



Fortum updates business and reporting structure, and appoints new members to the Leadership Team

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Fortum is reorganising the Group's operating model to drive the execution of the Group's revised strategy announced today. The new business structure and revised Fortum Leadership Team (FLT) will be effective at the end of March.

All FLT members will report to Fortum's President and CEO **Markus Rauramo**. Their biographies are attached to this release.

BUSINESS STRUCTURE

The new business structure mirrors the key value drivers in Fortum's clean generation portfolio, strong sales and trading capabilities and customer orientation. Going forward, Fortum will have the following business units and enabling functions:

Hydro Generation

The Hydro Generation business unit is responsible for operating, maintaining and developing Fortum's 4.7 gigawatt (GW) hydropower assets. The unit's key value drivers include safe operations and the ability to optimize and increase the assets' flexibility and availability. In 2022, hydropower accounted for approximately 44% of Fortum's Nordic power generation. The business will be led by Executive Vice President **Mikael Lemström**, who will also become a member of the FLT. Mr Lemström is currently Vice President, Hydro at Fortum.

Nuclear Generation

The Nuclear Generation business unit operates, maintains and develops Fortum's fully-owned Loviisa power plant and manages Fortum's ownership in the co-owned nuclear assets in Finland and Sweden; 2.8 GWs in total. The business has significant in-house engineering competencies and also offers expert services that cover the whole lifecycle of nuclear power plants from newbuilds to decommissioning and final disposal of nuclear waste. The unit's key value drivers include the safety and availability of the Loviisa power plant and the ability to maximise the value from the co-owned assets. In 2022, nuclear power accounted for approximately 54% of Fortum's Nordic power generation. The business will be led by Executive Vice President **Petra Lundström**, who will also become a member of the FLT. Ms Lundström is currently Vice President, Nuclear Engineering Services & Co-owned Assets at Fortum.

Renewables and Decarbonisation

The Renewables and Decarbonisation business unit will be responsible for driving growth in wind and solar power through project development and execution. The unit is also responsible for Fortum's district heating and cooling business and decarbonisation of heat production assets. Furthermore, the business unit develops Fortum's capabilities and projects in clean hydrogen in the Nordics. This will be pursued together with industrial customers. The business

unit will be led by Executive Vice President **Peter Strannegård**, who will also become a member of the FLT. Mr Strannegård is currently Vice President, Strategic Projects at Fortum.

Corporate Customers and Markets

The Corporate Customers and Markets business unit will be responsible for hedging and value creation in both physical and financial power markets, locking in revenues for Fortum's power generation and managing supply for the Consumer Solutions unit. The unit will be also the customer interface for large industrial customers and thereby pursue long-term value through power demand creation in the Nordic market. Stably priced long-term contracts and power purchase agreements with industrial customers will also enable Fortum to better manage the impact of the volatile wholesale power prices in the Nordics. The business will be led by Executive Vice President **Simon-Erik Ollus**, who is currently heading Fortum's Generation division and already a member of the FLT. Going forward, Mr Ollus will also be responsible for Fortum's strategy development.

Consumer Solutions

Consumer Solutions is responsible for offering energy solutions to consumers and small and medium-sized enterprises predominantly in the Nordics and Poland, including customer service and invoicing services. Fortum is the largest energy solutions provider in the Nordics, with over 2 million customers. The key value drivers for the unit are its ability to continuously improve its competitiveness by developing new services, e.g. value-added services, and improving the customer recommendation and productivity. The business is led by Executive Vice President **Mikael Rönblad**, who will also continue to be a member of the FLT. Going forward Mr Rönblad will also be responsible for Fortum's Innovation and Venturing activities.

Circular Solutions

The Circular Solutions business unit is responsible for operating, maintaining and developing Fortum's recycling and waste assets. These businesses are not in the core of Fortum's new strategy and thus, the unit will continue to develop the businesses stand-alone. The business is led by **Kalle Saarimaa**, who will report to the CEO, but will not be a member of the FLT.

Enabling Functions

In the new operating model Fortum will have centrally managed enabling functions that offer services to the business units.

Finance will be led by Fortum's new CFO and member the FLT **Tiina Tuomela**, who will also be responsible for Mergers and Acquisitions going forward. Most recently Ms Tuomela has served as CFO of Uniper.

Sustainability and Corporate Relations (formerly Corporate Affairs, Safety and Sustainability) will continue to be led by Executive Vice President **Nebahat Albayrak**.

People and Procurement functions will continue to be led by Executive Vice President **Eveliina Dahl**.

Legal will continue to be led by Executive Vice President and General Counsel **Nora Steiner-Forsberg**, who is also secretary to Fortum's Board of Directors.

Ms. Albayrak, Ms Dahl and Ms Steiner-Forsberg will all also continue to be members of the FLT.

Transformation and IT: In addition to the current enabling functions, Fortum establishes a Transformation Office to support the implementation of the revised strategy and to drive efficiency and capability development. The Transformation Office will be led by Fortum's current CFO **Bernhard Günther**, who will also be responsible for Fortum's IT function. Mr Günther will continue to be a member of the FLT.

“Our renewed operating model mandates clear accountabilities and possibility to focus on the essential value drivers in each unit. It also encourages collaboration between the various business units and functions and demonstrates the low hierarchy in our Nordic societies. What I am especially pleased about is the diversity and wealth of experience in energy that each of our leaders bring on board the leadership team. Together we are committed to renewing Fortum and ensuring a successful execution of our strategy,” says President and CEO **Markus Rauramo**.

“I would also like to warmly thank **Per Langer**, who is currently leading Fortum’s City Solutions division and will leave the company. Per is one of our longest standing executives and I have always highly appreciated his expertise and commitment. On behalf of Fortum’s leadership and colleagues across the company, I wish Per the best of success in his future endeavours,” says Markus Rauramo.

FINANCIAL REPORTING STRUCTURE

Fortum is revising its financial segment reporting to match the new business structure and strategy. As of the beginning of 2023 Fortum will report its financial performance in the following reporting segments:

The Generation segment will include the Hydro Generation, Nuclear Generation, Corporate Customers and Markets and Renewables and Decarbonisation business units. Based on year 2022 financials, the segment’s comparable operating profit was approximately EUR 1.6 billion.

The Consumer Solutions segment includes the Consumer Solutions business unit. Based on the year 2022 financials, the segment’ comparable operating profit was approximately EUR 100 million.

The Other segment includes the Circular Solutions business unit, Innovation and Venturing activities, enabling functions and corporate management. Based on the year 2022 financials, the segment’s comparable operating profit was approximately EUR -130 million.

Fortum will continue to report its Russian operations as a separate segment for the time being. Fortum is committed to exiting the Russian market and a divestment is being pursued. Russian operations are functioning on a stand-alone basis with e.g. separated IT systems. Governance has been segregated to support the planned exit, simultaneously ensuring compliance with applicable laws and regulations, including sanctions.

Fortum will publish restated quarterly segment financials for 2022 before publication of the first quarter 2023 results on 11 May 2023.

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Fortum

Fortum is a Nordic energy company. Our purpose is to power a world where people, businesses and nature thrive together. We are one of the cleanest energy producers in Europe and our actions are guided by our ambitious environmental targets. We generate and deliver clean energy reliably and help industries to decarbonise their processes and grow. Our core operations in the Nordics comprise of efficient, CO2-free power generation as well as reliable supply of electricity and district heat to private and business customers. For our ~5 000 employees, we commit to be a safe, and inspiring workplace. Fortum's share is listed on Nasdaq Helsinki. fortum.com