

Building the utility of the future

Pekka Lundmark, President and CEO

13 November 2018

Fortum's strategic priorities for a changing energy market

1. Pursue operational excellence and increased flexibility

- Ensure benchmark performance
- Focus on cash flow and efficient use of balance sheet

2. Ensure value creation from investments and portfolio optimisation

- Increase shareholder value from Uniper
- Optimise portfolio to fit the changing business environment

3. Drive focused growth in the power value chain

- Grow in CO₂-free power generation
- Develop value-adding offerings and solutions for customers

4. Build options for significant new businesses

- Create new sizeable profit contributor independent of power prices
- Build on industrial logic and synergies with current businesses and competences

Decarbonisation will drive demand for electricity

– selective growth and investments in the short to medium term

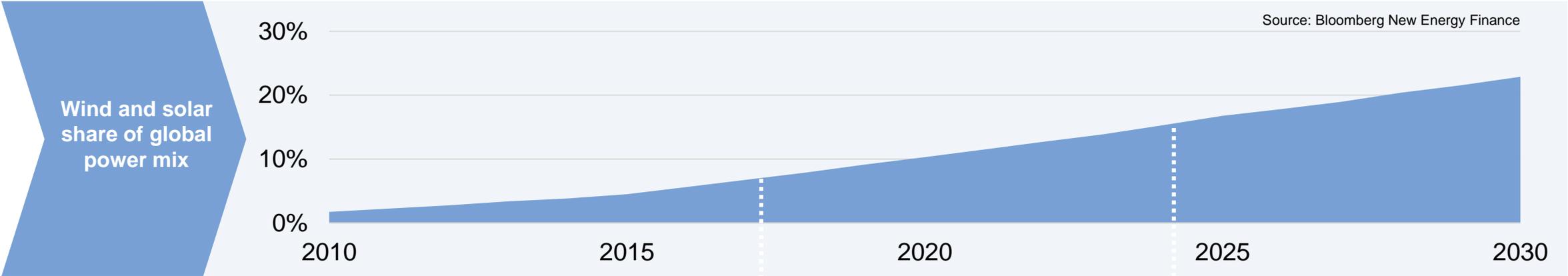
3. Drive focused growth in the power value chain

- Grow in CO₂-free power generation
- Develop value-adding offerings and solutions for customers

- Invest in solar and wind in existing markets
- Invest in opportunistic hydro at reasonable price

- Develop new offerings for consumers
- Strengthen service business model and energy solutions for industries

Fortum's ambition is to build a multi-gigawatt portfolio in solar and wind



Renewables' development in Fortum's market areas

<ul style="list-style-type: none"> • Investments mainly based on tariffs • Rapid cost decline in wind and solar 	<ul style="list-style-type: none"> • Increasingly auction or market based • Long-term power purchase agreements • Onshore wind and solar in optimal locations offer power generation at lowest cost 	<ul style="list-style-type: none"> • Auction or market based • Solar and wind are the dominant power generation forms
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Fortum's strategy

<ul style="list-style-type: none"> • Build an industrial scale platform in existing markets to enable scale-up option 	<ul style="list-style-type: none"> • Asset-light growth through new business models (i.e. capital recycling) 	<ul style="list-style-type: none"> • Asset-light and/or investment in own balance sheet • New business models
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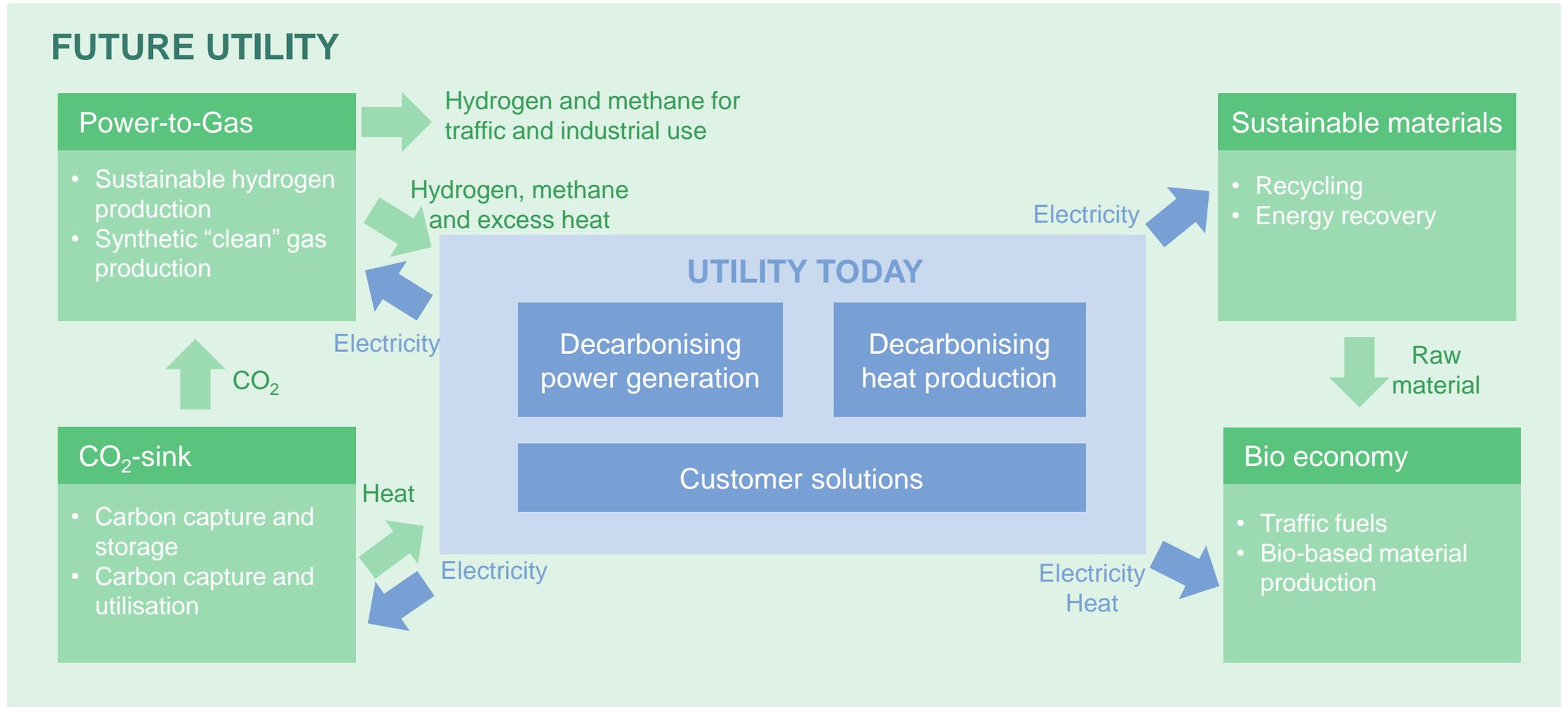
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The decades of electricity will affect several sectors – and Fortum is well positioned for decarbonisation

Global climate challenge (indicative)	Electricity demand (2018-2050)	Sector	Future solutions, examples	Fortum's current offering, examples
<div style="display: flex; justify-content: space-around;"> <div style="background: linear-gradient(to top, #1f77b4, #8c564b); color: white; padding: 10px; border: 1px solid #ccc;">4°C</div> <div style="background: linear-gradient(to top, #1f77b4, #8c564b); color: white; padding: 10px; border: 1px solid #ccc;">1.5°C</div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="background: linear-gradient(to top, #1f77b4, #8c564b); color: white; padding: 10px; border: 1px solid #ccc;">+</div> <div style="background: linear-gradient(to top, #1f77b4, #8c564b); color: white; padding: 10px; border: 1px solid #ccc;">+++</div> </div>	Power	CO ₂ -free generation, hydrogen, batteries, demand response	Nuclear, hydro, solar, wind
		Transport	Electric vehicles, hydrogen/biofuels for heavy transport	E-mobility, pyrolysis
		Heating & cooling	Low-CO ₂ DH/CHP, heat pumps, hydrogen	Biofuel, waste-to-energy DH/CHP
		Industry	Electrified processes, hydrogen, resource efficiency, CCS	B2B solutions
		Other	Recycling, biomaterials (e.g. fractioning)	Plastic recycling

DH/CHP = District heating/combined heat and power
 CCS = Carbon capture and storage

Building the utility of the future



Fortum's future growth will build on existing expertise and assets

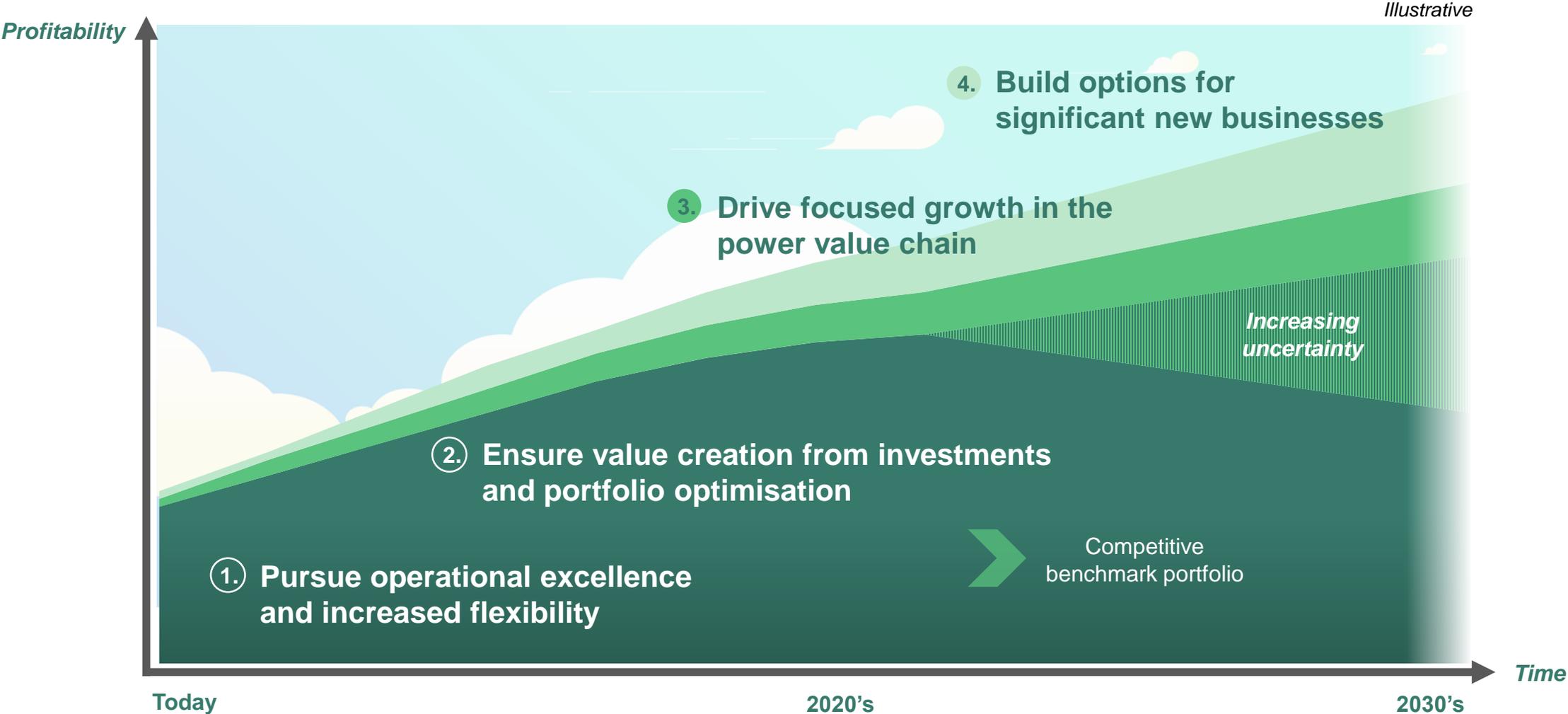
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- The circular economy trend offers attractive opportunities
- New selective investments in the near term to enable scale up in the long term
- Large-scale potential in waste and recycling, resource efficiency, and bio-based materials
- Venture investments provide strategic insight

Fortum's vision is even more valid today

– *For a cleaner world*



Fortum's investment proposition – *For a cleaner world*

