

NEWS RELEASE

Arctic Green Energy and GIC Launch Ambitious Strategic Alliance for Clean Energy and Decarbonisation

A unique collaboration to drive adoption of zero carbon heating leveraging cutting edge technological and financial expertise

SINGAPORE, 26 July 2021 – Arctic Green Energy and GIC have today announced an ambitious strategic alliance set to drive the uptake of zero carbon district heating in Europe and Asia. Under the agreement GIC will become an equity partner in Arctic Green Energy and commit a substantial new injection of \$240 million to support the expansion of the company in Asia and Europe.

Arctic Green Energy has become a major global player in the sustainable energy transition and the decarbonisation of the building sector most recently through the development of the largest and fastest growing geothermal company in the world, Sinopec Green Energy in China, jointly owned by Sinopec and Arctic Green. Geothermal energy technology is a renewable, economically competitive, and sustainable alternative to the use of fossil fuels for heating and cooling.

Arctic Green Energy's wealth of experience in managing, developing, and investing in geothermal and other complementary renewable energy projects provides a platform for rapidly growing geothermal penetration in hard to decarbonise sectors such as buildings. As a new shareholder and strategic partner, GIC will provide substantial capital sources, expertise in transaction capabilities and an international network to support Arctic Green's expansion, innovation, and leadership.

Today, almost half of the global energy consumption is used for heating and cooling in buildings and industry. As Climate Action reaches the top of the global political and economic agenda, how cities are heated and cooled is now the primary challenge for successful transition into a clean and carbon neutral world. National energy policies around the globe, the European Green Deal, and the Paris Climate Agreement are all creating an unprecedented opportunity for investment in an energy transition that can simultaneously allow nations around the world to achieve low decarbonisation targets while growing their economies.

In an increasingly carbon constrained world, geothermal energy has emerged as an ideal choice for district heating as it is virtually non-polluting, sustainable, available and provides baseload energy without intermittency. The core expertise of Arctic Green Energy lies in its unique technical capabilities in utilizing geothermal resources of various temperatures as the backbone for clean heating and power generation and its integration with other renewable energy sources to create living breathing cities free from fugitive carbon and air pollution.



Arctic Green Energy aims to be at the forefront of transforming the heating market to clean and renewable energy based on the principles of a sustainable energy transition, efficiency and security. In addition to its joint venture in China, Arctic Green is developing a suite of bankable renewable energy projects in Asia and Europe, which include the recently announced an ambitious district heating project in Europe.

Haukur Hardarson, Chairman and Founder of Arctic Green Energy said, “The strategic alliance and funding from GIC will allow Arctic Green Energy to significantly increase its capability and momentum and launch multiple new projects. Taking down chimneys and transforming more cities into healthy living breathing cities is now a real prospect and we look forward to our cooperation with GIC to turn this into a reality.”

“Arctic Green is the world leader in geothermal district heating. As a long-term investor, we are confident it has the proprietary technology and experience to achieve significant scale across Europe. In addition, we believe the strong public demand to curb climate change will enable this technology to play a meaningful role in decarbonizing the heating sector. We look forward to supporting Arctic Green’s growth in Europe through this long-term partnership,” said Ang Eng Seng, GIC’s Chief Investment Officer of Infrastructure.

“Investing sustainably is core to GIC’s mandate as a long-term investor. We have been investing in renewables in Europe and expect this to grow, especially with increasing policy support to support the decarbonizing of the power sector. We are looking forward to working closely with Arctic Green Energy’s management team as it scales up its operations in Europe,” George Kay, GIC’s Head of Infrastructure, Europe, added.

J.P. Morgan acted as the Sole Placement Agent to Arctic Green Energy for the transaction.

About Arctic Green Energy

Arctic Green Energy (www.arcticgreenenergy.com) is a leading renewable energy company specialising in the various applications of geothermal energy, from district heating and cooling to power generation. The company is also expanding into co-generation with other renewable energy sources and has established university level programs to train new generations of geothermal experts. Based in Singapore and with operations in China and Europe, Arctic Green Energy has its roots in the well-established geothermal sector in Iceland and maintains a knowledge centre there.

About GIC

GIC is a leading global investment firm established in 1981 to manage Singapore's foreign reserves. As a disciplined long-term value investor, GIC is uniquely positioned for investments across a wide range of asset classes, including equities, fixed income, private equity, real estate and infrastructure. Headquartered in Singapore, GIC has investments in over 40 countries and employs over 1,800 people across 10 offices in key financial cities worldwide. For more information on GIC, please visit <http://www.gic.com.sg/> or [LinkedIn](#).



For more information about this press release contact:

Sigurdur Atli Jonsson, Vice-Chairman of Arctic Green Energy Corporation

atli@arcticgreencorp.com

Katy Conrad, Vice President, Communications & Corporate Affairs, GIC

katyconrad@gic.com.sg