

Fortum's subsidiary Uniper applies for stabilisation measures in Germany – talks with the German government continue

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Fortum's subsidiary Uniper has today filed for government support under the newly adopted German energy legislation. As Germany's biggest importer of gas, Uniper has been hit hardest by the Russian gas curtailment and as a result is under extreme financial pressure. Since mid-June, Uniper has received only 40% of the contracted gas volumes from Russia and has had to source the replacement volumes in the market at significantly higher prices. Uniper gave a profit warning and withdrew its full-year financial guidance at the end of June. Earlier this week S&P Global Ratings placed Uniper's credit rating (BBB-) on CreditWatch Negative.

Fortum is in constructive talks with the German government on how to stabilise Uniper both regarding its business risks and financial position, and thus safeguard security of supply in Germany. Several alternatives are now being proposed and discussed with the government. One of these involves a reorganisation of Uniper's business portfolio to ringfence the system-critical German businesses under the ownership of the German government.

Fortum's goal is to find a long-term solution together with the German government that addresses the consequences of a potential prolonged or even expanded gas curtailment and further gas price hikes in a way that is sustainable for consumers and Uniper alike, and preserves Uniper's credit rating.

No decisions have been made on any possible solution.

New energy legislation adopted in Germany today

In its session yesterday, the German parliament adopted several legislative changes providing the German government with a range of regulatory measures to ensure security of supply in the current energy crisis. This legal framework enables the Government to stabilise energy companies in the short-term but also provides tools to address the longer-term structural challenges, especially if the gas curtailment is prolonged or escalates.

The amendments to the German Energy Security Act (EnSiG) allow companies in the energy industry to obtain liquidity assistance in the form of guarantees, loans or recapitalisation by the German state. The EnSiG also provides the legal basis for the government to allow the passing on of some or all of the high additional procurement costs caused by the shortage of Russian gas supplies to all gas customers or within existing contracts.

"We welcome that the German Parliament has now approved a "toolbox" which will allow immediate relief to the effects of the gas supply crisis. Next, we look forward to the German government to start promptly implementing these tools to stabilise the situation in the energy industry and in particular at Uniper, as we continue talks on a long-term solution," says **Markus Rauramo**, President and CEO of Fortum.

Fortum is taking its responsibility as an owner of Uniper in the current situation very seriously. Throughout the crisis Fortum has already supported Uniper substantially with a EUR 8 billion credit facility comprising both shareholder loan and parent company guarantees, which is almost fully drawn by Uniper. Fortum is focused on doing its share to stabilise the European gas and electricity markets, as Europe's economies depend on them.

Uniper has also published a stock exchange release ('ad hoc') on this matter today. The release is available on Uniper's website.

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Fortum and Uniper form a European energy group committed to enabling a successful transition to carbon neutrality for everyone. Our 50 gigawatts of power generating capacity, substantial gas import and storage operations, and our global energy trading business enable us to provide Europe and other regions with a reliable supply of low-carbon energy. We are already Europe's third largest producer of CO₂-free electricity, and our growth businesses focus on clean power, low-carbon energy, and the infrastructure for tomorrow's hydrogen economy. In addition, we design solutions that help companies and cities reduce their environmental footprint. Our 20,000 professionals and operations in 40 countries give us the skills, resources, and reach to empower the energy evolution toward a cleaner world.

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