

Russia Division

# Fortum Russia – delivering on efficiency and profitability

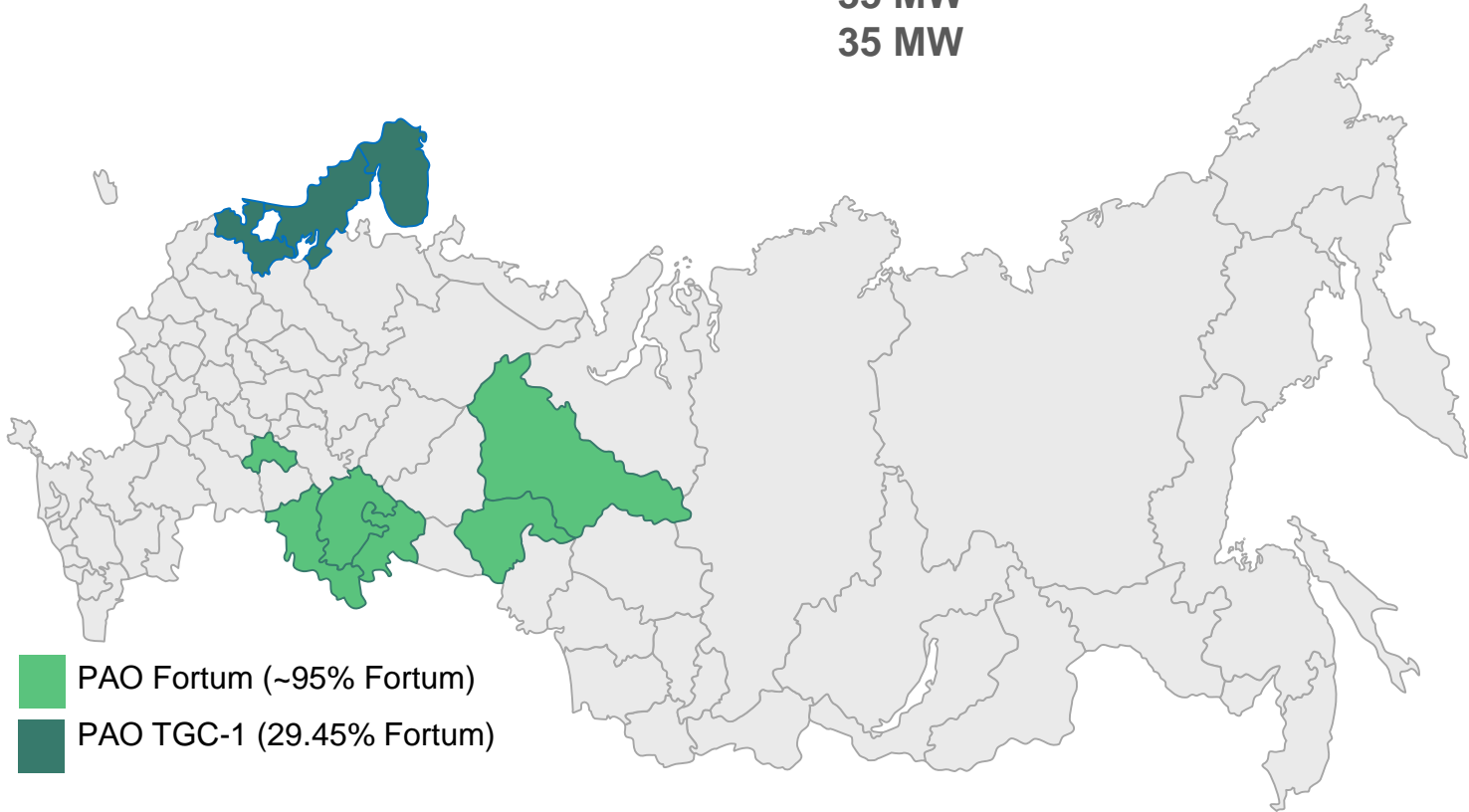
Alexander Chuvaev, EVP – Russia Division

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# Fortum in Russia

Fortum Russia generating assets	Total	Urals	Western Siberia
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Power	4,913 MW	2,115 MW	2,798 MW
Heat	8,568 MW	5,059 MW	3,509 MW
Solar	35 MW		
Wind	35 MW		



# Fortum Russia has transformed its business during past 10 years

2010

2011

2012

2013

2014

2015

2016

2017

2018

**Tyumen CHP-1**  
209 MW

**Tobolsk CHP**  
200 MW

**Nyagan**  
3x ~420 MW

**Tobolsk CHP**  
sale

**Fortum-  
Rusnano**  
wind JV

**Ulyanovsk wind**  
35 MW

**Chelyabinsk CHP-3**  
210 MW

**Chelyabinsk**  
3x248 MW

**Solar plants  
acquisition**  
35 MW

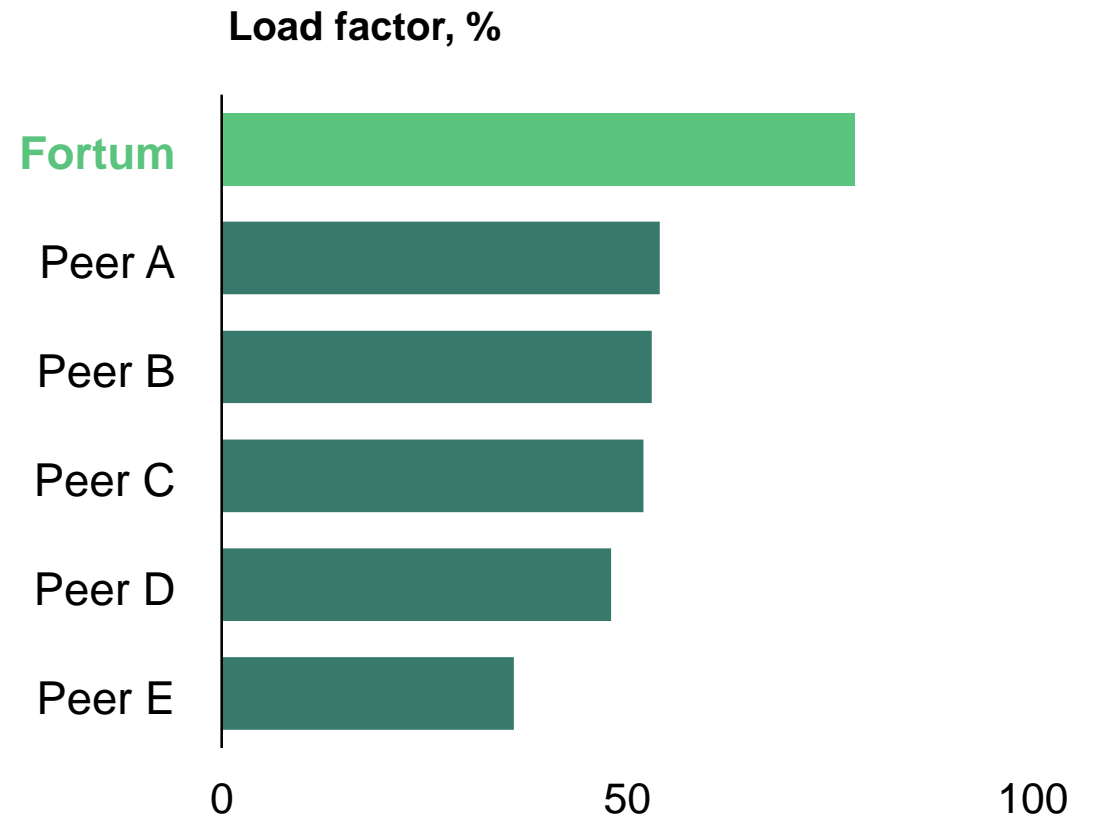
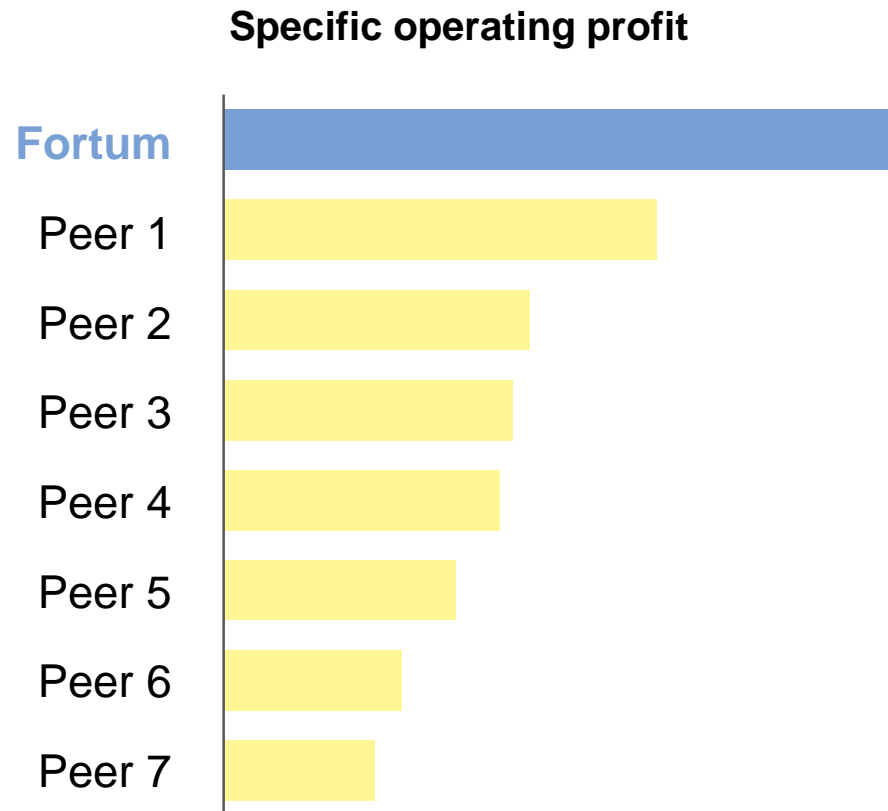


# Fortum Russia shows great results of continuous improvement and performance turnaround

	2008	2017
Capacity, MW	2,785	4,912 new capacity >50%
EBIT, MEUR*	EUR -69 million	EUR 327 million
EBIT, MRUB*	RUB -2,523 million	RUB 21,591 million
RONA, %	-4%	10%
Headcount	7,262	3,495
Headcount/MWe	2.6	0.7

\*Russia Division, including associated companies

# Fortum is the most efficient generating company in Russia



Source: companies' financial reports and ATS data

# Fortum Russia – sustaining the future with sizeable solar and wind portfolio

## Renewables in Russia Division

- Renewables projects are supported by 15-year CSA contracts
- Flexible and liquid portfolio provides maximum optionality via capital recycling
- Non-recourse project financing to be implemented
- Fortum’s maximum equity commitment RUB 15 billion (approximately EUR 215 million)

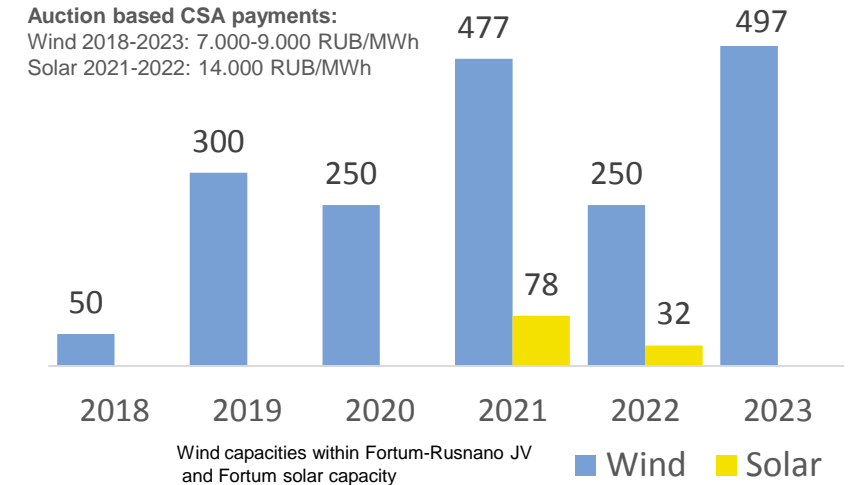
## Fortum Russia’s renewables capacities

- Ulyanovsk, first industrial scale windfarm in Russia, 35 MW
- Three solar sites, 35 MW
- Renewables clearly contributing to the results of the Russia division
- 110 MW of solar won in CSA auction in June 2018

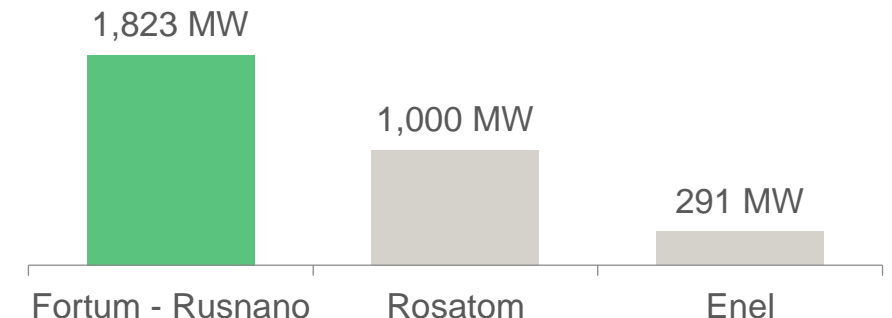
## Fortum-Rusnano Wind Investment Fund

- 50/50 joint venture
- A total pipeline of 1,823 MW of CSA backed wind capacity
- First two wind projects already ongoing, 50 MW and 200 MW

## Renewables pipeline in Russia - capacities won in 2017 and 2018 auctions



## Wind power CSA portfolios in Russia



\* CSA=Capacity Supply Agreements

# Fortum Russia – strategic priorities

## Operational excellence

- Maintain benchmark performance and competitive cost level
- Secure long-term profitability via CSA contracts
- Drive for the world-class centralised district heating systems in the cities of presence

## Value creation and portfolio optimisation

- Ensure optimal future asset base
- Increased profit contribution from higher share of solar and wind
- Deconsolidating heat supply business

## Focused growth in power value chain

- Active development of regulatory environment for the Russian energy market
- Implementation of Fortum-Rusnano JV Wind power projects with partial capital recycling
- Ensure long-term development of renewables support scheme in Russia beyond 2024

# Solid performance and great future in Russia

- Strong market position in Russia
- Benchmark operations
- Well positioned in renewables with significant pipeline