

FINANCIAL STATEMENTS 2024

Fortum Corporation
11 February 2025

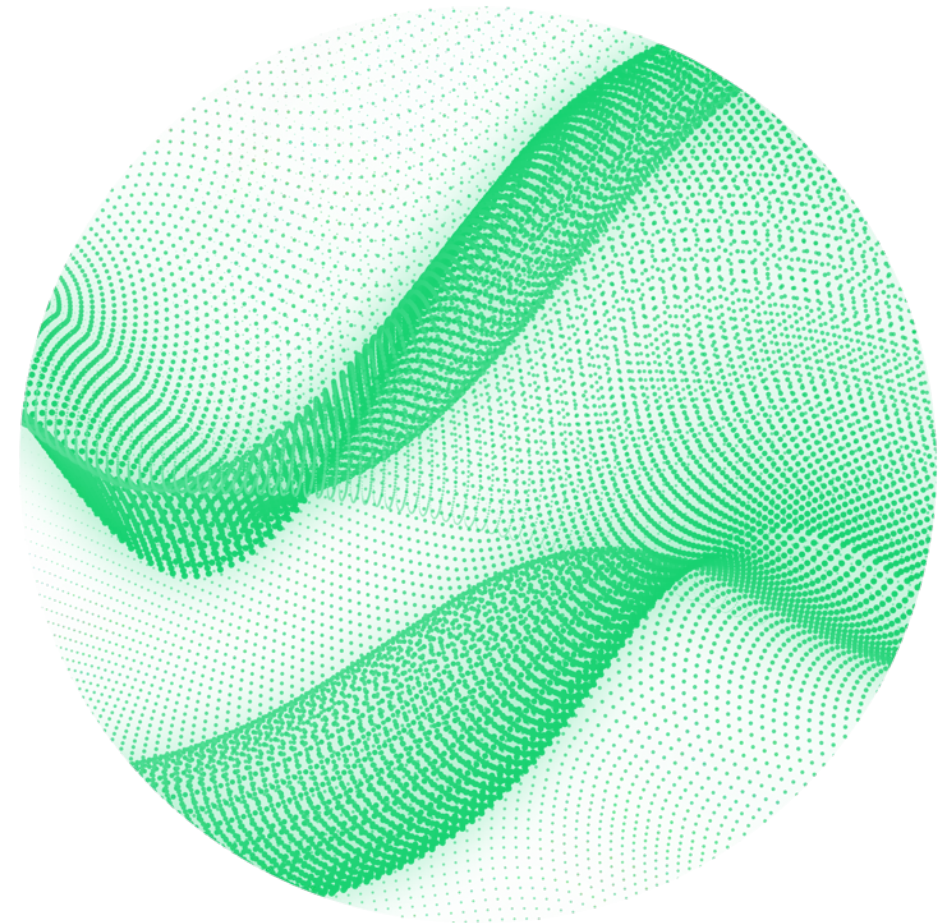
MARKUS RAURAMO

President and CEO

Financial highlights 2024 – dividend yield ~10%

- Good generation optimisation
 - Achieved power price of 52.5 €/MWh (63.1 €/MWh)
 - Hydro and nuclear volume 1.2 TWh lower
 - Annual optimisation premium of 8.7 €/MWh
- Efficiency improvement programme progressing
- Divestments following the strategic review of Circular Solutions' businesses
- Implementation of strategic targets proceeding
- Strong financial position

- Dividend proposal for 2024 of 1.40 €/share, 140% payout, 10.4% dividend yield¹⁾
 - EUR 0.90 per share, 90% payout (dividend policy)
 - EUR 0.50 special dividend
 - to be paid in April 2025



¹⁾ Based on share price of € 13.52 on 30 Dec 2024

2024

Comparable operating profit declined due to lower achieved power price in the Generation segment

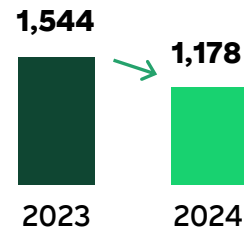
Cash flow in Q4 increased, full year decreased due to lower comparable EBITDA, lower positive change in working capital and realised foreign exchange losses, partly offset by higher interest received and lower paid income taxes

Financial net debt-to-Comparable EBITDA at 0.2x, financial net debt at EUR 0.4 bn

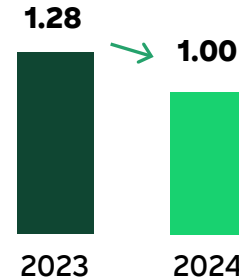
Resilient performance despite warm, wet and windy weather

Key financial indicators for continuing operations

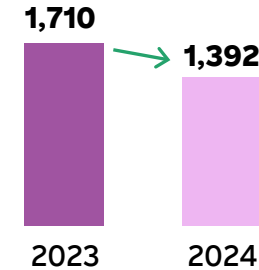
Comp. OP



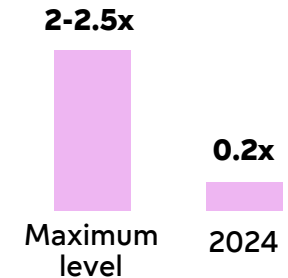
Comp. EPS



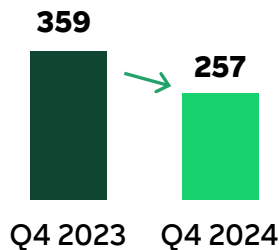
OCF



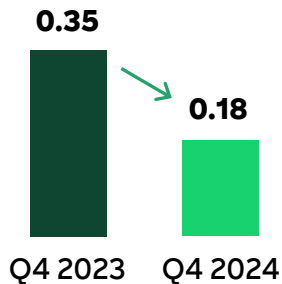
Leverage



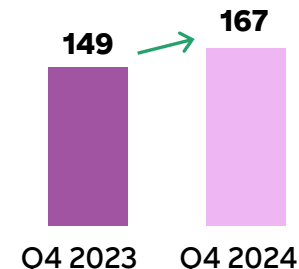
Comp. OP



Comp. EPS

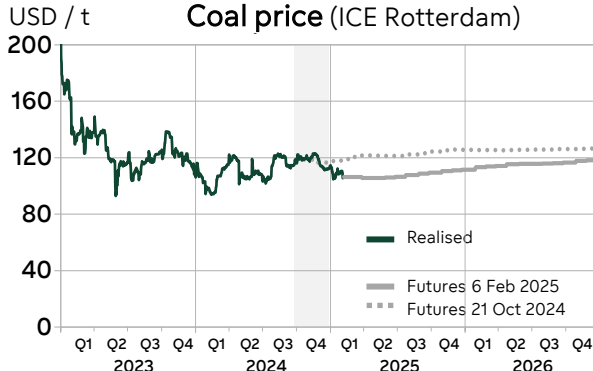
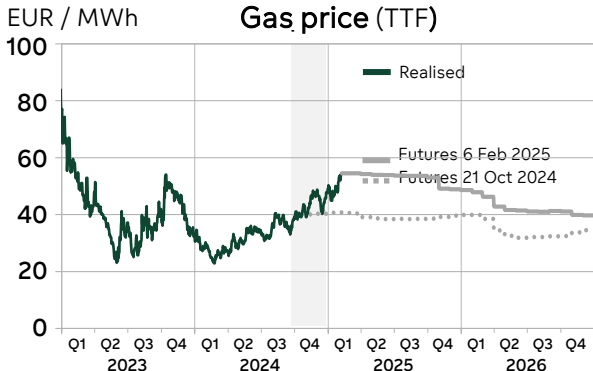
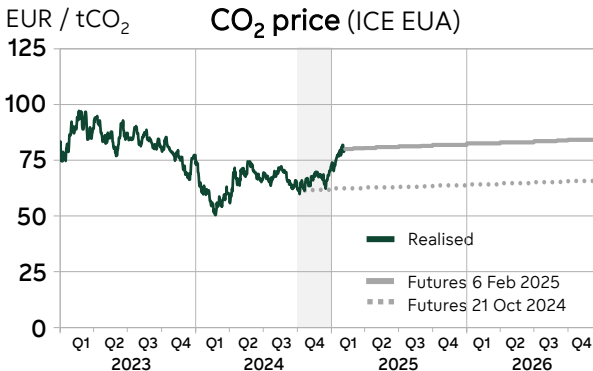
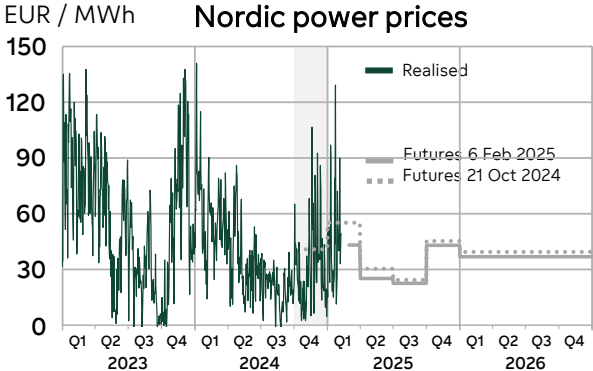


OCF



Warm, wet and windy

Weather - the main driver for Nordic power prices in 2024



- In Q4, European gas prices increased due to multiple supply risks, especially uncertainty over expiration of the Russian pipeline gas transit via Ukraine. Carbon prices fluctuated in Q1 but saw an upward trend towards the end of year, while coal prices were on a declining path.
- The Nordic spot and futures markets were under pressure, due to very high precipitation amounts resulting in a rapidly increasing reservoir balance surplus, the highest level since Q4 2020. Additionally, weather was warmer than normal and Nordic wind power output reached a new record.
- During Q4, soft Nordic commodity fundamentals contributed to reduced volatility.

Strategy execution continued in 2024

DELIVER RELIABLE CLEAN ENERGY

- Ensuring long-term productivity and security of supply
 - Best-in-class operations
 - Lifetime extension of Loviisa nuclear plant
 - Upgrade of hydro power plants
- Develop and build new clean power
 - Pjelax wind farm commissioned
 - Wind development portfolio acquired
- Progress in coal exit in own operations
 - Espoo Clean Heat programme
 - Czestochowa, Poland investment
- 99% of power generation CO2-free
 - specific emissions for power at 11 gCO2/kWh
- SBTi validation process

DRIVE DECARBONISATION IN INDUSTRIES

- Partnering with strategic customers and developing projects to enable growth
 - Robust power PPA pipeline for outright portfolio
 - RES development portfolio
 - Industrial site development
 - Nuclear feasibility study

TRANSFORM AND DEVELOP

- Restructuring organisation to fit the current structure
 - Divestment of non-core businesses
 - Efficiency improvement programme
 - Managing and reducing business risks

Net zero by 2040: 1.5°C-aligned transition plan and key actions

Scope 1-2

Coal exit 2027

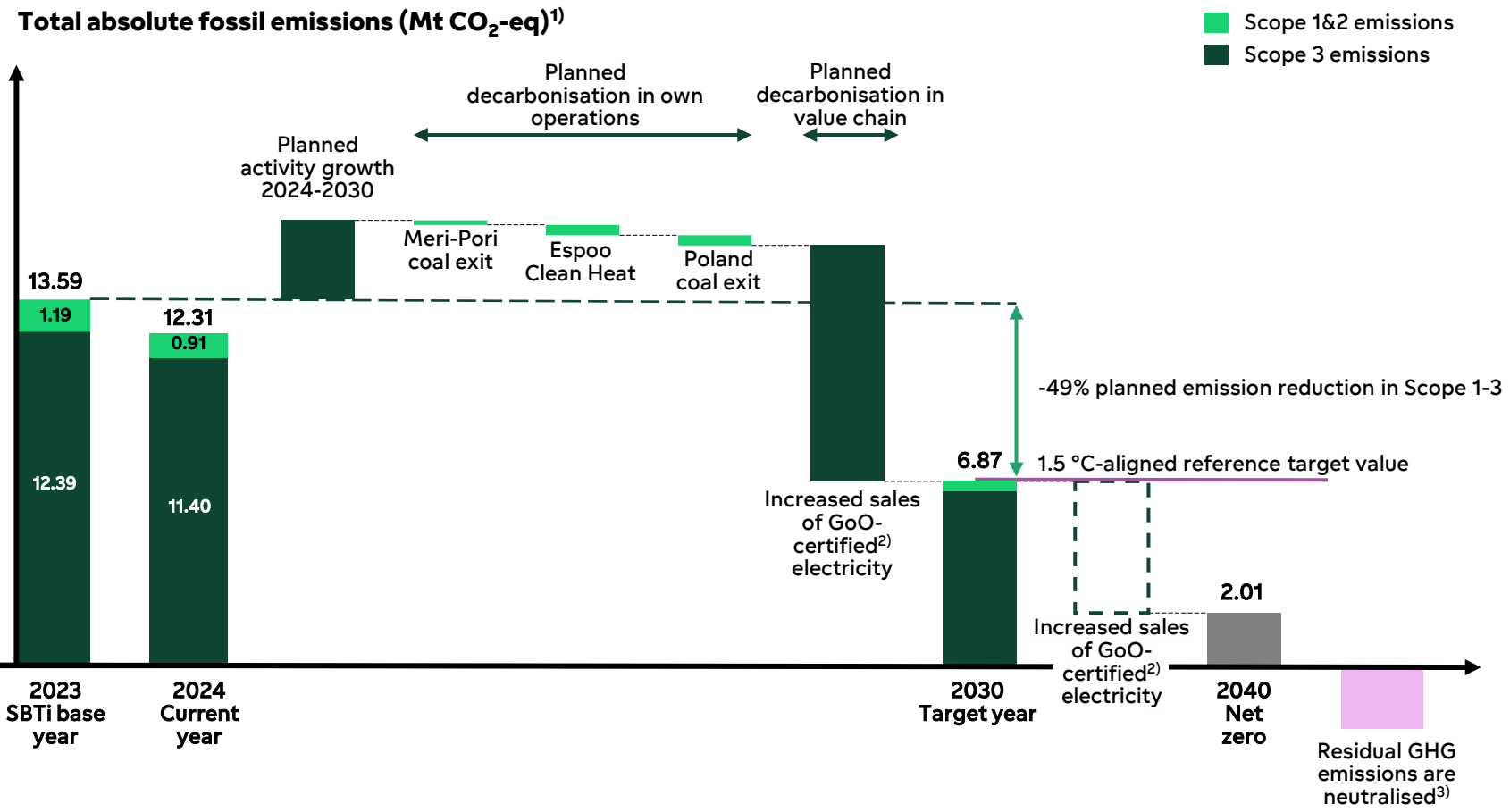
- Meri-Pori
- Espoo Clean Heat (exit 2024)
- Poland

Scope 3

Increased sales of GoO-certified electricity

Scope 1-3

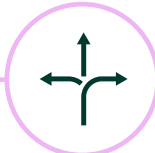
Net-zero GHG emissions across value chain by 2040*



* See all SBTi-validated targets: fortum.com/sustainability/sustainability-targets

1) The transition plan is excluding Recycling and Waste business, divested in November 2024.
 2) Guarantee of Origin (GoO) refers to an electronic document that provides evidence that a given share or quantity of energy has been produced with, for example, renewable sources or nuclear power.
 3) Residual emissions are either decarbonised from our own value chain or neutralised to reach net-zero emissions in 2040.

Strategic targets to capture long-term opportunities, mitigate business and market risks



STRATEGIC TARGET	Strengthen Nordic leadership	Ensure value creation from flexibility	Stabilise income streams	Demand-driven Renewables
Rationale	Focus on core competence	Capitalising on volatile markets	Lower cost of capital	Serve customer demand
Description	Build on existing leadership positions	Grow in flexible assets and related capabilities	Improve predictability of cash flows with customer centricity	Develop growth options
Key Performance Indicator	Fleet availability	Optimisation premium	Hedged share of rolling 10 year outright generation volume	Ready-to-build pipeline for solar and onshore wind
Target	> 90% for nuclear > 95% for hydro	6-8 €/MWh	> 20% by end of 2026	> 800 MW by end of 2026
KPI outcome 2024	84% for nuclear 97% for hydro	8.7 €/MWh	18% at the end of 2024	0 MW at the end of 2024 ~5 GW pipeline, permitting phase

Dividend proposal with maximum payout and a special dividend corrects the overcapitalised balance sheet in a situation with modest investments

Disciplined capital expenditure

Total EUR 1.4 bn (excl. acquisitions) for 2025-2027

- Annual growth € 150-300 million
- Annual maintenance of € 250 million

Capex reflects current investment sentiment and challenging profitability. Actively building preparedness for future growth.

Efficiency improvement and cash flow

Fixed cost reduction of € 100 million, gradually by end of 2025

- In 2024, actions to reduce >€ 60 million of the fixed cost base taken, full effect in 2025

Deliver fully on cost reduction to ensure prudent cost allocation and rebase cost levels to fit current group size and structure. Focus on cash flow.

Balance sheet and liquidity

Objective: credit rating of at least BBB

- Maximum Financial Net debt-to-Comparable EBITDA of 2.0-2.5 times

Unlevered balance sheet, ND-to-EBITDA at 0.2x, very strong liquidity position of € ~8.2 bn. Change in interest rates lowers deposit rates and increases net interest cost. After proposed dividend payment, leverage above 1.0 time.

Dividend policy

Payout ratio of 60-90% of Comparable EPS

- Apply upper end of range of pay-out ratio when strong BS and low investments
- Apply lower end of range when high leverage and/or high investments

Payout of 140% and dividend yield of 10%, activates balance sheet and reduces liquidity position.

TIINA TUOMELA

CFO

Comparable net profit almost halved in the fourth quarter

MEUR	IV/2024	IV/2023	2024	2023
Sales	1,435	1,858	5,800	6,711
Comparable EBITDA	355	459	1,556	1,903
Comparable operating profit	257	359	1,178	1,544
Comparable net profit	169	317	900	1,150
Comparable EPS	0.18	0.35	1.00	1.28
Net cash from operating activities	167	149	1,392	1,710
Financial net debt / Comp. EBITDA			0.2	0.5

Lower power prices reflected in the result

- Comparable operating profit at EUR 1,178 million
- Excellent credit metrics with Financial net debt-to-Comparable EBITDA ratio at 0.2x
- Comparable net profit at EUR 900 million
- Net cash from operating activities EUR 1,392 million

Income statement

MEUR, CONTINUING OPERATIONS	IV/2024	IV/2023	2024	2023
Sales	1,435	1,858	5,800	6,711
Other Income	10	10	48	32
Materials and services	-821	-1,106	-3,295	-3,808
Fixed costs	-270	-302	-996	-1,031
Depreciations and amortisation	-98	-101	-379	-359
Comparable operating profit	257	359	1,178	1,544
Items affecting comparability	133	18	147	118
Operating profit	390	376	1,325	1,662
Share of profits/loss of associates and joint ventures	-38	89	19	59
Finance costs - net	35	24	55	-138
Profit before income tax	388	488	1,399	1,583
Income tax expense	-49	-76	-239	-69
Profit for the period	338	413	1,160	1,515
Attr. to owners of parent	344	410	1,164	1,514
Attr. to non-controlling interest	-6	3	-4	1

2024

- Fixed costs decreased below EUR 1 billion despite inflation
- Share of profits of associates and joint ventures was impacted by updated cost estimates for the Swedish nuclear waste-related provisions in co-owned nuclear companies, partly offset by positive impact from co-owned TVO
- Finance costs – net, positive net interest effect including interest income from Belgian tax case and nuclear-related items

Q4 2024

Generation

Lower result mainly due to lower hydro and nuclear volumes and lower spot and hedge power prices, partly offset by positive effect from lower nuclear waste costs in co-owned nuclear production in Finland. The result contribution of Pjelax wind farm was slightly positive. The result of the district heating business improved, mainly due to lower fuel costs driven by more electricity-based production in Finland and higher sales price for power in Poland.

Consumer Solutions

Improved result mainly due to reduced scope of the regulated price cap for electricity end users in Poland. This was partly offset by higher depreciations and amortisations of customer acquisition costs.

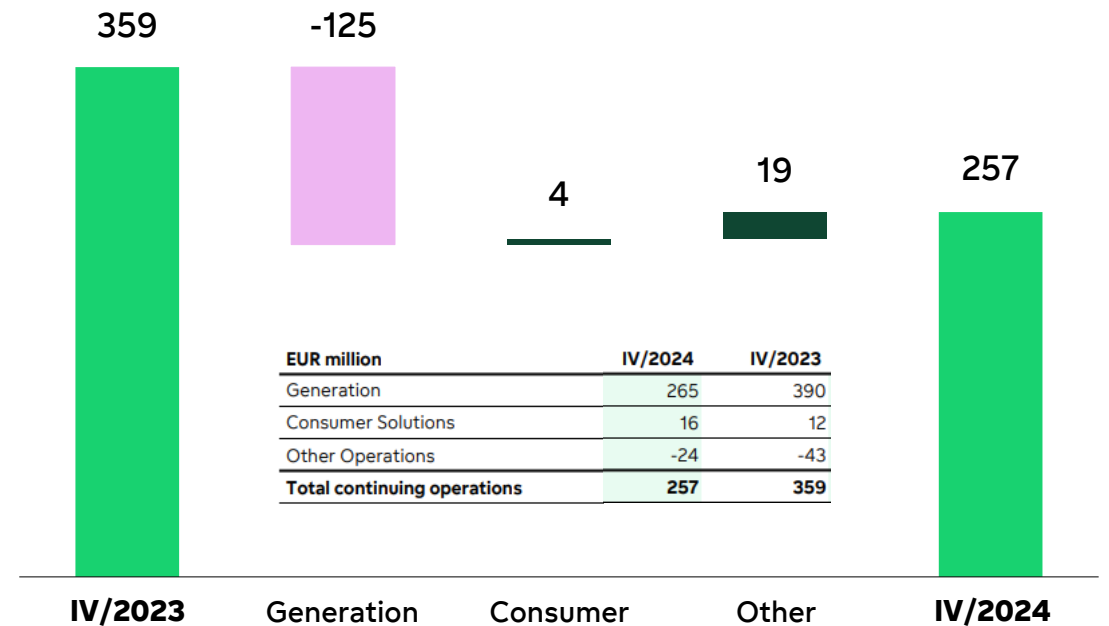
Other Operations

Improved result mainly due to higher internal charges for services in enabling functions. The result of the Circular Solutions business decreased mainly due to the completion of the recycling and waste business divestment.

Results impacted by lower power prices

Comparable operating profit

(EUR million)



2024

Generation

Lower result mainly by the lower spot and hedge prices, but also lower generation volumes for both nuclear and hydro, and higher costs for Olkiluoto's third unit. The renewables business was positively impacted by a sales gain from the divestment of Fortum's remaining share in the Indian 185-MW solar power portfolio. Result contribution of Pjelax wind farm was slightly positive. The result of the district heating business improved and turned positive, mainly due to lower fuel costs supported by more electricity-based heat production in Finland and the higher sales price for heat and power in Poland.

Consumer Solutions

Improved result mainly due to higher electricity sales margins, reduced scope of regulated price cap for electricity end users in Poland and higher sales margins for value-adding services, the effect of which was partly offset by lower gas sales margins in Poland and higher amortisations of customer acquisition costs.

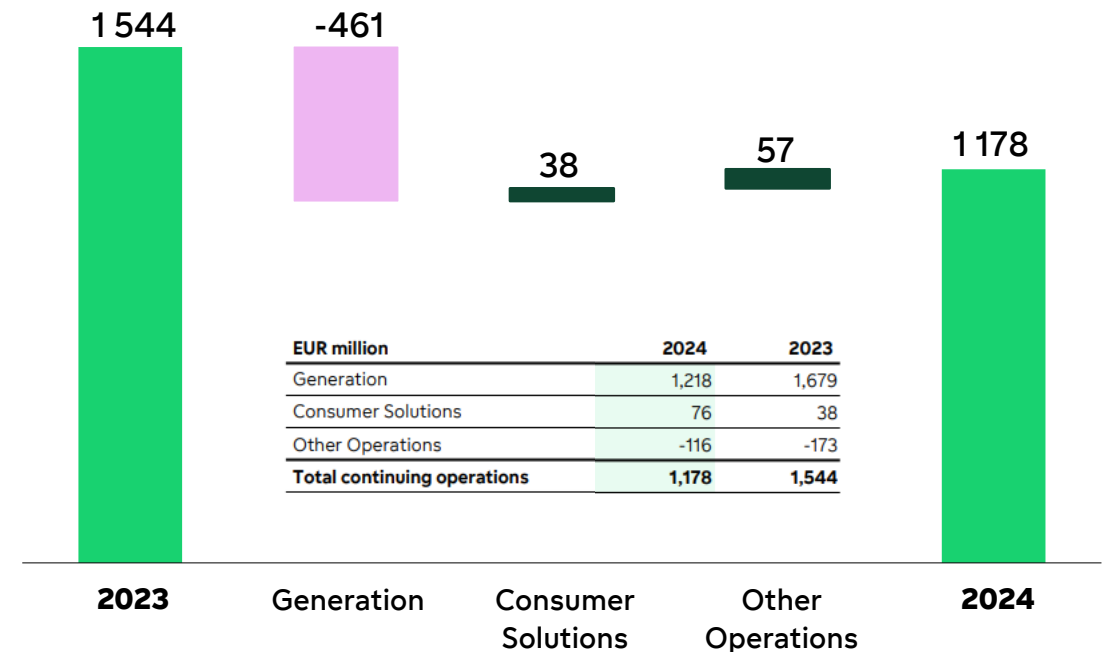
Other Operations

Improved result mainly due to higher internal charges for services of enabling functions. The result of the Circular Solutions business decreased mainly due to the completion of the recycling and waste business divestment.

Results negatively affected by lower results in the Generation segment

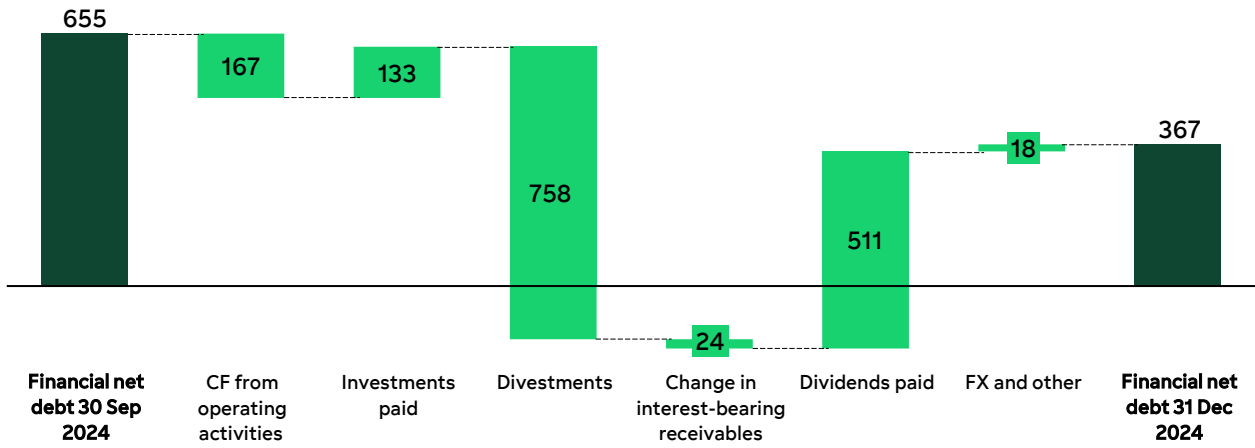
Comparable operating profit

(EUR million)

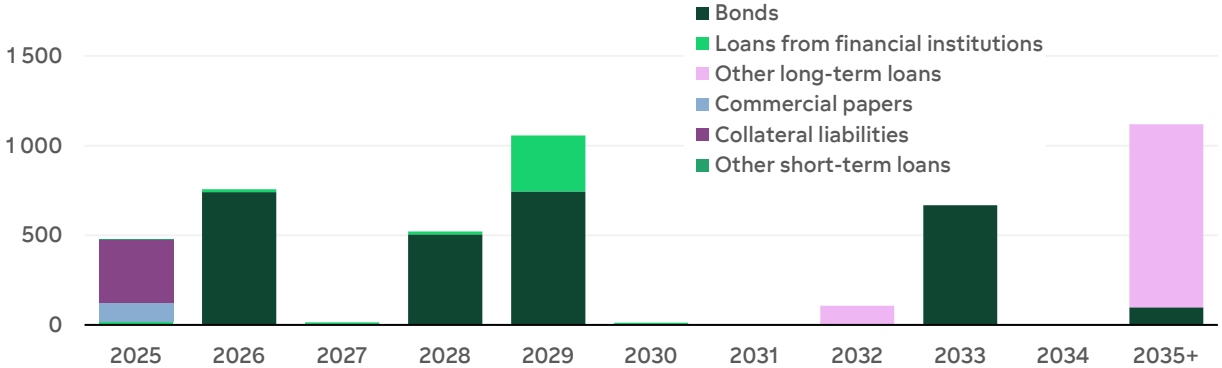


Low leverage and strong liquidity

Financial net debt



Loan maturities as per 31 Dec 2024



Solid credit metrics

S&P Global Ratings

'BBB+' long-term issuer credit rating, Stable outlook

Fitch Ratings

'BBB' long-term issuer credit rating, Stable outlook

Fortum's objective:

Maintain solid investment grade rating of at least BBB to maintain financial strength, preserve financial flexibility and good access to capital.

As per 31 Dec 2024:

- Total loans of EUR 4.7 bn excl. leases
- Average interest rate of 3.8% for Fortum Group loan portfolio incl. derivatives hedging financial net
- Liquidity reserves of EUR 8.2 bn
- Liquid funds of EUR 4.1 bn with average interest rate of 3.0%
- Undrawn committed credit facilities of EUR 4.1 bn

Strong balance sheet and liquidity – leverage increasing with dividend payment

MEUR	2022	2023	2024
Gross debt	7,581	5,909	4,828
Net margining	2,782	784	325
Liquid funds	3,672	4,183	4,136
Financial net debt	1,127	942	367
With 2024 dividend proposal	1,127	942	1,624
Comparable EBITDA	2,025	1,903	1,556
Financial net debt / Comp. EBITDA	0.6	0.5	0.2
With 2024 dividend proposal	0.6	0.5	1.0

OBJECTIVE TO

- Maintain investment grade rating of at least BBB
- Activate balance sheet and optimise liquidity position
- Maintain good access to bond markets
- Ensure profitable investments to increase future earnings
- Allocate capital to shareholders

Outlook

Generation's Nordic outright (47 TWh/a):

Hedges:

For 2025: 75% hedged at 42 €/MWh
(previously reported: 65% at 42 €/MWh)

For 2026: 45% hedged at 41 €/MWh
(previously reported: 40% at 41 €/MWh)

Optimisation premium:

6–8 €/MWh annually depending on market conditions

Tax guidance for 2025-2027:

Comparable effective income tax rate estimated to be 18–20%

Property tax in Sweden increases by approx. € 30 million from 2025 (previously € 25 m), new run-rate until and including 2030

Capital expenditure guidance:

2025–2027: Capital expenditure excluding potential acquisitions of € 1.4 bn

- maintenance of € 250 million per year
- growth of € 150–300 million per year

Depending on general market development and investment environment, new investment decisions can be made

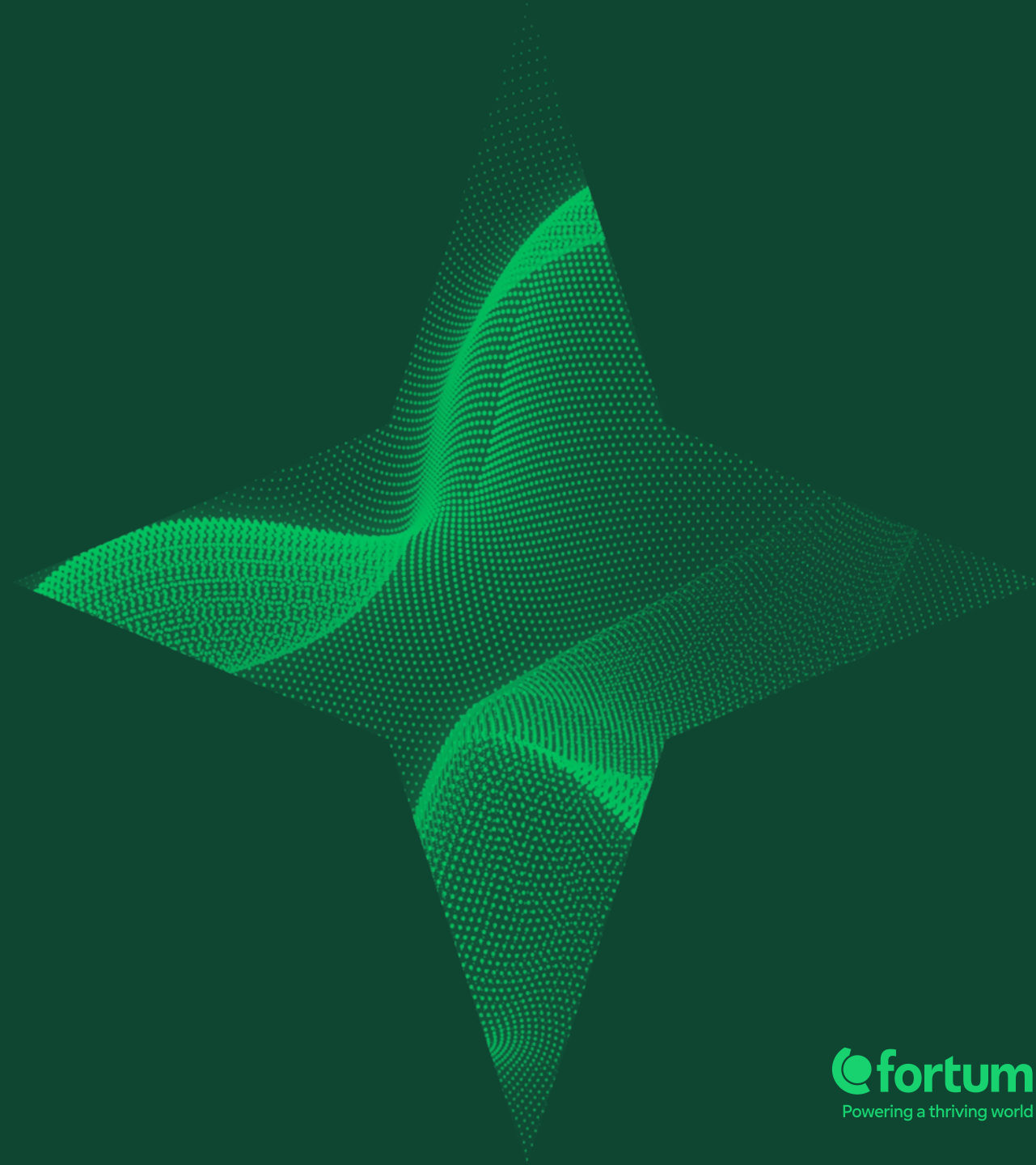
Efficiency improvement programme:

Fortum targets to gradually reduce its annual fixed cost base by € 100 million (excluding inflation) until end of 2025 with full run rate from beginning of 2026

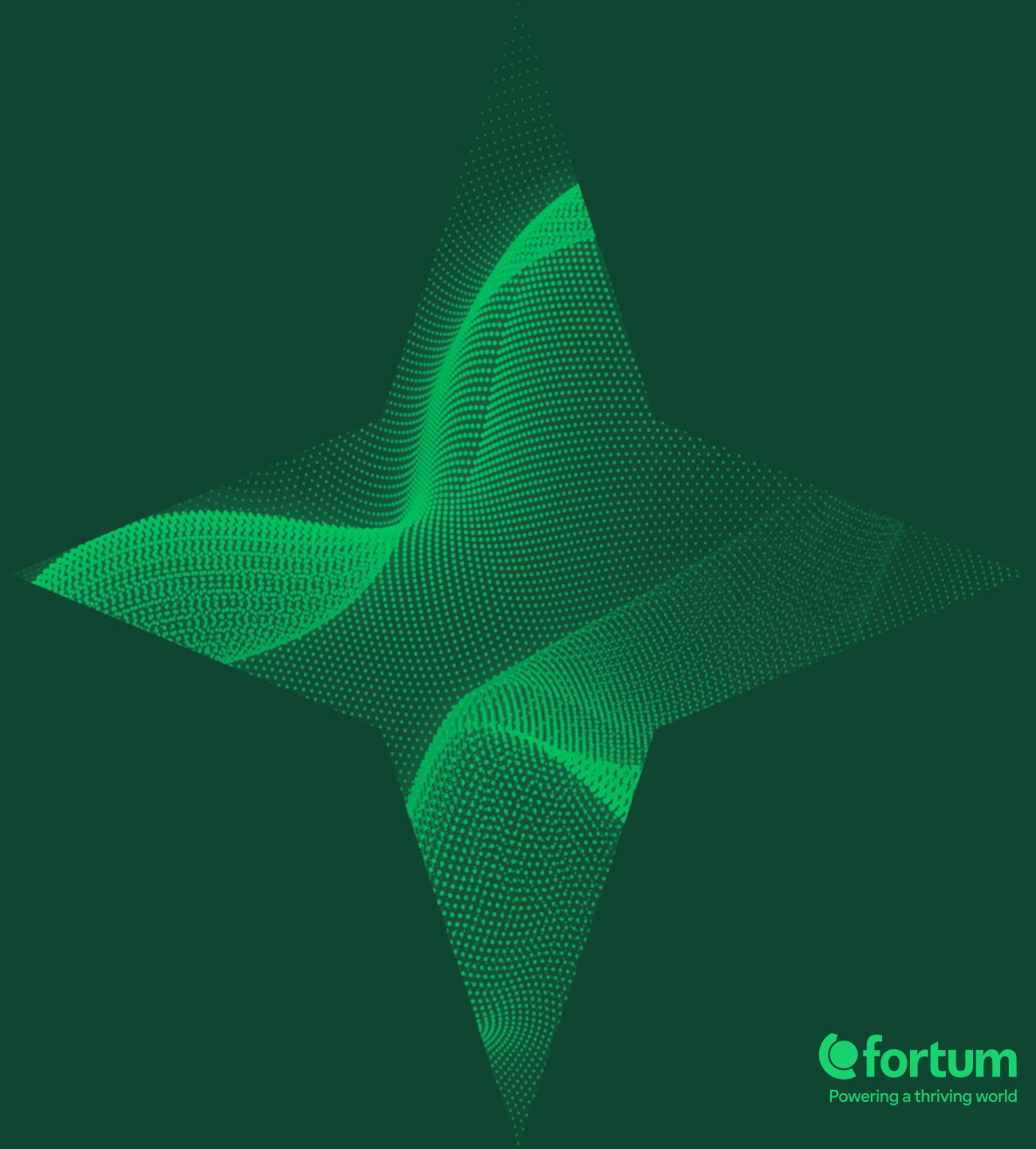
During 2024, actions taken to reduce the fixed cost base by € 60 million, full effect in 2025

In 2026, the fixed cost base is expected to be approx. € 850 million, excluding the increase in Swedish property tax from 2025

Q&A

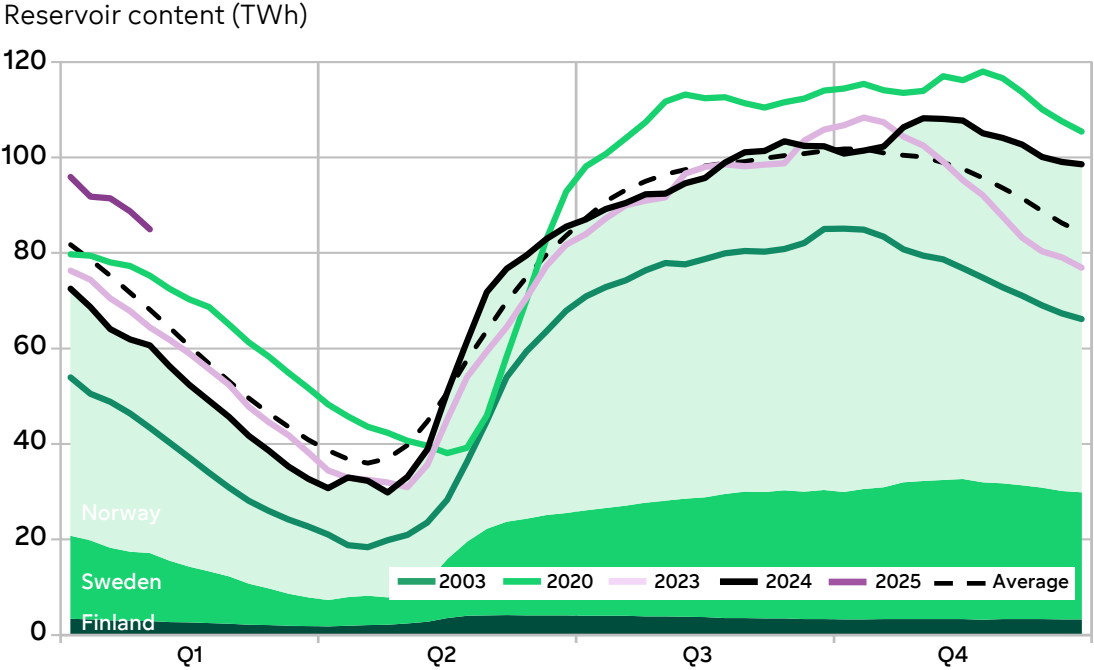


APPENDIX

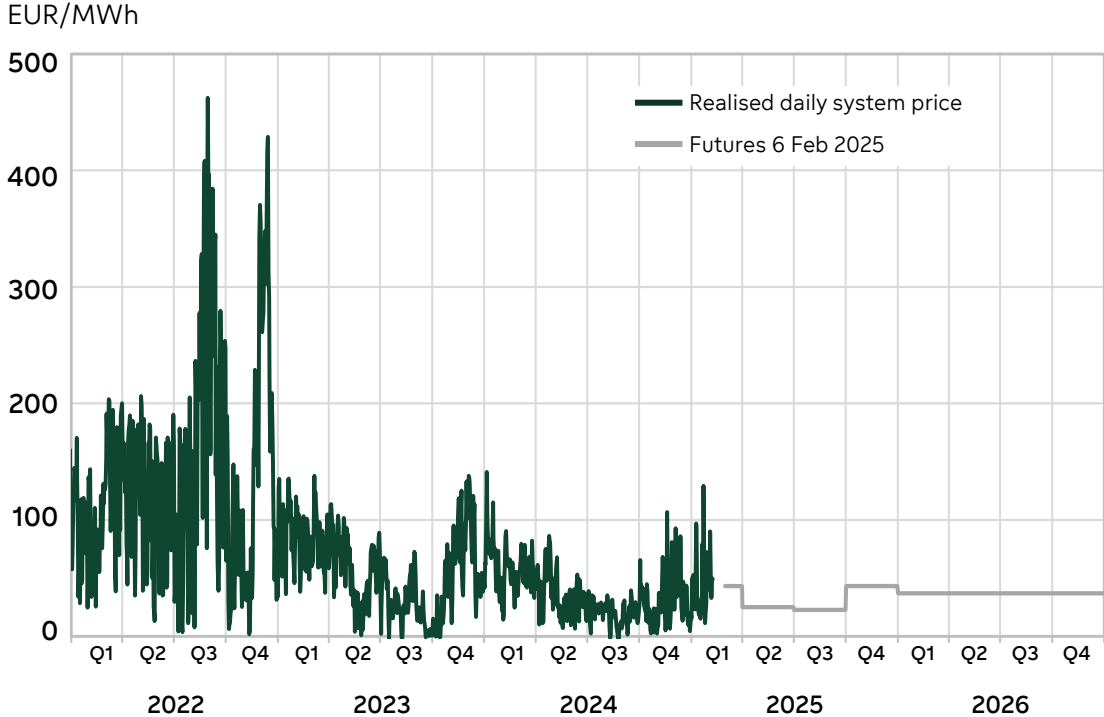


Nordic hydro reservoirs and wholesale power price

Hydro reservoirs



Power price



GENERATION:

Achieved power price declined

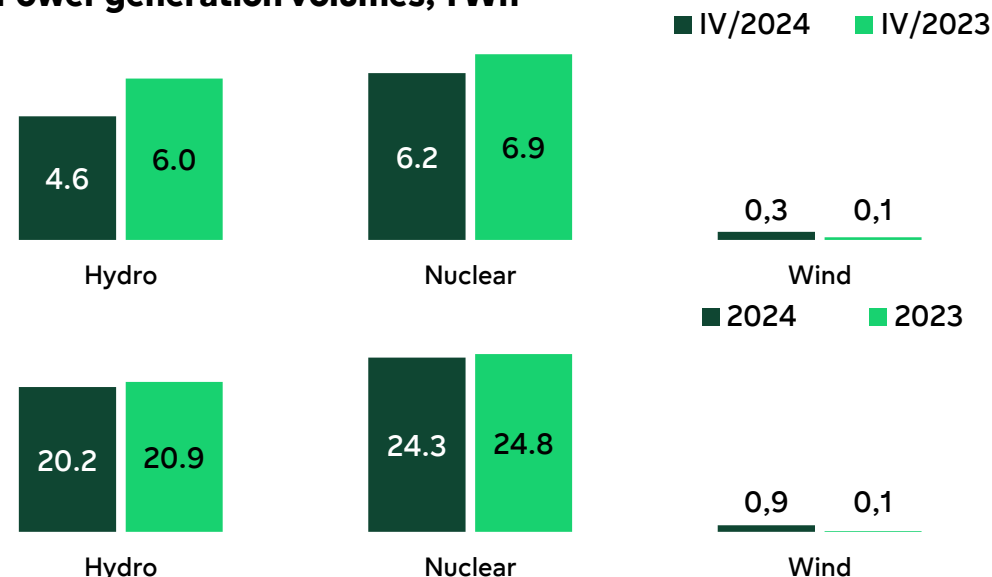
Q4 2024 vs. Q4 2023

Comparable operating profit down by 32% to EUR 265 million, mainly due to lower hydro and nuclear volumes and lower spot and hedge power prices. Achieved power price declined from 58.1 €/MWh to 51.7 €/MWh. The negative effect from the volume and price components was partly offset by the positive effect from lower nuclear waste costs in co-owned nuclear production in Finland. Result contribution of the Pjelax wind farm was slightly positive. Result of the district heating business improved, mainly due to lower fuel costs driven by more electricity-based production in Finland and the higher sales price for power in Poland.

2024 vs. 2023

Comparable operating profit down by 27% to EUR 1,218 million, mainly due to lower spot and hedge prices, but also lower generation volumes for both nuclear and hydro, and higher costs for Olkiluoto 3 as first months of 2023 was a test period. Achieved power price declined from 63.1 €/MWh to 52.5 €/MWh. The result of the renewables business was positively impacted by a sales gain of EUR 16 million from the divestment of Fortum's remaining share in the Indian 185-MW solar power portfolio. Result contribution of the Pjelax wind farm was slightly positive. Result of the district heating business improved and turned positive, mainly due to lower fuel costs supported by more electricity-based heat production in Finland and the higher sales price for heat and power in Poland.

Power generation volumes, TWh



MEUR	IV/2024	IV/2023	2024	2023
Sales	942	1,339	3,795	4,420
Comparable EBITDA	319	452	1,421	1,874
Comparable operating profit	265	390	1,218	1,679
Comparable net assets			7,608	7,263
Comparable RONA, %			16.0	24.2
Gross investments	105	112	355	454

CONSUMER SOLUTIONS:

Improved and more normalised results

Q4 2024 vs. Q4 2023

Comparable operating profit increased by EUR 4 million to EUR 16 million,

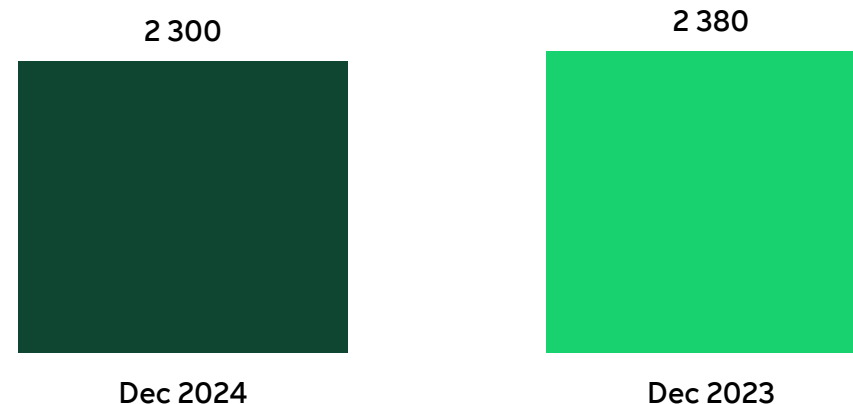
mainly due to reduced scope of the regulated price cap for electricity end users in Poland. This was partly offset by higher depreciations and amortisations of customer acquisition costs.

2024 vs. 2023

Comparable operating profit doubled to EUR 76 million,

mainly due to higher electricity sales margins, reduced scope of the regulated price cap for electricity end users in Poland and higher sales margins for value-adding services, the effect of which was partly offset by lower gas sales margins in Poland and higher amortisations of customer acquisition costs.

Number of customers ('000)



MEUR	IV/2024	IV/2023	2024	2023
Sales	792	1,069	3,073	3,766
Comparable EBITDA	41	30	161	108
Comparable operating profit	16	12	76	38
Comparable net assets			725	838
Comparable RONA %			11.2	4.5
Gross investments	18	22	71	103

OTHER OPERATIONS: Results improved

Q4 2024 vs. Q4 2023

Comparable operating profit improved by EUR 19 million to EUR -24 million,

mainly due to higher internal charges for services of enabling functions. The result of the Circular Solutions business decreased mainly due to the completion of the recycling and waste business divestment.

2024 vs. 2023

Comparable operating profit improved by EUR 57 million to EUR -116 million,

mainly due to higher internal charges for services of enabling functions. The result of the Circular Solutions business decreased mainly due to the completion of the recycling and waste business divestment.

MEUR	IV/2024	IV/2023	2024	2023
Sales	141	147	596	548
Comparable EBITDA	-5	-23	-26	-80
Comparable operating profit	-24	-43	-116	-173
Gross investments	31	35	90	107