Fortum Interim Report

JANUARY-SEPTEMBER 2022

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Tables to the Interim Report

Financial results discussed in this third-quarter interim report comprise the continuing operations of the Fortum Group. The Uniper segment has been reclassified as discontinued operations in the quarterly and accumulated tables including information for the comparative periods. As a result, continuing operations and discontinued operations are presented separately for the Fortum Group. Comparative period information for 2021 as well as for the first and second quarter of 2022 have been restated accordingly and can be found in the stock exchange release published on 6 October 2022. For further information, see notes 2 and 6.

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

A watershed quarter – Fortum divests Uniper and refocuses on securing supply with clean power in the Nordics

July–September 2022, continuing operations

- Comparable EBITDA was EUR 561 (386) million
- Comparable operating profit was EUR 421 (243) million
- Operating profit was EUR 917 (3,000) million, mainly impacted by changes in fair values of non-hedge-accounted derivatives. In the comparison period, items affecting comparability included tax-exempt capital gains of EUR 2.6 billion.
- Comparable earnings per share were EUR 0.31 (0.19). Comparable earnings per share for Fortum, including discontinued operations, were -2.25 (0.19).
- Earnings per share were EUR 0.67 (3.26). Earnings per share for Fortum, including discontinued operations impacted by the deconsolidation effect, were 6.86 (-0.81).
- Cash flow from operating activities totalled EUR 497 (340) million
- On 22 July, Fortum, Uniper and the German Government agreed on a comprehensive stabilisation package to provide financial relief to Uniper
- On 21 September, the stabilisation package was replaced, as Fortum, the German Government and Uniper signed a further agreement in principle. According to the agreement, Fortum will sell all its shares in Uniper SE to the German State for EUR 0.5 billion. Further, Fortum’s EUR 4 billion shareholder loan to Uniper will be repaid and Uniper will release the EUR 4 billion parent company guarantee. Completion of the agreed transaction is currently expected by the end of this year.
- Uniper is deconsolidated and reclassified as discontinued operations

January–September 2022, continuing operations

- Comparable EBITDA was EUR 1,541 (1,343) million
- Comparable operating profit was EUR 1,126 (909) million
- Operating profit was EUR 1,930 (3,778) million, mainly impacted by changes in fair values of non-hedge-accounted derivatives and tax-exempt capital gains from divestments. In the comparison period, items affecting comparability included tax-exempt capital gains of EUR 2.68 billion.
- Comparable earnings per share were EUR 1.50 (0.82). Comparable earnings per share for Fortum including discontinued operations were -1.36 (1.22).
- Earnings per share were EUR 1.82 (4.02). Earnings per share for Fortum, including discontinued operations, were -2.04 (-0.12).
- Impairments (pre-tax) of approximately EUR 0.6 billion related to the Russia segment were recorded
- Cash flow from operating activities totalled EUR 1,496 (1,032) million
- On 19 May, Fortum closed the sale of its 50% ownership in Fortum Oslo Varme AS for approximately EUR 1 billion. The agreement was signed on 22 March 2022.

Summary of outlook

- The Generation segment’s Nordic generation hedges: approximately 80% at EUR 49 per MWh for the remainder of 2022, approximately 65% at EUR 49 per MWh for 2023, and approximately 40% at EUR 38 per MWh for 2024.
- UPDATE of capital expenditure guidance: Fortum updates its guidance on capital expenditure for 2022 and expects it, including maintenance but excluding acquisitions, for the continuing operations to be approximately EUR 550 million in 2022.

Key figures, continuing operations

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Reported						
Sales	2,152	1,296	6,068	4,251	6,422	8,239
Operating profit	917	3,000	1,930	3,778	4,325	2,478
Share of profit/loss of associates and joint ventures	-37	7	-333	147	168	-312
Net profit	600	2,888	1,623	3,580	4,008	2,050
Net profit (after non-controlling interests)	601	2,892	1,619	3,568	3,985	2,036
Earnings per share, EUR	0.67	3.26	1.82	4.02	4.49	2.29
Net cash from operating activities	497	340	1,496	1,032	1,119	1,583

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Comparable						
EBITDA	561	386	1,541	1,343	2,016	2,214
Operating profit	421	243	1,126	909	1,429	1,646
Share of profit/loss of associates and joint ventures	9	5	42	108	104	38
Net profit (after non-controlling interests)	276	171	1,333	730	1,091	1,694
Earnings per share, EUR	0.31	0.19	1.50	0.82	1.23	1.91

Key figures, total of continuing and discontinued operations

EUR million	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Reported						
Net profit (after non-controlling interests)	6,099	-721	-1,809	-103	739	-967
Earnings per share, EUR	6.86	-0.81	-2.04	-0.12	0.83	-1.09
Net cash from operating activities	-8,120	2,274	-9,374	3,394	4,970	-7,797
Comparable						
Net profit (after non-controlling interests)	-1,990	171	-1,204	1,086	1,778	-512
Earnings per share, EUR	-2.25	0.19	-1.36	1.22	2.00	-0.58

EUR million or as indicated	30 Sep 2022	31 Dec 2021	LTM
Financial position			
Financial net debt (at period-end)	5,863	789	
Financial net debt adjusted with Uniper receivable*	1,863	N/A	
Adjusted net debt (at period-end)	5,902	3,227	
Financial net debt/comparable EBITDA, continuing operations		N/A	2.6
Financial net debt adjusted with Uniper receivable*/comparable EBITDA, continuing operations		N/A	0.8
Financial net debt/comparable EBITDA, total		0.2	N/A

*) In the third quarter of 2022, Fortum introduced a new APM 'Financial net debt adjusted with Uniper receivable' to include the EUR 4 billion shareholder loan receivable from Uniper that will be repaid upon completion of the transaction to divest Uniper to the German State. The receivable is included in the balance sheet on the line "Short-term interest-bearing receivables"

Fortum's President and CEO Markus Rauramo:

"The third quarter continued to be dominated by the brutal war Russia is waging in Ukraine and the effects from the consequent European energy crisis. Russian gas flows to Europe through Nord Stream 1 were cut off completely resulting in all-time high gas and power prices across Europe and massive losses for German gas importers that had to procure gas at significantly higher prices and were not able to pass on the increased procurement costs to customers.

The major event of the quarter for Fortum was our decision to fully divest Uniper to the German State as part of a German State-led rescue of Germany's biggest gas importer. This was a defining moment in our company's history. The stabilisation package agreed in July with the German Government and Uniper simply did not work. Faced with a complete cut-off of Russian gas, the package was difficult to implement and insufficient to save Uniper, as by September Uniper had already accumulated significant losses of billions of euros. In the new solution, the German State takes full control of Uniper and will inject several billion of euros as equity capital. The German State also buys all of Fortum's shares in Uniper for a total of approximately EUR 0.5 billion. After this, Fortum's EUR 4 billion shareholder loan to Uniper will be repaid and the EUR 4 billion parent company guarantee will be released. The transaction is subject to customary regulatory clearances and an approval by Uniper's Extraordinary General Meeting. At the moment, we expect closing of the deal by year-end.

This was not an easy decision for Fortum. Five years ago, we embarked on a journey to invest in Uniper and then worked together as a pan-European electricity and gas powerhouse. The outcome clearly is not what we wanted or worked for over the past years, but it does give us a chance for a fresh start. The total loss from the Uniper investment will be slightly below EUR 6 billion, consisting of the investments in Uniper shares, the dividends received from Uniper and the sales proceeds from the divestment. The divestment will negatively impact the parent company Fortum Oyj's equity. However, we have assessed that the equity remains at a sufficient level and does not require additional capital injections. Following the agreement, Uniper has been deconsolidated and is now reported as discontinued operations. Fortum's financials for the continuing operations will no longer include any impact from Uniper operations. The deconsolidation of Uniper strengthens Fortum Group's equity by approximately EUR 5 billion.

The ongoing energy crisis affects our Nordic home market as well. The dramatically increased spot and futures power prices resulted in record-high collateral requirements on the Nordic commodities exchange Nasdaq. To ensure that Fortum can manage the great uncertainty and volatility in the markets and the possible need to rapidly commit significant amounts of working capital for collateral requirements, we agreed with our majority owner, the Finnish State, on a EUR 2.35 billion bridge financing arrangement. A first tranche of EUR 350 million was drawn down at the end of September to keep the facility in place. This triggered the convening of a Fortum Extraordinary General meeting to approve the directed share issue without payment to Solidium (1%), a condition of the loan agreement. Currently, our liquidity situation is stable, and we have sufficient financial buffers.

Considering the extremely challenging business environment, I would like to highlight that all segments of Fortum's continuing operations improved their results in the third quarter. Results of the Generation segment, in particular, were driven by a record-high achieved power price and physical optimisation, higher spot prices and a higher hedge price.

Going forward, our immediate priorities are completing the Uniper transaction, finalising a controlled exit from Russia as well as maintaining adequate liquidity buffers ahead of a possibly turbulent winter. In addition, and most importantly, we are reviewing our strategy to outline our future direction. Our core business is in clean Nordic power generation. In pursuit of a carbon-neutral Europe, Fortum's CO_2-free generation assets are highly relevant.

To tackle the impacts of the energy crisis on societies, EU countries have agreed on a set of emergency actions. While crisis measures that help customers deal with soaring energy prices are undoubtedly necessary, it is crucial to implement them in a manner that does not lead to exclusion of capacity from the market and thereby even rationing of electricity. It is also very important that these interventions are temporary and separate from the long-term structural reform of the power market design, which is about to start in the EU. Price and revenue caps and windfall taxes must not become permanent, as they would erode the energy industry's possibilities to invest in the energy transition in the longer term. For these investments to happen, companies need clarity and predictability, and in this regard, carefully prepared and well formulated regulation. The overall visibility and reliability of the regulatory environment is key.

These past few months have been the most intense and challenging ever in Fortum's history. I want to express my warm thanks to everyone at Fortum for their important contribution and hard work. However, as there is no resolution in sight for the war in Ukraine, and the economic outlook looks bleaker, our customers and societies may face even more harsh times as we enter the winter season. Thus, we will continue our determined work to ensure that our fleet is running steadily and reliably, providing energy and security of supply that is now needed more than ever."

Uniper divestment

On 21 September, Fortum, the German Government and Uniper announced that the parties had signed a new agreement in principle for a long-term solution that will allow the German State to take full control of Uniper SE. Upon completion, the agreement enables Fortum to divest Uniper and to refocus on clean Nordic power generation as its core business. It replaces the initial Uniper stabilisation agreement between the same parties, signed in July 2022. Since July 2022, the European energy crisis escalated further and the severity of the situation made it apparent that the previously agreed stabilisation measures were insufficient and difficult to implement. By 21 September, Uniper had accumulated significant negative earnings amounting to billions of euros in gas-related losses, and it had become evident that the company, as privately-owned, was not able to fulfil its role as a critical energy provider of security of supply in Germany.

Under the agreement, Uniper will issue new ordinary registered shares, which the German State will subscribe at a nominal value of EUR 1.70 per share. The German State-owned KfW bank is providing Uniper with additional liquidity support as required until the capital increase is completed.

At completion of the equity capital increase, the German State will buy all of Fortum's approximately 293 million shares in Uniper SE for EUR 1.70 per share, i.e. for a total of EUR 0.5 billion. At that point, the change of control clause in the financing agreement will be triggered and Uniper will repay Fortum's EUR 4 billion shareholder loan granted to Uniper and release the EUR 4 billion parent company guarantee.

Further, Fortum will have a right of first offer in case Uniper intends to divest all or parts of its Swedish hydro and nuclear assets until the end of 2026.

The completion of the agreed transaction remains subject to completion of definite agreements with the German State and Uniper, as well as regulatory approvals in several geographies, including Merger Control and State Aid clearances from the European Commission. The German State's equity capital increase in Uniper also requires approval by an Extraordinary General Meeting of Uniper. Closing of the agreed transaction is currently expected by the end of this year.

The completion of the transaction mitigates the risks related to the material uncertainty of Uniper's liquidity and financial situation that also affects Fortum. The financial distress for Uniper or, ultimately, its insolvency, as a result of the failure of the agreed transaction, or otherwise, could be detrimental for Fortum and have serious consequences, not only for Fortum's financial arrangements, but also for the Nordic and possibly European energy markets.

In 2017, Fortum became a major shareholder in Uniper with a 46.65% ownership stake and a majority shareholder in 2019, eventually raising its shareholding in Uniper to approximately 80%.

The total loss from the Uniper investment in the legal Fortum entity owning the Uniper shares will be slightly below EUR 6 billion, which is the net effect from the investments in Uniper SE shares of approximately EUR 7.2 billion, the sales proceeds of EUR 0.5 billion to be received, and dividends of approximately EUR 0.9 billion received during Fortum's Uniper ownership. The divestment will negatively impact the parent company Fortum Oyj's equity; however, Fortum has assessed that the equity remains at a sufficient level and does not require additional capital injections.

IFRS restatement relating to discontinued operations

The agreement in principle signed on 21 September 2022, according to which Fortum will fully divest its ownership in Uniper to the German State, resulted in Fortum losing control of Uniper and consequently deconsolidating Uniper in the third quarter of 2022. The businesses to be divested include all operations in Fortum's Uniper segment.

In accordance with IFRS 5 Non-current Assets held for Sale and Discontinued operations, the Uniper segment is treated as discontinued operations in this third quarter 2022 interim report. Fortum restated the comparative consolidated income statement, the consolidated statement of other comprehensive income, the consolidated cash flow statement and certain key ratios for the year 2021 and for the first and second quarter of 2022. In the Group's segment information, the Uniper segment is reclassified as discontinued operations and the Generation segment is restated regarding Fortum's ownership in the Swedish nuclear operator OKG AB as an associated company instead of earlier proportionate consolidation.

Financial results discussed in this third-quarter interim report comprise the continuing operations of the Fortum Group.

Solidium's bridge financing loan to Fortum and directed share issue without payment to Solidium

The energy crisis in Europe following the Russian war in Ukraine and Russia's decision to use energy as a weapon has also affected the Nordic power market. In August 2022, dramatically increased spot and futures power prices in the Nordics led to unprecedentedly high collateral requirements for utility companies that hedge their power sales on the market. At the end of September, net margin receivables amounted to EUR 2.9 billion. At the end of August, Fortum's collaterals tied up on the Nordic commodities exchange Nasdaq amounted to approximately EUR 5 billion.

In order to ensure sufficient liquidity buffers for potential further collateral requirements in case of rising and volatile power prices, Fortum announced on 6 September that it had agreed with its majority owner, the Finnish State, on a EUR 2.35 billion bridge financing loan provided by the State-owned holding company Solidium. The bridge financing was put in place in accordance with the schedule and terms set by the Finnish State. Alternative financing for the equivalent amount and with more favourable terms than this bridge financing was not available on such short notice before the end of September due to the company's unresolved strategic matters.

According to the terms of the arrangement, the first minimum tranche of EUR 350 million was to be drawn latest on 30 September 2022 in order for the loan facility to remain effective thereafter. Therefore, on 26 September, Fortum announced that it had decided to draw the first tranche. Further drawdowns would be subject to liquidity needs for collaterals. To date, no further drawdowns have been made.

The liquidity facility matures in September 2023 and the last required tranche may be drawn by 31 March 2023. The liquidity facility is linked to the six-month Euribor; the margin for the first six months is 10% and for the following six months 12%. The effective annual interest cost including arrangement and commitment fees and excluding the impact of the below mentioned share issue, for the whole amount and duration would be 14.2%.

One condition subsequent of the drawdown of the loan, was a directed share issue, which entitles Solidium to subscribe up to 8.97 million new ordinary registered shares in Fortum. The new shares, amounting to 1% of Fortum's share capital, will be issued without payment after the execution of the share issue. As a consequence, the shares under control of the Finnish State would increase from 50.76% to 51.26%, correspondingly diluting the ownership of other shareholders. The directed share issue requires approval by Fortum's Extraordinary General Meeting (EGM) with a two-thirds majority of the shares and votes present. An EGM has been called to convene on 23 November 2022.

The arrangement also contains restrictions regarding management remuneration. The remuneration to be paid to the Board of Directors will not be increased during 2022 and 2023. Members of Fortum's Executive Management team will not be paid short- or long-term incentives (STI and LTI programmes) accumulated in 2022 and 2023, and their salaries will not be increased during 2022 or 2023.

The arrangement does not include dividend restrictions. In early 2023, Fortum's Board of Directors will take a view on a possible dividend for the year 2022.

For the moment, Fortum has sufficient liquid funds to meet current collateral requirements. In September and October, the Nordic power prices have declined from the record levels at the end of August and the market has been less volatile. However, Fortum must remain prepared for continued market turbulence, and drawing the first tranche already in September ensures that it has access to the loan should the collateral requirements increase again during the winter. As an additional liquidity risk mitigation measure, Fortum has reduced its exposure on the Nasdaq Commodities exchange and increased the share of bilateral agreements.

In the longer term, Fortum calls for necessary regulatory changes to the EU EMIR (European Market Infrastructure Regulation), which sets the legal framework for margining and collateral requirements. The current implementation does not distinguish between requirements for pure financial counterparties and power generators that have lower risks, as they possess the power generation assets and consequently the power generation. A review of the EMIR is essential to restore stability and predictability for both energy producers and users and to release power producers from unreasonable collateral requirements.

Financial results

Sales by segment

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Generation	894	676	2,310	1,916	2,869	3,264
Russia	262	193	702	639	906	969
City Solutions	254	201	873	876	1,302	1,300
Consumer Solutions	1,094	485	3,118	1,570	2,622	4,171
Other Operations	34	33	103	103	138	139
Netting of Nord Pool transactions	-568	-229	-1,394	-588	-1,128	-1,935
Eliminations	181	-64	355	-264	-286	333
Total continuing operations	**2,152**	**1,296**	**6,068**	**4,251**	**6,422**	**8,239**

Comparable EBITDA by segment

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Generation	416	278	1,073	817	1,287	1,542
Russia	107	81	290	285	404	409
City Solutions	17	22	107	197	317	227
Consumer Solutions	36	31	130	120	123	132
Other Operations	-15	-25	-59	-78	-114	-95
Total continuing operations	**561**	**386**	**1,541**	**1,343**	**2,016**	**2,214**

Comparable operating profit by segment

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Generation	375	237	950	695	1,123	1,377
Russia	67	45	185	182	261	264
City Solutions	-16	-21	-3	62	135	70
Consumer Solutions	17	13	73	68	52	56
Other Operations	-22	-31	-78	-98	-142	-122
Total continuing operations	**421**	**243**	**1,126**	**909**	**1,429**	**1,646**

Operating profit by segment

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Generation	506	171	796	669	1,066	1,192
Russia	16	44	-211	152	227	-136
City Solutions	-80	2,575	519	2,658	2,671	533
Consumer Solutions	359	235	772	382	495	885
Other Operations	116	-25	54	-83	-134	3
Total continuing operations	**917**	**3,000**	**1,930**	**3,778**	**4,325**	**2,478**

Comparable share of profit/loss of associates and joint ventures by segment

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Generation	11	2	23	13	0	10
Russia	-1	5	14	57	62	19
City Solutions	3	-1	10	39	42	14
Consumer Solutions	-	-	-	-	-	-
Other Operations	-4	0	-6	0	0	-5
Total continuing operations	**9**	**5**	**42**	**108**	**104**	**38**

Share of profit/loss of associates and joint ventures by segment

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Generation	-13	4	-131	52	64	-119
Russia	-24	5	-207	57	62	-201
City Solutions	3	-1	10	39	42	14
Consumer Solutions	-	-	-	-	-	-
Other Operations	-4	0	-6	0	0	-5
Total continuing operations	**-37**	**7**	**-333**	**147**	**168**	**-312**

July–September 2022

Sales were EUR 2,152 (1,296) million, mainly due to higher power prices.

Comparable operating profit was EUR 421 (243) million. The improvement was mainly impacted by the higher achieved power price with strong physical optimisation partly offset by lower hydro volumes in the Generation segment.

Operating profit for the period was impacted by EUR 496 (2,757) million of items affecting comparability, mainly deriving from changes in fair values of non-hedge-accounted derivatives. Items affecting comparability also includes the tax-exempt capital gains of EUR 138 million from the divestments of the Recharge and Plugsurfing businesses. In the comparison period, items affecting comparability included tax-exempt capital gains of EUR 2,350 million related to divestments of Stockholm Exergi Holding AB and a EUR 254 million gain from the sale of the district heating business in the Baltics (Note 4).

Comparable share of profits of associates and joint ventures was EUR 9 (5) million (Note 12).

January–September 2022

Sales were EUR 6,068 (4,251) million, due to record-high power prices.

Comparable operating profit was EUR 1,126 (909) million. The main reason for the improvement was the higher achieved power price with strong physical optimisation partly offset by lower hydro volumes in the Generation segment.

Operating profit for the period was impacted by EUR 804 (2,869) million of items affecting comparability, part of which is related to changes in fair values of non-hedge-accounted derivatives. Items affecting comparability also includes the tax-exempt capital gains of EUR 780 million related to the divestments of the ownership in Fortum Oslo Varme AS, Recharge and Plugsurfing, as well as EUR 355 million of impairments related to fixed assets and goodwill for the Russia segment. The stronger rouble rate increased impairments by EUR 35 million compared to the first half of 2022. In the comparison period, items affecting comparability included tax-exempt capital gains of EUR 2,350 million related to divestments of Stockholm Exergi Holding AB, a EUR 254 million gain from the sale of the district heating business in the Baltics and EUR 50 million gain from the sale of eight small hydropower plants in Sweden (Notes 4 and 13).

Comparable share of profits of associates and joint ventures was EUR 42 (108) million (Note 12). In January−September 2022, the share of profits of associates and joint ventures amounted to EUR -333 million and included EUR 194 million of impairments related to Fortum's ownership in the Russian TGC-1 and EUR 29 million of impairments related to the renewables joint ventures in Russia. The increase in impairments compared to the first six months of 2022 is due to the strengthening of the Russian rouble rate.

Finance costs - net amounted to EUR 417 (-135) million. Comparable finance costs - net amounted to EUR 564 (-96) million. The change in finance cost - net relates mainly to foreign exchange gains from rouble receivables and the closing of rouble hedges (Note 7).

Profit before income taxes was EUR 2,014 (3,790) million. Comparable profit before income taxes was EUR 1,732 (922) million.

Income taxes for the period totalled EUR -391 (-210) million. Comparable income taxes were EUR -383 (-181) million (Note 8).

Net profit was EUR 1,623 (3,580) million. Comparable net profit attributable to the owners of the parent was EUR 1,333 (730) million. Comparable net profit is adjusted for items affecting comparability, adjustments to share of profit of associates and joint ventures, net finance costs, and income tax expenses (Notes 4.2 and 24).

Earnings per share for continuing operations were EUR 1.82 (4.02). Earnings per share for total Fortum, including the effect from discontinued operations, were EUR -2.04 (-0.12). Comparable earnings per share for continuing operations were EUR 1.50 (0.82) and comparable earnings per share for total Fortum, including the effect from discontinued operations, were EUR -1.36 (1.22).

For further details, see Segment reviews.

Financial position and cash flow

Cash flow

In January−September, net cash from operating activities increased by EUR 464 million to EUR 1,496 (1,032) million, mainly due to the improved comparable EBITDA and positive change in working capital.

Net cash used in investing activities, EUR -3,358 (1,465) million, was negatively impacted by the EUR -2,401 (-819) million change in margin receivables. Capital expenditure amounted to EUR 326 (330) million. Divestment of shares and capital returns of EUR 1,156 (3,733) million mainly include the divestment of the 50% ownership in the district heating company Fortum Oslo Varme AS in Norway. Divestment of shares in the comparison period mainly includes the divestments of the 50% stake in the Swedish district heating and cooling company Stockholm Exergi and the district heating business in the Baltics.

Net cash from financing activities was EUR 850 (-471) million. The net decrease in long-term liabilities was EUR -1,053 (-535) million, while the increase in short-term liabilities was EUR 2,555 (735) million. The change in margin liabilities was EUR 546 (337) million. The net decrease in liquid funds was EUR 4,073 (increase 3,906) million, including the impact of EUR 2,248 million from the deconsolidation of Uniper (Note 15).

Assets

At the end of the third quarter of 2022, total assets amounted to EUR 31,719 (149,661 at the end of 2021) million. The decrease from December 2021 was related to the deconsolidation of Uniper in the third quarter of 2022.

Equity

Total equity amounted to EUR 6,543 (13,665 at the end of 2021 and 1,311 at the end of June 2022) million. Equity attributable to owners of the parent company totalled EUR 6,466 (12,131 at the end of 2021 and 1,980 at the end of June 2022) million. The change from December 2021 was mainly related to the net loss for the period of EUR 1,809 million, the EUR -3,407 million impact from the fair valuation of cash flow hedges and the dividend of EUR 1,013 million as well as impacts from the deconsolidation of Uniper. The dividend of EUR 1.14 euro per share was paid on 6 April 2022.

Financing

Since the second half of 2021, the very volatile commodity markets with unprecedentedly high prices have required significantly higher collaterals related to power and gas on the commodities exchanges. To manage this price volatility and the high price levels, Fortum has taken precautionary financing measures to secure its liquidity position and financial flexibility. Despite these liquidity constraints, the Group has been able to manage its financial position. At the end of September, the ratio for financial net debt adjusted with Uniper receivable to comparable EBITDA for continuing operations was 0.8 times, well below the target level of <2 times. The ratio excluding the receivable was 2.6 times. At the end of 2021, the financial net debt to comparable EBITDA ratio for Fortum Group was 0.2 times.

At the end of the reporting period, financial net debt was EUR 5,863 (789 at the end of 2021) million. Financial net debt including the receivable of the EUR 4 billion shareholder loan to Uniper, to be repaid to Fortum upon completion of the divestment of Uniper to the German State, amounted to EUR 1,863 million. Adjusted net debt was EUR 5,902 (3,227 at the end of 2021) million.

At the end of the reporting period, the Group's liquid funds totalled EUR 3,638 (7,592 at the end of 2021) million. The dividend, EUR 1,013 million, was paid on 6 April 2022.

In January 2022, Fortum signed a EUR 3,000 million revolving credit facility to manage especially Uniper's liquidity situation around the turn of the year. In January, Fortum repaid the drawn amount of EUR 500 million of its EUR 800 million bilateral revolving credit facility (maturity in December 2022 with an extension option of one year by Fortum).

In March 2022, Fortum extended the maturity of its EUR 3,000 million revolving credit facility to July 2022. Additionally, Fortum repaid EUR 247 million of the nuclear waste fund loans totalling EUR 918 million after the repayment.

In May 2022, in conjunction with the closing of the divestment of Fortum Oslo Varme AS in Norway, Fortum deconsolidated a related EUR 210 million shareholder loan from the City of Oslo.

In June 2022, Fortum signed a new EUR 5,500 million revolving credit facility which consists of a EUR 3,100 million Liquidity revolving credit facility (maturity in June 2023 with extension options for six+six months by Fortum) and a EUR 2,400 million Core revolving credit facility (maturity in June 2025 with one+one year extension options by the lenders). Fortum drew EUR 2,000 million from the Liquidity revolving credit facility. The above-mentioned EUR 3,000 million revolving credit facility was cancelled and the EUR 1,750 million revolving credit facility (maturity in June 2023) was repaid and cancelled in June 2022. Fortum also drew EUR 800 million of its EUR 800 million bilateral revolving credit facility (maturity in December 2022 with an extension option of one year by Fortum). Further, Fortum prepaid the remaining balance of EUR 450 million of its bridge loan.

During the third quarter, as Nordic power prices followed the very high Continental European power and gas prices, Fortum's collateral requirements increased to a record-high level and Fortum drew the remaining EUR 1,100 million of the Liquidity revolving credit facility: EUR 600 million in July and EUR 500 million in August. Additionally, the EUR 2,400 million Core revolving credit facility was fully utilised with two drawdowns: EUR 1,000 million in August and EUR 1,400 million in September. Fortum repaid a maturing bond of EUR 1,000 million in September 2022.

In order to have preparedness for even higher collateral requirements, on 6 September 2022, Fortum signed a EUR 2,350 million bridge financing with the Finnish State-owned company Solidium (maturity in September 2023). Fortum has drawn EUR 350 million of this loan facility.

By the end of the reporting period, Fortum's total interest-bearing loans were EUR 12,864 million. Current loans, including EUR 1,635 million of the current portion of long-term loans, amounted to EUR 6,843 million. Short-term loans, EUR 5,208 million, include EUR 3,900 million of drawn revolving credit facilities, a EUR 350 million drawdown from a Solidium bridge financing facility, and use of commercial paper programmes of EUR 421 million (Note 15).

At the end of the reporting period, Fortum Group had undrawn committed credit facilities amounting to EUR 2,000 million consisting of Solidium's bridge financing. In addition, Fortum had EUR 100 million committed overdraft limits that are valid until further notice. The bilateral revolving credit facility of EUR 800 million and a revolving credit facility of EUR 5,500 million were fully drawn.

On 3 August, S&P Global Ratings (S&P) affirmed Fortum's current BBB long-term credit rating with negative outlook following the announced stabilisation package to provide financial relief to Uniper. On 5 July, due to the Russian gas curtailment, S&P had placed Fortum on CreditWatch Negative.

On 5 August, Fitch Ratings affirmed Fortum's long-term credit rating at BBB with negative outlook on Uniper's stabilisation package. On 26 June, Fitch had changed Fortum's outlook from stable to negative.

Following the September announcement that Fortum will fully divest Uniper to the German State, the rating agencies have commented that the divestment of the Uniper stake was regarded as credit positive for Fortum, as it will improve the company's financial and risk profile. However, the rating agencies concluded that it is premature to determine the full effect of the Uniper divestment on Fortum's rating. The rating agencies are expected to update their ratings after the completion of the transaction and once Fortum publishes its new strategy.

Segment reviews

Generation

Generation is responsible for Nordic power generation. The segment comprises CO_2-free nuclear, hydro, and wind power generation, as well as power portfolio optimisation, trading, market intelligence, thermal power, and global nuclear services. Due to the deconsolidation of Uniper, OKG is reported as an associated company instead of the earlier proportionate consolidation (Note 3).

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Reported						
Sales	894	676	2,310	1,916	2,869	3,264
- power sales	879	639	2,272	1,794	2,660	3,138
of which Nordic outright power sales*	596	442	1,613	1,313	1,937	2,238
- other sales	16	37	38	122	209	125
Operating profit	506	171	796	669	1,066	1,192
Share of profit/loss of associates and joint ventures**	-13	4	-131	52	64	-119
Capital expenditure and gross investments in shares	78	37	154	99	175	230
Number of employees			1,371		1,116	

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Comparable						
EBITDA	416	278	1,073	817	1,287	1,542
Operating profit	375	237	950	695	1,123	1,377
Share of profit/loss of associates and joint ventures**	11	2	23	13	0	10
Return on net assets, %					19.0	23.9
Net assets (at period-end)			5,573	5,906	5,961	

* Nordic outright power sales includes hydro and nuclear generation. It does not include thermal 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 2021).

Power generation by source

TWh	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Hydropower, Nordic	4.2	5.0	14.3	17.2	23.3	20.4
Nuclear power, Nordic	5.5	5.5	17.3	17.2	23.5	23.7
Total	**9.7**	**10.5**	**31.6**	**34.4**	**46.8**	**44.0**

Nordic sales volumes

TWh	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Nordic sales volume	11.2	12.2	36.9	39.9	54.1	51.0
of which Nordic outright power sales volume*	9.3	10.1	30.5	33.3	45.3	42.6

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

Achieved power price

EUR/MWh	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Generation's Nordic achieved power price*	63.9	43.7	52.8	39.5	42.8	52.6

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

July–September 2022

The Generation segment's total power generation in the Nordic countries decreased due to lower hydro volumes caused by lower inflow and lower water reservoir levels compared to the previous year. Nuclear volumes were at the same level as in the third quarter of 2021. Planned nuclear outages were slightly longer, while volumes were compensated by volumes from TVO's third Olkiluoto nuclear power plant unit (OL3), which currently is in the test production phase. The segment's overall operational performance and load factor for nuclear generation were at a good level. CO_2-free generation accounted for 100% of the total power generation.

The achieved power price in the Generation segment increased by EUR 20 per MWh, up by 46% to a new record-high level of EUR 63.9 MWh. The achieved power price increased, mainly due to record-high physical optimisation, higher spot prices and a higher hedge price. While the spot power price increased by 234% in the Generation segment's power generation areas, the positive result effect of the higher achieved power price was dampened by the fairly high hedge levels and a hedge price below the level of the spot price. The achieved power price was also negatively impacted by the high price difference in Sweden between the high system price and the low SE2-area spot price (Sundsvall). Due to low liquidity in the SE2-area price products, the hedge ratio in the SE2-area was lower than the system price hedge ratio and, consequently, negatively affected the achieved power price.

The higher achieved power price boosted comparable operating profit, which increased by 58%. The result improvement was partly offset by lower hydro volumes (Note 3).

Operating profit was affected by EUR 131 (-66) 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 11 (2) million, including the share of profits of EUR 9 million from OKG (Notes 3 and 12).

January–September 2022

The Generation segment's total power generation in the Nordic countries decreased due to lower hydropower volumes. This was caused by lower inflow to the segment's power generation areas and lower water reservoir levels during the year. The operational performance and production volumes for nuclear generation were solid and at the same good level as in January−September 2021.

The achieved power price in the Generation segment increased by EUR 13 per MWh, up by 34%. The achieved power price increased, mainly due to the very successful physical optimisation and higher spot prices. While the spot power price increased by 121% in the Generation segment's power generation areas, the positive result effect of the higher achieved power price was dampened by the fairly high hedge levels and a hedge price below the level of the spot price. The achieved power price was also negatively impacted by the significant price difference in Sweden between the high system price and the lower SE2-area spot price (Sundsvall). Due to low liquidity in the SE2-area price products, the hedge ratio in SE2-area was lower than the system price hedge ratios and, consequently, negatively affected the achieved power price.

Comparable operating profit increased by 37%. The increase was mainly related to the higher achieved power price, partly offset by lower hydro volumes.

Operating profit was affected by EUR -154 (-26) 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 23 (13) million, including the share of profits of EUR 9 million from OKG (Notes 3 and 12).

On 1 February, a Fortum and Uniper joint organisation for the Nordic hydro and physical trading operations was launched. Fortum took responsibility for Uniper's hydropower asset management in Sweden and the physical trading optimisation and dispatch activities in the Nordics. After the decision to fully divest its ownership in Uniper, it was agreed to discontinue all strategic cooperation and pursue development as two separate companies. The discontinuations are planned to take place before the ownership change and at the latest by the end of this year.

On 3 March, Fortum announced its decision to apply for a new operating licence for both units at the nuclear power plant in Loviisa, Finland, until the end of 2050. If approved, the plant is expected to generate up to 170 terawatt-hours of CO_2-free electricity over the course of the lifetime extension. Investments related to the continuing of operations and lifetime extension will amount to an estimated one billion euros until 2050. On 18 March 2022, Fortum submitted the Loviisa nuclear power plant operating licence application to the Finnish Government.

On 12 March, electricity generation of TVO's third Olkiluoto nuclear power plant unit (OL3) in Finland started. The total capacity of the plant is 1,600 MW. In June 2022, TVO announced that the start of regular electricity generation was postponed from September to December 2022. In October 2022, TVO announced that damage was detected in the feedwater pumps located in OL3's turbine island. This may have an effect on the continuation of OL3's nuclear commissioning and the start of the regular electricity generation and the schedule will be updated as soon as the results of the investigation of feedwater pumps are available. Once regular electricity production has started, OL3 will produce approximately 14% of Finland's total electricity consumption (Note 16).

On 9 June, Fortum announced that it had, together with Gasgrid Finland, signed a Letter of Intent for Finland's first floating LNG terminal vessel, Exemplar, to be placed at Fortum's Inkoo port. Located on the south coast of Finland, Inkoo provides an optimal deep-water port at close proximity to the pipelines distributing gas mainly to industrial end-users in the Baltic region. This project supports Finland's self-sufficiency of gas. Gasgrid Finland is leasing a floating LNG terminal vessel for a duration of 10 years and aims to have the terminal available already this winter. The vessel's capacity is sufficient for the gas needs of both Finland and Estonia. Russian gas supplies through the Imatra entry point were stopped in May 2022.

During the reporting period, Fortum offered the Meri-Pori coal condensing power plant for peak-load reserve capacity until October 2023. On 16 September, the Finnish Energy Authority announced that Meri-Pori was not chosen to the reserve as result of the tendering process. Fortum has since started preparing Meri-Pori for commercial use to help maintain security of supply in Finland during the energy crisis. In October, the power plant underwent a thorough annual outage to ensure that it can operate at its full capacity of 560 MW if needed. How much the plant will run then depends on the situation in the power market. The Meri-Pori plant is Finland's last coal-fired condensing plant. It was commissioned in 1994 and has been in the peak-load reserve system since 2017.

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	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Reported						
Sales	262	193	702	639	906	969
- power sales	231	175	600	543	761	819
- heat sales	23	16	91	92	137	135
- other sales	7	1	11	4	8	15
Operating profit	16	44	-211	152	227	-136
Share of profit/loss of associates and joint ventures	-24	5	-207	57	62	-201
Capital expenditure and gross investments in shares	12	24	25	60	83	47
Number of employees			2,708		2,627	

EUR million	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Comparable						
EBITDA	107	81	290	285	404	409
Operating profit	67	45	185	182	261	264
Share of profit/loss of associates and joint ventures	-1	5	14	57	62	19
Return on net assets, %					12.9	10.3
Net assets (at period-end)			3,328	2,551	2,508	

Power generation and heat production for the Russia segment

TWh	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Russian power generation	6.3	6.4	21.0	21.0	28.6	28.7
Russian heat production	1.5	1.7	9.8	11.6	17.1	15.2

Prices for the Russia segment

	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Average capacity price for CCS and other, tRUB/MW/month* **	189	161	194	167	170	190
Average capacity price for CSA, tRUB/MW/month**	1,030	1,079	1,084	1,143	1,174	1,139
Average capacity price, tRUB/MW/month	465	531	486	564	584	526
Achieved power price for the Russia segment, RUB/MWh	2,062	2,064	1,954	1,980	2,018	2,000
Achieved power price for the Russia segment, EUR/MWh***	32.6	23.9	25.5	22.4	23.2	25.5

* Including capacity receiving payments under "forced mode status", regulated tariffs, and bilateral agreements.
** Capacity prices paid for the capacity volumes, excluding unplanned outages, repairs, and own consumption.
*** Translated using the average exchange rate.

Due to existing Western sanctions on Russia and Russia's counter-sanctions, the Group's Russian operations are subject to significant foreign exchange transfer restrictions, which limit the access to cash flows and ability to transfer funds, including potential dividend distributions, out of Russia. Fortum has stopped all new investment projects in Russia and monetary transfers to Russia and thus is not providing any new financing to its Russian subsidiaries.

July–September 2022

Power generation volumes decreased by 2%. The main reason was related to the divestment of the Argayash coal-fired combined heat and power plant (CHP) in the third quarter of 2021. Heat production volumes decreased by 12% due to the warmer weather in Chelyabinsk and Tyumen and to structural changes, i.e. the divestment of the Argayash (CHP) plant.

Sales increased by 36%, or EUR 69 million, mainly due to the stronger Russian rouble and higher power prices, the effect of which was partly offset by expiry of Capacity Supply Agreement (CSA) payments of the Nyagan 1 production unit. The effect of the change in the Russian rouble exchange rate was EUR 72 million.

Comparable operating profit increased by 49%, or EUR 22 million. The positive effects from the EUR 19 million change in the Russian rouble exchange rate, lower depreciation following impairments recognised in the first quarter, as well as higher power prices were partly offset by the expiry of the CSA period for the Nyagan 1 production unit.

Due to the change in the Russian rouble exchange rate, the impairments related to Fortum’s Russia segment, as recognised in the first-half 2022 results, were adjusted by EUR -35 million.

Comparable share of profits of associates and joint ventures totalled EUR -1 (5) million, including the share of profits of EUR 0 (11) million from TGC-1, EUR 6 (2) million from the joint ventures for renewables power generation, and EUR -9 (-9) million from the joint ventures for heat distribution (Notes 3 and 12).

January–September 2022

Power generation volumes remained unchanged. The positive effect of the higher generation was due to maintenance at the Nyagan plant and other power plants in the second quarter of 2021, offset by the divestment of the Argayash CHP plant in the third quarter of 2021. The heat production volumes decreased by 16%, due to the Argayash CHP plant divestment and warmer weather in Chelyabinsk and Tyumen.

Sales increased by 10%, or EUR 63 million, due to the stronger Russian rouble and higher power prices partly offset by expiry of the CSA payments of the Nyagan 1 production unit and the divestment of the Argayash CHP plant. The effect of the change in the Russian rouble exchange rate was EUR 94 million.

Comparable operating profit increased by 2%, or EUR 3 million. The EUR 25 million effect of the change in the Russian rouble, higher power prices and lower depreciation following impairments recognised in the first quarter was partly offset by the negative effect from the CSA expiry for Nyagan 1. The comparison period includes a EUR 17 million positive effect from the sale of the 116-MW CSA-backed solar power project to the Fortum-RDIF joint venture.

Comparable share of profits of associates and joint ventures totalled EUR 14 (57) million, including the share of profits of EUR -2 (-1) million from the joint ventures for heat distribution, EUR 12 (23) million from the joint ventures for renewables power generation and EUR 0 (34) million from TGC-1 (Notes 3 and 12).

On 18 January, Fortum announced that a 1.3 GW portfolio of wind projects was to be transferred to a new joint venture. However, this wind portfolio is now part of the assets and operations that are subject to the ongoing divestment process following Fortum’s decision for a controlled exit from Russia as a result of the Russia-Ukraine war. Fortum’s ownership interest in the 1.3 GW portfolio is presented in other non-current assets and in interest-bearing liabilities.

On 3 May, following Russia’s attack and the war in Ukraine and consequential geopolitical tensions, uncertainties and risks, Fortum announced pre-tax impairments related to the company’s Russian operations recorded in its first-quarter 2022 results. The impairments include approximately EUR 355 million related to fixed assets and goodwill for Fortum’s Russia segment. Further, impairments also include approximately EUR 223 million related to Fortum’s ownership in TGC-1 and renewables joint ventures.

City Solutions

City Solutions is responsible for sustainable solutions for urban areas. The segment comprises heating, cooling, waste-to-energy, and other circular economy solutions, as well as solar power generation, services, and development of new biomass-based businesses. The business operations are located in the Nordics, Poland, and India.

EUR million	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Reported						
Sales	254	201	873	876	1,302	1,300
- heat sales	54	58	370	404	612	578
- power sales	45	24	125	127	205	202
- waste treatment sales*	63	58	174	180	250	243
- other sales**	92	61	204	164	236	276
Operating profit	-80	2,575	519	2,658	2,671	533
Share of profit/loss of associates and joint ventures	3	-1	10	39	42	14
Capital expenditure and gross investments in shares	46	34	109	120	162	151
Number of employees			1,606		1,766	

EUR million	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Comparable						
EBITDA	17	22	107	197	317	227
Operating profit	-16	-21	-3	62	135	70
Share of profit/loss of associates and joint ventures	3	-1	10	39	42	14
Return on net assets, %					6.1	4.2
Net assets (at period-end)			1,655	2,561	2,456	

* Waste treatment sales comprise gate fees and environmental construction services.
** Other sales mainly comprise operation, maintenance, and other services, the sale of recycled products, as well as fuel sales.

Heat sales by country

TWh	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Finland	0.3	0.3	1.9	2.1	3.1	2.9
Poland	0.3	0.2	2.3	2.5	3.8	3.7
Norway	-	0.1	0.8	1.2	1.8	1.4
Other countries	0.1	0.1	0.3	1.2	1.3	0.4
Total	**0.7**	**0.8**	**5.4**	**7.0**	**10.0**	**8.4**

Power sales by country

TWh	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Finland	0.1	0.1	0.5	0.9	1.3	0.9
Poland	0.2	0.1	0.5	0.5	0.7	0.8
Other countries	0.0	0.3	0.1	1.2	1.3	0.2
Total	**0.3**	**0.5**	**1.2**	**2.6**	**3.3**	**1.9**

July–September 2022

Heat sales volumes decreased by 13% and the power sales volumes decreased by 40%, mainly as a consequence of the sale of Fortum's 50% ownership in the Norwegian district heating company Fortum Oslo Varme and the divestment of the 250-MW Pavagada II and 250-MW Rajasthan solar plants in India.

Comparable operating profit increased by EUR 5 million, mainly as a result of higher power prices, increases in heat prices and the divestment of the ownership in Fortum Oslo Varme, the effects of which were partly offset by the clearly higher fossil fuel and CO_2 emission allowance prices and the decreasing metal prices related to the Recycling and Waste Solutions business. The comparable operating profit was further negatively affected by structural changes from the divestment of the 500-MW solar plants in Rajasthan and Karnataka in India.

Operating profit was affected by EUR -64 (2,596) million of items affecting comparability, mainly related to the fair value change of non-hedge-accounted derivatives. The comparison period includes a capital gain of EUR 2.4 billion from the sale of Stockholm Exergi Holding AB and a EUR 254 million capital gain from the sale of the district heating business in the Baltics (Note 3).

Comparable share of profits of associates and joint ventures totalled EUR 3 (-1) million. The comparison period includes EUR -4 million of the share of profits from Stockholm Exergi. Fortum's 50% ownership in the company was divested in September 2021 (Notes 3 and 12).

January–September 2022

Heat sales volumes decreased by 23%, mainly due to the divestment of the Baltic district heating business, the sale of Fortum's 50% ownership in the Norwegian district heating company Fortum Oslo Varme and warmer weather conditions in all the heating areas. The power sales volumes decreased by 54%, mainly due to structural changes following the divestments of the Baltic district heating business and the 250-MW Pavagada II and 250-MW Rajasthan solar plants in India as well as the sale of Fortum's 50% ownership in the Norwegian district heating company Fortum Oslo Varme. The power sales volumes were further impacted by the 0.4 TWh lower power sales in Finland due to the higher natural gas and CO_2 emission allowance prices that resulted in a change of fuel mix and lower produced power volumes.

Comparable operating profit decreased by 105%, or EUR 65 million, mainly as a result of clearly higher fossil fuel and CO_2 emission allowance prices, as well as lower heat volumes due to warmer weather, partially offset by higher power prices and the divestment of the ownership in Fortum Oslo Varme. Comparable operating profit was also negatively affected by structural changes from the divestments of the Baltic district heating business and the 250-MW Pavagada II and 250-MW Rajasthan solar plants in India, the effects of which were partly offset by the tax-exempt sales gain of EUR 5 million from the divestment of the 250-MW Rajasthan solar plant in India. The profits from the Rajasthan solar park divestment were recognised in comparable operating profit and in two tranches. The first tranche − a tax-exempt sales gain of EUR 11 million − was recorded in the fourth quarter of 2021.

Operating profit was affected by EUR 522 (2,596) million of items affecting comparability, mainly related to the tax-exempt capital gain of EUR 638 million from the divestment of Fortum Oslo Varme and the fair value change of non-hedge-accounted derivatives. The comparison period includes a capital gain of EUR 2.4 billion from the sale of Stockholm Exergi Holding AB and a EUR 254 million capital gain from the sale of the district heating business in the Baltics (Note 3).

Comparable share of profits of associates and joint ventures totalled EUR 10 (39) million. The comparison period includes EUR 28 million of the share of profits from Stockholm Exergi. Fortum's 50% ownership was divested in September 2021 (Notes 3 and 12).

On 4 February, Fortum announced that it had won the right from Solar Energy Corporation of India (SECI) to build two solar power plants with a total capacity of 600 MW in Karnataka, India. On 16 March, Fortum participated in another solar auction in India and won the right from Gujarat Urja Vikas Nigam Limited (GUVNL) to build a 200-MW solar plant in Gujarat. These projects are planned to be developed together with a partner and are expected to be commissioned by 2024.

On 3 March, Fortum announced that it decided to discontinue the strategic assessment of its Polish district heating business and is continuing to develop the business as part of the Group. Fortum is evaluating alternatives for further decarbonisation of these assets in line with its target to be carbon neutral in its European power and heat generation by 2035. At the end of 2021, Fortum's coal-based capacity in Poland was 0.1 GW.

On 17 March, Fortum and Microsoft announced the world's largest collaboration to heat homes, services and businesses with sustainable waste heat from the new data centre in the Helsinki metropolitan area in Finland. The concept utilises Fortum's existing district heating infrastructure in Espoo, the second largest in Finland, for heat capture and distribution. Fortum's district heating infrastructure in this area includes about 900 km of underground pipes that transfer heat to approximately 250,000 users. Once operational, approximately 60% of the area's heating will be generated by climate-friendly waste heat.

On 19 May, Fortum 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; as part of the transaction, Fortum deconsolidated a related EUR 0.2 billion shareholder loan from the City of Oslo. Fortum recorded a tax-exempt capital gain of EUR 638 million in the City Solutions segment's second-quarter 2022 results.

In July, 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 plant will have an annual processing capacity of 350,000 tonnes of waste. The plant will have a power generation capacity of 45 MWe gross, corresponding to the average annual electricity consumption of approximately 90,000 homes.

Consumer Solutions

Consumer Solutions is responsible for the electricity and gas retail businesses in the Nordics, Poland and Spain, including related customer service and invoicing businesses. Fortum is the largest electricity retail business in the Nordics, with approximately 2.2 million customers across different brands in Finland, Sweden, Norway, Poland and Spain. The business provides electricity, as well as related value-added and digital services, mainly to retail customers.

EUR million	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Reported						
Sales	1,094	485	3,118	1,570	2,622	4,171
- power sales	981	406	2,705	1,333	2,253	3,625
- gas sales	79	38	288	134	225	379
- other sales	34	40	126	103	144	167
Operating profit	359	235	772	382	495	885
Capital expenditure and gross investments in shares	18	13	51	49	68	70
Number of employees			1,176		1,176	

EUR million	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Comparable						
EBITDA	36	31	130	120	123	132
Operating profit	17	13	73	68	52	56
Net assets (at period-end)			1,039	701	1,125	

Sales volumes

TWh	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Electricity	5.5	5.5	21.4	22.7	31.5	30.2
Gas*	0.8	1.0	3.5	4.2	6.0	5.3

* Not including wholesale volumes.

Number of customers

Thousands*	30 Sep 2022	31 Dec 2021
Electricity	2,100	2,120
E-mobility**	60	70
Gas	40	50
Total	**2,200**	**2,230**

* Rounded to the nearest 10,000.
** Measured as average monthly paying customers for the quarter.

July–September 2022

The electricity sales volume was stable. The colder weather slightly compensated for the lower than average customer base. In Poland, the gas sales volumes decreased by 20%, due to the unprecedently high prices reducing demand and consumption compared to the third quarter of 2021. Sales increased by 126%, driven by significantly higher electricity and gas prices in the Nordics and Poland.

Comparable operating profit increased by 31%, mainly due to improved electricity and gas sales margins, the effect of which was partly offset by higher costs.

The operating profit was affected by EUR 342 (222) million of items affecting comparability, due to the fair value change of non-hedge-accounted derivatives (Note 3).

January–September 2022

The electricity sales volumes decreased by 6%, mainly due to higher temperatures in the Nordics compared to the clearly colder weather in the first quarter of 2021 and a slightly lower customer base. The gas sales volumes decreased by 17%, as temperatures were higher than normal, and the unprecedentedly high prices lowered demand and consumption in Poland. Sales increased by 99%, driven by significantly higher electricity and gas prices in the Nordics and Poland.

Comparable operating profit increased by 7%, mainly due to higher electricity and gas sales margins, offset by higher costs.

Customer activity with Fortum's customer service centres continued to remain at a high level. Additional resources were assigned to handle the increased number of contacts. However, the overall service levels, as well as customer satisfaction and recommendation rates, continued to improve, thus strengthening the business' competitiveness.

Operating profit was affected by EUR 699 (314) million of items affecting comparability, due to the fair value change of non-hedge-accounted derivatives (Note 3).

On 3 March, Fortum announced that it had decided to discontinue the strategic review of the electricity retail business Consumer Solutions and is continuing to develop the business as part of the Group.

Discontinued operations (Uniper)

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Sales	50,058	22,447	128,102	58,178	106,127	176,050
Comparable operating profit	-4,177	17	-4,747	557	1,107	-4,196
Operating profit	-3,832	-6,105	-16,402	-6,378	-4,913	-14,937
Share of profit/loss of associates and joint ventures	14	4	71	5	23	90
Net profit from discontinued operations	-90	-4,656	-11,302	-4,697	-4,121	-10,726
Net profit from discontinued operations, attributable to the owners of the parent	5,498	-3,614	-3,428	-3,671	-3,246	-3,002
Net cash from/used in operating activities	-8,616	1,935	-10,870	2,362	3,851	-9,381
Number of employees			11,209		11,494	

July–September 2022

On 21 September, Fortum, the German Government and Uniper signed an agreement in principle for a long-term solution for Uniper according to which Fortum will fully divest its shares in Uniper SE to the German State. The closing of the agreed transaction remains subject to completion of definite agreements with the German State and Uniper as well as regulatory approvals in several geographies, including clearances from the European Commission, and eventually approval by an Extraordinary General Meeting of Uniper. Completion of the agreed transaction is currently expected by the end of 2022. For further information, see 'Uniper divestment'.

Comparable operating profit from the discontinued operations was EUR - 4,177 (17) million, and operating profit totalled EUR -3,832 (-6,105) million. Since mid-June 2022, Uniper's result has been significantly negatively impacted by losses from the Russian gas curtailments. In order to ensure security of supply for the customers, Uniper has been and still is procuring gas volumes at significantly higher prices, thereby accumulating material losses.

The deconsolidation of Uniper strengthens Fortum Group's equity by EUR 5.5 billion (Note 6.4).

January–September 2022

Comparable operating profit from the discontinued operations was EUR -4,747 (557) million, and operating profit totalled EUR -16,402 (-6,378) million. Since mid-June 2022, Uniper's result has been significantly negatively impacted by losses from the Russian gas curtailments. In order to ensure security of supply for the customers, Uniper has been and still is procuring gas volumes at significantly higher prices, thereby accumulating material losses.

For further information on the deconsolidation of Uniper, see Note 6.

Capital expenditures, divestments, and investments in shares

In the third quarter of 2022, capital expenditures and investments in shares totalled EUR 159 (152) million. Capital expenditures were EUR 151 (88) million (Notes 3 and 6).

In January−September 2022, capital expenditures and investments in shares totalled EUR 361 (552) million. Capital expenditures were EUR 335 (287) 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

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 an extended lifetime for 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 at the latest in the second quarter of 2024. Fortum has a 60% majority and Helen a 40% minority ownership in the project; the investment will be consolidated on Fortum’s balance sheet. The total capital expenditure of the project is approximately EUR 360 million, of which Fortum’s share is EUR 216 million.

Russia

Due to the current geopolitical situation, the ongoing Russia-Ukraine war and the consequent supply chain constraints, Fortum has stopped all new investment projects in Russia.

Fortum’s Russian wind and solar portfolio (either in joint venture or direct ownership) comprises 1.3 GW of operational CSA-backed capacities, 0.3 GW of projects under construction and 1.9 GW of projects under development. The solar capacities of 38 MW in Kalmykia were commissioned in the beginning of July 2022. The investment decision for the solar capacities was made in 2020. The capacities under construction include wind parks of 250 MW in the Samara and Volgograd regions in Russia. The investment decision for the wind parks was made in 2021. The commissioning of the wind parks was originally planned to be in the fourth quarter of 2022. However, the timeline for completion is currently unclear. The future of the 1.9 GW of wind capacities under development is undecided. As Fortum has stopped all new investment projects in Russia, these projects are not proceeding.

City Solutions

In June 2021, Fortum announced the divestment of the 250-MW Pavagada II and the 250-MW Rajasthan solar power plants in India to Actis. The parties also signed an agreement targeting potential further investments in solar power plants in India. The total consideration for the divestment on a cash and debt-free basis, including the effect of deconsolidation of the net debt, amounted to approximately EUR 280 million. The sale of the 250-MW Pavagada II solar plant was concluded in October 2021, and the first phase of the Rajasthan divestment in November 2021 and the second phase in May 2022.

On 16 May 2022, Fortum 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 signing of the transaction was announced on 22 March 2022. The total consideration of the sale amounted to approximately EUR 1 billion on a cash and debt-free basis; as part of the transaction, Fortum deconsolidated a related EUR 0.2 billion shareholder loan from the City of Oslo. Fortum recorded a tax-exempt capital gain of EUR 638 million in the City Solutions segment's second-quarter 2022 results.

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 per year. The plant will have a power generation capacity of 45 MWe gross, corresponding to the average annual electricity consumption of approximately 90,000 homes.

Other Operations

On 1 September 2022, Fortum divested 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 closed the sale of its 30% ownership in Recharge AS (Recharge), a public charging point operator (CPO) for electric vehicles, to Infracapital, the infrastructure equity investment arm of M&G Plc. The transaction was originally announced on 10 June 2022. After the transaction, Infracapital owns 100% of Recharge, which is the largest charging network in the Nordic region with more than 4,600 connectors at 830 locations. The transaction price was EUR 85 million and Fortum recorded a tax-exempt capital gain of EUR 77 million in Other Operations' third-quarter 2022 results.

Operating and regulatory environment

European power markets

Following Russia's attack on Ukraine, the global economy and commodity and raw material prices have been significantly affected by various sanctions and counter-measures. Specifically, the Russian pipeline gas flow to Europe has decreased by more than 80% from previous years' levels, causing all-time high gas and power prices. The full impact of the energy crises has been experienced in Continental Europe, and the low level of nuclear power generation and low hydro power generation have further elevated very high energy prices. The impact has been tangible in many Nordic price areas as well. With the strong interconnectors to the high-priced Continent and UK and the full stop of Russian electricity imports to Finland, the Nordic system price made its fifth consecutive quarterly record.

According to preliminary statistics, power consumption in the Nordic countries was 81 (83) TWh during the third quarter of 2022. Power demand was somewhat below the five-year average. In September, demand was particularly low, well below the five-year average, despite lower than normal temperatures. This is most likely due to demand response on the back of the very high spot prices in August and September. During January−September 2022, power consumption in the Nordic countries was 282 (293) TWh.

In Central Western Europe (Germany, France, Austria, Switzerland, Belgium, and the Netherlands), power consumption in the third quarter of 2022 was 305 (307) TWh, according to preliminary statistics. During January−September 2022, power consumption in Central Western Europe was 985 (1000) TWh. Power demand in Continental Europe was below the five-year average, here again likely affected by demand response due to the high electricity prices.

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 the industrial, transport and heating sectors through direct electrification and green hydrogen. In the near term, however, demand response to counter high electricity prices is likely to impact power demand.

At the beginning of the third quarter of 2022, the Nordic water reservoirs were at 82 TWh, which is 2 TWh below the long-term average and 11 TWh lower than in the previous year. Inflows have been below normal, while hydro generation was at a normal level. At the end of the third quarter of 2022, the reservoir levels were at 89 TWh, which is 12 TWh below the long-term average and 25 TWh lower than in the previous year.

In the third quarter of 2022, power prices again reached new record-high levels. The average system spot price in Nord Pool was EUR 176 (68) per MWh. The average area price in Finland was EUR 220 (79) per MWh, and in the SE3 area in Sweden (Stockholm) EUR 168 (71) per MWh. In the SE2 area in Sweden (Sundsvall), the average area price was at a lower level at EUR 55 (55) per MWh due to stronger power balance and higher installed wind capacity. In Germany, the average spot price in the third quarter of 2022 was EUR 376 (97) per MWh.

In January−September 2022, the average system spot price in Nord Pool was EUR 136 (51) per MWh. The average area price in Finland was EUR 144 (58) per MWh, in the SE3 area in Sweden (Stockholm) EUR 123 (52) per MWh, and in the SE2 area in Sweden (Sundsvall) EUR 44 (42) per MWh. In Germany, the average spot price during January−September 2022 was EUR 250 (69) per MWh.

In early November 2022, the Nordic system electricity forward price on Nasdaq Commodities for the remainder of 2022 was around EUR 130 per MWh and for 2023 around EUR 120 per MWh. The Nordic water reservoirs were at 96 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 2022 was around EUR 215 per MWh and for 2023 around EUR 340 per MWh.

European commodity markets

In the third quarter of 2022, gas demand in Central Western Europe was 264 (300) TWh and 1,326 (1,547) TWh in January–September 2022. The Central Western European gas storage levels increased significantly: from 354 TWh at the beginning of the quarter to 564 TWh at the end of the quarter, which is 136 TWh higher than one year ago and 40 TWh higher than the five-year average (2017–2021).

The steep reduction in the Russian pipeline gas flows to Europe has pushed European gas prices to unprecedented levels amid high volatility. The average gas front-month price (TTF) in the third quarter of 2022 was EUR 205 (49) per MWh. The 2023 forward price increased from EUR 107 per MWh at the beginning of the quarter to EUR 183 per MWh at the end of the quarter, which is EUR 151 per MWh higher than one year earlier. At the highest, the 2023 forward price traded at EUR 312 per MWh on 26 August.

In the EUA (EU Allowance) markets, the price decreased from EUR 90 per tonne at the beginning of the third quarter of 2022 to EUR 67 per tonne at the end of the quarter, which is EUR 5 per tonne higher than one year earlier.

The forward quotation for coal (ICE Rotterdam) for 2023 increased from USD 252 per tonne at the beginning of the quarter to USD 287 per tonne at the end of the quarter, which is USD 176 per tonne above the price one year earlier.

In early November 2022, the TTF forward price for gas for the remainder of 2022 was EUR 100 per MWh. The forward quotation for EUAs for 2022 was at the level of EUR 76 per tonne. The forward price for coal (ICE Rotterdam) for the remainder of 2022 was USD 200 per tonne.

Russian power market

Fortum's Russia segment operates thermal power plants mainly in the Tyumen and Khanty-Mansiysk area of western Siberia, where industrial production is dominated by the oil and gas industries, and in the Chelyabinsk area of the Urals, which is dominated by the metal industry.

The Russian market is divided into two price zones. Fortum's Russia segment operates in the first price zone (European and Urals part of Russia).

According to preliminary statistics, the Russian power consumption was 252 (248) TWh during the third quarter of 2022. The corresponding figure for the first price zone was 191 (191) TWh. The 1.5% increase in consumption was caused by growth in oil production, the warmer weather and the growth of aluminium production. In January−September 2022, the Russian power consumption was 808 (792) TWh. The corresponding figure for the first price zone was 612 (603) TWh.

In the third quarter of 2022, the average electricity spot price, excluding capacity prices, decreased by 1.5% to RUB 1,518 (1,541) per MWh in the first price zone. The spot price in the Urals hub increased by 7% and was RUB 1,396 (1,304) per MWh. In January−September 2022, the average electricity spot price, excluding capacity prices, was RUB 1,440 (1,405) per MWh in the first price zone and RUB 1,305 (1,206) per MWh in the Urals hub.

The Russian Government increased the gas price by 5% in July 2022.

In Russia, capacity payments based on Capacity Supply Agreements (CSA) are a key driver of earnings, as CSA payments are considerably higher than for capacities selected in Competitive Capacity Selection (CCS) auctions. Currently, Fortum's Russia segment's CSA capacity amounts to 1,472 MW, including 70 MW of solar and wind capacity. These capacities do not include those related to the joint ventures.

The thermal power plants are entitled to clearly higher CSA payments starting approximately six years after commissioning. In 2022, there is a decrease in CSA payments for four units of Fortum's Russia segment's generation fleet. After the CSA period ends, the units can receive CCS payments from CCS auctions. See the corresponding changes in the table below:

Fortum's Russia segment's units	CSA start date	Higher CSA starts	CSA expiry date
Nyagan, unit 2	1 Dec 2013	1 Aug 2018	31 Dec 2022
Nyagan, unit 3	1 Jan 2015	1 Jan 2021	31 Dec 2025
Chelyabinsk CHP 4, unit 1	1 Dec 2015	1 Jan 2021	31 Dec 2024
Chelyabinsk CHP 4, unit 2	1 Mar 2016	1 Jan 2021	31 Dec 2024
Ulyanovsk*	1 Jan 2018	n/a	30 Nov 2031
Bugulchansk**	Nov 2016 – Mar 2017	n/a	Nov 2030 – Nov 2031
Pleshanovsk**	1 Mar 2017	n/a	30 Nov 2031
Grachevsk**	1 Mar 2017	n/a	30 Nov 2031

* Wind CSA.
** Solar CSA.

Fortum's Russia segment's generation capacity not receiving CSA payments, a total of 3,199.7 MW, is allowed to participate in the annual CCS auctions. The next CCS auction, for the year 2027, is expected to be held in November 2023.

Year	2020	2021	2022	2023	2024	2025	2026
CCS auction price, tRUB/MW/month, first price zone*	115	134	168	171	182	193	195
CCS auction price, tRUB/MW/month, second price zone*	191	225	264	267	279	303	299
Selected in CCS auction, MW, first price zone	2,331	2,848	3,451	3,904	3,904	4,351	4,852

* Excluding inflation.

More detailed information about the market fundamentals is included in the tables at the end of the report.

Regulatory environment

The EU energy ministers agreed on emergency interventions for the electricity markets

At the end of September, as another response to the energy crisis, European leaders agreed on a set of temporary measures for electricity market interventions, as proposed by the European Commission. The approved measures include electricity demand reduction measures (10% voluntary reduction on a monthly basis, 5% mandatory at peak hours), a revenue cap on inframarginal technologies set at EUR 180 per MWh and a solidarity contribution for fossil fuel companies.

The proposed measures are intended to serve as short-term measures for a specified period of time. The implementation of the revenue cap, in particular, leaves significant flexibilities for the Member States. The national implementation in Finland and Sweden has not yet started. Several Member States consider the agreed emergency measures as insufficient and urge further interventions, notably to address high gas price.

Margining crisis and revision of EMIR legislation

At the end of August, when energy prices reached unprecedentedly high levels, several European energy companies experienced various stages of liquidity crisis due to the increase in cash collaterals as required under EU's strict EMIR (European Market Infrastructure Regulation) legislation. This resulted in the Finnish and Swedish governments providing national liquidity support packages (EUR 10 billion and EUR 25 billion, respectively) to ensure sufficient liquidity for utilities. Fortum has raised its concerns over the systemic risks resulting from the EMIR regulatory framework and is calling for an immediate revision of the EMIR collateral requirements to be more suitable for the power commodity market.

On 18 October, the EU Commission presented some limited and temporary emergency measures (such as the use of non-collateralised bank guarantees as collateral) to address the issue, however, not providing sufficiently efficient measures to alleviate the liquidity pressure on energy companies nor solving the root cause of the liquidity crisis. The Commission will launch a wider structural reform of EMIR in December.

EU imposes further sanctions against Russia and agrees with G7 on oil price cap

As the geopolitical situation continued to further escalate, the EU decided on further sanctions against Russia. During the third quarter, the EU agreed on two additional sets of sanctions.

In late September following the illegal annexation of the four Ukrainian regions to Russia, the 8th package of sanction was negotiated and was published on 6 October. The package contains further trade restrictions and import bans on Russian products. In addition to the previous sanctions against Russian seaborne crude oil imports, the EU decided to join the G7 and place a price cap on Russian oil imports to third countries. Details of the oil price cap are still to be defined. The price cap is planned to become effective in December 2022.

On 5 August, Russia published the Executive Order on the application of specific economic measures in the financial, fuel and energy sectors in connection with the "unfriendly actions by some countries and organisations". However, the list of companies that fall under the Executive Order has not yet been published. Under the Executive Order, certain transactions, such as divestment of ownership by Russian legal entities, are prohibited. Prohibited transactions may be carried out under special decision by the President of Russia.

REPowerEU financing likely without direct intervention to the EU ETS

The REPowerEU plan aiming at reducing dependency on Russian fossil energy was presented in May and the financing options of the plan have since been discussed. The European Commission proposed using EUR 20 billion worth of emission allowances from the market stability reserve (MSR) of the EU ETS for this financing.

Both the EU Parliament and the Council have proposed a market-neutral approach without a direct intervention to the ETS. According to the general approach of the Council, the funds would be raised from the Innovation Fund and by frontloading a portion of allowances from the auctions in 2027-2030. The Council does not support raising of any revenues by auctioning allowances from the MSR. The Parliament's final position is still pending, but there seems to be support for the frontloading of auctions. The negotiations are expected to be finalised by the end of 2022.

Fortum has opposed any direct interventions to the ETS in order to finance REPowerEU.

Strong push for new nuclear from the new Swedish government

The new Swedish right-wing government coalition consists of Moderates, Liberals and Christian Democrats with the active support from Sweden Democrats. The government has presented a new far-reaching energy and climate agreement and has set a new political target of 100% fossil-free electricity production by 2040 instead of 100% renewable energy.

The government has a strong focus on incentivising the newbuild of nuclear. It proposes EUR 40 billion in state credit guarantees to lower nuclear financing costs. The state guarantees are intended to compensate for any future political decisions on premature closure, and the government suggests investigating a possible restart of the Ringhals 1 and 2 reactors. The Environmental Act will be amended to allow for the newbuild of nuclear at new sites. The government has set new instructions to SSM (the Swedish radiation authority) to cut permission lead times for nuclear and to enable a faster and easier licensing process.

The government further proposes a long-term electricity security of supply target with a subsequent mandate to the TSO Svenska Kraftnät as well as new instructions to purchase firm and dispatchable capacity and to secure system adequacy. A new inquiry on market design will also be started to secure long-term security of supply with a premium for firm and dispatchable technology.

Regarding hydropower, the ongoing re-permitting process will be paused until a proper impact assessment has been carried out. A new framework for the re-permitting process will be developed including the electricity production interest as a priority. Subsidised grid connection fees for offshore wind will be stopped and cost-based grid fees should apply for all technologies.

With the proposed measures, the new government aims to promote nuclear investments to enable a doubling of Swedish power demand in line with the electrification target in order to meet the national net-zero climate target (net-zero by 2045), while increasing security of supply.

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, Kemijoki Oy and TGC-1. For more information, please see Fortum's annual report.

Russia's attack on Ukraine on 24 February 2022 has severely impacted Fortum's current and future businesses. The likelihood of a number of existing geopolitical risks that could negatively impact Fortum's current business has increased, and in some cases, such as Uniper, risks have fully or partly realised. Russia's counter sanctions on the EU have significantly affected the energy market, especially through the gas curtailments. A further widening of sanctions against Russia, and possible countermeasures, may impact current or future business relations. Continued curtailment on the physical supply of gas, coal, oil and other fuels from Russia could have follow-on implications, e.g. on the availability of Fortum's power plants.

On 21 September 2022, Fortum announced that the company, the German Government and Uniper had signed an agreement in principle for a long-term solution according to which Fortum will fully divest Uniper to the German State.

The completion of the transaction mitigates the risks related to the material uncertainty of Uniper's liquidity and financial situation that also affects Fortum. The financial distress for Uniper or, ultimately, its insolvency, as a result of the failure of the agreed transaction, or otherwise, could be detrimental for Fortum and have serious consequences, not only for Fortum's financial arrangements, but also for the Nordic and possibly European energy markets.

The closing of the agreed transaction remains subject to various regulatory approvals and eventually approval by an Extraordinary General Meeting of Uniper, currently planned to take place in the second half of December 2022. However, there is always a risk that the transaction is delayed or will not be completed due to political, regulatory or legal reasons. For more information on the agreement, please see 'Uniper divestment' in this interim report.

The total loss from the Uniper divestment in the legal Fortum entity owning the Uniper shares will be slightly below EUR 6 billion, which is the net effect from the investments in Uniper SE shares of approximately EUR 7.2 billion, the sales proceeds of EUR 0.5 billion to be received and dividends of approximately EUR 0.9 billion received during the Uniper ownership. The divestment will negatively impact the parent company Fortum Oyj's equity; however, Fortum has assessed that the equity remains at a sufficient level and does not require additional capital injections.

The unpredictable nature of sanctions and possible countermeasures by Russia continue to pose a significant risk for Fortum. The EU, US and UK have already implemented several sanctions towards Russia, targeting, for example, the financial and energy sectors. The sanctions imposed so far restrict the possibility to make cross-border payments from Fortum's Russian units, which may affect repatriation of future dividends from the Russian operations, Fortum internal loan repayments and interest rate payments. Fortum has announced that no further investments will be made in Russia and that existing contracts will not be renewed when they expire. The company is also pursuing a controlled exit from the Russian market with a divestment of its Russian operations as the preferred path. This process will take its time and is subject to approvals by both the Russian Government Commission and the Russian President.

Since Russia's invasion of Ukraine, owning and operating a profitable power and heat generation business in Russia has become challenging. For Fortum's Russian businesses, the key drivers are economic growth, the rouble exchange rate, interest rates (which also impact capacity payments), and the regulation of the power and heat business. The current key challenges in the Russian businesses are related to the foreign suppliers' lack of interest to supply spare parts. Risks relating to these drivers are all partly being realised, driven by the deterioration of the overall economic and business environment including GDP growth and rising interest rates. The profitability of Fortum's Russian businesses in euro terms has not been negatively impacted by the current geopolitical situation. However, there is an increasing risk of countermeasures aimed at enabling nationalisation of foreign-owned assets in Russia in retaliation for Western sanctions. Such countermeasures could result in loss of control or a risk of delay in divestment of the Russian business, or it may negatively impact the value of the Russian business in the sales process or, in the extreme case, expropriation of Fortum's Russian assets. Fortum is preparing for such a scenario by ensuring the Russian businesses are able to operate independently and in compliance with applicable laws, regulations and sanctions.

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, CO_2 emission allowance prices, commodity prices, and the supply-demand balance. The Russian invasion of the Ukraine drove commodity prices to new record levels and further increased price volatility. As a consequence, the EU is taking action with temporary market interventions (e.g. price caps and windfall taxation). These market interventions may pose a risk for business performance, if becoming permanent. The value of the Fortum outright power generation portfolio has increased in January−September 2022, which is generally positive for future earnings. However, the higher value combined with increased price volatility has led to an increase in the commodity price risk. An economic downturn 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 the Group's business operations, including margining and collaterals issued for commercial activities. Following the elevated prices, increased volatility and the EU EMIR (European Market Infrastructure Regulation), the margining requirements from Fortum's hedges concluded via exchanges increased in the third quarter of 2022. In order to mitigate this risk, Fortum agreed on a bridge financing arrangement with its majority owner, the Finnish State, in the third quarter of 2022. With the arrangement, the company aims to ensure access to sufficient liquidity resources if power prices − and, with it, collateral requirements − continue to rise significantly in particular on the Nordic commodities exchange Nasdaq. For more information on the agreement, please see 'Solidium's bridge financing loan to Fortum and directed share issue without payment to Solidium' in this interim report.

At the beginning of August 2022, both the S&P Global Ratings and Fitch rating agencies affirmed Fortum's BBB rating on Negative Outlook. Following the announcement in September that Fortum will fully divest Uniper to the German State, the rating agencies have commented that the divestment of the Uniper stake was regarded as credit positive for Fortum as it will improve the company's financial and risk profile. However, the rating agencies concluded that it is premature to determine the full effect of the Uniper divestment on Fortum's rating. The rating agencies are expected to update their ratings after the completion of the transaction and once Fortum publishes its new strategy. A lowering of the credit ratings, in particular to below investment-grade level (BB+ or below), would trigger counterparties' rights to demand additional cash or non-cash collateral. In addition, a downgrade could negatively affect access to the capital markets and increase the cost of new financing. Fortum targets to have a solid investment grade-rating of at least BBB. Fortum continues to constantly monitor all rating-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.

For further information about Fortum's risks and risk management systems, see Fortum's Financial Statements for 2021.

Fortum in Russia

Fortum is closely monitoring the developments caused by the Russia-Ukraine war, which has fundamentally changed the geopolitical situation through increased and materialised uncertainties and risks in the operating environment. The company is complying with all applicable laws and regulations, including sanctions, and preparing for various scenarios. Fortum is in continuous discussions with the Finnish Government about what can be done to secure the energy supply and how the dependence on Russian energy imports will be reduced. Further information on risks is also in the section ‘Key drivers and risks’ of the interim report.

Exiting operations and investments in Russia

As announced in early March, Fortum stopped all new investment projects in Russia and is not providing any new financing to its Russian subsidiaries. Due to existing sanctions imposed by Russia, the Group’s Russian operations are subject to significant foreign exchange transfer restrictions, which limit the ability to transfer funds including potential dividend distributions, out of Russia.

In May, Fortum also announced that it is preparing a controlled exit from the Russian market, with potential divestments of its Russian operations as the preferred path. The divestment process is ongoing. These processes will take their time and are subject to regulatory approvals. Fortum is currently assessing the possible implications of the new decree in Russia that restricts investors in so-called ‘unfriendly countries’ from divesting shares in key energy projects.

Fuel supply and sourcing from Russia

In order to secure fuel supplies for its power plants, Fortum has taken various measures. In Finland, Fortum does not buy coal, pellets, biomass, oil or gas from Russia for its power plants. However, Fortum buys nuclear fuel for its Loviisa nuclear power plant in Finland from the Russian TVEL (part of Rosatom); it is not possible to quickly change suppliers, due to e.g.the required certification and permitting processes. The current supply contract is valid until the end of current operating licences in 2027 (Loviisa 1) and 2030 (Loviisa 2). At the beginning of March, Fortum announced its decision on a lifetime extension of the Loviisa nuclear power plant. As part of the application for the operating licence, new tendering processes, including nuclear fuel, will be initiated based on Fortum’s procurement procedures.

In April, Fortum stopped its small-scale commercial electricity import from Russia to Finland via the 110-kV Svetogorsk-Imatra line. The commissioning and ongoing ramp-up of the Olkiluoto 3 nuclear power plant will reduce overall dependence on imported electricity to Finland. Olkiluoto is operated by TVO (Teollisuuden Voima Oyj) in which Fortum has a minority interest of 26%. Fuel for Olkiluoto is sourced from Western suppliers.

In May, Russian gas supplies through the Imatra entry point to Finland were stopped. In June 2022, Gasgrid Finland and Fortum announced that the companies had signed a Letter of Intent on placing Finland’s first floating LNG terminal vessel, Exemplar, at Fortum’s Inkoo port. Gasgrid Finland is leasing a floating LNG terminal vessel for a duration of ten years and aims to have the terminal available already this coming winter to supply gas for both Finland and Estonia.

Fortum’s operations and assets in Russia

Fortum’s Russia segment comprises its subsidiary PAO Fortum, including shares in joint ventures and its shareholding in PAO TGC-1 (ownership of approximately 29%). Fortum has seven power plants in Russia, mainly natural gas-fired power plants in the Urals and Western Siberia. Six of the plants produce both electricity and heat for the market, while one plant produces only electricity. At the end of 2021, total power generation capacity amounted to 4.7 gigawatts (GW) and heat production capacity to 7.6 GW. In 2021, PAO Fortum generated 28.6 terawatt-hours (TWh) of electricity and produced 17.1 TWh of heat.

In recent years, Fortum has focused on developing renewable power generation in Russia. Fortum’s Russian wind and solar portfolio (either in joint venture or direct ownership) comprises 1.3 GW of operational CSA-backed (Capacity Supply Agreements) capacities, 0.3 GW of projects under construction and 1.9 GW of projects under development.

Fortum has approximately 2,700 employees in Russia.

In its first-quarter 2022 results, following Russia's attack and the war in Ukraine and the consequential geopolitical tensions, uncertainties and risks, Fortum recorded pre-tax impairments of approximately EUR 0.6 billion related to the Russia segment. The impairments include approximately EUR 355 million related to fixed assets and goodwill for Fortum's Russian division. Further, impairments of approximately EUR 223 million are related to Fortum's ownership in PAO TGC-1 and renewables joint ventures. Compared to the first half of 2022, the impairments have increased due to the stronger Russian rouble rate.

Outlook

Hedging

At the end of September 2022, approximately 80% of the Generation segment's estimated Nordic power sales volume was hedged at EUR 49 per MWh for the remainder of 2022, approximately 65% at EUR 49 per MWh for 2023 (hedges at the end of the second quarter of 2022: 60% at EUR 37 per MWh), and approximately 40% at EUR 38 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 updated its guidance on capital expenditure for 2022. The company currently expects its annual capital expenditure, including maintenance but excluding acquistions, for its continuing operations to be approximately EUR 550 million in 2022. In the January−June 2022 interim report, Fortum cancelled its guidance on capital expenditure for 2022 due to the general market uncertainty mainly related to Uniper. The maintenance capital expenditure in 2022 is estimated to be approximately EUR 300 million, well 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.

Russia

In the Russia segment, the financial effect of the CSAs is expected to be negative in 2022 compared to 2021, due to the impact of the expiry of the CSA period of the Nyagan 1 generation unit, partly offset by a higher bond yield.

Income taxation

In 2022, the comparable effective income tax rate (excluding items affecting comparability) for Fortum's continuing operations is estimated to be in the range of 21−23%. In 2023, the comparable effective income tax rate (excluding items affecting comparability) for Fortum is estimated to be in the range of 20−23%. Following the deconsolidation of Uniper, the weight of the profit in different jurisdictions has resulted in a downward trend in the lower end of the range of the tax rate guidance currently driven by the standard nominal tax rates in Fortum's major operating countries.

Sustainability

In this interim report, selected sustainability key performance indicators are presented for continuing operations. Comparative figures and information for January−June 2022 and the full year of 2021 have been restated to exclude Uniper as discontinued operations in this third quarter interim report of 2022. Selected key performance indicators for discontinued operations are presented in separate tables.

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 the above-mentioned priorities, Fortum's sustainability priority areas are:

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

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 updated its climate targets aligned with the goals of the Paris Agreement in December 2020 and is committed to carbon neutrality by 2050 at the latest. The target covers direct CO_2 emissions (Scope 1) and indirect CO_2 emissions (Scope 2 and 3). Fortum's roadmap to reduce emissions in Europe has also been defined. Fortum is committed to at least a 50% reduction in CO_2 emissions (Scope 1 and 2) in its European generation by 2030 (compared to base-year 2019) and to be carbon neutral (Scope 1 and 2) by 2035 at the latest.

Scope 3 emissions play a significant role in Fortum's total emissions. In December 2021, Fortum committed to reduce Scope 3 greenhouse gas emissions by 35% by 2035 at the latest (compared to base-year 2021).

In 2022, Fortum's target is to develop a science-based strategy to measure and enhance the biodiversity impacts of the Group's operations and the new developments.

For Fortum, excellence in safety and caring both about 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 are measured as:

- Zero severe occupational accidents
- Total Recordable Injury Frequency (TRIF), for own personnel and contractors; the ambitious goal is <1.0 by the end of 2025
- Severity rate per TRI (i.e. number of lost days divided by number of Total Recordable Injuries), for own personnel and contractors: ≤11 in 2022

Fortum employees are committed to get involved and to become an active part of creating a new joint safety culture. For that purpose, in 2022 Fortum launched the Safety Culture Programme, which includes trainings, webinars and workshops for all organisational levels:

- New Safety eLearning training for all Fortum employees, launched in the second quarter of 2022
- Safety Leadership Programme 2022 for Executives, including ten workshops for about 120 Fortum Executives, launched in the third quarter of 2022
- Middle-management training in 2023

Fortum set the goal for completion of the trainings (Safety eLearning and Safety Leadership Programme for Executives) at the level of 85% in 2022.

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 was published in December 2021, and it is publicly disclosed on Fortum's website. A summary of the review was also published as a part of Fortum's Sustainability 2021 report.

The table below shows Fortum's sustainability performance for continuing operations with selected key indicators.

Group sustainability performance for continuing operations

	III/2022	III/2021 restated	I−III/2022	I−III/2021 restated	2021 restated
Climate and resources					
Total CO_2 emissions, million tonnes	3.3	3.5	12.0	13.1	17.9
Specific CO_2 emissions from total energy production, gCO_2/kWh	188	181	181	178	175
Asset availability of power generation plants, %	85.7	87.8	89.8	89.0	91.5
Major environmental incidents*, no.	0	-	2	-	-
Personnel and society					
Total Recordable Injury Frequency (TRIF), own personnel and contractors	3.6	3.8	3.0	3.2	3.1
Severity rate per TRI**, own personnel and contractors	19.3	9.8	10.8	13.1	13.1
Severe occupational accidents, no.	2	0	2	1	2
Safety eLearning***, %	20	-	77	-	-
Safety Leadership Programme for Executives****, %	-	-	76.5	-	-
Sickness-related absences, %	2.8	2.9	3.1	2.6	2.9

* 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.
** Number of lost days divided by number of Total Recordable Injuries (TRI).
*** Completion rate. Training launched in the second quarter of 2022.
**** Completion rate. Training launched in the third quarter of 2022.

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 "A-" in the CDP Climate Change 2021 rating. In the MSCI ESG Ratings assessment, Fortum received a "BBB" rating in 2021. Fortum has 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 has also been 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's ESG Transparency Partner.

Climate and resources

Fortum's key performance indicators for climate and resources are related to CO_2 emissions, security of supply, biodiversity, and major Environmental, Health and Safety (EHS) 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 is mainly based on carbon dioxide-free hydro and nuclear power and natural gas-fired generation. A minor share of Fortum's power generation is currently based on solar and wind. Fortum is also a large district heat producer in several cities. Heat is mainly produced at natural gas-fired and 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. Fortum uses coal only at a few power plants and targets to reduce the share of it in power generation.

In January−September 2022, Fortum's direct CO_2 emissions were 12.0 (13.1) million tonnes. Of the total CO_2 emissions, 0.9 (1.0) million tonnes were within the EU and the UK emissions trading system (ETS). The estimate for Fortum's free emission allowances in 2022 is approximately 0.4 (0.5) million tonnes.

Fortum's total CO_2 emissions (million tonnes, Mt)	III/2022	III/2021 restated	I−III/2022	I−III/2021 restated	2021 restated	LTM restated
Total emissions	3.3	3.5	12.0	13.1	17.9	16.7
Emissions subject to ETS	0.2	0.1	0.9	1.0	1.5	1.4
Free emission allowances	-	-	-	-	0.2	-
Emissions not subject to ETS in Europe	0.1	0.1	0.4	0.5	0.7	0.6
Emissions in Russia	3.0	3.2	10.6	11.5	15.6	14.7

In January−September 2022, Fortum's specific CO_2 emissions from total energy production were 181 (178) gCO_2/kWh.

An uninterrupted and reliable energy supply is critical for society to function. In January−September 2022, the asset availability of Fortum's gas-fired and coal-fired power plants was, on average, 89.8 (89.0)%.

In 2022, the definition of major environmental incidents was revised. The figure now includes environmental incidents that resulted in causing significant harm to the environment (ground, water, air) and environmental non-compliances with legal or regulatory requirements. In January−September 2022, there were two major environmental incidents, which occurred in Fortum's hydropower operations in Sweden, and in the Recycling & Waste operations in Finland.

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−September 2022, Fortum's TRIF (Total Recordable Injury Frequency) for own personnel and contractors was 3.0 (3.2). The severity rate per TRI for own personnel and contractors was 10.8, which was slightly below the set target: ≤11 for 2022 (target for 2022 also includes Uniper). Fortum's LTIF (Lost Time Injury Frequency) for own personnel and contractors was 1.65 (2.2). Fortum strives for zero severe occupational accidents. In January−September 2022, there was two (one) severe occupational accident in the operations, one of them resulted in fatality. A Fortum employee at customer's power plant in Rwanda fell down from 7.2 meters when installing barricading around removed floor grating.

Fortum's goal regarding workplace wellbeing activities is to promote the health and occupational safety of employees and the functionality of the work community. In January−September 2022, Fortum's percentage of sickness-related absences was 3.1 (2.6).

Fortum expects its business partners to act responsibly and to comply with the requirements set forth in the Fortum Code of Conduct and Supplier Code of Conduct. Fortum assesses the performance of its business partners with supplier qualification, supplier audits and Know Your Counterparty process. In January−September 2022, Fortum conducted four on-site supplier audits in China and India. Due to the Covid-19 pandemic and travel restrictions, the possibilities to conduct on-site supplier audits continue to be limited. Fortum is member of the Bettercoal Initiative and uses the Bettercoal tools to improve sustainability in the coal supply chain.

Discontinued operations (Uniper)

The following tables presents selected key performance indicators for discontinued operations:

	I−III/2022	2021
Climate and resources		
Total CO_2 emissions, million tonnes	41.2	50.9
Specific CO_2 emissions from total energy production, gCO_2/kWh	454	428
Asset availability of power generation plants*, %	70.3	78.0
Major environmental incidents**, no.	-	-
Personnel and society		
Total Recordable Injury Frequency (TRIF), own personnel and contractors	1.6	1.5
Severity rate per TRI***, own personnel and contractors	19.9	18.7
Severe occupational accidents, no.	1	1
Sickness-related absences, %	5.0	4.1

* Excluding Unipro, 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. Uniper did not report the figure in 2021.
*** Number of lost days divided by number of Total Recordable Injuries (TRI).

Total CO_2 emissions (million tonnes, Mt)	I−III/2022	2021
Total emissions	41.2	50.9
Emissions subject to ETS	19.0	27.5
Free emission allowances	-	0.3
Emissions not subject to ETS in Europe	0.03	0.05
Emissions in Russia	22.1	23.4

Legal actions

There were no material changes in the ongoing legal actions during the third quarter of 2022. For further information on legal actions, see Note 21.

Shares and share capital

Fortum shares on Nasdaq Helsinki

January–September 2022	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR*	Last EUR
FORTUM	459,395,020	7,018,420,182	27.18	8.86	15.30	13.77

* Volume weighted average.

	30 September 2022	30 September 2021
Market capitalisation, EUR billion	12.2	23.4
Number of shareholders	191,423	203,901
Finnish State holding, %	50.8	50.8
Nominee registrations and direct foreign shareholders, %	27.3	25.2
Households, %	11.0	12.6
Financial and insurance corporations, %	2.1	2.0
Other Finnish investors, %	8.9	9.5

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 January−September 2022, approximately 74% of Fortum's shares were traded on markets other than Nasdaq Helsinki (source Bloomberg).

On 30 September 2022, Fortum Corporation's share capital was EUR 3,046,185,953 and the total number of registered shares was 888,294,465. Fortum Corporation does not hold any of the company's own shares.

On 6 September 2022, Fortum announced that it had agreed with the Finnish State on a EUR 2.35 billion bridge financing arrangement. As a condition in the agreement following the first draw down of EUR 350 million, the Finnish State-owned holding company Solidium is entitled to subscribe up to 8.97 million new ordinary registered shares in Fortum in a directed share issue without payment. As a consequence, the shares under the control of the State of Finland will increase from 50.76% to 51.26%. The directed share issue requires approval by Fortum's Extraordinary General Meeting. The Extraordinary General Meeting will be held on 23 November 2022.

Group personnel

Fortum's operations are mainly based in the Nordic countries, Poland and Russia. The total number of employees at the end of September 2022 was 7,830 (19,140 at the end of 2021).

At the end of September 2022, the Generation segment had 1,371 (1,116 at the end of 2021) employees, Russia segment 2,708 (2,627 at the end of 2021), City Solutions segment 1,606 (1,766 at the end of 2021), Consumer Solutions segment 1,176 (1,176 at the end of 2021), and Other Operations -segment 969 (961 at the end of 2021).

Changes in Group Management

As of 1 September 2022, the head of Fortum's Russia division, Alexander Chuvaev stepped down from his position as member of Fortum's Executive Management team. Mr Chuvaev continues in his position as the Head of the Russia division and still reports to the President and CEO, Markus Rauramo.

Authorisations of the Board

Fortum's Annual General Meeting (AGM) 2022 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 2.25% 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 authorisation resolved by the AGM of 2021 and will be effective until the next AGM and, in any event, no longer than for a period of 18 months. This authorisation has not been used as of 9 November 2022.

In addition, the AGM authorised the Board of Directors to decide on contributions of a maximum of EUR 500,000 for charitable or similar purposes and to decide on the recipients, purposes and other terms of the contributions. The authorisation will be effective until the next AGM. As of 9 November 2022, EUR 77, 000 of this authorisation has been used.

Other major events during the third quarter of 2022

On 15 September 2022, Maija Strandberg, Senior Ministerial Adviser, Financial Affairs, Prime Minister's Office, Ownership Steering Department (Chair), Risto Murto, President and CEO, Varma Mutual Pension Insurance Company, Jouko Pölönen, President and CEO, Ilmarinen Mutual Pension Insurance Company, and Veli-Matti Reinikkala, Chair of Fortum's Board of Directors were appointed to Fortum Shareholders' Nomination Board. Elo Mutual Pension Insurance Company did not exercise its right to appoint a representative, and therefore the right was transferred to Ilmarinen Mutual Pension Insurance Company. The Nomination Board will forward its proposals for the 2023 Annual General Meeting to the Board of Directors by 31 January 2023.

On 30 September 2022, Fortum's Board of Directors decided to launch the savings period for year 2023 under its Employee Share Savings (ESS) programme. The ESS programme was established in October 2019; the Board of Directors decides separately on the annual launch of each individual savings period. The total amount of all savings for the 2022 savings period may not exceed EUR 6 million. Due to the restrictions regarding management incentives put in place by the Finnish State in the Solidium bridge financing facility, Fortum has assessed and concluded that Fortum Executive Management team will not participate this time in the ESS programme.

Events after the balance sheet date

There have been no material events after the balance sheet date.

Espoo, 9 November 2022

Fortum Corporation
Board of Directors

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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.

Distribution:

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

Interim Financial Statements are unaudited.

Condensed consolidated income statement

EUR million	Note	III/2022	III/2021 restated*	I-III/2022	I-III/2021 restated*	2021 restated*	LTM
Sales	3	2,152	1,296	6,068	4,251	6,422	8,239
Other income		19	13	72	65	91	98
Materials and services		-1,356	-674	-3,818	-2,203	-3,419	-5,034
Employee benefits		-121	-111	-369	-362	-496	-504
Depreciation and amortisation	3	-140	-143	-415	-433	-587	-569
Other expenses		-133	-138	-411	-408	-582	-586
Comparable operating profit	3	**421**	**243**	**1,126**	**909**	**1,429**	**1,646**
Items affecting comparability	3, 4	496	2,757	804	2,869	2,897	832
Operating profit	3	**917**	**3,000**	**1,930**	**3,778**	**4,325**	**2,478**
Share of profit/loss of associates and joint ventures	3, 12	-37	7	-333	147	168	-312
Interest expense		-38	-38	-64	-115	-154	-104
Interest income		38	7	56	18	25	63
Other financial items - net		-141	-14	425	-39	-32	432
Finance costs - net	7	-141	-46	417	-135	-161	391
Profit before income tax		**737**	**2,961**	**2,014**	**3,790**	**4,332**	**2,556**
Income tax expense	8	-138	-73	-391	-210	-325	-506
Net profit from continuing operations		**600**	**2,888**	**1,623**	**3,580**	**4,008**	**2,050**
Attributable to:							
Owners of the parent		601	2,892	1,619	3,568	3,985	2,036
Non-controlling interests		-1	-4	4	12	23	15
Net profit from discontinued operations	6.4	**-90**	**-4,656**	**-11,302**	**-4,697**	**-4,121**	**-10,726**
Attributable to:							
Owners of the parent	6.4	5,498	-3,614	-3,428	-3,671	-3,246	-3,002
Non-controlling interests	6.4	-5,588	-1,043	-7,874	-1,025	-875	-7,724
Net profit, total Fortum		**510**	**-1,768**	**-9,679**	**-1,117**	**-114**	**-8,676**
Attributable to:							
Owners of the parent		6,099	-721	-1,809	-103	739	-967
Non-controlling interests		-5,590	-1,047	-7,870	-1,014	-852	-7,709
Earnings per share for profit attributable to the equity owners of the company (EUR per share)							
Basic, continuing operations		0.67	3.26	1.82	4.02	4.49	2.29
Basic, discontinued operations		6.19	-4.07	-3.86	-4.13	-3.65	-3.38
Basic, total Fortum		6.86	-0.81	-2.04	-0.12	0.83	-1.09

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

** Comparative information for I-II/2022 and I-IV/2021 has been restated following the classification of Uniper segment as discontinued operations in III/2022. For further information, see Note 1 Significant accounting policies, Note 2 Critical accounting estimates and judgements and Note 6 Acquisitions, disposals, assets held for sale and discontinued operations.*

EUR million	Note	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Comparable operating profit		**421**	**243**	**1,126**	**909**	**1,429**	**1,646**
Impairment charges and reversals		-35	-1	-356	-30	-35	-361
Capital gains and other related items		138	2,612	780	2,674	2,673	779
Changes in fair values of derivatives hedging future cash flow		396	146	415	225	264	454
Other		-3	-	-35	-	-6	-41
Items affecting comparability	3, 4	496	2,757	804	2,869	2,897	832
Operating profit		**917**	**3,000**	**1,930**	**3,778**	**4,325**	**2,478**

See Note 24 Definitions and reconciliations of key figures.

Condensed consolidated statement of comprehensive income

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Net profit, total Fortum	**510**	**-1,768**	**-9,679**	**-1,117**	**-114**	**-8,676**
Other comprehensive income						
Items that may be reclassified to profit or loss in subsequent periods:						
Cash flow hedges						
Fair value gains/losses [1]	-1,402	-535	-5,253	-765	-1,231	-5,720
Transfers to income statement	40	28	982	91	119	1,010
Transfers to inventory/property, plant and equipment	0	1	2	3	1	1
Deferred taxes	272	102	852	134	223	942
Net investment hedges						
Fair value gains/losses	3	-5	21	-9	-5	24
Deferred taxes	-1	1	-4	2	1	-5
Exchange differences on translating foreign operations [2]	-117	38	368	144	97	320
Share of other comprehensive income of associates and joint ventures	4	-5	41	5	8	44
Other changes	-	-6	-	-10	-13	-3
	-1,201	**-380**	**-2,991**	**-404**	**-799**	**-3,386**
Items that will not be reclassified to profit or loss in subsequent periods:						
Remeasurement of investments	-7	1	-7	2	-7	-15
Actuarial gains/losses on defined benefit plans	-4	12	24	10	22	35
Actuarial gains/losses on defined benefit plans in associates and joint ventures	0	24	0	30	30	0
	-11	**37**	**17**	**42**	**45**	**20**
Other comprehensive income/expense for the period from continuing operations, net of deferred taxes	**-1,211**	**-343**	**-2,974**	**-362**	**-754**	**-3,366**
Other comprehensive income/expense for the period from discontinued operations, net of deferred taxes	-310	86	701	438	357	620
Total comprehensive income/expense for the period	**-1,012**	**-2,025**	**-11,952**	**-1,041**	**-510**	**-11,422**
Total comprehensive income/expense total Fortum attributable to:						
Owners of the parent	4,483	-1,084	-4,541	-220	185	-4,136
Non-controlling interests	-5,495	-941	-7,412	-821	-695	-7,286
	-1,012	**-2,025**	**-11,952**	**-1,041**	**-510**	**-11,422**

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 and SEK.

Condensed consolidated balance sheet

EUR million	Note	30 Sep 2022	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets	10	654	2,167
Property, plant and equipment and right-of-use assets	11	8,252	19,049
Participations in associates and joint ventures	12	1,586	2,461
Shares in Nuclear Waste Funds	16	957	3,515
Other non-current assets		933	570
Deferred tax assets		844	2,149
Derivative financial instruments	5	679	17,096
Long-term interest-bearing receivables	14	738	2,392
Total non-current assets		**14,644**	**49,399**
Current assets			
Inventories		307	2,275
Derivative financial instruments	5	3,166	65,392
Short-term interest-bearing receivables	14	4,651	715
Income tax receivables		103	161
Margin receivables	15	3,694	9,163
Trade and other receivables		1,019	14,856
Liquid funds	15	3,638	7,592
Total current assets		**16,577**	**100,155**
Assets held for sale	6	**498**	**108**
Total assets		**31,719**	**149,661**
EQUITY			
Equity attributable to owners of the parent			
Share capital		3,046	3,046
Share premium		73	73
Retained earnings		7,528	10,062
Other equity components		-4,181	-1,050
Total		**6,466**	**12,131**
Non-controlling interests		77	1,534
Total equity		**6,543**	**13,665**
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities	15	6,124	8,701
Derivative financial instruments	5	1,167	16,657
Deferred tax liabilities		514	827
Nuclear provisions	16	957	3,891
Other provisions	17	111	4,108
Pension obligations, net	18	20	1,190
Other non-current liabilities		139	397
Total non-current liabilities		**9,032**	**35,771**
Current liabilities			
Interest-bearing liabilities	15	6,863	8,519
Derivative financial instruments	5	7,491	71,947
Other provisions	17	2	2,299
Margin liabilities	15	748	985
Trade and other payables		1,040	16,477
Total current liabilities		**16,144**	**100,226**
Total liabilities		**25,176**	**135,997**
Total equity and liabilities		**31,719**	**149,661**

Condensed consolidated statement of changes in total equity

EUR million	Share capital	Share premium	Retained earnings: Retained earnings	Retained earnings: Translation of foreign operations	Other equity components: Cash flow hedges	Other equity components: Other OCI items	Other equity components: OCI items associates and joint ventures	Owners of the parent	Non-controlling interests	Total equity
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			-1,809					-1,809	-7,870	-9,679
Translation differences				343	30	0	-5	368	-1	368
Other comprehensive income			208		-3,407	-176	39	-3,336	-6	-3,342
OCI related to discontinued operations				-152	105	284	-1	236	465	701
Total comprehensive income for the period			-1,601	191	-3,271	108	33	-4,541	-7,412	-11,952
Cash dividend			-1,013					-1,013	-23	-1,036
Changes in group structure			16					16	6,104	6,120
Transactions with non-controlling interests			-127					-127	-121	-248
Other			0					0	-6	-6
BS Total equity 30 September 2022	**3,046**	**73**	**10,105**	**-2,577**	**-4,409**	**141**	**87**	**6,466**	**77**	**6,543**
Total equity 1 January 2021	**3,046**	**73**	**13,097**	**-2,948**	**-158**	**-175**	**18**	**12,953**	**2,624**	**15,577**
IS Net profit			-103					-103	-1,014	-1,117
Translation differences				127	1	3	0	132	12	144
Other comprehensive income					-537	3	35	-499	-8	-506
OCI related to discontinued operations				50	-2	202	-1	250	188	438
Total comprehensive income for the period			-103	177	-537	209	34	-220	-821	-1,041
Cash dividend			-995					-995	-145	-1,139
Transactions with non-controlling interests			27					27	-239	-213
Other			7					7	0	8
BS Total equity 30 September 2021	**3,046**	**73**	**12,034**	**-2,771**	**-696**	**34**	**52**	**11,772**	**1,420**	**13,192**
Total equity 1 January 2021	**3,046**	**73**	**13,097**	**-2,948**	**-158**	**-175**	**18**	**12,953**	**2,624**	**15,577**
IS Net profit			739					739	-852	-114
Translation differences				77	2	2		81	16	97
Other comprehensive income					-887	11	38	-838	-13	-851
OCI related to discontinued operations				103	-94	196	-1	204	154	357
Total comprehensive income for the period			739	180	-980	209	37	185	-695	-510
Cash dividend			-995					-995	-171	-1,166
Transactions with non-controlling interests			-15					-15	-221	-236
Other			3					3	-3	0
BS Total equity 31 December 2021	**3,046**	**73**	**12,830**	**-2,768**	**-1,138**	**34**	**54**	**12,131**	**1,534**	**13,665**

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 and SEK) 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 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. See Note 9 Dividend per share.

Share capital

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 drew the first tranche of the liquidity facility, EUR 350 million. As a condition in the agreement following the first draw down, the Finnish state-owned holding company, Solidium, is entitled to subscribe up to 8.97 million new ordinary registered shares in Fortum in a directed share issue, without payment. As a consequence, the shares under the control of the State of Finland will increase from 50.76% to 51.26%. The directed share issue requires an approval by Fortum's Extraordinary General Meeting. The Extraordinary General Meeting will be held on 23 November 2022.

Condensed consolidated cash flow statement

EUR million	Note	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Cash flow from operating activities							
IS **Net profit from continuing operations**		**600**	**2,888**	**1,623**	**3,580**	**4,008**	**2,050**
Adjustments:							
Income tax expense		138	73	391	210	325	506
Finance costs - net		141	46	-417	135	161	-391
Share of profit/loss of associates and joint ventures	12	37	-7	333	-147	-168	312
Depreciation and amortisation	3	140	143	415	433	587	569
Operating profit before depreciations (EBITDA)		**1,057**	**3,143**	**2,345**	**4,212**	**4,913**	**3,046**
Items affecting comparability	3, 4	-496	-2,757	-804	-2,869	-2,897	-832
Comparable EBITDA		**561**	**386**	**1,541**	**1,343**	**2,016**	**2,214**
Non-cash and other items		101	8	41	-28	-74	-5
Interest received		11	5	27	17	25	35
Interest paid		-53	-32	-149	-127	-147	-170
Dividends received		0	15	8	72	72	8
Income taxes paid		65	-33	-156	-221	-279	-213
Funds from operations		**684**	**349**	**1,311**	**1,056**	**1,613**	**1,868**
Change in working capital		-188	-9	185	-24	-494	-285
Net cash from operating activities, continuing operations		**497**	**340**	**1,496**	**1,032**	**1,119**	**1,583**
Cash flow from investing activities, continuing operations							
Capital expenditures	3	-135	-98	-326	-330	-470	-465
Acquisitions of shares [1)]	6	-8	-64	-28	-266	-282	-44
Proceeds from sales of property, plant and equipment		1	1	2	2	2	3
Divestments of shares and capital returns	6	151	3,589	1,156	3,733	3,816	1,239
Shareholder loans to associated companies and joint ventures	14	39	-2	43	-23	-33	33
Change in margin receivables		-568	-716	-2,401	-819	-1,000	-2,582
Change in other interest-bearing receivables and other	14	-13	-803	-1,804	-831	-2,545	-3,518
Net cash from/used in investing activities, continuing operations		**-532**	**1,906**	**-3,358**	**1,465**	**-512**	**-5,334**
Cash flow before financing activities, continuing operations		**-36**	**2,246**	**-1,862**	**2,497**	**608**	**-3,751**
Cash flow from financing activities, continuing operations							
Proceeds from long-term liabilities	15	2,421	0	2,421	62	2,809	5,167
Payments of long-term liabilities	15	-1,007	-34	-3,474	-597	-2,153	-5,029
Change in short-term liabilities	15	1,228	614	2,555	735	1,844	3,665
Dividends paid to the owners of the parent	9	0	0	-1,013	-995	-995	-1,013
Dividends paid to non-controlling interests		0	0	-19	-11	-14	-23
Change in margin liabilities		-6	319	546	337	63	273
Other financing items		0	-3	-168	-1	50	-117
Net cash from/used in financing activities, continuing operations		**2,635**	**896**	**850**	**-471**	**1,603**	**2,924**
Net increase(+)/decrease(-) in liquid funds, continuing operations		**2,599**	**3,142**	**-1,012**	**2,026**	**2,211**	**-827**
Cash flow from discontinued operations							
Net cash from operating activities, discontinued operations		-8,616	1,935	-10,870	2,362	3,851	-9,381
Net cash from/used in investing activities, discontinued operations		-4,723	-2,645	-2,948	-4,183	-5,215	-3,980
Net cash from/used in financing activities, discontinued operations		10,241	2,062	10,757	3,701	4,409	11,465
Net increase(+)/decrease(-) in liquid funds, discontinued operations	6.4	**-3,098**	**1,352**	**-3,061**	**1,880**	**3,045**	**-1,896**
Cash flow, continuing and discontinued, total Fortum							
Total net cash from operating activities		-8,120	2,274	-9,374	3,394	4,970	-7,797
Total net cash from/used in investing activities		-5,255	-739	-6,306	-2,718	-5,727	-19,315
Total net cash from/used in financing activities		12,876	2,959	11,606	3,230	6,013	14,389
Net increase(+)/decrease(-) in liquid, total Fortum		**-499**	**4,494**	**-4,073**	**3,906**	**5,256**	**-2,723**
Liquid funds at the beginning of the period	15	**4,165**	**1,738**	**7,592**	**2,308**	**2,308**	**6,240**
Foreign exchange differences and expected credit loss allowance in liquid funds		-29	7	118	27	29	121
Liquid funds at the end of the period	15	**3,638**	**6,240**	**3,638**	**6,240**	**7,592**	**3,638**

1) From I/2022, acquisition of additional shares in Uniper are presented in cash flow from financing activities to better reflect the requirements of IAS 7 Statement of cash flows. Until IV/2021 acquisition of additional shares in Uniper were presented in cash flow from investing activities. Comparatives have not been restated.

Additional cash flow information

Change in working capital

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Change in interest-free receivables, decrease(+)/increase(-)	-140	26	450	189	-633	-372
Change in inventories, decrease(+)/increase(-)	-21	-39	-32	-18	2	-12
Change in interest-free liabilities, decrease(-)/increase(+)	-26	3	-234	-196	137	99
CF **Total**	**-188**	**-9**	**185**	**-24**	**-494**	**-285**

Capital expenditure in cash flow

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Capital expenditure	151	88	335	287	443	491
Change in not yet paid investments, decrease(+)/increase(-)	-14	10	-6	46	30	-22
Capitalised borrowing costs	-2	0	-3	-3	-3	-4
CF **Total**	**135**	**98**	**326**	**330**	**470**	**465**

Acquisition of shares in cash flow

Acquisition of shares, net of cash acquired, amounted to EUR 28 million during I-III/2022 (I-III/2021: 266). For additional information, see Note 6.1 Acquisitions. From I/2022, acquisition of additional shares in Uniper are presented in cash flow from financing activities to better reflect the requirements of IAS 7 Statement of cash flows. Until IV/2021 acquisition of additional shares in Uniper were presented in cash flow from investing activities. Comparatives have not been restated.

Divestment of shares in cash flow

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Proceeds from sales of subsidiaries, net of cash disposed	65	694	1,069	833	915	1,151
Proceeds from sales and capital returns of associates and joint ventures	86	2,894	87	2,899	2,901	88
CF **Total**	**151**	**3,589**	**1,156**	**3,733**	**3,816**	**1,239**

During I-III/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. During 2021, Fortum completed the divestment of the 50% stake in the Swedish district heating and cooling company Stockholm Exergi, the district heating business in the Baltics, the Pavagada II and the Rajasthan solar power plants in India, the 80% stake in the Sørfjord wind park in Norway and eight small hydropower plants in Sweden. For further information, see Note 6.2 Disposals.

Change in financial net debt

EUR million	Note	Continuing operations[1)] I-III/2022	Fortum total[2)] 2021
Financial net debt, beginning of the period		**789**	**7,023**
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		1,541	3,817
Non-cash and other items		41	1,506
Paid net financial costs and dividends received		-115	-3
Income taxes paid		-156	-493
Change in working capital		185	144
Capital expenditures		-326	-1,178
Acquisitions		-28	-294
Divestments and proceeds from sale of property, plant and equipment		1,158	3,883
Change in interest-bearing receivables		-1,761	-174
Dividends to the owners of the parent		-1,013	-995
Dividends to non-controlling interests		-19	-171
Other financing activities		-168	43
Net cash flow ('-' increase in financial net debt)		-660	6,084
Foreign exchange rate differences and other changes		-132	-150
Financial net debt, end of the period	15	**5,863**	**789**

1) Items included in Net cash flow for I-III/2022 are based on continuing operations.
2) Items included in Net cash flow for 2021 are based on continuing and discontinued operations (total).

Capital risk management

The long-term financial targets are:

- Financial net debt/comparable EBITDA below 2x
- Hurdle rates for new investments of WACC
  - +100 bps for green investments
  - +200 bps for other investments

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 14 March 2022, S&P placed Fortum's and Uniper's BBB ratings on CreditWatch Negative. On 16 May 2022, S&P resolved the CreditWatch and affirmed Fortum's BBB rating with negative outlook. However, Uniper's long-term credit rating was downgraded by one notch from BBB to BBB-, also with negative outlook.

On 17 March 2022, Fitch Ratings affirmed its long-term credit rating for Fortum to BBB with stable outlook.

On 5 July 2022, due to the Russian gas curtailment, S&P again placed Fortum's and Uniper's credit ratings on CreditWatch Negative. On 29 July 2022, following the announcements of the agreement with the German government on Uniper's stabilisation package, S&P resolved Uniper's CreditWatch Negative by affirming the BBB- rating with negative outlook. Due to the strong governmental support, S&P now considers Uniper a "government-related entity", which enabled Uniper to retain its investment grade rating, despite an overall weaker stand-alone credit quality. The negative outlook of Uniper's rating reflects prevailing uncertainty around gas flows, which in S&P's view may necessitate an increase of the government package and the fact that details of the stabilisation package are still to be approved.

On 3 August 2022, S&P affirmed Fortum's current BBB long-term credit rating with negative outlook. S&P assesses that the support package for Uniper will prevent further incremental costs for Fortum and considers Fortum's financial exposure as capped. According to S&P, the negative outlook reflects Fortum's exposure to Uniper until the European Commission has approved the support package and the longer-term uncertainties about the company's strategy.

On 5 August 2022, Fitch Ratings affirmed Fortum’s current long-term credit rating at BBB with negative outlook. According to Fitch, the affirmation mainly reflects the rating agency’s view that Fortum is well-shielded from the losses incurred by Fortum’s German subsidiary Uniper, following Uniper’s stabilisation package that was agreed with the German State.

Following the announcement in September that Fortum will fully divest Uniper to the German State, the rating agencies commented that the divestment of the Uniper stake was regarded as credit positive for Fortum as it would improve the company’s financial and risk profile. However, the rating agencies concluded that it is too early to determine the full effect of the Uniper divestment on Fortum’s rating. The rating agencies are expected to update their ratings after the completion of the transaction and once Fortum publishes its new strategy.

Fortum’s objective is to have a solid investment grade rating of at least BBB to preserve financial flexibility and good access to capital markets.

Financial net debt/comparable EBITDA

EUR million	Note	Fortum total[1] 2021	Continuing operations[2] LTM
+ Interest-bearing liabilities		**17,220**	**12,987**
- BS Liquid funds		**7,592**	**3,638**
- Non-current securities		111	-
- Collateral arrangement securities		549	541
- Securities in interest-bearing receivables		**660**	**541**
- BS Margin receivables		9,163	3,694
+ BS Margin liabilities		985	748
+/- Net margin liabilities/receivables		**-8,179**	**-2,946**
Financial net debt	15	**789**	**5,863**
IS Operating profit		-588	2,478
+ IS Depreciation and amortisation		1,281	569
EBITDA		**693**	**3,046**
- IS Items affecting comparability		3,124	-832
Comparable EBITDA		**3,817**	**2,214**
Financial net debt/comparable EBITDA		**0.2**	**2.6**

1) 2021 figures based on continuing and discontinued operations (total).
2) LTM based on LTM for the continuing operations.

Financial net debt adjusted with Uniper receivable/comparable EBITDA

In III/2022 Fortum introduced a new APM ‘Financial net debt adjusted with Uniper receivable’ to include the EUR 4 billion shareholder loan receivable from Uniper that will be repaid upon completion of the transaction to divest Uniper to the German State. The agreed transaction is subject to regulatory clearances and Uniper’s Extraordinary General Meeting. Completion is currently expected by year-end. See also Note 24 Definitions and reconciliations of key figures.

EUR million	Continuing operations LTM
Financial net debt	**5,863**
Receivable from Uniper [1]	-4,000
Financial net debt adjusted with Uniper receivable	**1,863**
Comparable EBITDA	**2,214**
Financial net debt adjusted with Uniper receivable/comparable EBITDA	**0.8**

1) As part of the of the agreement in principle, Fortum’s EUR 4 billion shareholder loan to Uniper is to be repaid. The loan is included on the balance sheet line ‘Short-term interest-bearing receivables'.

See Note 4 Comparable operating profit and comparable net profit for details on items affecting comparability, and Note 15 Interest-bearing net debt, including further details of the financing and liquidity status.

Key figures

Continuing operations

EUR million or as indicated	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Reported						
IS Sales	2,152	1,296	6,068	4,251	6,422	8,239
IS Operating profit	917	3,000	1,930	3,778	4,325	2,478
IS Share of profit/loss of associates and joint ventures	-37	7	-333	147	168	-312
IS Net profit	600	2,888	1,623	3,580	4,008	2,050
IS Net profit (after non-controlling interests)	601	2,892	1,619	3,568	3,985	2,036
Earnings per share (basic), EUR	0.67	3.26	1.82	4.02	4.49	2.29
CF Net cash from operating activities	497	340	1,496	1,032	1,119	1,583
Capital expenditure and gross investments in shares, EUR million	158	153	361	553	724	533
Capital expenditure, EUR million	151	88	335	287	443	491

EUR million or as indicated	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Comparable						
EBITDA	561	386	1,541	1,343	2,016	2,214
IS Operating profit	421	243	1,126	909	1,429	1,646
Share of profit/loss of associates and joint ventures	9	5	42	108	104	38
Net profit (after non-controlling interests)	276	171	1,333	730	1,091	1,694
Earnings per share (basic), EUR	0.31	0.19	1.50	0.82	1.23	1.91

Continuing and discontinued operations (total)

EUR million or as indicated	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Reported						
Net profit (after non-controlling interests)	6,099	-721	-1,809	-103	739	-967
Earnings per share, EUR	6.86	-0.81	-2.04	-0.12	0.83	-1.09
Net cash from operating activities	-8,120	2,274	-9,374	3,394	4,970	-7,797
Number of employees			7,830	19,452	19,140	
Comparable						
Net profit (after non-controlling interests)	-1,990	171	-1,204	1,086	1,778	-512
Earnings per share, EUR	-2.25	0.19	-1.36	1.22	2.00	-0.58

EUR million or as indicated	30 Sep 2022	31 Dec 2021	LTM
Financial position			
Financial net debt, at period-end	5,863	789	
Financial net debt adjusted with Uniper receivable[1]	1,863	N/A	
Adjusted net debt (at period-end)	5,902	3,227	
Financial net debt/comparable EBITDA, continuing operations			2.6
Financial net debt adjusted with Uniper receivable[1]/comparable EBITDA, continuing operations			0.8
Financial net debt/comparable EBITDA, total		0.2	N/A
Equity per share, EUR	7.28	13.66	
Average number of shares, 1,000 shares	888,294	888,294	
Diluted adjusted average number of shares, 1,000 shares	888,294	888,294	
Number of registered shares, 1,000 shares	888,294	888,294	

1) As part of the of the agreement in principle, Fortum's EUR 4 billion shareholder loan to Uniper is to be repaid. The loan is included on the balance sheet line 'Short-term interest-bearing receivables'.

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 2021.

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 Impact of Uniper deconsolidation on consolidated financial statements

Discontinued operations

Fortum lost control of Uniper on the signing of the agreement in principle to sell the shares in Uniper SE to the German government on 21 September 2022. Thus, Uniper is deconsolidated at 30 September 2022. Uniper has been a separate reportable segment in Fortum's consolidated financial statements, which results in Uniper being classified as discontinued operations. See also Note 2 Critical accounting estimates and judgements.

Fortum's consolidated income statement has been modified in III/2022 to include discontinued operations disclosure as required by IFRS 5 Non-current assets held for sale and discontinued operations. Comparatives for I-II/2022 and I-IV/2021 have been restated and a separate stock exchange release with restated comparatives was issued on 6 October 2022. Discontinued operations in I-III/2022 and 2021 include Fortum's former subsidiary Uniper SE and its consolidated group companies.

Income statement information in the following notes to the condensed consolidated interim financial statements include only continuing operations, unless otherwise specified. Uniper is deconsolidated at 30 September 2022, meaning that Uniper's balance sheet items are not included on Fortum's 30 September 2022 consolidated balance sheet. Consolidated balance sheet at 31 December 2021 included Uniper.

Joint ownership in the Swedish nuclear company OKG AB

Fortum and Uniper are co-owners in the Swedish nuclear company OKG Aktiebolag (OKG AB), with Fortum owning 45.5%. Fortum accounted for the shareholding in OKG AB as a subsidiary from 31 March 2020 to 30 September 2022, with the results of the company being split between the Uniper segment and the Generation segment according to ownership. Prior to 31 March 2020, OKG AB was accounted for as an associated company. On deconsolidation of

Uniper at 30 September 2022, OKG AB is again reclassified as an associated company. The reclassification resulted in the restatement of the Generation segment's I-II/2022 and 2021 financials.

Group impact from Uniper deconsolidation

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 6.4 Discontinued operations.

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. See Note 4 Comparable operating profit and comparable net profit and Note 24 Definitions and reconciliations of key figures.

Fortum's long-term financial target for capital structure is Financial net debt to comparable EBITDA (see Capital risk management and Note 24 Definitions and reconciliations of key figures).

In III/2022 Fortum introduced a new APM 'Financial net debt adjusted with Uniper receivable' to include the EUR 4 billion shareholder loan receivable from Uniper that will be repaid upon completion of the transaction to divest Uniper to the German State. The agreed transaction is subject to regulatory clearances and Uniper's Extraordinary General Meeting. Completion is currently expected by year-end. See also Note 24 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 2021, have been applied in these condensed interim financial statements. New standards, amendments and interpretations effective from 1 January 2022 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:

Average rate	Jan-Sep 2022	Jan-June 2022	Jan-Mar 2022	Jan-Dec 2021	Jan-Sep 2021	Jan-June 2021	Jan-Mar 2021
United Kingdom (GBP)	0.8472	0.8424	0.8364	0.8596	0.8636	0.8680	0.8739
Norway (NOK)	10.0070	9.9817	9.9247	10.1633	10.2280	10.1759	10.2584
Poland (PLN)	4.6724	4.6354	4.6230	4.5652	4.5473	4.5374	4.5457
Russia (RUB)	76.6455	85.0393	99.1783	87.1527	88.5335	89.5502	89.6675
Sweden (SEK)	10.5274	10.4796	10.4807	10.1465	10.1528	10.1308	10.1202
United States (USD)	1.0638	1.0934	1.1217	1.1827	1.1962	1.2053	1.2048

Balance sheet date rate	30 Sep 2022	30 June 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 June 2021	31 Mar 2021
United Kingdom (GBP)	0.8830	0.8582	0.8460	0.8403	0.8605	0.8581	0.8521
Norway (NOK)	10.5838	10.3485	9.7110	9.9888	10.1650	10.1717	9.9955
Poland (PLN)	4.8483	4.6904	4.6531	4.5969	4.6197	4.5201	4.6508
Russia (RUB)	59.3288	56.4004	91.5833	85.3004	84.3391	86.7725	88.3175
Sweden (SEK)	10.8993	10.7300	10.3370	10.2503	10.1683	10.1110	10.2383
United States (USD)	0.9748	1.0387	1.1101	1.1326	1.1579	1.1884	1.1725

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 2021. However, the Russia-Ukraine war has fundamentally changed the geopolitical situation; and given the uncertainty and risks arising from the geopolitical situation, there may be future effects on the consolidated financial statements arising from more volatile global economy and especially commodity markets. These factors can affect the carrying amounts of assets and liabilities, the amount and timing of earnings recognition, as well as cash flows.

Uniper divestment to German government

On 21 September 2022, Fortum, the German government and Uniper signed an agreement in principle that will allow the German State to take full control of Uniper. Under the agreement, Uniper will issue new ordinary registered shares, which the German State will subscribe at a nominal value of EUR 1.70 per share. At completion of the equity capital increase, the German State will buy all of Fortum‘s approximately 293 million shares in Uniper SE for EUR 1.70 per share, i.e. for a total of EUR 0.5 billion. At that point, the change of control clause in the financing agreement will be triggered and Uniper will repay Fortum’s EUR 4 billion shareholder loan granted to Uniper and release the EUR 4 billion parent company guarantee. The completion of the agreed transaction remains subject to completion of definite agreements with the German State and Uniper, as well as regulatory approvals in several geographies, including Merger Control and State Aid clearances from the European Commission. The German State’s equity capital increase in Uniper also requires approval by an Extraordinary General Meeting of Uniper. Closing of the agreed transaction is currently expected by the end of this year.

The signing of the agreement with the German government triggered a control assessment as required by IFRS 10 Consolidated financial statements. Management concluded that Fortum’s rights are no longer substantive as it does not have practical ability to use control over Uniper. Consequently, control was assessed to have been lost and Uniper is deconsolidated at 30 September 2022. In addition, Uniper is presented as discontinued operations from III/2022 in accordance with IFRS 5 Non-current assets held for sale and discontinued operations as management is committed to fully disposing of Uniper SE’s shares, and Uniper has been a separate reportable segment and a significant component of Fortum Group. See also Note 1 Significant accounting policies.

Fortum believes that it is highly probable that the conditions to complete the transaction will be met. However, a certain degree of uncertainty remains as the fulfilment of the conditions is not entirely under the control of Fortum.

Liquidity

Since the second half of 2021, the very volatile commodity markets with unprecedentedly high prices have resulted in significantly high margining requirements for European energy market participants. To manage this volatility and the high price levels, the group has taken precautionary financing measures to secure its liquidity position and financial flexibility. For the moment, Fortum has sufficient liquid funds to meet current collateral requirements. However, in order to have preparedness for even higher collateral demands, on 6 September 2022 Fortum signed a EUR 2,350 million bridge financing with Finnish state-owned company, Solidium. According to loan terms, in order to keep the facility effective for the one year period, on 26 September 2022, Fortum drew EUR 350 million under this facility. At the end of the reporting period, Fortum Group had undrawn committed credit facilities amounting to EUR 2,000 million, fully consisting of the Solidium bridge financing maturing in September 2023. See also Note 15 Interest-bearing net debt.

Geopolitical uncertainties and impacts on Russian operations

In I/2022, Fortum recorded impairments of EUR 445 million on non-current Russian assets. Due to the strengthened rouble rate, the impairment charge increased to EUR 576 million in III/2022. In addition, expected credit losses of EUR 126 million were recognised on Russian receivables in I-III/2022. The remaining book value of Fortum's Russian assets (net of impairments) was approximately EUR 3.3 billion at 30 September 2022 (31 Mar 2022: 1.8; 31 Dec 2021: 2.5). The change in book value from I/2022 is due to the strengthened rouble rate. See also Note 13 Impairment of non-current assets.

In I/2022, Fortum assessed the impact of the Russia-Ukraine war and related uncertainties, risks and sanctions to the fair values of its Russian assets and recorded an impairment charge of EUR 445 million. For the III/2022 interim report, management has assessed that there is no need for further impairments. The recoverable amount of Fortum's Russian assets is based on value in use. Fortum is pursuing a controlled exit from the Russian market with potential divestments of its Russian operations as the preferred path, however there are no decisions and these processes might take some time and are subject to regulatory approvals.

Due to the sanctions imposed by the Russian Federation, Fortum's Russian subsidiaries are subject to foreign exchange transfer restrictions, which currently limit the transfer of funds, such as potential dividend distributions, into the EU. Accordingly, cash and cash equivalents held by Fortum's Russia segment in Russia, a total of EUR 268 million, are not available to the other Group companies. The sanctions currently do not, however, restrict Fortum from exercising its voting rights at the general meetings of the Russian subsidiaries. Hence, Fortum's Russian subsidiaries continue to be consolidated as subsidiaries at 30 September 2022.

See also section 'Key drivers and risks'.

3. Segment information

Fortum's reportable segments under IFRS are Generation, Russia, City Solutions and Consumer Solutions. Other Operations includes corporate functions, R&D and technology development projects. Uniper segment has been classified as discontinued operations in III/2022. See also Note 1 Significant accounting policies and Note 6 Acquisitions, disposals, assets held for sale and discontinued operations.

Fortum and Uniper are co-owners in the Swedish nuclear company OKG Aktiebolag (OKG AB), with Fortum owning 45.5%. Fortum accounted for the shareholding in OKG AB as a subsidiary from 31 March 2020 to 30 September 2022, with the results of the company being split between the Uniper segment and the Generation segment according to ownership. Prior to 31 March 2020, OKG AB was accounted for as an associated company. On deconsolidation of Uniper at 30 September 2022, OKG AB is again reclassified as an associated company. The reclassification resulted in the restatement of the Generation segment's I-II/2022 and 2021 financials.

Quarter

		Generation[1]		Russia		City Solutions[1]		Consumer Solutions		Other Operations		Total for continuing operations	
EUR million	**Note**	**III/2022**	**III/2021 restated**	**III/2022**	**III/2021**	**III/2022**	**III/2021**	**III/2022**	**III/2021**	**III/2022**	**III/2021**	**III/2022**	**III/2021**
Income statement data by segment													
Power sales [1]		879	639	231	175	45	24	981	406	0	-	2,135	1,245
Heat sales		-	-	23	16	54	58	-	-	-	-	77	75
Gas sales		-	28	-	-	-	-	79	38	-	-	79	67
Waste treatment sales		0	0	-	-	63	58	-	-	-	-	63	58
Other sales		16	9	7	1	92	61	34	40	34	33	184	145
Sales		**894**	**676**	**262**	**193**	**254**	**201**	**1,094**	**485**	**34**	**33**	**2,539**	**1,588**
Internal eliminations		237	-34	-	-	-21	-5	-8	-1	-27	-24	181	-64
Netting of Nord Pool transactions [2]												-568	-229
IS External sales		1,132	642	262	193	233	196	1,086	484	8	9	2,152	1,296
									-				
Comparable EBITDA		**416**	**278**	**107**	**81**	**17**	**22**	**36**	**31**	**-15**	**-25**	**561**	**386**
IS Depreciation and amortisation		-41	-40	-40	-36	-33	-43	-19	-18	-7	-6	-140	-143
IS **Comparable operating profit**		**375**	**237**	**67**	**45**	**-16**	**-21**	**17**	**13**	**-22**	**-31**	**421**	**243**
Impairment charges and reversals		-	-	-35	-1	0	-	-	-	-	-	-35	-1
Capital gains and other related items		0	0	0	0	0	2,605	0	0	138	6	138	2,612
Changes in fair values of derivatives hedging future cash flow		131	-66	-13	0	-64	-9	342	222	-	0	396	146
Other		-	-	-3	-	-	-	-	-	-	-	-3	-
IS Items affecting comparability	4	131	-66	-51	0	-64	2,596	342	222	138	6	496	2,757
IS **Operating profit**		**506**	**171**	**16**	**44**	**-80**	**2,575**	**359**	**235**	**116**	**-25**	**917**	**3,000**
Comparable share of profit/loss of associates and joint ventures	4, 12	11	2	-1	5	3	-1	-	-	-4	0	9	5
IS Share of profit/loss of associates and joint ventures	12	-13	4	-24	5	3	-1	-	-	-4	0	-37	7
Gross investments / divestments by segment													
Gross investments in shares [3]	6	3	2	0	16	3	2	-	0	2	44	8	64
Capital expenditure		76	35	12	8	43	32	18	13	2	1	151	88
Gross divestments of shares	6	-	0	1	0	0	3,578	0	0	150	11	152	3,589

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.
3) From I/2022, acquisition of additional shares in Uniper are not included in gross investments in shares. For additional information, see Note 6.1 Acquisitions.

Year-to-date

		Generation[1]		Russia		City Solutions[1]		Consumer Solutions		Other Operations		Total for continuing operations	
EUR million	Note	I-III/2022	I-III/2021 restated	I-III/2022	I-III/2021	I-III/2022	I-III/2021	I-III/2022	I-III/2021	I-III/2022	I-III/2021	I-III/2022	I-III/2021
Income statement data by segment													
Power sales [1]		2,272	1,794	600	543	125	127	2,705	1,333	0	-	5,702	3,797
Heat sales		-	-	91	92	370	404	-	-	-	-	461	496
Gas sales		-	90	-	-	-	1	288	134	-	-	288	225
Waste treatment sales		0	0	-	-	174	180	-	-	-	-	174	180
Other sales		38	32	11	4	204	163	126	103	103	103	483	405
Sales		**2,310**	**1,916**	**702**	**639**	**873**	**876**	**3,118**	**1,570**	**103**	**103**	**7,108**	**5,103**
Internal eliminations		497	-153	-	-	-36	-26	-27	-6	-79	-80	355	-264
Netting of Nord Pool transactions [2]												-1,394	-588
IS External sales		2,807	1,763	702	639	837	850	3,091	1,564	25	23	6,068	4,251
Comparable EBITDA		**1,073**	**817**	**290**	**285**	**107**	**197**	**130**	**120**	**-59**	**-78**	**1,541**	**1,343**
IS Depreciation and amortisation		-123	-122	-106	-104	-110	-136	-57	-52	-19	-20	-415	-433
IS **Comparable operating profit**		**950**	**695**	**185**	**182**	**-3**	**62**	**73**	**68**	**-78**	**-98**	**1,126**	**909**
Impairment charges and reversals		-	-	-355	-30	0	-	-	-	-	-	-356	-30
Capital gains and other related items		0	50	0	1	639	2,609	0	0	141	15	780	2,674
Changes in fair values of derivatives hedging future cash flow		-154	-76	-13	0	-117	-13	699	314	-	0	415	225
Other		-	-	-27	-	1	-	-	-	-10	-	-35	-
IS Items affecting comparability	4	-154	-26	-395	-29	522	2,596	699	314	132	15	804	2,869
IS **Operating profit**		**796**	**669**	**-211**	**152**	**519**	**2,658**	**772**	**382**	**54**	**-83**	**1,930**	**3,778**
Comparable share of profit/loss of associates and joint ventures	4. 12	23	13	14	57	10	39	-	-	-6	0	42	108
IS Share of profit/loss of associates and joint ventures	12	-131	52	-207	57	10	39	-	-	-6	0	-333	147
Gross investments / divestments by segment													
Gross investments in shares [3]	6	3	3	4	34	3	2	-	0	17	227	26	265
Capital expenditure		151	97	21	26	105	119	51	49	7	11	335	287
Gross divestments of shares	6	-	129	1	17	1,209	3,583	0	0	150	19	1,360	3,748

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.
3) From I/2022, acquisition of additional shares in Uniper are not included in gross investments in shares. For additional information, see Note 6.1 Acquisitions.

Last twelve months

		Generation[1)]		Russia		City Solutions[1)]		Consumer Solutions		Other Operations		Total for continuing operations	
EUR million	**Note**	**LTM**	**2021 restated**	**LTM**	**2021**	**LTM**	**2021**	**LTM**	**2021**	**LTM**	**2021**	**LTM**	**2021**
Income statement data by segment													
Power sales [1)]		3,138	2,660	819	761	202	205	3,625	2,253	0	0	7,784	5,879
Heat sales		-	-	135	137	578	612	-	-	-	-	713	749
Gas sales		77	167	-	-	-	1	379	225	-	-	456	393
Waste treatment sales		0	0	-	-	243	250	-	-	-	-	243	250
Other sales		48	42	15	8	276	235	167	144	139	138	645	567
Sales		**3,264**	**2,869**	**969**	**906**	**1,300**	**1,302**	**4,171**	**2,622**	**139**	**138**	**9,842**	**7,837**
Internal eliminations		509	-140	1	1	-38	-29	-35	-14	-103	-104	333	-286
Netting of Nord Pool transactions [2)]												-1,935	-1,128
IS External sales		3,773	2,729	969	906	1,261	1,273	4,135	2,608	35	34	8,239	6,422
Comparable EBITDA		**1,542**	**1,287**	**409**	**404**	**227**	**317**	**132**	**123**	**-95**	**-114**	**2,214**	**2,016**
IS Depreciation and amortisation		-165	-164	-145	-142	-156	-182	-76	-71	-27	-28	-569	-587
IS **Comparable operating profit**		**1,377**	**1,123**	**264**	**261**	**70**	**135**	**56**	**52**	**-122**	**-142**	**1,646**	**1,429**
Impairment charges and reversals		-	-	-360	-35	0	-	-	-	-	-	-361	-35
Capital gains and other related items		0	50	0	1	638	2,608	0	0	140	14	779	2,673
Changes in fair values of derivatives hedging future cash flow		-185	-107	-13	0	-176	-72	828	443	0	-	454	264
Other		-	-	-27	-	1	-	-	-	-15	-6	-41	-6
IS Items affecting comparability	4	-185	-57	-400	-34	463	2,536	828	443	125	8	832	2,897
IS **Operating profit**		**1,192**	**1,066**	**-136**	**227**	**533**	**2,671**	**885**	**495**	**3**	**-134**	**2,478**	**4,325**
Comparable share of profit/loss of associates and joint ventures	4, 12	10	0	19	62	14	42	-	-	-5	0	38	104
IS Share of profit/loss of associates and joint ventures	12	-119	64	-201	62	14	42	-	-	-5	0	-312	168
Gross investments / divestments by segment													
Gross investments in shares [3)]	6	7	7	5	36	3	2	0	-	27	237	42	281
Capital expenditure		223	168	42	47	148	161	70	68	10	15	491	443
Gross divestments of shares	6	0	129	2	18	1,495	3,870	0	0	150	19	1,647	4,034

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.
3) From I/2022, acquisition of additional shares in Uniper are not included in gross investments in shares. For additional information, see Note 6.1 Acquisitions.

Segment assets and liabilities

		Generation		Russia		City Solutions		Consumer Solutions		Other Operations		Total	Uniper	Total
EUR million	**Note**	**30 Sep 2022**	**31 Dec 2021**	**30 Sep 2022**	**31 Dec 2021**	**30 Sep 2022**	**31 Dec 2021**	**30 Sep 2022**	**31 Dec 2021**	**30 Sep 2022**	**31 Dec 2021**	**30 Sep 2022**	**31 Dec 2021**	**31 Dec 2021**
Non-interest-bearing assets		4,970	5,545	2,923	1,923	1,908	2,874	1,422	1,496	277	283	11,500	27,137	39,258
BS Participations in associates and joint ventures	12	926	1,032	561	678	77	74	-	-	23	32	1,586	644	2,461
Eliminations												-338		-386
Total segment assets		**5,896**	**6,577**	**3,484**	**2,601**	**1,984**	**2,949**	**1,422**	**1,496**	**300**	**315**	**12,748**	**27,781**	**41,333**
Interest-bearing receivables	14											5,388		3,107
BS Deferred tax assets												844		2,149
Other assets												9,100		95,481
BS Liquid funds												3,638		7,592
BS Total assets												**31,719**		**149,661**
Segment liabilities		**323**	**616**	**156**	**93**	**329**	**492**	**383**	**371**	**140**	**190**	**1,332**	**22,435**	**24,196**
Eliminations												-338		-386
Total segment liabilities												**993**		**23,810**
BS Deferred tax liabilities												514		827
Other liabilities												10,682		94,140
Total liabilities included in capital employed												**12,188**		**118,777**
Interest-bearing liabilities	15											12,987		17,220
BS Total equity												6,543		13,665
BS Total equity and liabilities												**31,719**		**149,661**
Number of employees		1,371	1,116	2,708	2,627	1,606	1,766	1,176	1,176	969	961	7,830	11,494	19,140

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

EUR million	Note	Generation LTM	Generation 31 Dec 2021 restated	Russia LTM	Russia 31 Dec 2021	City Solutions LTM	City Solutions 31 Dec 2021	Consumer Solutions LTM	Consumer Solutions 31 Dec 2021
Comparable operating profit		**1,377**	**1,123**	**264**	**261**	**70**	**135**	**56**	**52**
Comparable share of profit/loss of associates and joint ventures	4, 12	10	0	19	62	14	42	-	-
Comparable operating profit including comparable share of profit/loss of associates and joint ventures		**1,387**	**1,123**	**284**	**323**	**84**	**177**	**56**	**52**
Segment assets at the end of the period		5,896	6,577	3,484	2,601	1,984	2,949	1,422	1,496
Segment liabilities at the end of the period		323	616	156	93	329	492	383	371
Comparable net assets		**5,573**	**5,961**	**3,328**	**2,508**	**1,655**	**2,456**	**1,039**	**1,125**
Comparable net assets average [1)]		**5,811**	**5,925**	**2,742**	**2,516**	**1,993**	**2,915**	**935**	**746**
Comparable return on net assets, %		**23.9**	**19.0**	**10.3**	**12.9**	**4.2**	**6.1**	**6.0**	**6.9**

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 III/2022	Unadjusted III/2021 restated	Impairment charges and reversals III/2022	Impairment charges and reversals III/2021 restated	Capital gains and other related items III/2022	Capital gains and other related items III/2021 restated	Changes in fair values of derivatives hedging future cash flow III/2022	Changes in fair values of derivatives hedging future cash flow III/2021 restated	Other III/2022	Other III/2021 restated	Reported III/2022	Reported III/2021 restated
Sales	2,219	1,420	-	-	-	-	-67	-124	-	-	2,152	1,296
Other income	158	2,648	-	-	-138	-2,612	0	-22	-	-	19	13
Materials and services	-1,027	-674	-	-	-	-	-329	-	-	-	-1,356	-674
Employee benefits	-121	-111	-	-	-	-	-	-	-	-	-121	-111
Depreciation and amortisation	-175	-144	35	1	-	-	-	-	-	-	-140	-143
Other expenses	-136	-138	-	-	-	-	-	-	3	-	-133	-138
IS **Comparable operating profit**			**35**	**1**	**-138**	**-2,612**	**-396**	**-146**	**3**	**-**	**421**	**243**
IS Items affecting comparability			-35	-1	138	2,612	396	146	-3	-	496	2,757
IS **Operating profit**	**917**	**3,000**									**917**	**3,000**

Year-to-date

	Unadjusted		Impairment charges and reversals		Capital gains and other related items		Changes in fair values of derivatives hedging future cash flow		Other		Reported	
EUR million	**I-III/2022**	**I-III/2021 restated**	**I-III/2022**	**I-III/2021 restated**	**I-III/2022**	**I-III/2021 restated**	**I-III/2022**	**I-III/2021 restated**	**I-III/2022**	**I-III/2021 restated**	**I-III/2022**	**I-III/2021 restated**
Sales	5,806	4,766	-	-	-	-	262	-515	-	-	6,068	4,251
Other income	844	2,762	-	-	-780	-2,674	9	-24	-1	-	72	65
Materials and services	-3,132	-2,517	-	-	-	-	-686	314	-	-	-3,818	-2,203
Employee benefits	-369	-362	-	-	-	-	-	-	-	-	-369	-362
Depreciation and amortisation	-771	-464	356	30	-	-	-	-	-	-	-415	-433
Other expenses	-448	-407	-	-	-	-	-	-	37	-	-411	-408
IS **Comparable operating profit**			**356**	**30**	**-780**	**-2,674**	**-415**	**-225**	**35**	**-**	**1,126**	**909**
IS Items affecting comparability			-356	-30	780	2,674	415	225	-35	-	804	2,869
IS **Operating profit**	**1,930**	**3,778**									**1,930**	**3,778**

Last twelve months

	Unadjusted		Impairment charges and reversals		Capital gains and other related items		Changes in fair values of derivatives hedging future cash flow		Other		Reported	
EUR million	**LTM**	**2021 restated**	**LTM**	**2021 restated**	**LTM**	**2021 restated**	**LTM**	**2021 restated**	**LTM**	**2021 restated**	**LTM**	**2021 restated**
Sales	7,274	6,234	-	-	-	-	965	188	-	-	8,239	6,422
Other income	856	2,773	-	-	-779	-2,673	23	-9	-1	-	98	91
Materials and services	-3,591	-2,976	-	-	-	-	-1,443	-443	-	-	-5,034	-3,419
Employee benefits	-504	-496	-	-	-	-	-	-	-	-	-504	-496
Depreciation and amortisation	-929	-622	361	35	-	-	-	-	-	-	-569	-587
Other expenses	-629	-589	-	-	1	1	-	-	42	6	-586	-582
IS **Comparable operating profit**			**361**	**35**	**-779**	**-2,673**	**-454**	**-264**	**41**	**6**	**1,646**	**1,429**
IS Items affecting comparability			-361	-35	779	2,673	454	264	-41	-6	832	2,897
IS **Operating profit**	**2,478**	**4,325**									**2,478**	**4,325**

Impairment charges and reversals

Impairment charges and reversals of previously recognised impairments are adjusted from depreciation and amortisation and presented in items affecting comparability. Impairments in I-III/2022 include EUR 355 million impairment in the Russia segment. The change in impairments of EUR 35 million compared to I-II/2022 comes from the strengthened rouble rate. See Note 13 Impairment of non-current assets. Impairments in 2021 included a tax-deductible non-cash impairment of EUR 35 million in connection with the sale of the Argayash CHP plant in the Russia segment.

Capital gains and other related items

Capital gains and other related items in I-III/2022 includes 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. Capital gains and other related items in 2021 included EUR 2,350 million gain from the sale of the 50% stake in the Swedish district heating and cooling company, Stockholm Exergi Holding AB, EUR 254 million gain from the sale of the district heating business in the Baltics, and EUR 50 million gain from the sale of eight small hydropower plants in Sweden (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”). 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	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
IS **Operating profit**		**917**	**3,000**	**1,930**	**3,778**	**4,325**	**2,478**
IS Items affecting comparability	4.1	-496	-2,757	-804	-2,869	-2,897	-832
IS **Comparable operating profit**		**421**	**243**	**1,126**	**909**	**1,429**	**1,646**
IS Share of profit/loss of associates and joint ventures		-37	7	-333	147	168	-312
Adjustments to share of profit/loss of associates and joint ventures	12	46	-2	375	-39	-65	350
Comparable share of profit/loss of associates and joint ventures		9	5	42	108	104	38
IS Finance costs - net		-141	-46	417	-135	-161	391
Adjustments to finance costs - net	7	66	13	147	39	34	141
Comparable finance costs - net		-75	-34	564	-96	-127	532
Comparable profit before income tax		**354**	**215**	**1,732**	**922**	**1,405**	**2,216**
IS Income tax expense		-138	-73	-391	-210	-325	-506
Adjustments to income tax expense		60	25	8	29	34	13
Comparable income tax expense		-77	-48	-383	-181	-290	-493
IS Non-controlling interests		1	4	-4	-12	-23	-15
Adjustments to non-controlling interests		-2	0	-12	1	-1	-14
Comparable non-controlling interests		-1	4	-15	-10	-24	-29
Comparable net profit from continuing operations		**276**	**171**	**1,333**	**730**	**1,091**	**1,694**
Comparable net profit from discontinued operations	6.4	-2,266	0	-2,538	355	687	-2,206
Comparable net profit, total Fortum		**-1,990**	**171**	**-1,204**	**1,086**	**1,778**	**-512**
Comparable earnings per share, continuing operations EUR	24	**0.31**	**0.19**	**1.50**	**0.82**	**1.23**	**1.91**
Comparable earnings per share, discontinued operations EUR	24	**-2.56**	**0.00**	**-2.86**	**0.40**	**0.77**	**-2.48**
Comparable earnings per share, total Fortum, EUR	24	**-2.25**	**0.19**	**-1.36**	**1.22**	**2.00**	**-0.58**

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 I-III/2022, the share of profits of associates and joint ventures include EUR 194 million impairments related to Fortum’s ownership in the Russian TGC-1 and EUR 29 million of impairments of the renewables joint ventures in Russia. The change in impairments of EUR 22 million compared to I-II/2022 comes from the strengthened rouble rate. See Note 13 Impairment of non-current assets.

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.

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.

See also Note 24 Definitions and reconciliations of key figures.

5. Financial risk management

See Fortum Group's consolidated financial statements for the year ended 31 December 2021 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 2021, in Note 15 Financial assets and liabilities by fair value hierarchy.

Financial assets

	Level 1		Level 2		Level 3		Netting [1]		Total	
EUR million	**30 Sep 2022**	**31 Dec 2021**	**30 Sep 2022**	**31 Dec 2021**	**30 Sep 2022**	**31 Dec 2021**	**30 Sep 2022**	**31 Dec 2021**	**30 Sep 2022**	**31 Dec 2021**
In non-current assets										
Other investments [2]	-	71	-	46	857	99			857	216
Derivative financial instruments										
Commodity derivatives										
Hedge accounting			133	62				-9	133	53
Non-hedge accounting	428	5,136	116	11,708	32	207	-148	-96	428	16,955
Interest rate and currency derivatives										
Hedge accounting			115	54					115	54
Non-hedge accounting			4	34					4	34
Interest-bearing receivables	-	111			42	36			42	147
Total in non-current assets	**428**	**5,318**	**367**	**11,904**	**931**	**342**	**-148**	**-105**	**1,578**	**17,460**
In current assets										
Derivative financial instruments										
Commodity derivatives										
Hedge accounting	1,705	50	296	572			-1,235	-207	766	416
Non-hedge accounting	8,227	22,876	1,349	45,575	7	326	-7,399	-4,028	2,184	64,750
Interest rate and currency derivatives										
Hedge accounting			11	57					11	57
Non-hedge accounting			204	170					204	170
Other receivables			-	13					-	13
Interest-bearing receivables	541	596			6	4			547	600
Total in current assets	**10,473**	**23,522**	**1,861**	**46,387**	**13**	**330**	**-8,634**	**-4,235**	**3,713**	**66,006**
Total in assets	**10,901**	**28,840**	**2,228**	**58,291**	**944**	**672**	**-8,782**	**-4,340**	**5,291**	**83,465**

1) Receivables and liabilities from electricity and other commodity standard derivative contracts against exchanges with same delivery period are netted in Fortum, except in Uniper-segment included in 31 Dec 2021 balances.
2) Other investments mainly include shares in unlisted companies.

Financial liabilities

	Level 1		Level 2		Level 3		Netting [1]		Total	
EUR million	**30 Sep 2022**	**31 Dec 2021**	**30 Sep 2022**	**31 Dec 2021**	**30 Sep 2022**	**31 Dec 2021**	**30 Sep 2022**	**31 Dec 2021**	**30 Sep 2022**	**31 Dec 2021**
In non-current liabilities										
Interest-bearing liabilities [2]			624	1,669					624	1,669
Derivative financial instruments										
Commodity derivatives										
Hedge accounting			548	257				-9	548	248
Non-hedge accounting	219	4,874	424	11,336	10	259	-148	-96	505	16,373
Interest rate and currency derivatives										
Hedge accounting			114	27					114	27
Non-hedge accounting			-	8					-	8
Total in non-current liabilities	**219**	**4,874**	**1,710**	**13,297**	**10**	**259**	**-148**	**-105**	**1,791**	**18,326**
In current liabilities										
Interest-bearing liabilities			541	549					541	549
Derivative financial instruments										
Commodity derivatives										
Hedge accounting	5,060	420	2,690	2,721			-1,657	-207	6,093	2,934
Non-hedge accounting	6,149	20,316	2,121	52,531	3	86	-6,977	-4,028	1,296	68,905
Interest rate and currency derivatives										
Hedge accounting			7	4					7	4
Non-hedge accounting			96	103					96	103
Total in current liabilities	**11,209**	**20,736**	**5,454**	**55,908**	**3**	**86**	**-8,634**	**-4,235**	**8,032**	**72,496**
Total in liabilities	**11,428**	**25,610**	**7,164**	**69,205**	**13**	**345**	**-8,782**	**-4,340**	**9,823**	**90,822**

1) Receivables and liabilities from standard electricity and other commodity derivative contracts against exchanges with same delivery period are netted in Fortum, except in Uniper-segment included in 31 Dec 2021 balances.
2) Fair valued part of bonds when hedge accounting is applied (fair value hedge).

Changes in fair value hierarchy's total asset include EUR 198,092 million and changes in fair value hierarchy's total liabilities include EUR 215,846 million in I-III/2022 from the deconsolidation of Uniper at 30 September 2022.

At the end of September 2022, the net fair value of commodity derivatives was EUR -4,930 million, including assets of EUR 3,512 million and liabilities of EUR 8,442 million (EUR -6,225 million in December 2021, including assets of EUR 82 billion and liabilities of EUR 88 billion). The decrease from December 2021 mainly relates to deconsolidation of Uniper which was dampened by impacts from increased commodity market prices affecting the continuing operations.

Net fair value amount of interest rate and currency derivatives was EUR 117 million, including assets of EUR 334 million and liabilities of EUR 216 million. Fortum has cash collaterals based on collateral agreements with some counterparties. At the end of September 2022, Fortum had received EUR 48 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 14 Interest-bearing receivables, Note 15 Interest-bearing net debt and Note 20 Pledged assets and contingent liabilities.

The increase in Other investments mainly relate to the 1.3 GW portfolio of wind projects in Russia. Fair valued long-term gas supply contracts accounted for as derivatives, EUR 3,529 million, have been transferred from level 2 to level 3 during the reporting period due to changed market situation affecting the inputs used to determine the credit value adjustment. Uniper deconsolidation decreased total level 3 fair values by EUR 1,416 million. There were no other transfers out of level 3.

Changes in fair value hierarchy Level 3

	1 Jan 2022	Purchases	Sales	Settle-ments	Gains / losses in income statement	Transfers and additions into level 3	Gains / losses in OCI	Disposal of subsidiary companies	30 Sep 2022
On balance sheet, net									
Other investments	99	16	-17		187	572	1	-2	856
Commodity derivatives, fair values	764		135	-105	-1,936	3,529	-1	-2,360	26
Commodity derivative, day-1 gains and losses	-575	2		24	-397			946	0
Interest-bearing receivables	40			-5	13				48
Total on balance sheet, net	**328**	**18**	**118**	**-86**	**-2,133**	**4,101**	**0**	**-1,416**	**930**

6. Acquisitions, disposals, assets held for sale and discontinued operations

6.1 Acquisitions

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Gross investments in shares in subsidiary companies	0	38	0	211	210	-1
Gross investments in shares in associated companies and joint ventures	4	18	11	36	39	14
Gross investments in other shares	4	8	16	18	31	29
Total	**8**	**64**	**26**	**265**	**281**	**42**

There were no material acquisitions in I-III/2022. Acquisition of subsidiary shares in 2021 mainly related to the acquisition of Uniper shares. From I/2022, acquisition of additional shares in Uniper are not included in gross investments in shares. This reflects the change in presentation in the cash flow where the acquisition of additional shares are from I/2022 presented in cash flow from financing activities to better reflect the requirements of IAS 7 Statement of cash flows. Until IV/2021 acquisition of additional shares in Uniper were presented in cash flow from investing activities. Comparatives have not been restated.

6.2 Disposals

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Gross divestments of shares in subsidiary companies	66	695	1,274	851	1,136	1,560
Gross divestments of shares in associated companies and joint ventures	86	2,894	86	2,897	2,898	87
Total	**152**	**3,589**	**1,360**	**3,748**	**4,034**	**1,647**

Disposals during 2022

On 21 September 2022, Fortum, the German government and Uniper signed an agreement in principle that will allow the German State to take full control of Uniper and Uniper was deconsolidated. The shares in Uniper SE are classified as other shares and presented as assets held for sale on 30 September 2022. See also Note 1 Significant accounting policies, Note 2 Critical accounting estimates and judgements and Note 6.4 Discontinued operations.

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 Operation’s 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 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 City Solutions segment's second quarter 2022 results.

Disposals during 2021

On 22 June 2021, Fortum announced that it had signed an agreement to divest the 250-MW Pavagada II and the 250-MW Rajasthan solar power plants in India to Actis. The total consideration from the divestment on a debt and cash-free basis, including the effect of deconsolidating of the net debt amounted to approximately EUR 280 million. The sale of Pavagada II was concluded in October 2021 and the first phase of Rajasthan divestment in November 2021. Fortum recorded a tax-exempt sales gain of EUR 11 million in the fourth quarter 2021 comparable operating profit of the City Solutions segment.

On 20 September 2021, Fortum concluded the sale of its 50% ownership in the Swedish district heating and cooling company Stockholm Exergi Holding AB (publ) to a consortium of European institutional investors of APG, Alecta, PGGM, Keva, and AXA. The total consideration of the sale amounted to SEK 29.5 billion (approximately EUR 2.9 billion). Fortum recorded a tax-exempt capital gain of EUR 2,350 million in the City Solutions segment's third quarter 2021 results.

On 12 March 2021, Fortum announced that it had signed an agreement to sell its district heating business in the Baltics to Partners Group. On 2 July 2021, Fortum concluded the sale. The total consideration of the sale amounted to approximately EUR 710 million. Fortum recorded a tax-exempt capital gain of EUR 254 million in the City Solutions segment's third quarter 2021 results.

On 2 March 2021, Fortum announced it had decided to construct the largest solar power plant in Russia through a joint venture established with RDIF. In December 2021, 78 MW of the capacity was commissioned and the remaining capacity will be commissioned in the second half of 2022. The power plant is based on capacities won by Fortum in CSA auctions in 2018 and 2019. In March 2021, Fortum sold the CSA-backed solar power project to the joint venture with RDIF, which had a positive effect of EUR 17 million in the first quarter 2021 comparable operating profit of the Russia segment.

In December 2020, Fortum decided to sell eight small hydropower plants in Sweden with an average annual power generation of 0.1 TWh to Downing Renewables & Infrastructure Trust plc. The total purchase price on a debt and cash free basis was EUR 64.5 million. The transaction closed on 2 February 2021.

In December 2019, Fortum and Credit Suisse Energy Infrastructure Partners (CSEIP) signed an agreement whereby funds advised by CSEIP acquired an 80% stake in Fortum's Nordic wind portfolio. The transaction, excluding the Sørfjord wind park, which was still under construction, was closed on 14 May 2020. The transaction on Sørfjord wind park was closed on 20 January 2021.

6.3 Assets held for sale

Assets held for sale at 30 September 2022 include EUR 498 million of other shares relating to Uniper SE (discontinued operations). Assets held for sale at 31 December 2021 included EUR 108 million of Uniper SE's assets held for sale relating to an equity investment in Javelin, UK and the Öresundverket power plant in Malmö, Sweden.

6.4 Discontinued operations

Uniper segment has been classified as discontinued operations in III/2022. See also Note 1 Significant accounting policies and Note 2 Critical accounting estimates and judgments. Financial performance and cash flow information for the discontinued operations is presented until 30 September 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	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Sales	50,058	22,447	128,102	58,178	106,127	176,050
Other income	10,745	3,630	22,508	6,876	12,289	27,921
Materials and services	-53,834	-21,060	-132,287	-55,069	-101,889	-179,107
Employee benefits	-222	-245	-709	-748	-1,065	-1,026
Depreciation and amortisation	-167	-171	-573	-501	-694	-765
Other expenses	-10,758	-4,585	-21,788	-8,180	-13,661	-27,269
Comparable operating profit	**-4,177**	**17**	**-4,747**	**557**	**1,107**	**-4,196**
Deconsolidation effect	27,966	-	27,966	-	-	27,966
Items affecting comparability	-27,620	-6,122	-39,621	-6,935	-6,021	-38,706
Operating profit	**-3,832**	**-6,105**	**-16,402**	**-6,378**	**-4,913**	**-14,937**
Share of profit/loss of associates and joint ventures	14	4	71	5	23	90
Finance costs - net	-69	6	-1,052	166	269	-950
Profit before income tax	**-3,886**	**-6,095**	**-17,383**	**-6,207**	**-4,621**	**-15,797**
Income tax expense	3,796	1,439	6,081	1,510	500	5,071
Net profit from discontinued operations	**-90**	**-4,656**	**-11,302**	**-4,697**	**-4,121**	**-10,726**
Attributable to:						
Owners of the parent	5,498	-3,614	-3,428	-3,671	-3,246	-3,002
Non-controlling interests [1)]	-5,588	-1,043	-7,874	-1,025	-875	-7,724
Earnings per share, discontinued operations, EUR	6.19	-4.07	-3.86	-4.13	-3.65	-3.38
Comparable net profit from discontinued operations	-2,266	0	-2,538	355	687	-2,206
Comparable earnings per share, discontinued operations, EUR	-2.56	0.00	-2.86	0.40	0.77	-2.48

1) Non-controlling interest is not calculated on the Deconsolidation effect.

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 effects of eliminations from internal cash flows have been included in the discontinued operations. Net cash from/used in investing activities in III/2022 is presented net of liquid funds due to the deconsolidation of Uniper. Liquid funds of Uniper were EUR 2,248 of million at 30 September 2022.

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Net cash from/used in operating activities	-8,616	1,935	-10,870	2,362	3,851	-9,381
Net cash from/used in investing activities	-4,723	-2,645	-2,948	-4,183	-5,215	-3,980
Net cash from/used in financing activities	10,241	2,062	10,757	3,701	4,409	11,465
Total net decrease/increase in liquid funds	**-3,098**	**1,352**	**-3,061**	**1,880**	**3,045**	**-1,896**

Deconsolidation effect

The table below presents the components of the one-time deconsolidation effect that is included in III/2022 in net profit from discontinued operations in the consolidated income statement.

EUR million	30 Sep 2022
Intangible assets	1,224
Property, plant and equipment and right-of-use assets	9,638
Participations in associates and joint ventures	671
Derivative financial instruments, net	-18,017
Deferred taxes, net	7,595
Margin receivables, net	8,763
Interest-bearing receivables	860
Other non-current and current assets	21,070
Liquid funds	2,248
Non-controlling interests	6,237
Interest-bearing liabilities	-20,391
Provisions	-30,281
Pension obligations, net	-516
Nuclear provisions	-2,696
Other liabilities	-13,063
Net assets divested	**-26,658**
Reclassified to other shares presented as assets held for sale	498
Items recycled to Income statement	810
Deconsolidation effect	**27,966**

7. Finance costs - net

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Interest expense						
Borrowings	-39	-38	-65	-115	-154	-104
Leasing and other interest expenses	-1	-1	-2	-3	-4	-3
Capitalised borrowing costs	2	0	3	3	3	4
IS **Total**	**-38**	**-38**	**-64**	**-115**	**-154**	**-104**
Interest income						
Loan receivables and deposits	11	6	27	17	23	34
Leasing and other interest income	27	1	28	2	2	29
IS **Total**	**38**	**7**	**56**	**18**	**25**	**63**
Other financial items - net						
Return from nuclear funds, nuclear fund adjustment and unwinding of nuclear provisions	-21	-9	-67	-39	-35	-63
Fair value changes, impairments and reversals	-72	-4	-106	-1	1	-105
Unwinding of discounts on other provisions and pension obligations	-1	-1	-3	-1	0	-2
Other financial expenses and income	-48	-1	601	2	2	601
IS **Total**	**-141**	**-14**	**425**	**-39**	**-32**	**432**
IS **Finance costs - net**	**-141**	**-46**	**417**	**-135**	**-161**	**391**

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
IS **Finance costs - net**	**-141**	**-46**	**417**	**-135**	**-161**	**391**
Adjustments to finance costs - net						
Return from nuclear funds, nuclear fund adjustment and unwinding of nuclear provisions	21	9	67	39	35	63
Fair value changes, impairments, reversals and other adjustments [1)]	45	4	80	1	-1	78
Comparable finance costs - net	**-75**	**-34**	**564**	**-96**	**-127**	**532**

1) Other adjustments in III/2022 include EUR 27 million interest income from tax authorities on refunded tax payment.

Interest expenses on borrowings in I-III/2022 totalled EUR 65 million (I-III/2021: 115) including interest expenses on loans of EUR 87 million (I-III/2021: 100), and EUR -22 million (I-III/2021: 15) interest cost – net from derivatives hedging the loan portfolio.

Interest income in I-III/2022 of EUR 56 million (I-III/2021: 18) includes EUR 20 million (I-III/2021: 10) interest income from shareholder loan receivables and other loan receivables, and EUR 7 million (I-III/2021: 7) from deposits. Interest income from leases and other interest income EUR 28 million (I-III/2021: 2) include EUR 27 million interest income from tax authorities on refunded tax payment. See Note 8 Income taxes and Note 21 Legal actions and official proceedings.

Return from Nuclear Funds include interest income from the Finnish Nuclear waste fund.

Fair value changes, impairments and reversals EUR 106 million in I-III/2022 include expected credit losses from Russian deposits and receivables.

Other financial expenses and income EUR 601 million in I-III/2022 include mainly foreign exchange gains from Russian rouble receivables and closing of Russian rouble hedges.

8. Income taxes

Income taxes during I-III/2022 totalled EUR 391 million (I-III/2021: 210). The effective income tax rate according to the income statement was 19.4% (I-III/2021: 5.5%). The comparable effective income tax rate was 22.7% (I-III/2021: 22.2%).

Fortum has paid taxes in previous years regarding ongoing tax disputes related to years 2008-2012 and had recognised a receivable of EUR 113 million on the consolidated balance sheet at 31 December 2021. In June 2022, the Antwerp Court of First Instance, Belgium, ruled in favour of Fortum on the 2009-2012 income tax assessments, and in September 2022, the Belgian tax authorities refunded Fortum the paid taxes amounting to EUR 78 million. The amount for the year 2008, EUR 36 million, continues to be recognised on the balance sheet. For additional information, see Note 21 Legal actions and official proceedings.

9. Dividend per share

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.

A dividend for 2020 of EUR 1.12 per share, amounting to a total of EUR 995 million, was decided in the Annual General Meeting on 28 April 2021. The dividend was paid on 7 May 2021.

10. Intangible assets

EUR million	30 Sep 2022	31 Dec 2021
Goodwill	248	1,021
Contract-based	-	514
Other	407	632
BS Total	**654**	**2,167**

Changes in goodwill in I-III/2022 include EUR 515 million, and contract-based and other intangible assets include EUR 709 million from the deconsolidation of Uniper at 30 September 2022. Other changes in goodwill in I-III/2022 mainly relates to EUR 160 million impairment charge (see Note 13 Impairment of non-current assets) and divestments.

11. Property, plant and equipment, and right-of-use assets

Property, plant and equipment, and right-of-use assets amounted to EUR 8,252 million (31 Dec 2021: 19,049). Changes in property, plant and equipment, and right-of-use assets in I-III/2022 include EUR 9,638 million from the deconsolidation of Uniper at 30 September 2022. Other changes in I-III/2022 mainly relate to EUR 193 million impairment charge for Fortum's Russia segment (see Note 13 Impairment of non-current assets), translation differences, divestments, as well as depreciation; partly offset by capital expenditures.

12. Participations in associates and joint ventures

12.1 Participations in associates and joint ventures

Changes in participations in associates and joint ventures

EUR million	30 Sep 2022	31 Dec 2021
Opening balance 1 January	**2,461**	**2,912**
Investments	11	44
Share of profit of associates and joint ventures	-262	192
Dividend income received	-27	-113
Divestments and capital returns [1]	-28	-569
Disposal of subsidiary companies	-636	-
Reclassifications	-168	-58
OCI items in associates and joint ventures	35	38
Translation differences and other adjustments	201	14
BS **Closing balance**	**1,586**	**2,461**

1) Divestments and capital returns in 2021 mainly related to the sale of Stockholm Exergi AB, for additional information see Note 6.2 Disposals.

Changes during the reporting period include Uniper until 30 September 2022. Changes in Disposal of subsidiary companies and Reclassifications I-III/2022 include EUR -671 million from the deconsolidation of Uniper at 30 September 2022.

Fortum and Uniper are co-owners in the Swedish nuclear company OKG Aktiebolag (OKG AB), with Fortum owning 45.5%. Fortum accounted for the shareholding in OKG AB as a subsidiary from 31 March 2020 to 30 September 2022. Prior to 31 March 2020, OKG AB was accounted for as an associated company. On deconsolidation of Uniper at 30 September 2022, OKG AB is again reclassified as an associated company.

In I-III/2022, the share of profits of associates and joint ventures include EUR 194 million impairments related to Fortum's ownership in the Russian TGC-1 and EUR 29 million of impairments of the renewables joint ventures in Russia. See Note 13 Impairment of non-current assets.

12.2 Share of profit/loss of associates and joint ventures

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
TGC-1	-19	11	-194	34	33	-195
Stockholm Exergi AB	-	-4	-	28	28	-
Other associates and joint ventures	-18	-	-139	85	108	-116
IS **Share of profit/loss of associates and joint ventures**	**-37**	**7**	**-333**	**147**	**168**	**-312**

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
IS **Share of profit/loss of associates and joint ventures**	**-37**	**7**	**-333**	**147**	**168**	**-312**
Adjustments to share of profit/loss of associates and joint ventures	46	-2	375	-39	-65	350
Comparable share of profit/loss of associates and joint ventures	**9**	**5**	**42**	**108**	**104**	**38**

13. 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 2021 consolidated financial statements for further information on the accounting policy and assumptions related to impairment testing.

On 24 February 2022, Russia started a widespread invasion into Ukraine. As a consequence, the US, the EU and the UK, amongst others, imposed sanctions targeting Russia's ability to access capital and financial markets, sanctioning numerous individuals and banks; as well as trading in general. The war, the resulting sanctions, and the impact on business operations was considered as an impairment indicator, which triggered impairment testing on the Russia and the Unipro cash-generating units (CGU) at 31 March 2022.

For goodwill, other intangible assets, property, plant and equipment, and right-of-use assets, Fortum uses value in use to establish the recoverable amount of CGUs. Value in use is determined by discounting future cash flows expected to be derived from a group of assets. In order to reflect the uncertainty related to the Russia-Ukraine geopolitical uncertainties at 31 March 2022, Fortum used the expected cash flow approach with three different probability-weighted cash flow scenarios prepared by the management: the base scenario with 40% weighting, as well as two different downside scenarios, each with 30% weighting. Cash flows used for annual impairment testing at the previous year end were based on the most likely scenario. In addition, Fortum updated the discount rate for Russia CGUs. Discount rate from 11% to 31% is applied on a reducing scale over the cash flow period, with higher discount rate in the first three years (31 Dec 2021: 11.7%).

The recoverable amount of the Russian associate TCG-1 was based on fair value less costs of disposal using two different probability-weighted scenarios prepared by the management. The scenarios were consistent with external sources of information, the recoverable amount corresponding to fair value hierarchy level 3.

The recoverable amounts of the Russia (Russia segment) and Unipro (Uniper segment) CGUs were below the respective book values resulting in EUR 445 million impairment charge in the Russia CGU, and EUR 555 million impairment charge in the Unipro CGU in I/2022. Unipro CGU was reclassified as discontinued operations in III/2022. In I-III/2022, due to the strengthened rouble rate, the impairment charges for the Russia CGU (Russia segment) were EUR 576 million. Impairment was recognised against goodwill, property, plant and equipment and participations in associates and joint ventures. The remaining book value of Fortum's Russian assets (net of impairments) was approximately EUR 3.3 billion at 30 September 2022 (31 Mar 2022: 1.8; 31 Dec 2021: 2.5). The increase in book value from I/2022 is due to the strengthened rouble rate.

See also Note 2 Critical accounting estimates and judgements.

14. Interest-bearing receivables

EUR million	30 Sep 2022	31 Dec 2021
Interest-bearing receivables	5,384	2,971
Finance lease receivables	5	136
Total	**5,388**	**3,107**

EUR million	Carrying amount 30 Sep 2022	Fair value 30 Sep 2022	Carrying amount 31 Dec 2021	Fair value 31 Dec 2021
Long-term loan receivables from associates and joint ventures	695	715	1,138	1,185
Non-current securities	-	-	111	111
Other long-term interest-bearing receivables	42	42	1,024	1,024
Total long-term interest-bearing receivables	**737**	**758**	**2,273**	**2,320**
Collateral arrangement securities	541	541	549	549
Other short-term interest-bearing receivables	4,106	4,106	149	149
Total short-term interest-bearing receivables	**4,646**	**4,646**	**698**	**698**
Total	**5,384**	**5,404**	**2,971**	**3,018**

Changes in interest-bearing receivables in I-III/2022 include EUR 860 million from the deconsolidation of Uniper at 30 September 2022.

Long-term interest-bearing receivables from associated companies and joint ventures, EUR 695 million (31 Dec 2021: 1,138), include EUR 599 million from Swedish nuclear companies, Forsmarks Kraftgrupp AB and OKG AB (31 Dec 2021: 955 Forsmarks Kraftgrupp AB and Ringhals AB), which are mainly funded with shareholder loans, pro rata to each shareholder’s ownership.

Short-term interest-bearing receivables include the EUR 4 billion shareholder loan receivable from Uniper that will be repaid upon completion of the transaction to divest Uniper to the German State. The agreed transaction is subject to regulatory clearances and Uniper’s Extraordinary General Meeting. Completion is currently expected by year-end.

15. Interest-bearing net debt

Financial net debt and adjusted net debt

EUR million	30 Sep 2022	31 Dec 2021
+ Interest-bearing liabilities	**12,987**	**17,220**
- BS Liquid funds	**3,638**	**7,592**
- Non-current securities	-	111
- Collateral arrangement securities	541	549
- Securities in interest-bearing receivables	**541**	**660**
- BS Margin receivables	3,694	9,163
+ BS Margin liabilities	748	985
+/- Net margin liabilities/receivables	**-2,946**	**-8,179**
Financial net debt	**5,863**	**789**
+ BS Pension obligations	**20**	**1,190**
+ Other asset retirement obligations	19	872
- BS Share of Finnish and Swedish Nuclear Waste Funds	957	3,515
+ BS Nuclear provisions	957	3,891
+ Nuclear provisions net of assets in Nuclear Waste Funds	0	375
+ Total provisions net of assets in Nuclear Waste Funds	**39**	**2,438**
Adjusted net debt	**5,902**	**3,227**

EUR million	30 Sep 2022
Financial net debt	**5,863**
Receivable from Uniper 1)	-4,000
Financial net debt adjusted with Uniper receivable	**1,863**

1) As part of the of the agreement in principle, Fortum's EUR 4 billion shareholder loan to Uniper is to be repaid. The loan receivable is included on the balance sheet line Short-term interest-bearing receivables.

Fortum has a collateral arrangement to release cash from the Nordic Power Exchange. This arrangement is presented with equal amounts, EUR 541 million (31 Dec 2021: 549), as a short-term interest-bearing liability and an interest-bearing receivable.

Underfunded pension obligations and asset retirement obligations, net of share in nuclear waste funds, are included in adjusted net debt.

Interest-bearing liabilities

EUR million	30 Sep 2022	31 Dec 2021
Non-current loans	6,021	7,756
Current loans	6,843	8,389
Total loans	**12,864**	**16,144**
Non-current lease liabilities	104	945
Current lease liabilities	20	130
Total lease liabilities	**124**	**1,075**
Total	**12,987**	**17,220**

Loans

EUR million	Carrying amount 30 Sep 2022	Fair value 30 Sep 2022	Carrying amount 31 Dec 2021	Fair value 31 Dec 2021
Bonds	2,630	2,498	3,705	3,919
Loans from financial institutions	3,990	4,044	4,183	4,222
Reborrowing from the Finnish State Nuclear Waste Management Fund 1)	918	942	1,165	1,213
Other long-term interest-bearing liabilities	118	132	433	463
Total long-term loans 2)	**7,655**	**7,616**	**9,487**	**9,817**
Collateral arrangement liability	541	541	549	549
Other short-term interest-bearing liabilities	4,668	4,668	6,109	6,109
Total short-term loans	**5,208**	**5,208**	**6,658**	**6,658**
Total	**12,864**	**12,825**	**16,144**	**16,475**

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 1,635 million (31 Dec 2021: 1,731).

Changes in interest-bearing liabilities in I-III/2022 include EUR 20,391 million from the deconsolidation of Uniper at 30 September 2022 which include EUR 12,000 million from the KfW credit facility drawn during III/2022 and EUR 4,000 million liability to Fortum which was previously eliminated in group consolidation.

In January 2022, Fortum repaid the drawn amount of EUR 500 million of its EUR 800 million bilateral revolving credit facility. In March 2022, Fortum repaid EUR 247 million of the nuclear waste fund loans totalling EUR 918 million after the repayment.

In June 2022, Fortum drew EUR 800 million of its EUR 800 million bilateral revolving credit facility (maturing in December 2022 with extension option of one year by Fortum). Fortum signed a new EUR 5,500 million revolving credit facility which consists of a EUR 3,100 million Liquidity revolving credit facility (maturing in June 2023 with 6+6 months extension options by Fortum) and a EUR 2,400 million Core revolving credit facility (maturing in June 2025 with 1+1 year extension options by the lenders). Fortum drew EUR 2,000 million from the Liquidity revolving credit facility and at the same time repaid and cancelled the EUR 1,750 million revolving credit facility (with maturity in June 2023). The remaining balance of the bridge loan, EUR 450 million, was prepaid in June 2022.

In July 2022, Fortum executed the second drawdown of EUR 600 million from the Liquidity revolving credit facility. In August 2022, Fortum drew the remaining EUR 500 million from the Liquidity revolving credit facility and furthermore drew EUR 1,000 million from the Core revolving facility.

In September 2022, Fortum utilised the remaining part, EUR 1,400 million, of the Core revolving credit facility. Fortum repaid a maturing bond of EUR 1,000 million in September 2022. Additionally, Fortum signed a EUR 2,350 million bridge financing facility with Finnish state-owned company Solidium. Fortum drew EUR 350 million from the Solidium bridge financing facility in September 2022.

Current loans, EUR 6,843 million (31 Dec 2021: 8,389), include the current portion of long-term loans, EUR 1,635 million (31 Dec 2021: 1,731), and short-term loans EUR 5,208 million (31 Dec 2021: 6,658).

Current portion of long-term loans, EUR 1,635 million, consist of maturing bonds and loans from financial institutions. Maturing bonds include EUR 1,000 million bond maturing in February 2023 and EUR 92 million Swedish krona bond maturing in June 2023. Maturing loans from financial institutions include EUR 500 million loan maturing in June 2023 (with 8-month extension option by Fortum).

Short-term loans, EUR 5,208 million, include EUR 3,900 million drawn revolving credit facilities, EUR 350 million drawdown from Solidium bridge financing facility and use of commercial paper programmes of EUR 421 million.

The average interest rate for the portfolio of EUR loans was 1.8% at the balance sheet date (31 Dec 2021: 0.6%). The average interest rate on total loans and derivatives was 2.3% at the balance sheet date (31 Dec 2021: 1.3%).

Maturity of loans

EUR million	30 Sep 2022
2022	1,750
2023	5,092
2024	717
2025	2,417
2026	734
2027 and later	2,154
Total	**12,864**

Loans maturing in 2022 include EUR 352 million commercial papers and EUR 800 million drawn amount of the revolving credit facility. Maturities in 2022 also include EUR 590 million loans with no contractual due date.

Maturity of undiscounted lease liabilities

EUR million	30 Sep 2022
Due within a year	18
Due after one year and within five years	54
Due after five years	60
Total	**132**

Liquid funds

EUR million	30 Sep 2022	31 Dec 2021
Deposits and securities with maturity more than 3 months	115	47
Cash and cash equivalents	3,523	7,545
BS **Total**	**3,638**	**7,592**

Changes in liquid funds in I-III/2022 include EUR 2,248 million from the deconsolidation of Uniper at 30 September 2022.

At the end of the reporting period, the Group’s liquid funds totalled EUR 3,638 million (31 Dec 2021: 7,592). Liquid funds include EUR 268 million held by the Russia segment (31 Dec 2021: 300 held by Russian subsidiaries).

Liquid funds totalling EUR 3,208 million (31 Dec 2021: 7,342) are placed with counterparties that have an investment grade credit rating.

Payment transactions with the Russian Federation are subject to general restrictions. Accordingly, cash and cash equivalents held by Fortum’s Russian segment in Russia, a total of EUR 268 million, are not available to the other Group companies.

Committed credit facilities

At the end of the reporting period, Fortum Group had undrawn committed credit facilities amounting to EUR 2,000 million, fully consisting of Solidium bridge financing maturing in September 2023. In addition, Fortum has EUR 100 million committed overdraft limits that are valid until further notice.

The bilateral revolving credit facility of EUR 800 million with maturity in December 2022 (with an extension option of one year by Fortum), Liquidity revolving credit facility of EUR 3,100 million with maturity in June 2023 (6+6 months extension options by Fortum) and Core revolving credit facility of EUR 2,400 million with maturity in June 2025 (1+1 year extension options by the lenders) were fully in use in September 2022.

The EUR 3,000 million revolving credit facility with maturity in July 2022 was cancelled in June 2022 and the EUR 1,750 million revolving credit facility with maturity in June 2023 was repaid and cancelled in June 2022.

16. Nuclear-related assets and liabilities

Fortum owns Loviisa nuclear power plant in Finland. On Fortum's consolidated balance sheet from 30 September 2022 onwards, Share in the Nuclear Waste Fund and the Nuclear provisions relate to Loviisa nuclear power plant. Comparatives include also Barsebäck Kraftbolag AB and OKG Aktiebolag AB (OKG).

Fortum and Uniper are co-owners in the Swedish nuclear company OKG Aktiebolag (OKG AB), with Fortum owning 45.5%. Fortum accounted for the shareholding in OKG AB as a subsidiary from 31 March 2020 to 30 September 2022. On deconsolidation of Uniper at 30 September 2022, OKG AB is again reclassified as an associated company. Uniper's 100% ownership in Barsebäck Kraftbolag AB is also deconsolidated. Fortum also has minority interests in other nuclear power companies, i.e. Teollisuuden Voima Oyj (TVO) in Finland 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.

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

EUR million	30 Sep 2022	31 Dec 2021
Carrying values on the balance sheet		
BS Nuclear provisions	957	3,891
BS Fortum's share of the Nuclear Waste Funds	957	3,515
Fortum's share of the fair value of the net assets in the Nuclear Waste Funds in Finland and Sweden	1,148	3,924
Share of fund not recognised on the balance sheet	191	408

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 provision on 30 September 2022 reflects the updated technical plan and cost estimates that have been sent to the Ministry of Economic Affairs and Employment while the legal liability will be decided by the end of the year.

The carrying value of nuclear provisions, calculated according to IAS 37, decreased by EUR 2,934 million compared to 31 December 2021, totalling EUR 957 million at 30 September 2022. The decrease is mainly due to the deconsolidation of Uniper.

Fortum's share of the Nuclear Waste Funds are from an IFRS perspective overfunded by EUR 191 million, since Fortum's share of the Funds on 30 September 2022 was EUR 1,148 million and the carrying value on the balance sheet was EUR 957 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.

The updated technical plan and cost estimates, which were done in June 2022, did not have a significant effect on Fortum's financials.

Legal liability for Loviisa nuclear power plant

The legal liability on 30 September 2022, decided by the Ministry of Economic Affairs and Employment in December 2021, was EUR 1,148 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. Finnish nuclear operators have submitted updated technical plan and cost estimates to the Ministry of Economic Affairs and Employment in June 2022. The new technical plan and the legal liability will be decided by the end of the year 2022. Based on the updated technical plan, costs for nuclear waste management are expected to increase.

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 2021 is EUR 1,148 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 15 Interest-bearing net debt and Note 20 Pledged assets and contingent liabilities.

16.2 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.

Nuclear-related assets and liabilities relating to associated companies and joint ventures (100%)

	30 Sep 2022	31 Dec 2021
Carrying values with Fortum assumptions		
Nuclear provisions	5,744	4,347
Share of the Nuclear Waste Fund	4,328	3,556
of which Fortum's net share consolidated with equity method	-428	-215
Fortum's share of the fair value of the net assets in the Nuclear Waste Funds	1,342	1,150

TVO's legal liability, provision and share of the fund are based on same principles as described above for Loviisa nuclear power plant. The updated technical plan had a small impact on Fortum’s share in TVO’s nuclear related assets and liabilities.

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 15 Interest-bearing net debt.

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 September 2019 and was handed in to SSM in the end of 2019. In December 2020, the Swedish government decided the waste fees and guarantees for year 2021 only, and in January 2022 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.

Status of TVO's Olkiluoto 3 project in Finland

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), currently under test production phase, 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.

In March 2018, TVO signed a comprehensive settlement agreement with the plant supplier consortium companies Areva NP, Areva GmbH, and Siemens AG as well as with Areva Group parent company Areva SA, a company wholly owned by the French State. The settlement agreement was amended with agreements signed in June 2021. The supplier consortium companies committed to ensuring that the funds dedicated to the completion of the OL3 project will be adequate and will cover all applicable guarantee periods, including setting up a trust mechanism funded by Areva companies to secure the financing of the costs of completing the OL3 project. During the period under review, the fund, which was previously replenished in July 2021, has been used to cover costs incurred to the Areva companies for the completion of the OL3 project in accordance with the settlement agreement. TVO's right to terminate the Plant Agreement in accordance with the GSA was postponed until 31 March 2023. In addition, the payment of approximately EUR 193 million of the delay compensation agreed in the GSA of 2018 was postponed until the completion of OL3, up to 31 March 2023 at the latest.

In December 2021, the Radiation and Nuclear Safety Authority (STUK) granted TVO permission for making the reactor critical and conducting low power tests, after which the startup of OL3's reactor took place. On 12 March 2022, the plant unit was connected to the national grid and electricity production started. The electricity power level was gradually increased to approximately 850 megawatts, until the production tests were interrupted on 26 April 2022 due to the boron pumps unexpectedly turning on. Simultaneously, a leak in the generator's cooling system was observed. Foreign material detached from the steam guide plates was found in the turbine's steam reheater in May 2022, which required inspection and repair work. The plant unit's test production programme and electricity production continued after the completion of this repair work on 8 August 2022.

TVO communicated on 11 August 2022 that a turbine automation update of approximately two weeks would be carried out. This had no effect on the overall schedule of the plant unit's test production phase. The test production continued on 28 August 2022 with tests at a 60 percent power level. On 6 September 2022, STUK granted permission to increase OL3's power level to over 60 percent and from thereon to 100 percent. According to STUK, the production tests and investigations conducted so far have shown that OL3 has worked safely, and that increasing the plant unit's power level can be continued. Tests at an 80 percent power level were started on 9 September 2022. Tests at full power, approximately 1,600 megawatts, were started on 30 September 2022. TVO communicated on 18 October 2022 that damage has been detected in the internals of the feedwater pumps located in Olkiluoto 3's turbine island during maintenance and inspection work. This will most likely have an effect on the continuation of Olkiluoto 3's nuclear commissioning and the start of regular electricity production.

According to earlier schedule, regular electricity production was supposed to start in December 2022. The schedule will be updated as soon as the results of the investigation of feedwater pumps are available.

17. Other provisions

EUR million	30 Sep 2022	31 Dec 2021
Supplier- and customer-related	-	2,893
Asset retirement	19	872
Power production-related	-	653
Gas distribution-related	-	354
Environmental remediation and similar	46	253
Personnel-related	-	368
Other	48	1,013
Total	**113**	**6,406**
BS Of which current provisions	2	2,299
BS Of which non-current provisions	111	4,108

Change in other provisions from 31 December 2021 is mainly due to the deconsolidation of Uniper at 30 September 2022.

18. Pension obligations

Fortum Group has a number of pension schemes in accordance with local conditions and practices in the countries in which it operates, including defined benefit plans where the pension obligation is based on actuarial calculations using assumptions for discount rate, future salary and pension increases, inflation and mortality.

Changes during 2022 mainly relate to deconsolidation of Uniper at 30 September 2022, as well as changes in discount rates and fair value of plan assets.

Net defined benefit liability

EUR million	30 Sep 2022	31 Dec 2021
Present value of defined benefit obligation	289	4,437
Fair value of plan assets	270	3,290
Net defined benefit liability	**19**	**1,146**
Of which Germany	-	1,051
Presented on the balance sheet as follows:		
BS Pension obligations, net	20	1,190
Pension assets in Other non-current assets	1	44

Discount rates

The following discount rates have been used for the calculation of the present value of the defined benefit obligation:

%	30 Sep 2022	31 Dec 2021
Germany	-	1.2
United Kingdom	-	2.0
Finland	3.9	1.0

19. 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

EUR billion	30 Sep 2022	31 Dec 2021
Property, plant and equipment and intangible assets	0.5	1.0

Change in capital commitments from 31 December 2021 is mainly due to the deconsolidation of Uniper at 30 September 2022.

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 30 September 2022, Fortum had EUR 232 million (31 Dec 2021: 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 16 Nuclear-related assets and liabilities.

For more information on other commitments, see Note 35 Capital and other commitments of the consolidated financial statements 2021.

20. 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 Finnish State Nuclear Waste Management Fund amounts to EUR 136 million (31 Dec 2021: 122). The guarantee covers the unpaid legal liability due to periodisation, as well as risks for unexpected future costs. For more information, see Note 16 Nuclear-related assets and liabilities.

Further, Fortum has pledged certain assets for debt and other commitments, both on own behalf and on behalf of others, including EUR 269 million (31 Dec 2021: 269) for shares pledged in Kemijoki Oy as a security for borrowing from the Finnish State Nuclear Waste Management Fund, and EUR 126 million (31 Dec 2021: 81) of real estate mortgages for the liability to the Finnish State Nuclear Waste Management Fund.

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. As a part of the intra-group credit facility agreement, Fortum Oyj provided a guarantee facility of EUR 4 billion to Uniper, of which EUR 3.5 billion parent company guarantee was outstanding at 30 September 2022. On 21 September 2022, Fortum, the German government and Uniper signed an agreement in principle that will allow the German State to take full control of Uniper. As part of the agreement, Fortum's EUR 4 billion shareholder loan to Uniper is to be repaid and Fortum is to be released from the EUR 4 billion parent company guarantee. The agreed transaction is subject to regulatory clearances and Uniper's Extraordinary General Meeting. Completion is currently expected by year-end.

On 14 March 2022, S&P placed Fortum's and Uniper's BBB ratings on CreditWatch Negative. On 16 May 2022, S&P resolved the CreditWatch and affirmed Fortum's BBB rating with negative outlook. However, Uniper's long-term credit rating was downgraded by one notch from BBB to BBB-, also with negative outlook. On 5 July 2022, S&P again placed Fortum's and Uniper's credit ratings on CreditWatch Negative. On 29 July 2022, following the announcements of the agreement with the German government on Uniper's stabilisation package, S&P resolved Uniper's CreditWatch Negative by affirming the BBB- rating with negative outlook. On 3 August 2022, S&P affirmed Fortum's current long-term rating of BBB with negative outlook. Following the announcement in September that Fortum will fully divest Uniper to the German State, the rating agencies commented that the divestment of the Uniper stake was regarded as credit positive for Fortum as it would improve the company's financial and risk profile. However, the rating agencies concluded that it is too early to determine the full effect of the Uniper divestment on Fortum's rating. The rating agencies are expected to update their ratings after the completion of the transaction and once Fortum publishes its new strategy. A lowering of credit ratings, in particular, to below investment grade level would trigger counterparties' rights to demand additional cash or non-cash collateral. See also section 'Capital risk management'.

For more information, see Note 36 Pledged assets and contingent liabilities of the consolidated financial statements 2021.

21. 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.

Tax cases in Belgium

On 29 June 2022, the Antwerp Court of First Instance, Belgium, ruled in favour of Fortum on the company's income tax assessments in Belgium for the years 2009-2012. The decision concerned Fortum's Belgian financing company, Fortum EIF NV, which financed Fortum's Swedish subsidiary, Fortum 1 AB, in the acquisition of Russian operations in 2008, currently operating as PAO Fortum. The Belgian tax authorities argued that Fortum EIF should not benefit from the notional interest deduction regime in Belgium.

In accordance with the court ruling, Belgian tax authorities have in III/2022 refunded Fortum the paid taxes amounting to EUR 78 million. These taxes had been recognised on the balance sheet as income tax receivable. Belgian tax authorities will also refund interest amounting to approximately EUR 27 million. The interest has been recognised as accrued income in III/2022.

Considering Fortum's income tax assessment in Belgium for the year 2008, on 16 June 2020, the Court of Appeal of Ghent ruled in favour of Fortum, and in September 2020 the Belgian tax authorities filed an appeal to the Supreme Court. The additional taxes claimed for 2008 amount to EUR 36 million and have been recognised as income tax receivable.

22. Related party transactions

Related parties are described in more detail in the consolidated financial statements for the year ended 31 December 2021. Uniper has been classified as discontinued operations in III/2022, and I-II/2022 and 2021 comparatives have been restated. This means that in the table below, Uniper SE's transactions with its related parties are excluded. Fortum and Uniper are no longer related parties. See also Note 1 Significant accounting policies and Note 6 Acquisitions, disposals, assets held for sale and discontinued operations.

Transactions with associates, joint ventures and other related parties

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Sales	38	3	51	20	20	51
Purchases	102	116	328	354	379	353
Other income	2	-	2	19	20	3
Interest income on loan receivables	3	4	9	10	13	12

Balances with associates, joint ventures and other related parties

EUR million	30 Sep 2022	31 Dec 2021
Long-term interest-bearing loan receivables	695	1,138
Trade and other receivables	79	110
Long-term loan payables	229	228
Short-term loan payables	-	131
Trade and other payables	22	114

Other related parties are entities that are not consolidated on materiality grounds. For more information, see Note 1 Significant accounting policies of the consolidated financial statements 2021. Change in Balances with associates, joint ventures and other related parties from 31 December 2021 is mainly due to the deconsolidation of Uniper at 30 September 2022.

Other transactions with related parties

At the end of 2021, the Finnish State owned 50.76% 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 drew the first tranche of the liquidity facility, EUR 350 million. As a condition in the agreement following the first draw down, the Finnish state-owned holding company, Solidium, is entitled to subscribe up to 8.97 million new ordinary registered shares in Fortum in a directed share issue, without payment. As a consequence, the shares under the control of the State of Finland will increase from 50.76% to 51.26%. The directed share issue requires an approval by Fortum's Extraordinary General Meeting. The Extraordinary General Meeting will be held on 23 November 2022.

On 18 January 2022, Fortum announced that 1.3 GW portfolio of wind projects is being transferred to a new joint venture. Due to the current geopolitical circumstances and preparation for controlled exit in Russia as announced in May 2022, Fortum is looking into revisiting the structure. Fortum's ownership interest in the 1.3 GW portfolio is presented in other non-current assets and in interest-bearing liabilities.

In June 2021, the Fortum-Rusnano wind investment fund sold the 200-MW Kalmykia wind parks to the Fortum-Russian Direct Investment Fund (RDIF) joint venture. Fortum recorded a gain of EUR 11 million from the transfer in the share of profits from associates and joint ventures.

On 2 March 2021, Fortum announced it had decided to construct the largest solar power plant in Russia through a joint venture established with RDIF. The power plant is based on capacities won by Fortum in CSA auctions in 2018 and 2019. In March 2021, Fortum sold the CSA-backed solar power project to the joint venture with RDIF.

23. Events after the balance sheet date

There have been no material events after the balance sheet date.

24. 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 employee benefits.	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 principal 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.	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 return on net assets, %	$\frac{\text{Comparable operating profit + comparable share of profit /loss in associates and joint ventures}}{\text{Comparable net assets average}} \times 100$	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 process.	Note 3 Segment information
Adjustment for Share of profit/loss in associates and joint ventures	Adjustment for material items affecting comparability	Share of profit/loss in associates and joint ventures is included in profit component in the comparable return on net assets calculation and the adjustments are done based on similar components as in Items affecting comparability.	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 15 Interest-bearing net debt
Adjusted net debt	Financial net debt + underfunded pension obligations and asset retirement obligations, net of share in nuclear waste funds	Adjusted net debt is used in the follow-up of the indebtedness of the group.	Note 15 Interest-bearing net debt
Financial net debt adjusted with Uniper receivable / comparable EBITDA continuing operations	$\frac{\text{Financial net debt adjusted with Uniper receivable}}{\text{Comparable EBITDA continuing operations}}$	Financial net debt to Comparable EBITDA is Fortum's long-term financial target for capital structure. Financial net debt adjusted with Uniper receivable/comparable EBITDA continuing operations ratio includes the impact of the EUR 4 billion shareholder loan receivable from Uniper that will be repaid upon completion of the transaction to divest Uniper to the German State.	Key ratios after cash flow statement
Financial net debt adjusted with Uniper receivable	Interest-bearing liabilities - liquid funds - securities in interest-bearing receivables +/- net margin liabilities/receivables – shareholder loan receivable from Uniper	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. Financial net debt adjusted with Uniper receivable includes the impact of the EUR 4 billion shareholder loan receivable from Uniper that will be repaid upon completion of the transaction to divest Uniper to the German State.	Note 15 Interest-bearing net debt

Other key figures

Share based key figures

Earnings per share (EPS)	$\frac{\text{Profit for the period - non-controlling interests}}{\text{Average number of shares during the period}}$
Comparable earnings per share	$\frac{\text{Comparable net profit}}{\text{Average number of shares during the period}}$
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, %	$\frac{\text{Comparable income tax}}{\text{Comparable profit before income tax excluding comparable share of profit/loss from associated companies and joint ventures}} \times 100$

Reconciliations of alternative performance measures

Comparable EBITDA

EUR million	Note	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
IS Operating profit		917	3,000	1,930	3,778	4,325	2,478
+ IS Depreciation and amortisation		140	143	415	433	587	569
EBITDA		1,057	3,143	2,345	4,212	4,913	3,046
- IS Items affecting comparability	4	-496	-2,757	-804	-2,869	-2,897	-832
Comparable EBITDA		**561**	**386**	**1,541**	**1,343**	**2,016**	**2,214**

Comparable operating profit

EUR million	Note	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
IS Operating profit		917	3,000	1,930	3,778	4,325	2,478
- IS Items affecting comparability	4	-496	-2,757	-804	-2,869	-2,897	-832
IS **Comparable operating profit**	4	**421**	**243**	**1,126**	**909**	**1,429**	**1,646**

Items affecting comparability

EUR million	Note	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Impairment charges and reversals		-35	-1	-356	-30	-35	-361
Capital gains and other related items	6	138	2,612	780	2,674	2,673	779
Changes in fair values of derivatives hedging future cash flow		396	146	415	225	264	454
Other		-3	-	-35	-	-6	-41
IS **Items affecting comparability**	4	**496**	**2,757**	**804**	**2,869**	**2,897**	**832**

Comparable net profit

EUR million	Note	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
IS Net profit		600	2,888	1,623	3,580	4,008	2,050
- IS Items affecting comparability	4	-496	-2,757	-804	-2,869	-2,897	-832
- Adjustments to share of profit/loss of associates and joint ventures	12	46	-2	375	-39	-65	350
- Adjustments to finance costs - net	7	66	13	147	39	34	141
- Adjustments to income tax expenses		60	25	8	29	34	13
- IS Non-controlling interests		1	4	-4	-12	-23	-15
- Adjustments to non-controlling interests		-2	0	-12	1	-1	-14
Comparable net profit from continuing operations	4	**276**	**171**	**1,333**	**730**	**1,091**	**1,694**
Comparable net profit from discontinued operations		-2,266	0	-2,538	355	687	-2,206
Comparable net profit, total Fortum		**-1,990**	**171**	**-1,204**	**1,086**	**1,778**	**-512**

Comparable earnings per share

	Note	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Comparable net profit from continuing operations, EUR million	4	276	171	1,333	730	1,091	1,694
Average number of shares during the period, 1 000 shares		888,294	888,294	888,294	888,294	888,294	888,294
Comparable earnings per share from continuing operations, EUR		**0.31**	**0.19**	**1.50**	**0.82**	**1.23**	**1.91**
Comparable net profit from discontinued operations, EUR million	4	-2,266	0	-2,538	355	687	-2,206
Average number of shares during the period, 1 000 shares		888,294	888,294	888,294	888,294	888,294	888,294
Comparable earnings per share from discontinued operations, EUR		**-2.56**	**0.00**	**-2.86**	**0.40**	**0.77**	**-2.48**
Comparable net profit, EUR million	4	-1,990	171	-1,204	1,086	1,778	-512
Average number of shares during the period, 1 000 shares		888,294	888,294	888,294	888,294	888,294	888,294
Comparable earnings per share, total Fortum, EUR		**-2.25**	**0.19**	**-1.36**	**1.22**	**2.00**	**-0.58**

Financial net debt and adjusted net debt

EUR million	Note	30 Sep 2022	31 Dec 2021
+ Interest-bearing liabilities		**12,987**	**17,220**
- BS Liquid funds		**3,638**	**7,592**
- Non-current securities		-	111
- Collateral arrangement securities		541	549
- Securities in interest-bearing receivables		**541**	**660**
- BS Margin receivables		3,694	9,163
+ BS Margin liabilities		748	985
+/- Net margin liabilities/receivables		**-2,946**	**-8,179**
Financial net debt	15	**5,863**	**789**
+ BS Pension obligations		**20**	**1,190**
+ Other asset retirement obligations		19	872
- BS Share of Finnish and Swedish Nuclear Waste Funds		957	3,515
+ BS Nuclear provisions		957	3,891
+ Nuclear provisions net of assets in Nuclear Waste Funds		0	375
+ Total provisions net of assets in Nuclear Waste Funds		**39**	**2,438**
Adjusted net debt		**5,902**	**3,227**

EUR million	30 Sep 2022
Financial net debt	**5,863**
Receivable from Uniper 1)	-4,000
Financial net debt adjusted with Uniper receivable	**1,863**

1) As part of the of the agreement in principle, Fortum's EUR 4 billion shareholder loan to Uniper is to be repaid. The loan is included on the balance sheet line 'Short-term interest-bearing receivables'.

See Note 15 Interest-bearing net debt.

Financial net debt/comparable EBITDA

EUR million	Note	Fortum total 1) 2021	Continuing operations 2) LTM
+ Interest-bearing liabilities		**17,220**	**12,987**
- BS Liquid funds		**7,592**	**3,638**
- Non-current securities		111	-
- Collateral arrangement securities		549	541
- Securities in interest-bearing receivables		**660**	**541**
- BS Margin receivables		9,163	3,694
+ BS Margin liabilities		985	748
+/- Net margin liabilities/receivables		**-8,179**	**-2,946**
Financial net debt	15	**789**	**5,863**
IS Operating profit		-588	2,478
+ IS Depreciation and amortisation		1,281	569
EBITDA		**693**	**3,046**
- IS Items affecting comparability		3,124	-832
Comparable EBITDA		**3,817**	**2,214**
Financial net debt/comparable EBITDA		**0.2**	**2.6**

1) 2021 figures based on continuing and discontinued operations (total).
2) LTM based on LTM for the continuing operations.

Financial net debt adjusted with Uniper receivable/comparable EBITDA

EUR million	Continuing operations LTM
Financial net debt	**5,863**
Receivable from Uniper [1)]	-4,000
Financial net debt adjusted with Uniper receivable	**1,863**
Comparable EBITDA	**2,214**
Financial net debt adjusted with Uniper receivable/comparable EBITDA	**0.8**

1) As part of the of the agreement in principle, Fortum's EUR 4 billion shareholder loan to Uniper is to be repaid. The loan is included on the balance sheet line 'Short-term interest-bearing receivables'.

Market conditions and achieved power prices

Power consumption

TWh	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Nordic countries	81	83	282	293	404	393
Central western Europe	305	305	985	998	1,359	1,346
Central western European gas demand	264	305	1,326	1,547	2,196	1,975
Russia	252	248	808	792	1,090	1,106
Tyumen	22	21	68	65	90	92
Chelyabinsk	8	9	27	27	37	37
Russia Urals area	60	59	190	187	256	260
Russia Siberia area	52	49	163	158	217	222

Average prices	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Spot price for power in Nord Pool power exchange, EUR/MWh	176.0	68.3	136.0	50.9	62.3	125.9
Spot price for power in Finland, EUR/MWh	220.3	78.6	143.7	58.0	72.3	136.4
Spot price for power in Sweden, SE3, Stockholm EUR/MWh	168.0	71.1	123.3	51.9	66.0	119.4
Spot price for power in Sweden, SE2, Sundsvall EUR/MWh	54.5	54.9	43.8	41.9	42.6	44.0
Spot price for power in the First Price Zone of Russia, RUB/MWh [1)]	1,518	1,541	1,440	1,405	1,405	1,432
Spot price for power in the Second Price Zone of Russia, RUB/MWh [1)]	1,167	914	1,125	911	935	1,095
Average capacity price for the Russia segment, tRUB/MW/month	465	531	486	564	584	526
Spot price for power in Germany, EUR/MWh	375.8	97.1	249.8	69.2	96.8	231.9
Average regulated gas price in Urals region, RUB/1000 m^3	4,344	4,137	4,206	4,056	4,077	4,189
Average capacity price for the Russia segment's CCS, tRUB/MW/month [2) 3)]	189	161	194	167	170	190
Average capacity price for the Russia segment's CSA, tRUB/MW/month [3)]	1,030	1,079	1,084	1,143	1,174	1,139
Spot price for power (market price), Urals hub, RUB/MWh [1)]	1,396	1,304	1,305	1,206	1,221	1,296
CO_2, (ETS EUA next Dec), EUR/tonne CO_2	80	57	82	48	54	79
Coal (ICE Rotterdam front month), USD/tonne	347	148	293	102	117	259
Oil (Brent front month), USD/bbl	98	73	102	68	71	97
Gas (TTF front month), EUR/MWh	205	48	137	31	47	126

1) Excluding capacity tariff.
2) Including capacity receiving payments under "forced mode status", regulated tariffs, and bilateral agreements.
3) Capacity prices paid for the capacity volumes, excluding unplanned outages, repairs, and own consumption.

Water reservoirs and gas storage levels

TWh	30 Sep 2022	31 Dec 2021
Nordic water reservoirs level	89	73
Nordic water reservoirs level, long-term average	101	84
Central western European gas storage levels	564	296

Export/import

TWh (+ = import to, - = export from Nordic area)	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Export / import between Nordic area and Continental Europe + Baltics	-8	-7	-27	-18	-29	-38
Export / import between Nordic area and Russia	0	2	4	6	9	6
Export / import Nordic area, Total	-8	-5	-23	-12	-20	-31

Power market liberalisation in Russia

%	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Share of power sold at the liberalised price	78	78	78	79	79	79

Achieved power prices

	III/2022	III/2021	I-III/2022	I-III/2021	2021	LTM
Generation segment's Nordic achieved power price, EUR/MWh	63.9	43.7	52.8	39.5	42.8	52.6
Russia segment's achieved power price, RUB/MWh	2,062	2,064	1,954	1,980	2,018	2,000
Russia segment's achieved power price, EUR/MWh [1)]	32.6	23.9	25.5	22.4	23.2	25.5

1) Translated using average exchange rate.

Fortum's production and sales volumes

Power generation

TWh	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Power generation in Nordics	9.7	10.7	32.0	35.3	47.9	44.5
Power generation in other European countries	0.2	0.1	0.5	0.8	1.1	0.8
Power generation in Russia	6.3	6.4	21.0	21.0	28.6	28.7
Power generation in other countries	-	0.1	-	0.4	0.5	0.1
Total for continuing operations	**16.2**	**17.3**	**53.5**	**57.5**	**78.0**	**74.1**

Heat production

TWh	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Heat production in Nordics	0.4	0.6	3.1	3.6	5.5	5.0
Heat production in other European countries	0.1	0.2	0.8	2.0	2.3	1.1
Heat production in Russia	1.5	1.7	9.8	11.6	17.1	15.2
Total for continuing operations	**1.9**	**2.5**	**13.6**	**17.2**	**24.9**	**21.3**

Power generation capacity by segment

MW	30 Sep 2022	31 Dec 2021
Generation	8,041	8,041
Russia	4,672	4,672
City Solutions	535	559
Continuing operations	**13,248**	**13,272**

Heat production capacity by segment

MW	30 Sep 2022	31 Dec 2021
Russia	7,613	7,613
City Solutions	2,085	3,026
Continuing operations	**9,698**	**10,639**

Power generation by source in the Nordic area

TWh	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Hydro power	4.2	5.0	14.3	17.2	23.3	20.4
Nuclear power	5.5	5.5	17.3	17.2	23.5	23.7
Thermal power	0.0	0.2	0.4	0.9	1.0	0.5
Total for continuing operations	**9.7**	**10.7**	**32.0**	**35.3**	**47.9**	**44.5**

Power generation by source in the Nordic area

%	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Hydro power	43	47	45	49	49	46
Nuclear power	57	51	54	49	49	53
Thermal power	0	2	1	2	2	1
Total for continuing operations	**100**	**100**	**100**	**100**	**100**	**100**

Power generation by source in other European countries

TWh	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Thermal power	0.2	0.1	0.5	0.8	1.1	0.8
Total for continuing operations	**0.2**	**0.1**	**0.5**	**0.8**	**1.1**	**0.8**

Power generation by source in other European countries

%	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Thermal power	100	100	100	100	100	100
Total for continuing operations	**100**	**100**	**100**	**100**	**100**	**100**

Power sales

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Power sales in Nordics	1,349	746	3,616	2,320	3,602	4,898
Power sales in other European countries	194	73	504	227	325	602
Power sales in Russia	231	175	600	543	761	819
Power sales in other countries	2	8	2	22	24	4
Total for continuing operations	**1,776**	**1,002**	**4,723**	**3,111**	**4,712**	**6,324**

Heat sales

EUR million	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Heat sales in Nordics	27	38	257	240	403	420
Heat sales in other European countries	26	24	136	173	240	203
Heat sales in Russia	23	16	91	92	137	135
Total for continuing operations	**77**	**79**	**483**	**505**	**780**	**758**

Power sales by area

TWh	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Finland	4.6	4.7	15.9	16.8	23.0	22.0
Sweden	6.3	7.2	20.5	23.7	32.1	28.9
Russia	7.1	7.3	23.6	23.8	32.5	32.2
Norway	1.9	2.2	8.1	10.0	13.7	11.8
Other countries	1.1	1.1	3.4	3.4	4.2	4.3
Total for continuing operations	**21.1**	**22.5**	**71.4**	**77.7**	**105.5**	**99.2**

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

Heat sales by area

TWh	III/2022	III/2021 restated	I-III/2022	I-III/2021 restated	2021 restated	LTM
Russia	1.5	1.7	9.7	11.6	17.0	15.2
Finland	0.3	0.3	1.9	2.1	3.1	2.9
Norway	-	0.1	0.8	1.2	1.8	1.4
Poland	0.3	0.2	2.3	2.5	3.8	3.7
Other countries	0.1	0.1	0.3	1.2	1.3	0.4
Total for continuing operations	**2.1**	**2.5**	**15.1**	**18.5**	**27.0**	**23.6**