

# Interim report

## 1 January – 30 June 2021



# Interim report 1 January – 30 June 2021

## SECOND QUARTER (1 APRIL – 30 JUNE 2021)

- Net sales for the quarter amounted to MSEK 36 (30).
- Operating profit/loss before depreciation and amortisation (EBITDA) totalled MSEK 12 (6).
- Operating profit/loss (EBIT) was MSEK -6 (-12).
- Comparable profit/loss before tax amounted to MSEK -10 (-28) and recognised profit/loss before tax was MSEK -6 (-28).
- Profit/loss after tax totalled MSEK -6 (-27), corresponding to SEK -0.16 (-0.80) per share before and after dilution.
- Operating cash flow was MSEK 12 (7).
- Production from Own wind power operations was 61 GWh (75). The decrease was due to weaker winds than in the preceding year.
- Average income from Own wind power operations was SEK 420 per MWh (175), of which SEK 415 per MWh (156) from electricity and SEK 5 per MWh (19) from electricity certificates, including guarantees of origin.
- Agreements were signed for the sale of the Ranasjö- and Salsjöhöjden wind farms, together totalling 242 MW, to the Renewables Infrastructure Group Limited ("TRIG") and funds managed by InfraRed ("InfraRed").

## FIRST HALF OF THE YEAR (1 JANUARY – 30 JUNE 2021)

- Net sales for the period amounted to MSEK 82 (80).
- Operating profit/loss before depreciation and amortisation (EBITDA) was MSEK 34 (32).
- Operating profit/loss (EBIT) was MSEK 1 (-6).
- Comparable profit/loss before tax amounted to MSEK -7 (-35) and recognised profit/loss before tax was MSEK -10 (-35).
- Profit/loss after tax totalled MSEK -10 (-34), corresponding to SEK -0.27 (-1.01) per share before and after dilution.
- Operating cash flow was MSEK 27 (17).
- Production from Own wind power operations was 143 GWh (199). The decrease was due to weaker winds than in the preceding year.
- Average income from Own wind power operations was SEK 444 per MWh (262), of which SEK 435 per MWh (206) from electricity and SEK 10 per MWh (56) from electricity certificates, including guarantees of origin.
- Arise presented a growth plan for 2025 that encompasses geographical expansion, solar power and the possibility of inviting investors into the company's existing production as well as the possibility of owning minority shares in future commissioned wind power projects.

### Arise AB (publ)

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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.

- Daniel Johansson announced to the Board that he intends to resign as CEO of Arise. Daniel will remain available to the company for six months. Per-Erik Eriksson was appointed acting CEO as of 21 July until a new CEO has been recruited.

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

- The sale of the Ranasjö- and Salsjöhöjden wind farms – together totalling 242 MW – was finalised, which is expected to have a positive earnings effect of approximately MSEK 135 in total between 2021 and 2024, of which approximately MSEK 45 will be in the third quarter of 2021.
- Arise and Hällefors Tierp Skogar entered into a partnership to strengthen the power supply in the middle of Sweden. The partnership provides Arise with an exclusive right to develop wind farms in the concerned areas. The potential is estimated to more than 1,500 MW of new onshore wind power. The land areas have in common that they are all located in price area 3 and can potentially strengthen the power supply in a region that is in the proximity to the larger cities Stockholm, Uppsala, Västerås and Örebro, where the long term need for electricity is substantial.

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## CEO's statement

Exciting things are now under way in the electricity market. Prices are soaring in southern Sweden. Norway has increased the transfer of electricity to the rest of Europe, which affects the electricity balance in the Nordic countries. The accessibility of nuclear power has been low, and four nuclear reactors have been taken out of operation over the past several years. Limitations to transfer capacity from northern to southern Sweden remain. EU ETS prices for carbon emissions are at historically high levels, which is clearly linked to increased political ambitions on the climate issue. Together with the company's significantly lower financing costs, this paves the way for healthy profitability within our electricity production business. The new normal is beginning to take shape.

In early July we were delighted to sell the Ranasjö- and Salsjöhöjden projects, together totalling 242 MW, to TRIG and InfraRed and their partners. The estimated profit is approximately MSEK 135, of which an estimated MSEK 45 will be recognised as income in the third quarter. This is, of course, confirmation of our ability to bring this project – which has been a challenge for us – to a successful conclusion. The Salsjö portion of the project has a limited wind resource, and cost increases for the projects were incurred with some of the suppliers due to such factors as rising freight and raw materials prices.

Construction management and asset management agreements were signed for the projects, which will entail continued growth and increased profitability for the Solutions segment over the next few years. After this, we will have just over 1,350 MW of wind power capacity under management.

By all appearances, we are heading towards strong earnings for the full year in which all three segments have excellent conditions for turning a profit on the bottom line.

The Land and Environment court announced its decision on the Kølvallen project in July that entailed an environmental permit for 43 turbines or almost 300 MW of capacity, which is especially positive. We are analysing the decision, but at the same time can state that leave to appeal is required for a potential appeal to the Land and Environment Court of Appeal. It is hoped that this means the decision will enter force this autumn, and that subsequently we can begin procurement for the project before a sale process can be initiated in the spring of 2022.

The expansion of our project portfolio is in full swing, with tangible new development opportunities in solar and wind power. In July, we entered into a partnership with Hällefors Tierp Skogar that provide us with exclusive rights to develop wind farms in the concerned areas. The potential



is estimated to more than 1,500 MW of new onshore wind power. The land areas have in common that they are all located in price area 3 and can potentially strengthen the power supply in a region that is in the proximity to the larger cities Stockholm, Uppsala, Västerås and Örebro, where the long term need for electricity is substantial. Additionally, we are in talks with major landowners in Norway, where we see significant potential for wind power in future. We have signed an exclusivity agreement with landowners on solar power in

the UK, where in an initial phase we are conducting studies for a 30 MW project. If this is successful, there are large areas of land to be had, and thereby far larger project opportunities. In Poland, we are working intensively together with a partner to ensure solar power projects, and dialogue is in progress with a handful of Polish solar power developers. Arise's growth agenda remains firm, and the expansion the company is facing presents enormous possibilities.

I would like to take this opportunity to thank everyone I have worked together with during my years at Arise. It has been a privilege to lead Arise into a new era. I feel this is a good time to hand over to Per-Erik Eriksson, who as Head of Operations has been a central and powerful resource throughout my time as CEO of the company.

*Halmstad, 20 July 2021*

*Daniel Johansson*

*CEO*

*"Arise's growth agenda remains firm, and the expansion the company is facing presents enormous possibilities."*

## Net sales and results

MSEK	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Comparable profit/loss</b>				
Net sales	36	30	82	80
EBITDA	12	6	34	32
EBIT	-6	-12	1	-6
EBT	-10	-28	-7	-35
<b>Items affecting comparability</b>				
<i>Exch. rate diff. loans in for. currency, (financial items)</i>	4	-	-3	-
<b>Recognised profit/loss</b>				
EBT	-6	-28	-10	-35
Profit/loss after tax	-6	-27	-10	-34

*Items affecting comparability comprise exchange rate differences on loans in foreign currencies since the company has loans in EUR.*

### COMMENTS ON THE SECOND QUARTER

Income for Development was low during the quarter since the Skaftåsen project was the only project under construction. In addition, remaining revenue for the project was recognised at a relatively moderate pace. Income from Solutions performed as expected. For Production, the quarter was characterised by significantly higher market prices for electricity compared with the year-earlier period, and also by weaker winds than normal.

Despite weaker performance in Development, net sales increased to MSEK 36 (30), driven by higher income in Production. Production generated 61 GWh (75) green electricity while the average realised price increased to SEK 420 per MWh (175), which is mainly the result of higher market prices compared with the year-earlier quarter.

Operating expenses amounted to MSEK 26 (25), of which MSEK 0 (1) was attributable to project sales and MSEK 25 (24) comprised comparable operating expenses. Own capitalised work amounted to MSEK 1 (2).

In total, EBITDA increased to MSEK 12 (6). Depreciation decreased as a result of increased expected economic lifetimes in Production while some write-downs were made in Development, which led to EBIT amounting to MSEK -6 (-12). Comparable net financial items improved to MSEK -4 (-15). 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 second quarter, the comparability of net financial items was impacted



by exchange rate differences for loans in foreign currencies of MSEK 4 due to the EUR weakening against the SEK.

Comparable profit/loss before tax amounted to MSEK -10 (-28). Recognised profit/loss before tax amounted to MSEK -6 (-28) and after tax amounted to MSEK -6 (-27).

IFRS 16 resulted in a MSEK 1.5 (1.2) decrease in operating expenses and increases in depreciation and financial expenses of MSEK 1.1 (1.0) and MSEK 0.7 (0.5), respectively.

## COMMENTS ON THE FIRST HALF OF THE YEAR

In the first quarter, Arise presented a growth plan 2025 that encompasses geographical expansion, solar power and the possibility of inviting investors into the company's existing production as well as the possibility of owning minority shares in future commissioned wind power projects.

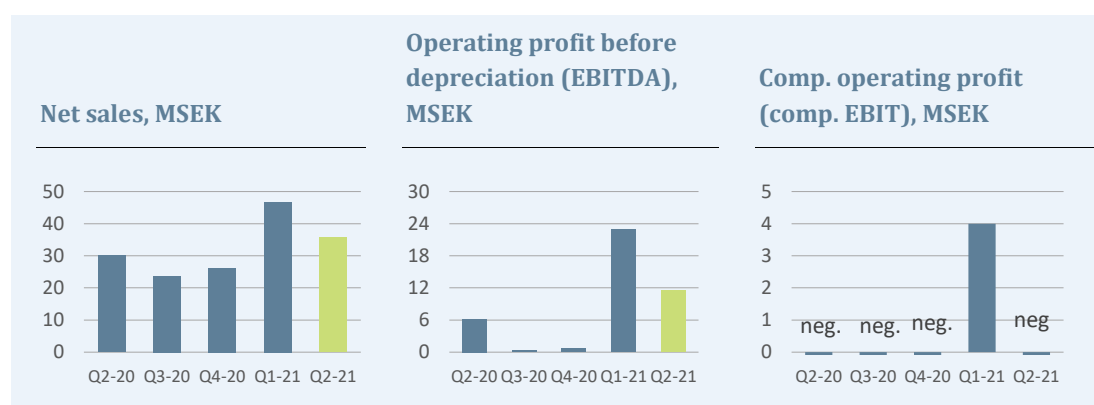
Income from Development decreased as a result of fewer projects under revenue recognition. At the same time, income in Production increased as a result of higher market prices for electricity despite weaker production. In total, 143 GWh (199) of green electricity was produced, and the average price for production totalled 444 SEK/MWh (262). Total net sales thus decreased to MSEK 82 (80) compared with year-earlier period.

Operating expenses amounted to MSEK 51 (51), of which MSEK 0 (2) was attributable to project sales and contracts, and MSEK 51 (49) comprised comparable operating expenses. Own capitalised work amounted to MSEK 3 (3).

EBITDA increased to MSEK 34 (32), and EBIT increased to MSEK 1 (-6). Comparable EBT improved to MSEK -7 (-35), since comparable net financial items strengthened to MSEK -8 (-29). Recognised EBT amounted to MSEK -10 (-35), since the EUR strengthened against the SEK, which impacted the recognised net financial items by MSEK -3 (0).

The recognised profit/loss after tax was MSEK -10 (-34), representing earnings per share of SEK -0.27 (-1.01) before and after dilution.

IFRS 16 resulted in a MSEK 3.1 (2.8) decrease in operating expenses and increases in depreciation and financial expenses of MSEK 2.2 (2.2) and MSEK 1.3 (1.0), respectively, during the period.



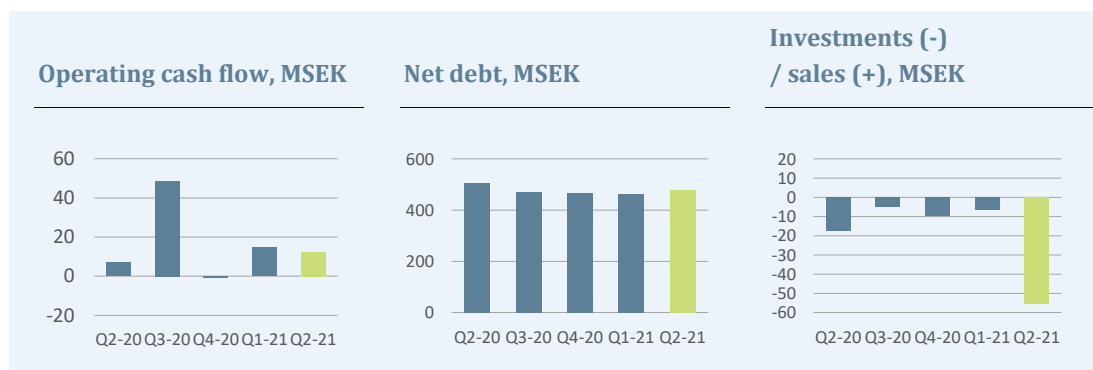
## Cash flow and investments

### COMMENTS ON THE SECOND QUARTER

Cash flow from operating activities before changes in working capital was MSEK 9 (3). Changes in working capital were MSEK 3 (4). Accordingly, the total operating cash flow was MSEK 12 (7). Net cash flow from investing activities was MSEK -56 (-17), driven primarily by the acquisition of the Ranasjö- and Salsjöhöjden projects. Cash flow after investments therefore amounted to MSEK -43 (-10). Amortisations totalling MSEK -9 (0) were paid during the quarter. Interest and financing costs of MSEK -4 (-14) were paid. Interest payments of MSEK 0 (2) were received. No net payments to or from blocked accounts took place, after which cash flow for the quarter amounted to MSEK -58 (-25) (adjusted for the effects of IFRS 16).

### COMMENTS ON THE FIRST HALF OF THE YEAR

Cash flow from operating activities before changes in working capital was MSEK 29 (25). Changes in working capital were MSEK -2 (-8), driven by the accumulation of working capital in ongoing construction projects. Total operating cash flow therefore amounted to MSEK 27 (17). Net cash flow from investing activities was MSEK -62 (-20). Cash flow after investments thus amounted to MSEK -35 (-3). Amortisations totalling MSEK -9 (-147) were paid. Interest and financing costs of MSEK -9 (-31) were paid. Interest payments of MSEK 0 (2) were received. Net payments to or from blocked accounts totalling MSEK 0 (19) were received. Adjusted for the effects of IFRS 16, cash flow for the period amounted to MSEK -57 (-165).



## Financing and liquidity

Net debt amounted to MSEK 477 (505), of which convertibles according to IFRS comprised MSEK 136 (216) after convertibles in a nominal amount of approximately MSEK 43 were converted to shares in the first half of 2021. After the end of the quarter, additional convertibles in a nominal amount of MSEK 3 were converted. Cash and cash equivalents amounted to MSEK 29 (199). In addition, the company has unutilised overdraft facilities for MSEK 75. The sale of the Ranasjö- and Salsjöhöjden projects was finalised after the end of the quarter, with the company receiving an additional MSEK 93 in cash and cash equivalents. At the end of the period, the equity/assets ratio was 51% (45).



## Development

MSEK	Q2 2021	Q2 2020	H1 2021	H1 2020
Income	4	11	7	15
Cost of sold projects and contracts	0	-1	0	-2
Other operating expenses and capitalised work	-2	-2	-5	-5
Operating profit/loss before depreciation (EBITDA)	1	7	2	8
Operating profit/loss (EBIT)	-1	7	0	8
Profit/loss before tax	-3	3	-5	0

### COMMENTS ON THE SECOND QUARTER

Income in Development 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. The Bröcklingberget and Enviksberget projects were settled in the year-earlier quarter. Construction has proceeded according to plan, but turbine deliveries will be delayed due to factors such as the COVID-19 pandemic, which is why the project will likely only be completed in the second quarter of 2022 instead of year-end 2021. This delay may impact the size of the final payment, but foremost the timing of it.

Dialogue continued with some subcontractors in the Bröcklingberget project, and further proceeds may be received. Agreements were signed during the quarter for the sale of the Ranasjö- and Salsjöhöjden wind farms, together totalling 242 MW, to TRIG and funds managed by InfraRed. In conjunction with this, Arise acquired the projects under an existing option agreement. The sale of the projects was finalised after the end of the quarter, and the expected profit will total approximately MSEK 135 between 2021 and 2024, of which approximately MSEK 45 is expected to be recognised in the third quarter of 2021. The transaction was completed after the end of the quarter, and Arise received a fixed consideration and compensation for project costs incurred totalling approximately MSEK 93. An earnout of approximately MEUR 11.9 is expected to be received upon completion of the project, which is planned for Q1 2024.

The Finnåberget project received an environmental permit for 26 wind turbines, which has been appealed to the Land and Environment Court. The Land and Environment Court issued a permit for 43 wind turbines in the Kölvalen project after the end of the quarter. Any appeal must be granted leave to appeal in the Land and Environment Court of Appeal in order for the project to be considered. If no appeal is made, or if leave to appeal is not granted, procurement of the project is expected to begin in the autumn. Including Ranasjö- and Salsjöhöjden, which were sold after the end of the quarter, the company currently has a portfolio of wind power projects with more than 1,300 MW at its disposal, which is presented in more detail under the Portfolio section. In addition to this portfolio, efforts during the quarter were intensified to secure project rights for solar power in Poland and the UK. In the UK, a solar power project of 30 MW is under development. Provided that the project is successfully developed, there are additional large areas of land

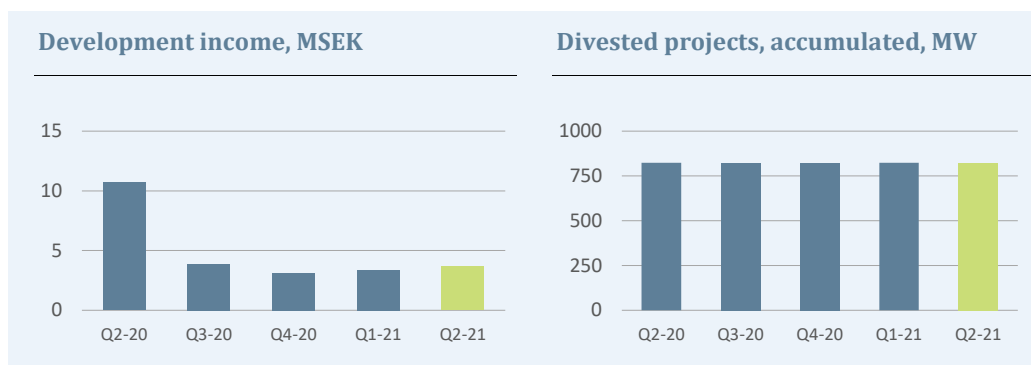
available from the same landowner, and Arise has a positive view of the possibility of developing additional MW there. In Poland, together with a partner, discussions are being held with a handful of smaller developers for the purpose of securing solar power projects there. The projects are primarily in an early phase. In July, Arise and Hällefors Tierp Skogar entered into a partnership providing Arise with exclusive rights to develop wind farms in the concerned areas. The potential is estimated to more than 1,500 MW of new onshore wind power. The land areas have in common that they are all located in price area 3 and can potentially strengthen the power supply in a region that is in the proximity to the larger cities Stockholm, Uppsala, Västerås and Örebro, where the long term need for electricity is substantial. The company is also in dialogue with landowners in Norway concerning significant project rights for greenfield development.

Income declined to MSEK 4 (11). The cost of sold projects amounted to MSEK 0 (-1) since Arise did not carry out any contract services for the ongoing Skaftåsen project. Other operating expenses and capitalised work totalled MSEK -2 (-2). EBITDA declined to MSEK 1 (7). Depreciation and impairment totalled MSEK -2 (0), including impairment linked to the sale of transformers. Net financial items improved to MSEK -2 (-4). EBIT and profit/loss before tax thus amounted to MSEK -1 (7) and MSEK -3 (3), respectively.



## COMMENTS ON THE FIRST HALF OF THE YEAR

Income decreased to MSEK 7 (15) compared with the year-earlier period. At the same time, the cost of sold projects and contracts fell to MSEK 0 (-2). Other operating expenses and capitalised work amounted to MSEK -5 (-5), after which EBITDA decreased to MSEK 2 (8) and EBIT decreased to 0 (8). Net financial items improved to MSEK -5 (-8) and profit/loss before tax thus decreased to MSEK -5 (0).



## 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 166 at the end of the period, including the completed acquisition of the Ranasjö- and Salsjöhöjden projects. Fully developed, the portfolio would equate to an investment level of about SEK 15 billion.

The portfolio is divided into projects in later developmental phases, which amount to a total of approximately 854 MW, and projects in early developmental phases, 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.

<b>Projects – late developmental phases</b>	<b>WTG</b>	<b>MW</b>	<b>Schedule</b>	<b>Profit potential</b>
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	16	60	2023–2024	Excellent
<b>Total</b>	<b>147</b>	<b>854</b>		

<b>Projects – early developmental phases</b>	<b>WTG</b>	<b>MW</b>	<b>Schedule</b>
SE 2	18	~110	2024–2025
SE 3	8	~50	2023–2024
SE 4	3	~20	2024–2025
Norway	30	~135	2024–2025
Scotland	20–30	~150	2024–2025
<b>Total</b>	<b>84</b>	<b>~530</b>	

## Production

MSEK	Q2 2021	Q2 2020	H1 2021	H1 2020
Income	26	13	63	52
Operating expenses	-10	-10	-22	-21
Operating profit/loss before depreciation (EBITDA)	15	3	41	31
Operating profit/loss (EBIT)	0	-15	11	-5
Comparable profit/loss before tax	-1	-27	8	-27
Recognised profit/loss before tax	3	-27	5	-27

### COMMENTS ON THE SECOND QUARTER

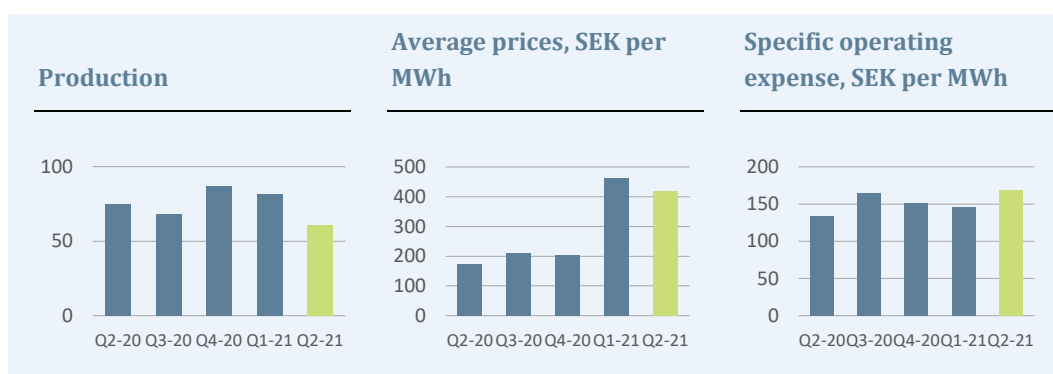
In Production, wind was less than average for the period and the production in the company's wind farms thus declined to 61 GWh (75). At the same time, average income for electricity increased to SEK 415 per MWh (156) and certificates, including guarantees of origin, declined to SEK 5 per MWh (19). Average income for electricity was 25% lower than the market price for electricity (SE4) during the period, primarily as a result of price hedging and to some extent also to the fact that the hourly price received for wind power electricity was under the average price for the quarter.

Net sales decreased MSEK 2 due to lower production, and increased MSEK 15 due to a higher average price compared with the year-earlier quarter and amounted to MSEK 26 (13). Driven by lower production, specific operating expenses increased to SEK 168 per MWh (134) during the quarter. In conjunction with the change in service provider, dialogue is continuing with the outgoing provider regarding certain outstanding commitments. The company expects that some costs linked to the change of service provider will arise during the second half of 2021. However, the company expects to be compensated for this later on by the outgoing service provider.

EBITDA increased to MSEK 15 (3) 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 0 (-15).

Comparable net financial items were strengthened as the result of refinancing during the fourth quarter of 2020, and amounted to MSEK -2 (-12). 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 second quarter, the comparability of net financial items was impacted by exchange rate differences for loans in foreign currencies of MSEK 4 due to the EUR weakening against the SEK.

Comparable and recognised earnings before tax increased to MSEK -1 (-27) and MSEK 3 (-27), respectively.



### COMMENTS ON THE FIRST HALF OF THE YEAR

As a result of weaker-than-normal winds during the period, production at the company's wind farms declined to 143 GWh (199). At the same time, average income for electricity and certificates, including guarantees of origin, increased to SEK 435 per MWh (206) and SEK 10 per MWh (56), respectively. Average income for electricity was 17% below than the market price for electricity (SE4) during the period as a result of price hedging and due to the fact that the hourly price received for wind power electricity was under the average price for the half-year.

Net sales decreased MSEK 15 due to lower production, and increased MSEK 26 due to a higher average price compared with the year-earlier period. In total, net sales therefore increased to MSEK 63 (52) and EBITDA to MSEK 41 (31) compared with the year-earlier period. The specific operating expense increased to SEK 155 per MWh (104) due to lower production and costs for inspections in Q1 2021 linked to the change of service provider. Depreciation decreased to MSEK -30 (-36), after which EBIT amounted to MSEK 11 (-5). Comparable net financial items strengthened to MSEK -3 (-22) as the result of refinancing during the fourth quarter of 2020. During the period, the comparability of net financial items was impacted by exchange rate differences for loans in foreign currencies of MSEK -3 due to the EUR strengthening against the SEK. Comparable and recognised earnings before tax increased to MSEK 8 (-27) and MSEK 5 (-27), respectively.

## Solutions

MSEK	Q2 2021	Q2 2020	H1 2021	H1 2020
Income	7	7	14	15
Operating expenses	-6	-7	-11	-13
Operating profit/loss before depreciation (EBITDA)	2	0	2	2
Operating profit/loss (EBIT)	2	0	2	2
Profit/loss before tax	2	0	2	2

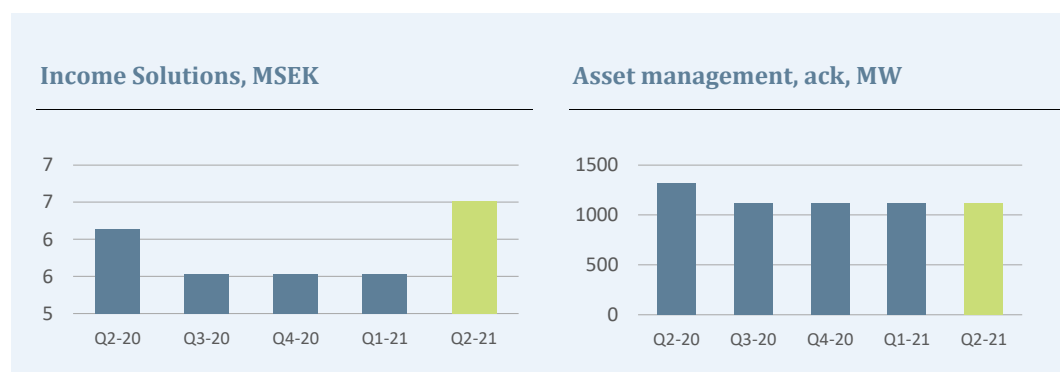
### COMMENTS ON THE SECOND QUARTER

In Solutions, the work on positioning the company for new management assignments continued during the quarter. After the end of the quarter, project management and asset management agreements were signed in conjunction with the sale of Ranasjö- and Salsjöhöjden to TRIG and funds managed by InfraRed. This means that projects under management now exceed 1,350 MW.

Income amounted to MSEK 7 (7). Operating expenses amounted to MSEK -6 (-7). EBITDA increased to MSEK 2 (0). Depreciation and impairment and financial items were MSEK 0 (0) and EBIT and profit before tax thus amounted to MSEK 2 (0).

### COMMENTS ON THE FIRST HALF OF THE YEAR

Income declined to MSEK 14 (15) as a result of termination of the management assignment for Jädraås in the third quarter of 2020. Operating expenses amounted to MSEK -11 (-13) owing to fewer projects under construction and thus fewer project management costs. EBITDA amounted to MSEK 2 (2). Depreciation and impairment and financial items were MSEK 0 (0) and EBIT and profit before tax thus amounted to MSEK 2 (2).





## OTHER SIGNIFICANT EVENTS

Arise signed an agreement with the Renewables Infrastructure Group Limited ("TRIG") and funds managed by InfraRed ("InfraRed") for the sale of the Ranasjö- and Salsjöhöjden wind farms, together totalling 242 MW. For more information, refer to Significant events after the end of the period.

Daniel Johansson announced to the Board that he intends to resign as CEO of Arise. Daniel will remain available to the company for six months. Per-Erik Eriksson was appointed acting CEO as of 21 July until a new CEO has been recruited.

The Finnåberget project received an environmental permit for 26 wind turbines, which has been appealed to the Land and Environment Court.

## 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

Arise AB finalised the sale of the Ranasjö- and Salsjöhöjden wind farms, together totalling 242 MW, to the Renewables Infrastructure Group Limited ("TRIG") and funds managed by InfraRed ("InfraRed"). The transaction was completed substantially on the terms communicated on 26 May 2021. The sale is expected to have a positive earnings effect of approximately MSEK 135 in total between 2021 and 2024, of which approximately MSEK 45 will be in the third quarter of 2021. In conjunction with the completion, Arise received a fixed consideration and compensation for project costs incurred totalling approximately MSEK 93. An earnout of MEUR 11.9 is expected to be received in Q1 2024.

The Land and Environment Court issued a permit for 43 wind turbines in the Kölvallen project. Any appeal must be granted leave to appeal in the Land and Environment Court of Appeal in order for the project to be considered. If no appeal is made, or if leave to appeal is not granted, procurement of the project is expected to begin in the autumn.

In July, Arise and Hällefors Tierp Skogar entered into a partnership to strengthen the power supply in the middle of Sweden. The partnership provides Arise with an exclusive right to develop wind farms in the concerned areas. The potential is estimated to more than 1,500 MW of new on-shore wind power. The land areas have in common that they are all located in price area 3 and can potentially strengthen the power supply in a region that is in the proximity to the larger cities Stockholm, Uppsala, Västerås and Örebro, where the long term need for electricity is substantial

## 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 have increased during 2021. At the same time, we are generally seeing increases in raw materials prices in the wake of the pandemic. 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](http://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 hedges in accordance with the adopted financial policy.

During the first half of the year, the Parent Company's total income amounted to MSEK 16 (30) 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 31 (44), resulting in EBIT of MSEK -16 (-14). A net financial expense of MSEK 1 (-72) (including impairment of participations in subsidiaries of MSEK 0 (47)) and Group contributions of MSEK 40 (77) led to net profit/loss after tax of MSEK 26 (-9). The Parent Company's net investments amounted to MSEK 7 (-18).

## 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

- |  |                  |
|--|------------------|
| ▪ 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       |
| ▪ Second quarter (1 April-30 June)       | 19 July 2022     |

## ASSURANCE FROM BOARD OF DIRECTORS

The Board of Directors and the CEO hereby assure that this half-yearly report provides a fair review of the company's and the Group's operations, financial position and earnings and describes the material risks and uncertainties facing the company and the companies included in the Group.

Halmstad, 20 July 2021

Arise AB (publ)

**Joachim Gahm**

*Chairman*

**Maud Olofsson**

*Board member*

**Jon G Brandsar**

*Board member*

**Johan Damne**

*Board member*

**Daniel Johansson**

*CEO*

## FOR FURTHER INFORMATION, PLEASE CONTACT

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## CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2021 Q2	2020 Q2	2021 6 mon	2020 6 mon	2020 FY
Net sales <span style="float: right;">Note 1</span>	36	30	82	80	130
Other operating income	0	0	0	0	0
<b>Total income</b>	<b>36</b>	<b>30</b>	<b>83</b>	<b>80</b>	<b>130</b>
Capitalised work on own account	1	2	3	3	6
Personnel costs	-11	-10	-21	-20	-39
Other external expenses <span style="float: right;">Note 2</span>	-15	-16	-30	-32	-65
<b>Operating profit before depreciation (EBITDA)</b>	<b>12</b>	<b>6</b>	<b>34</b>	<b>32</b>	<b>33</b>
Depreciation and imp. of property, plant and equip- ment <span style="float: right;">Note 3,4</span>	-18	-19	-33	-37	-70
<b>Operating profit/loss (EBIT)</b>	<b>-6</b>	<b>-12</b>	<b>1</b>	<b>-6</b>	<b>-37</b>
Profit/loss from financial items <span style="float: right;">Note 5</span>	0	-15	-11	-29	-71
<b>Profit/loss before tax</b>	<b>-6</b>	<b>-28</b>	<b>-10</b>	<b>-35</b>	<b>-108</b>
Tax on profit/loss for the period	0	0	0	1	0
<b>Net profit/loss for the period</b>	<b>-6</b>	<b>-27</b>	<b>-10</b>	<b>-34</b>	<b>-108</b>
Earnings per share before dilution, SEK	-0.16	-0.80	-0.27	-1.01	-3.08
Earnings per share after dilution, SEK	-0.16	-0.80	-0.27	-1.01	-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 Q2	2020 Q2	2021 6 mon	2020 6 mon	2020 FY
<b>Net profit/loss for the period</b>	<b>-6</b>	<b>-27</b>	<b>-10</b>	<b>-34</b>	<b>-108</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	-11	-7	-17	26	63
Income tax attributable to components of other comprehensive income	2	1	3	-5	-14
<b>Other comprehensive income for the period, net after tax</b>	<b>-9</b>	<b>-6</b>	<b>-13</b>	<b>20</b>	<b>49</b>
<b>Total comprehensive income for the period</b>	<b>-15</b>	<b>-33</b>	<b>-24</b>	<b>-14</b>	<b>-58</b>

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

## CONSOLIDATED BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2021 30 Jun	2020 30 Jun	2020 31 Dec
Property, plant and equipment <sup>1)</sup>	1,292	1,264	1,259
Non-current financial assets	20	17	17
<b>Total non-current assets</b>	<b>1,312</b>	<b>1,281</b>	<b>1,276</b>
Inventories	1	1	1
Other current assets	63	104	56
Cash and cash equivalents	29	199	86
<b>Total current assets</b>	<b>92</b>	<b>304</b>	<b>142</b>
<b>TOTAL ASSETS</b>	<b>1,404</b>	<b>1,585</b>	<b>1,418</b>
<b>Equity</b>	<b>722</b>	<b>707</b>	<b>703</b>
Non-current interest-bearing liabilities <sup>2)</sup>	562	263	611
Provisions	49	46	46
<b>Total non-current liabilities</b>	<b>611</b>	<b>308</b>	<b>656</b>
Current interest-bearing liabilities <sup>2)</sup>	22	501	22
Other current liabilities	50	68	38
<b>Total current liabilities</b>	<b>72</b>	<b>569</b>	<b>59</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,404</b>	<b>1,585</b>	<b>1,418</b>

<sup>1)</sup> Property, plant and equipment include lease assets of MSEK 58 (49).

<sup>2)</sup> Interest-bearing liabilities include lease liabilities of MSEK 60 (50).

## CONSOLIDATED CASH FLOW STATEMENT

(Condensed, amounts rounded to the nearest MSEK)	2021 Q2	2020 Q2	2021 6 mon	2020 6 mon	2020 FY
<b>Cash flow from operating activities before changes in working capital</b>	<b>9</b>	<b>3</b>	<b>29</b>	<b>25</b>	<b>27</b>
Cash flow from changes in working capital	3	4	-2	-8	38
<b>Cash flow from operating activities</b>	<b>12</b>	<b>7</b>	<b>27</b>	<b>17</b>	<b>65</b>
Investments in property, plant and equipment	-57	-17	-63	-20	-34
Sales of property, plant and equipment	1	-	1	-	-
<b>Cash flow from investing activities</b>	<b>-56</b>	<b>-17</b>	<b>-62</b>	<b>-20</b>	<b>-34</b>
Loan repayments	-9	-	-9	-147	-652
Loan raised	-	-	-	-	416
Amortization of lease liabilities	-1	-3	-4	-4	-5
Interest paid and other financing costs	-4	-14	-9	-31	-79
Interest received	-	2	-	2	4
Net payment to blocked accounts	-	-	-	19	10
<b>Cash flow from financing activities</b>	<b>-15</b>	<b>-15</b>	<b>-22</b>	<b>-162</b>	<b>-308</b>
<b>Cash flow for the period</b>	<b>-58</b>	<b>-25</b>	<b>-57</b>	<b>-165</b>	<b>-277</b>
Cash and cash equivalents at the beginning of the period	87	224	86	365	365
Translation differences in cash and cash equivalents	0	-1	0	-1	-2
<b>Cash and cash equivalents at the end of the period</b>	<b>29</b>	<b>199</b>	<b>29</b>	<b>199</b>	<b>86</b>
Interest-bearing liabilities at the end of the period	523	713	523	713	571
Blocked cash at the end of the period	-18	-9	-18	-9	-17
<b>Net debt</b> <span>Note 7</span>	<b>477</b>	<b>505</b>	<b>477</b>	<b>505</b>	<b>467</b>

## GROUP EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2021 30 Jun	2020 30 Jun	2020 31 Dec
Opening balance	703	698	698
Profit/loss for the year	-10	-34	-108
Other comprehensive income for the period	-13	20	49
New issue of shares / conversion of convertibles	43	24	63
Other items	0	-	-
<b>Closing balance</b>	<b>722</b>	<b>707</b>	<b>703</b>



## KEY PERFORMANCE INDICATORS FOR THE GROUP

	2021 Q2	2020 Q2	2021 6 mon	2020 6 mon	2020 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	60.9	75.1	142.7	199.4	354.5
Number of employees at the end of the period	30	31	30	31	31
<b><u>Financial key performance indicators</u></b>					
Earnings per share before dilution, SEK <sup>1)</sup>	-0.16	-0.80	-0.27	-1.01	-3.08
Earnings per share after dilution, SEK <sup>1)</sup>	-0.16	-0.80	-0.27	-1.01	-3.08
EBITDA margin, %	32.4%	20.7%	41.8%	39.6%	25.1%
Operating margin, %	neg	neg	1,5%	neg	neg
Return on capital employed (EBIT), %	neg	10.1%	neg	10.1%	neg
Return on adjusted capital employed (EBITDA), %	2.9%	16.1%	2.9%	16.1%	2.8%
Return on equity, %	neg	7.3%	neg	7.3%	neg
Capital employed, MSEK	1,198	1,213	1,198	1,213	1,170
Average capital employed, MSEK	1,206	1,234	1,206	1,234	1,179
Equity, MSEK	722	707	722	707	703
Average equity, MSEK	715	649	715	649	700
Net debt, MSEK	477	505	477	505	467
Equity/assets ratio, %	51.4%	44.6%	51.4%	44.6%	49.6%
Interest coverage ratio, times	neg	neg	0.2	neg	neg
Debt/equity ratio, times	0.7	0.7	0.7	0.7	0.7
Equity per share, SEK	19	21	19	21	20
Equity per share after dilution, SEK	19	21	19	21	20
No. of shares at the end of the period, excl. treasury shares	38,399,321	34,628,817	38,399,321	34,628,817	36,443,722
Average number of shares	37,719,679	34,176,722	37,421,522	34,060,097	34,967,549
Average number of shares after dilution	37,719,679	34,176,722	37,421,522	34,060,097	34,967,549

<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)	2021 Q2	2020 Q2	2021 6 mon	2020 6 mon	2020 FY
Electricity	25	12	62	41	72
Certificate and guarantees of origin	0	1	1	11	12
Development	2	11	6	15	22
Services	8	6	13	13	24
<b>Total</b>	<b>36</b>	<b>30</b>	<b>82</b>	<b>80</b>	<b>130</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 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 Q2	2020 Q2	2021 6 mon	2020 6 mon	2020 FY
Cost of sold projects and construction work	0	-1	0	-2	-4
External asset management costs	-1	-2	-1	-3	-5
Other items	-14	-13	-29	-27	-56
<b>Total</b>	<b>-15</b>	<b>-16</b>	<b>-30</b>	<b>-32</b>	<b>-65</b>

## 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 2	Development		Production		Solutions		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020
Net sales, external	4	11	26	13	7	6	-	-	-	-	36	30
Net sales, internal	-	-	-	-	1	1	-	-	-1	-1	-	-
Other operating income	0	0	0	0	0	0	0	0	-	-	0	0
<b>Total income</b>	<b>4</b>	<b>11</b>	<b>26</b>	<b>13</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>36</b>	<b>30</b>
Capitalised work on own account	1	2	-	-	-	-	-	-	-	-	1	2
Operating expenses	-4	-5	-10	-10	-6	-7	-7	-4	1	1	-26	-25
<b>Operating profit/loss before depr./imp. (EBITDA)</b>	<b>1</b>	<b>7</b>	<b>15</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>-7</b>	<b>-4</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>6</b>
Depreciation/ impair. Note 3	-2	0	-15	-18	0	0	0	0	-	-	-18	-19
<b>Operating profit/loss (EBIT)</b>	<b>-1</b>	<b>7</b>	<b>0</b>	<b>-15</b>	<b>2</b>	<b>0</b>	<b>-7</b>	<b>-5</b>	<b>0</b>	<b>0</b>	<b>-6</b>	<b>-12</b>
Net financial items	-2	-4	3	-12	0	0	0	0	-	-	0	-15
<b>Profit/loss before tax (EBT)</b>	<b>-3</b>	<b>3</b>	<b>3</b>	<b>-27</b>	<b>2</b>	<b>0</b>	<b>-7</b>	<b>-5</b>	<b>0</b>	<b>0</b>	<b>-6</b>	<b>-28</b>
<b>Property, plant and equipment</b>	<b>167</b>	<b>93</b>	<b>1,121</b>	<b>1,169</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1,292</b>	<b>1,264</b>

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	-	-	-18	-19
Impairment and reversal of impairment	-2	-	-	-	-	-	-	-	-	-	-	-
<b>Depreciation and impairment</b>	<b>-2</b>	<b>0</b>	<b>-15</b>	<b>-18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-18</b>	<b>-19</b>

## GROUP SEGMENT REPORTING

6 months	Development		Production		Solutions		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net sales, external	7	15	63	52	12	13	-	-	-	-	82	80
Net sales, internal	-	-	-	-	2	2	-	-	-2	-2	-	-
Other operating income	0	-	0	0	0	0	0	0	-	-	0	0
<b>Total income</b>	<b>7</b>	<b>15</b>	<b>63</b>	<b>52</b>	<b>14</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>-2</b>	<b>83</b>	<b>80</b>
Capitalised work on own account	3	3	-	-	-	-	-	-	-	-	3	3
Operating expenses	-8	-10	-22	-21	-11	-13	-11	-10	2	2	-51	-51
Operating profit/loss before depr./imp. (EBITDA)	2	8	41	31	2	2	-11	-10	0	0	34	32
<b>Depreciation/ impair. Note 4</b>	<b>-2</b>	<b>0</b>	<b>-30</b>	<b>-36</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>-</b>	<b>-</b>	<b>-33</b>	<b>-37</b>
<b>Operating profit/loss (EBIT)</b>	<b>0</b>	<b>8</b>	<b>11</b>	<b>-5</b>	<b>2</b>	<b>2</b>	<b>-12</b>	<b>-10</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>-6</b>
Net financial items	-5	-8	-6	-22	0	0	0	0	-	-	-11	-29
<b>Profit/loss before tax (EBT)</b>	<b>-5</b>	<b>0</b>	<b>5</b>	<b>-27</b>	<b>2</b>	<b>2</b>	<b>-12</b>	<b>-10</b>	<b>0</b>	<b>0</b>	<b>-10</b>	<b>-35</b>
<b>Property, plant and equipment</b>	<b>167</b>	<b>93</b>	<b>1,121</b>	<b>1,169</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1,292</b>	<b>1,264</b>

Funds managed by Foresight Group LLP accounted for more than 10% of Development income and funds managed by Foresight Group LLP and funds management by BlackRock accounted for more than 10% of Solutions income during the period and in the corresponding period in 2020 funds managed by Foresight Group LLP and funds management by re:cap global investors 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 4 – DEPRECIATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Depreciation/amortisation	0	0	-30	-36	0	0	-1	-1	-	-	-33	-37
Impairment and reversal of impairment	-2	-	-	-	-	-	-	-	-	-	-	-
<b>Depreciation and impairment</b>	<b>-2</b>	<b>0</b>	<b>-30</b>	<b>-36</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>-</b>	<b>-</b>	<b>-33</b>	<b>-37</b>

## NOTE 5 – PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts to the nearest MSEK)	2021 Q2	2020 Q2	2021 6 mon	2020 6 mon	2020 FY
<b>Interest income</b>					
Loans and receivables	-	2	-	2	4
<b>Interest expense</b>					
Loans and receivables	-1	0	-2	0	-2
Bond loan and convertible	-2	-13	-5	-27	-76
<b>Other financial items</b>					
IFRS 16 lease liabilities	-1	0	-1	-1	-2
Exchange rate difference EUR loan	4	-	-3	-	14
Change in fair value of derivatives	-	0	-	0	-2
Other financial expenses	-1	-3	-1	-4	-9
Other exchange rate differences	0	-1	2	0	2
<b>Total</b>	<b>0</b>	<b>-15</b>	<b>-11</b>	<b>-29</b>	<b>-71</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 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 30 Jun	2020 30 Jun	2020 31 Dec
<b>Assets</b>			
Derivatives held for hedging purposes			
- Derivative assets	9	13	12
<b>Liabilities</b>			
Derivatives held for hedging purposes			
- Derivative liabilities	-14	-35	-1

## NOTE 7 – NET DEBT

(Amounts rounded to the nearest MSEK)	2021 30 Jun	2020 30 Jun	2020 31 Dec
Non-current liabilities	611	308	656
- of which interest-bearing non-current liabilities (excl. IFRS 16 lease liabilities)	505	216	552
Current liabilities	72	569	59
- of which interest-bearing current liabilities (excl. IFRS 16 lease liabilities)	18	498	18
Long and short term interest bearing debt liabilities (excl. IFRS 16 lease liabilities)	523	713	571
Cash and cash equivalents at the end of the period	-29	-199	-86
Blocked cash at the end of the period	-18	-9	-17
<b>Net debt</b>	<b>477</b>	<b>505</b>	<b>467</b>

IFRS 16 lease liabilities amounted to MSEK 60 (50) on June 30, 2021.

## PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2021 Q2	2020 Q2	2021 6 mon	2020 6 mon	2020 FY
Sales of electricity and electricity certificates	0	1	0	13	14
Development and services	9	8	15	17	31
Other operating income	0	0	0	0	0
<b>Total income</b>	<b>9</b>	<b>9</b>	<b>16</b>	<b>30</b>	<b>45</b>
Capitalised work on own account	1	1	2	2	4
Purchases of electricity and electricity certificates	0	-1	0	-12	-13
Cost of sold projects and asset management	-1	-3	-1	-5	-8
Personnel costs	-10	-9	-19	-18	-36
Other external expenses	-5	-5	-10	-10	-19
<b>Operating profit/loss before depreciation (EBITDA)</b>	<b>-6</b>	<b>-6</b>	<b>-13</b>	<b>-14</b>	<b>-27</b>
Depr. and impairment of property, plant and equipment	-2	0	-2	0	-1
<b>Operating profit/loss (EBIT)</b>	<b>-8</b>	<b>-7</b>	<b>-16</b>	<b>-14</b>	<b>-28</b>
Profit/loss from financial items Note 1	0	-61	1	-72	-162
<b>Profit/loss after financial items</b>	<b>-8</b>	<b>-68</b>	<b>-15</b>	<b>-86</b>	<b>-190</b>
Group contribution	17	77	40	77	146
<b>Profit/loss before tax</b>	<b>8</b>	<b>9</b>	<b>26</b>	<b>-9</b>	<b>-43</b>
Tax on profit/loss for the period	0	0	0	0	-1
<b>Net profit/loss for the period</b>	<b>8</b>	<b>9</b>	<b>26</b>	<b>-9</b>	<b>-45</b>



## PARENT COMPANY BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2021 30 Jun	2020 30 Jun	2020 31 Dec
Property, plant and equipment	36	32	45
Non-current financial assets	724	1,118	724
<b>Total non-current assets</b>	<b>760</b>	<b>1,149</b>	<b>769</b>
Inventories	-	0	0
Other current assets	50	38	22
Cash and cash equivalents	21	170	65
<b>Total current assets</b>	<b>70</b>	<b>208</b>	<b>87</b>
<b>TOTAL ASSETS</b>	<b>830</b>	<b>1,358</b>	<b>856</b>
Restricted equity	3	8	5
Non-restricted equity	623	546	552
<b>Total equity</b>	<b>626</b>	<b>554</b>	<b>557</b>
Non-current interest-bearing liabilities	135	216	177
<b>Total non-current liabilities</b>	<b>135</b>	<b>216</b>	<b>177</b>
Current interest-bearing liabilities	-	498	-
Other current liabilities	69	91	121
<b>Total current liabilities</b>	<b>69</b>	<b>588</b>	<b>121</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>830</b>	<b>1,358</b>	<b>856</b>

## PARENT COMPANY EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2021 30 Jun	2020 30 Jun	2020 31 Dec
Opening balance	557	539	539
Other comprehensive costs for the period	26	-9	-45
New issue of shares/ conversion of convertibles	43	24	63
<b>Closing balance</b>	<b>626</b>	<b>554</b>	<b>557</b>

# NOTE 1 – PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts rounded to the nearest MSEK)	2021 Q2	2020 Q2	2021 6 mon	2020 6 mon	2020 FY
<b>Interest income</b>					
Interest income from group companies	-	-	0	-	0
Loans and receivables	-	2	-	2	4
<b>Interest expense</b>					
Interest expense from group companies	0	-2	-1	-3	-5
Loans and receivables	-	0	-	0	-1
Bond loan and convertible	-2	-13	-5	-27	-76
<b>Other financial items</b>					
Impairment of subsidiary shares	-	-47	-	-47	-430
Realized profit on sale of subsidiaries	2	1	6	4	9
Dividend on shares in subsidiaries	-	-	-	-	337
Other financial income and expenses	0	-1	0	-1	-4
Other exchange rate differences	1	0	2	0	4
<b>Total</b>	<b>0</b>	<b>-61</b>	<b>1</b>	<b>-72</b>	<b>-162</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. 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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