

Equity story of

FORTUM – Powering a thriving world

Investor / Analyst material

June 2023

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.

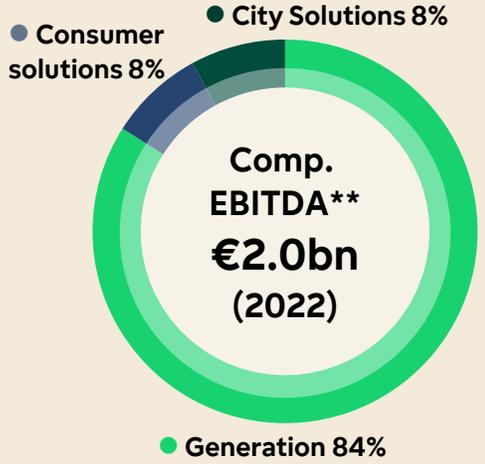
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Fortum is well positioned as a Nordic clean energy provider

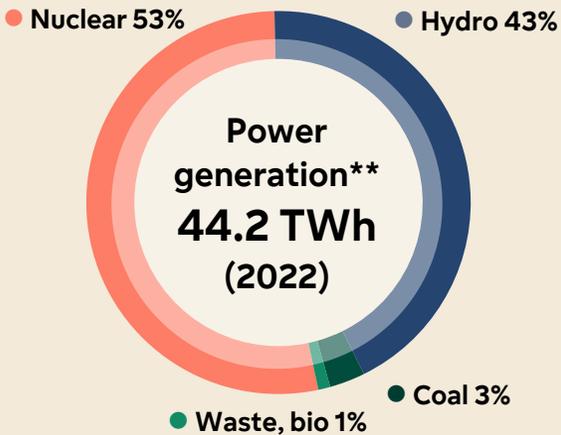
Earnings dominated by clean generation



Key figures** (2022)		
Sales	€ bn	7.8
Comp. Op	€ bn	1.6
Total assets	€ bn	~22
Personnel		4,988

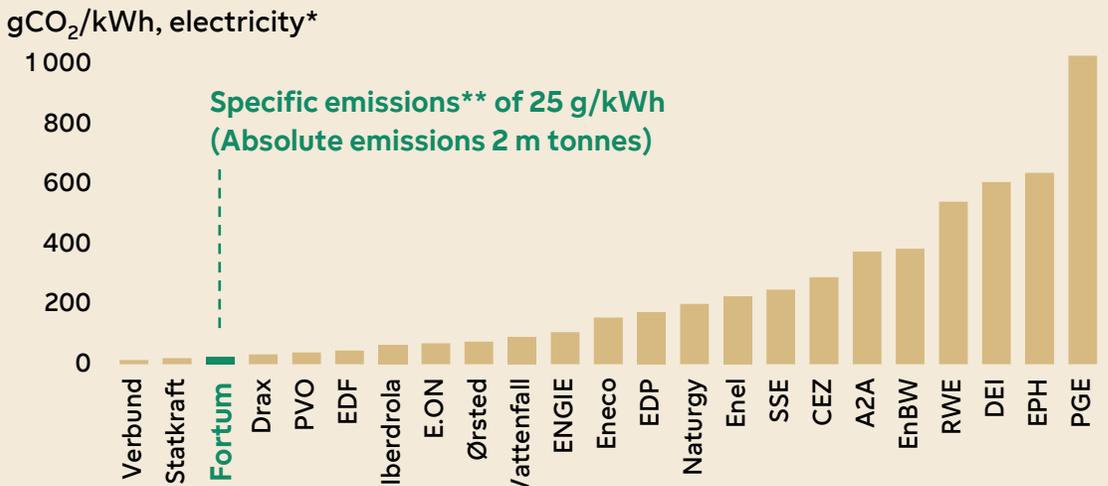
**) Russia excluded

Clean power generation



Generation capacity**, MW		8,576
Hydro		4,653
Nuclear		2,823
Condensing		565
CHP		535

Sustainability is part of our DNA

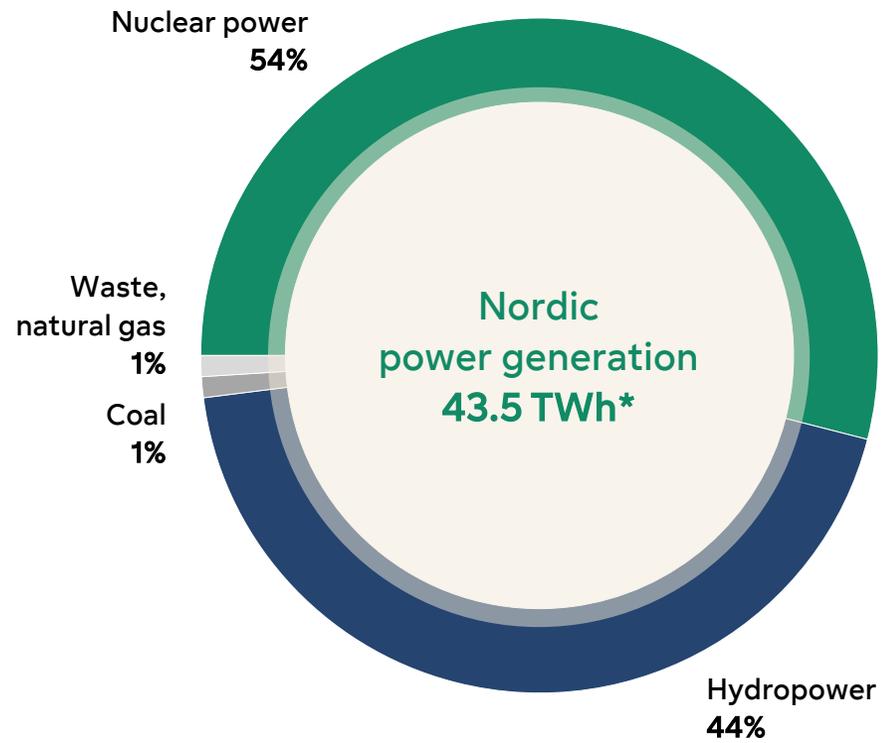


*) Fortum include specific carbon dioxide emissions from power generation in Europe in 2022. All other figures, except Fortum, include European power generation in 2021. For some companies the PwC figures might also include heat production. Source: PwC, October 2022, Climate change and Electricity, Fortum

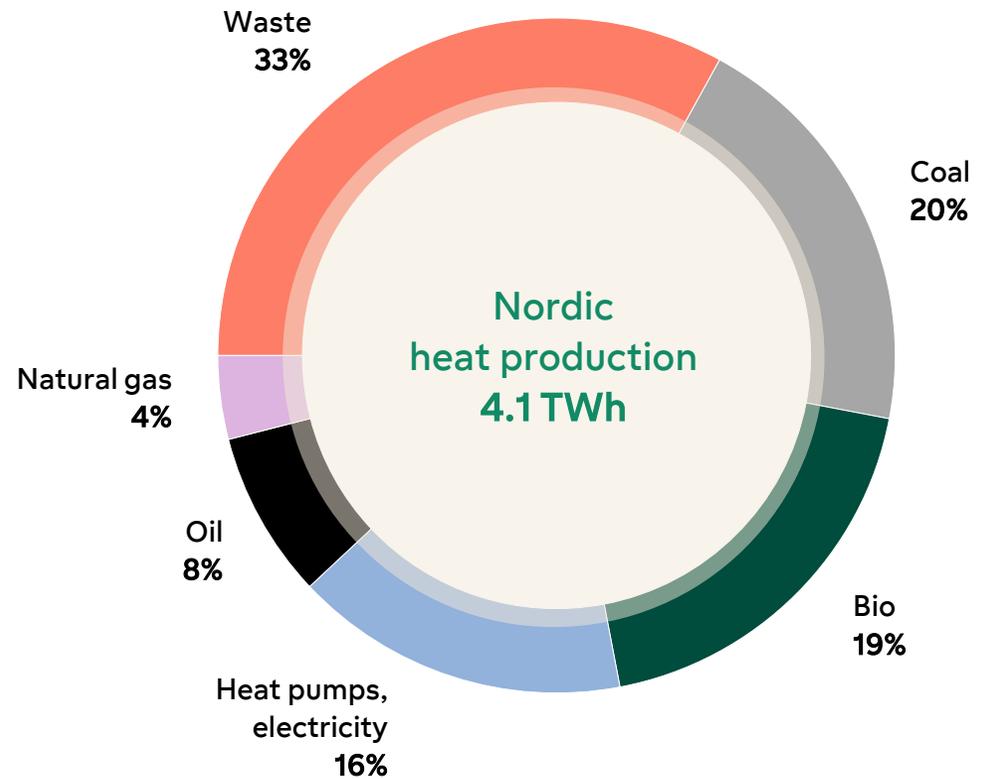
ECPI Sense in sustainability
 STOXX Member 2021/2022 ESG Leaders Indices
 TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
 CDP EXPOSURE & RISK ACTION
 MSCI ESG RATINGS BBB
 MOODY'S ESG SOLUTIONS
 ISS ESG Corporate ESG Performance RATED BY Prime
 ecovadis 2022 Sustainability Rating GOLD

Fortum's Nordic power generation and heat production by source

Fortum's Nordic power generation in 2022



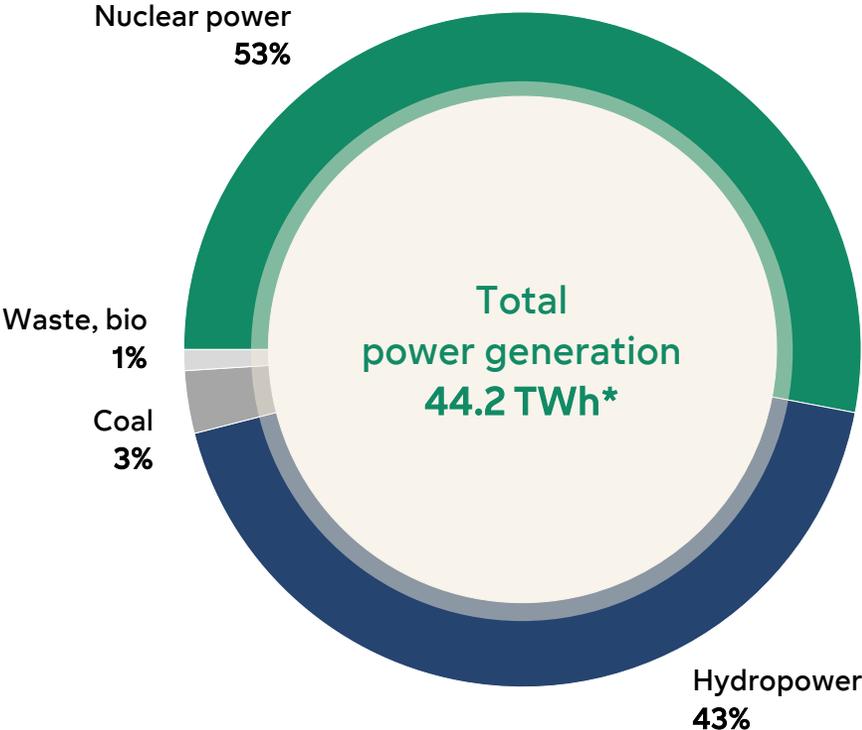
Fortum's Nordic heat production in 2022



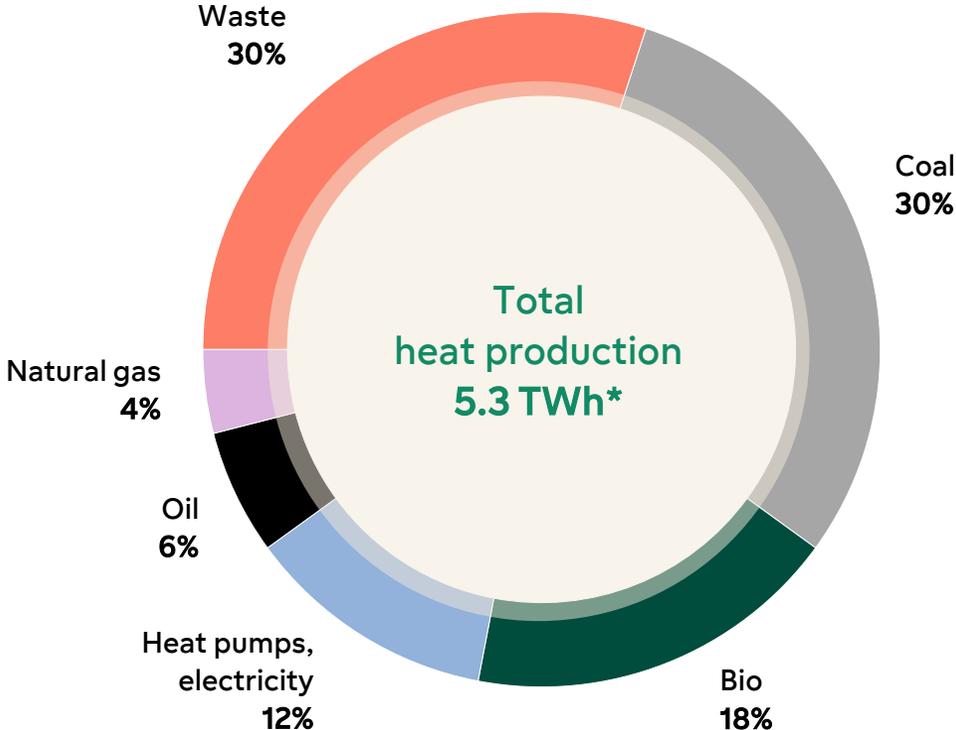
*For continuing operations

Fortum's power generation and heat production by source

Fortum's power generation in 2022

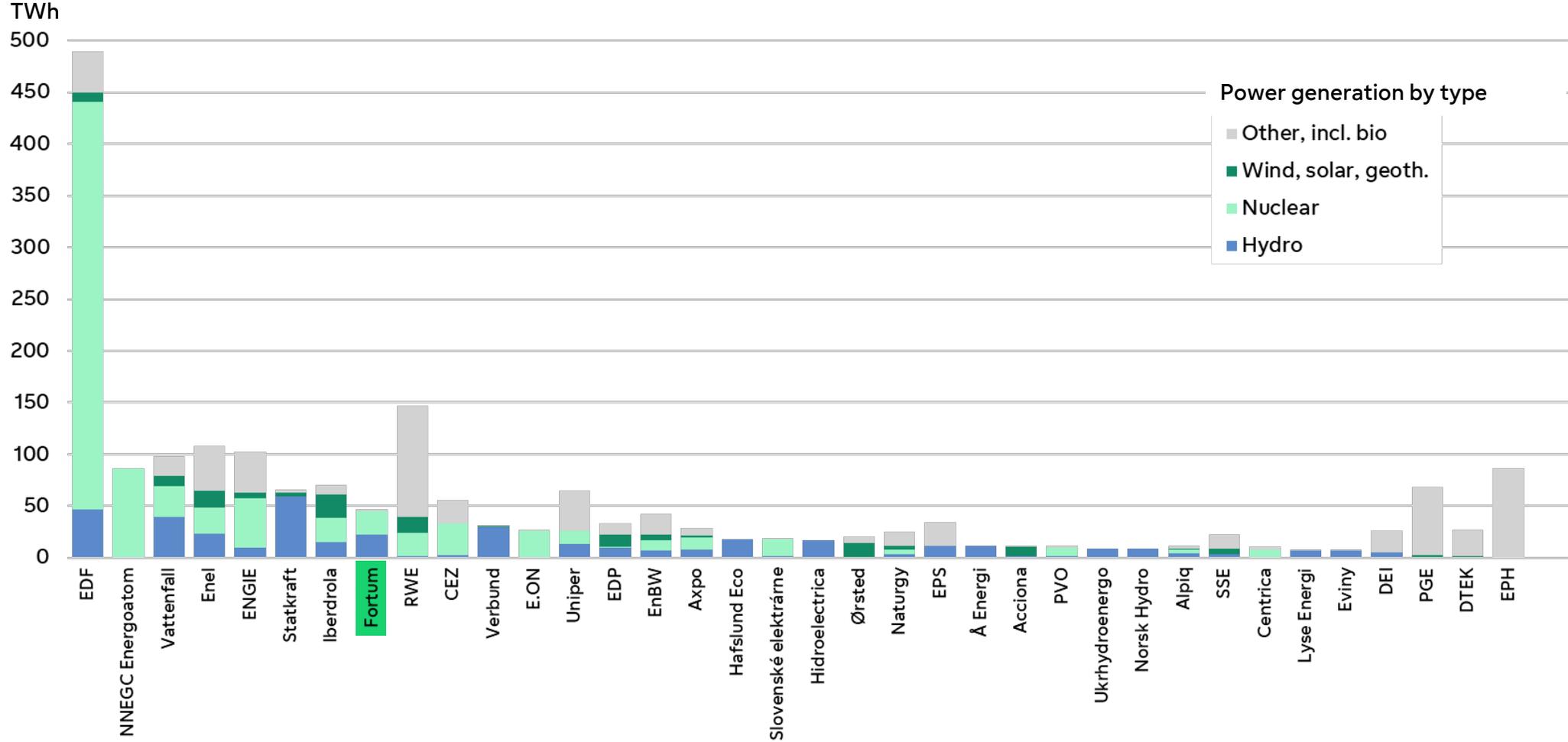


Fortum's heat production in 2022



*For continuing operations excluding Russia

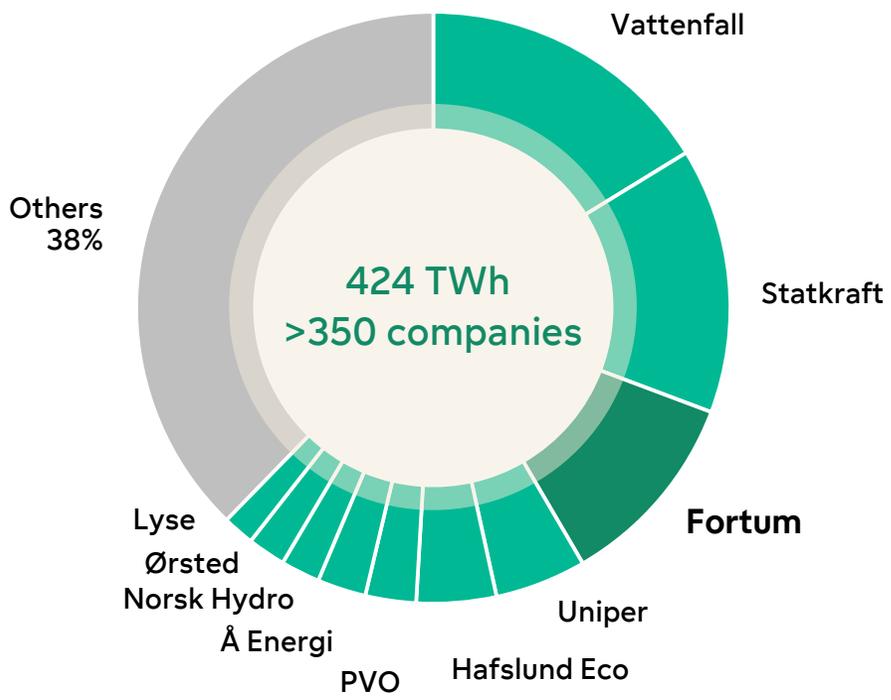
Largest CO₂ free generators in Europe



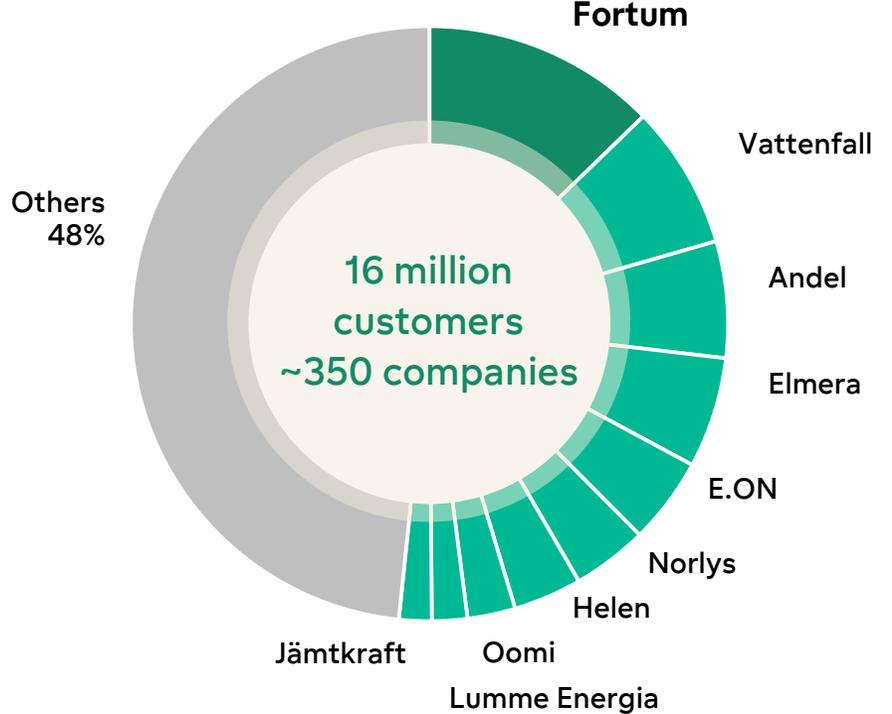
Source: Company information, Fortum analyses, 2021 figures pro forma.
 * Fortum continuing operations. EPH incl. LEAG. Eviny former BKK. Å Energi is formed from Agder and Glitre.

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 2021 figures. Fortum continuing operations. Å Energi is formed from Agder and Glitre. Elmera is former Fjordkraft. Andel and Norlys incl. also gas customers.

Our purpose is

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

STRATEGIC PRIORITIES

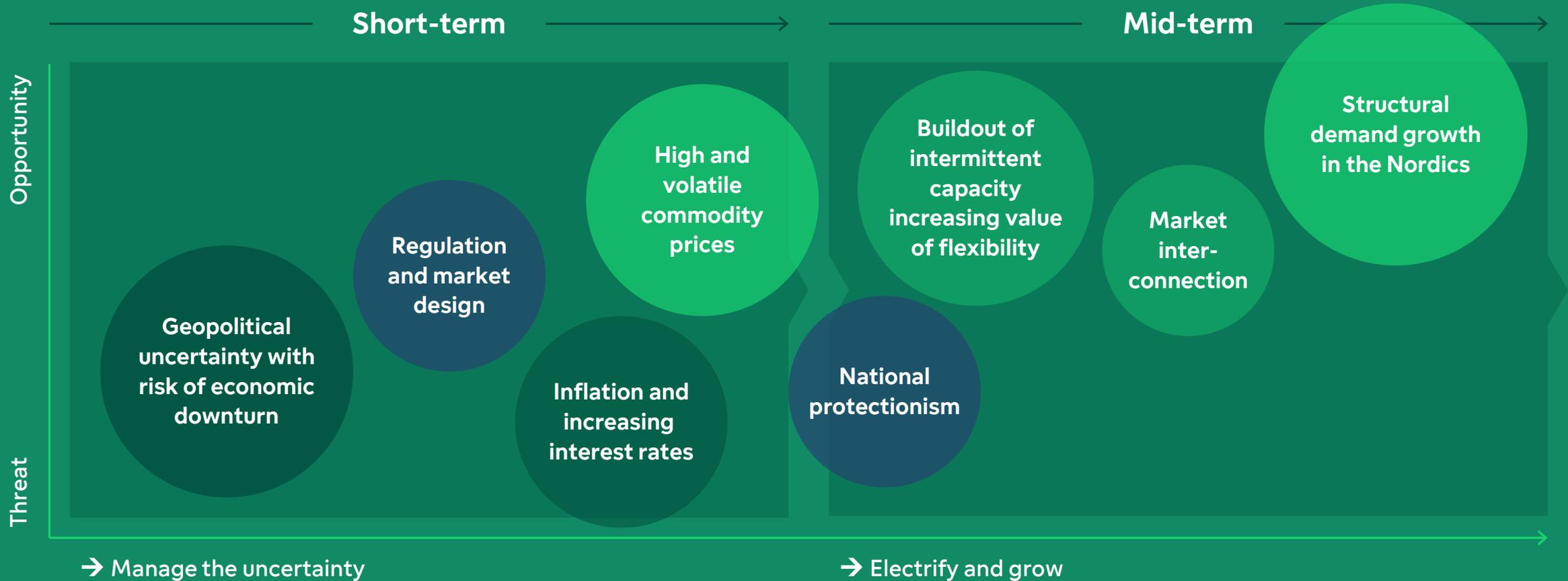
**Deliver reliable
clean energy**

**Drive
decarbonisation
in industries**

**Transform
and develop**

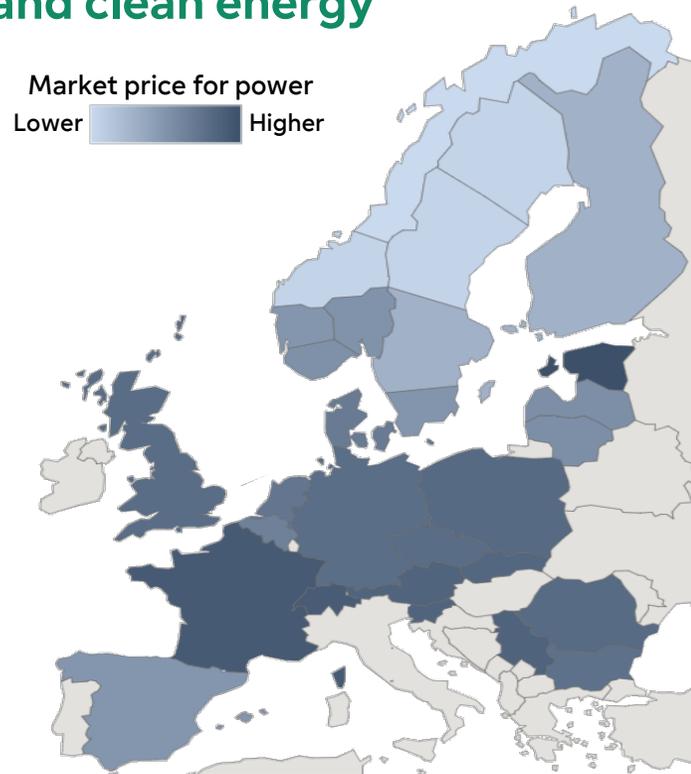
We help societies to reach carbon neutrality and our customers to grow and decarbonise their processes in a reliable and profitable way, in balance with nature.

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

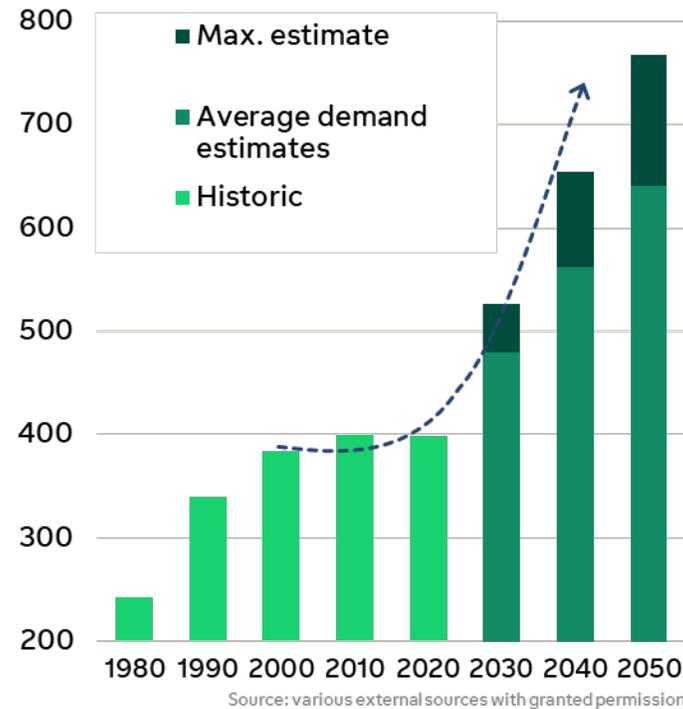


Nordic power market with clean power and competitive prices to accelerate demand for Nordic clean energy

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



Nordic power demand driven by decarbonisation and electrification



Energy-intensive industrials need significant amount of clean power

Examples of publicly disclosed potential projects, not Fortum assigned



Green steel production using hydrogen



Battery production



Data centers: Google, Microsoft and Amazon



Green fuels: Liquid Wind, Maersk

How our strategy translates into shareholder value creation

VALUE CREATION

STRATEGIC PRIORITIES

Deliver reliable clean energy

Drive decarbonisation in industries

Transform and develop

CLIMATE AND ENVIRONMENTAL TARGETS

Carbon neutrality

→ Best-in-class operations

→ Selective growth

→ Improved competitiveness

→ Tighter climate targets



Hydro



Consumer business



Nuclear



Heating and cooling



Explore H2



Renewables



Explore SMR



Improve efficiency



De-risking



Carbon-neutrality



ESG central to decision making

Deliver reliable clean energy in the Nordics – the base for success

Best-in-class operations

Develop our best-in-class operations for efficiency, flexibility and optimisation

- Excel in operational efficiency and ensure high availability and load factors
- Run fleet cost efficiently
- Secure and increase flexibility of our assets
- Invest in productivity and lifetime extensions to develop and maintain scale
- Maintain high level of physical and financial optimisation
- Safety is the license to operate

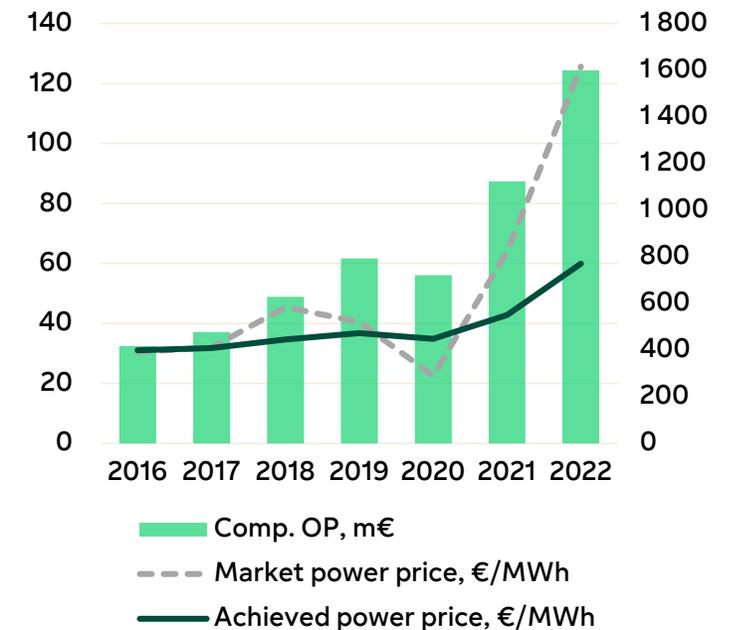
Continue to decarbonise and modernise operations

- Continue decarbonisation of heating and cooling in Finland and in Poland to reduce emissions and ensure competitiveness

Strong capability to optimise

~45 TWh

outright hydro and nuclear portfolio in volatile environment



Drive decarbonisation in industries

Disciplined capital allocation with profitable projects

Selective growth

Partner with strategic customers

- Focus on electricity intensive industries
- Offer long-term contracts to enable industrial decarbonisation

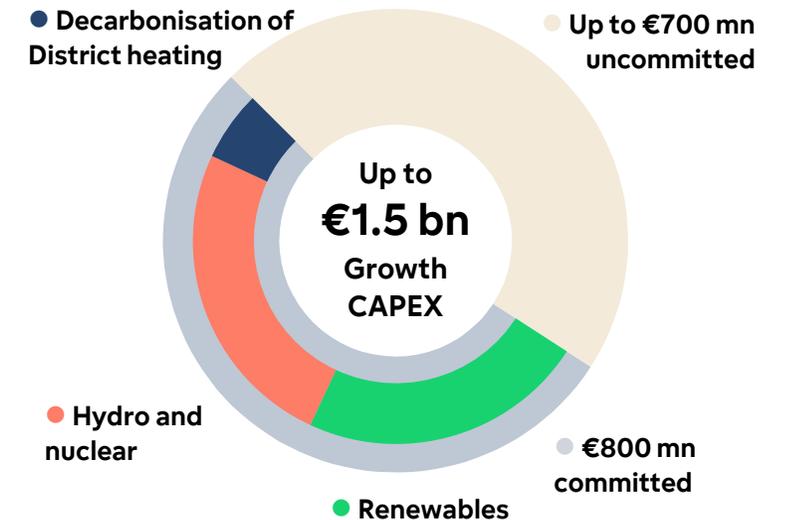
Develop and build new clean power in the Nordics

- Develop strong pipeline for selective growth in renewables through PPAs and LTCs with customers
- Assess growth options for CO₂-free power
- Explore business opportunities in nuclear (SMR) with customers and partner

Drive the development of clean hydrogen in the Nordics

- Explore hydrogen and provide clean power for hydrogen production
- Develop pipeline and explore investment opportunities in clean hydrogen production with customers and partners
- Actively participate to shape the Nordic hydrogen ecosystem

Disciplined growth capex 2023-2025



Committed clean energy solutions in Finland:

- Loviisa nuclear power plant lifetime extension
- Pjelax wind farm
- Waste heat usage from Microsoft data centres

Transform and develop to ensure value creation

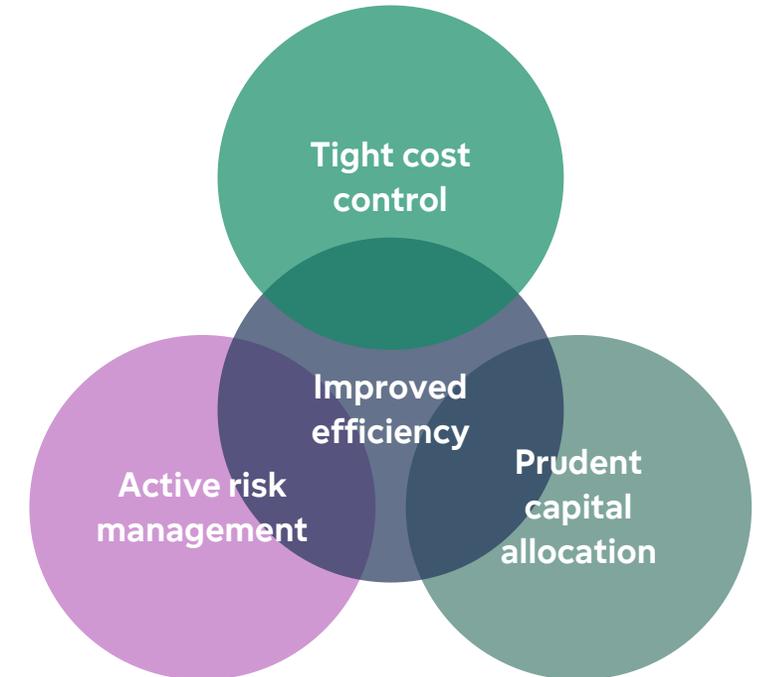
Improved competitiveness

Improve efficiency

- Recalibrate cost base - shrink to fit new business structure
- Prudent capital allocation

Manage and reduce business risk

- Reduce merchant exposure by partnering with customers in strategic projects and long-term contracts for power on both existing and new generation
- Actively balance between market, counterparty and liquidity risks
- Drive development of regulation and market design



Aiming to become leader in sustainability with tight targets

Tighter climate targets

Carbon neutrality by 2030
(Scope 1, 2, 3)

Previous target: for the Group by 2050

Coal exit by end of 2027

Previous target: by the end of 2035/38

Commitment to SBTi 1.5°C
climate target*

Previous target: N/A

Specific emission target of below
10g/kWh by 2028 (power)

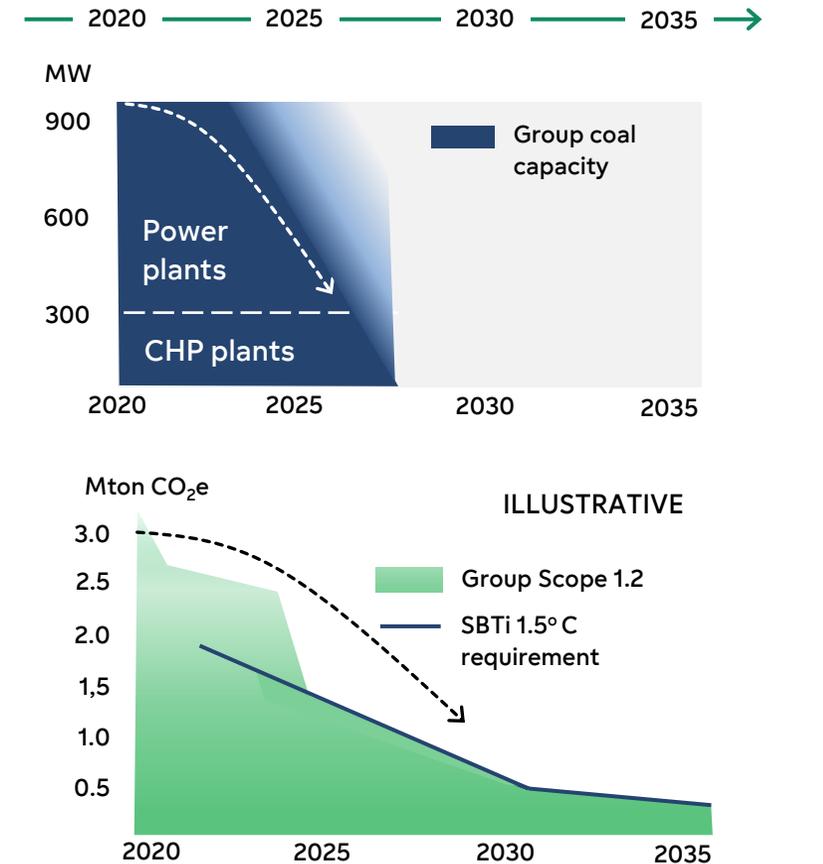
Specific emission target of below
20g/kWh by 2028 (total)

Previous target: N/A

Ambitious biodiversity commitment:
Previous target: N/A

- **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 develop science based methodology to assess the aquatic impacts of hydropower.

Carbon neutrality



*Note: SBTi commitment assumes full exit from Russia

Financial targets to create shareholder value

Strong financial foundation

Solid financials

Strong investment grade rating of at least BBB

Financial net debt-to-Comp EBITDA of 2-2.5 times

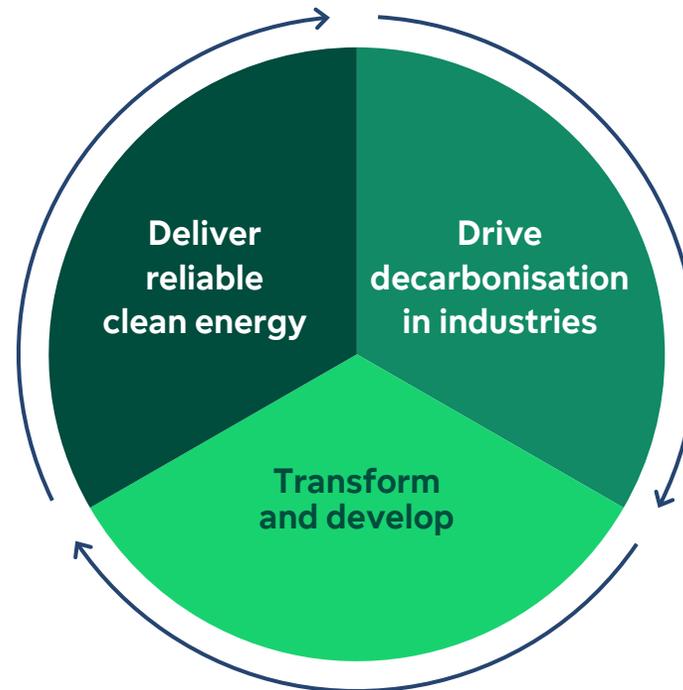
Dividend policy

Payout ratio of 60-90% of Comparable EPS

Dividend of €0.91 for 2022

Payments in two annual instalments (Q2 and Q4)

Clear framework for value creation



Financial discipline

Selective capital allocation with profitable growth

For the years 2023-2025:

Total CAPEX up to €2.4 bn of which

- €0.9 bn maintenance
- Up to €1.5 bn growth

Investment hurdles of project WACC + 150–400 bps

Sustainability targets

Environmental targets

Social targets

- Safety targets (TRIF < 1)

Phased strategy execution to manage the uncertainty

Short-term →

‘Manage the uncertainty’

Optimise the operation of the generation portfolio and manage the business risk

Focus on earnings and cash flow

Refinance debt portfolio and return to bond markets

Disciplined capital allocation

Dividend according to policy

Mid-term → →

‘Electrify and grow’

Grow in clean energy and partner with industrial customers

Capital allocation with attractive returns

De-risked generation portfolio

Decarbonised operations

Dividend according to policy

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 CO₂ free
generation fleet**

**Prudent capital allocation
with selective growth**

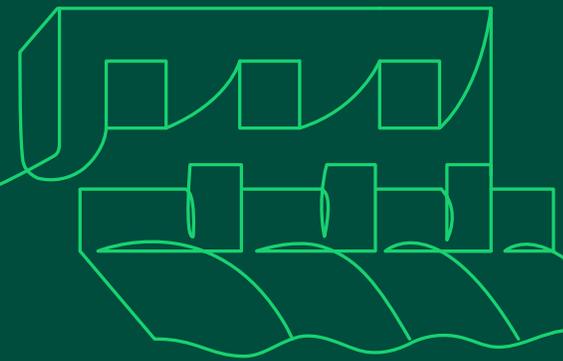


**We have regained our
financial position**

Interim Report January-March 2023

Fortum Corporation

11 May 2023



Markus Rauramo

President and CEO



Unlawful seizure of assets brings Fortum's chapter in Russia to an end

- Latest escalation of the war that Russia started
- De facto seizure of assets under guise of new presidential decree
 - PAO Fortum (Fortum JSC) put “under temporary asset management” by Russian authorities
 - Russian Federation caused the dismissal of PAO Fortum’s CEO and deprived Fortum of its shareholder rights
 - Fortum prepares to defend its shareholder rights
- Financial impact in Q2 2023
 - Russian segment to be deconsolidated and reported as discontinued operations
 - Impairments of EUR 1.7 bn and RUB translation effects of EUR 1.9 bn
 - Fortum’s financial situation remains solid
- Over the years Fortum’s total investment in Russia is approximately EUR 6 bn
 - The net cash loss totals approximately EUR 2 billion
 - Most modern and efficient fleet in the market
 - Under Fortum’s ownership, the power plants have been well-operated, well-maintained and Fortum has ensured secure energy supply to its customers

Fortum is moving forward and renewing – Strong start for clean power generation in Q1

- ‘Power to renew’ strategy including financial and environmental targets announced in March 2023
 - The renewed Fortum is built on strong earnings power, clean power generation at scale, and very low specific emissions.
- Strategic focus on the Nordic market:
 - Deliver clean energy reliably
 - Drive decarbonisation in industries
 - Transform and develop
- Solid results in Q1 2023 support strategy implementation

Execution of our new strategy off to a good start

Deliver reliable clean energy

Ensuring long term productivity and security of supply

- New operating license for Loviisa nuclear power plant until 2050 (170 TWh of CO₂ free power)
- Ongoing rebuild of Forshuvud hydropower plant in Sweden
- Commissioning of TVO's third Olkiluoto nuclear power plant unit

Drive decarbonisation in industries

Partnering with strategic customers and developing projects to enable growth

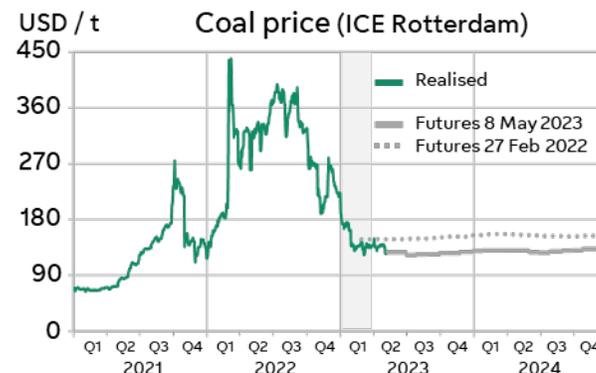
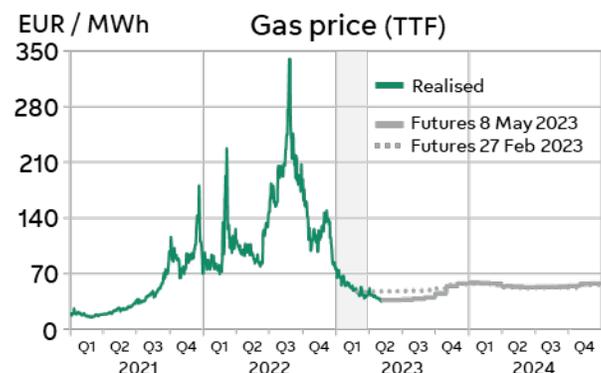
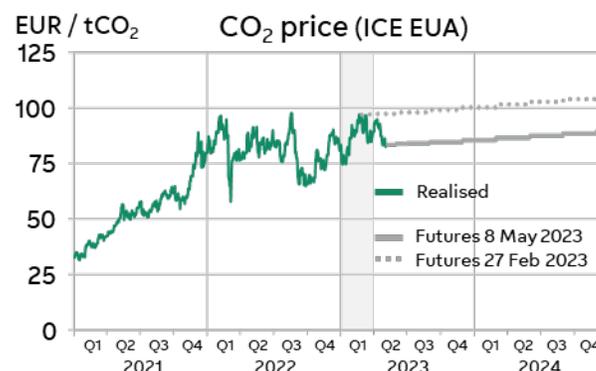
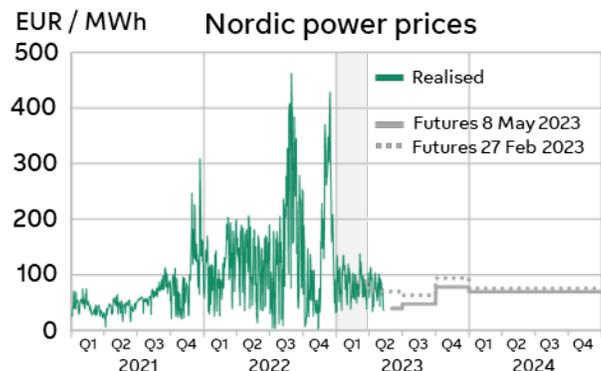
- Nuclear feasibility study on SMRs and conventional nuclear with various industrials
- Pre-feasibility study with Finnish Metsä Group on processing of wood-derived carbon dioxide
- Building a strong pipeline of LTCs and PPA agreements

Transform and develop

Restructure organisation to fit for purpose

- New Fortum Leadership Team
- Transformation into a more customer-oriented company
- Stronger emphasis on the one-company mindset, value creation and performance management
- Efficiency improvement
- Manage and reduce business risk

Energy prices remain elevated, but down from 2022 peaks



Gas and Continental power drive Nordic power prices

- Gas prices plummeted on a newly found delicate balance of LNG-dominated supply and reduced demand.
- Comfortable gas storage levels (~55% at end-Q1) are adding confidence to Europe's security of supply in the near-term.
- Nordic power prices softened on lower natural gas and Continental power prices. Very mild weather, lower demand and higher hydrology in the Nordics put downward pressure on the prices.

Source: Refinitiv, Bloomberg
Daily market prices 8 May 2023; 2023-2024 future quotations

Strong performance driven by clean power generation

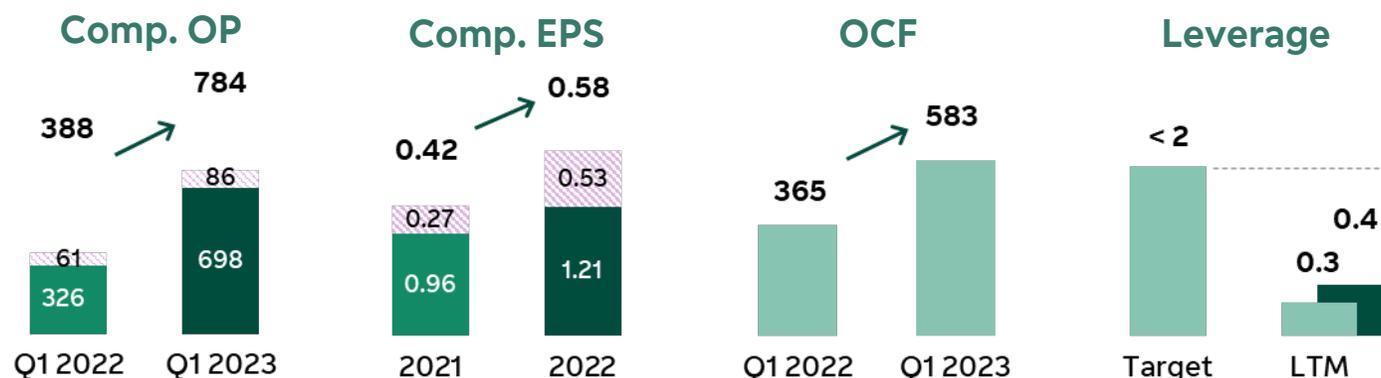
Q1/2023

First quarter earnings dominated by clean power generation. The higher achieved power price translates into substantially higher earnings in the Generation segment

Strong operating cash flow

Leverage at a very low and healthy level

Key financial indicators for continuing operations



- Fortum Group
- Excl. Russia
- ▨ Russia

Tiina Tuomela

CFO



Strong start for the year

– Key financials for continuing operations

MEUR	I/2023	I/2022	I/2023 (excl. Russia)	I/2022 (excl. Russia)	LTM	2022	LTM (excl. Russia)	2022 (excl. Russia)
Sales	2,552	2,162	N/A	N/A	9,194	8,804	N/A	N/A
Comparable EBITDA	891	527	781	435	2,800	2,436	2,371	2,025
Comparable operating profit	784	388	698	326	2,267	1,871	1,982	1,611
Comparable profit before income taxes	659	485	N/A	N/A	2,188	2,014	N/A	N/A
Comparable net profit	517	375	483	228	1,692	1,550	1,331	1,076
Comparable EPS	0.58	0.42	0.54	0.26	1.90	1.74	1.49	1.21
Net cash from operating activities	583	365	N/A	N/A	2,322	2,104	N/A	N/A
Financial net debt / Comp. EBITDA	N/A	N/A	N/A	N/A	0.3	0.4	0.4	0.6

Significant impact of clean power generation

- Comparable Operating Profit and EPS improved
- Solid credit metrics with Financial net debt / Comp. EBITDA at 0.4x
- Strong net cash from operating activities

Strong results and operational performance in the Generation segment

Q1/2023

Generation

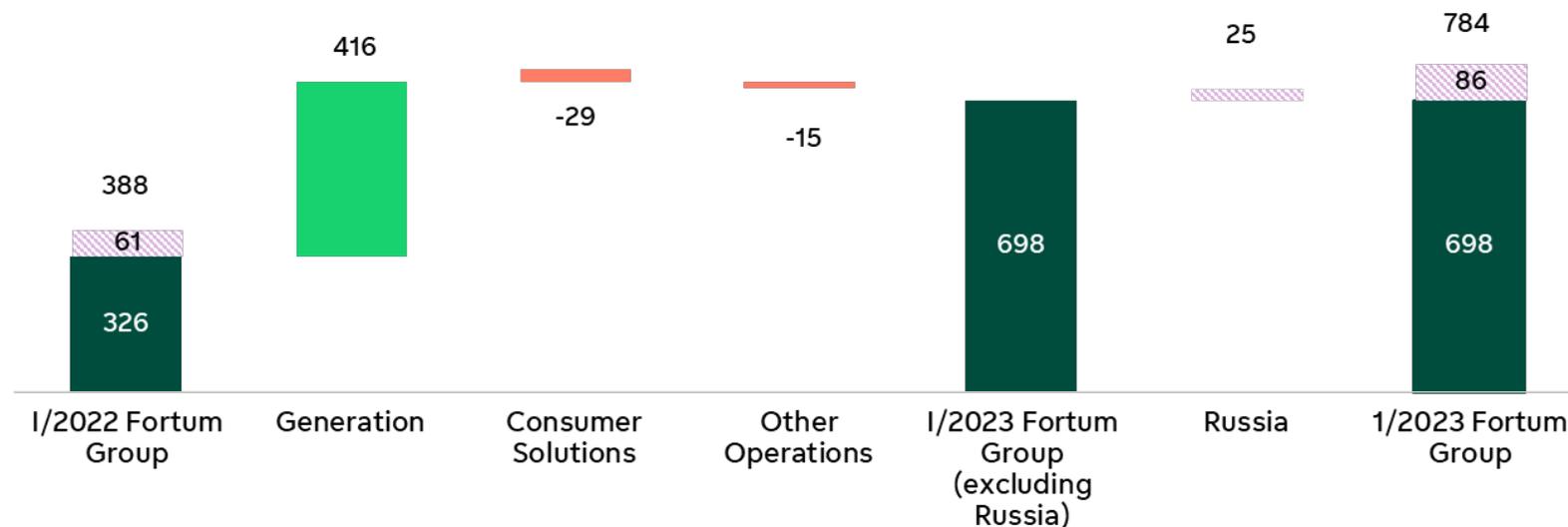
The higher achieved power price, supported by higher hedge price, strengthened earnings

Consumer Solutions

Earnings down significantly due to customer outflow from certain hedged customer contracts in volatile market conditions

Reconciliation of comparable operating profit

(EUR million)  = Russia



Solid financial position

- Balance sheet as per 31 March 2023 – including Russia

MEUR	31-Mar-23	31-Dec-22
Property, plant and equipment and right-of-use assets	7,170	7,266
Derivative financial instruments	1,633	1,829
Interest-bearing receivables	1,321	1,284
Intangible assets	629	657
Participations in associates and JVs	1,265	1,249
Shares in Nuclear Waste Funds	983	966
Inventories	439	465
Margin receivables	1,314	2,607
Other assets including trade receivables	2,851	3,400
Liquid funds	3,729	3,919
Total assets	21,334	23,642

MEUR	31-Mar-23	31-Dec-22
Total equity	9,793	7,737
Derivative financial instruments	2,487	4,729
Interest-bearing liabilities	6,167	7,785
Nuclear provisions	983	966
Other provisions	106	118
Pension obligations, net	12	13
Other	538	285
Margin liabilities	218	352
Trade and other payables	1,030	1,657
Total equity + liabilities	21,334	23,642

● IFRS equity up quarter-on-quarter impacted by hedging effect

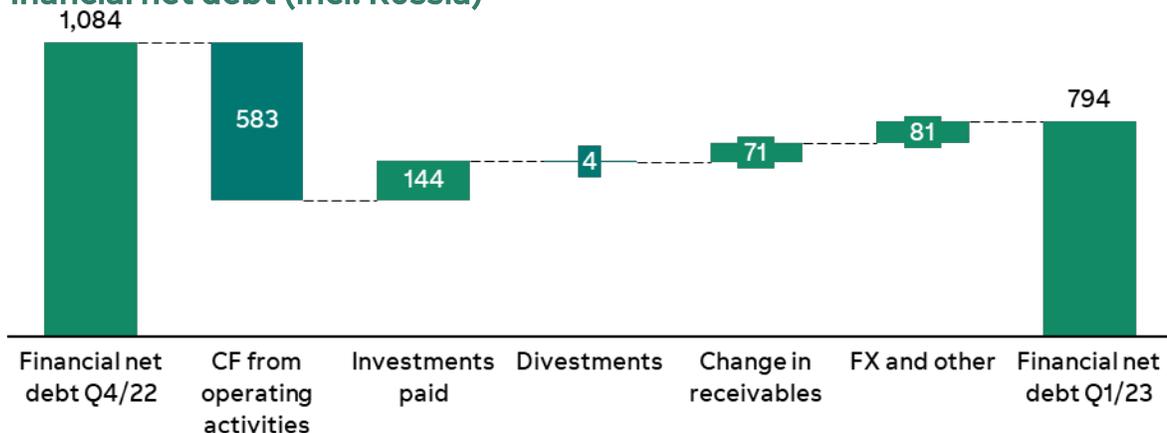
● Lower gross debt due to repayments due to improved cash flow

● Lower net margin receivables (EUR 1.1 bn) due to lower forward prices and delivered Q1 products

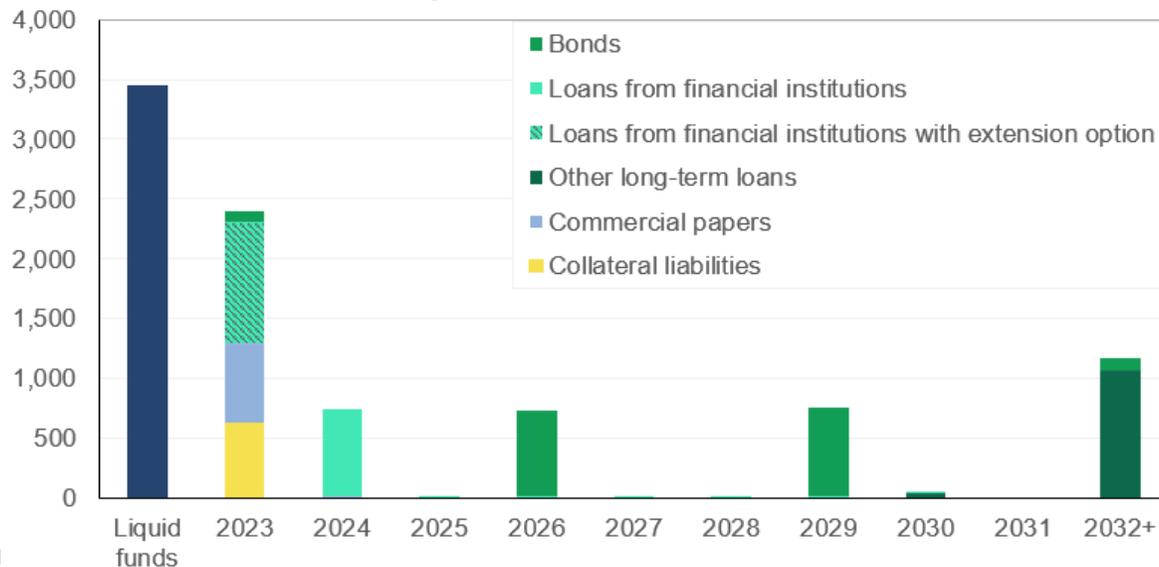
● Solid liquid funds

Leverage at very low level, net and gross debt down

Financial net debt (incl. Russia)



Contractual maturities, as per 31 March 2023, (excl. Russia)



Solid credit metrics

S&P Global Ratings

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

Fitch Ratings

'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 31 March 2023:

Total loans of EUR 5.9 bn excl. Russia and lease

- Average interest rate for Fortum Group loan portfolio incl. derivatives hedging financial net at 3.9% (2022: 3.7%).
- Average interest for euro-loans at 3.2% (2022: 3.1%)

Liquid funds of EUR 3.4 bn excl. Russia

- Undrawn credit facilities of EUR 5.9 billion

Outlook

Generation segment Nordic hedges:

For the remainder of 2023: 70% at EUR 50/MWh

For 2024: 45% hedged at EUR 43/MWh
(at the end of 2022: 45% at EUR 42/MWh)

Capital expenditure guidance:

(excluding Russia)

The capex for 2023 is expected to be EUR 700 million, including appr. EUR 300 million of maintenance, excluding potential acquisitions

Tax guidance for 2023-2024:

Comparable effective income tax rate for Fortum's continuing operations is estimated to be in the range of 20-23% for 2023, (excluding Finnish windfall tax 19-21%), and 19-21% for 2024.

Russian deconsolidation in Q2 2023:

Russian operations to be discontinued in Q2 2023
Impairments of EUR 1.7 bn and translation effects of EUR 1.9 bn

ILLUSTRATIVE balance sheet of Russian deconsolidation effects

EUR billion	Published 31-Mar-23	Russian impact	Translation difference	Illustrative 31-Mar-23
Other assets	17.6	-1.8	0	15.8
Liquid funds	3.7	-0.3	0	3.4
Total assets	21.3	-2.0	0	19.3

●—● Liquid funds

EUR billion	31-Mar-23	Russian impact	Translation difference	Illustrative 31-Mar-23
Share capital	3.0	0	0	3.0
Share premium	0.1	0	0	0.1
Retained earnings and other equity components	6.6	-1.7	0	4.9
Retained earnings	10.1	-1.7	-1.9	6.4
Translation of foreign operations and other equity components	-3.5	0	1.9	-1.5
Equity attributable to owners of the parent	9.7	-1.7	0	8.0
Non-controlling interest	0.1	-0	0	0
Totalequity	9.8	-1.7	0	8.1
Interest-bearing liabilities	6.2	-0.2	0	6.0
Other liabilities	5.4	-0.2	0	5.2
Total equity + liabilities	21.3	-2.0	0	19.3

●—●

RUB/EUR FX translation difference (EUR -1.9 bn)
has no impact on Group's total equity – separate
line item inside equity, included in net profit from
discontinued operations

●—●

Russian impairment (EUR -1.7 bn)
affecting equity, included in net profit
from discontinued operations

●—●

Group equity at EUR 8.1 bn

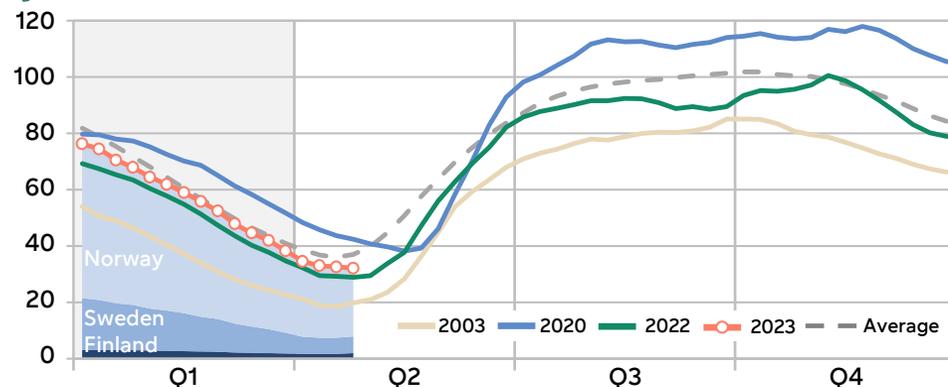
●—●

Interest bearing debt

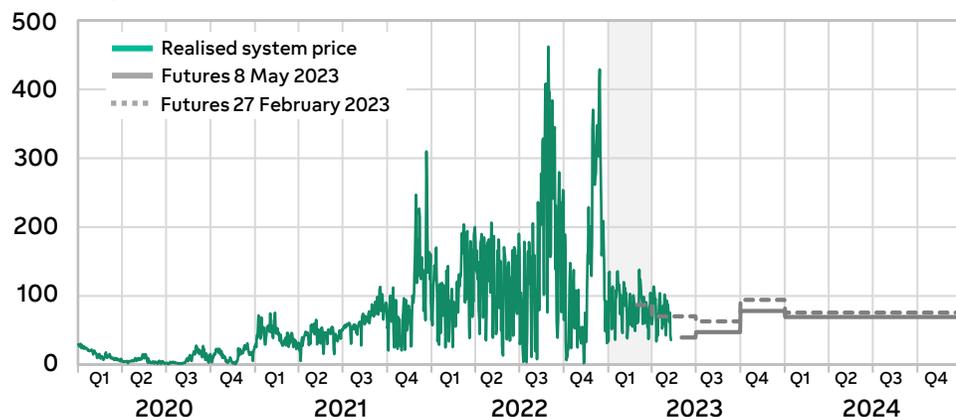
After deconsolidation:
Financial net debt-to-Comp EBITDA:
0.4x
Financial net debt:
EUR 0.9 bn

Nord Pool system price declined on mild weather and lower gas prices

Hydro reservoirs Reservoir content (TWh)



Power price EUR/MWh



Source: Nord Pool, Nasdaq Commodities

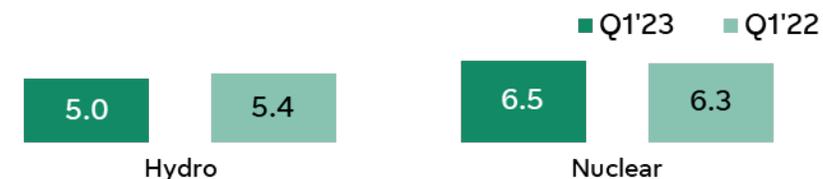
- Compared to the long-term average, Nordic hydro reservoir levels increased from -5 TWh to -3 TWh (rel. normal) during Q1. Both inflow and the hydro generation were somewhat below normal in Q1.
- Mild temperatures in January and February, in combination with high, capacity driven, wind power output in Q1 were contributing to below normal hydropower generation.
- Nordic SYS spot price dropped to a lower price level in January. The average price came down compared to the previous quarter realising at 85 (110) €/MWh in Q1 2023 (Q1 2022).
- Nordic SYS spot price was mainly influenced by the decline in Continental European power price, reduced Nordic demand (mild temperatures + electricity savings) and the declining Nordic hydrological deficit.
- The rest of 2023 futures price dropped from 99 to 70 €/MWh during Q1.
- The calendar year 2024 futures price dropped from 83 to 67 €/MWh during Q1.

Generation: Higher achieved power price

Q1 2023 vs. Q1 2022

- Comparable operating profit more than doubled
- Total power generation in the Nordic countries remained on the same level as in Q1 2022.
- The achieved power price increased by EUR 41.1 per MWh, up by 93%, and was EUR 85.2 per MWh, mainly due to the higher hedge price.
- Hydro generation decreased slightly due to lower hydro reservoir levels compared to the previous year.
- Nuclear volumes were somewhat higher supported by the test generation of TVO's third Olkiluoto power plant unit (OL3).

Volumes (TWh)



MEUR	1/2023	1/2022 restated	2022 restated	LTM
Sales	1,429	985	4,465	4,908
Comparable EBITDA	767	374	1,876	2,268
Comparable operating profit	723	307	1,629	2,044
Comparable net assets	7,042	6,849	6,597	
Comparable RONA %			23.2	29.8
Gross investments	90	50	316	357

Consumer Solutions: Earnings significantly down

Q1 2023 vs. Q1 2022

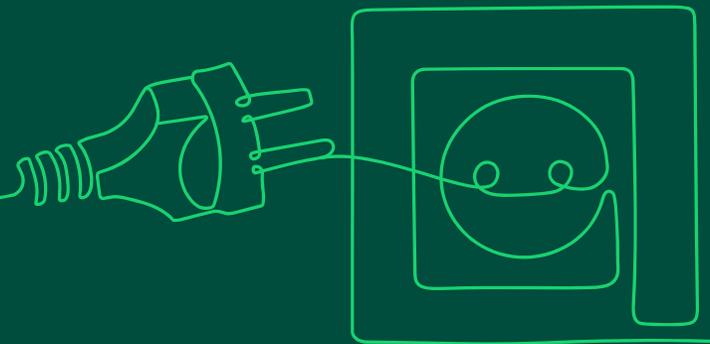
- Comparable operating profit decreased by EUR 29 million and was EUR 6 million mainly due to lower sales margins.
 - Losses due to customer outflow in certain hedged contracts in very volatile and high-price market conditions.
 - Price cap for end-users implemented in Poland.
- The electricity sales volume increased by 4% and the gas sales volume in Poland decreased by 6%.
- High electricity and gas prices continued to lower demand as consumers actively reduced overall electricity consumption and shifted to targeted consumption off peak-hours.

Number of customers ('000)

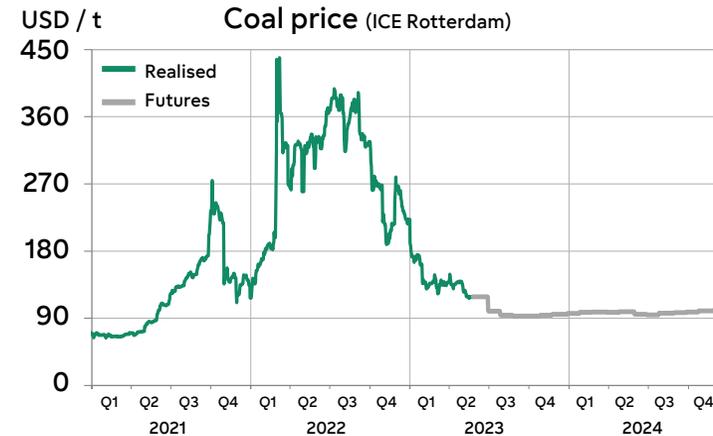
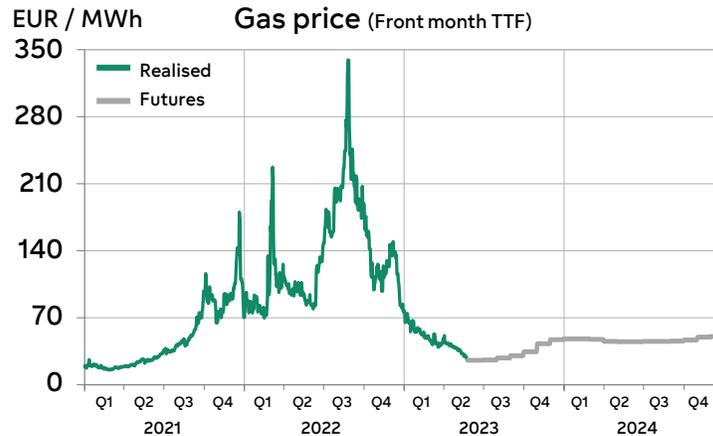
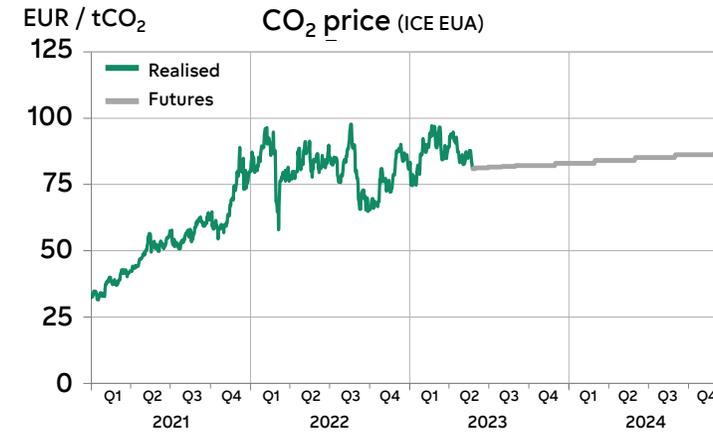
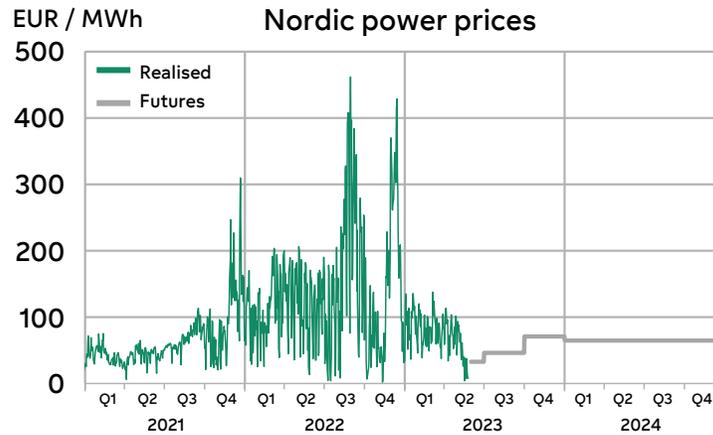


MEUR	1/2023	1/2022 restated	2022 restated	LTM
Sales	1,384	1,168	4,578	4,794
Comparable EBITDA	24	54	173	143
Comparable operating profit	6	35	97	69
Comparable net assets	892	1,001	1,365	
Gross investments	20	16	71	75

Appendices



Energy commodities driving power prices



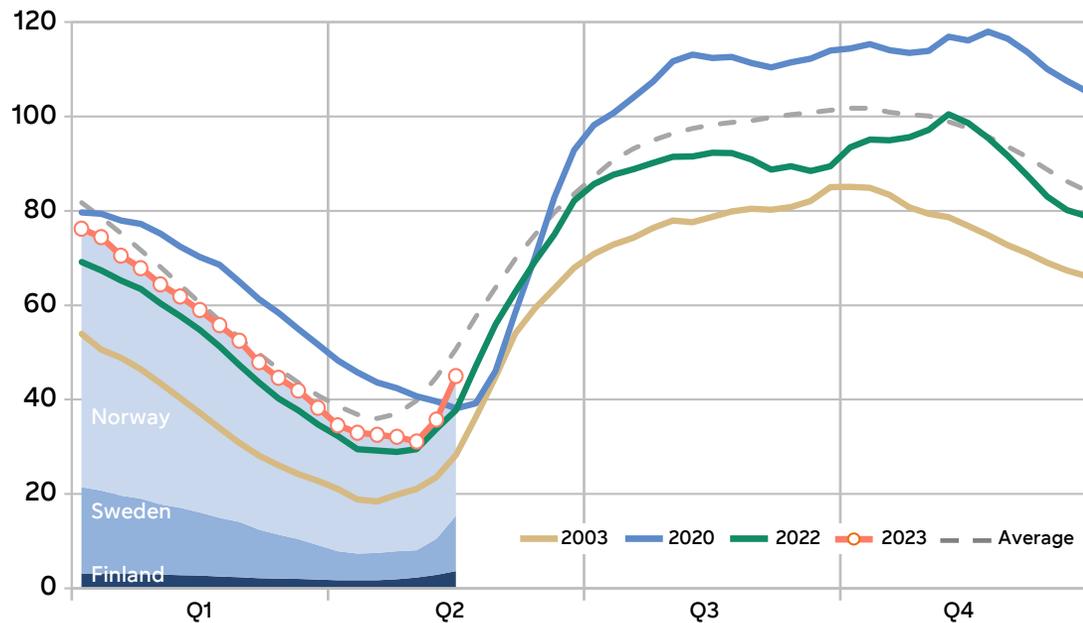
Source: Refinitiv, Bloomberg

Daily market prices 25 May 2023; 2023-2024 future quotations

Nordic hydro reservoirs and wholesale power price

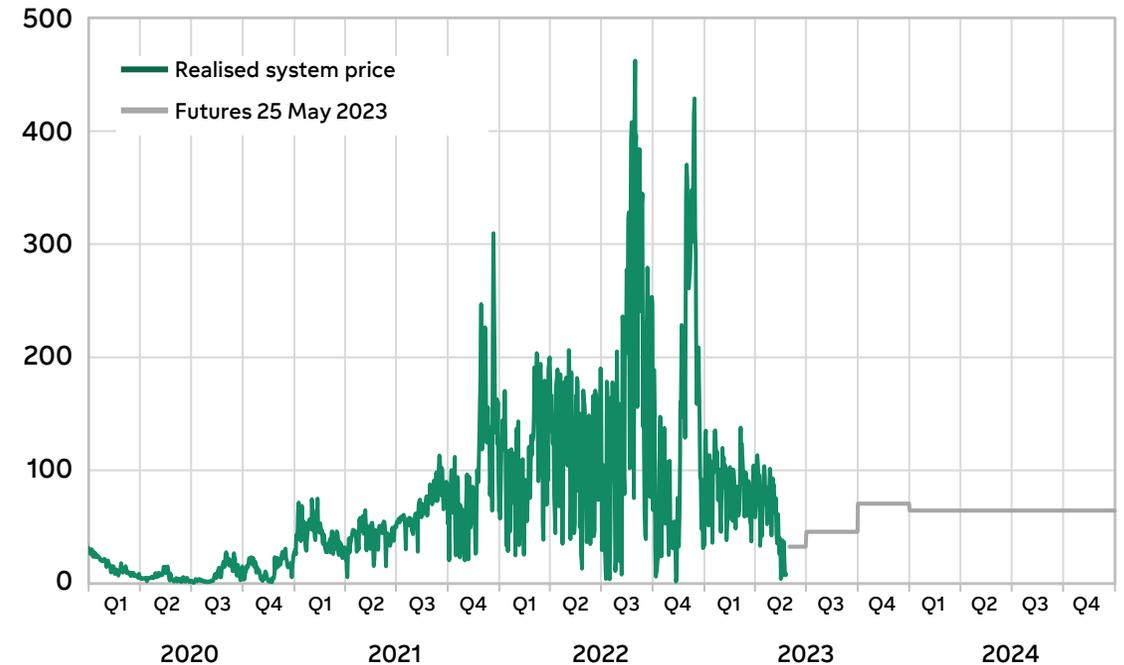
Hydro reservoirs

Reservoir content (TWh)



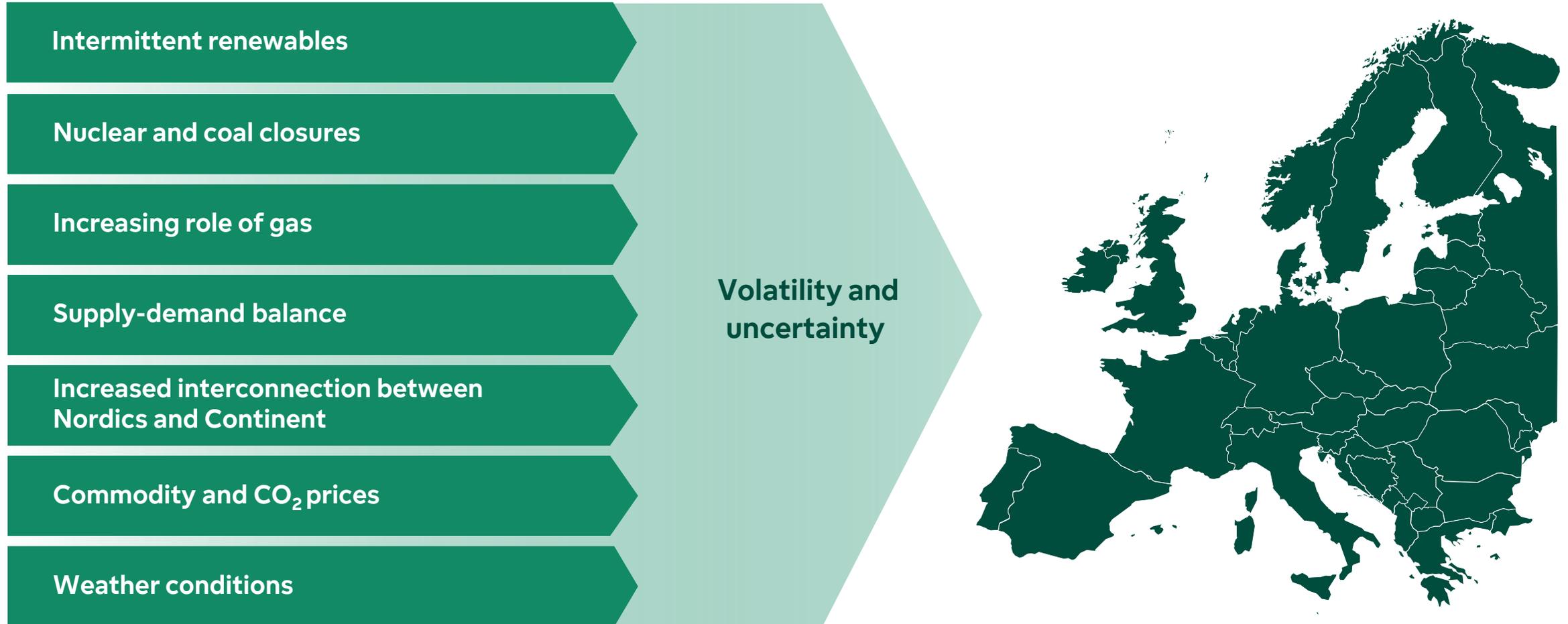
Power price

EUR/MWh



Source: Nord Pool, Nasdaq Commodities

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

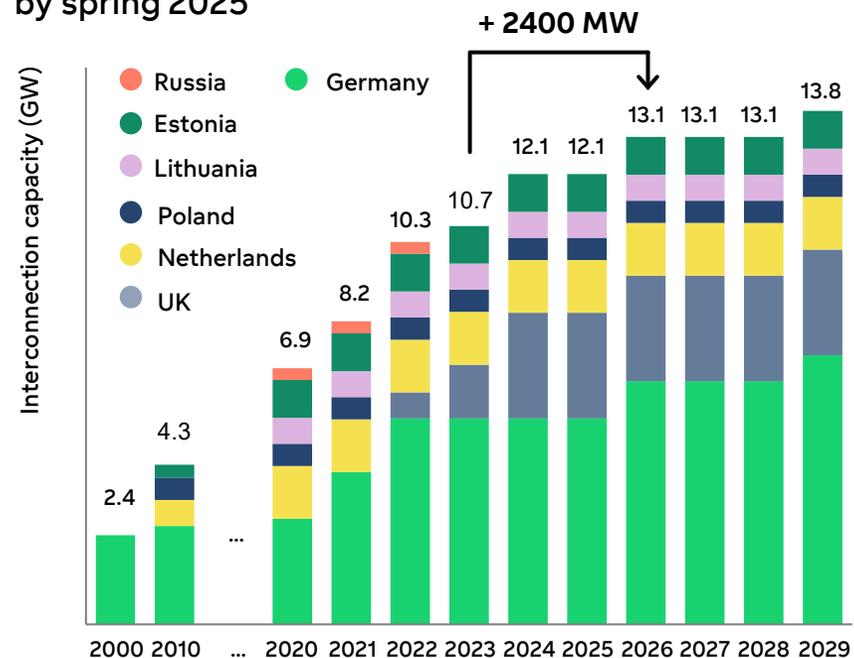


Nordic, Baltic, Continental and UK markets are integrating

– Interconnection capacity growing to over 13 GW by spring 2025

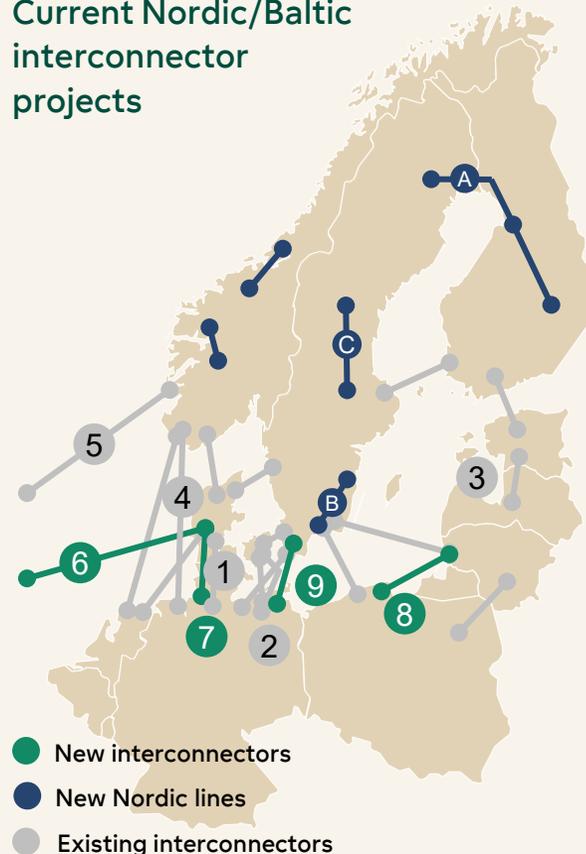
Several new interconnectors have started operation, and more are under construction or decided to be built

New interconnections will increase the Nordic export capacity from the current 10.7 GW to over 13 GW by spring 2025



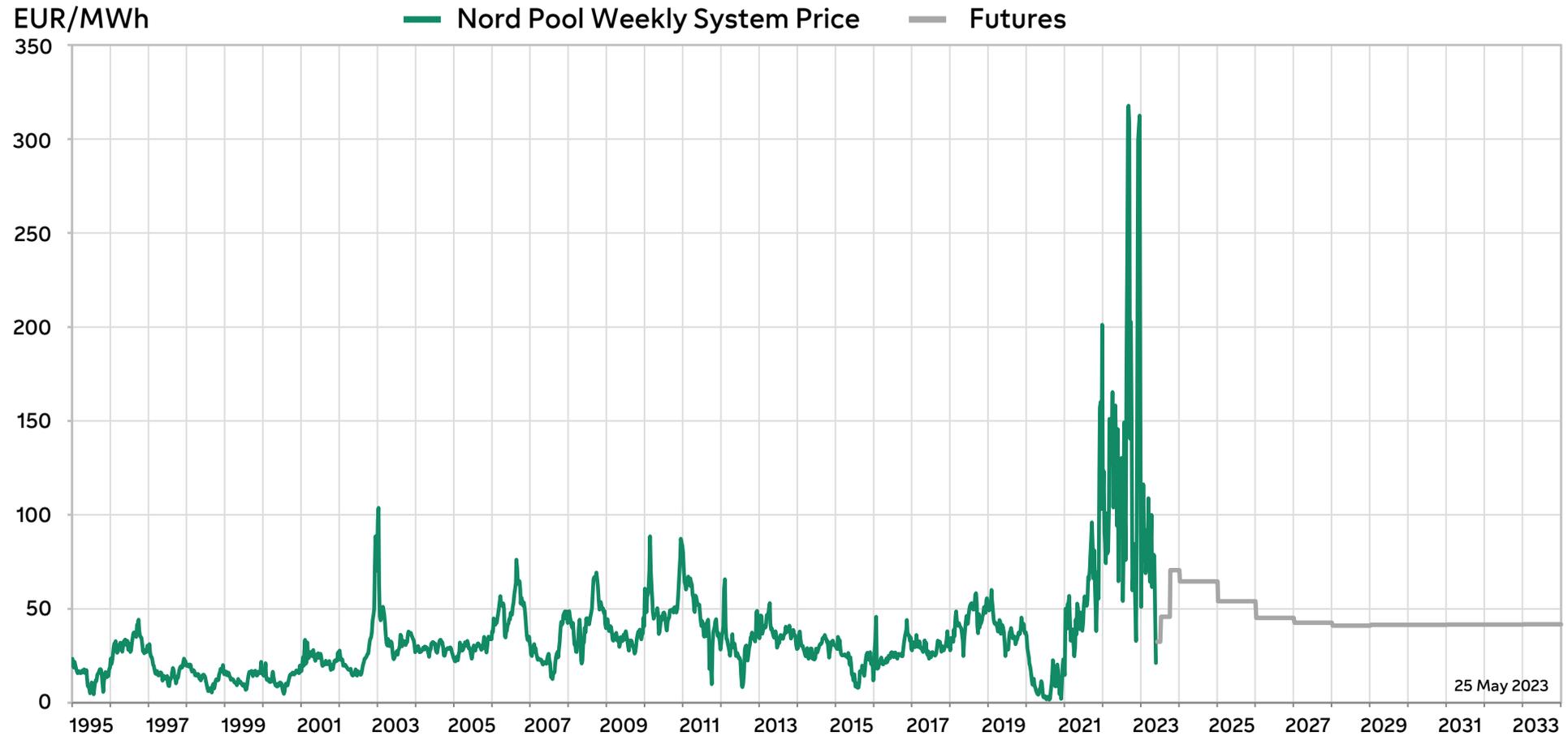
Years in the chart above refer to a snapshot of 1st of January each year.
Source: Fortum Market Intelligence

Current Nordic/Baltic interconnector projects



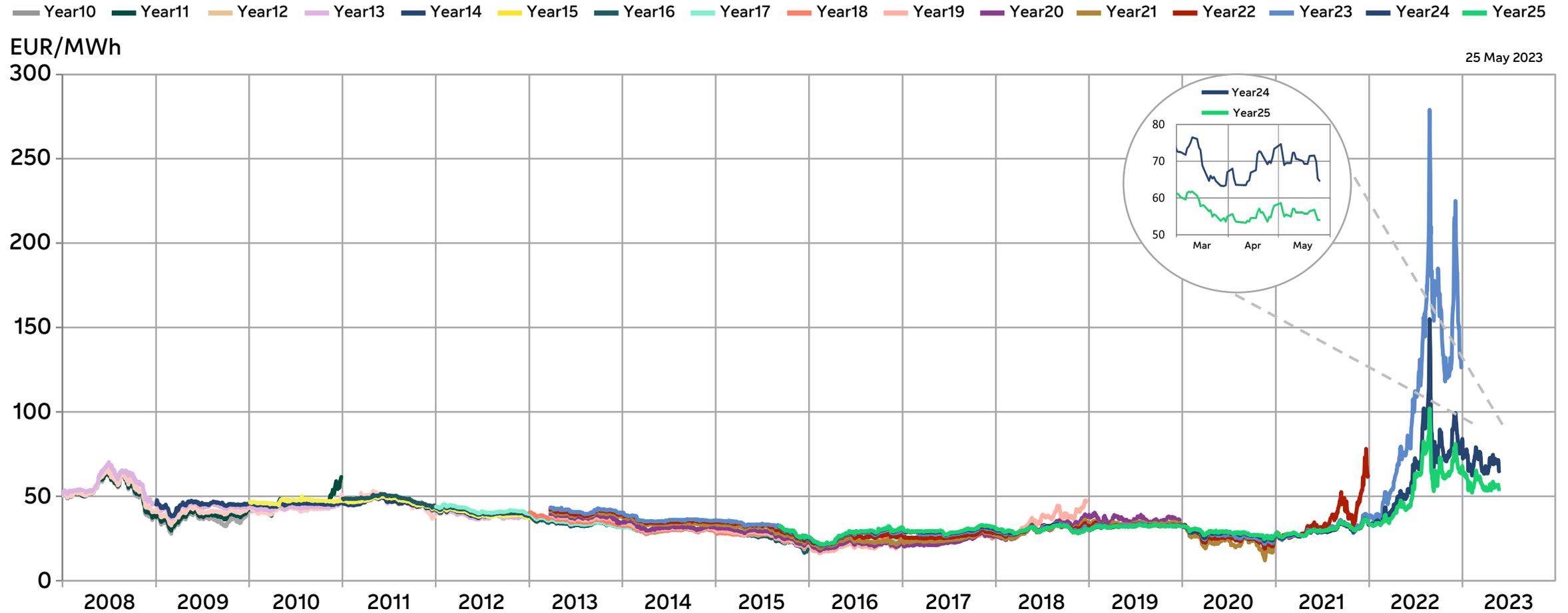
- 1 DK1-DE maximum transmission capacity has been upgraded from 1,780 MW to 2,500 MW in **July 2020**
- 2 New 400 MW DK2-DE connection via Kriegers Flak offshore wind area in operation **December 2020**
- 3 EU's Connecting Europe Facility co-financed 3rd EE-LV transmission line, in operation **January 2021**
- 4 NO-DE NordLink is in commercial operation at maximum export of 1,444 MW from **March 2021**
- 5 NO-UK North Sea Link (NSL) at maximum 1,449 MW has been taken to full commercial use in **June 2022**
- 6 1,400 MW Denmark - UK Viking Link is being built to be ready by **end-2023**
- 7 DK1-DE capacity to grow by further 1,000 MW to 3,500 MW with a new 400 kV line by **Q1/2025**
- 8 700 MW LT-PL Harmony Link to be built by **2028** as a part of the Baltic synchronisation project
- 9 700 MW Hansa PowerBridge DC link between Sweden and Germany by **2028/2029**
- A 800 MW 3rd 400 kV line SE1-FI ready in **2025**
- B 700 MW SE3-SE4 east coast parallel line in **2028**
- C 800 MW with first measures on SE2-SE3 by **2028**

Wholesale power price



Source: Nord Pool, Nasdaq Commodities

Nordic year forwards



Source: Nasdaq Commodities, Bloomberg

German and Nordic forward spread

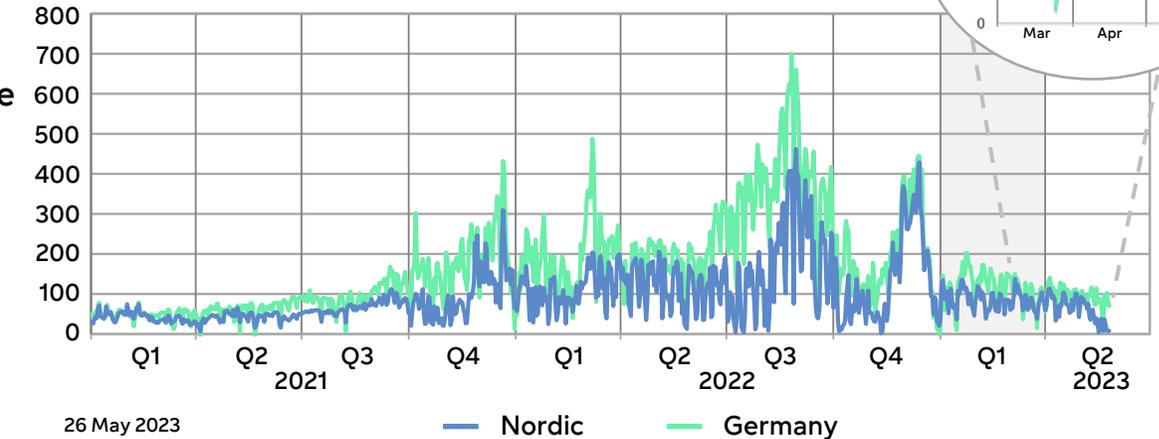
Spot price

- Continental spot prices softened considerably as energy saving measures and warm weather resulted in clearly lower gas prices.
- German Q1 2023 spot realised at €116/MWh, dropping 40% relative the previous quarter Q4-22 (193).
- Nordic spot price has followed German price with a large spread (€20-50) during the winter months, although gradually narrowing as the general price level declined. Improving hydrological balance, soft demand and growing wind production have contributed to ease the Nordic spot prices. Nordic Q1 2023 SYS realised at €85/MWh.

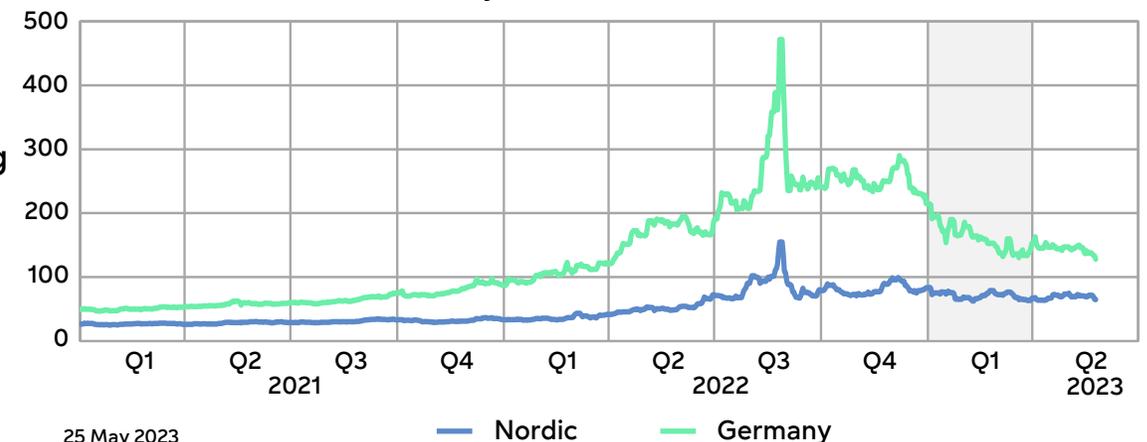
Forward price

- In the middle of April, the German contract for 2024 delivery is trading close to €147/MWh, while corresponding Nordic SYS contract is close to €68/MWh.
- The German-Nordic spread for 2024 delivery has decreased from €108/MWh by the end of 2022 to the current level of €79/MWh, having peaked above €500/MWh in August and being close to €200/MWh in the beginning of December.
- 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.

EUR/MWh Nordic and German daily spot prices in 2021 – 2023



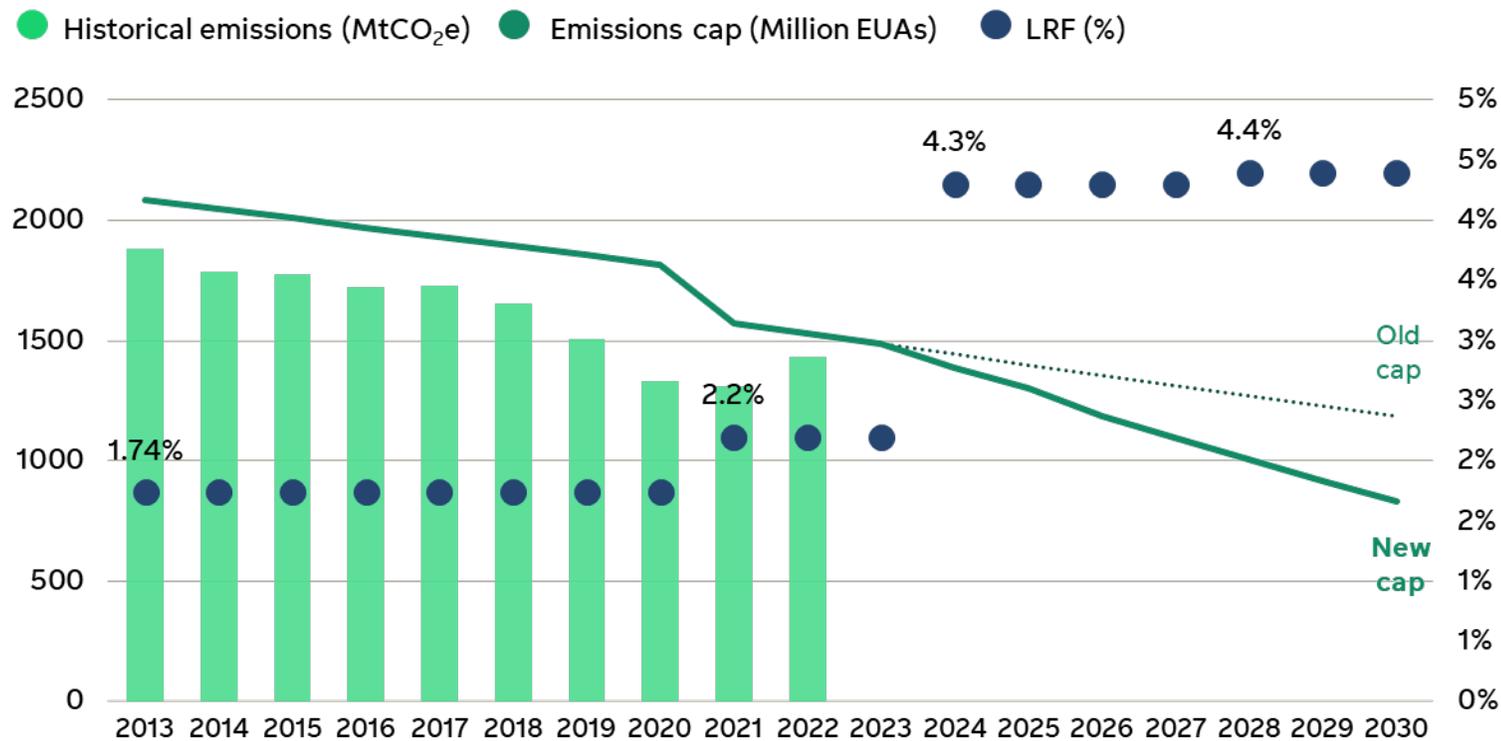
EUR/MWh Nordic and German year 2024 forwards in 2021 – 2023



Source: Nord Pool, Bloomberg

Growing role of the EU ETS in the European decarbonisation

EU ETS design is undergoing a reform to keep up with Europe’s climate ambitions



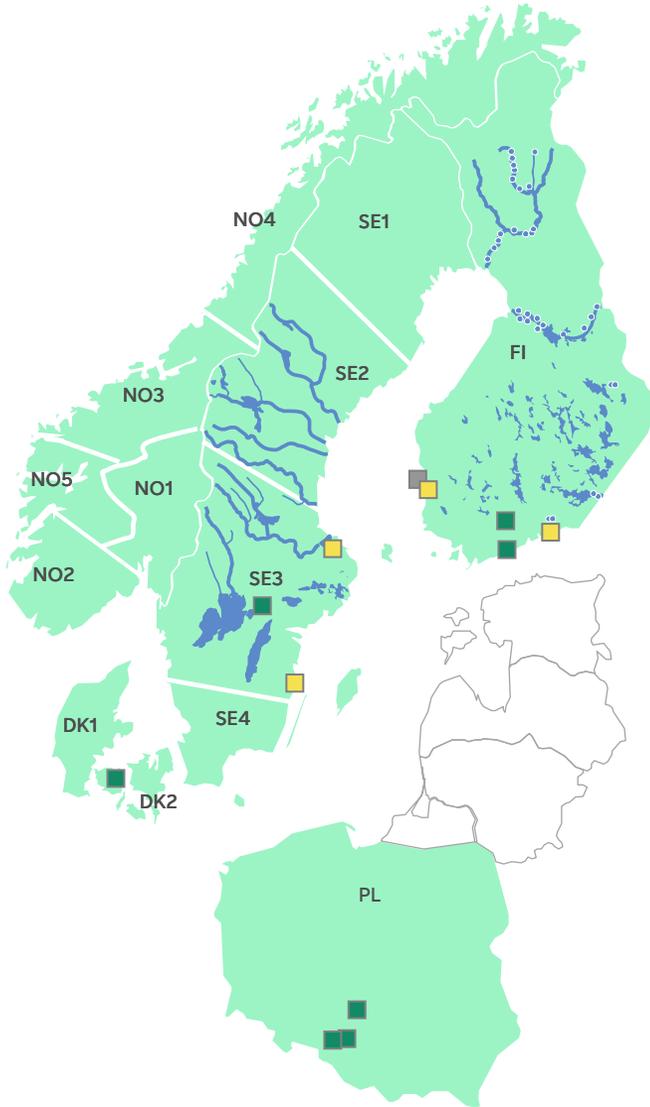
EU ETS reform powers through despite the energy crisis: On December 18, 2022, the provisional agreement on the EU ETS review was reached, following an arduous road from the European Commission’s “Fit for 55” proposal in July 2021 and the Parliament and Council’s counter-proposals to several rounds of trilogue negotiations between the three EU bodies.

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).

Fortum's Nordic and Polish generation capacity

GENERATION CAPACITY	MW
Hydro	4,653
Nuclear	2,823
CHP	535
Other thermal	565
Wind	-
Generation capacity, MW	8,576

Figures 31 December 2022



SWEDEN, by price area	MW
SE2, Hydro	1,542
SE3, Hydro	1,558
SE3, Nuclear	1,336
SE3, CHP	6
Generation capacity	4,442

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 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

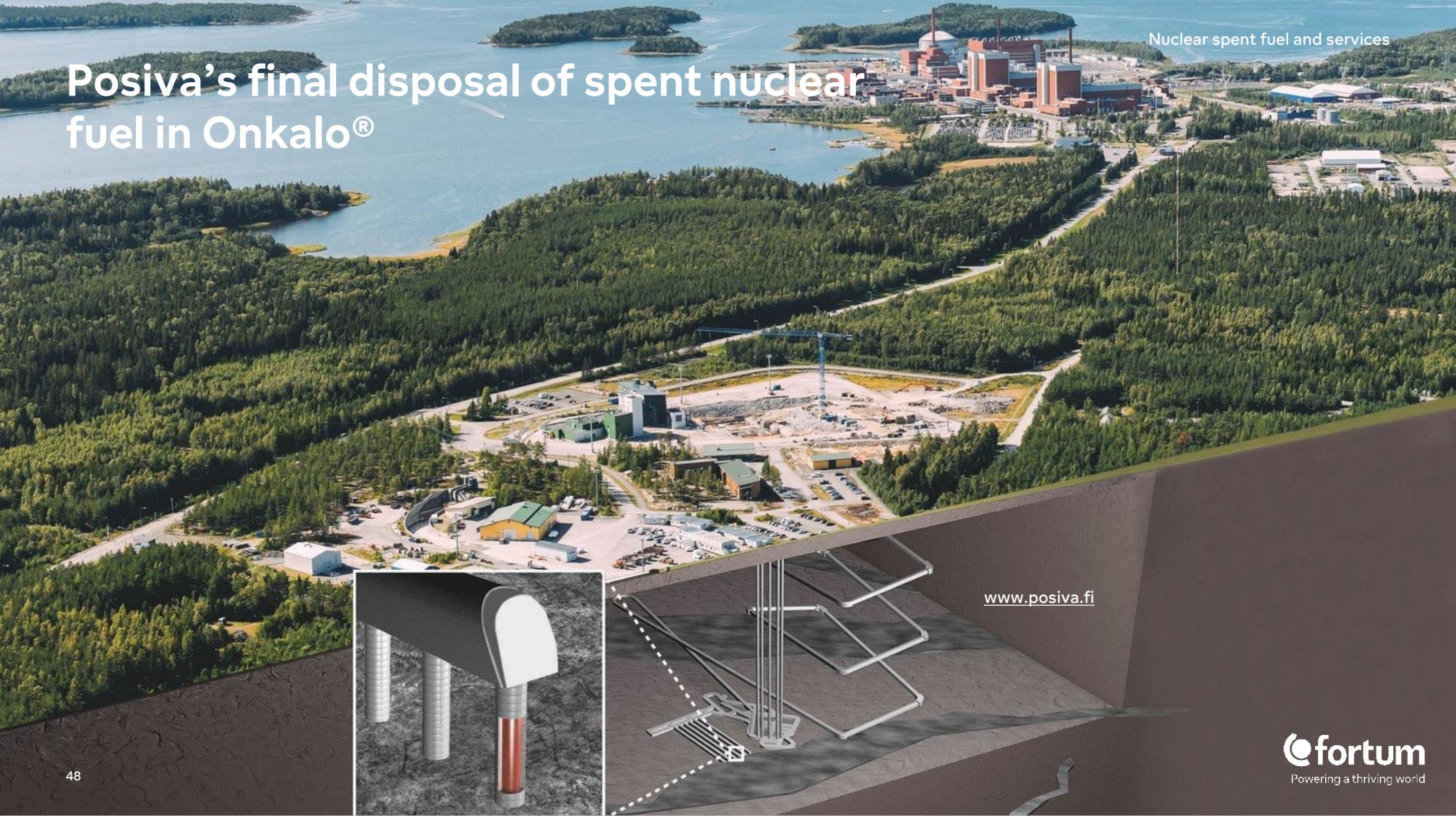
- Dynamic simulation to define technical requirements for new equipment
- Process and instrumentation and control design verification and testing
- Virtual commissioning



Waste management, decommissioning

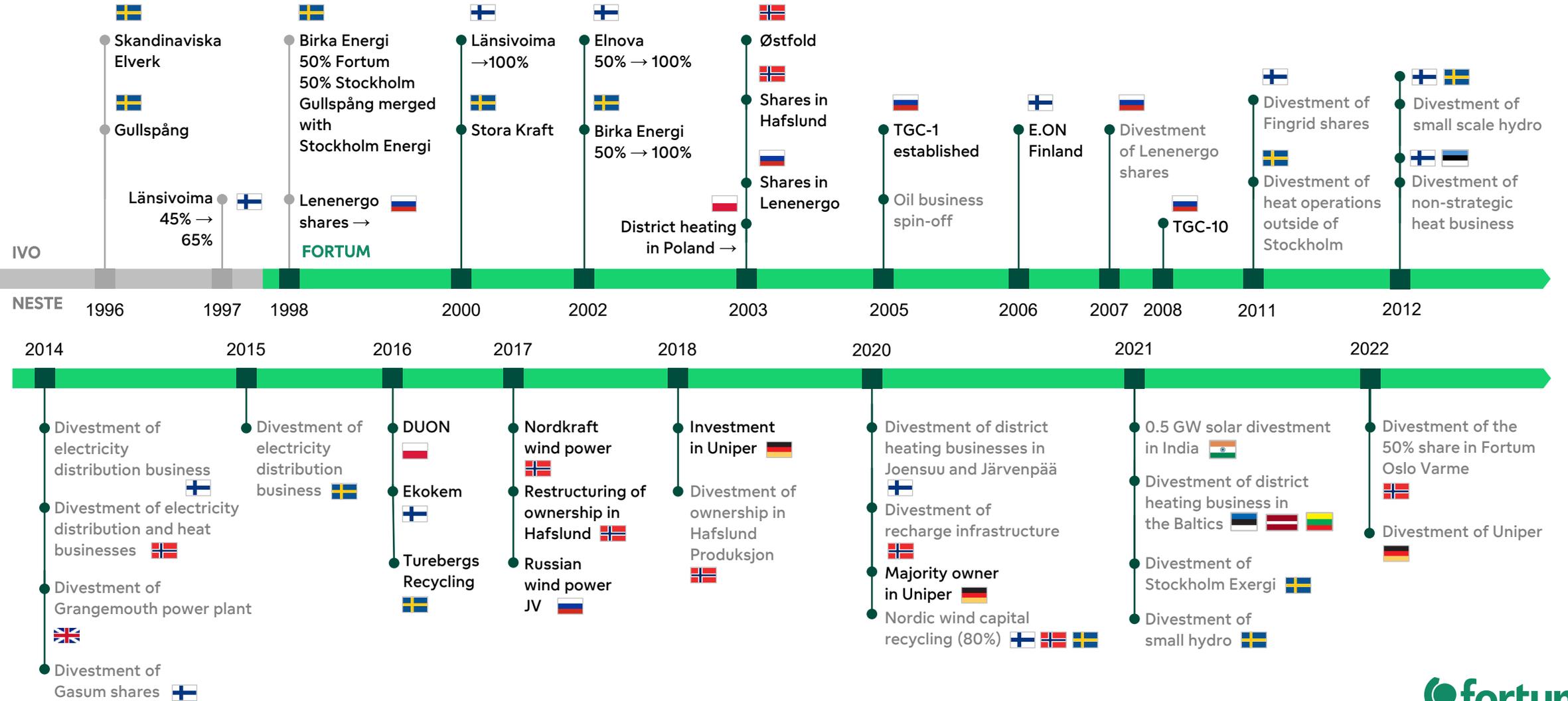
- NURES® radioactive liquid purification
- Nuclear waste treatment, storage and disposal
- Expertise in final disposal of radioactive waste
- Extensive nuclear decommissioning services

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



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Fortum's evolution and historical strategic route



Hedging improves stability and predictability

– principles based on risk mitigation, (Generation segment)



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Next events:

The ex-dividend dates: (14 April 2023) and 29 September 2023

The dividend payment dates: (24 April 2023) and 10 October 2023

January-June Half-Year Report 2023 on 4 August 2023

January-September Interim Report 2023 on 2 November 2023

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