INTERIM REPORT 1 JANUARY – 30 JUNE 2017

Second quarter (1 April – 30 June 2017)

- Net sales for the quarter amounted to MSEK 111 (90).
- Operating profit before depreciation and amortisation (EBITDA) was MSEK 51 (17), of which associates had an impact of MSEK 0 (0) on the Group. Operating cash flow was MSEK -34 (-7).
- Profit/loss before tax amounted to MSEK 9 (-34).
- Profit/loss after tax amounted to MSEK 8 (-27), or SEK 0.24 (-0.81) per share.
- Production totalled 141 GWh (116), of which Own wind power operations accounted for 85 GWh (68) and Co-owned wind power operations for 56 GWh (48). The increase was due to stronger winds than in the preceding year.
- Average income from Own wind power operations was SEK 370 per MWh (386), of which SEK 258 per MWh (245) pertained to electricity and SEK 113 per MWh (142) to electricity certificates.
- All unsecured green bonds 2014/2017 were redeemed corresponding to a total of MSEK 350.
- A 15-year full-service agreement was signed with Vestas, meaning that service and maintenance of all of the company’s Vestas wind farms has been outsourced.
- The environmental permit application for Kölvallen was rejected. Arise intends to initiate a new permit application process.
- The acquisition and subsequent sale was completed of the 115 MW Svartnäs wind farm project to a fund managed by BlackRock with an expected profit of up to MSEK 97 between 2017 and 2019.

First half of the year (1 January – 30 June 2017)

- Net sales for the period amounted to MSEK 155 (226).
- Operating profit before depreciation and amortisation (EBITDA) was MSEK 72 (56), of which associates had an impact of MSEK 0 (0) on the Group. Operating cash flow was MSEK 13 (75).
- Profit/loss before tax amounted to MSEK -11 (-42).
- Profit/loss after tax totalled MSEK -11 (-30), or SEK -0.34 (-0.89) per share.
- Production totalled 326 GWh (281), of which Own wind power operations accounted for 178 GWh (156) and Co-owned wind power operations for 148 GWh (124). The increase was due to stronger winds than in the preceding year.
- Average income from Own wind power operations was SEK 354 per MWh (441), of which SEK 268 per MWh (306) pertained to electricity and SEK 86 per MWh (136) to electricity certificates.

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.

Arise AB (publ), Box 808, SE-301 18 Halmstad, Sweden tel. +46 10 450 71 00, Corporate Identity Number 556274-6726

E-mail: info@arise.se, www.arise.se

Halmstad, 19 July 2017

Daniel Johansson
CEO

"Svartnäs is a fantastic deal that was completed in record time and clearly shows what we can achieve as a developer of wind power projects."

CEO's statement

In February, we signed an option agreement with a right to acquire the 115 MW Svartnäs wind power project from Bergvik Skog. This option was exercised on 30 June and the project was immediately divested to BlackRock, the world's largest asset manager. Svartnäs is a fantastic deal that was completed in record time and clearly shows what we can achieve as a developer of wind power projects. We are flexible and efficient in completing a project. In addition to the sale, we will act as project manager in the construction phase and supply financial and technical management when the wind farm is commissioned.

The competitive situation has improved in recent times in the service and maintenance market, while our component risk has increased. Accordingly, we signed a 15-year full-service agreement with Vestas, at an attractive price level, during the quarter. This means that we no longer have any component risks, while at the same time we are guaranteed a very high level of availability for 15 years. This move makes our assets more attractive to potential buyers. We also believe it is positive for the average life of the wind farms since the agreement means many turbines will have relatively new main components when they reach the end of their economic life after 25 years.

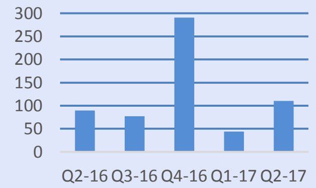
Profit before tax for the quarter was favourable at MSEK 9, largely due to the divestment of Svartnäs. The project is expected to generate total earnings of up to MSEK 97 until scheduled completion in early 2019. In the quarter, we also redeemed our unsecured bond totalling MSEK 350 (of which MSEK 50 had already been repurchased).

We suffered a setback in June when the Land and Environment Court of Appeal rejected our application for an environmental permit for the Kölvallen project. The main reason appears to be that positioning wind turbines relatively freely under the "box model" could not be permitted for a wind farm of such a large scale as Kölvallen. Fortunately, the judgement included the clear possibility for re-initiating the application process at a lower court. Although we do not share the court's opinion, all we can do is simply follow the ruling. We have therefore started the process to submit a new permit application for Kölvallen.

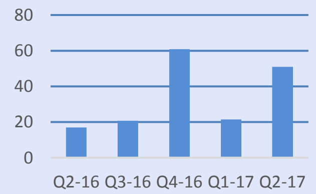
We can look back on a period of stronger winds than normal and electricity prices that have remained at relatively favourable levels for the season. Hopes of higher electricity prices have been raised now that two Swedish nuclear power reactors have been shut down for good and another two will be decommissioned in the next three years. We are also seeing positive signals for the establishment of more data centres and the introduction of electric cars on a broader front. Initiatives are also under way for industry to reduce consumption of fossil fuels and increase use of electricity. These combined trends strengthen our conviction that electricity prices are on the rise. The scenario for electricity certificates remains challenging.

After this quarter, I personally feel stronger in my conviction that renewable energy from wind power is a key element of future energy solutions and that Arise has a well-founded role to play in this future.

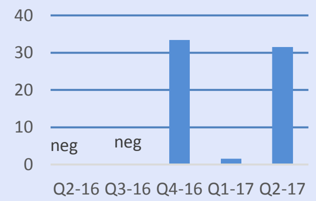
Net sales, MSEK



EBITDA, MSEK



EBIT, MSEK



Net sales and results

MSEK	Q2 2017	Q2 2016	H1 2017	H1 2016
Net sales	111	90	155	226
Operating profit before depreciation (EBITDA)	51	17	72	56
Operating profit/loss (EBIT)	31	-17	33	1
Profit/loss before tax	9	-34	-11	-42

Comments on the second quarter

The quarter was impacted by stronger winds than normal and continued low certificate prices. Electricity prices were reasonable given the season. Project sales and management increased total income compared with the year-earlier period. Total production – incl. the company's share in the Jädraås project – rose to 141 GWh (116). The average price of the company's own production declined by SEK 16 to SEK 370 per MWh (386), due to lower certificate prices. Net sales rose MSEK 21 due to increased production and higher development and management income. Other income increased due to insurance compensation.

Operating expenses totalled MSEK 62 (76), of which project sales and contracts accounted for MSEK 38 (53) and comparable operating expenses for MSEK 24 (24). Own capitalised work amounted to MSEK 0 (3). Group profit from associates was MSEK 0 (0).

EBITDA rose MSEK 34 due to increased production and higher profit in development and management. EBIT increased MSEK 48, due to the impairment of the Bohult wind farm in 2016. Net financial items declined mainly due to the reversal of currency movements in the year-earlier quarter. Accordingly, profit/loss before and after tax totalled MSEK 9 (-34) and MSEK 8 (-27), respectively.

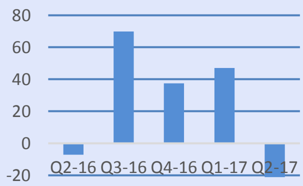
Comments on the first half of the year

Stronger wind conditions than normal resulted in an increase in total production, including Jädraås, to 326 GWh (281). Meanwhile, the average price for the company's own production declined by SEK 87 to SEK 354 per MWh (441). Net sales declined a total of MSEK 71. The decrease was primarily the result of lower gross recognition of development income during the period compared with 2016 even though the underlying margin was higher in 2017.

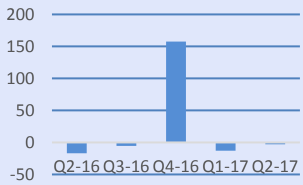
Operating expenses totalled MSEK 88 (174), of which comparable operating expenses accounted for MSEK 47 (48). Own capitalised work amounted to MSEK 1 (4). Group profit from associates was MSEK 0 (0).

Higher profits in development and management contributed to an increase in EBITDA of MSEK 16 to MSEK 72 (56). EBIT rose MSEK 32, due an impairment in 2016. Net financial items declined MSEK 2 due to the reversal of currency movements in 2016, after which profit/loss before and after tax improved to MSEK -11 (-42) and MSEK -11 (-30), respectively.

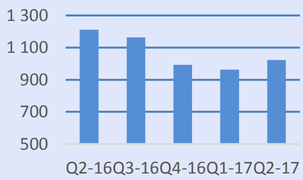
Operating cash flow, MSEK



Investments (-) /disposals (+), MSEK



Net interest-bearing debt, MSEK



Cash flows and investments

Comments on the second quarter

Cash flow from operating activities before changes in working capital was MSEK 52 (16). Changes in working capital were MSEK -85 (-23), mainly driven by Arise bridge financing a supplier invoice for the Svartnäs project in the amount of MEUR 3.8 that is scheduled to be repaid to Arise in July 2017 and a build-up of working capital due to revenue recognition in ongoing external projects. Total operating cash flow therefore amounted to MSEK -34 (-7). Net cash flow from investing activities was MSEK -3 (-17). Cash flow after investments therefore amounted to MSEK -37 (-24). During the quarter, the company completed the early redemption of its unsecured bond totalling MSEK 350, of which MSEK 50 had already been repurchased. Annual repayments were also made on bond loans. No overdraft facilities were utilised during the quarter. Accordingly, net non-current and current interest-bearing liabilities reduced cash flow by MSEK 348 (63), while interest of MSEK 19 (19) was paid and interest of MSEK 0 (0) was received. Net payments to or from blocked accounts totalled MSEK -1 (2), after which cash flow for the quarter amounted to MSEK -405 (-104).

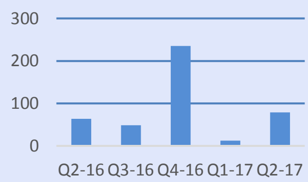
Comments on the first half of the year

Cash flow from operating activities before changes in working capital was MSEK 74 (56). Changes in working capital were MSEK -61 (19), driven by among other Arise bridge financing a supplier invoice for the Svartnäs project that is scheduled to be repaid to Arise in July 2017 and a build-up of working capital in ongoing external projects. Total operating cash flow therefore amounted to MSEK 13 (75). Projects were both acquired and divested during the period, bringing net cash flow from investing activities to MSEK -16 (7). Cash flow after investments thus amounted to MSEK -3 (82). Convertibles were issued during the first half of the year and the company's unsecured bond was redeemed. In addition, annual repayments were made on bond loans during the period. No overdraft facilities were utilised. Accordingly, net non-current and current interest-bearing liabilities reduced cash flow by MSEK 105 (104), while interest of MSEK 37 (38) was paid and interest of MSEK 1 (1) was received. Net payments to or from blocked accounts totalled MSEK 3 (-2), after which cash flow for the period amounted to MSEK -141 (-60).

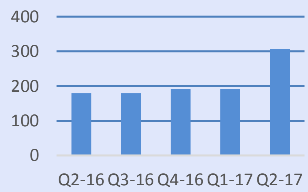
Financing and liquidity

Net interest-bearing debt amounted to MSEK 1,022 (1,212). Including the bridge financing provided by Arise to Svartnäs, which is due to be repaid to Arise in July 2017, net interest-bearing debt amounts to MSEK 986. Cash and cash equivalents were MSEK 146 (143) and unutilised overdraft facilities amounted to MSEK 50 (50). At the end of the period, the equity/assets ratio was 43% (40). Under the assumption that all of the company's convertible bonds are converted and that existing cash is netted against interest-bearing liabilities, the equity/assets ratio would correspond to 57%.

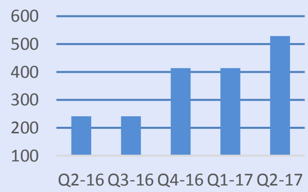
Development and management income, MSEK



Divested projects, accumulated, MW



External management assignments, accumulated, MW



Segment – Development and management

MSEK	Q2 2017	Q2 2016	H1 2017	H1 2016
Income	81	66	95	162
Cost of sold projects and contracts	-38	-53	-40	-126
Other operating expenses and capitalised work	-8	-8	-15	-19
Operating profit before depreciation (EBITDA)	35	5	40	17
Operating profit/loss (EBIT)	35	5	40	16
Profit/loss before tax	28	5	28	12

Comments on the second quarter

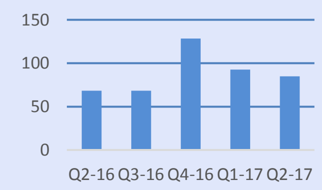
Construction of the Solberg project continued according to plan and is expected to be completed in the first quarter of 2018. The final planning of the 115 MW Svartnäs project was completed, after which it was acquired and divested to BlackRock at the end of the quarter. The project is expected to generate profits of up to MSEK 97 for Arise between 2017 and early 2019 when it is scheduled for completion. Unfortunately it was announced in the quarter that the Kölvallen project’s permit application had been rejected. However, there is the opportunity to re-initiate the application process at a lower court, which Arise intends to do. Work on preparing a number of projects for sale continued and efforts were made to expand the project portfolio. Activities were initiated for the future management of the Tellenes project in Norway on behalf of BlackRock.

Income increased MSEK 15 to MSEK 81 (66). Cost of sold projects and contracts amounted to MSEK 38 (53) due to higher earnings recognition in the period. Other operating expenses and capitalised work were, in total, unchanged compared with the preceding year. EBITDA therefore increased MSEK 30 to MSEK 35 (5). Net financial items fell due to temporarily higher interest expenses in connection with refinancing in 2017 and reversal of currency movements in 2016. Combined, this meant that EBIT increased MSEK 30 and profit/loss before tax rose MSEK 23.

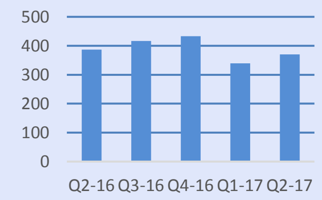
Comments on the first half of the year

The Mombyåsen project was financially settled during the period and construction of Solberg continued. An option agreement was signed with the right to acquire the Svartnäs project. Svartnäs was acquired and divested during the period. Kölvallen’s permit application was rejected, while the company continued to develop and broaden its project portfolio. Income for the segment increased MSEK 67 to MSEK 95 (162) compared with the year-earlier period. However, earnings recognition was higher in the period since costs of sold projects and contracts totalled MSEK 40 (126). Other operating expenses and capitalised work fell MSEK 4 year-on-year. EBITDA thus rose to MSEK 40 (17). Net financial items declined mainly due to currency movements, meaning that EBIT increased MSEK 24 and profit/loss before tax rose MSEK 16.

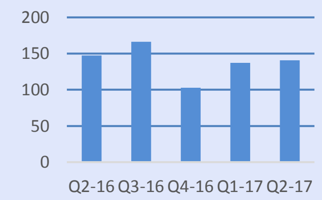
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Segment – Own wind power operations

MSEK	Q2 2017	Q2 2016	H1 2017	H1 2016
Income	34	27	67	69
Operating expenses	-12	-10	-25	-22
Operating profit before depreciation (EBITDA)	22	16	42	47
Operating profit/loss (EBIT)	3	-17	3	-8
Profit/loss before tax	-13	-36	-30	-46

Comments on the second quarter

Due to strong winds during the period, production at the company's wholly-owned farms increased to 85 GWh (68), up 25%, despite the inclusion of Bohult in the production figures in the year-earlier period.

Average income from electricity and certificates was SEK 258 per MWh (245) and SEK 113 per MWh (142), respectively. These figures correspond to 8% under and 72% above, respectively, the market price for electricity (SE4) and certificates (SKM) during the period.

Net sales increased MSEK 6 due to higher production, but declined MSEK 1 due to a lower average price compared with the year-earlier quarter. Insurance compensation also contributed to the increase in total income. Overall, net sales increased MSEK 5 and EBITDA MSEK 6 year-on-year. The specific operating expense declined to SEK 141 per MWh (148) due to higher production in the quarter. Depreciation, amortisation and impairment amounted to MSEK 19 (33), including the impairment of the Bohult wind farm in 2016. EBIT was MSEK 3 (-17). Net financial items strengthened due to lower loans and profit/loss before tax therefore increased MSEK 22 to MSEK -13 (-36).

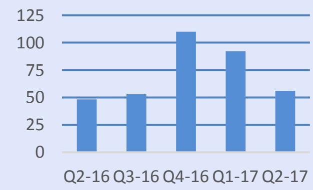
Comments on the first half of the year

Production at the company's wholly-owned farms rose to 178 GWh (156) due to stronger winds than normal.

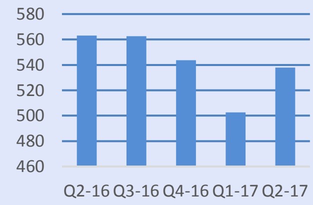
Average income for electricity and certificates was SEK 268 per MWh (306) and SEK 86 per MWh (136), respectively. These figures correspond to 10% under and 22% above, respectively, the market price for electricity (SE4) and certificates (SKM) during the period. The average price of certificates was negatively impacted by revaluation effects in the first quarter of 2017.

Net sales rose MSEK 9 due to higher production, but declined MSEK 15 due to a lower average price compared with the year-earlier period. In total, net sales thus decreased MSEK 6 and EBITDA fell MSEK 5 year-on-year. The specific operating expense declined to SEK 139 per MWh (140) due to higher production. EBIT amounted to MSEK 3 (-8). Profit/loss before tax increased to MSEK -30 (-46) as a result of the improvement in net financial items.

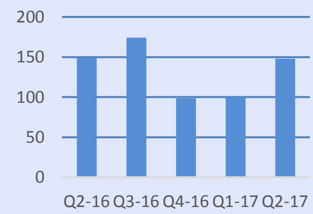
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Segment – Co-owned wind power operations

MSEK	Q2 2017	Q2 2016	H1 2017	H1 2016
Income	30	27	77	64
Operating expenses	-8	-7	-17	-16
Operating profit before depreciation (EBITDA)	22	20	59	48
Operating profit/loss (EBIT)	5	4	26	16
Profit/loss before tax	-6	-8	4	-7

Comments on the second quarter

The figures presented in the segment reporting refer to Arise's 50% stake, or 101.5 MW, in the Jädraås project. Electricity production during the second quarter amounted to 56 GWh (48) due to stronger winds compared with the year-earlier period. Average income was SEK 538 per MWh (563), of which SEK 372 per MWh (365) pertained to electricity and SEK 166 per MWh (198) to electricity certificates.

Net sales increased MSEK 4 due to higher production, while the lower average price led to a decrease of MSEK 1 in net sales, compared with the year-on-year quarter. Overall, the segment's net sales and EBITDA increased MSEK 3 and MSEK 2, respectively. Specific operating expense declined to SEK 148 per MWh (149). Depreciation increased slightly while net financial items improved slightly, which meant that EBIT and profit/loss before tax increased by MSEK 1 and MSEK 2, respectively.

The selected form of financing means that the project's cash flow will be paid to shareholders through the repayment of shareholder loans before any dividends are payable from the project. The company is using its cash flow for the repayment of external loans in the project.

Comments on the first half of the year

Electricity production during the first half of the year amounted to 148 GWh (124) due to stronger winds compared with the year-earlier period. Average income was SEK 516 per MWh (515), of which SEK 369 per MWh (359) pertained to electricity and SEK 147 per MWh (156) to electricity certificates. Net sales increased MSEK 12 due to higher production compared with the year-on-year quarter. Overall, the segment's net sales and EBITDA increased MSEK 13 and MSEK 11, respectively. The specific operating expense amounted to SEK 118 per MWh (127) due to higher production. Depreciation increased slightly and net financial items improved slightly, which meant that EBIT and profit/loss before tax increased by MSEK 10 and MSEK 12 respectively.

Project portfolio

At the end of the period, the company had an extensive project portfolio of about 800 MW in Sweden. Fully developed, this would equate to an investment level of approx. SEK 10 billion. The pre-planning of a 150 MW project is also underway in Scotland.

Other significant events

During the quarter, the company completed the early redemption of the unsecured bond for a nominal amount of MSEK 350, including repurchased bonds. Service and maintenance operations were outsourced to Vestas on the basis of a 15-year service agreement. The Kölvallen project's application for an environmental permit was rejected. The Svartnäs project was acquired and divested to BlackRock, with expected profits of up to MSEK 97 between 2017 and early 2019.

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 77 under Note 21 in the 2016 Annual Report.

Significant events after the end of the period

No significant events occurred after the end of the period.

Outlook

Due to the low prices for electricity and electricity certificates, maintaining the profitability of the company's own and co-owned wind farms is challenging. Based on fundamental factors, we are increasingly optimistic about the future price trend for electricity, while the market scenario for electricity certificates is challenging. We are following these developments carefully and will take action in the market 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 41-42 of the 2016 Annual Report, and financial risk management is presented on pages 68-73. 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 project development (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 both internal and external projects (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 profit or loss.

During the first half of the year, the Parent Company's total income amounted to MSEK 97 (225) and 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 116 (239), resulting in an operating profit/loss (EBIT) of MSEK -19 (-14). A net financial expense of MSEK 18 (-42) and Group contributions of MSEK 0 (121) led to net profit/loss after tax of MSEK -4 (47). The Parent Company's net investments amounted to MSEK -12 (-20).

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 2016 Annual Report.

Review by the auditor

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

Financial calendar

• Third quarter (1 July-30 September)	10 November 2017
• Fourth quarter (1 October-31 December)	16 February 2018
• First quarter (1 January-31 March)	3 May 2018

Assurance from Board of Directors

The Board of Directors and the CEO hereby assure that this half-yearly report provides a fair review of the company's and the Group's operations, financial position and earnings and describes the material risks and uncertainties facing the company and the companies included in the Group.

Halmstad, 19 July 2017

Arise AB (publ)

Joachim Gahm Chairman	Maud Olofsson Board member	Peter Gyllenhammar Board member
Jon G Brandsar Board member	Daniel Johansson CEO	

For further information, please contact

Daniel Johansson, CEO, tel. +46 702 244 133

Linus Hägg, CFO, tel: +46 702 448 916

CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2017 Q 2	2016 Q 2	2017 6 months	2016 6 months	2016 Full year
Net sales	Note 1	111	90	155	226	594
Other operating income		3	0	4	1	1
Total income		**113**	**90**	**158**	**227**	**594**
Capitalised work on own account		0	3	1	4	8
Personnel costs		-9	-10	-19	-18	-36
Other external expenses	Note 2	-53	-67	-69	-156	-428
Profit/loss from associates	Note 3	-	-	-	-	-
Operating profit before depreciation (EBITDA)		**51**	**17**	**72**	**56**	**138**
Depr. and imp. of property, plant and equipment	Note 4,6	-19	-34	-39	-56	-105
Operating profit/loss (EBIT)		**31**	**-17**	**33**	**1**	**33**
Financial income		1	0	2	-1	1
Financial expenses	Note 5,7	-24	-18	-46	-41	-86
Profit/loss before tax		**9**	**-34**	**-11**	**-42**	**-52**
Tax on profit/loss for the period		-1	7	0	12	11
Net profit/loss for the period		**8**	**-27**	**-11**	**-30**	**-41**
Earnings per share before dilution, SEK		0.24	-0.81	-0.34	-0.89	-1.23
Earnings per share after dilution, SEK		0.24	-0.81	-0.34	-0.89	-1.23

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)	2017 Q 2	2016 Q 2	2017 6 months	2016 6 months	2016 Full year
Net profit/loss for the period	**8**	**-27**	**-11**	**-30**	**-41**
Other comprehensive income					
Items that may be reclassified to the income statement					
Translation differences for period	0	0	1	-1	-1
Cash flow hedges	8	-14	20	-32	-18
Net investment in foreign currency	5	2	4	3	3
Share of other comprehensive income in associates	-	-	-	-	-17
Income tax attributable to components of other comprehensive income	-3	3	-5	6	3
Other comprehensive income for the period, net after tax	**11**	**-10**	**19**	**-24**	**-30**
Total comprehensive income for the period	**19**	**-37**	**8**	**-53**	**-71**

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

CONSOLIDATED BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2017 30 Jun	2016 30 Jun	2016 31 Dec
Property, plant and equipment	1,582	1,777	1,565
Non-current financial assets	511	536	517
Inventories	4	22	19
Other current assets	136	103	72
Cash and cash equivalents	146	143	287
TOTAL ASSETS	**2,380**	**2,581**	**2,460**
Equity	1,033	1,037	1,020
Non-current liabilities	1,173	1,338	962
Current liabilities	173	205	477
TOTAL EQUITY AND LIABILITIES	**2,380**	**2,581**	**2,460**

CONSOLIDATED CASH FLOW STATEMENT

(Amounts rounded to the nearest MSEK)		2017 Q 2	2016 Q 2	2017 6 months	2016 6 months	2016 Full year
Cash flow from operating activities before changes in working capital		**52**	**16**	**74**	**56**	**139**
Cash flow from changes in working capital		-85	-23	-61	19	43
Cash flow from operating activities		**-34**	**-7**	**13**	**75**	**182**
Investments in property, plant and equipment		-41	-19	-54	-28	-43
Sales of property, plant and equipment		38	3	38	36	202
Cash flow from investing activities		**-3**	**-17**	**-16**	**7**	**160**
Change in interest-bearing liabilities		-348	-63	-105	-104	-195
Interest paid		-19	-19	-37	-38	-73
Interest received		-	0	1	1	1
Net payment to blocked accounts		-1	2	3	-2	9
New issue / warrants		-	1	-	1	1
Cash flow from financing activities		**-368**	**-80**	**-138**	**-142**	**-258**
Cash flow for the period		**-405**	**-104**	**-141**	**-60**	**84**
Cash and cash equivalents at the beginning of the period		551	247	287	203	203
Cash and cash equivalents at the end of the period		**146**	**143**	**146**	**143**	**287**
Interest-bearing liabilities at the end of the period		1,178	1,375	1,178	1,375	1,291
Blocked cash at the end of the period		-10	-20	-10	-20	-12
Net debt	Note 9	**1,022**	**1,212**	**1,022**	**1,212**	**992**

GROUP EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2017 30 Jun	2016 30 Jun	2016 31 Dec
Opening balance	1,020	1,090	1,090
Other comprehensive income for the period	8	-53	-71
New issue / warrants	1	1	1
Convertible loan	5	-	-
Other adjustments	-1	-	-
Closing balance	**1,033**	**1,037**	**1,020**

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2017 Q 2	2016 Q 2	2017 6 months	2016 6 months	2016 Full year
Operational key performance indicators					
Installed capacity at the end of the period, MW	240.7	253.5	240.7	253.5	240.7
Own electricity production during the period, GWh	84.8	68.1	177.6	156.3	352.8
Co-owned electricity production during the period, GWh	56.0	48.1	148.4	124.3	287.3
Total electricity production during the period, GWh	140.8	116.3	326.0	280.6	640.1
Number of employees at the end of the period	26	30	26	30	29
Financial key performance indicators					
EBITDA margin, %	45.0%	18.7%	45.6%	24.9%	23.2%
Operating margin, %	27.8%	neg	20.9%	0.3%	5.5%
Return on capital employed (EBIT), %	3.2%	neg	3.1%	neg	1.5%
Return on adjusted capital employed (EBITDA), %	7.6%	6.0%	7.3%	5.7%	6.3%
Return on equity, %	neg	neg	neg	neg	neg
Capital employed, MSEK	2,055	2,249	2,055	2,249	2,013
Average capital employed, MSEK	2,017	2,243	2,095	2,353	2,203
Equity, MSEK	1,033	1,037	1,033	1,037	1,020
Average equity, MSEK	1,024	1,055	1,024	1,099	1,048
Net debt	1,022	1,212	1,022	1,212	992
Equity/assets ratio, %	43.4%	40.2%	43.4%	40.2%	41.5%
Interest coverage ratio, times	1.4	neg	0.8	neg	0.4
Debt/equity ratio, times	1.0	1.2	1.0	1.2	1.0
Equity per share, SEK	31	31	31	31	31
Equity per share after dilution, SEK	30	31	30	31	30
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	33,653,876	33,933,876	33,516,876	33,793,876

Note 1 - Net sales	**2017**	**2016**	**2017**	**2016**	**2016**
(Amounts rounded to the nearest MSEK)	**Q 2**	**Q 2**	**6 months**	**6 months**	**Full year**
Electricity income	22	17	48	48	105
Certificate income	10	10	15	21	48
Development income and management fees	79	63	92	157	441
	111	**90**	**155**	**226**	**594**

Note 2 - Other external expenses	**2017**	**2016**	**2017**	**2016**	**2016**
(Amounts rounded to the nearest MSEK)	**Q 2**	**Q 2**	**6 months**	**6 months**	**Full year**
Cost of sold projects and construction work	38	53	40	126	367
Other items	15	14	29	29	61
	53	**67**	**69**	**156**	**428**

Note 3 – Share of profits from associates	**2017**	**2016**	**2017**	**2016**	**2016**
(Amounts rounded to the nearest MSEK)	**Q 2**	**Q 2**	**6 months**	**6 months**	**Full year**
Share of profits in associates (net after tax, 22%)	-12	-14	-10	-19	-17
Adjustment to consolidated value	12	14	10	19	9
Financial income from associates (gross before tax)	7	7	14	13	27
Less uncapitalised share	-7	-7	-14	-13	-20
	-	-	-	-	-

Financial income from associates is attributable to granted shareholder loans.

GROUP SEGMENT REPORTING

Quarter 2	Develop. and management		Own wind power operations		Co-owned wind power operations		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	Q2-17	Q2-16	Q2-17	Q2-16	Q2-17	Q2-16	Q2-17	Q2-16	Q2-17	Q2-16	Q2-17	Q2-16
Net sales, external	79	63	31	26	30	27	-	-	-30	-27	111	90
Net sales, internal	2	2	-	-	-	-	-	-	-2	-2	-	-
Other operating income	0	-	3	0	-	-	-	0	-	-	3	0
Total income	**81**	**66**	**34**	**27**	**30**	**27**	**-**	**0**	**-32**	**-29**	**113**	**90**
Capitalised work on own account	0	3	-	-	-	-	-	-	-	-	0	3
Operating expenses	-46	-64	-12	-10	-8	-7	-6	-5	10	9	-62	-76
Share of profits from associates	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit/loss before depr./imp. (EBITDA)	**35**	**5**	**22**	**16**	**22**	**20**	**-6**	**-4**	**-22**	**-20**	**51**	**17**
Depreciation/ impairment Note 4	0	0	-19	-33	-17	-16	0	0	17	16	-19	-34
Operating profit/loss (EBIT)	**35**	**5**	**3**	**-17**	**5**	**4**	**-6**	**-5**	**-5**	**-4**	**31**	**-17**
Net financial items Note 5	-7	1	-16	-19	-11	-12	0	0	11	12	-23	-18
Profit/loss before tax (EBT)	**28**	**5**	**-13**	**-36**	**-6**	**-8**	**-6**	**-4**	**6**	**8**	**9**	**-34**
Property, plant and equipment	**87**	**62**	**1,495**	**1,715**	**1,361**	**1,396**	**0**	**0**	**-1,361**	**-1,396**	**1,582**	**1,777**

<u>Note 4</u> - Depreciation and impairment of property, plant and equipment

Depreciation/amortisation	0	0	-19	-22	-17	-16	0	0	17	16	-19	-22
Impairment and reversal of impairment	-	-	-	-12	-	-	-	-	-	-	-	-12
Depreciation and impairment	**0**	**0**	**-19**	**-33**	**-17**	**-16**	**0**	**0**	**17**	**16**	**-19**	**-34**

<u>Note 5</u> – Net financial income/expense

Total net financial income	-7	1	-16	-20	-18	-18	0	0	18	18	-23	-18
Less interest expenses on shareholder loans	-	-1	-	1	7	7	-	-	-7	-7	-	0
Net financial income/exp. excl. shareholder loans	**-7**	**1**	**-16**	**-19**	**-11**	**-12**	**0**	**0**	**11**	**12**	**-23**	**-18**

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.

GROUP SEGMENT REPORTING

6 months	Develop. and management		Own wind power operations		Co-owned wind power operations		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Net sales, external	92	157	63	69	77	64	-	-	-77	-64	155	226
Net sales, internal	3	5	-	-	-	-	-	-	-3	-5	-	-
Other operating income	0	0	4	0	-	-	-	0	-	-	4	1
Total income	**95**	**162**	**67**	**69**	**77**	**64**	**-**	**0**	**-80**	**-69**	**158**	**227**
Capitalised work on own account	1	4	-	-	-	-	-	-	-	-	1	4
Operating expenses	-56	-149	-25	-22	-17	-16	-10	-8	21	20	-88	-174
Share of profits from associates	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit/loss before depr./imp. (EBITDA)	**40**	**17**	**42**	**47**	**59**	**48**	**-10**	**-8**	**-59**	**-48**	**72**	**56**
Depreciation/ impairment Note 6	0	0	-39	-55	-33	-32	0	-1	33	32	-39	-56
Operating profit/loss (EBIT)	**40**	**16**	**3**	**-8**	**26**	**16**	**-10**	**-8**	**-26**	**-16**	**33**	**1**
Net financial items Note 7	-12	-4	-33	-38	-22	-24	1	0	22	24	-44	-42
Profit/loss before tax (EBT)	**28**	**12**	**-30**	**-46**	**4**	**-7**	**-9**	**-8**	**-4**	**7**	**-11**	**-42**
Property, plant and equipment	**87**	**62**	**1,495**	**1,715**	**1,361**	**1,396**	**0**	**0**	**-1,361**	**-1,396**	**1,582**	**1,777**

<u>Note 6</u> - Depreciation and impairment of property, plant and equipment

Depreciation/amortisation	0	0	-39	-43	-33	-32	0	-1	33	32	-39	-44
Impairment and reversal of impairment	-	-	-	-12	-	-	-	-	-	-	-	-12
Depreciation and impairment	**0**	**0**	**-39**	**-55**	**-33**	**-32**	**0**	**-1**	**33**	**32**	**-39**	**-56**

<u>Note 7</u> – Net financial income/expense

Total net financial income	-12	-3	-33	-40	-35	-37	1	0	35	37	-44	-42
Less interest expenses on shareholder loans	-	-1	-	1	14	13	-	-	-14	-13	-	-
Net financial income/exp. excl. shareholder loans	**-12**	**-4**	**-33**	**-38**	**-22**	**-24**	**1**	**0**	**22**	**24**	**-44**	**-42**

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.

Note 8 - 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 68-73 of the 2016 Annual Report. The table below presents the Group's financial assets and liabilities measured at fair value at the balance-sheet date.

	2017	**2016**	**2016**
(Amounts rounded to the nearest MSEK)	**30 Jun**	**30 Jun**	**31 Dec**
Assets			
Derivatives held for hedging purposes			
- Interests in associates	-2	-2	-2
- Derivative assets	0	5	1
Liabilities			
Derivatives held for hedging purposes			
- Derivative liabilities	-61	-89	-75

Note 9 – Net debt

	2017	**2016**	**2016**
(Amounts rounded to the nearest MSEK)	**30 Jun**	**30 Jun**	**31 Dec**
Non-current liabilities	1,173	1,338	962
- of which interest-bearing non-current liabilities	1,128	1,316	943
Current liabilities	173	205	477
- of which interest-bearing current liabilities	50	59	348
Long and short term interest bearing debt	1,178	1,375	1,291
Cash and cash equivalents at the end of the period	-146	-143	-287
Blocked cash at the end of the period	-10	-20	-12
Net debt	**1,022**	**1,212**	**992**

PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2017 Q 2	2016 Q 2	2017 6 months	2016 6 months	2016 Full year
Sales of electricity and electricity certificates	34	30	82	70	154
Leasing of wind farms	-	-4	-	39	39
Development income and management fees	6	66	15	116	215
Other operating income	0	0	0	0	0
Total income	**40**	**93**	**97**	**225**	**409**
Capitalised work on own account	-1	-3	0	-2	-2
Purchases of electricity and electricity certificates	-34	-31	-86	-72	-160
Rental of wind power facilities	-	4	-	-39	-39
Cost of sold projects and construction work	-2	-53	-4	-94	-169
Personnel costs	-8	-9	-17	-17	-33
Other external expenses	-5	-6	-9	-13	-22
Operating profit/loss before depreciation (EBITDA)	**-10**	**-4**	**-19**	**-12**	**-16**
Depr. and impairment of property, plant and equipment	0	-2	0	-2	-10
Operating profit/loss (EBIT)	**-10**	**-6**	**-19**	**-14**	**-25**
Financial income	56	1	57	1	36
Financial expenses	-19	-9	-39	-44	-132
Profit/loss after financial items	**27**	**-14**	**-1**	**-56**	**-121**
Group contribution	-	70	-	121	119
Profit/loss before tax	**27**	**56**	**-1**	**65**	**-2**
Tax on profit/loss for the period	-2	-12	-2	-18	-10
Net profit/loss for the period	**25**	**43**	**-4**	**47**	**-12**

PARENT COMPANY BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2017 30 Jun	2016 30 Jun	2016 31 Dec
Property, plant and equipment	56	43	32
Non-current financial assets	2,213	2,279	2,216
Inventories	4	14	7
Other current assets	156	134	85
Cash and cash equivalents	74	57	187
TOTAL ASSETS	**2,503**	**2,527**	**2,527**
Restricted equity	3	3	3
Non-restricted equity	976	1,032	973
Non-current liabilities	1,128	1,239	943
Current liabilities	396	254	608
TOTAL EQUITY AND LIABILITIES	**2,503**	**2,527**	**2,527**

PARENT COMPANY EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2017 30 Jun	2016 30 Jun	2016 31 Dec
Opening balance	976	987	987
Other comprehensive income for the period	-4	47	-12
New issue / warrants	1	1	1
Convertible loan	5	-	-
Closing balance	**978**	**1,035**	**976**

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
Operating profit (EBIT) plus financial income in relation to 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.