



Fortum selected to become guaranteeing electricity supplier in Chelyabinsk together with Energy Sales Company Vostok

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The Ministry of Energy of the Russian Federation has selected Fortum and Energy Sales Company Vostok's joint venture to become guaranteeing electricity retail supplier to 1.5 million electricity customers (annual sales approximately 13 terawatt hours) in the Chelyabinsk region as of 1 July 2019. The decision was made based on an auctioning process held in March 2019 and is still subject to the joint venture fulfilling the tender obligations. Following the financial difficulty of the previous guaranteeing supplier Chelyabenergosbyt, the role of guaranteeing supplier has been temporarily managed by the local grid company.

In the auction, the joint venture committed to reimburse 100% of the RUB 4.8 billion debt of Chelyabenergosbyt, corresponding to approximately EUR 66 million. The transaction will require a limited equity investment from Fortum as the joint venture plans to finance the major part of the reimbursement with external debt. The financial net impact for Fortum is further decreased by the fact that Fortum is the single largest creditor with EUR 11 million of the debt.

Fortum has a decade-long history as power and heat producer in the Chelyabinsk region, selling heat to a large share of the same 1.5 million customers.

Fortum Corporation

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Fortum

Fortum is a leading clean-energy company that provides its customers with electricity, heating and cooling as well as smart solutions to improve resource efficiency. We want to engage our customers and society to join the change for a cleaner world. We employ some 8,000 professionals in the Nordic and Baltic countries, Russia, Poland and India. In 2018, our sales were EUR 5.2 billion and 57% of our electricity generation was CO2 free. Fortum's share is listed on Nasdaq Helsinki. www.fortum.com