

Interim report January–June 2022

Business highlights, April–June 2022

- Continued high, volatile electricity prices and record-high differences between price areas in the Nordics
- Vattenfall's largest onshore wind farm Blakliden Fäbodberget inaugurated, and construction permit for offshore wind power at Swedish Kriegers Flak issued
- Strategic review of Berlin district heating business
- Feasibility study to investigate construction of small modular reactors near Ringhals
- Sale of gas-fired Magnum power plant in the Netherlands
- Inauguration together with LKAB and SSAB of HYBRIT's pilot plant for storing fossil-free hydrogen
- New initiative with Preem to phase out fossil fuels using offshore wind power and hydrogen
- New partnership with St1 for developing sustainable aviation fuel.

Financial highlights, January–June 2022

- Net sales increased by 34% (31% excluding currency effects) to SEK 107,749 million (80,465)
- Underlying operating profit¹ of SEK 17,610 million (17,308)
- Operating profit¹ of SEK 24,513 million (29,595)
- Profit for the period of SEK 10,295 million (23,635)

Financial highlights, April–June 2022

- Net sales increased by 39% (36% excluding currency effects) to SEK 48,170 million (34,554)
- Underlying operating profit¹ of SEK 8,107 million (5,256)
- Operating profit¹ of SEK 11,730 million (16,210)
- Profit for the period of SEK 4,231 million (13,212)

KEY DATA

Amounts in SEK million unless indicated otherwise	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Net sales	107 749	80 465	48 170	34 554	180 119	207 403
Operating profit before depreciation, amortisation and impairment losses (EBITDA) ¹	32 635	38 271	15 386	20 531	75 790	70 154
Operating profit (EBIT) ¹	24 513	29 595	11 730	16 210	60 271	55 189
Underlying EBIT ¹	17 610	17 308	8 107	5 256	31 181	31 483
Profit for the period	10 295	23 635	4 231	13 212	48 013	34 673
Electricity generation, TWh	55.5	58.8	24.6	26.0	111.4	108.1
Sales of electricity, TWh ²	83.3	85.4	38.7	40.0	168.9	166.8
- of which, customer sales	56.8	60.2	26.0	27.9	120.5	117.1
Sales of heat, TWh	8.2	9.2	2.4	2.7	15.6	14.6
Sales of gas, TWh	28.3	34.4	8.2	10.8	57.1	51.0
Return on capital employed, % ¹	19.3 ³	14.5 ³	19.3 ³	14.5 ³	22.2	19.3
FFO/adjusted net debt, % ¹	103.0 ³	38.1 ³	103.0 ³	38.1 ³	171.2	103.0

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.

Cover image: Vittjärn hydro power station, Lule River, Sweden

CEO's comment

Gas market is in focus and emphasises the importance of the energy transition

Vattenfall's underlying results for the first half of the year remained unchanged from last year. A strong performance by our wind business and an expanding customer base were offset by the continued negative effects from price area differences in the Nordics. In Europe there is a lot of focus on securing gas for the upcoming winter. Therefore, the pace in the energy transition needs to remain high. This is the only way we can reduce fossil fuel dependency in Europe.

Turbulent electricity markets as gas sets prices

Turbulence in the electricity market increased in the second quarter. At present, the big question is what the natural gas supply will look like in Europe this winter with rationing becoming an increasingly likely scenario. The uncertainty has sent electricity prices to new record levels even as we are in the middle of the summer when prices are usually lower. In continental Europe, prices have on average been 3 to 4 times higher than the corresponding period in 2021. In Sweden, average prices have nearly tripled compared to last year, but price differentials between the country's southern and northern regions remain big. In southern Sweden, prices are clearly linked to continental Europe and the price of gas, while prices in the northern areas, on average, have been comparable to 2021.

Stable underlying results dampened by price area differences

Profit for the period fell by SEK 13.3 billion to SEK 10.3 billion, which is mainly attributable to the compensation received in 2021 for the early decommissioning of German nuclear power. Underlying operating profit was largely unchanged at SEK 17.6 billion for the half-year but rose by SEK 2.9 billion to SEK 8.1 billion for the quarter.

Our sales business is performing well. Customers choose Vattenfall because we can manage the market uncertainty and continue to offer contracts for electricity, heating, and gas. Our wind business is also developing well, with new capacity from Kriegers Flak in Denmark contributing positively. Price area differences continued however to have a negative impact on our Nordic power portfolio.

Investing in the energy system of the future

In May, we received the construction permit for the offshore wind farm Kriegers Flak in Sweden. And after quarter-end, we secured a

CfD contract for the first phase of the Norfolk Zone wind power project in the UK which, when commissioned, will be the world's largest wind power zone.

In order to ensure the energy transition in the long run, we will need all types of fossil-free energy sources. Small modular reactors (SMRs) have the potential to eventually add base load power and flexibility to the energy system. That is why we have initiated a feasibility study to evaluate the potential to build SMRs adjacent to Rindhals nuclear power plant.

In Berlin, we have initiated a strategic review of our heat business. The energy transition offers a multitude of opportunities, and we need to prioritise on both project- and portfolio level.

Partnerships for industry transition

A central part of Vattenfall's strategy is to contribute also to the transition of other sectors. In two projects — with Preem and St1, respectively — we are looking at opportunities to use hydrogen from future wind farms to produce, e.g., fuels for aviation and shipping. In early June, we inaugurated HYBRIT's pilot plant for storing fossil-free hydrogen together with our partners LKAB and SSAB. Efficient and dynamic storage is an important piece of the puzzle if hydrogen is to play an important role in reducing industry emissions.

Following a turbulent first six months, it is likely that we are facing a tough winter here in Europe. At Vattenfall, we will use our experience and expertise to contribute to stabilising the situation for our customers and continue the energy transition.



Anna Borg
President and CEO

Profit for the period
First half of 2022

10.3
SEK billion

(23.6)

Underlying operating profit
First half of 2022

17.6
SEK billion

(17.3)

FFO/adjusted net debt
Last 12 months

103.0%
(38.1)

Return on capital employed
Last 12 months

19.3%
(14.5)

Group overview

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

Market development

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

ELECTRICITY SPOT PRICES, EUR/MWh

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

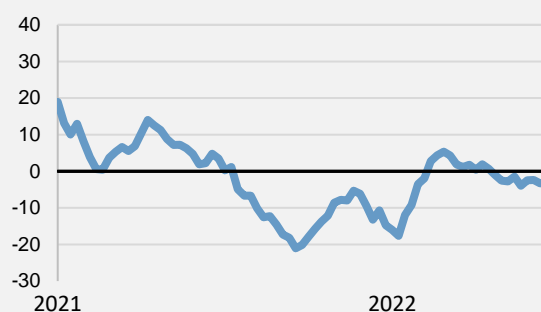
	Jan-Jun			Apr-Jun		
	2022	2021	Change	2022	2021	Change
Nordics	115.6	42.0	175%	121.10	41.90	189%
Germany	185.8	55.0	238%	187.0	60.3	210%
Netherlands	201.5	56.4	257%	195.6	62.1	215%

NORDIC HYDROLOGY

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

By the end of the second quarter 2022, the hydrological balance for the Nordics was below normal levels primarily as a result of the low reservoir levels in southern Norway.

NORDIC HYDROLOGICAL BALANCE (TWh)

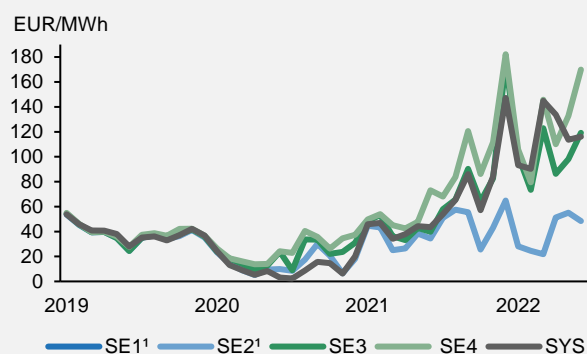


However, the fill rate of Vattenfall's water reservoirs increased to 79% (71%), which is 19 percentage points above normal levels. This is attributable to increased inflows from precipitation and snowmelt, which in turn had a negative effect on the spot price for electricity in Sweden's northern price areas.

NORDIC PRICE AREA DIFFERENCES

The electricity market in the Nordic countries is divided into separate price areas. Sweden has four price areas and Vattenfall's hydro power assets' are mainly located in SE1 and SE2 while the nuclear power assets are located in SE3. Vattenfall also has wind power assets in SE4. In recent years, the differences in electricity prices between the areas have grown wider as a result of bottlenecks in the transmission grid, which prevents the electricity from reaching southern regions. Moreover, new transmission connections to the Continent have contributed further to higher prices in southern Sweden. The Nordic system price (SYS) is a reference price for all price areas and is calculated by the power exchange Nord Pool.

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



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

The price area differentials have remained at a high level during the first six months of 2022. In southern Sweden, the prices increased significantly compared to last year (see above), while the average price for northern Sweden was relatively stable

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

Vattenfall's price hedging strategy is focused on the Nordic power generation assets as the dominant risk exposure is coupled to Nordic nuclear and hydro power baseload generation. Vattenfall hedges most volumes for the beginning of the time horizon, with declining volumes towards the outer years.

	2022	2023	2024
EUR/MWh	25	30	34
Hedge ratio (%)	66	61	38

At the end of the first half of 2022, the price hedge ratio for 2022 stood at 66%, which is 6 percentage points lower than the end of the first quarter of 2022. During that same time, the price hedge level decreased to 25 EUR/MWh. The lower hedge ratio and hedge level are attributable to Vattenfall having adjusted its hedging strategy as a result of the major price area differentials in Sweden.

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

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

	Jan-Jun		Apr-Jun		Full year
	2022	2021	2022	2021	2021
EUR/MWh	18	30	15	27	31

Vattenfall's achieved price in the Nordics has decreased significantly primarily because of major price area differentials.

FUEL PRICES

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

	Jan-Jun			Apr-Jun		
	2022	2021	Change	2022	2021	Change
Gas (EUR/MWh)	99.1	21.7	357%	99.0	24.7	301%
Coal (USD/t)	284.5	78.6	262%	338.1	89.6	277%
CO ₂ (EUR/t)	83.1	43.7	90%	83.3	49.9	67%

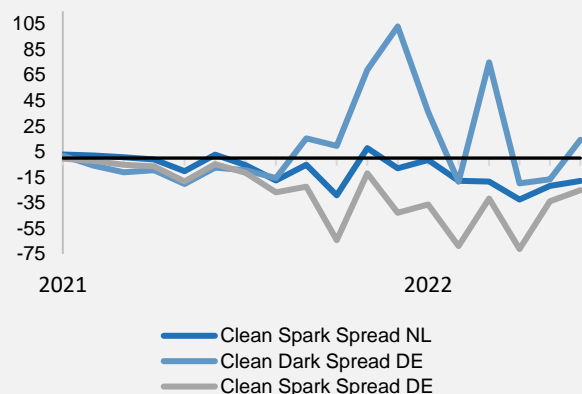
¹ Achieved prices from the spot market and hedges. Includes Nordic hydro, nuclear and wind power generation

The price of gas and coal has increased sharply in the first half-year 2022 as a result of the war in Ukraine. At the end of the second quarter, Russia reduced its flow of gas to Germany, which contributed further to higher gas prices. In addition to high gas prices, the price of coal has been affected by high demand in Europe, a ban on imported Russian coal, and limited supply from Asia. The price of CO₂ emission allowances rose primarily as a result of the increased use of coal as fuel.

PRICE MARGINS

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

CLEAN SPARK SPREAD AND CLEAN DARK SPREAD

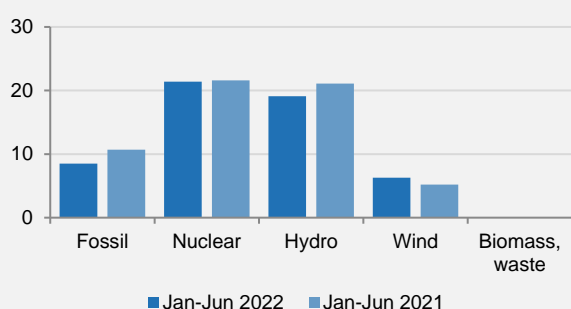


Despite higher electricity prices, the clean spark spreads have been negative during the first half of 2022 as a result of higher gas prices. This has had a negative impact on electricity generation at Vattenfall's gas-fired condensing power plants. The clean dark spreads have been volatile for the first half of the year and are closely linked to the electricity price development on the Continent.

Generation development

Combined electricity generation declined by 3.3 TWh to 55.5 TWh (58.8) for the first half of 2022. Production from fossil-based power declined (-2.2 TWh) as a result of lower clean spark spreads. Generation from hydro power declined (-2.2 TWh), which was primarily related to the first quarter of 2022. Generation from wind power increased (1.1 TWh) as a result of new capacity, mainly related to the offshore wind farm Kriegers Flak, as well as slightly higher generation from existing plants.

ELECTRICITY GENERATION (TWh)



AVAILABILITY

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

	Jan-Jun	
	2022	2021
Nuclear	90.2%	91.1%
Wind - offshore	95.4%	96.1%
Wind – onshore	95.8%	96.2%

The availability of Vattenfall's nuclear power and wind power were stable for the first half of 2022 compared to the corresponding period of 2021.

INSTALLED WIND CAPACITY

New installed wind power capacity in the past 12 months mainly pertains to Blakliden Fäbodberget (353 MW), Moerdijk (20 MW of 27 MW), and Haringvliet (4 MW of 22 MW). The comparison is affected by the partial divestments of Princess Ariane (Wieringermeer Extension, 114 MW), and divestment of onshore wind farms in Denmark (90 MW).

	30 Jun 2022	30 Jun 2021
Onshore wind	1,614	1,442
Offshore wind	2,602	2,602
Total	4,216	4,044

Sales development

Electricity sales, excluding sales to Nord Pool Spot and deliveries to minority owners, declined by 3.4 TWh to 56.8 TWh (60.2), primarily as a result of lower volumes in the business segment in France and in Germany. Gas sales declined by 6.1 TWh to 28.3 TWh (34.4) as a result of warmer weather in the Netherlands and Germany. Heat sales declined by 1.0 TWh to 8.2 TWh (9.2) as a result of warmer weather.

	Jan-Jun		Apr-Jun	
	2022	2021 Change	2022	2021 Change
Sales of electricity to customers, TWh	56.8	60.2 -6%	26.0	27.9 -7%
Sales of gas, TWh	28.3	34.4 -18%	8.2	10.8 -24%
Sales of heat, TWh	8.2	9.2 -11%	2.4	2.7 -11%

TEMPERATURE EFFECTS

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

TEMPERATURE DEVIATION FROM NORMAL LEVELS (°C)

	Jan-Jun		Apr-Jun	
	2022	2021	2022	2021
Nordics	0.9	-0.3	0.1	0.0
Netherlands	1.2	-0.5	0.6	-1.0
Germany	1.2	-0.6	0.9	-1.0

In the first half of 2022, the temperatures in Vattenfall's markets were higher than normal, which affected sales negatively.

Net sales

Comment January–June: Consolidated net sales increased by SEK 27.3 billion (including positive currency effects of SEK 2.6 billion). The increase is mainly attributable to higher electricity prices in the Netherlands, the Nordics and Germany.

Comment April–June: Consolidated net sales increased by SEK 13.6 billion (including positive currency effects of SEK 1.3 billion). The increase is mainly attributable to higher electricity prices in the Netherlands, the Nordics and Germany.

Earnings

Comment January–June: Underlying operating profit increased by SEK 0.3 billion, which is explained by:

- Higher earnings contribution from the Wind operating segment (SEK +4.7 billion) mainly owing to higher electricity prices on the Continent as well as new capacity
- Lower earnings contribution from the Power Generation operating segment (SEK –1.7 billion), owing to lower achieved prices in the Nordics, decrease in nuclear power generation, and lower realised earnings contribution from the trading operations.
- Lower earnings contribution from the Heat operating segment (SEK –2.9 billion) attributable mainly to higher prices for gas, which led to lower clean spark spreads.
- Other items, net (SEK 0.2 billion).

Items affecting comparability amounted to SEK 6.9 billion (12.3), of which most pertains to changes in market value for energy derivatives and inventories (SEK 8.4 billion) and reversed impairment charges (SEK 0.9 billion). Higher provisions related to nuclear power in Sweden (SEK -2.4 billion) had a countering effect. Profit for the period totalled SEK 10.3 billion (23.6) and was affected by – in addition to items affecting comparability – lower net financial items as a result of lower return from the Swedish Nuclear Waste Fund and lower tax cost due to lower profit before tax. The profit for the period in 2021 was affected by compensation for the early closure of nuclear power in Germany.

Comment April–June: Underlying operating profit increased by SEK 2.9 billion, mainly owing to positive contributions from the Power Generation (SEK 1.5 billion) and Wind (SEK 1.5 billion) operating segments.

Items affecting comparability amounted to SEK 3.6 billion (11.0), of which most is attributable to changes in market value for energy derivatives and inventories (SEK 5.2 billion) and reversed impairment charges (SEK 0.9 billion). This was offset in part by increased provisions for nuclear power in Sweden (SEK -2.4 billion).

Profit for the period totalled SEK 4.2 billion (13.2), and, apart from the underlying operating profit, were affected by lower net financial items as a result of lower return from the Swedish Nuclear Waste Fund. The profit for the period in 2021 was affected by compensation for the early closure of nuclear power in Germany.

Cash flow

Comment January–June: Funds from operations (FFO) declined by SEK 1.1 billion mainly as a result of lower operating profit before depreciation, amortisation and impairment losses (EBITDA). Cash flow from changes in operating capital amounted to SEK -1.7 billion. The largest contributing factor was related to the net change in margin calls (SEK –3.9). The change related to CO₂ emission allowances (SEK +0.7 billion) had a countering effect

Comment April–June: Funds from operations (FFO) increased by SEK 4.5 billion, primarily as a result of higher underlying operating profit before depreciation, amortisation and impairment losses (EBITDA) and lower paid tax. Cash flow from changes in operating capital amounted to SEK 9.8 billion, which was mainly attributable to the net change in margin calls (SEK +13.8 billion). The increase in inventories contributed negatively (SEK 5.1 billion).

Important events after the balance sheet date

- On 7 July 2022, Vattenfall was awarded a 15-year state subsidy through the UK support scheme “Contracts for Difference” (CfD) for the offshore wind farm Norfolk Boreas.

KEY FIGURES – GROUP OVERVIEW

Amounts in SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Net sales	107 749	80 465	48 170	34 554	180 119	207 403
Operating profit before depreciation, amortisation and impairment losses (EBITDA) ¹	32 635	38 271	15 386	20 531	75 790	70 154
Operating profit (EBIT) ¹	24 513	29 595	11 730	16 210	60 271	55 189
Underlying operating profit ¹	17 610	17 308	8 107	5 256	31 181	31 483
Items affecting comparability ¹	6 903	12 287	3 623	10 954	29 090	23 706
Profit for the period	10 295	23 635	4 231	13 212	48 013	34 673
Funds from operations (FFO) ¹	20 293	21 425	11 911	7 439	46 096	44 964
Cash flow from changes in operating assets and operating liabilities (working capital)	- 1 664	14 871	9 776	16 526	55 736	39 201
Cash flow from operating activities	18 629	36 296	21 687	23 965	101 832	84 165

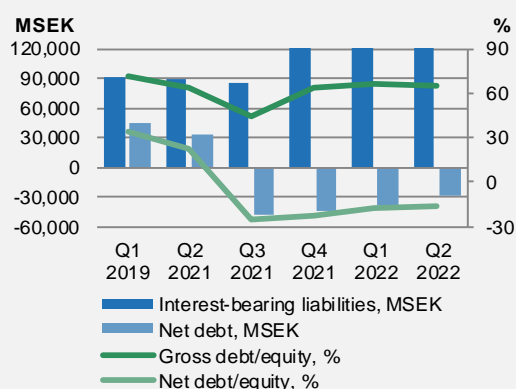
1) See Definitions and calculations of key ratios for definitions of Alternative Performance Measures.

Capital structure

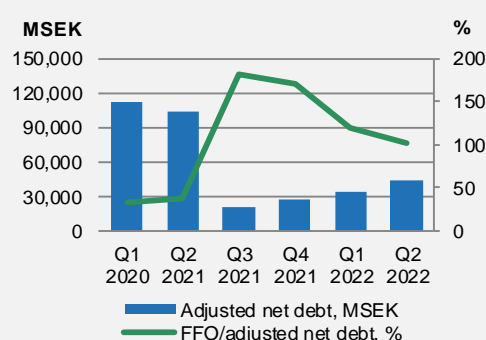
Cash and cash equivalents, and short-term investments decreased by SEK 18.3 billion compared with the level at 31 December 2021. Committed credit facilities consist of a EUR 2.0 billion Revolving Credit Facility that expires in November 2024 and five other committed credit facilities totalling EUR 4.0 billion, which expire in 2023. As of 30 June 2022 available liquid assets and/or committed credit facilities amounted to 103.7% 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 15.4 billion to a net asset of SEK 29.3 billion and adjusted net debt increased by SEK 17.0 billion to SEK 43.9 billion compared to 31 December 2021. Dividends paid increased net debt by SEK 23.4 billion, which was offset in part by a positive cash flow after investments (SEK 8.9 billion). The adjusted net debt was also affected by higher provisions for nuclear power (SEK 13.2 billion, net) and lower pension provisions (SEK 12.5 billion).

NET DEBT



ADJUSTED NET DEBT



Strategic focus areas and targets for 2025

Strategic focus area	Targets for 2025	Q2 2022	Outcome 2021
Driving decarbonisation with our customers & partners	1. Customer engagement, absolute Net Promoter Score (NPS) ¹ : +18	-	+10
	Securing a fossil-free energy supply	2. CO ₂ emissions intensity ² : ≤86 gCO₂e/kWh	82
Delivering high-performing operations	3. Funds from operations (FFO)/adjusted net debt ³ : 22%-27%	103.0%	171.2%
	4. Return On Capital Employed (ROCE) ⁴ , last 12 months: ≥8%	19.3%	22.2%
Empowering our people	5. Lost Time Injury Frequency (LTIF) ⁵ : ≤1.0	1.3	1.7
	6. Employee engagement index ⁶ : ≥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

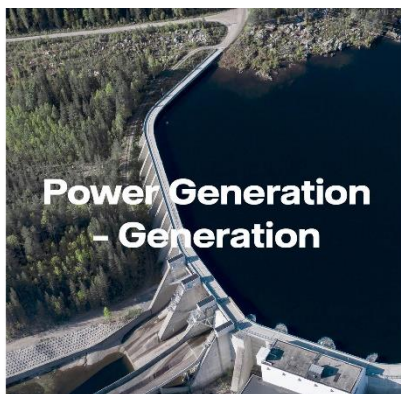
3) Rolling 12-months values. Received margin calls had a significant impact on the outcome for both the first half year 2022 and for the full year 2021

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 the first half year 2022 and the full year 2021

5) Rolling 12-month values. LTIF (Lost Time Injury Frequency) is expressed in terms of the number of lost time work injuries per 1 million hours worked. The metric pertains only to Vattenfall employees

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-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Underlying EBIT						
Customers & Solutions	3 350	1 892	1 383	675	2 349	3 807
Power Generation	8 560	10 281	5 449	3 960	19 334	17 613
- of which, realised trading result	2 388	2 767	2 345	768	3 633	3 254
Wind	6 729	2 079	1 829	312	7 866	12 516
Heat	- 1 400	1 543	- 495	173	- 343	- 3 286
Distribution	1 286	2 453	182	658	3 152	1 985
- of which, Distribution Germany ¹	—	666	—	331	666	—
- of which, Distribution Sweden	1 305	1 796	194	340	2 516	2 025
Other ²	- 776	- 786	- 173	- 418	- 1 189	- 1 179
Eliminations	- 139	- 154	- 68	- 104	12	27
Underlying operating profit	17 610	17 308	8 107	5 256	31 181	31 483

1) Stromnetz Berlin sold Q3 2021.

2) "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 across all of Vattenfall's markets.

Strong earnings development as more customers choose Vattenfall

- Earnings positively affected by growing customer base and lower churn
- New biogas offering for German private customers
- New partnership for charging infrastructure for electric cars



Q1–Q2: Net sales increased by 65%. Underlying operating profit increased by 77%, mainly owing to a growing customer base in Germany and lower churn in all of Vattenfall's markets.

Compared to year-end 2021, Vattenfall's total customer base increased by 3% to 10.7 million contracts. Sales of electricity decreased by 3% compared to the corresponding period in 2021 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. Sales of gas decreased by 18%, mainly due to warmer weather and lower consumption in the Netherlands and Germany.

Q2: Net sales increased by 77%. Underlying operating profit increased by 105%, mainly owing to a growing customer base in Germany. This was partly countered by lower sales of gas due to warmer weather in the Netherlands and Germany in

combination with lower sales of gas in the B2B segment in the Netherlands.

In April, Vattenfall launched a new biogas offering for German private customers. The gas mix contains 15% biogas and allows customers to reduce their carbon footprint. Biogas availability remains limited in Europe and Vattenfall will therefore, initially, be able to offer this product to approximately 30,000 customers.

The expansion of charging infrastructure for electric cars continues. In Germany, Vattenfall will install and operate charging points at all parking lots operated by Q-Park. In Sweden, Vattenfall's partnership with the MAX hamburger chain will be expanded with the installation of new, faster charging points at a number of restaurants. Vattenfall will also install charging points at the facility of Volvo Construction Equipment in Eskilstuna.

KEY FIGURES – CUSTOMERS & SOLUTIONS

Amounts in SEK million unless indicated otherwise	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Net sales	79 418	48 044	36 791	20 793	106 560	137 934
External net sales	75 829	46 526	34 974	20 070	102 300	131 603
Underlying EBITDA	3 809	2 338	1 617	906	3 230	4 701
Underlying EBIT	3 350	1 892	1 383	675	2 349	3 807
Sales of electricity, TWh	47.5	48.7	22.0	22.2	96.1	94.9
- of which, private customers	14.7	14.1	6.0	5.7	26.8	27.4
- of which, resellers	9.7	3.5	7.3	1.8	7.9	14.1
- of which, business customers	23.1	31.1	8.7	14.7	61.4	53.4
Sales of gas, TWh	27.8	33.9	8.1	10.6	56.0	49.9
Number of employees, full-time equivalents	3 259	3 014	3 259	3 014	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 the Group's net exposure in electricity and fuel is reported in this segment.

Earnings in the first half year negatively affected by lower achieved prices in the Nordic countries

- Feasibility study initiated for construction of small modular reactors at Ringhals
- New agreement for delivery of nuclear fuel to the Forsmark and Ringhals nuclear reactors
- Expanded partnership with Air Liquide for delivery of renewable electricity from Vattenfall's wind farm Hollandse Kust Zuid

Q1–Q2: Net sales increased by 83%. Underlying operating profit decreased by 17%. The decrease was mainly attributable to lower achieved prices in the Nordic countries that were affected by major price differences between electricity price areas in Sweden as well as lower generation from hydro power (-2.1 TWh) and a lower realised trading result. Higher contribution from pumped hydro storage operations in Germany had an offsetting impact. The average electricity price rose compared to the first half year 2021 but the achieved price decreased due to higher price differences between electricity price areas in Sweden.

Q2: Net sales increased by 95%. Underlying operating profit increased by 38% mainly owing to higher realised trading result and higher contribution from pumped hydro storage in Germany. Lower achieved prices in the Nordic countries due to major price differences between electricity price areas in Sweden as well as lower generation from hydro power (-0.4 TWh) had an offsetting impact.

In order to meet the next decades' increased power demand in Sweden, Vattenfall is launching a feasibility study for the construction of at least two small modular reactors (SMR) with a capacity of 300-450 MW adjacent to the Ringhals nuclear power plant. Work on the study will start immediately and is scheduled



to be completed by late 2023, early 2024. A future investment decision would be conditional upon that the study concludes that construction would be profitable and that all other conditions are met, not least in respect of new nuclear power regulations.

Vattenfall has entered into agreements with Westinghouse and Framatome for the long-term delivery of nuclear fuel to the Forsmark and Ringhals reactors. These agreements are in line with Vattenfall's strategy to remain independent of individual suppliers and countries.

Vattenfall has made preparations to increase output at nuclear power reactor Forsmark 1 by just over 100 MW; half will be ready in the autumn and the other half in 2023. Electricity generation can be increased by the equivalent of the annual electricity consumption of over 100,000 Swedish households without any major technical measures. Applications to increase power have been filed with the relevant authorities.

Vattenfall and Air Liquide are expanding their partnership through a 15-year corporate power purchase agreement. Starting in 2025, Vattenfall will be supplying about 500 GWh of renewable electricity to Air Liquide from its offshore wind farm Hollandse Kust Zuid. Air Liquide's plants in the Benelux region, which produce gas for industry and healthcare, will be supplied with renewable electricity throughout the agreement. This corporate power purchase agreement is in addition to the 100 GWh agreement already concluded in 2021.

KEY FIGURES – POWER GENERATION

Amounts in SEK million unless indicated otherwise	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Net sales	89 264	48 726	39 848	20 445	126 318	166 856
External net sales	13 275	14 668	6 340	6 890	40 312	38 919
Underlying EBITDA	10 971	12 411	6 664	5 027	23 714	22 274
Underlying EBIT	8 560	10 281	5 449	3 960	19 334	17 613
- of which, realised trading result	2 388	2 767	2 345	768	3 633	3 254
Electricity generation, TWh	40.6	42.8	19.1	19.7	81.2	79.0
- of which, hydro power	19.1	21.2	9.4	9.8	40.8	38.7
- of which, nuclear power	21.5	21.6	9.7	9.9	40.4	40.3
Sales of electricity, TWh	8.2	10.5	3.5	5.2	22.2	19.9
- of which, resellers	7.3	10.0	3.1	4.9	17.5	14.8
- of which, business customers	0.9	0.5	0.4	0.3	4.7	5.1
Sales of gas, TWh	0.5	0.5	0.1	0.2	1.1	1.1
Number of employees, full-time equivalents	7 291	7 338	7 291	7 338	7 260	

Wind

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

Higher electricity prices and new capacity contributed to earnings improvement

- Inauguration of Vattenfall's largest onshore wind farm Blakliden Fäbodberget
- Construction permit for offshore wind power at Swedish Kriegers Flak
- Acquisition of two offshore wind power projects off the coast of Gothenburg with a total capacity of 2.8 GW



Blakliden Fäbodberget onshore wind farm, Sweden

Q1–Q2: Net sales increased by 84% compared to 2021. Underlying operating profit increased by 224% driven by higher electricity prices on the Continent and new capacity, especially Kriegers Flak offshore wind farm in Denmark. Electricity generation increased by 21% driven by Kriegers Flak and somewhat higher generation from existing assets.

Q2: Net sales increased by 76%. Underlying operating profit increased by 487% as a result of higher electricity prices, especially on the Continent, and new capacity, particularly Kriegers Flak. Electricity generation increased by 9% driven by higher generation from the offshore wind farms Sandbank and DanTysk in Germany and new capacity from Kriegers Flak.

In May, the Swedish government issued a construction permit for an offshore wind farm at Swedish Kriegers Flak. Vattenfall's application pertains to the building of 40 to 50 wind turbines with a total capacity of 640 MW, or the annual electricity consumption of nearly half a million Swedish households. The next step in the process is to obtain additional permits and to ensure the electricity grid connection on land. A potential investment decision by Vattenfall could be taken in 2025.

Also in May, Vattenfall's largest onshore wind farm Blakliden Fäbodberget in Lycksele and Åsele was inaugurated. The wind farm is co-owned with Vestas and AIP Management and has a total capacity of 353 MW, corresponding to the electricity consumption of 220,000 Swedish households.

Vattenfall has acquired the majority share in two offshore wind power projects from the wind power company Zephyr Renewable. The projects - "Vidar" and "Poseidon" - are located off the coast of Gothenburg in Sweden and are expected to have a capacity of 2.8 GW, corresponding to the annual electricity consumption of more than two million Swedish households. The wind farms will primarily consist of floating wind turbines, which are expected to reduce the wind farms' environmental impact while also enabling electricity production in locations even further away from shore. Vattenfall's ownership interest is 85%.

Vattenfall has been awarded GBP 9.3 million in innovation funding from the UK government. The funds are earmarked for the development of the world's first hydrogen-generating offshore wind turbines where the electrolyser is placed directly on existing in-service wind turbines. The work will commence immediately with the goal of first production already in 2025.

Vattenfall is committed to promoting a circular economy and reducing the environmental impact throughout a product's entire life cycle. At the offshore wind farm Hollandse Kust Zuid which is currently under construction, a new type of recyclable wind turbine blades will be installed on some of the wind turbines. The availability of this type of blades remains limited, but Vattenfall has set a target for all wind-turbine blades to be recyclable in 2030.

KEY FIGURES – WIND

Amounts in SEK million unless indicated otherwise	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Net sales	12 966	7 056	5 011	2 844	20 872	26 782
External net sales	2 057	2 619	289	824	7 791	7 229
Underlying EBITDA	9 679	4 768	3 322	1 709	13 451	18 362
Underlying EBIT	6 729	2 079	1 829	312	7 866	12 516
Electricity generation - wind power TWh	6.3	5.2	2.3	2.2	11.2	12.3
Sales of electricity, TWh	0.6	0.5	0.2	0.2	1.0	1.1
Number of employees, full-time equivalents	1 416	1 197	1 416	1 197	1 279	

Heat

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

Lower clean spark spreads affected results negatively

- Strategic review of Berlin heating activities
- Takeover of municipally owned heating company Warmtebedrijf Rotterdam in the Netherlands (pending authority approval)
- Sale of gas-fired Magnum power plant in the Netherlands



Q1–Q2: Net sales increased by 93%. The underlying operating profit decreased by 191% compared with the first half of 2021, mainly owing to higher gas prices which led to lower clean spark spreads primarily affecting heat operations. This was partly offset by higher heat prices following newly re-negotiated contracts and post-hoc price adjustments for the fuel price development. The hedging of spreads also had an offsetting effect, which is reported under the Power Generation operating segment. 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 1.8% to the equivalent of 2.0 million households¹.

Q2: Net sales increased by 76%. The underlying operating profit decreased by 386% compared with the second quarter 2021. Lower electricity generation following deteriorated clean spark spreads owing to higher gas prices had a negative effect. Heat sales decreased due to higher temperatures. Higher heat prices had an offsetting impact as they undergo subsequent adjustment for the increasing fuel prices.

Vattenfall has initiated a strategic review of its Berlin heat business to assess Vattenfall's continuing ownership. Irrespective of the findings, Germany will remain a key market for Vattenfall with close to 4.6 million customers in addition to the heating business as well as extensive involvement in wind and solar power, pumped storage and trading.

As agreed with the municipal government, Vattenfall will take over the municipally owned heating company Warmtebedrijf Rotterdam. The takeover covers the business in its entirety and ensures that, following a period of uncertainty, customers will continue to receive reliable heat deliveries at affordable prices. Approval for the takeover is still pending before the Netherlands Authority for Consumers and Markets and the European Commission.

Vattenfall has agreed with RWE on the sale of the gas-fired power plant Magnum in the Netherlands. RWE will take over the plant as of 30 September 2022. The purchase price of EUR 500 million allows Vattenfall to invest further in the energy transition, for example in fossil-free energy projects such as offshore wind power and district heating and cooling. Previous impairment losses have been reversed by an amount of SEK 0.9 billion as an effect of the transaction.

In Berlin, Vattenfall has entered into a new agreement for the supply of district heating. Five residential properties in north-east Berlin will be supplied via a local district heating network with heat that is 55% produced with renewable fuel. Moreover, the German Chancellery will be connected to Vattenfall's district heating network. The agreement will run for ten years, and the first delivery of heat is planned for 2024.

KEY FIGURES – HEAT

Amounts in SEK million unless indicated otherwise	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Net sales	27 964	14 470	10 373	5 887	34 759	48 253
External net sales	10 185	7 403	4 000	2 897	14 655	17 437
Underlying EBITDA	116	3 006	268	909	2 590	- 300
Underlying EBIT	- 1 400	1 543	- 495	173	- 343	- 3 286
Electricity generation - TWh	8.6	10.8	3.2	4.1	19.0	16.8
- of which, fossil-based power	8.5	10.7	3.2	4.0	18.6	16.4
- of which, biomass, waste	0.1	0.1	—	0.1	0.3	0.3
Sales of electricity business customers, TWh	0.5	0.5	0.3	0.3	1.2	1.2
Sales of heat, TWh	8.2	9.2	2.4	2.7	15.6	14.6
Number of employees, full-time equivalents	3 141	3 182	3 141	3 182	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

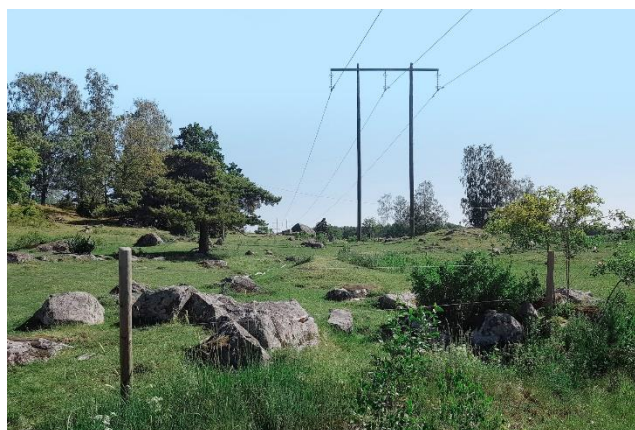
- Administrative Court of Appeal issues ruling on 2020–2023 revenue frames for electricity grid companies
- 100,000 new smart electricity meters have so far been installed at Vattenfall's customers

Q1–Q2: Net sales decreased by 43% compared with 2021 and the underlying operating profit decreased by 48%. The sale of Stromnetz Berlin on 1 July 2021 affected the net sales comparison by SEK 5.3 billion and the underlying operating profit negatively by SEK 0.7 billion. In addition, the underlying operating profit was affected by a lower gross margin in the Swedish operations, mainly owing to higher costs related to the transmission network as well as an increase in network losses caused by higher electricity prices.

Q2: Net sales decreased by 46%. Underlying operating profit decreased by 72%. The sale of Stromnetz Berlin on 1 July 2021 affected the net sales comparison by SEK 2.5 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 June, the Swedish Administrative Court of Appeal issued a ruling on the revenue frames for the electricity grid companies for regulatory period 2020-2023. The ruling means that the Swedish Energy Markets Inspectorate will need to decide on new revenue frames for the regulatory period 2020-2023. It also voids the application of previous court rulings, which creates ambiguities for how the weighted average cost of capital should be calculated. Vattenfall and other electricity grid companies appealed the decision to the Supreme Administrative Court after the end of the quarter.

In April, Vattenfall reached its first milestone with 100,000 new smart electricity meters installed at our customers in Sweden. The plan is for all of Vattenfall's nearly 900,000 electricity grid



customers to have the new meters by 2024. This is the second roll-out of smart meters in Sweden. These meters will allow customers to better manage electricity usage and enable the use of new climate-smart services while producing a more robust electricity grid where Vattenfall can detect and address power outages faster.

One of the greatest challenges for the energy transition is the long lead times for building electricity grids. Permitting processes can take up to 10-12 years while the need is greater than ever. In May, a final report by The Climate Law Inquiry was issued on climate legislation, which contained several positive proposals for the electricity grid. The technology-choice issue, which is central for high-voltage projects, was clarified with the enquiry committee's recommending overhead lines as the main alternative for power lines of 130 kV or higher.

Compensation payments for the period December-February, which were introduced by the Swedish government and prompted by the winter's high electricity prices, were disbursed to customers in the spring. Most of Vattenfall's eligible customers have received compensation while payments for the extended compensation for March are being prepared.

Uninterrupted operation of broadband and digital communications during extended power outages is becoming ever more important. In the northernmost part of Sweden, Vattenfall has inaugurated Sweden's first hydrogen-powered fuel cell facility for broadband network reserve power in collaboration with Ballard Power Systems and IT Norrbotten. Vattenfall owns and is responsible for the plant's functionality.

KEY FIGURES – DISTRIBUTION

Amounts in SEK million unless indicated otherwise	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Net sales	6 523	11 525	2 628	4 900	17 262	12 260
External net sales	6 181	9 198	2 434	3 843	14 643	11 626
Underlying EBITDA	2 541	3 973	813	1 340	5 913	4 481
Underlying EBIT	1 286	2 453	182	658	3 152	1 985
Number of employees, full-time equivalents	1 273	2 463	1 273	2 463	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-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Net sales	4 009	3 029	2 243	1 656	6 169	7 149
External net sales	222	51	133	30	418	589
Underlying EBITDA	- 348	- 358	44	- 210	- 326	- 316
Underlying EBIT	- 776	- 786	- 173	- 418	- 1 189	- 1 179
Number of employees, full-time equivalents	2 927	2 763	2 927	2 763	2 792	

Consolidated income statement

Amounts in SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Net sales	107 749	80 465	48 170	34 554	180 119	207 403
Cost of purchases	- 55 742	- 34 116	- 21 595	- 12 602	- 87 474	- 109 100
Other external expenses	- 9 406	- 9 940	- 6 291	- 6 917	- 18 450	- 17 916
Personnel expenses	- 10 408	- 10 501	- 5 163	- 5 336	- 19 801	- 19 708
Other operating incomes and expenses, net	331	12 321	304	10 851	21 454	9 464
Participations in the results of associated companies	111	42	- 39	- 19	- 58	11
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	32 635	38 271	15 386	20 531	75 790	70 154
Depreciation, amortisation and impairments	- 8 122	- 8 676	- 3 656	- 4 321	- 15 519	- 14 965
Operating profit (EBIT)	24 513	29 595	11 730	16 210	60 271	55 189
Financial income ³	382	247	201	208	783	918
Financial expenses ^{1,2,3}	- 4 108	- 2 570	- 2 449	- 1 094	- 5 906	- 7 444
Return from the Swedish Nuclear Waste Fund	- 5 884	2 763	- 3 013	1 454	4 225	- 4 422
Profit before income taxes	14 903	30 035	6 469	16 778	59 373	44 241
Income taxes	- 4 608	- 6 400	- 2 238	- 3 566	- 11 360	- 9 568
Profit for the period	10 295	23 635	4 231	13 212	48 013	34 673
Attributable to owner of the Parent Company	10 260	22 877	4 478	13 002	46 828	34 211
Attributable to non-controlling interests	35	758	- 247	210	1 185	462
Supplementary information						
Underlying EBITDA ⁴	26 629	25 984	12 660	9 577	48 584	49 229
Underlying EBIT ⁴	17 610	17 308	8 107	5 256	31 181	31 483
Financial items, net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	- 2 728	- 1 304	- 1 748	- 381	- 3 090	- 4 514
1) Including interest components related to pension costs	- 287	- 218	- 144	- 109	- 439	- 508
2) Including discounting effects attributable to provisions	- 998	- 1 019	- 500	- 505	- 2 033	- 2 012
3) Items affecting comparability recognised as financial income and expenses, net	4	- 6	4	—	- 6	4
4) See note 4 for information on items affecting comparability						

Consolidated statement of comprehensive income

Amounts in SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Profit for the period	10 295	23 635	4 231	13 212	48 013	34 673
Other comprehensive income						
Items that will be reclassified to profit or loss when specific conditions are met						
Cash flow hedges - changes in fair value	29 435	16 362	2 628	13 095	82 259	95 332
Cash flow hedges - dissolved against income statement	- 38 567	- 3 022	- 19 545	- 1 960	- 31 553	- 67 098
Cash flow hedges - transferred to cost of hedged item	5	9	- 1	—	16	12
Hedging of net investments in foreign operations	- 1 587	- 572	- 1 317	497	- 1 414	- 2 429
Translation differences, divested companies	—	46	—	—	697	651
Translation differences	7 626	1 332	6 278	- 1 327	3 218	9 512
Income taxes related to items that will be reclassified	- 1 057	- 4 254	3 151	- 3 668	- 15 420	- 12 223
Total items that will be reclassified to profit or loss when specific conditions are met	- 4 145	9 901	- 8 806	6 637	37 803	23 757
Items that will not be reclassified to profit or loss						
Remeasurement pertaining to defined benefit obligations	13 106	428	8 642	- 3 437	- 670	12 008
Income taxes related to items that will not be reclassified	- 3 516	- 5	- 2 428	1 031	226	- 3 285
Total items that will not be reclassified to profit or loss	9 590	423	6 214	- 2 406	- 444	8 723
Total other comprehensive income, net after income taxes	5 445	10 324	- 2 592	4 231	37 359	32 480
Total comprehensive income for the period	15 740	33 959	1 639	17 443	85 372	67 153
Attributable to owner of the Parent Company	15 219	33 081	1 485	17 341	83 915	66 053
Attributable to non-controlling interests	521	878	154	102	1 457	1 100

Operating segments, Vattenfall Group

Amounts in SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
External net sales						
Customers & Solutions	75 829	46 526	34 974	20 070	102 300	131 603
Power Generation	13 275	14 668	6 340	6 890	40 312	38 919
Wind	2 057	2 619	289	824	7 791	7 229
Heat	10 185	7 403	4 000	2 897	14 655	17 437
Distribution	6 181	9 198	2 434	3 843	14 643	11 626
- of which, Distribution Germany	—	3 203	—	1 559	3 203	—
- of which, Distribution Sweden	6 113	5 937	2 402	2 256	11 310	11 486
Other ¹	222	51	133	30	418	589
Total	107 749	80 465	48 170	34 554	180 119	207 403
Internal net sales						
Customers & Solutions	3 589	1 518	1 817	723	4 260	6 331
Power Generation	75 989	34 058	33 508	13 555	86 006	127 937
Wind	10 909	4 437	4 722	2 020	13 081	19 553
Heat	17 779	7 067	6 373	2 990	20 104	30 816
Distribution	342	2 327	194	1 057	2 619	634
- of which, Distribution Germany	—	2 061	—	894	2 061	—
- of which, Distribution Sweden	352	278	205	170	586	660
Other ¹	3 787	2 978	2 110	1 626	5 751	6 560
Eliminations	- 112 395	- 52 385	- 48 724	- 21 971	- 131 821	- 191 831
Total	—	—	—	—	—	—
Total net sales						
Customers & Solutions	79 418	48 044	36 791	20 793	106 560	137 934
Power Generation	89 264	48 726	39 848	20 445	126 318	166 856
Wind	12 966	7 056	5 011	2 844	20 872	26 782
Heat	27 964	14 470	10 373	5 887	34 759	48 253
Distribution	6 523	11 525	2 628	4 900	17 262	12 260
- of which, Distribution Germany	—	5 264	—	2 453	5 264	—
- of which, Distribution Sweden	6 465	6 215	2 607	2 426	11 896	12 146
Other ¹	4 009	3 029	2 243	1 656	6 169	7 149
Eliminations	- 112 395	- 52 385	- 48 724	- 21 971	- 131 821	- 191 831
Total	107 749	80 465	48 170	34 554	180 119	207 403

Amounts in SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Operating profit before depreciation, amortisation and impairment losses (EBITDA)						
Customers & Solutions	3 808	2 338	1 618	906	3 241	4 711
Power Generation	16 841	24 804	9 263	15 993	42 053	34 090
Wind	9 701	4 768	3 345	1 709	13 534	18 467
Heat	106	3 041	258	909	2 842	- 93
Distribution	2 551	3 972	813	1 340	5 911	4 490
- of which, Distribution Germany	—	1 008	—	418	1 008	—
- of which, Distribution Sweden	2 537	2 945	807	921	4 873	4 465
Other ¹	- 233	- 498	157	- 222	8 197	8 462
Eliminations	- 139	- 154	- 68	- 104	12	27
Total	32 635	38 271	15 386	20 531	75 790	70 154
Underlying EBITDA						
Customers & Solutions	3 809	2 338	1 617	906	3 230	4 701
Power Generation	10 971	12 411	6 664	5 027	23 714	22 274
Wind	9 679	4 768	3 322	1 709	13 451	18 362
Heat	116	3 006	268	909	2 590	- 300
Distribution	2 541	3 973	813	1 340	5 913	4 481
- of which, Distribution Germany	—	1 009	—	418	1 009	—
- of which, Distribution Sweden	2 528	2 946	808	921	4 874	4 456
Other ¹	- 348	- 358	44	- 210	- 326	- 316
Eliminations	- 139	- 154	- 68	- 104	12	27
Total	26 629	25 984	12 660	9 577	48 584	49 229

Amounts in SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Operating profit (EBIT)						
Customers & Solutions	3 349	1 892	1 383	675	2 446	3 903
Power Generation	14 429	22 674	8 050	14 925	39 502	31 257
Wind	6 750	2 079	1 852	312	7 919	12 590
Heat	- 512	1 579	393	172	- 91	- 2 182
Distribution	1 296	2 452	182	658	3 150	1 994
- of which, Distribution Germany	—	665	—	331	665	—
- of which, Distribution Sweden	1 315	1 796	193	340	2 515	2 034
Other ¹	- 660	- 927	- 62	- 428	7 333	7 600
Eliminations	- 139	- 154	- 68	- 104	12	27
Operating profit (EBIT)	24 513	29 595	11 730	16 210	60 271	55 189
Operating profit (EBIT)	24 513	29 595	11 730	16 210	60 271	55 189
Financial income and expenses	- 9 610	440	- 5 261	568	- 898	- 10 948
Profit before tax	14 903	30 035	6 469	16 778	59 373	44 241
Underlying EBIT						
Customers & Solutions	3 350	1 892	1 383	675	2 349	3 807
Power Generation	8 560	10 281	5 449	3 960	19 334	17 613
Wind	6 729	2 079	1 829	312	7 866	12 516
Heat	- 1 400	1 543	- 495	173	- 343	- 3 286
Distribution	1 286	2 453	182	658	3 152	1 985
- of which, Distribution Germany	—	666	—	331	666	—
- of which, Distribution Sweden	1 305	1 796	194	340	2 516	2 025
Other ¹	- 776	- 786	- 173	- 418	- 1 189	- 1 179
Eliminations	- 139	- 154	- 68	- 104	12	27
Underlying EBIT	17 610	17 308	8 107	5 256	31 181	31 483

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

Consolidated balance sheet

Amounts in SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Assets			
Non-current assets			
Intangible assets: non-current	17 975	16 629	17 070
Property, plant and equipment	262 981	241 617	252 828
Participations in associated companies and joint arrangements	6 585	4 685	6 110
Other shares and participations	320	301	313
Share in the Swedish Nuclear Waste Fund	47 063	51 003	52 772
Derivative assets	68 850	15 780	35 240
Deferred tax assets	7 542	10 338	8 905
Contract assets ¹	63	101	85
Other non-current receivables	6 091	6 534	6 118
Total non-current assets	417 470	346 988	379 441
Current assets			
Inventories	46 824	19 572	41 539
Intangible assets: current	1 255	28	4 861
Trade receivables and other receivables	40 406	45 184	41 219
Contract assets ¹	241	439	290
Advance payments paid	10 615	1 111	8 362
Derivative assets	227 234	41 485	120 645
Prepaid expenses and accrued income	12 103	7 083	12 402
Current tax assets	1 338	791	2 717
Short-term investments	62 396	36 499	102 706
Cash and cash equivalents	90 177	20 463	68 176
Assets held for sale	5 108	21 795	—
Total current assets	497 697	194 450	402 917
Total assets	915 167	541 438	782 358
Equity and liabilities			
Equity			
Attributable to owner of the Parent Company	172 503	126 855	180 710
Attributable to non-controlling interests	16 432	13 005	16 472
Total equity	188 935	139 860	197 182
Non-current liabilities			
Hybrid Capital	21 490	19 960	20 421
Other interest-bearing liabilities	54 453	50 917	50 839
Pension provisions	27 860	39 208	40 328
Other interest-bearing provisions	132 314	114 221	116 637
Derivative liabilities	74 096	12 120	30 307
Deferred tax liabilities	39 737	22 154	33 913
Contract liabilities ¹	7 695	6 902	7 422
Other noninterest-bearing liabilities	2 068	1 942	2 018
Total non-current liabilities	359 713	267 424	301 885
Current liabilities			
Trade payables and other liabilities	36 143	32 402	39 241
Contract liabilities ¹	999	828	1 213
Advance payments received	71 837	24 751	62 790
Derivative liabilities	188 027	31 321	99 511
Accrued expenses and deferred income	14 856	10 548	18 460
Current tax liabilities	2 339	2 854	2 418
Other interest-bearing liabilities	47 960	18 857	55 148
Interest-bearing provisions	4 358	3 253	4 510
Liabilities associated with assets held for sale	—	9 340	—
Total current liabilities	366 519	134 154	283 291
Total equity and liabilities	915 167	541 438	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	30 Jun 2022	30 Jun 2021	31 Dec 2021
Calculation of capital employed			
Intangible assets: current and non-current	19 230	16 657	21 931
Property, plant and equipment	262 981	241 617	252 828
Participations in associated companies and joint arrangements	6 585	4 685	6 110
Deferred and current tax assets	8 880	11 129	11 622
Non-current noninterest-bearing receivables	4 227	3 436	3 563
Contract assets	304	540	375
Inventories	46 824	19 572	41 539
Trade receivables and other receivables	40 406	45 184	41 219
Prepaid expenses and accrued income	12 103	7 083	12 402
Unavailable liquidity	1 870	4 252	3 446
Other	687	507	643
Total assets excl. financial assets	404 097	354 662	395 678
Deferred and current tax liabilities	- 42 076	- 25 008	- 36 331
Other noninterest-bearing liabilities	- 2 068	- 1 942	- 2 018
Contract liabilities	- 8 694	- 7 730	- 8 635
Trade payable and other liabilities	- 36 143	- 32 402	- 39 241
Accrued expenses and deferred income	- 14 856	- 10 548	- 18 460
Other	- 1 193	- 395	- 899
Total noninterest-bearing liabilities	- 105 030	- 78 025	- 105 584
Other interest-bearing provisions not related to adjusted net debt ¹	- 14 216	- 9 818	- 9 213
Adjustment related to assets/liabilities held for sale	5 108	14 036	—
Capital employed²	289 959	280 855	280 881
Capital employed, average	285 407	273 748	271 674
Calculation of net debt			
Hybrid Capital	- 21 490	- 19 960	- 20 421
Bond issues and liabilities to credit institutions	- 37 755	- 43 379	- 37 732
Short-term debt, commercial papers and repo	- 44 036	- 4 535	- 46 189
Liabilities to associated companies	- 1 066	- 984	- 1 452
Liabilities to owners of non-controlling interests	- 9 945	- 11 014	- 10 747
Other liabilities	- 9 611	- 9 862	- 9 867
Total interest-bearing liabilities	- 123 903	- 89 734	- 126 408
Cash and cash equivalents	90 177	20 463	68 176
Short-term investments	62 396	36 499	102 706
Loans to owners of non-controlling interests in foreign Group companies	651	444	229
Net debt²	29 321	- 32 328	44 703
Calculation of adjusted gross debt and net debt			
Total interest-bearing liabilities	- 123 903	- 89 734	- 126 408
50% of Hybrid Capital ³	10 745	9 980	10 211
Present value of pension obligations	- 27 860	- 39 208	- 40 328
Provisions for gas and wind operations and other environment-related provisions	- 12 451	- 11 165	- 11 687
Provisions for nuclear power (net) ⁴	- 53 433	- 39 160	- 40 233
Margin calls received	2 581	2 923	3 340
Liabilities to owners of non-controlling interests due to consortium agreements	9 945	11 014	10 747
Adjustment related to assets/liabilities held for sale	—	- 1 863	—
Adjusted gross debt	- 194 376	- 157 213	- 194 358
Reported cash and cash equivalents and short-term investments	152 573	56 962	170 882
Unavailable liquidity	- 1 870	- 4 252	- 3 446
Adjusted cash and cash equivalents and short-term investments	150 703	52 710	167 436
Adjusted net debt²	- 43 673	- 104 503	- 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 relating to funding of decommissioning obligations in Stade and Brokdorf. Vattenfall has the following ownership interests in the respective plants: Forsmark 66%, Ringhals 70.4%, SKB 55.8%, Brokdorf 20%, Brunsbüttel 66.7%, Krümmel 50% and Stade 33.3%. (According to a special agreement, Vattenfall is responsible for 100% of the provisions for Ringhals.)

Consolidated statement of cash flows

Amounts in SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Operating activities						
Operating profit before depreciation, amortisation and impairment losses	32 635	38 271	15 386	20 531	75 790	70 154
Tax paid	- 1 855	- 1 712	1 525	- 632	- 6 725	- 6 868
Capital gains/losses, net	- 138	101	- 125	10	- 8 760	- 8 999
Interest received	565	176	536	116	523	912
Interest paid	- 2 395	- 2 319	- 1 893	- 1 098	- 3 226	- 3 302
Other, incl. non-cash items	- 8 519	- 13 092	- 3 518	- 11 488	- 11 506	- 6 933
Funds from operations (FFO)	20 293	21 425	11 911	7 439	46 096	44 964
Changes in inventories	- 157	- 2 883	- 5 252	- 2 462	- 23 067	- 20 341
Changes in operating receivables	9 372	- 9 090	13 201	213	- 31 816	- 13 354
Changes in operating liabilities ¹	- 6 649	3 458	- 6 774	983	26 232	16 125
Margin calls ¹	- 3 871	23 553	13 835	18 137	88 995	61 571
Other changes	- 359	- 167	- 5 234	- 345	- 4 608	- 4 800
Cash flow from changes in operating assets and operating liabilities	- 1 664	14 871	9 776	16 526	55 736	39 201
Cash flow from operating activities	18 629	36 296	21 687	23 965	101 832	84 165
Investing activities						
Acquisitions in Group companies ¹	- 173	- 3	- 173	—	- 114	- 284
Investments in associated companies and other shares and participations	- 29	83	—	86	- 278	- 390
Other investments in non-current assets	- 9 570	- 10 781	- 4 657	- 5 391	- 25 157	- 23 946
Total investments	- 9 772	- 10 701	- 4 830	- 5 305	- 25 549	- 24 620
Divestments ¹	253	- 24	212	40	19 579	19 856
Changes in short-term investments ¹	40 718	- 7 185	17 141	- 7 517	- 73 051	- 25 148
Cash flow from investing activities	31 199	- 17 910	12 523	- 12 782	- 79 021	- 29 912
Cash flow before financing activities	49 828	18 386	34 210	11 183	22 811	54 253
Financing activities						
Changes in loans to owners of non-controlling interests in foreign Group companies	- 401	- 67	54	2	153	- 181
Loans raised ²	46 468	5 866	864	519	51 150	91 752
Amortisation of other debt	- 51 575	- 25 712	- 20 479	- 5 487	- 35 870	- 61 733
Divestment of shares in Group companies to owners of non-controlling interests	—	—	—	—	4 025	4 025
Redemption of Hybrid Capital	—	- 2 837	—	- 2 837	- 2 941	- 104
Issue of Hybrid Capital	—	6 481	—	6 481	6 481	—
Dividends paid to owners	- 23 981	- 5 124	- 23 981	- 5 124	- 5 190	- 24 047
Contribution to owners of non-controlling interests	- 523	- 228	- 2	—	- 601	- 896
Contribution from owners of non-controlling interests	635	11	399	—	1 786	2 410
Cash flow from financing activities	- 29 377	- 21 610	- 43 145	- 6 446	18 993	11 226
Cash flow for the period	20 451	- 3 224	- 8 935	4 737	41 804	65 479
Amounts in SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Cash and cash equivalents						
Cash and cash equivalents at start of period	68 176	26 074	97 719	18 170	26 074	20 463
Cash and cash equivalents included in assets held for sale	—	- 2 400	—	- 2 400	—	2 400
Cash flow for the period	20 451	- 3 224	- 8 935	4 737	41 804	65 479
Translation differences	1 550	13	1 393	- 44	298	1 835
Cash and cash equivalents at end of period	90 177	20 463	90 177	20 463	68 176	90 177

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-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Cash flow before financing activities	49 828	18 386	34 210	11 183	22 811	54 253
Change in margin calls from Treasury operations	- 1 607	- 1 131	- 1 913	76	- 1 700	- 2 176
Changes in short-term investments	- 40 718	7 186	- 17 141	7 518	73 051	25 147
Financing activities						
Divestment of shares in Group companies to owners of non-controlling interests	—	—	—	—	4 025	4 025
Dividends paid to owners	- 23 981	- 5 124	- 23 981	- 5 124	- 5 190	- 24 047
Contribution to/from owners of non-controlling interests	112	- 217	397	—	1 185	1 514
Cash flow after dividend	- 16 366	19 100	- 8 428	13 653	94 182	58 716
Analysis of change in net debt						
Net debt at start of period	44 703	- 48 178	37 611	- 43 865	- 48 178	- 32 328
Cash flow after dividend	- 16 366	19 100	- 8 428	13 653	94 182	58 716
Changes as a result of valuation at fair value	1 273	607	784	100	660	1 326
Changes in interest-bearing liabilities for leasing	- 861	- 608	- 657	- 172	- 1 442	- 1 695
Interest-bearing liabilities/short-term investments acquired/divested	—	—	—	—	- 13	- 13
Cash and cash equivalents included in assets held for sale	—	- 2 400	—	- 2 400	—	2 400
Interest-bearing liabilities associated with assets held for sale	—	106	—	106	—	- 106
Translation differences on net debt	572	- 955	11	250	- 506	1 021
Net debt at end of period	29 321	- 32 328	29 321	- 32 328	44 703	29 321
Cash flow from operating activities	18 629	36 296	21 687	23 965	101 832	84 165
Maintenance investments	- 4 117	- 3 689	- 1 661	- 1 412	- 11 012	- 11 440
Free cash flow¹	14 512	32 607	20 026	22 553	90 820	72 725

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

INVESTMENTS

Amounts in SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Electricity generation						
Hydro power	249	312	141	174	795	732
Nuclear power	744	553	347	323	1 263	1 454
Gas	141	23	90	19	64	182
Wind power and solar PV	5 625	6 496	3 506	4 227	11 157	10 286
Biomass, waste	9	39	3	3	73	43
Total electricity generation	6 768	7 423	4 087	4 746	13 352	12 697
CHP/heat						
Fossil-based power	257	263	70	199	1 053	1 047
Heat networks	507	575	332	392	1 511	1 443
Other	2	106	37	83	483	379
Total CHP/heat	766	944	439	674	3 047	2 869
Electricity networks						
Electricity networks	2 003	2 886	1 239	1 605	5 758	4 875
Total electricity networks	2 003	2 886	1 239	1 605	5 758	4 875
Purchases of shares, shareholder contributions	202	- 80	173	- 86	400	682
Other	834	640	476	352	1 557	1 751
Total investments	10 573	11 813	6 414	7 291	24 114	22 874
Accrued investments, unpaid invoices (-)/release of accrued investments (+)	- 801	- 1 112	- 1 584	- 1 986	1 443	1 754
Cash and cash equivalents in acquired companies	—	—	—	—	- 8	- 8
Total investments with cash flow effect	9 772	10 701	4 830	5 305	25 549	24 620

Consolidated statement of changes in equity

Amounts in SEK million	30 Jun 2022			30 Jun 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	10 260	35	10 295	22 877	758	23 635	46 828	1 185	48 013
Cash flow hedges - changes in fair value	29 435	—	29 435	16 362	—	16 362	82 259	—	82 259
Cash flow hedges - dissolved against income statement	- 38 567	—	- 38 567	- 3 038	16	- 3 022	- 31 569	16	- 31 553
Cash flow hedges - transferred to cost of hedged item	5	—	5	9	—	9	16	—	16
Hedging of net investments in foreign operations	- 1 587	—	- 1 587	- 572	—	- 572	- 1 414	—	- 1 414
Translation differences, divested companies	—	—	—	46	—	46	697	—	697
Translation differences	7 140	486	7 626	1 225	107	1 332	2 983	235	3 218
Remeasurement pertaining to defined benefit obligations	13 106	—	13 106	428	—	428	- 700	30	- 670
Income taxes related to other comprehensive income	- 4 573	—	- 4 573	- 4 256	- 3	- 4 259	- 15 185	- 9	- 15 194
Total other comprehensive income for the period	4 959	486	5 445	10 204	120	10 324	37 087	272	37 359
Total comprehensive income for the period	15 219	521	15 740	33 081	878	33 959	83 915	1 457	85 372
Dividends paid to owners	- 23 414	- 675	- 24 089	- 4 000	- 1 124	- 5 124	- 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	—	112	112	—	- 217	- 217	—	1 185	1 185
Other changes in ownership	—	2	2	—	—	—	—	—	—
Other changes	- 12	—	- 12	50	—	50	533	- 7	526
Total transactions with equity holders	- 23 426	- 561	- 23 987	- 3 950	- 1 341	- 5 291	- 929	1 547	618
Balance carried forward	172 503	16 432	188 935	126 855	13 005	139 860	180 710	16 472	197 182
- Of which, Reserve for hedges	26 458	8	26 466	10 934	8	10 942	36 968	8	36 976

Key ratios, Vattenfall Group

In % unless otherwise stated. (x) means times ¹	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Operating margin	22.8	36.8	24.4	46.9	33.5	26.6
Operating margin ²	16.3	21.5	16.8	15.2	17.3	15.2
Pre-tax profit margin	13.8	37.3	13.4	48.6	33.0	21.3
Pre-tax profit margin ²	7.4	22.1	5.9	16.9	16.8	9.9
Return on equity	23.5 ³	30.3 ³	23.5 ³	30.3 ³	36.9	23.5
Return on capital employed	19.3 ³	14.5 ³	19.3 ³	14.5 ³	22.2	19.3
Return on capital employed ²	11.0 ³	11.0 ³	11.0 ³	11.0 ³	11.5	11.0
EBIT interest cover, (x)	10.3 ³	12.1 ³	10.3 ³	12.1 ³	15.8	10.3
EBIT interest cover, (x) ²	6.0 ³	9.3 ³	6.0 ³	9.3 ³	8.3	6.0
FFO interest cover, (x)	9.3 ³	13.1 ³	9.3 ³	13.1 ³	12.9	9.3
FFO interest cover, net (x)	11.0 ³	14.7 ³	11.0 ³	14.7 ³	15.9	11.0
Cash flow interest cover after maintenance investments, (x)	15.8 ³	33.5 ^{3,4}	15.8 ³	33.5 ^{3,4}	27.4 ⁴	15.8
FFO/gross debt	36.3 ³	44.3 ³	36.3 ³	44.3 ³	36.5	36.3
FFO/net debt	- 153.4 ³	123.1 ³	- 153.4 ³	123.1 ³	- 103.1	- 153.4
FFO/adjusted net debt	103.0 ³	38.1 ³	103.0 ³	38.1 ³	171.2	103.0
EBITDA/net financial items, (x)	12.0	29.3	8.8	53.9	24.5	15.5
EBITDA/net financial items, (x) ²	9.8	19.9	7.2	25.1	15.7	10.9
Equity/Total assets	20.6	25.8	20.6	25.8	25.2	20.6
Gross debt/equity	65.6	64.2	65.6	64.2	64.1	65.6
Net debt/equity	- 15.5	23.1	- 15.5	23.1	- 22.7	- 15.5
Gross debt/gross debt plus equity	39.6	39.1	39.6	39.1	39.1	39.6
Net debt/net debt plus equity	- 18.4	18.8	- 18.4	18.8	- 29.3	- 18.4
Net debt/EBITDA, (x)	- 0.4 ³	0.5 ³	- 0.4 ³	0.5 ³	- 0.6	- 0.4
Adjusted net debt/EBITDA, (x)	0.6 ³	1.8 ³	0.6 ³	1.8 ³	0.4	0.6

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	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Income statement						
Net sales	48 170	59 579	63 529	36 125	34 554	45 911
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	15 386	17 249	10 226	27 293	20 531	17 740
Underlying EBITDA	12 660	13 970	13 452	9 149	9 577	16 408
Operating profit (EBIT)	11 730	12 783	7 750	22 926	16 210	13 385
Underlying EBIT	8 107	9 504	9 092	4 782	5 256	12 053
Profit before income taxes	6 469	8 433	7 156	22 182	16 778	13 257
Profit for the period	4 231	6 064	6 101	18 277	13 212	10 423
- of which, attributable to owner of the Parent Company	4 478	5 782	5 774	18 178	13 002	9 875
- of which, attributable to non-controlling interests	- 247	282	327	99	210	548
Balance sheet						
Capital employed	289 959	276 749	280 881	255 184	280 855	271 110
Net debt	29 321	37 611	44 703	47 348	- 32 328	- 43 865
Cash flow						
Funds from operations (FFO)	11 911	8 382	18 616	6 054	7 439	13 987
Cash flow from operating activities	9 776	- 3 058	4 312 ¹	61 223 ¹	23 965 ¹	12 331 ¹
Cash flow from investing activities	12 523	18 676	- 45 872 ¹	- 15 238 ¹	- 12 782 ¹	- 5 128 ¹
Cash flow from financing activities	- 43 145	13 768	41 855	- 1 252	- 6 446	- 15 164
Cash flow for the period	- 8 935	29 386	295	44 733	4 737	- 7 961
Free cash flow	20 026	- 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	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Key ratios						
Return on equity	23.5	31.0	36.9	40.2	30.3	10.0
Return on capital employed ²	19.3	21.8	22.2	22.4	14.5	5.9
Return on capital employed ^{2,3}	11.0	10.5	11.5	11.7	11.0	9.9
EBIT interest cover, (x) ²	10.3	14.9	15.8	16.6	12.1	5.1
EBIT interest cover, (x) ^{2,3}	6.0	7.3	8.3	8.7	9.3	8.6
FFO/gross debt ²	36.3	28.8	36.5	46.0	44.3	40.0
FFO/net debt ²	- 153.4	- 107.7	- 103.1	- 82.0	123.1	83.8
FFO/adjusted net debt ²	103.0	120.5	171.2	182.7	38.1	32.8
Equity/Total assets	20.6	24.4	25.2	27.8	25.8	26.8
Gross debt/equity	65.6	66.7	64.1	44.2	64.2	72.0
Net debt/equity	- 15.5	- 17.9	- 22.7	- 24.8	23.1	34.4
Net debt/net debt plus equity	- 18.4	- 21.8	- 29.3	- 32.9	18.8	25.6
Net debt/EBITDA, (x) ²	- 0.4	- 0.5	- 0.6	- 0.6	0.5	0.9
Adjusted net debt/EBITDA, (x) ²	0.6	0.4	0.4	0.3	1.8	2.4

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

2) Last 12-month values.

3) Based on Underlying operating profit.

NOTE 1 | Accounting policies, risks and uncertainties

Accounting policies

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

Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Vattenfall’s 2021 Annual and Sustainability Report, pages 62-71. 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 first half of 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 reduction, or stop, of gas deliveries from Russia to Europe will have a negative effect on Vattenfall’s operations in Business Areas Heat, Customers & Solutions as well as Markets. Countries with low capacity to import Liquid Natural Gas (LNG), such as Germany, will be particularly affected.

Furthermore, risks and uncertainties can arise from regulatory interventions, but these cannot yet be specified.

The war in Ukraine

Vattenfall has assessed potential effects on its financial statements as per the first half year 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 materially changed Vattenfall’s long term outlook for Vattenfall’s markets in a negative way. Hence, this is not regarded as a triggering event for an impairment test in the second 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.

The credit risk of counterparties is minimized to a large extent through margin securities. Due to the strong increase in electricity prices, counterparties had to provide margin securities to Vattenfall. Conversely, if electricity prices were to fall significantly, Vattenfall would have to fund a large outflow of cash for margin securities.

Presentation of financial statements

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

- In the balance sheet contractual assets and liabilities are divided into short- and long-term contractual assets and liabilities respectively.
- In the cash flow statement acquisitions in group companies as well as investments 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-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021
Average rate					
EUR	10.4590	10.1312	10.4670	10.1586	10.1469
DKK	1.4059	1.3622	1.4070	1.3660	1.3644
GBP	12.4055	11.6450	12.3329	11.8168	11.7820
USD	9.5913	8.4030	9.8041	8.4870	8.5687
			30 Jun 2022	30 Jun 2021	31 Dec 2021
Balance sheet date rate					
EUR			10.7300	10.1110	10.2503
DKK			1.4424	1.3597	1.3784
GBP			12.5029	11.7837	12.1987
USD			10.3302	8.5081	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 measured at amortised cost do not differ significantly from their fair values. The difference between carrying amounts and fair values for financial liabilities measured at amortised cost amounts to SEK -1,365 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 (that is, unobservable inputs).

FINANCIAL ASSETS AND LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON THE BALANCE SHEET AT 30 JUNE 2022

Amounts in SEK million	Level 1	Level 2	Level 3	Total
Assets				
Share in the Swedish Nuclear Waste Fund	47 063	—	—	47 063
Derivative assets	—	293 823	2 261	296 084
Short-term investments, cash equivalents and other shares and participations	65 744	6 213	—	71 957
Total assets	112 807	300 036	2 261	415 104
Liabilities				
Derivative liabilities	—	262 123	—	262 123
Total liabilities	—	262 123	—	262 123

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

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

NOTE 4 | Items affecting comparability

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

Amounts in SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Items affecting comparability	6 903	12 287	3 623	10 954	29 090	23 706
- of which, capital gains	204	41	187	- 7	8 960	9 123
- of which, capital losses	- 66	- 142	- 63	- 3	- 199	- 123
- of which, impairment losses	- 1	—	- 1	—	- 38	- 39
- of which, reversed impairment losses	898	—	898	—	1 922	2 820
- of which, provisions	- 2 551	- 2 452	- 2 551	- 2 452	- 3 785	- 3 884
- of which, changes in the fair value of energy derivatives	5 210	2 745	400	2 267	8 715	11 180
- of which, changes in the fair value of inventories	3 209	156	4 750	318	1 313	4 366
- of which, other non-recurring items affecting comparability	—	11 939	3	10 831	12 202	263

Items affecting comparability during the first half of 2022 amounted to SEK 6.9 billion, most of which pertains to changes in market value for energy derivatives and inventories (SEK 8.4 billion) and provisions in nuclear operations (SEK -2.6 billion). The reversed impairment losses relates to gas-fired condensing plants in Business Area Heat.

Items affecting comparability during the first half of 2021 amounted to SEK 12.3 billion, most of which pertains to result from sale of and compensation for Nuclear production rights in Germany (SEK 12.5 billion), and changes in market value for energy derivatives and inventories (SEK 2.9 billion). The increase in provisions pertains to the nuclear operations (SEK -2.5 billion). Capital gains and losses pertain mainly to smaller divestments in Business Area Wind (SEK -0.1 billion).

NOTE 5 | Acquired and divested operations

Acquired operations

On 17th of June 2022 Vattenfall acquired 85% of the shares in Zephyr Vind AB. The total purchase price for the shares was SEK 173 million, and the value of total net assets acquired is SEK 9 million.

The Parent Company Vattenfall AB

Accounting policies

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

January – June 2022

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

- Net sales amounted to SEK 17,656 million (20,286).
- Profit before appropriations and income taxes was SEK -35,149 million (1,979).
- The lower operating profit are mainly attributable to changes in market value for energy derivatives. In addition, the Parent Company is charged with increased commitments for future decommissioning of Ringhals and Forsmark resulting from increased provisions for those group companies and the negative development of the share in the Swedish Nuclear Waste Fund.
- The improved net financial items refers to dividends from group companies, mainly from Vattenfall GmbH.
- The balance sheet total was SEK 413,822 million (31 December 2021: 468,482).
- Cash and cash equivalents, and short-term investments amounted to SEK 109,712 million (31 December 2021: 145,743).
- Dividend paid to the owner of SEK 23 414 million (4,000).

Risks and uncertainties

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

Other

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

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-Jun 2022	Jan-Jun 2021	Full year 2021	Last 12 months
Net sales	17 656	20 286	40 045	37 415
Cost of purchases related to production	- 61 365	- 16 589	- 37 035	- 81 811
Other external expenses	- 2 620	- 2 205	- 5 250	- 5 665
Personnel expenses	- 1 827	- 1 151	- 2 247	- 2 923
Other operating incomes and expenses, net	- 32	- 32	- 52	- 52
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	- 48 188	309	- 4 539	- 53 036
Depreciation, amortisation and impairments	- 329	- 317	- 629	- 641
Operating profit (EBIT)	- 48 517	- 8	- 5 168	- 53 677
Result from participations in subsidiaries	15 757	2 206	2 231	15 782
Result from participations in associated companies	- 61	—	1	- 60
Other financial income	950	978	1 537	1 509
Other financial expenses	- 3 278	- 1 197	- 2 820	- 4 901
Profit before appropriations and income taxes	- 35 149	1 979	- 4 219	- 41 347
Appropriations	2 290	713	5 086	6 663
Profit before income taxes	- 32 859	2 692	867	- 34 684
Income taxes	9 685	- 119	445	10 249
Profit for the period	- 23 174	2 573	1 312	- 24 435

Parent Company balance sheet

Amounts in SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Assets			
Non-current assets			
Intangible assets: non-current	302	348	330
Property, plant and equipment	6 906	6 618	7 003
Shares and participations	166 963	161 477	166 802
Deferred tax assets	11 981	1 208	2 272
Other non-current receivables	71 151	68 545	71 123
Total non-current assets	257 303	238 196	247 530
Current assets			
Inventories	284	335	342
Intangible assets: current	13	4	9
Current receivables group	6 237	9 948	59 366
Current receivables	39 185	7 217	13 791
Current tax assets	1 088	—	1 701
Short-term investments	61 582	35 652	101 877
Cash and cash equivalents	48 130	17 341	43 866
Total current assets	156 519	70 497	220 952
Total assets	413 822	308 693	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	1 349	1 370
Non-restricted equity			
Retained earnings	42 816	66 209	64 911
Profit for the period	- 23 174	2 573	1 312
Total equity	65 579	114 705	112 167
Untaxed reserves	4 878	12 628	7 168
Provisions	6 077	5 086	5 621
Non-current liabilities			
Hybrid capital	21 490	19 960	20 421
Other interest-bearing liabilities group	222	10	1 573
Other interest-bearing liabilities	46 483	36 976	37 902
Other noninterest-bearing liabilities group	12 590	12 488	12 590
Other noninterest-bearing liabilities	8 585	275	279
Total non-current liabilities	89 370	69 709	72 765
Current liabilities			
Other interest-bearing liabilities group	151 711	79 195	197 355
Other interest-bearing liabilities	49 365	18 638	54 960
Current tax liabilities	—	183	—
Other noninterest-bearing liabilities group	1 249	2 629	4 521
Other noninterest-bearing liabilities	45 593	5 920	13 925
Total current liabilities	247 918	106 565	270 761
Total equity, provisions and liabilities	413 822	308 693	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 operating profit:	Operating profit (EBIT) excluding items affecting comparability. This measure is intended to provide a better view on the operating result by excluding items affecting comparability that are of an infrequent nature.
FFO:	Funds From Operations, see Consolidated statement of cash flow
Free cash flow:	Cash flow from operating activities less maintenance investments
Interest-bearing liabilities	See Consolidated balance sheet - Supplementary Information
Net debt:	See Consolidated balance sheet - Supplementary Information
Adjusted net debt:	See Consolidated balance sheet - Supplementary Information
Capital employed:	Total assets less financial assets, noninterest-bearing liabilities and certain other interest-bearing provisions not included in adjusted net debt. see Consolidated balance sheet - Supplementary Information

Other definitions

	Definition
Hybrid Capital:	Perpetual subordinated securities, junior to all Vattenfall's unsubordinated debt instruments.
LTIF:	Lost Time Injury Frequency (LTIF) is expressed in terms of the number of lost time work injuries (per 1 million hours worked), i.e., work-related accidents resulting in absence longer than one day, and accidents resulting in fatality.

CALCULATION OF EBITDA, UNDERLYING EBITDA AND UNDERLYING EBIT

Amounts in SEK million	Jan-Jun 2022	Jan-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Full year 2021	Last 12 months
Operating profit (EBIT)	24 513	29 595	11 730	16 210	60 271	55 189
Depreciation, amortisation and impairment losses	- 8 122	- 8 676	- 3 656	- 4 321	- 15 519	- 14 965
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	32 635	38 271	15 386	20 531	75 790	70 154
Items affecting comparability excl. impairment losses and reversed impairment losses	- 6 006	- 12 287	- 2 726	- 10 954	- 27 206	- 20 925
Underlying operating profit before depreciation, amortisation and impairment losses	26 629	25 984	12 660	9 577	48 584	49 229
Operating profit (EBIT)	24 513	29 595	11 730	16 210	60 271	55 189
Items affecting comparability	- 6 903	- 12 287	- 3 623	- 10 954	- 29 090	- 23 706
Underlying operating profit	17 610	17 308	8 107	5 256	31 181	31 483

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

KEY RATIOS BASED ON CONTINUING OPERATIONS AND LAST 12-MONTH VALUES JULY 2021 – JUNE 2022

Operating margin, %	= 100 x	$\frac{\text{EBIT}}{\text{Net sales}}$	$\frac{55\,189}{207\,403}$	=	26.6
Operating margin excl. items affecting comparability, %	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Net sales}}$	$\frac{31\,483}{207\,403}$	=	15.2
Pre-tax profit margin, %	= 100 x	$\frac{\text{Profit before income taxes}}{\text{Net sales}}$	$\frac{44\,241}{207\,403}$	=	21.3
Pre-tax profit margin excl. items affecting comparability, %	= 100 x	$\frac{\text{Profit before income taxes excl. items affecting comparability}}{\text{Net sales}}$	$\frac{20\,531}{207\,403}$	=	9.9
Return on equity, %	= 100 x	$\frac{\text{Profit for the period attributable to owner of the Parent Company}}{\text{Average equity for the period attributable to owner of the Parent Company excl. the Reserve for cash flow hedges}}$	$\frac{34\,211}{145\,294}$	=	23.5
Return on capital employed, %	= 100 x	$\frac{\text{EBIT}}{\text{Capital employed, average}}$	$\frac{55\,189}{285\,407}$	=	19.3
Return on capital employed excl. items affecting comparability, %	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Capital employed, average}}$	$\frac{31\,483}{285\,407}$	=	11.0
EBIT interest cover, (x)	=	$\frac{\text{EBIT} + \text{financial income}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$	$\frac{56\,107}{5\,432}$	=	10.3
EBIT interest cover excl. Items affecting comparability, (x)	=	$\frac{\text{Underlying EBIT} + \text{financial income}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$	$\frac{32\,401}{5\,432}$	=	6.0
FFO interest cover, (x)	=	$\frac{\text{FFO} + \text{financial expenses excl. discounting effects attributable to provisions}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$	$\frac{50\,396}{5\,432}$	=	9.3
FFO interest cover, net, (x)	=	$\frac{\text{FFO} + \text{financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}{\text{Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}$	$\frac{49\,478}{4\,514}$	=	11.0

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>77 649</u>	=	15.8
		Financial expenses excl. discounting effects attributable to provisions and interest components related to pension costs	<u>4 924</u>		
FFO/gross debt, %	= 100 x	<u>FFO</u>	<u>44 964</u>	=	36.3
		Interest-bearing liabilities	<u>123 903</u>		
FFO/net debt, %	= 100 x	<u>FFO</u>	<u>44 964</u>	=	-153.4
		Net debt	<u>-29 321</u>		
FFO/adjusted net debt, %	= 100 x	<u>FFO</u>	<u>44 964</u>	=	103.0
		Adjusted net debt	<u>43 673</u>		
EBITDA/net financial items, (x)	=	<u>EBITDA</u>	<u>70 154</u>	=	15.5
		Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	<u>4 514</u>		
EBITDA excl. items affecting comparability/net financial items, (x)	=	<u>EBITDA excl. items affecting comparability</u>	<u>49 229</u>	=	10.9
		Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	<u>4 514</u>		

KEY RATIOS BASED ON THE BALANCE SHEET PER 30 JUNE 2022

Equity/total assets, %	= 100 x	<u>Equity</u>	<u>188 935</u>	=	20.6
		Balance sheet total	<u>915 167</u>		
Gross debt/equity, %	= 100 x	<u>Interest-bearing liabilities</u>	<u>123 903</u>	=	65.6
		Equity	<u>188 935</u>		
Net debt/equity, %	= 100 x	<u>Net debt</u>	<u>-29 321</u>	=	-15.5
		Equity	<u>188 935</u>		
Gross debt/gross debt equity, %	= 100 x	<u>Interest-bearing liabilities</u>	<u>123 903</u>	=	39.6
		Interest-bearing liabilities + equity	<u>312 838</u>		
Net debt/net debt plus equity, %	= 100 x	<u>Net debt</u>	<u>-29 321</u>	=	-18.4
		Net debt + equity	<u>159 614</u>		
Net debt/EBITDA, (x)	=	<u>Net debt</u>	<u>-29 321</u>	=	-0.4
		EBITDA	<u>70 154</u>		
Adjusted net debt/EBITDA, (x)	=	<u>Adjusted net debt</u>	<u>43 673</u>	=	0.6
		EBITDA	<u>70 154</u>		

Interim report signature

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

Solna, 22 July 2022

Mats Granryd
Chairman of the Board

Anna Borg
President and CEO

Viktoria Bergman

Ann Carlsson

Håkan Erixon

Daniel Kristiansson

Tomas Kåberger

Robert Lönnqvist

Rolf Ohlsson

Jeanette Regin

Fredrik Rystedt

Financial calendar

Interim report January-September, 27
October 2022

Year-end report 2022, 8 February 2023

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This information is such that Vattenfall AB is obliged to make public in accordance with the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CEST on 22 July 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.

Auditor's report

Vattenfall AB reg. no. 556036-2138

Introduction

We have reviewed the condensed interim financial information (interim report) of Vattenfall AB as of June 30, 2022 and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Stockholm July 22, 2022

PricewaterhouseCoopers AB

Eva Carlsvi
Auditor-in-charge
Authorized Public Accountant

Aleksander Lyckow
Authorized Public Accountant