

Company Registration No. 399362

Huawei Technologies (Ireland) Co., Limited

**Annual report and financial statements for the
year ended 31 December 2024**

Huawei Technologies (Ireland) Co., Limited
Annual Report and Financial statements for the year ended 31 December 2024

| | |
|--|-----------|
| Directors and Other information | 3 |
| Directors' report | 4 |
| Statement of directors' responsibilities in respect of the directors' report and the financial statements | 8 |
| Independent auditor's report to the members of Huawei Technologies (Ireland) Co., Limited | 9 |
| Statement of Profit and Loss Account and other Comprehensive Income | 12 |
| Balance Sheet | 13 |
| Statement of Changes in Equity | 14 |
| Notes to the financial statements | 15 |

Huawei Technologies (Ireland) Co., Limited

Directors and Other Information

Directors

Xin Wang (Chinese)
Xu Xie(Chinese)
(Appointed 31/10/2024)
Lin Huang(resigned
31/10/2024)
Kun Qian (Chinese)
(Appointed 07/05/2024)
Wenqi Song(resigned
06/05/2024)

Secretary

Xu Yang (Resigned
01/04/2024)
MHC Corporate Services
Limited (Appointed
01/04/2024)

Registered Office

Mespil Court
Mespil Road
Dublin 4
Ireland

Bankers

Citibank
1, North Wall Quay
Dublin 1

Auditor

KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2

Solicitors

Philip Lee
Solicitors
Connaught House
One Burlington Road
Dublin 4
D04 C5Y6

Registered number

399362

Huawei Technologies (Ireland) Co., Limited

Directors' report

The directors of Huawei Technologies (Ireland) Co., Limited (the "Company") present their directors' report and financial statements for the year ended 31 December 2024.

Directors' Compliance Statement

The directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with the relevant obligations (as defined by Companies Act 2014) and the directors confirm that:

- a compliance policy statement has been drawn up setting out the Company's policies with regard to such compliance;
- appropriate arrangements and structures that, in their opinion, are designed to secure material compliance with the Company's relevant obligations, have been put in place; and
- a review has been conducted, during the financial year, of the arrangements and structures that have been put in place to secure the Company's compliance with its relevant obligations.

Principal activities, business review and key performance indicators

In 2024, the Company's principal activities have continued as the provision of telecommunications equipment and services to the Irish carrier network and enterprise market; the products' range broadly covered the network infrastructure, site design, integration and updated products to keep the operators' service competitiveness based on innovation. As a leading provider of telecommunications equipment, the Company has helped to build Ireland's digital infrastructure through fiber broadband networks, 4G networks and the Company is continuing to develop Ireland's 5G network infrastructure. In the coming years the services, applications and connectivity powered by 5G will have a huge impact on our lives – both at home and at work. For business it will radically change both what we do and how we do it. Industry digitization powered by 5G will be the core driving force behind the development of the global ICT industry over the next decade, providing new impetus for socioeconomic development.

Following the Company's investment principle, investment in research and development has continued and ensured the Company retains its comparable position across telecommunication technologies.

The key financial performance indicators for 2024 were as follows:

| | 2024 | 2023 | change |
|----------------------|------|-------|--------|
| | €m | €m | % |
| Turnover | 130 | 176.6 | (26.4) |
| Operating profit | 6.8 | 7.8 | (12.8) |
| Profit after tax | 5.9 | 7 | (15.7) |
| Shareholder's equity | 9.9 | 9 | 10 |

Huawei Technologies (Ireland) Co., Limited

Directors' report *(continued)*

Principal activities, business review and key performance indicators *(continued)*

2024 presented the Company and the wider business environment with numerous complex challenges, the Company still maintained stable finances and a turnover of €130 million. The Company persevered through a difficult year for all through the support of its customers and partners, backed by the solidarity, determination and dedication of employees.

The customer base and market share has remained stable based with the Company continuing to provide advanced ICT products and services, and also the Solar and Data Center facility products.

Inventory balance has increased by €1.38 million compared to the prior year. Trade debtors have decreased by €5.3 million mainly due to the decrease in revenue from sales of digital power.

Principal risks and uncertainties

The Group, which means Huawei Investment & Holding Co., Ltd. and its subsidiary companies, has a comprehensive business continuity management plan (BCM) in place globally. The Company adopts the principles as set out in the BCM and continually reviews the business environment in Ireland. The directors consider that the principal risks faced by the Company are:

Competitive risks – the Company operates in a competitive industry with a continually evolving environment. The Company places great emphasis on distributing new and innovative solutions to meet ever-changing customer requirements.

Rate of technological change – the directors believe that the Company has a manageable exposure to the rate of technological change and adoption of the change in the technology requirements of its customers. In the Company's market the product range needs to continue to improve over time both in performance and functionality otherwise the customers and consumers may prefer the products of competitors.

Exposure to cash flow, price, credit and liquidity risks – the current challenging credit environment has highlighted the importance of governance and management of credit risk. Company policies are aimed at minimising losses due to exposure to price, credit and liquidity risks.

Future developments

The Company will continue with its principal activities of selling, distributing and maintaining communications equipment. The Company will continue to provide communications solutions to telecommunication carriers, internet service providers and enterprises for delivery of voice, data and video applications to their customers.

The Company has set its financial targets for 2025 in anticipation of both risks and opportunities typical of the telecommunications sector and the energy market. The Company will take precautions to continue in the execution of its business plan with a renewed focus on its customers' requirements, underpinned by the underlying financial and operating strength of the Company, and will aim to achieve good financial performance in a challenging economic climate

Results and dividends

The results of the Company for the year are set out in the statement of profit and loss account and other comprehensive income on page 12. The profit for the year, before taxation, was €6,688k (2023: €7,684k).

The directors approved and the Company has paid a dividend of €5,000k (2023: €16,000k). Dividend per share amount is €27.78 (2023: €88.89)

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' report on page 4.

Huawei Technologies (Ireland) Co., Limited

Directors' report (continued)

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future.

The Company made an operating profit in 2024 and has net current assets, net assets and substantial cash at the year end. The Company has set its financial targets for 2025 in anticipation of both risks and opportunities typical of the telecommunications sector and the energy market.

Management have produced cash flow forecasts for the period to 31 Mar 2026. The forecasts take into account revenues from existing customer orders as well as expected future orders from both existing and new customers. The forecasts demonstrate that the Company expects to have sufficient financial resources available for a period of at least 12 months from the date the financial statements are signed.

On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Political and charitable contributions

The Company made no political contributions. We made €70,000 (2023: €20,000) charitable donations during the year.

Directors and Secretary and their interests

The directors during the year and in the subsequent period to date were:

Xin Wang (Chinese)
Xu Xie(Chinese) (Appointed 31/10/2024)
Lin Huang(resigned 31/10/2024)
Kun Qian (Chinese) (Appointed 07/05/2024)
Wenqi Song(resigned 06/05/2024)

During the year, Xu Yang (from 1st Jan 2024 to 1st April 2024) and MHC Corporate Services Limited (from 1st April 2024 to 31st Dec 2024) acted as the Company's secretary. The directors and secretary who held office at 31 December 2023 and 31 December 2024 had no interest of shares, debentures and share options of the Company.

Employees

The Company believes that recruiting and retaining first-rate people, will bring the Company continuous success, and therefore offers a competitive package to achieve this objective. It believes in rewarding performance and encouraging employees to contribute to and share in the success and growth of the business.

Employees undertake an induction programme upon joining the Company and are provided with access to all HR policies and any updates that occur. Any other information relevant to employees is communicated when necessary

Equal opportunities

The Company believes that diversity is at the heart of its aims and mission and therefore confirms its commitment to a comprehensive policy of equal opportunities in employment. Individuals are selected and treated on the basis of their relevant qualifications and abilities and are given equal opportunities within the Company and in the Company's assessment process. The aim of the policy is to ensure that no job applicant or employee should receive less favourable treatment on any grounds which are not relevant to good employment and selection practice. The Company is committed to a programme of action to make the policy fully effective.

Huawei Technologies (Ireland) Co., Limited

It is the Company's policy to monitor equality and diversity across all aspects of its business. This includes:
Directors' report *(continued)*

- a) The admission and recruitment of staff and candidates
- b) The progression and achievement of staff
- c) The number and nature of formal harassment complaints, grievances and disciplines
- d) The attrition of staff

Monitoring in this way will identify if any particular groups experience a disadvantage. Should any unfair practices be discovered through the monitoring process, necessary action will be taken immediately to remedy the disadvantage and ensure that they receive fair and equitable treatment in relation to their employment or recruitment experience.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditor is unaware.

Accounting records

The directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at Mespil Court, Mespil Road, Dublin 4, Ireland.

Post balance sheet events

Subsequent to the balance sheet date, no material events have occurred which would affect the financial statements of the Company.

Auditor

Pursuant to Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants will continue in office.

On behalf of the board

Kun Qian
Director



Date: 31 March 2025

Xin Wang
Director



Huawei Technologies (Ireland) Co., Limited

Statement of directors' responsibilities in respect of directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

Kun Qian
Director

Date: 31 March 2025



Xin Wang
Director

Date: 31 March 2025





KPMG

Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent Auditor's Report to the Members of Huawei Technologies (Ireland) Company Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Huawei Technologies (Ireland) Company Limited ('the Company') for the year ended 31 December 2024 set out on pages 12 to 33, which comprise the statement of profit and loss and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the material accounting policies set out in note 2.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the Members of Huwaei Technologies (Ireland) Company Limited *continued*

Report on the audit of the financial statements *continued*

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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



Independent Auditor's Report to the Members of Huwaei Technologies (Ireland) Company Limited *continued*

Respective responsibilities and restrictions on use *continued*

Auditor's responsibilities for the audit of the financial statements continued

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Kane

31 March 2025

Brian Kane

for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03

Huawei Technologies (Ireland) Co., Limited
Statement of Profit and Loss Account and Other Comprehensive Income
For the year ended 31 December 2024

| | Notes | Year ended 31. Dec.2024 €'000 | Year ended 31. Dec.2023 €'000 |
|---|-------|-------------------------------------|-------------------------------------|
| Turnover | 4 | 129,973 | 176,587 |
| Cost of sales | | (111,802) | (155,558) |
| Gross profit | | 18,171 | 21,029 |
| Distribution cost | | (9,702) | (10,037) |
| Administrative expenses | | (4,166) | (5,040) |
| Impairment gain/(loss) | | 64 | (50) |
| Other operating income | 10 | 2,423 | 1,855 |
| Operating profit before interest and tax | | 6,790 | 7,757 |
| Interest receivable and similar income | 8 | 434 | 497 |
| Interest payable and similar expenses | 9 | (536) | (570) |
| Profit before tax | | 6,688 | 7,684 |
| Tax on profit | 12 | (797) | (698) |
| Profit for the financial year | 5 | 5,891 | 6,986 |
| Other comprehensive income/(loss) | | 3 | (7) |
| Total comprehensive income for the year | | 5,894 | 6,979 |

All amounts are derived from continuing operations.

The notes on pages 15 to 33 form an integral part of these financial statements.

Huawei Technologies (Ireland) Co., Limited
Balance Sheet
As at 31 December 2024

| | Notes | 2024 €'000 | 2023 Restated* €'000 |
|--|-------|---------------|----------------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 15,186 | 16,630 |
| | | <u>15,186</u> | <u>16,630</u> |
| Current assets | | | |
| Stocks | 14 | 7,430 | 6,046 |
| Debtors | 15 | 54,456 | 48,649* |
| Contract assets | 4 | 8,343 | 17,191 |
| Cash at bank and in hand | | 2,602 | 3,808 |
| | | <u>72,831</u> | <u>75,694*</u> |
| Creditors: Amounts falling due within one year | 16 | (51,746) | (47,741) * |
| Contract liabilities | 4 | (10,225) | (17,751) |
| Net current assets | | <u>10,860</u> | <u>10,202</u> |
| Total assets less current liabilities | | <u>26,046</u> | <u>26,832</u> |
| Creditors: Amounts falling due after more than one year | 16 | (15,991) | (17,659) |
| Provisions for liabilities | 17 | (160) | (172) |
| Net assets | | <u>9,895</u> | <u>9,001</u> |
| Capital and reserves presented as equity | | | |
| Called up share capital | 18 | 180 | 180 |
| Other reserves | 18 | 1,468 | 1,465 |
| Profit and loss account | | 8,247 | 7,356 |
| Shareholder's equity | | <u>9,895</u> | <u>9,001</u> |

*Restated balance

The notes on pages 15 to 33 form an integral part of these financial statements.

On behalf of the board

Kun Qian
 Director

DATE: 31 March 2025

Xin Wang
 Director

DATE: 31 March 2025

Huawei Technologies (Ireland) Co., Limited
Statement of Changes in Equity for the year ended 31 December 2024

| | Called up capital €'000 | Profit and loss account €'000 | Other Reserves €'000 | Total Equity €'000 |
|--|-------------------------------|-------------------------------------|----------------------------|--------------------------|
| Balance at 1 January 2023 | 180 | 16,370 | 1,472 | 18,022 |
| <i>Total comprehensive income for the year</i> | - | 6,986 | (7) | 6,979 |
| <i>Dividends paid</i> | - | (16,000) | - | (16,000) |
| Balance at 31 December 2023 | 180 | 7,356 | 1,465 | 9,001 |
| <i>Total comprehensive income for the year</i> | - | 5,891 | 3 | 5,894 |
| <i>Dividends paid</i> | - | (5,000) | - | (5,000) |
| Balance at 31 December 2024 | 180 | 8,247 | 1,468 | 9,895 |

The notes on pages 15 to 33 form an integral part of these financial statements.

Huawei Technologies (Ireland) Co., Limited

Notes to the financial statements

Year ended 31 December 2024

1 General information

Huawei Technologies (Ireland) Co., Limited (the “Company”) is a private company limited by shares, incorporated, domiciled and registered in Ireland under company registration number 399362. The address of the registered office is Mespil Court, Mespil Road, Dublin 4, Ireland. The nature of the Company’s operations and its principal activities are set out in the directors’ report on page 4.

These financial statements are presented in Euros because that is the currency of the primary economic environment in which the Company operates. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

2 Material accounting policies

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”). There have been no material departures from the Standards.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard to not present:

- Cash Flow Statement and related notes;
- Disclosures required by IAS 24 Related Party Disclosures, of the compensation of Key Management Personnel and of transactions and balances with fellow wholly owned subsidiaries.
- Disclosures required by IFRS 7 Financial Instruments: Disclosures
- Disclosures in respect of capital management required by IAS 1 Presentation of Financial Statements
- The effects of new but not yet effective IFRSs.

The Company’s ultimate parent undertaking, Huawei Investment & Holding Co., Ltd. includes the Company in its consolidated financial statements. The consolidated financial statements of Huawei Investment & Holding Co., Ltd. are available to the public and may be obtained from www.huawei.com or at Huawei Industrial Base, Bantian, Longgang Shenzhen, Guangdong, PRC.

The terms “Group” and “Group companies” in this report, unless the context otherwise requires, means Huawei Investment & Holding Co., Ltd. and its subsidiary companies.

Except where noted, the financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Huawei Technologies (Ireland) Co., Limited

Notes to the financial statements (continued)

Year ended 31 December 2024

2 Material accounting policies (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' report on page 4.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future.

The Company made an operating profit in 2024 and has net current assets, net assets and substantial cash at the year end. The Company has set its financial targets for 2025 in anticipation of both risks and opportunities typical of the telecommunications sector and the energy market.

Management have produced cash flow forecasts for the period to 31 March 2026. The forecasts take into account revenues from existing customer orders as well as expected future orders from both existing and new customers. The forecasts demonstrate that the Company expects to have sufficient financial resources available for a period of at least 12 months from the date the financial statements are signed.

On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue from contracts with customers

Revenue is recognised when the Company transfers control of equipment, software or services to customers and it is probable that it will collect the consideration to which it is entitled under the contract.

Control may be transferred at a single point in time, typically on delivery of equipment or when the Company provides access to a licence and related software. Control of services is transferred over time, typically over the period that the services are performed. Where contracts contain customer acceptance criteria, the Company recognises revenue when the acceptance criteria are satisfied.

The amount of revenue that is recognised is based on the net consideration that the Company expects to become entitled to in exchange for the transferred goods and services, and includes allowances for returns, rebates and discounts to channel partners and other customers based on an assessment of their expected amounts. Amounts that the Company collects as an agent, such as value added taxes, are excluded from revenue.

Any variable consideration is constrained and recognised only to the extent that it is highly probable that a significant reversal of the recognised revenue will not occur.

Where the Company sells products subject to returns, revenue is reduced to reflect estimated product returns based on past experience for the particular product. If a reliable estimate cannot be made, revenue is recorded only when the right of return has expired.

Where warranties, such as extended warranties, are provided as a service, the Company recognises them as separate performance obligations and recognises revenue on a straight-line basis over the warranty period. Standard warranties are recognised as a provision (see Note Provisions below).

Vouchers granted to customers as discounts against future revenue contracts are generally accounted for as a separate performance obligation and recognised as revenue when utilised or expired.

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

2 Material accounting policies (continued)

Revenue from contracts with customers (continued)

(i) Assets and liabilities arising from revenue from contracts with customers

A contract asset is recognised when the Company satisfies a performance obligation but where its right to receive consideration is conditional, such as on further performing under the contract. Trade receivables are recognised when the right to consideration is, or becomes, unconditional, regardless of whether they have been billed or not.

A contract liability is recognised when the customer pays, or is required to pay according to contractual terms, in advance of the Company satisfying one or more performance obligations.

For a single contract with the customer, either a single contract asset or a single contract liability is presented, representing multiple satisfied performance obligations and advance payments from the customer. Where there are multiple unrelated contracts with a single customer, contract assets and contract liabilities are presented separately.

A refund liability, such as an accrued rebate to customers, is recognised to the extent that the Company has received consideration that it expects to refund to the customer.

(ii) Stand-alone selling prices (SSP)

The transaction price of a contract that contains multiple goods and services is allocated to each performance obligation in proportion to its estimated stand-alone selling price. For services that are regularly sold on a stand-alone basis the transaction prices reflect the SSP.

Financial instruments

A financial instrument represents a contractual right to receive cash or an obligation to pay cash and is initially recognised when the Company becomes a party to its contractual terms.

The Company's financial instruments comprise financial assets - debtors, and cash at banks, including amounts owed by group undertakings and financial liabilities – trade and other creditors and amounts owed to group undertakings.

(i) Trade debtors and contract assets

Trade debtors are initially recognised and measured in accordance with the Company's policies for recognising revenue (see above). Most trade debtors are held to collect contractual cash flows and subsequently measured at amortised cost less impairment.

Trade receivables that are subject to reverse factoring arrangements and may be realised through sale are held at fair value with gains and losses calculated by reference to the receivables' amortised cost recognised in other comprehensive income (Fair Value through Other Comprehensive Income or FVOCI). Gains and losses accumulated in other comprehensive income are reclassified to profit or loss on the disposal of the related receivables. Impairment losses or gains, interest income and foreign exchange losses arising on them are recognised in profit or loss in the same way as amortised cost receivables. These transactions result in derecognition of trade debtors.

Impairment is recognised on trade debtors and contract assets on the basis of expected credit losses calculated using the Company's past loss experience, adjusted for its expectations about the future. The Company uses an impairment allowance; increases and decreases in the allowance are recognised in profit or loss. Debtors are also written off and de-recognised when there is no realistic prospect of further recoveries.

Huawei Technologies (Ireland) Co., Limited

Notes to the financial statements (continued)

Year ended 31 December 2024

Financial instruments (continued)

(ii) Other financial assets

All other financial assets are recognised when the Company becomes a party to the contractual terms, and de-recognised when they are settled.

They are held to collect contractual cash flows, recognised initially at fair value, which is generally the transaction price, and held at amortised cost. Impairment is recognised on an expected credit loss basis but is generally immaterial. Interest is accrued using the effective interest method and recognised in interest receivable.

(iii) Financial liabilities

All financial liabilities are recognised when the Company becomes party to the contractual terms and are recognised initially at fair value and subsequently at amortised cost with interest payable accrued using the effective interest method and recorded in profit or loss. Financial liabilities are de-recognised generally on settlement.

Leases

(i) As a lessee

The Company assesses at inception whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use asset may be adjusted for remeasurements of the lease liability, as described below.

Right-of-use assets are depreciated using the straight-line method from the commencement date of the lease over the shorter of the lease term or the estimated useful life of the underlying asset.

Right-of-use assets are subject to impairment, as appropriate.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate for a loan with similar terms as the lease. The initial measurement of the liability takes into account the Company's judgements about whether it will exercise extension or early termination options in the lease.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising, for example, if there is a change in the Company's assessments of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has already been fully written down.

Right-of-use assets and lease liabilities are not recognised for short-term leases that have a lease term of 12 months or less and leases of assets valued at less than the CU equivalent of USD 5,000. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

2 Material accounting policies (continued)

Leases (continued)

(ii) As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other operating income.

Foreign currencies

The Company's functional currency is the Euro.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognised in profit or loss in the period in which they arise.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Interest receivable and interest payable

Interest payable and similar expenses include interest payable and finance expense on lease liabilities recognised in profit or loss using the effective interest method and the interest expense on factoring.

Interest receivable and similar income includes interest receivable on funds invested and interest income on lease receivables.

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

2 Material accounting policies (continued)

Taxation

Taxation comprises current and deferred tax, and is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income. Current tax is the expected tax payable on the taxable income for the period and any adjustment to the tax payable or receivable in respect of prior years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets and liabilities are offset {where they arise with the same tax authority} and the Company has the intention to eventually pay or receive a net amount.

Current and deferred tax is calculated using tax rates enacted or substantively enacted at the balance sheet date.

The Company adopted International Tax Reform – Pillar Two Model Rules – amendments to IAS 12 which introduced a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the OECD.

Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation and any recognised impairments.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

| | |
|------------------------|-------------------------------|
| Leasehold property | length of lease |
| Leasehold improvements | length of lease |
| Fixtures and fittings | over a period of 2 to 3 years |
| Electronic equipment | over a period of 3 years |

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the outflow can be made. Provisions are stated at the present value of the expenditure expected to settle the obligation if the effect of discounting is significant.

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

2 Material accounting policies (continued)
Provisions (continued)

Where such an outflow it is possible, but not probable, or there is a probable outflow which cannot be reliably estimated, a contingent liability is disclosed, unless the possibility of the outflow is remote.

3. Significant accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting judgements

Revenue recognition

As described in Note 2 above revenue is recognised when a performance obligation is satisfied which is when control of a good is transferred or service is rendered, to a customer, which may require judgement about when control is transferred and whether the transfer is at a point in time or over time, as follows:

- For revenue recognised at a point in time, the Company judges that the transfer of control has taken place based on its assessment of contractual terms and past business practices, evaluating whether the Company obtains a legal right to payment, that title has passed, that the customer has the risks and rewards of ownership, including physical possession, and is able to use the asset to generate value.

- For revenue recognised over time, the Company primarily uses the output method, based on direct measurement of its performance, which includes assessing progress of the asset being transferred to the customer and judging if that represents the value of goods and/or services delivered.

- Revenue arising from variable consideration is constrained and recognised only to the extent that it is highly probable that a significant reversal of the recognised revenue will not occur. Consequently, determining the amount of revenue to recognise requires significant judgement and estimation. In making this estimate, the Company considers whether the consideration is highly susceptible to factors outside its influence, as well as its historical experience. Management revises its estimate of the constraint over revenue during the contract life if there is a change in circumstances.

Different judgements could result in changes to revenue, contract assets or contract liabilities.

Other judgements

There are no other accounting judgements made by the Company that have had a significant effect on amounts recognised in these financial statements.

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

3. Significant accounting judgements and key sources of estimation uncertainty (*continued*)

Accounting estimates

The Company considers that there are no sources of estimation uncertainty at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

4. Turnover

(i) An analysis of the Company's turnover and revenue is as follows:

| | Year ended 31. Dec.2024 | Year ended 31. Dec.2023 |
|--|----------------------------|----------------------------|
| | €'000 | €'000 |
| Sales of goods | 73,229 | 123,425 |
| Rendering of services | 16,766 | 15,197 |
| Rendering of services to other group companies | 39,978 | 37,965 |
| | <u>129,973</u> | <u>176,587</u> |

An analysis of the Company's turnover by geographical market is set out below:

| | Year ended 31. Dec.2024 | Year ended 31. Dec.2023 |
|------------------|----------------------------|----------------------------|
| | €'000 | €'000 |
| Turnover: | | |
| Ireland | 71,109 | 96,804 |
| Rest of Europe | 18,408 | 41,267 |
| Rest of World | 40,456 | 38,516 |
| | <u>129,973</u> | <u>176,587</u> |

(ii) Contract balances

The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers.

| | 2024 | 2023 |
|----------------------|----------|-----------|
| | | Restated* |
| | €'000 | €'000 |
| Debtors | 54,456 | 48,649* |
| Contract assets | 8,343 | 17,191 |
| Contract liabilities | (10,225) | (17,751) |

*Restated

The contract assets primarily relate to the Company rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advance consideration received from customers. An amount of € 4.1 million comprises an advance payment from one customer.

The amount of debtor in the current year that was included in the contract asset balance at the beginning of the year was € 15 million.

The contract liabilities primarily relate to advance consideration received from customers.

The amount of revenue recognised in current year that was included in the contract liability balance at the beginning of the year was €14.67 million.

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

5. Profit for the year

Profit for the year has been arrived at after charging/ (crediting):

| | Year ended 31. Dec.2024 | Year ended 31. Dec.2023 |
|---------------------------------------|----------------------------|----------------------------|
| | €'000 | €'000 |
| Net foreign exchange loss/(gains) | 13 | (33) |
| Depreciation right of use assets | 1,828 | 1,650 |
| Depreciation of tangible fixed assets | 704 | 1,163 |
| Rental expenses | 538 | 1,095 |
| | <u> </u> | <u> </u> |

6. Auditor's remuneration

Fees payable to KPMG for the audit of the Company's annual accounts was €44,800 (2023: €41,000).

7. Staff numbers and costs

The average monthly number of persons employed by the Company during the year analysed by category was as follows:

| | 2024 | 2023 |
|------------|-------------------|-------------------|
| | No. | No. |
| Management | 7 | 6 |
| Sales | 19 | 19 |
| Products | 111 | 119 |
| | <u> </u> | <u> </u> |
| | <u>137</u> | <u>144</u> |

The aggregate payroll costs are as follows:

| | Year ended 31. Dec.2024 | Year ended 31. Dec.2023 |
|--|----------------------------|----------------------------|
| | €'000 | €'000 |
| Wages and salaries | 18,558 | 17,895 |
| Social security costs | 2,209 | 1,588 |
| Defined contribution schemes (Note 19) | 1,656 | 672 |
| Amounts recharged from group | 9,902 | 10,953 |
| | <u> </u> | <u> </u> |
| | <u>32,325</u> | <u>31,108</u> |

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

8. Interest receivable and similar income

| | Year ended 31. Dec.2024 €'000 | Year ended 31. Dec.2023 €'000 |
|---------------------------|-------------------------------------|-------------------------------------|
| Interest on finance lease | 53 | 58 |
| Interest on bank deposits | 381 | 406 |
| Gains on Foreign exchange | - | 33 |
| | <u>434</u> | <u>497</u> |

9. Interest payable and similar expenses

| | Year ended 31. Dec.2024 €'000 | Year ended 31. Dec.2023 €'000 |
|------------------------------------|-------------------------------------|-------------------------------------|
| Interest payable on debt factoring | 301 | - |
| Interest on lease liabilities | 222 | 242 |
| Loss on Foreign exchange | 13 | - |
| Losses on Change in Fair Value | - | 328 |
| | <u>536</u> | <u>570</u> |

10. Other operating income and expenses

| | Year ended 31. Dec.2024 €'000 | Year ended 31. Dec.2023 €'000 |
|--------------------------|-------------------------------------|-------------------------------------|
| Government grants | 2,661 | 2,032 |
| Factoring costs | (15) | (89) |
| Other operating expenses | (223) | (88) |
| | <u>2,423</u> | <u>1,855</u> |

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

11. Directors' remuneration

All the directors of the Company receive the entirety of their emoluments from affiliate entities within the Group. The affiliate entities employ all of the directors of the Company. It is not possible to provide a figure, or an estimate, for the allocation which the directors receive (of their respective emoluments from the respective affiliates) in respect of the work which they carry out as directors of the Company because payment for same forms part of, and is indivisible from, the directors' respective emoluments from those affiliates.

12. Tax on profit

| | Year ended 31. Dec.2024 €'000 | Year ended 31. Dec.2023 €'000 |
|---|--|--|
| Current tax: | | |
| Current tax on income for the year | 573 | 887 |
| Adjustments in respect of prior years | 13 | 29 |
| Total current tax | 586 | 916 |
| Deferred tax (see note 15): | | |
| Origination and reversal of timing difference | 60 | (201) |
| Adjustment in respect of prior years | 151 | (17) |
| Total deferred tax | 211 | (218) |
| Total tax expense | 797 | 698 |
| Reconciliation of the effective tax rate: | Year ended 31. Dec.2024 €'000 | Year ended 31. Dec.2023 €'000 |
| Profit before tax | 6,688 | 7,684 |
| Tax at the Irish corporation tax rate of 12.5 % | 836 | 960 |
| Expenses not deductible | 136 | (20) |
| Tax effect of non-taxable revenue | (339) | (254) |
| Adjustments to tax charge in respect of prior years | 164 | 12 |
| Total tax expense | 797 | 698 |

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

13. Tangible fixed assets

| Cost | Leasehold improvement €'000 | Leasehold property €'000 | Electronic equipment €'000 | Fixtures and Fittings €'000 | Total €'000 |
|---------------------------------|--|-------------------------------------|---------------------------------------|--|------------------------|
| At 1 January 2024 | 5,503 | 23,419 | 2,537 | 261 | 31,720 |
| Additions | - | 420 | 570 | 123 | 1,113 |
| Disposals | (352) | (41) | (265) | (31) | (689) |
| At 31 December 2024 | <u>5,151</u> | <u>23,798</u> | <u>2,842</u> | <u>353</u> | <u>32,144</u> |
| Accumulated depreciation | | | | | |
| At 1 January 2024 | 5,153 | 7,782 | 1,929 | 226 | 15,090 |
| Charge for the year | 350 | 1,828 | 329 | 25 | 2,532 |
| Disposals | (352) | (41) | (239) | (32) | (664) |
| At 31 December 2024 | <u>5,151</u> | <u>9,569</u> | <u>2,019</u> | <u>219</u> | <u>16,958</u> |
| Net book value | | | | | |
| At 31 December 2024 | <u>-</u> | <u>14,229</u> | <u>823</u> | <u>134</u> | <u>15,186</u> |
| At 31 December 2023 | <u>350</u> | <u>15,637</u> | <u>608</u> | <u>35</u> | <u>16,630</u> |

14. Stocks

| | 2024 €'000 | 2023 €'000 |
|----------------------|-----------------------|-----------------------|
| Outsourced materials | 4,354 | 410 |
| Spare parts | 1,538 | 2,971 |
| Finished goods | 1,538 | 2,665 |
| | <u>7,430</u> | <u>6,046</u> |

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

15. Debtors

Amounts falling due within one year:

| | 2024 €'000 | 2023 Restated* €'000 |
|------------------------------------|---------------|----------------------------|
| Trade debtors | 25,968 | 31,270 |
| Amounts owed by group undertakings | 22,489 | 11,801* |
| Other debtors | 3,051 | 3,082 |
| Deferred tax assets (see below) | 217 | 428 |
| Prepayments | 2,731 | 2,068 |
| Total debtors | 54,456 | 48,649* |

*Restated

Below is the summary of restatement for the previous year. The restatement is a result of netting intercompany ending balance being inappropriate. The adjustment resulted in an increase in Debtors by €5.751M and in an increase in Creditors amounts falling due within one year by the same amount, and had no impact on prior year profit or shareholder's equity.

| | 31 Dec 2023 €'000 | Reclassification €'000 | As Restated 31 Dec 2023 €'000 |
|---|----------------------|---------------------------|-------------------------------------|
| Debtors | 42,898 | 5,751 | 48,649* |
| Creditors amounts falling due within one year | (41,990) | (5,751) | (47,741) * |

As at 31 December 2024, included within amounts owed by group undertakings is a debtor for sub-leasing of € 2.2 million (2023: €2.4 million) falls due after more than one year.

The amounts owed by group undertakings are interest free, unsecured and fall due on demand.

Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting year.

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

15. Debtors (continued)

| Deferred tax assets | Accelerated capital allowances €'000 | Other temporary differences €'000 | Total €'000 |
|--------------------------------------|---|--|------------------------|
| At 1 January 2023 | 206 | 3 | 209 |
| Credit to profit or loss | 151 | 67 | 218 |
| Charge to other comprehensive income | - | 1 | 1 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2023 | 357 | 71 | 428 |
| Charge to profit or loss | (194) | (17) | (211) |
| Charge to other comprehensive income | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2024 | <u>163</u> | <u>54</u> | <u>217</u> |

There are no unused tax losses or unused tax credits.

16. Creditors

Amounts falling due within one year

| | 2024 €'000 | 2023 Restated* €'000 |
|------------------------------------|-----------------------|-------------------------------------|
| Trade creditors | 2,001 | 1,356 |
| Amounts owed to group undertakings | 23,284 | 25,434* |
| Corporation tax liability | 573 | 544 |
| Tax creditors (see below) | 4,458 | 2,663 |
| Other creditors | 3,288 | 1,441 |
| Warranty provision | 4,350 | 4,776 |
| Accruals | 12,173 | 9,693 |
| Lease liability within one year | 1,619 | 1,834 |
| | <hr/> | <hr/> |
| | <u>51,746</u> | <u>47,741*</u> |

* Restated

For restatement details, please refer to Note 15 above.

Amounts owed to group undertakings are interest free, unsecured and payable on demand.

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

16. Creditors (continued)

Tax creditors

| | Year ended 31. Dec.2024 | Year ended 31. Dec.2023 |
|------------------|----------------------------|----------------------------|
| | €'000 | €'000 |
| VAT payable | 2,927 | 1,324 |
| Withholding tax | 402 | 389 |
| Social insurance | 1,129 | 950 |
| | <u>4,458</u> | <u>2,663</u> |

Amounts falling due after more than one year

| | | |
|-------------------|---------------|---------------|
| Lease liabilities | <u>15,991</u> | <u>17,659</u> |
|-------------------|---------------|---------------|

As of 31 December 2024, € 6,394,694 (2023: € 8,307,033) due after more than 5 years.

17. Provision for liabilities

The warranty provision is an estimate of the expected cost of remediation of mainly consumer products. It is recognised at the same time on the transfer of the goods to the customer and is estimated based on historical data experience of costs incurred remediating similar products. It will be utilised over the warranty term. Unutilised provisions are released at the end of the warranty period.

Amounts presented are undiscounted as the effect of discounting is immaterial.

Further, the amounts used during the year is the net movement in the provision. The Company does not track the utilisation specifically. The Company periodically reassesses its warranty liabilities and adjusts the amounts as necessary. Warranty expenses are charged to the profit and loss as incurred.

| | Warranty provision €'000 | Asset retirement €'000 | Total €'000 |
|-------------------------------------|--------------------------------|------------------------------|--------------|
| At the beginning 1 January 2024 | 4,776 | 172 | 4,948 |
| New provision during the year | 1,268 | - | 1,268 |
| Utilised during the year | (1,694) | (12) | (1,706) |
| Total as at 31 December 2024 | <u>4,350</u> | <u>160</u> | <u>4,510</u> |

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

18. Capital and reserves

(i) Called up share capital

| | 2024 €'000 | 2023 €'000 |
|---|---------------|---------------|
| <i>Authorised:</i> | | |
| 600,000 ordinary shares of €1 each | 600 | 600 |
| | <u>600</u> | <u>600</u> |
| <i>Allotted, called up and fully paid</i> | | |
| 180,000 ordinary shares of €1 each | 180 | 180 |
| | <u>180</u> | <u>180</u> |

The holders of ordinary shares are entitled to receive dividends as declared from time to time. During the year the Company has paid dividends in the amount of €5,000k (2023: €16,000k).

(ii) Other reserves

Other reserves relate to the certain key employees' retention pay out undertaken by the parent company and fair value reserve including the cumulative change in fair value of financial assets measured at FVOCI, net of tax.

19. Retirement benefit schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees.

The total cost charged to income of €1,655,583(2023: €672,291) represents contributions payable to these schemes by the Company at rates specified in the rules of the plan. There was no outstanding or prepaid contribution at either the beginning or the end of the financial year.

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

20. Leases

a. As a lessee

Right of Use Assets

Right-of-use assets related to leasehold properties that do not meet the definition of investment properties are presented as tangible fixed assets (see note 13):

Amounts recognised in profit or loss:

| | Leasehold properties €'000 |
|----------------------------------|---|
| At 1 January 2024 | 15,637 |
| Additions | 420 |
| Depreciation charge for the year | (1,828) |
| Disposals | - |
| | <hr/> |
| At 31 December 2024 | 14,229 |

The following amounts have been recognised in profit or loss for which the Company is a lessee:

| | Year ended 31. Dec.2024 €'000 | Year ended 31. Dec.2023 €'000 |
|---|--|--|
| Interest on lease liabilities | 222 | 242 |
| Expenses related to low value assets | 6 | 4 |
| Expenses related to short term leases | 34 | 118 |
| Variable lease payments not included in the measurement of lease liabilities | - | 19 |
| | <hr/> | <hr/> |
| | 262 | 383 |
| | <hr/> <hr/> | <hr/> <hr/> |

Huawei Technologies (Ireland) Co., Limited
Notes to the financial statements (continued)
Year ended 31 December 2024

20. Leases (continued)

b. As a lessor

The following table sets out a maturity analysis of lease payments to be received, showing the undiscounted finance lease payments to be received after the reporting date:

| | 2024 €'000 | 2023 €'000 |
|------------------------------|---------------|---------------|
| Less than one year | 273 | 273 |
| Between one and two years | 273 | 273 |
| Between two and three years | 273 | 273 |
| Between three and four years | 273 | 273 |
| Between four and five years | 273 | 273 |
| More than five years | 1,261 | 1,534 |
| | <u>2,626</u> | <u>2,899</u> |

21. Parent and ultimate control party

The Company is controlled, managed and coordinated by Huawei Technologies Coöperatief U.A., with registered office in Herikerbergweg 36-1101CM Amsterdam, the Netherlands. The ultimate parent of the Company is Huawei Investment & Holding Co., Ltd. located in Shenzhen, People's Republic of China. The ultimate controlling party is the Union of Huawei Investment & Holding Co., Ltd. Copies of the consolidated financial statements are available from www.huawei.com or at Huawei Industrial Base, Bantian, Longgang Shenzhen, Guangdong, PRC. No other group financial statements include results of the Company.

22. Subsequent events

Subsequent to the balance sheet date, no material events have occurred which would affect the financial statements of the Company.

23. Approval of financial statements

The financial statements were approved by the Board of Directors on 31 March 2025.