

Interim report

1 January – 31 March 2022



Interim report 1 January – 31 March 2022

FIRST QUARTER (1 JANUARY – 31 MARCH 2022)

- Net sales for the quarter amounted to MSEK 88 [47].
- Operating profit before depreciation and amortisation (EBITDA) totalled MSEK 61 [23].
- Operating profit (EBIT) was MSEK 46 [7].
- Profit/loss before tax, before items affecting comparability, was MSEK 42 [4] and after items affecting comparability MSEK 37 [-4].
- Profit/loss after tax totalled MSEK 37 [-4], corresponding to SEK 0.90 [-0.12] per share.
- Operating cash flow was MSEK 67 [15] and cash flow after investments amounted to MSEK 47 [8].
- Production generated 100 GWh [82] of green electricity as a result of stronger winds than in the same period previous year.
- Average income from Production was SEK 756 per MWh [463], of which SEK 748 per MWh [450] was from electricity and SEK 7 per MWh [13] was from electricity certificates, including guarantees of origin.
- In February 2022, Arise established a green financing framework that contains criteria for investments exclusively in renewable energy. Arise can include bonds as well as existing and future debt under the green financing framework.
- In March 2022, Markus Larsson was appointed the new CFO of Arise and joined Group management.
- In March 2022, Arise made an investment decision regarding construction of the wind farm project Lebo in Västervik municipality.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- In April 2022, Daniel Cambridge was appointed as the new CCO, responsible for business development and M&A. He started his position on 2 May 2022 and joined Group management at the same time.
- In April 2022, Arise signed an asset management agreement with BlackRock regarding wind farms in Finland with an installed capacity of 219 MW.

CEO's statement

Following a calmer period in the electricity markets in the beginning of the year, relative to the fourth quarter of 2021, Russia's invasion of Ukraine created further uncertainty and price increases in the European gas and electricity markets. The main consequence of the war is the human tragedy for the people of Ukraine, but it also results in major global economic consequences, for example, as a result of the economic sanctions that have been implemented and that will be in the future.

The Nordic electricity market continues to trade at record levels and volatility remains extreme. At the same time, liquidity in the market is limited by the uncertainty, which is amplifying price fluctuations.

For Arise, production was in line with budget for the quarter. In such a price environment, this entails very strong cash flow and profit is at record levels for our production assets.

The trend of increased costs continues, driven by the geopolitical situation and supply difficulties. Raw material markets and component prices have continued to increase substantially, forcing suppliers to cover higher costs and increased risk, which in turn results in significantly higher project costs. As a counterbalance to this, we see that supply of attractive projects is limited in relation to investor demand and that the trend of higher prices in the electricity market continues to have a positive impact on profit potential.

The company made an investment decision regarding the Lebo project of five turbines totalling 33 MW. The project is financed by Arise and when the project is in commercial operation a decision will be made as to whether it will be divested or retained in our production portfolio. Construction is scheduled to start in summer 2022 and the wind farm will be in commercial operation during the first quarter of 2024. The sales process for the Kølvalen project (42 turbines) is proceeding according to plan with the target of completing the transaction by mid-year 2022.

Our ongoing construction projects are also impacted by increased costs as a result of the market situation as described above, but risks are to a large extent limited by our agreements.

The recruitment process for the vacancies in Group management has now been completed. Hans Carlsson was appointed as the new COO, Markus Larsson was appointed as the new CFO and in May, Daniel Cambridge was appointed as the new CCO, responsible for business development & M&A. We have now built-up resources to deliver on our growth strategy.

In conclusion, the prevailing war now also involves a significant increased focus on security of supply as a result of European dependence on import of Russian energy. Consequently, we can already see EU-level proposals to force the expansion of domestic renewable electricity production. In Sweden, the government has proposed measures to improve the conditions for the expansion of wind power including in terms of permit processes and increasing the pace of expansion of the transmission network. In general, it is positive that insight is growing that concrete measures are now required to manage the challenges of power supply and the climate issue.

From the company's perspective, expectations remain high for 2022.

Halmstad, 4 May 2022

Per-Erik Eriksson

CEO



"For Arise, production was in line with budget for the quarter. In such a price environment, this entails very strong cash flow and profit is at record levels for our production assets."

Net sales and results

MSEK	Q1 2022	Q1 2021	12m 2021
Profit/loss before items affecting comparability			
Net sales	88	47	278
EBITDA	61	23	157
EBIT	46	7	93
EBT	42	4	79
Items affecting comparability			
Effect of lease of wind farms 2013-2016 (operating expenses)	-	-	-14
Exch. rate diff. loans in for. currency, (financial items)	-4	-8	-7
Recognised profit/loss			
EBITDA	61	23	143
EBIT	46	7	79
EBT	37	-4	58
Profit/loss after tax	37	-4	57

Items affecting comparability comprise exchange rate differences on loans in foreign currencies since the company has loans in EUR, and non-recurring costs of wind-farm leases between 2013 and 2016 for the comparison period 12m 2021.

COMMENTS ON THE FIRST QUARTER

Income for Development increased slightly in the quarter due to revenue recognition from Ranasjö- and Salsjöhöjden which were divested in the third quarter of 2021. The procurement processes for the Kolvallen and Lebo projects continued and the sales process for Kolvallen was initiated. For Lebo, an investment decision was also made in March 2022. In Poland and the UK, Arise is continuing with solar project activities. In Production, the quarter continued to be characterised by higher market prices for electricity compared with the year-earlier period. At the same time, winds were stronger than the year-earlier period, which overall contributed to significantly higher revenue during the quarter. Solutions continued to position itself for new asset management assignments and developed in line with expectations.

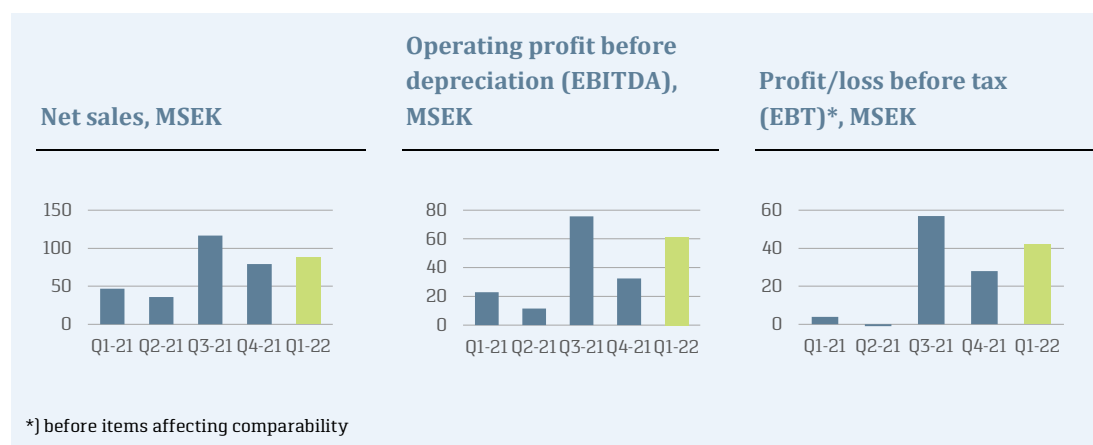
Net sales increased to MSEK 88 (47), mainly driven by the strong development in Production. Production generated 100 GWh (82) of green electricity while the average realised price increased to SEK 756 per MWh (463), which was the result of higher market prices compared with the year-earlier quarter. The hourly price received for wind power electricity for the period was below the market average price since price volatility between certain hours and days remained extreme. The company also has price hedges at lower levels than the market average price. Operating expenses amounted to MSEK -28 (-25). Own capitalised work amounted to MSEK 2 (1).

EBITDA increased to MSEK 61 (23). Depreciation decreased slightly to MSEK -15 (-16), leading to EBIT amounting to MSEK 46 (7). Net financial items, excluding items affecting comparability, amounted to

MSEK -4 [-4]. The company's electricity production assets are valued in EUR and income is received in EUR. The company therefore chose to take a loan in EUR in conjunction with refinancing in 2020, creating a natural hedge. Changes to the EUR/SEK exchange rate will continue to affect comparable net financial items, whereby a strengthening of SEK will improve the net and vice versa. Corresponding reverse value changes in SEK terms for the underlying assets are not recognised. In the first quarter, the comparability of net financial items was impacted by exchange rate differences for loan in foreign currencies of MSEK -4 due to the EUR strengthening against the SEK.

Recognised profit/loss before and after tax amounted to MSEK 37 [-4].

Lease effects resulted in a MSEK 1.6 [1.5] decrease in operating expenses and increases in depreciation and financial expenses of MSEK 1.2 [1.1] and MSEK 0.7 [0.7], respectively.



Cash flow and investments

COMMENTS ON THE FIRST QUARTER

Cash flow from operating activities before changes in working capital was MSEK 59 [20]. Changes in working capital were MSEK 9 [-6]. Accordingly, the total operating cash flow was MSEK 67 [15]. The investment decision in the Lebo project led to a first payment to the turbine supplier, which impacted cash flow from investing activities which, net, amounted to MSEK -20 [-6]. Cash flow after investments therefore amounted to MSEK 47 [8]. The final day to apply for conversion of convertible bonds outstanding occurred during the quarter and the convertible bonds outstanding where no application was received were re-deemed at a nominal amount of MSEK 4. There were no other amortisations during the quarter. Interest and other financing costs of MSEK -3 [-5] were paid. No net payments to or from blocked accounts took place, after which cash flow, adjusted for lease effects, amounted to MSEK 37 [1].

Financing and liquidity

Net debt was MSEK 263 [461]. During the quarter, all convertibles outstanding have either been converted or redeemed at nominal amount and convertibles thus comprised MSEK 0 [165]. Cash and cash equivalents totalled MSEK 107 [87]. In addition, the company has an overdraft facility of MSEK 75, which remained unutilised at the end of the period. At the end of the period, the equity/assets ratio was 54% [50].



Development

MSEK	Q1 2022	Q1 2021	12m 2021
Income	7	3	81
Cost of sold projects and contracts	-	0	-18
Other operating expenses and capitalised work	-2	-2	-6
Operating profit before depreciation (EBITDA)	4	1	57
Operating profit (EBIT)	4	1	55
Profit/loss before tax	3	-2	45

COMMENTS ON THE FIRST QUARTER

Income increased during the quarter compared with the year-earlier period due to revenue recognition in the Ranasjö- and Salsjöhöjden projects which were successfully sold in the third quarter of 2021. Construction of Skaftåsen is ongoing and the project is expected to be completed during the third quarter of 2022 at the earliest, which entails a delay compared with the original plan. Some cost increases has occurred for the grid connection, which together with additional delays will impact the final payment. The company still expects an earnout but its size means that no additional revenue is expected to be recognised for the project.

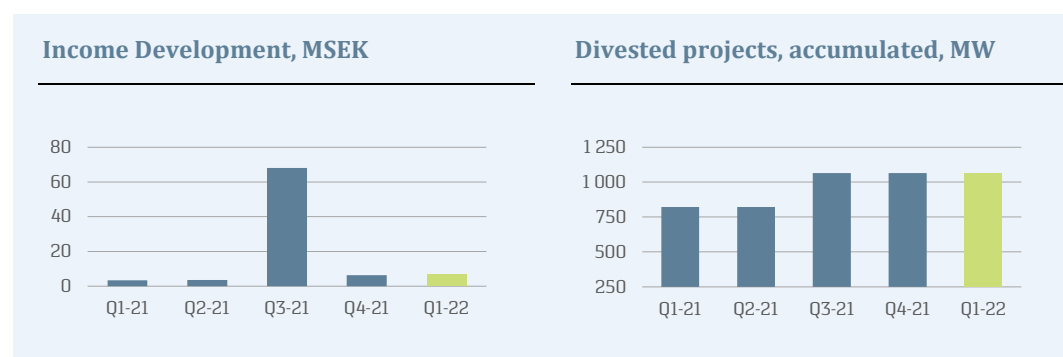
The procurement for the Kölvalen project, 42 turbines or nearly 300 MW, proceeded during the quarter and a sales process was initiated. The ambition is to divest the project during the latter part of the second quarter of 2022. The company also offered investors the alternative of acquiring the project as a turnkey option, which would increase capital deployed for the company but also the expected profit, should this be

the final transaction structure. An investment decision was made for the Lebo project consisting of five wind turbines in March 2022. The project is financed by Arise and a decision will be made when the project is in commercial operation whether it will be divested or retained in the production portfolio.

Development activities are ongoing for the HT Skogar portfolio with a potential of more than 1,500 MW. The features common to these projects is 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. 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 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, work also continued 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. 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. During the quarter, efforts also continued 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. The projects are primarily in an early phase.

Income increased to MSEK 7 [3]. The cost of sold projects amounted to MSEK 0 [0]. Other operating expenses and capitalised work totalled MSEK -2 [-2]. EBITDA increased to MSEK 4 [1]. Depreciation and impairment amounted to MSEK 0 [0]. Net financial items amounted to MSEK -2 [-3]. EBIT and profit/loss before tax thus amounted to MSEK 4 [1] and MSEK 3 [-2], respectively.



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 163 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 little 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	2023–2024	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	Q1 2022	Q1 2021	12m 2021
Income	75	38	173
Operating expenses, before items affecting comparability	-10	-12	-45
Operating profit before depreciation (EBITDA), before items affecting comparability	65	26	128
Operating profit (EBIT), before items affecting comparability	50	11	69
Profit before tax, before items affecting comparability	48	10	65
Recognised operating profit before depreciation (EBITDA)	65	26	114
Recognised operating profit (EBIT)	50	11	55
Recognised profit before tax	44	2	43

COMMENTS ON THE FIRST QUARTER

The Nordic electricity market has continued to trade at record levels during the quarter, with extreme volatility in prices and major differences between different hours and days. The winds were stronger than the year-earlier period and the company's wind farms produced in line with budget. Total production was 100 GWh (82). Compared with the year-earlier period, average income for electricity increased to SEK 748 per MWh (450), driven by rising market prices. Average income for electricity was 34% 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 on lower levels than the market average price. The average income for certificates, including guarantees of origin, decreased to SEK 7 per MWh (13).

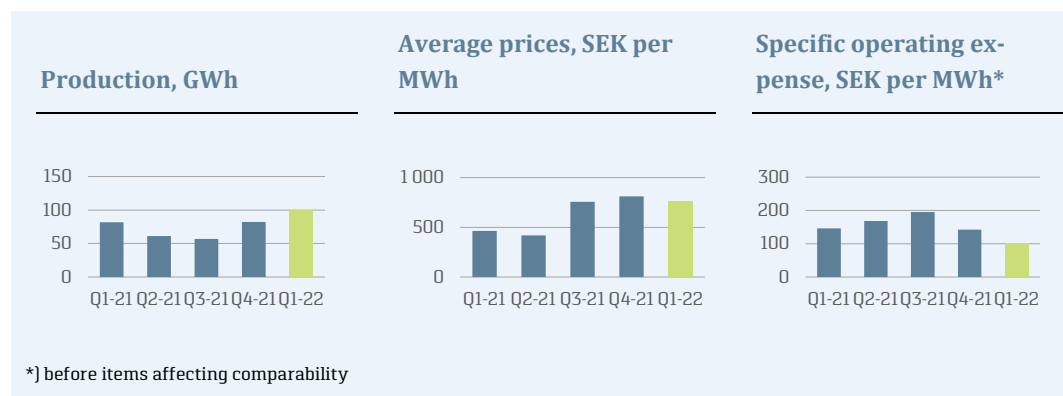
Net sales amounted to MSEK 75 (38), an increase of MSEK 8 due to higher production and an increase of MSEK 29 due to higher average price compared with the year-earlier period. The specific operating

expense declined compared with the year-earlier period, partly due to availability bonuses for the company's Vestas wind farms and amounted to SEK 101 per MWh [146] for the period. Continued investments have been made in the GE wind farms. The company has made and will make further claims for compensation from former service provider and is involved in discussions with this provider concerning these claims. The company hopes to reach an agreement with the service provider during the second quarter of 2022, but is otherwise prepared to commence an arbitration process.

EBITDA increased to MSEK 65 (26) compared with the first quarter of 2021. Depreciation amounted to MSEK -15 (-15) and EBIT thus increased to MSEK 50 (11). Comparable financial items amounted to MSEK -2 (-1). Profit before tax, before items affecting comparability, therefore increased to MSEK 48 (10). The company's electricity production assets are valued in EUR and income is received in EUR. The company therefore chose to raise a loan 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 first quarter, the comparability of net financial items was impacted by exchange rate differences for loan in foreign currencies of MSEK -4 due to the EUR strengthening against the SEK. Recognised profit before tax thus amounted to MSEK 44 (2).

Hedged electricity prices	Q2 2022	Q3 2022	Q4 2022	2023
MWh, SE 4	30,500	30,900	30,900	61,200
EUR/MWh, SE4	80	80	80	95

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 the end of the period, the market value of this portfolio amounted to MSEK -60.



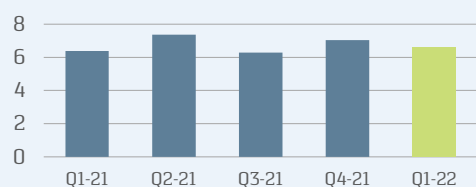
Solutions

MSEK	Q1 2022	Q1 2021	12m 2021
Income	7	6	27
Operating expenses	-8	-6	-24
Operating profit/loss before depreciation (EBITDA)	-2	1	3
Operating profit/loss (EBIT)	-2	1	2
Profit/loss before tax	-2	1	2

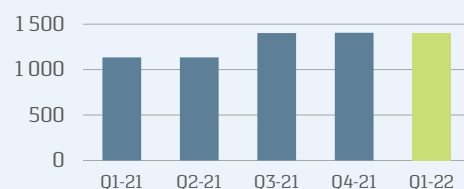
COMMENTS ON THE FIRST QUARTER

In Solutions, the work on positioning the company for new asset management assignments continued during the quarter. Projects under management exceed 1,400 MW. Income amounted to MSEK 7 [6]. Operating expenses amounted to MSEK -8 [-6], driven by higher costs in connection with continued growth of the organisation. EBITDA was MSEK -2 [1]. Depreciation and financial items totalled MSEK 0 [0] and EBIT and profit/loss before tax thus amounted to MSEK -2 [1].

Income Solutions, MSEK



Asset Management assignments, acc., MW



OTHER SIGNIFICANT EVENTS

In February 2022, Arise established a green financing framework that contains criteria for investments exclusively in renewable energy. Arise obtained a second-party opinion from Cicero Shades of Green, who awarded the framework a dark green shade. Under the green financing framework, Arise can include bonds as well as existing and future debt. In conjunction with the final date of converting convertibles to shares on 28 February 2022, applications were received corresponding to 5,313,804 new ordinary shares in Arise. The remaining convertibles were redeemed at a nominal value of MSEK 4. In March 2022, Markus Larsson was appointed the new CFO of Arise and joined Group management. In March 2022, Arise made an investment decision regarding construction of the wind farm project Lebo in Västervik municipality.

RELATED-PARTY TRANSACTIONS

No significant transactions with related parties took place during the period.

CONTINGENT LIABILITIES

The Group's contingent liabilities are related to guarantees and counter indemnities that are issued to support the Group's obligations connected to wind farm projects. These are described in more detail on page 74 under Note 20 in the 2021 Annual Report. During the quarter, Arise AB entered into a counter indemnity for the bank guarantee issued to the benefit of Kolvallen Vind AB amounting to MSEK 206. Moreover, the company's counter indemnity of EUR 450,000 related to Bröcklingberget expired during the quarter.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

In April 2022, Daniel Cambridge was appointed as the new CCO of Arise, responsible for business development and M&A. He started his position on 2 May 2022 and joined Group management at the same time. In April 2022, Arise signed an asset management agreement with BlackRock regarding wind farms in Finland with an installed capacity of 219 MW.

OUTLOOK

Electricity prices strengthened significantly in 2021 and at the beginning of 2022 at the same time as the ongoing energy transition is becoming more tangible in society. The war in Ukraine is, above all, a humanitarian catastrophe, but it also impacts the economy and market situation. 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 very strong. The company is well positioned with production of renewable electricity and a strong project portfolio. Accordingly, we see good opportunities for growth and continued value creation. We can conclude that our own wind farms are located in favourable price areas. Our strong financial situation also means that we have increased opportunities to maximise value creation in the business and 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 2021 Annual Report, and financial risk management is presented on pages 63–69. No significant changes have taken place that affect the reported risks.

OWNERSHIP STRUCTURE

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



Parent Company

The Parent Company's operations comprise project development (identifying suitable locations, signing leasehold agreements, producing impact assessments, preparing detailed development plans and permits), divesting projects, contracts and project management of new projects, managing internal and external projects (technically and financially) and managing the Group's electricity and electricity-certificate trading activities. The Parent Company manages the Group's production plans and electricity hedges in accordance with the adopted financial policy.

During the first quarter, the Parent Company's total income amounted to MSEK 8 (7) 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 -19 (-14), resulting in EBIT of MSEK -11 (-7). A net financial expense of MSEK -2 (1) and group contributions of MSEK 67 (24) led to net profit/loss after tax of MSEK 53 (17). The Parent Company's net investments amounted to MSEK -3 (-5).

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 2021 Annual Report.

REVIEW BY THE AUDITOR

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

FINANCIAL CALENDAR

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

Halmstad, 4 May 2022

Arise AB [publ]

Per-Erik Eriksson

CEO

FOR FURTHER INFORMATION, PLEASE CONTACT

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CONSOLIDATED INCOME STATEMENT

[Amounts rounded to the nearest MSEK]		2022	2021	2021
		Q1	Q1	Full year
Net sales	Note 1	88	47	278
Other operating income		0	0	0
Total income		88	47	278
Capitalised work on own account		2	1	5
Personnel costs		-10	-10	-46
Other external expenses	Note 2	-18	-15	-95
Operating profit before depreciation (EBITDA)		61	23	143
Depreciation and imp. of non-current assets	Note 3	-15	-16	-63
Operating profit/loss (EBIT)		46	7	79
Profit/loss from financial items	Note 4	-9	-11	-22
Profit/loss before tax		37	-4	58
Tax on profit/loss for the period		0	0	-1
Net profit/loss for the period		37	-4	57
Earnings per share before dilution, SEK		0.90	-0.12	1.51
Earnings per share after dilution, SEK		0.90	-0.12	1.49

Treasury shares held by the Company, amounting to 54.194 shares, have not been included in calculating earnings per share and only financial instruments outstanding at the end of the period were considered. No such financial instruments were outstanding on 31 March 2022.

Earnings are 100% attributable to the Parent Company's shareholders.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

[Amounts rounded to the nearest MSEK]		2022	2021	2021
		Q1	Q1	Full year
Net profit/loss for the period		37	-4	57
<u>Other comprehensive income</u>				
Items that may be reclassified to the income statement				
Translation differences for period		0	0	0
Cash flow hedges		-6	-6	-164
Income tax attributable to components of other comprehensive income		1	1	34
Other comprehensive income for the period, net after tax		-5	-4	-130
Total comprehensive income for the period		32	-9	-73

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

CONSOLIDATED BALANCE SHEET

	2022	2021	2021
[Condensed, amounts rounded to the nearest MSEK]	31 Mar	31 Mar	31 Dec
Intangible assets	25	-	25
Property, plant and equipment ¹⁾	1,231	1,254	1,223
Non-current financial assets	51	18	50
Total non-current assets	1,308	1,272	1,298
Inventories	1	1	1
Other current assets	135	59	141
Cash and cash equivalents	107	87	70
Total current assets	242	146	212
TOTAL ASSETS	1,550	1,418	1,511
Equity	838	707	676
Non-current interest-bearing liabilities ²⁾	431	605	425
Provisions	49	49	49
Total non-current liabilities	480	654	474
Current interest-bearing liabilities ²⁾	17	22	150
Other current liabilities	215	35	211
Total current liabilities	233	57	361
TOTAL EQUITY AND LIABILITIES	1,550	1,418	1,511

¹⁾ Property, plant and equipment include lease assets of MSEK 57 (59).

²⁾ Interest-bearing liabilities include lease liabilities of MSEK 60 (61).

CONSOLIDATED CASH FLOW STATEMENT

	2022	2021	2021
	Q1	Q1	Full year
[Condensed, amounts rounded to the nearest MSEK]			
Cash flow from operating activities before changes in working capital	59	20	117
Cash flow from changes in working capital	9	-6	-68
Cash flow from operating activities	67	15	49
Investments in non-current assets	-20	-6	-124
Sales of non-current assets	-	-	94
Cash flow from investing activities	-20	-6	-30
Loan repayments	-4	-	-18
Amortization of lease liabilities	-3	-3	-6
Interest paid and other financing costs	-3	-5	-12
Interest received	-	-	0
Cash flow from financing activities	-10	-8	-36
Cash flow for the period	37	1	-17
Cash and cash equivalents at the beginning of the period	70	86	86
Translation differences in cash and cash equivalents	-1	1	2
Cash and cash equivalents at the end of the period	107	87	70
Interest-bearing liabilities at the end of the period	388	566	516
Blocked cash at the end of the period	-18	-18	-18
Net debt	Note 6		
	263	461	428

GROUP EQUITY

	2022	2021	2021
	31 Mar	31 Mar	31 Dec
[Condensed, amounts rounded to the nearest MSEK]			
Opening balance	676	703	703
Profit/loss for the year	37	-4	57
Other comprehensive income for the period	-5	-4	-130
New issue of shares / conversion of convertibles	129	13	46
Other items	-	0	0
Closing balance	838	707	676

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2022 Q1	2021 Q1	2021 Full year
<u>Operational key performance indicators</u>			
Installed capacity at the end of the period, MW	139.2	139.2	139.2
Own electricity production during the period, GWh	99.6	81.7	281.7
Number of employees at the end of the period	32	30	30
<u>Financial key performance indicators</u>			
Earnings per share before dilution, SEK ¹⁾	0.90	-0.12	1.51
Earnings per share after dilution, SEK ¹⁾	0.90	-0.12	1.49
EBITDA margin, %	69.9%	49.0%	51.2%
Operating margin, %	52.3%	15.4%	28.4%
Return on capital employed (EBIT), %	10.4%	neg	7.0%
Return on adjusted capital employed (EBITDA), %	16.0%	2.5%	12.5%
Return on equity, %	12.8%	neg	8.2%
Capital employed, MSEK	1,101	1,168	1,104
Average capital employed, MSEK	1,135	1,194	1,137
Equity, MSEK	838	707	676
Average equity, MSEK	772	714	689
Net debt, MSEK	263	461	428
Equity/assets ratio, %	54.0%	49.9%	44.8%
Interest coverage ratio, times	5.4	0.7	3.2
Debt/equity ratio, times	0.3	0.7	0.6
Equity per share, SEK	20	19	18
Equity per share after dilution, SEK	20	19	18
No. of shares at the end of the period, excl. treasury shares	44,440,041	37,040,036	38,567,246
Average number of shares	41,503,644	36,741,879	37,505,484
Average number of shares after dilution	41,503,644	36,741,879	44,616,001

¹⁾ Treasury shares held by the Company, amounting to 54,194 shares, have not been included in calculating earnings per share and only financial instruments outstanding at the end of the period were considered. No such financial instruments were outstanding on 31 March 2022.

NOTE 1 – NET SALES

	2022	2021	2021
(Amounts rounded to the nearest MSEK)	Q1	Q1	Full year
Electricity	75	37	171
Certificates and guarantees of origin	1	1	2
Development	7	3	80
Services	6	6	25
Total	88	47	278

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

	2022	2021	2021
(Amounts rounded to the nearest MSEK)	Q1	Q1	Full year
Cost of sold projects and construction work	-	0	-18
External asset management costs	-3	-1	-4
Other items	-15	-15	-73
Total	-18	-15	-95

GROUP SEGMENT REPORTING

The division of segment reporting is based on the Group's products and services, meaning the grouping of operations. The segment Development, develops, constructs, and sells renewable energy projects. Production comprises the group's ownership in operating renewable energy assets. Solutions offers services in the form of construction project management and asset management for renewable energy production as well as other services. The Unallocated revenue/expenses pertains to the Group's shared expenses.

Quarter 1	Develop- ment		Production		Solutions		Unallocated rev./exp.		Eliminations		Group	
(Amounts rounded to the nearest MSEK)	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Net sales, external	7	3	75	38	6	6	-	-	-	-	88	47
Net sales, internal	-	-	-	-	1	1	-	-	-1	-1	-	-
Other operating income	0	0	0	0	0	0	0	0	-	-	0	0
Total income	7	3	75	38	7	6	0	0	-1	-1	88	47
Capitalised work on own account	2	1	-	-	-	-	-	-	-	-	2	1
Operating expenses	-4	-4	-10	-12	-8	-6	-7	-5	1	1	-28	-25
Operating profit/loss before depr./imp. (EBITDA)	4	1	65	26	-2	1	-7	-5	-	0	61	23
Depreciation/ impair. Note 3	0	0	-15	-15	0	0	0	0	-	-	-15	-16
Operating profit/loss (EBIT)	4	1	50	11	-2	1	-7	-5	-	0	46	7
Net financial items	-2	-3	-6	-9	0	0	-1	0	-	-	-9	-11
Profit/loss before tax (EBT)	3	-2	44	2	-2	1	-8	-5	-	0	37	-4
Non-current assets	163	113	1,091	1,136	0	0	2	4	-	-	1,256	1,254

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 2021 funds managed by Foresight Group LLP 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 NON-CURRENT ASSETS

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

NOTE 4 - PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts rounded to the nearest MSEK)	2022 Q1	2021 Q1	2021 Full year
Interest income			
Loans and receivables	-	-	0
Interest expense			
Loans and receivables	-1	-1	-5
Bond loan and convertible	0	-3	-9
Other financial items			
Lease liabilities	-1	-1	-3
Exchange rate difference EUR loan	-4	-8	-7
Change in fair value of derivatives	-	-	-
Other financial expenses	-2	-1	-3
Other exchange rate differences	-1	2	5
Total	-9	-11	-22

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

FAIR VALUE HIERARCHY

All financial instruments that are measured at fair value belong to Level 2 of the fair value hierarchy. Derivatives comprise electricity futures, currency futures and interest-rate swaps. Measuring the fair value of currency futures is based on published forward rates in an active market. The measurement of interest-rate swaps is based on forward interest rates derived from observable yield curves. The discounting does not have any material impact on the valuation of derivatives in Level 2. The recognition of financial instruments is described on pages 63-69 of the 2021 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)	2022 31 Mar	2021 31 Mar	2021 31 Dec
Assets			
Derivatives held for hedging purposes			
- Derivative assets	8	9	6
Liabilities			
Derivatives held for hedging purposes			
- Derivative liabilities	-166	-2	-158

NOTE 6 – NET DEBT

	2022	2021	2021
(Amounts rounded to the nearest MSEK)	31 Mar	31 Mar	31 Dec
Non-current liabilities	480	654	474
- of which interest-bearing non-current liabilities (excl. lease liabilities)	374	547	370
Current liabilities	233	57	361
- of which interest-bearing current liabilities (excl. lease liabilities)	13	18	146
Long and short term interest bearing debt liabilities (excl. lease liabilities)	388	566	516
Cash and cash equivalents at the end of the period	-107	-87	-70
Blocked cash at the end of the period	-18	-18	-18
Net debt	263	461	428

Lease liabilities amounted to MSEK 60 (61) on March 31, 2022.

PARENT COMPANY INCOME STATEMENT

	2022	2021	2021
(Amounts rounded to the nearest MSEK)	Q1	Q1	Full year
Sales of electricity and electricity certificates	1	0	0
Development and services	7	7	29
Other operating income	0	0	0
Total income	8	7	30
Capitalised work on own account	1	1	3
Purchases of electricity and electricity certificates	-1	0	0
Cost of sold projects and asset management	-3	-1	-5
Personnel costs	-9	-9	-42
Other external expenses	-7	-5	-35
Operating profit/loss before depreciation (EBITDA)	-11	-7	-50
Depreciation and imp. of non-current assets	0	0	-3
Operating profit/loss (EBIT)	-11	-7	-52
Profit/loss from financial items	Note 1	-2	1
Profit/loss after financial items	-14	-6	-74
Group contribution	67	24	69
Profit/loss before tax	53	17	-4
Tax on profit/loss for the period	0	0	0
Net profit/loss for the period	53	17	-5

PARENT COMPANY BALANCE SHEET

	2022	2021	2021
[Condensed, amounts rounded to the nearest MSEK]	31 Mar	31 Mar	31 Dec
Intangible assets	25	-	25
Property, plant and equipment	41	51	38
Non-current financial assets	704	724	704
Total non-current assets	770	775	767
Other current assets	72	31	50
Cash and cash equivalents	74	67	47
Total current assets	146	97	97
TOTAL ASSETS	916	872	865
Restricted equity	4	3	3
Non-restricted equity	778	585	596
Total equity	781	588	599
Non-current interest-bearing liabilities	-	164	-
Total non-current liabilities	-	164	-
Current interest-bearing liabilities	-	-	133
Other current liabilities	135	120	133
Total current liabilities	135	120	266
TOTAL EQUITY AND LIABILITIES	916	872	865

PARENT COMPANY EQUITY

	2022	2021	2021
[Condensed, amounts rounded to the nearest MSEK]	31 Mar	31 Mar	31 Dec
Opening balance	599	557	557
Other comprehensive costs for the period	53	17	-5
New issue of shares/ conversion of convertibles	129	13	46
Closing balance	781	588	599

NOTE 1 – PROFIT/LOSS FROM FINANCIAL ITEMS

	2022	2021	2021
(Amounts rounded to the nearest MSEK)	Q1	Q1	Full year
Interest income			
Interest income from group companies	0	0	0
Interest expense			
Interest expense from group companies	-1	0	-2
Bond loan and convertible	0	-3	-9
Other financial items			
Impairment of subsidiary shares	-	-	-20
Realized profit on sale of subsidiaries	0	3	7
Other financial income and expenses	-1	0	-1
Other exchange rate differences	-1	1	3
Total	-2	1	-22

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

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. 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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