

PRESS RELEASE

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Danpower Group acquires a majority stake in SW Energia OÜ – a strong partnership for the future of district heating in Estonia

Danpower Group and SW Energia OÜ announce a strategic partnership. The parties have entered into a share purchase agreement on January 27th, 2026, under which Danpower Group has agreed to acquire a majority stake in SW Energia OÜ. Completion of the transaction is subject to clearance by the Estonian Competition Authority. This marks an important milestone that creates the foundation for SW Energia's accelerated growth and a more rapid transition of the Estonian district heating sector toward renewable energy.

The objective of the partnership is to combine the strongest assets of both companies: SW Energia's strong local expertise and agile management, and Danpower Group's international experience, financial strength, and long-term investment perspective. The cooperation establishes a solid platform for large-scale investments in the modernization and development of Estonia's heat supply infrastructure, as well as for the implementation of new, environmentally friendly energy solutions.

SW Energia OÜ was founded in 1999 and has grown into one of the fastest-developing heat energy companies in Estonia. The company produces thermal energy in 65 district heating networks across the country, offering customers a comprehensive full-service heat supply solution. The company's development to date has been based on strong local leadership, efficient digital management, and the consistent use of renewable energy sources.

Allan Aas, CEO of SW Energia, who will continue to lead the company following the merger, emphasizes the strategic importance of the transaction: "This step provides SW Energia with a clear competitive advantage, allowing us to operate faster and at greater scale, further strengthening our position. Everything that has worked well so far will continue. My role as CEO and our team's operating principles remains the same, but we now have greater resources to invest in renewable energy, further develop the use of domestically sourced wood fuel, and provide our customers with an even more reliable and higher-quality service."

Danpower Group, headquartered in Potsdam, Germany, has extensive and long-standing experience in the heat and renewable energy sector. The company's activities include the development, construction, and operation of district heating and energy solutions for industrial companies, cities, residential areas, and commercial clients. Danpower has been active in Estonia since 2012, providing district heating services to the city of Võru and surrounding residential areas.

Burkhard Vogel, CEO of Danpower Estonia, comments: **"Through this merger, our combined financial and development capabilities increase significantly, enabling us to realize our ambitious vision—to make carbon-neutral district heating the standard across Estonia."**

For SW Energia's current and future customers, the partnership means an even more innovative, environmentally friendly, and sustainable heat energy service, along with long-term security of supply. For employees, becoming part of an international group creates new development opportunities, professional challenges and career growth.

The company name, brand, operating model, and management of SW Energia will continue as they are, no immediate changes are planned. The company's founding members and CEO Allan Aas will continue in their current roles, ensuring continuity, stability, and a clear strategic direction for the future.

Contact

Tarmo Saarts

Founder and Member of the Management Board / SW Energia OÜ

Email: info@swenergia.ee

Website: www.swenergia.ee

Burkhard Vogel

Member of the Management Board / Danpower Eesti AS

E-post: presse@danpower.de (EN / DE)

Veebileht: www.danpower.ee