FORTUM – For a cleaner world

Fingrid Market Council

September 2020

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.

Content

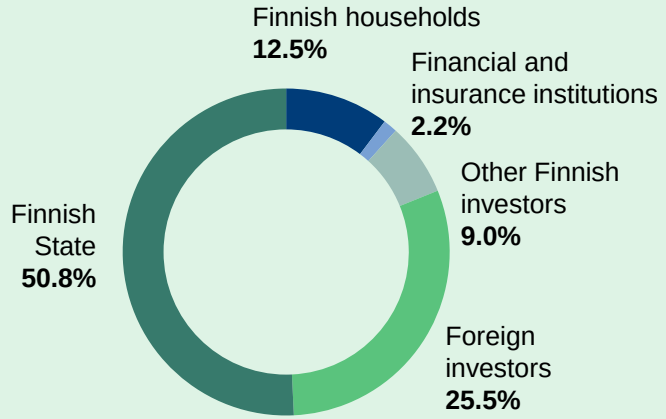
Fortum at a glance

Description of Fortum

- A leading clean-energy company across the Nordic region, the Baltic countries, Poland, and Russia
- A circular economy champion, providing solutions for sustainable cities, including waste, recycling, and biomass
- Rated BBB/CreditWatch Negative and BBB/Rating Watch Negative by S&P and Fitch respectively
- In 2018, Fortum closed its tender offer to shareholders in Uniper (holding of 49.99% of the outstanding shares and voting rights as of 31.12.2018), in 2020 additional >20% stake to be closed

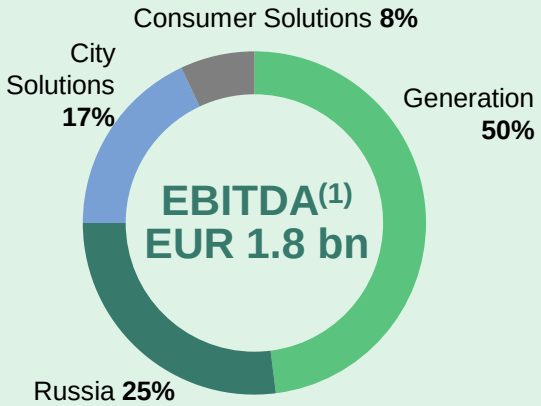
Key shareholders

- Listed on the Helsinki Stock Exchange since 1998
- Market capitalisation of ~EUR 16bn
- Finnish State is a majority owner

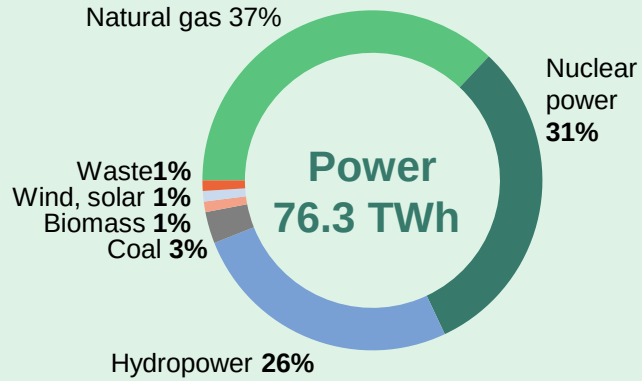


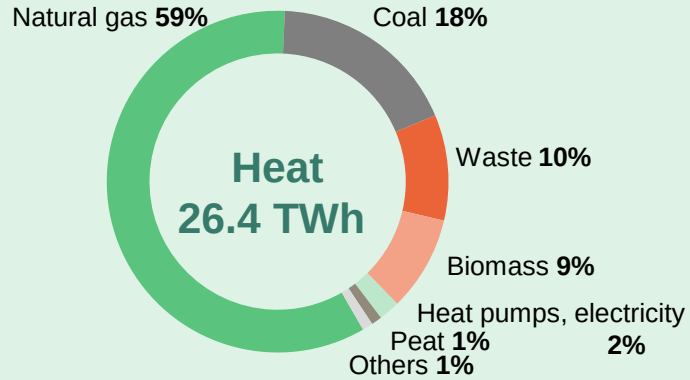
31.5.2020

Operations by business segment



Production by source





Note: All data as of FYE 2019 unless otherwise stated, Uniper will be consolidated from Q2/2020 onwards
(1) Comparable EBITDA defined as operating profit plus depreciation and amortisation less items affecting comparability

Fortum’s geographical footprint

Nordic countries

#3 Power generation
45.5 TWh

#5 Heat sales
5.9 TWh

#1 Electricity customers
2.3 million

Russia

PAO Fortum

#10 Power generation
29.3 TWh

#7 Heat sales
16.9 TWh

Key figures 2019

Sales	**EUR 5.4 bn**
Comparable EBITDA	**EUR 1.8 bn**
Total assets	**EUR 23 bn**
Personnel	**8,200**

Poland

Power generation
0.6 TWh

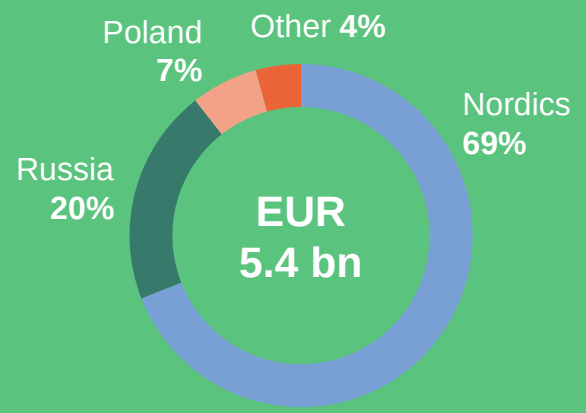
Heat sales
3.3 TWh

Baltic countries

Power generation
0.7 TWh

Heat sales
1.5 TWh

Sales by market area 2019

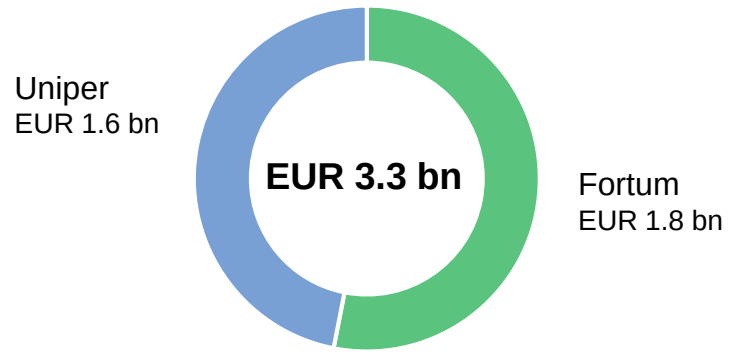


x = Fortum market share ranking

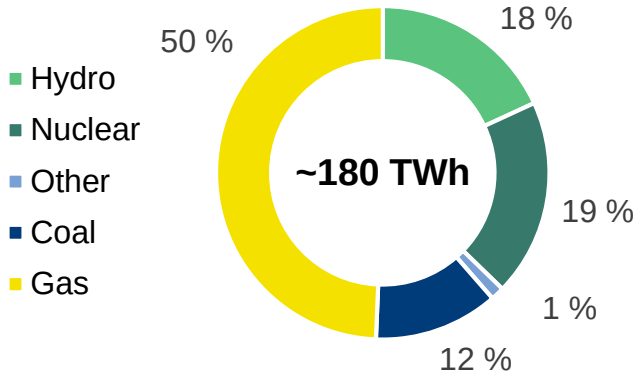
Note: Ranking based on year 2018 pro forma figures
Source: Fortum, company data, shares of the largest actors

Fortum to grow and lead European energy transition

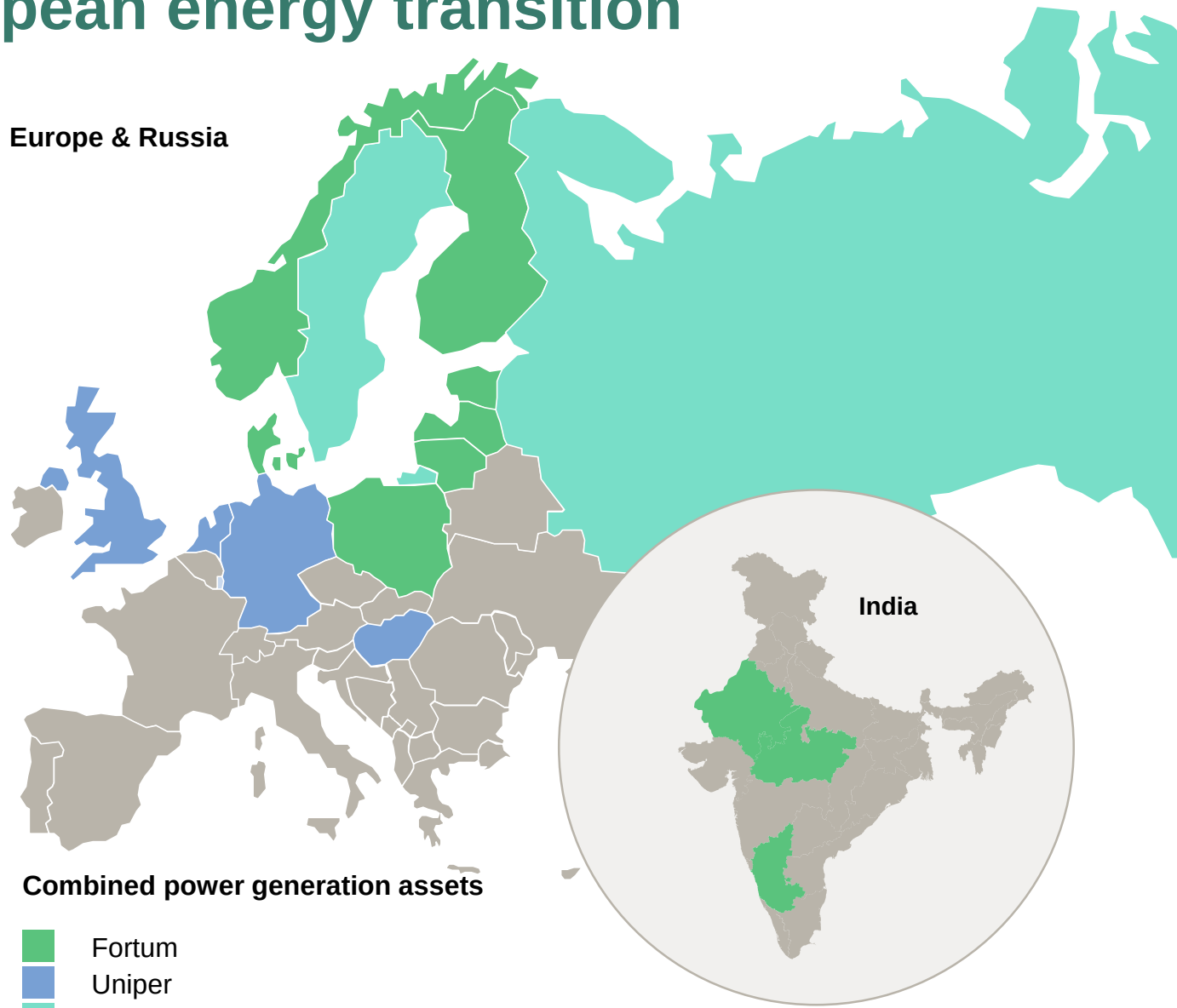
2019 combined comparable EBITDA[1,2]



Combined power generation (2019)[2]



Europe & Russia



Combined power generation assets

- Fortum
- Uniper
- Both Fortum and Uniper

1) Comparable EBITDA is based on the Fortum's Comparable EBITDA and Uniper's Adjusted EBITDA as defined in Fortum's and Uniper's financial statements. No impacts from the assumed transaction has been included.
2) Based on 2019 reported generation volumes (accounting view in Uniper). Not consolidated in 2019.

Portfolio well positioned for energy transition - overall combined share of coal based activities is moderate

Coal share from generation and from sales
(calculated from disclosed numbers assumptions below)

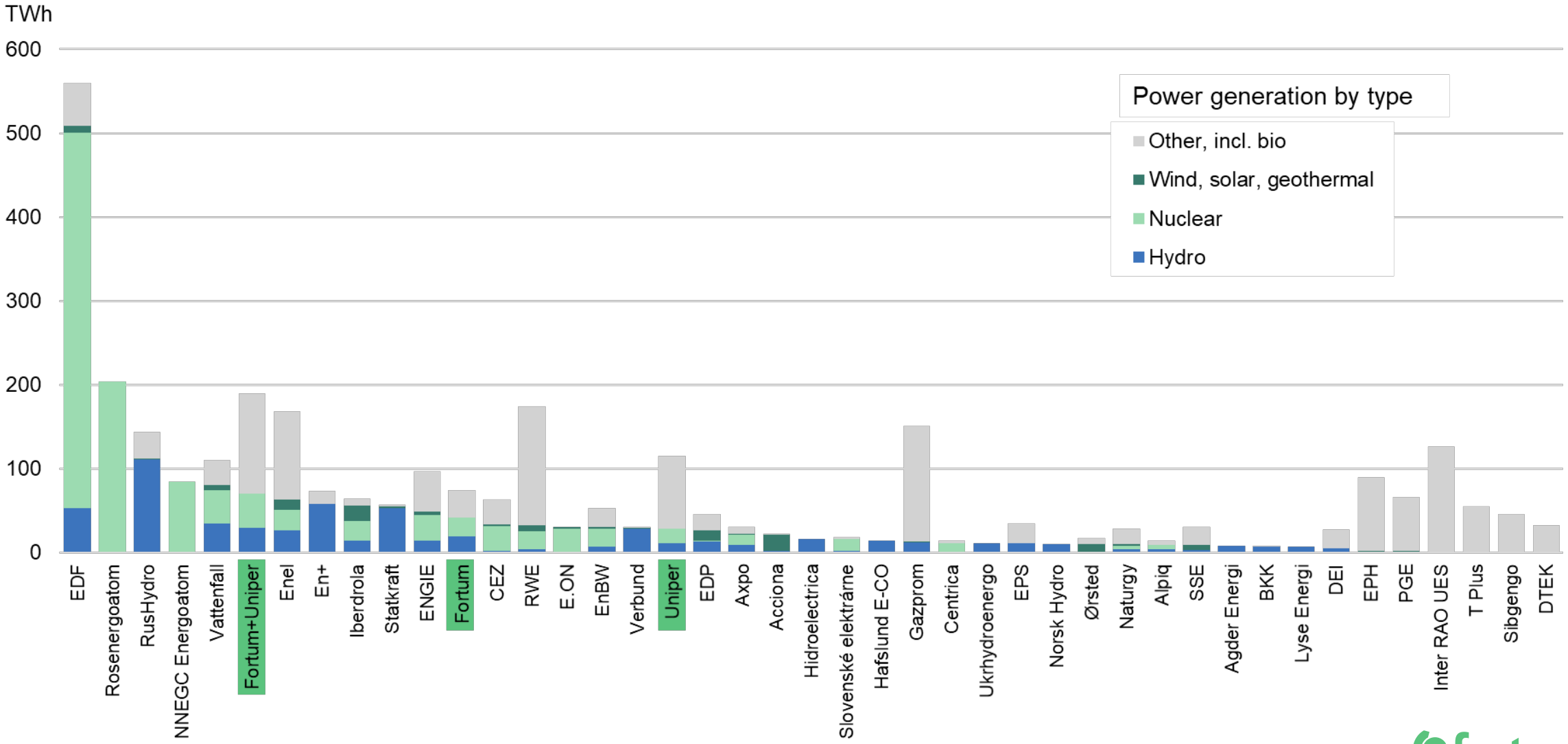
	Fortum 2019	Uniper 2019	Combined
Sales, MEUR	5,447	65,804	71,251(1)
Coal and lignite generation based sales, MEUR	217	810	1,027(1)
Share of coal based sales	**4%**	**1%**	**1%**
Generation (power and heat), TWh	103	104	207
Coal and lignite based, TWh	7	20	27
Share of coal based power generation	**7%**	**19%**	**13%**

Note: Fortum sales data includes also heat production, Uniper sales data only power generation. For Fortum avg. coal based power sales price assumption 38 €/MWh and for heat 28 €/MWh; for Uniper avg. coal based sales price assumption 41 €/MWh.

1. Combined sales is presented for illustrative purposes only and do not include possible impacts from aligning differences in accounting principles, effects from co-owned power companies or eliminations of sales between the Groups.

Source: Fortum Sustainability report 2019, page 17 and Fortum Financials 2019, page 3 and Fortum Q4 2019 additional quarterly tables. Uniper Annual Report 2019, pages 2, 110 and 132

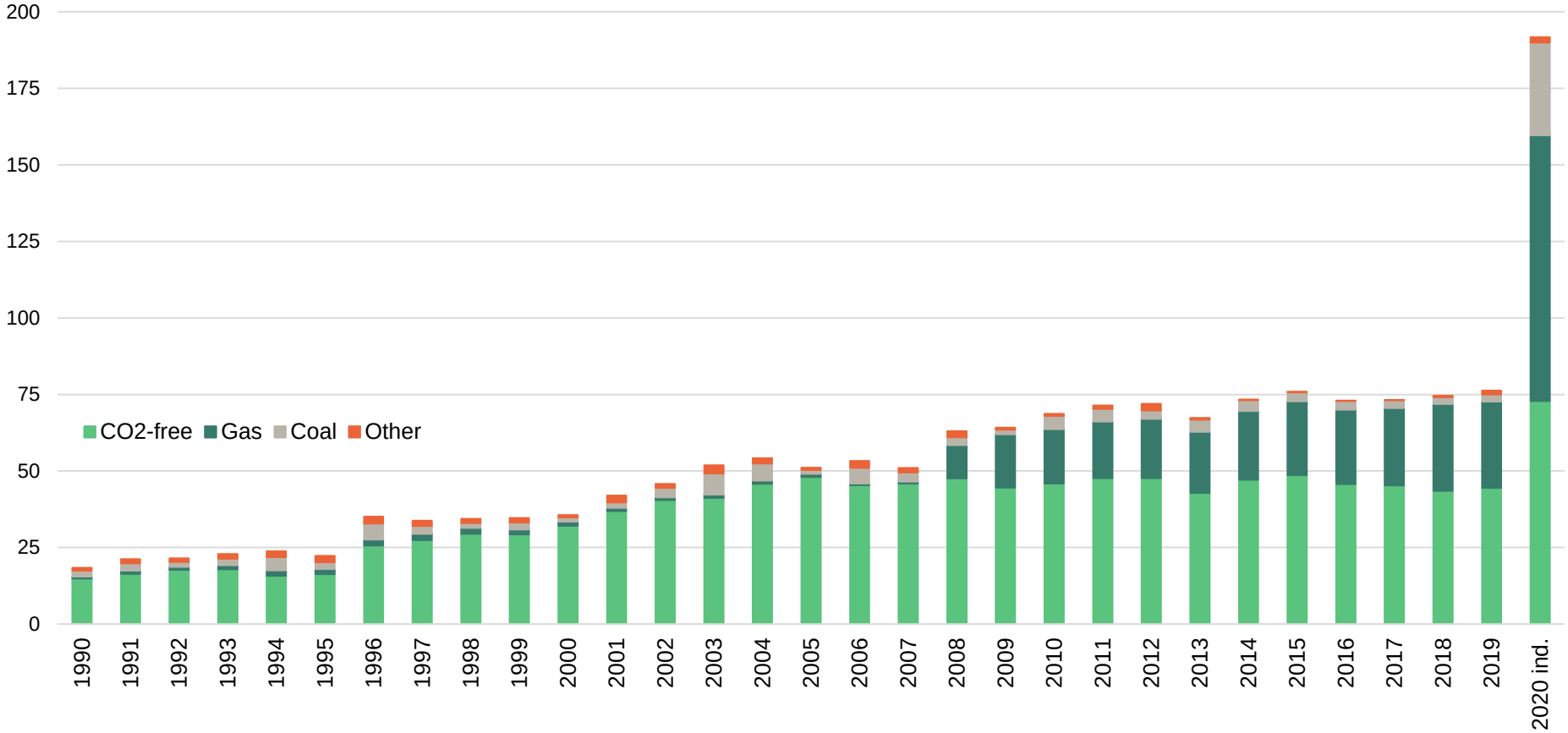
Consolidated Fortum is the third largest CO_2 free generator in Europe



Source: Company information, Fortum analyses, 2018 figures pro forma.
EPH incl. LEAG

Fortum's CO_2-free power generation to increase by ~60% as Uniper will be consolidated in 2020

Fortum's power generation, TWh



Fortum and Uniper consolidated*:

- CO_2-free generation +60%
- Gas-fired power generation triples
- Share of coal-fired generation ~12%
- Share of coal of sales revenue ~1%

* based on 2019 reported figures

INDICATIVE GENERATION FOR 2020, NOT OFFICIAL GUIDANCE.

Note: Fortum actuals 1990-2019 excluding associated company Stockholm Exergi. 2020 indicative figures adjusted for Nordic wind and Joensuu CHP assets sold in 2020. Uniper's disclosed 2018 numbers used for indicative consolidation 2020 with the following corrections/assumptions: normal hydrological year, accounting view adjusted to pro forma, French coal assets sold, Datteln 4 approximately 2.2 TWh in 2020, no net increase in generation from Beresovskaya 3, coal-to-gas switch 2 TWh, Ringhals 2 closed on 31 Dec 2019.

Good position to drive CO_2-free power generation in Europe

~60%
Increase in Fortum's CO_2-free power generation

3rd largest
CO_2-free generator in Europe

2nd largest
nuclear generator in Europe

66%
of our electricity production in Europe was CO_2-free in 2019

Fortum’s Nordic, Baltic and Polish generation capacity

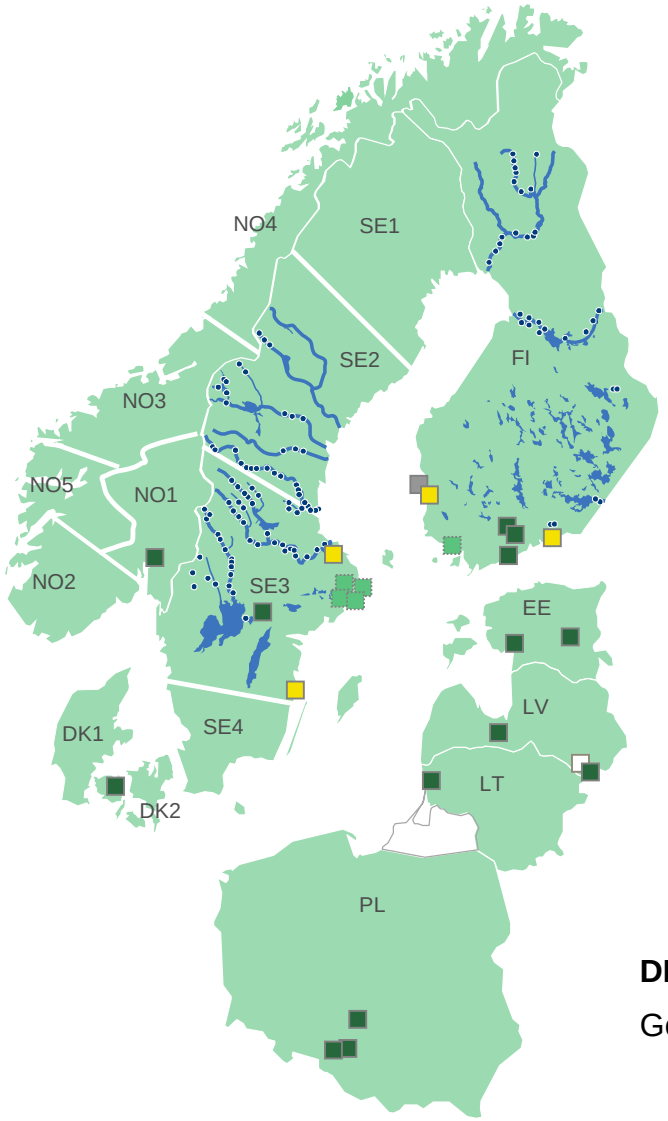
GENERATION CAPACITY	MW
Hydro	4,677
Nuclear	2,821
CHP	831
Other thermal	565
Wind	159
Nordic, Baltic and Polish generation capacity	9,053

Figures 31 December 2019

The capacity includes the 52 MW Joensuu CHP plant in Finland, which has been sold in January 2020.

The capacity includes the 157 MW wind portfolio in Norway and Sweden, of which a majority 80% ownership has been sold in May 2020.

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



NORWAY	MW
Price areas	
NO4, Wind	82
NO1, CHP	20
Generation capacity	102

SWEDEN	MW
Price areas	
SE2, Hydro	1,550
SE2, Wind	75
SE3, Hydro	1,574
SE3, Nuclear	1,334
SE3, CHP	9
Generation capacity	4,542

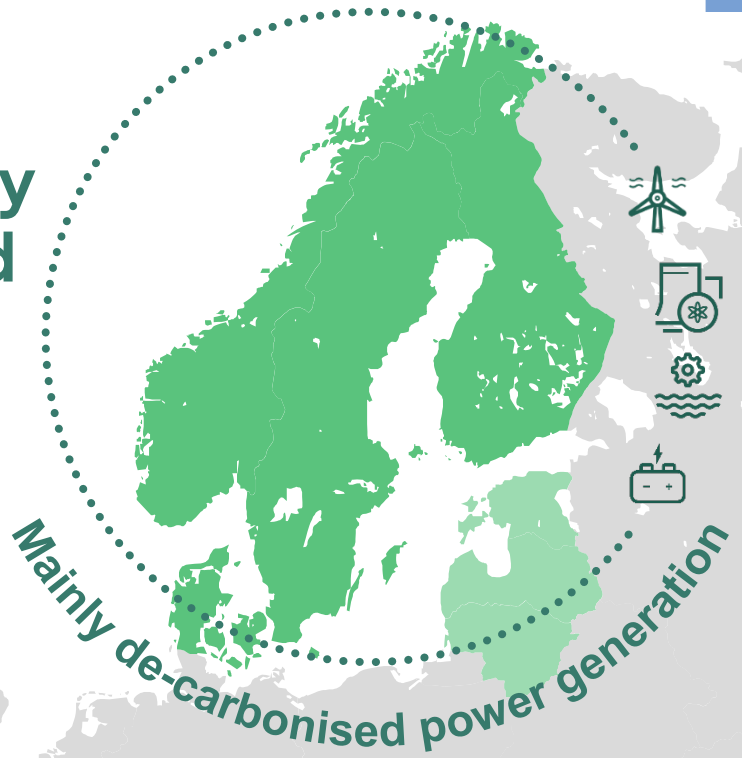
DENMARK, DK1	MW
Generation capacity, CHP	16

FINLAND	MW
Hydro	1,553
Nuclear	1,487
CHP	452
Other thermal	565
Generation capacity	4,057

BALTICS AND POLAND	MW
Generation capacity,	CHP
in Estonia	49
in Latvia	34
in Lithuania	18
in Poland	233
in Latvia, Wind	2

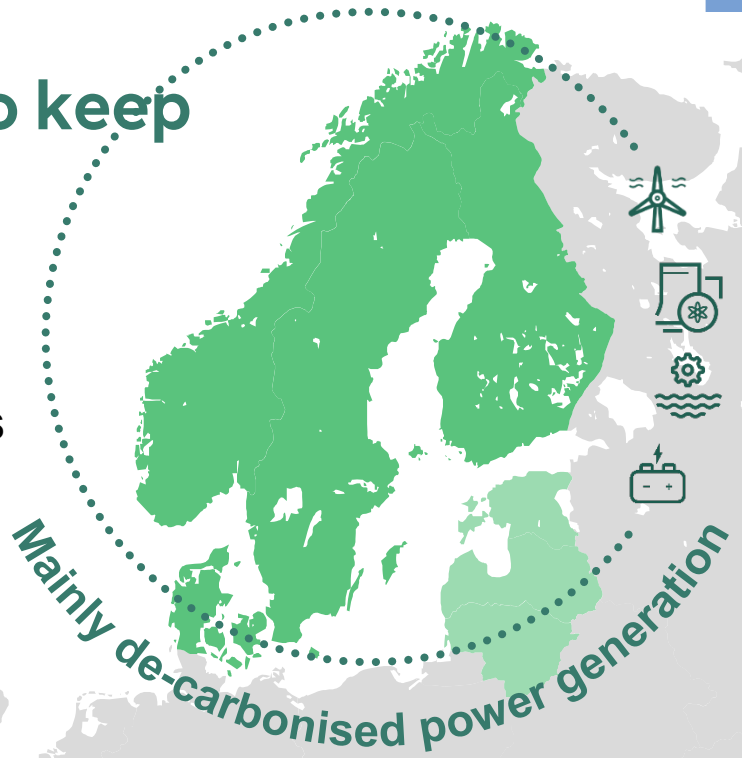
Nordics has come far creating a regional and environmentally friendly market for electricity generation and consumption

- Excellent regional **security of supply**
- Competitive and **open retail market** with freedom to choose supplier with 33 million inhabitants
- Among the lowest consumer and industrial **power prices**
- Well-functioning **regional power** market



We have work ahead of us in order to keep the Nordic market a forerunner

- **Energy transition and electrification** - will require significant strengthening of the grid
- Farsighted and transparent grid planning **decreases the uncertainty of investment decisions for market participants and the overall cost** of the energy transition and electrification
- A **common** and **clear vision** from the Nordic TSO´s on how to balance the **future energy system**



- A **transparent and open market** where same information is available for everyone close to **real time.** Resources providing ancillary services necessary for **system stability** need to be **incentivized**. The **market** needs to able to **support the system** close to real time without going towards central dispatching
- The Nordic **balancing markets** should be **harmonized**, and access should be **technology neutral.** The **markets** needs to be **predictable** in order to give **investment signals**
- **Larger price areas** where production and consumption are in balance. **Credible hedging instruments** for risk mitigation both for production and consumption

Thank you!

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