



Interim Report for the period 1 January - 30 September 2015

Third quarter (1 July - 30 September 2015)

- A decision has been made to write-down the company's assets relating to Own and Co-owned wind power operations, as well as Wind power development by MSEK -190. Impact on group profit from the write-downs amount to MSEK -159, of which MSEK -7 are within operating profit before depreciation (EBITDA). In addition, MSEK -4 is reserved for accounts receivable and MSEK -12 for a possible increase in the property tax for wind power. Non-recurring items amount thereby to MSEK -174 for the quarter.
- Net sales during the quarter amounted to MSEK 198 (49)¹.
- Operating profit before depreciation (EBITDA) amounted to MSEK 52 (28) before and MSEK 29 (28) after non-recurring items.
- Profit/loss before tax amounted to MSEK 3 (-32) before and MSEK -171 (-33) after non-recurring items.
- Profit/loss after tax amounted to MSEK -160 (-29) equivalent to SEK -4.79 (-0.86) per share after non-recurring items.
- Power production amounted to 141 (117) GWh, of which Own wind power operations produced 89 (79) GWh and Co-owned wind power operations produced 51 (38) GWh.
- Average income from Own wind power operations totalled SEK 454 (608) per MWh, with SEK 287 (378) per MWh from electricity and SEK 166 (231) per MWh from electricity certificates.
- Two wind farms totalling just over 40 MW have been sold during the quarter, of which one an operational farm of 7.2 MW to AllianzGI and the other a construction-ready farm of 33 MW to Allianz Capital Partners.

First nine months (1 January - 30 September 2015)

- Net sales for the first nine months amounted to MSEK 336 (174)¹.
- Operating profit before depreciation (EBITDA) amounted to MSEK 169 (112) before and MSEK 144 (112) after non-recurring items.
- Profit/loss before tax amounted to MSEK 16 (-49) before and MSEK -161 (-50) after non-recurring items.
- Profit/loss after tax amounted to MSEK -152 (-45) equivalent to SEK -4.57 (-1.35) per share after non-recurring items.
- Power production amounted to 546 (441) GWh, of which Own wind power operations produced 318 (276) GWh and Co-owned wind power operations produced 229 (165) GWh.
- Average income from Own wind power operations totalled SEK 500 (621) per MWh, with SEK 340 (399) per MWh from electricity and SEK 160 (222) per MWh from electricity certificates.

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 OMX Stockholm. Arise AB (publ), Box 808, 301 18 Halmstad, tel. +46 35 20 20 900, Corporate Identity Number 556274-6726, E-mail: info@arise.se, www.arise.se

¹Compared with 2014, sales of operational and construction-ready projects are reported gross within net sales, whereas they were previously reported net. Moreover, management revenues are posted to net sales instead of other revenues.

Comments from the CEO

Third Quarter

During the third quarter, Arise has signed agreements to sell another two of its projects. These entail the already operational project Skogaby (7.2 MW), and the construction-ready project Mombyåsen (33 MW). At the Mombyåsen project, the company is responsible for the project management during the building phase that has commenced. It is estimated that the farm will be commissioned at the end of next year. Operational management contracts have also been signed for both projects. The company has thus sold 104 MW during the past 11 months, which indicates the strength of the business model, and shows that Swedish wind power investments continue to be interesting as investments. The company currently manages just under 500 MW, equivalent to approx. 10% of all Swedish wind power in operation. Half of this is managed by Arise on behalf of external owners.

The sale of both operational and construction-ready assets has reduced the company's net debt by MSEK 300 to approx. MSEK 1,250 in one year, which strengthens the company's balance sheet and improves net financial items. Project sales, construction- and operations management provide increased revenues, which to a certain degree make up for reduced revenues pursuant to low electricity and certificate prices.

The construction of the Brotorp wind farm (46.2 MW) is approaching its completion. All the wind turbines (14) have been erected and most of them are operational. The project has progressed well, according to schedule and under budget. It will be transferred to the buyer, BlackRock, before the turn of the year.

Power production during the quarter was strong, 141 GWh, which is 10 GWh above plan. During the first three quarters, 546 GWh were produced, which is an improvement of approximately 105 GWh compared with the same period in the previous year and is 10% above plan.

Due to previous price hedges, average income came in at 454 SEK/MWh, which compares with the corresponding (SE 4) market price of 298 SEK/MWh.

The company focuses more and more on the construction of wind farms for other parties, as well as the management of its own and others' wind turbines. At the same time, the work on the development of new wind power projects has decreased. In order further to increase efficiency in management and the implementation of external projects, as well as to reduce the company's fixed costs, some degree of reorganisation was implemented in the fourth quarter. One-time expenses in connection with the implemented reorganisation will encumber the earnings figures by MSEK 5 during the upcoming quarter.

Daniel Johansson has been appointed the new CEO and he will take over the position in January 2016. Daniel Johansson has extensive

experience in the financial and energy market, and we are very pleased to have him join us.

In the face of continued low electricity and certificate prices, the company has decided to write-down operational assets, which were built in a different revenue and cost situation than the one currently prevailing. In total, fixed assets have been written down by MSEK -190, of which MSEK -120 pertains to wholly owned facilities and MSEK -39 pertains to our share in the Jädraås project. Moreover, the project development portfolio have been written down by MSEK -31. The write-down pertains to those projects that we deem cannot be sold or constructed given the current low electricity and certificate prices. Moreover, MSEK -4 has been reserved for the company's divested crane operation, and MSEK -12 for a possible increase in property tax for wind power that the company intends to contest.

With this in mind, the company finds that it has a book value for our assets that is in line with the prevailing market climate.

Electricity & certificate prices

Good hydrology with well-filled water reservoirs place downward pressure on electricity prices. The decision regarding an early closure of two nuclear reactors in Oskarshamn and two reactors in Ringhals is, however, positive on electricity price trends and is thereby also positive for the conditions for renewable energy. In total, 2 800 MW are being phased out early, whose total production capacity amounts to 15 to 20 TWh per year.

On 21 October, the Swedish Parliament decided upon a quota adjustment of the electricity certificate system, as well as the increased Swedish ambition with regard to building-out renewable energy. The decision was long awaited and crucial to the continued build-out of renewable energy in Sweden and Norway. The certificate price reacted positively and it is rising. What remains is the Swedish Parliament's decision on the 2016 budget in order for the agreement with Norway concerning the quota adjustment to come into force.

Future prospects

The company follows the communicated strategy with the goal of further selling an operational wind farm (12.8 MW), as well as construction-ready farms.

The company's focus is also to increase the number of external MW under its management, and to increase cash flow through cost control and trimming of its own electrical production.

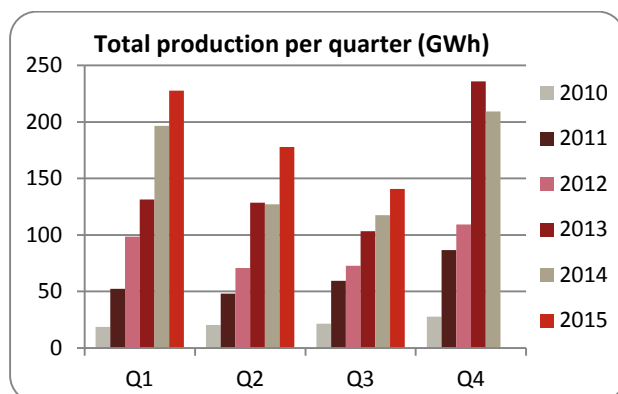
Halmstad, 6 November 2015

Peter Nygren

CEO Arise AB (publ)

■ Comments to the third quarter

The total electricity production amounted to 140.7 GWh, which is 20% above the previous year (117.4 GWh). The quarterly production development is shown in the graph below.



Total production includes both Own (including leased facilities) and Co-owned production.

The segments Own and Co-owned wind power production are reported excluding internal interest expenses on shareholder loans. The corresponding interest income has reduced net financials in the segment Wind power development. The shareholder loans incur interest at a rate of approximately 6%. All amounts are reported in Note 7.

Own wind power operations

Production from the Company's wholly owned wind farms amounted to 89.4 (79.3) GWh during the quarter, an increase of 13%, or approximately 10 GWh, compared to the corresponding quarter last year. The increase is primarily due to stronger winds.

The Company's average sales price for electricity amounted to SEK 287 (378) per MWh, which is 91% in excess of the market price (SE 4, Nord Pool Spot) for the same period (SEK 150 per MWh). Price hedging also contributed to the Company's average sales price for certificates coming in at SEK 166 (231) per MWh, or 12% over the market price (SKM) in the same period (SEK 148 per MWh).

The increase in production of approx. 13% increased net sales by MSEK 6, while the lower average price reduced net sales by MSEK 14 compared with the same quarter in 2014. In total, Own wind power operations generated revenues of MSEK 41 (48) and an EBITDA of MSEK 24 (33), a decrease of 16% of revenues, respective 26% of EBITDA, compared with the third quarter 2014. EBITDA is encumbered by a reserve of MSEK -7 (0) attributable to the property tax being at risk of increasing retroactively from 2014, unless this can successfully be contested. Specific operating costs nevertheless were somewhat less and amounted to SEK 188 (194) per MWh and the decrease is due, largely, to a higher level of production and more efficient operation. Depreciation amounted to MSEK -23 (-24). Moreover, a decision was made to write-down assets within the segment by MSEK -120 as a result of continued low electricity and certificate prices. Net financial items were MSEK -19 (-24), including a non-cash charge of MSEK -4 (-4) relating to cancelled swaps and exchange rate differences of MSEK 0 (-3). Consequently, the result for the quarter before tax was MSEK -

138 compared with MSEK -15 in the previous year. Adjusted for write-downs and one-time reservation charges, the earnings before taxes amounted to MSEK -12.

Co-owned wind power operations

All amounts in the segment reporting refer to Arise's share of 50%, or MW 101.5, of the Jädraås project. Electricity production during the third quarter amounted to 51.3 (38.0) GWh, which was 35% higher than the previous year, which is due to stronger winds. Average income was SEK 553 (588) per MWh, divided between SEK 334 (408) per MWh for electricity and SEK 219 (180) per MWh for electricity certificates.

The increase in production of approx. 35% increased net sales by MSEK 8, while the lower average price reduced net sales by MSEK 2 compared with the same quarter in 2014. The segment generated revenue of MSEK 28 (22) and an EBITDA of MSEK 16 (15). EBITDA is encumbered by a reserve of MSEK -5 (0) attributable to the property tax being at risk of increasing retroactively from 2014, unless this can successfully be contested. Due to the reservation charge, the specific operating costs increased compared to the previous year in spite of higher production, and amounted to SEK 242 (223). Depreciation amounted to MSEK -16 (-16). Moreover, the company made the decision to write-down the investment in the Jädraås project by MSEK -39 as a result of continued low electricity and certificate prices. Net financial items amounted to MSEK -12 (-12), and profit for the quarter before tax was therefore MSEK -51 (-13). Adjusted for write-downs and one-time reservation charges, the earnings before taxes amounted to MSEK -7.

The chosen form of financing implies that the project's cash flow will benefit the owners first through interest payments and amortisation prior to dividends being paid from the project. During the third quarter, a sum of MSEK 0 was received.

Wind power development

All in all, revenues for Wind power development amounted to MSEK 164 (6) during the quarter. The increase is attributable to higher profits from the sale of projects during the quarter, and that the sale of operational and construction-ready projects are now posted gross within net sales. The reason for the gross accounting is that the sales constitute a part of the company's ongoing business. Operating costs amounted to MSEK -136, of which MSEK -124 are attributable to gross accounting of sales according to the above, and MSEK -12 is comparable with MSEK -8 in operating costs during the previous year. The MSEK -12 includes a reservation charge of MSEK -4 (0) related to accounts receivable within the company's divested crane operation. Adjusted for that, the underlying operating costs remained unchanged. Capitalised work amounted to MSEK 2 (7), which after EBITDA amounted to MSEK 29 (4) after reservation charges. Depreciation amounted to MSEK -1 (-3). In addition, a decision was made to write down the company's project portfolio by MSEK -31 (-1) as a result of fewer projects being judged as being possible to implement given the current market prices for electricity and electricity certificates. Net financial items were MSEK -6 (-9) and profit/loss before taxes increased to MSEK -8 (-9). Adjusted for write-downs and one-time reservation charges, the earnings before taxes amounted to MSEK 27 during the quarter.

Net sales and income

Net sales during the quarter amounted to MSEK 198 (49), (see Note 1). The increase is due mainly to higher profits in

connection with project sales and that sales have been gross accounted within net sales. Other operating income amounted to MSEK 4 (3) (see Note 2) and total income amounted to MSEK 202 (52).

During the quarter, MSEK 2 (7) of work on own account was capitalised. The share of associated companies' profits amounted to MSEK -17 (-9), including write-downs and reservation charges for increased property tax, and refers, in its entirety, to the 50% ownership of the Sirocco group, and financial revenues on shareholder loans to the associated company (see note 4).

Operating profits before depreciation (EBITDA) increased to MSEK 29 (28), including write-downs of MSEK -39 within Co-owned wind power operations, of which MSEK -7 affect group earnings, and one-time reservation charges of MSEK -16 (0). The reserves are due to the property tax for wind power being at risk of increasing retroactively from 2014, unless this can successfully be contested, and which retroactively amounts to MSEK -12. Furthermore, another MSEK -4 related to the company's previous crane operation has been reserved. In spite of these write-downs and one-time reservation charges, EBITDA increased, which is principally due to an increased contribution from project sales within the segment of Wind power development. Operating income (EBIT) amounted to MSEK -146 (0) including depreciations of MSEK -24 (-27) and one-time write-downs of MSEK -151 (-1), as a result of the low electricity and certificate prices. Net financial income was MSEK -25 (-33) including a non-cash charge of MSEK -4 (-4) related to cancelled swaps. Profit/loss before tax amounted to MSEK -171 (-33). Adjusted for write-downs and one-time reservation charges, the earnings before taxes amounted to MSEK 3. Profit/loss after tax was MSEK -160 (-29) which is equivalent to earnings per share of SEK -4.79 (-0.86) both before and after dilution.

Investments

Investments in tangible non-fixed assets amounted to MSEK 1 (16) and sales decreased material non-current assets by MSEK 144 (0).

Cash flow

Cash flow from operating activities before changes in working capital amounted to MSEK 56 (42). Changes in working capital contributed with MSEK -2 (-2) which resulted in cash flow from ongoing operations of MSEK 54 (39). Investments in, and sales of, property, plant and equipment have been made in the amount of MSEK 143 (-16) while cash flow after investments amounted to MSEK 197 (23). Non-current and current interest-bearing liabilities have decreased by MSEK -79 (-1). Interest of MSEK -24 (-25) has been paid and interest of MSEK 1 (31) has been received. Net payments to or from blocked accounts have been made in an amount of MSEK 3 (0), whereby cash flow for the quarter amounted to MSEK 98 (28).

■ Comments to the first nine months of the year

Own wind power operations

Production from Own wind power operations during the first nine months amounted to 317.6 GWh compared with last year's 275.7 GWh, an increase of 15% or approximately 42 GWh, due to the winds being better this year than last.

The market price for electricity (SE 4) was lower during the nine-month period in 2015 than in 2014, with an average price of SEK 214 (289) per MWh. Price hedging within the segment of Own wind power operations contributed to an average revenue for electricity of SEK 340 (399) per MWh, approximately 59% over market price. Certificate prices were also lower during 2015 than in 2014. However, thanks to positive price hedging, average revenue for electricity certificates within the segment amounted to SEK 160 (222) per MWh or 8% higher than the average market price during the period, SEK 148 (180) per MWh.

The increase in production of 15% raised net sales by MSEK 26, while the lower average price reduced net sales by MSEK 38 compared with the equivalent period in 2014. All in all, Own wind power operations generated income of MSEK 160 (171) and an EBITDA of MSEK 120 (131), which implies decreased income and EBITDA by 7%, respective 8%, compared with 2014. EBITDA is encumbered by a reserve of MSEK -7 (0) attributable to the property tax being at risk of increasing retroactively from 2014, unless this can successfully be contested. Specific operating costs were nevertheless lower than in the previous year and amounted to SEK 126 (147) per MWh, a decrease of 14%, and the decrease is due, largely, to a higher level of production and more efficient operation. Depreciation amounted to MSEK -72 (-70). Moreover, a decision was made to write-down assets within the segment by MSEK -120 (0) as a result of continued low electricity and certificate prices. Net financial items were MSEK -59 (-60), including a non-cash charge of MSEK -12 (-7) relating to cancelled swaps. Profit/loss before tax was MSEK -131 compared with MSEK 1 in the previous year. Adjusted for write-downs and one-time reservation charges, the earnings before taxes amounted to MSEK -4.

Co-owned wind power operations

Electricity production amounted to 228.6 (165.3) GWh, an increase of 38%. The increase is a result of winds being stronger than they were in the previous year. Average income was SEK 509 (544) per MWh, divided between SEK 327 (353) per MWh for electricity and SEK 182 (191) per MWh for electricity certificates. The increase in production of approx. 38% increased net sales by MSEK 34, while the lower average price reduced net sales by MSEK 8 compared with the same quarter in 2014.

The segment's net sales amounted to MSEK 116 (90) with an EBITDA of MSEK 82 (65). EBITDA is encumbered by a reserve of MSEK -5 (0) attributable to the property tax being at risk of increasing retroactively from 2014, unless this can successfully be contested. Operating costs were SEK 151 (152) per MWh. The reduction is due to costs being offset by higher production. Depreciation amounted to MSEK -48 (-47). Moreover, the company made the decision to write-down the investment in the Jädraås project by MSEK -39 (0) as a result of continued low electricity and certificate prices. Net financial income amounted to MSEK -36 (-35), and the profit/loss before taxes was MSEK -41, compared with MSEK -17 the previous year. Adjusted for write-downs and one-time reservation charges, the earnings before taxes amounted to MSEK 3.

Wind power development

In total, income in the segment Wind power development amounted to MSEK 204 (20) during the nine-month period. The increase is attributable to higher profits from the sale of

projects during the period, and that the sale of operational and construction-ready projects are now posted gross within net sales. The reason for the gross accounting is that the sales constitute a part of the company's ongoing business. Furthermore, revenues from the sale of the company's crane contributed. Operating costs amounted to MSEK -172, of which MSEK -124 are attributable to gross accounting of sales according to the above, and MSEK -48 is comparable with MSEK -41 in operating costs during the previous year. The MSEK -48 includes a reservation charge of MSEK -6 (0) related to accounts receivable within the company's divested crane operation. Capitalised work amounted to MSEK 6 (11), which after EBITDA increased from MSEK -10 to 38. Depreciation amounted to MSEK -5 (-8). In addition, a decision was made to write down the company's project portfolio by MSEK -31 (-1) as a result of fewer projects being judged as being possible to implement given the current market prices for electricity and electricity certificates. Net financial items improved to MSEK -18 (-23). In total, this means that profits before tax increased from MSEK -41 to -16. Adjusted for write-downs and one-time reservation charges, the earnings before taxes amounted to MSEK 21 during the period.

Net sales and income

Production within Own and Co-owned wind power operations amounted to 546 (441) GWh during the period, an increase of 24%.

Net sales amounted to MSEK 336 (174), and other operating income was MSEK 19 (13) (see Note 1 and Note 2). This implies that total income amounted to MSEK 356 (186). The increase is due mainly to higher profits in connection with project sales which have compensated for lower revenues from Own production, and that sales have been gross accounted within net sales.

Capitalised work on own account amounted to MSEK 6 (11). The share of associated companies' profits amounted to MSEK -6 (-9), after write-downs and reservation charges, and refers to the company's 50% ownership of the Sirocco group, and financial revenues on contributed capital to the associated company (see note 4).

Operating costs increased to MSEK -211 (-76), of which MSEK -124 is attributable to gross accounting of sales and MSEK -87 is comparable with MSEK -76 in operating costs during the previous year. This means that the operating profits before depreciation (EBITDA) increased to MSEK 144 (112), including write-downs of MSEK -39, of which MSEK -7 affect group earnings, and one-time reservation charges of MSEK -18 (0). In spite of these write-downs and one-time reservation charges, EBITDA increased, which is principally due to an increased contribution from project sales within the segment of Wind power development and stronger earnings figures in Co-owned wind power production as a result of higher production. The reserves are due to the property tax for wind power being at risk of increasing retroactively from 2014, unless this can successfully be contested, and which retroactively can amount to MSEK -12. Furthermore, another MSEK -6 related to the company's divested crane operation has been reserved. Operating income (EBIT) amounted to MSEK -84 (33) including depreciations of MSEK -77 (-78) and one-time write-downs of MSEK -151 (-1). Net financial income decreased to MSEK -77 (-83), including a non-cash charge of MSEK -12 (-7) relating to cancellation of swaps resulting in profit/loss before tax

amounting to MSEK -161 (-50). Adjusted for write-downs and one-time reservation charges, the earnings before taxes amounted to MSEK 16 (-49). Profit/loss after tax was MSEK -152 (-45), which is equivalent to earnings per share of SEK -4.57 (-1.35), both before and after dilution.

Investments

Investments in tangible non-fixed assets amounted to MSEK 17 (114) and sales decreased material non-current assets by MSEK 145 (0).

Cash flow

Cash flow from operating activities before changes in working capital amounted to MSEK 148 (121). Changes in working capital decreased cash flow by MSEK -6 (-5) resulting in a cash flow from operating activities of MSEK 142 (116). Investments in, and sales of, property, plant and equipment have been made in the amount of MSEK 127 (-114) while cash flow after investments amounted to MSEK 269 (2). Non-current and current interest-bearing liabilities have decreased the cash flow by MSEK -156 (-45). Interest of MSEK -71 (-154) has been paid and interest of MSEK 6 (42) has been received. Net payments to and from blocked accounts have taken place in an amount of MSEK 4 (72), whereby cash flow for the first nine months of the year amounted to MSEK 51 (-83).

Financing and liquidity

Interest-bearing net liability amounted to MSEK 1,253 (1,552). The equity/assets ratio at the end of the period was 40 (38) percent.

Cash and cash equivalents amounted to MSEK 208 (108) and unutilised credits remained of MSEK 18 (0).

Taxes

As Arise has only Swedish subsidiaries, tax has been calculated at the Swedish tax rate of 22.0 percent.

Considering the Group's possibilities of fiscal write-offs, it is deemed that no paid income tax will be reported during the next few years.

Transactions with related parties

During the period, there were no transactions with related parties.

Contingent liabilities

There have been no changes in the group's contingent liabilities. These are described on page 83 under Note 21 of the Annual Report for 2014.

Other events

As a result of the continued low electricity and electricity certificate prices, the company has made the assessment that there is a need for a write-down within the segments of Own and Co-owned wind power operations, as well as within Wind power development. The decision has therefore been made to

write-down tangible non-current assets with a total of MSEK -190, of which MSEK -159 affects the group earnings.²

The company has received a consideration from the Swedish Tax Agency regarding an increased property tax for wind power from 0.2% to 0.5% as of 2014. The company intends to contest any such decision. However, the company makes the assessment that the Swedish Tax Agency will decide in accordance with the consideration, and thus the company has decided to reserve a total of MSEK -12 until it is clear that at decision to raise the tax will not be made, or else the company has successfully contested the decision.

Events after the end of the reporting period

The company has decided on organisational changes which strengthen the company's implementation capacity with regard to the broadened business model determined in the autumn of 2014. In connection with this, one-time costs are incurred totalling approx. MSEK -5, which will encumber fourth quarter results.

Project portfolio

The Company today holds a comprehensive project portfolio, comprising approximately 600 MW in Sweden, as well as ongoing evaluations of some projects in Norway. In Scotland, preliminary planning is underway for projects comprising approximately 150 MW, for which the Company has signed lease agreements.

Future prospects

Negotiations regarding the divestment of further operational (13 MW) and construction-ready (75 MW) projects are ongoing, in line with the Company's communicated strategy. Decisions concerning ambition levels and quota adjustment within the electricity certificate system were made by Swedish Parliament on 21 October 2015, which is positive. What remains to be seen is the Swedish Parliament's decision on the 2016 budget in order for the agreement with Norway concerning the quota adjustment to come into force. The Company deems the opportunities to strengthen its position on the Nordic further market to be good. The Company is carefully following the development of the electricity and electricity certificate market.

■ Risks and factors of uncertainty

The markets for both electricity and certificates have continued to be weak, even if certificates have risen during the third quarter. The SEK has weakened somewhat relative to the EUR and interest rates continue to be at historically low levels.

The focus for monitoring is primarily on the development of electricity and certificate prices, as well as exchange rates and then in particular with regard to the EUR.

The Group's risks and factors of uncertainty are described on pages 49-50 in the Annual Report for 2014, and financial risk management is presented on pages 74-79. No significant changes impacting the reported risks have taken place.

² The value that remains is equivalent to the value in use and is *inter alia* based on a discount rate of 7.3-7.4%.

■ Parent Company

The Parent Company has been responsible for the primary activities of developing projects (identifying suitable wind locations, obtaining leases, producing consequence descriptions, producing zoning plans and obtaining building permits), selling projects to external investors, building new projects, managing both internal and external projects (technical and economic), and handling the Group's trading operations in electricity and electricity certificates.

The Parent Company manages the Group's production plans and electricity hedging in accordance with the adopted finance policy. The electricity producing subsidiaries sell their electricity production to clients according to contractually agreed conditions and sell any surplus production to Arise at the spot price. These intra-Group trading activities are reported at gross value in the income statement. The Parent Company business also includes leasing of production plants. Wind turbines are leased from subsidiaries to be sub-leased to external parties.

The Parent Company's total revenues for the nine months of this year amounted to MSEK 247 (229). Purchased electricity and certificates, wind power rental, personnel and other external costs, capitalised work on own account as well as depreciation and write-downs of fixed assets, totalled MSEK -315 (-265), with operating profit (EBIT) amounting to MSEK -67 (-36). Net financial income of MSEK -125 (-5), including write-downs, and Group contributions of MSEK 116 (0) resulted in net profit/loss after tax of MSEK -80 (-32). The Parent Company's net investments, including internal restructuring of subsidiaries, amounted to MSEK 12 (-1,566).

■ Ownership structure

A diagram illustrating the Company's ownership structure can be found on the Company's website (www.arise.se).

■ Accounting principles

Arise follows IFRS (International Financial Reporting Standards) as adopted by the EU and interpretations of such standards (IFRIC). This interim report has been prepared in accordance with IAS 34, "Interim Financial Reporting". The Parent Company's reporting has been prepared in accordance with the Annual Accounts Act and RFR2. The accounting principles are consistent with those applied in the most recent Annual Report for 2014, in which the principles are described in Note 1 on pages 56-65, with the exception of the following:

1. With the aim of better reflecting the company's business operation, a reclassification from other revenues to net sales has been implemented for the following:

- Sale of share in subsidiaries related to the sale of projects:
- Management revenues, and
- Other revenues from the leasing operation.

These revenues form part of the company's regular business operation and thereby constitute a part of the company's net sales. Corresponding comparative figures have been recalculated and presented according to the new accounting principles. 2. The sale of shares in subsidiaries related to the sale of projects is considered to constitute a sale of a stock item. Thus, this sale is reported gross in the consolidated statement, where the book value of the non-current asset constitutes the cost of the good sold and

equivalent revenue amounts are reported gross as net sales. Capital gains thus constitute the same as if the company had net reported the profit upon sale. Corresponding comparative figures have been recalculated and presented according to the new accounting principles.

At Q4 2014, certain accounting principles were modified. The figures for the comparative period in this report have thereby been translated with regard to the following modifications from 2014:

1. Reclassification attributable to the fair values of derivative assets and derivative liabilities attributable to the Sirocco Group, which were previously reported at gross value, are now reported at net value in the item Participations in associated companies.

2. Reclassification of Financial income from the Sirocco Group which was previously reported under Financial income but is now included in the item Share of profits in associated companies.

■ Review by the auditor

This report has been subject to review by the Company's auditors.

■ Financial calendar

- Fourth quarter (1 October– 31 December):
12 February 2016.
- First quarter (1 January - 31 March):
3 May 2016.
- Second quarter (1 April - 30 June):
19 July 2016.
- Third quarter (1 July - 30 September):
11 November 2016
- Fourth quarter (1 October– 31 December):
17 February 2017.

Halmstad, 6 November 2015

Peter Nygren
CEO

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Auditor's report of the general review of the financial interim information in summary (interim report), prepared in accordance with IAS 34 and Chapter 9 of the Annual Accounts Act

Introduction

We have conducted a general review of the financial interim information in summary (interim report) for Arise AB (publ) as of 30 September 2015 and the nine-month period that ended on that date. The board and the CEO bear the responsibility of preparing and presenting this financial interim information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion about this interim report based on our general review.

The aim and scope of the general review

We have carried out our general review in accordance with the International Standard on Review Engagements ISRE 2410 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A general review consists of making inquiries, primarily to persons who are responsible for financial issues and accounting issues, of undertaking analytical examinations and in taking other general review measures. A general review has another aim and a considerably smaller scope when compared with the aim and scope of an audit in accordance with ISA and Generally Accepted Accounting Principles otherwise has. The review measures taken upon a general review do not make it possible for us to obtain such certainty that we will become aware of all the important circumstance that would have been able to be identified if an audit had been performed. The stated conclusion based on a general review therefore does not have the certainty that a stated conclusion based on an audit has.

Conclusion

Based on our general examination, no circumstances have arisen that give us cause to feel that the interim report, in every essential respect, was not prepared on the part of the group in accordance with IAS 34 and the Annual Accounts Act, and on the part of the Parent Company in accordance with the Annual Accounts Act.

Malmö, 6 November 2015

Öhrlings PricewaterhouseCoopers AB

Magnus Willfors

Authorised public accountant

CONSOLIDATED INCOME STATEMENT

(Amounts to the nearest MSEK)		2015	2014	2015	2014	2014
		Q3	Q3	9 months	9 months	Full year
Net sales	Note 1	198	49	336	174	258
Other operating income	Note 2	4	3	19	13	30
Total income		202	52	356	186	288
Capitalised work on own account		2	7	6	11	13
Personnel costs		-9	-9	-30	-29	-39
Other external expenses	Note 3	-149	-13	-181	-47	-64
Share of profits in associated companies	Note 4	-17	-9	-6	-9	-1
Operating profit before depreciation (EBITDA)		29	28	144	112	197
Depreciation of property, plant and equipment	Notes 6,9	-175	-28	-228	-78	-106
Operating profit (EBIT)		-146	0	-84	33	91
Financial income		0	0	0	1	1
Financial expenses		-25	-33	-77	-84	-117
Profit/loss before tax		-171	-33	-161	-50	-24
Deferred tax		11	4	8	5	-1
Net profit/loss for the period		-160	-29	-152	-45	-25
Earnings per share before dilution, SEK		-4.79	-0.86	-4.57	-1.35	-0.75
Earnings per share after dilution, SEK		-4.79	-0.86	-4.57	-1.35	-0.75

Treasury shares held by the Company have not been included in calculating Earnings per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts to the nearest MSEK)		2015	2014	2015	2014	2014
		Q3	Q3	9 months	9 months	Full year
Net profit/loss for the period		-160	-29	-152	-45	-25
<u>Other comprehensive income</u>						
Items which can be reclassified in the income statement						
Cash flow hedges		5	-19	27	-56	-70
Translation differences		4	1	-3	8	18
Share of other comprehensive income in associated companies		7	-28	40	11	2
Income tax attributable to components of other comprehensive income		-3	10	-14	9	12
Other comprehensive income for the period, net after tax		12	-35	49	-28	-38
Total comprehensive income for the period		-148	-64	-104	-73	-63

Comprehensive income is 100% attributable to the shareholders of the Parent Company.

CONSOLIDATED BALANCE SHEET

	2015 30 Sep	2014 30 Sep	2014 31 Dec
(Condensed, amounts to the nearest MSEK)			
Property, plant and equipment	1,850	2,396	2,209
Financial fixed assets	525	437	492
Other current assets	115	133	109
Cash and cash equivalents	208	108	157
TOTAL ASSETS	2,698	3,073	2,967
Equity	1,074	1,167	1,178
Non-current liabilities	1,440	1,678	1,581
Current liabilities	184	228	208
TOTAL EQUITY AND LIABILITIES	2,698	3,073	2,967

CASH FLOW STATEMENT FOR THE GROUP

	2015 Q3	2014 Q3	2015 9 months	2014 9 months	2014 Full year
(Amounts to the nearest MSEK)					
Cash flow from operating activities before changes in working capital	56	42	148	121	185
Cash flow from changes in working capital	-2	-2	-6	-5	-23
Cash flow from operating activities	54	39	142	116	162
Investments in property, plant and equipment	-1	-16	-17	-114	-118
Sales of property, plant and equipment	144	0	145	-	97
Investment in associated companies	-	-	-	-	-
Cash flow after investing activities	197	23	269	2	140
Change in interest-bearing liabilities	-79	-1	-156	-45	-101
Interest paid	-24	-25	-71	-154	-181
Interest received	1	31	6	42	43
Net payment to blocked accounts	3	-	4	72	65
Cash flow from financing activities	-99	5	-218	-86	-174
Cash flow for the period	98	28	51	-83	-34
Cash and cash equivalents at the beginning of the period	110	79	157	191	191
Cash and cash equivalents at the end of the period	208	108	208	108	157
Interest-bearing liabilities at the end of the period	1,481	1,675	1,481	1,675	1,629
Blocked cash at the end of the period	-19	-16	-19	-16	-23
Interest-bearing net liabilities	1,253	1,552	1,253	1,552	1,449

STATEMENT OF CHANGES IN EQUITY FOR THE GROUP

(Condensed, amounts to the nearest MSEK)	2015 30 Sep	2014 30 Sep	2014 31 Dec
Opening balance	1,178	1,240	1,240
Total comprehensive income for the period	-104	-73	-63
Value adjustment of issued options	-	-	-
Closing balance	1,074	1,167	1,178

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2015 Q3	2014 Q3	2015 9 months	2014 9 months	2014 Full year
<u>Operational key performance indicators</u>					
Installed capacity at the end of the period, MW	253.5	266.1	253.5	266.1	260.7
Own electricity production during the period, GWh	89.4	79.3	317.6	275.7	401.4
Co-owned electricity production during the period, GWh	51.3	38.0	228.6	165.3	248.7
Total electricity production during the period, GWh	140.7	117.4	546.2	441.0	650.1
Number of employees at the end of the period	31	31	31	31	31
<u>Financial key ratios</u>					
EBITDA margin, %	14.4%	53.9%	40.5%	60.0%	68.4%
Operating margin, %	neg	0.9%	neg	17.9%	31.7%
Return on capital employed (EBIT), %	neg	3.1%	neg	3.2%	3.4%
Return on adjusted capital employed (EBITDA), %	9.3%	6.8%	8.9%	7.0%	7.3%
Return on equity, %	neg	neg	neg	neg	neg
Capital employed, MSEK	2,327	2,719	2,327	2,719	2,626
Average capital employed, MSEK	2,470	2,775	2,578	2,717	2,713
Shareholders' equity, MSEK	1,074	1,167	1,074	1,167	1,178
Average shareholders' equity, MSEK	1,148	1,199	1,166	1,223	1,216
Interest-bearing net liabilities	1,253	1,552	1,253	1,552	1,449
Equity/assets ratio, %	39.8%	38.0%	39.8%	38.0%	39.7%
Interest coverage ratio	neg	0.0	neg	0.4	0.8
Debt/equity ratio	1.2	1.3	1.2	1.3	1.2
Equity per share, SEK	32	35	32	35	35
Equity per share after dilution, SEK	32	34	32	34	35
No. of shares at the end of the period, excl. treasury shares	33,373,876	33,373,876	33,373,876	33,373,876	33,373,876
Average number of shares	33,373,876	33,373,876	33,373,876	33,373,876	33,373,876
Average number of shares after dilution	33,379,876	33,909,876	33,512,376	33,909,876	33,909,876

Note 1 – Net sales	2015	2014	2015	2014	2014
(Amounts to the nearest MSEK)	Q3	Q3	9 months	9 months	Full year
Electricity income	26	27	108	101	159
Certificate income	15	18	51	61	86
Development income and management fees	158	4	178	12	13
	198	49	336	174	258

Note 2 - Other operating income	2015	2014	2015	2014	2014
(Amounts to the nearest MSEK)	Q3	Q3	9 months	9 months	Full year
Income from crane rental	2	3	7	7	9
Profits from sales of property, plant and equipment	0	0	9	0	12
Other items	2	0	3	5	9
	4	3	19	13	30

Note 3 – Other external expenses	2015	2014	2015	2014	2014
(Amounts to the nearest MSEK)	Q3	Q3	9 months	9 months	Full year
Cost of sold projects and construction work	124	0	124	0	0
Other items	25	13	57	47	64
	149	13	181	47	64

Note 4 – Share of profits in associated companies	2015	2014	2015	2014	2014
(Amounts to the nearest MSEK)	Q3	Q3	9 months	9 months	Full year
Share of profits in associated companies (net after tax, 22%)	-23	-15	-26	-28	-27
Financial income from associated companies (gross before tax)	7	6	20	19	26
	-17	-9	-6	-9	-1

Financial income from associated companies is attributable to granted shareholder loans which are treated as investments in associated companies and is therefore considered to have the same characteristics as an equity injection.

GROUP SEGMENT REPORTING

Q3	Own wind power operations		Co-owned wind power operations		Wind power development		Eliminations		Group	
(Amounts to the nearest MSEK)	Q3-15	Q3-14	Q3-15	Q3-14	Q3-15	Q3-14	Q3-15	Q3-14	Q3-15	Q3-14
Net sales, external	41	48	28	22	158	1	-28	-22	198	49
Net sales, internal	-	-	-	-	3	2	-3	-2	-	-
Other operating income Note 5	1	-	-	-	3	3	-	-	4	3
Total income	41	48	28	22	164	6	-31	-24	202	52
Capitalised work on own account	-	-	-	-	2	7	-	-	2	7
Operating expenses	-17	-15	-12	-7	-136	-8	7	9	-158	-22
Share of profits from participations in associated companies	-	-	-	-	-	-	-17	-9	-17	-9
Operating profit before depr. (EBITDA)	24	33	16	15	29	4	-40	-24	29	28
Depreciation and write-downs Note 6	-143	-24	-55	-16	-32	-3	55	16	-175	-28
Operating profit (EBIT)	-119	9	-39	-1	-2	1	15	-8	-146	0
Net financial income/expenses Note 7	-19	-24	-12	-12	-6	-9	12	12	-25	-33
Profit/loss before tax (EBT)	-138	-15	-51	-13	-8	-9	27	4	-171	-33
Assets	2,040	2,413	1,555	1,588	201	297	-1,098	-1,225	2,698	3,073

Note 5 - Other operating income

Income from crane rental	-	-	-	-	2	3	-	-	2	3
Profits from sales of property, plant and equipment	-	-	-	-	-	-	-	-	-	-
Other items	1	-	-	-	1	0	-	-	2	0
	1	-	-	-	3	3	-	-	4	3

Note 6 - Depreciation and write-downs of property, plant and equipment

Depreciation	-23	-24	-16	-16	-1	-3	16	16	-24	-27
Write-downs and reversal of write-downs	-120	-	-39	-	-31	-1	39	-	-151	-1
Depreciation and write-downs	-143	-24	-55	-16	-32	-3	55	16	-175	-28

Note 7 - Net financial income

Total net financial income	-20	-25	-19	-18	-5	-8	19	-18	-25	-33
Less interest expenses on shareholder loans	1	1	7	6	-1	-1	-7	-6	-	-
Net financial income excl. shareholder loans	-19	-24	-12	-12	-6	-9	12	12	-25	-33

Internal interest expenses on shareholder loans are no longer reported in the segments Own and Co-owned wind power operations. The corresponding item has been eliminated from the Wind Power Development segment.

9 months

	Own wind power operations		Co-owned wind power operations		Wind power development		Eliminations		Group	
(Amounts to the nearest MSEK)	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Net sales, external	159	171	116	90	178	2	-116	-90	336	174
Net sales, internal	-	-	-	-	8	5	-8	-5	-	-
Other operating income Note 8	1	-	-	-	18	13	-	-	19	13
Total income	160	171	116	90	204	20	-124	-95	356	186
Capitalised work on own account	-	-	-	-	6	11	-	-	6	11
Operating expenses	-40	-40	-34	-25	-172	-41	34	31	-211	-76
Share of profits from participations in associated companies	-	-	-	-	-	-	-6	-9	-6	-9
Operating profit before depr. (EBITDA)	120	131	82	65	38	-10	-96	-74	144	112
Depreciation and write-downs Note 9	-192	-70	-87	-47	-36	-8	87	47	-228	-78
Operating profit (EBIT)	-72	61	-5	18	2	-18	-9	-27	-84	33
Net financial income/expenses Note 10	-59	-60	-36	-35	-18	-23	36	35	-77	-83
Profit/loss before tax (EBT)	-131	1	-41	-17	-16	-41	27	8	-161	-50

Note 8 - Other operating income

Income from crane rental	-	-	-	-	7	7	-	-	7	7
Profits from sales of property, plant and equipment	-	-	-	-	9	-	-	-	9	-
Other items	1	-	-	-	2	5	-	-	3	5
	1	-	-	-	18	13	-	-	19	13

Note 9 - Depreciation and write-downs of property, plant and equipment

Depreciation	-72	-70	-48	-47	-5	-7	48	47	-77	-77
Write-downs and reversal of write-downs	-120	-	-39	-	-31	-1	39	-	-151	-1
Depreciation and write-downs	-192	-70	-87	-47	-36	-8	87	47	-228	-78

Note 10 - Net financial income

Total net financial income	-61	-67	-56	-54	-16	-16	56	54	-77	-83
Less interest expenses on shareholder loans	2	7	20	19	-2	-7	-20	-19	-	-
Net financial income excl. shareholder loans	-59	-60	-36	-35	-18	-23	36	35	-77	-83

Note 11 - Financial instruments

Fair value hierarchy

All of the financial instruments measured at fair value belong to level 2 in the fair value hierarchy. These derivatives consist of electricity futures, currency futures and interest rate swaps. The valuation at fair value of the currency futures is based on published forward rates in an active market. The valuation of interest rate swaps is based on forward interest rates taken from observable yield curves. The discounting results in no significant impact on the valuation of the derivatives at Level 2. The reporting of financial instruments is described on pages 74-79 in the Annual Report for 2014. The Group's financial assets and liabilities measured at fair value as of the balance sheet date are illustrated in the table below.

(Amounts to the nearest MSEK)	2015 30 Sep	2014 30 Sep	2014 31 Dec
Assets			
Derivatives held for hedging purposes			
- Participations in associated companies	-19	71	-44
- Derivative assets	8	0	0
Liabilities			
Derivatives held for hedging purposes			
- Derivative liabilities	-60	-169	-79

PARENT COMPANY INCOME STATEMENT

	2015	2014	2015	2014	2014
(Amounts to the nearest MSEK)	Q3	Q3	9 months	9 months	Full year
Sale of electricity and certificates	26	57	135	123	159
Leasing of wind farms	28	26	99	97	139
Development income and management fees	-9	2	13	6	18
Other operating income	0	0	1	3	5
Total income	45	85	247	229	321
Capitalised work on own account	2	6	8	7	9
Purchases of electricity and electricity certificates	-26	-54	-137	-128	-160
Rental of wind power facilities	-28	-26	-99	-97	-139
Cost of sold projects and construction work	-10	0	-10	0	0
Personnel costs	-8	-5	-26	-16	-22
Other external expenses	-6	-6	-17	-29	-35
Operating profit/loss before depreciation (EBITDA)	-30	1	-33	-34	-27
Depreciation of property, plant and equipment	-32	-1	-34	-2	-4
Operating profit/loss	-62	0	-67	-36	-31
Financial income	8	9	23	42	63
Financial expenses ¹	-99	-23	-148	-47	-69
Profit/loss after financial items	-154	-15	-193	-41	-36
Group contribution	49	-	116	-	66
Profit/loss before tax	-105	-15	-77	-41	29
Income tax	4	3	-3	9	-7
Net profit/loss and total compr. income for the period	-102	-12	-80	-32	23

¹ Includes write-downs of shares in associated companies amounting to MSEK 89 during Q3 2015.

PARENT COMPANY BALANCE SHEET

(Condensed, amounts to the nearest MSEK)	2015 9 months	2014 9 months	2014 31 Dec
Property, plant and equipment	51	86	90
Financial fixed assets	2,498	2,550	2,565
Other current assets	85	123	145
Cash and cash equivalents	126	17	107
TOTAL ASSETS	2,760	2,776	2,908
Restricted equity	3	3	3
Non-restricted equity	1,209	1,234	1,289
Non-current liabilities	1,316	1,399	1,349
Current liabilities	231	140	267
TOTAL EQUITY AND LIABILITIES	2,760	2,776	2,908

STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

(Condensed, amounts to the nearest MSEK)	2015 30 Sep	2014 30 Sep	2014 31 Dec
Opening balance	1,292	1,269	1,269
Total comprehensive income for period	-80	-32	23
Closing balance	1,212	1,237	1,292

DEFINITIONS

EBITDA margin

Operating profit before depreciation (EBITDA) as a percentage of total income.

Operating margin

Operating profit (EBIT) as a percentage of total income.

Return on capital employed

Rolling 12 months operating profit before depreciation (EBIT) related to quarterly average capital employed for the period.

Return on adjusted capital employed

Rolling 12 months operating profit before depreciation (EBITDA) related to quarterly average capital employed for the period.

Return on equity

Rolling 12 months net profit related to quarterly average equity for the period.

Equity per share

Equity divided by the average number of shares.

Interest-bearing net liabilities

Interest-bearing liabilities less cash and blocked accounts.

Interest coverage ratio

Profit before tax plus financial expenses as a percentage of financial expenses.

Debt/equity ratio

Interest-bearing net liabilities as a percentage of equity.

Equity/assets ratio

Equity as a percentage of total assets.

Capital employed

Equity plus interest-bearing net liabilities.