

Interim Report January–March 2022

Business highlights, January–March 2022

- Continued high and volatile electricity prices and record-high differences between price areas in the Nordics
- The Swedish government decided to permit a final repository of spent nuclear fuel and radioactive waste
- Strong customer growth in Germany and continued expansion of charging solutions for electric vehicles
- Planning consent granted for the offshore wind farm Norfolk Vanguard in England and awarded rights to develop a floating wind farm off the coast of Scotland
- Inauguration of the biofuel-fired heat plant, Carpe Futurum, in Uppsala
- Vattenfall has decided to stop purchasing coal and nuclear fuel from Russia
- HYBRIT to receive EUR 143 million in support from the EU Innovation Fund as announced after the end of the quarter

Financial highlights, January–March 2022

- Net sales increased by 30% (27% excluding currency effects) to SEK 59,579 million (45,911)
- Underlying operating profit¹ of SEK 9,504 million (12,053)
- Operating profit¹ of SEK 12,783 million (13,385)
- Profit for the period of SEK 6,064 million (10,423)

KEY DATA

Amounts in SEK million unless indicated otherwise	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Net sales	59 579	45 911	180 119	193 787
Operating profit before depreciation, amortisation and impairment losses (EBITDA) ¹	17 249	17 740	75 790	75 299
Operating profit (EBIT) ¹	12 783	13 385	60 271	59 669
Underlying EBIT ¹	9 504	12 053	31 181	28 632
Profit for the period	6 064	10 423	48 013	43 654
Electricity generation, TWh	30.9	32.9	111.4	109.4
Sales of electricity, TWh ²	44.6	45.4	168.9	168.1
- of which, customer sales	30.6	32.4	120.5	118.7
Sales of heat, TWh	5.8	6.5	15.6	14.9
Sales of gas, TWh	20.2	23.6	57.1	53.7
Return on capital employed, % ¹	21.8 ³	5.9 ³	22.2	21.8
FFO/adjusted net debt, % ¹	120.5 ³	32.8 ³	171.2	120.5

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.

War in Ukraine dominated energy market sentiment

The war in Ukraine and its related market volatility pose great challenges for the European energy system. Vattenfall's results came in lower than last year as transmission bottlenecks continued to exert major negative impact on achieved prices. In the wake of what was a financially exceptional year, our expectation is that this year will be more normal. Operationally, several steps were made in the form of new plant inaugurations and the receipt of new construction permits.

Europe's dependence on fossil fuels underscored

We are two months into Russia's invasion of Ukraine. The war is a humanitarian catastrophe and, first and foremost, my thoughts go out to those affected. Indirectly and in the course of things, the war affects us all; and fuel and energy issues have gained importance in many people's agendas. As a direct outcome of the war, Vattenfall has decided to halt purchases of coal and nuclear fuel from Russia and on EU level there are broad discussions considering stopping imports of Russian gas.

Electricity prices, which declined at the end of the year, have returned to record levels. In both Germany and France, politicians have signalled that gas may need to be rationed next winter. The war has laid bare the risks of Europe's dependence on fossil fuels and the importance of ensuring that we have a secure energy supply. The energy transition needs to be accelerated and we must all come together to reach that goal while we, as a society, also need to ensure that we can all afford to power and heat our homes.

The war has caused gas prices to shoot up further, which has driven up coal prices and also, to some degree, emission rights. Accordingly, electricity prices on the Continent have risen significantly which also had a major effect on electricity prices in southern Sweden. Disparities in electricity prices between price areas in the Nordic countries reached record levels in March. Mild, wet, and windy weather drove prices down in the north while transmission network constraints prevented electricity from reaching the south.

Price area differences had major impact on results

Profit for the period declined by SEK 4.4 billion to SEK 6.1 billion,

where returns from the Nuclear Waste Fund were impacted negatively by falling prices in the equity and fixed income markets. Underlying operating profit fell by SEK 2.5 billion to SEK 9.5 billion. The results from our large-scale power generation were affected negatively by the price area differences mentioned above and our achieved price was EUR 20/MWh; the comparable figure was EUR 33/MWh for the previous year. In addition to this, our heat business was affected negatively by high gas prices.

Our wind business continued to deliver strong results, thanks to higher prices, new capacity, and more wind. We inaugurated our first hybrid park — Haringvliet — where we combine wind and solar power as well as battery capacity to exploit the inherent technology synergies while reducing our carbon footprint, for example by sharing infrastructure. Moreover, we received the final go-ahead for the offshore wind farm Norfolk Vanguard in the United Kingdom. Our customer business is also performing well and Vattenfall is seen as a stable supplier in times of great market uncertainty.

Partnerships as an accelerating force

It was recently announced that HYBRIT, our fossil-free steel partnership with LKAB and SSAB, will receive EUR 143 million in funding from the EU Innovation Fund to demonstrate a complete value chain on an industrial and commercial scale for hydrogen-based iron and steel production. We are grateful for this support and look forward to continuing to work together towards net zero emissions.

Partnerships across sectors and collaboration between private and political initiatives as well as stable and forward-looking regulation are fundamental in order to succeed with the energy transition. I hope that the united Europe we are seeing right now can be an accelerating force to achieve this.



Anna Borg

Anna Borg
President and CEO

Profit for the period

6.1
SEK billion

(10.4)

Underlying operating profit

9.5
SEK billion

(12.1)

FFO/adjusted net debt

120.5%
(32.8)

Return on capital employed

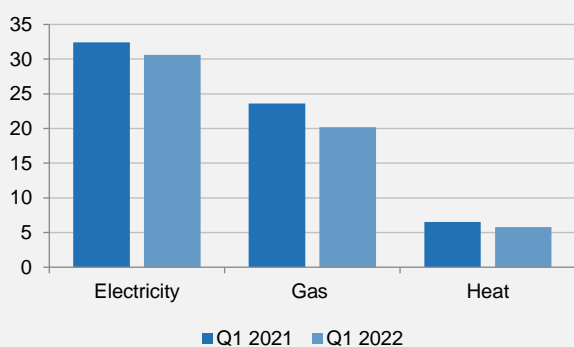
21.8%
(5.9)

Group overview

Customer sales development

Sales of electricity, excluding sales to Nord Pool Spot and deliveries to minority shareholders, decreased by 1.8 TWh to 30.6 TWh (32.4), mainly owing to lower volumes in the B2B segment in France and in the Nordic countries. Sales of gas decreased by 3.4 TWh to 20.2 TWh (23.6) as a result of warmer weather in the Netherlands and Germany. Sales of heat decreased by 0.7 TWh to 5.8 TWh (6.5).

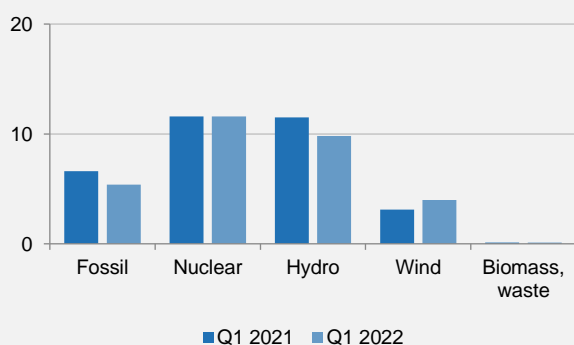
CUSTOMER SALES (TWh)



Generation development

Total electricity generation decreased by 2.0 TWh to 30.9 TWh (32.9) during the first quarter of 2022. Lower hydro (-1.7 TWh) and fossil-based (-1.2 TWh) power generation was offset by higher wind power generation (+0.9 TWh). Nuclear power generation remained at the same level as in the first quarter 2021.

ELECTRICITY GENERATION (TWh)



Price development

Average Nordic electricity spot prices were 161% higher, at EUR 110.1/MWh (42.1) during the first quarter of 2022 compared with the corresponding period in 2021, mainly owing to higher electricity prices on the Continent and lower hydrological balance. Spot prices in Germany were 272% higher at EUR 184.7/MWh (49.6), and prices in the Netherlands increased by 310% to EUR 207.5/MWh (50.6). Prices in Germany and the Netherlands were mainly affected by higher fuel prices and higher prices for CO₂ emission

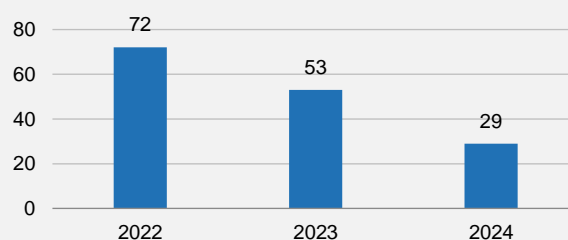
allowances, which increased further due to the war in Ukraine. Electricity futures prices for delivery in 2023 and 2024 were 35-187% higher than during the first quarter of 2021.

Compared with the first quarter of 2021 the average spot price for gas was 434% higher, at EUR 99.2/MWh (18.6). The spot price for coal was 242% higher, at USD 230.3/t (67.4). The 2023 futures price for gas was 262% higher, at EUR 58.2/MWh (16.1), and the 2023 futures price for coal was 109% higher at USD 141.7/t (67.8). The price of CO₂ emission allowances was 122% higher, at EUR 83.0/t (37.4).

AVERAGE INDICATIVE NORDIC HEDGE PRICES (SE, DK, FI) AS PER 31 MARCH 2022, EUR/MWh

EUR/MWh	2022	2023	2024
	28	30	30

VATTENFALL'S ESTIMATED NORDIC FINANCIAL HEDGE RATIO (SE, DK, FI) AS PER 31 MARCH 2022 (%)



ACHIEVED NORDIC ELECTRICITY PRICES (SE, DK, FI)¹ EUR/MWh

	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
	20	33	31

SENSITIVITY ANALYSIS – CONTINENTAL PORTFOLIO (DE, NL, UK)²

+/-10% price impact on future profit before tax, SEK million²

Market-quoted	2022	2023	2024	Observed yearly volatility ³
Electricity	+/- 1,715	+/- 1,839	+/- 558	31%-53%
Coal	-/+ 111	-/+ 168	-/+ 83	51%-80%
Gas	-/+ 298	-/+ 1,754	-/+ 1,212	35%-64%
CO ₂	-/+ 115	-/+ 407	-/+ 375	43%-51%

- 1) Achieved prices from the spot market and hedges. Includes Nordic hydro, nuclear and wind power generation.
- 2) Vattenfall's continental portfolio is mainly exposed to clean spark spreads. Vattenfall hedges these production margins, which in turn affects reported sensitivity figures for electricity, gas and CO₂ emission allowances.
- 3) The denotation +/- entails that a higher price affects operating profit favourably, and -/+ vice versa.
- 4) 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–March: Consolidated net sales increased by SEK 13.7 billion, including positive currency effects of SEK 1.3 billion. The increase is mainly owing to higher electricity prices in the Netherlands, the Nordic countries and Germany.

Earnings

January–March: The underlying operating profit decreased by SEK 2.5 billion, which is explained by:

- Lower earnings contribution from the Power Generation operating segment (SEK -3.2 billion) due to lower realised trading result, lower achieved prices in the Nordic countries as well as lower generation from hydro power.
- Lower earnings contribution from the Heat operating segment (SEK -2.3 billion), mainly owing to higher gas prices which led to lower clean spark spreads.
- Higher earnings contribution from the Wind operating segment (SEK 3.1 billion), mainly as a result of higher electricity prices on the Continent and new capacity.

Items affecting comparability amounted to SEK 3.3 billion (1.3), of which most pertains to the changes in market value for energy derivatives and inventories (SEK 3.3 billion). See Note 4 for further information.

Profit for the period totalled SEK 6.1 billion (10.4) and was affected by, in addition to underlying operating profit, lower net financial items resulting from a lower return from the Swedish Nuclear Waste Fund.

Cash flow

January– March: Funds from operations (FFO) decreased by SEK 5.6 billion, mainly owing to a lower underlying operating profit before depreciation, amortisation and impairment losses (EBITDA), and higher paid tax. Cash flow from changes in working capital amounted to SEK -11.4 billion. The largest contributing factor was the net change in margin calls paid (SEK -17.7 billion). A decrease in inventories (SEK 5.1 billion) and changes related to CO₂ emission allowances (SEK 0.7 billion) had a countering effect.

Events after the balance sheet date

- On 1 April, it was announced that HYBRIT, Vattenfall's partnership for fossil-free steel, had been awarded EUR 143 million in support from the EU Innovation Fund.

KEY FIGURES – GROUP OVERVIEW

Amounts in SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Net sales	59 579	45 911	180 119	193 787
Operating profit before depreciation, amortisation and impairment losses (EBITDA) ¹	17 249	17 740	75 790	75 299
Operating profit (EBIT) ¹	12 783	13 385	60 271	59 669
Underlying EBIT ¹	9 504	12 053	31 181	28 632
Items affecting comparability ¹	3 279	1 332	29 090	31 037
Profit for the period	6 064	10 423	48 013	43 654
Funds from operations (FFO) ¹	8 382	13 987	46 096	40 491
Cash flow from changes in operating assets and operating liabilities (working capital)	- 11 440	- 1 656	55 736	45 952
Cash flow from operating activities	- 3 058	12 331	101 832	86 443

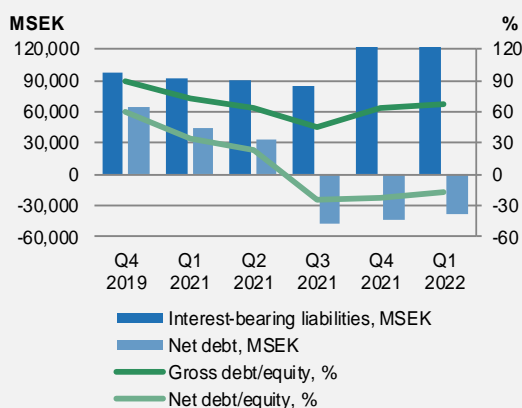
1) See Definitions and calculations of key ratios for definitions of Alternative Performance Measures.

Capital structure

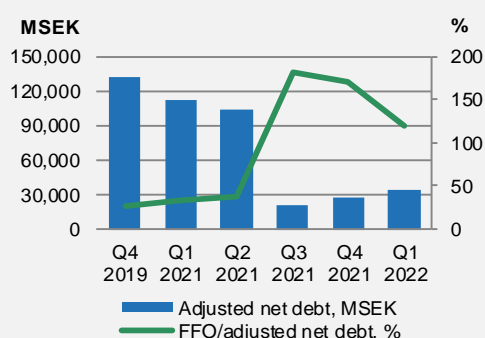
Cash and cash equivalents, and short-term investments increased by SEK 6.5 billion compared with the level at 31 December 2021. Committed credit facilities consist of a EUR 2.0 billion Revolving Credit Facility that expires in November 2024 and two other committed credit facilities totalling EUR 2.5 billion, which expire in March 2023. As per 31 March 2022 available liquid assets and/or committed credit facilities amounted to 113.6% of net sales. Vattenfall's target is to maintain a level of no less than 10% of consolidated net sales, but at least the equivalent of the next 90 days' maturities.

Net debt increased by SEK 7.1 billion to a net asset of SEK 37.6 billion and adjusted net debt increased by SEK 6.7 billion to SEK 33.6 billion compared to 31 December 2021. The increase is owing to negative cash flow from operating activities and investments (SEK -8.0 billion). The adjusted net debt was also affected by lower pension provisions (SEK 4.4 billion) and higher provisions for nuclear power (SEK -2.4 billion, net).

NET DEBT



ADJUSTED NET DEBT

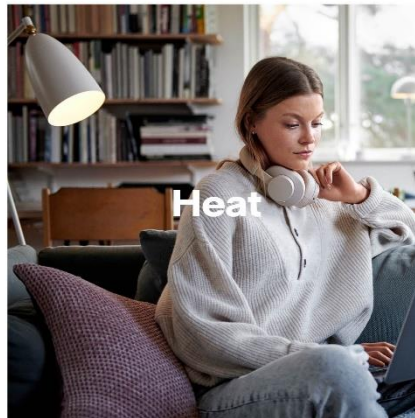
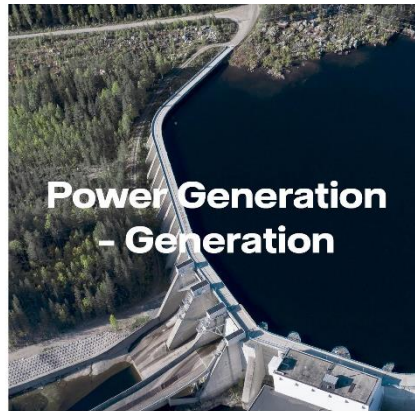


Strategic focus areas and targets for 2025

Strategic focus area	Targets for 2025	Q1 2022	Outcome 2021
Driving decarbonisation with our customers and partners Securing fossil-free energy supply	1. Customer engagement, absolute Net Promoter Score (NPS) ¹ : +18	-	+10
	2. CO ₂ emissions intensity ² : ≤86 gCO₂e/kWh	89	82
High-performing operations	3. Funds From Operations (FFO)/adjusted net debt ³ : 22-27%	120.5%	171.2%
	4. Return On Capital Employed (ROCE) ⁴ : ≥8%	21.8%	22.2%
Empowering our people	5. Lost Time Injury Frequency (LTIF): ≤1.0	1.4	1.7
	6. Employee Engagement Index ⁵ : ≥75%	-	75%

- 1) Absolute NPS is weighted 80% from Customers & Solutions and 20% from Heat, which corresponds to our customer composition. Reported on an annual basis
- 2) Includes CO₂ and other greenhouse gases such as N₂O and SF₆, as well as indirect emissions from electricity and heat use (scope 2) Consolidated value where CO₂ is primarily related to the operating segment Heat. The target for 2025 is to be on track to achieving the 1.5° C target by 2030, according to SBT
- 3) Rolling 12-months values. Received margin calls had a significant impact on the outcome for both Q1 2022 and for the full year 2021.
- 4) Rolling 12-months values. Compensation for closure of nuclear power in Germany, changes in market value of energy derivatives and inventories and capital gains from the sale of Stromnetz Berlin's had significant impact on the outcome for both Q1 2022 and the full year 2021.
- 5) Rolling 12-months values. LTIF, Lost Time Injury Frequency, is expressed in terms of the number of lost time work injuries per 1 million hours worked. The metric pertains only to Vattenfall employees
- 6) Documentation for measurement of target achievement is derived from the results of an employee survey, which is conducted on an annual basis

Operating segments



Amounts in SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Underlying EBIT				
Customers & Solutions	1 967	1 217	2 349	3 099
Power Generation	3 111	6 321	19 334	16 124
- of which, realised trading result	43	1 999	3 633	1 677
Wind	4 899	1 767	7 866	10 998
Heat	- 905	1 370	- 343	- 2 618
Distribution	1 104	1 794	3 152	2 462
- of which, Distribution Germany	—	333	666	333
- of which, Distribution Sweden	1 112	1 456	2 516	2 172
Other¹	- 600	- 368	- 1 189	- 1 421
Eliminations	- 72	- 48	12	- 12
Underlying EBIT	9 504	12 053	31 181	28 632

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.

Continued growth in the customer base and expansion of charging solutions for electric vehicles

- Strong customer growth in Germany contributed positively to earnings
- Expansion of EV charging networks in the Netherlands
- Test of wireless charging of electric taxis



Q1: Net sales increased by 56% compared to 2021. Underlying operating profit increased by 62% mainly due to a growing customer base in Germany and lower churn in the Netherlands and in Germany.

In Germany, Vattenfall is seeing a significant inflow of new electricity customers, for instance due to competitor insolvencies or their temporary departure from the retail market owing to higher sourcing costs caused by higher electricity prices. Compared to year-end 2021, the customer base in Germany grew by 5% to 4.5 million contracts. Vattenfall's total customer base increased by 2% to 10.6 million contracts during the same period. Sales of electricity decreased during the first quarter mainly due to lower sold volumes to electricity grid operators in France as well as lower volumes in the retail market in the Nordics and the Netherlands. Increased customer growth in

Germany had an offsetting impact on sales of electricity. Sales of gas decreased due to warmer weather in the Netherlands and in Germany.

Alongside a number of partners, Vattenfall has won a tender for the installation of at least 4,000 charging points by 2025 across 67 municipalities in the Dutch provinces of Gelderland and Overijssel. A predictive algorithm will help Vattenfall to place out charging points proactively. Moreover, Vattenfall will provide charging solutions upon request and based on user data.

Vattenfall is participating in a project to test wireless charging technology for electric taxis in Gothenburg. Vattenfall is working to ensure that the automated payment solution InCharge will work smoothly, also for wireless charging.

KEY FIGURES – CUSTOMERS & SOLUTIONS

Amounts in SEK million unless indicated otherwise	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Net sales	42 627	27 251	106 560	121 936
External net sales	40 855	26 455	102 300	116 700
Underlying EBITDA	2 191	1 432	3 230	3 989
Underlying EBIT	1 967	1 217	2 349	3 099
Sales of electricity, TWh	25.4	26.5	96.1	95.0
- of which, private customers	8.7	8.4	26.8	27.1
- of which, resellers	2.4	1.7	7.9	8.6
- of which, business customers	14.3	16.4	61.4	59.3
Sales of gas, TWh	19.8	23.2	56.0	52.6
Number of employees, full-time equivalents	3 258	2 983	3 213	

Power Generation

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

Swedish Government decision for final repository, and halt to Russian nuclear fuel deliveries

- The Swedish government decided to permit a final repository of spent nuclear fuel and radioactive waste
- Vattenfall has decided to stop purchasing nuclear fuel from Russia
- Decrease in earnings due to lower realised trading result, lower achieved price and less hydro power generation

Q1: Net sales increased by 75%. Underlying operating profit decreased by 51% mainly due to lower realised trading result, lower achieved prices in the Nordic countries affected by major price differences between electricity price areas in Sweden as well as lower generation from hydro power (-1.7 TWh). Higher contribution from pumped hydro storage operations in Germany had an offsetting impact. The realised trading result was affected by seasonality effects in gas storage optimisation combined with high and volatile gas prices. The average hedging price and spot price increased compared to the first quarter 2021 but the achieved price decreased due to higher price differences between electricity price areas, mainly in Northern Sweden.

The combined availability of Vattenfall's nuclear power plants during the period January–March 2022 was 98.4% (97.9%).

At the end of the first quarter, Nordic reservoir levels were at 36% (44%) of capacity, which is 7 percentage points above the normal level.



Forsmark nuclear power plant, Sweden

On 27 January 2022, the Swedish Government decided to permit a final repository for spent nuclear fuel in Forsmark and an encapsulation plant connected to the interim storage facilities in Oskarshamn. The Government concluded that this will be a secure final repository that safeguard both the environment and humans and met the long-term preconditions for electricity supply and jobs in Sweden. Construction of the final repository is scheduled to commence in the 2020s with commissioning about a decade later.

Vattenfall has decided to stop purchasing nuclear fuel from Russia. Vattenfall has a procurement strategy based on having multiple suppliers from a range of countries for the purpose of safeguarding our independence and ensuring the security of supply for our nuclear power plants. Connected to that strategy, we also maintain contingency plans to deal with any supply disruptions. These decisions will therefore not affect the operations of our nuclear power plants.

KEY FIGURES – POWER GENERATION

Amounts in SEK million unless indicated otherwise	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Net sales	49 416	28 281	126 318	147 453
External net sales	6 936	7 778	40 312	39 470
Underlying EBITDA	4 309	7 384	23 714	20 639
Underlying EBIT	3 111	6 321	19 334	16 124
- of which, realised trading result	43	1 999	3 633	1 677
Electricity generation, TWh	21.4	23.1	81.2	79.5
- of which, hydro power	9.8	11.5	40.8	39.1
- of which, nuclear power	11.6	11.6	40.4	40.4
Sales of electricity, TWh	4.6	5.3	22.2	21.5
- of which, resellers	4.2	5.1	17.5	16.6
- of which, business customers	0.4	0.2	4.7	4.9
Sales of gas, TWh	0.4	0.4	1.1	1.1
Number of employees, full-time equivalents	7 205	7 389	7 260	

Wind

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

Strong earnings improvement and progress in development of new projects

- Planning consent granted for the offshore wind farm Norfolk Vanguard in England and awarded rights to develop a floating wind farm off the coast of Scotland
- Partnership with Seagust for offshore wind power in Norway
- Inauguration of Haringvliet energy park in the Netherlands



Haringvliet energy park, the Netherlands

Q1: Net sales increased by 89% compared to 2021. Underlying operating profit increased by 177% driven by higher electricity prices, especially in Continental Europe, and new capacity, mainly the Kriegers Flak offshore wind farm in Denmark. Higher wind speeds compared to the first quarter 2021 also contributed positively. Electricity generation increased by 29%, mainly driven by new capacity from Kriegers Flak as well as higher generation from existing assets.

In February, the British Government awarded planning consent for the offshore wind farm Norfolk Vanguard. Consent had previously been awarded for the sister project Norfolk Boreas. The two projects have a total capacity of 3.6 GW and will annually generate electricity for the equivalent of 3.9 million British households.

In January, Vattenfall and Fred. Olsen Seawind were issued a permit to build a floating wind farm 67 km off the eastern coast of Scotland. The partnership (50/50) supports Scotland's ambition of 11 GW offshore wind power by 2030 and net-zero emissions by 2045. The capacity of the wind farm will be upwards of 798 MW, corresponding to the annual electricity consumption of over 700,000 UK households.

Vattenfall has entered into a partnership with Seagust to submit joint tenders for offshore wind power licenses in Norway. The joint venture means that, for the first time, Vattenfall will be stepping into the Norwegian wind power market for the purpose of submitting tenders for licenses in the Utsira Nord and Sørilige

Nordsjø II areas in the North Sea. The Norwegian government has announced that both floating as well as bottom-fixed wind turbines will be built for a total capacity of up to 4.5 GW. The licensing process is expected to take place in 2022.

In March, the energy park Haringvliet was inaugurated in the Netherlands. It is Vattenfall's first plant to combine wind and solar power as well as batteries. By combining these technologies, the energy park will be able to produce energy at a lower cost and utilise available grid capacity more efficiently and with less environmental impact. The energy park is expected to produce about 140 GWh electricity per year, equivalent to the consumption of 40,000 Dutch households.

In late January, the last of the 84 wind turbines was lifted into place at the onshore wind farm Blakliden Fäbodberget in the two Swedish municipalities of Lycksele and Åsele. The capacity of the wind farm amount to 353 MW, which corresponds to the annual consumption of 220,000 Swedish households. The inauguration of the wind farm is planned for the end of May.

Vattenfall is focused on further growth in solar power in Germany and the Netherlands. In the first quarter, land lease agreements equivalent to 350 MW in eastern Germany have been signed for developing new solar farms. In the Netherlands, three projects with a total capacity of 45 MW have been awarded government subsidies. The projects are expected to be commissioned in 2023.

KEY FIGURES – WIND

Amounts in SEK million unless indicated otherwise	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Net sales	7 956	4 212	20 872	24 616
External net sales	1 768	1 795	7 791	7 764
Underlying EBITDA	6 357	3 058	13 451	16 750
Underlying EBIT	4 899	1 767	7 866	10 998
Electricity generation - wind power TWh	4.0	3.1	11.2	12.1
Sales of electricity, TWh	0.3	0.3	1.0	1.0
Number of employees, full-time equivalents	1 362	1 140	1 279	

Heat

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

Decarbonisation of cities through new assets and projects

- Substantially higher gas prices have led to lower clean spark spreads
- Inauguration of the biofuel-fired heat plant, Carpe Futurum, in Uppsala
- Construction of district heating in Bristol contributes to reduced CO₂ emissions

Q1: Net sales increased by 105% compared to 2021. Underlying operating profit decreased by 166% compared to the first quarter of 2021 mainly owing to higher gas prices which led to lower clean spark spreads largely affecting the heat operations in Berlin. Higher heat prices had an offsetting impact as prices are adjusted with a time delay for the fuel price development. Hedging of spreads also had an offsetting effect, which is reported in operating segment Power Generation. Electricity generation decreased as a result of the lower spreads and sales of heat decreased due to higher temperatures. Compared with year-end 2021, the number of customers increased by 0.5% to the equivalent of 2.0 million households¹. Vattenfall's emission intensity during the first quarter stood at 89 gCO₂e/kWh and the increase, compared to the outcome for the full year 2021 (82 gCO₂e/kWh) is mainly owing to seasonal factors. Prompted by Russia's invasion of Ukraine, Vattenfall has decided to not make any new hard coal purchases from Russia.

In March, Vattenfall inaugurated the new biofuel-fired heat plant, Carpe Futurum, in Uppsala. The plant will lower CO₂ emissions by about 200,000 tonnes per year, compared to the use of peat and other fossil fuels. This will cut the climate footprint in half for the approximately 170,000 Uppsala residents who are getting their heating via district heating. The plant has a heating capacity of 110 MW and it represents a significant part of a long-term SEK 3.5 billion investment programme to phase out fossil fuels.

Vattenfall and Ameresco, a leading American energy services company, have been selected as partners for the English city of



Carpe Futurum biofuel-fired heat plant in Uppsala Sweden

Bristol's long-term plan to drastically reduce CO₂ emissions. The plan goes by the name City Leap and calls for total investments of GBP 1 billion. Vattenfall has been granted a licence to operate Bristol's district heating network for a 20-year period; and Vattenfall is planning to invest over GBP 200 million in the first five years to supply district heating to the equivalent of 25,000 residences.

The joint venture Westpoort Warmte, owned by Vattenfall and the municipality of Amsterdam, has entered into four contracts for supplying district heating and cooling for development projects in Amsterdam. The solution is based on storage of heat and cooling combined with district heating. With a capacity of 40 MW heat and 14 MW cooling, a total of 4,000 homes and additional commercial facilities and offices will be supplied with heating and cooling.

In March, construction of a large-scale high-temperature heat pump was initiated in a cooling centre near Potsdamer Platz. This is a pilot project that Vattenfall is operating in partnership with Siemens Energy. The heat pump will be used to raise the temperature on excess heat and turn it into a usable product that can provide Berlin's district heating network with carbon-free heating. The new process will reduce carbon emissions by 6,500 tonnes and the use of cooling water by 120,000 cubic metres a year. Once commissioned, 30,000 households can be supplied with hot water in the summer and 3,000 households with heating in the winter.

KEY FIGURES – HEAT

Amounts in SEK million unless indicated otherwise	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Net sales	17 590	8 583	34 759	43 766
External net sales	6 185	4 506	14 655	16 334
Underlying EBITDA	- 152	2 096	2 590	342
Underlying EBIT	- 905	1 370	- 343	- 2 618
Electricity generation - TWh	5.5	6.7	19.0	17.8
- of which, fossil-based power	5.4	6.6	18.6	17.4
- of which, biomass, waste	0.1	0.1	0.3	0.3
Sales of electricity business customers, TWh	0.3	0.3	1.2	1.2
Sales of heat, TWh	5.8	6.5	15.6	14.9
Number of employees, full-time equivalents	3 167	3 214	3 126	

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

Distribution

The Distribution Business Area comprises Vattenfall's electricity distribution operations in Sweden and the UK.

Earnings comparison affected by sale of Stromnetz Berlin in 2021 and higher costs for the transmission network

- The Swedish Government has presented a national electrification strategy with multiple important electricity grid-related measures
- Two of Vattenfall's regional grid projects selected by the Swedish Energy Markets Inspectorate to identify solutions that enables shorter lead times for permitting processes

Q1: Net sales decreased by 41% compared with 2021 and the underlying operating profit decreased by 38%. The sale of Stromnetz Berlin on 1 July 2021 affected the net sales comparison by SEK 2.8 billion and the underlying operating profit negatively by SEK 0.3 billion. In addition, the underlying operating profit was affected by a lower gross margin in the Swedish operations, mainly owing to higher costs for the transmission network as well as an increase in network losses caused by higher electricity prices.

In early February the Swedish Government presented a domestic electrification strategy for rapid, socio-economic and effective electrification. The strategy contains several important measures related to the electricity grid, such as a proactive expansion of the electricity grid, long-term sustainable revenue regulation, shorter permitting processes, an expanded charging infrastructure, and investment in competence to secure the energy supply. The Government has also stressed the importance of creating a social acceptance for necessary measures and the urgency of implementing the steps to meet the climate goals.

The Government has decided on an electricity price compensation for households affected by high electricity prices from December 2021 to February 2022. There is also a proposal for a modified extension of the compensation during March for customers in electricity price areas 3 and 4. The electricity distribution companies will be administering the compensation; and Vattenfall, jointly with the industry, has made preparations for making disbursements as efficient as possible. Compensation will be paid out according to a scheme based on monthly consumption of 700 kWh to 2,000 kWh. The



Vattenfall's transformer station in Järva, Stockholm Sweden

electricity price compensation will primarily be made as a credit on the electric network invoice from April.

The lead times for permitting processes for constructing power grids are still too long. The Swedish Energy Markets Inspectorate recently presented five pilot projects selected from the Committee for Technological Innovation and Ethics framework. The assignment is to identify streamlined approaches and processes to shorten lead times for permit processes and thereby contribute to enabling the energy transition for industry and the transportation sector. Two of Vattenfall's regional grid projects were among the selected projects: the strengthening of the regional grid in Luleå from Svartbyn to Hertsöfältet and connection of an electric arc furnace in Hedenlunda-Oxelösund.

Vattenfall and the delivery company Instabox have started a collaboration for electrification of Instabox's vehicle fleet. Multiple Instabox terminals have already installed charging infrastructure for electric vehicles and by end of 2022 approximately 400 chargers will be available in Sweden, Denmark and the Netherlands. Vattenfall will own and operate the charging stations during the contract period.

Vattenfall's transformer station in Järva outside of Stockholm has been modernised in order to improve the security of supply and power output. The station has now been equipped with a new 220 kV gas-insulated switchgear, new power transformers, and new control equipment. In addition, the station has also been given a modern design, and the main building has been clad with a black glass facade.

KEY FIGURES – DISTRIBUTION

Amounts in SEK million unless indicated otherwise	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Net sales	3 895	6 624	17 262	14 533
External net sales	3 747	5 354	14 643	13 036
Underlying EBITDA	1 728	2 633	5 913	5 008
Underlying EBIT	1 104	1 794	3 152	2 462
Number of employees, full-time equivalents	1 207	2 432	1 165	

Other

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

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

KEY FIGURES – OTHER

Amounts in SEK million unless indicated otherwise	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Net sales	1 766	1 373	6 169	6 562
External net sales	88	23	418	483
Underlying EBITDA	- 391	- 147	- 326	- 570
Underlying EBIT	- 600	- 368	- 1 189	- 1 421
Number of employees, full-time equivalents	2 832	2 757	2 792	

Consolidated income statement

Amounts in SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Net sales	59 579	45 911	180 119	193 787
Cost of purchases	- 34 147	- 21 514	- 87 474	- 100 107
Other external expenses	- 3 116	- 3 023	- 18 450	- 18 543
Personnel expenses	- 5 244	- 5 165	- 19 801	- 19 880
Other operating income and expenses, net	27	1 470	21 454	20 011
Participations in the results of associated companies	150	61	- 58	31
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	17 249	17 740	75 790	75 299
Depreciation, amortisation and impairments	- 4 466	- 4 355	- 15 519	- 15 630
Operating profit (EBIT)	12 783	13 385	60 271	59 669
Financial income	181	39	783	925
Financial expenses ^{1,2,3}	- 1 661	- 1 476	- 5 906	- 6 091
Return from the Swedish Nuclear Waste Fund	- 2 870	1 309	4 225	46
Profit before income taxes	8 433	13 257	59 373	54 549
Income taxes	- 2 369	- 2 834	- 11 360	- 10 895
Profit for the period	6 064	10 423	48 013	43 654
Attributable to owner of the Parent Company	5 782	9 875	46 828	42 735
Attributable to non-controlling interests	282	548	1 185	919
Supplementary information				
Underlying EBITDA ⁴	13 970	16 408	48 584	46 146
Underlying EBIT ⁴	9 504	12 053	31 181	28 632
Financial items, net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	- 982	- 923	- 3 090	- 3 149
1) Including interest components related to pension costs	- 143	- 109	- 439	- 473
2) Including discounting effects attributable to provisions	- 498	- 514	- 2 033	- 2 017
3) Items affecting comparability recognised as financial income and expenses, net	—	- 6	- 6	—
4) See note 4 for information on items affecting comparability				

Consolidated statement of comprehensive income

Amounts in SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Profit for the period	6 064	10 423	48 013	43 654
Other comprehensive income				
Items that will be reclassified to profit or loss when specific conditions are met				
Cash flow hedges - changes in fair value	26 807	3 267	82 259	105 799
Cash flow hedges - dissolved against income statement	- 19 022	- 1 062	- 31 553	- 49 513
Cash flow hedges - transferred to cost of hedged item	6	9	16	13
Hedging of net investments in foreign operations	- 270	- 1 069	- 1 414	- 615
Translation differences, divested companies	—	46	697	651
Translation differences	1 348	2 659	3 218	1 907
Income taxes related to items that will be reclassified	- 4 208	- 586	- 15 420	- 19 042
Total items that will be reclassified to profit or loss when specific conditions are met	4 661	3 264	37 803	39 200
Items that will not be reclassified to profit or loss				
Remeasurement pertaining to defined benefit obligations	4 464	3 865	- 670	- 71
Income taxes related to items that will not be reclassified	- 1 088	- 1 036	226	174
Total items that will not be reclassified to profit or loss	3 376	2 829	- 444	103
Total other comprehensive income, net after income taxes	8 037	6 093	37 359	39 303
Total comprehensive income for the period	14 101	16 516	85 372	82 957
Attributable to owner of the Parent Company	13 734	15 740	83 915	81 909
Attributable to non-controlling interests	367	776	1 457	1 048

Operating segments, Vattenfall Group

Amounts in SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
External net sales				
Customers & Solutions	40 855	26 455	102 300	116 700
Power Generation	6 936	7 778	40 312	39 470
Wind	1 768	1 795	7 791	7 764
Heat	6 185	4 506	14 655	16 334
Distribution	3 747	5 354	14 643	13 036
- of which, Distribution Germany	—	1 638	3 203	1 565
- of which, Distribution Sweden	3 711	3 681	11 310	11 340
Other ¹	88	23	418	483
Total	59 579	45 911	180 119	193 787
Internal net sales				
Customers & Solutions	1 772	796	4 260	5 236
Power Generation	42 480	20 503	86 006	107 983
Wind	6 188	2 417	13 081	16 852
Heat	11 405	4 077	20 104	27 432
Distribution	148	1 270	2 619	1 497
- of which, Distribution Germany	—	1 164	2 061	897
- of which, Distribution Sweden	147	109	586	624
Other ¹	1 678	1 350	5 751	6 079
Eliminations	- 63 671	- 30 413	- 131 821	- 165 079
Total	—	—	—	—
Total net sales				
Customers & Solutions	42 627	27 251	106 560	121 936
Power Generation	49 416	28 281	126 318	147 453
Wind	7 956	4 212	20 872	24 616
Heat	17 590	8 583	34 759	43 766
Distribution	3 895	6 624	17 262	14 533
- of which, Distribution Germany	—	2 802	5 264	2 462
- of which, Distribution Sweden	3 858	3 790	11 896	11 964
Other ¹	1 766	1 373	6 169	6 562
Eliminations	- 63 671	- 30 413	- 131 821	- 165 079
Total	59 579	45 911	180 119	193 787

Amounts in SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
<u>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</u>				
Customers & Solutions	2 190	1 432	3 241	3 999
Power Generation	7 578	8 811	42 053	40 820
Wind	6 356	3 058	13 534	16 832
Heat	- 152	2 133	2 842	557
Distribution	1 738	2 632	5 911	5 017
- of which, Distribution Germany	—	588	1 008	420
- of which, Distribution Sweden	1 730	2 025	4 873	4 578
Other ¹	- 389	- 278	8 197	8 086
Eliminations	- 72	- 48	12	- 12
Total	17 249	17 740	75 790	75 299
<u>Underlying EBITDA</u>				
Customers & Solutions	2 191	1 432	3 230	3 989
Power Generation	4 309	7 384	23 714	20 639
Wind	6 357	3 058	13 451	16 750
Heat	- 152	2 096	2 590	342
Distribution	1 728	2 633	5 913	5 008
- of which, Distribution Germany	—	589	1 009	420
- of which, Distribution Sweden	1 720	2 025	4 874	4 569
Other ¹	- 391	- 147	- 326	- 570
Eliminations	- 72	- 48	12	- 12
Total	13 970	16 408	48 584	46 146
<u>Operating profit (EBIT)</u>				
Customers & Solutions	1 966	1 217	2 446	3 195
Power Generation	6 380	7 748	39 502	38 134
Wind	4 898	1 767	7 919	11 050
Heat	- 905	1 406	- 91	- 2 402
Distribution	1 114	1 794	3 150	2 470
- of which, Distribution Germany	—	332	665	333
- of which, Distribution Sweden	1 122	1 457	2 515	2 180
Other ¹	- 598	- 499	7 333	7 234
Eliminations	- 72	- 48	12	- 12
Operating profit (EBIT)	12 783	13 385	60 271	59 669
Operating profit (EBIT)	12 783	13 385	60 271	59 669
Financial net	- 4 350	- 128	- 898	- 5 120
Profit before tax	8 433	13 257	59 373	54 549
<u>Underlying EBIT</u>				
Customers & Solutions	1 967	1 217	2 349	3 099
Power Generation	3 111	6 321	19 334	16 124
Wind	4 899	1 767	7 866	10 998
Heat	- 905	1 370	- 343	- 2 618
Distribution	1 104	1 794	3 152	2 462
- of which, Distribution Germany	—	333	666	333
- of which, Distribution Sweden	1 112	1 456	2 516	2 172
Other ¹	- 600	- 368	- 1 189	- 1 421
Eliminations	- 72	- 48	12	- 12
Underlying EBIT	9 504	12 053	31 181	28 632

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

Consolidated balance sheet

Amounts in SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Assets			
Non-current assets			
Intangible assets: non-current	17 167	16 894	17 070
Property, plant and equipment	253 469	253 021	252 828
Participations in associated companies and joint arrangements	6 347	4 712	6 110
Other shares and participations	314	303	313
Share in the Swedish Nuclear Waste Fund	50 039	49 559	52 772
Derivative assets	44 108	11 147	35 240
Deferred tax assets	8 845	12 765	8 905
Contract assets ¹	75	96	85
Other non-current receivables	6 263	5 527	6 118
Total non-current assets	386 627	354 024	379 441
Current assets			
Inventories	35 469	17 082	41 539
Intangible assets: current	5 171	1 505	4 861
Trade receivables and other receivables	41 631	29 895	41 219
Contract assets ¹	270	469	290
Advance payments paid	10 807	484	8 362
Derivative assets	186 658	14 418	120 645
Prepaid expenses and accrued income	15 276	9 418	12 402
Current tax assets	3 368	568	2 717
Short-term investments	79 699	29 337	102 706
Cash and cash equivalents	97 719	18 170	68 176
Assets held for sale	—	199	—
Total current assets	476 068	121 545	402 917
Total assets	862 695	475 569	782 358
Equity and liabilities			
Equity			
Attributable to owner of the Parent Company	194 418	113 486	180 710
Attributable to non-controlling interests	16 062	14 027	16 472
Total equity	210 480	127 513	197 182
Non-current liabilities			
Hybrid Capital	20 618	13 731	20 421
Other interest-bearing liabilities	52 111	51 796	50 839
Pension provisions	35 946	40 380	40 328
Other interest-bearing provisions	116 303	109 420	116 637
Derivative liabilities	41 798	8 627	30 307
Deferred tax liabilities	40 529	19 417	33 913
Contract liabilities ¹	7 497	8 030	7 422
Other noninterest-bearing liabilities	2 000	1 987	2 018
Total non-current liabilities	316 802	253 388	301 885
Current liabilities			
Trade payables and other liabilities	36 552	27 113	39 241
Contract liabilities ¹	1 021	836	1 213
Advance payments received	56 635	10 747	62 790
Derivative liabilities	148 703	11 269	99 511
Accrued expenses and deferred income	19 560	13 180	18 460
Current tax liabilities	740	1 592	2 418
Hybrid Capital	—	6 000	—
Other interest-bearing liabilities	67 761	20 298	55 148
Interest-bearing provisions	4 441	3 590	4 510
Liabilities associated with assets held for sale	—	43	—
Total current liabilities	335 413	94 668	283 291
Total equity and liabilities	862 695	475 569	782 358

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

SUPPLEMENTARY INFORMATION

Amounts in SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Calculation of capital employed			
Intangible assets: current and non-current	22 338	18 399	21 931
Property, plant and equipment	253 469	253 021	252 828
Participations in associated companies and joint arrangements	6 347	4 712	6 110
Deferred and current tax assets	12 213	13 333	11 622
Non-current noninterest-bearing receivables	3 804	3 862	3 563
Contract assets	345	565	375
Inventories	35 469	17 082	41 539
Trade receivables and other receivables	41 631	29 895	41 219
Prepaid expenses and accrued income	15 276	9 418	12 402
Unavailable liquidity	3 753	4 191	3 446
Other	523	417	643
Total assets excl. financial assets	395 168	354 895	395 678
Deferred and current tax liabilities	- 41 269	- 21 009	- 36 331
Other noninterest-bearing liabilities	- 2 000	- 1 987	- 2 018
Contract liabilities	- 8 518	- 8 866	- 8 635
Trade payable and other liabilities	- 36 552	- 27 113	- 39 241
Accrued expenses and deferred income	- 19 560	- 13 180	- 18 460
Other	- 1 025	- 336	- 899
Total noninterest-bearing liabilities	- 108 924	- 72 491	- 105 584
Other interest-bearing provisions not related to adjusted net debt ¹	- 9 495	- 11 294	- 9 213
Capital employed²	276 749	271 110	280 881
Capital employed, average	273 930	279 339	271 674
Calculation of net debt			
Hybrid Capital	- 20 618	- 19 731	- 20 421
Bond issues and liabilities to credit institutions	- 35 884	- 40 801	- 37 732
Short-term debt, commercial papers and repo	- 63 356	- 8 914	- 46 189
Liabilities to associated companies	- 966	- 984	- 1 452
Liabilities to owners of non-controlling interests	- 10 687	- 10 760	- 10 747
Other liabilities	- 8 978	- 10 635	- 9 867
Total interest-bearing liabilities	- 140 489	- 91 825	- 126 408
Cash and cash equivalents	97 719	18 170	68 176
Short-term investments	79 699	29 337	102 706
Loans to owners of non-controlling interests in foreign Group companies	682	453	229
Net debt²	37 611	- 43 865	44 703
Calculation of adjusted gross debt and net debt			
Total interest-bearing liabilities	- 140 489	- 91 825	- 126 408
50% of Hybrid Capital ³	10 309	9 865	10 211
Present value of pension obligations	- 35 946	- 40 380	- 40 328
Provisions for gas and wind operations and other environment-related provisions	- 11 706	- 10 927	- 11 687
Provisions for nuclear power (net) ⁴	- 42 599	- 36 383	- 40 233
Margin calls received	2 468	3 349	3 340
Liabilities to owners of non-controlling interests due to consortium agreements	10 687	10 760	10 747
Adjusted gross debt	- 207 276	- 155 541	- 194 358
Reported cash and cash equivalents and short-term investments	177 418	47 507	170 882
Unavailable liquidity	- 3 753	- 4 191	- 3 446
Adjusted cash and cash equivalents and short-term investments	173 665	43 316	167 436
Adjusted net debt²	- 33 611	- 112 225	- 26 922

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-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Operating activities				
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	17 249	17 740	75 790	75 299
Tax paid	- 3 380	- 1 081	- 6 725	- 9 024
Capital gains/losses, net	- 14	91	- 8 760	- 8 865
Interest received	29	60	523	492
Interest paid	- 501	- 1 221	- 3 226	- 2 506
Other, incl. non-cash items	- 5 001	- 1 602	- 11 506	- 14 905
Funds from operations (FFO)	8 382	13 987	46 096	40 491
Changes in inventories	5 095	- 422	- 23 067	- 17 550
Changes in operating receivables	- 3 830	- 9 303	- 31 816	- 26 343
Changes in operating liabilities ¹	124	2 475	26 232	23 881
Margin calls ¹	- 17 706	5 415	88 995	65 874
Other changes	4 877	179	- 4 608	90
Cash flow from changes in operating assets and operating liabilities	- 11 440	- 1 656	55 736	45 952
Cash flow from operating activities	- 3 058	12 331	101 832	86 443
Investing activities				
Acquisitions in Group companies ¹	—	—	- 114	- 114
Investments in associated companies and other shares and participations	- 29	- 6	- 278	- 301
Other investments in non-current assets	- 4 912	- 5 390	- 25 157	- 24 679
Total investments	- 4 941	- 5 396	- 25 549	- 25 094
Divestments ¹	40	- 64	19 579	19 683
Changes in short-term investments ¹	23 577	332	- 73 051	- 49 806
Cash flow from investing activities	18 676	- 5 128	- 79 021	- 55 217
Cash flow before financing activities	15 618	7 203	22 811	31 226
Financing activities				
Changes in loans to owners of non-controlling interests in foreign Group companies	- 455	- 69	153	- 233
Loans raised ²	45 604	5 347	51 150	91 407
Amortisation of other debt	- 31 096	- 20 225	- 35 870	- 46 741
Divestment of shares in Group companies to owners of non-controlling interests	—	—	4 025	4 025
Redemption of Hybrid Capital	—	—	- 2 941	- 2 941
Issue of Hybrid Capital	—	—	6 481	6 481
Dividends paid to owners	—	—	- 5 190	- 5 190
Contribution to owners of non-controlling interests	- 521	- 228	- 601	- 894
Contribution from owners of non-controlling interests	236	11	1 786	2 011
Cash flow from financing activities	13 768	- 15 164	18 993	47 925
Cash flow for the period	29 386	- 7 961	41 804	79 151
Amounts in SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Cash and cash equivalents				
Cash and cash equivalents at start of period	68 176	26 074	26 074	18 170
Cash flow for the period	29 386	- 7 961	41 804	79 151
Translation differences	157	57	298	398
Cash and cash equivalents at end of period	97 719	18 170	68 176	97 719

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

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

SUPPLEMENTARY INFORMATION

Amounts in SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Cash flow before financing activities	15 618	7 203	22 811	31 226
Change in margin calls from Treasury operations	306	- 1 208	- 1 700	- 186
Changes in short-term investments	- 23 577	- 332	73 051	49 806
Financing activities				
Divestment of shares in Group companies to owners of non-controlling interests	—	—	4 025	4 025
Dividends paid to owners	—	—	- 5 190	- 5 190
Contribution to/from owners of non-controlling interests	- 285	- 217	1 185	1 117
Cash flow after dividend	- 7 938	5 446	94 182	80 798
Analysis of change in net debt				
Net debt at start of period	44 703	- 48 178	- 48 178	- 43 865
Cash flow after dividend	- 7 938	5 446	94 182	80 798
Changes as a result of valuation at fair value	489	508	660	641
Changes in interest-bearing liabilities for leasing	- 204	- 435	- 1 442	- 1 211
Interest-bearing liabilities/short-term investments acquired/divested	—	—	- 13	- 13
Translation differences on net debt	561	- 1 206	- 506	1 261
Net debt at end of period	37 611	- 43 865	44 703	37 611
Cash flow from operating activities	- 3 058	12 331	101 832	86 443
Maintenance/replacement investments	- 2 456	- 2 277	- 11 012	- 11 191
Free cash flow¹	- 5 514	10 054	90 820	75 252

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

INVESTMENTS

Amounts in SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Electricity generation				
Hydro power	108	138	795	765
Nuclear power	397	230	1 263	1 430
Gas	51	4	64	111
Wind power and solar PV	2 119	2 269	11 157	11 007
Biomass, waste	6	36	73	43
Total electricity generation	2 681	2 677	13 352	13 356
CHP/heat				
Fossil-based power	187	65	1 053	1 175
Heat networks	175	183	1 511	1 503
Other	- 36	23	483	424
Total CHP/heat	326	271	3 047	3 102
Electricity networks				
Electricity networks	764	1 281	5 758	5 241
Total electricity networks	764	1 281	5 758	5 241
Purchases of shares, shareholder contributions	29	6	400	423
Other	358	288	1 557	1 627
Total investments	4 158	4 523	24 114	23 749
Accrued investments, unpaid invoices (-)/ release of accrued investments (+)	783	873	1 443	1 353
Cash and cash equivalents in acquired companies	—	—	- 8	- 8
Total investments with cash flow effect	4 941	5 396	25 549	25 094

Consolidated statement of changes in equity

Amounts in SEK million	31 Mar 2022			31 Mar 2021			31 Dec 2021		
	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity
Balance brought forward	180 710	16 472	197 182	97 724	13 468	111 192	97 724	13 468	111 192
Profit for the period	5 782	282	6 064	9 875	548	10 423	46 828	1 185	48 013
Cash flow hedges - changes in fair value	26 807	—	26 807	3 267	—	3 267	82 259	—	82 259
Cash flow hedges - dissolved against income statement	- 19 022	—	- 19 022	- 1 071	9	- 1 062	- 31 569	16	- 31 553
Cash flow hedges - transferred to cost of hedged item	6	—	6	9	—	9	16	—	16
Hedging of net investments in foreign operations	- 270	—	- 270	- 1 069	—	- 1 069	- 1 414	—	- 1 414
Translation differences, divested companies	—	—	—	46	—	46	697	—	697
Translation differences	1 263	85	1 348	2 438	221	2 659	2 983	235	3 218
Remeasurement pertaining to defined benefit obligations	4 464	—	4 464	3 865	—	3 865	- 700	30	- 670
Income taxes related to other comprehensive income	- 5 296	—	- 5 296	- 1 620	- 2	- 1 622	- 15 185	- 9	- 15 194
Total other comprehensive income for the period	7 952	85	8 037	5 865	228	6 093	37 087	272	37 359
Total comprehensive income for the period	13 734	367	14 101	15 740	776	16 516	83 915	1 457	85 372
Dividends paid to owners	—	- 492	- 492	—	—	—	- 4 000	- 1 190	- 5 190
Group contributions from(+)/to(-) owners of non-controlling interests	—	—	—	—	—	—	—	51	51
Changes in ownership in Group companies on divestments of shares to owners of non-controlling interests	—	—	—	—	—	—	2 538	1 508	4 046
Contribution to/from owners of non-controlling interests	—	- 285	- 285	—	- 217	- 217	—	1 185	1 185
Other changes	- 26	—	- 26	22	—	22	533	- 7	526
Total transactions with equity holders	- 26	- 777	- 803	22	- 217	- 195	- 929	1 547	618
Balance carried forward	194 418	16 062	210 480	113 486	14 027	127 513	180 710	16 472	197 182
- Of which, Reserve for hedges	40 496	8	40 504	3 370	3	3 373	36 968	8	36 976

Key ratios, Vattenfall Group

In % unless otherwise stated. (x) means times ¹	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Operating margin	21.5	29.2	33.5	30.8
Operating margin ²	16.0	26.3	17.3	14.8
Pre-tax profit margin	14.2	28.9	33.0	28.1
Pre-tax profit margin ²	8.7	26.0	16.8	12.1
Return on equity	31.0 ³	10.0 ³	36.9	31.0
Return on capital employed	21.8 ³	5.9 ³	22.2	21.8
Return on capital employed ²	10.5 ³	9.9 ³	11.5	10.5
EBIT interest cover (x)	14.9 ³	5.1 ³	15.8	14.9
EBIT interest cover (x) ²	7.3 ³	8.6 ³	8.3	7.3
FFO interest cover (x)	10.9 ³	12.3 ³	12.9	10.9
FFO interest cover, net (x)	13.9 ³	13.9 ³	15.9	13.9
		.		
Cash flow interest cover after maintenance investments (x)	21.9 ³	18.9 ⁴	27.4 ⁴	21.9
FFO/gross debt	28.8 ³	40.0 ³	36.5	28.8
FFO/net debt	- 107.7 ³	83.8 ³	- 103.1	- 107.7
FFO/adjusted net debt	120.5 ³	32.8 ³	171.2	120.5
EBITDA/net financial items (x)	17.6	19.2	24.5	23.9
EBITDA/net financial items (x) ²	14.2	17.8	15.7	14.7
Equity/assets ratio	24.4	26.8	25.2	24.4
Gross debt/equity	66.7	72.0	64.1	66.7
Net debt/equity	- 17.9	34.4	- 22.7	- 17.9
Gross debt/gross debt plus equity	40.0	41.9	39.1	40.0
Net debt/net debt plus equity	- 21.8	25.6	- 29.3	- 21.8
Net debt/EBITDA (x)	- 0.5 ³	0.9 ³	- 0.6	- 0.5
Adjusted net debt/EBITDA (x)	0.4 ³	2.4 ³	0.4	0.4

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

2) Based on Underlying operating profit.

3) Last 12-month values.

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

Quarterly information, Vattenfall Group

Amounts in SEK million	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Income statement					
Net sales	59 579	63 529	36 125	34 554	45 911
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	17 249	10 226	27 293	20 531	17 740
Underlying EBITDA	13 970	13 452	9 149	9 577	16 408
Operating profit (EBIT)	12 783	7 750	22 926	16 210	13 385
Underlying EBIT	9 504	9 092	4 782	5 256	12 053
Profit before income taxes	8 433	7 156	22 182	16 778	13 257
Profit for the period	6 064	6 101	18 277	13 212	10 423
- of which, attributable to owner of the Parent Company	5 782	5 774	18 178	13 002	9 875
- of which, attributable to non-controlling interests	282	327	99	210	548
Balance sheet					
Capital employed	276 749	280 881	255 184	280 855	271 110
Net debt	37 611	44 703	47 348	- 32 328	- 43 865
Cash flow					
Funds from operations (FFO)	8 382	18 616	6 054	7 439	13 987
Cash flow from operating activities	- 3 058	4 312 ¹	61 223 ¹	23 965 ¹	12 331 ¹
Cash flow from investing activities	18 676	- 45 872 ¹	- 15 238 ¹	- 12 782 ¹	- 5 128 ¹
Cash flow from financing activities	13 768	41 855	- 1 252	- 6 446	- 15 164
Cash flow for the period	29 386	295	44 733	4 737	- 7 961
Free cash flow	- 5 514	516 ¹	57 696 ¹	22 553 ¹	10 054 ¹

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

In % unless otherwise stated. (x) means times ¹	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Key ratios					
Return on equity ¹	31.0	36.9	40.2	30.3	10.0
Return on capital employed ²	21.8	22.2	22.4	14.5	5.9
Return on capital employed ^{2, 3}	10.5	11.5	11.7	11.0	9.9
EBIT interest cover (x) ²	14.9	15.8	16.6	12.1	5.1
EBIT interest cover (x) ^{2, 3}	7.3	8.3	8.7	9.3	8.6
FFO/gross debt ²	28.8	36.5	46.0	44.3	40.0
FFO/net debt ²	- 107.7	- 103.1	- 82.0	123.1	83.8
FFO/adjusted net debt ²	120.5	171.2	182.7	38.1	32.8
Equity/Total assets	24.4	25.2	27.8	25.8	26.8
Gross debt/equity	66.7	64.1	44.2	64.2	72.0
Net debt/equity	- 17.9	- 22.7	- 24.8	23.1	34.4
Net debt/net debt plus equity	- 21.8	- 29.3	- 32.9	18.8	25.6
Net debt/EBITDA (x) ²	- 0.5	- 0.6	- 0.6	0.5	0.9
Adjusted net debt/EBITDA (x) ²	0.4	0.4	0.3	1.8	2.4

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

2) Last 12-month values.

3) Based on Underlying operating profit.

NOTE 1 | Accounting policies, risks and uncertainties

Accounting policies

This interim report for the Group has been prepared in accordance with IAS 34 – “Interim Financial Reporting”, and the Swedish Annual Accounts Act. The accounting policies and calculation methods applied in this interim report are the same as those described in Vattenfall’s 2021 Annual and Sustainability Report in Note 3 to the consolidated accounts, Accounting policies. Amended IFRSs endorsed by the EU for application in the 2022 financial year have no significant effect on Vattenfall’s financial statements.

Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Vattenfall’s 2021 Annual and Sustainability, pages 62-71. Vattenfall continues to face high credit exposures in Business Area Markets. High market prices and volatility levels in the European commodity markets seen already in the second half of 2021 continued into Q1 2022. This was amplified further by the Russian invasion of Ukraine at the end of February which especially impacted the gas market where continued low gas storage levels in combination with the EU proposal for minimum gas storage fills and Russia’s announcement to only accept Ruble as currency for energy purchases as of April 2022 has led to increased uncertainty.

A potential reduction, or stop, of gas deliveries from Russia to Europe would have a negative effect on Vattenfall’s operations in operating segments Heat and Customers & Solutions. Countries with low capacity to import Liquid Natural Gas (LNG) such as Germany would be particularly affected.

The war in Ukraine

Vattenfall has assessed potential effects on its financial statements as per the first quarter 2022 due to Russia’s invasion of Ukraine. Vattenfall

has no operations and participations either in Ukraine or the countries currently under sanctions, respectively. Implications on Vattenfall’s long-term view are continuously evaluated. However, the war in Ukraine has not changed Vattenfall’s long term outlook for Vattenfall’s markets. Hence, this is not regarded as a triggering event for an impairment test in the first quarter. One of the main risks for Vattenfall are defaults by customers and counterparties caused by the continued high electricity and commodity prices. The development is closely monitored and if necessary Expected Credit Losses are adjusted in future periods.

Presentation of financial statements

In the interim report for the first quarter 2022 the following amendments in the presentations were made:

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

Other

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

NOTE 2 | Exchange rates

KEY EXCHANGE RATES APPLIED IN THE ACCOUNTS OF THE VATTENFALL GROUP

	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Average rate			
EUR	10.4205	10.1306	10.1469
DKK	1.4008	1.3620	1.3644
GBP	12.4314	11.5659	11.7820
USD	9.3085	8.4013	8.5687
	31 Mar 2022	31 Mar 2021	31 Dec 2021
Balance sheet date rate			
EUR	10.3370	10.2383	10.2503
DKK	1.3898	1.3766	1.3784
GBP	12.2194	12.0155	12.1987
USD	9.3118	8.7320	9.0502

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

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

The carrying amounts of financial assets do not differ significantly from their fair values. The difference between carrying amounts and fair values for financial liabilities amounts to SEK 3,426 million (31 December 2021: 8,509).

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

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

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

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

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

Amounts in SEK million	Level 1	Level 2	Level 3	Total
Assets				
Share in the Swedish Nuclear Waste Fund	50 039	—	—	50 039
Derivative assets	—	230 590	176	230 766
Short-term investments, cash equivalents and other shares and participations	80 514	16 527	—	97 041
Total assets	130 553	247 117	176	377 846
Liabilities				
Derivative liabilities	—	190 501	—	190 501
Total liabilities	—	190 501	—	190 501

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

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

NOTE 4 | Items affecting comparability

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

Amounts in SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Items affecting comparability	3 279	1 332	29 090	31 037
- of which, capital gains	17	48	8 960	8 929
- of which, capital losses	- 3	- 139	- 199	- 63
- of which, impairment losses	—	—	- 38	- 38
- of which, reversed impairment losses	—	—	1 922	1 922
- of which, provisions	—	—	- 3 785	- 3 785
- of which, changes in the fair value of energy derivatives	4 810	478	8 715	13 047
- of which, changes in the fair value of inventories	- 1 542	- 163	1 313	- 66
- of which, other non-recurring items affecting comparability	- 3	1 108	12 202	11 091

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

Items affecting comparability amounted to SEK 1.3 billion during the first quarter 2021, most of which pertains to the sale of nuclear power production rights in Germany (SEK 1.4 billion) and changes in market value for energy derivatives and inventories (SEK 0.3 billion). Capital losses mainly relate to the disposal of a partially owned offshore wind farm in the Netherlands (SEK -0.1 billion).

The Parent Company Vattenfall AB

Accounting policies

The Parent Company Vattenfall AB's accounts are prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 – Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The accounting policies used in this interim report are the same as those described in Vattenfall's 2021 Annual and Sustainability Report, Note 3 to the Parent Company accounts, Accounting policies. Amended accounting policies applicable from 1 January 2022 has had no significant effect on the Parent Company's financial statements.

January – March 2022

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

- Net sales amounted to SEK 8,989 million (11,768).
- Profit before appropriations and income taxes was SEK -15,182 million (1,924).
- The decrease in net sales and lower operating profit are mainly attributable to changes in market value for energy derivatives.
- The balance sheet total was SEK 177,738 million (31 December 2020: 220,952).

- Investments during the period amounted to SEK 101million (175), thereof SEK 215 million is group related transactions.
- Cash and cash equivalents, and short-term investments amounted to SEK 146,281 million (31 December 2020: 145,743).

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 2021 Annual and Sustainability Report. No material changes have taken place in relations or transactions with related parties compared with the description in Vattenfall's 2021 Annual and Sustainability Report.

Parent Company income statement

Amounts in SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Net sales	8 989	11 768	40 045
Cost of purchases	- 20 755	- 7 537	- 37 035
Other external expenses	- 1 343	- 955	- 5 250
Personnel expenses	- 1 231	- 562	- 2 247
Other operating incomes and expenses, net	- 81	- 25	- 52
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	- 14 421	2 689	- 4 539
Depreciation, amortisation and impairments	- 162	- 159	- 629
Operating profit (EBIT)	- 14 583	2 530	- 5 168
Result from participations in subsidiaries	1	—	2 231
Result from participations in associated companies	—	—	1
Other financial income	448	340	1 537
Other financial expenses	- 1 048	- 946	- 2 820
Profit before appropriations and income taxes	- 15 182	1 924	- 4 219
Appropriations	2 177	360	5 086
Profit before income taxes	- 13 005	2 284	867
Income taxes	2 426	- 481	445
Profit for the period	- 10 579	1 803	1 312

Parent Company balance sheet

Amounts in SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Assets			
Non-current assets			
Intangible assets: non-current	310	326	330
Property, plant and equipment	6 885	6 584	7 003
Shares and participations	167 015	161 479	166 802
Deferred tax assets	4 865	406	2 272
Other non-current receivables	70 749	68 142	71 123
Total non-current assets	249 824	236 937	247 530
Current assets			
Inventories	291	312	342
Intangible assets: current	23	37	9
Current receivables	21 478	5 029	13 791
Current receivables Group	6 718	8 274	59 366
Current tax assets	2 947	—	1 701
Short-term investments	78 877	28 490	101 877
Cash and cash equivalents	67 404	14 970	43 866
Total current assets	177 738	57 112	220 952
Total assets	427 562	294 049	468 482
Equity, provisions and liabilities			
Equity			
Restricted equity			
Share capital (131,700,000 shares with a share quota value of SEK 50)	6 585	6 585	6 585
Revaluation reserve	37 989	37 989	37 989
Other reserves	1 363	1 308	1 370
Non-restricted equity			
Retained earnings	66 230	70 249	64 911
Profit for the period	- 10 579	1 803	1 312
Total equity	101 588	117 934	112 167
Untaxed reserves	4 991	12 982	7 168
Provisions	6 099	5 129	5 621
Non-current liabilities			
Hybrid capital	20 618	13 731	20 421
Other interest-bearing liabilities	41 400	37 196	39 475
Other noninterest-bearing liabilities	13 314	12 762	12 869
Total non-current liabilities	75 332	63 689	72 765
Current liabilities			
Hybrid capital	—	6 000	—
Other interest-bearing liabilities	213 497	81 932	252 315
Current tax liabilities	—	223	—
Other noninterest-bearing liabilities	26 055	6 160	18 446
Total current liabilities	239 552	94 315	270 761
Total equity, provisions and liabilities	427 562	294 049	468 482

Definitions and calculations of key ratios

Alternative Performance Measures

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

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

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

CALCULATION OF EBITDA, UNDERLYING EBITDA AND UNDERLYING EBIT

Amounts in SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021	Last 12 months
Operating profit (EBIT)	12 783	13 385	60 271	59 669
Depreciation, amortisation and impairment losses	- 4 466	- 4 355	- 15 519	- 15 630
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	17 249	17 740	75 790	75 299
Items affecting comparability excl. impairment losses and reversed impairment losses	- 3 279	- 1 332	- 27 206	- 29 153
Underlying EBITDA	13 970	16 408	48 584	46 146
Operating profit (EBIT)	12 783	13 385	60 271	59 669
Items affecting comparability	- 3 279	- 1 332	- 29 090	- 31 037
Underlying EBIT	9 504	12 053	31 181	28 632

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

KEY RATIOS BASED ON CONTINUING OPERATIONS AND LAST 12-MONTH VALUES APRIL 2021 – MARS 2022

Operating margin, %	= 100 x	$\frac{\text{EBIT}}{\text{Net sales}}$	$\frac{59\,669}{193\,787}$	=	30.8
Operating margin excl items affecting comparability, %	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Net sales}}$	$\frac{28\,632}{193\,787}$	=	14.8
Pre-tax profit margin, %	= 100 x	$\frac{\text{Profit before income taxes}}{\text{Net sales}}$	$\frac{54\,549}{193\,787}$	=	28.1
Pre-tax profit margin excl items affecting comparability, %	= 100 x	$\frac{\text{Profit before income taxes excl items affecting comparability}}{\text{Net sales}}$	$\frac{23\,512}{193\,787}$	=	12.1
Return on equity, %	= 100 x	$\frac{\text{Profit for the period attributable to owner of the Parent Company}}{\text{Average equity for the period attributable to owner of the Parent Company excl the Reserve for cash flow hedges}}$	$\frac{42\,735}{137\,763}$	=	31.0
Return on capital employed, %	= 100 x	$\frac{\text{EBIT}}{\text{Capital employed, average}}$	$\frac{59\,669}{273\,930}$	=	21.8
Return on capital employed excl items affecting comparability, %	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Capital employed, average}}$	$\frac{28\,632}{273\,930}$	=	10.5
EBIT interest cover, (x)	=	$\frac{\text{EBIT} + \text{financial income}}{\text{Financial expenses excl discounting effects attributable to provisions}}$	$\frac{60\,594}{4\,074}$	=	14.9
EBIT interest cover excl Items affecting comparability, (x)	=	$\frac{\text{Underlying EBIT} + \text{financial income}}{\text{Financial expenses excl discounting effects attributable to provisions}}$	$\frac{29\,557}{4\,074}$	=	7.3
FFO interest cover, (x)	=	$\frac{\text{FFO} + \text{financial expenses excl discounting effects attributable to provisions}}{\text{Financial expenses excl discounting effects attributable to provisions}}$	$\frac{44\,565}{4\,074}$	=	10.9
FFO interest cover, net, (x)	=	$\frac{\text{FFO} + \text{financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}{\text{Financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}$	$\frac{43\,640}{3\,149}$	=	13.9

Cash flow interest cover after maintenance investments, (x)	=	Cash flow from operating activities less maintenance investments + financial expenses excl Discounting effects attributable to provisions and interest components related to pension costs	<u>78 853</u>	=	21.9
		Financial expenses excl discounting effects attributable to provisions and interest components related to pension costs	<u>3 601</u>		
FFO/gross debt, %	= 100 x	<u>FFO</u>	<u>40 491</u>	=	28.8
		Interest-bearing liabilities	<u>140 489</u>		
FFO/net debt, %	= 100 x	<u>FFO</u>	<u>40 491</u>	=	-107.7
		Net debt	<u>-37 611</u>		
FFO/adjusted net debt, %	= 100 x	<u>FFO</u>	<u>40 491</u>	=	120.5
		Adjusted net debt	<u>33 611</u>		
EBITDA/net financial items, (x)	=	<u>EBITDA</u>	<u>75 299</u>	=	23.9
		Financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	<u>3 149</u>		
EBITDA excl items affecting comparability/net financial items, (x)	=	<u>EBITDA excl items affecting comparability</u>	<u>46 146</u>	=	14.7
		Financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	<u>3 149</u>		

KEY RATIOS BASED ON THE BALANCE SHEET PER 31 MARS 2022

Equity/assets ratio, %	= 100 x	<u>Equity</u>	<u>210 480</u>	=	24.4
		Balance sheet total	<u>862 695</u>		
Gross debt/equity, %	= 100 x	<u>Interest-bearing liabilities</u>	<u>140 489</u>	=	66.7
		Equity	<u>210 480</u>		
Net debt/equity, %	= 100 x	<u>Net debt</u>	<u>-37 611</u>	=	-17.9
		Equity	<u>210 480</u>		
Gross debt/gross debt equity, %	= 100 x	<u>Interest-bearing liabilities</u>	<u>140 489</u>	=	40.0
		Interest-bearing liabilities + equity	<u>350 969</u>		
Net debt/net debt plus equity, %	= 100 x	<u>Net debt</u>	<u>-37 611</u>	=	-21.8
		Net debt + equity	<u>172 869</u>		
Net debt/EBITDA, (x)	=	<u>Net debt</u>	<u>-37 611</u>	=	-0.5
		EBITDA	<u>75 299</u>		
Adjusted net debt/EBITDA, (x)	=	<u>Adjusted net debt</u>	<u>33 611</u>	=	0.4
		EBITDA	<u>75 299</u>		

Interim report signature

Solna, 29 April 2022

Anna Borg
President and CEO

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

Financial calendar

Interim report January-June, 22 July 2022

Interim report January-September, 27 October 2022

Year-end report 2022, 2 February 2023 (preliminary)

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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 CEST on 29 April 2022. 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.