

Securing Fortum's future and ability to refocus on clean energy as its core business

Fortum to fully divest Uniper to German State

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Disclaimer

This presentation does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any Fortum shares.

Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

Any references to the future represent the management's current best understanding. However, the final outcome may differ from them.

New state-led solution for Uniper required

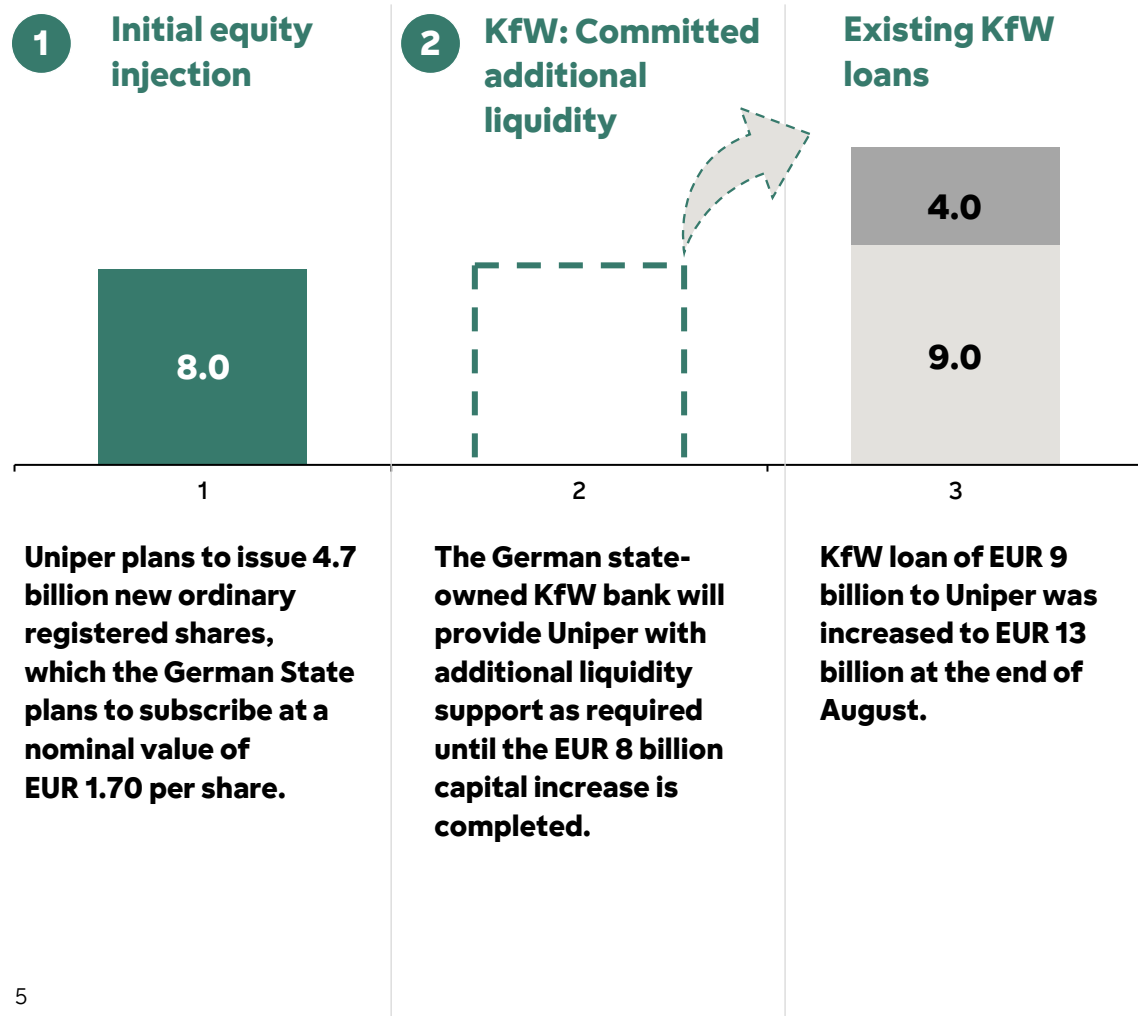
- Since July, **Uniper's situation has further deteriorated rapidly and significantly**
 - Earlier this month, Russia halted gas flows through its the Nord Stream 1 pipeline to Europe, further driving volatility in gas and power prices and increasing uncertainty.
 - To date, Uniper's accumulated losses from gas curtailment are close to EUR 8.5 billion.
 - The July stabilisation package has proven insufficient and difficult to execute.
- All this exposes both Uniper and Fortum to **significant risks**.
- A German **state-led solution** for Uniper was therefore **required** immediately.
- Consequently, **new measures** to resolve the situation have been agreed.
- This new agreement replaces the July stabilisation package.

Key elements of the agreement

- ✓ The **German State intends to underwrite a EUR 8 billion equity capital increase of Uniper SE** at EUR 1.70 per share; KfW Bank to provide further bridge financing to Uniper until the capital increase is implemented.
- ✓ In connection with the capital increase, the **German State intends to buy all Fortum's shares** in Uniper for EUR 1.70 per share, or EUR ~0.5 billion.
- ✓ **Fortum's EUR 4 billion loan** to Uniper is to be **repaid** and **EUR 4 billion parent company guarantee** to be **released**.
- ✓ Fortum has the **right of first offer until end-2026** if Uniper decides to sell all or parts of its **Swedish assets**.
- ✓ The agreed transaction is subject to regulatory clearances and approval by Uniper's Extraordinary General Meeting. Closing is expected by year-end.

Implementation of the agreed capital measures

Uniper capital increase by German State, EUR billion



Upon completion of the capital increase

- 3 Fortum to fully divest Uniper**
The German State plans to buy Fortum's 293 million shares in Uniper for EUR 1.70 per share, a total of EUR ~0.5 billion.
- 4 Release of Fortum's EUR 8 bn financing**
- | Category | Value (EUR billion) |
|-------------------------------------|---------------------|
| Fortum's shareholder loan to Uniper | 4.0 |
| Fortum's parent company guarantees | 4.0 |
- Uniper to repay the EUR 4 billion shareholder loan and release the EUR 4 billion parent company guarantee. At the time of the capital injection, change of control clause is triggered and the German State provides the financing for the redemption of the EUR 8 billion credit arrangement.
- 5 All subject to regulatory approvals**
The planned transaction requires completion of final agreements with the German State and regulatory approvals in several geographies, including State Aid clearances from the European Commission, as well as an Extraordinary General Meeting of Uniper. Completion of the transaction is expected by the end of 2022.

Financial effects of the Uniper divestment

Commentary

Uniper to be deconsolidated

- Fortum to deconsolidate Uniper and report it as Discontinued operations in Q3 2022.
- Fortum's financials for the continuing operations will no longer include any impact from Uniper operations.

Impact from deconsolidation

- Fortum has recorded significant accumulated losses from Uniper mainly due to the Russian gas curtailment.
- Further Uniper losses in the third quarter and onwards will have no impact on Fortum group's equity as these losses will be offset by the deconsolidation effect.
- Based on Fortum's balance sheet as of 30 June 2022, the deconsolidation would strengthen Fortum group's equity by approx. EUR 5 billion.

Parent company equity at sufficient level

- The parent company Fortum Oyj's equity is negatively impacted by the divestment.
- Equity remains at a sufficient level and does not require any additional capital injection.

SHL and share consideration as receivable

- The EUR 4 billion shareholder loan (SHL) will be recorded as a receivable in the deconsolidation in Q3 2022. *
- The EUR 0.5 billion consideration for Fortum's Uniper shares will be recorded as a short-term receivable until completion.

Restatements

- In connection with the reclassification of Uniper to discontinued operations, comparative quarterly information will be restated for the full year of 2021 and the first half of 2022.
- Restated information will be published prior to the publication of the group's Q3 2022 results on 10 Nov 2022.

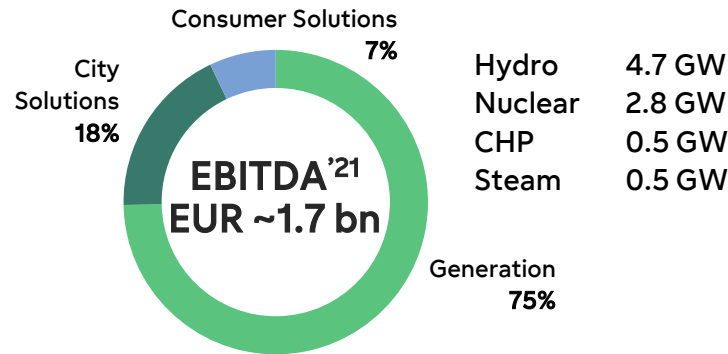
* The release of the EUR 4 billion parental company guarantees does not have any financial impact

Fortum standalone: Focus on clean Nordic energy

A leading clean-energy company focusing on the Nordic region

- Core operations focus on **carbon-free, indispensable and profitable Nordic energy infrastructure** as well as low-carbon district heating and sustainable customer solutions.
- Value driven by strong asset base, low cost and ability to optimise production.
- On the quest for European energy independence, **Fortum's flexible and clean power production is needed more than ever.**

Earnings dominated by clean generation

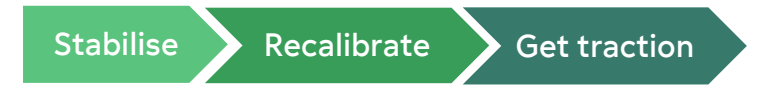


Note: Comparable EBITDA based on 2021 consolidated Group figures, excluding the Uniper, Russia and Other segments

- Stable CO₂ free Nordic production up to 50 TWh
- Fortum is a forerunner in sustainability



Advance on immediate priorities



- ✔ Secured financial flexibility to manage the commodity price storm
- ✔ Agreement in principle with German State and Uniper
- Controlled exit from Russian market
- Strategy review in light of the changed operating environment

Q&A