

The Board of Directors (the independent directors)
Dala Energi AB
Box 254
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Opinion

Dala Energi AB ("Dala Energi") and Nordion Energi AB ("Nordion Energi") have entered into an agreement (the "Agreement") regarding a strategic partnership concerning Dala Energi's activities within electricity distribution, fiber networks and infrastructure services (the "Businesses"). Nordion Energi intends to acquire 51% of the shares (the "Transaction") in a newly formed company (the "Platform Company") which will acquire the Businesses.

Under the Agreement Nordion Energi will acquire 51% of the shares in the Platform Company after the Businesses have been transferred from Dala Energi to the Platform Company. The Enterprise Value (i.e. the value on a cash-free/debt-free basis) of the Businesses corresponds to SEK 3,517m (on 100% basis) in the Transaction. Dala Energi will initially own the remaining 49% of the shares in the Platform Company.

The board of Dala Energi further intends to give the municipalities who are the main owners of Dala Energi (i.e. the municipalities of Rättvik, Leksand and Gagnef, respectively, together the "Municipalities") the opportunity to convert parts of their respective shareholdings in Dala Energi to direct ownership in the Platform Company. The board of Dala Energi has therefore decided to offer the Municipalities call options on in total half of Dala Energi's shareholding in the Platform Company ("The Offer to the Municipalities"). The call options will mean that each municipality will be entitled to acquire shares in the newly formed Platform Company from the date of completion of the Transaction up to and including 24 months thereafter (the "Call Options").

The Call Options will give the Municipalities the right to acquire a maximum of 24.5% of the shares in the Platform Company during the specified time period according to the following distribution:

- The Municipality of Rättvik: Circa 10.51% of the total number of shares;
- The Municipality of Leksand: Circa 10.46% of the total number of shares; and
- The Municipality of Gagnef: Circa 3.52% of the total number of shares.

If any of the Municipalities chooses not to exercise all its call options, the remaining call options must be offered to the other municipalities in proportion to their ownership in Dala Energi at the time of the transaction.

One of the conditions for the Municipalities to be able to exercise the Call Options is that the Municipalities enter into to the shareholder's agreement which has been agreed between Dala Energi and Nordion Energi as part of the Transaction. The share transfers will further be done on essentially the same terms as the Transaction with Nordion Energi. The purchase price that each of the Municipalities will pay for the shares in the Platform Company when exercising the Call Options is based on the purchase price that Nordion Energi pays for its shareholding in the Transaction.

Corresponding regulation for related party transactions prescribed in ch. 16 a. in the Swedish Companies Act (2005:551) is essentially applicable to Dala Energi in accordance with the Swedish Securities Council's ruling AMN 2019:25.

Dala Energi is an associated company of the municipality of Rättvik and the municipality of Leksand, respectively, and these are thus associated to Dala Energi in accordance with ch. 1. 8§ p. 3 of the Annual Accounts Act (1995:1554). Furthermore, Dala Energi and the municipality of Gagnef have made the assessment that the municipality of Gagnef should be treated as an associated party in relation to ch. 16 a. Sections 1 and 3 of the Companies Act (2005:551).

Considering Sebastian Larsson's, Fredrik Jarl's and Jonny Jones' assignments and positions with the respective municipality, as well as the fact that they also have positions as board members in Dala Energi, they have not been involved in the preparation of, nor participated in, the board's decisions regarding the related parties' transactions.

Considering the above background, the board of directors for Dala Energi has engaged Deloitte AB ("Deloitte" or "we") to, in the capacity of being an independent expert, issue an opinion on the fairness of the Offer to the Municipalities from a financial point of view for the shareholders of Dala Energi.

We have for this analysis considered the following information:

- a) The share purchase agreement between Dala Energi and Nordion Energi regarding shares in the Platform Company;
- b) The shareholder's agreement between Dala Energi and Nordion Energi regarding the Platform Company;
- c) A draft of the main terms and conditions for the Offer to the Municipalities;
- d) Historical public and internal financial information regarding Dala Energi and the Businesses that will be transferred to the Platform Company;
- e) Business plans, forecasts and other internal forward-looking information regarding Dala Energi and the Businesses that will be transferred to the Platform Company;
- f) Pro forma balance sheets for the Businesses and the Platform Company;
- g) Discussions and interviews with representatives of Dala Energi's management and the independent board members; and
- h) Other analyses and investigations that we have considered appropriate.

It is assumed that the information received is correct and complete and no independent control or verification has been carried out. We have assumed that the main terms of the Offer to the Municipalities presented to us in draft form will be unchanged in the final version, and that the balance sheets for the Businesses and the Platform Company presented to us on a pro forma basis provide a true and fair view.

Deloitte does not assume any responsibility for any inaccuracy or incorrectness in the information we have received. If it is determined that the information we received was inaccurate or incomplete, this could mean that our conclusion is incorrect.

Our opinion is based on macroeconomic, financial, market related and other conditions that prevail, as well as the information in general that has been made available to us as of today's date. We assume no responsibility for events after this date, which could affect this opinion and the assumptions on which it is based.

We receive a fixed fee for this assignment.

This opinion is governed by Swedish law.

Based on the above analyses, assumptions and reservations, and other circumstances that we deem relevant, we are of the opinion as of today that the Offer to the Municipalities is fair from a financial point of view for the shareholders in Dala Energi.

Stockholm 31 October 2024

Deloitte AB



Mats Lindqvist
Partner, Valuation & Modelling