

# Interim Report January-March 2021

## Business highlights, January–March 2021

- Agreement on compensation for nuclear phase-out in Germany
- Sale of part of production from Hollandse Kust Zuid 1-4 wind farm through long-term Power Purchase Agreement
- Sale of Grönhult onshore wind power project
- Start of construction of Vattenfall's first district heating network in the UK – Brent Cross South in London
- Start of district heating production at Amsterdam South Connection
- Favourable ruling by Administrative Court on electricity network companies' revenue frames for the period 2020-2023
- HYBRIT – Demonstration plant for production of fossil-free sponge iron planned in Gällivare

## Financial highlights, January–March 2021

- Net sales decreased by 5% (-1% excluding currency effects) to SEK 45,911 million (48,160)
- Underlying operating profit<sup>1</sup> of SEK 12,053 million (10,187)
- Operating profit<sup>1</sup> of SEK 13,385 million (12,313)
- Profit for the period of SEK 10,423 million (6,900)

## KEY DATA

Amounts in SEK million unless indicated otherwise	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
Net sales	45 911	48 160	158 847	156 598
Operating profit before depreciation, amortisation and impairment losses (EBITDA) <sup>1</sup>	17 740	16 900	46 507	47 347
Operating profit (EBIT) <sup>1</sup>	13 385	12 313	15 276	16 348
Underlying EBIT <sup>1</sup>	12 053	10 187	25 790	27 656
Profit for the period	10 423	6 900	7 716	11 239
Electricity generation, TWh	32.9	33.1	112.8	112.6
Sales of electricity, TWh <sup>2</sup>	45.4	45.5	164.1	164.0
- of which, customer sales	32.4	32.7	118.2	117.9
Sales of heat, TWh	6.5	5.4	13.8	14.9
Sales of gas, TWh	23.6	22.7	56.8	57.7
Return on capital employed, % <sup>1</sup>	5.9 <sup>3</sup>	9.4 <sup>3</sup>	5.8	5.9
FFO/adjusted net debt, % <sup>1</sup>	32.8 <sup>3</sup>	25.2 <sup>3</sup>	28.8	32.8

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.

# A strong quarter and recovery in the market

**Vattenfall has got off to a good start in 2021 with positive earnings performance. Operation of our large-scale power generation was stable, and growth and development projects in district heating and wind power reached new milestones. The electricity market has recovered from last year's record-low price levels. We are however seeing continued challenges for transmission of electricity between countries and price areas.**

## **Higher electricity prices but continued transmission bottlenecks**

The cold weather early in the year contributed to high electricity prices. Rising costs for CO<sub>2</sub> emission allowances and fuel drove electricity prices up further on the Continent, but without any major impact in the Nordic countries. In fact, we had record-large differences between the Nordic and German futures markets and significant transmission bottlenecks during the quarter. Improved transmission capacity between price areas and countries is a prerequisite for the energy transition, continued electrification and lower CO<sub>2</sub> emissions in society.

## **Strong earnings performance and efficient operations**

Profit for the period increased by SEK 3.5 billion to SEK 10.4 billion. In addition to improved earnings from operating activities, the return from the Swedish Nuclear Waste Fund also made a positive contribution owing to a stronger stock market. Underlying operating profit increased by SEK 1.9 billion to SEK 12.1 billion. Power generation in the Nordic countries benefited from higher electricity prices, where our flexible hydro power plants adapted their volumes to higher demand. This also compensated for lower nuclear power volumes following the closure of Ringhals 1. Our CO<sub>2</sub> emissions have decreased substantially with the closure of the coal-fired Moorburg power plant in Hamburg, and we are now also seeing effects in the form of lower operating costs.

Wind power was affected by unfavourable weather conditions and showed lower earnings despite new capacity. During the quarter we signed a large Corporate PPA (Power Purchase Agreement) for part of the volume from the Hollandse Kust Zuid wind farm in the Netherlands, which reduces the project risk. Part of our wind power business in the

future will be focused on value creation in the development process. In connection with the first quarter interim report, we are reporting the sale of the Grönhult onshore wind farm, one of our first develop-to sell projects.

Industrialisation of the production process is continuing for HYBRIT, our Swedish partnership project for fossil-free steel. Together with SSAB and LKAB we are now establishing a demonstration plant for production of 1.3 million tonnes of fossil-free sponge iron, the raw material for steel, in Gällivare. The plant will be completed in 2026.

## **Legal disputes moving in right direction**

In Germany we welcome an agreement that has been signed with the German government that will effectively terminate all disputes on compensation for the German nuclear phase-out. We look forward to continued work on phasing out fossil fuels in Germany and now have our focus on conducting our other operations in the country.

In Sweden, the Administrative Court in Linköping has ruled in favour of the electricity network companies as well as in line with Vattenfall's assessment that the revenue frame regulation for the 2020-2023 regulation period is unlawful. The Swedish Energy Markets Inspectorate (Ei) has appealed this decision to the Administrative Court of Appeal. It is my hope that we can soon leave this type of legal processes behind us. We need favourable conditions for the electricity grid to enable the energy transition and the increase in electrification that is taking place here and now.



*Anna Borg*

**Anna Borg**  
President and CEO

Profit for the period

**10.4**  
SEK billion

(6.9)

Underlying operating profit

**12.1**  
SEK billion

(10.2)

FFO/adjusted net debt

**32.8%**  
(25.2)

Return on capital employed

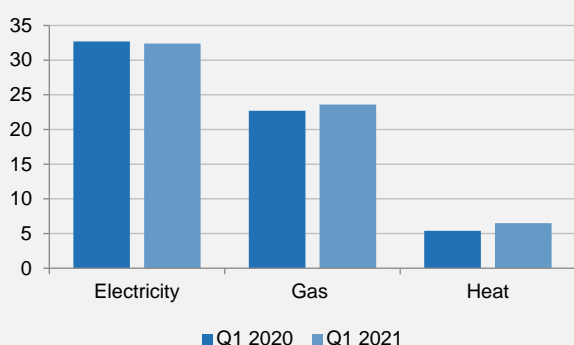
**5.9%**  
(9.4)

# Group overview

## Customer sales development

Sales of electricity, excluding sales to Nord Pool Spot and deliveries to minority shareholders, decreased by 0.3 TWh to 32.4 TWh (32.7), mainly owing to lower volumes in the Netherlands and in the B2B segment in France. Higher sales in the Nordic countries had a countering effect. Sales of gas increased by 0.9 TWh to 23.6 TWh (22.7) as a result of colder weather in Germany and the Netherlands. Sales of heat increased by 1.1 TWh to 6.5 TWh (5.4).

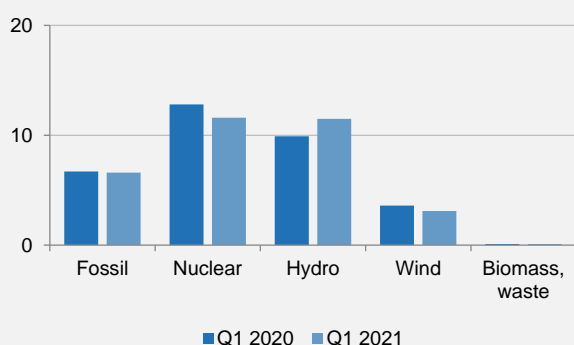
### CUSTOMER SALES (TWh)



## Generation development

Total electricity generation decreased by 0.2 TWh to 32.9 TWh (33.1) during the first quarter of 2021. Lower nuclear power (-1.2 TWh), wind power (-0.5 TWh) and fossil-based (-0.1 TWh) power generation was countered by higher hydro power generation (+1.6 TWh).

### ELECTRICITY GENERATION (TWh)



## Price development

Average Nordic electricity spot prices were 173% higher, at EUR 42.1/MWh (15.5) during the first quarter of 2021 compared with the corresponding period in 2020, mainly owing to cold weather. Spot prices in Germany were 87% higher at EUR 49.6/MWh (26.6), and prices in the Netherlands increased by 66% to EUR 50.6/MWh (30.5). Prices in Germany and the Netherlands were mainly affected by higher prices for CO<sub>2</sub> emission allowances along with cold weather and lower wind power generation than normal. Electricity futures prices for delivery in 2022 and 2023 were 8% lower in the Nordic countries for both years and 17%-20%

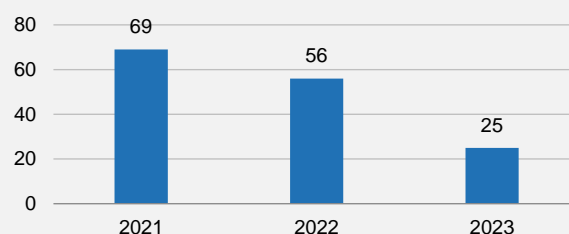
higher in Germany and the Netherlands compared with the first quarter of 2020.

Compared with the first quarter of 2020 the average spot price for gas was 92% higher, at EUR 18.6/MWh (9.7). The spot price for coal was 38% higher, at USD 67.4/t (48.9). The futures price for gas in 2022 was 7% higher, at EUR 16.9/MWh (15.8), and the futures price for coal in 2022 was 7% higher at USD 69.0/t (64.4). The price of CO<sub>2</sub> emission allowances was 62% higher, at EUR 37.8/t (23.3).

### AVERAGE INDICATIVE NORDIC HEDGE PRICES (SE, DK, FI) AS PER 31 MARCH 2020, EUR/MWh

EUR/MWh	2021	2022	2023
	28	28	26

### VATTENFALL'S ESTIMATED NORDIC HEDGE RATIO (SE, DK, FI) AS PER 31 MARCH 2021 (%)



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

	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
	33	27	31

### SENSITIVITY ANALYSIS – CONTINENTAL PORTFOLIO (DE, NL, UK)<sup>2</sup>

+/-10% price impact on future profit before tax, SEK million<sup>3</sup>

Market-quoted	2021	2022	2023	Observed yearly volatility <sup>4</sup>
Electricity	+/- 251	+/- 417	+/- 1,574	20%-27%
Coal	-/+ 42	-/+ 30	-/+ 14	19%-21%
Gas	-/+ 39	-/+ 106	-/+ 774	19%-28%
CO <sub>2</sub>	-/+ 33	-/+ 55	-/+ 396	50%-51%

- 1) Achieved prices from the spot market and hedges. Includes Nordic hydro, nuclear and wind power generation.
- 2) Vattenfall's continental portfolio is mainly exposed to clean spark spreads. Vattenfall hedges these production margins, which in turn affects reported sensitivity figures for electricity, gas and CO<sub>2</sub> emission allowances.
- 3) The denotation +/- entails that a higher price affects operating profit favourably, and -/+ vice versa.
- 4) Observed yearly volatility for daily price movements for each commodity, based on forward contracts. Volatility normally decreases the further ahead in time the contracts pertain to.

## Net sales

**January–March:** Consolidated net sales decreased by SEK 2.2 billion, including negative currency effects of SEK 1.8 billion. The decrease excluding currency effects is mainly attributable to lower sales volumes in the Netherlands and in the B2B segment in France. This was countered by higher revenue from sales in the Nordic countries.

## Earnings

**January–March:** The underlying operating profit increased by SEK 1.9 billion, which is explained by:

- A higher earnings contribution from the Power Generation operating segment (SEK 1.8 billion) owing to higher prices achieved in the Nordic countries, higher hydro power generation and a higher realised trading result, which were partly countered by lower nuclear power generation.
- A higher earnings contribution from the Heat operating segment (SEK 0.5 billion), which is mainly explained by the closure of the Moorburg power plant in 2020.
- A lower earnings contribution from the Wind operating segment (SEK 0.4 billion), mainly owing to lower wind speeds and lower availability of offshore wind.

Items affecting comparability amounted to SEK 1.3 billion (2.1), of which most pertains to the sale of nuclear power production rights in Germany (SEK 1.4 billion) and unrealised changes in market value for energy derivatives and inventories (SEK 0.3 billion). *See Note 4 for further information.*

Profit for the period totalled SEK 10.4 billion (6.9) and includes, in addition to underlying operating profit, higher net financial items resulting from a higher return from the Swedish Nuclear Waste Fund. This was partly countered by a higher tax cost associated with higher profit before tax.

## Cash flow

**January–March:** Funds from operations (FFO) increased by SEK 1.8 billion, mainly owing to a higher underlying operating profit before depreciation, amortisation and impairment losses (EBITDA), and lower paid tax. Cash flow from changes in working capital amounted to SEK -2.9 billion. The largest contributing factors were the net change in operating receivables and liabilities attributable to seasonal effects in the Customers & Solutions and Heat operating segments (SEK -5.4 billion), changes related to CO<sub>2</sub> emission allowances, which had a negative effect on cash flow (SEK -2.6 billion), and an increase in inventories (SEK -0.4 billion). This was countered by a net change in margin calls (SEK 4.9 billion).

## KEY FIGURES – GROUP OVERVIEW

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
Net sales	45 911	48 160	158 847	156 598
Operating profit before depreciation, amortisation and impairment losses (EBITDA) <sup>1</sup>	17 740	16 900	46 507	47 347
Operating profit (EBIT) <sup>1</sup>	13 385	12 313	15 276	16 348
Underlying EBIT <sup>1</sup>	12 053	10 187	25 790	27 656
Items affecting comparability <sup>1</sup>	1 332	2 126	- 10 514	- 11 308
Profit for the period	10 423	6 900	7 716	11 239
Funds from operations (FFO) <sup>1</sup>	13 987	12 235	35 024	36 776
Cash flow from changes in operating assets and operating liabilities (working capital)	- 2 863	- 20 768	6 668	24 573
Cash flow from operating activities	11 124	- 8 533	41 692	61 349

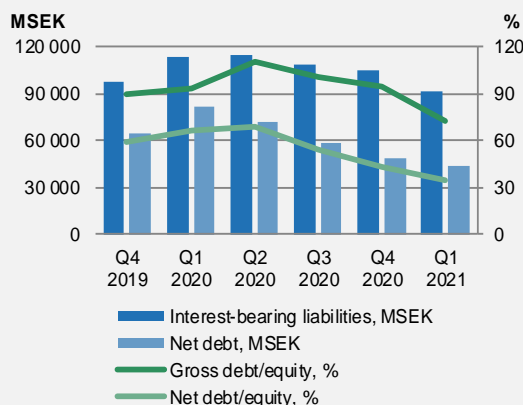
1) See Definitions and calculations of key ratios for definitions of Alternative Performance Measures.

## Capital structure

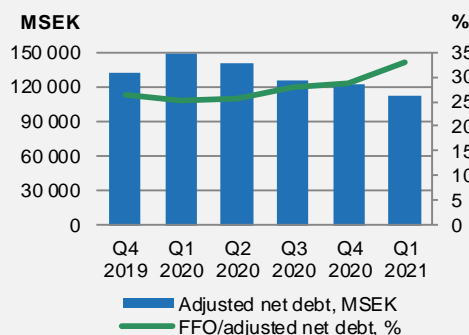
Cash and cash equivalents, and short-term investments decreased by SEK 8.7 billion compared with the level at 31 December 2020. Committed credit facilities consist of a EUR 2.0 billion Revolving Credit Facility that expires in November 2023. As per 31 March 2021 available liquid assets and/or committed credit facilities amounted to 40.7% 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 and adjusted net debt decreased by SEK 4.3 billion and SEK 9.3 billion, respectively, compared with the levels at 31 December 2020. These decreases are mainly attributable to a positive cash flow after investments (SEK 5.7 billion) and lower provisions, of which pension provisions decreased by SEK 3.4 billion and provisions for nuclear power decreased by SEK 1.4 billion. Currency effects increased net debt by SEK 1.4 billion.

### NET DEBT



### ADJUSTED NET DEBT



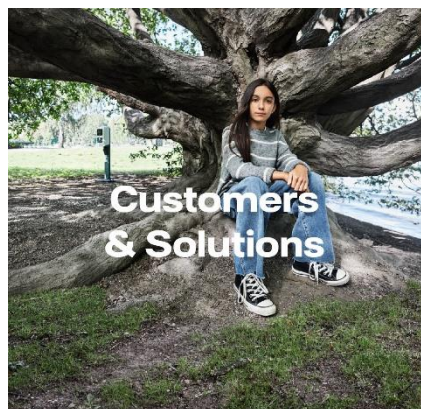
## Strategic focus areas and targets for 2025

Strategic focus area	Targets for 2025	Q1 2021	Outcome 2020
<b>Driving decarbonisation with our customers and partners</b> <b>Securing fossil-free energy supply</b>	1. Customer engagement, absolute Net Promoter Score (NPS) <sup>1</sup> : <b>+18</b>	-	<b>+7</b>
	2. CO <sub>2</sub> emissions intensity <sup>2</sup> : <b>≤86 gCO<sub>2</sub>e/kWh</b>	<b>94</b>	<b>97</b>
<b>High-performing operations</b>	3. Funds From Operations (FFO)/adjusted net debt: <b>22-27%</b>	<b>32.8%</b>	<b>28.8%</b>
	4. Return On Capital Employed (ROCE), last 12 months: <b>≥8%</b>	<b>5.9%</b>	<b>5.8%</b>
<b>Empowering our people</b>	5. Lost Time Injury Frequency (LTIF): <b>≤1.0</b>	<b>1.7</b>	<b>1.8</b>
	6. Employee Engagement Index <sup>4</sup> : <b>≥75%</b>	-	<b>72%</b>

- 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 CO<sub>2</sub> and other greenhouse gases such as N<sub>2</sub>O och SF<sub>6</sub>. Consolidated value. 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. 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
- 4) Documentation for measurement of target achievement is derived from the results of an employee survey, which is conducted on an annual basis



# Operating segments



Customers  
& Solutions



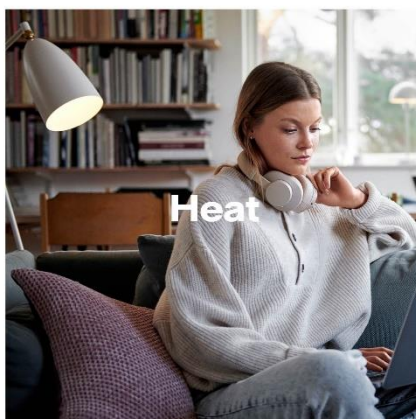
Power Generation  
- Generation



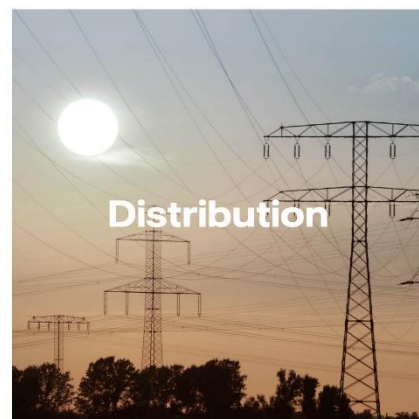
Power Generation  
- Markets



Wind



Heat



Distribution

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
<b>Underlying EBIT</b>				
<b>Customers &amp; Solutions</b>	1 217	1 019	2 146	2 344
<b>Power Generation</b>	6 321	4 557	14 670	16 434
- of which, realised trading result	1 999	1 774	2 757	2 982
<b>Wind</b>	1 767	2 146	3 970	3 591
<b>Heat</b>	1 370	880	978	1 468
<b>Distribution</b>	1 794	2 074	5 325	5 045
- of which, Distribution Germany	333	332	1 093	1 094
- of which, Distribution Sweden	1 456	1 744	4 225	3 937
<b>Other<sup>1</sup></b>	- 368	- 457	- 1 290	- 1 201
<b>Eliminations</b>	- 48	- 32	- 9	- 25
<b>Underlying EBIT</b>	<b>12 053</b>	<b>10 187</b>	<b>25 790</b>	<b>27 656</b>

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

## Customers & Solutions

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

### Colder weather contributed to higher volumes as customer base continues to grow

- Growing customer base and colder weather contributed to higher profit
- Retail contracts in Germany pass 4 million in number
- Charging solutions for electric vehicles continue to expand with new partnerships



**Q1:** Net sales increased by 4%. The underlying operating profit increased by 19% mainly due to a larger customer base in Germany and lower average temperatures in the Nordic region. This was offset to some extent by a lower contribution from sales in the Netherlands. Sales of electricity increased due to colder weather in the Nordic region, which was offset by lower volumes in the B2B segment in France. Sales of gas increased mainly due to colder weather in Germany and the Netherlands. Compared with year-end 2020 the customer base increased by 1% to 10.2 million contracts

In Germany, Vattenfall is seeing a higher inflow of customers, and the number of retail contracts in the country today amounts to more than 4 million. Customer satisfaction has also improved, reaching the highest NPS in this market to date (+21). To meet customers' growing needs for e-vehicle charging, Vattenfall has

begun selling charging boxes including green electricity contracts to retail customers in Germany

Vattenfall's business surrounding e-vehicle charging solutions continues to grow. In Germany, Vattenfall and Deutsche Telekom have initiated a partnership to offer a faster and more standardised process for installing wall-mounted charging boxes. In Sweden, the InCharge charging network has been expanded with six new charging streets in strategic areas in Stockholm in cooperation with the City of Stockholm's Trafikkontoret. InCharge now has 20 charging streets serviced by a total of 135 charging points in Stockholm that offer both fast charging and normal charging. The electricity is ecolabelled with the Swedish Society for Nature Conservation's "Good Environmental Choice" marking.

### KEY FIGURES – CUSTOMERS & SOLUTIONS

Amounts in SEK million unless indicated otherwise	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
Net sales	27 251	26 280	86 298	87 269
External net sales	26 455	25 860	84 661	85 256
Underlying EBITDA	1 432	1 242	3 083	3 273
Underlying EBIT	1 217	1 019	2 146	2 344
Sales of electricity, TWh	26.5	26.4	95.8	95.9
- of which, private customers	8.4	8.5	26.3	26.2
- of which, resellers	1.7	2.2	8.0	7.5
- of which, business customers	16.4	15.7	61.5	62.2
Sales of gas, TWh	23.2	21.4	52.1	53.9
Number of employees, full-time equivalents	2 983	3 167	2 971	

## Power Generation

Power Generation comprises the Generation and Markets Business Areas. The segment includes Vattenfall's hydro and nuclear power operations, maintenance services business, trading and optimisation (including PPAs) and provides wholesale-based energy services for certain large business customers.

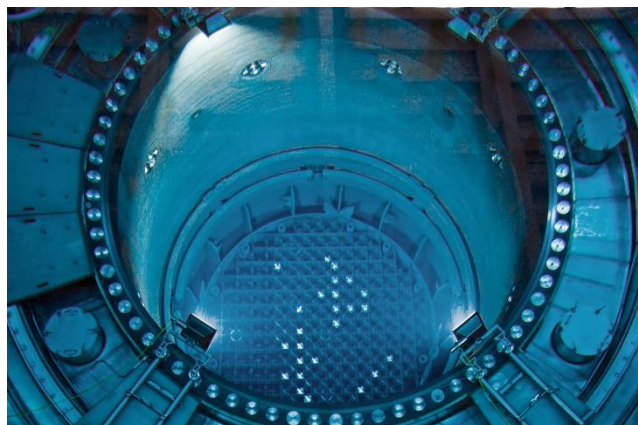
### Agreement on compensation for nuclear phase-out in Germany

- Higher prices, higher hydro power generation and a higher realised trading result contributed to a strong underlying operating profit
- Agreement on compensation for early closure of German nuclear power - Bundestag to decide on approval in Q3
- Corporate Power Purchase Agreement signed for part of production from Hollandse Kust Zuid 1-4

**Q1:** Net sales increased by 17%. The underlying operating profit increased by 39% mainly as a result of higher achieved prices in the Nordic region (a higher average spot price, EUR +25/MWh, was offset by a lower average hedge price, EUR -6/MWh), higher hydro power generation (1.6 TWh) and a higher realised trading result. This was countered to some extent by lower nuclear power generation (-1.2 TWh), which is mainly due to the closure of Ringhals 1 at year-end 2020. Combined availability for Vattenfall's nuclear power plants during the first quarter of 2021 was 97.9% (95.4%)

At the end of the quarter, Nordic reservoir levels were at 44% (40%) of capacity, which is 17 percentage points above the normal level.

In March an agreement was signed with the German federal government on compensation for the early closure of nuclear power in Germany. The agreement will terminate all disputes on the German nuclear phase-out and will come into force once a



law has been passed authorising such an agreement. The federal government has submitted a corresponding bill, which needs to be approved by the German Bundestag, and a vote is expected during the third quarter of 2021. Under the terms of the agreement, Vattenfall would receive compensation of EUR 1,425 million before tax in late November or early December at the earliest. Added to this would be compensation of EUR 181 million from the future sale of production rights to E.ON. The previous sales of nuclear production rights from the Krümmel nuclear power plant to E.ON. will be reversed. In the meantime, several transfers of nuclear production rights will be conducted, which will be partly reversed and treated as commercial transactions under the agreement.

Vattenfall signed a long-term corporate Power Purchase Agreement for part of production from the Hollandse Kust Zuid 1-4 wind farm in the Netherlands. Starting in 2023, Air Liquide will purchase 100 GWh of fossil-free electricity yearly over a 15-year period.

### KEY FIGURES – POWER GENERATION

Amounts in SEK million unless indicated otherwise	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
Net sales	28 281	26 244	90 133	92 170
External net sales	7 778	9 892	36 597	34 483
Underlying EBITDA	7 384	5 541	18 796	20 639
Underlying EBIT	6 321	4 557	14 670	16 434
- of which, realised trading result	1 999	1 774	2 757	2 982
Electricity generation, TWh	23.1	22.7	79.0	79.4
- of which, hydro power	11.5	9.9	39.7	41.3
- of which, nuclear power	11.6	12.8	39.3	38.1
Sales of electricity, TWh	5.3	5.6	20.0	19.7
- of which, resellers	5.1	5.1	17.9	17.9
- of which, business customers	0.2	0.5	2.1	1.8
Sales of gas, TWh	0.4	1.3	4.7	3.8
Number of employees, full-time equivalents	7 389	7 476	7 474	

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



## Wind

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

### Profit for the quarter weighed down by low wind speeds and maintenance work

- First turbines in place at Kriegers Flak wind farm
- Development consent for Norfolk Vanguard overturned – appeal in progress
- Sale of Grönhult onshore wind project



**Q1:** Net sales decreased by 11% compared with 2020. The underlying operating profit decreased by 18% as a result of lower wind speeds and more maintenance work, and thereby lower availability of offshore wind. This was partly offset by higher electricity prices and the sale of the Swedish onshore wind project Grönhult. The sale affects underlying operating profit for the Wind segment as it was a develop-to-sell project. Electricity generation decreased as a result of lower wind speeds and maintenance work, which was partly offset by new capacity from the Princess Ariane onshore wind farm in the Netherlands and the Kriegers Flak offshore wind farm in Denmark.

At the end of January the first turbine was installed at the Kriegers Flak (605 MW) offshore wind farm in the Danish part of the Baltic Sea. Despite Covid-19 restrictions, construction is proceeding according to plan. Half of the turbines are now installed and the wind farm is already generating electricity for Danish households. Vattenfall is Denmark's largest developer of offshore wind, and Kriegers Flak will be the largest offshore wind farm in the country. The wind farm is expected to be fully operational by the end of 2021 and will generate enough wind energy to cover the annual electricity consumption of approximately 600,000 Danish households.

Following a judicial review, in February the development consent for the Norfolk Vanguard offshore wind farm in the UK

was overturned. The UK government will now re-determine the consent application, and a process for this will be published during the first half of 2021, entailing a delay in the planning process. In addition to Norfolk Vanguard, Vattenfall is also planning for the sister project, Norfolk Boreas.

In February the Grönhult onshore wind project was sold to the investment company TRIG. Vattenfall will construct, provide market access and asset management services on behalf of the investor. The wind farm will have an installed capacity of 67 MW, corresponding to the annual electricity consumption of more than 40,000 Swedish households. Construction will start in May, and the project is planned to be in operation at the end of 2022. In total, Vattenfall currently has eleven onshore wind projects in construction.

In March, construction was started of a solar plant at the Geesthacht pumped storage power station in Germany. Approximately 5,000 solar modules with a total capacity of 2.4 MW will be installed on the dam. The Geesthacht solar plant is one of several projects in which Vattenfall is supplementing pumped storage power stations with solar power.

Helene Biström, who has been appointed as the new Head of Vattenfall's Wind Business Area, will assume her position on 1 May.

### KEY FIGURES – WIND

Amounts in SEK million unless indicated otherwise

	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
Net sales	4 212	4 732	13 565	13 045
External net sales	1 795	3 061	6 901	5 635
Underlying EBITDA	3 058	3 540	9 426	8 944
Underlying EBIT	1 767	2 146	3 970	3 591
Electricity generation - wind power TWh	3.1	3.6	10.8	10.3
Sales of electricity, TWh	0.3	0.4	1.2	1.1
Number of employees, full-time equivalents	1 140	1 052	1 104	

## Heat

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

### Green light for decommissioning of Moorbург

- Moorbург determined to not be crucial for grid stability – decommissioning of the plant can therefore progress
- Start of production for Amsterdam South Connection
- Start of construction on Brent Cross South district heating network in London



**Q1:** Net sales increased by 22% compared with a year ago. Underlying operating profit increased by 56% compared with the first quarter of 2020. The closure of Moorburg at year-end 2020 had a positive effect on underlying operating profit of SEK 0.3 billion, mainly as a result of lower operating costs and lower depreciation. Higher sales of heat owing to lower temperatures and a growing customer base also had a positive effect. The new Marzahn plant as well as the Lichterfelde plant fully in operation contributed to increased production volumes and CHP subsidies during the quarter. Compared with year-end 2020, the number of customers increased by 0.6% to 1.8 million households.

On 1 March, Germany's transmission system operators announced that the Moorburg power plant is not system-crucial for grid stability. Given this decision, decommissioning of the plant and planning for an alternate use of the area can proceed.

In March the first of the four 30 MW boilers ignited first fire at the Amsterdam South Connection project. This was followed by the first delivery of heat to the southeast and northwest district heating networks in Amsterdam. The project is an important part of work on enabling the connection of up to 290,000 homes to the district heating network by 2040. Earlier this year Vattenfall decided to invest in an additional growth project in the city, the new Hakfort heat transfer station. This will allow for the connection of 20,000 homes to the district heating network, which is planned to be completed at the end of 2022.

In Brent Cross South, a redevelopment project in London, construction of the primary district heating network has begun. Brent Cross South will see more than 6,000 homes and 400,000 m<sup>2</sup> of retail and office space being built in the coming 15 to 20 years. It is expected that the first homes can be connected to the district heating network in 2023, which will be Vattenfall's first such network in the UK.

### KEY FIGURES – HEAT

Amounts in SEK million unless indicated otherwise	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
Net sales	8 583	7 052	23 328	24 859
External net sales	4 506	4 339	13 538	13 705
Underlying EBITDA	2 096	1 816	4 462	4 742
Underlying EBIT	1 370	880	978	1 468
Electricity generation - TWh	6.7	6.8	23.0	22.9
- of which, fossil-based power	6.6	6.7	22.7	22.6
- of which, biomass, waste	0.1	0.1	0.3	0.3
Sales of electricity business customers, TWh	0.3	0.3	1.2	1.2
Sales of heat, TWh	6.5	5.4	13.8	14.9
Number of employees, full-time equivalents	3 214	3 355	3 213	

## Distribution

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

### Administrative Court sides with electricity network companies on calculation of revenue frames

- Favourable ruling by Administrative Court on electricity network companies' revenue frames for the period 2020-2023
- TSO Svenska kraftnät to study supply of electricity to Gotland
- Contract awarded for Edinburgh Park South development project in the UK



**Q1:** Net sales increased by 7% compared with 2020. Underlying operating profit decreased by 13% as a result of a lower gross margin in the Swedish operations, mainly due to price reductions in local networks, higher costs for the transmission networks and network losses caused by higher electricity prices. This was partially offset by higher distributed volume due to colder weather.

On 26 February the Administrative Court in Linköping announced rulings in the cases of the electricity network companies' revenue frames for the 2020-2023 regulation period. The Administrative Court found that the revenue frame regulation is in violation of the Swedish Electricity Act and the EU's third electricity market directive, and that the calculation method for the return on investment should be stable, long-term and forward-looking. As a result, the Swedish Energy Markets Inspectorate (Ei) will need to perform new calculations and set new revenue frames. Ei has subsequently appealed the court's ruling to the Administrative Court of Appeal and has until 31 May to complement its appeal.

Supply of electricity to Gotland, where Vattenfall Eldistribution owns the existing connection with the mainland, is in need of strengthening as the demands for reliable and safe electricity supply are growing in connection with the energy transition and plans for a dramatic increase in wind power generation. The Transmission System Operator (TSO) Svenska kraftnät has been commissioned to conduct a study of how this will be done. The study is expected to start during the third quarter of 2021.

In the UK, Vattenfall IDNO (Independent Distribution Network Operator) was awarded a contract for Edinburgh Park South, a new, urban development project comprising 1,500 homes and 33,000 m<sup>2</sup> of commercial space. The project will be one of the UK's largest, entirely electrified real estate areas, making it possible to run the entire Edinburgh Park South area entirely without gas and thus without CO<sub>2</sub> emissions. This will contribute to the City of Edinburgh's goal to achieve zero emissions by 2030.

### KEY FIGURES – DISTRIBUTION

Amounts in SEK million unless indicated otherwise	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
Net sales	6 624	6 144	21 644	22 124
External net sales	5 354	4 971	16 970	17 353
Underlying EBITDA	2 633	2 910	8 725	8 448
Underlying EBIT	1 794	2 074	5 325	5 045
Number of employees, full-time equivalents	2 432	2 320	2 366	

## Other

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

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

### KEY FIGURES – OTHER

Amounts in SEK million unless indicated otherwise	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
Net sales	1 373	1 399	5 917	5 891
External net sales	23	37	180	166
Underlying EBITDA	- 147	- 244	- 442	- 345
Underlying EBIT	- 368	- 457	- 1 290	- 1 201
Number of employees, full-time equivalents	2 757	2 639	2 731	



# Consolidated income statement

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
Net sales	45 911	48 160	158 847	156 598
Cost of purchases	- 21 514	- 24 893	- 76 225	- 72 846
Other external expenses	- 3 023	- 3 556	- 20 732	- 20 199
Personnel expenses	- 5 165	- 5 140	- 19 535	- 19 560
Other operating income and expenses, net	1 470	2 155	3 882	3 197
Participations in the results of associated companies	61	174	270	157
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>17 740</b>	<b>16 900</b>	<b>46 507</b>	<b>47 347</b>
Depreciation, amortisation and impairments	- 4 355	- 4 587	- 31 231	- 30 999
<b>Operating profit (EBIT)</b>	<b>13 385</b>	<b>12 313</b>	<b>15 276</b>	<b>16 348</b>
Financial income	39	193	558	404
Financial expenses <sup>1,2</sup>	- 1 476	- 1 967	- 5 886	- 5 395
Return from the Swedish Nuclear Waste Fund	1 309	- 1 644	2 058	5 011
<b>Profit before income taxes</b>	<b>13 257</b>	<b>8 895</b>	<b>12 006</b>	<b>16 368</b>
Income taxes	- 2 834	- 1 995	- 4 290	- 5 129
<b>Profit for the period</b>	<b>10 423</b>	<b>6 900</b>	<b>7 716</b>	<b>11 239</b>
Attributable to owner of the Parent Company	9 875	6 587	6 489	9 777
Attributable to non-controlling interests	548	313	1 227	1 462
<b>Supplementary information</b>				
Underlying EBITDA <sup>3</sup>	16 408	14 773	44 041	45 676
Underlying EBIT <sup>3</sup>	12 053	10 187	25 790	27 656
Financial items, net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	- 923	- 1 237	- 3 163	- 2 849
1) Including interest components related to pension costs	- 109	- 136	- 538	- 511
2) Including discounting effects attributable to provisions	- 514	- 537	- 2 165	- 2 142
3) See note 4 for information on items affecting comparability				

# Consolidated statement of comprehensive income

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
<b>Profit for the period</b>	<b>10 423</b>	<b>6 900</b>	<b>7 716</b>	<b>11 239</b>
<b>Other comprehensive income</b>				
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>				
Cash flow hedges - changes in fair value	3 267	344	3 023	5 946
Cash flow hedges - dissolved against income statement	- 1 062	1 692	4 310	1 556
Cash flow hedges - transferred to cost of hedged item	9	- 51	- 43	17
Hedging of net investments in foreign operations	- 1 069	- 1 987	1 808	2 726
Translation differences, divested companies	46	—	- 5	41
Translation differences	2 659	5 013	- 4 084	- 6 438
Income taxes related to items that will be reclassified	- 586	292	- 2 587	- 3 465
<b>Total items that will be reclassified to profit or loss when specific conditions are met</b>	<b>3 264</b>	<b>5 303</b>	<b>2 422</b>	<b>383</b>
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement pertaining to defined benefit obligations	3 865	2 890	- 1 505	- 530
Income taxes related to items that will not be reclassified	- 1 036	- 867	392	223
<b>Total items that will not be reclassified to profit or loss</b>	<b>2 829</b>	<b>2 023</b>	<b>- 1 113</b>	<b>- 307</b>
<b>Total other comprehensive income, net after income taxes</b>	<b>6 093</b>	<b>7 326</b>	<b>1 309</b>	<b>76</b>
<b>Total comprehensive income for the period</b>	<b>16 516</b>	<b>14 226</b>	<b>9 025</b>	<b>11 315</b>
Attributable to owner of the Parent Company	15 740	13 377	8 260	10 623
Attributable to non-controlling interests	776	849	765	692

# Operating segments, Vattenfall Group

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
<b>External net sales</b>				
Customers & Solutions	26 455	25 860	84 661	85 256
Power Generation	7 778	9 892	36 597	34 483
Wind	1 795	3 061	6 901	5 635
Heat	4 506	4 339	13 538	13 705
Distribution	5 354	4 971	16 970	17 353
- of which, Distribution Germany	1 638	1 433	5 464	5 669
- of which, Distribution Sweden	3 681	3 510	11 377	11 548
Other <sup>1</sup>	23	37	180	166
<b>Total</b>	<b>45 911</b>	<b>48 160</b>	<b>158 847</b>	<b>156 598</b>
<b>Internal net sales</b>				
Customers & Solutions	796	420	1 637	2 013
Power Generation	20 503	16 352	53 536	57 687
Wind	2 417	1 671	6 664	7 410
Heat	4 077	2 713	9 790	11 154
Distribution	1 270	1 173	4 674	4 771
- of which, Distribution Germany	1 164	1 067	4 107	4 204
- of which, Distribution Sweden	109	112	597	594
Other <sup>1</sup>	1 350	1 362	5 737	5 725
<b>Eliminations</b>	<b>- 30 413</b>	<b>- 23 691</b>	<b>- 82 038</b>	<b>- 88 760</b>
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total net sales</b>				
Customers & Solutions	27 251	26 280	86 298	87 269
Power Generation	28 281	26 244	90 133	92 170
Wind	4 212	4 732	13 565	13 045
Heat	8 583	7 052	23 328	24 859
Distribution	6 624	6 144	21 644	22 124
- of which, Distribution Germany	2 802	2 500	9 571	9 873
- of which, Distribution Sweden	3 790	3 622	11 974	12 142
Other <sup>1</sup>	1 373	1 399	5 917	5 891
<b>Eliminations</b>	<b>- 30 413</b>	<b>- 23 691</b>	<b>- 82 038</b>	<b>- 88 760</b>
<b>Total</b>	<b>45 911</b>	<b>48 160</b>	<b>158 847</b>	<b>156 598</b>

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
<b><u>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</u></b>				
Customers & Solutions	1 432	1 233	2 832	3 031
Power Generation	8 811	7 696	23 144	24 259
Wind	3 058	3 540	9 482	9 000
Heat	2 133	1 798	2 644	2 979
Distribution	2 632	2 907	8 713	8 438
- of which, Distribution Germany	588	602	2 162	2 148
- of which, Distribution Sweden	2 025	2 298	6 505	6 232
Other <sup>1</sup>	- 278	- 242	- 299	- 335
Eliminations	- 48	- 32	- 9	- 25
<b>Total</b>	<b>17 740</b>	<b>16 900</b>	<b>46 507</b>	<b>47 347</b>
<b><u>Underlying EBITDA</u></b>				
Customers & Solutions	1 432	1 242	3 083	3 273
Power Generation	7 384	5 541	18 796	20 639
Wind	3 058	3 540	9 426	8 944
Heat	2 096	1 816	4 462	4 742
Distribution	2 633	2 910	8 725	8 448
- of which, Distribution Germany	589	605	2 174	2 158
- of which, Distribution Sweden	2 025	2 298	6 505	6 232
Other <sup>1</sup>	- 147	- 244	- 442	- 345
Eliminations	- 48	- 32	- 9	- 25
<b>Total</b>	<b>16 408</b>	<b>14 773</b>	<b>44 041</b>	<b>45 676</b>

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
<b><u>Operating profit (EBIT)</u></b>				
Customers & Solutions	1 217	1 009	1 882	2 090
Power Generation	7 748	6 712	18 984	20 020
Wind	1 767	2 146	2 401	2 022
Heat	1 406	861	- 12 149	- 11 604
Distribution	1 794	2 071	5 313	5 036
- of which, Distribution Germany	332	329	1 081	1 084
- of which, Distribution Sweden	1 457	1 744	4 225	3 938
Other <sup>1</sup>	- 499	- 454	- 1 146	- 1 191
Eliminations	- 48	- 32	- 9	- 25
<b>Operating profit (EBIT)</b>	<b>13 385</b>	<b>12 313</b>	<b>15 276</b>	<b>16 348</b>
Operating profit (EBIT)	13 385	12 313	15 276	16 348
Financial net	- 128	- 3 418	- 3 270	20
<b>Profit before tax</b>	<b>13 257</b>	<b>8 895</b>	<b>12 006</b>	<b>16 368</b>
<b><u>Underlying EBIT</u></b>				
Customers & Solutions	1 217	1 019	2 146	2 344
Power Generation	6 321	4 557	14 670	16 434
Wind	1 767	2 146	3 970	3 591
Heat	1 370	880	978	1 468
Distribution	1 794	2 074	5 325	5 045
- of which, Distribution Germany	333	332	1 093	1 094
- of which, Distribution Sweden	1 456	1 744	4 225	3 937
Other <sup>1</sup>	- 368	- 457	- 1 290	- 1 201
Eliminations	- 48	- 32	- 9	- 25
<b>Underlying EBIT</b>	<b>12 053</b>	<b>10 187</b>	<b>25 790</b>	<b>27 656</b>

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



# Consolidated balance sheet

Amounts in SEK million	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets: non-current	16 894	19 763	16 524
Property, plant and equipment	253 021	261 842	249 120
Participations in associated companies and joint arrangements	4 712	5 087	4 347
Other shares and participations	303	343	304
Share in the Swedish Nuclear Waste Fund	49 559	44 260	48 270
Derivative assets	11 147	12 199	9 449
Deferred tax assets	12 765	16 016	13 824
Other non-current receivables	5 527	5 641	5 529
<b>Total non-current assets</b>	<b>353 928</b>	<b>365 151</b>	<b>347 367</b>
<b>Current assets</b>			
Inventories	17 082	13 506	16 828
Intangible assets: current	1 505	5 659	192
Trade receivables and other receivables	29 895	32 364	23 812
Contract assets	565	254	416
Advance payments paid	484	15 215	1 046
Derivative assets	14 418	15 388	9 962
Prepaid expenses and accrued income	9 418	10 361	6 935
Current tax assets	568	1 405	280
Short-term investments	29 337	22 972	30 148
Cash and cash equivalents	18 170	8 734	26 074
Assets held for sale	199	1 285	188
<b>Total current assets</b>	<b>121 641</b>	<b>127 143</b>	<b>115 881</b>
<b>Total assets</b>	<b>475 569</b>	<b>492 294</b>	<b>463 248</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Attributable to owner of the Parent Company	113 486	107 008	97 724
Attributable to non-controlling interests	14 027	15 269	13 468
<b>Total equity</b>	<b>127 513</b>	<b>122 277</b>	<b>111 192</b>
<b>Non-current liabilities</b>			
Hybrid Capital	13 731	21 098	19 304
Other interest-bearing liabilities	51 796	50 742	49 091
Pension provisions	40 380	42 660	43 824
Other interest-bearing provisions	109 420	103 570	108 665
Derivative liabilities	8 627	11 480	7 924
Deferred tax liabilities	19 417	16 971	17 617
Contract liabilities	8 866	8 589	8 752
Other noninterest-bearing liabilities	1 987	2 202	1 994
<b>Total non-current liabilities</b>	<b>254 224</b>	<b>257 312</b>	<b>257 171</b>
<b>Current liabilities</b>			
Trade payables and other liabilities	27 113	28 439	24 912
Advance payments received	10 747	1 056	5 794
Derivative liabilities	11 269	17 997	8 901
Accrued expenses and deferred income	13 180	17 631	14 558
Current tax liabilities	1 592	1 386	838
Hybrid Capital	6 000	—	—
Other interest-bearing liabilities	20 298	42 005	36 380
Interest-bearing provisions	3 590	3 613	3 462
Liabilities associated with assets held for sale	43	578	40
<b>Total current liabilities</b>	<b>93 832</b>	<b>112 705</b>	<b>94 885</b>
<b>Total equity and liabilities</b>	<b>475 569</b>	<b>492 294</b>	<b>463 248</b>

## SUPPLEMENTARY INFORMATION

Amounts in SEK million	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>Calculation of capital employed</b>			
Intangible assets: current and non-current	18 399	25 422	16 716
Property, plant and equipment	253 021	261 842	249 120
Participations in associated companies and joint arrangements	4 712	5 087	4 347
Deferred and current tax assets	13 333	17 421	14 104
Non-current noninterest-bearing receivables	3 862	3 848	3 853
Contract assets	565	254	416
Inventories	17 082	13 506	16 828
Trade receivables and other receivables	29 895	32 364	23 812
Prepaid expenses and accrued income	9 418	10 361	6 935
Unavailable liquidity	4 191	3 944	5 374
Other	417	444	483
<b>Total assets excl. financial assets</b>	<b>354 895</b>	<b>374 493</b>	<b>341 988</b>
Deferred and current tax liabilities	- 21 009	- 18 357	- 18 455
Other noninterest-bearing liabilities	- 1 987	- 2 202	- 1 994
Contract liabilities	- 8 866	- 8 589	- 8 752
Trade payable and other liabilities	- 27 113	- 28 439	- 24 912
Accrued expenses and deferred income	- 13 180	- 17 631	- 14 558
Other	- 336	- 242	- 232
<b>Total noninterest-bearing liabilities</b>	<b>- 72 491</b>	<b>- 75 460</b>	<b>- 68 903</b>
Other interest-bearing provisions not related to adjusted net debt <sup>1</sup>	- 11 294	- 11 466	- 10 619
<b>Capital employed<sup>2</sup></b>	<b>271 110</b>	<b>287 567</b>	<b>262 466</b>
<b>Capital employed, average</b>	<b>279 339</b>	<b>279 052</b>	<b>265 639</b>
<b>Calculation of net debt</b>			
Hybrid Capital	- 19 731	- 21 098	- 19 304
Bond issues and liabilities to credit institutions	- 40 801	- 49 315	- 49 642
Short-term debt, commercial papers and repo	- 8 914	- 20 177	- 13 268
Present value of liabilities pertaining to acquisitions of Group companies	- 1	- 28	- 1
Liabilities to associated companies	- 984	- 562	- 688
Liabilities to owners of non-controlling interests	- 10 760	- 10 819	- 10 931
Other liabilities	- 10 634	- 11 846	- 10 941
<b>Total interest-bearing liabilities</b>	<b>- 91 825</b>	<b>- 113 845</b>	<b>- 104 775</b>
Cash and cash equivalents	18 170	8 734	26 074
Short-term investments	29 337	22 972	30 148
Loans to owners of non-controlling interests in foreign Group companies	453	560	375
<b>Net debt<sup>2</sup></b>	<b>- 43 865</b>	<b>- 81 579</b>	<b>- 48 178</b>
<b>Calculation of adjusted gross debt and net debt</b>			
Total interest-bearing liabilities	- 91 825	- 113 845	- 104 775
50% of Hybrid Capital <sup>3</sup>	9 865	10 549	9 652
Present value of pension obligations	- 40 380	- 42 660	- 43 824
Provisions for gas and wind operations and other environment-related provisions	- 10 927	- 8 965	- 10 599
Provisions for nuclear power (net) <sup>4</sup>	- 36 383	- 37 791	- 37 794
Margin calls received	3 349	5 809	4 081
Liabilities to owners of non-controlling interests due to consortium agreements	10 760	10 819	10 931
<b>Adjusted gross debt</b>	<b>- 155 541</b>	<b>- 176 084</b>	<b>- 172 328</b>
Reported cash and cash equivalents and short-term investments	47 507	31 706	56 222
Unavailable liquidity	- 4 191	- 3 944	- 5 374
<b>Adjusted cash and cash equivalents and short-term investments</b>	<b>43 316</b>	<b>27 762</b>	<b>50 848</b>
<b>Adjusted net debt<sup>2</sup></b>	<b>- 112 225</b>	<b>- 148 322</b>	<b>- 121 480</b>

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

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

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

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

# Consolidated statement of cash flows

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
<b>Operating activities</b>				
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	17 740	16 900	46 507	47 347
Tax paid	- 1 081	- 1 307	- 2 719	- 2 493
Capital gains/losses, net	91	5	- 62	24
Interest received	60	68	183	175
Interest paid	- 1 221	- 1 265	- 2 808	- 2 764
Other, incl. non-cash items	- 1 602	- 2 166	- 6 077	- 5 513
<b>Funds from operations (FFO)</b>	<b>13 987</b>	<b>12 235</b>	<b>35 024</b>	<b>36 776</b>
Changes in inventories	- 422	- 465	- 1 315	- 1 272
Changes in operating receivables	- 9 303	- 12 179	- 1 344	1 532
Changes in operating liabilities	1 743	317	- 3 726	- 2 300
Margin calls	4 940	- 8 660	12 588	26 188
Other changes	179	219	465	425
<b>Cash flow from changes in operating assets and operating liabilities</b>	<b>- 2 863</b>	<b>- 20 768</b>	<b>6 668</b>	<b>24 573</b>
<b>Cash flow from operating activities</b>	<b>11 124</b>	<b>- 8 533</b>	<b>41 692</b>	<b>61 349</b>
<b>Investing activities</b>				
Acquisitions in Group companies	—	- 66	- 86	- 20
Investments in associated companies and other shares and participations	- 6	- 43	223	260
Other investments in non-current assets	- 5 390	- 4 492	- 21 484	- 22 382
<b>Total investments</b>	<b>- 5 396</b>	<b>- 4 601</b>	<b>- 21 347</b>	<b>- 22 142</b>
Divestments	- 49	49	1 237	1 139
Cash and cash equivalents in acquired companies	—	—	20	20
Cash and cash equivalents in divested companies	- 15	—	- 80	- 95
<b>Cash flow from investing activities</b>	<b>- 5 460</b>	<b>- 4 552</b>	<b>- 20 170</b>	<b>- 21 078</b>
<b>Cash flow before financing activities</b>	<b>5 664</b>	<b>- 13 085</b>	<b>21 522</b>	<b>40 271</b>
<b>Financing activities</b>				
Changes in short-term investments	1 540	684	- 8 926	- 8 070
Changes in loans to owners of non-controlling interests in foreign Group companies	- 69	- 331	- 185	77
Loans raised <sup>1</sup>	5 347	14 233	21 471	12 585
Amortisation of debt pertaining to acquisitions of Group companies	—	—	- 27	- 27
Amortisation of other debt	- 20 226	- 2 859	- 12 156	- 29 523
Dividends paid to owners	—	—	- 5 298	- 5 298
Contribution to/from owners of non-controlling interests	- 217	- 471	- 829	- 575
<b>Cash flow from financing activities</b>	<b>- 13 625</b>	<b>11 256</b>	<b>- 5 950</b>	<b>- 30 831</b>
<b>Cash flow for the period</b>	<b>- 7 961</b>	<b>- 1 829</b>	<b>15 572</b>	<b>9 440</b>

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
<b>Cash and cash equivalents</b>				
Cash and cash equivalents at start of period	26 074	10 604	10 604	8 734
Cash and cash equivalents included in assets held for sale	—	- 236	—	236
Cash flow for the period	- 7 961	- 1 829	15 572	9 440
Translation differences	57	195	- 102	- 240
<b>Cash and cash equivalents at end of period</b>	<b>18 170</b>	<b>8 734</b>	<b>26 074</b>	<b>18 170</b>

## SUPPLEMENTARY INFORMATION

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
<b>Cash flow before financing activities</b>	<b>5 664</b>	<b>- 13 085</b>	<b>21 522</b>	<b>40 271</b>
<b>Financing activities</b>				
Dividends paid to owners	—	—	- 5 298	- 5 298
Contribution to/from owners of non-controlling interests	- 217	- 471	- 829	- 575
<b>Cash flow after dividend</b>	<b>5 447</b>	<b>- 13 556</b>	<b>15 395</b>	<b>34 398</b>
<b>Analysis of change in net debt</b>				
Net debt at start of period	- 48 178	- 64 266	- 64 266	- 81 579
Cash flow after dividend	5 447	- 13 556	15 395	34 398
Changes as a result of valuation at fair value	508	- 544	- 171	881
Changes in interest-bearing liabilities for leasing	- 435	- 123	- 2 837	- 3 149
Interest-bearing liabilities/short-term investments acquired/divested	—	—	24	24
Cash and cash equivalents included in assets held for sale	—	- 236	—	236
Interest-bearing liabilities associated with assets held for sale	—	26	—	- 26
Translation differences on net debt	- 1 207	- 2 880	3 677	5 350
<b>Net debt at end of period</b>	<b>- 43 865</b>	<b>- 81 579</b>	<b>- 48 178</b>	<b>- 43 865</b>
Cash flow from operating activities	11 124	- 8 533	41 692	61 349
Maintenance/replacement investments	- 2 277	- 2 332	- 12 539	- 12 484
<b>Free cash flow<sup>2</sup></b>	<b>8 847</b>	<b>- 10 865</b>	<b>29 153</b>	<b>48 865</b>

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

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



## INVESTMENTS

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
<b>Electricity generation</b>				
Hydro power	138	159	920	899
Nuclear power	230	469	1 877	1 638
Coal power	—	—	22	22
Gas	4	128	192	68
Wind power and solar PV	2 269	601	7 709	9 377
Biomass, waste	36	30	295	301
<b>Total electricity generation</b>	<b>2 677</b>	<b>1 387</b>	<b>11 015</b>	<b>12 305</b>
<b>CHP/heat</b>				
Fossil-based power	65	194	1 261	1 132
Heat networks	183	112	1 400	1 471
Other	23	101	933	855
<b>Total CHP/heat</b>	<b>271</b>	<b>407</b>	<b>3 594</b>	<b>3 458</b>
<b>Electricity networks</b>				
Electricity networks	1 281	1 507	7 435	7 209
<b>Total electricity networks</b>	<b>1 281</b>	<b>1 507</b>	<b>7 435</b>	<b>7 209</b>
Purchases of shares, shareholder contributions	6	109	- 137	- 240
Other	288	354	1 690	1 624
<b>Total investments</b>	<b>4 523</b>	<b>3 764</b>	<b>23 597</b>	<b>24 356</b>
Accrued investments, unpaid invoices (-)/ release of accrued investments (+)	873	837	- 2 250	- 2 214
<b>Total investments with cash flow effect</b>	<b>5 396</b>	<b>4 601</b>	<b>21 347</b>	<b>22 142</b>

# Consolidated statement of changes in equity

Amounts in SEK million	31 Mar 2021			31 Mar 2020			31 Dec 2020		
	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity
<b>Balance brought forward</b>	97 724	13 468	111 192	93 631	14 891	108 522	93 631	14 891	108 522
<b>Profit for the period</b>	9 875	548	10 423	6 587	313	6 900	6 489	1 227	7 716
Cash flow hedges - changes in fair value	3 267	—	3 267	344	—	344	3 023	—	3 023
Cash flow hedges - dissolved against income statement	- 1 071	9	- 1 062	1 692	—	1 692	4 344	- 34	4 310
Cash flow hedges - transferred to cost of hedged item	9	—	9	- 51	—	- 51	- 43	—	- 43
Hedging of net investments in foreign operations	- 1 069	—	- 1 069	- 1 987	—	- 1 987	1 808	—	1 808
Translation differences, divested companies	46	—	46	—	—	—	- 5	—	- 5
Translation differences	2 438	221	2 659	4 475	538	5 013	- 3 684	- 400	- 4 084
Remeasurement pertaining to defined benefit obligations	3 865	—	3 865	2 890	—	2 890	- 1 465	- 40	- 1 505
Income taxes related to other comprehensive income	- 1 620	- 2	- 1 622	- 573	- 2	- 575	- 2 207	12	- 2 195
<b>Total other comprehensive income for the period</b>	5 865	228	6 093	6 790	536	7 326	1 771	- 462	1 309
<b>Total comprehensive income for the period</b>	15 740	776	16 516	13 377	849	14 226	8 260	765	9 025
Dividends paid to owners	—	—	—	—	—	—	- 3 623	- 1 675	- 5 298
Group contributions from(+)/to(-) owners of non-controlling interests	—	—	—	—	—	—	—	- 1	- 1
Contribution to/from owners of non-controlling interests	—	- 217	- 217	—	- 471	- 471	—	- 829	- 829
Changes as a result of changed ownership	—	—	—	—	—	—	—	- 227	- 227
Other changes	22	—	22	—	—	—	- 544	544	—
<b>Total transactions with equity holders</b>	22	- 217	- 195	—	- 471	- 471	- 4 167	- 2 188	- 6 355
<b>Balance carried forward</b>	113 486	14 027	127 513	107 008	15 269	122 277	97 724	13 468	111 192
- Of which, Reserve for hedges	3 370	3	3 373	- 1 293	20	- 1 273	1 970	- 5	1 965

# Key ratios, Vattenfall Group

In % unless otherwise stated. (x) means times <sup>1</sup>	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
Operating margin	29.2	25.6	9.6	10.4
Operating margin <sup>2</sup>	26.3	21.2	16.2	17.7
Pre-tax profit margin	28.9	18.5	7.6	10.5
Pre-tax profit margin <sup>2</sup>	26.0	14.1	14.2	17.7
Return on equity	10.0 <sup>3</sup>	14.4 <sup>3</sup>	6.7	10.0
Return on capital employed	5.9 <sup>3</sup>	9.4 <sup>3</sup>	5.8	5.9
Return on capital employed <sup>2</sup>	9.9 <sup>3</sup>	9.2 <sup>3</sup>	9.7	9.9
EBIT interest cover (x)	5.1 <sup>3</sup>	4.5 <sup>3</sup>	4.3	5.1
EBIT interest cover (x) <sup>2</sup>	8.6 <sup>3</sup>	4.4 <sup>3</sup>	7.1	8.6
FFO interest cover (x)	12.3 <sup>3</sup>	6.9 <sup>3</sup>	10.4	12.3
FFO interest cover, net (x)	13.9 <sup>3</sup>	9.8 <sup>3</sup>	12.1	13.9
Cash flow interest cover after maintenance investments (x)	18.8 <sup>3</sup>	2.0 <sup>3</sup>	10.2	18.8
FFO/gross debt	40.0 <sup>3</sup>	32.8 <sup>3</sup>	33.4	40.0
FFO/net debt	83.8 <sup>3</sup>	45.8 <sup>3</sup>	72.7	83.8
FFO/adjusted net debt	32.8 <sup>3</sup>	25.2 <sup>3</sup>	28.8	32.8
EBITDA/net financial items (x)	19.2	13.7	14.7	16.6
EBITDA/net financial items (x) <sup>2</sup>	17.8	11.9	13.9	16.0
Equity/assets ratio	26.8	24.8	24.0	26.8
Gross debt/equity	72.0	93.1	94.2	72.0
Net debt/equity	34.4	66.7	43.3	34.4
Gross debt/gross debt plus equity	41.9	48.2	48.5	41.9
Net debt/net debt plus equity	25.6	40.0	30.2	25.6
Net debt/EBITDA (x)	0.9 <sup>3</sup>	1.7 <sup>3</sup>	1.0	0.9
Adjusted net debt/EBITDA (x)	2.4 <sup>3</sup>	3.2 <sup>3</sup>	2.6	2.4

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

2) Based on Underlying operating profit.

3) Last 12-month values.

# Quarterly information, Vattenfall Group

Amounts in SEK million	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
<b>Income statement</b>					
Net sales	45 911	44 032	35 375	31 280	48 160
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	17 740	12 121	9 235	8 251	16 900
Underlying EBITDA	16 408	12 415	9 378	7 471	14 773
Operating profit (EBIT)	13 385	5 246	4 743	- 7 027	12 313
Underlying EBIT	12 053	7 987	4 818	2 792	10 187
Profit before income taxes	13 257	4 553	4 525	- 5 969	8 895
Profit for the period	10 423	5 727	3 583	- 8 495	6 900
- of which, attributable to owner of the Parent Company	9 875	5 132	3 595	- 8 826	6 587
- of which, attributable to non-controlling interests	548	595	- 12	331	313
<b>Balance sheet</b>					
Capital employed	271 110	262 466	260 921	266 641	287 567
Net debt	- 43 865	- 48 178	- 58 858	- 71 613	- 81 579
<b>Cash flow</b>					
Funds from operations (FFO)	13 987	11 368	7 000	4 420	12 235
Cash flow from operating activities	11 124	14 854	19 447	15 924	- 8 533
Cash flow from investing activities	- 5 460	- 5 070	- 5 449	- 5 100	- 4 552
Cash flow from financing activities	- 13 625	- 3 753	- 13 647	195	11 256
<b>Cash flow for the period</b>	<b>- 7 961</b>	<b>6 031</b>	<b>351</b>	<b>11 019</b>	<b>- 1 829</b>
<b>Free cash flow</b>	<b>8 847</b>	<b>10 199</b>	<b>17 161</b>	<b>12 656</b>	<b>- 10 865</b>

In % unless otherwise stated. (x) means times <sup>1</sup>	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
<b>Key ratios</b>					
Return on equity <sup>1</sup>	10.0	6.7	1.5	4.4	14.4
Return on capital employed <sup>2</sup>	5.9	5.8	4.7	6.1	9.4
Return on capital employed <sup>2, 3</sup>	9.9	9.7	9.9	9.2	9.2
EBIT interest cover (x) <sup>2</sup>	5.1	4.3	3.3	4.1	4.5
EBIT interest cover (x) <sup>2, 3</sup>	8.6	7.1	6.8	6.1	4.4
FFO/gross debt <sup>2</sup>	40.0	33.4	32.4	31.2	32.8
FFO/net debt <sup>2</sup>	83.8	72.7	59.8	49.9	45.8
FFO/adjusted net debt <sup>2</sup>	32.8	28.8	27.9	25.5	25.2
Equity/assets ratio	26.8	24.0	24.0	22.8	24.8
Gross debt/equity	72.0	94.2	100.6	111.0	93.1
Net debt/equity	34.4	43.3	54.6	69.3	66.7
Net debt/net debt plus equity	25.6	30.2	35.3	40.9	40.0
Net debt/EBITDA (x) <sup>2</sup>	0.9	1.0	1.4	1.5	1.7
Adjusted net debt/EBITDA (x) <sup>2</sup>	2.4	2.6	2.9	3.0	3.2

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 2020 Annual and Sustainability Report in Note 3 to the consolidated accounts, Accounting policies. Amended IFRSs endorsed by the EU for application in the 2021 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 2020 Annual and Sustainability Report, pages 64-73. Apart from the information provided under “Business highlights” in this report, no other material changes have taken place since the publication.

### Other

Significant related-party transactions are described in Note 44 to the consolidated accounts in Vattenfall's 2020 Annual and Sustainability Report. No material changes have taken place in relations or transactions with related parties since the publication.

## NOTE 2 | Exchange rates

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

	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
<b>Average rate</b>			
EUR	10.1306	10.7147	10.4789
DKK	1.3620	1.4342	1.4056
GBP	11.5659	12.4881	11.8334
USD	8.4013	9.6949	9.1718
	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>Balance sheet date rate</b>			
EUR	10.2383	11.0613	10.0343
DKK	1.3766	1.4813	1.3485
GBP	12.0155	12.4785	11.1613
USD	8.7320	10.0961	8.1773

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

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

The carrying amounts of financial assets do not differ significantly from their fair values. The difference between carrying amounts and fair values for financial liabilities amounts to SEK 5,690 million (31 December 2020: 8,509).

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

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

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

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

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

Amounts in SEK million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Share in the Swedish Nuclear Waste Fund	49 559	—	—	49 559
Derivative assets	—	25 291	274	25 565
Short-term investments, cash equivalents and other shares and participations	25 185	4 294	—	29 479
<b>Total assets</b>	<b>74 744</b>	<b>29 585</b>	<b>274</b>	<b>104 603</b>
<b>Liabilities</b>				
Derivative liabilities	—	19 896	—	19 896
<b>Total liabilities</b>	<b>—</b>	<b>19 896</b>	<b>—</b>	<b>19 896</b>

### FINANCIAL ASSETS AND LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON THE BALANCE SHEET AT 31 DECEMBER 2020

Amounts in SEK million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Share in the Swedish Nuclear Waste Fund	48 270	—	—	48 270
Derivative assets	—	18 911	500	19 411
Short-term investments, cash equivalents and other shares and participations	29 900	8 011	—	37 911
<b>Total assets</b>	<b>78 170</b>	<b>26 922</b>	<b>500</b>	<b>105 592</b>
<b>Liabilities</b>				
Derivative liabilities	—	16 825	—	16 825
<b>Total liabilities</b>	<b>—</b>	<b>16 825</b>	<b>—</b>	<b>16 825</b>

## NOTE 4 | Items affecting comparability

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

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
Items affecting comparability	1 332	2 126	- 10 514	- 11 308
- of which, capital gains	48	1	301	348
- of which, capital losses	- 139	- 6	- 241	- 374
- of which, impairment losses	—	- 1	- 12 980	- 12 979
- of which, provisions	—	428	- 3 488	- 3 916
- of which, unrealised changes in the fair value of energy derivatives	478	968	4 753	4 263
- of which, unrealised changes in the fair value of inventories	- 163	- 530	476	843
- of which, restructuring costs	—	- 18	- 854	- 836
- of which, other non-recurring items affecting comparability	1 108	1 284	1 519	1 343

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

Items affecting comparability amounted to SEK 2.1 billion during the first quarter 2020 and consisted mainly of the sale of nuclear power production rights in Germany (SEK 1.6 billion), unrealised changes in market value for energy derivatives and inventories (SEK 0.4 billion), and dissolution of provisions (SEK 0.4 billion).

# The Parent Company Vattenfall AB

## Accounting policies

The Parent Company Vattenfall AB's accounts are prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 – Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The accounting policies used in this interim report are the same as those described in Vattenfall's 2020 Annual and Sustainability Report, Note 3 to the Parent Company accounts, Accounting policies. Amended accounting policies applicable from 1 January 2021 has had no significant effect on the Parent Company's financial statements.

## January – March 2021

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

- Net sales amounted to SEK 11,768 million (20,166).
- Profit before appropriations and income taxes was SEK 1,924 million (10,016).
- The decrease in net sales and lower operating profit are mainly attributable to unrealised changes in market value for energy derivatives.
- The improvement in net financial items is mainly attributable to currency effects.

- .
- The balance sheet total was SEK 294,049 million (31 December 2020: 305,916).
- Investments during the period amounted to SEK 101million (175).
- Cash and cash equivalents, and short-term investments amounted to SEK 43,460 million (31 December 2020: 53,043).

## Presentation of Parent Company income statements

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

## Risks and uncertainties

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

## Other

Significant related-party transactions are described in Note 44 to the consolidated accounts, Related party disclosures, in Vattenfall's 2020 Annual and Sustainability Report. No material changes have taken place in relations or transactions with related parties compared with the description in Vattenfall's 2020 Annual and Sustainability Report.

# Parent Company income statement

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Net sales	11 768	20 166	41 969
Cost of purchases	- 7 537	- 6 792	- 23 800
Other external expenses	- 955	- 1 120	- 4 744
Personnel expenses	- 562	- 604	- 2 116
Other operating incomes and expenses, net	- 25	- 235	170
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>2 689</b>	<b>11 415</b>	<b>11 479</b>
Depreciation, amortisation and impairments	- 159	- 143	- 596
<b>Operating profit (EBIT)</b>	<b>2 530</b>	<b>11 272</b>	<b>10 883</b>
Result from participations in subsidiaries	—	—	408
Result from participations in associated companies	—	—	—
Other financial income	340	30	2 593
Other financial expenses	- 946	- 1 286	- 2 722
<b>Profit before appropriations and income taxes</b>	<b>1 924</b>	<b>10 016</b>	<b>11 162</b>
Appropriations	360	115	- 394
<b>Profit before income taxes</b>	<b>2 284</b>	<b>10 131</b>	<b>10 768</b>
Income taxes	- 481	- 2 143	- 2 243
<b>Profit for the period</b>	<b>1 803</b>	<b>7 988</b>	<b>8 525</b>

# Parent Company balance sheet

Amounts in SEK million	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets: non-current	326	374	356
Property, plant and equipment	6 584	5 263	6 618
Shares and participations	161 479	160 549	161 474
Deferred tax assets	406	—	313
Other non-current receivables	68 142	70 285	69 078
<b>Total non-current assets</b>	<b>236 937</b>	<b>236 471</b>	<b>237 839</b>
<b>Current assets</b>			
Inventories	312	403	411
Intangible assets: current	37	286	38
Current receivables	13 303	21 998	14 585
Short-term investments	28 490	22 133	29 301
Cash and cash equivalents	14 970	5 462	23 742
<b>Total current assets</b>	<b>57 112</b>	<b>50 641</b>	<b>68 077</b>
<b>Total assets</b>	<b>294 049</b>	<b>287 112</b>	<b>305 916</b>
<b>Equity, provisions and liabilities</b>			
<b>Equity</b>			
Restricted equity			
Share capital (131,700,000 shares with a share quota value of SEK 50)	6 585	6 585	6 585
Revaluation reserve	37 989	37 989	37 989
Other reserves	1 308	1 313	1 492
Non-restricted equity			
Retained earnings	70 249	65 341	61 540
Profit for the period	1 803	7 988	8 525
<b>Total equity</b>	<b>117 934</b>	<b>119 216</b>	<b>116 131</b>
<b>Untaxed reserves</b>	<b>12 982</b>	<b>11 483</b>	<b>13 342</b>
<b>Provisions</b>	<b>5 129</b>	<b>5 286</b>	<b>5 138</b>
<b>Non-current liabilities</b>			
Hybrid capital	13 731	21 100	19 305
Other interest-bearing liabilities	37 196	36 344	35 506
Other noninterest-bearing liabilities	12 762	12 148	12 762
<b>Total non-current liabilities</b>	<b>63 689</b>	<b>70 902</b>	<b>67 573</b>
<b>Current liabilities</b>			
Hybrid capital	6 000	—	—
Other interest-bearing liabilities	81 932	72 532	95 706
Current tax liabilities	223	41	122
Other noninterest-bearing liabilities	6 160	7 652	7 904
<b>Total current liabilities</b>	<b>94 315</b>	<b>80 225</b>	<b>103 732</b>
<b>Total equity, provisions and liabilities</b>	<b>294 049</b>	<b>287 112</b>	<b>305 916</b>



# Definitions and calculations of key ratios

## Alternative Performance Measures

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

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

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

## CALCULATION OF EBITDA, UNDERLYING EBITDA AND UNDERLYING EBIT

Amounts in SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020	Last 12 months
Operating profit (EBIT)	13 385	12 313	15 276	16 348
Depreciation, amortisation and impairment losses	- 4 355	- 4 587	- 31 231	- 30 999
<b>Operating profit before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>17 740</b>	<b>16 900</b>	<b>46 507</b>	<b>47 347</b>
Items affecting comparability excl. impairment losses and reversed impairment losses	- 1 332	- 2 127	- 2 466	- 1 671
<b>Underlying EBITDA</b>	<b>16 408</b>	<b>14 773</b>	<b>44 041</b>	<b>45 676</b>
Operating profit (EBIT)	13 385	12 313	15 276	16 348
Items affecting comparability	- 1 332	- 2 126	10 514	11 308
<b>Underlying EBIT</b>	<b>12 053</b>	<b>10 187</b>	<b>25 790</b>	<b>27 656</b>

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

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**KEY RATIOS BASED ON CONTINUING OPERATIONS AND LAST 12-MONTH VALUES APRIL 2020 – MARS 2021**

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<b>Operating margin, %</b>	= 100 x	$\frac{\text{EBIT}}{\text{Net sales}} = \frac{16\,348}{156\,598}$	=	10.4
<b>Operating margin excl items affecting comparability, %</b>	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Net sales}} = \frac{27\,656}{156\,598}$	=	17.7
<b>Pre-tax profit margin, %</b>	= 100 x	$\frac{\text{Profit before income taxes}}{\text{Net sales}} = \frac{16\,368}{156\,598}$	=	10.5
<b>Pre-tax profit margin excl items affecting comparability, %</b>	= 100 x	$\frac{\text{Profit before income taxes excl items affecting comparability}}{\text{Net sales}} = \frac{27\,683}{156\,598}$	=	17.7
<b>Return on equity, %</b>	= 100 x	$\frac{\text{Profit for the period attributable to owner of the Parent Company}}{\text{Average equity for the period attributable to owner of the Parent Company excl the Reserve for cash flow hedges}} = \frac{9\,777}{98\,010}$	=	10.0
<b>Return on capital employed, %</b>	= 100 x	$\frac{\text{EBIT}}{\text{Capital employed, average}} = \frac{16\,348}{279\,339}$	=	5.9
<b>Return on capital employed excl items affecting comparability, %</b>	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Capital employed, average}} = \frac{27\,656}{279\,339}$	=	9.9
<b>EBIT interest cover, (x)</b>	=	$\frac{\text{EBIT + financial income excl return from the Swedish Nuclear Waste Fund}}{\text{Financial expenses excl discounting effects attributable to provisions}} = \frac{16\,752}{3\,253}$	=	5.1
<b>EBIT interest cover excl Items affecting comparability, (x)</b>	=	$\frac{\text{Underlying EBIT + financial income excl Return from the Swedish Nuclear Waste Fund}}{\text{Financial expenses excl discounting effects attributable to provisions}} = \frac{28\,060}{3\,253}$	=	8.6
<b>FFO interest cover, (x)</b>	=	$\frac{\text{FFO + financial expenses excl discounting effects attributable to provisions}}{\text{Financial expenses excl discounting effects attributable to provisions}} = \frac{40\,028}{3\,253}$	=	12.3
<b>FFO interest cover, net, (x)</b>	=	$\frac{\text{FFO + financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}{\text{Financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}} = \frac{39\,624}{2\,849}$	=	13.9

<b>Cash flow interest cover after maintenance investments, (x)</b>	=	<div> Cash flow from operating activities less maintenance investments + financial expenses excl Discounting effects attributable to provisions and interest components related to pension costs 51 607 </div> <div> Financial expenses excl discounting effects attributable to provisions and interest components related to pension costs 2 742 </div>	=	18.8
<b>FFO/gross debt, %</b>	= 100 x	<div> FFO 36 775 </div> <div> Interest-bearing liabilities 91 825 </div>	=	40.0
<b>FFO/net debt, %</b>	= 100 x	<div> FFO 36 775 </div> <div> Net debt 43 865 </div>	=	83.8
<b>FFO/adjusted net debt, %</b>	= 100 x	<div> FFO 36 775 </div> <div> Adjusted net debt 112 225 </div>	=	32.8
<b>EBITDA/net financial items, (x)</b>	=	<div> EBITDA 47 347 </div> <div> Financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund 2 849 </div>	=	16.6
<b>EBITDA excl items affecting comparability/net financial items, (x)</b>	=	<div> EBITDA excl items affecting comparability 45 676 </div> <div> Financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund 2 849 </div>	=	16.0

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#### KEY RATIOS BASED ON THE BALANCE SHEET PER 31 MARS 2021

<b>Equity/assets ratio, %</b>	= 100 x	<div> Equity 127 513 </div> <div> Balance sheet total 475 569 </div>	=	26.8
<b>Gross debt/equity, %</b>	= 100 x	<div> Interest-bearing liabilities 91 825 </div> <div> Equity 127 513 </div>	=	72.0
<b>Net debt/equity, %</b>	= 100 x	<div> Net debt 43 865 </div> <div> Equity 127 513 </div>	=	34.4
<b>Gross debt/gross debt equity, %</b>	= 100 x	<div> Interest-bearing liabilities 91 825 </div> <div> Interest-bearing liabilities + equity 219 338 </div>	=	41.9
<b>Net debt/net debt plus equity, %</b>	= 100 x	<div> Net debt 43 865 </div> <div> Net debt + equity 171 378 </div>	=	25.6
<b>Net debt/EBITDA, (x)</b>	=	<div> Net debt 43 865 </div> <div> EBITDA 47 347 </div>	=	0.9
<b>Adjusted net debt/EBITDA, (x)</b>	=	<div> Adjusted net debt 112 225 </div> <div> EBITDA 47 347 </div>	=	2.4

**Interim report signature**

Solna, 29 April 2021

Anna Borg  
President and CEO

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

**Financial calendar**

Interim report January-June, 20 July 2021

Interim report January-September, 28 October 2021

Year-end report 2020, 4 February 2022 (preliminary)

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This information is such that Vattenfall AB is obliged to make public in accordance with the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CEST on 29 April 2021. 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.