



# Creating renewable energy

Interim report 1 January–31 March 2024

# Interim report 1 January – 31 March 2024

## First quarter (1 January–31 March 2024)

- Net sales for the quarter amounted to MSEK 112 (107).
- Operating profit before depreciation and amortisation (EBITDA) was MSEK 71 (76).
- Operating profit (EBIT) was MSEK 54 (61).
- Profit after tax totalled MSEK 46 (52) and earnings per share amounted to SEK 1.14 (1.16).
- Operating cash flow was MSEK 117 (30) and cash flow after investments amounted to MSEK 54 (-41).
- Production generated 90 GWh (87) of green electricity with an average income of SEK 746 per MWh (936).
- The Lebo project was part of the Development segment during the quarter and generated 8 GWh during its test operations.
- The project portfolio increased by more than 200 MW during the quarter.

<b>Selected key figures</b>	<b>Q1 2024</b>	<b>Q1 2023</b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>Q1 2020</b>
Net sales, MSEK	112	107	88	47	50
EBITDA, MSEK	71	76	61	23	26
Earnings per share, SEK	1.14	1.16	0.90	-0.12	-0.21
Adjusted equity per share, SEK	60	62	33	24	24
Equity/assets ratio, %	56	61	54	50	45
Project portfolio, MW	~7,100	~5,500	~2,600	~1,400	~850

## Significant events during the quarter

- Under the share repurchase programme initiated by the Board of Directors, 1,119,036 own shares were repurchased for MSEK 47 during the quarter.
- Karmen Bergholcs took up her position as General Counsel on 15 January 2024 and thereby also joined Group Management.

### **Significant events after the end of the reporting period**

- The Lebo wind farm was completed after the end of the quarter. The wind farm, which is fully owned by Arise, has a capacity of 33 MW and is located in price area 3. After completion, Lebo will be part of the Production segment.
- The Ranasjö- and Salsjöhöjden wind farm was also completed after the end of the quarter. The wind farm was divested by Arise in 2021 and final settlement of the earnout is expected to take place in the second quarter and will be recorded in the Development segment.

## Stable earnings and a focus on accelerating projects to the divestment phase

We are now wrapping up an intense first quarter with good progress in all markets in terms of project development and stable, favourable production revenue in line with our expectations with a positive contribution from price hedging. The company is now in its next phase, where we will deliver projects for sale at a higher frequency. We are focusing on accelerating projects to the divestment phase and thereby delivering on our targets of a total of 400 MW in 2024–2025 and 500 MW annually thereafter, with strong earnings and increased shareholder value as a natural consequence. For the current year, the ambition remains to conduct at least one project sale.

It is gratifying to note that we completed two important projects at the beginning of the year: Lebo (33 MW), which will increase Arise's own production annually by close to 30%, and Ranasjö- and Salsjöhöjden (242 MW). With this, we have once again demonstrated the company's ability to carry out large, challenging projects in a turbulent environment.

The level of activity in 2023 was high, with two business acquisitions, strong organic growth and a major project sale. We have now gone from being a small company to a medium-sized enterprise with just over 70 employees in five different countries. Work is ongoing to integrate the various companies/operations to obtain the best possible efficiency in the organisation and to best leverage experience and combined expertise.

The electricity markets slowed down in 2023 and spot prices remain at relatively lower levels than in the previous year, but at the same time we need to remember that the energy system in Europe remains sensitive. Weather dependence can change conditions very quickly, which we have seen on several occasions in previous years. There are now indications of short-term increases in electricity prices with higher CO<sub>2</sub> and fuel prices and our assessment for the long-term is that the electricity market will continue to be driven upward by increased demand. The investor market is deemed to remain strong in relation to the offering of projects, not least for onshore wind power, which is the most profitable type of energy. There is also hope that the interest rate market, with the expected lower rates, might lead to slightly lower yield requirements among investors, which has a positive impact on project valuations.

In conclusion, it is gratifying to conclude that the first quarter was a positive beginning to 2024. We have created conditions for healthy earnings in the short term and value creation in the long term.

*Halmstad, 7 May 2024*

*Per-Erik Eriksson*

*CEO*



**“The company is now in its next phase, where we will deliver projects for sale at a higher frequency.”**

# Net sales and results

MSEK	Q1 2024	Q1 2023	12m 2023
Net sales	112	107	503
EBITDA	71	76	286
EBIT	54	61	223
Profit before tax	46	52	200
Profit after tax	46	52	200

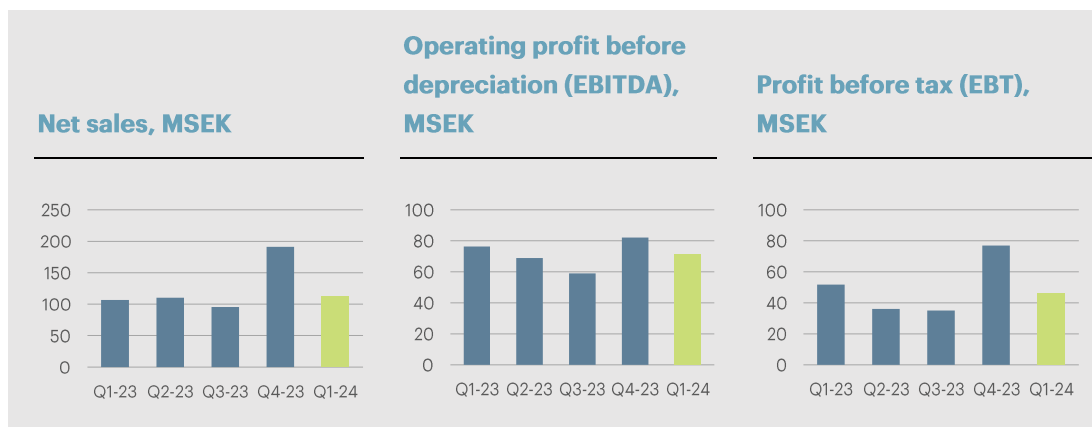
## Comments on the first quarter

Revenue in Development increased during the quarter, driven primarily by revenue recognition in Kølvalen and Fasikan as well as, to an extent, revenue from test operations at Lebo. Revenue in Solutions also increased from the year-earlier period primarily due to the asset management agreement for Skaftåsen and assignments during the construction of Fasikan. The quarter for Production was characterised by lower market prices than the year-earlier quarter which, despite higher production, led to reduced production revenue.

Net sales increased to MSEK 112 (107), mainly driven by higher income in Development. Production generated 90 GWh (87) of green electricity while the average realised price amounted to SEK 746 per MWh (936). Operating expenses amounted to MSEK -47 (-33).

Overall, EBITDA amounted to MSEK 71 (76). Depreciation amounted to MSEK -17 (-16), resulting in EBIT of MSEK 54 (61). Net financial items amounted to MSEK -7 (-9), of which exchange rate differences corresponded to MSEK -5 (4). The company's electricity production assets are valued in EUR and income is received in EUR. The company has therefore chosen to take loans in EUR, creating a natural hedge. Changes to the EUR/SEK exchange rate will continue to affect comparability of net financial items, whereby a strengthening of SEK will improve the net and vice versa. Corresponding reverse value changes in SEK terms for the underlying assets are not recognised.

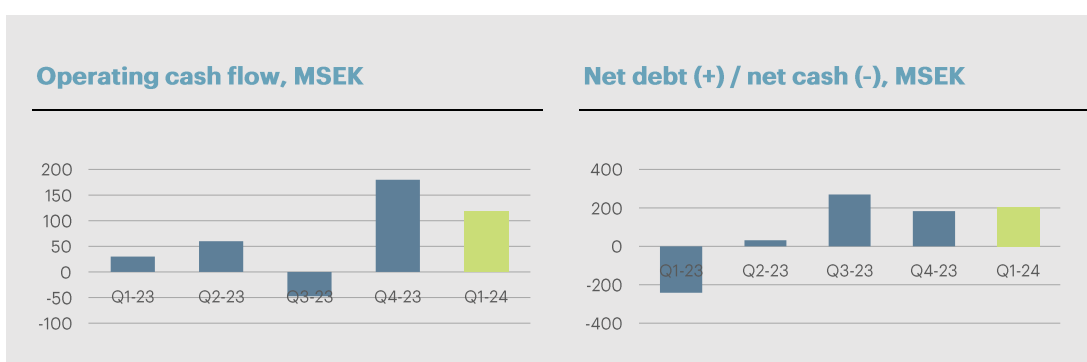
Profit before and after tax amounted to MSEK 46 (52).



## Cash flow and investments

### Comments on the first quarter

Cash flow from operating activities before changes in working capital was MSEK 72 (74). Changes in working capital were MSEK 46 (-44) and the total operating cash flow was thus MSEK 117 (30). Net cash flow from investing activities was MSEK -64 (-71), with the majority driven by investments in Lebo. Cash flow after investments therefore amounted to MSEK 54 (-41). New loans amounting to MSEK 38 (0) related to Lebo were raised. Interest and financing costs of MSEK -14 (-11) were paid. Share buybacks were carried out for MSEK -47 (0), after which cash flow for the quarter, adjusted for lease effects, amounted to MSEK 28 (-56).



## Financing and liquidity

At the end of the period, the company had a net debt of MSEK 205 compared with net cash of MSEK 241 at the end of the year-earlier quarter, primarily explained by the acquisition of Pohjan Voima, loans related to Lebo as well as share buy-backs and dividend. Cash and cash equivalents at the end of the period totalled MSEK 978 (1,179). At the end of the period, the equity/assets ratio was 56% (61).

## Development

MSEK	Q1 2024	Q1 2023	12m 2023
Income	32	17	225
Cost of sold projects	-1	-	-43
Other operating expenses and capitalised work	-11	-6	-45
Operating profit before depreciation (EBITDA)	20	11	136
Operating profit (EBIT)	20	11	136
Profit before tax	7	3	128

### Comments on the first quarter

Revenue increased during the quarter, driven by revenue recognition in Kolvallen and Fasikan as well as revenue from test operations at Lebo. Since the company's revenue recognition is in EUR, a weaker SEK had a positive impact on revenue during the quarter.

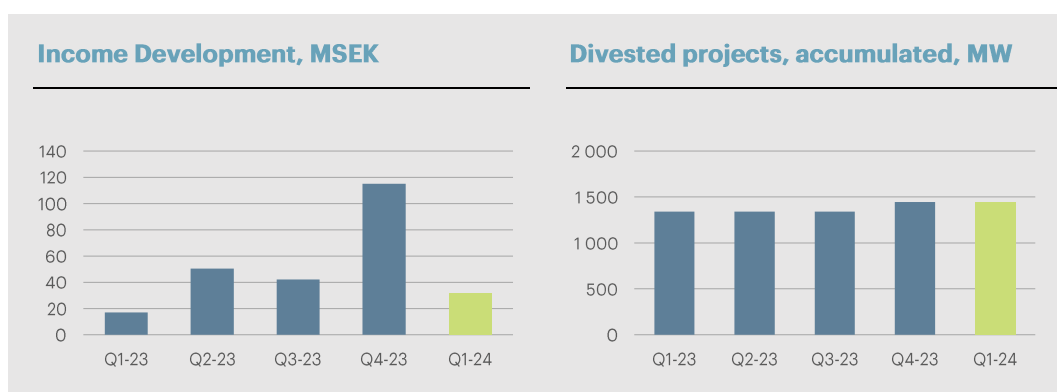
The construction of the Lebo project continued during the quarter and completion took place after the end of the quarter. During the quarter, Lebo generated 8 GWh during test operations.

The quarter for Development focused on work to accelerate projects to the divestment phase. As a result, several projects in Sweden, Finland and the UK have reached a more advanced status. Development activities also continued during the quarter for the HT Skogar portfolio as well as development on Persson Invest's land. In the UK, work continued to develop the major solar project while activities to secure new project rights continued. Line concession work is ongoing for Finnåberget. The goal is to be able to divest the project in 2025, though there is still some uncertainty regarding the capacity of the grid connection.



Development activities related to the solar projects and battery projects in Sweden continued during the quarter. In Finland, development activities are proceeding according to plan and additional early-stage projects were added during the quarter. Work is ongoing in Ukraine to evaluate several projects with good potential and in general we are seeing increased activity in the market in terms of project offerings from developers and interest from investors.

Income increased to MSEK 32 (17). Cost of sold projects amounted to MSEK -1 (0). Other operating expenses and capitalised work totalled MSEK -11 (-6). EBITDA increased to MSEK 20 (11). Depreciation and amortisation amounted to MSEK -1 (0), whereby EBIT amounted to MSEK 20 (11). Net financial items amounted to MSEK -12 (-7), of which exchange rate differences corresponded to MSEK -8 (4). Profit before tax thus amounted to MSEK 7 (3).



## Portfolio

Arise's development portfolio on the reporting date is presented below, amounting to over 7,100 MW. Fully developed, the portfolio would equate to an investment level of about SEK 80–90 billion.

The portfolio is divided into projects in later developmental phases, which amount to a total of approximately 900 MW, and projects in early developmental phases, which amount to a total of approximately 6,200 MW. The company is working actively to expand the project portfolio particularly concerning wind and solar power in the Nordic countries, UK and Ukraine, but is also continuously evaluating new geographies. Efforts to expand the project portfolio include greenfield projects and acquisitions of projects at varying stages. The company is also developing several projects in battery storage.

In working to increase its project portfolio, Arise evaluates a number of different conceivable projects. The vast majority of the projects being evaluated do not qualify for further development as they are not deemed realisable given their production conditions (wind and solar conditions), permit risks, grid capacity and economic potential. These primary factors were determined to be promising for the projects below. While individual projects may not always be realised, the overall project portfolio represents high potential value for the company, with relatively little capital tied-up and low risk.

### Projects – late developmental phases

Finnåberget, Sweden		<b>MW</b>
Tormsdale, Scotland		<b>200</b>
Finland*		<b>70</b>
<b>Total</b>		<b>620</b>
		<b>~900</b>

### Projects – early developmental phases

Sweden**		<b>MW</b>
Sweden		<b>~3,350</b>
Norway		<b>~370</b>
UK		<b>~260</b>
UK		<b>~120</b>
Finland*		<b>~650</b>
<b>Total</b>		<b>~1,480</b>
		<b>~6,200</b>

\*) Represents Pohjan Voima's project portfolio. Arise's ownership in Pohjan Voima amounts to about 51%.

\*\*\*) Including assessed total potential of about 1,000 MW from the partnership with SCA. Arise's future ownership in these projects amounts to 49%.

- Storage
- Solar power
- Wind power

# Production

MSEK	Q1 2024	Q1 2023	12 m 2023
Income	68	82	242
Operating expenses	-10	-10	-52
Operating profit before depreciation (EBITDA)	58	72	189
Operating profit (EBIT)	43	57	130
Profit before tax	35	49	115

## Comments on the first quarter

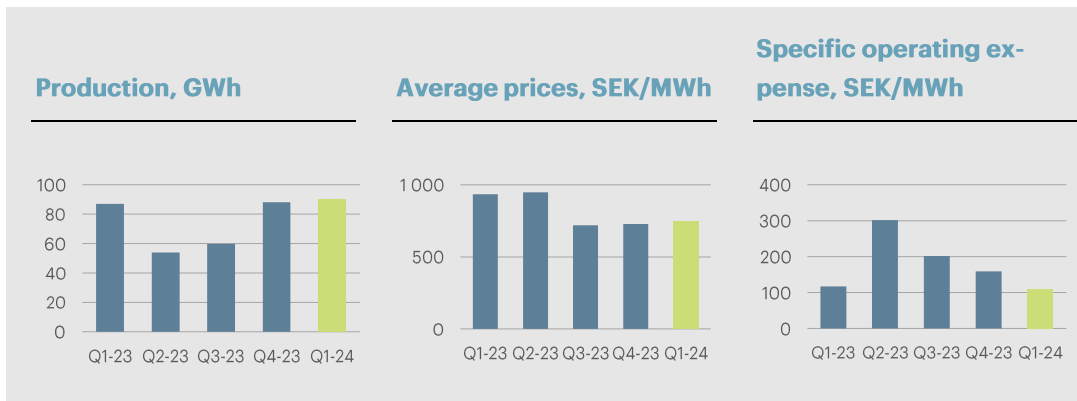
Winds during the quarter were weaker than normal, especially in March. However, overall production at the company's wind farms increased to 90 GWh (87). The average income decreased to SEK 746 per MWh (936) due to significantly lower market prices than the year-earlier period. The company's price hedges meant that the average income nonetheless exceeded the average market price for the period.

Income amounted to MSEK 68 (82). Operating expenses amounted to MSEK -10 (-10), corresponding to a specific operating expense of SEK -110 per MWh (-117). EBITDA thus decreased to MSEK 58 (72). Depreciation amounted to MSEK -15 (-15) and EBIT thus decreased to MSEK 43 (57).

Net financial items amounted to MSEK -8 (-8), of which exchange rate differences corresponded to MSEK -6 (-3). Profit before tax thus amounted to MSEK 35 (49).

In accordance with IFRS, the production assets are not recognised at market value, but the company tests for impairment annually. In the impairment test in 2023, the value in use of the production assets exceeded the carrying amount by about MEUR 60<sup>1)</sup> which is included in the key performance indicator "Adjusted equity per share".

<sup>1)</sup> Based on a discount rate of 8.2%, the company's forecasts and energy price forecasts prepared by external experts. A change in the discount rate of +/- one percentage point would affect the value by approximately MEUR 10.



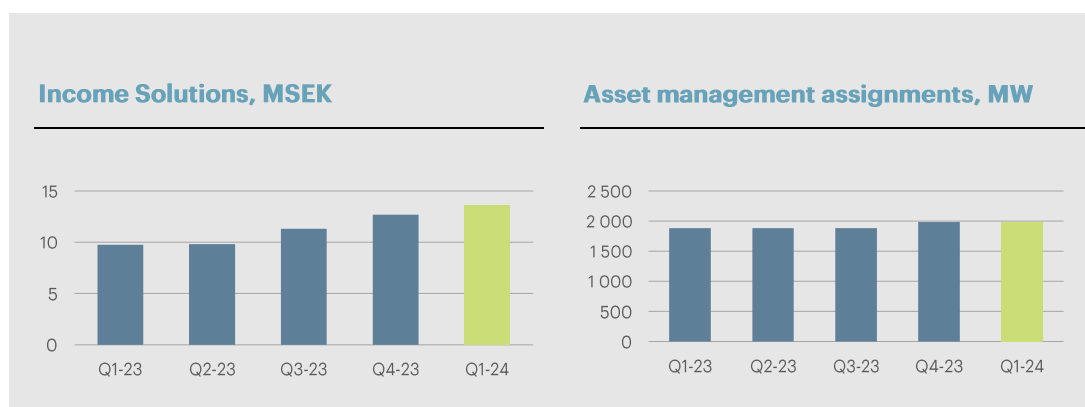
Hedged electricity prices	Q2 2024	Q3 2024	Q4 2024	2024
MWh, SE 4	21,800	22,100	22,100	66,000
EUR per MWh, SE4	104	104	104	104

# Solutions

MSEK	Q1 2024	Q1 2023	12m 2023
Income	14	10	44
Operating expenses	-10	-10	-38
Operating profit/loss before depreciation (EBITDA)	3	-1	5
Operating profit/loss (EBIT)	3	-1	5
Profit/loss before tax	3	-1	5

## Comments on the first quarter

In Solutions, the Fasikan construction management assignment and the Skaftåsen asset management agreement led to increased income compared with the year-earlier period. Income amounted to MSEK 14 (10). Operating expenses amounted to MSEK -10 (-10). EBITDA amounted to MSEK 3 (-1). Depreciation and financial items were MSEK 0 (0) and EBIT and profit/loss before tax thus amounted to MSEK 3 (-1).



### **Other significant events during the quarter**

There were no other significant events during the quarter.

### **Related-party transactions**

No significant transactions with related parties took place during the period.

### **Contingent liabilities**

The Group's contingent liabilities are related to guarantees and counter indemnities that are issued to support the Group's obligations connected to solar and wind power projects. These are described in more detail on page 89 under Note 22 in the 2023 Annual Report.

### **Other significant events after the end of the reporting period**

There were no other significant events after the end of the reporting period.

### **Outlook**

There continues to be high uncertainty and global risks concerning security politics and energy supply, which makes the ongoing energy transition increasingly obvious in society. Despite a weak economy, demand for renewable energy production remains very strong. The company is well positioned with production of renewable electricity and a strong project portfolio. Accordingly, we see very good opportunities for continued growth and continued shareholder value creation. Our strong financial situation means that we have increased opportunities to maximise value creation in the business and also optimise our long-term income from both production and the project portfolio.

### **Risks and uncertainties**

Risks and uncertainties affecting the Group are described on pages 49–50 of the 2023 Annual Report, and financial risk management is presented on pages 79–83.

### **Ownership structure**

A presentation of the company's ownership structure is available on the website ([www.arise.se](http://www.arise.se))

### **Dividend policy**

According to the Company's financial targets, dividends shall exceed 20% of net profit attributable to the Parent Company shareholders.



## Parent Company

The Parent Company's operations comprise project development (identifying suitable solar and wind power locations, signing land lease agreements, producing impact assessments, preparing detailed development plans and permits), divesting projects to external investors, contracts and project management of new projects, managing internal and external projects (technically and financially) and managing the Group's trading of electricity and guarantees of origin.

The Parent Company manages the Group's production plans and electricity hedges in accordance with the adopted financial policy.

During the first quarter, the Parent Company's total income amounted to MSEK 15 (10) and purchases of electricity, certificates and guarantees of origin, personnel and other external expenses, capitalised work on own account and depreciation of non-current assets totalled MSEK -23 (-23), resulting in EBIT of MSEK -8 (-12). Net financial income of MSEK 11 (-11) resulted in profit/loss after tax of MSEK 3 (-23). The Parent Company's net investments amounted to MSEK -3 (-51).

### **Accounting policies**

Arise applies the International Financial Reporting Standards (IFRS), as adopted by the EU, and the interpretations of these (IFRIC). This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting." The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 of the Swedish Financial Reporting Board. The accounting policies are consistent with those applied in the 2023 Annual Report.

### **Review by the auditor**

This report has not been reviewed by the company's auditor.

### **Financial calendar**

- |  |                  |
|--|------------------|
| ▪ Second quarter (1 April-30 June)       | 17 July 2024     |
| ▪ Third quarter (1 July-30 September)    | 14 November 2024 |
| ▪ Fourth quarter (1 October-31 December) | 14 February 2025 |
| ▪ First quarter (1 January-31 March)     | 7 May 2025       |

Halmstad, 7 May 2024

Arise AB (publ)

#### **Per-Erik Eriksson**

CEO

### **For further information, please contact**

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## Consolidated income statement

		2024	2023	2023
(Amounts rounded to the nearest MSEK)		Q 1	Q 1	FY
Net sales	Note 1	112	107	503
Other operating income		1	1	3
<b>Total income</b>		<b>113</b>	<b>108</b>	<b>507</b>
Capitalised work on own account		5	1	11
Personnel costs		-21	-14	-90
Cost of sold projects		-1	-	-43
Other external expenses		-24	-18	-92
Other operating expenses		-1	-1	-7
<b>Operating profit/loss before depreciation (EBITDA)</b>		<b>71</b>	<b>76</b>	<b>286</b>
Depreciation and imp. of non-current assets	Note 2	-17	-16	-64
<b>Operating profit/loss (EBIT)</b>		<b>54</b>	<b>61</b>	<b>223</b>
Profit/loss from financial items	Note 3	-7	-9	-23
<b>Profit/loss before tax</b>		<b>46</b>	<b>52</b>	<b>200</b>
Tax on profit/loss for the period		0	0	0
<b>Profit/loss for the period</b>		<b>46</b>	<b>52</b>	<b>200</b>
<b>Profit/loss for the period attributable to:</b>				
Parent company shareholders		49	52	206
Non-controlling interests		-3	-	-6
<b>Earnings per share regarding profit/loss attributable to parent company shareholders:</b>				
Earnings per share before dilution, SEK		1.14	1.16	4.65
Earnings per share after dilution, SEK		1.14	1.16	4.65

Treasury shares held by the Company, amounting to 1,738,138 shares, have not been included in calculating earnings per share and only financial instruments outstanding at the end of the period were considered.

## Consolidated statement of comprehensive income

	<b>2024</b>	<b>2023</b>	<b>2023</b>
(Amounts rounded to the nearest MSEK)	<b>Q 1</b>	<b>Q 1</b>	<b>FY</b>
<b>Profit/loss for the period</b>	<b>46</b>	<b>52</b>	<b>200</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to the income statement:</b>			
Translation differences for period	24	0	-4
Cash flow hedges	6	186	165
Income tax attributable to components of other comprehensive income	-1	-38	-34
<b>Other comprehensive income for the period, net after tax</b>	<b>28</b>	<b>148</b>	<b>127</b>
<b>Total comprehensive income for the period</b>	<b>75</b>	<b>199</b>	<b>327</b>
<b>Total comprehensive income for the period attributable to:</b>			
Parent company shareholders	65	199	337
Non-controlling interests	9	-	-10

## Consolidated balance sheet

	<b>2024</b>	<b>2023</b>	<b>2023</b>
(Condensed, amounts rounded to the nearest MSEK)	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 Dec</b>
Intangible assets	30	30	30
Property, plant and equipment <sup>1)</sup>	2,317	1,231	2,236
Non-current financial assets	264	218	244
<b>Total non-current assets</b>	<b>2,611</b>	<b>1,479</b>	<b>2,510</b>
Other current assets	376	309	380
Cash and cash equivalents	978	1,179	917
<b>Total current assets</b>	<b>1,354</b>	<b>1,488</b>	<b>1,297</b>
<b>TOTAL ASSETS</b>	<b>3,965</b>	<b>2,967</b>	<b>3,807</b>
Equity attributed to parent company shareholders	1,907	1,815	1,887
Equity attributed to non-controlling interests	326	-	318
<b>Total equity</b>	<b>2,233</b>	<b>1,815</b>	<b>2,206</b>
Non-current interest-bearing liabilities <sup>2)</sup>	1,218	999	1,135
Other non-current liabilities	208	-	200
Provisions	92	78	90
<b>Total non-current liabilities</b>	<b>1,518</b>	<b>1,077</b>	<b>1,425</b>
Current interest-bearing liabilities <sup>2)</sup>	61	32	59
Other current liabilities	153	43	117
<b>Total current liabilities</b>	<b>214</b>	<b>75</b>	<b>176</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,965</b>	<b>2,967</b>	<b>3,807</b>

1) Property, plant and equipment include lease asset of MSEK 62 (62) on March 31, 2024.

2) Interest-bearing liabilities include lease liabilities of MSEK 67 (66) on March 31, 2024.

## Consolidated cash flow statement

	<b>2024</b>	<b>2023</b>	<b>2023</b>
(Condensed, amounts rounded to the nearest MSEK)	<b>Q 1</b>	<b>Q 1</b>	<b>FY</b>
<b>Cash flow from operating activities before changes in working capital</b>	<b>72</b>	<b>74</b>	<b>312</b>
Cash flow from changes in working capital	46	-44	-90
<b>Cash flow from operating activities</b>	<b>117</b>	<b>30</b>	<b>222</b>
Investments in non-current assets	-63	-24	-354
Acquisition of subsidiaries	-	-	-137
Investments in non-current financial assets	-1	-47	-47
<b>Cash flow from investing activities</b>	<b>-64</b>	<b>-71</b>	<b>-539</b>
Loan repayments	-	-	-57
Loan raised	38	-	207
Amortisation of lease liabilities	-2	-3	-8
Interest paid and other financing costs	-14	-11	-62
Net payment to blocked accounts	-	-	-1
Dividend to the parent company shareholders	-	-	-44
Repurchase of own shares	-47	-	-24
<b>Cash flow from financing activities</b>	<b>-26</b>	<b>-14</b>	<b>11</b>
<b>Cash flow for the period</b>	<b>28</b>	<b>-56</b>	<b>-306</b>
Cash and cash equivalents at the beginning of the period	917	1,220	1,220
Exchange rate difference in cash and cash equivalents	33	15	3
<b>Cash and cash equivalents at the end of the period</b>	<b>978</b>	<b>1,179</b>	<b>917</b>
Interest-bearing liabilities at the end of the period (excl. lease liabilities)	1,213	965	1,129
Blocked cash at the end of the period	-29	-28	-29
<b>Net debt</b>	<b>205</b>	<b>-241</b>	<b>183</b>
	Note 5		

## Group equity

	<b>2024</b>	<b>2023</b>	<b>2023</b>
(Condensed, amounts rounded to the nearest MSEK)	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 Dec</b>
Opening balance	2,206	1,616	1,616
Profit/loss for the period	46	52	200
Other comprehensive income for the period	28	148	127
Non-controlling interests on acquisition of subsidiary	0	-	331
Repurchase of own shares	-47	-	-24
Dividend to the parent company shareholders	-	-	-44
<b>Closing balance</b>	<b>2,233</b>	<b>1,815</b>	<b>2,206</b>



## Key performance indicators for the group

	2024	2023	2023
	Q 1	Q 1	FY
<b><u>Operational key performance indicators</u></b>			
Installed capacity at the end of the period, MW	139.2	139.2	139.2
Own electricity production during the period, GWh	90.1	87.0	288.4
Number of employees at the end of the period	71	45	67
<b><u>Financial key performance indicators</u></b>			
Earnings per share before dilution, SEK <sup>1)</sup>	1.14	1.16	4.65
Earnings per share after dilution, SEK <sup>1)</sup>	1.14	1.16	4.65
EBITDA margin, %	62.6	70.9	56.5
Operating margin, %	47.6	56.4	43.9
Return on capital employed (EBIT), %	6.9	40.2	7.5
Return on equity, %	9.6	59.3	10.5
Equity, MSEK	2,233	1,815	2,206
Average equity, MSEK	2,024	1,326	1,911
Net debt, MSEK	205	-241	183
Equity/assets ratio, %	56.3	61.2	57.9
Debt/equity ratio, times	0.1	neg	0.1
Equity per share, SEK	44	41	43
Equity per share after dilution, SEK	44	41	43
Adjusted equity per share, SEK	60	62	58
No. of shares at the end of the period, excl. treasury shares	42,756,097	44,440,041	43,875,133
Average number of shares	43,315,615	44,440,041	44,157,587
Average number of shares after dilution	43,315,615	44,440,041	44,157,587

<sup>1)</sup> Treasury shares held by the Company, amounting to 1,738,138 shares, have not been included in calculating earnings per share and only financial instruments outstanding at the end of the period were considered.

## NOTE 1 • NET SALES

	<b>2024</b>	<b>2023</b>	<b>2023</b>
(Amounts rounded to the nearest MSEK)	<b>Q 1</b>	<b>Q 1</b>	<b>FY</b>
Electricity	70	82	238
Certificates and guarantees of origin	1	0	1
Development	29	17	224
Services	12	8	40
<b>Net sales</b>	<b>112</b>	<b>107</b>	<b>503</b>

Net sales include i) income from electricity (the sale of generated electricity, and gains and losses from electricity and currency derivatives attributable to the hedged electricity production), ii) earned and sold electricity certificates and guarantees of origin, and iii) development income from projects sold and compensation for development costs and iv) asset management income. The classification is based on an assessment of the nature of the income, the amount, timing and uncertainty surrounding income and cash flows. Income from electricity, income from electricity certificates and guarantees of origin are generated by the renewable electricity production owned by the Group, which are recognised in the Production segment. Income from development is mainly generated through the company's project portfolio and are recognised in the Development segment. Income from services is mainly generated through construction project management and asset management of renewable energy production and are recognised in the Solutions segment.

## Group segment reporting

The division of segment reporting is based on the Group's products and services, meaning the grouping of operations. The segment Development, develops, constructs, and sells renewable energy projects. Production comprises the group's ownership in operating renewable energy assets. Solutions offers services in the form of construction project management and asset management for renewable energy production as well as other services. The Unallocated revenue/expenses pertains to the Group's shared expenses.

Quarter 1	Develop- ment		Production		Solutions		Unallo- cated rev./exp.		Eliminations		Group	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
(Amounts rounded to the nearest MSEK)												
Net sales, external	32	17	67	81	12	8	-	-	-	-	112	107
Net sales, internal	-	-	-	-	1	1	-	-	-1	-1	-	-
Other operating income	0	0	1	1	0	0	0	0	-	-	1	1
<b>Total income</b>	<b>32</b>	<b>17</b>	<b>68</b>	<b>82</b>	<b>14</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>113</b>	<b>108</b>
Capitalised work on own account	5	2	-	-	0	-	-	-	0	-	5	2
Operating expenses	-17	-8	-10	-10	-10	-10	-11	-6	1	1	-47	-33
<b>EBIT before depr./imp. (EBITDA)</b>	<b>20</b>	<b>11</b>	<b>58</b>	<b>72</b>	<b>3</b>	<b>-1</b>	<b>-11</b>	<b>-6</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>76</b>
Depreciation/impair Note 2	-1	0	-15	-15	-	0	-1	-1	-	-	-17	-16
<b>Operating profit/loss (EBIT)</b>	<b>20</b>	<b>11</b>	<b>43</b>	<b>57</b>	<b>3</b>	<b>-1</b>	<b>-12</b>	<b>-6</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>61</b>
Net financial items	-12	-7	-8	-8	0	0	13	6	-	-	-7	-9
<b>Profit/loss before tax (EBT)</b>	<b>7</b>	<b>3</b>	<b>35</b>	<b>49</b>	<b>3</b>	<b>-1</b>	<b>1</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>46</b>	<b>52</b>
<b>Intangible and tangible fixed assets (incl. leasing)</b>	<b>1,320</b>	<b>207</b>	<b>1,020</b>	<b>1,046</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>2,347</b>	<b>1,261</b>

## NOTE 2 • DEPRECIATION AND IMPAIRMENT OF NON-CURRENT ASSETS

Depreciation/amortisation	-1	0	-15	-15	-	0	-1	-1	-	-	-17	-16
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Depreciation and impairment</b>	<b>-1</b>	<b>0</b>	<b>-15</b>	<b>-15</b>	<b>-</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>-</b>	<b>-</b>	<b>-17</b>	<b>-16</b>

### NOTE 3 • PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts rounded to the nearest MSEK)	2024 Q 1	2023 Q 1	2023 FY
<b>Interest income</b>			
Loans and receivables	15	3	38
<b>Interest expenses</b>			
Lease liabilities	-1	-1	-3
Loans	-3	-3	-14
Bond	-12	-11	-46
<b>Other financial items</b>			
Exchange rate differences revaluation of loans/bond	-44	-13	13
Other financial items	-1	-2	-6
Other exchange rate differences	40	17	-4
<b>Total</b>	<b>-7</b>	<b>-9</b>	<b>-23</b>

### NOTE 4 • FAIR VALUE OF FINANCIAL INSTRUMENTS

#### Fair value hierarchy

The financial instruments at fair value reported in the group's statement of financial position comprise derivative instruments. The derivatives comprise electricity futures, interest rate swaps and currency futures and are primarily used for hedging purposes. The valuation at fair value of derivative instruments belongs to Level 2 in the fair value hierarchy.

(Amounts rounded to the nearest MSEK)	2024 31 Mar	2023 31 Mar	2023 31 Dec
<b>Assets</b>			
Derivatives held for hedging purposes			
- Derivative assets	64	80	58
<b>Liabilities</b>			
Derivatives held for hedging purposes			
- Derivative liabilities	-	-1	-

## NOTE 5 • NET DEBT

	<b>2024</b>	<b>2023</b>	<b>2023</b>
(Amounts rounded to the nearest MSEK)	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 Dec</b>
Non-current liabilities	1,518	1,077	1,425
- of which interest-bearing non-current liabilities (excl. lease liabilities)	1,157	938	1,075
Current liabilities	214	75	176
- of which interest-bearing current liabilities (excl. lease liabilities)	55	27	53
Long and short term interest-bearing debt liabilities (excl. lease liabilities)	1,213	965	1,129
Cash and cash equivalents at the end of the period	-978	-1,179	-917
Blocked cash at the end of the period	-29	-28	-29
<b>Net debt</b>	<b>205</b>	<b>-241</b>	<b>183</b>

*Lease liabilities amounted to MSEK 67 (66) on March 31, 2024.*

## Parent company income statement

	<b>2024</b>	<b>2023</b>	<b>2023</b>
(Amounts rounded to the nearest MSEK)	<b>Q 1</b>	<b>Q 1</b>	<b>FY</b>
Electricity, certificates and guarantees of origin	0	0	0
Development and services	14	10	47
Other operating income	0	0	1
<b>Total income</b>	<b>15</b>	<b>10</b>	<b>48</b>
Capitalised work on own account	1	1	4
Purchases of electricity, certificates and guarantees of origin	0	0	0
Cost of sold projects and asset management	-	-2	-8
Personnel costs	-14	-12	-71
Other external expenses	-9	-9	-32
Other operating expenses	0	0	-2
<b>Operating profit/loss before depreciation (EBITDA)</b>	<b>-8</b>	<b>-12</b>	<b>-61</b>
Depreciation and imp. of non-current assets	0	0	-1
<b>Operating profit/loss (EBIT)</b>	<b>-8</b>	<b>-12</b>	<b>-62</b>
Profit/loss from financial items <span style="float: right;">Note 1</span>	11	-11	787
<b>Profit/loss after financial items</b>	<b>3</b>	<b>-23</b>	<b>725</b>
Group contributions	-	-	90
<b>Profit/loss before tax</b>	<b>3</b>	<b>-23</b>	<b>815</b>
Tax on profit/loss for the period	-	-	-
<b>Profit/loss for the period</b>	<b>3</b>	<b>-23</b>	<b>815</b>

## Parent company balance sheet

(Condensed, amounts rounded to the nearest MSEK)	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 Dec</b>
Intangible assets	30	30	30
Property, plant and equipment	35	43	33
Non-current financial assets	1,603	1,065	1,568
<b>Total non-current assets</b>	<b>1,668</b>	<b>1,138</b>	<b>1,631</b>
Other current assets	55	61	83
Cash and cash equivalents	638	391	632
<b>Total current assets</b>	<b>693</b>	<b>452</b>	<b>714</b>
<b>TOTAL ASSETS</b>	<b>2,361</b>	<b>1,589</b>	<b>2,345</b>
Restricted equity	4	4	4
Non-restricted equity	1,467	741	1,511
<b>Total equity</b>	<b>1,471</b>	<b>745</b>	<b>1,515</b>
Non-current interest-bearing liabilities	571	556	549
Other non-current liabilities	208	-	200
<b>Total non-current liabilities</b>	<b>779</b>	<b>556</b>	<b>749</b>
Other current liabilities	111	288	81
<b>Total current liabilities</b>	<b>111</b>	<b>288</b>	<b>81</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,361</b>	<b>1,589</b>	<b>2,345</b>

## Parent company equity

(Condensed, amounts rounded to the nearest MSEK)	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 Dec</b>
Opening balance	1,515	768	768
Profit/loss for the period	3	-23	815
Repurchase of own shares	-47	-	-24
Dividends to shareholders	-	-	-44
<b>Closing balance</b>	<b>1,471</b>	<b>745</b>	<b>1,515</b>

**NOTE 1 • PROFIT/LOSS FROM FINANCIAL ITEMS**

	<b>2024</b>	<b>2023</b>	<b>2023</b>
(Amounts rounded to the nearest MSEK)	<b>Q 1</b>	<b>Q 1</b>	<b>FY</b>
<b>Interest income</b>			
Intra-Group interest income	5	-	7
Other interest income	12	3	16
<b>Interest expenses</b>			
Intra-Group interest expenses	-1	-1	-10
Bond loan	-12	-11	-46
<b>Other financial items</b>			
Impairment of shares in subsidiaries	-	-	-5
Gain on divestment of subsidiaries	-	0	54
Dividend on participations in subsidiaries	-	-	776
Exchange rate differences revaluation of bond	-21	-7	2
Other financial items	-1	-1	-3
Other exchange rate differences	29	6	-4
<b>Total</b>	<b>11</b>	<b>-11</b>	<b>787</b>

## Definitions of key ratios

### **EBITDA margin**

EBITDA as a percentage of total income.

### **Operating margin**

EBIT as a percentage of total income.

### **Return on capital employed**

Rolling 12-month EBIT as a percentage to average capital employed.

### **Return on equity**

Rolling 12-month net profit as a percentage to average equity.

### **Equity per share**

Equity attributable to the parent company shareholders divided by the average number of shares.

### **Equity per share after dilution**

Equity attributable to the parent company shareholders adjusted for conversion of convertibles divided by the average number of shares after dilution.

### **Adjusted equity per share, SEK**

Equity per share, adjusted for the excess value in the group's production assets according to the most recent impairment test, calculated at the exchange rate on the balance sheet date.

### **Net financial items**

Financial income less financial expenses.

### **Average equity**

Rolling 12-month average equity.

### **Operating cash flow**

Cash flow from operating activities after changes in working capital.

### **Net debt**

Interest-bearing liabilities, excl. lease liabilities, less cash and blocked cash and cash equivalents.

### **Debt/equity ratio**

Net debt as a percentage of equity.

### **Specific operating expenses, SEK per MWh**

Operating expenses for electricity production divided by electricity production during the period.

### **Equity/assets ratio**

Equity as a percentage of total assets.

### **Capital employed**

Equity plus interest-bearing debt.

### **Earnings per share**

Share of profit/loss after tax attributable to the parent company shareholders in relation to the average number of outstanding shares.

## General information about key figures

In its reporting, Arise applies key ratios based on the company's accounting. The reason that these key ratios are applied in the reporting is that Arise believes that it makes it easier for external stakeholders to analyse the company's performance.

## Rounding

Figures in this interim report have been rounded while calculations have been made without rounding. Hence, it can appear like certain tables and figures do not add up correctly.



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