



# AGM 2014

Halmstad May 6<sup>th</sup>

# Year 2013 – in brief

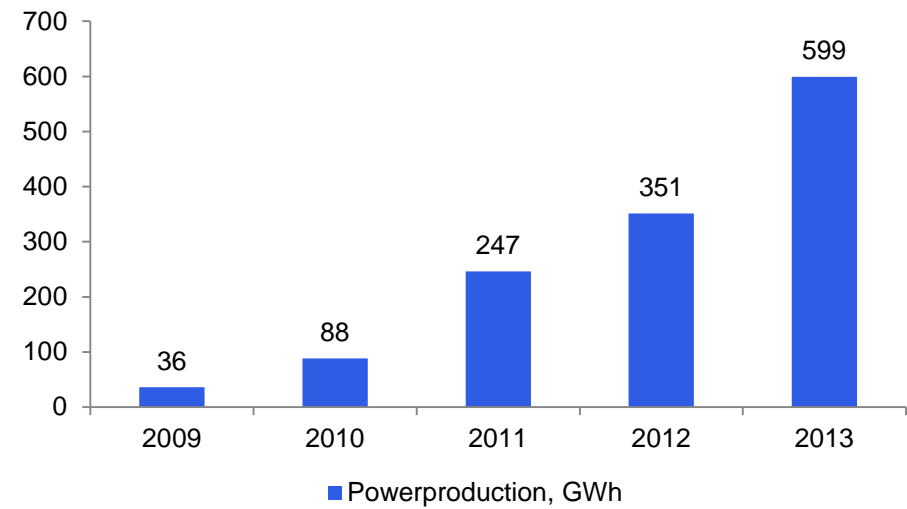
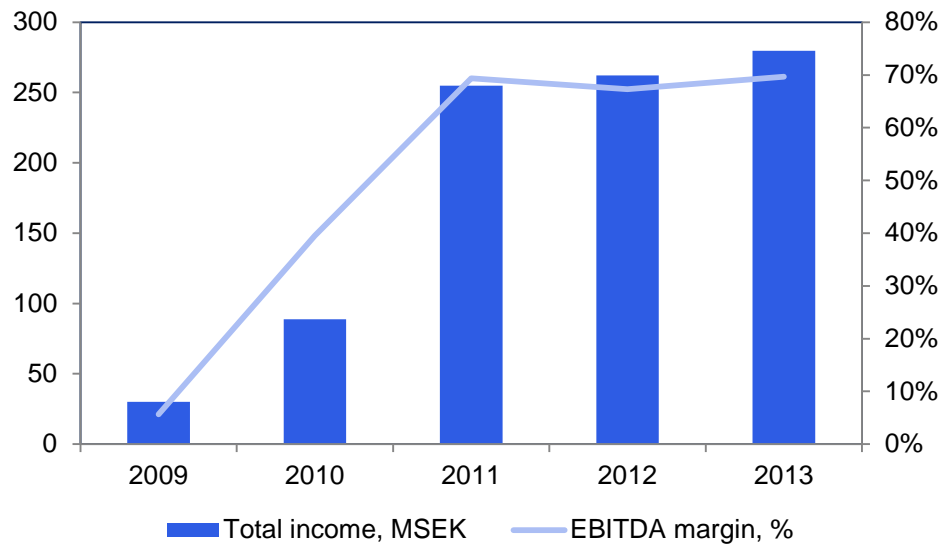
## The market:

- The wind resource, 95 % of normal<sup>1</sup>
- Increasing power- and certificate prices, + 20 % 2013 vs 2012, but still low levels

## The company:

- |                        |  |                              |
|------------------------|--|------------------------------|
| ▪ Power production:    | 599 GWh  | + 70 % vs. 2012              |
| ▪ Own                  | 328 GWh (326)  | Revenues & result affect P&L |
| ▪ Jointly owned        | 272 GWh (25)   | Result post tax affect P&L   |
| ▪ Average income:      | 704 SEK/MWh  | + 10 % vs. 2012              |
| ▪ Total revenues:      | 280 MSEK   | + 7 % vs. 2012               |
| ▪ EBT:                 | 32 MSEK  |                              |
| ▪ Project development: | Skogaby & Stjärnarp (12,6 MW) in operation and Bohult (12,8 MW) start construction   |                              |
| ▪ Consolidation:       | Due to few new projects under construction the project organization has been reduced. Together with other activities a cost reduction of 10 MSEK/year have been achieved with full effect from Jan 1 <sup>st</sup> 2014. |                              |

# 5 years development

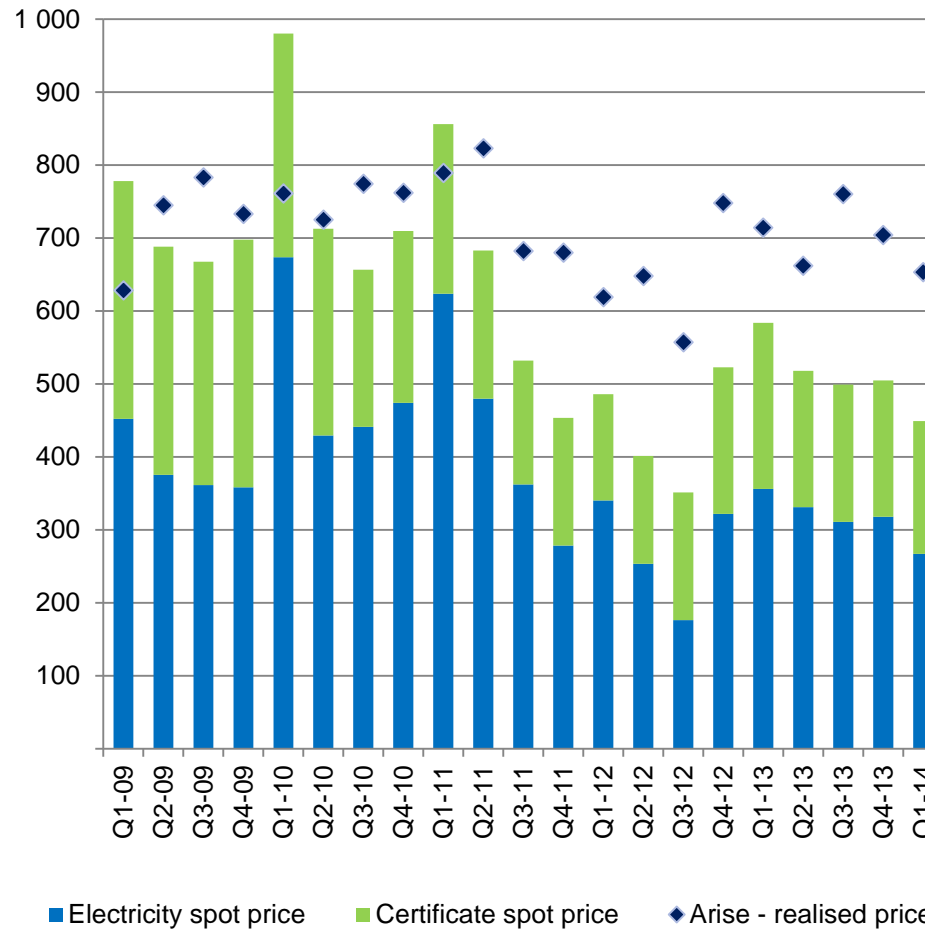


# Income development 5 years

## The market (SEK/MWh):

Ø income: 614  
 Variation: 375 – 975  
 2013 vs. 2009 - 29 %

SEK/MWh

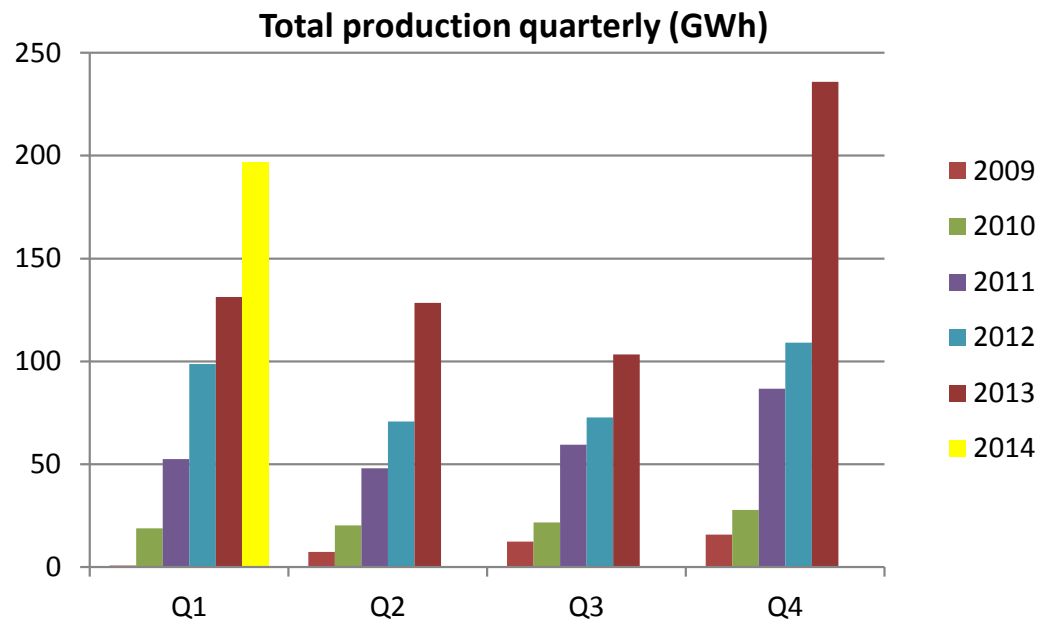


## Arise (SEK/MWh):

Ø income: 712  
 Variation: 619 – 823  
 2013 vs. 2009 - 1.6 %

# Q1 - 2014

- Better wind resource than normal<sup>1</sup>
- Power production: 197 GWh + 52 % vs. Q- 1 2013
- Average income: 653 SEK/MWh - 8 % vs. Q1 2013 & 45 % above market price
- EBT: 22 MSEK + 69 % vs. Q1 - 2013



# Events after the period

- The company has issued a five year senior secured green bond of SEK 1.1 billion with a floating rate of 3 months STIBOR + 3 percent p.a. The bond matures in April 2019.
- Arise AB will apply for a listing of the bonds on NASDAQ OMX Stockholm.
- In connection with the transaction the company's debt is reduced with about SEK 90 million and negative interest rate hedges of another ca SEK 70 million are terminated.
- Together with a slightly improved amortization profile of the bond it means that the company's cash flow will improve by just over SEK 30 million per year, on average, during the next five years
- The Bohult project (12.8 MW) has been finalized, 15 MSEK below investment budget
- A principal agreement has been reached for the sale of a wind farm with 3 turbines, 5.4 MW

# Outlook 2014

## Power production

- Approx. 700 GWh given normal wind resource rest of the year (of which 430 GWh Own)
- Continued work with production optimization
  - + 3.5 % production improvement across 10 wind farms so far
  - Jädraås and a few own projects remain

## Price development

- Power: Side wards during summer, availability in the nuclear power plants and precipitation decide the price thereafter
- Certificate: Likely upwards driven by positive announcement from the Authority regarding increase in the quota curve

## Revenues

- Power production is hedged to 77 % at an average income of 401 SEK/MWh
- Certificate production is hedged to 43 % at an average income of 209 SEK/MWh
- The company is well positioned for an expected increase in certificate prices

## Project development

- No new own projects planned
- Hence, sale and construction of new wind farms for others are of interest
- Sale of some smaller wind farms in operation (Skogaby, 4 turbines + Bohult 8 turbines)

# While awaiting increasing prices....

- .... on certificate and power (for further expansion of our own production capacity) we continue to develop our portfolio of new efficient wind projects, mainly in Sweden
- Create cooperations and alliances with investors interested in owning wind assets in Sweden and Norway
- Continued project development in Scotland
- Develop new services and products within the field of environmental friendly power generation and related areas
- With 266 MW in production capacity, a stabile financing and good liquidity, a well developed and functional hedging strategy and an effective and fast footed organization we look forward to year 2014 with confidence