

# Interim Report January–March 2023

## Business highlights, January–March 2023

- Lower electricity prices and reduced price area differences
- Repair of Ringhals 4 finalised
- Completed divestment of the gas-fired power plant Magnum in the Netherlands
- Important steps in the feasibility study for building small modular reactors at Ringhals
- Final investment decision made for the Bruzaholm onshore wind farm
- Completed acquisition of district heating network in the UK
- Partnership entered into with the Stromma Group to electrify the company's boat fleet
- Continued upgrading of the regional network to meet increasing capacity needs

## Financial highlights, January–March 2023

- Net sales increased by 62% (53% excluding currency effects) to SEK 96,788 million (59,579)
- Underlying operating profit<sup>1</sup> of SEK 9,545 million (9,504)
- Operating profit<sup>1</sup> of SEK 16,332 million (12,783)
- Profit for the period of SEK 11,818 million (6,064)

## KEY DATA

Amounts in SEK million unless indicated otherwise	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	96 788	59 579	239 644	276 853
Operating profit before depreciation, amortisation and impairment losses (EBITDA) <sup>1</sup>	21 300	17 249	30 513	34 564
Operating profit (EBIT) <sup>1</sup>	16 332	12 783	12 645	16 194
Underlying EBIT <sup>1</sup>	9 545	9 504	37 313	37 354
Profit for the period	11 818	6 064	21	5 775
Electricity generation, TWh	28.2	30.9	108.9	106.2
Sales of electricity, TWh <sup>2</sup>	45.7	44.6	165.3	166.4
- of which, customer sales	34.4	30.6	111.4	115.2
Sales of heat, TWh	5.7	5.8	14.1	14.0
Sales of gas, TWh	18.3	20.2	47.3	45.4
Return on capital employed, % <sup>1</sup>	5.4 <sup>3</sup>	21.8 <sup>3</sup>	4.2	5.4
FFO/adjusted net debt, % <sup>1</sup>	39.6 <sup>3</sup>	120.5 <sup>3</sup>	55.0	39.6

1) See Definitions and calculations of key ratios for definitions of Alternative Performance Measures.

2) Sales of electricity also include sales to Nord Pool Spot and deliveries to minority shareholders.

3) Last 12-month values.

## CEO's comment

# Good result development and continued fossil-free investments

**Vattenfall has had a good start to 2023 with stable financial development. Thanks to a calmer energy market, we have been able to focus entirely on our strategy of investing in fossil-free power generation, upgrading the electricity grid and helping our customers reduce their climate impact. It is also very gratifying to see that more customers are choosing Vattenfall.**

### Lower electricity prices and reduced price area differences

The trend of falling electricity prices at the end of last year continued into early 2023. On the continent, gas stocks were well filled, which, in combination with a mild winter and the increased availability of French nuclear power, pushed down both fuel and electricity prices. Reduced price area differences in combination with a lower hedge ratio contributed to the fact that Vattenfall's achieved price for electricity in the Nordics doubled compared to the first quarter of 2022.

### Stable underlying result

Profit for the period increased by SEK 5.8 billion to SEK 11.8 billion, mainly thanks to an improved finance net, which was affected by a higher return from the Swedish Nuclear Waste Fund. The underlying operating profit was stable at SEK 9.5 billion.

The heat business contributed positively to the result, as increased fuel prices last year were reflected in our customer contracts now in retrospect. We have a higher result from the distribution business and higher realised earnings from the trading operations. Wind power reports a lower result due to lower electricity prices on the continent. This was partially offset by newly installed capacity where, for example, the Hollandse Kust Zuid wind farm made a positive contribution. The customer

business is performing well, and the number of customers increased by 120,000 during the first quarter. However, the number of gas customers in the Netherlands and Germany was lower, which in combination with lower average consumption contributed to a lower result.

Nuclear power had lower availability due to the delayed restart of Ringhals 4. The complicated repair work has been carried out in a careful and safe manner and the restarted reactor now continues to supply fossil-free electricity in southern Sweden.

### Investments that drive the energy transition forward

Thanks to a strong financial position, Vattenfall can maintain a high pace in investments throughout the value chain for fossil-free electricity and heat. During the quarter, we made the decision to invest in the onshore wind farm Bruzaholm, which will add much-needed capacity in southern Sweden. We invest in district heating with a low climate impact, for example, through the development of the district heating network in Bristol, in the UK. To meet the increased need for capacity in the electricity grid, we are also carrying out a comprehensive upgrade of the regional grid. In the new energy landscape, all types of fossil-free electricity generation will be needed, as will an expanded and robust electricity grid.



*Anna Borg*

**Anna Borg**  
President and CEO

Profit for the period

**11.8**  
SEK billion

(6.1)

Underlying operating profit

**9.5**  
SEK billion

(9.5)

FFO/adjusted net debt

**39.6%**  
(120.5)

Return on capital employed

**5.4%**  
(21.8)

# Group overview

Vattenfall generates electricity and heat from a portfolio of energy sources such as hydro and nuclear power, wind power and fossil fuels. We sell electricity, gas and heat to retail customers and companies, mainly in Northern Europe. Vattenfall continuously hedges its future electricity generation through sales on the forward and futures markets.

## Market development

During the first quarter of 2023, the electricity market has been less volatile due to conditions on the continent. Increased gas stocks, a milder winter and increased nuclear power production in France have resulted in lower electricity prices on the continent, and the Nordic system price has also been greatly affected. Lower average electricity prices had a negative effect on Vattenfall's profits. However, smaller differences between the system price in the Nordics and the price in the respective price area had a positive impact and, in combination with a lower degree of price hedging, contributed to a higher achieved price after price hedging.

## ELECTRICITY SPOT PRICES, EUR/MWh

The average spot price in the Nordic region has decreased during the first quarter of 2023 compared to the fourth quarter of 2022 as a result of lower electricity prices on the continent, which is mainly due to a milder winter and well-filled gas stocks.

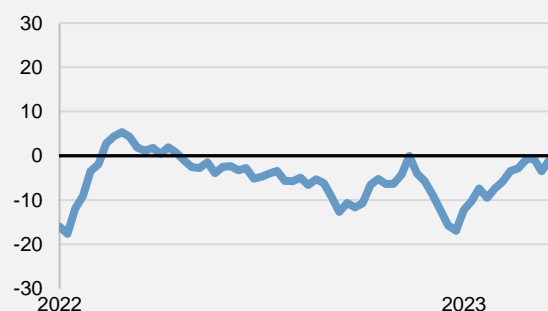
	Jan-Mar		
	2023	2022	Change
Nordics	85.2	110.1	-23%
Germany	115.8	184.6	-37%
Netherlands	121.4	207.5	-41%

## NORDIC HYDROLOGY

Hydrological balance is a measure of the expected amount of energy that is stored in the form of snow, water reservoirs and groundwater in relation to normal circumstances. Historically, electricity prices in the Nordics have had a negative correlation with the hydrological balance because the available hydropower capacity usually determines which type of energy is used. Electricity prices in the northern parts of the Nordic region are still linked to the hydrological balance, while the correlation to the system price and price development in the southern parts of the region has decreased, especially in the last year.

At the end of the first quarter of 2023, the hydrological balance in the Nordic region was slightly below normal but at a higher level than at the end of 2022 due to a weather that has been more warm and wet than usual.

## NORDIC HYDROLOGICAL BALANCE (TWh)

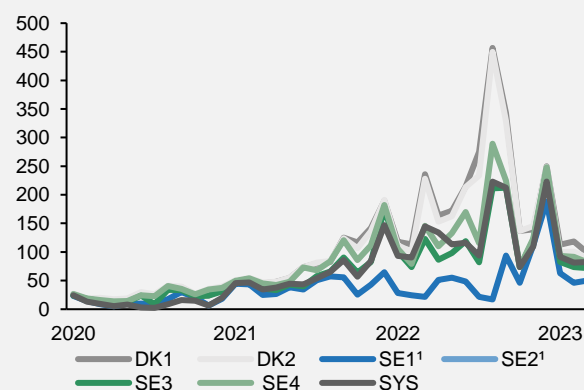


The reservoir level in Vattenfall's reservoir at the end of the first quarter was 27% (36%), which is in line with the normal level.

## NORDIC PRICE AREA DIFFERENCES

The electricity market in the Nordics is divided into different price areas. In Sweden, there are four price areas and Vattenfall's hydropower assets are mainly in SE1 and SE2, while the nuclear power assets are in SE3. Vattenfall also has wind power assets in SE4. In recent years, the difference in electricity prices in Sweden between the different price areas has increased due to limitations in the transmission network that prevent electricity from reaching the southern part of the country. New transmission connections to the continent have also contributed to higher prices in southern Sweden. In Denmark, there are two price areas, and Vattenfall has wind power assets in both areas, DK1 and DK2. The Nordic system price (SYS) is a reference price for all price areas and is calculated by the electricity exchange Nord Pool.

## SPOT PRICES PER PRICE AREA AND SYSTEM PRICE (EUR/MWh)



<sup>1</sup> Difference between SE1 and SE2 is invisible due to high correlation

In Sweden, price area differences have decreased during the first quarter of 2023. Prices in southern and central Sweden are at a lower level compared to 2022, while prices in northern Sweden have increased. Prices in Denmark have followed a similar trend as in southern Sweden.

## INDICATIVE NORDIC HEDGE PRICES AND FINANCIAL HEDGE RATIO (SE, DK, FI) AS PER 31 MARCH 2023

Vattenfall's price hedging strategy is primarily focused on the Nordic generation assets because the primary risk exposure is linked to base production of nuclear power and hydro power. The degree of hedging is highest for the next few years and decreases thereafter.

	2023	2024	2025
EUR/MWh	30	45	50
Hedge ratio (%)	56	42	24

## ACHIEVED NORDIC ELECTRICITY PRICES (SE, DK, FI)<sup>1</sup>

The price obtained is the average price that Vattenfall received for its electricity generation during the period and is affected by the degree of price hedging, level of price hedging (see above) as well as the spot price and effects from price area differences.

	Jan-Mar		Full year
	2023	2022	2022
EUR/MWh	40	20	27

Vattenfall's achieved price in the Nordics increased during the first quarter of 2023 compared to the first quarter of 2022 and the full year of 2022, mainly as a result of a lower level of price hedging and lower differences between electricity price areas.

## FUEL PRICES

The price of gas, coal and emission allowances for carbon dioxide mainly affects Vattenfall's heat operations on the continent. Gas prices also affect operations within the Customers & Solutions business segment, which is responsible for retail sales of gas.

	Jan-Mar		
	2023	2022	Change
Gas (EUR/MWh)	54.2	99.2	-45%
Coal (USD/t)	147.2	230.3	-36%
CO <sub>2</sub> (EUR/t)	86.7	83.0	4%

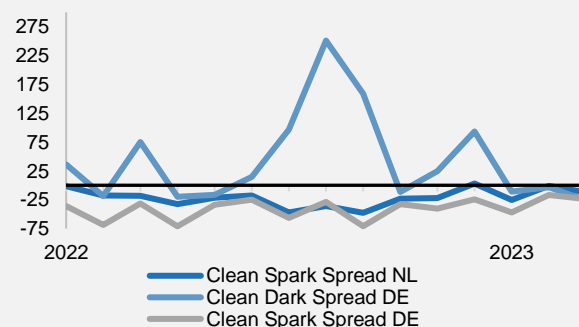
<sup>1</sup> Achieved prices from the spot market and price hedges. Includes Nordic electricity generation from hydropower, nuclear power and wind power.

The price of gas and coal has decreased in the first quarter, which is the result of well-filled gas stocks, milder weather and increased deliveries of LNG compared to the first quarter of 2022. The price of emission allowances for carbon dioxide has increased compared to the first quarter of 2022.

## PRICE MARGINS

The clean spark spread is the margin between the electricity price and the cost of gas and emissions allowances used for its generation. These spreads affect Vattenfall's heat business in Germany and the Netherlands where the fossil-fired combined heat-and-power (CHP) plants and condensing plants are located. Vattenfall hedges these spreads in part.

## CLEAN SPARK SPREAD AND CLEAN DARK SPREAD (EUR/MWh)

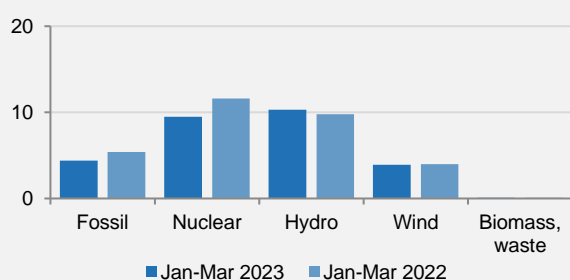


The clean spark spread in Germany was negative in the first quarter of 2023 but higher compared to the first quarter of 2022 when gas prices were higher. The clean dark spread was lower compared to the first quarter of 2022 when there was reduced supply of gas. In the Netherlands, the clean spark spread was on the same level as in the first quarter of 2022.

## Generation development

Total electricity generation decreased by 2.7 TWh to 28.2 TWh (30.9) in the first quarter of 2023. Generation from nuclear power decreased (-2.1 TWh) due to the delayed restart of Ringhals 4. Generation from fossil-fuel based power decreased (-1.0 TWh) as a result of the sale of the Magnum gas-fired power plant in the Netherlands. Production from hydropower increased by 0.5 TWh.

### ELECTRICITY GENERATION (TWh)



### AVAILABILITY

The availability of a generation asset is calculated based on the proportion of the planned generation time without unforeseen technical problems or interruptions for maintenance. Given that the production of electricity for nuclear power is plannable and the production of electricity for wind power is dependent on wind speeds, different methods are used for nuclear power and wind power. Hence the two numbers for the two generation technologies are not comparable.

	Jan-Mar	
	2023	2022
Nuclear	79.2%	98.1%
Wind - offshore	95.0%	95.6%
Wind – onshore	95.0%	96.0%

The availability of Vattenfall's nuclear power during the first quarter of 2023 decreased due to the postponed restart of Ringhals 4. The availability of wind power was at a similar level.

### INSTALLED WIND CAPACITY

New installed wind power capacity in the last 12 months amounted to 630 MW and is mainly attributable to Grönhult (67 MW), South Kyle (139 MW out of 240 MW), Hollandse Kust Zuid (369 MW out of 1,520 MW), Nij Hiddum Houw (15 MW) and A16/Klaverspoor (34 MW).

	31 Mar	31 Mar
	2023	2022
Onshore wind	2,971	2,602
Offshore wind	1,870	1,610
<b>Total</b>	<b>4,841</b>	<b>4,212</b>

## Sales development

Electricity sales, excluding sales to Nord Pool Spot and deliveries to minority owners, increased by 3.8 TWh to 34.4 TWh (30.6), mainly as a result of higher volumes in the business segment in France. Gas sales decreased by 1.9 TWh to 18.3 TWh (20.2) as a result of lower average consumption. Heat sales decreased by 0.1 TWh to 5.7 (5.8).

	Jan-Mar		
	2023	2022	Change
Sales of electricity to customers, TWh	34.4	30.6	12%
Sales of gas, TWh	18.3	20.2	-9%
Sales of heat, TWh	5.7	5.8	-2%

### TEMPERATURE EFFECTS

Temperature effects have an impact on the sales volume within the Customers & Solutions and Heat operating segments. Lower temperatures usually mean an increased demand for heat (including gas) and electricity. In the Nordic region, this primarily affects sales of electricity and heat. In Germany and the Netherlands, gas is still the main source of heat, which means that lower temperatures increase the demand for gas and result in increased sales of heat.

### TEMPERATURE DEVIATION FROM NORMAL LEVELS (°C)

	Jan-Mar	
	2023	2022
Nordics	0.9	1.7
Netherlands	1.6	1.8
Germany	1.8	1.6

During the first quarter of 2023, the temperature in Vattenfall's markets was higher compared to the normal temperature, which has had a negative effect on sales.



## Net sales

**January–March:** Consolidated net sales increased by SEK 37.2 billion, (including positive currency effects of SEK 5.5 billion). The increase is mainly attributable to higher prices in customer sales and to some extent increased volumes in the business segment in France.

## Earnings

**January–March:** The underlying operating profit was unchanged compared to the previous year, which is mainly attributable to:

- Higher earnings contribution from the Heat operating segment (SEK 3.2 billion), mainly as a result of higher heat prices, which were adjusted after the rise in fuel prices during last year
- Higher earnings contribution from the Power Generation segment (SEK 0.7 billion), mainly as a result of higher realized trading results and higher achieved prices in the Nordics
- Lower earnings contribution from the Wind operating segment (SEK -2.5 billion), mainly as a result of lower electricity prices on the continent
- Lower earnings contribution from the Customers & Solutions operating segment (SEK -1.2 billion) as a result of lower gas sales in the Netherlands and Germany in combination with lower average gas consumption

Items affecting comparability amounted to SEK 6.8 billion (3.3), the majority of which relates to changes in the market value of energy derivatives and provisions (SEK 7.2 billion). See note 4 for further information.

The return on capital employed (ROCE) amounted to 5.4% (21.8%). The return on capital employed based on underlying operating profit amounted to 12.5% (10.5%).

Profit for the period amounted to SEK 11.8 billion (6.1) and was affected by positive effects from the realization of electricity and fuel contracts and higher returns from the nuclear waste fund.

## Cash flow

**January– March:** Funds from operations (FFO) increased by SEK 3.4 billion mainly as a result of higher underlying operating profit before depreciation and amortisation (EBITDA) and lower tax paid. Cash flow from changes in working capital amounted to SEK -44.0 billion. The biggest contributing factor was the net received and paid margin calls (SEK -49.7 billion). In addition, working capital was affected by the reduction in operating receivables within the Power Generation segment (SEK +13.6 billion), which was offset by the increase in operating receivables within the segments Customers & Solutions (SEK -6.6 billion ) and Heat (SEK -6.3 billion).

## KEY FIGURES – GROUP OVERVIEW

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	96 788	59 579	239 644	276 853
Operating profit before depreciation, amortisation and impairment losses (EBITDA) <sup>1</sup>	21 300	17 249	30 513	34 564
Operating profit (EBIT) <sup>1</sup>	16 332	12 783	12 645	16 194
Underlying EBIT <sup>1</sup>	9 545	9 504	37 313	37 354
Items affecting comparability <sup>1</sup>	6 787	3 279	- 24 668	- 21 160
Profit for the period	11 818	6 064	21	5 775
Funds from operations (FFO) <sup>1</sup>	11 787	8 382	42 194	45 599
Cash flow from changes in operating assets and operating liabilities (working capital)	- 43 984	- 11 440	- 41 040	- 73 584
Cash flow from operating activities	- 32 197	- 3 058	1 154	- 27 985

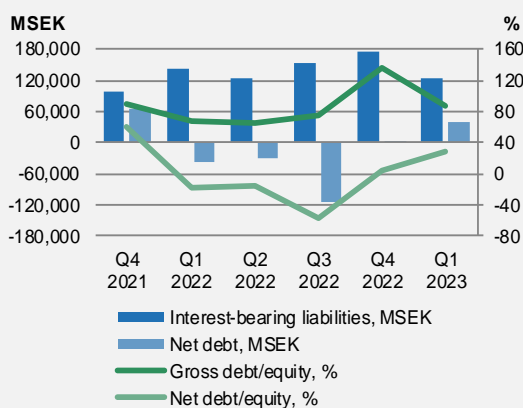
1) See Definitions and calculations of key ratios for definitions of Alternative Performance Measures.

## Capital structure

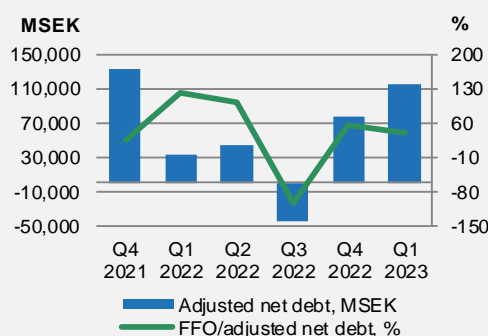
Cash, bank and similar assets and short-term investments decreased by SEK 89.1 billion compared to 31 December 2022. Confirmed credit facilities consist of a Revolving Credit Facility of EUR 2.0 billion with a maturity date November 2025, and a Committed Credit Facility of EUR 3.0 billion with a maturity date of 21 September 2023. As per 31 March 2023, available liquid assets and/or committed credit facilities amounted to 49.1% of net sales. Vattenfall's target is to maintain a level of no less than 10% of the Group's net sales, but at least the equivalent of the next 90 days' maturities.

Net debt increased by SEK 37.2 billion to SEK 41.1 billion and adjusted net debt increased by SEK 38.5 billion to SEK 115.2 billion compared to 31 December 2022. This is mainly derived from negative cash flow after investments (SEK -42.8 billion). The adjusted net debt was also affected by lower provisions for nuclear power (SEK 1.2 billion), which was partially offset by higher provisions for gas- and wind operations and other environment-related provisions (SEK 0.5 billion).

### NET DEBT



### ADJUSTED NET DEBT



## Strategic focus areas and targets for 2025

Strategic focus area	Targets for 2025	Q1 2023	Outcome 2022
Driving decarbonisation with our customers and partners Securing fossil-free energy supply	1. Customer engagement, Net Promoter Score (NPS) <sup>1</sup> : <b>+18</b>	-	<b>+16</b>
	2. CO <sub>2</sub> emissions intensity <sup>2</sup> : <b>≤86 gCO<sub>2</sub>e/kWh</b>	<b>84</b>	<b>78</b>
Delivering high-performing operations	3. Funds From Operations (FFO)/adjusted net debt <sup>3</sup> : <b>22-27%</b>	<b>39.6%</b>	<b>55.8%</b>
	4. Return On Capital Employed (ROCE) <sup>4</sup> : <b>≥8%</b>	<b>5.4%</b>	<b>4.2%</b>
Empowering our people	5. Lost Time Injury Frequency (LTIF) <sup>5</sup> : <b>≤1.0</b>	<b>1.3</b>	<b>1.1</b>
	6. Employee Engagement Index <sup>6</sup> : <b>≥75%</b>	-	<b>80%</b>

1) NPS is weighted 80% from Customers & Solutions and 20% from Heat, which corresponds to our customer composition. Reported on an annual basis.

2) Includes CO<sub>2</sub> and other greenhouse gases such as N<sub>2</sub>O and SF<sub>6</sub>, as well as indirect emissions from electricity and heat use (scope 2). Consolidated value where CO<sub>2</sub> primarily relates to the Heat operating segment. The target for 2025 puts us on a path towards the 1.5°C target for 2030 according to SBT.

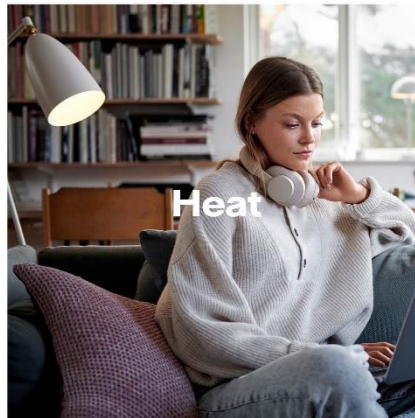
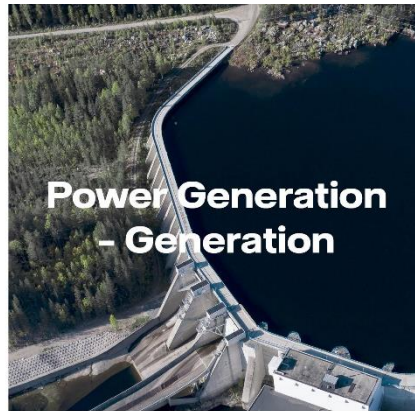
3) Rolling 12-month values. The effect from received variation margin had a significant impact on results for both Q1 2023 and the full 2022 financial year.

4) Rolling 12-month values. Market value changes for energy derivatives, changes in inventories and provisions had a significant impact on the results in Q1 2023 and for the full 2022 financial year. Return on capital employed based on underlying operating profit amounted to 12.5%.

5) Rolling 12-month values. LTIF, Lost Time Injury Frequency, is expressed in the number of work accidents per 1 million hours worked. The metric only applies to employees within Vattenfall.

6) The target is measured based on the results of an employee survey that is carried out annually. Due to an update of response options in the survey, the outcome may deviate +/- 3 percentage points from previous years.

# Operating segments



Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
<b>Underlying EBIT</b>				
<b>Customers &amp; Solutions</b>	793	1 967	7 413	6 239
<b>Power Generation</b>	3 772	3 111	16 570	17 231
- of which, realised trading result	2 776	43	- 1 360	1 373
<b>Wind</b>	2 393	4 899	16 479	13 973
<b>Heat</b>	2 270	- 905	- 3 578	- 403
<b>Distribution</b>	1 356	1 104	2 070	2 322
<b>Other<sup>1</sup></b>	- 924	- 600	- 1 590	- 1 914
<b>Eliminations</b>	- 115	- 72	- 51	- 94
<b>Underlying EBIT</b>	<b>9 545</b>	<b>9 504</b>	<b>37 313</b>	<b>37 354</b>

1) "Other" pertains mainly to all Staff functions, including Treasury and Shared Service Centres.



## Customers & Solutions

*Customers & Solutions manages our customer relations and delivers electricity, gas and energy services in our markets.*

### Increased electricity sales and a larger customer base both made a positive contribution to overall sales

- More customers choose Vattenfall
- Continued expansion in charging infrastructure
- Acquisition of an installation company in Germany



**Q1:** Net sales increased by 85% compared to 2022. Underlying operating profit decreased by 60% mainly as a result of fewer gas customers in the Netherlands and Germany combined with lower average consumption. In addition, the profit during the corresponding period in 2022 was positively affected by higher temporary effects from the purchase of electricity and gas. In the first quarter, the customer base increased by 1% compared to the end of 2022 to 11 million contracts.

Electricity sales increased by 21% compared to the first quarter of 2022, which was primarily attributable to a higher customer base in Germany and higher volumes sold to grid operators in France. Sales of gas decreased by 9% during the quarter compared to the first quarter of 2022, which is attributable to a lower customer base and lower average consumption per customer.

Vattenfall has adjusted its customer prices in accordance with price ceilings for electricity and gas that were introduced last year and at the beginning of the first quarter of 2023. With falling market prices, Vattenfall is able to offer further price adjustments for its customers. In the Netherlands, a Temporary Energy Emergency Fund was created in a cooperation between power companies and the Dutch government. Households have been able to apply for assistance benefits from the fund since

February 2023. During the quarter an investigation concluded that energy suppliers are not charging unreasonable tariffs and that higher consumer prices are the result of higher purchase prices for gas and electricity. The investigation against major energy suppliers regarding energy prices was launched by the Dutch Authority for Consumers and Markets.

Vattenfall continues to expand its public charging network InCharge for electric cars. The total number of connected charging points is now over 40,000 and chargers are being installed at a rapid pace in the Brabant-Limburg and Gelderland Overijssel regions in the Netherlands. Vattenfall now has over 5,000 charging points installed in Brabant-Limburg. The next step is to explore opportunities to take over existing public charging points. In Sweden, Vattenfall has connected its business customers' existing charging stations to its platform InCharge to expand the network. In Germany, Vattenfall has signed an agreement with NH Hotel Group for the installation of both AC and DC chargers at around 50 hotel properties.

In Germany, Vattenfall has also acquired the German installation company Elektro Drämer. The company offers a variety of electrical solutions and energy optimization technology that can secure and increase installation capacity for its customers.

### KEY FIGURES – CUSTOMERS & SOLUTION

Amounts in SEK million unless indicated otherwise	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	78 872	42 627	183 151	219 396
External net sales	75 848	40 855	174 026	209 019
Underlying EBITDA	1 087	2 191	8 393	7 289
Underlying EBIT	793	1 967	7 413	6 239
Sales of electricity, TWh	30.9	25.4	93.5	99.0
- of which, private customers	8.6	8.7	27.1	27.0
- of which, resellers	9.7	2.4	20.7	28.0
- of which, business customers	12.6	14.3	45.7	44.0
Sales of gas, TWh	18.2	19.8	46.4	44.8
Number of employees, full-time equivalents	3 364	3 258	3 289	

## Power Generation

Power Generation comprises the Generation and Markets Business Areas. The segment includes Vattenfall's hydro and nuclear power operations, maintenance services business, and optimisation and trading operations including certain large business customers. The result from hedging of the Group's net exposure in electricity and fuel is reported in this segment.

### 2023 is off to a good start with higher underlying operating profit

- Good availability and production in hydropower
- Repair of Ringhals 4 finalised
- Important steps in the feasibility study for small modular reactors (SMRs) at Ringhals

**Q1:** Net sales increased by 50%. The underlying operating profit increased by 21%, mainly as a result of a higher realised trading result and higher achieved prices in the Nordics, which was offset by lower generation in nuclear power (-2.2 TWh). Lower contributions from pumped hydro storage operations in Germany also had a negative effect on profit.

The production of hydropower increased as a result of good availability during the first quarter of 2023. Nuclear power production decreased as a result of the continued shutdown of Ringhals 4 reactor for repairs. However, a gradual restart



Vittjärv hydro power plant in Sweden

process was initiated at the end of March, and the reactor is now back at full capacity.

The feasibility study for SMR-reactors, which began in June 2022, has entered a more intense phase, and we anticipate being able to conduct soil surveys from April into the fall of 2023. During the first quarter of 2023, we have intensified our dialogue with several potential suppliers of SMR-technology. In the event that Vattenfall decides to implement this technology, it is estimated that new SMR-reactors could be in operation after 2030.

## KEY FIGURES – POWER GENERATION

Amounts in SEK million unless indicated otherwise

	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	74 037	49 416	205 788	230 409
External net sales	6 249	6 936	28 193	27 506
Underlying EBITDA	5 087	4 309	21 621	22 399
Underlying EBIT	3 772	3 111	16 570	17 231
- of which, realised trading result	2 776	43	- 1 360	1 373
Electricity generation, TWh	19.8	21.4	80.1	78.5
- of which, hydro power	10.3	9.8	40.5	41.0
- of which, nuclear power	9.5	11.6	39.6	37.5
Sales of electricity, TWh	3.3	4.6	15.6	14.3
- of which, resellers	2.6	4.2	13.8	12.2
- of which, business customers	0.7	0.4	1.8	2.1
Sales of gas, TWh	0.1	0.4	0.9	0.6
Number of employees, full-time equivalents	7 227	7 205	7 219	

## Wind

The Wind Business Area is responsible for development, construction and operation of Vattenfall's wind farms as well as large-scale and decentralised solar power and batteries.

### Lower result driven by lower electricity prices

- Installation of turbines in the Hollandse Kust Zuid offshore wind farm
- Final investment decision made for the Bruzaholm onshore wind farm
- Innovative solar power project launched in Germany which combines solar power generation and sustainable agriculture



Haringvliet energy park, the Netherlands

**Q1:** Net sales decreased 21% compared to 2022. Underlying operating profit decreased by 51% which is mainly due to lower electricity prices on the continent and the divestment of onshore wind farms. Electricity generation decreased by 2%, as higher volumes from the Hollandse Kust Zuid offshore wind farm in the Netherlands were offset by otherwise slightly lower generation on the continent.

The installation of turbines at Hollandse Kust Zuid continues — 34 turbines are now in operation and supplying electricity. The inauguration of the wind farm is planned for September 2023.

The final investment decision for the Bruzaholm onshore wind farm was made in March 2023. The project is based in the municipality of Eksjö in southern Sweden and will have a capacity of 139 MW. Preparations for the constructions are now

in full swing, and mounting of the turbines is scheduled for early 2025.

In February, Vattenfall made the final investment decision for the Tützipatz solar power park in Germany with a capacity of 76 MW. The project is agrivoltaic, which means that sustainable agriculture and solar power are combined on the same land. This help to increase biodiversity and generates additional income for the agriculture. The solar farm is in the Mecklenburg-Vorpommern region of Germany and will be installed without government subsidies. Vattenfall will further develop this innovative concept of land use on a commercial scale with partners.

## KEY FIGURES – WIND

Amounts in SEK million unless indicated otherwise	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	6 291	7 956	29 109	27 444
External net sales	1 414	1 768	4 308	3 954
Underlying EBITDA	4 002	6 357	22 508	20 153
Underlying EBIT	2 393	4 899	16 479	13 973
Electricity generation - wind power TWh <sup>1</sup>	3.9	4.0	12.2	12.1
Sales of electricity, TWh	0.2	0.3	1.2	1.1
Number of employees, full-time equivalents	1 578	1 362	1 521	

1) Including electricity generation from solar power

## Heat

The Heat Business Area comprises Vattenfall's heat business (district heating and decentralised solutions) and gas-fired condensing plants.

### Lower CO<sub>2</sub> emissions from cities through new assets and projects

- Completed acquisition of district heating network in the UK
- Completed sale of the gas-fired power plant Magnum in the Netherlands
- Sale of Vattenfall Moorburg GmbH

**Q1:** Net sales decreased by 5%. The underlying operating profit increased mainly as a result of price adjustments for heating, which compensates for higher fuel costs in 2022. Heat sales decreased somewhat as a result of our customers' energy conservation measures. Due to lower prices for both electricity and gas, price margins were similar to the previous year for gas-fired power generation. However, the sale of Magnum led to lower electricity generation, which had a slight negative impact on underlying operating profit. The number of customers amounted to 2.1 million households which corresponds to an increase of 0.8% compared to the end of 2022. Vattenfall's emission intensity during the first quarter amounted to 84 gCO<sub>2</sub>e/kWh. The increase in intensity compared to the full 2022 financial year (78 gCO<sub>2</sub>e/kWh) is mainly attributable to seasonal effects.

Vattenfall acquired Bristol Heat Networks Ltd in January 2023 and is working together with Bristol City Leap to achieve net zero carbon dioxide emissions for the city's energy infrastructure by 2030. Vattenfall plans to expand the existing district heating network and to develop new networks. Where possible, these will be linked together to provide the local area in Bristol with reliable heat with a low climate impact.

An agreement was concluded in January 2023 with property developer Ariem in an area under development in Vattenfall's



Waste incineration plant in Uppsala, Sweden

largest district heating network in Sweden, Uppsala. The agreement relates to 2.8 MW of heating and 1.5 MW of cooling.

Vattenfall sold the gas-fired power plant Magnum in the Netherlands to RWE on 2 June 2022. The approval process for the sale has taken longer than expected, but the sale was approved by the European Commission on 22 December 2022. RWE took over the power plant as of 31 January 2023.

About 4,800 households and 50 companies connected to Vattenfall's heating network in Lelystad in the Netherlands will soon receive district heating. Vattenfall and HVC, a waste management company, have received a joint grant from the government for the development of district heating in the city. The grant enables the continued development of the project; the next step is to start soil surveys.

Vattenfall has sold Vattenfall Moorburg GmbH to Hamburger Energiewerke (HENW). On 1 March 2023, the municipality purchased HENW and the associated properties from Vattenfall. The plan is for Moorburg to transition to a hydrogen plant.

### KEY FIGURES – HEAT

Amounts in SEK million unless indicated otherwise	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	16 656	17 590	60 505	59 571
External net sales	9 550	6 185	20 933	24 298
Underlying EBITDA	3 018	- 152	- 641	2 529
Underlying EBIT	2 270	- 905	- 3 578	- 403
Electricity generation - TWh	4.5	5.5	16.6	15.6
- of which, fossil-based power	4.4	5.4	16.3	15.3
- of which, biomass, waste	0.1	0.1	0.3	0.3
Sales of electricity business customers, TWh	—	0.3	1.1	0.8
Sales of heat, TWh	5.7	5.8	14.1	14.0
Number of employees, full-time equivalents	3 090	3 167	3 188	



## Distribution

The Distribution Business Area consists of Vattenfall's electricity distribution operations in Sweden and the UK and Vattenfall's Power-as-a-Service offering.

### Lower costs for the transmission network had a positive impact on results

- Continued upgrading of the regional network to meet increasing needs of capacity
- Vattenfall has entered into a partnership with the Stromma Group to electrify their fleet of boats with fossil-free operation

**Q1:** Net sales decreased by 1% compared with 2022. The underlying operating profit increased by 23%, which is mainly driven by extraordinarily high costs for the transmission network in 2022. Higher personnel costs and maintenance costs due to growth in the first quarter of 2023 had a countering effect.

Vattenfall is continuing its extensive upgrade programme for the regional network, Capacity Stockholm, in order to meet the increasing need for grid capacity. To enable growth and expansion of rail traffic and charging infrastructure in Solna, two new regional grid stations are being built and the lines in the area are being upgraded from 70 kV to 130 kV. The total investment amounts to over SEK 500 million, and the projects are expected to be completed by the end of 2024. A new 130 kV line between Nykvarn and Almnäs in Södertälje was commissioned in March 2023 as part of Capacity Stockholm. This new line, together with a new transformer station, will increase capacity and security of supply and provide opportunities for new housing and industrial development in the area. The total investment amounts to SEK 160 million.

At the beginning of the year, the Swedish Energy Markets Inspectorate granted Vattenfall a licence for three lines in the municipality of Gävle. These lines will provide Microsoft's server halls in Ersbo and Stackbo with a stable and reliable connection to the electricity grid.

The expansion of charging infrastructure for heavy transport is a prerequisite for the electrification of the entire transport sector. In Kiruna, Vattenfall Eldistribution has constructed an electricity grid station that enabled the connection of a charging



station, offering ultra-fast charging and a capacity of 360 kW per charger.

Efficient permit processes are a prerequisite for expanding the electricity grid and connecting customers at the rate society expects. Vattenfall is participating in several initiatives and collaborations in order to shorten lead times in the permit process. One example is the stakeholder network AGON<sup>1</sup>, which aims to accelerate the green transition in the northern part of Sweden through efficient permit assessments and modern application of regulations.

The interest in self-generation using solar panels remains high. In some areas, where many customers have already installed solar panels, reinforcements are needed in the electricity grid before more customers can connect and export their generated electricity.

Vattenfall and the Stromma Group have entered into a partnership to electrify Stromma's boat fleet with fossil-free operation. The first collaboration project will be the electrification of canal boats in Amsterdam, where Vattenfall is supplying the battery system for emission-free operation of the city's canal boats, which will be mandatory from 2025. Vattenfall's Power-as-a-Service concept, offered by Vattenfall Network Solutions, is based on Vattenfall owning, managing and taking responsibility for the operation and maintenance of electrical infrastructure, allowing customers to focus on their core business.

<sup>1</sup> Accelerated Green Transition in Norrbotten, Sweden

## KEY FIGURES – DISTRIBUTION

Amounts in SEK million unless indicated otherwise	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	3 859	3 895	12 497	12 461
External net sales	3 665	3 747	11 733	11 651
Underlying EBITDA	2 028	1 728	4 622	4 922
Underlying EBIT	1 356	1 104	2 070	2 322
Number of employees, full-time equivalents	1 399	1 207	1 340	

## Other

*Other pertains mainly to all Staff functions, including Treasury and Shared Service Centres.*

Net sales consist primarily of revenues attributable to Vattenfall's service organisations such as Shared Services, IT and Vattenfall Insurance.

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### KEY FIGURES – OTHER

<b>Amounts in SEK million unless indicated otherwise</b>	<b>Jan-Mar 2023</b>	<b>Jan-Mar 2022</b>	<b>Full year 2022</b>	<b>Last 12 months</b>
Net sales	2 242	1 766	8 530	9 006
External net sales	62	88	451	425
Underlying EBITDA	- 594	- 391	- 693	- 896
Underlying EBIT	- 924	- 600	- 1 590	- 1 914
Number of employees, full-time equivalents	3 114	2 832	3 081	

# Consolidated income statement

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	96 788	59 579	239 644	276 853
Cost of purchases	- 66 723	- 34 147	- 167 013	- 199 589
Other external expenses	- 4 332	- 3 116	- 20 908	- 22 124
Personnel expenses	- 5 778	- 5 244	- 20 557	- 21 091
Other operating income and expenses, net	1 106	27	- 790	289
Participations in the results of associated companies	239	150	137	226
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>21 300</b>	<b>17 249</b>	<b>30 513</b>	<b>34 564</b>
Depreciation, amortisation and impairments	- 4 968	- 4 466	- 17 868	- 18 370
<b>Operating profit (EBIT)</b>	<b>16 332</b>	<b>12 783</b>	<b>12 645</b>	<b>16 194</b>
Financial income <sup>3</sup>	666	181	854	1 339
Financial expenses <sup>1,2,3</sup>	- 2 497	- 1 661	- 7 978	- 8 814
Return from the Swedish Nuclear Waste Fund	1 437	- 2 870	- 5 608	- 1 301
<b>Profit before income taxes</b>	<b>15 938</b>	<b>8 433</b>	<b>- 87</b>	<b>7 418</b>
Income taxes	- 4 120	- 2 369	108	- 1 643
<b>Profit for the period</b>	<b>11 818</b>	<b>6 064</b>	<b>21</b>	<b>5 775</b>
Attributable to owner of the Parent Company	11 182	5 782	- 1 102	4 298
Attributable to non-controlling interests	636	282	1 123	1 477
<b>Supplementary information</b>				
Underlying EBITDA <sup>4</sup>	14 513	13 970	55 759	56 302
Underlying EBIT <sup>4</sup>	9 545	9 504	37 313	37 354
Financial items, net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	- 1 288	- 982	- 5 115	- 5 421
1) Including interest components related to pension costs	- 261	- 143	- 578	- 696
2) Including discounting effects attributable to provisions	- 543	- 498	- 2 009	- 2 054
3) Including items affecting comparability recognised as financial income and expenses, net	—	—	6	6
4) See note 4 for information on items affecting comparability				

# Consolidated statement of comprehensive income

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
<b>Profit for the period</b>	<b>11 818</b>	<b>6 064</b>	<b>21</b>	<b>5 775</b>
<b>Other comprehensive income</b>				
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>				
Cash flow hedges - changes in fair value	- 7 968	26 807	14 478	- 20 297
Cash flow hedges - dissolved against income statement	820	- 19 022	- 106 390	- 86 548
Cash flow hedges - transferred to cost of hedged item	- 17	6	- 16	- 39
Hedging of net investments in foreign operations	- 591	- 270	- 2 777	- 3 098
Translation differences, divested companies	- 86	—	—	- 86
Translation differences	2 365	1 348	14 684	15 701
Income taxes related to items that will be reclassified	3 716	- 4 208	25 498	33 422
<b>Total items that will be reclassified to profit or loss when specific conditions are met</b>	<b>- 1 761</b>	<b>4 661</b>	<b>- 54 523</b>	<b>- 60 945</b>
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement pertaining to defined benefit obligations	—	4 464	13 178	8 714
Income taxes related to items that will not be reclassified	1	- 1 088	- 3 582	- 2 493
<b>Total items that will not be reclassified to profit or loss</b>	<b>1</b>	<b>3 376</b>	<b>9 596</b>	<b>6 221</b>
<b>Total other comprehensive income, net after income taxes</b>	<b>- 1 760</b>	<b>8 037</b>	<b>- 44 927</b>	<b>- 54 724</b>
<b>Total comprehensive income for the period</b>	<b>10 058</b>	<b>14 101</b>	<b>- 44 906</b>	<b>- 48 949</b>
Attributable to owner of the Parent Company	9 201	13 734	- 47 227	- 51 760
Attributable to non-controlling interests	857	367	2 321	2 811



# Operating segments, Vattenfall Group

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
<b>External net sales</b>				
Customers & Solutions	75 848	40 855	174 026	209 019
Power Generation	6 249	6 936	28 193	27 506
Wind	1 414	1 768	4 308	3 954
Heat	9 550	6 185	20 933	24 298
Distribution	3 665	3 747	11 733	11 651
Other <sup>1</sup>	62	88	451	425
<b>Total</b>	<b>96 788</b>	<b>59 579</b>	<b>239 644</b>	<b>276 853</b>
<b>Internal net sales</b>				
Customers & Solutions	3 024	1 772	9 125	10 377
Power Generation	67 788	42 480	177 595	202 903
Wind	4 877	6 188	24 801	23 490
Heat	7 106	11 405	39 572	35 273
Distribution	194	148	764	810
Other <sup>1</sup>	2 180	1 678	8 079	8 581
Eliminations	- 85 169	- 63 671	- 259 936	- 281 434
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total net sales</b>				
Customers & Solutions	78 872	42 627	183 151	219 396
Power Generation	74 037	49 416	205 788	230 409
Wind	6 291	7 956	29 109	27 444
Heat	16 656	17 590	60 505	59 571
Distribution	3 859	3 895	12 497	12 461
Other <sup>1</sup>	2 242	1 766	8 530	9 006
Eliminations	- 85 169	- 63 671	- 259 936	- 281 434
<b>Total</b>	<b>96 788</b>	<b>59 579</b>	<b>239 644</b>	<b>276 853</b>

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>				
Customers & Solutions	1 072	2 190	8 396	7 278
Power Generation	11 596	7 578	- 2 903	1 115
Wind	4 005	6 356	22 554	20 203
Heat	3 021	- 152	- 1 515	1 658
Distribution	2 028	1 738	4 637	4 927
Other <sup>1</sup>	- 307	- 389	- 605	- 523
Eliminations	- 115	- 72	- 51	- 94
<b>Total</b>	<b>21 300</b>	<b>17 249</b>	<b>30 513</b>	<b>34 564</b>
<b>Underlying EBITDA</b>				
Customers & Solutions	1 087	2 191	8 393	7 289
Power Generation	5 087	4 309	21 621	22 399
Wind	4 002	6 357	22 508	20 153
Heat	3 018	- 152	- 641	2 529
Distribution	2 028	1 728	4 622	4 922
Other <sup>1</sup>	- 594	- 391	- 693	- 896
Eliminations	- 115	- 72	- 51	- 94
<b>Total</b>	<b>14 513</b>	<b>13 970</b>	<b>55 759</b>	<b>56 302</b>

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
<b>Operating profit (EBIT)</b>				
Customers & Solutions	778	1 966	7 416	6 228
Power Generation	10 282	6 380	- 7 949	- 4 047
Wind	2 397	4 898	16 436	13 935
Heat	2 273	- 905	- 3 790	- 612
Distribution	1 356	1 114	2 086	2 328
Other <sup>1</sup>	- 639	- 598	- 1 503	- 1 544
Eliminations	- 115	- 72	- 51	- 94
<b>Operating profit (EBIT)</b>	<b>16 332</b>	<b>12 783</b>	<b>12 645</b>	<b>16 194</b>
Operating profit (EBIT)	16 332	12 783	12 645	16 194
Financial net	- 394	- 4 350	- 12 732	- 8 776
<b>Profit before tax</b>	<b>15 938</b>	<b>8 433</b>	<b>- 87</b>	<b>7 418</b>
<b>Underlying EBIT</b>				
Customers & Solutions	793	1 967	7 413	6 239
Power Generation	3 772	3 111	16 570	17 231
Wind	2 393	4 899	16 479	13 973
Heat	2 270	- 905	- 3 578	- 403
Distribution	1 356	1 104	2 070	2 322
Other <sup>1</sup>	- 924	- 600	- 1 590	- 1 914
Eliminations	- 115	- 72	- 51	- 94
<b>Underlying EBIT</b>	<b>9 545</b>	<b>9 504</b>	<b>37 313</b>	<b>37 354</b>

1) "Other" pertains mainly to all Staff functions, including Treasury, Shared Service Centres and material capital gains and -losses.

# Consolidated balance sheet

Amounts in SEK million	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets: non-current	18 522	17 167	18 347
Property, plant and equipment	283 979	253 469	276 901
Participations in associated companies and joint arrangements	7 521	6 347	7 094
Other shares and participations	332	314	324
Share in the Swedish Nuclear Waste Fund	48 871	50 039	47 517
Derivative assets	14 784	44 108	31 187
Deferred tax assets	16 335	8 845	16 133
Contract assets	49	75	51
Other non-current receivables	4 518	3 039 <sup>1</sup>	3 411
<b>Total non-current assets</b>	<b>394 911</b>	<b>383 403</b>	<b>400 965</b>
<b>Current assets</b>			
Inventories	19 083	35 469	20 969
Intangible assets: current	3 080	5 171	3 043
Trade receivables and other receivables	59 869	44 855 <sup>1</sup>	54 016
Contract assets	195	270	175
Advance payments paid	42 597	10 807	20 199
Derivative assets	61 071	186 658	89 692
Prepaid expenses and accrued income	32 529	15 276	20 775
Current tax assets	3 658	3 368	160
Short-term investments	29 463	79 699	65 846
Cash and cash equivalents	53 777	97 719	106 540
Assets held for sale	—	—	9 947
<b>Total current assets</b>	<b>305 322</b>	<b>479 292</b>	<b>391 362</b>
<b>Total assets</b>	<b>700 233</b>	<b>862 695</b>	<b>792 327</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Attributable to owner of the Parent Company	119 722	194 418	110 473
Attributable to non-controlling interests	21 901	16 062	18 464
<b>Total equity</b>	<b>141 623</b>	<b>210 480</b>	<b>128 937</b>
<b>Non-current liabilities</b>			
Hybrid Capital	17 992	20 618	17 760
Other interest-bearing liabilities	79 242	52 111	78 848
Pension provisions	27 930	35 946	27 812
Other interest-bearing provisions	129 780	116 303	128 239
Derivative liabilities	29 787	41 798	45 337
Deferred tax liabilities	13 742	40 529	13 648
Contract liabilities	9 220	7 497	8 936
Other noninterest-bearing liabilities	2 141	2 000	2 108
<b>Total non-current liabilities</b>	<b>309 834</b>	<b>316 802</b>	<b>322 688</b>
<b>Current liabilities</b>			
Trade payables and other liabilities	63 485	36 552	48 797
Contract liabilities	697	1 021	873
Advance payments received	5 444	56 635	26 692
Derivative liabilities	119 302	148 703	151 657
Accrued expenses and deferred income	24 279	19 560	23 105
Current tax liabilities	4 775	740	1 201
Hybrid Capital	4 149	—	4 171
Other interest-bearing liabilities	23 552	67 761	75 986
Interest-bearing provisions	3 093	4 441	4 382
Liabilities associated with assets held for sale	—	—	3 838
<b>Total current liabilities</b>	<b>248 776</b>	<b>335 413</b>	<b>340 702</b>
<b>Total equity and liabilities</b>	<b>700 233</b>	<b>862 695</b>	<b>792 327</b>

1) The value has been adjusted compared with information previously published in Vattenfall's financial reports.

**SUPPLEMENTARY INFORMATION**

Amounts in SEK million	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Calculation of capital employed</b>			
Intangible assets: current and non-current	21 602	22 338	21 390
Property, plant and equipment	283 979	253 469	276 901
Participations in associated companies and joint arrangements	7 521	6 347	7 094
Deferred and current tax assets	19 993	12 213	16 293
Non-current noninterest-bearing receivables	877	580	811
Contract assets	244	345	226
Inventories	19 083	35 469	20 969
Trade receivables and other receivables	59 869	44 855	54 016
Prepaid expenses and accrued income	32 529	15 276	20 775
Unavailable liquidity	3 715	3 753	2 996
Other	710	523	805
<b>Total assets excl. financial assets</b>	<b>450 122</b>	<b>395 168</b>	<b>422 276</b>
Deferred and current tax liabilities	- 18 517	- 41 269	- 14 849
Other noninterest-bearing liabilities	- 2 141	- 2 000	- 2 108
Contract liabilities	- 9 917	- 8 518	- 9 809
Trade payable and other liabilities	- 63 485	- 36 552	- 48 797
Accrued expenses and deferred income	- 24 279	- 19 560	- 23 105
Other	- 1 517	- 1 025	- 1 562
<b>Total noninterest-bearing liabilities</b>	<b>- 119 856</b>	<b>- 108 924</b>	<b>- 100 230</b>
Other interest-bearing provisions not related to adjusted net debt <sup>1</sup>	- 9 953	- 9 495	- 10 114
Adjustment related to assets/liabilities held for sale	—	—	6 109
<b>Capital employed<sup>2</sup></b>	<b>320 313</b>	<b>276 749</b>	<b>318 041</b>
<b>Capital employed, average</b>	<b>298 531</b>	<b>273 930</b>	<b>299 461</b>
<b>Calculation of net debt</b>			
Hybrid Capital	- 22 141	- 20 618	- 21 931
Bond issues and liabilities to credit institutions	- 64 855	- 35 884	- 63 937
Short-term debt, commercial papers and repo	- 17 667	- 63 356	- 71 017
Liabilities to associated companies	- 885	- 966	- 930
Liabilities to owners of non-controlling interests	- 9 760	- 10 687	- 9 667
Other liabilities	- 9 627	- 8 978	- 9 283
<b>Total interest-bearing liabilities</b>	<b>- 124 935</b>	<b>- 140 489</b>	<b>- 176 765</b>
Cash and cash equivalents	53 777	97 719	106 540
Short-term investments	29 463	79 699	65 846
Loans to owners of non-controlling interests in foreign Group companies	640	682	521
<b>Net debt<sup>2</sup></b>	<b>- 41 055</b>	<b>37 611</b>	<b>- 3 858</b>
<b>Calculation of adjusted gross debt and net debt</b>			
Total interest-bearing liabilities	- 124 935	- 140 489	- 176 765
50% of Hybrid Capital <sup>3</sup>	11 071	10 309	10 966
Present value of pension obligations	- 27 930	- 35 946	- 27 812
Provisions for gas and wind operations and other environment-related provisions	- 11 957	- 11 706	- 11 454
Provisions for nuclear power (net) <sup>4</sup>	- 52 754	- 42 599	- 53 930
Margin calls received	1 999	2 468	2 142
Liabilities to owners of non-controlling interests due to consortium agreements	9 760	10 687	9 667
Adjustment related to assets/liabilities held for sale	—	—	1 031
<b>Adjusted gross debt</b>	<b>- 194 747</b>	<b>- 207 276</b>	<b>- 246 156</b>
Reported cash and cash equivalents and short-term investments	83 240	177 418	172 386
Unavailable liquidity	- 3 715	- 3 753	- 2 996
<b>Adjusted cash and cash equivalents and short-term investments</b>	<b>79 525</b>	<b>173 665</b>	<b>169 390</b>
<b>Adjusted net debt<sup>2</sup></b>	<b>- 115 222</b>	<b>- 33 611</b>	<b>- 76 766</b>

1) Includes personnel-related provisions for non-pension purposes, provisions for tax and legal disputes and certain other provisions.

2) See Definitions and calculations of key ratios for definitions of Alternative Performance Measures.

3) 50% of Hybrid Capital is treated as equity by the rating agencies, which thereby reduces adjusted net debt.

4) The calculation is based on Vattenfall's share of ownership in the respective nuclear power plants, less Vattenfall's share in the Swedish Nuclear Waste Fund and liabilities relating to funding of decommissioning obligations in Stade and Brokdorf. Vattenfall has the following ownership interests in the respective plants: Forsmark 66%, Ringhals 70.4%, Brokdorf 20%, Brunsbüttel 66.7%, Krümmel 50% and Stade 33.3%. (According to a special agreement, Vattenfall is responsible for 100% of the provisions for Ringhals.)



# Consolidated statement of cash flows

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
<b>Operating activities</b>				
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	21 300	17 249	30 513	34 564
Tax paid	- 591	- 3 380	- 4 360	- 1 571
Capital gains/losses, net	- 294	- 14	- 189	- 469
Interest received	514	29	897	1 382
Interest paid	- 1 105	- 501	- 3 811	- 4 415
Other, incl. non-cash items	- 8 037	- 5 001	19 144	16 108
<b>Funds from operations (FFO)</b>	<b>11 787</b>	<b>8 382</b>	<b>42 194</b>	<b>45 599</b>
Changes in inventories	1 414	5 095	20 146	16 465
Changes in operating receivables	- 16 360	- 3 830	- 11 196	- 23 726
Changes in operating liabilities	19 729	124	12 004	31 609
Margin calls	- 49 703	- 17 706	- 63 128	- 95 125
Other changes	936	4 877	1 134	- 2 807
<b>Cash flow from changes in operating assets and operating liabilities</b>	<b>- 43 984</b>	<b>- 11 440</b>	<b>- 41 040</b>	<b>- 73 584</b>
<b>Cash flow from operating activities</b>	<b>- 32 197</b>	<b>- 3 058</b>	<b>1 154</b>	<b>- 27 985</b>
<b>Investing activities</b>				
Acquisitions in Group companies	- 274	—	528	254
Investments in associated companies and other shares and participations	- 63	- 29	- 238	- 272
Other investments in non-current assets	- 12 000	- 4 912	- 24 914	- 32 002
<b>Total investments</b>	<b>- 12 337</b>	<b>- 4 941</b>	<b>- 24 624</b>	<b>- 32 020</b>
Divestments	1 756	40	751	2 467
Changes in short-term investments	37 416	23 577	42 877	56 716
<b>Cash flow from investing activities</b>	<b>26 835</b>	<b>18 676</b>	<b>19 004</b>	<b>27 163</b>
<b>Cash flow before financing activities</b>	<b>- 5 362</b>	<b>15 618</b>	<b>20 158</b>	<b>- 822</b>
<b>Financing activities</b>				
Changes in loans to owners of non-controlling interests in foreign Group companies	- 111	- 455	- 260	84
Loans raised <sup>1</sup>	111	45 604	97 400	51 907
Amortisation of other debt <sup>1</sup>	- 54 949	- 31 096	- 53 997	- 77 850
Dividends paid to owners	—	—	- 25 360	- 25 360
Contribution to owners of non-controlling interests	—	- 521	- 1 791	- 1 270
Contribution from owners of non-controlling interests	2 760	236	3 697	6 221
<b>Cash flow from financing activities</b>	<b>- 52 189</b>	<b>13 768</b>	<b>19 689</b>	<b>- 46 268</b>
<b>Cash flow for the period</b>	<b>- 57 551</b>	<b>29 386</b>	<b>39 847</b>	<b>- 47 090</b>

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
<b>Cash and cash equivalents</b>				
Cash and cash equivalents at start of period	106 540	68 176	68 176	—
Cash and cash equivalents included in assets held for sale	4 307	—	- 4 307	—
Cash flow for the period	- 57 551	29 386	39 847	- 47 090
Translation differences	481	157	2 824	3 148
<b>Cash and cash equivalents at end of period</b>	<b>53 777</b>	<b>97 719</b>	<b>106 540</b>	<b>- 43 942</b>

1) Short-term borrowings in which the duration is three months or shorter are reported net.

## SUPPLEMENTARY INFORMATION

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
<b>Cash flow before financing activities</b>	<b>- 5 362</b>	<b>15 618</b>	<b>20 158</b>	<b>- 822</b>
Change in margin calls from Treasury operations	506	306	- 521	—
Changes in short-term investments	- 37 416	- 23 577	- 42 877	- 56 716
<b>Financing activities</b>				
Dividends paid to owners	—	—	- 25 360	- 25 360
Contribution to/from owners of non-controlling interests	2 760	- 285	1 906	4 951
<b>Cash flow after dividend</b>	<b>- 39 512</b>	<b>- 7 938</b>	<b>- 46 694</b>	<b>- 77 947</b>
<b>Analysis of change in net debt</b>				
Net debt at start of period	- 3 858	44 703	44 703	—
Cash flow after dividend	- 39 512	- 7 938	- 46 694	- 78 268
Changes as a result of valuation at fair value	- 86	489	2 225	1 650
Changes in interest-bearing liabilities for leasing	- 627	- 204	- 1 318	- 1 741
Cash and cash equivalents included in assets held for sale	4 307	—	- 4 307	—
Translation differences on net debt	- 1 279	561	1 533	- 307
<b>Net debt at end of period</b>	<b>- 41 055</b>	<b>37 611</b>	<b>- 3 858</b>	<b>- 78 666</b>
Cash flow from operating activities	- 32 197	- 3 058	1 154	- 27 985
Maintenance/replacement investments	- 4 305	- 2 456	- 12 280	- 14 129
<b>Free cash flow<sup>1</sup></b>	<b>- 36 502</b>	<b>- 5 514</b>	<b>- 11 126</b>	<b>- 42 114</b>

1) See Definitions and calculations of key ratios for definitions of Alternative Performance Measures.

## INVESTMENTS

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
<b>Electricity generation</b>				
Hydro power	146	108	785	823
Nuclear power	352	397	1 687	1 642
Gas	8	51	255	212
Wind power and solar PV	6 075	2 119	16 341	20 297
Biomass, waste	3	6	38	35
<b>Total electricity generation</b>	<b>6 584</b>	<b>2 681</b>	<b>19 106</b>	<b>23 009</b>
<b>CHP/heat</b>				
Fossil-based power	105	187	1 013	931
Heat networks	270	175	1 471	1 566
Other	43	- 36	183	262
<b>Total CHP/heat</b>	<b>418</b>	<b>326</b>	<b>2 667</b>	<b>2 759</b>
<b>Electricity networks</b>				
Electricity networks	1 039	764	5 525	5 800
<b>Total electricity networks</b>	<b>1 039</b>	<b>764</b>	<b>5 525</b>	<b>5 800</b>
Purchases of shares, shareholder contributions	368	29	653	992
Other	528	358	1 830	2 000
<b>Total investments</b>	<b>8 937</b>	<b>4 158</b>	<b>29 781</b>	<b>34 560</b>
Accrued investments (-)/release of accrued investments (+)	3 431	783	- 4 214	- 1 566
Cash and cash equivalents in acquired companies	- 31	—	- 943	- 974
<b>Total investments with cash flow effect</b>	<b>12 337</b>	<b>4 941</b>	<b>24 624</b>	<b>32 020</b>

# Consolidated statement of changes in equity

Amounts in SEK million	31 Mar 2023			31 Mar 2022			31 Dec 2022		
	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity
<b>Balance brought forward</b>	110 473	18 464	128 937	180 710	16 472	197 182	180 710	16 472	197 182
<b>Profit for the period</b>	11 182	636	11 818	5 782	282	6 064	- 1 102	1 123	21
Cash flow hedges - changes in fair value	- 7 968	—	- 7 968	26 807	—	26 807	14 478	—	14 478
Cash flow hedges - dissolved against income statement	820	—	820	- 19 022	—	- 19 022	- 106 390	—	- 106 390
Cash flow hedges - transferred to cost of hedged item	- 17	—	- 17	6	—	6	- 16	—	- 16
Hedging of net investments in foreign operations	- 591	—	- 591	- 270	—	- 270	- 2 777	—	- 2 777
Translation differences, divested companies	- 86	—	- 86	—	—	—	—	—	—
Translation differences	2 144	221	2 365	1 263	85	1 348	13 741	943	14 684
Remeasurement pertaining to defined benefit obligations	—	—	—	4 464	—	4 464	12 857	321	13 178
Income taxes related to other comprehensive income	3 717	—	3 717	- 5 296	—	- 5 296	21 982	- 66	21 916
<b>Total other comprehensive income for the period</b>	<b>- 1 981</b>	<b>221</b>	<b>- 1 760</b>	<b>7 952</b>	<b>85</b>	<b>8 037</b>	<b>- 46 125</b>	<b>1 198</b>	<b>- 44 927</b>
<b>Total comprehensive income for the period</b>	<b>9 201</b>	<b>857</b>	<b>10 058</b>	<b>13 734</b>	<b>367</b>	<b>14 101</b>	<b>- 47 227</b>	<b>2 321</b>	<b>- 44 906</b>
Dividends paid to owners	—	- 180	- 180	—	- 492	- 492	- 23 414	- 1 946	- 25 360
Group contributions from(+)/to(-) owners of non-controlling interests	—	—	—	—	—	—	—	- 131	- 131
Changes in ownership in Group companies on divestments of shares to owners of non-controlling interests	—	—	—	—	—	—	118	—	118
Contribution to/from owners of non-controlling interests	—	2 760	2 760	—	- 285	- 285	—	1 906	1 906
Other changes in ownership	—	—	—	—	—	—	—	2	2
Other changes	48	—	48	- 26	—	- 26	286	- 160	126
<b>Total transactions with equity holders</b>	<b>48</b>	<b>2 580</b>	<b>2 628</b>	<b>- 26</b>	<b>- 777</b>	<b>- 803</b>	<b>- 23 010</b>	<b>- 329</b>	<b>- 23 339</b>
<b>Balance carried forward</b>	<b>119 722</b>	<b>21 901</b>	<b>141 623</b>	<b>194 418</b>	<b>16 062</b>	<b>210 480</b>	<b>110 473</b>	<b>18 464</b>	<b>128 937</b>
- Of which, Reserve for hedges	- 33 606	8	- 33 598	40 496	8	40 504	- 30 034	8	- 30 026

# Key ratios, Vattenfall Group

In % unless otherwise stated. (x) means times <sup>1</sup>	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Operating margin	16.9	21.5	5.3	5.8
Operating margin <sup>2</sup>	9.9	16.0	15.6	13.5
Pre-tax profit margin	16.5	14.2	0.0	2.7
Pre-tax profit margin <sup>2</sup>	9.5	8.7	10.3	10.3
Return on equity <sup>3</sup>	2.9	31.0	- 0.7	2.9
Return on capital employed <sup>3</sup>	5.4	21.8	4.2	5.4
Return on capital employed <sup>2,3</sup>	12.5	10.5	12.5	12.5
EBIT interest cover (x) <sup>3</sup>	2.6	14.9	2.3	2.6
EBIT interest cover (x) <sup>2,3</sup>	5.7	7.3	6.4	5.7
FFO interest cover (x) <sup>3</sup>	7.7	10.9	8.1	7.7
FFO interest cover, net (x) <sup>3</sup>	9.4	13.9	9.2	9.4
Cash flow interest cover after maintenance investments (x) <sup>3</sup>	- 5.9	21.9	- 1.1	- 5.9
FFO/gross debt <sup>3</sup>	36.5	28.8	23.9	36.5
FFO/net debt <sup>3</sup>	111.1	- 107.7	1,093.7	111.1
FFO/adjusted net debt <sup>3</sup>	39.6	120.5	55.0	39.6
EBITDA/net financial items (x)	16.5	17.6	6.0	6.4
EBITDA/net financial items (x) <sup>2</sup>	11.3	14.2	10.9	10.4
Equity/assets ratio	20.2	24.4	16.3	20.2
Gross debt/equity	88.2	66.7	137.1	88.2
Net debt/equity	29.0	- 17.9	3.0	29.0
Gross debt/gross debt plus equity	46.9	40.0	57.8	46.9
Net debt/net debt plus equity	22.5	- 21.8	2.9	22.5
Net debt/EBITDA (x) <sup>3</sup>	1.2	- 0.5	0.1	1.2
Adjusted net debt/EBITDA (x) <sup>3</sup>	3.3	0.4	2.5	3.3

1) See Definitions and calculations of key ratios for definitions of Alternative Performance Measures.

2) Based on Underlying operating profit.

3) Last 12-month values.

# Quarterly information, Vattenfall Group

Amounts in SEK million	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>Income statement</b>					
Net sales	96 788	78 819	53 076	48 170	59 579
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	21 300	- 18 509	16 386	15 386	17 249
Underlying EBITDA	14 513	18 309	10 820	12 660	13 970
Operating profit (EBIT)	16 332	- 24 062	12 192	11 730	12 783
Underlying EBIT	9 545	13 469	6 232	8 107	9 504
Profit before income taxes	15 938	- 24 719	9 728	6 469	8 433
Profit for the period	11 818	- 16 959	6 684	4 231	6 064
- of which, attributable to owner of the Parent Company	11 182	- 17 605	6 242	4 478	5 782
- of which, attributable to non-controlling interests	636	646	442	- 247	282
<b>Balance sheet</b>					
Capital employed	320 313	318 041	258 447	289 959	276 749
Net debt	- 41 055	- 3 858	116 008	29 321	37 611
<b>Cash flow</b>					
Funds from operations (FFO)	11 787	14 597	7 305	11 911	8 382
Cash flow from operating activities	- 32 197	- 107 860	90 385	21 687	- 3 058
Cash flow from investing activities	26 835	25 006	- 37 201	12 523	18 676
Cash flow from financing activities	- 52 189	19 836	29 229	- 43 145	13 768
<b>Cash flow for the period</b>	<b>- 57 551</b>	<b>- 63 018</b>	<b>82 413</b>	<b>- 8 935</b>	<b>29 386</b>
<b>Free cash flow</b>	<b>- 36 502</b>	<b>- 113 423</b>	<b>87 786</b>	<b>20 026</b>	<b>- 5 514</b>

In % unless otherwise stated. (x) means times <sup>1</sup>	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>Key ratios</b>					
Return on equity	2.9	- 0.7	14.8	23.5	31.0
Return on capital employed <sup>2</sup>	5.4	4.2	17.3	19.3	21.8
Return on capital employed <sup>2,3</sup>	12.5	12.5	12.8	11.0	10.5
EBIT interest cover (x) <sup>2</sup>	2.6	2.3	7.9	10.3	14.9
EBIT interest cover (x) <sup>2,3</sup>	5.7	6.4	5.9	6.0	7.3
FFO/gross debt <sup>2</sup>	36.5	23.9	30.0	36.3	28.8
FFO/net debt <sup>2</sup>	111.1	1,093.7	- 39.8	- 153.4	- 107.7
FFO/adjusted net debt <sup>2</sup>	39.6	55.0	n/a <sup>4</sup>	103.0	120.5
Equity/Total assets	20.2	16.3	18.5	20.6	24.4
Gross debt/equity	88.2	137.1	75.3	65.6	66.7
Net debt/equity	29.0	3.0	- 56.8	- 15.5	- 17.9
Net debt/net debt plus equity	22.5	2.9	- 131.4	- 18.4	- 21.8
Net debt/EBITDA (x) <sup>2</sup>	1.2	0.1	- 2.0	- 0.4	- 0.5
Adjusted net debt/EBITDA (x) <sup>2</sup>	3.3	2.5	- 0.7	0.6	0.4

1) See Definitions and calculations of key ratios for definitions of Alternative Performance Measures.

2) Last 12-month values.

3) Based on Underlying operating profit.

4) The adjusted net debt decreased to a net asset mainly due to increased margin calls received.



## NOTE 1 | Accounting policies, risks and uncertainties

### Accounting policies

This interim report for the Group has been prepared in accordance with IAS 34 – “Interim Financial Reporting”, and the Swedish Annual Accounts Act. The accounting policies and calculation methods applied in this interim report are the same as those described in Vattenfall’s 2022 Annual and Sustainability Report in Note 3 to the consolidated accounts, Accounting policies. Amended IFRSs endorsed by the EU for application in the 2023 financial year have no significant effect on Vattenfall’s financial statements.

### Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Vattenfall’s 2022 Annual and Sustainability Report, pages 82-92. The developments in the energy markets effects Vattenfall’s entire operation. In contrast to the previous year, volatility of commodity prices has decreased noticeably. The trend with price declines, observable at the end of 2022, have continued during the first quarter 2023.

Margining arrangements like Credit Support Annex continue to be challenging for the liquidity position of many companies. Due to the decrease in electricity prices, Vattenfall is now reporting a high cash outflow from both the repayment of margins received and the payment of margin to counterparties.

The central banks are trying to counter inflation by, for example, raising policy rates. Nevertheless, inflation remains at a high level.

The high inflation leads to increased costs, e.g. for raw materials and services which affects Vattenfall’s operating activities and investments.

### Other

Significant related-party transactions are described in Note 44 to the consolidated accounts in Vattenfall’s 2022 Annual and Sustainability Report. No material changes have taken place in relations or transactions with related parties since the publication.

## NOTE 2 | Exchange rates

### KEY EXCHANGE RATES APPLIED IN THE ACCOUNTS OF THE VATTENFALL GROUP

	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
<b>Average rate</b>			
EUR	11.2071	10.4205	10.6258
DKK	1.0506	1.4008	1.4283
GBP	12.7216	12.4314	12.4463
USD	10.4270	9.3085	10.0881
	<b>31 Mar 2023</b>	<b>31 Mar 2022</b>	<b>31 Dec 2022</b>
<b>Balance sheet date rate</b>			
EUR	11.2805	10.3370	11.1218
DKK	1.5145	1.3898	1.4956
GBP	12.8304	12.2194	12.5397
USD	10.3729	9.3118	10.4273

### NOTE 3 | Financial instruments by measurement category and related effects on income

For assets and liabilities with a remaining maturity less than three months (e.g., cash and bank balances, trade receivables and other receivables and trade payables and other payables), fair value is considered to be equal to the carrying amount. For other shares and participations the fair value is approximated by using cost.

The carrying amounts of financial assets do not differ significantly from their fair values. The difference between carrying amounts and fair values for financial liabilities amounts to SEK -3,479 million (31 December 2022: -4,329).

Financial instruments that are measured at fair value on the balance sheet are described below according to the fair value hierarchy (levels), which in IFRS 13 is defined as:

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

**Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). In Level 2 Vattenfall reports mainly commodity derivatives, currency-forward contracts and interest rate swaps.

**Level 3:** Inputs for the asset or liability that are not based on observable market data.

#### FINANCIAL ASSETS AND LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON THE BALANCE SHEET AT 31 MARCH 2023

Amounts in SEK million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Share in the Swedish Nuclear Waste Fund	48 871	—	—	48 871
Derivative assets	—	76 347	- 492	75 855
Short-term investments, cash equivalents and other shares and participations	31 826	11 640	—	43 466
<b>Total assets</b>	<b>80 697</b>	<b>87 987</b>	<b>- 492</b>	<b>168 192</b>
<b>Liabilities</b>				
Derivative liabilities	—	149 089	—	149 089
<b>Total liabilities</b>	<b>—</b>	<b>149 089</b>	<b>—</b>	<b>149 089</b>

#### FINANCIAL ASSETS AND LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON THE BALANCE SHEET AT 31 DECEMBER 2022

Amounts in SEK million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Share in the Swedish Nuclear Waste Fund	47 517	—	—	47 517
Derivative assets	—	121 871	- 992	120 879
Short-term investments, cash equivalents and other shares and participations	74 826	9 029	—	83 855
<b>Total assets</b>	<b>122 343</b>	<b>130 900</b>	<b>- 992</b>	<b>252 251</b>
<b>Liabilities</b>				
Derivative liabilities	—	196 994	—	196 994
<b>Total liabilities</b>	<b>—</b>	<b>196 994</b>	<b>—</b>	<b>196 994</b>

## NOTE 4 | Items affecting comparability

Items affecting comparability include capital gains and capital losses from shares and other non-current assets, impairment losses and reversed impairment losses and other material items that are of an infrequent nature. Also included here are, for trading activities, changes in the fair value of energy derivatives, which according to IFRS 9 cannot be recognised using hedge accounting and changes in the fair value of inventories.

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Items affecting comparability	6 787	3 279	- 24 668	- 21 160
- of which, capital gains	298	17	312	593
- of which, capital losses	- 3	- 3	- 122	- 122
- of which, impairment losses	—	—	- 90	- 90
- of which, reversed impairment losses	—	—	668	668
- of which, provisions	944	—	- 5 206	- 4 262
- of which, changes in the fair value of energy derivatives	6 204	4 810	- 17 709	- 16 315
- of which, changes in the fair value of inventories	- 656	- 1 542	- 2 406	- 1 520
- of which, other non-recurring items affecting comparability	—	- 3	- 115	- 112

Items affecting comparability amounted to SEK 6.8 billion during the first quarter 2023, most of which pertains to changes in market value for energy derivatives.

Items affecting comparability amounted to SEK 3.3 billion during the first quarter 2022, most of which pertains to changes in market value for energy derivatives and inventories.

## **NOTE 5 | Acquired and divested operations**

### **Acquired operations**

On 4 January, Vattenfall acquired 100% of the shares in Bristol Heat Networks Ltd. (United Kingdom). The total purchase price for the shares was SEK 272 million, and the fair value of total net assets acquired is SEK 250 million. In addition to this a number of small companies have been acquired during the period, for which the combined purchase price amounts to SEK 41 million.

### **Divested operations**

On 31 January, Vattenfall finalized the divestment of the gas-fired power plant Magnum in the Netherlands to RWE. On 1 March the sale of the company Vattenfall Heizkraftwerk Moorburg GmbH to Hamburger Energiewerke (HEnW) was completed. Total capital gain for these transactions amounts to SEK 165 million.

# The Parent Company Vattenfall AB

## Accounting policies

The Parent Company Vattenfall AB's accounts are prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 – Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The accounting policies used in this interim report are the same as those described in Vattenfall's 2022 Annual and Sustainability Report, Note 3 to the Parent Company accounts, Accounting policies. Amended accounting policies applicable from 1 January 2023 has had no significant effect on the Parent Company's financial statements.

## January – March 2023

A condensed income statement and balance sheet for the Parent Company are presented below.

- Net sales amounted to SEK 14,555 million (9,045).
- In cost related to production, positive unrealised changes in market value for energy derivatives for futures years energy production amounting to SEK 17,132 million are included.
- Profit before appropriations and income taxes was SEK 19,333 million (-15,182).
- The balance sheet total was SEK 350,725 million (31 December 2022: 435,557).
- In accordance with a decision taken in an extraordinary general meeting on 22 December 2022, registered by the Swedish

Companies Registration Office on 20 March 2023, a bonus issue amounting to SEK 39,275 million was made. The bonus issue was performed without issue of new shares followed by a reduction of share capital with the corresponding amount without withdrawal of shares. The net effect is reduced restricted equity by SEK 39,275 million and increased unrestricted equity with the same amount.

- Investments during the period amounted to SEK 184 million (175).
- Cash and cash equivalents, and short-term investments amounted to SEK 61,719 million (31 December 2022: 132,911).

## Risks and uncertainties

See Note 1 to the consolidated accounts, Accounting policies, risks and uncertainties.

## Other

Significant related-party transactions are described in Note 44 to the consolidated accounts, Related party disclosures, in Vattenfall's 2022 Annual and Sustainability Report. No material changes have taken place in relations or transactions with related parties compared with the description in Vattenfall's 2022 Annual and Sustainability Report.



# Parent Company income statement

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Net sales	14 555	9 045	40 078
Costs related to production	9 121	- 20 755	- 67 495
Other external expenses	- 1 333	- 1 399	- 5 194
Personnel expenses	- 1 209	- 1 231	- 2 999
Other operating incomes and expenses, net	250	- 81	8
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>21 384</b>	<b>- 14 421</b>	<b>- 35 602</b>
Depreciation, amortisation and impairments	- 178	- 162	- 688
<b>Operating profit (EBIT)</b>	<b>21 206</b>	<b>- 14 583</b>	<b>- 36 290</b>
Result from participations in subsidiaries	—	1	15 972
Result from participations in associated companies	1	—	- 61
Other financial income	805	448	1 702
Other financial expenses	- 2 679	- 1 048	- 5 640
<b>Profit before appropriations and income taxes</b>	<b>19 333</b>	<b>- 15 182</b>	<b>- 24 317</b>
Appropriations	- 285	2 177	6 839
<b>Profit before income taxes</b>	<b>19 048</b>	<b>- 13 005</b>	<b>- 17 478</b>
Income taxes	- 3 927	2 426	6 357
<b>Profit for the period</b>	<b>15 121</b>	<b>- 10 579</b>	<b>- 11 121</b>

# Parent Company balance sheet

Amounts in SEK million	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Non-current assets</b>			
Intangible assets: non-current	265	310	278
Property, plant and equipment	7 091	6 885	7 110
Shares and participations	167 792	167 015	167 754
Deferred tax assets	5 312	4 865	8 992
Other non-current receivables	3 984	5 256	3 836
Other non-current receivables, group	66 460	65 493	68 367
<b>Total non-current assets</b>	<b>250 904</b>	<b>249 824</b>	<b>256 337</b>
<b>Current assets</b>			
Inventories	396	291	355
Intangible assets: current	—	23	17
Current receivables	22 423	21 478	33 847
Current receivables Group	15 140	6 718	11 947
Current tax assets	143	2 947	143
Short-term investments	28 448	78 877	65 029
Cash and cash equivalents	33 271	67 404	67 882
<b>Total current assets</b>	<b>99 821</b>	<b>177 738</b>	<b>179 220</b>
<b>Total assets</b>	<b>350 725</b>	<b>427 562</b>	<b>435 557</b>
<b>Equity, provisions and liabilities</b>			
<b>Equity</b>			
Restricted equity			
Share capital (131,700,000 shares with a share quota value of SEK 50)	6 585	6 585	6 585
Revaluation reserve	—	37 989	37 989
Other reserves	2	1 363	1 286
Non-restricted equity			
Retained earnings	71 045	66 230	42 894
Profit for the period	15 121	- 10 579	- 11 121
<b>Total equity</b>	<b>92 753</b>	<b>101 588</b>	<b>77 633</b>
<b>Untaxed reserves</b>	<b>2 613</b>	<b>4 991</b>	<b>2 328</b>
<b>Provisions</b>	<b>6 800</b>	<b>6 099</b>	<b>6 360</b>
<b>Non-current liabilities</b>			
Hybrid capital	17 992	20 618	17 760
Other interest-bearing liabilities	68 902	39 827	71 504
Other interest-bearing liabilities, group	221	1 573	222
Other noninterest-bearing liabilities	8 125	724 <sup>1</sup>	8 919
<b>Total non-current liabilities</b>	<b>95 240</b>	<b>62 742</b>	<b>98 405</b>
<b>Current liabilities</b>			
Hybrid capital	4 149	—	4 171
Other interest-bearing liabilities	22 361	68 617	75 722
Other interest-bearing liabilities, group	92 587	144 880	117 406
Other noninterest-bearing liabilities	21 348	24 746	37 694
Other noninterest-bearing liabilities, group	12 874	13 899 <sup>1</sup>	15 838
<b>Total current liabilities</b>	<b>153 319</b>	<b>252 142</b>	<b>250 831</b>
<b>Total equity, provisions and liabilities</b>	<b>350 725</b>	<b>427 562</b>	<b>435 557</b>

1) The value has been adjusted compared with information previously published in Vattenfall's financial reports.

# Definitions and calculations of key ratios

## Alternative Performance Measures

In order to ensure a fair presentation of the Group's operations, the Vattenfall Group uses a number of Alternative Performance Measures that are not defined in IFRS or in the Swedish Annual Accounts Act. The Alternative Performance Measures that Vattenfall uses are described

below, including their definitions and how they are calculated. The Alternative Performance Measures used are unchanged compared with earlier periods.

	<b>Definition</b>
EBIT:	Operating profit (Earnings Before Interest and Tax)
EBITDA:	Operating profit before depreciation, amortisation and impairment losses (Earnings Before Interest, Tax, Depreciation and Amortisation)
Items affecting comparability:	Capital gains and capital losses from shares and other non-current assets, impairment losses and reversed impairment losses and other material items that are of an infrequent nature. Also included here are, for trading activities, changes in the fair value of energy derivatives, which according to IFRS 9 cannot be recognised using hedge accounting and changes in the fair value of inventories. See Consolidated income statement for a specification of items affecting comparability.
Underlying EBITDA:	Underlying operating profit before depreciation, amortisation and impairment losses. This measure is intended to provide a better view on the operating result by excluding items affecting comparability that are of an infrequent nature, while also excluding non-cash depreciation and amortisation.
Underlying EBIT:	Operating profit excluding items affecting comparability. This measure is intended to provide a better view on the operating result by excluding items affecting comparability that are of an infrequent nature.
FFO:	Funds From Operations, see Consolidated statement of cash flow
Free cash flow:	Cash flow from operating activities less maintenance investments
Interest-bearing liabilities	See Consolidated balance sheet - Supplementary Information
Net debt:	See Consolidated balance sheet - Supplementary Information
Adjusted net debt:	See Consolidated balance sheet - Supplementary Information
Capital employed:	Total assets less financial assets, noninterest-bearing liabilities and certain other interest-bearing provisions not included in adjusted net debt. see Consolidated balance sheet - Supplementary Information
<b>Other definitions</b>	<b>Definition</b>
Hybrid Capital:	Perpetual subordinated securities, junior to all Vattenfall's unsubordinated debt instruments.
LTIF:	Lost Time Injury Frequency (LTIF) is expressed in terms of the number of lost time work injuries (per 1 million hours worked), i.e., work-related accidents resulting in absence longer than one day, and accidents resulting in fatality.

## CALCULATION OF EBITDA, UNDERLYING EBITDA AND UNDERLYING EBIT

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Operating profit (EBIT)	16 332	12 783	12 645	16 194
Depreciation, amortisation and impairment losses	- 4 968	- 4 466	- 17 868	- 18 370
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>21 300</b>	<b>17 249</b>	<b>30 513</b>	<b>34 564</b>
Items affecting comparability excl. impairment losses and reversed impairment losses	- 6 787	- 3 279	25 246	21 738
<b>Underlying EBITDA</b>	<b>14 513</b>	<b>13 970</b>	<b>55 759</b>	<b>56 302</b>
Operating profit (EBIT)	16 332	12 783	12 645	16 194
Items affecting comparability	- 6 787	- 3 279	24 668	21 160
<b>Underlying EBIT</b>	<b>9 545</b>	<b>9 504</b>	<b>37 313</b>	<b>37 354</b>

The key ratios are presented as percentages (%) or times (x).

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**KEY RATIOS BASED ON CONTINUING OPERATIONS AND LAST 12-MONTH VALUES APRIL 2022 – MARCH 2023**

<b>Operating margin, %</b>	= 100 x	$\frac{\text{EBIT}}{\text{Net sales}}$	$\frac{16\,194}{276\,853}$	=	5.8
<b>Operating margin excl items affecting comparability, %</b>	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Net sales}}$	$\frac{37\,354}{276\,853}$	=	13.5
<b>Pre-tax profit margin, %</b>	= 100 x	$\frac{\text{Profit before income taxes}}{\text{Net sales}}$	$\frac{7\,418}{276\,853}$	=	2.7
<b>Pre-tax profit margin excl items affecting comparability, %</b>	= 100 x	$\frac{\text{Profit before income taxes excl items affecting comparability}}{\text{Net sales}}$	$\frac{28\,572}{276\,853}$	=	10.3
<b>Return on equity, %</b>	= 100 x	$\frac{\text{Profit for the period attributable to owner of the Parent Company}}{\text{Average equity for the period attributable to owner of the Parent Company excl the Reserve for cash flow hedges}}$	$\frac{4\,298}{149\,167}$	=	2.9
<b>Return on capital employed, %</b>	= 100 x	$\frac{\text{EBIT}}{\text{Capital employed, average}}$	$\frac{16\,194}{298\,531}$	=	5.4
<b>Return on capital employed excl items affecting comparability, %</b>	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Capital employed, average}}$	$\frac{37\,354}{298\,531}$	=	12.5
<b>EBIT interest cover, (x)</b>	=	$\frac{\text{EBIT} + \text{financial income}}{\text{Financial expenses excl discounting effects attributable to provisions}}$	$\frac{17\,533}{6\,760}$	=	2.6
<b>EBIT interest cover excl Items affecting comparability, (x)</b>	=	$\frac{\text{Underlying EBIT} + \text{financial income}}{\text{Financial expenses excl discounting effects attributable to provisions}}$	$\frac{38\,693}{6\,760}$	=	5.7
<b>FFO interest cover, (x)</b>	=	$\frac{\text{FFO} + \text{financial expenses excl discounting effects attributable to provisions}}{\text{Financial expenses excl discounting effects attributable to provisions}}$	$\frac{52\,359}{6\,760}$	=	7.7
<b>FFO interest cover, net, (x)</b>	=	$\frac{\text{FFO} + \text{financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}{\text{Financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}$	$\frac{51\,020}{5\,421}$	=	9.4

<b>Cash flow interest cover after maintenance investments, (x)</b>	=	Cash flow from operating activities less maintenance investments + financial expenses excl Discounting effects attributable to provisions and interest components related to pension costs	<u>-36 050</u>	=	-5.9
		Financial expenses excl discounting effects attributable to provisions and interest components related to pension costs	<u>6 064</u>		
<b>FFO/gross debt, %</b>	= 100 x	<u>FFO</u>	<u>45 599</u>	=	36.5
		Interest-bearing liabilities	<u>124 935</u>		
<b>FFO/net debt, %</b>	= 100 x	<u>FFO</u>	<u>45 599</u>	=	111.1
		Net debt	<u>41 055</u>		
<b>FFO/adjusted net debt, %</b>	= 100 x	<u>FFO</u>	<u>45 599</u>	=	39.6
		Adjusted net debt	<u>115 221</u>		
<b>EBITDA/net financial items, (x)</b>	=	<u>EBITDA</u>	<u>34 564</u>	=	6.4
		Financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	<u>5 421</u>		
<b>EBITDA excl items affecting comparability/net financial items, (x)</b>	=	<u>EBITDA excl items affecting comparability</u>	<u>56 302</u>	=	10.4
		Financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	<u>5 421</u>		

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#### KEY RATIOS BASED ON THE BALANCE SHEET PER 31 MARCH 2023

<b>Equity/assets ratio, %</b>	= 100 x	<u>Equity</u>	<u>141 623</u>	=	20.2
		Balance sheet total	<u>700 233</u>		
<b>Gross debt/equity, %</b>	= 100 x	<u>Interest-bearing liabilities</u>	<u>124 935</u>	=	88.2
		Equity	<u>141 623</u>		
<b>Net debt/equity, %</b>	= 100 x	<u>Net debt</u>	<u>41 055</u>	=	29.0
		Equity	<u>141 623</u>		
<b>Gross debt/gross debt equity, %</b>	= 100 x	<u>Interest-bearing liabilities</u>	<u>124 935</u>	=	46.9
		Interest-bearing liabilities + equity	<u>266 558</u>		
<b>Net debt/net debt plus equity, %</b>	= 100 x	<u>Net debt</u>	<u>41 055</u>	=	22.5
		Net debt + equity	<u>182 678</u>		
<b>Net debt/EBITDA, (x)</b>	=	<u>Net debt</u>	<u>41 055</u>	=	1.2
		EBITDA	<u>34 564</u>		
<b>Adjusted net debt/EBITDA, (x)</b>	=	<u>Adjusted net debt</u>	<u>115 221</u>	=	3.3
		EBITDA	<u>34 564</u>		

**Interim report signature**

Solna, 27 April 2023

Anna Borg  
President and CEO

This interim report has not been reviewed by the company's auditor.

**Financial calendar**

Interim report January-June, 20 July 2023

Interim report January-September, 26 October 2023

Year-end report 2023, 6 February 2024 (preliminary)

**Contact information**

Vattenfall AB (publ)  
SE-169 92 Stockholm  
Corporate identity number 556036-2138  
T +46-8-739 50 00

[www.vattenfall.com](http://www.vattenfall.com)

[www.vattenfall.se](http://www.vattenfall.se)

Anna Borg  
President and CEO  
T +46-8-739 64 28

Kerstin Ahlfont  
CFO  
T +46-8-739 51 67

Johan Sahlqvist  
Head of Group Control & Investor Relations  
T +46-8-739 72 51

Vattenfall's press office  
T +46-8-739 50 10  
[press@vattenfall.com](mailto:press@vattenfall.com)

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