



Year-end report 1 January – 31 December 2018

Fourth quarter (1 October – 31 December 2018)

- Net sales for the quarter amounted to MSEK 90 (60).
- Operating profit before depreciation and amortisation (EBITDA) was MSEK 46 (40), of which associates had an impact of MSEK 0 (7) on the Group. Operating cash flow was MSEK 30 (31).
- Operating profit (EBIT) was MSEK 28 (22).
- Profit before tax amounted to MSEK 5 (6).
- Profit after tax totalled MSEK 2 (5), corresponding to SEK 0.07 (0.14) per share.
- Production decreased to 168 GWh (202), of which Own wind power operations accounted for 85 GWh (108) and Co-owned wind power operations for 83 GWh (94). The decrease was due to weaker winds than normal.
- Average income from Own wind power operations was SEK 437 per MWh (403), of which SEK 317 per MWh (280) pertained to electricity and SEK 120 per MWh (122) to electricity certificates.

Full-year (1 January – 31 December 2018)

- Net sales for the period amounted to MSEK 343 (257).
- Operating profit before depreciation and amortisation (EBITDA) was MSEK 191 (131), of which associates had an impact of MSEK 0 (7) on the Group. Operating cash flow was MSEK 114 (96).
- Operating profit (EBIT) was MSEK 118 (-99).
- Profit before tax amounted to MSEK 28 (-178).
- Profit after tax totalled MSEK 21 (-180), corresponding to SEK 0.64 (-5.39) per share.
- Production declined to 547 GWh (635), of which Own wind power operations accounted for 295 GWh (348) and Co-owned wind power operations for 252 GWh (287). The decrease was due to weaker winds than normal.
- Average income from Own wind power operations was SEK 512 per MWh (380), of which SEK 344 per MWh (272) pertained to electricity and SEK 169 per MWh (109) 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.

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Halmstad, 15 February 2019

*Daniel Johansson
CEO*

CEO's statement

Arise reports a profit for full-year 2018

When we conclude 2018, we can say that we delivered on our promises. Growth in wind power management has been strong and profitability has increased significantly in our development business. Our goal for the year was to divest at least one project and we succeeded in selling two. Additionally, we have increased profit per megawatt sold compared to previous average levels.

We have also acquired new project rights at a faster rate than we have divested them, and gradually our portfolio is maturing. Especially positive is that we now have four permitted projects totalling approximately 500 MW in capacity, so we have reason to be optimistic about the next few years. During 2019, our plan is to divest our Skaftåsen project (150 – 200 MW), which is in the final phase of development. The selling process is expected to begin during the first quarter, and to be finalized some time during the autumn this year.

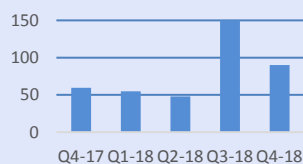
Our own production is still operating at a bottom-line loss, though it is generating a positive cash flow. Like the year as a whole, the fourth quarter unfortunately offered weaker winds than normal. This meant that our profit before tax for 2018 amounted to MSEK 28, which is somewhat lower than we had hoped for. This was partially compensated by the ongoing Svarnäs project (115 MW), which performed better than expected as all of the turbines were operational and producing by the end of December.

We are now on solid financial ground, and as we said at our Capital Markets Day in the autumn, we see increased underlying profits ahead during the coming years. Cash flows are also expected to be quite strong as a result of completed sales, which means that our net debt will rapidly decrease.

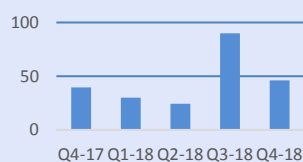
There is currently strong demand for wind power projects that are ready for construction in Sweden and Norway. The demand is not entirely correlated with economic conditions; rather, it's about more capital being allocated in funds that invest in infrastructure and renewable energy. This is natural, considering both the threat from climate change and the consistently low interest rate environment.

We look forward to 2019 with confidence!

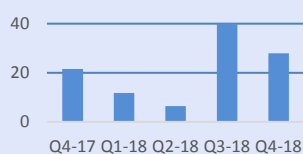
Net sales, MSEK



Operating profit before depreciation (EBITDA), MSEK



Operating profit/loss (EBIT), MSEK



Net sales and results

MSEK	Q4 2018	Q4 2017	FY 2018	FY 2017
Net sales	90	60	343	257
Operating profit before depreciation (EBITDA)	46	40	191	131
Operating profit/loss (EBIT)	28	22	118	-99
Profit/loss before tax	5	6	28	-178

Comments on the fourth quarter

Quarterly earnings were characterised by strong income from project sales, while winds and therefore production were weaker than normal. Electricity prices were relatively favourable for the period, but a combination of low production and hedges contributed to a relatively low average price. Certificates continued to be traded at reasonable levels. Total production – incl. the company's share in the Jädraås project – declined to 168 GWh (202). The average price for the company's own production increased SEK 34 to SEK 437 per MWh (403), due to higher market prices year-on-year. As a result, net sales rose MSEK 30.

Operating expenses was MSEK 45 (29), of which MSEK 13 (1) was related to sales and contracts. The remaining MSEK 32 (27) consisted of personnel and other external costs. The increase was primarily due to the company's bonus program. Own capitalised work was MSEK 1 (1). Consolidated profit from associates was MSEK 0 (7), see Note 3.

EBITDA increased MSEK 6 to MSEK 46 (40) and EBIT to MSEK 28 (22). Net financial items declined due to the effect of ineffective swaps and positive impact from exchange-rate movements and repurchase of bonds at a discount during the previous year, which then affected net financial items positively. Profit before and after tax totalled MSEK 5 (6) and MSEK 2 (5), respectively.

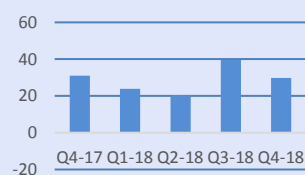
Comments on the full-year

Development and management income increased during the period due to higher income from project sales. At the same time, weaker winds than normal resulted in total production of 547 GWh (635), of which 295 GWh (348) pertained to Own wind power operations. The average price for the company's own production increased SEK 132 to SEK 512 per MWh (380), which more than compensated for the lower production. In total, net sales increased MSEK 86 to MSEK 343 (257).

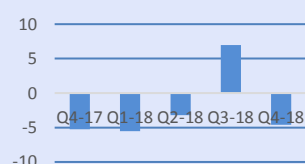
Operating expenses increased to MSEK 155 (140), of which MSEK 50 (42) was attributable to sales and contracts. The remaining MSEK 105 (98) comprised personnel and other external expenses. Own capitalised work was MSEK 3 (3). Consolidated profit from associates was MSEK 0 (7).

EBITDA rose MSEK 60 to MSEK 191 (131), and EBIT increased to MSEK 118 (-99). The preceding year's EBIT was affected by impairment of MSEK -152. Net financial items declined due to the effect of non-recurring costs connected to the refinancing and repurchasing of bonds at a discount during the preceding year, after which profit before and after tax amounted to MSEK 28 (-178) and MSEK 21 (-180), respectively.

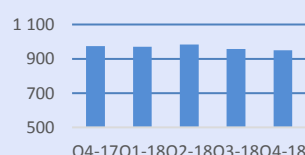
Operating cash flow, MSEK



Investments (-) /disposals (+), MSEK



Net debt, MSEK



Cash flow and investments

Comments on the fourth quarter

Cash flow from operating activities before changes in working capital was MSEK 45 (33). Changes in working capital were MSEK -15 (-2). Accordingly, the total operating cash flow was MSEK 30 (31). Net cash flow from investing activities was MSEK -5 (-5), bringing cash flow after investments to MSEK 25 (26). During the quarter, bonds were repurchased for MSEK 0 (50). Blocked accounts remained unchanged. Interest of MSEK -16 (-16) was paid and no interest (0) was received, after which cash flow for the quarter amounted to MSEK 9 (-40).

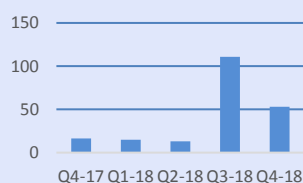
Comments on the full-year

Cash flow from operating activities before changes in working capital was MSEK 183 (119). Changes in working capital were MSEK -70 (-23), mainly driven by working capital accumulation in ongoing external projects. Accordingly, the total operating cash flow was MSEK 114 (96). Projects were both acquired and divested during the period, bringing net cash flow from investing activities to MSEK -6 (-23). Cash flow after investments was therefore MSEK 107 (73). During the period, the company's secured bond was refinanced through a new secured bond, bank loans and cash and cash equivalents. Repayments of MSEK 29 were made after the refinancing took place. The net of current and non-current interest-bearing liabilities thus reduced cash flow by MSEK -104 (-154). Interest and other financing costs of MSEK -88 (-65) 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 -85 (-143).

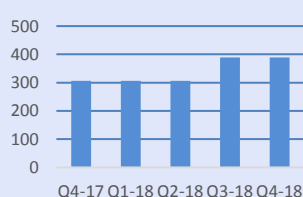
Financing and liquidity

Net debt amounted to MSEK 949 (973), of which convertibles comprised MSEK 236 (233). Cash and cash equivalents amounted to MSEK 61 (146). The company has a significant tied-up working capital and remaining revenue recognition in ongoing construction projects. In total, the projects are thus expected to make a net contribution of approximately MSEK 170 to cash flow as these are completed. The equity/assets ratio at the end of the period was 40% (40). 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 53%.

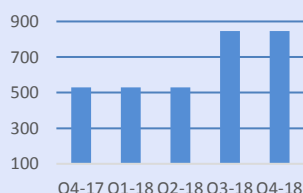
Development and management income, MSEK



Divested projects, accumulated, MW



External management assignments, accumulated, MW



Segment – Dev. & management

MSEK	Q4 2018	Q4 2017	FY 2018	FY 2017
Income	55	18	197	130
Cost of sold projects and contracts	-13	-1	-50	-42
Other operating expenses and capitalised work	-7	-7	-28	-28
Operating profit before depreciation (EBITDA)	34	9	119	60
Operating profit/loss (EBIT)	34	9	118	46
Profit before tax	29	5	101	25

Comments on the fourth quarter

Construction of the Svartnäs project proceeded according to plan and the last turbine was assembled right before the new year. The wind farm is expected to be fully completed during the first quarter of 2019 and Arise's profit from the project is expected to be over budget. Construction of the Bröcklingeberget and Enviksberget projects also proceeded according to plan. Work is ongoing to make more projects ready for sale, and the ambition is to begin the selling process for the Skaftåsen project, 150-200 MW, in Q1 2019. The sale is expected to be completed in autumn 2019. Among other projects under development, Ranasjöhöjden and Salsjöhöjden, totalling 200 MW, are expected to be ready for sale sometime in 2020. The company continued to investigate opportunities for expanding its project portfolio.

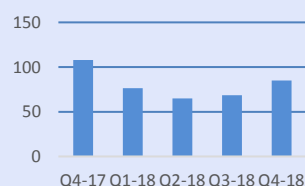
Development and management income increased to MSEK 55 (18) due to higher income from project sales. Cost of sales and contracts increased to MSEK -13 (-1). Other operating expenses and capitalised work were unchanged, MSEK -7 (-7). EBITDA therefore increased MSEK 25 to MSEK 34 (9). Depreciation amounted to MSEK 0 (0) and net financial items amounted to MSEK -4 (-4). EBIT and profit before tax therefore increased to MSEK 34 (9) and MSEK 29 (5), respectively.

Comments on the full-year

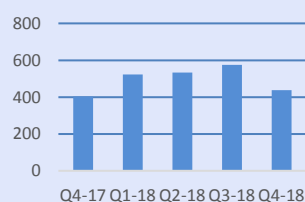
During the year, the rights to the Ranasjöhöjden and Salsjöhöjden projects were secured through an option agreement. An asset management agreement was signed with GIG for the Överturingen wind farm of approximately 235 MW. The Bröcklingeberget (45 MW) and Enviksberget (37 MW) projects were divested during the quarter to funds managed by re:cap global investors and BlackRock. At the same time asset management agreements were signed for the projects and Arise thereby exceeded 1,100 MW under management.

Income increased MSEK 67 to MSEK 197 (130), while the cost of sales and contracts increased to MSEK -50 (-42). Other operating expenses and capitalised work were unchanged, MSEK -28 (-28). EBITDA thus increased MSEK 59 to MSEK 119 (60). Depreciation and impairment amounted to MSEK 0 (-14) and EBIT thus increased to MSEK 118 (46). Net financial items improved to MSEK -17 (-21). Profit before tax thus increased MSEK 76 to MSEK 101 (25).

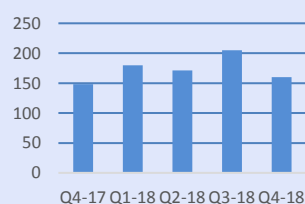
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Segment – Own wind power operations

MSEK	Q4 2018	Q4 2017	FY 2018	FY 2017
Income	37	44	151	137
Operating expenses	-14	-16	-52	-54
Operating profit before depreciation (EBITDA)	24	28	99	83
Operating profit/loss (EBIT)	6	10	27	-133
Loss before tax	-14	-2	-47	-194

Comments on the fourth quarter

Weak wind conditions led to production in the company's wholly-owned farms falling to 85 GWh (108).

Average income from electricity and certificates was SEK 317 per MWh (280) and SEK 120 per MWh (122), respectively, which is 41% under the market price for electricity (SE4) and 33% under the market price for certificates during the period. This was due to hedging in a rising market and relatively high level of hedging due to the low production outcome.

Net sales were negatively impacted by MSEK 9 due to lower production, and positively by MSEK 3 due to higher average prices, compared with the fourth quarter of 2017. In total, net sales decreased MSEK 6 and EBITDA fell MSEK 4 year-on-year. The specific operating expense increased to SEK 160 per MWh (148) due to lower production. EBIT was MSEK 6 (10). Net financial items declined due to the effect of ineffective swaps and positive impact from exchange-rate movements and repurchase of bonds at a discount during the previous year, which then affected net financial items positively. Accordingly, loss before tax declined by MSEK 11 to MSEK -14 (-2).

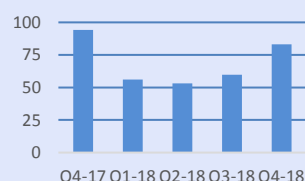
Comments on the full-year

Production at the company's wholly-owned farms was 295 GWh (348). The decrease was due to weaker winds than normal during the period.

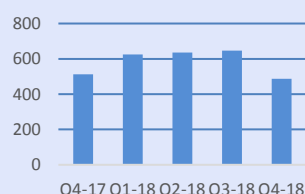
Average income from electricity and certificates increased to SEK 344 per MWh (272) and SEK 169 per MWh (109), respectively, which is 28% under the market price for electricity (SE4) and 9% above the market price for certificates (SKM) during the period.

Net sales decreased MSEK 20 due to lower production, and increased MSEK 39 due to the higher average price, year-on-year. Overall, net sales and EBITDA thus increased MSEK 18 and MSEK 16, respectively, year-on-year. Other income amounted to MSEK 0 (4). The specific operating expense increased to SEK 178 per MWh (156), attributable to lower production. EBIT increased to MSEK 27 (-133) since the year-earlier period was charged with impairment of MSEK -139. Net financial items declined due to non-recurring costs connected to the refinancing and repurchasing of bonds at a discount during the preceding year. Overall, loss before tax thus improved to MSEK -47 (-194).

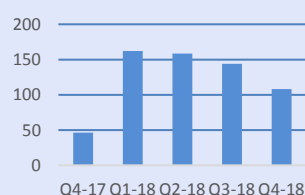
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Segment – Co-owned wind power operations

MSEK	Q4 2018	Q4 2017	FY 2018	FY 2017
Income	41	48	148	153
Operating expenses	-9	-4	-35	-29
Operating profit before depreciation (EBITDA)	32	44	113	124
Operating profit (EBIT)	14	27	42	57
Profit/loss before tax	2	17	-2	15

Comments on the fourth 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 fourth quarter, electricity production totalled 83 GWh (94) due to weaker winds compared with the year-earlier quarter. Average income decreased to SEK 487 per MWh (513), of which SEK 373 per MWh (377) pertained to electricity and SEK 114 per MWh (136) to electricity certificates.

Net sales decreased MSEK 6 due to lower production, while the lower average price led to a decrease of MSEK 2 in net sales, compared with the year-earlier quarter. Overall, the segment's net sales and EBITDA decreased MSEK 8 and MSEK 12, respectively. The specific operating expense increased to SEK 108 per MWh (46) as a result of previously reserved service remuneration being dissolved last year upon entering into new agreements. EBIT decreased to MSEK 14 (27). Net financial items declined slightly and thus profit before tax declined by MSEK 15 to MSEK 2 (17).

The company intends to continue using the cash flow generated by the Jädraås project to repay the project's external loans. Strategic opportunities are currently being evaluated for the project, incl. a potential sale.

Comments on the full-year

Electricity production for the year totalled 252 GWh (287). Average income was SEK 587 per MWh (532), of which SEK 413 per MWh (376) pertained to electricity and SEK 174 per MWh (156) to electricity certificates.

Net sales decreased MSEK 18 due to lower production, but rose MSEK 14 due to the higher average price, compared with the year-earlier period. Net sales declined by MSEK 5, while EBITDA decreased MSEK 11 due to the specific operating expense increasing to SEK 139 per MWh (101). This was mainly the result of previously reserved service remuneration being dissolved last year upon entering into new service agreements. EBIT decreased to MSEK 42 (57). Net financial items declined slightly due to currency effects and thus loss before tax declined by MSEK 17 to MSEK -2 (15).

Project portfolio

At the end of the period, the company had a project portfolio of approx. 1,000 MW, of which approx. 900 MW in Sweden and 70 MW in active phase in Scotland. The carrying amount amounts to just over MSEK 80. Fully developed, the portfolio would equate to an investment of more than SEK 10 billion. 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

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 material 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

The market for development and management is favourable. We see opportunities to create value with relatively little capital tied-up and strengthen our market position. The prevailing forward prices for electricity and electricity certificates are challenging for the profitability of the company's own and co-owned wind farms. However, a better financial balance means we have greater resilience to lower prices. We remain optimistic regarding the forward price for electricity, which is also supported by current spot prices. Shorter dated certificate prices are traded at favourable levels. However, the new stopping mechanism proposal for the certificate system means that prices further along the curve are at record lows. There is uncertainty at the moment regarding the final structure of the stopping mechanism. We are maintaining an opportunistic approach to the company's production assets. We can note that these are located in a favourable price area and that there is potential for value enhancement via, for example, lengthening useful life. The company's underlying profitability is expected to increase from 2018 levels, and net debt is expected decrease significantly in the coming years.

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 (identify wind locations, signing leasehold agreements, producing impact assessments, preparing detailed development plans and permits), divesting projects, 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.

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 income statement. From March 2018, the electricity-generating subsidiaries sell their electricity production directly to counterparties in the market at spot price.

During the year, the Parent Company's total income amounted to MSEK 116 (182), and the purchase of electricity and certificates, personnel and other external expenses, capitalised work on own account and depreciation of non-current assets totalled MSEK -146 (-229), resulting in EBIT of MSEK -30 (-47). Net financial items of MSEK -16 (-108) (including dividends from subsidiaries, impairment of shares in subsidiaries and associates, and sale of shares in subsidiaries of net MSEK 42 (-69)) led to a net loss after tax of MSEK -54 (-160). The Parent Company's net investments amounted to MSEK -12 (-14).

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 applies a forward-looking transition period that entails that comparative figures are not restated. IFRS 16 Leases is a new standard for the recognition of leases that comes into effect from 2019 and supersedes IAS 17 Leases. This requires that the lessee recognises assets and liabilities attributable to leases. Arise applies the modified retrospective approach, which means that the 2018 financial year is not restated. The primary effect on Arise's accounting arises from the recognition of leasehold agreements. The effect on the opening balance in the Group per 1 January 2019 is a lease asset (right of use) and lease liabilities each amounting to approximately MSEK 55.

Review by the auditor

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

Dividends

The Board of Directors proposes that no dividends be paid.

Annual General Meeting

The AGM will be held in Halmstad, Sweden, on 8 May 2019. The Annual Report will be available on the company's website in early April.

Financial calendar

- | | |
|--|------------------|
| • First quarter (1 January-31 March) | 8 May 2019 |
| • Second quarter (1 April-30 June) | 17 July 2019 |
| • Third quarter (1 July-30 September) | 8 November 2019 |
| • Fourth quarter (1 October-31 December) | 14 February 2020 |

Halmstad, 15 February 2019

Daniel Johansson, Chief Executive Officer

For further information, please contact

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CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2018	2017	2018	2017
		Q 4	Q 4	Full year	Full year
Net sales	Note 1	90	60	343	257
Other operating income		0	1	0	5
Total income		90	60	343	261
Capitalised work on own account		1	1	3	3
Personnel costs		-15	-9	-42	-36
Other external expenses	Note 2	-30	-20	-113	-105
Profit/loss from associates	Note 3	-	7	0	7
Operating profit before depreciation (EBITDA)		46	40	191	131
Depr. and imp. of property, plant and equipment	Note 4,6	-18	-18	-73	-230
Operating profit/loss (EBIT)		28	22	118	-99
Financial income	Note 5,7	-2	2	1	5
Financial expenses	Note 5,7	-22	-18	-91	-85
Profit/loss before tax		5	6	28	-178
Tax on profit/loss for the year		-2	-1	-7	-1
Net profit/loss for the year		2	5	21	-180
Earnings per share before dilution, SEK		0.07	0.14	0.64	-5.39
Earnings per share after dilution, SEK		0.07	0.14	0.64	-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	2018	2017
		Q 4	Q 4	Full year	Full year
Net profit/loss for the period		2	5	21	-180
<i>Other comprehensive income</i>					
Items that may be reclassified to the income statement					
Translation differences for period		0	0	0	1
Cash flow hedges		-16	9	-52	36
Net investment in foreign currency		-2	8	17	13
Share of other comprehensive income in associates, net after tax		-	-2	-12	-42
Income tax attributable to components of other comprehensive income		4	-3	6	-10
Other comprehensive income for the year, net after tax		-15	13	-41	-2
Total comprehensive income for the year		-13	17	-20	-182

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

CONSOLIDATED BALANCE SHEET

	2018 31 Dec	2017 31 Dec
(Condensed, amounts rounded to the nearest MSEK)		
Property, plant and equipment	1,330	1,398
Non-current financial assets	482	479
Total non-current assets	1,812	1,878
Inventories	8	4
Other current assets	187	97
Cash and cash equivalents	61	146
Total current assets	256	247
TOTAL ASSETS	2,069	2,124
Equity	824	843
Non-current interest-bearing liabilities	922	1,079
Provisions	46	46
Total non-current liabilities	968	1,124
Current interest-bearing liabilities	97	50
Other current liabilities	180	107
Total current liabilities	277	157
TOTAL EQUITY AND LIABILITIES	2,069	2,124

CONSOLIDATED CASH FLOW STATEMENT

	2018 Q 4	2017 Q 4	2018 Full year	2017 Full year
(Condensed, amounts rounded to the nearest MSEK)				
Cash flow from operating activities before changes in working capital	45	33	183	119
Cash flow from changes in working capital	-15	-2	-70	-23
Cash flow from operating activities	30	31	114	96
Investments in property, plant and equipment	-5	-5	-33	-60
Sales of property, plant and equipment	-	-	27	38
Cash flow from investing activities	-5	-5	-6	-23
Change in interest-bearing liabilities	-	-50	-104	-154
Interest paid and other financing costs	-16	-16	-88	-65
Interest received	-	0	-	1
Net payment to blocked accounts	-	-	-	3
Cash flow from financing activities	-16	-66	-192	-216
Cash flow for the period	9	-40	-85	-143
Cash and cash equivalents at the beginning of the period	52	186	146	287
Translation differences in cash and cash equivalents	0	1	0	2
Cash and cash equivalents at the end of the period	61	146	61	146
Interest-bearing liabilities at the end of the period	1,020	1,129	1,020	1,129
Blocked cash at the end of the period	-9	-10	-9	-10
Net debt	949	973	949	973
Note 9				

GROUP EQUITY

	2018 31 Dec	2017 31 Dec
(Condensed, amounts rounded to the nearest MSEK)		
Opening balance	843	1,020
Profit/loss for the year	21	-180
Other comprehensive income for the period	-41	-2
New issue / warrants	-	1
Convertible loan	0	5
Other adjustments	-	-1
Closing balance	824	843

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2018 Q 4	2017 Q 4	2018 Full year	2017 Full year
<u>Operational key performance indicators</u>				
Installed capacity at the end of the period, MW	240.7	240.7	240.7	240.7
Own electricity production during the period, GWh	85.0	107.8	294.7	348.4
Co-owned electricity production during the period, GWh	83.2	94.2	252.3	286.9
Total electricity production during the period, GWh	168.3	202.0	547.0	635.3
	26	26	26	26
<u>Financial key performance indicators</u>				
Earnings per share before dilution, SEK *	0.07	0.14	0.64	-5.39
Earnings per share after dilution, SEK*	0.07	0.14	0.64	-5.39
EBITDA margin, %	51.1%	65.6%	55.5%	50.1%
Operating margin, %	31.0%	35.6%	34.4%	neg
Return on capital employed (EBIT), %	6.6%	neg	6.6%	neg
Return on adjusted capital employed (EBITDA), %	10.6%	6.8%	10.6%	6.8%
Return on equity, %	2.6%	neg	2.6%	neg
Capital employed, MSEK	1,773	1,817	1,773	1,817
Average capital employed, MSEK	1,795	1,915	1,795	1,915
Equity, MSEK	824	843	824	843
Average equity, MSEK	834	932	834	932
Net debt	949	973	949	973
Equity/assets ratio, %	39.8%	39.7%	39.8%	39.7%
Interest coverage ratio, times	1.2	1.3	1.3	neg
Debt/equity ratio, times	1.2	1.2	1.2	1.2
Equity per share, SEK	25	25	25	25
Equity per share after dilution, SEK	25	25	25	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
Average number of shares	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

* 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
(Amounts rounded to the nearest MSEK)	Q 4	Q 4	Full year	Full year
Electricity income	27	30	101	95
Certificate income	10	13	50	38
Development and management income	53	16	192	124
	90	60	343	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 to 50%.

Note 2 - Other external expenses	2018	2017	2018	2017
(Amounts rounded to the nearest MSEK)	Q 4	Q 4	Full year	Full year
Cost of sold projects and construction work	13	1	50	42
Other items	17	19	63	63
	30	20	113	105

Note 3 – Share of profits from associates	2018	2017	2018	2017
(Amounts rounded to the nearest MSEK)	Q 4	Q 4	Full year	Full year
Share of profits in associates (net after tax, 22%)	-3	7	-23	-10
Adjustment to consolidated value	3	-	19	-1
Financial income from associates (gross before tax)	7	7	28	27
Less uncapitalised share	-7	-7	-25	-10
	-	7	0	7

Financial income from associates is attributable to granted shareholder loans.

GROUP SEGMENT REPORTING

Quarter 4	Develop. and management		Own wind power operations		Co-owned wind power operations		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	Q4-18	Q4-17	Q4-18	Q4-17	Q4-18	Q4-17	Q4-18	Q4-17	Q4-18	Q4-17	Q4-18	Q4-17
Net sales, external	53	16	37	43	41	48	-	-	-41	-48	90	60
Net sales, internal	2	1	-	-	-	-	-	-	-2	-1	-	-
Other operating income	0	0	0	1	-	-	0	0	-	-	0	1
Total income	55	18	37	44	41	48	0	0	-42	-50	90	60
Capitalised work on own account	1	1	-	-	-	-	-	-	-	0	1	1
Operating expenses	-22	-9	-14	-16	-9	-4	-11	-5	11	6	-45	-29
Share of profits from associates	-	-	-	-	-	-	-	7	-	-	-	7
Operating profit/loss before depr./imp. (EBITDA)	34	9	24	28	32	44	-11	2	-31	-44	46	40
Depreciation/ impairment Note 4	0	0	-18	-18	-18	-17	0	0	18	17	-18	-18
Operating profit/loss (EBIT)	34	9	6	10	14	27	-11	2	-14	-27	28	22
Net financial items Note 5	-4	-4	-19	-12	-11	-10	0	1	11	10	-23	-16
Profit/loss before tax (EBT)	29	5	-14	-2	2	17	-11	3	-2	-17	5	6
Property, plant and equipment	84	80	1,246	1,318	1,303	1,317	0	0	-1,303	-1,317	1,330	1,398

Fund managed by BlackRock accounted for more than 10% of development and management income during the quarter and in the corresponding quarter in 2017 fund managed by BlackRock accounted for more than 10%. There were no other customers who accounted for more than 10% of this income during the period.

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

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

Note 5 – Net financial income/expense

Total net financial income	-4	-4	-19	-12	-18	-17	0	1	18	17	-23	-16
Less interest expenses on shareholder loans	-	-	-	-	7	7	-	-	-7	-7	-	-
Net financial income/exp. excl. shareholder loans	-4	-4	-19	-12	-11	-10	0	1	11	10	-23	-16

The Co-owned wind power operations segment is recognised excluding internal interest expenses on shareholder loans.



GROUP SEGMENT REPORTING

12 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	192	124	151	133	148	153	-	-	-148	-153	343	257
Net sales, internal	5	6	-	-	-	-	-	-	-5	-6	-	-
Other operating income	0	0	0	4	-	-	0	0	-	-	0	5
Total income	197	130	151	137	148	153	0	0	-153	-158	343	261
Capitalised work on own account	3	3	-	-	-	-	-	-	-	0	3	3
Operating expenses	-81	-73	-52	-54	-35	-29	-27	-19	41	35	-155	-140
Share of profits from associates	-	-	-	-	-	-	0	7	-	-	0	7
Operating profit/loss before depr./imp. (EBITDA)	119	60	99	83	113	124	-27	-12	-113	-124	191	131
Depreciation/ impairment Note 6	0	-14	-72	-216	-71	-66	0	0	71	66	-73	-230
Operating profit/loss (EBIT)	118	46	27	-133	42	57	-27	-12	-42	-57	118	-99
Net financial items Note 7	-17	-21	-74	-61	-44	-42	1	2	44	42	-90	-80
Profit/loss before tax (EBT)	101	25	-47	-194	-2	15	-26	-10	2	-15	28	-178
Property, plant and equipment	84	80	1,246	1,318	1,303	1,317	0	0	-1,303	-1,317	1,330	1,398

Fund managed by BlackRock and fund managed by re:cap global investors accounted for more than 10% of development and management income during the period. In the corresponding period 2017 fund managed by BlackRock accounted for more than 10%. There were no other customers who accounted for more than 10% of this income during the period.

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

Depreciation/amortisation	0	0	-72	-77	-71	-66	0	0	71	66	-73	-78
Impairment and reversal of impairment	-	-14	-	-139	-	-	-	-	-	-	-	-152
Depreciation and impairment	0	-14	-72	-216	-71	-66	0	0	71	66	-73	-230

Impairment tests were conducted and indicated no impairment requirement. The tests were based in part on long-term market price forecasts for electricity and electricity certificates and a discount rate of 6.5-6.8%.

Note 7 – Net financial income/expense

Total net financial income	-17	-21	-74	-61	-72	-70	1	2	72	70	-90	-80
Less interest expenses on shareholder loans	-	-	-	-	28	27	-	-	-28	-27	-	-
Net financial income/exp. excl. shareholder loans	-17	-21	-74	-61	-44	-42	1	2	44	42	-90	-80

The Co-owned wind power operations segment is recognised excluding internal interest expenses on shareholder loans.

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 31 Dec	2017 31 Dec
Assets		
Derivatives held for hedging purposes		
- Derivative assets	1	2
Liabilities		
Derivatives held for hedging purposes		
- Derivative liabilities	-117	-54

Note 9 – Net debt

(Amounts rounded to the nearest MSEK)	2018 Full year	2017 Full year
Non-current liabilities	968	1,124
- of which interest-bearing non-current liabilities	922	1,079
Current liabilities	277	157
- of which interest-bearing current liabilities	97	50
Long and short term interest bearing debt	1,020	1,129
Cash and cash equivalents at the end of the period	-61	-146
Blocked cash at the end of the period	-9	-10
Net debt	949	973

PARENT COMPANY INCOME STATEMENT

	2018	2017	2018	2017
(Amounts rounded to the nearest MSEK)	Q 4	Q 4	Full year	Full year
Sales of electricity and electricity certificates	15	43	76	154
Development and management income	20	7	40	28
Other operating income	0	0	0	0
Total income	35	50	116	182
Capitalised work on own account	0	0	1	1
Purchases of electricity and electricity certificates	-14	-45	-75	-160
Cost of sold projects and construction work	-13	-2	-16	-7
Personnel costs	-14	-7	-37	-32
Other external expenses	-5	-4	-18	-18
Operating profit/loss before depreciation (EBITDA)	-11	-8	-30	-33
Depr. and impairment of property, plant and equipment	0	0	0	-14
Operating profit/loss (EBIT)	-11	-8	-30	-47
Financial income ¹	48	82	368	162
Financial expenses ²	-45	-15	-384	-271
Profit/loss after financial items	-7	58	-47	-155
Group contribution	-	-	-	-
Profit/loss before tax	-7	58	-47	-155
Tax on profit/loss for the period	0	-1	-7	-4
Net profit/loss for the year	-7	57	-54	-160

1) Includes dividends of MSEK 295 (0) from subsidiaries and sales of shares in subsidiaries of MSEK 52 (131).

2) Includes a write down of shares in subsidiaries in 2018 of MSEK 295 (142) and a conversion of shareholder loans to investment in associates totalling MEUR 1 (6), corresponding to MSEK 10 (58) which were subsequently impaired to MSEK 0 (0).

PARENT COMPANY BALANCE SHEET

	2018	2017
(Condensed, amounts rounded to the nearest MSEK)	31 Dec	31 Dec
Property, plant and equipment	55	46
Non-current financial assets	1,648	1,940
Total non-current assets	1,703	1,986
Inventories	6	2
Other current assets	130	133
Cash and cash equivalents	41	81
Total current assets	177	216
TOTAL ASSETS	1,881	2,201
Restricted equity	8	8
Non-restricted equity	761	814
Total equity	769	822
Non-current interest-bearing liabilities	922	1,079
Total non-current liabilities	922	1,079
Current interest-bearing liabilities	97	50
Other current liabilities	93	250
Total current liabilities	190	300
TOTAL EQUITY AND LIABILITIES	1,881	2,201

PARENT COMPANY EQUITY

	2018 31 Dec	2017 31 Dec
(Condensed, amounts rounded to the nearest MSEK)		
Opening balance	822	976
Other comprehensive income for the period	-54	-160
New issue / warrants	-	1
Convertible loan	0	5
Closing balance	769	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.