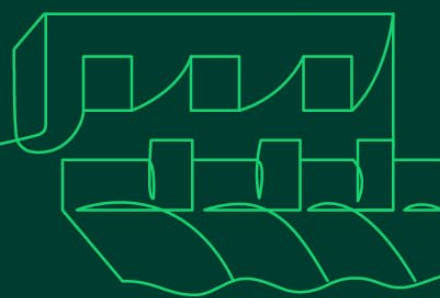


Fortum Interim Report

JANUARY-MARCH 2023



Contents

Strong start for the year in clean power generation	3
Fortum's President and CEO Markus Rauramo's comments	5
New operating structure	6
Additional information related to Fortum's disclosures on Russia, APMs	6
New strategy	7
Financial results	8
Financial position and cash flow	9
Segment reviews	11
Capital expenditures, divestments and investments in shares	16
Operating and regulatory environment	16
Key drivers and risks	19
Outlook	21
Sustainability	22
Legal actions	22
Shares and share capital	25
Group personnel	25
Changes in Group Management	25
Annual General Meeting 2023	26
Other major events during the first quarter of 2023	27
Events after the balance sheet date	28
Dividend payment	29
Further information	29

Tables to the Interim Report

Condensed consolidated income statement	30
Condensed consolidated statement of comprehensive income	31
Condensed consolidated balance sheet	32
Condensed consolidated statement of changes in total equity	33
Condensed consolidated cash flow statement	34
Change in financial net debt	36
Capital risk management	36
Key figures	37
Notes to the condensed consolidated interim financial statements	39
Definitions and reconciliations of key figures	64
Market conditions and achieved power prices	71
Fortum's production and sales volumes	72
Attachment: Restated comparison figures for 2022 to reflect the new reportable segments	74

Financial results discussed in this Interim Report comprise the continuing operations of the Fortum Group. Following the signing of agreement in principle with the German Government to divest Uniper, Uniper was deconsolidated and reclassified as discontinued operations in the third quarter of 2022. Fortum's condensed consolidated income statement and consolidated cash flow statement include Uniper segment as discontinued operations in 2022. Russia segment continues to be consolidated at 31 March 2023 and is reported as continuing operations in the first quarter of 2023 and 2022. See further details in Notes 1,6 and 19.

Figures in brackets refer to the comparison period, i.e. the same period last year, unless otherwise stated.

Strong start for the year in clean power generation

January–March 2023, continuing operations

- Comparable EBITDA was EUR 891 (527) million
- Comparable operating profit was EUR 784 (388) million
- Operating profit was EUR 855 (246) million, mainly impacted by fair values changes in non-hedge-accounted derivatives. The comparison period included EUR 275 million of impairments related to Fortum's Russia segment.
- Comparable earnings per share were EUR 0.58 (0.42). Comparable earnings per share excluding Russia were EUR 0.54 (0.26)
- Earnings per share were EUR 0.63 (-0.02).
- Cash flow from operating activities totalled EUR 583 (365) million
- Financial net debt-to-comparable EBITDA ratio at 0.3 times and 0.4 times excluding Russia, below the long-term guidance of 2.0–2.5 times.
- The Group's new strategy and new financial and environmental targets were published. A renewed Group operating model, business structure and a revised Fortum Leadership Team (FLT) to drive the execution of the new strategy became effective at the end of March.

Summary of outlook

- The Generation segment's Nordic generation hedges: approximately 70% at EUR 50 per MWh for the remainder of 2023, and approximately 45% at EUR 43 per MWh for 2024.
- Capital expenditure, including maintenance but excluding acquisitions, is expected to be approximately EUR 700 million in 2023 (excluding the Russia segment).
- On 25 April, due to the Presidential decree (No. 302), the Russian authorities seized control of Fortum's assets in Russia. Fortum has formally notified the administration of the President of the Russian Federation that it strongly objects to the decree. Based on control assessment, Fortum has lost control of its Russian operations and the Russia segment will consequently be deconsolidated and reported as discontinued operations in the second quarter of 2023.
- In the second quarter of 2023, Fortum will record impairments of EUR 1.7 billion (full book value) and related translation differences.
- Due to the effect of Russia deconsolidation and related impairments, Fortum is updating its tax guidance.

Key figures, continuing operations

EUR million or as indicated	I/2023	I/2022	2022	LTM
Reported				
Sales	2,552	2,162	8,804	9,194
Operating profit	855	246	1,277	1,886
Share of profit/loss of associates and joint ventures	48	-215	-629	-366
Net profit	568	-14	1,011	1,593
Net profit (after non-controlling interests)	565	-21	1,011	1,597
Earnings per share, EUR	0.63	-0.02	1.14	1.79
Net cash from operating activities	583	365	2,104	2,322

EUR million or as indicated	I/2023	I/2022	2022	LTM
Comparable				
EBITDA	891	527	2,436	2,800
Operating profit	784	388	1,871	2,267
Share of profit/loss of associates and joint ventures	36	21	-11	4
Net profit (after non-controlling interests)	517	375	1,550	1,692
Earnings per share, EUR	0.58	0.42	1.74	1.90

EUR million or as indicated	31 Dec 2022	LTM
Financial position		
Financial net debt (at period-end)	1,084	794
Financial net debt/comparable EBITDA, continuing operations	0.4	0.3

Key figures, continuing operations excl. Russia

In the fourth quarter of 2022, Fortum introduced new APMs to provide additional financial information excluding Fortum's Russian operations. See also Note 1.

EUR million or as indicated	I/2023	I/2022	2022	LTM
Comparable				
EBITDA	781	435	2,025	2,371
Operating profit	698	326	1,611	1,982
Share of profit/loss of associates and joint ventures	10	8	-40	-39
Net profit (after non-controlling interests)	483	228	1,076	1,331
Earnings per share, EUR	0.54	0.26	1.21	1.49
Financial position				
Financial net debt (at period-end)			1,127	900
Financial net debt/comparable EBITDA			0.6	0.4

Key figures, total of continuing and discontinued operations

Fortum's condensed consolidated income statement and consolidated cash flow statement include Uniper segment as discontinued operations in 2022. Russia segment continues to be consolidated at 31 March 2023 and is reported as continuing operations in the first quarter of 2023 and 2022. See further details in Note 19 'Events after the balance sheet date'.

EUR million or as indicated	I/2023	I/2022	2022	LTM
Reported				
Net profit (after non-controlling interests)	565	-2,222	-2,416	371
Earnings per share, EUR	0.63	-2.50	-2.72	0.42
Net cash from operating activities	583	-1,529	-8,767	-6,654
Comparable				
Net profit (after non-controlling interests)	517	-99	-988	-371
Earnings per share, EUR	0.58	-0.11	-1.11	-0.42

Fortum's President and CEO Markus Rauramo:

“During the first quarter, commodity prices came down from the peak levels seen in 2022 as the winter turned out to be mild and windy, gas storage levels in Europe remained high and the demand for energy decreased. Nevertheless, power and other commodity prices remained elevated compared to the long-term average. This was due to concerns over security of supply and the effects of Russia's brutal war in Ukraine as well as worries that the turbulence in the financial sector would further increase global inflation and dampen growth.

Unfortunately, still after a year of full-blown war in Ukraine, there are no signs of peace or a way out of the conflict. Russia continues to use energy as a weapon of war and as a means to exert pressure on Europe. At the end of April, Fortum's subsidiary PAO Fortum was seized by the Russian authorities under the guise of a presidential decree. As a consequence, we are deprived of our shareholder rights and have assessed that we no longer have control over our Russian operations. In the second-quarter 2023 results, the Russia segment will be deconsolidated and the Russian assets written down in full. We consider Russia's actions to be a crude violation of international law and of Fortum's rights as a foreign investor. Fortum is preparing to take all necessary measures to protect its rights under relevant international legislation.

In March, we announced our new strategy and purpose. One strategic priority is to deliver energy reliably, maintain high availability of our plants and focus on optimisation, efficiency and safety of our Nordic fleet. In the first quarter, we were granted a new operating licence for our Loviisa nuclear power plant until the end of 2050. This is a concrete example of ensuring productivity in the long run alongside our ongoing rebuild of the Forshuvud hydropower dam in Sweden. The Loviisa lifetime extension until 2050 offers up to 170 TWh of additional CO2 free power with capital expenditure of approximately EUR 1 billion over some 25 years. In general, the support for nuclear power in Finland is record high at the moment and I am very pleased that TVO's long-awaited third Olkiluoto nuclear power plant unit in Finland started regular power generation in April and commercial operation in May.

Another priority is to drive decarbonisation in industries. Our aim is to build new clean energy production in partnership with strategic customers and to actively develop projects to enable growth over time. In the first quarter, we announced partnerships with the Finnish steel company Outokumpu and the UK-based Rolls-Royce SMR related to our nuclear feasibility study covering both small modular reactors (SMRs) and conventional nuclear. We also launched a pre-feasibility study with Metsä Group to examine the technological and business potential of the further processing of wood-derived carbon dioxide.

We are committed to ambitious financial and environmental targets and have a new dividend policy to create value for our stakeholders and societies. At the same time, with the new operating model headed by the new Fortum Leadership Team, we are developing a more integrated way of leading and operating at Fortum. Our growth will be selective with growth capital expenditure (excluding acquisitions) of up to EUR 1.5 billion for the next three years.

Fortum's first quarter results improved significantly and comparable operating profit of continuing operations excluding Russia more than doubled to EUR 698 million. The higher achieved power price was the main driver that strengthened the results of the Generation segment. Consumer Solutions' results fell close to zero mainly due to losses from customer outflow from certain hedged customer contracts in very volatile and high-price market conditions.

At the end of the first quarter, our financial position continued to be solid with undrawn credit facilities of EUR 5.8 billion and liquid funds of EUR 3.7 billion. In March, we repaid the drawn amount of EUR 350 million of the bridge financing loan and cancelled the entire EUR 2.35 billion facility provided by Solidium. Our decisive actions to stabilise

our operations have been recognised by the rating agencies. In March 2023, both Standard & Poor's and Fitch affirmed Fortum's BBB long-term credit rating and revised the outlook to Stable. We have the aim to refinance the current bank debt during 2023 and to return to the European fixed income market.

The clean energy transition is truly speeding up in Europe, which makes our business more relevant than ever. Fortum is well positioned in this transition. We have the needed expertise and assets, and we aim to take an active role in successfully and affordably driving the transition towards carbon neutrality in the Nordics. We want to power a world where there is a healthy balance between the wellbeing of people and society, the success of businesses, and the diversity of nature.”

New operating structure

Fortum reorganised its operating structure at the end of March 2023. The target of the new organisation is to enable the implementation of the company's new vision and strategy. The new organisation consists of the following business units: Corporate Customers and Markets, Nuclear Generation, Hydro Generation, Renewables and Decarbonisation, Consumer Solutions, and Circular Solutions.

Fortum revised its financial segment reporting to reflect the new business structure and strategy. As of the first quarter of 2023, Fortum reports its financial performance in the following reportable segments:

- The Generation segment includes the Corporate Customers and Markets, Nuclear Generation, Hydro Generation, and Renewables and Decarbonisation business units.
- The Consumer Solutions segment includes the Consumer Solutions business unit.
- The Other operations segment includes the Circular Solutions business unit, innovation and venturing activities, enabling functions and corporate management.
- The Russia segment is reported as a separate segment in the first quarter of 2023.

On 17 April, Fortum published restated segment information for the year 2022 for the new reportable segments. The restated comparatives can also be found as an attachment to this Interim Report. On 11 May, restated segment information for the year 2022 and the first quarter 2023 will be published separately to reflect the discontinuation of the Russian operations.

Following the signing of the agreement in principle with the German Government to divest Uniper, Uniper was deconsolidated and reclassified as discontinued operations in the third quarter of 2022. The transaction was completed in December 2022.

The financial results discussed in this Interim Report relate to the continuing operations of Fortum Group.

Additional information related to Fortum's disclosures on Russia, APMs

Due to the fundamentally changed geopolitical situation and operating environment for Fortum and due to restrictions on information sharing, Fortum limited its disclosure on the Russian operations and operating environment in Russia in its Financial Statement for 2022 and in this first-quarter 2023 Interim Report compared to previous periods.

In the fourth quarter of 2022, Fortum introduced the following new Alternative Performance Measures (APMs): 'Comparable EBITDA from continuing operations excl. Russia', 'Comparable operating profit from continuing operations excl. Russia', 'Comparable net profit from continuing operations excl. Russia', 'Comparable earnings per share from continuing operations excl. Russia', and 'Financial net debt/comparable EBITDA excl. Russia' to provide additional financial performance indicators to support a meaningful comparison of financials for Fortum's strategic businesses (Note 1 and 20). These APMs are reported also in the first-quarter 2023 Interim Report. For further information, see the section 'Events after the balance sheet date'.

New strategy

At the beginning of March 2023, the Fortum Board of Directors resolved on Fortum's new strategy. Fortum's strategic priorities are to deliver reliable clean energy and drive decarbonisation in industries in the Nordics.

The strategy includes new financial and sustainability targets:

- Updated financial guidance to ensure a credit rating of at least BBB and optimal financial flexibility for future growth with long-term financial net debt-to-comparable EBITDA of 2.0–2.5 times.
- Disciplined growth in clean energy with capital expenditure of up to EUR 1.5 billion during 2023–2025. Investment hurdles of project WACC + 150–400 basis points will be applied and evaluated against the company's climate and biodiversity targets.
- Renewed dividend policy with payout ratio of 60–90% of comparable EPS. Fortum's 2023 Annual General Meeting approved a dividend of EUR 0.91 per share for the year 2022 corresponding to a pay-out of 75% based on comparable EPS for continuing operations of EUR 1.21 (excluding Russian operations).
- Tightened environmental and decarbonisation ambitions with updated targets to reach carbon neutrality already by 2030, exit coal by the end of 2027, target for specific emissions and commitment to SBTi (1.5°C) and biodiversity targets.

To enable the strategy execution and manage the current market uncertainty, Fortum will apply phasing of the key priorities. To ensure solid performance, the initial focus will be on optimising the best-in-class operations, with a focus on earnings and cash flow as well as returning to the bond markets to refinance the Group's debt portfolio. This requires a selective and disciplined approach and a balance between capital expenditure, balance sheet and dividends. Fortum will simultaneously build capabilities for future growth by exploring opportunities and developing project pipelines together with industrial customers.

Fortum's new strategy does not include the Group's Russian operations.

Financial results

Sales by segment

EUR million	I/2023	I/2022 restated	2022 restated	LTM
Generation	1,429	985	4,465	4,908
Consumer Solutions	1,384	1,168	4,578	4,794
Other Operations	136	137	589	588
Netting of Nord Pool transactions	-448	-448	-2,312	-2,311
<i>Eliminations</i>	-236	98	454	120
Total continuing operations excl. Russia	2,265	1,940	7,774	8,099
Russia	287	223	1,031	1,095
<i>Eliminations</i>	-	-1	-1	0
Total continuing operations	2,552	2,162	8,804	9,194

Comparable EBITDA by segment

EUR million	I/2023	I/2022 restated	2022 restated	LTM
Generation	767	374	1,876	2,268
Consumer Solutions	24	54	173	143
Other Operations	-10	7	-23	-40
Total continuing operations excl. Russia	781	435	2,025	2,371
Russia	109	92	411	428
Total continuing operations	891	527	2,436	2,800

Comparable operating profit by segment

EUR million	I/2023	I/2022 restated	2022 restated	LTM
Generation	723	307	1,629	2,044
Consumer Solutions	6	35	97	69
Other Operations	-31	-16	-116	-131
Total continuing operations excl. Russia	698	326	1,611	1,982
Russia	86	61	260	285
Total continuing operations	784	388	1,871	2,267

Operating profit by segment

EUR million	I/2023	I/2022 restated	2022 restated	LTM
Generation	1,049	312	2,128	2,865
Consumer Solutions	-249	192	-149	-590
Other Operations	-31	-23	-13	-20
Total continuing operations excl. Russia	769	480	1,967	2,255
Russia	86	-234	-689	-369
Total continuing operations	855	246	1,277	1,886

January–March 2023

Sales increased to EUR 2,552 (2,162) million mainly due to higher commodity prices.

Comparable operating profit was EUR 784 (388) million. The result improvement was clearly driven by the higher achieved power price in the Generation segment, however, with a negative effect from lower earnings in the Consumer Solution segment.

Operating profit for the period was impacted by EUR 71 (-142) million of items affecting comparability, mainly related to changes in fair values of non-hedge-accounted derivatives. In the comparison period of the first quarter of 2022, items affecting comparability also included EUR 275 million of impairments related to fixed assets and goodwill for the Russia segment (Note 4).

Comparable share of profits of associates and joint ventures was EUR 36 (21) million (Note 7). The share of profits of associates and joint ventures amounted to EUR 48 (-215) million, including IFRS adjustments to nuclear provisions in co-owned nuclear companies of EUR 12 (-64) million. The comparison period included EUR -172 million of impairments related to Fortum's ownership in the Russian TGC-1 and the renewables joint ventures in Russia.

Finance costs – net amounted to EUR -183 (59) million. The change in finance costs - net relates mainly to foreign exchange losses from rouble receivables and expected credit losses related to Russian deposits and receivables. Finance costs – net include EUR 56 (0) million of interest expenses and fees relating to the bridge financing loan provided by the State-owned holding company Solidium. Comparable finance costs - net amounted to EUR -161 (77) million (Note 8).

Income taxes for the period totalled EUR -152 (-104) million. The comparable effective income tax rate including the temporary windfall tax in Finland, according to the income statement, was 22.5% (21.3%) (Note 9).

Net profit was EUR 565 (-21) million. Comparable net profit was EUR 517 (375) million after the deduction of adjusted non-controlling interests. Comparable net profit is adjusted for items affecting comparability, adjustments to the share of profit of associates and joint ventures, finance costs – net, and income tax expenses (Note 4.2).

Earnings per share for continuing operations were EUR 0.63 (-0.02). Comparable earnings per share for continuing operations excluding Russia were EUR 0.54 (0.26) (Note 4).

For further details, see Segment reviews.

Financial position and cash flow

Cash flow

In January–March, net cash from operating activities increased by EUR 218 million to EUR 583 (365) million, mainly due to the improved comparable EBITDA, the effect of which was partly offset by the change in working capital and higher paid income taxes.

Net cash from investing activities, EUR 1,081 (-1,770) million, was positively impacted by the clear decrease in margin receivables of EUR 1,293 (increase 195) million. Capital expenditure amounted to EUR 132 (94) million. The first quarter of 2022 includes the shareholder loan of EUR 1,500 million that Fortum granted Uniper. In December 2022, when Fortum sold its ownership in Uniper and the transaction was closed, Uniper repaid the entire shareholder loan of EUR 4,000 million to Fortum. The consideration of EUR 498 million received for the sale of the Uniper shares is presented in the cash flow from discontinued operations in 2022.

Net cash used in financing activities was EUR -1,796 (-676) million. The net decrease in interest-bearing liabilities was EUR 1,662 (834) million, while the change in margin liabilities was EUR -133 (229) million.

Liquid funds decreased marginally by EUR -131 (-2,081) million.

For further information, see the 'Financing section' below.

Assets

At the end of the first quarter of 2023, total assets amounted to EUR 21,334 (23,642 at the end of 2022) million. The change from December 2022 was mainly related to lower values of derivative financial instruments and reduced margin receivables impacted by the decreased commodity market prices. At the end of the first quarter, net margin receivables amounted to EUR 1.1 billion.

Equity

Total equity amounted to EUR 9,793 (7,737 at the end of 2022) million. Equity attributable to owners of the parent company totalled EUR 9,724 (7,670 at the end of 2022) million. The increase in equity from December 2022 was mainly related to the higher net profit for the period of EUR 565 million and the EUR 1,584 million positive impact from the fair valuation of cash flow hedges. A dividend for 2022 of EUR 0.91 per share, totalling EUR 817 million, was approved at the Annual General Meeting on 13 April 2023. These interim financial statements do not reflect the dividend.

Financing

During the first quarter of 2023, the very volatile commodity prices stabilised. Due to declining prices and consequent release of cash collaterals in combination with precautionary financing measures taken in 2022, the Group's financial position is solid. At the end of March, the ratio for financial net debt to comparable EBITDA for continuing operations was very low at 0.3 times, and the corresponding ratio excluding Russia was 0.4 times.

At the end of the first quarter of 2023, financial net debt was EUR 794 (1,084) million. Fortum's total interest-bearing liabilities were EUR 6,167 (7,785) million and liquid funds amounted to EUR 3,729 (3,919) million. Interest-bearing liabilities excluding Russia were EUR 5,989 (7,581) million and liquid funds excluding Russia amounted to EUR 3,445 (3,672) million.

In January, Fortum repaid the drawn amount EUR 600 million of its Liquidity revolving credit facility. In February, a EUR 1,000 million maturing bond was repaid. In March, Fortum repaid the drawn amount of EUR 350 million and cancelled the entire EUR 2,350 million Finnish State bridge loan facility. After a drawdown of EUR 33 million, the nuclear waste fund loans amount to EUR 951 million.

Current loans, including EUR 613 million of the current portion of long-term loans, amounted to EUR 2,425 million. Short-term loans, EUR 1,811 million, include EUR 500 million of drawdown from the Liquidity revolving credit facility, EUR 626 million collateral arrangements and use of commercial paper programmes of EUR 682 million. At the end of the first quarter, Fortum had EUR 1.0 billion of debt with the option to extend the maturities by one year into 2024 (Note 13).

At the end of the first quarter, Fortum had undrawn committed credit facilities of EUR 5,800 million, including the Liquidity revolving credit facility of EUR 2,600 million (maturity in June 2023 with 6+6 months extension options by Fortum), the Core revolving credit facility of EUR 2,400 million (maturity in June 2025 with 1+1 year extension options by the lenders) and the bilateral EUR 800 million revolving credit facility (maturity in December 2023). In addition, Fortum has EUR 100 million committed overdraft limits that are valid until further notice.

On 9 March, S&P Global Ratings affirmed Fortum's current BBB long-term credit rating and revised the outlook from negative to stable.

On 21 March, Fitch Ratings affirmed Fortum's long-term credit rating at BBB and revised the outlook from negative to stable.

Segment reviews

Generation

Generation is responsible for power generation mainly in the Nordics. The segment comprises CO₂-free hydro, nuclear, wind and solar power generation, as well as district heating and cooling, and decarbonisation of heat production assets. The Generation segment is responsible for hedging and value creation in both physical and financial power markets and is a customer interface for strategic industrial and municipal customers to drive decarbonisation of industries and provide clean energy at scale. Furthermore, the business develops capabilities and projects in renewables and clean hydrogen.

EUR million	I/2023	I/2022 restated	2022 restated	LTM
Reported				
Sales	1,429	985	4,465	4,908
- power sales	1,245	721	3,802	4,326
of which Nordic outright power sales*	944	497	2,461	2,908
- heat sales	172	236	499	436
- other sales	12	29	163	147
Operating profit	1,049	312	2,128	2,865
Share of profit/loss of associates and joint ventures**	23	-54	-178	-102
Capital expenditure and gross investments in shares	90	50	316	357
Number of employees	1,676	2,025	1,660	

EUR million	I/2023	I/2022 restated	2022 restated	LTM
Comparable				
EBITDA	767	374	1,876	2,268
Operating profit	723	307	1,629	2,044
Share of profit/loss of associates and joint ventures**	10	10	-34	-33
Return on net assets, %			23.2	29.8
Net assets (at period-end)	7,042	6,849	6,597	

* Nordic outright power sales includes hydro and nuclear generation. It does not include CHP and condensing power generation, minorities, customer business, or other purchases.

** Power plants are often built jointly with other power producers, and owners purchase power at cost. The share of profit/loss is mainly IFRS adjustments (e.g. accounting for nuclear-related assets and liabilities) and depreciations on fair value adjustments from historical acquisitions (Note 18 in the Consolidated Financial Statements 2022).

Power generation by source

TWh	I/2023	I/2022 restated	2022 restated	LTM
Hydropower, Nordic	5.0	5.4	19.1	18.7
Nuclear power, Nordic	6.5	6.3	23.4	23.6
CHP and condensing power*	0.4	0.4	1.5	1.6
Total	11.9	12.1	44.1	43.9

* CHP and condensing power generation in Finland, Poland and Norway. Norwegian district heating company Fortum Oslo Varme is included in the comparison figures for 2022. The 50% ownership in Fortum Oslo Varme was divested in the second quarter of 2022.

Sales volumes

TWh	I/2023	I/2022 restated	2022 restated	LTM
Power sales volume, Nordic	14.0	14.0	51.7	51.7
of which Nordic outright power sales volume*	11.1	11.3	41.1	40.9
Power sales volume, Other	0.8	0.8	3.1	3.1
Heat sales volume, Nordic	0.8	1.6	3.1	2.4
Heat sales volume, Other	1.5	1.5	3.5	3.5

* The Nordic outright power sales volume includes hydro and nuclear generation. It does not include CHP and condensing power generation, minorities, customer business, or other purchases.

Achieved power price

EUR/MWh	I/2023	I/2022	2022	LTM
Generation's Nordic achieved power price*	85.2	44.1	59.9	71.1

* Generation's Nordic achieved power price includes hydro and nuclear generation. It does not include CHP and condensing power generation, minorities, customer business, or other purchases.

January–March 2023

The Generation segment's total power generation in the Nordic countries remained on the same level as in the comparison period in 2022. Hydro generation decreased slightly due to lower hydro reservoir levels compared to the previous year. Nuclear volumes were somewhat higher supported by the test generation of TVO's third Olkiluoto power plant unit (OL3). The segment's overall operational performance and load factor for nuclear generation remained at a good level. CO₂-free generation accounted for 99% of the total power generation.

The achieved power price increased by EUR 41.1 per MWh, up by 93%, and was EUR 85.2 per MWh. The main reason for the increase in the achieved power price was the higher hedge price. Physical optimisation remained on the same high level as in the comparison period in 2022 and in previous quarters. While the spot power price decreased by 10% in the Generation segment's power generation areas, the negative result effect from the lower spot price on the achieved power price was more than off-set by the fairly high hedge levels and a higher hedge price compared to the spot price. Hedging dampened the impact of the SE2 -area price difference compared to the corresponding period in 2022.

The 136% improvement of the comparable operating profit was derived from the higher achieved power price in the power generation business, the effect of which was marginally offset by lower hydro volumes (Note 3). The result of the district heating business was positively impacted by higher spot power and heat prices; the effect of which was offset by higher fuel and CO₂ emission allowance prices and a negative effect of approximately EUR 30 million due to the divestment of 50% ownership in the Norwegian district heating company Fortum Oslo Varme in the second quarter of 2022 (Note 3).

Operating profit was affected by EUR 326 (4) million of items affecting comparability, mainly related to the fair value change of non-hedge-accounted derivatives (Note 3).

Comparable share of profits of associates and joint ventures totalled EUR 10 (10) million (Notes 3 and 7).

On 16 February, the Finnish Government granted a new operating licence for both units at Fortum's Loviisa nuclear power plant until the end of 2050. Over the course of the new licence period, the plant is expected to generate up to 170 terawatt hours of CO₂-free electricity. Investments related to the continuation of operations and lifetime extension will amount to an estimated EUR 1 billion until 2050. Over the past five years, Fortum has already invested approximately EUR 300 million in refurbishing the Loviisa power plant. The Loviisa power plant is the first nuclear power plant in Finland. The power plant has two units: unit 1 started operating in February 1977, and unit 2 in November 1980.

On 30 March, Fortum received from the Finnish Government the licence to operate the final disposal facility for low- and intermediate-level radioactive waste, located in the Loviisa power plant area, until the end of 2090. The final disposal facility located 110 metres underground has been in operation since 1998. The spent fuel generated at the Loviisa power plant will be deposited in Posiva's final disposal facility for spent nuclear fuel; Posiva is jointly owned by Fortum and Teollisuuden Voima (TVO).

On 16 April, after a test generation phase, regular electricity generation of TVO's third Olkiluoto nuclear power plant unit (OL3) in Finland started and the commercial operation of the plant began on 1 May. The total capacity of OL3 is 1,600 MW and it will produce approximately 14% of Finland's total electricity consumption (Note 14). In 2023, Fortum's share of OL3 regular electricity generation is expected to be approximately 2 TWh.

In October 2022, Fortum started a two-year feasibility study to explore prerequisites for new nuclear in Finland and Sweden. Fortum will examine commercial, technological and societal, including political, legal and regulatory, conditions both for small modular reactors (SMRs) and conventional large reactors. Ventures in the nuclear industry will most likely involve partnership constellations, and the feasibility study will also explore the potential for service business offerings for new projects in Europe and hydrogen for industrial applications. The feasibility study is an example of Fortum's strategic priorities to drive decarbonisation in industries and of how the company works to find

solutions for strategic customers to reduce their carbon footprint. Fortum has announced the exploration of potential cooperation and collaboration opportunities regarding nuclear with the Finnish energy company Helen, the French Electricité de France (EDF), the Swedish Kärnfull Next AB, the British Rolls-Royce SMR and Finland-based stainless steel company Outokumpu. Any potential investment decisions will be made at a later stage.

Consumer Solutions

Consumer Solutions is responsible for offering energy solutions to consumers including small- and medium-sized enterprises predominantly in the Nordics and Poland. Fortum is the largest energy solutions provider across different brands in the Nordics, with over 2 million customers. The business provides electricity, as well as related value-added and digital services, mainly to retail customers.

EUR million	I/2023	I/2022	2022	LTM
Reported				
Sales	1,384	1,168	4,578	4,794
- power sales	1,197	977	4,026	4,246
- gas sales	153	136	392	409
- other sales	34	55	161	140
Operating profit	-249	192	-149	-590
Capital expenditure and gross investments in shares	20	16	71	75
Number of employees	1,196	1,185	1,179	

EUR million	I/2023	I/2022	2022	LTM
Comparable				
EBITDA	24	54	173	143
Operating profit	6	35	97	69
Net assets (at period-end)	892	1,001	1,365	

Sales volumes

TWh	I/2023	I/2022	2022	LTM
Electricity	9.8	9.4	29.6	30.0
Gas*	1.6	1.7	4.8	4.7

* Not including wholesale volumes.

Number of customers

Thousands*	31 Mar 2023	31 Dec 2022
Electricity	2,170	2,130
E-mobility**	70	70
Gas	40	40
Total	2,280	2,240

* Rounded to the nearest 10,000.

** Measured as average monthly paying customers for the quarter.

January–March 2023

The electricity sales volume increased by 4% while the gas sales volume in Poland decreased by 6%. High electricity and gas prices continued to lower demand as consumers actively reduced overall electricity consumption and shifted to targeted consumption to off-peak hours. Total sales revenue increased by 18%, driven by significantly higher electricity and gas prices in the Nordics and Poland.

Comparable operating profit decreased by EUR 29 million and was EUR 6 million mainly due to lower sales margins. The decrease in electricity sales margins was mainly the result of losses due to customer outflow in certain hedged customer contracts in very volatile and high-price market conditions. The comparable operating profit was also negatively impacted by the Polish price cap implemented for end-users in 2023 as regulated by the Polish Government.

Despite the negative result impact, the number of customers grew by approximately 40,000 compared to the fourth quarter of 2022, and the overall customer satisfaction and recommendation rates continued to improve. In the third quarter of 2022 the number of customers saw its lowest level.

To help support its customers in managing the exceptional market situation of unprecedentedly high and volatile power prices, Fortum continued to expand its product portfolio to meet its customers' needs. Fortum continues to offer advice on electricity conservation and encourages smart consumption, such as shifting consumption away from peak-hours to support the energy system. Fortum also offers support to customers on how to more actively manage invoices and provides flexible payment plans.

Other operations

The Other operations segment includes the Circular Solutions business which is responsible for operating, maintaining and developing Fortum's recycling and waste assets as well as turbine and generator services and biobased solutions. Part of the Other operations segment is also innovation and venturing activities, enabling functions and corporate management.

EUR million	I/2023	I/2022 restated	2022 restated	LTM
Reported				
Sales	136	137	589	588
- power sales	3	4	24	24
- heat sales	9	10	28	27
- waste treatment sales	53	51	219	221
- other sales	70	72	318	316
Operating profit	-31	-23	-13	-20
Share of profit/loss of associates and joint ventures	-1	-1	-7	-6
Capital expenditure and gross investments in shares	23	16	111	118
Number of employees	2,193	1,987	2,149	

EUR million	I/2023	I/2022 restated	2022 restated	LTM
Comparable				
EBITDA	-10	7	-23	-40
Operating profit	-31	-16	-116	-131
Share of profit/loss of associates and joint ventures	-1	-1	-7	-6

Comparable operating profit decreased by EUR 15 million and amounted to EUR -31 million, mainly due to structural changes in the Circular Solutions business in the comparison period and unexpected outages at the Danish incineration facility in Nyborg.

Russia

The Russia segment comprises power and heat generation and sales in Russia. The segment includes Fortum's fully owned power plants, its joint ventures for renewable power generation and the joint ventures for power and heat sales, as well as Fortum's more than 29% holding in TGC-1. These joint ventures and the associated company are accounted for using the equity method.

EUR million	I/2023	I/2022	2022	LTM
Reported				
Sales	287	223	1,031	1,095
- power sales	218	177	856	897
- heat sales	61	43	156	174
- other sales	8	3	19	24
Operating profit	86	-234	-689	-369
Share of profit/loss of associates and joint ventures	26	-159	-443	-258
Capital expenditure and gross investments in shares	17	11	62	68
Number of employees	2,719	2,744	2,724	

EUR million	I/2023	I/2022	2022	LTM
Comparable				
EBITDA	109	92	411	428
Operating profit	86	61	260	285
Share of profit/loss of associates and joint ventures	26	13	30	43
Return on net assets, %			11.3	13.7
Net assets (at period-end)	1,595	1,970	1,691	

Power generation and heat production for the Russia segment

TWh	I/2023	I/2022	2022	LTM
Russian power generation	7.8	8.3	28.6	28.1
Russian heat production	6.1	6.2	15.7	15.6

Following Russia's attack on Ukraine, Fortum decided in May 2022 to exit its Russia operations.

On 25 April 2023, Fortum's subsidiary PAO Fortum (Fortum JSC) was put under asset management in accordance with a Russian presidential decree which enables the authorities to introduce temporary asset management to assets owned by certain foreign entities in Russia. On 26 April 2023, PAO Fortum announced that the Board of Directors has replaced the company's CEO.

Due to the enacted Presidential decree, the Russian authorities seized control of Fortum's assets in Russia. Based on the control assessment, Fortum has no control of its Russian operations and the Russia segment will be deconsolidated in the second quarter of 2023. For further information, see the section 'Events after the balance sheet date'.

January–March 2023

Comparable operating profit increased by 41%. The effect of the expiry of the CSA period for the Nyagan 2 unit was more than offset by the higher heat tariffs, improved bad debt collection, increased capacity prices and a EUR 18 million positive effect from the change in the Russian rouble exchange rate.

Comparable share of profits of associates and joint ventures totalled EUR 26 (13) million (Notes 3 and 7).

For further information, see Notes 4 and 11.

Capital expenditures, divestments and investments in shares

In the first quarter of 2023, capital expenditures and investments in shares totalled EUR 150 (92) million. Capital expenditures were EUR 138 (80) million (Notes 3 and 6).

Fortum expects to start, or has started, power and heat production capacity of new power plants and expects to upgrade its existing plants as follows:

	Type	Electricity capacity, MW	Heat capacity, MW	Supply starts/started	Latest announced
Generation					
Pjelax-Böle and Kristinestad Norr, Finland	Wind	380		II/2024	22 Dec 2021
Loviisa, Finland	Nuclear	Lifetime extension			16 Feb 2023

Generation

On 3 March 2021, Fortum announced a substantial investment in dam safety in Sweden for an extensive rebuild of the over 100-year-old Forshuvud hydropower plant. Fortum is investing more than SEK 450 million (approximately EUR 44 million) during 2021–2025. This investment guarantees safe operation of the power plant as a supplier of renewable electricity and balancing power for more weather-dependent types of power.

On 22 December 2021, Fortum announced an investment decision to construct the 380-MW Pjelax-Böle and Kristinestad Norr wind parks in Närpes and Kristinestad in Finland in partnership with the Finnish energy company Helen Ltd. Construction started in January 2022, and the wind parks are expected to be fully operational in the second quarter of 2024 at the latest. Fortum has a 60% majority and Helen a 40% minority ownership in the project; Fortum will consolidate the investment on its balance sheet. The total capital expenditure of the project is approximately EUR 360 million, of which Fortum's share is approximately EUR 216 million.

On 16 February, the Finnish Government granted a new operating licence for both units at Fortum's Loviisa nuclear power plant until the end of 2050. Over the course of the new licence period, the plant is expected to generate up to 170 terawatt hours of CO₂-free electricity. Investments related to the continuation of operations and lifetime extension will amount to an estimated EUR 1 billion until 2050. Over the past five years, Fortum has already invested approximately EUR 300 million in refurbishing the Loviisa power plant. The Loviisa power plant is the first nuclear power plant in Finland. The power plant has two units: unit 1 started operating in February 1977, and unit 2 in November 1980.

Other operations

In July 2022, Fortum and GIG (Green Investment Group, a specialist green investor within Macquarie Asset Management), agreed to invest in a new waste-to-energy plant in Glasgow, Scotland, through a 50/50 joint venture. When fully commissioned, the South Clyde Waste-to-Energy plant will have an annual processing capacity of 350,000 tonnes of waste. The plant will have a power generation gross capacity of 45 MWe, corresponding to the average annual electricity consumption of approximately 90,000 homes.

In December 2022, Fortum announced that the construction work and the gradual deployment tests of the company's new battery material recycling facility in Finland was completed according to plan. In June 2021, Fortum made an investment decision to expand its lithium-ion battery recycling capacity by building a hydrometallurgical plant in Harjavalta. The investment of approximately EUR 30 million will increase Fortum's hydrometallurgical recycling capacity and enable the production of battery chemicals. On 27 April 2023, Fortum announced that the hydrometallurgical battery recycling facility had started commercial operations.

Operating and regulatory environment

European power markets

During the winter, the European market experienced historically high prices and huge uncertainty, however, it was well prepared to manoeuvre in the volatile environment. After a turbulent year 2022 in the energy sector, gas storages were full and energy demand was significantly reduced. Despite the cold start in December, the winter turned out mild and windy, significantly lowering gas, coal and power prices. In the Nordics, the start-up of Olkiluoto 3 – after many delays – and the rapidly expanding wind power capacity created additional trust for a normalising price environment. In light of the gas market fundamentals, the European energy crisis may not be over yet, but getting through the winter was definitely an important milestone on the path towards securing energy supply in Europe.

According to preliminary statistics, power consumption in the Nordic countries was 110 (112) TWh during the first quarter of 2023. Power demand was clearly below the five-year average, due to mild temperatures and the active price-induced demand reduction across various demand segments.

In Central Western Europe (Germany, France, Austria, Switzerland, Belgium and the Netherlands), power consumption in the first quarter of 2023 was 345 (369) TWh, according to preliminary statistics. Power demand in Continental Europe was below the five-year average, also affected by mild temperatures and energy conservation.

At the beginning of the first quarter, the Nordic hydro reservoirs were at 79 TWh, which is 5 TWh below the long-term average and 6 TWh higher than in the previous year. Both hydro inflow and hydro generation were slightly below the normal level. At the end of the quarter, the reservoir levels were at 38 TWh, which is 3 TWh below the long-term average and 3 TWh higher than in the previous year.

In the first quarter, power prices retreated from the high levels in the previous quarters. The average system spot price in Nord Pool was EUR 85.2 (110.0) per MWh. The average area price in Finland was EUR 77.6 (91.8) per MWh and EUR 76.1 (99.9) per MWh in the SE3 area in Sweden (Stockholm). In the SE2 area in Sweden (Sundsvall), the average area price was EUR 53.4 (24.8) per MWh. In Germany, the average spot price in the first quarter was EUR 115.8 (184.6) per MWh.

Early May, the Nordic system electricity forward price on Nasdaq Commodities for the remainder of 2023 was around EUR 60 per MWh and for 2024 around EUR 70 per MWh. The Nordic water reservoirs were at 32 TWh, which is about 5 TWh below the long-term average and 3 TWh higher than one year earlier. The German electricity forward price for the remainder of 2023 was around EUR 116 per MWh and for 2024 around EUR 148 per MWh.

European commodity markets

In the first quarter, gas demand in Central Western Europe was 621 (705) TWh. The Central Western European gas storage levels decreased from 532 TWh at the beginning of the quarter to 346 TWh at the end of the quarter, which is 207 TWh higher than one year ago and 153 TWh higher than the five-year average (2018–2022).

The average gas front-month price (TTF) in the first quarter was EUR 53 (101) per MWh. The 2024 forward price decreased from EUR 78 per MWh at the beginning of the quarter to EUR 57 per MWh at the end of the quarter, which is EUR 10 per MWh higher than one year earlier.

In the EUA (EU Allowance) markets, the price increased from EUR 86 per tonne at the beginning of the first quarter to EUR 92 per tonne at the end of the quarter, which is EUR 15 per tonne higher than one year earlier.

The forward quotation for coal (ICE Rotterdam) for 2024 decreased from USD 173 per tonne at the beginning of the quarter to USD 143 per tonne at the end of the quarter, which is USD 16 per tonne above the price one year earlier.

Early May, the TTF forward price for gas for the remainder of 2023 was EUR 44 per MWh. The forward quotation for EUAs for 2023 was at the level of EUR 86 per tonne. The forward price for coal (ICE Rotterdam) for the remainder of 2023 was USD 123 per tonne.

Regulatory environment

Electricity market design proposals

In mid-March, the EU Commission presented a power market design proposal with the intention to maintain well-functioning short-term markets and to complement them with de-risking instruments in the form of voluntary power purchase agreements (PPA) and contracts for difference (CfD). Fortum welcomes this pragmatic and evolutionary proposal as long-term instruments are essential in delivering on the electrification and industrial decarbonisation agenda in the Nordics. It is also positive that the proposal confirms marginal pricing as the base for power price formation. In Fortum's view, PPAs (with public guarantees), technology-neutral CfDs and capacity remuneration mechanisms (CRM) should be part of the toolbox and investments should preferably be market-based and tools selected based on their least distortive effects. The debate of the proposal among member states has proceeded slower than expected and reaching a common approach during the Swedish EU presidency is not certain. The European Parliament is expected to finalise the file in early autumn.

In addition to the European market design process, the Swedish Government is proceeding with investigations for a market-wide capacity market. On 3 April, the Swedish TSO, Svenska Kraftnät, published a high-level report outlining the fundamentals of a national capacity market in order to secure investments in both existing and new power generation capacity. The mechanism is designed to fulfil Sweden's recently adopted reliability standard (set as 1 hour maximum 'loss of load expectation') as well as drive investments in new generation capacity to meet the government's ambitious electrification targets of at least 300 TWh by 2045. According to a preliminary timeline, a first round of capacity auctions could take place in approximately four years and a first delivery in approximately eight years. Fortum is supportive of Svenska Kraftnät's view.

Net-Zero Industry Act proposal

On 16 March, the EU Commission presented the Net-Zero-Industry Act (NZIA) as a response to the US Inflation Reduction Act (IRA), aiming at providing significant incentives for renewable energy manufacturers and developers based in the US. The NZIA proposal covers the manufacturing sector and sets targets for the deployment of eight strategic net-zero technologies to reach at least 40% of the EU deployment needs by 2030. The proposal classifies technologies into two categories providing regulatory benefits. The 'second tier' net-zero technologies will only benefit from simpler permitting procedures, while strategic net-zero technologies will enjoy stricter permitting deadlines and access to advice from a targeted subgroup on financing under the Net-Zero Europe Platform. Advanced nuclear technologies with minimal waste from the fuel cycle and SMRs as well as hydropower are currently included in the 'second tier' category.

The draft proposal is open for consultation until June, while the legislative work has already started in the European Parliament and the EU Council. Fortum will submit a response for the consultation.

Fit for 55 legislation completed – implications for electrification and industrial decarbonisation

The most important parts of the EU Fit for 55 legislation have recently been completed. A provisional agreement between the EU institutions on the revision of the Emissions Trading Directive (ETS) and the Carbon Border Adjustment Mechanism was reached in December 2022. The European Parliament adopted the final regulation on 18 March and the Council on 25 April. The revised ETS will raise the ambition of the system and enlarge its scope significantly. The revised ETS is largely in line with Fortum's priorities.

At the end of March, a provisional agreement of the revision of the Renewable Energy Directive (REDIII) was also reached when the European Parliament and the EU Council agreed to raise the EU's binding renewable energy target to 42.5% by 2030. This also sets various sub-targets for the use of renewable energy and hydrogen use in the industry, transport and buildings sectors.

The EU Council and Parliament reached a provisional political agreement on the contents of Energy Efficiency Directive (EED) recast in the beginning of March 2023. The main outcome of the binding, collective EU target is to reduce the final energy consumption by 11.7% compared to the 2020 reference scenario for 2030. This target will be allocated to member states. A corresponding primary energy reduction target will be indicative both for the EU and member states.

National targets will be proposed in the next National Energy and Climate Plans (NECPs) during 2023-24. The decision to reduce final energy consumption is counter-productive with national decarbonisation targets through

electrification and with targets to decarbonise industries through clean hydrogen. However, replacing existing industrial coal or gas use with hydrogen will reduce primary energy and can therefore enable the reaching of the targets. There is a need for further clarification of the impact of the energy efficiency targets for other hydrogen use (greenfield industries and export).

The EU Commission's Delegated Acts on green hydrogen production – implications for Finland and Sweden

On 13 February, the long-awaited Delegated Acts on green hydrogen were published. The rules, published in the context of the Renewable Energy Directive, outline the criteria for determining when electricity for green hydrogen (RFNBO) production can be considered fully renewable. The criteria sets strict rules for additionality, temporality and geographical correlation for green hydrogen projects. The rules apply also for the Nordic region, however, with some exemptions granted due to the high share of renewables and low emission intensity of electricity in the Nordics. Both in Sweden and Finland, project developers are excluded from the additionality criterion and can rely on the existing renewable capacity. In the Northern part of Sweden, where the renewable share is over 90% of the electricity mix, project developers get exemptions from all the rules.

The EU co-legislators have until June 13 to scrutinise the Acts, without the possibility to change the content. The official adoption will take place soon after. Fortum has been cautious about setting overly restrictive rules for green hydrogen production and Fortum welcomes the exemptions that can be applied in the Nordics.

Outcome of the Finnish parliamentary elections and implications for the energy policy

The Finnish elections on 2 April resulted in a clear change of political direction: the right-wing conservative parties won and the centre-left parties lost. Governmental negotiations were started by the Coalition Party leader and the new government is expected to take office in late May, latest by Midsummer. Right now, the right-wing coalition (Coalition Party, Finns, Swedish People's Party, Christian Democrats) is the primary option for the new government.

Among the three largest parties – The Coalition Party, the Finns and the Social Democrats – no major dividing lines in energy policy exist. There is broad political support among all parties for nuclear power and renewable energy (wind, solar) that is considered as a good and realistic starting point for the new government's energy policy. However, the parties have diverging views on power market design and on intervention in electricity prices; and consequently, for example, a risk for continuation of the windfall tax and for further intervention in electricity prices exists.

Fortum continues lobbying for its goals to the new governmental programme.

Progress for nuclear regulation in Sweden

The Swedish Government is moving ahead with the nuclear reforms announced in the governmental agreement in October 2022. The Environmental Act will be updated after the summer with the aim to remove all current limitations of siting and number of reactors. The government has also announced that the current energy policy target will be changed after this summer. Instead of 100 percent renewable electricity by 2040, the target will be changed to 100 percent fossil-free electricity, facilitating the inclusion of nuclear. Furthermore, budgetary additions and new recruitments to the Swedish Radiation Safety Authority (SSM) indicate that the authority is ready to administrate possible applications for new reactors from 2025 onwards.

Key drivers and risks

Fortum's financial results are exposed to a number of financial, operational, strategic and sustainability-related risks. Fortum is exposed to these risks both directly and indirectly through its subsidiaries, associated companies and joint ventures. The principal associated companies and joint ventures are Teollisuuden Voima Oyj, Forsmarks Kraftgrupp AB, OKG AB and Kemijoki Oy. For more information, please see Fortum's annual report.

Russia's attack on Ukraine in February 2022 has severely impacted Fortum's current and future businesses. A number of geopolitical risks that negatively impact Fortum's businesses have realised, while other risks remain on an elevated level as a result of the war. Due to the Presidential decree (No. 302 of 25 April 2023), the Russian authorities seized control of Fortum's Russian assets in April. Following the loss of control, Fortum will deconsolidate the Russia segment and will record an impairment of the remaining EUR 1.7 billion book value of the Russian assets in the

second quarter of 2023. The continued lack of supply of Russian pipeline gas and other fuels from Russia to Europe could have follow-on implications for Nordic power prices and volatility, especially in case of a cold winter or disturbances to other sources of gas supply. A further escalation of the war could have severe implication, such as an increased risk of sabotage or direct attacks on, for example, energy infrastructure in Fortum's operating countries.

The unpredictable nature of sanctions and possible countermeasures by Russia continue to pose a significant risk for Fortum. The EU, US and UK are implementing a various range of sanctions towards Russia, targeting, for example, the financial and energy sectors. Despite having lost control of the Russian business, the sanction risk remains for Fortum's other businesses.

One of the key factors influencing Fortum's business performance is the Nordic electricity wholesale price. In the Nordics, power prices exhibit significant short- and long-term variations on the back of several factors, including, but not limited to, weather conditions, outage patterns in production and transmission lines, CO₂ emission allowance prices, commodity prices and the supply-demand balance. The Russian invasion of Ukraine drove commodity prices to new record levels and further increased price volatility. As a consequence, the EU and its member states have taken action with temporary market interventions (e.g. price caps and windfall taxation). If made permanent, these market interventions may pose a risk to business performance. Commodity prices decreased during January–March compared to year-end 2022 while price volatility continues to keep the commodity market at a high level.

However, the higher value combined with increased price volatility has led to a higher commodity price risk. An economic downturn, lower commodity prices, warm weather or wet hydrology could lead to significantly lower Nordic power prices, which would negatively impact earnings from Fortum's outright power production. Fortum hedges its exposure to commodity market prices and reports on the hedging levels and hedged prices of its outright power on a quarterly basis. For more information, please see 'Outlook' in this Interim Report.

Fortum is exposed to liquidity and refinancing risks primarily through the need to finance its business operations, including margining and collaterals issued for commercial activities. Higher and more volatile commodity prices increase the net margining payments toward clearing houses and clearing banks, mainly settled in cash. Fortum mitigates this risk by entering into OTC derivatives contracts directly with bilateral counterparties without margining requirements. Consequently, credit exposure from hedges with OTC counterparties has increased. In general, due to Fortum's net short position in Nordic power hedges the credit exposure tends to increase with the value of hedges if Nordic power prices decrease.

In March 2023, both S&P Global Ratings and Fitch rating agencies affirmed Fortum's BBB rating and revised the outlook to stable. A lowering of the credit ratings, in particular to below investment-grade level (BB+ or below), could trigger counterparties' rights to demand additional cash or non-cash collateral. Fortum targets to have a solid investment grade-rating of at least BBB. Fortum continues to constantly monitor all ratings-related developments and to regularly exchange information with the rating agencies.

Fortum's business activities include energy generation, storage, distribution, and control of operations, as well as the construction, modernisation, maintenance and decommissioning of power plants or other energy industry facilities. Any unwanted operational event (which could be caused by e.g., technical failure, human or process error, natural disaster, sabotage, failure of key suppliers, or terrorist attack) can endanger personal safety or lead to environmental or physical damage, business interruptions, project delays and possible third-party liability. The associated costs can be high, especially in Fortum's largest units and projects.

Mitigating climate change, adapting to it and driving the transition to a lower-carbon economy is an integral part of Fortum's strategy. The revised strategy contains tightened sustainability and decarbonisation ambitions with updated targets to reach carbon neutrality already by 2030, coal exit by the end of 2027, target for specific emissions and commitment to SBTi (1.5°C) and biodiversity targets. Fortum's climate-related risks are divided into two categories in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations: transition risks and physical risks. The transition to a low-carbon economy poses a number of strategic and operative risks related to changes in energy and climate policy and regulation, technology development and the business environment in which Fortum operates. Related to physical risks, Fortum's entities are required to identify and assess their assets' resilience towards different acute and chronic physical climate-related risks within different Intergovernmental Panel on Climate Change (IPCC) climate scenarios, and create adaptation plans for the most material risks. Fortum is a supporter of the TCFD, and physical climate-related risks are reported accordingly in Fortum's TCFD report in the Sustainability 2022 report.

For further information about Fortum's risks and risk management systems, see Fortum Financials 2022.

Outlook

In the near term, the ongoing disruption of the energy sector is impacted by geopolitical tensions, the general negative economic outlook with high inflation and interest rates, tightening regulations and volatile commodity markets. In addition, in the short-term price elasticity to counter high electricity prices has an impact on power consumption.

In the long-term, electricity is expected to continue to gain a significantly higher share of total energy consumption. The electricity demand growth rate will largely be determined by classic drivers, such as macroeconomic and demographic development, but also increasingly by decarbonisation of energy intensive industrial, transport and heating sectors through direct electrification and green hydrogen.

Hedging

At the end of the first quarter of 2023, approximately 70% of the Generation segment's estimated Nordic power sales volume was hedged at EUR 50 per MWh for the remainder of 2023 and approximately 45% at EUR 43 per MWh for 2024 (at the end of 2022: 45% at EUR 42 per MWh for 2024).

The reported hedge ratios are based on the hedges and power generation forecasts of the Generation segment.

The reported hedge ratios may vary significantly, depending on Fortum's actions on the electricity derivatives markets. Hedges are mainly financial contracts, most of which are electricity derivatives quoted on Nasdaq Commodities and traded either on Nasdaq Commodities or with bilateral counterparties. As an additional liquidity risk mitigation measure, Fortum has reduced its exposure on the Nasdaq Commodities exchange and increased the share of bilateral agreements.

Capital expenditure

Fortum estimates its capital expenditure, including maintenance but excluding acquisitions and the Russia segment, to be approximately EUR 700 million in 2023, of which the share of maintenance capital expenditure is estimated to be approximately EUR 300 million, below the level of depreciation.

Generation

The Generation segment's achieved Nordic power price typically depends on factors such as hedge ratios, hedge prices, spot prices, availability and utilisation of Fortum's flexible generation portfolio, as well as currency fluctuations. Excluding the potential effects from changes in the power generation mix (currently approximately 45 TWh), a EUR 1 per MWh change in the Generation segment's achieved Nordic power price will result in an approximately EUR 45 million change in the segment's annual comparable operating profit. The achieved power price also includes the results of optimisation of Fortum's hydro and nuclear generation, as well as operations in the physical and financial commodity markets.

Income taxation

In 2023, considering the effect of the deconsolidation and related impairments of the Russian assets and the temporary windfall tax law in Finland, the comparable effective income tax rate for Fortum is estimated to be in the range of 20–23% and excluding the windfall tax in Finland, in the range of 19–21%. In 2024, the comparable effective income tax rate for Fortum is estimated to be in the range of 19–21%. Fortum's comparable effective tax rate is impacted by the weight of the profit in different jurisdictions and differences in standard nominal tax rates in these jurisdictions. The tax rate guidance excludes items affecting comparability.

Russia segment deconsolidation and impairments

Due to the Presidential decree (No. 302 of 25 April 2023), the Russian authorities seized control of Fortum's Russian assets. Following the loss of control, the Russia segment will be deconsolidated and the Russian assets will be fully written down in Fortum's second-quarter 2023 financials. Fortum will record an estimated impairment of EUR 1.7 billion equalling the remaining book value, which will negatively impact the Group's equity. Fortum recycles cumulative

translation losses of EUR 1.9 billion. These cumulative translation differences will be reclassified within equity and recycled through the income statement as required by IFRS. These will not impact group equity.

In its second quarter 2023 reporting, Fortum will classify its Russian operations as discontinued operations. The impairments and translation differences will be recorded as part of discontinued operations.

Sustainability

The sustainability key performance indicators for continuing operations disclosed in this Interim Report exclude Russia, due to the restriction on information sharing and limited reporting. Comparative figures and information for the year 2022 have been restated to exclude Russia.

Fortum highlights the importance of decarbonisation and climate change mitigation, while at the same time the necessity to secure reliable and affordable energy for all. Fortum also gives balanced consideration in its operations to the promotion of energy efficiency and a circular economy, as well as its impacts on personnel and societies.

Based on a materiality analysis, Fortum’s sustainability priority areas are:

Climate and resources	Personnel and society	Governance
Biodiversity	Corporate citizenship	Business ethics and compliance
Circular economy and waste management	Diversity, equity, and inclusion	Corporate governance
Climate change and GHG emissions	Fair and attractive employer	Customer rights and satisfaction
Emissions to air, land, and water	Health, safety, and wellbeing	Innovation and digitalisation
Energy efficiency	Human rights and supply chains	Shared value creation
Secure and affordable energy supply	Just transition	
Water use and optimisation	Stakeholder engagement	

Fortum’s sustainability performance is monitored and disclosed in interim and annual reporting. Fortum publishes an annual Sustainability Report with more extensive information on Fortum’s sustainability performance.

Sustainability targets

Fortum’s position as a leading Nordic clean energy company is now complemented by considerably enhanced environmental targets with the aim to be a leader in sustainability. Fortum has brought forward its target to reach carbon neutrality (Scopes 1, 2, 3) by several decades to 2030 and will exit all coal generation by the end of 2027. Fortum also commits to set emission reduction targets based on the climate science (SBTi 1.5°C). This commitment assumes a full exit from Russia. To measure the progress, mid-point targets have also been set for specific emissions at below 20 g CO₂/kWh for total energy production and below 10 g CO₂/kWh for power generation by 2028.

Further, Fortum has also committed to an ambitious biodiversity target to have no net loss of biodiversity (excluding any aquatic impacts) from existing and new operations (Scopes 1, 2) from 2030 onwards. In addition, the company will reduce its negative dynamic terrestrial impacts in upstream Scope 3 by 50% by 2030 (base-year 2021). Fortum will continue to implement local initiatives, especially in hydropower production, and is committed to developing a science-based methodology during 2023 to assess the company’s aquatic impacts.

For Fortum, excellence in safety and caring about both its own employees and contractors is the foundation of the company’s business and an absolute prerequisite for efficient and interruption-free production.

Fortum’s safety targets for 2023 are:

- Total Recordable Injury Frequency (TRIF), for own personnel and contractors, <1.0 by the end of 2030,
- No severe or fatal injuries,
- 95% execution rate for the Management Safety and Security Leadership Programme
- 60% execution rate for Safety improvement plans

In March, Fortum joined the Energy for a Just Transition collaboration facilitated by BSR in partnership with The B Team, aiming to bring together committed energy, utilities, and related companies and critical stakeholders to help the energy industry to better plan for and implement a just, fair, and inclusive transition.

Fortum is a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). Fortum has a long-standing focus on mitigating climate change and adopted the reporting recommendations of the TCFD starting from the financial year 2019.

Fortum's Climate Lobbying Review is publicly disclosed on Fortum's website together with the company's Lobbying Guidelines.

Group sustainability performance for continuing operations, excluding Russia

	I/2023	I/2022 restated*	2022 restated*	LTM
Climate and resources				
Total CO ₂ emissions, million tonnes	0.6	0.7	2.1	2.1
Specific CO ₂ emissions from total energy production, gCO ₂ /kWh	48	48	45	45
Specific CO ₂ emissions from power generation, gCO ₂ /kWh	24	20	25	27
Major environmental incidents**, no	0	1	2	1
Personnel and society				
Total Recordable Injury Frequency (TRIF), own personnel and contractors	5.8	3.7	4.0	4.5
Lost Time Injury Frequency (LTIF), own personnel and contractors	5.5	0.9	2.3	3.4
Severe occupational accidents, no	0	0	2	2
Safety improvement plan, %***	0.0	-	-	0.0
Safety and Security Leadership training****, %	35	-	-	35
Sickness-related absences, %	3.4	4.0	3.4	3.2

* The comparison figures have been restated and are excluding Russia.

** Number of environmental incidents that resulted in significant harm to the environment (ground, water, air) or an environmental non-compliance with legal or regulatory requirements.

*** Completion rate. Overall results of the business units' and functions' development plans combined.

**** Completion rate. Training started in March 2023.

Fortum's goal is to achieve excellent financial performance in strategically selected core areas through strong competence and responsible ways of operating. Fortum received a score of "B" in the CDP Climate Change 2022 rating and "A-" in the CDP Supplier Engagement rating. In the MSCI ESG Ratings assessment, Fortum received a "BBB" rating in 2021. Fortum also participated in the ISS ESG Corporate Rating in 2022, where Fortum received a "Prime B-" rating. In 2022, Fortum was awarded Gold EcoVadis Medal. In 2022, Fortum was rated 62 points out of a maximum 100 points by Moody's ESG Solutions. In addition, Fortum is listed on the Nasdaq Helsinki exchange and is included in the STOXX Global ESG Leaders, OMX Sustainability Finland, and ECPI® indices. Fortum has been certified as a Nasdaq ESG Transparency Partner.

Climate and resources

Fortum's key performance indicators for climate and resources are related to CO₂ emissions, security of supply, and major environmental incidents. Operational-level activities follow the requirements set forth in the ISO 14001 environmental management standard, and 100% of Fortum's power and heat production worldwide has ISO 14001 certification.

Fortum's power generation in the Nordic countries is mainly based on CO₂-free hydro and nuclear power. Fortum also has power generation based on solar and wind with partners. Fortum has generation of district heating and cooling in Finland and in Poland. Heat is mainly produced at energy-efficient combined heat and power (CHP) plants. In addition, Fortum offers industrial and infrastructure solutions, e.g., waste-to-energy, as well as energy sales.

In January-March 2023, Fortum's direct CO₂ emissions were 0.6 (0.7) Mt. Of the total CO₂ emissions, 0.5 (0.5) Mt were within the EU emissions trading system (ETS). The estimate for Fortum's free emission allowances in 2023 is approximately 0.2 (0.2) Mt.

In January–March 2023, Fortum’s power generation was 11.9 TWh. Of Fortum’s total power generation, 97% was CO₂-free. Fortum’s coal-based capacity totalled 0.7 GW at the end of March 2023, and generation 0.3 TWh in January–March 2023. The share of coal of Fortum’s revenues was 5% and the share of fossil fuels of Fortum’s generation-based revenues was 6%.

Fortum’s direct CO₂ emissions (million tonnes, Mt, continuing operations excluding Russia)	I/2023	I/2022	2022
Total emissions*	0.6	0.7	2.1
Emissions subject to ETS	0.5	0.5	1.6
Free emission allowances	-	-	0.2
Emissions not subject to ETS in Europe	0.1	0.2	0.5

* The total emissions comparison figure for 2022 has been restated and is excluding Russia.

In January–March 2023, Fortum’s specific CO₂ emissions from total energy production were 48 (48) gCO₂/kWh. Specific CO₂ emissions from power generation were 24 (20) gCO₂/kWh.

Major environmental incidents are monitored, reported, and investigated, and corrective actions are implemented. Major environmental incidents are environmental incidents that resulted in causing significant harm to the environment (ground, water, air) or environmental non-compliances with legal or regulatory requirements. In January–March 2023, there were no (1) major environmental incidents.

Personnel and society

Fortum’s key performance indicators for personnel and society are related to operational and occupational safety and to employee health and wellbeing.

Fortum strives to be a safe workplace for the employees, contractors and service providers who work for the company. A certified ISO 45001 safety management system covers 100% of Fortum’s power and heat production worldwide.

In January–March 2023, Fortum’s TRIF (Total Recordable Injury Frequency) for own personnel and contractors was 5.8 (3.7). Fortum’s LTIF (Lost Time Injury Frequency) for own personnel and contractors was 5.5 (0.9). Fortum strives for zero severe occupational accidents. In January–March 2023, there were no (0) severe occupational accidents in the operations.

The 2023 safety targets include participation in the Management Safety and Security Leadership Programme as well as identification and completion of key safety actions to improve safety culture. In January–March 2023, the completion rate of planned Management Safety and Security Leadership trainings and Safety improvement plan was 35% and 0.0%, respectively.

Fortum’s goal regarding workplace wellbeing activities is to promote the health and occupational safety of employees and the functionality of the work community. The sickness-related absences target for year 2023 is 3.0%. In January–March 2023, Fortum’s percentage of sickness-related absences was 3.4 (4.0).

Fortum’s approach to human rights due diligence is based on the UN Guiding Principles on Business and Human Rights and follows the six steps outlined in the OECD Guidelines for Multinational Enterprises. Human rights due diligence is an ongoing process where risks and impacts are assessed continuously as part of various processes. Fortum’s approach to human rights and the due diligence process is disclosed on Fortum’s website.

Fortum expects its business partners to act responsibly and to comply with the requirements set forth in the Code of Conduct and Supplier Code of Conduct. Fortum assesses the performance of its business partners with supplier qualification, supplier audits and with a Know Your Counterparty process. In January–March 2023, Fortum conducted two on-site supplier audits in China. The Covid-19 pandemic continued to challenge possibilities to conduct on-site supplier audits. Fortum is a member of the Bettercoal initiative and uses the Bettercoal tools to improve sustainability in the coal supply chain. Fortum supports and participates in the development of Solar Stewardship Initiative (SSI) together with other industry actors and organisations. Through the SSI, the sector is striving to establish the mechanisms to increase traceability and sustainability of solar products, components, and raw materials.

Fortum participates in the Energy for a Just Transition collaboration to identify and address the impacts of a green energy transition on people and communities.

Legal actions

There were no material changes in the ongoing legal actions during the first quarter of 2023. For further information on legal actions, see Note 17.

Shares and share capital

Fortum shares on Nasdaq Helsinki

January–March 2023	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR*	Last EUR
FORTUM	123,761,195	1,751,707,019	16.18	13.11	14.15	14.12

* Volume weighted average.

	31 March 2023	31 March 2022
Market capitalisation, EUR billion	12.7	14.7
Number of shareholders	202,002	194,586
Finnish State holding, %	51.26	50.8
Nominee registrations and direct foreign shareholders, %	25.2	27.6
Households, %	11.4	11.6
Financial and insurance corporations, %	2.1	1.5
Other Finnish investors, %	10.1	8.5

In addition to Nasdaq Helsinki, Fortum shares were traded on several alternative market places, for example Boat, Cboe and Turquoise, and on the OTC market. In the first quarter of 2023, approximately 78% of Fortum's shares were traded on markets other than Nasdaq Helsinki (source Bloomberg).

On 31 March, Fortum Corporation's share capital was EUR 3,046,185,953 and the total number of registered shares was 897,264,465. Fortum Corporation does not hold any of the company's own shares.

Group personnel

Fortum's operations are mainly based in the Nordic countries. The total number of employees at the end of March 2023 was 7,784 (at the end of 2022: 7,712), and the number of employees, excluding Russia, was 5,065.

At the end of March, the Generation segment had 1,676 (at the end of 2022: 1,660) employees, the Consumer Solutions segment 1,196 (at the end of 2022: 1,179), Other Operations segment 2,193 (at the end of 2022: 2,149) and the Russia segment 2,719 (at the end of 2022: 2,724).

Changes in Group Management

On 2 March, Fortum announced reorganization of the Group's operating model to drive the execution of the Group's new strategy. The new business structure and revised Fortum Leadership Team (FLT) became effective at the end of March.

All FLT members report to Fortum's President and CEO Markus Rauramo.

Fortum Leadership Team as per 31 March 2023:

- Markus Rauramo, President and CEO
- Mikael Lemström, Executive Vice President, Hydro Generation
- Petra Lundström, Executive Vice President, Nuclear Generation
- Peter Strannegård, Executive Vice President, Renewables and Decarbonisation
- Simon-Erik Ollus, Executive Vice President, Corporate Customers and Markets
- Mikael Rönnblad, Executive Vice President, Consumer Solutions
- Tiina Tuomela, CFO
- Nebahat Albayrak, Executive Vice President, Sustainability and Corporate Relations
- Eveliina Dahl, Executive Vice President, People and Procurement
- Nora Steiner-Forsberg, Executive Vice President, Legal, General Counsel
- Bernhard Günther, Chief Transformation Officer (CTO), Transformation and IT

Annual General Meeting 2023

On 13 April, the 2023 Annual General Meeting of Fortum Corporation was held at Messukeskus in Helsinki, Finland. The Annual General Meeting adopted the Financial Statements and the Consolidated Financial Statements for the financial period 1 January–31 December 2022 and resolved to discharge from liability for the financial year 2022 all the persons who had served as members of the Board of Directors and as President and CEO during the year 2022.

The AGM resolved that a dividend of EUR 0.91 per share will be distributed for the financial year that ended on 31 December 2022 and that the dividend will be paid in two instalments. The first dividend instalment of EUR 0.46 per share was paid to shareholders who on the record date of the first dividend instalment, 17 April 2023, were recorded in the Company's shareholders' register held by Euroclear Finland Oy. The first dividend instalment was paid to the shareholders on 24 April 2023. The second dividend instalment of EUR 0.45 per share will be paid to the shareholders who on the record date of the second dividend instalment, 2 October 2023, are recorded in the Company's shareholders' register held by Euroclear Finland Oy. The second dividend instalment will be paid on 10 October 2023.

The Annual General Meeting resolved to reject the remuneration report for the Company's governing bodies for 2022. The resolution made was advisory. After the Annual General Meeting, the Board of Directors reassessed the implementation of the remuneration restrictions set forth in the Bridge financing arrangement with the Finnish State last autumn and decided on the long-term share incentive plans that the results of all years will be measured, but no shares can be earned in 2022 and 2023. Thus, the maximum number of shares the members of the FLT can earn will be cut to 1/3 or 2/3 in accordance with the remuneration restriction. Fortum supplemented the 2022 remuneration report and published the update for the report on the company's website on 4 May 2023.

The Annual General Meeting resolved that the remuneration payable to the members of the Board of Directors will remain unchanged, and remuneration to be paid for the next term will be, as follows:

- for the Chair EUR 88,800 per year,
- for the Deputy Chair EUR 63,300 per year,
- for a Member EUR 43,100 per year, and
- for the Chair of the Audit and Risk Committee: EUR 63,300 per year in case he/she does not simultaneously act as Chair or Deputy Chair of the Board of Directors.

In addition to the aforementioned annual fee, fixed fees will be paid for the Committee work as follows:

- for a Member of the Audit and Risk Committee EUR 3,000 per year,
- for the Chair of the Nomination and Remuneration Committee EUR 5,000 per year,
- for a Member of the Nomination and Remuneration Committee EUR 2,000 per year,
- for the Chair of any additional Committee established by a Board decision EUR 5,000 per year, and
- for a Member of any additional Committee established by a Board decision EUR 2,000 per year.

The meeting fee payable to a Board member, also for the Committee meetings will be EUR 800 for each meeting, or EUR 1,600 in case the member travels to the meeting outside his/her country of residence. When a member participates in the meeting via remote connection, or for the decisions that are confirmed without convening a meeting,

the meeting fee will be EUR 800. The travel expenses of Board members are compensated in accordance with the company's travel policy. The annual fee for the Board work of the Board members will be paid in company shares and in cash in such a way that approximately 40% of the amount of the annual fee will be payable in shares acquired on behalf and in the name of the Board members, and the remainder in cash. The company will pay the costs and the transfer tax related to the purchase of the company shares. The shares will be acquired on behalf and in the name of the Board members within two weeks following the publication of the company's first-quarter 2023 Interim Report. If share purchases cannot be carried out within the aforementioned schedule due to a reason related to the company or a Board member, the shares will be acquired later, or the annual fee will be paid fully in cash. The meeting fees and the fixed fees for the Committee work will be paid fully in cash.

The AGM resolved that the Board of Directors will consist of ten members, the Chair and the Deputy Chair included, and the following persons were elected to the Board of Directors for a term ending at the end of the Annual General Meeting 2024: Mr Mikael Silvennoinen as Chair, Ms Essimari Kairisto as Deputy Chair, and Mr Ralf Christian, Ms Luisa Delgado, Mr Jonas Gustavsson, Ms Marita Niemelä, Mr Teppo Paavola, Ms Maija Strandberg, Mr Johan Söderström and Mr Vesa-Pekka Takala as Members.

In addition, Deloitte Oy was re-elected as the auditor. The auditor's fee is paid pursuant to an invoice approved by the company.

The AGM resolved on amendments to Articles 12, 15 and 16 of the Company's Articles of Association.

The AGM authorised the Board of Directors to decide on the repurchase and disposal of the company's own shares, up to 20,000,000 shares, which corresponds to approximately 2.23 per cent of all the shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorisation. These authorisations cancelled the authorisations resolved by the AGM 2022 and will be effective until the next Annual General Meeting and in any event no longer than for a period of 18 months.

The AGM resolved to authorise the Board of Directors to decide on contributions in the total maximum amount of EUR 500,000 for charitable or similar purposes, and, in addition, in the total maximum amount of EUR 1,000,000 for incidental emergency relief or similar purposes as needed, and to decide on the recipients, purposes and other terms of the contributions. The authorisations will be effective until the next Annual General Meeting.

Board decisions

At its meeting held after the AGM, Fortum's Board of Directors elected, from among its members, Mikael Silvennoinen as Chair, and Luisa Delgado, Teppo Paavola and Maija Strandberg as members to the Nomination and Remuneration Committee. Furthermore, the Board elected Essimari Kairisto as Chair and Jonas Gustavsson, Maija Strandberg and Vesa-Pekka Takala as members to the Audit and Risk Committee. In addition, the Board resolved to establish a new Board committee for technology and investment related matters. The Board elected Ralf Christian as Chair, and Marita Niemelä, Johan Söderström, Vesa-Pekka Takala and Mikael Silvennoinen as members to the Technology and Investment Committee.

Composition of the Shareholders' Nomination Board

Following the election of Maija Strandberg as member of the Board of Directors, the Finnish Prime Minister's Office appointed Minna Pajumaa, Senior Ministerial Adviser, Financial Affairs, Prime Minister's Office, Ownership Steering Department, as member of the Fortum's Shareholders' Nomination Board to replace Strandberg effective from the end of the AGM 2023. The Shareholders' Nomination Board elected Minna Pajumaa as Chair of the Nomination Board.

Other major events during the first quarter of 2023

On 2 March, Fortum announced that the Board of Directors had decided to commence the 2023–2025 long-term incentive (LTI) plan for key employees and executives as part of Fortum's ongoing LTI programme. The performance measures applied to the 2023–2025 LTI plan will be based on the total shareholder return, an ESG (Environmental, Social, Governance) target linked to emission reduction based on climate science (SBTi 1.5°C) and emissions in Europe, as well as Fortum's reputation index development among key stakeholders. The rewards related to the 2023–2025 LTI plan will be paid in spring 2026, assuming that the performance targets are achieved. The 2023–2025 LTI

plan will comprise approximately 100 participants, including the members of Fortum Leadership Team. Due to the restrictions regarding management remuneration in the Solidium bridge financing facility, the members of Fortum Leadership Team will not be paid any long-term incentives that are accumulated in 2023. The Board of Directors also decided to commence the 2023–2025 restricted share plan as a supplement to the LTI programme and reserve shares that potentially will be delivered in spring 2026.

Events after the balance sheet date

On 26 April, Fortum announced that Russia had issued a Presidential decree (No. 302) which enables the authorities to introduce temporary asset management to assets owned by certain foreign entities in Russia. As the new CEO of Russian subsidiary PAO Fortum (Fortum JSC) was appointed in accordance with the requirement of the Federal Property Management Agency, Fortum considered it to be confirmation that the Presidential decree was enacted and the Russian authorities seized control of Fortum's subsidiary.

On 2 May, Fortum announced that the company's newly appointed Board of Directors had reassessed the implementation of the remuneration restrictions set forth last autumn in the Solidium bridge financing arrangement. The reason for the reassessment was that the 2023 Annual General Meeting rejected the advisory decision on the Remuneration Report for 2022. The new Board decided that in the long-term share incentive plans, the results of all years will be measured, but no shares can be earned in 2022 and 2023. Thus, the maximum number of shares the members of the FLT can earn will be cut to 1/3 or 2/3. This leads to an outcome of 9% of the pre-restriction maximum in the 2020-2022 plan, with delivery scheduled for the spring of 2024. The same principle applies to all other share plans that are ongoing during 2022 and/or 2023. Simultaneously, Fortum's Leadership Team informed the Board that they voluntarily waived the shares scheduled for delivery in spring 2024, i.e. the 2020-2022 and 2021-2023 plans. Fortum published a supplement on the changes to the 2022 Remuneration Report on the company's website on 4 May 2023.

On 5 May, Fortum announced that the company has formally notified the administration of the President of the Russian Federation that it strongly objects to decree No. 302 of 25 April 2023, based on which the Russian State Property Management, Rosimushchestvo, has seized Fortum's Russian subsidiary PAO Fortum. With its actions, the Russian Federation has caused the dismissal of PAO Fortum's CEO and deprived Fortum of its shareholder rights. Fortum's power plants in Russia are the most modern and efficient in the market, and continuously maintained to high industry standards. Fortum considers Russia's actions to be a crude violation of international law and of Fortum's rights as a foreign investor. Fortum is preparing to take all necessary measures to protect its rights under relevant international legislation.

On 11 May, Fortum announced that following the loss of control due to the decree, the Russia segment will be deconsolidated and the Russian assets will be fully written down in Fortum's second-quarter 2023 financials. Fortum will record an estimated impairment of EUR 1.7 billion equalling the remaining book value, which will negatively impact Group equity. At the end of March 2023, Fortum's total equity amounted to EUR 9.8 billion and at the end of 2022, the parent company equity was EUR 12.2 billion. Fortum also announced that, due to the weakened Russian rouble since the acquisition of the Russian operations in 2008, it will record cumulative translation losses of EUR 1.9 billion that have been recognised in the Group's equity. These cumulative translation differences will be reclassified within equity and recycled through the income statement as required by IFRS. These will not impact Group equity. In its second quarter 2023 reporting, Fortum will classify its Russian operations as discontinued operations. The impairments and translation differences will be recorded as part of discontinued operations.

Dividend payment

The Annual General Meeting 2023 decided to pay a dividend of EUR 0.91 per share for the financial year that ended 31 December 2022. The dividend will be paid in two instalments.

The record date for the first dividend instalment of EUR 0.46 per share was 17 April 2023 and the dividend was paid on 24 April 2023.

The record date for the second dividend instalment of EUR 0.45 per share will be 2 October 2023 and the dividend will be paid on 10 October 2023.

The Annual General Meeting 2023 authorised the Board of Directors to resolve, if necessary, on a new record date and date of payment for the second dividend instalment, should the rules of Euroclear Finland Oy or statutes applicable to the Finnish book-entry system be amended or should other rules binding upon the Company so require.

Espoo, 10 May 2023

Fortum Corporation
Board of Directors

Further information:

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The condensed Interim Report has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU. The interim financials have not been audited.

Financial calendar in 2023

Fortum will publish its interim reports in 2023:

- January-June on 4 August 2023
- January-September on 2 November 2023

Distribution:

Nasdaq Helsinki
Key media
www.fortum.com

More information, including detailed quarterly information, is available at www.fortum.com/investors

Interim Financial Statements are unaudited.

Condensed consolidated income statement

Fortum's condensed consolidated income statement and consolidated cash flow statement include Uniper segment as discontinued operations in 2022. Russia segment continues to be consolidated at 31 March 2023 and is reported as continuing operations in the first quarter of 2023 and 2022. See further details in Note 19 Events after the balance sheet date. For financial information excluding Russia, see section Key figures and Note 4.3 Reconciliation of income statement alternative performance measures excluding Russia.

EUR million	Note	I/2023	I/2022	2022	LTM
Sales	3	2,552	2,162	8,804	9,194
Other income		13	23	101	91
Materials and services		-1,394	-1,403	-5,350	-5,341
Employee benefits		-129	-125	-504	-508
Depreciation and amortisation	3	-106	-140	-566	-532
Other expenses		-151	-129	-615	-637
Comparable operating profit	3	784	388	1,871	2,267
Items affecting comparability	3, 4	71	-142	-593	-381
Operating profit	3	855	246	1,277	1,886
Share of profit/loss of associates and joint ventures	3, 7	48	-215	-629	-366
Interest expense		-103	-41	-179	-241
Interest income		31	8	87	111
Other financial items - net		-112	92	-101	-305
Finance costs - net	8	-183	59	-193	-435
Profit before income tax		720	90	455	1,085
Income tax expense	9	-152	-104	556	508
Net profit from continuing operations		568	-14	1,011	1,593
Attributable to:					
Owners of the parent		565	-21	1,011	1,597
Non-controlling interests		3	7	0	-4
Net profit from discontinued operations	6.3	-	-2,819	-11,302	-8,483
Attributable to:					
Owners of the parent	6.3	-	-2,201	-3,428	-1,226
Non-controlling interests	6.3	-	-618	-7,874	-7,256
Net profit, total Fortum		568	-2,833	-10,290	-6,890
Attributable to:					
Owners of the parent		565	-2,222	-2,416	371
Non-controlling interests		3	-610	-7,874	-7,260
Earnings per share for profit attributable to the equity owners of the company (EUR per share)					
Basic, continuing operations		0.63	-0.02	1.14	1.79
Basic, discontinued operations		-	-2.48	-3.86	-1.37
Basic, total Fortum		0.63	-2.50	-2.72	0.42

As Fortum currently has no dilutive instruments outstanding, diluted earnings per share is the same as basic earnings per share.

EUR million	Note	I/2023	I/2022	2022	LTM
Comparable operating profit		784	388	1,871	2,267
Impairment charges and reversals		-	-275	-905	-630
Capital gains and other related items		0	3	785	783
Changes in fair values of derivatives hedging future cash flow		62	160	-393	-491
Other		8	-29	-80	-43
Items affecting comparability	3, 4	71	-142	-593	-381
Operating profit		855	246	1,277	1,886

See Note 20 Definitions and reconciliations of key figures.

Condensed consolidated statement of comprehensive income

EUR million	I/2023	I/2022	2022	LTM
Net profit, total Fortum	568	-2,833	-10,290	-6,889
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent periods:				
Cash flow hedges				
Fair value gains/losses ¹⁾	1,981	-980	-2,594	366
Transfers to income statement	5	780	1,102	327
Transfers to inventory/property, plant and equipment	1	1	1	1
Deferred taxes	-403	41	292	-152
Net investment hedges				
Fair value gains/losses	17	6	37	49
Deferred taxes	-3	-1	-7	-10
Exchange differences on translating foreign operations ²⁾	-109	-198	-82	7
Share of other comprehensive income of associates and joint ventures	-3	23	41	15
	1,487	-327	-1,209	605
Items that will not be reclassified to profit or loss in subsequent periods:				
Remeasurement of investments	-	0	-15	-15
Actuarial gains/losses on defined benefit plans	0	0	50	50
Actuarial gains/losses on defined benefit plans in associates and joint ventures	-	0	7	7
	0	0	42	42
Other comprehensive income/expense for the period from continuing operations, net of deferred taxes	1,487	-327	-1,168	646
Other comprehensive income/expense for the period from discontinued operations, net of deferred taxes	-	-630	701	1,331
Total comprehensive income/expense for the period	2,055	-3,790	-10,757	-4,912
Total comprehensive income/expense for total Fortum attributable to:				
Owners of the parent	2,053	-3,048	-3,337	1,764
Non-controlling interests	2	-742	-7,420	-6,676
	2,055	-3,790	-10,757	-4,912

- 1) Fair valuation of cash flow hedges mainly relates to fair valuation of derivatives, such as futures and forwards, hedging commodity price for future transactions, where hedge accounting is applied. When commodity price is higher (lower) than the hedging price, the impact on equity is negative (positive).
- 2) Translation differences from translation of foreign entities, mainly RUB, SEK and NOK.

Condensed consolidated balance sheet

EUR million	Note	31 Mar 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets		629	657
Property, plant and equipment and right-of-use assets		7,170	7,266
Participations in associates and joint ventures		1,265	1,249
Share in the State Nuclear Waste Management Fund	14	983	966
Other non-current assets		603	628
Deferred tax assets		764	933
Derivative financial instruments	5	355	343
Long-term interest-bearing receivables	12	631	624
Total non-current assets		12,400	12,668
Current assets			
Inventories		439	465
Derivative financial instruments	5	1,278	1,486
Short-term interest-bearing receivables	12	690	660
Income tax receivables		66	71
Margin receivables	13	1,314	2,607
Trade and other receivables		1,419	1,767
Liquid funds	13	3,729	3,919
Total current assets		8,935	10,975
Total assets		21,334	23,642
EQUITY			
Equity attributable to owners of the parent			
Share capital		3,046	3,046
Share premium		73	73
Retained earnings		6,918	6,467
Other equity components		-313	-1,916
Total		9,724	7,670
Non-controlling interests		68	67
Total equity		9,793	7,737
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities	13	3,723	3,658
Derivative financial instruments	5	400	756
Deferred tax liabilities		407	152
Nuclear provisions	14	983	966
Other provisions		106	118
Pension obligations, net		12	13
Other non-current liabilities		119	121
Total non-current liabilities		5,751	5,784
Current liabilities			
Interest-bearing liabilities	13	2,444	4,127
Derivative financial instruments	5	2,087	3,973
Other provisions		11	13
Margin liabilities	13	218	352
Trade and other payables		1,030	1,657
Total current liabilities		5,791	10,122
Total liabilities		11,542	15,905
Total equity and liabilities		21,334	23,642

Condensed consolidated statement of changes in total equity

EUR million	Share capital	Share premium	Retained earnings		Other equity components			Owners of the parent	Non-controlling interests	Total equity
			Retained earnings	Translation of foreign operations	Cash flow hedges	Other OCI items	OCI items and joint associates and ventures			
Total equity 1 January 2023	3,046	73	9,499	-3,031	-2,182	172	93	7,670	67	7,737
IS Net profit, total Fortum			565					565	3	568
Translation differences				-115	9	0	0	-107	-2	-109
Other comprehensive income					1,584	14	-3	1,595	0	1,595
Total comprehensive income for the period			565	-115	1,593	14	-3	2,053	2	2,055
Other			1					1	0	1
BS Total equity 31 March 2023	3,046	73	10,064	-3,146	-589	186	90	9,724	68	9,793
Total equity 1 January 2022	3,046	73	12,830	-2,768	-1,138	34	54	12,131	1,534	13,665
IS Net profit, total Fortum			-2,222					-2,222	-610	-2,833
Translation differences				-205	5	0	0	-200	3	-198
Other comprehensive income					-156	5	23	-129	-1	-130
OCI related to discontinued operations				-107	-535	145	0	-497	-133	-630
Total comprehensive income for the period			-2,222	-313	-686	150	23	-3,048	-742	-3,790
Cash dividend			-1,013					-1,013		-1,013
Transactions with non-controlling interests			-37					-37	-66	-103
Other			3					3		3
BS Total equity 31 March 2022	3,046	73	9,560	-3,081	-1,824	184	77	8,036	727	8,762
Total equity 1 January 2022	3,046	73	12,830	-2,768	-1,138	34	54	12,131	1,534	13,665
IS Net profit, total Fortum			-2,416					-2,416	-7,874	-10,290
Translation differences				-112	40	1	-5	-75	-6	-82
Other comprehensive income			209		-1,189	-146	45	-1,082	-4	-1,086
OCI related to discontinued operations				-152	105	284	-1	236	465	701
Total comprehensive income for the period			-2,208	-264	-1,044	139	39	-3,337	-7,420	-10,757
Cash dividend			-1,013					-1,013	-23	-1,036
Disposal of subsidiary companies			16					16	6,104	6,119
Transactions with non-controlling interests			-127					-127	-122	-249
Other			1					1	-6	-5
BS Total equity 31 December 2022	3,046	73	9,499	-3,031	-2,182	172	93	7,670	67	7,737

Translation differences

Translation of financial information from subsidiaries in foreign currency is done using the average rate for the income statement and the end rate for the balance sheet. The exchange rate differences arising from translation (mainly related to RUB, SEK and NOK) to EUR are recognised in equity. For information regarding exchange rates used, see Note 1.5 Key exchange rates used in consolidated financial statements.

Cash flow hedges

The impact on equity attributable to owners of the parent from fair valuation of cash flow hedges mainly relates to fair valuation of commodity derivatives, such as futures and forwards, hedging commodity sales price of future transactions, where hedge accounting is applied. When commodity market price is higher (lower) than the hedging price, the impact on equity is negative (positive).

Cash dividends

A dividend for 2022 of EUR 0.91 per share, amounting to a total of EUR 817 million, was decided in the Annual General Meeting on 13 April 2023. The dividend will be paid in two instalments. The first dividend instalment of EUR 0.46 per share was paid on 24 April 2023, and the second dividend instalment of EUR 0.45 will be paid on 10 October 2023. These interim financial statements do not reflect this dividend. See Note 10 Dividend per share.

Condensed consolidated cash flow statement

EUR million	Note	I/2023	I/2022	2022	LTM
Cash flow from operating activities					
IS Net profit from continuing operations		568	-14	1,011	1,593
Adjustments:					
Income tax expense		152	104	-556	-508
Finance costs - net		183	-59	193	435
Share of profit/loss of associates and joint ventures	7	-48	215	629	366
Depreciation and amortisation	3	106	140	566	532
Operating profit before depreciations (EBITDA)		962	386	1,842	2,418
Items affecting comparability	3, 4	-71	142	593	381
Comparable EBITDA		891	527	2,436	2,800
Non-cash and other items		89	-18	153	260
Interest received		29	7	84	106
Interest paid		-88	-63	-201	-226
Dividends received		4	0	18	22
Income taxes paid		-304	-149	-167	-322
Funds from operations		621	305	2,322	2,638
Change in working capital		-38	60	-219	-317
Net cash from operating activities, continuing operations		583	365	2,104	2,322
Cash flow from investing activities, continuing operations					
Capital expenditures	3	-132	-94	-534	-571
Acquisitions of shares	6	-12	-12	-35	-35
Proceeds from sales of property, plant and equipment		0	1	4	3
Divestments of shares and capital returns	6	4	0	1,156	1,159
Shareholder loans to associated companies and joint ventures	12	-7	26	50	17
Change in margin receivables		1,293	-195	-1,311	177
Change in other interest-bearing receivables and other ¹⁾	12	-64	-1,496	2,134	3,566
Net cash from/used in investing activities, continuing operations		1,081	-1,770	1,464	4,316
Cash flow before financing activities, continuing operations					
		1,665	-1,405	3,568	6,638
Cash flow from financing activities, continuing operations					
Proceeds from long-term liabilities	13	78	0	2,421	2,499
Payments of long-term liabilities	13	-1,021	-259	-5,888	-6,650
Change in short-term liabilities	13	-719	-575	-170	-314
Dividends paid to the owners of the parent	10	0	0	-1,013	-1,013
Dividends paid to non-controlling interests		0	0	-19	-19
Change in margin liabilities		-133	229	150	-212
Other financing items		0	-70	-168	-98
Net cash from/used in financing activities, continuing operations		-1,796	-676	-4,686	-5,807
Net increase(+)/decrease(-) in liquid funds, continuing operations					
		-131	-2,081	-1,119	831
Cash flow from discontinued operations					
Net cash from/used in operating activities, discontinued operations		-	-1,894	-10,870	-8,976
Net cash from/used in investing activities, discontinued operations ²⁾		-	3,429	-2,450	-5,879
Net cash from/used in financing activities, discontinued operations		-	-612	10,757	11,369
Net increase(+)/decrease(-) in liquid funds, discontinued operations	6.3	-	923	-2,563	-3,486
Cash flow, total Fortum					
Total net cash from/used in operating activities		583	-1,529	-8,767	-6,654
Total net cash from/used in investing activities		1,081	1,659	-985	-1,563
Total net cash from/used in financing activities		-1,796	-1,287	6,070	5,562
Net increase(+)/decrease(-) in liquid funds, total Fortum		-131	-1,158	-3,682	-2,655
Liquid funds at the beginning of the period					
	13	3,919	7,592	7,592	6,420
Foreign exchange differences and expected credit loss allowance in liquid funds		-59	-15	7	-37
Liquid funds at the end of the period	13	3,729	6,420	3,919	3,729

- 1) In 2021 Fortum granted Uniper a shareholder loan of EUR 4,000 million of which EUR 2,500 million was drawn in 2021 and EUR 1,500 million in I/2022. In December 2022, as part of the closing of the Uniper transaction, the EUR 4,000 million shareholder loan was fully repaid to Fortum.
- 2) The consideration received for the Uniper shares, EUR 498 million, is presented in cash flow from discontinued operations in 2022.

Additional cash flow information

Non-cash and other items

Non-cash and other items EUR 89 (I/2022: -18) million in I/2023 mainly relate to realised foreign exchange gains and losses EUR 84 million (I/2022: 40), change in liability to return emission rights EUR 35 million (I/2022: 26) and paid commitment fee for Solidium bridge loan facility EUR -39 million (I/2022: 0).

Change in working capital

EUR million	I/2023	I/2022	2022	LTM
Change in interest-free receivables, decrease(+)/increase(-)	305	102	-352	-150
Change in inventories, decrease(+)/increase(-)	23	22	-201	-201
Change in interest-free liabilities, decrease(-)/increase(+)	-365	-65	335	34
CF Total	-38	60	-219	-317

Capital expenditure in cash flow

EUR million	I/2023	I/2022	2022	LTM
Capital expenditure	138	80	525	583
Change in not yet paid investments, decrease(+)/increase(-)	-2	15	14	-3
Capitalised borrowing costs	-4	-1	-5	-9
CF Total	132	94	534	571

Acquisition of shares in cash flow

Acquisition of shares, net of cash acquired, amounted to EUR 12 million during I/2023 (I/2022: 12). For additional information, see Note 6.1 Acquisitions.

Divestment of shares in cash flow

EUR million	I/2023	I/2022	2022	LTM
Proceeds from sales of subsidiaries, net of cash disposed	0	0	1,070	1,070
Proceeds from sales and capital returns of associates and joint ventures	-	0	86	86
Proceeds from sales of other investments	3	-	0	3
CF Total	4	0	1,156	1,159

There were no material divestments during I/2023. During 2022, Fortum completed the divestment of the e-mobility business Plugsurfing, the 30% stake in the public charging operator Recharge AS and the 50% ownership in the district heating company Fortum Oslo Varme AS in Norway. For further information, see Note 6.2 Disposals.

On 21 December 2022 Fortum completed the divestment of Uniper. The consideration of the share transaction of EUR 498 million is presented in the cash flow from discontinued operations.

Change in financial net debt

EUR million	Note	I/2023	2022
Financial net debt, beginning of the period		1,084	789
Uniper's net financial position in Uniper's Interim financial report		-	1,969
Internal shareholder loans to Uniper and OKG		-	2,764
Reversal of purchase price allocation		-	-187
Uniper impact total on Financial net debt, beginning of the period		-	4,546
Net cash flow:			
Comparable EBITDA		891	2,436
Non-cash and other items		89	153
Paid net financial costs and dividends received		-55	-99
Income taxes paid		-304	-167
Change in working capital		-38	-219
Capital expenditures		-132	-534
Acquisitions		-12	-35
Divestments and proceeds from sale of property, plant and equipment		4	1,160
Change in interest-bearing receivables		-71	2,183
Dividends to the owners of the parent		0	-1,013
Dividends to non-controlling interests		0	-19
Other financing activities		0	-168
Net cash flow ('-' increase in financial net debt) ¹⁾		372	3,679
Consideration received for Uniper shares		-	498
Foreign exchange rate differences and other changes		81	-74
Financial net debt, end of the period	13	794	1,084

1) Items included in Net cash flow are based on continuing operations.

Capital risk management

Fortum's long-term financial targets are:

- Long-term financial net debt-to-comparable EBITDA of 2.0–2.5 times
- Disciplined growth in clean energy with capital expenditure of up to EUR 1.5 billion during 2023–2025
- Investment hurdles of project WACC + 150–400 basis points
- Dividend policy with payout ratio of 60–90% of comparable EPS

Comparable EBITDA is defined as an alternative performance measure and used as a component in the capital structure target 'Financial net debt-to-Comparable EBITDA'.

On 9 March 2023, S&P Global Ratings (S&P) affirmed Fortum's current long-term credit rating at BBB, and revised the outlook from negative to stable. According to S&P the stable outlook reflects the rating agency's assumption that Fortum's cash flow from power generation will remain significant, but volatile in 2023 and 2024, with electricity prices above historical levels. The rating agency assesses that Fortum has a strong position in the Nordics with an already very low emission profile that supports the business risk profile. It believes that the price risk over time will be reduced by driving decarbonisation of industrial customers and by signing various long-term power supply agreements. In addition, S&P assesses that Fortum's financial risk position is strong with a headroom that provides good financial flexibility due to very low leverage and good liquidity.

On 21 March 2023, Fitch Ratings (Fitch) affirmed Fortum's current long-term credit rating at BBB and has revised the outlook from negative to stable. According to Fitch, the change in outlook mainly reflects the positive impact of the Uniper exit for Fortum's credit profile and the company's commitment to maintain an adequate capital structure with high scrutiny in capex allocation prioritising profitability over growth. Fitch assesses that the company is well positioned to benefit from the strong fundamentals for clean power generation.

Fortum remains committed to maintain a credit rating of at least BBB to preserve financial flexibility and good access to capital markets.

Financial net debt/comparable EBITDA

EUR million	Note	2022	LTM
+ Interest-bearing liabilities		7,785	6,167
- BS Liquid funds		3,919	3,729
- Collateral arrangement		527	549
- BS Margin receivables		2,607	1,314
+ BS Margin liabilities		352	218
+/- Net margin liabilities/receivables		-2,255	-1,096
Financial net debt	13	1,084	794
IS Operating profit		1,277	1,886
+ IS Depreciation and amortisation		566	532
EBITDA		1,842	2,418
- IS Items affecting comparability		593	381
Comparable EBITDA from continuing operations		2,436	2,800
Financial net debt/comparable EBITDA		0.4	0.3

Financial net debt/comparable EBITDA excl. Russia

EUR million	2022	LTM
Financial net debt	1,084	794
- Interest-bearing liabilities, Russia	204	178
+ Liquid funds, Russia	247	284
Financial net debt excl. Russia	1,127	900
Comparable EBITDA from continuing operations excl. Russia	2,025	2,371
Financial net debt/comparable EBITDA excl. Russia	0.6	0.4

Key figures

Continuing operations

EUR million or as indicated	I/2023	I/2022	2022	LTM
Reported				
IS Sales	2,552	2,162	8,804	9,194
IS Operating profit	855	246	1,277	1,886
IS Share of profit/loss of associates and joint ventures	48	-215	-629	-366
IS Net profit	568	-14	1,011	1,593
IS Net profit (after non-controlling interests)	565	-21	1,011	1,597
Earnings per share (basic), EUR	0.63	-0.02	1.14	1.79
CF Net cash from operating activities	583	365	2,104	2,322
Capital expenditure and gross investments in shares	150	92	558	616
Capital expenditure	138	80	525	583
Comparable				
EBITDA	891	527	2,436	2,800
IS Operating profit	784	388	1,871	2,267
Share of profit/loss of associates and joint ventures	36	21	-11	4
Net profit (after non-controlling interests)	517	375	1,550	1,692
Earnings per share (basic), EUR	0.58	0.42	1.74	1.90

Fortum Corporation
January–March 2023 Interim Report

EUR million or as indicated	31 Mar 2023	31 Dec 2022
Financial position		
Financial net debt, at period-end	794	1,084
Financial net debt/comparable EBITDA, continuing operations	0.3	0.4
Equity per share, EUR	10.84	8.55
Average number of shares, 1,000 shares	897,264	889,204
Diluted adjusted average number of shares, 1,000 shares	897,264	889,204
Number of registered shares, 1,000 shares	897,264	897,264

Continuing operations excl. Russia

EUR million or as indicated	I/2023	I/2022	2022	LTM
Comparable				
EBITDA	781	435	2,025	2,371
Operating profit	698	326	1,611	1,982
Share of profit/loss of associates and joint ventures	10	8	-40	-39
Net profit (after non-controlling interests)	483	228	1,076	1,331
Earnings per share, EUR	0.54	0.26	1.21	1.49
Financial position				
Financial net debt (at period-end)			1,127	900
Financial net debt/comparable EBITDA			0.6	0.4

Continuing and discontinued operations (total)

Fortum's condensed consolidated income statement and consolidated cash flow statement include Uniper segment as discontinued operations in 2022. Russia segment continues to be consolidated at 31 March 2023 and is reported as continuing operations in the first quarter of 2023 and 2022. See further details in Note 19 Events after the balance sheet date.

EUR million or as indicated	I/2023	I/2022	2022	LTM
Reported				
Net profit (after non-controlling interests)	565	-2,222	-2,416	371
Earnings per share, EUR	0.63	-2.50	-2.72	0.42
Net cash from operating activities	583	-1,529	-8,767	-6,654
Number of employees	7,784	7,712	7,712	
Comparable				
Net profit (after non-controlling interests)	517	-99	-988	-371
Earnings per share, EUR	0.58	-0.11	-1.11	-0.42

Notes to the condensed consolidated interim financial statements

1. Significant accounting policies

1.1 Basis of preparation

The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU. The condensed interim financial report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022.

The figures in the consolidated interim financial statements have been rounded and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures.

Part of Fortum's business operations are seasonal, with the comparable operating profit usually being higher for the first and fourth quarter of the year. Columns labelled as 'LTM' or 'last twelve months' present figures for twelve months preceding the reporting date.

The following symbols show which amounts in the notes reconcile to the items in the income statement, balance sheet and cash flow statement:

IS = Income statement
BS = Balance sheet
CF = Cash flow

1.2 Changes in reporting

Reportable segments

In March 2023, Fortum announced the reorganisation of its business structure. From 1/2023, the business units are classified into the following reportable segments under IFRS: the Generation segment, the Consumer Solutions segment, and the Other segment. Segment comparatives for 2022 were restated and a separate stock exchange release with restated comparatives was issued on 17 April 2023. The restated comparatives can also be found as an attachment to this interim report. See also Note 3 Segment information.

Discontinued operations – Uniper in 2022

Discontinued operations in I-III/2022 include Fortum's former subsidiary Uniper SE and its consolidated group companies. Fortum lost control of Uniper on the signing of the agreement in principle to sell the shares in Uniper SE to the German State on 21 September 2022 and Uniper was deconsolidated at 30 September 2022. The transaction was completed on 21 December 2022.

On deconsolidation of Uniper at 30 September 2022, Fortum recorded EUR 28.0 billion one-time, non-cash positive effect. The amount consists of the net effect from the deconsolidation of Uniper's assets, liabilities and non-controlling interest, and the book value of Uniper-related goodwill and other fair value adjustments made on acquisition; as well as certain items previously recognised in other comprehensive income, mainly foreign exchange differences, that are reclassified to profit and loss on disposal. See also Note 6.3 Discontinued operations – Uniper in 2022.

1.3 Alternative performance measures

According to the ESMA Guidelines on Alternative Performance Measures, an Alternative Performance Measure (APM) is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Fortum uses APMs, such as Comparable operating profit and Comparable EBITDA, in the financial target setting and forecasting, management's follow-up of financial performance of segments and the Group, as well as for the allocation of resources in the Group's performance management process. Items affecting comparability are excluded from Comparable operating profit and Comparable EBITDA and disclosed separately in Fortum's consolidated income statement to support the transparency of underlying business performance when comparing results between periods.

Fortum's long-term financial target for capital structure is Financial net debt to comparable EBITDA (see Capital risk management and Note 20 Definitions and reconciliations of key figures).

To provide additional financial performance indicators to support meaningful comparison of financials for Fortum's strategic businesses, Fortum presents the following APMs 'Comparable EBITDA from continuing operations excl. Russia', 'Comparable operating profit from continuing operations excl. Russia', 'Comparable net profit from continuing operations excl. Russia', 'Comparable earnings per share from continuing operations excl. Russia', and 'Financial net debt/comparable EBITDA excl. Russia'.

See Note 4 Comparable operating profit and comparable net profit and Note 20 Definitions and reconciliations of key figures.

1.4 Accounting policies

The same accounting policies that were applied in the preparation of the consolidated financial statements for the year ended 31 December 2022, have been applied in these condensed interim financial statements. New standards, amendments and interpretations effective from 1 January 2023 have not had a material impact on Fortum's consolidated financial statements.

1.5 Key exchange rates used in consolidated financial statements

The balance sheet date rate is based on the exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of daily closing rates from the European Central Bank. The European Central Bank stopped publishing rouble (RUB) rates from 2 March 2022. From 2 March 2022, the daily spot rate at 17:15 EET from the market has been used.

Key exchange rates used in consolidated financial statements:

	Jan-Mar 2023	Jan-Dec 2022	Jan-Sep 2022	Jan-June 2022	Jan-Mar 2022
Average rate					
Norway (NOK)	10.9901	10.1026	10.0070	9.9817	9.9247
Poland (PLN)	4.7081	4.6861	4.6724	4.6354	4.6230
Russia (RUB)	78.5649	73.6173	76.6455	85.0393	99.1783
Sweden (SEK)	11.2030	10.6296	10.5274	10.4796	10.4807
	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 June 2022	31 Mar 2022
Balance sheet date rate					
Norway (NOK)	11.3940	10.5138	10.5838	10.3485	9.7110
Poland (PLN)	4.6700	4.6808	4.8483	4.6904	4.6531
Russia (RUB)	84.3190	77.8998	59.3288	56.4004	91.5833
Sweden (SEK)	11.2805	11.1218	10.8993	10.7300	10.3370

2. Critical accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these interim financial statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022.

Geopolitical uncertainties and impacts on Russian operations

Due to the sanctions imposed by the Russian Federation, Fortum's Russian subsidiaries are subject to foreign exchange transfer restrictions, which limit the transfer of funds, such as potential dividend distributions, into the EU. The sanctions did not as of 31 March 2023 restrict Fortum from exercising its voting rights at the general meetings of the Russian subsidiaries. Hence, Fortum's Russian subsidiaries continued to be consolidated as subsidiaries at 31 March 2023. Liquid funds held by Fortum's Russia segment in Russia, a total of EUR 284 million (EUR 405 million deducted with an expected credit loss of EUR -120 million), were not available to the other group companies.

Russian assets were tested for impairment as of 31 December 2022. Fair value less costs of disposal for the Russia CGU was determined by an external party based on discounted cash flow model. Management made an additional risk adjustment to account for market restrictions and the valuation method was consistent with external sources of information. As of 31 March 2023, there were no material changes in the circumstances compared to the situation as of 31 December 2022. The book value of the Russia segment was approximately EUR 1.7 billion at 31 March 2023 (31 Dec 2022: 1.7).

After the balance sheet date Fortum's subsidiary PAO Fortum (Fortum JSC) was put under asset management in accordance with a Russian Presidential decree No. 302 of 25 April 2023 which enables the authorities to introduce temporary asset management to assets owned by certain foreign entities in Russia. On 26 April 2023, PAO Fortum announced that the Board of Directors had replaced the company's CEO. Due to the enacted Presidential decree, the Russian authorities seized control of Fortum's assets in Russia. The Presidential decree has significant implications to both control and valuation of Fortum's assets in Russia. See further details in Note 19 Events after the balance sheet date.

3. Segment information

In March 2023, Fortum announced the reorganisation of its business structure. From the first quarter of 2023, the new business units are: Hydro Generation, Nuclear Generation, Renewables and Decarbonisation, Corporate Customers and Markets, Consumer Solutions and Circular Solutions. Segment comparatives for 2022 were restated and a separate stock exchange release with restated comparatives was issued on 17 April 2023. The restated comparatives can also be found as an attachment to this interim report.

The business units are classified into the following reportable segments under IFRS:

- The Generation segment will include the Hydro Generation, Nuclear Generation, Corporate Customers and Markets, and Renewables and Decarbonisation business units.
- The Consumer Solutions segment includes the Consumer Solutions business unit.
- The Other Operations segment includes the Circular Solutions business unit, Innovation and Venturing activities, enabling functions and corporate management.
- The Russia segment is reported as a separate segment in the first quarter of 2023. In the second quarter of 2023 Russia segment will be deconsolidated and restated as discontinued operations. See Note 19 Events after the balance sheet date.

Quarter

EUR million	Note	Generation ¹⁾		Consumer Solutions		Other Operations		Total continuing operations excl. Russia		Russia		Total continuing operations	
		I/2023	I/2022 restated	I/2023	I/2022	I/2023	I/2022 restated	I/2023	I/2022 restated	I/2023	I/2022	I/2023	I/2022
Income statement data by segment													
Power sales ¹⁾		1,245	721	1,197	977	3	4	2,445	1,702	218	177	2,663	1,879
Heat sales		172	236	-	-	9	10	181	246	61	43	242	288
Gas sales		-	-	153	136	-	-	153	136	-	-	153	136
Waste treatment sales		2	11	-	-	53	51	55	62	-	-	55	62
Other sales		10	18	34	55	70	72	114	144	8	3	123	147
Sales		1,429	985	1,384	1,168	136	137	2,949	2,290	287	223	3,236	2,513
Internal eliminations		-211	129	1	-7	-26	-24	-236	98	0	-	-236	97
Netting of Nord Pool transactions ²⁾								-448	-448			-448	-448
IS External sales		1,218	1,114	1,385	1,161	109	113	2,265	1,940	287	223	2,552	2,162
Comparable EBITDA		767	374	24	54	-10	7	781	435	109	92	891	527
IS Depreciation and amortisation		-44	-67	-18	-19	-21	-22	-83	-109	-23	-31	-106	-140
IS Comparable operating profit		723	307	6	35	-31	-16	698	326	86	61	784	388
Impairment charges and reversals		-	-	-	-	-	0	-	0	-	-275	-	-275
Capital gains and other related items		0	0	0	0	0	3	0	3	-	0	0	3
Changes in fair values of derivatives hedging future cash flow		318	3	-255	157	-	-	62	160	0	0	62	160
Other		8	1	-	-	-	-10	8	-8	-	-21	8	-29
IS Items affecting comparability	4	326	4	-255	157	0	-7	71	154	0	-296	71	-142
IS Operating profit		1,049	312	-249	192	-31	-23	769	480	86	-234	855	246
Comparable share of profit/loss of associates and joint ventures	4, 7	10	10	-	-	-1	-1	10	8	26	13	36	21
IS Share of profit/loss of associates and joint ventures	7	23	-54	-	-	-1	-1	22	-56	26	-159	48	-215
Gross investments / divestments by segment													
Gross investments in shares	6	4	0	-	-	8	6	12	6	0	7	12	12
Capital expenditure		86	50	20	16	15	10	121	76	16	4	138	80
Gross divestments of shares	6	0	0	0	0	3	0	4	0	0	0	4	-

1) Sales, both internal and external, include effects from realised hedging contracts. Effect on sales can be negative or positive depending on the difference between average contract price and realised spot price. Power sales contains realised result from commodity derivatives, which have not had hedge accounting status under IFRS 9, but have been considered operatively as hedges.

2) Sales and purchases with Nord Pool Spot are netted on Group level on an hourly basis and posted either as revenue or cost depending on if Fortum is a net seller or net buyer during any particular hour.

Last twelve months

EUR million	Note	Generation ¹⁾		Consumer Solutions		Other Operations		Total for continuing operations excl. Russia		Russia		Total for continuing operations	
		LTM	2022 restated	LTM	2022	LTM	2022 restated	LTM	2022 restated	LTM	2022	LTM	2022
Income statement data by segment													
Power sales ¹⁾		4,326	3,802	4,246	4,026	24	24	8,595	7,852	897	856	9,492	8,709
Heat sales		436	499	-	-	27	28	463	527	174	156	637	683
Gas sales		-	-	409	392	-	-	409	392	-	-	409	392
Waste treatment sales		10	19	-	-	221	219	231	238	-	-	231	238
Other sales		136	144	140	161	316	318	593	623	24	19	617	642
Sales		4,908	4,465	4,794	4,578	588	589	10,290	9,632	1,095	1,031	11,386	10,663
Internal eliminations		245	585	-21	-30	-103	-101	120	454	0	-	120	453
Netting of Nord Pool transactions ²⁾								-2,311	-2,312			-2,311	-2,312
IS External sales		5,153	5,049	4,773	4,549	485	488	8,099	7,774	1,095	1,031	9,194	8,804
Comparable EBITDA		2,268	1,876	143	173	-40	-23	2,371	2,025	428	411	2,800	2,436
IS Depreciation and amortisation		-224	-247	-74	-75	-91	-92	-389	-415	-143	-151	-532	-566
IS Comparable operating profit		2,044	1,629	69	97	-131	-116	1,982	1,611	285	260	2,267	1,871
Impairment charges and reversals		-	-	-	-	0	0	0	0	-630	-905	-630	-905
Capital gains and other related items		649	648	0	0	134	137	783	785	0	0	783	785
Changes in fair values of derivatives hedging future cash flow		184	-130	-659	-246	-	-	-474	-376	-17	-17	-491	-393
Other		-12	-19	-	-	-24	-33	-35	-52	-7	-28	-43	-80
IS Items affecting comparability	4	821	499	-659	-246	110	103	273	356	-654	-949	-381	-593
IS Operating profit		2,865	2,128	-590	-149	-20	-13	2,255	1,967	-369	-689	1,886	1,277
Comparable share of profit/loss of associates and joint ventures	4, 7	-33	-34	-	-	-6	-7	-39	-40	43	30	4	-11
IS Share of profit/loss of associates and joint ventures	7	-102	-178	-	-	-6	-7	-108	-185	-258	-443	-366	-629
Gross investments / divestments by segment													
Gross investments in shares	6	7	2	0	0	29	26	35	29	-2	4	33	33
Capital expenditure		350	314	75	71	90	85	512	467	70	58	583	525
Gross divestments of shares	6	1,213	1,212	0	0	156	152	1,368	1,365	0	-	1,368	1,365

1) Sales, both internal and external, include effects from realised hedging contracts. Effect on sales can be negative or positive depending on the difference between average contract price and realised spot price. Power sales contains realised result from commodity derivatives, which have not had hedge accounting status under IFRS 9, but have been considered operatively as hedges.

2) Sales and purchases with Nord Pool Spot are netted on Group level on an hourly basis and posted either as revenue or cost depending on if Fortum is a net seller or net buyer during any particular hour.

Segment assets and liabilities

EUR million	Note	Generation		Consumer Solutions		Other Operations		Russia		Total	
		31 Mar 2023	31 Dec 2022 restated	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022 restated	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
Non-interest-bearing assets		6,495	6,599	1,348	1,801	1,058	1,073	1,505	1,614	10,406	11,087
BS Participations in associates and joint ventures	7	992	987	-	-	52	51	221	211	1,265	1,249
Eliminations										-177	-332
Total segment assets		7,487	7,585	1,348	1,801	1,109	1,124	1,727	1,825	11,494	12,004
Interest-bearing receivables	12									1,321	1,284
BS Deferred tax assets										764	933
Other assets										4,027	5,502
BS Liquid funds										3,729	3,919
BS Total assets										21,334	23,642
Segment liabilities		445	988	456	436	291	350	132	134	1,324	1,908
Eliminations										-177	-332
Total segment liabilities										1,147	1,576
BS Deferred tax liabilities										407	152
Other liabilities										3,821	6,392
Total liabilities included in capital employed										5,375	8,120
Interest-bearing liabilities	13									6,167	7,785
BS Total equity										9,793	7,737
BS Total equity and liabilities										21,334	23,642
Number of employees		1,676	1,660	1,196	1,179	2,193	2,149	2,719	2,724	7,784	7,712

Comparable operating profit including comparable share of profits of associates and joint ventures and Comparable return on net assets

EUR million	Note	Generation		Consumer Solutions		Russia	
		LTM	31 Dec 2022 restated	LTM	31 Dec 2022	LTM	31 Dec 2022
Comparable operating profit		2,044	1,629	69	97	285	260
Comparable share of profit/loss of associates and joint ventures	4, 7	-33	-34	-	-	43	30
Comparable operating profit including comparable share of profit/loss of associates and joint ventures		2,011	1,595	69	97	328	290
Segment assets at the end of the period		7,487	7,585	1,348	1,801	1,727	1,825
Segment liabilities at the end of the period		445	988	456	436	132	134
Comparable net assets		7,042	6,597	892	1,365	1,595	1,691
Comparable net assets average ¹⁾		6,741	6,873	1,021	1,068	2,388	2,570
Comparable return on net assets, %		29.8	23.2	6.7	9.1	13.7	11.3

1) Average net assets are calculated using the opening balance of the financial year and each quarter's closing value.

4. Comparable operating profit and comparable net profit

4.1 Reconciliation of operating profit to comparable operating profit

Quarter

EUR million	Unadjusted		Impairment charges and reversals		Capital gains and other related items		Changes in fair values of derivatives hedging future cash flow		Other		Reported	
	I/2023	I/2022	I/2023	I/2022	I/2023	I/2022	I/2023	I/2022	I/2023	I/2022	I/2023	I/2022
Sales	2,550	2,164	-	-	-	-	2	-2	-	-	2,552	2,162
Other income	331	29	-	-	0	-3	-318	-2	-	-1	13	23
Materials and services	-1,338	-1,268	-	-	-	-	-48	-135	-8	-	-1,394	-1,403
Employee benefits	-129	-125	-	-	-	-	-	-	-	-	-129	-125
Depreciation and amortisation	-106	-415	-	275	-	-	-	-	-	-	-106	-140
Other expenses	-452	-138	-	-	-	-	301	-22	-	30	-151	-129
IS Comparable operating profit				275	0	-3	-62	-160	-8	29	784	388
IS Items affecting comparability				-275	0	3	62	160	8	-29	71	-142
IS Operating profit	855	246									855	246

Last twelve months

EUR million	Unadjusted		Impairment charges and reversals		Capital gains and other related items		Changes in fair values of derivatives hedging future cash flow		Other		Reported	
	LTM	2022	LTM	2022	LTM	2022	LTM	2022	LTM	2022	LTM	2022
Sales	9,213	8,827	-	-	-	-	-19	-23	-	-	9,194	8,804
Other income	1,037	734	-	-	-783	-785	-163	153	-	-1	91	101
Materials and services	-5,646	-5,576	-	-	-	-	293	206	12	20	-5,341	-5,350
Employee benefits	-508	-504	-	-	-	-	-	-	-	-	-508	-504
Depreciation and amortisation	-1,163	-1,471	630	905	-	-	-	-	-	-	-532	-566
Other expenses	-1,048	-734	-	-	-	-	380	57	31	61	-637	-615
IS Comparable operating profit			630	905	-783	-785	491	393	43	80	2,267	1,871
IS Items affecting comparability			-630	-905	783	785	-491	-393	-43	-80	-381	-593
IS Operating profit	1,886	1,277									1,886	1,277

Impairment charges and reversals

Impairment charges are adjusted from depreciation and amortisation and presented in items affecting comparability. Impairments in 2022 included EUR 905 million impairment in the Russia segment.

Capital gains and other related items

Capital gains and other related items in 2022 included EUR 638 million gain from the sale of the 50% ownership in the district heating company Fortum Oslo Varme AS in Norway, EUR 77 million gain from the sale of the 30% ownership in the public charging point operator for electric vehicles Recharge AS, as well as EUR 61 million gain from the sale of the e-mobility business Plugsurfing (see Note 6.2 Disposals).

Changes in fair values of derivatives hedging future cash flow

Impacts from settlement of physical contracts that have been treated as derivatives are adjusted to sales and materials and services to reflect the contract pricing as opposed to market pricing ("contract pricing adjustment"). Fair value changes of derivatives to which hedge accounting is not applied and which hedge future cash flows are adjusted from other income and other expenses. Adjustments are needed to improve the understanding of the financial performance when comparing results from one period to another.

4.2 Reconciliation from operating profit to comparable net profit

EUR million	Note	I/2023	I/2022	2022	LTM
IS Operating profit		855	246	1,277	1,886
IS Items affecting comparability	4.1	-71	142	593	381
IS Comparable operating profit		784	388	1,871	2,267
IS Share of profit/loss of associates and joint ventures		48	-215	-629	-366
Adjustments to share of profit/loss of associates and joint ventures	7	-12	236	618	370
Comparable share of profit/loss of associates and joint ventures		36	21	-11	4
IS Finance costs - net		-183	59	-193	-435
Adjustments to finance costs - net	8	22	18	348	351
Comparable finance costs - net		-161	77	155	-84
Comparable profit before income tax		659	485	2,014	2,188
IS Income tax expense		-152	-104	556	508
Adjustments to income tax expense		12	5	-1,010	-1,003
Comparable income tax expense		-140	-99	-454	-495
IS Non-controlling interests		-3	-7	0	4
Adjustments to non-controlling interests		2	-4	-11	-5
Comparable non-controlling interests		-1	-12	-11	-1
Comparable net profit from continuing operations		517	375	1,550	1,692
Comparable net profit from discontinued operations	6.3	-	-474	-2,538	-2,064
Comparable net profit, total Fortum		517	-99	-988	-371
Comparable earnings per share, continuing operations EUR	20	0.58	0.42	1.74	1.90
Comparable earnings per share, discontinued operations EUR	20	-	-0.53	-2.86	-2.32
Comparable earnings per share, total Fortum, EUR	20	0.58	-0.11	-1.11	-0.42

Comparable share of profit/loss of associates and joint ventures

Share of profit/loss of associates and joint ventures is adjusted for significant items, similar to adjustments made to arriving at comparable net profit. In 2022, the share of profits of associates and joint ventures included EUR 414 million impairments related to Fortum's ownership in the Russian TGC-1 and EUR 62 million of impairments of the renewables joint ventures in Russia.

Comparable finance costs - net

Finance costs – net are adjusted for e.g. nuclear-related items recognised in other financial items - net, fair value changes on financial items, as well as impairment charges and reversals of previously recorded impairment charges on financial items. In 2022, Finance costs – net included expected credit losses of EUR 117 million on Russian deposits and receivables, as well as EUR 171 million write down of other shares. See Note 8 Finance costs – net.

Comparable income tax expense

Income tax expense is adjusted for tax impacts on items affecting comparability, adjustments to finance costs – net, tax rate changes and other onetime adjustments. In 2022, adjustments to income tax expense included EUR 746 million relating to onetime tax impact realised in Ireland mainly due to the Uniper divestment.

4.3 Reconciliation of income statement alternative performance measures excluding Russia

Comparable net profit from continuing operations excl. Russia

EUR million	Note	I/2023	I/2022	2022	LTM
Comparable net profit from continuing operations	4	517	375	1,550	1,692
- Comparable operating profit, Russia	3	86	61	260	285
- Comparable share of profit/loss of associates and joint ventures, Russia	3	26	13	30	43
- Comparable finance costs - net, Russia		-77	110	324	137
- Comparable income tax expense, Russia		-	-36	-138	-102
- Comparable non-controlling interests, Russia		-1	-1	-2	-2
Comparable net profit from continuing operations excl. Russia		483	228	1,076	1,331
Comparable earnings per share from continuing operations excl. Russia, EUR	20	0.54	0.26	1.21	1.49

See also Note 20 Definitions and reconciliations of key figures.

5. Financial risk management

See Fortum Group's consolidated financial statements for the year ended 31 December 2022 for current financial risk management objectives and policies.

Fair value hierarchy information

Financial instruments that are measured in the balance sheet at fair value are presented according to following fair value measurement hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs).

See also accounting policies in the consolidated financial statements 2022, in Note 15 Financial assets and liabilities by fair value hierarchy.

Financial assets

	Level 1		Level 2		Level 3		Netting ¹⁾		Total	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
EUR million										
In non-current assets										
Other investments ²⁾					516	543			516	543
Derivative financial instruments										
Commodity derivatives										
Hedge accounting			127	54					127	54
Non-hedge accounting	49	85	44	58	27	57	-14	-30	107	170
Interest rate and currency derivatives										
Hedge accounting			118	116					118	116
Non-hedge accounting			3	3					3	3
Interest-bearing receivables					25	31			25	31
Total in non-current assets	49	85	292	231	569	631	-14	-30	896	917
In current assets										
Derivative financial instruments										
Commodity derivatives										
Hedge accounting	349	781	604	542			-180	-546	773	777
Non-hedge accounting	508	1,129	175	252	9	9	-369	-796	323	594
Interest rate and currency derivatives										
Hedge accounting			66	23					66	23
Non-hedge accounting			116	92					116	92
Interest-bearing receivables	549	527			4	7			553	535
Total in current assets	1,406	2,437	961	909	13	16	-549	-1,342	1,831	2,021
Total in assets	1,455	2,522	1,253	1,140	582	647	-562	-1,372	2,727	2,938

1) Receivables and liabilities from electricity and other commodity standard derivative contracts against exchanges with same delivery period are netted.

2) Other investments mainly include 1.3 GW portfolio of wind projects located in Russia and shares in unlisted companies.

Financial liabilities

EUR million	Level 1		Level 2		Level 3		Netting ¹⁾		Total	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
In non-current liabilities										
Interest-bearing liabilities ²⁾			385	580					385	580
Derivative financial instruments										
Commodity derivatives										
Hedge accounting			148	390					148	390
Non-hedge accounting	35	38	100	234	6	4	-14	-30	127	246
Interest rate and currency derivatives										
Hedge accounting			125	121					125	121
Non-hedge accounting			0	0					0	0
Total in non-current liabilities	35	38	758	1,324	6	4	-14	-30	785	1,336
In current liabilities										
Interest-bearing liabilities			549	527					549	527
Derivative financial instruments										
Commodity derivatives										
Hedge accounting	1,408	2,672	437	1,240			-180	-546	1,665	3,366
Non-hedge accounting	494	883	179	465	1	1	-369	-796	305	553
Interest rate and currency derivatives										
Hedge accounting			31	3					31	3
Non-hedge accounting			87	51					87	51
Total in current liabilities	1,902	3,555	1,282	2,286	1	1	-549	-1,342	2,637	4,500
Total in liabilities	1,937	3,593	2,040	3,610	7	5	-562	-1,372	3,422	5,836

1) Receivables and liabilities from standard electricity and other commodity derivative contracts against exchanges with same delivery period are netted.

2) Fair valued part of bonds when hedge accounting is applied (fair value hedge).

At the end of March 2023, the net fair value of commodity derivatives was EUR -916 million, including assets of EUR 1,329 million and liabilities of EUR 2,245 million (EUR -2,960 million in December 2022, including assets of EUR 1,594 million and liabilities of EUR 4,554 million). The change from December 2022 mainly relates to impacts from decreased commodity market prices.

Net fair value amount of interest rate and currency derivatives was EUR 61 million, including assets of EUR 304 million and liabilities of EUR 243 million. Fortum has cash collaterals based on collateral agreements with some counterparties. At the end of March 2023, Fortum had received EUR 77 million from collateral agreements. The received cash was booked as a short-term liability.

Regarding derivative financial instruments, see Note 4 Comparable operating profit and comparable net profit. Regarding the interest-bearing receivables and liabilities, see Note 12 Interest-bearing receivables, Note 13 Interest-bearing net debt and Note 16 Pledged assets and contingent liabilities.

There were no transfers in or out of level 3. Gains and losses of level 3 items in consolidated income statement are presented mainly in items affecting comparability. See note 4 Comparable operating profit and comparable net profit.

Changes in fair value hierarchy Level 3

	1 Jan 2023	Purchases	Settlements	Gains / losses in income statement	31 Mar 2023
On balance sheet, net					
Other investments	543	8		-35	516
Commodity derivatives, fair values	61		-5	-27	29
Interest-bearing receivables	39		-4	-5	30
Total on balance sheet, net	643	8	-9	-67	575

6. Acquisitions, disposals and discontinued operations

6.1 Acquisitions

EUR million	I/2023	I/2022	2022	LTM
Gross investments in shares in subsidiary companies	0	3	0	-4
Gross investments in shares in associated companies and joint ventures	5	3	14	16
Gross investments in other shares	8	6	19	21
Total	12	12	33	32

There were no material acquisitions in I/2023.

6.2 Disposals

EUR million	I/2023	I/2022	2022	LTM
Gross divestments of shares in subsidiary companies	0	0	1,279	1,279
Gross divestments of shares in associated companies and joint ventures	-	0	86	86
Gross divestments of other investments	3	-	0	3
Total	4	0	1,365	1,368

Disposals during 2023

There were no material divestments in I/2023.

Disposals during 2022

On 21 September 2022, Fortum, the German Government and Uniper signed an agreement in principle allowing the German State to take full control of Uniper and Uniper was deconsolidated. On 21 December 2022, the transaction was completed and Fortum received the consideration of the share transaction of EUR 498 million and Uniper repaid the EUR 4 billion shareholder loan. The consideration received for the shares is presented in the cash flow from discontinued operations in IV/2022. See also Note 6.3 Discontinued operations – Uniper in 2022.

On 1 September 2022, Fortum announced that it had concluded the sale of its e-mobility business Plugsurfing to Fleetcor Technologies, Inc., a leading global business payments company. The transaction price was approximately EUR 75 million on a cash and debt free basis and Fortum recorded a tax-exempt capital gain of EUR 61 million in the Other Operations' third quarter 2022 results.

On 18 August 2022, Fortum concluded the sale of its 30% ownership in Recharge AS, a public charging point operator for electric vehicles, to Infracapital, the infrastructure equity investment arm of M&G Plc. The transaction price was approximately EUR 85 million. Fortum recorded a tax-exempt capital gain of EUR 77 million in Other Operations' third quarter 2022 results.

On 19 May 2022, Fortum announced that it had concluded the sale of its 50% ownership in the district heating company Fortum Oslo Varme AS in Norway to a consortium of institutional investors of Hafslund Eco, Infranode and HitecVision. The total consideration of the sale amounted to approximately EUR 1 billion on a cash- and debt-free basis; and as part of the transaction, Fortum deconsolidated a related EUR 210 million shareholder loan from the City of Oslo. Fortum recorded a tax-exempt capital gain of EUR 638 million in the Generation (previously City Solutions) segment's second quarter 2022 results.

In May 2022, the second phase of the Rajasthan divestment was concluded and a tax-exempt sales gain of EUR 5 million was recorded in comparable operating profit in Generation (previously City Solutions) segment's second quarter 2022 results.

6.3 Discontinued operations – Uniper in 2022

Uniper segment has been classified as discontinued operations in III/2022. See also Note 1 Significant accounting policies. Financial performance and cash flow information for the discontinued operations is presented until 30 September 2022. The transaction was completed on 21 December 2022, and the consideration received for the shares of EUR 498 million is presented in cash flow from discontinued operations in 2022.

Financial performance

The result from discontinued operations is disclosed on one line on the face of the consolidated income statement. The following table presents breakdown of income statement information for discontinued operations. The effects of eliminations from internal sales and purchases have been included in the discontinued operations. The net financial costs are based on the historical financial costs in the separate companies.

EUR million	I/2022	2022
Sales	41,520	128,102
Other income	4,822	22,508
Materials and services	-42,271	-132,287
Employee benefits	-235	-709
Depreciation and amortisation	-194	-573
Other expenses	-4,467	-21,788
Comparable operating profit	-826	-4,747
Deconsolidation effect	-	27,966
Items affecting comparability	-1,836	-39,621
Operating profit	-2,662	-16,402
Share of profit/loss of associates and joint ventures	25	71
Finance costs - net	-1,014	-1,052
Profit before income tax	-3,651	-17,383
Income tax expense	832	6,081
Net profit from discontinued operations	-2,819	-11,302
Attributable to:		
Owners of the parent	-2,201	-3,428
Non-controlling interests ¹⁾	-618	-7,874
Earnings per share, discontinued operations, EUR	-0.02	-3.86
Comparable net profit from discontinued operations	-474	-2,538
Comparable earnings per share, discontinued operations, EUR	-0.53	-2.86

1) Non-controlling interest is not calculated on the Deconsolidation effect as the deconsolidation effect is calculated based on Fortum's share of Uniper's net assets.

Cash flow information

In the cash flow statement, the net cash flows attributable to the operating, investing and financing activities of the discontinued operations are disclosed separately. The consideration received for the shares of Uniper, EUR 498 million, is presented in net cash from/used in investing activities of the discontinued operations in 2022. Net cash from/used in investing activities in 2022 is presented net of liquid funds due to the deconsolidation of Uniper. Liquid funds of Uniper were EUR 2,248 million at 30 September 2022.

EUR million	I/2022	2022
Net cash from/used in operating activities	-1,894	-10,870
Net cash from/used in investing activities	3,429	-2,450
Net cash from/used in financing activities	-612	10,757
Total net decrease/increase in liquid funds	923	-2,563

Deconsolidation effect

On deconsolidation of Uniper at 30 September 2022, Fortum recorded EUR 28.0 billion one-time, mainly non-cash positive effect that is included in 2022 in net profit from discontinued operations in the consolidated income statement. The amount consists of the net effect from the consideration received for the shares, EUR 498 million; Uniper's negative net assets divested resulting in a positive impact to the deconsolidation effect of EUR 26 658 million; as well as certain items previously recognised in other comprehensive income, EUR 810 million, mainly foreign exchange differences, that are reclassified to Income statement on disposal.

EUR million	30 Sep 2022
Net assets divested	-26,658
Consideration received for the shares	498
Items recycled to Income statement	810
Deconsolidation effect	27,966

Fortum's total pre-tax loss from the Uniper investment was slightly below EUR 6 billion which is the net effect from the investments in Uniper shares during 2018-2022 of approximately EUR 7.2 billion, the sales proceeds of EUR 0.5 billion received and dividends of approximately EUR 0.9 billion received during the Uniper ownership.

7. Share of profit/loss of associates and joint ventures

EUR million	I/2023	I/2022	2022	LTM
Principal associates				
Forsmark Kraftgrupp AB	10	-25	-78	-43
Kemijoki Oy	-	-	-1	-1
OKG AB	14	-27	-99	-58
Principal joint ventures				
TVO Oyj	-6	-4	-13	-15
Other associates	-	-151	-420	-269
Other joint ventures	30	-7	-17	20
IS Share of profit/loss of associates and joint ventures	48	-215	-629	-366

EUR million	I/2023	I/2022	2022	LTM
IS Share of profit/loss of associates and joint ventures	48	-215	-629	-366
Adjustments to share of profit/loss of associates and joint ventures	-12	236	618	370
Comparable share of profit/loss of associates and joint ventures	36	21	-11	4

In 2022, the share of profits of associates and joint ventures include EUR 414 million impairments related to Fortum's ownership in the Russian TGC-1 and EUR 62 million of impairments of the renewables joint ventures in Russia. See note 11 Impairment of non-current assets.

8. Finance costs – net

EUR million	I/2023	I/2022	2022	LTM
Interest expense				
Borrowings	-106	-41	-181	-246
Leasing and other interest expenses	-1	-1	-3	-3
Capitalised borrowing costs	4	1	5	9
IS Total	-103	-41	-179	-241
Interest income				
Loan receivables and deposits	30	7	58	80
Leasing and other interest income	2	1	29	30
IS Total	31	8	87	111
Other financial items - net				
Return from nuclear fund, nuclear fund adjustment and unwinding of nuclear provisions	-8	-14	-71	-65
Fair value changes, impairments and reversals	-14	-4	-303	-313
Unwinding of discounts on other provisions and pension obligations	0	0	7	8
Other financial expenses and income	-90	111	266	65
IS Total	-112	92	-101	-305
IS Finance costs - net	-183	59	-193	-435
EUR million	I/2023	I/2022	2022	LTM
IS Finance costs - net	-183	59	-193	-435
Adjustments to finance costs - net				
Return from nuclear fund, nuclear fund adjustment and unwinding of nuclear provisions	8	14	71	65
Fair value changes, impairments, reversals and other adjustments	14	4	276	286
Comparable finance costs - net	-161	77	155	-84

Interest expenses on borrowings in I/2023 totalled EUR 106 million (I/2022: 41) including interest expenses on loans of EUR 94 million (I/2022: 32), and EUR 12 million (I/2022: 9) interest cost – net from derivatives hedging the loan portfolio.

Interest income on loan receivables and deposits EUR 30 million (I/2022: 7) in I/2023 includes EUR 25 million (I/2022: 2) from deposits and cash and EUR 4 million (I/2022: 6) interest income from shareholder loan receivables and other loan receivables.

Expenses relating to the Finnish State bridge financing were EUR 56 million in I/2023 (I-IV/2022: 49) of which EUR 41 million (I-IV/2022: 26) included in interest expenses on borrowings and EUR 15 million (I-IV/2022: 23) included in other financial expenses and income.

Return from nuclear fund, nuclear fund adjustment and unwinding of nuclear provisions relate to Loviisa nuclear plant.

Other financial expenses and income EUR -90 million (I/2022: 111) in I/2023 include mainly foreign exchange losses from Russian rouble receivables.

9. Income taxes

Income taxes during I/2023 totalled EUR -152 million (I/2022: -104). The effective income tax rate according to the income statement was 21.1% (I/2022: 115.1%). The comparable effective income tax rate was 22.5% (I/2022: 21.3%). The comparable effective tax rate excluding Finnish windfall tax was 20.0%.

10. Dividend per share

A dividend for 2022 of EUR 0.91 per share, amounting to a total of EUR 817 million, was decided in the Annual General Meeting on 13 April 2023. The dividend will be paid in two instalments. The first dividend instalment of EUR 0.46 per share was paid on 24 April 2023, amounting to a total of EUR 413 million, and the second dividend instalment of EUR 0.45 will be paid on 10 October 2023, amounting to a total of EUR 404 million. These interim financial statements do not reflect this dividend.

A dividend for 2021 of EUR 1.14 per share, amounting to a total of EUR 1,013 million, was decided in the Annual General Meeting on 28 March 2022. The dividend was paid on 6 April 2022.

11. Impairment of non-current assets

The carrying values of goodwill, other intangible assets, property, plant and equipment, right-of-use assets, participations in associates and joint ventures, and non-financial investments are reviewed regularly for indication of impairment. Impairment testing is performed if there is an indication of impairment; and the asset is written down to its recoverable amount if its carrying amount is greater than the estimated recoverable amount. See Note 19 Impairment testing in the 2022 consolidated financial statements for further information on the accounting policy and assumptions related to impairment testing.

Russian assets were tested for impairment as of 31 December 2022. Fair value less costs of disposal for the Russia CGU was determined by an external party based on discounted cash flow model. Management made an additional risk adjustment to account for market restrictions and the valuation method was consistent with external sources of information. As of 31 March 2023, there were no material changes in the circumstances compared to the situation as of 31 December 2022. The book value of the Russia segment was approximately EUR 1.7 billion at 31 March 2023 (31 Dec 2022: 1.7).

Total impairment charges in 2022 for the Russia CGU amounted to EUR 1,697 million, including EUR 905 million impairment of intangible assets and property, plant and equipment, EUR 475 million impairment of participations in associates and joint ventures, EUR 145 million expected credit losses on Russian deposits and receivables, as well as EUR 171 million write down of other shares.

12. Interest-bearing receivables

EUR million	31 Mar 2023	31 Dec 2022
Interest-bearing receivables	1,318	1,281
Finance lease receivables	3	3
Total	1,321	1,284

EUR million	Carrying amount		Fair value	
	31 Mar 2023	31 Mar 2023	31 Dec 2022	31 Dec 2022
Long-term loan receivables from associates and joint ventures	606	624	593	612
Other long-term interest-bearing receivables	25	25	31	31
Total long-term interest-bearing receivables	631	649	624	643
Collateral arrangement	549	549	527	527
Other short-term interest-bearing receivables	138	138	130	130
Total short-term interest-bearing receivables	687	687	657	657
Total	1,318	1,337	1,281	1,301

Long-term interest-bearing receivables from associated companies and joint ventures, EUR 606 million (31 Dec 2022: 593), include EUR 511 million from Swedish nuclear companies, Forsmarks Kraftgrupp AB and OKG AB (31 Dec 2022: 498), which are mainly funded with shareholder loans, pro rata to each shareholder's ownership.

13. Interest-bearing net debt

Financial net debt

EUR million	31 Mar 2023	31 Dec 2022
+ Interest-bearing liabilities	6,167	7,785
- BS Liquid funds	3,729	3,919
- Collateral arrangement	549	527
- BS Margin receivables	1,314	2,607
+ BS Margin liabilities	218	352
+/- Net margin liabilities/receivables	-1,096	-2,255
Financial net debt	794	1,084

Fortum has a collateral arrangement to the Nordic Power Exchange which is presented with equal amounts, EUR 549 million (31 Dec 2022: 527), as a short-term interest-bearing liability and an interest-bearing receivable.

Interest-bearing liabilities

EUR million	31 Mar 2023	31 Dec 2022
Non-current loans	3,623	3,558
Current loans	2,425	4,108
Total loans	6,047	7,666
Non-current lease liabilities	100	100
Current lease liabilities	20	19
Total lease liabilities	120	119
Total	6,167	7,785

Loans

EUR million	Carrying amount		Fair value	
	31 Mar 2023	31 Mar 2022	31 Dec 2022	31 Dec 2022
Bonds	1,639	1,573	2,634	2,569
Loans from financial institutions	1,494	1,521	1,519	1,545
Reborrowing from the Finnish State Nuclear Waste Management Fund ¹⁾	951	1,008	918	938
Other long-term interest-bearing liabilities	153	179	115	126
Total long-term loans ²⁾	4,236	4,281	5,187	5,178
Collateral arrangement liability	549	549	527	527
Other short-term interest-bearing liabilities	1,262	1,262	1,952	1,952
Total short-term loans	1,811	1,811	2,479	2,479
Total	6,047	6,092	7,666	7,657

1) The reborrowing from the Finnish State Nuclear Waste Management Fund includes the part relating to Loviisa nuclear power plant as well as borrowing done through TVO.

2) Includes current portion of long-term liabilities of EUR 613 million (31 Dec 2022: 1,629).

In January 2023, Fortum repaid the drawn amount EUR 600 million of its Liquidity revolving credit facility. In February 2023, EUR 1,000 million maturing bond was repaid. In March 2023, Fortum repaid the drawn amount of EUR 350 million and cancelled the entire EUR 2,350 million Finnish State bridge loan facility. Nuclear waste fund loans are in total EUR 951 million after the drawdown of EUR 33 million.

Current loans, EUR 2,425 million (31 Dec 2022: 4,108), include the current portion of long-term loans, EUR 613 million (31 Dec 2022: 1,629), and short-term loans EUR 1,811 million (31 Dec 2022: 2,479).

Current portion of long-term loans, EUR 613 million, consist of maturing bond and loans from financial institutions. Debt maturing in June 2023 include EUR 89 million Swedish krona bond and EUR 500 million bilateral loan (with 8-month extension option by Fortum).

Short-term loans, EUR 1,811 million, include EUR 500 million drawdown from the Liquidity revolving credit facility, EUR 626 million collateral arrangements and use of commercial paper programmes of EUR 682 million.

The average interest rate for the portfolio of EUR loans was 3.2% at the balance sheet date (31 Dec 2022: 3.1%). The average interest rate on total loans and derivatives was 4.1% at the balance sheet date (31 Dec 2022: 3.9%) and the rate for total loan portfolio excluding Russia was 3.9% at the balance sheet date (31 Dec 2022: 3.7%).

Interest-bearing liabilities of EUR 6,167 million include EUR 178 million interest-bearing liabilities relating to Fortum's Russian operations, which consists of EUR 173 million loans and EUR 5 million lease liabilities.

Maturity of loans

EUR million	31 Mar 2023
2023	2,406
2024	736
2025	8
2026	734
2027	17
2028 and later	2,148
Total	6,047

Loans maturing in 2023 include EUR 89 million bond repayment, EUR 500 million bilateral loan, EUR 500 million drawn amount of the revolving credit facility, and EUR 663 million commercial papers. Maturities in 2023 also include EUR 626 million loans with no contractual due date.

Maturity of undiscounted lease liabilities

EUR million	31 Mar 2023
Due within a year	19
Due after one year and within five years	54
Due after five years	60
Total	132

Liquid funds

EUR million	31 Mar 2023	31 Dec 2022
Deposits and securities with maturity more than 3 months	41	147
Cash and cash equivalents	3,688	3,771
BS Total ¹⁾	3,729	3,919

1) Liquid funds include EUR 284 million (31 Dec 2022: 247) relating to Fortum's Russian operations. Liquid funds EUR 405 million (31 Dec 2022: 356) are deducted with an expected credit loss of EUR -120 million (31 Dec 2022: -109) and consists of cash and cash equivalents EUR 364 million (31 Dec 2022: 209) and deposits with maturity more than 3 months EUR 41 million (31 Dec 2022: 147). These funds are not available to the other Group companies as payment transactions with the Russian Federation are subject to general restrictions.

At the end of the reporting period, the Group's liquid funds totalled EUR 3,729 million (31 Dec 2022: 3,919), and of these funds EUR 3,407 million (31 Dec 2022: 3,600) are placed with counterparties that have an investment grade credit rating.

Committed credit facilities

At the end of the reporting period, Fortum had undrawn committed credit facilities of EUR 5,800 million, including the Liquidity revolving credit facility of EUR 2,600 million (maturity in June 2023 with 6+6 months extension options by Fortum), the Core revolving credit facility of EUR 2,400 million (maturity in June 2025 with 1+1 year extension options by the lenders) and the EUR 800 million bilateral revolving credit facility (maturity in December 2023). In addition, Fortum has EUR 100 million committed overdraft limits that are valid until further notice.

14. Nuclear-related assets and liabilities

Fortum owns Loviisa nuclear power plant in Finland. On Fortum's consolidated balance sheet, Share in the Nuclear Waste Fund and the Nuclear provisions relate to Loviisa nuclear power plant.

Fortum also has minority interests in nuclear power companies, i.e. Teollisuuden Voima Oyj (TVO) in Finland and OKG Aktiebolag (OKG) and Forsmarks Kraftgrupp AB (Forsmark) in Sweden. The minority shareholdings are classified as associated companies and joint ventures and are consolidated with equity method. Both the Finnish and the Swedish companies are non-profit making, i.e. electricity production is invoiced to the owners at cost according to local GAAP.

In Finland and Sweden nuclear operators are legally obligated for the decommissioning of the plants and the disposal of spent fuel (nuclear waste management). In both countries, the nuclear operators are obligated to secure the funding of nuclear waste management by paying to government managed nuclear waste funds. The nuclear operators also have to give securities to guarantee that sufficient funds exist to cover future expenses of decommissioning of the power plant and the disposal of spent fuel.

14.1 Nuclear-related assets and liabilities for consolidated nuclear power plants

EUR million	31 Mar 2023	31 Dec 2022
Carrying values on the balance sheet		
BS Nuclear provisions	983	966
BS Fortum's share in the State Nuclear Waste Management Fund	983	966
Fortum's share of the fair value of the net assets in the State Nuclear Waste Management Fund	1,197	1,148
Share of fund not recognised on the balance sheet	214	182

Nuclear provision and fund accounted for according to IFRS

Nuclear provisions include the provision for the decommissioning and the provision for the disposal of spent fuel. Provisions are based on the total cost estimate in which future costs are discounted to net present value.

The carrying value of nuclear provisions, calculated according to IAS 37, increased by EUR 17 million compared to 31 December 2022, totalling EUR 983 million at 31 March 2023.

Fortum's share of the Nuclear Waste Funds are from an IFRS perspective overfunded by EUR 214 million, since Fortum's share of the Funds on 31 March 2023 was EUR 1,197 million and the carrying value on the balance sheet was EUR 983 million. The Fund on Fortum's balance sheet can at maximum be equal to the amount of the provisions according to IFRS. As long as the Fund is overfunded from an IFRS perspective, other financial items are adjusted positively if the provisions increase more than the Fund, and negatively if the provision decreases below the actual value of the fund.

Legal liability for Loviisa nuclear power plant

The legal liability on 31 March 2023, decided by the Ministry of Economic Affairs and Employment in December 2022, was EUR 1,197 million.

The legal liability is based on a cost estimate, which is updated every year; and a technical plan, which is updated every three years. The legal liability is determined by assuming that the decommissioning would start at the beginning of the year following the assessment year and discounting is not applied in determining the amount.

Fortum's share in the Finnish Nuclear Waste Management Fund

According to the Nuclear Energy Act, Fortum is obligated to contribute funds in full to the State Nuclear Waste Management Fund to cover the legal liability. Fortum contributes funds to the Finnish State Nuclear Waste Management Fund based on the yearly funding obligation target decided by the governmental authorities in connection with the decision of size of the legal liability. The current funding obligation target decided in December 2022 is EUR 1,197 million.

Borrowing from the State Nuclear Waste Management Fund

Participants in the Finnish State Nuclear Waste Management Fund are allowed to borrow from the fund according to certain rules. Fortum uses the right to borrow back and has pledged shares in Kemijoki Oy as security for the loans. The loans are renewed annually. See Note 13 Interest-bearing net debt and Note 16 Pledged assets and contingent liabilities.

14.2 Nuclear power plants in associated companies and joint ventures

OKG, Forsmark and TVO are non-profit making companies, i.e. electricity production is invoiced to the owners at cost. Invoiced cost is accounted according to local GAAP. In addition to the invoiced electricity production cost, Fortum makes IFRS adjustments to comply with Fortum's accounting principles. These adjustments include also Fortum's share of the companies' nuclear waste funds and nuclear provisions.

The tables below present the 100% figures relating to nuclear funds and provisions for the companies as well as Fortum's net share.

TVO's total nuclear-related assets and liabilities (100%)

EUR million	31 Mar 2023	31 Dec 2022
Carrying values in TVO with Fortum assumptions		
Nuclear provisions	1,550	1,620
Share in the State Nuclear Waste Management Fund	1,142	1,157
Net amount	-408	-463
of which Fortum's net share consolidated with equity method	-102	-116
TVO's legal liability and actual share of the State Nuclear Waste Management Fund		
Liability for nuclear waste management according to the Nuclear Energy Act	1,840	1,840
Share in the State Nuclear Waste Management Fund	1,458	1,436
Share of the fund not recognised on the balance sheet	316	279

TVO's legal liability, provision and share of the fund are based on same principles as described above for Loviisa nuclear power plant. The liabilities and shares in the Fund are calculated and recorded separately for OL1/OL2 plant units and OL3 plant unit, as the corresponding total cost estimates are prepared separately.

The difference between TVO's share in the State Nuclear Waste Management Fund and the carrying value of the TVO's share in the Fund is due to IFRIC 5, which requires that the carrying amount of the share in the State Nuclear Waste Management Fund is the lower of fair value or the value of the related liability. On 31 March 2023, the OL1/OL2 plant units' share in the Fund is higher than the provision according to IFRS. The OL3 plant unit's share in the Fund is on the other hand lower than the provision according to IFRS. TVO's share of the Finnish State Nuclear Waste Management Fund is from an IFRS perspective overfunded by EUR 316 million (of which Fortum's share is EUR 84 million), since TVO's share of the Fund on 31 March 2023 was EUR 1,458 million and the carrying value on the consolidated balance sheet with Fortum assumptions was EUR 1,142 million.

Participants in the Finnish State Nuclear Waste Management Fund are allowed to borrow from the fund according to certain rules. Fortum is using the right to reborrow funds through TVO based on its ownership. See more information in Note 13 Interest-bearing net debt.

OKG's and Forsmark's total nuclear-related assets and liabilities (100%)

EUR million	31 Mar 2023	31 Dec 2022
OKG's and Forsmark's nuclear-related assets and liabilities with Fortum assumptions		
Nuclear provisions	4,562	4,641
Share in the State Nuclear Waste Management Fund	3,252	3,200
Net amount	-1,310	-1,441
of which Fortum's net share consolidated with equity method	-416	-456

In Sweden, Svensk Kärnbränslehantering AB (SKB), a company owned by the nuclear operators, takes care of all nuclear waste management-related activities on behalf of nuclear operators. SKB receives its funding from the Swedish Nuclear Waste Fund, which in turn is financed by the nuclear operators.

Nuclear waste fees and guarantees are normally updated every three years by governmental decision after a proposal from the Swedish Radiation Safety Authority (SSM). The proposal is based on cost estimates done by SKB and the license holders. An updated technical plan for nuclear waste management was decided by SKB in December 2022. In January 2022, the Swedish government decided the waste fees and guarantees for 2022-2023. Nuclear waste fees paid by licensees with a unit/units that are still in operation are currently based on future costs with the assumed lifetime of 50 years for each unit of a nuclear power plant. The fee is calculated in relation to the energy delivered and set as an amount of öre (1 öre = SEK 0.01) per kWh delivered.

TVO's Olkiluoto 3 project started regular electricity production in April

Fortum is participating in the country's fifth nuclear power plant unit, Olkiluoto 3 (OL3), through the shareholding in Teollisuuden Voima Oyj (TVO) with an approximately 25% share representing some 400 MW in capacity. Olkiluoto 3 (OL3) was procured as a fixed-price turnkey project from a consortium (Plant Supplier) formed by Areva GmbH, Areva NP SAS and Siemens AG. As stipulated in the plant contract, the consortium companies have joint and several liability for the contractual obligations.

A Global Settlement Agreement (GSA) was signed in March 2018 and amended in June 2021 concerning the completion of the OL3 project and related disputes. During the period under review, the fund established in accordance with the GSA and funded by the Areva companies has been used to cover costs incurred to the Areva companies for the completion of the OL3 project in accordance with the GSA.

In autumn 2022, cracks were identified in the impellers of the feedwater pumps located in OL3's turbine island. After investigations, test production was continued in December 2022 with two cracked impellers and two spare impellers. In January 2023, test production was interrupted due to maintenance and repair work, when impellers with more robust measurements were installed at the feedwater pumps. The continuation of test production was postponed to March 2023 due to the servicing of the pressurizer valve stations. At the end of the period under review, was an approximately month-long demonstration run, after which OL3's regular electricity production started in April 2023 and the commercial operation of the plant started 1 May 2023.

15. Capital and other commitments

Capital and other commitments are contractual or regulatory obligations that are not recognised as liabilities on the balance sheet, or disclosed as contingent liabilities.

Capital commitments

At 31 March 2023, Fortum had EUR 428 million (31 Dec 2022: 441) capital commitments for the acquisition of property, plant and equipment and intangible assets.

Other commitments

Teollisuuden Voima Oyj (TVO) built Olkiluoto 3, the nuclear power plant funded through external loans, share issues and shareholder loans according to shareholders' agreement between the owners of TVO. At 31 March 2023, Fortum had EUR 232 million (31 Dec 2022: 232) outstanding receivables regarding Olkiluoto 3, and is additionally committed to providing at maximum EUR 100 million. TVO shareholder loan is classified as participation in joint ventures. For more information, see Note 14 Nuclear-related assets and liabilities.

For more information on other commitments, see Note 35 Capital and other commitments of the consolidated financial statements 2022.

16. Pledged assets and contingent liabilities

Fortum has issued direct and indirect guarantees and warranties on own behalf and on behalf of associated companies and joint ventures, which may obligate Fortum to make payments on the occurrence of certain events. For the Swedish nuclear companies there are two types of guarantees given. The Financing Amount is given to cover Fortum's share of the uncovered part in the Nuclear Waste Fund, assuming no further production and that no further nuclear waste fees are paid in. The uncovered amount is calculated by the authorities and is based on the difference between the expected costs and the funds to cover these costs at the time of the calculation. The Supplementary Amount constitutes a guarantee for deficits that can arise as a result of unplanned events.

The guarantee given on behalf of Teollisuuden Voima Oyj to the Ministry of Economic Affairs and Employment amounts to EUR 136 million (31 Dec 2022: 136). The guarantee covers the unpaid legal liability due to periodisation, as well as risks for unexpected future costs. For more information, see Note 14 Nuclear-related assets and liabilities.

Further, Fortum has pledged shares in Kemijoki Oy as a security for the reborrowing from the Finnish State Nuclear Waste Management Fund for the Loviisa nuclear power plant part, amounting to EUR 718 million (31 Dec 2022: 689). Fortum has also pledged real estate mortgages in Pyhäjoki hydro plant as security for the uncovered part of the legal nuclear liability to the Ministry of Economic Affairs and Employment amounting to EUR 126 million (31 Dec 2022: 126).

In 2021 Fortum signed an EUR 8 billion credit facility agreement with Uniper comprising tranches for both a shareholder loan and a parent company guarantee. The shareholder loan, EUR 4 billion, was repaid on 21 December 2022 on completion of the transaction to sell Uniper to the German State. Out of the EUR 4.0 billion parent company guarantee facility that Fortum had granted to Uniper, a total of EUR 3.0 billion was released by year-end 2022. The remaining, approximately EUR 1.0 billion, with a full German State back-to-back guarantee (indemnity), will be released latest at the end of June 2023.

For more information, see Note 36 Pledged assets and contingent liabilities of the consolidated financial statements 2022.

17. Legal actions and official proceedings

Various routine court actions, arbitration proceedings, tax and regulatory investigations and proceedings are currently pending against entities of the Group, and further actions or proceedings may be instituted or asserted in the future. For more information, see Note 37 Legal actions and official proceedings of the consolidated financial statements 2022.

18. Related party transactions

Related parties are described in more detail in the consolidated financial statements for the year ended 31 December 2022.

Transactions with associates and joint ventures

EUR million	I/2023	I/2022	2022	LTM
Sales	2	1	74	75
Purchases	128	115	438	451
Other income	1	-	4	5
Interest income on loan receivables	3	3	12	12

Balances with associates and joint ventures

EUR million	31 Mar 2023	31 Dec 2022
Long-term interest-bearing loan receivables	606	593
Trade and other receivables	79	87
Long-term loan payables	232	229
Trade and other payables	45	53

Other transactions with related parties

At the end of 2022, the Finnish State owned 51.26% of Fortum's shares.

On 6 September 2022, Fortum announced that it had agreed with the Finnish State on a EUR 2.35 billion bridge financing arrangement. On 26 September 2022, Fortum announced to draw the first tranche of the liquidity facility, EUR 350 million. The bridge loan facility was linked to the six-month Euribor; the margin for the first six months was 10% and for the following six months 12%. As a condition in the agreement following the first draw down, the Finnish State-owned holding company, Solidium Oy, was entitled to subscribe 8,970,000 new ordinary registered shares in Fortum in a directed share issue, without payment. The share issue to Solidium Oy was resolved in the Extraordinary General Meeting on 23 November 2022 and the new shares were registered with the Finnish trade register on 25 November 2022. The new shares carry full shareholder rights, including the right to dividend, as of the registration date. As a consequence, the proportion of shares under the control of the State of Finland increased to 51.26%. In March 2023, Fortum repaid EUR 350 million of the Solidium bridge loan and cancelled the entire EUR 2,350 million bridge loan facility. Total interest expenses and fees relating to the bridge loan facility amounting to EUR 105 million (I/2023: 56 and I-IV/2022: 49) were recognised in Finance costs - net.

19. Events after the balance sheet date

On 25 April 2023, Fortum's subsidiary PAO Fortum (Fortum JSC) was put under asset management in accordance with a Russian Presidential decree No. 302 which enables the authorities to introduce temporary asset management to assets owned by certain foreign entities in Russia. On 26 April 2023, PAO Fortum announced that the Board of Directors had replaced the company's CEO. Due to the enacted Presidential decree, the Russian authorities seized control of Fortum's assets in Russia. Fortum has formally notified the administration of the President of the Russian Federation that it strongly objects the decree. Fortum considers Russia's actions to be a crude violation of international law and of Fortum's rights as a foreign investor. Fortum is preparing to take all necessary measures to protect its rights under relevant international legislation.

The decree and the subsequent nomination of the new CEO to Fortum's subsidiary PAO Fortum triggered a control assessment as required by IFRS 10 Consolidated financial statements. Based on the assessment, Fortum no longer has practical ability to control its Russian operations. Consequently, control was assessed to have been lost on 25 April 2023 and the Russia segment will be deconsolidated in the second quarter of 2023. As the decree was issued and the consequent changes in circumstances occurred in April 2023, this does not impact the consolidated accounts as of 31 March 2023. The Russia segment is reported as a separate segment in the first quarter of 2023. In the second quarter of 2023 Russia segment will be deconsolidated and restated as discontinued operations. Comparatives for the first quarter of 2023 and 2022 will be restated and a separate stock exchange release with restated comparatives will be issued on 11 May 2023.

The deconsolidation in the second quarter of 2023 is expected to result in an approximately EUR 3.6 billion one-time, non-cash negative effect. The amount will consist of the full write-down of the Russian assets of EUR 1.7 billion and EUR 1.9 billion negative cumulative translation differences previously recognised in equity. These cumulative translation differences are recycled from equity to profit and loss on deconsolidation according to IFRS. The recycling will not have any impact on total equity.

20. Definitions and reconciliations of key figures

Alternative performance measures

Business performance	Definition	Reason to use the measure	Reference to reconciliation
Comparable EBITDA	Operating profit + depreciations and amortisations - items affecting comparability	Comparable EBITDA is representing the underlying cash flow generated by the total Group and segments. Used as a component in the capital structure target of Financial net debt to Comparable EBITDA.	Key ratios after cash flow statement
Comparable operating profit	Operating profit - items affecting comparability	Comparable operating profit is used in financial target setting and forecasting, management's follow up of financial performance and allocation of resources in the group's performance management process.	Income statement
Items affecting comparability	Impairment charges and reversals + capital gains and other related items + changes in fair values of derivatives hedging future cash flow + other	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement
Impairment charges and reversals	Impairment charges and related provisions (mainly dismantling), as well as the reversal of previously recorded impairment charges. Impairment charges are adjusted from depreciation and amortisation, and reversals from other income.	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement
Capital gains and other related items	Capital gains and transaction costs from acquisitions, which are adjusted from other income and other expenses respectively. Profits are reported in comparable operating profit, if this reflects the business model.	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement
Changes in fair values of derivatives hedging future cash flow	Effects from financial derivatives hedging future cash flows where hedge accounting is not applied or own use exemption cannot be used according to IFRS 9 and are adjusted from other income or expense to sales and materials and services respectively when calculating Fortum's alternative performance measures.	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement
Other	Restructuring and cost management expenses, and other miscellaneous non-operating items, which are adjusted mainly from materials and services or other expenses.	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement

Business performance	Definition	Reason to use the measure	Reference to reconciliation
Comparable share of profit/loss of associates and joint ventures	Share of profit/loss of associates and joint ventures +/- significant adjustments for share of profit /loss in associates and joint ventures.	Component used in calculating comparable net profit and comparable return on net assets.	Note 4 Comparable operating profit and comparable net profit
Comparable finance costs – net	Finance costs – net +/- return from nuclear funds, nuclear fund adjustment and unwinding of nuclear provisions +/- fair value changes on financial items +/- impairment charges and reversals of previously recorded impairment charges on financial items and other one-time adjustments.	Component used in calculating comparable net profit.	Note 4 Comparable operating profit and comparable net profit
Comparable profit before income tax	Comparable operating profit +/- comparable share of profit/loss of associates and joint ventures +/- comparable finance costs – net.	Subtotal in comparable net profit calculation.	Note 4 Comparable operating profit and comparable net profit
Comparable income tax expense	Income tax expense excluding taxes on items affecting comparability, adjustments to finance costs – net, tax rate changes and other onetime adjustments.	Component used in calculating comparable net profit.	Note 4 Comparable operating profit and comparable net profit
Comparable net profit	Comparable operating profit +/- comparable share of profit/loss of associates and joint ventures +/- comparable finance costs - net +/- comparable income tax expense +/- comparable non-controlling interests.	Comparable net profit is used to provide additional financial performance indicators to support meaningful comparison of underlying net profitability between periods.	Note 4 Comparable operating profit and comparable net profit
Comparable earnings per share	$\frac{\text{Comparable net profit}}{\text{Average number of shares during the period}}$	Comparable earnings per share is used to provide additional financial performance indicators to support meaningful comparison of underlying net profitability between periods.	Note 4 Comparable operating profit and comparable net profit
Comparable return on net assets, %	$\frac{\text{Comparable operating profit} + \text{comparable share of profit /loss in associates and joint ventures}}{\text{Comparable net assets average}} \times 100$ process.	Comparable return on net assets is used in financial target setting and forecasting, management's follow up of financial performance and allocation of resources in the group's performance management	Note 3 Segment information
Comparable net assets	Non-interest-bearing assets - non-interest-bearing liabilities - provisions (non-interest-bearing assets and liabilities do not include finance-related items, tax and deferred tax and assets and liabilities from fair valuations of derivatives used for hedging future cash flows).	Comparable net assets is a component in Comparable return on net assets calculation where return on capital allocated directly to the businesses is measured.	Note 3 Segment information

Capital structure	Definition	Reason to use the measure	Reference to reconciliation
Financial net debt / comparable EBITDA	$\frac{\text{Financial net debt}}{\text{Comparable EBITDA}}$	Financial net debt to Comparable EBITDA is Fortum's long-term financial target for capital structure.	Key ratios after cash flow statement
Financial net debt	Interest-bearing liabilities - liquid funds - securities in interest-bearing receivables +/- net margin liabilities/receivables	Financial net debt is used in the follow-up of the indebtedness of the group and it is a component in the capital structure target of Financial net debt to Comparable EBITDA.	Note 13 Interest-bearing net debt

Alternative performance measures excluding Russia

Business performance	Definition	Reason to use the measure	Reference to reconciliation
Comparable EBITDA from continuing operations excl. Russia	Comparable EBITDA from continuing operations - comparable EBITDA, Russia	Comparable EBITDA from continuing operations excluding Russia is representing the underlying cash flow generated by the total Group, excluding Russian operations. Used as a component in the capital structure target of Financial net debt to Comparable EBITDA excl. Russia.	Note 20 Definitions and reconciliations of key figures
Comparable operating profit from continuing operations excl. Russia	Comparable operating profit - comparable operating profit, Russia	Comparable operating profit from continuing operations excluding Russia is an additional financial performance indicator to support meaningful comparison of financials for Fortum's strategic businesses.	Note 4 Comparable operating profit and comparable net profit
Comparable net profit from continuing operations excl. Russia	Comparable net profit from continuing operations - comparable share of profit/loss of associates and joint ventures, Russia, - comparable finance costs - net, Russia, - comparable income tax expense, Russia, - comparable non-controlling interests, Russia.	Comparable net profit from continuing operations excluding Russia is an additional financial performance indicator to support meaningful comparison of financials for Fortum's strategic businesses.	Note 4 Comparable operating profit and comparable net profit
Comparable earnings per share from continuing operations excl. Russia	$\frac{\text{Comparable net profit from continuing operations excl. Russia}}{\text{Average number of shares during the period}}$	Comparable earnings per share from continuing operations excluding Russia is an additional financial performance indicator to support meaningful comparison of financials for Fortum's strategic businesses.	Note 4 Comparable operating profit and comparable net profit

Capital structure	Definition	Reason to use the measure	Reference to reconciliation
Financial net debt/comparable EBITDA excl. Russia	$\frac{\text{Financial net debt excl. Russia}}{\text{Comparable EBITDA from continuing operations excl. Russia}}$	Financial net debt/comparable EBITDA excluding Russia is an additional financial performance indicator to support meaningful comparison of the capital structure for Fortum's strategic businesses.	Key ratios after cash flow statement
Financial net debt excl. Russia	Financial net debt - Interest-bearing liabilities, Russia + Liquid funds, Russia	Financial net debt excluding Russia is an additional financial performance indicator to support meaningful comparison in the follow-up of the indebtedness of the group and it is a component in the calculation of Financial net debt to Comparable EBITDA excluding Russia.	Key ratios after cash flow statement

Other key figures

Share based key figures

Earnings per share (EPS)	$\frac{\text{Profit for the period - non-controlling interests}}{\text{Average number of shares during the period}}$
Equity per share	$\frac{\text{Shareholder's equity}}{\text{Number of shares at the end of the period}}$

Other key figures

Capital expenditure	Capitalised investments in property, plant and equipment and intangible assets including maintenance, productivity, growth and investments required by legislation including borrowing costs capitalised during the construction period. Maintenance investments expand the lifetime of an existing asset, maintain usage/availability and/or maintains reliability. Productivity investments improve productivity in an existing asset. Growth investments' purpose is to build new assets and/or to increase customer base within existing businesses. Legislation investments are done at certain point of time due to legal requirements.
Gross investments in shares	Investments in subsidiary shares, shares in associated companies and joint ventures and other investments. Investments in subsidiary shares are net of liquid funds and grossed with interest-bearing liabilities and other items included in financial net debt in the acquired company.
Last twelve months (LTM)	Twelve months preceding the reporting date.

Tax key figures

Effective income tax rate, %	$\frac{\text{Income tax expense}}{\text{Profit before income tax}} \times 100$
Comparable effective income tax rate, %	$\frac{\text{Comparable income tax}}{\text{Comparable profit before income tax excluding comparable share of profit/loss of associated companies and joint ventures}} \times 100$

Reconciliations of alternative performance measures

Comparable EBITDA

EUR million	Note	I/2023	I/2022	2022	LTM
IS Operating profit		855	246	1,277	1,886
+ IS Depreciation and amortisation		106	140	566	532
EBITDA		962	386	1,842	2,418
- IS Items affecting comparability	4	-71	142	593	381
Comparable EBITDA		891	527	2,436	2,800

Comparable operating profit

EUR million	Note	I/2023	I/2022	2022	LTM
IS Operating profit		855	246	1,277	1,886
- IS Items affecting comparability	4	-71	142	593	381
IS Comparable operating profit	4	784	388	1,871	2,267

Items affecting comparability

EUR million	Note	I/2023	I/2022	2022	LTM
Impairment charges and reversals		-	-275	-905	-630
Capital gains and other related items	6	0	3	785	783
Changes in fair values of derivatives hedging future cash flow		62	160	-393	-491
Other		8	-29	-80	-43
IS Items affecting comparability	4	71	-142	-593	-381

Comparable net profit

EUR million	Note	I/2023	I/2022	2022	LTM
IS Net profit		568	-14	1,011	1,593
- IS Items affecting comparability	4	-71	142	593	381
- Adjustments to share of profit/loss of associates and joint ventures	7	-12	236	618	370
- Adjustments to finance costs - net	8	22	18	348	351
- Adjustments to income tax expenses		12	5	-1,010	-1,003
- IS Non-controlling interests		-3	-7	0	4
- Adjustments to non-controlling interests		2	-4	-11	-5
Comparable net profit from continuing operations	4	517	375	1,550	1,692
Comparable net profit from discontinued operations		-	-474	-2,538	-2,064
Comparable net profit, total Fortum		517	-99	-988	-371

Comparable earnings per share

	Note	I/2023	I/2022	2022	LTM
Comparable net profit from continuing operations, EUR million	4	517	375	1,550	1,692
Average number of shares during the period, 1 000 shares		897,264	888,294	889,204	891,416
Comparable earnings per share from continuing operations, EUR		0.58	0.42	1.74	1.90
Comparable net profit from discontinued operations, EUR million	4	-	-474	-2,538	-2,064
Average number of shares during the period, 1 000 shares		-	888,294	889,204	891,416
Comparable earnings per share from discontinued operations, EUR		-	-0.53	-2.86	-2.32
Comparable net profit, total Fortum, EUR million	4	517	-99	-988	-371
Average number of shares during the period, 1 000 shares		897,264	888,294	889,204	891,416
Comparable earnings per share, total Fortum, EUR		0.58	-0.11	-1.11	-0.42

Financial net debt

EUR million	Note	31 Mar 2023	31 Dec 2022
+ Interest-bearing liabilities		6,167	7,785
- BS Liquid funds		3,729	3,919
- Collateral arrangement		549	527
- BS Margin receivables		1,314	2,607
+ BS Margin liabilities		218	352
+/- Net margin liabilities/receivables		-1,096	-2,255
Financial net debt	13	794	1,084

Financial net debt/comparable EBITDA

EUR million	Note	2022	LTM
+ Interest-bearing liabilities		7,785	6,167
- BS Liquid funds		3,919	3,729
- Collateral arrangement		527	549
- BS Margin receivables		2,607	1,314
+ BS Margin liabilities		352	218
+/- Net margin liabilities/receivables		-2,255	-1,096
Financial net debt	13	1,084	794
IS Operating profit		1,277	1,886
+ IS Depreciation and amortisation		566	532
EBITDA		1,842	2,418
- IS Items affecting comparability		593	381
Comparable EBITDA from continuing operations		2,436	2,800
Financial net debt/comparable EBITDA		0.4	0.3

Reconciliations of alternative performance measures excluding Russia

Comparable EBITDA from continuing operations excl. Russia

EUR million	Note	I/2023	I/2022	2022	LTM
Comparable EBITDA from continuing operations	3	891	527	2,436	2,800
- Comparable EBITDA, Russia	3	109	92	411	428
Comparable EBITDA from continuing operations excl. Russia	3	781	435	2,025	2,371

Comparable operating profit from continuing operations excl. Russia

EUR million	Note	I/2023	I/2022	2022	LTM
IS Comparable operating profit from continuing operations		784	388	1,871	2,267
- Comparable operating profit, Russia	3	86	61	260	285
Comparable operating profit from continuing operations excl. Russia	3	698	326	1,611	1,982

Comparable net profit from continuing operations excl. Russia

EUR million	Note	I/2023	I/2022	2022	LTM
Comparable net profit from continuing operations	4	517	375	1,550	1,692
- Comparable operating profit, Russia		86	61	260	285
- Comparable share of profit/loss of associates and joint ventures, Russia	3	26	13	30	43
- Comparable finance costs - net, Russia		-77	110	324	137
- Comparable income tax expense, Russia		-	-36	-138	-102
- Comparable non-controlling interests, Russia		-1	-1	-2	-2
Comparable net profit from continuing operations excl. Russia		483	228	1,076	1,331

Comparable earnings per share from continuing operations excl. Russia

EUR million	Note	I/2023	I/2022	2022	LTM
Comparable net profit from continuing operations excluding Russia		483	228	1,076	1,331
Average number of shares during the period, 1 000 shares		897,264	888,294	889,204	891,416
Comparable earnings per share from continuing operations excl. Russia, EUR		0.54	0.26	1.21	1.49

Financial net debt/comparable EBITDA excl. Russia

EUR million	2022	LTM
Financial net debt	1,084	794
- Interest-bearing liabilities, Russia	204	178
+ Liquid funds, Russia	247	284
Financial net debt excl. Russia	1,127	900
Comparable EBITDA from continuing operations excl. Russia	2,025	2,371
Financial net debt/comparable EBITDA excl. Russia	0.6	0.4

Interest-bearing liabilities excl. Russia

EUR million	31 Mar 2023	31 Dec 2022
Interest-bearing liabilities	6,167	7,785
- Interest-bearing liabilities, Russia	178	204
Interest-bearing liabilities excl. Russia	5,989	7,581

Liquid funds excl. Russia

EUR million	31 Mar 2023	31 Dec 2022
Liquid funds	3,729	3,919
- Liquid funds, Russia	284	247
Liquid funds excl. Russia	3,445	3,672

Market conditions and achieved power prices

Power consumption

TWh	I/2023	I/2022	2022	LTM
Nordic countries	110	112	385	383

Average prices

	I/2023	I/2022	2022	LTM
Spot price for power in Nord Pool power exchange, EUR/MWh	85.2	110.0	135.9	129.5
Spot price for power in Finland, EUR/MWh	77.6	91.8	154.0	150.1
Spot price for power in Sweden, SE3, Stockholm EUR/MWh	76.1	99.9	129.2	123.0
Spot price for power in Sweden, SE2, Sundsvall EUR/MWh	53.4	24.8	61.9	68.9
Spot price for power in Germany, EUR/MWh	115.8	184.6	235.4	217.9
CO ₂ , (ETS EUA next Dec), EUR/tonne CO ₂	90	83	81	83
Coal (ICE Rotterdam front month), USD/tonne	145	222	279	269
Oil (Brent front month), USD/bbl	82	98	99	95
Gas (TTF front month), EUR/MWh	53	101	133	121

Hydro reservoir

TWh	31 Mar 2023	31 Dec 2022
Nordic hydro reservoir level	38	79
Nordic hydro reservoir level, long-term average	41	84

Export/import

TWh (+ = import to, - = export from Nordic area)	I/2023	I/2022	2022	LTM
Export / import between Nordic area and Continental Europe + Baltics	-10	-11	-35	-34
Export / import between Nordic area and Russia	0	3	4	1
Export / import Nordic area, Total	-10	-8	-31	-33

Achieved power prices

EUR/MWh	I/2023	I/2022	2022	LTM
Generation segment's Nordic achieved power price	85.2	44.1	59.9	71.1

Fortum's production and sales volumes

Power generation

TWh	I/2023	I/2022	2022	LTM
Nordic countries	11.7	11.9	43.5	43.3
Other European countries	0.2	0.2	0.8	0.7
Total continuing operations excl. Russia	11.9	12.1	44.2	44.0
Russia	7.8	8.3	28.6	28.1
Total continuing operations	19.7	20.4	72.8	72.2

Heat production

TWh	I/2023	I/2022	2022	LTM
Nordic countries	1.2	1.9	4.1	3.4
Other European countries	0.5	0.5	1.2	1.1
Total continuing operations excl. Russia	1.7	2.4	5.3	4.5
Russia	6.1	6.2	15.7	15.5
Total continuing operations	7.7	8.6	20.9	20.0

Power generation capacity by segment

MW	31 Mar 2023	31 Dec 2022 restated
Generation	8,551	8,551
Other Operations	25	25
Total continuing operations excl. Russia	8,576	8,576
Russia	4,672	4,672
Total continuing operations	13,248	13,248

Heat production capacity by segment

MW	31 Mar 2023	31 Dec 2022 restated
Generation	1,924	1,964
Other Operations	171	171
Total continuing operations excl. Russia	2,095	2,135
Russia	7,613	7,613
Total continuing operations	9,708	9,748

Power generation by source in the Nordic area

TWh	I/2023	I/2022	2022	LTM
Hydro power	5.0	5.4	19.1	18.7
Nuclear power	6.5	6.3	23.4	23.6
CHP and condensing power	0.3	0.2	0.9	1.0
Total continuing operations	11.7	11.9	43.5	43.3

Power generation by source in the Nordic area

%	I/2023	I/2022	2022	LTM
Hydro power	43	46	44	43
Nuclear power	55	53	54	55
CHP and condensing power	2	2	2	2
Total continuing operations	100	100	100	100

Power generation by source in other European countries

TWh	I/2023	I/2022	2022	LTM
CHP	0.2	0.2	0.8	0.7

Power sales

EUR million	I/2023	I/2022	2022	LTM
Nordic countries	1,544	1,215	5,444	5,773
Other European countries	242	159	643	726
Other countries	0	-	3	4
Total continuing operations excl. Russia	1,786	1,375	6,090	6,502
Russia	218	177	856	897
Total continuing operations	2,004	1,552	6,947	7,399

Heat sales

EUR million	I/2023	I/2022	2022	LTM
Nordic countries	76	172	325	229
Other European countries	105	74	202	234
Total continuing operations excl. Russia	181	246	527	462
Russia	61	43	156	173
Total continuing operations	242	288	683	637

Power sales by area

TWh	I/2023	I/2022	2022	LTM
Finland	5.9	5.9	21.5	21.5
Sweden	6.9	7.9	27.3	26.3
Norway	3.8	3.8	11.3	11.4
Other countries	1.5	1.1	4.5	4.9
Total continuing operations excl. Russia	18.1	18.8	64.7	63.9
Russia	8.7	9.2	32.0	31.5
Total continuing operations	26.8	28.0	96.7	95.4

Nord Pool transactions are calculated as a net amount of hourly sales and purchases at the Group level.

Heat sales by area

TWh	I/2023	I/2022	2022	LTM
Finland	1.0	1.1	2.8	2.7
Norway	-	0.7	0.8	0.1
Poland	1.5	1.5	3.5	3.5
Other countries	0.1	0.1	0.4	0.4
Total continuing operations excl. Russia	2.6	3.4	7.6	6.7
Russia	6.0	6.2	15.6	15.4
Total continuing operations	8.6	9.6	23.2	22.2

Attachment to the Fortum Interim report January-March 2023: Restated comparison figures for 2022 to reflect the new reportable segments

The restated segment comparatives are available in excel format on www.fortum.com/investors and in the attachment to the stock exchange release issued on 17 April 2023.

Segment information

EUR million	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED
	Generation	Consumer Solutions	Other Operations	Total continuing operations, excl Russia	Russia	Total for continuing operations
	2022	2022	2022	2022	2022	2022
Income statement data by segment						
Power sales	3 802	4 026	24	7 852	856	8 709
Heat sales	499	0	28	527	156	683
Gas sales	0	392	0	392	0	392
Waste treatment sales	19	0	219	238	0	238
Other sales	144	161	318	623	19	642
Sales	4 465	4 578	589	9 632	1 031	10 663
Internal eliminations	585	-30	-101	454	0	453
Netting of Nord Pool transactions				-2 312		-2 312
External sales	5 049	4 549	488	7 774	1 031	8 804
Comparable EBITDA	1 876	173	-23	2 025	411	2 436
Depreciation and amortisation	-247	-75	-92	-415	-151	-566
Comparable operating profit	1 629	97	-116	1 611	260	1 871
Impairment charges and reversals	0	0	0	0	-905	-905
Capital gains and other related items	648	0	137	785	0	785
Changes in fair values of derivatives hedging future cash flow	-130	-246	0	-376	-17	-393
Other	-19	0	-33	-52	-28	-80
Items affecting comparability	499	-246	103	356	-949	-593
Operating profit	2 128	-149	-13	1 967	-689	1 277
Comparable share of profit/loss of associates and joint ventures	-34	0	-7	-40	30	-11
Share of profit/loss of associates and joint ventures	-178	0	-7	-185	-443	-629
Gross investments / divestments by segment						
Gross investments in shares	2	0	26	29	4	33
Capital expenditure	314	71	85	467	58	525
Gross divestments of shares	1 212	0	152	1 365	0	1 365

PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	
	Generation	City Solutions	Consumer Solutions	Other operations	Total continuing operations, excl Russia	Russia	Total for continuing operations
	2022	2022	2022	2022	2022	2022	2022
	3 600	252	4 026	0	7 878	856	8 734
	0	505	0	0	505	156	661
	0	0	392	0	392	0	392
	0	237	0	0	237	0	237
	55	288	161	136	639	19	659
	3 655	1 282	4 578	136	9 651	1 031	10 682
	645	-75	-30	-106	435	0	434
					-2 312		-2 312
	4 299	1 207	4 549	30	7 774	1 031	8 804
	1 765	177	173	-90	2 025	411	2 436
	-165	-148	-75	-25	-415	-151	-566
	1 600	28	97	-115	1 611	260	1 871
	0	0	0	0	0	-905	-905
	0	643	0	142	785	0	785
	-177	47	-246	0	-376	-17	-393
	-20	1	0	-33	-52	-28	-80
	-197	690	-246	109	356	-949	-593
	1 403	719	-149	-6	1 967	-690	1 277
	-49	14	0	-6	-40	30	-11
	-194	14	0	-6	-185	-443	-629
	3	4	0	21	29	4	33
	231	155	71	10	467	58	525
	0	1 213	0	150	1 363	1	1 365

	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED
	Generation	Consumer Solutions	Other Operations	Total continuing operations, excl Russia	Russia	Total
EUR million	31 Dec 2022	31 Dec 2022	31 Dec 2022	31 Dec 2022	31 Dec 2022	31 Dec 2022
Non-interest-bearing assets	6 599	1 801	1 073	9 473	1 614	11 087
Participations in associates and joint ventures	987	0	51	1 038	211	1 249
Eliminations				-329		-332
Total segment assets	7 585	1 801	1 124	10 182	1 825	12 004
Interest-bearing receivables						1 284
Deferred tax assets						933
Other assets						5 502
Liquid funds						3 919
Total assets						23 642
Segment liabilities	988	436	350	1 774	134	1 908
Eliminations				-329		-332
Total segment liabilities				1 445		1 576
Deferred tax liabilities						152
Other liabilities						6 392
Total liabilities included in capital employed						8 120
Interest-bearing liabilities						7 785
Total equity						7 737
Total equity and liabilities						23 642
Number of employees	1 660	1 179	2 149	4 988	2 724	7 712

	RESTATED	RESTATED	RESTATED
	Generation	Consumer Solutions	Russia
EUR million	31 Dec 2022	31 Dec 2022	31 Dec 2022
Comparable operating profit	1 629	97	260
Comparable share of profit/loss of associates and joint ventures	-34	0	30
Comparable operating profit including comparable share of profit/loss of associates and joint ventures	1 595	97	290
Segment assets at the end of the period	7 585	1 801	1 825
Segment liabilities at the end of the period	988	436	134
Comparable net assets	6 597	1 365	1 691
Comparable net assets average	6 873	1 068	2 570
Comparable return on net assets, %	23,2	9,1	11,3

	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED
	Generation	City Solutions	Consumer Solutions	Other operations	Total continuing operations, excl Russia	Russia	Total
	31 Dec 2022	31 Dec 2022	31 Dec 2022	31 Dec 2022	31 Dec 2022	31 Dec 2022	31 Dec 2022
	5 347	2 128	1 801	238	9 514	1 614	11 128
	937	77	0	25	1 038	211	1 249
					-370		-373
	6 283	2 204	1 801	263	10 182	1 825	12 004
							1 284
							933
							5 502
							3 919
							23 642
	734	445	436	199	1 815	135	1 949
					-370		-373
					1 445		1 576
							152
							6 392
							8 120
							7 785
							7 737
							23 642
	1 155	1 691	1 179	963	4 988	2 724	7 712

	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED
	Generation	City Solutions	Consumer Solutions	Russia
	31 Dec 2022	31 Dec 2022	31 Dec 2022	31 Dec 2022
	1 600	28	97	260
	-49	14	0	30
	1 551	42	97	290
	6 283	2 204	1 801	1 825
	734	445	436	135
	5 549	1 760	1 365	1 690
	5 739	1 833	1 068	2 570
	27,0	2,3	9,1	11,3

EUR million	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED
	Generation	Consumer Solutions	Other Operations	Total continuing operations, excl Russia	Russia	Total for continuing operations
	I-III/2022	I-III/2022	I-III/2022	I-III/2022	I-III/2022	I-III/2022
Income statement data by segment						
Power sales	2 355	2 705	18	5 078	600	5 679
Heat sales	375	0	18	393	91	483
Gas sales	0	288	0	288	0	288
Waste treatment sales	16	0	158	175	0	175
Other sales	102	126	233	460	11	472
Sales	2 848	3 118	428	6 394	702	7 096
Internal eliminations	468	-27	-74	367	0	366
Netting of Nord Pool transactions				-1 394		-1 394
External sales	3 316	3 091	354	5 367	702	6 068
Comparable EBITDA	1 132	130	-11	1 251	291	1 541
Depreciation and amortisation	-186	-57	-66	-309	-106	-415
Comparable operating profit	946	73	-77	942	185	1 126
Impairment charges and reversals	0	0	0	0	-355	-356
Capital gains and other related items	644	0	136	780	0	780
Changes in fair values of derivatives hedging future cash flow	-271	699	0	428	-13	415
Other	1	0	-10	-8	-27	-35
Items affecting comparability	374	699	126	1 199	-395	804
Operating profit	1 320	772	49	2 141	-210	1 930
Comparable share of profit/loss of associates and joint ventures	34	0	-7	28	14	42
Share of profit/loss of associates and joint ventures	-120	0	-7	-126	-207	-333
Gross investments / divestments by segment						
Gross investments in shares	2	0	20	22	4	26
Capital expenditure	207	51	58	314	21	335
Gross divestments of shares	1 208	0	152	1 360	0	1 360

PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED
	Generation	City Solutions	Consumer Solutions	Other operations	Total continuing operations, excl Russia	Russia
	I-III/2022	I-III/2022	I-III/2022	I-III/2022	I-III/2022	I-III/2022
	2 272	125	2 705	0	5 102	600
	0	370	0	0	370	91
	0	0	288	0	288	0
	0	174	0	0	174	0
	38	204	126	103	471	11
	2 310	873	3 118	103	6 405	702
	497	-36	-27	-78	356	0
					-1 394	
	2 807	837	3 091	26	5 367	702
	1 073	107	130	-59	1 251	290
	-123	-110	-57	-19	-309	-106
	950	-3	73	-78	942	185
	0	0	0	0	0	-355
	0	639	0	141	780	0
	-154	-117	699	0	428	-13
	0	1	0	-10	-8	-27
	-154	522	699	132	1 199	-395
	796	519	772	54	2 141	-211
	23	10	0	-6	28	14
	-131	10	0	-6	-126	-207
	3	3	0	17	23	4
	151	105	51	7	314	21
	0	1 209	0	150	1 359	1

	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED
	Generation	Consumer Solutions	Other Operations	Total continuing operations, excl Russia	Russia	Total
EUR million	30 Sep 2022	30 Sep 2022	30 Sep 2022	30 Sep 2022	30 Sep 2022	30 Sep 2022
Non-interest-bearing assets	6 075	1 422	1 078	8 575	2 923	11 498
Participations in associates and joint ventures	977	0	49	1 026	561	1 586
Eliminations				-333		-337
Total segment assets	7 052	1 422	1 126	9 268	3 484	12 748
Interest-bearing receivables						5 388
Deferred tax assets						844
Other assets						9 100
Liquid funds						3 638
Total assets						31 719
Segment liabilities	505	383	287	1 174	155	1 330
Eliminations				-333		-337
Total segment liabilities				841		993
Deferred tax liabilities						514
Other liabilities						10 682
Total liabilities included in capital employed						12 188
Interest-bearing liabilities						12 987
Total equity						6 543
Total equity and liabilities						31 719
Number of employees	1 813	1 176	2 133	5 122	2 708	7 830

	RESTATED	RESTATED	RESTATED
	Generation	Consumer Solutions	
EUR million	30 Sep 2022	30 Sep 2022	Russia 30 Sep 2022
Comparable operating profit	1 447	56	264
Comparable share of profit/loss of associates and joint ventures	25	0	19
Comparable operating profit including comparable share of profit/loss of associates and joint ventures	1 472	56	284
Segment assets at the end of the period	7 052	1 422	3 484
Segment liabilities at the end of the period	505	383	155
Comparable net assets	6 547	1 039	3 329
Comparable net assets average	7 103	935	2 742
Comparable return on net assets, %	20,7	6,0	10,3

	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED
	Generation	City Solutions	Consumer Solutions	Other operations	Total continuing operations, excl Russia	Russia	Total for continuing operations
	30 Sep 2022	30 Sep 2022	30 Sep 2022	30 Sep 2022	30 Sep 2022	30 Sep 2022	30 Sep 2022
	4 970	1 908	1 422	277	8 577	2 923	11 500
	926	77	0	23	1 026	561	1 586
					-335		-338
	5 896	1 984	1 422	300	9 268	3 484	12 748
							5 388
							844
							9 100
							3 638
							31 719
	323	329	383	140	1 176	156	1 332
					-335		-338
					841		993
							514
							10 682
							12 188
							12 987
							6 543
							31 719
	1 371	1 606	1 176	969	5 122	2 708	7 830

	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED
	Generation	City Solutions	Consumer Solutions	
	30 Sep 2022	30 Sep 2022	30 Sep 2022	Russia 30 Sep 2022
	1 377	70	56	264
	10	14	0	19
	1 387	84	56	284
	5 896	1 984	1 422	3 484
	323	329	383	156
	5 573	1 655	1 039	3 328
	5 811	1 993	935	2 742
	23,9	4,2	6,0	10,3

EUR million	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED
	Generation	Consumer Solutions	Other Operations	Total continuing operations, excl Russia	Russia	Total for continuing operations
	I-II/2022	I-II/2022	I-II/2022	I-II/2022	I-II/2022	I-II/2022
Income statement data by segment						
Power sales	1 441	1 724	8	3 174	369	3 543
Heat sales	324	0	15	339	67	406
Gas sales	0	209	0	209	0	209
Waste treatment sales	14	0	97	111	0	111
Other sales	45	91	153	289	4	293
Sales	1 825	2 024	273	4 122	441	4 562
Internal eliminations	248	-19	-47	181	0	181
Netting of Nord Pool transactions				-827		-827
External sales	2 073	2 005	225	3 476	441	3 916
Comparable EBITDA	717	94	-14	797	183	980
Depreciation and amortisation	-127	-38	-43	-209	-65	-274
Comparable operating profit	589	56	-57	588	118	706
Impairment charges and reversals	0	0	0	0	-320	-321
Capital gains and other related items	644	0	-2	642	0	642
Changes in fair values of derivatives hedging future cash flow	-338	357	0	19	0	19
Other	1	0	-10	-8	-24	-33
Items affecting comparability	307	357	-12	652	-345	308
Operating profit	897	413	-69	1 240	-227	1 013
Comparable share of profit/loss of associates and joint ventures	19	0	-1	18	15	33
Share of profit/loss of associates and joint ventures	-111	0	-1	-113	-183	-296
Gross investments / divestments by segment						
Gross investments in shares	0	0	15	15	3	19
Capital expenditure	109	32	37	175	9	184
Gross divestments of shares	1 208	0	1	1 209	0	1 209

PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	
	Generation	City Solutions	Consumer Solutions	Other Operations	Total continuing operations, excl Russia	Russia	Total for continuing operations
	I-II/2022	I-II/2022	I-II/2022	I-II/2022	I-II/2022	I-II/2022	I-II/2022
	1 393	80	1 724	0	3 198	369	3 567
	0	316	0	0	316	67	384
	0	0	209	0	209	0	209
	0	111	0	0	111	0	111
	23	112	91	69	295	4	299
	1 416	619	2 024	69	4 128	441	4 569
	259	-14	-19	-51	175	0	174
					-827		-827
	1 675	605	2 005	18	3 476	441	3 916
	657	90	94	-44	797	183	980
	-82	-77	-38	-12	-209	-65	-274
	575	12	56	-55	588	118	706
	0	0	0	0	0	-320	-321
	0	639	0	3	642	0	642
	-285	-53	357	0	19	0	19
	0	1	0	-10	-8	-24	-33
	-285	587	357	-6	652	-345	308
	290	599	413	-62	1 240	-227	1 013
	12	7	0	-1	18	15	33
	-118	7	0	-1	-113	-183	-296
	0	0	0	15	15	3	19
	75	63	32	5	175	9	184
	0	1 209	0	0	1 209	0	1 209

EUR million	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED
	Generation	Consumer Solutions	Other Operations	Total continuing operations, excl Russia	Russia	Total for continuing operations	Discontinued operations	Total	Generation	City Solutions	Consumer Solutions	Other Operations	Total continuing operations, excl Russia	Russia	Total for continuing operations	Discontinued operations	Total	
	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022	
Non-interest-bearing assets	6 270	1 156	1 068	8 494	2 850	11 344	25 135	36 478	5 171	1 896	1 156	274	8 497	2 850	11 347	25 135	36 481	
Participations in associates and joint ventures	985	0	58	1 043	592	1 635	681	2 316	938	70	0	35	1 043	592	1 635	681	2 316	
Eliminations				-324		-327		-345					-327		-330		-348	
Total segment assets	7 255	1 156	1 126	9 214	3 441	12 652	25 816	38 449	6 109	1 966	1 156	309	9 214	3 441	12 652	25 816	38 449	
Interest-bearing receivables								2 015									2 015	
Deferred tax assets								4 886									4 886	
Other assets								182 154									182 154	
Liquid funds								4 165									4 165	
Total assets								231 669									231 669	
Segment liabilities	584	347	289	1 220	89	1 309	24 268	25 576	374	352	347	150	1 222	89	1 311	24 268	25 579	
Eliminations				-324		-327		-346					-326		-330		-348	
Total segment liabilities				896		982		25 231					896		982		25 231	
Deferred tax liabilities								926									926	
Other liabilities								189 924									189 924	
Total liabilities included in capital employed								216 081									216 081	
Interest-bearing liabilities								14 277									14 277	
Total equity								1 311									1 311	
Total equity and liabilities								231 669									231 669	
Number of employees	1 779	1 172	2 182	5 133	2 579	7 712	11 249	18 961	1 344	1 607	1 172	1 010	5 133	2 579	7 712	11 249	18 961	

EUR million	RESTATED	RESTATED	RESTATED		PUBLISHED			PUBLISHED
	Generation	Consumer Solutions	Russia		Generation	City Solutions	Consumer Solutions	Russia
	30 Jun 2022	30 Jun 2022	30 Jun 2022		30 Jun 2022	30 Jun 2022	30 Jun 2022	30 Jun 2022
Comparable operating profit	1 307	53	243		1 221	65	53	242
Comparable share of profit/loss of associates and joint ventures	11	0	26		17	10	0	26
Comparable operating profit including comparable share of profit/loss of associates and joint ventures	1 318	53	268		1 239	75	53	268
Segment assets at the end of the period	7 255	1 156	3 441		6 623	1 966	1 156	3 441
Segment liabilities at the end of the period	584	347	89		513	352	347	89
Comparable net assets	6 671	809	3 353		6 110	1 614	809	3 352
Comparable net assets average	7 345	851	2 591		6 219	2 177	851	2 591
Comparable return on net assets, %	17,9	6,2	10,3		19,9	3,4	6,2	10,3

	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED
	Generation	Consumer Solutions	Other Operations	Total continuing operations, excl Russia	Russia	Total for continuing operations
EUR million	I/2022	I/2022	I/2022	I/2022	I/2022	I/2022
Income statement data by segment						
Power sales	721	977	4	1 702	177	1 879
Heat sales	236	0	10	246	43	288
Gas sales	0	136	0	136	0	136
Waste treatment sales	11	0	51	62	0	62
Other sales	18	55	72	144	3	147
Sales	985	1 168	137	2 290	223	2 513
Internal eliminations	129	-7	-24	98	0	97
Netting of Nord Pool transactions				-448		-448
External sales	1 114	1 161	113	1 940	223	2 162
Comparable EBITDA	374	54	7	435	92	527
Depreciation and amortisation	-67	-19	-22	-109	-31	-140
Comparable operating profit	307	35	-16	326	61	388
Impairment charges and reversals	0	0	0	0	-275	-275
Capital gains and other related items	0	0	3	3	0	3
Changes in fair values of derivatives hedging future cash flow	3	157	0	160	0	160
Other	1	0	-10	-8	-21	-29
Items affecting comparability	4	157	-7	154	-296	-142
Operating profit	312	192	-23	480	-234	246
Comparable share of profit/loss of associates and joint ventures	10	0	-1	8	13	21
Share of profit/loss of associates and joint ventures	-54	0	-1	-56	-159	-215
Gross investments / divestments by segment						
Gross investments in shares	0	0	6	6	7	12
Capital expenditure	50	16	10	76	4	80
Gross divestments of shares	0	0	0	0	0	0

	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED
	Generation	City Solutions	Consumer Solutions	Other Operations	Total continuing operations, excl Russia	Russia	Total for continuing operations
	I/2022	I/2022	I/2022	I/2022	I/2022	I/2022	I/2022
	691	50	977	0	1 718	177	1 895
	0	230	0	0	230	43	272
	0	0	136	0	136	0	136
	0	61	0	0	61	0	61
	10	50	55	35	149	3	152
	701	390	1 168	35	2 294	223	2 517
	132	-6	-7	-26	94	0	93
					-448		-448
	833	384	1 161	9	1 940	223	2 162
	316	90	54	-25	435	92	527
	-41	-42	-19	-7	-109	-31	-140
	275	48	35	-32	326	61	388
	0	0	0	0	0	-275	-275
	0	0	0	2	3	0	3
	17	-14	157	0	160	0	160
	0	1	0	-10	-8	-21	-29
	17	-12	157	-7	154	-296	-142
	292	36	192	-39	480	-234	246
	6	4	0	-1	8	13	21
	-58	4	0	-1	-56	-159	-215
	0	0	0	6	6	7	12
	34	25	16	1	76	4	80
	0	0	0	0	0	0	0

	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED	RESTATED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED
	Generation	Consumer Solutions	Other Operations	Total continuing operations, excl Russia	Russia	Total for continuing operations	Discontinued operations		Generation	City Solutions	Consumer Solutions	Other Operations	Total continuing operations, excl Russia	Russia	Total for continuing operations	Discontinued operations	Total
EUR million	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022
Non-interest-bearing assets	6 357	1 468	1 071	8 896	1 699	10 595	26 568	37 163	5 212	1 961	1 468	261	8 903	1 699	10 602	26 568	37 170
Participations in associates and joint ventures	1 047	0	54	1 102	458	1 559	665	2 225	987	84	0	31	1 102	458	1 559	665	2 225
Eliminations				-330		-334		-347					-337		-341		-354
Total segment assets	7 404	1 468	1 125	9 667	2 157	11 820	27 233	39 040	6 200	2 044	1 468	292	9 667	2 157	11 820	27 233	39 040
Interest-bearing receivables								1 961									1 961
Deferred tax assets								3 180									3 180
Other assets								155 824									155 824
Liquid funds								6 419									6 419
Total assets								206 425									206 425
Segment liabilities	555	467	311	1 333	186	1 520	23 203	24 722	322	365	467	185	1 340	187	1 527	23 203	24 729
Eliminations				-330		-334		-348					-337		-341		-354
Total segment liabilities				1 003		1 186		24 375					1 003		1 186		24 375
Deferred tax liabilities								679									679
Other liabilities								157 734									157 734
Total liabilities included in capital employed								182 788									182 788
Interest-bearing liabilities								14 875									14 875
Total equity								8 762									8 762
Total equity and liabilities								206 425									206 425
Number of employees	2 025	1 185	1 987	5 197	2 744	7 941	11 319	19 260	1 262	1 751	1 185	999	5 197	2 744	7 941	11 319	19 260

	RESTATED	RESTATED
	Generation	Consumer Solutions
EUR million	31 Mar 2022	31 Mar 2022
Comparable operating profit	1 218	51
Comparable share of profit/loss of associates and joint ventures	6	0
Comparable operating profit including comparable share of profit/loss of associates and joint ventures	1 224	51
Segment assets at the end of the period	7 404	1 468
Segment liabilities at the end of the period	555	467
Comparable net assets	6 849	1 001
Comparable net assets average	7 690	833
Comparable return on net assets, %	15,9	6,1

RESTATED
Russia
31 Mar 2022
223
52
275
2 157
186
1 970
2 424
11,3

PUBLISHED	PUBLISHED	PUBLISHED
Generation	City Solutions	Consumer Solutions
31 Mar 2022	31 Mar 2022	31 Mar 2022
1 123	97	51
18	7	0
1 141	104	51
6 706	2 044	1 468
460	365	467
6 246	1 679	1 001
6 224	2 515	833
18,3	4,1	6,1

PUBLISHED
Russia
31 Mar 2022
223
52
275
2 157
187
1 970
2 424
11,3

Power generation capacity by segment

	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022
MW	RESTATED	RESTATED	RESTATED	RESTATED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED
Generation	8 575	8 551	8 551	8 551	8 041	8 041	8 041	8 041
City Solutions	-	-	-	-	559	535	535	535
Other Operations	25	25	25	25	-	-	-	-
Total continuing operations excl. Russia	8 600	8 576	8 576	8 576	8 600	8 576	8 576	8 576
Russia	4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672
Total continuing operations	13 272	13 248	13 248	13 248	13 272	13 248	13 248	13 248

Heat production capacity by segment

	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022
MW	RESTATED	RESTATED	RESTATED	RESTATED	PUBLISHED	PUBLISHED	PUBLISHED	PUBLISHED
Generation	2 855	1 914	1 914	1 964	-	-	-	-
City Solutions	-	-	-	-	3 026	2 085	2 085	2 135
Other Operations	171	171	171	171	-	-	-	-
Total continuing operations excl. Russia	3 026	2 085	2 085	2 135	3 026	2 085	2 085	2 135
Russia	7 613	7 613	7 613	7 613	7 613	7 613	7 613	7 613
Total continuing operations	10 640	9 698	9 698	9 748	10 640	9 698	9 698	9 748