



INTERIM REPORT 1 JANUARY – 31 MARCH 2018



First quarter in brief

- Net sales for the quarter amounted to MSEK 55 (44).
- Operating profit before depreciation and amortisation (EBITDA) was MSEK 30 (21), of which associates had an impact of MSEK 0 (0) on the Group. Operating cash flow was MSEK 24 (47).
- Operating profit/loss (EBIT) was MSEK 12 (2).
- Profit/loss before tax amounted to MSEK -16 (-20).
- Profit/loss after tax totalled MSEK -13 (-20), or SEK -0.39 (-0.58) per share.
- Production amounted to 132 GWh (185), of which Own wind power operations accounted for 76 GWh (93), and Co-owned wind power operations for 56 GWh (92).
- Average income from Own wind power operations was SEK 522 per MWh (339), of which SEK 356 per MWh (278) pertained to electricity and SEK 166 per MWh (61) to electricity certificates.
- Solberg was completed for Fortum in line with schedule and budget.
- Arise successfully refinanced and redeemed its secured bonds early totalling approximately MSEK 950. After the refinancing, the company can fully focus on increasing growth in its project development and management business as well as value-enhancing measures related to the company's assets.

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, 3 May 2018

*Daniel Johansson
CEO*

CEO's statement

We successfully refinanced our wholly-owned wind farms during the first quarter of the year. We thus reduced our gross indebtedness and can fully focus on growth in our development and management business as well as value-enhancing measures related to our assets. This refinancing was realised through a bond issue, loans from banks and financing from our own funds. This is evidence of our strength and we are very pleased to have secured this refinancing. The refinancing is for three years and provides scope for us to work proactively with our assets to create optimal shareholder value over time. We maintain our opportunistic approach to our assets and thus our long-term ownership of these. In this context, the refinancing provides scope for action, which has high value in itself.

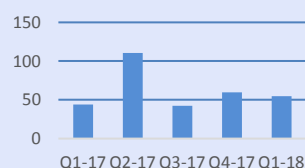
The weather was colder than usual during the quarter, which led to higher electricity prices. At the same time, wind power production from our farms was lower than normal. A side effect of these factors is that the amount of water in the hydro reservoirs has declined, which had a positive effect on the forward electricity prices for the next few quarters.

The prices of electricity certificates made a significant recovery in the first months of the year, in line with our hopes and expectations. The primary reason is that the structural surplus is now being used as a result of the high demand for certificates, which has its basis in the higher quota curve. We continue to have a positive view of the certificate market for the near term. At the same time, it is very important that a volume-based and credible stopping mechanism for the system is put into place as soon as possible so that we can avoid a loss of confidence in the future.

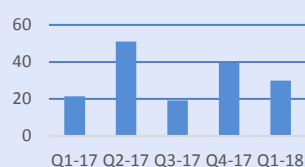
As electricity and electricity certificate prices have risen and in conjunction with our refinancing we have gradually increased the hedge levels for own wind farms. From low hedge levels we will now achieve levels of approx. 50-60% for the coming years.

The Solberg wind power project (about 75 MW) that has been divested to Fortum was completed in line with schedule and budget under Arise's construction management. Except for refinancing costs, the quarter did not present any major surprises in terms of our earnings. We are continuing to focus on selling our two projects Bröcklingberget (about 45 MW) and Enviksberget (about 35 MW) during the year. We are working hard on the rest of our project portfolio and are constantly engaged in dialogue concerning the potential acquisition of additional projects.

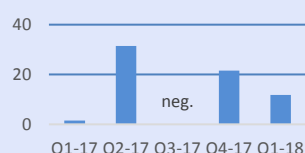
Net sales, MSEK



Operating profit before depreciation (EBITDA), MSEK



Operating profit/loss (EBIT), MSEK



Net sales and results

MSEK	Q1 2018	Q1 2017	FY 2017
Net sales	55	44	257
Operating profit before depreciation (EBITDA)	30	21	131
Operating profit/loss (EBIT)	12	2	-99
Profit/loss before tax	-16	-20	-178

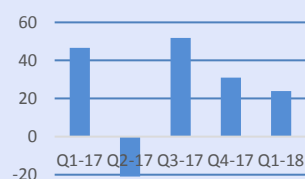
Comments on the first quarter

The quarter was characterised by weaker than normal winds. Consequently, total production, including the company's share in the Jädraås project, fell to 132 GWh (185). Production from our own farms fell by 16 GWh to 76 GWh (93). Electricity prices were relatively high, driven by the cold weather, the price of raw materials and a positive price trend in emissions rights. The spot price and related forward prices for certificates rose as a result of a continued reduction in the surplus. However, prices remained low further out on the price curve. The average price for the company's own production increased SEK 183 to SEK 522 per MWh (339). The combination of a higher average price and lower production increased net sales from the company's own production by MSEK 8 to MSEK 40 (31). Development and management income increased MSEK 2 to MSEK 15 (13) due to higher management income. Overall, net sales rose MSEK 11 to MSEK 55 (44).

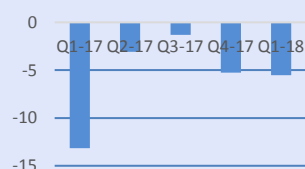
Operating expenses amounted to MSEK 26 (25), of which cost of sold projects and contracts accounted for MSEK 1 (2) and other operating expenses for MSEK 25 (23). Own capitalised work amounted to MSEK 1 (1). Consolidated profit/loss from associates was MSEK 0 (0).

In total, EBITDA rose MSEK 9 to MSEK 30 (21). EBIT increased MSEK 10 to MSEK 12 (2). Net financial items declined to MSEK -28 (-21) during the quarter due to early redemption of the company's secured bonds. Profit/loss before tax amounted to MSEK -16 (-20). Profit/loss after tax was MSEK -13 (-20), representing earnings per share of SEK -0.39 (-0.58) before and after dilution.

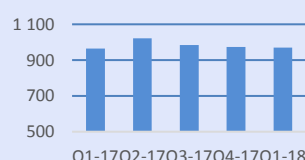
Operating cash flow, MSEK



Investments (-) /disposals (+), MSEK



Net debt, MSEK



Cash flow and investments

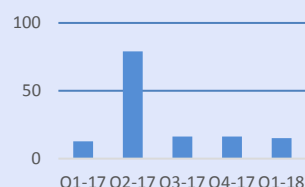
Comments on the first quarter

Cash flow from operating activities before changes in working capital was MSEK 28 (23). Changes in working capital were MSEK -4 (24), with financial settlement of Mombyåsen taking place in the year-earlier quarter. Total operating cash flow thus amounted to MSEK 24 (47). Cash flow from investing activities was MSEK -6 (-13). During the quarter, the company's secured bond was refinanced through a combination of a new bond loan of MSEK 650, two bank loans of MSEK 175 in total and utilisation of existing cash and cash equivalents. The net of current and non-current interest-bearing liabilities therefore reduced cash flow by MSEK -75 (244). Interest and financing costs of MSEK -27 (-17) was paid, and interest of MSEK 0 (1) was received. Net payments to or from blocked accounts amounted to MSEK 0 (3), after which cash flow for the period amounted to MSEK -83 (264).

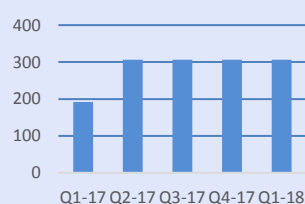
Financing and liquidity

At the end of the period, net debt amounted to MSEK 970 (964). Cash and cash equivalents amounted to MSEK 63 (551). The equity/assets ratio at the end of the period was 41% (38). Under the assumption that all of the company's convertible bonds would be converted and existing cash settled against interest-bearing liabilities, the equity/assets ratio would correspond to 54%.

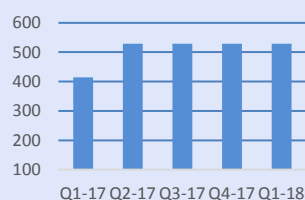
Development and management income, MSEK



Divested projects, accumulated, MW



External management assignments, accumulated, MW



Segment – Development and management

MSEK	Q1 2018	Q1 2017	FY 2017
Income	16	14	130
Cost of sold projects and contracts	-1	-2	-42
Other operating expenses and capitalised work	-7	-7	-28
Operating profit before depreciation (EBITDA)	9	5	60
Operating profit/loss (EBIT)	9	5	46
Profit/loss before tax	5	0	25

Comments on the first quarter

Development and management income increased during the quarter due to more management assignments. Solberg was completed in line with budget and schedule and settlement took place after the end of the quarter. The construction of Svartnäs proceeded as planned. Cost of sold projects and contracts declined to MSEK -1 (-2) and other operating expenses and capitalised work were unchanged year-on-year, resulting in an increase in EBITDA of MSEK 4 to MSEK 9 (5). Depreciation, amortisation and impairment amounted to MSEK 0 (0) and EBIT thus increased to MSEK 9 (5). Net financial items improved to MSEK -4 (-5) and profit/loss before tax thus rose to MSEK 5 (0).

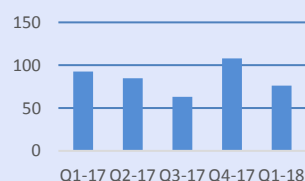
The company is continuing to develop and expand its project portfolio as well as grow the management business.

Project portfolio

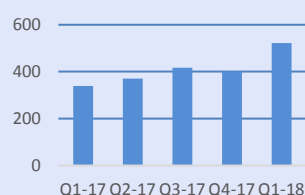
At the end of the period, the company had an extensive project portfolio of slightly more than 800 MW in Sweden, with a carrying amount of about MSEK 80. Fully developed, the portfolio would equate to an investment level of almost SEK 10 billion. The pre-planning of a 150 MW project is also underway in Scotland.

While individual projects may not always be realised, the overall project portfolio represents high potential value for the company, with relatively little capital tied-up and low risk.

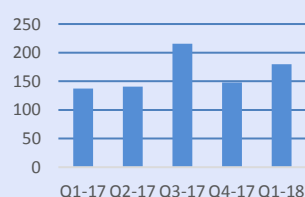
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Segment – Own wind power operations

MSEK	Q1 2018	Q1 2017	FY 2017
Income	40	33	137
Operating expenses	-14	-13	-54
Operating profit before depreciation (EBITDA) ¹	26	20	83
Operating profit/loss (EBIT)	8	0	-133
Profit/loss before tax	-16	-16	-194

1) The AWHCO 9 AB Group, which owns all of Arise's wind farms, generated EBITDA of MSEK 27 compared with MSEK 26 in the Own wind power operations segment. The difference comprises the allocation of costs.

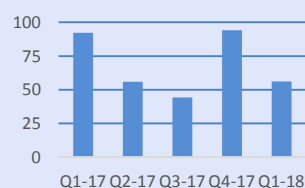
Comments on the first quarter

Production at the company's wholly-owned farms fell to 76 GWh (93) compared with the year-earlier quarter. This decrease was due to weaker than normal wind conditions in the quarter compared with normal winds in the year-earlier period.

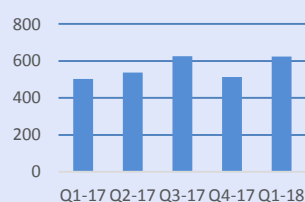
The company's average income for electricity was SEK 356 per MWh (278), which was 10% less than the market price (SE4) for the same period (SEK 395 per MWh), with the deviation mainly due to a higher spot price in relation to price hedges. The average income for certificates increased to SEK 166 per MWh (61), 92% above the market price (SKM) for the same period (SEK 86 per MWh) due to price hedges and positive changes in inventory values.

Net sales decreased MSEK 6 due to lower production, while the higher average price led to an increase of MSEK 14 in net sales, compared with the year-earlier quarter. Overall, net sales therefore rose MSEK 8 and EBITDA MSEK 6, compared with the corresponding quarter in 2017. The specific operating expense increased to SEK 180 per MWh (137) due to lower than normal production. Depreciation fell to MSEK -18 (-20), which meant that EBIT was MSEK 8 (0). Net financial items for the quarter were negatively impacted by refinancing costs and amounted to MSEK -24 (-17). Profit/loss before tax was thus unchanged at MSEK -16 (-16).

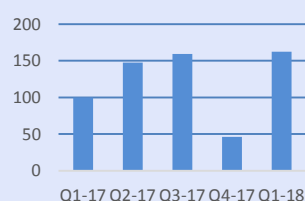
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Segment – Co-owned wind power operations

MSEK	Q1 2018	Q1 2017	FY 2017
Income	35	46	153
Operating expenses	-9	-9	-29
Operating profit before depreciation (EBITDA)	26	37	124
Operating profit/loss (EBIT)	9	21	57
Profit/loss before tax	-2	10	15

Comments on the first 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 first quarter, electricity production totalled 56 GWh (92) which was significantly below the normal level for the season. Average income was SEK 624 per MWh (503), of which SEK 442 per MWh (367) pertained to electricity and SEK 182 per MWh (135) to electricity certificates.

Net sales decreased MSEK 18 due to lower production, while the higher average price led to an increase of MSEK 7 in net sales, compared with the year-earlier quarter. Overall, both the segment's net sales and EBITDA fell MSEK 11. The specific operating expense increased to SEK 162 per MWh (100) due to lower production. Depreciation increased while net financial items were largely unchanged, which meant that both EBIT and profit/loss before tax declined by MSEK 12.

The chosen 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. Due to current market conditions, cash flows are used for the repayment of external loans in the project.

Other significant events

During the quarter, Arise successfully refinanced and completed the early redemption of its secured bonds of approximately MSEK 950. After the refinancing, the company can fully focus on increasing growth in its project development and management business as well as value-enhancing measures related to the company's assets. This refinancing reduces the company's gross debt, improves important credit performance indicators and extends the terms of the company's credit facilities.

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 72 under Note 21 in the 2017 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 of electricity. Regarding electricity certificate prices, the assessment is that there is potential for prices to reach significantly higher levels than in 2017, but uncertainty remains regarding the outlook for the next few years related to such factors as the need for the introduction of a stopping mechanism in the system. 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 38-39 of the 2017 Annual Report, and financial risk management is presented on pages 64-69. 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, contracts and project management of 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.

Until February 2018, the electricity-generating subsidiaries sold their production to Arise at spot prices, which Arise then sold to the market at spot price. These intra-Group trading activities were recognised on a gross basis in the income statement. From March 2018, the electricity-generating subsidiaries sell their production directly to counterparties in the market at spot price.

During the quarter, the Parent Company's total income amounted to MSEK 46 (57) 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 -51 (-66), resulting in EBIT of MSEK -6 (-9). Net financial items of MSEK 0 (-19) resulted in profit/loss after tax of MSEK -6 (-29). The Parent Company's net investments amounted to MSEK -3 (-9).

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. With the addition of having implemented IFRS 9 and IFRS 15 since 1 January 2018, the accounting policies are consistent with those applied in the 2017 Annual Report. The transition to IFRS 9 and IFRS 15 is not deemed to have any material, quantitative effect on the company's accounts other than additional disclosure requirements. The company applies a prospective transition period that entails that comparative figures are not restated.

Review by the auditor

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

Financial calendar

- Second quarter (1 April-30 June) 18 July 2018
- Third quarter (1 July-30 September) 9 November 2018
- Fourth quarter (1 October-31 December) 15 February 2019

Halmstad, 3 May 2018

ARISE AB (publ)

Daniel Johansson

Chief Executive Officer

For further information, please contact

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Linus Hägg, CFO, tel. +46 702 448 916

CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2018	2017	2017
		Q 1	Q 1	Full year
Net sales	Note 1	55	44	257
Other operating income		0	1	5
Total income		55	45	261
Capitalised work on own account		1	1	3
Personnel costs		-10	-10	-36
Other external expenses	Note 2	-16	-16	-105
Profit/loss from associates	Note 3	-	-	7
Operating profit before depreciation (EBITDA)		30	21	131
Depr. and imp. of property, plant and equipment	Note 4	-18	-20	-230
Operating profit/loss (EBIT)		12	2	-99
Financial income	Note 5	0	1	5
Financial expenses	Note 5	-28	-22	-85
Profit/loss before tax		-16	-20	-178
Tax on profit/loss for the period		3	0	-1
Net profit/loss for the period		-13	-20	-180
Earnings per share before dilution, SEK		-0.39	-0.58	-5.39
Earnings per share after dilution, SEK		-0.39	-0.58	-5.39

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

Earnings are 100% attributable to the Parent Company's shareholders.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts rounded to the nearest MSEK)		2018	2017	2017
		Q 1	Q 1	Full year
Net profit/loss for the period		-13	-20	-180
<i>Other comprehensive income</i>				
Items that may be reclassified to the income statement				
Translation differences for period		0	1	1
Cash flow hedges		-6	11	36
Net investment in foreign currency		17	-1	13
Share of other comprehensive income in associates, net after tax		-5	-	-42
Income tax attributable to components of other comprehensive income		-1	-2	-10
Other comprehensive income for the period, net after tax		4	9	-2
Total comprehensive income for the period		-9	-11	-182

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



CONSOLIDATED BALANCE SHEET

	2018 31 Mar	2017 31 Mar	2017 31 Dec
(Condensed, amounts rounded to the nearest MSEK)			
Property, plant and equipment	1,386	1,557	1,398
Non-current financial assets	493	509	479
Total non-current assets	1,878	2,066	1,878
Inventories	6	8	4
Other current assets	89	43	97
Cash and cash equivalents	63	551	146
Total current assets	158	603	247
TOTAL ASSETS	2,036	2,669	2,124
Equity	834	1,015	843
Non-current interest-bearing liabilities	1,009	1,175	1,079
Provisions	46	20	46
Total non-current liabilities	1,054	1,195	1,124
Current interest-bearing liabilities	34	349	50
Other current liabilities	113	110	107
Total current liabilities	148	459	157
TOTAL EQUITY AND LIABILITIES	2,036	2,669	2,124

CONSOLIDATED CASH FLOW STATEMENT

	2018 Q 1	2017 Q 1	2017 Full year
(Condensed, amounts rounded to the nearest MSEK)			
Cash flow from operating activities before changes in working capital	28	23	119
Cash flow from changes in working capital	-4	24	-23
Cash flow from operating activities	24	47	96
Investments in property, plant and equipment	-6	-13	-60
Sales of property, plant and equipment	-	-	38
Cash flow from investing activities	-6	-13	-23
Change in interest-bearing liabilities	-75	244	-154
Interest paid	-27	-17	-65
Interest received	0	1	1
Net payment to blocked accounts	-	3	3
New issue / warrants	-	-	-
Cash flow from financing activities	-102	230	-216
Cash flow for the period	-83	264	-143
Cash and cash equivalents at the beginning of the period	146	287	287
Translation differences in cash and cash equivalents	0	0	2
Cash and cash equivalents at the end of the period	63	551	146
Interest-bearing liabilities at the end of the period	1,043	1,524	1,129
Blocked cash at the end of the period	-10	-9	-10
Net debt	970	964	973

Note 7



GROUP EQUITY

	2018	2017	2017
(Condensed, amounts rounded to the nearest MSEK)	31 Mar	31 Mar	31 Dec
Opening balance	843	1,020	1,020
Profit/loss for the year	-13	-20	-180
Other comprehensive income for the period	4	9	-2
New issue / warrants	-	1	1
Convertible loan	-	5	5
Other adjustments	-	-	-1
Closing balance	834	1,015	843

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2018 Q 1	2017 Q 1	2017 Full year
<u>Operational key performance indicators</u>			
Installed capacity at the end of the period, MW	240.7	240.7	240.7
Own electricity production during the period, GWh	76.3	92.8	348.4
Co-owned electricity production during the period, GWh	56.1	92.4	286.9
Total electricity production during the period, GWh	132.4	185.1	635.3
Number of employees at the end of the period	26	29	26
<u>Financial key performance indicators</u>			
Earnings per share before dilution, SEK *	-0.39	-0.58	-5.39
Earnings per share after dilution, SEK*	-0.39	-0.58	-5.39
EBITDA margin, %	54.5%	47.1%	50.1%
Operating margin, %	21.5%	3.5%	neg
Return on capital employed (EBIT), %	neg	0.8%	neg
Return on adjusted capital employed (EBITDA), %	7.4%	5.7%	6.8%
Return on equity, %	neg	neg	neg
Capital employed, MSEK	1,805	1,979	1,817
Average capital employed, MSEK	1,892	2,107	1,915
Equity, MSEK	834	1,015	843
Average equity, MSEK	925	1,044	932
Net debt	970	964	973
Equity/assets ratio, %	41.0%	38.0%	39.7%
Interest coverage ratio, times	0.4	0.1	neg
Debt/equity ratio, times	1.2	0.9	1.2
Equity per share, SEK	25	30	25
Equity per share after dilution, SEK	25	30	25
No. of shares at the end of the period, excl. treasury shares	33,373,876	33,373,876	33,373,876
Average number of shares	33,373,876	33,373,876	33,373,876
Average number of shares after dilution**	33,933,876	33,933,876	33,933,876

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

** 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	2018	2017	2017
(Amounts rounded to the nearest MSEK)	Q 1	Q 1	Full year
Electricity income	27	26	95
Certificate income	13	6	38
Development and management income	15	13	124
	55	44	257

Net sales include i) Income from electricity (the sale of generated electricity, and gains and losses from electricity and currency derivatives attributable to the hedged electricity production), ii) earned and sold electricity certificates, and iii) development income from projects sold and management income. The classification is based on an assessment of the nature of the income, the amount, timing and uncertainty surrounding income and cash flows. Income from electricity and income from electricity certificates are generated by the wind farms owned by the Group, which are recognised under Own wind power operations segment. Development and management income is primarily generated through the company's project portfolio and is recognised under the Development and management segment. In addition, Arise has an associate that is not consolidated in accounting terms and thus does not generate any net sales. This associate is Sirocco Wind Holding AB, which owns the Jädraås project. The associate can be seen in the Co-owned wind power operations segment as if Arise's participation in this operation was consolidated.

Note 2 - Other external expenses	2018	2017	2017
(Amounts rounded to the nearest MSEK)	Q 1	Q 1	Full year
Cost of sold projects and construction work	1	2	42
Other items	15	14	63
	16	16	105

Note 3 – Share of profits from associates	2018	2017	2017
(Amounts rounded to the nearest MSEK)	Q 1	Q 1	Full year
Share of profits in associates (net after tax, 22%)	-7	3	-10
Adjustment to consolidated value	7	-3	-1
Financial income from associates (gross before tax)	7	7	27
Less uncapitalised share	-7	-7	-10
	-	-	7

Financial income from associates is attributable to granted shareholder loans.

GROUP SEGMENT REPORTING

Quarter 1	Develop. and management		Own wind power operations		Co-owned wind power operations		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	Q1-18	Q1-17	Q1-18	Q1-17	Q1-18	Q1-17	Q1-18	Q1-17	Q1-18	Q1-17	Q1-18	Q1-17
Net sales, external	15	13	40	31	35	46	-	-	-35	-46	55	44
Net sales, internal	1	2	-	-	-	-	-	-	-1	-2	-	-
Other operating income	0	0	0	1	-	-	0	-	-	-	0	1
Total income	16	14	40	33	35	46	0	-	-36	-48	55	45
Capitalised work on own account	1	1	-	-	-	-	-	-	-	-	1	1
Operating expenses	-8	-10	-14	-13	-9	-9	-5	-4	10	11	-26	-25
Share of profits from associates	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit/loss before depr./imp. (EBITDA)	9	5	26	20	26	37	-5	-4	-26	-37	30	21
Depreciation/ impairment Note 4	0	0	-18	-20	-17	-16	0	0	17	16	-18	-20
Operating profit/loss (EBIT)	9	5	8	0	9	21	-5	-4	-9	-21	12	2
Net financial items Note 5	-4	-5	-24	-17	-10	-11	0	1	10	11	-28	-21
Profit/loss before tax (EBT)	5	0	-16	-16	-2	10	-5	-3	2	-10	-16	-20
Property, plant and equipment	86	72	1,300	1,486	1,359	1,362	0	0	-1,359	-1,362	1,386	1,557

BlackRock accounted for more than 10% of development and management income for the quarter, and in the corresponding quarter in 2017 Allianz Global Investors accounted for more than 10%. There were no other customers who accounted for more than 10% of the income during the period.

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

Depreciation/amortisation	0	0	-18	-20	-17	-16	0	0	17	16	-18	-20
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and impairment	0	0	-18	-20	-17	-16	0	0	17	16	-18	-20

Note 5 – Net financial income/expense

Total net financial income	-4	-5	-24	-17	-17	-17	0	1	17	17	-28	-21
Less interest expenses on shareholder loans	-	-	-	-	7	7	-	-	-7	-7	-	-
Net financial income/exp. excl. shareholder loans	-4	-5	-24	-17	-10	-11	0	1	10	11	-28	-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.



Note 6 - 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 64-69 of the 2017 Annual Report. The table below presents the Group's financial assets and liabilities measured at fair value at the balance-sheet date.

(Amounts rounded to the nearest MSEK)	2018 31 Mar	2017 31 Mar	2017 31 Dec
Assets			
Derivatives held for hedging purposes			
- Derivative assets	-	-	2
Liabilities			
Derivatives held for hedging purposes			
- Derivative liabilities	-63	-67	-54

Note 7 – Net debt

(Amounts rounded to the nearest MSEK)	2018 31 Mar	2017 31 Mar	2017 31 Dec
Non-current liabilities	1,054	1,195	1,124
- of which interest-bearing non-current liabilities	1,009	1,175	1,079
Current liabilities	148	459	157
- of which interest-bearing current liabilities	34	349	50
Long and short term interest bearing debt	1,043	1,524	1,129
Cash and cash equivalents at the end of the period	-63	-551	-146
Blocked cash at the end of the period	-10	-9	-10
Net debt	970	964	973

PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2018 Q 1	2017 Q 1	2017 Full year
Sales of electricity and electricity certificates	38	48	154
Development and management income	7	8	28
Other operating income	0	0	0
Total income	46	57	182
Capitalised work on own account	1	1	1
Purchases of electricity and electricity certificates	-39	-52	-160
Cost of sold projects and construction work	-1	-2	-7
Personnel costs	-9	-9	-32
Other external expenses	-4	-4	-18
Operating profit/loss before depreciation (EBITDA)	-6	-9	-33
Depr. and impairment of property, plant and equipment	0	0	-14
Operating profit/loss (EBIT)	-6	-9	-47
Financial income ¹	254	1	162
Financial expenses ²	-253	-20	-271
Profit/loss after financial items	-6	-28	-155
Group contribution	-	-	-
Profit/loss before tax	-6	-28	-155
Tax on profit/loss for the period	-1	0	-4
Net profit/loss for the period	-6	-29	-160

1) Includes dividends of MSEK 229 (0) from subsidiaries in the first quarter of 2018. 2017 includes sales of participations in subsidiaries in the third quarter of 2017 of MSEK 131.

2) Includes a write down of shares in subsidiaries in the first quarter of 2018 of MSEK 229 (0). 2017 includes a write down of shares in subsidiaries of MSEK 142 and a conversion of shareholder loans in 2017 to investment in associates totalling MEUR 6, corresponding to MSEK 58, which were subsequently impaired to SEK 0.

PARENT COMPANY BALANCE SHEET

	2018	2017	2017
(Condensed, amounts rounded to the nearest MSEK)	31 Mar	31 Mar	31 Dec
Property, plant and equipment	49	41	46
Non-current financial assets	1,729	2,210	1,940
Total non-current assets	1,777	2,251	1,986
Inventories	3	7	2
Other current assets	112	69	133
Cash and cash equivalents	46	400	81
Total current assets	161	476	216
TOTAL ASSETS	1,939	2,727	2,201
Restricted equity	8	8	8
Non-restricted equity	808	945	814
Total equity	816	953	822
Non-current interest-bearing liabilities	1,009	1,175	1,079
Total non-current liabilities	1,009	1,175	1,079
Current interest-bearing liabilities	34	349	50
Other current liabilities	79	249	250
Total current liabilities	114	598	300
TOTAL EQUITY AND LIABILITIES	1,939	2,727	2,201

PARENT COMPANY EQUITY

	2018 31 Mar	2017 31 Mar	2017 31 Dec
(Condensed, amounts rounded to the nearest MSEK)			
Opening balance	822	976	976
Other comprehensive income for the period	-6	-29	-160
New issue / warrants	-	1	1
Convertible loan	-	5	5
Closing balance	816	953	822

DEFINITIONS OF KEY RATIOS

EBITDA margin

EBITDA as a percentage of total income.

Operating margin

EBIT as a percentage of total income.

Return on capital employed

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

Return on adjusted capital employed

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

Return on equity

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

Equity per share

Equity 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

Rolling 12-month average equity.

Average capital employed

Rolling 12-month average capital employed.

Operating cash flow

Cash flow from operating activities after changes in working capital.

Net 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 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 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.

