



## PRESS RELEASE

Halmstad 28 February, 2019

### Arise enters a new phase following the sale of Jädraås

Arise has entered into an agreement with The Renewables Infrastructure Group ("TRIG"), a London-listed investment company advised by InfraRed Capital Partners, for the sale of its 50 % holding in Sirocco Wind Holding AB, (the "Transaction"), which owns the approx. 213 MW wind farm Jädraås, ("Jädraås").

From the Transaction Arise is expected to receive net proceeds corresponding to approx. MSEK 200, of which MSEK 195 upon closing of the Transaction and MSEK 5 later during the year. Closing of the Transaction is expected to occur in Q1 2019. The sale is expected to result in a pre-tax loss of approx. MSEK 245 among other due to swap break costs. The underlying enterprise value in the Transaction amounts to approx. MEUR 206, which corresponds to a multiple of approx. SEK 3.8/kWh.

With this sale Arise is set for a new phase supported by a strong balance sheet and profitable growth:

- **The Transaction demonstrates values in Arise's wholly-owned fleet of operating assets**  
The book carrying amount of Arise's remaining portfolio of operational wind farms is approx. SEK 1.2 bn corresponding to a multiple of SEK 3.5/kWh.
- **Net debt is expected to fall below MSEK 600 by early 2020**  
The expected net proceeds of approx. MSEK 200 from the Transaction coupled with MSEK 170 of contracted cash flow from ongoing construction projects will result in a significant cash position. The remaining operating assets alone would then represent a net asset value of more than MSEK 600.
- **Profitable growth and increasing cash flows from the development business**  
Arise is well positioned to realise its attractive project portfolio of approx. 1 000 MW. The next project sale, Skaftåsen approx. 200 MW, is expected in H2 2019. In parallel, additional projects are maturing and are expected to be divested over the coming years.
- **Significant value creating opportunities within asset management**  
The asset management business currently comprises approx. 1 100 MW. The business is characterised by recurring revenue streams, strong growth and profitability.

The Transaction follows a strategic review of Arise's long-term ownership in Jädraås. The review concluded that for the Arise group as a whole it was more value creating to realise the investment now versus potentially realising higher values by retaining the asset over its entire life.

The remaining wholly-owned wind farms are predominantly located in the favourable Price Area 4 and investigations carried out make Arise comfortable that asset life will be longer than the stipulated 25 years. A strong balance sheet and cash flow generation coupled with a favourable market outlook means that Arise no longer has any divestment plans as regards its wholly-owned operating wind farms.



*"We are very pleased to sell Jädraås to TRIG and look forward to a close cooperation. Jädraås was our first large-scale project and it marked the beginning of our journey to become the company we are today. Even though it has not been the success we hoped for financially, we bring with us all the knowledge and experiences gained into our future business. We are now very well positioned with a strong team, a strong development pipeline and a strong balance sheet", says Daniel Johansson, CEO of Arise.*

*"Jädraås is our second acquisition in the Nordic region and represents a key part of our strategy to increase our geographical diversification. With strong power price hedging in place and attractive returns, this acquisition complements our existing portfolio very well, whilst increasing our exposure to one of Europe's most attractive regions for renewable energy development. We look forward to developing a long term relationship with Arise AB" said Richard Crawford, Director, Infrastructure at InfraRed Capital Partners.*

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**About Arise**

*Arise is one of Sweden's leading wind power companies, with the business concept to develop, build and manage onshore wind farms for its own account and on behalf of investors. The company is listed on NASDAQ Stockholm.*

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