



# Vattenfall

Investor Update

2025-02-06



VATTENFALL

# This is Vattenfall


Activities in the Value Chain ● Active ● Inactive



## In Brief


- Vattenfall is a leading European energy company
- We want to enable the **fossil freedom that drives society forward**
- We are driving the transition to a more sustainable energy system through growth in renewable production and climate smart energy solutions for our customers
- **100 per cent owned by the Swedish State**
- Our long-term credit ratings are **BBB+ stable outlook by S&P and A3 stable outlook by Moody's**

 **7.7 Million**  
Electricity customers

 **0.6 Million**  
Heat customers<sup>1</sup>

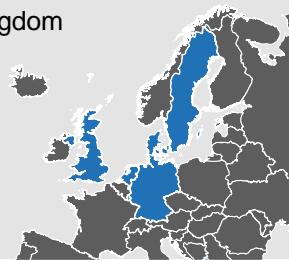
 **1.0 Million**  
Electricity grid customers

 **2.4 Million**  
Gas customers

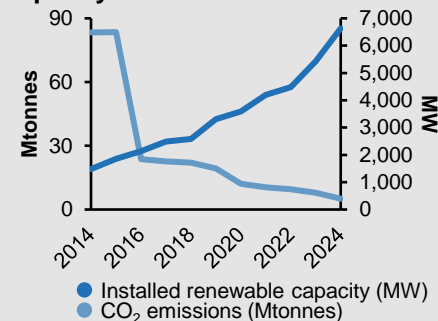
 **20,655**  
Employees<sup>1</sup>

## Main markets

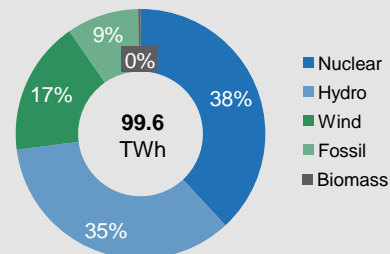
- Sweden
- Netherlands
- Denmark
- United Kingdom
- Germany



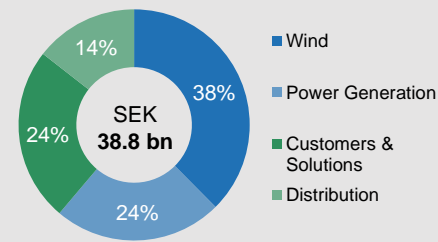
## CO<sub>2</sub> emissions & renewable capacity



## Electricity generation breakdown by technology, 2024



## Underlying EBITDA breakdown by segment, 2024<sup>1,2</sup>



<sup>1</sup> Breakdown excludes other and eliminations

<sup>2</sup> Since 1<sup>st</sup> January 2024, segment Heat is included in Customers & Solutions

# Location of our operations and major plants



Wind ●



Biomass ●



Hydro ●



Gas ●



Nuclear ●



Coal ●

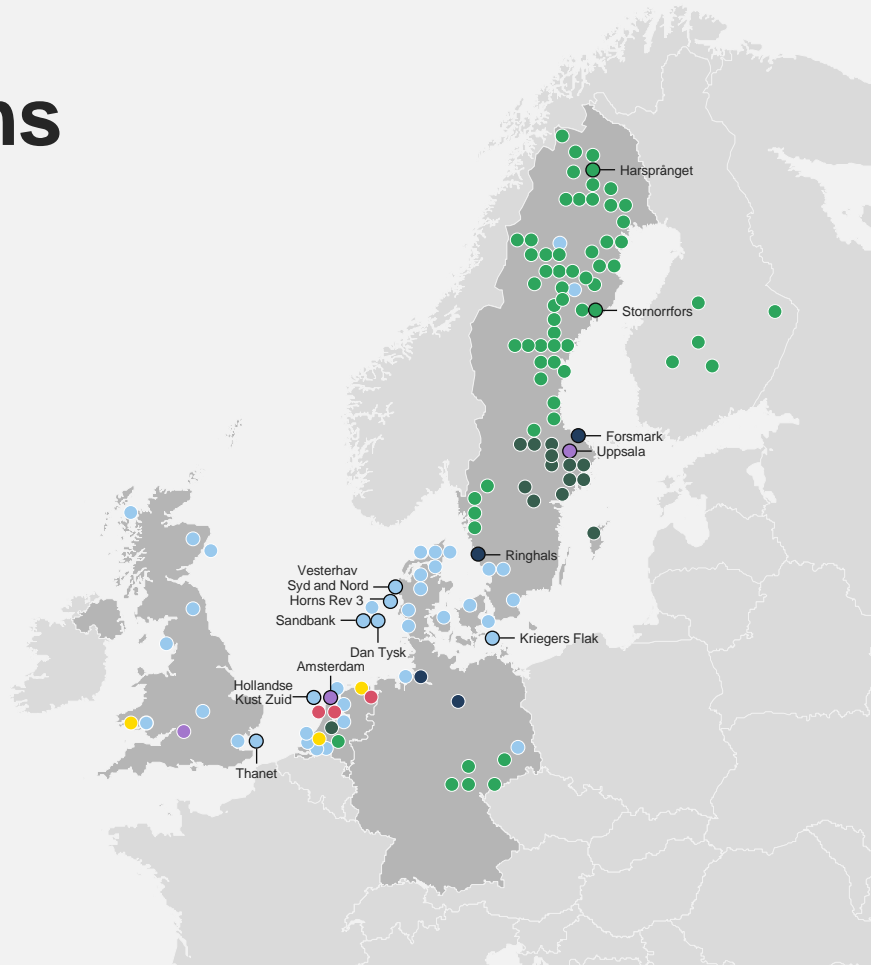


Solar ●



District heating ●

○ Largest facilities marked with a circle





# Our strategy in a nutshell



Vattenfall has set out to be a leader in the energy transition



Sustainability is at the core of our strategy, guiding our ambition level



Fossil-free electricity generation is our foundation for value creation



An integrated utility logic and a diversified portfolio create additional value

## Value chain



### Production

Vattenfall generates electricity from many types of energy sources.

We are actively phasing out fossil fuels and investing to expand renewable generation.



### Electricity distribution

Guarantee secure supply requires well-functioning distribution networks and development of smart network solutions.

Vattenfall also enables customers to feed self-generated electricity into the grid.



### Sales of electricity, heat & gas

Sells electricity, heat and gas to consumers and business customers.

Focuses on various price and service models. We give customers the opportunity to understand and reduce their environmental impact.



### Energy services and decentralised generation

Battery storage, network services, charging solutions for electric vehicles etc.

We also provide marketplaces where customers can buy and sell electricity, as well as solutions for customers to optimise their energy use.



### District heating

One of Europe's largest producers and distributors of district heating, supplying households and industries in metropolitan areas.

In partnership with cities and regions we are driving the transformation towards fossil-free heating solutions.

# Strategic targets 2025

Strategic focus area	Strategic targets to 2025	Actual 2024	Actual 2023	Progress FY 2024	Comments
Driving decarbonisation with our customers & partners	Customer engagement, absolute Net Promoter Score (NPS) <sup>1</sup> : <b>+18</b>	+15	+11	<span style="color: red;">●</span>	Increase in NPS mainly as a result of improvements in the Dutch customer business following lower prices
Securing a fossil-free energy supply	CO <sub>2</sub> Emissions Intensity <sup>2</sup> : <b>≤86 gCO<sub>2</sub>e/kWh</b>	50	69	<span style="color: green;">●</span>	Improvement due to lower fossil-based generation, mainly due to divestment of the heat business in Berlin
Empowering our people	Lost Time Injury Frequency (LTIF) <sup>3</sup> : <b>≤1.0</b>	1.3	1.5	<span style="color: red;">●</span>	Above target levels. Further actions required to enhance safety
	Employee Engagement Index <sup>4</sup> : <b>≥75%</b>	82 <sup>3</sup>	80 <sup>3</sup>	<span style="color: green;">●</span>	Outcome above target level after continued improved performance with more engaged employees
Delivering high-performing operations	Funds from operations (FFO) /Adjusted Net Debt <sup>5</sup> : <b>22-27%</b>	49.2%	21.5%	<span style="color: green;">●</span>	Above target interval as a result of lower adjusted net debt, mainly due to net received margin calls, the divestment of the heat operations in Berlin and the sale of offshore wind power projects
	ROCE <sup>6</sup> : <b>≥8%</b>	12.4%	5.3%	<span style="color: green;">●</span>	Outcome above target mainly due to positive changes in market value of energy derivatives and capital gains from divestment of offshore wind power projects

<sup>1</sup> Reported on an annual basis

<sup>2</sup> Consolidated value including the heat business in Berlin until the sale on the 2nd of May 2024. Includes CO<sub>2</sub> and other greenhouse gases such as N<sub>2</sub>O and SF<sub>6</sub>, as well as indirect emissions from electricity and heat use (scope 2). The target for 2025 is to be on track to achieving the 1.5° C target by 2030, according to SBTi

<sup>3</sup> Rolling 12-month values. LTIF (Lost Time Injury Frequency) is expressed in terms of the number of lost time work injuries per 1 million hours worked. The metric pertains only to Vattenfall employees

<sup>4</sup> Documentation for measurement of target achievement is derived from the results of an employee survey, which is conducted on an annual basis

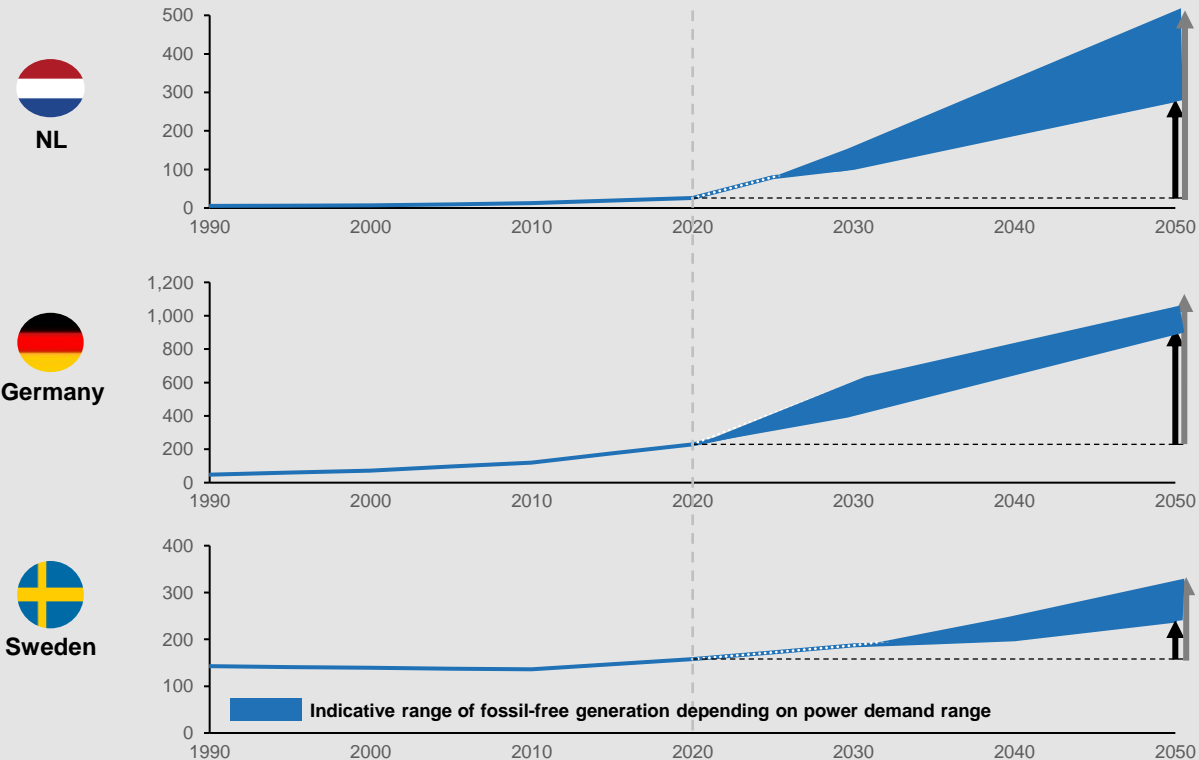
<sup>5</sup> Rolling 12-month values

<sup>6</sup> Rolling 12-month values. The Return on capital employed based on underlying operating profit amounted to 6.3%

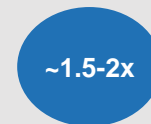
# Rapidly growing demand for fossil-free power

Starting points in terms of current fossil-free generation differ widely across markets

Historic and required future fossil-free production, high & low range, TWh



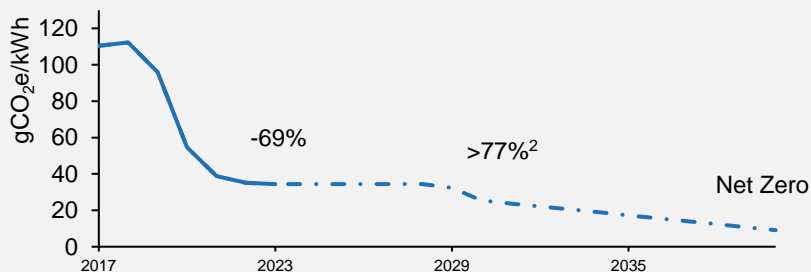
2050



## Emissions performance and targets

# Vattenfalls own emissions intensity on the road to net zero emissions

### Significant reductions in CO<sub>2</sub>e emissions intensity (Scope 1 + 2)<sup>1</sup>



### Targeting net zero in 2040 across emission scopes

#### Vattenfall science-based targets compared to a 2017 baseline<sup>3</sup>:

Category	S1/2 Own emissions	S3. Electricity sales	S3. Gas sales	S3. Supply chain	Carbon removals
Unit	g/kWh	g/kWh	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e
2030	-77%	-78,1%	-54.6%	N/A <sup>4</sup>	N/A
2040	-91.7%	-95,4%	-90%	-90%	All residual emissions

### Key priorities

- Phase-out of natural gas requires a combination of all fossil-free technologies, such as biomass, waste heat, green hydrogen, biogas, large-scale heat pumps and heat storage
- Expand fossil free electricity generation to reduce overall intensity and enable customers and society to reduce emissions
- Looking beyond Scope 1+2, towards 2030 Vattenfall will increase share of fossil free electricity sales, decrease emissions from gas sales and decrease supply chain emissions

<sup>1</sup> Trajectory as of 26-08-2024. Emission base year and trajectory adjusted for divestment of Heat Berlin in accordance with GHG protocol.

<sup>2</sup> Reduction trajectory for 2030 compared to base year 2017.

<sup>3</sup> Target levels adjusted for the divestment of Berlin in accordance with SBTi requirements.

<sup>4</sup> Internal target set on supply chain decarbonisation, not a verified science-based target for 2030



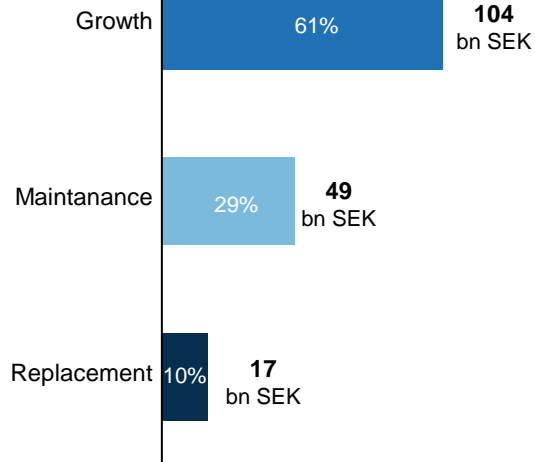
# Investment plan 2025-2029

Total capex

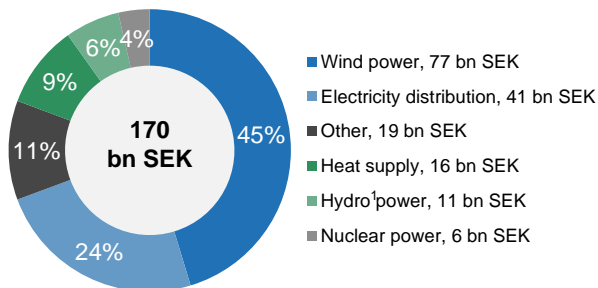
Total capex 2025-2029

# 170

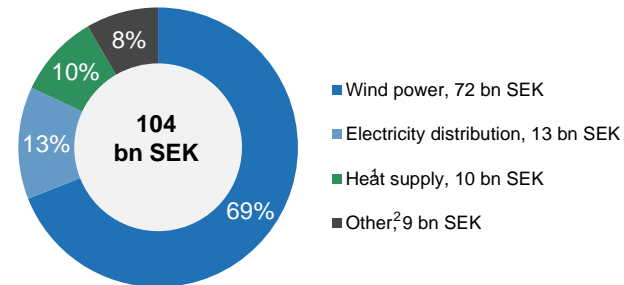
bn SEK



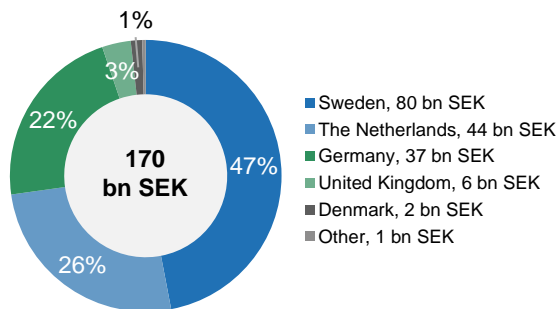
Total capex per technology



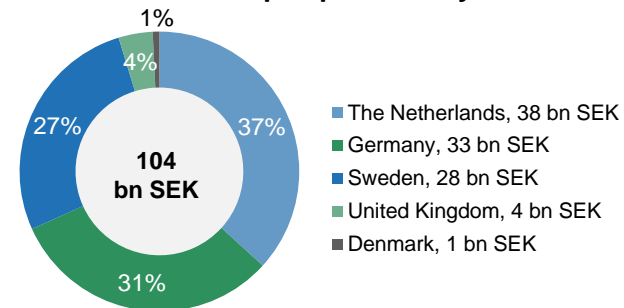
Growth capex per technology



Total capex per country



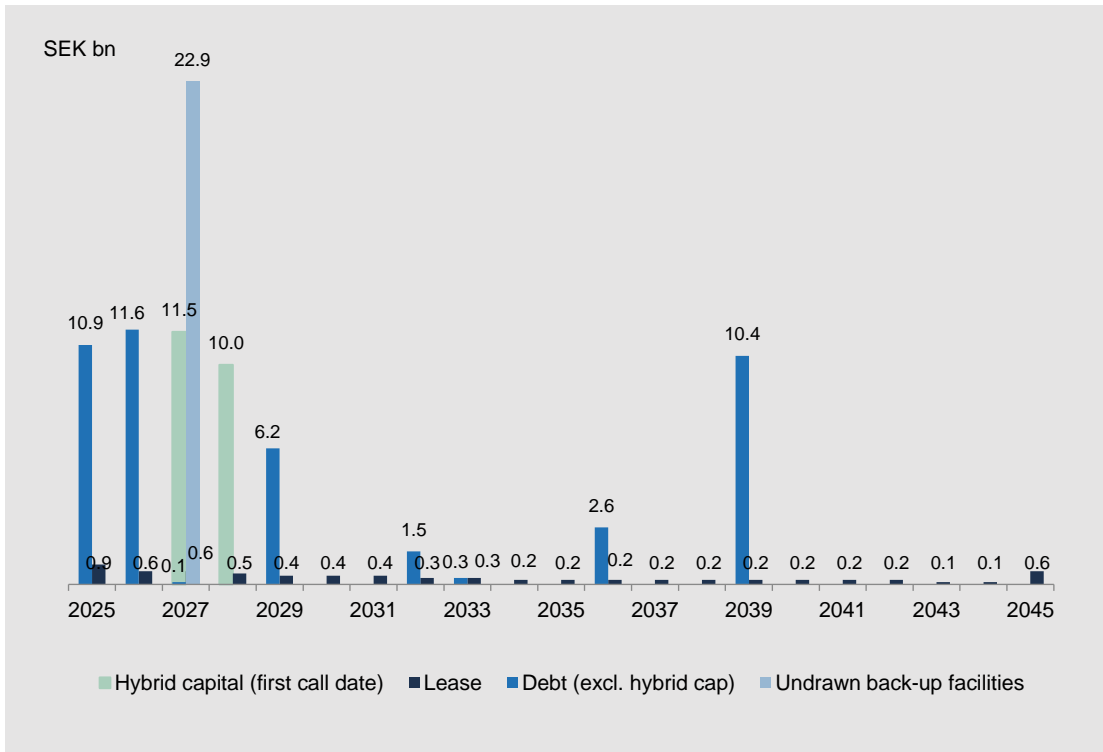
Growth capex per country



<sup>1</sup> Mainly E-mobility, facility and IT investments

<sup>2</sup> Mainly E-mobility

# Debt maturity profile<sup>1</sup>



	31 Dec. 2024	31 Dec. 2023
Duration (years)	4.5	3.5
Average time to maturity (years)	4.8	4.2
Average interest rate (%)	3.6	3.9
Net debt (SEK bn)	-2.8	68.4
Available group liquidity (SEK bn)	83.3	46.8
Undrawn committed credit facilities (SEK bn)	22.9	33.3

**Cumulative maturities excl. undrawn back-up facilities**

	2025-2027	2028-2030	From 2031
Debt incl. hybrid capital	36.1	17.6	18.5
<i>% of total</i>	50%	24%	26%

<sup>1</sup> Short term debt (Commercial paper and Repo's: 3.9), loans from associated companies, minority owners, margin calls received (CSA) and valuation at fair value are excluded. Currency derivatives for hedging debt in foreign currency are included.

# Deep dives



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# Zeevink II & CIP

## IJVER Beta – supporting the energy system of tomorrow



- **50% partnering** with CIP pre-bid
- Collaboration and joint execution organization with a developer/ competitor



- **2 GW offshore wind**
- **50 MWp offshore floating solar**

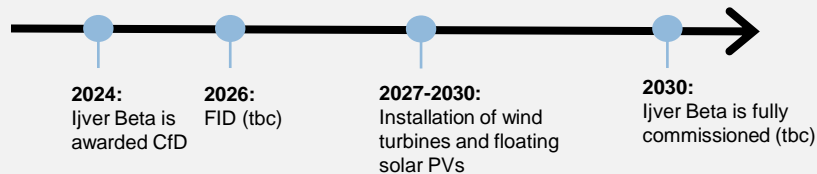


- **Ecology** measures
- **Circularity** design and reduced CO<sub>2</sub>

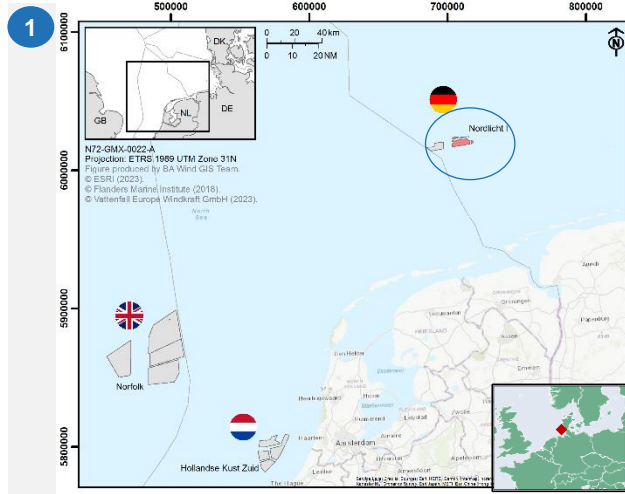


- **1 GW system integration**
- **Electrolyzer** at port of Rotterdam

### Project Timeline



# Nordlicht I (NDL 1) & Nordlicht II (NDL 2)



## 2 Background:

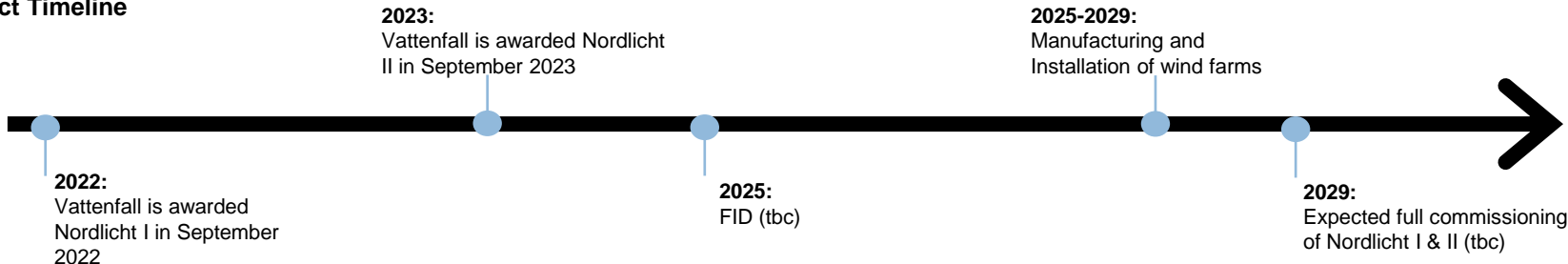
The offshore wind farm NDL 1 with a capacity of 980 MW was awarded to Vattenfall in September 2022 after Vattenfall exercised its step-in rights for the project.

The offshore wind farm NDL 2 with a capacity of 630 MW was awarded to Vattenfall in September 2023 after Vattenfall matched a competitor's bid and exercised its step-in rights for the project.

## 3 Current status:

- Turbine and service contract for both sites signed
- Closing with BASF May 15th; all contracts signed
- Onboarding process of BASF liaison kicked off
- Geophysical Scope NDL 2 has begun
- Site Investigation NDL 1 finalised, outstanding claims currently being settled with NEXTGeo
- NDL 1: Public hearing completed – no further statements expected. BSH started technical papers as preparation for draft plan approval
- Overall Procurement Process on track and ongoing

## Project Timeline





# New Nuclear: Ongoing and upcoming work



## Permit

Prepare the application in accordance with the Environmental Code and the Nuclear Activities Act



## Public consultation

Continue with the consultations with public and authorities



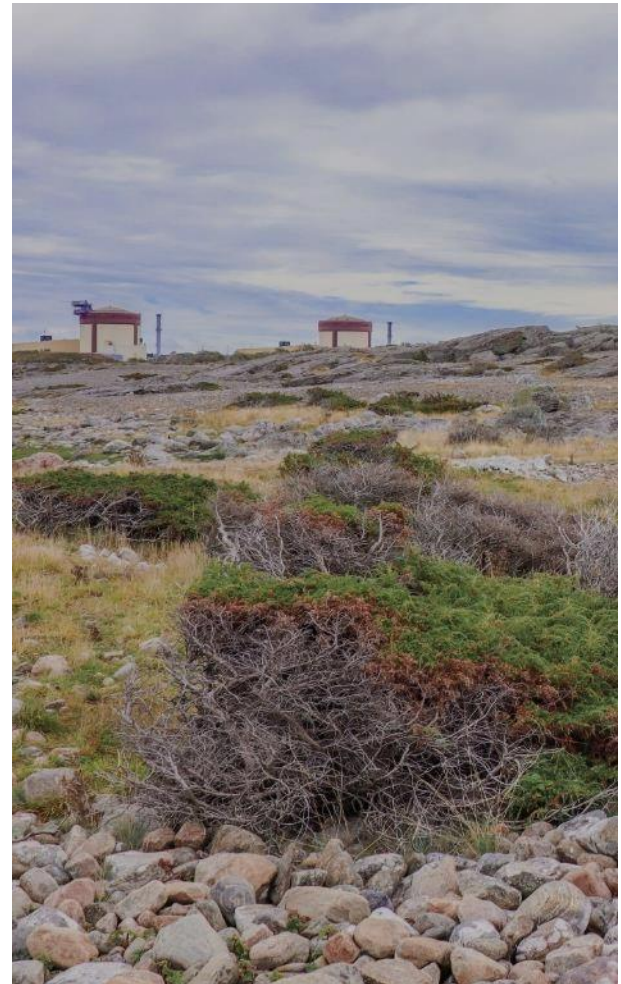
## Secure the site

Acquisition of properties and analysis of the impact on the nature reserve



## Supplier evaluation

In-depth supplier analysis with a focus on constructability/construction logistics and on the commercial offering



# Extension of the operating time of the Forsmark and Ringhals reactors from 60 to 80 years

Pre-study to investigate possibility and attractiveness

Realization planning



Time plan












# Appendix



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# Major investment projects

Decided on and in progress<sup>1</sup>

Project	Country	Type	Capacity	Est. CO <sub>2</sub> reduction <sup>2</sup> (ktonnes)	Vattenfall's share (%)	Completion	Total investment
Bruzaholm <sup>3</sup>		Wind onshore / Battery	138 / 38 MW	2	100%	2025	2.360 MEUR
Velinga <sup>3</sup>		Wind onshore	60 MW	1	100%	2025	1.182 MEUR
Battery Toledo <sup>3</sup>		Battery	55 MW	n/a	50%	2025	43 MSEK
Nauen <sup>3,4</sup>		Solar	46 MW	11	100%	2025	25 MEUR
E-boiler Diemen		Electricity as fuel	150 MWth	n/a	100%	2025	45 MEUR
E-mobility - Netto <sup>3</sup>		E-mobility	n/a	n/a	100%	2025	86 MEUR
E-mobility - Bunting <sup>3</sup>		E-mobility	n/a	n/a	100%	2025	56 MEUR

<sup>1</sup> All numbers in the table reflect the status as per 31 December 2024

<sup>2</sup> Production from onshore wind estimated to 2.6 GWh/MW installed, from offshore wind to 3.5 GWh/MW installed, and from solar to 1.0 GWh/MW installed. Resulting production is compared against grid average emission factors which will decline over time as the energy system decarbonises. Actual production emission factors and savings will vary. Other projects are compared to project-specific reference cases.

<sup>3</sup> The project is EU taxonomy-eligible and aligned

<sup>4</sup> Develop-to-sell project

# Vattenfall FY Results 2024

## Overview

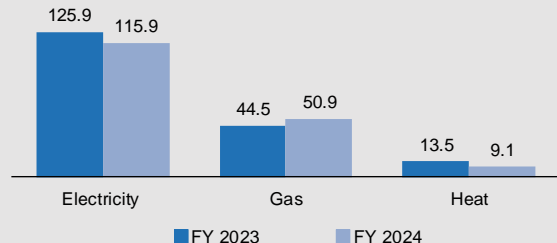
### Result development

SEK BN	FY 2024	FY 2023	Δ
Net Sales	245.6	290.2	-15%
EBITDA	60.8	39.7	53%
Underlying operating profit (EBIT)	19.8	20.0	-1%
EBIT	38.9	17.0	129%
Profit for the period	33.4	10.4	221%

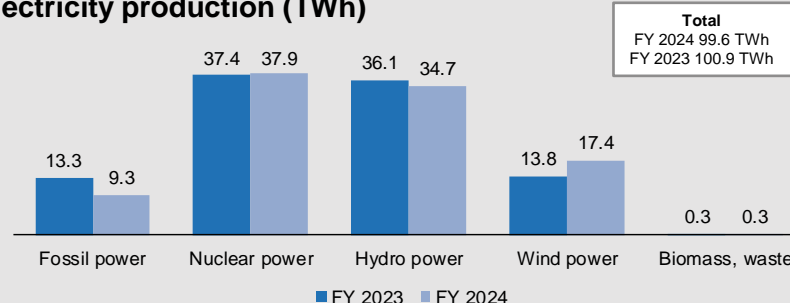
### Financial targets

	FY 2024	FY 2023
Return on capital employed (≥8%)	12.4%	5.3%
FFO/adjusted net debt (22-27%)	49.2%	21.5%

### Customer sales (TWh)



### Electricity production (TWh)



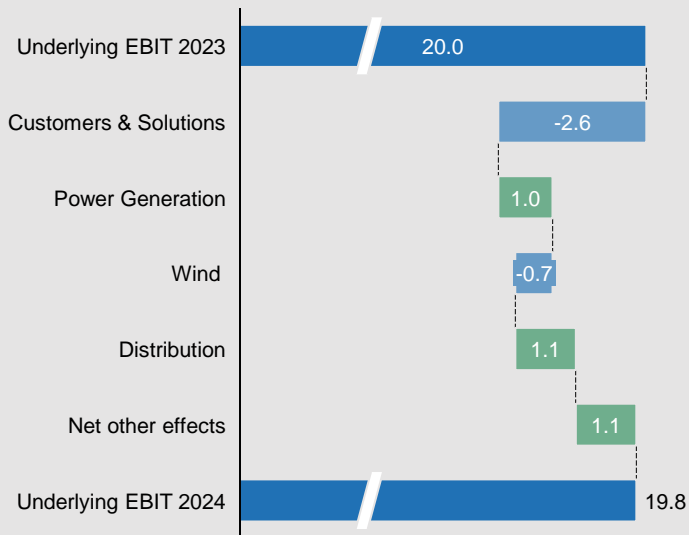


# Development of underlying EBIT FY 2024

Decrease from C&S and Wind partly offset by higher earnings in Power Generation and Distribution

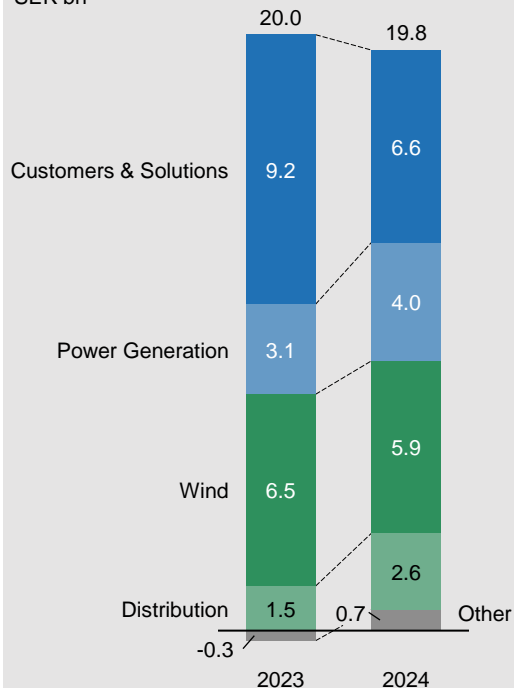
## Change in FY 2024 vs. FY 2023

SEK bn



## Breakdown per operating segment

SEK bn

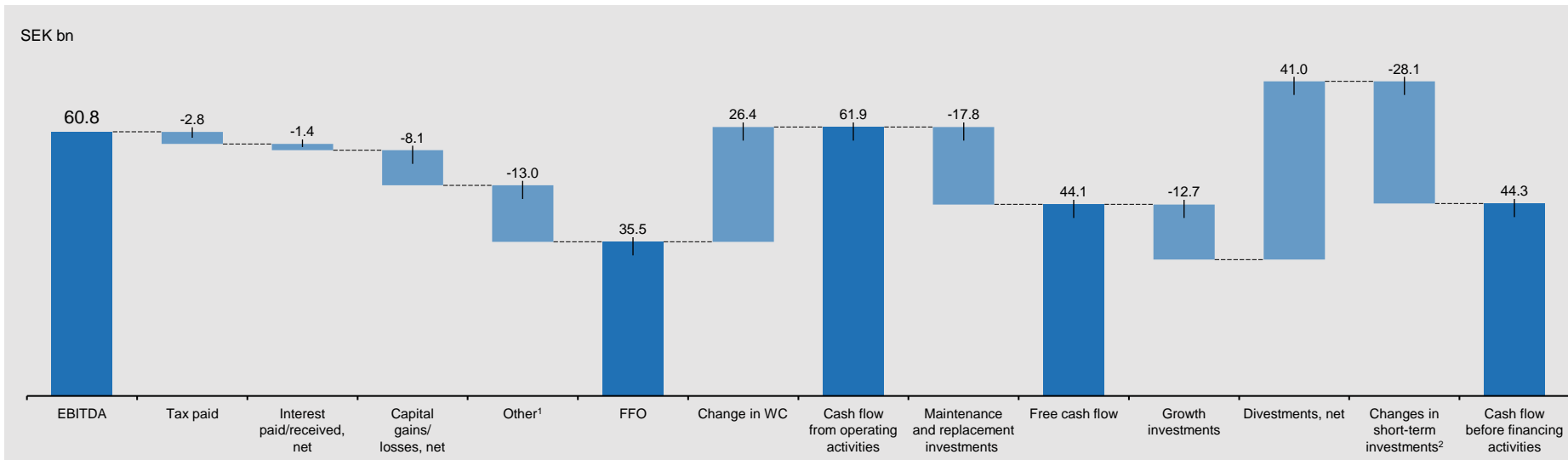


## Highlights

- Customers & Solutions: decrease partly driven by increased regulatory costs in the German customer business, and partly by lower gas prices impacting the heat business
- Power Generation: positive effect mainly from price hedging in the Nordic region, which counteracted the lower electricity prices and, together with lower price area differences, contributed to a higher achieved electricity price in the Nordics
- Wind: lower electricity prices, higher costs and higher depreciation mainly due to new assets
- Distribution: higher revenues. The comparison is to a great extent affected by the temporary reduction of the electricity grid tariff during the second half of 2023

# Cash flow development FY 2024

Negative working capital development mainly related to changes in margin calls



## Main effects

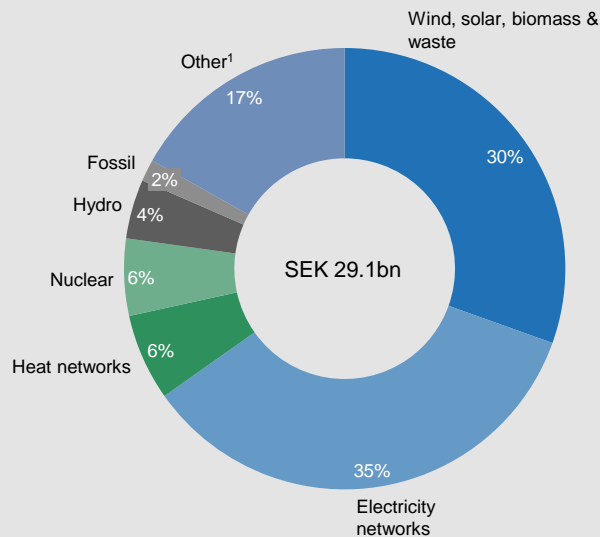
- Change in working capital is mainly driven by net changes in margin calls (SEK +31.2 bn) and lower working capital in operating segment Customers & Solutions (SEK +6.9 bn). This was partially offset by higher working capital in the heat operations in Berlin before the divestment (SEK -10.8 bn) and in operating segment Power Generation (SEK -3.6 bn)
- Divestments include heat operations in Berlin, Norfolk Offshore Wind Zone and 49% of the offshore wind power projects Nordlicht I & II in Germany
- Changes in short-term investments are related to purchases of short-term papers in order to offset the positive impact from the net change in margin calls received

<sup>1</sup> "Other" includes non-cash items included in EBITDA, mainly changes in fair value of commodity derivatives

# Capital expenditures

Majority of investments directed to renewables and electricity networks

Investments per category, FY 2024



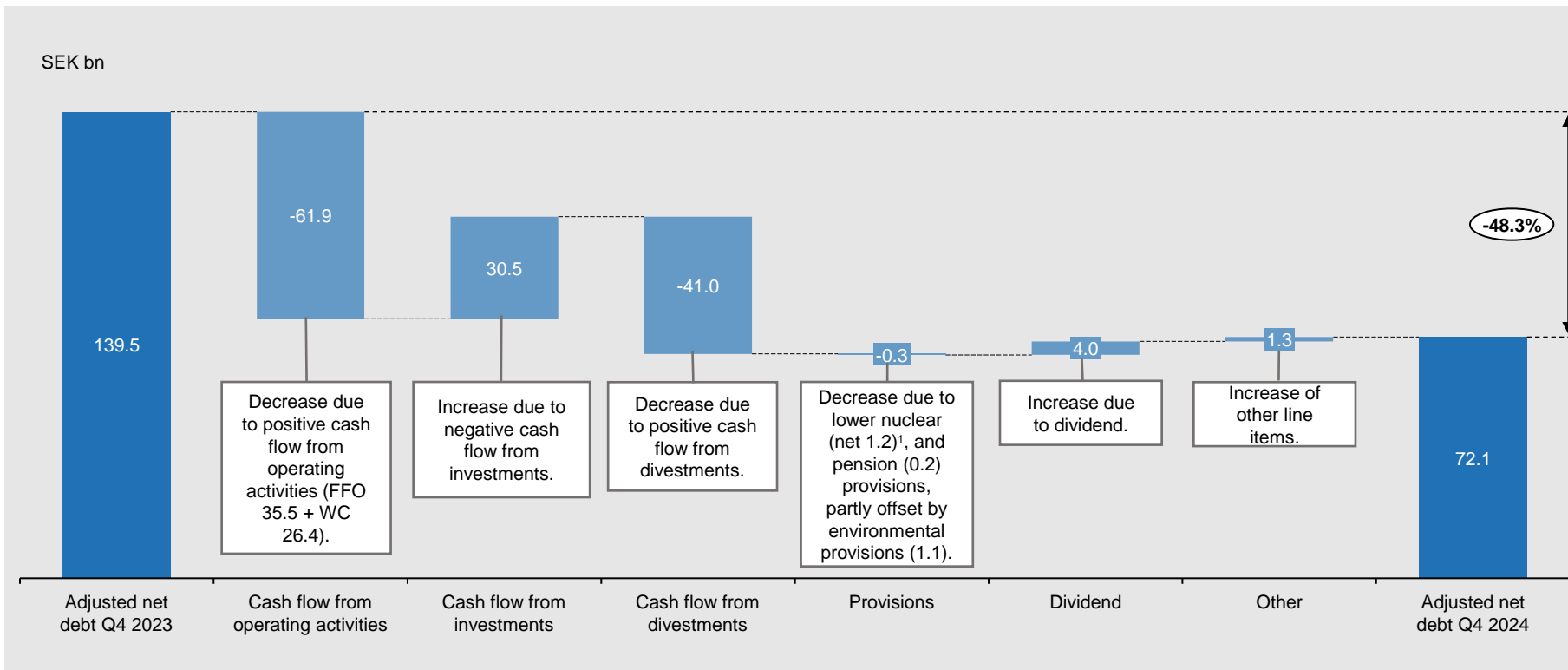
Detailed overview of investments, FY & Q4 2024

SEK bn	FY 2024	FY 2023	Δ	Q4 2024	Q4 2023	Δ
Hydro	1.3	0.9	43%	0.5	0.3	46%
Nuclear	1.6	1.7	-6%	0.5	0.5	-3%
Fossil	0.5	1.2	-63%	0.1	0.6	-84%
Wind, solar, biomass & waste	8.9	19.8	-55%	3.3	4.4	-25%
Electricity networks	10.1	6.9	47%	3.7	2.7	37%
Heat networks	1.8	1.7	9%	0.6	0.6	4%
Other	4.9	4.9	1%	1.7	1.5	8%
<b>Total</b>	<b>29.1</b>	<b>37.1</b>	<b>-22%</b>	<b>10.3</b>	<b>10.6</b>	<b>-3%</b>

<sup>1</sup> Mainly pertains to investments in other tangible fixed assets and intangible assets

# Development of adjusted net debt FY 2024

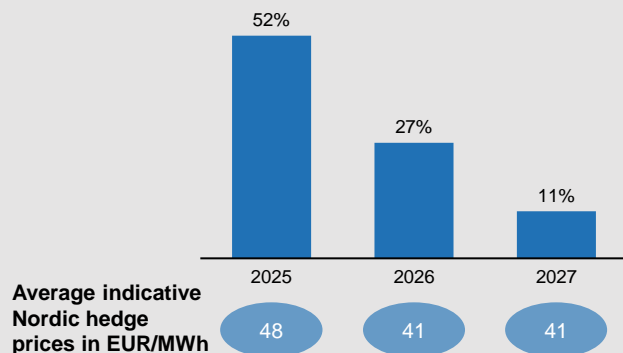
Adjusted net debt decreased mainly due to positive cashflow from operating activities and divestments.



<sup>1</sup> Nuclear provision decreased net by SEK 1.2 bn, whereof in Sweden by 1.6, mainly due to higher return from nuclear waste fund, partly offset by higher provisions in Germany by 0.4.

# Price hedging

## Estimated Nordic<sup>1</sup> hedge ratio (%) and indicative prices



## Achieved prices<sup>2</sup> - Nordic portfolio, EUR/MWh

FY 2024	FY 2023	Q4 2024	Q4 2023
42	37	41	42

Vattenfall's hedging strategy has the objective to stabilize profits by selling parts of the planned production in the forward markets. The main exposures arise from outright power in the Nordics (nuclear and hydro), with a growing exposure in wind both in the Nordics and on the Continent/UK. Hedging is mainly based on the Nordic system price (SYS) while delivery takes place in the price areas where generation assets are located. The achieved price during the full year of 2024 increased mainly due to price hedges

<sup>1</sup> Nordic: SE, DK, FI

<sup>2</sup> Achieved prices from the spot market and hedges. Includes Nordic (SE, DK, FI) hydro, nuclear and wind power generation



# Liquidity position

<b>Group liquidity</b>	<b>SEK bn</b>	<b>Committed credit facilities</b>	<b>Facility size, EUR bn</b>	<b>SEK bn</b>
Cash and cash equivalents	35.1	RCF (2027)	2.0	22.9
Short term investments	52.0	<b>Total undrawn</b>		<b>22.9</b>
<b>Reported cash, cash equivalents &amp; short-term investments</b>	<b>87.1</b>			
		<b>Debt maturities<sup>2</sup></b>		<b>SEK bn</b>
Unavailable liquidity <sup>1</sup>	-3.8	Within 90 days		0.2
<b>Available liquidity</b>	<b>83.3</b>	Within 180 days		0.2

<sup>1</sup> German nuclear "Solidarvereinbarung" 1.1 SEK bn, Margin calls paid (CSA) 1.9 SEK bn, Insurance "Provisions for claims outstanding" 0.8 SEK bn.

<sup>2</sup> Excluding loans from minority owners and associated companies.