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. 123,000 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.
Fortum – For a cleaner world

Vision
For a cleaner world

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

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**: Divestment of heat operations outside of Stockholm
- **1997**: Gullspång
- **1998**: Lånsivoima 45% → 65%
- **1999**: Skandinaviska Elverk
- **2000**: Birka Energi 50% Fortum 50% Stockholm Gullspång merged with Stockholm Energi
- **2001**: Lånsivoima →100%
- **2002**: Stora Kraft
- **2003**: Elnova 50% → 100%
- **2004**: Birka Energi 50% → 100%
- **2005**: Óstfold
- **2006**: Shares in Hafslund
- **2007**: Shares in Lenenergo
- **2008**: TGC-1 established

- **2009**: Oil business spin-off

- **2010**: Shares in Lenenergo
  - NESTE
  - IVO
  - NESTE

- **2011**: Divestment of district heating in Poland
- **2012**: Divestment of electricity distribution business
- **2013**: Divestment of non-strategic heat business
- **2014**: Divestment of small scale hydro
- **2015**: Divestment of electricity distribution business
- **2016**: Divestment of electricity distribution business
- **2017**: DUON
  - Ekokem
  - Turebergs Recycling
- **2018**: Nordkraft wind power

- **2019**: Restructuring ownership in Hafslund
- **2020**: Russian wind power JV
- **2021**: Shares in Uniper
- **2022**: Divestment of ownership in Hafslund Produksjon

- **2023**: Shares in Lenenergo
- **2024**: TGC-10
Our current geographical presence

<table>
<thead>
<tr>
<th>Country</th>
<th>Power generation</th>
<th>Heat sales</th>
<th>Electricity customers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NORDIC COUNTRIES</strong></td>
<td>45.4 TWh</td>
<td>5.0 TWh</td>
<td>2.4 million</td>
</tr>
<tr>
<td><strong>RUSSIA</strong></td>
<td>26.3 TWh</td>
<td>19.8 TWh</td>
<td></td>
</tr>
<tr>
<td><strong>POLAND</strong></td>
<td>0.5 TWh</td>
<td>3.7 TWh</td>
<td></td>
</tr>
<tr>
<td><strong>BALTIC COUNTRIES</strong></td>
<td>0.7 TWh</td>
<td>1.4 TWh</td>
<td></td>
</tr>
<tr>
<td><strong>INDIA</strong></td>
<td>0.3 TWh</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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 2017
- 402 TWh
- >350 companies

Electricity retail
- 15 million customers
- ~350 companies

Source: Fortum, company data, shares of the largest actors, pro forma 2017 figures
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 Energoat.
- Iberdrola
- Fortum
- EPH
- EuroSibEnergo
- Stalkraft
- CEZ
- T Plus
- PGE
- EnBW
- EDP
- DTEK
- EPS
- E.ON
- Sibgenco
- Verbund
- DEI

Largest global producers, 2016 (TWh)

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

**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
- SIBECO
- KDHC
- Minskenergo
- Lukoil
- PGE
- Tatenergo
- DTEK
- PNIG
- 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 Natural Gas Fenosa
Source: Company information, Fortum analyses, 2016 figures pro forma
Fortum in the Nordic electricity value chain

Nordic wholesale market

Power exchange and bilateral agreements

Large customers
Retail customers
Private customers, small businesses

Power generation
Nordic electricity value chain

Private customers, small businesses
Retail customers
Large customers
Nordic wholesale market
Power exchange and bilateral agreements
Power generation
Fortum's power and heat production by source

Fortum's power generation in 2017:

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

Fortum's heat production in 2017:

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

Note: Fortum’s power generation capacity 13,722 MW and heat production capacity 14,765 MW
Fortum's European power generation in 2017

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

Fortum's heat European production in 2017

- European production: 8.6 TWh
  - Coal: 32%
  - Waste: 27%
  - Peat: 5%
  - Heat pumps, electricity: 7%
  - Natural gas: 7%
  - Biomass: 22%

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

**NORWAY**  MW
- Price areas
  - NO4, Wind 32
  - NO1, CHP 19
- Generation capacity 51

**FINLAND**  MW
- Hydro 1 547
- Nuclear 1 480
- CHP 451
- Other thermal 376
- Generation capacity 3 854

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

**DENMARK, DK2**  MW
- Generation capacity, CHP 16

**BALTICS AND POLAND**  MW
- Generation capacity, CHP
  - in Estonia 49
  - in Latvia 26
  - in Lithuania 18
  - in Poland 186

**Nordic, Baltic and Polish generation capacity 8 743**

**Generation capacity MW**
- Hydro 4 672
- Nuclear 2 814
- CHP 774
- Other thermal 376
- Wind 107

Figures 31 December 2017
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
- ISS-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**

<table>
<thead>
<tr>
<th>Company</th>
<th>CO₂/kWh 2017</th>
<th>CO₂/kWh EU 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEI</td>
<td>497</td>
<td>61%</td>
</tr>
<tr>
<td>EPH</td>
<td>438</td>
<td>96%</td>
</tr>
<tr>
<td>RWE</td>
<td>395</td>
<td></td>
</tr>
<tr>
<td>CEZ</td>
<td>391</td>
<td></td>
</tr>
<tr>
<td>Uniper</td>
<td>362</td>
<td></td>
</tr>
<tr>
<td>Enel</td>
<td>308</td>
<td></td>
</tr>
<tr>
<td>A2A</td>
<td>307</td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td>304</td>
<td></td>
</tr>
<tr>
<td>Natural</td>
<td>195</td>
<td></td>
</tr>
<tr>
<td>Fenosa</td>
<td>185</td>
<td></td>
</tr>
<tr>
<td>EDP</td>
<td>173</td>
<td></td>
</tr>
<tr>
<td>Drax</td>
<td>134</td>
<td></td>
</tr>
<tr>
<td>SSE</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>Vattenfall</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>Eneco</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Iberdrola</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>E.ON</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Verbund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statkraft</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

*) 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.
European emissions need to decrease drastically beyond power and industry in order to reach the 2050 targets.

Greenhouse gas emissions

(Minimum targets from 1990 level)

- 40%
- 60%
- 80%
- 95%

Source: IEA World Energy Outlook 2017, Eurostat, Fortum Industrial Intelligence

1 including international aviation and marine
2 Iron & steel and chemicals are among the biggest contributors
3 Residential and commercial heating & cooling
4 Non-energy related emissions: industrial processes and product use, waste management, agriculture, fugitive emissions
Market coupling milestones – Cross-border power flows optimised by power exchanges

- Day-ahead 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 market coupling for the whole western Europe was started in 2014. Italy and Slovenia joined in 2015, Croatia in June 2018 and Ireland in October 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 2021
- CEE (Central Eastern Europe) market coupling region to join possibly 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 has started 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

- 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 15 TWh
- Net export was 18 TWh in 2015 and 10 TWh in 2016
- Approximately 25 TWh of net export is now reachable

<table>
<thead>
<tr>
<th>COUNTRIES</th>
<th>TRANSMISSION CAPACITY MW</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From Nordics</td>
</tr>
<tr>
<td>Denmark - Germany</td>
<td>2,225</td>
</tr>
<tr>
<td>Sweden - Germany</td>
<td>615</td>
</tr>
<tr>
<td>Sweden - Poland</td>
<td>600</td>
</tr>
<tr>
<td>Sweden - Lithuania</td>
<td>700</td>
</tr>
<tr>
<td>Norway - Netherlands</td>
<td>723</td>
</tr>
<tr>
<td>Finland - Estonia</td>
<td>1,016</td>
</tr>
<tr>
<td>Finland - Russia</td>
<td>320</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,199</strong></td>
</tr>
</tbody>
</table>
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 under debate in Norway and not yet permitted

2. 1,400 MW NordLink as first direct NO-DE link is being built by 2020

3. 1,400 MW DK-UK Viking Link under final permitting in the UK, with commissioning timetable to be determined during 2018

4. 700 MW COBRACable from DK to NL due to be ready during Q3/2019

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. Baltic synchronisation roadmap in June 2018 prioritised a DC sea cable as the required additional PL-LT interconnection by 2025

9. 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

10. New 400 MW Zealand – DE connection via Kriegers Flak offshore wind area by May 2019

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

Source: Nasdaq Commodities, Bloomberg
Wholesale power prices

Spot prices

Forward prices

EUR/MWh

German
Nordic
Russian*

Source: Nord Pool, Nasdaq Commodities, Bloomberg Finance LP, ATS, NP “Market Council”, Fortum

* Including weighted average capacity price

| Source: ENTSO-E Statistical Factsheet |
| Graph sizes are illustrative. |

### NORDICS

<table>
<thead>
<tr>
<th>Energy Source</th>
<th>2017 TWh</th>
<th>%</th>
<th>Net export TWh</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro</td>
<td>*221</td>
<td>55</td>
<td>6</td>
<td>25</td>
</tr>
<tr>
<td>Nuclear</td>
<td>85</td>
<td>21</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fossil fuel</td>
<td>26</td>
<td>7</td>
<td>12</td>
<td>55</td>
</tr>
<tr>
<td>Biomass</td>
<td>24</td>
<td>6</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Waste</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Wind</td>
<td>40</td>
<td>10</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Solar</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total generation</strong></td>
<td><strong>402</strong></td>
<td><strong>100</strong></td>
<td><strong>22</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

### BALTICS

<table>
<thead>
<tr>
<th>Energy Source</th>
<th>2017 TWh</th>
<th>%</th>
<th>Net import TWh</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro</td>
<td>6</td>
<td>25</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nuclear</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fossil fuel</td>
<td>12</td>
<td>55</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Biomass</td>
<td>2</td>
<td>9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Waste</td>
<td>0</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Wind</td>
<td>2</td>
<td>10</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Solar</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total generation</strong></td>
<td><strong>22</strong></td>
<td><strong>100</strong></td>
<td><strong>402</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*) Normal annual Nordic hydro generation 200 TWh, variation +/- 40 TWh.
Northern European conventional capacity decreasing

Estimated annual net changes in nuclear and thermal capacity

<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>1.1.2018</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>

Estimated capacity changes based on publically announced information from various stakeholders.
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.
The MSR introduces tightness to carbon market – so far coal to gas switching has been modest due to high gas price

**Linear reduction factor (LRF) tightened**

- Linear reduction factor (LRF) reduces the annual supply of allowances (cap) in the ETS from the amount of allowances in 2008-2012 by
  - 1.74% in 2013-2020
  - 2.2% in 2021-2030
- In total, supply will decrease by 43% by 2030 vs. 2005 baseline
- Current cap is compatible with the EU 2030 GHG reduction target of 40%, but not with the Paris Agreement or the 1.5°C ambition level
- The cumulative surplus of allowances is currently about 1.6 billion
- Next LRF review is scheduled in 2024

**Market stability reserve restores scarcity by reducing future auction volumes**

- When TNAC² > 833 Mt, MSR deducts 24% of the TNAC from the auction volume each year placing them into the reserve during 2019-2023
  - MSR rate is 12% during 2024-2030
- When TNAC < 400 Mt, MSR releases 100 million EUAs annually from the reserve adding them to future auctions
- 900 million backloaded allowances from 2014-2016 will be transferred into the MSR in 2019-2020
- As from 2023, allowances in MSR above the total number of allowances auctioned during the previous year will be cancelled
- Next MSR review is scheduled in 2021

**Abatement from coal to gas switching depends on coal and gas prices**

- Carbon price has developed positively due to the tightening impact of MSR
- However, abatement from coal-to-gas switching depends on relative coal and gas short-run marginal costs which carbon price affects
- Gas price has been very strong in Europe, leaving coal competitive despite carbon price increase
- More switching happens if gas price decreases, or coal and/or carbon price increases further

Efficiency assumptions in switching range:
- low-end gas 58% and coal 35%; high-end gas 50% and coal 45%

---

¹ average annual total quantity of allowances in the period from 2008 to 2012

² TNAC = total number of allowances in circulation = supply – (demand + allowances in the MSR). According to the latest publication May 15, 2018 the TNAC corresponds to 1655 million allowances.
# Fortum’s nuclear fleet

<table>
<thead>
<tr>
<th></th>
<th>LOVIISA</th>
<th>OLKILUOTO</th>
<th>OSKARSHAMN</th>
<th>FORSMARK</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Generation Capacity</strong></td>
<td>Unit 1: 507 MW Unit 2: 502 MW <strong>Total: 1009 MW</strong></td>
<td>Unit 1: 880 MW Unit 2: 890 MW (Unit 3: 1,600 MW) <strong>Total: 1,770 MW (3,370)</strong></td>
<td>Unit 1: 473 MW Unit 2: 638 MW Unit 3: 1,400 MW <strong>Total: 1,400 MW</strong></td>
<td>Unit 1: 984 MW Unit 2: 1,120 MW Unit 3: 1,167 MW <strong>Total: 3,271 MW</strong></td>
</tr>
<tr>
<td><strong>Fortum’s share</strong></td>
<td><strong>Fortum’s share</strong></td>
<td><strong>Fortum’s share</strong></td>
<td><strong>Fortum’s share</strong></td>
<td><strong>Fortum’s share</strong></td>
</tr>
<tr>
<td><strong>Yearly production</strong></td>
<td>8 TWh 8 TWh</td>
<td>13 TWh 4 TWh</td>
<td>9 TWh 4 TWh</td>
<td>24 TWh 5 TWh</td>
</tr>
<tr>
<td><strong>Share of Fortum’s Nordic production</strong></td>
<td>19%</td>
<td>9%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Majority owner</strong></td>
<td>Fortum</td>
<td>Pohjolan Voima 26.6%</td>
<td>Uniper 43.4%</td>
<td>Vattenfall 22.2%</td>
</tr>
<tr>
<td><strong>Operated by</strong></td>
<td>Fortum</td>
<td>Teollisuuden Voima (TVO)</td>
<td>OKG Aktiebolag</td>
<td>Forsmarks Kraftgrupp</td>
</tr>
</tbody>
</table>

**Responsibilities**

*Lovisa*: 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>
<th></th>
<th></th>
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<th></th>
<th></th>
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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>
<td>77</td>
<td>72</td>
<td>1</td>
<td>12</td>
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<td>Oskarshamn 2</td>
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<td>90</td>
<td>77</td>
<td>81</td>
<td>33</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Oskarshamn 3</td>
<td>85</td>
<td>95</td>
<td>88</td>
<td>70</td>
<td>17</td>
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<td>Forsmark 1</td>
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<td>88</td>
<td>93</td>
<td>79</td>
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<td>Forsmark 2</td>
<td>94</td>
<td>72</td>
<td>85</td>
<td>79</td>
<td>64</td>
<td>38</td>
<td>94</td>
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<td>89</td>
<td>89</td>
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<td>88</td>
<td>69</td>
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<td>86</td>
</tr>
<tr>
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<td>94</td>
<td>86</td>
<td>96</td>
<td>93</td>
<td>94</td>
<td>84</td>
<td>92</td>
<td>92</td>
<td>93</td>
<td>88</td>
<td>93</td>
</tr>
<tr>
<td>Loviisa 2</td>
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<td>93</td>
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<td>94</td>
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<td>89</td>
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<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>
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<td>Olkiluoto 2</td>
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<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](http://www.fortum.com/investors) - energy related links
Variety of technologies and ages

### 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 Loviisa 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.

### Table

<table>
<thead>
<tr>
<th>UNIT</th>
<th>MWE (NET)</th>
<th>SHARE (%)</th>
<th>COMMERCIAL OPERATION</th>
<th>AGE</th>
<th>TYPE/ GENERATION 1)</th>
<th>SUPPLIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loviisa 1</td>
<td>507</td>
<td>100,0</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>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>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>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>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>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>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>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 Oskiluoto-3 (EPR) which is of Generation III.
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
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.
### Key electricity, capacity and gas prices in the PAO Fortum area

<table>
<thead>
<tr>
<th></th>
<th>III/18</th>
<th>III/17</th>
<th>I-III/2018</th>
<th>I-III/2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity spot price (market price), Urals hub, RUB/MWh</td>
<td>1,059</td>
<td>1,080</td>
<td>1,025</td>
<td>1,042</td>
<td>1,041</td>
<td>1,0258</td>
</tr>
<tr>
<td>Average regulated gas price, Urals region, RUB 1000 m³</td>
<td>3,812</td>
<td>3,755</td>
<td>3,774</td>
<td>3,661</td>
<td>3,685</td>
<td>3,769</td>
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<tr>
<td>Average capacity price for CCS, tRUB/MW/month</td>
<td>138</td>
<td>139</td>
<td>144</td>
<td>145</td>
<td>148</td>
<td>147</td>
</tr>
<tr>
<td>Average capacity price for CSA, tRUB/MW/month</td>
<td>993</td>
<td>808</td>
<td>1,033</td>
<td>870</td>
<td>899</td>
<td>1,021</td>
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<tr>
<td>Average capacity price, tRUB/MW/month</td>
<td>556</td>
<td>484</td>
<td>585</td>
<td>521</td>
<td>535</td>
<td>583</td>
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<tr>
<td>Achieved power price for Fortum in Russia, RUB/MWh</td>
<td>1,884</td>
<td>1,790</td>
<td>1,854</td>
<td>1,801</td>
<td>1,813</td>
<td>1,852</td>
</tr>
<tr>
<td>Achieved power price for Fortum in Russia, EUR/MWh</td>
<td>24.8</td>
<td>25.8</td>
<td>25.4</td>
<td>27.6</td>
<td>27.5</td>
<td>25.8</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>
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<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>
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<td></td>
<td></td>
<td>Argayash CHP</td>
<td>Gas, coal</td>
<td>195</td>
<td></td>
<td>ChP/Condensing</td>
<td>195</td>
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<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>
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<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>
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<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>
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<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>
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<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>
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<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>
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<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>
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<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>

$2,462 \text{ MW} \quad 2,298 \text{ MW} \quad 4,760 \text{ MW}$

*) Tobolsk power plant was sold in Q1/2016
Hedging improves stability and predictability
- principles based on risk mitigation

EUR/MWh

Realised prices quarterly since 2000


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

2009 onwards thermal and import from Russia excluded
Low hydro volumes partly offset by higher prices

- Nordic power price volatile during the quarter, but significantly up from Q3 2017
- Low hydro reservoir levels
- Volatile commodity and CO₂ prices
- Comparable EBITDA at EUR 230 million, +10%
- Comparable operating profit at EUR 96 million, +2%
  - Profit of EUR 26 million from sale of Indian solar stake
- EPS at EUR 0.05 (0.40)
  - Items affecting comparability EUR -0.01 (0.34)
- Balance sheet discipline with focus on cash flow continues
New solar and wind to be built in Russia and India

Markus Rauramo to Uniper Supervisory Board

Multi-fuel CHP inaugurated in Zabrze, Poland

Arun Aggarwal joins Fortum Executive Management

Kivenlahti heat-only boiler investment decision

Solberg wind park in Sweden inaugurated

Fincumet acquisition to expand recycling
IPCC: Staying below 1.5°C requires “rapid and far-reaching transition” – Fortum calls for an ambitious EU climate strategy

- We need to reach global carbon neutrality by 2050
- The power sector should reduce emissions by 100% well before 2050
- 70-85% of electricity should come from renewables and nuclear will play a bigger role
- We believe electrification will be an enabler for decarbonisation
- We ask for a stable, visionary, and long-term political framework
- Carbon pricing should be the key for reaching carbon neutrality and market mechanisms developed to reward CO₂ removal
Nordic water reservoirs clearly below normal level – dry Q3 in the Nordics, increase only in Norway

Source: Nord Pool
Volatile commodity and CO$_2$ emissions prices

Source: ICE, Thomson Reuters
Market prices 19 October 2018; 2018-2019 future quotations
Wholesale power price volatility driven by changing hydrological situation during the quarter

Prices 19 October 2018
Source: Nord Pool, Thomson Reuters, Nasdaq Commodities
Clearly higher power prices in the Nordics

NOTE: Achieved power price (includes capacity payments) in roubles increased by 5%.

Changes refer to year-on-year difference (Q2 2018 versus Q2 2017)
### Key figures

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>Q3 2017</th>
<th>Q1-Q3 2018</th>
<th>Q1-Q3 2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>971</td>
<td>919</td>
<td>3,643</td>
<td>3,088</td>
<td>4,520</td>
<td>5,075</td>
</tr>
<tr>
<td>Comparable EBITDA</td>
<td>230</td>
<td>210</td>
<td>1,051</td>
<td>852</td>
<td>1,275</td>
<td>1,474</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>96</td>
<td>94</td>
<td>654</td>
<td>516</td>
<td>811</td>
<td>949</td>
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<tr>
<td>Operating profit</td>
<td>91</td>
<td>387</td>
<td>829</td>
<td>843</td>
<td>1,158</td>
<td>1,144</td>
</tr>
<tr>
<td>Share of profits of associates and joint ventures</td>
<td>12</td>
<td>21</td>
<td>82</td>
<td>114</td>
<td>148</td>
<td>116</td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>45</td>
<td>351</td>
<td>779</td>
<td>811</td>
<td>1,111</td>
<td>1,079</td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.05</td>
<td>0.40</td>
<td>0.73</td>
<td>0.70</td>
<td>0.98</td>
<td>1.01</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>133</td>
<td>185</td>
<td>767</td>
<td>699</td>
<td>993</td>
<td>1,061</td>
</tr>
</tbody>
</table>
Generation

- Lower comparable operating profit in Q3
  - All-time low hydro production 2.9 (5.0) TWh due to very low inflows and reservoir levels
  - Higher achieved power prices and lower taxes in Sweden
- Nuclear annual planned outages done
- Higher comparable operating profit in Q1-Q3, +39%
  - Higher achieved power prices and lower taxes in Sweden partly offset by lower hydro and nuclear volumes

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q3 2018</th>
<th>Q3 2017</th>
<th>Q1-Q3 2018</th>
<th>Q1-Q3 2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>359</td>
<td>367</td>
<td>1,282</td>
<td>1,243</td>
<td>1,677</td>
<td>1,716</td>
</tr>
<tr>
<td>Comparable EBITDA</td>
<td>103</td>
<td>134</td>
<td>538</td>
<td>412</td>
<td>603</td>
<td>729</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>70</td>
<td>104</td>
<td>442</td>
<td>317</td>
<td>478</td>
<td>603</td>
</tr>
<tr>
<td>Comparable net assets</td>
<td>5,912</td>
<td>5,727</td>
<td>5,672</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comparable RONA %</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8.4</td>
<td>10.3</td>
</tr>
<tr>
<td>Gross investments</td>
<td>47</td>
<td>141</td>
<td>123</td>
<td>207</td>
<td>264</td>
<td>180</td>
</tr>
</tbody>
</table>
City Solutions

- Warm weather lowered heat volumes, -10%
- Comparable operating loss in Q3
  - Lower heat and power volumes, change in seasonal heat pricing in Finland
  - Consolidation of Fortum Oslo Varme EUR -11 (-6) million
- Improved comparable operating profit in Q1-Q3, +19%
  - Good result in Q1, positive impact of EUR 19 (-6) from Fortum Oslo Varme partly offset by lower heat and power volumes and weaker result in recycling and waste business in Q2

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q3 2018</th>
<th>Q3 2017</th>
<th>Q1-Q3 2018</th>
<th>Q1-Q3 2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>174</td>
<td>179</td>
<td>736</td>
<td>674</td>
<td>1,015</td>
<td>1,077</td>
</tr>
<tr>
<td>Comparable EBITDA</td>
<td>21</td>
<td>21</td>
<td>171</td>
<td>152</td>
<td>262</td>
<td>281</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>-22</td>
<td>-20</td>
<td>44</td>
<td>37</td>
<td>98</td>
<td>105</td>
</tr>
<tr>
<td>Comparable net assets</td>
<td></td>
<td></td>
<td>3,688</td>
<td>3,705</td>
<td>3,728</td>
<td></td>
</tr>
<tr>
<td>Comparable RONA %</td>
<td></td>
<td></td>
<td></td>
<td>5.5</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>Gross investments</td>
<td>59</td>
<td>422</td>
<td>142</td>
<td>485</td>
<td>556</td>
<td>213</td>
</tr>
</tbody>
</table>
Consumer Solutions

• Higher sales in Q3 and Q1-Q3 driven by the Hafslund consolidation
  – High competition and customer churn in the Nordics continued
• Slightly higher comparable operating profit in Q3
  – Hafslund result impact of EUR 4 million
• Increased comparable operating profit in Q1-Q3, +57%
  – Consolidation of Hafslund had a positive impact of EUR 24 million
  – Profitability burdened by lower sales margins and the amended service agreements for the divested electricity distribution companies

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q3 2018</th>
<th>Q3 2017</th>
<th>Q1-Q3 2018</th>
<th>Q1-Q3 2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>332</td>
<td>238</td>
<td>1,204</td>
<td>644</td>
<td>1,097</td>
<td>1,657</td>
</tr>
<tr>
<td>Comparable EBITDA</td>
<td>22</td>
<td>10</td>
<td>79</td>
<td>32</td>
<td>57</td>
<td>104</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>7</td>
<td>5</td>
<td>36</td>
<td>23</td>
<td>41</td>
<td>54</td>
</tr>
<tr>
<td>Comparable net assets</td>
<td>631</td>
<td>661</td>
<td>638</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer base, million</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross investments</td>
<td>12</td>
<td>488</td>
<td>33</td>
<td>491</td>
<td>493</td>
<td>35</td>
</tr>
</tbody>
</table>
Russia

- Increased comparable operating profit in Q3, +54%
  - Positive impact from higher CSA payments (Nyagan 1 and Nyagan 2), improved bad-debt collection and contribution from new production units
  - Weaker rouble EUR -4 million

- Lower comparable operating profit in Q1-Q3, -14%
  - New units and higher CSA payments offset by negative impact from weakened rouble EUR -22 million, bad debt provisions and lower electricity margins

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q3 2018</th>
<th>Q3 2017</th>
<th>Q1-Q3 2018</th>
<th>Q1-Q3 2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>200</td>
<td>200</td>
<td>764</td>
<td>786</td>
<td>1,101</td>
<td>1,079</td>
</tr>
<tr>
<td>Comparable EBITDA</td>
<td>76</td>
<td>61</td>
<td>291</td>
<td>317</td>
<td>438</td>
<td>412</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>40</td>
<td>26</td>
<td>182</td>
<td>211</td>
<td>296</td>
<td>267</td>
</tr>
<tr>
<td>Comparable net assets</td>
<td>2,853</td>
<td>3,117</td>
<td>3,161</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comparable RONA %</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10.1</td>
<td>10.1</td>
</tr>
<tr>
<td>Gross investments</td>
<td>11</td>
<td>37</td>
<td>51</td>
<td>110</td>
<td>277</td>
<td>218</td>
</tr>
</tbody>
</table>
Q3 2018 – All-time low hydro volumes, profit from sale of solar stake and improved operative result in Russia

- 2.1 TWh lower hydro volumes
- 2.1 EUR/MWh higher achieved price
- Lower taxes

- Seasonal pricing in Finland
- Improved operative result

- Consolidation of Hafslund
- Higher CSA payments
- Improved bad-debt collection
- New production units
- Lower electricity margin
- FX effect MEUR -4

- MEUR 26 profit from selling a 54% share of Fortum’s Indian solar power plants
Q1-Q3 2018 – Comparable operating profit positively impacted by higher hydro volumes and higher achieved price

- 0.7 TWh lower hydro volumes
- 0.8 TW lower nuclear volumes
- 2.0 EUR/MWh higher achieved price
- Lower taxes

-Consolidation of Fortum Oslo Varme
-Higher fuel prices in Q1
-Lower heat and power sales in Q2
-Weaker result in recycling and waste in Q2

-Consolidation of Hafslund
-Lower sales margin
-Negative impact from amended service agreements for the divested electricity distribution companies

-FX-eff MEUR -22
-Lower electricity margin
-Negative impact of bad-debt provisions
-Lower electricity margins
-New production units
-Higher CSA payments
-2017 was positively affected by improved bad-debt collections

Profit from selling a 54% share of Fortum’s Indian solar power plants

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q1-Q3 2017</th>
<th>Q1-Q3 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>516</td>
<td>125</td>
<td>654</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>-29</td>
</tr>
<tr>
<td>24</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q1-Q3 2017: Generation, City Solutions, Consumer Solutions, Russia, Other
Q1-Q3 2018: Generation, City Solutions, Consumer Solutions, Russia, Other
## Cash flow statement

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q3 2018</th>
<th>Q3 2017</th>
<th>Q1-Q3 2018</th>
<th>Q1-Q3 2017</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparable EBITDA</td>
<td>230</td>
<td>210</td>
<td>1,051</td>
<td>852</td>
<td>1,275</td>
<td>1,474</td>
</tr>
<tr>
<td>Realised FX gains/losses</td>
<td>72</td>
<td>-8</td>
<td>205</td>
<td>-72</td>
<td>-83</td>
<td>194</td>
</tr>
<tr>
<td>Paid net financial costs, income taxes and other</td>
<td>-80</td>
<td>-78</td>
<td>-226</td>
<td>-207</td>
<td>-281</td>
<td>-299</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>-89</td>
<td>61</td>
<td>-263</td>
<td>126</td>
<td>81</td>
<td>-308</td>
</tr>
<tr>
<td>of which change of settlements for futures</td>
<td>-8</td>
<td>30</td>
<td>-298</td>
<td>124</td>
<td>141</td>
<td>-281</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td><strong>133</strong></td>
<td><strong>185</strong></td>
<td><strong>767</strong></td>
<td><strong>699</strong></td>
<td><strong>993</strong></td>
<td><strong>1,061</strong></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>-142</td>
<td>-162</td>
<td>-394</td>
<td>-470</td>
<td>-657</td>
<td>-581</td>
</tr>
<tr>
<td>Acquisitions of shares</td>
<td>-163</td>
<td>-878</td>
<td>-3,913</td>
<td>-929</td>
<td>-972</td>
<td>-3,956</td>
</tr>
<tr>
<td>Divestments of shares</td>
<td>88</td>
<td>740</td>
<td>258</td>
<td>740</td>
<td>741</td>
<td>259</td>
</tr>
<tr>
<td>Change in cash collateral and restricted cash</td>
<td>89</td>
<td>-97</td>
<td>-87</td>
<td>-24</td>
<td>-3</td>
<td>-66</td>
</tr>
<tr>
<td>Other investing activities</td>
<td>-19</td>
<td>-15</td>
<td>29</td>
<td>72</td>
<td>85</td>
<td>41</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td><strong>-147</strong></td>
<td><strong>-412</strong></td>
<td><strong>-4,107</strong></td>
<td><strong>-611</strong></td>
<td><strong>-807</strong></td>
<td><strong>-4,303</strong></td>
</tr>
<tr>
<td><strong>Cash flow before financing activities</strong></td>
<td><strong>-14</strong></td>
<td><strong>-227</strong></td>
<td><strong>-3,340</strong></td>
<td><strong>88</strong></td>
<td><strong>187</strong></td>
<td><strong>-3,241</strong></td>
</tr>
<tr>
<td>Paid dividends</td>
<td></td>
<td></td>
<td>-977</td>
<td>-977</td>
<td>-977</td>
<td>-977</td>
</tr>
</tbody>
</table>

- Increased net cash from operating activities due to improved EBITDA
- Positive impact of EUR 277 million due to realised FX compared to Q1-Q3 2017
- More cash tied to the daily cash settled futures and cash collateral for forwards hedging power price
- Uniper PTO was financed with existing cash resources of EUR 1.95 billion and bridge loan financing of EUR 1.75 billion
- Nasdaq Clearing default fund loss of EUR 20 million as financial cost
- Payment of dividend EUR 977 million
Ongoing actions to deleverage with aim to optimise cash flow and maintain financial flexibility

<table>
<thead>
<tr>
<th></th>
<th>LTM</th>
<th>2017</th>
<th>TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparable EBITDA, MEUR</td>
<td>1,474</td>
<td>1,275</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>5,244*</td>
<td>988</td>
<td></td>
</tr>
<tr>
<td>Comparable net debt/EBITDA ratio</td>
<td>3,6x</td>
<td>0.8x</td>
<td>Around 2.5x</td>
</tr>
<tr>
<td>Return on capital employed (ROCE), %</td>
<td>7.0</td>
<td>7.1**</td>
<td>At least 10%</td>
</tr>
</tbody>
</table>

*) As per 30.9.2018  
**) Includes capital gains of Hafslund transactions

Higher debt and lower cash due to payment of the Uniper investment in Q2 2018
Liquid funds EUR 0.7 billion
Committed credit lines of EUR 1.8 billion

Disciplined agenda to continue:
1. Capex prioritisation
2. Business focus and cash flow optimisation
3. Overall efficiency improvements
Outlook

**Hedging**
For remainder of 2018: ~80% hedged at EUR 30 per MWh (75% at EUR 29)
For 2019: ~65% hedged at EUR 30 per MWh (60% at EUR 28)
For 2020: ~35% hedged at EUR 28 per MWh (not disclosed earlier)

**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

**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 (2017-2020)

**Demand growth**
Electricity demand in the Nordics is expected to grow by ~0.5% on average
Debt portfolio and average interest rate
September 30, 2018

- **Total interest-bearing debt EUR 5,975 million**
  - Average interest 2.4% (2017: 3.6%)
  - Portfolio mainly in EUR and SEK with average interest cost 1.6% (2017: 2.4%)
  - EUR 716 million (2017: 773) swapped to RUB, average interest cost including cost for hedging 7.9% (2017: 9.5%)

1) In addition Fortum has received EUR 106 million based on Credit Support Annex agreements with several counterparties. This amount has been booked as a short term liability.
For more information, please visit [www.fortum.com/investors](http://www.fortum.com/investors)

**Fortum Investor Relations and Financial Communications**

**Ingela Ulfves**  
Vice President,  
Investor Relations and  
Financial Communication  
+358 (0)40 515 1531  
ingela.ulfves@fortum.com

**Rauno Tiihonen**  
Manager  
+358 (0)10 453 6150  
rauno.tiihonen@fortum.com

**Måns Holmberg**  
Manager  
+358 (0)44 518 1518  
mans.holmberg@fortum.com

**Pirjo Lifländer**  
IR Specialist  
+358 (0)40 643 3317  
pirjo.liflander@fortum.com

**Meeting requests:**  
**Pia Lilja**  
Executive Assistant  
+358 (0)50 553 5529  
pia.lilja@fortum.com

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Fortum ForEnergy blog at [fortumforenergyblog.wordpress.com](http://fortumforenergyblog.wordpress.com)

**Next events:**  
CMD on 13 November 2018  
FY 2018 results on 1 February 2019  
The AGM on 26 March 2019  
Q1/2019 results on 26 April 2019  
Q2/2019 results on 19 July 2019  
Q3/2019 results on 24 October 2019

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