INTERIM REPORT 1 JANUARY-30 SEPTEMBER 2017

Third quarter (1 July-30 September 2017)

- Net sales for the quarter amounted to MSEK 42 (77).
- Operating profit before depreciation and amortisation (EBITDA) was MSEK 19 (21), of which associates had an impact of MSEK 0 (0) on the Group. Operating cash flow was MSEK 53 (70).
- A decision was made to recognise impairment of MSEK 152 (0) on the company's assets in relation to Own wind power operations and Wind power development.
- Underlying EBIT (before impairment) was MSEK -1 (-1). Due to impairment, recognised EBIT was MSEK -153 (-1).
- Loss before tax was MSEK -21 (-22) before, and MSEK -173 (-22) after impairment.
- After impairment, loss after tax amounted to MSEK -173 (-22), corresponding to SEK -5.19 (-0.65) per share.
- Production was 107 GWh (121), of which Own wind power 63 GWh (68) and Co-owned wind power 44 GWh (53). The decrease was due to weaker winds and fewer farms.
- Average income from Own wind power was SEK 417 per MWh (416), of which SEK 268 per MWh (254) pertained to electricity and SEK 149 per MWh (162) to electricity certificates.

First nine months (1 January-30 September 2017)

- Net sales for the period amounted to MSEK 197 (303).
- Operating profit before depreciation and amortisation (EBITDA) was MSEK 91 (77), of which associates had an impact of MSEK 0 (0) on the Group. Operating cash flow was MSEK 66 (145).
- Underlying EBIT (before impairment) was MSEK 32 (11). Due to impairment, recognised EBIT was MSEK -120 (-1).
- Loss before tax amounted to MSEK -32 (-52) before, and MSEK -184 (-64) after impairment.
- After impairment, loss after tax totalled MSEK -184 (-51), corresponding to SEK -5.53 (-1.54) per share.
- Production totalled 433 GWh (402), of which Own wind power 241 GWh (225) and Co-owned wind power 193 GWh (177). The increase was due to stronger winds than last year.
- Average income from Own wind power was SEK 370 per MWh (434), of which SEK 268 per MWh (290) pertained to electricity and SEK 102 per MWh (144) 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, 10 November 2017

Daniel Johansson
CEO

"In terms of cost efficiency, onshore wind power in the Nordic region is among the best globally"

CEO's statement

The need to switch from fossil fuels to renewable energy has never been greater. Wind power development in the Nordic region is making a substantial contribution to that transition, and has much more to offer. In terms of cost efficiency, onshore wind power in the Nordic region is among the best globally.

Seasonally, the third quarter is our weakest. Wind speeds decrease in the summer and electricity prices are usually at their lowest level. In addition, wind speeds were lower than normal for the quarter.

During the quarter, however, electricity prices remained at a relatively favourable level due to higher electricity prices in Europe and several nuclear reactors in Sweden and Finland being shut down for audits.

Electricity certificate prices have stabilised and begun edging upwards. Based on how the scheme's quota curve has been designed, our view is that demand for certificates will rise over the next few years. Supply will not increase at the same rate over the coming two years, and thus the surplus of certificates on the market will fall fairly fast.

Given the positive view of general market conditions, it may seem remarkable that we had to recognise impairment of MSEK 152 on our own wind farms and projects. However, our impairment testing is based on market prices for the five first years, and thereafter on prices from an external consultant. A sharp downward revision of the consultant's price curve over the past six months forced us to report a write-down. At the same time, the fact that forecast adjustments can lag is not all strange. We believe that the worst is behind us.

Following an historically fast development and subsequent divestment of the Svartnäs project (app. 115 MW) to BlackRock, construction is now in full swing. Solberg (app. 76 MW), which is being constructed on behalf of Fortum, has now entered the final phase and is proceeding as planned. We have also assumed technical and financial management of the operational Norwegian wind farm Tellenes (app. 160 MW).

We continue to develop our projects and are engaged in several interesting discussions with the aim to expand the project portfolio. At the same time, conditions for Swedish wind power must be improved.

The energy policy agreement will bring major tax cuts for the old and depreciated energy sources, nuclear power and hydropower. However, the uncertainty surrounding future renewable energy sources, such as wind power, has not been adequately addressed.

Initiatives are needed now to speed up and improve the slow and unpredictable permitting processes that are burdening the development of renewable energy. Uncertainty surrounding the electricity certificate scheme also means that Sweden could lose an historical opportunity to transform the energy system in the current low interest-rate environment with good access to long-term investment capital. A stopping mechanism must therefore promptly be included in the certificate scheme to curb market concerns of overexpansion.

Net sales and results

MSEK	Q3 2017	Q3 2016	9 months 2017	9 months 2016
Net sales	42	77	197	303
Operating profit before depreciation (EBITDA)	19	21	91	77
Underlying EBIT (before impairment)	-1	-1	32	11
Operating profit/loss (EBIT)	-153	-1	-120	-1
Profit/loss before tax	-173	-22	-184	-64

Comments on the third quarter

Quarterly earnings were marked by weaker winds than normal. Electricity prices were relatively favourable for the season, while certificate prices remained low. A stabilisation and improvement in certificate prices were noted during the quarter. Total production, incl. the company's share in the Jädraås project, declined to 107 GWh (121). The average price for the company's own production remained largely unchanged at SEK 417 per MWh (416). Revenues from project sales were lower during the quarter leading to a decline of MSEK 35 in net sales.

Operating expenses was MSEK 24 (59), of which MSEK 1 (38) was attri-butable to sales and contracts. The remaining MSEK 23 (21) comprised personnel and other external expenses. Capitalised work was MSEK 1 (2). Consolidated profit from associates was MSEK 0 (0), see note 3.

EBITDA decreased to MSEK 19 (21). Underlying EBIT (before impairment) remained unchanged at MSEK -1 (-1). Due to impairment, recognised EBIT declined MSEK 152 (0). Net financial items improved, partly due to lower loans. After impairment, loss before and after tax therefore amounted to MSEK -173 (-22) and MSEK -173 (-22), respectively.

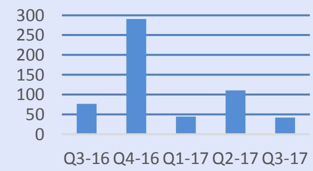
Comments on the first nine months of the year

Due to slightly weaker winds than normal, total production was 433 GWh (402). The average price for the company's own production decreased SEK 63 to SEK 370 per MWh (434). Development and management sales were lower, while income recognition was higher than for the preceding year, which is why net sales declined MSEK 106 for the period.

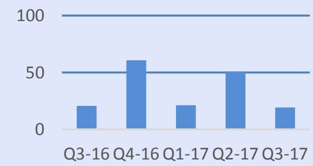
Operating expenses was MSEK 112 (233), of which MSEK 41 (165) was attributable to sales and contracts. Remaining expenses increased to MSEK 71 (68) and comprised personnel and other external expenses, incl. full-service agreements for wind power operations. Capitalised work was MSEK 2 (6). Consolidated profit from associates was MSEK 0 (0).

EBITDA rose MSEK 14 due to higher income recognition in development and management. Underlying EBIT (before impairment) increased to MSEK 32 (11). Due to impairment, recognised EBIT declined MSEK 152 (12). Net financial items declined MSEK 1 due to positive currency fluctuations in the preceding year, after which loss before and after tax amounted to MSEK -184 (-64) and MSEK -184 (-51), respectively, after impairment.

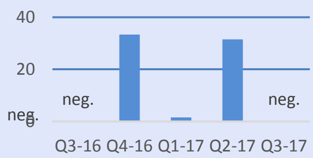
Net sales, MSEK



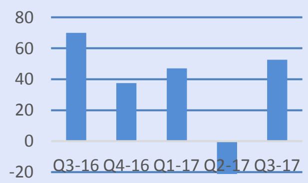
Operating profit before depreciation (EBITDA), MSEK



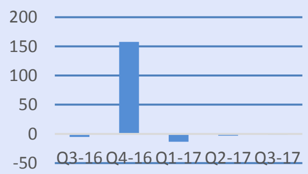
Operating profit/loss (EBIT), MSEK



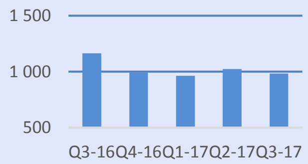
Operating cash flow, MSEK



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 12 (19). Changes in working capital were MSEK 41 (50), driven by ongoing external projects including Svartnäs, from which payments have been received. Total operating cash flow therefore amounted to MSEK 53 (70). Net cash flow from investing activities was MSEK -1 (-5). Cash flow after investment was therefore MSEK 51 (65). No overdraft facilities were utilised and no repayments were made during the quarter. The net of current and non-current interest-bearing liabilities therefore reduced cash flow by MSEK 0 (0), while interest of MSEK -12 (-18) was paid and interest of MSEK 0 (0) was received. Net payments to or from blocked accounts amounted to MSEK 0 (1), after which cash flow for the quarter was MSEK 40 (48).

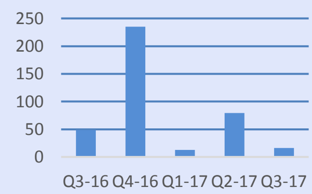
Comments on the first nine months of the year

Cash flow from operating activities before changes in working capital was MSEK 86 (75). Changes in working capital were MSEK -20 (69), mainly driven by the accumulation of working capital in ongoing external projects. Total operating cash flow was therefore MSEK 66 (145). Projects were both acquired and divested during the period, bringing net cash flow from investing activities to MSEK -18 (2). Cash flow after investment was therefore MSEK 48 (147). During the period, a convertible loan was issued and the company's unsecured bond was repaid. Scheduled repayments were also made on the company's secured bond. The net of current and non-current interest-bearing liabilities therefore reduced cash flow by MSEK -105 (-104). Interest of MSEK -49 (-55) was paid, and interest of MSEK 1 (1) was received. Net payments to or from blocked accounts totalled MSEK 3 (-1), after which cash flow for the period was MSEK -101 (-12).

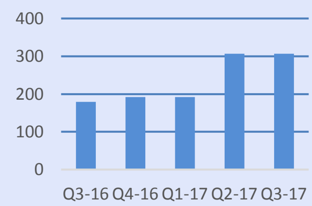
Financing and liquidity

Net interest-bearing debt amounted to MSEK 984 (1,163), of which convertibles amounted to MSEK 239. Cash and cash equivalents were MSEK 186 (191) and unutilised overdraft facilities amounted to MSEK 50 (50). At the end of the period, the equity/assets ratio was 38% (39). Under the assumption that all of the company's convertible bonds would be converted and existing cash netted against interest-bearing liabilities, the equity/assets ratio would correspond to 54%.

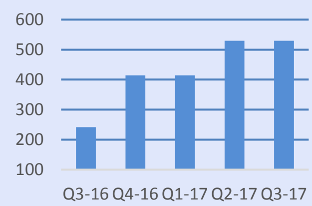
Development and management income, MSEK



Divested projects, accumulated, MW



External management assignments, accumulated, MW



Segment – Development & management

MSEK	Q3 2017	Q3 2016	9 months 2017	9 months 2016
Income	17	51	113	213
Cost of sold projects and contracts	-1	-38	-41	-165
Other operating expenses and capitalised work	-6	-8	-21	-27
Operating profit before depreciation (EBITDA)	10	5	51	22
Underlying EBIT (before impairment)	10	5	50	21
Operating profit/loss (EBIT)	-3	5	37	21
Profit/loss before tax	-8	-1	20	11

Comments on the third quarter

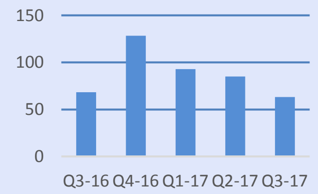
Construction of Solberg proceeded as planned and construction commenced on the Svartnäs project that was divested to BlackRock in Q2 2017. Solberg is scheduled for completion in Q1 2018, and Svartnäs in Q1 2019. Two projects were impaired during the quarter, as they became less likely to be realised. Work continued to make more projects ready for sale and to expand the project portfolio. Arise assumed management of Tellenes (160 MW) in Norway on behalf of BlackRock.

Sales decreased to MSEK 17 (51) year-on-year. The cost of sold projects and contracts decreased to MSEK 1 (38) due to higher earnings recognition during the period. Other operating expenses and capitalised work decreased to MSEK 6 (8) year-on-year. EBITDA therefore rose MSEK 5 to MSEK 10 (5). Underlying EBIT (before impairment) increased to MSEK 10 (5). EBIT declined MSEK 14 due to impairment and net financial items improved slightly. Combined, this meant that EBIT and profit/loss before tax declined MSEK 8 and MSEK 7, respectively, after impairment.

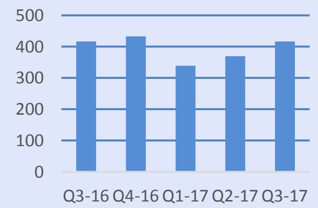
Comments on the first nine months of the year

During the period, Mombyåsen was financially settled, Solberg was under construction and Svartnäs was acquired and subsequently divested to BlackRock. Svartnäs is expected to generate profit of up to MSEK 97 during 2017 – Q1 2019, when it is scheduled for completion. The environmental permit for Kölvallen was denied, but Arise intends to re-open the procedure in a lower court. Work continued to make more projects ready for sale and to expand the project portfolio. The segment’s income declined MSEK 100 to MSEK 113 (213) year-on-year. Earnings recognition increased since the cost of sold projects and contracts decreased to MSEK 41 (165). Other operating expenses and capitalised work declined MSEK 6 year-on-year. EBITDA therefore rose to MSEK 51 (22). Underlying EBIT (before impairment) increased to MSEK 50 (21). EBIT declined MSEK 14 due to impairment and net financial items improved slightly. Combined, this meant that EBIT and profit/loss before tax increased MSEK 15 and MSEK 9, respectively, after impairment.

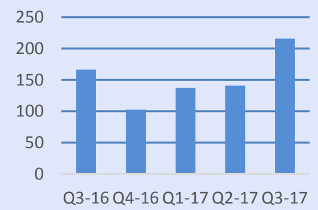
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Segment – Own wind power operations

MSEK	Q3 2017	Q3 2016	9 months 2017	9 months 2016
Income	26	28	93	98
Operating expenses	-14	-11	-38	-33
Operating profit before depreciation (EBITDA)	13	17	55	64
Underlying EBIT (before impairment)	-7	-5	-4	-1
Operating profit/loss (EBIT)	-146	-5	-143	-12
Profit/loss before tax	-162	-20	-191	-66

Comments on the third quarter

Winds were weaker than normal and fewer farms were in operation, which reduced production in the company's wholly-owned farms by 5 GWh to 63 GWh (68). Average income from electricity and certificates was SEK 268 per MWh (254) and SEK 149 per MWh (162), respectively. Electricity (SE4) was 17% below, and certificates (SKM) 159% above, the market price for the period. The average price for electricity was adversely impacted by the production's price profile.

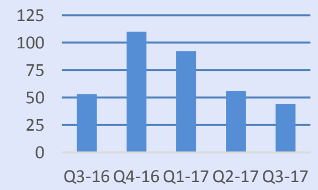
Net sales declined MSEK 2 due to lower production year-on-year. EBITDA declined MSEK 4 due to lower production and higher costs year-on-year. Specific operating expense increased to SEK 216 per MWh (166) due to low production, higher service costs and that availability compensation was not recognised. Some central costs have also been allocated to the segment from 2017. Underlying EBIT (before impairment) decreased to MSEK -7 (-5). A decision was made to recognise impairment of MSEK 139 (0) due to lower long-term market price forecasts. Recognised EBIT was MSEK -146 (-5). Net financial items remained largely unchanged and loss before tax decreased to MSEK -162 (-20), after impairment.

Comments on the first nine months of the year

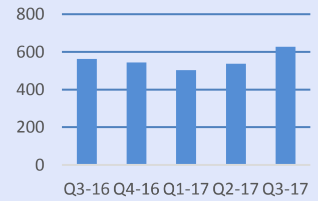
Production in the company's own farms increased to 241 GWh (225) due to stronger winds year-on-year. Average income from electricity and certificates amounted to SEK 268 per MWh (290) and SEK 102 per MWh (144), respectively, for the period, which is 12% below and 55% above, respectively, the market price for electricity (SE4) and certificates (SKM).

Net sales rose MSEK 7 due to higher production, but declined MSEK 15 due to a lower average price compared with the year-earlier period. Net sales and EBITDA therefore declined MSEK 8 and MSEK 10 respectively, year-on-year. EBITDA includes other income of MSEK 4 (0), partly attributable to the payment of insurance claims. Specific operating expense increased to SEK 159 per MWh (148) due to new service agreements and costs compensated by insurance claims. Underlying EBIT (before impairment) decreased to MSEK -4 (-1). Impairments of MSEK 139 (12), were made whereby recognised EBIT amounted to MSEK -143 (-12). Net financial items strengthened, partly due to less loans. Overall loss before tax thus declined to MSEK -191 (-66), after impairment.

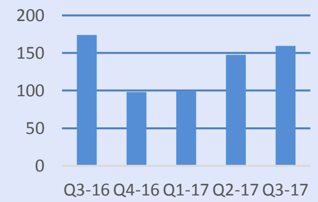
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Segment – Co-owned wind power operations

MSEK	Q3 2017	Q3 2016	9 months 2017	9 months 2016
Income	28	30	104	94
Operating expenses	-7	-9	-25	-25
Operating profit before depreciation (EBITDA)	21	21	80	69
Operating profit/loss (EBIT)	4	4	30	20
Profit/loss before tax	-6	-8	-2	-15

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 3. In the third quarter, electricity production totalled 44 GWh (53) due to weaker winds compared with the year-earlier quarter. Average income was SEK 627 per MWh (563), of which SEK 399 per MWh (373) pertained to electricity and SEK 228 per MWh (190) to electricity certificates.

Net sales decreased MSEK 5 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 quarter. Overall, net sales for the segment decreased MSEK 2, while EBITDA remained unchanged due to lower costs. Specific operating expense decreased to SEK 159 per MWh (174) per year. EBIT remained unchanged at MSEK 4 (4). Net financial items strengthened slightly and loss before tax therefore rose MSEK 2 to MSEK -6 (-8).

The company is currently using cash flows generated by the project to repay the project's external loans.

Comments on the first nine months of the year

During the nine-month period, electricity production was 193 GWh (177) due to stronger winds year-on-year. Average income was SEK 541 per MWh (529), of which SEK 376 per MWh (363) pertained to electricity and SEK 165 per MWh (166) to electricity certificates.

Net sales rose MSEK 8 due to higher production, and MSEK 2 due to the higher average price, compared with the year-earlier period. Overall, the segment's net sales and EBITDA increased MSEK 10 and MSEK 11, respectively. Specific operating expense decreased to SEK 127 per MWh (141) due to higher production. EBIT increased to MSEK 30 (20). Net financial items strengthened and loss before tax therefore rose MSEK 13 to MSEK -2 (-15).

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 approximately SEK 10 billion. The pre-planning of a 150 MW project is also underway in Scotland.

While individual projects may be high-risk, the overall project portfolio represents high potential value for the company, with relatively low capital employed and low risk.

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 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 remain optimistic about the price trend for electricity, while the market scenario for electricity certificates is challenging, despite some stabilisation and improvement. At the end of the quarter, however, the price of electricity certificates began to stabilise. We are following the market trend carefully and will act when we believe we can create value. In regard to the ownership of our wind-power assets, we are maintaining an opportunistic approach and 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 nine months of the year, the Parent Company's total income amounted to MSEK 132 (306), while purchases of electricity and certificates, personnel and other external expenses, capitalised work on own account and depreciation of non-current assets totalled MSEK -170 (-322), resulting in EBIT of MSEK -39 (-16). Net financial items of MSEK -175 (-50) (including an impairment loss of MSEK 142 on shares in subsidiaries) and Group contributions of MSEK 0 (147) resulted in net profit/loss after tax of MSEK -216 (59). The Parent Company's net investments amounted to MSEK -13 (-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 been reviewed by the company's auditor.

Financial calendar

- Fourth quarter (1 October-31 December) 16 February 2018
- First quarter (1 January-31 March) 3 May 2018
- Second quarter (1 April-30 June) 18 July 2018

Halmstad, 10 November 2017

Daniel Johansson
Chief Executive Officer

For further information, please contact

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

Linus Hägg, CFO, Tel. +46 702 448 916

Auditor's report on 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 review of the interim condensed financial information (interim report) of Arise AB (publ) at September 30, 2017, 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 report based on our review.

Direction and scope of the 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, 10 November 2017

Öhrlings PricewaterhouseCoopers AB

Magnus Willfors
Authorised Public Accountant

CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2017 Q 3	2016 Q 3	2017 9 months	2016 9 months	2016 Full year
Net sales	Note 1	42	77	197	303	594
Other operating income		0	0	4	1	1
Total income		**43**	**77**	**201**	**304**	**594**
Capitalised work on own account		1	2	2	6	8
Personnel costs		-8	-8	-27	-27	-36
Other external expenses	Note 2	-16	-50	-85	-206	-428
Profit/loss from associates	Note 3	0	-	0	-	-
Operating profit before depreciation (EBITDA)		**19**	**21**	**91**	**77**	**138**
Depr. and imp. of property, plant and equipment	Note 4,6	-172	-22	-212	-78	-105
Operating profit/loss (EBIT)		**-153**	**-1**	**-120**	**-1**	**33**
Financial income		1	1	3	-1	1
Financial expenses	Note 5,7	-21	-21	-67	-62	-86
Profit/loss before tax		**-173**	**-22**	**-184**	**-64**	**-52**
Tax on profit/loss for the period		0	0	0	12	11
Net profit/loss for the period		**-173**	**-22**	**-184**	**-51**	**-41**
Earnings per share before dilution, SEK		-5.19	-0.65	-5.53	-1.54	-1.23
Earnings per share after dilution, SEK		-5.19	-0.65	-5.53	-1.54	-1.23

Treasury shares held by the Company, amounting to 54,194 shares, have not been included in calculating earnings per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts rounded to the nearest MSEK)	2017 Q 3	2016 Q 3	2017 9 months	2016 9 months	2016 Full year
Net profit/loss for the period	**-173**	**-22**	**-184**	**-51**	**-41**
Other comprehensive income					
Items that may be reclassified to the income statement					
Translation differences for period	0	-	1	-1	-1
Cash flow hedges	7	-5	27	-37	-18
Net investment in foreign currency	0	6	4	9	3
Share of other comprehensive income in associates, net after tax	-40	-	-40	-	-17
Income tax attributable to components of other comprehensive income	-2	0	-7	6	3
Other comprehensive income for the period, net after tax	**-34**	**1**	**-15**	**-23**	**-30**
Total comprehensive income for the period	**-207**	**-21**	**-199**	**-75**	**-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 Sep	2016 30 Sep	2016 31 Dec
Property, plant and equipment	1,411	1,760	1,565
Non-current financial assets	470	550	517
Total non-current assets	**1,881**	**2,310**	**2,082**
Inventories	4	20	19
Other current assets	101	76	72
Cash and cash equivalents	186	191	287
Total current assets	**291**	**286**	**378**
TOTAL ASSETS	**2,172**	**2,596**	**2,460**
Equity	**826**	**1,016**	**1,020**
Non-current interest-bearing liabilities	1,129	1,320	943
Provisions	46	22	20
Total non-current liabilities	**1,175**	**1,342**	**962**
Current interest-bearing liabilities	50	59	348
Other current liabilities	121	179	129
Total current liabilities	**171**	**238**	**477**
TOTAL EQUITY AND LIABILITIES	**2,172**	**2,596**	**2,460**

CONSOLIDATED CASH FLOW STATEMENT

(Condensed, amounts rounded to the nearest MSEK)	**2017 Q 3**	**2016 Q 3**	**2017 9 months**	**2016 9 months**	**2016 Full year**
Cash flow from operating activities before changes in working capital	**12**	**19**	**86**	**75**	**139**
Cash flow from changes in working capital	41	50	-20	69	43
Cash flow from operating activities	**53**	**70**	**66**	**145**	**182**
Investments in property, plant and equipment	-1	-5	-55	-33	-43
Sales of property, plant and equipment	-	-	38	36	202
Cash flow from investing activities	**-1**	**-5**	**-18**	**2**	**160**
Change in interest-bearing liabilities	-	-	-105	-104	-195
Interest paid	-12	-18	-49	-55	-73
Interest received	0	0	1	1	1
Net payment to blocked accounts	-	1	3	-1	9
New issue / warrants	-	-	-	1	1
Cash flow from financing activities	**-12**	**-17**	**-150**	**-159**	**-258**
Cash flow for the period	**40**	**48**	**-101**	**-12**	**84**
Cash and cash equivalents at the beginning of the period	146	143	287	203	203
Cash and cash equivalents at the end of the period	**186**	**191**	**186**	**191**	**287**
Interest-bearing liabilities at the end of the period	1,179	1,378	1,179	1,378	1,291
Blocked cash at the end of the period	-10	-24	-10	-24	-12
Net debt Note 9	**984**	**1,163**	**984**	**1,163**	**992**

GROUP EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2017 30 Sep	2016 30 Sep	2016 31 Dec
Opening balance	1,020	1,090	1,090
Other comprehensive income for the period	-199	-75	-71
New issue / warrants	1	1	1
Convertible loan	5	-	-
Other adjustments	-1	-	-
Closing balance	**826**	**1,016**	**1,020**

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2017 Q 3	2016 Q 3	2017 9 months	2016 9 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	63.0	68.3	240.6	224.6	352.8
Co-owned electricity production during the period, GWh	44.2	53.0	192.6	177.3	287.3
Total electricity production during the period, GWh	107.3	121.3	433.3	401.9	640.1
Number of employees at the end of the period	26	30	26	30	29
Financial key performance indicators					
EBITDA margin, %	45.0%	26.7%	45.5%	25.4%	23.2%
Operating margin, %	neg	neg	neg	neg	5.5%
Return on capital employed (EBIT), %	neg	1.2%	neg	1.1%	1.5%
Return on adjusted capital employed (EBITDA), %	7.9%	5.7%	7.6%	5.5%	6.3%
Return on equity, %	neg	neg	neg	neg	neg
Capital employed, MSEK	1,810	2,180	1,810	2,180	2,013
Average capital employed, MSEK	1,933	2,214	2,007	2,266	2,203
Equity, MSEK	826	1,016	826	1,016	1,020
Average equity, MSEK	930	1,027	982	1,058	1,048
Net debt	984	1,163	984	1,163	992
Equity/assets ratio, %	38.0%	39.1%	38.0%	39.1%	41.5%
Interest coverage ratio, times	neg	neg	neg	neg	0.4
Debt/equity ratio, times	1.2	1.1	1.2	1.1	1.0
Equity per share, SEK	25	30	25	30	31
Equity per share after dilution, SEK	25	30	25	30	31
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	33,933,876	33,933,876	33,655,376	33,793,876

*When calculating earnings per share and equity per share after dilution, warrants that were out-of-the-money during the period have not been included.

Note 1 - **Net sales** (Amounts rounded to the nearest MSEK)	**2017 Q 3**	**2016 Q 3**	**2017 9 months**	**2016 9 months**	**2016 Full year**
Electricity income	17	17	65	65	105
Certificate income	9	11	25	32	48
Development income and management fees	16	49	108	206	441
	42	**77**	**197**	**303**	**594**

Note 2 - **Other external expenses** (Amounts rounded to the nearest MSEK)	**2017 Q 3**	**2016 Q 3**	**2017 9 months**	**2016 9 months**	**2016 Full year**
Cost of sold projects and construction work	1	38	41	165	367
Other items	15	12	44	42	61
	16	**50**	**85**	**206**	**428**

Note 3 – **Share of profits from associates** (Amounts rounded to the nearest MSEK)	**2017 Q 3**	**2016 Q 3**	**2017 9 months**	**2016 9 months**	**2016 Full year**
Share of profits in associates (net after tax, 22%)	-7	-9	-16	-27	-17
Adjustment to consolidated value	-11	9	-1	27	9
Financial income from associates (gross before tax)	7	7	21	20	27
Less uncapitalised share	11	-7	-3	-20	-20
	0	-	**0**	-	-

Financial income from associates is attributable to granted shareholder loans.

GROUP SEGMENT REPORTING

Quarter 3	Develop. and management		Own wind power operations		Co-owned wind power operations		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	Q3-17	Q3-16	Q3-17	Q3-16	Q3-17	Q3-16	Q3-17	Q3-16	Q3-17	Q3-16	Q3-17	Q3-16
Net sales, external	16	49	26	28	28	30	-	-	-28	-30	42	77
Net sales, internal	1	2	-	-	-	-	-	-	-1	-2	-	-
Other operating income	0	-	0	0	-	-	-	0	-	-	0	0
Total income	**17**	**51**	**26**	**28**	**28**	**30**	**-**	**0**	**-29**	**-32**	**43**	**77**
Capitalised work on own account	1	2	-	-	-	-	-	-	-	-	1	2
Operating expenses	-8	-48	-14	-11	-7	-9	-4	-1	8	12	-24	-59
Share of profits from associates	-	-	-	-	-	-	0	-	-	-	0	-
Operating profit/loss before depr./imp. (EBITDA)	**10**	**5**	**13**	**17**	**21**	**21**	**-4**	**-1**	**-21**	**-21**	**19**	**21**
Depreciation/ impairment Note 4	-14	0	-159	-22	-17	-16	0	0	17	16	-172	-22
Operating profit/loss (EBIT)	**-3**	**5**	**-146**	**-5**	**4**	**4**	**-4**	**-2**	**-4**	**-4**	**-153**	**-1**
Net financial items Note 5	-4	-5	-16	-16	-10	-12	0	0	10	12	-20	-21
Profit/loss before tax (EBT)	**-8**	**-1**	**-162**	**-20**	**-6**	**-8**	**-4**	**-1**	**7**	**8**	**-173**	**-22**
Property, plant and equipment	**75**	**66**	**1,336**	**1,694**	**1,307**	**1,408**	**0**	**0**	**-1,307**	**-1,408**	**1,411**	**1,760**

Within the segment Development and management BlackRock and Fortum accounted for more than 10% of sales, respectively.

Note 4 - Depreciation and impairment of property, plant and equipment

Depreciation/amortisation	0	0	-20	-22	-16	-16	0	0	16	16	-20	-22
Impairment and reversal of impairment	-14	-	-139	-	0	-	-	-	0	-	-152	-
Depreciation and impairment	**-14**	**0**	**-159**	**-22**	**-17**	**-16**	**0**	**0**	**17**	**16**	**-172**	**-22**

Certain projects within the segment Development and management have been impaired by MSEK 14 (0) after which the value in use for these projects amount to MSEK 0. The projects were impaired as it was deemed that they will not materialize. Wind farms within the segment Own wind power operations have been impaired by MSEK 139 (0), after which the value in use amount to MSEK 1,294. The impairment was made due to lower long term market price projections. A discount rate of 6.8% (7.0%)

Note 5 – Net financial income/expense

Total net financial income	-4	-5	-16	-16	-17	-19	0	0	17	19	-20	-21
Less interest expenses on shareholder loans	-	-1	-	1	7	7	-	-	-7	-7	-	-
Net financial income/exp. excl. shareholder loans	**-4**	**-5**	**-16**	**-16**	**-10**	**-12**	**0**	**0**	**10**	**12**	**-20**	**-21**

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

9 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	108	206	89	97	104	94	-	-	-104	-94	197	303
Net sales, internal	5	7	-	-	-	-	-	-	-5	-7	-	-
Other operating income	0	0	4	0	-	-	-	0	-	-	4	1
Total income	**113**	**213**	**93**	**98**	**104**	**94**	**-**	**0**	**-109**	**-101**	**201**	**304**
Capitalised work on own account	2	6	-	-	-	-	-	-	-	-	2	6
Operating expenses	-64	-197	-38	-33	-25	-25	-14	-9	29	32	-112	-233
Share of profits from associates	-	-	-	-	-	-	0	-	-	-	0	-
Operating profit/loss before depr./imp. (EBITDA)	**51**	**22**	**55**	**64**	**80**	**69**	**-14**	**-9**	**-80**	**-69**	**91**	**77**
Depreciation/ impairment Note 6	-14	0	-198	-76	-50	-48	0	-1	50	48	-212	-78
Operating profit/loss (EBIT)	**37**	**21**	**-143**	**-12**	**30**	**20**	**-14**	**-10**	**-30**	**-20**	**-120**	**-1**
Net financial items Note 7	-16	-10	-48	-54	-32	-35	1	1	32	35	-64	-63
Profit/loss before tax (EBT)	**20**	**11**	**-191**	**-66**	**-2**	**-15**	**-13**	**-9**	**2**	**15**	**-184**	**-64**
Property, plant and equipment	**75**	**66**	**1,336**	**1,694**	**1,307**	**1,408**	**0**	**0**	**-1,307**	**-1,408**	**1,411**	**1,760**

Within the segment Development and management BlackRock accounted for more than 10% of sales.

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

Depreciation/amortisation	0	0	-59	-65	-49	-48	0	-1	49	48	-59	-66
Impairment and reversal of impairment	-14	-	-139	-12	0	-	-	-	0	-	-152	-12
Depreciation and impairment	**-14**	**0**	**-198**	**-76**	**-50**	**-48**	**0**	**-1**	**50**	**48**	**-212**	**-78**

Certain projects within the segment Development and management have been impaired by MSEK 14 (0) after which the value in use for these projects amount to MSEK 0. The projects were impaired as it was deemed that they will not materialize. Wind farms within the segment Own wind power operations have been impaired by MSEK 139 (12), after which the value in use amount to MSEK 1,294. The impairment was made due to lower long term market price projections. A discount rate of 6.8% (7.0%)

Note 7 – Net financial income/expense

Total net financial income	-16	-8	-48	-56	-53	-55	1	1	53	55	-64	-63
Less interest expenses on shareholder loans	-	-2	-	2	21	20	-	-	-21	-20	-	-
Net financial income/exp. excl. shareholder loans	**-16**	**-10**	**-48**	**-54**	**-32**	**-35**	**1**	**1**	**32**	**35**	**-64**	**-63**

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 Sep**	**30 Sep**	**31 Dec**
Assets			
Derivatives held for hedging purposes			
- Derivative assets	1	3	1
Liabilities			
Derivatives held for hedging purposes			
- Derivative liabilities	-58	-94	-75

Note 9 – **Net debt**

	2017	**2016**	**2016**
(Amounts rounded to the nearest MSEK)	**30 Sep**	**30 Sep**	**31 Dec**
Non-current liabilities	1,175	1,342	962
- of which interest-bearing non-current liabilities	1,129	1,320	943
Current liabilities	171	238	477
- of which interest-bearing current liabilities	50	59	348
Long and short term interest bearing debt	1,179	1,378	1,291
Cash and cash equivalents at the end of the period	-186	-191	-287
Blocked cash at the end of the period	-10	-24	-12
Net debt	**984**	**1,163**	**992**

PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2017 Q 3	2016 Q 3	2017 9 months	2016 9 months	2016 Full year
Sales of electricity and electricity certificates	28	32	111	102	154
Leasing of wind farms	-	-	-	39	39
Development income and management fees	6	48	21	164	215
Other operating income	0	0	0	0	0
Total income	**35**	**81**	**132**	**306**	**409**
Capitalised work on own account	0	0	0	-2	-2
Purchases of electricity and electricity certificates	-29	-34	-115	-106	-160
Rental of wind power facilities	-	-	-	-39	-39
Cost of sold projects and construction work	-1	-38	-5	-132	-169
Personnel costs	-7	-8	-24	-24	-33
Other external expenses	-4	-4	-13	-17	-22
Operating profit/loss before depreciation (EBITDA)	**-6**	**-2**	**-25**	**-14**	**-16**
Depr. and impairment of property, plant and equipment	-14	0	-14	-3	-10
Operating profit/loss (EBIT)	**-20**	**-2**	**-39**	**-16**	**-25**
Financial income	24	1	81	2	36
Financial expenses[1]	-217	-9	-255	-52	-132
Profit/loss after financial items	**-212**	**-11**	**-213**	**-67**	**-121**
Group contribution	-	26	-	147	119
Profit/loss before tax	**-212**	**15**	**-213**	**80**	**-2**
Tax on profit/loss for the period	-1	-4	-3	-22	-10
Net profit/loss for the period	**-213**	**12**	**-216**	**59**	**-12**

1) Includes write down of shares in subsidiaries of MSEK 142 and conversion of shareholder loans to investment in associates totaling MEUR 6 corresponding to MSEK 58 which thereafter has been written down to MSEK 0.

PARENT COMPANY BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2017 30 Sep	2016 30 Sep	2016 31 Dec
Property, plant and equipment	43	43	32
Non-current financial assets	2,031	2,287	2,216
Total non-current assets	**2,074**	**2,330**	**2,248**
Inventories	3	10	7
Other current assets	121	112	85
Cash and cash equivalents	127	121	187
Total current assets	**251**	**243**	**279**
TOTAL ASSETS	**2,325**	**2,573**	**2,527**
Restricted equity	3	3	3
Non-restricted equity	763	1,044	973
Total equity	**765**	**1,047**	**976**
Non-current interest-bearing liabilities	1,129	1,240	943
Total non-current liabilities	**1,129**	**1,240**	**943**
Current interest-bearing liabilities	50	50	348
Other current liabilities	380	237	260
Total current liabilities	**430**	**287**	**608**
TOTAL EQUITY AND LIABILITIES	**2,325**	**2,573**	**2,527**

PARENT COMPANY EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2017 30 Sep	2016 30 Sep	2016 31 Dec
Opening balance	976	987	987
Other comprehensive income for the period	-216	59	-12
New issue / warrants	1	1	1
Convertible loan	5	-	-
Closing balance	**765**	**1,047**	**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.