

Interim Report January–March 2023

Business highlights, January–March 2023

- Lower electricity prices and reduced price area differences
- Repair of Ringhals 4 finalised
- Completed divestment of the gas-fired power plant Magnum in the Netherlands
- Important steps in the feasibility study for building small modular reactors at Ringhals
- Final investment decision made for the Bruzaholm onshore wind farm
- Completed acquisition of district heating network in the UK
- Partnership entered into with the Stromma Group to electrify the company's boat fleet
- Continued upgrading of the regional network to meet increasing capacity needs

Financial highlights, January–March 2023

- Net sales increased by 62% (53% excluding currency effects) to SEK 96,788 million (59,579)
- Underlying operating profit¹ of SEK 9,545 million (9,504)
- Operating profit¹ of SEK 16,332 million (12,783)
- Profit for the period of SEK 11,818 million (6,064)

KEY DATA

Amounts in SEK million unless indicated otherwise

	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	96 788	59 579	239 644	276 853
Operating profit before depreciation, amortisation and impairment losses (EBITDA) ¹	21 300	17 249	30 513	34 564
Operating profit (EBIT) ¹	16 332	12 783	12 645	16 194
Underlying EBIT ¹	9 545	9 504	37 313	37 354
Profit for the period	11 818	6 064	21	5 775
Electricity generation, TWh	28.2	30.9	108.9	106.2
Sales of electricity, TWh ²	45.7	44.6	165.3	166.4
- of which, customer sales	34.4	30.6	111.4	115.2
Sales of heat, TWh	5.7	5.8	14.1	14.0
Sales of gas, TWh	18.3	20.2	47.3	45.4
Return on capital employed, % ¹	5.4 ³	21.8 ³	4.2	5.4
FFO/adjusted net debt, % ¹	39.6 ³	120.5 ³	55.0	39.6

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.

Good result development and continued fossil-free investments

Vattenfall has had a good start to 2023 with stable financial development. Thanks to a calmer energy market, we have been able to focus entirely on our strategy of investing in fossil-free power generation, upgrading the electricity grid and helping our customers reduce their climate impact. It is also very gratifying to see that more customers are choosing Vattenfall.

Lower electricity prices and reduced price area differences

The trend of falling electricity prices at the end of last year continued into early 2023. On the continent, gas stocks were well filled, which, in combination with a mild winter and the increased availability of French nuclear power, pushed down both fuel and electricity prices. Reduced price area differences in combination with a lower hedge ratio contributed to the fact that Vattenfall's achieved price for electricity in the Nordics doubled compared to the first quarter of 2022.

Stable underlying result

Profit for the period increased by SEK 5.8 billion to SEK 11.8 billion, mainly thanks to an improved finance net, which was affected by a higher return from the Swedish Nuclear Waste Fund. The underlying operating profit was stable at SEK 9.5 billion.

The heat business contributed positively to the result, as increased fuel prices last year were reflected in our customer contracts now in retrospect. We have a higher result from the distribution business and higher realised earnings from the trading operations. Wind power reports a lower result due to lower electricity prices on the continent. This was partially offset by newly installed capacity where, for example, the Hollandse Kust Zuid wind farm made a positive contribution. The customer

business is performing well, and the number of customers increased by 120,000 during the first quarter. However, the number of gas customers in the Netherlands and Germany was lower, which in combination with lower average consumption contributed to a lower result.

Nuclear power had lower availability due to the delayed restart of Ringhals 4. The complicated repair work has been carried out in a careful and safe manner and the restarted reactor now continues to supply fossil-free electricity in southern Sweden.

Investments that drive the energy transition forward

Thanks to a strong financial position, Vattenfall can maintain a high pace in investments throughout the value chain for fossil-free electricity and heat. During the quarter, we made the decision to invest in the onshore wind farm Bruzaholm, which will add much-needed capacity in southern Sweden. We invest in district heating with a low climate impact, for example, through the development of the district heating network in Bristol, in the UK. To meet the increased need for capacity in the electricity grid, we are also carrying out a comprehensive upgrade of the regional grid. In the new energy landscape, all types of fossil-free electricity generation will be needed, as will an expanded and robust electricity grid.



Anna Borg
Anna Borg
President and CEO

Profit for the period

11.8

SEK billion

(6.1)

Underlying operating profit

9.5

SEK billion

(9.5)

FFO/adjusted net debt

39.6%

(120.5)

Return on capital employed

5.4%

(21.8)

Group overview

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

Market development

During the first quarter of 2023, the electricity market has been less volatile due to conditions on the continent. Increased gas stocks, a milder winter and increased nuclear power production in France have resulted in lower electricity prices on the continent, and the Nordic system price has also been greatly affected. Lower average electricity prices had a negative effect on Vattenfall's profits. However, smaller differences between the system price in the Nordics and the price in the respective price area had a positive impact and, in combination with a lower degree of price hedging, contributed to a higher achieved price after price hedging.

ELECTRICITY SPOT PRICES, EUR/MWh

The average spot price in the Nordic region has decreased during the first quarter of 2023 compared to the fourth quarter of 2022 as a result of lower electricity prices on the continent, which is mainly due to a milder winter and well-filled gas stocks.

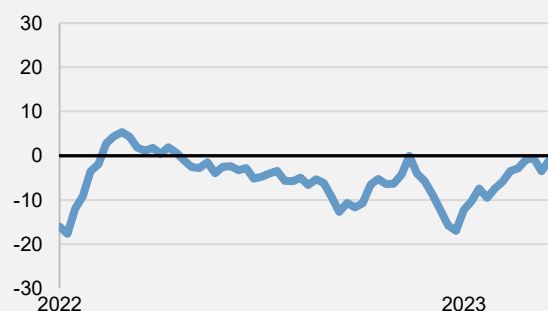
	Jan-Mar		
	2023	2022	Change
Nordics	85.2	110.1	-23%
Germany	115.8	184.6	-37%
Netherlands	121.4	207.5	-41%

NORDIC HYDROLOGY

Hydrological balance is a measure of the expected amount of energy that is stored in the form of snow, water reservoirs and groundwater in relation to normal circumstances. Historically, electricity prices in the Nordics have had a negative correlation with the hydrological balance because the available hydropower capacity usually determines which type of energy is used. Electricity prices in the northern parts of the Nordic region are still linked to the hydrological balance, while the correlation to the system price and price development in the southern parts of the region has decreased, especially in the last year.

At the end of the first quarter of 2023, the hydrological balance in the Nordic region was slightly below normal but at a higher level than at the end of 2022 due to a weather that has been more warm and wet than usual.

NORDIC HYDROLOGICAL BALANCE (TWh)

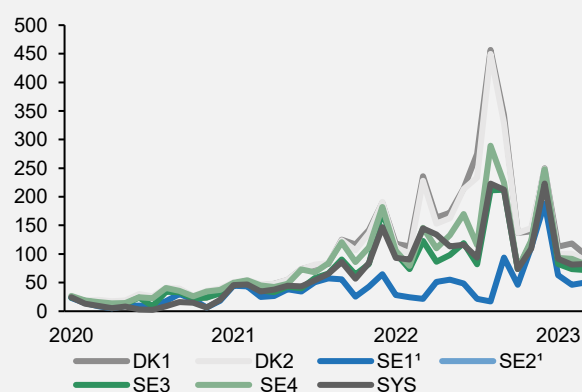


The reservoir level in Vattenfall's reservoir at the end of the first quarter was 27% (36%), which is in line with the normal level.

NORDIC PRICE AREA DIFFERENCES

The electricity market in the Nordics is divided into different price areas. In Sweden, there are four price areas and Vattenfall's hydropower assets are mainly in SE1 and SE2, while the nuclear power assets are in SE3. Vattenfall also has wind power assets in SE4. In recent years, the difference in electricity prices in Sweden between the different price areas has increased due to limitations in the transmission network that prevent electricity from reaching the southern part of the country. New transmission connections to the continent have also contributed to higher prices in southern Sweden. In Denmark, there are two price areas, and Vattenfall has wind power assets in both areas, DK1 and DK2. The Nordic system price (SYS) is a reference price for all price areas and is calculated by the electricity exchange Nord Pool.

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



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

In Sweden, price area differences have decreased during the first quarter of 2023. Prices in southern and central Sweden are at a lower level compared to 2022, while prices in northern Sweden have increased. Prices in Denmark have followed a similar trend as in southern Sweden.

INDICATIVE NORDIC HEDGE PRICES AND FINANCIAL HEDGE RATIO (SE, DK, FI) AS PER 31 MARCH 2023

Vattenfall's price hedging strategy is primarily focused on the Nordic generation assets because the primary risk exposure is linked to base production of nuclear power and hydro power. The degree of hedging is highest for the next few years and decreases thereafter.

	2023	2024	2025
EUR/MWh	30	45	50
Hedge ratio (%)	56	42	24

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

The price obtained is the average price that Vattenfall received for its electricity generation during the period and is affected by the degree of price hedging, level of price hedging (see above) as well as the spot price and effects from price area differences.

	Jan-Mar		Full year
	2023	2022	2022
EUR/MWh	40	20	27

Vattenfall's achieved price in the Nordics increased during the first quarter of 2023 compared to the first quarter of 2022 and the full year of 2022, mainly as a result of a lower level of price hedging and lower differences between electricity price areas.

FUEL PRICES

The price of gas, coal and emission allowances for carbon dioxide mainly affects Vattenfall's heat operations on the continent. Gas prices also affect operations within the Customers & Solutions business segment, which is responsible for retail sales of gas.

	Jan-Mar		
	2023	2022	Change
Gas (EUR/MWh)	54.2	99.2	-45%
Coal (USD/t)	147.2	230.3	-36%
CO ₂ (EUR/t)	86.7	83.0	4%

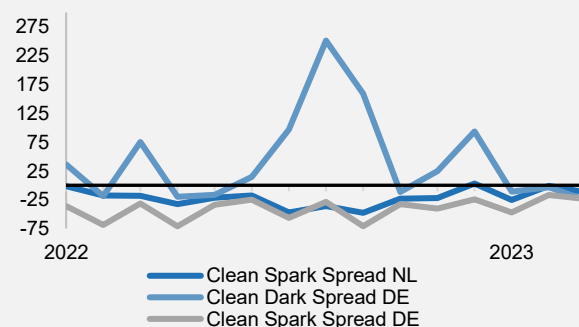
¹ Achieved prices from the spot market and price hedges. Includes Nordic electricity generation from hydropower, nuclear power and wind power.

The price of gas and coal has decreased in the first quarter, which is the result of well-filled gas stocks, milder weather and increased deliveries of LNG compared to the first quarter of 2022. The price of emission allowances for carbon dioxide has increased compared to the first quarter of 2022.

PRICE MARGINS

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

CLEAN SPARK SPREAD AND CLEAN DARK SPREAD (EUR/MWh)

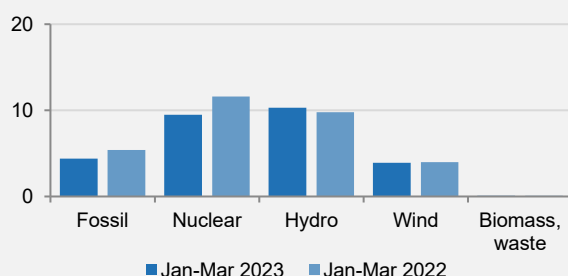


The clean spark spread in Germany was negative in the first quarter of 2023 but higher compared to the first quarter of 2022 when gas prices were higher. The clean dark spread was lower compared to the first quarter of 2022 when there was reduced supply of gas. In the Netherlands, the clean spark spread was on the same level as in the first quarter of 2022.

Generation development

Total electricity generation decreased by 2.7 TWh to 28.2 TWh (30.9) in the first quarter of 2023. Generation from nuclear power decreased (-2.1 TWh) due to the delayed restart of Ringhals 4. Generation from fossil-fuel based power decreased (-1.0 TWh) as a result of the sale of the Magnum gas-fired power plant in the Netherlands. Production from hydropower increased by 0.5 TWh.

ELECTRICITY GENERATION (TWh)



AVAILABILITY

The availability of a generation asset is calculated based on the proportion of the planned generation time without unforeseen technical problems or interruptions for maintenance. Given that the production of electricity for nuclear power is plannable and the production of electricity for wind power is dependent on wind speeds, different methods are used for nuclear power and wind power. Hence the two numbers for the two generation technologies are not comparable.

	Jan-Mar	
	2023	2022
Nuclear	79.2%	98.1%
Wind - offshore	95.0%	95.6%
Wind – onshore	95.0%	96.0%

The availability of Vattenfall's nuclear power during the first quarter of 2023 decreased due to the postponed restart of Ringhals 4. The availability of wind power was at a similar level.

INSTALLED WIND CAPACITY

New installed wind power capacity in the last 12 months amounted to 630 MW and is mainly attributable to Grönhult (67 MW), South Kyle (139 MW out of 240 MW), Hollandse Kust Zuid (369 MW out of 1,520 MW), Nij Hiddum Houw (15 MW) and A16/Klaverspoor (34 MW).

	31 Mar 2023	31 Mar 2022
Onshore wind	2,971	2,602
Offshore wind	1,870	1,610
Total	4,841	4,212

Sales development

Electricity sales, excluding sales to Nord Pool Spot and deliveries to minority owners, increased by 3.8 TWh to 34.4 TWh (30.6), mainly as a result of higher volumes in the business segment in France. Gas sales decreased by 1.9 TWh to 18.3 TWh (20.2) as a result of lower average consumption. Heat sales decreased by 0.1 TWh to 5.7 (5.8).

	Jan-Mar		
	2023	2022	Change
Sales of electricity to customers, TWh	34.4	30.6	12%
Sales of gas, TWh	18.3	20.2	-9%
Sales of heat, TWh	5.7	5.8	-2%

TEMPERATURE EFFECTS

Temperature effects have an impact on the sales volume within the Customers & Solutions and Heat operating segments. Lower temperatures usually mean an increased demand for heat (including gas) and electricity. In the Nordic region, this primarily affects sales of electricity and heat. In Germany and the Netherlands, gas is still the main source of heat, which means that lower temperatures increase the demand for gas and result in increased sales of heat.

TEMPERATURE DEVIATION FROM NORMAL LEVELS (°C)

	Jan-Mar	
	2023	2022
Nordics	0.9	1.7
Netherlands	1.6	1.8
Germany	1.8	1.6

During the first quarter of 2023, the temperature in Vattenfall's markets was higher compared to the normal temperature, which has had a negative effect on sales.

Net sales

January–March: Consolidated net sales increased by SEK 37.2 billion, (including positive currency effects of SEK 5.5 billion). The increase is mainly attributable to higher prices in customer sales and to some extent increased volumes in the business segment in France.

Earnings

January–March: The underlying operating profit was unchanged compared to the previous year, which is mainly attributable to:

- Higher earnings contribution from the Heat operating segment (SEK 3.2 billion), mainly as a result of higher heat prices, which were adjusted after the rise in fuel prices during last year
- Higher earnings contribution from the Power Generation segment (SEK 0.7 billion), mainly as a result of higher realized trading results and higher achieved prices in the Nordics
- Lower earnings contribution from the Wind operating segment (SEK -2.5 billion), mainly as a result of lower electricity prices on the continent
- Lower earnings contribution from the Customers & Solutions operating segment (SEK -1.2 billion) as a result of lower gas sales in the Netherlands and Germany in combination with lower average gas consumption

Items affecting comparability amounted to SEK 6.8 billion (3.3), the majority of which relates to changes in the market value of energy derivatives and provisions (SEK 7.2 billion). See *note 4 for further information*.

The return on capital employed (ROCE) amounted to 5.4% (21.8%). The return on capital employed based on underlying operating profit amounted to 12.5% (10.5%).

Profit for the period amounted to SEK 11.8 billion (6.1) and was affected by positive effects from the realization of electricity and fuel contracts and higher returns from the nuclear waste fund.

Cash flow

January– March: Funds from operations (FFO) increased by SEK 3.4 billion mainly as a result of higher underlying operating profit before depreciation and amortisation (EBITDA) and lower tax paid. Cash flow from changes in working capital amounted to SEK -44.0 billion. The biggest contributing factor was the net received and paid margin calls (SEK -49.7 billion). In addition, working capital was affected by the reduction in operating receivables within the Power Generation segment (SEK +13.6 billion), which was offset by the increase in operating receivables within the segments Customers & Solutions (SEK - 6.6 billion) and Heat (SEK -6.3 billion).

KEY FIGURES – GROUP OVERVIEW

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	96 788	59 579	239 644	276 853
Operating profit before depreciation, amortisation and impairment losses (EBITDA) ¹	21 300	17 249	30 513	34 564
Operating profit (EBIT) ¹	16 332	12 783	12 645	16 194
Underlying EBIT ¹	9 545	9 504	37 313	37 354
Items affecting comparability ¹	6 787	3 279	- 24 668	- 21 160
Profit for the period	11 818	6 064	21	5 775
Funds from operations (FFO) ¹	11 787	8 382	42 194	45 599
Cash flow from changes in operating assets and operating liabilities (working capital)	- 43 984	- 11 440	- 41 040	- 73 584
Cash flow from operating activities	- 32 197	- 3 058	1 154	- 27 985

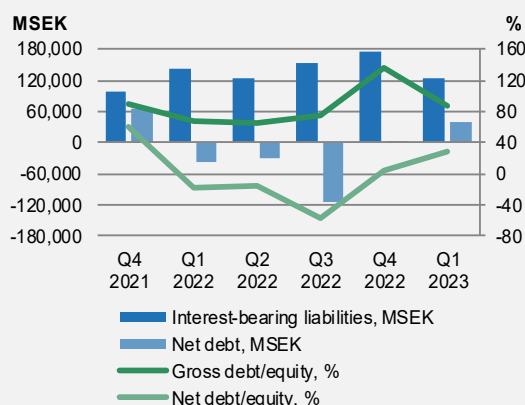
1) See Definitions and calculations of key ratios for definitions of Alternative Performance Measures.

Capital structure

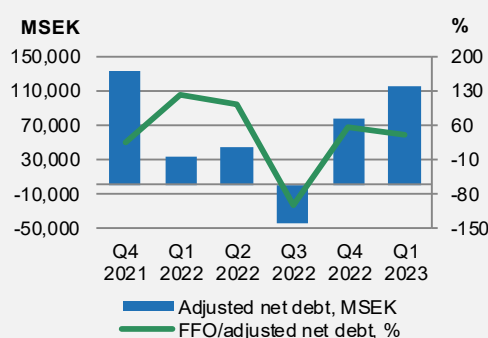
Cash, bank and similar assets and short-term investments decreased by SEK 89.1 billion compared to 31 December 2022. Confirmed credit facilities consist of a Revolving Credit Facility of EUR 2.0 billion with a maturity date November 2025, and a Committed Credit Facility of EUR 3.0 billion with a maturity date of 21 September 2023. As per 31 March 2023, available liquid assets and/or committed credit facilities amounted to 49.1% of net sales. Vattenfall's target is to maintain a level of no less than 10% of the Group's net sales, but at least the equivalent of the next 90 days' maturities.

Net debt increased by SEK 37.2 billion to SEK 41.1 billion and adjusted net debt increased by SEK 38.5 billion to SEK 115.2 billion compared to 31 December 2022. This is mainly derived from negative cash flow after investments (SEK -42.8 billion). The adjusted net debt was also affected by lower provisions for nuclear power (SEK 1.2 billion), which was partially offset by higher provisions for gas- and wind operations and other environment-related provisions (SEK 0.5 billion).

NET DEBT



ADJUSTED NET DEBT



Strategic focus areas and targets for 2025

Strategic focus area	Targets for 2025	Q1 2023	Outcome 2022
Driving decarbonisation with our customers and partners Securing fossil-free energy supply	1. Customer engagement, Net Promoter Score (NPS) ¹ : +18	-	+16
	2. CO ₂ emissions intensity ² : ≤86 gCO₂e/kWh	84	78
Delivering high-performing operations	3. Funds From Operations (FFO)/adjusted net debt ³ : 22-27%	39.6%	55.8%
	4. Return On Capital Employed (ROCE) ⁴ : ≥8%	5.4%	4.2%
Empowering our people	5. Lost Time Injury Frequency (LTIF) ⁵ : ≤1.0	1.3	1.1
	6. Employee Engagement Index ⁶ : ≥75%	-	80%

1) NPS is weighted 80% from Customers & Solutions and 20% from Heat, which corresponds to our customer composition. Reported on an annual basis.

2) Includes CO₂ and other greenhouse gases such as N₂O and SF₆, as well as indirect emissions from electricity and heat use (scope 2). Consolidated value where CO₂ primarily relates to the Heat operating segment. The target for 2025 puts us on a path towards the 1.5°C target for 2030 according to SBT.

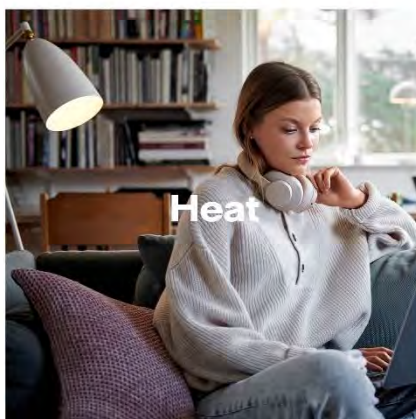
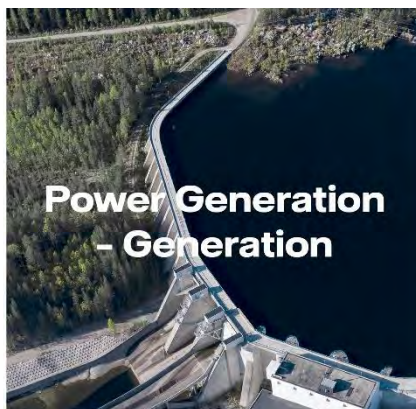
3) Rolling 12-month values. The effect from received variation margin had a significant impact on results for both Q1 2023 and the full 2022 financial year.

4) Rolling 12-month values. Market value changes for energy derivatives, changes in inventories and provisions had a significant impact on the results in Q1 2023 and for the full 2022 financial year. Return on capital employed based on underlying operating profit amounted to 12.5%.

5) Rolling 12-month values. LTIF, Lost Time Injury Frequency, is expressed in the number of work accidents per 1 million hours worked. The metric only applies to employees within Vattenfall.

6) The target is measured based on the results of an employee survey that is carried out annually. Due to an update of response options in the survey, the outcome may deviate +/- 3 percentage points from previous years.

Operating segments



Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Underlying EBIT				
Customers & Solutions	793	1 967	7 413	6 239
Power Generation	3 772	3 111	16 570	17 231
- of which, realised trading result	2 776	43	- 1 360	1 373
Wind	2 393	4 899	16 479	13 973
Heat	2 270	- 905	- 3 578	- 403
Distribution	1 356	1 104	2 070	2 322
Other ¹	- 924	- 600	- 1 590	- 1 914
Eliminations	- 115	- 72	- 51	- 94
Underlying EBIT	9 545	9 504	37 313	37 354

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

Customers & Solutions

Customers & Solutions manages our customer relations and delivers electricity, gas and energy services in our markets.

Increased electricity sales and a larger customer base both made a positive contribution to overall sales

- More customers choose Vattenfall
- Continued expansion in charging infrastructure
- Acquisition of an installation company in Germany



Q1: Net sales increased by 85% compared to 2022. Underlying operating profit decreased by 60% mainly as a result of fewer gas customers in the Netherlands and Germany combined with lower average consumption. In addition, the profit during the corresponding period in 2022 was positively affected by higher temporary effects from the purchase of electricity and gas. In the first quarter, the customer base increased by 1% compared to the end of 2022 to 11 million contracts.

Electricity sales increased by 21% compared to the first quarter of 2022, which was primarily attributable to a higher customer base in Germany and higher volumes sold to grid operators in France. Sales of gas decreased by 9% during the quarter compared to the first quarter of 2022, which is attributable to a lower customer base and lower average consumption per customer.

Vattenfall has adjusted its customer prices in accordance with price ceilings for electricity and gas that were introduced last year and at the beginning of the first quarter of 2023. With falling market prices, Vattenfall is able to offer further price adjustments for its customers. In the Netherlands, a Temporary Energy Emergency Fund was created in a cooperation between power companies and the Dutch government. Households have been able to apply for assistance benefits from the fund since

February 2023. During the quarter an investigation concluded that energy suppliers are not charging unreasonable tariffs and that higher consumer prices are the result of higher purchase prices for gas and electricity. The investigation against major energy suppliers regarding energy prices was launched by the Dutch Authority for Consumers and Markets.

Vattenfall continues to expand its public charging network InCharge for electric cars. The total number of connected charging points is now over 40,000 and chargers are being installed at a rapid pace in the Brabant-Limburg and Gelderland Overijssel regions in the Netherlands. Vattenfall now has over 5,000 charging points installed in Brabant-Limburg. The next step is to explore opportunities to take over existing public charging points. In Sweden, Vattenfall has connected its business customers' existing charging stations to its platform InCharge to expand the network. In Germany, Vattenfall has signed an agreement with NH Hotel Group for the installation of both AC and DC chargers at around 50 hotel properties.

In Germany, Vattenfall has also acquired the German installation company Elektro Drämer. The company offers a variety of electrical solutions and energy optimization technology that can secure and increase installation capacity for its customers.

KEY FIGURES – CUSTOMERS & SOLUTION

Amounts in SEK million unless indicated otherwise	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	78 872	42 627	183 151	219 396
External net sales	75 848	40 855	174 026	209 019
Underlying EBITDA	1 087	2 191	8 393	7 289
Underlying EBIT	793	1 967	7 413	6 239
Sales of electricity, TWh	30.9	25.4	93.5	99.0
- of which, private customers	8.6	8.7	27.1	27.0
- of which, resellers	9.7	2.4	20.7	28.0
- of which, business customers	12.6	14.3	45.7	44.0
Sales of gas, TWh	18.2	19.8	46.4	44.8
Number of employees, full-time equivalents	3 364	3 258	3 289	

Power Generation

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

2023 is off to a good start with higher underlying operating profit

- Good availability and production in hydropower
- Repair of Ringhals 4 finalised
- Important steps in the feasibility study for small modular reactors (SMRs) at Ringhals

Q1: Net sales increased by 50%. The underlying operating profit increased by 21%, mainly as a result of a higher realised trading result and higher achieved prices in the Nordics, which was offset by lower generation in nuclear power (-2.2 TWh). Lower contributions from pumped hydro storage operations in Germany also had a negative effect on profit.

The production of hydropower increased as a result of good availability during the first quarter of 2023. Nuclear power production decreased as a result of the continued shutdown of Ringhals 4 reactor for repairs. However, a gradual restart



Vittjärn hydro power plant in Sweden

process was initiated at the end of March, and the reactor is now back at full capacity.

The feasibility study for SMR-reactors, which began in June 2022, has entered a more intense phase, and we anticipate being able to conduct soil surveys from April into the fall of 2023. During the first quarter of 2023, we have intensified our dialogue with several potential suppliers of SMR-technology. In the event that Vattenfall decides to implement this technology, it is estimated that new SMR-reactors could be in operation after 2030.

KEY FIGURES – POWER GENERATION

Amounts in SEK million unless indicated otherwise	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	74 037	49 416	205 788	230 409
External net sales	6 249	6 936	28 193	27 506
Underlying EBITDA	5 087	4 309	21 621	22 399
Underlying EBIT	3 772	3 111	16 570	17 231
- of which, realised trading result	2 776	43	- 1 360	1 373
Electricity generation, TWh	19.8	21.4	80.1	78.5
- of which, hydro power	10.3	9.8	40.5	41.0
- of which, nuclear power	9.5	11.6	39.6	37.5
Sales of electricity, TWh	3.3	4.6	15.6	14.3
- of which, resellers	2.6	4.2	13.8	12.2
- of which, business customers	0.7	0.4	1.8	2.1
Sales of gas, TWh	0.1	0.4	0.9	0.6
Number of employees, full-time equivalents	7 227	7 205	7 219	

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.

Lower result driven by lower electricity prices

- Installation of turbines in the Hollandse Kust Zuid offshore wind farm
- Final investment decision made for the Bruzaholm onshore wind farm
- Innovative solar power project launched in Germany which combines solar power generation and sustainable agriculture



Haringvliet energy park, the Netherlands

Q1: Net sales decreased 21% compared to 2022. Underlying operating profit decreased by 51% which is mainly due to lower electricity prices on the continent and the divestment of onshore wind farms. Electricity generation decreased by 2%, as higher volumes from the Hollandse Kust Zuid offshore wind farm in the Netherlands were offset by otherwise slightly lower generation on the continent.

The installation of turbines at Hollandse Kust Zuid continues — 34 turbines are now in operation and supplying electricity. The inauguration of the wind farm is planned for September 2023.

The final investment decision for the Bruzaholm onshore wind farm was made in March 2023. The project is based in the municipality of Eksjö in southern Sweden and will have a capacity of 139 MW. Preparations for the constructions are now

in full swing, and mounting of the turbines is scheduled for early 2025.

In February, Vattenfall made the final investment decision for the Tützpätz solar power park in Germany with a capacity of 76 MW. The project is agrivoltaic, which means that sustainable agriculture and solar power are combined on the same land. This help to increase biodiversity and generates additional income for the agriculture. The solar farm is in the Mecklenburg-Vorpommern region of Germany and will be installed without government subsidies. Vattenfall will further develop this innovative concept of land use on a commercial scale with partners.

KEY FIGURES – WIND

Amounts in SEK million unless indicated otherwise	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	6 291	7 956	29 109	27 444
External net sales	1 414	1 768	4 308	3 954
Underlying EBITDA	4 002	6 357	22 508	20 153
Underlying EBIT	2 393	4 899	16 479	13 973
Electricity generation - wind power TWh ¹	3.9	4.0	12.2	12.1
Sales of electricity, TWh	0.2	0.3	1.2	1.1
Number of employees, full-time equivalents	1 578	1 362	1 521	

1) Including electricity generation from solar power

Heat

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

Lower CO₂ emissions from cities through new assets and projects

- Completed acquisition of district heating network in the UK
- Completed sale of the gas-fired power plant Magnum in the Netherlands
- Sale of Vattenfall Moorburg GmbH

Q1: Net sales decreased by 5%. The underlying operating profit increased mainly as a result of price adjustments for heating, which compensates for higher fuel costs in 2022. Heat sales decreased somewhat as a result of our customers' energy conservation measures. Due to lower prices for both electricity and gas, price margins were similar to the previous year for gas-fired power generation. However, the sale of Magnum led to lower electricity generation, which had a slight negative impact on underlying operating profit. The number of customers amounted to 2.1 million households which corresponds to an increase of 0.8% compared to the end of 2022. Vattenfall's emission intensity during the first quarter amounted to 84 gCO₂e/kWh. The increase in intensity compared to the full 2022 financial year (78 gCO₂e/kWh) is mainly attributable to seasonal effects.

Vattenfall acquired Bristol Heat Networks Ltd in January 2023 and is working together with Bristol City Leap to achieve net zero carbon dioxide emissions for the city's energy infrastructure by 2030. Vattenfall plans to expand the existing district heating network and to develop new networks. Where possible, these will be linked together to provide the local area in Bristol with reliable heat with a low climate impact.

An agreement was concluded in January 2023 with property developer Ariem in an area under development in Vattenfall's



Waste incineration plant in Uppsala, Sweden

largest district heating network in Sweden, Uppsala. The agreement relates to 2.8 MW of heating and 1.5 MW of cooling.

Vattenfall sold the gas-fired power plant Magnum in the Netherlands to RWE on 2 June 2022. The approval process for the sale has taken longer than expected, but the sale was approved by the European Commission on 22 December 2022. RWE took over the power plant as of 31 January 2023.

About 4,800 households and 50 companies connected to Vattenfall's heating network in Lelystad in the Netherlands will soon receive district heating. Vattenfall and HVC, a waste management company, have received a joint grant from the government for the development of district heating in the city. The grant enables the continued development of the project; the next step is to start soil surveys.

Vattenfall has sold Vattenfall Moorburg GmbH to Hamburger Energiewerke (HENW). On 1 March 2023, the municipality purchased HENW and the associated properties from Vattenfall. The plan is for Moorburg to transition to a hydrogen plant.

KEY FIGURES – HEAT

Amounts in SEK million unless indicated otherwise	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	16 656	17 590	60 505	59 571
External net sales	9 550	6 185	20 933	24 298
Underlying EBITDA	3 018	- 152	- 641	2 529
Underlying EBIT	2 270	- 905	- 3 578	- 403
Electricity generation - TWh	4.5	5.5	16.6	15.6
- of which, fossil-based power	4.4	5.4	16.3	15.3
- of which, biomass, waste	0.1	0.1	0.3	0.3
Sales of electricity business customers, TWh	—	0.3	1.1	0.8
Sales of heat, TWh	5.7	5.8	14.1	14.0
Number of employees, full-time equivalents	3 090	3 167	3 188	

Distribution

The Distribution Business Area consists of Vattenfall's electricity distribution operations in Sweden and the UK and Vattenfall's Power-as-a-Service offering.

Lower costs for the transmission network had a positive impact on results

- Continued upgrading of the regional network to meet increasing needs of capacity
- Vattenfall has entered into a partnership with the Stromma Group to electrify their fleet of boats with fossil-free operation

Q1: Net sales decreased by 1% compared with 2022. The underlying operating profit increased by 23%, which is mainly driven by extraordinarily high costs for the transmission network in 2022. Higher personnel costs and maintenance costs due to growth in the first quarter of 2023 had a countering effect.

Vattenfall is continuing its extensive upgrade programme for the regional network, Capacity Stockholm, in order to meet the increasing need for grid capacity. To enable growth and expansion of rail traffic and charging infrastructure in Solna, two new regional grid stations are being built and the lines in the area are being upgraded from 70 kV to 130 kV. The total investment amounts to over SEK 500 million, and the projects are expected to be completed by the end of 2024. A new 130 kV line between Nykvarn and Almnäs in Södertälje was commissioned in March 2023 as part of Capacity Stockholm. This new line, together with a new transformer station, will increase capacity and security of supply and provide opportunities for new housing and industrial development in the area. The total investment amounts to SEK 160 million.

At the beginning of the year, the Swedish Energy Markets Inspectorate granted Vattenfall a licence for three lines in the municipality of Gävle. These lines will provide Microsoft's server halls in Ersbo and Stackbo with a stable and reliable connection to the electricity grid.

The expansion of charging infrastructure for heavy transport is a prerequisite for the electrification of the entire transport sector. In Kiruna, Vattenfall Eldistribution has constructed an electricity grid station that enabled the connection of a charging



station, offering ultra-fast charging and a capacity of 360 kW per charger.

Efficient permit processes are a prerequisite for expanding the electricity grid and connecting customers at the rate society expects. Vattenfall is participating in several initiatives and collaborations in order to shorten lead times in the permit process. One example is the stakeholder network AGON¹, which aims to accelerate the green transition in the northern part of Sweden through efficient permit assessments and modern application of regulations.

The interest in self-generation using solar panels remains high. In some areas, where many customers have already installed solar panels, reinforcements are needed in the electricity grid before more customers can connect and export their generated electricity.

Vattenfall and the Stromma Group have entered into a partnership to electrify Stromma's boat fleet with fossil-free operation. The first collaboration project will be the electrification of canal boats in Amsterdam, where Vattenfall is supplying the battery system for emission-free operation of the city's canal boats, which will be mandatory from 2025. Vattenfall's Power-as-a-Service concept, offered by Vattenfall Network Solutions, is based on Vattenfall owning, managing and taking responsibility for the operation and maintenance of electrical infrastructure, allowing customers to focus on their core business.

¹ Accelerated Green Transition in Norrbotten, Sweden

KEY FIGURES – DISTRIBUTION

Amounts in SEK million unless indicated otherwise

	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	3 859	3 895	12 497	12 461
External net sales	3 665	3 747	11 733	11 651
Underlying EBITDA	2 028	1 728	4 622	4 922
Underlying EBIT	1 356	1 104	2 070	2 322
Number of employees, full-time equivalents	1 399	1 207	1 340	

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 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	2 242	1 766	8 530	9 006
External net sales	62	88	451	425
Underlying EBITDA	- 594	- 391	- 693	- 896
Underlying EBIT	- 924	- 600	- 1 590	- 1 914
Number of employees, full-time equivalents	3 114	2 832	3 081	

Consolidated income statement

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Net sales	96 788	59 579	239 644	276 853
Cost of purchases	- 66 723	- 34 147	- 167 013	- 199 589
Other external expenses	- 4 332	- 3 116	- 20 908	- 22 124
Personnel expenses	- 5 778	- 5 244	- 20 557	- 21 091
Other operating income and expenses, net	1 106	27	- 790	289
Participations in the results of associated companies	239	150	137	226
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	21 300	17 249	30 513	34 564
Depreciation, amortisation and impairments	- 4 968	- 4 466	- 17 868	- 18 370
Operating profit (EBIT)	16 332	12 783	12 645	16 194
Financial income ³	666	181	854	1 339
Financial expenses ^{1,2,3}	- 2 497	- 1 661	- 7 978	- 8 814
Return from the Swedish Nuclear Waste Fund	1 437	- 2 870	- 5 608	- 1 301
Profit before income taxes	15 938	8 433	- 87	7 418
Income taxes	- 4 120	- 2 369	108	- 1 643
Profit for the period	11 818	6 064	21	5 775
Attributable to owner of the Parent Company	11 182	5 782	- 1 102	4 298
Attributable to non-controlling interests	636	282	1 123	1 477
Supplementary information				
Underlying EBITDA ⁴	14 513	13 970	55 759	56 302
Underlying EBIT ⁴	9 545	9 504	37 313	37 354
Financial items, net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	- 1 288	- 982	- 5 115	- 5 421
1) Including interest components related to pension costs	- 261	- 143	- 578	- 696
2) Including discounting effects attributable to provisions	- 543	- 498	- 2 009	- 2 054
3) Including items affecting comparability recognised as financial income and expenses, net	—	—	6	6
4) See note 4 for information on items affecting comparability				

Consolidated statement of comprehensive income

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Profit for the period	11 818	6 064	21	5 775
Other comprehensive income				
Items that will be reclassified to profit or loss when specific conditions are met				
Cash flow hedges - changes in fair value	- 7 968	26 807	14 478	- 20 297
Cash flow hedges - dissolved against income statement	820	- 19 022	- 106 390	- 86 548
Cash flow hedges - transferred to cost of hedged item	- 17	6	- 16	- 39
Hedging of net investments in foreign operations	- 591	- 270	- 2 777	- 3 098
Translation differences, divested companies	- 86	—	—	- 86
Translation differences	2 365	1 348	14 684	15 701
Income taxes related to items that will be reclassified	3 716	- 4 208	25 498	33 422
Total items that will be reclassified to profit or loss when specific conditions are met	- 1 761	4 661	- 54 523	- 60 945
Items that will not be reclassified to profit or loss				
Remeasurement pertaining to defined benefit obligations	—	4 464	13 178	8 714
Income taxes related to items that will not be reclassified	1	- 1 088	- 3 582	- 2 493
Total items that will not be reclassified to profit or loss	1	3 376	9 596	6 221
Total other comprehensive income, net after income taxes	- 1 760	8 037	- 44 927	- 54 724
Total comprehensive income for the period	10 058	14 101	- 44 906	- 48 949
Attributable to owner of the Parent Company	9 201	13 734	- 47 227	- 51 760
Attributable to non-controlling interests	857	367	2 321	2 811

Operating segments, Vattenfall Group

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
External net sales				
Customers & Solutions	75 848	40 855	174 026	209 019
Power Generation	6 249	6 936	28 193	27 506
Wind	1 414	1 768	4 308	3 954
Heat	9 550	6 185	20 933	24 298
Distribution	3 665	3 747	11 733	11 651
Other ¹	62	88	451	425
Total	96 788	59 579	239 644	276 853
Internal net sales				
Customers & Solutions	3 024	1 772	9 125	10 377
Power Generation	67 788	42 480	177 595	202 903
Wind	4 877	6 188	24 801	23 490
Heat	7 106	11 405	39 572	35 273
Distribution	194	148	764	810
Other ¹	2 180	1 678	8 079	8 581
Eliminations	- 85 169	- 63 671	- 259 936	- 281 434
Total	—	—	—	—
Total net sales				
Customers & Solutions	78 872	42 627	183 151	219 396
Power Generation	74 037	49 416	205 788	230 409
Wind	6 291	7 956	29 109	27 444
Heat	16 656	17 590	60 505	59 571
Distribution	3 859	3 895	12 497	12 461
Other ¹	2 242	1 766	8 530	9 006
Eliminations	- 85 169	- 63 671	- 259 936	- 281 434
Total	96 788	59 579	239 644	276 853

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Operating profit before depreciation, amortisation and impairment losses (EBITDA)				
Customers & Solutions	1 072	2 190	8 396	7 278
Power Generation	11 596	7 578	- 2 903	1 115
Wind	4 005	6 356	22 554	20 203
Heat	3 021	- 152	- 1 515	1 658
Distribution	2 028	1 738	4 637	4 927
Other ¹	- 307	- 389	- 605	- 523
Eliminations	- 115	- 72	- 51	- 94
Total	21 300	17 249	30 513	34 564
Underlying EBITDA				
Customers & Solutions	1 087	2 191	8 393	7 289
Power Generation	5 087	4 309	21 621	22 399
Wind	4 002	6 357	22 508	20 153
Heat	3 018	- 152	- 641	2 529
Distribution	2 028	1 728	4 622	4 922
Other ¹	- 594	- 391	- 693	- 896
Eliminations	- 115	- 72	- 51	- 94
Total	14 513	13 970	55 759	56 302

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Operating profit (EBIT)				
Customers & Solutions	778	1 966	7 416	6 228
Power Generation	10 282	6 380	- 7 949	- 4 047
Wind	2 397	4 898	16 436	13 935
Heat	2 273	- 905	- 3 790	- 612
Distribution	1 356	1 114	2 086	2 328
Other ¹	- 639	- 598	- 1 503	- 1 544
Eliminations	- 115	- 72	- 51	- 94
Operating profit (EBIT)	16 332	12 783	12 645	16 194
Operating profit (EBIT)	16 332	12 783	12 645	16 194
Financial net	- 394	- 4 350	- 12 732	- 8 776
Profit before tax	15 938	8 433	- 87	7 418
Underlying EBIT				
Customers & Solutions	793	1 967	7 413	6 239
Power Generation	3 772	3 111	16 570	17 231
Wind	2 393	4 899	16 479	13 973
Heat	2 270	- 905	- 3 578	- 403
Distribution	1 356	1 104	2 070	2 322
Other ¹	- 924	- 600	- 1 590	- 1 914
Eliminations	- 115	- 72	- 51	- 94
Underlying EBIT	9 545	9 504	37 313	37 354

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 2023	31 Mar 2022	31 Dec 2022
Assets			
Non-current assets			
Intangible assets: non-current	18 522	17 167	18 347
Property, plant and equipment	283 979	253 469	276 901
Participations in associated companies and joint arrangements	7 521	6 347	7 094
Other shares and participations	332	314	324
Share in the Swedish Nuclear Waste Fund	48 871	50 039	47 517
Derivative assets	14 784	44 108	31 187
Deferred tax assets	16 335	8 845	16 133
Contract assets	49	75	51
Other non-current receivables	4 518	3 039 ¹	3 411
Total non-current assets	394 911	383 403	400 965
Current assets			
Inventories	19 083	35 469	20 969
Intangible assets: current	3 080	5 171	3 043
Trade receivables and other receivables	59 869	44 855 ¹	54 016
Contract assets	195	270	175
Advance payments paid	42 597	10 807	20 199
Derivative assets	61 071	186 658	89 692
Prepaid expenses and accrued income	32 529	15 276	20 775
Current tax assets	3 658	3 368	160
Short-term investments	29 463	79 699	65 846
Cash and cash equivalents	53 777	97 719	106 540
Assets held for sale	—	—	9 947
Total current assets	305 322	479 292	391 362
Total assets	700 233	862 695	792 327
Equity and liabilities			
Equity			
Attributable to owner of the Parent Company	119 722	194 418	110 473
Attributable to non-controlling interests	21 901	16 062	18 464
Total equity	141 623	210 480	128 937
Non-current liabilities			
Hybrid Capital	17 992	20 618	17 760
Other interest-bearing liabilities	79 242	52 111	78 848
Pension provisions	27 930	35 946	27 812
Other interest-bearing provisions	129 780	116 303	128 239
Derivative liabilities	29 787	41 798	45 337
Deferred tax liabilities	13 742	40 529	13 648
Contract liabilities	9 220	7 497	8 936
Other noninterest-bearing liabilities	2 141	2 000	2 108
Total non-current liabilities	309 834	316 802	322 688
Current liabilities			
Trade payables and other liabilities	63 485	36 552	48 797
Contract liabilities	697	1 021	873
Advance payments received	5 444	56 635	26 692
Derivative liabilities	119 302	148 703	151 657
Accrued expenses and deferred income	24 279	19 560	23 105
Current tax liabilities	4 775	740	1 201
Hybrid Capital	4 149	—	4 171
Other interest-bearing liabilities	23 552	67 761	75 986
Interest-bearing provisions	3 093	4 441	4 382
Liabilities associated with assets held for sale	—	—	3 838
Total current liabilities	248 776	335 413	340 702
Total equity and liabilities	700 233	862 695	792 327

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

SUPPLEMENTARY INFORMATION

Amounts in SEK million	31 Mar 2023	31 Mar 2022	31 Dec 2022
Calculation of capital employed			
Intangible assets: current and non-current	21 602	22 338	21 390
Property, plant and equipment	283 979	253 469	276 901
Participations in associated companies and joint arrangements	7 521	6 347	7 094
Deferred and current tax assets	19 993	12 213	16 293
Non-current noninterest-bearing receivables	877	580	811
Contract assets	244	345	226
Inventories	19 083	35 469	20 969
Trade receivables and other receivables	59 869	44 855	54 016
Prepaid expenses and accrued income	32 529	15 276	20 775
Unavailable liquidity	3 715	3 753	2 996
Other	710	523	805
Total assets excl. financial assets	450 122	395 168	422 276
Deferred and current tax liabilities	- 18 517	- 41 269	- 14 849
Other noninterest-bearing liabilities	- 2 141	- 2 000	- 2 108
Contract liabilities	- 9 917	- 8 518	- 9 809
Trade payable and other liabilities	- 63 485	- 36 552	- 48 797
Accrued expenses and deferred income	- 24 279	- 19 560	- 23 105
Other	- 1 517	- 1 025	- 1 562
Total noninterest-bearing liabilities	- 119 856	- 108 924	- 100 230
Other interest-bearing provisions not related to adjusted net debt ¹	- 9 953	- 9 495	- 10 114
Adjustment related to assets/liabilities held for sale	—	—	6 109
Capital employed²	320 313	276 749	318 041
Capital employed, average	298 531	273 930	299 461
Calculation of net debt			
Hybrid Capital	- 22 141	- 20 618	- 21 931
Bond issues and liabilities to credit institutions	- 64 855	- 35 884	- 63 937
Short-term debt, commercial papers and repo	- 17 667	- 63 356	- 71 017
Liabilities to associated companies	- 885	- 966	- 930
Liabilities to owners of non-controlling interests	- 9 760	- 10 687	- 9 667
Other liabilities	- 9 627	- 8 978	- 9 283
Total interest-bearing liabilities	- 124 935	- 140 489	- 176 765
Cash and cash equivalents	53 777	97 719	106 540
Short-term investments	29 463	79 699	65 846
Loans to owners of non-controlling interests in foreign Group companies	640	682	521
Net debt²	- 41 055	37 611	- 3 858
Calculation of adjusted gross debt and net debt			
Total interest-bearing liabilities	- 124 935	- 140 489	- 176 765
50% of Hybrid Capital ³	11 071	10 309	10 966
Present value of pension obligations	- 27 930	- 35 946	- 27 812
Provisions for gas and wind operations and other environment-related provisions	- 11 957	- 11 706	- 11 454
Provisions for nuclear power (net) ⁴	- 52 754	- 42 599	- 53 930
Margin calls received	1 999	2 468	2 142
Liabilities to owners of non-controlling interests due to consortium agreements	9 760	10 687	9 667
Adjustment related to assets/liabilities held for sale	—	—	1 031
Adjusted gross debt	- 194 747	- 207 276	- 246 156
Reported cash and cash equivalents and short-term investments	83 240	177 418	172 386
Unavailable liquidity	- 3 715	- 3 753	- 2 996
Adjusted cash and cash equivalents and short-term investments	79 525	173 665	169 390
Adjusted net debt²	- 115 222	- 33 611	- 76 766

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

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

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

4) The calculation is based on Vattenfall's share of ownership in the respective nuclear power plants, less Vattenfall's share in the Swedish Nuclear Waste Fund and liabilities relating to funding of decommissioning obligations in Stade and Brokdorf. Vattenfall has the following ownership interests in the respective plants: Forsmark 66%, Ringhals 70.4%, 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 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Operating activities				
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	21 300	17 249	30 513	34 564
Tax paid	- 591	- 3 380	- 4 360	- 1 571
Capital gains/losses, net	- 294	- 14	- 189	- 469
Interest received	514	29	897	1 382
Interest paid	- 1 105	- 501	- 3 811	- 4 415
Other, incl. non-cash items	- 8 037	- 5 001	19 144	16 108
Funds from operations (FFO)	11 787	8 382	42 194	45 599
Changes in inventories	1 414	5 095	20 146	16 465
Changes in operating receivables	- 16 360	- 3 830	- 11 196	- 23 726
Changes in operating liabilities	19 729	124	12 004	31 609
Margin calls	- 49 703	- 17 706	- 63 128	- 95 125
Other changes	936	4 877	1 134	- 2 807
Cash flow from changes in operating assets and operating liabilities	- 43 984	- 11 440	- 41 040	- 73 584
Cash flow from operating activities	- 32 197	- 3 058	1 154	- 27 985
Investing activities				
Acquisitions in Group companies	- 274	—	528	254
Investments in associated companies and other shares and participations	- 63	- 29	- 238	- 272
Other investments in non-current assets	- 12 000	- 4 912	- 24 914	- 32 002
Total investments	- 12 337	- 4 941	- 24 624	- 32 020
Divestments	1 756	40	751	2 467
Changes in short-term investments	37 416	23 577	42 877	56 716
Cash flow from investing activities	26 835	18 676	19 004	27 163
Cash flow before financing activities	- 5 362	15 618	20 158	- 822
Financing activities				
Changes in loans to owners of non-controlling interests in foreign Group companies	- 111	- 455	- 260	84
Loans raised ¹	111	45 604	97 400	51 907
Amortisation of other debt ¹	- 54 949	- 31 096	- 53 997	- 77 850
Dividends paid to owners	—	—	- 25 360	- 25 360
Contribution to owners of non-controlling interests	—	- 521	- 1 791	- 1 270
Contribution from owners of non-controlling interests	2 760	236	3 697	6 221
Cash flow from financing activities	- 52 189	13 768	19 689	- 46 268
Cash flow for the period	- 57 551	29 386	39 847	- 47 090

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Cash and cash equivalents				
Cash and cash equivalents at start of period	106 540	68 176	68 176	—
Cash and cash equivalents included in assets held for sale	4 307	—	- 4 307	—
Cash flow for the period	- 57 551	29 386	39 847	- 47 090
Translation differences	481	157	2 824	3 148
Cash and cash equivalents at end of period	53 777	97 719	106 540	- 43 942

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

SUPPLEMENTARY INFORMATION

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Cash flow before financing activities	- 5 362	15 618	20 158	- 822
Change in margin calls from Treasury operations	506	306	- 521	—
Changes in short-term investments	- 37 416	- 23 577	- 42 877	- 56 716
Financing activities				
Dividends paid to owners	—	—	- 25 360	- 25 360
Contribution to/from owners of non-controlling interests	2 760	- 285	1 906	4 951
Cash flow after dividend	- 39 512	- 7 938	- 46 694	- 77 947
Analysis of change in net debt				
Net debt at start of period	- 3 858	44 703	44 703	—
Cash flow after dividend	- 39 512	- 7 938	- 46 694	- 78 268
Changes as a result of valuation at fair value	- 86	489	2 225	1 650
Changes in interest-bearing liabilities for leasing	- 627	- 204	- 1 318	- 1 741
Cash and cash equivalents included in assets held for sale	4 307	—	- 4 307	—
Translation differences on net debt	- 1 279	561	1 533	- 307
Net debt at end of period	- 41 055	37 611	- 3 858	- 78 666
Cash flow from operating activities	- 32 197	- 3 058	1 154	- 27 985
Maintenance/replacement investments	- 4 305	- 2 456	- 12 280	- 14 129
Free cash flow¹	- 36 502	- 5 514	- 11 126	- 42 114

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

INVESTMENTS

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Electricity generation				
Hydro power	146	108	785	823
Nuclear power	352	397	1 687	1 642
Gas	8	51	255	212
Wind power and solar PV	6 075	2 119	16 341	20 297
Biomass, waste	3	6	38	35
Total electricity generation	6 584	2 681	19 106	23 009
CHP/heat				
Fossil-based power	105	187	1 013	931
Heat networks	270	175	1 471	1 566
Other	43	- 36	183	262
Total CHP/heat	418	326	2 667	2 759
Electricity networks				
Electricity networks	1 039	764	5 525	5 800
Total electricity networks	1 039	764	5 525	5 800
Purchases of shares, shareholder contributions	368	29	653	992
Other	528	358	1 830	2 000
Total investments	8 937	4 158	29 781	34 560
Accrued investments (-)/release of accrued investments (+)	3 431	783	- 4 214	- 1 566
Cash and cash equivalents in acquired companies	- 31	—	- 943	- 974
Total investments with cash flow effect	12 337	4 941	24 624	32 020

Consolidated statement of changes in equity

Amounts in SEK million	31 Mar 2023			31 Mar 2022			31 Dec 2022		
	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity
Balance brought forward	110 473	18 464	128 937	180 710	16 472	197 182	180 710	16 472	197 182
Profit for the period	11 182	636	11 818	5 782	282	6 064	- 1 102	1 123	21
Cash flow hedges - changes in fair value	- 7 968	—	- 7 968	26 807	—	26 807	14 478	—	14 478
Cash flow hedges - dissolved against income statement	820	—	820	- 19 022	—	- 19 022	- 106 390	—	- 106 390
Cash flow hedges - transferred to cost of hedged item	- 17	—	- 17	6	—	6	- 16	—	- 16
Hedging of net investments in foreign operations	- 591	—	- 591	- 270	—	- 270	- 2 777	—	- 2 777
Translation differences, divested companies	- 86	—	- 86	—	—	—	—	—	—
Translation differences	2 144	221	2 365	1 263	85	1 348	13 741	943	14 684
Remeasurement pertaining to defined benefit obligations	—	—	—	4 464	—	4 464	12 857	321	13 178
Income taxes related to other comprehensive income	3 717	—	3 717	- 5 296	—	- 5 296	21 982	- 66	21 916
Total other comprehensive income for the period	- 1 981	221	- 1 760	7 952	85	8 037	- 46 125	1 198	- 44 927
Total comprehensive income for the period	9 201	857	10 058	13 734	367	14 101	- 47 227	2 321	- 44 906
Dividends paid to owners	—	- 180	- 180	—	- 492	- 492	- 23 414	- 1 946	- 25 360
Group contributions from(+)/to(-) owners of non-controlling interests	—	—	—	—	—	—	—	- 131	- 131
Changes in ownership in Group companies on divestments of shares to owners of non-controlling interests	—	—	—	—	—	—	118	—	118
Contribution to/from owners of non-controlling interests	—	2 760	2 760	—	- 285	- 285	—	1 906	1 906
Other changes in ownership	—	—	—	—	—	—	—	2	2
Other changes	48	—	48	- 26	—	- 26	286	- 160	126
Total transactions with equity holders	48	2 580	2 628	- 26	- 777	- 803	- 23 010	- 329	- 23 339
Balance carried forward	119 722	21 901	141 623	194 418	16 062	210 480	110 473	18 464	128 937
- Of which, Reserve for hedges	- 33 606	8	- 33 598	40 496	8	40 504	- 30 034	8	- 30 026

Key ratios, Vattenfall Group

In % unless otherwise stated. (x) means times ¹	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Operating margin	16.9	21.5	5.3	5.8
Operating margin ²	9.9	16.0	15.6	13.5
Pre-tax profit margin	16.5	14.2	0.0	2.7
Pre-tax profit margin ²	9.5	8.7	10.3	10.3
Return on equity ³	2.9	31.0	- 0.7	2.9
Return on capital employed ³	5.4	21.8	4.2	5.4
Return on capital employed ^{2,3}	12.5	10.5	12.5	12.5
EBIT interest cover (x) ³	2.6	14.9	2.3	2.6
EBIT interest cover (x) ^{2,3}	5.7	7.3	6.4	5.7
FFO interest cover (x) ³	7.7	10.9	8.1	7.7
FFO interest cover, net (x) ³	9.4	13.9	9.2	9.4
Cash flow interest cover after maintenance investments (x) ³	- 5.9	21.9	- 1.1	- 5.9
FFO/gross debt ³	36.5	28.8	23.9	36.5
FFO/net debt ³	111.1	- 107.7	1,093.7	111.1
FFO/adjusted net debt ³	39.6	120.5	55.0	39.6
EBITDA/net financial items (x)	16.5	17.6	6.0	6.4
EBITDA/net financial items (x) ²	11.3	14.2	10.9	10.4
Equity/assets ratio	20.2	24.4	16.3	20.2
Gross debt/equity	88.2	66.7	137.1	88.2
Net debt/equity	29.0	- 17.9	3.0	29.0
Gross debt/gross debt plus equity	46.9	40.0	57.8	46.9
Net debt/net debt plus equity	22.5	- 21.8	2.9	22.5
Net debt/EBITDA (x) ³	1.2	- 0.5	0.1	1.2
Adjusted net debt/EBITDA (x) ³	3.3	0.4	2.5	3.3

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 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Income statement					
Net sales	96 788	78 819	53 076	48 170	59 579
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	21 300	- 18 509	16 386	15 386	17 249
Underlying EBITDA	14 513	18 309	10 820	12 660	13 970
Operating profit (EBIT)	16 332	- 24 062	12 192	11 730	12 783
Underlying EBIT	9 545	13 469	6 232	8 107	9 504
Profit before income taxes	15 938	- 24 719	9 728	6 469	8 433
Profit for the period	11 818	- 16 959	6 684	4 231	6 064
- of which, attributable to owner of the Parent Company	11 182	- 17 605	6 242	4 478	5 782
- of which, attributable to non-controlling interests	636	646	442	- 247	282
Balance sheet					
Capital employed	320 313	318 041	258 447	289 959	276 749
Net debt	- 41 055	- 3 858	116 008	29 321	37 611
Cash flow					
Funds from operations (FFO)	11 787	14 597	7 305	11 911	8 382
Cash flow from operating activities	- 32 197	- 107 860	90 385	21 687	- 3 058
Cash flow from investing activities	26 835	25 006	- 37 201	12 523	18 676
Cash flow from financing activities	- 52 189	19 836	29 229	- 43 145	13 768
Cash flow for the period	- 57 551	- 63 018	82 413	- 8 935	29 386
Free cash flow	- 36 502	- 113 423	87 786	20 026	- 5 514

In % unless otherwise stated. (x) means times ¹	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Key ratios					
Return on equity	2.9	- 0.7	14.8	23.5	31.0
Return on capital employed ²	5.4	4.2	17.3	19.3	21.8
Return on capital employed ^{2,3}	12.5	12.5	12.8	11.0	10.5
EBIT interest cover (x) ²	2.6	2.3	7.9	10.3	14.9
EBIT interest cover (x) ^{2,3}	5.7	6.4	5.9	6.0	7.3
FFO/gross debt ²	36.5	23.9	30.0	36.3	28.8
FFO/net debt ²	111.1	1,093.7	- 39.8	- 153.4	- 107.7
FFO/adjusted net debt ²	39.6	55.0	n/a ⁴	103.0	120.5
Equity/Total assets	20.2	16.3	18.5	20.6	24.4
Gross debt/equity	88.2	137.1	75.3	65.6	66.7
Net debt/equity	29.0	3.0	- 56.8	- 15.5	- 17.9
Net debt/net debt plus equity	22.5	2.9	- 131.4	- 18.4	- 21.8
Net debt/EBITDA (x) ²	1.2	0.1	- 2.0	- 0.4	- 0.5
Adjusted net debt/EBITDA (x) ²	3.3	2.5	- 0.7	0.6	0.4

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

2) Last 12-month values.

3) Based on Underlying operating profit.

4) The adjusted net debt decreased to a net asset mainly due to increased margin calls received.

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 2022 Annual and Sustainability Report in Note 3 to the consolidated accounts, Accounting policies. Amended IFRSs endorsed by the EU for application in the 2023 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 2022 Annual and Sustainability Report, pages 82-92. The developments in the energy markets effects Vattenfall's entire operation. In contrast to the previous year, volatility of commodity prices has decreased noticeably. The trend with price declines, observable at the end of 2022, have continued during the first quarter 2023.

Margining arrangements like Credit Support Annex continue to be challenging for the liquidity position of many companies. Due to the decrease in electricity prices, Vattenfall is now reporting a high cash outflow from both the repayment of margins received and the payment of margin to counterparties.

The central banks are trying to counter inflation by, for example, raising policy rates. Nevertheless, inflation remains at a high level.

The high inflation leads to increased costs, e.g. for raw materials and services which affects Vattenfall's operating activities and investments.

Other

Significant related-party transactions are described in Note 44 to the consolidated accounts in Vattenfall's 2022 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 2023	Jan-Mar 2022	Full year 2022
Average rate			
EUR	11.2071	10.4205	10.6258
DKK	1.0506	1.4008	1.4283
GBP	12.7216	12.4314	12.4463
USD	10.4270	9.3085	10.0881

	31 Mar 2023	31 Mar 2022	31 Dec 2022
Balance sheet date rate			
EUR	11.2805	10.3370	11.1218
DKK	1.5145	1.3898	1.4956
GBP	12.8304	12.2194	12.5397
USD	10.3729	9.3118	10.4273

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

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

The carrying amounts of financial assets do not differ significantly from their fair values. The difference between carrying amounts and fair values for financial liabilities amounts to SEK -3,479 million (31 December 2022: -4,329).

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 (i.e. as prices) or indirectly (i.e. 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 2023

Amounts in SEK million	Level 1	Level 2	Level 3	Total
Assets				
Share in the Swedish Nuclear Waste Fund	48 871	—	—	48 871
Derivative assets	—	76 347	- 492	75 855
Short-term investments, cash equivalents and other shares and participations	31 826	11 640	—	43 466
Total assets	80 697	87 987	- 492	168 192
Liabilities				
Derivative liabilities	—	149 089	—	149 089
Total liabilities	—	149 089	—	149 089

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

Amounts in SEK million	Level 1	Level 2	Level 3	Total
Assets				
Share in the Swedish Nuclear Waste Fund	47 517	—	—	47 517
Derivative assets	—	121 871	- 992	120 879
Short-term investments, cash equivalents and other shares and participations	74 826	9 029	—	83 855
Total assets	122 343	130 900	- 992	252 251
Liabilities				
Derivative liabilities	—	196 994	—	196 994
Total liabilities	—	196 994	—	196 994

NOTE 4 | Items affecting comparability

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

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Items affecting comparability	6 787	3 279	- 24 668	- 21 160
- of which, capital gains	298	17	312	593
- of which, capital losses	- 3	- 3	- 122	- 122
- of which, impairment losses	—	—	- 90	- 90
- of which, reversed impairment losses	—	—	668	668
- of which, provisions	944	—	- 5 206	- 4 262
- of which, changes in the fair value of energy derivatives	6 204	4 810	- 17 709	- 16 315
- of which, changes in the fair value of inventories	- 656	- 1 542	- 2 406	- 1 520
- of which, other non-recurring items affecting comparability	—	- 3	- 115	- 112

Items affecting comparability amounted to SEK 6.8 billion during the first quarter 2023, most of which pertains to changes in market value for energy derivatives.

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

NOTE 5 | Acquired and divested operations

Acquired operations

On 4 January, Vattenfall acquired 100% of the shares in Bristol Heat Networks Ltd. (United Kingdom). The total purchase price for the shares was SEK 272 million, and the fair value of total net assets acquired is SEK 250 million. In addition to this a number of small companies have been acquired during the period, for which the combined purchase price amounts to SEK 41 million.

Divested operations

On 31 January, Vattenfall finalized the divestment of the gas-fired power plant Magnum in the Netherlands to RWE. On 1 March the sale of the company Vattenfall Heizkraftwerk Moorburg GmbH to Hamburger Energiewerke (HENW) was completed. Total capital gain for these transactions amounts to SEK 165 million.

The Parent Company Vattenfall AB

Accounting policies

The Parent Company Vattenfall AB's accounts are prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 – Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The accounting policies used in this interim report are the same as those described in Vattenfall's 2022 Annual and Sustainability Report, Note 3 to the Parent Company accounts, Accounting policies. Amended accounting policies applicable from 1 January 2023 has had no significant effect on the Parent Company's financial statements.

January – March 2023

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

- Net sales amounted to SEK 14,555 million (9,045).
- In cost related to production, positive unrealised changes in market value for energy derivatives for futures years energy production amounting to SEK 17,132 million are included.
- Profit before appropriations and income taxes was SEK 19,333 million (-15,182).
- The balance sheet total was SEK 350,725 million (31 December 2022: 435,557).
- In accordance with a decision taken in an extraordinary general meeting on 22 December 2022, registered by the Swedish

Companies Registration Office on 20 March 2023, a bonus issue amounting to SEK 39,275 million was made. The bonus issue was performed without issue of new shares followed by a reduction of share capital with the corresponding amount without withdrawal of shares. The net effect is reduced restricted equity by SEK 39,275 million and increased unrestricted equity with the same amount.

- Investments during the period amounted to SEK 184 million (175).
- Cash and cash equivalents, and short-term investments amounted to SEK 61,719 million (31 December 2022: 132,911).

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 2022 Annual and Sustainability Report. No material changes have taken place in relations or transactions with related parties compared with the description in Vattenfall's 2022 Annual and Sustainability Report.

Parent Company income statement

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Net sales	14 555	9 045	40 078
Costs related to production	9 121	- 20 755	- 67 495
Other external expenses	- 1 333	- 1 399	- 5 194
Personnel expenses	- 1 209	- 1 231	- 2 999
Other operating incomes and expenses, net	250	- 81	8
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	21 384	- 14 421	- 35 602
Depreciation, amortisation and impairments	- 178	- 162	- 688
Operating profit (EBIT)	21 206	- 14 583	- 36 290
Result from participations in subsidiaries	—	1	15 972
Result from participations in associated companies	1	—	- 61
Other financial income	805	448	1 702
Other financial expenses	- 2 679	- 1 048	- 5 640
Profit before appropriations and income taxes	19 333	- 15 182	- 24 317
Appropriations	- 285	2 177	6 839
Profit before income taxes	19 048	- 13 005	- 17 478
Income taxes	- 3 927	2 426	6 357
Profit for the period	15 121	- 10 579	- 11 121

Parent Company balance sheet

Amounts in SEK million	31 Mar 2023	31 Mar 2022	31 Dec 2022
Non-current assets			
Intangible assets: non-current	265	310	278
Property, plant and equipment	7 091	6 885	7 110
Shares and participations	167 792	167 015	167 754
Deferred tax assets	5 312	4 865	8 992
Other non-current receivables	3 984	5 256	3 836
Other non-current receivables, group	66 460	65 493	68 367
Total non-current assets	250 904	249 824	256 337
Current assets			
Inventories	396	291	355
Intangible assets: current	—	23	17
Current receivables	22 423	21 478	33 847
Current receivables Group	15 140	6 718	11 947
Current tax assets	143	2 947	143
Short-term investments	28 448	78 877	65 029
Cash and cash equivalents	33 271	67 404	67 882
Total current assets	99 821	177 738	179 220
Total assets	350 725	427 562	435 557
Equity, provisions and liabilities			
Equity			
Restricted equity			
Share capital (131,700,000 shares with a share quota value of SEK 50)	6 585	6 585	6 585
Revaluation reserve	—	37 989	37 989
Other reserves	2	1 363	1 286
Non-restricted equity			
Retained earnings	71 045	66 230	42 894
Profit for the period	15 121	- 10 579	- 11 121
Total equity	92 753	101 588	77 633
Untaxed reserves	2 613	4 991	2 328
Provisions	6 800	6 099	6 360
Non-current liabilities			
Hybrid capital	17 992	20 618	17 760
Other interest-bearing liabilities	68 902	39 827	71 504
Other interest-bearing liabilities, group	221	1 573	222
Other noninterest-bearing liabilities	8 125	724 ¹	8 919
Total non-current liabilities	95 240	62 742	98 405
Current liabilities			
Hybrid capital	4 149	—	4 171
Other interest-bearing liabilities	22 361	68 617	75 722
Other interest-bearing liabilities, group	92 587	144 880	117 406
Other noninterest-bearing liabilities	21 348	24 746	37 694
Other noninterest-bearing liabilities, group	12 874	13 899 ¹	15 838
Total current liabilities	153 319	252 142	250 831
Total equity, provisions and liabilities	350 725	427 562	435 557

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

Definitions and calculations of key ratios

Alternative Performance Measures

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

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

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

CALCULATION OF EBITDA, UNDERLYING EBITDA AND UNDERLYING EBIT

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022	Last 12 months
Operating profit (EBIT)	16 332	12 783	12 645	16 194
Depreciation, amortisation and impairment losses	- 4 968	- 4 466	- 17 868	- 18 370
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	21 300	17 249	30 513	34 564
Items affecting comparability excl. impairment losses and reversed impairment losses	- 6 787	- 3 279	25 246	21 738
Underlying EBITDA	14 513	13 970	55 759	56 302
Operating profit (EBIT)	16 332	12 783	12 645	16 194
Items affecting comparability	- 6 787	- 3 279	24 668	21 160
Underlying EBIT	9 545	9 504	37 313	37 354

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

KEY RATIOS BASED ON CONTINUING OPERATIONS AND LAST 12-MONTH VALUES APRIL 2022 – MARCH 2023

Operating margin, %	= 100 x	$\frac{\text{EBIT}}{\text{Net sales}} = \frac{16\,194}{276\,853}$	=	5.8
Operating margin excl items affecting comparability, %	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Net sales}} = \frac{37\,354}{276\,853}$	=	13.5
Pre-tax profit margin, %	= 100 x	$\frac{\text{Profit before income taxes}}{\text{Net sales}} = \frac{7\,418}{276\,853}$	=	2.7
Pre-tax profit margin excl items affecting comparability, %	= 100 x	$\frac{\text{Profit before income taxes excl items affecting comparability}}{\text{Net sales}} = \frac{28\,572}{276\,853}$	=	10.3
Return on equity, %	= 100 x	$\frac{\text{Profit for the period attributable to owner of the Parent Company}}{\text{Average equity for the period attributable to owner of the Parent Company excl the Reserve for cash flow hedges}} = \frac{4\,298}{149\,167}$	=	2.9
Return on capital employed, %	= 100 x	$\frac{\text{EBIT}}{\text{Capital employed, average}} = \frac{16\,194}{298\,531}$	=	5.4
Return on capital employed excl items affecting comparability, %	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Capital employed, average}} = \frac{37\,354}{298\,531}$	=	12.5
EBIT interest cover, (x)	=	$\frac{\text{EBIT} + \text{financial income}}{\text{Financial expenses excl discounting effects attributable to provisions}} = \frac{17\,533}{6\,760}$	=	2.6
EBIT interest cover excl Items affecting comparability, (x)	=	$\frac{\text{Underlying EBIT} + \text{financial income}}{\text{Financial expenses excl discounting effects attributable to provisions}} = \frac{38\,693}{6\,760}$	=	5.7
FFO interest cover, (x)	=	$\frac{\text{FFO} + \text{financial expenses excl discounting effects attributable to provisions}}{\text{Financial expenses excl discounting effects attributable to provisions}} = \frac{52\,359}{6\,760}$	=	7.7
FFO interest cover, net, (x)	=	$\frac{\text{FFO} + \text{financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}{\text{Financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}} = \frac{51\,020}{5\,421}$	=	9.4

Cash flow interest cover after maintenance investments, (x)	=	<div> Cash flow from operating activities less maintenance investments + financial expenses excl Discounting effects attributable to provisions and interest components related to pension costs </div> <div> -36 050 </div>	=	-5.9
		<div> Financial expenses excl discounting effects attributable to provisions and interest components related to pension costs </div> <div> 6 064 </div>		
FFO/gross debt, %	= 100 x	<div> FFO </div> <div> Interest-bearing liabilities </div>	<div> 45 599 </div> <div> 124 935 </div>	= 36.5
FFO/net debt, %	= 100 x	<div> FFO </div> <div> Net debt </div>	<div> 45 599 </div> <div> 41 055 </div>	= 111.1
FFO/adjusted net debt, %	= 100 x	<div> FFO </div> <div> Adjusted net debt </div>	<div> 45 599 </div> <div> 115 221 </div>	= 39.6
EBITDA/net financial items, (x)	=	<div> EBITDA </div> <div> Financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund </div>	<div> 34 564 </div> <div> 5 421 </div>	= 6.4
EBITDA excl items affecting comparability/net financial items, (x)	=	<div> EBITDA excl items affecting comparability </div> <div> Financial items net excl discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund </div>	<div> 56 302 </div> <div> 5 421 </div>	= 10.4

KEY RATIOS BASED ON THE BALANCE SHEET PER 31 MARCH 2023

Equity/assets ratio, %	= 100 x	<div> Equity </div> <div> Balance sheet total </div>	<div> 141 623 </div> <div> 700 233 </div>	= 20.2
Gross debt/equity, %	= 100 x	<div> Interest-bearing liabilities </div> <div> Equity </div>	<div> 124 935 </div> <div> 141 623 </div>	= 88.2
Net debt/equity, %	= 100 x	<div> Net debt </div> <div> Equity </div>	<div> 41 055 </div> <div> 141 623 </div>	= 29.0
Gross debt/gross debt equity, %	= 100 x	<div> Interest-bearing liabilities </div> <div> Interest-bearing liabilities + equity </div>	<div> 124 935 </div> <div> 266 558 </div>	= 46.9
Net debt/net debt plus equity, %	= 100 x	<div> Net debt </div> <div> Net debt + equity </div>	<div> 41 055 </div> <div> 182 678 </div>	= 22.5
Net debt/EBITDA, (x)	=	<div> Net debt </div> <div> EBITDA </div>	<div> 41 055 </div> <div> 34 564 </div>	= 1.2
Adjusted net debt/EBITDA, (x)	=	<div> Adjusted net debt </div> <div> EBITDA </div>	<div> 115 221 </div> <div> 34 564 </div>	= 3.3

Interim report signature

Solna, 27 April 2023

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 2023

Interim report January-September, 26 October 2023

Year-end report 2023, 6 February 2024 (preliminary)

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The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CEST on 27 April 2023. 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.