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## **PRESS RELEASE**

**Halmstad 17 February, 2017**

### **Arise announces a fully supported rights issue of convertible bonds to proactively develop its position and strengthen its financial flexibility.**

Pursuant to the authorisation of the General Meeting held on 3 May 2016, the Board of Directors of Arise AB (publ) ("Arise" or "the Company") decided on 17 February 2017 that the Company is to raise a convertible loan of a nominal maximum of approximately MSEK 245 with preferential rights for existing shareholders.

#### **Preferential rights issue in brief**

- The purpose of the preferential rights issue ("the Rights Issue") is to provide the conditions required to proactively develop the Company's market position:
  - Increase growth in development and management, including through acquisitions
  - Create readiness to exploit consolidation opportunities
  - Increase value creation potential in the project portfolio as a result of greater financial flexibility

The Rights Issue will also strengthen the Company's financial flexibility and thus provide the opportunity to manage assets based on a position of financial strength and to reduce capital costs

- Entitlement to subscribe for the convertible bonds with preferential rights will accrue to the Company's existing shareholders, but excludes the Company's treasury holding of 54,194 shares. The Company will, in connection with this, apply to admit subscription rights and the convertible bonds for trading on Nasdaq Stockholm
- Existing shareholders Claesson & Anderzén with companies, AB Traction, Brihan Invest AB and Peter Gyllenhammar via company, who hold 36.85 % of the shares in the Company, have signed subscription undertakings and underwriting agreements corresponding to approximately MSEK 177.8. In addition, Tredje AP-fonden, who holds approximately 9.99 % of the shares in the Company, has signed a Letter of Intent to subscribe for approximately MSEK 24.5. Furthermore, Swedbank AB (publ) has signed an underwriting agreement corresponding to approximately MSEK 42.4. Accordingly, the Rights Issue is 100 % supported by subscription undertakings, underwriting agreements and the Letter of Intent
- The record date for participating in the Rights Issue is 24 February 2017 and the subscription period will be 28 February to 16 March 2017
- The convertible loan carries an annual rate of interest of 5.75 %, with quarterly coupon payments
- Holders of convertible bonds are entitled, during the period from two banking days after the convertible bonds have been registered with the Swedish Companies Registration Office up to and including 28 February 2022, to convert all or portions of their convertible bonds to new ordinary shares in Arise at a conversion price of SEK 22
- The loan falls due for payment on 31 March 2022 unless it is converted prior to this date



**Daniel Johansson, CEO of Arise AB comments:** *"It is very gratifying that some of our major shareholders have chosen to support this issue. The issue is 100 % supported by the combination of subscription undertakings, a Letter of Intent and underwriting agreements. We will now boost growth together with our customers and the issue provides us with a stronger financial position from which to take action."*

#### **Background and motive**

Arise is one of Sweden's leading operators of onshore wind power. At the end of 2016, the Company's portfolio of managed wind power totalled approximately 655 MW, of which 241 MW is owned by Arise and approximately 415 MW is managed on behalf of external customers. Total production from own and co-owned production in a normal year amounts to 628 GWh. Arise is thereby a significant supplier of renewable power in the Nordic market. Arise also has an extensive project portfolio of approximately 1,000 MW in Sweden. In Scotland, preliminary project planning work is underway on projects with a combined output of about 150 MW for which the company has signed leasehold agreements. Given that production of electricity from wind power is becoming increasingly cost effective and that there is a political desire in Sweden to continue to support the expansion of renewable energy based on the recently published agreement on Swedish energy policy, the Company's aim is to further expand its project portfolio.

Over the past two years, Arise has successfully developed and built a number of wind farms on behalf of investors and also sold several already operational wind farms. Arise's customers are investors in wind power that either want to acquire wind farms or that require the Company's assistance with the financial and technical management of wind farms. It has gradually become clear that Arise has the ability and the credibility required for being a successful developer of projects for various types of investors.

The purpose of the Rights Issue is to provide the conditions required to proactively develop the Company's market position: i) enhance growth in development and management, including through acquisitions, ii) create readiness to exploit consolidation opportunities, and iii) increase value creation potential in the project portfolio as a result of greater financial flexibility. The Rights Issue will also strengthen the Company's financial flexibility and thus provide the opportunity to manage assets based on a position of financial strength and to reduce capital costs. This means that part of the proceeds from the Rights Issue will be used towards final payments on the bond loans that fall due for payment in 2017.

The Rights Issue allows Arise to be opportunistic in its project-development business in which the Company sees business opportunities in the prevailing market climate, and in the ownership of wind farms and related financing.

#### **Terms of the preferential rights and convertible bonds in brief**

Pursuant to the authorisation of the General Meeting held on 3 May 2016, the Board of Directors of Arise has decided that the Company is to raise a convertible loan of a nominal maximum of approximately MSEK 245. Entitlement to subscribe for convertible bonds with preferential rights will accrue to the Company's shareholders, with three shares entitling subscription to one convertible, each with a nominal value of SEK 22. Accordingly, the nominal amount of the convertible loan will total a maximum of SEK 244,741,750. The convertible bonds will be issued at a nominal amount.

The record date for entitlement to participate in the issue is 24 February 2017. Subscription is to take place between 28 February and 16 March 2017.

The convertible subordinated loan carries an annual rate of interest of 5.75 %, with quarterly coupon payments. Holders of convertible bonds are entitled, during the period from two banking days after the convertible bonds have been registered with the Swedish Companies Registration Office up to and including 28 February 2022, to convert all or portions of their convertible bonds to ordinary shares in the Company at a conversion price of SEK 22. The convertible subordinated loan falls due for payment on 31 March 2022 unless it is converted prior to this date.



On the condition of full subscription to the Rights Issue and full conversion of the convertible bonds thereby issued, Arise's share capital will increase by SEK 889,970.00 on the basis of the issue of 11,124,625 ordinary shares.

#### **Subscription undertakings and underwriting agreements**

As stated above, existing shareholders who hold 36.85 % of the shares in the Company have signed subscription undertakings and underwriting agreements corresponding to approximately MSEK 177.8. In addition, a shareholder who holds 9.99 % of the shares in the Company has signed a Letter of Intent to subscribe for approximately MSEK 24.5. Furthermore, approximately MSEK 42.4 is underwritten by an external party. Subscription undertakings and underwriting agreements thus total approximately MSEK 220.2, corresponding to 89.99 % of the Rights Issue. Including the Letter of Intent, this corresponds to the total volume of the Rights Issue.

The complete terms, conditions and instructions of the convertible bond issue and other information about Arise will be provided in the prospectus that will be published prior to the subscription period.

#### **Preliminary timetable**

<i>Date</i>	<i>Event</i>
20 February	Expected publication of the prospectus (but no later than 27 February)
22 February	Last day of trading including rights to receive subscription rights in the issue of convertible bonds
23 February	First day of trading excluding rights to receive subscription rights in the issue of convertible bonds
24 February	The record date for entitlement to participate in the issue of convertible bonds
28 February – 16 March	Subscription period
28 February – 14 March	Trading in subscription rights
28 February – 27 March	Trading in paid subscribed convertible bonds
21 March	Announcement of the final outcome of the issue of convertible bonds

#### **Advisors**

Setterwalls Advokatbyrå is acting as legal advisor and Swedbank AB (publ) is financial advisor to Arise in connection with the convertible bond issue.

#### **Invitation to a conference call in connection with Arise's 2016 Year-End Report**

Arise's 2016 Year-End Report will be released on Friday, 17 February, 2017 at around 8:00 a.m. CET. At 11:00 a.m. CET on the same day, a conference call will be held, hosted by Daniel Johansson, CEO and Linus Hägg, CFO, who will present the report to the stock market and media. After the presentation, those attending will be invited to ask questions.

The dial in number for the conference call is:

Sweden	08 50 510 036
UK: (local):	020 3059 8125
Other countries:	+ 44 20 3059 8125
Password:	Arise

A presentation will be held during the telephone conference. Presentation material is available at:  
<http://www.investis-live.com/arise/587f532e7b6fba170040b9b8/ioj2a>

After the meeting, a recording of the presentation will be available at the same link.



**Invitation to a conference call due to the Rights Issue on 22 February at 10:00 a.m. CET**

Due to the Rights Issue, Arise will hold a company presentation via a conference call on 22 February at 10:00 a.m., hosted by Daniel Johansson, CEO and Linus Hägg, CFO. After the presentation, those attending will be invited to ask questions.

The dial in number for the conference call is:

Sweden: +46 (0) 8 535 211 70

**For further information, please contact:**

Daniel Johansson, CEO of Arise, +46 702 24 41 33.

*This information is information that Arise AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 CET on 17 February 2017.*

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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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Matters discussed in this announcement may constitute forward-looking statements. Such statements are statements that are not historical facts and may be identified by words such as "regard", "estimate", "expect", "anticipate", "assume", "predict", "intend", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are



based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.