate with and which categories each supplier falls under.

The procurement team met with seven of Nukissiorfiit's suppliers and two expedition companies. Nukissiorfiit already has a good knowledge of our suppliers, but the trip has provided additional understanding and insight that can benefit the collaboration in the future. During various supplier visits, the procurement team also had the opportunity to present the upcoming changes in the organisation in relation to the implementation of the new core systems/ERP. In addition, the team was presented with how they will move towards a more strategic approach to procurement in the future and how they are working on establishing inventory management.

SOCIAL RESPONSIBILITY

SOCIAL RESPONSIBILITY

As Greenland's utility company, Nukissiorfiit plays a central role in Greenlandic society and bears a significant social responsibility. Being responsible for supplying the majority of the country, with utilities, we ensure the most basic living conditions through the daily delivery of water, heat and electricity. This responsibility is at the heart of what we do, and we take it very seriously. Therefore, we prioritise continuous development to support a positive and sustainable societal development in Greenland in the best possible way.

In recent years, Nukissiorfiit has focused on working with four of the UN Sustainable Development Goals, which has continued into 2024. The SDGs are:

CLEAN WATER AND SANITATION

Nukissiorfiit has a firm focus on ensuring a high quality of drinking water throughout Greenland. Therefore, ensuring access to clean drinking water is also one of Nukissiorfiit's most important responsibilities.

Documented Drinking Water Safety (DDWS)

Nukissiorfiit endeavours to meet the standards of Documented Drinking Water Safety (DDWS). Specifically, this means that Nukissiorfiit treats water as a foodstuff. Nukissiorfiit works continuously on this and has also in 2024 made great efforts to maintain professional knowledge in this area as well as training new employees and external suppliers in DDWS.

Boiling order days

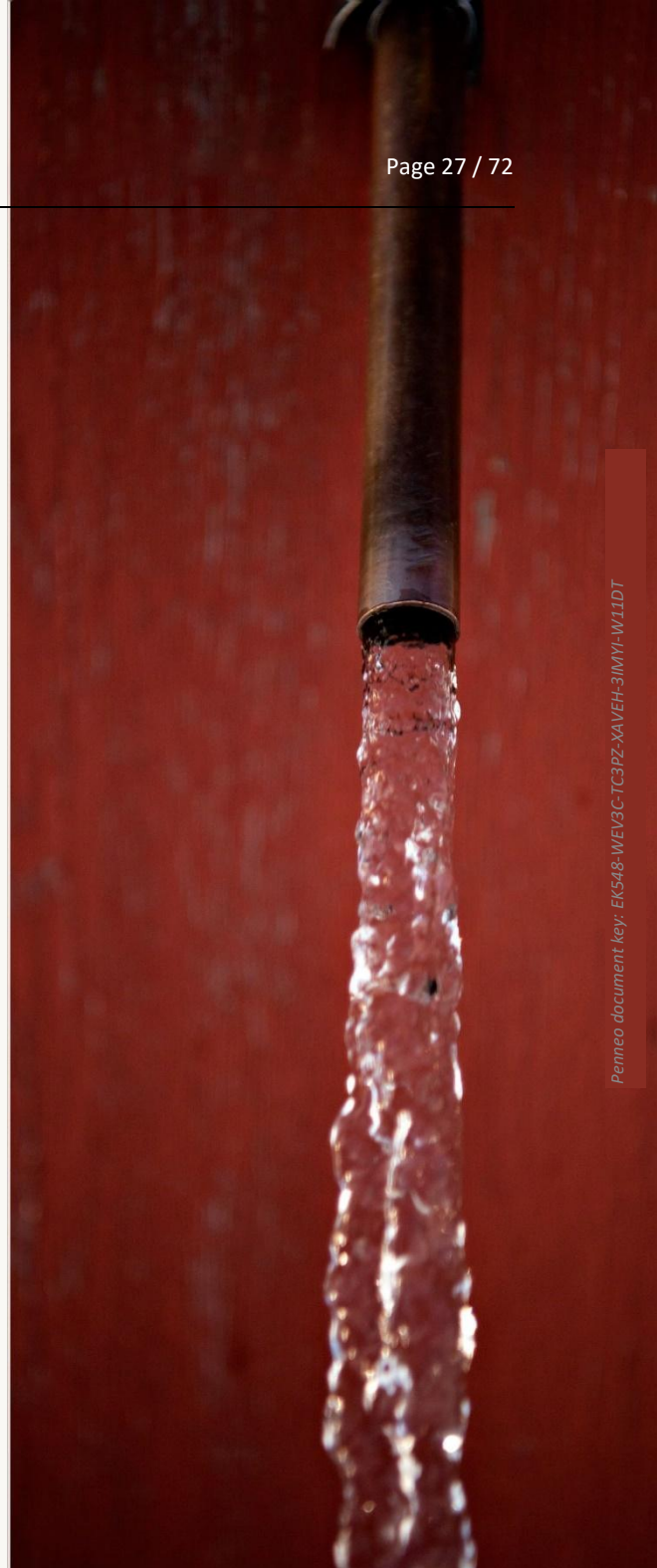
The number of boiling order days shows how many days citizens of a location in Greenland have had to boil their water before consumption. Nukissiorfiit has been recording this for several years, and in 2024 there were 406 days with a boiling order. This is equal to 44% fewer boiler order days compared with 2023 (724). It is important to note that boiling order days do not tell anything how many consumers are affected by the boiling order. In 2024, there were boiling order days at two locations, including Tasiusaq from 1 January 2024 through 31 December 2024 (365 days), and in Atammik from 12 July 2024 through 22 August 2024 (41 days).

Technologies for colour removal

Nukissiorfiit is investigating different technologies for colour removal in drinking water. We worked on an initial study to map the effectiveness and applicability of different methods for use in rural areas, where colour and poor UV-T (UV transmittance in water) are the most common causes of drinking water safety violations. The studies were conducted as part of a course for students at VIA University College in Horsens, where Nukissiorfiit has supplied coloured water from Tasiusaq in South Greenland for various experiments. Several different suppliers have provided technologies for colour removal, including different types of activated carbon, precipitants and vacuum UV. In the coming year, Nukissiorfiit expects to continue working on the initial results and we hope to be able to do a full-scale test between by 2027.

Water transportation

In 2024, Nukissiorfiit had 110,000 water connections. Nukissiorfiit wants to phase out water transportation. This will greatly benefit water quality and supply efficiency, and it will also improve the working environment for our employees.



SUSTAINABLE ENERGY AND PARTNERSHIPS FOR THE GOALS

The growing demand for energy and the desire for greater self-sufficiency requires Nukissiorfiit to develop an energy supply that is less dependent on fossil fuels. The use of fossil fuels is causing major climate change, especially affecting our lives in the Arctic. That is why Nukissiorfiit has also specified the green transition as one of the four main focus areas in our 'Nukissiorfiit in balance 2030' strategy.

Nukissiorfiit continues to engage in collaborations both nationally and internationally that help strengthen efforts for the green transition.

Nukissiorfiit participates in the Arctic Remote Energy Networks Academy (ARENA). The programme is a knowledge-sharing association for people living and working in the Arctic climate with a special focus on renewable energy supply and thus the green transition. The programme is held every two years and is supported by the Arctic Council's Sustainable Development Working Group. After several years of attempts, in 2024 it was possible to get Greenland designated as a visitor destination. In week 43, Nukissiorfiit hosted the ARENA 2024 Greenland session where participants got a broad insight into how Nukissiorfiit supplies Greenland with electricity, water and heat. ARENA 2024 participants came from Canada, Alaska, Svalbard, Iceland and Greenland.

The ARENA programme helps to create knowledge sharing and networking. Nukissiorfiit hopes to invite even more relevant stakeholders to visit during 2025.

Nukissiorfiit participated in the GLISFO 2024 conference in the Faroe Islands, where Nukissiorfiit gave a presentation and presentation during the "Energy and Building" workshop. The topic of Nukissiorfiit's presentation was "Nukissiorfiit and Circumpolar Energy Research Cooperation". The conference was organised by the Faroese Research Council, the Greenlandic Research Council and Rannis - The Icelandic Centre for Research and Icelandic Arctic Cooperation.

Nukissiorfiit is a member of the Net Zero Island Network under Nordic Energy Research. Therefore, Nukissiorfiit participated in the network meeting in Åland, where the topic of Nukissiorfiit's presentation was "Green transition for hydro-power towns and small settlements".

During the year, Nukissiorfiit was invited to participate in the "Arctic Change 2024" conference in Ottawa, Canada. Here we participated in the "Building Sustainable Energy Futures - A Nordic Approach" panel with a presentation on "Enhancing Green Energy in Greenland".

In addition to addressing the UN's SDG 7, sustainable energy, Nukissiorfiit's participation in the above networks and conferences also directly relate to the UN's SDG 17 "Partnerships for action".

Locally in Greenland, Nukissiorfiit is part of an experience-sharing group on Renewable Energy Plants. Members of the group meet once or twice a year and exchange facility and operational experiences from renewable energy plants. Besides Nukissiorfiit, TUSASS and private Greenlandic contractors are members of the experience group as well.

During 2024, Nukissiorfiit has also had the pleasure of several visits, including from the Spanish ambassador, the Japanese ambassador and several delegations from Nunavut in northern Canada. The delegations consisted of government departments of energy and climate, as well as Nunavut Tunngavik's board and staff. Common to the visits was that Nunavut wanted to hear more about how Nukissiorfiit works to supply all of Greenland and learn more about Nukissiorfiit's green energy production. Visits like these are particularly valuable as they allow us as an organisation to share knowledge and experiences, and in this way we can help make a difference for the climate.

In addition to collaborations, Nukissiorfiit has carried out several projects in 2024 for the benefit of a greener utility supply. These are examples of some of the projects:

- Electrification projects with the installation of 16 electric boilers, of which 15 have been commissioned.
- Installation of an SD Wind Energy 15 kW wind turbine in Ammassivik.
- Installation of 15 kW photovoltaic system in Alluitsup Paa
- Installation of 15 kW photovoltaic system in Qaqortoq
- Collaboration with Munck Gruppen in Ilulissat to supply green energy to the staff camp and asphalt plant.
- Installation and commissioning of battery banks in Saarloq (62 kWh), Qassimiut)62 kWh) and Kangerluk)60 kWh).
- Installation of a 100 kWh battery bank in Tasiusaq..
- Research project on climate change in collaboration with DTU Arctic and the Institute for Polar Sciences of the Italian National Research Council in Sisimiut.
- Installation of a new heat pump in Qaqortoq to heat 24 apartments.
- Collaboration with Betoncentralen on the installation and operation of an electric boiler.

Nukissiorfiit is working to install hybrid systems that combine renewable energy sources such as solar and wind with battery banks and diesel generators.

Installing battery banks brings several benefits:

- Optimal operating economy for the motor generators, as instead of running on low load, the engine-generators can operate at around 80% of their nameplate power, which is optimal for fuel economy.
- Reduction of operating hours for motor generators. A properly sized battery bank can reduce the running time of a motor generator by 40-50%, which also reduces wear and maintenance needs.
- Fuel savings and CO2 reduction: fewer operating hours means lower fuel consumption, reducing both operating costs and CO2 emissions.
- Improved voltage and frequency control: battery banks contribute to a more stable and reliable grid operation.
- Increased security of supply: If a motor generator fails, the battery bank can temporarily maintain the supply so that consumers do not notice the failure. This gives the system time to start a backup generator and ensure a smooth transition.

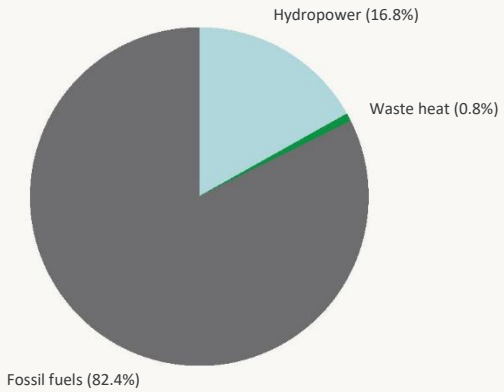
ENERGY CONSUMPTION

82% of Greenland's total energy consumption is from fossil fuels. Hydropower from Nukissiorfiit accounts for approximately 17% of Greenland's total energy consumption. This means that almost 20% of Greenland's consumption consists of green energy from hydropower, so the potential for the green transition is still major. Industries such as transportation, fishing, retail and the like have great potential to reduce the consumption of fossil fuels. That is why cross-industry collaboration is crucial to achieving significant reductions in energy consumption.

THE GREEN TRANSITION HAS MANY PATHS

As Greenland's utility company, Nukissiorfiit has a leading role in the transition from fossil fuels to renewable energy sources. With its vast size and location, Greenland has many different geographical areas, so there is no single solution that is right for the whole country. This means we need to adapt to local conditions to find the right solutions for a greener supply without the use of fossil fuels.

Greenland's total energy consumption, Graph 1.
(2580 GWh)[2]



Graph: Greenland's total energy consumption in 2023, from Statistics Greenland

Area grouping

In continuation of the 'Nukissiorfiit in balance 2030' strategy, Nukissiorfiit works based on an area grouping strategy for the green transition. The purpose of this area grouping is to create a framework in which to talk about the green transition based on four area groupings:

1. Hydropower towns with surplus energy
2. Hydropower towns with limited energy
3. Towns primarily supplied by diesel plants
4. Smaller communities primarily supplied by diesel and/or hybrid systems

Private renewable energy plants

To increase the incentive for the public to go green, in groups 3 and 4 Nukissiorfiit has again in 2024 repurchased surplus energy from citizens' private renewable energy plants. This is primarily solar energy. Nukissiorfiit has purchased surplus energy from private customers for DKK 253,479, - corresponding to 342,540 kWh in 2024. This has enabled Nukissiorfiit to redistribute this energy to other consumers and thus reduce CO2 emissions. Overall, the purchased renewable energy has replaced 97,869 liters of diesel, corresponding to a CO2 emission saving of 260.3 tonnes.

Investments in new renewable energy plants

In 2024, Nukissiorfiit invested in the installation of new wind turbines, solar panels and battery banks with a total capacity of 15 kW, 30 kW and 186 kWh respectively.

Total installed renewable energy power and battery bank capacity in Nukissiorfiit.

At the end of 2024, Nukissiorfiit had installed renewable energy system with a total power and capacity of:

Solar cells	684 kW
Wind turbines	71 kW
Battery banks	985 kWh
Hydropower	9,130 kW

Total production from renewable energy plants

Solar cells	663,480 kWh
Wind turbines	310,980 kWh
Hydropower	483,500,000 kWh
Total	484,474,460 kWh

Total oil displacement and CO2 savings from renewable energy plants

Assuming that the electricity production from Nukissiorfiit's own renewable energy plants has been sold for light and power, the renewable energy production has given rise to a total oil displacement of 100,030,067.81 litres of diesel.

Calculated - saved/displaced litres of oil (ltr)	663,480 litres
Calculated - saved/displaced CO2 (kg)	310,980 kg

Heat pump technology

Nukissiorfiit is investigating the potential of heat pumps in places in Greenland where there is no surplus hydropower capacity. In 2024, Nukissiorfiit has built a small air-to-water heat pump system for apartment buildings in Qaqortoq to gain experience with the operation and efficiency of such systems. The system is set up as a hybrid system, with a heating cartridge for domestic hot water and an oil boiler as a backup and a supplementary heat source on particularly cold days.

As previously described, Nukissiorfiit is also working on pilot test facilities for heat pumps in several locations in South Greenland. Propane heat pumps are used here, which have a better temperature set for arctic conditions. South Greenland has the best conditions for this type of facility, as it has warmer temperatures. At the same time, South Greenland is one of the areas with limited green energy from hydropower, which is why heat pumps are optimal as they provide a more efficient use of electricity for heating than electric boilers. However, heat pumps are more expensive than electric boilers and the pilot projects will show whether the higher investment can pay off in relation to the very low energy prices of fossil fuels in Greenland.

HYDROPOWER

1 Qaqortoq and Narsaq

The supply to Qaqortoq and Narsaq from the Qorlortorsuaq hydropower plant had an annual production of 35 GWh in 2024, which is well above the average level for an expected annual production with average rainfall, but not as high as the record year in 2022. In 2024, the hydropower plant had a few minor technical challenges, which also caused a few outages, where the backup supply from the diesel plants in the cities was able to restore the supply to the cities relatively quickly.

2 Nuuk

Consumption in Nuuk continues to rise and the hydropower plant Utoqqarmiut Kangerluarsunnguat (Buksefjorden), has again broken the production record with 295.5 GWh produced in 2024. Production is significantly above the long-term sustainable level of around 225 GWh, and the water level at the end of the year has therefore dropped by 0.78 metres to 253.1 metres above sea level. The project to expand the hydropower plant in Buksefjorden is therefore essential for Nukissiorfiit to support the high share of energy produced from hydropower in Nuuk in the future. Nukissiorfiit estimates that there is enough water in the lake to maintain the energy supply to Nuuk at the high level until the new hydropower plant is completed in 2032 and more water is directed to the lake.

3 Sisimiut

Production from the hydroelectric power plant in Sisimiut has been stable in 2024. With 59 GWh delivered to the city in 2024, production will match the record set last year. With the commissioning of the new incineration plant in Sisimiut, the contribution to the district heating network will allow more buildings to be converted to interruptible electric heating in the future.

4 Ilulissat

Ilulissat has once again had record production with 87.5 GWh delivered to the city in 2024. Nukissiorfiit has focused on efforts to utilise the full production potential of Paakitsoq hydropower plant. Compared to 2023, this is an increase of 7.8%, clearly showing the growth of the city. In 2025, Nukissiorfiit will initiate a more detailed study of the full average production potential of the hydropower plant based on the data we have collected since commissioning. Ilulissat experiences varying excess capacity over the course of a year. A lot of excess capacity is still seen during the summer months when there is overflow from the lake at the hydropower plant, providing an unused resource. On an annual basis and during the winter months, there is also still excess capacity in Ilulissat. This allows Nukissiorfiit to expand with additional interruptible electric heating, where the advantage is that it can flexibly utilise this varying surplus capacity.

5 Tasiilaq

The hydropower plant in Tasiilaq has produced 6.5 GWh in 2024.

With last year's political approval of the project to build an additional hydropower plant in Tasiilaq at Sø102, Nukissiorfiit held an invitation to tender for the project in 2024 and negotiations with the winning contractor are ongoing at year-end.

CLIMATE ACTION

SDG 13, climate action, is particularly important to Nukissiorfiit. As Greenland's energy supply company, we have a great responsibility for reducing CO2 emissions. We are therefore working to reduce the use of fossil fuels by extracting green energy through renewable energy sources such as hydropower and wind and solar energy. The green transition is one of our core tasks, which is why Nukissiorfiit continues to work on finding new methods and solutions on how we can reduce CO2 emissions in Greenland in the future. As previously mentioned, in 2024, Nukissiorfiit has prepared a baseline for the climate accounts for 2023 in collaboration with Rambøll. Climate accounting is an important goal in the strategy and has therefore also been a high priority in Nukissiorfiit. Climate accounting helps create an overview of our CO2 emissions as well as what specific actions we as an organisation need to work on to reduce emissions.

In 2023, Nukissiorfiit started a collaboration with a number of companies and institutions in Nuuk to increase electrification in Group 1 cities. In this connection, electric boilers have been installed so that companies and institutions can get heat from the green power from the hydropower produced in Buksefjorden.

The collaboration has continued in 2024, where Nukissiorfiit has partnered with Betoncentralen in Nuuk, among others. For Betoncentralen, this means that the annual oil consumption for heating can be reduced by up to 85,000 litres, corresponding to 99% of their current consumption. Once installed, the electric boiler can reduce CO2 emissions by up to 225.5 tonnes per year.

Another project has been the collaboration between Nukissiorfiit, INI A/S and Kommune Kujalleq who have joined forces to install a new heat pump in Qaqortoq. With a total capacity of 30 kW, the heat pump, together with an electric boiler and oil boiler, will supply heat to the residents of 24 apartments.

A heat pump is an energy-efficient form of heating that produces heat by utilising the energy already present in the air or ground. Therefore, Nukissiorfiit is investigating whether heat pumps can be used to energy-optimise home heating in places where hydropower energy is limited, such as Qaqortoq.

In the spring of 2024, Nukissiorfiit also entered into a collaboration with Munck Gruppen, which will reduce CO2 emissions in Ilulissat by approximately 2,502 tonnes of CO2. Specifically, the collaboration will ensure a green energy supply for Munck Gruppen's staff camp, welding workshop and asphalt plant, which is active due to the construction of the new international airport in Ilulissat. The collaboration means an expected saving of approximately 836,376 litres of oil, converted to approximately 2,502 tonnes of CO2, which corresponds to approximately 27 trips across the Atlantic with Air Greenland's Tuukkaq.

Human rights

Respect for human rights is important to Nukissiorfiit. Therefore, Nukissiorfiit supports and respects the internationally recognised human rights as formulated in the UN Declaration of Human Rights. This commits Nukissiorfiit to continuously improve our compliance with the Global Compact's ten principles, including our work with human rights.

We express this on a day-to-day basis by ensuring that Nukissiorfiit's employees have a voice and are involved in decision-making that directly affects their everyday lives. That is why our established safety and works councils, both locally and across the organisation, are important to support and strengthen. Here, employees have the opportunity to propose topics for the agenda which will be discussed by decision makers in collaboration with working environment representatives. Local safety and cooperation committees meet quarterly and an interdisciplinary committee meets twice a year to discuss the work environment. Minutes of the meetings are available to all employees. In 2025, we will work to create more transparency and support the elected representatives in raising awareness of the meetings and highlighting the employee's opportunities for influence.

Moreover, Nukissiorfiit takes responsibility by ensuring that day-to-day operations and construction projects take affected local communities into account, on both social and environmental parameters. This is done so that the voices of our customers and partners are also safeguarded.

Anti-corruption

In accordance with the UN Global Compact principles, Nukissiorfiit as an organisation is committed to working against corruption in all its forms, including extortion and bribery. We consider corruption and bribery to be unethical behaviour and have zero tolerance for them. As an organisation with many interfaces, partners and external stakeholders, Nukissiorfiit has a desire and objective to encourage honest and responsible behaviour in all respects. In this connection, Nukissiorfiit has an internal gift policy, which clearly states that it is not compatible to be employed by Nukissiorfiit and receive personal gifts by virtue of your employment.

Data ethics

As part of Greenland and the Greenlandic self-government, Nukissiorfiit is bound by the Greenlandic Personal Data Protection Act. Data on our employees is loaded into HR systems, after which selected data is only sent to the people and systems that need access to it in order to perform their work tasks or system processes. We continuously work to limit personal data for the daily user and find solutions to hide personal data in the systems or replace, for example, civil registration numbers with internal identification numbers. When entering into new system agreements, data processing agreements are made between Nukissiorfiit and the suppliers.

It is our responsibility to take care of our customers' data, and we therefore work from an ethical perspective when sharing data in the public sphere of Greenlandic society. When replacing and updating systems,

Nukissiorfiit can specify stricter requirements for handling our customers' data to meet the security requirements of the Personal Data Protection Act. Both in terms of our security of supply and personal data protection, Nukissiorfiit prioritises staying updated in the IT sphere so that we can resist attacks on our networks and systems. To ensure good practices in the processing of personal data, Nukissiorfiit has also introduced a new privacy policy in 2024. Employee access to sensitive information is limited to what is necessary for the performance of work tasks and information is processed in accordance with applicable legislation. To ensure the correct delivery of our services, we process relevant information such as name, address, payment data and meter information as part of our customer service. When the services have been delivered and there is no longer a customer relationship and all outstanding issues have been resolved, the data will be deleted or anonymised so that it cannot be traced back to the data subject.

Individual employee behaviour can have a big impact on our data security. As mentioned earlier, Nukissiorfiit has therefore continued our close collaboration with an awareness IT company, which now offers their courses in both Greenlandic and Danish. The courses help to continuously remind us what risks exist and how to maintain good digital behaviour.

NUKISSIORFIIT FROM THE INSIDE

ORGANISATIONAL DEVELOPMENT

It is Nukissiorfiit's ambition to be an attractive workplace in Greenland, which is why we are committed to taking responsibility for the health and well-being of our employees. Our focus in 2024 was once again very much on organisational development, the working environment and well-being. We will maintain our new employee evaluation interview concept from 2023. In 2024 we have had more focus on personal development. We continuously work on how employees' own strengths can be used in their daily work and thereby interact with the organisation's overall strategy. We believe that an action-oriented goal for the individual employee provides well-being and development for the entire organisation. We want an increased focus on the individual employee's strengths and competencies, and we continuously train our managers in handling both good and tough conversations. Good managers create good employees.

VISITS ACROSS THE ORGANISATION

As part of our strategic track "Organisational development and competences", getting around the organisation is a key priority. In 2024, HR has focused on knowledge sharing, support and advice on mental health and physical safety across the organisation. This is done, among other things, through visits with content from current training areas that have been selected in close collaboration with managers' assessment and, not least, employees' needs.

In the spring of 2024, HR participated in a settlement seminar in Qaqortoq and Nanortalik where the focus areas were the connection between appreciative communication, the importance of the language barrier for understanding and points of attention when meeting the needs of different types of people for good collaboration. During the stay, stress coaching was provided, focusing on the difference between just being busy and unhealthy stress. In addition, there was training in recommendations on workplace instructions on what protective equipment, safety equipment, ventilation types, etc. must be present when working with certain chemicals.

In the last quarter of 2024, HR visited Aasiaat/District Disko twice. In week 41, HR and Payroll visited Aasiaat. The focus has been to refresh the basics and systems together with managers and employees and to give them new tools for reflection on their own behaviuor and new options for action in everyday life and challenging work situations. Various team building exercises were taught and practiced and colleagues from the settlements had the opportunity to join the teams.

On the second visit to Aasiaat, HR was accompanied by the new Technical Director, Filip Sivertsen. The focus was on equipping both employees and managers to better handle and jointly solve local technical challenges that have caused work pressure over a long period of time and thereby affected daily well-being and motivation. All sites were visited with the aim of sharing advice and guidance on how best to ensure physical safety.

The visit continued in District Ilulissat, where HR and the Technical Director provided status updates on various support functions from Nukissiorfiit's head office. These included maintenance projects, training and continuing education plans for 2025-2027, status of projects and major tasks on budget and data management, status of projects related to production facilities and breakdown cases. In addition, there was a focus on the managers with individual sparring and counseling sessions as well as team building.

In 2025, HR will plan similar coastal visits in order to be available and present in more districts as well as at headquarters. A stronger relationship across the vast distances between locations strengthens the feeling of working as one organisation. It benefits collaboration with managers and provides a better insight into each other's everyday lives.

UPSKILLING

As part of retaining and securing competences, Nukissiorfiit has great ambitions to further educate our own employees and managers by offering the best possible training opportunities. Nukissiorfiit is therefore constantly in dialogue with course providers and educational institutions in order to plan and meet our internal needs, but also to help a larger part of the Greenlandic population achieve a higher level of education and qualification-granting courses.

Much of 2024 has been spent analysing our current course administration and partnering with suppliers to improve our business-critical skills in 2025, especially for operations staff. Knowing more about our skills requirements has allowed us to plan internal courses that would otherwise not have been offered in 2025 and use our budgets to support more employees for the same money.

Unfortunately, the Arctic supply operator programme has not been offered in 2024. The programme is the result of a collaboration between the machine engineer school ('maskinmesterskolen') in Sisimiut, KTI in Nuuk, Skive College and Nordisk Folkecenter. The project collaboration has been completed in 2024, when HR was in Sisimiut and the programme was also promoted on the education caravan.

In 2025, there will be teaching offered again as a credit system, where the acquisition of the electricity supply technician qualification will be a large part of the basic part of the future training, which will be supplemented with various modules in renewable energy.

SOCIAL CONDITIONS AND EMPLOYEE CONDITIONS

Nukissiorfiit employs over 400 people. This means that we need to be very aware of various risks that we must actively and continuously work to minimise, including work accidents, stress and bodily wear and tear. As part of the ongoing active efforts, Nukissiorfiit will in 2025 have a special focus on specific topics in the psychological work environment across Nukissiorfiit. In 2024, we have prepared for working with different initiatives in 2025 by updating the following internal instructions and guidelines:

- When is it unhealthy stress and how should you handle a stressful situation?
- How do we ensure that an employee has a good return to work after a long-term sick leave?
- Abusive behaviour, including direct and indirect discrimination, harassment and sexual harassment.
- Updated descriptions and templates for sick leave interviews.
- Updated descriptions and templates for well-being conversations.

Nukissiorfiit strives to create a healthy and safe working environment, supported by shared job satisfaction and awareness of what a safe working environment should look like.

This is done, for example, by organising theme days. From the last quarter of 2024 up to and including the first quarter of 2025, HR theme days were held once or twice a month with Nukissiorfiit's customer service. This includes strengthening their communication skills both internally and externally, training them in different ways to best support and utilise each other during busy periods, and how to best solve challenging situations involving external customers or business partners.

WORKPLACE ACCIDENTS

As the majority of our employees work in the operation and maintenance of electricity, water and heating supply, in 2024 we have done more to inform our employees about the importance of reporting work-related accidents. Nukissiorfiit itself has registered 8 work accidents in 2024. The information in the reports can shed light on where extra efforts need to be made to minimise the risk of workplace accidents. In addition, Nukissiorfiit works continuously to minimise the risks of accidents by:

Completing employee satisfaction surveys & workplace assessments:

- Carrying out employee satisfaction surveys and workplace assessments every 2 years.
- Creating workplace assessments and registering chemicals
- Maintenance via Sertica

Employee satisfaction surveys and workplace assessments

At Nukissiorfiit, we carry out employee satisfaction surveys and workplace assessments simultaneously. We do this because we want the surveys to provide a complete overview of the psychological work environment and physical safety across the organisation. The frequency is set to every two years to ensure there is plenty of time to act on the areas that require action. In 2024, Nukissiorfiit has achieved another high response rate on the employee satisfaction survey and workplace assessment with a 75% response rate from permanent employees.

Creating workplace instructions and handling chemicals

Nukissiorfiit has provided a system to increase safety in the handling of chemicals, especially adapted for employees working with the operation of electricity, water and heating. District managers and their managers can use the system to create workplace assessments and register chemicals on an ongoing basis, and we also make sure that we continuously draw attention to the importance of following the recommendations described in the workplace assessments in relation to the storage of chemicals, protective equipment and any potential safety equipment.

Maintenance via Sertica

In 2024, Nukissiorfiit has worked to expand the use of the Sertica maintenance system. This aims to strengthen the focus on ongoing maintenance according to the rules and legislation on safety equipment, first aid equipment and protective equipment in a structured and systematised way in the regular daily, weekly, monthly and quarterly rounds, scheduled inspections and replacements at the plants.

PHYSICAL EXHAUSTION

Some of our employees carry out hard physical labour and are at risk of physical exhaustion over time. Nukissiorfiit wants to take measures to reduce this problem and provide help to employees. To achieve this, we offer our employees:

- More lenient working conditions, including the option of working reduced hours,
- A grant for payment for protective/reading glasses.
- The Senior Staff Scheme option.
- The option of taking paid time off for, among other things, physical treatment that is covered by the relevant collective agreement and pension scheme, subject to agreement with the immediate manager.
- A readily available supply of warm workwear and boots, especially when the season changes to winter.

GENDER EQUALITY IN NUKISSIORFIIT

Nukissiorfiit has a continuous focus on fighting discrimination and ensuring equal rights and opportunities in the organisation. As a socially responsible company, Nukissiorfiit has zero tolerance for offensive behaviour.

Nukissiorfiit recommends that everyone applies for suitable vacancies, regardless of gender, age, ethnicity, etc. In our organisation, we want a workforce that reflects the surrounding society while promoting diversity.

In 2024, Nukissiorfiit has completed a major work to update the existing guidelines for offensive behaviour and discrimination so that the guidelines follow the updated Greenland Parliament Act no. 36 of 04.06.2024 on equality and anti-discrimination.

SICKNESS ABSENCE INITIATIVES

In 2024, as part of the overall "Nukissiorfiit in balance 2030" strategy, Nukissiorfiit has focused on identifying which symptoms and then actions are necessary to avoid employees and managers being affected by stress-related illnesses and how upskilling management can help prevent this.

During the summer, HR presented a new upcoming tool for HR managers to the local health and safety organisation at the head office on how to handle employees and managers who are affected by stress and how to ensure an employee gets back to work well after a long-term sick leave.

Prevention is an essential part of the continuous work to improve the work environment and well-being at Nukissiorfiit, but as part of the strategy it has been important to ensure that the focus is also on helping employees return to work. Nukissiorfiit is aware that returning too quickly or unbalanced expectations can have consequences for the future well-being and working environment of the individual.

That is why in 2024 Nukissiorfiit launched a new guide for a successful return to work. This is to ensure that employees affected by long-term illness or stress have the opportunity to return to work at a pace that suits their individual needs.

Within the first quarter of 2024, HR gave a presentation on stress at the head office for an executive meeting with Nukissiorfiit's managers. The presentation was about the difference between just being busy and unhealthy stress.

STUDENTS, APPRENTICES AND INTERNS

Nukissiorfiit wants to take great responsibility for educating the workforce of the future, just as Nukissiorfiit wants to help raise and promote the level of education in Greenland. Nukissiorfiit has many years of experience with students, apprentices and interns in technical and office training.

Since 2020, Nukissiorfiit has met a long-term goal of 10% of employees being in education. In 2024, Nukissiorfiit has recruited young people as well as adults in internships in the following programmes: Electrician, ship fitter, mechanical engineer, computer technician, electrical installer, plumber, AU-HR, AU-OA and TNI administration training. In addition, Nukissiorfiit has trainees in AU-ØR and IT support.

In 2024, Nukissiorfiit has a special focus on the engineer education and students in Sisimiut and Denmark. Nukissiorfiit, in collaboration with the School of Engineering ('maskinmesterskolen') in Sisimiut and the Danish schools of engineering, has recruited several engineering students for either internships for workshop courses or professional courses.

Nukissiorfiit is characterised as an interdisciplinary workplace, where the use of our employee's strengths and competences are brought into play and therefore, as an organisation, we are creating good frameworks for a traineeship in Greenland. To ensure that the trainee gets the right tools and training opportunities during the training process, it is important that the trainee is placed in different departments and trained in different systems that match the individual trainee's study programme.

Apprenticeships are constantly evolving, and so is Nukissiorfiit. Operations and head office work closely together to further develop trainees and ensure that the training places always have the tools and training opportunities so that each trainee can receive the full training that Nukissiorfiit always strives for.

Nukissiorfiit believes that investing in Greenlandic youth is an investment in the future of the country. We are therefore an active part of shaping technical education in the country and want to help create a talent pool that benefits the students, Nukissiorfiit and society at large.

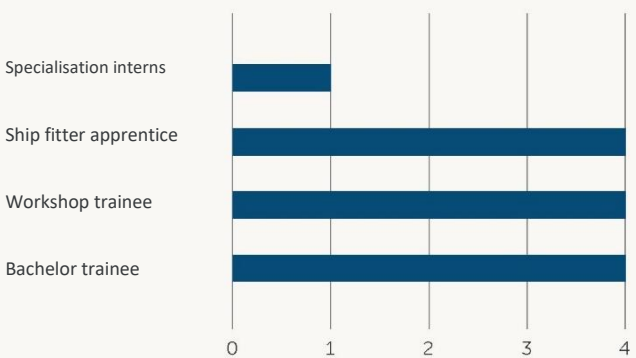
The graph below relates to workshop trainees and bachelor trainees for the mechanical engineering program.

CAREER CARAVAN AND FAIRS

In the fall of 2024, Nukissiorfiit participated in the annual education caravan in Ilulissat, Aasiaat, Sisimiut, Kangerlussuaq, Nuuk and Qaqortoq, where the individual operational and office staff from the districts stood up and told the young people about the education Nukissiorfiit offers and what Nukissiorfiit can do as a workplace. In particular, it was noted that young people passing by the Nukissiorfiit stand had an interest in the technical fields, especially the machine engineer programme.

In addition, Nukissiorfiit successfully participated in the Greenlandic Career Fair 2024 in Aarhus and Copenhagen, where representatives from Nukissiorfiit were able to talk about the important and exciting work that Nukissiorfiit does.

NUMBER



KEY FIGURES & RATIOS

KEY FIGURES & INFORMATION

DKK million	2024	2023	2022	2021	2020
RESULT					
Net turnover	921.2	874.9	813.2	796.8	822.8
Costs for raw materials and aids	-205.0	-188.1	-165.0	-184.9	-196.7
Operating expenses	-457.0	-436.8	-375.6	-382.0	-365.9
Depreciations	-256.7	-270.5	-172.8	-292.6	-334.4
Financial income & expenses.	-62.6	-65.7	-70.7	-75.6	-78.6
Profit/loss for the year	-60.2	-86.2	29.1	-138.3	-152.9
BALANCE SHEET					
Intangible fixed assets	5.8	4.4	3.6	5.4	-
Tangible fixed assets	2,803.3	2,799.6	2,837.0	2,845.0	3,007.0
Current assets	265.7	277.5	361.8	316.5	293.0
Equity	1,346.9	1,407.2	1,493.4	1,464.2	1,602.5
Long-term debt	1,520.0	1,527.0	1,537.0	1,547.0	1,557.7
Balance sheet total	3,074.8	3,081.5	3,202.4	3,166.9	3,300.0
CASH FLOWS					
Operating activities	244.7	110.6	184.6	192.8	147.8
Investment activities	261.7	233.9	-163.0	-136.0	-115.3
Financing activities	16.8	67.2	15.8	-103.9	24.5
Change in liquidity	-0.3	-56.1	37.4	-47.0	57.0

*Incl. Internal consumption

DKK million	2024	2023	2022	2021	2020
KEY FIGURES					
EBITDA	259.1	250.0	272.6	229.9	260.2
Profit/loss for the year	-60.2	-86.2	29.1	-138.3	-152.9
Rate of return	7.7%	-0.7%	3.1%	-1.9%	-2.3%
Solvency ratio	43.8%	45.7%	46.6%	46.2%	48.6%
Nukissiorfiit' s net liquidity impact in Landskassen	-18.8%	-69.3%	-13.8	114.4	-25.2
STATISTICS					
Sales of electricity to ordinary consumers (GWh)*	229.0	234.0	218.0	210.0	207.0
Sales of electricity to the fishing industry (GWh)	38.0	38.0	35.0	35.0	34.0
Sales of water to ordinary consumers (mil. m^3)*	2.6	2.7	2.9	2.6	2.6
Sales of water to the fishing industry (mil. m^3)	2.3	2.8	2.2	2.4	2.6
Sales of electricity and district heating (GWh)*	364.0	356.0	350.0	332.0	342.0
Number of employees (full-time)	411.0	400.5	393.0	416.0	437.0

*Incl. Internal consumption

MANAGEMENT REPORT

We have today reviewed and approved the annual report for the financial year 1 January 2024 to 31 December 2024 for Nukissiorfiit. The annual report is presented in accordance with the Government of Greenland's Executive Order No. 24 of 22 December 2017 on financial reporting for the Government of Greenland's net-controlled companies. The Executive Order stipulates that the annual report must be presented in accordance with the Ordinance on the Annual Accounts Act in Greenland in force at any given time, with the deviations that follow from the fact that it is a self-governed enterprise operated on the basis of social considerations regulated by special legislation.

We hereby declare:

- That the annual report is true and fair, i.e. that the annual report does not contain material omissions or misstatements.
- That the transactions covered by the financial reporting comply with legislation and other regulations, as well as agreements entered into and customary practice.
- That business procedures have been established to ensure financially appropriate management of the funds covered by the annual report.

The annual report is recommended for approval by Inatsisartut.

Nuuk, 28.04.2025

Nukissiorfiit

Johan Danielsen
CEO, Director of Energy

Department of Industry, Energy, Raw materials, Justice and Gender Equality

Jørgen T. Hammeken-Holm
Head of Department

THE INDEPENDENT AUDITOR'S REPORT

TO INATSISARTUT

Opinion

We have audited the financial statements of Nukissiorfiit for the financial year 01.01.2024 - 31.12.2024, which comprise income statement, balance sheet, cash flow statement, notes, and accounting policies on Pages 51-66. The annual accounts have been prepared in accordance with the Government of Greenland's Executive Order No. 24 of 22 December 2017 on financial reporting for the Government of Greenland's net-managed companies (hereinafter the Executive Order). The Executive Order stipulates that the annual report must be presented in accordance with the Ordinance on the Annual Accounts Act in Greenland in force at any given time, with the deviations that follow from the fact that it is a self-governed enterprise operated on the basis of social considerations regulated by special legislation.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.2024 and of the results of the company's operations and cash flows for the financial year 01.01.2024 -31.12.2024 in accordance with the Government of Greenland's Executive Order no. 24 of 22 December 2017 on financial reporting for Greenland Self-Government's net-controlled companies with the deviations resulting from the fact that it is a self-governed company operated for social purposes regulated by special legislation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Greenland and the standards on public auditing, as the audit was conducted in accordance with the requirements of the Government of Greenland's Executive Order no. 24 of December 22, 2017 on financial reporting for net-controlled enterprises of the Government of Greenland, with the deviations resulting from the fact that it is a self-governed enterprise operated for social purposes regulated by special legislation

Our responsibilities under these standards and requirements are further described in the section of the auditor's report entitled "Auditor's responsibilities for the audit of the financial statements".

We are independent of the company in compliance with the international guidelines for auditors' ethical conduct of the International Ethics Standards Board for Accountants (IESBA Code) and the additional ethical requirements applicable in Greenland, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Highlighting matters related to the audit

Nukissiorfiit has attached Appendices 1-2 to the financial statements. These documents are not included in the audit of the annual accounts.

The management's responsibility for the annual accounts

The management is responsible for preparing annual accounts that provide a true and fair view in accordance with the Financial Statements Act. The management is also responsible for the internal control the management considers necessary to enable the preparation of financial statements that are free from material misstatement, whether this is due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the company's ability to continue its operations, disclosing matters related to continued operations where relevant and using continued operations as the basis of accounting unless the management intends to liquidate the company or cease operations or has no other realistic alternative than to do so.

The auditor's responsibility for the audit of the annual accounts

Our objectives are to obtain reasonable assurance that 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 an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing and additional requirements applicable in Greenland and Government auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the financial statements.

As required of an audit conducted in accordance with the International Standards on Auditing and the additional requirements applicable in Greenland, we exercise professional judgment and maintain professional scepticism throughout the audit. In addition:

- We identify and assess the risks of material misstatement in the annual accounts, regardless of whether this is due to fraud or error, structure and carry out audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our conclusion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement due to error, as fraud can include conspiracies, forgery, deliberate omissions, misrepresentations or the overriding of internal controls.

- • We obtain an understanding of the 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.

- • We evaluate the appropriateness of the accounting policies applied, and the reasonableness of accounting estimates and related disclosures made by the management.

- • We draw conclusions on the appropriateness of the management’s use of continued operations as a basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the company's ability to continue its operations. If we conclude that significant uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if these disclosures are inadequate, to modify our opinion. Our opinions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue its operations.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with senior management about, among other things, 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.

Opinion on the management report

The management is responsible for the management report.

Our opinion on the financial statements does not cover the management's report, and we do not express any form of conclusion on the management's report.

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

It is also our responsibility to consider whether the management report contains the information that is required by the relevant legislation. It is our opinion, based on the work we have carried out, that the management report accords with the annual accounts and has been prepared in compliance with the requirements of relevant legislation.

We have not identified any material misstatements in the management report.

DECLARATION ACCORDING TO OTHER LEGISLATION AND OTHER REGULATIONS

Opinion on compliance and performance auditing

The management is responsible for ensuring that the transactions covered by the financial reporting are in accordance with appropriations granted, legislation and other regulations, as well as agreements entered into and customary practice. Management is also responsible for ensuring that due financial consideration has been taken in the operation of Nukissiorfiit and the administration of the funds included in the financial statements. The management is responsible for establishing systems and processes that support reducing expenses and promoting productivity and efficiency.

Our responsibility in connection with our audit of the financial statements is to conduct compliance and performance audits in accordance with public auditing standards. This means that we assess the risk that there are material breaches of rules in the transactions covered by the financial reporting or significant management deficiencies in the systems and processes established by management. Based on the risk assessment, we determine the defined topics for which we will perform a compliance or performance audit.

In a compliance audit, we verify with a high degree of assurance whether the transactions covered by the selected topic are in accordance with the relevant provisions of appropriations, laws and other regulations as well as with agreements entered into and customary practice. In a performance audit, we assess with a high degree of assurance whether the systems, processes or transactions covered by the selected topic support due financial considerations in the operation of Nukissiorfiit and the management of the funds covered by the financial statements.

Our audit of each selected item is designed to obtain sufficient appropriate audit evidence to provide a basis for expressing an opinion with reasonable assurance on the item. An audit cannot provide complete assurance of detecting all breaches or management deficiencies. As we have only performed a compliance audit and performance audit of the selected items, we cannot state with certainty that there are no significant breaches of rules or significant management deficiencies in areas that fall outside the selected topics

If we conclude, on the basis of the work we have carried out, that there is cause to make significant critical observations, we report these in this opinion.

We have no significant critical observations to report in this regard.

City, Date: 28.04.2025

Deloitte
Chartered audit company CVR no. 33963556

Bo Colbe
Chartered Accountant
MNE No. mne24634

Lars Hillebrand
Chartered Accountant
MNE NO.: mne26712

ANNUAL REPORT

In 2024, Nukissiorfiit achieved a result of DKK -60.2 million, compared with DKK -86.2 million in 2023. Revenue before interest and depreciation (the earnings contribution) was DKK 259.1 million, compared to DKK 250 million in 2023. Primary revenue amounted to DKK 796.5 million compared to DKK 758.6 million in 2023.

Electricity and water rates were adjusted by +3.5% on July 1 after 1½ years of unchanged rates.

The rate changes had a positive revenue effect of DKK 30 million in 2024.

Deviations in sales of electricity, water and heat have thus led to DKK 7.8 million in additional revenue compared to the previous year, which is partly due to the delivery of electricity for the airport construction in Ilulissat and several meters that were connected to Nukissiorfiit in Kangerlussuaq in 2024 as well as price increases as a result of the higher oil price in April 2024.

Electricity for ordinary consumption, street lighting and industry had a slight increase of 1.5% in sales and an increase in revenue of just under 4%. Sales to ordinary consumers increased by 2%, while sales to street lighting and industry decreased. The increase in consumption and rate changes have increased electricity revenue by DKK 15.3 million compared to 2023.

Water sales to ordinary consumers increased by almost 2%, and turnover by just over 4%. For the fishing industry, the sales fell by almost 18% and revenue by almost 15%, mainly due to the decline in activity in Ilulissat. There has been a general decline in activity in the fishing industry in Ilulissat, partly due to an unfortunate incident where one of Polar Seafood's ships sank. This has had a knock-on effect on the demand for water, affecting Nukissiorfiit's local sales in the area. Overall, there has been an 8% decrease in water sales and a 2.6% decrease in revenue, which corresponds to DKK 2.4 million.

Total sales of energy for heating purposes increased by almost 2.5%, while revenue increased by DKK 24.2 million compared to 2023. Sales in fixed and interruptible district heating decreased in 2024, while there has been an increase in interruptible electric heating and regular district heating.

Internal sales decreased in the year 2024. However, due to rate increases, revenue increased by DKK 0.7 million compared to 2023. Secondary revenue increased by DKK 8.4 million. The service contract was lowered by DKK 3.6 million in the Greenlandic Finance Act. Increased activity on the street lighting network, including the replacement of bulbs with more energy-efficient ones and a higher level of repair and maintenance activity resulted in an increased payment of DKK 1.5 million. Reminder letter fees and meter rent were the main reasons for a DKK 1 million increase in debtor fees. Own production on construction cases has led to an additional DKK 1.0 million in revenue compared to 2023. Water transportation fees grew by DKK 0.9 million. More rental properties for staff generated an additional DKK 0.5 million in rental income. Miscellaneous income was DKK 5.2 million higher than in 2023. Revenue increased primarily due to Nukissiorfiit receiving insurance coverage for storm damage from 2021. More service line connections resulted in DKK 0.5 million more in revenue.

Costs for raw materials and consumables increased by DKK 17.0 million in 2024, mainly due to increased costs for oil consumption of DKK 16.4 million, primarily due to oil price increases in the spring of 2024.

In the payroll and personnel area, costs have increased by DKK 31 million, meaning that salary and personnel costs increased by 15.7%. This is due, among other things, to the adjustment of the AK, Maskinmester and Akademiker collective agreements, which are back-regulated from April 1, 2023, which has resulted in a considerable cost and another factor was that several vacant positions have been filled.

The share of personnel costs decreased by DKK 1.3 million to DKK 12.4 million in 2024. For courses and meetings, there has been a decrease of 5.8%.

On capacity costs, a consumption of DKK 228.7 million was realised, corresponding to a decrease of DKK 10.7 million compared to 2023. A significant reason for the decrease can be found in operational management where DKK 19.7 million less has been spent compared to 2023.

The operating projects' share of capacity costs increased by DKK 5.6 million from DKK 104.9 million in 2023 to DKK 110.5 million in 2024. The operations projects make up the fixed assets'

repair and maintenance costs. There is a strong focus on planning and prioritising repair and maintenance tasks to ensure security of supply at all times, with maintenance of production and distribution facilities being particularly costly.

Major operational projects completed in 2024 include: hydroelectric power plant in Ilulissat at DKK 2.6 million, main power plants in both Aasiaat and Uummannaq at DKK 2 million and DKK 2.7 million respectively, and a grid station in Nuuk at DKK 1.7 million.

Internal costs for electricity, water and heating increased by DKK 1.1 million - mainly electricity for frost protection and electricity for production each increased by DKK 0.5 million.

In 2024, some small items and tools were purchased for production equipment and vehicles for a total of DKK 1.5 million more than in 2023. There are no individual acquisitions that stand out in terms of cost.

Administration costs have increased by a total of DKK 1 million, corresponding to 2.5%. Especially IT licenses and smaller IT purchases have increased, while the communication area decreased by DKK 3.1 million compared to 2023. This is due to reduced spending especially on information, ads and advertisements as well as postage and PBS.

Amortisations and depreciations amounted to a net DKK 256.7 million in 2024. In 2023, the amount was DKK 270.5 million. Depreciation was DKK 137.3 million compared to DKK 129.1 million in 2023. Net depreciations amounted to DKK 119.4 million compared with DKK 141.4 million in 2023. Depreciations are made where plants are not profitable at current rates.

The interest expense was DKK 62.6 million, which was DKK 3.1 million lower than in 2023. The decrease is due to the repayment of DKK 70 million in older debt with higher interest rates than the DKK 63 million in loans raised during the year. At the same time, there is an ongoing interest rate reduction of 0.22% p.a. on the older debt originally taken out at a 6% interest rate. This is until the interest rate reaches the 3% level at which new loans are also taken out. In 2024, interest income from bank accounts decreased by DKK 0.5 million compared to 2023. Interest expenses for construction loans decreased by DKK 3.5 million.

Receivables were DKK 163.4 million, compared with DKK 176.7 million at the end of 2023. This is a decrease of 7.5%.

Cash and cash equivalents were DKK 4.3 million, compared with DKK 4.6 million at the end of 2023. The total balance sheet amounted to DKK 3.1 billion, which is the same level as the end of 2023.

APPLIED ACCOUNTING PRACTICES

The financial statements have been submitted in accordance with the Government of Greenland's Executive Order No. 24 of 22 December 2017 on financial reporting for the Government of Greenland's net-controlled companies. The Executive Order requires Nukissiorfiit to prepare its financial statements in accordance with the Danish Financial Statements Act, including, in particular, the provisions for accounting class C companies. This takes account of the fact that Nukissiorfiit is a public utility subject to political price regulation.

Accounting class

The financial statements have been submitted in accordance with the provisions of the Danish Financial Statements Act for accounting class C (large) with the adjustments that follow from the fact that the company is a net-controlled company operated on the basis of social considerations and regulated by the Electrical Power Installations and Electrical Equipment Regulations No. 12 of 3 November 1994 and the Energy Supply Regulations No. 14 of 6 November 1997. For an explanation of deviations from the provisions of the Danish Financial Statements Act, see Section 5 of the Government of Greenland's Executive Order No. 24 of 22 December 2017 on financial reporting for the Government's net-managed companies. The company does not have share capital. Therefore, equity cannot be divided into share capital and retained earnings, which is why no statement of changes in equity has been prepared. The company is not liable for tax, so the information on this that would normally be contained in the financial statements is not included. The depreciation loss is calculated on a location-by-location and product-by-product basis as the difference between a weighted sales price and a calculated cost price. There is no actual discounting of future cash flows with recognition of an internal rate of return. The company believes that the calculation method used provides the most accurate picture of the financial results for individual dwellings, taking the nature of the company and its management needs into account.

General recognition and measurement

Income is recognised in the income statement as it is earned. External costs are recognised in the financial year to which they relate. Assets are recognised in the balance sheet when the company is likely to gain future economic benefits and the value of the asset can be measured reliably. Liabilities are recognised in the balance sheet when the company is likely to gain future economic benefits and the value of the liability can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each line item. Recognition and measurement takes account of foreseeable losses and risks that arise before the annual report is submitted, and that confirm or refute conditions that exist on the balance sheet date. The carrying amount of intangible assets and property, plant and equipment is reviewed annually to determine whether there is any indication of significant impairment beyond that expressed by normal depreciation.

Net turnover

Net turnover mainly comprises revenue from the sale of electricity, water and heating invoiced to customers. The calculation of Nukissiorfiit's primary net turnover, which consists of sales of electricity, water and heating, is primarily based on the remote reading of consumption meters. As the network connection to the meters can be unstable and readings cannot always be obtained from individual meters, the consumption on these meters is estimated on the basis of previous consumption. The correct reading will be included in the turnover when reconnection to the meters is established. This uncertainty is not believed to have any significant impact on the annual accounts.

Other operating income

Other operating income includes service contract payments, fees and other revenue.

Costs of raw materials and consumables

The cost of raw materials and consumables includes the cost of the raw materials and consumables that are used to achieve the net turnover for the year.

Other external costs

Other external costs comprise costs related to the company's primary activities, including direct costs related to the operation of facilities, premises costs, office expenses, promotional costs, etc. The item also includes depreciation of receivables recognised under receivables from the sale of goods and services.

Staffing costs

Staffing costs include wages and salaries as well as costs for social security, pensions, etc. for the company's employees.

Amortisations and depreciations

Amortisations and depreciations of tangible and intangible assets include amortisations and depreciations for the financial year and gains and losses on the sale of tangible and intangible assets. Financial items include interest income and interest expenses. Interest expenses primarily relate to payments made to the Government of Greenland and are recognised at the time of accrual. The tangible and intangible fixed assets Buildings, plant and machinery and other fixtures and fittings, tools and equipment are measured at cost with accumulated amortisations and depreciations deducted. The cost price comprises the purchase price, costs directly attributable to the acquisition, and costs of preparing the asset for its intended use until the asset is ready for use. The main rule for the capitalisation of assets is that assets are capitalised in the month in which they are put into use, after which depreciation begins. Our own production is stated at cost price including IPO. Facilities that are used as a pilot project and are not profitable at the time of commissioning of the capital investment are recorded as an expense. For rolling stock and equipment, depreciation starts the month after acquisition. Buildings and machinery are depreciated according to their estimated useful lives. IT acquisitions are generally expensed unless they are part of a larger overall IT project with an expected useful life of several years, in which case they are recognised as intangible assets. The calculation of depreciation is linear and based on the following assessment of the expected useful lives of the assets:

- Buildings and facilities, incl. distribution network 5-80 years
- Rolling stock and machinery 4-10 years
- IT projects and ERP software 3-5 years

Assets with an acquisition value of under DKK 50,000 per unit are expensed in full in the year of acquisition. Expected useful lives and residual values are reassessed annually. Property, plant and equipment are written down to their recoverable amount if this is lower than the carrying amount.

Depreciation testing

Depreciation testing is carried out on all of the company's buildings and facilities by location and product segment to identify those facilities that may require an adjustment.
The calculations include all of the company's costs and all of the company's revenue. Adjustments are made only for structural changes, if any, and exceptional events that are not of a permanent nature. The calculation of adjustments is based on the Government of Greenland's Executive Order No. 22 of 22 December 2017 on the pricing of electricity, water and public heating, etc., Chapter 3-7 on the calculation of Nukissiorfiit's unit costs and distribution accounts. The unit costs per plant and product segment is commensurate with the plant's ability to generate revenue based on the current weighted average tariffs. The weighted average tariffs are also adjusted for any structural changes, such as a change in service contract payment, which is recognised as a rate increase. This produces a financial statement that is location-specific and segmented, showing where Nukissiorfiit has a profit or loss based on the current year's financial statements. The distribution statement is attached as an appendix. This ensures a focus on the company's fixed asset base in relation to the company's structural profitability and structural cost level. Depreciations on assets under construction are based on an ongoing assessment of whether the finished asset is likely to depreciate.

Handling of depreciations

Deficits assessed as being permanent will give rise to a new depreciation of fixed assets at loss-making locations and even affect the result.

Handling of reversal of depreciations

Surpluses that are identified in new depreciation tests will result in assets that have been adjusted after previous years' depreciation tests and now indicate a higher value than the book value will have depreciations reversed until attainment of the carrying amount that the asset would have had if no depreciation were made. Depreciations of fixed asset investments are reversed throughout the income statement.

Financial costs

Financial expenses primarily comprise interest on capital loans taken out in Landskassen and any interest accrued on the drawing right.

Financial income

Financial income primarily includes interest on bank account balances and any potential remaining funds on the drawing right.

Raw materials and consumables

Raw materials and aids are valued at cost calculated according to the average cost principle plus freight costs, with the exception of stocks of gas oil. The latter inventories are valued at cost. Depreciation is made to the net realisation value if this is lower than the acquisition cost. Gas oil and spare parts are included in the inventory value, see note to inventory. In connection with the change of ERP system in 2025, FIFO will be used as the inventory management principle.

Receivables from sales

Receivables from sales are measured at face value less a provision for losses. The provision for losses is calculated on the basis of an individual assessment of each receivable.

Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits.

Fixed capital contribution

Fixed capital contribution is a historically calculated amount that is intended to signal a capital base.

Adjustment of fixed asset values

This does not include realised value adjustments of the company's fixed assets. In 1998, the company switched from expense-based to cost-based accounting principles. For this reason, the value of the company's fixed assets was determined as the value of previous years' capital expenditure less calculated accumulated depreciation. Subsequently, other value adjustments have been made to the company's fixed assets with an offsetting item in this equity item. In 2018, a depreciation test was carried out in connection with the company's transition to measurement principles that largely correspond to the principles of the Danish Financial Statements Act. As this was an adjustment in connection with a change in principle, the value adjustment was also posted to this equity item.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to the nominal value.

Cash flow statement

The indirect method is used to present the cash flow statement, which shows cash flows from operating, investing and financing activities, and the company's cash and cash equivalents at the beginning and end of the year. Cash flows from operating activities are calculated as operating profit adjusted for non-cash operating items, changes in working capital and operating appropriations from the Government of Greenland not recognised in the income statement. Cash flows from investing activities comprise payments related to the purchase and sale of intangible and tangible assets. Cash flows from financing activities include borrowings, repayment of interest-bearing debt, and changes in the drawing right from the Government of Greenland. Cash and cash equivalents include the company's bank deposits and cash in hand.

Key figures

The key figures have been prepared in accordance with the guidelines ‘Recommendations and Key Figures’ of the CFA Society Denmark. Refer to the overview of key figures for the formula for calculating the individual key figures. Formulas for key figures: Return on investment: Operating profit as % of balance sheet total Solidity: Equity as a % of the balance sheet total.

STATEMENT OF PROFIT AND LOSS

DKK 1,000

Note		Realised 31.12.2024	Realised 31.12.2023
	Net turnover		
1	Net turnover	796,502	758,544
	Work performed on own account and included in assets	8,906	7,896
2	Other operating income	115,767	108,411
	Total turnover	921,175	874,851
	Costs of raw materials and consumables	(205,041)	(188,058)
	Other external costs	(228,650)	(239,400)
	Gross profit	487,484	447,393
3	Staffing costs	(228,375)	(197,377)
4	Amortisations and depreciations of assets	(256,730)	(270,496)
	Operating profit	2,379	(20,480)
5	Financial income	1,160	1,563
6	Financial costs	(63,776)	(67,277)
7	Profit/loss for the year	(60,237)	(86,195)

BALANCE SHEET

Assets

DKK
1,000

Note		Realised 31.12.2024	Realised 31.12.2023
8	Software	5,808	4,445
	Total intangible fixed assets	5,808	4,445
9	Total tangible fixed assets	2,803,296	2,799,646
	Total fixed assets	2,809,104	2,804,091
10	Raw materials and consumables	92,574	94,957
	Total raw materials and consumables	92,574	94,957
11	Accounts receivable from sales and services	163,423	176,715
	Receivables in Landskassen	0	0
12	Other receivables	5,388	1,173
	Total receivables	168,811	177,888
	Cash and cash equivalents	4,324	4,605
	Total current assets	265,709	277,450
	Total assets	3,074,813	3,081,541

Liabilities

DKK 1000

Note		Realised 31.12.2024	Realised 31.12.2023
	Equity		
	Fixed capital contribution	37,160	37,160
	Adjustment of fixed asset values	1,314,768	1,314,768
	Carried over from previous year	55,241	141,437
	Carried over profit/loss for the year	(60,237)	(86,195)
	Total equity	1,346,933	1,407,170
13	Long-term debt	1,520,002	1,527,002
	Total long-term debt	1,520,002	1,527,002
	Short-term debt		
14	Current portion of long-term debt	70,670	70,670
	Balance due to Landskassen	33,088	9,313
	Suppliers of goods and services	52,436	33,819
15	Other debts	45,914	27,596
	Accruals and deferred income	5,771	5,970
	Total non-current liabilities	207,879	147,368
	Total liabilities	3,074,813	3,081,541

CASH FLOW STATEMENT

DKK 1,000

Note		Realised 31.12.2024	Realised 31.12.2023
	Profit for the period	(60,237)	(86,195)
	Amortisations and depreciations of fixed assets	256,730	270,496
16	Change in working capital	-48.196	(73,734)
	Net grant for the year	0	0
	Liquidity impact of the operations	244,689	110,568
	Purchase of fixed assets	(261,706)	(234,006)
	Sale of fixed assets	10	64
	Other cash flows from financing activities	(50)	0
	Liquidity impact of the investment	(261,746)	(233,942)
17	Long-term loans taken out	63,000	60,000
17	Repayments on long-term loans	(70,000)	(70,000)
17	Change in the drawing right	23,776	77,230
	Liquidity impact of the financing	16,776	67,230
	Total liquidity effect for the period	(281)	(56,144)
	Cash and cash equivalents, beginning of year	4,605	60,747
	Cash and cash equivalents at year-end	4,324	4,605
	Cash and cash equivalents include:		
	Cash in hand	0	0
	Bank account balance	4,324	4,605
	Total cash and cash equivalents	4,324	4,605

NOTES

DKK 1,000

Note 1, Net turnover	31.12.2024	31.12.2023
Electricity sales	524,624	501,464
Water sales	91,360	95,210
Heating sales	180,208	161,561
Residual heating sales	310	309
Total net turnover	796,502	758,544

Note 2, Other operating income	31.12.2024	31.12.2023
Meter rental	18,421	17,895
Fees and connection charges	14,038	12,397
Maintenance of street lighting, net	9,997	8,471
Service contract payment	56,566	60,158
Other income	16,745	9,489
Total other operating income	115,767	108,411

DKK 1,000

Note 3, Staffing costs	31.12.2024	31.12.2023
Staffing costs can be broken down as follows:		
Salaries and wages	195,970	167,162
Pensions	16,158	12,904
Other social security costs	16,247	17,311
	228,375	197,377
Average number of full-time employees	410.90	400.50
	555,792	492,826
Salary incl. free phone, pension and holiday pay	*Management remuneration, DKK thousand:*	*Management remuneration, DKK thousand:*
Management	1,761	1,146

Note 4, Amortisations and depreciations of assets	31.12.2024	31.12.2023
Depreciations of intangible fixed assets	3,956	1,994
Depreciations of tangible fixed assets	133,376	127.100%
Depreciations of intangible fixed assets	0	0
Depreciations of tangible fixed assets	119,398	141,403
	256,730	270,496

DKK 1,000

Note 5 Financial income	31.12.2024	31.12.2023
Interest income banks	911	1,424
Interest income from debtors	249	139
Capital gain	0	0
Total financial income	1,160	1,563

Note 6 Financial expenses	31.12.2024	31.12.2023
Interest expense Landskassen	(95)	0
Interest on construction loans to Landskassen	(63,679)	(67230)
Interest expense banks	0	0
Exchange rate losses	0	0
Miscellaneous interest expenses	(2)	(47)
Financial costs	(63,776)	(67,277)

Note 7 Profit for the year	31.12.2024	31.12.2023
Profit/loss for the year	(60,237)	(86,195)
Retained earnings	(60,237)	(86,195)

Note 8 Intangible assets	31.12.2024
Acquisition cost	
Beginning of year	52,762
Increase for the year	0
Transfer from construction in progress	5,320
Decrease for the year	(2,281)
Acquisition cost, end of year	55,801
Depreciations	
Depreciations, beginning of year	(48,317)
Depreciations for the year	0
Reversed depreciations on decrease for the year	0
Depreciations, end of year	(48,317)
Amortisations and depreciations	
Depreciation, beginning of year	0
Depreciations for the year	(3,956)
Reversed depreciations on decrease for the year	2,281
Depreciations, end of year	(1,675)
Book value as of 31 December	5,808

DKK 1,000

Note 9 Tangible fixed assets	Buildings and facilities	Vehicles	Inventory	Facilities under construction	
Acquisition cost				Acquisition cost	
Beginning of year	7,845,199	95,268	7,096	Beginning of year	218,884
Increase for the year	766	10,365	0	Increase for the year	254,264
Transfer from construction in progress	184,652	0	0	Transferred to fixed assets	(189,972)
Decrease for the year	(86,695)	(4,815)	0	Transfer to operations	(3,689)
Acquisition cost, end of year	7.943.922	100,818	7,096	Acquisition cost, end of year	279,487
Depreciations				Depreciations	
Depreciations, beginning of year	(1,612,461)	0	0	Depreciations, beginning of year	(183,146)
Depreciations for the year	(130,071)	0	0	Depreciations for the year	(122,857)
Reversed depreciations on decrease for the year	30,508	0	0	Reversal of previous write-downs	133,530
Depreciations, end of year	(1,712,024)	0	0	Depreciations, end of year	(172,473)
Depreciations					
Depreciation, beginning of year	(3,490,908)	(73,191)	(7,096)		-
Depreciations for the year	(126,668)	(6,277)	0		-
Reversed depreciations on decrease for the year	55,794	4,815	0		-
Depreciations, end of year	(3,561,781)	(74,653)	(7,096)		-
Book value as of 31 December	2,670,117	26,165	0	Book value as of 31 December	107,015

DKK 1,000

Note 10 Raw materials and consumables	31.12.2024	31.12.2023
Fuel oil	23,474	21,526
Lubricating oil	5,012	3,598
Spare parts and consumables	64,088	69,833
Total	92,574	94,957

Note 11, Accounts receivable from sales and services	31.12.2024	31.12.2023
The gross amount of DKK 163.4 million is adjusted by DKK 5.3 million to cover losses on dubious debtors.		
The corresponding adjustment amounted to DKK 6.4 million at the end of 2023. The adjustment is deducted from debtors with the oldest balances.		
Age distribution (DKK 1,000)		
0-30 days	157,800	173,050
30 days - ½ year	4,896	2,850
½ - 1 year	727	630
Older	0	185
Total	163,423	176,715

DKK 1,000

Note 12, Other receivables

The item other receivables consists primarily of insurance receivables

Note 13, Long-term debt due after 5 years	Note	31.12.2024	31.12.2023
This year's borrowing in the Government of Greenland	13	63,000	60,000
Previous years' borrowing in the Government of Greenland	13	1,527,002	1,537,002
Installments during the year		(70,000)	(70,000)
Other debt to Landskassen		1,520,002	1,527,002

Long-term debt becoming due after 5 years amounts to DKK 1,270 million. In 2023, the amount was DKK 1,278 million.

Deferred income is carry forward of fixed asset for 2023, this is depreciated over 30 years

Rent and lease obligations due after 5 years are not recognised

Note 14 Contingent liabilities/receivables and contractual obligations

Residential transportation obligations in the event of employment termination have not been calculated.

Significant contractual obligations:

Significant contractual obligations are entered into on an ongoing basis for construction projects that are financed through the Finance Act, or where permission has been granted by the Government of Greenland to self-finance the installation projects.

Nukissiorfiit is continuously involved in joint land development projects in collaboration with municipalities, with agreements on sharing the costs. In these cases, there may be delays or errors in execution that may have a financial impact.

Note 15 Other debts	31.12.2024	31.12.2023
Accrued holiday pay and salary	35.291	21,249
Other debts	10,623	6,347
	45,914	27,596

Note 16 Change in working capital	31.12.2024	31.12.2023
Change in inventories	2,383	(7467)
Change in receivables	9,077	(32,273)
Change in working capital	36.736	(33,994)
	48,196	(73,734)

DKK 1,000

Note 17, Payments to and from Landskassen	31.12.2024	31.12.2023
Payments to Landskassen from Nukissiorfiit		
Repayments on long-term loans	70,000	70,000
Interest on construction loans	63,679	67,230
Interest on drawing rights	95	0
Positive Operations/Plants/Loans effect in Landskassen	133,774	137,230
Change in the balance on the drawing right	0	0
Positive liquidity impact in the Landskassen	133,774	137,230
Payments from the Landskassen to Nukissiorfiit		
Net grant for the year	(59,138)	(62,736)
Appropriations for capital projects	0	0
Long-term loans taken out	(63,000)	(60,000)
Landskassen's share of street lighting	(6,613)	(6,611)
Negative Operations/Plants/Loans effect in Landskassen	(128,751)	(129,347)
Change in the balance on the drawing right	(23,776)	(77,230)
Positive liquidity impact in Landskassen	(152,527)	(206,577)
Nukissiorfiit's net Operations/Plants/Loans effect in Landskassen	5,023	7,883
Nukissiorfiit net liquidity impact in Landskassen	(18,753)	(69,347)

Note 18 Related parties with controlling influence

Department of Agriculture, Self-sufficiency, Energy and Environment - Nunalerinermut, Imminut Pilersornermut, Nukissiutinut Avatangiisinullu Naalakkersuisoqarfik

Note 19 Transactions with related parties with controlling influence

Nukissiorfiit settles at politically determined rates according to single-price principles

ANNEX 1

DISTRIBUTION STATEMENT

The distribution statement has been audited by Deloitte, who have provided the distribution statement with a separate auditor's report.

Nukissiorfiit's annual distribution accounting shows the costs Nukissiorfiit incurs for the production and supply of electricity, water and heating at the individual localities. The unit costs for electricity, water and heating indicate the total cost per unit, i.e. per m^3 of water, per kWh of electricity, and per MWh of heating.

Unit costs include cost of sales, personnel costs, capacity costs, depreciation, depreciations and interest. The costs vary greatly from location to location. This is partly because production methods vary and partly because sales are very low in some places, resulting in high unit costs. There is a high cost sensitivity in the calculation of unit costs in places where relatively small amounts of energy and water are sold.

Nukissiorfiit’s dimensioning of its plants is based on customer needs, expressed through the expected local demand from private households and businesses, including the fishing industry, which often determines the size of the plants.

In general, there is a positive correlation between unit costs and demand and economies of scale, which means that society usually benefits from the fishing industry's high demand, even though it can lead to larger facilities than would be the case without the fishing industry. The depreciation of DKK 1.6 billion in 2018 has, by its very nature, changed significantly on the distribution statement.

In order to maintain consistency with the costs incurred for capital investments and thus provide a cost-based view of the production costs for each site, unit costs are calculated with the non-amortised values, so that the full original depreciation is included in the unit costs shown. The table on the next page shows the unit costs for all locations supplied by Nukissiorfiit in 2024. The distribution accounts are calculated based on the principles set out in the Government of Greenland's Executive Order no. 22 of December 22, 2017 on the determination of prices for electricity, water and collective heat.

Town/Settlement	Electricity DKK/ kWh	Water DKK/ m^3	Heat DKK/ MWh
010 NANORTALIK	5.62	71.13	1.057,83
012 Aappilattoq	7.14	527.44	
013 Narsaq Kujalleq	6.29	5,747,14	
014 Tasiusaq	10.26	4,672,62	
016 Ammassivik	12.13	1,247,27	
018 Alluitsup Paa	6.51	828.94	
020 QAQORTOQ	1.75	34.55	919.59
021 Saarloq	18.45	3,491.47	
022 Eqalugaarsuit	10.70	2,673.89	
024 Qassimiut	12.75	2,254.76	
030 NARSAQ	1.75	40.78	44.04
032 Igaliku	18.64	391.68	
033 Narsarsuaq	1.97	5.60	437.16
035 Qassiarsuk	7.60	460.56	
050 PAAMIUT	4.01	51.95	717.22
051 Arsuk	6.47	380.18	
060 NUUK	0.81	13.22	228.46
061 Qeqertarsuatsiaat	4.72	281.27	16.51
065 Kapisillit	6.54	593.15	

Town/Settlement	Electricity DKK/ kWh	Water DKK/ m^3	Heat DKK/ MWh
070 MANIITSOQ	3.02	23.32	609.14
071 Atammik	6.76	411.77	
072 Napasoq	13.65	897.19	
073 Kangaamiut	5.20	156.80	
080 SISIMIUT	0.88	10.97	592.14
081 Itilleq	7.44	901.30	
082 Kangerlussuaq	3.75	16.61	183.89
083 Sarfannguit	4.30	1,810.05	
090 KANGAATSIAQ	3.73	125.31	
092 Attu	6.55	451.85	
095 Iginniarfik	11.67	594.78	
096 Niaqornaarsuk	7.33	383.31	
098 Ikerasaarsuk	10.21	374.67	
100 AASIAAT	3.76	28.62	633.66
103 Akunnaaq	6.09	250.66	
104 Kitsissuarsuit	10.74	1,060.18	
110 QASIGIANNGUIT	3.72	51.17	516.49
111 Ikamiut	7.30	886.06	
120 ILULISSAT	1.20	12.44	494.81

Town/Settlement	Electricity DKK/ kWh	Water DKK/ m^3	Heat DKK/ MWh
121 Oqaatsut	15.20	289.26	
122 Qeqertaq	4.33	292.25	
123 Saqqaq	4.49	218.05	
124 Ilimanaq	5.34	178.43	
140 QEQERTARSUAQ	3.58	140.08	
143 Kangerluk	13.25	1,029.65	
150 UUMMANNAQ	3.99	89.15	851.86
151 Niaqornat	8.20	543.86	
152 Qaarsut	3.76	417.29	
153 Ikerasak	3.84	61.63	
154 Saattut	3.86	221.00	
155 Ukkusissat	4.25	196.82	
160 UPERNAVIK	4.08	231.05	2,039.92
161 Upernavik Kujalleq	4.83	79.14	
162 Kangersuatsiaq	9.15	781.93	
163 Aappilattoq	4.47	126.94	
164 Nutaarmiut	20.63		
165 Tasiusaq	3.59	232.77	
166 Nuussuaq	4.61	100.03	

Town/Settlement	Electricity DKK/ kWh	Water DKK/ m^3	Heat DKK/ MWh
167 Kullorsuaq	4.54	560.09	
168 Naajaat	20.64		
169 Innaarsuit	3.86	113.98	
170 QAANAAQ	5,.49	473.18	418.00
171 Savissivik	11.50	1,222.60	
174 Siorapaluk	5.97	2,805.37	
177 Qeqertat	70.97		
180 TASIILAQ	2.73	62.51	1,048.90
182 Sermiligaaq	5.06	254.04	
183 Isortoq	11.91	227.02	
184 Kulusuk	5.06	104.61	62.79
185 Tiniteqilaaq	5.36	621.51	
186 Kuummiut	4.95	467.36	
190 ITTOQQORTOORMIIT	4.71	217.09	

Locations without information are because Nukissiorfiit does not sell the product in question at the location

ANNEX 2

DIESEL AND CO_2 ACCOUNTING FOR PRODUCTION OF ELECTRICITY AND HEAT

Nukissiorfiit's diesel and CO_2 accounts show how much diesel Nukissiorfiit uses for the electricity and heating supply in the individual locations as well as how much CO_2 is emitted from this supply. The amount of diesel used - and therefore the amount of CO_2 emitted - varies from location to location. The diesel and CO_2 accounts illustrate that Nukissiorfiit uses significantly less diesel in cities with hydropower and other renewable energy sources. The diesel and CO_2 accounts are not part of Nukissiorfiit's financial statements and are therefore not audited. There may also be uncertainties regarding the figures for the settlements due to the low level of sales. Inaccuracies in oil slicks cause data sensitivity and thus CO_2 figures can fluctuate.

Town/Settlement	Electricity		Heat	
	Litres of oil per kWh	kg. CO_2 per kWh	Litres of oil per kWh	kg. CO_2 per kWh
010 NANORTALIK	0.291	0.775		
012 Aappilattoq	0.357	0.95		
013 Narsaq Kujalleq	0.201	0.536		
014 Tasiusaq	0.367	0.976		
016 Ammassivik	0.279	0.742		
018 Alluitsup Paa	0.325	0.865		
020 QAQORTOQ	0.003	0.007	0.049	0.131
021 Saarloq	0.446	1.186		
022 Eqalugaarsuit	0.376	0.999		
024 Qassimiut	0.436	1.16		
030 NARSAQ	0.006	0.016		
032 Igaliku	0.096	0.256		
033 Narsarsuaq	0.254	0.675	0.063	0.167
035 Qassiarsuk	0.285	0.758		
050 PAAMIUT	0.287	0.763	0.057	0.152
051 Arsuk	0.287	0.764		
060 NUUK	0.002	0.005	0.011	0.029
061 Qeqertarsuatsiaat	0.25	0.664		
065 Kapisillit	0.313	0.832		

Town/Settlement	Electricity		Heat	
	Litres of oil per kWh	kg. CO_2 per kWh	Litres of oil per kWh	kg. CO_2 per kWh
070 MANIITSOQ	0.265	0.704	0.064	0.169
071 Atammik	0.243	0.645		
072 Napasoq	0.361	0.961		
073 Kangaamiut	0.265	0.705		
080 SISIMIUT	0	-0.001	0.026	0.07
081 Itilleq	0.275	0.733		
082 Kangerlussuaq	0.42	1.117	0.058	0.154
083 Sarfannguit	0.243	0.646		
090 KANGAATSIAQ	0.271	0.721		
092 Attu	0.313	0.832		
095 Iginniarfik	0.316	0.841		
096 Niaqornaarsuk	0.307	0.817		
098 Ikerasaarsuk	0.302	0.803		
100 AASIAAT	0.311	0.826	0.094	0.25
103 Akunnaaq	0.333	0.885		
104 Kitsissuarsuit	0.31	0.824		
110 QASIGIANNGUIT	0.28	0.744	0.055	0.146
111 Ikamiut	0.312	0.829		

Town/Settlement	Electricity		Heat	
	Litres of oil per kWh	kg. CO_2 per kWh	Litres of oil per kWh	kg. CO_2 per kWh
120 ILULISSAT	0	-0.001	0	-0.001
121 Oqaatsut	0.539	1.435		
122 Qeqertaq	0.249	0.662		
123 Saqqaq	0.248	0.659		
124 Ilimanaq	0.271	0.72		
140 QEQERTARSUAQ	0.297	0.79		
143 Kangerluk	0.415	1.104		
150 UUMMANNAQ	0.282	0.749		
151 Niaqornat	0.067	0.178		
152 Qaarsut	0.365	0.972		
153 Ikerasak	0.21	0.559		
154 Saattut	0.322	0.856		
155 Ukkusissat	0.275	0.731		
160 UPERNAVIK	0.284	0.756		
161 Upernavik Kujalleq	0.295	0.786		
162 Kangersuatsiaq	0.35	0.931		
163 Aappilattoq	0.251	0.668		
164 Nutaarmiut	0.869	2.313		
165 Tasiusaq	0.311	0.828		

Town/Settlement	Electricity		Heat	
	Litres of oil per kWh	kg. CO_2 per kWh	Litres of oil per kWh	kg. CO_2 per kWh
166 Nuussuaq	0.262	0.698		
167 Kullorsuaq	0.313	0.832		
168 Naajaat	0.809	2.151		
169 Innaarsuit	0.266	0.708		
170 QAANAAQ	0.32	0.851	0.037	0.098
171 Savissivik	0.396	1.053		
174 Siorapaluk	0.146	0.388		
177 Qeqertat	0.975	2.595		
180 TASIILAQ	0.006	0.017		
182 Sermiligaaq	0.293	0.778		
183 Isortoq	0.27	0.718		
184 Kulusuk	0.253	0.674		
185 Tiniteqilaaq	0.29	0.771		
186 Kuummiut	0.275	0.732		
190 ITTOQQORTOORMIIT	0.288	0.767		

Locations without information are because Nukissiorfiit does not sell the product in question at the location.

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