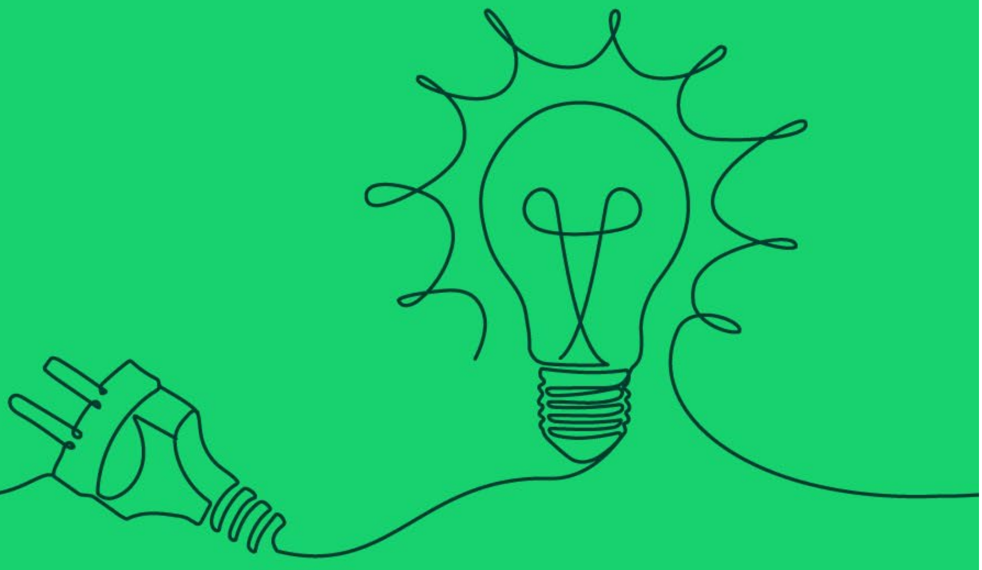
Fortum

Interim Report

January-March 2024



fortum

Powering a thriving world

Contents

Tables to the Interim Report

Financial results discussed in this Interim Report comprise the continuing operations of the Fortum Group.

Figures in brackets refer to the comparison period, i.e. the same period last year, unless otherwise stated.

Solid performance and good results despite lower power prices in the Nordics

January–March 2024

- Comparable EBITDA was EUR 622 (781) million.
- Comparable operating profit was EUR 530 (698) million.
- Operating profit was EUR 571 (769) million. Items affecting comparability included fair value changes in non-hedge-accounted derivatives of EUR 39 (62) million.
- Comparable earnings per share were EUR 0.48 (0.54).
- Earnings per share were EUR 0.53 (0.60).
- Cash flow from operating activities totalled EUR 538 (474) million.

Summary of outlook

- The Generation segment’s Nordic outright generation hedges: approximately 70% at EUR 43 per MWh for the remainder of 2024, and approximately 50% at EUR 42 per MWh for 2025. As of the first quarter of 2024, the hedge ratios and prices also include the Group’s wind generation volumes.
- The current annual outright portfolio amounts to approximately 47 TWh, an increase of approximately 2 TWh due to the Olkiluoto nuclear power plant’s third unit and the Pjelax wind farm.
- Capital expenditure is expected to be approximately EUR 550 million in 2024 of which the maintenance capital expenditure is EUR 300 million.

Key figures, continuing operations

EUR million or as indicated	I/2024	I/2023 restated	2023	LTM
Reported				
Sales	2,015	2,265	6,711	6,461
Operating profit	571	769	1,662	1,465
Share of profit/loss of associates and joint ventures	21	22	59	58
Net profit	473	542	1,515	1,446
Net profit (after non-controlling interests)	471	540	1,514	1,445
Earnings per share, EUR	0.53	0.60	1.68	1.61
Net cash from operating activities	538	474	1,710	1,774

EUR million or as indicated	I/2024	I/2023 restated	2023	LTM
Comparable				
EBITDA	622	781	1,903	1,744
Operating profit	530	698	1,544	1,376
Share of profit/loss of associates and joint ventures	12	10	7	9
Net profit (after non-controlling interests)	430	483	1,150	1,097
Earnings per share, EUR	0.48	0.54	1.28	1.22

EUR million or as indicated	LTM	2023
Financial position		
Financial net debt (at period-end)	528	942
Financial net debt/comparable EBITDA	0.3	0.5

Key figures, total of continuing and discontinued operations

Fortum's condensed consolidated income statement and consolidated cash flow statement include the Russia segment as discontinued operations in 2023.

EUR million or as indicated	I/2024	I/2023	2023	LTM
Reported				
Net profit (after non-controlling interests)	471	565	-2,069	-2,163
Earnings per share, EUR	0.53	0.63	-2.31	-2.41
Net cash from operating activities	538	583	1,819	1,774
Comparable				
Net profit (after non-controlling interests)	430	517	1,184	1,097
Earnings per share, EUR	0.48	0.58	1.32	1.22

Fortum's President and CEO Markus Rauramo:

"During the first quarter of 2024, the mild winter in Continental Europe together with healthy LNG supply and steadily increasing renewable power generation further contributed to the downward trend in the European gas and power prices. In the Nordics, January was cold and lead to higher spot prices especially in Finland and the Baltics, but February and March were somewhat milder than usual. Driven by decreased Continental European power futures and above normal precipitation levels, Nordic power futures declined during the quarter.

The lower Nordic spot power price is reflected in our first-quarter results. The achieved power price was at a good level but significantly lower than a year ago. The first-quarter achieved price was supported by a strong, double-digit, optimisation premium above the annual guidance of 6–8 EUR/MWh. The lower achieved price is reflected in the Generation segment's result which, however, was supported by higher hydro volumes and commissioning volumes from the Pjelax wind farm. After a difficult year in 2023, the Consumer Solutions segment had a strong first quarter with normalised results, mainly driven by higher electricity sales margins in more stable market conditions.

S&P Global Ratings (S&P) upgraded Fortum's current long-term credit rating to BBB+ with Stable Outlook, while Fitch Ratings affirmed our long-term rating of BBB with Stable Outlook. We are extremely satisfied with S&P's upgrade as it reflects our systematic efforts to strengthen our financial position and our strategic focus on clean energy. Our financial position is very strong, and this supports our objective to maintain a credit rating of at least BBB. At the end of March, our leverage was at a low level of 0.3 times, and we continue to have sufficient liquidity and credit lines. To finance potential future investments in clean energy, we launched our Green Finance Framework in January.

In February, we clarified our strategy by specifying our business portfolio and capital allocation priorities as well as setting new strategic targets with measurable key performance indicators. Our renewed strategy, launched in March 2023, remains unchanged, and we continue to implement it determinedly.

One of our strategic priorities is to deliver reliable and clean energy. Electrification of district heating not only provides clean heating but is also a source of flexibility for the whole energy system. Our Espoo Clean Heat programme is based on the same priorities, and we started to build more emission-free and flexible district heating in Espoo. In addition, we decided to close down our last coal-fired district heat unit in Espoo, Finland in late April. Hence, our heating and cooling business will phase out coal one year earlier than expected. Further, Finland's last coal-fired condensing plant, Meri-Pori, was transferred to the national production reserve aimed for emergency situations as of 1 April. Fortum's biggest and Finland's third largest wind farm, the 380-MW Pjelax in Ostrobothnia, has been gradually commissioned and will start commercial operations through the power purchase agreement (PPA) with the Finnish company Helen in July.

Our second strategic priority is to drive decarbonisation of industries for which we are building preparedness for an electrification and growth phase longer term. Our aim is to actively facilitate such industry projects and offer clean and stable power to enable industrial customers to meet their decarbonisation targets. As decarbonisation drives power demand, this provides us with growth opportunities longer term through investments in new clean energy production. As one example, in April we announced a new five-year, progressive-priced PPA contract with the Swedish ferroalloys producer Vargön Alloys.

Within the scope of our third strategic priority to transform and develop, we continued our efficiency improvement programme with the target to gradually lower annual fixed costs by EUR 100 million (excluding inflation) by the end of 2025 with a full run-rate from the beginning of 2026. The Consumer Solutions business and our IT unit concluded their change negotiations, resulting in redundancies of approximately 70 people. Fortum expects to reduce its recurring fixed cost base by more than EUR 50 million by the end of 2024.

Geopolitical tensions remained high during the beginning of the year. In February, Fortum initiated arbitration proceedings against the Russian Federation and will claim compensation for the unlawful expropriation of its Russian assets in order to protect its legal position and shareholder rights. The economic environment in Fortum's geographical areas is still soft with elevated inflation, but interest rate cuts are expected to start during the summer. The political strikes in Finland did not have any significant direct impacts on Fortum's financial result.

As one of the cleanest power generators in Europe and with a unique ability to deliver clean energy at a large scale, we want to drive the energy transition by setting ambitious climate targets in line with the Science Based Targets initiative (SBTi) Net-Zero Standard. As we announced in April, Fortum has gone through the SBTi due diligence process after having submitted its official commitment letter last year. We have already started to set near- and long-term company-wide emissions reduction targets in line with climate science to reduce greenhouse gas emissions both in our own operations and in the value chain, to enable the transition to a low-carbon economy."

Fortum's strategy

At the beginning of February, the Fortum Board of Directors resolved on clarifications to Fortum's strategy. As the operating environment shows increased uncertainty, reduced visibility and postponement of industrial investments, the company specified its business portfolio, clarified capital allocation and set new strategic targets with measurable key performance indicators (KPIs). Fortum's renewed strategy, launched in March 2023, with a focus on the Nordics remains unchanged, as well as its strategic priorities to 'deliver reliable clean energy', 'drive decarbonisation in industries', and 'transform and develop'. The company's financial and environmental targets are also unaltered.

The financial and environmental targets are as follows:

- To ensure a credit rating of at least BBB, Financial net debt-to-comparable EBITDA can be a maximum of 2.0–2.5 times. S&P Global Ratings currently rates Fortum as BBB+ with Stable Outlook and Fitch Ratings as BBB with Stable Outlook.
- For the 2024–2026 period, Fortum's capital expenditure is expected to be approximately EUR 1.7 billion (excluding acquisitions) of which growth capital expenditure is expected to be EUR 800 million and annual maintenance capital expenditure EUR 300 million.
- To ensure required returns for any potential new investments, Fortum continues to be selective and applies earlier set investment criteria: project based WACC + 150–400 investment hurdles depending on technology or investment project, as well as environmental targets.
- Fortum's dividend policy – a payout ratio of 60-90% of comparable EPS – remains unchanged. The payout ratio will be used so that the upper end of the range of the pay-out ratio is applied in situations with a strong balance sheet and low investments, while the lower end of the range would be applied with high leverage and/or significant investments and high capital expenditure.
- Tightened environmental and decarbonisation ambitions with updated targets to reach carbon neutrality already by 2030, exit coal by the end of 2027, target for specific emissions, and commitment to SBTi (1.5°C) and biodiversity targets.

New strategic targets with measurable KPIs:

- Strengthen Nordic leadership with KPI: Fleet availability: > 90% for nuclear, > 95% for hydro
- Ensure value creation from flexibility with KPI: Annual optimisation premium 6–8 EUR/MWh
- Stabilise income streams with KPI: Hedged share of rolling 10-year outright generation volume > 20% by end of 2026
- Demand-driven renewables with KPI: Ready-to-build pipeline for solar and onshore wind > 800 MW by end of 2026

Financial results

Sales by segment

EUR million	I/2024	I/2023 restated	2023	LTM
Generation	1,412	1,429	4,420	4,404
Consumer Solutions	1,154	1,384	3,766	3,536
Other Operations	144	136	548	556
Netting of Nord Pool transactions	-567	-448	-1,510	-1,629
Eliminations	-128	-236	-514	-406
Total continuing operations	**2,015**	**2,265**	**6,711**	**6,461**

Comparable EBITDA by segment

EUR million	I/2024	I/2023 restated	2023	LTM
Generation	564	767	1,874	1,671
Consumer Solutions	62	24	108	146
Other Operations	-3	-10	-80	-73
Total continuing operations	**622**	**781**	**1,903**	**1,744**

Comparable operating profit by segment

EUR million	I/2024	I/2023 restated	2023	LTM
Generation	513	723	1,679	1,469
Consumer Solutions	42	6	38	74
Other Operations	-25	-31	-173	-167
Total continuing operations	**530**	**698**	**1,544**	**1,376**

Operating profit by segment

EUR million	I/2024	I/2023 restated	2023	LTM
Generation	542	1,049	2,058	1,551
Consumer Solutions	52	-249	-215	86
Other Operations	-22	-31	-181	-172
Total continuing operations	**571**	**769**	**1,662**	**1,465**

January–March 2024

Sales decreased to EUR 2,015 (2,265) million, mainly due to lower electricity prices.

Comparable operating profit decreased to EUR 530 (698) million. The Generation segment results decreased to EUR 513 (723) million, mainly due to the clearly lower spot and hedge prices, part of which was offset by higher hydro volumes and higher optimisation premium. The result for the Consumer Solutions segment increased to EUR 42 (6) million, mainly due to higher electricity sales margins and higher sales margins for value added services, the effect of which was partly offset by lower gas sales margins.

Operating profit for the period was impacted by EUR 42 (71) million of items affecting comparability.

Comparable share of profits of associates and joint ventures was EUR 12 (10) million (Note 7).

Finance costs – net amounted to EUR -13 (-95) million. In the comparison period, the interest expenses on loans included EUR 41 million relating to the Finnish State bridge financing. Comparable finance costs – net amounted to EUR -12 (-85) million (Note 8).

Income tax expenses totalled EUR 106 (154) million. The comparable effective income tax rate was 19.0% (22.8%) (Note 9).

Net profit after non-controlling interests was EUR 471 (540) million and comparable net profit was EUR 430 (483) million. Comparable net profit is adjusted for items affecting comparability, adjustments to the share of profit of associates and joint ventures, finance costs – net, income tax expenses and non-controlling interests (Note 4.2).

Earnings per share were EUR 0.53 (0.60). Comparable earnings per share were EUR 0.48 (0.54) (Note 4).

Financial position and cash flow

Cash flow

Net cash from operating activities increased during the first quarter of 2024, totalling EUR 538 (474) million. The lower comparable EBITDA was offset by a positive change in working capital and lower paid income taxes.

Net cash from investing activities, EUR 117 (1,098) million, was positively impacted by the decrease in margin receivables of EUR 270 (1,293) million. Capital expenditure amounted to EUR 110 (113) million.

Net cash from financing activities was EUR 40 (-1,784) million. The net repayments of interest-bearing liabilities in the comparison period totalled EUR 1,651 million, including the EUR 1,000 million repayment of bonds, the EUR 600 million repayment of the Liquidity revolving credit facility and EUR 350 million repayment of the Finnish State bridge loan.

Liquid funds increased by EUR 695 (decrease 212) million. Liquid funds at 31 March 2024 amounted to EUR 4,875 million.

For further details, see the ‘Financing’ section below.

Assets

At the end of the first quarter of 2024, total assets amounted to EUR 18,956 (18,739 at the end of 2023) million and were at the same level as at the end of 2023.

Equity

Total equity amounted to EUR 8,390 (8,499 at the end of 2023) million. Equity attributable to owners of the parent company totalled EUR 8,305 (8,438 at the end of 2023) million. Equity was positively impacted by the net profit for the period of EUR 471 million and by the fair valuation of cash flow hedges of EUR 411 million, offset by the 2023 dividend of EUR 1,032 million. The dividend is recorded as a liability and included in ‘Trade and other payables’ on the balance sheet at 31 March 2024.

The dividend for 2023 of EUR 1.15 per share, amounting to a total of EUR 1,032 million, was approved by the Annual General Meeting on 25 March 2024. The first dividend instalment of EUR 0.58 per share, totalling EUR 520 million, was paid on 5 April 2024. The second dividend instalment of EUR 0.57, amounting to a total of EUR 511 million, will be paid on 9 October 2024.

Financing

In the first quarter of 2024, commodity prices trended down and market volatility decreased. Supported by the declining prices and consequent release of cash collaterals in combination with financing measures taken in 2023, the

Group's financial position continues to be very solid. At the end of March, the Group's ratio for financial net-debt-to comparable EBITDA was very low, at 0.3 times for the last twelve months.

At the end of the first quarter, financial net debt was EUR 528 (942 at the end of 2023) million. Fortum's total interest-bearing liabilities were EUR 5,853 (5,909 at the end of 2023) million and liquid funds amounted to EUR 4,875 (4,183 at the end of 2023) million. The 2023 dividend was EUR 1.15 per share and the first instalment of EUR 0.58, totalling EUR 520 million, was paid on 5 April 2024 (recorded as 'Trade and other payables' on the balance sheet at 31 March 2024).

The current portion of long-term loans, EUR 1,217 million, consists of maturing loans from financial institutions including a EUR 500 million bullet loan with a one-year borrower's extension option. Short-term loans, EUR 577 million, include EUR 339 million collateral arrangements and use of commercial paper programmes of EUR 235 million (Note 13).

At the end of the first quarter, Fortum had undrawn committed credit facilities of EUR 3,200 million. These include the Core revolving credit facility of EUR 2,400 million (maturity in June 2025 with a maximum two-year extension option by the lenders) and the bilateral EUR 800 million revolving credit facility (maturity in June 2025 with a one-year extension option by the lender). In addition, Fortum has EUR 100 million committed overdraft limits that are valid until further notice.

In January, Fortum established a Green Finance Framework to further integrate the company's sustainability ambitions into its financing. The Green Finance Framework allows Fortum to raise capital via green bonds and loans (Green Debt) to finance and refinance renewable energy and energy efficiency projects, and/or nuclear power projects. Projects financed by Green Debt may include fixed assets, capital expenditures and/or operational expenditures (including R&D expenditures).

On 25 March, S&P Global Ratings upgraded Fortum's long-term credit rating to BBB+ with Stable Outlook. The previous rating was BBB with Stable Outlook.

On 18 March, Fitch Ratings affirmed Fortum's long-term credit rating at BBB with Stable Outlook.

Segment reviews

Generation

Generation is responsible for power generation mainly in the Nordics. The segment comprises CO_2-free hydro, nuclear, wind and solar power generation, as well as district heating and cooling, and decarbonisation of heat production assets. The Generation segment is responsible for hedging and value creation both in physical and financial power markets and is a customer interface for industrial and municipal customers to drive decarbonisation of industries and provide clean energy at scale. Furthermore, the business develops capabilities and projects in renewables and nuclear, and explores clean hydrogen.

EUR million	I/2024	I/2023	2023	LTM
Reported				
Sales	1,412	1,429	4,420	4,404
- power sales	1,207	1,245	3,889	3,852
of which Nordic outright power sales*	770	944	2,799	2,625
- heat sales	191	172	481	500
- other sales	14	12	50	52
Operating profit	542	1,049	2,058	1,551
Share of profit/loss of associates and joint ventures**	20	23	59	57
Capital expenditure and gross investments in shares	61	90	454	425
Number of employees	1,806	1,676	1,758	

EUR million	I/2024	I/2023	2023	LTM
Comparable				
EBITDA	564	767	1,874	1,671
Operating profit	513	723	1,679	1,469
Share of profit/loss of associates and joint ventures**	11	10	7	8
Return on net assets, %			24.2	20.8
Net assets (at period-end)	7,268	7,042	7,263	

* Nordic outright power sales includes hydro, nuclear and wind generation. It does not include CHP and condensing power generation, minorities, customer business, or other purchases.
** Power plants are often built jointly with other power producers, and owners purchase power at cost. The share of profit/loss is mainly IFRS adjustments (e.g. accounting for nuclear-related assets and liabilities) and depreciations on fair value adjustments from historical acquisitions (Note 18 in the Consolidated Financial Statements 2023).

Power generation by source

TWh	I/2024	I/2023	2023	LTM
Hydropower, Nordic	5.5	5.0	20.9	21.5
Nuclear power, Nordic	6.7	6.5	24.8	25.1
Wind power, Nordic	0.2	-	0.1	0.3
CHP and condensing power*	0.3	0.4	1.0	0.9
Total	**12.8**	**11.9**	**46.8**	**47.8**

* CHP and condensing power generation in Finland and Poland.

Sales volumes

TWh	I/2024	I/2023	2023	LTM
Power sales volume, Nordic	16.7	14.0	62.6	65.3
of which Nordic outright power sales volume*	12.0	11.1	44.4	45.3
Power sales volume, Other	0.2	0.2	0.6	0.5
Heat sales volume, Nordic	0.9	0.8	2.1	2.2
Heat sales volume, Other	1.4	1.5	3.4	3.3

* The Nordic outright power sales volume includes hydro, nuclear and wind generation. It does not include CHP and condensing power generation, minorities, customer business, or other purchases.

Achieved power price

EUR/MWh	I/2024	I/2023	2023	LTM
Generation's Nordic achieved power price*	63.9	85.2	63.1	57.9

* Generation's Nordic achieved power price includes hydro, nuclear and wind generation. It does not include CHP and condensing power generation, minorities, customer business, or other purchases.

January–March 2024

The Generation segment's total power generation increased in the first quarter of 2024. Hydro generation volumes increased by 10% due to higher water inflow compared to the previous year. Nuclear volumes increased by 3% compared to the previous year due to volumes from Olkiluoto's third unit, partly offset by lower volumes due to unplanned outages in Forsmark. For the whole of March, Olkiluoto 3 conducted planned outages. CHP-based power and heat generation was at the same level as in the previous year. The weather in Finland was colder and in Poland it was warmer. Volumes from wind generation increased by 0.2 TWh following the gradual commissioning of the Pjelax wind farm.

The achieved power price decreased by 25% or EUR 21.3 per MWh and was EUR 63.9 per MWh. The decrease in the achieved power price was mainly attributable to the lower spot and hedge prices, the effects of which were partly offset by the strong double-digit optimisation premium, which was above the annual guidance of 6–8 EUR/MWh. The spot power price in Fortum's generation price areas declined to 62.6 EUR/MWh compared to 73.0 EUR/MWh in the first quarter of 2023.

Comparable operating profit decreased clearly, by 29%, impacted mainly by the clearly lower spot and hedge prices, partly offset by higher hydro volumes and higher optimisation premium. The result was negatively affected by a weaker energy mix resulting from higher-cost nuclear volumes from Olkiluoto 3. The result of the district heating business improved mainly due to lower fuel and CO_2 costs supported by more electricity-based heat production in Finland. The renewables business's result turned positive driven by test generation volumes from the Pjelax wind farm.

Operating profit was affected by EUR 29 (326) million of items affecting comparability, related to the fair value change of non-hedge-accounted derivatives (Note 3).

Comparable share of profits of associates and joint ventures totalled EUR 11 (10) million (Notes 3 and 7).

On 26 February, Fortum and Huoltovarmuuskeskus, the Finnish National Emergency Supply Agency (NESA), agreed to postpone the transition of Fortum's Meri-Pori power plant to be used to secure national supply by one month. The plant is to be used only in the event of severe disruptions or emergencies in the electricity system. According to the updated agreement, NESA reserves the production of the power plant for the period 1 April 2024–31 December 2026. The original agreement, announced on 30 October 2023, was intended to start from 1 March 2024.

On 4 March, Fortum announced that it had decided to close the last coal-fired unit used for district heat production in in Finland on 28 April 2024. The unit at the Suomenoja production plant in Espoo is approaching the end of its lifetime and further investments are no longer technically or economically viable. As a result of the decision, Fortum's Heating and Cooling business in Finland is phasing out coal one year earlier than expected.

On 21 March, Fortum announced that, as part of the Espoo Clean Heat programme, it will build new emissions-free, electricity-based district heat production in the Nuijala area of Espoo, Finland. The production plant will have a 50-megawatt electric boiler and an 800-megawatt-hour heat accumulator. The electric boiler/heat storage combination will increase the flexibility of heat production and level out electricity demand by utilising time-variable electricity pricing. The construction work will begin in spring 2024, and production is expected to start for the 2025-2026 heating season. For further details, see the 'Capital expenditures' section.

Consumer Solutions

Consumer Solutions is responsible for offering energy solutions to consumers, including small- and medium-sized enterprises, predominantly in the Nordics and Poland. Fortum is the largest energy solutions provider across different brands in the Nordics, with over two million customers. The business provides electricity, as well as related value-added and digital services, mainly to retail customers.

EUR million	I/2024	I/2023	2023	LTM
Reported				
Sales	1,154	1,384	3,766	3,536
- power sales	978	1,197	3,219	2,999
- gas sales	142	153	422	411
- other sales	34	34	125	125
Operating profit	52	-249	-215	86
Capital expenditure and gross investments in shares	17	20	103	99
Number of employees	1,223	1,196	1,281	

EUR million	I/2024	I/2023	2023	LTM
Comparable				
EBITDA	62	24	108	146
Operating profit	42	6	38	74
Return on net assets, %			4.5	10.3
Net assets (at period-end)	730	892	838	

Sales volumes

TWh	I/2024	I/2023	2023	LTM
Electricity	11.2	9.8	33.0	34.5
Gas	2.1	1.6	5.2	5.8

Number of customers

Thousands*	31 Mar 2024	31 Dec 2023
Electricity	2,270	2,290
E-mobility**	60	60
Gas	40	40
Total	**2,360**	**2,380**

* Rounded to the nearest 10,000.
** Measured as average monthly paying customers for the quarter.

January–March 2024

The electricity sales volume increased by 14%, while the gas sales volume increased by 31%. Higher volumes were driven by colder weather, a larger customer base in the gas enterprise business in Poland and the acquisition of Telge Energi AB. Total sales revenues decreased by 17% due to lower electricity and gas prices in the Nordics and in Poland.

Comparable operating profit increased by EUR 36 million to EUR 42 million, mainly due to higher electricity sales margins and higher sales margins for value-added services, the effect of which was partly offset by lower gas sales margins. The higher electricity sales margins were mainly due to higher returns from hedged products partly due to more stable market conditions, and discontinuation of the regulated electricity price cap for end users set by the Polish government and implemented during 2023.

In March, Consumer Solutions and the IT unit concluded the change negotiations as part of Fortum's ongoing efficiency improvement programme to reduce fixed costs by EUR 100 million. As a result of the negotiations, the total number of redundancies is approximately 70, part of which was related to Consumer Solutions.

In 2023, Fortum started to simplify its brand structure within Consumer Solutions. The first phase was completed in December 2023 by merging the Göta Energi brand to the Fortum brand. In the next phase in the second quarter this year, the Norwegian brand Norges Energi will be merged to the Fortum brand. The final phase is planned for the fourth quarter with the integration of the Swedish brand Telge Energi to the Fortum brand.

Other Operations

The Other Operations segment includes the Circular Solutions business, which is responsible for operating, maintaining and developing Fortum's recycling and waste assets, as well as turbine and generator services and biobased solutions. The Other Operations segment also comprises innovation and venturing activities, enabling functions and corporate management.

EUR million	I/2024	I/2023	2023	LTM
Reported				
Sales	144	136	548	556
- power sales	2	3	9	8
- heat sales	11	9	31	33
- waste treatment sales	54	53	226	227
- other sales	76	70	281	287
Operating profit	-22	-31	-181	-172
Share of profit/loss of associates and joint ventures	1	-1	0	2
Capital expenditure and gross investments in shares	15	23	107	99
Number of employees	2,222	2,193	2,186	

EUR million	I/2024	I/2023	2023	LTM
Comparable				
EBITDA	-3	-10	-80	-73
Operating profit	-25	-31	-173	-167
Share of profit/loss of associates and joint ventures	1	-1	0	2

January–March 2024

Comparable operating profit improved by EUR 6 million and amounted to EUR -25 million. As part of the ongoing organisational changes and efficiency improvement measures, internal charges for enabling functions' services and lower IT costs had a positive result effect, part of which was offset by lower earnings in the Circular Solutions business.

In March, the IT unit and the Consumer Solutions segment concluded the change negotiations as part of Fortum's ongoing efficiency improvement programme to reduce fixed costs by EUR 100 million. As a result of the negotiations, the total number of redundancies is approximately 70, part of which was related to the IT unit.

Capital expenditures, divestments and investments in shares

In the first quarter of 2024, capital expenditures and investments in shares totalled EUR 92 (133) million. Capital expenditures were EUR 88 (121) million (Notes 3 and 6).

Fortum expects to start, or has started, power and heat production capacity of new power plants and expects to upgrade its existing plants as follows:

	Type	Electricity capacity, MW	Heat capacity, MW	Supply starts/started	Latest announced
Generation					
Pjelax, Finland	Wind	380		II/2024	12 Oct 2023
Loviisa, Finland	Nuclear	Lifetime extension			16 Feb 2023
Espoo and Kirkkonummi, Finland	Waste heat utilisation		360	IV/2025	21 Mar 2024
Untra, Sweden	Hydro	6			29 Sep 2023

Generation

On 3 March 2021, Fortum announced a substantial investment in dam safety in Sweden for an extensive rebuild of the over 100-year-old Forshuvud hydropower plant. Fortum is investing approximately SEK 650 million (approximately EUR 59 million) during 2021–2025. This investment guarantees safe operation of the power plant as a supplier of renewable electricity and balancing power for more weather-dependent types of power.

On 22 December 2021, Fortum announced an investment decision to construct the 380-MW Pjelax wind farm in Närpes and Kristinestad in Finland in partnership with the Finnish energy company Helen Ltd. Construction of the wind farm started in January 2022 and testing of power generation in October 2023. The wind farm is expected to be fully operational in June 2024. It will produce around 1.1 TWh of renewable energy annually from 56 wind turbines. As earlier disclosed, Fortum and Helen have a 12-year “pay-as-produced” power purchase agreement (PPA) through which Helen will purchase 65% of the power generation starting from July 2024. Pjelax is fully consolidated on Fortum’s balance sheet, Helen having a 40% minority ownership in the company. The total capital expenditure of the project is approximately EUR 360 million, of which Fortum’s share is approximately EUR 216 million.

On 16 February 2023, the Finnish Government granted a new operating licence until the end of 2050 for both units at Fortum’s Loviisa nuclear power plant. Over the course of the new licence period, the plant is expected to generate up to 170 terawatt hours of CO2-free electricity. Investments related to the continuation of operations and lifetime extension will amount to an estimated EUR 1 billion during 2023-2050. Over the past five years, Fortum has already invested approximately EUR 200 million in refurbishing the Loviisa power plant. The Loviisa power plant is the first nuclear power plant in Finland and has two units: unit 1 started operating in February 1977, and unit 2 in November 1980.

On 21 June 2023, Fortum announced that it had decided to invest approximately EUR 225 million during 2023-2027 in projects within the Espoo Clean Heat programme to drive decarbonisation and build sustainable waste heat solutions in the Helsinki metropolitan area. The total capital expenditure of the Espoo Clean Heat programme amounts to approximately EUR 300 million. During the first quarter of 2024, EUR 15 million of these investments materialised. Fortum’s district heat in Finland will be coal-free already in 2024 and carbon-neutral before 2030. In March 2022, Fortum and Microsoft announced cooperation on waste heat. A significant part of the programme’s targets can be achieved by utilising waste heat from Microsoft’s planned large-scale data centres that will be built in Espoo and Kirkkonummi. The investment includes building heat pump plants at the Espoo and Kirkkonummi sites for waste heat recovery and approximately 15 km of new or upgraded district heating main pipeline. Construction of Fortum’s sustainable heat solutions at the Kirkkonummi site began in September 2023. In March 2024, Fortum announced that it has started construction work also at the Espoo site. Heat production with air-to-water heat pumps and electric boilers at the sites in Kirkkonummi and Espoo is expected to start in the heating season of 2025-2026. The district heat production capacity is expected to be approximately 180 MW per site, producing a total of approximately 1.4 TWh annually. In addition, on 21 March 2024, Fortum announced that as part of the Espoo Clean Heat programme, it will build new emissions-free, electricity-based district heat production in the Nuijala area of Espoo, Finland. The production plant will have a 50-megawatt electric boiler and an 800-megawatt-hour heat accumulator. The construction work will begin in spring 2024, and production is expected to start for the 2025-2026 heating season. The Nuijala production plant’s share of the Espoo Clean Heat capital expenditure is approximately EUR 26 million.

On 29 September 2023, Fortum announced that it will invest more than SEK 700 million (over EUR 60 million) during 2023-2030 to modernise Untra, one of Sweden's oldest hydropower plants. After the modernisation, the power plant will have an output of 48 MW. The renovation will involve the replacement of three turbine units and a significant restructuring of the power plant, all aimed to ensure Untra's ability to provide flexibility to the power system and to supply fossil-free electricity in Sweden. With the advanced turbine technology, the annual electricity production will increase from 270 GWh to approximately 300 GWh. Of the total investment, approximately half is classified as growth capital expenditure. Approximately EUR 15 million of the investment is already included in Fortum’s committed growth capital expenditure of EUR 800 million for the years 2024-2026.

Other Operations

In July 2022, Fortum and GIG (Green Investment Group, a specialist green investor within Macquarie Asset Management) agreed to invest in a new waste-to-energy plant in Glasgow, Scotland, through a 50/50 joint venture. When fully commissioned, the South Clyde Waste-to-Energy plant will have an annual processing capacity of 350,000 tonnes of waste. The plant will have a power generation gross capacity of 45 MWe, corresponding to the average annual electricity consumption of approximately 90,000 homes.

On 4 August 2023, Fortum announced that it will assess strategic options, including potential divestments, of its Circular Solutions businesses. The Circular Solutions businesses comprises the operating, maintaining and developing of Fortum’s recycling and waste assets, the turbine and generator services as well as biobased solutions. In 2023, these business operations employed approximately 1,200 people, mainly in the Nordics (Finland, Sweden and Denmark), and its comparable EBITDA was approximately EUR 40 million. At the end of 2023, the net assets of the Circular Solutions businesses were approximately EUR 750 million. Fortum expects the strategic assessment to take approximately one year.

Operating and regulatory environment

European power markets

The winter in Continental Europe was mild. This together with a healthy LNG supply and steadily increasing renewable power production provided for continuing downward development in the European gas and power markets. In the Nordics, January was cold, leading to high spot prices especially in Finland and the Baltics. After the cold start, however, February and March were somewhat milder than normal. Supported by development of Continental European power futures and the above-normal precipitation levels, the Nordic futures declined during the first quarter of 2024.

According to preliminary statistics, power consumption in the Nordic countries was 119 (109) TWh during the first quarter of 2024. Due to a continued recovery, Nordic power demand is now close to the level prior to the energy crisis.

In Central Western Europe (Germany, France, Austria, Switzerland, Belgium and the Netherlands), power consumption in the first quarter of 2024 was 350 (350) TWh, according to preliminary statistics. Power demand in Continental Europe continued to be clearly below the five-year average, affected by energy conservation measures and mild winter quarters.

At the beginning of the first quarter of 2024, the Nordic hydro reservoirs were at 77 TWh, which was 7 TWh below the long-term average and 2 TWh below the level of the previous year. Both Nordic inflow and hydro generation were relatively close to normal levels. At the end of the quarter, the reservoir levels were at 33 TWh, which is 8 TWh below the long-term average and 5 TWh lower than in the previous year.

During the first quarter of 2024, the average system spot price at Nord Pool was EUR 59 (85) per MWh. The average area price in Finland was EUR 73 (78) per MWh. In Sweden, the average area price in the SE3 area (Stockholm) was EUR 56 (76) per MWh, and the price in the SE2 area (Sundsvall) was EUR 48 (53) per MWh. In Germany, the average spot price in the first quarter was EUR 68 (116) per MWh.

In late April, the Nordic system electricity forward price on Nasdaq Commodities for the remainder of 2024 was around EUR 37 per MWh and for 2025 around EUR 44 per MWh. The Nordic water reservoirs were at 32 TWh, which is about

4 TWh below the long-term average and at the same level as one year earlier. The German electricity forward price for the remainder of 2024 was around EUR 90 per MWh and for 2025 around EUR 91 per MWh.

European commodity markets

Gas demand in Central Western Europe was 602 (621) TWh in the first quarter of 2024. The Central Western European gas storage levels decreased from 559 TWh at the beginning of the quarter to 363 TWh at the end of the quarter, which is 16 TWh higher than one year ago and 112 TWh higher than the five-year average (2019–2023).

The average gas front-month price (TTF) in the first quarter of 2024 was EUR 28 (53) per MWh. The 2025 forward price decreased from EUR 33 per MWh at the beginning of the first quarter to EUR 31 per MWh at the end of the quarter, which is EUR 17 per MWh lower than one year earlier.

The EUA (EU Allowance) price decreased from EUR 76 per tonne at the beginning of the first quarter of 2024 to EUR 62 per tonne at the end of the quarter, which is EUR 30 per MWh lower than one year earlier.

The forward quotation for coal (ICE Rotterdam) for 2025 increased from USD 94 per tonne at the beginning of the first quarter of 2024 to USD 118 per tonne at the end of the quarter, which is EUR 19 per MWh lower than one year earlier.

In late April, the TTF forward price for gas for the remainder of 2024 was EUR 32 per MWh. The forward quotation for EUAs for 2024 was at the level of EUR 68 per tonne. The forward price for coal (ICE Rotterdam) for the remainder of 2024 was USD 114 per tonne.

Regulatory environment

European industrial competitiveness becoming more important

Ahead of the approaching EU elections and the new legislative cycle of the EU institutions, industrial competitiveness and decarbonisation have risen high on the EU’s agenda. The request is to complement the EU Green Deal, the flagship project of the current EU Commission, with an ‘Industrial Deal’ or 'Competitiveness Deal' focusing on the double challenge of keeping the European industry competitive while addressing its decarbonisation needs.

Fortum together with Eurelectric have joined the Antwerp Declaration, which calls for a clear, predictable and sustainable industrial policy to complement the European Green Deal. The declaration, signed by over 1,000 industrial representatives, is now being developed into more concrete policy asks for the next EU legislative period. The Declaration is well aligned with Fortum’s own priorities for the next EU mandate.

The EU Commission has launched a new European Industrial Alliance on Small Modular Reactors (SMR), which aims to accelerate the development, demonstration and deployment of SMRs in Europe by the early 2030s. Fortum has applied to become a member of the SMR alliance. In addition, in the context of the Net Zero Industrial Act, nuclear has been recognised as a strategic net-zero technology contributing to the EU’s decarbonisation target in addition to renewable technologies.

EU 2040 Communication supporting high climate ambition

On 6 February, the Commission published a non-legislative ‘Communication’ on the EU 2040 climate target. The Commission recommends a 90% emission reduction by 2040 compared to 1990 levels and assumes almost full decarbonisation of electricity around 2040 and the share of electricity in final energy consumption to double to about 50%. Renewables and nuclear are expected to generate over 90% of total electricity by 2040. The Commission is proposing an Industrial Deal and assumes industrial emissions to be reduced by approximately 85%. The 2040 target and related legislation will be developed by the new Commission in 2025-26.

Fortum supports the EU’s early action and high ambition to 2040. We welcome that electrification of society through decarbonised electricity is considered a priority and that both nuclear energy and renewable and low-carbon electrolytic hydrogen are acknowledged as key in decarbonisation. The EU 2040 Communication is well aligned with Fortum’s strategy.

Corporate Sustainability Due Diligence directive almost finalised

The Corporate Sustainability Due Diligence Directive (CSDDD) requires companies to adhere to human rights and environmental due diligence obligations in the companies' own operations and chain of activities, as well as to adopt a climate transition plan. Based on the provisional political agreement in December 2023, member states approved the final text in March 2024 and the Parliament in April 2024. The scope has been reduced compared to the original proposal, resulting in fewer companies being subject to CSDDD. The directive will be applied to large companies (over 5,000 employees and EUR 1,500 million turnover) after three years, and to smaller companies 1–2 years later.

Fortum has supported EU-level CSDDD legislation, which aims to reduce harmful human rights and environmental impacts in global supply chains and create a level playing field for companies in different countries. While the proposal has improved in many aspects during the negotiations, Fortum would have preferred a higher number of companies in the value chain to be included in the scope.

New Swedish energy policy goals and ongoing investigations

On 19 March, the Swedish Government presented its proposal for new energy policy goals facilitating the green transition through fossil-free electrification. The target is to meet a demand of 300 TWh by 2045 in a way that contributes to Sweden's competitiveness. The Swedish TSO, Svenska Kraftnät, is proposed to have the overall responsibility for monitoring the development and taking direct necessary actions.

There are several ongoing government investigations relating to market design, risk sharing for new nuclear, the environmental permitting process and offshore wind. From Fortum's perspective the market design investigation, covering remuneration of ancillary services and capacity mechanisms, will be crucial in terms of enabling future investments in new power production. The results of the investigation will be presented in April 2025.

Key drivers and risks

Fortum's operations are exposed to a number of financial, operational, strategic and sustainability-related risks. Fortum is exposed to these risks both directly and indirectly through its subsidiaries, associated companies and joint ventures. The principal associated companies and joint ventures are Teollisuuden Voima Oyj, Forsmarks Kraftgrupp AB, OKG AB and Kemijoki Oy. For more information, see Fortum's Financials 2023.

Fortum's new strategy, launched in March 2023, has been developed partly in order to reduce the Group's business risks. With Fortum's core business consisting mainly of outright generation assets in the Nordics, the Nordic power price exposure remains the single largest key driver and financial risk for Fortum. It is a key priority for Fortum to successfully mitigate this market risk, including managing the related credit and liquidity risks from hedging this exposure.

The main strategic risks are that the business and/or regulatory environment develop in ways that have not been foreseen and prepared for. The current geopolitical uncertainty continues to pose material operational and business risks for Fortum as the owner and operator of power and heat generation in the Nordics and Poland. Future energy market, regulation and climate scenarios as well as scenarios for how the current geopolitical situation develops, including the impact of these to Fortum's existing and potential new businesses, are regularly updated and used in the development of the strategy.

Sustainability-related risks, including exposure to climate change, continue to be a focus area for Fortum and we are well-positioned with our existing portfolio of largely CO_2-free assets to take advantage of opportunities in the green transition.

Business operating environment

Fortum operates in a global business environment, with a main operational focus in the Nordics, and is therefore exposed to political and other risks that affect the macroeconomic development and consumer behaviour in Fortum's markets.

The global landscape has experienced a further escalation of conflict and increasing geopolitical uncertainty. Several regional and territorial disputes have worsened, increasing instability and insecurity in energy-producing regions, potentially disrupting energy supply chains and raising concerns about energy security. Russia's attack on Ukraine in February 2022 severely impacted Fortum's businesses. A number of geopolitical risks have realised, while other risks remain on an elevated level as a result of the ongoing Russian aggression. Following the unlawful seizure by the Russian authorities and loss of control of the Russian operations in spring 2023, the Russian assets were fully written down, deconsolidated and discontinued. Fortum sent notices of dispute to the Russian Federation in order to protect its legal position and shareholder interests. In February 2024, Fortum initiated legal proceedings against the Russian Federation due to the violations of international investment treaty protection. A further escalation of the war may increase the risk of hostile actions by the Russian Federation against foreign companies. This could have severe implications, such as an increased risk of sabotage, including direct physical or cyber-attacks on, for example, energy infrastructure in Fortum's operating countries.

The current geopolitical uncertainty has also intensified the trend of nationalistic policies and protectionism, which may lead to further trade restrictions or sanctions, which, in turn, could affect demand for Fortum's products and services, production capabilities, asset values and access to financing. The EU, US and UK have implemented a broad range of sanctions on Russia, the scope of which may be further increased. The unpredictable nature of sanctions remains a risk for Fortum, despite having lost control of the Russian business.

Regulatory environment

The energy sector is heavily influenced by national and EU-level energy and climate policies and regulations. The overall complexity and possible regulatory changes in Fortum's operating countries pose risks and create opportunities for the generation and consumer businesses. Fortum analyses and assesses a number of future market and regulation scenarios, including the impact of these on different generation forms and technologies, as part of its strategy. Fortum maintains an active dialogue with different policymakers and legislators involved in the development of laws, policies and regulations in order to manage these risks and to proactively contribute to the development of the energy and climate policy and regulatory framework in line with Fortum's strategic objectives.

Nordic power price exposure and related risks

The earnings capability and profitability of Fortum's outright power generation, such as hydro, nuclear and wind power generation, are primarily exposed to fluctuations in the Nordic power prices. In the Nordics, power prices exhibit significant short- and long-term variations on the back of several factors, including, but not limited to, weather conditions, outage patterns in production and transmission lines, CO_2 emission allowance prices, commodity prices, energy mix and the supply-demand balance. An economic downturn, lower commodity prices, warm weather or wet hydrology could lead to significantly lower Nordic power prices, which would negatively impact earnings from Fortum's outright power production. The increased geopolitical uncertainty and fears of escalation of other conflicts may impact power and other commodity prices and volatility, especially in case of disturbances to other sources of power or gas supply. In general, price volatility is expected to continue also with the increasing share of intermittent generation and the occasionally re-emerging concerns over security of energy supply. This also increases the risk of further political market interventions going forward. Fortum hedges its exposure to commodity market prices in order to improve predictability of future results by reducing volatility in earnings while ensuring that there is sufficient cash flow and liquidity to cover financial commitments.

Fortum's liquidity and refinancing risks are primarily related to the need to finance its business operations, including margining payments and collaterals issued to enable hedging of commodity market risk exposures. Higher and more volatile commodity prices increase the net margining payments toward clearing houses and clearing banks. Fortum mitigates this risk by entering into over-the-counter (OTC) derivatives contracts directly with bilateral counterparties without margining requirements. Consequently, credit exposure from hedges with OTC counterparties has increased. Due to Fortum's net short position in Nordic power hedges, the credit exposure would increase in line with the value of hedges if Nordic power prices decrease. Trading OTC also exposes the Group to liquidity risk in case of a counterparty default. A default could trigger a termination payment in cases where the net market value of the bilateral contracts is positive for the counterparty.

Fortum targets to maintain a solid investment-grade rating of at least BBB. A lowering of the credit ratings, in particular to below investment-grade level (BB+ or below), could trigger counterparties' rights to demand additional cash or non-cash collateral. In March 2024, S&P Global Ratings upgraded Fortum's long-term credit rating to BBB+ with Stable Outlook (previously BBB with Stable Outlook). Also in March 2024, Fitch Ratings affirmed Fortum's BBB rating with Stable Outlook. Fortum continues to constantly monitor all rating-related developments and to regularly exchange information with the rating agencies. In 2023, a new risk management framework was developed to manage credit, liquidity and market risks holistically and to support the maintaining of our rating under different market scenarios.

Operational Risks

Fortum's business activities include energy generation, storage and control of operations, as well as the construction, modernisation, maintenance and decommissioning of power plants or other energy-related industrial facilities. Any unwanted operational event (which could be caused by, e.g., technical failure, human or process error, natural disaster, sabotage, failure of key suppliers, or terrorist attack) can endanger personal safety or lead to environmental or physical damage, business interruptions, project delays and possible third-party liability. The associated costs can be high, especially in Fortum's largest units and projects.

Climate change

Fortum believes that the growing awareness and concern about climate change will increase the demand for low-carbon and resource- and energy-efficient energy products and services. The company is leveraging its know-how in CO_2-free hydro, nuclear, wind and solar power by offering its customers low-carbon energy solutions. The electrification of energy-intensive industry, services and transportation is likely to increase the consumption of low-carbon electricity in particular. The development of the hydrogen economy, and especially clean hydrogen produced with CO_2-free power, will offer business opportunities for Fortum.

Driving the transition to a lower-carbon economy is therefore an integral part of Fortum's strategy. Fortum's strategy includes ambitious sustainability and decarbonisation ambitions. However, the transition to a low-carbon economy poses a number of strategic and operative risks related to changes in energy and climate policy and regulation, technology development and the business environment in which Fortum operates.

Fortum's operations are exposed to the physical risks caused by climate change, including changes in weather patterns that could alter energy production volumes and energy demand. Fluctuating precipitation, flooding and extreme temperatures may affect, e.g., hydropower generation, dam safety, availability of cooling water, and the price and availability of biofuels. Hydrological conditions, precipitation, temperatures, and wind conditions also affect the short-term electricity price in the Nordic power market. In addition to climate change mitigation, we also aim to adapt our operations, and we take climate change into consideration in, among other things, the assessment of growth projects and investments as well as in operation and maintenance planning. Fortum identifies and assesses its assets' resilience towards different acute and chronic physical climate-related risks within different Intergovernmental Panel on Climate Change (IPCC) climate scenarios and creates adaptation plans for the most material risks.

For further information about Fortum's risks and risk management systems, see the -inancial Statements for 2023.

Outlook

In the near term, the ongoing disruption of the energy sector is impacted by geopolitical tensions, the general negative economic outlook with high inflation and interest rates, tightening regulations and volatile commodity markets. In addition, in the short-term, price elasticity to counter high electricity prices has an impact on power consumption.

In the long-term, electricity is expected to continue to gain a significantly higher share of total energy consumption. The electricity demand growth rate will largely be determined by classic drivers, such as macroeconomic and demographic development, but also increasingly by decarbonisation of energy-intensive industrial, transport and heating sectors through direct electrification and green hydrogen.

Hedging

At the end of the first quarter of 2024, approximately 70% of the Generation segment's estimated Nordic power sales volume was hedged at EUR 43 per MWh for the remainder of 2024 and approximately 50% at EUR 42 per MWh for 2025 (at the end of 2023: 40% at EUR 43 per MWh). Fortum's hedge ratios and prices comprise its outright nuclear, hydro and, as of the first quarter of 2024, also the Group's wind generation volumes. The current outright portfolio amounts to approximately 47 TWh.

In February 2024, Fortum set a strategic target to have a hedged share of rolling 10-year outright generation volume of more than 20% by end of 2026. The achievement of this target is updated once a year in connection with the Group's full-year results.

The reported hedge ratios are based on the hedges and power generation forecasts of the Generation segment.

The reported hedge ratios may vary significantly, depending on Fortum's actions on the electricity derivatives markets. Hedges are mainly financial contracts, most of which are electricity derivatives quoted on Nasdaq Commodities and traded either on Nasdaq Commodities or with bilateral counterparties. As an additional liquidity risk mitigation measure, Fortum has mainly been hedging with bilateral agreements, and the exposure on the Nasdaq Commodities exchange has been clearly lower during the past years.

Fortum continues to utilise dual channels for its hedging: trading on the Nasdaq Commodities exchange, depending on the market liquidity and financial optimisation, and also with bilateral arrangements.

Generation

The Generation segment's achieved Nordic power price typically depends on factors such as hedge ratios, hedge prices, spot prices, availability and utilisation of Fortum's flexible generation portfolio, as well as currency fluctuations. The annual outright portfolio in hydro, nuclear and wind generation amounts to approximately 47 TWh, an increase of approximately 2 TWh from the previously guided 45 TWh due to the new Olkiluoto nuclear power plant's third unit and the new Pjelax wind farm in Finland.

The split of Fortum's blended price based on its price area exposure of the normalised outright generation portfolio is approximately: Finland 46%, Sweden SE3 37% and Sweden SE2 17%. The volumes depend on various criteria such as outages, hydrology and other market dynamics.

Excluding the potential effects from changes in the power generation mix, a EUR 1 per MWh change in the Generation segment's achieved Nordic power price will result in an approximately EUR 47 million change in the segment's annual comparable operating profit.

Fortum's achieved power price includes operations in the physical and financial commodity markets as well as the optimisation premium of Fortum's outright generation portfolio. The annual optimisation premium included in the achieved power price is estimated to be in the range of EUR 6–8 per MWh, depending on the overall market conditions, level of volatility and market prices for electricity and environmental value products.

In Sweden, the regular update of the property tax values occurring every six years is ongoing; based on the preliminary estimates, this will likely result in an increase of the property taxes in Sweden for the years 2025-2030.

Efficiency Improvement Programme

Fortum targets to reduce its annual fixed costs by EUR 100 million (excluding inflation) gradually until the end of 2025 with a full run-rate from the beginning of 2026. The reduction of EUR 100 million corresponds to some 10% of the Group's fixed costs for the year 2022. The programme is progressing according to plan and schedule. Fortum expects to reduce its recurring fixed cost base by more than EUR 50 million by the end of 2024.

The efficiency programme includes strategic prioritisation, rescoping of the Group's focus areas and resources, turnaround actions for underperforming and loss-making businesses and personnel reductions.

During the first quarter, cost-saving initiatives were launched across all business units and enabling functions. Among the identified efficiency improvement measures are reduction in the use of external services, insourcing of certain activities, re-designing and optimising of IT services and improving internal processes to improve efficiency and streamline the organisation. Change negotiations initiated in January in the Consumer Solutions segment and the IT unit were concluded in March. These negotiations resulted in a total of 70 redundancies in these units.

Income taxation

The comparable effective income tax rate for Fortum is estimated to be in the range of 18–20% for 2024–2026. Fortum's comparable effective tax rate is impacted by the weight of the profit in different jurisdictions and differences in standard nominal tax rates in these jurisdictions. The tax rate guidance excludes items affecting comparability.

Capital expenditure

Fortum estimates its capital expenditure, including maintenance but excluding acquisitions, to be approximately EUR 550 million in 2024, of which the share of maintenance capital expenditure is estimated to be approximately EUR 300 million, below the level of depreciation. For 2024–2026, Fortum’s capital expenditure is expected to be approximately EUR 1.7 billion (excluding acquisitions), of which the growth capital expenditure is expected to be EUR 800 million and the annual maintenance capital expenditure EUR 300 million. Of the growth capital expenditure of EUR 800 million, EUR 300 million is uncommitted.

Sustainability

In this interim report, Fortum’s sustainability key performance indicators are presented for climate and resources as well as personnel and society. In addition to interim reporting, Fortum’s sustainability performance is monitored and disclosed in the annual report.

Fortum’s material sustainability topics include climate change, pollution, water, biodiversity and ecosystems, circular economy, own workforce, workers in the value chain, as well as how business is conducted.

Fortum highlights the importance of decarbonisation and climate change mitigation, while simultaneously the necessity to secure reliable and affordable energy for all. Fortum also pays close attention to its impacts on biodiversity, personnel and society.

Climate and resources

Fortum’s key performance indicators for climate and resources are related to CO_2-emissions, security of supply, and major environmental incidents. 100% of Fortum's power and heat production is certified according to the ISO 14001 environmental management system standard.

Fortum’s position as a leading Nordic clean energy company is complemented by ambitious environmental targets with the aim to be a leader in sustainability. Fortum has set the following climate targets:

- carbon neutrality (Scopes 1, 2, 3) by 2030,
- coal exit in the company’s own operations by the end of 2027,
- specific emissions at below 20 g CO_2/kWh for total energy production, and below 10 g CO_2/kWh for power generation by 2028.

Fortum is also committed to setting company-wide emission reduction targets in line with climate science with the Science Based Targets initiative (SBTi). Fortum has gone through the due diligence process after submitting the official commitment letter for the SBTi and will now continue the work by further developing its transition plan, defining near- and long-term company-wide emission reduction targets and submitting targets for SBTi validation. Fortum’s climate targets will be revisited and aligned to correspond to the SBTi Net-Zero Standard during the target-setting process. Fortum’s transition will include an exit from coal and emissions reduction in the company’s own operations as well as its electricity sales footprint.

Group sustainability performance, climate and resources

	I/2024	I/2023	2023	LTM
Emissions				
Direct CO_2 emissions, million tonnes (Mt)	0.5	0.6	1.6	1.5
Specific CO_2 emissions from total energy production, gCO_2/kWh	38	48	32	29
Specific CO_2 emissions from power generation, gCO_2/kWh	15	24	16	14
Free emission allowances*, Mt			0.2	
Emissions subject to ETS, Mt	0.4	0.5	1.1	1.0
Emissions not subject to ETS, Mt	0.1	0.1	0.5	0.5
Other				
Major environmental incidents**, no.	1	-	2	3
Power generation, TWh	12.9	11.9	47.0	47.9
Share of CO_2-free power generation, %	97	97	98	98
Coal-based capacity, GW	1.3	1.3	1.3	
Coal-based power generation capacity, GW	0.7	0.7	0.7	
Coal-based heat production capacity, GW	0.6	0.6	0.6	
Coal-based power and heat production, TWh	0.8	1.0	1.9	1.6
Coal-based power generation, TWh	0.2	0.3	0.6	0.6
Coal-based heat production, TWh	0.5	0.7	1.2	1.1
Share of coal of revenues, %	4	5	3	3
Share of fossil fuels of production-based revenues, %	7	6	5	5
Share of fossil fuels of revenues***, %	14	13	11	11

* The estimate for Fortum's free emission allowances in 2024 is approximately 0.2 Mt.
** Number of environmental incidents that resulted in significant harm to the environment (ground, water, air) or an environmental non-compliance with legal or regulatory requirements.
*** Including fossil-based production and gas trading.

Fortum has a long-standing focus on mitigating climate change and has adopted the reporting recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) starting from the financial year 2019. From 2024 onwards, Fortum will continue reporting climate-related disclosures similarly as in the requirements of the International Financial Reporting Standards (IFRS) sustainability disclosure standards S1 and S2.

Fortum has committed to the following biodiversity targets:

- no net loss of biodiversity (excluding any aquatic impacts) from existing and new operations (Scope 1, 2) from 2030 onwards,
- 50% reduction in dynamic terrestrial impacts in upstream Scope 3 by 2030 (base-year 2021), and
- commitment to continue local initiatives and participate in the development of a science-based methodology to assess the aquatic impacts of hydropower.

In 2024, Fortum continues to implement local initiatives, participate in developing the aquatic segment of the Global Biodiversity Score® (GBS)® tool, and assess other potential tools and approaches to measure hydropower's aquatic biodiversity impacts. In early 2024 Fortum has started building a process to qualitatively assess the aquatic impacts and mitigation possibilities of hydropower, following the steps of ecological mitigation hierarchy, at the river level. In addition, Fortum has started a case study in its wind power project in Borgvik, Sweden. The study aims at creating a process for biodiversity footprint analysis and assessing biodiversity impact mitigation possibilities (for adverse impacts) for wind power projects in order to reach the corporate-level No Net Loss target from 2030 onwards.

Fortum uses large volumes of water in its power plants, district heating networks and other production operations. The majority of the water withdrawn is seawater for cooling purposes and is discharged back to the same water system without consumption.

Major environmental incidents are monitored, reported and investigated, and corrective actions are implemented. Major environmental incidents are incidents that resulted in significant harm to the environment (ground, water, air) or environmental non-compliances with legal or regulatory requirements. In January−March 2024, there was 1 (0) major environmental incident: a transformer oil leakage in Bytom, Poland, which was classified as a potential non-compliance; the investigation is currently ongoing.

Personnel and society

Fortum's key performance indicators for personnel and society are related to occupational safety and to employee health and wellbeing.

Fortum strives to be a safe workplace for the employees, contractors and service providers who work for the company. A certified ISO 45001 safety management system covers 100% of Fortum's power and heat production. Fortum's safety targets for 2024 are:

- Total Recordable Injury Frequency (TRIF) for own personnel and contractors to be below 1.0 by the end of 2030,
- no severe or fatal injuries, and
- 60% execution rate for Safety improvement plans in 2024.

Group sustainability performance, personnel and society

	I/2024	I/2023	2023	LTM
Total Recordable Injury Frequency (TRIF), own personnel and contractors, injuries per million working hours	4.4	5.8	5.0	4.7
Lost Time Injury Frequency (LTIF), own personnel and contractors, injuries per million working hours	2.7	5.5	3.9	3.3
Severe or fatal injuries, no.	0	0	0	0

At the end of March 2024, 91% of safety improvement actions are proceeding according to plan.

Fortum's goal regarding workplace wellbeing activities is to promote its employees' health and occupational safety and the functionality of the work community. Fortum measures its employees' perceptions on health and wellbeing as well as Fortum's efforts to support them on mental, physical and social wellbeing through an employee survey carried out twice a year. Fortum's November 2023 health and wellbeing score was 7.7, which is in line with the relevant energy and utility benchmark score (7.7).

Fortum expects its business partners to act responsibly and to comply with the requirements set forth in the Code of Conduct and Supplier Code of Conduct. Fortum assesses the performance of its business partners with supplier qualification, with supplier audits and with a Know Your Counterparty (KYC) process. In January−March 2024, Fortum conducted three on-site supplier audits in China. Fortum is also a member of the Bettercoal initiative and uses the Bettercoal tools to improve sustainability in the coal supply chain.

Fortum collaborates with communities and organisations at global, national and local levels through the Corporate Social Responsibility (CSR) programme. The CSR programme priorities were revised during the first quarter of 2024 to align with Fortum's strategy. With the CSR programme, Fortum strives for impactful collaboration on environmental topics (focus on climate change, biodiversity and water) and social topics (focus on education, climate change adaptation and equality).

ESG ratings and recognitions

Fortum actively participates in the following ESG assessment schemes:

ESG Rating	Fortum score	Maximum score	Latest assessment
CDP Climate Change	A-	A	February 2024
CDP Supplier Engagement	A-	A	March 2024
MSCI ESG Ratings	A	AAA	December 2023
ISS ESG Corporate Rating	B- (Prime)	A+	September 2023
EcoVadis Rating	Gold	Platinum	September 2023
Moody's ESG Solutions	62	100	February 2022

In addition, Fortum is listed on the Nasdaq Helsinki exchange and is included in the OMX Sustainability Finland and ECPI® indices. Fortum has been certified as a Nasdaq ESG Transparency Partner.

Legal actions

On 27 February 2024, Fortum announced that it had initiated arbitration proceedings against the Russian Federation and will claim compensation for the unlawful expropriation of its assets in order to protect its legal position and shareholder rights. The commencement of arbitration proceedings follows the Russian Federation's violations of its investment treaty obligations under the Bilateral Investment Treaties that Russia has with the Netherlands and Sweden. In July 2023, Fortum sent notices of dispute to the Russian Federation, which were the first steps required for the arbitration proceedings. The Russian Federation, however, failed to engage in any settlement discussions with Fortum.

Fortum is seeking compensation for the value of its shares in PAO Fortum and its investments in Russia, amounting to several billions of euros. The dispute stems from the hostile actions taken by the Russian Federation, which culminated with the Presidential Decree No. 302 issued on 25 April 2023, whereby Fortum lost control of its Russian operations.

For further information on legal actions, see Note 16.

Shares and share capital

Fortum shares on Nasdaq Helsinki

January–March 2024	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR*	Last EUR
FORTUM	149,710,053	1 791 732 817	14.13	10.83	11.97	11.45

* Volume weighted average.

	31 March 2024	31 March 2023
Market capitalisation, EUR billion	10.3	12.7
Number of shareholders	232,317	202,002
Finnish State holding, %	51.3	51.3
Nominee registrations and direct foreign shareholders, %	20.2	25.2
Households, %	14.7	11.4
Financial and insurance corporations, %	2.5	2.1
Other Finnish investors, %	11.1	10.1

In addition to Nasdaq Helsinki, Fortum shares were traded on several alternative market places, for example Boat, Cboe and Turquoise, and on the OTC market. In the first quarter of 2024, approximately 72% of Fortum's shares were traded on markets other than Nasdaq Helsinki (source Bloomberg).

On 31 March 2024, Fortum Corporation's share capital was EUR 3,046,185,953 and the total number of registered shares was 897,264,465. Fortum Corporation does not hold any of the company's own shares.

Group personnel

Fortum's operations are mainly based in the Nordic countries. The total number of employees at the end of March 2024 was 5,251 (5,225 at the end of 2023).

At the end of March 2024, the Generation segment had 1,806 (1,758 at the end of 2023) employees, the Consumer Solutions segment 1,223 (1,281 at the end of 2023), and the Other Operations segment 2,222 (2,186 at the end of 2023).

Remuneration and share-based incentive plan 2024–2026

In December 2023, Fortum's Board of Directors decided to commence the 2024–2026 long-term incentive (LTI) plan as part of Fortum's ongoing long-term incentive programme; the maximum number of shares that may be delivered as reward amounts to approx. 1,100,000 shares.

The Board of Directors has resolved the maximum share allocations for the President and CEO, other FLT members and other key individuals. The maximum number of shares granted (gross) to the President and CEO is 125,000. Respectively, the maximum number of shares granted (gross) to the other FLT members totals 280,000 shares. The total number of shares granted to date in the 2024–2026 LTI plan is 1,017,500. The outcome of the 2024–2026 LTI plan shall be confirmed in spring 2027.

Annual General Meeting 2024

The Annual General Meeting of Fortum Corporation (AGM) 2024 was held at Messukeskus in Helsinki, Finland, on 25 March 2024.

The AGM adopted the Financial Statements and the Consolidated Financial Statements for the financial period 1 January–31 December 2023 and resolved to discharge from liability for the financial year 2023 all the persons who had served as members of the Board of Directors and as President and CEO during the year 2023.

The AGM resolved that a dividend of EUR 1.15 per share will be distributed for the financial year that ended on 31 December 2023 and that the dividend will be paid in two instalments. The first dividend instalment of EUR 0.58 per share was paid to shareholders who on the record date of the first dividend instalment, 27 March 2024, were recorded in the company's shareholders' register held by Euroclear Finland Oy. The first dividend instalment was paid to the shareholders on 5 April 2024. The second dividend instalment of EUR 0.57 per share will be paid to the shareholders who on the record date of the second dividend instalment, 2 October 2024, are recorded in the company's shareholders' register held by Euroclear Finland Oy. The second dividend instalment will be paid on 9 October 2024.

The AGM resolved to approve the Remuneration Report of the Company's Governing Bodies for 2023 and to support the Remuneration Policy of the Company's Governing Bodies. These resolutions made were advisory.

Board of Directors, remuneration, auditor and sustainability reporting assurer

The AGM resolved that the remuneration payable to the members of the Board of Directors will be changed in line with the earlier decision in principle to increase the remuneration, and remuneration to be paid for the next term will be as follows:

- Chair EUR 128,200 per year;
- Deputy Chair EUR 79,400 per year;
- Members EUR 56,800 per year.

In addition to the annual fee, fixed fees will be paid for the committee work as follows:

- Chair EUR 22,600 per year, in case that he/she does not simultaneously act as a Chair or Deputy Chair of the Board;
- Member EUR 5,400 per year. If the Chair of the Committee simultaneously acts as Chair or Deputy Chair of the Board of Directors, he/she will be paid the fixed fee of a Committee member. The Chair and the members of any additional Committee established by a Board decision will only be paid the meeting fees.

The meeting fee payable to a Board member, also for the Committee meetings, will be EUR 1,000 for each meeting, or EUR 2,000 in case the member travels to the meeting outside his/her country of residence. When a member participates in the meeting via remote connection, or for the decisions that are confirmed without convening a meeting, the meeting fee will be EUR 1,000. The travel expenses of Board members are compensated in accordance with the company’s travel policy. The annual fee for the Board work of the Board members will be paid in company shares and in cash in such a way that approximately 40% of the amount of the annual fee will be payable in shares acquired on behalf and in the name of the Board members, and the remainder in cash. The company will pay the costs and the transfer tax related to the purchase of the company shares. The shares will be acquired on behalf and in the name of the Board members within two weeks following the publication of the company’s first-quarter 2024 interim report. If share purchases cannot be carried out within the aforementioned schedule due to a reason related to the company or a Board member, the shares will be acquired later, or the annual fee will be paid fully in cash. The meeting fees and the fixed fees for the Committee work will be paid fully in cash.

The AGM resolved that the Board of Directors will consist of nine members, the Chair and the Deputy Chair included, and the following persons were elected to the Board of Directors for a term ending at the end of the Annual General Meeting 2025: Mikael Silvennoinen as Chair, Essimari Kairisto as Deputy Chair, and Ralf Christian, Luisa Delgado, Jonas Gustavsson, Marita Niemelä, Teppo Paavola, Johan Söderström and Vesa-Pekka Takala as Members.

In addition, Deloitte Oy was re-elected as the company’s auditor. The auditor’s fee is paid pursuant to an invoice approved by the company.

The AGM resolved to elect sustainability audit firm Deloitte Oy as the company’s sustainability reporting assurer. The sustainability reporting assurer’s fee is paid pursuant to an invoice approved by the company.

Amendment of the Articles of Association of the company

The AGM resolved to amend the second paragraph of Article 11 of the company’s Articles of Association. In accordance with the second paragraph of Article 11 of the Articles of Association, the term of office of the auditor shall be one financial year.

Repurchase and disposal of the company's own shares

The AGM resolved to authorise the Board of Directors to decide on the repurchase and disposal of the company's own shares up to 20,000,000 shares, which corresponds to approximately 2.23 per cent of all the shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorisation. These authorisations cancelled the authorisations resolved by the AGM 2023 and will be effective until the next AGM and in any event no longer than for a period of 18 months.

Charitable contributions

The AGM resolved to authorise the Board of Directors to decide on contributions in the total maximum amount of EUR 500,000 for charitable or similar purposes, and in addition, in the total maximum amount of EUR 1,000,000 for incidental emergency relief or similar purposes as needed, and to decide on the recipients, purposes and other terms of the contributions. The authorisations will be effective until the next AGM.

Amendment of the Charter of the Shareholders’ Nomination Board

The AGM resolved to amend the Charter of the Shareholders’ Nomination Board in a such way that the shareholders entitled to appoint a member are determined on the basis of the shareholders’ register of the company maintained by Euroclear Finland Oy on the first working day in June each year, and that the Chair of the company’s Board of

Directors will act as a non-voting expert of the Shareholders' Nomination Board. In addition, certain technical amendments were made to the Charter of the Shareholders' Nomination Board.

Board decisions

At its meeting held after the Annual General Meeting, Fortum's Board of Directors resolved to change the name of the Nomination and Remuneration Committee to the People and Remuneration Committee, and elected, from among its members, Mikael Silvennoinen as Chair, and Luisa Delgado and Teppo Paavola as members to the Committee. Furthermore, the Board elected Essimari Kairisto as Chair and Mikael Silvennoinen and Vesa-Pekka Takala as members to the Audit and Risk Committee. In addition, the Board elected Ralf Christian as Chair and Jonas Gustavsson, Marita Niemelä and Johan Söderström as members to the Technology and Investment Committee.

Events after the balance sheet date

On 4 April 2024, Fortum announced that it is moving forward with its commitment to set targets in line with the Science Based Targets Initiative (SBTi). The company has gone through the due diligence process after submitting the official commitment letter for the SBTi. Fortum will now continue the work by further developing its transition plan and defining near- and long-term company-wide emissions reduction paths and targets in line with and validated by the SBTi.

On 17 April 2024, Fortum announced that Fortum and Swedish ferroalloys producer Vargön Alloys AB have signed a five-year power purchase agreement (PPA) with progressive pricing for delivery of approximately 0.4 TWh of electricity and Guarantees of Origin for nuclear power per annum in Sweden. The contract term starts in December 2024 and runs until the end of 2029. The power is sourced from Fortum's nuclear portfolio in the SE3 (Stockholm) price area in central Sweden.

Dividend payment

The 2024 Annual General Meeting approved a dividend of EUR 1.15 per share for the financial year that ended 31 December 2023. The dividend is paid in two instalments.

The record date for the first dividend instalment of EUR 0.58 per share was on 27 March 2024 and the dividend was paid on 5 April 2024.

The record date for the second dividend instalment of EUR 0.57 per share is on 2 October 2024 and the dividend will be paid on 9 October 2024.

The 2024 Annual General Meeting authorised the Board of Directors to resolve, if necessary, on a new record date and date of payment for the second dividend instalment, should the rules of Euroclear Finland Oy or statutes applicable to the Finnish book-entry system be amended or should other rules binding upon the company so require.

Espoo, 29 April 2024

Fortum Corporation
Board of Directors

Further information:

Investor Relations and Financial Communications: Ingela Ulfves, tel. +358 40 515 1531, Rauno Tiihonen, tel. +358 10 453 6150, Siri Markula, tel. +358 40 743 2177, Pirjo Lifländer, tel. +358 40 643 3317, and investors@fortum.com

Media: Fortum News Desk, tel. +358 40 198 2843

The condensed Interim Report has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU. The interim financials have not been audited.

Financial calendar in 2024

Fortum's interim reports in 2024:

- January-June on 15 August 2024 at approx. 9.00 EEST
- January-September on 29 October 2024 at approx. 9.00 EET

Distribution:

Nasdaq Helsinki
Key media
www.fortum.com

More information, including detailed quarterly information, is available at www.fortum.com/investors

Interim Financial Statements are unaudited.

Condensed consolidated income statement

EUR million	Note	I/2024	I/2023 restated	2023	LTM
Sales	3	2,015	2,265	6,711	6,461
Other income		10	8	32	34
Materials and services		-1,167	-1,246	-3,808	-3,729
Employee benefits		-120	-109	-436	-447
Depreciation and amortisation	3	-92	-83	-359	-367
Other expenses		-115	-136	-595	-575
Comparable operating profit	3	**530**	**698**	**1,544**	**1,376**
Items affecting comparability	3, 4	42	71	118	89
Operating profit	3	**571**	**769**	**1,662**	**1,465**
Share of profit/loss of associates and joint ventures	3, 7	21	22	59	58
Interest expense		-63	-91	-269	-241
Interest income		53	26	165	192
Other financial items - net		-3	-30	-34	-8
Finance costs - net	8	-13	-95	-138	-56
Profit before income tax		**580**	**696**	**1,583**	**1,467**
Income tax expense	9	-106	-154	-69	-21
Net profit from continuing operations		**473**	**542**	**1,515**	**1,446**
Attributable to:					
Owners of the parent		471	540	1,514	1,445
Non-controlling interests		2	2	1	1
Net profit from discontinued operations	6.3	**-**	**26**	**-3,582**	**-3,608**
Attributable to:					
Owners of the parent		-	25	-3,583	-3,608
Non-controlling interests		-	1	1	0
Net profit, total Fortum		**473**	**568**	**-2,067**	**-2,162**
Attributable to:					
Owners of the parent		471	565	-2,069	-2,163
Non-controlling interests		2	3	2	1
Earnings per share for profit attributable to the equity owners of the company (EUR per share)					
Basic, continuing operations		0.53	0.60	1.68	1.61
Basic, discontinued operations		-	0.03	-3.99	-4.02
Basic, total Fortum		0.53	0.63	-2.31	-2.41

As Fortum currently has no dilutive instruments outstanding, diluted earnings per share is the same as basic earnings per share.

Fortum's condensed consolidated income statement and consolidated cash flow statement include the Russia segment as discontinued operations in 2023. For further information, see Note 1 Significant accounting policies and Note 6 Acquisitions, disposals and discontinued operations.

EUR million	Note	I/2024	I/2023 restated	2023	LTM
Comparable operating profit		**530**	**698**	**1,544**	**1,376**
Impairment charges and reversals		-2	-	-	-2
Capital gains and other related items		5	0	4	8
Changes in fair values of derivatives hedging future cash flow		39	62	111	88
Other		-	8	3	-5
Items affecting comparability	3, 4	42	71	118	89
Operating profit		**571**	**769**	**1,662**	**1,465**

See Note 19 Definitions and reconciliations of key figures.

Condensed consolidated statement of comprehensive income

EUR million	I/2024	I/2023 restated	2023	LTM
Net profit, total Fortum	**473**	**568**	**-2,067**	**-2,162**
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent periods:				
Cash flow hedges				
Fair value gains/losses [1]	508	1,965	2,185	729
Transfers to income statement	7	5	150	151
Transfers to inventory/property, plant and equipment	0	0	-3	-3
Deferred taxes	-104	-400	-473	-177
Net investment hedges				
Fair value gains/losses	4	17	-16	-29
Deferred taxes	-1	-3	3	6
Exchange differences on translating foreign operations [2]	13	-39	-43	9
Share of other comprehensive income of associates and joint ventures	-1	-3	-17	-15
	426	**1,542**	**1,788**	**671**
Items that will not be reclassified to profit or loss in subsequent periods:				
Remeasurement of investments	-	-	1	1
Actuarial gains/losses on defined benefit plans	-	0	-9	-9
Actuarial gains/losses on defined benefit plans in associates and joint ventures	-	-	-3	-3
	-	**0**	**-11**	**-11**
Other comprehensive income/expense from continuing operations, net of deferred taxes	**426**	**1,542**	**1,777**	**660**
Recycling of FX including net investment hedges related to Russia [3]	-	-	1,940	1,940
Other comprehensive income/expense from discontinued operations, net of deferred taxes	-	-56	-69	-13
Total comprehensive income/expense	**899**	**2,055**	**1,581**	**425**
Total comprehensive income/expense for total Fortum attributable to:				
Owners of the parent	897	2,053	1,580	425
Non-controlling interests	2	2	1	1
	899	**2,055**	**1,581**	**425**

1) Fair valuation of cash flow hedges mainly relates to fair valuation of derivatives, such as futures and forwards, hedging commodity price for future transactions, where hedge accounting is applied. When commodity price is higher (lower) than the hedging price, the impact on equity is negative (positive).
2) Translation differences from translation of foreign entities, mainly SEK, NOK and PLN.
3) The deconsolidation of Russian operations in II/2023 resulted in the recycling of EUR 1.9 billion negative cumulative translation differences from equity to the income statement. The recycling did not have any impact on total equity.

Condensed consolidated balance sheet

EUR million	Note	31 Mar 2024	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets		619	643
Property, plant and equipment and right-of-use assets		6,490	6,612
Participations in associates and joint ventures		1,231	1,059
Share in the State Nuclear Waste Management Fund	13	1,064	1,058
Other non-current assets		203	201
Deferred tax assets		951	958
Derivative financial instruments	5	313	216
Long-term interest-bearing receivables	11	483	644
Total non-current assets		**11,355**	**11,392**
Current assets			
Inventories		405	452
Derivative financial instruments	5	634	389
Short-term interest-bearing receivables	11	289	389
Income tax receivables		48	59
Margin receivables	12	320	590
Trade and other receivables		1,030	1,286
Liquid funds	12	4,875	4,183
Total current assets		**7,601**	**7,347**
Total assets		**18,956**	**18,739**
EQUITY			
Equity attributable to owners of the parent			
Share capital		3,046	3,046
Share premium		73	73
Retained earnings		5,047	5,592
Other equity components		139	-273
Total		**8,305**	**8,438**
Non-controlling interests		85	60
Total equity		**8,390**	**8,499**
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities	12	4,039	4,573
Derivative financial instruments	5	205	216
Deferred tax liabilities		522	428
Nuclear provisions	13	1,064	1,058
Other provisions		123	125
Pension obligations, net		10	10
Other non-current liabilities		120	122
Total non-current liabilities		**6,082**	**6,532**
Current liabilities			
Interest-bearing liabilities	12	1,815	1,337
Derivative financial instruments	5	580	1,057
Other provisions		3	2
Margin liabilities	12	98	131
Trade and other payables		1,989	1,181
Total current liabilities		**4,484**	**3,708**
Total liabilities		**10,566**	**10,240**
Total equity and liabilities		**18,956**	**18,739**

Condensed consolidated statement of changes in total equity

EUR million	Share capital	Share premium	Retained earnings	Translation of foreign operations	Cash flow hedges	Other OCI items	OCI items associates and joint ventures	Owners of the parent	Non-controlling interests	Total equity
			Retained earnings		Other equity components					
Total equity 1 January 2024	**3,046**	**73**	**6,618**	**-1,026**	**-337**	**-14**	**79**	**8,438**	**60**	**8,499**
IS Net profit, total Fortum			471					471	2	473
Translation differences				15	1	0	-2	13	0	13
Other comprehensive income					411	3	-1	413	-	413
Total comprehensive income for the period			471	15	411	3	-3	897	2	899
Cash dividend [1]			-1,032					-1,032	-	-1,032
Transactions with non-controlling interests								-	23	23
Other			1					1	0	1
BS Total equity 31 March 2024	**3,046**	**73**	**6,058**	**-1,011**	**74**	**-11**	**76**	**8,305**	**85**	**8,390**
Total equity 1 January 2023	**3,046**	**73**	**9,499**	**-3,031**	**-2,182**	**172**	**93**	**7,670**	**67**	**7,737**
IS Net profit, total Fortum			565					565	3	568
Translation differences				-47	10	0	-1	-38	0	-39
Other comprehensive income					1,570	14	-3	1,581	-	1,581
OCI related to discontinued operations				-68	13	0	0	-54	-2	-56
Total comprehensive income for the period			565	-115	1,593	14	-3	2,053	2	2,055
Other			1					1	0	1
BS Total equity 31 March 2023	**3,046**	**73**	**10,064**	**-3,146**	**-589**	**186**	**90**	**9,724**	**68**	**9,793**
Total equity 1 January 2023	**3,046**	**73**	**9,499**	**-3,031**	**-2,182**	**172**	**93**	**7,670**	**67**	**7,737**
IS Net profit, total Fortum [2]			-2,069					-2,069	2	-2,067
Translation differences				-36	-6	0	0	-43	0	-43
Translation differences, recycled to Income statement				2,106		-166		1,940	-	1,940
Other comprehensive income					1,860	-21	-19	1,820	0	1,820
OCI related to discontinued operations				-63	-9	0	5	-68	-2	-69
Total comprehensive income for the period			-2,069	2,006	1,844	-186	-14	1,580	1	1,581
Cash dividend			-817					-817	0	-817
Deconsolidation of subsidiary companies								-	-22	-22
Transactions with non-controlling interests								-	15	15
Other			5					5	0	5
BS Total equity 31 December 2023	**3,046**	**73**	**6,618**	**-1,026**	**-337**	**-14**	**79**	**8,438**	**60**	**8,499**

1) The dividend is recorded as a liability and included in ‘Trade and other payables’ on the balance sheet at 31 March 2024.
2) Of which EUR -1,940 million is related to the recycling of the negative cumulative translation differences and related net investment hedges from Russian operations, to the income statement.

Translation differences

Translation of financial information from subsidiaries in foreign currency is done using the average rate for the income statement and the end rate for the balance sheet. The exchange rate differences arising from translation to EUR are recognised in equity (mainly from SEK, NOK and PLN).

For information regarding exchange rates used, see Note 1.5 Key exchange rates used in consolidated financial statements.

Equity impact from recycling of cumulative translation difference and related hedges relating to Russia in 2023

The deconsolidation of Russian operations in II/2023 resulted in the recycling of EUR 1.9 billion negative cumulative translation differences from translation of foreign operations from equity to the income statement. The recycling did not have any impact on total equity. The cumulative translation differences were due to the significant weakening of the Russian rouble since the acquisition of the Russian operations in 2008.

EUR million	Retained earnings	Translation of foreign operations	Other OCI items	Owners of the parent
Impact included in Net profit for the year 2023	-1,940			-1,940
Impact to other equity items		2,106	-166	1,940
Total equity impact 2023	**-1,940**	**2,106**	**-166**	**-**

Cash flow hedges

The impact on equity attributable to owners of the parent from fair valuation of cash flow hedges mainly relates to fair valuation of commodity derivatives, such as futures and forwards, hedging commodity sales price of future transactions, where hedge accounting is applied. When commodity market price is higher (lower) than the hedging price, the impact on equity is negative (positive).

Cash dividends

A dividend for 2023 of EUR 1.15 per share, amounting to a total of EUR 1,032 million, was decided in the Annual General Meeting on 25 March 2024. The dividend is recorded as a liability and included in ‘Trade and other payables’ on the balance sheet at 31 March 2024. The dividend is paid in two instalments. The first dividend instalment of EUR 0.58 per share was paid on 5 April 2024, amounting to a total of EUR 520 million. The second dividend instalment of EUR 0.57, amounting to a total of EUR 511 million, will be paid on 9 October 2024.

A dividend for 2022 of EUR 0.91 per share, amounting to a total of EUR 817 million, was decided in the Annual General Meeting on 13 April 2023. The dividend was paid in two instalments. See also note 10 Dividend per share.

Condensed consolidated cash flow statement

EUR million	Note	I/2024	I/2023 restated	2023	LTM
Cash flow from operating activities					
IS **Net profit from continuing operations**		**473**	**542**	**1,515**	**1,446**
Adjustments:					
Income tax expense		106	154	69	21
Finance costs - net		13	95	138	56
Share of profit/loss of associates and joint ventures	7	-21	-22	-59	-58
Depreciation and amortisation	3	92	83	359	367
Operating profit before depreciations (EBITDA)		**664**	**852**	**2,021**	**1,833**
Items affecting comparability	3, 4	-42	-71	-118	-89
Comparable EBITDA		**622**	**781**	**1,903**	**1,744**
Non-cash and other items		-86	72	129	-30
Interest received		51	24	153	180
Interest paid		-78	-88	-228	-218
Dividends received		2	4	16	14
Income taxes paid		-86	-286	-454	-254
Funds from operations		**425**	**508**	**1,519**	**1,437**
Change in working capital		113	-33	191	337
Net cash from operating activities, continuing operations		**538**	**474**	**1,710**	**1,774**
Cash flow from investing activities, continuing operations					
Capital expenditures	3	-110	-113	-576	-573
Acquisitions of shares	6	-4	-12	-53	-45
Proceeds from sales of property, plant and equipment		0	0	12	12
Divestments of shares and capital returns	6	5	4	5	6
Shareholder loans to associated companies and joint ventures	11	-21	-7	-30	-45
Change in margin receivables		270	1,293	2,024	1,001
Change in other interest-bearing receivables	11	-22	-67	52	97
Net cash from/used in investing activities, continuing operations		**117**	**1,098**	**1,433**	**452**
Cash flow before financing activities, continuing operations		**655**	**1,572**	**3,143**	**2,226**
Cash flow from financing activities, continuing operations					
Proceeds from long-term liabilities	12	1	73	1,755	1,682
Payments of long-term liabilities	12	-5	-1,005	-1,620	-621
Change in short-term liabilities	12	78	-719	-1,757	-959
Dividends paid to the owners of the parent	10	0	0	-817	-817
Change in margin liabilities		-33	-133	-221	-120
Other financing items		0	0	19	20
Net cash from/used in financing activities, continuing operations		**40**	**-1,784**	**-2,640**	**-816**
Net increase(+)/decrease(-) in liquid funds, continuing operations		**695**	**-212**	**503**	**1,411**
Cash flow from discontinued operations					
Net cash from/used in operating activities, discontinued operations		-	109	109	-
Net cash from/used in investing activities, discontinued operations [1)]		-	-49	-333	-284
Net cash from/used in financing activities, discontinued operations		-	21	21	-
Net increase(+)/decrease(-) in liquid funds, discontinued operations	6.3	**-**	**81**	**-202**	**-284**
Cash flow, total Fortum					
Total net cash from/used in operating activities		538	583	1,819	1,774
Total net cash from/used in investing activities		117	1,049	1,095	163
Total net cash from/used in financing activities		40	-1,763	-2,614	-811
Net increase(+)/decrease(-) in liquid funds, total Fortum		**695**	**-131**	**301**	**1,127**
Liquid funds at the beginning of the period	12	**4,183**	**3,919**	**3,919**	**3,729**
Foreign exchange differences and expected credit loss allowance in liquid funds		-3	-59	-36	19
Liquid funds at the end of the period	12	**4,875**	**3,729**	**4,183**	**4,875**

1) Cash flow from investing activities for discontinued operations in 2023 includes Russia related cash flows from I/2023 netted with liquid funds of EUR 284 million lost through the seizure of the Russian assets.

Additional cash flow information

Non-cash and other items

Non-cash and other items EUR -86 million in I/2024 (I/2023: 72) mainly relate to realised foreign exchange gains and losses EUR -112 million (I/2023: 65) and change in liability to return emission rights EUR 27 million (I/2023: 35). In I/2023 non-cash and other items included also paid commitment fee for Solidium bridge loan facility EUR -39 million.

Change in working capital

EUR million	I/2024	I/2023 restated	2023	LTM
Change in interest-free receivables, decrease(+)/increase(-)	246	316	348	279
Change in inventories, decrease(+)/increase(-)	47	29	-14	3
Change in interest-free liabilities, decrease(-)/increase(+)	-180	-378	-143	55
CF Total	**113**	**-33**	**191**	**337**

Capital expenditure in cash flow

EUR million	I/2024	I/2023 restated	2023	LTM
Capital expenditure	88	121	611	578
Change in not yet paid investments, decrease(+)/increase(-)	25	-5	-16	14
Capitalised borrowing costs	-3	-4	-20	-19
CF Total	**110**	**113**	**576**	**573**

Acquisition of shares in cash flow

Acquisition of shares, net of cash acquired, amounted to EUR 4 million during I/2024 (I/2023: 12). In III/2023 Fortum acquired the Swedish electricity solutions provider Telge Energi AB. For further information, see Note 6.1 Acquisitions.

Divestment of shares in cash flow

EUR million	I/2024	I/2023 restated	2023	LTM
Proceeds from sales of subsidiaries, net of cash disposed	5	0	1	5
Proceeds from sales of other investments	0	3	3	0
CF Total	**5**	**4**	**5**	**6**

There were no material divestments during I/2024 or 2023.

Change in financial net debt

EUR million	Note	I/2024	2023
Financial net debt, beginning of the period		**942**	**1,084**
Russia impact on Financial net debt, beginning of the period		-	43
Financial net debt excl. Russia, beginning of the period		**942**	**1,127**
Net cash flow:			
Comparable EBITDA		622	1,903
Non-cash and other items		-86	129
Paid net financial costs and dividends received		-24	-59
Income taxes paid		-86	-454
Change in working capital		113	191
Capital expenditures		-110	-576
Acquisitions		-4	-53
Divestments and proceeds from sale of property, plant and equipment		5	17
Change in interest-bearing receivables		-44	22
Dividends to the owners of the parent		0	-817
Other financing activities		0	19
Net cash flow, continuing operations ('-' increase in financial net debt)		385	322
Foreign exchange rate differences and other changes		-30	137
Financial net debt, end of the period	12	**528**	**942**

Capital risk management

At the beginning of February 2024, the Fortum Board of Directors resolved on clarifications to Fortum's strategy.

Fortum's long-term financial targets are:

- To ensure a credit rating of at least BBB, Financial net debt-to-Comparable EBITDA can be a maximum of 2.0-2.5 times.
- For the period of 2024-2026, Fortum's capital expenditure is expected to be approximately EUR 1.7 billion (excluding acquisition) of which growth capital expenditure is expected to be EUR 800 million and annual maintenance capital expenditure EUR 300 million.
- To ensure required returns for any potential new investments, Fortum continues to be selective and applies earlier set investment criteria; project based WACC + 150-400 investment hurdles depending on technology or investment project, as well as environmental targets.
- Fortum's dividend policy - a payout ratio of 60-90% of comparable EPS - remains unchanged. The payout ratio will be used so that the upper end of the range of the pay-out ratio is applied in situations with a strong balance sheet and low investments, while the lower end of the range would be applied with high leverage and/or significant investments and high capital expenditure.

On 2 November 2023, Fortum initiated an efficiency programme targeting to reduce annual fixed costs by EUR 100 million gradually until the end of 2025.

Comparable EBITDA is defined as an alternative performance measure and used as a component in the capital structure target 'Financial net debt-to-Comparable EBITDA'.

On 25 March 2024, S&P Global Ratings (S&P) upgraded Fortum's current long-term credit rating to BBB+ with Stable Outlook. The previous rating was BBB with Stable Outlook.

On 18 March 2024, Fitch Ratings (Fitch) affirmed Fortum's current long-term credit rating at BBB with stable outlook.

Financial net debt/comparable EBITDA

EUR million	Note	LTM	2023
+ Interest-bearing liabilities		**5,853**	**5,909**
- BS Liquid funds		**4,875**	**4,183**
- Collateral arrangement		**228**	**325**
- **BS** Margin receivables		320	590
+ **BS** Margin liabilities		98	131
+/- Net margin liabilities/receivables		**-222**	**-459**
Financial net debt	12	**528**	**942**
IS Operating profit		1,465	1,662
+ **IS** Depreciation and amortisation		367	359
EBITDA		**1,833**	**2,021**
- **IS** Items affecting comparability		-89	-118
Comparable EBITDA from continuing operations		**1,744**	**1,903**
Financial net debt/comparable EBITDA		**0.3**	**0.5**

Key figures

Continuing operations

EUR million or as indicated	I/2024	I/2023 restated	2023	LTM
Reported				
IS Sales	2,015	2,265	6,711	6,461
IS Operating profit	571	769	1,662	1,465
IS Share of profit/loss of associates and joint ventures	21	22	59	58
IS Net profit	473	542	1,515	1,446
IS Net profit (after non-controlling interests)	471	540	1,514	1,445
Earnings per share (basic), EUR	0.53	0.60	1.68	1.61
CF Net cash from operating activities	538	474	1,710	1,774
Capital expenditure and gross investments in shares	93	133	664	623
Capital expenditure	88	121	611	578

EUR million or as indicated	I/2024	I/2023 restated	2023	LTM
Comparable				
EBITDA	622	781	1,903	1,744
IS Operating profit	530	698	1,544	1,376
Share of profit/loss of associates and joint ventures	12	10	7	9
Net profit (after non-controlling interests)	430	483	1,150	1,097
Earnings per share (basic), EUR	0.48	0.54	1.28	1.22

EUR million or as indicated	LTM	2023
Financial position		
Financial net debt, at period-end	528	942
Financial net debt/comparable EBITDA	0.3	0.5

EUR or as indicated	31 Mar 2024	31 Dec 2023
Equity per share, EUR	9.26	9.40
Average number of shares, 1,000 shares	897,264	897,264
Diluted adjusted average number of shares, 1,000 shares	897,264	897,264
Number of registered shares, 1,000 shares	897,264	897,264

Continuing and discontinued operations (total)

Fortum’s condensed consolidated income statement and consolidated cash flow statement include the Russia segment as discontinued operations in 2023. For further information, see Note 1 Significant accounting policies and Note 6 Acquisitions, disposals and discontinued operations.

EUR million or as indicated	I/2024	I/2023	2023	LTM
Reported				
Net profit (after non-controlling interests)	471	565	-2,069	-2,163
Earnings per share, EUR	0.53	0.63	-2.31	-2.41
Net cash from operating activities	538	583	1,819	1,774
Number of employees	5,251	7,784	5,225	
Comparable				
Net profit (after non-controlling interests)	430	517	1,184	1,097
Earnings per share, EUR	0.48	0.58	1.32	1.22

Notes to the condensed consolidated interim financial statements

1. Significant accounting policies

1.1 Basis of preparation

The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU. The condensed interim financial report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023.

The figures in the consolidated interim financial statements have been rounded and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures.

Part of Fortum's business operations are seasonal, with the comparable operating profit usually being higher for the first and fourth quarter of the year. Columns labelled as 'LTM' or 'last twelve months' present figures for twelve months preceding the reporting date.

The following symbols show which amounts in the notes reconcile to the items in the income statement, balance sheet and cash flow statement:

IS = Income statement
BS = Balance sheet
CF = Cash flow

1.2 Discontinued operations – Russian operations in 2023

Control over Fortum's Russian operations was lost on 25 April 2023 following the Russian Presidential decree No. 302, which enabled the authorities to introduce temporary asset management to assets owned by certain foreign entities in Russia, and the subsequent nomination of the new external CEO to PAO Fortum. Consequently, in II/2023 Fortum's Russia segment was deconsolidated, and classified as discontinued operations as required by IFRS 5 Non-current assets held for sale and discontinued operations. Fortum has not had access to financial or non-financial information from the Russia segment since the first quarter 2023 reporting, and therefore information for the deconsolidation was based on the 31 March 2023 balance sheet.

The deconsolidation in II/2023 resulted in EUR 3.6 billion one-time, non-cash negative effect. The amount consisted of the full write-down of the Russian assets of EUR 1.7 billion, and EUR 1.9 billion negative cumulative translation differences previously recognised in equity. These cumulative translation differences were recycled from equity to profit and loss on deconsolidation according to IFRS. The recycling did not have any impact on total equity.

1.3 Alternative performance measures

According to the ESMA Guidelines on Alternative Performance Measures, an Alternative Performance Measure (APM) is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Fortum uses APMs, such as Comparable operating profit and Comparable EBITDA, in the financial target setting and forecasting, management's follow-up of financial performance of segments and the Group, as well as for the allocation of resources in the Group's performance management process. Items affecting comparability are excluded from Comparable operating profit and Comparable EBITDA and disclosed separately in Fortum's consolidated income statement to support the transparency of underlying business performance when comparing results between periods.

Fortum’s long-term financial target for capital structure measure is Financial net debt to comparable EBITDA (see Capital risk management and Note 19 Definitions and reconciliations of key figures).

Following the deconsolidation of Russia in II/2023, additional APMs excluding Russia are no longer presented.

See also Note 4 Comparable operating profit and comparable net profit and Note 19 Definitions and reconciliations of key figures.

1.4 Accounting policies

The same accounting policies that were applied in the preparation of the consolidated financial statements for the year ended 31 December 2023, have been applied in these condensed interim financial statements.

New standards, amendments and interpretations effective from 1 January 2024 have not had a material impact on Fortum's consolidated financial statements.

Pillar Two legislation was enacted in Finland from 1 January 2024. Fortum is assessing its exposure to the global minimum tax under Pillar Two rules. This assessment indicates that most of the operations are under Safe Harbour rules except potentially one or two jurisdictions. Nevertheless, based on the current analysis for 2024, Fortum is not expected to be exposed to paying Pillar Two income taxes due to the application of the specific adjustments in the Pillar Two legislation.

1.5 Key exchange rates used in consolidated financial statements

The balance sheet date rate is based on the exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of daily closing rates from the European Central Bank.

Key exchange rates used in consolidated financial statements:

Average rate	Jan–Mar 2024	Jan–Dec 2023	Jan–Sep 2023	Jan–Jun 2023	Jan–Mar 2023
Norway (NOK)	11.4159	11.4248	11.3483	11.3195	10.9901
Poland (PLN)	4.3333	4.5420	4.5820	4.6244	4.7081
Sweden (SEK)	11.2792	11.4788	11.4789	11.3329	11.2030

Balance sheet date rate	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Norway (NOK)	11.6990	11.2405	11.2535	11.7040	11.3940
Poland (PLN)	4.3123	4.3395	4.6283	4.4388	4.6700
Sweden (SEK)	11.5250	11.0960	11.5325	11.8055	11.2805

2. Critical accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these interim financial statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

3. Segment information

Fortum's reportable segments under IFRS are:

- The Generation segment, which includes Hydro Generation, Nuclear Generation, Corporate Customers and Markets, and Renewables and Decarbonisation business units.
- The Consumer Solutions segment, which consists of the Consumer Solutions business unit.
- The Other Operations segment, which includes the Circular Solutions business unit, Innovation and Venturing activities, enabling functions and corporate management.

Quarter

		Generation [1]		Consumer Solutions		Other Operations		Total continuing operations	
EUR million	**Note**	**I/2024**	**I/2023**	**I/2024**	**I/2023**	**I/2024**	**I/2023**	**I/2024**	**I/2023 restated**
Income statement data by segment									
Power sales [1]		1,207	1,245	978	1,197	2	3	2,187	2,445
Heat sales		191	172	-	-	11	9	203	181
Gas sales		-	-	142	153	-	-	142	153
Waste treatment sales		3	2	-	-	54	53	57	55
Other sales		11	10	34	34	76	70	121	114
Sales		**1,412**	**1,429**	**1,154**	**1,384**	**144**	**136**	**2,710**	**2,949**
Internal eliminations		-108	-211	14	1	-34	-26	-128	-236
Netting of Nord Pool transactions [2]								-567	-448
IS External sales		1,304	1,218	1,168	1,385	109	109	2,015	2,265
Comparable EBITDA		**564**	**767**	**62**	**24**	**-3**	**-10**	**622**	**781**
IS Depreciation and amortisation		-51	-44	-19	-18	-22	-21	-92	-83
IS **Comparable operating profit**		**513**	**723**	**42**	**6**	**-25**	**-31**	**530**	**698**
Impairment charges and reversals		-	-	-	-	-2	-	-2	-
Capital gains and other related items		-	0	0	0	5	0	5	0
Changes in fair values of derivatives hedging future cash flow		29	318	10	-255	0	-	39	62
Other		-	8	-	-	-	-	-	8
IS Items affecting comparability	4	29	326	10	-255	3	0	42	71
IS **Operating profit**		**542**	**1,049**	**52**	**-249**	**-22**	**-31**	**571**	**769**
Comparable share of profit/loss of associates and joint ventures	4, 7	11	10	-	-	1	-1	12	10
IS Share of profit/loss of associates and joint ventures	7	20	23	-	-	1	-1	21	22
Gross investments / divestments by segment									
Gross investments in shares	6	0	4	0	-	4	8	4	12
Capital expenditure		61	86	17	20	10	15	88	121
Gross divestments of shares	6	-	0	0	0	5	3	5	4

1) Sales, both internal and external, include effects from realised hedging contracts. Effect on sales can be negative or positive depending on the difference between average contract price and realised spot price. Power sales contains realised result from commodity derivatives, which have not had hedge accounting status under IFRS 9, but have been considered operatively as hedges.
2) Sales and purchases with Nord Pool Spot are netted on Group level on an hourly basis and posted either as revenue or cost depending on if Fortum is a net seller or net buyer during any particular hour.

Last twelve months

		Generation[1]		Consumer Solutions		Other Operations		Total continuing operations	
EUR million	**Note**	**LTM**	**2023**	**LTM**	**2023**	**LTM**	**2023**	**LTM**	**2023**
Income statement data by segment									
Power sales [1]		3,852	3,889	2,999	3,219	8	9	6,859	7,117
Heat sales		500	481	-	-	33	31	533	512
Gas sales		-	-	411	422	-	-	411	422
Waste treatment sales		8	7	-	-	227	226	235	234
Other sales		44	43	125	125	287	281	456	450
Sales		**4,404**	**4,420**	**3,536**	**3,766**	**556**	**548**	**8,496**	**8,734**
Internal eliminations		-291	-394	-8	-20	-107	-99	-406	-514
Netting of Nord Pool transactions [2]								-1,629	-1,510
IS External sales		4,113	4,026	3,528	3,745	449	449	6,461	6,711
Comparable EBITDA		**1,671**	**1,874**	**146**	**108**	**-73**	**-80**	**1,744**	**1,903**
IS Depreciation and amortisation		-202	-195	-72	-70	-93	-93	-367	-359
IS **Comparable operating profit**		**1,469**	**1,679**	**74**	**38**	**-167**	**-173**	**1,376**	**1,544**
Impairment charges and reversals		-	-	-	-	-2	-	-2	-
Capital gains and other related items		2	2	1	1	6	1	8	4
Changes in fair values of derivatives hedging future cash flow		77	366	11	-254	0	-	88	111
Other		4	12	-	-	-9	-9	-5	3
IS Items affecting comparability	4	82	380	12	-253	-5	-8	89	118
IS **Operating profit**		**1,551**	**2,058**	**86**	**-215**	**-172**	**-181**	**1,465**	**1,662**
Comparable share of profit/loss of associates and joint ventures	4, 7	8	7	-	-	2	0	9	7
IS Share of profit/loss of associates and joint ventures	7	57	59	-	-	2	0	58	59
Gross investments / divestments by segment									
Gross investments in shares	6	1	5	22	22	22	26	45	53
Capital expenditure		424	450	77	81	76	81	578	611
Gross divestments of shares	6	0	0	0	0	5	4	5	4

1) Sales, both internal and external, include effects from realised hedging contracts. Effect on sales can be negative or positive depending on the difference between average contract price and realised spot price. Power sales contains realised result from commodity derivatives, which have not had hedge accounting status under IFRS 9, but have been considered operatively as hedges.

2) Sales and purchases with Nord Pool Spot are netted on Group level on an hourly basis and posted either as revenue or cost depending on if Fortum is a net seller or net buyer during any particular hour.

Segment assets and liabilities

EUR million	Note	Generation 31 Mar 2024	Generation 31 Dec 2023	Consumer Solutions 31 Mar 2024	Consumer Solutions 31 Dec 2023	Other Operations 31 Mar 2024	Other Operations 31 Dec 2023	Total continuing operations 31 Mar 2024	Total continuing operations 31 Dec 2023
Non-interest-bearing assets		6,598	6,864	1,129	1,311	1,108	1,094	8,835	9,269
BS Participations in associates and joint ventures	7	1,169	1,000	-	-	62	59	1,231	1,059
Eliminations								-121	-105
Total segment assets		**7,767**	**7,864**	**1,129**	**1,311**	**1,170**	**1,153**	**9,945**	**10,223**
Interest-bearing receivables	11							772	1,033
BS Deferred tax assets								951	958
Other assets								2,412	2,342
BS Liquid funds								4,875	4,183
BS Total assets								**18,956**	**18,739**
Segment liabilities		**500**	**601**	**399**	**472**	**297**	**313**	**1,196**	**1,387**
Eliminations								-121	-105
Total segment liabilities								**1,074**	**1,282**
BS Deferred tax liabilities								522	428
Other liabilities								3,117	2,621
Total liabilities included in capital employed								**4,713**	**4,331**
Interest-bearing liabilities	12							5,853	5,909
BS Total equity								8,390	8,499
BS Total equity and liabilities								**18,956**	**18,739**
Number of employees		1,806	1,758	1,223	1,281	2,222	2,186	5,251	5,225

Comparable operating profit including comparable share of profits of associates and joint ventures and Comparable return on net assets

EUR million	Note	Generation LTM	Generation 31 Dec 2023	Consumer Solutions LTM	Consumer Solutions 31 Dec 2023
Comparable operating profit		**1,469**	**1,679**	**74**	**38**
Comparable share of profit/loss of associates and joint ventures	4, 7	8	7	-	-
Comparable operating profit including comparable share of profit/loss of associates and joint ventures		**1,476**	**1,686**	**74**	**38**
Segment assets at the end of the period		7,767	7,864	1,129	1,311
Segment liabilities at the end of the period		500	601	399	472
Comparable net assets		**7,268**	**7,263**	**730**	**838**
Comparable net assets average [1)]		**7,093**	**6,959**	**720**	**847**
Comparable return on net assets, %		**20.8**	**24.2**	**10.3**	**4.5**

1) Average net assets are calculated using the opening balance of the financial year and each quarter's closing value.

4. Comparable operating profit and comparable net profit

4.1 Reconciliation of operating profit to comparable operating profit

Quarter

	Unadjusted		Impairment charges and reversals		Capital gains and other related items		Changes in fair values of derivatives hedging future cash flow		Other		Reported	
EUR million	I/2024	I/2023 restated	I/2024	I/2023 restated	I/2024	I/2023 restated	I/2024	I/2023 restated	I/2024	I/2023 restated	I/2024	I/2023 restated
Sales	2,018	2,263	-	-	-	-	-3	2	-	-	2,015	2,265
Other income	41	328	-	-	-5	0	-26	-320	-	-	10	8
Materials and services	-1,162	-1,190	-	-	-	-	-5	-48	-	-8	-1,167	-1,246
Employee benefits	-120	-109	-	-	-	-	-	-	-	-	-120	-109
Depreciation and amortisation	-94	-83	2	-	-	-	-	-	-	-	-92	-83
Other expenses	-111	-439	-	-	-	-	-4	303	-	-	-115	-136
IS **Comparable operating profit**			**2**	**-**	**-5**	**0**	**-39**	**-62**	**-**	**-8**	**530**	**698**
IS Items affecting comparability			-2	-	5	0	39	62	-	8	42	71
IS **Operating profit**	**571**	**769**									**571**	**769**

Last twelve months

	Unadjusted		Impairment charges and reversals		Capital gains and other related items		Changes in fair values of derivatives hedging future cash flow		Other		Reported	
EUR million	LTM	2023	LTM	2023	LTM	2023	LTM	2023	LTM	2023	LTM	2023
Sales	6,471	6,716	-	-	-	-	-10	-5	-	-	6,461	6,711
Other income	109	397	-	-	-8	-4	-67	-361	0	0	34	32
Materials and services	-3,578	-3,606	-	-	-	-	-147	-190	-4	-12	-3,729	-3,808
Employee benefits	-447	-436	-	-	-	-	-	-	-	-	-447	-436
Depreciation and amortisation	-369	-359	2	-	-	-	-	-	-	-	-367	-359
Other expenses	-721	-1,049	-	-	0	0	137	444	9	9	-575	-595
IS **Comparable operating profit**			**2**	**-**	**-8**	**-4**	**-88**	**-111**	**5**	**-3**	**1,376**	**1,544**
IS Items affecting comparability			-2	-	8	4	88	111	-5	3	89	118
IS **Operating profit**	**1,465**	**1,662**									**1,465**	**1,662**

Impairment charges and reversals

Impairment charges are adjusted from depreciation and amortisation and presented in items affecting comparability.

Capital gains and other related items

Capital gains and transaction costs from acquisitions are adjusted from other income and other expenses and presented in items affecting comparability.

Changes in fair values of derivatives hedging future cash flow

Fair value changes of derivatives to which hedge accounting is not applied and which hedge future cash flows are adjusted from other income and other expenses and presented in items affecting comparability. Impacts from settlement of physical contracts that have been treated as derivatives are adjusted to sales and materials and services to reflect the contract pricing as opposed to market pricing.

4.2 Reconciliation from operating profit to comparable net profit

EUR million	Note	I/2024	I/2023 restated	2023	LTM
IS Operating profit		**571**	**769**	**1,662**	**1,465**
IS Items affecting comparability	4.1	-42	-71	-118	-89
IS Comparable operating profit		**530**	**698**	**1,544**	**1,376**
IS Share of profit/loss of associates and joint ventures		21	22	59	58
Adjustments to share of profit/loss of associates and joint ventures	7	-9	-12	-52	-49
Comparable share of profit/loss of associates and joint ventures		12	10	7	9
IS Finance costs - net		-13	-95	-138	-56
Adjustments to finance costs - net	8	0	10	2	-8
Comparable finance costs - net		-12	-85	-137	-64
Comparable profit before income tax		**529**	**623**	**1,415**	**1,321**
IS Income tax expense		-106	-154	-69	-21
Adjustments to income tax expense		8	14	-201	-207
Comparable income tax expense		-98	-140	-269	-228
IS Non-controlling interests		-2	-2	-1	-1
Adjustments to non-controlling interests		1	2	5	5
Comparable non-controlling interests		-1	0	4	3
Comparable net profit from continuing operations		**430**	**483**	**1,150**	**1,097**
Comparable net profit from discontinued operations	6.3	-	34	34	-
Comparable net profit, total Fortum		**430**	**517**	**1,184**	**1,097**
Comparable earnings per share, continuing operations EUR	19	**0.48**	**0.54**	**1.28**	**1.22**
Comparable earnings per share, discontinued operations EUR	19	**-**	**0.04**	**0.04**	**-**
Comparable earnings per share, total Fortum, EUR	19	**0.48**	**0.58**	**1.32**	**1.22**

Comparable share of profit/loss of associates and joint ventures

Share of profit/loss of associates and joint ventures is adjusted for significant items, similar to adjustments made to arriving at comparable net profit.

Comparable finance costs - net

Finance costs – net are adjusted for e.g. nuclear-related items recognised in other financial items - net, fair value changes on financial items, as well as impairment charges and reversals of previously recorded impairment charges on financial items.

Comparable income tax expense

Income tax expense is adjusted for tax impacts on items affecting comparability, adjustments to finance costs – net, tax rate changes and other onetime adjustments. In 2023, adjustments to income tax expense included EUR 225 million relating to one-time tax impacts mainly recognised in Ireland and in the Netherlands, due to the impairment of the Russian assets.

See also Note 19 Definitions and reconciliations of key figures.

5. Financial risk management

See Fortum Group's consolidated financial statements for the year ended 31 December 2023 for current financial risk management objectives and policies, as well as accounting policies in Note 15 Financial assets and liabilities by fair value hierarchy.

Fair value hierarchy information

Financial instruments that are measured in the balance sheet at fair value are presented according to following fair value measurement hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Financial assets

	Level 1		Level 2		Level 3		Netting [1]		Total	
EUR million	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
In non-current assets										
Other investments [2]					127	123			127	123
Derivative financial instruments										
Commodity derivatives										
Hedge accounting			137	59					137	59
Non-hedge accounting	15	10	32	14	16	20	-3	-1	60	42
Interest rate and currency derivatives										
Hedge accounting			109	113					109	113
Non-hedge accounting			8	2					8	2
Total in non-current assets	**15**	**10**	**286**	**188**	**143**	**143**	**-3**	**-1**	**440**	**339**
In current assets										
Derivative financial instruments										
Commodity derivatives										
Hedge accounting	175	200	316	160			-105	-110	385	251
Non-hedge accounting	388	408	80	33	3	4	-318	-320	154	124
Interest rate and currency derivatives										
Hedge accounting			8	7					8	7
Non-hedge accounting			87	7					87	7
Interest-bearing receivables [3]	228	325							228	325
Total in current assets	**791**	**933**	**491**	**206**	**3**	**4**	**-423**	**-430**	**862**	**714**
Total in assets	**806**	**943**	**776**	**394**	**146**	**147**	**-427**	**-431**	**1,302**	**1,053**

1) Receivables and liabilities from electricity and other commodity standard derivative contracts against exchanges with same delivery period are netted.
2) Other investments includes shares in unlisted companies.
3) Interest-bearing receivables, Level 1, include collateral arrangement covering margin requirement. See also Note 11 Interest-bearing receivables and Note 12 Interest-bearing net debt.

Financial liabilities

	Level 1		Level 2		Level 3		Netting [1]		Total	
EUR million	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
In non-current liabilities										
Interest-bearing liabilities [2]			964	973					964	973
Derivative financial instruments										
Commodity derivatives										
Hedge accounting	15	14	43	58					58	73
Non-hedge accounting	33	11	17	30	13	9	-3	-1	58	49
Interest rate and currency derivatives										
Hedge accounting			88	93					88	93
Non-hedge accounting			0	2					0	2
Total in non-current liabilities	**48**	**26**	**1,112**	**1,156**	**13**	**9**	**-3**	**-1**	**1,169**	**1,189**
In current liabilities										
Interest-bearing liabilities			279	376					279	376
Derivative financial instruments										
Commodity derivatives										
Hedge accounting	444	606	120	264			-105	-110	458	761
Non-hedge accounting	329	238	77	138	2	2	-318	-320	90	58
Interest rate and currency derivatives										
Hedge accounting			9	6					9	6
Non-hedge accounting			23	232					23	232
Total in current liabilities	**773**	**844**	**507**	**1,016**	**2**	**2**	**-423**	**-430**	**859**	**1,432**
Total in liabilities	**820**	**870**	**1,619**	**2,172**	**15**	**11**	**-427**	**-431**	**2,027**	**2,621**

1) Receivables and liabilities from standard electricity and other commodity derivative contracts against exchanges with same delivery period are netted.
2) Fair valued part of bonds when hedge accounting is applied (fair value hedge).

At the end of March 2024, the net fair value of commodity derivatives was EUR 71 million, including assets of EUR 736 million and liabilities of EUR 665 million (EUR -464 million in December 2023, including assets of EUR 476 million and liabilities of EUR 940 million). The change from December 2023 mainly relates to impacts from decreased commodity market prices and maturity of contracts.

Net fair value amount of interest rate and currency derivatives was EUR 92 million, including assets of EUR 211 million and liabilities of EUR 120 million. Fortum has cash collaterals based on collateral agreements with some counterparties. At the end of March 2024, Fortum had received EUR 60 million and paid EUR 39 million from foreign exchange and interest rate derivatives under Credit Support Annex agreements.

Regarding derivative financial instruments, see Note 4 Comparable operating profit and comparable net profit. Regarding interest-bearing receivables and liabilities, see Note 11 Interest-bearing receivables, Note 12 Interest-bearing net debt and Note 15 Pledged assets and contingent liabilities.

There were no transfers in or out of level 3. Gains and losses of level 3 items in consolidated income statement are presented mainly in items affecting comparability. See note 4 Comparable operating profit and comparable net profit.

6. Acquisitions, disposals and discontinued operations

6.1 Acquisitions

EUR million	I/2024	I/2023 restated	2023	LTM
Gross investments in shares in subsidiary companies	0	0	22	22
Gross investments in shares in associated companies and joint ventures	2	5	12	9
Gross investments in other shares	3	8	19	14
Total	**4**	**12**	**53**	**45**

There were no material acquisitions in I/2024.

On 31 August 2023, Fortum acquired the Swedish electricity solutions provider Telge Energi AB from Telge AB. The total consideration for the entire shareholding in Telge Energi on a cash and debt-free basis was approximately SEK 450 million (EUR 39 million). The purchase price, net of cash acquired and other adjustments, was EUR 22 million. Telge Energi AB is included in the Consumer Solutions segment.

6.2 Disposals

EUR million	I/2024	I/2023 restated	2023	LTM
Gross divestments of shares in subsidiary companies	5	0	1	5
Gross divestments of other investments	0	3	3	0
Total	**5**	**4**	**4**	**5**

There were no material disposals in I/2024 or 2023.

6.3 Discontinued operations

The Russia segment was classified as discontinued operations in II/2023. See also Note 1 Significant accounting policies. Financial performance and cash flow information for the discontinued operations is presented until 31 March 2023.

Financial performance

The result from discontinued operations is disclosed on one line on the face of the consolidated income statement. The following table presents breakdown of income statement information for discontinued operations. Discontinued operations include the Russia segment in I/2023. The effects of eliminations from internal sales and purchases have been included in the discontinued operations. The net financial costs are based on the historical financial costs in the separate companies.

EUR million	I/2023 restated	2023
Sales	287	287
Other income	6	6
Materials and services	-148	-148
Employee benefits	-20	-20
Depreciation and amortisation	-23	-23
Other expenses	-15	-15
Comparable operating profit	**86**	**86**
Deconsolidation effect	-	-3,608
Items affecting comparability	0	0
Operating profit	**86**	**-3,521**
Share of profit/loss of associates and joint ventures	26	26
Finance costs - net	-88	-88
Profit before income tax	**24**	**-3,584**
Income tax expense	2	2
Net profit from discontinued operations	**26**	**-3,582**
Attributable to:		
Owners of the parent	25	-3,583
Non-controlling interests	1	1
Earnings per share, discontinued operations, EUR	0.03	-3.99
Comparable net profit from discontinued operations	34	34
Comparable earnings per share, discontinued operations, EUR	0.04	0.04

Impact from the deconsolidation
The deconsolidation of Russian operations in II/2023 resulted in EUR 3.6 billion one-time, non-cash negative effect. The amount consists of the full write-down of the Russian assets of EUR 1.7 billion, and EUR 1.9 billion negative cumulative translation differences previously recognised in equity. These cumulative translation differences are recycled from equity to profit and loss on deconsolidation according to IFRS. The recycling did not have any impact on total equity. Fortum has not had access to financial or non-financial information from the Russia segment since the first quarter 2023 reporting, and therefore information for the deconsolidation is based on the 31 March 2023 balance sheet.

EUR million	31 Mar 2023
Net assets deconsolidated	**1,685**
Items recycled to Income statement	-1,922
Deconsolidation effect (negative)	**-3,608**

Cash flow information

In the cash flow statement, the net cash flows attributable to the operating, investing and financing activities of the discontinued operations are disclosed separately. The Russian operations were deconsolidated due to loss of control as opposed to sale (see Note 1 Significant accounting policies), i.e. no consideration has been received for the Russian operations. Cash flow from investing activities for discontinued operations in 2023 includes Russia related cash flows from I/2023 netted with liquid funds of EUR 284 million lost through the seizure of the Russian assets.

EUR million	I/2023 restated	2023
Net cash from/used in operating activities	109	109
Net cash from/used in investing activities	-49	-333
Net cash from/used in financing activities	21	21
Total net decrease/increase in liquid funds	**81**	**-202**

7. Share of profit/loss of associates and joint ventures

EUR million	I/2024	I/2023 restated	2023	LTM
Principal associates				
Forsmark Kraftgrupp AB	6	10	17	13
Kemijoki Oy	-1	0	-1	-1
OKG AB	12	14	7	5
Principal joint ventures				
TVO Oyj	-1	-6	25	30
Other associates	2	-1	1	4
Other joint ventures	2	4	9	7
IS **Share of profit/loss of associates and joint ventures**	**21**	**22**	**59**	**58**

EUR million	I/2024	I/2023 restated	2023	LTM
IS **Share of profit/loss of associates and joint ventures**	**21**	**22**	**59**	**58**
Adjustments to share of profit/loss of associates and joint ventures	-9	-12	-52	-49
Comparable share of profit/loss of associates and joint ventures	**12**	**10**	**7**	**9**

8. Finance costs – net

EUR million	I/2024	I/2023 restated	2023	LTM
Interest expense				
Borrowings	-65	-94	-286	-258
Leasing and other interest expenses	-1	-1	-2	-2
Capitalised borrowing costs	3	4	20	19
IS **Total**	**-63**	**-91**	**-269**	**-241**
Interest income				
Loan receivables and deposits	51	25	153	179
Leasing and other interest income	2	2	12	13
IS **Total**	**53**	**26**	**165**	**192**
Other financial items – net				
Return from nuclear fund, nuclear fund adjustment and unwinding of nuclear provisions	-1	-8	1	8
Fair value changes, impairments and reversals	0	-2	-3	-1
Other financial expenses and income	-3	-21	-33	-16
IS **Total**	**-3**	**-30**	**-34**	**-8**
IS **Finance costs – net**	**-13**	**-95**	**-138**	**-56**

EUR million	I/2024	I/2023 restated	2023	LTM
IS **Finance costs – net**	**-13**	**-95**	**-138**	**-56**
Adjustments to finance costs – net				
Return from nuclear fund, nuclear fund adjustment and unwinding of nuclear provisions	1	8	-1	-8
Fair value changes, impairments, reversals and other adjustments	0	2	3	1
Comparable finance costs – net	**-12**	**-85**	**-137**	**-64**

Interest expenses on borrowings in I/2024 totalled EUR 65 million (I/2023: 94), including interest expenses on loans of EUR 58 million (I/2023: 82), and EUR 7 million (I/2023: 12) interest cost – net from derivatives hedging the loan portfolio. In I/2023, interest expenses on loans included EUR 41 million relating to the Finnish State bridge financing.

Interest income on loan receivables and deposits, EUR 51 million (I/2023: 25) in I/2024, includes EUR 43 million (I/2023: 20) from deposits and cash, and EUR 8 million (I/2023: 4) interest income from shareholder loan receivables and other loan receivables.

Return from nuclear fund, nuclear fund adjustment and unwinding of nuclear provisions relate to the Loviisa nuclear power plant.

Other financial expenses and income were EUR -3 million in I/2024 (I/2023: -21). In I/2023, other financial expenses and income included EUR 15 million costs relating to the Finnish State bridge financing.

9. Income taxes

Income tax expense during I/2024 totalled EUR 106 million (I/2023: 154). The effective income tax rate according to the income statement was 18.3% (I/2023: 22.1%). The comparable effective income tax rate was 19.0% (I/2023: 22.8%). Fortum's comparable effective tax rate is impacted by the weight of the taxable income in different jurisdictions and differences in standard nominal tax rates in these jurisdictions.

No material impact is expected from the Pillar Two legislation effective from January 2024 onwards. See further information in Note 1.4 Accounting Policies.

10. Dividend per share

A dividend for 2023 of EUR 1.15 per share, amounting to a total of EUR 1,032 million, was decided in the Annual General Meeting on 25 March 2024. The dividend is recorded as a liability and included in 'Trade and other payables' on the balance sheet at 31 March 2024. The dividend is paid in two instalments. The first dividend instalment of EUR 0.58 per share was paid on 5 April 2024, amounting to a total of EUR 520 million. The second dividend instalment of EUR 0.57, amounting to a total of EUR 511 million, will be paid on 9 October 2024.

A dividend for 2022 of EUR 0.91 per share, amounting to a total of EUR 817 million, was decided in the Annual General Meeting on 13 April 2023. The dividend was paid in two instalments. The first dividend instalment of EUR 0.46 per share was paid on 24 April 2023, amounting to a total of EUR 413 million. The second dividend instalment of EUR 0.45 was paid on 10 October 2023, amounting to a total of EUR 404 million.

11. Interest-bearing receivables

EUR million	Carrying amount 31 Mar 2024	Fair value 1) 31 Mar 2024	Carrying amount 31 Dec 2023	Fair value 1) 31 Dec 2023
Long-term loan receivables from associates and joint ventures	483	509	644	670
Total long-term interest-bearing receivables	**483**	**509**	**644**	**670**
Collateral arrangement	228	228	325	325
Other short-term interest-bearing receivables	61	61	64	64
Total short-term interest-bearing receivables	**289**	**289**	**389**	**389**
Total	**772**	**798**	**1,033**	**1,059**

1) Fair values do not include accrued interest.

Long-term interest-bearing receivables from associated companies and joint ventures, EUR 483 million (31 Dec 2023: 644), include EUR 386 million from Swedish nuclear companies, Forsmarks Kraftgrupp AB and OKG AB (31 Dec 2023: 546), which are mainly funded with shareholder loans, pro rata to each shareholder's ownership. The decrease during I/2024 mainly relates to shareholder loans in Forsmark being converted to equity and thus reclassified to 'Participations in associates and joint ventures'. This conversion did not have any cash flow impact.

For more information on Finnish and Swedish nuclear related receivables, see Note 13 Nuclear related assets and liabilities.

Other short-term interest-bearing receivables include EUR 50 million collateral for default fund.

12. Interest-bearing net debt

Financial net debt

EUR million	31 Mar 2024	31 Dec 2023
+ Interest-bearing liabilities	**5,853**	**5,909**
- BS Liquid funds	**4,875**	**4,183**
- Collateral arrangement	**228**	**325**
- BS Margin receivables	320	590
+ BS Margin liabilities	98	131
+/- Net margin liabilities/receivables	**-222**	**-459**
Financial net debt	**528**	**942**

Interest-bearing liabilities of EUR 5,853 million include Fortum's collateral arrangement to the Nordic Power Exchange totalling EUR 279 million (31 Dec 2023: 376). Equalling amount is included in short-term interest-bearing receivables of which collateral relating to margin requirement, EUR 228 million (31 Dec 2023: 325), is netted from the Financial net debt in the Collateral arrangement row. However, the collateral for default fund, EUR 50 million, is not netted from the Financial net debt. See Note 11 Interest-bearing receivables.

Interest-bearing liabilities

EUR million	31 Mar 2024	31 Dec 2023
Non-current loans	3,942	4,475
Current loans	1,793	1,316
Total loans	**5,735**	**5,791**
Non-current lease liabilities	97	97
Current lease liabilities	21	21
Total lease liabilities	**119**	**118**
Total	**5,853**	**5,909**

Loans

EUR million	Carrying amount 31 Mar 2024	Fair value [3] 31 Mar 2024	Carrying amount 31 Dec 2023	Fair value [3] 31 Dec 2023
Bonds	2,728	2,708	2,736	2,729
Loans from financial institutions	1,305	1,312	1,306	1,314
Reborrowing from the Finnish State Nuclear Waste Management Fund [1]	951	958	951	952
Other long-term interest-bearing liabilities	175	180	200	199
Total long-term loans [2]	**5,158**	**5,158**	**5,192**	**5,194**
Collateral arrangement liability	279	279	376	376
Other short-term interest-bearing liabilities	298	298	224	224
Total short-term loans	**577**	**577**	**599**	**599**
Total	**5,735**	**5,735**	**5,791**	**5,793**

1) The reborrowing from the Finnish State Nuclear Waste Management Fund includes the part relating to Loviisa nuclear power plant as well as borrowing done through TVO.
2) Includes current portion of long-term liabilities of EUR 1,217 million (31 Dec 2023: 717).
3) Fair values do not include accrued interest.

Total current loans maturing within the next twelve months were EUR 1,793 million (31 Dec 2023: 1,316) and consist of short-term loans and the current portion of long-term loans. Current portion of long-term loans, EUR 1,217 million, consist of maturing loans from financial institutions including a EUR 500 million bullet loan with a one-year borrowers' extension option. Short-term loans, EUR 577 million, include EUR 339 million collateral arrangements and use of commercial paper programmes of EUR 235 million.

The average interest rate for the portfolio of EUR loans was 4.0% at the balance sheet date (31 Dec 2023: 4.0%). The average interest rate on total loans and derivatives was 4.4% at the balance sheet date (31 Dec 2023: 4.3%).

Maturity of loans

EUR million	31 Mar 2024
2024	1,282
2025	521
2026	746
2027	17
2028	517
2029 and later	2,652
Total	**5,735**

Maturities in 2024 include EUR 339 million loans with no contractual due date.

Maturity of undiscounted lease liabilities

EUR million	31 Mar 2024
Due within a year	22
Due after one year and within five years	57
Due after five years	55
Total	**135**

Liquid funds

EUR million	31 Mar 2024	31 Dec 2023
Deposits and securities with maturity more than 3 months	23	-
Cash and cash equivalents	4,852	4,183
BS Total	**4,875**	**4,183**

At the end of the reporting period, the Group’s liquid funds totalled EUR 4,875 million (31 Dec 2023: 4,183), and of these funds EUR 4,786 million (31 Dec 2023: 4,122) are placed with counterparties that have an investment grade credit rating.

The average interest rate for the liquid funds was 3.9% at the balance sheet date (31 Dec 2023: 3.9%).

Committed credit facilities

At the end of the reporting period, Fortum had undrawn committed credit facilities of EUR 3,200 million, including the Core revolving credit facility of EUR 2,400 million (maturity in June 2025 with max. 2 years extension option by the lenders) and the EUR 800 million bilateral revolving credit facility (maturity in June 2025 with 1 year extension option by the lender). In addition, Fortum has EUR 100 million committed overdraft limits that are valid until further notice.

13. Nuclear-related assets and liabilities

Fortum owns Loviisa nuclear power plant in Finland. On Fortum's consolidated balance sheet, Share in the State Nuclear Waste Management Fund and the Nuclear provisions relate to Loviisa nuclear power plant.

Fortum also has minority interests in nuclear power companies, i.e. Teollisuuden Voima Oyj (TVO) in Finland and OKG Aktiebolag (OKG) and Forsmarks Kraftgrupp AB (Forsmark) in Sweden. The minority shareholdings are classified as associated companies and joint ventures and are consolidated with equity method. Both the Finnish and the Swedish companies are non-profit making, i.e. electricity production is invoiced to the owners at cost according to local GAAP.

In Finland and Sweden nuclear operators are legally obligated for the decommissioning of the plants and the disposal of spent fuel (nuclear waste management). In both countries, the nuclear operators are obligated to secure the funding of nuclear waste management by paying to government managed nuclear waste funds. The nuclear operators also have to give securities to guarantee that sufficient funds exist to cover future expenses of decommissioning of the power plant and the disposal of spent fuel.

13.1 Nuclear-related assets and liabilities for consolidated nuclear power plants

EUR million	31 Mar 2024	31 Dec 2023
Carrying values on the balance sheet		
BS Nuclear provisions	1,064	1,058
BS Fortum's share in the State Nuclear Waste Management Fund	1,064	1,058
Fortum's share of the fair value of the net assets in the State Nuclear Waste Management Fund	1,253	1,197
Share of fund not recognised on the balance sheet	189	139

Nuclear provision and fund accounted for according to IFRS

Nuclear provisions include the provision for the decommissioning and the provision for the disposal of spent fuel. Provisions are based on the total cost estimate in which future costs are discounted to net present value.

The carrying value of nuclear provisions, calculated according to IAS 37, increased by EUR 5 million compared to 31 December 2023, totalling EUR 1,064 million at 31 March 2024.

Fortum's share of the State Nuclear Waste Management Fund is from an IFRS perspective overfunded by EUR 189 million, since Fortum's share of the Fund on 31 March 2024 was EUR 1,253 million and the carrying value on the balance sheet was EUR 1,064 million. The Fund on Fortum's balance sheet can at maximum be equal to the amount of the provisions according to IFRS. As long as the Fund is overfunded from an IFRS perspective, other financial items are adjusted positively if the provisions increase more than the Fund, and negatively if the provision decreases below the actual value of the Fund.

Legal liability for Loviisa nuclear power plant

The legal liability on 31 March 2024, decided by the Ministry of Economic Affairs and Employment in December 2023, was EUR 1,253 million.

The legal liability is based on a cost estimate, which is updated every year; and a technical plan, which is updated every three years. The legal liability is determined by assuming that the decommissioning would start at the beginning of the year following the assessment year and discounting is not applied in determining the amount.

Fortum's share in the Finnish Nuclear Waste Management Fund

According to the Nuclear Energy Act, Fortum is obligated to contribute funds in full to the State Nuclear Waste Management Fund to cover the legal liability. Fortum contributes funds to the Finnish State Nuclear Waste Management Fund based on the yearly funding obligation target decided by the governmental authorities in connection with the decision of size of the legal liability. The current funding obligation target decided in December 2023 is EUR 1,253 million.

Borrowing from the State Nuclear Waste Management Fund

Participants in the Finnish State Nuclear Waste Management Fund are allowed to borrow from the Fund according to certain rules. Fortum uses the right to borrow back and has pledged shares in Kemijoki Oy as security for the loans. The loans are renewed annually. See Note 12 Interest-bearing net debt and Note 15 Pledged assets and contingent liabilities.

13.2 Nuclear power plants in associated companies and joint ventures

OKG, Forsmark and TVO are non-profit making companies, i.e. electricity production is invoiced to the owners at cost. Invoiced cost is accounted according to local GAAP. In addition to the invoiced electricity production cost, Fortum makes IFRS adjustments to comply with Fortum's accounting principles. These adjustments include also Fortum's share of the companies' nuclear waste funds and nuclear provisions.

The tables below present the 100% figures relating to nuclear funds and provisions for the companies as well as Fortum's net share.

TVO's total nuclear-related assets and liabilities (100%)

EUR million	31 Mar 2024	31 Dec 2023
Carrying values in TVO with Fortum assumptions		
Nuclear provisions	1,620	1,614
Share of the State Nuclear Waste Management Fund	1,204	1,199
Net amount	**-416**	**-415**
of which Fortum's net share consolidated with equity method	**-104**	**-104**
TVO's legal liability and actual share of the State Nuclear Waste Management Fund		
Liability for nuclear waste management according to the Nuclear Energy Act	1,918	1,918
Share in the State Nuclear Waste Management Fund	1,525	1,458
Share of the fund not recognised on the balance sheet	321	259

TVO's legal liability, provision and share of the fund are based on same principles as described above for Loviisa nuclear power plant. The liabilities and shares in the Fund are calculated and recorded separately for OL1/OL2 plant units and OL3 plant unit, as the corresponding total cost estimates are prepared separately.

The difference between TVO's share in the State Nuclear Waste Management Fund and the carrying value of the TVO's share in the Fund is due to IFRIC 5, which requires that the carrying amount of the share in the State Nuclear Waste Management Fund is the lower of fair value or the value of the related liability. On 31 March 2024, the OL1/OL2 plant units' share in the Fund is higher than the provision according to IFRS. The OL3 plant unit's share in the Fund is on the other hand lower than the provision according to IFRS. TVO's share of the Finnish State Nuclear Waste Management Fund is from an IFRS perspective overfunded by EUR 321 million (of which Fortum's share is EUR 85 million), since TVO's share of the Fund on 31 March 2024 was EUR 1,525 million and the carrying value on the consolidated balance sheet with Fortum assumptions was EUR 1,204 million.

Teollisuuden Voima Oyj (TVO) built Olkiluoto 3, the nuclear power plant funded through external loans, share issues and shareholder loans according to shareholders' agreement between the owners of TVO. At 31 March 2024, Fortum had EUR 232 million (31 Dec 2023: 232) outstanding receivables regarding Olkiluoto 3. TVO shareholder loan is classified as participation in joint ventures.

Participants in the Finnish State Nuclear Waste Management Fund are allowed to borrow from the fund according to certain rules. Fortum is using the right to reborrow funds through TVO based on its ownership. See more information in Note 12 Interest-bearing net debt.

OKG’s and Forsmark’s total nuclear-related assets and liabilities (100%)

EUR million	31 Mar 2024	31 Dec 2023
OKG's and Forsmark's nuclear-related assets and liabilities with Fortum assumptions		
Nuclear provisions	4,797	5,001
Share in the State Nuclear Waste Management Fund	3,437	3,506
Net amount	**-1,360**	**-1,495**
of which Fortum's net share consolidated with equity method	**-431**	**-472**

In Sweden, Svensk Kärnbränslehantering AB (SKB), a company owned by the nuclear operators, takes care of all nuclear waste management-related activities on behalf of nuclear operators. SKB receives its funding from the Swedish Nuclear Waste Fund, which in turn is financed by the nuclear operators.

Nuclear waste fees and guarantees are normally updated every three years by governmental decision after a proposal from the National Debt Office (Riksgälden). The proposal is based on cost estimates done by SKB and the license holders. An updated technical plan for nuclear waste management was decided by SKB in December 2022. In

January 2022, the Swedish government decided the waste fees and guarantees for 2022-2023 only. In December 2023, the Swedish Government decided on nuclear waste fees and guarantees in accordance with the proposal from the National Debt Office, for the year 2024. Nuclear waste fees paid by licensees with a unit/units that are still in operation are currently based on future costs with the assumed lifetime of 50 years for each unit of a nuclear power plant. The fee is calculated in relation to the energy delivered.

14. Capital and other commitments

Capital and other commitments are contractual or regulatory obligations that are not recognised as liabilities on the balance sheet, or disclosed as contingent liabilities.

At 31 March 2024, Fortum had EUR 284 million (31 Dec 2023: 292) capital commitments for the acquisition of property, plant and equipment and intangible assets.

For more information on other commitments, see Note 34 Capital and other commitments of the consolidated financial statements 2023.

15. Pledged assets and contingent liabilities

Fortum has issued direct and indirect guarantees and warranties on own behalf and on behalf of associated companies and joint ventures, which may obligate Fortum to make payments on the occurrence of certain events.

For the Swedish nuclear companies there are two types of guarantees given. The Financing Amount is given to cover Fortum's share of the uncovered part in the Nuclear Waste Fund, assuming no further production and that no further nuclear waste fees are paid in. The uncovered amount is calculated by the authorities and is based on the difference between the expected costs and the funds to cover these costs at the time of the calculation. The Supplementary Amount constitutes a guarantee for deficits that can arise as a result of unplanned events.

The guarantee given on behalf of Teollisuuden Voima Oyj to the Ministry of Economic Affairs and Employment amounts to EUR 142 million (31 Dec 2023: 142). The guarantee covers the unpaid legal liability due to periodisation, as well as risks for unexpected future costs. For more information, see Note 13 Nuclear-related assets and liabilities.

Further, Fortum has pledged shares in Kemijoki Oy as a security for the reborrowing from the Finnish State Nuclear Waste Management Fund for the Loviisa nuclear power plant part, amounting to EUR 718 million (31 Dec 2023: 718). Fortum has also pledged real estate mortgages in Pyhäkoski hydro plant as security for the uncovered part of the legal nuclear liability to the Ministry of Economic Affairs and Employment amounting to EUR 122 million (31 Dec 2023: 122).

Pledged assets include securities of EUR 228 million (31 Dec 2023: 325) to the Nordic Power Exchange (Nasdaq Commodities), margin receivables of EUR 320 million (31 Dec 2023: 590) and restricted cash of EUR 11 million (31 Dec 2023: 13). Margin receivables consist of cash collaterals for trading in commodities exchanges, as well as foreign exchange and interest rate derivatives under Credit Support Annex agreements.

Pledged assets on behalf of others consist of restricted cash of EUR 50 million (31 Dec 2023: 51) posted as collateral toward Nasdaq Clearing AB covering Fortum’s required contribution to the Commodity Market Default Fund (default fund). The default fund is a mutualised fund whereby all participants on the Nordic power exchange (Nasdaq Commodities) post collateral in relation to their exposure on the market in order to cover potential defaults by members which may cause losses exceeding the members' own collateral.

For more information, see Note 35 Pledged assets and contingent liabilities of the consolidated financial statements 2023.

16. Legal actions and official proceedings

Various routine court actions, arbitration proceedings, tax and regulatory investigations and proceedings are currently pending against entities of the Group, and further actions or proceedings may be instituted or asserted in the future. For more information, see Note 36 Legal actions and official proceedings of the consolidated financial statements 2023.

Investment arbitration proceedings against the Russian Federation

Fortum has in February 2024 initiated arbitration proceedings against the Russian Federation and will claim compensation for the unlawful expropriation of its assets, in order to protect its legal position and shareholder rights. The arbitration proceedings are the result of the Russian Federation’s violations of its investment treaty obligations under the Bilateral Investment Treaties that Russia has with the Netherlands and Sweden, and the Russian Federation’s failure to engage in any settlement discussions with Fortum. The dispute stems from the hostile actions taken by the Russian Federation which culminated with the Presidential Decree No. 302 issued on 25 April 2023, whereby Fortum lost control of its Russian operations. The arbitration proceedings are expected to take several years, followed by enforcement of the arbitral award. The outcome of the enforcement measures can be assessed once the award has been obtained.

Fennovoima’s Hanhikivi nuclear power plant project

RAOS Project Oy and JSC Rusatom Energy International and Fennovoima Oy are engaged in International Chamber of Commerce (ICC) arbitration proceedings regarding Fennovoima's EPC Contract for the Hanhikivi nuclear power plant project. RAOS Project Oy has requested also Fortum and certain other parties to be joined in these proceedings. Fortum disputes the existence of any contractual relation, obligation, or arbitration agreement between Fortum and RAOS Project Oy. Therefore, Fortum is of the opinion that an arbitral tribunal has no jurisdiction to decide any claims against Fortum. As Fortum is not a party to the agreement under dispute, it considers the request to be completely unfounded and strongly opposes it.

17. Related party transactions

Related parties are described in more detail in the consolidated financial statements for the year ended 31 December 2023.

Transactions with associates and joint ventures

EUR million	I/2024	I/2023 restated	2023	LTM
Sales	4	2	12	14
Purchases	164	128	602	638
Other income	0	1	-3	-4
Interest income on loan receivables	4	3	10	11

Balances with associates and joint ventures

EUR million	31 Mar 2024	31 Dec 2023
Long-term interest-bearing loan receivables	483	644
Trade and other receivables	23	30
Long-and short-term loan payables	234	239
Trade and other payables	46	72

Other transactions with related parties

At the end of 2023, the Finnish State owned 51.26% of Fortum's shares. There has been no change in the number of shares the Finnish State owns in Fortum during 2024.

On 30 October 2023, Fortum announced that an agreement has been signed with the National Emergency Supply Agency (NESA). Under this agreement, NESA reserves the production of the Meri-Pori power plant for severe disruption and emergencies to guarantee security of supply in the electricity system in Finland. The agreement period is from 1 April 2024 (amended on 26 February 2024 from 1 March 2024) until 31 December 2026. Impact on I/2024 was insignificant.

Fortum had a bridge financing arrangement with the Finnish State from September 2022 until March 2023. In 2023, interest expenses and fees relating to the bridge loan facility amounted to EUR 56 million and were recognised in Finance costs - net. See Note 37 Related party transactions in the consolidated financial statements for the year ended 31 December 2023 for details.

18. Events after the balance sheet date

There have been no material events after the balance sheet date.

19. Definitions and reconciliations of key figures

Alternative performance measures

Business performance	Definition	Reason to use the measure	Reference to reconciliation
Comparable EBITDA	Operating profit + depreciations and amortisations - items affecting comparability	Comparable EBITDA is representing the underlying cash flow generated by the total Group and segments. Used as a component in the capital structure target of Financial net debt to Comparable EBITDA.	Key ratios after cash flow statement
Comparable operating profit	Operating profit - items affecting comparability	Comparable operating profit is used in financial target setting and forecasting, management's follow up of financial performance and allocation of resources in the group's performance management process.	Income statement
Items affecting comparability	Impairment charges and reversals + capital gains and other related items + changes in fair values of derivatives hedging future cash flow + other	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement
Impairment charges and reversals	Impairment charges and related provisions (mainly dismantling), as well as the reversal of previously recorded impairment charges. Impairment charges are adjusted from depreciation and amortisation, and reversals from other income.	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement
Capital gains and other related items	Capital gains and transaction costs from acquisitions, which are adjusted from other income and other expenses respectively. Profits are reported in comparable operating profit, if this reflects the business model.	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement
Changes in fair values of derivatives hedging future cash flow	Effects from financial derivatives hedging future cash flows where hedge accounting is not applied or own use exemption cannot be used according to IFRS 9 and are adjusted from other income or expense to sales and materials and services respectively when calculating Fortum's alternative performance measures.	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement
Other	Restructuring and cost management expenses, and other miscellaneous non-operating items, which are adjusted mainly from materials and services or other expenses.	Component used in calculating comparable operating profit and comparable EBITDA.	Income statement

Business performance	Definition	Reason to use the measure	Reference to reconciliation
Comparable share of profit/loss of associates and joint ventures	Share of profit/loss of associates and joint ventures +/- significant adjustments for share of profit /loss in associates and joint ventures.	Component used in calculating comparable net profit and comparable return on net assets.	Note 4 Comparable operating profit and comparable net profit
Comparable finance costs – net	Finance costs – net +/- return from nuclear funds, nuclear fund adjustment and unwinding of nuclear provisions +/- fair value changes on financial items +/- impairment charges and reversals of previously recorded impairment charges on financial items and other one-time adjustments.	Component used in calculating comparable net profit.	Note 4 Comparable operating profit and comparable net profit
Comparable profit before income tax	Comparable operating profit +/- comparable share of profit/loss of associates and joint ventures +/- comparable finance costs – net.	Subtotal in comparable net profit calculation.	Note 4 Comparable operating profit and comparable net profit
Comparable income tax expense	Income tax expense excluding taxes on items affecting comparability, adjustments to finance costs – net, tax rate changes and other onetime adjustments.	Component used in calculating comparable net profit.	Note 4 Comparable operating profit and comparable net profit
Comparable net profit	Comparable operating profit +/- comparable share of profit/loss of associates and joint ventures +/- comparable finance costs - net +/- comparable income tax expense +/- comparable non-controlling interests.	Comparable net profit is used to provide additional financial performance indicators to support meaningful comparison of underlying net profitability between periods.	Note 4 Comparable operating profit and comparable net profit
Comparable earnings per share	$\frac{\text{Comparable net profit}}{\text{Average number of shares during the period}}$	Comparable earnings per share is used to provide additional financial performance indicators to support meaningful comparison of underlying net profitability between periods.	Note 4 Comparable operating profit and comparable net profit
Comparable return on net assets, %	$\frac{\text{Comparable operating profit + comparable share of profit /loss of associates and joint ventures}}{\text{Comparable net assets average}} \times 100$	Comparable return on net assets is used in financial target setting and forecasting, management's follow up of financial performance and allocation of resources in the group's performance management process.	Note 3 Segment information
Comparable net assets	Non-interest-bearing assets - non-interest-bearing liabilities - provisions (non-interest-bearing assets and liabilities do not include finance-related items, tax and deferred tax and assets and liabilities from fair valuations of derivatives used for hedging future cash flows).	Comparable net assets is a component in Comparable return on net assets calculation where return on capital allocated directly to the businesses is measured.	Note 3 Segment information

Capital structure	Definition	Reason to use the measure	Reference to reconciliation
Financial net debt / comparable EBITDA	$\frac{\text{Financial net debt}}{\text{Comparable EBITDA}}$	Financial net debt to Comparable EBITDA is Fortum's long-term financial target for capital structure.	Key ratios after cash flow statement
Financial net debt	Interest-bearing liabilities - liquid funds - securities in interest-bearing receivables +/- net margin liabilities/receivables	Financial net debt is used in the follow-up of the indebtedness of the group and it is a component in the capital structure target of Financial net debt to Comparable EBITDA.	Note 13 Interest-bearing net debt

Other key figures

Share based key figures

Earnings per share (EPS)	$\frac{\text{Profit for the period - non-controlling interests}}{\text{Average number of shares during the period}}$
Equity per share	$\frac{\text{Shareholder's equity}}{\text{Number of shares at the end of the period}}$

Other key figures

Capital expenditure	Capitalised investments in property, plant and equipment and intangible assets including maintenance, productivity, growth and investments required by legislation including borrowing costs capitalised during the construction period. Maintenance investments expand the lifetime of an existing asset, maintain usage/availability and/or maintains reliability. Productivity investments improve productivity in an existing asset. Growth investments' purpose is to build new assets and/or to increase customer base within existing businesses. Legislation investments are done at certain point of time due to legal requirements.
Gross investments in shares	Investments in subsidiary shares, shares in associated companies and joint ventures and other investments. Investments in subsidiary shares are net of liquid funds and grossed with interest-bearing liabilities and other items included in financial net debt in the acquired company.
Last twelve months (LTM)	Twelve months preceding the reporting date.

Tax key figures

Effective income tax rate, %	$\frac{\text{Income tax expense}}{\text{Profit before income tax}} \times 100$
Comparable effective income tax rate, %	$\frac{\text{Comparable income tax expense}}{\text{Comparable profit before income tax excluding comparable share of profit/loss of associated companies and joint ventures}} \times 100$

Reconciliations of alternative performance measures

Comparable EBITDA

EUR million	Note	I/2024	I/2023 restated	2023	LTM
IS Operating profit		571	769	1,662	1,465
+ IS Depreciation and amortisation		92	83	359	367
EBITDA		664	852	2,021	1,833
- IS Items affecting comparability	4	-42	-71	-118	-89
Comparable EBITDA		**622**	**781**	**1,903**	**1,744**

Comparable operating profit

EUR million	Note	I/2024	I/2023 restated	2023	LTM
IS Operating profit		571	769	1,662	1,465
- IS Items affecting comparability	4	-42	-71	-118	-89
IS **Comparable operating profit**	4	**530**	**698**	**1,544**	**1,376**

Items affecting comparability

EUR million	Note	I/2024	I/2023 restated	2023	LTM
Impairment charges and reversals		-2	-	-	-2
Capital gains and other related items		5	0	4	8
Changes in fair values of derivatives hedging future cash flow		39	62	111	88
Other		-	8	3	-5
IS **Items affecting comparability**	4	**42**	**71**	**118**	**89**

Comparable net profit

EUR million	Note	I/2024	I/2023 restated	2023	LTM
IS Net profit		473	542	1,515	1,446
- IS Items affecting comparability	4	-42	-71	-118	-89
- Adjustments to share of profit/loss of associates and joint ventures	7	-9	-12	-52	-49
- Adjustments to finance costs - net	8	0	10	2	-8
- Adjustments to income tax expenses		8	14	-201	-207
- IS Non-controlling interests		-2	-2	-1	-1
- Adjustments to non-controlling interests		1	2	5	5
Comparable net profit from continuing operations	4	**430**	**483**	**1,150**	**1,097**
Comparable net profit from discontinued operations	6.3	-	34	34	-
Comparable net profit, total Fortum		**430**	**517**	**1,184**	**1,097**

Comparable earnings per share

	Note	I/2024	I/2023 restated	2023	LTM
Comparable net profit from continuing operations, EUR million	4	430	483	1,150	1,097
Average number of shares during the period, 1,000 shares		897,264	897,264	897,264	897,264
Comparable earnings per share from continuing operations, EUR		**0.48**	**0.54**	**1.28**	**1.22**
Comparable net profit from discontinued operations, EUR million	4	-	34	34	-
Average number of shares during the period, 1,000 shares		897,264	897,264	897,264	897,264
Comparable earnings per share from discontinued operations, EUR		**-**	**0.04**	**0.04**	**-**
Comparable net profit, total Fortum, EUR million	4	430	517	1,184	1,097
Average number of shares during the period, 1,000 shares		897,264	897,264	897,264	897,264
Comparable earnings per share, total Fortum, EUR		**0.48**	**0.58**	**1.32**	**1.22**

Financial net debt

EUR million	Note	31 Mar 2024	31 Dec 2023
+ Interest-bearing liabilities		**5,853**	**5,909**
- BS Liquid funds		**4,875**	**4,183**
- Collateral arrangement		**228**	**325**
- **BS** Margin receivables		320	590
+ **BS** Margin liabilities		98	131
+/- Net margin liabilities/receivables		**-222**	**-459**
Financial net debt	12	**528**	**942**

Financial net debt/comparable EBITDA

EUR million	Note	LTM	2023
+ Interest-bearing liabilities		**5,853**	**5,909**
- BS Liquid funds		**4,875**	**4,183**
- Collateral arrangement		**228**	**325**
- **BS** Margin receivables		320	590
+ **BS** Margin liabilities		98	131
+/- Net margin liabilities/receivables		**-222**	**-459**
Financial net debt	12	**528**	**942**
IS Operating profit		1,465	1,662
+ **IS** Depreciation and amortisation		367	359
EBITDA		**1,833**	**2,021**
- **IS** Items affecting comparability		-89	-118
Comparable EBITDA from continuing operations		**1,744**	**1,903**
Financial net debt/comparable EBITDA		**0.3**	**0.5**

Market conditions and achieved power prices

Power consumption

TWh	I/2024	I/2023	2023	LTM
Nordic countries	119	109	385	395

Average prices

	I/2024	I/2023	2023	LTM
Spot price for power in Nord Pool power exchange, EUR/MWh	58.5	85.2	56.4	49.9
Spot price for power in Finland, EUR/MWh	72.9	77.6	56.5	55.3
Spot price for power in Sweden, SE3, Stockholm EUR/MWh	56.4	76.1	51.7	46.9
Spot price for power in Sweden, SE2, Sundsvall EUR/MWh	48.3	53.4	40.0	38.7
Spot price for power in Germany, EUR/MWh	67.7	115.8	95.2	83.3
CO_2, (ETS EUA next Dec), EUR/tonne CO_2	62	90	85	78
Coal (ICE Rotterdam front month), USD/tonne	102	145	125	114
Oil (Brent front month), USD/bbl	82	82	82	82
Gas (TTF front month), EUR/MWh	28	53	41	35

Hydro reservoir

TWh	31 Mar 2024	31 Mar 2023	31 Dec 2023
Nordic hydro reservoir level	33	38	77
Nordic hydro reservoir level, long-term average	41	41	84

Export/import

TWh (+ = import to, - = export from Nordic area)	I/2024	I/2023	2023	LTM
Export / import between Nordic area and Continental Europe + Baltics	-7	-10	-41	-38

Achieved power prices

EUR/MWh	I/2024	I/2023	2023	LTM
Generation segment's Nordic achieved power price	63.9	85.2	63.1	57.9

Fortum's production and sales volumes

Power generation

TWh	I/2024	I/2023 restated	2023	LTM
Nordic countries	12.7	11.7	46.4	47.4
Other European countries	0.2	0.2	0.6	0.5
Total continuing operations	**12.9**	**11.9**	**47.0**	**47.9**

Heat production

TWh	I/2024	I/2023 restated	2023	LTM
Nordic countries	1.3	1.2	3.2	3.3
Other European countries	0.5	0.5	1.1	1.1
Total continuing operations	**1.7**	**1.7**	**4.3**	**4.4**

Power generation capacity by segment

MW	31 Mar 2024	31 Dec 2023
Generation	9,331	9,223
Other Operations	25	25
Total	**9,356**	**9,248**

Heat production capacity by segment

MW	31 Mar 2024	31 Dec 2023
Generation	2,022	2,022
Other Operations	171	171
Total	**2,193**	**2,193**

Power generation by source in the Nordic area

TWh	I/2024	I/2023	2023	LTM
Hydropower	5.5	5.0	20.9	21.5
Nuclear power	6.7	6.5	24.8	25.1
Wind power	0.2	-	0.1	0.3
CHP and condensing power	0.2	0.3	0.5	0.5
Total	**12.7**	**11.7**	**46.4**	**47.4**

Power generation by source in the Nordic area

%	I/2024	I/2023	2023	LTM
Hydropower	44	43	45	45
Nuclear power	53	55	54	53
Wind power	2	-	0	1
CHP and condensing power	2	2	1	1
Total	**100**	**100**	**100**	**100**

Power generation by source in other European countries

TWh	I/2024	I/2023	2023	LTM
CHP	0.2	0.2	0.6	0.5

Power sales

EUR million	I/2024	I/2023 restated	2023	LTM
Nordic countries	1,326	1,544	4,311	4,093
Other European countries	201	242	879	839
Other countries	0	0	2	2
Total continuing operations	**1,527**	**1,786**	**5,193**	**4,934**

Heat sales

EUR million	I/2024	I/2023 restated	2023	LTM
Nordic countries	81	76	208	213
Other European countries	122	105	304	321
Total continuing operations	**203**	**181**	**512**	**533**

Power sales by area

TWh	I/2024	I/2023 restated	2023	LTM
Finland	6.4	5.9	23.6	24.2
Sweden	7.8	6.9	27.1	28.0
Norway	3.2	3.8	12.8	12.1
Other countries	1.5	1.5	6.0	6.0
Total continuing operations	**18.9**	**18.1**	**69.5**	**70.3**

Nord Pool transactions are calculated as a net amount of hourly sales and purchases at the Group level.

Heat sales by area

TWh	I/2024	I/2023 restated	2023	LTM
Finland	1.1	1.0	2.6	2.7
Poland	1.4	1.5	3.4	3.3
Other countries	0.1	0.1	0.4	0.4
Total continuing operations	**2.6**	**2.6**	**6.4**	**6.4**