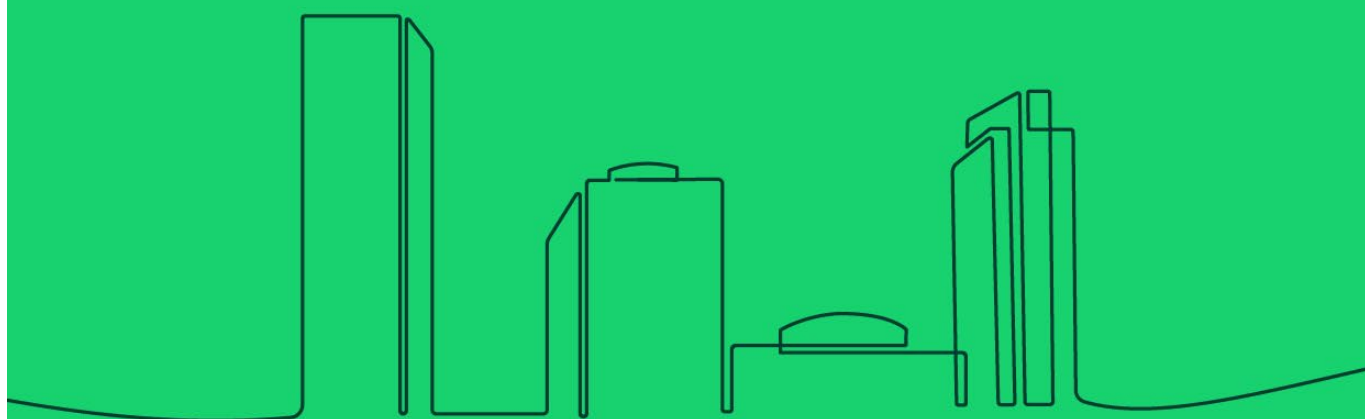


# Fortum Half-year Financial Report

January-June 2024



## Contents

Resilient performance in Nordic power generation despite seasonally lower prices	3
Fortum's President and CEO Markus Rauramo's comments	4
Fortum's strategy	6
Financial results	6
Financial position and cash flow	8
Segment reviews	10
Capital expenditures, divestments and investments in shares	15
Operating and regulatory environment	16
Key drivers and risks	18
Outlook	21
Sustainability	22
Legal actions	22
Shares and share capital	26
Group personnel	26
Changes in management	26
Remuneration and share-based incentive plan for 2024–2026	27
Board authorisations	27
Other major events during the second quarter of 2024	27
Events after the balance sheet date	27
Dividend payment	28
Further information	28

## Tables to the Interim Report

Condensed consolidated income statement	29
Condensed consolidated statement of comprehensive income	30
Condensed consolidated balance sheet	31
Condensed consolidated statement of changes in total equity	32
Condensed consolidated cash flow statement	34
Change in financial net debt	36
Capital risk management	36
Key figures	38
Notes to the condensed consolidated interim financial statements	39
Definitions and reconciliations of key figures	61
Market conditions and achieved power prices	66
Fortum's production and sales volumes	67

Financial results discussed in this 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.

## Resilient performance in Nordic power generation despite seasonally lower prices

### April–June 2024

- Comparable EBITDA was EUR 326 (344) million.
- Comparable operating profit was EUR 233 (262) million.
- Operating profit was EUR 240 (267) million. Items affecting comparability included fair value changes in non-hedge-accounted derivatives of EUR 4 (5) million.
- Comparable earnings per share were EUR 0.20 (0.16).
- Earnings per share were EUR 0.24 (0.42).
- Cash flow from operating activities totalled EUR 338 (657) million.
- Fortum recorded in the comparable operating profit a sales gain of EUR 16 million from the divestment of its remaining share of its Indian solar power portfolio.

### January–June 2024

- Comparable EBITDA was EUR 948 (1,125) million.
- Comparable operating profit was EUR 763 (960) million.
- Operating profit was EUR 812 (1,036) million. Items affecting comparability included fair value changes in non-hedge-accounted derivatives of EUR 43 (67) million.
- Comparable earnings per share were EUR 0.68 (0.70).
- Earnings per share were EUR 0.77 (1.02).
- Cash flow from operating activities totalled EUR 876 (1,132) million.

### Summary of outlook

- The Generation segment's Nordic outright generation hedges: approximately 75% at 43 EUR/MWh for the remainder of 2024, and approximately 60% at 42 EUR/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 commissioning of Olkiluoto nuclear power plant's third unit and the Pjelaž wind farm.
- Capital expenditure in 2024 is expected to be approximately EUR 550 million, of which the maintenance capital expenditure is EUR 300 million.
- UPDATED (18 JULY 2024): From 2025 onwards, the Group's annual maintenance capital expenditure is expected to be EUR 250 million (previously: EUR 300 million). Due to the lower annual maintenance capital expenditure, Fortum's capital expenditure (excluding acquisitions) for 2024–2026 is expected to be up to EUR 1.6 billion (previously: up to EUR 1.7 billion).

## Key figures, continuing operations

EUR million or as indicated	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Reported</b>						
Sales	1,255	1,368	3,270	3,632	6,711	6,349
Operating profit	240	267	812	1,036	1,662	1,439
Share of profit/loss of associates and joint ventures	2	-42	23	-20	59	103
Net profit	215	374	689	916	1,515	1,288
Net profit (after non-controlling interests)	217	376	688	916	1,514	1,286
Earnings per share, EUR	0.24	0.42	0.77	1.02	1.68	1.43
Net cash from operating activities	338	657	876	1,132	1,710	1,454

EUR million or as indicated	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Comparable</b>						
EBITDA	326	344	948	1,125	1,903	1,726
Operating profit	233	262	763	960	1,544	1,347
Share of profit/loss of associates and joint ventures	-1	-42	11	-32	7	50
Net profit (after non-controlling interests)	184	147	614	629	1,150	1,134
Earnings per share, EUR	0.20	0.16	0.68	0.70	1.28	1.26

EUR million or as indicated	LTM	2023
<b>Financial position</b>		
Financial net debt (at period-end)	851	942
Financial net debt/comparable EBITDA	0.5	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	II/2024	II/2023	I-II/2024	II/2023	2023	LTM
<b>Reported</b>						
Net profit (after non-controlling interests)	217	-3,232	688	-2,667	-2,069	1,286
Earnings per share, EUR	0.24	-3.60	0.77	-2.97	-2.31	1.43
Net cash from operating activities	338	658	876	1,241	1,819	1,454
<b>Comparable</b>						
Net profit (after non-controlling interests)	184	147	614	665	1,184	1,133
Earnings per share, EUR	0.20	0.16	0.68	0.74	1.32	1.26

## Fortum's President and CEO Markus Rauramo:

"During the second quarter of 2024, Nordic spot prices were under pressure especially in May when the large snowpack combined with warm weather caused strong inflows. Simultaneously, lower than normal wind power generation limited the Nordic spot price decline. The spot power price volatility continued in Finland amid transmission constraints and prolonged nuclear outages due to technical issues at the Olkiluoto plant. An improved hydrological balance resulted in declining Nordic futures towards the end of the quarter.

The lower Nordic spot price is reflected in our second-quarter result and specifically in the Generation segment's declined result. However, due to our competitive and versatile CO<sub>2</sub>-free generation fleet, our achieved power price reached a good level through successful hedging and physical optimisation. Compared to the second quarter of 2023, the main reason for the lower Generation result was the lower achieved power price, but this was partly offset by higher hydro volumes and improved results in the renewables and decarbonisation businesses. The result improved in the Consumer Solutions and Other Operations segments.

In July, after the reporting period, we signed an agreement to sell our recycling and waste business to Summa Equity for approximately EUR 800 million. Based on the balance sheet available at signing, we would record a tax-exempt capital gain of approximately EUR 110 million; however, the final capital gain will depend on the balance sheet value at closing, expected to take place in the fourth quarter. Following this divestment, we continue with our priorities for capital allocation. We have a very strong balance sheet with very low leverage; the Financial net debt-to-Comparable EBITDA ratio is 0.5. In the current investment climate, our investment outlook for upcoming years is limited while we continue to build preparedness for future growth. We continue to apply shareholder returns based on our dividend policy with a payout ratio of 60-90% of comparable EPS.

During the second quarter, we continued to implement our strategy determinedly. One of our strategic priorities is to deliver reliable and clean energy, and we focus on optimising and strengthening our core operations for power generation. This includes investments like Loviisa nuclear power plant's low-pressure turbine modernisation as part of the plant's lifetime extension. The modernisation, announced in May, increases both the total capacity of the plant and the output during its lifetime. As part of the Espoo Clean Heat programme, we closed down our last coal-fired unit used for district heat production in Suomenoja in Finland. Hence, Fortum's Heating and Cooling business phased out coal in Finland one year earlier than expected. Our wind farm in Pjälax, the third-largest in Finland, was inaugurated in May and it started its commercial operations through the power purchase agreement (PPA) with the Finnish Helen at the beginning of July.

Our second strategic priority is to drive decarbonisation of industries. During the second quarter, we announced the development of several potential new sites across Finland that can be offered to our customers for data centre or industrial use. We also started preparations for a 2-MW hydrogen pilot production plant to be built in Loviisa, scheduled to be commissioned in late 2025.

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. Fortum expects to reduce its recurring fixed cost base by more than EUR 50 million by the end of 2024. In addition, we successfully divested of our stake in the 185-MW solar portfolio, our last operational renewables business in India, and recorded a sales gain of EUR 16 million.

In May, the Finnish Government issued a new resolution on ownership policy. There were no changes to Fortum's strategic position as a company securing the adequate supply of electricity even under emergency conditions. The updated policy supports well Fortum's strategic priorities and focus on the energy transition.

During the EU elections the competitiveness of European industries was extensively addressed. As a result, the new Commission is expected to focus on this topic during its five-year term. Fortum has been pushing, and will continue to push, this agenda in both national and EU contexts. We signed the Antwerp Declaration, currently backed by over 1,200 organisations spanning more than 25 sectors. To complement the EU Green Deal, the Declaration calls for a European Industrial Deal to safeguard the competitiveness and retention of competences of European companies. Such an approach would be necessary, as Europe needs investments both in clean industrial and energy assets to enhance decarbonisation and economic growth. Increased clean power supply through ambitious deployment of all low-carbon electricity sources is a necessity for competitive decarbonisation of Europe's industries."

## 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 strategy, launched in March 2023, focuses on the Nordics with strategic priorities to 'deliver reliable clean energy', 'drive decarbonisation in industries', and 'transform and develop'.

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 1.6 billion (excluding acquisitions) of which growth capital expenditure is expected to be EUR 800 million and annual maintenance capital expenditure for 2024 at EUR 300 million and EUR 250 million from 2025 onwards.
- To ensure required returns for any potential new investments, Fortum continues to be selective and applies previously 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 is a payout ratio of 60–90% of comparable EPS. The payout ratio will be used so that the upper end of the pay-out ratio range is applied in situations with a strong balance sheet and low investments, while the lower end of the range is applied in situations with high leverage and/or significant investments and high capital expenditure.
- Tightened environmental and decarbonisation ambitions with 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.

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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Generation	796	805	2,208	2,234	4,420	4,394
Consumer Solutions	619	750	1,773	2,134	3,766	3,404
Other Operations	146	127	289	262	548	575
Netting of Nord Pool transactions	-205	-211	-772	-659	-1,510	-1,623
<i>Eliminations</i>	-100	-103	-228	-339	-514	-402
<b>Total continuing operations</b>	<b>1,255</b>	<b>1,368</b>	<b>3,270</b>	<b>3,632</b>	<b>6,711</b>	<b>6,349</b>

### Comparable EBITDA by segment

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Generation	313	348	877	1,115	1,874	1,637
Consumer Solutions	33	27	95	51	108	152
Other Operations	-21	-31	-24	-41	-80	-63
<b>Total continuing operations</b>	<b>326</b>	<b>344</b>	<b>948</b>	<b>1,125</b>	<b>1,903</b>	<b>1,726</b>

## Comparable operating profit by segment

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Generation	264	304	777	1,027	1,679	1,429
Consumer Solutions	12	10	54	16	38	75
Other Operations	-43	-52	-68	-83	-173	-158
<b>Total continuing operations</b>	<b>233</b>	<b>262</b>	<b>763</b>	<b>960</b>	<b>1,544</b>	<b>1,347</b>

## Operating profit by segment

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Generation	256	367	797	1,416	2,058	1,439
Consumer Solutions	25	-48	77	-297	-215	159
Other Operations	-40	-52	-62	-83	-181	-160
<b>Total continuing operations</b>	<b>240</b>	<b>267</b>	<b>812</b>	<b>1,036</b>	<b>1,662</b>	<b>1,439</b>

## April–June 2024

Sales decreased to EUR 1,255 (1,368) million, mainly due to lower power prices.

Comparable operating profit decreased to EUR 233 (262) million. The Generation segment results decreased to EUR 264 (304) million, mainly due to the lower spot and hedge prices, part of which was offset by higher hydro volumes. The result for the Consumer Solutions segment increased to EUR 12 (10) million, mainly driven by improved electricity sales margins and discontinuation of the regulated electricity price cap for end users in Poland effective during 2023, the effect of which was partly offset by lower gas sales margins.

Operating profit for the period was impacted by EUR 7 (5) million of items affecting comparability.

Comparable share of profits of associates and joint ventures was EUR -1 (-42) million. In the comparison period, the comparable share of profits of associates and joint ventures was impacted by lower profits of associates, mainly caused by inflation adjustments in Swedish nuclear waste-related provisions in co-owned nuclear companies. (Note 7)

Comparable earnings per share were EUR 0.20 (0.16).

## January–June 2024

Sales decreased to EUR 3,270 (3,632) million, mainly due to lower power prices.

Comparable operating profit decreased to EUR 763 (960) million. The Generation segment results decreased to EUR 777 (1,027) million, mainly due to the clearly lower spot and hedge prices, partly offset by higher hydro volumes. The result for the Consumer Solutions segment increased to EUR 54 (16) million, mainly driven by higher electricity sales margins, discontinuation of the regulated electricity price cap for end users in Poland effective during 2023 and higher sales margins for value-adding services, the effect of which was partly offset by lower gas sales margins.

Operating profit for the period was impacted by EUR 49 (76) million of items affecting comparability.

Comparable share of profits of associates and joint ventures was EUR 11 (-32) million (Note 7).

Finance costs – net amounted to EUR 16 (-145) million. Other interest income includes EUR 19 million pre-tax accrued interest income from Belgian tax authorities on tax payment. In the comparison period, the interest expenses, fees and other financial expenses related to the Finnish State bridge financing were EUR 56 million. Comparable finance costs – net amounted to EUR -17 (-115) million (Notes 8 and 9).

Income taxes totalled EUR -163 (45) million. The comparable effective income tax rate was 19.3% (22.0%) (Note 9).



Net profit after non-controlling interests was EUR 688 (916) million and comparable net profit was EUR 614 (629) 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 0.77 (1.02). Comparable earnings per share were EUR 0.68 (0.70) (Note 4).

## Financial position and cash flow

### Cash flow

In January–June, net cash from operating activities decreased and totalled EUR 876 (1,132) million due to the lower comparable EBITDA, lower positive change in working capital and realised foreign exchange losses included in non-cash and other items, the effect of which was partly offset by lower paid income taxes.

Net cash from investing activities turned negative and totalled EUR -41 (1,304) million. Capital expenditure amounted to EUR 218 (300) million. Net cash from investing activities was positively impacted by lower margin receivables, a decrease of EUR 254 (decrease 1,539) million.

Net cash used in financing activities was EUR -957 (-1,947) million. The net repayments of interest-bearing liabilities totalled EUR 403 (1,441) million, including a repayment of EUR 400 million of bank loans. The net repayments of interest-bearing liabilities in the comparison period included the EUR 1,000 million repayment of bonds, the EUR 1,100 million repayment of the liquidity revolving credit facilities and the EUR 350 million repayment of the Finnish State bridge loan, which were partly offset by issued bonds of EUR 1,150 million. The first dividend payment of EUR 520 (413) million was paid in April 2024. The second instalment will be paid in the fourth quarter.

Liquid funds decreased by EUR 122 (increase 489) million. Liquid funds at 30 June 2024 amounted to EUR 4,058 million.

For further details, see the 'Financing' section below.

### Assets

At the end of the second quarter of 2024, total assets amounted to EUR 17,796 (18,739 at the end of 2023) million. The decrease of EUR 943 million was mainly due to lower margin receivables and trade and other receivables reflecting the seasonality of the business operations.

### Equity

Total equity amounted to EUR 8,556 (8,499 at the end of 2023) million. Equity attributable to owners of the parent company totalled EUR 8,472 (8,438 at the end of 2023) million. Equity was positively impacted by the EUR 688 million net profit for the period and by the EUR 360 million fair valuation of cash flow hedges, which were almost entirely offset by the 2023 dividend of EUR 1,032 million.

The dividend for 2023, 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 520 million was paid on 5 April 2024. The second dividend instalment of EUR 511 million will be paid on 9 October 2024. The second dividend instalment is recorded as a liability and included in 'Trade and other payables' on the balance sheet at 30 June 2024.

### Financing

The Group's financial position continues to be very solid. At the end of June, the Group's ratio for financial net debt-to-comparable EBITDA was very low, at 0.5 times for the last twelve months.

At the end of the second quarter, financial net debt was EUR 851 (942 at the end of 2023) million. Fortum's total interest-bearing liabilities were EUR 5,385 (5,909 at the end of 2023) million and liquid funds amounted to EUR 4,058 (4,183 at the end of 2023) million.



At the end of the second quarter, Fortum's long-term loans totalled EUR 4,750 million. Short-term loans amounted to EUR 516 million. (Note 12)

In May, Fortum extended the EUR 800 million bilateral revolving credit facility maturing in June 2025 by one year, with a new maturity date in June 2026.

In June, Fortum signed its first green loan under the company's Green Finance Framework, which was established in January. The EUR 300 million green loan is aimed to refinance renewable energy and energy-efficiency projects. The loan period is five years, and it has a one-year extension option by the lender. The loan partly refinanced a bank loan of EUR 700 million, of which Fortum prepaid the remaining EUR 400 million in June.

Additionally, Fortum extended the EUR 2,400 million Core revolving credit facility by two years, with a new maturity date in June 2027. After the original due date in June 2025, the facility size will be EUR 2,206 million.

At the end of the second quarter, Fortum had undrawn committed credit facilities of EUR 3,200 million. In addition, Fortum has EUR 100 million committed overdraft limits that are valid until further notice.

The current long-term credit rating for Fortum by S&P Global Ratings is BBB+ with Stable Outlook and by Fitch Ratings BBB with Stable Outlook.

## Segment reviews

### Generation

Generation is responsible for power generation mainly in the Nordics. The segment comprises CO<sub>2</sub>-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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Reported</b>						
Sales	796	805	2,208	2,234	4,420	4,394
- power sales	700	703	1,907	1,947	3,889	3,849
of which Nordic outright power sales*	516	578	1,286	1,523	2,799	2,563
- heat sales	83	88	274	260	481	495
- other sales	13	14	26	27	50	50
Operating profit	256	367	797	1,416	2,058	1,439
Share of profit/loss of associates and joint ventures**	2	-42	22	-19	59	101
Capital expenditure and gross investments in shares	94	135	155	226	454	383
Number of employees			2,121		1,758	

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Comparable</b>						
EBITDA	313	348	877	1,115	1,874	1,637
Operating profit	264	304	777	1,027	1,679	1,429
Share of profit/loss of associates and joint ventures**	-1	-41	10	-31	7	48
Return on net assets, %					24.2	20.6
Net assets (at period-end)			7,453	6,876	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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Hydropower, Nordic	5.4	4.6	10.9	9.6	20.9	22.3
Nuclear power, Nordic	5.5	5.8	12.3	12.3	24.8	24.8
Wind power, Nordic	0.2	-	0.4	-	0.1	0.5
CHP and condensing power*	0.1	0.1	0.5	0.6	1.0	0.9
<b>Total</b>	<b>11.2</b>	<b>10.5</b>	<b>24.0</b>	<b>22.4</b>	<b>46.8</b>	<b>48.4</b>

\* CHP and condensing power generation in Finland and Poland.

### Sales volumes

TWh	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Power sales volume, Nordic	14.1	12.8	30.8	26.8	62.6	66.6
of which Nordic outright power sales volume*	10.6	10.1	22.7	21.1	44.4	45.9
Power sales volume, Other	0.1	0.1	0.3	0.3	0.6	0.5
Heat sales volume, Nordic	0.3	0.4	1.2	1.2	2.1	2.2
Heat sales volume, Other	0.4	0.5	1.8	2.0	3.4	3.2

\* 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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Generation's Nordic achieved power price*	48.6	57.5	56.7	72.0	63.1	55.8

\* 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.

## April–June 2024

The Generation segment's total power generation increased in the second quarter of 2024. Hydro generation volumes increased by 17% due to higher water inflow compared to the previous year. Nuclear volumes decreased by 5% compared to the previous year, mainly due to the extended outages in Olkiluoto's first and third units and unplanned outages at the Forsmark nuclear power plant. This was partly offset by higher nuclear volumes in Oskarshamn. Volumes from wind generation increased by 0.2 TWh following the commissioning of the Pjelaž wind farm. The weather was warmer both in Finland and Poland; consequently heat generation was 14% lower while CHP-based power generation was at the same level as in the previous year.

The achieved power price decreased by 15%, or 8.9 EUR/MWh, and was 48.6 EUR/MWh. The decrease in the achieved power price was mainly attributable to both lower spot and hedge prices. The spot power price in Fortum's generation price areas declined to 34.3 EUR/MWh compared to 44.5 EUR/MWh in the second quarter of 2023.

Comparable operating profit decreased by 13%, impacted mainly by the lower spot and hedge prices. Lower nuclear volumes due to the extended outage in Olkiluoto's third unit and higher fixed costs negatively affected the result further, the effect of which was partly offset by higher hydro volumes. The result of the renewables business was positively impacted by the sale of Fortum's remaining share of its Indian solar power portfolio comprising four solar power plants with a total capacity of 185 MW. Fortum recorded a sales gain of EUR 16 million from the divestment in connection with the closing of the transaction in the second quarter of 2024. The result contribution of the Pjelaž wind farm was marginally negative. The result of the district heat business improved, mainly due to the higher sales price for power in Poland as well as lower fuel and CO<sub>2</sub> costs supported by more electricity-based heat production in Finland.

Operating profit was affected by EUR -9 (63) 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 -1 (-41) million (Notes 3 and 7).

## January–June 2024

The Generation segment's total power generation increased in January–June 2024. Hydro generation volumes increased by 14% due to higher water inflow compared to the previous year. Nuclear volumes were unchanged due to higher volumes from the Oskarshamn nuclear power plant as a result of the shorter planned outage in 2024, the effect of which was offset by lower volumes due to unplanned outages at the Forsmark plant and extended outages in Olkiluoto's first and third units. Volumes from wind generation increased by 0.4 TWh following the commissioning of the Pjelaž wind farm. Heat generation decreased by 4% compared to previous year due to warmer weather in Poland. CHP-based power volumes were flat.

The achieved power price decreased by 21%, or 15.3 EUR/MWh, and was 56.7 EUR/MWh. The decrease in the achieved power price was mainly attributable to both lower spot and hedge prices. The spot power price in Fortum's generation price areas declined to 48.5 EUR/MWh compared to 58.6 EUR/MWh in January–June 2023.

Comparable operating profit decreased clearly, by 24%, impacted mainly by the clearly lower spot and hedge prices, partly offset by higher hydro volumes. The result was also negatively affected by a weaker energy mix resulting from higher-cost nuclear volumes from Olkiluoto's third unit. The result of the renewables business was positively impacted by a sales gain of EUR 16 million from the divestment of Fortum's remaining share in the Indian solar power portfolio which comprises four solar power plants with a total capacity of 185 MW. The result contribution of the Pjelaž wind farm was slightly positive. The result of the district heating business improved mainly due to lower fuel and CO<sub>2</sub> costs supported by more electricity-based heat production in Finland and the higher sales price for heat and power in Poland.

Operating profit was affected by EUR 20 (390) 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 10 (-31) million (Notes 3 and 7).

Fortum and Huoltovarmuuskus, the Finnish National Emergency Supply Agency (NESA), have agreed on Fortum's Meri-Pori power plant being used to secure national supply during the period 1 April 2024–31 December 2026. NESA has reserved the production of the power plant to be used only in the event of severe disruptions or emergencies in the electricity system.

On 21 March, Fortum announced that it will build new emission-free, electricity-based district heat production in the Nuijala area of Espoo, Finland, as part of the Espoo Clean Heat programme. The production plant will have a 50-MW electric boiler and an 800-MWh 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 began in spring 2024 and production is expected to start for the 2025-2026 heating season. For further details, see the 'Capital expenditures' section.

In April, Fortum's biggest and Finland's third largest wind farm, the 380-MW Pjela, became fully operational. It started commercial operations in the beginning of July through a power purchase agreement (PPA) with the Finnish Helen. Helen is purchasing 65% of the power generation through the 12-year "pay-as-produced" PPA. The farm will produce around 1.1 TWh of renewable energy annually from 56 wind turbines. Pjela is fully consolidated on Fortum's balance sheet; Helen has a 40% minority ownership in the company.

On 17 April, Fortum announced that Fortum and the Swedish ferroalloys producer Vargön Alloys AB had 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.

On 28 April, Fortum closed its last coal-fired unit at the Suomenoja production plant in Espoo used for district heat production in Espoo, Finland. As a result of the decision, Fortum's Heating and Cooling business in Finland phased out coal one year earlier than expected.

On 3 May, Fortum signed an agreement to sell its remaining 43.75% share of its Indian solar power portfolio to Gentari Renewables India Pte. Ltd., a subsidiary of clean energy solutions provider Gentari Sdn. Bhd. The portfolio comprises four solar power plants with a total capacity of 185 MW. In the transaction, the other owners also sold their ownership. Fortum will receive the total proceeds of EUR 33 million during the second half of 2024. Fortum recorded a sales gain of EUR 16 million in comparable operating profit from the divestment in connection with the closing in the second quarter of 2024.

## 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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Reported</b>						
Sales	619	750	1,773	2,134	3,766	3,404
- power sales	503	637	1,481	1,835	3,219	2,865
- gas sales	93	88	234	241	422	416
- other sales	23	25	57	59	125	123
Operating profit	25	-48	77	-297	-215	159
Capital expenditure and gross investments in shares	18	20	35	40	103	98
Number of employees			1,161		1,281	

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Comparable</b>						
EBITDA	33	27	95	51	108	152
Operating profit	12	10	54	16	38	75
Return on net assets, %					4.5	11.5
Net assets (at period-end)			580	604	838	

### Sales volumes

TWh	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Electricity	7.2	6.8	18.4	16.6	33.0	34.9
Gas	1.4	1.1	3.6	2.7	5.2	6.1

### Number of customers

Thousands*	30 Jun 2024	30 Jun 2023	31 Dec 2023
Electricity	2,250	2,170	2,290
E-mobility**	40	60	60
Gas	40	40	40
<b>Total</b>	<b>2,330</b>	<b>2,270</b>	<b>2,380</b>

\* Rounded to the nearest 10,000.

\*\* Measured as average monthly paying customers for the quarter.

### April–June 2024

The electricity sales volume increased by 6%, while the gas sales volume increased by 27%. Higher volumes were driven by a larger customer base in the gas enterprise business in Poland and the acquisition of Telge Energi AB in 2023. Total sales revenues decreased by 18% due to lower electricity and gas prices both in the Nordics and in Poland.

Comparable operating profit increased by EUR 2 million to EUR 12 million, mainly due to improved electricity sales margins and discontinuation of the regulated electricity price cap for end users in Poland effective during 2023, the positive effect of which was partly offset by lower gas sales margin and higher fixed costs.

### January–June 2024

The electricity sales volume increased by 11% and the gas sales volume increased by 33%. Higher volumes were driven by colder weather in the first part of the year, a larger customer base in the gas enterprise business in Poland

and the acquisition of Telge Energi AB in 2023. 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 37 million to EUR 54 million, mainly due to higher electricity sales margins, discontinuation of the regulated electricity price cap for end users in Poland effective during 2023 and higher sales margins for value-adding services, the effect of which was partly offset by lower gas sales margins in Poland and higher fixed costs.

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 was 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 May 2024, the second phase was completed with the merger of Norges Energi and Fortum Ström in Norway. The final phase is planned for the fourth quarter of 2024 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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Reported</b>						
Sales	146	127	289	262	548	575
- power sales	1	2	3	5	9	7
- heat sales	5	5	16	15	31	33
- waste treatment sales	52	50	106	103	226	229
- other sales	88	69	164	139	281	307
Operating profit	-40	-52	-62	-83	-181	-160
Share of profit/loss of associates and joint ventures	0	-1	1	-1	0	2
Capital expenditure and gross investments in shares	24	28	39	51	107	95
Number of employees			2,397		2,186	

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Comparable</b>						
EBITDA	-21	-31	-24	-41	-80	-63
Operating profit	-43	-52	-68	-83	-173	-158
Share of profit/loss of associates and joint ventures	0	-1	1	-1	0	2

### April–June 2024

Comparable operating profit improved by EUR 9 million and amounted to EUR -43 million mainly due to higher internal charges for the services of enabling functions and higher earnings in the Circular Solutions business.

### January–June 2024

Comparable operating profit improved by EUR 15 million and amounted to EUR -68 million mainly due to higher internal charges for the services of enabling functions and higher 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 was approximately 70, part of which was related to the IT unit.

## Capital expenditures, divestments and investments in shares

In the second quarter of 2024, capital expenditures and investments in shares totalled EUR 136 (183) million. Capital expenditures were EUR 127 (178) million (Notes 3 and 6).

In January–June 2024, capital expenditures and investments in shares totalled EUR 229 (317) million. Capital expenditures were EUR 215 (300) 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	Capital expenditure, MEUR	Supply starts/started
<b>Growth</b>					
Loviisa, Finland	Nuclear	Lifetime extension		1,000	
Espoo Clean Heat, Finland				300	IV/2025
Espoo and Kirkkonummi	Waste heat utilisation		360		
Nuijala, Espoo	Electric boiler		50		
Pjelax, Finland	Wind	380		360	II/2024
<b>Maintenance</b>					
Hydro projects	Hydro	35			

## Generation

### Growth capital expenditure

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 was fully operational in the second quarter of 2024. It will produce around 1.1 TWh of renewable energy annually from 56 wind turbines. 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 177 TWh of CO<sub>2</sub>-free electricity. Investments related to the continuation of operations and lifetime extension will amount to an estimated EUR 1 billion during 2023-2050. On 29 May 2024, Fortum announced that it will modernise Loviisa nuclear power plant's low-pressure turbines as part of the lifetime extension-related investments. Over the past five years, Fortum has already invested approximately EUR 200 million in refurbishing of 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. The units' previous operating licences are valid until 2027 and 2030.

Fortum and the City of Espoo are committed to carbon-neutral district heat production and distribution in the Espoo, Kauniainen and Kirkkonummi areas by 2030. The project, Espoo Clean Heat, provides a flagship example of efficient decarbonisation and a transition to local self-sufficient heating on a large scale by, for example, increasing flexible electricity-based production through e.g. electric boilers and air-to-water heat pumps. Fortum's total capital



expenditure of the Espoo Clean Heat programme amounts to approximately EUR 300 million. In June 2023, Fortum announced that it had decided to invest approximately EUR 225 million during 2023-2027 in projects within the programme. During the first half of 2024, EUR 31 million of the Espoo Clean Heat investments materialised, and since the beginning of 2023, Fortum's investments in the programme totalled approximately EUR 90 million. The use of coal was discontinued in April 2024, over a year ahead of schedule. The largest sites currently under construction are two sites in Espoo and Kirkkonummi with heat offtake from Microsoft's planned large-scale data centres and a new electricity-based district heat production plant in the Nuijala area in Espoo. These plants' heat capacity will be 410 MW, and operations are expected to begin for the 2025-2026 heating season. Once the waste heat recovery from Microsoft's data centres is in full operation, district heat production will be completely carbon neutral. In 2023, the share of emissions-free district heat production was already 63%.

### **Maintenance capital expenditure**

Fortum continuously maintains and upgrades its hydropower fleet and currently has numerous hydropower plant refurbishment and modernisation projects underway. The resulting capacity increase is estimated to be approximately 35 MW in total by the year 2030.

## **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. In June 2024, Macquarie Asset Management announced that it had reached an agreement to sell its 50% stake in the plant to Gren Energy. 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. The facility is expected to enter commercial operations by the end of 2026.

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 Fortum's recycling and waste assets, the batteries recycling business, 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. On 18 July 2024, Fortum announced that it had signed an agreement to sell its recycling and waste business to Summa Equity for approximately EUR 800 million. The transaction is expected to be completed in the fourth quarter of 2024. After the divestment, Fortum continues the strategic review of its remaining Circular Solutions' businesses. The net assets of these remaining businesses total EUR 90 million and they have approximately 400 employees. For the last twelve months (including Q1 2024), the comparable EBITDA was EUR -29 million.

## **Operating and regulatory environment**

### **European power markets**

Last winter, the remnants of the energy crisis risk-premium evaporated as gas prices dropped from 50 EUR/MWh to the 30 EUR/MWh level. During the second quarter, however, there was a clear upwards recoil in gas and carbon prices, influenced by continuing geopolitical tensions and increased LNG demand in Asia. On the other hand, Central Western Europe saw record-low fossil fuel-fired power generation, as growing renewable energy is pushing thermal generation out of the power mix.

Nordic electricity prices, on the other hand, were supported by below-normal wind conditions and prolonged nuclear outages due to technical issues at the Olkiluoto plant. Nevertheless, unusually strong spring inflow dampened spot prices in late May and early June. Transmission line constraints and nuclear outages lead to continuing high volatility in the Finnish spot price.

According to preliminary statistics, power consumption in the Nordic countries was 87 (85) TWh during the second 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 second quarter was 133 (134) TWh, according to preliminary statistics. Power demand in Continental Europe continued to be clearly below the five-year average, affected by declined industrial production.

At the beginning of the second quarter, Nordic hydro reservoirs were at 33 TWh, which was 8 TWh below the long-term average and 5 TWh below the level of the previous year. The Nordic inflow was clearly above normal level while hydro generation was close to normal. At the end of the quarter, the reservoir levels were at 86 TWh, which is 2 TWh above the long-term average and 4 TWh higher than in the previous year.

During the second quarter, the average system spot price at Nord Pool was 35.2 (55.8) EUR/MWh. The average area price in Finland was 40.0 (43.3) EUR/MWh. In Sweden, the average area price in the SE3 area (Stockholm) was 30.9 (46.7) EUR/MWh, and the price in the SE2 area (Sundsvall) was 26.6 (42.3) EUR/MWh. In Germany, the average spot price in the second quarter was 71.8 (92.3) EUR/MWh.

In early August, the Nordic system electricity forward price on Nasdaq Commodities for the remainder of 2024 was around 35 EUR/MWh and for 2025 around 41 EUR/MWh. The Nordic water reservoirs were at 92 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 94 EUR/MWh and for 2025 around 95 EUR/MWh.

## **European commodity markets**

Gas demand in Central Western Europe was 318 (334) TWh in the second quarter of 2024. The Central Western European gas storage levels increased from 367 TWh at the beginning of the quarter to 477 TWh at the end of the quarter, which is 3 TWh lower than one year ago and 64 TWh higher than the five-year average (2019–2023).

The average gas front-month price (TTF) in the second quarter of 2024 was 31.8 (35.1) EUR/MWh. The 2025 forward price increased from 30.6 EUR/MWh at the beginning of the quarter to 38.0 EUR/MWh at the end of the quarter, which is 14.6 EUR/MWh lower than one year earlier.

The EUA (EU Allowance) price increased from 58.7 EUR/tonne at the beginning of the second quarter of 2024 to 67.5 EUR/tonne at the end of the quarter, which is 21.6 EUR/MWh lower than one year earlier.

The forward quotation for coal (ICE Rotterdam) for 2025 decreased from 117.7 USD/tonne at the beginning of the second quarter of 2024 to 114.0 USD/tonne at the end of the quarter, which is 8.9 EUR/MWh lower than one year earlier.

In early August, the TTF forward price for gas for the remainder of 2024 was 41 EUR/MWh. The forward quotation for EUAs for 2024 was at the level of 70 EUR/tonne. The forward price for coal (ICE Rotterdam) for the remainder of 2024 was 123 USD/tonne.

## **Regulatory environment**

### **EU's strategic agenda, incl. Letta and Draghi reports**

At the end of June, the EU leaders adopted the strategic agenda for the next EU mandate, 2024-2029. The strategic agenda serves as the long-term political plan guiding the work of the EU institutions and will influence the EU's long-term budget for the period 2028-2034, to be negotiated in the coming years.

The agenda focuses on strengthening Europe's competitiveness, democracy, and security. However, the energy agenda is extensively covered and will be one of the core sectors for the next EU mandate. The agenda positively affirms the EU's long-term commitment to the 2050 climate neutrality target and acknowledges that all net-zero technologies and low-carbon sources are needed for the energy transition. No immediate legislative impact is expected for Fortum.

The strategic agenda, and the general EU debate, is influenced by Enrico Letta's report on the single market, published in April, by the upcoming reports by Mario Draghi on competitiveness – originally scheduled for the end of June to mid-July 2024, but delayed until September – as well as Sauli Niinistö's report on security and preparedness. Provided that there is political appetite to change the direction among EU leaders, Letta's report contains several

positive elements from Fortum’s perspective, especially related to EU-level funding instruments, which could level the playing field within the EU.

## **EU elections and impact on the energy sector**

The European Parliament (EP) elections took place on 6-9 June, starting a new EU mandate period for 2024-2029. Ahead of the elections, the far-right was projected to gain wins in multiple EU Member States. This realised in major countries, such as Germany and France, while the shift was more moderate elsewhere in Central Europe and did not take place in the Nordics where green and left parties gained victories. It is expected that the overall climate neutrality ambition will not be challenged, however, competitiveness and industrial topics will dominate the green agenda visible during the previous mandate.

Following the EP elections, a new College of Commissioners will be nominated by Member States and confirmed during the autumn by the EP. In addition, the top job nominations by the European Council were concluded, Antonio Costa was approved as President of the European Council and Kaja Kallas for the role of High Representative. Following a vote in the European Parliament on 18 July, Ursula von der Leyen was elected for a second term as the head of the European Commission. She will now assemble her College of Commissioners – with candidates proposed by each Member State – to be confirmed by the European Parliament.

## **EU Nature Restoration Regulation adopted**

On 17 June, the Environment Council adopted the EU Nature Restoration Regulation (NRR), completing the long-lasting legislative process. The regulation combines an overarching restoration objective for the long-term recovery of nature in the EU’s land and sea areas with binding restoration targets for specific habitats and species. Within the next two years, EU countries are obliged to submit National Restoration Plans to the Commission with measures to meet the targets.

The impacts of the regulation on Fortum will depend on the national implementation in Member States. Renewable energy production and targets have been better accounted for in the adopted text compared to the Commission’s proposal. The regulation could still have impacts, especially on Fortum’s existing hydropower in Sweden, where several hydro power plants are located in, or near, Natura areas. However, an expected increase in restoration activities by Member States in forests, marshlands, and small water bodies will also make Fortum’s own biodiversity activities in terrestrial and aquatic areas more efficient.

## **Finnish Government's investment tax incentive**

In spring 2024, the Finnish Government decided to adopt a tax subsidy for large investments aimed at building a climate-neutral economy. The objective is to increase the number of large industrial investments that use electricity, although electricity production is excluded. The subsidy is based on the temporary state aid framework adopted by the European Commission in spring 2023.

Only new investments exceeding EUR 50 million would be eligible for the subsidy. They must be granted by the end of 2025 and can only be used after the investment is completed, earliest in 2028. The subsidy can be a maximum of 20% of the investment costs and up to EUR 150 million per company. The company making the investment would receive the tax subsidy as a concession from corporate income tax. The Ministry of Finance is currently preparing a government proposal on the tax subsidy. Its entry into force requires approval from the European Commission.

The impact on Fortum is mainly indirect and relates to potential increased use of electricity by industries eligible for the tax subsidy.

# **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 strategy, launched in March 2023, was 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<sub>2</sub>-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<sub>2</sub> 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. OTC trading 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, Fortum deployed a new risk management framework to manage credit, liquidity and market risks holistically and to support the maintaining of its 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<sub>2</sub>-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<sub>2</sub>-free power, will potentially offer future 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 targets. 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 Financial 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 second quarter, approximately 75% of the Generation segment's estimated Nordic power sales volume was hedged at 43 EUR/MWh for the remainder of 2024 and approximately 60% at 42 EUR/MWh for 2025 (at the end of the first quarter of 2024: 50% at 42 EUR/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 the 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 recent 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 through 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 commissioning of Olkiluoto's nuclear power plant's new third unit and the new Pjälax 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 1 EUR/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 6–8 EUR/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 preliminary estimates, this will result in an annual increase of approximately EUR 25 million of the property taxes in Sweden from the year 2025. The new run-rate is effective until and including 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 cost base for the year 2022. The divestment of Fortum's recycling and waste business will reduce the Group's fixed cost base by approximately EUR 150 million. Consequently, after the closing of the transaction, expected in the fourth quarter of 2024, the new fixed cost base will be approximately EUR 850 million. The lower cost base does not change the cost reduction target of EUR 100 million, and Fortum expects to reduce its recurring fixed cost base by more than EUR 50 million by the end of 2024. The programme is progressing according to plan and schedule.

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 half of 2024, 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 increase 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 approximately 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 1.6 billion (excluding acquisitions), of which the growth capital expenditure is expected to be EUR 800 million. From 2025 onwards, the annual maintenance capital expenditure is expected to be EUR 250 million, clearly below depreciation. 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<sub>2</sub> 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<sub>2</sub>/kWh for total energy production, and below 10 g CO<sub>2</sub>/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. Fortum has also submitted its transition plan, as well as near- and long-term company-wide emission reduction 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 exit from coal and emissions reduction in the company's own operations and in its electricity sales footprint.

## Group sustainability performance, climate and resources

	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Emissions</b>						
Direct CO <sub>2</sub> emissions, million tonnes (Mt)	0.2	0.3	0.8	0.9	1.6	1.5
Specific CO <sub>2</sub> emissions from total energy production, gCO <sub>2</sub> /kWh	21	24	30	37	32	28
Specific CO <sub>2</sub> emissions from power generation, gCO <sub>2</sub> /kWh	11	12	13	18	16	13
Free emission allowances*, Mt					0.2	
Emissions subject to ETS, Mt	0.1	0.2	0.5	0.7	1.1	1.0
Emissions not subject to ETS, Mt	0.1	0.1	0.2	0.2	0.5	0.5
<b>Other</b>						
Major environmental incidents**, no.	1	0	2	0	2	4
Power generation, TWh	11.2	10.6	24.1	22.5	47.0	48.6
Share of CO <sub>2</sub> -free power generation, %	99	98	98	97	98	98
Coal-based capacity, GW	1.0	1.3	1.3	1.3	1.3	
Coal-based power generation capacity, GW	0.7	0.7	0.7	0.7	0.7	
Coal-based heat production capacity, GW	0.4	0.6	0.4	0.6	0.6	
Coal-based power and heat production, TWh	0.2	0.2	1.0	1.2	1.9	1.6
Coal-based power generation, TWh	0.1	0.1	0.3	0.4	0.6	0.6
Coal-based heat production, TWh	0.1	0.1	0.7	0.8	1.2	1.1
Share of coal of revenues, %	2	1	3	3	3	3
Share of fossil fuels of production-based revenues, %	4	3	6	5	5	5
Share of fossil fuels of revenues***, %	12	10	13	12	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),
- 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 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 two similar case studies, one in its wind power project in Borgvik, Sweden, and the other in its solar power project in Tarvasjoki, Finland. The studies aim to create a process to analyse the biodiversity footprint and assess biodiversity impact mitigation possibilities (for adverse impacts) for wind and solar power projects in order to reach the corporate-level No Net Loss -target from 2030 onwards. In Tarvasjoki, Fortum is also modelling the implementation and validation of possible concrete biodiversity measures and their effectiveness.

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–June 2024, there were 2 (0) major environmental incidents. A transformer oil leakage in Bytom, Poland, was classified as a potential non-compliance and its investigation is currently ongoing. A major fire in an energy waste bunker in Turku, Finland, caused a major leakage of extinguishing water into the environment.

## 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,
- 60% execution rate for Safety improvement plans in 2024.

### Group sustainability performance, personnel and society

	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Total Recordable Injury Frequency (TRIF), own personnel and contractors, injuries per million working hours*	2.9	4.6	3.6	5.2	5.0	4.3
Lost Time Injury Frequency (LTIF), own personnel and contractors, injuries per million working hours	1.4	3.2	2.0	4.3	3.9	2.8
Severe or fatal injuries, no.	0	0	0	0	0	0

\* Figures II/2023 and I-II/2023 are updated from 2023 reporting due to reclassification of an incident.

At the end of June 2024, 92% 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 April 2024 health and wellbeing score was 7.7, which is slightly below the relevant energy and utility benchmark score (7.8).

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–June 2024, Fortum conducted six 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. In June 2024, Fortum joined the Solar Stewardship Initiative to improve sustainability in the solar supply chains.

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	July 2024
ISS ESG Corporate Rating	B- (Prime)	A+	September 2023
EcoVadis Rating	Gold	Platinum	September 2023
Moody's ESG Solutions	63	100	April 2024

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

## Legal actions

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. 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.

Fortum is seeking compensation for the value of its shares in PAO Fortum (currently PAO Forward Energo) 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. The arbitration proceedings are expected to take several years, followed by enforcement of the arbitral award.

On 20 June, the Belgian Supreme Court ruled in favour of Fortum in connection with Fortum's income tax assessments in Belgium for the year 2008. The decision concerns Fortum's Belgian financing company, Fortum EIF NV, which provided internal financing to a Swedish group company to finance an acquisition in Russia. The amount of additional tax claimed for 2008 is EUR 36 million. The tax has been paid and recognised as a receivable and it will be repaid to Fortum during the third quarter of 2024. In addition, Fortum will receive EUR 19 million pre-tax in interest income, which is recorded as financial items in the second quarter of 2024. The decision is final and this is the last open year in Fortum's Belgian tax audits. The previous court ruling was made in Fortum's favour in 2022.

For further information on legal actions, see Note 16.

## Shares and share capital

### Fortum shares on Nasdaq Helsinki

January–June 2024	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR*	Last EUR
FORTUM	268,144,659	3,374,241,151	14.75	10.83	12.58	13.65

\* Volume-weighted average.

	30 June 2024	30 June 2023
Market capitalisation, EUR billion	12.2	11.0
Number of shareholders	226,306	207,999
Finnish State holding, %	51.3	51.3
Nominee registrations and direct foreign shareholders, %	22.1	24.4
Households, %	14.1	11.9
Financial and insurance corporations, %	2.1	2.2
Other Finnish investors, %	10.4	10.3

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 January–June 2024, approximately 70% of Fortum's shares were traded on markets other than Nasdaq Helsinki (source Bloomberg).

On 30 June 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 June 2024 was 5,679 (5,225 at the end of 2023).

At the end of June, the Generation segment had 2,121 (1,758 at the end of 2023) employees, the Consumer Solutions segment 1,161 (1,281 at the end of 2023), and the Other Operations segment 2,397 (2,186 at the end of 2023). During the second quarter, the Generation segment insourced 250 employees to its hydropower operations and maintenance team in Sweden and Finland.

## Changes in management

On 27 June, Fortum announced that Bernhard Günther, Chief Transformation Officer and member of Fortum Leadership Team, will leave Fortum at the end of 2024 by mutual agreement. With the transformation initiatives proceeding as planned and as the work will be handed over to the line organisation, there is no further need for a dedicated Transformation Office.

On 28 June, Fortum announced that Nora Steiner-Forsberg, Executive Vice President, Legal, General Counsel, and Eveliina Dahl, Executive Vice President, People and Procurement, will leave Fortum at latest by the end of 2024 to take on positions in other companies. The recruitment of Nora Steiner-Forsberg's and Eveliina Dahl's successors started immediately.

## 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.

As announced in connection with Fortum's first-quarter result, 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 in the 2024–2026 LTI plan was 1,017,500. The outcome of the 2024–2026 LTI plan shall be confirmed in spring 2027.

## Board authorisations

The AGM 2024 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. These authorisations have not been used as of 14 August 2024.

Further, 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. This authorisation has not been used as of 14 August 2024.

## Other major events during the second quarter of 2024

On 7 June, Fortum announced that the following members have been appointed to Fortum Shareholders' Nomination Board:

- Maija Strandberg, Director General, Prime Minister's Office, Ownership Steering Department (Chair),
- Jouko Pölönen, President and CEO, Ilmarinen Mutual Pension Insurance Company, and
- Risto Murto, President and CEO, Varma Mutual Pension Insurance Company.

In accordance with the updated charter of the Fortum Shareholders' Nomination Board approved by the Annual General Meeting 2024, three members are appointed to Fortum Shareholders' Nomination Board each year. The company's three largest shareholders as of the first working day in June are each entitled to appoint one member. The Chair of Fortum's Board of Directors, Mikael Silvennoinen, will serve as a non-voting expert to the Nomination Board.

## Events after the balance sheet date

On 18 July, Fortum signed an agreement to sell its recycling and waste business to Summa Equity through its portfolio company NG Group. The total consideration on a debt- and cash-free basis is approximately EUR 800 million. Based on the balance sheet available at signing, Fortum would record a tax-exempt capital gain of approximately EUR 110 million; however, the final capital gain will depend on the balance sheet value at closing. The gain will be reported as Items Affecting Comparability in the Other Operations segment's results once the transaction is closed. The transaction is subject to customary closing conditions and is expected to be completed in the fourth quarter of 2024.

## 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, 14 August 2024

Fortum Corporation  
Board of Directors

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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

Fortum's January–September 2024 Interim Report will be published on 29 October 2024 at approx. 9.00 EET.

Fortum's Financial Statements Bulletin for the year 2024 will be published on 11 February 2025 at approximately 9.00 EET. The Financial Statements and Operating and Financial Review for 2024 will be published during week 8, starting on 17 February 2025, at the latest.

Fortum will publish three interim reports in 2025:

- January–March Interim Report on 29 April 2025 at approximately 9.00 EEST
- January–June Half-year Financial Report on 15 August 2025 at approximately 9.00 EEST
- January–September Interim Report on 29 October 2025 at approximately 9.00 EET

The Annual General Meeting 2025 of Fortum Corporation is planned to be held on 1 April 2025. The Board of Directors will summon the Annual General Meeting and publish the dates related to a possible dividend at a later date.

### Distribution:

Nasdaq Helsinki  
Key media  
[www.fortum.com](http://www.fortum.com)

More information, including detailed quarterly information, is available at [www.fortum.com/investors](http://www.fortum.com/investors).

Interim Financial Statements are unaudited.

## Condensed consolidated income statement

EUR million	Note	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Sales	3	1,255	1,368	3,270	3,632	6,711	6,349
Other income		23	5	33	13	32	51
Materials and services		-696	-790	-1,864	-2,037	-3,808	-3,635
Employee benefits		-123	-102	-244	-211	-436	-469
Depreciation and amortisation	3	-93	-82	-185	-165	-359	-378
Other expenses		-132	-137	-248	-273	-595	-570
<b>Comparable operating profit</b>	3	<b>233</b>	<b>262</b>	<b>763</b>	<b>960</b>	<b>1,544</b>	<b>1,347</b>
Items affecting comparability	3, 4	7	5	49	76	118	91
<b>Operating profit</b>	3	<b>240</b>	<b>267</b>	<b>812</b>	<b>1,036</b>	<b>1,662</b>	<b>1,439</b>
Share of profit/loss of associates and joint ventures	3, 7	2	-42	23	-20	59	103
Interest expense		-59	-65	-122	-155	-269	-235
Interest income		78	41	131	67	165	229
Other financial items - net		11	-26	7	-57	-34	30
Finance costs - net	8	29	-50	16	-145	-138	23
<b>Profit before income tax</b>		<b>272</b>	<b>175</b>	<b>852</b>	<b>871</b>	<b>1,583</b>	<b>1,564</b>
Income tax expense	9	-57	199	-163	45	-69	-276
<b>Net profit from continuing operations</b>		<b>215</b>	<b>374</b>	<b>689</b>	<b>916</b>	<b>1,515</b>	<b>1,288</b>
<b>Attributable to:</b>							
Owners of the parent		217	376	688	916	1,514	1,286
Non-controlling interests		-2	-3	0	0	1	2
<b>Net profit from discontinued operations</b>	6.3	<b>-</b>	<b>-3,608</b>	<b>-</b>	<b>-3,582</b>	<b>-3,582</b>	<b>-</b>
<b>Attributable to:</b>							
Owners of the parent		-	-3,608	-	-3,583	-3,583	-
Non-controlling interests		-	0	-	1	1	-
<b>Net profit, total Fortum</b>		<b>215</b>	<b>-3,234</b>	<b>689</b>	<b>-2,666</b>	<b>-2,067</b>	<b>1,288</b>
<b>Attributable to:</b>							
Owners of the parent		217	-3,232	688	-2,667	-2,069	1,286
Non-controlling interests		-2	-3	0	1	2	2
<b>Earnings per share for profit attributable to the equity owners of the company (EUR per share)</b>							
Basic, continuing operations		0.24	0.42	0.77	1.02	1.68	1.43
Basic, discontinued operations		-	-4.02	-	-3.99	-3.99	-
Basic, total Fortum		0.24	-3.60	0.77	-2.97	-2.31	1.43

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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Comparable operating profit</b>		<b>233</b>	<b>262</b>	<b>763</b>	<b>960</b>	<b>1,544</b>	<b>1,347</b>
Impairment charges and reversals		0	-	-2	-	-	-2
Capital gains and other related items		2	0	7	1	4	10
Changes in fair values of derivatives hedging future cash flow		4	5	43	67	111	88
Other		1	0	1	8	3	-4
Items affecting comparability	3, 4	7	5	49	76	118	91
<b>Operating profit</b>		<b>240</b>	<b>267</b>	<b>812</b>	<b>1,036</b>	<b>1,662</b>	<b>1,439</b>

See Note 19 Definitions and reconciliations of key figures.



# Condensed consolidated statement of comprehensive income

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Net profit, total Fortum</b>	<b>215</b>	<b>-3,234</b>	<b>689</b>	<b>-2,666</b>	<b>-2,067</b>	<b>1,288</b>
<b>Other comprehensive income</b>						
<b>Items that may be reclassified to profit or loss in subsequent periods:</b>						
Cash flow hedges						
Fair value gains/losses <sup>1)</sup>	-95	104	413	2,068	2,185	531
Transfers to income statement	30	27	37	32	150	155
Transfers to inventory/property, plant and equipment	0	-2	0	-3	-3	-1
Deferred taxes	14	-35	-90	-435	-473	-128
Net investment hedges						
Fair value gains/losses	-2	-27	2	-9	-16	-4
Deferred taxes	0	5	0	2	3	1
Exchange differences on translating foreign operations <sup>2)</sup>	-3	5	10	-33	-43	1
Share of other comprehensive income of associates and joint ventures	3	1	1	-1	-17	-14
	<b>-53</b>	<b>78</b>	<b>373</b>	<b>1,620</b>	<b>1,788</b>	<b>541</b>
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>						
Remeasurement of investments	1	-	1	-	1	2
Actuarial gains/losses on defined benefit plans	0	-	0	0	-9	-9
Actuarial gains/losses on defined benefit plans in associates and joint ventures	-	-	-	-	-3	-3
	<b>1</b>	<b>-</b>	<b>1</b>	<b>0</b>	<b>-11</b>	<b>-10</b>
<b>Other comprehensive income/expense from continuing operations, net of deferred taxes</b>	<b>-51</b>	<b>78</b>	<b>374</b>	<b>1,620</b>	<b>1,777</b>	<b>531</b>
Recycling of FX including net investment hedges related to Russia <sup>3)</sup>	-	1,940	-	1,940	1,940	-
Other comprehensive income/expense from discontinued operations, net of deferred taxes	-	-13	-	-69	-69	0
<b>Total comprehensive income/expense</b>	<b>164</b>	<b>-1,229</b>	<b>1,063</b>	<b>824</b>	<b>1,581</b>	<b>1,820</b>
<b>Total comprehensive income/expense for total Fortum attributable to:</b>						
Owners of the parent	166	-1,230	1,063	826	1,580	1,817
Non-controlling interests	-2	2	0	-1	1	2
	<b>164</b>	<b>-1,229</b>	<b>1,063</b>	<b>824</b>	<b>1,581</b>	<b>1,820</b>

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	30 Jun 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		619	643
Property, plant and equipment and right-of-use assets		6,601	6,612
Participations in associates and joint ventures		1,233	1,059
Share in the State Nuclear Waste Management Fund	13	1,077	1,058
Other non-current assets		208	201
Deferred tax assets		905	958
Derivative financial instruments	5	229	216
Long-term interest-bearing receivables	11	520	644
<b>Total non-current assets</b>		<b>11,392</b>	<b>11,392</b>
<b>Current assets</b>			
Inventories		411	452
Derivative financial instruments	5	442	389
Short-term interest-bearing receivables	11	292	389
Income tax receivables		69	59
Margin receivables	12	336	590
Trade and other receivables		796	1,286
Liquid funds	12	4,058	4,183
<b>Total current assets</b>		<b>6,404</b>	<b>7,347</b>
<b>Total assets</b>		<b>17,796</b>	<b>18,739</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		3,046	3,046
Share premium		73	73
Retained earnings		5,263	5,592
Other equity components		90	-273
<b>Total</b>		<b>8,472</b>	<b>8,438</b>
Non-controlling interests		83	60
<b>Total equity</b>		<b>8,556</b>	<b>8,499</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities	12	4,829	4,573
Derivative financial instruments	5	225	216
Deferred tax liabilities		493	428
Nuclear provisions	13	1,077	1,058
Other provisions		122	125
Pension obligations, net		10	10
Other non-current liabilities		122	122
<b>Total non-current liabilities</b>		<b>6,879</b>	<b>6,532</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	12	556	1,337
Derivative financial instruments	5	456	1,057
Other provisions		2	2
Margin liabilities	12	99	131
Trade and other payables		1,248	1,181
<b>Total current liabilities</b>		<b>2,361</b>	<b>3,708</b>
<b>Total liabilities</b>		<b>9,240</b>	<b>10,240</b>
<b>Total equity and liabilities</b>		<b>17,796</b>	<b>18,739</b>

# Condensed consolidated statement of changes in total equity

EUR million	Share capital	Share premium	Retained earnings		Other equity components			Owners of the parent	Non-controlling interests	Total equity
			Retained earnings	Translation of foreign operations	Cash flow hedges	Other OCI items	OCI items associated and joint ventures			
<b>Total equity 1 January 2024</b>	<b>3,046</b>	<b>73</b>	<b>6,618</b>	<b>-1,026</b>	<b>-337</b>	<b>-14</b>	<b>79</b>	<b>8,438</b>	<b>60</b>	<b>8,499</b>
IS Net profit, total Fortum			688					688	0	689
Translation differences				12	0	0	-1	10	0	10
Other comprehensive income					360	3	1	364	-	364
Total comprehensive income for the period			688	12	360	3	0	1,063	0	1,063
Cash dividend <sup>1)</sup>			-1,032					-1,032	-	-1,032
Transactions with non-controlling interests								-	23	23
Other			3					3	0	3
<b>BS Total equity 30 June 2024</b>	<b>3,046</b>	<b>73</b>	<b>6,277</b>	<b>-1,014</b>	<b>23</b>	<b>-11</b>	<b>79</b>	<b>8,472</b>	<b>83</b>	<b>8,556</b>
<b>Total equity 1 January 2023</b>	<b>3,046</b>	<b>73</b>	<b>9,499</b>	<b>-3,031</b>	<b>-2,182</b>	<b>172</b>	<b>93</b>	<b>7,670</b>	<b>67</b>	<b>7,737</b>
IS Net profit, total Fortum			-2,667					-2,667	1	-2,666
Translation differences				-83	54	0	-3	-33	-1	-33
Translation differences, recycled to Income statement				2,106		-166		1,940		1,940
Other comprehensive income					1,663	-8	-1	1,653	-	1,653
OCI related to discontinued operations				-63	-9	0	5	-68	-2	-69
Total comprehensive income for the period			-2,667	1,959	1,707	-174	0	826	-1	824
Cash dividend			-817					-817	-	-817
Disposal of subsidiary companies								-	-22	-22
Transactions with non-controlling interests								-	15	15
Other			1					1	0	1
<b>BS Total equity 30 June 2023</b>	<b>3,046</b>	<b>73</b>	<b>6,017</b>	<b>-1,072</b>	<b>-475</b>	<b>-2</b>	<b>94</b>	<b>7,682</b>	<b>58</b>	<b>7,740</b>
<b>Total equity 1 January 2023</b>	<b>3,046</b>	<b>73</b>	<b>9,499</b>	<b>-3,031</b>	<b>-2,182</b>	<b>172</b>	<b>93</b>	<b>7,670</b>	<b>67</b>	<b>7,737</b>
IS Net profit, total Fortum <sup>2)</sup>			-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
<b>BS Total equity 31 December 2023</b>	<b>3,046</b>	<b>73</b>	<b>6,618</b>	<b>-1,026</b>	<b>-337</b>	<b>-14</b>	<b>79</b>	<b>8,438</b>	<b>60</b>	<b>8,499</b>

1) The first dividend instalment of EUR 520 million was paid on 5 April 2024. The second dividend instalment of EUR 511 million, is recorded as a liability at 30 June 2024 and will be paid on 9 October 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
<b>Total equity impact 2023</b>	<b>-1,940</b>	<b>2,106</b>	<b>-166</b>	<b>-</b>

## 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 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, is recorded as a liability and included in 'Trade and other payables' on the balance sheet at 30 June 2024 and 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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Cash flow from operating activities</b>							
<b>IS Net profit from continuing operations</b>		<b>215</b>	<b>374</b>	<b>689</b>	<b>916</b>	<b>1,515</b>	<b>1,288</b>
<b>Adjustments:</b>							
Income tax expense		57	-199	163	-45	69	276
Finance costs - net		-29	50	-16	145	138	-23
Share of profit/loss of associates and joint ventures	7	-2	42	-23	20	-59	-103
Depreciation and amortisation	3	93	82	185	165	359	378
<b>Operating profit before depreciations (EBITDA)</b>		<b>333</b>	<b>349</b>	<b>997</b>	<b>1,201</b>	<b>2,021</b>	<b>1,817</b>
Items affecting comparability	3, 4	-7	-5	-49	-76	-118	-91
<b>Comparable EBITDA</b>		<b>326</b>	<b>344</b>	<b>948</b>	<b>1,125</b>	<b>1,903</b>	<b>1,726</b>
Non-cash and other items		-53	-74	-140	-2	129	-9
Interest received		61	40	113	65	153	201
Interest paid		-81	-50	-159	-138	-228	-248
Dividends received		4	3	7	7	16	16
Income taxes paid		-60	-76	-147	-362	-454	-239
<b>Funds from operations</b>		<b>196</b>	<b>187</b>	<b>622</b>	<b>695</b>	<b>1,519</b>	<b>1,446</b>
Change in working capital		141	470	254	437	191	8
<b>Net cash from operating activities, continuing operations</b>		<b>338</b>	<b>657</b>	<b>876</b>	<b>1,132</b>	<b>1,710</b>	<b>1,454</b>
<b>Cash flow from investing activities, continuing operations</b>							
Capital expenditures	3	-108	-187	-218	-300	-576	-494
Acquisitions of shares	6	-9	-5	-13	-17	-53	-49
Proceeds from sales of property, plant and equipment		1	2	2	2	12	12
Divestments of shares and capital returns	6	1	0	6	4	5	7
Shareholder loans to associated companies and joint ventures	11	-32	44	-53	37	-30	-120
Change in margin receivables		-15	247	254	1,539	2,024	739
Change in other interest-bearing receivables	11	4	105	-19	39	52	-5
<b>Net cash from/used in investing activities, continuing operations</b>		<b>-158</b>	<b>206</b>	<b>-41</b>	<b>1,304</b>	<b>1,433</b>	<b>88</b>
<b>Cash flow before financing activities, continuing operations</b>		<b>180</b>	<b>864</b>	<b>835</b>	<b>2,435</b>	<b>3,143</b>	<b>1,543</b>
<b>Cash flow from financing activities, continuing operations</b>							
Proceeds from long-term liabilities	12	5	1,673	6	1,747	1,755	14
Payments of long-term liabilities <sup>1)</sup>	12	-414	-598	-419	-1,602	-1,620	-437
Change in short-term liabilities	12	-68	-867	10	-1,586	-1,757	-160
Dividends paid to the owners of the parent	10	-520	-413	-520	-413	-817	-924
Change in margin liabilities		1	26	-32	-107	-221	-146
Other financing items		0	15	0	15	19	4
<b>Net cash from/used in financing activities, continuing operations</b>		<b>-997</b>	<b>-163</b>	<b>-957</b>	<b>-1,947</b>	<b>-2,640</b>	<b>-1,650</b>
<b>Net increase(+)/decrease(-) in liquid funds, continuing operations</b>		<b>-817</b>	<b>701</b>	<b>-122</b>	<b>489</b>	<b>503</b>	<b>-107</b>
<b>Cash flow from discontinued operations</b>							
Net cash from/used in operating activities, discontinued operations		-	-	-	109	109	-
Net cash from/used in investing activities, discontinued operations <sup>2)</sup>		-	-284	-	-333	-333	-
Net cash from/used in financing activities, discontinued operations		-	-	-	21	21	-
<b>Net increase(+)/decrease(-) in liquid funds, discontinued operations</b>	6.3	<b>-</b>	<b>-284</b>	<b>-</b>	<b>-202</b>	<b>-202</b>	<b>-</b>
<b>Cash flow, total Fortum</b>							
Total net cash from/used in operating activities		338	658	876	1,241	1,819	1,454
Total net cash from/used in investing activities		-158	-98	-41	971	1,095	83
Total net cash from/used in financing activities		-997	-143	-957	-1,926	-2,614	-1,645
<b>Net increase(+)/decrease(-) in liquid funds, total Fortum</b>		<b>-817</b>	<b>417</b>	<b>-122</b>	<b>286</b>	<b>301</b>	<b>-107</b>
<b>Liquid funds at the beginning of the period</b>	12	<b>4,875</b>	<b>3,729</b>	<b>4,183</b>	<b>3,919</b>	<b>3,919</b>	<b>4,156</b>
Foreign exchange differences and expected credit loss allowance in liquid funds		0	10	-3	-49	-36	10
<b>Liquid funds at the end of the period</b>	12	<b>4,058</b>	<b>4,156</b>	<b>4,058</b>	<b>4,156</b>	<b>4,183</b>	<b>4,058</b>

- 1) The new green loan of EUR 300 million under the Green Finance Framework partly refinanced EUR 700 million bank loan and was netted without cash payments. Loan was partly prepaid and EUR 400 million is impacting the cash flow.
- 2) 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 -140 million in I-II/2024 (I-II/2023: -2) mainly relate to realised foreign exchange gains and losses EUR -98 million (I-II/2023: 138) and change in liability to return emission rights EUR -31 million (I-II/2023: -56). 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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Change in interest-free receivables, decrease(+)/increase(-)	289	426	535	742	348	142
Change in inventories, decrease(+)/increase(-)	-6	76	41	105	-14	-79
Change in interest-free liabilities, decrease(-)/increase(+)	-142	-32	-322	-410	-143	-55
<b>CF Total</b>	<b>141</b>	<b>470</b>	<b>254</b>	<b>437</b>	<b>191</b>	<b>8</b>

### Capital expenditure in cash flow

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Capital expenditure	127	178	215	300	611	527
Change in not yet paid investments, decrease(+)/increase(-)	-17	14	8	9	-16	-16
Capitalised borrowing costs	-2	-5	-6	-9	-20	-16
<b>CF Total</b>	<b>108</b>	<b>187</b>	<b>218</b>	<b>300</b>	<b>576</b>	<b>494</b>

### Acquisition of shares in cash flow

Acquisition of shares, net of cash acquired, amounted to EUR 13 million during I-II/2024 (I-II/2023: 17). 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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Proceeds from sales of subsidiaries, net of cash disposed	1	0	6	0	1	7
Proceeds from sales and capital returns of associates and joint ventures	0	0	0	0	0	0
Proceeds from sales of other investments	0	0	0	3	3	0
<b>CF Total</b>	<b>1</b>	<b>0</b>	<b>6</b>	<b>4</b>	<b>5</b>	<b>7</b>

During II/2024 Fortum concluded the sale of the remaining 43.75% share of its Indian solar power portfolio. The total proceeds of EUR 33 million will be received during the second half of 2024. See more information in Note 6 Acquisitions, disposals and discontinued operations.

## Change in financial net debt

EUR million	Note	I-II/2024	2023
<b>Financial net debt, beginning of the period</b>		<b>942</b>	<b>1,084</b>
Russia impact on Financial net debt, beginning of the period		-	43
<b>Financial net debt excl. Russia, beginning of the period</b>		<b>942</b>	<b>1,127</b>
Net cash flow:			
Comparable EBITDA		948	1,903
Non-cash and other items		-140	129
Paid net financial costs and dividends received		-39	-59
Income taxes paid		-147	-454
Change in working capital		254	191
Capital expenditures		-218	-576
Acquisitions		-13	-53
Divestments and proceeds from sale of property, plant and equipment		8	17
Change in interest-bearing receivables		-72	22
Dividends to the owners of the parent		-520	-817
Other financing activities		0	19
Net cash flow, continuing operations ('-' increase in financial net debt)		60	322
Foreign exchange rate differences and other changes		-32	137
<b>Financial net debt, end of the period</b>	<b>12</b>	<b>851</b>	<b>942</b>

## 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 1.6 billion (excluding acquisition) of which growth capital expenditure is expected to be EUR 800 million and annual maintenance capital expenditure for the year 2024 EUR 300 million and EUR 250 million from year 2025 and onwards.
- 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. 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		5,385	5,909
- BS Liquid funds		4,058	4,183
- Collateral arrangement		239	325
- BS Margin receivables		336	590
+ BS Margin liabilities		99	131
+/- Net margin liabilities/receivables		-237	-459
<b>Financial net debt</b>	12	<b>851</b>	<b>942</b>
IS Operating profit		1,439	1,662
+ IS Depreciation and amortisation		378	359
<b>EBITDA</b>		<b>1,817</b>	<b>2,021</b>
- IS Items affecting comparability		-91	-118
<b>Comparable EBITDA from continuing operations</b>		<b>1,726</b>	<b>1,903</b>
<b>Financial net debt/comparable EBITDA</b>		<b>0.5</b>	<b>0.5</b>

## Key figures

### Continuing operations

EUR million or as indicated	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Reported</b>						
IS Sales	1,255	1,368	3,270	3,632	6,711	6,349
IS Operating profit	240	267	812	1,036	1,662	1,439
IS Share of profit/loss of associates and joint ventures	2	-42	23	-20	59	103
IS Net profit	215	374	689	916	1,515	1,288
IS Net profit (after non-controlling interests)	217	376	688	916	1,514	1,286
Earnings per share (basic), EUR	0.24	0.42	0.77	1.02	1.68	1.43
CF Net cash from operating activities	338	657	876	1,132	1,710	1,454
Capital expenditure and gross investments in shares	136	183	229	317	664	576
Capital expenditure	127	178	215	300	611	527

EUR million or as indicated	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Comparable</b>						
EBITDA	326	344	948	1,125	1,903	1,726
IS Operating profit	233	262	763	960	1,544	1,347
Share of profit/loss of associates and joint ventures	-1	-42	11	-32	7	50
Net profit (after non-controlling interests)	184	147	614	629	1,150	1,134
Earnings per share (basic), EUR	0.20	0.16	0.68	0.70	1.28	1.26

EUR million or as indicated	LTM	2023
<b>Financial position</b>		
Financial net debt, at period-end	851	942
Financial net debt/comparable EBITDA	0.5	0.5

EUR or as indicated	30 Jun 2024	31 Dec 2023
Equity per share, EUR	9.44	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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>Reported</b>						
Net profit (after non-controlling interests)	217	-3,232	688	-2,667	-2,069	1,286
Earnings per share, EUR	0.24	-3.60	0.77	-2.97	-2.31	1.43
Net cash from operating activities	338	658	876	1,241	1,819	1,454
Number of employees			5,679	5,321	5,225	
<b>Comparable</b>						
Net profit (after non-controlling interests)	184	147	614	665	1,184	1,133
Earnings per share, EUR	0.20	0.16	0.68	0.74	1.32	1.26

# 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–Jun 2024	Jan–Mar 2024	Jan–Dec 2023	Jan–Sep 2023	Jan–Jun 2023	Jan–Mar 2023
Norway (NOK)	11.4926	11.4159	11.4248	11.3483	11.3195	10.9901
Poland (PLN)	4.3169	4.3333	4.5420	4.5820	4.6244	4.7081
Sweden (SEK)	11.3914	11.2792	11.4788	11.4789	11.3329	11.2030
Balance sheet date rate	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Norway (NOK)	11.3965	11.6990	11.2405	11.2535	11.7040	11.3940
Poland (PLN)	4.3090	4.3123	4.3395	4.6283	4.4388	4.6700
Sweden (SEK)	11.3595	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

EUR million	Note	Generation <sup>1)</sup>		Consumer Solutions		Other Operations		Total continuing operations	
		II/2024	II/2023	II/2024	II/2023	II/2024	II/2023	II/2024	II/2023
Income statement data by segment									
Power sales <sup>1)</sup>		700	703	503	637	1	2	1,204	1,343
Heat sales		83	88	-	-	5	5	88	93
Gas sales		-	-	93	88	-	-	93	88
Waste treatment sales		3	2	-	-	52	50	54	52
Other sales		10	12	23	25	88	69	122	107
Sales		796	805	619	750	146	127	1,560	1,682
Internal eliminations		-55	-74	-6	-5	-39	-25	-100	-103
Netting of Nord Pool transactions <sup>2)</sup>								-205	-211
IS External sales		741	731	613	746	107	102	1,255	1,368
Comparable EBITDA		313	348	33	27	-21	-31	326	344
IS Depreciation and amortisation		-49	-44	-22	-17	-22	-21	-93	-82
IS Comparable operating profit		264	304	12	10	-43	-52	233	262
Impairment charges and reversals		-	-	-	-	0	-	0	-
Capital gains and other related items		0	0	0	0	2	0	2	0
Changes in fair values of derivatives hedging future cash flow		-9	63	13	-58	0	-	4	5
Other		-	0	-	-	1	-	1	0
IS Items affecting comparability	4	-9	63	13	-58	3	0	7	5
IS Operating profit		256	367	25	-48	-40	-52	240	267
Comparable share of profit/loss of associates and joint ventures	4, 7	-1	-41	-	-	0	-1	-1	-42
IS Share of profit/loss of associates and joint ventures	7	2	-42	-	-	0	-1	2	-42
Gross investments / divestments by segment									
Gross investments in shares	6	0	0	0	-	9	5	9	5
Capital expenditure		94	135	18	20	15	24	127	178
Gross divestments of shares	6	33	0	0	0	1	0	34	0

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.

## Year-to-date

		Generation <sup>1)</sup>		Consumer Solutions		Other Operations		Total continuing operations	
EUR million	Note	I-II/2024	I-II/2023	I-II/2024	I-II/2023	I-II/2024	I-II/2023	I-II/2024	I-II/2023
Income statement data by segment									
Power sales <sup>1)</sup>		1,907	1,947	1,481	1,835	3	5	3,391	3,787
Heat sales		274	260	-	-	16	15	291	274
Gas sales		-	-	234	241	-	-	234	241
Waste treatment sales		6	4	-	-	106	103	112	108
Other sales		21	23	57	59	164	139	243	221
Sales		2,208	2,234	1,773	2,134	289	262	4,270	4,631
Internal eliminations		-163	-285	8	-3	-73	-51	-228	-339
Netting of Nord Pool transactions <sup>2)</sup>								-772	-659
IS External sales		2,045	1,949	1,781	2,131	216	211	3,270	3,632
Comparable EBITDA		877	1,115	95	51	-24	-41	948	1,125
IS Depreciation and amortisation		-100	-88	-41	-35	-44	-42	-185	-165
IS Comparable operating profit		777	1,027	54	16	-68	-83	763	960
Impairment charges and reversals		-	-	-	-	-2	-	-2	-
Capital gains and other related items		0	1	0	0	7	0	7	1
Changes in fair values of derivatives									
hedging future cash flow		20	381	23	-314	0	-	43	67
Other		-	8	-	-	1	-	1	8
IS Items affecting comparability	4	20	390	23	-314	6	0	49	76
IS Operating profit		797	1,416	77	-297	-62	-83	812	1,036
Comparable share of profit/loss of associates and joint ventures	4, 7	10	-31	-	-	1	-1	11	-32
IS Share of profit/loss of associates and joint ventures	7	22	-19	-	-	1	-1	23	-20
Gross investments / divestments by segment									
Gross investments in shares	6	0	4	0	-	13	13	13	17
Capital expenditure		155	222	35	40	26	38	215	300
Gross divestments of shares	6	33	0	0	0	6	3	39	3

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 <sup>1)</sup>		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 <sup>1)</sup>		3,849	3,889	2,865	3,219	7	9	6,721	7,117
Heat sales		495	481	-	-	33	31	528	512
Gas sales		-	-	416	422	-	-	416	422
Waste treatment sales		9	7	-	-	229	226	237	234
Other sales		41	43	123	125	307	281	471	450
Sales		4,394	4,420	3,404	3,766	575	548	8,374	8,734
Internal eliminations		-272	-394	-9	-20	-121	-99	-402	-514
Netting of Nord Pool transactions <sup>2)</sup>								-1,623	-1,510
IS External sales		4,122	4,026	3,395	3,745	454	449	6,349	6,711
Comparable EBITDA		1,637	1,874	152	108	-63	-80	1,726	1,903
IS Depreciation and amortisation		-207	-195	-76	-70	-95	-93	-378	-359
IS Comparable operating profit		1,429	1,679	75	38	-158	-173	1,347	1,544
Impairment charges and reversals		-	-	-	-	-2	-	-2	-
Capital gains and other related items		1	2	1	1	8	1	10	4
Changes in fair values of derivatives									
hedging future cash flow		5	366	83	-254	0	-	88	111
Other		4	12	-	-	-8	-9	-4	3
IS Items affecting comparability	4	10	380	84	-253	-2	-8	91	118
IS Operating profit		1,439	2,058	159	-215	-160	-181	1,439	1,662
Comparable share of profit/loss of associates and joint ventures	4, 7	48	7	-	-	2	0	50	7
IS Share of profit/loss of associates and joint ventures	7	101	59	-	-	2	0	103	59
Gross investments / divestments by segment									
Gross investments in shares	6	1	5	22	22	27	26	49	53
Capital expenditure		383	450	76	81	68	81	527	611
Gross divestments of shares	6	33	0	0	0	7	4	40	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		Consumer Solutions		Other Operations		Total continuing operations	
		30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
Non-interest-bearing assets		6,697	6,864	866	1,311	1,128	1,094	8,691	9,269
BS Participations in associates and joint ventures		1,162	1,000	-	-	70	59	1,233	1,059
Eliminations								-106	-105
<b>Total segment assets</b>		<b>7,859</b>	<b>7,864</b>	<b>866</b>	<b>1,311</b>	<b>1,198</b>	<b>1,153</b>	<b>9,818</b>	<b>10,223</b>
Interest-bearing receivables	11							812	1,033
BS Deferred tax assets								905	958
Other assets								2,202	2,342
BS Liquid funds								4,058	4,183
<b>BS Total assets</b>								<b>17,796</b>	<b>18,739</b>
<b>Segment liabilities</b>		<b>406</b>	<b>601</b>	<b>286</b>	<b>472</b>	<b>310</b>	<b>313</b>	<b>1,003</b>	<b>1,387</b>
Eliminations								-106	-105
<b>Total segment liabilities</b>								<b>897</b>	<b>1,282</b>
BS Deferred tax liabilities								493	428
Other liabilities								2,465	2,621
<b>Total liabilities included in capital employed</b>								<b>3,855</b>	<b>4,331</b>
Interest-bearing liabilities	12							5,385	5,909
<b>BS Total equity</b>								<b>8,556</b>	<b>8,499</b>
<b>BS Total equity and liabilities</b>								<b>17,796</b>	<b>18,739</b>
Number of employees		2,121	1,758	1,161	1,281	2,397	2,186	5,679	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		Consumer Solutions	
		LTM	31 Dec 2023	LTM	31 Dec 2023
<b>Comparable operating profit</b>		<b>1,429</b>	<b>1,679</b>	<b>75</b>	<b>38</b>
Comparable share of profit/loss of associates and joint ventures	4, 7	48	7	-	-
<b>Comparable operating profit including comparable share of profit/loss of associates and joint ventures</b>		<b>1,477</b>	<b>1,686</b>	<b>75</b>	<b>38</b>
Segment assets at the end of the period		7,859	7,864	866	1,311
Segment liabilities at the end of the period		406	601	286	472
<b>Comparable net assets</b>		<b>7,453</b>	<b>7,263</b>	<b>580</b>	<b>838</b>
<b>Comparable net assets average <sup>1)</sup></b>		<b>7,175</b>	<b>6,959</b>	<b>658</b>	<b>847</b>
<b>Comparable return on net assets, %</b>		<b>20.6</b>	<b>24.2</b>	<b>11.5</b>	<b>4.5</b>

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

EUR million	Unadjusted		Impairment charges and reversals		Capital gains and other related items		Changes in fair values of derivatives hedging future cash flow		Other		Reported	
	II/2024	II/2023	II/2024	II/2023	II/2024	II/2023	II/2024	II/2023	II/2024	II/2023	II/2024	II/2023
Sales	1,220	1,368	-	-	-	-	35	0	-	-	1,255	1,368
Other income	51	68	-	-	-2	0	-26	-63	-	-	23	5
Materials and services	-690	-751	-	-	-	-	-6	-39	-	0	-696	-790
Employee benefits	-123	-102	-	-	-	-	-	-	-	-	-123	-102
Depreciation and amortisation	-93	-82	0	-	-	-	-	-	-	-	-93	-82
Other expenses	-124	-235	-	-	-	-	-8	97	-1	-	-132	-137
<b>IS Comparable operating profit</b>			0	-	-2	0	-4	-5	-1	0	233	262
IS Items affecting comparability			0	-	2	0	4	5	1	0	7	5
<b>IS Operating profit</b>	<b>240</b>	<b>267</b>									<b>240</b>	<b>267</b>

#### Year-to-date

EUR million	Unadjusted		Impairment charges and reversals		Capital gains and other related items		Changes in fair values of derivatives hedging future cash flow		Other		Reported	
	I-II/2024	I-II/2023	I-II/2024	I-II/2023	I-II/2024	I-II/2023	I-II/2024	I-II/2023	I-II/2024	I-II/2023	I-II/2024	I-II/2023
Sales	3,238	3,631	-	-	-	-	32	2	-	-	3,270	3,632
Other income	92	396	-	-	-7	-1	-52	-382	-	-	33	13
Materials and services	-1,853	-1,941	-	-	-	-	-11	-87	-	-8	-1,864	-2,037
Employee benefits	-244	-211	-	-	-	-	-	-	-	-	-244	-211
Depreciation and amortisation	-187	-165	2	-	-	-	-	-	-	-	-185	-165
Other expenses	-235	-674	-	-	-	-	-12	401	-1	-	-248	-273
<b>IS Comparable operating profit</b>			2	-	-7	-1	-43	-67	-1	-8	763	960
IS Items affecting comparability			-2	-	7	1	43	67	1	8	49	76
<b>IS Operating profit</b>	<b>812</b>	<b>1,036</b>									<b>812</b>	<b>1,036</b>

## Last twelve months

EUR million	Unadjusted		Impairment charges and reversals		Capital gains and other related items		Changes in fair values of derivatives hedging future cash flow		Other		Reported	
	LTM	2023	LTM	2023	LTM	2023	LTM	2023	LTM	2023	LTM	2023
Sales	6,323	6,716	-	-	-	-	25	-5	-	-	6,349	6,711
Other income	92	397	-	-	-10	-4	-31	-361	0	0	51	32
Materials and services	-3,517	-3,606	-	-	-	-	-114	-190	-4	-12	-3,635	-3,808
Employee benefits	-469	-436	-	-	-	-	-	-	-	-	-469	-436
Depreciation and amortisation	-380	-359	2	-	-	-	-	-	-	-	-378	-359
Other expenses	-610	-1,049	-	-	0	0	31	444	8	9	-570	-595
<b>IS Comparable operating profit</b>			<b>2</b>	<b>-</b>	<b>-10</b>	<b>-4</b>	<b>-88</b>	<b>-111</b>	<b>4</b>	<b>-3</b>	<b>1,347</b>	<b>1,544</b>
IS Items affecting comparability			-2	-	10	4	88	111	-4	3	91	118
<b>IS Operating profit</b>	<b>1,439</b>	<b>1,662</b>									<b>1,439</b>	<b>1,662</b>

## 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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>IS Operating profit</b>		<b>240</b>	<b>267</b>	<b>812</b>	<b>1,036</b>	<b>1,662</b>	<b>1,439</b>
IS Items affecting comparability	4.1	-7	-5	-49	-76	-118	-91
<b>IS Comparable operating profit</b>		<b>233</b>	<b>262</b>	<b>763</b>	<b>960</b>	<b>1,544</b>	<b>1,347</b>
IS Share of profit/loss of associates and joint ventures		2	-42	23	-20	59	103
Adjustments to share of profit/loss of associates and joint ventures	7	-3	0	-13	-12	-52	-53
Comparable share of profit/loss of associates and joint ventures		-1	-42	11	-32	7	50
IS Finance costs - net		29	-50	16	-145	-138	23
Adjustments to finance costs - net	8	-34	20	-34	30	2	-62
Comparable finance costs - net		-5	-30	-17	-115	-137	-39
<b>Comparable profit before income tax</b>		<b>227</b>	<b>190</b>	<b>756</b>	<b>813</b>	<b>1,415</b>	<b>1,359</b>
IS Income tax expense		-57	199	-163	45	-69	-276
Adjustments to income tax expense		11	-245	19	-231	-201	49
Comparable income tax expense		-45	-46	-144	-186	-269	-227
IS Non-controlling interests		2	3	0	0	-1	-2
Adjustments to non-controlling interests		1	0	2	2	5	5
Comparable non-controlling interests		2	3	1	2	4	3
<b>Comparable net profit from continuing operations</b>		<b>184</b>	<b>147</b>	<b>614</b>	<b>629</b>	<b>1,150</b>	<b>1,134</b>
Comparable net profit from discontinued operations	6.3	-	-	-	34	34	-
<b>Comparable net profit, total Fortum</b>		<b>184</b>	<b>147</b>	<b>614</b>	<b>665</b>	<b>1,184</b>	<b>1,133</b>
Comparable earnings per share, continuing operations EUR	19	0.20	0.16	0.68	0.70	1.28	1.26
Comparable earnings per share, discontinued operations EUR	19	-	-	-	0.04	0.04	-
Comparable earnings per share, total Fortum, EUR	19	0.20	0.16	0.68	0.74	1.32	1.26

### 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 and other one-time adjustments.

### 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 one-time 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 <sup>1)</sup>		Total	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
<b>EUR million</b>										
<b>In non-current assets</b>										
Other investments <sup>2)</sup>					128	123			128	123
Derivative financial instruments										
Commodity derivatives										
Hedge accounting			78	59					78	59
Non-hedge accounting	21	10	18	14	24	20	-11	-1	52	42
Interest rate and currency derivatives										
Hedge accounting			96	113					96	113
Non-hedge accounting			3	2					3	2
<b>Total in non-current assets</b>	<b>21</b>	<b>10</b>	<b>195</b>	<b>188</b>	<b>153</b>	<b>143</b>	<b>-11</b>	<b>-1</b>	<b>358</b>	<b>339</b>
<b>In current assets</b>										
Derivative financial instruments										
Commodity derivatives										
Hedge accounting	138	200	217	160			-82	-110	273	251
Non-hedge accounting	303	408	62	33	2	4	-232	-320	135	124
Interest rate and currency derivatives										
Hedge accounting			3	7					3	7
Non-hedge accounting			31	7					31	7
Interest-bearing receivables <sup>3)</sup>	239	325							239	325
<b>Total in current assets</b>	<b>679</b>	<b>933</b>	<b>313</b>	<b>206</b>	<b>2</b>	<b>4</b>	<b>-314</b>	<b>-430</b>	<b>680</b>	<b>714</b>
<b>Total in assets</b>	<b>700</b>	<b>943</b>	<b>508</b>	<b>394</b>	<b>154</b>	<b>147</b>	<b>-325</b>	<b>-431</b>	<b>1,038</b>	<b>1,053</b>

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

EUR million	Level 1		Level 2		Level 3		Netting <sup>1)</sup>		Total	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
<b>In non-current liabilities</b>										
Interest-bearing liabilities <sup>2)</sup>			957	973					957	973
Derivative financial instruments										
Commodity derivatives										
Hedge accounting	7	14	58	58					65	73
Non-hedge accounting	40	11	24	30	7	9	-11	-1	61	49
Interest rate and currency derivatives										
Hedge accounting			99	93					99	93
Non-hedge accounting			0	2					0	2
<b>Total in non-current liabilities</b>	<b>47</b>	<b>26</b>	<b>1,138</b>	<b>1,156</b>	<b>7</b>	<b>9</b>	<b>-11</b>	<b>-1</b>	<b>1,182</b>	<b>1,189</b>
<b>In current liabilities</b>										
Interest-bearing liabilities			285	376					285	376
Derivative financial instruments										
Commodity derivatives										
Hedge accounting	317	606	97	264			-82	-110	332	761
Non-hedge accounting	236	238	57	138	2	2	-232	-320	63	58
Interest rate and currency derivatives										
Hedge accounting			9	6					9	6
Non-hedge accounting			52	232					52	232
<b>Total in current liabilities</b>	<b>554</b>	<b>844</b>	<b>500</b>	<b>1,016</b>	<b>2</b>	<b>2</b>	<b>-314</b>	<b>-430</b>	<b>741</b>	<b>1,432</b>
<b>Total in liabilities</b>	<b>601</b>	<b>870</b>	<b>1,637</b>	<b>2,172</b>	<b>9</b>	<b>11</b>	<b>-325</b>	<b>-431</b>	<b>1,923</b>	<b>2,621</b>

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 June 2024, the net fair value of commodity derivatives was EUR 17 million, including assets of EUR 538 million and liabilities of EUR 521 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 -27 million, including assets of EUR 133 million and liabilities of EUR 160 million. Fortum has cash collaterals based on collateral agreements with some counterparties. At the end of June 2024, Fortum had received EUR 36 million and paid EUR 87 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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Gross investments in shares in subsidiary companies	0	0	0	0	22	22
Gross investments in shares in associated companies and joint ventures	9	2	10	6	12	16
Gross investments in other shares	0	3	3	11	19	11
<b>Total</b>	<b>9</b>	<b>5</b>	<b>13</b>	<b>17</b>	<b>53</b>	<b>49</b>

There were no material acquisitions in I-II/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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Gross divestments of shares in subsidiary companies	1	0	6	0	1	7
Gross divestments of shares in associated companies and joint ventures	33	0	33	0	0	33
Gross divestments of other investments	0	0	0	3	3	0
<b>Total</b>	<b>34</b>	<b>0</b>	<b>39</b>	<b>3</b>	<b>4</b>	<b>40</b>

On 28 June 2024, Fortum concluded the sale of the remaining 43.75% share of its Indian solar power portfolio to Gentari Renewables India Pte. Ltd., a subsidiary of clean energy solutions provider Gentari Sdn. Bhd. The portfolio comprises four solar power plants in India with the total capacity of 185 MW. The total proceeds of EUR 33 million will be received during the second half of 2024. A tax-exempt capital gain of EUR 16 million was recorded in comparable operating profit in Generation segment's second quarter 2024 results.

### 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	II/2023	I-II/2023	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
<b>Comparable operating profit</b>	-	<b>86</b>	<b>86</b>
Deconsolidation effect	-3,608	-3,608	-3,608
Items affecting comparability	-	0	0
<b>Operating profit</b>	<b>-3,608</b>	<b>-3,521</b>	<b>-3,521</b>
Share of profit/loss of associates and joint ventures	-	26	26
Finance costs - net	-	-88	-88
<b>Profit before income tax</b>	<b>-3,608</b>	<b>-3,584</b>	<b>-3,584</b>
Income tax expense	-	2	2
<b>Net profit from discontinued operations</b>	<b>-3,608</b>	<b>-3,582</b>	<b>-3,582</b>
<b>Attributable to:</b>			
Owners of the parent	-3,608	-3,583	-3,583
Non-controlling interests	-	1	1
Earnings per share, discontinued operations, EUR	-4.02	-3.99	-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
<b>Net assets deconsolidated</b>	<b>1,685</b>
Items recycled to Income statement	-1,922
<b>Deconsolidation effect (negative)</b>	<b>-3,608</b>

## 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	II/2023	I-II/2023	2023
Net cash from/used in operating activities	-	109	109
Net cash from/used in investing activities	-284	-333	-333
Net cash from/used in financing activities	-	21	21
<b>Total net decrease/increase in liquid funds</b>	<b>-284</b>	<b>-202</b>	<b>-202</b>

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

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Principal associates						
Forsmark Kraftgrupp AB	4	-10	10	0	17	27
Kemijoki Oy	0	0	-1	-1	-1	-1
OKG AB	-2	-33	10	-19	7	36
Principal joint ventures						
TVO Oyj	-1	-1	-1	-7	25	31
Other associates	1	0	3	-1	1	5
Other joint ventures	1	2	3	7	9	5
<b>IS Share of profit/loss of associates and joint ventures</b>	<b>2</b>	<b>-42</b>	<b>23</b>	<b>-20</b>	<b>59</b>	<b>103</b>

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>IS Share of profit/loss of associates and joint ventures</b>	<b>2</b>	<b>-42</b>	<b>23</b>	<b>-20</b>	<b>59</b>	<b>103</b>
Adjustments to share of profit/loss of associates and joint ventures	-3	0	-13	-12	-52	-53
<b>Comparable share of profit/loss of associates and joint ventures</b>	<b>-1</b>	<b>-42</b>	<b>11</b>	<b>-32</b>	<b>7</b>	<b>50</b>

## 8. Finance costs – net

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Interest expense						
Borrowings	-61	-69	-126	-163	-286	-250
Leasing and other interest expenses	-1	-1	-1	-1	-2	-2
Capitalised borrowing costs	2	5	6	9	20	16
<b>IS Total</b>	<b>-59</b>	<b>-65</b>	<b>-122</b>	<b>-155</b>	<b>-269</b>	<b>-235</b>
Interest income						
Loan receivables and deposits	52	35	103	60	153	197
Leasing and other interest income	25	6	28	7	12	33
<b>IS Total</b>	<b>78</b>	<b>41</b>	<b>131</b>	<b>67</b>	<b>165</b>	<b>229</b>
Other financial items – net						
Return from nuclear fund	11	-	21	-	31	52
Nuclear fund adjustment	13	-12	10	-9	34	53
Unwinding of nuclear provisions	-8	-11	-16	-22	-63	-58
Fair value changes, impairments and reversals	-1	3	-1	1	-3	-5
Unwinding of discounts on other provisions and pension obligations	0	-1	0	-1	0	1
Other financial expenses and income	-4	-5	-7	-26	-33	-14
<b>IS Total</b>	<b>11</b>	<b>-26</b>	<b>7</b>	<b>-57</b>	<b>-34</b>	<b>30</b>
<b>IS Finance costs – net</b>	<b>29</b>	<b>-50</b>	<b>16</b>	<b>-145</b>	<b>-138</b>	<b>23</b>

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
<b>IS Finance costs – net</b>	<b>29</b>	<b>-50</b>	<b>16</b>	<b>-145</b>	<b>-138</b>	<b>23</b>
Adjustments to finance costs – net						
Return from nuclear fund	-11	-	-21	-	-31	-52
Nuclear fund adjustment	-13	12	-10	9	-34	-53
Unwinding of nuclear provisions	8	11	16	22	63	58
Fair value changes, impairments, reversals and other adjustments <sup>1)</sup>	-18	-3	-18	-1	3	-14
<b>Comparable finance costs – net</b>	<b>-5</b>	<b>-30</b>	<b>-17</b>	<b>-115</b>	<b>-137</b>	<b>-39</b>

1) Other adjustments in II/2024 include EUR 19 million accrued interest income from tax authorities on tax payment. See Note 16 Legal actions and official proceedings.

Interest expenses on borrowings in I-II/2024 totalled EUR 126 million (I-II/2023: 163), including interest expenses on loans of EUR 112 million (I-II/2023: 141), and EUR 14 million (I-II/2023: 22) 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 103 million (I-II/2023: 60) in I-II/2024, includes EUR 89 million (I-II/2023: 50) from deposits and cash, and EUR 14 million (I-II/2023: 10) interest income from shareholder loan

receivables and other loan receivables. Other interest income in II/2024 includes EUR 19 million accrued interest income from tax authorities on tax payment.

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 7 million in I-II/2024 (I-II/2023: 26). In I/2023, other financial expenses and income included EUR 15 million costs relating to the Finnish State bridge financing.

## 9. Income taxes

Income taxes during I-II/2024 totalled EUR -163 million (tax expense) (I-II/2023: 45 tax income). The effective income tax rate according to the income statement was 19.1% (I-II/2023: -5.1%). The comparable effective income tax rate was 19.3% (I-II/2023: 22.0%). Fortum's comparable effective tax rate is impacted by the weight of the taxable profit in different jurisdictions and differences in standard nominal tax rates in these jurisdictions.

On 20 June 2024, the Belgian Supreme Court ruled in favour of Fortum in connection with Fortum's income tax assessment in Belgium for the year 2008. The amount of additional tax claimed for 2008 is EUR 36 million. The tax has been paid and recognised as a receivable and it will be repaid to Fortum in III/2024. For additional information, see Note 16 Legal actions and official proceedings.

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 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, is recorded as a liability and included in 'Trade and other payables' on the balance sheet at 30 June 2024 and 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

	Carrying amount	Fair value <sup>1)</sup>	Carrying amount	Fair value <sup>1)</sup>
EUR million	30 Jun 2024	30 Jun 2024	31 Dec 2023	31 Dec 2023
Long-term loan receivables from associates and joint ventures	520	554	644	670
<b>Total long-term interest-bearing receivables</b>	<b>520</b>	<b>554</b>	<b>644</b>	<b>670</b>
Collateral arrangement	239	239	325	325
Other short-term interest-bearing receivables	53	53	64	64
<b>Total short-term interest-bearing receivables</b>	<b>292</b>	<b>292</b>	<b>389</b>	<b>389</b>
<b>Total</b>	<b>812</b>	<b>846</b>	<b>1,033</b>	<b>1,059</b>

1) Fair values do not include accrued interest.

Long-term interest-bearing receivables from associated companies and joint ventures, EUR 520 million (31 Dec 2023: 644), include EUR 411 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 mainly relates to shareholder loans in Forsmark being converted to equity during I/2024 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 47 million collateral for default fund.

## 12. Interest-bearing net debt

### Financial net debt

EUR million	30 Jun 2024	31 Dec 2023
+ Interest-bearing liabilities	5,385	5,909
- BS Liquid funds	4,058	4,183
- Collateral arrangement	239	325
- BS Margin receivables	336	590
+ BS Margin liabilities	99	131
+/- Net margin liabilities/receivables	-237	-459
<b>Financial net debt</b>	<b>851</b>	<b>942</b>

Interest-bearing liabilities, EUR 5,385 million, include Fortum's collateral arrangement to the Nordic Power Exchange totalling EUR 285 million (31 Dec 2023: 376). Equalling amount is included in short-term interest-bearing receivables of which collateral relating to margin requirement, EUR 239 million (31 Dec 2023: 325), is netted from the Financial net debt in the Collateral arrangement row. However, the collateral for default fund, EUR 47 million, is not netted from Financial net debt. See Note 11 Interest-bearing receivables.

### Interest-bearing liabilities

EUR million	30 Jun 2024	31 Dec 2023
Non-current loans	4,733	4,475
Current loans	533	1,316
<b>Total loans</b>	<b>5,266</b>	<b>5,791</b>
Non-current lease liabilities	96	97
Current lease liabilities	22	21
<b>Total lease liabilities</b>	<b>119</b>	<b>118</b>
<b>Total</b>	<b>5,385</b>	<b>5,909</b>

### Loans

	Carrying amount	Fair value <sup>3)</sup>	Carrying amount	Fair value <sup>3)</sup>
EUR million	30 Jun 2024	30 Jun 2024	31 Dec 2023	31 Dec 2023
Bonds	2,721	2,694	2,736	2,729
Loans from financial institutions	896	904	1,306	1,314
Reborrowing from the Finnish State Nuclear Waste Management Fund <sup>1)</sup>	951	955	951	952
Other long-term interest-bearing liabilities	182	182	200	199
<b>Total long-term loans <sup>2)</sup></b>	<b>4,750</b>	<b>4,735</b>	<b>5,192</b>	<b>5,194</b>
Collateral arrangement liability	285	285	376	376
Other short-term interest-bearing liabilities	231	231	224	224
<b>Total short-term loans</b>	<b>516</b>	<b>516</b>	<b>599</b>	<b>599</b>
<b>Total</b>	<b>5,266</b>	<b>5,251</b>	<b>5,791</b>	<b>5,793</b>

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 17 million (31 Dec 2023: 717).

3) Fair values do not include accrued interest.

Total current loans maturing within the next twelve months are EUR 533 million (31 Dec 2023: 1,316) and consist of short-term loans and the current portion of long-term loans. Short-term loans, EUR 516 million, include EUR 321 million collateral arrangements and use of commercial paper programmes of EUR 190 million.

The EUR 500 million bullet loan maturing in February 2025 with a one-year Fortum's extension option is reported as long-term.

In May, Fortum extended the EUR 800 million bilateral revolving credit facility maturing in June 2025 by one year, with a new maturity date in June 2026.

In June, Fortum signed its first green loan under the company's Green Finance Framework. The EUR 300 million green loan is aimed to refinance renewable energy and energy efficiency projects. The loan period is five years, and it has a one-year extension option by the lender. The loan partly refinanced a bank loan of EUR 700 million of which Fortum prepaid EUR 400 million in June.

Additionally, Fortum extended the EUR 2,400 million Core revolving credit facility by two years with new maturity in June 2027. After the original due date in June 2025 the facility size will be EUR 2,206 million.

The average interest rate for the portfolio of EUR loans was 3.9% at the balance sheet date (31 Dec 2023: 4.0%). The average interest rate on total loans and derivatives was 4.2% at the balance sheet date (31 Dec 2023: 4.3%).

## Maturity of loans

EUR million	30 Jun 2024
2024	485
2025	556
2026	747
2027	11
2028	515
2029 and later	2,952
<b>Total</b>	<b>5,266</b>

Maturities in 2024 include EUR 321 million loans with no contractual due date.

## Maturity of undiscounted lease liabilities

EUR million	30 Jun 2024
Due within a year	23
Due after one year and within five years	58
Due after five years	54
<b>Total</b>	<b>135</b>

## Liquid funds

EUR million	30 Jun 2024	31 Dec 2023
Deposits and securities with maturity more than 3 months	74	-
Cash and cash equivalents	3,984	4,183
<b>BS Total</b>	<b>4,058</b>	<b>4,183</b>

At the end of the reporting period, the Group's liquid funds totalled EUR 4,058 million (31 Dec 2023: 4,183), and of these funds EUR 4,017 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 3.8% 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. These include the Core revolving credit facility, EUR 2,400 million (EUR 2,206 million from June 2025 onwards), with maturity in June 2027 and the EUR 800 million bilateral revolving credit facility with maturity in June 2026. 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	30 Jun 2024	31 Dec 2023
<b>Carrying values on the balance sheet</b>		
<b>BS</b> Nuclear provisions	1,077	1,058
<b>BS</b> Fortum's share in the State Nuclear Waste Management Fund	1,077	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	175	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 19 million compared to 31 December 2023, totalling EUR 1,077 million at 30 June 2024.

Fortum's share of the State Nuclear Waste Management Fund is from an IFRS perspective overfunded by EUR 175 million, since Fortum's share of the Fund on 30 June 2024 was EUR 1,253 million and the carrying value on the balance sheet was EUR 1,077 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 30 June 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	30 Jun 2024	31 Dec 2023
<b>Carrying values in TVO with Fortum assumptions</b>		
Nuclear provisions	1,616	1,614
Share of the State Nuclear Waste Management Fund	1,200	1,199
<b>Net amount</b>	<b>-415</b>	<b>-415</b>
<b>of which Fortum's net share consolidated with equity method</b>	<b>-104</b>	<b>-104</b>
<b>TVO's legal liability and actual share of the State Nuclear Waste Management Fund</b>		
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	325	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 30 June 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 325 million (of which Fortum's share is EUR 86 million), since TVO's share of the Fund on 30 June 2024 was EUR 1,525 million and the carrying value on the consolidated balance sheet with Fortum assumptions was EUR 1,200 million.

At 30 June 2024, Fortum had EUR 232 million (31 Dec 2023: 232) outstanding receivables regarding the construction of TVO's OL3 plant unit. The construction was funded through external loans, share issues and shareholder loans according to shareholders' agreement between the owners of TVO. 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	30 Jun 2024	31 Dec 2023
<b>OKG's and Forsmark's nuclear-related assets and liabilities with Fortum assumptions</b>		
Nuclear provisions	4,903	5,001
Share in the State Nuclear Waste Management Fund	3,518	3,506
<b>Net amount</b>	<b>-1,385</b>	<b>-1,495</b>
<b>of which Fortum's net share consolidated with equity method</b>	<b>-440</b>	<b>-472</b>

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 30 June 2024, Fortum had EUR 290 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 151 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 125 million (31 Dec 2023: 122).

Pledged assets include securities of EUR 239 million (31 Dec 2023: 325) to the Nordic Power Exchange (Nasdaq Commodities), margin receivables of EUR 336 million (31 Dec 2023: 590) and restricted cash of EUR 4 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 47 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.

### **Income tax assessments in Belgium for the year 2008**

On 20 June 2024, the Belgian Supreme Court ruled in favour of Fortum in connection with Fortum's income tax assessments in Belgium for the year 2008. The decision concerns Fortum's Belgian financing company, Fortum EIF NV, which provided internal financing to a Swedish group company to finance an acquisition in Russia. The amount of additional tax claimed for 2008 is EUR 36 million. The tax has been paid and recognised as a receivable and it will be repaid to Fortum in III/2024. In addition, Fortum will receive EUR 19 million pre-tax in interest income, which is recorded as financial items in II/2024. The decision is final and this is the last open year in Fortum's Belgian tax audits. The previous court ruling was made in Fortum's favour in 2022.

### **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	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Sales	3	3	7	5	12	14
Purchases	139	144	303	273	602	632
Other income	0	-4	0	-3	-3	0
Interest income on loan receivables	3	2	7	5	10	12

### Balances with associates and joint ventures

EUR million	30 Jun 2024	31 Dec 2023
Long-term interest-bearing loan receivables	520	644
Trade and other receivables	24	30
Long-and short-term loan payables	232	239
Trade and other payables	47	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.

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

On 18 July 2024, Fortum signed an agreement to sell its recycling and waste business to Summa Equity through its portfolio company NG Group. The total consideration on a debt- and cash-free basis is approximately EUR 800 million. Based on the balance sheet available at signing, Fortum would record a tax-exempt capital gain of approximately EUR 110 million, however, the final capital gain will depend on the balance sheet value at closing. The gain will be reported as Items Affecting Comparability in the Other Operations segment's results once the transaction is closed. The transaction is subject to customary closing conditions and is expected to be completed in the fourth quarter of 2024.

## 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 one-time 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 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 return on net assets, %	$\frac{\text{Comparable operating profit} + \text{comparable share of profit /loss of associates and joint ventures}}{\text{Comparable net assets average}} \times 100$		
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	<u>Financial net debt</u> Comparable EBITDA	Financial net debt to Comparable EBITDA is Fortum's long-term financial target measure 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 12 Interest-bearing net debt

## Other key figures

### Share based key figures

Earnings per share (EPS)	<u>Profit for the period - non-controlling interests</u> Average number of shares during the period
Equity per share	<u>Shareholder's equity</u> 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, %	<u>Income tax expense</u> Profit before income tax	x 100
Comparable effective income tax rate, %	<u>Comparable income tax expense</u> Comparable profit before income tax excluding comparable share of profit/loss of associated companies and joint ventures	x 100

## Reconciliations of alternative performance measures

### Comparable EBITDA

EUR million	Note	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
IS Operating profit		240	267	812	1,036	1,662	1,439
+ IS Depreciation and amortisation		93	82	185	165	359	378
EBITDA		333	349	997	1,201	2,021	1,817
- IS Items affecting comparability	4	-7	-5	-49	-76	-118	-91
Comparable EBITDA		326	344	948	1,125	1,903	1,726

### Comparable operating profit

EUR million	Note	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
IS Operating profit		240	267	812	1,036	1,662	1,439
- IS Items affecting comparability	4	-7	-5	-49	-76	-118	-91
IS Comparable operating profit	4	233	262	763	960	1,544	1,347

### Items affecting comparability

EUR million	Note	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Impairment charges and reversals		0	-	-2	-	-	-2
Capital gains and other related items		2	0	7	1	4	10
Changes in fair values of derivatives hedging future cash flow		4	5	43	67	111	88
Other		1	0	1	8	3	-4
IS Items affecting comparability	4	7	5	49	76	118	91

### Comparable net profit

EUR million	Note	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
IS Net profit		215	374	689	916	1,515	1,288
- IS Items affecting comparability	4	-7	-5	-49	-76	-118	-91
- Adjustments to share of profit/loss of associates and joint ventures	7	-3	0	-13	-12	-52	-53
- Adjustments to finance costs - net	8	-34	20	-34	30	2	-62
- Adjustments to income tax expenses		11	-245	19	-231	-201	49
- IS Non-controlling interests		2	3	0	0	-1	-2
- Adjustments to non-controlling interests		1	0	2	2	5	5
Comparable net profit from continuing operations	4	184	147	614	629	1,150	1,134
Comparable net profit from discontinued operations	6.3	-	-	-	34	34	-
Comparable net profit, total Fortum		184	147	614	665	1,184	1,133



## Comparable earnings per share

	Note	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Comparable net profit from continuing operations, EUR million	4	184	147	614	629	1,150	1,134
Average number of shares during the period, 1,000 shares		897,264	897,264	897,264	897,264	897,264	897,264
<b>Comparable earnings per share from continuing operations, EUR</b>		<b>0.20</b>	<b>0.16</b>	<b>0.68</b>	<b>0.70</b>	<b>1.28</b>	<b>1.26</b>
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	897,264	897,264
<b>Comparable earnings per share from discontinued operations, EUR</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>0.04</b>	<b>0.04</b>	<b>-</b>
Comparable net profit, total Fortum, EUR million	4	184	147	614	665	1,184	1,133
Average number of shares during the period, 1,000 shares		897,264	897,264	897,264	897,264	897,264	897,264
<b>Comparable earnings per share, total Fortum, EUR</b>		<b>0.20</b>	<b>0.16</b>	<b>0.68</b>	<b>0.74</b>	<b>1.32</b>	<b>1.26</b>

## Financial net debt

EUR million	Note	30 Jun 2024	31 Dec 2023
<b>+ Interest-bearing liabilities</b>		<b>5,385</b>	<b>5,909</b>
- BS Liquid funds		4,058	4,183
- Collateral arrangement		239	325
- BS Margin receivables		336	590
+ BS Margin liabilities		99	131
<b>+/- Net margin liabilities/receivables</b>		<b>-237</b>	<b>-459</b>
<b>Financial net debt</b>	12	<b>851</b>	<b>942</b>

## Financial net debt/comparable EBITDA

EUR million	Note	LTM	2023
<b>+ Interest-bearing liabilities</b>		<b>5,385</b>	<b>5,909</b>
- BS Liquid funds		4,058	4,183
- Collateral arrangement		239	325
- BS Margin receivables		336	590
+ BS Margin liabilities		99	131
<b>+/- Net margin liabilities/receivables</b>		<b>-237</b>	<b>-459</b>
<b>Financial net debt</b>	12	<b>851</b>	<b>942</b>
IS Operating profit		1,439	1,662
+ IS Depreciation and amortisation		378	359
<b>EBITDA</b>		<b>1,817</b>	<b>2,021</b>
- IS Items affecting comparability		-91	-118
<b>Comparable EBITDA from continuing operations</b>		<b>1,726</b>	<b>1,903</b>
<b>Financial net debt/comparable EBITDA</b>		<b>0.5</b>	<b>0.5</b>

## Market conditions and achieved power prices

### Power consumption

TWh	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Nordic countries	87	85	207	194	385	397

### Average prices

	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Spot price for power in Nord Pool power exchange, EUR/MWh	35.2	55.8	46.8	70.4	56.4	44.8
Spot price for power in Finland, EUR/MWh	40.0	43.3	56.4	60.4	56.5	54.5
Spot price for power in Sweden, SE3, Stockholm EUR/MWh	30.9	46.7	43.7	61.3	51.7	42.9
Spot price for power in Sweden, SE2, Sundsvall EUR/MWh	26.6	42.3	37.4	47.8	40.0	34.8
Spot price for power in Germany, EUR/MWh	71.8	92.3	69.7	104.0	95.2	78.2
CO <sub>2</sub> , (ETS EUA next Dec), EUR/tonne CO <sub>2</sub>	70	89	66	89	85	74
Coal (ICE Rotterdam front month), USD/tonne	112	117	107	131	125	113
Oil (Brent front month), USD/bbl	85	78	83	80	82	84
Gas (TTF front month), EUR/MWh	32	35	30	44	41	34

### Hydro reservoir

TWh	30 Jun 2024	30 Jun 2023	31 Dec 2023
Nordic hydro reservoir level	86	82	77
Nordic hydro reservoir level, long-term average	84	84	84

### Export/import

TWh (+ = import to, - = export from Nordic area)	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Export / import between Nordic area and Continental Europe + Baltics	-9	-11	-16	-21	-41	-36

### Achieved power prices

EUR/MWh	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Generation segment's Nordic achieved power price	48.6	57.5	56.7	72.0	63.1	55.8

# Fortum's production and sales volumes

## Power generation

TWh	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Nordic countries	11.1	10.4	23.8	22.2	46.4	48.0
Other European countries	0.1	0.1	0.3	0.3	0.6	0.5
<b>Total continuing operations</b>	<b>11.2</b>	<b>10.6</b>	<b>24.1</b>	<b>22.5</b>	<b>47.0</b>	<b>48.6</b>

## Heat production

TWh	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Nordic countries	0.6	0.5	1.8	1.7	3.2	3.3
Other European countries	0.1	0.2	0.6	0.6	1.1	1.0
<b>Total continuing operations</b>	<b>0.7</b>	<b>0.7</b>	<b>2.4</b>	<b>2.4</b>	<b>4.3</b>	<b>4.3</b>

## Power generation capacity by segment

MW	30 Jun 2024	31 Dec 2023
Generation <sup>1)</sup>	9,285	9,223
Other Operations	25	25
<b>Total</b>	<b>9,310</b>	<b>9,248</b>

1) Including Meri-Pori power plant capacity 565 MW. The production of the Meri-Pori power plant is reserved for severe disruption and emergencies under an agreement with the National Emergency Supply Agency.

## Heat production capacity by segment

MW	30 Jun 2024	31 Dec 2023
Generation	1,842	2,022
Other Operations	171	171
<b>Total</b>	<b>2,013</b>	<b>2,193</b>

## Power generation by source in the Nordic area

TWh	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Hydropower	5.4	4.6	10.9	9.6	20.9	22.3
Nuclear power	5.5	5.8	12.3	12.3	24.8	24.8
Wind power	0.2	-	0.4	-	0.1	0.5
CHP and condensing power	0.1	0.1	0.2	0.3	0.5	0.5
<b>Total</b>	<b>11.1</b>	<b>10.4</b>	<b>23.8</b>	<b>22.2</b>	<b>46.4</b>	<b>48.0</b>

## Power generation by source in the Nordic area

%	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Hydropower	48	44	46	43	45	46
Nuclear power	50	56	52	55	54	52
Wind power	2	-	2	-	0	1
CHP and condensing power	1	1	1	1	1	1
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Power generation by source in other European countries

TWh	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
CHP	0.1	0.1	0.3	0.3	0.6	0.5

## Power sales

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Nordic countries	768	833	2,093	2,378	4,311	4,027
Other European countries	169	219	370	461	879	789
Other countries	1	1	1	1	2	2
<b>Total continuing operations</b>	<b>937</b>	<b>1,053</b>	<b>2,465</b>	<b>2,839</b>	<b>5,193</b>	<b>4,818</b>

## Heat sales

EUR million	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Nordic countries	32	35	114	111	208	210
Other European countries	55	58	177	164	304	318
<b>Total continuing operations</b>	<b>88</b>	<b>93</b>	<b>291</b>	<b>274</b>	<b>512</b>	<b>528</b>

## Power sales by area

TWh	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Finland	5.7	5.9	12.1	11.8	23.6	24.0
Sweden	6.7	5.4	14.4	12.3	27.1	29.3
Norway	1.4	2.4	4.6	6.2	12.8	11.1
Other countries	1.4	1.5	2.8	2.9	6.0	5.9
<b>Total continuing operations</b>	<b>15.1</b>	<b>15.1</b>	<b>33.9</b>	<b>33.2</b>	<b>69.5</b>	<b>70.2</b>

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

## Heat sales by area

TWh	II/2024	II/2023	I-II/2024	I-II/2023	2023	LTM
Finland	0.4	0.5	1.5	1.4	2.6	2.7
Poland	0.4	0.5	1.8	2.0	3.4	3.2
Other countries	0.1	0.1	0.2	0.2	0.4	0.4
<b>Total continuing operations</b>	<b>0.9</b>	<b>1.0</b>	<b>3.5</b>	<b>3.6</b>	<b>6.4</b>	<b>6.3</b>