



Fortum to sell its 50% ownership in Fortum Oslo Varme AS to a Norwegian investor consortium for approximately EUR 1 billion

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Fortum has today signed an agreement to sell its 50% ownership in the district heating company Fortum Oslo Varme AS in Norway to an investor consortium comprising Hafslund Eco, Infranode and HitecVision. The total consideration for Fortum's share is approximately NOK 10 billion on a cash and debt free basis (approximately EUR 1 billion based on current currency rate) and as part of the transaction, Fortum will deconsolidate a related NOK 2 billion loan from the City of Oslo. The consideration is based on a 100% enterprise value of NOK 20 billion (approximately EUR 2 billion). Fortum expects to record a tax-exempt capital gain of approximately EUR 0.6 billion in the City Solutions segment's results in connection with closing of the transaction. The transaction is subject to approval by the Oslo City Council (Bystyret), necessary regulatory approvals and fulfilment of the customary closing conditions. The closing of the transactions is expected during the second quarter of 2022.

Fortum Oslo Varme is jointly owned (50/50) by Fortum and the City of Oslo. Fortum Oslo Varme is the largest supplier of district heating in Norway and supplied 36% of district heating generated in Norway in 2021. It sold 1.8 TWh of district heating and generated 0.1 TWh of electricity with a comparable EBITDA of EUR 88 million, with very marginal impact on EPS. Fortum Oslo Varme's waste-to-energy plant at Klemetsrud, Oslo is Norway's largest with a capacity to end-treat 315,000 tonnes of waste per year. The company employs approximately 200 people. In 2017, Fortum became the owner of Fortum Oslo Varme in the Hafslund transaction.

Over the past years, Fortum has divested several of its heating and cooling businesses. In 2020, Fortum divested its district heating businesses in Joensuu and Järvenpää in Finland, and in 2021, Fortum sold its district heating businesses in the Baltics and its 50% ownership in Stockholm Exergi in Sweden. In the case of Fortum Oslo Varme, Fortum was approached by the buyer. Following a thorough internal assessment, a decision was taken to divest the 50% ownership.

"We have had a strong partnership with the City of Oslo, combining competencies to drive innovation for a greener Oslo. Fortum Oslo Varme has ambitious plans for its Klemetsrud waste-to-energy plant to implement carbon capture and storage (CCS) as one important technology to combat climate change. Fortum Oslo Varme is a well-run business so after the Hafslund Eco led consortium approached us, we considered our options carefully. Our conclusion is that it is of best interest of Fortum Oslo Varme to continue its good development under the new ownership known for its sustainable hydropower and long-term investments in infrastructure in Northern Europe," says Markus Rauramo, President and CEO of Fortum.

"Fortum Oslo Varme is an innovative and successful company, and its heating and cooling operations fit very well with Hafslund Eco's renewable generation and infrastructure portfolio. We believe that combining the great competences of Fortum Oslo Varme with Hafslund Eco's competence and experience within renewable energy and the Nordic power market will create exciting opportunities for sustainable growth," says Finn Bjørn Ruyter, CEO of Hafslund Eco.

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About Hafslund Eco

Hafslund Eco is Norway's second largest power generator. It owns 80 hydropower plants in the Southern part of Norway, and operates a production of 21 TWh, sufficient to supply over 2.6 million inhabitants with clean, renewable hydropower. The company also owns 50 percent of Eidsiva Energi, and through it a half of Elvia, Norway's largest grid company with about 900,000 customers, as well as companies in broadband and district heating. Offshore wind is one of Hafslund Eco's strategic focus areas.

About Infranode

Infranode is a long-term infrastructure investor with a special focus on the Nordic countries. It invests in energy, energy distribution, renewable energy, digital infrastructure, transport, and social infrastructure. Infranode has about EUR 1.7 billion in committed capital from long-term institutional investors, including Folksam, the Swedish municipal pension fund KPA Pension, Finland's largest pension provider KEVA, and Norway's largest asset manager Storebrand.

About HitecVision

HitecVision is a Norwegian private equity fund manager and serial entrepreneur. With EUR 7 billion in capital under management, the firm is a leading investor in the European energy sector. Over the past 25 years, HitecVision has established or contributed to the development and growth of more than 200 companies. In recent years HitecVision has focused on opportunities in the energy transition, where collaboration with established industrial players is an integral part of the company's business model.

Fortum

Fortum and Uniper form a European energy group committed to enabling a successful transition to carbon neutrality for everyone. Our 50 gigawatts of power generating capacity, substantial gas import and storage operations, and our global energy trading business enable us to provide Europe and other regions with a reliable supply of low-carbon energy. We are already Europe's third largest producer of CO₂-free electricity, and our growth businesses focus on clean power, low-carbon energy, and the infrastructure for tomorrow's hydrogen economy. In addition, we design solutions that help companies and cities reduce their environmental footprint. Our 20,000 professionals and operations in 40 countries

give us the skills, resources, and reach to empower the energy evolution toward a cleaner world.
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