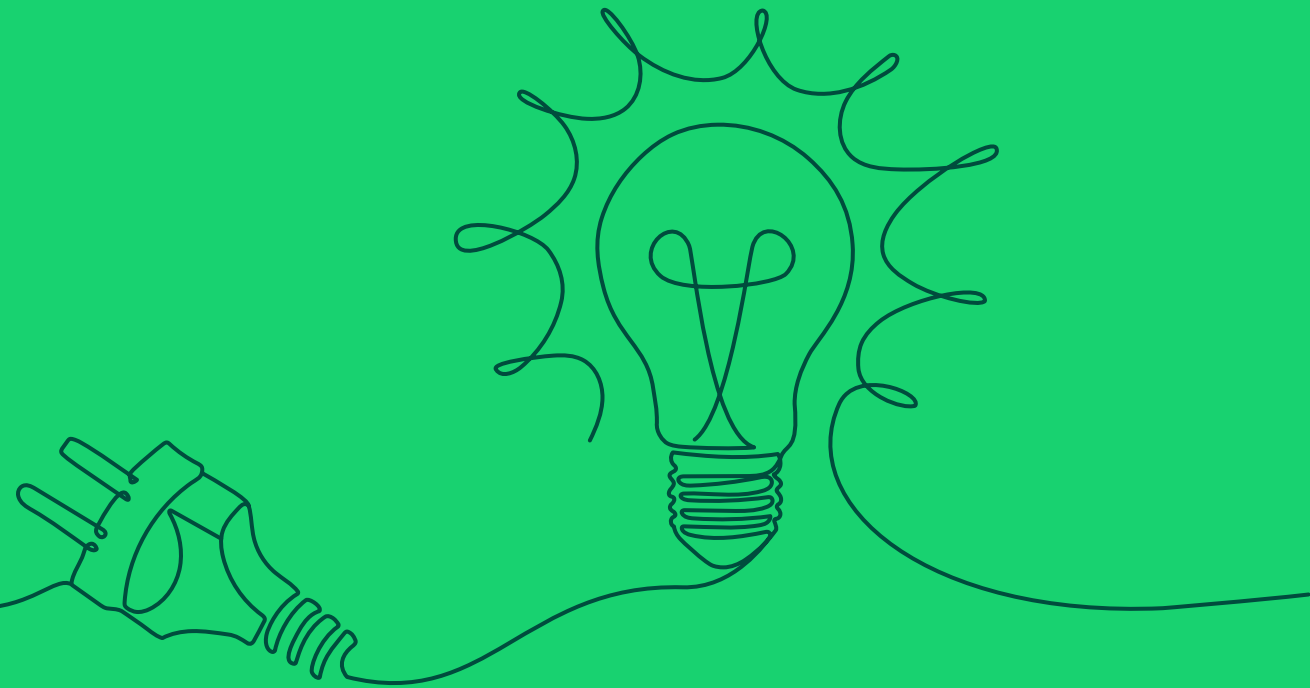


Interim Report January-March 2024

Fortum Corporation
30 April 2024





Markus Rauramo
President and CEO

Quarterly highlights Q1 2024

- Solid performance, good results and strong financial position
- Strong optimisation premium
- Credit rating upgrade by S&P to BBB+
- Arbitration proceedings against the Russian Federation
- SBTi due diligence process

Deliver reliable clean energy

Pjelax wind farm operational

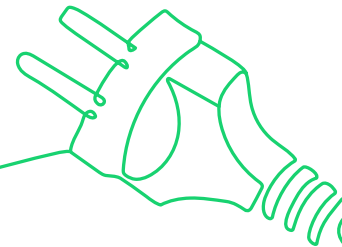
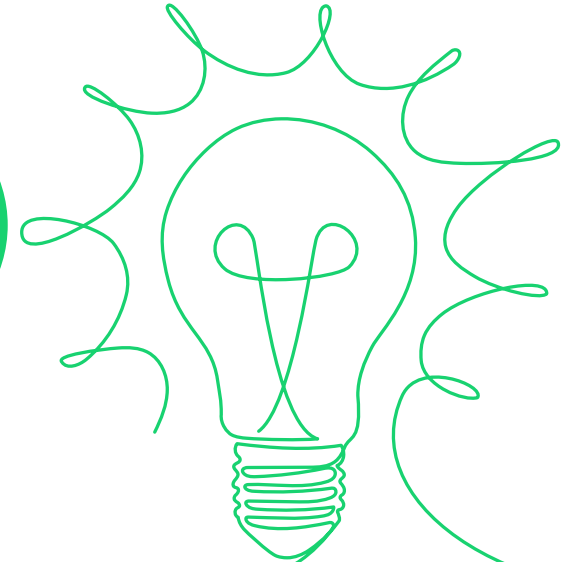
Espoo CHP coal exit and electric boilers

Drive decarbonisation of industries

Development of industrial sites

Transform and develop

Efficiency improvement programme



Q1 2024

Operating profit

The Generation segment result declined, while Consumer Solutions and Other Operations segments improved.

Cash flow

Cash flow improved from last year supported by decreased working capital.

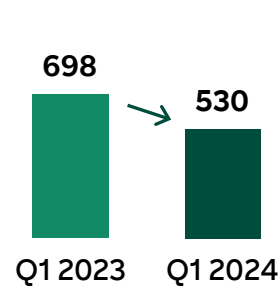
Leverage

Despite lower EBITDA, leverage improved due to lower financial net debt.

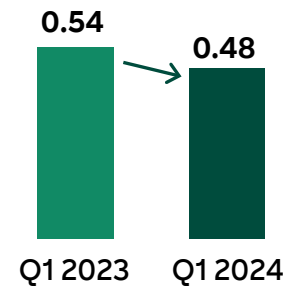
Solid financial performance and good results despite lower power prices in Nordics

Key financial indicators for continuing operations

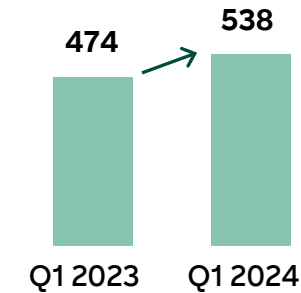
Comp. OP



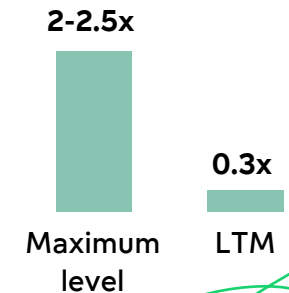
Comp. EPS



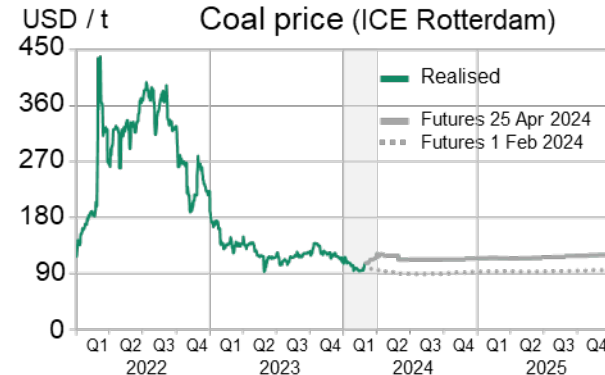
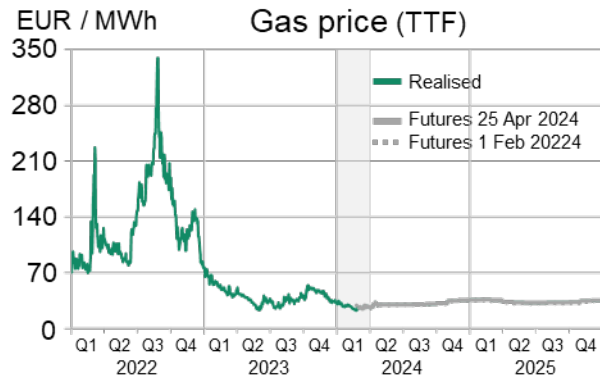
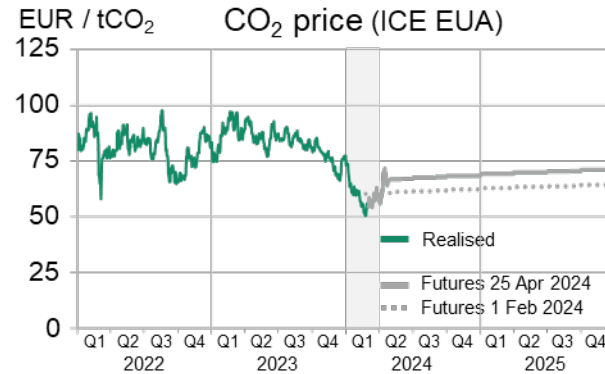
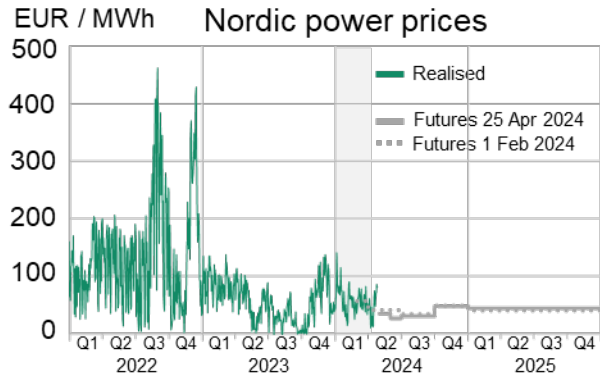
OCF



Leverage



After a cold start of the year, Nordic power prices eased off



Source: NordPool, BloombergNEF
Daily market prices 25 April 2024; 2024 and 2025 future quotations

Volatile weather drove Nordic power in Q1

- Nordic spot prices overall developed sideways during Q1, whereas the futures market softened with a mild ending of the winter period.
- Power prices were elevated by very cold weather in January, with Finnish and Estonian areas peaking at 890 EUR/MWh as a daily price. Market conditions normalised quickly as a shift in the weather regime took place.
- European gas prices continued to decline in Q1 on low demand, stable supply and record high storage levels. However, resurfacing security of supply concerns in both gas and coal slowed down the price decline in the latter part of Q1.



Tiina Tuomela
CFO

Lower result but stronger cash flow

MEUR, continuing operations	I/2024	I/2023	LTM	2023
Sales	2,015	2,265	6,461	6,711
Comparable EBITDA	622	781	1,744	1,903
Comparable operating profit	530	698	1,376	1,544
Comparable net profit	430	483	1,097	1,150
Comparable EPS	0.48	0.54	1.22	1.28
Net cash from operating activities	538	474	1,774	1,710
Financial net debt / Comp. EBITDA			0.3	0.5

Lower power prices reflected in the result (LTM)

- Comparable operating profit at EUR 1,376 m
- Comparable EPS at EUR 1.22
- Excellent credit metrics with Financial net debt-to-Comparable EBITDA ratio at 0.3 times
- Net cash from operating activities slightly improved to EUR 1,774 m

Q1/2024

Generation

Lower earnings down mainly due to lower spot and hedge power prices, somewhat offset by higher hydro generation and higher optimisation premium. Achieved power price of 63.9 €/MWh.

Consumer Solutions

Higher earnings mainly due to higher electricity sales margins

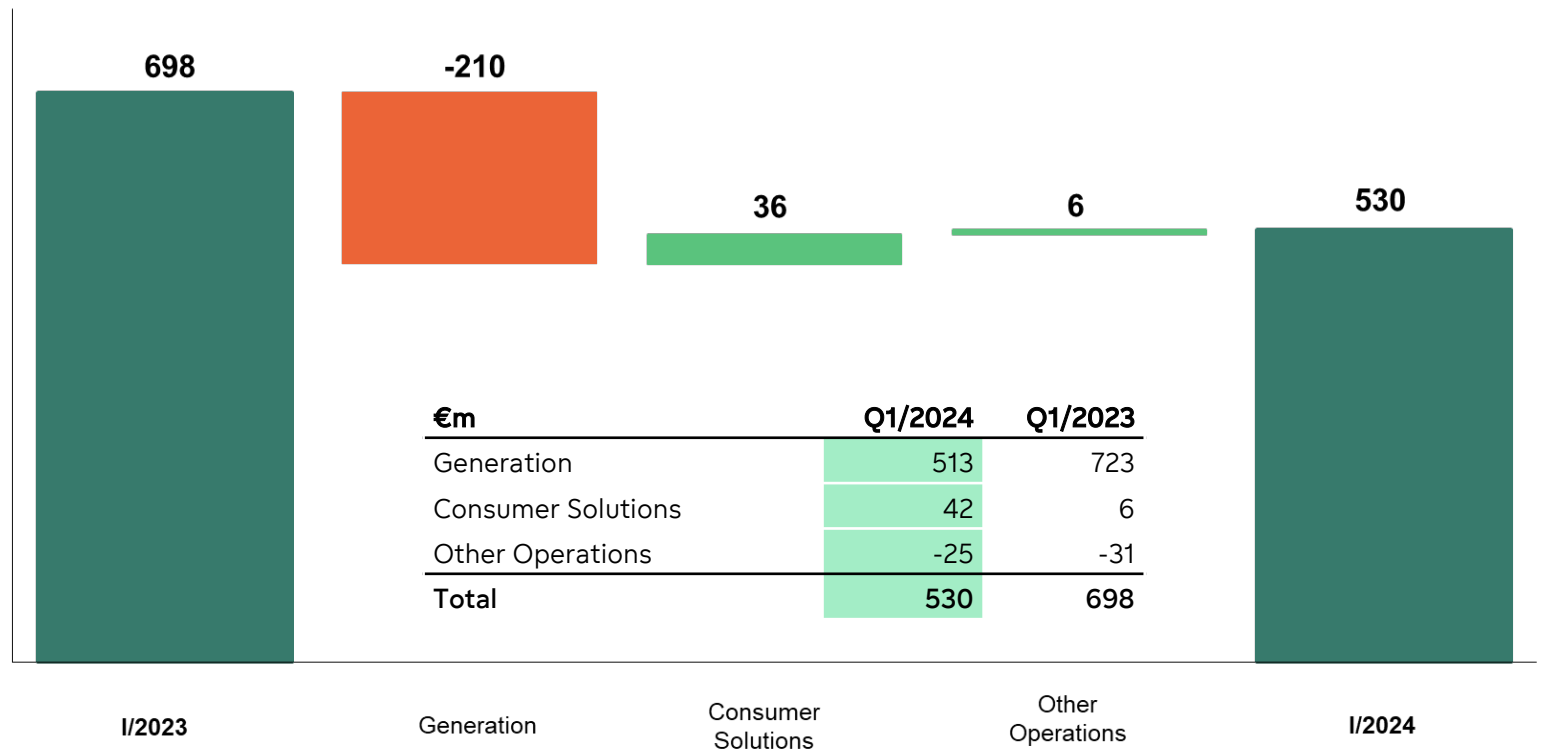
Other Operations

Improved earnings due to efficiency improvement measures, partly offset by lower results in Circular Solutions

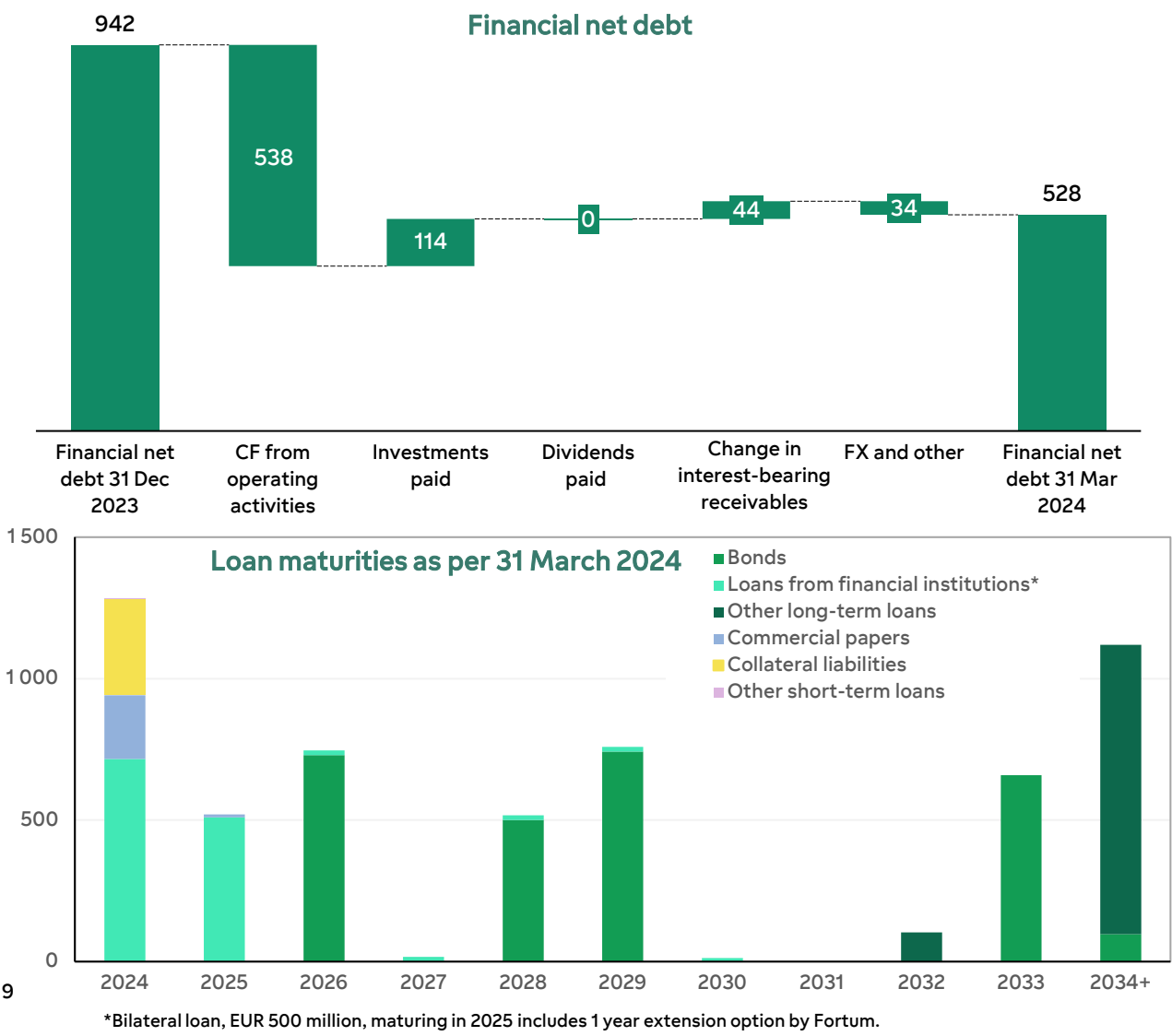
Group results mainly impacted by lower achieved power price

Comparable operating profit

(EUR million)



Balanced maturity profile 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 31 March 2024:**
- Total loans of € 5.7 bn excl. lease
- Average interest rate for Fortum Group loan portfolio incl. derivatives hedging financial net at 4.4%
 - Liquidity reserves of € 8.2 bn
 - Liquid funds of € 4.9 bn with average interest rate of 3.9%
 - Undrawn credit facilities of € 3.3 billion

Outlook

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

Hedges

- For the rest of 2024: 70% hedged at 43 €/MWh (previously reported: N/A)
- For 2025: 50% hedged at 42 €/MWh (previously reported: 40% at 43 €/MWh)

Optimisation premium

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

Tax guidance for 2024-2026:

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

Capital expenditure guidance:

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

Annual maintenance capital expenditure expected to be ~€ 300 million

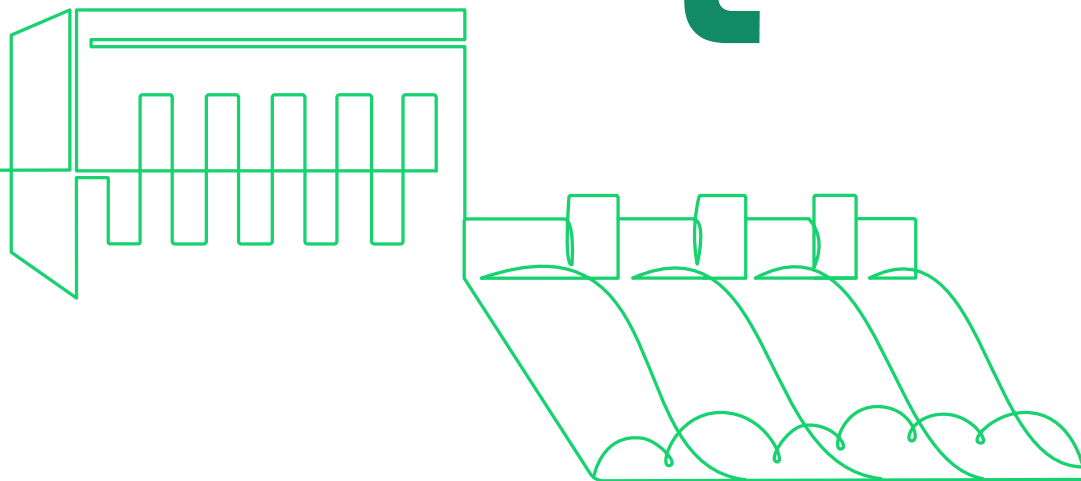
2024-2026: Total capital expenditure can be up to € 1,700 million

Fixed cost reduction:

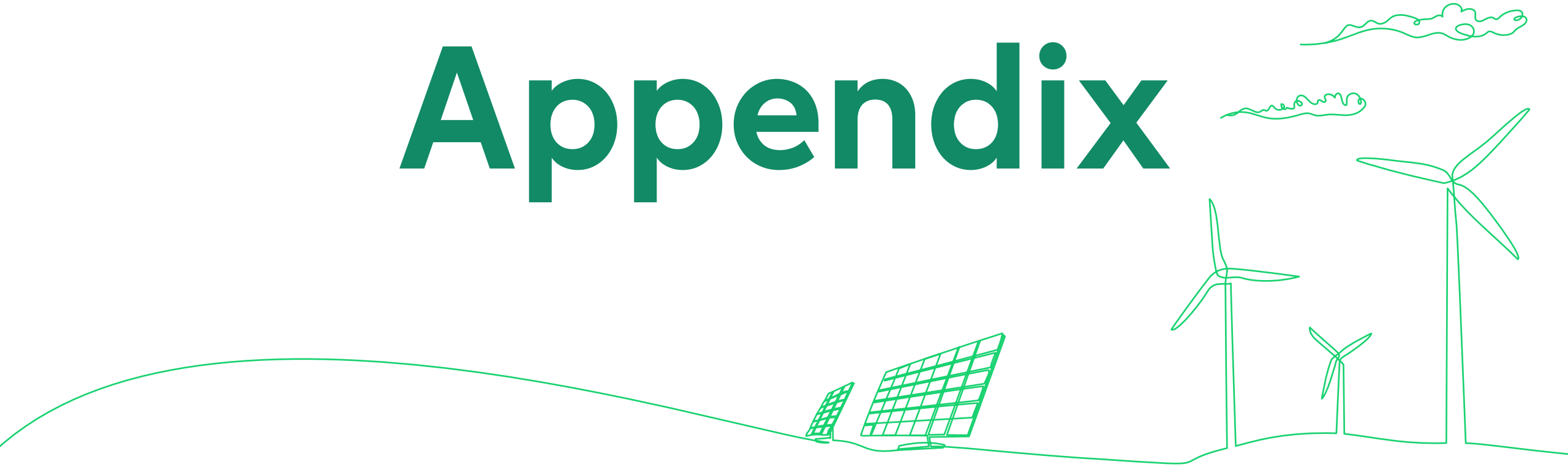
Fortum targets to gradually reduce its annual fixed costs by € 100 million until end of 2025 with full run rate from the beginning of 2026

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

Q&A

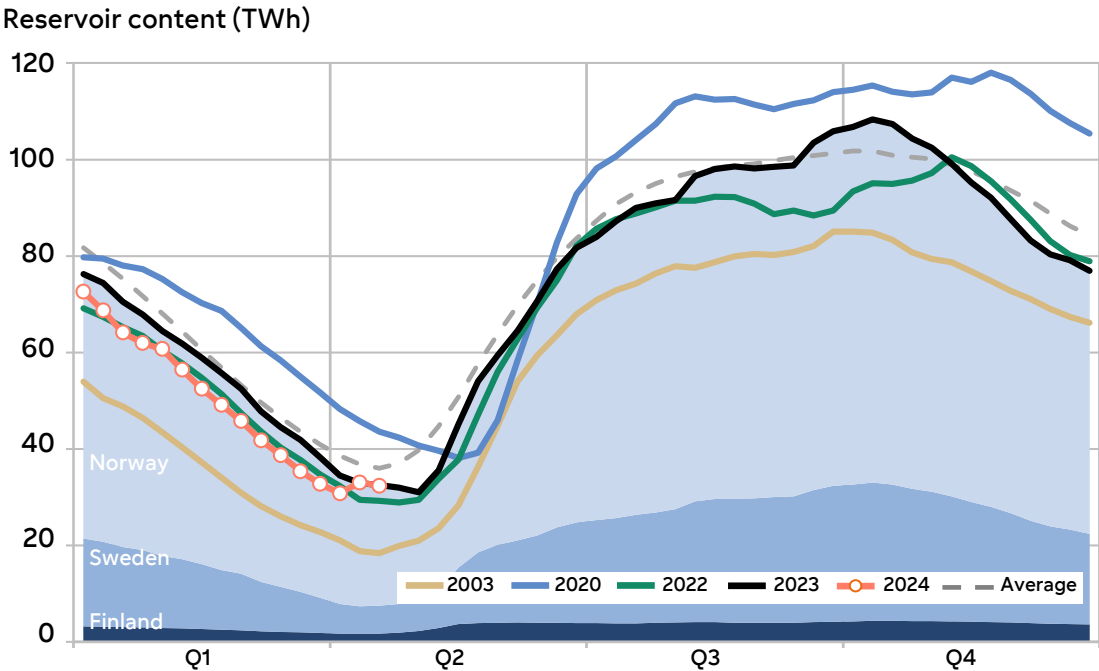


Appendix



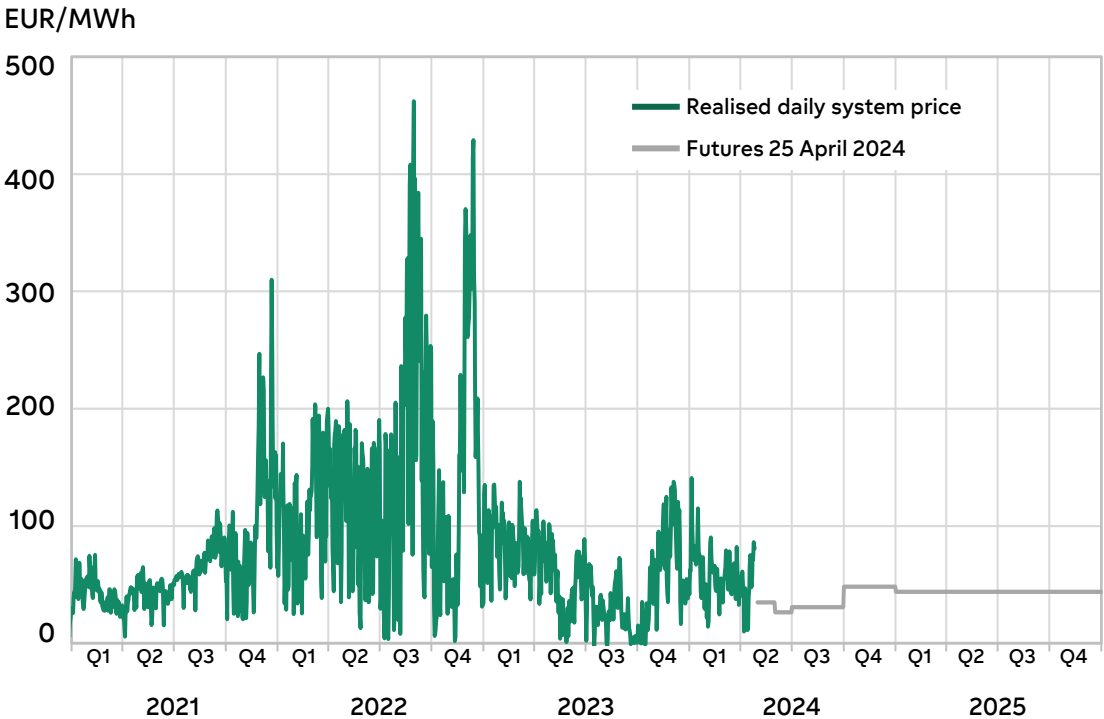
Nordic hydro reservoirs and wholesale power price

Hydro reservoirs



Source: Nord Pool, Nasdaq Commodities

Power price



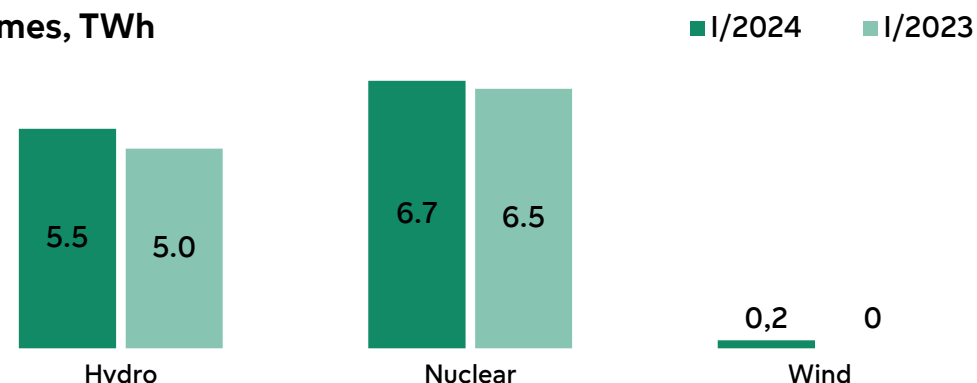
GENERATION:

Achieved power price at 63.9 € per MWh

Q1/2024 vs. Q1/2023

- Comparable operating profit down by 29% to EUR 513 mn
 - Mainly due to the lower spot and hedge prices, partly offset by higher hydro volumes and higher optimisation premium. The result was negatively affected by weaker energy mix resulting from higher-cost nuclear volumes from Olkiluoto 3.
 - 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. The renewables business's result turned positive supported by test generation volumes from the Pjelaž wind farm.

Volumes, TWh



MEUR	I/2024	I/2023	LTM	2023
Sales	1,412	1,429	4,404	4,420
Comparable EBITDA	564	767	1,671	1,874
Comparable operating profit	513	723	1,469	1,679
Comparable net assets	7,268	7,042		7,263
Comparable RONA %			20.8	24.2
Gross investments	61	90	425	454

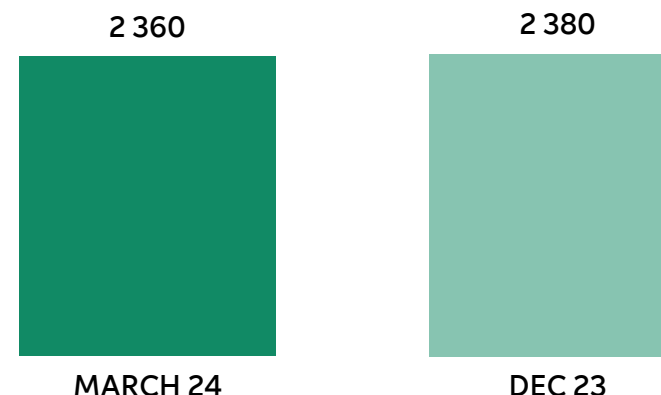
CONSUMER SOLUTIONS:

Improved and more normalised results

Q1/2024 vs. Q1/2023

- Comparable operating profit increased by EUR 36 million to EUR 42 million
 - Mainly due to higher electricity sales margins and higher sales margins for value-added services, the effect of which was partly offset by lower gas sales margin.
 - The higher electricity sales margins were mainly due to higher returns from hedged products partly due to more stable market conditions and discontinuation of the regulated electricity price cap for end users set by the Polish government and implemented during 2023.

Number of customers ('000)



MEUR	I/2024	I/2023	LTM	2023
Sales	1,154	1,384	3,536	3,766
Comparable EBITDA	62	24	146	108
Comparable operating profit	42	6	74	38
Comparable net assets	730	892		838
Comparable RONA %			10.3	4.5
Gross investments	17	20	99	103

OTHER OPERATIONS:

Results improved slightly

Q1/2024 vs. Q1/2023

- Comparable operating profit improved by EUR 6 million to EUR -25 million.
 - As part of the ongoing organisational changes and efficiency improvement measures, internal charges for enabling functions' services and lower IT costs had a positive result effect, part of which was offset by lower earnings in the Circular Solutions business.

MEUR	I/2024	I/2023	LTM	2023
Sales	144	136	556	548
Comparable EBITDA	-3	-10	-73	-80
Comparable operating profit	-25	-31	-167	-173
Gross investments	15	23	99	107