INTERIM REPORT 1 JANUARY – 30 JUNE 2018

Second quarter (1 April – 30 June 2018)

- Net sales for the quarter amounted to MSEK 48 (111).
- Operating profit before depreciation and amortisation (EBITDA) was MSEK 24 (51), of which associates had an impact of MSEK 0 (0) on the Group. Operating cash flow was MSEK 20 (-34).
- Operating profit (EBIT) was MSEK 6 (31).
- Loss before tax amounted to MSEK -13 (9).
- Loss after tax amounted to MSEK -14 (8), or SEK -0.41 per share (0.24).
- Production totalled 118 GWh (141), of which Own wind power operations accounted for 65 GWh (85) and Co-owned wind power operations for 53 GWh (56). The decrease was due to weaker winds than in the preceding year.
- Average income from Own wind power operations was SEK 534 per MWh, of which SEK 340 per MWh (258) pertained to electricity and SEK 193 per MWh (113) to electricity certificates, incl. guarantees of origin.
- An option agreement was signed for the right to acquire Krange Vind AB, which owns two projects of a total of approximately 180 MW.

First half of the year (1 January – 30 June 2018)

- Net sales for the period amounted to MSEK 103 (155).
- Operating profit before depreciation and amortisation (EBITDA) was MSEK 54 (72), of which associates had an impact of MSEK 0 (0) on the Group. Operating cash flow was MSEK 44 (13).
- Operating profit (EBIT) was MSEK 18 (33).
- Loss before tax amounted to MSEK -29 (-11).
- Loss after tax totalled MSEK -27 (-11), or SEK -0.81 (-0.34) per share.
- Production totalled 251 GWh (326), of which Own wind power operations accounted for 141 GWh (178) and Co-owned wind power operations for 109 GWh (148). The decrease was due to weaker winds than in the preceding year.
- Average income from Own wind power operations was SEK 527 per MWh (354), of which SEK 349 per MWh (268) pertained to electricity and SEK 179 per MWh (86) to electricity certificates, incl. guarantees of origin.

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, 18 July 2018

Daniel Johansson
CEO

"Our focus to create long term balance in the electricity production business while also increasing the upside within Development and management is gradually beginning to produce results."

CEO's statement

During the second quarter, we worked intensively to make our two projects Bröcklingberget (about 45 MW) and Enviksberget (about 35 MW) ready for sale. We have hopes of selling the projects onward to investors during the second half of the year.

We are constantly working to expand our project portfolio. Accordingly, we are pleased to have signed a contract in mid-June for the right to acquire Krange Vind, which includes the Ranasjöhöjden and Salsjöhöjden projects. These are estimated to amount to approximately 180 MW and the ambition is for them to be ready for presentation to potential buyers at the end of next year.

In June, we also received news that Skaftåsen's grid concession had been approved by the Land and Environment Court, which is the highest body. Since the project had already secured an environmental permit, it will now enter a more intense preparation phase. In terms of size, Skaftåsen is estimated to amount to about 150 MW.

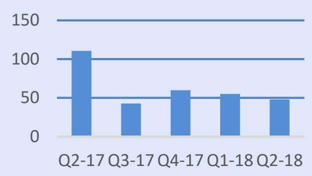
During the period, wind conditions were weaker than normal, which is why the production result was slightly below normal for the second quarter. At the same time, both the electricity and certificate prices have maintained healthy levels. A combination of higher prices for emission rights and coal, as well as a colder start to the year than usual, led to considerably higher electricity prices on the spot market than we have been used to in recent years. This provides an indication of the potential that lies ahead.

The result for the period is reasonable, given that we did not present a new project sale and that winds were weaker than normal. Seasonally, the second and third quarters are our weakest since production is lower than during the winter and electricity prices are usually lower.

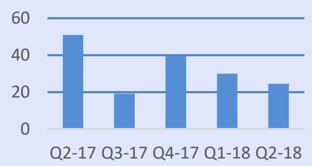
We have an obvious ambition to grow within Development and management. Naturally, this will be done with the highest possible profitability. Since we also refinanced our wholly-owned wind farms earlier this year and can benefit from higher electricity and certificate prices than there have been for a long time, there is every reason to have a brighter view of the future. Even though our electricity production does not break even on the bottom line it is cash flow positive at current electricity and certificate prices. At the same time, we have a strong belief that the Development and management business will generate attractive profits going forward. Our focus to create long term balance in the electricity production business while also increasing the upside within Development and management is gradually beginning to produce results.

We see that attention is being increasingly directed towards permit issues from various players in society. It is pleasing that these questions are beginning to be highlighted more, but it will require persistent lobbying work to achieve positive changes that enable 100% renewable energy in Sweden in 2040, as five parliamentary parties have agreed.

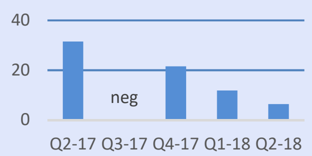
Net sales, MSEK



Operating profit before depreciation (EBITDA), MSEK



Operating profit/loss (EBIT), MSEK



Net sales and results

MSEK	Q2 2018	Q2 2017	H1 2018	H1 2017
Net sales	48	111	103	155
Operating profit before depreciation (EBITDA)	24	51	54	72
Operating profit (EBIT)	6	31	18	33
Profit/loss before tax	-13	9	-29	-11

Comments on the second quarter

The quarter was characterised by weaker than normal winds. Electricity prices were relatively high given the time of year and the certificate prices continued to be traded at reasonable levels regarding the short section of the price curve. No project was sold during the quarter and total income thus declined compared with the year-earlier period, when Svartnäs was sold. The management business continued to grow. Total power production, including the company's share in the Jädraås project, declined to 118 GWh (141). However, the average price for the company's own production increased SEK 163 to SEK 534 per MWh (370), driven by higher electricity and certificate prices. Net sales declined by MSEK 63 due to lower development income.

Operating expenses totalled MSEK 25 (62), of which project sales and contracts accounted for MSEK 1 (38) and comparable operating expenses for MSEK 23 (24). Own capitalised work amounted to MSEK 1 (0). Consolidated profit from associates was MSEK 0 (0).

EBITDA fell by MSEK 26 and EBIT declined by MSEK 25 which was the result of lower sales in Development and management. Net financial items improved to MSEK -19 (-23) due to reduced borrowing. The loss before and after tax thus totalled MSEK -13 (9) and MSEK -14 (8), respectively.

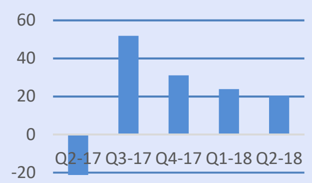
Comments on the first half of the year

Weaker wind conditions than normal resulted in a decline in total production, including Jädraås, to 251 GWh (326). At the same time, the average price for the company's own production increased SEK 173 to SEK 527 per MWh (354). Net sales declined a total of MSEK 52. The decrease was primarily the result of lower development income during the period compared with 2017.

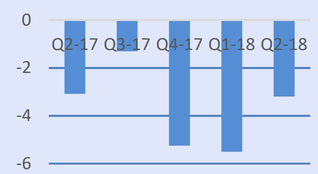
Operating expenses totalled MSEK 51 (88), of which comparable operating expenses accounted for MSEK 49 (47). Own capitalised work was MSEK 2 (1). Consolidated profit from associates was MSEK 0 (0).

Lower profits in Development and management during the period contributed to an decline in EBITDA of MSEK 18 to MSEK 54 (72). EBIT declined MSEK 15 to MSEK 18 (33). Net financial items declined MSEK 3 as a result of non-recurring costs in conjunction with the company's refinancing during the first quarter. Loss before and after tax amounted to MSEK -29 (-11) and MSEK -27 (-11), respectively.

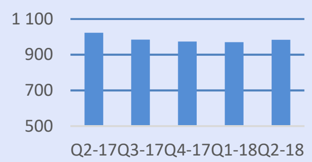
Operating cash flow, MSEK



Investments (-) /disposals (+), MSEK



Net debt, MSEK



Cash flow and investments

Comments on the second quarter

Cash flow from operating activities before changes in working capital was MSEK 23 (52). Changes in working capital were MSEK -2 (-85). Total operating cash flow thus amounted to MSEK 20 (-34). Net cash flow from investing activities was MSEK -3 (-3). Cash flow after investments therefore amounted to MSEK 17 (-37). Net non-current and current interest-bearing liabilities were MSEK 0 (-348), while interest and refinancing costs of MSEK 28 (19) were paid and interest of MSEK 0 (0) was received. Net payments to or from blocked accounts totalled MSEK 0 (-1), after which cash flow for the period amounted to MSEK -11 (-405).

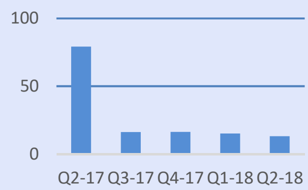
Comments on the first half of the year

Cash flow from operating activities before changes in working capital was MSEK 50 (74). Changes in working capital amounted to MSEK -6 (-61), driven by, among other, a certain amount of working capital accumulation in ongoing external projects. Accordingly, the total operating cash flow was MSEK 44 (13). Net cash flow from investing activities was MSEK -9 (-16). Cash flow after investments therefore amounted to MSEK 36 (-3). During the first half of the year, the company's secured bond was refinanced through a combination of a new secured bond loan, bank loans and utilisation of the company's cash and cash equivalents. The net of current and non-current interest-bearing liabilities therefore reduced cash flow by MSEK 75 (105). Interest and refinancing costs of MSEK 55 (37) were paid and interest of MSEK 0 (1) was received. Net payments to or from blocked accounts totalled MSEK 0 (3), after which cash flow for the period amounted to MSEK -94 (-141).

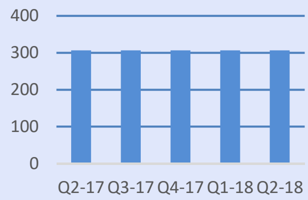
Financing and liquidity

Net debt amounted to MSEK 983 (1,022). Cash and cash equivalents amounted to MSEK 53 (146). The equity/assets ratio at the end of the period was 39% (43). 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 52% (57).

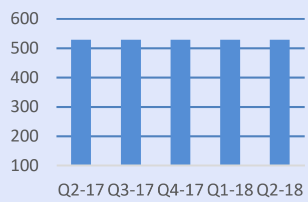
Development and management income, MSEK



Divested projects, accumulated, MW



External management assignments, accumulated, MW



Segment – Development and management

MSEK	Q2 2018	Q2 2017	H1 2018	H1 2017
Income	14	81	31	95
Cost of sold projects and contracts	-1	-38	-2	-40
Other operating expenses and capitalised work	-7	-8	-14	-15
Operating profit before depreciation (EBITDA)	6	35	15	40
Operating profit (EBIT)	6	35	15	40
Loss before tax	2	28	6	28

Comments on the second quarter

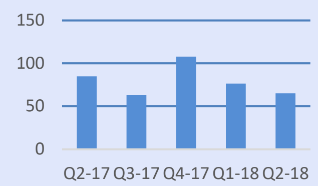
Settlement of the Solberg project took place following project completion in the first quarter of 2018 according to plan. The settlement impacted cash flow. The construction of Svartnäs (115 MW) proceeded as planned. Work continued on the final planning for Bröcklingeberget, approx. 45 MW, and Enviksberget, approx. 35 MW, ahead of the planned sales of these projects. A grid concession was granted by the highest court for the Skaftåsen project, with an expected capacity of about 150 MW. The project portfolio was expanded through an option agreement for the right to acquire Krange Vind AB, comprising two projects totalling approx. 180 MW. Discussions relating to new asset management agreements were held and the ambition to grow this business remains.

Income declined MSEK 66 to MSEK 14 (81) compared with the second quarter of 2017. The decline is attributable to no project sales being conducted during the quarter. Accordingly, the cost of sold projects and contracts fell to MSEK 1 (38). Other operating expenses and capitalised work were slightly lower compared with the preceding year. Overall, EBITDA declined MSEK 29 to MSEK 6 (35). Net financial items improved to MSEK -4 (-7). Combined, this meant that EBIT declined MSEK 29 and profit before tax fell MSEK 26.

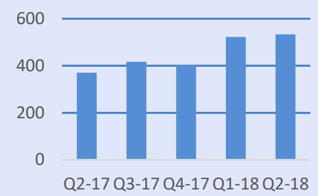
Comments on the first half of the year

During the period, the Solberg project was completed and settled according to plan. Construction of Svartnäs proceeded according to plan and an option agreement was signed for the right to acquire Krange Vind AB. A grid concession was granted for the Skaftåsen project. The company continued its work to develop the project portfolio. Discussions were conducted regarding new asset management assignments. Income for the segment declined MSEK 64 to MSEK 31 (95) compared with the year-earlier period as a result of no project sales being made. Cost of sold projects and contracts fell to MSEK 2 (40). Other operating expenses and capitalised work declined MSEK 1 year-on-year. Overall, EBITDA and EBIT both therefore declined MSEK 25 to MSEK 15 (40). Profit before tax declined by MSEK 22 to MSEK 6 (28) since net financial items improved by MSEK 3.

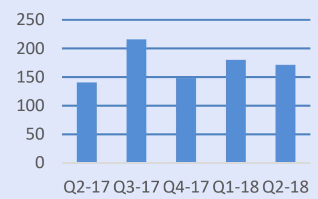
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Segment – Own wind power operations

MSEK	Q2 2018	Q2 2017	H1 2018	H1 2017
Income	35	34	75	67
Operating expenses	-11	-12	-25	-25
Operating profit before depreciation (EBITDA)	24[1]	22	50	42
Operating profit (EBIT)	6	3	14	3
Loss before tax	-10	-13	-25	-30

1) The AWHCO 9 AB Group, which owns all of Arise's wind farms, generated EBITDA of MSEK 24 compared with MSEK 24 in the Own wind power operations segment. Any differences mainly comprise the allocation of costs to segments.

Comments on the second quarter

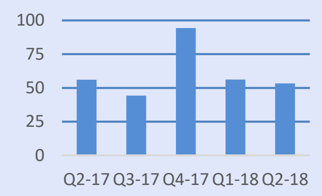
Due to weak winds for the period, production at the company's wholly-owned farms declined to 65 GWh (85), down 23%. At the same time, average income from electricity and certificates, incl. GoO, was SEK 340 per MWh (258) and SEK 193 per MWh (113), respectively. The average income for electricity was below the market price for electricity (SE4) during the period as a result of price hedging and a relatively high hedging level given the low production outcome. The average income for certificates was above the market price for certificates (SKM) during the period, driven by positive value changes.

Net sales declined MSEK 7 due to lower production, and increased MSEK 11 due to higher average prices year-on-year. Overall, net sales increased MSEK 3 and EBITDA MSEK 2 year-on-year. The specific operating expense increased to SEK 171 per MWh (141), incl. allocations of SEK 6 per MWh (7), due to lower production. Depreciation was MSEK 18 (19). EBIT increased to MSEK 6 (3). Net financial items improved slightly due to lower debt and loss before tax thus improved MSEK 4 to MSEK -10 (-13).

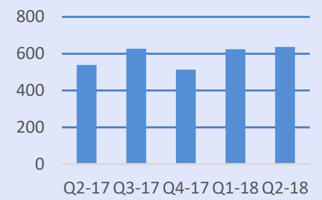
Comments on the first half of the year

Production in the wholly-owned farms fell to 141 GWh (178) due to abnormally weaker wind conditions. Average income from electricity and certificates, incl. GoO, amounted to SEK 349 per MWh (268) and SEK 179 per MWh (86), respectively. The average income for electricity was below the market price for electricity (SE4) during the period as a result of price hedging and a relatively high hedging level given the low production outcome. The average income for certificates was above the market price for certificates (SKM) during the period, driven by price hedging and positive value changes. Net sales decreased MSEK 13 due to lower production, and increased MSEK 24 due to a higher average price, year-on-year. Overall, net sales and EBITDA therefore increased MSEK 12 and MSEK 8, respectively, year-on-year. The specific operating expense increased to SEK 176 per MWh (139), incl. allocations of SEK 6 per MWh (7), due to lower production. After depreciation, EBIT increased to MSEK 14 (3). Loss before tax improved to MSEK -25 (-30) due to refinancing costs that impacted net financial items in the period.

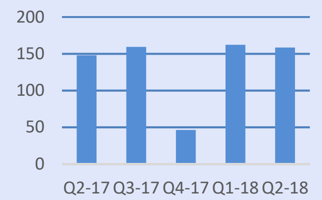
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Segment – Co-owned wind power operations

MSEK	Q2 2018	Q2 2017	H1 2018	H1 2017
Income	34	30	69	77
Operating expenses	-8	-8	-18	-17
Operating profit before depreciation (EBITDA)	25	22	51	59
Operating profit (EBIT)	8	5	16	26
Profit/loss before tax	-3	-6	-5	4

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. For the consolidated results, refer to Note 3.

In the second quarter, electricity production totalled 53 GWh (56) due to weaker winds compared with the year-earlier quarter. Average income was SEK 636 per MWh (538), of which SEK 439 per MWh (372) pertained to electricity and SEK 197 per MWh (166) to electricity certificates, incl. GoO.

Net sales decreased MSEK 1 due to lower production, while the higher average price led to an increase of MSEK 5 in net sales, compared with the year-earlier quarter. Overall, the segment's net sales and EBITDA increased MSEK 4, respectively. Specific operating expense amounted to SEK 159 per MWh (148). Depreciation increased to MSEK -18 (-17). EBIT increased to MSEK 8 (5). Net financial items was unchanged, and profit before tax thus increased to MSEK -3 (-6).

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

Comments on the first half of the year

In the first half of the year, electricity production totalled 109 GWh (148) due to weaker winds compared with the year-earlier period. Average income was SEK 630 per MWh (516), of which SEK 440 per MWh (369) pertained to electricity and SEK 190 per MWh (147) to electricity certificates, incl. GoO. Net sales decreased MSEK 20 due to lower production, while the higher average income led to an increase of MSEK 12 in net sales, compared with the year-earlier period. Overall, the segment's net sales and EBITDA fell MSEK 8, respectively. The specific operating expense increased to SEK 160 per MWh (118) due to lower production. Depreciation increased to MSEK -35 (-33), which meant that EBIT amounted to MSEK 16 (26). Net financial items improved somewhat and profit before tax declined by MSEK 9 to -5 (4).

Project portfolio

At the end of the period, the company had an extensive project portfolio of approx. 1,000 MW in Sweden, with a book value of about MSEK 90. Fully developed, the portfolio would equate to an investment of more than SEK 10 billion. Pre-planning of approx. 150 MW 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.

Other significant events

During the quarter, an option agreement was signed for the right to acquire Krange Vind AB, which owns the Ranasjöhöjden and Salsjöhöjden projects totalling approx. 180 MW. The company intends to develop the projects with the aim of presenting them to potential buyers at the end of 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 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

Low forward prices for electricity and electricity certificates are challenging for the profitability of the company's own and co-owned wind farms. Based on fundamental factors, we remain optimistic about the price trend of electricity, which is supported by the positive spot price trend. Electricity certificate prices for near term contracts have stabilised at a significantly higher price level than in 2017, but uncertainty remains regarding the outlook for the next few years related to the need for the introduction of a stopping mechanism in the system. We maintain an opportunistic approach and continually evaluate different courses of action for our production assets. The market is currently favourable for Development and management. We see good opportunities to create value with relatively little capital employed and to strengthen our market position within 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 electricity 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 in the income statement. From March 2018, the electricity-generating subsidiaries sell their electricity production directly to counterparties in the market at spot price.

The Parent Company's total income amounted to MSEK 65 (97) for the first half of the year, and purchases of electricity and certificates, personnel and other external expenses, capitalised work on own account and depreciation of non-current assets totalled MSEK 78 (116), resulting in EBIT of MSEK -13 (-19). A net financial expense of MSEK -5 (18) and Group contributions of MSEK 0 (0) led to a net loss after tax of MSEK -20 (-4). The Parent Company's net investments amounted to MSEK -7 (-12).

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 2017 Annual Report, with the addition of IFRS 9 and IFRS 15, which have been applied since 1 January 2018. The transition to IFRS 9 and IFRS 15 does not have any material, quantitative effect on the company's accounts other than additional disclosure requirements. The company has selected 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

• Third quarter (1 July-30 September)	9 November 2018
• Fourth quarter (1 October-31 December)	15 February 2019
• First quarter (1 January-31 March)	8 May 2019

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, 18 July 2018

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)		2018 Q 2	2017 Q 2	2018 6 months	2017 6 months	2017 Full year
Net sales	Note 1	48	111	103	155	257
Other operating income		0	3	0	4	5
Total income		**48**	**113**	**103**	**158**	**261**
Capitalised work on own account		1	0	2	1	3
Personnel costs		-9	-9	-19	-19	-36
Other external expenses	Note 2	-15	-53	-32	-69	-105
Profit/loss from associates	Note 3	-	-	-	-	7
Operating profit before depreciation (EBITDA)		**24**	**51**	**54**	**72**	**131**
Depr. and imp. of property, plant and equipment	Note 4,6	-18	-19	-36	-39	-230
Operating profit/loss (EBIT)		**6**	**31**	**18**	**33**	**-99**
Financial income	Note 5,7	0	1	1	2	5
Financial expenses	Note 5,7	-20	-24	-48	-46	-85
Profit/loss before tax		**-13**	**9**	**-29**	**-11**	**-178**
Tax on profit/loss for the period		-1	-1	2	0	-1
Net profit/loss for the period		**-14**	**8**	**-27**	**-11**	**-180**
Earnings per share before dilution, SEK		-0.41	0.24	-0.81	-0.34	-5.39
Earnings per share after dilution, SEK		-0.41	0.24	-0.81	-0.34	-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 Q 2	2017 Q 2	2018 6 months	2017 6 months	2017 Full Year
Net profit/loss for the period	**-14**	**8**	**-27**	**-11**	**-180**
Other comprehensive income					
Items that may be reclassified to the income statement					
Translation differences for period	0	0	0	1	1
Cash flow hedges	-44	8	-50	20	36
Net investment in foreign currency	6	5	22	4	13
Share of other comprehensive income in associates, net after tax	-	-	-5	-	-42
Income tax attributable to components of other comprehensive income	8	-3	7	-5	-10
Other comprehensive income for the period, net after tax	**-30**	**11**	**-26**	**19**	**-2**
Total comprehensive income for the period	**-44**	**19**	**-53**	**8**	**-182**

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

CONSOLIDATED BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2018 30 Jun	2017 30 Jun	2017 31 Dec
Property, plant and equipment	1,371	1,582	1,398
Non-current financial assets	506	511	479
Total non-current assets	**1,877**	**2,093**	**1,878**
Inventories	6	4	4
Other current assets	100	136	97
Cash and cash equivalents	53	146	146
Total current assets	159	**287**	**247**
TOTAL ASSETS	**2,036**	**2,380**	**2,124**
Equity	**791**	**1,033**	**843**
Non-current interest-bearing liabilities	1,011	1,128	1,079
Provisions	46	46	46
Total non-current liabilities	**1,056**	**1,173**	**1,124**
Current interest-bearing liabilities	34	50	50
Other current liabilities	155	123	107
Total current liabilities	**189**	**173**	**157**
TOTAL EQUITY AND LIABILITIES	**2,036**	**2,380**	**2,124**

CONSOLIDATED CASH FLOW STATEMENT

(Condensed, amounts rounded to the nearest MSEK)	2018 Q 2	2017 Q 2	2018 6 months	2017 6 months	2017 Full year
Cash flow from operating activities before changes in working capital	**23**	**52**	**50**	**74**	**119**
Cash flow from changes in working capital	-2	-85	-6	-61	-23
Cash flow from operating activities	**20**	**-34**	**44**	**13**	**96**
Investments in property, plant and equipment	-3	-41	-9	-54	-60
Sales of property, plant and equipment	-	38	-	38	38
Cash flow from investing activities	**-3**	**-3**	**-9**	**-16**	**-23**
Change in interest-bearing liabilities	0	-348	-75	-105	-154
Interest paid and other financing costs	-28	-19	-55	-37	-65
Interest received	0	-	-	1	1
Net payment to blocked accounts	-	-1	-	3	3
New issue / warrants	-	-	-	-	-
Cash flow from financing activities	**-28**	**-368**	**-130**	**-138**	**-216**
Cash flow for the period	**-11**	**-405**	**-94**	**-141**	**-143**
Cash and cash equivalents at the beginning of the period	63	551	146	287	287
Translation differences in cash and cash equivalents	0	0	1	0	2
Cash and cash equivalents at the end of the period	**53**	**146**	**53**	**146**	**146**
Interest-bearing liabilities at the end of the period	1,045	1,178	1,045	1,178	1,129
Blocked cash at the end of the period	-10	-10	-10	-10	-10
Net debt Note 9	**983**	**1,022**	**983**	**1,022**	**973**

GROUP EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2018 30 Jun	2017 30 Jun	2017 31 Dec
Opening balance	843	1,020	1,020
Profit/loss for the year	-27	-11	-180
Other comprehensive income for the period	-26	19	-2
New issue / warrants	-	1	1
Convertible loan	-	5	5
Other adjustments	-	-1	-1
Closing balance	**791**	**1,033**	**843**

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2018 Q 2	2017 Q 2	2018 6 months	2017 6 months	2017 Full year
Operational key performance indicators					
Installed capacity at the end of the period, MW	240.7	240.7	240.7	240.7	240.7
Own electricity production during the period, GWh	65.0	84.8	141.2	177.6	348.4
Co-owned electricity production during the period, GWh	53.3	56.0	109.4	148.4	286.9
Total electricity production during the period, GWh	118.2	140.8	250.6	326.0	635.3
Number of employees at the end of the period	25	26	25	26	26
Financial key performance indicators					
Earnings per share before dilution, SEK *	-0.41	0.24	-0.81	-0.34	-5.39
Earnings per share after dilution, SEK*	-0.41	0.24	-0.81	-0.34	-5.39
EBITDA margin, %	51.0%	45.0%	52.8%	45.6%	50.1%
Operating margin, %	13.3%	27.8%	17.7%	20.9%	neg
Return on capital employed (EBIT), %	neg	3.0%	neg	3.0%	neg
Return on adjusted capital employed (EBITDA), %	5.9%	7.1%	5.9%	7.1%	6.8%
Return on equity, %	neg	neg	neg	neg	neg
Capital employed, MSEK	1,773	2,055	1,773	2,055	1,817
Average capital employed, MSEK	1,914	2,152	1,914	2,152	1,915
Equity, MSEK	791	1,033	791	1,033	843
Average equity, MSEK	912	1,035	912	1,035	932
Net debt	983	1,022	983	1,022	973
Equity/assets ratio, %	38.8%	43.4%	38.8%	43.4%	39.7%
Interest coverage ratio, times	0.3	1.4	0.4	0.8	neg
Debt/equity ratio, times	1.2	1.0	1.2	1.0	1.2
Equity per share, SEK	24	31	24	31	25
Equity per share after dilution, SEK	24	31	24	31	25
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	33,933,876	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**	**2018**	**2017**	**2017**
(Amounts rounded to the nearest MSEK)	**Q 2**	**Q 2**	**6 months**	**6 months**	**Full year**
Electricity income	22	22	49	48	95
Certificate income	13	10	25	15	38
Development and management income	13	79	28	92	124
	48	**111**	**103**	**155**	**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 guarantees of origin, 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**	**2018**	**2017**	**2017**
(Amounts rounded to the nearest MSEK)	**Q 2**	**Q 2**	**6 months**	**6 months**	**Full year**
Cost of sold projects and construction work	1	38	2	40	42
Other items	14	15	30	29	63
	15	**53**	**32**	**69**	**105**

Note 3 – Share of profits from associates	**2018**	**2017**	**2018**	**2017**	**2017**
(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%)	-8	-12	-15	-10	-10
Adjustment to consolidated value	8	12	15	10	-1
Financial income from associates (gross before tax)	7	7	14	14	27
Less uncapitalised share	-7	-7	-14	-14	-10
	-	**-**	**-**	**-**	**7**

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)	Q2-18	Q2-17	Q2-18	Q2-17	Q2-18	Q2-17	Q2-18	Q2-17	Q2-18	Q2-17	Q2-18	Q2-17
Net sales, external	13	79	35	31	34	30	-	-	-34	-30	48	111
Net sales, internal	1	2	-	-	-	-	-	-	-1	-2	-	-
Other operating income	0	0	0	3	-	-	0	-	-	-	0	3
Total income	**14**	**81**	**35**	**34**	**34**	**30**	**0**	**-**	**-35**	**-32**	**48**	**113**
Capitalised work on own account	1	0	-	-	-	-	-	-	-	-	1	0
Operating expenses	-9	-46	-11	-12	-8	-8	-5	-6	10	10	-25	-62
Share of profits from associates	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit/loss before depr./imp. (EBITDA)	**6**	**35**	**24**	**22**	**25**	**22**	**-5**	**-6**	**-25**	**-22**	**24**	**51**
Depreciation/ impairment Note 4	0	0	-18	-19	-18	-17	-	0	18	17	-18	-19
Operating profit/loss (EBIT)	**6**	**35**	**6**	**3**	**8**	**5**	**-5**	**-6**	**-7**	**-5**	**6**	**31**
Net financial items Note 5	-4	-7	-15	-16	-11	-11	0	0	11	11	-19	-23
Profit/loss before tax (EBT)	**2**	**28**	**-10**	**-13**	**-3**	**-6**	**-5**	**-6**	**3**	**6**	**-13**	**9**
Property, plant and equipment	**89**	**87**	**1,282**	**1,495**	**1 365**	**1,361**	**0**	**0**	**-1 365**	**-1,361**	**1,371**	**1,582**

BlackRock accounted for more than 10% of development and management income for the quarter, and in the corresponding quarter in 2017 BlackRock 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	-19	-18	-17	-	0	18	17	-18	-19
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and impairment	**0**	**0**	**-18**	**-19**	**-18**	**-17**	**-**	**0**	**18**	**17**	**-18**	**-19**

Note 5 – Net financial income/expense

Total net financial income	-4	-7	-15	-16	-18	-18	0	0	18	18	-19	-23
Less interest expenses on shareholder loans	-	-	-	-	7	7	-	-	-7	-7	-	-
Net financial income/exp. excl. shareholder loans	**-4**	**-7**	**-15**	**-16**	**-11**	**-11**	**0**	**0**	**11**	**11**	**-19**	**-23**

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)	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Net sales, external	28	92	75	63	69	77	-	-	-69	-77	103	155
Net sales, internal	2	3	-	-	-	-	-	-	-2	-3	-	-
Other operating income	0	0	0	4	-	-	0	-	-	-	0	4
Total income	**31**	**95**	**75**	**67**	**69**	**77**	**0**	**-**	**-71**	**-80**	**103**	**158**
Capitalised work on own account	2	1	-	-	-	-	-	-	-	-	2	1
Operating expenses	-18	-56	-25	-25	-18	-17	-11	-10	20	21	-51	-88
Share of profits from associates	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit/loss before depr./imp. (EBITDA)	**15**	**40**	**50**	**42**	**51**	**59**	**-11**	**-10**	**-51**	**-59**	**54**	**72**
Depreciation/ impairment Note 6	0	0	-36	-39	-35	-33	0	0	35	33	-36	-39
Operating profit/loss (EBIT)	**15**	**40**	**14**	**3**	**16**	**26**	**-11**	**-10**	**-16**	**-26**	**18**	**33**
Net financial items Note 7	-9	-12	-39	-33	-21	-22	0	1	21	22	-47	-44
Profit/loss before tax (EBT)	**6**	**28**	**-25**	**-30**	**-5**	**4**	**-10**	**-9**	**5**	**-4**	**-29**	**-11**
Property, plant and equipment	**89**	**87**	**1,282**	**1,495**	**1,365**	**1,361**	**0**	**0**	**-1 365**	**-1,361**	**1,371**	**1,582**

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

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

Depreciation/amortisation	0	0	-36	-39	-35	-33	0	0	35	33	-36	-39
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and impairment	**0**	**0**	**-36**	**-39**	**-35**	**-33**	**0**	**0**	**35**	**33**	**-36**	**-39**

Note 7 – Net financial income/expense

Total net financial income	-9	-12	-39	-33	-35	-35	0	1	35	35	-47	-44
Less interest expenses on shareholder loans	-	-	-	-	14	14	-	-	-14	-14	-	-
Net financial income/exp. excl. shareholder loans	**-9**	**-12**	**-39**	**-33**	**-21**	**-22**	**0**	**1**	**21**	**22**	**-47**	**-44**

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 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 30 Jun**	**2017 30 Jun**	**2017 31 Dec**
Assets			
Derivatives held for hedging purposes			
- Derivative assets	-	0	2
Liabilities			
Derivatives held for hedging purposes			
- Derivative liabilities	-108	-61	-54

Note 9 – **Net debt**

(Amounts rounded to the nearest MSEK)	**2018 30 Jun**	**2017 30 Jun**	**2017 31 Dec**
Non-current liabilities	1,056	1,173	1,124
- of which interest-bearing non-current liabilities	1,011	1,128	1,079
Current liabilities	189	173	157
- of which interest-bearing current liabilities	34	50	50
Long and short term interest bearing debt	1,045	1,178	1,129
Cash and cash equivalents at the end of the period	-53	-146	-146
Blocked cash at the end of the period	-10	-10	-10
Net debt	**983**	**1,022**	**973**

PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2018 Q 2	2017 Q 2	2018 6 months	2017 6 months	2017 Full year
Sales of electricity and electricity certificates	13	34	52	82	154
Development and management income	6	6	13	15	28
Other operating income	0	0	0	0	0
Total income	**19**	**40**	**65**	**97**	**182**
Capitalised work on own account	0	-1	1	0	1
Purchases of electricity and electricity certificates	-13	-34	-51	-86	-160
Cost of sold projects and construction work	-1	-2	-2	-4	-7
Personnel costs	-8	-8	-16	-17	-32
Other external expenses	-5	-5	-9	-9	-18
Operating profit/loss before depreciation (EBITDA)	**-7**	**-10**	**-13**	**-19**	**-33**
Depr. and impairment of property, plant and equipment	0	0	0	0	-14
Operating profit/loss (EBIT)	**-7**	**-10**	**-13**	**-19**	**-47**
Financial income[1]	38	56	291	57	162
Financial expenses[2]	-43	-19	-296	-39	-271
Profit/loss after financial items	**-12**	**27**	**-18**	**-1**	**-155**
Group contribution	-	-	-	-	-
Profit/loss before tax	**-12**	**27**	**-18**	**-1**	**-155**
Tax on profit/loss for the period	-1	-2	-2	-2	-4
Net profit/loss for the period	**-14**	**25**	**-20**	**-4**	**-160**

1) Includes dividends of MSEK 254 (0) from subsidiaries in 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 2018 of MSEK 254 (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

(Condensed, amounts rounded to the nearest MSEK)	2018 30 Jun	2017 30 Jun	2017 31 Dec
Property, plant and equipment	53	56	46
Non-current financial assets	1,710	2,213	1,940
Total non-current assets	**1,764**	**2,269**	**1,986**
Inventories	4	4	2
Other current assets	117	156	133
Cash and cash equivalents	39	74	81
Total current assets	**159**	**234**	**216**
TOTAL ASSETS	**1,923**	**2,503**	**2,201**
Restricted equity	8	8	8
Non-restricted equity	795	971	814
Total equity	**802**	**978**	**822**
Non-current interest-bearing liabilities	1,011	1,128	1,079
Total non-current liabilities	**1,011**	**1,128**	**1,079**
Current interest-bearing liabilities	34	50	50
Other current liabilities	75	346	250
Total current liabilities	**110**	**396**	**300**
TOTAL EQUITY AND LIABILITIES	**1,923**	**2,503**	**2,201**

PARENT COMPANY EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2018 30 Jun	2017 30 Jun	2017 31 Dec
Opening balance	822	976	976
Other comprehensive income for the period	-20	-4	-160
New issue / warrants	-	1	1
Convertible loan	-	5	5
Closing balance	**802**	**978**	**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.

ROUNDING

Figures in this interim report have been rounded while calculations have been made without rounding. Hence, it can appear like certain tables and figures do not add up correctly.