



Equity story of

FORTUM — For a cleaner world

Investor / Analyst material

June 2022

Disclaimer

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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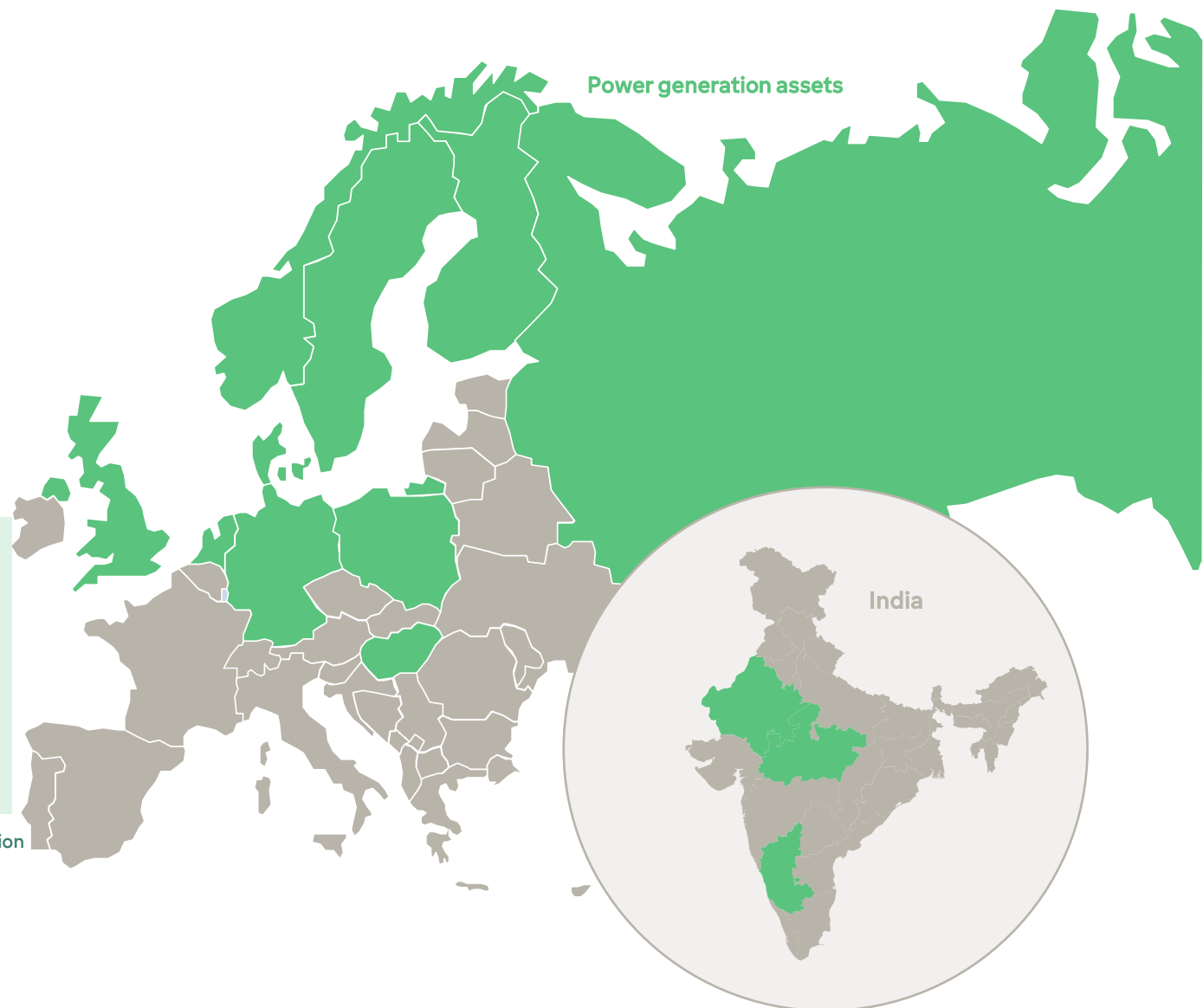
Fortum in brief

Key figures 2021

Sales	EUR ~112 bn
Comparable EBITDA	EUR 3.8 bn
Total assets	EUR ~150 bn
Personnel	19,140

<u>Main businesses</u>	<u>Sales (€)</u>	<u>Volume¹</u>	<u>Capacity</u>
Power	34.3 bn	188 TWh	47.1 GW
Gas	60.0 bn	370 TWh	7.4 bcm
Heat	1.2 bn	33 TWh	16.9 GW

1) For Power - Power generation, for Gas - Long-term gas supply contracts and for Heat – Heat production



Strong position to drive the energy transition in Europe



3rd largest
power generator
in Europe and Russia



3rd largest
CO₂-free power generator
in Europe

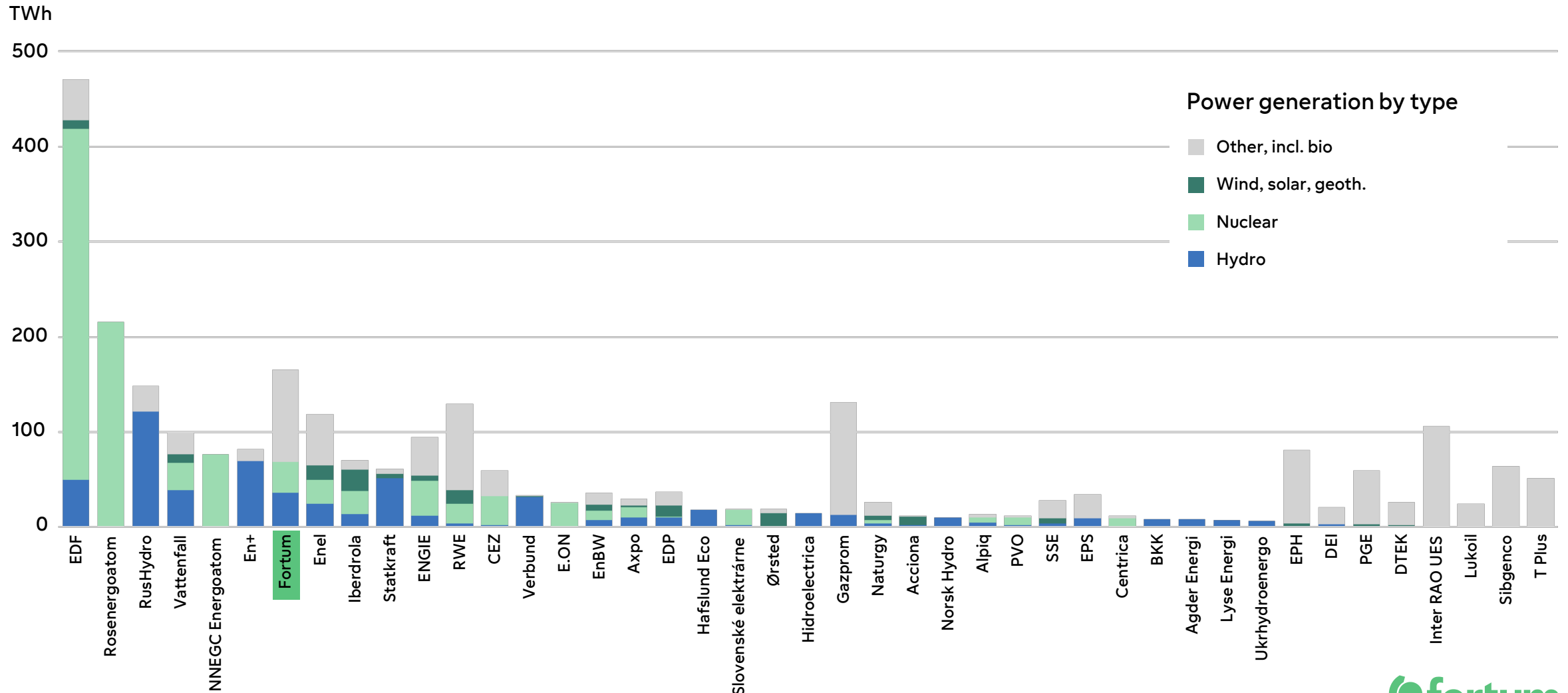


3rd largest
nuclear generator
in Europe



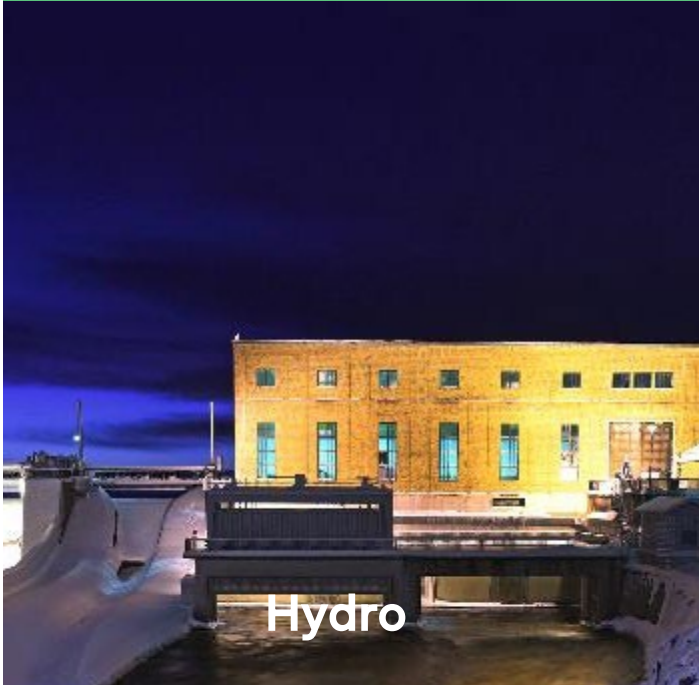
4th largest
gas storage operator
in Europe

Fortum is the third largest CO₂-free power generator in Europe



Renewables and CO₂-free power generation capacity of Fortum

16.6 GW



Hydro

8.4 GW



Wind & Solar

3.6 GW



Nuclear

4.6 GW

Fortum is well positioned for the energy transition

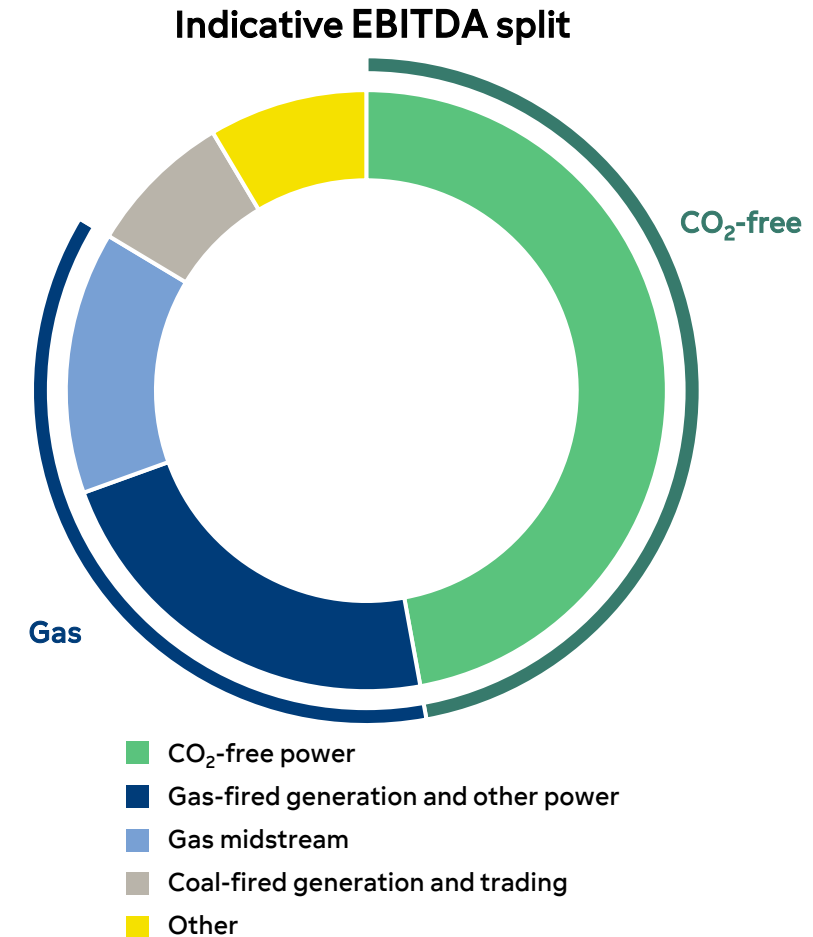
Third largest CO₂-free power generator in Europe with growing portfolio of wind and solar

Significant provider of flexible hydro and gas-fired power generation

Major provider and trader of gas for Europe's energy and industrial customers

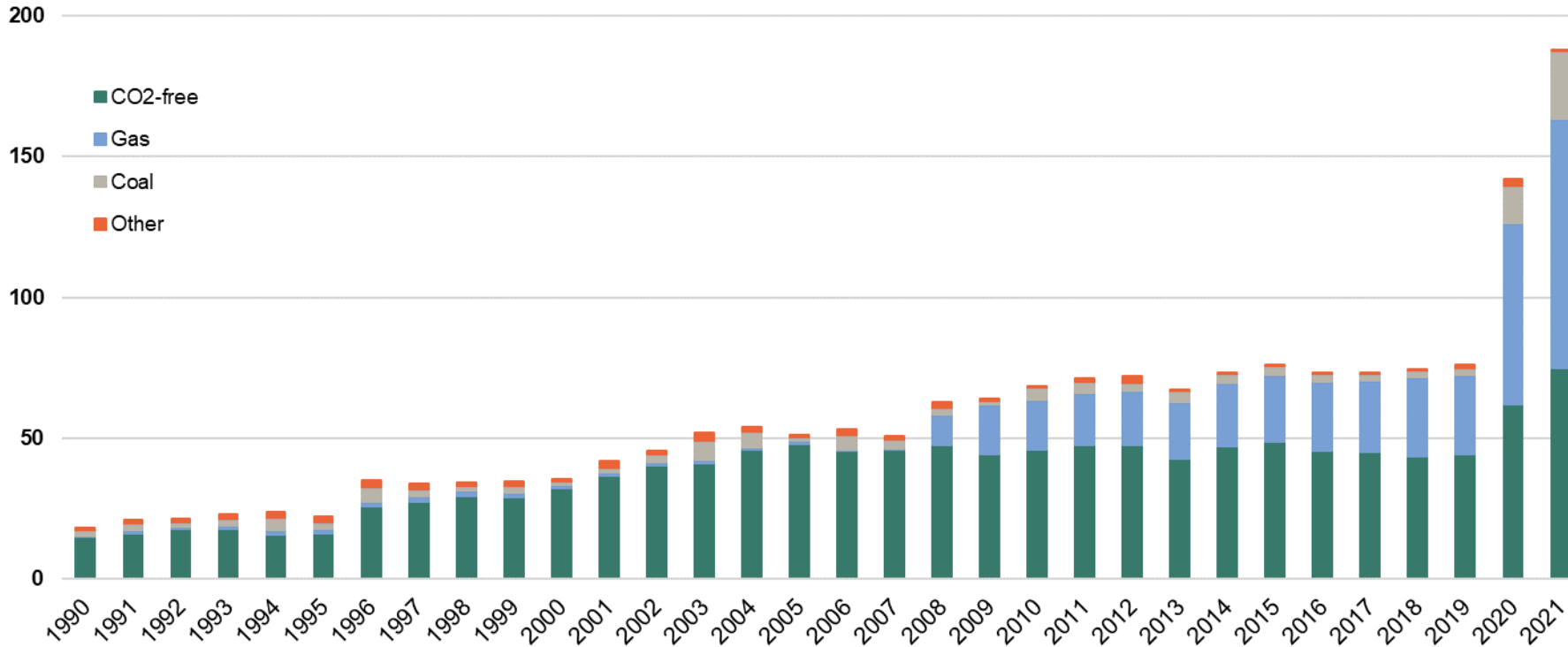
Versatile portfolio of decarbonisation and environmental solutions

Phase out or exit announced of ~8 GW coal-fired generation by 2030



Fortum's CO₂-free power generation increased by ~60% as Uniper was consolidated as a subsidiary

Fortum's power generation, TWh



Fortum actuals 1990-2021.

Fortum*:

- CO₂-free generation 40%
- Gas-fired power generation 47%
- Share of coal-fired generation 13%
- Share of coal of sales revenue below 1%

* based on 2021 reported figures

Fortum is a forerunner in sustainability

Our purpose is to drive the change for a cleaner world. We are securing a fast and reliable transition to a carbon-neutral economy by providing customers and societies with clean energy and sustainable solutions. This way we deliver excellent shareholder value.

3rd largest CO₂-free generator in Europe

CO₂-free power generation, including renewable and nuclear power, was 75 TWh in 2021. 64% of power generation in Europe, and 40% of total power generation was CO₂-free.

Specific CO₂ emissions

Fortum's specific CO₂ emissions from total energy production in Europe were 231 gCO₂/kWh in 2021, and 312 gCO₂/kWh globally.

Growing in solar and wind

Targeting a multi-gigawatt wind and solar portfolio, which is subject to the build-operate-transfer business model. Targeting an indicative growth capex for EUR 3 billion for 2021-2025, of which 50-55% to renewables.

Signatory of TCFD

Fortum an official signatory of TCFD on March 2021



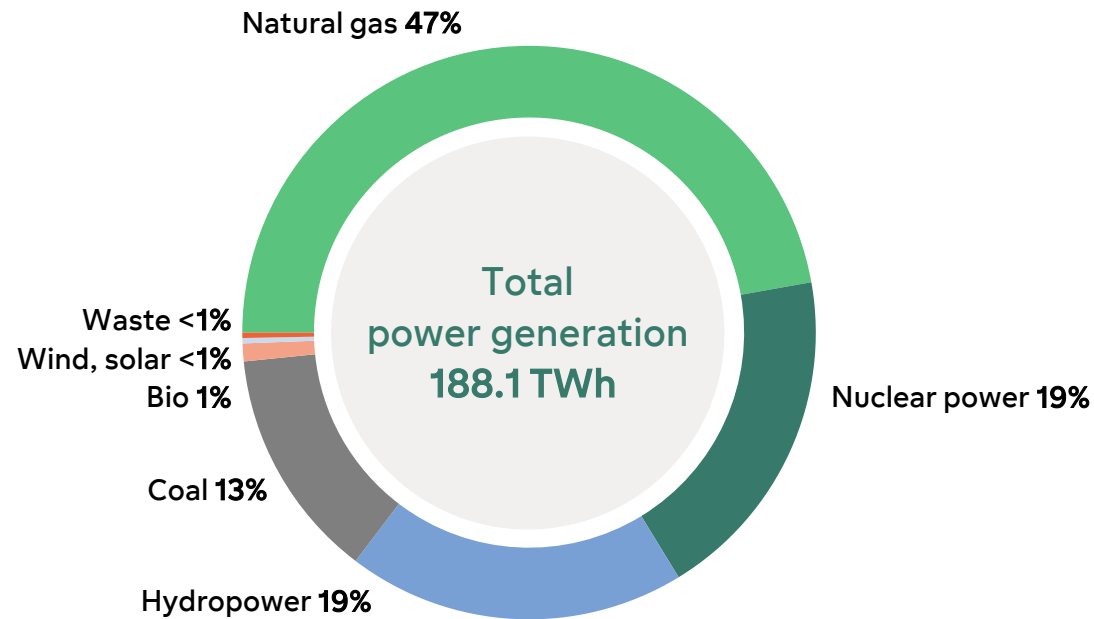
Fortum is listed in several sustainability indices and ratings:



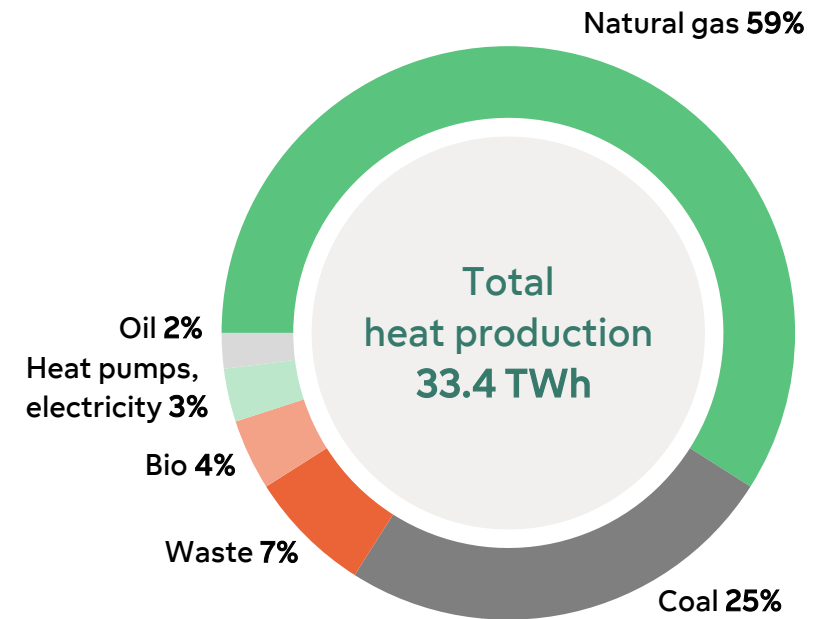
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Fortum's power generation and heat production by source

Fortum's power generation in 2021



Fortum's heat production in 2021



Fortum key profitability drivers

Key market drivers:

Power market

- EU coal/nuclear capacity closures
- Growing share of renewables
- Importance of gas-fired generation
- Commodity prices
- Increasing interconnections between Nordics, Continental Europe, and the UK
- Weather conditions
- Increased demand from decarbonisation and electrification

Gas market

- Decreasing gas production in Europe
- More volatile gas demand
- Gas storage value
- Weather conditions

Fortum profitability drivers:

European power generation

- CO₂-free generation: prices and volumes, hedging, PPAs
- Gas-fired generation: capturing the merchant upside
- Coal exit path, value from sites

Gas midstream business

- Long-term contracts and sales
- Gas storage, spread, and volatility
- Optimisation business, price volatility

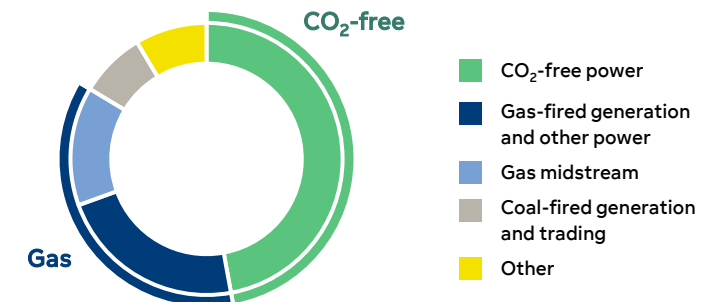
Russia power generation

- Thermal CSAs gradually shifting to CCS scheme, selective modernisation projects
- Renewables capacity with higher CSAs
- Berezovskaya 3 (CSA)

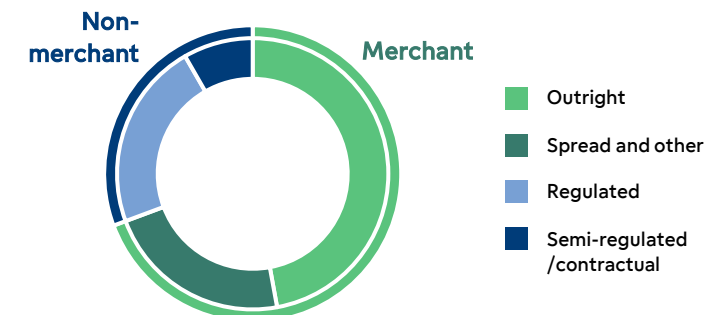
Growth based on strategy

Fortum Group's indicative EBITDA by business and market exposure

Indicative EBITDA split



Indicative market exposure



Our strategy – Driving the clean energy transition and delivering sustainable financial performance

For a cleaner world

Transform own operations to carbon neutral

- Phase out and exit coal
- Transform gas-fired generation towards clean gas

Strengthen and grow in CO₂-free power generation

- Supply significant flexible and reliable CO₂-free power generation
- Grow sizeable portfolio of renewables

Leverage strong position in gas to enable the energy transition

- Provide security of supply and flexibility in the power system
- Secure supply of gas for heat, power, and industrial processes

Partner with industrial and infrastructure customers

- Provide decarbonisation and environmental solutions
- Build on first-mover position in hydrogen

Value creation targets



Carbon neutral as a Group latest by 2050, in line with the Paris Agreement, and in our European generation latest by 2035



Sustainable financial performance through attractive value from investments, portfolio optimisation, and benchmark operations



Strong financial position and over time increasing dividend

Measuring success for Fortum



Climate and environmental targets:

- Group carbon neutral latest by 2050 (Scope 1, 2, 3)
- European generation carbon neutral latest by 2035 (Scope 1, 2)
- CO₂ emission reduction of at least 50% by 2030 in European generation (Scope 1, 2)
- Scope 3 GHG emissions reduction of at least 35% by 2035 (compared to base-year 2021)
- Biodiversity target: Number of major voluntary measures enhancing biodiversity ≥12 in 2021



Financial targets:

- Financial net debt/comparable EBITDA below 2x
- Hurdle rates for new investments
- Rating of at least BBB
- Stable, sustainable, and over time increasing dividend



Social targets:

- Safety target: Total recordable incident frequency (TRIF) <1.0 in 2025



Shareholder value creation:

- Portfolio optimisation and delivering on investments
- Realising financial benefits from the cooperation with Uniper

Strategic steps going forward

2014-2020

Major transformation

Active portfolio rotation with
focus on assets essential in the
energy transition and with good
cash flow

Uniper acquisition

Focus on aligned strategy

Flat dividend

2021-2022

Balance sheet focus

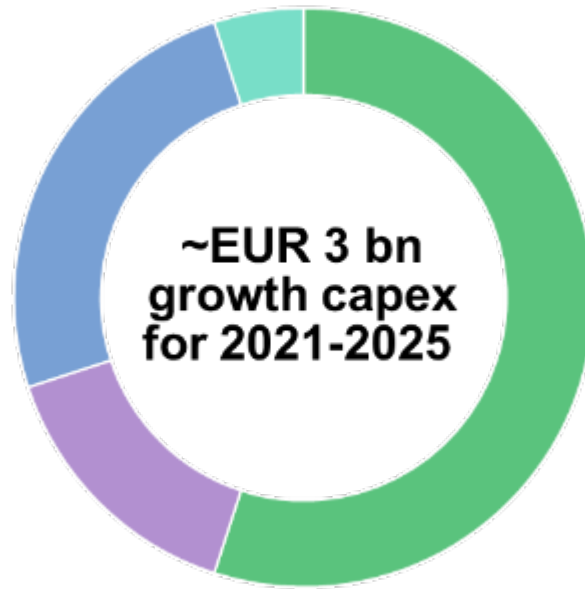
- ✓ Step up in Group EBITDA
- ✓ Secure strong balance sheet
- ✓ Rating of at least BBB
- ✓ Details of strategy implementation and first investments
- ✓ Target to increase dividend

2023-2025

Growth in clean power and gas

Growth in strategic areas
Sustainable financial performance
with benchmark operations
Cooperation financial benefits
Target to increase dividend

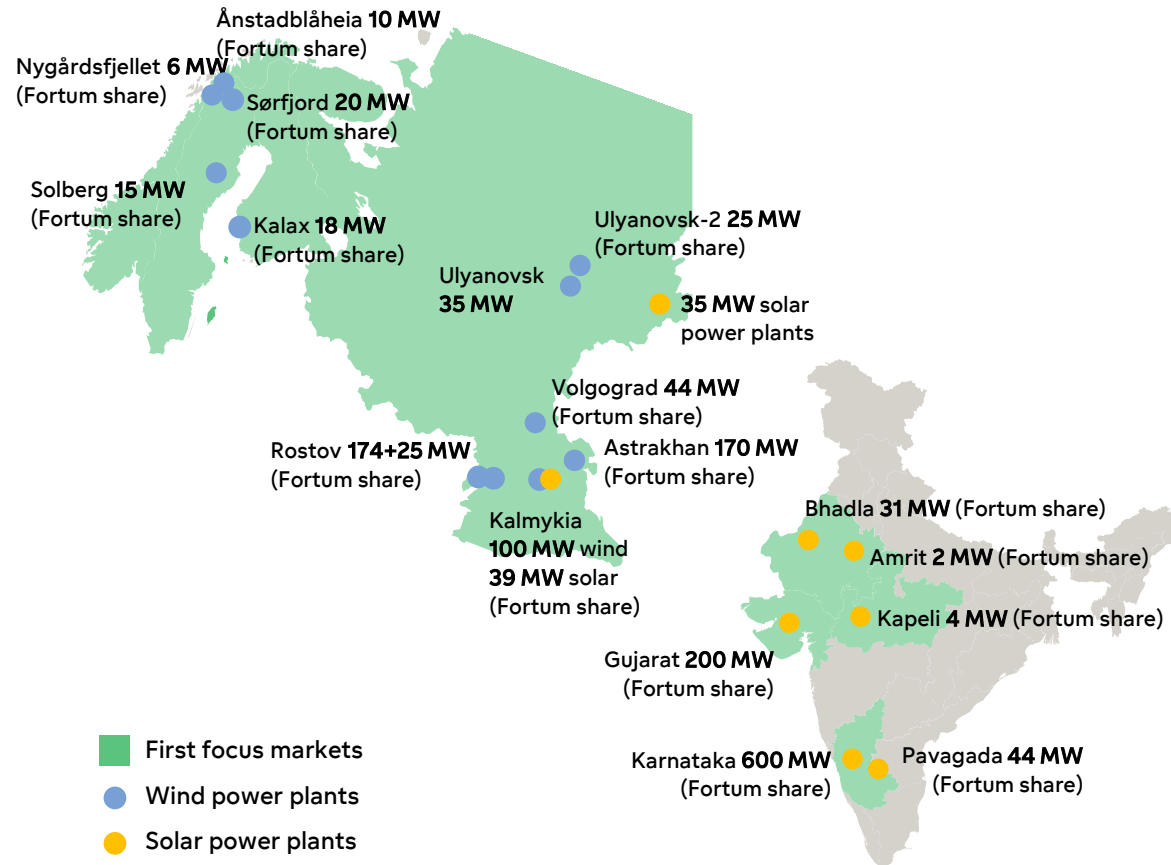
Indicative capital expenditure for growth investments in 2021-2025 – renewables and clean gas



- 1 Renewables**
On-shore wind and solar
- 2 Hydrogen and clean gas**
Industrial decarbonisation solutions
- 3 Environmental and security of supply solutions**
Waste-to-Energy, recycling, industrial and TSO services
- 4 Other**
Venturing, innovation, digitalisation

Capital expenditure will depend on market conditions, asset rotation, and balance sheet strength

Fortum's gigawatt scale solar and wind power generation fleet



NOTE: Table numbers not accounting; tells the size of renewables projects. All not consolidated to Fortum capacities. All figures in MW and rounded to nearest megawatt. Additionally, target to invest 333 million euros in India solar and create partnership for operating assets. Under construction includes investment decisions made.

*) The commissioning of the wind parks "under construction" was originally planned to be in the fourth quarter of 2022. However, the timeline for completion is currently unclear.

**) The future of wind capacities "under development" is undecided. As Fortum has stopped all new investment projects in Russia, these projects are not proceeding.

PORTFOLIO	STATUS	CAPACITY, MW	FORTUM SHARE, MW	SUPPLY STARTS/STARTED
FINLAND		470	246	
• Kalax	Operational	90	18	Q4 2020
• Pjela-Böle & Kristinestad Norr	Under construction	380	228	Q2 2024 latest
NORWAY		181	36	
• Nygårdsfjellet	Operational	32	6	2006 and 2011
• Ånstadblåheia	Operational	50	10	2018
• Sørfjord	Operational	99	20	Q4 2019- Q1 2021
SWEDEN		76	15	
• Solberg	Operational	76	15	2018
RUSSIA		3,409	2,440	
• Bugulchansk	Operational	15	15	2016-2017
• Pleshanovsk	Operational	10	10	2017
• Grachevsk	Operational	10	10	2017
• Kalmykia	Operational / Under construction	78+38	39+19	Q4 2021- H2 2022
• Ulyanovsk	Operational	35	35	2018
• Ulyanovsk 2	Operational	50	25	1.1.2019
• Rostov	Operational	350+50	175+25	Q1 2020- Q4 2021
• Kalmykia	Operational	200	100	1.12.2020
• Astrakhan	Operational	340	170	Q4 2021
• Volgograd	Operational / Under construction *	88+17	44+9	Q4 2021- Q4 2022
• Samara	Under construction *	237	118	Q4 2022
• Saratov/Volgograd	Under development **	491	246	2023
• Fortum	Under development **	~1,400	~1,400	2025-2027
INDIA		985	881	
• Amrit	Operational	5	2	2012
• Kapeli	Operational	10	4	2014
• Bhadla	Operational	70	31	2017
• Pavagada	Operational	100	44	2017
• Karnataka/Gujarat	Under development	300+300 / 200	300+300 / 200	By 2024
TOTAL		5,121	3,618	
	Under development	2,691	2,446	
	Under construction	672	374	
	Operational	1,758	798	

Strong commitment to maintain rating of at least BBB

Ambition is to preserve financial flexibility and good access to capital markets.

Fortum will carefully manage its balance sheet going forward focusing on

- Profitability
- Cash flow optimisation
- Capital expenditure prioritisation
- Portfolio optimisation

Long term leverage target:

Financial net debt/comparable EBITDA
<2x

RATING AGENCY	CREDIT RATING	VALID SINCE
Standard & Poor's	BBB/Outlook Negative	16 May 2022
Fitch Ratings	BBB/Outlook Stable	28 June 2021

Return targets for new investments

Return targets for new investments:

WACC+ hurdle rate:

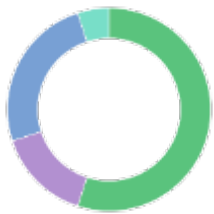
+100 bps for green investments

+200 bps for other investments

The requirement might be higher depending on, e.g., business model and technology and will be evaluated case-by-case.

**Group 2022 capital expenditure,
including maintenance and
excluding acquisitions,
is estimated to be EUR 1.5 billion**

- Maintenance of EUR ~800 million
- Growth of EUR ~700 million



**~EUR 3 bn
growth capex
for 2021-2025**

Capital expenditure will depend on market conditions,
asset rotation, and balance sheet strength

Fortum and Uniper cooperation estimated to deliver significant financial benefits

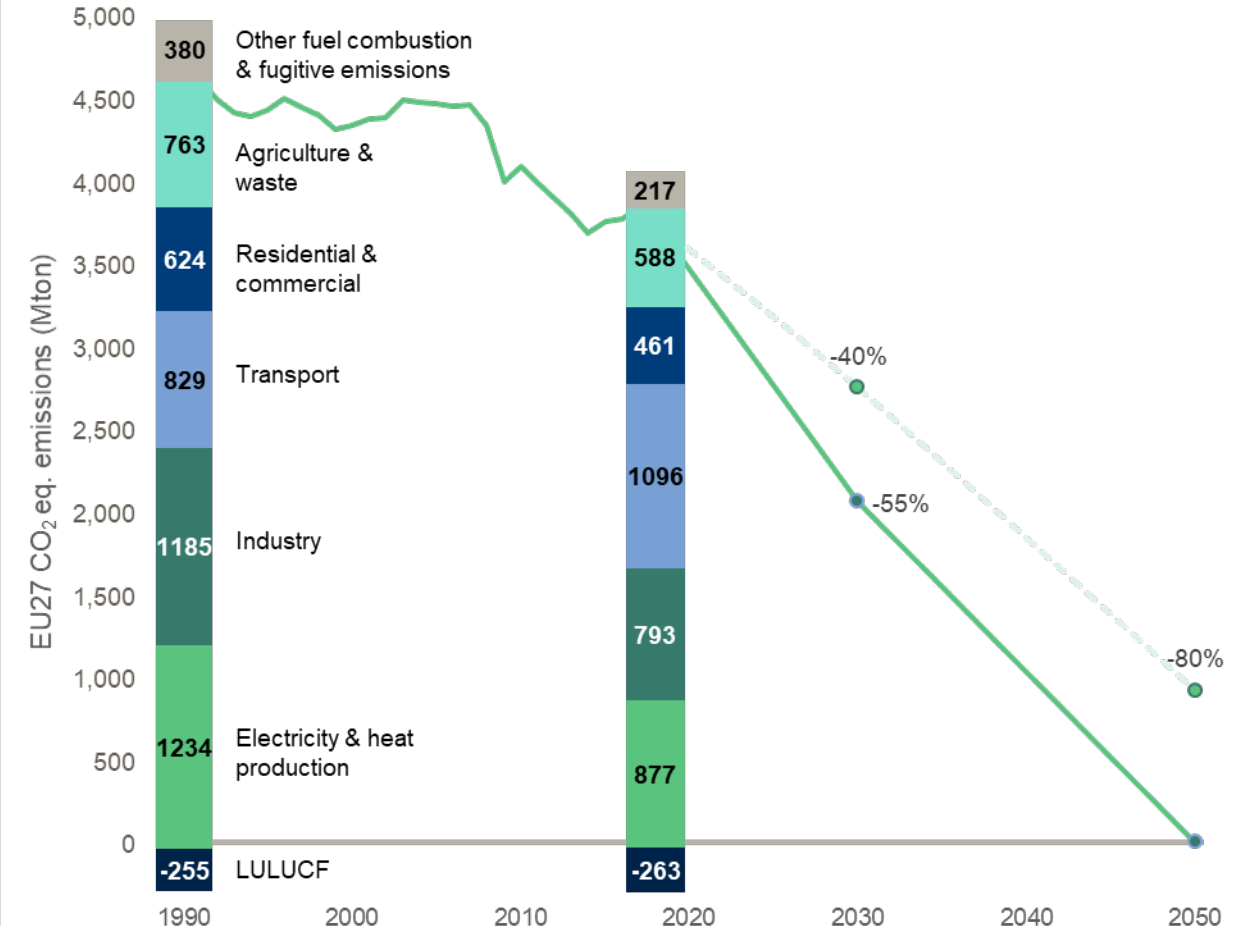
Cooperation benefits focus on monetary, safety, and environmental actions

- Positive cash impact on a consolidated group basis is estimated to be ~EUR 100 million annually
- > EUR 50 million of these annual benefits gradually materialising by the end of 2023 and reaching full annual impact in 2025
- Approx. 450 people have been involved in various work streams



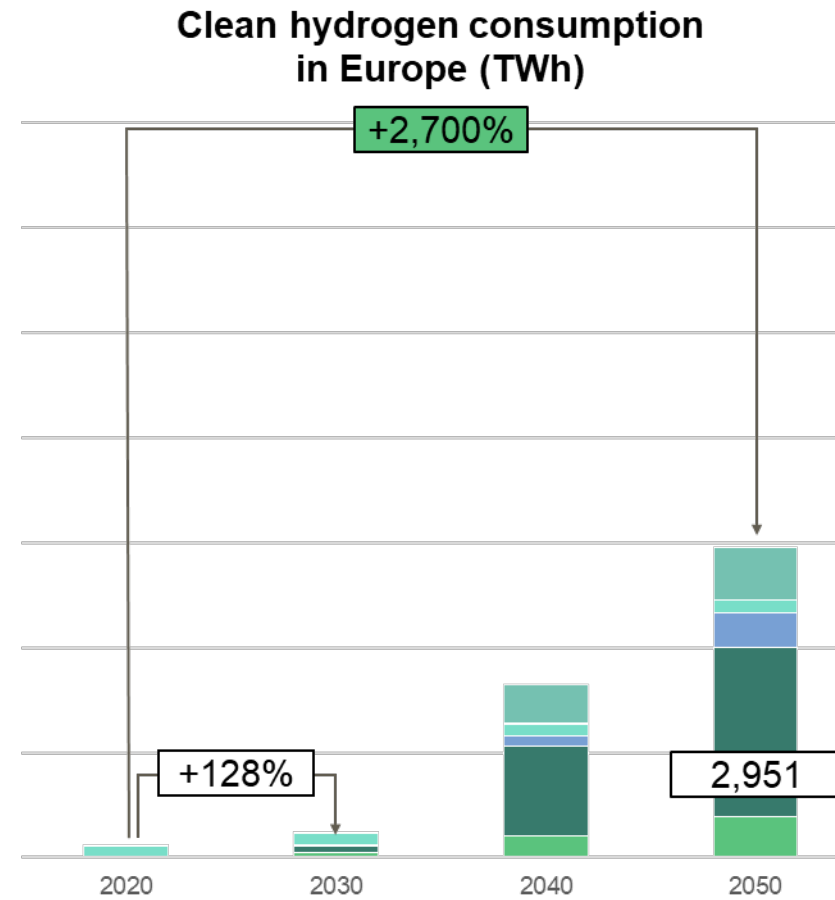
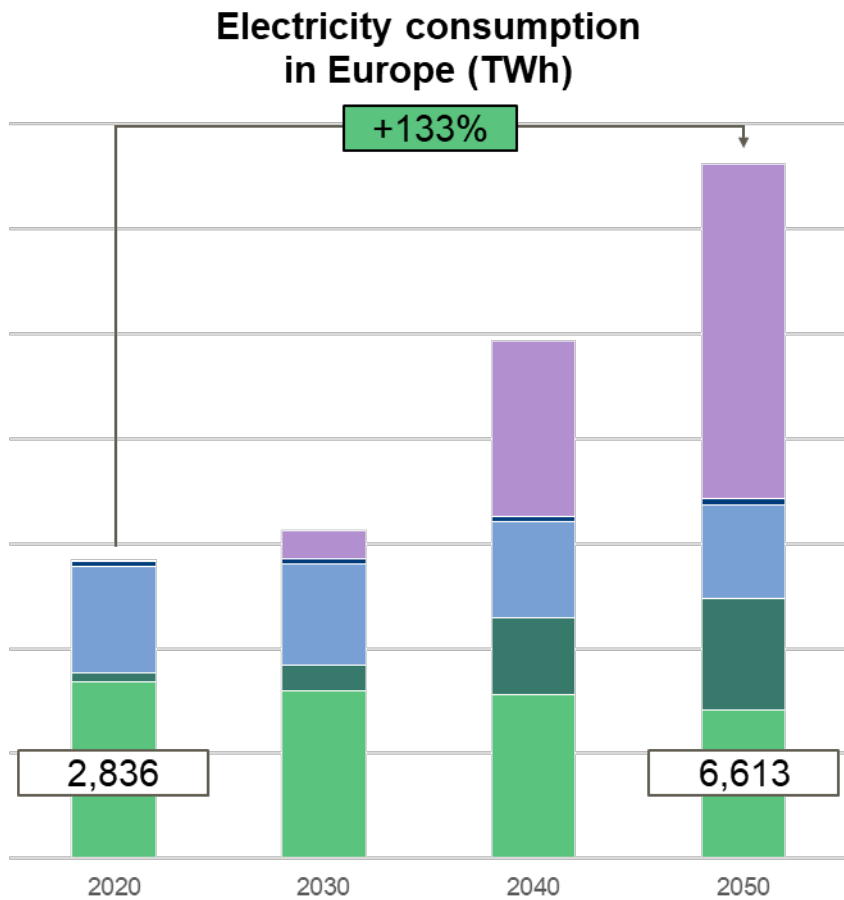
Europe committed to be a forerunner in reducing GHG emissions across all sectors

- EU is tightening both its 2030 and 2050 emissions targets
 - Requires emission reductions in all sectors, especially residential & commercial, transport, and industry
- Sector coupling – clean electricity and gas enable other sectors to decarbonise
 - Emissions from some industrial and heavy transport sectors are difficult to abate by electrification
- Successful energy transition must balance
 - Sustainability
 - Affordability
 - Security of supply



Source: European Environment Agency
LULUCF: Land use, land-use change, and forestry

Energy transition will increase demand for electricity and hydrogen



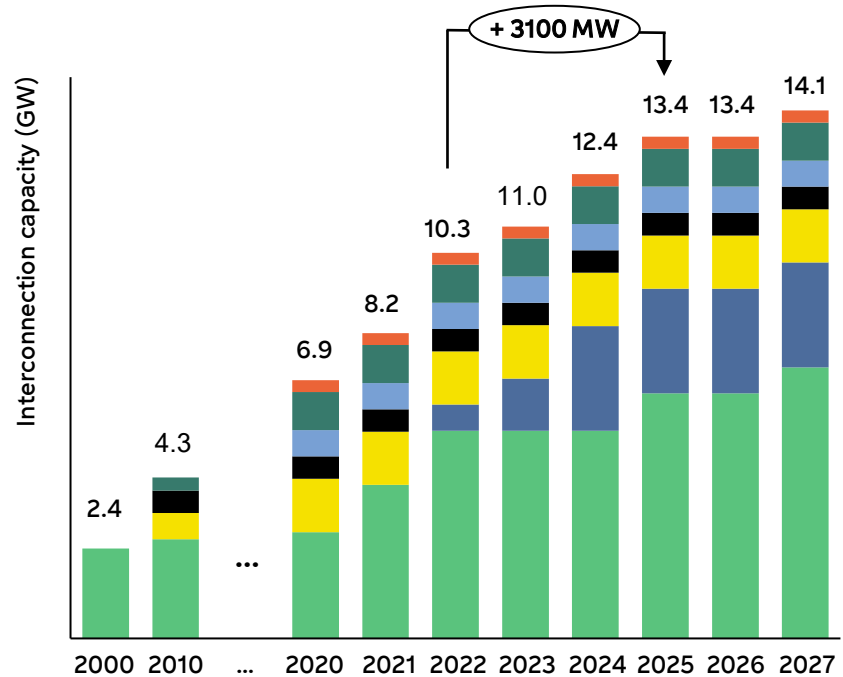
- Electricity
- Hydrogen
- Feedstocks
- Agriculture
- Industry
- Transport
- Residential and commercial

Source:
IHS Markit Net Zero
Carbon Europe
scenario

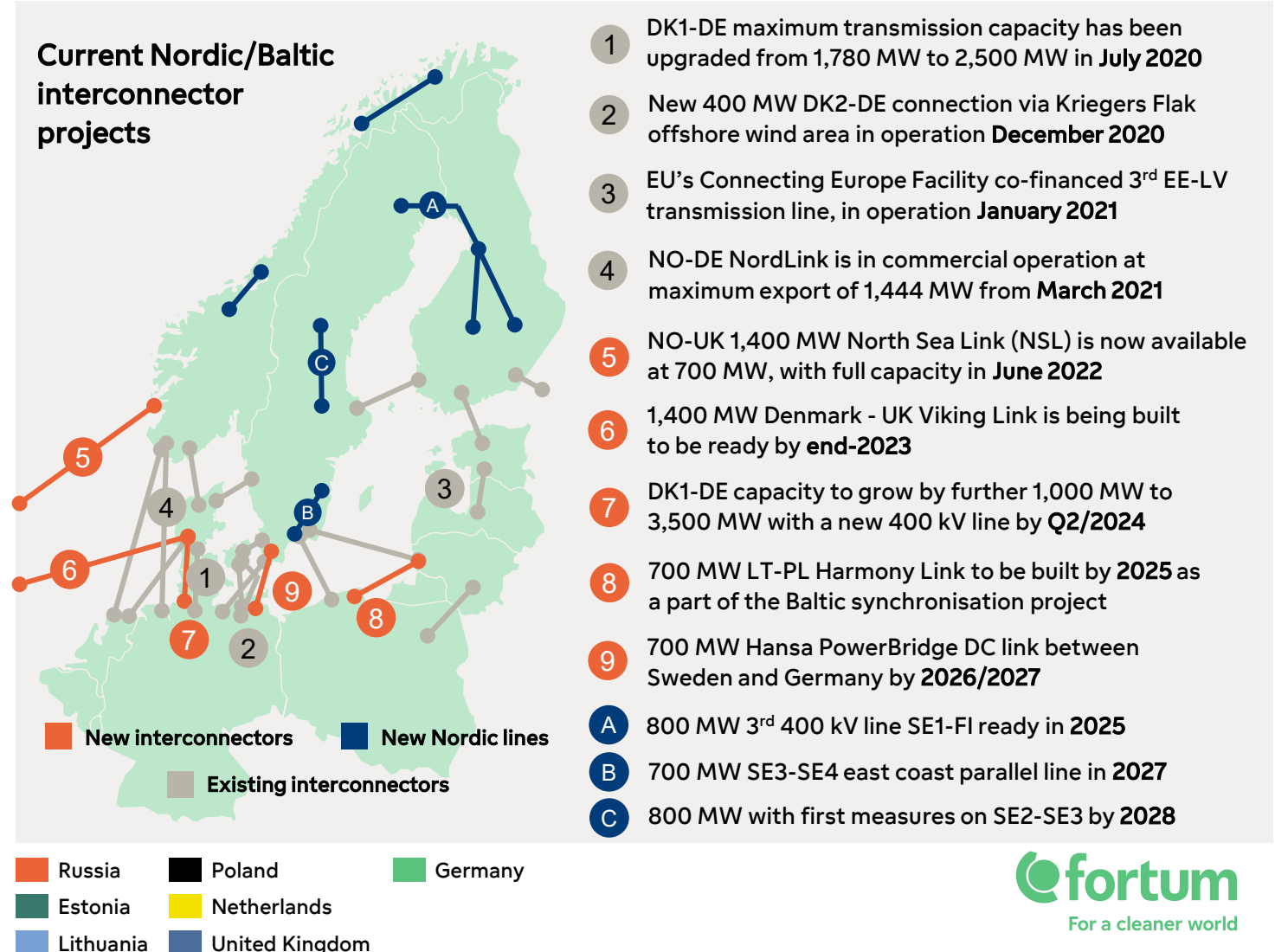
Nordic, Baltic, Continental and UK markets are integrating

– Interconnection capacity growing to over 13 GW by mid-2024

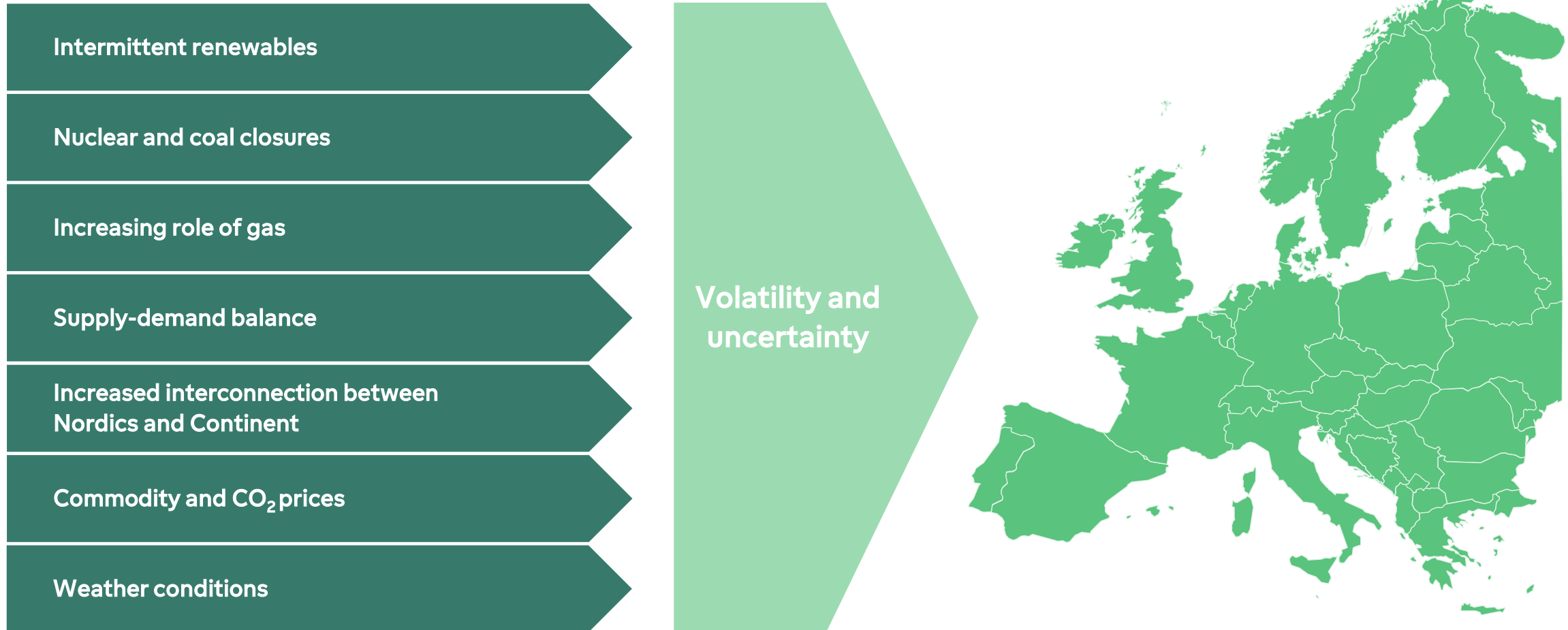
- Several **new interconnectors** have started operation, and more are under construction or decided to be built
- New interconnections will increase the **Nordic export capacity** from the current 10.3 GW to over 13 GW by summer 2024



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



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



Own transformation – coal exit to reach carbon neutrality by 2035 in European generation

Transform own operations to carbon neutral

Strengthen and grow in CO₂-free power generation

Leverage strong position in gas to enable the energy transition

Partner with industrial and infrastructure customers

Carbon neutral in our European generation by 2035 at the latest

- Current trajectory to reduce CO₂ emissions in our European generation by at least 50%*) by 2030
- Exit ~6 GW of coal capacity by end of 2025
- Aim to decarbonise gas-fired power generation and transit to clean gas over time

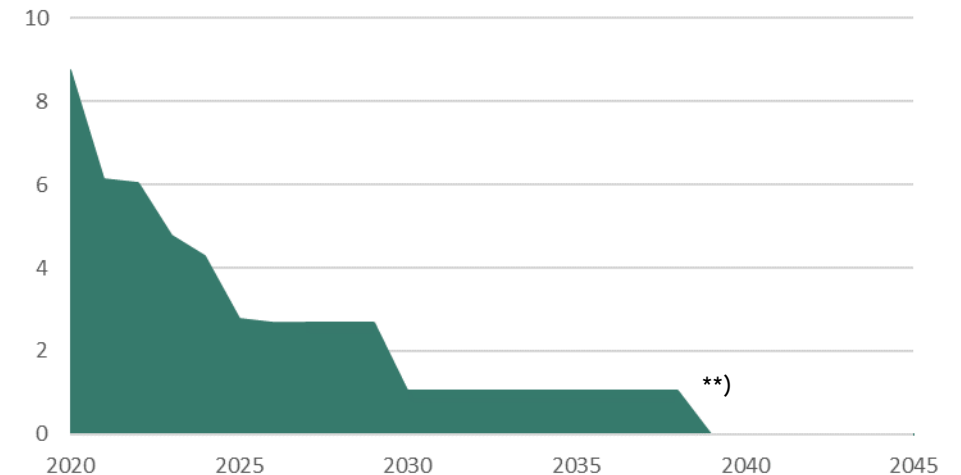
Carbon neutral as a group by 2050 at the latest in line with the Paris Agreement

- Reduction of the Group's coal-fired generation capacity by >50% to ~5 GW by the end of 2025
- Over time transform the Russian business portfolio by reducing the fossil exposure

European generation CO₂ net emissions:

2019 100% **2030** -50% **2035** Carbon neutral

Coal fired capacity in Europe (GW)



*) Base year 2019

**) Datteln4 decommissioning as defined in the German coal-exit law.

The strategic review of Fortum's Polish district heating business was discontinued in March 2022. Fortum will evaluate alternatives for further decarbonisation of these assets. At the end of 2021, Fortum's coal based capacity in Poland was 0.1 GW.

Interim Report January-March 2022

Fortum Corporation

12 May 2022

Markus Rauramo **President and CEO**

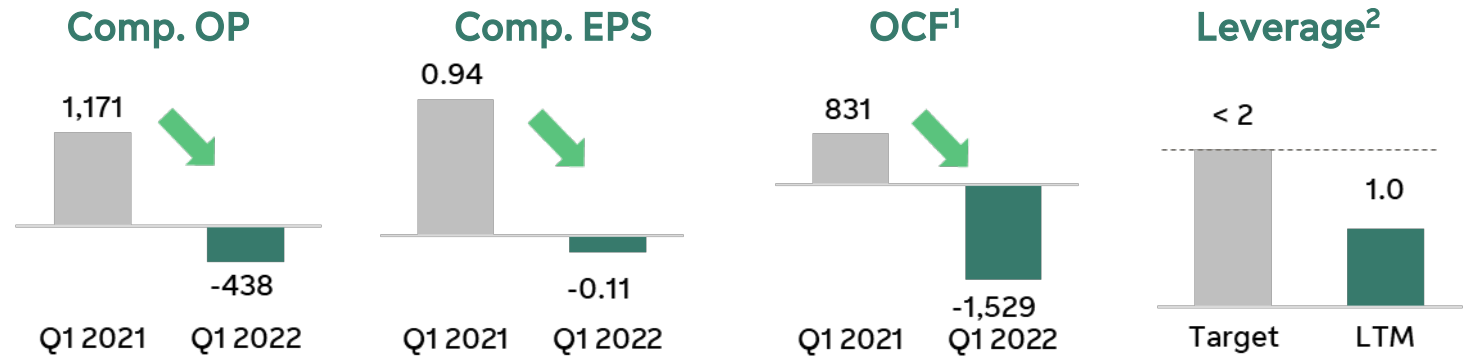


Earnings shift into later quarters of 2022 following Uniper's gas storage optimisation

Q1 2022

Market volatility and increased uncertainties managed by securing sufficient liquidity headroom

Announcement of the sale of Fortum Oslo Varme (50% stake) for EUR ~1 bn. Closing expected in Q2.



- Uniper gas midstream business EUR ~750 mn intra-year earnings shift from Q1 to later quarters; Generation higher achieved power prices with strong physical optimisation but lower generation volumes
- Operating cash flow negative due to operative liquidity measures taken by Uniper in Q4 2021
- Leverage was up, still comfortably below target, while gross debt level was down

1. Net cash from operating activities

2. Financial net debt to comparable EBITDA

Update on Fortum Group's Russian businesses

Fortum prepares for a controlled exit from the Russian market

- We will not make any new investments decisions or finance our Russian businesses.
- We are preparing for a controlled exit from the Russian market. As the preferred path, this decision includes a potential divestment of Fortum's Russian operations. The divestment process for Uniper's Russian subsidiary Unipro is also expected to be resumed as soon as possible.
- Uniper will not enter into new long-term supply contracts for natural gas or coal with Russia.
- However, existing long-term gas import contracts with Russia and nuclear fuel supply for Fortum's Loviisa nuclear power plant from Russia cannot quickly be changed and remain part of security of supply for Europe.

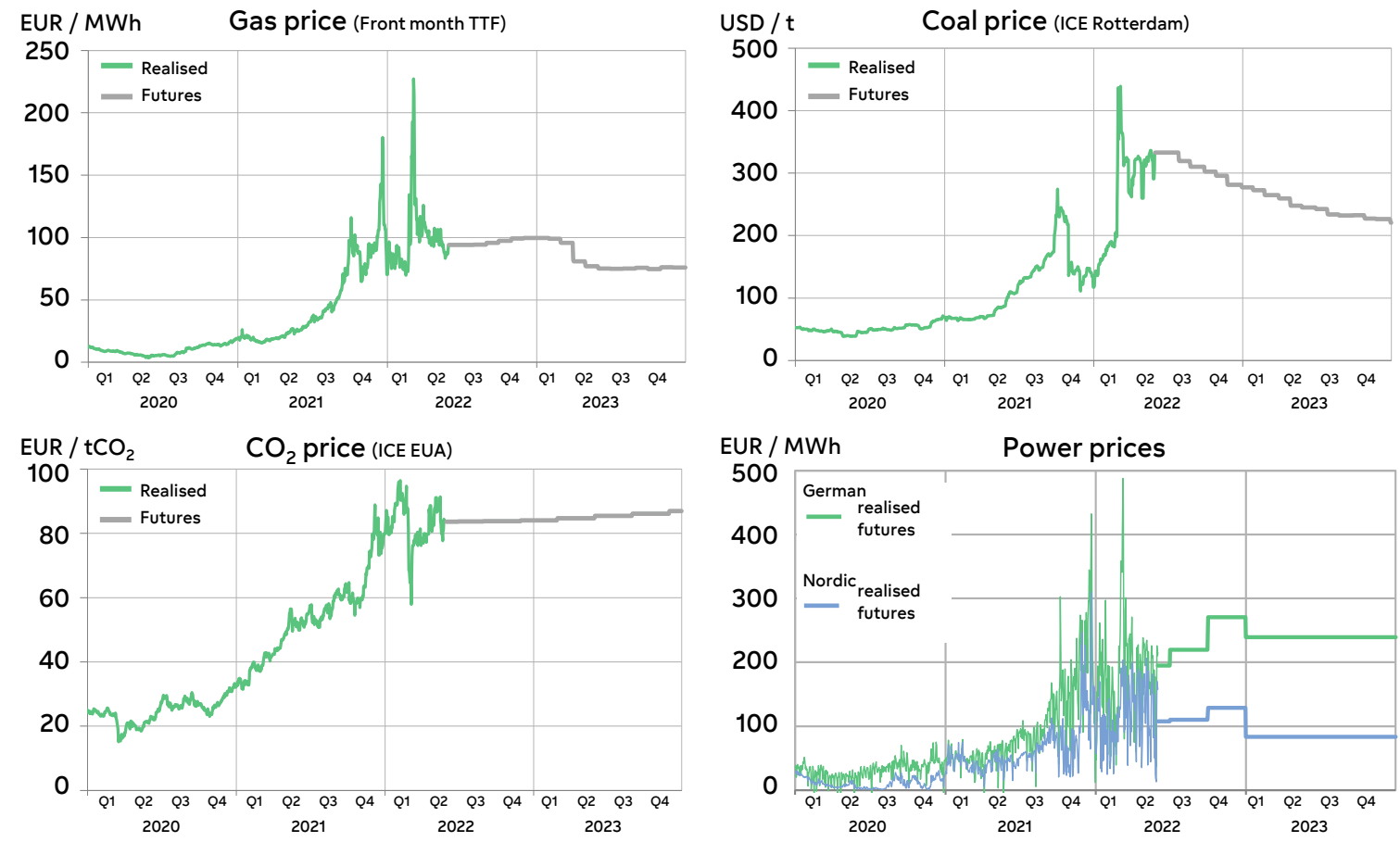
Pretax impairments of EUR 2.1 bn of Russian businesses and assets

Impairments		
Asset	Segment	Amount
PAO Fortum	Russia	~EUR 0.3 billion
TGC-1*	Russia	~EUR 0.2 billion
Nord Stream 2 (loan receivable)	Uniper	~EUR 1.0 billion
Unipro	Uniper	~EUR 0.6 billion

*~29% stake

Energy commodities driving power prices

Energy commodities reaching new record highs



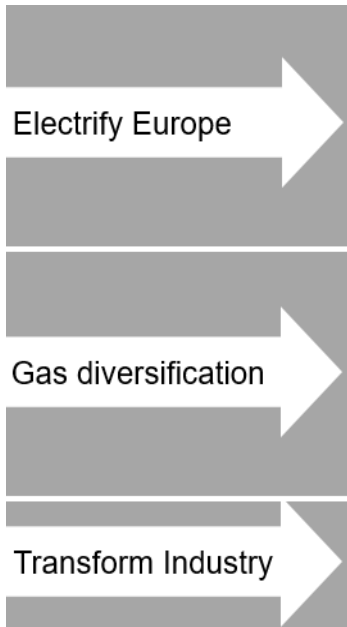
Source: Refinitiv, Bloomberg
Daily market prices 1 June 2022; 2022-2023 future quotations

Fortum's strategy is synchronised with REPowerEU

Fortum Group is well positioned to reduce Europe's energy dependence and to accelerate the green transition



REPowerEU



For a cleaner world

Transform own operations to carbon neutral

No compromise on our decarbonisation ambitions

We are prepared to support security of supply by extending the use of coal-fired power plants into the coming winters - if required by national authorities

Growing a sizeable portfolio of renewables

We are building Pjelax-Böle and Kristinestad Norr wind parks in cooperation with Helen in Finland

Significant addition to reliable CO₂-free power

Olkiluoto 3 nuclear power plant starts commercial operations in September 2022; Loviisa lifetime extension applied

Partner with customers: excess heat to district heat

Strengthen and grow in CO₂-free power generation

Leverage strong position in gas to enable the energy transition

LNG terminal project resumed in Wilhelmshaven

Uniper is supporting German government by building and operating the country's first LNG terminal. In the longer term the Green Wilhelmshaven project aims at importing green ammonia and producing hydrogen to meet >10% of 2030's German hydrogen demand.

Transformation of gas facility in hydrogen storage

Uniper to test the Krummhörn gas storage facility for storing hydrogen in Germany

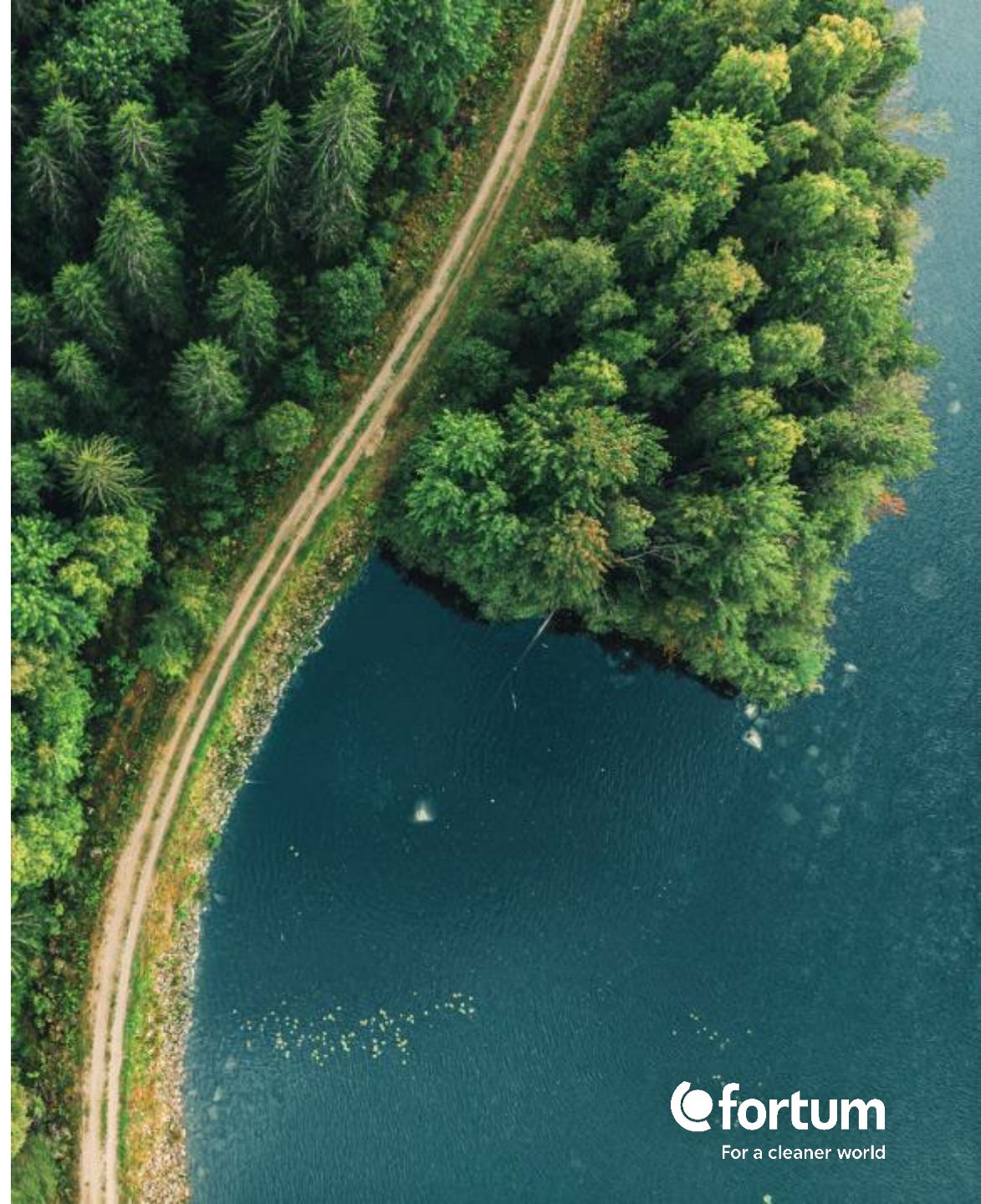
Another hydrogen agreement signed

Uniper and Shell plan to produce blue hydrogen at Uniper's Killingholme power station site in the UK

Partner with Industrial and Infrastructure customers

Bernhard Günther

CFO



Key financials

MEUR	I/2022	I/2021	2021	LTM
Sales	43,623	21,493	112,400	134,530
Comparable EBITDA	-104	1,479	3,817	2,234
Comparable operating profit	-438	1,171	2,536	927
Comparable share of profits of associates and joint ventures	26	67	154	113
Comparable profit before income taxes	-277	1,257	2,651	1,116
Comparable net profit	-99	837	1,778	842
Comparable EPS	-0.11	0.94	2.00	0.95
Net cash from operating activities	-1,529	831	4,970	2,610
Financial net debt / Comp. EBITDA			0.2	1.0

Q1 affected by significant earnings shift in Uniper's gas storage business into coming quarters

Comparable LTM EPS at EUR 0.95 despite negative Q1 result

Solid credit metrics with Financial net debt / Comp. EBITDA at 1.0x

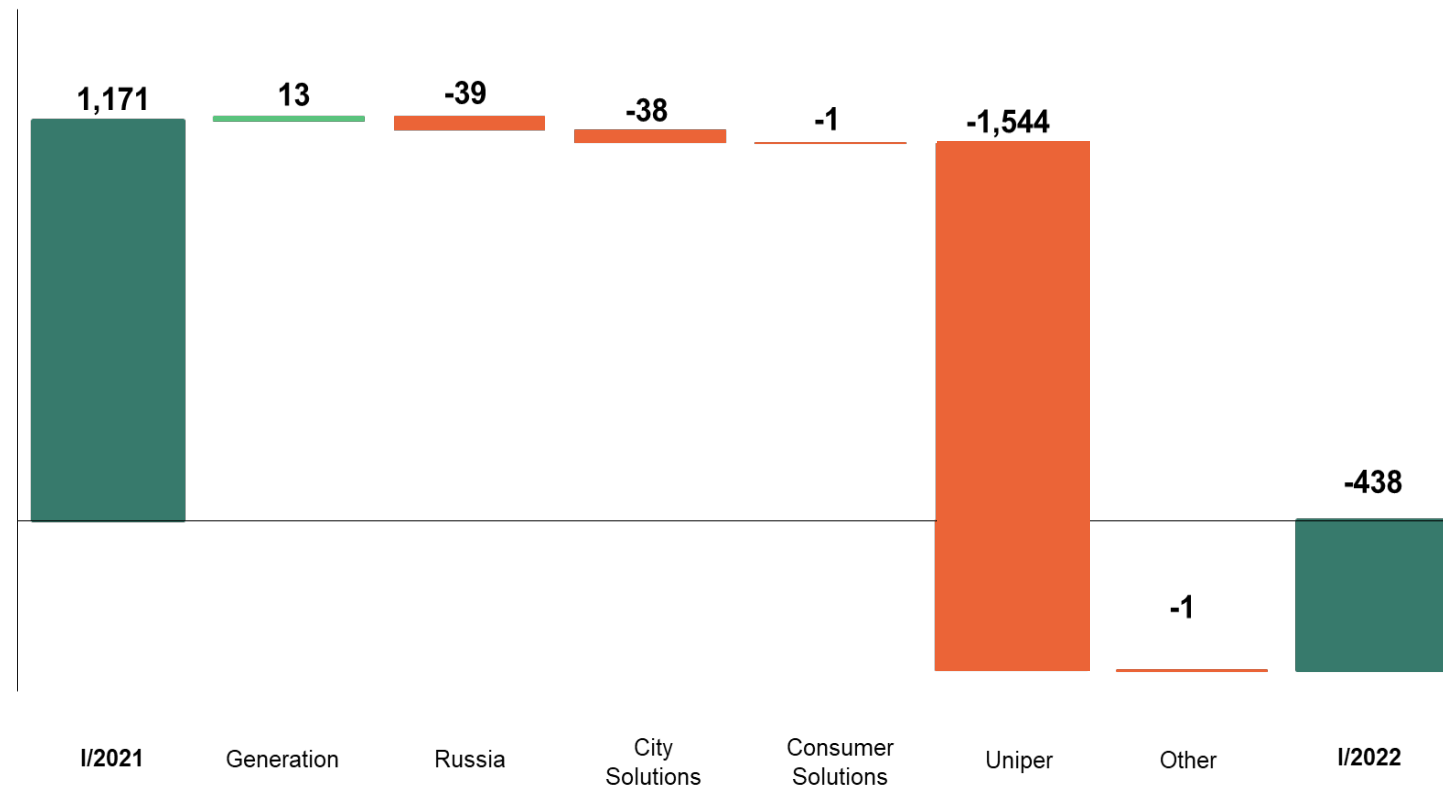
Net cash from operating activities negative due to reversion of Q4 2021 liquidity measures

S&P put Fortum's and Uniper's BBB rating on Credit Watch Negative, while Fitch maintained BBB with stable outlook

Q1 dominated by gas storage optimisation effect shifting earnings into Q2-Q4

Reconciliation of comparable operating profit

(EUR million)



Generation

higher achieved power price with strong physical optimisation but lower volumes

Russia

one-off effect in 2021 and declining CSAs (Nyagan 1)

City Solutions

lower volumes and structural changes due to divestments

Consumer Solutions

stable Q1 and increased churn of customers

Uniper

gas storage optimisation moving EUR 750 m earnings into Q2-Q4

P&L - reported IFRS figures dominated by changes in fair values and impairments

MEUR	I/2022	I/2021	2021	LTM
Sales	43,623	21,493	112,400	134,530
Materials and services	-43,618	-19,491	-105,170	-129,297
Other	-109	-523	-3,413	-2,999
Depreciations and amortisation	-334	-308	-1,281	-1,307
Comparable operating profit	-438	1,171	2,536	927
Items affecting comparability	-1,978	174	-3,124	-5,276
Operating profit	-2,416	1,345	-588	-4,349
Share of profits/loss of associates and joint ventures	-190	80	192	-78
Finance costs - net	-956	36	107	-884
Profit before income tax	-3,561	1,460	-289	-5,310
Income tax expense	728	-150	175	1,054
Profit for the period	-2,833	1,310	-114	-4,256
Attr. to owners of parent	-2,222	1,092	739	-2,575
Attr. to non-controlling interest	-610	218	-852	-1,681

Items affecting comparability includes

- EUR -1.1 bn changes in fair values of derivatives hedging future earnings
- Items affecting comparability include impairments
 - EUR 0.3 bn Russia segment
 - EUR 0.6 bn Unipro (Uniper)

Share of associates and JVs include EUR 0.2 bn of impairments

Finance costs include EUR ~1.0 bn impairment of loan receivable from Nord Stream 2

Balance sheet driven by increased commodity prices

MEUR	31-Mar-22	31-Dec-21	MEUR	31-Mar-22	31-Dec-21
Property, plant and equipment and right-of-use assets	17,111	19,049	Totalequity	8,762	13,665
Derivative financial instruments	143,810	82,488	Derivative financial instruments	150,077	88,604
Intangible assets	1,954	2,167	Interest-bearing liabilities	14,875	17,220
Participations in associates and JVs	2,225	2,461	Nuclear provisions	3,840	3,891
Shares in Nuclear Waste Funds	3,399	3,515	Other provisions	7,684	6,407
Interest-bearing receivables	1,961	3,107	Pension obligations, net	931	1,190
Inventories	3,895	2,275	Other	1,140	1,224
Margin receivables	7,441	9,163	Margin liabilities	1,864	985
Other assets including trade receivables	17,252	17,736	Trade and other payables	16,892	16,477
Liquid funds	6,419	7,592			
Assets held for sale	956	108	Liabilities related to assets held for sale	360	
Total assets	206,425	149,661	Total equity + liabilities	206,425	149,661

Financial derivatives substantially up following the strong increase in commodity prices and high portfolio churn

Margin receivables down, margin liabilities up based on higher prices

Liquid funds decreased by EUR 1.2 bn following the repayment of debt

Assets held for sale mainly includes the 50% stake in Fortum Oslo Varme (Q2)

Operating cash flow turn negative in Q1

EUR million	I/2022	I/2021	2021	LTM
Comparable EBITDA	-104	1,479	3,817	2,234
Non-cash and other items	386	278	1,506	1,615
Interest received	14	13	75	76
Interest paid	-95	-61	-202	-237
Dividends received	1	6	124	119
Income taxes paid	-158	-93	-493	-558
Change in working capital	-1,574	-790	144	-640
Net cash from operating activities	-1,529	831	4,970	2,610
Capital expenditures	-202	-293	-1,178	-1,087
Acquisitions of shares	-12	-22	-294	-284
Proceeds from sales of property, plant and equipment	75	14	20	81
Divestments of shares and capital returns	6	129	3,863	3,740
Shareholder loans to associated companies and joint ventures	26	-19	-8	36
Change in margin receivables	1,722	16	-7,964	-6,258
Change in other interest-bearing receivables	44	-19	-166	-103
Net cash from/used in investing activities	1,659	-194	-5,727	-3,873
Proceeds from long-term liabilities	0	62	3,439	3,377
Payments of long-term liabilities	-300	-42	-2,315	-2,574
Change in short-term liabilities	-1,787	295	5,364	3,282
Dividends paid to the owners of the parent	0	0	-995	-995
Dividends paid to non-controlling interests	0	0	-171	-171
Change in margin liabilities	875	339	649	1,184
Other financing items	-75	1	43	-33
Net cash from/used in financing activities	-1,287	655	6,013	4,071
Net increase(+)/decrease(-) in liquid funds	-1,158	1,292	5,256	2,807

Change in **working capital** impacted by operational liquidity measures in the Uniper segment taken in Q4 2021

Sales proceeds from divestments of Baltic district heating and 50% ownership in Stockholm Exergi

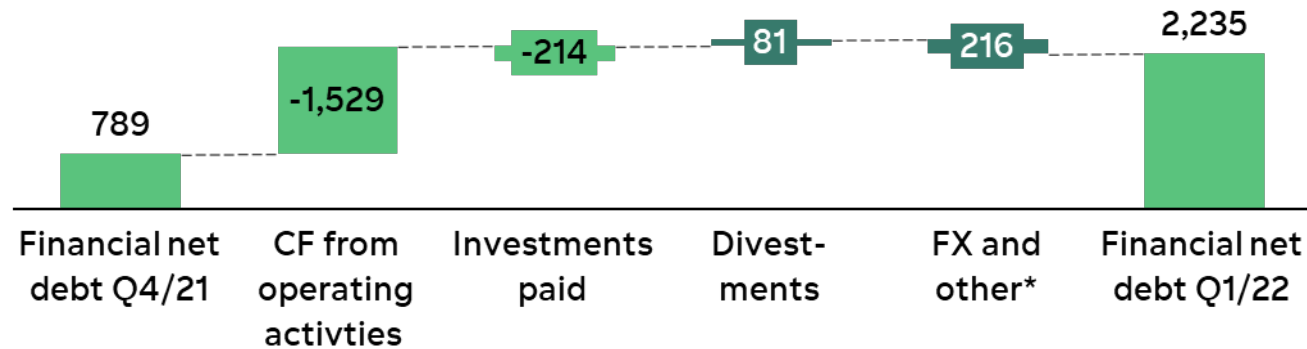
Margin receivables decreased

Financing reflecting margining development

Margin liabilities increased

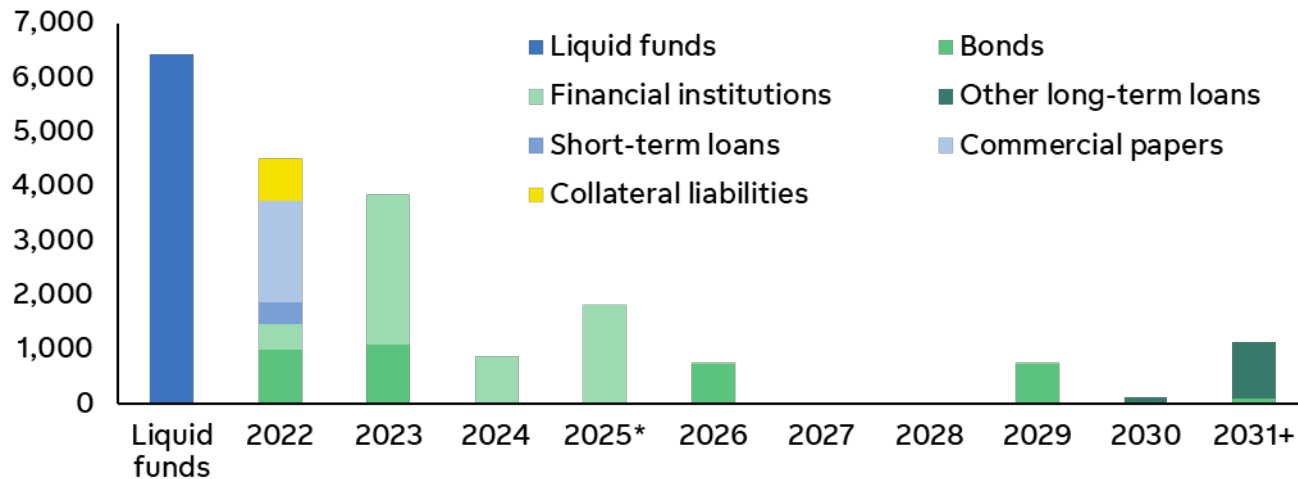
Leverage below target, gross debt down

Financial net debt



*) Includes deconsolidation of debt for assets held for sale

Contractual maturities



*) Uniper's drawn revolving credit facility of EUR 1,800 million has an ultimate contractual maturity in 2025 and is consequently shown here for the year 2025. However, this facility is classified as current liability on the balance sheet due to planned earlier repayment.

Solid credit metrics

S&P Global Ratings

'BBB' long-term issuer credit rating,
Credit Watch Negative

Fitch Ratings

'BBB' long-term issuer credit rating,
stable outlook

Target ratio:

Financial net debt / Comp. EBITDA < 2x

Fortum's objective:

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

Total loans EUR 13.8 billion (excl. lease)

- Average interest for Fortum Group loan portfolio including derivatives hedging financial net at 1.0% (2021: 1.3%).
- Lower average interest for Fortum Group loan portfolio including derivatives due to closing of RUB hedges

Liquid funds of EUR 6.4 billion

Undrawn credit facilities of EUR 5.9 billion

Outlook

Hedging

Generation Nordic hedges:

For rest of 2022: 80% hedged at EUR 35 per MWh

For 2023: 55% hedged at EUR 33 per MWh
(Q4: 50% at EUR 31)

Uniper Nordic hedges:

For rest of 2022: 75% hedged at EUR 26 per MWh

For 2023: 50% hedged at EUR 31 per MWh
(Q4: 60% at EUR 18)

For 2024: 25% hedged at EUR 30 per MWh
(Q4: 20% at EUR 30)

The reported hedge ratios may vary significantly, depending on Fortum's and Uniper's actions on the electricity derivatives markets

2022 Estimated annual capital expenditure, including maintenance and excluding acquisitions, of appr.

EUR 1,500 million of which maintenance capital expenditure is EUR 800 million

Tax guidance for 2022:

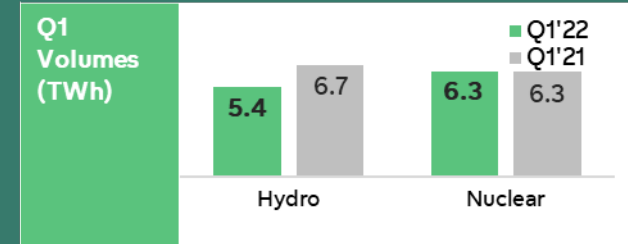
The comparable effective income tax rate for Fortum is estimated to be in the range of 22-25%.

Q&A

Generation: Higher achieved power prices

Q1 2022 vs. Q1 2021

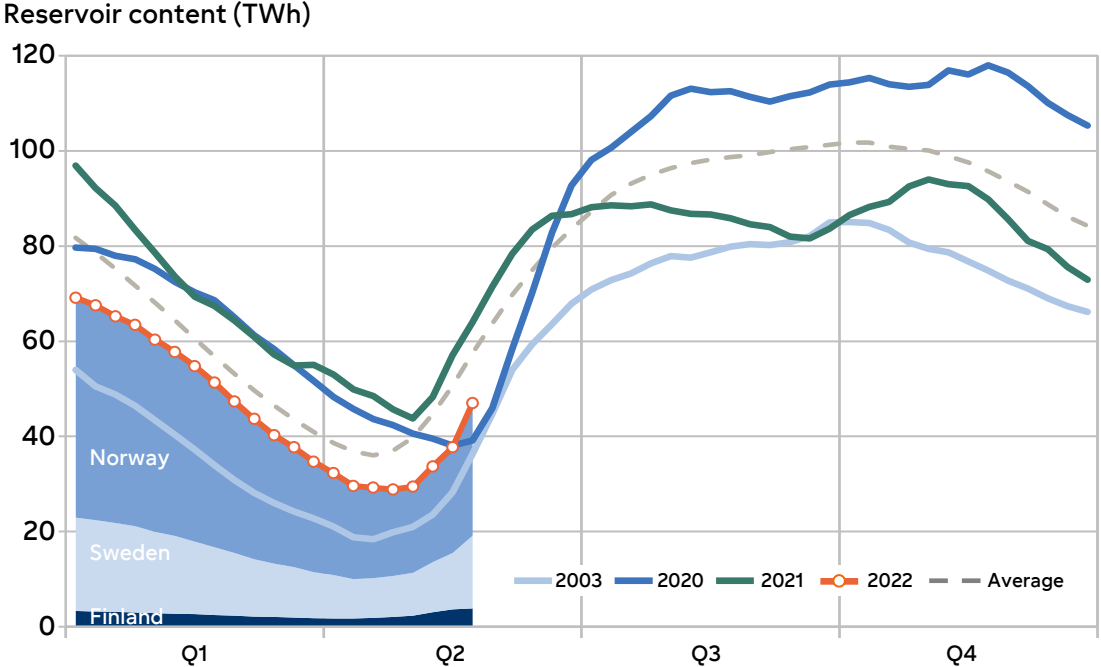
- Comparable operating profit increased mainly due to
 - Higher achieved power prices of EUR 44.1 +EUR 6.9 per MWh
 - Lower hydropower volumes due to lower inflow and lower reservoir levels at the beginning of the quarter
 - The operational performance for nuclear generation was at same good level as in 2021
- Higher achieved power price
 - Higher spot prices and successful physical optimisation
 - The achieved power price was negatively impacted by the record-high difference in Sweden between high system price and low SE2-area spot price (Sundsvall). Due to low liquidity in SE2 area price products, the hedge level in SE2 area price was lower than the system price and SE3 (Stockholm) and FI (Finland) areas
- TVO's third Olkiluoto's (OL3) nuclear power plant unit started electricity production to the grid. Regular production to start in Sep.



MEUR	I/ 2022	I/ 2021	2021	LTM
Sales	710	675	2,899	2,933
Comp. EBITDA	330	315	1,299	1,314
Comp. OP	282	269	1,110	1,123
Comp. net assets	6,246	6,135	6,336	
Comp. RONA %			18.0	18.3
Gross investment	34	27	175	182

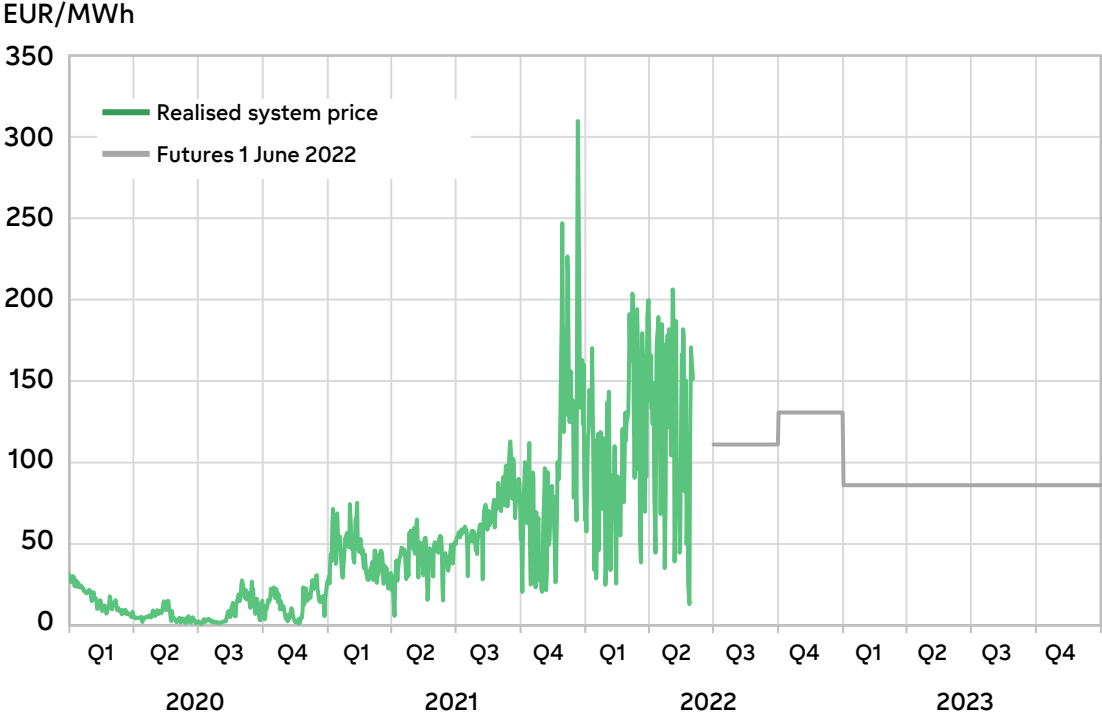
Nordic water reservoirs and wholesale power price

Hydro reservoirs



Source: Nord Pool, Nasdaq Commodities

Power price



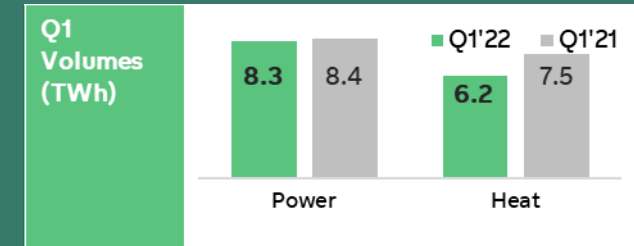
Russia:

Solid underlying performance

Q1 2022 vs. Q1 2021

- Comparable operating profit decreased by 39%, to EUR 61 million
 - Negative effect from the CSA expiry for Nyagan 1
 - Impact of the Russian rouble exchange rate was EUR -6 million
 - Lower heat volumes but higher power prices.
 - Note: The comparison period includes a EUR 17 million positive effect of the sale of the 116-MW CSA-backed solar power project to the Fortum-RDIF joint venture

CSA = Capacity Supply Agreement

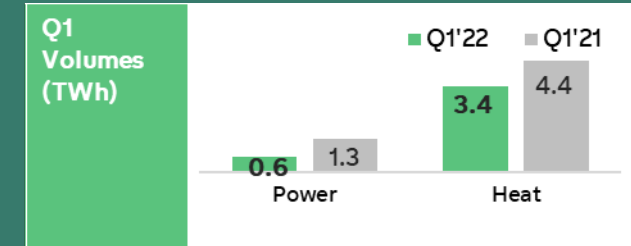


MEUR	I/ 2022	I/ 2021	2021	LTM
Sales	223	264	906	865
Comp. EBITDA	92	134	404	361
Comp. OP	61	100	261	223
Comp. net assets	1,970	2,517	2,508	
Comp. RONA %			12.9	11.3
Gross investment	11	7	83	87

City Solutions: Structural changes and lower volumes

Q1 2022 vs. Q1 2021

- Comparable operating suffered from structural changes including the sale of the Baltic district heating business in 2021 and the 250-MW Pavagada II and the 250-MW Rajasthan solar plants in India.
- Heat sales volumes decreased by 23% due to the divestment of the Baltic district heating business and warmer weather conditions.
- The power sales volumes decreased by 54%, mainly due to higher fossil fuel and CO2 prices in Finland and structural changes following the divestment of the Baltic district heating business



MEUR	I/ 2022	I/ 2021	2021	LTM
Sales	390	418	1,302	1,275
Comp. EBITDA	90	132	317	275
Comp. OP	48	86	135	97
Comp. net assets	1,679	3,305	2,456	
Comp. RONA %			6.1	4.1
Gross investment	25	48	162	140

Consumer Solutions: Challenging market environment

Q1 2022 vs. Q1 2021

- Comparable operating profit broadly unchanged on the quarter.
- Higher temperatures in the Nordics compared to clearly colder weather in the first quarter of 2021 and slightly lower customer base had a negative impact on electricity and gas sales volumes
- Total sales revenue increased significantly driven by significantly higher electricity and gas prices in all markets.

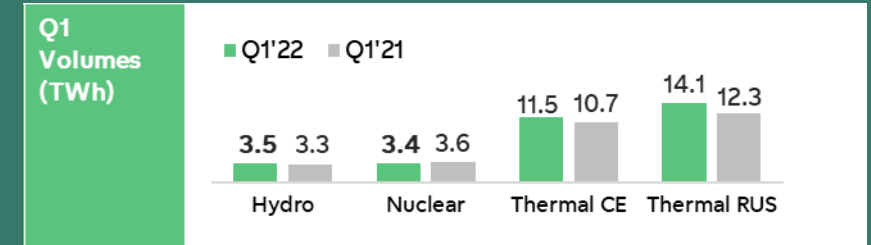
Number of customers ('000)	MAR 2022	2,210
	DEC 2021	2,230

MEUR	I/ 2022	I/ 2021	2021	LTM
Sales	1,168	661	2,622	3,129
Comp. EBITDA	54	53	123	124
Comp. OP	35	36	52	51
Comp. net assets	1,001	721	1,125	
Gross investment	16	11	68	72

Uniper: Intra-year earnings shift

Q1 2022 vs. Q1 2021

- Comparable operating profit turned substantially negative mainly due to gas storage optimisation that deferred earnings to later quarters in 2022.
- The generation business was mainly affected by negative price developments as SE2-area spot price (Sundsvall) has been substantially lower than the system price.
- Additionally, a sizeable intra-year CO2 emission rights phasing effect shifted margins from the first quarter to the fourth quarter of 2022. The sale of the Schkopau power plant in 2021, lower contributions from the British capacity market and higher delivery and procurement costs for hard coal as part of the diversification strategy for coal also had a negative effect.
- The Russian Power Generation business took profit from the commissioning of the Berezovskaya 3 power plant unit in 2021 and the attributable CSA payments and higher prices more than offset the expiry of CSA payments for two units at the Surgutskaya power plants and negative FX effects



MEUR*	I/ 2022	I/ 2021	2021	LTM
Sales	41,484	19,770	105,992	127,707
Comp. EBITDA	-645	868	1,789	276
Comp. OP	-833	711	1,120	-424
Comp. net assets	3,662	8,240	4,971	
Gross investment	82	136	683	629

Appendices

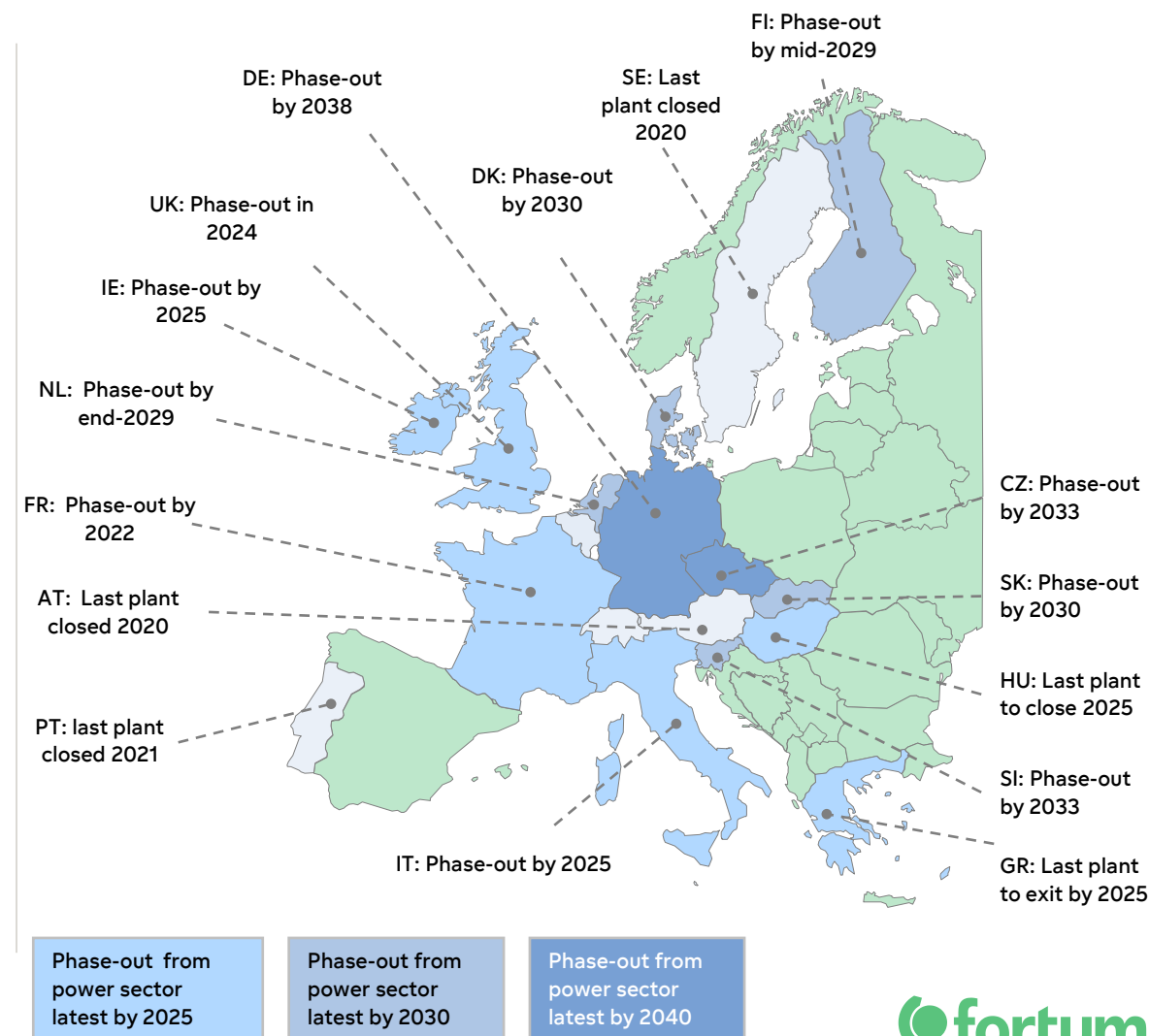
Most West European countries to exit coal by 2030

- Sweden and Austria closed their last coal plants in 2020, Portugal in 2021
- France is committed to a phase out by 2022^{*)}
- UK to end coal-fired power generation in 2024
- Italy and Ireland have both announced phase-out by 2025, also Hungary and Greece to close their last plants by then
- Netherlands and Finland have 2029 as regulated phase-out year
- Denmark and Spain committed to a 2030 exit, Spanish operators however already underway to close last units by mid-2020s
- Czechia and Slovenia plan phase-outs by 2033^{**)}
- Germany to phase out coal at latest 2038, ideally however already 2030^{**)}
- Poland to phase out its coal by 2049

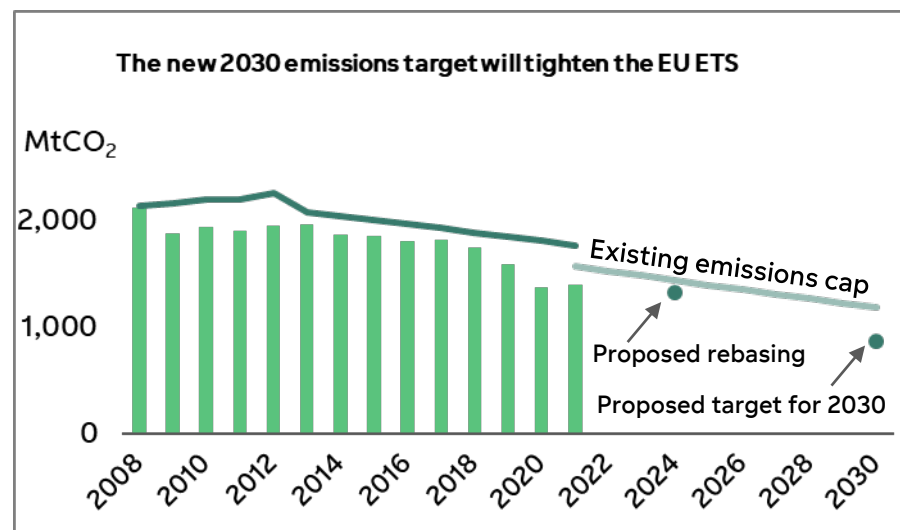
^{*)} Limited use beyond allowed

^{**)} As per current government programmes

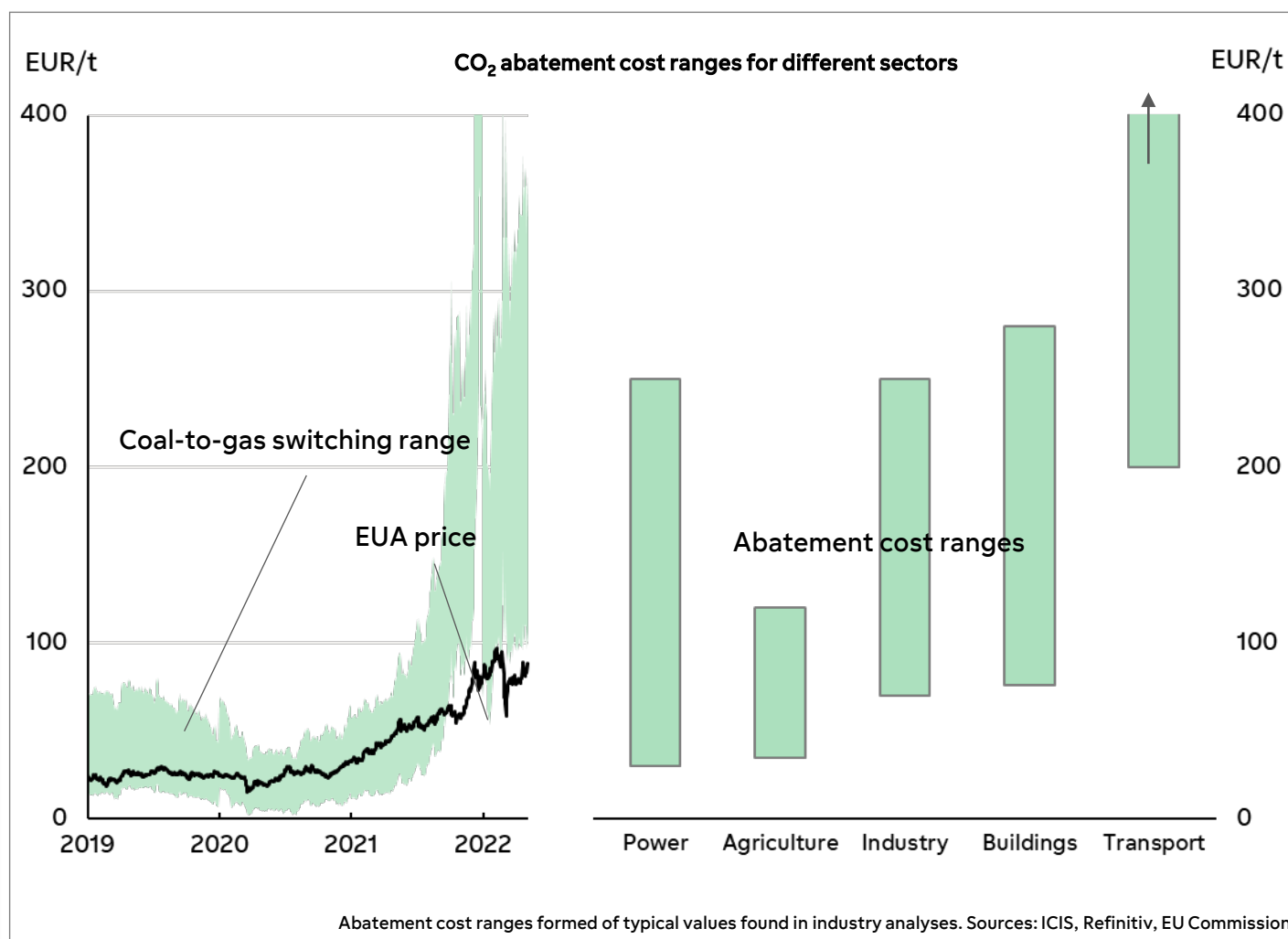
Sources: Europe Beyond Coal, national sources



Decarbonisation requires other sectors to join



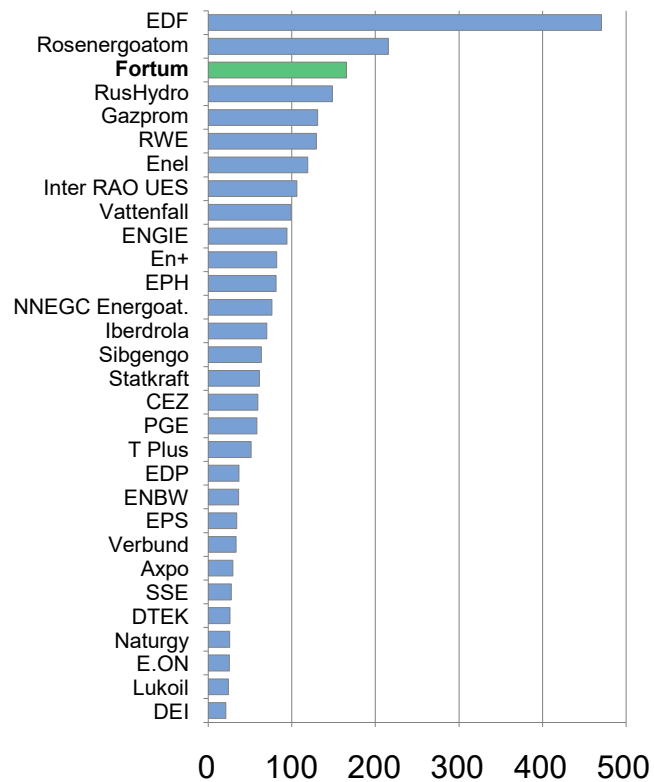
- The EU has agreed to increase the **2030 total emissions reduction target to 55% vs 1990**.
- In July 2021, EU Commission put forward a **“Fit for 55” package**, laying out the roadmap for achieving the new ambitious climate target
- **Proposed EU ETS revisions** widen its scope, tighten supply and push for faster decarbonisation:
 - Emissions reduction **target increased** from 43% to **61%** from 2005 level
 - EU ETS scope to expand and **include maritime** sector
 - **Higher LRF** (4.2% instead of 2.2%) combined with **cap rebasing**
 - **Free allocation** to be gradually **phased out**
 - **Higher MSR** intake rate (24%) and thresholds (400-833) **maintained**
 - Cross Border Adjustment Mechanism (**CBAM**) proposed
- **Proposed revisions** will have to go through the EU legislative process and are expected to **take effect not earlier than late 2022 or 2023**



Fortum major player in power, gas and heat

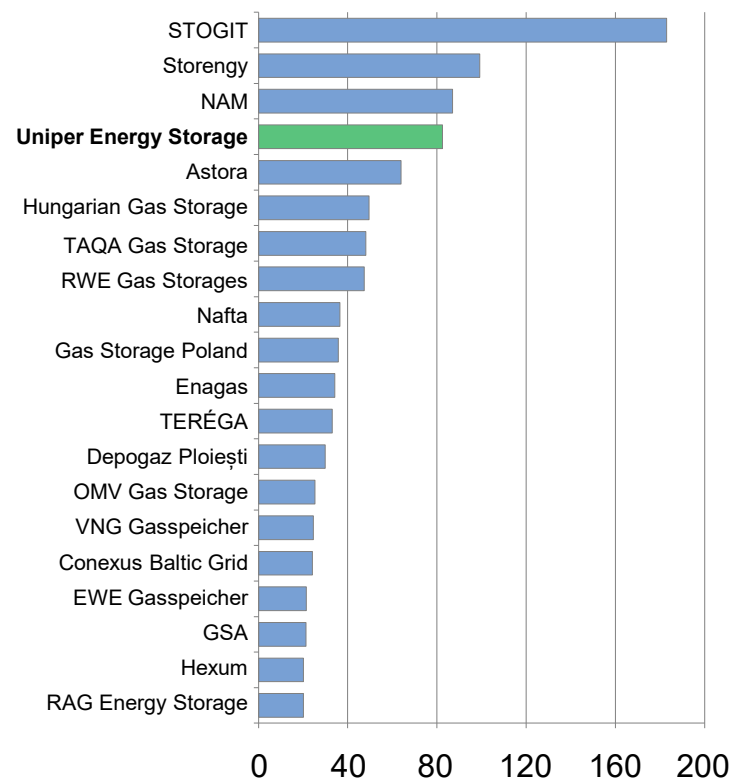
Power generation

Largest generators in Europe and Russia, 2020
TWh



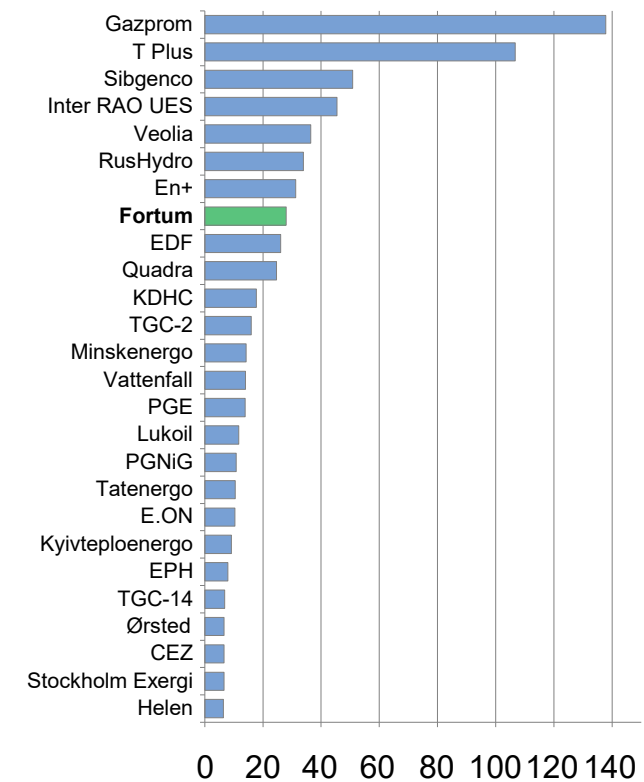
Gas

Largest European gas storage operators, 2021
TWh



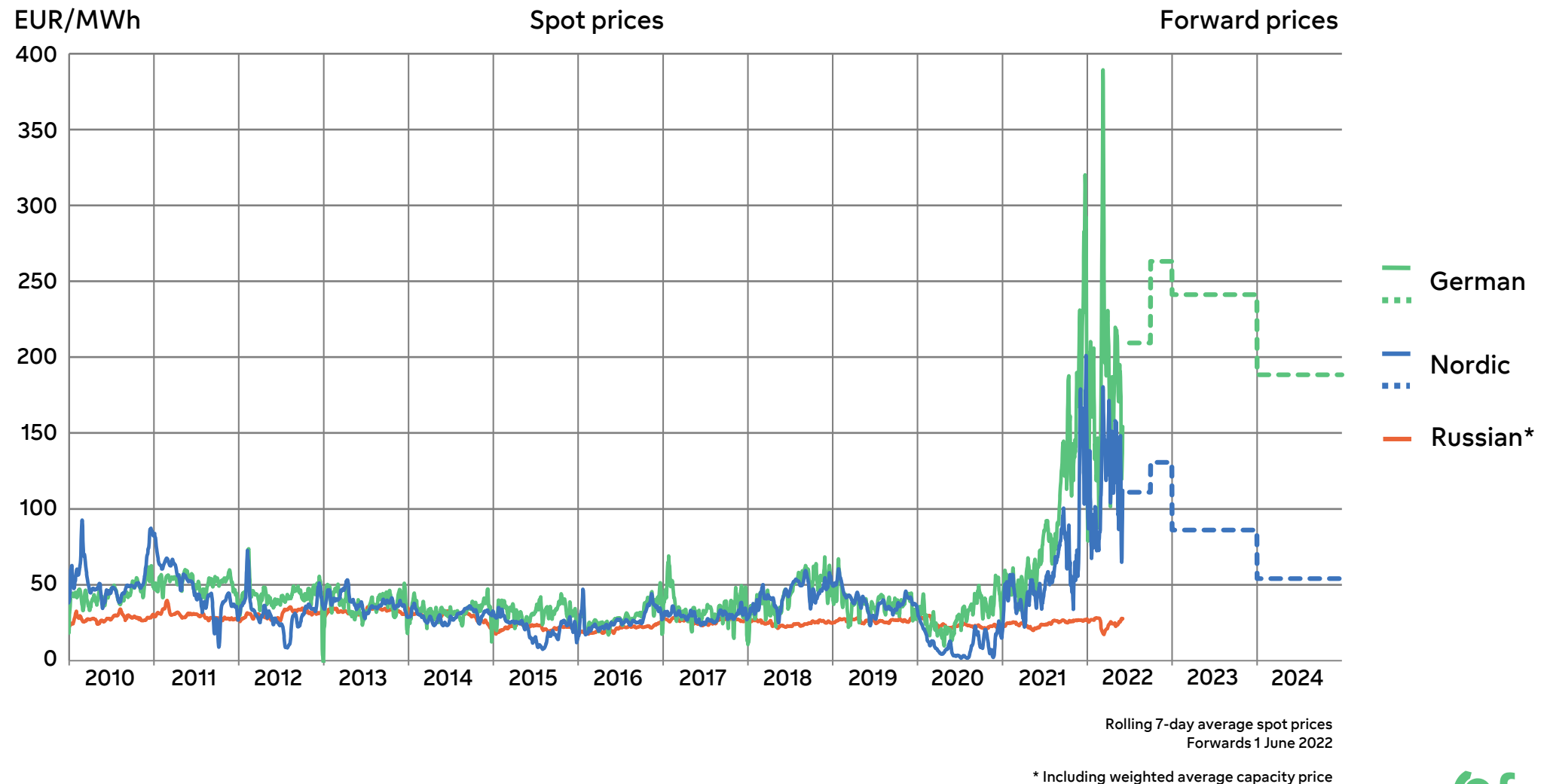
Heat production

Largest global producers, 2020
TWh

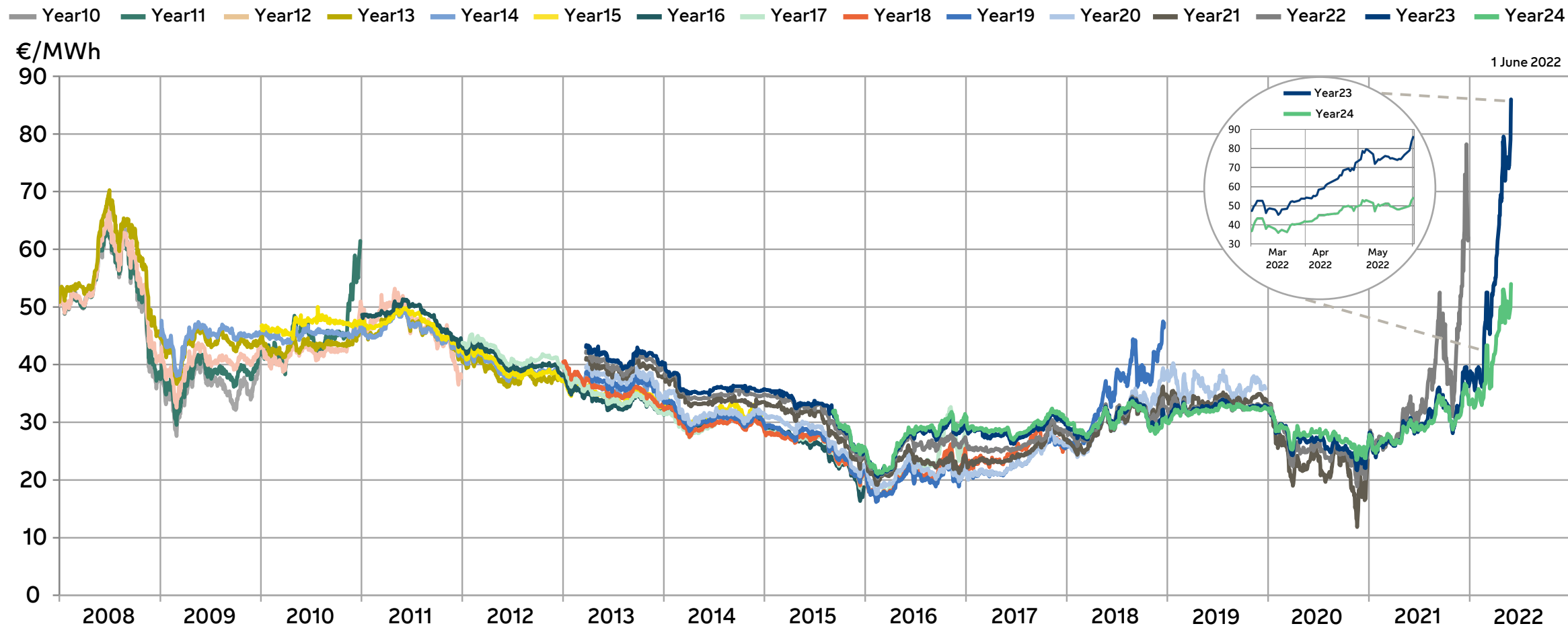


Source: Company information, Fortum analyses, 2020 figures pro forma. GSE, figures as of July 2021
Fortum incl. Uniper. EPH incl. LEAG. No data from China.

Wholesale power prices



Nordic year forwards



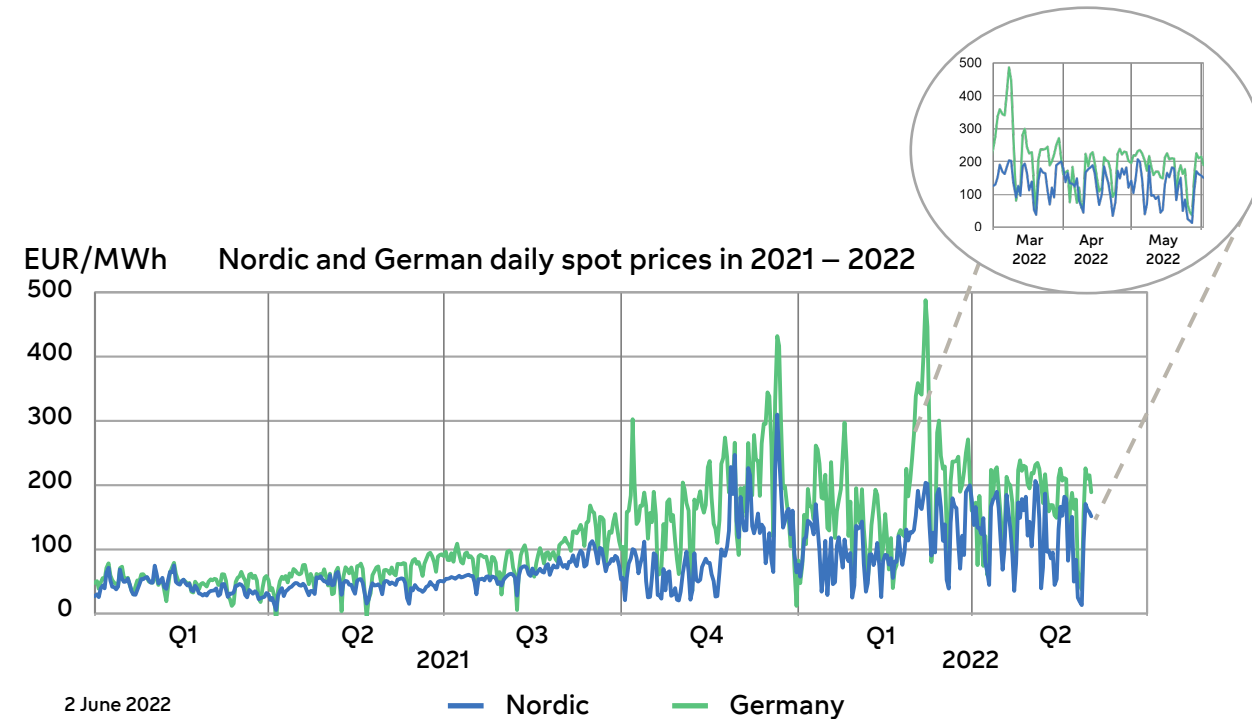
German and Nordic forward spread

Spot price

- Continental spot prices have been impacted by the record high commodity prices since Q4 2021. Following the record high delivery from Q4 2021 at EUR 179 per MWh German Q1 2022 spot realised at all time high EUR 185 per MWh. Despite mild and windy weather periods this winter, low nuclear output of the French fleet contributed to high spot price.
- High Continental European power prices, deficit in the Nordic water reservoirs and new interconnections from Norway to Germany and UK enabled part of the Nordic hydro reservoirs been priced close to the cost of coal fired thermal generation. Nordic Q1 2022 SYS spot realised also at all time high EUR 110 per MWh.

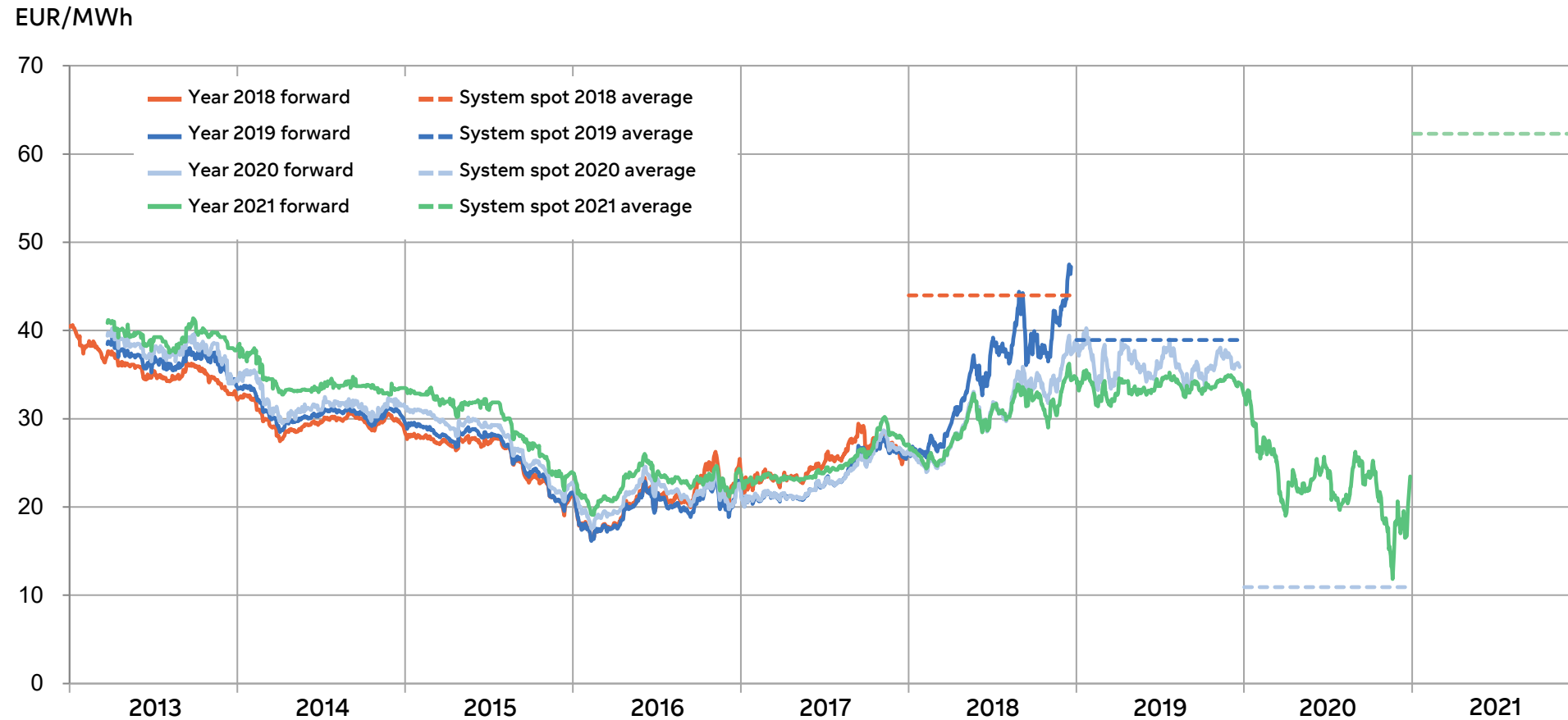
Forward price

- Around mid April the German contract for 2023 delivery is trading close to EUR 200 per MWh, while corresponding Nordic SYS contract is close to EUR 60 per MWh.
- The German-Nordic spread for 2023 delivery has increased from 25 €/MWh in the beginning of 2021 to the current level of 140 €/MWh.
- German contract is tracking the changes in the short-run marginal costs for gas to power units, reflecting the tighter power balance in the Continental Europe due to decreasing thermal capacity.
- The Nordic contract is balancing between the growing Nordic renewable and nuclear (OL3) supply vs new interconnector capacity



Source: Nord Pool, Bloomberg

Nordic forward prices and Nordic sys spot averages



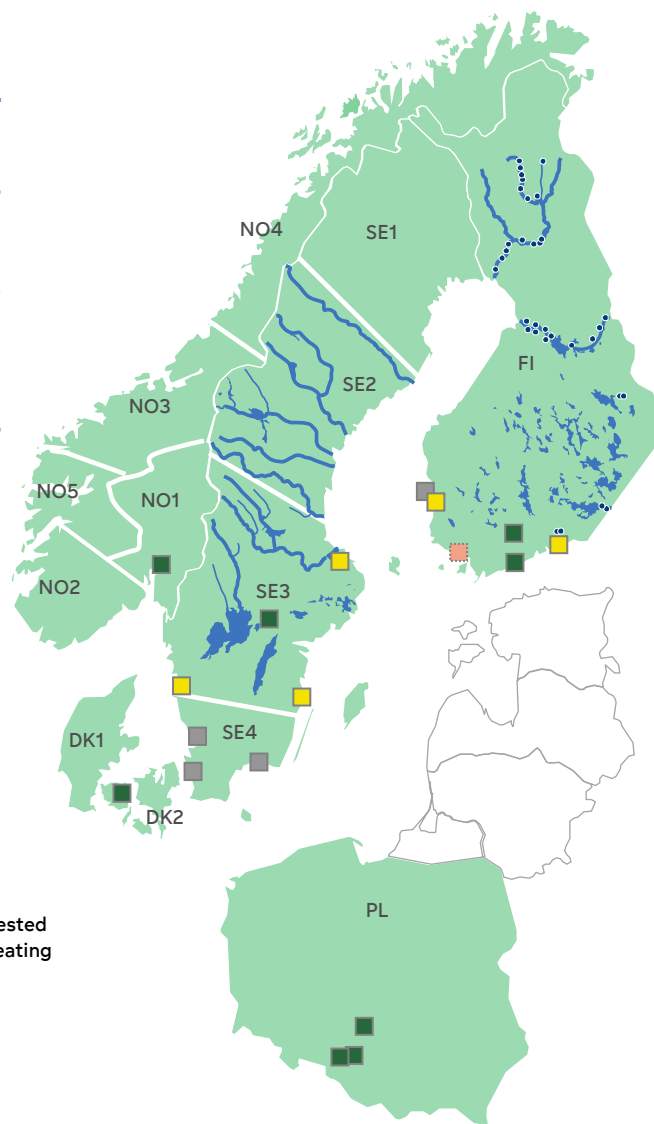
Fortum's Nordic and Polish generation capacity

GENERATION CAPACITY	Fortum	Of which Uniper
Hydro	6,424	1,772
Nuclear	4,560	1,737
CHP	559 ¹	-
Other thermal	1,740	1,175
Wind	-	-
Generation capacity, MW	13,283	4,684

Figures 31 December 2021

Associated company TSE's plant in Naantali is not included in the MWs

1) The capacity includes the 24 MW CHP assets, which has been divested in Norway in May 2022. Fortum sold its 50% ownership in the district heating company Fortum Oslo Varme AS in Norway.



NORWAY	MW
Generation capacity	
Price area NO1, CHP	24 ¹

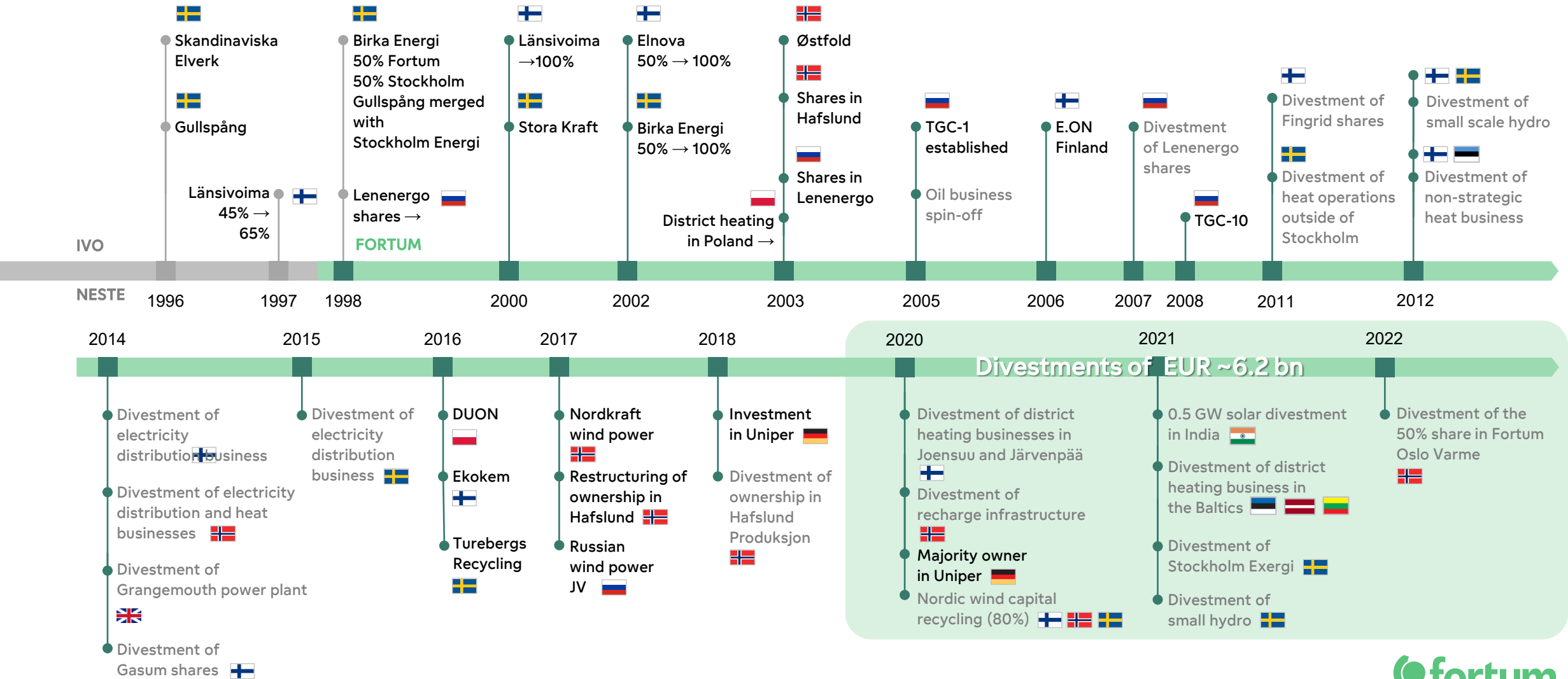
SWEDEN	Fortum	Of which Uniper
Price areas		
SE2, Hydro	3,177	1,635
SE3, Hydro	1,571	13
SE4, Hydro	123	123
SE3, Nuclear	3,073	1,737
SE3, CHP	6	-
SE4, Other th.	1,175	1,175
Gen. capacity	9,125	4,684

FINLAND	MW
Hydro	1,553
Nuclear	1,487
CHP	375
Other thermal	565
Generation capacity	3,980

DENMARK, DK1	MW
Generation capacity, CHP	9

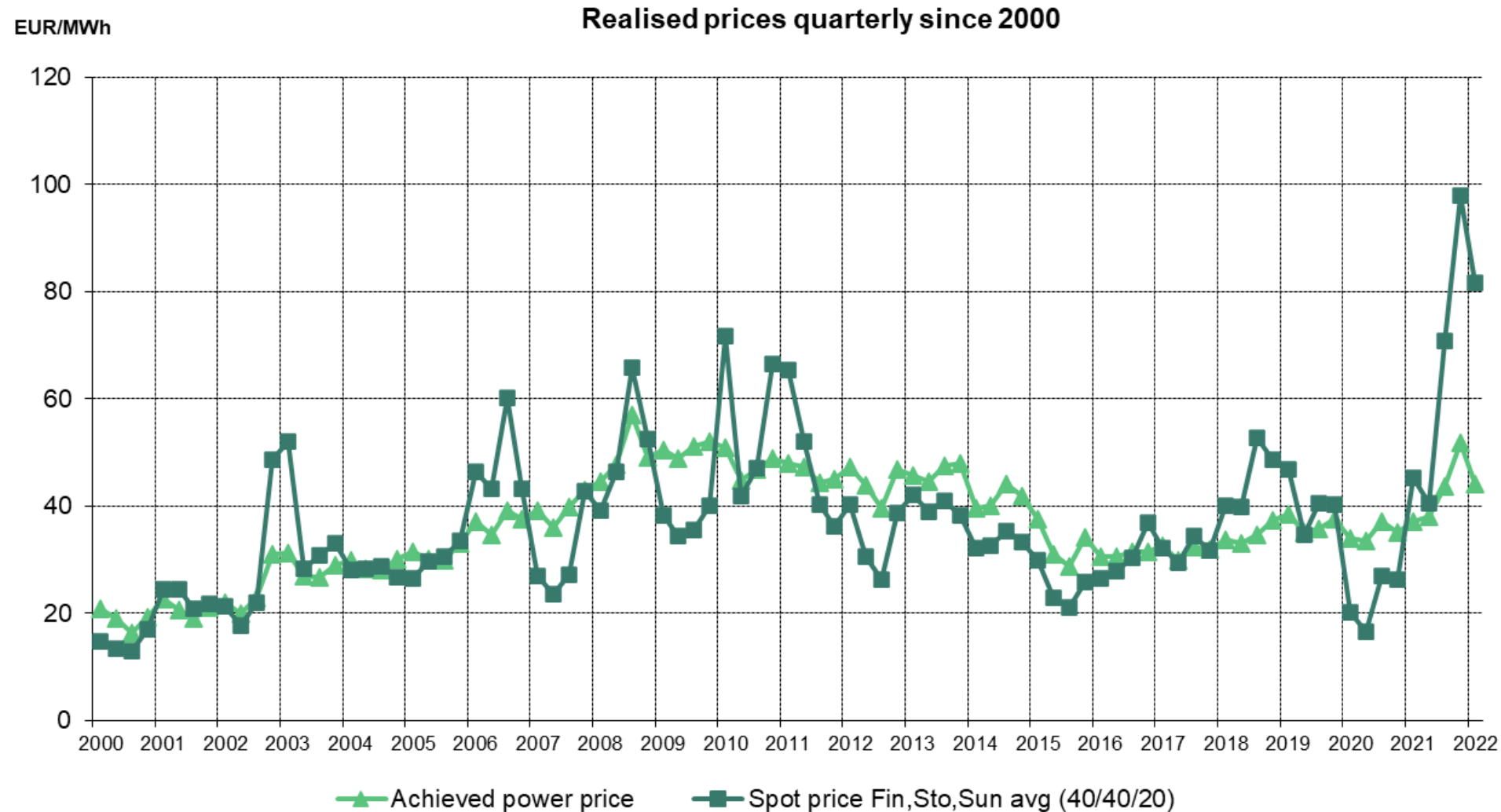
POLAND	MW
Generation capacity, CHP	145

Fortum's evolution and historical strategic route



Hedging improves stability and predictability

— principles based on risk mitigation, (Generation segment)

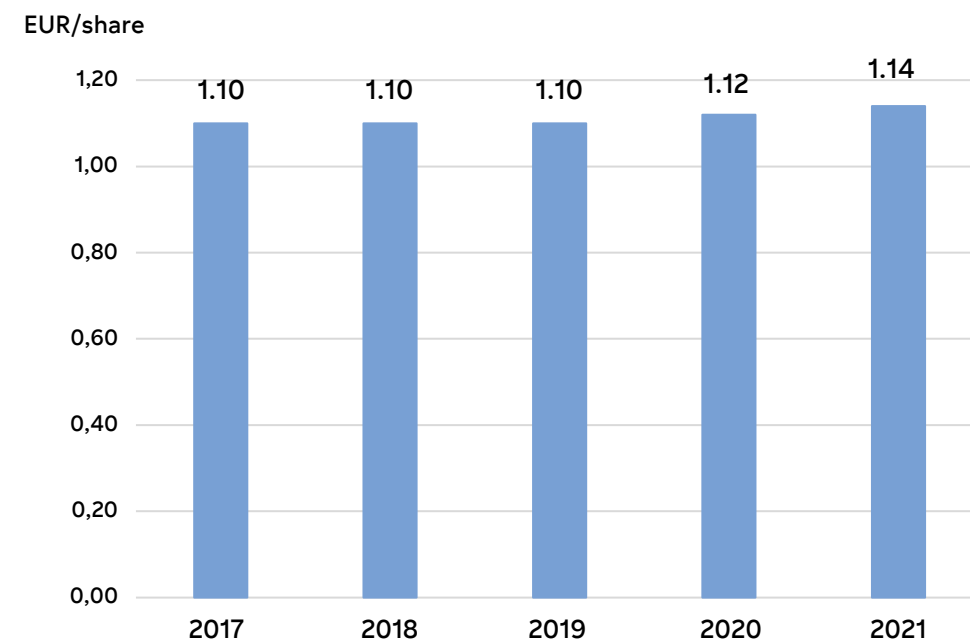


Fortum's dividend policy aiming at increasing dividend

Dividend policy:

“Fortum's dividend policy is to pay a stable, sustainable, and over time increasing dividend.”

Fortum dividends



For more information,
please visit www.fortum.com/investors

Fortum Investor Relations and Financial Communications

Next events:

January-June Half-Year Report 2022 on 12 August 2022

January-September Interim Report 2022 on 10 November 2022

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