Equity story of

FORTUM
Powering a thriving world

Investor / Analyst material

January 2025

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

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

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

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Content

Fortum and power market	4 – 20
Interim Report January-September 2024	21 – 31
Appendices	33 – 47
Nuclear spent fuel and services	48 – 49
Fortum’s evolution and strategic route	50
Historical achieved prices	51
IR contacts	52

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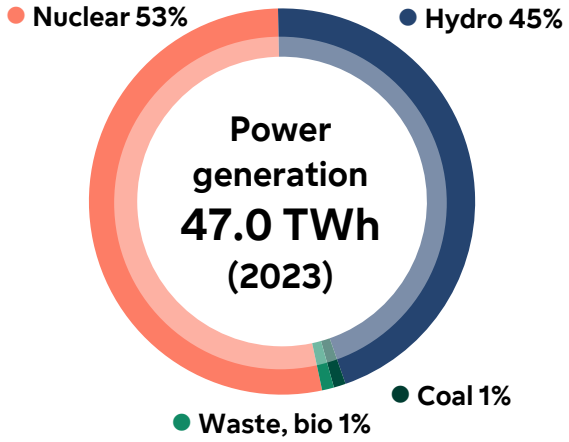
Fortum is well positioned as a Nordic clean energy provider

Earnings dominated by clean generation

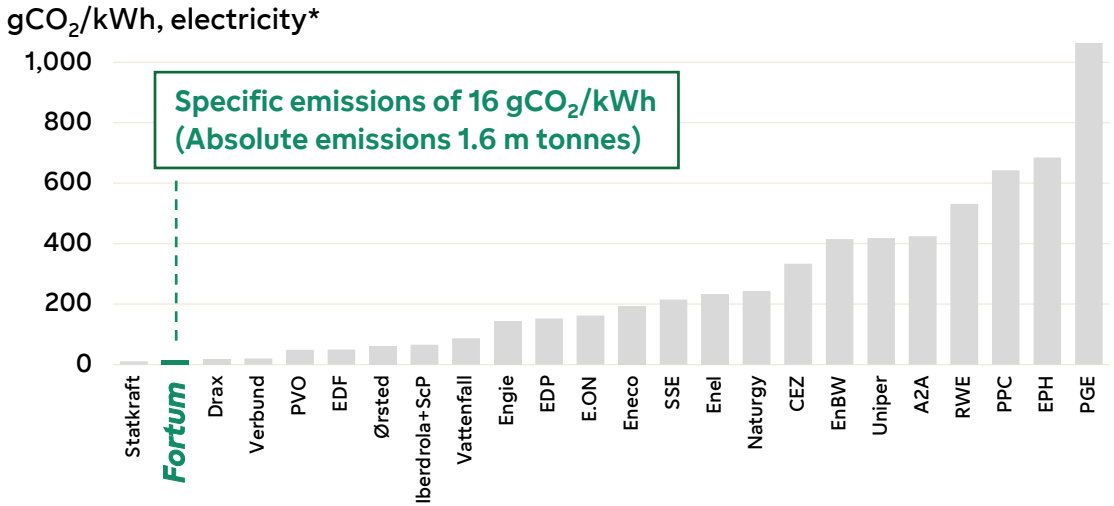
Clean power generation



Key figures (2023)		
Sales	€ bn	6.7
Comp. Op	€ bn	1.5
Comp. EPS	€/share	1.28
Total assets	€ bn	19
Personnel		5,225

Generation capacity, MW	9,248
Hydro	4,669
Nuclear	3,234
Wind	245
Condensing	565
CHP	535

Sustainability is part of our DNA



*) Fortum include specific carbon dioxide emissions from power generation in Europe in 2023. All other figures, except Fortum, include European power generation in 2022. For some companies the PwC figures might also include heat production.
Source: PwC, December 2023, Climate change and Electricity, Fortum

ECPI Sense in sustainability
CDP
MOODY'S ESG Solutions
STOXX Member 2021/2022 ESG Leaders Indices
MSCI ESG RATINGS A
Corporate ESG Performance Prime RATED BY ISS ESG
TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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Fortum's strategy

Our purpose is

TO POWER A WORLD WHERE PEOPLE, BUSINESSES AND NATURE THRIVE TOGETHER

STRATEGIC PRIORITIES

Deliver reliable clean energy

Drive decarbonisation in industries

Transform and develop

We help societies to reach carbon neutrality and our customers to grow and decarbonise their processes in a reliable and profitable way, in balance with nature.

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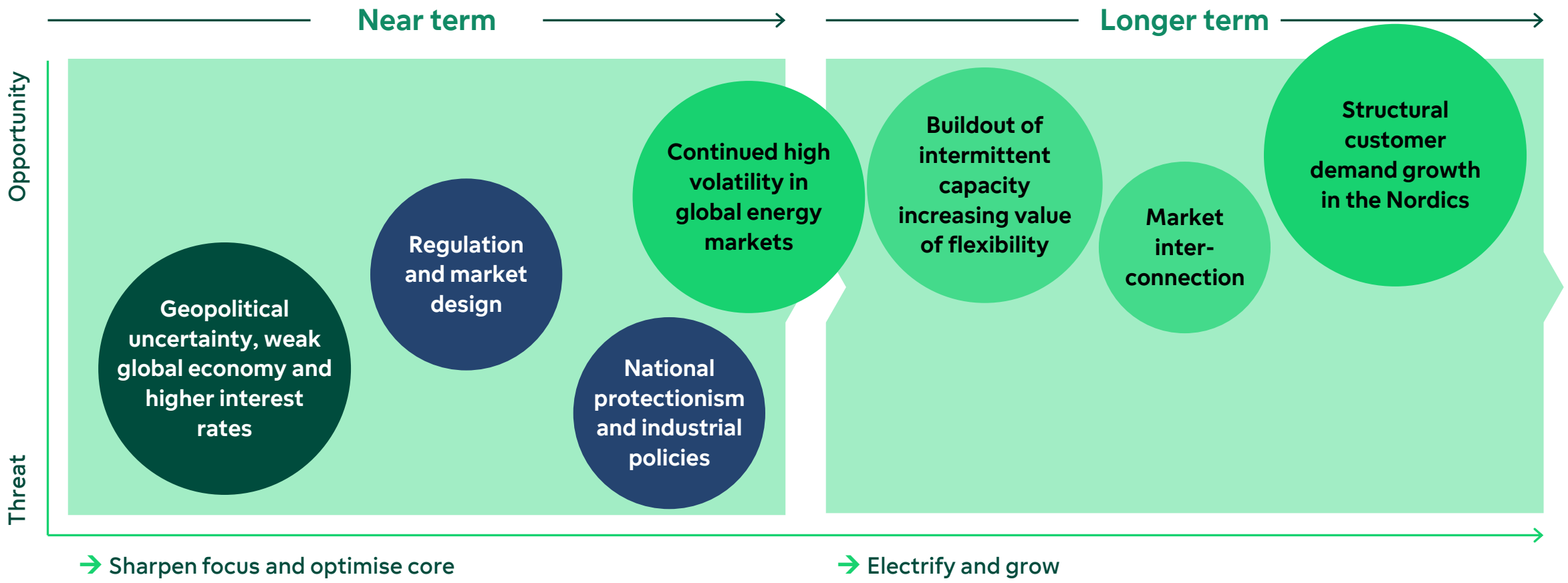
The ongoing sector disruption has increased uncertainty in the short term but provides opportunities going forward



→ Sharpen focus and optimise core

→ Electrify and grow

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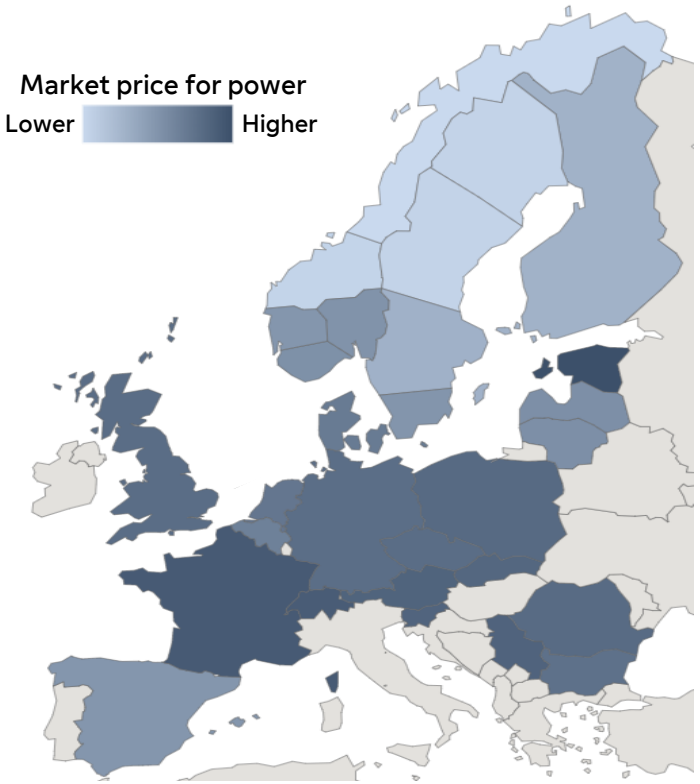
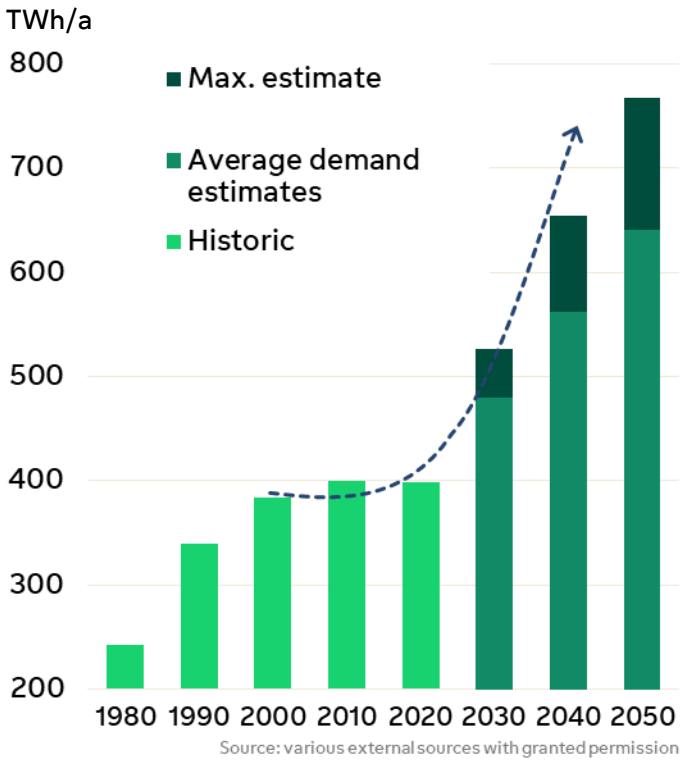
Nordic power market with clean power and competitive prices to accelerate demand

The Nordic region is a source for extremely competitive and clean energy



Nordic power demand driven by decarbonisation and electrification



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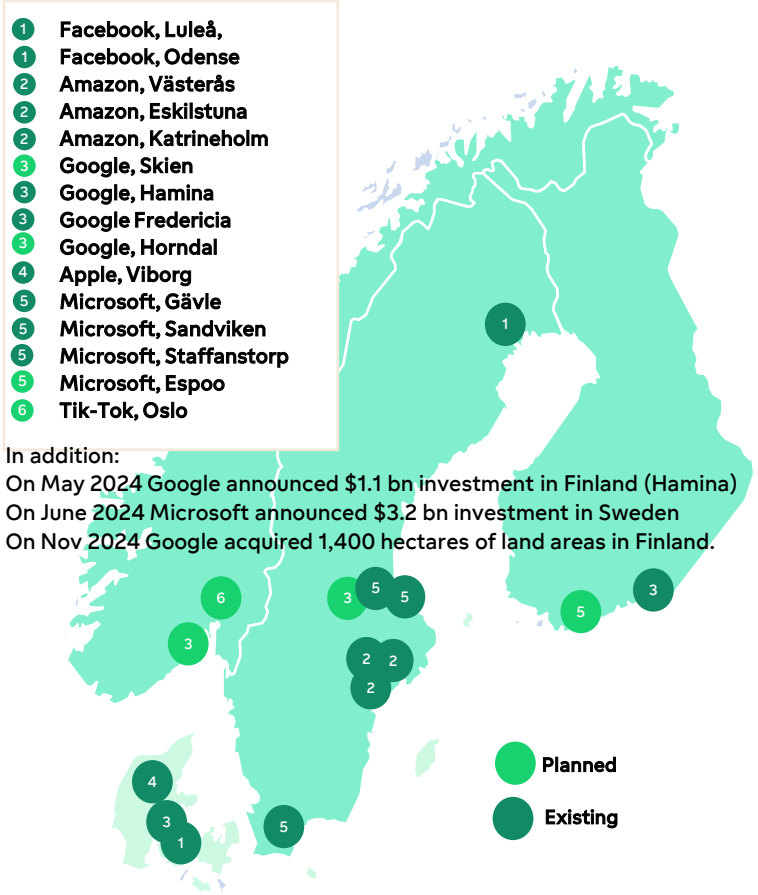
Power demand growth - data centres and other sectors

Nordic large-scale data centres

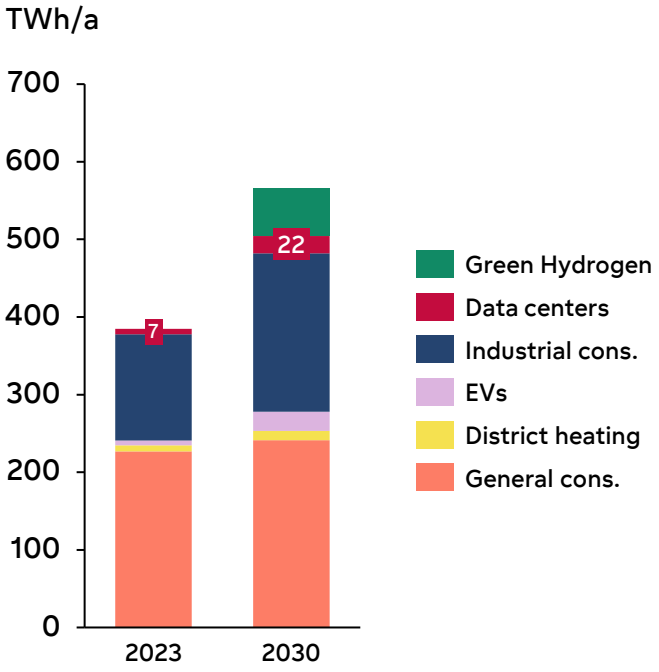


In addition:
On May 2024 Google announced $1.1 bn investment in Finland (Hamina)
On June 2024 Microsoft announced $3.2 bn investment in Sweden
On Nov 2024 Google acquired 1,400 hectares of land areas in Finland.

Source: Microsoft, Google (Alphabet), Amazon, Facebook (Meta), Tik-Tok annual and sustainability reporting, Nordic TSOs (*Nordic grid development perspective 2023*).

Nordic power demand (TSOs estimate)

According to TSO information, power demand growth from data centre's is expected to be a fraction of total power demand growth by 2030



- Power demand from data centres is expected to increase in the Nordics as existing data centres expand and planned ones are built.
- American tech giants Microsoft, Amazon and Google are all present in the Nordics and offer a wide range of cloud services.
- In late 2022 the AI model ChatGPT was released to the public which has increased the interest towards AI and related services.
- Training and running large AI-models require significant amounts of electricity. Nordic TSOs expect power demand from data centres to increase from ~7 TWh today to ~22 TWh by 2030.

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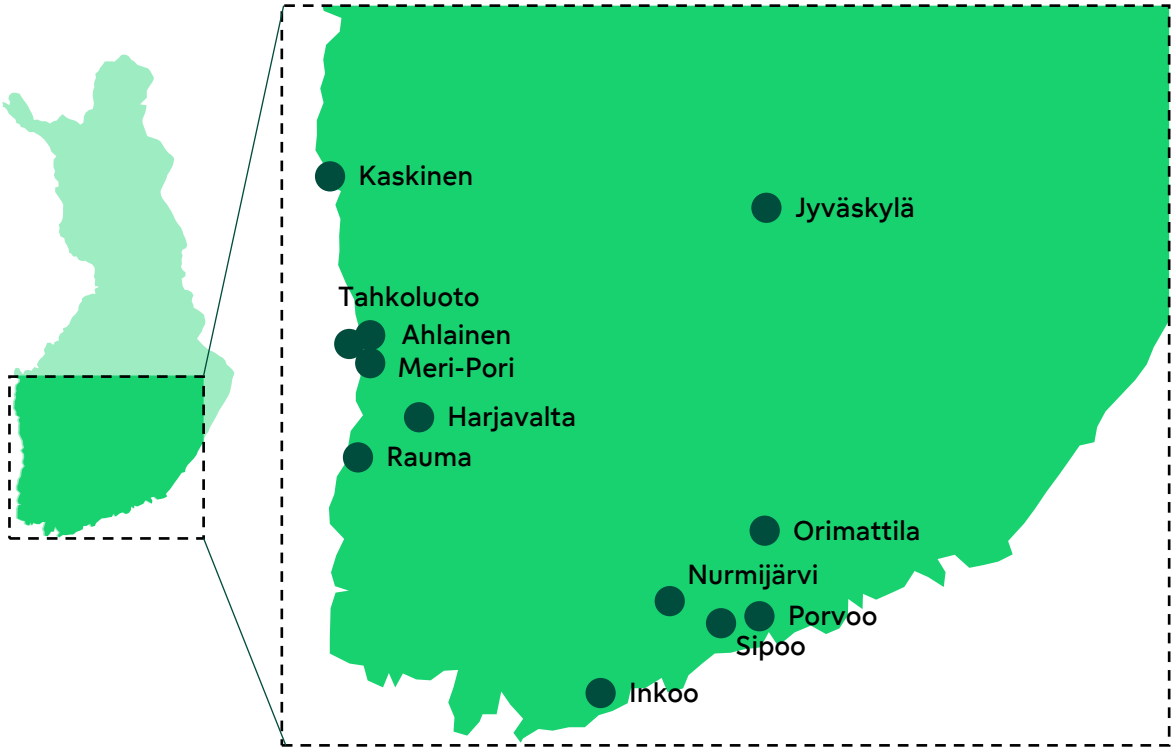
Fortum has a large portfolio of available industrial sites for new businesses - shortens time by several years for market entry

- Sites suitable for **industrial purposes**
  - Plot areas up to 750 acres
- Sites with **strong connection to power**
  - 60 MW to 1.3 GW
  - Often adjacent to TSO Fingrid's substations
- Sites adjacent to **deep-sea harbor**
- Fortum focuses on **customer needs**
- Fortum offers **CO_2-free power** through PPAs



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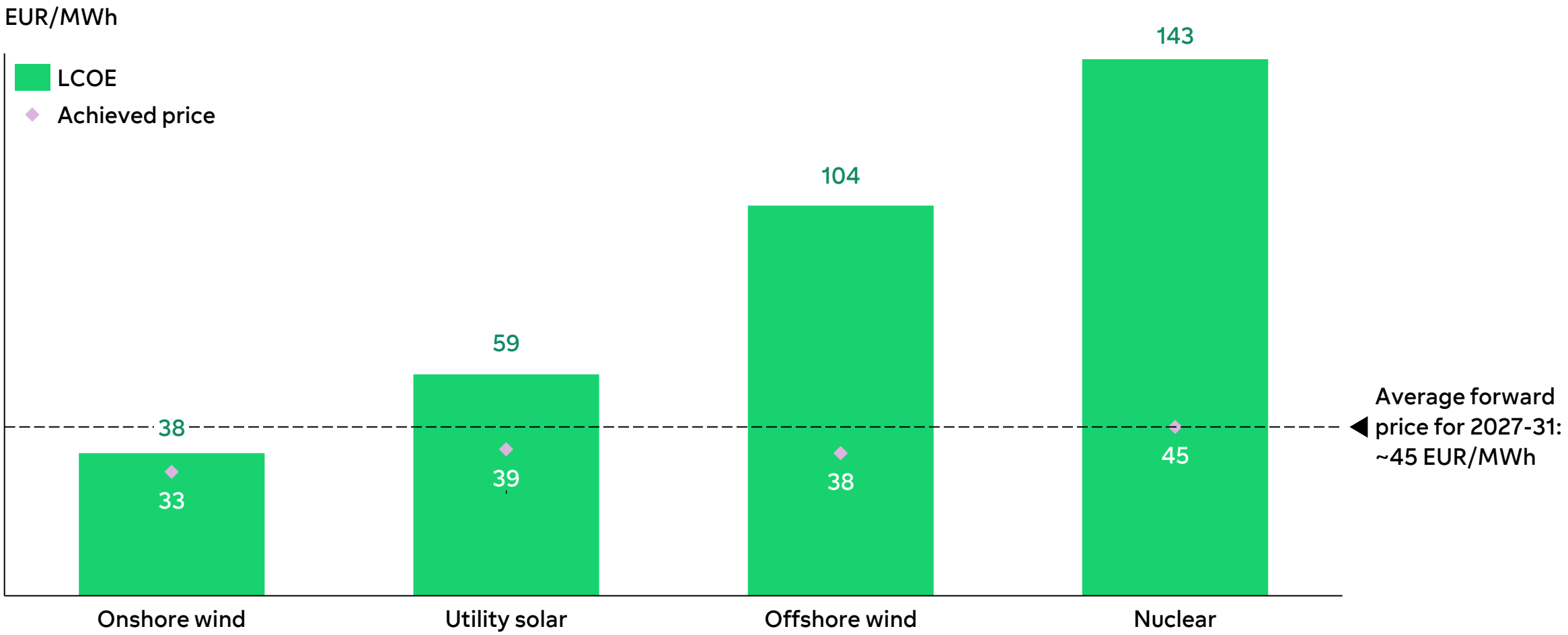
Market prices are too low to attract new investments



Source: NVE, Kostnader for kraftproduksjon, accessed 26.9.2024. FX nok/eur 11.2.
Onshore wind and solar achieved prices calculated by assuming the year 2023 profile realisation in Finland, while offshore wind profile cost assumed to be half of onshore wind. Nuclear assumed to run on baseload profile. Costs do not include imbalance charges. Figures are indicative and for schematic purposes only.

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Navigate the uncertainty with phased strategy execution

Near term → | Longer term →

‘Sharpen focus and optimise core’

Optimise the operation of the generation portfolio and manage business risk

Bond markets as the main financing source

Disciplined capital allocation

Focus on **value creation from flexibility, efficiency and cash flows**

Decrease share of merchant exposure

Create future optionality for long-term growth with industrial customers

‘Electrify and grow’

Grow and partner with industrial customers in clean energy

Capital allocation with **attractive returns**

Balanced risk exposure

Dividend pay-out ratio of 60-90% of comparable EPS

Use upper end of payout ratio when strong balance sheet and low investments and lower end of range when high leverage and/or high investments.

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Our business portfolio

FORTUM CORE

Strengthen and selectively grow areas of core competence, while capitalising volatile markets.

- Hydro
- Nuclear
- Flexibility and optimisation
- Customer business
- Heating and Cooling

DEMAND-DRIVEN RENEWABLES

Prepare ready-to-build pipeline to serve customer demand growth with long-term contracts.

- Onshore wind
- Solar

EXPLORE

Future-shaping by studying, validating, and developing future opportunities.

- Clean hydrogen
- Innovation & Venturing

NON-CORE

Businesses not in the core of the strategy. Strategic review.

- Circular Solutions

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How our strategy translates into shareholder value creation

VALUE CREATION

STRATEGIC PRIORITIES

Deliver reliable clean energy

Drive decarbonisation in industries

Transform and develop

→ Best-in-class operations

→ Demand-driven renewables

→ Improved competitiveness

→ Tighter climate targets

Hydro
Customer business
Nuclear
Heating and cooling
Flexibility and optimisation

Solar
Onshore wind

Improve efficiency
De-risking

Carbon-neutrality
ESG central to decision making

CLIMATE AND ENVIRONMENTAL TARGETS

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Strategic targets to capture long-term opportunities, mitigate business and market risks

STRATEGIC TARGET	Strengthen Nordic leadership	Ensure value creation from flexibility	Stabilise income streams	Demand-driven renewables
Rationale	Focus on core competence	Capitalising on volatile markets	Lower cost of capital	Serve customer demand
Description	Build on existing leadership positions	Grow in flexible assets and related capabilities	Improve predictability of cash flows with customer centricity	Develop growth options
Key Performance Indicators	Fleet availability **> 90% for nuclear** **> 95% for hydro**	Optimisation premium **6-8 €/MWh**	Hedged share of rolling 10-year outright generation volume **> 20% by end of 2026**	Ready-to-build pipeline for solar and onshore wind **> 800 MW by end of 2026**

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Our generation fleet benefits and is remunerated from flexibility and environmental values

Components of the optimisation premium in Fortum's achieved power price from outright generation:

1. Hydropower flexibility

- Hourly/daily/weekly/seasonal optimisation capability
- Ancillary services: rapid intra-day agility in changed situations

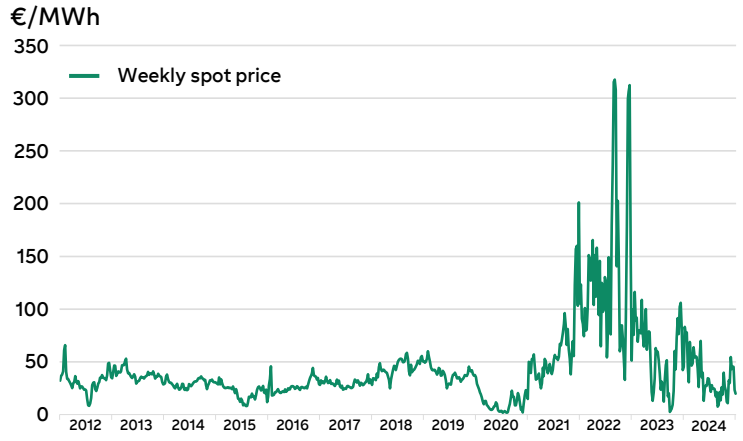
2. Environmental values

- Guarantees of Origin (Europe) as part of the sold power
- Elcertificates (Sweden)

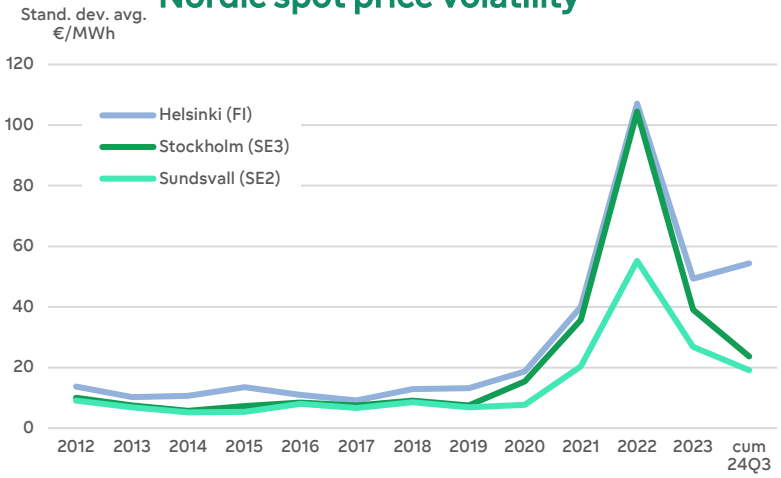
OPTIMISATION PREMIUM

6–8 €/MWh*)

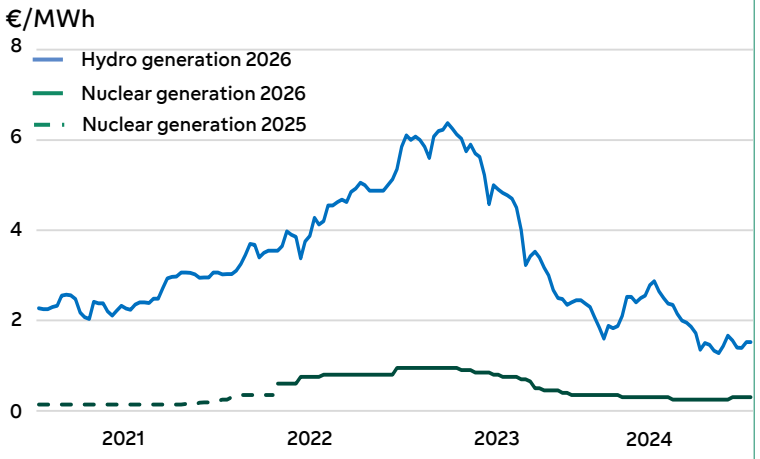
Nordic spot price



Nordic spot price volatility



Price of Guarantees of Origin



*) Optimisation premium has historically been 1-3 €/MWh, however, is currently estimated to be higher due to increased power price volatility. Will depend on the price levels, overall market conditions, the level of volatility and other market elements etc.

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Disciplined capital allocation and focus on cash flow

Disciplined capital expenditure

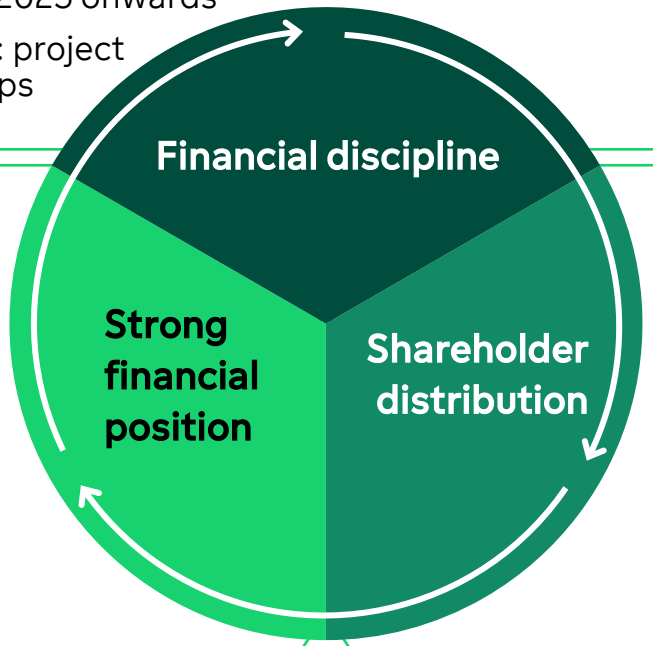
Total EUR 1.6 billion (excl. acquisitions) for 2024-2026

- Growth up to € 800 million
- Annual maintenance of € 300 million, € 250 from 2025 onwards
- Investment hurdles: project WACC + 150-400 bps

Efficiency improvement and cash flow

Fixed cost reduction

- € 100 million, gradually by end of 2025
- more than € 50 million by the end of 2024 (actions to reduce fixed cost base)



Balance sheet and liquidity

Objective: credit rating of at least BBB

- Maximum Financial Net debt-to-Comparable EBITDA of 2.0-2.5 times
- Maintain sufficient liquidity position to manage margining requirements in various price scenarios

Dividend policy

Payout ratio of 60-90% of Comparable EPS

- Apply upper end of range of pay-out ratio when strong balance sheet and low investments
- Apply lower end of range when high leverage and/or high investments
- For 2023 € 1.15 per share (90%)

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Aiming to become leader in sustainability with ambitious sustainability targets

Ambitious climate targets

- Carbon neutrality by 2030 (Scope 1, 2, 3)
- Coal exit by end of 2027
- Commitment to SBTi 1.5°C climate target
- Specific emission target of below 10g/kWh by 2028 (power)
- Specific emission target of below 20g/kWh by 2028 (total)

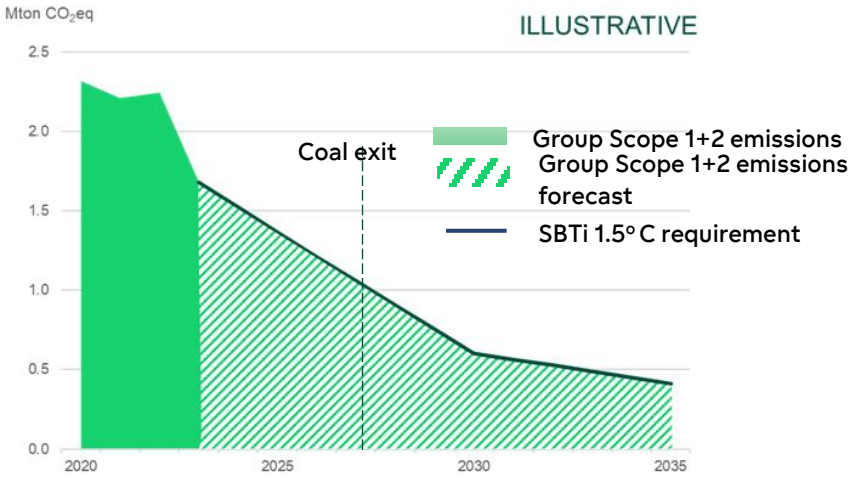
Ambitious biodiversity targets and commitments

- **No net loss of biodiversity** from direct operations 2030 onwards (excluding all aquatic impacts).
- **50% reduction** in dynamic terrestrial impacts in upstream Scope 3 by 2030 vs. 2021.
- Commitment to continue local initiatives and to participate in the development of scienced based methodology to assess the aquatic impacts of hydropower.

Carbon neutrality

2020 — 2025 — 2030 — 2035 → 2050

Group coal capacity on Sep 30, 2024:
~0.7 GW in power generation and
~0.4 GW in heat production



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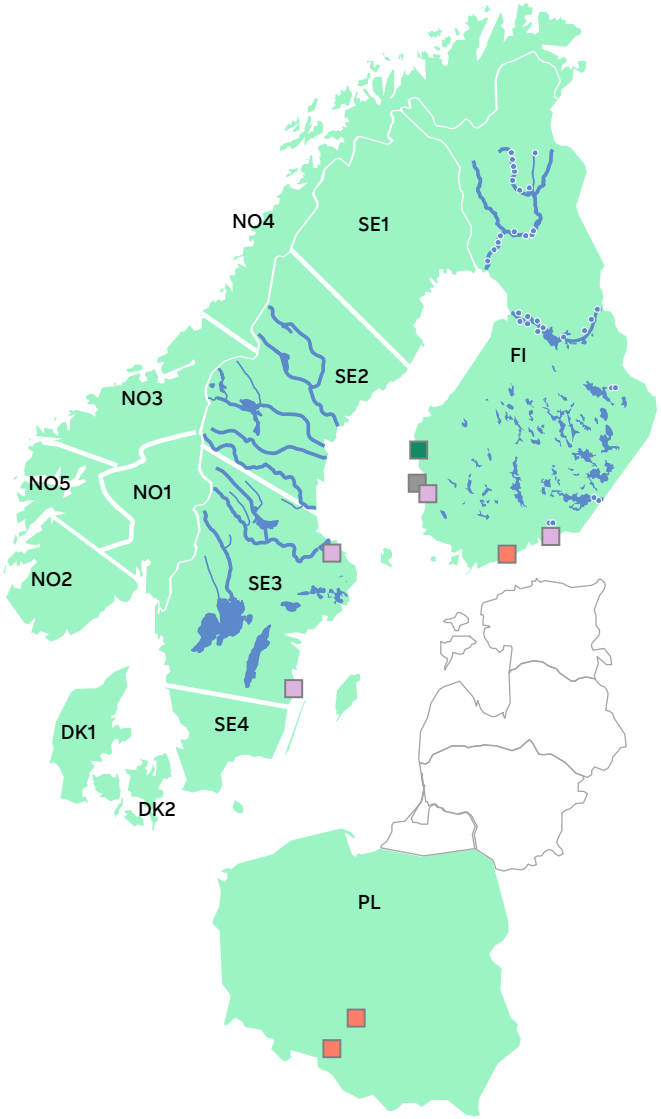
Power generation capacity of Fortum

GENERATION CAPACITY	MW
Hydro	4,669
Nuclear	3,243
Wind	380
CHP	425
Other thermal	565
Generation capacity, MW	9,282

Figures 31 December 2024



SWEDEN, by price area	MW
SE2, Hydro	1,545
SE3, Hydro	1,549
SE3, Nuclear	1,351
Generation capacity	4,445

FINLAND	MW
Hydro	1,574
Nuclear	1,892
Wind	380
CHP	280
Other thermal	565
Generation capacity	4,692

POLAND	MW
Generation capacity, CHP	145

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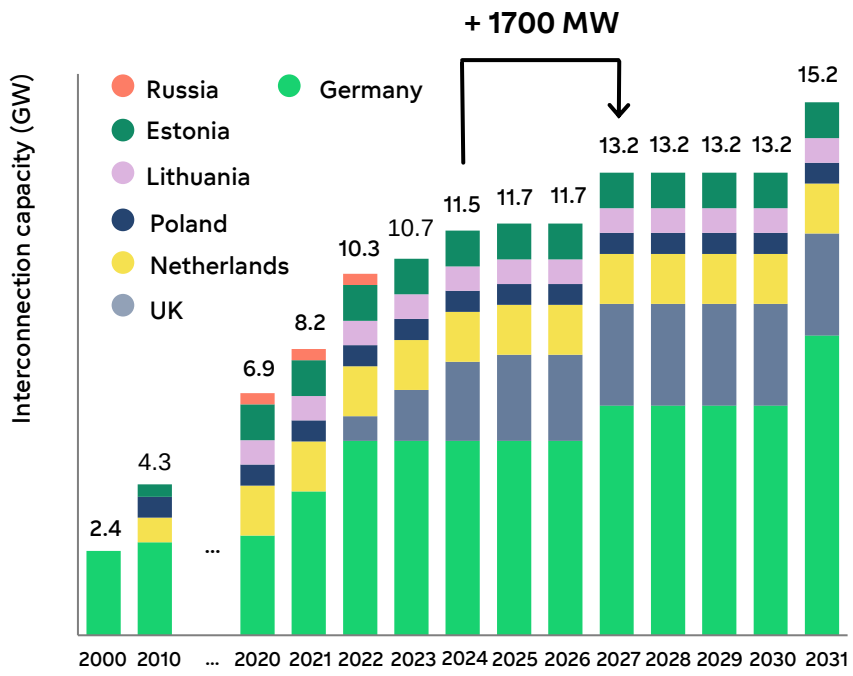
Nordic, Baltic, Continental and UK markets are integrating – Interconnection capacity growing to over 13 GW during 2026

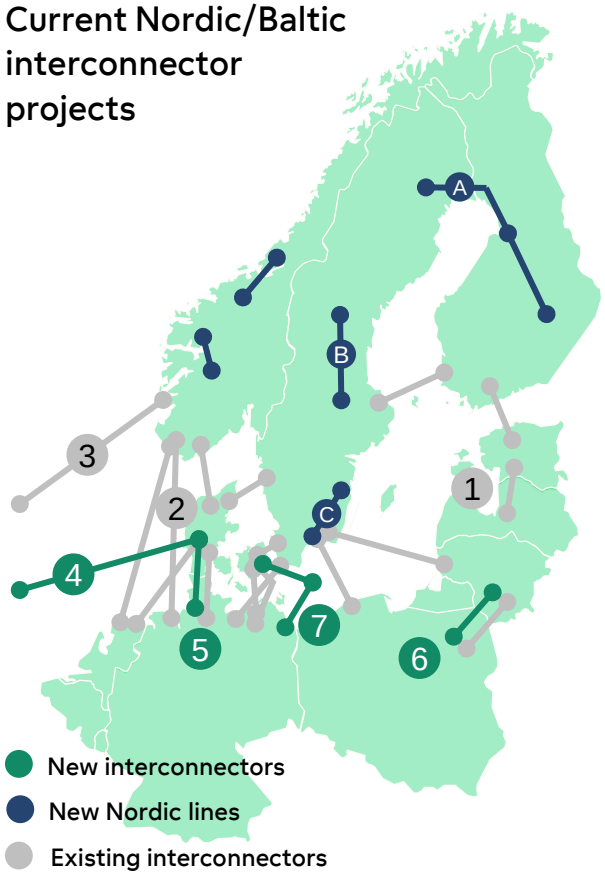
Several **new interconnectors** have started operation, and more are under construction or planned to be built

The **Nordic export capacity** has grown to 11.5 GW at the beginning of 2024, and will further increase to over 13 GW by October 2026



Years in the chart above refer to a snapshot of 1st of January each year.
Source: Fortum Market Intelligence

Current Nordic/Baltic interconnector projects



1. EU's Connecting Europe Facility co-financed 3rd EE-LV transmission line, in operation *January 2021*
2. NO-DE NordLink is in commercial operation at maximum export of 1,444 MW from *March 2021*
3. NO-UK North Sea Link (NSL) at maximum 1,449 MW has been taken to full commercial use in *June 2022*
4. DK1-UK Viking Link started operation at 800 MW at the *end of 2023*, has 1000 MW available from *June 2024*, and will reach full 1456 MW in *October 2026*
5. DK1-DE capacity to grow by further 1,000 MW to 3,500 MW with a new 400 kV line by *October 2026*
6. Second LT-PL interconnector Harmony Link to be built as a land-based double-circuit 220 kV line by *end-2030*
7. Danish Bornholm Energy Island project includes a 2,000 MW grid connection to Germany by *end-2030*

A. 800 MW 3rd 400 kV SE1-FI Aurora Line by *end-2025*

B. 800 MW with first measures by *2028* as part of the SE2-SE3 NordSyd reinforcement programme

C. 700 MW SE3-SE4 east coast parallel line in *2029*

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Fortum has what it takes to drive the transition

Best-in-class operations with sustainable earnings

We have a competitive Nordic generation portfolio

A leader in ESG to enable decarbonisation

We have a CO_2 free generation fleet

Prudent capital allocation with selective growth

We have regained our financial position

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Interim Report January–September 2024

Fortum Corporation
29 October 2024

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Markus Rauramo

President and CEO

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Quarterly highlights Q3 2024

- Resilient performance despite lower prices and volumes
  - Successful hedging and physical optimisation
- Long-term PPAs
  - Pjelax started
- Loviisa Western fuel and lifetime extension
- Decarbonisation proceeding in Poland (Q4)
- Industrial site development – several sites reserved
- Focus on core business, divestment of
  - Recycling and waste business
  - Chempolis Oy, biobased solutions businesses, and shares in holding company of Assam Bio Ethanol Pvt Ltd in India
- Efficiency improvement programme progressing

Deliver reliable clean energy

Pjelax wind farm
Coal exit
Nuclear fuel and lifetime extension

Drive decarbonisation of industries

Development of industrial sites

Transform and develop

Divestment of non-core assets
€ 100 million fixed cost reduction

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I-III/2024

Comparable operating profit

declined due to lower achieved power price in the Generation segment

Cash flow

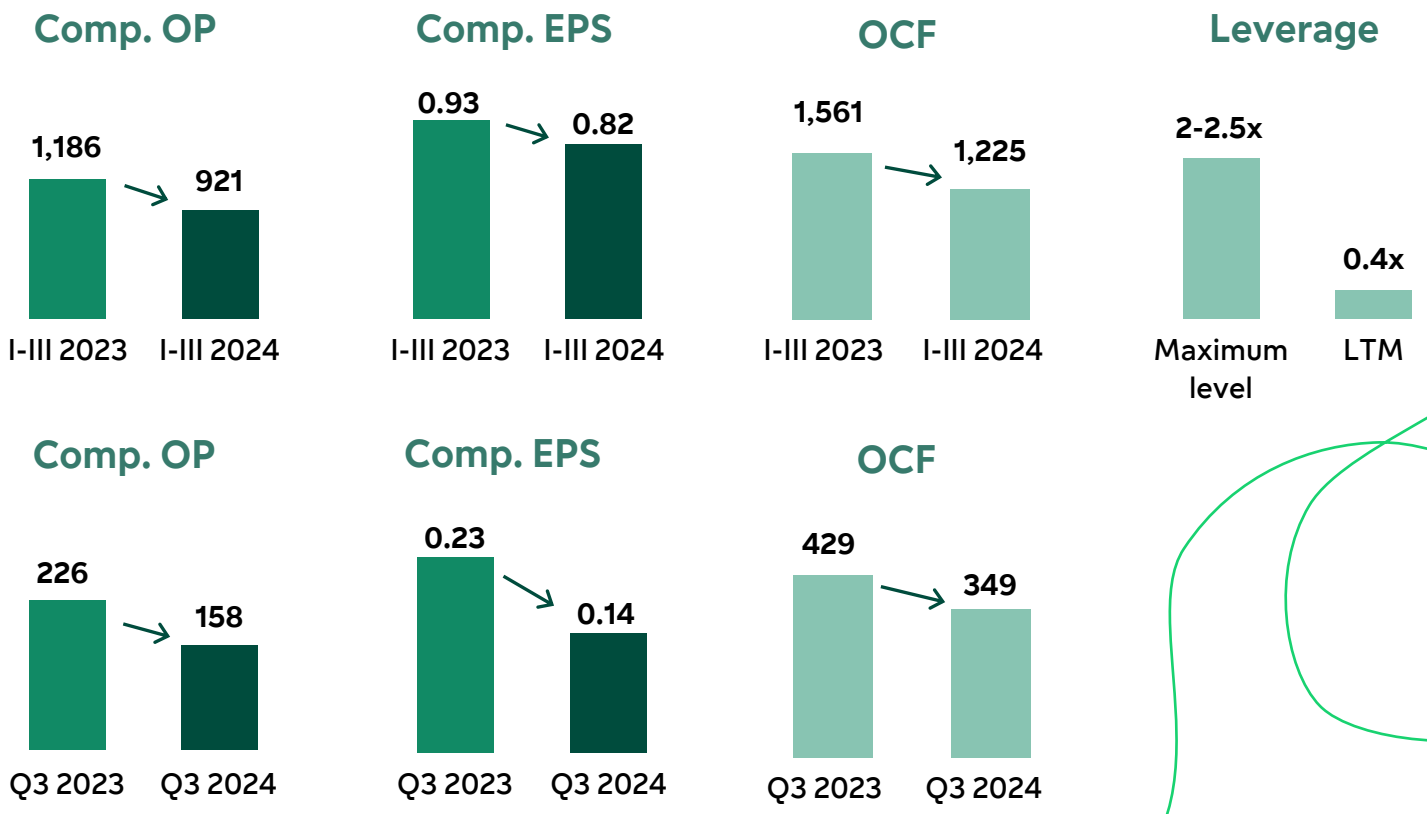
declined due to lower comparable EBITDA, lower positive change in working capital and realised foreign exchange losses, partly offset by lower paid income taxes

Financial net debt-to-Comparable EBITDA

at 0.4x, financial net debt at EUR 0.7 bn

Resilient performance amid seasonally lower power prices in the Nordics

Key financial indicators for continuing operations



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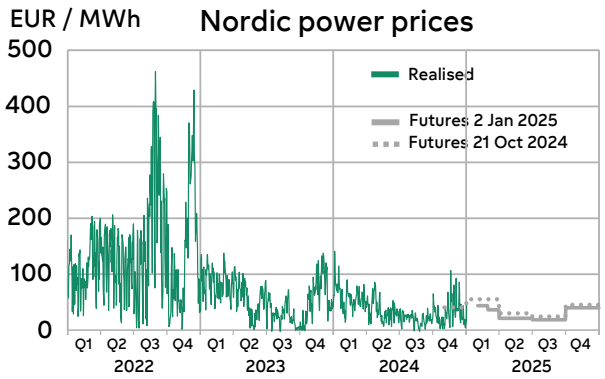
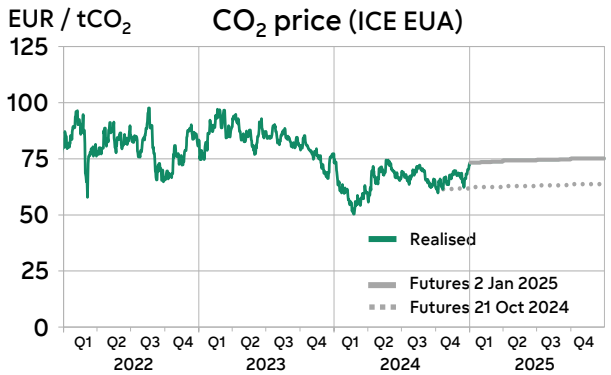
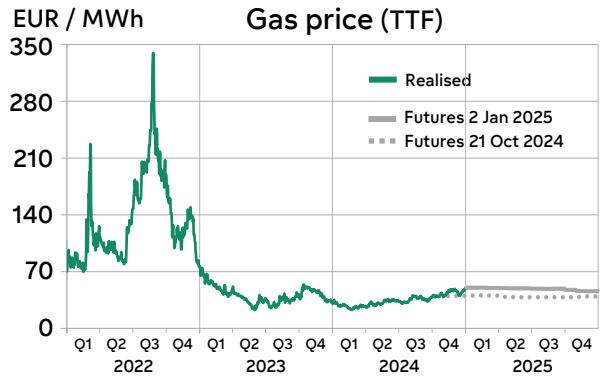
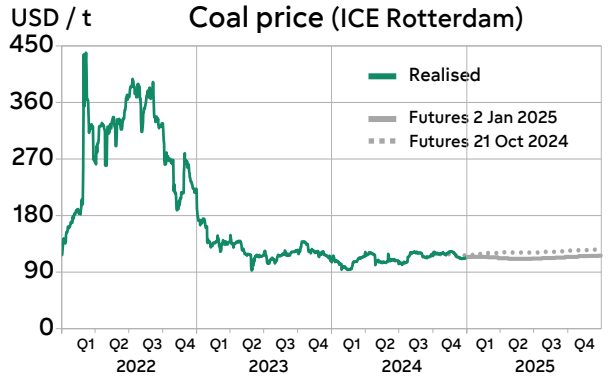
Price pressure due to precipitation and wind generation









Source: NordPool, Refinitiv
Daily market prices 2 January 2025; 2025 future quotations

Weather - the main driver for Nordic Q3 power prices

- In Q3 European gas prices increased, while coal and carbon remained almost unchanged QoQ. However, all three commodities were impacted by strong volatility.
- Nordic power demand increased to pre-crisis levels with LTM reaching 401 TWh.
- The Nordic power spot and futures market was impacted by high precipitation putting pressure on spot price and decline in the futures market. Good nuclear availability and increasing wind and solar generation contributed to the lower spot prices.
- Contrary to low summer prices, Finnish area prices increased late August and September caused by tight Finnish power balance amid import restrictions and nuclear maintenance during days with low wind power generation.

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Tiina Tuomela

CFO

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Comparable net profit almost halved in the third quarter

MEUR	III/2024	III/2023	I-III/2024	I-III/2023	2023	LTM
Sales	1,094	1,220	4,365	4,853	6,711	6,223
Comparable EBITDA	254	318	1,202	1,443	1,903	1,661
Comparable operating profit	158	226	921	1,186	1,544	1,280
Comparable net profit	117	204	731	833	1,150	1,048
Comparable EPS	0.14	0.23	0.82	0.93	1.28	1.17
Net cash from operating activities	349	429	1,225	1,561	1,710	1,374
Financial net debt / Comp. EBITDA					0.5	0.4

Lower power prices reflected in the result (LTM)

- Comparable operating profit at EUR 1,280 million
- Excellent credit metrics with Financial net debt-to-Comparable EBITDA ratio at 0.4x
- Comparable net profit at EUR 1,048 million
- Net cash from operating activities EUR 1,374 million

Income statement

MEUR, continuing operations	III/2024	III/2023	I-III/2024	I-III/2023	2023	LTM
Sales	1,094	1,220	4,365	4,853	6,711	6,223
Other Income	5	8	38	22	32	48
Materials and services	-611	-665	-2,474	-2,702	-3,808	-3,581
Fixed costs	-236	-246	-727	-730	-1,031	-1,028
Depreciations and amortisation	-96	-92	-281	-258	-359	-381
Comparable operating profit	**158**	**226**	**921**	**1,186**	**1,544**	**1,280**
Items affecting comparability	-35	25	14	101	118	32
Operating profit	**123**	**251**	**935**	**1,286**	**1,662**	**1,311**
Share of profits/loss of associates and joint ventures	34	-9	57	-30	59	146
Finance costs - net	3	-17	20	-162	-138	43
Profit before income tax	**160**	**224**	**1,012**	**1,095**	**1,583**	**1,500**
Income tax expense	-27	-38	-190	7	-69	-265
Profit for the period	**133**	**187**	**822**	**1,102**	**1,515**	**1,235**
Attr. to owners of parent	132	188	820	1,104	1,514	1,230
Attr. to non-controlling interest	1	-1	2	-1	1	5

Last twelve months

- Fixed costs of EUR ~1 billion
- Share of profits of associates includes positive fair value changes from co-owned nuclear
- Finance costs – net, positive net interest effect including interest income from Belgian tax case and nuclear related items

Q3/2024

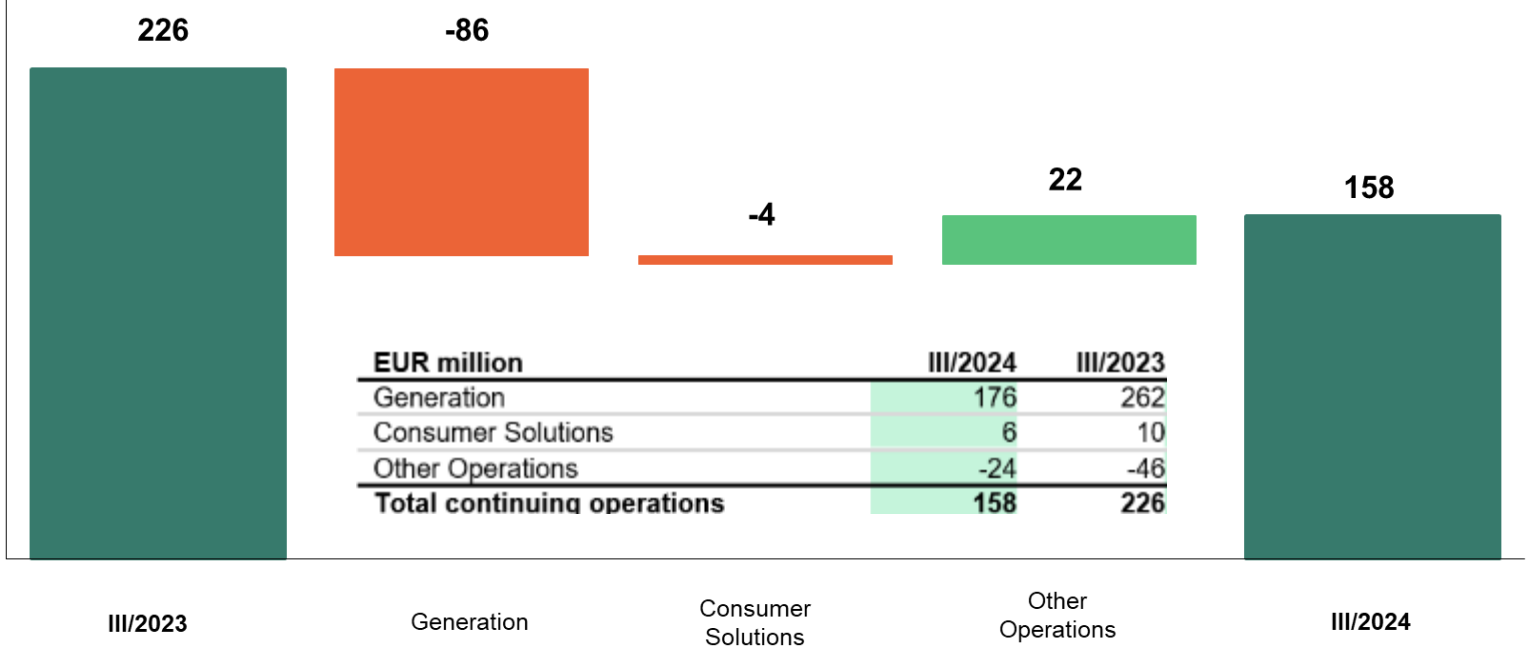
Generation
Lower result mainly due to lower spot and hedge prices, lower hydro volumes and somewhat higher costs for co-owned nuclear production. Marginally negative result from Pjelax wind farm. Improved result from the district heat business mainly due to higher sales price for power in Poland.

Consumer Solutions
Lower result mainly from lower gas sales margin, partly offset by reduced scope of the Polish regulated price cap for end users.

Other Operations
Improved result mainly due to higher internal charges for services of enabling functions. Flat result from Circular Solutions business.

Results impacted by lower power prices

Comparable operating profit
(EUR million)



EUR million	III/2024	III/2023
Generation	176	262
Consumer Solutions	6	10
Other Operations	-24	-46
Total continuing operations	**158**	**226**

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I-III/2024

Generation

Lower result mainly due to the lower spot and hedge prices, partly offset by higher hydro volumes. EUR 16 million sales gain from the Indian renewables' divestment. Pjelax wind farm result was slightly positive. District heat business improved mainly due to lower fuel and CO_2 costs and higher sales price for heat and power in Poland.

Consumer Solutions

Improved result mainly due to higher electricity sales margins, reduced scope of Polish regulated price cap for end users and higher sales margins for value-adding services, partly offset by lower gas sales margins in Poland and higher amortisation.

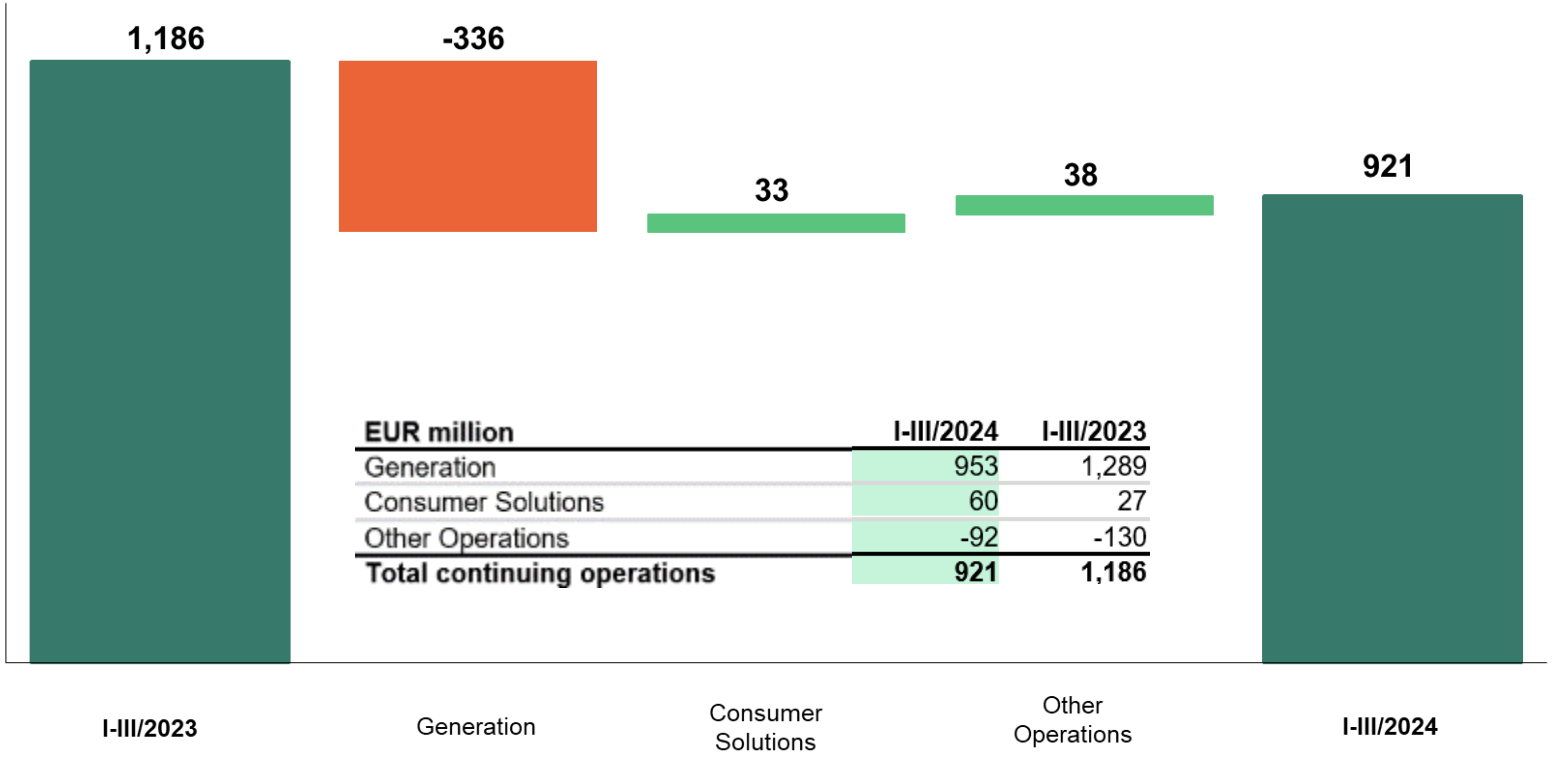
Other Operations

Improved result mainly due to higher internal charges for services of enabling functions and slightly higher result in the Circular Solutions business.

Group results negatively affected by lower results in the Generation segment

Comparable operating profit

(EUR million)



EUR million	I-III/2024	I-III/2023
Generation	953	1,289
Consumer Solutions	60	27
Other Operations	-92	-130
Total continuing operations	**921**	**1,186**

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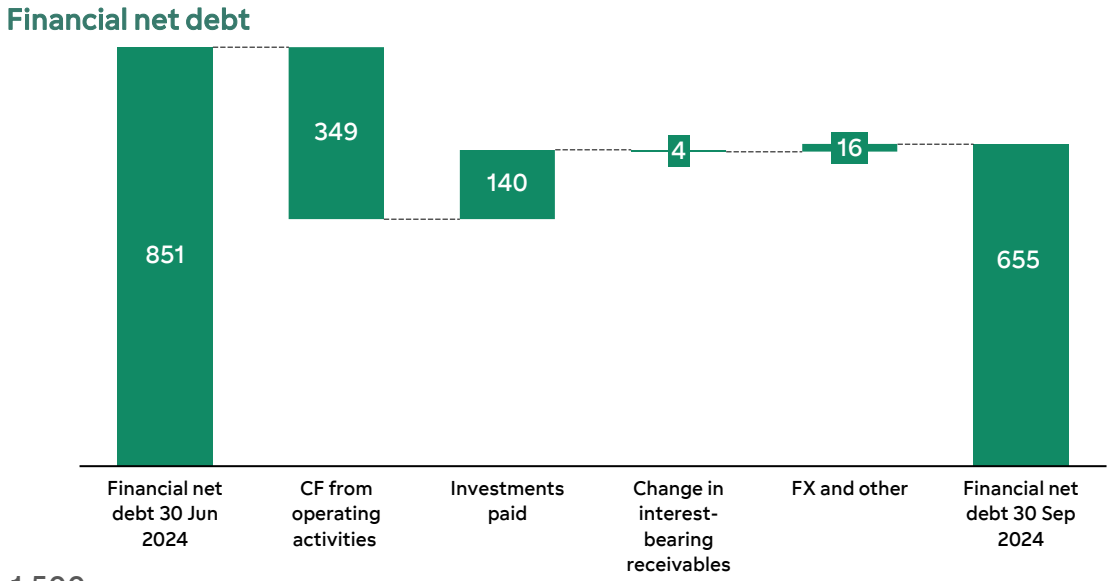
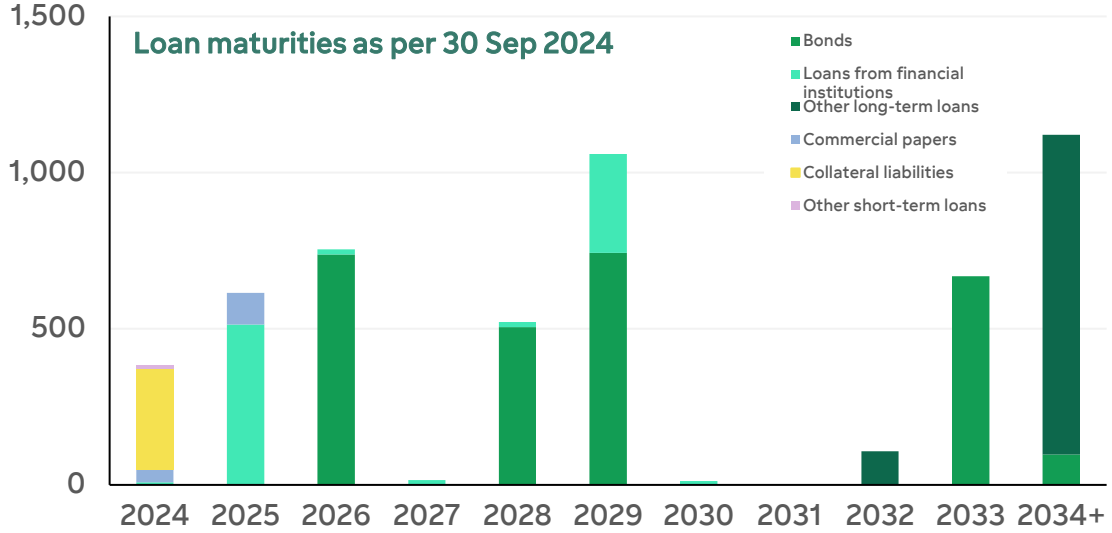
Low leverage and strong liquidity position





Solid credit metrics

S&P Global Ratings — 'BBB+' long-term issuer credit rating, Stable outlook

FitchRatings — 'BBB' long-term issuer credit rating, Stable outlook

Fortum's objective:
Maintain solid investment grade rating of at least BBB to maintain financial strength, preserve financial flexibility and good access to capital.

As per 30 Sep 2024:

Total loans of EUR 5.3 bn excl. leases

- Average interest rate of 3.9% for Fortum Group loan portfolio incl. derivatives hedging financial net

Liquidity reserves of EUR 7.6 bn

- Liquid funds of EUR 4.3 bn with average interest rate of 3.5%
- Undrawn credit facilities of EUR 3.3 bn

Outlook

Generation's Nordic outright (47 TWh/a):

Hedges

- For the rest of 2024: 80% hedged at 44 €/MWh
- For 2025: 65% hedged at 42 €/MWh (previously reported: 60% at 42 €/MWh)
- For 2026: 40% hedged at 41 €/MWh (previously N/A)

Optimisation premium

- 6-8 €/MWh annually depending on market conditions

Tax guidance for 2024-2026:

Comparable effective income tax rate estimated to be 18-20%

Property tax in Sweden increases by € 25 million from 2025, new run-rate until and including 2030

Capital expenditure guidance:

2024: Capital expenditure, including maintenance capex of € 300 million, (excluding potential acquisitions) expected to be € ~550 million

2025 onwards: Annual maintenance capital expenditure expected to be € ~250 million

2024-2026: Total capital expenditure to € 1,600 million

Efficiency improvement programme:

Fortum targets to gradually reduce its annual fixed cost base by € 100 million (excluding inflation) until end of 2025 with full run rate from the beginning of 2026

Fortum expects to reduce its recurring fixed cost base by more than € 50 million by the end of 2024

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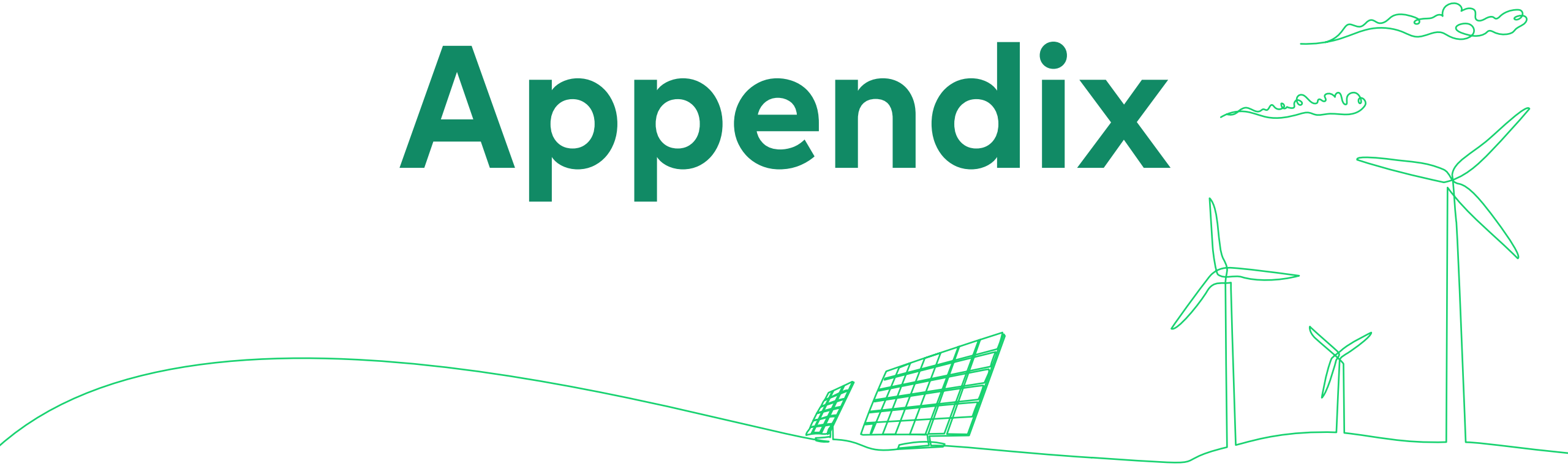
Appendix



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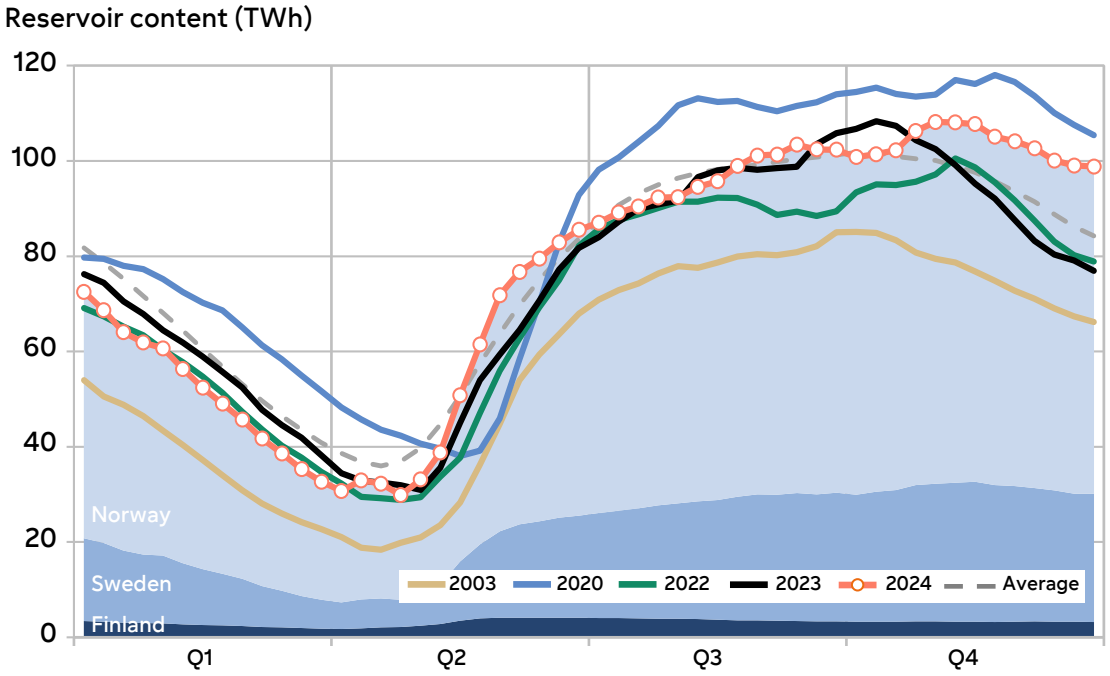
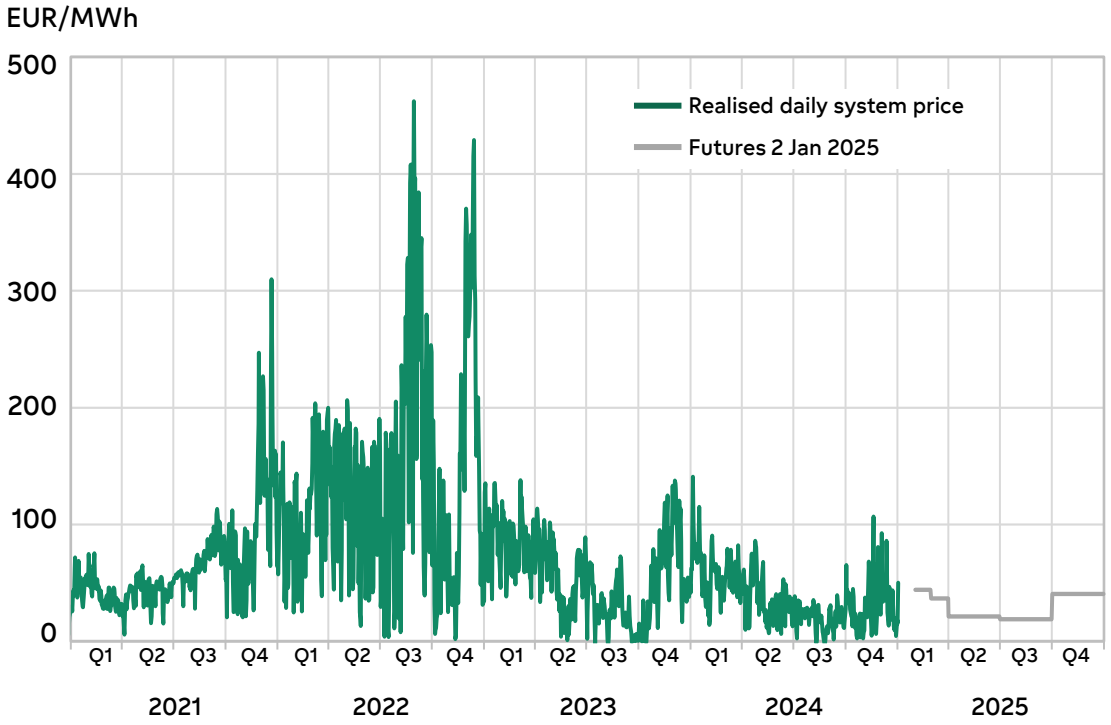
Nordic hydro reservoirs and wholesale power price

Hydro reservoirs



Power price



Source: Nord Pool, Nasdaq Commodities

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GENERATION:

Achieved power price at 44.1 €/MWh

Q3/2024 vs. Q3/2023

Comparable operating profit down by 33% to EUR 176 mn,

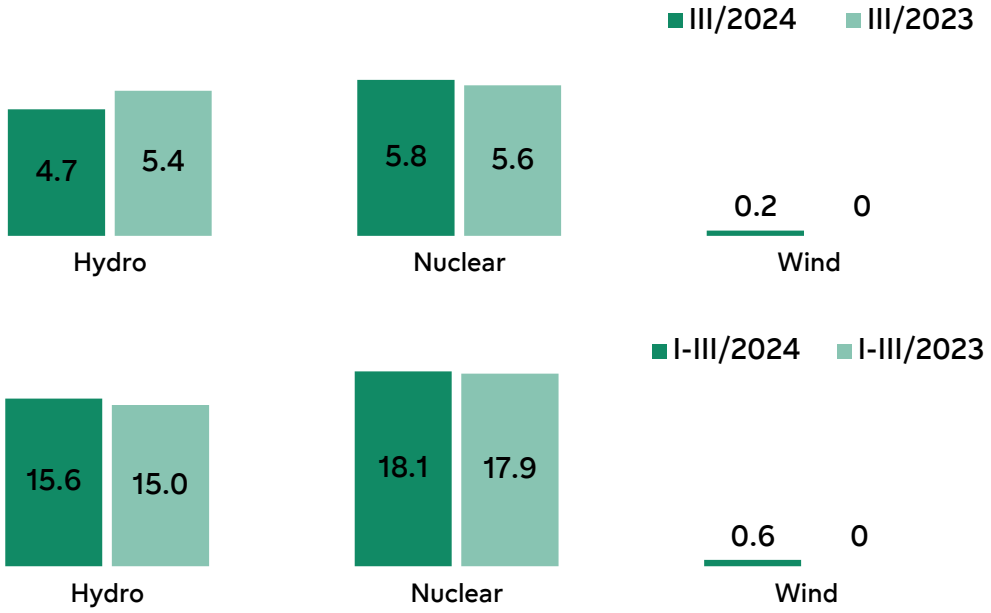
mainly due to the lower spot and hedge prices. Lower hydro volumes due to lower inflow and somewhat higher costs for co-owned nuclear production negatively affected the result further. The result contribution of the Pjelax wind farm was marginally negative. The result of the district heat business improved, mainly due to the higher sales price for power in Poland.

I-III/2024 vs. I-III/2023

Comparable operating profit down by 26% to EUR 953 mn,

mainly due to the lower spot and hedge prices, partly offset by higher hydro volumes. The result of the renewables business was positively impacted by a sales gain of EUR 16 million from the divestment of Fortum's remaining share in the Indian solar power portfolio which comprises four solar power plants with a total capacity of 185 MW. The result contribution of the Pjelax wind farm was slightly positive. The result of the district heating business improved mainly due to lower fuel and CO2 costs supported by more electricity-based heat production in Finland and the higher sales price for heat and power in Poland.

Power generation volumes, TWh



MEUR	III/2024	III/2023	I-III/2024	I-III/2023	2023	LTM
Sales	644	847	2,853	3,081	4,420	4,192
Comparable EBITDA	225	307	1,102	1,422	1,874	1,554
Comparable operating profit	176	262	953	1,289	1,679	1,343
Comparable net assets			7,533	7,016	7,263	
Comparable RONA %					24.2	18.9
Gross investments	95	116	250	342	454	362

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CONSUMER SOLUTIONS:

Improved and more normalised results

Q3/2024 vs. Q3/2023

Comparable operating profit decreased by EUR 4 mn to EUR 6 mn,

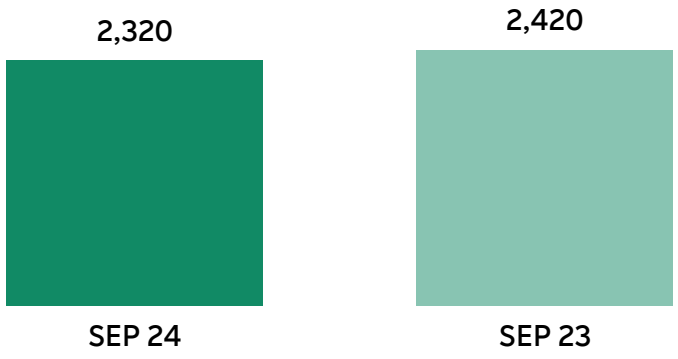
mainly due to lower gas sales margin, the effect of which was partly offset by the reduced scope of the regulated price cap for end users in Poland.

I-III/2024 vs. I-III/2023

Comparable operating profit increased by EUR 33 mn to EUR 60 mn,

mainly due to higher electricity sales margins, reduced scope of the regulated price cap for end users in Poland and higher sales margins for value-adding services, the effect of which was partly offset by lower gas sales margins in Poland and higher amortisations of customer acquisition costs.

Number of customers ('000)



MEUR	III/2024	III/2023	I-III/2024	I-III/2023	2023	LTM
Sales	509	563	2,281	2,697	3,766	3,350
Comparable EBITDA	26	27	121	78	108	151
Comparable operating profit	6	10	60	27	38	72
Comparable net assets			543	537	838	
Comparable RONA %					4.5	11.1
Gross investments	18	41	53	81	103	75

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OTHER OPERATIONS:

Results improved

Q3/2024 vs. Q3/2023

Comparable operating profit improved by EUR 22 mn to EUR -24 mn,

mainly due to higher internal charges for services of enabling functions. The result of the Circular Solutions business was flat.

I-III/2024 vs. I-III/2023

Comparable operating profit improved by EUR 38 mn to EUR -92 mn,

mainly due to higher internal charges for services of enabling functions and slightly higher earnings in the Circular Solutions business.

MEUR	III/2024	III/2023	I-III/2024	I-III/2023	2023	LTM
Sales	165	138	455	401	548	602
Comparable EBITDA	3	-16	-21	-57	-80	-44
Comparable operating profit	-24	-46	-92	-130	-173	-135
Gross investments	20	21	59	72	107	94

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Efficiency improvements and disciplined capital expenditure to enhance earnings, cash flow and competitiveness

Fixed cost reduction

€ 100 mn

gradually materialising, full effect at end of 2025

- Actions include strategic prioritisation, assessment of resources and turnaround of underperforming and loss-making businesses
- Fortum expects to reduce fixed costs by more than € 50 mn by the end of 2024

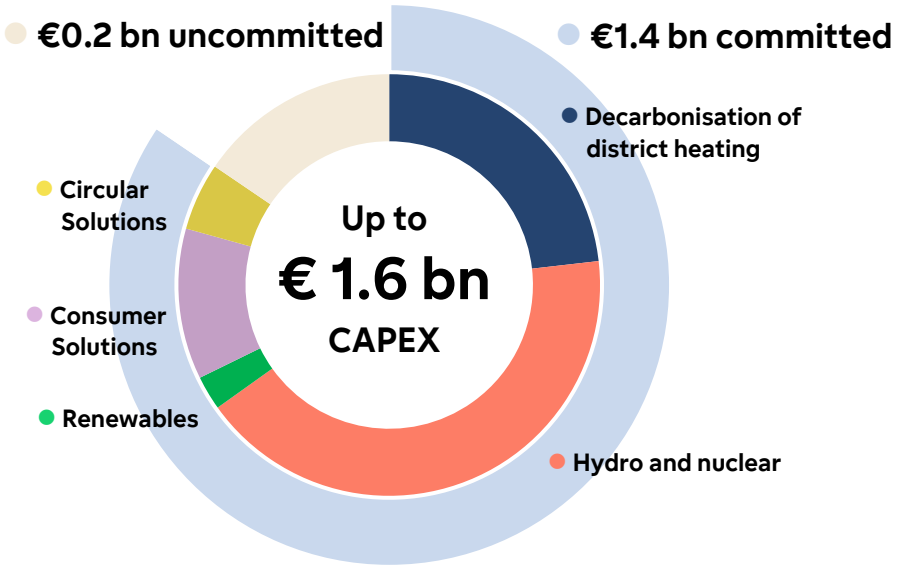
Capital expenditure

€ 1,600 mn

for 2024-2026 including maintenance

- Pjelax commercial operation Q2 2024, total 380 MW
- Loviisa nuclear power plant lifetime extension total € 1 bn until 2050
- Decarbonisation investments of Espoo district heating appr. € 300 mn
- Czestochowa decarbonisation in Poland appr. € 100 mn

Capex 2024-2026



Committed clean energy solutions in Finland:

- Loviisa nuclear power plant lifetime extension
- Pjelax wind farm
- Espoo Clean Heat programme including waste heat usage from data centres, Czestochowa decarbonisation in Poland

Note: Annual maintenance capex of € 300 million in 2024, and € 250 in 2025 onwards

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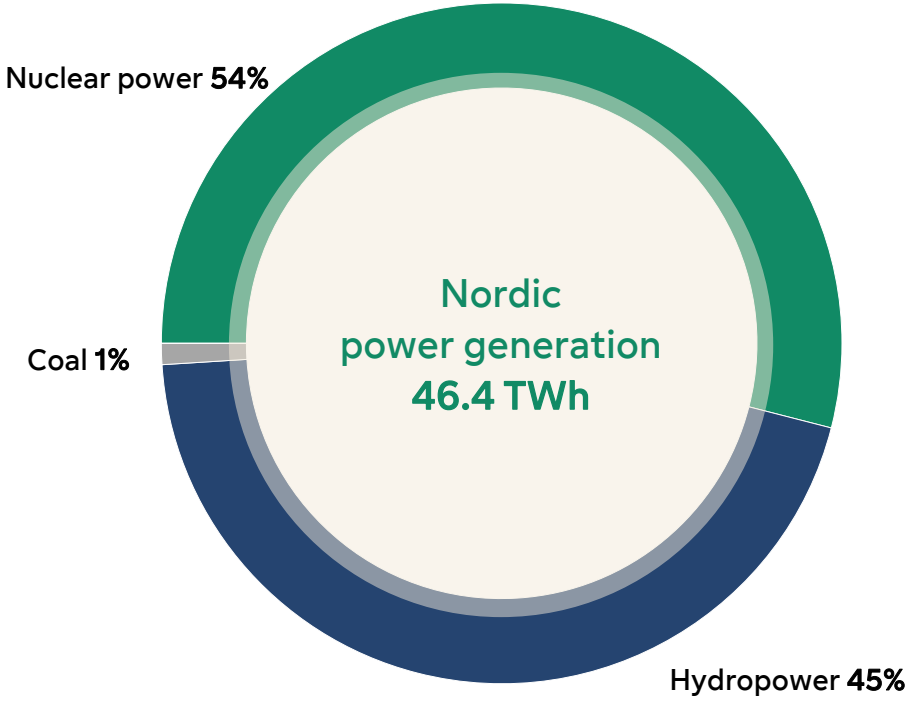
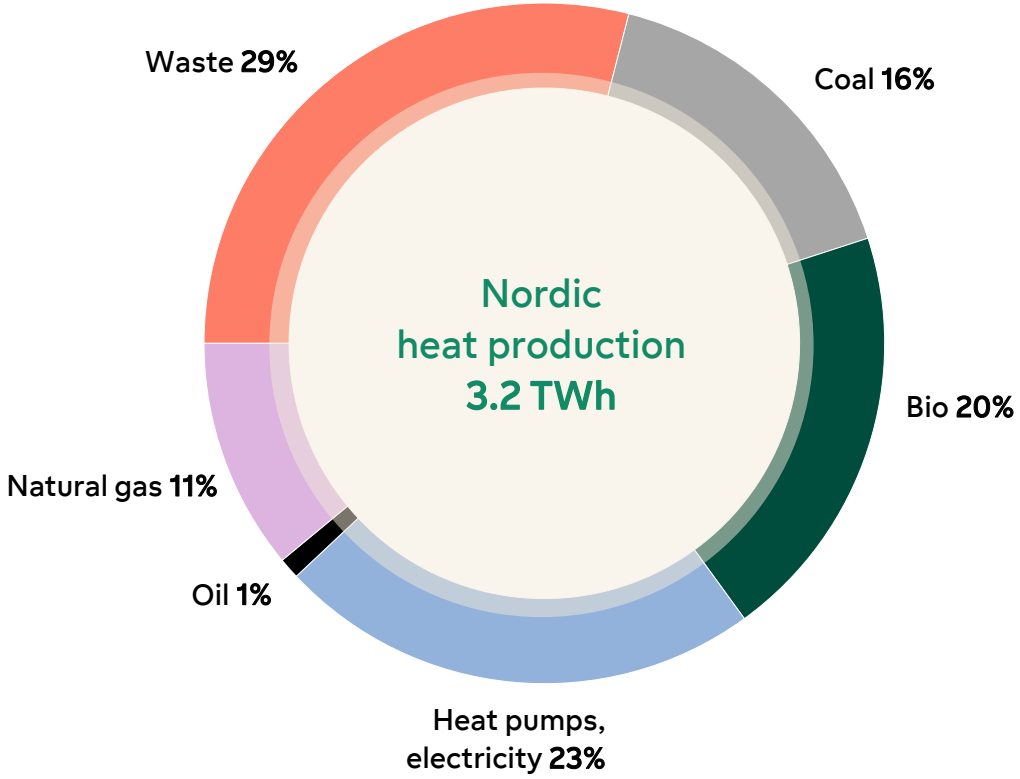
Fortum's Nordic power generation and heat production by source

Fortum's Nordic power generation in 2023



Fortum's Nordic heat production in 2023



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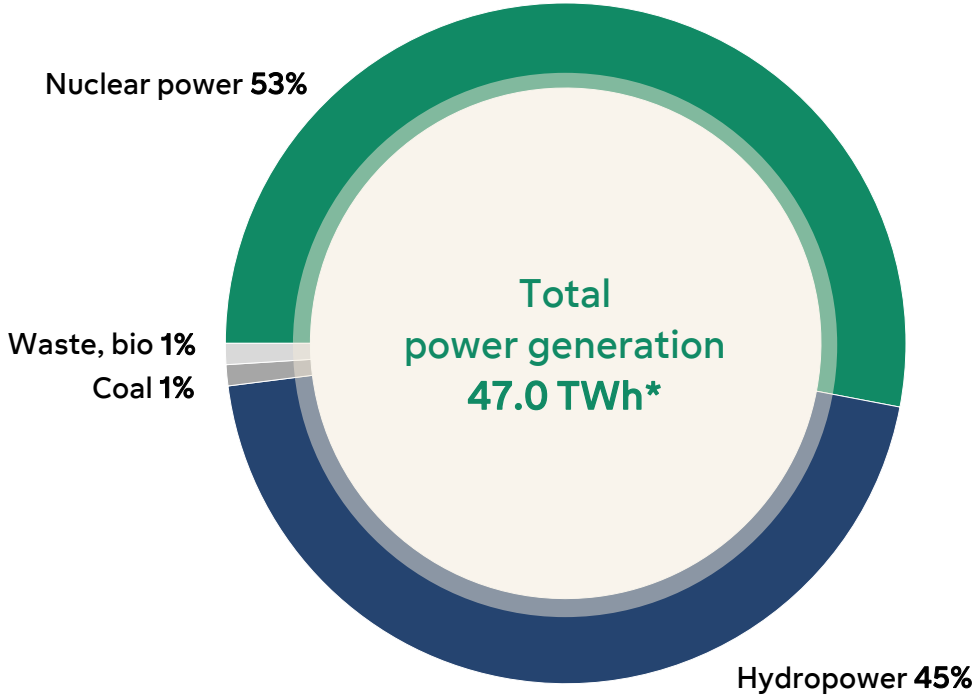
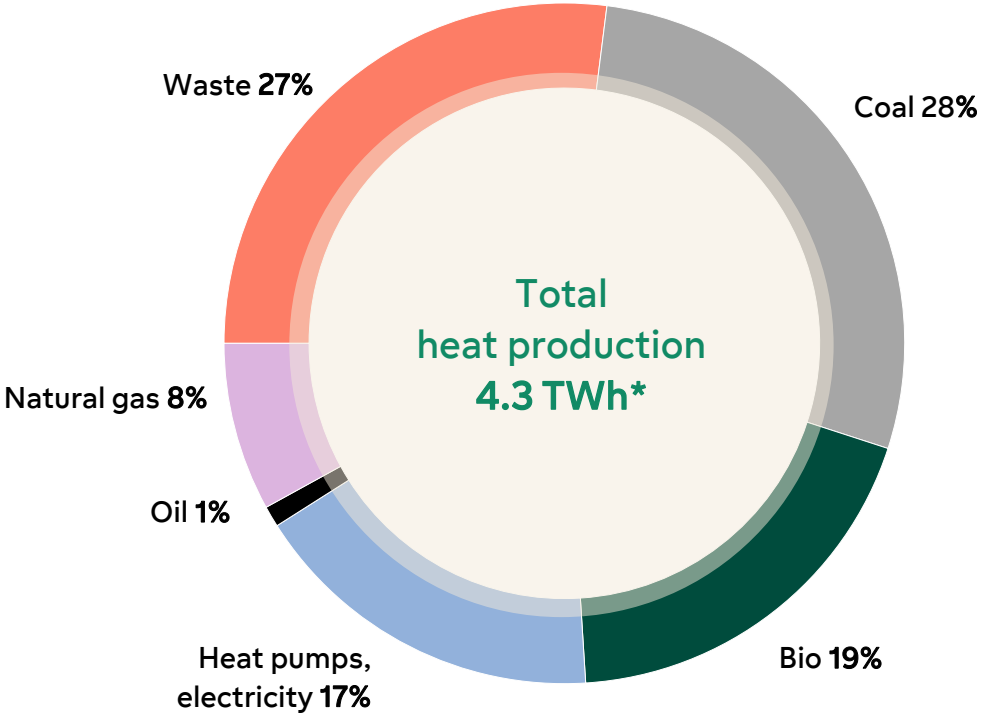
Fortum's power generation and heat production by source

Fortum’s power generation in 2023



Fortum’s heat production in 2023



*For continuing operations

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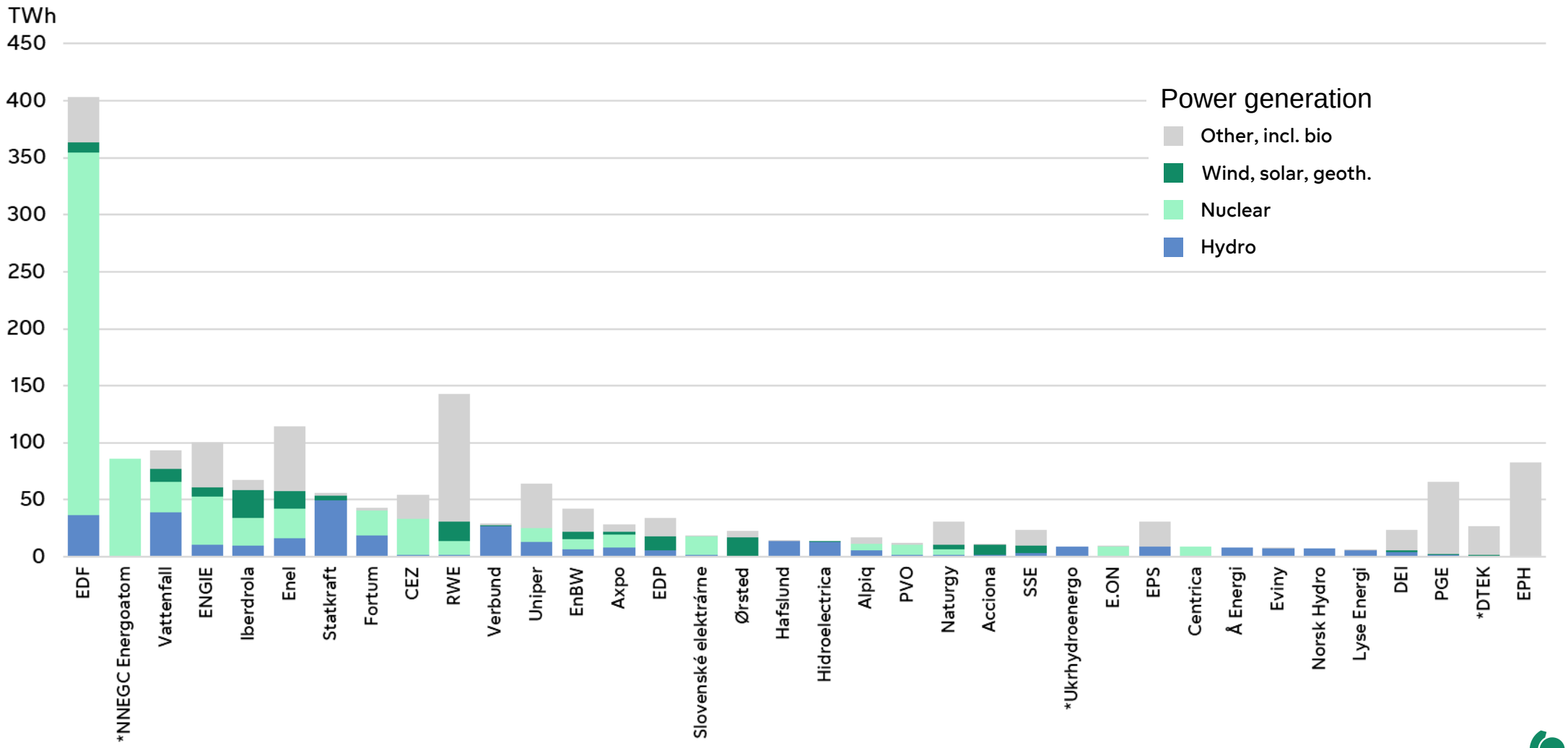
Largest CO_2 free generators in Europe



Source: Company information, Fortum analyses, 2022 figures pro forma. *2021 figures for Ukrainian companies.
Fortum continuing operations. EPH incl. LEAG. Å Energi is formed from Agder and Glitre.

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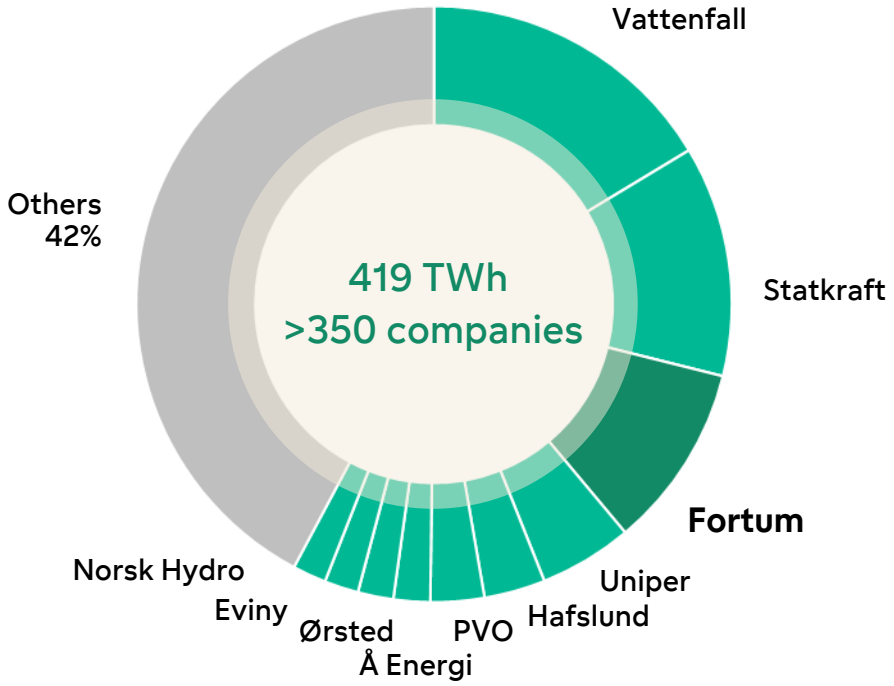
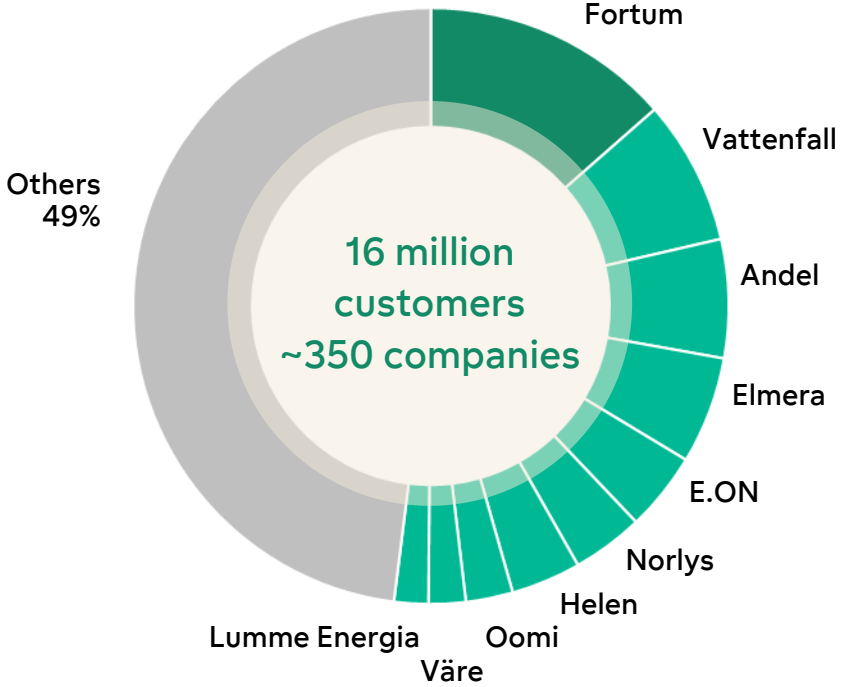
Fortum a leading player in a highly fragmented Nordic power market

Power generation



Electricity retail



Source: Fortum, company data, shares of the largest actors, pro forma 2022 figures. Fortum continuing operations, incl. Telge. Å Energi is formed from Agder and Glitre. Elmera is former Fjordkraft. Väre includes Kymenlaakson Sähkö.
Andel and Norlys incl. also gas customers.

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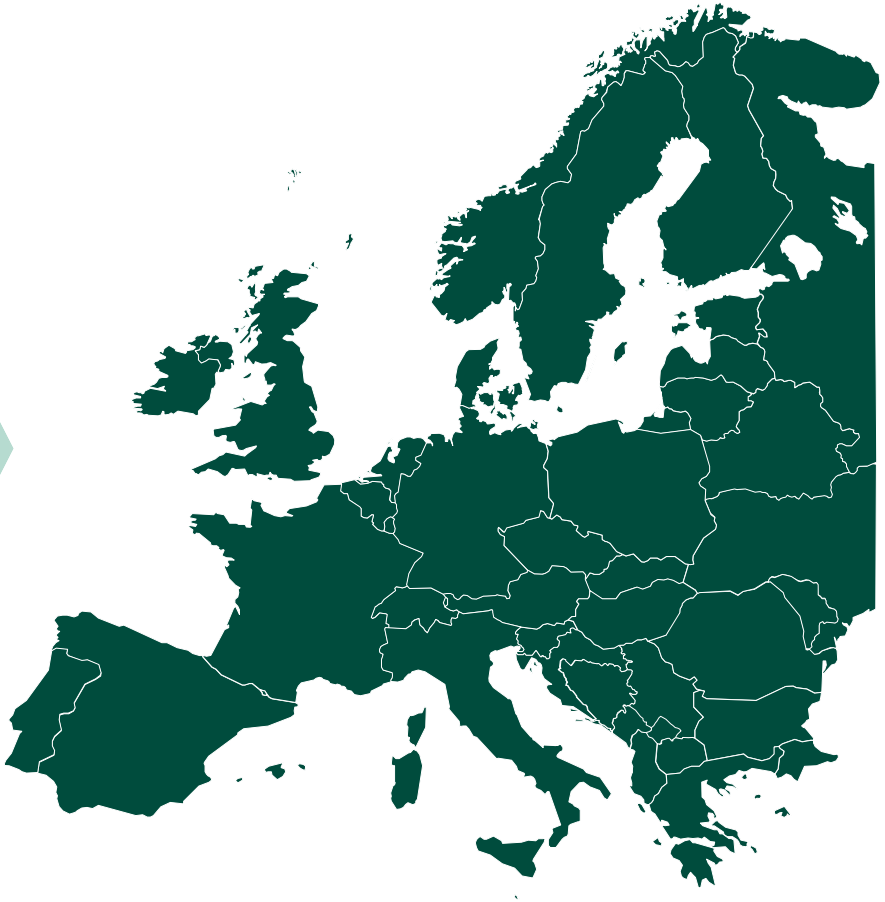
Volatility and uncertainty in the European power market increases the value of flexible assets

- Intermittent renewables
- Coal and other fossil closures
- Role of gas
- Supply-demand balance
- Increased interconnection between Nordics and Continent
- Commodity and CO_2 prices
- Weather conditions

Volatility and uncertainty



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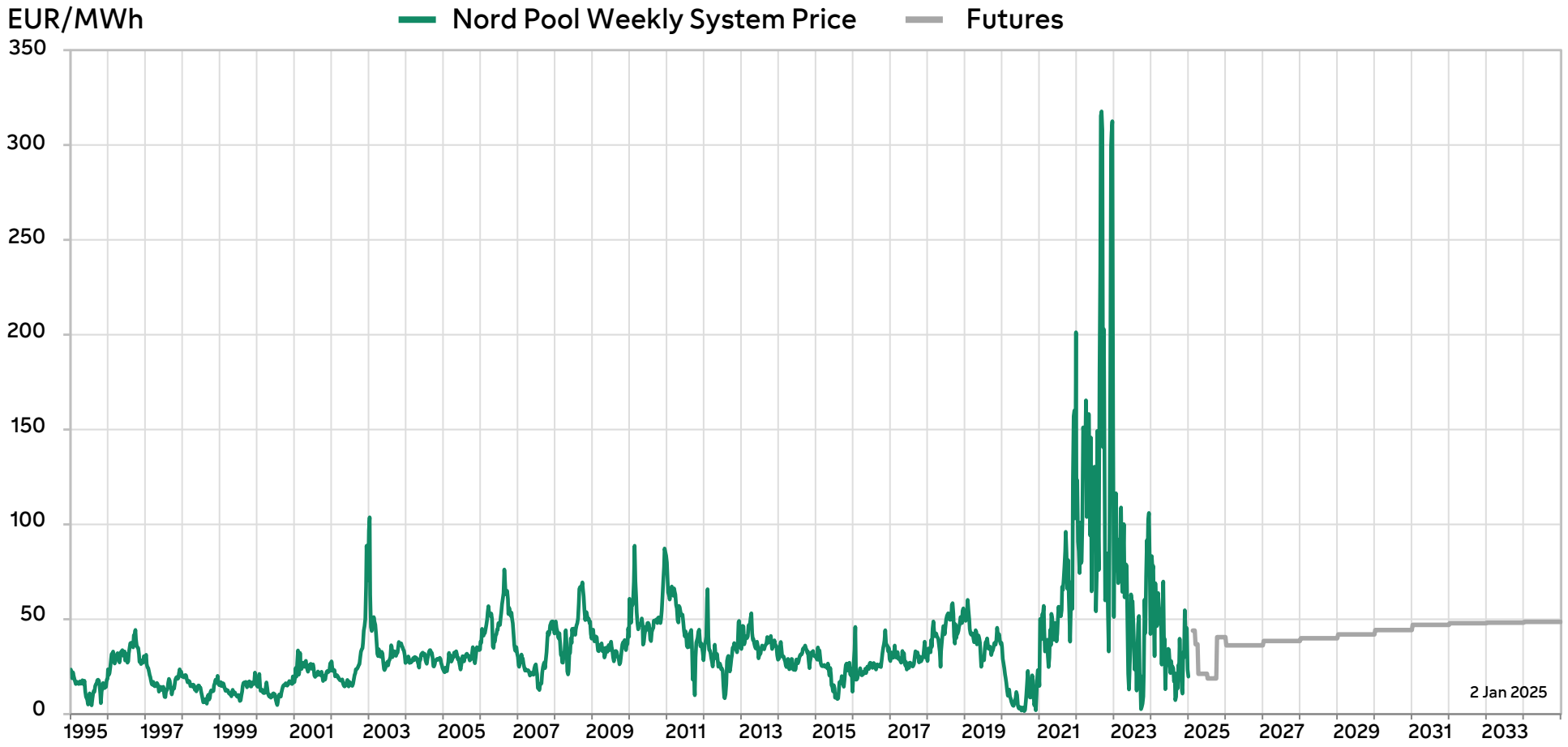
Wholesale power price



Source: Nord Pool, Nasdaq Commodities

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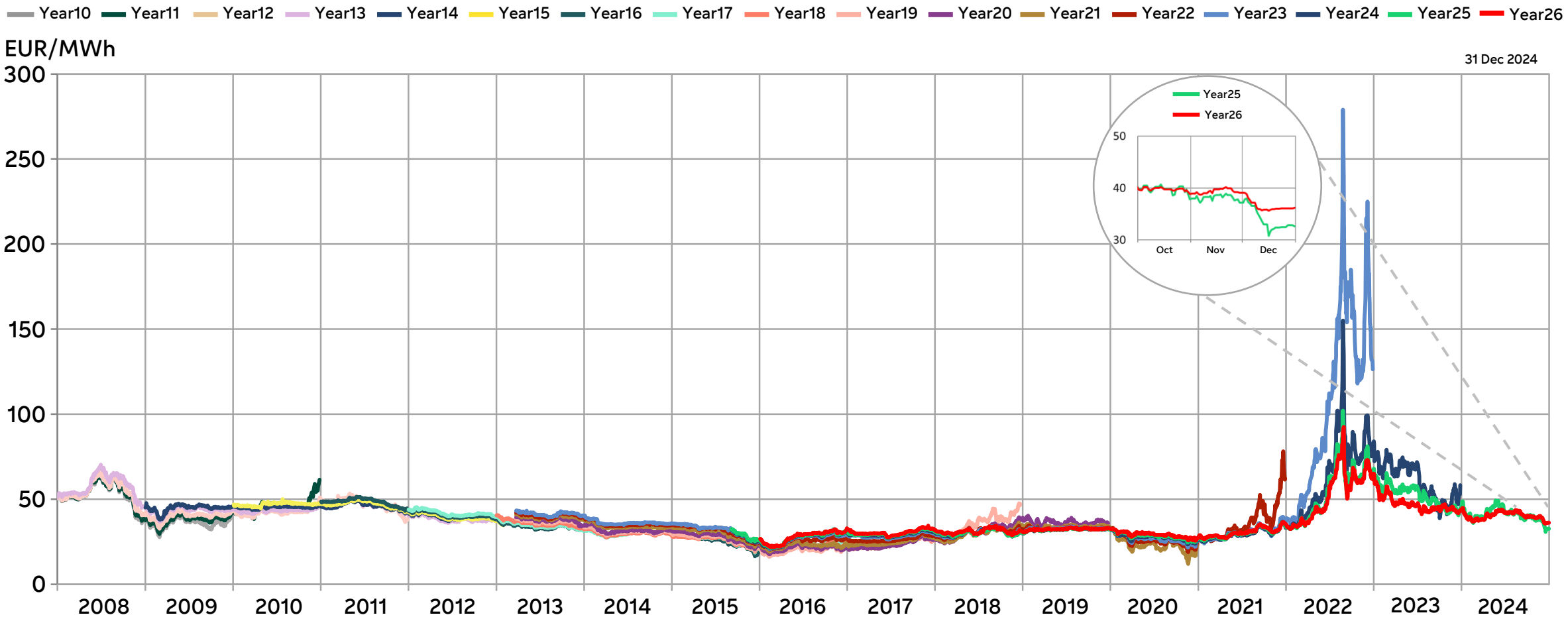
Nordic year futures



Source: Nasdaq Commodities

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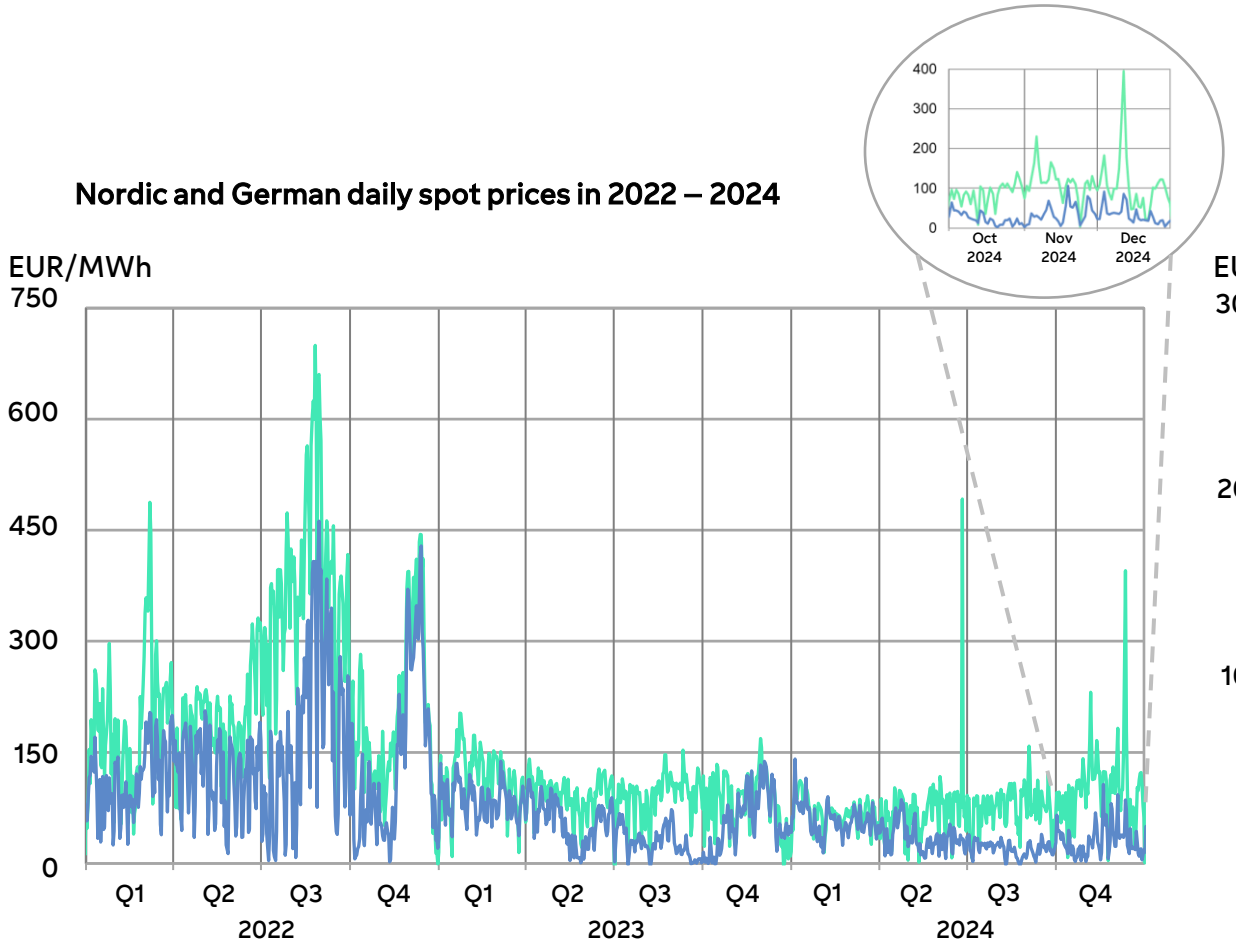
German and Nordic spot and future prices

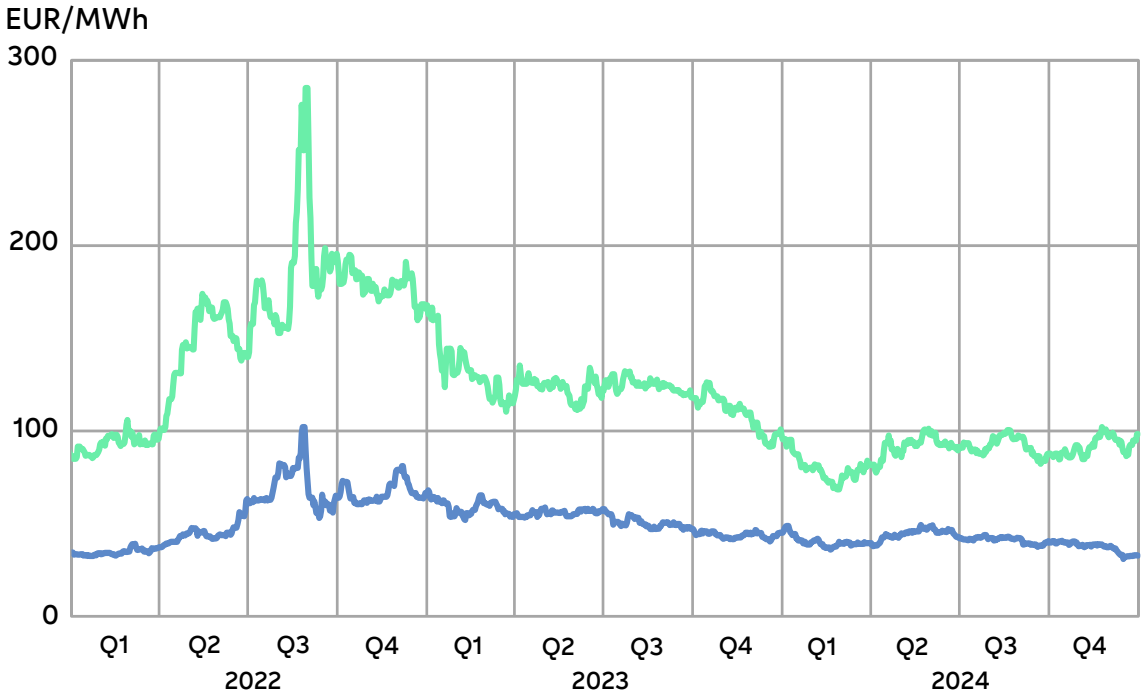
Nordic and German daily spot prices in 2022 – 2024



31 December 2024

Nordic Germany

Nordic and German year 2025 futures in 2022 – 2024



31 December 2024

Nordic Germany

Source: Nord Pool

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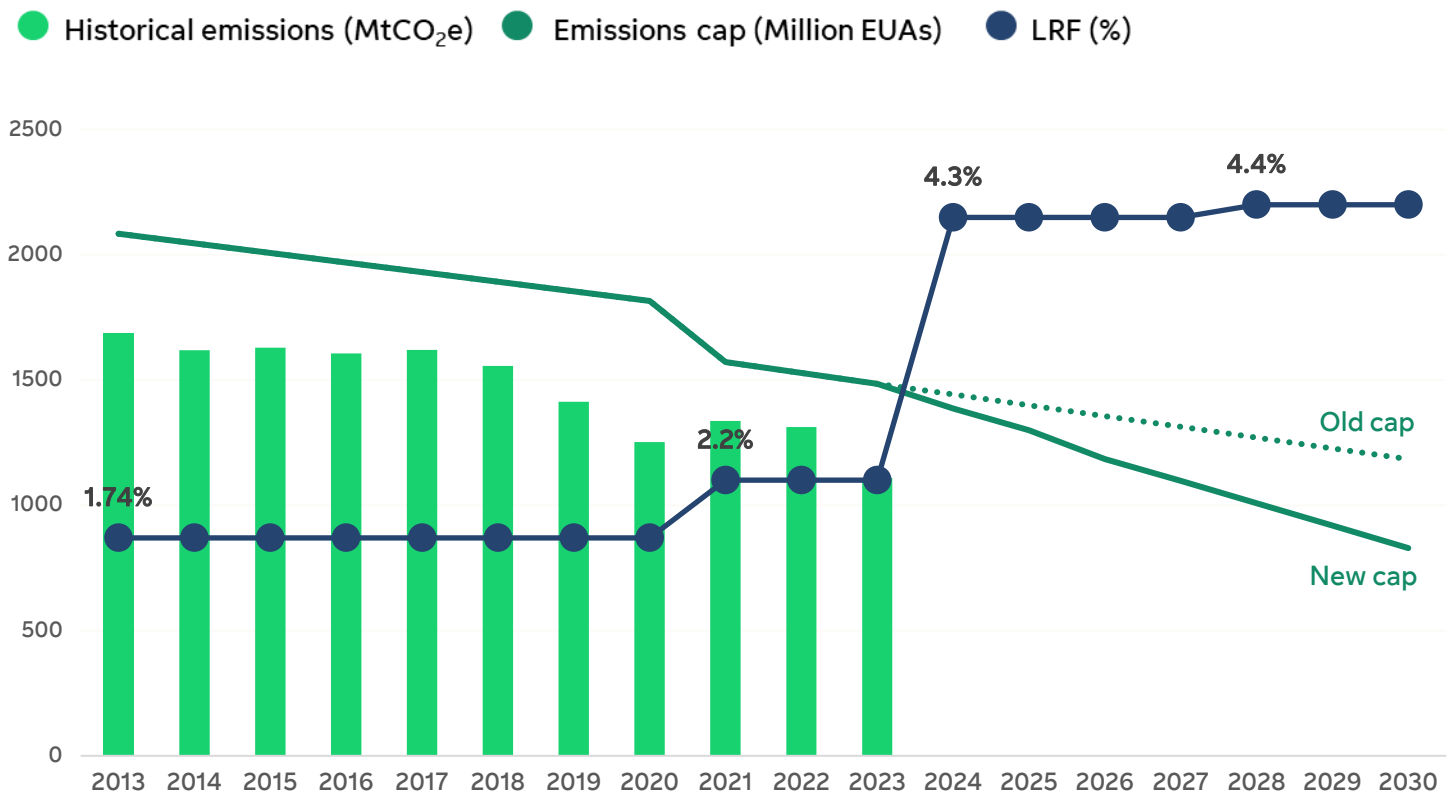
Growing role of the EU ETS in the European decarbonisation

EU ETS design has been reformed to keep up with Europe's climate ambitions



EU ETS reform complete: In April 2023, the EU ETS review files known as "Fit for 55" were adopted by the EU Parliament and approved by the EU Council, making the arduous legislation process complete.

Making EU ETS fit for more ambitious climate targets: The 2030 emissions reduction target (compared to 2005) has been increased from 43% to 62%. The linear reduction factor (LRF) tightening the emissions cap is increased from the current 2.2% to 4.3% in 2024 and 4.4% in 2028. Higher LRF is combined with the cap rebasing: -90mt in 2024 and -27mt in 2027. The EU ETS will also expand its scope to the maritime transport and gradually phase out free allowances in parallel with the introduction of the carbon border adjustment mechanism (CBAM).

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Fortum nuclear services
- covering the entire nuclear power plant lifecycle

Strong in-house nuclear engineering

Nuclear operator experience based on proven solutions

Projects delivered to a global customer base

Proactive and strong co-operation in international nuclear forums

Newbuild, licensing and commissioning

- Licensing and safety design capabilities
- Engineering services for newbuild
- Plant design
- Small modular reactor (SMRs) consulting

Operating and maintenance

- Operational support
- Maintenance and outage optimisation
- Engineering for upgrade and plant modernisation projects, e.g. automation and process renewal

Plant safety and process simulations

- Deterministic Safety Analysis
- Safety guidelines and analysis
- Probabilistic risk assessment
- Radiation safety analyses

Plant modernisation, lifetime management

- Dynamic simulation to define technical requirements for new equipment
- Process and instrumentation and control design verification and testing
- Virtual commissioning

Waste management, decommissioning

- NURES® radioactive liquid purification
- Nuclear waste treatment, storage and disposal
- Expertise in final disposal of radioactive waste
- Extensive nuclear decommissioning services

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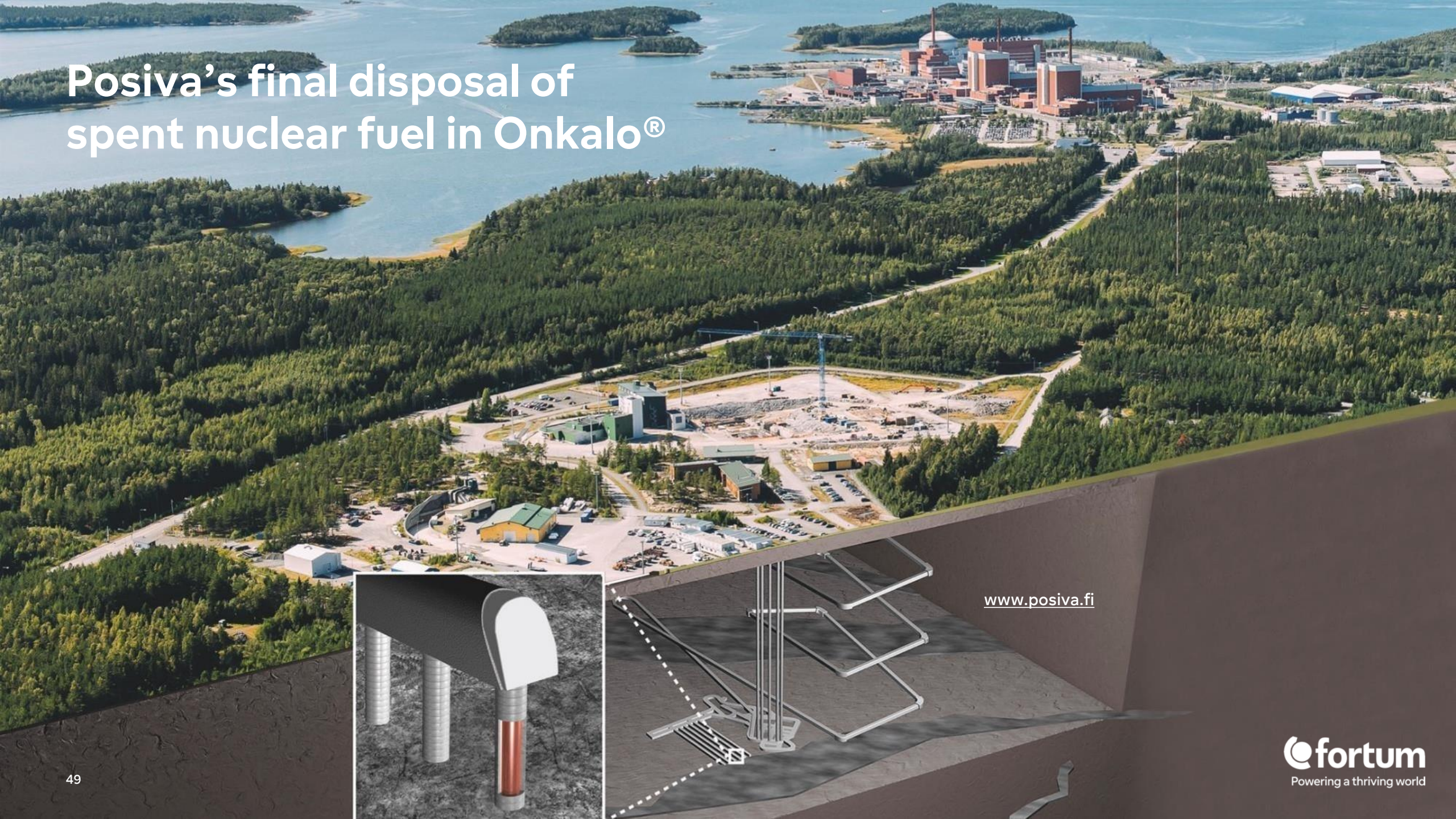
Posiva's final disposal of spent nuclear fuel in Onkalo®



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Fortum's evolution and strategic route

IVO

NESTE

1996
- Skandinaviska Elverk
- Gullspång

1997
- Länsivoima 45% → 65%

1998
- Birka Energi 50% Fortum 50% Stockholm Gullspång merged with Stockholm Energi
- Lenenergo shares →

FORTUM

2000
- Länsivoima →100%
- Stora Kraft

2002
- Elnova 50% → 100%
- Birka Energi 50% → 100%

2003
- Østfold
- Shares in Hafslund
- Shares in Lenenergo
- District heating in Poland →

2005
- TGC-1 established
- Oil business spin-off

2006
- E.ON Finland

2007
- Divestment of Lenenergo shares

2008
- TGC-10

2011
- Divestment of Fingrid shares
- Divestment of heat operations outside of Stockholm

2012
- Divestment of small scale hydro
- Divestment of non-strategic heat business

2014
- Divestment of electricity distribution business
- Divestment of electricity distribution and heat businesses
- Divestment of Grangemouth power plant
- Divestment of Gasum shares

2015
- Divestment of electricity distribution business

2016
- DUON
- Ekokem
- Turebergs Recycling

2017
- Nordkraft wind power
- Restructuring of ownership in Hafslund
- Russian wind power JV

2018
- Investment in Uniper
- Divestment of ownership in Hafslund Produksjon

2020
- Divestment of district heating businesses in Joensuu and Järvenpää
- Divestment of recharge infrastructure
- Majority owner in Uniper
- Nordic wind capital recycling (80%)

2021
- 0.5 GW solar divestment in India
- Divestment of district heating business in the Baltics
- Divestment of Stockholm Exergi
- Divestment of small hydro

2022
- Divestment of the 50% share in Fortum Oslo Varme
- Divestment of Uniper

2023
- Deconsolidation of Russian assets

2024
- Divestment of recycling and waste business

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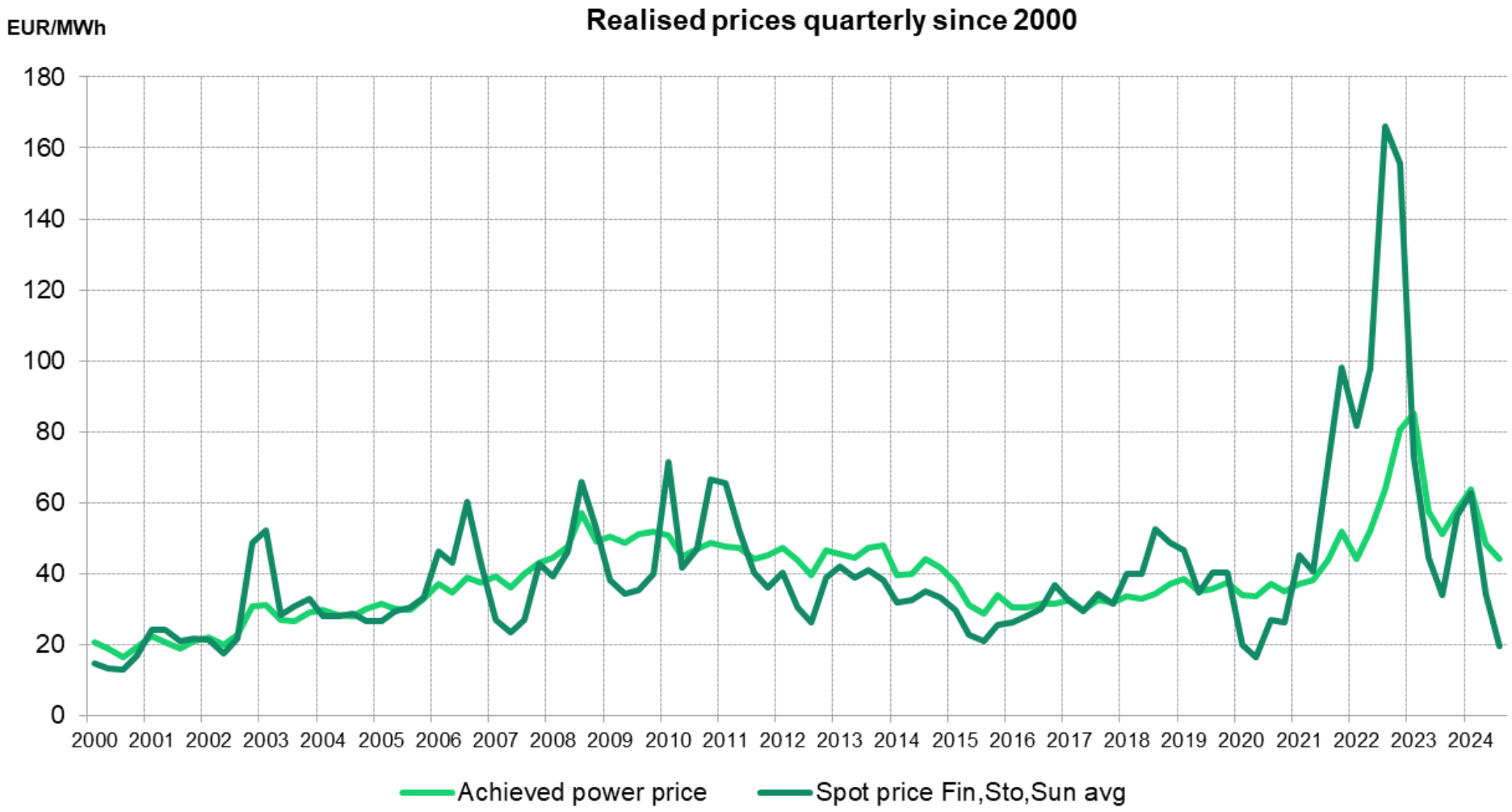
Hedging improves stability and predictability – principles based on risk mitigation, (Outright generation)



From 2009 onwards thermal and import from Russia excluded. Earlier than 2023 outright volume split (40/40/20), and from 2023 onwards (46/37/17).

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Fortum Investor Relations and Financial Communications

Next events:

January-December Financial Statements Bulletin 2024 on 11 Feb 2025
Fortum's AGM 2025 is planned to be held on 1 April 2025
January-March Interim Report 2025 on 29 April 2025
January-June Half-year Financial Report 2025 on 15 August 2025
January-September Interim Report 2025 on 29 October 2025

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