



INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2016

Third quarter (1 July – 30 September 2016)

- Net sales for the quarter amounted to MSEK 77 (198).
- Operating profit before depreciation and amortisation (EBITDA) amounted to MSEK 21 (29), of which associates had an impact of MSEK 0 (-17) on the Group. Operating cash flow was MSEK 70 (54).
- Profit/loss before tax totalled MSEK -22 (-171), incl. non-recurring effects of MSEK 0 (-174).
- Profit/loss after tax amounted to MSEK -22 (-160), or SEK -0.65 (-4.79) per share.
- Production totalled 121 GWh (141), of which 68 GWh (89) referred to Own wind power operations and 53 GWh (51) to Co-owned wind power operations. The decrease was due to weaker winds in southern Sweden.
- Average income from Own wind power operations was SEK 416 per MWh (454), of which SEK 254 per MWh (287) referred to electricity and SEK 162 (166) per MWh to electricity certificates.
- A conditional agreement was signed to sell Bohult, 12.8 MW, to a fund managed by Allianz Global Investors. An agreement was signed with Kraftö AB for the acquisition of a project portfolio with five projects totalling approx. 370 MW. A letter of intent was signed with Fortum regarding a potential sale of the Kölvallen project totalling just over 200 MW.

First nine months (1 January – 30 September 2016)

- Net sales for the period amounted to MSEK 303 (336).
- Operating profit before depreciation and amortisation (EBITDA) amounted to MSEK 77 (144), of which associates had an impact of MSEK 0 (-6) on the Group. Operating cash flow was MSEK 145 (142).
- Profit/loss before tax totalled MSEK -64 (-161), incl. non-recurring effects of MSEK -12 (-176).
- Profit/loss after tax amounted to MSEK -51 (-152), or SEK -1.54 (-4.57) per share.
- Production totalled 402 GWh (546), of which 225 GWh (318) referred to Own wind power operations and 177 GWh (229) to Co-owned wind power operations. The decrease was due to weaker winds.
- Average income from Own wind power operations was SEK 434 per MWh (500), of which SEK 290 per MWh (340) referred to electricity and SEK 144 (160) per MWh to electricity certificates.

Significant events after the end of the reporting period

- The sale of Bohult was implemented according to plan and had a positive impact of about MSEK 90 on cash flow after the repayment of project financing loans and the redemption of an interest rate swap. The transaction will have a slightly positive impact on earnings for 2016.

About Arise

Arise is one of Sweden's leading wind power companies, with the business concept of developing, building and managing onshore proprietary wind farms and on behalf of investors. The company is listed on Nasdaq Stockholm.

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Halmstad, 11 November 2016

*Daniel Johansson
CEO*

"We are continuing to focus on the generation of positive cash flows, lowering our net debt and expanding our project development portfolio."

CEO's statement

During the quarter, we continued to work according to the guidelines we established at the Capital Markets Day in May. We have signed a letter of intent with Fortum regarding the sale of Kølvalen, which is estimated to comprise about 200 MW. At the same time, the project has been slightly delayed compared with our previous announcement due to the permitting processes. We now expect to be able to sign the final sale agreement during the second quarter of next year, provided that the permits required by the project have gained legal force.

We are delighted to have acquired five development projects of up to 370 MW from Kraftö. After the end of the period, we also exercised our option to acquire the Bröcklingberget project of up to 60 MW. This is fully in line with our strategy and demonstrates that we are an attractive partner for the development and management of wind power projects. Our aim to increase our portfolio of managed farms on behalf of external clients also remains firm.

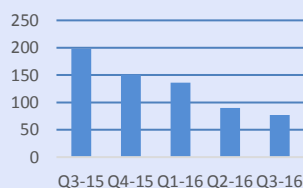
Winds were weaker than normal during the quarter, while prices were slightly higher than expected during the summer months. Our income from electricity certificates was higher because we avoided selling them at the record-low prices that prevailed during the summer. At the same time, our income from electricity sales was lower than market prices during the period because we made some hedges in a market in which prices have gradually risen.

This winter, forward prices should be more positive for us. This is particularly true for the period until 2017, even though the longer contracts have also risen slightly. The increase is due to several factors. The amount of water in reservoirs is lower than normal and has been falling for some time, the price of energy commodities such as coal and oil has risen, as have prices for CO₂ emissions in the EU Emissions Trading System (EU ETS).

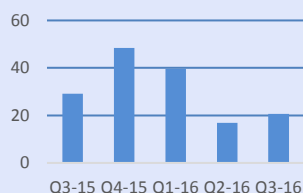
After the end of the period, we completed the sale of Bohult to Allianz Global Investors, which will generate a cash contribution of about MSEK 90. We expect a slightly positive earnings effect.

We are continuing to focus on the generation of positive cash flows, lowering our net debt and expanding our project development portfolio.

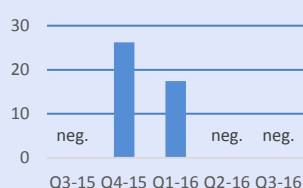
Net sales, MSEK



Operating profit before depreciation (EBITDA), MSEK



Operating profit/loss (EBIT), MSEK



Net sales and results

MSEK	Q3 2016	Q3 2015	9 m 2016	9 m 2015
Net sales	77	198	303	336
Operating profit/loss before depreciation (EBITDA)	21	29	77	144
Operating profit/loss (EBIT)	-1	-146	-1	-84
Profit/loss before tax	-22	-171	-64	-161

Comments on the third quarter

Earnings were characterised by weaker winds than normal and sustained low electricity and certificate prices, although electricity prices continued to recover. Lower income from project sales also contributed to reduced income, incl. divestment of the operational Skogaby farm during the third quarter of the preceding year. Total power production, incl. the company's share in the Jädraås project, declined to 121 GWh (141). The average price for the company's own production declined SEK 37 to SEK 416 per MWh (454), due to lower market prices and discontinuation of wind-farm leases. Overall, net sales declined MSEK 121.

Operating expenses amounted to MSEK 59 (158), of which MSEK 38 (124) was attributable to sales and contracts. The remaining MSEK 21 (34) consisted of personnel and other external expenses, including provisions of MSEK 0 (-11). Own capitalised work amounted to MSEK 2 (2). Consolidated profit/loss from associates was MSEK 0 (-17), incl. impairment and provisions of MSEK 0 (-12), see Note 4.

EBITDA declined MSEK 8 due to lower power production and average prices, as well as lower income recognition in development and management. EBIT rose MSEK 145, mainly due to impairment losses and provisions of MSEK -174 in the preceding year. Net financial items improved, partly due to currency fluctuations. Profit/loss before and after tax amounted to MSEK -22 (-171) and MSEK -22 (-160), respectively.

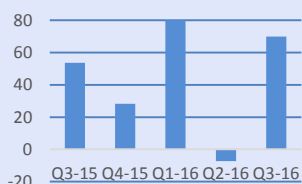
Comments on the first nine months of the year

Weak winds led to lower total production, incl. the Jädraås project, of 402 GWh (546). The average price for the company's own production declined SEK 67 to SEK 434 per MWh (500). Net sales therefore decreased MSEK 33, despite higher year-on-year development and management income.

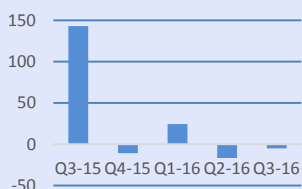
Operating expenses amounted to MSEK 233 (211), of which MSEK 165 (124) was attributable to sales and contracts. The remaining MSEK 68 (87) consisted of personnel and other external expenses, incl. provisions of MSEK 0 (-13). Own capitalised work was MSEK 6 (6). Consolidated profit/loss in associates amounted to MSEK 0 (-6), incl. impairment and provisions of MSEK 0 (-12).

EBITDA therefore decreased MSEK 67, but EBIT rose MSEK 84 despite the above, due to impairment losses of MSEK -151 in the preceding year. Net financial items improved, partly due to currency fluctuations, bringing profit/loss before and after tax to MSEK -64 (-161) and MSEK -51 (-152), respectively.

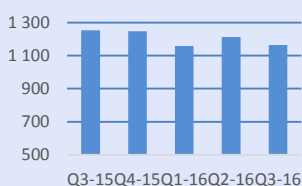
Operating cash flow, MSEK



Investments (-) /disposals (+), MSEK



Net interest-bearing debt, MSEK



Cash flows and investments

Comments on the third quarter

Cash flow from operating activities before changes in working capital was MSEK 19 (56). Changes in working capital amounted to MSEK 50 (-2), partly driven by ongoing external projects in which some customer advances have been received while settlements remain in the projects. Total operating cash flow was therefore MSEK 70 (54). Net cash flow from investing activities was MSEK -5 (143). Cash flow after investments was therefore MSEK 65 (197). No overdraft facilities were utilised and no repayments were made during the quarter. Accordingly, the net of non-current and current interest-bearing liabilities reduced cash flow by MSEK 0 (-79), while interest of MSEK -18 (-24) was paid and interest of MSEK 0 (1) was received. Net payments to or from blocked accounts amounted to MSEK 1 (3), after which cash flow for the period amounted to MSEK 48 (98).

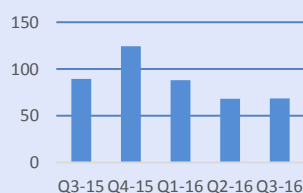
Comments on the first nine months of the year

Cash flow from operating activities before changes in working capital was MSEK 75 (148). Changes in working capital amounted to MSEK 69 (-6), partly driven by project settlements in the first quarter, customer advances in the third quarter and the accumulation of working capital in ongoing external projects. Total operating cash flow was therefore MSEK 145 (142). Projects were both acquired and divested during the period, after which net cash flow from investing activities amounted to MSEK 2 (127). Cash flow after investments therefore amounted to MSEK 147 (269). An overdraft facility was repaid, and repayments were made on project loans and annual repayments on bond loans were made during the period. Accordingly, the net of non-current and current interest-bearing liabilities reduced cash flow by MSEK -104 (-156), while interest of MSEK -55 (-71) was paid and interest of MSEK 1 (6) was received. Net payments to or from blocked accounts totalled MSEK -1 (4), and warrants were issued after which cash flow for the period was MSEK -12 (51).

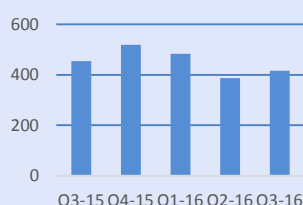
Financing and liquidity

Net interest-bearing debt amounted to MSEK 1,163 (1,253). Cash and cash equivalents were MSEK 191 (208) and unutilised overdraft facilities amounted to MSEK 50 (18). In addition, Arise has a MSEK 50 holding in the company's senior unsecured bonds. At the end of the period, the equity/assets ratio was 39% (40).

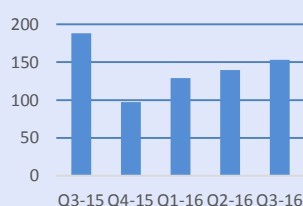
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Own wind power operations

MSEK	Q3 2016	Q3 2015	9 m 2016	9 m 2015
Income	28	41	98	160
Operating expenses	-10	-17	-31	-40
Operating profit/loss before depreciation (EBITDA)	18	24	66	120
Operating profit/loss (EBIT)	-4	-119	-11	-72
Profit/loss before tax	-20	-138	-58	-131

Comments on the third quarter

Due to winds below normal during the period, combined with stronger winds than normal in the year-earlier period, production by the company's wholly-owned farms declined to 68 GWh (89), a decrease of 24%, or about 21 GWh. Some of this decline was attributable to divestment of the Skogaby wind farm in September 2015.

Average income for electricity and certificates amounted to SEK 254 per MWh (287) and SEK 162 per MWh (166), respectively. Electricity (SE4) was 10% lower, and certificates (SKM) 22% higher than the market price for the period, due to electricity hedging in a rising market and a limited number of certificates sold spot in July, when prices were low.

Year-on-year, net sales declined MSEK 10 due to lower production, and MSEK 3 due to lower average prices. Overall, net sales and EBITDA therefore declined MSEK 12 and MSEK 6, respectively, compared with the year-on-year quarter. Despite lower production, specific operating expense decreased to SEK 153 per MWh (188) due to a provision for property tax in the third quarter of 2015. EBIT amounted to MSEK -4 (-119), including impairment losses of MSEK 0 (-120). Net financial items strengthened, partly attributable to currency fluctuations, and profit/loss before tax increased MSEK 119 to MSEK -20 (-138).

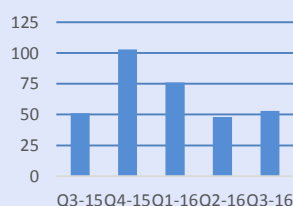
Comments on the first nine months of the year

Production in the company's wholly-owned farms decreased to 225 GWh (318), due to weaker than normal winds during the period and abnormally strong winds in the year-earlier period.

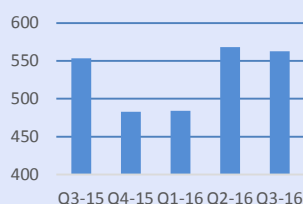
Average income for electricity and certificates was SEK 290 per MWh (340) and SEK 144 per MWh (160), respectively. These figures correspond to 15% and 3%, respectively, above the market price for electricity (SE4) and certificates (SKM) during the period.

Year-on-year, net sales decreased MSEK 47 due to lower production, and MSEK 15 due to lower average prices. Overall, net sales and EBITDA therefore declined MSEK 61 and MSEK 54, respectively, compared with the year-earlier period. Specific operating expense increased to SEK 140 per MWh (126) due to lower production. EBIT amounted to MSEK -11 (-72), including impairment losses of MSEK -12 (-120). Net financial items strengthened, partly due to currency fluctuations. Overall, profit/loss before tax therefore increased to MSEK -58 (-131).

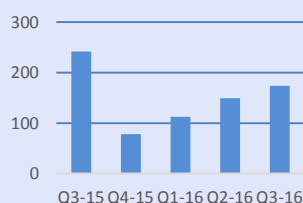
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Co-owned wind power operations

MSEK	Q3 2016	Q3 2015	9 m 2016	9 m 2015
Income	30	28	94	116
Operating expenses	-9	-12	-25	-34
Operating profit/loss before depreciation (EBITDA)	21	16	69	82
Operating profit/loss (EBIT)	4	-39	20	-5
Profit/loss before tax	-8	-51	-15	-41

Comments on the third quarter

The figures presented in the segment reporting refer to Arise's 50% stake, or 101.5 MW, in the Jädraås project. For the consolidated results, refer to Note 4. In the third quarter, electricity production totalled 53 GWh (51) due to stronger winds compared with the year-earlier quarter. Average income was SEK 563 per MWh (553), of which SEK 373 per MWh (334) refers to electricity and SEK 190 per MWh (219) to electricity certificates.

Net sales increased MSEK 1 due to higher production, while the higher average price increased net sales only marginally, compared with the year-on-year quarter. Overall, the segment's net sales and EBITDA increased MSEK 2 and MSEK 5, respectively. Specific operating expense decreased to SEK 174 per MWh (242), including a provision of MSEK -5 for retroactive property tax in the year-earlier period. EBIT increased to MSEK 4 (-39), including impairment losses of MSEK 0 (-39). Net financial items remained unchanged and profit/loss before tax therefore increased MSEK 44 to MSEK -8 (-51).

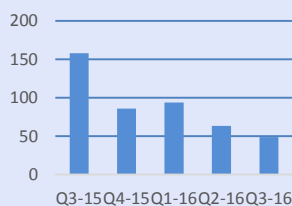
The company intends to continue using the cash flow generated by the Jädraås project for repayment of the project's external loans.

Comments on the first nine months of the year

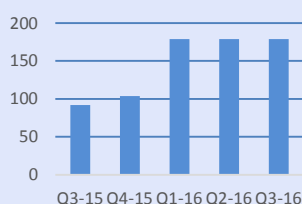
Electricity production during the nine-month period totalled 177 GWh (229) due to abnormally weak winds during the period combined with abnormally strong winds in the year-earlier period. Average income was SEK 529 per MWh (509), of which SEK 363 per MWh (327) refers to electricity and SEK 166 per MWh (182) to electricity certificates.

Net sales decreased MSEK 26 due to lower production, while the higher average price led to an increase of MSEK 3 in net sales, compared with the year-on-year period. Overall, the segment's net sales and EBITDA declined MSEK 23 and MSEK 13, respectively. Despite lower production, specific operating expense declined to SEK 141 per MWh (151). This was mainly attributable to a provision for property tax in the year-earlier period. EBIT increased to MSEK 20 (-5), including impairment losses of MSEK 0 (-39). Net financial items remained largely unchanged, and profit/loss before tax therefore increased MSEK 26 to MSEK -15 (-41).

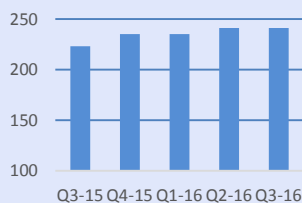
Development and management income, MSEK



Divested projects, accumulated, MW



External management assignments, acc., MW



Development and management

MSEK	Q3 2016	Q3 2015	9 m 2016	9 m 2015
Income	51	164	213	204
Cost of sold projects and contracts	-38	-124	-165	-124
Other operating expenses and capitalised work	-8	-11	-31	-41
Operating profit/loss before depreciation (EBITDA)	5	29	17	38
Operating profit/loss (EBIT)	5	-2	16	2
Profit/loss before tax	0	-8	0	-16

Comments on the third quarter

The construction of Mombyåsen and Solberg proceeded better than planned. The Ryssbol project is expected to be completed according to plan.

During the quarter, both a conditional agreement for the sale of Bohult to a fund managed by Allianz Global Investors and a letter of intent to divest the Kølvalen project to Fortum were signed. Bohult was sold after the end of the quarter, which generated approximately MSEK 90 in cash flow and a slightly positive earnings effect. The divestment of Kølvalen is expected to take place in the second quarter of 2017, provided the necessary permits for the project have been granted. During the period, a project portfolio of up to 370 MW was acquired from Kraftö. The acquisition is expected to be completed in early 2017. In-depth discussions regarding further management agreements are ongoing.

Development and management income decreased to MSEK 51 (164), and the cost of sold projects and contracts declined MSEK 86. This was mainly due to divestments of the operational Skogaby farm and the Mombyåsen project in the year-earlier period. Other operating expenses declined slightly and capitalised work was slightly higher year-on-year. Overall, EBITDA declined MSEK 24 to MSEK 5 (29). Depreciation, amortisation and impairment amounted to MSEK 0 (-32) and net financial items improved slightly. EBIT and profit/loss before tax therefore increased to MSEK 5 (-2) and MSEK 0 (-8), respectively.

Comments on the first nine months of the year

In addition to the third quarter activities, the Brotorp project was settled during the period. The Solberg project was also divested. Income in the segment therefore increased to MSEK 213 (204), while the cost of sold projects and contracts rose MSEK 40. Other operating expenses and capitalised work declined MSEK 11, including a provision of MSEK 0 (-6). Overall, this meant that EBITDA declined MSEK 21 to MSEK 17 (38). Depreciation, amortisation and impairment amounted to MSEK -1 (-36) and net financial items improved slightly. EBIT and profit/loss before tax therefore increased MSEK 15 and MSEK 16, respectively, to MSEK 16 (2) and MSEK 0 (-16), respectively.

Project portfolio

The company now has an extensive project portfolio of nearly 1,000 MW in Sweden. Fully developed, this would equate to an investment level of more than SEK 10 billion. The pre-planning of a 150 MW project is also underway in Scotland.

Other significant events

There are no other significant events to report.

Related-party transactions

No transactions with related parties took place during the period.

Contingent liabilities

There were no changes to the Group's contingent liabilities. These contingent liabilities are described in more detail on page 81 under Note 21 in the 2015 Annual Report.

Significant events after the end of the period

The sale of Bohult was finalised according to plan and had a positive impact of about MSEK 90 on cash flow after the repayment of project financing loans and the termination of an interest rate swap. The transaction will have a slightly positive impact on earnings for 2016. The purchase consideration was just over MEUR 19 on a debt and cash-free basis. An additional purchase consideration may be paid depending on future production levels. Arise will also be responsible for management of the farm under a five-year management agreement.

Outlook

Low power and electricity certificate prices are challenging in terms of profitability of own and co-owned wind farms. We continue to see a slight increase in electricity prices and, based on fundamental factors, are cautiously optimistic about the future price trend. We follow the market trend carefully and act when we believe we can create value. In regard to the ownership of our wind-power assets, we maintain an opportunistic approach and are continually evaluating different courses of action. We see good opportunities for strengthening our market position in wind farm development and management, primarily in the Swedish market.

Risks and uncertainties

Risks and uncertainties affecting the Group are described on pages 46-47 of the 2015 Annual Report, and financial risk management is presented on pages 71-77. No significant changes have taken place that affect the reported risks.

Ownership structure

A presentation of the company's ownership structure is available on the website (www.arise.se)

Parent Company

The Parent Company's operations comprise developing projects (project planning to identify suitable wind locations, signing leasehold agreements, producing impact assessments, preparing detailed development plans and permits), divesting projects to external investors, building new projects, managing projects both internally and externally (technically and financially) and managing the Group's electricity and electricity-certificate trading activities.

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

The electricity-generating subsidiaries sell their production to Arise at spot prices, which Arise then sells to the spot market. These intra-Group trading activities are recognised on a gross basis in the income statement.

During the first nine months, the Parent Company's total income amounted to MSEK 306 (247), while purchases of electricity and certificates, the lease of wind power facilities, personnel and other external expenses, capitalised work on own account and depreciation of non-current assets totalled MSEK -322 (-315), resulting in an operating loss (EBIT) of MSEK -16 (-67). A net financial expense of MSEK -50 (-125) and Group contributions of MSEK 147 (116) led to net profit/loss after tax of MSEK 59 (-80). The Parent Company's net investments amounted to MSEK -20 (126).

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 2015 Annual Report.

Review by the auditor

This report has been reviewed by the company's auditor.

Financial calendar

- | | |
|--|------------------|
| • Fourth quarter (1 October-31 December) | 17 February 2017 |
| • First quarter (1 January-31 March) | 4 May 2017 |
| • Second quarter (1 April to 30 June) | 19 July 2017 |

Halmstad, 11 November 2016

Daniel Johansson
CEO

For further information, please contact

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Linus Hägg, CFO, tel: +46 702 448 916

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

Introduction

We have performed a general review of the interim condensed financial information (interim report) of Arise AB (publ) at September 30, 2016, and the nine-month period ending on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim information based on our review.

Direction and scope of the general review

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with the ISA, and with generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed on the basis of a review does not provide the same level of assurance as an opinion expressed on the basis of an audit.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material aspects, been compiled for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Malmö, 11 November 2016

Öhrlings PricewaterhouseCoopers AB

Magnus Willfors
Authorised Public Accountant

CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2016 Q 3	2015 Q 3	2016 9 months	2015 9 months	2015 Full year
Net sales	Note 1	77	198	303	336	487
Other operating income	Note 2	0	4	1	19	21
Total income		77	202	304	356	508
Capitalised work on own account		2	2	6	6	10
Personnel costs		-8	-9	-27	-30	-51
Other external expenses	Note 3	-50	-149	-206	-181	-250
Share of profit/loss in associates	Note 4	-	-17	-	-6	-25
Operating profit before depreciation (EBITDA)		21	29	77	144	193
Depreciation of property, plant and equipment	Note 6,9	-22	-175	-78	-228	-250
Operating profit/loss (EBIT)		-1	-146	-1	-84	-58
Financial income		1	0	-1	0	1
Financial expenses		-21	-25	-62	-77	-107
Profit/loss before tax		-22	-171	-64	-161	-164
Deferred tax		0	11	12	8	8
Net profit/loss for the period		-22	-160	-51	-152	-156
Earnings per share before dilution, SEK		-0.65	-4.79	-1.54	-4.57	-4.67
Earnings per share after dilution, SEK		-0.65	-4.79	-1.54	-4.57	-4.67

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts rounded to the nearest MSEK)		2016 Q 3	2015 Q 3	2016 9 months	2015 9 months	2015 Full year
Net profit/loss for the period		-22	-160	-51	-152	-156
<i>Other comprehensive income</i>						
Items that may be reclassified to the income statement						
Translation differences for period		0	-	-1	-	-
Cash flow hedges		-5	5	-37	27	37
Currency hedging		6	4	9	-3	-5
Share of other comprehensive income in associates	Note 4	-	7	-	40	57
Income tax attributable to components of other comprehensive income		0	-3	6	-14	-21
Other comprehensive income for the period, net after tax		1	12	-23	49	69
Total comprehensive income for the period		-21	-148	-75	-104	-87

Comprehensive income is attributable in its entirety to the Parent Company's shareholders.

CONSOLIDATED BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2016 30 Sep	2015 30 Sep	2015 31 Dec
Property, plant and equipment	1,760	1,850	1,836
Non-current financial assets	550	525	509
Other current assets	95	115	219
Cash and cash equivalents	191	208	203
TOTAL ASSETS	2,596	2,698	2,767
Equity	1,016	1,074	1,090
Non-current liabilities	1,342	1,440	1,437
Current liabilities	238	184	240
TOTAL EQUITY AND LIABILITIES	2,596	2,698	2,767

CONSOLIDATED CASH FLOW STATEMENT

(Amounts rounded to the nearest MSEK)	2016 Q 3	2015 Q 3	2016 9 months	2015 9 months	2015 Full year
Cash flow from operating activities before changes in working capital	19	56	75	148	218
Cash flow from changes in working capital	50	-2	69	-6	-48
Cash flow from operating activities	70	54	145	142	170
Investments in property, plant and equipment	-5	-1	-33	-17	-28
Sales of property, plant and equipment	-	144	36	145	145
Cash flow after investing activities	65	197	147	269	287
Change in interest-bearing liabilities	-	-79	-104	-156	-156
Interest paid	-18	-24	-55	-71	-92
Interest received	-	1	1	6	7
Net payment to blocked accounts	1	3	-1	4	1
New issue / warrants	-	-	1	-	-
Cash flow from financing activities	-17	-99	-159	-218	-241
Cash flow for the period	48	98	-12	51	46
Cash and cash equivalents at the beginning of the period	143	110	203	157	157
Cash and cash equivalents at the end of the period	191	208	191	208	203
Interest-bearing liabilities at the end of the period	1,378	1,481	1,378	1,481	1,474
Blocked cash at the end of the period	-24	-19	-24	-19	-22
Net interest-bearing debt Note 12	1,163	1,253	1,163	1,253	1,248

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2016 30 Sep	2015 30 Sep	2015 31 Dec
(Condensed, amounts rounded to the nearest MSEK)			
Opening balance	1,090	1,178	1,178
Total comprehensive income for the period	-75	-104	-87
Value adjustment of issued warrants	1	-	-
Closing balance	1,016	1,074	1,090

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2016 Q 3	2015 Q 3	2016 9 months	2015 9 months	2015 Full year
<u>Operational key performance indicators</u>					
Installed capacity at the end of the period, MW	253.5	253.5	253.5	253.5	253.5
Own electricity production during the period, GWh	68.3	89.4	224.6	317.6	442.1
Co-owned electricity production during the period, GWh	53.0	51.3	177.3	228.6	331.6
Total electricity production during the period, GWh	121.3	140.7	401.9	546.2	773.8
Number of employees at the end of the period	30	31	30	31	31
<u>Financial key performance indicators</u>					
EBITDA margin, %	26.7%	14.4%	25.4%	40.5%	37.9%
Operating margin, %	neg	neg	neg	neg	neg
Return on capital employed (EBIT), %	1.2%	neg	1.1%	neg	neg
Return on adjusted capital employed (EBITDA), %	5.7%	9.3%	5.5%	8.9%	7.7%
Return on equity, %	neg	neg	neg	neg	neg
Capital employed, MSEK	2,180	2,327	2,180	2,327	2,338
Average capital employed, MSEK	2,214	2,470	2,265	2,578	2,502
Equity, MSEK	1,016	1,074	1,016	1,074	1,090
Average equity, MSEK	1,027	1,148	1,058	1,166	1,150
Net interest-bearing debt	1,163	1,253	1,163	1,253	1,248
Equity/assets ratio, %	39.1%	39.8%	39.1%	39.8%	39.4%
Interest coverage ratio, times	neg	neg	neg	neg	neg
Debt/equity ratio, times	1.1	1.2	1.1	1.2	1.1
Equity per share, SEK	30	32	30	32	33
Equity per share after dilution, SEK	30	32	30	32	33
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	33,933,876	33,379,876	33,655,376	33,512,376	33,379,876

Note 1 - Net sales	2016	2015	2016	2015	2015
(Amounts rounded to the nearest MSEK)	Q 3	Q 3	9 months	9 months	Full year
Electricity income	17	26	65	108	150
Certificate income	11	15	32	51	73
Development income and management fees	49	158	206	178	264
	77	198	303	336	487

Note 2 - Other operating income	2016	2015	2016	2015	2015
(Amounts rounded to the nearest MSEK)	Q 3	Q 3	9 months	9 months	Full year
Income from crane rental	-	2	-	7	7
Profits from sales of non-current assets	-	0	-	9	11
Other items	0	2	1	3	4
	0	4	1	19	21

Note 3 - Other external expenses	2016	2015	2016	2015	2015
(Amounts rounded to the nearest MSEK)	Q 3	Q 3	9 months	9 months	Full year
Cost of sold projects and construction work	38	124	165	124	174
Other items	12	25	42	57	76
	50	149	206	181	250

Note 4 - Share of profits from associates	2016	2015	2016	2015	2015
(Amounts rounded to the nearest MSEK)	Q 3	Q 3	9 months	9 months	Full year
Share of profits in associates (net after tax, 22%)	-9	-23	-27	-26	-50
IAS 28 adjustment	9	-	27	-	-
Financial income from associates (gross before tax)	7	7	20	20	26
Less uncapitalised share	-7	-	-20	-	-
	-	-17	-	-6	-25

Financial income from associates is attributable to granted shareholder loans.

GROUP SEGMENT REPORTING

Quarter 3	Own wind power operations		Co-owned wind power operations		Development and management		Eliminations		Group	
(Amounts rounded to the nearest MSEK)	Q3-16	Q3-15	Q3-16	Q3-15	Q3-16	Q3-15	Q3-16	Q3-15	Q3-16	Q3-15
Net sales, external	28	41	30	28	49	158	-30	-28	77	198
Net sales, internal	-	-	-	-	2	3	-2	-3	-	-
Other operating income Note 5	0	1	-	-	0	3	-	-	0	4
Total income	28	41	30	28	51	164	-32	-31	77	202
Capitalised work on own account	-	-	-	-	2	2	-	-	2	2
Operating expenses	-10	-17	-9	-12	-48	-136	9	7	-59	-158
Share of profits from interests in associates	-	-	-	-	-	-	-	-17	-	-17
Operating profit before depr. (EBITDA)	18	24	21	16	5	29	-23	-40	21	29
Depreciation and impairment Note 6	-22	-143	-16	-55	0	-32	16	55	-22	-175
Operating profit/loss (EBIT)	-4	-119	4	-39	5	-2	-6	15	-1	-146
Net financial income/expense Note 7	-16	-19	-12	-12	-5	-6	12	12	-21	-25
Profit/loss before tax (EBT)	-20	-138	-8	-51	0	-8	5	27	-22	-171
Assets	1,955	2,040	1,603	1,555	175	201	-1,138	-1,098	2,596	2,698

Note 5 - Other operating income

Income from crane rental	-	-	-	-	-	2	-	-	-	2
Profit from sale of non-current assets	-	-	-	-	-	-	-	-	-	-
Other items	0	1	-	-	0	1	-	-	0	2
	0	1	-	-	0	3	-	-	0	4

Note 6 - Depreciation and impairment of property, plant and equipment

Depreciation/amortisation	-22	-23	-16	-16	0	-1	16	16	-22	-24
Impairment and reversal of impairment	-	-120	-	-39	-	-31	-	39	-	-151
Depreciation and impairment	-22	-143	-16	-55	0	-32	16	55	-22	-175

Note 7 - Net financial income/expense

Total net financial income	-17	-20	-19	-19	-4	-5	19	19	-21	-25
Less interest expenses on shareholder loans	1	1	7	7	-1	-1	-7	-7	-	-
Net financial income/expense excl. shareholder loans	-16	-19	-12	-12	-5	-6	12	12	-21	-25

The Own and Co-owned wind power operations segments are recognised excluding internal interest expenses on shareholder loans. The corresponding item has been eliminated from the Development and management segment.

9 months	Own wind power operations		Co-owned wind power operations		Development and management		Eliminations		Group	
(Amounts rounded to the nearest MSEK)	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Net sales, external	97	159	94	116	206	178	-94	-116	303	336
Net sales, internal	-	-	-	-	6	8	-6	-8	-	-
Other operating income Note 8	0	1	-	-	0	18	-	-	1	19
Total income	98	160	94	116	213	204	-100	-124	304	356
Capitalised work on own account	-	-	-	-	6	6	-	-	6	6
Operating expenses	-31	-40	-25	-34	-202	-172	25	34	-233	-211
Share of profits from interests in associates	-	-	-	-	-	-	-	-6	-	-6
Operating profit before depr. (EBITDA)	66	120	69	82	17	38	-75	-96	77	144
Depreciation and impairment Note 9	-77	-192	-48	-87	-1	-36	48	87	-78	-228
Operating profit/loss (EBIT)	-11	-72	20	-5	16	2	-27	-9	-1	-84
Net financial income/expense Note 10	-47	-59	-35	-36	-16	-18	35	36	-63	-77
Profit/loss before tax (EBT)	-58	-131	-15	-41	0	-16	9	27	-64	-161

Note 8 - Other operating income

Income from crane rental	-	-	-	-	-	7	-	-	-	7
Profit from sale of non-current assets	-	-	-	-	-	9	-	-	-	9
Other items	0	1	-	-	0	2	-	-	1	3
	0	1	-	-	0	18	-	-	1	19

Note 9 - Depreciation and impairment of property, plant and equipment

Depreciation/amortisation	-65	-72	-48	-48	-1	-5	48	48	-66	-77
Impairment and reversal of impairment	-12	-120	-	-39	-	-31	-	39	-12	-151
Depreciation and impairment	-77	-192	-48	-87	-1	-36	48	87	-78	-228

Note 10 - Net financial income/expense

Total net financial income	-49	-61	-55	-56	-14	-16	55	56	-63	-77
Less interest expenses on shareholder loans	2	2	20	20	-2	-2	-20	-20	-	-
Net financial income/expense excl. shareholder loans	-47	-59	-35	-36	-16	-18	35	36	-63	-77



Note 11 - Fair value of financial instruments

Fair value hierarchy

All financial instruments that are measured at fair value belong to Level 2 of the fair value hierarchy. Derivatives comprise electricity futures, currency futures and interest-rate swaps. Measuring the fair value of currency futures is based on published forward rates in an active market. The measurement of interest-rate swaps is based on forward interest rates derived from observable yield curves. The discounting does not have any material impact on the valuation of derivatives in Level 2. The recognition of financial instruments is described on pages 71-77 of the 2015 Annual Report. The table below presented the Group's financial assets and liabilities measured at fair value at the balance-sheet date.

(Amounts rounded to the nearest MSEK)	2016 30 Sep	2015 30 Sep	2015 31 Dec
Assets			
Derivatives held for hedging purposes			
- Interests in associates	-2	-19	-2
- Derivative assets	3	8	16
Liabilities			
Derivatives held for hedging purposes			
- Derivative liabilities	-94	-60	-59

Not 12 – Net interest-bearing debt

(Amounts rounded to the nearest MSEK)	2016 30 Sep	2015 30 Sep	2015 31 Dec
Non-current liabilities	1,342	1,440	1,437
- of which interest-bearing non-current liabilities	1,320	1,418	1,415
Current liabilities	238	184	240
- of which interest-bearing current liabilities	59	63	58
Long and short term interest bearing debt	1,378	1,481	1,474
Cash and cash equivalents at the end of the period	-191	-208	-203
Blocked cash at the end of the period	-24	-19	-22
Net interest-bearing debt	1,163	1,253	1,248

PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2016 Q 3	2015 Q 3	2016 9 months	2015 9 months	2015 Full year
Sales of electricity and electricity certificates	32	26	102	135	154
Leasing of wind farms	-	28	39	99	135
Development income and management fees	49	-9	165	13	79
Other operating income	0	0	0	1	1
Total income	81	45	306	247	369
Capitalised work on own account	0	2	-2	8	13
Purchases of electricity and electricity certificates	-34	-26	-106	-137	-158
Rental of wind power facilities	-	-28	-39	-99	-135
Cost of sold projects and construction work	-38	-10	-132	-10	-60
Personnel costs	-8	-8	-24	-26	-45
Other external expenses	-4	-6	-17	-17	-28
Operating profit/loss before depreciation (EBITDA)	-2	-30	-14	-33	-43
Depreciation of property, plant and equipment	0	-32	-3	-34	-35
Operating profit/loss (EBIT)	-2	-62	-16	-67	-78
Financial income	1	8	2	23	29
Financial expenses	-9	-99	-52	-148	-393
Profit/loss after financial items	-11	-154	-67	-193	-442
Group contribution	26	49	147	116	138
Profit/loss before tax	15	-105	80	-77	-304
Deferred tax	-4	4	-22	-3	0
Net profit/loss for the period	12	-102	59	-80	-304

PARENT COMPANY BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2016 30 Sep	2015 30 Sep	2015 31 Dec
Property, plant and equipment	43	51	55
Non-current financial assets	2,287	2,498	2,271
Other current assets	122	85	145
Cash and cash equivalents	121	126	154
TOTAL ASSETS	2,573	2,760	2,626
Restricted equity	3	3	3
Non-restricted equity	1,044	1,209	985
Non-current liabilities	1,240	1,316	1,318
Current liabilities	287	231	320
TOTAL EQUITY AND LIABILITIES	2,573	2,760	2,626

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	2016 30 Sep	2015 30 Sep	2015 31 Dec
(Condensed, amounts rounded to the nearest MSEK)			
Opening balance	987	1,292	1,292
Total comprehensive income for the period	59	-80	-304
New issue / warrants	1	-	-
Closing balance	1,047	1,212	987

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 of quarterly average capital employed for the period.

Return on adjusted capital employed

Rolling 12-month EBITDA as a percentage of quarterly average capital employed for the period.

Return on equity

Rolling 12-month net profit as a percentage of quarterly average equity for the period.

Equity per share

Equity divided by the average number of shares.

Equity per share after dilution

Equity divided by the average number of shares after dilution

Net financial items

Financial income less financial expenses

Average equity

Quarterly average equity for the period

Average capital employed

Quarterly average capital employed for the period

Operating cash flow

Cash flow from operating activities after changes in working capital

Net interest-bearing debt

Interest-bearing liabilities less cash and blocked cash and cash equivalents.

Interest coverage ratio

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

Debt/equity ratio

Net interest-bearing 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 net interest-bearing debt.

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.