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Fortum Oyj (FOJCY.FI)

Investor Day

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MANAGEMENT DISCUSSION SECTION

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

Good morning, everyone. A warm welcome to Fortum's Investor Day 2025. It's our pleasure to be able to host all of you both here in the venue in Helsinki and also everyone online watching from various global locations. My name is Ingela Ulfves, and I am heading Investor Relations at Fortum. This event is being recorded, and a replay will be available on our website later today.

It has been a while since the last time we gathered representative from the Capital Markets to give you deeper and broader insights into our business. Fortum's President and CEO, Markus Rauramo; our CFO, Tiina Tuomela; as well as Simon-Erik Ollus and Mikael Rönblad representing our businesses are hosting the Investor Day today. During the day, they will provide an overview on the company's operating environment, development of business operations, as well as updates on the progress of Fortum's strategy execution and financial targets.

Let me briefly walk you through today's agenda. We'll begin with a presentation by Markus on our strategic priorities and growth vision. Next, Tiina will present our new financial targets and how we are promoting long-term earnings growth. After these two presentations, we will have the first Q&A session. At approximately 11:15 AM, we'll take a coffee break. For those of you joining online, please note that the webcast will pause during this break and then resume with the next session.

After the break, we'll continue with presentations by Simon on our commercial strategy and business opportunities and Mikael on value creation in our Consumer Solutions business. There will then be another Q&A session before we close the formal part of the event. So, after the presentations and after the presentations, we'll be asking you to provide feedback about the event and hope that you can spare a moment to give us your valuable input, both here in Helsinki, but also online. And finally, for those attending here in-person, we'll invite you to join us for lunch and networking from 1:00 PM to 2:00 PM. We really look forward to an engaging and insightful day together.

And with this, I now hand over to Markus to start.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

Thank you very much, Ingela. A warm welcome to our Investor Day from me as well. Today, in my presentation, I will outline our plans for creating value in the future, discuss our strategic priorities, and present our vision for future growth. The overarching theme of today is value creation in our core operations, both now and in the future. There are multiple approaches to assessing value, but our primary objective is to consistently generate value for shareholders.

I will start by discussing our position in the Nordics and how we intend to capitalize on the business opportunities arising from the current operational environment and underlying market fundamentals. Following this, I will address our strategy execution and growth vision. To conclude, I will review the strategic KPIs, key enablers, and sustainability topics before closing my presentation.

Fortum has a very strong position in the Nordic power market. This statement can be examined from several perspectives. I will address this from the geographical presence, our business portfolio, asset locations and

capacities, as well as result contribution. Our geographical scope covers the Nordics and Poland. From a value perspective, our core asset portfolio is very valuable as it represents the most relevant and optimal mix possible, flexible hydro and baseload nuclear at scale. Hydro has an unlimited lifespan, but it is very difficult to build new conventional hydro, except for small capacity increases in connection with maintenance. New nuclear plants on the other hand are not economically viable today. Instead, lifetime extensions are currently relevant for nuclear energy.

Furthermore, both hydro and nuclear technologies are low carbon, which makes them very attractive to our customers. We have one of the lowest specific carbon emissions among utilities in Europe today. Our nuclear fleet has a total capacity exceeding 3 gigawatts, while our hydro assets amount to almost 4.7 gigawatts. Given that the Nordic power market consumes approximately 400 terawatt hours annually, we are one of the largest players with our outright portfolio of approximately 47 terawatt hours.

In addition to power generation, we have district heating operations in Finland and Poland. We are the leading retail company in the Nordics with their lately expanded customer base in Poland. Furthermore, we have an 8 gigawatt renewables development portfolio for future growth and value creation. Our EBITDA for the last 12 months was €1,258 million, €1.3 billion, and our comparable operating profit was €930 million. As one of the largest Nordic energy providers, we are well-positioned to serve our customers, and we aim to be their first choice. We have the offering that our customers request, including the scale, which makes us attractive as an energy supplier and partner.

Next, some words about the European power markets and why Nordics overall is the place to be for our customers. The recent discussion topic is why various industrial companies, especially data centers, are so interested in establishing their businesses in the Nordics. There are a few clear reasons. One is the power price level. There are large variations between power prices in Europe, and the Nordics has the most affordable prices. The main reason is the energy mix, hydro, nuclear, and renewables with basically no fossil fuels.

What are the other advantages? Very low emissions; very robust grid and good infrastructure, i.e., roads and harbors; possibilities for waste heat utilization; abundant land and water areas; and skilled workforce just to mention a few. Large land areas mean that we could build more supply when demand increases. Simon will come back to this in more detail a bit later on.

It is good to note that Central Europe has roughly doubled their power price level. Today, the interconnection capacity amounts to 11.7 gigawatts, and it will grow to 13.2 gigawatts by the end of 2026. This means more than 100 terawatt hours export and import possibilities between the Nordics and Continental Europe. Cables are owned by the TSOs and they are working automatically. This also means that in case of potential market tightness power flows in both directions.

Then, over to the most interesting discussion topic at the moment what demand projections look like and how consumption could evolve over time. Here, we illustrate longer-term demand projections as reported by the Nordic TSOs, how they anticipate the power consumption to develop across various industrial sectors over time and related projects within the Nordic region. In June 2025, the Nordic transmission system operators, TSOs, updated their projections for power demand in the Nordics.

According to the update, power demand is expected to grow to 550 terawatt hours per year by 2030. The estimate decreased slightly from previous estimates and indicates a delay in expected hydrogen production demand. However, it also highlights increased demand from data centers and other sectors by 2030. By 2050, demand is estimated to increase to 975 terawatt hours per year, which means that the annual demand would

have more than doubled from the current 400 terawatt hour level. Naturally, the very long term is uncertain. No one knows for sure how the demand will materialize, but this gives an indication of the direction.

At Fortum, based on our discussions with customers, we continue to see a robust underlying demand from various industrial sectors, and we believe that this will reflect power demand growth longer term. Customer appetite to sign long-term power purchase agreements of up to 10-year durations is currently low. However, we see interest to sign contracts with short and mid-term durations for three to seven years. Simon will tell more about the commercialization, pricing, and customer cases in his presentation.

The main take from the current situation is, however, that certain sectors are increasing demand already today, while some sectors seem to grow further out in the future. There is a lot of customer activity going on with the large amount of industrial projects across the Nordics. The most active sectors right now are, as we all know, the data centers. They're also likely to have the fastest time to market, which is why we see power demand from data centers to increase before larger industrial projects. We have prepared ourselves to respond to this increasing demand in the future. Although Nordics is currently slightly oversupplied if the market tightens, power imports from Central Europe can help meet rising demand by serving as a buffer through interconnectors. This would mean higher prices. The other alternative is to build new supply.

Let's have a look at how the new supply situation looks like at the moment. This picture is familiar to many of you. We have now updated the LCOEs for different generation types and related achieved prices. The LCOEs or the levelized cost of energy have increased because of inflation and higher interest rates. We are here looking at both LCOEs and achieved power price for the various technologies. The achieved power prices are calculated based on today's market prices as adjusted for capture rates or value factors. This shows that for new supply to be built power prices need to be clearly higher compared to today's forward prices. This means that for new capacity to come online, either market prices need to increase or customers need to pay a higher price through a PPA.

Let's look in more detail at these different alternatives. Starting from the renewables, onshore wind has an LCOE around €50 per megawatt hour. While it looks to be the cheapest, the achieved power price is very low as the capture rate is currently as low as 50%. This means that if an onshore wind project was built on merchant basis, the baseload market price would have to be around €100 per megawatt hour. If a project would be combined with a customer PPA, the price could be slightly lower because typically PPAs are run for 10 years, while wind farms are running for 30 years or 35 years. Then, the PPA price would be clearly above €50 per megawatt hour.

For a customer that wants its power 24/7, wind is not sufficient due to its intermittency. This means that it needs to be complemented with something else, hydro, batteries, or some balancing power, which again increases the price. New nuclear is another challenge as investments are high risk and construction times are very long. The LCOE level depends on what kind of project one assumes. In any case, some kind of public derisking and support mechanisms need to be in place or a customer offtake agreement.

The most realistic nuclear solution today is lifetime extension for existing nuclear power plants. At the moment, we are the only operator in the Nordics able to offer a lifetime extended nuclear power, nuclear baseload, and we can offer it at the relatively good price. In discussions with customers, it seems that demand for this product starts to pick up. We are investing approximately €1 billion in the Loviisa lifetime extension to keep the plant running until 2050, and this corresponds to almost 180 terawatt hours additional nuclear power over the extended lifetime.

Finnish TVO, i.e., the owner of Olkiluoto, has already made its environmental impact assessment for a potential extension of units 1 and 2, including a potential 80 megawatt capacity increase per unit. In Sweden too, there are talks about extending the lifetimes for existing units by 20 years from 60 years to 80 years. Assuming lifetime

extensions of all existing reactors in the Nordics, it would mean up to 300 terawatt hours of additional volume over a 20-year period, meaning 15 terawatt hours per year. The Loviisa extension totals 180 terawatt hours or 8 terawatt hours per year.

Then, over to our group strategy and execution. Here is the essence of our strategy announced in 2023. We want to power a world where people, businesses, and nature thrive together. Achieving this requires us as a company to transform and develop so that we can reliably produce and deliver energy to our customers and drive decarbonization of industries to electrification, which concretely means reduction of emissions.

Let's take a closer look at how we are executing our strategy to achieve our goals and target. Based on the ongoing shift in the power market, where customers and power generators are transitioning from the wholesale commodity market and are increasingly signing bilateral power contracts, Fortum has also shifted its focus to direct interaction with its industrial customers. That's our key strategic focus areas. We are now talking about commercialization, operations, and development.

Let me explain in more detail what I mean. As the large-scale power generator in the Nordics that Fortum is, we want to be our customers' first choice. We want to partner with our industrial customers to be their energy partner and provide them with offerings with flexible solutions. Considering the projected demand growth, this offers us attractive opportunities to grow in long-term supply agreement, PPAs. While we do see a lot of business opportunities around the PPAs, over time we also want to increase profit contribution independent of power prices. For us to be successful in serving our customers, our operations are the key foundation. We need to make sure that our generation fleet remains best-in-class.

In addition to availability, productivity and efficiency are crucial. This supports value creation. I will also cover the three critical enablers; people, digital, capabilities shortly. As we currently see robust underlying demand and the power market supply demand balance is expected to tighten, we are preparing for future growth by making sure that we can offer also new capacity to customers going forward. Today, we are allocating resources and capital for this development.

To ensure value creation in our strategy execution, we have now set a new return target. Our 14% RONA target is calculated against historical balance sheet values. With this return target, we will ensure that our existing assets are performing well. In addition to our new RONA target, which compares results to historical basket values, our strong focus is on future cash flows. For any new capital to be deployed, it must meet our return targets and the most attractive investments are always prioritized. Our target is to have a credit rating of at least BBB flat. Our dividend policy remains unchanged, with the payout ratio of 60% to 90% of comparable EPS. Tiina will go through our capital allocation principles in more detail in her presentation.

I also want to give you some insights into how we look at growth and value creation from an earnings perspective longer term with this illustrative picture. Today, our main focus is on the next five years. Growth and value creation potential beyond 2030 depends on the longer-term demand and power price development. The result will, of course, vary based on our achieved power price, and it's unlikely as smooth as in this illustration.

Starting from the Generation segment. Earnings growth is mainly driven by volumes and price. The price component depends largely on the market price development, hedge prices, and long-term PPA pricing over time. In addition, the optimization premium adds to the achieved power price. Volumes are driven by availabilities, capacity increases, and for example, lifetime extension of nuclear. Simon will today talk about the opportunities we see in flexibility solutions as part of our customer offering. The potential is based on growing customer demand over time. This includes Energy as a Service related to heating and cooling, batteries, and longer-term

potential pumped hydro storage as well, as flexibility service businesses with both B2B and B2C customers also in combination with renewables. For the flexibility solutions, the earnings potential lies further out in time and is expected to only have marginal impact on earnings in the next five years.

The result performance of Consumer Solutions has clearly improved over the past years, and the business has reached record high results this year. Our ambition is to continue to build on the achieved track record with organic growth. As this is, by its nature, a low margin business, competitiveness is built on customer satisfaction and efficient scalable operations. Mikael will come back to this in his presentation later today.

On top of this and based on our track record, we are continuously looking at opportunities for inorganic growth, providing that both the strategic fit and valuation support value creation. For both Power Generation and Consumer Solutions, we view it as likely that we will find future growth opportunities through M&A. Any acquisition will also be subject to a rigorous investment criteria.

We have updated our strategic goals and KPIs with metrics to measure our progress and performance going forward. The targets are set for the same key strategic focus areas just discussed; operations, commercialization, and development. The aim is to ensure optimal performance, capture long-term opportunities, and manage business and market risks.

First, operations. Fleet availability is crucial to ensure continued value creation and to meet market and customer needs. The availability rates of our power plants have historically been very good, and we continue to strive to improve them. Last year, we achieved our target for the availability rate of hydropower, but we did not reach our long-term target for the availability rate of nuclear power as there were unplanned and prolonged outages during this year. Unfortunately, this year, the situation has been even more challenging, with the significant impact from the unplanned and prolonged outage, especially at Oskarshamn 3, which has had a significant impact on our nuclear volumes. As announced, now the plant is back online.

Our flexible hydropower provides a strong competitive edge with which we create added value. This year, however, our hydro volumes are also below the normal level, mainly due to low inflows earlier this year. Efforts to ensure high availability for both baseload nuclear and flexible hydro will therefore continue to be very high on our agenda. As said, our strength lies in the optimization of our flexible hydro fleet. Several factors influenced the optimization, the most significant of which are power price volatility and environmental certificates. The higher the price volatility, the better opportunities there are for us to generate this premium. This year, the continued power price volatility is one of the main reasons for reaching the optimization premium of approximately €10 per megawatt hour.

In addition, the lower volumes in 2025 have a slight positive impact on the premium. For 2026, we expect the optimization premium to be in the range of €8 to €10 per megawatt hour. Forecasting the optimization premium becomes more challenging for future years, which is why we keep the earlier guidance of €6 to €8 from 2027 onwards. In 2024, we achieved a very good result of €8.7. Simon will go more – into more details in his own presentation on how we generate the premium.

Second, commercialization. From the commercial angle, our aim is to stabilize revenue streams. To reduce the power price risk, we hedge our electricity generation to ensure a predictable and stable cash flow. Our target is to increase the share of long-term electricity contracts among contracts with industrial customers. We have now updated our target and aim to have hedged at least 25% of our Nordic [indiscernible] (00:26:20) electricity production over a rolling 10-year period by the end of 2028. At the end of 2024, the hedged share of our production for 10 years was 18%.

We systematically always hedge the next two to three years either on the exchange or over bilateral contracts with our customers. Long-term hedging can and will be done with customer PPAs long-term power purchase agreements. While we aim to step-wise increase the longer-term hedge ratio over time, we will not jeopardize pricing. We actively focus on optimizing the price as it is the key earnings driver. Simon will talk more about PPAs in his presentation. We have set the target for customer satisfaction index. We aim to reach a CSI of 76 by the end of 2028. Currently, the level is 76.

Moving on to development and our targets for how we develop opportunities for growth. The main performance measure is related to our readiness to invest in growth based on customer demand. This means in practice that we are developing investment projects for new onshore wind and solar power generation, which we can offer to customers if and when they request new capacity. This helps to speed up the time to market for our customers. Renewables are the fastest way to build new capacity. I want to stress that we do not intend to build any new emergent renewables capacity in current market conditions. We will only make new investment decisions if the capacity is linked to a PPA. Our goal is to have at least 1.2 gigawatts ready-to-build capacity by the end of 2028.

During this year, we have acquired two development portfolios for renewables, one from Enersense and most recently one from ABO Wind. Both portfolios comprise projects in Finland. These acquisitions give us valuable future capabilities and options. With these transactions, our project development portfolio totals approximately 8 gigawatts of renewable power projects in permitting phase in the Nordics, with more projects in the early stages of development. As a new target, we aim to have the readiness-to-deploy new flexibility services and assets of up to 2.5 gigawatts by the end of 2028. Part of these are already being developed.

What does it take to ensure a successful execution of our strategy? Let's take a look at the required enablers. To meet our set targets and guarantee successful strategy implementation, we have identified the following key enablers that we need to strengthen further; culture, digitalization, and capabilities.

Regarding culture, it is crucial that we have the right competencies needed to successfully develop our businesses. This includes the leadership culture that drives high-performing teams with clear targets and accountability. We aim to transition Fortum into a best-in-class energy leader, and digitalization is identified as one of the most critical enablers for future success. We are integrating digital across all processes, from operations to leadership, so that data-driven decisions and automation become the norm. This accelerates execution and reduces complexity.

Digital tools enable us to deliver superior customer experiences and unlock new B2B growth opportunities through tailored solutions and seamless interactions. Automation and advanced analytics improve efficiency, reduce downtime, and lower costs directly impacting margins and reliability. Digital asset monitoring and predictive maintenance extend asset life, reduce risk, and optimize performance, thereby protecting capital and improving returns.

The final important area is our future capabilities. We are investing in talent and digital systems that align with our strategic priorities. This ensures that every part of the organization is equipped to deliver on our growth and transition objectives. Customer relationships are central to our growth. Deep partnerships enable us to co-create solutions, secure long-term contracts, and enhance revenue stability. Efficient project delivery and lifecycle optimization reduce risk, accelerate returns, and ensure our assets remain competitive. Trading is a key earnings driver. By improving analytics, systems, and market access, we capture more value from volatility and optimize portfolio performance. Reliability and cost discipline protect margins and underpin trust with customers and investors. This is essential for delivering predictable cash flows.

Finally, on a very important theme for us, namely sustainability and our climate and biodiversity targets. Sustainability and especially, climate targets are at the very core of our strategy and one of our key strengths in making us our customers' first choice. Early this year, we announced our ambitious targets confirmed by SBTi, i.e. science-based climate targets. Among other things, we aim for net zero greenhouse gas emissions across the entire value chain by 2040. Our own production emissions are already low, but our goal is to reduce our emissions by 2030, more than the 1.5 degree target would require. In addition, we will exit coal by the end of 2027, and we are on track to reach our specific emissions targets already this year. Especially in the Capital Markets, we get a lot of credit for the very concretely outlined transition plan.

Recently, we have also updated our biodiversity targets. The revised biodiversity targets address the impacts of Fortum's own operations, including land used in all operations, the effects of hydropower on aquatic ecosystems, and the supply chain-related land use impacts from sourcing biomass. We have also outlined a concrete transition plan for biodiversity.

This brings me to the end of my presentation, and I want to conclude by summing up how we create value from our activities and offer an attractive value proposition and an investment opportunity to our shareholders. First, our comprehensive offering matches evolving customer needs, which makes us an attractive choice for our customers.

Second, our competitive and resilient Nordic generation portfolio based on hydro, nuclear, and wind power provides us with an absolute competitive advantage. Our best-in-class operations have already proven their ability to create value and generate sustainable cash flows. And we can procure low carbon – produce low-carbon energy at large scale as required by customers. As mentioned, 99% of our electricity production is already decarbonized.

Thirdly, with nuclear and hydro at the core, complemented with renewables, we have both baseload and flexible electricity generation. We can generate added value for our shareholders through reliable, flexible and efficient operations.

And finally, we have a very strong position in the fragmented Nordic electricity market as one of the largest players in both electricity production and electricity retail.

We pay a good return to shareholders and we have a strong balance sheet. Sustainable cash flow and a strong financial position are at the heart of our operations. This concludes my presentation, and now I will hand it over to Tiina.

Tiina Marjukka Tuomela

Chief Financial Officer, Fortum Oyj

Thank you very much, Markus. A warm welcome to our Investor Day, also on my behalf. While Markus was elaborating our strategy, execution and growth ambition, I will now provide more details around the financials and target with focus on value creation, as Markus outlined in his presentation.

I will first go through our achievements in recent years, which provides a solid basis for further development Fortum, but also create a optimal platform for future growth. We want to maintain our strong financial position to ensure that we have the necessary capacity to capture upcoming business opportunities.

Let me start with the recent achievements. The largest part of Fortum's value lies in our flexible hydro and baseload nuclear fleet. Decarbonization of industrial companies is largely driven by electrification, which make our almost fully decarbonized outright generation fleet extremely attractive.

Continuous efficiency improvements, keep us competitive and drive earnings growth. Having got €100 million in annual fixed costs, our annual fixed cost level from 2026 onwards is expected to be €870 million. We have been prudent and disciplined in our capital allocation in recent years, which is reflected in our strong balance sheet. This strategy has served us well as we now have the capacity for growth when attractive opportunities appear. Our financial strength is also reflected in our current credit rating of BBB+.

Another achieved strength is the solution for final nuclear waste disposal. The possible solution is unique, globally the first of its kind, and so far only exist in Finland. Sweden has already started the constructions of a similar solution. Overall, nuclear waste and decommissioning liabilities for our share of the nuclear plants are overfunded in Finland and nearly fully funded in Sweden.

Turning to our ongoing areas on focus from a value creation perspective. Flexible hydro generates significant value and earnings. To optimize our earnings, it is crucial that we aim for maximum availability at all times. Flexible hydro is low carbon, and clearly more valuable than flexible gas or coal. Hydro has an infinite lifetime and is limited in the sense that basically no new hydro plants can be built. However, we are conducting a feasibility study on the possibility of pumped hydro storage. Reservoirs represent the largest available storage capacity and fuel is both free and low carbon. It is also good to know that we own our hydro plants and the waterfall rights, while in Central Europe they are normally concessioned. So, Fortum benefits from a hydro fleet of perpetual asset generating low marginal cost of decarbonized power.

Markus already highlighted the value and profitability of nuclear lifetime extension, which offers prolonged power generation for several decades.

As part of our ambition to build preparedness for future growth, we have the updated target to deliver – develop our Ready to Build renewables portfolio. This provides growth opportunities for us while serving our customers when needed. In order to guarantee value creation, we have said that we would only invest in new renewables if there is a PPA linked to the project. Today, we announced a new growth target with the flexibility solutions, we aim to broaden our product offering to our customers. Simon will provide more details how we aim to do that.

In order to provide you with some more concrete result guidance, I want to take you through how we will improve our comparable operating profit in the next five years with our own actions. This outline is split in our external reported segments and the baseline in the comparable operating profit for the last 12 months of €930 million, as reported in our Q3 Interim Report. We expect our result to improve by €330 million by 2030.

The power price in the single largest result driver for Fortum. This guidance does not take into account the power price, which means that any assumption for the price need to be added. Neither have we included any other external factors. So, this is now based on what we can control, i.e., our own actions.

My last point is that this improvement is related to the existing fleet and business operation. It does not take into account any potential use of CapEx, no investments, nor M&A transactions. Result improvement of €260 million in the Generation segment are mainly related to nuclear and hydro volumes, considering the very low volumes of 2025. Naturally, hydro volumes will eventually depend on the inflows. It also includes higher profitability in our heating and cooling business, improve performance in co-owned assets, and result from new flexibility services.

We are very satisfied with the good performance and all-time high result in Consumer Solutions. The Q3 year-to-date comparable operating profit is €96 million and €112 million for the last 12 month. We expect the result to increase by approximately €40 million towards the end of the period, both to the organic growth and also efficiency improvements. For this and next year, comparable operating profit is expected to be around €100 million. Mikael will tell you how we are doing – going to do this in his presentation.

In the Other Operations segment, the €30-million improvement is mainly driven by further clean-up and streamlining actions, as well as cost improvements and digitalization. We expect this improvement to materialize in the next few years. I will now proceed to discuss on our capital allocation principles.

Regarding capital allocation, our objective is to maintain a credit rating of at least BBB. Because the basis of our funding is bond, we want to ensure continuously good access to the bond market. With a credit rating of BBB, we assessed that our leverage for the finance on a net debt to comparable EBITDA could be a maximum of 2.5 times. Today, we are BBB-plus both by S&P and Fitch.

This definition has been slightly modified as a clarification for the maximum level as our previously communicated, maximum leverage level was a range of 2 to 2.5 times. For the next five years, our committed capital expenditure is going to be approximately €2 billion. Further, there is potential to invest an additional €2.5 billion. Our preference is to grow through investment. However, it requires highly attractive opportunities. For any new investment, the project need to meet our investment criteria WACC plus hurdle rate of 150 to 400 basis points. As Markus already said, new capacity requires much higher prices compared to today's levels.

Today, we also introduce a new group comparable RONA target to drive efficient use of capital and improve profitability for existing assets, businesses and operations. As this is a long-term target, future investments, acquisitions and pricing decision should support its achievement over time. We remain focused on cash flows, continuous improvement and cost control.

Our digital capital allocation aims to deliver attractive returns and in-hand shareholder value. This supports our continuous ability to pay highly competitive cash dividends, in line with our 60% to 90% comparable EPS payout ratio. The upper end of the range of the payout ratios is applied in a situation with a strong balance sheet and low investment, while the lower end of the range is applied with the high leverage and/or significant investment and high capital expenditure. Then, a few words on our balance sheet and focus on cash flow.

Today we are talking a lot about the value creation. It is essential that we use our capital effectively and generate good cash flows. Our comparable EBITDA reflects the underlying cash flow well, i.e., our conversion to cash is very high, close to 100%. We are generally not recording any loss provisions which would affect the cash conversion. Further, our cash flow is transparent as we are providing separate guidance for relevant items. I will come back to this.

After deduction from the EBITDA, financial net debt is assumed to remain relatively balanced based on guided current investment plans. Our balance sheet remains strong. At the end of the third quarter, the final net debt to comparable EBITDA ratio was 1, compared to the maximum threshold of 2.5 times. To be clear, we are not targeting a 2.5 times level. You can consider it as a ceiling that we would not wish to exceed. In view of the current market volatility and uncertainty, we prioritize some flexibility.

At the corporate level, we maintain a risk policy that provides oversight of future cash flows. This underpins our approach to hedging, where we have established a solid track record of successful risk management. Hedging

involves balancing market, credit and liquidity risks. Hedging has largely transitioned from the power exchanges to bilateral contracts with customers. Today, a clear majority of our hedges are done as bilateral contracts. Consequently, our liquidity risk has diminished given lower margining requirements, while credit risk, primarily counterparty related, has increased.

Hedging serve as protection against both price declines and spikes, but its core purpose remain to enhance predictability of future cash flows. Our business structure, which is heavily weighted towards outright generation, is particularly exposed to power price volatility. Although hedges allow us to manage future cash flows, it is crucial to recognize that price fluctuation enable us flexible hydro asset to capture the optimization premium. As we have guided, this income remains relatively stable, although it is derived from price volatility.

Overall, when considering both hedging and optimization premium, a significant portion of our realized result actually originate from stable income sources.

Today we announce an update of our target for hedged share of rolling 10-year outright generation volume to be at least 25% by the end of 2028. Our previous target was to have hedged at least 20% by the end of 2026. At the end of 2024, the hedged share of rolling 10-year volume was 18%. In his presentation, Simon will address pricing and execution of PPAs in further detail.

I am pleased to provide further insight into our capital expenditure planning. In this picture, let's start from the bottom of the graph. For the period 2026 to 2030, a total of approximately €2 billion of CapEx has already being committed. That includes maintenance CapEx of approximately €250 million per year. Committed CapEx for growth for this time period totals approximately €750 million, including announced investment, such as the lifetime extensions of the Loviisa Nuclear Power Plant, initiatives for decarbonization and electrification of Espoo District Heating network, and recently announced decarbonization projects in Czeszochowa and Zabrze, Poland.

Investment to hydropower are partly shown here in growth CapEx and Consumer Solutions investments are customer acquisition costs, which are recorded through CapEx and depreciation in accordance with IFRS 15. Of this total CapEx of €2 billion, approximately €550 million is estimated to materialize in 2026. This includes both maintenance and growth CapEx, but excludes any potential acquisitions.

Should attractive investment opportunities arise, there is flexibility to increase CapEx by an additional up to €2.5 billion over this time period. This could include investment in renewables, district heating or potential M&A. However, as I already said, we are not targeting a 2.5 times leverage level and that is why this graph – presented potential CapEx is not based on that level. As previously stated, an investment in new generation capacity, including wind projects, would be contingent of securing PPAs to ensure profitability.

We have a very solid history of shareholder distribution. We have paid cash dividend every year since Fortum's listing in 1998. In our history, we have also paid special dividends, especially in situation with an over-capitalized balance sheet. Over the entire time period, cash dividends of as much as €21.7 billion have been paid. At the same time, I also want to highlight that we have said that we do not expect to deliver shareholder returns in the form of share buybacks, but rather aim to continue to pay highly competitive dividends.

I would also want to take this opportunity to outline our general approach to providing guidance for the capital markets. To offer condensed clarity on this topic, we want – we have compiled a summary of the toolbox you can use to forecast our earnings. As the company value is driven by future cash flows, we are providing insights into all relevant line items.

EBITDA can be estimated through hedges, market prices and optimization premium. Normal annual generation volumes are also known. Depreciation levels are best reflected in the recorded figures for the last 12 months. Maintenance CapEx is below depreciation.

Regarding our associated companies, the only relevant one today is DSE, a Finnish district heating company. We have record an small annual profit of some €5 million to €10 million. On the associated company line, you see the impact of various nuclear items. These are usually volatile and not possible to guide.

For gross debt, liquid funds and interest rate, clear guidance is provided and updated on a quarterly basis. Loan maturities are also clearly disclosed. There is also continuous guidance for the annual comparable income tax rate. Minorities are currently marginal, close to zero. Regarding capital allocation, we provide capital expenditure guidance rather clearly on annual or multi-year basis, distinguishing between maintenance and growth allocation.

In addition, shareholder return principles are based on our dividend policy. For the balance between CapEx and dividend, we have said that we use the upper end of the 60% to 90% payout ratio in case we have modest investment and vice versa, apply low end of the range when going through large investments and programs. So, with these set of guided elements, one can model our result quite well.

With this page, I want to summarize building blocks of our financial performance and targets through which we aim to create value, increase earnings, and ensure efficient use of capital. Leverage, optimization and hedging are our guidance. The group comparable RONA percentage is a long-term target, operating in parallel with our investment criteria. Dividend is a policy and an important element of our shareholder position. All of these contribute to drive value creation for our shareholders. Optimization and hedging drive profitability and manage risk in our outright Generation business. Leverage optimizes the use of capital, and return target ensure efficient use of existing and new capital.

This concludes my presentation. Over to you, Ingela.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

Thank you, Tiina.

QUESTION AND ANSWER SECTION

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

A

Thank you, Tiina. So, we now move to our first Q&A session where you can ask questions from Markus and Tiina. And also, please note that some topics will be covered now more thoroughly in the coming next two presentations, so we can get back to those in more detail then – details then on the second Q&A.

You can ask questions here in the studio, then on the teleconference, and then we have the webcast platform, and we'll start with questions here in the studio with the live audience.

Please wait until we bring you a microphone and then also please state your name and company before the question. I think Deepa was first. Please go ahead.

Deepa Venkateswaran

Analyst, Bernstein Autonomous LLP

Q

Thank you. And thank you for the update in person. So, I have two questions, one for each of you. So, Tiina, maybe starting with the efficiency target of €330 million, you mentioned €260 million is from Generation and a big part of that is normalization of volumes, which we generally might have in our models anyway. So, can you clarify how much of that is new, beyond – so, out of the €260 million, what is like new from – you mentioned, efficiencies of heat, etcetera. So, that's my first question. So we know what is the true uplift to our earnings.

And then Markus, in the €2.5-billion target, you know you did allude to M&A at some point. So, I just wanted to understand what is in scope of this M&A. Is it renewable platform acquisitions, or is it something like more of what you did a few years back? You know, if some assets were available from Uniper, for example, what is in scope for this M&A and this €2.5 billion?

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

Thank you.

Deepa Venkateswaran

Analyst, Bernstein Autonomous LLP

Q

And sorry, I didn't mention, I was Deepa from Bernstein.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

A

Yeah.

Tiina Marjukka Tuomela

Chief Financial Officer, Fortum Oyj

A

Hello.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

Okay, Tiina, if you want to go ahead.

A

Tiina Marjukka Tuomela*Chief Financial Officer, Fortum Oyj*

Yeah.

A

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

Yeah.

A

Tiina Marjukka Tuomela*Chief Financial Officer, Fortum Oyj*

So, our efficiency target, €330 million, so, first of all, this is our own action. It doesn't include any price impact or potential impact of the investments or acquisition and so forth. And as you mentioned, the big part of the €330 million is coming from the Generation. So, €260 million for Generation, and main part will come from the volume. So, nuclear availability, hydro normal inflows, but also some marginal capacity increases when we do the refurbishment and so forth.

A

The volume, I think the baseline what you can use is our Q3 last 12 months numbers. So, this is the basis where we have built up our earnings potential from these items. And as we know, 2025, the volumes have been lower. So, the 12-month volume, roughly, for the 1.2 terawatt-hours at this stage. Of course, it might change by the end of the year.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

Good. Thanks, Tiina. And then over to the €2.5-billion target. The main purpose is that it's a scope for organic growth. So it could be a renewables investment and it could be flexibility investments. These would be the two main areas.

A

What comes to M&A, M&A is the potential use of funds as well. And they have a more dynamic impact because on organic investments, you invest first, get cash flows later. So, then if we would do M&A, then we would reassess that €2.5 billion, of course, accordingly regarding or depending on what would be the acquisition. What acquisitions could include is acquisitions in Consumer Solutions, in district heating and cooling, renewables operating assets and pipelines, and nuclear and hydro, if they were available, which they seldom are.

And regarding costs, Orange Energia, Telge are examples of synergetic bolt-on acquisitions in district heating and cooling – district heating and cooling to be decarbonized and electrified. So, typically it would be now from waste energy and biomass to electrified.

And then operating assets in renewables, if available, and potentially some pipeline in Finland, I would say that our position is very strong already. Uniper is a potential, if it were available, then we would look at it and consider what we could do there.

Ingela Ulfves*Vice President-Investor Relations & Financial Communications, Fortum Oyj*

A

Thank you. I think then we continue here in the middle. Yes.

Harrison Williams*Analyst, Morgan Stanley & Co. International Plc*

Q

Thank you. It's Harrison Williams from Morgan Stanley. Firstly, can I come back to the 2030 targets? So, you say that this is price-neutral. Can you clarify how you're adjusting for the optimization premium, if at all? Because I guess my understanding is, the last 12 months that's been around 10 US megawatt-hour, whereas your long-term guidance is 6 megawatt-hour to 8 megawatt-hour. If we take 3 megawatt-hour off, that could be, you know, a €150-million impact. Can I just confirm the math there and that is your guidance?

And then secondly, can I ask on data centers, unsurprisingly. So, I guess there was nothing firm in the release today and I think it's fair to say, there's probably some expectation. I appreciate, maybe not that much has changed since your Q3 results recently, but can you give any color on anything that has changed? Were you expecting something to be able to announce today or is everything still a little away down the track? Any further color on timing there would be very helpful. Thank you.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

A

Thank you. So, Tiina, if you want to continue to elaborate on the €330 million and the impact, and I will thank the data center question.

Tiina Marjukka Tuomela*Chief Financial Officer, Fortum Oyj*

A

Yes. So, the baseline really being the last 12 months into Q3, so the achieved power price at the end of September was €52.1 per megawatt-hour and this is the baseline how we calculate then assuming that that price level will contain. What comes to the optimization premium, so it is according with our guidance, so, in the longer term of range of €6 per megawatt-hour to €8 per megawatt-hour. And as Markus, in his presentation, say that, that is the number, when we get closer to the time, we might update the guidance because the predictability, of course, in the longer term is fairly difficult.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

A

And regarding data centers, Simon will go into more detail on that, so I'll take a very short kind of overview. But, indeed, the discussions are active with both hyperscalers and co-locators. So, there's a number of discussions we are engaged in. And what the data center operators and developers are interested in is the access to land, access to grid and access to power, as I explained in my part, but more details about that from Simon, but discussions are active.

Ingela Ulfves*Vice President-Investor Relations & Financial Communications, Fortum Oyj*

A

Thank you. And then we move over here to Artem.

Artem Beletski*Analyst, Skandinaviska Enskilda Banken AB (Finland)*

Q

Yes. Hi Artem Beletski from SEB. Thank you Markus and Tiina for your presentations. Two questions from my end. So, the first one, continuing this €2.5-billion CapEx topic, or incremental opportunity and what was interesting in my view is your highlight relating to district heating. Do you think that those potential investments could be sizable, and what type of opportunities you see on that front?

And the other topic is relating to the outlook what comes to optimization premium. So it is high number, what you are providing for 2026 versus for 2027 and beyond. Is it really only the factors that you want to be conservative with not that much visibility for 2027. And so, are there some structural drivers which would be raising your optimization premium like guarantees of origin? Thank you.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

Thank you. So, Tiina, if you take the optimization premium and I can build on the district heating part. So, with regards to organic CapEx, our main projects now are the Clean Heat Espoo which is coming towards the end of the investments there. And now we just recently announced the investment into the decarbonization of Zabrze and we have Czestochowa going on.

On the M&A front, what we are interested in is a similar development, as we have done in Finland for our Espoo operation. So, gradually moving district heating from fossil to waste energy and biomass, which we did already basically in all of our operations which many have been divested. And the next stage is electrification. So, the dynamic underlying is that, a lot of district heating companies are under pressure with the increased fuel costs, increased interest rates, and lower electricity prices. So, this puts a squeeze on CHP, and this is where we come in with the potential then to electrify.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

A

Thank you. I think at this point we will now move to the teleconference. We can come back to the studio then at the end, if we have time. But moderator...

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

And we had that question on optimization.

Tiina Marjukka Tuomela

Chief Financial Officer, Fortum Oyj

A

Yes

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

A

Oh, sorry. Then let's take...

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

Yeah.

Ingela Ulfves*Vice President-Investor Relations & Financial Communications, Fortum Oyj*

A

Sorry. Excuse me. Let's take that first before we go to the teleconference. Very good. Go ahead.

Tiina Marjukka Tuomela*Chief Financial Officer, Fortum Oyj*

A

So, in general, I would say that the volatility in the market is increasing and what we have seen also in our numbers. So, more renewables coming through the system, more different kind of offerings being there. So, therefore, what we can see that in the short term we have provided quite nice numbers for the optimization.

For the longer term, it is more that it is difficult, volatility is very difficult to predict in that long – long time. So, structurally no major changes. But, it's more that forecasting volatility closer, easier and therefore we are more confident to give higher numbers in the short-term.

Ingela Ulfves*Vice President-Investor Relations & Financial Communications, Fortum Oyj*

A

Thank you. And now, moderator, let's take some questions from the teleconference.

Operator: The next question comes from Harry Wyburg from BNP Paribas Exane. Please go ahead.

Harry Wyburg*Analyst, Exane*

Q

Hi. Good morning, everyone. Thank you very much for taking my questions. So, two, and I apologize, because they are obviously going to be on data centers and power demands. The first one to Markus, take your comments and I know we're going to have a later presentation on this, but can we just talk about timing of these discussions you're having? I think if we sort of read the entrails of a language you were using on the Q3 call, we all got the impression that something might be imminent here. And obviously, there's nothing yet.

How long is it, do you think, until these discussions you're having on co-location and PPAs with data center operators will be concluded? Is that something you think you could have by year-end? Have we maybe missed an announcement today by a matter of weeks which you had previously hoped you might have signed already?

And then the second part is on the politics. So, I guess your entire strategy is built around what you said on power demand growth and the increases in prices that are needed to bring new capacity onto the system. When you discuss that with governments, how do you think a significant increase in power prices in Finland would go down politically? Do you expect any resistance or political intervention, if you signed a load of data center PPAs of very high prices and ultimately [indiscernible] (01:12:01) much higher by 2030, is that something that you think the government would be willing to accept? Thank you.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

A

Thank you. So, I'll start with the politics. So, we do engage with all sectors, customers, decision-makers, citizens. So, we explain continuously what's happening in the power market. And we also explain this dynamic, the potential, and – which we think is a likely increase in demand, eventually will have to result in higher power prices, because new full load supply cannot be done with these price levels and I think this is generally well understood.

I don't see, with the dynamic ahead of us, that there would be any special level with – where the state would start to – or states would start to intervene, but this is something we have an ongoing discussion in the normal course of business all the time.

Then on the timing of discussions, we are discussing not only with the data center operators but with also other sectors: steel, aluminum, chemicals, battery factories, and they are in various stages and projects are in various stages of maturity. So, when we have something material to announce, then we will do it. But I cannot preempt when or when not we would be signing agreements with our customers.

Harry Wyburg

Analyst, Exane

Okay. Thank you.

Q

Operator: The next question comes from Anna Webb from UBS. Please go ahead.

Anna Webb

Analyst, UBS AG (London Branch)

Hi. Good morning. Thank you for taking my questions. Two for me. Firstly, on the new ready-to-deploy flexibility, you talk about 2.5 gigawatts by the end of 2028 with no CapEx requirement, or at least for some portion of that, no CapEx requirement. Can you talk a bit more in detail about what that is, and why it requires no CapEx, and how you see that kind of 2.5 gigawatts, which is quite a reasonable amount of capacity? So that's the first question.

Q

And then secondly, on the guidance for your returns, 150 bps to 400 bps spread above WACC, can you talk about what you see at the different ends of those ranges? I mean, it's quite a relatively wide range, so, I guess it will be based on how much risk you see in different investments. But what kind of investments would do you see more, you'd be happy to take the 150 basis points versus you'd need more like the 400 basis points. Be good to get some color on that. Thank you.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

Tiina, if you take the ready-to-build flexibility part. And then kind of a generic answer first to the 150 basis points, 400 basis points. So, it is regarding the technological maturity and then the type of contract risk or other that we would be taking, so the more unproven technologies, untested technologies, the higher the premium. Typically what we do in hydropower, what we do in CHP, this would be – and renewables if it's like established players, and ways of working, then it would be in the lower end.

A

So, we haven't seen ourselves being at the 400 basis points and – in the recent years, but this is more to cater also for potentially less proven technologies. And then Tiina, to the...

Tiina Marjukka Tuomela

Chief Financial Officer, Fortum Oyj

Ready to deploy.

A

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

A

RtD.

Tiina Marjukka Tuomela*Chief Financial Officer, Fortum Oyj*

A

Yes.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

A

Yeah.

Tiina Marjukka Tuomela*Chief Financial Officer, Fortum Oyj*

A

So, the overall target is 2.5 gigawatts by end of 2028, of which, the maturity, so 2 gigawatts, relates to services to the customer. So, those, I would say very minor investment, if any investment. And then the other part, so, 0.5 gigawatts relates our own assets, and there we have already project going on. So, 350 megawatts relates to electric boilers and those investments are already in our committed capital. Then what is the rest will depend what kind of solutions we are doing. So, whether those are heat pumps, batteries, and other installations. So, I would say that the capital frame is still fairly limited.

Anna Webb*Analyst, UBS AG (London Branch)*

Q

Thank you.

Operator: The next question comes from Ajay Patel from Goldman Sachs. Please go ahead.**Ajay Patel***Analyst, Goldman Sachs International*

Q

Hi. Good morning. Firstly, thank you for the presentation today. It's very helpful. I think I've got two areas to discuss – or one to ask about. Firstly, was on the CEO presentation on slide 5, when you talk about power demand. I mean, if you look at that 2030 picture versus today, it's a huge step up in demand, but largely it's coming from ammonia, green metals, battery manufacturing, pulp and paper, rather than data centers at that stage. And these projects typically take a fair bit of lead time to develop. So, I just wanted to understand, as it stands today, going into 2026, four years to that date, how much visibility do you have on that part of the increase in demand?

I – do we already have a lot of these projects signed, in the process of being executed in the next 12 to 18 months so that we will have visibility on that type of demand growth, or is it still relatively vague. And as a major participant in this market, I thought you would have quite a sizable view there.

And then secondly, on the hedging rolling – the rolling hedge which you – you talk about more than 25% by 2028, I think that's like 18%, I think, at the end of 2024, doesn't really sort of imply there's going to be a huge step up in contracted power. But I'm wondering, given that you're in the discussions with a number of parties, can you just give us the framework in regards to setting contracts?

Like, should we just purely simply look at this as you currently have a power price plus optimization in terms of a revenue line on the generation assets? If you were to sign contracts, how much of an additional premium could you extract? Because I think this is a key focus point on most of the time I talk to investors, that this is – could be quite substantial, and I just wanted to understand what the drivers of a substantial premium would look like and come from?

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

Yes, Tiina, if you take the hedging question and I can take the demand outlook. So, indeed, as I highlighted, these are the TSO forecasts and the way they do their forecast is that they take the incoming connection increase, both for demand and for production, and a massive haircut based on their methodology. So, the gross number of the connection increase is way, way bigger than this.

We, on the other hand, we are discussing likely with the same customers who talk with the TSOs. So, what we – this is the TSO forecast, not our own forecast. But, like I said, directionally, we would certainly agree with this because we are in intimate discussions with the customers. So, we put on the time line per half-a-year, how the financial investment decisions are done and when these projects should hit the market. So, we would say that that 2027, 2028, we see the demand really kicking in already from the decisions and new demand increases that are happening today. And then we will see the uptake further until 2030.

Then how it happens between these different sectors, that, of course, there the TSOs have a view. We have our own view about that. So, it may vary between these different sectors, but directionally, certainly I agree with the forecast. And Tiina?

Tiina Marjukka Tuomela

Chief Financial Officer, Fortum Oyj

A

Yes, then to the hedging. So, as we indicated, so hedging is mainly to increase the predictability of our cash flows and then the risk management. And what we do is, is our normal hedging for the two to three years, so we hedge 60% to 80%. For the longer term, we have also now stated that directionally we would like to increase the level, and now it's at least 25% by 2028. And this is also to bring the stability to our cash flows, but, of course not jeopardizing the prices. So, prices are all of course very important parameter when we set those hedges. PPAs then, of course, would be then part of those numbers as well. But it is at least 25%. Thank you.

Ajay Patel

Analyst, Goldman Sachs International

Q

Given – do you mind if I follow-up? I just want to say that given that number doesn't really tick up aggressively, is it fair to say that a lot of the PPAs you would expect would be shorter duration type contracts? Or is it too – it's not – you can't infer that? Just wanted to make sure I understood.

Tiina Marjukka Tuomela

Chief Financial Officer, Fortum Oyj

A

Well, basically, how we build our portfolio is to do that on gradually. So, this is a indication. Indication that we would like to increase the hedged level, at least is not the ceiling. So, it can be higher. But, directionally, with the good prices, we are increasing the longer-term hedge.

Anna Webb

Analyst, UBS AG (London Branch)

Q

Thank you very much.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

Thank you. Now we're a bit over time already. So in honor to – in order to honor the break, I think we cut it for now, and then continue at 11:35 A.M. after a small break.

So, thank you all for your very good questions and your activity. Let's come back then to more questions at the end of the event when we have heard the next two presentations. We'll be back at 11:35 A.M.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

Thank you.

Tiina Marjukka Tuomela

Chief Financial Officer, Fortum Oyj

Thank you.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

So, welcome back from the break, everyone. And we are now ready to continue with the second part of this event.

First, we will have Simon who will talk about our commercial strategy, after which Mikael will continue with our ambitions for our Consumer Solutions business. And after this, we then end with a second Q&A with all our presenters. So, with this, Simon, over to you.

Simon-Erik Ollus

Executive Vice President-Corporate Customers & Markets, Fortum Oyj

Hey. Thank you very much, Ingela. And a warm welcome to our Investor Day also from my side.

As Markus already mentioned in the beginning, I will be talking about our commercial strategy and business opportunities for Fortum, and how we are creating value with our large customers.

Fortum is very well-positioned to serve its large corporate customers with broad and attractive offerings. As Markus already said in his presentation, we have increased the bilateral engagement with large industrial customers in recent years. In our customer approach, our focus is on understanding the customer's business, their challenges and business targets in order to be able to successfully fulfill their needs and requirements. Consequently, we can make sure that we have the correct offering in place.

We offer the customers, the ability to hedge their power procurement needs long-term through PPAs, usually with tenors longer than four years. This contract can be standard or non-standard in their nature, depending on customer's need like underlying sustainability targets or requirements. We have seen an increasing interest in these contracts and requests for more complex products in recent times.

Hedging services are one of our core products where the customer usually prefers a shorter time horizon. These products usually have tenors up to four years prior delivery and are usually very standardized products. The

services offer the customer a cost-efficient hedging channel for their needs. And for Fortum, they provide an alternative hedging channel to exchanges. We also provide physical power delivery and flexibility services with rising demand for more advanced solutions to help customers to optimize their industrial operations and balance power supply and demand.

Due to its energy mix, the Nordic energy market is almost fully decarbonized and consequently very established regarding environmental products like guarantees of origins. At Fortum, we already have a solid trading position in this market, but are constantly looking for new product innovations in this domain to match new customer requirements. And finally, we also support selected industrial projects with deeper partnership models, usually in quite an early stage of development of the establishment of the investment project.

The partnership can include site development, joint engineering of flexibility solutions, heat recovery models, development of power procurement strategies, or even a limited equity stake. And I will get back to our partnership model later in this presentation.

Markus already presented the outlook as forecast by Nordics TSOs in his section. And Nordic power demand is expected to grow significantly towards 2050, with the main part of the projected growth still expected to come from energy-intensive industries. So far, the electricity demand has been driven by district heating electrification and the uptake of electric vehicles. However, the most active and dynamic segment today is data centers. We assumed that the TSOs underestimate the data centers demand outlook in the Nordics up to 2030s. Based on direct customer interaction and enquiries from customers, we see that it can be a larger.

Then the outlook post 2030 largely depends on how well Nordics can position them self in large electrification of various industries and how fast new technologies like hydrogen electrolyzers will mature. As Markus already said, Nordics are very well positioned for large-scale electrification investments. And let's take a closer look at the various industrial sectors.

This slide highlights the key sectors driving Nordic electricity demand and where we see the most considerable commercial opportunities. At the moment, we see data centers as a clear growth driver, fueled by digitalization and increased demand for cloud and AI services. We also see that steel and aluminum are moving towards electrification with large projects, both brownfield and greenfield, are being developed in northern Sweden and Finland, both by existing and new players in the market.

The transportation industry is transforming with the lead of electric vehicle adoption and heavy-duty vehicle electrification. In aviation, hydrogen-based fuel alternatives have been set into EU-level regulation and with biogenic CO2 availability, this is also a very promising opportunity for the Nordics, further out in time.

Another fast-growing segment is electricity-based heat production and heat pump adoption, which is transforming the Nordic district heating system to rely on electricity. And this trend is already progressing and Fortum has a strong experience through our Espoo Clean Heat program here.

And then the last segment we serve is other power companies. Here, the demand outlook is more moderate, but the segment is increasingly consumer driven, which open opportunities for new offerings also for Fortum.

I want to pause awhile on data centers. For years, Fortum has worked with various kind of data center players. The map shows all the large data centers and announced projects under development in Norway, Sweden and Finland, both by hyperscalers and co-locators. There are several reasons why data centers are so interested in the Nordics. Here is space and powered land with good grid connections available even for large data centers.

The climate is cold and there is water available, which supports efficient cooling. We have a low carbon power system, affordable electricity prices and plenty of opportunities to build more renewable and low carbon electricity if and when needed. The infrastructure is strong both through power grid, roads and airports and the political environment is rather stable to operate. And there are plenty of skilled white label engineers who are able to support data centers and the surrounding ecosystems.

And finally, Nordics has some of the fastest permitting and licensing processes for new energy intensive industries in Europe. Nordics provide competitive time to market for potential data center investors. What we see is an increasing interest towards data center investments in the region, especially in Finland, due to the reasons mentioned above.

We currently estimate that the power demand for data centers in the Nordics could be up to 25 terawatt hour per year by 2030 of which about two-thirds could come from co-locators and one-third from hyperscalers. And projects we currently see proceeding could lead up to 4.5 gigawatt of capacity. So what are we then concretely doing to capture these opportunities? I promised earlier to talk about our industrial partnership models also beyond data centers and as Markus presented the strategy. Our strategy is to support industrial decarbonization through electrification, which means that we support both existing and new industries and this would mean increasing investments in the Nordic region.

We are currently engaged in energy partnerships with a few selected customers with the target to both create an optimal supply strategy for the customers and support customers activity to become flexible. We also have a good quality land bank comprising of 12 industrial sites in Finland which support the customer on time to market. These sites, which we either own or contractually lease, allows full control of the permitting process. The development of the sites concretely means that we conduct the permitting process, we ensure grid connection, we develop infrastructure, et cetera. The power connections available today for the sites range from 60 megawatt to 1.3 gigawatt per site. And this ensures that the customers get expedited access to powered land. And with these actions, we can save several years of time to market for the customer to advance their investments.

The total capacity for all sites is approximately 5 gigawatts. We also develop advanced PPA offerings for these customers both from existing and if needed, also from new assets. And finally, we can also support our partners with heat offtakes and heat as a service concept to efficiently utilize the waste heat in the project.

Now let's take a look at a few customer cases. We have already a strong track record of industrial partnerships and how to turn them to long term value. And here I present two cases. Our collaboration with Microsoft in the capital region in Finland is notable even on a global scale. It started several years ago already back in 2019. The project is executed on site which Fortum has developed for the customer. Fortum is the waste heat off-taker from Microsoft data centers and this will eventually cover 40% of our district heating demand in the area. And the waste heat utilization represents a key competitive advantage for the Nordics and for Fortum in attracting data centers to the region.

Another partnership example is our role in Arctial Greenfield primary aluminium plant in Finland where Fortum is the selected energy partner. This is the first planned low carbon aluminium plant in continental Europe in over 30 years and it has high potential to boost low carbon aluminium supply. Fortum supports the plant's feasibility study on energy management and power procurement strategies and Fortum has also invested a small equity stake into the project and in both of these cases, we have been very close to our customer from the beginning and co developed the concept from the start.

Let's then take a look at the pricing dynamic and logic. At the moment, the Nordic supply demand balance is loose with an annual export to Central Europe. Current oversupply situation is reflected in today's power price and the existing baseload power of flexible hydro and baseload nuclear is cost competitive as it's well depreciated. As also Markus explained, the projected demand growth in combination with the current high LCOEs or Levelized Cost of Energy should over time lead to a tighter market, and the primary source of new supply during next decade is renewables combined with flexibility.

Then the more the market tightens, there will be a need for new type of baseload supply which will become available at a higher price compared to today. Alternatives to build new baseload are example hybrid renewables, complemented with flexible assets or even nuclear. And price levels for these would be clearly above today's market prices. The more the market tightens this will gradually also increase the price for existing baseload power.

This dynamic provides us the opportunity to offer power to our customers based on customer specific preferences and requirements. We can include a broad range of various features in the offering to our customers. These include, for example, profile matching, environmental products, flexibility services and time to market, which mainly relates to the availability of powered land. If needed, we can also offer additionality through new assets, including nuclear lifetime extension.

This value element can be combined in more advanced PPAs, while others will be remunerated through sales margins for services or even equity stakes in customer projects such as the Arctial case that I explained on the previous slide.

Then I will talk about value creation from flexibility. As you all know, the optimization premium is the backbone of our value creation. As hydropower has a critical role in balancing intermittent renewables in the system, it provides sustained – excuse me, substantial optimization opportunities to create additional value and earnings by capturing prices above the baseload price.

The main element that contributes to the optimization are flexibility and environmental values. Flexibility comprises of two components; physical optimization and ancillary services. Physical optimization is how we allocate our hydropower fleet to peak hours on an hourly, daily, weekly and seasonal basis. The need for ancillary services has increased with the higher volatility caused by renewables. This means that the need for time predictability of generation in the energy system has increased, and TSOs request clearly more balanced services to the market, which we can offer with our flexible hydro.

The environmental values are basically guarantees of origins and some other similar products, and these are externally verified certificates for low carbon power. The optimization premium is added on top of the market price and it's important to note that the optimization premium applies to 100% or total volume of the generation, irrespective of the hedge ratio. Another point, which is good to note, is that the optimization premium is for the physical generation while hedges are financial instruments.

The most recent market change, i.e. moving to 15 minutes market has further increased price volatility. Flexible assets continue to be a key contributor to value creation in the longer-term, with Hydra representing the largest share of this value creation. And as we said in the connection with our Q3 result, we expect the optimization premium to be about €10 megawatt hour for this year. And today we have provided guidance for next year, 2026 and expect the premium to be €8 to €10 megawatt hour. And guidance for 2027 onwards is €6 to €8 megawatt hour. And this confirms the strength and value of our flexible hydro fleet.

I will now continue with our renewables development. For Fortum competitive low carbon energy production is our foundation. And, as you all know, we can offer hydro and nuclear at scale, supported by the lifetime extension of the Loviisa nuclear power plant. We are also very well prepared for the Nordic demand growth with the capability to build new renewable production at scale.

Looking ahead, we are developing optionality to expand our wind and solar capacity in the Nordics through PPAs which will also include various sources of flexibility to match customers' consumption profile. Today, we have 350 megawatt of operational wind in Pjälax in Finland. Based on our 8 gigawatt of development projects in various stages of the permitting phase, we now target to have 1.2 gigawatt of ready to build onshore wind and solar projects by the end of 2028. And this gives us the optionality for new capacity in the future if and when customers request new supply. On this map is a part of our renewables portfolio. The recently acquired ABO Energy Portfolio meet an additional 29 development projects is not included as the closing of the transaction is still pending.

As my last topic, I will talk about our announcement today. Our target to develop flexibility solutions. We see an increasing opportunity – we see – excuse me – we see increasing opportunities for wider flexibility offering and target to grow and create value in this segment. We have set a target to have a pipeline of 2.5 gigawatt ready to deploy flexible assets by 2028, including both customers' flexible assets and Fortum's owned assets which will complement renewables growth.

First, flexibility services to customers. We will increase our sales of flexibility services to consumers and companies to help them optimize their electricity procurement in volatile markets. The business model of services is based on both value sharing and service fees. By 2028, 2-gigawatt of our flexibility related growth is expected to come from service business.

Second, new Fortum's flexible assets. The primary alternative is to have ready to deploy new flexible assets up to 500-megawatt by 2028. Part of this 350-megawatt of electric boilers are already under construction in Finland. They could consider standalone investments in flexible assets or linked to PPAs based on market conditions.

Finally, to sum up my presentation, Fortum's commercial strategy is about creating value together with our customers. By listening closely and understanding their needs, we are able to offer the right solutions, whether it's through partnerships, value adding products or even expertise in energy management. Our approach ensures that we are not just growing our business, but helping our customers to succeed as well. And what's truly sets us apart is our ability to combine deep industry knowhow with a dynamic, customer driven mindset. We have the experience, resources and technical capabilities to deliver reliable, innovative solutions, no matter how complex our customer's needs may be.

This gives us the confidence to adapt quickly and support our customers as their needs evolve. Thank you for your attention. I really look forward to what we can achieve. And now I will hand this over to Mikael.

Mikael Gösta Rönnblad

Executive Vice President-Consumer Solutions, Digitalisation & Innovation, Fortum Oyj

Yes. Okay. Very good. Now we get the slides in order.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

Okay.

Mikael Gösta Rönblad*Executive Vice President-Consumer Solutions, Digitalisation & Innovation, Fortum Oyj*

Yes, we are all good. Thank you, Ingela. Okay. Ladies and gentlemen, good afternoon on my behalf as well. During the following 15 minutes or so, I will walk you through the highlights of our business as well as trends for Consumer Solutions. I will go through four parts of the business. I will start first by talking about our financial and operational performance. I will then move to elaborate on the key trends in our market, the environment outlook. Having covered that, I will focus on our growth opportunities as well as our operational improvement opportunities..

And finally, I will end by summary, I think our key strength and position in the sector.

Let's first take a brief look at Consumer Solutions. Today, we are the number one energy provider in the Nordics, holding an approximate 17% market share across Norway, Sweden and Finland. This leadership position gives us the scale and a platform for growth from one of Europe's most advanced energy regions. In Poland, we are the leading challenger, a strategic position that unlocks significant opportunities as the market continues to liberalize and demand for competitive energy solutions accelerates.

Our reach extends to 2.3 million customers, including consumers and small and medium sized enterprises, representing approximately 41-terawatt hours of annual energy demand. Backed by a team of around 1,100 skilled professionals, we deliver growth, excellence and value.

We are satisfied with the steady top-line performance of our business overall, which has grown by low-single-digit to mid-single-digit annually. This excludes the disappointing 2023 performance with weak and volatile results in our Finnish business and negative impacts from the Government imposed price caps scheme in Poland.

As the financial performance of Consumer Solutions is primarily growth driven by its top-line net revenues performance, we have identified and now also implemented several concrete improvement areas going forward. This has reduced overall volatility of our financial results, de-risked our service offering as well as simplified our operating structure and model. We are equally satisfied by the results performance, which has continued to outpace our top line performance. The main reasons are our continued cost improvements, a more favorable revenue mix and the constantly improving scalability of our business. This is the case, even though we have made acquisitions during the past, yes.

Following the integration of Telge Energi and the other brand mergers in 2025, we have reduced our fixed cost by €13 million for the last 12 months when comparing this year to 2024. As said, these actions have improved our top line net revenue growth and our EBITDA, and EBIT as well as RONA. All of them are now reaching new all-time highs.

As Tiina highlighted in her presentation, our ambition is to continue our growth and improvement efforts. We target to improve our comparable operating profit by circa €40 million by the end of 2030. The majority of the result improvement is expected to materialize towards the end of the time period. This result improvement derives from our organic growth and efficiency improvement actions such as growing our customer reach, broadening the service adoption among our customers, and improving our customer retention and loyalty.

For this and the next year, we expect our comparable operating profit to be around €100 million.

When we compare Consumer Solutions performance to our European peer group, our performance has improved to our European best-in-class ambition. This despite us being subscale in size versus our European peers. As I

already mentioned, when excluding the blip in our performance in 2023 in the aftermath of the energy crisis, our EBITDA per customer has been very much in line with our European best-in-class ambition.

We understand that differences in principles and segment structure for some players naturally impacts comparability. Despite such differences, we assume that the peer group average works as a proxy for the overall European subsector performance.

I will now move to elaborate on our key secular growth trends and our overall market environment outlook. I'd like to highlight three secular key trends that support growth across our subsector and underpin our growth ambitions going forward.

Firstly, decarbonization through electrification is driving growth. There is a clear and growing demand for solutions and services that reduce carbon emissions of our customers and support their transition to a cleaner energy sources. This trend is driven by ambitious climate targets, regulatory shifts, and increasing customer preferences for sustainable solutions and services.

Fortum's strategy is aligned with these goals, for example via ambitious climate targets, especially our commitment to SBTi, enabling us to capture opportunities as we help our customers to move towards net zero.

Secondly, digitalization is transforming not only how energy is produced but also how it is consumed. We foresee growth of connected energy assets and enabling smart technologies to create new possibilities for further improving efficiency, flexibility and customer engagement. By leveraging digital platforms and data driven insights, we can unlock value across our ecosystem and deliver innovative solutions and services for our customers.

Thirdly, decentralization is reshaping the energy landscape. We're seeing rapid growth in distributed energy resources such as electric vehicles, solar panels and battery storages. This shift empowers both consumers and SME businesses to participate actively in the energy market, driving demand side flexibility and resilience. Our approach supports this transition, enabling scalable and secure integration of decentralized assets.

These key trends are backed by strong market growth. For example, the number of electric vehicles, connected energy assets and the demand side flexibility markets in Europe alone are all multibillion euro market opportunities forecasted to grow at double digit rates over the next several years.

So in summary, decarbonisation, digitalization and decentralization are all enduring key trends and drivers supporting our business growth and overall performance going forward. With a business strategy aligned with these trends, we are well positioned to capture emerging opportunities and deliver sustainable financial growth going forward.

I'm now moving on to the next part of my presentation which is a walkthrough of both our growth opportunities and our operational excellence improvement opportunities that we see ahead. In our business strategy execution, our strong and diversified position in the Nordic energy market sets the stage for our growth and value creation opportunities going forward. As the clear market leader in the Nordic market, which still remains highly fragmented with around 350 players, we see that our scale and expertise allows us to capture additional market share. The Nordic market, with a size of close to €20 billion euros and growing at a healthy CAGR of around 3%, remains a core focus for us.

Simultaneously, we are growing in Poland where we have reached the position as the number one challenger in the market. The Polish market is a market of approximately 24 million energy customers in electricity and gas.

Being of similar euro size and with a similar growth profile as the Nordics, the market is developing however with still around 80% of customers still never having changed their electricity provider. This naturally represents a unique opportunity to leverage our capabilities and win market share from incumbent players.

Beyond traditional energy, we are actively growing in our energy related digital services business with for example sustainability related services and demand response solutions. As the energy market is transforming, demand for new energy related and primarily digital services continues to increase. The market size we approximate € 4 billion euros with a mid double digit CAGR growth towards 2030.

Finally, in addition to our energy and services business, our minority investments into digital growth domains further strengthens our competitive edge with for instance software based sustainability services, energy optimization services as well as energy as a service and AI driven platforms positions us at the forefront of the digital energy transition. Our innovations and startup portfolio, including leading digital high growth platforms such as Eliq, Fifty Energy and ImpactOS supporting both sustainability and energy efficiency for our customers. So in summary, Consumer Solutions leading and diversified market position, combined with our focus on further growing our digital services business provides us a solid platform for future value creation.

I will now talk about our improvement opportunities in operational excellence. As Markus said in his presentation, our competitiveness is built on customer satisfaction and efficient scalable operations. We have a solid track record of creating more value for our customers as reflected in our improving customer recommendation rates and customer loyalty. Simultaneously, our integrated and scalable highly digital platform is a key driver of operational efficiency with further potential via data and AI. As customers increase their use of our digital services, our scalable platform continues to improve customer satisfaction and rise further cost efficiency, resulting in lower costs to serve. Thus we have been able to improve our operational efficiency significantly with our cost to serve per customer reduced by mid-teens since 2022. And we foresee that to continue to decrease with double digits by 2030.

Looking ahead, we see further opportunities to enhance cost efficiency and value creation through continued digitalization and the continued integration of AI. Our focus on operational excellence, digital transformation and AI positions us well to continue deliver sustainable growth going forward.

In addition to our organic growth and operational excellence opportunities, I will say a couple of words about our track record in inorganic growth. We have a proven M&A playbook that brings concrete value. Our successful acquisitions and integrations are the concrete proof points of which our M&A track record is built on. Our most recent transactions are Telge Energi in Sweden and Orange Energia in Poland. Through these transactions, we have acquired circa 270,000 new customers. The successful integrations have contributed to our all-time high financial results this year, with materialized cost synergies of €13 million from the integration of Telia and our earlier acquisition integrations. The integration of Orange Energia is progressing according to plan and once completed will bring cost synergies of between €5 million to €6 million by the end of 2028.

As I underlined earlier in my presentation, despite some level of consolidation over the past few years, this subsector remains still a very fragmented. The market is characterized by a large share of subscale players with limited financial resources or even willingness to invest in, for instance, the required digital operations, top quality customer advisory, as well as modern customer offering development. Given the need for investments to meet evolving customer requirements and the scale needed to fund these, we expect consolidation to continue.

To sum up, we are convinced that Consumer Solutions has a unique position and business strategy that helps us grow faster than our competitors, deliver solid results and create concrete value for all our stakeholders. The results speak for themselves. Thus we are comfortable and glad in reiterating our key uniqueness and attractions.

Firstly our clear market leader position in the Nordics, as well as our leading challenger position in Poland. Secondly, our growing digital services business that provides and captures more value. And finally, our proven M&A playbook and scalable global operating model that fuels our further growth and efficiency.

Thank you, ladies and gentlemen for your time and attention. With this over to you Ingela, please.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

Thank you, Mikael.

QUESTION AND ANSWER SECTION

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

A

Okay. We are now ready to move over to the second Q&A session. Where you can ask questions from all the presenters. And I really hope that we will be able to answer all your questions. We will have approximately 30 minutes time for these. And let's start again from the studio. Then we move to the teleconference and then we can come back and also want to take some questions from the chat. I think Artem that you were first.

Oh, sorry. Yes. Let's move there, then next. I promise.

Artem Beletski

Analyst, Skandinaviska Enskilda Banken AB (Finland)

Q

All right. Sorry for that. Artem Beletski from SEB. Two questions from my side. So the first one is related to 5 gigawatts of industrial sites what you have in Finland. I remember when for the first time you showed these sites and numbers what you have there. So, you didn't really expect this to unlock somehow value relating to this units or plots what you have. But looking at the latest developments, we have seen quite meaningful transactions being done at high valuation multiples. Has your view changed around this topic?

And the other question is relating to data center capacity outlook in Nordics. So looking at number of 4.5 gigawatts, could you maybe provide some details how it is split between Finland and other markets? I think you mentioned that Finland is the biggest one in terms of opportunities. Thank you.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

So, I think these both questions are Simon's expertise and on the industrial sites about what actually can we provide and we know that mostly our activities in Finland. But Simon, if you elaborate on these two points.

Simon-Erik Ollus

Executive Vice President-Corporate Customers & Markets, Fortum Oyj

A

I mean, we have sites – various sites in various stages of development. Some are like closer to permitting and some are further out in permitting. And then – so that's like the sites. And then the business model is a little bit depending on the customer case. Do we try to get a site, let's say development premium? Are we bundling it into the BBA? Are we even doing some equity investment? That depend case by case with the customer, what is then the business model.

And then to the DC? So the 4.5 gigawatt is the full number that we identify ongoing projects, either existing data centers or in development. 4.5 gigawatt is not the number which is online 2030 but it will be later on all of those online. And what we currently see is that big part of data centers originally went to Sweden and then also to Norway. And now recently Finland has become increasingly attractive for data center investments mainly because of the time to market. This is the fastest place to establish new data centers.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

A

Okay.

Jakob Magnussen

Analyst, Danske Bank A/S

Q

Yeah. Jakob Magnussen, Danske Bank. Also two questions from me. First of all on the PPAs, just to understand the risk in those. Is it still possible to do pay as produced PPAs or are we more progressing into baseload contracts and will the emergence of batteries change that mix? And then the second question regarding your new net debt to EBITDA refinement of max 2.5 times. Why this refinement now from 2 to 2.5 to now max 2.5? You've been under for quite some time. Should we put in something into this or is this just reflecting that it's very uncertain where you will be given your potential growth CapEx.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

Thanks. So two questions. So the PPA type of demand, what are the customer negotiations, again Simon, and our net debt EBITDA, Tiina, if you take that one.

Simon-Erik Ollus

Executive Vice President-Corporate Customers & Markets, Fortum Oyj

A

What we see that the interest of a pure pay as producer are decreasing because they have the challenges that usually either the consumption profile or the production profile is not matching each other and that makes that. There is more interest towards baseload contracts and also more kind of like non-standard contracts where also there's some kind of flexibility element or profile matching elements included. So, we are seeing a shift towards more complex products than they were in the past.

Tiina Marjukka Tuomela

Chief Financial Officer, Fortum Oyj

A

Then to the net debt EBITDA number, so basically what we are saying that we want to keep our balance strong and credit trading at least BBB. And based on those numbers, we have derived the maximum net debt EBITDA number. Previously, we gave a range and now we want to be in a way more clear that it is 2.5 is the maximum also reflecting our confidence of our current situation and the balance sheet strength.

Ingela Ulfves*Vice President-Investor Relations & Financial Communications, Fortum Oyj*

A

Thank you. Then let's take a few questions. Iiris?

Iiris Theman*Analyst, DNB Carnegie Investment Bank AB (Finland)*

Q

Yeah. Hi, Iiris Theman from DNB Carnegie. Firstly regarding data centers. So they have typically announced PPA deals with wind power producers in Europe. So how do you see this developing? Could they sign a PPA deal with a nuclear power producer? And second question you mentioned or I think you mentioned the current oversupply. So do you have any thoughts that when this situation could improve i.e. demand to exit supply? Thank you.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

A

Very good. Do you want to take Sim on the first one? What kind of PPAs could the customers consider? And I can take the oversupply.

Simon-Erik Ollus*Executive Vice President-Corporate Customers & Markets, Fortum Oyj*

A

We are seeing that the let's say PPA landscape is evolving and pure payers producers are getting more complex. So the data center players like especially hyperscalers are more interested in more complex products going further where you combine solar, wind and other type of assets. And we also see that additionality is important for some of the players especially also as Loviisa lifetime extension providing additionality.

Then the other block of data center players that I also try to raise in my presentation is co-locators. They are usually more conservative or let's say more traditional in their power procurement and for day by like all kind of power, for them also brownfield electricity is a very important element. So all kind of power is needed in the various PPAs.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

A

And with regards to the to the market demand and supply situation. So, we think that this is going to melt away quite soon in the next couple of years based on the TSO forecast and also what we see. So, if you look at the TSO forecast from 440 to – from 400 to 550 by 2030 and there's now about 50 terawatt hours of export. So let's say a few larger large projects could already start to hit that the way. And based on this view, we are also developing the new supply opportunity. So we create the optionality, so that we can also answer the increased demand.

Ingela Ulfves*Vice President-Investor Relations & Financial Communications, Fortum Oyj*

A

Very good. Then I think let's take Pasi first.

Pasi Väisänen*Analyst, Nordea Bank Abp*

Q

Thanks. This is Pasi from Nordea. So, in the case you are going to build a new nuclear power to Sweden, are your financial targets still valid for – for this kind of project? Because I would assume that it will require more than

€2.5 billion to get the new nuclear power, even the smaller one to Sweden. And if the project takes, let's say, 10 years, so is this net debt to EBITDA target of €2.5 billion valid in that project also?

And secondly, if I may, yeah, regarding the supply demand part, let's say in Finland. So, you highlight the demand growth. But actually, if I remember right, Fingrid estimates that the power supply will grow more than and demand will actually grow. So, do you disagree with the Fingrid's forecast for the all coming years and periods?

And maybe lastly, if I may, the third question regarding the data centers. So, if I do forecast €55 PPA agreement with the data center in coming years between Fortum and let's say, for example, between Microsoft. So what are the drivers I don't understand with this kind of estimate in a background. Thanks.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

Thank you. So with regards to the whole data center complex, maybe Simon, you once again want to recap the how we see that the data centers. But with regard to Sweden and potential new nuclear. So, we are preparing the possibility for new nuclear somewhere in the future. It's clear that we have said that with today's prices on merchant conditions, new nuclear will not happen. So first of all there has to be the customer demand, there has to be technology, projects have to be bankable. And our targets do apply. So it's correct that with the headroom we have, we would not ourselves build alone with these parameters a nuclear plant. So, we build the technical and commercial readiness. And if the conditions are there, then we can see how this can be applied.

Then for demand growth and supply. This is correct that there's a very strong number of demand projects that are asking for connections and there's a big number of supply. But as we have seen now, when the market conditions are not there, new supply will not come online. So what we are targeting is that if new supply is needed, we have the most profitable, most competitive projects and we will be in the market first. And then for data centers?

Simon-Erik Ollus

Executive Vice President-Corporate Customers & Markets, Fortum Oyj

A

For data centers, it depends on the data center's business model. I mean some data centers, especially co-locators, they are like wind developers, they need for bankability, they need to secure both the offtake on the data and also the offtake on electricity in order to get the bankability. And actually, we assume that two-thirds of the data center demand would come from co-locators. And then hyperscalers, they have stronger balance sheets, but they also start to become more and more concerned on electricity supply that is there sufficiently enough. And this is then the partnership that we create. And when we early enough know is it a data center or even a conventional industry, when they will need new supply, we can also accordingly start to develop our renewables, our hybrid offerings towards the customers when we early enough know it. So there is enough supply to meet the customers demand in the next period. Thank you.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

A

Thank you. And then let's take Deepa before we then move to the teleconference.

Deepa Venkateswaran

Analyst, Bernstein Autonomous LLP

Q

Thank you. So, I think two questions. How much of that 4.5 gigawatt do you expect to kind of benefit your markets by 2030? So in your specific zones in Sweden and in Finland, that's the first question. And secondly, on the PPAs that the hyperscalers want to sign, you were mentioning that they want complex PPAs but in the past, and we

certainly see in the US, they are ready to sign pay as you produce PPA. So does it not make sense for them to do that at €51 than do a base load at, I don't know, €100 or €150 and then they can just, I mean, and not everybody wants to do minute by minute matching. Many of them just have an aggregate target. So, I was just wondering why with an LCOE of €50, €51, why would they not sign new PPAs for wind?

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

So again, you're – Simon most intimate with the PPA discussion. So, if you want to take that dynamic on what again what kind of product they are looking for, I can take the timing.

Simon-Erik Ollus

Executive Vice President-Corporate Customers & Markets, Fortum Oyj

A

As I said, there are two kind of like investors. There's more the co-locators who don't really – for them it's not important is it like new or brownfield electricity, but they need bankability and that's one important segment. And then the other segment is hyperscalers. And hyperscalers are really, actually every hyperscaler is different. Some of them have very ambitious sustainability targets and they want to be 24/7 matched with profiles in the future. Other ones are less. So, it's customer specific, what are the requirements? And then depending on that, then we try to answer with our offering the customer's requirements.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

And then for the timing of the demand. So, I address it also from a larger point of view. So, we try to match both our existing supply and the potential new supply exactly with the customer demand. So that we in RED we have the wind and solar projects matching the customer demand that we see. So, CCM is bringing us the insight. And where we see the customer demand now hitting the market will be around 2027, 2028. So this is when these projects that are now being built are hitting the market. And then we bring in as accurately our insight from the customer discussions to our development portfolio. Then when this 4.5 gigawatts will actually materialize, that will remain to be seen. But clearly the activity level for us in the data center and AI space has increased now clearly in the recent months.

Deepa Venkateswaran

Analyst, Bernstein Autonomous LLP

Q

How much of that 4.5 GW do you expect to benefit in your markets? And secondly on the PPA,s the hyperscalers want to sign?

Simon-Erik Ollus

Executive Vice President-Corporate Customers & Markets, Fortum Oyj

A

4.5 that's like Norway, Sweden, Finland. And I would say that that's one region. We have one Nordic Power market. So, it's like in the whole region, it's coming in. What we currently see is that Sweden has been growing first. Now the interest is increasingly towards Finland and Norway.

Deepa Venkateswaran

Analyst, Bernstein Autonomous LLP

Q

Can we say 50% is in your – where you have your generation or price area?

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

A

That's what she's asking.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

Yeah. So basically we could, on that map, we could overlay, we listed the projects that are visible there. So of course all of them are not in our price areas. But that number we don't have rightly available now.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

A

Okay. So thank you for these questions so far. I think now let's move to the teleconference, then we'll come back here again for some final questions. But moderator, please go ahead.

Operator: The next question comes from James Brand from Deutsche Bank. Please go ahead.

James Brand

Analyst, Deutsche Bank AG

Q

Hi. Thanks for taking my question and apologies I couldn't be there in person. I've got three questions. So the first is just a clarification. So the 5 gigawatts of capacity at your sites, where you're saying you could partner with data centers, that's the spare grid capacity. And where you'd have enough grid capacity, water, land, et cetera, if you aggregate up all the capacity across all of your sites. So that's just firstly a clarification.

Secondly, I guess this is also a clarification in a way, but the – so the customer solutions – just to clarify, you were saying that you expected the profitability to come back down to €100 million in that business in 2026. Because it looks like in 2025 you're at the kind of run rate to get up to more like €130 million. But I think you said a couple of times that you expected operating profit of around €100 million in that business kind of near term. So, you're expecting that to kind of come down to €100 million from a run rate of €130 million and then the guidance is to increase €40 million from the €110 million that you've delivered over the last four quarters. So, you're going to kind of go from €130 million down to €100 and then up to €150 million, is that kind of what you're saying? And if so, that seems like a lot of growth to go from €100 million to €150 million. I was wondering when they could flesh out a bit more what. I guess you have fleshed that out, but is that just expansion in the markets as you were talking about, because it seems like a very large increase.

And then thirdly, on the optimization, there's already been a question on this around the kind of position in 2026 versus 2027 where you're saying that you have more visibility in 2026 and therefore more confidence delivering 8 to 10 versus the 6 to 8 in 2027. My question is, is there an element here of the guarantees of origin presumably hedge those quite a few years forward and the price has come down a lot. So is there an element that the 2026 optimization is still capturing a higher guarantee of origin price and that's going to kind of normalize down to the €1, whatever it's trading at now in 2027 or is that normalization already happened largely in 2026? Thank you very much.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

Okay, thank you. So, three questions, Tiina, if you want to start with the optimization premium and then make a cost profitability obviously for you, and then the – what do we refer to with the 5 gigawatts, Simon?

Tiina Marjukka Tuomela*Chief Financial Officer, Fortum Oyj*

A

Yes. So optimization premium. So the bigger part will come with the hydro optimization. And then there's the environmental values, as you mentioned. Environmental values have decreased. We have said that we also hedged them. So, I would say that partly it is already showing in our numbers that share, but it might be – we are not guiding that detail, but overall trend is that it will eventually equal to the market price.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

A

And Mikael on cost profitability.

Mikael Gösta Rönblad*Executive Vice President-Consumer Solutions, Digitalisation & Innovation, Fortum Oyj*

A

Yes, thank you very much for the question. Absolutely. So what we are guiding is that approximately around €100 million euros on comp-off going forward. And with regards to the question that where does that come from? I would say that there is three plus one components of that. The first one is increasing customer scope in our core markets. The other one is larger uptake of our services. The third one is improving customer retention and loyalty. And then this combined with operational excellence improvements going Forward.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

A

And that's the €40 million.

Simon-Erik Ollus*Executive Vice President-Corporate Customers & Markets, Fortum Oyj*

A

Yes.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

A

Yeah. And then. And Simon, the 5 gigawatts?

Simon-Erik Ollus*Executive Vice President-Corporate Customers & Markets, Fortum Oyj*

A

The short answer, thank you James for the question, is yes. So the 5 gigawatt is. But we either already have it today or we assume that we will have what decides as the grid connection like in the future.

James Brand*Analyst, Deutsche Bank AG*

Q

Thank you very much.

Operator: The next question comes from Daniel Haugland, from ABG Sundal Collier. Please go ahead.

Daniel Vårdal Haugland*Analyst, ABG Sundal Collier ASA*

Q

Hi everyone. Thanks for taking my questions. I have three questions. Two of them is for the first presentations you had today. So just to kind of clarify a little bit on these targets towards 2030 and especially the €260 million increase in generation. So, could you just first clarify what is the normalized annual production you expect from your assets when availability goes back up. Is that still 47 terawatts hours per year or do you think it's going to be higher?

And then the second question which is partly related is inside that €260 million EBIT bridge from the LTM number towards 2030 for generation, does that assume flat Nordic achieved prices which I think was around 52 rolled into that 2030 level, or have you kind of taken into account that current forward prices et cetera. Is lower? And then my last question on data centers is given that you say you have discussion with data centers are kind of very active and it seems like you have both the industrial sites available for development. You also have renewable development pipeline which is looks quite strong. You can sell that on long term PPAs. What's kind of the missing puzzle to start – for us as analysts to start to see you start signing contracts with the data centers. What kind of the missing links? So that's my question. Thank you.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

Okay. So again the third question on data centers and the customer dynamics goes Simon to you. And then Tiina, if you want to take the EBIT bridge and price and assumption on volume?

Tiina Marjukka Tuomela

Chief Financial Officer, Fortum Oyj

A

Yes, happy to do so. So the earnings potential so €260 million assumes that we will go to the normal production and it is the 47 terawatt hours as you mentioned. Also the price, so we assume that the price what we had in the end of September, €52.1 per megawatt hour will sustain. If prices or elements increases, the impact will be higher and of course vice versa other way.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

Thank you Tiina. And Simon, data centers.

Simon-Erik Ollus

Executive Vice President-Corporate Customers & Markets, Fortum Oyj

A

As such, I think Fortum has like all the ingredients. We have a site development. We are doing a lot of flexibility services that also data center actors are very interested in and we have a growing renewable portfolio that we can develop for the customers. The missing piece is actually that permitting and licensing take a certain time to get to the investment decisions. So, we are also waiting for our customers to be ready to move forward, and they are moving full speed. But permitting and licensing processes also take a certain time, even if Nordics or the leaders in Europe on time to market here.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

Thank you.

Daniel Vårdal Haugland

Analyst, ABG Sundal Collier ASA

Q

Okay. Thank you so much for that. Just a quick follow-up on the last answer. So, the permitting, is that kind of the more of the building permitting, et cetera, on the customers' end or is it – does it also include kind of the grid connections and license system permitting related to that? Thank you.

Simon-Erik Ollus*Executive Vice President-Corporate Customers & Markets, Fortum Oyj*

A

It's like grid connection and then like zoning usually. Those are the two and environmental permitting that takes time.

Daniel Vårdal Haugland*Analyst, ABG Sundal Collier ASA*

Q

Thank you very much.

Operator: The next question comes from Julius Nickelsen from Bank of America. Please go ahead.

Julius Nickelsen*Analyst, Bank of America*

Q

Great. Thank you for the presentations, and thank you for taking my questions. And just to – one follow-up on the 5 gigawatts of grid connection size. I guess, the question was asked previously, but I'll try to be a little more specific. So, I appreciate that there are different stages within the portfolio, but do you think that most of us, like the 1 million per megawatt that we've seen in other areas in Europe, are these like in any way or form realistic in Finland for some of these? So, that would be the first question.

And then, just another follow-up and apologies for this – on this €330 million bridge. I think the pricing now is clear, but just in terms of the CapEx that is assumed in there, I think it says no CapEx, but is that only you don't include the potential CapEx they can do or is that also the €750 million of growth CapEx that you flag that you also don't assume and that will be useful to know? Thank you so much.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

A

So, the CapEx question, Tiina, if you take that, and I'm also happy to take the grid connection point.

Tiina Marjukka Tuomela*Chief Financial Officer, Fortum Oyj*

A

Very good. So, basically, what we said that this €330 million, so it does not include any price increases or any additional growth CapEx. We have €750 million of the growth CapEx in our committed one. But those are mostly like Loviisa lifetime extension. So, the impact will come anyway later. There is also the decarbonization of the Polish plant. Also, the constructions happened on those time. So, not that much impact. And then, there are also the customer acquisition cost in Consumer Solutions and then, also some hydro modernization. So, I would say that fairly modestly coming the impact. Only the regular – regular one is included there.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

A

And regarding the valuation, so what we see is very valuable for both data centers and other potential investors is the time to market. So, that is valuable. Access to the grid is valuable and access to clean power is valuable.

What we don't speculate on what would the valuations be in any particular case, but these are elements. And then, there are several elements relating to other aspects that seem undescribed already.

Julius Nickelsen

Analyst, Bank of America

Q

Great. Thank you, very clear.

Operator: The next question comes from Anna Webb from UBS. Please go ahead.

Anna Webb

Analyst, UBS AG (London Branch)

Q

Yes, hi. Thank you for taking my question. Just one for me. I wanted to ask again on the data centers about the kind of dynamics you see between the suppliers of power and who's demanding it. So, obviously, I think you're in an advantageous position with your scale in Finland. But also it seems that the data center project that you showed on the slides actually are also quite centered around a number of small players – a smaller number of players, which are the very big hyperscalers that you talked about.

So, I just wanted to understand how much you feel that obviously they need your power, but they also can play a big role for you. So, how do you see that willingness to, for example, pay above the- forward curve and how much do they kind of push to like push back on, on pricing, for example? And is that part of what takes some time to get the discussions basically a bit more on the kind of competitive dynamics with the supply and demand side of, of these kind of deals that you are in discussions with? Would be really helpful to any detail you have on that.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

Okay. Thank you, Anna. So, I'll give it over to Simon. But maybe I still take the strategic view that like I explained and Simon also in our presentations. We have quite a unique position being able to supply both Sweden and Finland and with the flexible and full load power in large volumes. So, when we come to hundreds of megawatts of contract with a certain profile, then, there are a small number of players who can provide that.

But I'll give it to Simon to give more color on what do the customers talk about.

Simon-Erik Ollus

Executive Vice President-Corporate Customers & Markets, Fortum Oyj

A

Thank you, Markus, and thank you for the question. I mean, all the data center players are different. So, they have different like requirements. Some are really interested just in, let's say, standard products, some are interested in more or less standard products. And then, especially like on top of the scale advantages we have, the more the project is like less standard, they also the more, let's say, competitiveness we have. And then, usually also data centers also try to find a certain kind of competition.

So, it's always like a bargaining and a negotiation game then to find each other and create value together. And here, but we also do and but we have provenly done the track record. We start very early to try to understand what this, what the customer require and develop the products accordingly. So, we are in a very good position and to answer the needs when we are then, like doing the procurement, like process in – later in the process. Thank you.

Anna Webb*Analyst, UBS AG (London Branch)*

Thank you.

Q

Operator: The next question comes from Harry Wyburd from BNP Paribas Exane. Please go ahead.

Harry Wyburd*Analyst, Exane*

Hi, thank you. Thanks for taking my follow-up. So, they're both on Simon's presentation. I wondered if we could look at slide 3, you mentioned there and the TSO demand forecast, I think. As you mentioned that you felt that that data center demand forecasts were not ambitious enough, are there any other of their forecasts that you would clearly there's some hydrogen still in there for 2030 and a lot for 2040 and beyond? How do you feel about the accuracy of the TSO demand forecasts for the other sources of demand other than data centers?

And then, on slide 8 and I'm returning to, I think, a comment that Markus made on the conference call like Q3, I think you mentioned that you could sign PPAs, I think, several euros above both the normal price and the optimization premium. The chart on the right of slide 8, how much of these bridge gaps are included in the optimization premium and how many on? So, in other words, can you just help us understand roughly order of magnitude wise how much of a premium you could get for some of these additional, let's see, time to markets, et cetera., i.e., what should we expect on top of the base optimization premium? Thank you.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

Okay. So, Simon, you maybe take first the question on the – on not so much the accuracy of the TSO, but really what's happening in the different sectors from our point of view and maybe together also, Tiina, if you want to comment on the optimization versus the bridge.

Simon-Erik Ollus*Executive Vice President-Corporate Customers & Markets, Fortum Oyj*

So, as I said in my presentation, so – I mean, the TSO's forecasting methodology is that they call the grid connection requests and then, they make a guess, educated guess how many of those will be realized and they take a quite big haircut. Especially on data centers, at least based on the activity levels that we are seeing, we assume that they are too conservative currently, and it could be higher what this the data centers demand in 2030.

Then, when you go to the other industries case specific like what is – what is then the number and then, when you go to 2024 to 2050, especially then it's more like even guessing because there is not grid connection request to 2050 on various cases. So, that's the TSO's view, and we don't reveal directly our view like, but directionally we are on the same page.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

Very good. And Tiina, on the like optimization versus the other elements.

Tiina Marjukka Tuomela*Chief Financial Officer, Fortum Oyj*

A

Yes. So, basically, our optimization premium mostly happens with our hydro fleet, and this is done on the spot basis what we sell. So, of course, this is something what we look at very carefully. For the PPAs, so if some hydro or also the physical delivery is included, so, of course, then, we need to see that we get the compensation if we give up our normal optimization premium. But that will, of course, depend what the customer wants and as Simon has explained, what is included in the pricing. But for us, it is the total value creation, and we want to keep on that and optimize that.

Harry Wyburd*Analyst, Exane*

Q

Okay. Thank you. And maybe just a final last just technical follow-up, so just to make sure we got it absolutely clear on this data center figures that you gave on that pipeline slide. So, the 4.5 gigawatts is not some – a figure that you think would be operational in 2030, that would be sometime after that. But am I right that the 25 terawatt hours was a 2030 expected figure? Have I understood that rightly?

Simon-Erik Ollus*Executive Vice President-Corporate Customers & Markets, Fortum Oyj*

A

Yes. I mean, up to 25 terawatt hour is what we see that the demand could be by 2030 based on the, let's say, discussions we currently see with the customers. And the 4.5 gigawatt is the total number of data center developments that we currently see. But not all of those will be operational 2030, some will be later in the 2030s.

Harry Wyburd*Analyst, Exane*

Q

Got it. Understood. Thank you.

Ingela Ulfves*Vice President-Investor Relations & Financial Communications, Fortum Oyj*

A

Thank you so much to the teleconference. And then, we come back here, and now, Siri, if we take one or two questions from the chat.

Siri Markula*Director-Investor Relations & Financial Communications, Fortum Oyj*

A

Yes. You mention new power investments require higher prices on LCOE and you cite €150 to €200 per megawatt hour for nuclear. What would be the marginal price of hybrid renewables in your eyes? And second question, DCs require 24/7 baseload, which cannot be served by intermittent renewables. Can you please be – can you please more deeply explain the supply/demand of baseload power in your key markets?

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

A

So, Simon, if you take the DCs and how you see the baseload. I can start with the LCOE. So, indeed, these are, of course, when it comes to nuclear, especially these are estimates. So, we are studying with our new nuclear feasibility study. We are exactly studying this point, which is the key point for us to understand. But then, when it comes to hybrid, so we have simulated hybrid products with wind, solar, and battery combination and then, we are somewhere around €100 level. But this is, of course, very tentative because we haven't gone and tendered

out this. But like I explained also that where would the price have to be if we would do now merchant wind also reflecting on the capture rate.

And then, on the data centers, Simon?

Simon-Erik Ollus

Executive Vice President-Corporate Customers & Markets, Fortum Oyj

A

Yes. I mean, fully correct that most of the data centers need 24/7 electricity, and especially, the Nordics is in the corner of the European power system. So, matching profiles become increasingly important, and many data center players are very interested in ensuring that there is sufficient baseload meeting their needs. And that's something that we believe that will have a value in the future.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

A

Do you have another question? Another quick one?

Siri Markula

Director-Investor Relations & Financial Communications, Fortum Oyj

A

Yes. Regarding power prices and optimization in the new target of €260 million increase in EBITDA and if the achieved price remains and the optimization goes from €10 to €6 to €8, that means that the implicit price would go from €42 per megawatt hour up to €45. Are these the right assumptions?

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

So, Tiina, I think the €260 million is definitely your competence stuff.

Tiina Marjukka Tuomela

Chief Financial Officer, Fortum Oyj

A

Yes, this is my number. Yes. Well, I think we are not opening up. The €52.1 is only the reference. So, assuming that the price will remain the same, what is the impact to our earnings? We don't take account or give a view that whether the optimization premiums go up or down only our guidance, what is there or the basic prices or hedges or whatever. It is just a reference number, and it's good to make your own assumption how the prices will develop in the future.

Siri Markula

Director-Investor Relations & Financial Communications, Fortum Oyj

A

Thank you. No further questions from the chat.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

A

That's really good. Okay. Let's allow one last question here in the studio and then we move on.

Deepa Venkateswaran

Analyst, Bernstein Autonomous LLP

Q

Yeah. I think the main question I had is that it costs a lot of money to put up a gigawatt of a data center, I think €35 billion to €50 billion per gigawatt of the data center. Obviously, you've mentioned you have 5 gigawatts of site.

But I would think that nobody would want to put such huge investments in one country, also bordering Russia and so on. So, what is the geopolitical aspect which might limit the bankability of a given site that you have or more broadly in the region because I didn't see that in your slide because that might weigh against the Nordics or maybe Finland, at least somewhat? Thank you.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

A

Right. I can answer that very shortly. Geopolitical concerns haven't come up in our discussions, and I attribute that to Finland's excellent preparedness being an EU country, joining NATO, being extremely self-sufficient when it comes to defense and resilience. So, it's very deep. We talk about holistic defense. So, all sectors of the society are deeply involved. We have one of the strongest reserves in the whole of Europe. So, I think this seems to be very convincing to our data center customers as well as other sectors, and this goes across. So, we have been travelling across the world into the US, into different regions, talking with customers and this question just doesn't come up.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

Thank you. So, we are now coming to the end of the program. I thank you all for your participation, for your active engagement and good questions during the whole event. And with this, we then conclude the Q&A session. So, thank you, and thank you to those asking these tricky questions. And now, I ask you to step down here and then, you can actually speak.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

Thank you.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

Yes, that's fine.

Markus Heikki Erdem Rauramo

President & Chief Executive Officer, Fortum Oyj

Yeah, okay.

Ingela Ulfves

Vice President-Investor Relations & Financial Communications, Fortum Oyj

But before we conclude, I would still come back to the feedback survey. So, I would now ask you to provide us some input on the presentations and also on the whole event. So, please spare a moment for this valuable input for us, and we already thank you beforehand. Here is the QR code that you can use. You also find it in the handout and you also find it on the webcast now on the screen. So, we appreciate all of your input to this.

And after this, I hand over to Markus for closing remarks for this Investor Day. Thank you on my behalf. Markus, the floor is yours.

Markus Heikki Erdem Rauramo*President & Chief Executive Officer, Fortum Oyj*

Dear guests, as we drive this Fortum Investor Day to a close, I want to extend my sincere thanks to all of you, our shareholders, investors, analysts, and other stakeholders, both here in Helsinki and all of you joining us online. Your engagement, insightful questions, and perspectives are very valuable as we shape Fortum's journey forward. I also want to thank our leadership team as well as our dedicated teams in Investor Relations, Strategy, and our Business Units for their invaluable work on today's presentations and execution in ensuring the smooth running of this Investor Day, and a special thanks to Ingela.

Today, we set out to provide a transparent and comprehensive view of Fortum's strategic process, operating environment, and financial and growth targets. I hope you leave with a clear sense of our direction, our confidence in the future, and the unique opportunities ahead. Let me close by reflecting on three themes that I want to highlight when talking about Fortum's future and our value proposition to our shareholders.

First, demand growth and our unique position in the Nordics. We are at the pivotal moment for the energy sector in the Nordics. The demand for low-carbon and reliable power is set to accelerate, driven by data centers, decarbonization, and electrification of industry and the broader transition to a low-carbon economy and society. What sets Fortum apart is our comprehensive customer insights, ability to partner with industrial customers, and ability to provide low-carbon power at scale based on customer needs.

We are uniquely positioned with a flexible hydro and baseload nuclear fleet as well as our renewables development portfolio to capture the upcoming growth. Our in-depth understanding of customers and our nearly fully decarbonized generation portfolio mean that we can respond quickly and decisively as demand materializes. We are confident that Nordic electricity demand growth will come, and Fortum is ready to lead that wave.

Second, delivering results through our own actions. For us, operational excellence is not just a slogan. It is something we strive to continuously improve and put into practice. We have already delivered efficiency improvements and reduced our annual fixed cost base. But looking ahead, we are committed to further improvements in availability, efficiency, and digitalization. Our target is to improve our comparable operating profit by €330 million by 2030 based on actions within our control. This is about running Fortum at a cost level that is sustainable and competitive, while continuously finding ways to do better.

We have also introduced a new group-level comparable return on net asset RONA target, which reflects our commitment to capital efficiency and long-term value creation. This target ensures we remain disciplined in our investments and focused on delivering sustainable returns to our shareholders. We will continue to communicate our progress towards our targets as we want to be transparent about our performance.

Thirdly, I want to highlight our other opportunities for growth. We are actively developing new offerings that will shape Fortum's future. These include expanding Energy as a Service and Heat as a Service solutions, electrified heat, potential investments in batteries and pumped hydro for greater flexibility, and launching innovative services for both businesses and households, such as electric vehicle integration and home energy management. By broadening our portfolio, we aim to capture value from the evolving energy landscape and complement our Generation business.

Furthermore, inorganic growth continues to be a strategic option available to us. Of course, we carefully evaluate opportunities that align with our strategy and investment criteria. Our strong financial position and disciplined capital allocation mean that we can seize attractive opportunities always way with a focus on long-term value creation.

So, to sum it up, Fortum stands on a strong operational and financial platform, uniquely positioned to capture demand growth, committed to operational excellence, and ready to pursue strategic growth opportunities. We do this with a clear sense of responsibility to our customers, our shareholders, and society at large guided by our purpose for electrification. Thank you once again for your interest in Fortum's future. We look forward to continuing this journey.

Thank you. Have a great afternoon, and all the best for the remainder of the year.

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