

INTERIM REPORT JANUARY-MARCH 2025

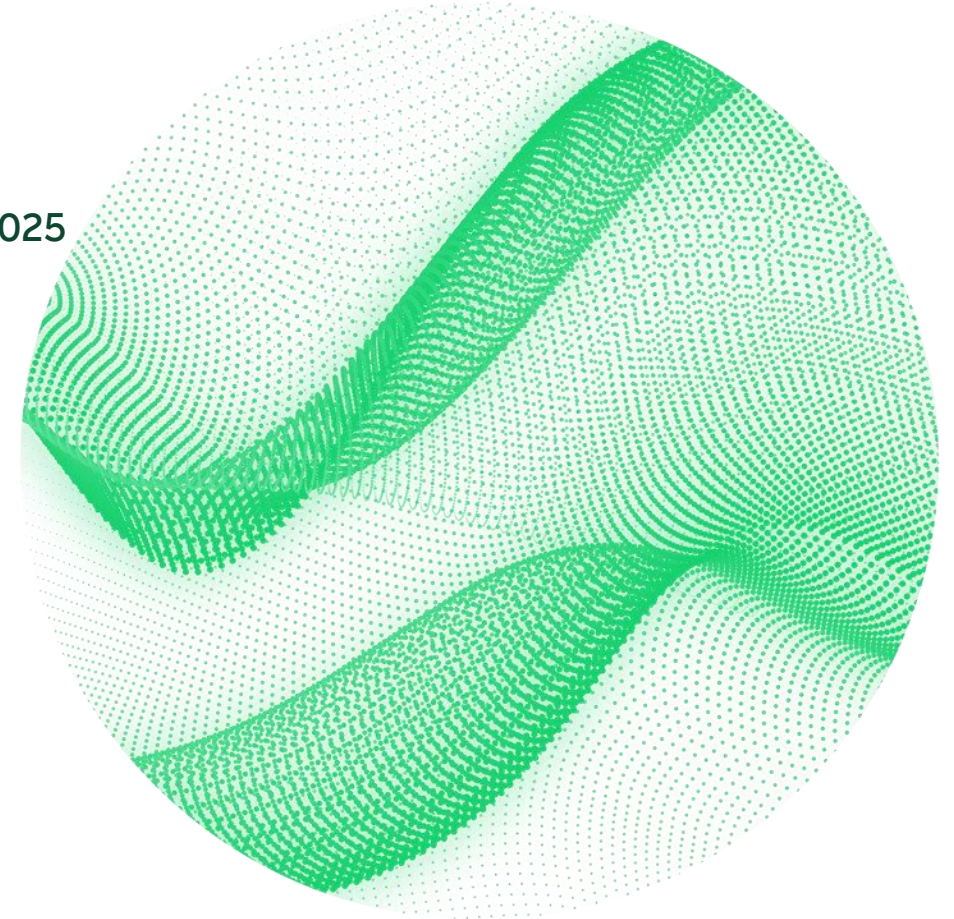
Fortum Corporation
29 April 2025

MARKUS RAURAMO

President and CEO

Highlights Q1 2025

- Good generation optimisation
 - Achieved power price of 60.1 €/MWh (63.9 €/MWh)
 - Double-digit optimisation premium in Q1, outlook improved for 2025
 - Hydro and nuclear volume 0.5 TWh lower
- Strategy implementation proceeding
 - Renewables pipeline developing
 - Pumped hydro feasibility study
 - New nuclear not economically feasible
 - Efficiency improvement programme progressing
- Robust financial position
 - Financial net debt and leverage at zero
- Geopolitical situation increasing uncertainty



Q1 2025

Comparable operating profit

declined due to lower achieved power price and lower power volumes in the Generation segment

Cash flow

decreased due to lower comparable EBITDA

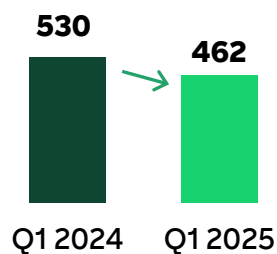
Financial net debt-to-Comparable EBITDA

at 0.0x, financial net debt of EUR 13 million

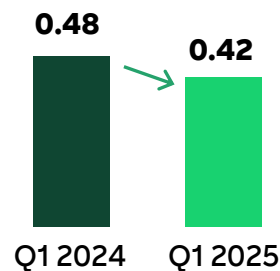
Solid achieved power price driven by successful power generation optimisation

Key financial indicators

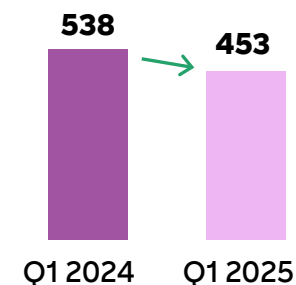
Comp. OP



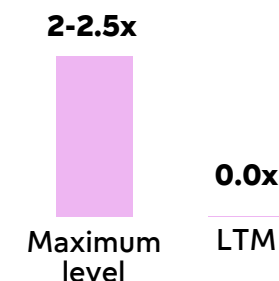
Comp. EPS



OCF

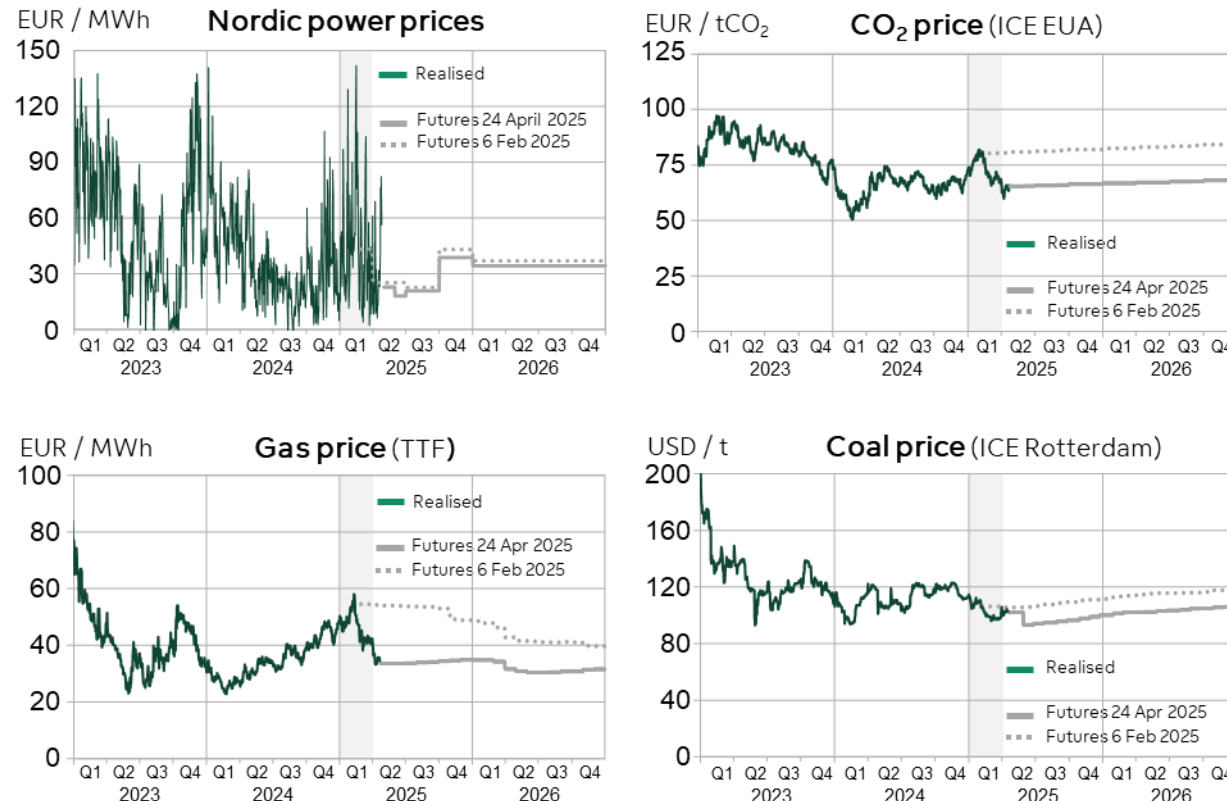


Leverage



Softer power prices on warmer weather and filled hydro reservoirs

Higher temperatures and inflows drove the Nordic Q1 prices



- In Q1, European gas prices experienced significant volatility due to supply concerns, including the expiration of the Russian gas transit agreement and substantial withdrawals from gas storage. Carbon prices fluctuated but trended downward towards the end of the quarter, while coal prices consistently declined before recovering at the end of Q1.
- The Nordic spot and futures markets continued to be under pressure due to high temperatures which resulted in high Nordic inflows, hence further increasing the reservoir balance surplus (+7 TWh QoQ) to the highest level in decades (21 TWh above normal).
- During the first quarter, softer Nordic fundamentals in combination with strong wind power growth increased spot price volatility. This lowered the capture rate for wind power and increased it for hydro power.

Source: NordPool, Refinitiv
Daily market prices 24 April 2025; 2025 future quotations

TIINA TUOMELA

CFO

Key figures

MEUR	I/2025	I/2024	2024	LTM
Sales	1,642	2,015	5,800	5,427
Comparable EBITDA	538	622	1,556	1,472
Comparable operating profit	462	530	1,178	1,110
Comparable net profit	374	430	900	845
Comparable EPS	0.42	0.48	1.00	0.94
Net cash from operating activities	453	538	1,392	1,307
Financial net debt / Comp. EBITDA			0.2	0.0

Lower power prices reflected in the result (LTM)

- Comparable operating profit at EUR 1,110 million
- Excellent credit metrics with Financial net debt-to-Comparable EBITDA ratio at 0.0x
- Comparable net profit at EUR 845 million
- Net cash from operating activities EUR 1,307 million

Income statement

MEUR	I/2025	I/2024	2024	LTM
Sales	1,642	2,015	5,800	5,427
Other Income	6	10	48	44
Materials and services	-911	-1,167	-3,295	-3,039
Fixed costs	-200	-235	-996	-960
Depreciations and amortisation	-76	-92	-379	-362
Comparable operating profit	462	530	1,178	1,110
Items affecting comparability	8	42	147	113
Operating profit	470	571	1,325	1,224
Share of profits/loss of associates and joint ventures	9	21	19	7
Finance costs - net	-29	-13	55	38
Profit before income tax	450	580	1,399	1,269
Income tax expense	-88	-106	-239	-221
Net profit	362	473	1,160	1,049
Attr. to owners of parent	363	471	1,164	1,056
Attr. to non-controlling interest	-1	2	-4	-8

Q1 2025

- Recycling and waste business divested in November 2024
- Quarterly fixed costs decreased to EUR 200 million
- Share of profits of associates include nuclear-related items in Sweden and Finland
- Comparable 'Finance costs – net' of EUR 11 million
- Tax rate at guided level

Q1 2025

Generation

Lower result mainly due to lower spot and hedge power prices, lower hydro and nuclear volumes, and somewhat higher property taxes in nuclear and hydro in Sweden. The negative effect was partly offset by the double-digit optimisation premium. The result contribution of the Pjelix wind farm was positive but lower than in the comparison period. The result of the district heating business improved, mainly due to lower fuel and CO₂ costs, partly offset by lower sales price for power.

Consumer Solutions

Improved result mainly due to improved gas margins in enterprise business in Poland and approximately EUR 6 million cost synergies from the completed brand mergers, including Telge Energi. This was partly offset by higher depreciations and amortisations of customer acquisition costs.

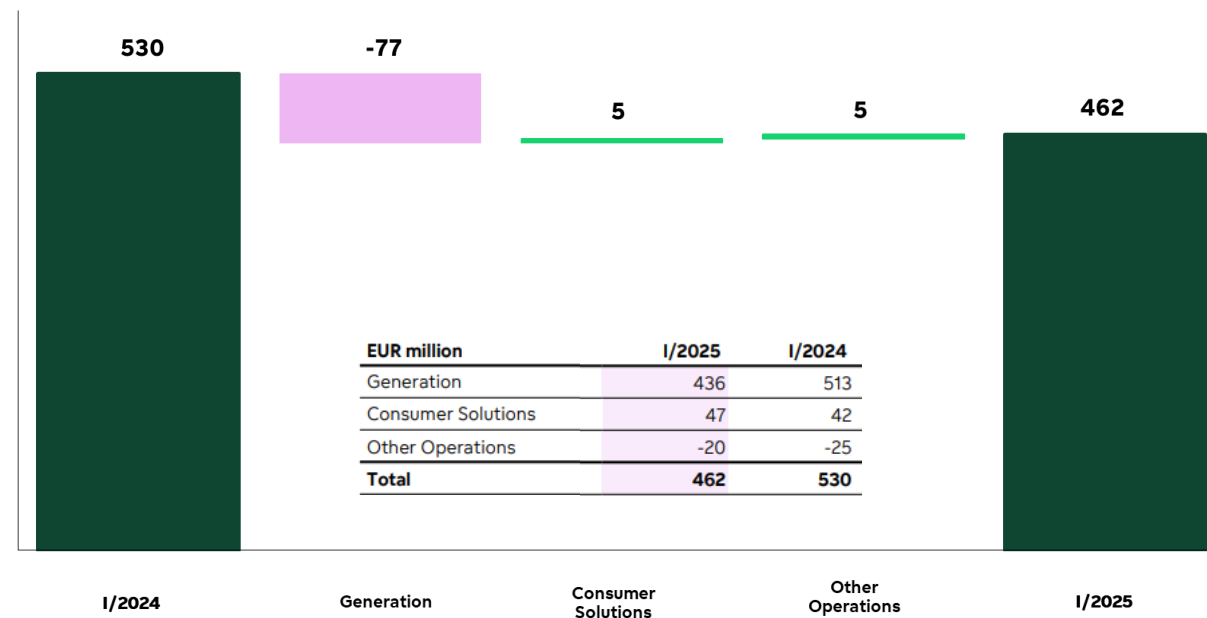
Other Operations

Improved result mainly due to higher internal charges for services of enabling functions. The result of the Circular Solutions business was at the same level as in the comparison period.

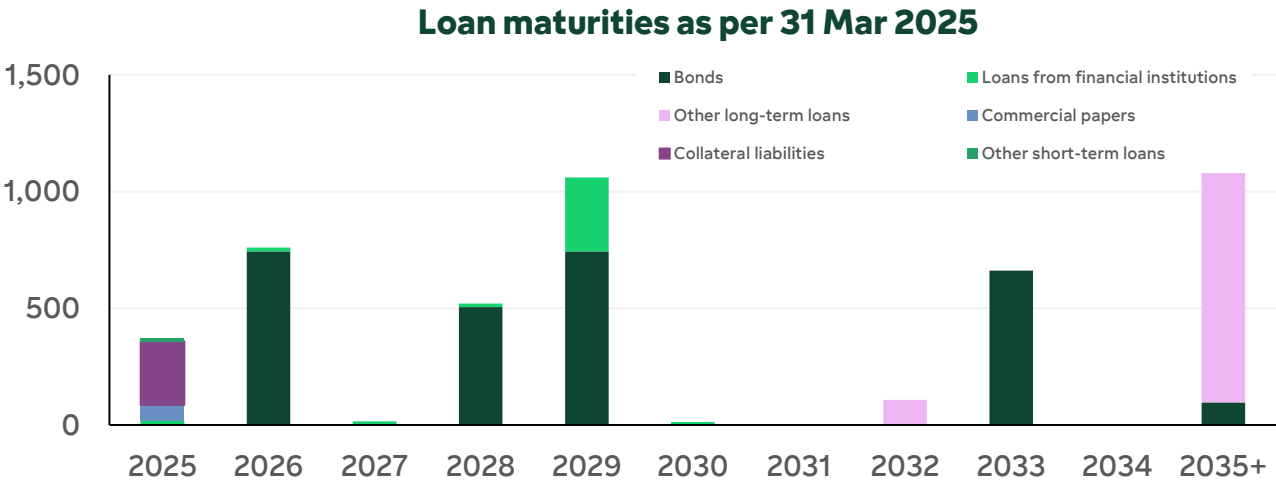
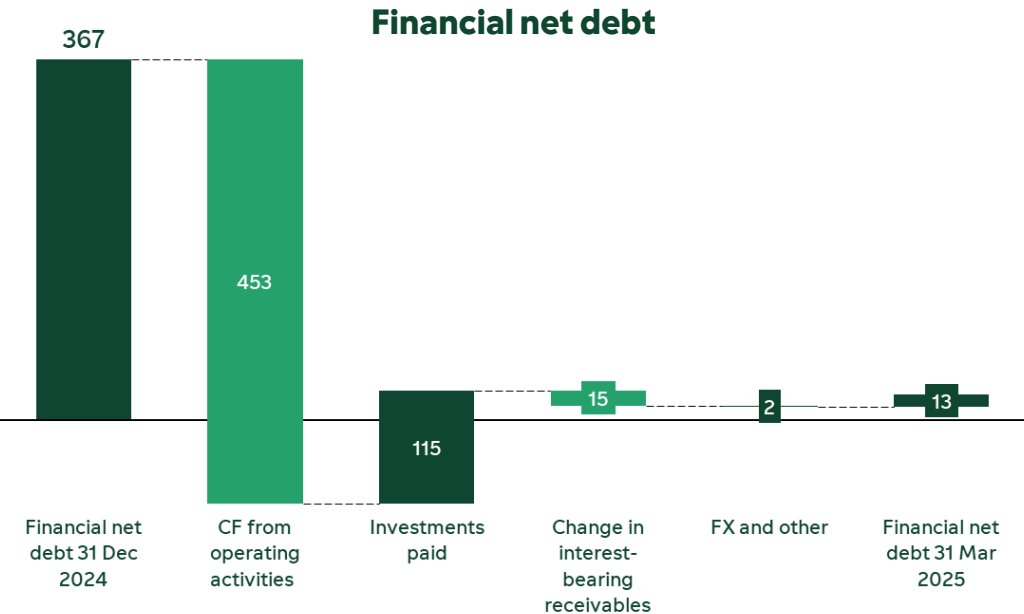
Results impacted by lower power prices

Comparable operating profit

(EUR million)



Low leverage and strong liquidity



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 Mar 2025:**
- Total loans of EUR 4.6 bn excl. leases
 - Average interest rate of 3.6% for Fortum Group loan portfolio incl. derivatives hedging financial net
 - Liquidity reserves of EUR 8.4 bn
 - Liquid funds of EUR 4.3 bn with average interest rate of 2.5%
 - Undrawn committed credit facilities of EUR 4.1 bn

Updated optimisation premium for 2025 – increased remuneration from flexible generation fleet

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

1. Hydropower flexibility

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

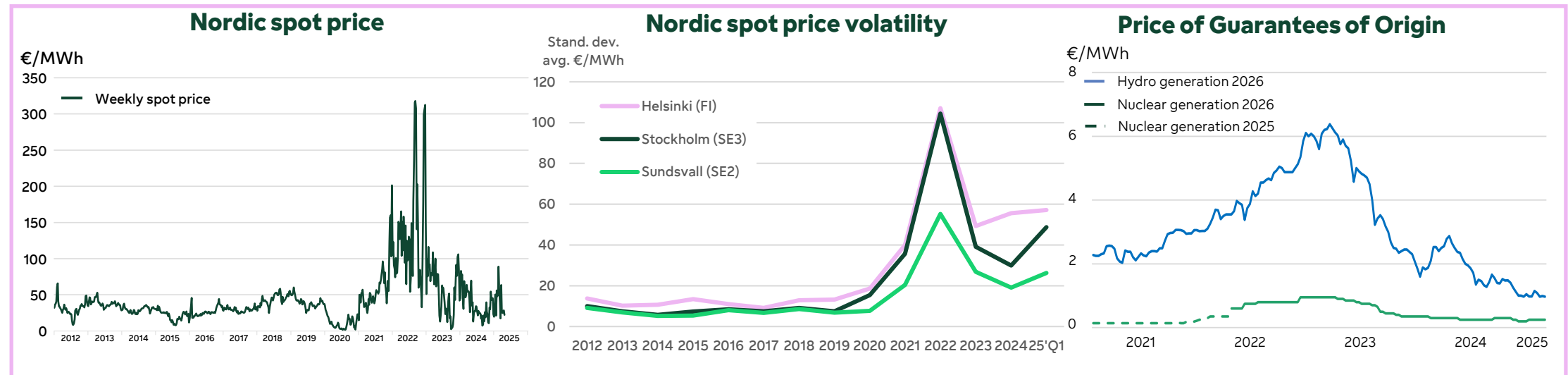
2. Environmental values

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

OPTIMISATION PREMIUM

7–9 €/MWh*

(6–8 €/MWh from 2026-)



*) The guidance for the annual optimisation premium has been 6-8 €/MWh. Due to increased power price volatility, it is estimated to be higher, at 7-9€/MWh, for the year 2025. From 2026 onwards the premium is expected to be 6-8€/MWh. The premium will depend on the price levels, overall market conditions, the level of volatility and other market elements etc.

Outlook

Generation's Nordic outright (changed):

Hedges:

For the rest of 2025: 75% hedged at 40 €/MWh (previously reported: na)

For 2026: 50% hedged at 41 €/MWh (previously reported: 45% at 41 €/MWh)

Annual optimisation premium*:

For 2025: 7–9 €/MWh (previously 6–8 €/MWh)

From 2026 onwards: 6–8 €/MWh

Tax guidance for 2025-2026 (changed, 2027 left out):

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

Property tax in Sweden increases by approx. € 30 million from 2025, new run-rate until and including 2030

Capital expenditure guidance (unchanged):

2025–2027: Capital expenditure, excluding potential acquisitions, of € 1.4 bn

- maintenance of € 250 million per year
- growth of € 150–300 million per year

Depending on general market development and investment environment, new investment decisions can be made

Efficiency improvement programme (unchanged):

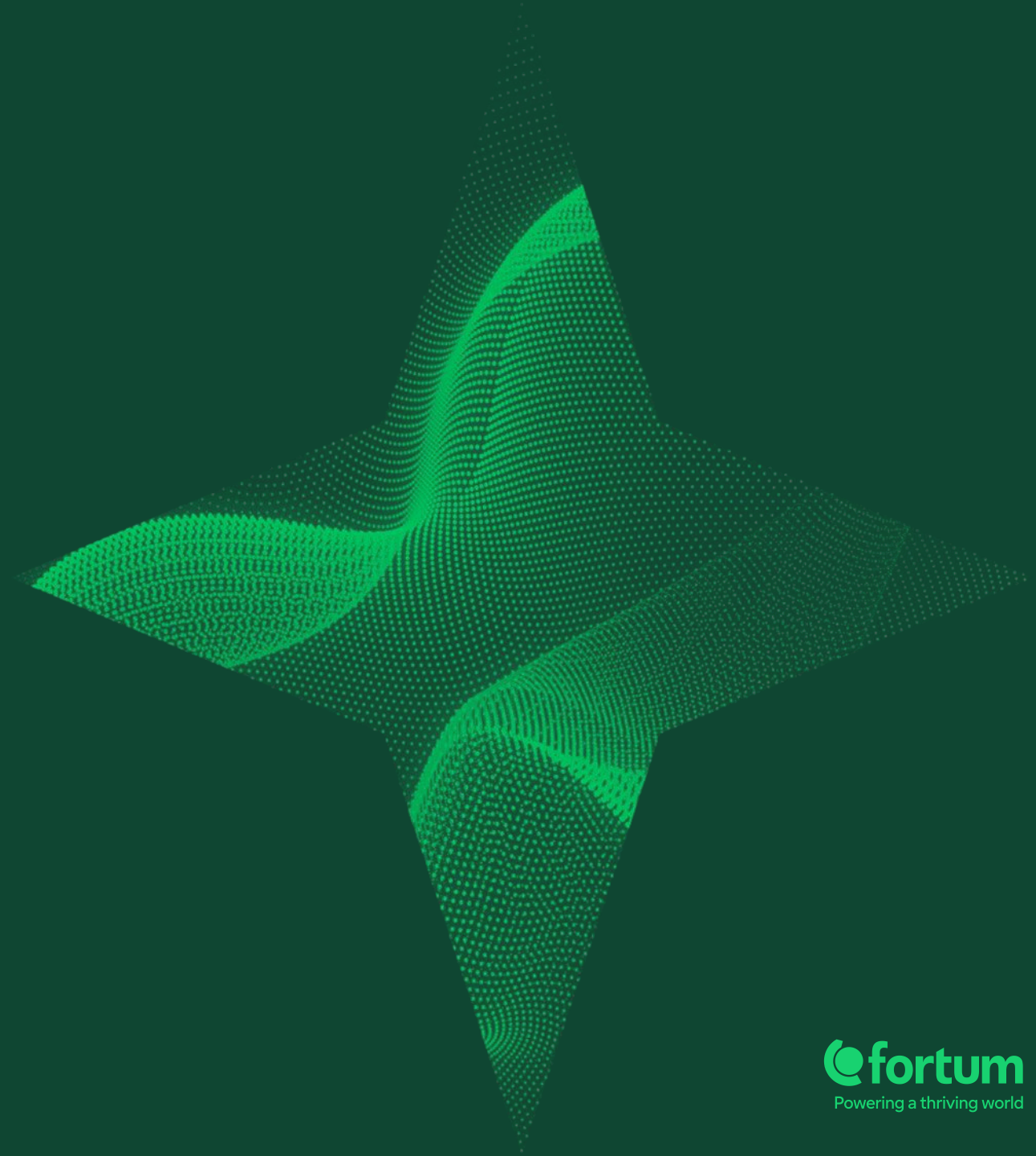
Fortum targets to gradually reduce its annual fixed cost base by € 100 million (excluding inflation) until end of 2025 with full run-rate from beginning of 2026

During 2024, actions taken to reduce the fixed cost base by € 60 million, full effect in 2025

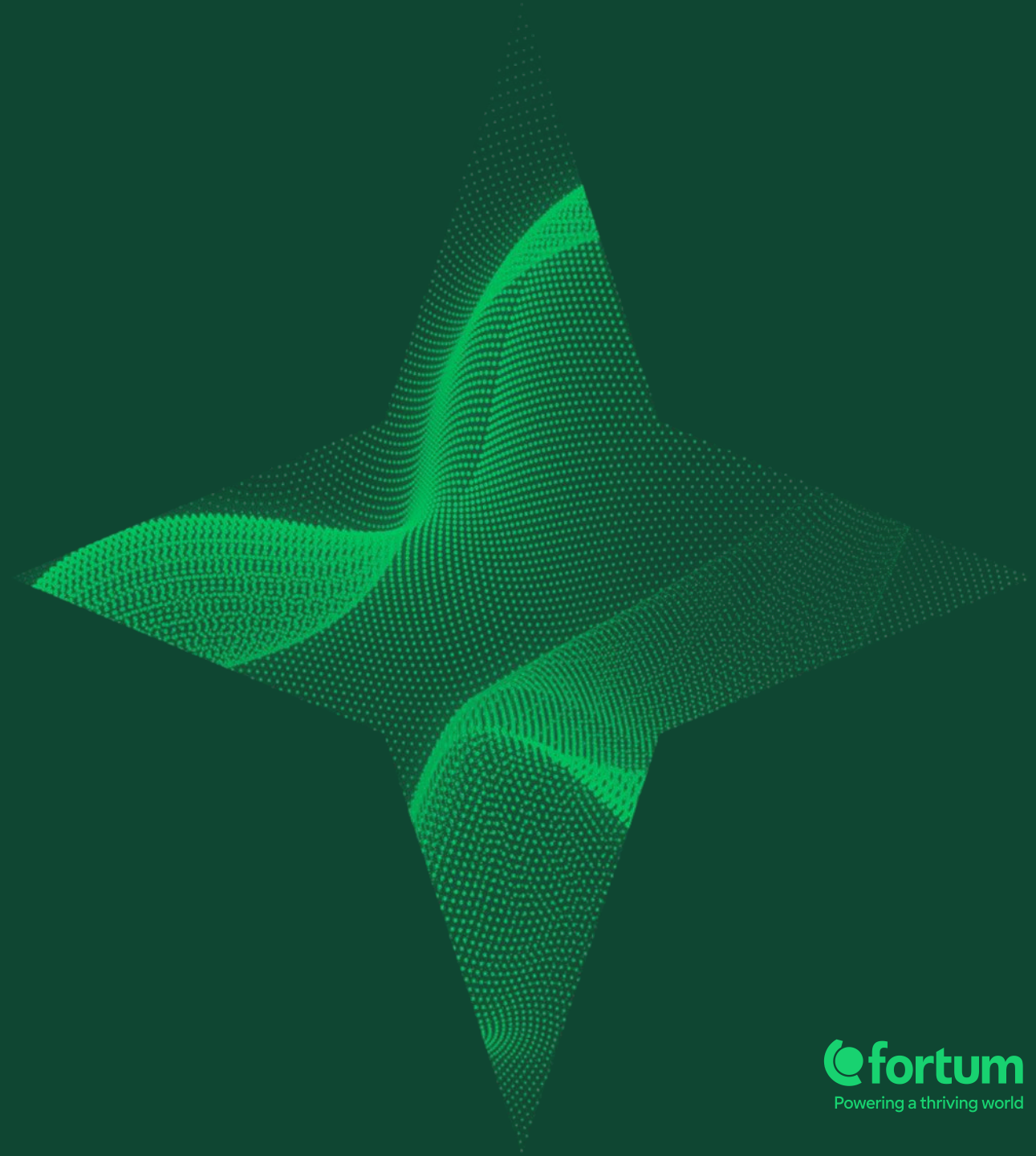
In 2026, the fixed cost base is expected to be approx. € 850 million, excluding the increase in Swedish property tax from 2025

* Depending on market conditions

Q&A

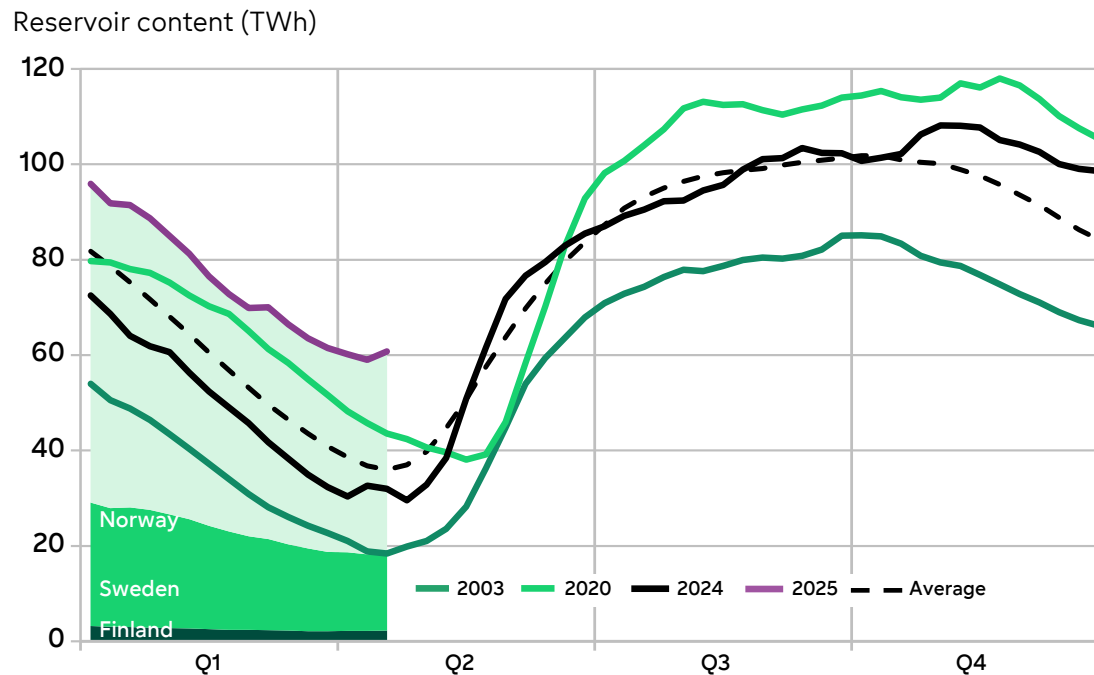


APPENDIX

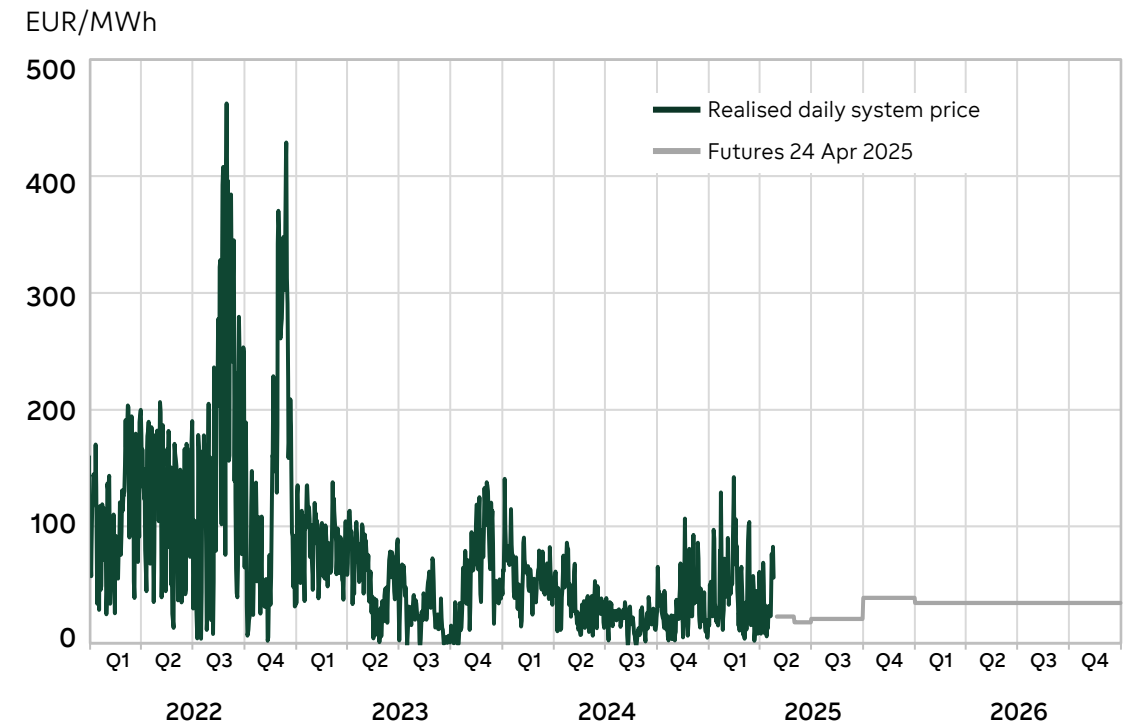


Nordic hydro reservoirs and wholesale power price

Hydro reservoirs



Power price



Source: Nord Pool, Nasdaq Commodities

GENERATION:

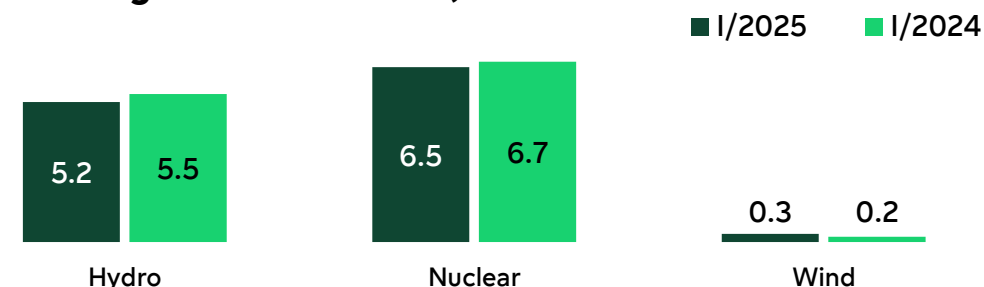
Achieved power price declined

Q1 2025 vs. Q1 2024

Comparable operating profit down by 15% to EUR 436 million

mainly by lower spot and hedge power prices and lower hydro and nuclear volumes, and somewhat higher property taxes in nuclear and hydro in Sweden. The negative effect from the price and volume components was partly offset by the double-digit optimisation premium. The result contribution of the Pjelax wind farm was positive but lower than in the comparison period due to lower power prices. The result of the district heating business improved, mainly due to lower fuel and CO₂ costs, partly offset by lower sales price for power.

Power generation volumes, TWh



MEUR	I/2025	I/2024	2024	LTM
Sales	1,122	1,412	3,795	3,504
Comparable EBITDA	485	564	1,421	1,342
Comparable operating profit	436	513	1,218	1,141
Comparable net assets	7,828	7,268	7,608	
Comparable RONA, %			16.0	14.7
Gross investments	135	61	355	429

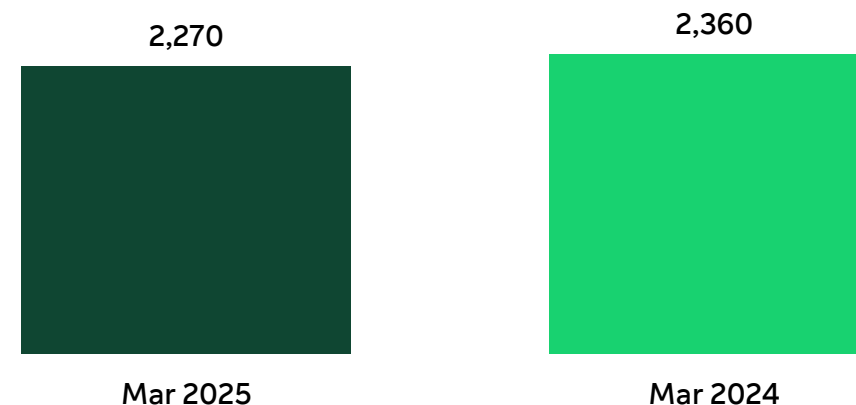
CONSUMER SOLUTIONS: Improved results

Q1 2025 vs. Q1 2024

Comparable operating profit increased by EUR 5 million to EUR 47 million

mainly due to improved gas margins in enterprise business in Poland and approximately EUR 6 million cost synergies from the completed brand mergers, including Telge Energi. This was partly offset by higher depreciations and amortisations of customer acquisition costs.

Number of customers ('000)



MEUR	I/2025	I/2024	2024	LTM
Sales	1,000	1,154	3,073	2,919
Comparable EBITDA	69	62	161	168
Comparable operating profit	47	42	76	81
Comparable net assets	722	730	725	
Comparable RONA %			11.2	12.3
Gross investments	14	17	71	68

OTHER OPERATIONS: Results improved

Q1 2025 vs. Q1 2024

Comparable operating profit improved by EUR 5 million to EUR -20 million

mainly due to higher internal charges for services of enabling functions. The result of the Circular Solutions business was at the same level as in the comparison period.

MEUR	I/2025	I/2024	2024	LTM
Sales	46	144	596	498
Comparable EBITDA	-15	-3	-26	-38
Comparable operating profit	-20	-25	-116	-112
Gross investments	5	15	90	81