

Company Enefit Green AS
Type Company Release
Category Other corporate action
Disclosure time 29 Nov 2023 09:00:00 +0200

Currency

Title Enefit Green sells district heating businesses in Paide and Valka

According to the purchase and sale agreement signed today, Enefit Green sells the district heating businesses of Paide and Valka in Estonia and Latvia to the largest district heating company in Estonia, Utilitas. Consent of the Estonian and Latvian competition authorities is required for the transaction to enter into force.

"We wish to keep the focus on Enefit Green's strategic business direction, which is to increase the share of wind and solar energy in the Baltics and Poland. As of today, we are already the largest wind energy producer in the Baltics and have successfully expanded the production of solar energy in recent years. We have a strong short- and long-term development portfolio, which we will focus on going forward. We thank the teams of Paide and Valka for their contribution and are confident that the Utilitas team will receive a valuable addition," explained Innar Kaasik, Member of the Management Board and Production Manager of Enefit Green.

"As the largest district heating company in Estonia, we see that both Paide and Valka fit very well into our district heating portfolio with their district heating systems based on renewable sources. These assets have been constantly invested in, they are well managed and in good condition. It is a great pleasure that we will have the opportunity to provide services in these cities in the future," said Robert Kitt, head of district heating companies at Utilitas.

In Paide, the object of the transaction is a district heating business unit, the assets of which include a cogeneration plant (built in 2015), a biomass boiler house, a reserve boiler house and a solar farm. The business unit has 21 employees, and thermal energy is sold to 226 buildings. Valka's district heating business includes a cogeneration plant and reserve boiler houses built in 2012. There are 10 employees in the company and the city of Valka sells thermal energy to customers.

The value of the transaction on a cash- and debt-free basis is 15.8 million euros.



From the point of view of the employees, customers and partners of the district heating businesses of Paide and Valka, there will be no immediate change. Upon the transfer of assets, the companies will continue their existing activities as part of the Utilitas Group. All services will continue to be provided, and all employees of the companies will be transferred to the Utilitas Group.

Enefit Green was advised by LHV as financial advisor, KPMG conducted financial due diligence and TGS Baltic acted as the legal adviser. Utilitas was advised by Superia Corporate Finance and law firm Triniti.

Further information:

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Enefit Green is one of the leading diversified renewable energy producers in the Baltic Sea area. The Company wind farms in Estonia and Lithuania, cogeneration plants in Estonia and Latvia, solar farms in Estonia and Poland, a pellet plant in Latvia and a hydroelectric plant in Estonia. In addition, the Company is developing several wind and solar farms in the mentioned countries and Finland. As of the end of 2022, the Company had a total installed electricity production capacity of 457 MW and a total installed heat production capacity of 81 MW. During 2022, the Company produced 1,118 GWh of electricity, 565 GWh of heat energy and 154 thousand tonnes of wood pellets.

