Disclaimer

This presentation does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any Fortum shares.

Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

Any references to the future represent the management’s current best understanding. However the final outcome may differ from them.
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Appr. 130,000 shareholders

- Power and heat company in the Nordic countries, Russia, Poland and the Baltics
- Listed at the Helsinki Stock Exchange since 1998
- Among the most traded shares on the Nasdaq Helsinki stock exchange
- Market cap ~17 billion euros
Fortum’s dividend policy is based on the following preconditions:

• The dividend policy ensures that shareholders receive a fair remuneration for their entrusted capital, supported by the company’s long-term strategy that aims at increasing earnings per share and thereby the dividend.

• When proposing the dividend, the Board of Directors looks at a range of factors, including the macro environment, balance sheet strength as well as future investment plans.

Fortum’s target is to pay a stable, sustainable and over time increasing dividend of 50-80% of earnings per share excluding one-off items

Fortum has since 1998 annually paid dividends in total ~14,580 MEUR

Capital returns: 2017 EUR 1.10 per share ~ EUR 1 billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per Share (EUR)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1.1</td>
<td>81%</td>
</tr>
<tr>
<td>2014</td>
<td>0.2</td>
<td>37%</td>
</tr>
<tr>
<td>2015</td>
<td>1.1</td>
<td>24%</td>
</tr>
<tr>
<td>2016</td>
<td>1.1</td>
<td>196%</td>
</tr>
<tr>
<td>2017</td>
<td>1.1</td>
<td>112%</td>
</tr>
</tbody>
</table>
Fortum – For a cleaner world

Megatrends
Climate change and resource efficiency
Urbanisation
Active customers
Digitalisation, new technologies

Vision
For a cleaner world

Mission
We engage our customers and society to drive the change towards a cleaner world. Our role is to accelerate this change by reshaping the energy system, improving resource efficiency and providing smart solutions. This way we deliver excellent shareholder value.

Strategy
Drive productivity and industry transformation
Grow in solar and wind
Create solutions for sustainable cities
Build new energy ventures
Our strategic route

- **1996**
  - **Skandinaviska Elverk**
  - **Gullspång**

- **1998**
  - **Birka Energi**
    - 50% Fortum
    - 50% Stockholm
    - Gullspång merged with Stockholm Energi
  - **Lånsivoima**
    - 100%
  - **Lenenergo shares**

- **2000**
  - **Stora Kraft**
  - **Birka Energi**
    - 50% → 100%
  - **Elnova**
    - 50% → 100%

- **2002**
  - **District heating in Poland**

- **2003**
  - **Östfold**
    - Shares in Hafslund
  - Shares in Lenenergo

- **2005**
  - **TGC-1**
    - Shares in Hafslund
    - Oil business spin-off

- **2006**
  - **Duon**
    - Ekokem
  - **E.ON**
    - E.ON Finland

- **2007**
  - **Divestment of Lenenergo shares**

- **2008**
  - **TGC-10**
  - Divestment of Fingrid shares
  - Divestment of heat operations outside of Stockholm

- **2011**
  - Divestment of small scale hydro

- **2012**
  - Divestment of non-strategic heat business

- **2014**
  - Divestment of electricity distribution business
  - Divestment of Grangemouth power plant

- **2015**
  - Divestment of electricity distribution business

- **2016**
  - **Duon**
    - Turebergs Recycling
  - **E.ON**
    - Restructuring ownership in Hafslund

- **2017**
  - **Russian wind power JV**
  - **Nordkraft wind power**

---

Divestment of electricity distribution and heat businesses
Divestment of Grangemouth power plant
Divestment of small scale hydro
Our current geographical presence

**NORDIC COUNTRIES**
- Power generation: 45.4 TWh
- Heat sales: 5.0 TWh
- Electricity customers: 2.4 million

**RUSSIA**
- Power generation: 26.3 TWh
- Heat sales: 19.8 TWh

**POLAND**
- Power generation: 0.5 TWh
- Heat sales: 3.7 TWh

**BALTIC COUNTRIES**
- Power generation: 0.7 TWh
- Heat sales: 1.4 TWh

**INDIA**
- Power generation: 0.3 TWh

**KEY FIGURES 2017**
- Sales: EUR 4.5 bn
- Comparable operating profit: EUR 0.8 bn
- Balance sheet: EUR 22 bn
- Personnel: 8,800
Still a highly fragmented Nordic power market
Fortum has largest electricity customer base in the Nordics

Power generation in 2016
395 TWh
>350 companies

Electricity retail
15 million customers
~350 companies

Source: Fortum, company data, shares of the largest actors, pro forma 2016 figures (Fortum incl. Hafslund’s 1.1 million customers).
Fortum mid-sized European power generation player; major producer in global heat

**Power generation**

Largest producers in Europe and Russia, 2016 (TWh)

- EDF
- RWE
- Rosenergoatom
- Enel
- Gazprom
- Uniper
- RusHydro
- ENGIE
- Inter RAO UES
- Vattenfall
- NNEGC Energoatom
- Iberdrola
- Fortum
- EPH
- EuroSibEnergo
- Staklraft
- CEZ
- T Plus
- PGE
- EnBW
- EDP
- DTEK
- EPS
- E.ON
- Sibgenco
- Verbund
- DEI

**Heat production**

Largest global producers, 2016 (TWh)

- Gazprom
- T Plus
- Inter RAO UES
- Veolia
- RusHydro
- EDF
- Sibgenco
- EuroSibEnergo
- Fortum
- Quadra
- Vattenfall
- Beijing DH
- TGC-2
- SIBECCO
- KDHC
- Minskenergo
- Lukoil
- PGE
- Tatenergo
- DTEK
- PGNiG
- Ørsted
- Stockholm Exergi
- CEZ
- TGC-14
- Helen

**Customers**

Electricity customers in EU, 2016 (Millions)

- Enel
- EDF
- RWE
- E.ON
- Iberdrola
- CEZ
- DEI
- Centrica
- EDP
- ENGIE
- Vattenfall
- EnBW
- PGE
- SSE
- Tauron
- Gas Natural Fenosa
- **Fortum**
- Ørsted

Source: Company information, Fortum analyses, 2016 figures pro forma
Biggest nuclear and hydro generators in Europe and Russia

1) Formerly GDF SUEZ
Source: Company information, Fortum analyses, 2013 figures pro forma
Fortum in the Nordic electricity value chain

Power generation

Nordic wholesale market

Power exchange and bilateral agreements

Large customers
Retail customers
Private customers, small businesses
Fortum's power and heat production by source

Fortum's power generation in 2017

- Total generation: 73.2 TWh
- Natural gas: 35%
- Nuclear power: 31%
- Hydropower: 28%
- Others: 1%
- Biomass: 1%
- Coal: 4%

Fortum's heat production in 2017

- Total production: 28.6 TWh
- Natural gas: 65%
- Coal: 17%
- Waste: 8%
- Peat: 1%
- Biomass: 7%
- Heat pumps, electricity: 2%

Note: Fortum's power generation capacity 13,722 MW and heat production capacity 14,765 MW
Fortum's European power and heat production

Fortum's European power generation in 2017

- Nuclear power: 49%
- Hydropower: 44%
- Others: 1%
- Waste: 1%
- Biomass: 2%
- Coal: 3%
- European generation: 46.6 TWh

Note: Fortum's European power generation capacity 8,743 MW and heat production capacity 4,671 MW

Fortum's heat European production in 2017

- Coal: 32%
- Waste: 27%
- Peat: 5%
- Heat pumps, electricity: 7%
- Natural gas: 7%
- Biomass: 22%
- European production: 8.6 TWh
Fortum’s Nordic, Baltic and Polish generation capacity

**GENERATION CAPACITY MW**

<table>
<thead>
<tr>
<th>Source</th>
<th>MW</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hydro</strong></td>
<td>4,672</td>
<td></td>
</tr>
<tr>
<td><strong>Nuclear</strong></td>
<td>2,814</td>
<td></td>
</tr>
<tr>
<td><strong>CHP</strong></td>
<td>774</td>
<td></td>
</tr>
<tr>
<td><strong>Other thermal</strong></td>
<td>376</td>
<td></td>
</tr>
<tr>
<td><strong>Wind</strong></td>
<td>107</td>
<td></td>
</tr>
</tbody>
</table>

Nordic, Baltic and Polish generation capacity: 8,743

Figures 31 December 2017

**NORWAY**

- Price areas
  - NO4, Wind: 32
  - NO1, CHP: 19
- Generation capacity: 51

**FINLAND**

- Hydro: 1,547
- Nuclear: 1,480
- CHP: 451
- Other thermal: 376
- Generation capacity: 3,854

**SWEDEN**

- Price areas
  - SE2, Hydro: 1,550
  - SE2, Wind: 75
  - SE3, Hydro: 1,575
  - SE3, Nuclear: 1,334
  - SE3, CHP: 9
- Generation capacity: 4,543

**BALTICS AND POLAND**

- Generation capacity, CHP in Estonia: 49
- in Latvia: 26
- in Lithuania: 18
- in Poland: 186

**DENMARK, DK2**

- Generation capacity, CHP: 16

Associated companies’ plants (not included in the MWs): Stockholm Exergi (Former Fortum Värme), Stockholm; TSE, Naantali
Fortum a forerunner in sustainability

We engage our customers and society to drive the change towards a cleaner world. Our role is to accelerate this change by reshaping the energy system, improving resource efficiency and providing smart solutions. This way we deliver excellent shareholder value.

- Fortum is listed in several sustainability indexes:
  - CDP Nordic rating
  - STOXX® Global ESG Leaders indices
  - ECPI® Indices
  - oekom
  - OMX GES Sustainability Finland index
  - Euronext Vigeo Eurozone 120 index
Fortum's carbon exposure among the lowest in Europe

g CO₂/kWh electricity, 2016

Note: All figures, except “Fortum total”, include only European power generation.
Fortum’s specific emissions of the power generation in 2017 in the EU were 28 g/kWh and in total 174 g/kWh, same as in the previous year.
Source: PwC, December 2017, Climate Change and Electricity (including those companies with data for power generation available only), Fortum
Fortum is growing towards gigawatt scale target in solar and wind power production

**PORTFOLIO**

<table>
<thead>
<tr>
<th>TECHNOLOGY</th>
<th>STATUS</th>
<th>CAPACITY MW</th>
<th>FORTUM SHARE, MW</th>
<th>SUPPLY STARTS/STARTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORWAY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nygårdsfjellet Wind</td>
<td>Operational</td>
<td>179</td>
<td>179</td>
<td>2006 and 2011</td>
</tr>
<tr>
<td>Åstadblåheia Wind</td>
<td>Under construction</td>
<td>50</td>
<td>50</td>
<td>2018</td>
</tr>
<tr>
<td>Sørjord Wind</td>
<td>Under construction</td>
<td>97</td>
<td>97</td>
<td>2019</td>
</tr>
<tr>
<td>SWEDEN</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Blaiken Wind | Operational | 248 | 37 (15%) | 2017*
| Solberg Wind | Operational | 76 | 38 (50%) | 2018 |
| RUSSIA     |          |             |                  |                        |
| Bugulchanskaya Solar | Operational | 15 | 15 | 2016-2017 |
| Pleshanovskaya Solar | Operational | 10 | 10 | 2017 |
| Grachevskaya Solar | Operational | 10 | 10 | 2017 |
| Ulyanovsk Wind | Operational | 35 | 35 | 2018 |
| Ulyanovsk-2 Wind | Under construction | 50 | 25 (50%) | 2019 |
| Rusnano JV Wind | Under development | 950 | 475 (50%) | 2018-2022 |
| INDIA      |          |             |                  |                        |
| Amrit Solar | Operational | 5 | 5 | 2012 |
| Kapeli Solar | Operational | 10 | 10 | 2014 |
| Bhadla Solar | Operational | 70 | 70 | 2017 |
| Pavagada Solar | Operational | 100 | 100 | 2017 |
| **TOTAL PORTFOLIO** | | **1 758** | **1 009** |                        |

*) Blaiken last stage IV inaugurated in 2017. NOTE: All figures in MWac and rounded to nearest megawatt. Additionally, target to invest 200 – 400 million euros in India solar and create partnership for operating assets.
Market coupling milestones – Cross-border power flows optimised by power exchanges

- Market coupling between NL, BE and FR since 2006
- Market coupling for Central Western Europe (DE, FR, NL, BE) since 11/2010 with a continued coupling with Nord Pool. NorNed (NO-NL) and BritNed (UK-NL) included in 2011
- Czech, Slovakia and Hungary coupled together since 2012. Romania joined in 2014
- A common day-ahead market coupling for the whole north-western Europe (incl. Spain & Portugal) was started in 2014. Italy and Slovenia joined in 2015. **Ireland to join in 2018**
- Flow-based cross-border capacity allocation for further trade optimisation taken into use in May 2015 for the CWE region. **Nordic flow-based implementation planned for 2020**
- CEE (Central Eastern Europe) market coupling region due to join latest in 2020 with flow-based capacity allocation. Switzerland waiting for agreement with the EU
- In addition to day-ahead coupling, European-wide intraday market coupling is due to start with Nordic, Baltic and Continental Western European markets in June 2018
- Balancing market integration under development as well, based on both regional projects and the EU Guideline on Electricity Balancing, in force since 18 December 2017
Current transmission capacity from Nordic area is over 6,000 MW

### TRANSMISSION CAPACITY MW

<table>
<thead>
<tr>
<th>COUNTRIES</th>
<th>From Nordics</th>
<th>To Nordics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark - Germany</td>
<td>2,225</td>
<td>2,100</td>
</tr>
<tr>
<td>Sweden - Germany</td>
<td>615</td>
<td>615</td>
</tr>
<tr>
<td>Sweden - Poland</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>Sweden - Lithuania</td>
<td>700</td>
<td>700</td>
</tr>
<tr>
<td>Norway - Netherlands</td>
<td>723</td>
<td>723</td>
</tr>
<tr>
<td>Finland - Estonia</td>
<td>1,016</td>
<td>1,016</td>
</tr>
<tr>
<td>Finland - Russia</td>
<td>320</td>
<td>1,300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,199</strong></td>
<td><strong>7,054</strong></td>
</tr>
</tbody>
</table>

- Theoretical maximum in transmission capacity ~40 TWh per annum, but restrictions especially between DK & DE
- Net export from the Nordic area to Continental Europe and Baltics during year 2017 was 9 TWh
- Net export was 18 TWh in 2015 and 10 TWh in 2016
- Approximately 25 TWh of net export is now reachable
Nordic, Baltic, Continental and UK markets are integrating – Interconnection capacity will double by 2023

The Northern Seas Offshore Grid and the Baltic Energy Market Integration Plan are included as priority electricity corridors in EU’s Infrastructure Guidelines, approved in April 2013

1. Two 1,400 MW NO-UK links as EU Projects of Common Interest: NSL to England due to be ready in 2021, NorthConnect to Scotland still requiring Norwegian permission
2. 1,400 MW NordLink as first direct NO-DE link is being built by end-2019
3. 1,400 MW DK-UK Viking Link under final permitting in the UK, with commissioning timetable to be determined in spring 2018
4. 700 MW COBRAcable from DK to NL due to be ready in March 2019
5. Jutland – DE capacity planned to grow by 860 MW in 2020, with further 1,000 MW increase in 2022
6. New internal Nordic grid investments provide for increased available capacity for export to the Continent and Baltics
7. EU’s Connecting Europe Facility co-financing 3rd EE-LV transmission line, due to be ready in 2020
8. Svenska Kraftnät and 50Hertz signed 1/2017 a cooperation agreement on building the 700 MW Hansa PowerBridge DC link between Sweden and Germany by 2025/26
9. New 400 MW Zealand – DE connection via Kriegers Flak offshore wind area by end-2018

New interconnections will double the export capacity to over 12,000 MW by 2023
Nordic year forwards

Source: Nasdaq Commodities, Bloomberg
Wholesale power prices

EUR/MWh

Spot prices

Forward prices

* Including weighted average capacity price

**Source:** Eurostat figures

**Graph sizes are illustrative.**

<table>
<thead>
<tr>
<th></th>
<th>NORDICS</th>
<th>BALTICS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016</strong></td>
<td>TWh</td>
<td>%</td>
</tr>
<tr>
<td>Hydro</td>
<td>217</td>
<td>55</td>
</tr>
<tr>
<td>Nuclear</td>
<td>83</td>
<td>21</td>
</tr>
<tr>
<td>Conv. thermal</td>
<td>58</td>
<td>15</td>
</tr>
<tr>
<td>Wind</td>
<td>33</td>
<td>9</td>
</tr>
<tr>
<td>Solar</td>
<td>0.8</td>
<td>0.2</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total generation</strong></td>
<td>392</td>
<td></td>
</tr>
</tbody>
</table>

Net export: 4 TWh  
Net import: 7 TWh

*) Normal annual Nordic hydro generation 200 TWh, variation +/- 40 TWh.

**Source:** Eurostat figures

Graph sizes are illustrative.
## Northern European conventional capacity decreasing

### Estimated annual net changes in nuclear and thermal capacity

**Estimated capacity changes based on publically announced information from various stakeholders**

### Table: Estimated capacity changes

<table>
<thead>
<tr>
<th>DATE</th>
<th>CAPACITY</th>
<th>AREA</th>
<th>UNIT/ TRANSMISSION</th>
<th>COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.12.2017</td>
<td>-1344 MW</td>
<td>DE</td>
<td>Gundremmingen B</td>
<td>Decommissioning; German nuclear phase-out</td>
</tr>
<tr>
<td>1.1.2018</td>
<td>≈ 500 MW</td>
<td>DK1- DE</td>
<td>Transmission</td>
<td>Lowest available capacity will be increased to 700 MW, available capacity during last years has been ca 200 MW.</td>
</tr>
<tr>
<td>during 2018</td>
<td>+ 1100 MW</td>
<td>DE</td>
<td>Datteln 4</td>
<td>Uniper’s coal condensing unit; targeted commissioning mid-2018.</td>
</tr>
<tr>
<td>1.10.2018</td>
<td>- 1100 MW</td>
<td>DE</td>
<td>Lignite reserve</td>
<td>Niederaußem E &amp; F and Jänschwalde F moved to lignite reserve</td>
</tr>
<tr>
<td>31.12.2018</td>
<td>-280 MW</td>
<td>NO2</td>
<td>Mongstad CHP</td>
<td>The CHP at Mongstad is phased out following several years of unprofitable operations.</td>
</tr>
<tr>
<td>31.12.2018</td>
<td>+0-400 MW</td>
<td>DK2- DE</td>
<td>Kriegers Flak</td>
<td>Offshore connection between DK2 and DE used for both grid connection of offshore wind farms and interconnection.</td>
</tr>
<tr>
<td>31.5.2019</td>
<td>+1600 MW</td>
<td>FI</td>
<td>Olkiluoto 3</td>
<td>The previously announced commissioning date in the end of 2018 has been delayed to May 2019.</td>
</tr>
<tr>
<td>30.3.2019</td>
<td>+700 MW</td>
<td>DK1- NL</td>
<td>Transmission</td>
<td>Cobra cable: trial operation of the interconnector is expected to begin in Q1 2019</td>
</tr>
<tr>
<td>30.6.2019</td>
<td>-854 MW</td>
<td>SE3</td>
<td>Ringhals 2</td>
<td>Decommissioning</td>
</tr>
<tr>
<td>14.6.2020</td>
<td>-856 MW</td>
<td>SE3</td>
<td>Ringhals 1</td>
<td>Decommissioning</td>
</tr>
</tbody>
</table>
Wholesale electricity price too low to attract investments

NOTE: The presented figures are calculated based on data from recent public reports and do not represent Fortum’s view. Average achieved price (€/MWh) for the production type depends on availability and flexibility. There are large variations in the cost of hydro, wind and solar depending on location and conditions.
Overview of Fortum’s nuclear fleet

<table>
<thead>
<tr>
<th>Commercial operation started</th>
<th>LOVIISA</th>
<th>OLKILUOTO</th>
<th>OSKARSHAMN</th>
<th>FORSMARK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit 1: 1977</td>
<td>Unit 1: 1978</td>
<td>Unit 1: 1972 (out of oper.)</td>
<td>Unit 1: 1980</td>
<td></td>
</tr>
<tr>
<td>Unit 3: (Under construction)</td>
<td>Unit 3: 1985</td>
<td>Unit 3: 1985</td>
<td>Unit 3: 1985</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Generation Capacity</th>
<th>LOVIISA</th>
<th>OLKILUOTO</th>
<th>OSKARSHAMN</th>
<th>FORSMARK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit 1: 507 MW</td>
<td>Unit 1: 880 MW</td>
<td>Unit 1: 473 MW</td>
<td>Unit 1: 984 MW</td>
<td></td>
</tr>
<tr>
<td>Unit 2: 502 MW</td>
<td>Unit 2: 890 MW</td>
<td>Unit 2: 638 MW</td>
<td>Unit 2: 1,120 MW</td>
<td></td>
</tr>
<tr>
<td><strong>Total: 1009 MW</strong></td>
<td><strong>Total: 1,770 MW (3,370)</strong></td>
<td><strong>Total: 1,400 MW</strong></td>
<td><strong>Total: 3,271 MW</strong></td>
<td></td>
</tr>
<tr>
<td>Fortum’s share</td>
<td>27% 470 MW</td>
<td>43% 602 MW</td>
<td>22% 727 MW</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unit 3: 1,600 MW</td>
<td>Unit 3: 1,400 MW</td>
<td>Unit 3: 1,167 MW</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total: 1,400 MW</strong></td>
<td><strong>Total: 1,400 MW</strong></td>
<td><strong>Total: 3,271 MW</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>19%</td>
<td>9%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Yearly production</td>
<td>8 TWh</td>
<td>13 TWh</td>
<td>9 TWh</td>
<td></td>
</tr>
<tr>
<td>Fortum’s share of production</td>
<td>8 TWh</td>
<td>4 TWh</td>
<td>4 TWh</td>
<td>5 TWh</td>
</tr>
<tr>
<td>Share of Fortum’s Nordic production</td>
<td>19%</td>
<td>9%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>Majority owner</td>
<td>Fortum</td>
<td>Pohjolan Voima</td>
<td>Uniper</td>
<td>Vattenfall</td>
</tr>
<tr>
<td>Fortum’s share</td>
<td>26.6%</td>
<td>43.4%</td>
<td>43.4%</td>
<td></td>
</tr>
<tr>
<td>Operated by</td>
<td>Fortum</td>
<td>Teollisuuden Voima (TVO)</td>
<td>OKG Aktiebolag</td>
<td>Forsmarks Kraftgrupp</td>
</tr>
</tbody>
</table>

**RESPONSIBILITIES**

Loviisa: Fortum is the owner, licensee and operator with all the responsibilities specified in the Nuclear Energy Act, Nuclear Liability Act, and other relevant nuclear legislation.

Other units: Fortum is solely an owner with none of the responsibilities assigned to the licensee in the nuclear legislation. Other responsibilities are specified in the Companies Act and the Articles of Association and are mostly financial.
Fortum's nuclear power in the Nordics

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Oskarshamn 1*</td>
<td>80</td>
<td>51</td>
<td>63</td>
<td>85</td>
<td>68</td>
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<td>12</td>
<td>74</td>
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<td>33</td>
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<td>Oskarshamn 3</td>
<td>85</td>
<td>95</td>
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<tr>
<td>Forsmark 1</td>
<td>85</td>
<td>76</td>
<td>81</td>
<td>88</td>
<td>88</td>
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<td>94</td>
<td>72</td>
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<td>79</td>
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<td>86</td>
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<tr>
<td>Loviisa 1</td>
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<td>94</td>
<td>86</td>
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<td>92</td>
<td>93</td>
<td>88</td>
<td>93</td>
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<tr>
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<td>88</td>
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<td>95</td>
<td>89</td>
<td>94</td>
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<td>93</td>
<td>93</td>
</tr>
<tr>
<td>Olkiluoto 1</td>
<td>98</td>
<td>94</td>
<td>97</td>
<td>94</td>
<td>97</td>
<td>92</td>
<td>95</td>
<td>90</td>
<td>97</td>
<td>94</td>
<td>96</td>
<td>91</td>
<td>93</td>
</tr>
<tr>
<td>Olkiluoto 2</td>
<td>94</td>
<td>97</td>
<td>94</td>
<td>97</td>
<td>95</td>
<td>95</td>
<td>91</td>
<td>96</td>
<td>93</td>
<td>97</td>
<td>89</td>
<td>94</td>
<td>81</td>
</tr>
</tbody>
</table>

Source: Fortum

*) O1 was shut down for decommissioning earlier as originally announced, starting 17.6.2017.

Finnish units world class in availability
Overview of production and consumption: www.fortum.com/investors - energy related links
### Variety of technologies and ages

<table>
<thead>
<tr>
<th>UNIT</th>
<th>MWE (NET)</th>
<th>SHARE (%)</th>
<th>SHARE (MWE)</th>
<th>COMMERCIAL OPERATION</th>
<th>AGE</th>
<th>TYPE/ GENERATION</th>
<th>SUPPLIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loviisa 1</td>
<td>507</td>
<td>100,0</td>
<td>507</td>
<td>1977-05-09</td>
<td>40</td>
<td>PWR / 1</td>
<td>AEE (Atomenergoexport)</td>
</tr>
<tr>
<td>Loviisa 2</td>
<td>502</td>
<td>100,0</td>
<td>502</td>
<td>1981-01-05</td>
<td>36</td>
<td>PWR / 1</td>
<td>AEE (Atomenergoexport)</td>
</tr>
<tr>
<td>Oskarshamn 1</td>
<td>473</td>
<td>43.4</td>
<td>205</td>
<td>1972-02-06</td>
<td>45</td>
<td>BWR / 1</td>
<td>Asea-Atom / Stal-Laval</td>
</tr>
<tr>
<td>Oskarshamn 2</td>
<td>638</td>
<td>43.4</td>
<td>277</td>
<td>1975-01-01</td>
<td>42</td>
<td>BWR / 2</td>
<td>Asea-Atom / Stal-Laval</td>
</tr>
<tr>
<td>Oskarshamn 3</td>
<td>1,400</td>
<td>43.4</td>
<td>607</td>
<td>1985-08-15</td>
<td>32</td>
<td>BWR / 4</td>
<td>Asea-Atom / Stal-Laval</td>
</tr>
<tr>
<td>Forsmark 1</td>
<td>984</td>
<td>23.4</td>
<td>230</td>
<td>1980-12-10</td>
<td>37</td>
<td>BWR / 3</td>
<td>Asea-Atom / Stal-Laval</td>
</tr>
<tr>
<td>Forsmark 2</td>
<td>1,120</td>
<td>23.4</td>
<td>262</td>
<td>1981-07-07</td>
<td>36</td>
<td>BWR / 3</td>
<td>Asea-Atom / Stal-Laval</td>
</tr>
<tr>
<td>Forsmark 3</td>
<td>1,167</td>
<td>20.1</td>
<td>236</td>
<td>1985-08-18</td>
<td>32</td>
<td>BWR / 4</td>
<td>Asea-Atom / Stal-Laval</td>
</tr>
</tbody>
</table>

1) Generation refers to technical resemblance based on KSU classification and not to reactor design generations. All reactors are of Generation II except Olkiluoto-3 (EPR) which is of Generation III.

### Planned capacity increase:
- **Forsmark 1**, potential capacity increase of total ~110 MW in 2018-2020.

### Closing of the units:
- OKG AB’s Extraordinary shareholders’ meeting decided on 14 October 2015 on the closure of Oskarshamn nuclear power plant units 1 and 2 in Sweden.
- Unit 1 was taken out of operation on June 17, 2017. Unit 2 has been out of operation since June 2013 due to an extensive safety modernisation, and it will not be put back into operation. The closing process for both units is estimated to take several years.
- **PWR** = (Pressurized Water Reactor) The most common reactor type in the world (e.g. all French units, most US units). Also the Lovisa units are PWRs, but based on Russian design. High pressure prevents water from boiling in the reactor. The steam rotating the turbine is generated in separate steam generators.
- **BWR** = (Boiling Water Reactor) Similar to the PWR in many ways, but the steam is generated directly in the reactor. Popular reactor type e.g. in Sweden, the US and Japan.
Third party nuclear liability in case of severe accident

Law approved by Parliament in 2010, requires separate decision from Government to come into force.

In force since 1 January 2012

- Unlimited company responsibility
- Convention parties
- State responsibility
- Responsibility of company (insurance or guarantee)

Requires ratification by 2/3 of member states to come into force. In Finland approved by Parliament in 2005

- Sweden
  - Old, Finland: 240 M€
  - Current, Sweden (new, not in force): 360 M€, 145 M€
  - In force: 700 M€
  - Convention parties: 300 M€
  - State responsibility: 500 M€
  - Responsibility of company (insurance or guarantee): 145 M€

- Finland, temporary legislation
  - 700 M€

- New Paris convention
  - 700 M€
Fortum - a major player in Russia

PAO Fortum (former TGC-10)
• Operates in the heart of Russia’s oil and gas producing region, fleet mainly gas-fired CHP capacity
• 26 TWh power generation, 20 TWh heat production in 2017 Investment programme to add 85%, almost 2,200 MW to power generation capacity

TGC-1
• 29.5% of territorial generating company TGC-1 operating in north-west Russia
• ~7,000 MW electricity production capacity (more than 40% hydro), ~27 TWh electricity, ~29 TWh heat in 2017
• In December 2014, Fortum and Gazprom Energoholding signed a protocol to start a restructuring process of TGC-1. Currently Gazprom Energoholding owns 51.8% of the TGC-1 shares and Fortum 29.5%. As part of the restructuring, Fortum will establish a joint venture together with Rosatom to own the hydro assets of TGC-1, while Gazprom Energoholding continues with the heat and thermal power businesses of TGC-1. By utilising its present stake in TGC-1, Fortum would obtain a 75-plus-percent ownership in the new hydro power company, and Rosatom a 25-minus-percent minority holding.
• In October 2015, Fortum announced that the discussions related to the potential restructuring of TGC-1 will continue, and it is not possible to estimate the time schedule or outcome of the discussions.
## Day ahead wholesale market prices in Russia

### Key electricity, capacity and gas prices in the PAO Fortum area

<table>
<thead>
<tr>
<th></th>
<th>I/18</th>
<th>I/17</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity spot price (market price), Urals hub, RUB/MWh</td>
<td>1,011</td>
<td>1,034</td>
<td>1,041</td>
<td>1,035</td>
</tr>
<tr>
<td>Average regulated gas price, Urals region, RUB 1000 m³</td>
<td>3,755</td>
<td>3,614</td>
<td>3,685</td>
<td>3,720</td>
</tr>
<tr>
<td>Average capacity price for CCS, tRUB/MW/month</td>
<td>158</td>
<td>157</td>
<td>148</td>
<td>148</td>
</tr>
<tr>
<td>Average capacity price for CSA, tRUB/MW/month</td>
<td>1,147</td>
<td>980</td>
<td>899</td>
<td>943</td>
</tr>
<tr>
<td>Average capacity price, tRUB/MW/month</td>
<td>661</td>
<td>585</td>
<td>535</td>
<td>556</td>
</tr>
<tr>
<td>Achieved power price for Fortum in Russia, RUB/MWh</td>
<td>1,872</td>
<td>1,868</td>
<td>1,813</td>
<td>1,817</td>
</tr>
<tr>
<td>Achieved power price for Fortum in Russia, EUR/MWh</td>
<td>26.8</td>
<td>29.8</td>
<td>27.5</td>
<td>26.7</td>
</tr>
</tbody>
</table>

### Day ahead power market prices for Urals

Source: ATS

In addition to the power price generators receive a capacity payment.
# Thermal power generation capacity in Russia at 31.12.2017

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SUPPLY STARTS</th>
<th>POWER PLANT</th>
<th>FUEL TYPE</th>
<th>CCS CAPACITY</th>
<th>CSA CAPACITY</th>
<th>PRODUCTION TYPE</th>
<th>TOTAL CAPACITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 2011</td>
<td></td>
<td>Tyumen CHP-2</td>
<td>Gas</td>
<td>755</td>
<td></td>
<td>CHP/Condensing</td>
<td>755</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chelyabinsk CHP-2</td>
<td>Gas, coal</td>
<td>320</td>
<td></td>
<td>CHP/Condensing</td>
<td>320</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Argayash CHP</td>
<td>Gas, coal</td>
<td>195</td>
<td></td>
<td>CHP/Condensing</td>
<td>195</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chelyabinsk CHP-1</td>
<td>Gas, coal</td>
<td>134</td>
<td></td>
<td>CHP/Condensing</td>
<td>134</td>
</tr>
<tr>
<td>2011</td>
<td>Feb/2011</td>
<td>Tyumen CHP-1</td>
<td>Gas</td>
<td>450</td>
<td>210</td>
<td>CHP/Condensing</td>
<td>660</td>
</tr>
<tr>
<td></td>
<td>Jun/2011</td>
<td>Chelyabinsk CHP-3</td>
<td>Gas</td>
<td>360</td>
<td>233</td>
<td>CHP/Condensing</td>
<td>593</td>
</tr>
<tr>
<td></td>
<td>Oct/2011</td>
<td>Tobolsk CHP*</td>
<td>Gas</td>
<td>452</td>
<td>213</td>
<td>CHP/Condensing</td>
<td>665*</td>
</tr>
<tr>
<td>2013</td>
<td>Apr/2013</td>
<td>Nyagan 1 GRES</td>
<td>Gas</td>
<td>453</td>
<td></td>
<td>Condensing</td>
<td>453</td>
</tr>
<tr>
<td></td>
<td>Dec/2013</td>
<td>Nyagan 2 GRES</td>
<td>Gas</td>
<td>453</td>
<td></td>
<td>Condensing</td>
<td>453</td>
</tr>
<tr>
<td>2015</td>
<td>Jan/2015</td>
<td>Nyagan 3 GRES</td>
<td>Gas</td>
<td>455</td>
<td></td>
<td>Condensing</td>
<td>455</td>
</tr>
<tr>
<td></td>
<td>Dec/2015</td>
<td>Chelyabinsk GRES</td>
<td>Gas</td>
<td>247</td>
<td></td>
<td>CHP/Condensing</td>
<td>247</td>
</tr>
<tr>
<td>2016</td>
<td>Mar/2016</td>
<td>Chelyabinsk GRES</td>
<td>Gas</td>
<td>248</td>
<td></td>
<td>CHP/Condensing</td>
<td>248</td>
</tr>
<tr>
<td>2017</td>
<td>Dec/2017</td>
<td>Chelyabinsk GRES</td>
<td>Gas</td>
<td>248</td>
<td></td>
<td>CHP/CCGT</td>
<td>248</td>
</tr>
</tbody>
</table>

| Total Capacity | 2,462 MW | 2,298 MW | 4,760 MW |

*) Tobolsk power plant was sold in Q1/2016
Hedging improves stability and predictability

Realised prices quarterly since 2000

- Achieved power price
- Spot price, SE&FI avg.

2009 onwards thermal and import from Russia excluded
Increased wholesale power prices in the Nordics  
  – Cold weather in February and March  
  – Lower than normal precipitation  
EU Emission Trading Scheme (ETS) starting to deliver  
  – Higher CO₂ emission allowance prices  
Comparable EBITDA +27% at EUR 538 million  
Comparable operating profit +29% at EUR 405 million  
EPS at EUR 0.43 (0.38)  
47.12% of Uniper shares tendered in the PTO  
  – Transaction awaiting regulatory approval in EU and Russia  
Balance sheet discipline going forward
35 MW Ulyanovsk wind park operational in Russia

Delivering on our growth strategy

47.12% of Uniper shares accepted in Fortum’s PTO

Fortum, Valmet and Preem in cooperation to develop bio-oil to fuel in transportation

TVO confirms settlement agreement on Olkiluoto 3 project

Fortum wins Nordic’s largest solar system contract from Finnish retailer S Group

Fortum’s Charge & Drive and Plugsurfing join forces

Delivering on our growth strategy

Fortum, Valmet and Preem in cooperation to develop bio-oil to fuel in transportation

TVO confirms settlement agreement on Olkiluoto 3 project

Fortum wins Nordic’s largest solar system contract from Finnish retailer S Group

Fortum’s Charge & Drive and Plugsurfing join forces
**Investment in Uniper awaiting the regulatory approvals in the EU and Russia**

- **Strategic rational for the investment in Uniper:**
  - Uniper’s businesses are aligned with our core competences, close to our home markets and highly cash generative
  - Uniper and Fortum have a mutually complementary, strategic mix of assets and expertise to actively drive Europe’s transition towards a low-carbon and secure energy system
  - Fortum sees good cooperation opportunities with Uniper to create value for all stakeholders

- **Regulatory approvals**
  - EU and Russia
  - Expected mid-2018

- **Financing of the investment**
  - Cash resources and committed credit facilities

- **Financial impact**
  - Associated company
  - EPS contribution through Fortum’s share of Uniper’s profit
  - Uniper dividend to strengthen Fortum’s cash flow
Nordic countries

- Increased electricity consumption due to cold weather in February and March, 121 (113) TWh
- Nordic precipitation clearly below normal in Q1
- System spot price improved to 38.6 (31.1) EUR/MWh
  - Finnish area price at 42.0 (32.9) EUR/MWh and Swedish (SE3) area price 39.0 (31.8) EUR/MWh
- Clearly higher market price for CO₂ emission allowances (EUA)
  - Increase to EUR 13.3/t at the end of Q1 2018 from EUR 8.1/t at the beginning of 2017

Russia

- Electricity consumption slightly higher, 289 (283) TWh
  - First price zone (Fortum’s operating area) at 220 (217) TWh
- Average electricity spot price flat in Urals hub
Nordic water reservoirs

Source: Nord Pool
CO₂ price reached a 7-year high while coal and gas prices slightly declined

Source: ICE, Thomson Reuters
Market prices 7 May 2018; 2018-2019 future quotations
Wholesale power price recovery from low level continued – still room for improvement

Source: Nord Pool, Nasdaq Commodities
Higher power prices in the Nordics due to cold and dry weather

**Spot price for power in Nord Pool power exchange**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Price (EUR/MWh)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/2017</td>
<td>31.1</td>
<td></td>
</tr>
<tr>
<td>Q2/2017</td>
<td>27.4</td>
<td></td>
</tr>
<tr>
<td>Q3/2017</td>
<td>28.5</td>
<td></td>
</tr>
<tr>
<td>Q4/2017</td>
<td>30.6</td>
<td>+24%</td>
</tr>
<tr>
<td>Q1/2018</td>
<td>38.6</td>
<td></td>
</tr>
</tbody>
</table>

**Spot price for power (market price), Urals hub**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Price (RUB/MWh)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/2017</td>
<td>1,034</td>
<td></td>
</tr>
<tr>
<td>Q2/2017</td>
<td>1,012</td>
<td></td>
</tr>
<tr>
<td>Q3/2017</td>
<td>1,080</td>
<td></td>
</tr>
<tr>
<td>Q4/2017</td>
<td>1,038</td>
<td>-2%</td>
</tr>
<tr>
<td>Q1/2018</td>
<td>1,011</td>
<td></td>
</tr>
</tbody>
</table>

**Generation's Nordic power price**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Price (EUR/MWh)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/2017</td>
<td>32.6</td>
<td></td>
</tr>
<tr>
<td>Q2/2017</td>
<td>30.0</td>
<td></td>
</tr>
<tr>
<td>Q3/2017</td>
<td>32.5</td>
<td></td>
</tr>
<tr>
<td>Q4/2017</td>
<td>32.0</td>
<td>+3%</td>
</tr>
<tr>
<td>Q1/2018</td>
<td>33.6</td>
<td></td>
</tr>
</tbody>
</table>

**Achieved power price for PAO Fortum**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Price (EUR/MWh)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/2017</td>
<td>29.8</td>
<td></td>
</tr>
<tr>
<td>Q2/2017</td>
<td>27.0</td>
<td></td>
</tr>
<tr>
<td>Q3/2017</td>
<td>25.8</td>
<td></td>
</tr>
<tr>
<td>Q4/2017</td>
<td>27.0</td>
<td>-10%</td>
</tr>
<tr>
<td>Q1/2018</td>
<td>26.8</td>
<td></td>
</tr>
</tbody>
</table>

Changes refer to year-on-year difference (Q1 2018 versus Q1 2017)

NOTE: Achieved power price in roubles increased 0%. Includes capacity income.
Key figures in Q1 2018

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/2018</th>
<th>Q1/2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,585</td>
<td>1,232</td>
<td>4,520</td>
<td>4,873</td>
</tr>
<tr>
<td>Comparable EBITDA</td>
<td>538</td>
<td>423</td>
<td>1,275</td>
<td>1,390</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>405</td>
<td>313</td>
<td>811</td>
<td>903</td>
</tr>
<tr>
<td>Operating profit</td>
<td>482</td>
<td>389</td>
<td>1,158</td>
<td>1,251</td>
</tr>
<tr>
<td>Share of profits of associates and joint ventures</td>
<td>47</td>
<td>59</td>
<td>148</td>
<td>136</td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>493</td>
<td>412</td>
<td>1,111</td>
<td>1,192</td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.43</td>
<td>0.38</td>
<td>0.98</td>
<td>1.03</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>273</td>
<td>282</td>
<td>993</td>
<td>984</td>
</tr>
</tbody>
</table>

- Improved comparable operating profit, +29%
  - Higher hydro volumes and higher achieved power price, lower Swedish taxes, and positive impact from Hafslund consolidation
Increased sales due to higher than normal hydro volumes and higher achieved power price

Clearly improved comparable operating profit, +62%
  - Higher than normal hydro power volumes
  - Higher achieved power price due to cold and dry weather
  - Lower real-estate and capacity taxes in Sweden
  - Good nuclear availability, but lower nuclear volumes due to closure of Oskarshamn 1

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/2018</th>
<th>Q1/2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>497</td>
<td>474</td>
<td>1,677</td>
<td>1,700</td>
</tr>
<tr>
<td>Comparable EBITDA</td>
<td>252</td>
<td>166</td>
<td>603</td>
<td>689</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>220</td>
<td>136</td>
<td>478</td>
<td>562</td>
</tr>
<tr>
<td>Comparable net assets</td>
<td>5,698</td>
<td>5,823</td>
<td>5,672</td>
<td></td>
</tr>
<tr>
<td>Comparable RONA %</td>
<td></td>
<td></td>
<td>8.4</td>
<td>9.8</td>
</tr>
<tr>
<td>Gross investments</td>
<td>38</td>
<td>24</td>
<td>264</td>
<td>278</td>
</tr>
</tbody>
</table>
City Solutions

• Higher heat sales driven by cold weather and consolidation of Fortum Oslo Varme (Hafslund)

• Clearly improved comparable operating profit, +55%
  – Consolidation of Fortum Oslo Varme had a positive effect of EUR 32 million
  – Higher heat sales, offset by unfavorable fuel mix and higher fuel prices and lower power plant availability in Finland

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/2018</th>
<th>Q1/2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>375</td>
<td>290</td>
<td>1,015</td>
<td>1,100</td>
</tr>
<tr>
<td>Comparable EBITDA</td>
<td>129</td>
<td>94</td>
<td>262</td>
<td>297</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>87</td>
<td>56</td>
<td>98</td>
<td>129</td>
</tr>
<tr>
<td>Comparable net assets</td>
<td>3,718</td>
<td>2,894</td>
<td>3,728</td>
<td></td>
</tr>
<tr>
<td>Comparable RONA %</td>
<td></td>
<td></td>
<td>5.5</td>
<td>6.1</td>
</tr>
<tr>
<td>Gross investments</td>
<td>29</td>
<td>21</td>
<td>556</td>
<td>564</td>
</tr>
</tbody>
</table>
Higher sales driven by the Hafslund consolidation and cold weather

Comparable operating profit, +42%

- Consolidation of Hafslund had a positive impact of EUR 13 million
- Competitive situation in the Nordics continued to be challenging
- Offset by higher power purchase costs due to cold weather, lower gas sales margins in Poland, and amended service agreements for the divested distribution companies
- Q1 2017: positive contribution from gas distribution DUON (divested in July 2017)

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/2018</th>
<th>Q1/2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>547</td>
<td>242</td>
<td>1,097</td>
<td>1,402</td>
</tr>
<tr>
<td>Comparable EBITDA</td>
<td>31</td>
<td>14</td>
<td>57</td>
<td>74</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>17</td>
<td>12</td>
<td>41</td>
<td>46</td>
</tr>
<tr>
<td>Comparable net assets</td>
<td>792</td>
<td>158</td>
<td>638</td>
<td></td>
</tr>
<tr>
<td>Customer base, million</td>
<td>2.49</td>
<td>1.36</td>
<td>2.49</td>
<td></td>
</tr>
<tr>
<td>Gross investments</td>
<td>10</td>
<td>2</td>
<td>493</td>
<td>501</td>
</tr>
</tbody>
</table>
Russia

• Sales in euros decreased due to weaker rouble
  – Positive impact from new capacity from Chelyabinsk GRES 3, good availability and cold weather

• Comparable operating profit decreased, -21%
  – EUR -12 million impact of weakened rouble against euro
  – Lower electricity margins
  – Positive impact from higher CSA payments and contribution from new units
  – Q1 2017: included a positive one-time impact from bad debt collection

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/2018</th>
<th>Q1/2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>336</td>
<td>349</td>
<td>1,101</td>
<td>1,088</td>
</tr>
<tr>
<td>Comparable EBITDA</td>
<td>142</td>
<td>168</td>
<td>438</td>
<td>412</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>104</td>
<td>132</td>
<td>296</td>
<td>268</td>
</tr>
<tr>
<td>Comparable net assets</td>
<td>3,091</td>
<td>3,520</td>
<td>3,161</td>
<td></td>
</tr>
<tr>
<td>Comparable RONA %</td>
<td></td>
<td></td>
<td>10.1</td>
<td>9.4</td>
</tr>
<tr>
<td>Gross investments</td>
<td>16</td>
<td>32</td>
<td>277</td>
<td>261</td>
</tr>
</tbody>
</table>
Q1 2018 comparable operating profit positively impacted by higher hydro volumes and achieved price

- 1.3 TWh higher hydro volumes
- 1.0 EUR/MWh higher achieved price
- Lower taxes
- Consolidation of Fortum Oslo Varme
- Consolidation of Hafslund
- Negative FX-effect
- Lower electricity margin
- Higher CSA payments
- Q1 2017: Positive impact of bad debt collection

EUR million

Q1 2017: 313
- Generation 84
- City Solutions 31
- Consumer Solutions 5
- Russia -28
- Other 1
- Q1 2018: 405

Q1 2017: EUR million
- Generation 313
  - 1.3 TWh higher hydro volumes
  - 1.0 EUR/MWh higher achieved price
  - Lower taxes
  - Consolidation of Fortum Oslo Varme
  - Consolidation of Hafslund
- City Solutions 84
- Consumer Solutions 31
- Russia -28
- Other 1
- Q1 2018: 405

49
## Income statement

<table>
<thead>
<tr>
<th></th>
<th>Q1/2018</th>
<th>Q1/2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,585</td>
<td>1,232</td>
<td>4,520</td>
<td>4,873</td>
</tr>
<tr>
<td>Other income and expenses</td>
<td>-1,180</td>
<td>-919</td>
<td>-3,709</td>
<td>-3,970</td>
</tr>
<tr>
<td><strong>Comparable operating profit</strong></td>
<td><strong>405</strong></td>
<td><strong>313</strong></td>
<td><strong>811</strong></td>
<td><strong>903</strong></td>
</tr>
<tr>
<td>Items affecting comparability</td>
<td>77</td>
<td>76</td>
<td>347*)</td>
<td>348*)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td><strong>482</strong></td>
<td><strong>389</strong></td>
<td><strong>1,158</strong></td>
<td><strong>1,251</strong></td>
</tr>
<tr>
<td>Share of profit of associates and joint ventures</td>
<td>47</td>
<td>59</td>
<td>148</td>
<td>136</td>
</tr>
<tr>
<td>Finance costs, net</td>
<td>-36</td>
<td>-36</td>
<td>-195</td>
<td>-195</td>
</tr>
<tr>
<td><strong>Profit before income taxes</strong></td>
<td><strong>493</strong></td>
<td><strong>412</strong></td>
<td><strong>1,111</strong></td>
<td><strong>1,192</strong></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-94</td>
<td>-72</td>
<td>-229</td>
<td>-251</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td><strong>400</strong></td>
<td><strong>340</strong></td>
<td><strong>882</strong></td>
<td><strong>942</strong></td>
</tr>
<tr>
<td>EPS (EUR)</td>
<td>0.43</td>
<td>0.38</td>
<td>0.98</td>
<td>1.03</td>
</tr>
</tbody>
</table>

*) Hafslund sales gain of EUR 324 million
## Cash flow statement

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/2018</th>
<th>Q1/2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comparable EBITDA</strong></td>
<td>538</td>
<td>423</td>
<td>1,275</td>
<td>1,390</td>
</tr>
<tr>
<td><strong>Realised FX gains/losses</strong></td>
<td>42</td>
<td>-58</td>
<td>-83</td>
<td>17</td>
</tr>
<tr>
<td><strong>Paid net financial costs, income taxes and other</strong></td>
<td>-107</td>
<td>-95</td>
<td>-281</td>
<td>-292</td>
</tr>
<tr>
<td><strong>Change in working capital</strong></td>
<td>-200</td>
<td>12</td>
<td>81</td>
<td>-131</td>
</tr>
<tr>
<td><em>of which change of settlements for futures</em></td>
<td>-91</td>
<td>19</td>
<td>141</td>
<td>31</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td><strong>273</strong></td>
<td><strong>282</strong></td>
<td><strong>993</strong></td>
<td><strong>984</strong></td>
</tr>
<tr>
<td><strong>Cash used in investing activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital expenditures</strong></td>
<td>-133</td>
<td>-180</td>
<td>-657</td>
<td>-610</td>
</tr>
<tr>
<td><strong>Acquisitions of shares</strong></td>
<td>-18</td>
<td>-26</td>
<td>-972</td>
<td>-964</td>
</tr>
<tr>
<td><strong>Divestments of shares</strong></td>
<td>0</td>
<td>0</td>
<td>741</td>
<td>741</td>
</tr>
<tr>
<td><strong>Change in cash collaterals</strong></td>
<td>-63</td>
<td>182</td>
<td>-3</td>
<td>-248</td>
</tr>
<tr>
<td><strong>Other investing activities</strong></td>
<td>1</td>
<td>23</td>
<td>85</td>
<td>62</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td><strong>-213</strong></td>
<td><strong>-1</strong></td>
<td><strong>-807</strong></td>
<td><strong>-1,019</strong></td>
</tr>
<tr>
<td><strong>Cash flow before financing activities</strong></td>
<td><strong>60</strong></td>
<td><strong>280</strong></td>
<td><strong>187</strong></td>
<td><strong>-33</strong></td>
</tr>
</tbody>
</table>

- Stronger EBITDA and lower capital expenditures increased the generated cash-flow by EUR 162 million.
- Positive impact of EUR 100 million on hedging internal loans to Russian and Swedish subsidiaries due to realised FX compared to Q1 2017.
- Due to higher power prices, settlements and collaterals related to commodity exchanges for Generation negatively impacted cash-flow by EUR 355 million compared to Q1 2017.
Strong financial position - financial headroom enables the Uniper investment

<table>
<thead>
<tr>
<th></th>
<th>LTM</th>
<th>2017</th>
<th>TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparable EBITDA, MEUR</td>
<td>1,390</td>
<td>1,275</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>899</td>
<td>988</td>
<td></td>
</tr>
<tr>
<td>Comparable net debt/EBITDA ratio</td>
<td>0.6x</td>
<td>0.8x</td>
<td>Around 2.5x</td>
</tr>
<tr>
<td>Return on capital employed (ROCE), %</td>
<td>7.7*</td>
<td>7.1*</td>
<td>At least 10%</td>
</tr>
</tbody>
</table>

*) Includes sales gain of Hafslund shares

Liquid funds
EUR 3.5 billion

Committed credit lines
EUR 1.8 billion

Committed credit facility for the Uniper acquisition EUR 3.8 billion
Focus on balance sheet and cash flow discipline to maintain financial flexibility

1. Investment scrutiny
   - Capital expenditure to be scrutinised with strategic prioritisation for both maintenance and growth initiatives

2. Business focus
   - Assessment of the future of non-core assets to streamline operations

3. Efficiency improvements
   - Continued cost consciousness with efficiency improvements and fixed cost scrutiny
**Outlook**

### Hedging

~65% hedged at EUR 27 per MWh, for remainder of 2018

~45% at EUR 26 per MWh, for 2019

### 2018 Estimated annual capital expenditure, including maintenance and excluding acquisitions

EUR 600-700 million

### Targeted cost synergies of Hafslund transaction EUR 15-20 million

gradually materialising 2019-2020

City Solutions: EUR 5-10 million

Consumer Solutions:

~EUR 10 million

### Targeted cost synergies of Hafslund transaction EUR 15-20 million

gradually materialising 2019-2020

City Solutions: EUR 5-10 million

Consumer Solutions:

~EUR 10 million

### Taxation

Effective tax rate for 2018 for the Group 19-21%

In Sweden nuclear capacity tax abolished from 2018 and hydro assets’ real estate tax rate to decrease over a four-year period

### Demand growth

Electricity demand in the Nordics is expected to grow by ~0.5% on average
Balanced debt portfolio and average interest rate

Maturity profile as of 31 March 2018

Total interest-bearing debt of EUR 4,403 million

- Average interest rate of 3.4% (2017: 3.6%)
- Portfolio mainly in EUR and SEK with average interest cost 2.3% (2017: 2.4%)
- EUR 775 million (2017: 773) swapped to RUB, average interest cost including cost for hedging 8.6% (2017: 9.5%)

*) In addition Fortum has received EUR 98 million based on Credit Support Annex agreements with several counterparties. This amount has been booked as a short term liability.
Agreement with E.ON

Fortum and E.ON have signed a transaction agreement regarding E.ON’s 46.65% shareholding in Uniper.

E.ON has the right to tender into the offer in early 2018 at the same total value as all other shareholders.

If E.ON does not tender its shares:

- Fortum will have the right to sell to E.ON any Uniper shares acquired in connection with the offer.
- Fortum will receive a compensation payment from E.ON of 20% to 40% of the total equity value of E.ON’s stake in Uniper.

Key offer terms

Fortum has launched an all cash offer for all outstanding Uniper shares:

- Total value of EUR 22 per share, which includes an expected dividend of Uniper of EUR 0.69 per share for 2017:
  - 36% premium to the price at the end of May, prior to speculation on a potential transaction.
  - 120% premium to the initial trading price post spin-off.
- No minimum acceptance threshold.
- Offer will be subject to competition and regulatory approvals.
- Offer provides immediate and certain value to Uniper shareholders.

Total value corresponds to a total equity value of approximately EUR 3.76 billion for E.ON’s 46.65% shareholding in Uniper and approximately EUR 8.05 billion for 100% of Uniper shares.

Financials

Offer financed by existing cash resources and committed credit facilities.

Barclays originally underwrote 100% of credit facilities, including ongoing liquidity requirements; syndicated in Oct 2017.

Fortum will account for Uniper as an associated company unless control according to IFRS is attained.

EBITDA, cash flow and EPS effect on Fortum’s results will depend on the final outcome of the offer.
## Uniper and Fortum – two highly complementary businesses

<table>
<thead>
<tr>
<th>Uniper</th>
<th>Fortum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro</td>
<td></td>
</tr>
<tr>
<td>3.6 GW of which 1.6 GW in Sweden and 2.0 GW in Germany</td>
<td>4.6 GW Nordic hydro portfolio</td>
</tr>
<tr>
<td>Nordic nuclear</td>
<td>3.0 GW Nordic nuclear portfolio, world class track record in availability</td>
</tr>
<tr>
<td>1.9 GW Swedish nuclear portfolio</td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>4.5 GW power and 9.9 GW heat portfolio and strong renewables pipeline, most modern fleet</td>
</tr>
<tr>
<td>10.7 GW power production portfolio, among most efficient operators</td>
<td>Growing power and heat player in Poland</td>
</tr>
<tr>
<td>European generation</td>
<td>Growing in wind and solar, among EU’s largest bioenergy companies, strong growth in waste, consumer business and e-mobility</td>
</tr>
<tr>
<td>~22 GW power production portfolio in Central Europe and UK</td>
<td></td>
</tr>
<tr>
<td>Renewables, waste and consumer business</td>
<td>Strong competence in asset optimisation and trading</td>
</tr>
<tr>
<td>Wind and solar in France, limited biomass</td>
<td></td>
</tr>
<tr>
<td>Trading and mid-stream gas business</td>
<td></td>
</tr>
<tr>
<td>Large power and fuel trading, significant mid-stream assets</td>
<td></td>
</tr>
</tbody>
</table>

Note: Uniper capacities presented represent accounting view.
An attractive investment for Fortum shareholders

Delivers on Fortum’s, disciplined capital redeployment strategy and investment criteria

UNIPER HAS A:
- Strong EBITDA
- Strong operating profit
- Strong net profit
- Strong dividends

BROKER CONSENSUS MEDIAN FOR 2018 1)

<table>
<thead>
<tr>
<th></th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBITDA</td>
<td>1,585</td>
</tr>
<tr>
<td>Adj. EBIT</td>
<td>960</td>
</tr>
<tr>
<td>Net profit</td>
<td>646</td>
</tr>
<tr>
<td>Dividend 2)</td>
<td>311</td>
</tr>
</tbody>
</table>

1) Source: www.uniper.energy, March 27, 2018
2) Dividend for 2018 to be paid in 2019

- Contributes towards a stable and sustainable dividend for Fortum’s shareholders
- EBITDA and cash flow contribution, EPS effect on Fortum’s results, will depend on the final outcome of the offer
Next steps

26 SEP
Announcement of intention to launch public takeover offer

7 NOV
Publication of offer documents
10-week acceptance period commences

24 OCT
The offer documents to the German Federal Financial Supervision Authority (BaFin)

16 JAN-18
Acceptance period ends

20 JAN to 2 FEB-18
Additional acceptance period

MID 2018
Regulatory approvals expected
Transaction closing expected

www.powerful-combination.com
For more information, please visit www.fortum.com/investors

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Next events:
Q2/2018 results on 19 July 2018
Q3/2018 results on 24 October 2018
CMD on 13 November 2018