

# Interim report January–September 2020

## Business highlights, July–September 2020

- Unusually high hydrological balance puts pressure on Nordic electricity prices
- Inauguration of Princess Ariane wind farm in the Netherlands
- Participation in auction for closure of Moorburg power plant in Hamburg
- Tendering process for the electricity grid in Berlin rejected by the Higher Regional Court. After the end of the quarter, Vattenfall offered to sell the company Stromnetz Berlin to the State of Berlin
- Inauguration of pilot plant for HYBRIT, a partnership project for fossil-free steel production
- Anna Borg named as new President and CEO, effective 1 November

## Financial highlights, January–September 2020

- Net sales decreased by 4% (-5% excluding currency effects) to SEK 114,815 million (120,181)
- Underlying operating profit<sup>1</sup> of SEK 17,802 million (16,889)
- Operating profit<sup>1</sup> of SEK 10,030 million (19,715)
- Profit for the period of SEK 1,989 million (14,373)

## Financial highlights, July–September 2020

- Net sales decreased by 2% (0% excluding currency effects) to SEK 35,375 million (35,938)
- Underlying operating profit<sup>1</sup> of SEK 4,818 million (3,594)
- Operating profit<sup>1</sup> of SEK 4,743 million (8,677)
- Profit for the period of SEK 3,583 million (6,700)

## KEY DATA

Amounts in SEK million unless indicated otherwise	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
Net sales	114 815	120 181	35 375	35 938	166 360	160 994
Operating profit before depreciation, amortisation and impairment losses (EBITDA) <sup>1</sup>	34 387	33 601	9 235	13 499	42 445	43 231
Operating profit (EBIT) <sup>1</sup>	10 030	19 715	4 743	8 677	22 141	12 456
Underlying operating profit <sup>1</sup>	17 802	16 889	4 818	3 594	25 095	26 008
Profit for the period	1 989	14 373	3 583	6 700	14 861	2 477
Electricity generation, TWh	82.2	95.4	25.0	28.7	130.2	117.0
Sales of electricity, TWh <sup>2</sup>	120.1	126.5	37.9	38.7	169.4	163.0
- of which, customer sales	86.6	89.3	26.9	27.1	119.0	116.3
Sales of heat, TWh	9.3	12.0	1.4	1.7	17.1	14.4
Sales of gas, TWh	37.9	39.6	5.9	6.3	59.2	57.5
Return on capital employed, % <sup>1</sup>	4.7 <sup>3</sup>	9.2 <sup>3</sup>	4.7 <sup>3</sup>	9.2 <sup>3</sup>	8.5	4.7
FFO/adjusted net debt, % <sup>1</sup>	27.9 <sup>3</sup>	24.5 <sup>3</sup>	27.9 <sup>3</sup>	24.5 <sup>3</sup>	26.5	27.9

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

# Positive development in turbulent market

In a quite special and challenging market situation, Vattenfall is reporting a slight earnings improvement from the underlying operations. Electricity generation has been lower, but this is being compensated by positive development for the sales business and a favourable result from trading. Our price hedges are moderating the negative effect of falling electricity prices.

### Extraordinary market conditions

2020 has been a tumultuous year thus far, and we have seen large price declines in the electricity markets. A high level of precipitation in the Nordic region together with warm weather has pressed prices downward dramatically. However, large differences have appeared between price areas owing to limitations in the electricity grid. On top of this, low fuel prices and lower demand have had a negative effect on prices on the Continent. During the third quarter we saw a slight rebound in all markets. Vattenfall's electricity generation has been lower due to the closure of Ringhals 2, but also as a result of more maintenance and adaptation of nuclear power to the weak market situation. Poorer conditions for coal-fired power together with the closure of Hemweg 8 in Amsterdam and the sale of operations in Hamburg in 2019 have resulted in a decrease in fossil-based generation.

### Underlying earnings improvement, but large, negative one-off effects

Earnings for the first nine months of the year were negatively affected by large write-downs – mainly for coal-fired power generation – of more than SEK 10 billion during the second quarter. Profit for the nine-month period of SEK 2 billion is thereby considerably lower than the SEK 14.4 billion posted for the same period a year ago. Profit for the third quarter was SEK 3.6 billion, which is SEK 3.1 billion lower than the same period in 2019. Profit for the third quarter a year ago included capital gains on the sales of the district heating operations in Hamburg (SEK 3.1 billion) and of the production rights for nuclear power in Germany (SEK 1.5 billion).

Operationally we are delivering favourable earnings despite a turbulent market. Price hedges and a positive contribution from the sales operations and trading have counterbalanced the negative effect of lower electricity prices. Underlying operating profit for the nine-month period and third quarter totalled SEK 17.8 billion and SEK 4.8 billion,

respectively, representing increases of SEK 0.9 billion and SEK 1.2 billion, respectively.

### Continued steps toward a fossil-free future

During the third quarter we inaugurated the Princess Ariane wind farm (formerly Wieringermeer), the largest of its kind in the Netherlands. It has a capacity of 300 MW, corresponding to the annual consumption of 370,000 households. In addition, the pilot plant was inaugurated for HYBRIT, the partnership project we are involved in for fossil-free steel production with SSAB and LKAB in Luleå, Sweden, where both the Prime Minister and Deputy Prime Minister were in attendance.

Coal-fired power is not competitive at today's price levels for electricity, fuel and CO<sub>2</sub> emissions. This is not surprising, as pressure is being exerted by both political measures and by technological development of renewable production. In Germany we are now participating in an auction to handle the closure of the Moorburg coal-fired power plant in Hamburg.

After the end of the quarter, we made the decision to offer the electricity network business in Berlin for sale. We are looking for cooperation and common agreement with the State of Berlin to get out of the deadlock with long legal proceedings and instead find a better way forward for the business.

This is my final quarterly report as CEO of Vattenfall. I want to express great thanks to all Vattenfall employees and the Board for entrusting me to lead Vattenfall during these eventful years. It has been an extremely exciting journey that will continue as Vattenfall strives to enable fossil-free living within one generation.



**Magnus Hall**  
President and CEO

Profit for the period

**2**

SEK billion

First nine months of 2020

Underlying operating profit

**17.8**

SEK billion

First nine months of 2020

FFO/adjusted net debt

**27.9%**

Last 12 months

Return on capital employed

**4.7%**

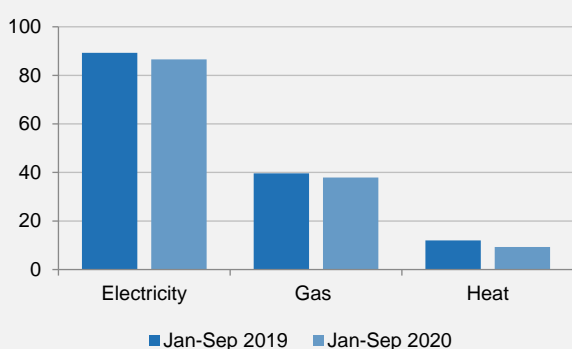
Last 12 months

# Group overview

## Customer sales development

Sales of electricity, excluding sales to Nord Pool Spot and deliveries to minority shareholders, decreased by 2.7 TWh to 86.6 TWh (89.3), mainly owing to lower volumes in the Nordic countries and Germany. Higher sales in the B2B segment in France had a countering effect. Sales of gas decreased by 1.7 TWh to 37.9 TWh (39.6) as a result of warmer weather in the Netherlands. Sales of heat decreased by 2.7 TWh to 9.3 TWh (12.0).

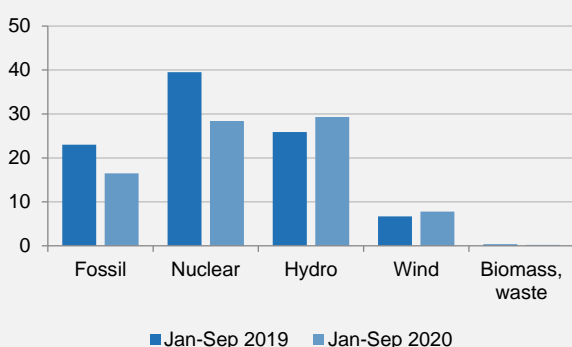
### CUSTOMER SALES (TWh)



## Generation development

Total electricity generation decreased by 13.2 TWh to 82.2 TWh (95.4) during the period January–September 2020. Lower nuclear power (-11.1 TWh) and fossil-based (-6.5 TWh) power generation was countered by higher hydro power (+3.4 TWh) and wind power (+1.1 TWh) generation.

### ELECTRICITY GENERATION (TWh)



## Price development

Average Nordic electricity spot prices were 74% lower, at EUR 8.9/MWh (34.8) during the third quarter of 2020 compared with the corresponding period in 2019, mainly owing to a stronger hydrological balance. Spot prices in Germany were 4% lower, at EUR 36.1/MWh (37.5), and prices in the Netherlands decreased by 7% to EUR 35.3/MWh (37.9). Prices in Germany and the Netherlands were mainly affected by lower fuel prices. Electricity futures

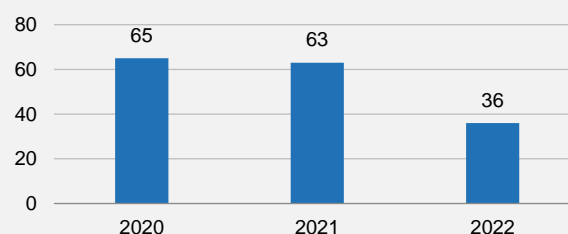
prices for delivery in 2021 and 2022 were 12%–33% lower than during the third quarter of 2019.

Compared with the third quarter of 2019, the average spot price for gas was 24% lower, at EUR 7.8/MWh (10.2). The spot price for coal was 12% lower, at USD 50.6 USD/t (57.5). The futures price for gas was 28% lower, at EUR 13.0/MWh (18.1), and the futures price for coal was 17% lower, at USD 58.0/t (69.5). The price of CO<sub>2</sub> emission allowances was 2% higher, at EUR 27.3/t (26.9).

### AVERAGE INDICATIVE NORDIC HEDGE PRICES (SE, DK, FI) AS PER 30 SEPTEMBER 2020, EUR/MWh

EUR/MWh	2020	2021	2022
	33	29	30

### VATTENFALL'S ESTIMATED NORDIC HEDGE RATIO (SE, DK, FI) AS PER 30 SEPTEMBER 2020 (%)



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

Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
31	32	38	29	32	31

### SENSITIVITY ANALYSIS – CONTINENTAL PORTFOLIO (DE, NL, UK)

+/-10% price impact on future profit before tax, SEK million<sup>2</sup>

Market-quoted	2021	2022	2023	Observed yearly volatility <sup>3</sup>
Electricity	+/- 22	+/- 457	+/- 1,124	18%-25%
Coal	-/+ 133	-/+ 71	-/+ 3	16%-19%
Gas	-/+ 79	-/+ 309	-/+ 681	18%-25%
CO <sub>2</sub>	-/+ 84	-/+ 64	-/+ 269	47%-49%

- 1) Achieved prices from the spot market and hedges. Includes Nordic hydro, nuclear and wind power generation
- 2) The denotation +/- entails that a higher price affects operating profit favourably, and +/- vice versa
- 3) Observed yearly volatility for daily price movements for each commodity, based on forward contracts. Volatility normally decreases the further ahead in time the contracts pertain to.

## Net sales

**January–September:** Consolidated net sales decreased by SEK 5.4 billion (including positive currency effects of SEK 0.1 billion). The decrease is mainly attributable to lower electricity prices and lower sales volumes in the Nordic countries, the Netherlands and Germany, and lower revenue from the heat operations.

**July–September:** Consolidated net sales decreased by SEK 0.6 billion (including negative currency effects of SEK 0.7 billion).

## Earnings

**January–September:** The underlying operating profit increased by SEK 0.9 billion, which is explained by:

- A higher earnings contribution from the Customers & Solutions operating segment (SEK 1.2 billion), mainly owing to strong contribution from sales in Germany and lower depreciation in the Netherlands
- A higher earnings contribution from the Distribution operating segment (SEK 0.4 billion) due to lower costs, which were elevated in 2019 as a result of Storm Alfrida
- A lower earnings contribution from the Power Generation operating segment (SEK -0.5 billion) owing to lower achieved prices in the Nordic countries and lower nuclear power generation, which was partly compensated by a higher realised earnings from the trading operations
- Other items, net (SEK -0.1 billion)

Items affecting comparability amounted to SEK -7.8 billion (2.8), of which most pertain to impairment losses in the Heat (SEK -9.0 billion) and Wind (SEK -1.5 billion) operating segments, which were partly countered by unrealised changes in market value for energy derivatives and inventories (SEK 2.8 billion) and the sale of nuclear power production rights in Germany (SEK 1.6 billion). Profit for the period totalled SEK 2.0 billion (14.4) and was affected by, in addition to items affecting comparability, lower net financial items associated with a lower return from the Swedish Nuclear Waste Fund (SEK -1.5 billion) and higher tax costs.

**July–September:** The underlying operating profit increased by SEK 1.5 billion. The Power Generation operating segment made a positive contribution (SEK 1.0 billion), mainly owing to higher achieved prices and higher realised earnings from the trading operations. The Heat and Customers & Solutions

operating segments also made positive contributions (SEK 0.4 billion and SEK 0.3 billion, respectively). The Wind operating segment made a negative contribution (SEK -0.4 billion). Items affecting comparability amounted to SEK -0.1 billion (5.1). Profit for the period was SEK 3.6 billion (6.7). Profit for the third quarter of 2019 included positive items affecting comparability.

## Cash flow

**January–September:** Funds from operations (FFO) increased by SEK 0.2 billion, mainly owing to a higher operating profit before depreciation, amortisation and impairment losses (EBITDA), which was countered by higher paid tax (the comparison is affected by a tax refund in Germany in 2019). Cash flow from changes in working capital amounted to SEK 3.2 billion. The largest contributing factors were the net change in operating receivables and operating liabilities resulting from seasonal effects in the Customers & Solutions and Heat business segments (SEK 3.5 billion), the net change in margin calls (SEK 3.4 billion), and a decrease in inventories (SEK 1.6 billion). Changes related to CO2 emission allowances had a negative effect on cash flow (SEK -4.2 billion).

**July–September:** Funds from operations (FFO) decreased by SEK 0.6 billion, mainly owing to a lower operating profit before depreciation, amortisation and impairment losses (EBITDA) and higher paid tax. Cash flow from changes in working capital amounted to SEK 12.4 billion, which is mainly explained by the net change in margin calls (SEK 4.4 billion), the net change in operating receivables and operating liabilities resulting from seasonal effects in the Customers & Solutions and Heat operating segments (SEK 3.5 billion), and a decrease in inventories (SEK 2.6 billion).

## Events after the balance sheet date

- In October the jointly owned Krümmel nuclear power plant in Germany sold an additional 3 TWh of production rights to E.ON's subsidiary PreussenElektra. Vattenfall's share of the sales price was SEK 0.4 billion
- Östhammar Municipality has decided in favour of construction of a final repository for spent nuclear fuel in Forsmark
- Gunnar Groebler, head of operating segment Wind, has decided to leave Vattenfall and will continue in his current position until May 2021 at the latest
- Vattenfall is offering the State of Berlin all shares in the electricity grid company Stromnetz Berlin GmbH

## KEY FIGURES – GROUP OVERVIEW

Amounts in SEK million	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
Net sales	114 815	120 181	35 375	35 938	166 360	160 994
Operating profit before depreciation, amortisation and impairment losses (EBITDA) <sup>1</sup>	34 387	33 601	9 235	13 499	42 445	43 231
Operating profit (EBIT) <sup>1</sup>	10 030	19 715	4 743	8 677	22 141	12 456
Underlying operating profit <sup>1</sup>	17 802	16 889	4 818	3 594	25 095	26 008
Items affecting comparability <sup>1</sup>	- 7 772	2 826	- 75	5 083	- 2 954	- 13 552
Profit for the period	1 989	14 373	3 583	6 700	14 861	2 477
Funds from operations (FFO) <sup>1</sup>	23 656	23 429	7 000	7 583	34 949	35 176
Cash flow from changes in operating assets and operating liabilities (working capital)	3 182	- 11 700	12 447	6 026	- 18 230	- 3 348
Cash flow from operating activities	26 838	11 729	19 447	13 609	16 719	31 828

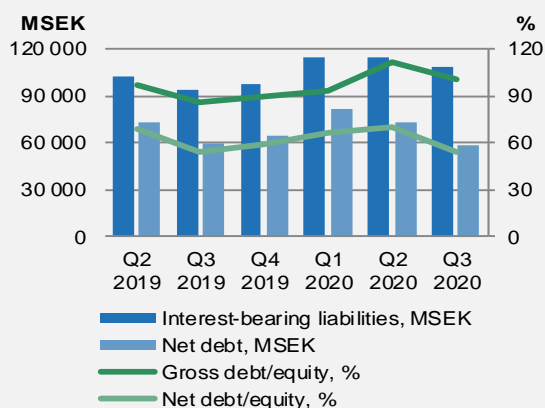
1) See Definitions and calculations of key ratios for definitions of Alternative Performance Measures.

## Capital structure

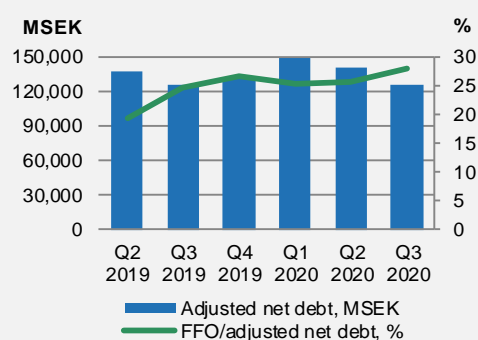
Cash and cash equivalents, and short-term investments decreased by SEK 16.1 billion compared with the level at 31 December 2019. Committed credit facilities consist of a EUR 2.0 billion Revolving Credit Facility that expires on 10 December 2021 and a credit facility of SEK 3.0 billion that expires on 15 June 2021. As per 30 September 2020 available liquid assets and/or committed credit facilities amounted to 43% 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 and adjusted net debt decreased by SEK 5.4 billion and SEK 5.7 billion, respectively, compared with the levels at 31 December 2019. This is mainly attributable to a positive cash flow after investments (SEK 11.7 billion) that was partly countered by payment of a dividend to the owner (SEK 3.6 billion) and to minority owners (SEK 1.4 billion). In addition, adjusted net debt was affected by decreased pension provisions (SEK 0.8 billion) and increased provisions for nuclear power (SEK 1.0 billion).

### NET DEBT



### ADJUSTED NET DEBT



## Strategic objectives and targets for 2020

Strategic focus area	Targets for 2020	Q3 2020	Full Year 2019
<b>Leading towards Sustainable Consumption</b>	1. Customer engagement, Net Promoter Score relative to peers <sup>1</sup> (NPS relative): <b>+2</b>	<b>+4</b>	<b>+1</b>
<b>Leading towards Sustainable Production</b>	2. Aggregated commissioned new renewables capacity 2016-2020: <b>≥2,300 MW</b>	<b>1,394 MW</b>	<b>1,226 MW</b>
	3. Absolute CO <sub>2</sub> emissions pro rata: <b>≤21 Mt</b>	<b>8.5 Mt</b>	<b>19.3 Mt<sup>2</sup></b>
<b>High Performing Operations</b>	4. Return On Capital Employed (ROCE), last 12 months: <b>≥8%</b>	<b>4.7%</b>	<b>8.5%</b>
<b>Empowered and Engaged People</b>	5. Lost Time Injury Frequency (LTIF): <b>≤1.25</b>	<b>1.9</b>	<b>2.1</b>
	6. Employee Engagement Index <sup>3</sup> : <b>≥70%</b>	<b>-</b>	<b>69%</b>

1) The target is a positive NPS in absolute terms and +2 compared to Vattenfall's peer competitors to be achieved by 2020

2) The outcome includes the divested heat operations in Hamburg, where emissions amounted to 1.1 Mt during the period January-September 2019

3) Documentation for measurement of target achievement is derived from the results of an employee survey, which is conducted on an annual basis

# Operating segments



Customers & Solutions



Power Generation  
– Generation



Power Generation  
– Markets



Wind



Heat



Distribution

Amounts in SEK million	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
<b><u>Underlying operating profit</u></b>						
<b>Customers &amp; Solutions</b>	1 759	594	351	86	1 337	2 502
<b>Power Generation</b>	10 729	11 252	3 847	2 833	15 437	14 914
- of which, trading	2 211	779	462	- 165	1 794	3 225
<b>Wind</b>	2 255	2 474	253	623	4 155	3 936
<b>Heat</b>	192	318	- 396	- 768	550	424
<b>Distribution</b>	3 870	3 454	953	1 190	4 998	5 414
- of which, Distribution Germany	824	851	356	350	1 132	1 105
- of which, Distribution Sweden	3 048	2 591	598	840	3 856	4 313
<b>Other<sup>1</sup></b>	- 891	- 995	- 143	- 343	- 1 274	- 1 170
<b>Eliminations</b>	- 112	- 208	- 47	- 27	- 108	- 12
<b>Underlying operating profit</b>	<b>17 802</b>	<b>16 889</b>	<b>4 818</b>	<b>3 594</b>	<b>25 095</b>	<b>26 008</b>

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.

### Positive development in the Continental business

- Strong contribution from Germany and lower depreciation in the Netherlands
- Expansion in e-vehicle charging solutions in Germany, the Netherlands and Norway



**Q1–Q3:** Net sales decreased mainly owing to lower electricity prices in the Nordic countries and the Netherlands and to lower volumes in these markets as a result of slightly lower demand. This was partly offset by a larger customer base in Germany and higher volumes in the B2B segment in France. Underlying operating profit increased mainly as a result of lower depreciation in the Netherlands and a strong sales contribution from Germany.

**Q3:** Net sales decreased mainly owing to lower prices and volumes in the Nordic countries and the Netherlands. This was partly countered by higher volumes in the B2B segment in France. Underlying operating profit increased mainly as a result of lower depreciation in the Netherlands.

Compared with year-end 2019, the total customer base decreased from 10.2 to 10.0 million contracts. The decrease is

mainly attributable to the divestment of the sales business in the UK, iSupplyEnergy, during the first quarter of 2020 and a smaller customer base in the Netherlands.

Expansion in e-vehicle charging solutions continues in Vattenfall's markets. In the Netherlands Vattenfall won one of the bigger tenders for installation of up to 8,000 new charging points in the Noord-Brabant and Limburg provinces up to 2024. In northern Norway, Vattenfall will install and operate 24 new fast chargers in cooperation with ABB and Ishavskraft AS. In Germany and the Netherlands, Vattenfall has entered into a partnership with Aral and BP on the launch of a card that can be used both for conventional fuelling and e-vehicle charging. Vattenfall will also offer installation of charging boxes to Aral's and BP's business customers.

### KEY FIGURES – CUSTOMERS & SOLUTIONS

Amounts in SEK million unless indicated otherwise	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
Net sales	62 367	64 086	17 853	17 998	89 859	88 140
External net sales	61 191	62 264	17 427	17 519	87 343	86 270
Underlying operating profit before depreciation, amortisation and impairment losses	2 471	1 842	613	528	3 021	3 650
Underlying operating profit	1 759	594	351	86	1 337	2 502
Sales of electricity, TWh	70.0	66.6	21.7	20.7	89.5	92.9
- of which, private customers	18.9	20.1	5.1	5.4	28.0	26.8
- of which, resellers	5.4	4.7	1.5	1.3	6.5	7.2
- of which, business customers	45.7	41.8	15.1	14.0	55.0	58.9
Sales of gas, TWh	34.5	36.2	4.9	5.5	54.2	52.5
Number of employees, full-time equivalents	2 965	3 169	2 965	3 169	3 150	

## 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.

### Unusually high hydrological balance puts pressure on Nordic electricity prices

- Low electricity prices offset by hedging
- Strong realised result from the trading operations
- Lower electricity generation, partly due to prolonged annual outages and down-regulation in nuclear power



**Q1–Q3:** Net sales decreased mainly as a result of lower electricity prices in the Nordic countries resulting from a high hydrological balance, which was partly countered by hedging. In addition, net sales were negatively affected by lower sales of electricity and gas in the B2B segment in Germany, lower internal sales and lower nuclear power generation. Underlying operating profit decreased as a result of lower achieved prices in the Nordic countries and lower nuclear power generation, which was partly compensated by a higher realised trading result.

Nuclear power generation decreased by 11.1 TWh during the period January–September mainly due to the closure of Ringhals 2, the prolonged outages for yearly inspections and output reductions in response to lower price levels. Combined availability for Vattenfall's nuclear power plants during the period January–September was 74.6% (86.4%). The decrease is mainly attributable to longer maintenance work and outages than in 2019 at Ringhals 1 and 3.

Hydro power generation increased by 3.4 TWh during the period January–September. Nordic reservoir levels were at 87% (81%) of capacity at the end of the third quarter, which is 11 percentage points above the normal level.

**Q3:** Net sales decreased mainly as a result of lower electricity prices in the Nordic countries and lower sales of electricity in the B2B segment in Germany. This was partly offset by hedging. Underlying operating profit increased mainly as a result of higher achieved prices and a higher realised trading result.

Dismantling of the Ågesta nuclear power plant in Huddinge, south of Stockholm, intensified during the third quarter. This is a smaller reactor (80 MW) that produced mainly district heating. The reactor has been out of operation since 1974 and the dismantling work is expected to continue for three to four years.

Vattenfall signed a corporate power purchase agreement (PPA) with Bosch on the supply of renewable electricity from a 10 MW solar park that Vattenfall will build in northern Germany. The agreement covers a 12-year period, and initial deliveries of electricity are expected to be made during the first quarter of 2021. The solar park will be built without government funding.

Vattenfall has signed a long-term agreement with Glennmont Partners, a leading European clean energy investor, to provide power balancing services for Piiparinmäki, a new onshore wind farm in Finland. Once operational in 2021, the facility will be the largest wind farm in Finland with a capacity of 211 MW.

### KEY FIGURES – POWER GENERATION

Amounts in SEK million unless indicated otherwise	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
Net sales	65 307	74 699	20 896	21 603	102 378	92 986
External net sales	27 026	28 195	10 766	10 118	38 425	37 256
Underlying operating profit before depreciation, amortisation and impairment losses	13 800	14 057	4 894	3 779	19 207	18 950
Underlying operating profit	10 729	11 252	3 847	2 833	15 437	14 914
- of which, realised trading result	2 211	779	462	- 165	1 794	3 225
Electricity generation, TWh	57.7	65.4	17.3	19.7	89.0	81.3
- of which, hydro power	29.3	25.9	9.0	7.4	35.7	39.1
- of which, nuclear power	28.4	39.5	8.3	12.3	53.3	42.2
Sales of electricity, TWh	14.8	20.8	4.7	5.8	27.0	21.0
- of which, resellers	13.2	17.6	4.1	4.8	22.8	18.4
- of which, business customers	1.6	3.2	0.6	1.0	4.2	2.6
Sales of gas, TWh	3.4	3.4	1.0	0.8	5.0	5.0
Number of employees, full-time equivalents	7 447	7 386	7 447	7 386	7 429	



## 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.

### Progress in investment projects but negative impact from lower electricity prices

- Inauguration of the Princess Ariane onshore wind farm in the Netherlands
- Completion of foundations for the Kriegers Flak offshore wind farm off the coast of Denmark
- Lower electricity prices and lower availability for offshore wind power



**Q1–Q3:** Net sales increased as a result of new capacity, mainly the Horns Rev 3 offshore wind farm in Denmark. This was largely countered by lower electricity prices and lower availability for offshore wind power owing to increased maintenance work. Underlying operating profit decreased as a result of higher costs, mainly driven by new capacity and higher depreciation, and more project activity in construction and development. Electricity generation increased as a result of new capacity and higher wind speeds.

**Q3:** Net sales and underlying operating profit decreased as a result of lower availability of offshore wind power and lower electricity prices. This was partly offset by new capacity.

At the end of September Vattenfall inaugurated the Princess Ariane onshore wind farm, the largest of its kind in the Netherlands. Formerly known as Wieringermeer and Wieringermeer Extension, the wind farm consists of 82 wind turbines with a total capacity of 301 MW. The future electricity generation corresponds to the annual electricity consumption of

370,000 Dutch households. The wind farm is expected to be fully operational at the end of 2020.

At the end of August, the 72nd and last foundation for the Kriegers Flak offshore wind farm was installed. Although the work was conducted under special circumstances posed by Covid-19, the installation was completed on schedule in a little over three months. Kriegers Flak will be the largest offshore wind farm in Denmark with total capacity of 605 MW, which corresponds to the electricity consumption of approximately 600,000 Danish households. The next step of the project will involve installation of cables and turbines. The wind farm is expected to be operational at the end of 2021.

Vattenfall is continuing with the expansion of solar power in its markets. In Germany Vattenfall took part in a tender and was awarded a contract for installation of solar panels at its existing Markersbach and Geesthacht pumped storage power plants. In the Netherlands, Vattenfall has built a floating solar park for the company Netterden, which was inaugurated at the end of September.

### KEY FIGURES – WIND

Amounts in SEK million unless indicated otherwise	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
Net sales	9 606	9 502	2 656	3 084	13 492	13 596
External net sales	4 855	4 679	1 303	1 667	6 578	6 754
Underlying operating profit before depreciation, amortisation and impairment losses	6 443	6 500	1 663	2 041	9 620	9 563
Underlying operating profit	2 255	2 474	253	623	4 155	3 936
Electricity generation - wind power TWh	7.8	6.7	2.1	2.2	9.7	10.8
Sales of electricity, TWh	0.9	1.0	0.2	0.3	1.3	1.2
Number of employees, full-time equivalents	1 105	981	1 105	981	1 000	

## Heat

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

### Bid submitted for the closure of coal-fired power production

- Participation in auction for closure of Moorburg power plant in Hamburg
- Continued strained market conditions for coal-fired power generation - negative result for Q3
- Work on the Carpe Futurum biomass boiler plant in Uppsala continuing according to plan
- Joint venture to provide access to fibre connectivity for more than 500,000 households and companies in Berlin



**Q1–Q3:** Net sales and underlying operating profit decreased compared with a year ago, mainly owing to the sale of the district heating operations in Hamburg in September 2019 and the closure of the Hemweg 8 coal-fired power plant in December 2019. These factors affected the comparison for net sales by SEK 3.4 billion and for underlying operating profit by SEK 0.4 billion. Lower clean dark- and clean spark spreads also had a negative effect. Compared with year-end 2019, the number of customers increased by 1.0% to 1.8 million households.

**Q3:** Net sales decreased and underlying operating profit increased compared with a year ago. The sale of the district heating operations in Hamburg and the closure of Hemweg 8, affected the comparison for net sales by SEK 0.7 billion and for underlying operating profit positively by SEK 0.1 billion. Lower clean dark spreads also had a negative effect on net sales. Underlying operating profit was higher as a result of higher clean spark spreads and lower depreciation.

Germany is holding its first auction for the phase-out of coal power, and on 1 September Vattenfall submitted a tender to

shut down the Moorburg coal-fired power plant. The result of the tender will be announced by 1 December at the latest and is subject to approval pursuant to the state aid rules by the European Commission. Other alternatives for the plant continue to be evaluated.

In Berlin a joint venture, "Vattenfall Bitstream Infrastructure", has been formed together with Eurofiber to provide access to fibre connectivity for more than 500,000 households and businesses. The network will offer superior digital connectivity and be accessible to all broadband operators. The project is subject to approval in accordance with EU antitrust legislation. Eurofiber is owned by the infrastructure investor Antin Infrastructure Partners.

Work on the Carpe Futurum biomass boiler plant (112 MW heat) in Uppsala is continuing on schedule. The glass facade for the boiler building was completed in September, and the main equipment is now in place. The new plant is expected to be commissioned in 2021 and will contribute to a reduction in yearly carbon emissions by approximately 150,000 tonnes.

### KEY FIGURES – HEAT

Amounts in SEK million unless indicated otherwise	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
Net sales	16 049	23 245	4 594	5 680	31 403	24 207
External net sales	9 373	11 759	2 141	2 601	15 947	13 561
Underlying operating profit before depreciation, amortisation and impairment losses	2 881	3 129	388	243	4 409	4 161
Underlying operating profit	192	318	- 396	- 768	550	424
Electricity generation - TWh	16.7	23.3	5.6	6.8	31.5	24.9
- of which, fossil-based power	16.5	23.0	5.6	6.7	31.1	24.6
- of which, biomass, waste	0.2	0.3	—	0.1	0.4	0.3
Sales of electricity business customers, TWh	0.9	0.9	0.3	0.3	1.2	1.2
Sales of heat, TWh	9.3	12.0	1.4	1.7	17.1	14.4
Number of employees, full-time equivalents	3 217	3 321	3 217	3 321	3 310	

## Distribution

The Distribution Business Area comprises Vattenfall's electricity distribution operations in Sweden, Germany (Berlin) and the UK.

### Offer to sell the electricity distribution business Stromnetz Berlin to the State of Berlin

- Tendering process for the electricity grid in Berlin rejected by the Higher Regional Court. After the end of the quarter, Vattenfall offered to sell the company Stromnetz Berlin to the State of Berlin
- Large investment projects in Sweden to meet demand for connections and electrification



**Q1–Q3:** Net sales decreased due to lower distributed volumes in the Swedish local networks and a lower contribution from Germany. Underlying operating profit increased as a result of lower operating expenses, which were elevated in 2019 by the impact of Storm Alfrida.

**Q3:** Net sales decreased compared with the same period in 2019, mainly driven by a lower contribution from Germany and the effects of a change in the tariff structure for the Swedish regional network. Underlying operating profit decreased as a result of a lower gross margin in the Swedish regional network and higher operating expenses and depreciation.

Pressure to connect to the electricity grid in Sweden continues to be high both from new industrial customers and owing to the expansion of new, renewable electricity generation. At the same time, the electricity grid needs to enable electrification of existing customers' processes. The need for growth investments is increasing and at the same time several reinvestment projects are ongoing. In the region Norrbotten in northern Sweden, for example, a substation has been built that enables connection of a data centre via the underlying local grid. Another example is the conclusion of an extensive project involving the burying of cables in northern Stockholm. This project, which cost nearly SEK 300 million, will result in a more robust electricity grid in the area, enabling the connection of a data centre and additional industries. In addition, a project within the "Stockholms ström" investment programme that is being conducted together with the TSO, Svenska kraftnät, was

also recently completed. The investment is worth approximately SEK 200 million and includes, among other things, the laying of an underwater cable in the heavily trafficked channel between Nacka and Lidingö in Stockholm.

The Swedish government submitted a bill for the 2020–2023 regulatory period, that was later withdrawn. The bill sought to increase investments in the electricity grid by allowing the use of carry-over revenues from previous periods. A final decision is not expected before year-end.

Meanwhile, the legal process on the revenue frames in Sweden is currently in progress. The parties have submitted their final statements, and a ruling by the Administrative Court in Linköping is being awaited.

During the quarter, litigation continued over the concession for the electricity grid in Berlin. At the end of September, the city's Higher Regional Court upheld the interim injunction against the granting process, which prohibits the city from entering into a concession agreement with the city-owned company Berlin Energie. Even after this outcome the legal processes concerning the concession agreement could continue for several years while at the same time decisions on major investments in the grid are needed. In October, Vattenfall therefore offered to sell all shares in the electricity grid company Stromnetz Berlin GmbH to the State of Berlin. If the offer is accepted, the transaction could be completed during the first half of 2021.

### KEY FIGURES – DISTRIBUTION

Amounts in SEK million unless indicated otherwise	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
Net sales	15 662	16 604	4 734	5 057	22 540	21 598
External net sales	12 233	13 185	3 701	3 980	17 903	16 951
Underlying operating profit before depreciation, amortisation and impairment losses	6 396	5 848	1 792	1 985	8 248	8 796
Underlying operating profit	3 870	3 454	953	1 190	4 998	5 414
Number of employees, full-time equivalents	2 357	2 232	2 357	2 232	2 247	

## Other

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

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

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### KEY FIGURES – OTHER

<b>Amounts in SEK million unless indicated otherwise</b>	<b>Jan-Sep 2020</b>	<b>Jan-Sep 2019</b>	<b>Jul-Sep 2020</b>	<b>Jul-Sep 2019</b>	<b>Full year 2019</b>	<b>Last 12 months</b>
Net sales	4 255	4 096	1 405	1 326	5 556	5 715
External net sales	137	99	37	53	164	202
Underlying operating profit before depreciation, amortisation and impairment losses	- 253	- 393	75	- 133	- 457	- 317
Underlying operating profit	- 891	- 995	- 143	- 343	- 1 274	- 1 170
Number of employees, full-time equivalents	2 682	2 697	2 682	2 697	2 678	

# Consolidated income statement

Amounts in SEK million	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
Net sales	114 815	120 181	35 375	35 938	166 360	160 994
Cost of purchases	- 55 981	- 62 792	- 17 980	- 17 930	- 87 580	- 80 769
Other external expenses	- 12 625	- 14 147	- 3 762	- 4 442	- 22 675	- 21 153
Personnel expenses	- 14 748	- 14 983	- 4 478	- 4 725	- 20 249	- 20 014
Other operating income and expenses, net	2 804	5 089	163	4 647	6 167	3 882
Participations in the results of associated companies	122	253	- 83	11	422	291
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>34 387</b>	<b>33 601</b>	<b>9 235</b>	<b>13 499</b>	<b>42 445</b>	<b>43 231</b>
Depreciation, amortisation and impairments	- 24 357	- 13 886	- 4 492	- 4 822	- 20 304	- 30 775
<b>Operating profit (EBIT)<sup>1</sup></b>	<b>10 030</b>	<b>19 715</b>	<b>4 743</b>	<b>8 677</b>	<b>22 141</b>	<b>12 456</b>
Financial income <sup>4</sup>	482	452	69	100	451	481
Financial expenses <sup>2,3,4</sup>	- 4 483	- 4 927	- 1 421	- 1 739	- 6 522	- 6 078
Return from the Swedish Nuclear Waste Fund	1 424	2 909	1 134	760	2 252	767
<b>Profit before income taxes</b>	<b>7 453</b>	<b>18 149</b>	<b>4 525</b>	<b>7 798</b>	<b>18 322</b>	<b>7 626</b>
Income taxes expense	- 5 464	- 3 776	- 942	- 1 098	- 3 461	- 5 149
<b>Profit for the period</b>	<b>1 989</b>	<b>14 373</b>	<b>3 583</b>	<b>6 700</b>	<b>14 861</b>	<b>2 477</b>
Attributable to owner of the Parent Company	1 357	13 022	3 595	6 375	13 173	1 508
Attributable to non-controlling interests	632	1 351	- 12	325	1 688	969
<b>Supplementary information</b>						
Underlying operating profit before depreciation, amortisation and impairment losses	31 626	30 775	9 378	8 416	43 940	44 791
Underlying operating profit	17 802	16 889	4 818	3 594	25 095	26 008
Financial items, net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	- 2 389	- 2 755	- 824	- 1 035	- 3 774	- 3 408
1) Including items affecting comparability	- 7 772	2 826	- 75	5 083	- 2 954	- 13 552
- of which, capital gains	215	3 489	—	3 091	3 538	264
- of which, capital losses	- 57	- 18	- 17	- 3	- 25	- 64
- of which, impairment losses	- 10 533	—	68	—	- 1 459	- 11 992
- of which, provisions	- 684	- 530	84	- 4	- 3 431	- 3 585
- of which, unrealised changes in the fair value of energy derivatives	2 786	101	- 201	583	- 1 688	997
- of which, unrealised changes in the fair value of inventories	58	- 681	335	228	- 556	183
- of which, restructuring costs	- 145	- 129	- 50	13	- 148	- 164
- of which, other non-recurring items affecting comparability	588	594	- 294	1 175	815	809
2) Including interest components related to pension costs	- 406	- 664	- 134	- 219	- 871	- 613
3) Including discounting effects attributable to provisions	- 1 612	- 1 720	- 528	- 604	- 2 297	- 2 189
4) Items affecting comparability recognised as financial income and expenses, net	—	- 1	—	- 3	- 1	—

# Consolidated statement of comprehensive income

Amounts in SEK million	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
<b>Profit for the period</b>	<b>1 989</b>	<b>14 373</b>	<b>3 583</b>	<b>6 700</b>	<b>14 861</b>	<b>2 477</b>
<b>Other comprehensive income</b>						
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>						
Cash flow hedges - changes in fair value	- 264	1 039	203	735	181	- 1 122
Cash flow hedges - dissolved against income statement	4 043	- 3 374	740	- 990	- 5 641	1 776
Cash flow hedges - transferred to cost of hedged item	- 55	- 26	- 2	- 1	- 34	- 63
Hedging of net investments in foreign operations	- 56	- 1 957	- 276	- 521	- 1 275	626
Translation differences, divested companies	- 5	- 76	- 1	- 76	- 94	- 23
Translation differences	167	4 593	588	1 467	2 728	- 1 698
Income taxes related to items that will be reclassified	- 911	1 256	- 244	174	2 157	- 10
<b>Total items that will be reclassified to profit or loss when specific conditions are met</b>	<b>2 919</b>	<b>1 455</b>	<b>1 008</b>	<b>788</b>	<b>- 1 978</b>	<b>- 514</b>
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurement pertaining to defined benefit obligations	719	- 7 878	- 14	- 3 773	- 4 577	4 020
Income taxes related to items that will not be reclassified	- 275	2 157	5	1 029	1 244	- 1 188
<b>Total items that will not be reclassified to profit or loss</b>	<b>444</b>	<b>- 5 721</b>	<b>- 9</b>	<b>- 2 744</b>	<b>- 3 333</b>	<b>2 832</b>
<b>Total other comprehensive income, net after income taxes</b>	<b>3 363</b>	<b>- 4 266</b>	<b>999</b>	<b>- 1 956</b>	<b>- 5 311</b>	<b>2 318</b>
<b>Total comprehensive income for the period</b>	<b>5 352</b>	<b>10 107</b>	<b>4 582</b>	<b>4 744</b>	<b>9 550</b>	<b>4 795</b>
Attributable to owner of the Parent Company	4 697	8 289	4 545	3 567	7 757	4 165
Attributable to non-controlling interests	655	1 818	37	1 177	1 793	630

# Operating segments, Vattenfall Group

Amounts in SEK million	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
<b>External net sales</b>						
Customers & Solutions	61 191	62 264	17 427	17 519	87 343	86 270
Power Generation	27 026	28 195	10 766	10 118	38 425	37 256
Wind	4 855	4 679	1 303	1 667	6 578	6 754
Heat	9 373	11 759	2 141	2 601	15 947	13 561
Distribution	12 233	13 185	3 701	3 980	17 903	16 951
- of which, Distribution Germany	4 124	4 899	1 482	1 607	6 498	5 723
- of which, Distribution Sweden	8 019	8 203	2 189	2 347	11 288	11 104
Other <sup>1</sup>	137	99	37	53	164	202
<b>Total</b>	<b>114 815</b>	<b>120 181</b>	<b>35 375</b>	<b>35 938</b>	<b>166 360</b>	<b>160 994</b>
<b>Internal net sales</b>						
Customers & Solutions	1 176	1 822	426	479	2 516	1 870
Power Generation	38 281	46 504	10 130	11 485	63 953	55 730
Wind	4 751	4 823	1 353	1 417	6 914	6 842
Heat	6 676	11 486	2 453	3 079	15 456	10 646
Distribution	3 429	3 419	1 033	1 077	4 637	4 647
- of which, Distribution Germany	2 999	3 079	875	970	4 156	4 076
- of which, Distribution Sweden	455	361	166	114	509	603
Other <sup>1</sup>	4 118	3 997	1 368	1 273	5 392	5 513
Eliminations	- 58 431	- 72 051	- 16 763	- 18 810	- 98 868	- 85 248
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total net sales</b>						
Customers & Solutions	62 367	64 086	17 853	17 998	89 859	88 140
Power Generation	65 307	74 699	20 896	21 603	102 378	92 986
Wind	9 606	9 502	2 656	3 084	13 492	13 596
Heat	16 049	23 245	4 594	5 680	31 403	24 207
Distribution	15 662	16 604	4 734	5 057	22 540	21 598
- of which, Distribution Germany	7 123	7 978	2 357	2 577	10 654	9 799
- of which, Distribution Sweden	8 474	8 564	2 355	2 461	11 797	11 707
Other <sup>1</sup>	4 255	4 096	1 405	1 326	5 556	5 715
Eliminations	- 58 431	- 72 051	- 16 763	- 18 810	- 98 868	- 85 248
<b>Total</b>	<b>114 815</b>	<b>120 181</b>	<b>35 375</b>	<b>35 938</b>	<b>166 360</b>	<b>160 994</b>

Amounts in SEK million	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>						
Customers & Solutions	2 377	1 817	593	525	2 976	3 536
Power Generation	16 562	13 422	4 811	5 751	13 642	16 782
Wind	6 437	6 497	1 657	2 041	9 645	9 585
Heat	2 831	3 119	370	253	4 957	4 669
Distribution	6 387	5 839	1 789	1 983	8 236	8 784
- of which, Distribution Germany	1 623	1 613	613	611	2 175	2 185
- of which, Distribution Sweden	4 739	4 190	1 168	1 363	6 018	6 567
Other <sup>1</sup>	- 95	3 115	62	2 973	3 097	- 113
Eliminations	- 112	- 208	- 47	- 27	- 108	- 12
<b>Total</b>	<b>34 387</b>	<b>33 601</b>	<b>9 235</b>	<b>13 499</b>	<b>42 445</b>	<b>43 231</b>
<b>Underlying operating profit before depreciation, amortisation and impairment losses</b>						
Customers & Solutions	2 471	1 842	613	528	3 021	3 650
Power Generation	13 800	14 057	4 894	3 779	19 207	18 950
Wind	6 443	6 500	1 663	2 041	9 620	9 563
Heat	2 881	3 129	388	243	4 409	4 161
Distribution	6 396	5 848	1 792	1 985	8 248	8 796
- of which, Distribution Germany	1 633	1 623	616	613	2 189	2 199
- of which, Distribution Sweden	4 738	4 189	1 168	1 363	6 016	6 565
Other <sup>1</sup>	- 253	- 393	75	- 133	- 457	- 317
Eliminations	- 112	- 208	- 47	- 27	- 108	- 12
<b>Total</b>	<b>31 626</b>	<b>30 775</b>	<b>9 378</b>	<b>8 416</b>	<b>43 940</b>	<b>44 791</b>

Amounts in SEK million	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
<b>Operating profit (EBIT)</b>						
Customers & Solutions	1 651	570	331	83	1 157	2 238
Power Generation	13 492	10 617	3 762	4 805	9 870	12 745
Wind	762	2 471	246	623	3 603	1 894
Heat	- 8 892	308	- 347	- 758	354	- 8 846
Distribution	3 861	3 446	951	1 188	4 986	5 401
- of which, Distribution Germany	815	841	353	348	1 118	1 092
- of which, Distribution Sweden	3 048	2 593	599	840	3 858	4 313
Other <sup>1</sup>	- 732	2 511	- 153	2 763	2 279	- 964
Eliminations	- 112	- 208	- 47	- 27	- 108	- 12
<b>Operating profit (EBIT)</b>	<b>10 030</b>	<b>19 715</b>	<b>4 743</b>	<b>8 677</b>	<b>22 141</b>	<b>12 456</b>
Operating profit (EBIT)	10 030	19 715	4 743	8 677	22 141	12 456
Financial net	- 2 577	- 1 566	- 218	- 879	- 3 819	- 4 830
<b>Profit before tax</b>	<b>7 453</b>	<b>18 149</b>	<b>4 525</b>	<b>7 798</b>	<b>18 322</b>	<b>7 626</b>
<b>Underlying operating profit</b>						
Customers & Solutions	1 759	594	351	86	1 337	2 502
Power Generation	10 729	11 252	3 847	2 833	15 437	14 914
Wind	2 255	2 474	253	623	4 155	3 936
Heat	192	318	- 396	- 768	550	424
Distribution	3 870	3 454	953	1 190	4 998	5 414
- of which, Distribution Germany	824	851	356	350	1 132	1 105
- of which, Distribution Sweden	3 048	2 591	598	840	3 856	4 313
Other <sup>1</sup>	- 891	- 995	- 143	- 343	- 1 274	- 1 170
Eliminations	- 112	- 208	- 47	- 27	- 108	- 12
<b>Underlying operating profit</b>	<b>17 802</b>	<b>16 889</b>	<b>4 818</b>	<b>3 594</b>	<b>25 095</b>	<b>26 008</b>

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



# Consolidated balance sheet

Amounts in SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets: non-current	18 645	19 033	18 735
Property, plant and equipment	251 447	252 030	256 700
Participations in associated companies and joint arrangements	4 424	5 216	4 827
Other shares and participations	333	348	333
Share in the Swedish Nuclear Waste Fund	47 321	45 829	45 691
Derivative assets	9 725	12 140	7 788
Deferred tax assets	11 815	13 371	14 583
Other non-current receivables	5 548	6 119	5 537
<b>Total non-current assets</b>	<b>349 258</b>	<b>354 086</b>	<b>354 194</b>
<b>Current assets</b>			
Inventories	12 250	13 095	13 353
Intangible assets: current	160	164	135
Trade receivables and other receivables	21 417	21 116	26 345
Contract assets	351	193	188
Advance payments paid	4 024	2 836	3 996
Derivative assets	7 094	13 628	10 080
Prepaid expenses and accrued income	4 556	5 460	7 853
Current tax assets	1 016	1 883	1 163
Short-term investments	29 041	21 156	22 551
Cash and cash equivalents	20 180	12 773	10 604
Assets held for sale	308	—	318
<b>Total current assets</b>	<b>100 397</b>	<b>92 304</b>	<b>96 586</b>
<b>Total assets</b>	<b>449 655</b>	<b>446 390</b>	<b>450 780</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Attributable to owner of the Parent Company	94 705	94 385	93 631
Attributable to non-controlling interests	13 157	15 076	14 891
<b>Total equity</b>	<b>107 862</b>	<b>109 461</b>	<b>108 522</b>
<b>Non-current liabilities</b>			
Hybrid Capital	20 182	20 622	20 164
Other interest-bearing liabilities	53 314	55 094	52 405
Pension provisions	43 246	48 321	44 026
Other interest-bearing provisions	104 907	95 112	102 395
Derivative liabilities	8 761	10 596	7 833
Deferred tax liabilities	16 359	14 406	14 713
Contract liabilities	8 800	8 391	8 462
Other noninterest-bearing liabilities	2 082	2 252	2 134
<b>Total non-current liabilities</b>	<b>257 651</b>	<b>254 794</b>	<b>252 132</b>
<b>Current liabilities</b>			
Trade payables and other liabilities	23 688	25 335	27 809
Advance payments received	1 614	2 905	1 577
Derivative liabilities	8 097	18 560	13 701
Accrued expenses and deferred income	11 452	11 581	17 098
Current tax liabilities	962	1 809	1 502
Other interest-bearing liabilities	35 033	18 105	25 058
Interest-bearing provisions	3 286	3 840	3 371
Liabilities associated with assets held for sale	10	—	10
<b>Total current liabilities</b>	<b>84 142</b>	<b>82 135</b>	<b>90 126</b>
<b>Total equity and liabilities</b>	<b>449 655</b>	<b>446 390</b>	<b>450 780</b>

**SUPPLEMENTARY INFORMATION**

Amounts in SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Calculation of capital employed</b>			
Intangible assets: current and non-current	18 805	19 197	18 870
Property, plant and equipment	251 447	252 030	256 700
Participations in associated companies and joint arrangements	4 424	5 216	4 827
Deferred and current tax assets	12 831	15 254	15 746
Non-current noninterest-bearing receivables	3 781	3 688	3 758
Contract assets	351	193	188
Inventories	12 250	13 095	13 353
Trade receivables and other receivables	21 417	21 116	26 345
Prepaid expenses and accrued income	4 556	5 460	7 853
Unavailable liquidity	4 361	5 687	3 859
Other	504	514	530
<b>Total assets excl. financial assets</b>	<b>334 727</b>	<b>341 450</b>	<b>352 029</b>
Deferred and current tax liabilities	- 17 321	- 16 215	- 16 215
Other noninterest-bearing liabilities	- 2 082	- 2 252	- 2 134
Contract liabilities	- 8 800	- 8 391	- 8 462
Trade payable and other liabilities	- 23 688	- 25 335	- 27 809
Accrued expenses and deferred income	- 11 452	- 11 581	- 17 098
Other	- 225	- 302	- 186
<b>Total noninterest-bearing liabilities</b>	<b>- 63 568</b>	<b>- 64 076</b>	<b>- 71 904</b>
Other interest-bearing provisions not related to adjusted net debt <sup>1</sup>	- 10 238	- 11 984	- 11 314
<b>Capital employed<sup>2</sup></b>	<b>260 921</b>	<b>265 390</b>	<b>268 811</b>
<b>Capital employed, average</b>	<b>263 156</b>	<b>260 068</b>	<b>260 190</b>
<b>Calculation of net debt</b>			
Hybrid Capital	- 20 182	- 20 622	- 20 164
Bond issues and liabilities to credit institutions	- 52 763	- 43 053	- 38 829
Short-term debt, commercial papers and repo	- 12 343	- 7 064	- 17 453
Present value of liabilities pertaining to acquisitions of Group companies	- 1	- 28	- 28
Liabilities to associated companies	- 1 030	- 770	- 733
Liabilities to owners of non-controlling interests	- 11 145	- 10 723	- 10 647
Other liabilities	- 11 065	- 11 561	- 9 773
<b>Total interest-bearing liabilities</b>	<b>- 108 529</b>	<b>- 93 821</b>	<b>- 97 627</b>
Cash and cash equivalents	20 180	12 773	10 604
Short-term investments	29 041	21 156	22 551
Loans to owners of non-controlling interests in foreign Group companies	450	244	206
<b>Net debt<sup>2</sup></b>	<b>- 58 858</b>	<b>- 59 648</b>	<b>- 64 266</b>
<b>Calculation of adjusted gross debt and net debt</b>			
Total interest-bearing liabilities	- 108 529	- 93 821	- 97 627
50% of Hybrid Capital <sup>3</sup>	10 091	10 311	10 082
Present value of pension obligations	- 43 246	- 48 321	- 44 026
Provisions for gas and wind operations and other environment-related provisions	- 8 894	- 8 267	- 8 571
Provisions for nuclear power (net) <sup>4</sup>	- 36 495	- 29 519	- 35 521
Margin calls received	4 769	5 279	3 706
Liabilities to owners of non-controlling interests due to consortium agreements	11 145	10 723	10 647
<b>Adjusted gross debt</b>	<b>- 171 159</b>	<b>- 153 615</b>	<b>- 161 310</b>
Reported cash and cash equivalents and short-term investments	49 221	33 929	33 155
Unavailable liquidity	- 4 361	- 5 687	- 3 859
<b>Adjusted cash and cash equivalents and short-term investments</b>	<b>44 860</b>	<b>28 242</b>	<b>29 296</b>
<b>Adjusted net debt<sup>2</sup></b>	<b>- 126 299</b>	<b>- 125 373</b>	<b>- 132 014</b>

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

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

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

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

# Consolidated statement of cash flows

Amounts in SEK million	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
<b>Operating activities</b>						
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	34 387	33 601	9 235	13 499	42 445	43 231
Tax paid	- 2 299	- 1 006	- 947	- 552	- 1 528	- 2 821
Capital gains/losses, net	- 164	- 3 472	11	- 3 088	- 3 513	- 205
Interest received	111	173	- 16	18	329	267
Interest paid	- 2 390	- 2 717	- 147	- 331	- 2 969	- 2 642
Other, incl. non-cash items	- 5 989	- 3 150	- 1 136	- 1 963	185	- 2 654
<b>Funds from operations (FFO)</b>	<b>23 656</b>	<b>23 429</b>	<b>7 000</b>	<b>7 583</b>	<b>34 949</b>	<b>35 176</b>
Changes in inventories	1 268	23	2 213	678	- 196	1 049
Changes in operating receivables	4 750	1 865	5 164	4 204	- 6 294	- 3 409
Changes in operating liabilities	- 6 469	- 490	771	3 224	9 171	3 192
Margin calls	3 350	- 12 797	4 317	- 1 583	- 20 733	- 4 586
Other changes	283	- 301	- 18	- 497	- 178	406
<b>Cash flow from changes in operating assets and operating liabilities</b>	<b>3 182</b>	<b>- 11 700</b>	<b>12 447</b>	<b>6 026</b>	<b>- 18 230</b>	<b>- 3 348</b>
<b>Cash flow from operating activities</b>	<b>26 838</b>	<b>11 729</b>	<b>19 447</b>	<b>13 609</b>	<b>16 719</b>	<b>31 828</b>
<b>Investing activities</b>						
Acquisitions in Group companies	- 67	- 752	—	20	- 754	- 69
Investments in associated companies and other shares and participations	145	237	61	99	256	164
Other investments in non-current assets	- 15 774	- 16 524	- 5 569	- 4 705	- 26 335	- 25 585
<b>Total investments</b>	<b>- 15 696</b>	<b>- 17 039</b>	<b>- 5 508</b>	<b>- 4 586</b>	<b>- 26 833</b>	<b>- 25 490</b>
Divestments	680	7 299	60	6 715	7 452	833
Cash and cash equivalents in acquired companies	—	147	—	—	148	1
Cash and cash equivalents in divested companies	- 84	- 3 626	- 1	- 3 626	- 3 542	—
<b>Cash flow from investing activities</b>	<b>- 15 100</b>	<b>- 13 219</b>	<b>- 5 449</b>	<b>- 1 497</b>	<b>- 22 775</b>	<b>- 24 656</b>
<b>Cash flow before financing activities</b>	<b>11 738</b>	<b>- 1 490</b>	<b>13 998</b>	<b>12 112</b>	<b>- 6 056</b>	<b>7 172</b>
<b>Financing activities</b>						
Changes in short-term investments	- 6 267	2 472	- 6 059	- 3 636	559	- 8 180
Changes in loans to owners of non-controlling interests in foreign Group companies	- 242	249	76	12	282	- 209
Loans raised <sup>1</sup>	20 926	9 249	- 3 587	- 3 257	12 622	24 299
Amortisation of debt pertaining to acquisitions of Group companies	- 27	- 23	- 27	—	- 23	- 27
Amortisation of other debt	- 11 098	- 14 072	- 3 492	- 6 772	- 12 001	- 9 027
Effect of early termination of swaps related to financing activities	—	258	—	37	—	- 258
Dividends paid to owners	- 5 023	- 3 448	- 561	- 822	- 3 714	- 5 289
Contribution to/from owners of non-controlling interests	- 465	- 672	3	- 4	- 1 138	- 931
<b>Cash flow from financing activities</b>	<b>- 2 196</b>	<b>- 5 987</b>	<b>- 13 647</b>	<b>- 14 442</b>	<b>- 3 413</b>	<b>378</b>
<b>Cash flow for the period</b>	<b>9 542</b>	<b>- 7 477</b>	<b>351</b>	<b>- 2 330</b>	<b>- 9 469</b>	<b>7 550</b>

Amounts in SEK million	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
<b>Cash and cash equivalents</b>						
Cash and cash equivalents at start of period	10 604	17 094	19 813	11 676	17 094	12 773
Cash and cash equivalents included in assets held for sale	—	2 992	—	3 347	2 992	—
Cash flow for the period	9 542	- 7 477	351	- 2 330	- 9 469	7 550
Translation differences	34	164	16	80	- 13	- 143
<b>Cash and cash equivalents at end of period</b>	<b>20 180</b>	<b>12 773</b>	<b>20 180</b>	<b>12 773</b>	<b>10 604</b>	<b>20 180</b>

**SUPPLEMENTARY INFORMATION**

Amounts in SEK million	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
<b>Cash flow before financing activities</b>	<b>11 738</b>	<b>- 1 490</b>	<b>13 998</b>	<b>12 112</b>	<b>- 6 056</b>	<b>7 172</b>
<b>Financing activities</b>						
Effects from terminating swaps related to financing activities	—	258	—	37	—	- 258
Dividends paid to owners	- 5 023	- 3 448	- 561	- 822	- 3 714	- 5 289
Contribution to/from owners of non-controlling interests	- 465	- 672	3	- 4	- 1 138	- 931
<b>Cash flow after dividend</b>	<b>6 250</b>	<b>- 5 352</b>	<b>13 440</b>	<b>11 323</b>	<b>- 10 908</b>	<b>694</b>
<b>Analysis of change in net debt</b>						
Net debt at start of period	- 64 266	- 47 728	- 71 613	- 72 455	- 47 728	- 59 648
Change accounting principles	—	- 4 609	—	—	- 4 609	—
Cash flow after dividend	6 250	- 5 352	13 440	11 323	- 10 908	694
Changes as a result of valuation at fair value	- 312	- 872	85	- 580	- 456	104
Changes in interest-bearing liabilities for leasing	- 1 125	- 534	- 662	- 99	- 711	- 1 302
Interest-bearing liabilities/short-term investments acquired/divested	24	- 2	- 1	—	- 11	15
Cash and cash equivalents included in assets held for sale	—	2 992	—	3 347	2 992	—
Interest-bearing liabilities associated with assets held for sale	—	- 793	—	5	- 792	1
Translation differences on net debt	571	- 2 750	- 107	- 1 189	- 2 043	1 278
<b>Net debt at end of period</b>	<b>- 58 858</b>	<b>- 59 648</b>	<b>- 58 858</b>	<b>- 59 648</b>	<b>- 64 266</b>	<b>- 58 858</b>
Cash flow from operating activities	26 838	11 729	19 447	13 609	16 719	31 828
Maintenance/replacement investments	- 7 884	- 8 985	- 2 286	- 2 669	- 15 148	- 14 047
<b>Free cash flow<sup>2</sup></b>	<b>18 954</b>	<b>2 744</b>	<b>17 161</b>	<b>10 940</b>	<b>1 571</b>	<b>17 781</b>

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

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

## INVESTMENTS

Amounts in SEK million	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
<b>Electricity generation</b>						
Hydro power	571	568	206	211	920	923
Nuclear power	1 378	1 630	353	441	2 213	1 961
Coal power	7	62	4	32	139	84
Gas	159	167	3	155	277	269
Wind power and solar PV	5 141	5 529	2 798	1 454	7 501	7 113
Biomass, waste	224	91	128	43	149	282
<b>Total electricity generation</b>	<b>7 480</b>	<b>8 047</b>	<b>3 492</b>	<b>2 336</b>	<b>11 199</b>	<b>10 632</b>
<b>CHP/heat</b>						
Fossil-based power	865	1 475	195	408	2 134	1 524
Heat networks	802	878	280	393	1 522	1 446
Other	515	469	293	96	760	806
<b>Total CHP/heat</b>	<b>2 182</b>	<b>2 822</b>	<b>768</b>	<b>897</b>	<b>4 416</b>	<b>3 776</b>
<b>Electricity networks</b>						
Electricity networks	4 924	4 132	1 563	1 490	7 071	7 863
<b>Total electricity networks</b>	<b>4 924</b>	<b>4 132</b>	<b>1 563</b>	<b>1 490</b>	<b>7 071</b>	<b>7 863</b>
Purchases of shares, shareholder contributions	- 78	515	- 61	- 119	498	- 95
Other	1 178	955	384	269	1 754	1 977
<b>Total investments</b>	<b>15 686</b>	<b>16 471</b>	<b>6 146</b>	<b>4 873</b>	<b>24 938</b>	<b>24 153</b>
Accrued investments, unpaid invoices (-)/ release of accrued investments (+)	10	568	- 638	- 287	1 895	1 337
<b>Total investments with cash flow effect</b>	<b>15 696</b>	<b>17 039</b>	<b>5 508</b>	<b>4 586</b>	<b>26 833</b>	<b>25 490</b>

# Consolidated statement of changes in equity

Amounts in SEK million	30 Sep 2020			30 Sep 2019			31 Dec 2019		
	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity
<b>Balance brought forward</b>	93 631	14 891	108 522	88 096	15 501	103 597	88 096	15 501	103 597
<b>Profit for the period</b>	1 357	632	1 989	13 022	1 351	14 373	13 173	1 688	14 861
Cash flow hedges - changes in fair value	- 264	—	- 264	1 039	—	1 039	181	—	181
Cash flow hedges - dissolved against income statement	4 064	- 21	4 043	- 3 368	- 6	- 3 374	- 5 624	- 17	- 5 641
Cash flow hedges - transferred to cost of hedged item	- 55	—	- 55	- 26	—	- 26	- 34	—	- 34
Hedging of net investments in foreign operations	- 56	—	- 56	- 1 957	—	- 1 957	- 1 275	—	- 1 275
Translation differences, divested companies	- 5	—	- 5	- 76	—	- 76	- 94	—	- 94
Translation differences	124	43	167	4 121	472	4 593	2 504	224	2 728
Remeasurement pertaining to defined benefit obligations	722	- 3	719	- 7 878	—	- 7 878	- 4 443	- 134	- 4 577
Income taxes related to other comprehensive income	- 1 190	4	- 1 186	3 412	1	3 413	3 369	32	3 401
<b>Total other comprehensive income for the period</b>	<b>3 340</b>	<b>23</b>	<b>3 363</b>	<b>- 4 733</b>	<b>467</b>	<b>- 4 266</b>	<b>- 5 416</b>	<b>105</b>	<b>- 5 311</b>
<b>Total comprehensive income for the period</b>	<b>4 697</b>	<b>655</b>	<b>5 352</b>	<b>8 289</b>	<b>1 818</b>	<b>10 107</b>	<b>7 757</b>	<b>1 793</b>	<b>9 550</b>
Dividends paid to owners	- 3 623	- 1 689	- 5 312	- 2 000	- 1 711	- 3 711	- 2 000	- 1 714	- 3 714
Group contributions from(+)/to(-) owners of non-controlling interests	—	—	—	—	—	—	—	30	30
Contribution to/from owners of non-controlling interests	—	- 465	- 465	—	- 672	- 672	—	- 1 138	- 1 138
Other changes in ownership	—	- 235	- 235	—	140	140	—	197	197
Other changes	—	—	—	—	—	—	- 222	222	—
<b>Total transactions with equity holders</b>	<b>- 3 623</b>	<b>- 2 389</b>	<b>- 6 012</b>	<b>- 2 000</b>	<b>- 2 243</b>	<b>- 4 243</b>	<b>- 2 222</b>	<b>- 2 403</b>	<b>- 4 625</b>
<b>Balance carried forward</b>	<b>94 705</b>	<b>13 157</b>	<b>107 862</b>	<b>94 385</b>	<b>15 076</b>	<b>109 461</b>	<b>93 631</b>	<b>14 891</b>	<b>108 522</b>
- Of which, Reserve for hedges	- 330	6	- 324	- 1 069	31	- 1 038	- 3 147	22	- 3 125

# Key ratios, Vattenfall Group

In % unless otherwise stated. (x) means times <sup>1</sup>	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
Operating margin	8.7	16.4	13.4	24.1	13.3	7.7
Operating margin <sup>2</sup>	15.5	14.1	13.6	10.0	15.1	16.2
Pre-tax profit margin	6.5	15.1	12.8	21.7	11.0	4.7
Pre-tax profit margin <sup>2</sup>	13.3	12.8	13.0	7.6	12.8	13.2
Return on equity	1.5 <sup>3</sup>	16.8 <sup>3</sup>	1.5 <sup>3</sup>	16.8 <sup>3</sup>	14.0	1.5
Return on capital employed	4.7 <sup>3</sup>	9.2 <sup>3</sup>	4.7 <sup>3</sup>	9.2 <sup>3</sup>	8.5	4.7
Return on capital employed <sup>2</sup>	9.9 <sup>3</sup>	8.3 <sup>3</sup>	9.9 <sup>3</sup>	8.3 <sup>3</sup>	9.6	9.9
EBIT interest cover, (x)	3.3 <sup>3</sup>	6.0 <sup>3</sup>	3.3 <sup>3</sup>	6.0 <sup>3</sup>	5.3	3.3
EBIT interest cover, (x) <sup>2</sup>	6.8 <sup>3</sup>	5.4 <sup>3</sup>	6.8 <sup>3</sup>	5.4 <sup>3</sup>	6.0	6.8
FFO interest cover, (x)	10.0 <sup>3</sup>	8.3 <sup>3</sup>	10.0 <sup>3</sup>	8.3 <sup>3</sup>	9.3	10.0
FFO interest cover, net, (x)	11.3 <sup>3</sup>	10.7 <sup>3</sup>	11.3 <sup>3</sup>	10.7 <sup>3</sup>	10.3	11.3
Cash flow interest cover after maintenance investments, (x)	6.4 <sup>3</sup>	2.1 <sup>3</sup>	6.4 <sup>3</sup>	2.1 <sup>3</sup>	1.5	6.4
FFO/gross debt	32.4 <sup>3</sup>	32.7 <sup>3</sup>	32.4 <sup>3</sup>	32.7 <sup>3</sup>	35.8	32.4
FFO/net debt	59.8 <sup>3</sup>	51.5 <sup>3</sup>	59.8 <sup>3</sup>	51.5 <sup>3</sup>	54.4	59.8
FFO/adjusted net debt	27.9 <sup>3</sup>	24.5 <sup>3</sup>	27.9 <sup>3</sup>	24.5 <sup>3</sup>	26.5	27.9
EBITDA/net financial items, (x)	14.4	12.2	11.2	13.0	11.2	12.7
EBITDA/net financial items, (x) <sup>2</sup>	13.2	11.2	11.4	8.1	11.6	13.1
Equity/Total assets	24.0	24.5	24.0	24.5	24.1	24.0
Gross debt/equity	100.6	85.7	100.6	85.7	90.0	100.6
Net debt/equity	54.6	54.5	54.6	54.5	59.2	54.6
Gross debt/gross debt plus equity	50.2	46.2	50.2	46.2	47.4	50.2
Net debt/net debt plus equity	35.3	35.3	35.3	35.3	37.2	35.3
Net debt/EBITDA, (x)	1.4 <sup>3</sup>	1.4 <sup>3</sup>	1.4 <sup>3</sup>	1.4 <sup>3</sup>	1.5	1.4
Adjusted net debt/EBITDA, (x)	2.9 <sup>3</sup>	3.0 <sup>3</sup>	2.9 <sup>3</sup>	3.0 <sup>3</sup>	3.1	2.9

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

2) Based on Underlying operating profit.

3) Last 12-month values.

# Quarterly information, Vattenfall Group

Amounts in SEK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
<b>Income statement</b>							
Net sales	35 375	31 280	48 160	46 179	35 938	34 691	49 552
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	9 235	8 251	16 900	8 844	13 499	7 515	12 587
Underlying Operating profit before depreciation, amortisation and impairment losses	9 378	7 471	14 773	13 165	8 416	8 268	14 092
Operating profit (EBIT)	4 743	- 7 027	12 313	2 427	8 677	2 869	8 168
Underlying operating profit	4 818	2 792	10 187	8 207	3 594	3 622	9 673
Profit before income taxes	1 134	- 5 969	8 895	173	7 798	2 490	7 861
Profit for the period	3 583	- 8 495	6 900	488	6 700	1 253	6 420
- of which, attributable to owner of the Parent Company	3 595	- 8 826	6 587	151	6 375	935 <sup>1</sup>	5 713 <sup>1</sup>
- of which, attributable to non-controlling interests	- 12	331	313	337	325	318 <sup>1</sup>	707 <sup>1</sup>
<b>Balance sheet</b>							
Non-current assets	349 258	346 574	365 151	354 194	354 122	349 931	343 569
Short-term investments	29 041	22 821	22 972	22 551	21 156	17 330	14 555
Cash and cash equivalents	20 180	19 813	8 734	10 604	12 773	11 676	12 233
Other current assets	51 176	63 875	95 437	63 431	58 339	75 095	84 164
<b>Total assets</b>	<b>449 655</b>	<b>453 083</b>	<b>492 294</b>	<b>450 780</b>	<b>446 390</b>	<b>454 032</b>	<b>454 521</b>
Equity	107 862	103 383	122 277	108 522	109 461	104 815	108 613
- of which, attributable to owner of the Parent Company	94 705	90 160	107 008	93 631	94 385	90 128 <sup>1</sup>	92 680 <sup>1</sup>
- of which, attributable to non-controlling interests	13 157	13 223	15 269	14 891	15 076	14 687 <sup>1</sup>	15 933 <sup>1</sup>
Hybrid Capital	20 182	20 242	21 098	20 164	20 622	20 272	20 096
Other interest-bearing liabilities	88 347	94 526	92 747	77 463	73 199	81 441	79 513
Pension provisions	43 246	43 174	42 660	44 026	48 321	44 560	40 037
Other interest-bearing provisions	108 193	108 620	107 183	105 766	98 952	98 983	98 076
Contract liabilities	8 800	8 620	8 589	8 462	8 391	8 163	7 819
Deferred tax liabilities	16 359	16 262	16 971	14 713	14 406	14 297	14 725
Other noninterest-bearing liabilities	56 666	58 256	80 769	71 664	73 038	81 501	85 642
<b>Total equity and liabilities</b>	<b>449 655</b>	<b>453 083</b>	<b>492 294</b>	<b>450 780</b>	<b>446 390</b>	<b>454 032</b>	<b>454 521</b>
Capital employed	260 921	266 641	287 567	268 811	265 390	270 533	270 536
Net debt	- 58 858	- 71 613	- 81 579	- 64 266	- 59 648	- 72 455	- 72 539
<b>Cash flow</b>							
Funds from operations (FFO)	7 000	4 420	12 235	11 520	7 583	6 057	9 789
Cash flow from changes in operating assets and operating liabilities	12 447	11 504	- 20 768	- 6 530	6 026	3 028	- 20 754
Cash flow from operating activities	19 447	15 924	- 8 533	4 990	13 609	9 085	- 10 965
Cash flow from investing activities	- 5 449	- 5 100	- 4 552	- 9 557	- 1 497	- 5 680	- 6 041
Cash flow before financing activities	13 998	10 824	- 13 085	- 4 567	12 112	3 405	- 17 006
Changes in short-term investments	- 6 059	- 892	684	- 1 913	- 3 636	- 2 610	8 718
Loans raised/Amortisation of debt, net, etc.	- 7 027	5 549	10 572	4 754	- 9 984	1 214	3 759
Dividends paid to owners	- 561	- 4 462	—	- 266	- 822	- 2 627	—
Cash flow from financing activities	- 13 647	195	11 256	2 575	- 14 442	- 4 023	12 477
<b>Cash flow for the period</b>	<b>351</b>	<b>11 019</b>	<b>- 1 829</b>	<b>- 1 992</b>	<b>- 2 330</b>	<b>- 618</b>	<b>- 4 529</b>
<b>Free cash flow</b>	<b>17 161</b>	<b>12 656</b>	<b>- 10 865</b>	<b>- 1 171</b>	<b>10 940</b>	<b>6 725</b>	<b>- 14 921</b>

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



In % unless otherwise stated. (x) means times <sup>1</sup>	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
<b>Key ratios</b>							
Return on equity	1.5	4.4	14.4	14.0	16.8	12.0 <sup>4</sup>	13.8 <sup>4</sup>
Return on capital employed <sup>2</sup>	4.7	6.1	9.4	8.5	9.2	7.1	7.1
Return on capital employed <sup>2,3</sup>	9.9	9.2	9.2	9.6	8.3	7.5	7.6
EBIT interest cover, (x) <sup>2</sup>	3.3	4.1	5.7	5.3	6.0	5.1	5.1
EBIT interest cover, (x) <sup>2,3</sup>	6.8	6.1	5.6	6.0	5.4	5.4	5.4
FFO/gross debt <sup>2</sup>	32.4	31.2	32.8	35.8	32.7	25.9	24.4
FFO/net debt <sup>2</sup>	59.8	49.9	45.8	54.4	51.5	36.4	33.5
FFO/adjusted net debt	27.9	25.5	25.2	26.5	24.5	19.2	18.1
Equity/assets ratio	24.0	22.8	24.8	24.1	24.5	23.1	23.9
Gross debt/equity	100.6	111.0	93.1	90.0	85.7	97.0	91.7
Net debt/equity	54.6	69.3	66.7	59.2	54.5	69.1	66.8
Net debt/net debt plus equity	35.3	40.9	40.0	37.2	35.3	40.9	40.0
Net debt/EBITDA, (x) <sup>2</sup>	1.4	1.5	1.7	1.5	1.4	2.0	2.0
Adjusted net debt/EBITDA, (x) <sup>2</sup>	2.9	3.0	3.2	3.1	3.0	3.7	3.7

- 1) See Definitions and calculations of key ratios for definitions of Alternative Performance Measures.
- 2) Last 12-month values.
- 3) Based on Underlying operating profit.
- 4) The value has been adjusted compared with information previously published in Vattenfall's financial reports.

## 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 2019 Annual and Sustainability Report in Note 3 to the consolidated accounts, Accounting policies. Amended IFRSs endorsed by the EU for application in the 2020 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 2019 Annual and Sustainability Report, pages 62-71. Apart from the information provided under “Business highlights” in this report and under “Business highlights” in previously published interim reports in 2020, no other material changes have taken place since the publication. Furthermore, the group assesses that materialized risks following the outbreak of Covid-19 are still in line with Vattenfall’s risk assessments for the Annual and Sustainability Report 2019. However,

the probability of further downside events has significantly increased compared to the pre-Covid-19 world

### Other

Significant related-party transactions are described in Note 44 to the consolidated accounts in Vattenfall’s 2019 Annual and Sustainability Report. No material changes have taken place in relations or transactions with related parties since the publication. In addition to the significant contingent liabilities described in Note 40 to the consolidated accounts in Vattenfall’s 2019 Annual and Sustainability Report, the Nuclear Power plant Kernkraftwerk Krümmel GmbH & Co. OHG, in which Vattenfall has a shareholding of 50%, sold additional production rights to the co-shareholder PreussenElektra GmbH. Vattenfall’s share of the sales price for the production rights sold during January-September is SEK 1.6 billion. During October additional production rights has been sold where Vattenfall’s share of the sales price is SEK 0.4 billion, including this, Vattenfall’s accumulated share is SEK 3.5 billion. The price for all production rights sold is subject to a court proceeding initiated by PreussenElektra. Should a lower price be confirmed by the court, a repayment must be made.

## NOTE 2 | Exchange rates

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

	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019
<b>Average rate</b>					
EUR	10.5648	10.5446	10.4096	10.6655	10.5572
DKK	1.4165	1.4127	1.3979	1.4292	1.4140
GBP	11.9855	11.9572	11.4977	11.9022	12.0391
USD	9.3700	9.3655	8.9244	9.5523	9.4180
			30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Balance sheet date rate</b>					
EUR			10.5713	10.6958	10.4468
DKK			1.4197	1.4326	1.3982
GBP			11.5869	12.0757	12.2788
USD			9.0291	9.8226	9.2993

## 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 7,389 million (31 December 2019: 7,580).

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 30 SEPTEMBER 2020

Amounts in SEK million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Share in the Swedish Nuclear Waste Fund	47 321	—	—	47 321
Derivative assets	—	16 356	463	16 819
Short-term investments, cash equivalents and other shares and participations	23 517	4 343	—	27 860
<b>Total assets</b>	<b>70 838</b>	<b>20 699</b>	<b>463</b>	<b>92 000</b>
<b>Liabilities</b>				
Derivative liabilities	—	16 848	10	16 858
<b>Total liabilities</b>	<b>—</b>	<b>16 848</b>	<b>10</b>	<b>16 858</b>

### FINANCIAL ASSETS AND LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON THE BALANCE SHEET AT 31 DECEMBER 2019

Amounts in SEK million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Share in the Swedish Nuclear Waste Fund	45 691	—	—	45 691
Derivative assets	—	17 490	377	17 867
Short-term investments, cash equivalents and other shares and participations	15 870	8 430	—	24 300
<b>Total assets</b>	<b>61 561</b>	<b>25 920</b>	<b>377</b>	<b>87 858</b>
<b>Liabilities</b>				
Derivative liabilities	—	21 514	20	21 534
<b>Total liabilities</b>	<b>—</b>	<b>21 514</b>	<b>20</b>	<b>21 534</b>

## NOTE 4 | Acquired and divested operations

### Divested operations

On 20<sup>th</sup> of February 2020, Vattenfall signed an agreement to sell its 55% shareholding in the waste incineration plant Müllverwertung Rugenberger Damm GmbH (MVR), to the co-shareholder Stadtreinigung Hamburg, a

subsidiary of the City of Hamburg. The transaction received approval from the cartel office and was closed in the beginning of May. The consideration received amounts to SEK 510 million.

## NOTE 5 | 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 2019 Annual and Sustainability Report. During 2020 a change has been implemented relating to cash generating units within business area Wind whereby cash generating units now consists of onshore respective offshore wind power plants in the respective countries where Vattenfall operates within the business area.

### Impairment losses January-September 2020

During the period, the process described above resulted in recognition of SEK 10,533 million in impairment losses, which are

charged against operating profit. Of this amount, SEK 9,033 million pertains to the Moorburg power plant in business area Heat. The impairment loss is attributable to the combination of low market prices and reduced opportunities for future hard coal condensing operations due to Germany's phase-out of coal. In the Wind business area, impairment losses of SEK 1,485 million were recognised in units in Sweden and Denmark. The remaining amount pertains to smaller impairment losses on assets held for sale.

In addition to the above, deferred tax assets in Germany were written down by SEK 1,236 million as poorer market conditions have led to greater uncertainty as to whether these can be utilised, resulting in a higher tax expense during the period. No previously recognised impairment losses have been reversed in the income statement.

## NOTE 6 | Effects of COVID-19

### Overall effect on operations

Fundamentally the impact of the general societal shutdown on Vattenfall's operations is not significant. Vattenfall has not utilised government support for short-term work and employee furloughs in any market. All plants have continued to deliver according to plan.

### Expected credit losses

In addition to what is described in Note 1 about risks and uncertainties, Vattenfall has increased its provision for expected credit losses, as the assessment is that slightly more customers than

previously are expected to encounter payment difficulties. The financial effect on the group amounts to SEK 50 million. For a description of the accounting policy for provisions to loss reserves, see Note 23 to the consolidated accounts in Vattenfall's 2019 Annual and Sustainability Report.

# 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 2019 Annual and Sustainability Report, Note 3 to the Parent Company accounts, Accounting policies. New accounting policies applicable from 1 January 2020 has had no significant effect on the Parent Company's financial statements.

## January – September 2020

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

- Net sales amounted to SEK 33,705 million (36,470).
- Profit before appropriations and income taxes was SEK 10,827 million (17,834).
- Lower prices on electricity had a negative effect on earnings, unrealised changes in fair value of energy derivatives impacted positively. Dividend received from subsidiaries amounted to SEK 703 million (8,219). Lower financial expenses due to exchange rate effects impacted earnings positively.

- The balance sheet total was SEK 297,619 million (31 December 2019: 282,662).
- Investments during the period amounted to SEK 791 million (862),
- Cash and cash equivalents, and short-term investments amounted to SEK 45,690 million (31 December 2019: 28,573).
- Dividend paid to the owner of SEK 3,623 million (2,000)

## Presentation of Parent Company income statements

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

## Risks and uncertainties

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

## Other

Significant related-party transactions are described in Note 44 to the consolidated accounts, Related party disclosures, in Vattenfall's 2019 Annual and Sustainability Report. No material changes have taken place in relations or transactions with related parties compared with the description in Vattenfall's 2019 Annual and Sustainability Report.

# Parent Company income statement

Amounts in SEK million	Jan-Sep 2020	Jan-Sep 2019	Full year 2019	Last 12 months
Net sales	33 705	36 470	49 807	47 042
Cost of purchases	- 17 721	- 20 285	- 28 256	- 25 692
Other external expenses	- 3 326	- 2 508	- 3 697	- 4 515
Personnel expenses	- 1 594	- 1 533	- 2 083	- 2 144
Other operating incomes and expenses, net	127	142	160	145
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>11 191</b>	<b>12 286</b>	<b>15 931</b>	<b>14 836</b>
Depreciation, amortisation and impairments	- 441	- 382	- 525	- 584
<b>Operating profit (EBIT)</b>	<b>10 750</b>	<b>11 904</b>	<b>15 406</b>	<b>14 252</b>
Result from participations in subsidiaries	703	8 219	8 226	710
Other financial income	1 558	1 209	1 592	1 941
Other financial expenses	- 2 184	- 3 498	- 4 137	- 2 823
<b>Profit before appropriations and income taxes</b>	<b>10 827</b>	<b>17 834</b>	<b>21 088</b>	<b>14 081</b>
Appropriations	330	2 074	498	- 1 246
<b>Profit before income taxes</b>	<b>11 157</b>	<b>19 908</b>	<b>21 586</b>	<b>12 835</b>
Income taxes	- 2 244	- 2 531	- 2 890	- 2 603
<b>Profit for the period</b>	<b>8 913</b>	<b>17 377</b>	<b>18 696</b>	<b>10 232</b>

# Parent Company balance sheet

Amounts in SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets: non-current	331	201	333
Property, plant and equipment	5 620	4 915	5 273
Shares and participations	161 151	149 897	160 465
Deferred tax assets	—	967	762
Other non-current receivables	69 202	69 834	66 195
<b>Total non-current assets</b>	<b>236 304</b>	<b>225 814</b>	<b>233 028</b>
<b>Current assets</b>			
Inventories	427	387	383
Intangible assets: current	34	119	168
Current receivables	15 147	13 256	20 510
Current tax assets	17	—	—
Short-term investments	28 194	20 307	21 702
Cash and cash equivalents	17 496	9 637	6 871
<b>Total current assets</b>	<b>61 315</b>	<b>43 706</b>	<b>49 634</b>
<b>Total assets</b>	<b>297 619</b>	<b>269 520</b>	<b>282 662</b>
<b>Equity, provisions and liabilities</b>			
<b>Equity</b>			
Restricted equity			
Share capital (131,700,000 shares with a share quota value of SEK 50)	6 585	6 585	6 585
Revaluation reserve	37 989	37 989	37 989
Other reserves	1 460	1 350	1 480
Non-restricted equity			
Retained earnings	61 572	46 608	46 479
Profit for the period	8 913	17 377	18 696
<b>Total equity</b>	<b>116 519</b>	<b>109 909</b>	<b>111 229</b>
<b>Untaxed reserves</b>	<b>11 267</b>	<b>9 680</b>	<b>11 598</b>
<b>Provisions</b>	<b>5 216</b>	<b>5 242</b>	<b>5 219</b>
<b>Non-current liabilities</b>			
Hybrid capital	20 183	20 625	20 167
Other interest-bearing liabilities	39 930	43 565	40 494
Deferred tax liabilities	204	—	—
Other noninterest-bearing liabilities	12 143	11 165	12 148
<b>Total non-current liabilities</b>	<b>72 460</b>	<b>75 355</b>	<b>72 809</b>
<b>Current liabilities</b>			
Other interest-bearing liabilities	86 098	59 684	70 892
Current tax liabilities	—	663	249
Other noninterest-bearing liabilities	6 059	8 987	10 666
<b>Total current liabilities</b>	<b>92 157</b>	<b>69 334</b>	<b>81 807</b>
<b>Total equity, provisions and liabilities</b>	<b>297 619</b>	<b>269 520</b>	<b>282 662</b>

# Definitions and calculations of key ratios

## Alternative Performance Measures

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

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

	<b>Definition</b>
EBIT:	Operating profit (Earnings Before Interest and Tax)
EBITDA:	Operating profit before depreciation, amortisation and impairment losses (Earnings Before Interest, Tax, Depreciation and Amortisation)
Items affecting comparability:	Capital gains and capital losses from shares and other non-current assets, impairment losses and reversed impairment losses and other material items that are of an infrequent nature. Also included here are, for trading activities, 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
<b>Other definitions</b>	<b>Definition</b>
Hybrid Capital:	Perpetual subordinated securities, junior to all Vattenfall's unsubordinated debt instruments.
LTIF:	Lost Time Injury Frequency (LTIF) is expressed in terms of the number of lost time work injuries (per 1 million hours worked), i.e., work-related accidents resulting in absence longer than one day, and accidents resulting in fatality.

## CALCULATION OF EBITDA, UNDERLYING EBITDA AND UNDERLYING EBIT

Amounts in SEK million	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019	Full year 2019	Last 12 months
Operating profit (EBIT)	10 030	19 715	4 743	8 677	22 141	12 456
Depreciation, amortisation and impairment losses	- 24 357	- 13 886	- 4 492	- 4 822	- 20 304	- 30 775
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>34 387</b>	<b>33 601</b>	<b>9 235</b>	<b>13 499</b>	<b>42 445</b>	<b>43 231</b>
Items affecting comparability excl. impairment losses and reversed impairment losses	- 2 761	- 2 826	143	- 5 083	1 495	1 560
<b>Underlying operating profit before depreciation, amortisation and impairment losses</b>	<b>31 626</b>	<b>30 775</b>	<b>9 378</b>	<b>8 416</b>	<b>43 940</b>	<b>44 791</b>
Operating profit (EBIT)	10 030	19 715	4 743	8 677	22 141	12 456
Items affecting comparability	7 772	- 2 826	75	- 5 083	2 954	13 552
<b>Underlying operating profit</b>	<b>17 802</b>	<b>16 889</b>	<b>4 818</b>	<b>3 594</b>	<b>25 095</b>	<b>26 008</b>



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

**KEY RATIOS BASED ON LAST 12-MONTH VALUES OCTOBER 2019 – SEPTEMBER 2020:**

<b>Operating margin, %</b>	= 100 x	$\frac{\text{EBIT}}{\text{Net sales}}$	$\frac{12\,456}{160\,994}$	=	7.7
<b>Operating margin excl. items affecting comparability, %</b>	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Net sales}}$	$\frac{26\,008}{160\,994}$	=	16.2
<b>Pre-tax profit margin, %</b>	= 100 x	$\frac{\text{Profit before income taxes}}{\text{Net sales}}$	$\frac{7\,626}{160\,994}$	=	4.7
<b>Pre-tax profit margin excl. items affecting comparability, %</b>	= 100 x	$\frac{\text{Profit before income taxes excl. items affecting comparability}}{\text{Net sales}}$	$\frac{21\,178}{160\,994}$	=	13.2
<b>Return on equity, %</b>	= 100 x	$\frac{\text{Profit for the period attributable to owner of the Parent Company}}{\text{Average equity for the period attributable to owner of the Parent Company excl. the Reserve for cash flow hedges}}$	$\frac{1\,508}{97\,812}$	=	1.5
<b>Return on capital employed, %</b>	= 100 x	$\frac{\text{EBIT}}{\text{Capital employed, average}}$	$\frac{12\,456}{263\,156}$	=	4.7
<b>Return on capital employed excl. items affecting comparability, %</b>	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Capital employed, average}}$	$\frac{26\,008}{263\,156}$	=	9.9
<b>EBIT interest cover, (x)</b>	=	$\frac{\text{EBIT + financial income}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$	$\frac{12\,937}{3\,889}$	=	3.3
<b>EBIT interest cover excl. Items affecting comparability, (x)</b>	=	$\frac{\text{Underlying EBIT + financial income excl. Return from the Swedish Nuclear Waste Fund}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$	$\frac{26\,489}{3\,889}$	=	6.8
<b>FFO interest cover, (x)</b>	=	$\frac{\text{FFO + financial expenses excl. discounting effects attributable to provisions}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$	$\frac{39\,065}{3\,889}$	=	10.0
<b>FFO interest cover, net, (x)</b>	=	$\frac{\text{FFO + financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}{\text{Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}$	$\frac{38\,584}{3\,408}$	=	11.3

<b>Cash flow interest cover after maintenance investments, (x)</b>	=	Cash flow from operating activities less maintenance investments + financial expenses excl. Discounting effects attributable to provisions and interest components related to pension costs	<u>21 057</u>	=	6.4
		Financial expenses excl. discounting effects attributable to provisions and interest components related to pension costs	<u>3 276</u>		
<b>FFO/gross debt, %</b>	= 100 x	<u>FFO</u>	<u>35 176</u>	=	32.4
		Interest-bearing liabilities	<u>108 529</u>		
<b>FFO/net debt, %</b>	= 100 x	<u>FFO</u>	<u>35 176</u>	=	59.8
		Net debt	<u>58 858</u>		
<b>FFO/adjusted net debt, %</b>	= 100 x	<u>FFO</u>	<u>35 176</u>	=	27.9
		Adjusted net debt	<u>126 299</u>		
<b>EBITDA/net financial items, (x)</b>	=	<u>EBITDA</u>	<u>43 231</u>	=	12.7
		Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	<u>3 408</u>		
<b>EBITDA excl. items affecting comparability/net financial items, (x)</b>	=	<u>EBITDA excl. items affecting comparability</u>	<u>44 791</u>	=	13.1
		Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	<u>3 408</u>		

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**KEY RATIOS BASED ON THE BALANCE SHEET PER 30 SEPTEMBER 2020:**

<b>Equity/total assets, %</b>	= 100 x	<u>Equity</u>	<u>107 862</u>	=	24.0
		Balance sheet total	<u>449 655</u>		
<b>Gross debt/equity, %</b>	= 100 x	<u>Interest-bearing liabilities</u>	<u>108 529</u>	=	100.6
		Equity	<u>107 862</u>		
<b>Net debt/equity, %</b>	= 100 x	<u>Net debt</u>	<u>58 858</u>	=	54.6
		Equity	<u>107 862</u>		
<b>Gross debt/gross debt equity, %</b>	= 100 x	<u>Interest-bearing liabilities</u>	<u>108 529</u>	=	50.2
		Interest-bearing liabilities + equity	<u>216 391</u>		
<b>Net debt/net debt plus equity, %</b>	= 100 x	<u>Net debt</u>	<u>58 858</u>	=	35.3
		Net debt + equity	<u>166 720</u>		
<b>Net debt/EBITDA, (x)</b>	=	<u>Net debt</u>	<u>58 858</u>	=	1.4
		EBITDA	<u>43 231</u>		
<b>Adjusted net debt/EBITDA, (x)</b>	=	<u>Adjusted net debt</u>	<u>126 299</u>	=	2.9
		EBITDA	<u>43 231</u>		

**Interim report signature**

Solna, 27 October 2020

Magnus Hall  
President and CEO

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

**Financial calendar**

Year-end report 2019, 4 February 2021

Annual General Meeting, 28 April 2021

Interim report January-March, 29 April 2021

Interim report January-June, 20 July 2021

Interim report January-September, 28 October 2021

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This information is such that Vattenfall AB is obliged to make public in accordance with the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CET on 27 October 2020. 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.