

Year-end report

1 January–31 December

2021



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FOURTH QUARTER (1 OCTOBER–31 DECEMBER 2021)

- Net sales for the quarter amounted to MSEK 79 (26).
- Operating profit/loss before depreciation and amortisation (EBITDA) before items affecting comparability totalled MSEK 46 (1) and after items affecting comparability MSEK 32 (1).
- Operating profit/loss (EBIT) before items affecting comparability amounted to MSEK 31 (-15) and after items affecting comparability to MSEK 17 (-15).
- Profit/loss before tax before items affecting comparability was MSEK 28 (-23) and after items affecting comparability MSEK 13 (-41).
- Profit/loss after tax totalled MSEK 13 (-42), corresponding to SEK 0.33 (-1.17) per share before and SEK 0.33 (-1.17) per share after dilution.
- Operating cash flow was MSEK 23 (-1) and cash flow after investments amounted to MSEK -10 (-10).
- Production generated 82 GWh (87) of green electricity. The decrease was primarily due to weaker winds than in the preceding year.
- Average income from Production was SEK 812 per MWh (202), of which SEK 803 per MWh (199) from electricity and SEK 9 per MWh (3) from electricity certificates, including guarantees of origin, resulting in an increase in the total income from Production to MSEK 67 (18).
- Per-Erik Eriksson was appointed the new CEO from 11 October 2021, Hans Carlsson was employed as COO and deputy CEO, starting his new position on 1 March 2022, and the recruitment process for a new CFO was initiated, while an interim CFO was contracted.
- In conjunction with Arise leasing wind farms to a customer between 2013 and 2016, a final non-recurring cost of MSEK 14 occurred, which was charged to the fourth quarter of 2021.

FULL-YEAR (1 JANUARY–31 DECEMBER 2021)

- Net sales for the period amounted to MSEK 278 (130).
- Operating profit/loss before depreciation and amortisation (EBITDA) before items affecting comparability totalled MSEK 157 (33) and after items affecting comparability MSEK 143 (33).
- Operating profit/loss (EBIT) before items affecting comparability amounted to MSEK 93 (-37) and after items affecting comparability to MSEK 79 (-37).
- Profit/loss before tax before items affecting comparability was MSEK 79 (-90) and after items affecting comparability MSEK 58 (-108).
- Profit/loss after tax totalled MSEK 57 (-108), corresponding to SEK 1.51 (-3.08) per share before and SEK 1.49 (-3.08) per share after dilution.
- Operating cash flow was MSEK 49 (65) and cash flow after investments amounted to MSEK 19 (31).
- Production generated 282 GWh (355) of green electricity. The decrease was primarily due to weaker winds than in the preceding year.

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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.

- Average income from Production was SEK 614 per MWh (237), of which SEK 606 per MWh (204) from electricity and SEK 9 per MWh (33) from electricity certificates, including guarantees of origin, resulting in an increase in the total income from Production to MSEK 173 (84).
- 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 55 was recognised in 2021.
- Arise and Hällefors Tierp Skogar ("HT Skogar") entered a partnership which can strengthen the electricity supply in Central Sweden. The potential is estimated to amount to more than 1,500 MW of new wind power.
- The environmental permit for the Kølvalen project, nearly 300 MW, gained legal force and the work on the final planning and procurement of the project is in progress. The aim is to complete the sale of the project during the latter part of the second quarter of 2022.

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CEO's statement

2021 can be summarised as an eventful year for Arise, ending with historically relatively high earnings.

Turbulence in the European electricity market left its mark on the fourth quarter. Global price drivers such as gas prices in Europe as well as trading in emission rights (CO₂) have hit record-breaking levels. The consequence of this is that we have seen extreme electricity prices across Europe, which have deeply affected the Nordic electricity market. In the Nordic countries, the deficit in the hydrological balance also increased in the quarter and, combined with low wind power production, strengthened spot prices.

We also noted large difference between the various price areas where SE1 and SE2 traded at large discounts compared with the system price as opposed to mainly SE4 (but also SE3) that traded at extremely high levels. At the same time, it can be said that liquidity in the market has generally been poor, which has a tendency to amplify the effects.

The second half of 2021 is, to date, the most extreme market environment that has been experienced in the Nordic electricity market. High prices benefit producers, but the extreme situation also presents major challenges for price hedging strategies since fluctuations in the market are extremely large and unpredictable with wide price differences during the day and in a longer time perspective. This meant that the difference between realised prices and the daily average price in the market was significantly higher than we have seen in the past.

For Arise, production was under budget mainly due to low wind speeds in the quarter. However, we compensated for the effects of high prices so all in all we can nevertheless conclude that our production in SE4 and SE3 contributed to positive earnings. Although realised prices for the quarter were significantly under the market average, they were still at record-breaking levels.

Our next projects Kølvalen (42 turbines) and Lebo (5 turbines), are proceeding according to plan. Procurement is in the final phase and our aim is for Kølvalen to be sold at the end of the second quarter of 2022, and that we will have an investment decision for Lebo before mid-year 2022. We are making preparations to offer Kølvalen as a turn-key option to the market, meaning that when the project is sold Arise can be responsible for financing the project during the construction phase and hand it over to the customer once it has been commissioned. This is strategically important since it enables greater competition for the project, which we believe will lead to even higher potential for profit. The option of offering a turn-key project is yet another tool for adding more value in our development operations. We continue to see challenges in increased capital expenditures,



driven by such factors as costs for raw materials, components and transportation, but given a strong market for new projects our overall view regarding profitability is optimistic.

The company has never had so many MW under construction and in the late development phase. We are continuing to work in line with our strategy of developing new projects and our business outside Sweden, which we hope to see the results of in 2022. Arise is well-positioned for the future, we can report

profitability, a strong business trend and we have a particularly strong project portfolio for the future. We have high expectations for 2022 in terms of the sale of the Kølvalen project and for our own production to deliver strong cash flows.

To conclude, I can state that the current market situation has contributed to higher interest from the media and political debate on the future supply of electricity. Hopefully the discussion can remain objective with an holistic approach, and also consider the economic conditions and time aspects. There are conditions for developing more onshore wind power, a large number of investors with capital earmarked for renewable energy that can be realised without any subsidies. Arise will actively contribute to a sustainable future by developing and realising renewable electricity production for the benefit of the environment and the supply of power in the electricity market.

Halmstad, 17 February 2022

Per-Erik Eriksson
CEO

“Arise is well-positioned for the future, we can report profitability, a strong business trend and we have a particularly strong project portfolio for the future.”

Net sales and results

MSEK	Q4 2021	Q4 2020	12m 2021	12m 2020
Profit/loss before items affecting comparability				
Net sales	79	26	278	130
EBITDA	46	1	157	33
EBIT	31	-15	93	-37
EBT	28	-23	79	-90
Items affecting comparability				
<i>Effect from lease of wind farms 2013-2016, (operating expenses)</i>	-14	-	-14	-
<i>Exch. rate diff. loans in for. currency, (financial items)</i>	-1	14	-7	14
<i>Refinancing, (financial items)</i>	-	-32	-	-32
Recognised profit/loss				
EBITDA	32	1	143	33
EBIT	17	-15	79	-37
EBT	13	-41	58	-108
Profit/loss after tax	13	-42	57	-108

Items affecting comparability comprise non-recurring costs of wind-farm leases between 2013 and 2016, exchange rate differences on loans in foreign currencies since the company has loans in EUR and refinancing for the comparative figures in 2020.

COMMENTS ON THE FOURTH QUARTER

Income for Development increased slightly in the quarter due to revenue recognition from Ranasjö- and Salsjöhöjden. The procurement of the Lebo and Kolvallen projects continued, with the aim of construction of Lebo starting before mid-year 2022 and divesting Kolvallen towards the summer of 2022. The company is making preparation to offer Kolvallen as turnkey option to the market, which would increase capital tied-up but also the expected profit. Activities in Poland intensified to secure new solar projects and the development of a large solar project in the UK proceeded. For Production, the quarter was characterised by significantly higher market prices for electricity compared with the year-earlier quarter, driven by higher fuel and CO2 prices, as well as a weaker hydrological balance than normal. However, the period was also characterised by weaker than normal winds. Income from Solutions performed as expected.

Net sales increased to MSEK 79 (26), mainly driven by higher income in Production. Production generated 82 GWh (87) green electricity while the average realised price increased to SEK 812 per MWh (202), which is the result of higher market prices compared with the year-earlier quarter. The hourly price received for wind power electricity for the period was under the market

average price since price volatility between certain hours and days was record high. The company also has price hedges at lower levels than the market average price.

Operating expenses amounted to MSEK 48 (28), of which MSEK 0 (1) was attributable to project sales and MSEK 14 (0) a non-recurring costs for leasing of wind farms to a customer between 2013 and 2016, and MSEK 5 (0) comprised expenses for the Group's variable remuneration programme for 2021. Own capitalised work amounted to MSEK 2 (2).

In total, EBITDA before items affecting comparability increased to MSEK 46 (1). Depreciation decreased to MSEK 15 (16), which meant that EBIT before items affecting comparability amounted to MSEK 31 (-15). Recognised EBITDA and EBIT amounted to MSEK 32 (1) and MSEK 17 (-15), respectively.

Net financial items excluding items affecting comparability improved to MSEK -3 (-8) and profit/loss before tax before items affecting comparability thus amounted to MSEK 28 (-23). 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 fourth quarter, the comparability of financial items was impacted by exchange rate differences for loans in foreign currencies of MSEK -1 due to the EUR strengthening against the SEK.

Recognised profit/loss before tax amounted to MSEK 13 (-41) and after tax amounted to MSEK 13 (-42).

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

COMMENTS ON THE FULL YEAR

In the first quarter, Arise presented a growth plan until 2025 that includes 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.

In the autumn, the market price of electricity increased sharply primarily in price area 4 but also price area 3. The company has its production in price area 4 and price area 3 and thus could enjoy significantly higher prices received than in the past. However, since there were record-breaking volatility in prices, it implied that the hourly price received for wind power electricity was lower than the market average price.

The Ranasjö- and Salsjöhöjden wind power projects were divested during the year, together representing a total of 242 MW, and a partnership with HT Skogar was entered which can strengthen the electricity supply to Central Sweden. The potential is estimated to amount to more than 1,500 MW of new wind power. The environmental permit for the Kolvallen project, nearly 300 MW, was secured and the aim is to complete the sale of the project during the latter part of the second quarter of 2022.

Income from Development increased due to the divestment of Ranasjö- and Salsjöhöjden. At the same time, income in Production increased sharply as a result of higher market prices for electricity despite weaker production. In total, 282 GWh (355) of green electricity was produced, and the

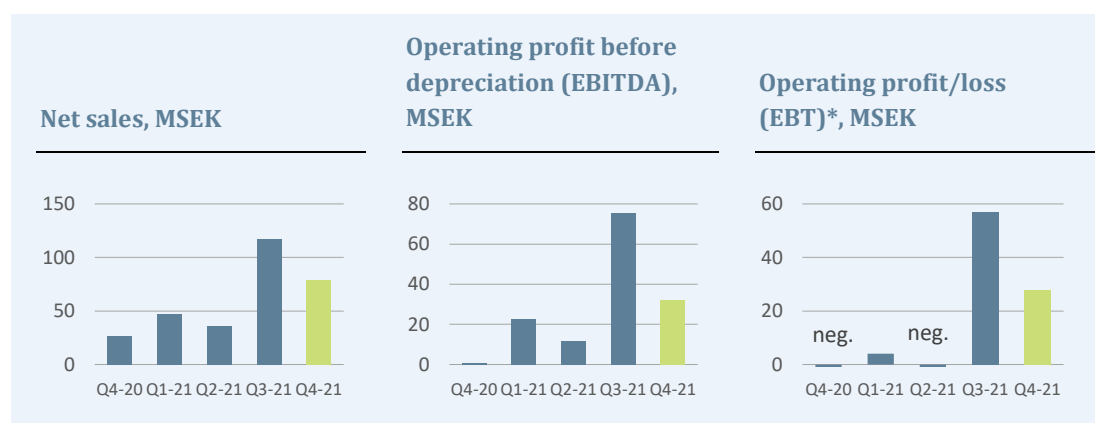
average price for production totalled SEK 614 SEK per MWh (237). Total net sales thus increased to MSEK 278 (130) compared with last year.

Operating expenses amounted to MSEK 141 (103), of which MSEK 18 (4) was attributable to project sales and MSEK 14 (0) a non-recurring cost for leasing of wind farms to a customer between 2013 and 2016, and MSEK 5 (0) comprised expenses for the Group's variable remuneration programme for 2021. Own capitalised work amounted to MSEK 5 (6).

EBITDA before items affecting comparability increased to MSEK 157 (33) and EBIT before items affecting comparability increased to MSEK 93 (-37). Profit/loss before tax, before items affecting comparability improved to MSEK 79 (-90), since comparable net financial items strengthened to MSEK -14 (-53). Recognised EBIT before and after depreciation amounted to MSEK 143 (33) and MSEK 79 (-37), respectively. Recognised profit/loss before tax amounted to MSEK 58 (-108), since the EUR strengthened against the SEK, which impacted the recognised net financial items by MSEK -7 (14).

The recognised profit/loss after tax was MSEK 57 (-108), representing earnings per share of SEK 1.51 (-3.08) before dilution and SEK 1.49 (-3.08) after dilution.

IFRS 16 resulted in a MSEK 6.1 (5.9) decrease in operating expenses and increases in depreciation and financial expenses of MSEK 4.5 (4.4) and MSEK 2.6 (2.3), respectively, during the period.



*before items affecting comparability

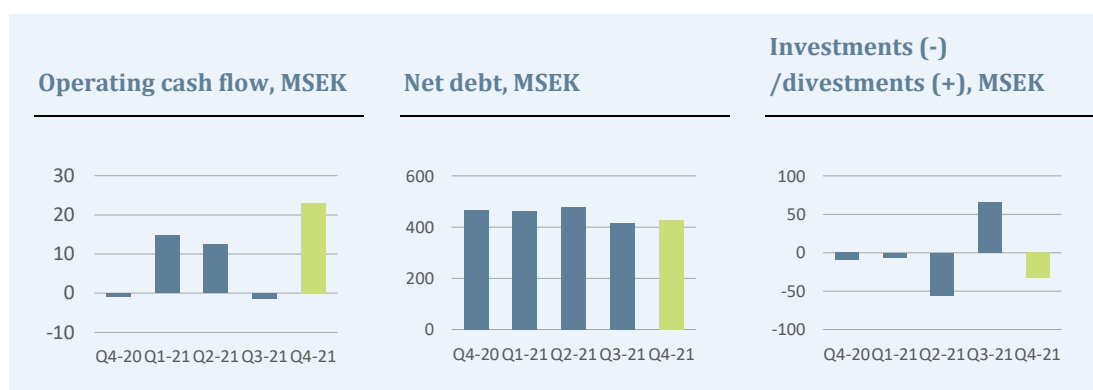
Cash flow and investments

COMMENTS ON THE FOURTH QUARTER

Cash flow from operating activities before changes in working capital was MSEK 33 (4). Changes in working capital were MSEK -10 (-4), mainly driven by higher electricity sales and building up working capital in Ranasjö- and Salsjöhöjden. Total operating cash flow thus amounted to MSEK 23 (-1). Net cash flow from investing activities was MSEK -33 (-10), driven primarily by investments in the grid connection for Kolvallen and investments in the company's GE farms. Cash flow after investments thus amounted to MSEK -10 (-10). Net amortisation of MSEK -9 (-90) was paid during the quarter. Interest and financing costs of MSEK -2 (-35) were paid. No interest was received. Net payments to or from blocked accounts took place in the amount of MSEK 0 (-9), after which cash flow for the quarter amounted to MSEK -22 (-144). adjusted for the effects of IFRS 16.

COMMENTS ON THE FULL YEAR

Cash flow from operating activities before changes in working capital was MSEK 117 (27). Changes in working capital were MSEK -68 (38), driven by the sharp increase in electricity sales and the build up of working capital in sold projects. Accordingly, the total operating cash flow was MSEK 49 (65). Net cash flow from investing activities was MSEK -30 (-34). Cash flow after investments thus amounted to MSEK 19 (31). Net amortisations totalling MSEK -18 (-237) were paid. Interest and financing costs of MSEK -12 (-79) were paid. Interest payments of MSEK 0 (4) were received. Net payments to or from blocked accounts totalling MSEK 0 (10) took place. Adjusted for the effects of IFRS 16, cash flow for the period amounted to MSEK -17 (-277).



Financing and liquidity

Net debt amounted to MSEK 428 (467), of which convertibles according to IFRS comprised MSEK 133 (178) after convertibles in a nominal amount of approximately MSEK 47 were converted to shares in the year. After the end of the year, additional convertibles in a nominal amount of MSEK 12 were converted. Cash and cash equivalents amounted to MSEK 70 (86). In addition, the company has unutilised overdraft facilities of MSEK 75. At the end of the period, the equity/assets ratio was 45% (50).

Development

MSEK	Q4 2021	Q4 2020	12m 2021	12m 2020
Income	6	3	81	22
Cost of sold projects and contracts	-	-1	-18	-4
Other operating expenses and capitalised work	-1	-2	-6	-9
Operating profit/loss before depreciation (EBITDA)	5	0	57	9
Operating profit/loss (EBIT)	5	0	55	9
Profit/loss before tax	2	-3	45	-7

COMMENTS ON THE FOURTH QUARTER

Income increased during the quarter due to revenue recognition in the Ranasjö- and Salsjöhöjden projects that were successfully divested in the third quarter of 2021. Construction of Skraftåsen remains in progress and the project is expected to be completed during the third quarter of 2022, which entails a delay compared with the original plan and forecast from the third quarter of 2021. Some cost increases arose for the grid connection, which together with additional delays will impact the final payment. The company still expects an earnout but its size implies that no additional revenue is expected to be recognised for the project.

The procurement for the Kolvallen project, 42 turbines or nearly 300 MW, proceeded during the quarter and a sales process is planned to commence in the beginning of 2022. The ambition is to divest the project during the latter part of the second quarter of 2022. The company is making preparation to offer the project as turn-key option to the market, which would increase capital tied-up but also the expected profit. Procurement is also in progress for the Lebo project for five wind turbines. An investment decision for Lebo is expected to be made in H1 2022. Arise plans to build the wind farm to later be able to divest or retain it when it is commissioned.

Development activities have been initiated for the HT Skogar portfolio with a potential of more than 1,500 MW. The features common to these projects are that they are located in electricity price area 3 and that they could potentially strengthen the electricity supply in a part of the country located close to the large cities of Stockholm, Uppsala, Västerås and Örebro, where the long-term electricity demand is extensive. Work on a large solar project in the UK with a potential of about 200 MW, which would make it one of the largest solar projects in the UK, was also intensified during the quarter. Provided that the project is successfully developed, there are additional large areas of land available from the same landowner, and Arise takes a positive view of the possibility of developing additional MW there. The company had continued dialogue with landowners in Norway concerning significant project rights for greenfield development.

In total, the company currently has a portfolio of wind and solar power projects with more than 2,600 MW at its disposal, which is presented in more detail under the Portfolio section. In addition to this portfolio, the company continued its efforts during the quarter to secure project rights for solar power in Poland. In Poland, together with a partner, discussions are being held with a



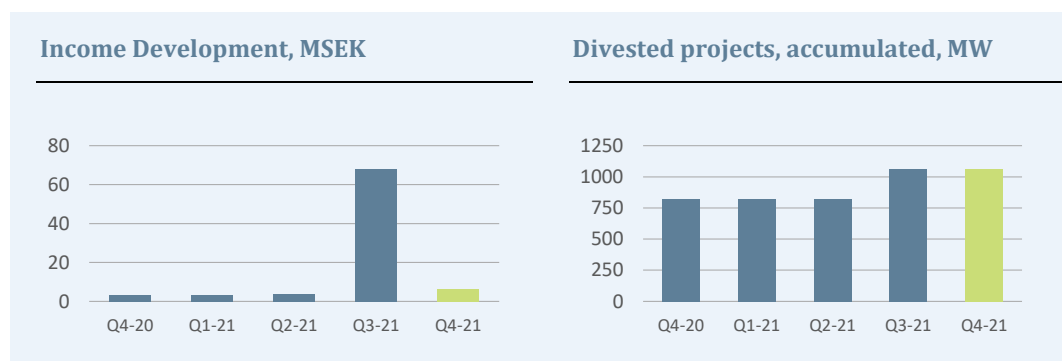
handful of smaller developers for the purpose of securing solar power projects there. The projects are primarily in an early phase.

Income increased to MSEK 6 (3). Cost of sold projects amounted to MSEK 0 (-1). Other operating expenses and capitalised work totalled MSEK -1 (-2). EBITDA increased to MSEK 5 (0). Depreciation and impairment amounted to MSEK 0 (0). Net financial items improved to MSEK -2 (-3). EBIT and profit/loss before tax thus amounted to MSEK 5 (0) and MSEK 2 (-3), respectively.

COMMENTS ON THE FULL YEAR

The Ranasjö- and Salsjöhöjden projects, 242 MW, were divested during the year to TRIG and funds managed by InfraRed Capital. The expected profit will total approximately MSEK 135 between 2021 and 2024, of which approx. MSEK 55 was recognised during the year. The Land and Environment Court issued a permit for 43 wind turbines in the Kølvalen project, and Arise signed an agreement with HT Skogar with a potential of more than 1,500 MW new wind power.

Income increased to MSEK 81 (22) compared with year-earlier period. Cost of sold projects increased to MSEK -18 (-4). Other operating expenses and capitalised work amounted to MSEK -6 (-9), after which EBITDA increased to MSEK 57 (9) and EBIT increased to 55 (9). Net financial items improved to MSEK -10 (-16) and profit/loss before tax thus rose to MSEK 45 (-7).



PORTFOLIO

Arise's development portfolio is presented below, totalling over 2,600 MW of wind power at the end of the period. The consolidated carrying amount was approximately MSEK 144 at the end of the period. Fully developed, the portfolio would equate to an investment level of more than SEK 25 billion.

The portfolio is divided into projects in later developmental phases, which amount to a total of approximately 607 MW, and projects in early developmental phases, which amount to a total of more than 2,000 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 low amount of capital tied-up and low risk.

Projects – late developmental phases	WTG	MW	Schedule, FC	Profit potential
Lebo, SE 3	5	30	2022	Good
Fasikan, SE 2	15	90	2022	Good to Excellent
Kölvallen, SE 2	42	277	2022	Excellent
Finnåberget, SE 2	25	150	2023	Good to Excellent
Tormsdale, Scotland	12	60	2023–2024	Excellent
Total	99	607		

Projects – early developmental phases	WTG	MW	Schedule
SE 2	18	~110	2024–2025
SE 3	8	~50	2023–2024
SE 4	3	~20	2024–2025
Norway	30	~200	2024–2025
Scotland	20–30	~150	2024–2025
HT Skogar	~250	>1 500	2027–2028
Total	>300	>2 000	

Production

MSEK	Q4 2021	Q4 2020	12m 2021	12m 2020
Income	67	18	173	84
Operating expenses, excl. items affecting comparability	-12	-13	-45	-45
Operating profit before depreciation (EBITDA), before items affecting comparability	55	5	128	39
Operating profit/loss (EBIT) before items affecting comparability	41	-10	69	-28
Profit/loss before tax, before items affecting comparability	40	-15	65	-66
Recognised operating profit before depreciation (EBITDA)	41	5	114	39
Recognised operating profit/loss (EBIT)	26	-10	55	-28
Recognised profit/loss before tax	25	-32	43	-83

COMMENTS ON THE FOURTH QUARTER

Electricity prices increased sharply during the period due to a combination of high gas and CO₂ prices, relatively low production from wind power and a weaker hydrological balance in the Nordic electricity system. In parallel with the record-high electricity prices, price volatility also increased with large variations between different hours and days. For the company's wind farms, winds were below normal for the period, while action taken on certain GE turbines led to slightly lower production. Overall, production at the company's wind farms thus decreased to 82 GWh (87). At the same time, average income for electricity increased to SEK 803 per MWh (199), driven by rising market prices. Average income for electricity was 35% below the market price for electricity (weighted average for SE4 and SE3) during the period as a result of the hourly price received for wind power electricity being below the market average price and due to price hedging. The average income for certificates, including guarantees of origin, increased to SEK 9 per MWh (3).

Net sales decreased MSEK 1 due to lower production, and increased MSEK 50 due to a higher average price compared with the year-earlier quarter and amounted to MSEK 67 (18). Due to low production for the period and availability bonus for the GE wind farms, specific operating expenses amounted to SEK 142 per MWh (152) during the quarter before items affecting comparability. During the quarter, investments were also made in the GE wind farms and the company expects further investments in the GE wind farms related to the replacement of a service provider in 2022. The company has made and will make further claims for compensation from former service provider for damage caused.

EBITDA before items affecting comparability increased to MSEK 55 (5) compared with the fourth quarter of 2020. Depreciation decreased to MSEK -14 (-15) and EBIT before items affecting comparability therefore increased to MSEK 41 (-10). Comparable net financial items were strengthened as a result of refinancing during the fourth quarter of 2020, and amounted to MSEK -1 (-4). Profit/loss before tax, before items affecting comparability, thus increased to MSEK 40 (-15). The

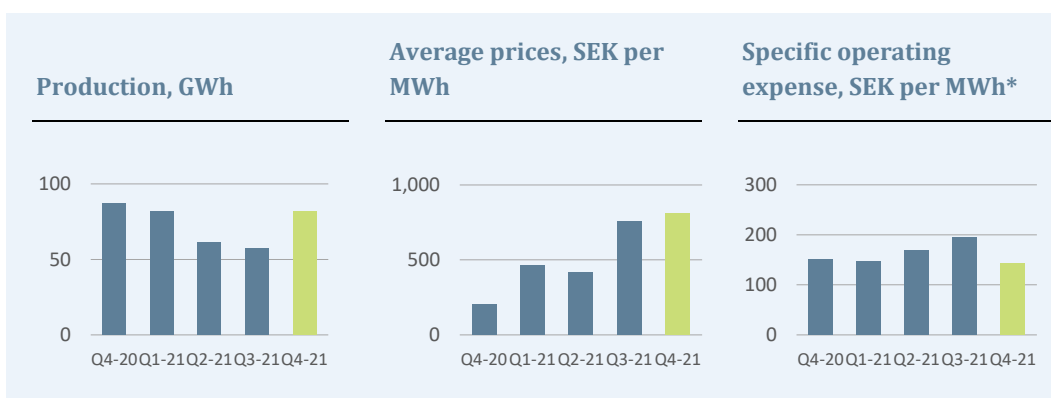


company's electricity production assets are valued in EUR and income is received in EUR. The company therefore chose to raise loans in EUR, which creates a natural hedge. Changes to the EUR/SEK exchange rate will continue to affect comparable net financial items, whereby a strengthening of SEK will improve the net and vice versa. Corresponding reverse value changes in SEK terms for the underlying assets are not recognised. In the fourth quarter, the comparability of financial items was impacted by exchange rate differences for loans in foreign currencies of MSEK -1 due to the EUR strengthening against the SEK.

Recognised operating profit before and after depreciation increased to MSEK 41 (5) and MSEK 26 (-10), respectively, and recognised profit before tax increased to MSEK 25 (-32).

Hedged electricity prices	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2023
MWh, SE 4	47,500	30,500	30,900	30,900	17,500
EUR/MWh, SE4	99	80	80	80	75

In addition to the above hedging, the company has a portfolio of CfD contracts, in which the full area price has not yet been hedged. With the high volatility and uncertainty as well as low liquidity at year-end, the market value of this portfolio amounted to MSEK -63.



*Before items affecting comparability

COMMENTS ON THE FULL YEAR

Mainly as a result of weaker-than-normal winds during the period, production at the company's wind farms declined to 282 GWh (355). At the same time, average income for electricity and certificates, including guarantees of origin, increased to SEK 606 per MWh (204) and declined to SEK

9 per MWh (33), respectively. Average income for electricity was 23% below the market price for electricity (weighted average for SE4 and SE3) during the period as a result of the hourly price received for wind power electricity being below the market price for electricity during the year and due to price hedging.

Net sales decreased MSEK 17 due to lower production, and increased MSEK 106 due to a higher average price compared with 2020. In total, net sales therefore increased to MSEK 173 (84) and EBITDA before items affecting comparability to MSEK 128 (39) compared with the year-earlier period. The specific operating expense before items affecting comparability increased to SEK 160 per MWh (127) due to lower production. Depreciation decreased to MSEK -59 (-68), after which EBIT before items affecting comparability amounted to MSEK 69 (-28). Comparable net financial items strengthened to MSEK -4 (-37). EBT before items affecting comparability amounted to MSEK 65 (-66). Recognised EBIT before and after depreciation increased to MSEK 114 (39) and MSEK 55 (-28), respectively, and recognised profit before tax increased to MSEK 43 (-83).

Solutions

MSEK	Q4 2021	Q4 2020	12m 2021	12m 2020
Income	7	6	27	27
Operating expenses	-7	-6	-24	-25
Operating profit/loss before depreciation (EBITDA)	0	0	3	2
Operating profit/loss (EBIT)	-1	0	2	2
Profit/loss before tax	-1	0	2	2

COMMENTS ON THE FOURTH QUARTER

In Solutions, the work on positioning the company for new management assignments continued during the quarter. A management assignment for a commissioned wind farm of 6 MW was signed in the quarter. This means that projects under management now exceed 1,400 MW.

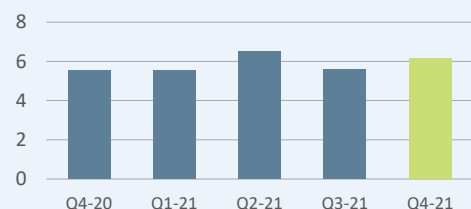
Income amounted to MSEK 7 (6). Operating expenses amounted to MSEK -7 (-6), driven by higher costs in connection with growth of the organisation. EBITDA amounted to MSEK 0 (0). Depreciation and impairment and financial items were MSEK 0 (0) and EBIT and profit/loss before tax thus amounted to MSEK -1 (0).

COMMENTS ON THE FULL YEAR

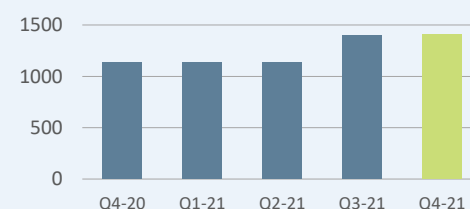
Project management and asset management agreements for a total of 271 MW were signed during the year, of which 23 MW in Finland. It is expected that agreements will be signed with the same customer in Finland in 2022 for another four wind farms with a total of 200 MW. Agreements on the 200 MW are expected to come into force in the first quarter of 2023 in conjunction with the wind farms being commissioned.

Income amounted to MSEK 27 (27). Operating expenses amounted to MSEK -24 (-25). EBITDA amounted to MSEK 3 (2). Depreciation and impairment and financial items were MSEK 0 (0) and EBIT and profit before tax thus amounted to MSEK 2 (2).

Income Solutions, MSEK



Management assignments, acc., MW



OTHER SIGNIFICANT EVENTS

Per-Erik Eriksson, former COO and acting CEO, was appointed the new CEO from 11 October 2021, Hans Carlsson was employed as COO and deputy CEO, who will start his new position on 1 March 2022 and most recently served as CEO of SiemensGamesa Renewables Sverige AB, and Linus Hägg announced that he had decided to leave his position as CFO.

In conjunction with Arise leasing wind farms to a customer between 2013 and 2016, a final non-recurring cost of MSEK 14 occurred, which was charged to the fourth quarter of 2021. This was the result of a negative judgement in a tax-related legal process for the then customer.

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 reporting period.

OUTLOOK

Electricity prices strengthened significantly in 2021 and the ongoing energy transition is becoming more tangible in society. The market is continuing to experience a shortage of raw materials and components but we continue to see signs that the market for the development and asset management of renewable electricity production is strong. The company is well positioned with production of renewable electricity and a strong project portfolio. Accordingly, we foresee favourable opportunities for growth and to continue creating value. We can report that our own wind farms are located in favourable price areas. A strong financial position also implies that our interest expenses have declined considerably. We can 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 2021 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 certificate trading activities.

The Parent Company manages the Group's production plans and electricity hedges in accordance with the adopted financial policy.

During the year, the Parent Company's total income amounted to MSEK 30 (45) and purchases of electricity and certificates, personnel and other external expenses, capitalised work on own account and depreciation of non-current assets totalled MSEK -82 (-73), resulting in an EBIT of MSEK -52 (-28). A net financial expense of MSEK -22 (-162) and Group contributions of MSEK 69 (146) led to net profit/loss after tax of MSEK -5 (-45). The Parent Company's net investments amounted to MSEK -20 (-32).

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, except that they have been extended to include intangible assets.

Intangible assets with an indefinite useful life are not amortised, but are tested annually, or on indication of value decline, for impairment. Impairment is recognised at the amount by which the carrying amount of the asset exceeds its recoverable amount. See also under the heading "Impairment of non-financial non-current assets" in the 2020 Annual Report"

DIVIDENDS

The Board of Directors proposes that no dividends be paid.

ANNUAL GENERAL MEETING

The AGM will be held in Halmstad, Sweden, on 4 May 2022. The Annual Report will be available on the company's website in early April.

REVIEW BY THE AUDITOR

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

FINANCIAL CALENDAR

- | | |
|--|------------------|
| ▪ First quarter (1 January-31 March) | 4 May 2022 |
| ▪ Second quarter (1 April-30 June) | 19 July 2022 |
| ▪ Third quarter (1 July-30 September) | 9 November 2022 |
| ▪ Fourth quarter (1 October-31 December) | 16 February 2023 |

Halmstad, 17 February 2022

Arise AB (publ)

Per-Erik Eriksson

CEO

FOR FURTHER INFORMATION, PLEASE CONTACT

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CONSOLIDATED INCOME STATEMENT

		2021	2020	2021	2020
(Amounts rounded to the nearest MSEK)		Q4	Q4	Full year	Full year
Net sales	Note 1	79	26	278	130
Other operating income		0	0	0	0
Total income		79	26	278	130
Capitalised work on own account		2	2	5	6
Personnel costs		-17	-10	-46	-39
Other external expenses	Note 2	-32	-17	-95	-65
Operating profit before depreciation (EBITDA)		32	1	143	33
Depreciation and imp. of non-current assets	Note 3,4	-15	-16	-63	-70
Operating profit/loss (EBIT)		17	-15	79	-37
Profit/loss from financial items	Note 5	-4	-26	-22	-71
Profit/loss before tax		13	-41	58	-108
Tax on profit/loss for the period		-1	-1	-1	0
Net profit/loss for the period		13	-42	57	-108
Earnings per share before dilution, SEK		0.33	-1.17	1.51	-3.08
Earnings per share after dilution, SEK		0.33	-1.17	1.49	-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

		2021	2020	2021	2020
(Amounts rounded to the nearest MSEK)		Q4	Q4	Full year	Full year
Net profit/loss for the period		13	-42	57	-108
<i>Other comprehensive income</i>					
Items that may be reclassified to the income statement					
Translation differences for period		0	0	0	0
Cash flow hedges		-103	41	-164	63
Income tax attributable to components of other comprehensive income		21	-9	34	-14
Other comprehensive income for the period, net after tax		-82	32	-130	49
Total comprehensive income for the period		-69	-9	-73	-58

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

CONSOLIDATED BALANCE SHEET

	2021	2020
(Condensed, amounts rounded to the nearest MSEK)	31 Dec	31 Dec
Intangible assets	25	-
Property, plant and equipment ¹⁾	1,223	1,259
Non-current financial assets	50	17
Total non-current assets	1,298	1,276
Inventories	1	1
Other current assets	141	56
Cash and cash equivalents	70	86
Total current assets	212	142
TOTAL ASSETS	1,511	1,418
Equity	676	703
Non-current interest-bearing liabilities ²⁾	425	611
Provisions	49	46
Total non-current liabilities	474	656
Current interest-bearing liabilities ²⁾	150	22
Other current liabilities	211	38
Total current liabilities	361	59
TOTAL EQUITY AND LIABILITIES	1,511	1,418

¹⁾ Property, plant and equipment include lease assets of MSEK 55 (59).

²⁾ Interest-bearing liabilities include lease liabilities of MSEK 58 (61).

CONSOLIDATED CASH FLOW STATEMENT

	2021	2020	2021	2020
(Condensed, amounts rounded to the nearest MSEK)	Q4	Q4	Full year	Full year
Cash flow from operating activities before changes in working capital	33	4	117	27
Cash flow from changes in working capital	-10	-4	-68	38
Cash flow from operating activities	23	-1	49	65
Investments in intangible assets, property, plant and equipment	-33	-10	-124	-34
Sales of property, plant and equipment	-	-	94	-
Cash flow from investing activities	-33	-10	-30	-34
Loan repayments	-9	-505	-18	-652
Loan raised	-	416	-	416
Amortization of lease liabilities	-1	0	-6	-5
Interest paid and other financing costs	-2	-35	-12	-79
Interest received	0	0	0	4
Net payment to blocked accounts	-	-9	-	10
Cash flow from financing activities	-12	-134	-36	-308
Cash flow for the period	-22	-144	-17	-277
Cash and cash equivalents at the beginning of the period	91	231	86	365
Translation differences in cash and cash equivalents	1	-1	2	-2
Cash and cash equivalents at the end of the period	70	86	70	86
Interest-bearing liabilities at the end of the period	516	571	516	571
Blocked cash at the end of the period	-18	-17	-18	-17
Net debt	428	467	428	467

Note 7

GROUP EQUITY

	2021	2020
(Condensed, amounts rounded to the nearest MSEK)	31 Dec	31 Dec
Opening balance	703	698
Profit/loss for the year	57	-108
Other comprehensive income for the period	-130	49
New issue of shares / conversion of convertibles	46	63
Other items	0	-
Closing balance	676	703

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2021 Q4	2020 Q4	2021 Full year	2020 Full year
<u>Operational key performance indicators</u>				
Installed capacity at the end of the period, MW	139.2	139.2	139.2	139.2
Own electricity production during the period, GWh	82.0	87.1	281.7	354.5
Number of employees at the end of the period	30	31	30	31
<u>Financial key performance indicators</u>				
Earnings per share before dilution, SEK ¹⁾	0.33	-1.17	1.51	-3.08
Earnings per share after dilution, SEK ¹⁾	0.33	-1.17	1.49	-3.08
EBITDA margin, %	40.9%	2.5%	51.2%	25.1%
Operating margin, %	21.8%	neg	28.4%	neg
Return on capital employed (EBIT), %	7.0%	neg	7.0%	neg
Return on adjusted capital employed (EBITDA), %	12.5%	2.8%	12.5%	2.8%
Return on equity, %	8.2%	neg	8.2%	neg
Capital employed, MSEK	1,104	1,170	1,104	1,170
Average capital employed, MSEK	1,137	1,179	1,137	1,179
Equity, MSEK	676	703	676	703
Average equity, MSEK	689	700	689	700
Net debt, MSEK	428	467	428	467
Equity/assets ratio, %	44.8%	49.6%	44.8%	49.6%
Interest coverage ratio, times	3.4	0.0	3.2	neg
Debt/equity ratio, times	0.6	0.7	0.6	0.7
Equity per share, SEK	18	20	18	20
Equity per share after dilution, SEK	18	20	18	20
No. of shares at the end of the period, excl. treasury shares	38,567,246	36,443,722	38,567,246	36,443,722
Average number of shares	38,555,063	35,604,841	37,505,484	34,967,549
Average number of shares after dilution	44,616,001	35,604,841	44,616,001	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

	2021	2020	2021	2020
(Amounts rounded to the nearest MSEK)	Q4	Q4	Full year	Full year
Electricity	66	17	171	72
Certificate and guarantees of origin	1	0	2	12
Development	6	3	80	22
Services	6	6	25	24
Total	79	26	278	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

	2021	2020	2021	2020
(Amounts rounded to the nearest MSEK)	Q4	Q4	Full year	Full year
Cost of sold projects and construction work	-	-1	-18	-4
External asset management costs	-2	-1	-4	-5
Other items	-30	-16	-73	-56
Total	-32	-17	-95	-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 4	Development		Production		Solutions		Unallocated rev./exp.		Eliminations		Group	
(Amounts rounded to the nearest MSEK)	Q4 2021	Q4 2020	Q4 2021	Q4 2020	Q4 2021	Q4 2020	Q4 2021	Q4 2020	Q4 2021	Q4 2020	Q4 2021	Q4 2020
Net sales, external	6	3	67	18	6	6	-	-	-	-	79	26
Net sales, internal	-	-	-	-	1	1	-	-	-1	-1	-	-
Other operating income	0	0	0	0	0	0	0	0	-	-	0	0
Total income	6	3	67	18	7	6	0	0	-1	-1	79	26
Capitalised work on own account	1	2	-	-	-	-	-	-	-	-	2	2
Operating expenses	-3	-5	-26	-13	-7	-6	-13	-4	1	1	-48	-28
Operating profit/loss before depr./imp. (EBITDA)	5	0	41	5	0	0	-13	-4	0	0	32	1
Depreciation/ impair. Note 3	0	0	-14	-15	0	0	0	0	-	-	-15	-16
Operating profit/loss (EBIT)	5	0	26	-10	-1	0	-14	-5	0	0	17	-15
Net financial items	-2	-3	-2	-22	0	0	0	0	-	-	-4	-26
Profit/loss before tax (EBT)	2	-3	25	-32	-1	0	-13	-5	0	0	13	-41
Intangible assets, property, plant and equipment	120	107	1,101	1,147	0	0	2	4	-	-	1,223	1,259

Funds managed by TRIG/InfraRed accounted for more than 10% of Development income and funds managed by TRIG/InfraRed, funds managed 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 and funds managed by re:cap global investors accounted for more than 10% of Development income and funds management by Red Rock/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 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

Depreciation/amortisation	0	0	-14	-15	0	0	0	0	-	-	-15	-16
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and impairment	0	0	-14	-15	0	0	0	0	-	-	-15	-16

GROUP SEGMENT REPORTING

12 months	Develop- ment		Production		Solutions		Unallocated rev./exp.		Eliminations		Group	
(Amounts rounded to the nearest MSEK)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net sales, external	81	22	173	84	24	24	-	-	-	-	278	130
Net sales, internal	-	-	-	-	3	3	-	-	-3	-3	-	-
Other operating income	0	0	0	0	0	0	0	0	-	-	0	0
Total income	81	22	173	84	27	27	0	0	-3	-3	278	130
Capitalised work on own account	5	6	-	-	-	-	-	-	-	-	5	6
Operating expenses	-30	-19	-59	-45	-24	-25	-31	-18	3	4	-141	-103
Operating profit/loss before depr./imp. (EBITDA)	57	9	114	39	3	2	-31	-18	0	0	143	33
Depreciation/ impair. Note 4	-2	0	-59	-68	0	0	-2	-2	-	-	-63	-70
Operating profit/loss (EBIT)	55	9	55	-28	2	2	-33	-20	0	0	79	-37
Net financial items	-10	-16	-12	-55	0	0	0	0	-	-	-22	-71
Profit/loss before tax (EBT)	45	-7	43	-83	2	2	-33	-20	0	0	58	-108
Intangible assets, property, plant and equipment	120	107	1,101	1,147	0	0	2	4	-	-	1,223	1,259

Funds managed by TRIG/InfraRed accounted for more than 10% of Development income and funds managed by Foresight Group LLP, funds managed by Red Rock/CapMan 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 Red Rock/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 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

Depreciation/amortisation	0	0	-59	-68	0	0	-2	-2	-	-	-61	-70
Impairment and reversal of impairment	-2	-	-	-	-	-	-	-	-	-	-2	-
Depreciation and impairment	-2	0	-59	-68	0	0	-2	-2	-	-	-63	-70

NOTE 5 – PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts rounded to the nearest MSEK)	2021 Q4	2020 Q4	2021 Full year	2020 Full year
Interest income				
Loans and receivables	0	0	0	4
Interest expense				
Loans and receivables	-1	-1	-5	-2
Bond loan and convertible	-2	-36	-9	-76
Other financial items				
IFRS 16 lease liabilities	-1	-1	-3	-2
Exchange rate difference EUR loan	-1	14	-7	14
Change in fair value of derivatives	-	-2	-	-2
Other financial expenses	-1	-3	-3	-9
Other exchange rate differences	2	3	5	2
Total	-4	-26	-22	-71

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 31 Dec	2020 31 Dec
Assets		
Derivatives held for hedging purposes		
- Derivative assets	6	12
Liabilities		
Derivatives held for hedging purposes		
- Derivative liabilities	-158	-1

NOTE 7 – NET DEBT

	2021 31 Dec	2020 31 Dec
(Amounts rounded to the nearest MSEK)		
Non-current liabilities	474	656
- of which interest-bearing non-current liabilities (excl. IFRS 16 lease liabilities)	370	552
Current liabilities	361	59
- of which interest-bearing current liabilities (excl. IFRS 16 lease liabilities)	146	18
Long and short term interest bearing debt liabilities (excl. IFRS 16 lease liabilities)	516	571
Cash and cash equivalents at the end of the period	-70	-86
Blocked cash at the end of the period	-18	-17
Net debt	428	467

IFRS 16 lease liabilities amounted to MSEK 58 (61) on December 31, 2021.

PARENT COMPANY INCOME STATEMENT

	2021 Q4	2020 Q4	2021 Full year	2020 Full year
(Amounts rounded to the nearest MSEK)				
Sales of electricity and electricity certificates	-	1	0	14
Development and services	7	7	29	31
Other operating income	0	0	0	0
Total income	8	8	30	45
Capitalised work on own account	1	1	3	4
Purchases of electricity and electricity certificates	-	-1	0	-13
Cost of sold projects and asset management	-2	-2	-5	-8
Personnel costs	-15	-9	-42	-36
Other external expenses	-20	-5	-35	-19
Operating profit/loss before depreciation (EBITDA)	-29	-7	-50	-27
Depreciation and imp. of intangible assets, property, plant and equipment	0	0	-3	-1
Operating profit/loss (EBIT)	-29	-8	-52	-28
Profit/loss from financial items Note 1	-22	-79	-22	-162
Profit/loss after financial items	-52	-87	-74	-190
Group contribution	36	70	69	146
Profit/loss before tax	-15	-17	-4	-43
Tax on profit/loss for the period	-1	-2	0	-1
Net profit/loss for the period	-16	-19	-5	-45

PARENT COMPANY BALANCE SHEET

	2021	2020
(Condensed, amounts rounded to the nearest MSEK)	31 Dec	31 Dec
Intangible assets	25	-
Property, plant and equipment	38	45
Non-current financial assets	704	724
Total non-current assets	767	769
Inventories	-	0
Other current assets	50	22
Cash and cash equivalents	47	65
Total current assets	97	87
TOTAL ASSETS	865	856
Restricted equity	3	5
Non-restricted equity	596	552
Total equity	599	557
Non-current interest-bearing liabilities	-	177
Total non-current liabilities	-	177
Current interest-bearing liabilities	133	-
Other current liabilities	133	121
Total current liabilities	266	121
TOTAL EQUITY AND LIABILITIES	865	856

PARENT COMPANY EQUITY

	2021	2020
(Condensed, amounts rounded to the nearest MSEK)	31 Dec	31 Dec
Opening balance	557	539
Other comprehensive costs for the period	-5	-45
New issue of shares/ conversion of convertibles	46	63
Closing balance	599	557

NOTE 1 – PROFIT/LOSS FROM FINANCIAL ITEMS

	2021	2020	2021	2020
(Amounts rounded to the nearest MSEK)	Q4	Q4	Full year	Full year
Interest income				
Interest income from group companies	0	0	0	0
Loans and receivables	-	0	-	4
Interest expense				
Interest expense from group companies	-1	-1	-2	-5
Loans and receivables	-	0	-	-1
Bond loan and convertible	-2	-36	-9	-76
Other financial items				
Impairment of subsidiary shares	-20	-383	-20	-430
Realized profit on sale of subsidiaries	0	2	7	9
Dividend on shares in subsidiaries	-	337	-	337
Other financial income and expenses	0	-2	-1	-4
Other exchange rate differences	1	4	3	4
Total	-22	-79	-22	-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.

Items affecting comparability

Non-recurring costs related to leasing of wind farms during 2013-2016 and exchange rate differences on loans in foreign currency.

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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