

# Interim report January–June 2023

## Business highlights, April–June 2023

- Lower electricity prices and reduced price area differences
- Vattenfall stops the development of the offshore wind power project Norfolk Boreas in the UK which gave rise to a negative impact on earnings of SEK 5.5 billion
- Vattenfall's goal of net-zero emissions by 2040 has been approved by the Science Based Targets initiative
- Work started on increasing capacity at four existing sites for hydro power generation in Sweden
- Inauguration of the South Kyle onshore wind farm in the UK and completed construction of the Hollandse Kust Zuid offshore wind farm in the Netherlands
- Vattenfall has been allocated more capacity by the Swedish TSO Svenska kraftnät, which will enable continued expansion of the electricity grid

## Financial highlights, January–June 2023

- Net sales increased by 47% (38% excluding currency effects) to SEK 158,539 million (107,749)
- Underlying operating profit<sup>1</sup> of SEK 14,604 million (16,314)
- Operating profit<sup>1</sup> of SEK 13,541 million (24,513)
- Profit for the period of SEK 6,923 million (10,295)

## Financial highlights, April–June 2023

- Net sales increased by 28% (18% excluding currency effects) to SEK 61,750 million (48,170)
- Underlying operating profit<sup>1</sup> of SEK 5,057 million (6,811)
- Operating profit<sup>1</sup> of SEK -2,791 million (11,730)
- Profit for the period of SEK -4,895 million (4,231)

## KEY DATA

Amounts in SEK million unless indicated otherwise	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
Net sales	158 539	107 749	61 750	48 170	239 644	290 434
Operating profit before depreciation, amortisation and impairment losses (EBITDA) <sup>1</sup>	27 132	32 635	5 833	15 386	30 513	25 010
Operating profit (EBIT) <sup>1</sup>	13 541	24 513	-2 791	11 730	12 645	1 673
Underlying EBIT <sup>1</sup>	14 604	16 314 <sup>4</sup>	5 057	6 811 <sup>4</sup>	35 075 <sup>4</sup>	33 365
Profit for the period	6 923	10 295	-4 895	4 231	21	-3 351
Electricity generation, TWh	51.9	55.5	23.7	24.6	108.9	105.3
Sales of electricity, TWh <sup>2</sup>	85.1	83.3	39.4	38.7	165.3	167.1
- of which, customer sales	62.9	56.8	28.4	26.0	111.4	117.5
Sales of heat, TWh	8.0	8.2	2.3	2.4	14.1	13.9
Sales of gas, TWh	25.9	28.3	7.6	8.2	47.3	44.9
Return on capital employed, % <sup>1</sup>	0.5 <sup>3</sup>	19.3 <sup>3</sup>	0.5 <sup>3</sup>	19.3 <sup>3</sup>	4.2	0.5
FFO/adjusted net debt, % <sup>1</sup>	30.6 <sup>3</sup>	103.0 <sup>3</sup>	30.6 <sup>3</sup>	103.0 <sup>3</sup>	55.0	30.6

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.

4) The value has been adjusted compared with information previously published in Vattenfall's financial reports, see note 1 Accounting policies, risks and uncertainties.

*This information is such that Vattenfall AB is required to make public in accordance with the Swedish Securities Market Act.*

## CEO's comment

# A positive development for the customer business and challenges in offshore wind power

Vattenfall's business is in general progressing well. We benefit from our integrated business model with better results from Distribution, Heat and Customers & Solutions. However, overall we report a lower result for the half year, mainly due to an impairment in offshore wind power. Falling market prices were partly compensated by our price hedges.

### Lower market prices and effects of price hedging

Compared to 2022, electricity prices in the Nordics have almost halved, while the difference between electricity price areas have decreased significantly. In northern Sweden, spot prices have nevertheless been higher, which together with the effects of price hedging has contributed to Vattenfall being paid more for its electricity in the Nordics. On the continent, electricity prices have also been significantly lower, which affects the result from the Wind segment. This has an additional impact on the Power Generation segment where the results from our continental price hedges are reported. These have not been as effective as in the Nordics.

### Higher costs, especially in offshore wind power

Although demand for fossil-free electricity is greater than ever, the market for offshore wind power is challenging. Higher inflation and capital costs are affecting the entire energy sector, but the geopolitical situation has made offshore wind and its supply chain particularly vulnerable. Overall, we see cost increases up to 40%. This development affects future profitability and means that Vattenfall makes an impairment for wind power in Norfolk, UK, with a total impact on earnings of SEK 5.5 billion. We have decided to stop the development of Norfolk Boreas in its current form and not take an investment decision now due to mentioned factors, which triggers the impairment.

We will examine the best way forward for the entire Norfolk Zone, which in addition to Boreas also includes the Vanguard East and West projects. Over the past decade, Vattenfall has built up its wind operations which today is a valuable and profitable business generating an underlying profit of more than SEK 16 billion last year. We have attractive wind power projects in the pipeline, and investment decisions will always be based on profitability. We are convinced that offshore wind power is crucial for energy security and meeting the climate goals in Europe.

The profit for the period in the first half of the year amounted to SEK 6.9 billion, which is SEK 3.4 billion lower than in 2022. The impairment of Norfolk Boreas is partly offset by a positive financial net due to higher returns from the Nuclear Waste Fund.

### A profitable and sustainable business model

Vattenfall reports higher contributions from both the heat and customer business. In Germany, we now have over 5 million customers, which makes Vattenfall one of the three largest energy suppliers for private customers in the country. However, lower contributions from Power Generation and Wind generate a lower underlying profit for the first half of 2023. The underlying profit for Vattenfall is SEK 14.6 billion, which is SEK 1.7 billion less compared to the same period in 2022.

Overall, Vattenfall has a continued stable capital structure with reassuring cash flow in relation to our financial commitments. The return on capital employed amounted to 0.5% and is affected by impairments and the valuation of electricity and fuel contracts at fair value. On an underlying basis, the figure however amounted to 10.7%, which demonstrates that our diversified and integrated business model is working.

### Additional steps towards a fossil-free future

Vattenfall's goal is to enable fossil-free living. This permeates all of our operations and means we stand strong as a company. In June, Vattenfall was one of nine companies globally to have its net-zero emissions targets by 2040 verified by the Science Based Target Initiative (SBTI). We also recently inaugurated Vattenfall's largest onshore wind farm in the UK, South Kyle, and have completed the construction of the offshore wind farm Hollandse Kust Zuid in the Netherlands.

We continue to work on our preliminary study on the feasibility regarding new construction of small modular nuclear reactors (SMR) in Sweden, a study which is scheduled to be completed by the end of the year. New nuclear power, alongside other fossil-free energy sources, will be crucial in ensuring that Sweden will meet the increasing demand for electricity in the long-term.



*Anna Borg*  
**Anna Borg**  
President and CEO

Profit for the period  
First half of 2023

**6.9**  
SEK billion

(10.3)

Underlying operating profit  
First half of 2023

**14.6**  
SEK billion

(16.3)

FFO/adjusted net debt  
Last 12 months

**30.6%**  
(103.0)

Return on capital employed  
Last 12 months

**0.5%**  
(19.3)

# 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 half of 2023, the electricity market has been characterised by lower prices, with the exception of electricity prices in northern Sweden. Increased gas stocks, a milder winter and increased nuclear power generation 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 contributed to a higher achieved price after price hedging.

## ELECTRICITY SPOT PRICES, EUR/MWh

The average spot price in the Nordics decreased during the first half of 2023 compared to the corresponding period in 2022 as a result of lower electricity prices on the continent, which is mainly attributable to lower fuel prices.

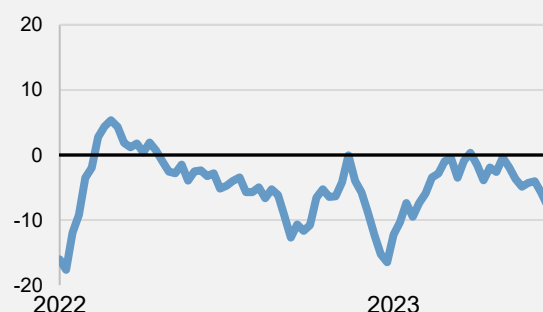
	Jan-Jun			Apr-Jun		
	2023	2022	Change	2023	2022	Change
Nordics	70.4	115.6	-39%	55.80	121.10	-54%
Germany	104.0	185.8	-44%	92.3	187.0	-51%
Netherlands	105.3	201.5	-48%	89.4	195.6	-54%

## 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 has weakened, especially during the turbulent period of 2022.

At the end of the second quarter of 2023, the hydrological balance in the Nordic region was below normal, mainly due to warm and dry weather in June. This contributed to higher electricity prices in northern Sweden.

## NORDIC HYDROLOGICAL BALANCE (TWh)

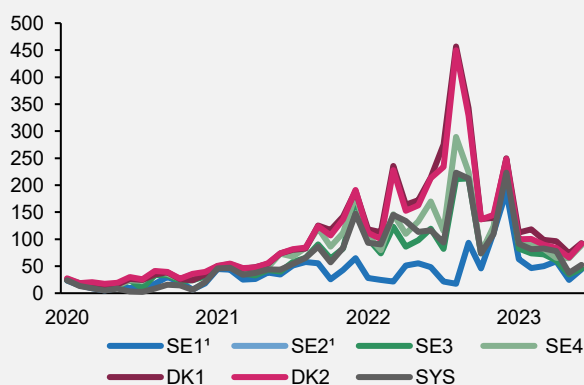


The fill rate in Vattenfall's water reservoirs amounted to 58% (79%), which is 3 percentage points below the normal level.

## 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, most of which are located in SE4. 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)



1 Difference between SE1 and SE2 is invisible due to high correlation

The price area differences were at a lower level during the first half of 2023 compared to the corresponding period in 2022. Prices in southern and central Sweden are at a lower level compared to 2022, while prices in northern Sweden have risen. Prices in Denmark have followed a similar trend to southern Sweden. During 2022, price area differences rose in Sweden due to increased export demand in combination with limitations in the transmission grid.

### INDICATIVE NORDIC HEDGE PRICES AND VOLUME HEDGE RATIO (SE, DK, FI) AS PER 30 JUNE 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	47	51
Hedge ratio (%)	53	47	29

### 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-Jun		Apr-Jun		Full year
	2023	2022	2023	2022	
EUR/MWh	38	18	35	15	27

Vattenfall's achieved price in the Nordics increased during the first half of 2023 primarily due to reduced price area differences.

### 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-Jun		Apr-Jun		
	2023	2022 Change	2023	2022 Change	
Gas (EUR/MWh)	44.7	99.1 -55%	35.2	99.0 -64%	
Coal (USD/t)	135.9	284.5 -52%	124.7	338.1 -63%	
CO <sub>2</sub> (EUR/t)	86.6	83.1 4%	86.4	83.3 4%	

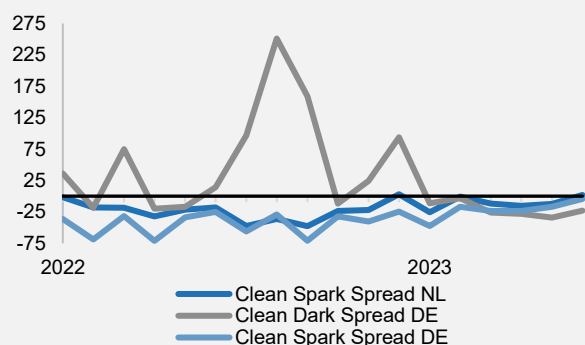
The price of gas and coal has dropped during the first half of the year, driven by well-filled gas stocks and low demand in Asia. The price of emission rights for carbon dioxide increased slightly compared to the first half of 2022.

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

### 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

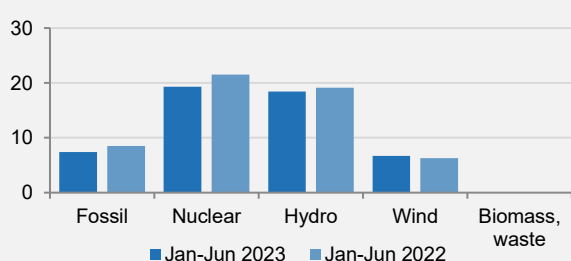


The clean spark spreads in Germany was negative in the first half of 2023 but higher compared to the corresponding period in 2022 when gas prices were higher. The clean dark spread is at a lower level compared to the first half of 2022 when the reduced supply of gas contributed to increased margins for coal-fired production. In the Netherlands, the clean spark spread was higher compared to the first half of 2022 as a result of lower gas prices..

## Generation development

Combined electricity generation declined by 3.6 TWh to 51.9 TWh (55.5) during the first half of 2023. Generation from nuclear power decreased (-2.4 TWh) due to the delayed restart of Ringhals 4. Generation from fossil-based power declined (-1.1 TWh) as a result of the the divestment of the gas-fired power plant Magnum in the Netherlands. Generation from hydro power declined (-0.7 TWh). Generation from wind power increased (0.4 TWh) as a result of new capacity, mainly related to the offshore wind farm Hollandse Kust Zuid.

### 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-Jun	
	2023	2022
Nuclear	82.5%	90.2%
Wind - offshore	95.1%	95.4%
Wind – onshore	95.4%	95.8%

The availability of Vattenfall's nuclear power during the first half 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 past 12 months amounted to 809 MW and mainly pertains to Hollandse Kust Zuid (499 MW out of 1,520 MW), South Kyle (192 MW out of 240 MW), Grönhult (67 MW), Nij Hiddum Houw (15 MW) and A16/Klaverspoor (34 MW).

	30 Jun	30 Jun
	2023	2022
Onshore wind	1,923	1,614
Offshore wind	3,102	2,602
<b>Total</b>	<b>5,025</b>	<b>4,216</b>

## Sales development

Electricity sales, excluding sales to Nord Pool Spot and deliveries to minority owners, increased by 6.1 TWh to 62.9 TWh (56.8), primarily as a result of higher volumes in Germany and in the business segment in France. Gas sales declined by 2.4 TWh to 25.9 TWh (28.3) as a result of less customers and lower average consumption. Heat sales declined by 0.2 TWh to 8.0 TWh (8.2) as a result of warmer weather.

	Jan-Jun		Apr-Jun			
	2023	2022	Change	2023	2022	Change
Sales of electricity to customers, TWh	62.9	56.8	11%	28.4	26.0	9%
Sales of gas, TWh	25.9	28.3	-8%	7.6	8.2	-7%
Sales of heat, TWh	8.0	8.2	-2%	2.3	2.4	-4%

### 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-Jun		Apr-Jun	
	2023	2022	2023	2022
Nordics	0.8	0.9	0.7	0.1
Netherlands	1.1	1.2	0.7	0.6
Germany	1.1	1.2	0.4	0.9

In the first half of 2023, the temperatures in Vattenfall's markets were higher than normal, which affected sales negatively.

## Net sales

**Comment January–June:** Consolidated net sales increased by SEK 50.8 billion (including positive currency effects of SEK 10.2 billion). The increase is mainly attributable to higher prices in customer sales and to some extent increased volumes in the business segment in France.

**Comment April–June:** Consolidated net sales increased by SEK 13.6 billion (including positive currency effects of SEK 4.7 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

**Comment January–June:** Underlying operating profit decreased by SEK 1.7 billion, which is explained by:

- Lower earnings contribution from the Power Generation operating segment (SEK -3.4 billion), mainly owing to a negative effect from continental hedges which have not been as effective as in the Nordics. Higher realised trading result and higher achieved prices in the Nordic countries had an offsetting effect
- Lower earnings contribution from the Wind operating segment (SEK -3.3 billion) primarily due to lower electricity prices
- Higher earnings contribution from the Heat operating segment (SEK +4.5 billion) attributable mainly to higher heating prices which were adjusted after the rise in fuel prices during last year
- Higher earnings contribution from the Distribution operating segment (SEK +0.5 billion), mainly driven by extraordinarily high costs for the transmission network in 2022
- Other items, net (SEK -0.1 billion)

Items affecting comparability amounted to SEK -1.1 billion (8.2), and were affected by impairments and provisions (SEK -5.5 billion) for offshore wind power in Norfolk in the UK. Changes in market value for energy derivatives (SEK 4.9 billion) had an offsetting effect. *See note 4 for further information.* The return on capital employed (ROCE) amounted to 0.5% (19.3%). The return on capital employed based on underlying operating profit amounted to 10.7% (10.4%). Profit for the period totalled SEK 6.9 billion (10.3) and was impacted, in

addition to items affecting comparability, by a higher finance net as a result of higher return from the Swedish Nuclear Waste Fund.

**Comments April–June:** Underlying operating profit decreased by SEK 1.8 billion, mainly owing to negative contribution from the Power Generation (SEK -4.0 billion) and Wind (SEK -0.8 billion) operating segments, which was offset by a positive contribution from the Customers & Solutions (SEK +1.5 billion) and Heat (SEK +1.4 billion) operating segments. Items affecting comparability amounted to SEK -7.8 billion (4.9), the majority of which refers to impairments and provisions (SEK -5.5 billion) for offshore wind power in Norfolk in the UK as well as changes in market value for energy derivatives and inventories (SEK -1.4 billion). Profit for the period totalled SEK -4.9 billion (4.2), and was negatively impacted by items affecting comparability. A higher finance net as a result of higher return from the Swedish Nuclear Waste Fund made a positive contribution.

## Cash flow

**Comment January–June:** Funds from operations (FFO) declined by SEK 3.3 billion primarily due to lower operating profit before depreciation, amortisation and impairment losses (EBITDA) and higher tax paid. Cash flow from changes in working capital amounted to SEK -42.1 billion. The biggest contributing factor was the net change in margin calls (SEK -51.6 billion). In addition, working capital was affected by the reduction in operating receivables within the Power Generation (SEK +10.9 billion) and Customers & Solutions (SEK +2.1 billion) operating segments, which was offset by the increase in operating receivables within the Heat segment (SEK -8.5 billion).

**Comment April–June:** Funds from operations (FFO) decreased by SEK 6.7 billion, primarily due to lower underlying operating profit before depreciation, amortisation and impairment losses (EBITDA) and higher paid tax. Cash flow from changes in working capital amounted to SEK 1.9 billion, and was affected by the decrease in operating receivables within the Customers & Solutions operating segment (SEK +8.7 billion). This was offset by the increase in operating receivables within the Power Generation (SEK -3.3 billion) and Heat (SEK -2.2 billion) segments.

## KEY FIGURES – GROUP OVERVIEW

Amounts in SEK million	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
Net sales	158 539	107 749	61 750	48 170	239 644	290 434
Operating profit before depreciation, amortisation and impairment losses (EBITDA) <sup>1</sup>	27 132	32 635	5 833	15 386	30 513	25 010
Operating profit (EBIT) <sup>1</sup>	13 541	24 513	- 2 791	11 730	12 645	1 673
Underlying operating profit <sup>1</sup>	14 604	16 314 <sup>2</sup>	5 057	6 811 <sup>2</sup>	35 075 <sup>2</sup>	33 365
Items affecting comparability <sup>1</sup>	- 1 063	8 199 <sup>2</sup>	- 7 848	4 919 <sup>2</sup>	- 22 430 <sup>2</sup>	- 31 692
Profit for the period	6 923	10 295	- 4 895	4 231	21	- 3 351
Funds from operations (FFO) <sup>1</sup>	16 949	20 293	5 162	11 911	42 194	38 850
Cash flow from changes in operating assets and operating liabilities (working capital)	- 42 067	- 1 664	1 917	9 776	- 41 040	- 81 443
Cash flow from operating activities	- 25 118	18 629	7 079	21 687	1 154	- 42 593

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

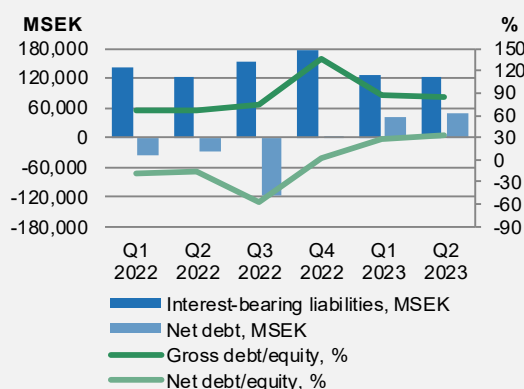
2) The value has been adjusted compared with information previously published in Vattenfall's financial reports, see note 1 Accounting policies, risks and uncertainties.

## Capital structure

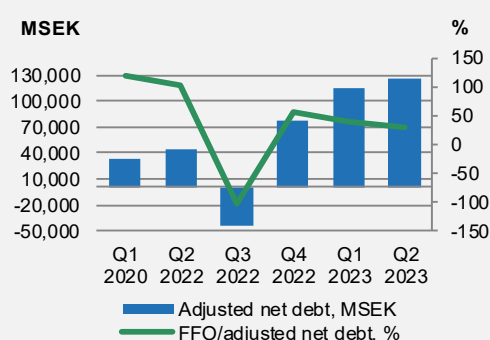
Cash and cash equivalents, and short-term investments decreased by SEK 100.2 billion compared with the level at 31 December 2022. Committed credit facilities consist of a EUR 2.0 billion Revolving Credit Facility that expires in November 2025 and a credit facility of SEK 3.0 billion that expires on 21 December 2023. As of 30 June 2023 available liquid assets and/or committed credit facilities amounted to 43.6% of net sales. Vattenfall's target is to maintain a level of no less than 10% of consolidated net sales, but at least the equivalent of the next 90 days' maturities

Net debt increased by SEK 44.5 billion to SEK 48.4 billion and adjusted net debt increased by SEK 50.1 billion to SEK 126.9 billion compared to 31 December 2022. This is mainly attributable to negative cash flow after investments (SEK -46.8 billion), which is mainly due to payment of margin calls. Dividends paid and negative currency effects increased the net debt by SEK 4.0 billion and SEK 3.6 billion, respectively. The adjusted net debt was also affected by higher provisions for future decommissioning of wind power (SEK 1.8 billion), higher pension provisions (SEK 1.7 billion) and higher provisions for German nuclear power (SEK 0.4 billion).

### NET DEBT



### ADJUSTED NET DEBT



## Strategic focus areas and targets for 2025

Strategic focus area	Targets for 2025	Q2 2023	Outcome 2022
Driving decarbonisation with our customers & partners	1. Customer engagement, absolute Net Promoter Score (NPS) <sup>1</sup> : <b>+18</b>	-	<b>+16</b>
	Securing a fossil-free energy supply	2. CO <sub>2</sub> emissions intensity <sup>2</sup> : <b>≤86 gCO<sub>2</sub>e/kWh</b>	<b>77</b>
Delivering high-performing operations	3. Funds from operations (FFO)/adjusted net debt <sup>3</sup> : <b>22%-27%</b>	<b>30.6%</b>	<b>55.0%</b>
	4. Return On Capital Employed (ROCE) <sup>4</sup> , last 12 months: <b>≥8%</b>	<b>0.5%</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

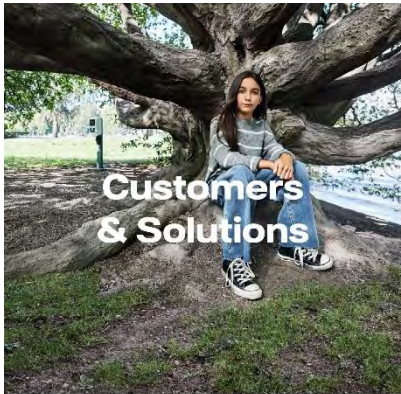
3) Rolling 12-month values. The effect from received variation margin had a significant impact on the outcome for the full 2022 financial year

4) Rolling 12-month values. Market value changes for energy derivatives, changes in inventories and provisions had a significant impact on both the outcome for Q2 and for the full 2022 financial year. The outcome for Q2 was also affected by impairment charges. The Return on capital employed based on underlying operating profit amounted to 10.7%

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



Customers & Solutions



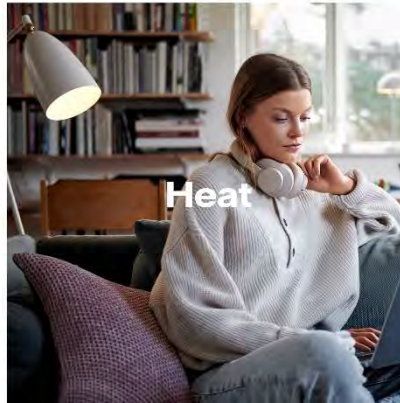
Power Generation - Generation



Power Generation Markets



Wind



Heat



Distribution

Amounts in SEK million	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
<b>Underlying EBIT</b>						
Customers & Solutions	3 638	3 350	2 845	1 383	7 413	7 701
Power Generation	3 902	7 264 <sup>2</sup>	130	4 153 <sup>2</sup>	14 332 <sup>2</sup>	10 970
- of which, realised trading result	3 398	2 388	622	2 345	- 1 360	- 351
Wind	3 443	6 729	1 049	1 829	16 479	13 193
Heat	3 135	- 1 400	866	- 495	- 3 578	957
Distribution	1 775	1 286	418	182	2 070	2 559
Other <sup>1</sup>	- 1 170	- 776	- 247	- 173	- 1 590	- 1 984
Eliminations	- 119	- 139	- 4	- 68	- 51	- 31
<b>Underlying operating profit</b>	<b>14 604</b>	<b>16 314</b>	<b>5 057</b>	<b>6 811</b>	<b>35 075</b>	<b>33 365</b>

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

2) The value has been adjusted compared with information previously published in Vattenfall's financial reports, see note 1 Accounting policies, risks and uncertainties.



## Customers & Solutions

The Customers & Solutions Business Area is responsible for sales of electricity, gas and energy services across all of Vattenfall's markets.

### More customers choose Vattenfall

- Earnings improvement and higher sales of electricity
- Over five million customer contracts in Germany
- Continued expansion of charging station infrastructure for electric cars



**Q1–Q2:** Net sales increased by 56% compared with the first half year 2022. Underlying operating profit increased by 9% and was affected by positive currency effects. Excluding currency effects, the underlying operating profit was unchanged compared to the first half year 2022. The growing customer base in Germany impacted the result positively, which was offset by lower gross margin in the B2C Nordic segment. In the first half year the customer base grew by 3% compared to the end of 2022 to 11.1 million contracts.

Electricity sales increased by 20% compared to the first half year of 2022, primarily attributable to a higher customer base in Germany and higher volumes sold to grid operators in France. Gas sales decreased by 8% owing to a lower customer base and decreased average consumption per customer.

**Q2:** Net sales increased by 21% compared with the second quarter of 2022. Underlying operating profit increased by 106% mainly driven by a higher customer base in Germany and positive currency effects. Electricity sales increased also related

to the higher customer base in Germany as well as to higher volumes sold to grid operators in France. Sales of gas decreased due to a lower customer base and lower average consumption per customer.

In Germany, more and more customers are choosing Vattenfall. At the end of the second quarter, the customer base amounted to over five million electricity and gas contracts. Vattenfall is thus among the three largest suppliers on the private customer market in Germany.

Vattenfall continues to expand its public charging network InCharge for electric cars. In the Netherlands, a total of around 10,000 charging points have been installed in the regions of Brabant-Limburg and Gelderland Overijssel. Vattenfall has also entered into new partnerships for the expansion of charging infrastructure, for example in Germany with the airline Lufthansa Group and in Sweden with the ventilation company Lindab, the property company Svenska Hus and the finance company Storebrand.

### KEY FIGURES – CUSTOMERS & SOLUTIONS

Amounts in SEK million unless indicated otherwise	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
Net sales	123 508	79 418	44 635	36 791	183 151	227 241
External net sales	118 535	75 829	42 687	34 974	174 026	216 732
Underlying EBITDA	4 208	3 809	3 137	1 617	8 393	8 792
Underlying EBIT	3 638	3 350	2 845	1 383	7 413	7 701
Sales of electricity, TWh	57.0	47.5	26.1	22.0	93.5	103.0
- of which, private customers	14.5	14.7	5.9	6.0	27.1	26.9
- of which, resellers	18.3	9.7	8.6	7.3	20.7	29.3
- of which, business customers	24.2	23.1	11.6	8.7	45.7	46.8
Sales of gas, TWh	25.7	27.8	7.5	8.1	46.4	44.3
Number of employees, full-time equivalents	3 431	3 259	3 431	3 259	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 the Group's net exposure in electricity and fuel is reported in this segment.

### Ongoing pre-studies to increase hydro power capacity

- Lower generation from nuclear and hydro power generation during the first half year
- Work started on increasing capacity at four existing sites for hydro power generation
- Agreement with Volvo Group on the supply of renewable electricity from the Bruzaholm wind farm

**Q1–Q2:** Net sales increased by 34%. Underlying operating profit decreased by 46% mainly owing to a negative effect from Continental hedges which have not been as effective as in the Nordics. Lower nuclear power generation (-2.2 TWh) due to the outage of Ringhals 4 in the first quarter as well as lower hydro power generation (-0.6 TWh) had an additional negative impact in combination with less favorable market prices for pumped hydro storage operations in Germany compared to 2022. Higher realised trading result and higher achieved prices in the Nordic countries had an offsetting effect.

**Q2:** Net sales increased by 13%. Underlying operating profit decreased by 97%. The decrease was mainly attributable to a negative effect from Continental hedges which have not been as effective as in the Nordics. The result was also negatively affected by lower generation from hydro power (-1.3 TWh). The realised trading result was affected by lower gas prices compared to the second quarter 2022. Slightly higher generation from nuclear power (+ 0.1 TWh) had an offsetting impact.



Ringhals nuclear power plant

Vattenfall is planning to build new capacity at four existing sites for hydro power generation in order to meet the required demand for fossil-free electricity in the future. The new capacity amount to 720 MW in total. Provided investment decisions, the construction can start 2026 and continue into the 2030s. There is for example an ongoing pre-study for a new unit at Messaure hydro power plant. There is also a pre-study for restoring Juktan power plant to a pumped storage hydro power plant with a potential capacity of up to 380 MW.

Vattenfall has entered into an agreement with the Volvo Group for the supply of 50% of the electricity generated by the onshore Bruzaholm wind farm in Sweden. The agreement runs over a ten-year period starting in 2025 when the 140 MW wind farm is expected to be completed.

The work on the feasibility study for evaluating the possibility of new construction of small modular reactors (SMR) in Sweden is ongoing. The feasibility study is expected to be finalised at the end of the year.

### KEY FIGURES – POWER GENERATION

Amounts in SEK million unless indicated otherwise	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
Net sales	119 175	89 264	45 139	39 848	205 788	235 699
External net sales	16 775	13 275	10 523	6 340	28 193	31 693
Underlying EBITDA	6 537	9 675 <sup>1</sup>	1 450	5 368 <sup>1</sup>	19 383 <sup>1</sup>	16 245
Underlying EBIT	3 902	7 264 <sup>1</sup>	130	4 153 <sup>1</sup>	14 332 <sup>1</sup>	10 970
- of which, realised trading result	3 398	2 388	622	2 345	- 1 360	- 351
Electricity generation, TWh	37.7	40.6	18.0	19.1	80.1	77.2
- of which, hydro power	18.4	19.1	8.2	9.4	40.5	39.8
- of which, nuclear power	19.3	21.5	9.8	9.7	39.6	37.4
Sales of electricity, TWh	5.4	8.2	2.1	3.5	15.6	12.8
- of which, resellers	4.5	7.3	1.9	3.1	13.8	11.0
- of which, business customers	0.9	0.9	0.2	0.4	1.8	1.8
Sales of gas, TWh	0.2	0.5	0.1	0.1	0.9	0.6
Number of employees, full-time equivalents	7 376	7 291	7 376	7 291	7 219	

1) The value has been adjusted compared with information previously published in Vattenfall's financial reports, see note 1 Accounting policies, risks and uncertainties.

## Wind

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

### Lower electricity prices and impairment of wind power project in the UK

- Vattenfall has decided to stop the development of the offshore wind power project Norfolk Boreas in the UK
- Inauguration of Vattenfall's largest onshore wind farm in the UK, South Kyle
- Completed construction of the Hollandse Kust Zuid offshore wind farm in the Netherlands



Hollandse Kust Zuid wind farm, the Netherlands

**Q1–Q2:** Net sales decreased by 14% compared to 2022. Underlying operating profit decreased by 49% driven by lower electricity prices, partly compensated by new capacity from the offshore wind farm Hollandse Kust Zuid in the Netherlands. Electricity generation increased by around 5% driven by Hollandse Kust Zuid.

**Q2:** Net sales decreased by 2%. Underlying operating profit decreased by 43% as a result of lower gross margin, driven by lower electricity prices, higher costs and higher depreciation. Electricity generation increased by 22% driven by new wind farm Hollandse Kust Zuid.

Vattenfall has decided to stop the current development track of the offshore wind power project Norfolk Boreas in the UK due to challenging market conditions. An impairment charge and provision of 5.5 billion SEK has been recognized in the second quarter 2023. The offshore wind industry has seen cost increases up to 40% which in combination with increased cost of capital puts significant pressure on all new offshore wind projects. So far, financial frameworks have not adapted to reflect the current market conditions. Vattenfall will investigate the best way forward for the whole Norfolk zone, which in addition to Boreas also includes the projects Vanguard East and Vanguard West.

In the beginning of June, Vattenfall's largest onshore wind farm in the UK, South Kyle, was inaugurated. The wind farm is

located in southwest Scotland and has a capacity of 240 MW, which corresponds to the annual electricity consumption of 187,000 British households. Vattenfall has been responsible for developing and constructing the wind farm, which will be owned by Greencoat UK Wind PLC. Vattenfall will also be responsible for operating the wind farm. Some of the electricity generated will be sold to beverage manufacturer A.G. Barr in accordance with a previously concluded power purchase agreement.

During the quarter, the last turbine in the Hollandse Kust Zuid offshore wind farm in the Netherlands was installed. The wind farm will have a capacity of 1.5 GW, which corresponds to the annual electricity consumption of 1.5 million Dutch households. The installation will be completed and tests will be carried out in the coming months.

In June, Vattenfall obtained planning consent for the onshore wind farm Clashindarroch II in Scotland. The wind farm will be located next to Vattenfall's existing Clashindarroch wind farm and have a capacity of 77 MW. Together, the wind farms will generate fossil-free electricity equivalent to the annual consumption of 82,000 British households and contribute to reducing carbon dioxide emissions by 116,000 tonnes.

Vattenfall has acquired the development company Solizer, which is active in solar power in Germany. The acquisition provides access to a pipeline of projects totaling 4 GW of solar power with construction planned to start in 2024.

### KEY FIGURES – WIND

Amounts in SEK million unless indicated otherwise	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
Net sales	11 193	12 966	4 903	5 011	29 109	27 336
External net sales	2 051	2 057	637	289	4 308	4 302
Underlying EBITDA	6 791	9 679	2 789	3 322	22 508	19 620
Underlying EBIT	3 443	6 729	1 049	1 829	16 479	13 193
Electricity generation - wind power TWh <sup>1</sup>	6.7	6.3	2.7	2.3	12.2	12.6
Sales of electricity, TWh	0.4	0.6	0.2	0.2	1.2	1.0
Number of employees, full-time equivalents	1 587	1 416	1 587	1 416	1 521	

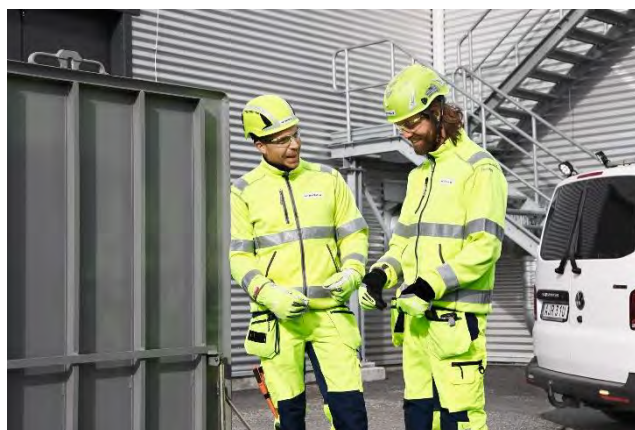
1) Including electricity generation from solar power

## Heat

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

### Improved result due to price adjustments for heat sales

- Plan for reducing carbon dioxide emissions presented to the city of Berlin
- Connection of new and existing buildings to district heating networks contribute to reduced CO<sub>2</sub> emissions
- Lower sales of heat due to customers' energy conservation measures



**Q1–Q2:** Net sales decreased by 8%. The underlying operating profit increased mainly as a result of price adjustments for heating in Berlin and the Netherlands, which compensates for higher fuel costs in 2022. In addition an updated contract and pricing strategy in Berlin affected the result positively. Sales of heat decreased somewhat as a result of customers' energy conservation measures. The sale of the gas-fired power plant Magnum led to lower electricity generation. However improved spreads following lower prices for gas lead to an overall positive impact on underlying operating profit. The number of customers amounted to 2.1 million households which corresponds to an increase of 1.0% compared to the end of 2022.

**Q2:** Net sales decreased by 12%. The underlying operating profit increased compared with the second quarter of last year. Mainly related to the heat price adjustments compensating for the higher fuel costs in 2022 as well as to the updated contract and pricing strategy in Berlin. Sales of heat decreased slightly as a result of customer's energy conservation measures. Electricity generation decreased due to the sale of Magnum, which was partly offset by higher spreads and higher electricity generation in Berlin.

Vattenfall has presented a plan to the city of Berlin regarding the reduction of carbon dioxide emissions. The plan shows how the district heating system works today and the potential for using renewable heat sources. It also describes measures to make operations climate neutral by 2040. To reduce emissions, Vattenfall intends to use a broad mix of technologies such as Power-to-Heat, excess heat integration through large-scale heat pumps, heat storage, sustainably produced biomass, geothermal heat sources and, hydrogen-ready natural gas gas-fired plants.

Vattenfall's heating operations continue to grow with connection of both new and existing buildings to district heating networks. As an example, an agreement has been signed for the supply of heat to the Batava Nijmegen development area. The use of district heating and cooling contributes to reduced carbon dioxide emissions, and in 2022 it meant total carbon dioxide savings of 260,000 tonnes when compared to using gas-fired heating boilers for Vattenfall's customers in the Netherlands.

The strategic review of Vattenfall's heat business in Berlin is ongoing. At the end of the process Vattenfall will decide whether to sell or retain the heat business. A decision is expected to be made in 2023.

### KEY FIGURES – HEAT

Amounts in SEK million unless indicated otherwise	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
Net sales	25 828	27 964	9 172	10 373	60 505	58 369
External net sales	14 828	10 185	5 278	4 000	20 933	25 576
Underlying EBITDA	4 664	116	1 646	268	- 641	3 907
Underlying EBIT	3 135	- 1 400	866	- 495	- 3 578	957
Electricity generation - TWh	7.5	8.6	3.0	3.2	16.6	15.5
- of which, fossil-based power	7.4	8.5	3.0	3.2	16.3	15.2
- of which, biomass, waste	0.1	0.1	—	—	0.3	0.3
Sales of electricity business customers, TWh	0.1	0.5	—	0.3	1.1	0.7
Sales of heat, TWh	8.0	8.2	2.3	2.4	14.1	13.9
Number of employees, full-time equivalents	3 140	3 141	3 140	3 141	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

- Temporary reduction of the electricity grid tariff for customers connected to the local grid from 1 July to 31 December 2023
- Vattenfall has been allocated more capacity by Svenska kraftnät, which will enable the continued expansion of the electricity grid
- The Energy Market Inspectorate has paused the change of method for determining electricity grid companies' revenue frames

**Q1–Q2:** Net sales was unchanged compared with 2022 and the underlying operating profit increased by 38%, which is mainly driven by extraordinarily high costs for the transmission network in 2022. Higher personnel costs and maintenance costs due to growth had a countering effect.

**Q2:** Net sales increased by 2%. Underlying operating profit increased by 130%, which is mainly driven by extraordinarily high costs for the transmission network in 2022. Higher personnel costs and maintenance costs due to growth had a countering effect.

During the period of 1 July - 31 December 2023, Vattenfall will temporarily reduce the electricity grid tariff for private and business customers who are connected to the local grid. The tariff will be reduced by an average of 34%. The reduction is a result of lower costs against the overlying regional and transmission grids due to lower-than-expected electricity prices during the winter.

The energy transition with substantial industrial investments and the electrification of society have entailed a record high demand for power grid connections. Vattenfall has received an advance notice from Svenska kraftnät regarding the allocation of capacity corresponding to 600 MW in Västra Götaland by 2026 and a further 600 MW during the period of 2031-2035. The allocation meets the region's demand in terms of size, but not in terms of time. Vattenfall has also received advance notice of the equivalent of 1,500 MW by 2030 in northern Norrland. The allocation means a tripling of the existing power to the regional network in Boden and Luleå but additional grid capacity is



required in the area going forward in order to meet the need from the customers.

There is still an urgent need to significantly shorten permit process lead times as well as for establishing new forms of cooperation with regional stakeholders. Vattenfall already participates in several stakeholder networks and is now also part of the Regional Electricity Supply Forum in Stockholm County (REST) where the County Administrative Board, Region Stockholm, several power companies and Svenska kraftnät participate.

In a collaboration agreement with Svenska kraftnät and Gotland's Elnät, Vattenfall Eldistribution has agreed to increase the security of supply of electricity to Gotland. Svenska kraftnät will expand the transmission network to Gotland by means of two 220 kV underwater cables for alternating current, which are expected to be commissioned in 2031. Vattenfall will build a receiving station for Svenska kraftnät's new connection.

At the end of December 2022, the Energy Market Inspectorate (Ei) informed the grid companies about the electricity grid companies' reporting requirements for the regulatory period 2024-2027. The information from Ei indicated that the authority considered fundamental changes in the method for determining electric utilities' revenue frames. However, in June, the Administrative Court of Appeal decided that the Ei cannot require the requested information which has led to a pause in the planned changes of the revenue frame regulation. The analysis of the consequences for Vattenfall is ongoing.

### KEY FIGURES – DISTRIBUTION

Amounts in SEK million unless indicated otherwise	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
Net sales	6 539	6 523	2 680	2 628	12 497	12 513
External net sales	6 188	6 181	2 523	2 434	11 733	11 740
Underlying EBITDA	3 128	2 541	1 100	813	4 622	5 209
Underlying EBIT	1 775	1 286	418	182	2 070	2 559
Number of employees, full-time equivalents	1 505	1 273	1 505	1 273	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.

### KEY FIGURES – OTHER

Amounts in SEK million unless indicated otherwise	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
Net sales	4 764	4 009	2 522	2 243	8 530	9 285
External net sales	162	222	102	133	451	391
Underlying EBITDA	- 734	- 348	- 141	44	- 693	- 1 079
Underlying EBIT	- 1 170	- 776	- 247	- 173	- 1 590	- 1 984
Number of employees, full-time equivalents	3 188	2 927	3 188	2 927	3 081	

# Consolidated income statement

Amounts in SEK million	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
Net sales	158 539	107 749	61 750	48 170	239 644	290 434
Cost of purchases	- 108 794	- 55 742	- 42 071	- 21 595	- 167 013	- 220 065
Other external expenses	- 12 178	- 9 406	- 7 845	- 6 291	- 20 908	- 23 680
Personnel expenses	- 11 332	- 10 408	- 5 554	- 5 163	- 20 557	- 21 481
Other operating incomes and expenses, net	713	331	- 393	304	- 790	- 408
Participations in the results of associated companies	184	111	- 54	- 39	137	210
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>27 132</b>	<b>32 635</b>	<b>5 833</b>	<b>15 386</b>	<b>30 513</b>	<b>25 010</b>
Depreciation, amortisation and impairments	- 13 591	- 8 122	- 8 624	- 3 656	- 17 868	- 23 337
<b>Operating profit (EBIT)</b>	<b>13 541</b>	<b>24 513</b>	<b>- 2 791</b>	<b>11 730</b>	<b>12 645</b>	<b>1 673</b>
Financial income <sup>3</sup>	1 543	382	877	201	854	2 015
Financial expenses <sup>1,2,3</sup>	- 5 620	- 4 108	- 3 124	- 2 449	- 7 978	- 9 490
Return from the Swedish Nuclear Waste Fund	1 558	- 5 884	122	- 3 013	- 5 608	1 834
<b>Profit before income taxes</b>	<b>11 022</b>	<b>14 903</b>	<b>- 4 916</b>	<b>6 469</b>	<b>- 87</b>	<b>- 3 968</b>
Income taxes	- 4 099	- 4 608	21	- 2 238	108	617
<b>Profit for the period</b>	<b>6 923</b>	<b>10 295</b>	<b>- 4 895</b>	<b>4 231</b>	<b>21</b>	<b>- 3 351</b>
Attributable to owner of the Parent Company	6 052	10 260	- 5 130	4 478	- 1 102	- 5 310
Attributable to non-controlling interests	871	35	235	- 247	1 123	1 959
<b>Supplementary information</b>						
Underlying EBITDA <sup>4</sup>	24 475	25 333 <sup>5</sup>	9 977	11 364 <sup>5</sup>	53 521 <sup>5</sup>	52 663
Underlying EBIT <sup>4</sup>	14 604	16 314 <sup>5</sup>	5 057	6 811 <sup>5</sup>	35 075 <sup>5</sup>	33 365
Financial items, net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	- 2 836	- 2 728	- 1 549	- 1 748	- 5 115	- 5 223
1) Including interest components related to pension costs	- 525	- 287	- 263	- 144	- 578	- 816
2) Including discounting effects attributable to provisions	- 1 241	- 998	- 698	- 500	- 2 009	- 2 252
3) Including items affecting comparability recognised as financial income and expenses, net	- 5	4	- 5	4	6	- 3
4) See note 4 for information on items affecting comparability						

5) The value has been adjusted compared with information previously published in Vattenfall's financial reports, see note 1 Accounting policies, risks and uncertainties.

# Consolidated statement of comprehensive income

Amounts in SEK million	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
<b>Profit for the period</b>	<b>6 923</b>	<b>10 295</b>	<b>- 4 895</b>	<b>4 231</b>	<b>21</b>	<b>- 3 351</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	- 9 690	29 435	- 1 722	2 628	14 478	- 24 647
Cash flow hedges - dissolved against income statement	6 147	- 38 567	5 327	- 19 545	- 106 390	- 61 676
Cash flow hedges - transferred to cost of hedged item	- 18	5	- 1	- 1	- 16	- 39
Hedging of net investments in foreign operations	- 2 544	- 1 587	- 1 953	- 1 317	- 2 777	- 3 734
Translation differences, divested companies	- 86	—	—	—	—	- 86
Translation differences	10 045	7 626	7 680	6 278	14 684	17 103
Income taxes related to items that will be reclassified	3 094	- 1 057	- 622	3 151	25 498	29 649
<b>Total items that will be reclassified to profit or loss when specific conditions are met</b>	<b>6 948</b>	<b>- 4 145</b>	<b>8 709</b>	<b>- 8 806</b>	<b>- 54 523</b>	<b>- 43 430</b>
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurement pertaining to defined benefit obligations	- 920	13 106	- 920	8 642	13 178	- 848
Income taxes related to items that will not be reclassified	282	- 3 516	281	- 2 428	- 3 582	216
<b>Total items that will not be reclassified to profit or loss</b>	<b>- 638</b>	<b>9 590</b>	<b>- 639</b>	<b>6 214</b>	<b>9 596</b>	<b>- 632</b>
<b>Total other comprehensive income, net after income taxes</b>	<b>6 310</b>	<b>5 445</b>	<b>8 070</b>	<b>- 2 592</b>	<b>- 44 927</b>	<b>- 44 062</b>
<b>Total comprehensive income for the period</b>	<b>13 233</b>	<b>15 740</b>	<b>3 175</b>	<b>1 639</b>	<b>- 44 906</b>	<b>- 47 413</b>
Attributable to owner of the Parent Company	11 257	15 219	2 056	1 485	- 47 227	- 51 189
Attributable to non-controlling interests	1 976	521	1 119	154	2 321	3 776



# Operating segments, Vattenfall Group

Amounts in SEK million	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
<b>External net sales</b>						
Customers & Solutions	118 535	75 829	42 687	34 974	174 026	216 732
Power Generation	16 775	13 275	10 523	6 340	28 193	31 693
Wind	2 051	2 057	637	289	4 308	4 302
Heat	14 828	10 185	5 278	4 000	20 933	25 576
Distribution	6 188	6 181	2 523	2 434	11 733	11 740
Other <sup>1</sup>	162	222	102	133	451	391
<b>Total</b>	<b>158 539</b>	<b>107 749</b>	<b>61 750</b>	<b>48 170</b>	<b>239 644</b>	<b>290 434</b>
<b>Internal net sales</b>						
Customers & Solutions	4 973	3 589	1 948	1 817	9 125	10 509
Power Generation	102 400	75 989	34 616	33 508	177 595	204 006
Wind	9 142	10 909	4 266	4 722	24 801	23 034
Heat	11 000	17 779	3 894	6 373	39 572	32 793
Distribution	351	342	157	194	764	773
Other <sup>1</sup>	4 602	3 787	2 420	2 110	8 079	8 894
Eliminations	- 132 468	- 112 395	- 47 301	- 48 724	- 259 936	- 280 009
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total net sales</b>						
Customers & Solutions	123 508	79 418	44 635	36 791	183 151	227 241
Power Generation	119 175	89 264	45 139	39 848	205 788	235 699
Wind	11 193	12 966	4 903	5 011	29 109	27 336
Heat	25 828	27 964	9 172	10 373	60 505	58 369
Distribution	6 539	6 523	2 680	2 628	12 497	12 513
Other <sup>1</sup>	4 764	4 009	2 522	2 243	8 530	9 285
Eliminations	- 132 468	- 112 395	- 47 301	- 48 724	- 259 936	- 280 009
<b>Total</b>	<b>158 539</b>	<b>107 749</b>	<b>61 750</b>	<b>48 170</b>	<b>239 644</b>	<b>290 434</b>

Amounts in SEK million	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>						
Customers & Solutions	4 209	3 808	3 138	1 618	8 396	8 797
Power Generation	10 772	16 841	- 824	9 263	- 2 903	- 8 972
Wind	5 061	9 701	1 056	3 345	22 554	17 914
Heat	4 652	106	1 631	258	- 1 515	3 031
Distribution	3 128	2 551	1 100	813	4 637	5 214
Other <sup>1</sup>	- 571	- 233	- 264	157	- 605	- 943
Eliminations	- 119	- 139	- 4	- 68	- 51	- 31
<b>Total</b>	<b>27 132</b>	<b>32 635</b>	<b>5 833</b>	<b>15 386</b>	<b>30 513</b>	<b>25 010</b>
<b>Underlying EBITDA</b>						
Customers & Solutions	4 208	3 809	3 137	1 617	8 393	8 792
Power Generation	6 537	9 675 <sup>2</sup>	1 450	5 368 <sup>2</sup>	19 383 <sup>2</sup>	16 245
Wind	6 791	9 679	2 789	3 322	22 508	19 620
Heat	4 664	116	1 646	268	- 641	3 907
Distribution	3 128	2 541	1 100	813	4 622	5 209
Other <sup>1</sup>	- 734	- 348	- 141	44	- 693	- 1 079
Eliminations	- 119	- 139	- 4	- 68	- 51	- 31
<b>Total</b>	<b>24 475</b>	<b>25 333</b>	<b>9 977</b>	<b>11 364</b>	<b>53 521</b>	<b>52 663</b>

Amounts in SEK million	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
<b>Operating profit (EBIT)</b>						
Customers & Solutions	3 641	3 349	2 862	1 383	7 416	7 708
Power Generation	8 137	14 429	- 2 145	8 050	- 7 949	- 14 241
Wind	- 2 008	6 750	- 4 404	1 852	16 436	7 678
Heat	3 123	- 512	851	393	- 3 790	- 155
Distribution	1 774	1 296	418	182	2 086	2 564
Other <sup>1</sup>	- 1 007	- 660	- 369	- 62	- 1 503	- 1 850
Eliminations	- 119	- 139	- 4	- 68	- 51	- 31
<b>Operating profit (EBIT)</b>	<b>13 541</b>	<b>24 513</b>	<b>- 2 791</b>	<b>11 730</b>	<b>12 645</b>	<b>1 673</b>
Operating profit (EBIT)	13 541	24 513	- 2 791	11 730	12 645	1 673
Financial income and expenses	- 2 519	- 9 610	- 2 125	- 5 261	- 12 732	- 5 641
<b>Profit before tax</b>	<b>11 022</b>	<b>14 903</b>	<b>- 4 916</b>	<b>6 469</b>	<b>- 87</b>	<b>- 3 968</b>
<b>Underlying EBIT</b>						
Customers & Solutions	3 638	3 350	2 845	1 383	7 413	7 701
Power Generation	3 902	7 264 <sup>2</sup>	130	4 153 <sup>2</sup>	14 332 <sup>2</sup>	10 970
Wind	3 443	6 729	1 049	1 829	16 479	13 193
Heat	3 135	- 1 400	866	- 495	- 3 578	957
Distribution	1 775	1 286	418	182	2 070	2 559
Other <sup>1</sup>	- 1 170	- 776	- 247	- 173	- 1 590	- 1 984
Eliminations	- 119	- 139	- 4	- 68	- 51	- 31
<b>Underlying EBIT</b>	<b>14 604</b>	<b>16 314</b>	<b>5 057</b>	<b>6 811</b>	<b>35 075</b>	<b>33 365</b>

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

2) The value has been adjusted compared with information previously published in Vattenfall's financial reports, see note 1 Accounting policies, risks and uncertainties.

# Consolidated balance sheet

Amounts in SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets: non-current	19 267	17 975	18 347
Property, plant and equipment	292 749	262 981	276 901
Participations in associated companies and joint arrangements	7 895	6 585	7 094
Other shares and participations	341	320	324
Share in the Swedish Nuclear Waste Fund	49 108	47 063	47 517
Derivative assets	13 967	68 850	31 187
Deferred tax assets	18 613	7 542	16 133
Contract assets	36	63	51
Other non-current receivables	5 332	2 867 <sup>1</sup>	3 411
<b>Total non-current assets</b>	<b>407 308</b>	<b>414 246</b>	<b>400 965</b>
<b>Current assets</b>			
Inventories	21 380	46 824	20 969
Intangible assets: current	1 296	1 255	3 043
Trade receivables and other receivables	53 711	43 630 <sup>1</sup>	54 016
Contract assets	171	241	175
Advance payments paid	32 373	10 615	20 199
Derivative assets	53 569	227 234	89 692
Prepaid expenses and accrued income	17 432	12 103	20 775
Current tax assets	4 358	1 338	160
Short-term investments	27 046	62 396	65 846
Cash and cash equivalents	45 091	90 177	106 540
Assets held for sale	—	5 108	9 947
<b>Total current assets</b>	<b>256 427</b>	<b>500 921</b>	<b>391 362</b>
<b>Total assets</b>	<b>663 735</b>	<b>915 167</b>	<b>792 327</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Attributable to owner of the Parent Company	117 791	172 503	110 473
Attributable to non-controlling interests	25 925	16 432	18 464
<b>Total equity</b>	<b>143 716</b>	<b>188 935</b>	<b>128 937</b>
<b>Non-current liabilities</b>			
Hybrid Capital	22 187	21 490	17 760
Other interest-bearing liabilities	60 890	54 453	78 848
Pension provisions	29 527	27 860	27 812
Other interest-bearing provisions	134 345	132 314	128 239
Derivative liabilities	26 643	74 096	45 337
Deferred tax liabilities	15 039	39 737	13 648
Contract liabilities	9 439	7 695	8 936
Other noninterest-bearing liabilities	2 297	2 068	2 108
<b>Total non-current liabilities</b>	<b>300 367</b>	<b>359 713</b>	<b>322 688</b>
<b>Current liabilities</b>			
Trade payables and other liabilities	44 635	36 143	48 797
Contract liabilities	598	999	873
Advance payments received	8 109	71 837	26 692
Derivative liabilities	99 310	188 027	151 657
Accrued expenses and deferred income	22 340	14 856	23 105
Current tax liabilities	3 065	2 339	1 201
Hybrid Capital	—	—	4 171
Other interest-bearing liabilities	38 012	47 960	75 986
Interest-bearing provisions	3 583	4 358	4 382
Liabilities associated with assets held for sale	—	—	3 838
<b>Total current liabilities</b>	<b>219 652</b>	<b>366 519</b>	<b>340 702</b>
<b>Total equity and liabilities</b>	<b>663 735</b>	<b>915 167</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	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Calculation of capital employed</b>			
Intangible assets: current and non-current	20 563	19 230	21 390
Property, plant and equipment	292 749	262 981	276 901
Participations in associated companies and joint arrangements	7 895	6 585	7 094
Deferred and current tax assets	22 971	8 880	16 293
Non-current noninterest-bearing receivables	879	1 003	811
Contract assets	207	304	226
Inventories	21 380	46 824	20 969
Trade receivables and other receivables	53 711	43 630	54 016
Prepaid expenses and accrued income	17 432	12 103	20 775
Unavailable liquidity	4 437	1 870	2 996
Other	1 037	687	805
<b>Total assets excl. financial assets</b>	<b>443 261</b>	<b>404 097</b>	<b>422 276</b>
Deferred and current tax liabilities	- 18 104	- 42 076	- 14 849
Other noninterest-bearing liabilities	- 2 297	- 2 068	- 2 108
Contract liabilities	- 10 037	- 8 694	- 9 809
Trade payable and other liabilities	- 44 635	- 36 143	- 48 797
Accrued expenses and deferred income	- 22 340	- 14 856	- 23 105
Other	- 1 159	- 1 193	- 1 562
<b>Total noninterest-bearing liabilities</b>	<b>- 98 572</b>	<b>- 105 030</b>	<b>- 100 230</b>
Other interest-bearing provisions not related to adjusted net debt <sup>1</sup>	- 11 671	- 14 216	- 10 114
Adjustment related to assets/liabilities held for sale	—	5 108	6 109
<b>Capital employed<sup>2</sup></b>	<b>333 018</b>	<b>289 959</b>	<b>318 041</b>
<b>Capital employed, average</b>	<b>311 489</b>	<b>285 407</b>	<b>299 461</b>
<b>Calculation of net debt</b>			
Hybrid Capital	- 22 186	- 21 490	- 21 931
Bond issues and liabilities to credit institutions	- 66 933	- 37 755	- 63 937
Short-term debt, commercial papers and repo	- 10 526	- 44 036	- 71 017
Liabilities to associated companies	- 891	- 1 066	- 930
Liabilities to owners of non-controlling interests	- 9 924	- 9 945	- 9 667
Other liabilities	- 10 629	- 9 611	- 9 283
<b>Total interest-bearing liabilities</b>	<b>- 121 089</b>	<b>- 123 903</b>	<b>- 176 765</b>
Cash and cash equivalents	45 091	90 177	106 540
Short-term investments	27 046	62 396	65 846
Loans to owners of non-controlling interests in foreign Group companies	584	651	521
<b>Net debt<sup>2</sup></b>	<b>- 48 368</b>	<b>29 321</b>	<b>- 3 858</b>
<b>Calculation of adjusted gross debt and net debt</b>			
Total interest-bearing liabilities	- 121 089	- 123 903	- 176 765
50% of Hybrid Capital <sup>3</sup>	11 093	10 745	10 966
Present value of pension obligations	- 29 527	- 27 860	- 27 812
Provisions for gas and wind operations and other environment-related provisions	- 13 222	- 12 451	- 11 454
Provisions for nuclear power (net) <sup>4</sup>	- 54 286	- 53 433	- 53 930
Margin calls received	2 547	2 581	2 142
Liabilities to owners of non-controlling interests due to consortium agreements	9 924	9 945	9 667
Adjustment related to assets/liabilities held for sale	—	—	1 031
<b>Adjusted gross debt</b>	<b>- 194 560</b>	<b>- 194 376</b>	<b>- 246 155</b>
Reported cash and cash equivalents and short-term investments	72 137	152 573	172 386
Unavailable liquidity	- 4 437	- 1 870	- 2 996
<b>Adjusted cash and cash equivalents and short-term investments</b>	<b>67 700</b>	<b>150 703</b>	<b>169 390</b>
<b>Adjusted net debt<sup>2</sup></b>	<b>- 126 860</b>	<b>- 43 673</b>	<b>- 76 765</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%, SKB 55.8%, 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-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
<b>Operating activities</b>						
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	27 132	32 635	5 833	15 386	30 513	25 010
Tax paid	- 3 933	- 1 855	- 3 342	1 525	- 4 360	- 6 438
Capital gains/losses, net	- 165	- 138	129	- 125	- 189	- 216
Interest received	1 388	565	874	536	897	1 720
Interest paid	- 2 647	- 2 395	- 1 542	- 1 893	- 3 811	- 4 063
Other, incl. non-cash items	- 4 826	- 8 519	3 210	- 3 518	19 144	22 837
<b>Funds from operations (FFO)</b>	<b>16 949</b>	<b>20 293</b>	<b>5 162</b>	<b>11 911</b>	<b>42 194</b>	<b>38 850</b>
Changes in inventories	- 148	- 157	- 1 562	- 5 252	20 146	20 155
Changes in operating receivables	6 393	9 372	22 753	13 201	- 11 196	- 14 175
Changes in operating liabilities	1 451	- 6 649	- 18 278	- 6 774	12 004	20 104
Margin calls	- 51 617	- 3 871	- 1 913	13 835	- 63 128	- 110 874
Other changes	1 854	- 359	917	- 5 234	1 134	3 347
<b>Cash flow from changes in operating assets and operating liabilities</b>	<b>- 42 067</b>	<b>- 1 664</b>	<b>1 917</b>	<b>9 776</b>	<b>- 41 040</b>	<b>- 81 443</b>
<b>Cash flow from operating activities</b>	<b>- 25 118</b>	<b>18 629</b>	<b>7 079</b>	<b>21 687</b>	<b>1 154</b>	<b>- 42 593</b>
<b>Investing activities</b>						
Acquisitions in Group companies	- 962	- 173	- 680	- 173	528	- 261
Investments in associated companies and other shares and participations	- 130	- 29	- 75	—	- 238	- 339
Other investments in non-current assets	- 23 043	- 9 570	- 11 043	- 4 657	- 24 914	- 38 387
<b>Total investments</b>	<b>- 24 135</b>	<b>- 9 772</b>	<b>- 11 798</b>	<b>- 4 830</b>	<b>- 24 624</b>	<b>- 38 987</b>
Divestments	2 438	253	682	212	751	2 936
Changes in short-term investments	41 611	40 718	4 195	17 141	42 877	43 770
<b>Cash flow from investing activities</b>	<b>19 914</b>	<b>31 199</b>	<b>- 6 921</b>	<b>12 523</b>	<b>19 004</b>	<b>7 719</b>
<b>Cash flow before financing activities</b>	<b>- 5 204</b>	<b>49 828</b>	<b>158</b>	<b>34 210</b>	<b>20 158</b>	<b>- 34 874</b>
<b>Financing activities</b>						
Changes in loans to owners of non-controlling interests in foreign Group companies	- 30	- 401	81	54	- 260	111
Loans raised <sup>1</sup>	467	46 468	356	864	97 400	51 399
Amortisation of other debt <sup>1</sup>	- 67 489	- 51 575	- 12 540	- 20 479	- 53 997	- 69 911
Issue of Hybrid Capital	3 215	—	3 215	—	—	3 215
Dividends paid to owners	- 4 159	- 23 981	- 4 159	- 23 981	- 25 360	- 5 538
Contribution to owners of non-controlling interests	—	- 523	—	- 2	- 1 791	- 1 268
Contribution from owners of non-controlling interests	5 827	635	3 067	399	3 697	8 889
<b>Cash flow from financing activities</b>	<b>- 62 169</b>	<b>- 29 377</b>	<b>- 9 980</b>	<b>- 43 145</b>	<b>19 689</b>	<b>- 13 103</b>
<b>Cash flow for the period</b>	<b>- 67 373</b>	<b>20 451</b>	<b>- 9 822</b>	<b>- 8 935</b>	<b>39 847</b>	<b>- 47 977</b>
<b>Amounts in SEK million</b>	<b>Jan-Jun 2023</b>	<b>Jan-Jun 2022</b>	<b>Apr-Jun 2023</b>	<b>Apr-Jun 2022</b>	<b>Full year 2022</b>	<b>Last 12 months</b>
<b>Cash and cash equivalents</b>						
Cash and cash equivalents at start of period	106 540	68 176	53 777	97 719	68 176	90 177
Cash and cash equivalents included in assets held for sale	4 307	—	—	—	- 4 307	—
Cash flow for the period	- 67 373	20 451	- 9 822	- 8 935	39 847	- 47 977
Translation differences	1 617	1 550	1 136	1 393	2 824	2 891
<b>Cash and cash equivalents at end of period</b>	<b>45 091</b>	<b>90 177</b>	<b>45 091</b>	<b>90 177</b>	<b>106 540</b>	<b>45 091</b>

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

**SUPPLEMENTARY INFORMATION**

Amounts in SEK million	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
<b>Cash flow before financing activities</b>	<b>- 5 204</b>	<b>49 828</b>	<b>158</b>	<b>34 210</b>	<b>20 158</b>	<b>- 34 874</b>
Change in margin calls from Treasury operations	1 176	- 1 607	669	- 1 913	- 521	2 262
Changes in short-term investments	- 41 611	- 40 718	- 4 195	- 17 141	- 42 877	- 43 770
<b>Financing activities</b>						
Dividends paid to owners	- 4 159	- 23 981	- 4 159	- 23 981	- 25 360	- 5 538
Contribution to/from owners of non-controlling interests	5 827	112	3 067	397	1 906	7 621
<b>Cash flow after dividend</b>	<b>- 43 971</b>	<b>- 16 366</b>	<b>- 4 460</b>	<b>- 8 428</b>	<b>- 46 694</b>	<b>- 74 299</b>
<b>Analysis of change in net debt</b>						
Net debt at start of period	- 3 858	44 703	- 41 055	37 611	44 703	29 321
Cash flow after dividend	- 43 971	- 16 366	- 4 460	- 8 428	- 46 694	- 74 299
Changes as a result of valuation at fair value	254	1 273	340	784	2 225	1 206
Changes in interest-bearing liabilities for leasing	- 731	- 861	- 104	- 657	- 1 318	- 1 188
Changes in liabilities pertaining to acquisitions of Group companies, discounting effects	- 336	—	- 336	—	—	- 336
Cash and cash equivalents included in assets held for sale	4 307	—	—	—	- 4 307	—
Translation differences on net debt	- 4 033	572	- 2 753	11	1 533	- 3 072
<b>Net debt at end of period</b>	<b>- 48 368</b>	<b>29 321</b>	<b>- 48 368</b>	<b>29 321</b>	<b>- 3 858</b>	<b>- 48 368</b>
Cash flow from operating activities	- 25 118	18 629	7 079	21 687	1 154	- 42 593
Maintenance investments	- 8 795	- 4 117	- 4 490	- 1 661	- 12 280	- 16 958
<b>Free cash flow<sup>1</sup></b>	<b>- 33 913</b>	<b>14 512</b>	<b>2 589</b>	<b>20 026</b>	<b>- 11 126</b>	<b>- 59 551</b>

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

## INVESTMENTS

Amounts in SEK million	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
<b>Electricity generation</b>						
Hydro power	372	249	226	141	785	908
Nuclear power	795	744	443	347	1 687	1 738
Gas	10	141	2	90	255	124
Wind power and solar PV	11 825	5 625	5 749	3 506	16 341	22 541
Biomass, waste	4	9	1	3	38	33
<b>Total electricity generation</b>	<b>13 006</b>	<b>6 768</b>	<b>6 421</b>	<b>4 087</b>	<b>19 106</b>	<b>25 344</b>
<b>CHP/heat</b>						
Fossil-based power	343	257	238	70	1 013	1 099
Heat networks	636	507	367	332	1 471	1 600
Other	112	2	69	37	183	293
<b>Total CHP/heat</b>	<b>1 091</b>	<b>766</b>	<b>674</b>	<b>439</b>	<b>2 667</b>	<b>2 992</b>
<b>Electricity networks</b>						
Electricity networks	2 674	2 003	1 635	1 239	5 525	6 196
<b>Total electricity networks</b>	<b>2 674</b>	<b>2 003</b>	<b>1 635</b>	<b>1 239</b>	<b>5 525</b>	<b>6 196</b>
Purchases of shares, shareholder contributions	1 173	202	804	173	653	1 624
Other	1 019	834	492	476	1 830	2 015
<b>Total investments</b>	<b>18 963</b>	<b>10 573</b>	<b>10 026</b>	<b>6 414</b>	<b>29 781</b>	<b>38 171</b>
Accrued investments (-)/release of accrued investments (+)	5 253	- 801	1 822	- 1 584	- 4 214	1 840
Cash and cash equivalents in acquired companies	- 81	—	- 50	—	- 943	- 1 024
<b>Total investments with cash flow effect</b>	<b>24 135</b>	<b>9 772</b>	<b>11 798</b>	<b>4 830</b>	<b>24 624</b>	<b>38 987</b>

# Consolidated statement of changes in equity

Amounts in SEK million	30 Jun 2023			30 Jun 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>	<b>110 473</b>	<b>18 464</b>	<b>128 937</b>	<b>180 710</b>	<b>16 472</b>	<b>197 182</b>	<b>180 710</b>	<b>16 472</b>	<b>197 182</b>
<b>Profit for the period</b>	<b>6 052</b>	<b>871</b>	<b>6 923</b>	<b>10 260</b>	<b>35</b>	<b>10 295</b>	<b>- 1 102</b>	<b>1 123</b>	<b>21</b>
Cash flow hedges - changes in fair value	- 9 690	—	<b>- 9 690</b>	29 435	—	<b>29 435</b>	14 478	—	<b>14 478</b>
Cash flow hedges - dissolved against income statement	6 147	—	<b>6 147</b>	- 38 567	—	<b>- 38 567</b>	- 106 390	—	<b>- 106 390</b>
Cash flow hedges - transferred to cost of hedged item	- 18	—	<b>- 18</b>	5	—	<b>5</b>	- 16	—	<b>- 16</b>
Hedging of net investments in foreign operations	- 2 544	—	<b>- 2 544</b>	- 1 587	—	<b>- 1 587</b>	- 2 777	—	<b>- 2 777</b>
Translation differences, divested companies	- 86	—	<b>- 86</b>	—	—	<b>—</b>	—	—	<b>—</b>
Translation differences	8 940	1 105	<b>10 045</b>	7 140	486	<b>7 626</b>	13 741	943	<b>14 684</b>
Remeasurement pertaining to defined benefit obligations	- 920	—	<b>- 920</b>	13 106	—	<b>13 106</b>	12 857	321	<b>13 178</b>
Income taxes related to other comprehensive income	3 376	—	<b>3 376</b>	- 4 573	—	<b>- 4 573</b>	21 982	- 66	<b>21 916</b>
<b>Total other comprehensive income for the period</b>	<b>5 205</b>	<b>1 105</b>	<b>6 310</b>	<b>4 959</b>	<b>486</b>	<b>5 445</b>	<b>- 46 125</b>	<b>1 198</b>	<b>- 44 927</b>
<b>Total comprehensive income for the period</b>	<b>11 257</b>	<b>1 976</b>	<b>13 233</b>	<b>15 219</b>	<b>521</b>	<b>15 740</b>	<b>- 47 227</b>	<b>2 321</b>	<b>- 44 906</b>
Dividends paid to owners	- 4 000	- 342	<b>- 4 342</b>	- 23 414	- 675	<b>- 24 089</b>	- 23 414	- 1 946	<b>- 25 360</b>
Group contributions from(+)/to(-) owners of non-controlling interests	—	—	<b>—</b>	—	—	<b>—</b>	—	- 131	<b>- 131</b>
Changes in ownership in Group companies on divestments of shares to owners of non-controlling interests	—	—	<b>—</b>	—	—	<b>—</b>	118	—	<b>118</b>
Contribution to/from owners of non-controlling interests	—	5 827	<b>5 827</b>	—	112	<b>112</b>	—	1 906	<b>1 906</b>
Other changes in ownership	—	—	<b>—</b>	—	2	<b>2</b>	—	2	<b>2</b>
Other changes	61	—	<b>61</b>	- 12	—	<b>- 12</b>	286	- 160	<b>126</b>
<b>Total transactions with equity holders</b>	<b>- 3 939</b>	<b>5 485</b>	<b>1 546</b>	<b>- 23 426</b>	<b>- 561</b>	<b>- 23 987</b>	<b>- 23 010</b>	<b>- 329</b>	<b>- 23 339</b>
<b>Balance carried forward</b>	<b>117 791</b>	<b>25 925</b>	<b>143 716</b>	<b>172 503</b>	<b>16 432</b>	<b>188 935</b>	<b>110 473</b>	<b>18 464</b>	<b>128 937</b>
- Of which, Reserve for hedges	- 31 045	8	<b>- 31 037</b>	26 458	8	<b>26 466</b>	- 30 034	8	<b>- 30 026</b>



# Key ratios, Vattenfall Group

In % unless otherwise stated. (x) means times <sup>1</sup>	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
Operating margin	8.5	22.8	- 4.5	24.4	5.3	0.6
Operating margin <sup>2</sup>	9.2	15.1 <sup>4</sup>	8.2	14.1 <sup>4</sup>	14.6 <sup>4</sup>	11.5
Pre-tax profit margin	7.0	13.8	- 8.0	13.4	0.0	- 1.4
Pre-tax profit margin <sup>2</sup>	7.6	6.2 <sup>4</sup>	4.8	3.2 <sup>4</sup>	9.3 <sup>4</sup>	9.5
Return on equity <sup>3</sup>	- 3.5	23.5	- 3.5	23.5	- 0.7	- 3.5
Return on capital employed <sup>3</sup>	0.5	19.3	0.5	19.3	4.2	0.5
Return on capital employed <sup>2,3</sup>	10.7	10.4 <sup>4</sup>	10.7	10.4 <sup>4</sup>	11.7 <sup>4</sup>	10.7
EBIT interest cover, (x) <sup>3</sup>	0.5	10.3	0.5	10.3	2.3	0.5
EBIT interest cover, (x) <sup>2,3</sup>	4.9	5.6 <sup>4</sup>	4.9	5.6 <sup>4</sup>	6.0 <sup>4</sup>	4.9
FFO interest cover, (x) <sup>3</sup>	6.4	9.3	6.4	9.3	8.1	6.4
FFO interest cover, net, (x) <sup>3</sup>	8.4	11.0	8.4	11.0	9.2	8.4
Cash flow interest cover after maintenance investments, (x) <sup>3</sup>	- 8.3	15.8	- 8.3	15.8	- 1.1	- 8.3
FFO/gross debt <sup>3</sup>	32.1	36.3	32.1	36.3	23.9	32.1
FFO/net debt <sup>3</sup>	80.3	- 153.4	80.3	- 153.4	1,093.7	80.3
FFO/adjusted net debt <sup>3</sup>	30.6	103.0	30.6	103.0	55.0	30.6
EBITDA/net financial items, (x)	9.6	12.0	3.8	8.8	6.0	4.8
EBITDA/net financial items, (x) <sup>2</sup>	8.6	9.3 <sup>4</sup>	6.4	6.5 <sup>4</sup>	10.5 <sup>4</sup>	10.1
Equity/Total assets	21.7	20.6	21.7	20.6	16.3	21.7
Gross debt/equity	84.3	65.6	84.3	65.6	137.1	84.3
Net debt/equity	33.7	- 15.5	33.7	- 15.5	3.0	33.7
Gross debt/gross debt plus equity	45.7	39.6	45.7	39.6	57.8	45.7
Net debt/net debt plus equity	25.2	- 18.4	25.2	- 18.4	2.9	25.2
Net debt/EBITDA, (x) <sup>3</sup>	1.9	- 0.4	1.9	- 0.4	0.1	1.9
Adjusted net debt/EBITDA, (x) <sup>3</sup>	5.1	0.6	5.1	0.6	2.5	5.1

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.

4) The value has been adjusted compared with information previously published in Vattenfall's financial reports, see note 1 Accounting policies, risks and uncertainties.

# Quarterly information, Vattenfall Group

Amounts in SEK million	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>Income statement</b>						
Net sales	61 750	96 788	78 819	53 076	48 170	59 579
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	5 833	21 300	- 18 509	16 386	15 386	17 249
Underlying EBITDA	9 977	14 513	17 367 <sup>4</sup>	10 820	11 364 <sup>4</sup>	13 970
Operating profit (EBIT)	- 2 791	16 332	- 24 062	12 192	11 730	12 783
Underlying EBIT	5 057	9 545	12 527 <sup>4</sup>	6 232	6 811 <sup>4</sup>	9 504
Profit before income taxes	- 4 916	15 938	- 24 719	9 728	6 469	8 433
Profit for the period	- 4 895	11 818	- 16 959	6 684	4 231	6 064
- of which, attributable to owner of the Parent Company	- 5 130	11 182	- 17 605	6 242	4 478	5 782
- of which, attributable to non-controlling interests	235	636	646	442	- 247	282
<b>Balance sheet</b>						
Capital employed	333 018	320 313	318 041	258 447	289 959	276 749
Net debt	- 48 368	- 41 055	- 3 858	116 008	29 321	37 611
<b>Cash flow</b>						
Funds from operations (FFO)	5 162	11 787	14 597	7 305	11 911	8 382
Cash flow from operating activities	7 079	- 32 197	- 107 860	90 385	21 687	- 3 058
Cash flow from investing activities	- 6 921	26 835	25 006	- 37 201	12 523	18 676
Cash flow from financing activities	- 9 980	- 52 189	19 836	29 229	- 43 145	13 768
<b>Cash flow for the period</b>	<b>- 9 822</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>2 589</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>	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>Key ratios</b>						
Return on equity	- 3.5	2.9	- 0.7	14.8	23.5	31.0
Return on capital employed <sup>2</sup>	0.5	5.4	4.2	17.3	19.3	21.8
Return on capital employed <sup>2,3</sup>	10.7	11.8 <sup>4</sup>	11.7 <sup>4</sup>	12.1 <sup>4</sup>	10.4 <sup>4</sup>	9.7 <sup>4</sup>
EBIT interest cover, (x) <sup>2</sup>	0.5	2.6	2.3	7.9	10.3	14.9
EBIT interest cover, (x) <sup>2,3</sup>	4.9	5.4 <sup>4</sup>	6.0 <sup>4</sup>	5.5 <sup>4</sup>	5.6 <sup>4</sup>	6.7 <sup>4</sup>
FFO/gross debt <sup>2</sup>	32.1	36.5	23.9	30.0	36.3	28.8
FFO/net debt <sup>2</sup>	80.3	111.1	1,093.7	- 39.8	- 153.4	- 107.7
FFO/adjusted net debt <sup>2</sup>	30.6	39.6	55.0	N/A <sup>5</sup>	103.0	120.5
Equity/Total assets	21.7	20.2	16.3	18.5	20.6	24.4
Gross debt/equity	84.3	88.2	137.1	75.3	65.6	66.7
Net debt/equity	33.7	29.0	3.0	- 56.8	- 15.5	- 17.9
Net debt/net debt plus equity	25.2	22.5	2.9	- 131.4	- 18.4	- 21.8
Net debt/EBITDA, (x) <sup>2</sup>	1.9	1.2	0.1	- 2.0	- 0.4	- 0.5
Adjusted net debt/EBITDA, (x) <sup>2</sup>	5.1	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 value has been adjusted compared with information previously published in Vattenfall's financial reports, see note 1 Accounting policies, risks and uncertainties.

5) 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.

### Important estimations and assessments

For a description of important estimations and assessments, please refer to Vattenfall’s 2022 Annual and Sustainability Report in Note 3 to the consolidated accounts, Accounting policies.

Inflation and discount rates are parameters with significant effect on provisions, in particular the provisions related to nuclear operations, in the financial statements. Macro-economic developments impact these parameters and in turn the outcome from Vattenfall’s methodology for accounting of nuclear provisions in Sweden. Vattenfall has during the second quarter revised its methodology to better reflect management’s best estimate on how the impact from increased inflation and discount rates should be reflected in the financial statements. The methodology will be subject to a further review during the second half of 2023.

### 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 affects 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, has continued during the first half year 2023.

Margining arrangements like Credit Support Annex continue to be challenging for the liquidity position of many companies. Due to the decrease in commodity prices compared to 2022, Vattenfall is reporting a 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 interest 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.

### Presentation of financial statements

In the interim reports for 2023 the following amendments in the presentation were made compared to Vattenfall’s 2022 Annual and Sustainability Report:

In the income statement, changes in nuclear provisions from new cost assessments are no longer classified as items affecting comparability and therefor included in underlying operating profit. Effects from changes in inflation and discount rates are classified as items affecting comparability.

### 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-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022
<b>Average rate</b>					
EUR	11.3733	10.4590	11.5163	10.4670	10.6258
DKK	1.5276	1.4059	1.5459	1.4070	1.4283
GBP	12.9987	12.4055	13.2337	12.3329	12.4463
USD	10.5420	9.5913	10.6148	9.8041	10.0881
			<b>30 Jun 2023</b>	<b>30 Jun 2022</b>	<b>31 Dec 2022</b>
<b>Balance sheet date rate</b>					
EUR			11.8055	10.7300	11.1218
DKK			1.5852	1.4424	1.4956
GBP			13.7548	12.5029	12.5397
USD			10.8646	10.3302	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 measured at amortised cost do not differ significantly from their fair values. The difference between carrying amounts and fair values for financial liabilities measured at amortised cost amounts to SEK -514 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 (that is, as prices) or indirectly (that is, 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 (that is, unobservable inputs).

### FINANCIAL ASSETS AND LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON THE BALANCE SHEET AT 30 JUNE 2023

Amounts in SEK million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Share in the Swedish Nuclear Waste Fund	49 108	—	—	49 108
Derivative assets	—	68 210	- 674	67 536
Short-term investments, cash equivalents and other shares and participations	23 686	12 701	—	36 387
<b>Total assets</b>	<b>72 794</b>	<b>80 911</b>	<b>- 674</b>	<b>153 031</b>
<b>Liabilities</b>				
Derivative liabilities	—	125 953	—	125 953
<b>Total liabilities</b>	<b>—</b>	<b>125 953</b>	<b>—</b>	<b>125 953</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 sale of 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-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
Items affecting comparability	- 1 063	8 199 <sup>1</sup>	- 7 848	4 919 <sup>1</sup>	- 22 430 <sup>1</sup>	- 31 692
- of which, capital gains	191	204	- 107	187	312	299
- of which, capital losses	- 26	- 66	- 22	- 63	- 122	- 82
- of which, impairment losses	- 3 721	- 1	- 3 705	- 1	- 90	- 3 810
- of which, reversed impairment losses	1	898	1	898	668	- 229
- of which, provisions	- 1 704	- 1 255 <sup>1</sup>	- 2 649	- 1 255 <sup>1</sup>	- 2 968 <sup>1</sup>	- 3 417
- of which, changes in the fair value of energy derivatives	4 852	5 210	- 1 368	400	- 17 709	- 18 067
- of which, changes in the fair value of inventories	- 655	3 209	2	4 750	- 2 406	- 6 270
- of which, other non-recurring items affecting comparability	- 1	—	—	3	- 115	- 116

1) The value has been adjusted compared with information previously published in Vattenfall's financial reports, see note 1 Accounting policies, risks and uncertainties.

Items affecting comparability during the first half of 2023 amounted to SEK -1.1 billion. The impairment losses (SEK -3.7 billion) as well as a large part of the changes in provisions (SEK -1.7 billion) relates to assets in offshore wind in Norfolk, United Kingdom. The changes in fair value of energy derivatives and inventories amounted to SEK 4.2 billion in total.

Items affecting comparability during the first half of 2022 amounted to SEK 8.2 billion, most of which pertains to changes in market value for energy derivatives and inventories (SEK 8.4 billion) and provisions in nuclear operations (SEK -1.3 billion). The reversed impairment losses relates to gas-fired condensing plants in Business Area Heat.

## NOTE 5 | Acquired and divested operations

### Acquired operations

On 4 January, Vattenfall acquired 100% of the shares in Bristol Heat Networks Ltd. (United Kingdom). Vattenfall's ambition is to expand the existing heat network in Bristol, serving the local community with reliable, low-carbon heat. The total purchase price for the shares was GBP 21 million, equal to the fair value of total net assets acquired.

On 9 June Vattenfall acquired 100% of the shares in Solizer Deutschland GmbH, a solar developer situated in Hamburg, Germany. The company holds certain project rights for the construction and operation of solar parks in Germany which will support Vattenfall's growth ambition in the solar area. The acquisition price consists of a fixed amount of EUR 63.5 million which was paid at acquisition. In addition, a consideration estimated to EUR 29.5

million could become due as a result of an earn-out scheme depending on the progress of the projects. The potential earn-out is recognized as a liability. The total acquisition price equals the fair value of total net assets acquired.

In addition to this a number of small companies have been acquired during the period.

### 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 169 million.

## NOTE 6 | Impairment losses

### Accounting policy

Assessments are made on a regular basis throughout the year for any indication that an asset may have decreased in value. If any such indication is identified, the asset's recoverable amount is estimated and an impairment test is performed. The principles for impairment test are described in Note 9 to the consolidated accounts in Vattenfall's 2022 Annual and Sustainability Report.

### Impairment losses January-June 2023

During the first half of 2023, the impairment test resulted in the recognition of SEK 3,721 million impairment losses pertaining to assets in offshore wind in Norfolk, United Kingdom. The need for impairment is the result of the decision to stop the continuation of the project due to challenging profitability.

# 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. New accounting policies applicable from 1 January 2023 has had no significant effect on the Parent Company's financial statements.

## January – June 2023

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

- Net sales amounted to SEK 17,656 million (20,286).
- In cost of purchases related to production, positive unrealised changes in market value for energy derivatives for current and future years energy production amounting to SEK 19,659 million (-37,370) are included. In addition, the commitments for future decommissioning of Ringhals and Forsmark net, has been reduced by SEK 712 million (-8,287).
- Profit before appropriations and income taxes was SEK -35,149 million (1,979).
- The balance sheet total amounts to SEK 413,822 million (31 December 2022: 468,482).
- 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 1,841 million (439), thereof SEK 734 million refers to internal transactions.
- Cash and cash equivalents, and short-term investments amounted to SEK 109,712 million (31 December 2022: 145,743).
- Dividend paid to the owner of SEK 4,000 million (23,414).

## 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-Jun 2023	Jan-Jun 2022	Full year 2022	Last 12 months
Net sales	25 497	17 656	40 078	47 919
Cost of purchases related to production	5 999	- 61 365	- 67 495	- 131
Other external expenses	- 2 879	- 2 620	- 5 194	- 5 453
Personnel expenses	- 1 789	- 1 827	- 2 999	- 2 961
Other operating incomes and expenses, net	6	- 32	8	46
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>26 834</b>	<b>- 48 188</b>	<b>- 35 602</b>	<b>39 420</b>
Depreciation, amortisation and impairments	- 361	- 329	- 688	- 720
<b>Operating profit (EBIT)</b>	<b>26 473</b>	<b>- 48 517</b>	<b>- 36 290</b>	<b>38 700</b>
Result from participations in subsidiaries	2 103	15 757	15 972	2 318
Result from participations in associated companies	1	- 61	- 61	1
Other financial income	1 811	950	1 702	2 563
Other financial expenses	- 5 935	- 3 278	- 5 640	- 8 297
<b>Profit before appropriations and income taxes</b>	<b>24 453</b>	<b>- 35 149</b>	<b>- 24 317</b>	<b>35 285</b>
Appropriations	- 340	2 290	6 839	4 209
<b>Profit before income taxes</b>	<b>24 113</b>	<b>- 32 859</b>	<b>- 17 478</b>	<b>39 494</b>
Income taxes	- 4 543	9 685	6 357	- 7 871
<b>Profit for the period</b>	<b>19 570</b>	<b>- 23 174</b>	<b>- 11 121</b>	<b>31 623</b>

# Parent Company balance sheet

Amounts in SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets: non-current	256	302	278
Property, plant and equipment	7 057	6 906	7 110
Shares and participations	157 488	166 963	167 754
Deferred tax assets	4 825	11 981	8 992
Other non-current receivables	4 071	4 682	3 836
Other non-current receivables, group	71 006	66 469	68 367
<b>Total non-current assets</b>	<b>244 703</b>	<b>257 303</b>	<b>256 337</b>
<b>Current assets</b>			
Inventories	476	284	355
Intangible assets: current	—	13	17
Current receivables	19 374	39 185	33 847
Current receivables group	13 555	6 237	11 947
Current tax assets	382	1 088	143
Short-term investments	26 028	61 582	65 029
Cash and cash equivalents	31 361	48 130	67 882
<b>Total current assets</b>	<b>91 176</b>	<b>156 519</b>	<b>179 220</b>
<b>Total assets</b>	<b>335 879</b>	<b>413 822</b>	<b>435 557</b>
<b>Equity, provisions and liabilities</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
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	14	1 363	1 286
<i>Non-restricted equity</i>	—	—	—
Retained earnings	67 034	42 816	42 894
Profit for the period	19 570	- 23 174	- 11 121
<b>Total equity</b>	<b>93 203</b>	<b>65 579</b>	<b>77 633</b>
<b>Untaxed reserves</b>	<b>2 668</b>	<b>4 878</b>	<b>2 328</b>
<b>Provisions</b>	<b>6 786</b>	<b>6 077</b>	<b>6 360</b>
<b>Non-current liabilities</b>			
Hybrid capital	22 187	21 490	17 760
Other interest-bearing liabilities	50 242	46 483	71 504
Other interest-bearing liabilities group	220	222	222
Other noninterest-bearing liabilities	8 212	8 585 <sup>1</sup>	8 919
<b>Total non-current liabilities</b>	<b>80 861</b>	<b>76 780</b>	<b>98 405</b>
<b>Current liabilities</b>			
Hybrid capital	—	—	4 171
Other interest-bearing liabilities	35 571	49 365	75 722
Other interest-bearing liabilities group	86 665	151 711	117 406
Other noninterest-bearing liabilities	18 000	45 593	37 694
Other noninterest-bearing liabilities group	12 125	13 839 <sup>1</sup>	15 838
<b>Total current liabilities</b>	<b>152 361</b>	<b>260 508</b>	<b>250 831</b>
<b>Total equity, provisions and liabilities</b>	<b>335 879</b>	<b>413 822</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 operating profit:	Operating profit (EBIT) 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

## Other definitions

	<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-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Full year 2022	Last 12 months
Operating profit (EBIT)	13 541	24 513	- 2 791	11 730	12 645	1 673
Depreciation, amortisation and impairment losses	- 13 591	- 8 122	- 8 624	- 3 656	- 17 868	- 23 337
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>27 132</b>	<b>32 635</b>	<b>5 833</b>	<b>15 386</b>	<b>30 513</b>	<b>25 010</b>
Items affecting comparability excl. impairment losses and reversed impairment losses	- 2 657	- 7 302 <sup>1</sup>	4 144	- 4 022 <sup>1</sup>	23 008 <sup>1</sup>	27 653
<b>Underlying operating profit before depreciation, amortisation and impairment losses</b>	<b>24 475</b>	<b>25 333</b>	<b>9 977</b>	<b>11 364</b>	<b>53 521</b>	<b>52 663</b>
Operating profit (EBIT)	13 541	24 513	- 2 791	11 730	12 645	1 673
Items affecting comparability	1 063	- 8 199 <sup>1</sup>	7 848	- 4 919 <sup>1</sup>	22 430 <sup>1</sup>	31 692
<b>Underlying operating profit</b>	<b>14 604</b>	<b>16 314</b>	<b>5 057</b>	<b>6 811</b>	<b>35 075</b>	<b>33 365</b>

1) The value has been adjusted compared with information previously published in Vattenfall's financial reports, see note 1 Accounting policies, risks and uncertainties.

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 JULY 2022 – JUNE 2023**

<b>Operating margin, %</b>	= 100 x	$\frac{\text{EBIT}}{\text{Net sales}}$	$\frac{1\,673}{290\,434}$	=	0.6
<b>Operating margin excl. items affecting comparability, %</b>	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Net sales}}$	$\frac{33\,365}{290\,434}$	=	11.5
<b>Pre-tax profit margin, %</b>	= 100 x	$\frac{\text{Profit before income taxes}}{\text{Net sales}}$	$\frac{-3\,968}{290\,434}$	=	-1.4
<b>Pre-tax profit margin excl. items affecting comparability, %</b>	= 100 x	$\frac{\text{Profit before income taxes excl. items affecting comparability}}{\text{Net sales}}$	$\frac{27\,727}{290\,434}$	=	9.5
<b>Return on equity, %</b>	= 100 x	$\frac{\text{Profit for the period attributable to owner of the Parent Company}}{\text{Average equity for the period attributable to owner of the Parent Company excl. the Reserve for cash flow hedges}}$	$\frac{-5\,310}{149\,864}$	=	-3.5
<b>Return on capital employed, %</b>	= 100 x	$\frac{\text{EBIT}}{\text{Capital employed, average}}$	$\frac{1\,673}{311\,489}$	=	0.5
<b>Return on capital employed excl. items affecting comparability, %</b>	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Capital employed, average}}$	$\frac{33\,365}{311\,489}$	=	10.7
<b>EBIT interest cover, (x)</b>	=	$\frac{\text{EBIT} + \text{financial income}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$	$\frac{3\,688}{7\,238}$	=	0.5
<b>EBIT interest cover excl. Items affecting comparability, (x)</b>	=	$\frac{\text{Underlying EBIT} + \text{financial income}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$	$\frac{35\,380}{7\,238}$	=	4.9
<b>FFO interest cover, (x)</b>	=	$\frac{\text{FFO} + \text{financial expenses excl. discounting effects attributable to provisions}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$	$\frac{46\,088}{7\,238}$	=	6.4
<b>FFO interest cover, net, (x)</b>	=	$\frac{\text{FFO} + \text{financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}{\text{Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}$	$\frac{44\,073}{5\,223}$	=	8.4

<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>-53 129</u>	=	-8.3
		Financial expenses excl. discounting effects attributable to provisions and interest components related to pension costs	<u>6 422</u>		
<b>FFO/gross debt, %</b>	= 100 x	<u>FFO</u>	<u>38 850</u>	=	32.1
		Interest-bearing liabilities	<u>121 089</u>		
<b>FFO/net debt, %</b>	= 100 x	<u>FFO</u>	<u>38 850</u>	=	80.3
		Net debt	<u>48 368</u>		
<b>FFO/adjusted net debt, %</b>	= 100 x	<u>FFO</u>	<u>38 850</u>	=	30.6
		Adjusted net debt	<u>126 860</u>		
<b>EBITDA/net financial items, (x)</b>	=	<u>EBITDA</u>	<u>25 010</u>	=	4.8
		Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	<u>5 223</u>		
<b>EBITDA excl. items affecting comparability/net financial items, (x)</b>	=	<u>EBITDA excl. items affecting comparability</u>	<u>52 663</u>	=	10.1
		Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	<u>5 223</u>		

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#### KEY RATIOS BASED ON THE BALANCE SHEET PER 30 JUNE 2023

<b>Equity/total assets, %</b>	= 100 x	<u>Equity</u>	<u>143 716</u>	=	21.7
		Balance sheet total	<u>663 735</u>		
<b>Gross debt/equity, %</b>	= 100 x	<u>Interest-bearing liabilities</u>	<u>121 089</u>	=	84.3
		Equity	<u>143 716</u>		
<b>Net debt/equity, %</b>	= 100 x	<u>Net debt</u>	<u>48 368</u>	=	33.7
		Equity	<u>143 716</u>		
<b>Gross debt/gross debt equity, %</b>	= 100 x	<u>Interest-bearing liabilities</u>	<u>121 089</u>	=	45.7
		Interest-bearing liabilities + equity	<u>264 805</u>		
<b>Net debt/net debt plus equity, %</b>	= 100 x	<u>Net debt</u>	<u>48 368</u>	=	25.2
		Net debt + equity	<u>192 084</u>		
<b>Net debt/EBITDA, (x)</b>	=	<u>Net debt</u>	<u>48 368</u>	=	1.9
		EBITDA	<u>25 010</u>		
<b>Adjusted net debt/EBITDA, (x)</b>	=	<u>Adjusted net debt</u>	<u>126 860</u>	=	5.1
		EBITDA	<u>25 010</u>		

### Interim report signature

The Board of Directors and the President certify that this half-year interim report presents a true and fair overview of the Vattenfall Group's and the Parent Company Vattenfall AB's operations, financial position and results of operations, and describes the significant risks and uncertainties facing the Parent Company and the companies belonging to the Group.

Solna, 20 July 2023

Mats Granryd  
Chairman of the Board

Anna Borg  
President and CEO

Ingemar Engkvist

Ann Carlsson

Håkan Erixon

Daniel Kristiansson

Carola Puusteli

Robert Lönnqvist

Rolf Ohlsson

Jeanette Regin

Fredrik Rystedt

Per Lindberg

### Financial calendar

Interim report January-September, 26  
October 2023

Capital Markets Day, 28 November 2023

Year-end report 2023, 6 February 2024

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The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CEST on 20 July 2023. This report has been prepared in both Swedish and English versions. In the event of discrepancies between the two versions, the Swedish version shall govern.

# Auditor's report

Vattenfall AB reg. no. 556036-2138

## Introduction

We have reviewed the condensed interim financial information (interim report) of Vattenfall AB as of June 30, 2023 and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm July 20, 2023

PricewaterhouseCoopers AB

Eva Carlsvi  
Auditor-In-Charge  
Authorized Public Accountant

Aleksander Lyckow  
Authorized Public Accountant