

Interim report

1 January – 31 March 2021



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FIRST QUARTER (1 JANUARY – 31 MARCH 2021)

- Net sales for the quarter amounted to MSEK 47 (50).
- Operating profit/loss before depreciation and amortisation (EBITDA) totalled MSEK 23 (26).
- Operating profit/loss (EBIT) was MSEK 7 (7).
- Comparable profit/loss before tax amounted to MSEK 4 (-7) and recognised profit/loss before tax was MSEK -4 (-7).
- Profit/loss after tax totalled MSEK -4 (-7), corresponding to SEK -0.12 (-0.21) per share.
- Operating cash flow was MSEK 15 (10).
- Production (formerly Own wind power operations) generated 82 GWh (124) of green electricity. The decrease was due to weaker winds than in the preceding year.
- Average income from Production was SEK 463 per MWh (314), of which SEK 450 per MWh (236) from electricity and SEK 13 per MWh (78) from electricity certificates, including guarantees of origin.
- In March 2021, Arise presented a new growth plan for 2025. The plan includes international expansion and investments in large-scale solar power projects in such countries as Poland and the UK. Arise will also invite financial partners to invest in platforms for green electricity production. This will maximise Arise's financial returns on its project portfolio through both higher development profits and asset management income. Arise will retain minority interests in these platforms but at the same time will create flexibility to both sell entire projects and independently finance entire projects. Our existing holdings in green electricity production provide valuable leverage in this growth plan.
- From 1 January 2021, three segments are reported: Development, Production and Solutions. In Development (formerly part of Development and Management), the company's development and civil contract operations are reported; in Production (formerly Own wind power operations), the company's green electricity production is reported; and in Solutions (formerly part of Development and Management), the company's service offerings such as construction project management, asset management and other service sales are collected.

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About Arise

Arise is a leading independent company that realises new green energy. The company develops, builds and manages renewable electricity production. The company is listed on NASDAQ Stockholm.

CEO's statement

We are now taking important steps in the development of Arise.

In the first quarter, wholly owned production achieved good profitability and comparable earnings before tax for the business segment amounted to about MSEK 10. We have cut our financial expenses dramatically and the electricity market has returned to more normal conditions following the extremely wet year in 2020. We remain highly confident that the electricity market will be beneficial for renewable electricity production in southern Sweden, where our farms are situated.

The company is preparing to invite co-investors to our existing farms in southern Sweden. We anticipate considerable interest in such an investment opportunity. In addition, the Lebo project (about 30 MW), which is also located in southern Sweden (price area 3), is deemed to be ready for investment decisions in autumn this year.

Arise is making good progress for Ranasjö and Salsjöhöjden (about 240 MW). We hope to be able to complete sales of the projects before the close of the second quarter this year. The Salsjöhöjden sub-project (about 90 MW) is not likely to make any major profit contribution. However, to receive grid connection, both sub-projects must be completed since they have the same grid connection point.

An extremely exciting development is ongoing with major investments in new technology planned for northern Sweden. The investments will pave the way for green industrial growth and are expected to lead to a significant increase in demand for renewable electricity. The plans are yet to lead to any significant effect on forward prices for electricity in the northern price areas. On the contrary, the starting points for these forward prices are very low. We are convinced that this will change within a few years. With a high-quality project portfolio in northern Sweden, we are well-positioned to reap the benefits from and contribute to the green industrial development in the region.

At the end of April, we received a pleasing decision from the Environmental Permit Office that Finnåberget has been granted a permit for all of the 26 turbines that we applied for. This is an important step forward for the project. The company is still waiting for interesting decisions to be made in the permit process for our largest project Kolvallen. Some delays from authorities have been caused by Covid-19, but we nevertheless expect a decision before the summer.



"We look forward to delivering our recently announced growth plan for 2025."

We are working at full capacity with new potential project opportunities in Poland, the UK and Norway. This is also the case in Sweden. We plan to provide more information later in the year.

We are also reporting the Solutions business segment separately for the first time, in which asset management and construction management account for most of the income. We will be able to develop our service offering over time while the number of megawatts under management is set to increase. The segment is positively contributing to income from its starting position, which is expected to rise over time.

2021 has every reason to become a good year in terms of earnings, and 2022 has the potential to become an even better year. We have wind power projects of almost 700 MW that are expected to be ready for investment decisions during 2021 and 2022.

The agenda for growth and diversification in new geographies and technologies is in place and we look forward to delivering our recently announced growth plan for 2025.

Halmstad, 5 May 2021

Daniel Johansson

CEO

Net sales and results

MSEK	Q1 2021	Q1 2020	FY 2020
Comparable profit/loss			
Net sales	47	50	130
EBITDA	23	26	33
EBIT	7	7	-37
EBT	4	-7	-90
Items affecting comparability			
Exch. rate diff. loans in for. currency, (financial items)	-8	-	14
Refinancing, (financial items)	-	-	-32
Recognised profit/loss			
EBT	-4	-7	-108
Profit/loss after tax	-4	-7	-108

Items affecting comparability comprise exchange rate differences on loans in foreign currencies since the company has loans in EUR and non-recurring items in the fourth quarter of 2020 related to completed refinancing.

COMMENTS ON THE FIRST QUARTER

Income for Development (formerly part of the Development and Management segment) was low during the quarter since the Skaftåsen project was the only project under construction. In addition, remaining revenue for the project was recognised in a relatively moderate pace. Income from Solutions (formerly part of the Development and Management segment) performed as expected. For Production (formerly Own wind power operations), the quarter was characterised by weaker winds than normal and higher market prices for electricity.

Net sales declined to MSEK 47 (50) as a result of somewhat weaker income in all business areas. Production generated 82 GWh (124) green electricity while the average realised price increased to SEK 463 per MWh (314), which is mainly the result of higher market prices compared with the year-earlier quarter.

Operating expenses amounted to MSEK 25 (26), of which MSEK 0 (1) was attributable to project sales and MSEK 25 (25) comprised comparable operating expenses. Own capitalised work amounted to MSEK 1 (1).

In total, EBITDA declined to MSEK 23 (26). Depreciation decreased as a result of increased expected economic lifetimes in Production, which led to EBIT amounting to MSEK 7 (7). Comparable net financial items improved to MSEK -4 (-14). The company's electricity production assets are valued in EUR and income is received in EUR. The company therefore chose to take loans in EUR in conjunction with refinancing in the fourth quarter of 2020, creating a natural hedge. Changes to the EUR/SEK exchange rate will continue to affect comparable net financial items, whereby a strengthening of SEK will improve the net and vice versa. Corresponding reverse value changes in SEK terms for the underlying assets are not recognised. In the first quarter, the comparability of

net financial items was impacted by exchange rate differences of MSEK -8 for loans in foreign currencies due to the EUR strengthening against the SEK.

Comparable profit/loss before tax amounted to MSEK 4 (-7). Recognised profit/loss before and after tax amounted to MSEK -4 (-7).

IFRS 16 resulted in a MSEK 1.5 (1.7) decrease in operating expenses and increases in depreciation and financial expenses of MSEK 1.1 (1.1) and MSEK 0.7 (0.6), respectively.



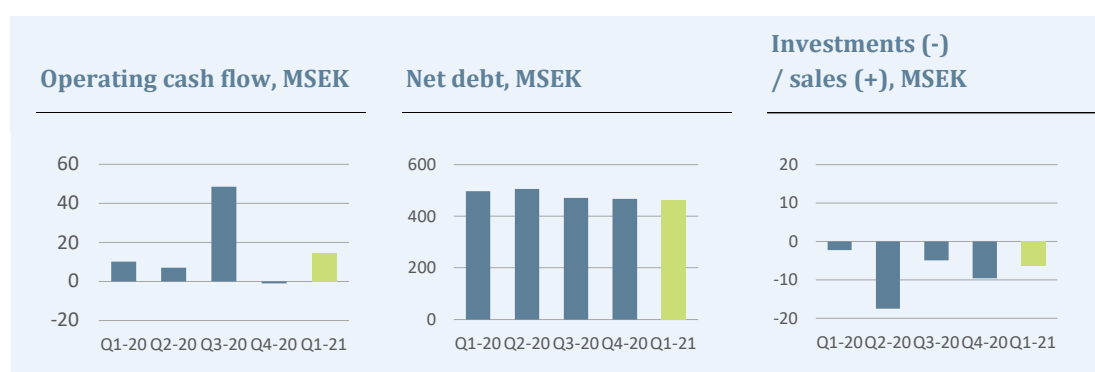
Cash flow and investments

COMMENTS ON THE FIRST QUARTER

Cash flow from operating activities before changes in working capital was MSEK 20 (22). Changes in working capital were MSEK -6 (-12). Accordingly, the total operating cash flow was MSEK 15 (10). Net cash flow from investing activities was MSEK -6 (-2). Cash flow after investments therefore amounted to MSEK 8 (8). There were no amortisations during the quarter, compared with MSEK 147 in the year-earlier quarter. Interest and other financing costs of MSEK -5 (-17) were paid. Two interest payments for the company's outstanding convertibles were recognised, in terms of cash flow, in the quarter. Net payments from blocked accounts totalled MSEK 0 (19). Adjusted for the effects of IFRS 16, cash flow for the quarter amounted to MSEK 1 (-140).

Financing and liquidity

Net debt amounted to MSEK 461 (497), of which convertibles according to IFRS comprised MSEK 165 (234). After the end of the period, convertibles with a nominal value of MSEK 30 were converted. Cash and cash equivalents amounted to MSEK 87 (224). In addition, an overdraft facility for MSEK 75 was signed in the quarter. It remains unutilised to date. The company also had tied-up working capital and remaining revenue recognition in ongoing construction projects at the end of the quarter, which is expected to contribute additional cash flow in 2022. At the end of the period, the equity/assets ratio was 50% (45).



Development

MSEK	Q1 2021	Q1 2020	FY 2020
Income	3	4	22
Cost of sold projects and contracts	0	-1	-4
Other operating expenses and capitalised work	-2	-3	-9
Operating profit/loss before depreciation (EBITDA)	1	1	9
Operating profit/loss (EBIT)	1	1	9
Profit/loss before tax	-2	-4	-7

COMMENTS ON THE FIRST QUARTER

Income in Development (formerly part of the Development and Management segment) was low during the quarter since the Skaftåsen project was the only project under revenue recognition and the remaining revenue for the project was recognised at a relatively modest pace. Construction has proceeded according to plan, but there is a risk of delays of turbine deliveries, partly due to the effects of Covid-19. Delays may impact the size of the final payment, but foremost, the timing of it.

The Bröcklingberget project, which is complete and settled, offers potential for further income depending on the outcome of discussions that are in progress with some subcontractors in the project. Part of this is expected to be able to be reported in the second quarter of 2021. The sales process concerning the Ranasjö and Salsjöhöjden projects, totalling approximately 240 MW, continued during the quarter and the ambition is to divest the projects during the second quarter of 2021. The Salsjöhöjden sub-project (about 90 MW) is expected to only result in a marginal profit contribution.

Together with Ranasjö and Salsjöhöjden, projects that are expected to be ready for construction start in the 2021-2022 period amount to nearly 700 MW.

During the quarter, efforts were intensified to secure project rights for solar power in Poland and the UK. The aim is to provide more information concerning expansion into new markets during the current year. At present, the company has a portfolio of wind power projects of more than 1,300 MW, which is recognised in the "Portfolio" section.

Income declined to MSEK 3 (4). The cost of sold projects amounted MSEK 0 (-1) since Arise did not carry out any civil contract services for the ongoing Skaftåsen project. Other operating expenses and capitalised work declined slightly to MSEK -2 (-3). In total, EBITDA remained unchanged at MSEK 1 (1). Depreciation and impairment amounted to MSEK 0 (0) and net financial items improved to MSEK -3 (-4). EBIT and profit/loss before tax thus amounted to MSEK 1 (1) and MSEK -2 (-4), respectively.

PORTFOLIO

Arise's development portfolio is presented below, totalling over 1,300 MW of wind power at the end of the period. The consolidated carrying amount was approximately MSEK 113 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 late development phase, which amount to a total of approximately 854 MW, and projects in early development phase, which amount to a total of approximately 530 MW. The company is working actively to expand the project portfolio particularly concerning wind power in the Nordic countries and solar power in Poland and the UK.

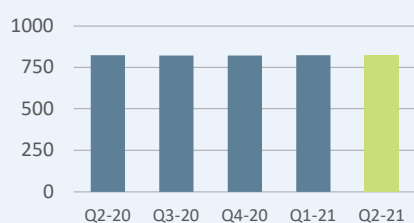
In working to increase its project portfolio, Arise has screened a number of different conceivable projects. The vast majority of the projects screened do not qualify for further development as they do not meet the strict demands that Arise places on projects in terms of wind and solar conditions, permit risks, electricity grid capacity, and an assessment of their economic 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.

Projects – late development phase	WTG	MW	Schedule	Profit potential
Ranasjöhöjden, SE 2	25	155	2021	Moderate
Salsjöhöjden, SE 2	14	87	2021	Marginal
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	2022-2023	Good to Excellent
Tormsdale, Scotland	12	60	2022-2023	Excellent
Total	143	854		

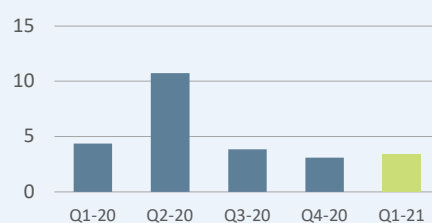
Projects – early development phase	WTG	MW	Schedule
SE 2	18	~110	2024-2025
SE 3	8	~50	2023-2024
SE 4	3	~20	2024-2025
Norway	30	~200	2024-2025
Scotland	20-30	~150	2024-2025
Total	84	~530	



Divested projects accumulated MW



Income, MSEK



Production

MSEK	Q1 2021	Q1 2020	FY 2020
Income	38	39	84
Operating expenses	-12	-11	-45
Operating profit/loss before depreciation (EBITDA)	26	28	39
Operating profit/loss (EBIT)	11	10	-28
Comparable profit/loss before tax	10	0	-66
Recognised profit/loss before tax	2	0	-83

COMMENTS ON THE FIRST QUARTER

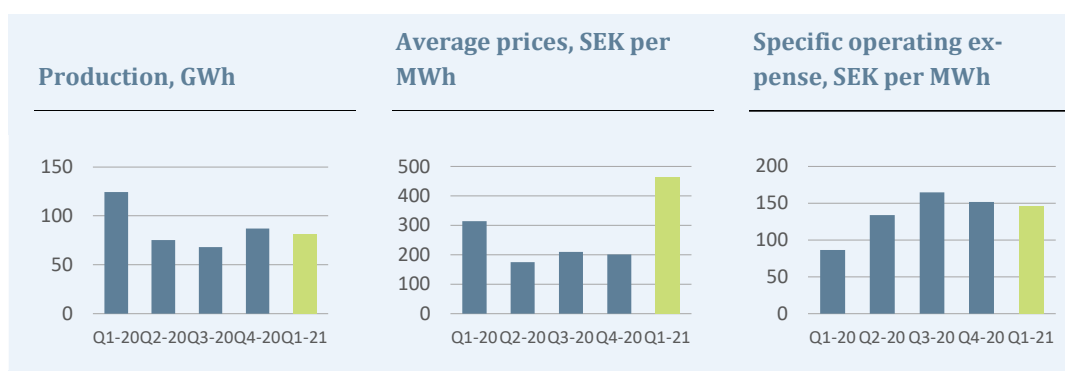
In Production (formerly Own wind power operations), wind was less than average for the period and the production in the company's wind farms thus declined to 82 GWh (124). At the same time, average income for electricity amounted to SEK 450 per MWh (236) and certificates, including guarantees of origin, declined to SEK 13 per MWh (78). Average income for electricity was 10% lower than the market price for electricity (SE4) during the period as a result of price hedging and the hourly price received for wind power electricity was under the average price for the quarter.

Net sales decreased MSEK 13 due to lower production, and increased MSEK 12 due to a higher average price compared with the year-earlier quarter and amounted to MSEK 38 (39). Driven by lower production and costs for surveys in conjunction with the change of service supplier, specific operating expenses increased to SEK 146 per MWh (86) during the quarter. Ongoing discussions are taking place with outgoing service supplier concerning certain outstanding commitments.

In total, EBITDA declined to MSEK 26 (28) compared with the year-earlier quarter. Depreciation/amortisation declined to MSEK 15 (18) as a result of longer expected economic lifetimes and EBIT thus increased to MSEK 11 (10).

Comparable net financial items were strengthened as the result of refinancing during the previous quarter, and amounted to MSEK -1 (-10). The company's electricity production assets are valued in EUR and income is received in EUR. The company therefore chose to take loans in EUR in conjunction with refinancing in the fourth quarter of 2020, creating a natural hedge. Changes to the EUR/SEK exchange rate will continue to affect comparable net financial items, whereby a strengthening of SEK will improve the net and vice versa. Corresponding reverse value changes in SEK terms for the underlying assets are not recognised. In the first quarter, the comparability of net financial items was impacted by exchange rate differences for loans in foreign currencies by MSEK -8 due to the EUR strengthening against the SEK.

Comparable and recognised earnings before tax increased to MSEK 10 (0) and MSEK 2 (0), respectively.



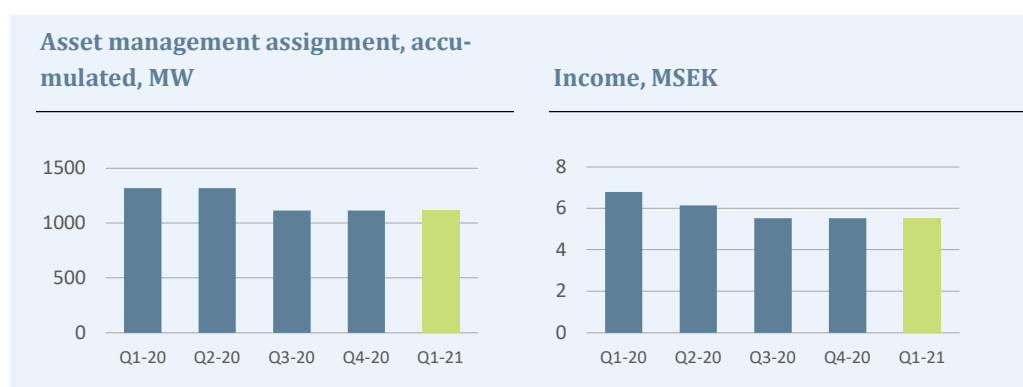
Solutions

MSEK	Q1 2021	Q1 2020	FY 2020
Income	6	8	27
Operating expenses	-6	-6	-25
Operating profit/loss before depreciation (EBITDA)	1	2	2
Operating profit/loss (EBIT)	1	2	2
Profit/loss before tax	1	2	2

COMMENTS ON THE FIRST QUARTER

Income in Solutions (formerly part of Development and Management) declined as the result of fewer projects under construction and due to asset management of the Jädraås project ending in the third quarter of 2020. During the quarter, the company actively worked in expanding the service offerings and positioning itself for new asset management assignments.

Income amounted to MSEK 6 (8). Operating expenses amounted to MSEK -6 (-6). EBITDA declined to MSEK 1 (2). Depreciation and impairment and financial items were MSEK 0 (0) and EBIT and profit before tax thus amounted to MSEK 1 (2) and MSEK 1 (2), respectively.



OTHER SIGNIFICANT EVENTS

In March 2021, Arise presented a new growth plan for 2025. The plan includes international expansion and investments in large-scale solar power projects in such countries as Poland and the UK. Arise will also invite financial partners to invest in platforms for green electricity production. This will maximise Arise's financial returns on its project portfolio through both higher development profits and asset management income. Arise will retain minority interests in these platforms but at the same time will create flexibility to both sell entire projects and independently finance entire projects. Our existing holdings in green electricity production provide valuable leverage in this growth plan.

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 20 in the 2020 Annual Report.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events occurred after the end of the period.

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. At the beginning of 2021, electricity prices increased. We see indications that the market for the development and asset management of renewable electricity production remains strong. The company remains well-positioned and therefore we see opportunities for growth and to continue to create value with relatively little capital tied-up. We can report that our own wind farms are located in favourable price areas. A strong financial position also meant we could reduce our interest expenses significantly. 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 the 2020 level.

RISKS AND UNCERTAINTIES

Risks and uncertainties affecting the Group are described on pages 35–36 of the 2020 Annual Report, and financial risk management is presented on pages 63–69. No significant changes have taken place that affect the reported risks.

OWNERSHIP STRUCTURE

A presentation of the company's ownership structure is available on the website (www.arise.se)



Parent Company

The Parent Company's operations comprise project development (identifying suitable 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 and electricity hedges in accordance with the adopted financial policy.

During the first quarter, the Parent Company's total income amounted to MSEK 7 (20) and purchases of electricity and certificates, personnel costs and other external expenses, capitalised work on own account and depreciation/amortisation of non-current assets totalled MSEK 14 (28), resulting in EBIT of MSEK -7 (-7). A net financial expense of MSEK 1 (-11) and Group contributions of MSEK 24 (0) led to net profit/loss after tax of MSEK 17 (-18). The Parent Company's net investments amounted to MSEK -5 (-2).

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 2020 Annual Report.

REVIEW BY THE AUDITOR

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

FINANCIAL CALENDAR

- | | |
|--|------------------|
| ▪ Second quarter (1 April-30 June) | 20 July 2021 |
| ▪ Third quarter (1 July-30 September) | 10 November 2021 |
| ▪ Fourth quarter (1 October-31 December) | 17 February 2022 |
| ▪ First quarter (1 January-31 March) | 4 May 2022 |

Halmstad, 5 May 2021

Arise AB (publ)

Daniel Johansson

CEO

FOR FURTHER INFORMATION, PLEASE CONTACT

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CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2021 Q 1	2020 Q 1	2020 FY
Net sales	Note 1	47	50	130
Other operating income		0	0	0
Total income		47	50	130
Capitalised work on own account		1	1	6
Personnel costs		-10	-10	-39
Other external expenses	Note 2	-15	-16	-65
Operating profit before depreciation (EBITDA)		23	26	33
Depreciation and imp. of property, plant and equipment	Note 3	-16	-19	-70
Operating profit/loss (EBIT)		7	7	-37
Profit/loss from financial items	Note 4	-11	-14	-71
Profit/loss before tax		-4	-7	-108
Tax on profit/loss for the period		0	0	0
Net profit/loss for the period		-4	-7	-108
Earnings per share before dilution, SEK		-0.12	-0.21	-3.08
Earnings per share after dilution, SEK		-0.12	-0.21	-3.08

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)		2021 Q 1	2020 Q 1	2020 FY
Net profit/loss for the period		-4	-7	-108
<i>Other comprehensive income</i>				
Items that may be reclassified to the income statement				
Translation differences for period		0	0	0
Cash flow hedges		-6	33	63
Income tax attributable to components of other comprehensive income		1	-7	-14
Other comprehensive income for the period, net after tax		-4	26	49
Total comprehensive income for the period		-9	19	-58

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

CONSOLIDATED BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2021 31 Mar	2020 31 Mar	2020 31 Dec
Property, plant and equipment ¹⁾	1,254	1,264	1,259
Non-current financial assets	18	15	17
Total non-current assets	1,272	1,279	1,276
Inventories	1	1	1
Other current assets	59	116	56
Cash and cash equivalents	87	224	86
Total current assets	146	341	142
TOTAL ASSETS	1,418	1,621	1,418
Equity	707	722	703
Non-current interest-bearing liabilities ²⁾	605	776	611
Provisions	49	46	46
Total non-current liabilities	654	822	656
Current interest-bearing liabilities ²⁾	22	4	22
Other current liabilities	35	73	38
Total current liabilities	57	77	59
TOTAL EQUITY AND LIABILITIES	1,418	1,621	1,418

¹⁾ Property, plant and equipment include lease assets of MSEK 59 (49).

²⁾ Interest-bearing liabilities include lease liabilities of MSEK 61 (50).

CONSOLIDATED CASH FLOW STATEMENT

(Condensed, amounts rounded to the nearest MSEK)	2021 Q 1	2020 Q 1	2020 FY
Cash flow from operating activities before changes in working capital	20	22	27
Cash flow from changes in working capital	-6	-12	38
Cash flow from operating activities	15	10	65
Investments in property, plant and equipment	-6	-2	-34
Cash flow from investing activities	-6	-2	-34
Loan repayments	-	-147	-652
Loan raised	-	-	416
Amortization of lease liabilities	-3	-2	-5
Interest paid and other financing costs	-5	-17	-79
Interest received	-	-	4
Net payment to blocked accounts	-	19	10
Cash flow from financing activities	-8	-148	-308
Cash flow for the period	1	-140	-277
Cash and cash equivalents at the beginning of the period	86	365	365
Translation differences in cash and cash equivalents	1	0	-2
Cash and cash equivalents at the end of the period	87	224	86
Interest-bearing liabilities at the end of the period	566	731	571
Blocked cash at the end of the period	-18	-9	-17
Net debt	461	497	467

Note 6

GROUP EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2021 31 Mar	2020 31 Mar	2020 31 Dec
Opening balance	703	698	698
Profit/loss for the year	-4	-7	-108
Other comprehensive income for the period	-4	26	49
New issue of shares / conversion of convertibles	13	5	63
Other items	0	-	-
Closing balance	707	722	703

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2021 Q 1	2020 Q 1	2020 FY
<u>Operational key performance indicators</u>			
Installed capacity at the end of the period, MW	139.2	139.2	139.2
Own electricity production during the period, GWh	81.7	124.3	354.5
Number of employees at the end of the period	30	31	31
<u>Financial key performance indicators</u>			
Earnings per share before dilution, SEK ¹⁾	-0.12	-0.21	-3.08
Earnings per share after dilution, SEK ¹⁾	-0.12	-0.21	-3.08
EBITDA margin, %	49.0%	50.8%	25.1%
Operating margin, %	15.4%	13.6%	neg
Return on capital employed (EBIT), %	neg	9.9%	neg
Return on adjusted capital employed (EBITDA), %	2.5%	15.7%	2.8%
Return on equity, %	neg	6.8%	neg
Capital employed, MSEK	1,168	1,219	1,170
Average capital employed, MSEK	1,194	1,287	1,179
Equity, MSEK	707	722	703
Average equity, MSEK	714	668	700
Net debt, MSEK	461	497	467
Equity/assets ratio, %	49.9%	44.5%	49.6%
Interest coverage ratio, times	0.7	0.5	neg
Debt/equity ratio, times	0.7	0.7	0.7
Equity per share, SEK	19	21	20
Equity per share after dilution, SEK	19	21	20
No. of shares at the end of the period, excl. treasury shares	37,040,036	33,724,626	36,443,722
Average number of shares	36,741,879	33,608,001	34,967,549
Average number of shares after dilution	36,741,879	33,608,001	34,967,549

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)	2021 Q 1	2020 Q 1	2020 FY
Electricity	37	29	72
Certificate and guarantees of origin	1	10	12
Development	3	4	22
Services	6	7	24
	47	50	130

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 asset 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 renewable electricity production owned by the Group, which are recognised in the Production segment. Income from development is mainly generated through the company's project portfolio and are recognised in the Development segment. Income from services is mainly generated through construction project management and asset management of renewable energy production and are recognised in the Solutions segment.

NOTE 2 – OTHER EXTERNAL EXPENSES

(Amounts rounded to the nearest MSEK)	2021 Q 1	2020 Q 1	2020 FY
Cost of sold projects and construction work	0	-1	-4
External asset management costs	-1	-1	-5
Other items	-15	-14	-56
	-15	-16	-65

GROUP SEGMENT REPORTING

The division of segment reporting is based on the Group's products and services, meaning the grouping of operations. Since 1 January 2021, the segments comprise Development, Production and Solutions. Together, Development and Solutions previously constituted the segment Development & Management and Own wind power operations has been name changed to Production. The change has been implemented following the announcement of the company's Growth plan 2025, in order to increase focus on, and improve control of, the various businesses. Outcome for the comparable periods have been recalculated. The segment Development, develops, constructs, and sells renewable energy projects. Production comprises the group's ownership in operating renewable energy assets. Solutions offers services in the form of construction project management and asset management for renewable energy production as well as other services. The Unallocated revenue/expenses pertains to the Group's shared expenses.

Quarter 1	Development		Production		Solutions		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Net sales, external	3	4	38	39	6	7	-	-	-	-	47	50
Net sales, internal	-	-	-	-	1	1	-	-	-1	-1	-	-
Other operating income	0	0	0	0	0	0	0	0	-	-	0	0
Total income	3	4	38	39	6	8	0	0	-1	-1	47	50
Capitalised work on own account	1	1	-	-	-	-	-	-	-	-	1	1
Operating expenses	-4	-5	-12	-11	-6	-6	-5	-5	1	1	-25	-26
Operating profit/loss before depr./imp. (EBITDA)	1	1	26	28	1	2	-5	-5	0	0	23	26
Depreciation/ impair. Not 3	0	0	-15	-18	0	0	0	0	-	-	-16	-19
Operating profit/loss (EBIT)	1	1	11	10	1	2	-5	-6	0	0	7	7
Net financial items	-3	-4	-9	-10	0	0	0	0	-	-	-11	-14
Profit/loss before tax (EBT)	-2	-4	2	0	1	2	-5	-5	0	0	-4	-7
Property, plant and equipment	113	77	1,136	1,183	0	0	4	4	-	-	1,254	1,264

Funds managed by Foresight Group LLP accounted for more than 10% of Development income and funds managed by Foresight Group LLP, funds management by Red Rock / CapMan Group and funds management by BlackRock accounted for more than 10% of Solutions income during the quarter and in the corresponding quarter in 2020 funds managed by Foresight Group LLP accounted for more than 10% of Development income and funds management by Green Investment Group / CapMan Group, funds management by Foresight Group LLP and funds management by BlackRock accounted for more than 10% of Solutions income. There were no other customers who accounted for more than 10% of this income during the period.

NOTE 3 – DEPRECIATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Depreciation/amortisation	0	0	-15	-18	0	0	0	0	-	-	-16	-19
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and impairment	0	0	-15	-18	0	0	0	0	-	-	-16	-19

NOTE 4 - PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts to the nearest MSEK)	2021 Q 1	2020 Q 1	2020 FY
Interest income			
Loans and receivables	-	0	4
Interest expense			
Loans and receivables	-1	0	-2
Bond loan and convertible	-3	-14	-76
Other financial items			
IFRS 16 lease liabilities	-1	-1	-2
Exchange rate difference EUR loan	-8	-	14
Change in fair value of derivatives	-	0	-2
Other financial expenses	-1	-1	-9
Other exchange rate differences	2	1	2
	-11	-14	-71

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 63-69 of the 2020 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)	2021 31 Mar	2020 31 Mar	2020 31 Dec
Assets			
Derivatives held for hedging purposes			
- Derivative assets	9	25	12
Liabilities			
Derivatives held for hedging purposes			
- Derivative liabilities	-2	-40	-1

NOTE 6 – NET DEBT

(Amounts rounded to the nearest MSEK)	2021 31 Mar	2020 31 Mar	2020 31 Dec
Non-current liabilities	654	822	656
- of which interest-bearing non-current liabilities (excl. IFRS 16 lease liabilities)	547	731	552
Current liabilities	57	77	59
- of which interest-bearing current liabilities (excl. IFRS 16 lease liabilities)	18	-	18
Long and short term interest bearing debt liabilities (excl. IFRS 16 lease liabilities)	566	731	571
Cash and cash equivalents at the end of the period	-87	-224	-86
Blocked cash at the end of the period	-18	-9	-17
Net debt	461	497	467

IFRS 16 lease liabilities amounted to MSEK 61 (50) on March 31, 2021.

PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2021 Q 1	2020 Q 1	2020 FY
Sales of electricity and electricity certificates	0	11	14
Development and services	7	9	31
Other operating income	0	0	0
Total income	7	20	45
Capitalised work on own account	1	1	4
Purchases of electricity and electricity certificates	0	-11	-13
Cost of sold projects and asset management	-1	-2	-8
Personnel costs	-9	-9	-36
Other external expenses	-5	-5	-19
Operating profit/loss before depreciation (EBITDA)	-7	-7	-27
Depr. and impairment of property, plant and equipment	0	0	-1
Operating profit/loss (EBIT)	-7	-7	-28
Profit/loss from financial items	Note 1	1	-11
Profit/loss after financial items	-6	-18	-190
Group contribution	24	-	146
Profit/loss before tax	17	-18	-43
Tax on profit/loss for the period	0	0	-1
Net profit/loss for the period	17	-18	-45

PARENT COMPANY BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2021 31 Mar	2020 31 Mar	2020 31 Dec
Property, plant and equipment	51	28	45
Non-current financial assets	724	1,152	724
Total non-current assets	775	1,180	769
Inventories	-	-	0
Other current assets	31	45	22
Cash and cash equivalents	67	185	65
Total current assets	97	230	87
TOTAL ASSETS	872	1,410	856
Restricted equity	3	8	5
Non-restricted equity	585	518	552
Total equity	588	526	557
Non-current interest-bearing liabilities	164	731	177
Total non-current liabilities	164	731	177
Other current liabilities	120	153	121
Total current liabilities	120	153	121
TOTAL EQUITY AND LIABILITIES	872	1,410	856

PARENT COMPANY EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2021 31 Mar	2020 31 Mar	2020 31 Dec
Opening balance	557	539	539
Other comprehensive costs for the period	17	-18	-45
New issue of shares/ conversion of convertibles	13	5	63
Closing balance	588	526	557

NOTE 1 – PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts rounded to the nearest MSEK)	2021 Q 1	2020 Q 1	2020 FY
Interest income			
Interest income from group companies	0	-	0
Loans and receivables	-	0	4
Interest expense			
Interest expense from group companies	0	-1	-5
Loans and receivables	-	0	-1
Bond loan and convertible	-3	-14	-76
Other financial items			
Impairment of subsidiary shares	-	-	-430
Realized profit on sale of subsidiaries	3	3	9
Dividend on shares in subsidiaries	-	-	337
Other financial income and expenses	0	0	-4
Other exchange rate differences	1	0	4
	1	-11	-162

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. IFRS 16 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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