Interim report 1 January – 31 March 2020

Interim report 1 January – 31 March 2020

FIRST QUARTER INTERIM (1 JANUARY – 31 MARCH 2020)

- Net sales for the quarter amounted to MSEK 50 (81).
- Operating profit/loss before depreciation and amortisation (EBITDA) was MSEK 26 (-232).
- Operating profit/loss (EBIT) was MSEK 7 (-251).
- Loss before tax amounted to MSEK -7 (-294).
- Loss after tax totalled MSEK -7 (-288), corresponding to SEK -0.21 (-8.61) per share.
- Operating cash flow was MSEK 8 (40).
- Production from Own wind power operations was 124 GWh (103). The increase was due to stronger wind conditions than in the preceding year.
- Average income from Own wind power operations was SEK 314 per MWh (475), of which SEK 236 per MWh (363) from electricity and SEK 78 per MWh (112) from electricity certificates, including guarantees of origin.
- Arise repurchased bonds for a nominal MSEK 150 during the quarter. This repurchase relates to the company's secured bonds with an outstanding nominal amount of MSEK 650 (ISIN: SE0010920900). The average repurchase price for the bonds corresponds to 98.2% of the bonds' nominal amount, meaning just over MSEK 147. The purpose of the repurchase was to reduce gross debt and improve Arise's net interest expenses. The repurchases were enabled by the company's strong cash position.

Arise AB (publ)
Box 808, SE-301 18 Halmstad, Sweden
+46 10 450 71 00
Corp. ID. No. 556274-6726
info@arise.se, www.arise.se

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.

CEO's statement

We are going through a very unique time right now, which is affecting all of us in our daily lives. As a company, we can best contribute to society by continuing to conduct our operations as normal, but naturally according to the restrictions now in place.

Even though many of us are working from home and some of us have been sick, we have continued to work effectively. Aside from cancelled travel plans, we are not experiencing disruptions to our operations as of yet, though we are of course aware that this could change.

During the quarter, electricity production from our own operations was unusually high due to stronger winds than usual. At the same time, the weather was seasonally mild and hydropower's reservoirs were filled through abundant precipitation. This has entailed record low electricity prices. It is important to state that this was before coronavirus appeared in Europe.

Altogether, this means that income from electricity production was about what was expected for the first three months of the year. This is because we hedge up to approximately 60% of normal production and also the high production during the quarter was positive, though fully counteracted by the lower-than-normal electricity prices.

In March, our large cash funds (MSEK 365 at the end of 2019) enabled us to seize the opportunity to at a discount buy back a nominal MSEK 150 of our bonds outstanding. This will help improve net financial items for the first quarter and provide lower interest expenses going forward. The financial strength we have built up during the last few years is naturally particularly valuable in times like these. It is reassuring and gives us the courage to be forward-looking in different business discussions. At the end of the period, cash balances amounted to MSEK 224 and we are anticipating positive cash flows during the second quarter when final settlement of our construction projects takes place.

The Enviksberget project was completed in March and completion of Bröcklingberget is scheduled for the second quarter. We expect both of these projects to be settled against earnings during the second quarter. This entails a delay for both projects compared to the original plan. However, it is important to note that the projects were delayed before the corona crisis came to a head and that they were related to a specific supplier. We can conclude that construction has continued relatively well despite the current pandemic. Construction of Skaftåsen is proceeding according to plan.

"Thank you to all of our fantastic employees and partners, who have displayed remarkable drive, perseverance and flexibility."

We are fully under way with procurement for our Ranasjö and Salsjöhöjden projects (215 – 240 MW), which we plan to sell as a package at the end of the year. Investor interest in acquiring Nordic wind power projects remains strong.

We are actively working with new project opportunities, primarily in early development phases, in different parts of Sweden and in a few other regions. It is our ambition to clarify our communication on these opportunities later in the year. At the same time, it is important for us to only announce when projects have achieved a certain objective level.

We are confident in the future, though we remain humble in these uncertain times. Thank you to all of our fantastic employees and partners, who have displayed remarkable drive, perseverance and flexibility.

Halmstad, 6 May 2020
Daniel Johansson
CEO

Net sales and results

MSEK	Q1 2020	Q1 2019	FY 2019
Net sales	50	81	454
Adjusted EBITDA	26	40	217
Adjusted EBIT	7	21	142
Adjusted EBT	-7	-3	60
Adjusted profit/loss after tax	-7	0	53
Loss from associates (after tax)	-	*-272*	*-273*
Recognised EBITDA	26	-232	-56
Recognised EBIT	7	-251	-131
FX item from comprehensive income attributable to hedge accounting	-	*-20*	*-20*
Recognised EBT	-7	-294	-233
Net tax effect of adj. items	-	*4*	*4*
Recognised profit/loss after tax	-7	-288	-235

Adjusted earnings pertains to earnings from the company's underlying operations in 2019 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

Revenue recognition in Development and management for the quarter was negatively affected by delays in divested projects, which also means that the earnings expected from these projects will be recognised across a larger number of months. The quarter was also characterised by stronger winds than normal and lower market prices for electricity and certificates.

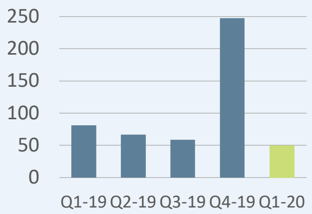
Net sales from Development and management decreased MSEK 21 to MSEK 11 (32) due to lower contract operations in projects and the effects of delays from one specific supplier. As a result of stronger winds than normal, production increased from Own wind power operations to 124 GWh (103). However, the average price for the company's own production fell to SEK 314 per MWh (475). 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 39 (49). Overall, the Group's net sales fell MSEK 31 to MSEK 50 (81).

Operating expenses amounted to MSEK 26 (42), of which MSEK 2 (19) was attributable to project sales and contracts, and MSEK 24 (24) comprised comparable operating expenses. Own capitalised work amounted to MSEK 1 (1).

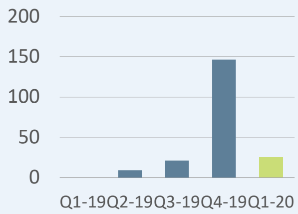
As a result of lower revenue recognition in Development and management as well as a lower average price for production, EBITDA amounted to MSEK 26 (-232) and EBIT to MSEK 7 (-251). However, earnings from associates of MSEK -272 had a negative impact on the year-earlier period. Net financial items improved to MSEK -14 (-43), of which MSEK 9 entailed underlying improvements to net financial items. The remaining MSEK 20 was due to items related to the sale of the associate during the year-earlier period. Profit/loss before and after tax thereby amounted to MSEK -7 (-294) and MSEK -7 (-288), respectively.

IFRS16 resulted in a MSEK 1.7 (1.4) decrease in operating expenses and increases in depreciation and financial expenses of MSEK 1.1 (1.1) and MSEK 0.6 (0.6), respectively.

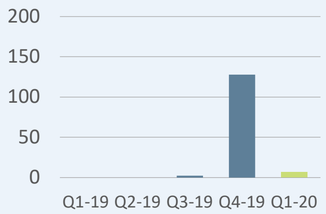
Net sales, MSEK



Operating profit/loss before depreciation and amortisation (EBITDA), MSEK



Operating profit/loss (EBIT), MSEK



Cash flow and investments

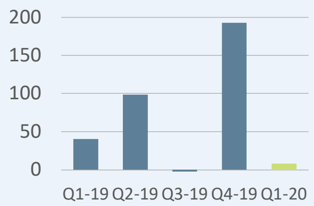
COMMENTS ON THE FIRST QUARTER

Cash flow from operating activities before changes in working capital was MSEK 22 (36). Changes in working capital were MSEK -14 (4). A part-payment for the Böcklingberget project was received during the year-earlier period. Total operating cash flow therefore amounted to MSEK 8 (40). Cash flows from the Enviksberget and Bröcklingberget projects are expected in the second quarter or early in the third quarter. Net cash flow from investing activities was MSEK -2 (-5). Cash flow after investments therefore amounted to MSEK 6 (35). A nominal MSEK 150 of the company's secured bonds were repurchased during the quarter and amortisation therefore amounted to MSEK -150 (-80). Interest and other financing costs of MSEK -14 (-16) were paid. No interest was received. Net payments from blocked accounts totalled MSEK 19 (0) related to the sale of Skaftåsen, after which cash flow for the quarter amounted to MSEK -140 (131).

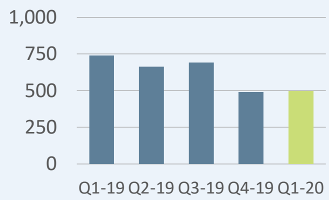
Financing and liquidity

Net debt amounted to MSEK 497 (741), of which convertibles according to IFRS comprised MSEK 234 (236). Cash and cash equivalents totalled MSEK 224 (192). The company still had tied-up working capital and remaining revenue recognition in ongoing construction projects at the end of the quarter. The remaining cash flow from ongoing construction projects is expected to amount to slightly more than MSEK 40, net, during the period from Q2 2020 to Q3 2020. Moreover, Skaftåsen is expected to contribute additional cash flow early 2022. The equity/assets ratio at the end of the period was 45% (34). 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 69% (53).

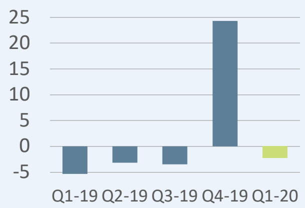
Operating cash flow, MSEK



Net debt, MSEK



Investments (-) / sales (+), MSEK



Segment – Development & management

MSEK	Q1 2020	Q1 2019	FY 2019
Income	13	34	313
Cost of sold projects and contracts	-2	-19	-134
Other operating expenses and capitalised work	-8	-7	-29
Operating profit before depreciation (EBITDA)	2	8	150
Operating profit (EBIT)	2	8	150
Profit/loss before tax	-2	4	132

COMMENTS ON THE FIRST QUARTER

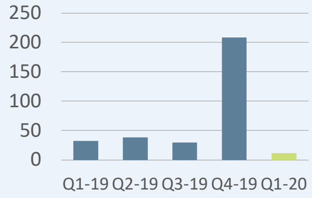
Development and management income decreased to MSEK 13 (34) in the quarter due to lower contract operations in ongoing construction projects and delays in the Enviksberget and Bröcklingberget projects, which will entail lower revenue recognition across more months. The delays are connected to one specific supplier. However, construction of Enviksberget was completed in mid-March and final settlement is therefore expected for the second quarter of 2020. Construction of Bröcklingberget continues and the project is expected to be completed during the second quarter of 2020, after which final settlement will take place. Construction of Skaftåsen proceeded according to plan. Despite the corona pandemic, ongoing construction has continued relatively well and any project delays have not been corona-related.

Work continued on making more projects ready for sale, and the ambition is to begin the sales process for the Ranasjö and Salsjöhöjden projects, a total of about 215 – 240 MW, in Q2 2020. Procurement for the two projects continued at high intensity during the quarter and the sales process is expected to be completed at the end of 2020. Given the current corona pandemic, however, the company will continuously evaluate market conditions.

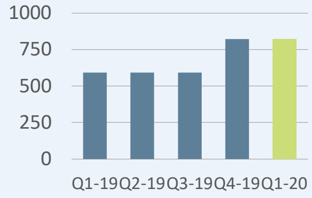
The company will also continue to evaluate opportunities to expand the development portfolio and discussions are ongoing regarding other projects in Sweden and a few other regions.

Development and management income decreased to MSEK 13 (34). At the same time, the cost of sold projects and contracts fell to MSEK -2 (-19). Other operating expenses and capitalised work rose to MSEK -8 (-7). EBITDA thus declined a total of MSEK 6 to MSEK 2 (8). Depreciation and impairment amounted to MSEK 0 (0) and net financial items amounted to MSEK -4 (-4). EBIT and profit/loss before tax thus declined to MSEK 2 (8) and MSEK -2 (4), respectively.

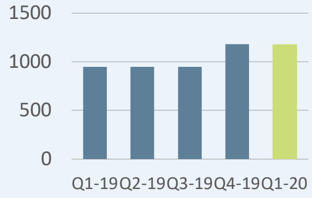
Development and management income, MSEK



Divested projects, accumulated, MW



External management assignments, accumulated, MW



Segment – Own wind power operations

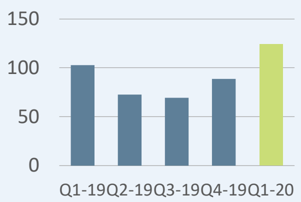
MSEK	Q1 2020	Q1 2019	FY 2019
Income	39	49	146
Operating expenses	-11	-12	-46
Operating profit before depreciation (EBITDA)	28	37	100
Operating profit (EBIT)	10	18	27
Profit/loss before tax	0	0	-37

COMMENTS ON THE FIRST QUARTER

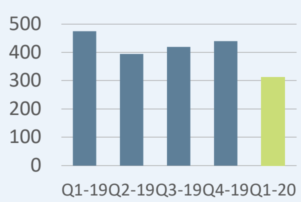
Overall, wind conditions during the quarter were stronger than normal, and production at the company's wind farms thus increased to 124 GWh (103). At the same time, average income from electricity and certificates, including guarantees of origin, declined to SEK 236 per MWh (363) and SEK 78 per MWh (112) respectively, mainly due to lower market prices. Average income for electricity was above the market price for electricity (SE4) during the period as a result of price hedging. Average income for certificates was also above the market price for certificates (SKM) during the period due to price hedging.

Net sales rose MSEK 10 due to higher production, but declined MSEK 20 due to a lower average price compared with the year-earlier quarter. Due to higher production and availability bonuses, specific operating expense declined to SEK 86 per MWh (120). In total, net sales therefore declined to MSEK 39 (49) and EBITDA to MSEK 28 (37) compared with the year-earlier period. Depreciation amounted to MSEK 18 (19) and EBIT therefore decreased to MSEK 10 (18). However, net financial items improved significantly to MSEK -10 (-18) due to lower borrowing and repurchasing bonds at a discount during the quarter. Profit/loss before tax was thus unchanged at MSEK 0 (0).

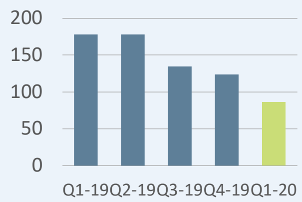
Production



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 about 850 MW, of which just under 800 MW in Sweden and about 70 MW in an active phase in Scotland. The carrying amount totalled approximately MSEK 56. Fully developed, the portfolio would equate to an investment level of about SEK 8 billion. The company is actively working on expanding the project portfolio and has ongoing discussions in Sweden as well as in a few other regions. 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

The world was impacted by the corona crisis in March 2020. Arise has not been affected by the crisis to any significant extent to date, but the company is continuously monitoring developments and is prepared to take action if required. With cash funds of MSEK 224 at the end of the quarter, the company is well-prepared to meet this crisis. Most of the company's employees are continuing to work at their workplace. At the same time, we can confirm that our IT systems and the possibility of working from home have functioned well. The company's production of electricity is unchanged but electricity prices will probably be negatively affected to some extent by the ongoing crisis. The management business is largely performed using computers and is continuing without any changes. However, the situation requires more communication with customers. While the construction of sold wind farms is proceeding unchanged thus far, the company is continuously monitoring developments. Enviksberget was completed in the first half of March. As regards the company's development business, develop activities are mostly continuing as usual. The intention is still to sell Ranasjö and Salsjöhöjden in 2020. If the situation in the market were to change such that we find it appropriate to postpone the sales process, then we will do so.

Arise repurchased bonds for a nominal MSEK 150 in March. This repurchase relates to the company's secured bonds with an outstanding nominal amount of MSEK 650 (ISIN: SE0010920900). The average repurchase price for the bonds corresponds to 98.2% of the bonds' nominal amount, meaning just over MSEK 147. The purpose of the repurchase was to reduce gross debt and improve Arise's net interest expenses. The repurchases were enabled by the company's strong cash position.

In March, the government presented a memorandum of the structure of a stop rule for the electricity-certificate system. In brief, the proposal, which has now been sent for consideration, means that a stop rule will be introduced on 31 December 2021 and the system will be discontinued on 31 December 2035. This is an improvement compared with previous proposals, and enables more price dynamics in the market for electricity certificates.

RELATED-PARTY TRANSACTIONS

No significant 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 74 under Note 21 in the 2019 Annual Report.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events occurred after the end of the period.

OUTLOOK

Even if the corona pandemic is currently having far-reaching effects on both markets and society, our assessment is that the situation will stabilise sooner or later. Electricity prices are currently low, but this is primarily due to a large surplus in the hydroelectric balance and falling coal and gas prices, the latter of which has also been affected by the corona pandemic. Despite this there are indications that the market for development and management remains relatively strong. The company remains well-positioned and therefore we see opportunities to continue to create value with relatively little capital tied-up. The proposed new stop rule for electricity certificate scheme is also positive. This is an improvement compared with previous proposals, and enables more price dynamics in the market. There is uncertainty regarding the final structure of the stop rule. 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 also means we can reduce our interest expense over time, in particular in connection with the planned refinancing in autumn 2020. We will thereby also optimise our income from production for the long term. Underlying earnings are expected to increase over the next few years compared with 2019, and net debt is expected to continue to decline.

RISKS AND UNCERTAINTIES

A negative impact on electricity prices due to the corona pandemic cannot be ruled out. If electricity prices fall or remain low, it will have a direct impact on the Group's EBIT and could indicate a risk for declining values in existing investments. Construction of wind farms is ongoing and delays caused by the corona pandemic may have a direct impact on the Group's EBIT. Portions of the company's future income depends on project sales. If the company should choose to delay project sales due to the corona pandemic, it will have a direct impact on the Group's EBIT. Risks and uncertainties affecting the Group are described on pages 34–35 of the 2019 Annual Report, and financial risk management is presented on pages 64–71. Apart from the above risks connected to the corona pandemic, 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 wind locations, signing leasehold agreements, producing impact assessments, preparing detailed development plans and permits), divesting projects, project management of new projects, managing 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 as well as electricity and electricity certificates hedges in accordance with the adopted financial policy.

During the first half of the year, the Parent Company's total income amounted to MSEK 20 (40) and purchases of electricity and certificates, personnel costs and other external expenses, capitalised work on own account and depreciation of non-current assets totalled MSEK 28 (46), resulting in EBIT of MSEK -7 (-6). Net financial items of MSEK -11 (-301) (including impairment of shares in subsidiaries of MSEK 0 (50) and impairment of non-current receivables in associates of MSEK 0 (243)) and Group contributions of MSEK 0 (33) resulted in a net loss after tax of MSEK -18 (-274). The Parent Company's net investments amounted to MSEK -2 (-6).

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 2019 Annual Report.

REVIEW BY THE AUDITOR

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

FINANCIAL CALENDAR

- Second quarter (1 Apr.-30 Jun.) 17 July 2020
- Third quarter (1 Jul.-30 Sept.) 6 November 2020
- Fourth quarter (1 Oct.-31 Dec.) 17 February 2021
- First quarter (1 Jan.-31 Mar.) 5 May 2021

Halmstad, 6 May 2020

Arise AB (publ)

Daniel Johansson
CEO

FOR FURTHER INFORMATION, PLEASE CONTACT

Daniel Johansson, CEO
Tel. +46 (0) 702 244 133

Linus Hägg, CFO
Tel. +46 (0) 702 448 916

CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2020 Q 1	2019 Q 1	2019 Full year
Net sales	Note 1	50	81	454
Other operating income		0	0	1
Total income		**50**	**81**	**454**
Capitalised work on own account		1	1	4
Personnel costs		-10	-9	-49
Other external expenses	Note 2	-16	-33	-192
Profit/loss from associates	Note 3	-	-272	-273
Operating profit before depreciation (EBITDA)		**26**	**-232**	**-56**
Depr. and imp. of property, plant and equipment	Note 4	-19	-19	-76
Operating profit/loss (EBIT)		**7**	**-251**	**-131**
Financial income		1	-	0
Financial expenses*		-15	-43	-101
Profit/loss before tax		**-7**	**-294**	**-233**
Tax on profit/loss for the period		0	7	-2
Net profit/loss for the period		**-7**	**-288**	**-235**
Earnings per share before dilution, SEK		-0.21	-8.61	-7.03
Earnings per share after dilution, SEK		-0.21	-8.61	-7.03

* Due to bond repurchases financial expenses includes a positive effect of MSEK 2.7 and a negative effect from resolution of arrangement fees of MSEK 0.9.
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)	2020 Q 1	2019 Q 1	2019 Full year
Net profit/loss for the period	**-7**	**-288**	**-235**
Other comprehensive income			
Items that may be reclassified to the income statement			
Translation differences for period	0	0	0
Cash flow hedges	33	42	80
Net investment in foreign currency	-	-36	-36
Share of other comprehensive income in associates, net after tax	-	72	72
Income tax attributable to components of other comprehensive income	-7	-1	-9
Other comprehensive income for the period, net after tax	**26**	**77**	**107**
Total comprehensive income for the period	**19**	**-211**	**-128**

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

CONSOLIDATED BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2020 31 Mar	2019 31 Mar	2019 31 Dec
Property, plant and equipment 1)	1,264	1,372	1,282
Non-current financial assets	15	38	40
Total non-current assets	**1,279**	**1,410**	**1,322**
Inventories	1	7	8
Other current assets	116	182	100
Cash and cash equivalents	224	192	365
Total current assets	**341**	**381**	**473**
TOTAL ASSETS	**1,621**	**1,791**	**1,795**
Equity	**722**	**615**	**698**
Non-current interest-bearing liabilities 2)	776	961	932
Provisions	46	46	46
Total non-current liabilities	**822**	**1,007**	**977**
Current interest-bearing liabilities 2)	4	34	3
Other current liabilities	73	134	116
Total current liabilities	**77**	**169**	**120**
TOTAL EQUITY AND LIABILITIES	**1,621**	**1,791**	**1,795**

1) Property, plant and equipment include lease assets of MSEK 49 (54).

2) Interest-bearing liabilities inclulde lease liabilities of MSEK 50 (55).

CONSOLIDATED CASH FLOW STATEMENT

(Condensed, amounts rounded to the nearest MSEK)		2020 Q 1	2019 Q 1	2019 Full year
Cash flow from operating activities before changes in working capital		22	36	198
Cash flow from changes in working capital		-14	4	129
Cash flow from operating activities		**8**	**40**	**327**
Investments in property, plant and equipment		-2	-5	-66
Sales of property, plant and equipment		-	-	79
Cash flow from investing activities		**-2**	**-5**	**12**
Loan repayments		-150	-80	-146
Repayment of long-term receivables		-	193	193
Amortization of lease liabilities		-	-1	-5
Interest paid and other financing costs		-14	-16	-59
Interest received		-	-	0
Net payment to blocked accounts		19	-	-19
New issue		-	2	2
Cash flow from financing activities		**-146**	**97**	**-34**
Cash flow for the period		**-140**	**131**	**305**
Cash and cash equivalents at the beginning of the period		365	61	61
Translation differences in cash and cash equivalents		0	-1	-2
Cash and cash equivalents at the end of the period		**224**	**192**	**365**
Interest-bearing liabilities at the end of the period		731	941	883
Blocked cash at the end of the year		-9	-9	-27
Net debt	**Note 6**	**497**	**741**	**491**

GROUP EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2020 31 Mar	2019 31 Mar	2019 31 Dec
Opening balance	698	824	824
Profit/loss for the year	-7	-288	-235
Other comprehensive income for the period	26	77	107
New issue / warrants	5	2	2
Convertible loan	0	-	-
Closing balance	**722**	**615**	**698**

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2020 Q 1	2019 Q 1	2019 Full year
Operational key performance indicators			
Installed capacity at the end of the period, MW	139.2	139.2	139.2
Own electricity production during the period, GWh	124.3	102.8	333.2
Number of employees at the end of the period	31	26	28
Financial key performance indicators			
Earnings per share before dilution, SEK [1]	-0.21	-8.61	-7.03
Earnings per share after dilution, SEK [1]	-0.21	-8.61	-7.03
EBITDA margin, %	50.8%	neg	neg
Operating margin, %	13.6%	neg	neg
Return on capital employed (EBIT), %	9.9%	neg	neg
Return on adjusted capital employed (EBITDA), %	15.7%	neg	neg
Return on equity, %	6.8%	neg	neg
Capital employed, MSEK	1,219	1,356	1,189
Average capital employed, MSEK	1,287	1,580	1,481
Equity, MSEK	722	615	698
Average equity, MSEK	668	725	761
Net debt, MSEK	497	741	491
Equity/assets ratio, %	44.5%	34.4%	38.9%
Interest coverage ratio, times	51.3%	neg	neg
Debt/equity ratio, times	0.7	1.2	0.7
Equity per share, SEK	21	18	21
Equity per share after dilution, SEK	21	18	21
No. of shares at the end of the period, excl. treasury shares	33,724,626	33,491,376	33,491,376
Average number of shares	33,608,001	33,432,626	33,432,626
Average number of shares after dilution	33,608,001	33,712,626	33,432,626

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

NOTE 1 – NET SALES

(Amounts rounded to the nearest MSEK)	2020 Q 1	2019 Q 1	2019 Full year
Electricity income	29	37	111
Certificate income	10	11	34
Development and management income	11	32	308
	50	**81**	**454**

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

(Amounts rounded to the nearest MSEK)	2020 Q 1	2019 Q 1	2019 Full year
Cost of sold projects and construction work	2	19	134
Other items	14	14	58
	16	**33**	**192**

NOTE 3 – SHARE OF PROFITS FROM ASSOCIATES

(Amounts rounded to the nearest MSEK)	2020 Q 1	2019 Q 1	2019 Full year
Realization loss on sale of associated companies	-	-272	-273
	-	**-272**	**-273**

GROUP SEGMENT REPORTING

Quarter 1	Develop. and management		Own wind power operations		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
Net sales, external	11	32	39	49	-	-	-	-	50	81
Net sales, internal	1	1	-	-	-	-	-1	-1	-	-
Other operating income	0	0	0	0	0	0	-	-	0	0
Total income	**13**	**34**	**39**	**49**	**0**	**0**	**-1**	**-1**	**50**	**81**
Capitalised work on own account	1	1	-	-	-	-	-	-	1	1
Operating expenses	-11	-27	-11	-12	-5	-5	1	1	-26	-42
Share of losses from associates	-	-	-	-	-	-272	-	-	-	-272
Operating profit/loss before depr./imp. (EBITDA)	**2**	**8**	**28**	**37**	**-5**	**-277**	**0**	**0**	**26**	**-232**
Depreciation/ impair. Note 4	0	0	-18	-19	0	0	-	-	-19	-19
Operating profit/loss (EBIT)	**2**	**8**	**10**	**18**	**-6**	**-277**	**0**	**0**	**7**	**-251**
Net financial items	-4	-4	-10	-18	0	-21	-	-	-14	-43
Profit/loss before tax (EBT)	**-2**	**4**	**0**	**0**	**-5**	**-298**	**0**	**0**	**-7**	**-294**
Property, plant and equipment	**57**	**89**	**1,203**	**1,279**	**4**	**4**	**-**	**-**	**1,264**	**1,372**

Funds managed by Foresight Group LLP, funds managed by Green Investment Group / CapMan Group, funds managed by re:cap global investors and funds managed by BlackRock accounted for more than 10% of development and management income during the quarter and in the corresponding quarter in 2019 funds managed by BlackRock and funds managed by re:cap global investors 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	-19	0	0	-	-	-19	-19
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-
Depreciation and impairment	**0**	**0**	**-18**	**-19**	**0**	**0**	**-**	**-**	**-19**	**-19**

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 2019 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)	**2020 31 Mar**	**2019 31 Mar**	**2019 31 Dec**
Assets			
Derivatives held for hedging purposes			
- Derivative assets	25	0	2
Liabilities			
Derivatives held for hedging purposes			
- Derivative liabilities	-40	-78	-48

NOTE 6 – NET DEBT

(Amounts rounded to the nearest MSEK)	**2020 31 Mar**	**2019 31 Mar**	**2019 31 Dec**
Non-current liabilities	822	1,007	977
- of which interest-bearing non-current liabilities (excl. IFRS16 lease liabilities)	731	907	883
Current liabilities	77	169	120
- of which interest-bearing current liabilities (excl. IFRS16 lease liabilities)	-	34	-
Long and short term interest bearing debt liabilities (excl. IFRS16 lease liabilities)	731	941	883
Cash and cash equivalents at the end of the year	-224	-192	-365
Blocked cash at the end of the year	-9	-9	-27
Net debt	**497**	**741**	**491**

IFRS16 lease liabilities amounted to MSEK 50 (55) on March 31, 2020.

PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2020 Q 1	2019 Q 1	2019 Full year
Sales of electricity and electricity certificates	11	15	43
Development and management income	9	25	101
Other operating income	0	0	0
Total income	**20**	**40**	**145**
Capitalised work on own account	1	1	2
Purchases of electricity and electricity certificates	-11	-15	-42
Cost of sold projects and construction work	-2	-19	-75
Personnel costs	-9	-9	-46
Other external expenses	-5	-4	-20
Operating profit/loss before depreciation (EBITDA)	**-7**	**-6**	**-36**
Depr. and impairment of property, plant and equipment	0	0	0
Operating profit/loss (EBIT)	**-7**	**-6**	**-37**
Financial income[1)]	4	10	142
Financial expenses[2)]	-14	-312	-386
Profit/loss after financial items	**-18**	**-307**	**-281**
Group contribution	-	33	49
Profit/loss before tax	**-18**	**-274**	**-232**
Tax on profit/loss for the period	0	1	0
Net profit/loss for the period	**-18**	**-274**	**-232**

[1)] Includes sales of shares in subsidiaries of MSEK 133 during 2019.
[2)] Includes a write down of shares during the first quarter 2020 in subsidiaries of MSEK 0 (50) and a write-down of long-term receivables in associated companies of MSEK 0 (243).

PARENT COMPANY BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2020 31 Mar	2019 31 Mar	2019 31 Dec
Property, plant and equipment	28	61	26
Non-current financial assets	1,152	1,171	1,170
Total non-current assets	**1,180**	**1,232**	**1,196**
Inventories	-	6	8
Other current assets	45	143	39
Cash and cash equivalents	185	179	324
Total current assets	**230**	**328**	**371**
TOTAL ASSETS	**1,410**	**1,560**	**1,567**
Restricted equity	8	8	8
Non-restricted equity	518	489	531
Total equity	**526**	**497**	**539**
Non-current interest-bearing liabilities	731	907	883
Total non-current liabilities	**731**	**907**	**883**
Current interest-bearing liabilities	-	34	-
Other current liabilities	153	122	145
Total current liabilities	**153**	**156**	**145**
TOTAL EQUITY AND LIABILITIES	**1,410**	**1,560**	**1,567**

PARENT COMPANY EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2020 31 Mar	2019 31 Mar	2019 31 Dec
Opening balance	539	769	769
Other comprehensive income for the period	-18	-274	-232
New issue / warrants	5	2	2
Convertible loan	0	-	-
Closing balance	**526**	**497**	**539**

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 adjusted for conversion of convertibles 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.

Arise AB, Box 808, SE-301 18 Halmstad
Telefon +46 (0) 10-450 71 00 | www.arise.se