



Fortum to sell its district heating business in the Baltics for EUR 800 million

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Fortum has signed an agreement to sell its district heating business in the Baltics to Partners Group, a leading global private markets firm, acting on behalf of its clients. The total consideration on a debt- and cash-free basis is EUR 800 million. Fortum expects to record a tax exempt capital gain of approximately EUR 240 million in the City Solutions segment's second-quarter 2021 results. The transaction is subject to customary closing conditions and is expected to be completed in the second quarter of 2021.

The transaction is a continuation of Fortum's strategy execution, whereby Fortum continuously reviews its businesses to optimise its portfolio for value creation. In June 2019, Fortum announced it considered the strategic options for its district heating businesses in Estonia and in February 2020, Fortum announced it would review the district heating businesses in the other Baltic countries.

In 2020, Fortum divested the district heating businesses in Joensuu and Järvenpää, in Finland. The strategic reviews of the heating and cooling businesses in Poland, its 50% stake in Stockholm Exergi, and the Consumer Solutions business are currently ongoing.

"The divestment is in line with our portfolio optimisation and follows our successful divestments in Finland in 2020. The assets raised large interest among buyers as the business transformation to lower carbon intensity for these assets has largely been done," says **Per Langer**, Executive Vice President, City Solutions at Fortum.

"This investment reflects Partners Group's continuing commitment to transformational investing in assets that have meaningful impact on the communities in which they operate. The assets deliver heating to thousands of homes and businesses across the Baltic region, an area known for the severity of its winters," says **David Daum**, Managing Director, Private Infrastructure Europe, Partners Group.

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, in those cities Fortum owns four CHP plants as well as a 49% share of the Kaunas CHP (commissioned in 2020) in Lithuania, through a joint venture. In 2020, Fortum's sales in the Baltics was 1.4 TWh of heat and 0.6 TWh of power with an EBITDA of EUR 54 million, including subsidies for bio-based energy. The operations currently employ 271 Fortum employees, who will transfer with the business.

Fortum Corporation

Ingela Ulfves, VP, IR and Financial Communications

Further information:

Media:

Fortum News Desk, tel. +358 40 198 2843

Investors & analysts:

Ingela Ulfves, VP, IR and Financial Communications, tel. +358 40 5151 531

Rauno Tiihonen, IR Manager, tel. +358 10 453 6150

Måns Holmberg, Manager, IR and Financial Communications, tel. +358 44 518 1518

Partners Group

Partners Group is a leading global private markets investment manager. Since 1996, the firm has invested over USD 145 billion in private equity, private real estate, private debt and private infrastructure on behalf of its clients globally. Partners Group is a committed, responsible investor and aims to create broad stakeholder impact through its active ownership and development of growing businesses, attractive real estate and essential infrastructure. With over USD 109 billion in assets under management as of 31 December 2020, Partners Group serves a broad range of institutional investors, sovereign wealth funds, family offices and private individuals globally. The firm employs more than 1,500 diverse professionals across 20 offices worldwide and has regional headquarters in Baar-Zug, Switzerland; Denver, USA; and Singapore. It has been listed on the SIX Swiss Exchange since 2006 (symbol: PGHN). For more information, please visit www.partnersgroup.com or follow us on [LinkedIn](#) or [Twitter](#).

Fortum

Fortum is a European energy company with activities in more than 40 countries. We provide our customers with electricity, gas, 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. Together with our subsidiary Uniper, we are the third largest producer of CO₂-free electricity in Europe. With approximately 19,000 professionals and a combined balance sheet of approximately EUR 69 billion, we have the scale, competence and resources to grow and to drive the energy transition forward. Fortum's share is listed on Nasdaq Helsinki and Uniper's share on the Frankfurt Stock Exchange. www.fortum.com