

PRESS RELEASE

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Vattenfall expands UK business by establishing network operations – Vattenfall Networks Ltd

Leading European energy group Vattenfall has formed a new unit to own and operate electricity networks in Great Britain - Vattenfall Networks Ltd. Operations are expected to start in 2018 further expanding Vattenfall's investment in the UK electricity market where Vattenfall today is one of the biggest producers of wind power.

Vattenfall Networks operating licence was granted 1 November, by British energy regulator Ofgem and marks a first step for Vattenfall to establishing smart, independent electrical distribution network operations in Great Britain.

“This is another important step for Vattenfall in the UK which is an interesting market where we see good opportunities to further grow with our climate smart energy solutions. This is in line with our overall strategy to become fossil free in a generation and supporting our customers in reducing their carbon footprint”, says Magnus Hall, Vattenfall's president and CEO.

Vattenfall Networks Limited aims at growing organically as an Independent Distribution Network Operator (IDNO). The new unit will build and operate new connections to the existing network in new residential, retail or industrial areas.

“Vattenfall has extensive experience in operating electricity networks, including smart meters, and we are now also investing in micro grids and smart street lighting. We will use our expertise to develop the British networks business. Vattenfall will offer integrated and climate smart energy solutions to future customers in Great Britain”, says Annika Viklund, Vattenfall's Head of Business Area Distribution.

Vattenfall Networks Limited is unbundled from, and independent of, Vattenfall's existing UK sales and generation business. It will be headed by Managing Director, Stewart Dawson, who has over 30 years' experience in managing both regulated and private networks in the UK.

Vattenfall already has a strong presence in the UK electricity market as a leading renewable energy provider. The Swedish energy group has been operating in the UK since 2008, investing more than SEK 30 billion/ nearly £3bn in its wind energy business. Next year Vattenfall will operate more than 1GW of UK wind power and, co-located with its largest onshore wind farm, Pen y Cymoedd, its first battery storage facility will provide frequency response services to National Grid.

Last summer, it acquired independent energy retailer iSupply Energy and launched a new business-to-business electricity sales venture.

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Please find more information about Vattenfall Networks Ltd here:

<https://networks.vattenfall.co.uk>

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