



INTERIM REPORT 1 JANUARY – 31 MARCH 2019



First quarter in brief

- Net sales for the quarter amounted to MSEK 81 (55).
- Operating profit/loss before depreciation and amortisation excluding associates (adjusted EBITDA) amounted to MSEK 40 (30), and including associates totalled MSEK -232 (30).
- Operating profit/loss excluding associates (adjusted EBIT) amounted to MSEK 21 (12), and including associates EBIT was MSEK -251 (12).
- Profit/loss before tax excluding associates (adjusted EBT) totalled MSEK -3 (-16), and including associates (EBT) was MSEK -294 (-16).
- Profit/loss after tax excluding associates (adjusted loss after tax) totalled MSEK 0 (-13) and including associates was MSEK -288 (-13), corresponding to SEK -8.61 (-0.39) per share.
- Operating cash flow was MSEK 39 (24) and total cash flow was MSEK 131 (-83) incl. cash proceeds from the sale of associates of MSEK 193 (0) and loan repayments of MSEK 80 (900).
- Production from Own wind power operations was 103 (76) GWh. Production from Co-owned wind power operations ceased in conjunction with the sale of the associate Sirocco.
- Average income from Own wind power operations was SEK 475 per MWh (522), of which SEK 363 per MWh (356) from electricity and SEK 112 (166) per MWh from electricity certificates.
- The sale of the company's participation in its associate Sirocco was completed and entailed a non-cash effect of MSEK -272 on the company's EBIT before and after depreciation and amortisation. Earnings from associates is recognised after tax in the company's EBIT. The corresponding amount before tax was MSEK -250. Moreover, one additional item was included from the company's comprehensive income when the item's hedge accounting ceased in connection with the sale, which impacted EBT by MSEK -20 and MSEK -15 after tax. Cash proceeds of MSEK 193 were received on the sale and an additional MSEK 5 is expected to be received in 2019. The sale means that the Co-owned wind power operations segment is no longer reported.

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, 8 May 2019

Daniel Johansson
CEO

CEO's statement

We have now closed the first quarter where we focused primarily on two main activities: finalise development of the Skaftåsen project ahead of its sale and the divestment of our share in the Jädraås wind farm. Underlying EBT for the period, (that is excluding the effects of the sale of Jädraås), came in at just below zero. Production was slightly higher than normal, while income was negatively impacted by lower certificate prices compared with 2018. We continue to expect underlying EBT for the full-year 2019 to outperform the results for 2018. This is expected to be driven mainly by the planned sale of Skaftåsen.

Demand for investments in wind power projects in the Nordic region is very strong. A substantial amount of capital has already been allocated for this purpose and, accordingly, resilience to a downturn in macroeconomic conditions should be relatively strong. Another interesting aspect from our perspective is that the central banks' interest rate hikes appear to be limited in scope. It is therefore gratifying that we are now ready to start the sale process of the ready to build Skaftåsen project. Following the completion of our procurement process, we note that the size of the Skaftåsen project is larger than expected. Capacity is now expected to amount to 230 MW.

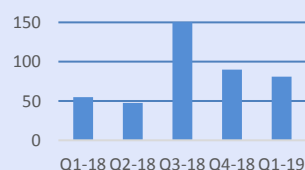
We are pleased to have divested our 50% share in Jädraås to TRIG, and with what we received despite this representing a large accounting loss. However, one must bear in mind that the investment was made in 2011 and electricity prices subsequently declined for several years. Furthermore, we have not been able to receive dividends from the company, which means that the capital has essentially been locked in.

The transaction releases approx. MSEK 200 in cash funds, making value transparent and simplifies our structure. On the one hand, the investment never turned out as we hoped when making the decision in 2011, while on the other, much of our current development and management operations are based on the lessons learned from Jädraås.

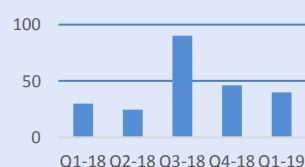
We are satisfied with the continued ownership of our ten wind farms with a total capacity of 139 MW in southern Sweden. The carrying amount of SEK 1.2 billion for these farms is well in line with the valuation set by the sale of Jädraås. Moreover, we have identified possibilities to extend the life of our farms and to optimise operations and costs. Key to profitability for our wholly-owned farms is to reduce financing costs and, through a strong balance sheet, be able to act more freely with regards to how we choose to secure future income from electricity sales. The farms location in southern Sweden, where demand is greater than production, is also a major strategic advantage.

After only including completed project sales, net debt is expected to decrease down to MSEK 600 over the forthcoming year, of which about MSEK 235 pertains to convertibles. Moreover, our project portfolio faces a harvest period that is expected to create significant positive cash flow moving forward. Skaftåsen will be the first. A lower debt/equity ratio will pave the way to higher profitability from our own electricity production over the next few years and our management operations are posting stable profitable growth.

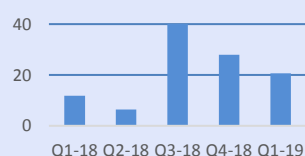
Net sales, MSEK



Operating profit before depreciation (EBITDA), MSEK



Operating profit/loss (EBIT), MSEK



Net sales and results

MSEK	Q1 2019	Q1 2018	FY 2018
Net sales	81	55	343
Adjusted EBITDA	40	30	191
Adjusted EBIT	21	12	118
Adjusted EBT	-3	-16	28
Adjusted profit/loss after tax	0	-13	21
<i>Loss from associates (after tax)</i>	-272	–	–
Recognised EBITDA	-232	30	191
Recognised EBIT	-251	12	118
<i>FX item from comprehensive income attributable to hedge accounting</i>	-20	–	–
Recognised EBT	-294	-16	28
<i>Net effect of adjustment items</i>	-287	–	–
Recognised profit/loss after tax	-288	-13	21

Adjusted earnings pertains to earnings from the company's underlying operations excluding the sale of the company's participation in its associate Sirocco and its effects on the Group's recognised earnings.

Comments on the first quarter – underlying results

The underlying operations were characterised by increased activity in Development and management and higher production from the company's Own wind power operations compared with the year-earlier quarter.

Net sales from Development and management increased MSEK 17 to MSEK 32 (15) due to ongoing projects and more management assignments. As a result of stronger winds than in the year-earlier quarter, production increased from Own wind power operations to 103 (76) GWh. However, the average price for the company's own production fell to SEK 475 per MWh (522) despite higher market prices. This was mainly attributable to price hedging and a decline in certificate prices over the quarter. The combination of a lower average price and higher production increased net sales from Own wind power operations to MSEK 49 (40). Overall, the Group's net sales thus rose MSEK 26 to MSEK 81 (55).

Operating expenses amounted to MSEK 42 (26), of which MSEK 19 (1) was attributable to sales and contracts, and MSEK 24 (25) comprised other operating expenses. Own capitalised work was MSEK 1 (1).

Adjusted EBITDA increased to MSEK 40 (30), and adjusted EBIT rose MSEK 9 to MSEK 21 (12). Adjusted EBT increased MSEK 14 to MSEK -3 (-16) since the year-earlier quarter was impacted by refinancing costs. The adjusted profit/loss after tax rose to MSEK 0 (-13).

IFRS16 resulted in a MSEK 1.5 decrease in operating expenses and increases in depreciation and financial expenses of MSEK 1 and MSEK 0.5 respectively.

Comments on the first quarter – recognised results

The sale of the associate Sirocco, through which the company owned the Jädraås wind farm, had a considerable impact on earnings for the quarter. However, the effect on results had no impact on cash flow. Arise received cash proceeds of MSEK 193 through the sale and an additional MSEK 5 is expected to be received in 2019. The sale means that the Co-owned wind power operations segment is no longer reported. See below for the recognised results for the sale and the quarter.

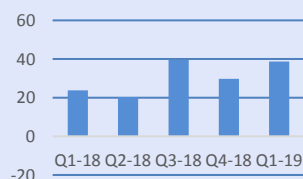
The outcome of the sale was recognised under earnings from associates and is therefore recognised after tax in the company's EBIT. After-tax earnings from associates amounted to MSEK -272 (0), including items previously recognised in other comprehensive income. The corresponding result before tax was MSEK -250.

Furthermore, the sale resulted in the termination of hedge accounting for a currency item, which generated a non-recurring item in the income statement of MSEK -20 before tax and MSEK -15 after tax. This item was previously recognised under comprehensive income.

Given the above, the results of the sale is partially affected by accounting-related factors. Due to the sale, certain items already charged to the company's equity through comprehensive income have been moved to the income statement. Accordingly, the impact on the Group's equity, including the effect of the currency item, was MSEK -244 compared with MSEK -287 recognised in the income statement.

Before and after amortisation and depreciation including the associate, recognised EBITDA and EBIT decreased due to the sale of the associate to MSEK -232 (30) and MSEK -251 (12) respectively, despite improved underlying results. Moreover, recognised earnings before tax was also affected by a currency item, as described above, and thus amounted to MSEK -294 (-16). The recognised loss after tax was MSEK -288 (-13), representing earnings per share of SEK -8.61 (-0.39) before and after dilution.

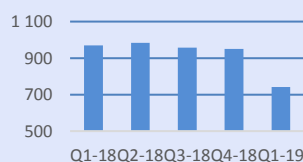
Operating cash flow, MSEK



Investments (-) /disposals (+), MSEK



Net debt, MSEK



Cash flow and investments

Comments on the first quarter

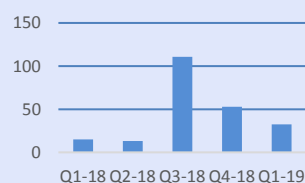
Cash flow from operating activities before changes in working capital was MSEK 36 (28). Changes in working capital were MSEK 3 (-4). Accordingly, the total operating cash flow was MSEK 39 (24). Working capital improved due to the receipt of part-payment for the Bröcklingberget project in the quarter. This contributed to a positive net change in working capital despite working capital continuing to be built in the ongoing projects. Cash flow from the Svarnäs project is expected to be received in the second quarter of 2019.

Cash flow from investing activities was MSEK -5 (-6). The sale of the associate Sirocco was completed and cash proceeds of MSEK 193 were received through repayment of the loan to Arise from the associate. Loan repayments of MSEK 80 (900) were also made. Interest and other financing costs of MSEK -16 (-27) were paid. No interest was received during the quarter and no net payments to or from blocked accounts took place. The exercise of warrants generated cash funds of MSEK 2 for the company and thereafter cash flow for the quarter amounted to MSEK 131 (-83).

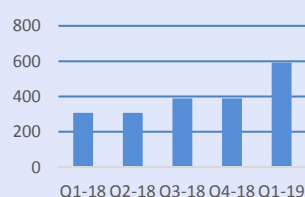
Financing and liquidity

Net debt amounted to MSEK 741 (970), of which convertibles comprised MSEK 236 (234). Cash and cash equivalents totalled MSEK 192 (63). The company still has significant tied-up working capital and remaining revenue recognition in ongoing construction projects. Following the receipt of part-payment for the Bröcklingberget project in the quarter, the remaining cash flow from ongoing construction projects is expected to amount to about MSEK 145 net, of which about MSEK 100 is expected to be received in 2019 and the remainder at the start of 2020. The expected cash flow from ongoing construction projects is before property-tax-related adjustments. These adjustments are expected to reduce cash flow from ongoing construction projects with around MSEK 10-15 over the 2019-2020 period (refer to significant events after the end of the period). The equity/assets ratio at the end of the period was 34% (41). 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%.

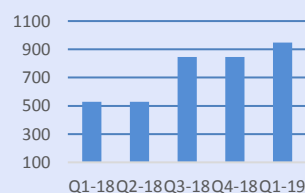
Development and management income, MSEK



Divested projects, accumulated, MW



External management assignments, accumulated, MW



Segment – Dev. & management

MSEK	Q1 2019	Q1 2018	FY 2018
Income	34	16	197
Cost of sold projects and contracts	-19	-1	-50
Other operating expenses and capitalised work	-7	-7	-28
Operating profit before depreciation (EBITDA)	8	9	119
Operating profit/loss (EBIT)	8	9	118
Profit before tax	4	5	101

Comments on the first quarter

Development and management income increased to MSEK 34 (16) in the quarter due to an increase in ongoing construction projects and more management assignments. All of the turbines in the Svartnäs project had been constructed by the end of 2018, but the formal takeover by BlackRock took place in February 2019. The project was completed on schedule and better than budget. However, the earnings impact in the quarter was limited, since the wind farm was largely completed and settled in 2018. A cash inflow is expected in the second quarter of 2019. Construction of Bröcklingberget and Enviksberget progressed as planned and a part-payment was received for the Bröcklingberget project in the quarter. Skaftåsen has been prepared for sale during the quarter and is expected to be divested in autumn 2019.

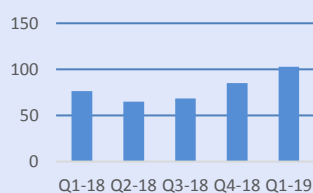
The cost of sold projects and contracts rose to MSEK -19 (-1) and other operating expenses and capitalised work were unchanged year-on-year. This resulted in a decrease in EBITDA of MSEK 1 to MSEK 8 (9), which reflected the slight year-on-year decline in profit recognition despite increased construction activity. Depreciation, amortisation and impairment amounted to MSEK 0 (0) and EBIT thus decreased to MSEK 8 (9). Net financial items was unchanged and profit before tax thus declined to MSEK 4 (5).

The company continues to develop its project portfolio and is continuously investigating new opportunities to expand its development and management activities.

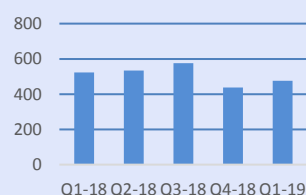
Project portfolio

At the end of the period, the company had a project portfolio of approx. 1,000 MW, of which a little more than 900 MW in Sweden and approx. 70 MW in an active phase in Scotland. The carrying amount totalled just over MSEK 90. Fully developed, the portfolio would equate to an investment level 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.

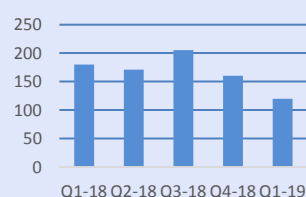
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Segment – Own wind power operations

MSEK	Q1 2019	Q1 2018	FY 2018
Income	49	40	151
Operating expenses	-12	-14	-52
Operating profit before depreciation (EBITDA)	37	26	99
Operating profit (EBIT)	18	8	27
Profit/loss before tax	0	-16	-47

Comments on the first quarter

Production at the company's wholly-owned farms increased to 103 GWh (76) compared with the year-earlier quarter. This increase was due to stronger than normal wind conditions in the quarter compared with the year-earlier period.

The company's average income for electricity increased to SEK 363 per MWh (356), which was 25% below the market price (SE4) of SEK 487 per MWh. The deviation was mainly due to a higher spot price in relation to agreed price hedges. Average income for certificates declined to SEK 112 (166) per MWh, 24% below the market price (SKM) for the same period, which was SEK 148 per MWh. The deviation was due to declining certificate prices in the quarter and to agreed price hedges.

Net sales rose MSEK 14 due to higher production and declined MSEK 5 due to the lower average price compared with the year-earlier quarter. Overall, net sales thus rose MSEK 9 and EBITDA MSEK 10, compared with the first quarter of 2018. The specific operating expense declined to SEK 120 per MWh (180) due to higher production, availability compensation and the transition to IFRS16 in the quarter. Depreciation increased to MSEK -19 (-18) as a result of the transition to IFRS16. EBIT thus amounted to MSEK 18 (8). Net financial items increased to MSEK -18 (-24), including the effect from IFRS16 of MSEK -1, since the year-earlier quarter was impacted by refinancing costs. Profit/loss before tax amounted to MSEK 0 (-16).

Other significant events

The sale of the associate Sirocco was completed and is described in more detail earlier in this report. The warrants exercised entailed that the number of shares and votes in the company increased to 33,545,570.

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 74 under Note 21 in the 2018 Annual Report.

Significant events after the end of the period

In April 2019, the Supreme Administrative Court made a ruling that property tax of 0.5% should apply for wind power instead of the statutory 0.2%. This overturns previous rulings made by the administrative courts and the administrative courts of appeal. For Arise, this means that property tax will continue to be recognised at 0.5% for the Own wind power production moving forward. Furthermore, Arise is exposed through certain completed project sales, where the total compensation from Arise, according to the company's best estimate, will be payable in an amount of MSEK 10-15 due to the above ruling. These amounts will probably be settled in 2019-2020.

Outlook

The market for development and management is favourable. We see opportunities to create value with relatively little capital employed. We remain optimistic regarding the trend for forward prices for electricity. The proposed stopping mechanism (first entering force in 2030) for the electricity certificate system has pushed certificate prices to record lows. There is uncertainty regarding the final structure of the stopping mechanism. We note that our remaining wind farms are located in favourable price areas and that there is potential for value enhancement via, for example, lengthening useful life. A strong financial position means we can reduce our interest expense over time and optimise income from production for the long term. Underlying earnings are expected to increase from 2018 levels, and net debt is expected to fall substantially over the next few years.

Risks and uncertainties

Risks and uncertainties affecting the Group are described on pages 36-37 of the 2018 Annual Report, and financial risk management is presented on pages 64-71. No significant changes have taken place that affect the reported risks other than those presented under Significant events after the end of the period.

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 period, the Parent Company's total income amounted to MSEK 40 (46) and purchases of electricity and certificates, personnel and other external expenses, capitalised work on own account and depreciation of non-current assets totalled MSEK -46 (-51), resulting in an EBIT of MSEK -6 (-6). Net financial items of MSEK -301 (0) (including an impairment of MSEK 50 (229) on shares in subsidiaries in Q1 2019 and the impairment of non-current receivables in associates of MSEK 243 (0)) resulted in a net loss after tax of MSEK -274 (-6). The Parent Company's net investments amounted to MSEK -6 (-3).

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 2018 Annual Report, with the addition of IFRS16, which has been applied since 1 January 2019. The transition to IFRS16 is recognised according to the modified retrospective approach, which entails a calculation model based only on the remaining payments, the comparative year is not restated and leases of less than 12 months are not taken into consideration. For remaining lease commitments, the Group recognised lease liabilities of MSEK 55 and right-of-use assets of MSEK 55 as per 1 January 2019. Leases primarily refer to right-of-use assets for wind farms and office premises. For more information regarding the accounting policies pertaining to the new lease standard, refer to Note 1 in the 2018 Annual Report.

Review by the auditor

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

Financial calendar

- 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, 8 May 2019

ARISE AB (publ)

Daniel Johansson

Chief Executive Officer

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CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2019	2018	2018
		Q 1	Q 1	Full year
Net sales	Note 1	81	55	343
Other operating income		0	0	0
Total income		81	55	343
Capitalised work on own account		1	1	3
Personnel costs		-9	-10	-42
Other external expenses	Note 2	-33	-16	-113
Profit/loss from associates	Note 3	-272	-	0
Operating profit before depreciation (EBITDA)		-232	30	191
Depr. and imp. of property, plant and equipment	Note 4	-19	-18	-73
Operating profit/loss (EBIT)		-251	12	118
Financial income		-	0	1
Financial expenses		-43	-28	-91
Profit/loss before tax		-294	-16	28
Tax on profit/loss for the period		7	3	-7
Net profit/loss for the period		-288	-13	21
Earnings per share before dilution, SEK		-8.61	-0.39	0.64
Earnings per share after dilution, SEK		-8.61	-0.39	0.64

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)		2019	2018	2018
		Q 1	Q 1	Full year
Net profit/loss for the period		-288	-13	21
<u>Other comprehensive income</u>				
Items that may be reclassified to the income statement				
Translation differences for period		0	0	0
Cash flow hedges		42	-6	-52
Net investment in foreign currency		-36	17	17
Share of other comprehensive income in associates, net after tax		72	-5	-12
Income tax attributable to components of other comprehensive income		-1	-1	6
Other comprehensive income for the year, net after tax		77	4	-41
Total comprehensive income for the year		-211	-9	-20

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



CONSOLIDATED BALANCE SHEET

	2019	2018	2018
(Condensed, amounts rounded to the nearest MSEK)	31 Mar	31 Mar	31 Dec
Property, plant and equipment ¹⁾	1,372	1,386	1,330
Non-current financial assets	38	493	482
Total non-current assets	1,410	1,878	1,812
Inventories	7	6	8
Other current assets	182	89	187
Cash and cash equivalents	192	63	61
Total current assets	381	158	256
TOTAL ASSETS	1,791	2,036	2,069
Equity	615	834	824
Non-current interest-bearing liabilities ²⁾	961	1 009	922
Provisions	46	46	46
Total non-current liabilities	1,007	1,054	968
Current interest-bearing liabilities	34	34	97
Other current liabilities	134	113	180
Total current liabilities	169	148	277
TOTAL EQUITY AND LIABILITIES	1,791	2,036	2,069

¹⁾ Property, plant and equipment include lease assets of MSEK 54.

²⁾ Non-current interest-bearing liabilities include lease liabilities of MSEK 55.

CONSOLIDATED CASH FLOW STATEMENT

	2019	2018	2018
(Condensed, amounts rounded to the nearest MSEK)	Q 1	Q 1	Full year
Cash flow from operating activities before changes in working capital	36	28	183
Cash flow from changes in working capital	3	-4	-70
Cash flow from operating activities	39	24	114
Investments in property, plant and equipment	-5	-6	-33
Sales of property, plant and equipment	-	-	27
Cash flow from investing activities	-5	-6	-6
Loan repayments	-80	-900	-929
Loans raised	-	825	825
Repayment of long-term receivables	193	-	-
Interest paid and other financing costs	-16	-27	-88
Interest received	-	0	-
New issue / warrants	2	-	-
Cash flow from financing activities	98	-102	-192
Cash flow for the period	131	-83	-85
Cash and cash equivalents at the beginning of the period	61	146	146
Translation differences in cash and cash equivalents	-1	0	0
Cash and cash equivalents at the end of the period	192	63	61
Interest-bearing liabilities at the end of the period	941	1,043	1,020
Blocked cash at the end of the period	-9	-10	-9
Net debt	741	970	949

Note 6

GROUP EQUITY

	2019	2018	2018
(Condensed, amounts rounded to the nearest MSEK)	31 Mar	31 Mar	31 Dec
Opening balance	824	843	843
Profit/loss for the year	-288	-13	21
Other comprehensive income for the period	77	4	-41
New issue / warrants	2	-	-
Convertible loan	-	-	0
Closing balance	615	834	824



KEY PERFORMANCE INDICATORS FOR THE GROUP

	2019 Q 1	2018 Q 1	2018 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	102.8	76.3	294.7
Number of employees at the end of the period	26	26	26
<u>Financial key performance indicators</u>			
Earnings per share before dilution, SEK *	-8.61	-0.39	0.64
Earnings per share after dilution, SEK*	-8.61	-0.39	0.64
EBITDA margin, %	neg	54.5%	55.5%
Operating margin, %	neg	21.5%	34.4%
Return on capital employed (EBIT), %	neg	neg	6.6%
Return on adjusted capital employed (EBITDA), %	neg	7.4%	10.6%
Return on equity, %	neg	neg	2.6%
Capital employed, MSEK	1,356	1,805	1,773
Average capital employed, MSEK	1,580	1,892	1,795
Equity, MSEK	615	834	824
Average equity, MSEK	725	925	834
Net debt	741	970	949
Equity/assets ratio, %	34.4%	41.0%	39.8%
Interest coverage ratio, times	neg	0.4	1.3
Debt/equity ratio, times	1.2	1.2	1.2
Equity per share, SEK	18	25	25
Equity per share after dilution, SEK	18	25	25
No. of shares at the end of the period, excl. treasury shares	33,491,376	33,373,876	33,373,876
Average number of shares	33,432,626	33,373,876	33,373,876
Average number of shares after dilution	33,712,626	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.

Note 1 - Net sales	2019	2018	2018
(Amounts rounded to the nearest MSEK)	Q 1	Q 1	Full year
Electricity income	37	27	101
Certificate income	11	13	50
Development and management income	32	15	192
	81	55	343

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.

Note 2 - Other external expenses	2019	2018	2018
(Amounts rounded to the nearest MSEK)	Q 1	Q 1	Full year
Cost of sold projects and construction work	19	1	50
Other items	14	15	63
	33	16	113

Note 3 - Share of profits from associates	2019	2018	2018
(Amounts rounded to the nearest MSEK)	Q 1	Q 1	Full year
Share of profits in associates (net after tax, 21.4%)	-	-7	-23
Adjustment to consolidated value	-	7	19
Realization loss on sale of associated companies	-272	-	-
Financial income from associates (gross before tax)	-	7	28
Less uncapitalised share	-	-7	-25
	-272	-	0

Financial income from associates is attributable to granted shareholder loans.

GROUP SEGMENT REPORTING

Quarter 1	Develop. and management		Own wind power operations		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	Q1-19	Q1-18	Q1-19	Q1-18	Q1-19	Q1-18	Q1-19	Q1-18	Q1-19	Q1-18
Net sales, external	32	15	49	40	-	-	-	-	81	55
Net sales, internal	1	1	-	-	-	-	-1	-1	-	-
Other operating income	0	0	0	0	0	0	-	-	0	0
Total income	34	16	49	40	0	0	-1	-1	81	55
Capitalised work on own account	1	1	-	-	-	-	-	-	1	1
Operating expenses	-27	-8	-12	-14	-5	-5	1	1	-42	-26
Share of profits from associates	-	-	-	-	-272	-	-	-	-272	-
Operating profit/loss before depr./imp. (EBITDA)	8	9	37	26	-277	-5	0	0	-232	30
Depreciation/ impairment Note 4	0	0	-19	-18	0	0	-	-	-19	-18
Operating profit/loss (EBIT)	8	9	18	8	-277	-5	0	0	-251	12
Net financial items	-4	-4	-18	-24	-21	0	-	-	-43	-28
Profit/loss before tax (EBT)	4	5	0	-16	-298	-5	0	0	-294	-16
Property, plant and equipment	89	86	1,279	1,300	4	0	-	-	1,372	1,386

Fund managed by BlackRock and fund managed by re:cap global investors accounted for more than 10% of development and management income during the quarter and in the corresponding quarter in 2018 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	-19	-18	0	0	-	-	-19	-18
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-
Depreciation and impairment	0	0	-19	-18	0	0	-	-	-19	-18

Note 5 - 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 64-71 of the 2018 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)	2019 31 Mar	2018 31 Mar	2018 31 Dec
Assets			
Derivatives held for hedging purposes			
- Derivative assets	0	-	1
Liabilities			
Derivatives held for hedging purposes			
- Derivative liabilities	-78	-63	-117

Note 6 – Net debt

(Amounts rounded to the nearest MSEK)	2019 31 Mar	2018 31 Mar	2018 31 Dec
Non-current liabilities	1,007	1,054	968
- of which interest-bearing non-current liabilities (excl. IFRS16 lease liabilities)	907	1,009	922
Current liabilities	169	148	277
- of which interest-bearing current liabilities	34	34	97
Long and short term interest bearing debt liabilities (excl. IFRS16 lease liabilities)	941	1,043	1,020
Cash and cash equivalents at the end of the period	-192	-63	-61
Blocked cash at the end of the period	-9	-10	-9
Net debt	741	970	949

IFRS16 lease liabilities amounted to MSEK 55 on March 31, 2019.

PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2019 Q 1	2018 Q 1	2018 Full year
Sales of electricity and electricity certificates	15	38	76
Development and management income	25	7	40
Other operating income	0	0	0
Total income	40	46	116
Capitalised work on own account	1	1	1
Purchases of electricity and electricity certificates	-15	-39	-75
Cost of sold projects and construction work	-19	-1	-16
Personnel costs	-9	-9	-37
Other external expenses	-4	-4	-18
Operating profit/loss before depreciation (EBITDA)	-6	-6	-30
Depr. and impairment of property, plant and equipment	0	0	0
Operating profit/loss (EBIT)	-6	-6	-30
Financial income ¹	10	254	368
Financial expenses ²	-312	-253	-384
Profit/loss after financial items	-307	-6	-47
Group contribution	-33	-	-
Profit/loss before tax	-274	-6	-47
Tax on profit/loss for the period	1	-1	-7
Net profit/loss for the year	-274	-6	-54

1) Includes dividends of MSEK 0 (229) from subsidiaries in the first quarter of 2019.

2) Includes a write down of shares in subsidiaries in the first quarter of 2019 of MSEK 50 (229) and a write-down of long-term receivables in associated companies of MSEK 243 (0).

PARENT COMPANY BALANCE SHEET

	2019 31 Mar	2018 31 Mar	2018 31 Dec
(Condensed, amounts rounded to the nearest MSEK)			
Property, plant and equipment	61	49	55
Non-current financial assets	1,171	1,729	1,648
Total non-current assets	1,232	1,777	1,703
Inventories	6	3	6
Other current assets	143	112	130
Cash and cash equivalents	179	46	41
Total current assets	328	161	177
TOTAL ASSETS	1,560	1,939	1,881
Restricted equity	8	8	8
Non-restricted equity	489	808	761
Total equity	497	816	769
Non-current interest-bearing liabilities	907	1,009	922
Total non-current liabilities	907	1,009	922
Current interest-bearing liabilities	34	34	97
Other current liabilities	122	79	93
Total current liabilities	156	114	190
TOTAL EQUITY AND LIABILITIES	1,560	1,939	1,881

PARENT COMPANY EQUITY

	2019 31 Mar	2018 31 Mar	2018 31 Dec
(Condensed, amounts rounded to the nearest MSEK)			
Opening balance	769	822	822
Other comprehensive income for the period	-274	-6	-54
New issue / warrants	2	-	-
Convertible loan	-	-	0
Closing balance	497	816	769

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, excl. IFRS16 lease 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.