

Year-End Report 2022

Business highlights, January–December 2022

- Higher electricity prices, but Vattenfall's achieved prices in the Nordic countries at a lower level compared to last year
- Inauguration of Vattenfall's largest onshore wind farm Blakliden Fäbodberget
- Inauguration of the biofuel-fired heat plant, Carpe Futurum, in Uppsala
- Strategic review of Berlin district heating business
- Feasibility study to investigate construction of small modular reactors near Ringhals
- Foundation installation completed and delivery of first electricity from offshore wind farm Hollandse Kust Zuid in the Netherlands
- Vattenfall gets to build Finland's first large offshore wind farm
- Inauguration together with LKAB and SSAB of HYBRIT's pilot plant for storing fossil-free hydrogen

Financial highlights, January–December 2022

- Net sales increased by 33% (28% excluding currency effects) to SEK 239,644 million (180,119)
- Underlying operating profit¹ of SEK 37,313 million (31,181)
- Operating profit¹ of SEK 12,645 million (60,271)
- Profit for the period of SEK 21 million (48,013)
- The Board of Directors proposes a dividend of SEK 4,000 million

Financial highlights, October–December 2022

- Net sales increased by 24% (18% excluding currency effects) to SEK 78,819 million (63,529)
- Underlying operating profit¹ of SEK 13,469 million (9,092)
- Operating profit¹ of SEK -24,062 million (7,750)
- Profit for the period of SEK -16,959 million (6,101)

KEY DATA

| | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|--|-------------------|-------------------|-------------------|--------------------|
| Amounts in SEK million unless indicated otherwise | | | | |
| Net sales | 239 644 | 180 119 | 78 819 | 63 529 |
| Operating profit before depreciation, amortisation and impairment losses (EBITDA) ¹ | 30 513 | 75 790 | -18 509 | 10 226 |
| Operating profit (EBIT) ¹ | 12 645 | 60 271 | -24 062 | 7 750 |
| Underlying EBIT ¹ | 37 313 | 31 181 | 13 469 | 9 092 |
| Profit for the period | 21 | 48 013 | -16 959 | 6 101 |
| Electricity generation, TWh | 108.9 | 111.4 | 28.3 | 30.5 |
| Sales of electricity, TWh ² | 165.3 | 168.9 | 43.4 | 45.6 |
| - of which, customer sales | 111.4 | 120.5 | 29.8 | 32.1 |
| Sales of heat, TWh | 14.1 | 15.6 | 4.7 | 5.1 |
| Sales of gas, TWh | 47.3 | 57.1 | 14.1 | 17.3 |
| Return on capital employed, % ¹ | 4.2 | 22.2 | 4.2 ³ | 22.2 ³ |
| FFO/adjusted net debt, % ¹ | 55.0 | 171.2 | 55.0 ³ | 171.2 ³ |

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

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

3) Last 12-month values.

CEO's comment

2022 – a challenging year

It is difficult to sum up 2022 in any other way than that it has been a challenging year. Russia's invasion of Ukraine had major consequences on an already strained energy market, which created major challenges, for example in risk and liquidity management. At the same time, we worked hard to support worried customers and ensure the security of supply for electricity and heat. Vattenfall's business and underlying results developed well, and we continue to have good liquidity and a strong balance sheet.

Calmer markets in year's final quarter

The weather was relatively mild throughout the fourth quarter and gas storage on the Continent remain at good level, which means that the risk of winter rationing has decreased significantly. As a result, fuel and electricity prices have declined on the Continent and average gas prices have halved compared with Q3. In the Nordic countries, the prices started out low in the beginning of the quarter but then rose, primarily in December, because of dry weather with less wind as well as impediments to nuclear power output. Higher transmission capacity between price areas SE2 and SE3 resulted in a dramatic narrowing of price area differences in Sweden.

Strong result from the business operations

Underlying operating profit increased by SEK 6.1 billion to SEK 37.3 billion. Wind power doubled its contribution, in part owing to new capacity from Kriegers Flak in Denmark. We are also seeing the positive impact more customers choosing Vattenfall in these uncertain times. Over the course of the year, the number of customers has increased by 400,000 with growth across all markets, especially in Germany. Despite the enormous strain on our customer service caused by the turbulent market situation - which occasionally resulted in long wait times - customer satisfaction measured in Net Promoter Score (NPS) rose from +10 last year to +16 this year.

Major accounting effects on profit for the period

Reported profit for the period was brake-even for the full year and SEK -17.0 billion for the quarter. This was mainly attributable to the realisation and valuation of electricity and fuel contracts that had been entered into in previous years. These are recognised in the accounts at their current market value on an ongoing basis which causes temporary distortions in our

reported results. This effect has historically been low, but as a result of the major price fluctuations we have experienced since the second half of 2021, the impact of changes in fair value totaled SEK -34.9 billion for the quarter and SEK -20.1 billion for the full year. In contrast, in 2021 we had exceptional positive one-off effects of SEK 29.1 billion, among other things from compensation for early closure of German nuclear power. Vattenfall continues to have a strong financial position and good liquidity. The Board of Directors proposes a dividend of SEK 4 billion.

Pace of investments accelerating with energy transition

Today we present our investment plan for the next two years. It amounts to SEK 77 billion, of which SEK 50 billion are earmarked for growth investments.

In the quarter, we announced a partnership to build Finland's first offshore wind farm. The 1.3 GW-capacity project is scheduled to enter into service in the early 2030s. We are also continuing work on decarbonising our heat business. In December, we decided to invest in a Power-to-Heat e-boiler with a capacity of 150 MW at our heating plant in Diemen, Amsterdam.

Time to break Europe's fossil-fuel dependency

Russia's invasion of Ukraine resulted in an awakening at multiple levels regarding the consequences of Europe's dependence on fossil fuels. We welcome the fact that the energy issue is given high priority on the public agenda and that nuclear power is once again viewed as a natural part of the Swedish energy mix. All fossil-free energy sources are needed, and we are looking forward to participating in bridging the existing gap between supply and demand in fossil-free energy. We are crossing the threshold into 2023 with major uncertainties in the world around us, and we all need to focus on increasing our efforts to break Europe's fossil fuel dependence.



Anna Borg
President and CEO

Profit for the period

Full year 2022

0

SEK billion

(48.0)

Underlying operating profit

Full year 2022

37.3

SEK billion

(31.2)

FFO/adjusted net debt

Full year 2022

55.0%

(171.2)

Return on capital employed

Full year 2022

4.2%

(22.2)

¹ NPS is a tool for measuring customer loyalty and for gaining an understanding of customers' perceptions of Vattenfall's products and services.

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 private customers and businesses primarily in northern Europe. Vattenfall continuously hedges its future electricity generation through sales in the forward and futures markets.

Market development

Electricity markets continue to be characterised by major fluctuations triggered by developments on the Continent. Sharply rising gas prices have resulted in record-high electricity prices and the Nordic system price has largely been decoupled with the hydrological development. High average electricity prices for the first half of 2022 contributed positively to Vattenfall's results. But major differences between the system price in the Nordics and the price in respective price areas had a negative impact and resulted in a lower achieved price after price hedges.

ELECTRICITY SPOT PRICES

| EUR/MWh | Jan-Dec | | Oct-Dec | | | |
|-------------|---------|-------------|---------|-------------|-------|-----|
| | 2022 | 2021 Change | 2022 | 2021 Change | | |
| Nordics | 135.9 | 62.3 | 118% | 135.61 | 96.24 | 41% |
| Germany | 235.5 | 96.8 | 143% | 192.8 | 178.9 | 8% |
| Netherlands | 241.9 | 103.0 | 135% | 198.0 | 196.0 | 1% |

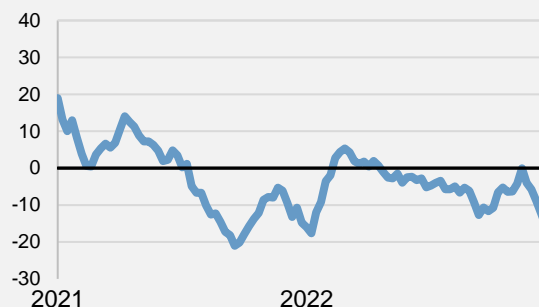
The average spot price in the Nordic countries increased as a result of higher electricity prices on the Continent, which is primarily attributable to higher prices for fuel and emissions allowances.

NORDIC HYDROLOGY

Hydrological balance is a measure of the estimated energy volume stored in the form of snow, and water reservoirs and ground water in relation to a normal situation. Historically, Nordic electricity prices have had a negative correlation with the hydrological balance, since the available hydro power capacity normally regulated what energy sources would be used in the system. Electricity prices in the northern parts of the Nordic countries remain linked to the hydrological balance, while the correlation with system price and the price development in the southern regions has decreased, especially in the past year.

At year-end 2022, the hydrological balance for the Nordics was below normal levels primarily because of dry and cold weather.

NORDIC HYDROLOGICAL BALANCE (TWh)

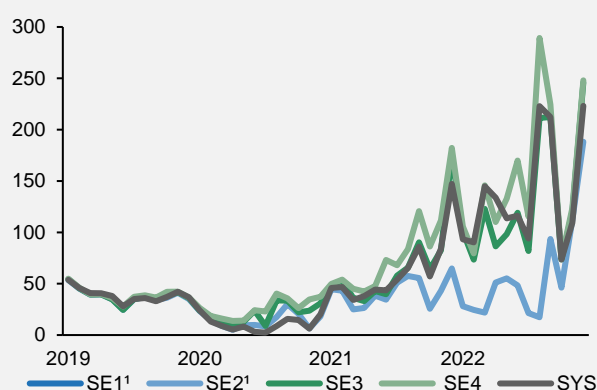


However, the fill rate of Vattenfall's water reservoirs was at 60% (65%), which is 3 percentage points above normal levels.

NORDIC PRICE AREA DIFFERENCES

The electricity market in the Nordic countries is divided into separate price areas. Sweden has four price areas and Vattenfall's hydro power assets' are mainly located in SE1 and SE2 while the nuclear power assets are located in SE3. Vattenfall also has wind power assets in SE4. In recent years, the differences in electricity prices between the areas have grown wider as a result of bottlenecks in the transmission grid, which prevents the electricity from reaching southern regions. Moreover, new transmission connections to the Continent have contributed further to higher prices in southern Sweden. The Nordic system price (SYS) is a reference price for all price areas and is calculated by the power 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 differentials was at a high level in 2022 but narrowed towards the end of the year owing to higher electricity prices in northern Sweden due to low wind power generation combined with increased transmission capacity between SE2 and SE3.

INDICATIVE NORDIC HEDGE PRICES AND FINANCIAL HEDGE RATIO (SE, DK, FI) AS PER 30 JUNE 2022

Vattenfall's hedging strategy has the objective to even out earnings over time by selling parts of the planned production in the forward markets. The main exposures arise from outright power in the Nordics with nuclear and hydro power as well as a growing share of wind power in the Nordics, on the Continent and in the UK.

| | 2023 | 2024 | 2025 |
|-----------------|------|------|------|
| EUR/MWh | 30 | 45 | 47 |
| Hedge ratio (%) | 56 | 43 | 19 |

ACHIEVED NORDIC ELECTRICITY PRICES (SE, DK, FI)¹

The achieved price is the average price that Vattenfall received for its electricity production during the period and is impacted by the hedge ratio and hedge price (see above), the spot price and effects from price area differentials.

| | Jan-Dec | | Okt-Dec | |
|---------|---------|------|---------|------|
| | 2022 | 2021 | 2022 | 2021 |
| EUR/MWh | 27 | 31 | 55 | 35 |

Vattenfall's achieved electricity price in the Nordics decreased primarily because of major price area differentials. Achieved electricity price for the fourth quarter increased compared to the corresponding period last year mainly due to higher price levels in Sweden

FUEL PRICES

The prices of gas, coal, and CO₂ emission allowances affect mainly Vattenfall's heat business on the Continent. Gas prices also affect activities within the business segment Customers & Solutions, which is responsible for customer sales of gas.

| | Jan-Dec | | | Okt-Dec | | |
|-------------------------|---------|-------|--------|---------|-------|--------|
| | 2022 | 2021 | Change | 2022 | 2021 | Change |
| Gas (EUR/MWh) | 123.9 | 46.6 | 166% | 96.3 | 94.7 | 2% |
| Coal (USD/t) | 291.9 | 121.8 | 140% | 237.6 | 174.0 | 37% |
| CO ₂ (EUR/t) | 80.8 | 53.2 | 52% | 77.1 | 68.3 | 13% |

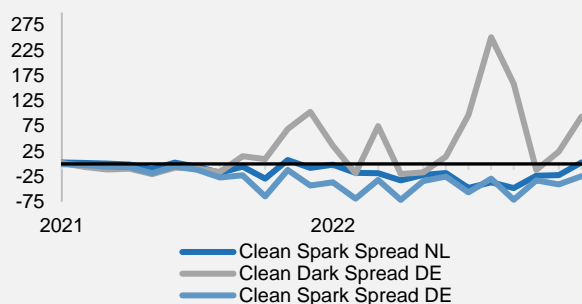
¹ Achieved prices from the spot market and hedges. Includes Nordic hydro, nuclear and wind power generation

The price of gas and coal has increased sharply in 2022 as a result of the war in Ukraine. Gas prices in Europe have been affected by diminishing supply from Russia. The gas shortage has driven up demand and prompted an increased price of coal as well as increased profitability for coal-fired production capacity. The price of CO₂ emission allowances rose primarily as a result of the increased use of coal as fuel.

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. The clean dark spread represents the same relationship for coal-fired electricity 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

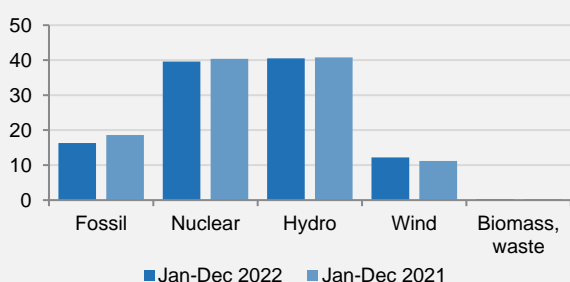


The clean spark spreads were negative in most of 2022 as a result of high gas prices. This has had a negative financial impact on Vattenfall's combined heat and power plants. The clean dark spreads have been volatile.

Generation development

Combined electricity generation declined by 2.5 TWh to 108.9TWh (111.4) in 2022. Generation from fossil-based power declined (-2.3 TWh) as a result of lower clean spark spreads. Generation from nuclear power declined (-0.8 TWh), owing to lower availability caused by the delayed restart of Ringhals 4. Generation from wind power increased (1.0 TWh) as a result of new capacity and higher wind speeds.

ELECTRICITY GENERATION (TWh)



AVAILABILITY

Availability is the percentage of planned production time for an asset with no unforeseen technical issues or maintenance-related outages.

| | Jan-Dec | |
|-----------------|---------|-------|
| | 2022 | 2021 |
| Nuclear | 83.6% | 84.8% |
| Wind - offshore | 95.5% | 95.7% |
| Wind – onshore | 95.3% | 97.3% |

The availability of Vattenfall's nuclear power in 2022 declined due to the delayed restart of Ringhals 4. The availability for onshore wind power was at a lower level.

INSTALLED WIND CAPACITY

New installed wind power capacity in the past 12 months where Vattenfall has an ownership or is responsible for the operations pertains to Blakliden Fäbodberget (214 MW of 353 MW), South Kyle (67 MW of 240 MW), Grönhult 67 MW, A16 34 MW, Nij Hiddum Houw 19 MW. The comparison is affected by the partial divestments of Princess Ariane (Wieringermeer Extension, 114 MW), and divestment of other onshore wind farms (51 MW).

| | 31 Dec 2022 | 31 Dec 2021 |
|---------------|--------------|--------------|
| Onshore wind | 1,781 | 1,562 |
| Offshore wind | 2,602 | 2,602 |
| Total | 4,383 | 4,164 |

Sales development

Electricity sales, excluding sales to Nord Pool Spot and deliveries to minority owners, declined by 9.1 TWh to 111.4 TWh (120.5), primarily as a result of lower volumes in the business segment in France. Gas sales declined by 9.8 TWh to 47.3 TWh (57.1) as a result of warmer weather and lower demand in the Netherlands and Germany. Heat sales declined by 1.5 TWh to 14.1 TWh (15.6) as a result of warmer weather.

| | Jan-Dec | | Oct-Dec | | | |
|--|---------|-------|---------|------|------|------|
| | 2022 | 2021 | 2022 | 2021 | | |
| Sales of electricity to customers, TWh | 111.4 | 120.5 | -8% | 29.6 | 32.1 | -8% |
| Sales of gas, TWh | 47.3 | 57.1 | -17% | 14.1 | 17.3 | -18% |
| Sales of heat, TWh | 14.1 | 15.6 | -10% | 4.7 | 5.1 | -8% |

TEMPERATURE EFFECTS

Temperature impacts sales volume in the operating segments Customers & Solutions and Heat. Lower temperatures usually mean higher demand for heating (including gas) and electricity. In the Nordic countries, this mainly affects sales of electricity and heat. In Germany and the Netherlands, gas remains the primary source of heat, which means that low temperatures increase demand for gas in addition to increased sales of heat.

TEMPERATURE DEVIATION FROM NORMAL LEVELS (°C)

| | Jan-Dec | | Oct-Dec | |
|-------------|---------|------|---------|------|
| | 2022 | 2021 | 2022 | 2021 |
| Nordics | 0.7 | 0.0 | 0.7 | 0.0 |
| Netherlands | 1.3 | -0.2 | 1.6 | 0.3 |
| Germany | 1.2 | -0.1 | 1.2 | 0.6 |

In 2022, the temperature in Vattenfall's markets was higher than normal, which affected sales negatively.

Net sales

January–December: Consolidated net sales increased by SEK 59.5 billion, including positive currency effects of SEK 8.5 billion). The increase is mainly attributable to higher electricity prices in the Netherlands, the Nordics, and Germany.

October–December: Consolidated net sales increased by SEK 15.3 billion, including positive currency effects of SEK 3.9 billion. The increase is mainly attributable to higher electricity prices in the Netherlands, the Nordics, and Germany.

Earnings

January–December: The underlying operating profit increased by SEK 6.1 billion, which is explained by:

- Higher earnings contributions from the Wind operating segment (SEK +8.6 billion) mainly owing to higher electricity prices on the Continent as well as new capacity
- Higher earnings contributions from the Customers & Solutions operating segment (SEK +5.1 billion) mainly due to temporary sourcing effects for electricity and gas as well as a growing customer base in Germany and the Nordics
- Lower earnings contributions from the Distribution operating segment (SEK -1.1 billion) mainly due to the sale of Stromnetz Berlin on 1 July 2021, higher operating expenses and higher costs for the transmission network
- Lower earnings contributions from the Power Generation operating segment (SEK -2.8 billion) primarily owing to lower achieved electricity prices in the Nordic countries and lower realised earnings contributions from the trading operations
- Lower earnings contributions from the Heat operating segment (SEK -3.2 billion) mainly due to higher prices for gas and CO₂ emission allowances, which led to lower clean spark spreads

Return on capital employed based on underlying operating profit amounted to 12.4%. Items affecting comparability amounted to SEK -24.7 billion (29.1), of which most pertains to changes in market value for energy derivatives and inventories (SEK -20.1 billion) and higher provisions (SEK -5.2 billion), mainly related to the nuclear power operations. Profit for the period totaled SEK 0.0 billion (48.0) and was affected by – in addition to items affecting comparability – lower net financial items as a result of lower return from the Swedish Nuclear

Waste Fund. Profit for the period in 2021 was affected positively by the compensation for the closure of nuclear power operations in Germany (SEK 12.5 billion), changes in market value for energy derivatives and inventories (SEK 10.0 bn) and the capital gain from the sale of Stromnetz Berlin (SEK 8.4 billion).

October–December: Underlying operating profit increased by SEK 4.4 billion, mainly as a result of a positive contribution from the operating segments Customers & Solutions (SEK +2.6 bn) and Power Generation (SEK +1.8 bn). Items affecting comparability amounted to SEK -37.5 billion (-1.3), of which most pertains to changes in market value for energy derivatives and inventories (SEK -34.9 billion) and provisions (SEK -1.9 billion) primarily related to nuclear power. Profit for the period was SEK -17.0 billion (6.1).

Cash flow

January–December: Funds from operations (FFO) decreased by SEK 4.0 billion primarily as a result of lower operating profit before depreciation, amortisation and impairment losses (EBITDA), which was offset in part by lower paid taxes. Cash flow from changes in working capital amounted to SEK -41.0 billion. The largest contributing factor were changes related to the net change in margin calls paid and received (SEK -63.1 bn), which to a large extent offset the positive net change in margin calls paid and received in 2021 (SEK 88.0 billion). Additionally, working capital was affected by an increase in operating receivables in the Customers & Solutions operating segment (SEK -8.5 bn) and changes in inventories (SEK +20.1 bn), primarily related to CO₂ emission allowances.

October–December: Funds from operations (FFO) decreased by SEK 4.0 billion primarily because compensation for the closure of nuclear power operations in Germany was included in the FFO in the fourth quarter 2021. This was partly offset by higher underlying EBITDA. Cash flow from changes in working capital amounted to SEK -122.5 billion, which is mainly explained by net changes in margin calls paid and received (SEK -130.2 billion).

KEY FIGURES – GROUP OVERVIEW

| Amounts in SEK million | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|--|-------------------|-------------------|-----------------|-----------------|
| Net sales | 239 644 | 180 119 | 78 819 | 63 529 |
| Operating profit before depreciation, amortisation and impairment losses (EBITDA) ¹ | 30 513 | 75 790 | - 18 509 | 10 226 |
| Operating profit (EBIT) ¹ | 12 645 | 60 271 | - 24 062 | 7 750 |
| Underlying operating profit ¹ | 37 313 | 31 181 | 13 469 | 9 092 |
| Items affecting comparability ¹ | - 24 668 | 29 090 | - 37 531 | - 1 342 |
| Profit for the period | 21 | 48 013 | - 16 959 | 6 101 |
| Funds from operations (FFO) ¹ | 42 194 | 46 096 | 14 597 | 18 616 |
| Cash flow from changes in operating assets and operating liabilities (working capital) | - 41 040 | 55 736 | - 122 457 | - 14 304 |
| Cash flow from operating activities | 1 154 | 101 832 | - 107 860 | 4 312 |

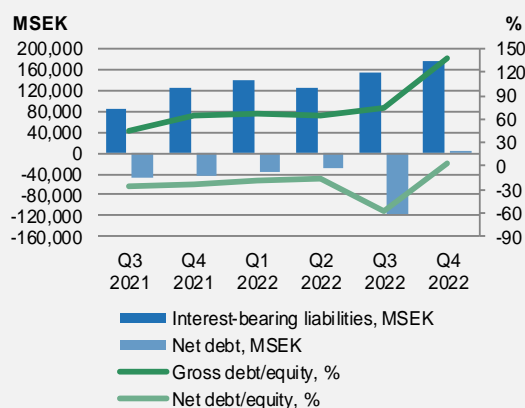
1) See Definitions and calculations of key ratios for definitions of Alternative Performance Measures.

Capital structure

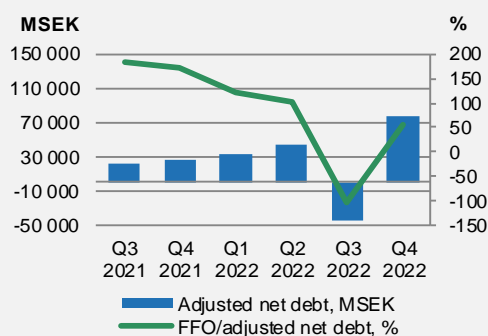
Cash and short-term investments increased by SEK 1.5 billion compared with the level at 31 December 2021. Committed credit facilities consist of a EUR 2.0 billion Revolving Credit Facility that expires in November 2025 and six other committed credit facilities totaling EUR 4.3 billion. As per 31 December 2022 available liquid assets and/or committed credit facilities amounted to 101.8% 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 48.6 billion to SEK 3.9 billion and adjusted net debt increased by SEK 49.8 billion to SEK 76.8 billion compared to 31 December 2021. This is mainly attributable to a negative cash flow after investments (SEK -23.2 billion). Dividends paid increased net debt by SEK 25.4 billion. The adjusted net debt was also affected by increased provisions for nuclear power (SEK 13.7 billion, net), which was compensated by lower pension provisions (SEK 12.5 billion).

NET DEBT



ADJUSTED NET DEBT



Strategic objectives and targets for 2025

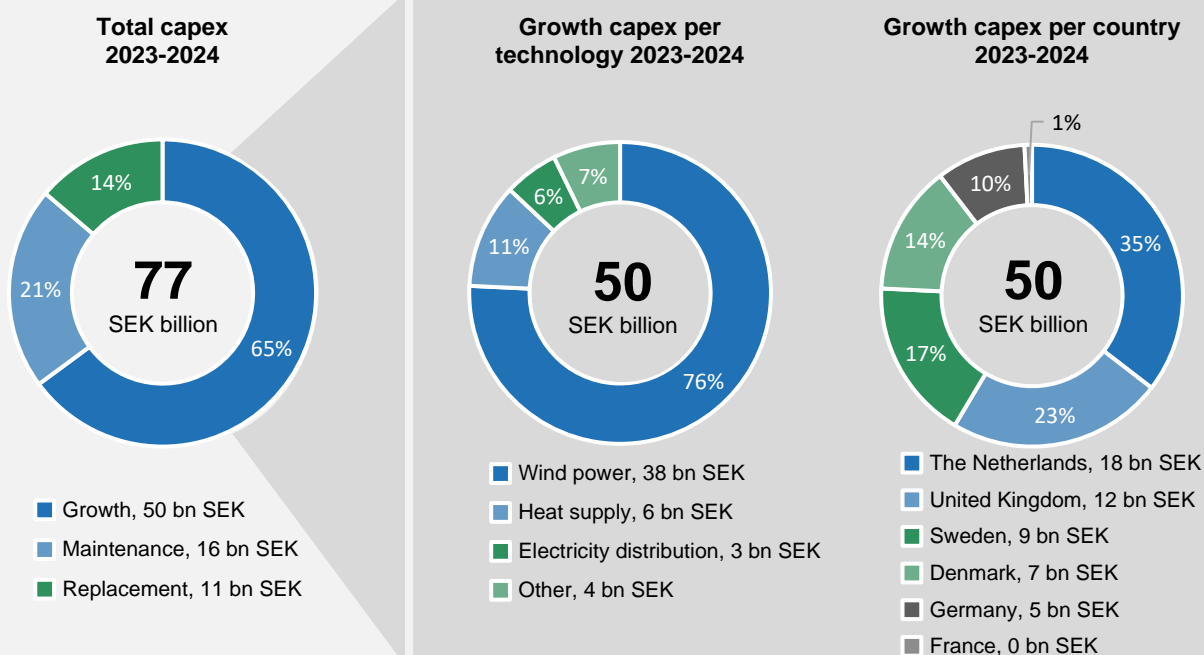
| Strategic focus area | Targets for 2025 | Outcome 2022 | Outcome 2021 |
|--|---|---------------------------|-------------------------|
| Driving decarbonisation with our customers & partners | 1. Customer engagement, absolute Net Promoter Score (NPS) ¹ : +18 | +16 | +10 |
| Securing a fossil-free energy supply | 2. CO ₂ emissions intensity ² : ≤86 gCO₂e/kWh | 78 | 82 |
| Delivering high-performing operations | 3. Funds from operations (FFO)/adjusted net debt ³ : 22%–27% | 55.0% ⁴ | 171.2% |
| | 4. Return On Capital Employed (ROCE) ⁵ , last 12 months: ≥8% | 4.2% | 22.2% |
| Empowering our people | 5. Lost Time Injury Frequency (LTIF) ⁶ : ≤1.0 | 1.1 | 1.7 |
| | 6. Employee Engagement Index ⁷ : ≥75% | 80% | 75% ⁵ |

- 1) Absolute NPS is weighted 80% from Customers & Solutions and 20% from Heat, which corresponds to our customer composition. Reported on an annual basis
- 2) Includes CO₂ and other greenhouse gases such as N₂O and SF₆, as well as indirect emissions from electricity and heat use (scope 2). Consolidated value where CO₂ is primarily related to the operating segment Heat. The target for 2025 is to be on track to achieving the 1.5° C target by 2030, according to SBT
- 3) Rolling 12-months values. Received margin calls had a significant impact on the outcome for the full year 2021
- 4) Excluding effects from received and paid margin calls FFO/adjusted net debt was at 46.6%
- 5) Rolling 12-month values. Return on capital employed based on underlying operating profit amounted to 12.5%. Compensation for closure of nuclear power in Germany, changes in market value of energy derivatives and inventories and capital gains from the sale of Stromnetz Berlin's had significant impact on the outcome for the full year 2021
- 6) Rolling 12-month values. LTIF (Lost Time Injury Frequency) is expressed in terms of the number of lost time work injuries per 1 million hours worked. The metric pertains only to Vattenfall employees
- 7) Documentation for measurement of target achievement is derived from the results of an employee survey, which is conducted on an annual basis. Due to a change in the answering options in the survey, the results may differ by up to 3 p.p. in both directions

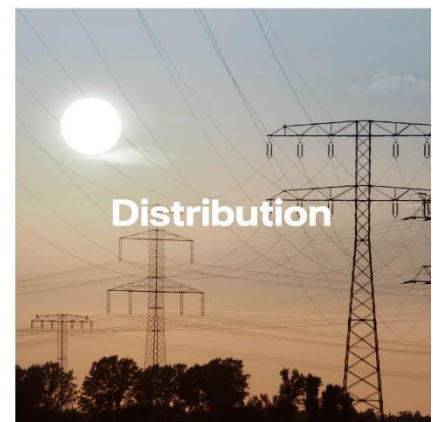
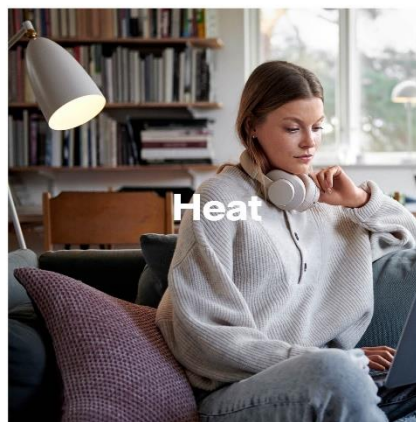
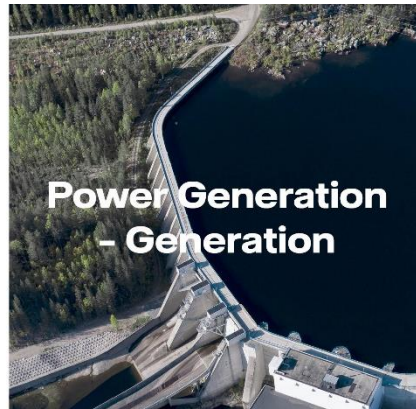
Investment plan 2023-2024

Vattenfall has decided on an investment plan for 2023-2024 of net SEK 77 billion. Gross investments amount to SEK 87 billion and the difference is attributable to partnership for the wind power project Hollandse Kust Zuid 1-4 as well as assumptions related to income derived from divestment of certain onshore wind and solar projects, which are being developed for sale. The amounts stated below refer to net investments.

Growth investments total SEK 50 billion with the largest share, SEK 38 billion, corresponding to 76%, planned to be invested in wind power. Vattenfall will also invest in electricity grids and expansion of district heating operations. Other growth investments include charging infrastructure, solar and battery projects as well as heating and energy solutions.



Operating segments



| Amounts in SEK million | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|-------------------------------------|-------------------|-------------------|-----------------|-----------------|
| Underlying EBIT | | | | |
| Customers & Solutions | 7 413 | 2 349 | 2 721 | 104 |
| Power Generation | 16 570 | 19 334 | 6 782 | 4 935 |
| - of which, realised trading result | - 1 360 | 3 633 | - 1 746 | - 473 |
| Wind | 16 479 | 7 866 | 4 521 | 4 676 |
| Heat | - 3 578 | - 343 | - 877 | - 981 |
| Distribution | 2 070 | 3 152 | 657 | 459 |
| - of which, Distribution Germany | — | 666 | — | — |
| - of which, Distribution Sweden | 2 089 | 2 516 | 652 | 484 |
| Other¹ | - 1 590 | - 1 189 | - 479 | - 275 |
| Eliminations | - 51 | 12 | 144 | 174 |
| Underlying operating profit | 37 313 | 31 181 | 13 469 | 9 092 |

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

Customers & Solutions

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

Strong earnings development as more customers choose Vattenfall

- 100% fossil-free electricity supplied to Vattenfall's retail customers in the Netherlands in 2022
- Continued expansion of charging network for electric vehicles with nearly 40,000 installed charging points in total
- Higher customer satisfaction as measured by Net Promoter Score



Full year: Net sales increased by 72% compared to 2021. Underlying operating profit increased, mainly owing to temporary sourcing effects for electricity and gas as well as a growing customer base in Germany and the Nordics. Compared to year-end 2021, the customer base increased by 4% to 10.9 million contracts.

Sales of electricity decreased by 3% compared to 2021 mainly due to lower sold volumes to electricity grid operators in France and lower volumes to private customers in the Nordics. Sales of gas decreased by 17%, mainly due to warmer weather and lower consumption in the Netherlands and Germany.

Q4: Net sales increased by 66%. Underlying operating profit increased compared to 2021, mainly owing to temporary sourcing effects for electricity and gas as well as a growing customer base in Germany and the Nordics. The underlying operating profit for the fourth quarter 2021 was affected by high sourcing costs.

In 2022, Vattenfall delivered 100% fossil-free electricity from wind, solar and hydro for the first time to its retail customers in the Netherlands. The total delivery volume of electricity was covered by Dutch Guarantees of Origin.

Vattenfall continues to expand its public charging network for electric vehicles and the total number of connected charging points amounted to 39,606 at the end of 2022. In the

Netherlands, the first 6,000 charging points have been installed in the provinces North Brabant and Limburg and in the provinces Gelderland and Overijssel, the first 700 charging points have now been installed. In Germany, Vattenfall entered into an agreement with Bunting Group for the installation of fast chargers at around 200 customer parking spots for the retail chains Combi and famila in Lower Saxony by 2025.

Together with the municipality of Amsterdam and other partners, Vattenfall has completed the Flexpower 3 research project that applies flexible charging speed at public charging points for electric cars. The charging speed adapts to the total number of cars charging at a given time and the capacity available on the power grid at that time. This way of smart charging creates up to three times more space for new charging points without increasing the peak load on the electricity network. The municipality of Amsterdam intends to apply the Flexpower concept to all current and future public charging points in Amsterdam.

Rising energy prices is a challenge for many of Vattenfall's customers. Vattenfall's customer service receive a lot of questions about invoices, payments and the implications of new regulations. One of the main risks for Vattenfall are defaults by customers and counterparties caused by the continued high electricity and commodity prices. Vattenfall provides advice about energy savings and helps its customers address the current situation and find the most suitable solutions.

KEY FIGURES – CUSTOMERS & SOLUTIONS

| Amounts in SEK million unless indicated otherwise | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|---|-------------------|-------------------|-----------------|-----------------|
| Net sales | 183 151 | 106 560 | 59 593 | 35 822 |
| External net sales | 174 026 | 102 300 | 56 723 | 34 109 |
| Underlying EBITDA | 8 393 | 3 230 | 2 992 | 317 |
| Underlying EBIT | 7 413 | 2 349 | 2 721 | 104 |
| Sales of electricity, TWh | 93.5 | 96.1 | 24.8 | 25.5 |
| - of which, private customers | 27.1 | 26.8 | 6.9 | 7.5 |
| - of which, resellers | 20.7 | 7.9 | 6.5 | 2.6 |
| - of which, business customers | 45.7 | 61.4 | 11.4 | 15.4 |
| Sales of gas, TWh | 46.4 | 56.0 | 13.7 | 16.9 |
| Number of employees, full-time equivalents | 3 289 | 3 213 | 3 289 | 3 213 |

Power Generation

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

Full-year earnings negatively affected by lower achieved prices

- Acquisition of an early pumped storage hydro power project in Germany
- Generation record at Forsmark nuclear power plant
- Repair works at Ringhals 4 ongoing at high pace

Full-year: Net sales increased by 63%. Underlying operating profit decreased by 14%. The decrease is partly attributable to lower achieved electricity prices in the Nordic countries due to major price differences between price areas in Sweden. A lower realised trading result also had a negative impact. Higher contribution from pumped hydro storage operations in Germany had an offsetting impact.

Electricity generation from nuclear power decreased due to lower availability as a result of prolonged outage at Ringhals 4. The nuclear power plant Forsmark reached record levels of generation in 2022 with 25.5 TWh delivered volume.

Q4: Net sales increased by 30%. Underlying operating profit increased by 37%, mainly owing to higher achieved electricity price in the Nordic countries due to increased transmission



capacity between price area SE2 and SE3 in Sweden. A lower realised trading result had a countering effect.

Vattenfall has acquired a pumped storage hydro power project in Thuringia in southern Germany from the construction company STRABAG. The project is located just a few kilometers from Vattenfall's existing pumped storage power plant site of Hohenwarte and the purpose is to investigate the possibility to build a new 400 MW power plant. The project is in an early stage and a possible decision to build a plant would not be made before the end of the decade.

The work on repairing the damaged pressure regulator at Ringhals 4 is ongoing at high pace. Together with suppliers and consultants, more than 100 employees are engaged in the work on restarting the electricity generation. The restart of the reactor is planned for 19 March 2023.

KEY FIGURES – POWER GENERATION

| Amounts in SEK million unless indicated otherwise | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|---|-------------------|-------------------|-----------------|-----------------|
| Net sales | 205 788 | 126 318 | 68 431 | 52 649 |
| External net sales | 28 193 | 40 312 | 10 777 | 16 962 |
| Underlying EBITDA | 21 621 | 23 714 | 8 112 | 6 073 |
| Underlying EBIT | 16 570 | 19 334 | 6 782 | 4 935 |
| - of which, realised trading result | - 1 360 | 3 633 | - 1 746 | - 473 |
| Electricity generation, TWh | 80.1 | 81.2 | 19.8 | 21.5 |
| - of which, hydro power | 40.5 | 40.8 | 10.5 | 10.3 |
| - of which, nuclear power | 39.6 | 40.4 | 9.3 | 11.2 |
| Sales of electricity, TWh | 15.6 | 22.2 | 4.5 | 5.9 |
| - of which, resellers | 13.8 | 17.5 | 4.0 | 2.0 |
| - of which, business customers | 1.8 | 4.7 | 0.5 | 3.9 |
| Sales of gas, TWh | 0.9 | 1.1 | 0.4 | 0.4 |
| Number of employees, full-time equivalents | 7 219 | 7 260 | 7 219 | 7 260 |

Wind

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

Higher electricity prices and new capacity had a positive impact on earnings

- Vattenfall to build Finland's first major offshore wind farm
- Investment decision for three solar farms in the Netherlands
- Investment decision for two battery projects in Sweden



Full year: Net sales increased by 39% compared to 2021. Underlying operating profit increased by 109% as a result of higher electricity prices on the Continent and new capacity. Electricity generation increased by 9% as a result of new capacity and higher wind speeds in the first half of the year, especially in Germany and Denmark.

Q4: Net sales decreased by 22%. Underlying operating profit decreased by 3%. A lower contribution from divestment of onshore assets had a negative impact, where the wind farm Princess Ariane was partially divested in the fourth quarter of 2021. Higher electricity prices in all markets, except for UK, had a positive impact on the underlying operating profit. Electricity generation remained unchanged compared with the fourth quarter 2021.

Vattenfall is expanding its role in Finland; from being one of the largest electricity retailers to also becoming a major producer of renewable electricity. In December, Vattenfall entered a joint

venture with the state owned enterprise Metsähallitus to build and operate Finland's first major offshore wind farm. The project, located at Korsnäs off the Finnish west coast, will have a capacity of 1.3 GW, which corresponds to the annual electricity consumption for over 600,000 Finnish households. The wind farm is planned to be operational in the early 2030s.

Vattenfall took the final investment decision for three solar farms in the Netherlands. The total capacity amounts to 47 MW and commissioning is expected at the end of 2023. Vattenfall also decided to invest in two battery projects in Sweden that will be co-located at the two wind farms Hjuleberg and Höge Väg. The batteries will have a total capacity of 55 MW and are planned to be operational in the first quarter of 2024.

In November, Vattenfall submitted a bid together with Skyborn (formerly wpd) and CDC for a 1 GW offshore wind tender in France. A decision is expected in the first quarter of 2023.

KEY FIGURES – WIND

| Amounts in SEK million unless indicated otherwise | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|--|-------------------|-------------------|-----------------|-----------------|
| Net sales | 29 109 | 20 872 | 7 987 | 10 256 |
| External net sales | 4 308 | 7 791 | 1 095 | 4 150 |
| Underlying EBITDA | 22 508 | 13 451 | 6 097 | 6 118 |
| Underlying EBIT | 16 479 | 7 866 | 4 521 | 4 676 |
| Electricity generation - wind power TWh ¹ | 12.2 | 11.2 | 3.6 | 3.9 |
| Sales of electricity, TWh | 1.2 | 1.0 | 0.3 | 0.4 |
| Number of employees, full-time equivalents | 1 521 | 1 279 | 1 521 | 1 279 |

1) Including electricity generation from solar power

Heat

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

Lower clean spark spreads affected results negatively

- Investment decision for a 150 MW Power-to-Heat boiler in Diemen in the Netherlands
- Concession contract with the municipality of Rotterdam for heat supply to the Heindijk area



Full year: Net sales increased by 74% compared with 2021. Underlying operating profit decreased mainly owing to higher gas prices which led to lower clean spark spreads primarily affecting heat operations. Higher operating expenses largely driven by ongoing projects and planned maintenance also impacted the underlying operating profit negatively. This was partly offset by higher heat prices following post-hoc price adjustments for the fuel price development. Hedging of spreads also had an offsetting effect, which is reported in the Power Generation operating segment.

Sales of heat decreased due to higher temperatures and electricity generation decreased as a result of the lower spreads. Compared with year-end 2021, the number of customers increased by 2.2% to the equivalent of 2.0 million households.¹

Q4: Net sales increased by 19% compared with the fourth quarter of 2021. Underlying operating profit increased by 11% compared with the same period a year ago. Higher heat prices following post-hoc price adjustments for the fuel price development were partly offset by higher gas prices resulting in lower clean spark spreads. Higher operating expenses primarily

owing to ongoing projects and planned maintenance also had a negative impact on the underlying operating profit.

Vattenfall has taken an investment decision for a 150 MW capacity power-to-heat boiler at the heat facility in Diemen, Amsterdam. The boiler will run on surplus fossil-free electricity to heat water for the district heating network of Amsterdam South and East, Almere and Diemen. On average, the boiler is expected to produce heat for around 20,000 homes and the facility is expected to be completed in the beginning of 2025.

Vattenfall has signed the concession contract with the municipality of Rotterdam for heat supply to the Heindijk area. This is Vattenfall's first project in the Netherlands to facilitate the transition of existing owner-occupied houses from gas-fired boilers to district heating. The first households were connected to the district heating network in December.

In May 2022, Vattenfall initiated a strategic review of its heat business in Berlin. A structured bidding process was launched in December and has attracted the interest of many potential investors. 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 | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|---|-------------------|-------------------|-----------------|-----------------|
| Net sales | 60 505 | 34 759 | 18 039 | 15 119 |
| External net sales | 20 933 | 14 655 | 6 835 | 4 819 |
| Underlying EBITDA | - 641 | 2 590 | - 122 | - 237 |
| Underlying EBIT | - 3 578 | - 343 | - 877 | - 981 |
| Electricity generation - TWh | 16.6 | 19.0 | 4.9 | 5.1 |
| - of which, fossil-based power | 16.3 | 18.6 | 4.8 | 5.0 |
| - of which, biomass, waste | 0.3 | 0.3 | 0.1 | 0.1 |
| Sales of electricity business customers, TWh | 1.1 | 1.2 | 0.2 | 0.3 |
| Sales of heat, TWh | 14.1 | 15.6 | 4.7 | 5.1 |
| Number of employees, full-time equivalents | 3 188 | 3 126 | 3 188 | 3 126 |

1) Including decentralised energy solutions that have previously been reported separately

Distribution

The Distribution Business Area comprises Vattenfall's electricity distribution operations in Sweden and the UK as well as the unregulated offering Power-as-a-Service

Roll-out of smart electricity meters and high demand for connections to the electricity grid

- Inauguration of a new regional grid station in Luleå, Sweden
- Reduced grid tariff for customers connected to the local grid in northern Sweden

Full-year: Net sales decreased by 28%, and underlying operating profit decreased by 34% compared to 2021. The sale of Stromnetz Berlin on 1 July 2021 affected the net sales comparison by SEK 5.3 billion and the underlying operating profit negatively by SEK 0.7 billion. In addition, underlying operating profit in the Swedish operation was affected by higher operating expenses, mainly owing to growth activities, as well as higher costs for the transmission network. Increased net sales had an offsetting impact. Costs related to the transmission network are recognised as non-controllable costs and are fully reimbursed within the revenue regulation.

Q4: Net sales increased by 1% compared to 2021, and underlying operating profit increased by 43%, mainly owing to lower costs for the transmission network and for network losses. This was partly offset by higher personnel expenses and maintenance-related costs caused by growth.

Demand for electricity is increasing significantly in northern Sweden. Luleå is one of the fastest growing municipalities, which places high demands on a robust and future-proof infrastructure able to cope with the increased energy demand from industries, businesses, and society in general. In December, Vattenfall and Luleå Energi inaugurated a new regional grid station with 130 kV switchgear and a new 40 kV receiving station in Notviken.

After four years, the EU-funded project CoordiNet was completed in October 2022. Over the course of the project, Vattenfall, E.ON, and Svenska kraftnät partnered on operating local flexibility markets in Skåne, Uppsala, Gotland, and Västernorrland/Jämtland. The flexibility markets in Uppsala and parts of Skåne will continue to operate also after CoordiNet has ended.



Vattenfall is continuing to install smart meters, and nearly 300,000 customers have now received new meters. The new meters result in a more robust electricity grid that provides access to an expanded array of energy-related services that make it easier for customers to manage and monitor their electricity consumption. There is clearly a growing interest in producing one's own electricity based on customer enquiries related to connecting solar panels. At the same time, Vattenfall's customer service is receiving an inflow of enquiries at up to three times the normal volume. Vattenfall has deployed additional resources to reduce waiting times and developed the website to make it even easier for the customers.

As of 1 January 2023, Vattenfall Electricity Distribution adjusted the grid tariff for private and business customers connected to local grids. The grid tariff was left unchanged for southern and central Sweden, while in northern Sweden the tariff was lowered by an average of 9%. The decrease corresponds to SEK 600-900 per year for a single-family detached house and roughly SEK 80 for a flat. This means that Vattenfall's local grid customers will have a uniform tariff irrespective of where they live in Sweden.

In October, the Energy Markets Inspectorate approved the concession application for two 130 kV overhead power lines from Hedelunda to Oxelösund. The lines will enable the connection of SSAB's electric arc furnace, which will result in a substantial reduction in CO₂ emissions..

At the end of December, the Energy Market Inspectorate issued a notice related to energy grid utilities' reporting for the 2024-2027 supervisory period. This indicates that the inspectorate intends to change its method for determining electric utilities' revenue frames. The consequences that this will have for Vattenfall will need further analysis.

KEY FIGURES – DISTRIBUTION

| Amounts in SEK million unless indicated otherwise | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|---|----------------|----------------|--------------|--------------|
| Net sales | 12 497 | 17 262 | 3 471 | 3 429 |
| External net sales | 11 733 | 14 643 | 3 272 | 3 306 |
| Underlying EBITDA | 4 622 | 5 913 | 1 324 | 1 102 |
| Underlying EBIT | 2 070 | 3 152 | 657 | 459 |
| Number of employees, full-time equivalents | 1 340 | 1 165 | 1 340 | 1 165 |

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 | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|--|---------------------------|---------------------------|-------------------------|-------------------------|
| Net sales | 8 530 | 6 169 | 2 372 | 1 714 |
| External net sales | 451 | 418 | 117 | 183 |
| Underlying EBITDA | - 693 | - 326 | - 238 | - 95 |
| Underlying EBIT | - 1 590 | - 1 189 | - 479 | - 275 |
| Number of employees, full-time equivalents | 3 081 | 2 792 | 3 081 | 2 792 |

Consolidated income statement

| Amounts in SEK million | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|--|-------------------|-------------------|-----------------|-----------------|
| Net sales | 239 644 | 180 119 | 78 819 | 63 529 |
| Cost of purchases | - 167 013 | - 87 474 | - 84 211 | - 43 072 |
| Other external expenses | - 20 908 | - 18 450 | - 6 442 | - 5 064 |
| Personnel expenses | - 20 557 | - 19 801 | - 5 415 | - 4 993 |
| Other operating income and expenses, net | - 790 | 21 454 | - 1 293 | - 159 |
| Participations in the results of associated companies | 137 | - 58 | 33 | - 15 |
| Operating profit before depreciation, amortisation and impairment losses (EBITDA) | 30 513 | 75 790 | - 18 509 | 10 226 |
| Depreciation, amortisation and impairments | - 17 868 | - 15 519 | - 5 553 | - 2 476 |
| Operating profit (EBIT) | 12 645 | 60 271 | - 24 062 | 7 750 |
| Financial income ³ | 854 | 783 | 245 | 110 |
| Financial expenses ^{1,2,3} | - 7 978 | - 5 906 | - 1 837 | - 1 599 |
| Return from the Swedish Nuclear Waste Fund | - 5 608 | 4 225 | 935 | 895 |
| Profit before income taxes | - 87 | 59 373 | - 24 719 | 7 156 |
| Income taxes | 108 | - 11 360 | 7 760 | - 1 055 |
| Profit for the period | 21 | 48 013 | - 16 959 | 6 101 |
| Attributable to owner of the Parent Company | - 1 102 | 46 828 | - 17 605 | 5 774 |
| Attributable to non-controlling interests | 1 123 | 1 185 | 646 | 327 |
| Supplementary information | | | | |
| Underlying EBITDA ⁴ | 55 759 | 48 584 | 18 309 | 13 452 |
| Underlying EBIT ⁴ | 37 313 | 31 181 | 13 469 | 9 092 |
| Financial items, net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund | - 5 115 | - 3 090 | - 1 082 | - 983 |
| 1) Including interest components related to pension costs | - 578 | - 439 | - 147 | - 110 |
| 2) Including discounting effects attributable to provisions | - 2 009 | - 2 033 | - 510 | - 506 |
| 3) Items affecting comparability recognised as financial income and expenses, net | 6 | - 6 | — | — |
| 4) See note 4 for information on items affecting comparability | | | | |

Consolidated statement of comprehensive income

| Amounts in SEK million | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|---|-------------------|-------------------|-----------------|-----------------|
| Profit for the period | 21 | 48 013 | - 16 959 | 6 101 |
| Other comprehensive income | | | | |
| Items that will be reclassified to profit or loss when specific conditions are met | | | | |
| Cash flow hedges - changes in fair value | 14 478 | 82 259 | - 58 369 | 20 435 |
| Cash flow hedges - dissolved against income statement | - 106 390 | - 31 553 | - 29 991 | - 22 878 |
| Cash flow hedges - transferred to cost of hedged item | - 16 | 16 | - 20 | 5 |
| Hedging of net investments in foreign operations | - 2 777 | - 1 414 | - 764 | - 437 |
| Translation differences, divested companies | — | 697 | — | 8 |
| Translation differences | 14 684 | 3 218 | 4 452 | 1 348 |
| Income taxes related to items that will be reclassified | 25 498 | - 15 420 | 29 125 | 927 |
| Total items that will be reclassified to profit or loss when specific conditions are met | - 54 523 | 37 803 | - 55 567 | - 592 |
| Items that will not be reclassified to profit or loss | | | | |
| Remeasurement pertaining to defined benefit obligations | 13 178 | - 670 | - 3 379 | - 1 096 |
| Income taxes related to items that will not be reclassified | - 3 582 | 226 | 993 | 231 |
| Total items that will not be reclassified to profit or loss | 9 596 | - 444 | - 2 386 | - 865 |
| Total other comprehensive income, net after income taxes | - 44 927 | 37 359 | - 57 953 | - 1 457 |
| Total comprehensive income for the period | - 44 906 | 85 372 | - 74 912 | 4 644 |
| Attributable to owner of the Parent Company | - 47 227 | 83 915 | - 76 057 | 4 188 |
| Attributable to non-controlling interests | 2 321 | 1 457 | 1 145 | 456 |

Operating segments, Vattenfall Group

| Amounts in SEK million | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|----------------------------------|-------------------|-------------------|-----------------|-----------------|
| External net sales | | | | |
| Customers & Solutions | 174 026 | 102 300 | 56 723 | 34 109 |
| Power Generation | 28 193 | 40 312 | 10 777 | 16 962 |
| Wind | 4 308 | 7 791 | 1 095 | 4 150 |
| Heat | 20 933 | 14 655 | 6 835 | 4 819 |
| Distribution | 11 733 | 14 643 | 3 272 | 3 306 |
| - of which, Distribution Germany | — | 3 203 | — | 1 |
| - of which, Distribution Sweden | 11 585 | 11 310 | 3 227 | 3 269 |
| Other ¹ | 451 | 418 | 117 | 183 |
| Total | 239 644 | 180 119 | 78 819 | 63 529 |
| Internal net sales | | | | |
| Customers & Solutions | 9 125 | 4 260 | 2 870 | 1 713 |
| Power Generation | 177 595 | 86 006 | 57 654 | 35 687 |
| Wind | 24 801 | 13 081 | 6 892 | 6 106 |
| Heat | 39 572 | 20 104 | 11 204 | 10 300 |
| Distribution | 764 | 2 619 | 199 | 123 |
| - of which, Distribution Germany | — | 2 061 | — | 1 |
| - of which, Distribution Sweden | 766 | 586 | 201 | 137 |
| Other ¹ | 8 079 | 5 751 | 2 255 | 1 531 |
| Eliminations | - 259 936 | - 131 821 | - 81 074 | - 55 460 |
| Total | — | — | — | — |
| Total net sales | | | | |
| Customers & Solutions | 183 151 | 106 560 | 59 593 | 35 822 |
| Power Generation | 205 788 | 126 318 | 68 431 | 52 649 |
| Wind | 29 109 | 20 872 | 7 987 | 10 256 |
| Heat | 60 505 | 34 759 | 18 039 | 15 119 |
| Distribution | 12 497 | 17 262 | 3 471 | 3 429 |
| - of which, Distribution Germany | — | 5 264 | — | 2 |
| - of which, Distribution Sweden | 12 351 | 11 896 | 3 428 | 3 406 |
| Other ¹ | 8 530 | 6 169 | 2 372 | 1 714 |
| Eliminations | - 259 936 | - 131 821 | - 81 074 | - 55 460 |
| Total | 239 644 | 180 119 | 78 819 | 63 529 |

| Amounts in SEK million | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|--|-------------------|-------------------|-----------------|-----------------|
| Operating profit before depreciation, amortisation and impairment losses (EBITDA) | | | | |
| Customers & Solutions | 8 396 | 3 241 | 2 992 | 318 |
| Power Generation | - 2 903 | 42 053 | - 28 649 | 2 607 |
| Wind | 22 554 | 13 534 | 6 120 | 6 126 |
| Heat | - 1 515 | 2 842 | - 203 | - 12 |
| Distribution | 4 637 | 5 911 | 1 330 | 1 101 |
| - of which, Distribution Germany | — | 1 008 | — | — |
| - of which, Distribution Sweden | 4 590 | 4 873 | 1 309 | 1 109 |
| Other ¹ | - 605 | 8 197 | - 243 | - 88 |
| Eliminations | - 51 | 12 | 144 | 174 |
| Total | 30 513 | 75 790 | - 18 509 | 10 226 |
| Underlying EBITDA | | | | |
| Customers & Solutions | 8 393 | 3 230 | 2 992 | 317 |
| Power Generation | 21 621 | 23 714 | 8 112 | 6 073 |
| Wind | 22 508 | 13 451 | 6 097 | 6 118 |
| Heat | - 641 | 2 590 | - 122 | - 237 |
| Distribution | 4 622 | 5 913 | 1 324 | 1 102 |
| - of which, Distribution Germany | — | 1 009 | — | — |
| - of which, Distribution Sweden | 4 573 | 4 874 | 1 302 | 1 110 |
| Other ¹ | - 693 | - 326 | - 238 | - 95 |
| Eliminations | - 51 | 12 | 144 | 174 |
| Total | 55 759 | 48 584 | 18 309 | 13 452 |
| Operating profit (EBIT) | | | | |
| Customers & Solutions | 7 416 | 2 446 | 2 721 | 191 |
| Power Generation | - 7 949 | 39 502 | - 29 974 | 3 299 |
| Wind | 16 436 | 7 919 | 4 455 | 4 654 |
| Heat | - 3 790 | - 91 | - 1 587 | - 756 |
| Distribution | 2 086 | 3 150 | 662 | 458 |
| - of which, Distribution Germany | — | 665 | — | — |
| - of which, Distribution Sweden | 2 107 | 2 515 | 660 | 483 |
| Other ¹ | - 1 503 | 7 333 | - 483 | - 270 |
| Eliminations | - 51 | 12 | 144 | 174 |
| Operating profit (EBIT) | 12 645 | 60 271 | - 24 062 | 7 750 |
| Operating profit (EBIT) | 12 645 | 60 271 | - 24 062 | 7 750 |
| Financial net | - 12 732 | - 898 | - 657 | - 594 |
| Profit before tax | - 87 | 59 373 | - 24 719 | 7 156 |
| Underlying EBIT | | | | |
| Customers & Solutions | 7 413 | 2 349 | 2 721 | 104 |
| Power Generation | 16 570 | 19 334 | 6 782 | 4 935 |
| Wind | 16 479 | 7 866 | 4 521 | 4 676 |
| Heat | - 3 578 | - 343 | - 877 | - 981 |
| Distribution | 2 070 | 3 152 | 657 | 459 |
| - of which, Distribution Germany | — | 666 | — | — |
| - of which, Distribution Sweden | 2 089 | 2 516 | 652 | 484 |
| Other ¹ | - 1 590 | - 1 189 | - 479 | - 275 |
| Eliminations | - 51 | 12 | 144 | 174 |
| Underlying EBIT | 37 313 | 31 181 | 13 469 | 9 092 |

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

Consolidated balance sheet

| Amounts in SEK million | 31 Dec 2022 | 31 Dec 2021 |
|---|----------------|----------------|
| Assets | | |
| Non-current assets | | |
| Intangible assets: non-current | 18 347 | 17 070 |
| Property, plant and equipment | 276 901 | 252 828 |
| Participations in associated companies and joint arrangements | 7 094 | 6 110 |
| Other shares and participations | 324 | 313 |
| Share in the Swedish Nuclear Waste Fund | 47 517 | 52 772 |
| Derivative assets | 31 187 | 35 240 |
| Deferred tax assets | 16 133 | 8 905 |
| Contract assets ¹ | 51 | 85 |
| Other non-current receivables ¹ | 3 411 | 2 894 |
| Total non-current assets | 400 965 | 376 217 |
| Current assets | | |
| Inventories | 20 969 | 41 539 |
| Intangible assets: current | 3 043 | 4 861 |
| Trade receivables and other receivables ¹ | 54 016 | 44 443 |
| Contract assets ¹ | 175 | 290 |
| Advance payments paid | 20 199 | 8 362 |
| Derivative assets | 89 692 | 120 645 |
| Prepaid expenses and accrued income | 20 775 | 12 402 |
| Current tax assets | 160 | 2 717 |
| Short-term investments | 65 846 | 102 706 |
| Cash and cash equivalents | 106 540 | 68 176 |
| Assets held for sale | 9 947 | — |
| Total current assets | 391 362 | 406 141 |
| Total assets | 792 327 | 782 358 |
| Equity and liabilities | | |
| Equity | | |
| Attributable to owner of the Parent Company | 110 473 | 180 710 |
| Attributable to non-controlling interests | 18 464 | 16 472 |
| Total equity | 128 937 | 197 182 |
| Non-current liabilities | | |
| Hybrid Capital | 17 760 | 20 421 |
| Other interest-bearing liabilities | 78 848 | 50 839 |
| Pension provisions | 27 812 | 40 328 |
| Other interest-bearing provisions | 128 239 | 116 637 |
| Derivative liabilities | 45 337 | 30 307 |
| Deferred tax liabilities | 13 648 | 33 913 |
| Contract liabilities ¹ | 8 936 | 7 422 |
| Other noninterest-bearing liabilities | 2 108 | 2 018 |
| Total non-current liabilities | 322 688 | 301 885 |
| Current liabilities | | |
| Trade payables and other liabilities | 48 797 | 39 241 |
| Contract liabilities ¹ | 873 | 1 213 |
| Advance payments received | 26 692 | 62 790 |
| Derivative liabilities | 151 657 | 99 511 |
| Accrued expenses and deferred income | 23 105 | 18 460 |
| Current tax liabilities | 1 201 | 2 418 |
| Hybrid Capital | 4 171 | — |
| Other interest-bearing liabilities | 75 986 | 55 148 |
| Interest-bearing provisions | 4 382 | 4 510 |
| Liabilities associated with assets held for sale | 3 838 | — |
| Total current liabilities | 340 702 | 283 291 |
| Total equity and liabilities | 792 327 | 782 358 |

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

SUPPLEMENTARY INFORMATION

| Amounts in SEK million | 31 Dec 2022 | 31 Dec 2021 |
|---|------------------|------------------|
| Calculation of capital employed | | |
| Intangible assets: current and non-current | 21 390 | 21 931 |
| Property, plant and equipment | 276 901 | 252 828 |
| Participations in associated companies and joint arrangements | 7 094 | 6 110 |
| Deferred and current tax assets | 16 293 | 11 622 |
| Non-current noninterest-bearing receivables | 811 | 339 |
| Contract assets | 226 | 375 |
| Inventories | 20 969 | 41 539 |
| Trade receivables and other receivables | 54 016 | 44 443 |
| Prepaid expenses and accrued income | 20 775 | 12 402 |
| Unavailable liquidity | 2 996 | 3 446 |
| Other | 805 | 643 |
| Total assets excl. financial assets | 422 276 | 395 678 |
| Deferred and current tax liabilities | - 14 849 | - 36 331 |
| Other noninterest-bearing liabilities | - 2 108 | - 2 018 |
| Contract liabilities | - 9 809 | - 8 635 |
| Trade payable and other liabilities | - 48 797 | - 39 241 |
| Accrued expenses and deferred income | - 23 105 | - 18 460 |
| Other | - 1 562 | - 899 |
| Total noninterest-bearing liabilities | - 100 230 | - 105 584 |
| Other interest-bearing provisions not related to adjusted net debt ¹ | - 10 114 | - 9 213 |
| Adjustment related to assets/liabilities held for sale | 6 109 | — |
| Capital employed² | 318 041 | 280 881 |
| Capital employed, average | 299 461 | 271 674 |
| Calculation of net debt | | |
| Hybrid Capital | - 21 931 | - 20 421 |
| Bond issues and liabilities to credit institutions | - 63 937 | - 37 732 |
| Short-term debt, commercial papers and repo | - 71 017 | - 46 189 |
| Liabilities to associated companies | - 930 | - 1 452 |
| Liabilities to owners of non-controlling interests | - 9 667 | - 10 747 |
| Other liabilities | - 9 283 | - 9 867 |
| Total interest-bearing liabilities | - 176 765 | - 126 408 |
| Cash and cash equivalents | 106 540 | 68 176 |
| Short-term investments | 65 846 | 102 706 |
| Loans to owners of non-controlling interests in foreign Group companies | 521 | 229 |
| Net debt² | - 3 858 | 44 703 |
| Calculation of adjusted gross debt and net debt | | |
| Total interest-bearing liabilities | - 176 765 | - 126 408 |
| 50% of Hybrid Capital ³ | 10 966 | 10 211 |
| Present value of pension obligations | - 27 812 | - 40 328 |
| Provisions for gas and wind operations and other environment-related provisions | - 11 454 | - 11 687 |
| Provisions for nuclear power (net) ⁴ | - 53 930 | - 40 233 |
| Margin calls received | 2 142 | 3 340 |
| Liabilities to owners of non-controlling interests due to consortium agreements | 9 667 | 10 747 |
| Adjustment related to assets/liabilities held for sale | 1 031 | — |
| Adjusted gross debt | - 246 156 | - 194 359 |
| Reported cash and cash equivalents and short-term investments | 172 386 | 170 882 |
| Unavailable liquidity | - 2 996 | - 3 446 |
| Adjusted cash and cash equivalents and short-term investments | 169 390 | 167 436 |
| Adjusted net debt² | - 76 766 | - 26 924 |

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

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

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

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

Consolidated statement of cash flows

| Amounts in SEK million | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|--|-------------------|-------------------|------------------|-----------------|
| Operating activities | | | | |
| Operating profit before depreciation, amortisation and impairment losses (EBITDA) | 30 513 | 75 790 | - 18 509 | 10 226 |
| Tax paid | - 4 360 | - 6 725 | - 1 622 | - 4 005 |
| Capital gains/losses, net | - 189 | - 8 760 | - 79 | - 124 |
| Interest received | 897 | 523 | 388 | 170 |
| Interest paid | - 3 811 | - 3 226 | - 978 | - 655 |
| Other, incl. non-cash items | 19 144 | - 11 506 | 35 397 | 13 004 |
| Funds from operations (FFO) | 42 194 | 46 096 | 14 597 | 18 616 |
| Changes in inventories | 20 146 | - 23 067 | 53 | - 19 112 |
| Changes in operating receivables | - 11 196 | - 31 816 | - 20 724 | - 20 261 |
| Changes in operating liabilities ¹ | 12 004 | 26 232 | 24 805 | 17 670 |
| Margin calls ¹ | - 63 128 | 88 995 | - 130 172 | 9 769 |
| Other changes | 1 134 | - 4 608 | 3 581 | - 2 370 |
| Cash flow from changes in operating assets and operating liabilities | - 41 040 | 55 736 | - 122 457 | - 14 304 |
| Cash flow from operating activities | 1 154 | 101 832 | - 107 860 | 4 312 |
| Investing activities | | | | |
| Acquisitions in Group companies ¹ | 528 | - 114 | 701 | - 59 |
| Investments in associated companies and other shares and participations | - 238 | - 278 | - 165 | - 101 |
| Other investments in non-current assets | - 24 914 | - 25 157 | - 7 852 | - 7 585 |
| Total investments | - 24 624 | - 25 549 | - 7 316 | - 7 745 |
| Divestments ¹ | 751 | 19 579 | 458 | 283 |
| Changes in short-term investments ¹ | 42 877 | - 73 051 | 31 864 | - 38 410 |
| Cash flow from investing activities | 19 004 | - 79 021 | 25 006 | - 45 872 |
| Cash flow before financing activities | 20 158 | 22 811 | - 82 854 | - 41 560 |
| Financing activities | | | | |
| Changes in loans to owners of non-controlling interests in foreign Group companies | - 260 | 153 | 101 | 101 |
| Loans raised ² | 97 400 | 51 150 | 42 650 | 44 615 |
| Amortisation of other debt ² | - 53 997 | - 35 870 | - 22 366 | - 3 738 |
| Divestment of shares in Group companies to owners of non-controlling interests | — | 4 025 | — | 9 |
| Redemption of Hybrid Capital | — | - 2 941 | — | — |
| Issue of Hybrid Capital | — | 6 481 | — | — |
| Dividends paid to owners | - 25 360 | - 5 190 | - 1 169 | - 1 |
| Contribution to owners of non-controlling interests | - 1 791 | - 601 | - 868 | - 373 |
| Contribution from owners of non-controlling interests | 3 697 | 1 786 | 1 488 | 1 242 |
| Cash flow from financing activities | 19 689 | 18 993 | 19 836 | 41 855 |
| Cash flow for the period | 39 847 | 41 804 | - 63 018 | 295 |

| Amounts in SEK million | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|--|-------------------|-------------------|-----------------|-----------------|
| Cash and cash equivalents | | | | |
| Cash and cash equivalents at start of period | 68 176 | 26 074 | 173 367 | 67 644 |
| Cash and cash equivalents included in assets held for sale | - 4 307 | — | - 4 307 | — |
| Cash flow for the period | 39 847 | 41 804 | - 63 018 | 295 |
| Translation differences | 2 824 | 298 | 498 | 237 |
| Cash and cash equivalents at end of period | 106 540 | 68 176 | 106 540 | 68 176 |

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

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

SUPPLEMENTARY INFORMATION

| Amounts in SEK million | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|--|-------------------|-------------------|------------------|-----------------|
| Cash flow before financing activities | 20 158 | 22 811 | - 82 854 | - 41 560 |
| Change in margin calls from Treasury operations | - 521 | - 1 700 | 738 | - 182 |
| Changes in short-term investments | - 42 877 | 73 051 | - 31 864 | 38 410 |
| Financing activities | | | | |
| Divestment of shares in Group companies to owners of non-controlling interests | — | 4 025 | — | 9 |
| Dividends paid to owners | - 25 360 | - 5 190 | - 1 169 | - 1 |
| Contribution to/from owners of non-controlling interests | 1 906 | 1 185 | 620 | 869 |
| Cash flow after dividend | - 46 694 | 94 182 | - 114 529 | - 2 455 |
| Analysis of change in net debt | | | | |
| Net debt at start of period | 44 703 | - 48 178 | 116 008 | 47 348 |
| Cash flow after dividend | - 46 694 | 94 182 | - 114 529 | - 2 455 |
| Changes as a result of valuation at fair value | 2 225 | 660 | - 270 | - 143 |
| Changes in interest-bearing liabilities for leasing | - 1 318 | - 1 442 | - 266 | - 444 |
| Interest-bearing liabilities/short-term investments acquired/divested | — | - 13 | — | - 10 |
| Cash and cash equivalents included in assets held for sale | - 4 307 | — | - 4 307 | — |
| Translation differences on net debt | 1 533 | - 506 | - 494 | 407 |
| Net debt at end of period | - 3 858 | 44 703 | - 3 858 | 44 703 |
| Cash flow from operating activities | 1 154 | 101 832 | - 107 860 | 4 312 |
| Maintenance/replacement investments | - 12 280 | - 11 012 | - 5 563 | - 3 796 |
| Free cash flow¹ | - 11 126 | 90 820 | - 113 423 | 516 |

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

INVESTMENTS

| Amounts in SEK million | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|--|-------------------|-------------------|-----------------|-----------------|
| Electricity generation | | | | |
| Hydro power | 785 | 795 | 333 | 314 |
| Nuclear power | 1 687 | 1 263 | 523 | 420 |
| Gas | 255 | 64 | 55 | 20 |
| Wind power and solar PV | 16 341 | 11 157 | 5 783 | 1 975 |
| Biomass, waste | 38 | 73 | 27 | 3 |
| Total electricity generation | 19 106 | 13 352 | 6 721 | 2 732 |
| CHP/heat | | | | |
| Fossil-based power | 1 013 | 1 053 | 445 | 537 |
| Heat networks | 1 471 | 1 511 | 640 | 610 |
| Other | 183 | 483 | 132 | 322 |
| Total CHP/heat | 2 667 | 3 047 | 1 217 | 1 469 |
| Electricity networks | | | | |
| Electricity networks | 5 525 | 5 758 | 2 380 | 1 919 |
| Total electricity networks | 5 525 | 5 758 | 2 380 | 1 919 |
| Purchases of shares, shareholder contributions | 653 | 400 | 407 | 168 |
| Other | 1 830 | 1 557 | 475 | 573 |
| Total investments | 29 781 | 24 114 | 11 200 | 6 861 |
| Accrued investments (-)/release of accrued investments (+) | - 4 214 | 1 443 | - 2 941 | 892 |
| Cash and cash equivalents in acquired companies | - 943 | - 8 | - 943 | - 8 |
| Total investments with cash flow effect | 24 624 | 25 549 | 7 316 | 7 745 |

Consolidated statement of changes in equity

| Amounts in SEK million | 31 Dec 2022 | | | 31 Dec 2021 | | |
|---|---|---|-----------------|---|---|----------------|
| | 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 |
| Balance brought forward | 180 710 | 16 472 | 197 182 | 97 724 | 13 468 | 111 192 |
| Profit for the period | - 1 102 | 1 123 | 21 | 46 828 | 1 185 | 48 013 |
| Cash flow hedges - changes in fair value | 14 478 | — | 14 478 | 82 259 | — | 82 259 |
| Cash flow hedges - dissolved against income statement | - 106 390 | — | - 106 390 | - 31 569 | 16 | - 31 553 |
| Cash flow hedges - transferred to cost of hedged item | - 16 | — | - 16 | 16 | — | 16 |
| Hedging of net investments in foreign operations | - 2 777 | — | - 2 777 | - 1 414 | — | - 1 414 |
| Translation differences, divested companies | — | — | — | 697 | — | 697 |
| Translation differences | 13 741 | 943 | 14 684 | 2 983 | 235 | 3 218 |
| Remeasurement pertaining to defined benefit obligations | 12 857 | 321 | 13 178 | - 700 | 30 | - 670 |
| Income taxes related to other comprehensive income | 21 982 | - 66 | 21 916 | - 15 185 | - 9 | - 15 194 |
| Total other comprehensive income for the period | - 46 125 | 1 198 | - 44 927 | 37 087 | 272 | 37 359 |
| Total comprehensive income for the period | - 47 227 | 2 321 | - 44 906 | 83 915 | 1 457 | 85 372 |
| Dividends paid to owners | - 23 414 | - 1 946 | - 25 360 | - 4 000 | - 1 190 | - 5 190 |
| Group contributions from(+)/to(-) owners of non-controlling interests | — | - 131 | - 131 | — | 51 | 51 |
| Changes in ownership in Group companies on divestments of shares to owners of non-controlling interests | 118 | — | 118 | 2 538 | 1 508 | 4 046 |
| Contribution to/from owners of non-controlling interests | — | 1 906 | 1 906 | — | 1 185 | 1 185 |
| Other changes in ownership | — | 2 | 2 | — | — | — |
| Other changes | 286 | - 160 | 126 | 533 | - 7 | 526 |
| Total transactions with equity holders | - 23 010 | - 329 | - 23 339 | - 929 | 1 547 | 618 |
| Balance carried forward | 110 473 | 18 464 | 128 937 | 180 710 | 16 472 | 197 182 |
| - Of which, Reserve for hedges | - 30 034 | 8 | - 30 026 | 36 968 | 8 | 36 976 |

Key ratios, Vattenfall Group

| In % unless otherwise stated. (x) means times ¹ | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|---|-------------------|-------------------|-----------------|-------------------|
| Operating margin | 5.3 | 33.5 | - 30.5 | 12.2 |
| Operating margin ² | 15.6 | 17.3 | 17.1 | 14.3 |
| Pre-tax profit margin | 0.0 | 33.0 | - 31.4 | 11.3 |
| Pre-tax profit margin ² | 10.3 | 16.8 | 16.3 | 13.4 |
| Return on equity ³ | - 0.7 | 36.9 | - 0.7 | 36.9 |
| Return on capital employed ³ | 4.2 | 22.2 | 4.2 | 22.2 |
| Return on capital employed ^{2,3} | 12.5 | 11.5 | 12.5 | 11.5 |
| EBIT interest cover (x) ³ | 2.3 | 15.8 | 2.3 | 15.8 |
| EBIT interest cover (x) ^{2,3} | 6.4 | 8.3 | 6.4 | 8.3 |
| FFO interest cover (x) ³ | 8.1 | 12.9 | 8.1 | 12.9 |
| FFO interest cover, net (x) ³ | 9.2 | 15.9 | 9.2 | 15.9 |
| Cash flow interest cover after maintenance investments (x) ³ | - 1.1 | 27.4 ⁴ | - 1.1 | 27.4 ⁴ |
| FFO/gross debt ³ | 23.9 | 36.5 | 23.9 | 36.5 |
| FFO/net debt ³ | 1,093.7 | - 103.1 | 1,093.7 | - 103.1 |
| FFO/adjusted net debt ³ | 55.0 | 171.2 | 55.0 | 171.2 |
| EBITDA/net financial items, (x) | 6.0 | 24.5 | - 17.1 | 10.4 |
| EBITDA/net financial items, (x) ² | 10.9 | 15.7 | 16.9 | 13.7 |
| Equity/Total assets | 16.3 | 25.2 | 16.3 | 25.2 |
| Gross debt/equity | 137.1 | 64.1 | 137.1 | 64.1 |
| Net debt/equity | 3.0 | - 22.7 | 3.0 | - 22.7 |
| Gross debt/gross debt plus equity | 57.8 | 39.1 | 57.8 | 39.1 |
| Net debt/net debt plus equity | 2.9 | - 29.3 | 2.9 | - 29.3 |
| Net debt/EBITDA (x) ³ | 0.1 | - 0.6 | 0.1 | - 0.6 |
| Adjusted net debt/EBITDA (x) ³ | 2.5 | 0.4 | 2.5 | 0.4 |

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.

Quarterly information, Vattenfall Group

| Amounts in SEK million | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---|------------------|---------------|----------------|----------------|-----------------------|-----------------------|-----------------------|----------------|
| Income statement | | | | | | | | |
| Net sales | 78 819 | 53 076 | 48 170 | 59 579 | 63 529 | 36 125 | 34 554 | 45 911 |
| Operating profit before depreciation, amortisation and impairment losses (EBITDA) | - 18 509 | 16 386 | 15 386 | 17 249 | 10 226 | 27 293 | 20 531 | 17 740 |
| Underlying EBITDA | 18 309 | 10 820 | 12 660 | 13 970 | 13 452 | 9 149 | 9 577 | 16 408 |
| Operating profit (EBIT) | - 24 062 | 12 192 | 11 730 | 12 783 | 7 750 | 22 926 | 16 210 | 13 385 |
| Underlying EBIT | 13 469 | 6 232 | 8 107 | 9 504 | 9 092 | 4 782 | 5 256 | 12 053 |
| Profit before income taxes | - 24 719 | 9 728 | 6 469 | 8 433 | 7 156 | 22 182 | 16 778 | 13 257 |
| Profit for the period | - 16 959 | 6 684 | 4 231 | 6 064 | 6 101 | 18 277 | 13 212 | 10 423 |
| - of which, attributable to owner of the Parent Company | - 17 605 | 6 242 | 4 478 | 5 782 | 5 774 | 18 178 | 13 002 | 9 875 |
| - of which, attributable to non-controlling interests | 646 | 442 | - 247 | 282 | 327 | 99 | 210 | 548 |
| Balance sheet | | | | | | | | |
| Capital employed | 318 041 | 258 447 | 289 959 | 276 749 | 280 881 | 255 184 | 280 855 | 271 110 |
| Net debt | - 3 858 | 116 008 | 29 321 | 37 611 | 44 703 | 47 348 | - 32 328 | - 43 865 |
| Cash flow | | | | | | | | |
| Funds from operations (FFO) | 14 597 | 7 305 | 11 911 | 8 382 | 18 616 | 6 054 | 7 439 | 13 987 |
| Cash flow from operating activities | - 107 860 | 90 385 | 21 687 | - 3 058 | 4 312 ¹ | 61 223 ¹ | 23 965 ¹ | 12 331 |
| Cash flow from investing activities | 25 006 | - 37 201 | 12 523 | 18 676 | - 45 872 ¹ | - 15 238 ¹ | - 12 782 ¹ | - 5 128 |
| Cash flow from financing activities | 19 836 | 29 229 | - 43 145 | 13 768 | 41 855 | - 1 252 | - 6 446 | - 15 164 |
| Cash flow for the period | - 63 018 | 82 413 | - 8 935 | 29 386 | 295 | 44 733 | 4 737 | - 7 961 |
| Free cash flow | - 113 423 | 87 786 | 20 026 | - 5 514 | 516 | 57 696 | 22 553 | 10 054 |

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

| In % unless otherwise stated. (x) means times ¹ | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|--|------------|------------------|------------|------------|------------|------------|------------|------------|
| Key ratios | | | | | | | | |
| Return on equity | - 0.7 | 14.8 | 23.5 | 31.0 | 36.9 | 40.2 | 30.3 | 10.0 |
| Return on capital employed ² | 4.2 | 17.3 | 19.3 | 21.8 | 22.2 | 22.4 | 14.5 | 5.9 |
| Return on capital employed ^{2,3} | 12.5 | 12.8 | 11.0 | 10.5 | 11.5 | 11.7 | 11.0 | 9.9 |
| EBIT interest cover, (x) ² | 2.3 | 7.9 | 10.3 | 14.9 | 15.8 | 16.6 | 12.1 | 5.1 |
| EBIT interest cover, (x) ^{2,3} | 6.4 | 5.9 | 6.0 | 7.3 | 8.3 | 8.7 | 9.3 | 8.6 |
| FFO/gross debt ² | 23.9 | 30.0 | 36.3 | 28.8 | 36.5 | 46.0 | 44.3 | 40.0 |
| FFO/net debt ² | 1,093.7 | - 39.8 | - 153.4 | - 107.7 | - 103.1 | - 82.0 | 123.1 | 83.8 |
| FFO/adjusted net debt ² | 55.0 | n/a ⁴ | 103.0 | 120.5 | 171.2 | 182.7 | 38.1 | 32.8 |
| Equity/Total assets | 16.3 | 18.5 | 20.6 | 24.4 | 25.2 | 27.8 | 25.8 | 26.8 |
| Gross debt/equity | 137.1 | 75.3 | 65.6 | 66.7 | 64.1 | 44.2 | 64.2 | 72.0 |
| Net debt/equity | 3.0 | - 56.8 | - 15.5 | - 17.9 | - 22.7 | - 24.8 | 23.1 | 34.4 |
| Net debt/net debt plus equity | 2.9 | - 131.4 | - 18.4 | - 21.8 | - 29.3 | - 32.9 | 18.8 | 25.6 |
| Net debt/EBITDA, (x) ² | 0.1 | - 2.0 | - 0.4 | - 0.5 | - 0.6 | - 0.6 | 0.5 | 0.9 |
| Adjusted net debt/EBITDA, (x) ² | 2.5 | - 0.7 | 0.6 | 0.4 | 0.4 | 0.3 | 1.8 | 2.4 |

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

2) Last 12-month values.

3) Based on Underlying operating profit.

4) The adjusted net debt decreased to a net asset mainly due to increased margin calls received. Excluding effects from received and paid margin calls FFO/adjusted net debt was at 41.4%.

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 2021 Annual and Sustainability Report in Note 3 to the consolidated accounts, Accounting policies. Amended IFRSs endorsed by the EU for application in the 2022 financial year have no significant effect on Vattenfall’s financial statements.

Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Vattenfall’s 2021 Annual and Sustainability Report, pages 62-71. The developments in the energy markets effects Vattenfall’s entire operation. The past twelve months have seen a continuation of the high volatility and price levels observed last year in the European energy commodity markets. The situation is amplified by the Ukraine war exacerbating Europe’s security of supply for natural gas. On top, dry weather conditions in the summer and lower power plant availability put a strain on electricity supply in most of Europe. At the end of 2022 European power prices fell significantly amid an improved gas supply situation and milder weather. However, the risk of a wider economic recession increases due to continued high energy price levels.

The sharp rise in commodity prices has also caused a significant increase in the cash liquidity risk across the industry. Margining arrangements like Credit Support Annex continue to be challenging for the liquidity position of many companies. Due to the strong increase in electricity prices, counterparties have provided margin securities to Vattenfall. Conversely, if energy prices fall significantly further relative to current levels – extending the trend that was observable since autumn/winter 2022 – Vattenfall would have to fund a large outflow of cash for posting margin securities.

Besides the market price risk associated to our production one of the main risks for Vattenfall are defaults by customers and counterparties caused by the continued high electricity and commodity prices. To reflect the increased risk of customer defaults due to high electricity prices, general high inflation and the expected decline in the economy the Expected Credit Losses accounted for in Vattenfall were increased.

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

Regulatory risks and uncertainties remain high. EU Energy Ministers are discussing short- and long-term interventions to cushion the effects of the high electricity and gas prices. Among other things, gas price caps and a new electricity market design in general are under discussion which may pose a new financial and strategic risk to Vattenfall’s portfolio. A cap on revenues from electricity generation with lower marginal costs, for example from Wind, Solar, Nuclear and Hydro (without storage) has already been decided.

Presentation of financial statements

In the interim reports for 2022 the following amendments in the presentations were made compared to Vattenfall’s 2021 Annual and Sustainability Report:

- In the balance sheet contractual assets and liabilities are divided into short- and long-term contractual assets and liabilities respectively.
- In the balance sheet receivables on minority shareholders related to group contribution has been moved from other non-current receivables to trade receivables and other receivables.
- In the cash flow statement acquisitions in group companies as well as divestments are shown as the net of acquisition price and cash in acquired companies and the net of sales price and cash in divested companies respectively. In addition, changes in margin calls from the treasury operations, which were previously included in short term investments in cash flow from investments as well as changes in operating liabilities, are included in Margin calls related to derivatives.

Other

Significant related-party transactions are described in Note 44 to the consolidated accounts in Vattenfall’s 2021 Annual and Sustainability Report. No material changes have taken place in relations or transactions with related parties since the publication.

Events after the balance sheet date

No significant events have occurred after the balance sheet date.

NOTE 2 | Exchange rates

KEY EXCHANGE RATES APPLIED IN THE ACCOUNTS OF THE VATTENFALL GROUP

| | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|---------------------|-------------------|-------------------|-----------------|-----------------|
| Average rate | | | | |
| EUR | 10.6258 | 10.1469 | 10.9642 | 10.1604 |
| DKK | 1.4283 | 1.3644 | 1.4740 | 1.3662 |
| GBP | 12.4463 | 11.7820 | 12.5461 | 11.9631 |
| USD | 10.0881 | 8.5687 | 10.7856 | 8.8543 |

| | | 31 Dec 2022 | 31 Dec 2021 |
|--------------------------------|--|----------------|----------------|
| Balance sheet date rate | | | |
| EUR | | 11.1218 | 10.2503 |
| DKK | | 1.4956 | 1.3784 |
| GBP | | 12.5397 | 12.1987 |
| USD | | 10.4273 | 9.0502 |

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

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

The carrying amounts of financial assets do not differ significantly from their fair values. The difference between carrying amounts and fair values for financial liabilities amounts to SEK -4.329 million (31 December 2021: 8.509).

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.

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 |
|--|----------------|----------------|--------------|----------------|
| Assets | | | | |
| 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 |
| Total assets | 122 343 | 130 900 | - 992 | 252 251 |
| Liabilities | | | | |
| Derivative liabilities | — | 196 994 | — | 196 994 |
| Total liabilities | — | 196 994 | — | 196 994 |

FINANCIAL ASSETS AND LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON THE BALANCE SHEET AT 31 DECEMBER 2021

| Amounts in SEK million | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|--------------|----------------|
| Assets | | | | |
| Share in the Swedish Nuclear Waste Fund | 52 772 | — | — | 52 772 |
| Derivative assets | — | 154 744 | 1 141 | 155 885 |
| Short-term investments, cash equivalents and other shares and participations | 116 013 | 11 404 | — | 127 417 |
| Total assets | 168 785 | 166 148 | 1 141 | 336 074 |
| Liabilities | | | | |
| Derivative liabilities | — | 129 818 | — | 129 818 |
| Total liabilities | — | 129 818 | — | 129 818 |

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 | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|---|-------------------|-------------------|-----------------|-----------------|
| Items affecting comparability | - 24 668 | 29 090 | - 37 531 | - 1 342 |
| - of which, capital gains | 312 | 8 960 | 108 | 156 |
| - of which, capital losses | - 122 | - 199 | - 28 | - 32 |
| - of which, impairment losses | - 90 | - 38 | - 89 | - 38 |
| - of which, reversed impairment losses | 668 | 1 922 | - 624 | 1 922 |
| - of which, provisions | - 5 206 | - 3 785 | - 1 882 | - 1 332 |
| - of which, changes in the fair value of energy derivatives | - 17 709 | 8 715 | - 30 914 | - 1 822 |
| - of which, changes in the fair value of inventories | - 2 406 | 1 313 | - 3 988 | - 488 |
| - of which, other non-recurring items affecting comparability | - 115 | 12 202 | - 114 | 292 |

Items affecting comparability during January-December 2022 amounted to SEK -24.7 billion, most of which pertains to changes in market value for energy derivatives and inventories (SEK -20.1 billion). The increase in provisions pertains mainly to the nuclear operations.

Items affecting comparability during January-December 2021 amounted to SEK 29.1 billion, most of which pertains to compensation for closure of nuclear power in Germany and sales of related production rights (SEK 12.5 billion, reported in other non-recurring items affecting comparability), and changes in market value for energy derivatives and inventories (SEK 10.0 billion). The increase in provisions pertains to the nuclear operations (SEK -3.8 billion). Capital gains pertains mainly to the sale of Stromnetz Berlin (SEK 8.4 billion).

NOTE 5 | Acquired and divested operations

Acquired operations

On 17th of June 2022 Vattenfall acquired 85% of the shares in Zephyr Vind AB. The total purchase price for the shares was SEK 175 million, and the fair value of total net assets acquired is SEK 175 million.

On 1st of November 2022 Vattenfall acquired 100% of the shares in Warmtebedrijf Holding B.V. The total purchase price for the shares was SEK 239 million, and the fair value of total net assets acquired is SEK 239 million.

NOTE 6 | Impairment losses and reversed 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. For a description of the principles for such calculations, please refer to Note 9 to the consolidated accounts in Vattenfall's 2021 Annual and Sustainability Report.

Impairment losses and reversed impairment losses 2022

During the period impairment losses of SEK 90 million have been charged against operating profit which mainly pertains to assets within BA Wind.

Previously recognised impairment losses of SEK 668 million, mainly pertaining to assets in BA Heat, have been reversed in the income statement.

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 2021 Annual and Sustainability Report, Note 3 to the Parent Company accounts, Accounting policies. New accounting policies applicable from 1 January 2022 has had no significant effect on the Parent Company's financial statements.

January – December 2022

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

- Net sales amounted to SEK 40,078 million (40,045).
- Profit before appropriations and income taxes was SEK -24,317 million (-4,219).
- The lower operating profit is to a large extent attributable to changes in market value for energy derivatives, for future years energy production amounting to SEK -24,301 million. In addition, the Parent Company is charged with SEK -8,911 million for increased commitments for future decommissioning of Ringhals and Forsmark resulting from increased provisions and the negative development of the share in the Swedish Nuclear Waste Fund for those companies.
- The improved net financial items refers to dividends from group companies, mainly from Vattenfall GmbH.
- The balance sheet total was SEK 435,557 million (468,482).
- Investments during the period amounted to SEK 1,772 million (7,303).
- Cash and cash equivalents, and short-term investments amounted to SEK 132,911 million (145,743).
- Dividend paid to the owner of SEK 23,42 million (4,000).

- In the balance sheet liabilities related to group contribution have been moved from non-current other noninterest-bearing liabilities to current other noninterest-bearing liabilities, group.

Risks and uncertainties

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

Other

The owners to the Swedish nuclear companies are required to provide security to the Swedish state as a guarantee that sufficient funds exist to cover the future costs of nuclear waste management. The security is provided in the form of guarantee commitments from the owners of the nuclear power companies and includes both financial and supplementary security. The state has during the first six months during 2022 decided to increase the levels of the security. The effect for Vattenfall AB will be an increase of SEK 14,7 billion.

In an extraordinary general meeting on 22 December 2022, decisions were taken on a bonus issue amounting to SEK 39,275 million, without issue of new shares, and the following reduction of share capital with the same amount without withdrawal of shares. The net effect of this is that restricted equity is reduced by SEK 39,275 million and unrestricted equity is increased with the same amount. The effect of these decisions will be accounted for during 2023 when they have been registered at the Swedish Companies Registration Office.

Significant related-party transactions are described in Note 44 to the consolidated accounts, Related party disclosures, in Vattenfall's 2021 Annual and Sustainability Report. No material changes have taken place in relations or transactions with related parties compared with the description in Vattenfall's 2021 Annual and Sustainability Report.

Parent Company income statement

| Amounts in SEK million | Full year 2022 | Full year 2021 |
|--|-------------------|-------------------|
| Net sales | 40 078 | 40 045 |
| Cost of purchases | - 67 495 | - 37 035 |
| Other external expenses | - 5 194 | - 5 250 |
| Personnel expenses | - 2 999 | - 2 247 |
| Other operating incomes and expenses, net | 8 | - 52 |
| Operating profit before depreciation, amortisation and impairment losses (EBITDA) | - 35 602 | - 4 539 |
| Depreciation, amortisation and impairments | - 688 | - 629 |
| Operating profit (EBIT) | - 36 290 | - 5 168 |
| Result from participations in subsidiaries | 15 972 | 2 231 |
| Result from participations in associated companies | - 61 | 1 |
| Other financial income | 1 702 | 1 537 |
| Other financial expenses | - 5 640 | - 2 820 |
| Profit before appropriations and income taxes | - 24 317 | - 4 219 |
| Appropriations | 6 839 | 5 086 |
| Profit before income taxes | - 17 478 | 867 |
| Income taxes | 6 357 | 445 |
| Profit for the period | - 11 121 | 1 312 |

Parent Company balance sheet

| Amounts in SEK million | 31 Dec 2022 | 31 Dec 2021 |
|---|----------------|---------------------|
| Assets | | |
| Non-current assets | | |
| Intangible assets: non-current | 278 | 330 |
| Property, plant and equipment | 7 110 | 7 003 |
| Shares and participations | 167 754 | 166 802 |
| Deferred tax assets | 8 992 | 2 272 |
| Other non-current | 3 836 | 5 570 |
| Other non-current group | 68 367 | 65 553 |
| Total non-current assets | 256 337 | 247 530 |
| Current assets | | |
| Inventories | 355 | 342 |
| Intangible assets: current | 17 | 9 |
| Current receivables | 33 847 | 12 430 ¹ |
| Current receivables, group | 11 947 | 60 727 ¹ |
| Current tax assets | 143 | 1 701 |
| Short-term investments | 65 029 | 101 877 |
| Cash and cash equivalents | 67 882 | 43 866 |
| Total current assets | 179 220 | 220 952 |
| Total assets | 435 557 | 468 482 |
| Equity, provisions and liabilities | | |
| Equity | | |
| Restricted equity | | |
| Share capital (131,700,000 shares with a share quota value of SEK 50) | 6 585 | 6 585 |
| Revaluation reserve | 37 989 | 37 989 |
| Other reserves | 1 286 | 1 370 |
| Non-restricted equity | | |
| Retained earnings | 42 894 | 64 911 |
| Profit for the period | - 11 121 | 1 312 |
| Total equity | 77 633 | 112 167 |
| Untaxed reserves | 2 328 | 7 168 |
| Provisions | 6 360 | 5 621 |
| Non-current liabilities | | |
| Hybrid capital | 17 760 | 20 421 |
| Other interest-bearing | 71 504 | 37 902 |
| Other interest-bearing liabilities, group | 222 | 1 573 |
| Other noninterest-bearing liabilities | 8 919 | 279 ¹ |
| Total non-current liabilities | 98 405 | 60 175 |
| Current liabilities | | |
| Hybrid capital | 4 171 | — |
| Other interest-bearing liabilities | 75 722 | 54 960 |
| Other interest-bearing liabilities, group | 117 406 | 197 355 |
| Other noninterest-bearing liabilities | 37 694 | 13 924 |
| Other noninterest-bearing liabilities, group | 15 838 | 17 112 ¹ |
| Total current liabilities | 250 831 | 283 351 |
| Total equity, provisions and liabilities | 435 557 | 468 482 |

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.

| | Definition |
|--------------------------------|---|
| 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, unrealised changes in the fair value of energy derivatives, which according to IFRS 9 cannot be recognised using hedge accounting and unrealised 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 | Definition |
| 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 | Full year 2022 | Full year 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
|--|-------------------|-------------------|-----------------|-----------------|
| Operating profit (EBIT) | 12 645 | 60 271 | - 24 062 | 7 750 |
| Depreciation, amortisation and impairment losses | - 17 868 | - 15 519 | - 5 553 | - 2 476 |
| Operating profit before depreciation, amortisation and impairment losses (EBITDA) | 30 513 | 75 790 | - 18 509 | 10 226 |
| Items affecting comparability excl. impairment losses and reversed impairment losses | 25 246 | - 27 206 | 36 818 | 3 226 |
| Underlying operating profit before depreciation, amortisation and impairment losses | 55 759 | 48 584 | 18 309 | 13 452 |
| Operating profit (EBIT) | 12 645 | 60 271 | - 24 062 | 7 750 |
| Items affecting comparability | 24 668 | - 29 090 | 37 531 | 1 342 |
| Underlying operating profit | 37 313 | 31 181 | 13 469 | 9 092 |

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

KEY RATIOS BASED ON CONTINUING OPERATIONS AND LAST 12-MONTH VALUES JANUARY 2022– DECEMBER 2022

| | | | | | |
|--|---------|--|----------------------------|---|------|
| Operating margin, % | = 100 x | $\frac{\text{EBIT}}{\text{Net sales}}$ | $\frac{12\,645}{239\,644}$ | = | 5.3 |
| Operating margin excl. items affecting comparability, % | = 100 x | $\frac{\text{Underlying EBIT}}{\text{Net sales}}$ | $\frac{37\,313}{239\,644}$ | = | 15.6 |
| Pre-tax profit margin, % | = 100 x | $\frac{\text{Profit before income taxes}}{\text{Net sales}}$ | $\frac{-87}{239\,644}$ | = | 0.0 |
| Pre-tax profit margin excl. items affecting comparability, % | = 100 x | $\frac{\text{Profit before income taxes excl. items affecting comparability}}{\text{Net sales}}$ | $\frac{24\,575}{239\,644}$ | = | 10.3 |
| Return on equity, % | = 100 x | $\frac{\text{Profit for the period attributable to owner of the Parent Company}}{\text{Average equity for the period attributable to owner of the Parent Company excl. the Reserve for cash flow hedges}}$ | $\frac{-1\,102}{149\,315}$ | = | -0.7 |
| Return on capital employed, % | = 100 x | $\frac{\text{EBIT}}{\text{Capital employed, average}}$ | $\frac{12\,645}{299\,461}$ | = | 4.2 |
| Return on capital employed excl. items affecting comparability, % | = 100 x | $\frac{\text{Underlying EBIT}}{\text{Capital employed, average}}$ | $\frac{37\,313}{299\,461}$ | = | 12.5 |
| EBIT interest cover, (x) | = | $\frac{\text{EBIT} + \text{financial income}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$ | $\frac{13\,499}{5\,969}$ | = | 2.3 |
| EBIT interest cover excl. Items affecting comparability, (x) | = | $\frac{\text{Underlying EBIT} + \text{financial income}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$ | $\frac{38\,167}{5\,969}$ | = | 6.4 |
| FFO interest cover, (x) | = | $\frac{\text{FFO} + \text{financial expenses excl. discounting effects attributable to provisions}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$ | $\frac{48\,163}{5\,969}$ | = | 8.1 |
| FFO interest cover, net, (x) | = | $\frac{\text{FFO} + \text{financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}{\text{Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}$ | $\frac{47\,309}{5\,115}$ | = | 9.2 |

| | | | | | |
|--|---------|---|----------------|---|--------|
| Cash flow interest cover after maintenance investments, (x) | = | Cash flow from operating activities less maintenance investments + financial expenses excl. Discounting effects attributable to provisions and interest components related to pension costs | <u>-5 735</u> | = | -1.1 |
| | | Financial expenses excl. discounting effects attributable to provisions and interest components related to pension costs | <u>5 391</u> | | |
| FFO/gross debt, % | = 100 x | <u>FFO</u> | <u>42 194</u> | = | 23.9 |
| | | Interest-bearing liabilities | <u>176 765</u> | | |
| FFO/net debt, % | = 100 x | <u>FFO</u> | <u>42 194</u> | = | 1093.7 |
| | | Net debt | <u>3 858</u> | | |
| FFO/adjusted net debt, % | = 100 x | <u>FFO</u> | <u>42 194</u> | = | 55.0 |
| | | Adjusted net debt | <u>76 765</u> | | |
| EBITDA/net financial items, (x) | = | <u>EBITDA</u> | <u>30 513</u> | = | 6.0 |
| | | Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund | <u>5 115</u> | | |
| EBITDA excl. items affecting comparability/net financial items, (x) | = | <u>EBITDA excl. items affecting comparability</u> | <u>55 759</u> | = | 10.9 |
| | | Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund | <u>5 115</u> | | |

KEY RATIOS BASED ON THE BALANCE SHEET PER 31 DECEMBER 2022

| | | | | | |
|---|---------|---------------------------------------|----------------|---|-------|
| Equity/total assets, % | = 100 x | <u>Equity</u> | <u>128 937</u> | = | 16.3 |
| | | Balance sheet total | <u>792 327</u> | | |
| Gross debt/equity, % | = 100 x | <u>Interest-bearing liabilities</u> | <u>176 765</u> | = | 137.1 |
| | | Equity | <u>128 937</u> | | |
| Net debt/equity, % | = 100 x | <u>Net debt</u> | <u>3 858</u> | = | 3.0 |
| | | Equity | <u>128 937</u> | | |
| Gross debt/gross debt equity, % | = 100 x | <u>Interest-bearing liabilities</u> | <u>176 765</u> | = | 57.8 |
| | | Interest-bearing liabilities + equity | <u>305 702</u> | | |
| Net debt/net debt plus equity, % | = 100 x | <u>Net debt</u> | <u>3 858</u> | = | 2.9 |
| | | Net debt + equity | <u>132 795</u> | | |
| Net debt/EBITDA, (x) | = | <u>Net debt</u> | <u>3 858</u> | = | 0.1 |
| | | EBITDA | <u>30 513</u> | | |
| Adjusted net debt/EBITDA, (x) | = | <u>Adjusted net debt</u> | <u>76 765</u> | = | 2.5 |
| | | EBITDA | <u>30 513</u> | | |

Dividend

The Board of Directors proposes a dividend of SEK 4,000 million.

Annual General Meeting

The Annual General Meeting will be held on 26 April 2023. The Annual General Meeting is open to the general public. The Annual Report (in both Swedish and English versions) is expected to be published on www.vattenfall.se and www.vattenfall.com, respectively, on 29 March 2023.

Year-end report signature

Solna, 8 February 2023

Vattenfall AB (publ) The Board of Directors

This year-end report has not been reviewed by the company's auditor.

Financial calendar

Annual General Meeting, 26 April 2023

Interim report January-March, 27 April 2023

Interim report January-June, 20 July 2023

Interim report January-September, 26 October 2023

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The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CET on 8 February 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.