



A Consortium led by APG has agreed to acquire a co-controlling stake in Stockholm Exergi from Fortum

Helsinki, 30 June 2021 – Fortum has agreed to sell its 50% holding in Stockholm Exergi Holding AB (the “Company” or “Stockholm Exergi”) to a group of long-term European institutional investors with a strong commitment to the infrastructure sector comprising APG, PGGM, Alecta, Keva and AXA IM Alts (together, the “Consortium”).

Stockholm Exergi is the owner and operator of the largest and most versatile district heating and district cooling network in the Nordics. The Company provides highly environmentally sustainable district heating for both corporate and residential customers across seven municipalities in Stockholm County, and critical electricity capacity to the Stockholm electricity grid.

Anders Egelrud, CEO of Stockholm Exergi: “For the world to meet the climate change, both renewable energy and negative emissions are needed. Our goal is a climate-positive business in 2025 and to succeed in this, strong, committed, and long-term owners are required who share our view of sustainability - properties such as the City of Stockholm, Fortum and the investor consortium led by APG all share. We want to thank Fortum for their important contribution as co-owners and look forward to the next chapter in our journey towards creating the world's first climate-positive capital, together with partners, customers and owners.”

Carlo Maddalena, Senior Portfolio Manager at APG, said: “The investment in Stockholm Exergi, on behalf of our pension fund client ABP, represents a significant milestone of APG’s overall commitment to significantly reduce CO2 emissions worldwide. Stockholm Exergi has a fantastic track record of growth, leadership in ESG and delivering and developing customer centric solutions (like Carbon Capture and Storage), all of which are driving the long-term sustainable energy transition of Stockholm and the region. We intend to grow Exergi by investing significant capital, targeting to enhance the environmental sustainability and efficiency of its heating plants and district heating networks. Alongside our consortium partners, we are looking forward to working with management to support them in their ambitious vision, and with the City of Stockholm to develop our future long term partnership.”

Erik van de Brake, Head of Infrastructure at PGGM, said: “Stockholm Exergi is leading the way in developing and operating large-scale sustainable solutions for local heating. With the aim of becoming carbon negative in 2025, this company fits very well in our portfolio where we want to combine stable financial returns with measurable societal impact. For our PGGM Infrastructure Fund this expands our footprint in the Nordics and is a second investment in district heating after acquiring a majority stake in the Dutch company Ennatuurlijk in 2014. Through these investments the beneficiaries of our clients like Pensioenfonds Zorg en Welzijn are supporting the energy transition directly while growing their pensions at the same time.”

Johanna Strömsten Friberg, Portfolio Manager at Alecta, added: “We believe Stockholm Exergi is an excellent business that exhibits all the financial and ESG characteristics we look for when investing in the infrastructure asset class. The experienced management team of Stockholm Exergi has made remarkable ESG accomplishments during the last couple of years and we are keen to support the Company in pursuing its ambitious goal of becoming climate-positive by 2025 and generating negative emissions.”

Markus Pauli, Head of Alternative Investments at Keva, said: “We are excited about the opportunity to grow our infrastructure assets by investing in Stockholm Exergi. Investment opportunities of this quality and size are not common. This investment really fulfills Keva’s financial and ESG aspects and we look forward continuing developing it together with our partners and with the City of Stockholm. Keva is a long-term investor and this type of district heating infrastructure investment fits excellently in our investment portfolio. The investment offers a stable, predictable and long-term cash flow. Stockholm Exergi has a high ambition on sustainability and plays an important role in the climate targets of the whole region, which naturally suits Keva well as a responsible investor.”

Mark Gilligan, Head of Infrastructure Equity at AXA IM Alts, said: “AXA IM Alts, acting for its clients, is thrilled to invest in Stockholm Exergi as it is aligned with our Net-Zero objectives while providing cost-effective essential heating and cooling to the citizens of Stockholm.”



Advisors to the Consortium were DC Advisory and Rothschild & Co (M&A and Debt), White & Case (Legal – M&A), Latham & Watkins (Legal – Financing), AFRY (Commercial, Technical & EHS), PwC (Financial, Tax, Carve Out, IT and Operations), Hallvarsson & Halvarsson (Public Relations).

The acquisition was supported with a financing package provided by Intesa Sanpaolo, Mediobanca – Banca di Credito Finanziario S.p.A., Natixis and Société Générale. Lenders were advised by Weil, Gotshal & Manges.

The completion of the transaction remains subject to applicable regulatory approvals and is expected to take place before the end of 2021.

About Stockholm Exergi

Stockholm Exergi is the largest supplier of district heating in Sweden with close to 10 TWh in yearly energy sales (heat, cooling and electricity combined). The company has an annual turn-over of nearly €700 million and 700 employees. Visit our website: www.stockholmexergi.se

About APG

APG is the largest pension provider in the Netherlands. APG performs pension services on behalf of (pension) funds and employers in the sectors of education, government, construction, cleaning, housing associations, sheltered employment organizations, medical specialists, and architects. APG manages approximately €587 billion (May 2021) in pension assets for the pension funds in these sectors. APG works for approximately 22,000 employers, providing the pension for one in five families in the Netherlands (about 4.7 million participants). With approximately 3,000 employees, APG has offices in Heerlen, Amsterdam, Brussels, New York, Hong Kong, Shanghai, and Beijing. APG has been an active infrastructure investor since 2004, investing approximately €17 billion to date and over €6 billion in the energy sector including several assets across the Nordic region. APG's investments include assets within energy and utilities, telecommunications, and transport infrastructure. APG's Global Infrastructure team comprises 38 investment professionals. Visit our website: www.apg-am.nl

About Alecta

Alecta manages collectively agreed occupational pensions. Since 1917, our mission has been to provide the best possible occupational pensions for our corporate and private customers. We focus on high returns, great customer service and low costs. We manage approximately SEK1,100 billion for our owners – 2.6 million private clients, and 35,000 corporate clients. Since 2016, the total share of alternative assets, including infrastructure, has increased from 7 to 12 percent, with the objective to reach 20 percent of the total assets in 2024. Visit our website: www.alecta.se

About PGGM

PGGM is a not-for-profit cooperative pension fund service provider. As a pensions administrator, asset manager and advisor to pension fund boards, it executes its social mandate: to provide for good old-age incomes for 4.4 million participants in the Netherlands. On behalf of its clients, PGGM manages and invests long-term pension capital of €268 billion (year-end 2020) worldwide. Rooted firmly in the Dutch healthcare sector, PGGM develops innovative provisions for labour market issues in this sector, alone or with strategic partners. Our member organisation PGGM&CO supports 764,000 workers and pensioners with a background in healthcare. Visit our website: www.pggm.nl

About Keva

Keva is Finland's largest pension provider and it administers the pensions of local government, State, Evangelical Lutheran Church, Kela and Bank of Finland employees. Our 500-strong staff serve a total of 1.3 million public sector employees and pensioners as well as some 2,000 employer customers, i.e. local government organisations, State employers and parish unions. We are responsible for funding the pensions of local government employees and for investing their pension funds. The market value of Keva's investments at the end of 2020 was €58 billion. Visit our website: www.keva.fi/en/



About AXA IM Alts

AXA IM Alts is a global leader in alternative investments with €162 billion of assets under management as of 31 March 2021 (unaudited), across real assets (real estate & infrastructure), private debt & alternative credit and private equity & hedge funds. AXA IM Alts employs over 750 people located in 16 offices around the world and serves the needs of more than 350 clients from Europe, North America, Asia Pacific and Middle East. We are a global leader in real assets investment with c. €109 billion of assets under management, the number one property portfolio and asset manager in Europe (INREV Fund Manager Survey, June 2021), and one of the largest worldwide. Visit our website: www.realassets.axa-im.com

About AXA Investment Managers

AXA Investment Managers (AXA IM) is a responsible asset manager, actively investing for the long-term to help its clients, its people and the world to prosper. Our high conviction approach enables us to uncover what we believe to be the best global investment opportunities across alternative and traditional asset classes, managing approximately €869 billion in assets as at the end of March 2021.

AXA IM is a leading investor in green, social and sustainable markets, managing €555 billion of ESG-integrated, sustainable and impact assets as at the end of December 2020. We are committed to reaching net zero greenhouse gas emissions by 2050 across all our assets, and integrating ESG principles into our business, from stock selection to our corporate actions and culture. Our goal is to provide clients with a true value responsible investment solution, while driving meaningful change for society and the environment. AXA IM employs over 2,440 employees around the world, operates out of 27 offices across 20 countries and is part of the AXA Group, a worldwide leader in insurance and asset management. Visit our website: www.axa-im.com