INTERIM REPORT 1 JANUARY – 30 JUNE 2019

Second quarter (1 April – 30 June 2019)

- Net sales for the quarter amounted to MSEK 67 (48).
- Operating profit before depreciation and amortisation (EBITDA) totalled MSEK 9 (24). Operating cash flow was MSEK 97 (20).
- Operating profit/loss (EBIT) was MSEK -10 (6).
- Profit/loss before tax amounted to MSEK -30 (-13).
- Profit/loss after tax totalled MSEK -29 (-14), corresponding to SEK -0.87 (-0.41) per share.
- Production from Own wind power operations was 73 GWh (65). The increase was due to stronger wind conditions than in the preceding year.
- Average income from Own wind power operations was SEK 394 per MWh (534), of which SEK 313 per MWh (340) from electricity and SEK 81 per MWh (193) from electricity certificates, including guarantees of origin.

First half of the year (1 January – 30 June 2019)

- Net sales for the period amounted to MSEK 148 (103).
- Operating profit/loss before depreciation and amortisation excluding associates (adjusted EBITDA) amounted to MSEK 49 (54), and including associates (EBITDA) totalled MSEK -223 (54).
- Operating profit/loss excluding associates (adjusted EBIT) amounted to MSEK 11 (18), and including associates (EBIT) totalled MSEK -261 (18).
- Profit/loss before tax excluding associates (adjusted EBT) amounted to MSEK -33 (-29), and including associates (EBT) totalled MSEK -324 (-29).
- Profit/loss after tax excluding associates (adjusted loss after tax) amounted to MSEK -30 (-27) and including associates totalled MSEK -317 (-27), corresponding to SEK -9.48 (-0.81) per share before dilution and SEK -9.40 (-0.81) per share after dilution.
- Operating cash flow was MSEK 136 (44) and total cash flow was MSEK 145 (-94) including cash proceeds from the sale of associates of MSEK 193 (0) and loan repayments of MSEK -146 (-900).
- Production from Own wind power operations was 175 GWh (141). 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 441 per MWh (527), of which SEK 342 per MWh (349) from electricity and SEK 99 per MWh (179) from electricity certificates.
- The sale of the company's participation in the associate Sirocco was completed.

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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E-mail: info@arise.se, www.arise.se

Halmstad, 17 July 2019

Daniel Johansson
CEO

CEO's statement

Our cash position improved significantly in the quarter following receipt of the final payment for the Svartnäs project (approximately 115 MW). Our net debt is now rapidly declining. Despite the fact that we repaid our final bank loan in June, our cash and cash equivalents now total approximately MSEK 205. A strong balance sheet is important when it comes to enable profitable growth in development and management. It is also a crucial prerequisite for ensuring the profitability of our production assets in southern Sweden.

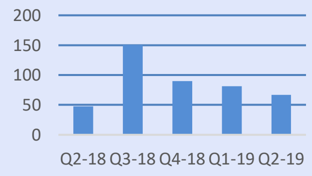
An unexpected and late decline in earnings of just over MSEK 10 arose in the Svartnäs project due to a ruling by the Supreme Administrative Court concerning property tax. This ruling, which we announced in our last interim report under "Significant events after the end of the period," had a negative impact on earnings in the second quarter. Despite challenging weather conditions, a schedule with very little margin and the aforementioned tax ruling, the Svartnäs project ultimately delivered a financial result in line with the MSEK 97 we originally expected. Our ability to deliver according to plan or better than planned and on or below budget, despite the challenges we face in our projects, has become something of a calling card for us.

While winds were roughly at a normal level during the quarter, electricity and certificate prices were lower than last year. We continued to focus on delivering higher underlying earnings compared with the preceding year, based on the assumption that the sale of the Skaftåsen project (approximately 230 MW) will be completed in the autumn as planned. We are currently in the middle of the sale process, which is progressing according to plan.

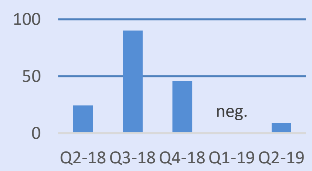
Having spent a few days in Visby during Almedalen political week, I can after various discussions report that we are far from the only ones facing unpredictable and poorly handled permit processes. The fact that companies that want to build a sustainable Sweden are being held back by public authorities is a major societal problem. At the same time, the Swedish parliament has set a target that Sweden's total emissions of greenhouse gases are to be at net zero by 2045. It is now high time for public officials at all levels to assume responsibility and assist with the transition we all want to see in order to respond to the threat of climate change. Climate change is now also considered the single largest threat to biodiversity.

Another related topic is the capacity of electricity grids to cities and between various parts of the country. It has now become clear that growth and employment rates are being threatened by the slow progress of expansion. Svenska Kraftnät and the regional grid owners must become more efficient in expanding the electricity grids, and to do so they require more efficient permit processes. Nonetheless, I am choosing to see the positive in the situation. As these challenges attract more attention, this should bode well for an improvement in the future, which will benefit the entire industry.

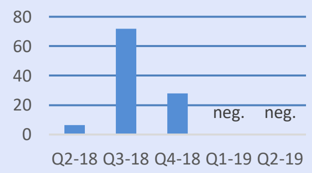
Net sales, MSEK



Operating profit before depreciation (EBITDA), MSEK



Operating profit/loss (EBIT), MSEK



Net sales and results

MSEK	Q2 2019	Q2 2018	H1 2019	H1 2018
Net sales	67	48	148	103
Adjusted EBITDA	9	24	49	54
Adjusted EBIT	-10	6	11	18
Adjusted EBT	-30	-13	-33	-29
Loss from associates (after tax)	*–*	*–*	*-272*	*–*
Recognised EBITDA	9	24	-223	54
Recognised EBIT	-10	6	-261	18
FX item from comprehensive income attributable to hedge accounting	–	–	-20	–
Recognised EBT	-30	-13	-324	-29
Net effect of adjustment items	–	–	-287	–
Recognised profit/loss after tax	-29	-14	-317	-27

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 second quarter

The quarter was characterised by normal wind conditions and lower market prices for electricity and certificates. At the same time, profit recognition in Development and management was low, despite higher sales due to a negative earnings effect related to property tax for the Svartnäs project.

Net sales from Development and management increased MSEK 25 to MSEK 39 (14) due to ongoing projects and more management assignments. As a result of stronger winds than in the year-earlier quarter, production from Own wind power operations increased to 73 GWh (65). However, the average price for the company's own production fell to SEK 394 per MWh (534). This was mainly due to lower market prices compared with the year-earlier quarter. The combination of a lower average price and higher production reduced net sales from Own wind power operations to MSEK 29 (35). Overall, the Group's net sales rose MSEK 19 to MSEK 67 (48).

Operating expenses amounted to MSEK 59 (25), of which MSEK 33 (1) was attributable to project sales and contracts, and MSEK 26 (23) comprised comparable operating expenses. This increase was partly attributable to higher production and an availability bonus received in the year-earlier quarter. Own capitalised work amounted to MSEK 1 (1).

As a result of lower revenue recognition in Development and management as well as a lower average price for production, EBITDA fell to MSEK 9 (24) and EBIT to MSEK -10 (6). Net financial items were unchanged and the profit/loss before tax thus amounted to MSEK -30 (-13) and the profit/loss after tax to MSEK -29 (-14). IFRS 16 resulted in a MSEK 1.4 decrease in operating expenses and increases in depreciation and financial expenses of MSEK 1.1 and MSEK 0.6 respectively during the quarter.

Comments on the first half of the year

The sale of the associate Sirocco, through which the company owned the Jädraås wind farm, had a considerable impact on earnings for the period. For more information about the sale of Sirocco, refer to the interim report for the first quarter of 2019.

Somewhat stronger wind conditions than normal resulted in an increase in production from Own wind power operations to 175 GWh (141). At the same time, the average price for the company's own production declined SEK 441 per MWh (527) due to lower market prices. While sales from Development and management increased due to a high level of construction activity, profit recognition nevertheless declined due to a negative earnings effect related to property tax for the Svartnäs project. Net sales increased a total of MSEK 45 compared with the year-earlier period.

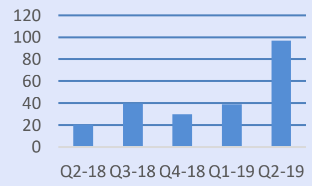
Operating expenses amounted to MSEK 101 (51), of which MSEK 52 (2) was attributable to project sales and contracts, and MSEK 50 (49) comprised comparable personnel costs and operating expenses. Own capitalised work amounted to MSEK 2 (2). Consolidated loss from associates totalled MSEK -272 (0).

Adjusted EBITDA declined to MSEK 49 (54) and adjusted EBIT to MSEK 11 (18). Adjusted EBT fell slightly less to MSEK -33 (-29) since the year-earlier period was impacted by refinancing costs.

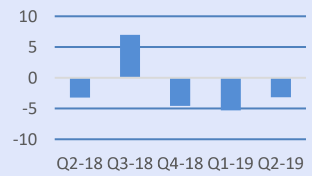
Operating profit/loss before and after amortisation and depreciation including the associate, (recognised EBITDA and EBIT) decreased due to the sale of the associate to MSEK -223 (54) and MSEK -261 (18) respectively. Moreover, recognised earnings before tax were also affected by a currency item. This currency item was attributable to the fact that hedge accounting ceased in connection with the sale. The profit/loss before tax thus amounted to MSEK -324 (-29). The recognised profit/loss after tax was MSEK -317 (-27), representing earnings per share of SEK -9.48 (-0.81) before dilution and SEK -9.40 (-0.81) after dilution.

IFRS 16 resulted in a MSEK 2.8 decrease in operating expenses and increases in depreciation and financial expenses of MSEK 2.1 and MSEK 1.2 respectively during the period.

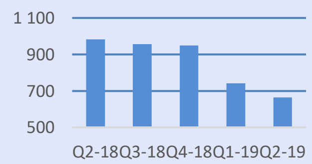
Operating cash flow, MSEK



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 5 (23). Changes in working capital amounted to MSEK 92 (-2) due to the receipt of cash proceeds for the Svartnäs project. Accordingly, the total operating cash flow was MSEK 97 (20). Net cash flow from investing activities was MSEK -3 (-3). Cash flow after investments therefore amounted to MSEK 94 (17). Loans totalling MSEK -66 (0) were repaid during the quarter, which means that all of the company's bank loans had been repaid in full at the end of the quarter. The remaining interest-bearing financing comprises a secured bond in a nominal amount of MSEK 650 and a convertible loan in a nominal amount of MSEK 245. Interest and other refinancing costs of MSEK -15 (-28) were paid. No interest payments were received and no net payments to or from blocked accounts took place, which meant that cash flow for the quarter amounted to MSEK 13 (-11).

Comments on the first half of the year

Cash flow from operating activities before changes in working capital was MSEK 42 (50). Changes in working capital amounted to MSEK 94 (-6) due to the receipt of a part-payment for the Bröcklingberget project and final payment for the Svartnäs project during the period. Certain working capital accumulations in ongoing construction projects also continued during the period. Accordingly, the total operating cash flow was MSEK 136 (44). Net cash flow from investing activities was MSEK -8 (-9). Cash flow after investments thus amounted to MSEK 127 (36). 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 -146 (-900) were also made. No new loans were raised MSEK 0 (825). Interest and financing costs of MSEK -31 (-55) were paid. No interest was received during the period 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 cash flow for the period thereafter amounted to MSEK 145 (-94).

Financing and liquidity

Net debt amounted to MSEK 664 (983), of which IFRS convertibles comprised MSEK 237 (234). Cash and cash equivalents totalled MSEK 205 (53). The company still had significant tied-up working capital and remaining revenue recognition in ongoing construction projects at the end of the quarter. Following receipt of the final payment for the Svartnäs project during the quarter, the remaining cash flow from ongoing construction projects is expected to amount to slightly more than MSEK 50, net, during the period from the third quarter of 2019 to the first quarter of 2020, most of which is expected to be received in the first quarter of 2020. The equity/assets ratio at the end of the period was 35% (39). Under the assumption that all of the company's convertible bonds would be converted and existing cash netted against interest-bearing liabilities, the equity/assets ratio would correspond to 56% (52).

Segment – Dev. & management

MSEK	Q2 2019	Q2 2018	H1 2019	H1 2018
Income	39	14	73	31
Cost of sold projects and contracts	-33	-1	-52	-2
Other operating expenses and capitalised work	-7	-7	-14	-14
Operating profit/loss before depreciation (EBITDA)	-1	6	7	15
Operating profit/loss (EBIT)	-1	6	7	15
Profit/loss before tax	-5	2	-1	6

Comments on the second quarter

Development and management income increased to MSEK 39 (14) in the quarter due to ongoing construction projects and more management assignments. Settlement of the Svartnäs project was made and the final payment was received during the quarter. The final payment and profit recognition were impacted negatively in an amount of just over MSEK 10 due to the Supreme Administrative Court's ruling during the quarter to set property tax at 0.5%. Since the project was completed on schedule and under budget, total profit recognition nonetheless amounted to about MSEK 98 and was thus in line with the original expectation of MSEK 97. Construction of the Bröcklingberget and Enviksberget projects proceeded according to plan. The sale process for the Skaftåsen project (approximately 230 MW) was initiated during the quarter and is proceeding as planned. Skaftåsen is expected to be divested in autumn 2019.

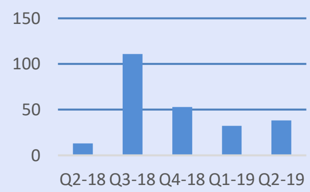
The cost of sold projects and contracts increased to MSEK -33 (-1) due to contracts in ongoing construction projects. Other operating expenses and capitalised work were unchanged year-on-year. EBITDA thus declined a total of MSEK 7 to MSEK -1 (6). Combined with the fact that net financial items were unchanged, this meant that EBIT and profit/loss before tax declined MSEK 7 to MSEK -1 (6) and MSEK -5 (2) respectively. The company continues to develop its project portfolio and is continuously investigating new opportunities to expand its development and management activities.

Comments on the first half of the year

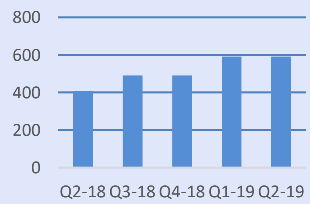
During the period, the Svartnäs project was completed and final settlement took place. Construction of Bröcklingberget and Enviksberget progressed as planned and a part-payment was received for Bröcklingberget. Skaftåsen (230 MW) was prepared for sale, after which the sale process was initiated during the quarter.

Income increased to MSEK 73 (31) compared with year-earlier period. The cost of sold projects and contracts rose to MSEK -52 (-2). Other operating expenses and capitalised work were unchanged, which meant that both EBITDA and EBIT declined to MSEK 7 (15). Net financial items improved slightly and profit/loss before tax declined to MSEK -1 (6).

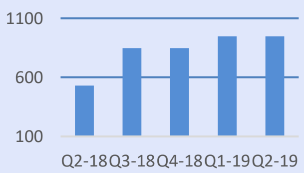
Development and management income, MSEK



Divested projects, accumulated, MW



External management assignments, accumulated, MW



Segment – Own wind power

MSEK	Q2 2019	Q2 2018	H1 2019	H1 2018
Income	29	35	78	75
Operating expenses	-13	-11	-25	-25
Operating profit before depreciation (EBITDA)	16	24	52	50
Operating profit/loss (EBIT)	-2	6	15	14
Profit/loss before tax	-19	-10	-19	-25

Comments on the second quarter

Overall, wind conditions during the quarter were normal, and production at the company's wind farms thus increased to 73 GWh (65). Wind conditions in the year-earlier period were weaker than normal. At the same time, average income from electricity and certificates, including guarantees of origin, declined to SEK 313 per MWh (340) and SEK 81 per MWh (193) respectively, mainly due to lower market prices. Average income for electricity was below the market price for electricity (SE4) during the period as a result of price hedging. Average income for certificates was above the market price for certificates (SKM) during the period due to price hedging.

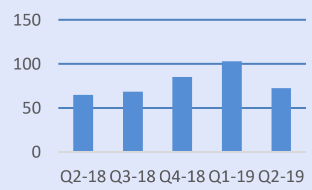
Net sales rose MSEK 4 due to higher production and declined MSEK 10 due to the lower average price compared with the year-earlier quarter. The specific operating expense increased to SEK 178 per MWh (171) due to an availability bonus received in the year-earlier quarter. In total, net sales therefore declined to MSEK 29 (35) and EBITDA to MSEK 16 (24) compared with the second quarter of 2018. Depreciation/amortisation amounted to MSEK 18 (18) and EBIT decreased to MSEK -2 (6). Net financial items declined somewhat and profit/loss before tax therefore amounted to MSEK -19 (-10).

Comments on the first half of the year

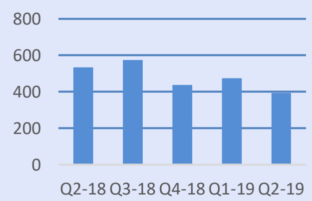
As a result of stronger-than-normal winds during the period, production at the company's wind farms rose to 175 GWh (141). Average income for electricity and certificates, including guarantees of origin, amounted to SEK 342 per MWh (349) and SEK 99 per MWh (179) respectively. Average income for electricity was below the market price for electricity (SE4) during the period as a result of price hedging. Average income for certificates was in line with the average market price for certificates (SKM) during the period.

Net sales rose MSEK 18 due to higher production and declined MSEK 15 due to a lower average price compared with the year-earlier period. In total, net sales therefore declined to MSEK 78 (75) and EBITDA to MSEK 52 (50) compared with the year-earlier period. The specific operating expense declined to SEK 144 per MWh (176) due to higher production and an availability bonus received in the year-earlier period. Depreciation/amortisation increased slightly, after which EBIT amounted to MSEK 15 (14). Net financial items improved due to refinancing costs in the preceding year and profit/loss before tax thus improved to MSEK -19 (-25).

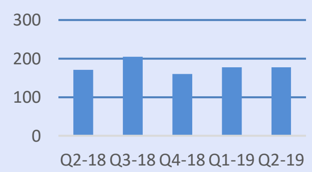
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Project portfolio

At the end of the period, the company had a project portfolio of more than 1,000 MW, of which approximately 1,000 MW in Sweden and about 70 MW in an active phase in Scotland. The carrying amount totalled approximately 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.

Other significant events

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 Own wind power production moving forward. Certain completed project sales have also been impacted negatively by the aforementioned ruling. According to the company's best estimate, the total impact of project sales will be in the range of MSEK -10 to MSEK -15. Most of this amount was settled during the quarter.

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

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 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 a low level. There is uncertainty regarding the final structure of the stopping mechanism. We can report that our remaining wind farms are located in favourable 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.

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 (identifying suitable wind locations, signing leasehold agreements, producing impact assessments, preparing detailed development plans and permits), divesting projects, 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 income statement. From March 2018, the electricity-generating subsidiaries sell their electricity production directly to counterparties in the market at spot price.

During the first half of the year, the Parent Company's total income amounted to MSEK 90 (65) and purchases of electricity and certificates, personnel costs and other external expenses, capitalised work on own account and depreciation/amortisation of non-current assets totalled MSEK 101 (78), resulting in EBIT of MSEK -11 (-13). Net financial items of MSEK -349 (-5) (including impairment of shares in subsidiaries of MSEK 70 (254) and impairment of non-current receivables in associates of MSEK 243 (0)) and Group contributions of MSEK 49 (0) resulted in a profit/loss after tax of MSEK -310 (-20). The Parent Company's net investments amounted to MSEK -9 (-7).

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 IFRS 16, which has been applied since 1 January 2019. The transition to IFRS 16 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 54 and right-of-use assets of MSEK 53 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

• Third quarter (1 July-30 September)	8 November 2019
• Fourth quarter (1 October-31 December)	14 February 2020
• First quarter (1 January-31 March)	6 May 2020

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, 17 July 2019

Arise AB (publ)

Joachim Gahm Chairman	Maud Olofsson Board member	Jon G Brandsar Board member

Daniel Johansson
Chief Executive Officer

For further information, please contact

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

Linus Hägg, CFO, tel. +46 702 448 916

CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2019 Q 2	2018 Q 2	2019 6 months	2018 6 months	2018 Full year
Net sales	Note 1	67	48	148	103	343
Other operating income		0	0	1	0	0
Total income		**67**	**48**	**148**	**103**	**343**
Capitalised work on own account		1	1	2	2	3
Personnel costs		-10	-9	-19	-19	-42
Other external expenses	Note 2	-49	-15	-82	-32	-113
Profit/loss from associates	Note 3	-	-	-272	-	0
Operating profit before depreciation (EBITDA)		**9**	**24**	**-223**	**54**	**191**
Depr. and imp. of property, plant and equipment	Note 4,5	-19	-18	-38	-36	-73
Operating profit/loss (EBIT)		**-10**	**6**	**-261**	**18**	**118**
Financial income		0	0	0	1	1
Financial expenses		-20	-20	-63	-48	-91
Profit/loss before tax		**-30**	**-13**	**-324**	**-29**	**28**
Tax on profit/loss for the period		1	-1	7	2	-7
Net profit/loss for the period		**-29**	**-14**	**-317**	**-27**	**21**
Earnings per share before dilution, SEK		-0.87	-0.41	-9.48	-0.81	0.64
Earnings per share after dilution, SEK		-0.87	-0.41	-9.40	-0.81	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 Q 2	2018 Q 2	2019 6 months	2018 6 months	2018 Full year
Net profit/loss for the period	**-29**	**-14**	**-317**	**-27**	**21**
Other comprehensive income					
Items that may be reclassified to the income statement					
Translation differences for period	0	0	0	0	0
Cash flow hedges	7	-44	49	-50	-52
Net investment in foreign currency	-	6	-36	22	17
Share of other comprehensive income in associates, net after tax	-	-	72	-5	-12
Income tax attributable to components of other comprehensive income	-2	8	-3	7	6
Other comprehensive income for the period, net after tax	**5**	**-30**	**82**	**-26**	**-41**
Total comprehensive income for the period	**-24**	**-44**	**-235**	**-53**	**-20**

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

CONSOLIDATED BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2019 30 Jun	2018 30 Jun	2018 31 Dec
Property, plant and equipment [1]	1,356	1,371	1,330
Non-current financial assets	38	506	482
Total non-current assets	**1,394**	**1,877**	**1,812**
Inventories	5	6	8
Other current assets	100	100	187
Cash and cash equivalents	205	53	61
Total current assets	**310**	**159**	**256**
TOTAL ASSETS	**1,703**	**2,036**	**2,069**
Equity	**591**	**791**	**824**
Non-current interest-bearing liabilities [2]	931	1,011	922
Provisions	46	46	46
Total non-current liabilities	**977**	**1,056**	**968**
Current interest-bearing liabilities	-	34	97
Other current liabilities	135	155	180
Total current liabilities	**135**	**189**	**277**
TOTAL EQUITY AND LIABILITIES	**1,703**	**2,036**	**2,069**

1) Property, plant and equipment include lease assets of MSEK 53 (0).
2) Non-current interest-bearing liabilities incl. lease liabilities of MSEK 54 (0).

CONSOLIDATED CASH FLOW STATEMENT

(Condensed, amounts rounded to the nearest MSEK)		2019 Q 2	2018 Q 2	2019 6 months	2018 6 months	2018 Full year
Cash flow from operating activities before changes in working capital		**5**	**23**	**42**	**50**	**183**
Cash flow from changes in working capital		92	-2	94	-6	-70
Cash flow from operating activities		**97**	**20**	**136**	**44**	**114**
Investments in property, plant and equipment		-3	-3	-8	-9	-33
Sales of property, plant and equipment		-	-	-	-	27
Cash flow from investing activities		**-3**	**-3**	**-8**	**-9**	**-6**
Loan repayments		-66	0	-146	-900	-929
Loans raised		-	-	-	825	825
Repayment of long-term receivables		-	-	193	-	-
Interest paid and other financing costs		-15	-28	-31	-55	-88
Interest received		-	0	-	-	-
New issue / warrants		-	-	2	-	-
Cash flow from financing activities		**-81**	**-28**	**17**	**-130**	**-192**
Cash flow for the period		**13**	**-11**	**145**	**-94**	**-85**
Cash and cash equivalents at the beginning of the period		192	63	61	146	146
Translation differences in cash and cash equivalents		0	0	-1	1	0
Cash and cash equivalents at the end of the period		**205**	**53**	**205**	**53**	**61**
Interest-bearing liabilities at the end of the period		878	1,045	878	1,045	1,020
Blocked cash at the end of the period		-9	-10	-9	-10	-9
Net debt	Note 7	**664**	**983**	**664**	**983**	**949**

GROUP EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2019 30 Jun	2018 30 Jun	2018 31 Dec
Opening balance	824	843	843
Profit/loss for the year	-317	-27	21
Other comprehensive income for the period	82	-26	-41
New issue / warrants	2	-	-
Convertible loan	-	-	0
Closing balance	**591**	**791**	**824**

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2019 Q 2	2018 Q 2	2019 6 months	2018 6 months	2018 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	72.6	65.0	175.3	141.2	294.7
Number of employees at the end of the period	28	25	28	25	26
Financial key performance indicators					
Earnings per share before dilution, SEK *	-0.87	-0.41	-9.48	-0.81	0.64
Earnings per share after dilution, SEK*	-0.87	-0.41	-9.40	-0.81	0.64
EBITDA margin, %	13.4%	51.0%	neg	52.8%	55.5%
Operating margin, %	neg	13.3%	neg	17.7%	34.4%
Return on capital employed (EBIT), %	neg	neg	neg	neg	6.6%
Return on adjusted capital employed (EBITDA), %	neg	5.9%	neg	5.9%	10.6%
Return on equity, %	neg	neg	neg	neg	2.6%
Capital employed, MSEK	1,255	1,773	1,255	1,773	1,773
Average capital employed, MSEK	1,514	1,914	1,514	1,914	1,795
Equity, MSEK	591	791	591	791	824
Average equity, MSEK	691	912	691	912	834
Net debt, MSEK	664	983	664	983	949
Equity/assets ratio, %	34.7%	38.8%	34.7%	38.8%	39.8%
Interest coverage ratio, times	neg	0.3	neg	0.4	1.3
Debt/equity ratio, times	1.1	1.2	1.1	1.2	1.2
Equity per share, SEK	18	24	18	24	25
Equity per share after dilution, SEK	18	24	18	24	25
No. of shares at the end of the period, excl. treasury shares	33,491,376	33,373,876	33,491,376	33,373,876	33,373,876
Average number of shares	33,432,626	33,373,876	33,432,626	33,373,876	33,373,876
Average number of shares after dilution	33,432,626	33,933,876	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**	**2019**	**2018**	**2018**
(Amounts rounded to the nearest MSEK)	**Q 2**	**Q 2**	**6 months**	**6 months**	**Full year**
Electricity income	23	22	60	49	101
Certificate income	6	13	17	25	50
Development and management income	38	13	70	28	192
	67	**48**	**148**	**103**	**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**	**2019**	**2018**	**2018**
(Amounts rounded to the nearest MSEK)	**Q 2**	**Q 2**	**6 months**	**6 months**	**Full year**
Cost of sold projects and construction work	33	1	52	2	50
Other items	17	14	31	30	63
	49	**15**	**82**	**32**	**113**

Note 3 – Share of profits from associates	**2019**	**2018**	**2019**	**2018**	**2018**
(Amounts rounded to the nearest MSEK)	**Q 2**	**Q 2**	**6 months**	**6 months**	**Full year**
Share of profits in associates (net after tax, 21.4%)	-	-8	-	-15	-23
Adjustment to consolidated value	-	8	-	15	19
Realization loss on sale of associated companies	-	-	-272	-	-
Financial income from associates (gross before tax)	-	7	-	14	28
Less uncapitalised share	-	-7	-	-14	-25
	-	**-**	**-272**	**-**	**0**

Financial income from associates is attributable to granted shareholder loans.

GROUP SEGMENT REPORTING

Quarter 2	Develop. and management		Own wind power operations		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	Q2-19	Q2-18	Q2-19	Q2-18	Q2-19	Q2-18	Q2-19	Q2-18	Q2-19	Q2-18
Net sales, external	38	13	29	35	-	-	-	-	67	48
Net sales, internal	1	1	-	-	-	-	-1	-1	-	-
Other operating income	0	0	0	0	0	0	-	-	0	0
Total income	**39**	**14**	**29**	**35**	**0**	**0**	**-1**	**-1**	**67**	**48**
Capitalised work on own account	1	1	-	-	-	-	-	-	1	1
Operating expenses	-41	-9	-13	-11	-6	-5	1	1	-59	-25
Share of profits from associates	-	-	-	-	-	-	-	-	-	-
Operating profit/loss before depr./imp. (EBITDA	**-1**	**6**	**16**	**24**	**-6**	**-5**	**0**	**0**	**9**	**24**
Depreciation/ impairment Note 4	0	0	-18	-18	0	-	-	-	-19	-18
Operating profit/loss (EBIT)	**-1**	**6**	**-2**	**6**	**-7**	**-5**	**0**	**0**	**-10**	**6**
Net financial items	-4	-4	-16	-15	0	0	-	-	-20	-19
Profit/loss before tax (EBT)	**-5**	**2**	**-19**	**-10**	**-7**	**-5**	**0**	**0**	**-30**	**-13**
Property, plant and equipment	**92**	**89**	**1,260**	**1,282**	**4**	**0**	**-**	**-**	**1,356**	**1,371**

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	-18	-18	0	-	-	-	-19	-18
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-
Depreciation and impairment	**0**	**0**	**-18**	**-18**	**0**	**-**	**-**	**-**	**-19**	**-18**

GROUP SEGMENT REPORTING

6 months	Develop. and management		Own wind power operations		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Net sales, external	70	28	77	75	-	-	-	-	148	103
Net sales, internal	3	2	-	-	-	-	-3	-2	-	-
Other operating income	0	0	0	0	0	0	-	-	1	0
Total income	**73**	**31**	**78**	**75**	**0**	**0**	**-3**	**-2**	**148**	**103**
Capitalised work on own account	2	2	-	-	-	-	-	-	2	2
Operating expenses	-68	-18	-25	-25	-11	-11	3	3	-101	-51
Share of profits from associates	-	-	-	-	-272	-	-	-	-272	-
Operating profit/loss before depr./imp. (EBITDA)	**7**	**15**	**52**	**50**	**-283**	**-11**	**0**	**0**	**-223**	**54**
Depreciation/ impairment Note 5	0	0	-37	-36	-1	0	-	-	-38	-36
Operating profit/loss (EBIT)	**7**	**15**	**15**	**14**	**-284**	**-11**	**0**	**0**	**-261**	**18**
Net financial items	-8	-9	-34	-39	-21	0	-	-	-63	-47
Profit/loss before tax (EBT)	**-1**	**6**	**-19**	**-25**	**-305**	**-10**	**0**	**0**	**-324**	**-29**
Property, plant and equipment	**92**	**89**	**1,260**	**1,282**	**4**	**0**	**-**	**-**	**1,356**	**1,371**

Fund managed by re:cap global investors accounted for more than 10% of development and management income during the period and in the corresponding period 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 5 – Depreciation and impairment of property, plant and equipment

Depreciation/amortisation	0	0	-37	-36	-1	0	-	-	-38	-36
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-
Depreciation and impairment	**0**	**0**	**-37**	**-36**	**-1**	**0**	**-**	**-**	**-38**	**-36**

Note 6 - **Fair value of financial instruments**

Fair value hierarchy

All financial instruments that are measured at fair value belong to Level 2 of the fair value hierarchy. Derivatives comprise electricity futures, currency futures and interest-rate swaps. Measuring the fair value of currency futures is based on published forward rates in an active market. The measurement of interest-rate swaps is based on forward interest rates derived from observable yield curves. The discounting does not have any material impact on the valuation of derivatives in Level 2. The recognition of financial instruments is described on pages 64-71 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.

	2019	**2018**	**2018**
(Amounts rounded to the nearest MSEK)	**30 Jun**	**30 Jun**	**31 Dec**
Assets			
Derivatives held for hedging purposes			
- Derivative assets	1	-	1
Liabilities			
Derivatives held for hedging purposes			
- Derivative liabilities	-74	-108	-117

Note 7 – **Net debt**

	2019	**2018**	**2018**
(Amounts rounded to the nearest MSEK)	**30 Jun**	**30 Jun**	**31 Dec**
Non-current liabilities	977	1,056	968
- of which interest-bearing non-current liabilities (excl. IFRS16 lease liabilities)	878	1,011	922
Current liabilities	135	189	277
- of which interest-bearing current liabilities	-	34	97
Long and short term interest bearing debt liabilities (excl. IFRS16 lease liabilities)	878	1,045	1,020
Cash and cash equivalents at the end of the period	-205	-53	-61
Blocked cash at the end of the period	-9	-10	-9
Net debt	**664**	**983**	**949**

IFRS16 lease liabilities amounted to MSEK 54 (0) on June 30, 2019.

PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2019 Q 2	2018 Q 2	2019 6 months	2018 6 months	2018 Full year
Sales of electricity and electricity certificates	9	13	24	52	76
Development and management income	41	6	66	13	40
Other operating income	0	0	0	0	0
Total income	**50**	**19**	**90**	**65**	**116**
Capitalised work on own account	1	0	1	1	1
Purchases of electricity and electricity certificates	-8	-13	-23	-51	-75
Cost of sold projects and construction work	-33	-1	-52	-2	-16
Personnel costs	-9	-8	-18	-16	-37
Other external expenses	-6	-5	-10	-9	-18
Operating profit/loss before depreciation (EBITDA)	**-5**	**-7**	**-11**	**-13**	**-30**
Depr. and impairment of property, plant and equipment	0	0	0	0	0
Operating profit/loss (EBIT)	**-5**	**-7**	**-11**	**-13**	**-30**
Financial income1)	-9	38	2	291	368
Financial expenses2)	-38	-43	-350	-296	-384
Profit/loss after financial items	**-52**	**-12**	**-359**	**-18**	**-47**
Group contribution	15	-	49	-	-
Profit/loss before tax	**-37**	**-12**	**-311**	**-18**	**-47**
Tax on profit/loss for the period	0	-1	1	-2	-7
Net profit/loss for the year	**-37**	**-14**	**-310**	**-20**	**-54**

1) Includes dividends of MSEK 0 (24) from subsidiaries in the second quarter of 2019.

2) Includes a write down of shares in subsidiaries in the second quarter of 2019 of MSEK 20 (24).

PARENT COMPANY BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2019 30 Jun	2018 30 Jun	2018 31 Dec
Property, plant and equipment	64	53	55
Non-current financial assets	1,151	1,710	1,648
Total non-current assets	**1,215**	**1,764**	**1,703**
Inventories	3	4	6
Other current assets	56	117	130
Cash and cash equivalents	168	39	41
Total current assets	**227**	**159**	**177**
TOTAL ASSETS	**1,442**	**1,923**	**1,881**
Restricted equity	8	8	8
Non-restricted equity	453	795	761
Total equity	**461**	**802**	**769**
Non-current interest-bearing liabilities	878	1,011	922
Total non-current liabilities	**878**	**1,011**	**922**
Current interest-bearing liabilities	-	34	97
Other current liabilities	104	75	93
Total current liabilities	**104**	**110**	**190**
TOTAL EQUITY AND LIABILITIES	**1,442**	**1,923**	**1,881**

PARENT COMPANY EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2019 30 Jun	2018 30 Jun	2018 31 Dec
Opening balance	769	822	822
Other comprehensive income for the period	-310	-20	-54
New issue / warrants	2	-	-
Convertible loan	-	-	0
Closing balance	**461**	**802**	**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.