

TRANSCRIPT

Vattenfall Q4 Report 2025

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VATTENFALL

Corporate Participants

- Anna Borg; Vattenfall AB; President, Chief Executive Officer
- Kerstin Ahlfont; Vattenfall AB; Senior Vice President, Chief Financial Officer
- Andreas Regnell; Vattenfall AB; Senior Vice President, Head of Strategic Development

Presentation

(Video Start)

Let's look back at some of the most important highlights for 2025.

Vattenfall has made the final investment decision on the Nordlicht 1 and 2 offshore wind farms in the North Sea, taking Germany's largest wind project to the next step. This also includes purchasing the remaining 49% of the shares in the projects. Construction is planned to begin in 2026, and Nordlicht I is expected to be operational in 2028 and Nordlicht II in 2029. Once fully operational, electricity production is expected to total around 6 TWh annually.

Vattenfall has decided to proceed with two suppliers of modular reactors on the path towards new nuclear power in Sweden, for the first time in over 40 years. Both American company GE Vernova and British company Rolls-Royce SMR are considered to have the potential to deliver within a reasonable timeframe and budget. The process of selecting a final reactor supplier is continuing and a decision is planned for 2026.

The project company Videberg Kraft AB, which will build and operate nuclear reactors, has applied for state financing and risk-sharing for an investment in new nuclear power on the Värö Peninsula on Sweden's west coast. And the Industry Consortium Industrikraft has also entered into an agreement with Vattenfall to acquire a 20 percent stake in Videberg Kraft.

The regulated business in Sweden invested SEK 10,9 billion in 2025 to strengthen and modernise Sweden's electricity grid. As the distributor of more than half of all electricity produced in Sweden, these historically high investments play a crucial role in enabling continued electrification. They are directed towards expanding capacity, reinforcing existing infrastructure and securing a resilient grid that supports the ongoing energy transition.

The ownership of the district heating operations in the UK, Sweden and the Netherlands, is being assessed, including potential divestment, and a decision will be made after the assessments. District heating is an important part of the energy transition. However, given the large capital investments required, Vattenfall must prioritise, also considering the need for fossil-free electricity generation like wind and nuclear power, as well as distribution and storage solutions to meet future energy demands.

(Video End)

Andreas Regnell: Good morning and welcome to Vattenfall and this year-end 2025 reporting event. I'm Andreas Regnell, and with me in the studio I have, as always, our CEO, Anna Borg, and our CFO, Kerstin Ahlfont.

Today, we will comment on the main events during the year, comment a bit as well on where we think the market is going, but most importantly, comment on our financial performance during the year. After that, we will open up for questions. And, as usual, the report and all the reporting material is available on our website. Now, another year has passed. Kerstin and Anna, how would you describe the year? And we start with you, Anna.

Anna Borg: Well, we for sure can show a strong financial result for 2025. I think it's fair to say that a lot has happened in the world around us during the year. We have been able to continue to work towards fossil freedom in that environment, and we've also made a lot of progress on some of our main projects. I'm very happy about that. We have also invested more than ever, actually, in our grids in order to be able to support the transition that's going on in many industries at the same time. It is, however, a fairly complex business environment to operate in. The geopolitical situation is uncertain. There's a lot of turmoil there.

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The market is also volatile, as always, in the energy industry in Europe. And we had a fairly dramatic ending of '25 and beginning of '26 with two major storms that caused -- in Sweden, which caused a lot of outages and also damaged our grid to a large extent. So, a big thank you to all our employees that were out there to make sure that could be restored quickly.

I think that we really need to make sure that we can ensure the resilience of the European energy system, and that's important both to reduce vulnerability in this geopolitical situation, but it's also important in order to increase the competitiveness for European industry, and thereby making sure that long-term there could be a lower cost for energy in Europe.

And I would say that we at Vattenfall, actually, have a key role in this, and we're well-equipped to participate because due to our integrated business model, we have a number of different businesses with different profiles, risk profiles, which means that we can also spread our investments and our risks throughout that portfolio. That has made us financially stable, and we also see that in the numbers, and that enables us to keep a high investment pace also in quite uncertain times.

Andreas Regnell: Thank you, and very easy to agree on that. Kerstin, how would you summarise the year?

Kerstin Ahlfont: Well, I think Anna's summary covers it well. And what I would like to highlight also then is what you said, the strong financial performance. Our profitability developed positively and underlying return on capital employed increased significantly and ended up above 10% in 2025. And when it comes to the balance sheet, that continues to be solid, which is key for us to have the flexibility, but also to accommodate the investments we want to make.

Andreas Regnell: So, a positive picture. Thank you, Kerstin. Anna, you mentioned that we made some progress across the portfolio during the year, and we also saw some things in the initial film. Are there anything else you would like to highlight?

Anna Borg: Yes, for sure, a lot of things. One example is the progress around new nuclear, which has actually been - it's happening a lot, happened a lot during the year. And I think we for sure will need all fossil-free energy sources going forward in order to build a robust and resilient energy system. And nuclear as baseload has a very important role to play. It's an important piece of the puzzle of the energy system.

And, therefore, I'm very happy that we've been able to take quite a lot of steps during the year. One important step is that we have now made a down selection to two possible suppliers of modular reactors, and the intention is that we will choose one during this year. We have progressed with a partnership together with the industry consortium Industrikraft, and we are now co-owners of the project company Videberg Kraft AB, which is the company that will both build and operate the reactors.

And that is a very important partnership in order to enable new nuclear in Sweden. I think it's also a signal that the increased demand will be there, that industry are willing to invest in order to be able to be competitive and run their operations in Sweden also going forward. And on top of this, we actually then jointly sent in the application to take part of the government's provided model for risk sharing. And we sent in that application just before Christmas, and now we are looking forward to conclude the negotiations around that in order to be able to continue the project.

Andreas Regnell: Yes, we have, for sure, spent a lot of time on nuclear during the year, and as you said, made some very significant progress. If we now go over to the market and talk about that a bit. Kerstin, how would you summarize the development?

Kerstin Ahlfont: Well, overall, the electricity prices have increased in 2025 compared to 2024, both if you look at the Nordic market and the Vattenfall's continental markets. But price area differences have also increased.

So, if you look at the Nordic market, the system price is on average 10% higher in 2025 compared to the previous year. But if you look at the northern price areas, the prices have actually been significantly lower in 2025. And this is due to a strong hydrological balance, whereas we see the opposite actually in the southern price areas in Sweden and in Denmark, where the prices have been higher. And that is because these price areas are closely connected to the continental prices. And in Germany and in the Netherlands, prices have increased with 14% and 12% respectively. And this is due to fuels. So, there have been higher prices for gas in 2025, as well as CO2 prices.

Andreas Regnell: Thank you. And I realized I didn't let you finish, Anna, on the highlights for the year. I think there were -- if you have some additional things you would like to discuss.

Anna Borg: I could go on forever. We have many highlights. But apart from nuclear, I think we also make a lot of progress in, for example, offshore wind. So we have one project outside Germany, Nordlicht. It's actually two projects, but 1.6 GW all together. And there we took the final investment decision during the year.

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And we're now sort of up and running to make sure that that project can come alive. On that note, we also have the Zeevonk project outside the Netherlands, which is also offshore wind in two phases, combined with floating solar and eventually also hydrogen. We've been able to have a really good discussion with the authorities in the Netherlands to make sure we can pace that to a time when there is actually demand and also a pipeline for hydrogen.

And that project we're owning together with Copenhagen Infrastructure Partners. So partnerships are important also here. And one thing that we definitely want to talk about is the investments in the grids and then the Swedish electricity grids. We have actually, sorry, increased our investments there with more than 70% since 2023. So it's a big sort of steep ramp up of investments. And over many years, we have invested into weather-proofing those grids to make sure that we can modernize them in a good way.

And that has actually led to an increased security of supply, which we could also see during these storms that we had fewer and shorter outages than we would have had otherwise. So Sweden actually has a history of having one of the best electricity grids in the world. And we need to nurture that also going forward.

Andreas Regnell: Thank you.

Anna Borg: Do you want me to continue? Because I have many projects.

Andreas Regnell: No. For now, let's stop there.

Anna Borg: Yes.

Andreas Regnell: And let's now go to the financial performance, Kerstin. How would you like to comment on that? Now, I think we're back on track. Yes.

Kerstin Ahlfont: Okay, okay, fine. I think the financial performance, as I said earlier, has been strong and we report an underlying operating profit of SEK 30.9 billion compared to SEK 17.1 billion last year in 2024. And this is due to an improvement in -- improved development in our price hedges in the continental markets, but also an improvement in the results that we get from the nuclear operations. And then it's worth noting, even though we have done that in the previous quarters as well, that the comparison is negatively impacted by SEK 2.8 billion of earnings from the heat business in Berlin that was consolidated until the beginning of May in 2024. So that is the underlying operating profit. And if you look at the profit for the period, that amounts to SEK 19.7 billion.

And here, you might react that we actually reported a profit for the period in 2024, which was SEK 13.7 billion higher. But as we have highlighted during the year, this is due to a number of one-off effects and temporary effects, totaling SEK 21.8 billion. So bringing the 2024 results up, and it's due to changes in market values of energy derivatives, as well as the capital gains of the divestment of the Norfolk offshore wind project in U.K., and when we sold 49% of the Nordlicht projects in Germany last year, which we also then purchased back this year.

Andreas Regnell: So on a comparable basis, we did really well on a bottom-line level. And if we zoom in on the fourth quarter, we did really well, didn't we?

Kerstin Ahlfont: Yes, indeed. And I think this is actually one of the better quarters that we have reported. So if we look at the single quarter and in a year-over-year comparison, the positive development is partially due to that we reported increased nuclear provisions in 2024, weighing down the result in 2024, but also due to a positive impact from hedges, but also higher prices and generation volumes in our nuclear business, and also higher prices impacting also the wind and hydro¹ business.

Andreas Regnell: Thank you. And maybe, Anna, just for you to jump in here, I mean, we talk a lot about externalities like price levels and volumes, and we are a business that are affected a lot by the market, but there are some things that we do, isn't it, as a firm that actually impacts our performance?

Anna Borg: Yes. No, but of course. And I mean, the market is what the market is. We know that the energy market is volatile, and that has been the case for a very long time. And we just have to manage that. And that's what we do in our everyday business. So for us, that's normal, I would say. But what we have done over the years is also that we have reshaped and strengthened our portfolio of assets step by step to make sure that we become more competitive and also ready for the transition that we're now in the middle of. That also makes us more resilient as a company. And we have been particularly looking for optionality.

So we have quite a lot of optionality, both when it comes to where we put our investments, but also when in time we are investing. And I think that is absolutely critical in the market environment that we are in now, that we can adjust when needed. And I think we have proven that we have that capability. On top of that, we're actually focusing a lot on

¹ Clarification: The hydro business was impacted by lower prices

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increased operational efficiency and on cost control. And this all together is part of the increased performance that we see in the company.

Andreas Regnell: Thank you both for those comments. And if we dive deeper into the operating segments, Kerstin and Anna, can you elaborate a bit on the financial performance there? And let's start with you, Kerstin, sorry. Yes.

Kerstin Ahlfont: I can start with the Power Generation segment, where we see an increase in the underlying operating profit of SEK 16.1 billion, ending up on SEK 17.4 billion. So this is a significant improvement. And as I mentioned before, it's partially due to the improved development we have seen in price hedges in the Vattenfall continental markets, but also an improved result from the nuclear operations. And this is both due to higher prices, but also higher generated volumes. And then, as I mentioned, that in 2024, we had increased costs for nuclear provisions.

And if we move on with Wind, here we see a slight improvement in the underlying operating profit, ending up at SEK 6.1 billion, compared to SEK 5.9 billion SEK in 2024. And this is mainly due to higher prices.

Andreas Regnell: So a very positive development in Generation segment and stable to positive in Wind. What does it look like in Distribution and Customers & Solutions, Anna?

Anna Borg: Well, in our Customers & Solutions business, we see a slightly lower result compared to last year. It went down with SEK 1.7 billion, now amounting to SEK 4.9 billion. That is actually mainly due to events in our German sales operations, where we've seen an increased competitive situation in the market. So the margins are slightly smaller there in '25. But we've also seen quite increased cost for gas grid in Germany. So those things are impacting us there.

From a distribution perspective, we see a slight increase in the underlying EBIT. It's now amounting to 3.3 billion, which is 0.7 billion better compared to '24. And that is due to two things. It's adjusted tariffs, but it's also costs for grid losses that are now lower than they were the year before.

Andreas Regnell: Thank you. So that was the operating segment. Kerstin, shall we have a look at our financial targets?

Kerstin Ahlfont: Absolutely. We can start with the profitability target. So underlying return on capital employed almost doubled from 5.4% in 2024 to 10.2% this year. And here the main reason is the improvement that we have seen in the underlying operating profit that we have just talked about. And we are, of course, very satisfied with now being above our minimum target of 8%. But we will also continue to have high focus, as you mentioned also, on our operational efficiency so that we can make sure that we have these high profitability level also in a sustainable way.

And if we look at the capital structure, which we measure by funds from operations above adjusted net debt, here we continue to be well above the target level of 25%. So we end up on 53.4%, which is compared then to last year where we had 41.5%. And the main improvement here comes from an increase in funds from operations due to a better underlying EBITDA. So this shows that we have now a strong financial position, which makes it possible for us, as we mentioned earlier, to do the profitable investments we want to do when opportunities arise.

Andreas Regnell: Thank you for those positive messages. And at the year end, we always report on our strategic targets. And in 2020, we set targets for 2025. And last year, we actually set targets for 2030. So we have two sets of strategic targets to keep track of here. And today, let's start with reporting on the targets we set in 2020 that is now then end of the period in 2025. What do you have to say about that?

Anna Borg: Well, I think when it comes to our customer engagement, we measure that with the net promoter score. And our target was 18 for 2025. And we ended up above that target. So we have an outcome of 90, which is actually an improvement of four steps since last year. That's quite a big improvement. So we're very happy about that, which also means that we are putting even more ambitious targets in place for 2030. So then we will aim at being at the level of 20. So good progress and continued high focus.

Andreas Regnell: Of course. So tick on that target. And what about our CO2 emissions intensity? Did we reach that target?

Anna Borg: We reached that target as well. The outcome was actually 34 grams of CO2 per kWh for 2025. And the target was 86. And the outcome last year was 50. So also here, we met our targets.

Andreas Regnell: Very good. What about health and safety and engagement levels?

Anna Borg: Health and safety, we are measuring by measuring lost time injury frequency. And here, we actually did not reach our target. We had an outcome of 1.7. And we wanted to be at the level of 1.0. So this continues to be a high focus area for us. And I know I highlighted in many of these calls that this is an area where we really are

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focusing. We, of course, have many more projects and many more employees out in projects than we had a couple of years ago. And it's absolutely crucial that we make sure that we have the right prerequisites to be super good in this area. So we will continue to focus here also going forward.

On your question on employee engagement, we are actually above the strategic target that we had for 2025, which is really good because Vattenfall is nothing without our employees. They are the ones out there every day delivering to our customers and to our business. So here, we will continue to execute our strategy.

Andreas Regnell: So again, a positive message. And it's great to see that we reached most of our 2025 targets. If we now look ahead, we set new targets for 2030. How are these targets different from the ones we set for 2025?

Anna Borg: Well, we have made some adjustments. The strategic direction is still the same. So we're mainly sort of changing a few of the KPIs to improve further. So up until 2030, we will actually, when it comes to CO2 emissions, measure absolute CO2 emissions. And then we will include all three scopes. So scope one, two, and three. And the target will be 18.2 million tons for 2030.

When it comes to health and safety, we will measure total recordable injury frequency. So that will be a slight adjustment of the KPI, but definitely just as high, if not more, focus on this compared to before. We have also made an addition, and that is that there should, of course, be zero fatalities every single year.

When it comes to driving diverse leadership, we will have a target on female manager ratio, which we aim for being 40% at least by 2030. And then the financial targets will remain the same. So return on capital employed and FFO over adjusted net debt.

Andreas Regnell: Thank you for walking us through the strategic targets. If we now focus on the future, we have published our investment plan for 2026 to 2030. Tell us more, Kerstin.

Kerstin Ahlfont: Exactly. Thank you. Yes, it's an investment plan that amounts to SEK 165 billion for the next five years. And the majority is dedicated to growth investments, so 56%, where a large share is dedicated to sort of new generation, fossil-free electricity generation capacity. And there we have the two projects you mentioned in the beginning, the Nordlicht projects in Germany, and the offshore project Zeevonk in The Netherlands. Another important area that you have already also touched upon, Anna, is all the investments we will do in the electricity grids.

In total over the next five years, we're talking about SEK 47 billion net. Out of that SEK 14 billion is growth investments. So it is development and expanding our existing electricity grids, connecting new customers and areas, but also providing network solutions. And out of the 47, 33 is then to maintain and reinforce the existing grids in order to secure quality of supply.

Andreas Regnell: Thank you. So a large share of investment goes into new fossil-free electricity generation and distribution. Are there any other areas that you would like to mention?

Kerstin Ahlfont: Yes, I think I would also like to mention that we are planning significant investment levels also in our hydro power. It's both maintenance, replacements, and also investments in dam safety. But also power upgrades like in the Harsprånget power plant and converting the Juktan power plant into a pumped storage power plant. And then, of course, also we have investments when it comes to our existing nuclear operations, both maintenance and replacement investments to secure safe and reliable operations. And then, of course, also investments to develop new nuclear capacity in Sweden.

Andreas Regnell: Thank you. So all in all, a growth-tilted investment plan, but maybe a bit more focused this year on maintenance modernisation and replacements than we've seen before.

Kerstin Ahlfont: Exactly.

Andreas Regnell: Thank you. Anna, do you have any other comments on the planned investments or any other general remarks?

Anna Borg: Well, I think that the investment plan actually reflects our strategy very well. So we will continue to focus on the fossil freedom that actually makes society moving forward. And we're, of course, going to do that by showcasing profitability in our business at the same time. I think what is maybe important to add is what I said before. We have made sure we have a bit of optionality. So timing can actually change a bit in these projects depending on the market conditions.

But we will continue to build this portfolio to keep maintaining this optionality and also be able to actually capture the opportunities once they are there. And I think that this is also reflected in the strong financial results that we have for 2025. We have actually delivered on our financial targets. We have taken important steps in our key projects. We are

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focused. We continue to deliver and to really move forward and enable fossil freedom, not only for us, but also for our customers and for our partners. That's going to be our focus.

Andreas Regnell: Thank you so much for wrapping up 2025 with a lot of positive messages. So now it's time for Q&A. I know that there are questions, but they are just to come here.

Kerstin Ahlfont: Maybe I can add a comment on the investment plan as well then, because as you said, market conditions might change and conditions might also change then for the projects. We might adjust then, also in the investment plan. And when it comes to growth investments, several of them are actually still pending a final investment decision. For sure. So we can change between markets and so forth.

Andreas Regnell: Absolutely.

Kerstin Ahlfont: Utilising the integrated utility.

Andreas Regnell: Optionality.

Questions & Answers

Andreas Regnell: Alex Blackburne from Platts. Do you plan to bring a new equity partner on Nordlicht to replace BASF or will Vattenfall retain full ownership going forward? Now, question number one. Question number two. What signal does BASF's exit send about industrial players' willingness to take equity stakes in large renewable projects in the current market?

Anna Borg: Well, when it comes to taking in potential new partners in Nordlicht, we are definitely considering that. But we will only do it if we think that it's a good partner and that we have approximately the same view on how the project and the market will develop going forward. So if we find good partners at conditions that we are satisfied with, then we will partner. And if not, we have the ability to carry this on our balance sheet for longer. So we have the optionality here that I talked about earlier. That's a sort of real-time showcase of that.

When it comes to the fact that BASF decided to step out of the Nordlicht project, of course, they would have to answer that. But what we have already communicated earlier is that the development and transformation of the market in Europe for energy-intensive industries is going slightly slower than what was the plan to start with. And that, of course, has an impact on all industries that have a need for new fossil-free electricity.

However, I think it's important to say that we are still partners with BASF in the project that we have together in the Netherlands already since before, the Hollandse Kust Zuid. So there is still a sort of solid, large partnership between us. And they are also a trusted customer of ours. But the pace of the transition in Europe is simply not the same as it was a couple of years ago, although the direction is clear. And that was the sort of basis for that, which I completely understand.

Andreas Regnell: Thank you. We're eagerly awaiting questions. Claus Skovholm from EnergyWatch. Your revenue has followed a declining trend in recent years. When do you expect to reverse the development?

Kerstin Ahlfont: I think that's a tricky question to answer. I mean, our revenue line is to a large extent driven by the electricity prices and also gas prices, because it's so much focused on our sales to customers in the end. So, I mean, it's hard to predict that. But we are focusing on gaining more customers. We are focusing on increasing our electricity generation. So from that perspective, we have a growth strategy in basically both of these areas. But in the end, it depends on where the electricity and gas prices move.

Anna Borg: And if I may add to that, I think it's important to say that the revenues we saw in the energy market in general and also for Vattenfall during the years with the energy crisis, they were, of course, very, very high because the prices were extremely high at that point in time. So it's no strange that they are now sort of going down a bit. And for us, the margins are the really important thing. So to get a fair view of our business, I think it's important to look at the underlying EBIT and look at that development because the revenues will go up and down, but the margins will be more stable.

Andreas Regnell: For sure. Claus has another question. How have the changed conditions in the wind industry, including costs and financial opportunities, affected your approach to selling or keeping completed projects compared to three to five years ago?

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Anna Borg: Yes, I think that the market is as described. So it's more uncertain and we have seen a development in the market, which means that some of the projects are more difficult to continue with. But I think that if you have fundamentally good projects, there are definitely business opportunities to catch here. And we are also showcasing that with our projects that we are going ahead with.

So I think that we have not said a specific number that we are prepared to commit to a certain technology. We do a continuous prioritisation on the projects based on their profitability and risk profile of them. And we actually think that all fossil-free energy sources are needed. So both wind power, nuclear, hydro power and other kind of energy solutions. But the plan we presented now is our best estimate here and now and also showcases our investment capacity.

Andreas Regnell: Thank you. Now, Michael Lawrence from Charlton has a question on nuclear. How convinced is Vattenfall that SMRs are commercially viable and meriting investment? What levelised cost of energy is expected compared to conventional nuclear reactors? How much capital is Vattenfall prepared to commit to this technology?

Anna Borg: Yes, that's questions that many would like an answer on. And I would say that, first of all, we would not have gone ahead with this project together with the industry consortium of Industrikraft if we did not think that we could end up with a project that is good, both from a project and energy perspective, but also from a financial perspective. However, it is, of course, dependent on this risk sharing model provided by the Swedish state.

And one of the reasons for that is that the current market model is only providing payments for the electricity produced. It's an energy only market. It doesn't provide payments for the capabilities that an energy source provide in the energy system. And nuclear is also much more long term than many other investments in the energy system. So that's why that risk sharing model is a prerequisite. And the exact conditions around that, we are now in a negotiation with the state around.

So we will have to come back on that. And when it comes to costs, we are still negotiating with two suppliers. So, I'm not going to give you any numbers here and now. We're going to have that negotiation round and then eventually end up with one supplier. And then we will be able to share a bit more, not all details, but a bit more around this business case.

Andreas Regnell: Thank you. Andrew Moulder. Is Videberg the product company for both new large nuclear and for SMRs? Or is there a different arrangement for SMRs?

Anna Borg: Videberg Kraft AB is the project company specifically for building new nuclear at the Varo Peninsula. And there we have chosen to go ahead with two suppliers of modular reactors. So, that project company is set up for those reactors at that site specifically. If we decide to go ahead with more projects regarding new nuclear, regardless of what supplier we would choose in that case, we would most likely start another project company.

Andreas Regnell: Thank you. Another question from Andrew Mulder. You mentioned that you have seen increased competition in the Customers & Solutions business in Germany. Germany is a market where hardly anyone ever changes suppliers. So, what is driving the increased competition?

Anna Borg: Well, I don't quite agree because I think that customers are actually changing suppliers in Germany. And they're actually choosing Vattenfall to a large extent, which I'm very happy about. We have very high sort of customer satisfaction scores in Germany. So, that is not the main reason for the decreased profitability. It's mainly the squeeze on the margin. And that is because there is a lot of competition and a lot of comparisons between different suppliers. So, that is the main explanation.

Andreas Regnell: Yes. Any more questions? Yes, more questions will come. Jakob Magnusson. Could you elaborate on the SEK 0.7 billion impairment on your heat assets?

Kerstin Ahlfont: Yes, absolutely. We have made an impairment, as you can also read in the report, of SEK 700 million in the heat segment. And this is due to our evaluation of future cash flows, which have actually then come down in comparison to our cost.

Andreas Regnell: Thank you. More questions. Philip Akoto from Energate. I hope I can ask three questions. One, by the end of 2024, Vattenfall announced that it would invest EUR 5 billion in its German business by 2028. To what extent is this going according to plan, and what priorities are you setting beyond offshore wind power? Let's take one question at a time. So, that's the first one.

Anna Borg: Well, we have showcased the business plan, and you can also find it in the material where you see the investments per technology. And it's true that we are investing in our business in Germany. But exactly how much will, of course, depend on the market development and the opportunities that we can catch there. And that goes for

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offshore wind power as well. But of course, investments in offshore wind are much more capital intense than investments in the customer business. So, it's different kind of investments.

In offshore, it's mainly connected to the specific projects that we are building. So Nordlicht in Germany and Zeevonk in the Netherlands. When it comes to the sales business in Germany, but also actually in the Netherlands and Sweden, we are investing a lot into competitive offers to our customers.

But we're also investing in grids for charging infrastructure and for energy services in people's homes. So, it's a mix of investments in all these buckets. And the exact number could, as we said earlier, vary a bit based on market opportunities, but also on the optionality of other investments we see in our portfolio.

Andreas Regnell: Thank you. Now to the second question. You mentioned hydrogen activities in the Netherlands. How do you see the hydrogen ramp up in Germany and opportunities for Vattenfall?

Anna Borg: Well, I can answer that one then. Yes, I think that the hydrogen ramp up is happening much slower in all of Europe than what was anticipated a number of years ago. And of course, there is no use of building assets that will produce hydrogen unless there is a pipeline to take care of the hydrogen and customers to actually use it.

And that is delayed, which means that we are also delaying some of our hydrogen projects. I'm absolutely convinced that hydrogen will, first and foremost, be used in industrial usage and maybe some heavy transport. I think before we see hydrogen in any other sort of application, it would take much longer. So we are still working with that, but we will time the investments at the point in time where the pipeline and the demand is also there.

Andreas Regnell: Thank you. Now the third question. At the instigation of the armed forces, the Swedish government cancelled 13 Baltic Sea wind power projects with a total capacity of 32 gigawatts at the end of 2025. How does this change Vattenfall's view of the offshore business in Europe?

Anna Borg: Well, offshore wind is a large market in all of Europe, in most countries. And we are always prioritising project by project. So that could be in different countries. We have not built any offshore wind in Sweden for a very long time from the Vattenfall side. And we have a number of projects that we are developing, but we have not made any investment decisions. And it's, of course, up to the armed forces how they would like to prioritise when it comes to what kind of projects that get to go ahead from their perspective or not. But I can also say that the main projects that Vattenfall are running in Sweden, we actually have the permits for.

Andreas Regnell: Thank you. Now a question from Samu Wilhelmsson at Nordea. Given your investment pipeline and current liquidity position, should we expect you to access the bond market over the next six to 12 months? And what would be the key triggers for doing so, Kerstin, I guess?

Kerstin Ahlfont: Well, I think as you have seen, we have a strong liquidity position and a strong balance sheet. So we have no imminent need to enter the bond market. But of course, we will also be opportunistic. So if anything would come up, then we could look at that. And we have also the hybrid bonds also coming with their first call date within a year approximately. And we are looking at the strategy for that, of course.

Andreas Regnell: Thank you. And now I get an indication that we have no more questions. So thank you and thank you to all for listening in and see you in the Q1 reporting event. Thank you.