



# Fortum initiates strategic review of district heating businesses in Poland, in the Baltics and in Järvenpää, Finland

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In line with its strategy and continued review of the business portfolio, Fortum has decided to assess strategic options, including possible divestment, of its district heating and cooling businesses in Poland, Estonia, Lithuania, Latvia, and Järvenpää in Finland.

Based on initial assessments, these district heating and cooling businesses have been identified as operations that could provide higher growth and value potential with an alternative ownership structure.

In 2019, these business operations comprised sales of 5.1 TWh of heat and 1.3 TWh of power with a combined EBITDA of approximately EUR 120 million.

In Poland, Fortum provides district heating in five cities (Plock, Czestochowa, Bytom, Zabrze and Wroclaw) through its own district heating facilities and/or district heating networks. The operations also include two multi-fuel combined heat and power (CHP) plants in Czestochowa and Zabrze, commissioned in 2010 and 2019, respectively. In 2019, 3.3 TWh of heat and 0.6 TWh of power was sold with an EBITDA of EUR 43 million.

In the Baltics, Fortum provides district heating in five cities (Tartu and Pärnu in Estonia, Daugavpils and Jelgava in Latvia and Klaipeda in Lithuania). Further, Fortum owns four CHP plants with one additional new plant in Kaunas in Lithuania (49% owned), which is under construction. In 2019, Fortum's sales in the Baltics was 1.5 TWh of heat and 0.6 TWh of power with an EBITDA of EUR 66 million, including subsidies for bio-based energy.

These operations employ approximately 530 people, half of whom are located in Poland and half in the Baltics.

In addition, Fortum's district heating operations in the Järvenpää-Tuusula area in Finland, include both a CHP plant and a district heating network. In 2019, 0.3 TWh of heat and 0.1 TWh of power was sold with a corresponding EBITDA of EUR 11 million. The operation and maintenance of this plant are sourced externally.

There is no certainty whether the assessment will result in any transactions and Fortum will inform the market, if and when appropriate.

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](http://www.fortum.com)