

# Interim report

## 1 January – 30 September



# Interim report 1 January – 30 September 2020

## THIRD QUARTER (1 JULY – 30 SEPTEMBER 2020)

- Net sales for the quarter amounted to MSEK 24 (58).
- Operating profit/loss before depreciation and amortisation (EBITDA) totalled MSEK 0 (21).
- Operating profit/loss (EBIT) was MSEK -16 (2).
- Profit/loss before tax amounted to MSEK -32 (-16).
- Profit/loss after tax totalled MSEK -32 (-16), corresponding to SEK -0.93 (-0.48) per share before and after dilution.
- Operating cash flow was MSEK 49 (-4).
- Production from Own wind power operations was 68 GWh (69).
- Average income from Own wind power operations was SEK 211 per MWh (419), of which SEK 206 per MWh (322) from electricity and SEK 4 per MWh (97) from electricity certificates, including guarantees of origin.
- Following an in-depth technical analysis performed by a third party, the expected economic lifetime for the company's own wind farms will increase from an average of 25 years to approximately 30 years. This will result in about a MSEK 10 decrease in depreciation annually, starting in August 2020.
- A 5-year full-service agreement was signed with WP Green Service GmbH for the company's three GE wind farms, comprising 21 turbines in total. The agreement will come into effect on 1 January 2021. WP Green Service GmbH will take full responsibility for all components while operating costs will decrease and a continued high availability will be guaranteed.

## FIRST NINE MONTHS (1 JANUARY – 30 SEPTEMBER 2020)

- Net sales for the period amounted to MSEK 104 (206).
- Operating profit/loss before depreciation and amortisation excluding associates (adjusted EBITDA) totalled MSEK 32 (71), and including associates (EBITDA) totalled MSEK 32 (-202).
- Operating profit/loss excluding associates (adjusted EBIT) amounted to MSEK -22 (14), and including associates (EBIT) totalled MSEK -22 (-259).
- Profit/loss before tax excluding associates (adjusted EBT) amounted to MSEK -67 (-48), and including associates (EBT) totalled MSEK -67 (-341).
- Profit/loss after tax excluding associates (adjusted loss after tax) amounted to MSEK -66 (-45) and including associates totalled MSEK -66 (-333), corresponding to SEK -1.94 (-9.96) per share before dilution and SEK -1.94 (-9.92) per share after dilution.
- Operating cash flow was MSEK 66 (134).
- Production from Own wind power operations was 267 GWh (245). The increase was due to stronger wind conditions than in the preceding year.
- Average income from Own wind power operations was SEK 249 per MWh (435), of which SEK 206 per MWh (337) from electricity and SEK 43 per MWh (98) from electricity certificates, including guarantees of origin.

### Arise AB (publ)

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### 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.

## **SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD**

- Arise successfully refinanced outstanding secured bonds with a bank loan of MEUR 40. As such, the Group's annual financing costs will be dramatically reduced from about MSEK 60 to approximately MSEK 25, including interest expenses relating to the company's outstanding convertible bonds, IFRS 16 items and accrued arrangement fees. During the fourth quarter of 2020, a one-off charge will arise in connection with the refinancing totalling approximately MSEK -34, of which approximately MSEK -33 has already been charged to Group equity in accordance with IFRS 9.

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## CEO's statement

The quarter has been marked by strong inbound cash flow due to the settlement of the Enviksberget and Bröcklingberget projects with the customer. Operating cash flow was MSEK 49 and total cash flow amounted to MSEK 32.

Electricity prices remained unusually low at the beginning of the period, only to return to more normal levels about half way through the period. Production was in line with normal levels. In total, electricity prices have had a negative impact on earnings for the quarter. We remain structurally optimistic in terms of the electricity price trend in light of the huge transition requirements in which coal power is being discontinued in Europe and other fossil energy use (particularly for vehicles and industry) is to be converted to using electricity to a greater extent. Transfer capacity from the Nordic region to neighbouring countries is gradually expanding.

The sales process of the Ranasjö and Salsjöhöjden projects, totalling approximately 240 MW, is advanced and the aim remains to close the deal before the end of the year.

After the end of the period, we successfully carried out a refinancing that will dramatically reduce our interest expenses. We have now created the conditions for profit from own electricity production and the company is ready to enter the next phase.

At the end of the quarter, more applications for the conversion of convertible bonds occurred than previously, which when added to previous conversions resulted in convertible debt being reduced from approximately MSEK 245 to approximately MSEK 180. As a result, the company's interest expenses are further reduced.

We are actively looking for growth opportunities and are making good advances in our project portfolio as well as having begun to expand our geographical presence. During the next two years, we at least expect to make investment decisions for the Kolvallen, Lebo and Fasikan projects. In terms of capacity, we expect these projects to be somewhere between 400 and 500 MW.

The company is in a strong position and we serve the expansive market for renewable energy. We are a part of the solution in terms of the climate challenge. We will focus on both growth and profitability.

Halmstad, 6 November 2020

Daniel Johansson

CEO



*"During the next two years, we at least expect to make investment decisions for the Kolvallen, Lebo and Fasikan projects. In terms of capacity, we expect these projects to be somewhere between 400 and 500 MW."*

## Net sales and results

MSEK	Q3 2020	Q3 2019	9m 2020	9m 2019
Net sales	24	58	104	206
Adjusted EBITDA	0	21	32	71
Adjusted EBIT	-16	2	-22	14
Adjusted EBT	-32	-16	-67	-48
Loss from associates (after tax)	-	-	-	-273
Recognised EBITDA	0	21	32	-202
Recognised EBIT	-16	2	-22	-259
FX item from comprehensive income attributable to hedge accounting	-	-	-	-20
Recognised EBT	-32	-16	-67	-341
Net effect of adj. items	-	-	-	4
Recognised profit/loss after tax	-32	-16	-66	-333

*Adjusted earnings pertains to earnings from the company's underlying operations excluding the sale of the company's participation in its associate Sirocco in 2019 and its effects on the Group's recognised earnings.*

### COMMENTS ON THE THIRD QUARTER

Sales in Development and management decreased compared with the year-earlier quarter due to lower contracting operations and revenue recognition in projects. Final payments for the Enviksberget and Bröcklingberget projects were received during the quarter and revenue recognition for Skaftåsen took place as expected. The quarter was characterised by normal wind conditions and low market prices for electricity and certificate prices. Work was completed during the quarter to extend the service life of the company's wind farms from an average of 25 years to an average of 30 years, and new service agreements were signed for the company's three GE wind farms.

Net sales from Development and management decreased MSEK 20 to MSEK 10 (30) due to lower contracting operations and fewer projects under revenue recognition. At the same time, costs declined significantly for projects and contracts, meaning that profitability was not affected to the same extent. Wind energy was normal for the period, which resulted in production from Own wind power operations amounting to 68 GWh (69). However, the average price for the company's own production fell to SEK 211 per MWh (419). This was mainly due to lower market prices compared with the year-earlier quarter, but also due to a more unfavourable price profile for wind power than normal as a result of high levels of hydro reservoirs. The combination of a lower average price and production reduced net sales from Own wind power operations to MSEK 14 (29). Overall, the Group's net sales fell MSEK 35 to MSEK 24 (58).

Operating expenses amounted to MSEK 25 (37), of which MSEK 2 (18) was attributable to project sales and contracts, and MSEK 23 (19) comprised comparable operating expenses. Comparable

operating expenses from last year were impacted retroactively by lower tax assessment values for wind power. Own capitalised work amounted to MSEK 1 (1).

Overall, the lower revenue recognition in Development and management and the lower average price for production mean that EBITDA fell to MSEK 0 (21) and EBIT to MSEK -16 (2). Net financial items strengthened due to lower borrowing, and loss before and after tax thus amounted to MSEK -32 (-16).

IFRS 16 resulted in a MSEK 1.5 (1.4) decrease in operating expenses and increases in depreciation and financial expenses of MSEK 1.2 (1.1) and MSEK 0.6 (0.6), respectively, during the quarter.

## COMMENTS ON THE FIRST NINE MONTHS OF THE YEAR

Sales in Development and management declined due to lower contracting operations. Costs for project sales and contracts declined to the same extent, and revenue recognition was thus largely unchanged compared with the year-earlier period. Enviksberget was settled slightly under budget, Bröcklingberget in line with budget, and revenue recognition for Skaftåsen was in line with budget. Stronger wind conditions than normal resulted in an increase in production from Own wind power operations to 267 GWh (245). At the same time, the average price for the company's own production declined to SEK 249 per MWh (435) due to lower market prices and a more unfavourable price profile for wind power during the period driven by high water levels in the hydro reservoirs. In total, net sales declined MSEK 103 compared with the year-earlier period.

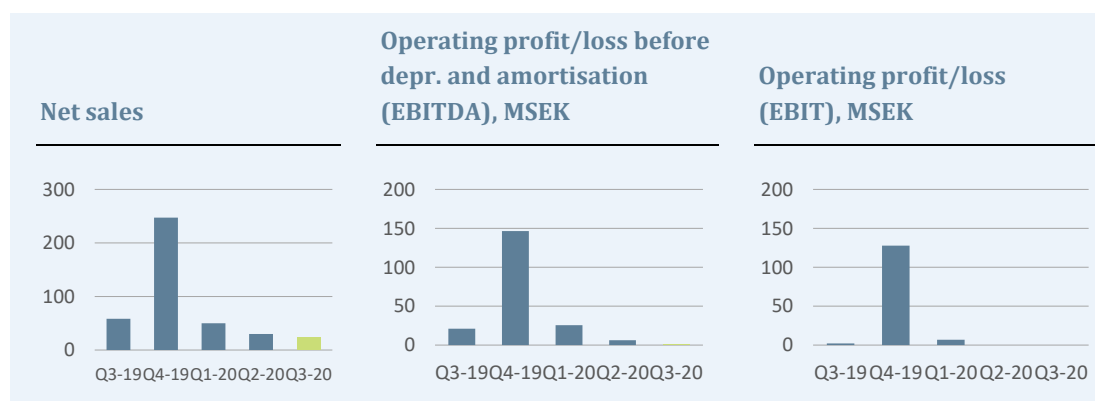
Operating expenses amounted to MSEK 76 (139), of which MSEK 7 (70) was attributable to project sales and contracts, and MSEK 69 (69) comprised comparable personnel costs and operating expenses. Own capitalised work amounted to MSEK 4 (3).

Operating profit before depreciation and amortisation, excluding associates, (adjusted EBITDA) decreased to MSEK 32 (71) and adjusted EBIT decreased to MSEK -22 (14). Adjusted EBT declined to a lesser extent as a result of strengthened net financial items and totalled MSEK -67 (-48).

The recognised loss after tax was MSEK -67 (-341), representing earnings per share of SEK -1.94 (-9.96) before dilution and SEK -1.94 (-9.92) after dilution.

The reported earnings for the first nine months of 2020 are the same as the adjusted earnings for the period. An associate was divested during the first half of 2019, which had a major impact on the reported earnings during the first half of 2019.

IFRS 16 resulted in a MSEK 4.4 (4.2) decrease in operating expenses and increases in depreciation and financial expenses of MSEK 3.3 (3.2) and MSEK 1.6 (1.8), respectively, during the period.





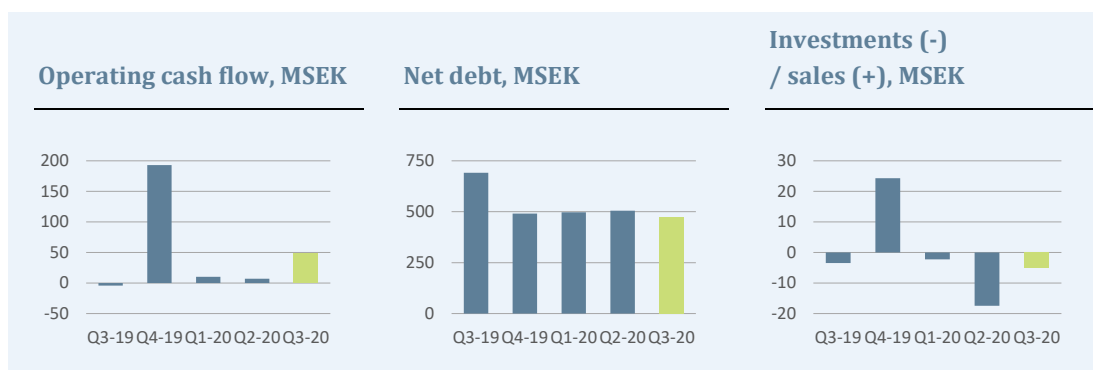
## Cash flow and investments

### COMMENTS ON THE THIRD QUARTER

Cash flow from operating activities before changes in working capital was MSEK -2 (14). Changes in working capital amounted to MSEK 50 (-18), driven by receipt of final payments for the Enviksberget and Bröcklingberget projects during the quarter. Total operating cash flow thus amounted to MSEK 49 (-4). Net cash flow from investing activities was MSEK -5 (-3), driven by project investments. Cash flow after investments therefore amounted to MSEK 44 (-8). There were no amortisations during the quarter. Interest costs of MSEK -13 (-17) were paid. Interest payments of MSEK 2 (0) were received on the company's holdings in its own secured bond. No net payments to or from blocked accounts took place, after which cash flow for the quarter amounted to MSEK 32 (-26) for the period (adjusted for the effects of IFRS 16).

### COMMENTS ON THE FIRST NINE MONTHS OF THE YEAR

Cash flow from operating activities before changes in working capital was MSEK 23 (56). Changes in working capital were MSEK 43 (79), driven by receiving payments and the accumulation of working capital in ongoing projects. Total operating cash flow therefore amounted to MSEK 66 (134). Net cash flow from investing activities was MSEK -25 (-12), including a purchase consideration for the Lebo project. Cash flow after investment was thus MSEK 41 (122). A nominal MSEK 150 of the company's secured bonds were repurchased at a discount during the period and amortisation therefore amounted to MSEK -147 (-146). Interest and financing costs of MSEK -44 (-49) were paid. Interest payments of MSEK 4 (0) were received on the company's holdings in its own secured bond and net payments were made to or from blocked accounts for MSEK 19 (0). Adjusted for the effects of IFRS 16, cash flow for the period amounted to MSEK -133 (118).



## Financing and liquidity

Net debt amounted to MSEK 472 (691), of which convertibles according to IFRS comprised MSEK 213 (237). After the end of the period, convertibles with a nominal value of MSEK 37 were converted. Cash and cash equivalents totalled MSEK 231 (180). The company still had tied-up working capital and remaining revenue recognition in ongoing construction projects at the end of the period. Remaining cash flow from the ongoing Skaftåsen construction project is expected to

contribute at the start of 2022. At the end of the period, the equity/assets ratio was 43% (34). Under the assumption that all of the company's convertible bonds would be converted and existing cash settled against interest-bearing liabilities, the equity/assets ratio would correspond to 67% (54).



## Segment – Development and management

MSEK	Q3 2020	Q3 2019	9m 2020	9m 2019
Income	10	30	40	104
Cost of sold projects and contracts	-2	-18	-7	-70
Other operating expenses and capitalised work	-7	-7	-22	-21
Operating profit/loss before depreciation (EBITDA)	1	5	11	12
Operating profit/loss (EBIT)	1	5	11	12
Profit/loss before tax	-3	1	-2	0

### COMMENTS ON THE THIRD QUARTER

Development and management income decreased in the quarter due to lower contracting operations and revenue recognition in ongoing construction projects. Construction of Skaftåsen proceeded according to plan and has not been materially impacted by the ongoing coronavirus pandemic. Final payments for the Enviksberget and Bröcklingberget projects were received during the quarter. Additional potential settlement could take place based on the outcome of ongoing discussions with certain subcontractors in the Bröcklingberget project.

The sales process for the Ranasjö and Salsjöhöjden projects, totalling approximately 240 MW, continued during the quarter and the ambition is to divest the project as a package before the end of the year.

Efforts are ongoing to prepare several projects for sale and 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 geographies. At present, the company has a portfolio of approximately 1,300 MW, which is further presented in the section "Portfolio".

During the quarter, management of the wind farm Jädraås was taken over by RES, who are connected to the investor TRIG that acquired the wind farm in 2019.

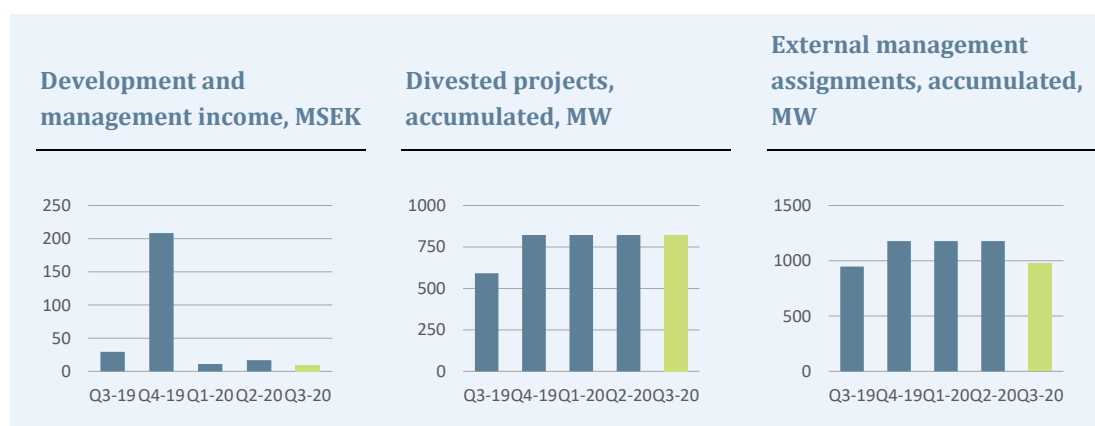
Development and management income decreased to MSEK 10 (30). At the same time, the cost of sold projects and contracts decreased MSEK 17 to MSEK -2 (-18) due to lower contracting operations in ongoing construction projects. Other operating expenses and capitalised work were unchanged year-on-year. EBITDA thus declined to a total of MSEK 1 (5). Combined with the fact that net financial items were unchanged, this meant that EBIT and profit/loss before tax declined to MSEK 1 (5) and MSEK -3 (1) respectively.



## COMMENTS ON THE FIRST NINE MONTHS OF THE YEAR

During the period, the Enviksberget and Bröcklingberget projects were completed and final settlements took place. Construction of the Skaftåsen project proceeded according to plan.

Income decreased to MSEK 40 (104) compared with the year-earlier period. At the same time, the cost of sold projects and contracts declined MSEK 63 to MSEK -7 (-70). Other operating expenses and capitalised work increased somewhat, after which both EBITDA and EBIT declined to MSEK 11 (12). Net financial items were negatively impacted by currency effects and profit/loss before tax declined to MSEK -2 (0).



## PORTFOLIO

Arise's development portfolio is presented below, totalling just over 1,300 MW at the end of the period. The consolidated carrying amount was approximately MSEK 97 at the end of the period. Fully developed, the portfolio would equate to an investment level of about SEK 15 billion.

The portfolio is divided into projects in later development phases, which amount to a total of approximately 860 MW, and projects in early development phases, which amount to a total of approximately 465 MW.

In order to expand the project portfolio, Arise has screened several potential projects. The vast majority of the projects screened did not qualify for further development, since they did not meet the stringent requirements Arise has for projects pertaining to wind conditions, permit risks, electricity grid capacity and an assessment of their financial potential. These primary factors were determined to be promising for the projects below. 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.

The company is also actively working on expanding the project portfolio and has ongoing discussions in Sweden as well as in a few other regions.

Projects – late developmental phases	WTG	MW	Schedule	Profit potential
Ranasjöhöjden, SE 2	25	155	2020	Good
Salsjöhöjden, SE 2	14	84	2020	Moderate
Lebo, SE 3	5	30	2021–2022	Good
Fasikan, SE 2	15	90	2021–2022	Good to Excellent
Kölvallen, SE 2	47	282	2021–2022	Excellent
Finnåberget, SE 2	25	150	2021–2022	Good to Excellent
Tormsdale, Scotland	16	67	2022–2023	Excellent
<b>Total</b>	<b>147</b>	<b>858</b>		

Projects – early developmental phases	WTG	MW	Schedule
SE 2	18	~110	2024–2025
SE 3	8	~50	2023–2024
SE 4	3	~20	2024–2025
Norway	20–25	~135	2024–2025
Scotland	20–30	~150	2024–2025
<b>Total</b>	<b>74</b>	<b>~465</b>	

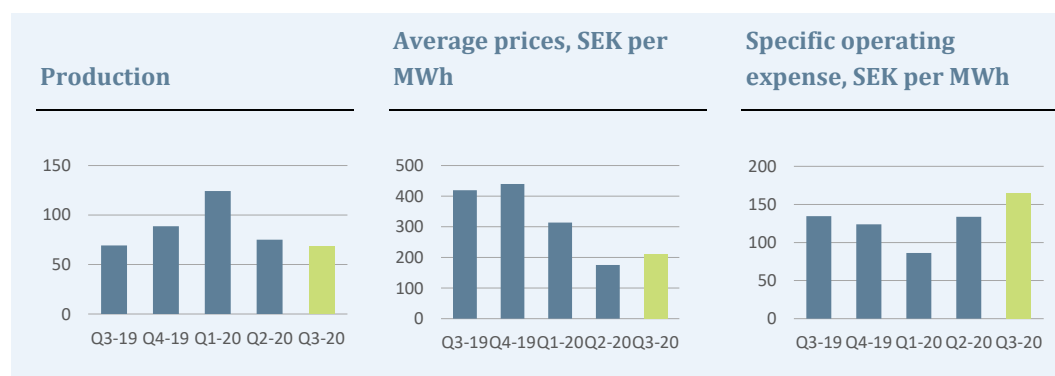
## Segment – Own wind power operations

MSEK	Q3 2020	Q3 2019	9m 2020	9m 2019
Income	14	29	67	107
Operating expenses	-11	-9	-32	-35
Operating profit/loss before depreciation (EBITDA)	3	20	35	72
Operating profit/loss (EBIT)	-13	1	-18	17
Profit/loss before tax	-25	-13	-51	-32

### COMMENTS ON THE THIRD QUARTER

Efforts to extend the service life of the company's wind farms were completed during the quarter. They resulted in an expected increase from 25 to approximately 30 years in economic lifetimes for wind farms. This in turn will lead to about a MSEK 10 decrease in depreciation annually, starting in August 2020. Furthermore, a 5-year full-service agreement was signed with WP Green Service GmbH for the company's three GE wind farms, comprising 21 turbines in total. The agreement will come into effect on 1 January 2021 and means that WP Green Service GmbH takes full responsibility for all components while operating costs will decrease and a continued high availability will be guaranteed.

Due to a very strong hydrological situation, electricity prices during the period were at a record-breaking low. This has also meant that the low prices have at times coincided with high wind power production, which has resulted in a less favourable price profile than normal for wind power during the period. In periods with normal to low reservoir fullness factors in hydropower reserves, this effect on price is much smaller, or marginal. Despite our production being normal across the entire quarter, our realised prices for the quarter have been low.





Overall, wind conditions during the quarter were normal, and production at the company's wind farms was 68 GWh (69). At the same time, average income from electricity and certificates, including guarantees of origin, declined to SEK 206 per MWh (322) and SEK 4 per MWh (97) respectively, mainly due to lower market prices but also due to a less favourable price profile for wind power than normal. Average income for electricity was 40% under the market price for electricity (SE4) during the period as a result of a combination of price hedging and the price profile. Average income for certificates was below the market price for certificates (SKM) during the period due changes in value of certificates in stock.

Net sales declined MSEK 1 due to lower production, and declined MSEK 14 due to lower average prices, compared with the corresponding period in 2019. The specific operating expense increased to SEK 165 per MWh (135), primarily due to retroactive effects of lower property tax during the corresponding year-earlier period. In total, net sales therefore declined to MSEK 14 (29) and EBITDA to MSEK 3 (20) compared with the third quarter of 2019. Depreciation/amortisation declined to MSEK 16 (18) as a result of longer lifetimes and EBIT decreased to MSEK -13 (1). Net financial items improved to MSEK -11 (-14) and earnings before tax thereby amounted to MSEK -25 (-13).

#### COMMENTS ON THE FIRST NINE MONTHS OF THE YEAR

As a result of stronger-than-normal winds during the period, production at the company's wind farms rose to 267 GWh (245). Average income for electricity and certificates, including guarantees of origin, amounted to SEK 206 per MWh (337) and SEK 43 per MWh (98) respectively. Average income for electricity was 17% under the market price for electricity (SE4) during the period as a result of a combination of price hedging and the pricing profile. Average income for certificates was above the average market price for certificates (SKM) during the period.

Net sales rose MSEK 10 due to higher production and declined MSEK 50 due to a lower average price compared with the year-earlier period. In total, net sales therefore declined to MSEK 66 (106) and EBITDA to MSEK 35 (72) compared with the year-earlier period. The specific operating expense declined to SEK 120 per MWh (141) due to higher production. Depreciation decreased

slightly, after which EBIT amounted to MSEK -18 (17). Net financial items strengthened to MSEK -33 (-49) due to lower borrowing and the earnings effect from the repurchase of outstanding bonds. Loss before tax thus decreased to MSEK -51 (-32).

## OTHER SIGNIFICANT EVENTS

Following an in-depth technical analysis performed by a third party, the expected economic life-time for the company's own wind farms will increase from an average of 25 to approximately 30 years. This will lead to about a MSEK 10 decrease in depreciation annually, starting in August 2020. A 5-year full-service agreement was signed with WP Green Service GmbH for the company's three GE wind farms, comprising 21 turbines in total. The agreement will come into effect on 1 January 2021 and means that WP Green Service GmbH takes full responsibility for all components while operating costs will decrease and a continued high availability will be guaranteed.

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 231 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 have been negatively affected to some extent by the ongoing crisis. The management business is largely performed digitally 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. As regards the company's development business, development 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.

## 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

Arise successfully refinanced outstanding secured bonds with a green bank loan of MEUR 40. As such, the Group's annual financing costs will be dramatically reduced from about MSEK 60 to approximately MSEK 25, including interest expenses relating to the company's outstanding convertible bonds, IFRS 16 items and accrued arrangement fees. During the fourth quarter of 2020, non-recurring costs will arise in connection with the refinancing totalling approximately MSEK -34, of which approximately MSEK -33 has already been charged the Group's equity in accordance with IFRS 9.

## OUTLOOK

Even if the coronavirus 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 weather factors and coal and gas prices, the latter of which has also been affected by the coronavirus pandemic. We can see indications that the market for development and management is still relatively strong even if it has been impacted somewhat by the current electricity prices. 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 own wind farms are located in favourable price areas. A strong financial position also means we can reduce our interest expenses over time, in particular in connection with the refinancing that was announced during the quarter. 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**

To some extent there is a negative impact on electricity prices due to the coronavirus pandemic. If electricity prices remain low, it will have a direct impact on the Group's EBIT and could indicate a risk for declining values in existing investments. The construction of a wind farm is ongoing and delays caused by the coronavirus 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 coronavirus 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 coronavirus 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](http://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, contracts and 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 and electricity hedges in accordance with the adopted financial policy.

During the first nine months of the year, the Parent Company's total income amounted to MSEK 37 (124) 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 58 (139), resulting in EBIT of MSEK -20 (-15). Net financial items of MSEK -83 (-366) (including impairment of shares in subsidiaries of MSEK 47 (70) and impairment of non-current receivables in associates of MSEK 0 (244)) and Group contributions of MSEK 77 (49) resulted in a net loss after tax of MSEK -26 (-332). The Parent Company's net investments amounted to MSEK -23 (-12).

## ACCOUNTING POLICIES

Arise applies the International Financial Reporting Standards (IFRS), as adopted by the EU, and the interpretations of these (IFRIC). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 of the Swedish Financial Reporting Board. The accounting policies are consistent with those applied in the 2019 Annual Report.

## REVIEW BY THE AUDITOR

This report has been reviewed by the company's auditor.

## FINANCIAL CALENDAR

- Fourth quarter (1 October-31 December) 17 February 2021
- First quarter (1 January-31 March) 5 May 2021
- Second quarter (1 April-30 June) 20 July 2021
- Third quarter (1 July-30 September) 10 November 2021

Halmstad, 6 November 2020

Arise AB (publ)

**Daniel Johansson**

*CEO*

## FOR FURTHER INFORMATION, PLEASE CONTACT

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## **AUDITOR'S REPORT ON REVIEW OF THE INTERIM CONDENSED FINANCIAL INFORMATION (INTERIM REPORT) PREPARED IN ACCORDANCE WITH IAS 34 AND CHAPTER 9 OF THE SWEDISH ANNUAL ACCOUNTS ACT**

### **Introduction**

We have performed a review of the interim condensed financial information (interim report) of Arise AB (publ) at 30 September 2020, and the nine-month period ending on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

### **Direction and scope of the review**

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with the ISA, and with generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed on the basis of a review does not provide the same level of assurance as an opinion expressed on the basis of an audit.

### **Opinion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material aspects, been compiled for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Malmö, 6 November 2020

Öhrlings PricewaterhouseCoopers AB

Magnus Willfors

Authorised Public Accountant

## CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2020 Q3	2019 Q3	2020 9 mon	2019 9 mon	2019 FY
Net sales	Note 1	24	58	104	206	454
Other operating income		0	0	0	1	1
<b>Total income</b>		<b>24</b>	<b>59</b>	<b>104</b>	<b>207</b>	<b>454</b>
Capitalised work on own account		1	1	4	3	4
Personnel costs		-9	-7	-28	-27	-49
Other external expenses	Note 2	-16	-30	-47	-112	-192
Profit/loss from associates	Note 3	-	-1	-	-273	-273
<b>Operating profit before depreciation (EBITDA)</b>		<b>0</b>	<b>21</b>	<b>32</b>	<b>-202</b>	<b>-56</b>
Depreciation and imp. of property, plant and equipment	Note 4,5	-17	-19	-54	-57	-76
<b>Operating profit/loss (EBIT)</b>		<b>-16</b>	<b>2</b>	<b>-22</b>	<b>-259</b>	<b>-131</b>
Financial income		0	-	0	0	0
Financial expenses <sup>1)</sup>		-16	-18	-46	-82	-101
<b>Profit/loss before tax</b>		<b>-32</b>	<b>-16</b>	<b>-67</b>	<b>-341</b>	<b>-233</b>
Tax on profit/loss for the period		0	0	1	8	-2
<b>Net profit/loss for the period</b>		<b>-32</b>	<b>-16</b>	<b>-66</b>	<b>-333</b>	<b>-235</b>
Earnings per share before dilution, SEK		-0.93	-0.48	-1.94	-9.96	-7.03
Earnings per share after dilution, SEK		-0.93	-0.48	-1.94	-9.92	-7.03

<sup>1)</sup> 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.  
Earnings are 100% attributable to the Parent Company's shareholders. Treasury shares held by the Company, amounting to 54.194 shares, have not been included in calculating earnings per share.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts rounded to the nearest MSEK)		2020 Q3	2019 Q3	2020 9 mon	2019 9 mon	2019 FY
<b>Net profit/loss for the period</b>		<b>-32</b>	<b>-16</b>	<b>-66</b>	<b>-333</b>	<b>-235</b>
<i>Other comprehensive income</i>						
<b>Items that may be reclassified to the income statement</b>						
Translation differences for period		0	0	0	0	0
Cash flow hedges		-4	-2	22	47	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		1	0	-5	-2	-9
<b>Other comprehensive income for the period, net after tax</b>		<b>-3</b>	<b>-2</b>	<b>17</b>	<b>80</b>	<b>107</b>
<b>Total comprehensive income for the period</b>		<b>-35</b>	<b>-18</b>	<b>-49</b>	<b>-253</b>	<b>-128</b>

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

## CONSOLIDATED BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2020 30 Sep	2019 30 Sep	2019 31 Dec
Property, plant and equipment <sup>1)</sup>	1,255	1,341	1,282
Non-current financial assets	18	38	40
<b>Total non-current assets</b>	<b>1,273</b>	<b>1,379</b>	<b>1,322</b>
Inventories	1	6	8
Other current assets	52	113	100
Cash and cash equivalents	231	180	365
<b>Total current assets</b>	<b>284</b>	<b>298</b>	<b>473</b>
<b>TOTAL ASSETS</b>	<b>1,557</b>	<b>1,677</b>	<b>1,795</b>
<b>Equity</b>	<b>676</b>	<b>573</b>	<b>698</b>
Non-current interest-bearing liabilities <sup>2)</sup>	261	929	932
Provisions	46	46	46
<b>Total non-current liabilities</b>	<b>307</b>	<b>974</b>	<b>977</b>
Current interest-bearing liabilities <sup>2)</sup>	502	3	3
Other current liabilities	73	126	116
<b>Total current liabilities</b>	<b>575</b>	<b>129</b>	<b>120</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,557</b>	<b>1,677</b>	<b>1,795</b>

<sup>1)</sup> Property, plant and equipment include lease assets of MSEK 50 (52).

<sup>2)</sup> Interest-bearing liabilities include lease liabilities of MSEK 52 (53).

## CONSOLIDATED CASH FLOW STATEMENT

(Condensed, amounts rounded to the nearest MSEK)	2020 Q3	2019 Q3	2020 9 mon	2019 9 mon	2019 FY
<b>Cash flow from operating activities before changes in working capital</b>	<b>-2</b>	<b>14</b>	<b>23</b>	<b>56</b>	<b>198</b>
Cash flow from changes in working capital	50	-18	43	79	129
<b>Cash flow from operating activities</b>	<b>49</b>	<b>-4</b>	<b>66</b>	<b>134</b>	<b>327</b>
Investments in property, plant and equipment	-5	-3	-25	-12	-66
Sales of property, plant and equipment	-	-	-	-	79
<b>Cash flow from investing activities</b>	<b>-5</b>	<b>-3</b>	<b>-25</b>	<b>-12</b>	<b>12</b>
Loan repayments	-	-	-147	-146	-146
Repayment of long-term receivables	-	-	-	193	193
Amortization of lease liabilities	-1	-1	-5	-4	-5
Interest paid and other financing costs	-13	-17	-44	-49	-59
Interest received	2	-	4	-	0
Net payment to blocked accounts	-	-	19	-	-19
New issue	-	-	-	2	2
<b>Cash flow from financing activities</b>	<b>-12</b>	<b>-19</b>	<b>-174</b>	<b>-4</b>	<b>-34</b>
<b>Cash flow for the period</b>	<b>32</b>	<b>-26</b>	<b>-133</b>	<b>118</b>	<b>305</b>
Cash and cash equivalents at the beginning of the period	199	205	365	61	61
Translation differences in cash and cash equivalents	0	1	-1	0	-2
<b>Cash and cash equivalents at the end of the period</b>	<b>231</b>	<b>180</b>	<b>231</b>	<b>180</b>	<b>365</b>
Interest-bearing liabilities at the end of the period	711	879	711	879	883
Blocked cash at the end of the year	-9	-9	-9	-9	-27
<b>Net debt</b> <span>Note 7</span>	<b>472</b>	<b>691</b>	<b>472</b>	<b>691</b>	<b>491</b>

## GROUP EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2020 30 Sep	2019 30 Sep	2019 31 Dec
Opening balance	698	824	824
Profit/loss for the year	-66	-333	-235
Other comprehensive income for the period	17	80	107
New issue / conversion of convertibles	27	2	2
<b>Closing balance</b>	<b>676</b>	<b>573</b>	<b>698</b>



## KEY PERFORMANCE INDICATORS FOR THE GROUP

	2020 Q3	2019 Q3	2020 9 mon	2019 9 mon	2019 FY
<b><u>Operational key performance indicators</u></b>					
Installed capacity at the end of the period, MW	139.2	139.2	139.2	139.2	139.2
Own electricity production during the period, GWh	68.0	69.3	267.4	244.6	333.2
Number of employees at the end of the period	31	27	31	27	28
<b><u>Financial key performance indicators</u></b>					
Earnings per share before dilution, SEK <sup>1)</sup>	-0.93	-0.48	-1.94	-9.96	-7.03
Earnings per share after dilution, SEK <sup>1)</sup>	-0.93	-0.48	-1.94	-9.92	-7.03
EBITDA margin, %	1.2%	35.8%	30.9%	neg	neg
Operating margin, %	neg	3.7%	neg	neg	neg
Return on capital employed (EBIT), %	8.8%	neg	8.8%	neg	neg
Return on adjusted capital employed (EBITDA), %	14.8%	neg	14.8%	neg	neg
Return on equity, %	5.1%	neg	5.1%	neg	neg
Capital employed, MSEK	1,147	1,264	1,147	1,264	1,189
Average capital employed, MSEK	1,206	1,529	1,206	1,529	1,481
Equity, MSEK	676	573	676	573	698
Average equity, MSEK	625	705	625	705	761
Net debt, MSEK	472	691	472	691	491
Equity/assets ratio, %	43.4%	34.2%	43.4%	34.2%	38.9%
Interest coverage ratio, times	neg	0.1	neg	neg	neg
Debt/equity ratio, times	0.7	1.2	0.7	1.2	0.7
Equity per share, SEK	20	17	20	17	21
Equity per share after dilution, SEK	20	17	20	17	21
No. of shares at the end of the period, excl. treasury shares	34,765,959	33,491,376	34,765,959	33,491,376	33,491,376
Average number of shares	34,245,293	33,491,376	34,128,668	33,432,626	33,432,626
Average number of shares after dilution	34,245,293	33,491,376	34,128,668	33,572,626	33,432,626

<sup>1)</sup> 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 Q3	2019 Q3	2020 9 mon	2019 9 mon	2019 FY
Electricity income	14	22	55	82	111
Certificate income and guarantees of origin	0	7	11	24	34
Development and management income	9	29	37	100	308
	<b>24</b>	<b>58</b>	<b>104</b>	<b>206</b>	<b>454</b>

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 Q3	2019 Q3	2020 9 mon	2019 9 mon	2019 FY
Cost of sold projects and construction work	2	18	7	70	134
Other items	14	12	41	42	58
	<b>16</b>	<b>30</b>	<b>47</b>	<b>112</b>	<b>192</b>

## NOTE 3 – SHARE OF LOSSES FROM ASSOCIATES

(Amounts rounded to the nearest MSEK)	2020 Q3	2019 Q3	2020 9 mon	2019 9 mon	2019 FY
Realization loss on sale of associated companies	-	-1	-	-273	-273
	<b>-</b>	<b>-1</b>	<b>-</b>	<b>-273</b>	<b>-273</b>

## GROUP SEGMENT REPORTING

Quarter 3	Develop. and management		Own wind power operations		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019
Net sales, external	9	29	14	29	-	-	-	-	24	58
Net sales, internal	1	1	-	-	-	-	-1	-1	-	-
Other operating income	0	0	0	0	0	0	-	-	0	0
<b>Total income</b>	<b>10</b>	<b>30</b>	<b>14</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>24</b>	<b>59</b>
Capitalised work on own account	1	1	-	-	-	-	-	-	1	1
Operating expenses	-10	-26	-11	-9	-4	-3	1	1	-25	-37
Share of losses from associates	-	-	-	-	-	-1	-	-	-	-1
<b>Operating profit/loss before depr./imp. (EBITDA)</b>	<b>1</b>	<b>5</b>	<b>3</b>	<b>20</b>	<b>-4</b>	<b>-4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21</b>
Depreciation/ impair. Note 4	0	0	-16	-18	0	0	-	-	-17	-19
<b>Operating profit/loss (EBIT)</b>	<b>1</b>	<b>5</b>	<b>-13</b>	<b>1</b>	<b>-5</b>	<b>-4</b>	<b>0</b>	<b>0</b>	<b>-16</b>	<b>2</b>
Net financial items	-4	-4	-11	-14	0	0	-	-	-16	-18
<b>Profit/loss before tax (EBT)</b>	<b>-3</b>	<b>1</b>	<b>-25</b>	<b>-13</b>	<b>-4</b>	<b>-4</b>	<b>0</b>	<b>0</b>	<b>-32</b>	<b>-16</b>
<b>Property, plant and equipment</b>	<b>78</b>	<b>95</b>	<b>1,172</b>	<b>1,242</b>	<b>4</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>1,255</b>	<b>1,341</b>

Funds managed by re:cap global investors, funds managed by BlackRock and funds managed by Foresight Group LLP accounted for more than 10% of development and management income during the quarter and in the corresponding quarter in 2019 funds managed by re:cap global investors and funds 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	-16	-18	0	0	-	-	-17	-19
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-
<b>Depreciation and impairment</b>	<b>0</b>	<b>0</b>	<b>-16</b>	<b>-18</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-17</b>	<b>-19</b>

## GROUP SEGMENT REPORTING

9 months	Develop. and management		Own wind power operations		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net sales, external	37	100	66	106	-	-	-	-	104	206
Net sales, internal	3	4	-	-	-	-	-3	-4	-	-
Other operating income	0	0	0	0	0	0	-	-	0	1
<b>Total income</b>	<b>40</b>	<b>104</b>	<b>67</b>	<b>107</b>	<b>0</b>	<b>0</b>	<b>-3</b>	<b>-4</b>	<b>104</b>	<b>207</b>
Capitalised work on own account	4	3	-	-	-	-	-	-	4	3
Operating expenses	-33	-94	-32	-35	-14	-14	3	4	-76	-139
Share of losses from associates	-	-	-	-	-	-273	-	-	-	-273
<b>Operating profit/loss before depr./imp. (EBITDA)</b>	<b>11</b>	<b>12</b>	<b>35</b>	<b>72</b>	<b>-14</b>	<b>-287</b>	<b>0</b>	<b>0</b>	<b>32</b>	<b>-202</b>
Depreciation/ impair. Note 5	0	0	-53	-55	-1	-1	-	-	-54	-57
<b>Operating profit/loss (EBIT)</b>	<b>11</b>	<b>12</b>	<b>-18</b>	<b>17</b>	<b>-15</b>	<b>-288</b>	<b>0</b>	<b>0</b>	<b>-22</b>	<b>-259</b>
Net financial items	-13	-12	-33	-49	1	-21	-	-	-45	-82
<b>Profit/loss before tax (EBT)</b>	<b>-2</b>	<b>0</b>	<b>-51</b>	<b>-32</b>	<b>-14</b>	<b>-309</b>	<b>0</b>	<b>0</b>	<b>-67</b>	<b>-341</b>
<b>Property, plant and equipment</b>	<b>78</b>	<b>95</b>	<b>1,172</b>	<b>1,242</b>	<b>4</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>1,255</b>	<b>1,341</b>

Funds managed by re:cap global investors and funds managed by Foresight Group LLP accounted for more than 10% of development and management income during the period and in the corresponding period in 2019 funds managed by re:cap global investors and funds 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	-53	-55	-1	-1	-	-	-54	-57
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-
<b>Depreciation and impairment</b>	<b>0</b>	<b>0</b>	<b>-53</b>	<b>-55</b>	<b>-1</b>	<b>-1</b>	<b>-</b>	<b>-</b>	<b>-54</b>	<b>-57</b>

## 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 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 30 Sep	2019 30 Sep	2019 31 Dec
<b>Assets</b>			
Derivatives held for hedging purposes			
- Derivative assets	5	-	2
<b>Liabilities</b>			
Derivatives held for hedging purposes			
- Derivative liabilities	-34	-78	-48

## NOTE 7 – NET DEBT

(Amounts rounded to the nearest MSEK)	2020 30 Sep	2019 30 Sep	2019 31 Dec
Non-current liabilities	307	974	977
- of which interest-bearing non-current liabilities (excl. IFRS16 lease liabilities)	213	879	883
Current liabilities <sup>1)</sup>	575	129	120
- of which interest-bearing current liabilities (excl. IFRS16 lease liabilities)	498	-	-
Long and short term interest bearing debt liabilities (excl. IFRS16 lease liabilities)	711	879	883
Cash and cash equivalents at the end of the year	-231	-180	-365
Blocked cash at the end of the year	-9	-9	-27
<b>Net debt</b>	<b>472</b>	<b>691</b>	<b>491</b>

IFRS16 lease liabilities amounted to MSEK 52 (53) on September 30, 2020.

<sup>1)</sup> Short term interest-bearing liabilities were refinanced after the end of the quarter.

## PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2020 Q3	2019 Q3	2020 9 mon	2019 9 mon	2019 FY
Sales of electricity and electricity certificates	1	8	13	32	43
Development and management income	7	25	24	91	101
Other operating income	0	0	0	0	0
<b>Total income</b>	<b>8</b>	<b>33</b>	<b>37</b>	<b>124</b>	<b>145</b>
Capitalised work on own account	1	0	2	2	2
Purchases of electricity and electricity certificates	0	-9	-12	-32	-42
Cost of sold projects and construction work	-2	-18	-7	-70	-75
Personnel costs	-8	-7	-26	-24	-46
Other external expenses	-4	-4	-14	-14	-20
<b>Operating profit/loss before depreciation (EBITDA)</b>	<b>-6</b>	<b>-5</b>	<b>-20</b>	<b>-15</b>	<b>-36</b>
Depr. and impairment of property, plant and equipment	0	0	0	0	0
<b>Operating profit/loss (EBIT)</b>	<b>-6</b>	<b>-5</b>	<b>-20</b>	<b>-15</b>	<b>-37</b>
Financial income <sup>1)</sup>	3	0	7	2	142
Financial expenses <sup>2)</sup>	-14	-18	-90	-368	-386
<b>Profit/loss after financial items</b>	<b>-17</b>	<b>-22</b>	<b>-103</b>	<b>-382</b>	<b>-281</b>
Group contribution	-	-	77	49	49
<b>Profit/loss before tax</b>	<b>-17</b>	<b>-22</b>	<b>-26</b>	<b>-333</b>	<b>-232</b>
Tax on profit/loss for the period	0	0	0	1	0
<b>Net profit/loss for the period</b>	<b>-17</b>	<b>-22</b>	<b>-26</b>	<b>-332</b>	<b>-232</b>

<sup>1)</sup> Includes sales of shares in subsidiaries of MSEK 7 (133) during 2020.

<sup>2)</sup> Includes a write down of shares during 2020 in subsidiaries of MSEK 47 (70) and a write-down of long-term receivables in associated companies of MSEK 0 (244).

## PARENT COMPANY BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2020 30 Sep	2019 30 Sep	2019 31 Dec
Property, plant and equipment	36	67	26
Non-current financial assets	1,118	1,152	1,170
<b>Total non-current assets</b>	<b>1,154</b>	<b>1,219</b>	<b>1,196</b>
Inventories	0	5	8
Other current assets	33	52	39
Cash and cash equivalents	171	153	324
<b>Total current assets</b>	<b>205</b>	<b>211</b>	<b>371</b>
<b>TOTAL ASSETS</b>	<b>1,359</b>	<b>1,430</b>	<b>1,567</b>
Restricted equity	5	8	8
Non-restricted equity	535	430	531
<b>Total equity</b>	<b>540</b>	<b>438</b>	<b>539</b>
Non-current interest-bearing liabilities	213	879	883
<b>Total non-current liabilities</b>	<b>213</b>	<b>879</b>	<b>883</b>
Current interest-bearing liabilities	498	-	-
Other current liabilities	107	112	145
<b>Total current liabilities</b>	<b>606</b>	<b>112</b>	<b>145</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,359</b>	<b>1,430</b>	<b>1,567</b>

## PARENT COMPANY EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2020 30 Sep	2019 30 Sep	2019 31 Dec
Opening balance	539	769	769
Other comprehensive income for the period	-26	-332	-232
New issue / conversion of convertibles	27	2	2
<b>Closing balance</b>	<b>540</b>	<b>438</b>	<b>539</b>



## 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.



  
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