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18 September 2026

Update

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RATINGS

Vattenfall AB

Domicile	STOCKHOLM, Sweden
Long Term Rating	A3
Type	LT Issuer Rating
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Vattenfall AB

Update to credit analysis

Summary

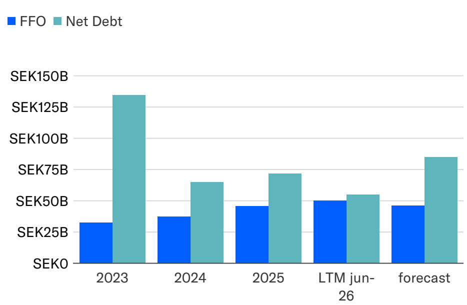
Vattenfall AB's credit profile is supported by its high share of contracted and regulated earnings, estimated at 40%-45% of underlying EBITDA over the period to 2030; the group's scale and geographical diversification across well-developed markets in Europe; its low carbon exposure; and its prudent financial policy, reflected by a track record of moderate dividend payouts and strong leverage metrics, with Moody's-adjusted funds from operations (FFO)/net debt of around 91% for the 12 months that ended June 2026.

These factors are balanced by Vattenfall's exposure to wholesale prices through merchant power generation and trading, which accounted for around 42% of its underlying EBITDA for the 12 months that ended June 2026, mitigated by hedging; some execution risks associated with its large capital expenditure programme, at SEK165 billion over 2026-30, focused on renewables (RES) generation and electricity grids; and the fact that its retail operations are mostly in highly competitive markets.

With district heating businesses under review for disposal and a gradual shift in remuneration for renewable wind projects from state support schemes to power purchase agreements (PPAs), which introduces counterparty risk, we expect Vattenfall's business risk profile to weaken moderately, balanced by a strong financial profile over the coming years (see Exhibit 2).

Exhibit 1

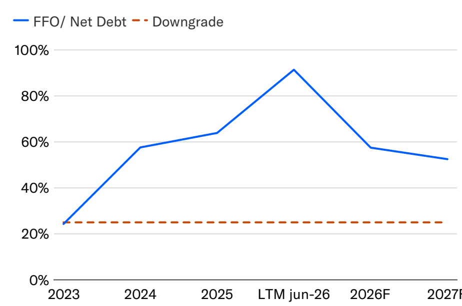
FFO and Net Debt



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Moody's forecasts are Moody's opinion and do not present the views of the issuer.
Forecast reflects two year average of 2026F and 2027F.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Exhibit 2

FFO to Net Debt



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
The forward view reflects the mid-point of Moody's expected range of credit metrics
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Vattenfall's A3 rating incorporates a one-notch uplift from its Baseline Credit Assessment (BCA) of baa1, reflecting the Government of Sweden's (Aaa stable) 100% ownership of the company.

Credit strengths

» Solid earnings contribution from regulated and contracted businesses

» Size and diversification of its operations

» Prudent financial policy, reflected in moderate leverage and significant profit retention

» 100% state ownership, which supports credit quality

Credit challenges

» High earnings exposure to wholesale power markets, mitigated by hedging

» Large capex programme, which carries some execution risk

» Gradual increase in business risk as remuneration for RES increasingly relies on PPAs rather than state support schemes, alongside a reduced contribution from contracted district heating

Rating outlook

The stable outlook reflects our expectation that Vattenfall will record solid cash earnings at least through 2028, allowing it to fund most of its capex from its own cash flow; and that the company will maintain a prudent financial policy, enabling it to at least meet our guidance of FFO/net debt of 25%, as required for a baa1 BCA.

Factors that could lead to an upgrade

We currently do not expect upward pressure on the BCA, given Vattenfall's planned sizeable capex, its current financial policy target and the lack of visibility into the impact of the planned new nuclear capacity on its credit profile.

Factors that could lead to a downgrade

We could downgrade Vattenfall's BCA if its credit metrics are likely to remain persistently below the above-mentioned guidance, with FFO/net debt below 25%; or if the share of higher-risk cash flow were to increase beyond our expectations without a commensurate strengthening of the company's financial profile. A change in our government support assumption could also result in a downgrade of Vattenfall's ratings.

We may review the guidance for Vattenfall's ratings once we have more visibility into the risks associated with the company's involvement in the building of new nuclear capacities in Sweden.

Key indicators

Exhibit 3
Vattenfall AB

	2023	2024	2025	LTM Jun-26	2026F	2027F
(FFO + Interest Expense) / Interest Expense	5.4x	6.1x	8.4x	8.9x	7.0x - 8.0\x	8.0x - 9.0x
FFO / Net Debt	24.3%	57.6%	63.9%	91.4%	55.0% - 60.0%	50.0% - 55.0%
RCF / Net Debt	20.6%	46.7%	50.0%	71.5%	44.0% - 48.0%	38.0% - 42.0%

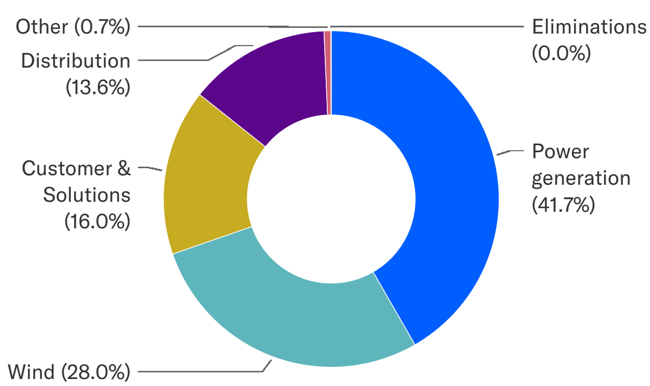
All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

Vattenfall AB is a Swedish, 100% state-owned integrated utility. With 24.8 gigawatts (GW) of installed electric capacity (excluding cogeneration plants) and around 101 terawatt hours (TWh) of electricity output for 12 months that ended June 2026, Vattenfall is one of the largest European energy groups. The company's generation portfolio primarily includes hydro (11.8 GW), onshore and offshore wind (6.8 GW), and nuclear power (5.7 GW; pro rata 3.9 GW), with 8.3 GW of the hydro and all of the nuclear capacity located in Sweden. In addition, Vattenfall has gas and biomass plants in Sweden and the Netherlands (Aaa stable), largely dedicated to combined heat and power generation.

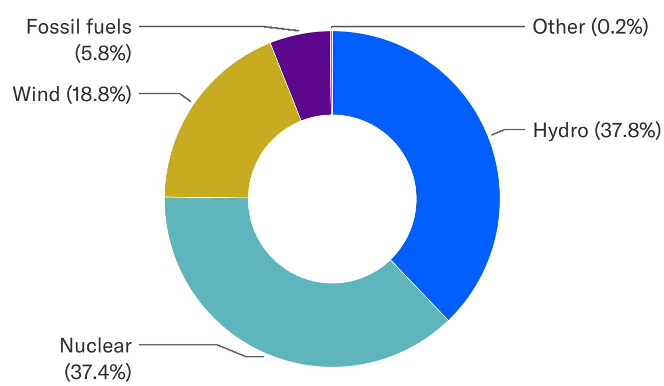
In addition to its power and heat generation operations, Vattenfall owns Sweden's largest electricity distribution network. The company's retail base includes around 7.5 million electricity and 2.4 million gas customers.

Exhibit 4
Vattenfall has a diversified business mix
Underlying EBITDA breakdown (for 12 months that ended June 2026)



Total underlying EBITDA of SEK58.6 billion.
Sources: Company and Moody's Ratings

Exhibit 5
Nuclear and hydro account for the bulk of generation
Breakdown of output (for 12 months that ended June 2026)



Total output of 101.2 TWh.
Sources: Company and Moody's Ratings

Detailed credit considerations

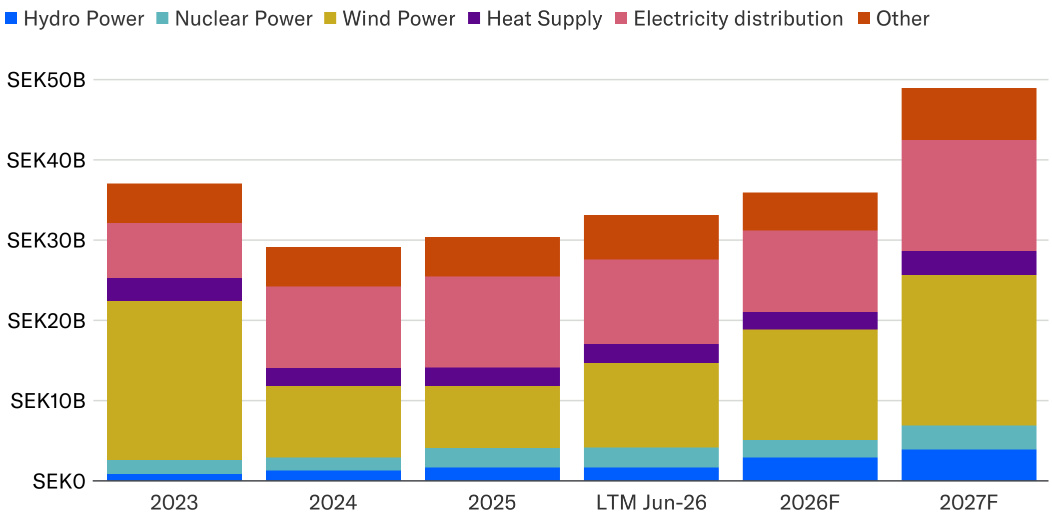
Ongoing strategic shift towards fossil-free energy, underpinned by high investment spending on renewables and grids

Vattenfall's strategy is to shift towards an increasingly fossil-free business model by driving growth in RES and battery storage while maintaining hydro and nuclear power as baseload capacity. This includes investments in both centralised and decentralised solutions.

In line with this strategy, the company plans investments of SEK165 billion over 2026-30. Around SEK92 billion of this amount is earmarked for growth capex, primarily for expansion in offshore and onshore wind (SEK59 billion). Other growth projects include the extension and development of electricity distribution grids to connect new customers and areas and to implement network solutions. Maintenance capex is mainly related to investments in distribution networks, and safety investments in Swedish nuclear and the renewal of hydropower plants.

Given Vattenfall's track record of decarbonisation, having reduced CO_2e emissions to 23.2 million tons in 2025 from 52.9 million in 2017, and its stated environmental target of net zero emissions[1] (scope 1-3) by 2040, we do not expect any significant change in the strategy through 2030.

Exhibit 6
Capex is mainly spent on RES and the electricity distribution grid



"Other" relates mainly to e-mobility, solar and battery capacity.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
LTM = Last 12 months.
Sources: Company and Moody's Ratings forecasts

Power Generation (PG) segment: EBITDA in 2026 will likely be similar to that in 2025, supported by higher spot prices in the Nordics, offset by hedges at lower average strike prices

The PG segment comprises electricity generation from nuclear and hydro plants, as well as trading, including the marketing of output from third-party RES producers. All generation-related hedging operations, including those for the Wind segment and the few remaining thermal plants related to heating are captured within the PG segment.

Key earnings drivers for the PG segment include the following:

» A high share of Vattenfall's generation fleet is predominantly fixed cost in nature (around 75% of the output for the 12 months that ended June 2026 was derived from nuclear and hydro plants), leading to significant exposure to wholesale power prices.

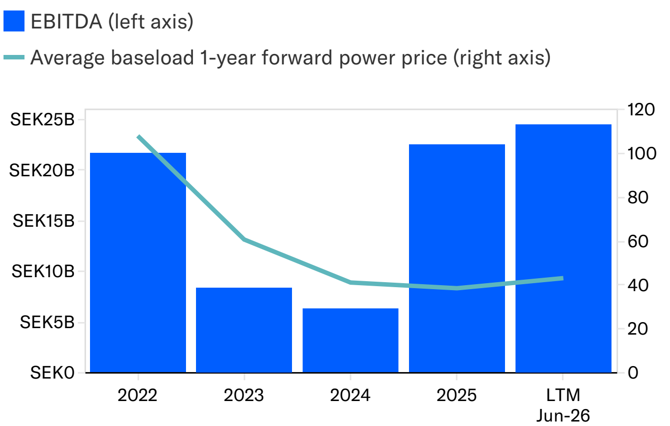
» Vattenfall's Swedish installed generation capacity is concentrated (around 54%) in the north (price areas SE1 and SE2[2]), in areas marked by exposure to hydrology and transmission capacity constraints.

» Securing prices for Swedish output through price futures relies on proxy hedging through the Nordpool system price (NPSYS) because there are no bespoke products for the Swedish price areas, resulting in exposure to base risk[3].

Vattenfall hedges around 50% of the expected Nordic output for year t+1 and 30%-40% for year t+2. Tje PG segment comprises hedging for all of Vattenfall's power generation as well as the company's trading operations, which are inherently volatile, and this can have a significant impact on segment earnings. For the 12 months that ended June 2026, the PG segment's underlying EBIT was SEK19.4 billion, including a SEK2.2 billion profit from trading.

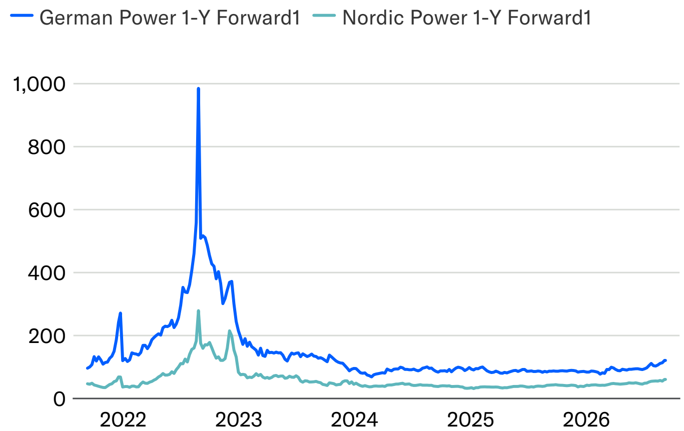
Power prices in the Nordic markets are fundamentally a function of power prices in continental Europe, primarily Germany (Aaa stable), although there is no exact correlation. As of mid-September 2026, one-year (CAL-27) forward prices in Germany were around €124/MWh, double the forward price of NPSYS of around €62/MWh.

Exhibit 7
Vattenfall's earnings in the PG segment are sensitive to changes in power prices
Underlying EBITDA in SEK billions; one-year forward power price in €/MWh



Sources: Company, FactSet and Moody's Ratings

Exhibit 8
Following their peak in August 2022, power prices have remained volatile on a much lower absolute level since early 2024
One-year forward, in €/MWh



Sources: FactSet and Moody's Ratings

In 2026, PG earnings will be supported by higher spot prices in SE1/SE2, which increased to an average of around €45/MWh through mid-September 2026, compared with an average of €17/MWh in 2025, boosting earnings from Swedish hydro plants; and by higher prices for nuclear production (in SE3; €70/MWh on average year-to-date), which have benefited from an increase in continental power prices. By contrast, the lower average NPSYS hedge price in 2026 of €40/MWh, compared with €48/MWh in 2025, will dampen earnings, probably in conjunction with slightly lower output. On balance, we expect EBITDA of around SEK20 billion-SEK22 billion in 2026 for the segment, similar to the level in 2025 (SEK22.4 billion). However, given the exposure to hydrology and Nordic spot prices, predicting this segment's results remains difficult.

New nuclear capacity in predevelopment stage, pending EU state aid approval
Beyond 2030, the PG segment could grow through new nuclear capacity via the dedicated investment vehicle Videberg Kraft AB, established in 2025. Under an agreement as of June 2026, Videberg will be 60% owned by the Swedish state, while Vattenfall and a consortium of industrial companies, Industrikraft, will each own a 20% stake. Around that time the government and Videberg also agreed on a financing and risk-sharing package, which is now being vetted by the EU Commission for compliance with EU State Aid rules, with a decision expected later in 2027. Also in June, Videberg, selected Rolls-Royce SMR as supplier of three small modular reactors (SMRs) with a total capacity of around 1.5 GW that could start producing power not earlier than the mid 2030s.

Our current view of Vattenfall's credit profile does not include these new nuclear capacities, given the early stage of project discussions and the absence of a final investment decision.

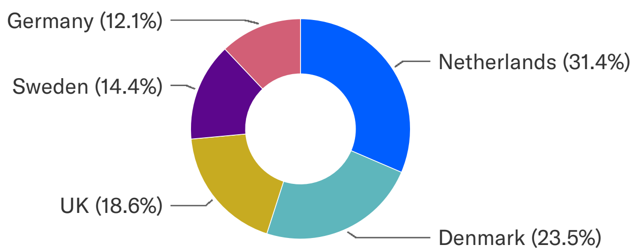
Wind segment: Moderate capacity growth and relatively stable EBITDA through 2028

As of the end of June 2026, Vattenfall's installed RES capacity, excluding hydro, was around 7.3 GW, comprising nearly 4.5 GW of offshore wind, 2.3 GW of onshore wind, and around 0.5 GW in solar and batteries. The RES portfolio is spread over five European countries (see Exhibit 9).

Exhibit 9

Vattenfall's RES capacity benefits from geographical diversification

Breakdown of installed capacity (Q2 2026)



Total capacity of 7.3 GW.

Sources: Company and Moody's Ratings

Key earnings drivers for the Wind segment include the following:

» Capacity growth, primarily focused on wind offshore and onshore;

» Cost inflation and supply-chain bottlenecks;

» Type of remuneration, currently mostly through government support schemes but with a growing share of PPAs for new projects;

» Partnerships, mainly for offshore wind, to share risks and allow for a more diversified capital allocation.

According to Vattenfall, its development pipeline amounts to nearly 36 GW, including over 12 GW of offshore wind, boosted by a successful bid in the latest Danish contracts-for difference (CfD) auction, where Vattenfall was awarded 1.8 GW across two projects[4]; around 13 GW of onshore wind projects; and nearly 6.5 GW of solar capacity, complemented by 4.5 GW of battery storage capacity.

The principal offshore wind projects currently under construction or in a mature stage of development include the 1.6 GW Nordlicht 1 (construction) and 2 (development) wind farms in the German North Sea; and the 2 GW Zeevonk wind farm (development) in the Dutch North Sea (50% owned by Copenhagen Infrastructure Partners)[5].

The Nordlicht projects are slated for commissioning in 2028-29, while Zeevonk is likely to be commissioned in two phases starting from 2029. Nordlicht and Zeevonk will be remunerated on a merchant basis, mitigated by PPA contracts. Although the construction of offshore wind farms is risky compared with other well-established RES technologies, Vattenfall has a good operational track record in its RES portfolio.

Vattenfall's assets largely benefit from a variety of government support schemes (feed-in tariffs and CfDs with different designs), which provide long-term earnings stability and reduce the company's exposure to wholesale power price volatility. Wind farms in Sweden and in the UK have merchant power price exposure, mitigated by renewable obligation certificate schemes. Merchant price exposure, mitigated by long-term PPAs, will become a growing source of earnings for RES projects as a result of partly insufficient strike prices in government CfD auctions, greater flexibility to structure terms and conditions than government support schemes, and growing demand from corporates eager to reduce their carbon exposure.

For the 12 months that ended June 2026, underlying EBITDA increased to SEK16.4 billion from SEK14.5 billion in 2025, driven by higher prices and better wind conditions, which led to a 10% increase in electricity output volumes to 19 TWh, and we expect EBITDA of around SEK18 billion in 2026. Through 2028, earnings are likely to remain relatively stable as incremental onshore wind and solar capacity comes online, but prices may weaken as overall RES capacity grows. Meanwhile, merchant price exposure will continue to make up only a relatively small share of capacity, with the remaining output protected by support schemes, PPAs and hedging.

Distribution (DIS) segment: Network earnings are likely to grow significantly through 2028

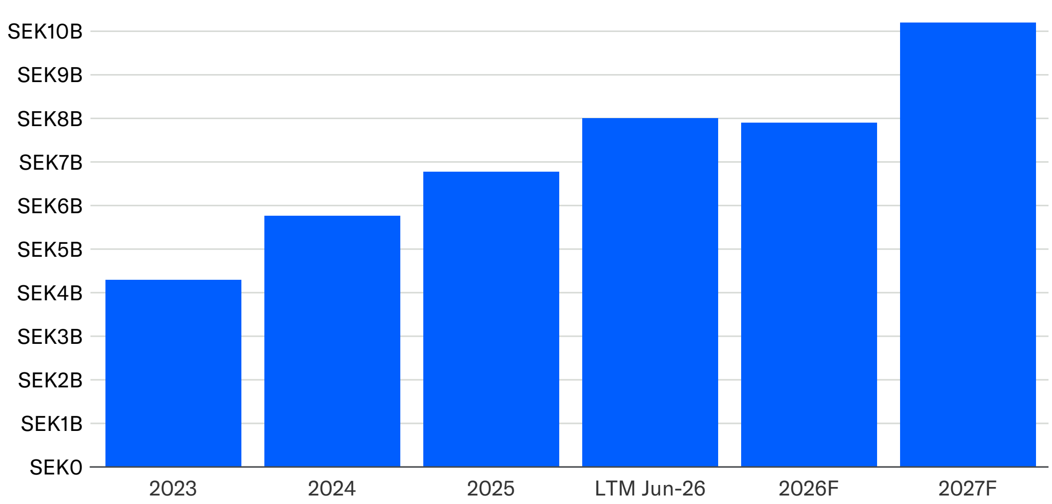
Through its unbundled subsidiary Vattenfall Eldistribution AB, Vattenfall is Sweden's largest owner and operator of electricity distribution grids (DSOs), operating under an evolving regulatory framework set by the Swedish regulator Energimarknadsinspektionen (Ei). The energy transition is likely to drive future market growth, particularly in the regional market.

The regulatory framework applicable to DSOs is an incentive-based revenue cap regime based on a total expenditure approach, which includes qualitative factors and a sharing mechanism for the outperformance of controllable cost targets. Deviations between regulatory assumptions and actual costs and volumes are trued up in the next regulatory period (RP). In 2024, the fourth four-year RP commenced, with Ei setting the return rate, measured as the pretax real weighted average cost of capital (WACC), at 4.53%, up from 2.35% in 2020-23.

The WACC return, together with regulatory depreciation, which in Sweden is generally below accounting depreciation, provides the bulk of cash flow for the DSO and is driven by the evolution of the regulated asset base (RAB). In 2025, Vattenfall's RAB was around SEK92 billion, up from SEK91 billion in 2024, driven by investments and the indexing of the RAB to reflect asset replacement values. However, new assets are included in the RAB only six months after commissioning, which means that earnings, especially from projects with a longer completion period, lag investments.

Underlying EBITDA for the 12 months that ended June 2026 amounted to SEK8.0 billion, up from SEK6.8 billion in 2025, driven by higher revenue from increased tariffs for local grids and volumes, as well as lower fees paid to the transmission system operator[6]. Given the continued high level of planned investments of around SEK9.4 billion (average 2026-30), far exceeding the estimated annual depreciation of around SEK3.5 billion, and the depreciation and WACC based on a growing RAB, we expect DIS earnings to increase through 2028, with some uncertainty around the WACC level and other regulatory parameters from 2028, which is the first year of the next RP. We expect more clarity on the framework for the 2028-31 RP by mid-2027.

Exhibit 10
Earnings from distribution will grow gradually as the RAB increases
Distribution underlying EBITDA



Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
LTM = Last 12 months.
Sources: Company and Moody's Ratings forecasts

The regulated earnings from the DIS segment carry lower risk than Vattenfall's generation and supply activities. However, because this segment contributes a relatively modest share of underlying EBITDA, 14% over the 12 months that ended June 2026, the positive effect on our view of Vattenfall's credit quality is limited.

Customers and Solutions (C&S) segment: Sales of energy and heat will remain earnings drivers as cash flow contributions from energy solutions are likely to grow slowly

C&S' operations include the supply of electricity and gas to residential, commercial and industrial customers; energy solutions and e-mobility charging; and, since 1 January 2024, Vattenfall's district heating activities. As of the end of June 2026, the company had 11.6 million customers and operations in the Nordic countries, the Netherlands, Germany and the UK (Aa3 stable), following the disposal of its French operations in Q1 2026.

Key earnings drivers of the C&S segment include the following:

» Growth in sales volumes of electricity and gas, driven mainly by higher customer numbers (either own customers or indirectly through sales to resellers);

» Gross margin development, which displays relative long-term stability but is exposed to short-term fluctuations because energy price movements are only captured in tariffs with a time lag, especially in the B2C segment;

» Heating results, which are driven by weather and temperature, and the ability to adjust tariffs for fuel price changes under the prevailing quasi-regulated regimes (however, earnings effects from the sale of co-generated electricity are allocated to the PG segment).

For the 12 months that ended June 2026, the C&S segment contributed SEK9.4 billion, up from SEK7.6 billion in 2025, or around 16%, to Vattenfall's underlying EBITDA. This increase was driven primarily by a better result from operations in Germany, offset by lower earnings caused by the exit from the French market and effects related to the sale of the Dutch power plants in the IJmond region. We do not expect energy solutions and e-mobility to be significant contributors to earnings over the next few years because ramp-up costs are likely to absorb a large share of incremental revenue.

In March 2025, Vattenfall announced that the company plans to review the heating business to determine whether it will remain core to the group's activities; however, the company has not provided an update yet. Notably, a possible complete exit from its district heating business would lead to a near fossil-free generation portfolio. Although not disclosed by Vattenfall, we estimate that the contribution of heat earnings to underlying group EBITDA was 7%-8% for the 12 months that ended June 2026.

Earnings from this segment are difficult to predict because of the high exposure to commodity prices; price-driven competition, specifically in the reseller segment; and weather-related consumption. However, given some stickiness in the retail segment including heating, we estimate average earnings of SEK8 billion-SEK9 billion through 2028.

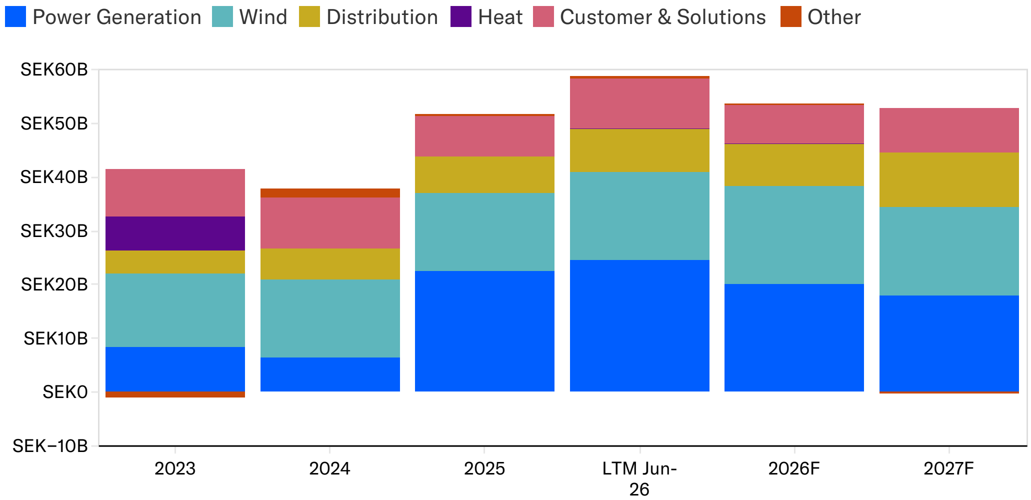
Credit metrics will remain strong, despite substantial investments

Vattenfall's Moody's-adjusted FFO/net debt was 91.4% over the 12 months that ended June 2026, significantly above 63.9% in 2025. In the first half of 2026, underlying EBITDA increased significantly to SEK32.7 billion, from SEK25.6 billion in the year-earlier period, reflected also in higher Moody's-adjusted FFO of SEK50.2 billion over the 12 months that ended June 2026, compared with SEK45.9 billion in 2025. A further boost to cash flow came from a reversal in margin calls, which contributed SEK10.7 billion in H1 2026 versus a SEK7.5 billion cash flow reduction in H1 2025, while capex and dividend payouts, including minorities, in aggregate went up by 10% to SEK42.4 billion over the 12 months that ended June 2026 from SEK38.7 billion in 2025. In total, these developments led to a decline in Moody's-adjusted net debt to around SEK55 billion from SEK72 billion as of year-end 2025. As of June 2026, Vattenfall's Moody's-adjusted gross debt of around SEK111 billion included SEK60 billion in adjustments related to pension and nuclear liabilities for the decommissioning of power plants in Sweden and Germany.

Exhibit 11

Earnings through 2028 are likely to increase moderately, with contributions from all segments

Underlying EBITDA



Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
LTM = Last 12 months.
Sources: Company and Moody's Ratings forecasts

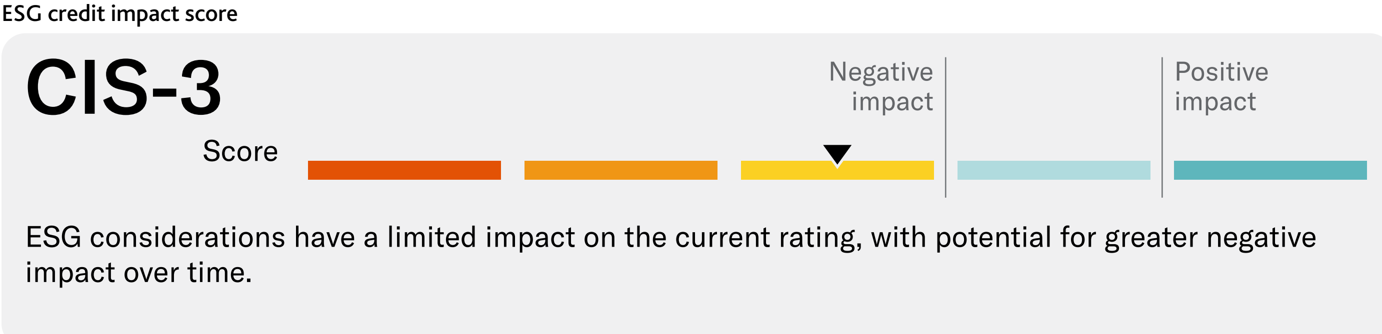
In 2026, we expect Moody's-adjusted FFO to be slightly below the 2025 level, at SEK43 billion-SEK44 billion, largely because of higher tax expenses. However, FFO is likely to gradually increase to SEK50 billion-SEK52 billion through 2028, driven by earnings from the DSO segment and increased capacity in the Wind segment, which will contribute to higher power sales volumes. Accordingly, cash earnings will likely cover a significant share of planned investments (SEK33 billion on average over 2026-30). In addition, Vattenfall has a track record of moderate dividend payouts, reflecting a supportive shareholder. Consequently, we expect the company's credit metrics to remain solidly within our guidance through at least 2028.

ESG considerations

Vattenfall AB's ESG credit impact score is CIS-3

Exhibit 12

ESG credit impact score

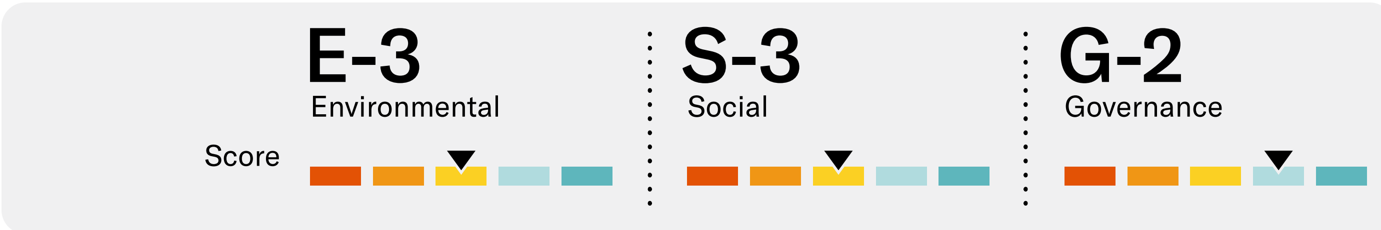


Source: Moody's Ratings

Vattenfall's **CIS-3** indicates that its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The score reflects moderately negative environmental and social risks, partly offset by neutral-to-low governance risks.

Exhibit 13

ESG issuer profile scores



Source: Moody's Ratings

Environmental

Vattenfall is **E-3**, reflecting its low carbon transition risk with power generation comprised mainly of renewables and nuclear. As a large hydro operator, Vattenfall is, however, exposed to a degree of resource risks. The issuer profile score also incorporates a degree of physical climate risks related to its network operations in Sweden where flooding is a risk factor. As a nuclear operator with around 5.7 GW of capacity, Vattenfall's nuclear operations are also exposed to both a degree of physical climate risk and waste and pollution given the costs associated with nuclear decommissioning and nuclear waste treatment.

Social

Vattenfall is **S-3**, reflecting the risk that demographics and societal trends could include concerns over affordability, including the expectation from the public that state-owned utilities should act as a public service. These pressures could turn into adverse political intervention or adverse regulatory decisions for its grid operations, or both.

Governance

Vattenfall is **G-2**, reflecting on one hand our view that, as a government-owned company, the independence of Vattenfall's board is relatively weak and that management may face competing priorities. However, we note that its board has a track record of creditor friendly decisions. Governance risks are also balanced by other considerations associated with government ownership, including transparent reporting and oversight.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Government support considerations

Given the 100% ownership by the Swedish government, Vattenfall is considered a government-related issuer under our Government-Related Issuers methodology. Although Vattenfall is the largest electric utility in Sweden, the company has a broader European footprint, leading us to assess the default dependence with its owner and supporter, the Swedish government, as moderate.

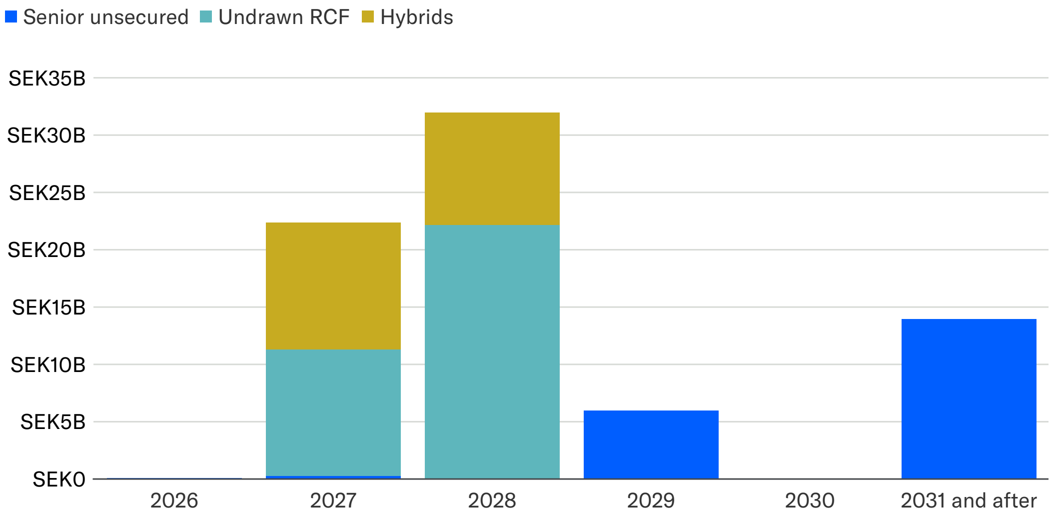
Although we recognise Vattenfall's strategic importance to Sweden, we also acknowledge the state's determinedly noninterventionist stance. The authorities would hesitate to intervene (such as through a direct capital injection) except in the most extreme circumstances, that is, where there is a threat to key strategic Swedish assets such as nuclear and hydropower plants, and the network infrastructure. Thus, we assume a moderate probability of support in case of financial distress at Vattenfall.

Liquidity analysis

As of the end of June 2026, Vattenfall's liquidity was supported by SEK58.0 billion of unrestricted cash and short-term investments, and two committed revolving credit facilities (RCFs) of €2 billion (SEK22.1 billion) and €1 billion (SEK11.1 billion), respectively. Both RCFs are undrawn and expire in October 2028 (€2 billion) and November 2027 (€1 billion), but include extension options.

Vattenfall's estimated investments of SEK35 billion-SEK40 billion over the next 12 months, estimated dividend payouts of SEK9 billion-SEK10 billion in 2027, and debt repayments of around SEK11 billion through the end of 2027 (€1 billion hybrid that the company has announced it will call at its first call date) can comfortably be covered by these sources and operating cash flow, measured as FFO, estimated at around SEK45 billion per year.

Exhibit 14
Vattenfall has a fairly well-spread debt maturity profile
As of 30 June 2026



Maturity of hybrids is shown at first call dates.
Source: Company

Structural considerations

Vattenfall's capital structure includes a mix of senior unsecured bonds, bank debt and hybrid securities. Given the features of the hybrids, we treat them as 50% debt and 50% equity for financial leverage calculations.

Because debt is almost entirely raised at the Vattenfall level, we do not apply any notching of senior debt for reasons of structural subordination.

Methodology and scorecard

Vattenfall is rated in accordance with the Unregulated Utilities and Unregulated Power Companies and the Government-Related Issuers methodologies.

Exhibit 15

Vattenfall AB

Unregulated Utilities and Power Companies Industry Scorecard *	Current December 31, 2025		Moody's 12-18 Month Forward View **	
	Measure	Score	Measure	Score
Factor 1: Scale (10%)				
a) Total Assets (USD Billion)	53.3	A	55.0 - 59.0	A
Factor 2: Business Profile (35%)				
a) Market Diversification	Baa	Baa	Baa	Baa
b) Cash Flow Stability	Baa	Baa	Baa	Baa
Factor 3: Leverage And Coverage (40%)				
a) (FFO + Interest Expense) / Interest Expense	8.4x	A	7.0x - 9.0x	A
b) FFO / Net Debt	63.9%	Aa	50.0% - 60.0%	A
c) RCF / Net Debt	50.0%	Aa	38.0% - 48.0%	A
Factor 4: Financial Policy (15%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Ratings				
Preliminary Outcome		A3		A3
Construction, Development and Capital Program Risk		0		0
a) Scorecard-Indicated Outcome		A3		A3
b) Actual Rating Assigned				A3
Government Related Issuers				
a) Baseline Credit Assessment		baa1		
b) Government Local Currency Rating		Aaa		
c) Default Dependence		Moderate		
d) Support		Moderate		
e) Actual Rating Assigned		A3		

*All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
**Moody's forecasts are Moody's opinion and do not represent the views of the issuer (as applicable).
Source: Moody's Financial Metrics™ and Moody's Projections

Appendix

Exhibit 16
Peer comparison
Vattenfall AB

	Vattenfall AB A3 Stable			Statkraft AS A3 Stable			EnBW Energie Baden-Wuerttemberg AG Baa1 Stable			Iberdrola S.A. Baa1 Stable		
(in € millions)	FY Dec-24	FY Dec-25	LTM Jun-26	FY Dec-24	FY Dec-25	LTM Jun-26	FY Dec-24	FY Dec-25	LTM Jun-26	FY Dec-24	FY Dec-25	LTM Jun-26
Revenue	21,472	21,245	20,328	7,180	6,727	7,549	34,524	34,390	36,024	42,988	44,076	43,802
EBITDA	5,174	4,852	6,239	3,077	2,418	3,164	5,572	3,832	3,448	14,416	16,178	15,410
Total Assets	48,654	47,659	48,661	27,704	25,931	26,562	64,278	67,065	68,169	157,911	160,520	165,153
Total Debt	12,750	11,180	10,075	6,880	6,629	6,284	29,034	28,542	27,804	62,404	62,062	67,343
Net Debt	5,657	6,623	4,977	4,269	3,568	3,625	15,127	13,842	13,328	58,322	57,252	62,084
FFO / Net Debt	57.6%	63.9%	91.4%	44.7%	39.2%	52.4%	31.5%	30.8%	25.3%	19.5%	22.4%	19.5%
RCF / Net Debt	46.7%	50.0%	71.5%	18.2%	17.8%	30.1%	24.5%	24.0%	17.0%	13.1%	14.3%	11.7%
(FFO + Interest Expense) / Interest Expense	6.1x	8.4x	8.9x	7.2x	5.7x	7.6x	5.8x	4.7x	4.0x	4.9x	5.1x	5.0x
Debt / Book Capitalization	39.2%	35.3%	31.2%	31.5%	32.5%	31.2%	59.1%	54.5%	52.9%	49.6%	48.3%	50.2%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 17
Moody's-adjusted net debt reconciliation
Vattenfall AB

(in SEK millions)	2023	2024	2025	LTM Jun-26
As reported debt	**121,109.0**	**84,598.0**	**67,478.0**	**61,821.0**
Pensions	28,092.0	27,890.0	25,122.0	25,122.0
Hybrid Securities	(10,493.5)	(10,940.0)	(10,269.5)	(10,492.0)
Non-Standard Adjustments	46,011.0	44,811.0	38,776.0	34,648.0
Moody's-adjusted debt	**184,718.5**	**146,359.0**	**121,106.5**	**111,099.0**
Cash & Cash Equivalents	(50,179.0)	(81,417.0)	(49,366.0)	(56,217.0)
Moody's-adjusted net debt	**134,539.5**	**64,942.0**	**71,740.5**	**54,882.0**

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 18
Moody's-adjusted EBITDA reconciliation
Vattenfall AB

(in SEK millions)	2023	2024	2025	LTM Jun-26
As reported EBITDA	**46,318.0**	**66,567.0**	**54,181.0**	**70,154.0**
Capital Development Costs	-	-	(677.0)	(677.0)
Interest Expense - Discounting	(2,133.0)	(1,629.0)	(1,616.0)	(1,616.0)
Unusual Items	-	(8,087.0)	-	(1,410.0)
Non-Standard Adjustments	2,258.9	2,316.3	1,765.1	1,605.7
Moody's-adjusted EBITDA	**46,443.9**	**59,169.3**	**53,654.1**	**68,057.7**

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 19
Overview of select historical Moody's-adjusted financial data
Vattenfall AB

(in SEK millions)	2023	2024	2025	LTM Jun-26
INCOME STATEMENT				
Revenue	290,168	245,570	234,915	221,740
EBITDA	46,444	59,169	53,654	68,058
EBIT	25,495	38,979	31,686	46,239
Interest Expense	7,496	7,391	6,204	6,334
Net income	10,500	26,821	18,293	29,505
BALANCE SHEET				
Net Property Plant and Equipment	263,031	273,707	275,353	281,349
Total Assets	588,591	558,497	516,247	536,597
Total Debt	184,719	146,359	121,107	111,099
Cash & Cash Equivalents	50,179	81,417	49,366	56,217
Net Debt	134,540	64,942	71,741	54,882
Total Liabilities	464,632	376,361	334,902	333,005
CASH FLOW				
Funds from Operations (FFO)	32,636	37,392	45,855	50,151
Cash Flow From Operations (CFO)	(24,219)	62,289	22,941	50,844
Dividends	4,917	7,070	9,996	10,919
Retained Cash Flow (RCF)	27,719	30,322	35,859	39,232
Capital Expenditures	42,679	31,057	29,801	32,602
Free Cash Flow (FCF)	71,815	24,162	(16,856)	7,323
INTEREST COVERAGE				
(FFO + Interest Expense) / Interest Expense	5.4x	6.1x	8.4x	8.9x
LEVERAGE				
FFO / Net Debt	24.3%	57.6%	63.9%	91.4%
RCF / Net Debt	20.6%	46.7%	50.0%	71.5%
Debt / EBITDA	4.0x	2.5x	2.3x	1.6x
Net Debt / EBITDA	2.9x	1.1x	1.3x	0.8x

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Ratings

Exhibit 20

Category	Moody's Rating
VATTENFALL AB	
Outlook	Stable
Issuer Rating	A3
Senior Unsecured	A3
Jr Subordinate	Baa2
Commercial Paper	P-2

Source: Moody's Ratings

Endnotes

1 In general, net zero means substantially reducing emissions of carbon and other greenhouse gases and removing the remainder from the atmosphere. In this report, we adopt the terminology used by the entities but definitions may be unspecified or vary by country.

2 Sweden is divided into four electricity price zones SE1 to SE4, reflecting physical constraints of transporting electricity within the country.

3 There are over-the-counter (OTC) derivative markets for the Nordpool price areas available for smaller volumes.

4 The North Sea Mid and Hesselo projects are covered by 20-year inflation-indexed CfDs and are expected to be commissioned over 2032-36.

5 Vattenfall's 50% share in the 750 MW Muir Mhor (Scotwind) project off the coast of Scotland, 50% owned by Norwegian RES developer Fred. Olsen Seawind is sold to its partner.

6 Background is a downward adjustment of 2026 transmission costs following the Swedish transmission operator Svenska kraftnät's announcement of a reduced fee, resulting from the use of congestion revenue that allows for a lower transmission tariff.

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