

Year-end report

1 January–31 December 2022



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FOURTH QUARTER (1 OCTOBER–31 DECEMBER 2022)

- Net sales for the quarter amounted to MSEK 106 (79).
- Operating profit before depreciation and amortisation (EBITDA) totalled MSEK 52 (46) before items affecting comparability and MSEK 52 (32) after items affecting comparability.
- Operating profit (EBIT) amounted to MSEK 37 (31) before items affecting comparability and MSEK 37 (17) after items affecting comparability.
- Profit after tax totalled MSEK 36 (13), corresponding to SEK 0.80 (0.33) per share before and after dilution.
- Operating cash flow was MSEK -3 (23) and cash flow after investments amounted to MSEK -76 (-10).
- Production generated 79 GWh (82) of green electricity with an average income of SEK 857 per MWh (812).
- An extraordinary general meeting on 15 December 2022 resolved to introduce a warrant programme for company employees. Employees of the company acquired a total of 407,360 warrants, of which 370,000 were acquired by members of Group management.

FULL-YEAR (1 JANUARY–31 DECEMBER 2022)

- Net sales for the period amounted to MSEK 1,164 (341).
- Operating profit before depreciation and amortisation (EBITDA) totalled MSEK 851 (157) before items affecting comparability and MSEK 851 (143) after items affecting comparability.
- Operating profit (EBIT) totalled MSEK 790 (93) before items affecting comparability, and MSEK 790 (79) after items affecting comparability.
- Profit after tax amounted to MSEK 772 (57), or SEK 18.60 (1.51) per share before dilution and SEK 18.60 (1.49) after dilution.
- Operating cash flow was MSEK 923 (143) and cash flow after investments amounted to MSEK 618 (19).
- Production generated 292 GWh (282) of green electricity with an average income of SEK 720 per MWh (614).
- In the first half of 2022, Markus Larsson was appointed new CFO, Daniel Cambridge was appointed as new CCO, responsible for business development and M&A, and Hans Carlsson was appointed as new COO. All of the above have joined Group management.
- In March 2022, Arise made an investment decision regarding construction of the wind farm project Lebo in Västervik Municipality.

- In April 2022, Arise signed an asset management agreement with BlackRock regarding wind farms in Finland with an installed capacity of 219 MW.
- In May 2022, Arise issued green senior unsecured bonds of MEUR 50. The net proceeds are used in accordance with Arise's green financing framework.
- The sale of the wind farm project Kolvallen, 42 turbines with a total nominal capacity of 277 MW, was completed in July 2022. The sale is expected to have a positive earnings effect of approximately MEUR 90 between 2022 and 2025, of which approximately MEUR 65 was recognised when the project was sold.
- In conjunction with the sale of Kolvallen, Arise also acquired a shareholding of about 9% in the project. This is in line with Arise's ambition to be a more dynamic developer with a focus on maximising value creation for its project portfolio.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- In January 2023, Arise signed an agreement with Persson Invest, one of Sweden's largest private landowners. The agreement pertains to development rights for potential wind power projects on a large portion of Persson Invest's land, for which the company sees good potential to realise new wind power. According to the initial assessment from the company, the potential amounts to approximately 500 MW.

CEO's statement

A profitable quarter for production and a record year for Arise!

2022 was, by a good margin, the company's most profitable year to date. A main reason for this is, of course, the successful sale of the Kølvalen project in the third quarter. At the same time, EBIT from our own production nearly doubled compared with 2021.

Production posted strong earnings for the fourth quarter. However, annual production was 15% lower than budget as the result of low winds during the second half of the year, although this was offset by high sales prices.

The investment market remains strong and the values of projects remain high. There is some imbalance in the market, since there is a deficit of good projects in relation to the access to capital, due to the drawn-out permit process.

It appears that the European energy system will survive this winter without the need for comprehensive emergency measures. Gas stocks in Europe are relatively full, the hydrological balance has improved, nuclear availability has improved and energy consumption is lower than last year. The market has adapted to new conditions, but the electricity system is still sensitive to disruptions, such as cold weather combined with low wind power production. We also expect the high prices and high volatility in the market to continue, though not as extreme as in 2022.

The current market situation highlights the need for new electricity production, not to mention that the comprehensive investments planned for the Swedish export industry require better access to cost-effective electricity production. Demand for new, quickly realisable, cost-effective and clean electricity production has never been greater in modern times. Wind power and solar power, and particularly onshore wind power, meet the above criteria and make substantial contribution to the solution.

We are also continuing to expand our organisation, with a focus on growing the project portfolio substantially which we hope to see results from in 2023.

In conclusion, I can say that Arise is now well positioned to deliver on our strategy of diversifying the company in terms of geographies and technologies as well as creating growth in all of our business segments.

2023 has every possibility for becoming yet another successful year.

Halmstad, 16 February 2023

Per-Erik Eriksson
CEO



"2022 was, by a margin, the company's most profitable year to date. A main reason for this is, of course, the successful sale of the Kølvalen project during the third quarter"

Net sales and results

MSEK	Q4 2022	Q4 2021	12m 2022	12m 2021
Profit before items affecting comparability				
Net sales	106	79	1,164	341
EBITDA	52	46	851	157
EBIT	37	31	790	93
EBT	50	28	821	79
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>	-14	-1	-49	-7
Recognised profit				
EBITDA	52	32	851	143
EBIT	37	17	790	79
EBT	36	13	772	58
Profit after tax	36	13	772	57

Items affecting comparability comprise exchange rate differences on bank loans, bond loans and unallocated bond proceeds, all in foreign currencies. Items affecting comparability for the comparative year of 2021 also include non-recurring costs for wind-farm leases between 2013 and 2016.

COMMENTS ON THE FOURTH QUARTER

Income for Development increased in the quarter due to revenue recognition from Kølvalen. Income from Solutions also increased due to the project and asset management assignments concerning Kølvalen. For Production, the quarter was characterised by continued high market prices, but also by weaker winds than normal.

Net sales increased to MSEK 106 (79), mainly driven by higher income in Development. Production generated 79 GWh (82) green electricity while the average realised price increased to SEK 857 per MWh (812), which is the result of higher market prices compared with the year-earlier quarter. Operating expenses amounted to MSEK -56 (-48), of which MSEK -16 (-5) pertained to costs for the Group's variable remuneration programme for 2022.

EBITDA increased to MSEK 52 (32) after items affecting comparability. Depreciation amounted to MSEK -15 (-15), resulting in EBIT of MSEK 37 (17) after items affecting comparability.

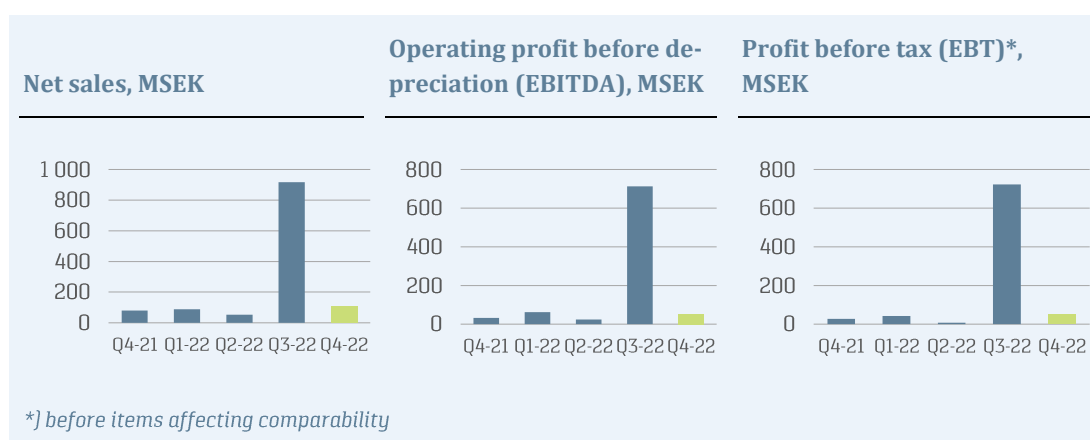
Net financial items, before items affecting comparability, increased to MSEK 13 (-3), positively impacted by exchange rate differences connected to the consideration received in EUR for Kølvalen. The company's electricity production assets are valued in EUR and income is received in EUR. The company therefore chose to take financing in EUR, 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. In the fourth quarter, the comparability of net financial items was impacted by exchange rate differences for bank loans, bond loans and unallocated bond proceeds in foreign currencies of MSEK -14 due to the EUR strengthening against the SEK. In accordance with IFRS, the production assets are not recognized at market value but the company tests for impairment annually. In the most recent impairment test, the value in use exceeded the carrying amount by approximately MEUR 85¹⁾, corresponding to approximately MSEK 950.

Recognised profit before and after tax amounted to MSEK 36 [13].

COMMENTS ON THE FULL YEAR

The sale of Kølvalen in the third quarter had a significant impact on income from Development. At the same time, income in Production increased as a result of higher market prices for electricity despite weaker production during the second half of the year. In total, 292 GWh (282) of green electricity was produced, and the average price for production totalled SEK 720 per MWh (614). Income from Solutions also increased due to new asset management assignments. Net sales increased to MSEK 1,164 [341]. Operating expenses amounted to MSEK -322 [-204]. EBITDA increased to MSEK 851 [143], and EBIT increased to MSEK 790 [79]. Profit before tax, before items affecting comparability, totalled MSEK 821 [79]. During the year, the comparability of net financial items was impacted by exchange rate differences for bank loans, bond loans and unallocated bond proceeds in foreign currencies of MSEK -49 due to the EUR strengthening against the SEK. Recognised profit before tax thus improved to MSEK 772 [58]. Profit after tax amounted to MSEK 772 [57].



1) Based on a discount rate of 7.4%, the company's forecasts and energy price forecasts prepared by external experts. A change in the discount rate of +/- one percentage point would affect the value by approximately MEUR 10.

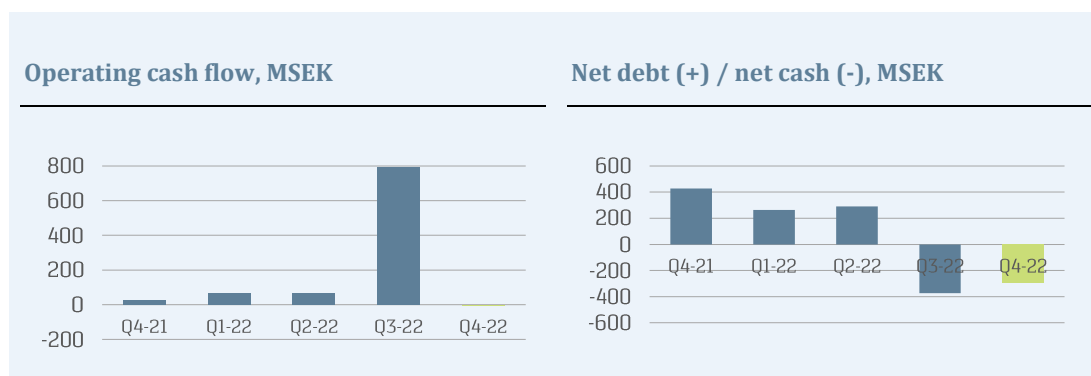
Cash flow and investments

COMMENTS ON THE FOURTH QUARTER

Cash flow from operating activities before changes in working capital was MSEK 50 [33]. Changes in working capital were MSEK -53 [-10], mainly driven by the build-up of working capital through the revenue recognition of KölvalLEN as well as high levels of electricity sales in December. Total operating cash flow was thus MSEK -3 [23]. Net cash flow from investing activities was MSEK -73 [-33] driven primarily by the investments in Lebo. Cash flow after investments thus amounted to MSEK -76 [-10]. Amortisations of MSEK -7 [-9] were paid during the quarter. Interest and financing costs of MSEK -12 [-2] were paid. Interest payments of MSEK 3 [0] were received as well as payments of MSEK 3 [0] for warrants. Net payments to or from blocked accounts totalled MSEK 0 [0], after which cash flow for the quarter, adjusted for lease effects, amounted to MSEK -90 [-22].

COMMENTS ON THE FULL YEAR

Cash flow from operating activities before changes in working capital was MSEK 964 [211]. Changes in working capital were MSEK -41 [-68] and the total operating cash flow was thus MSEK 923 [143]. Net cash flow from investing activities was MSEK -305 [-124] and pertained primarily to investments in Lebo and KölvalLEN. Cash flow after investments thus amounted to MSEK 618 [19]. During the second quarter, a green bond corresponding to MSEK 523 was issued. Amortisations totalling MSEK -18 [-18] were paid. Interest and financing costs of MSEK -33 [-12] were paid. Interest payments of MSEK 3 [0] were received as well as payments of MSEK 3 [0] for warrants. Net payments to or from blocked accounts amounted to MSEK -9 [0]. Adjusted for lease effects, cash flow for the period amounted to MSEK 1,082 [-17].



Financing and liquidity

At the end of the period, the company had net cash of MSEK 296 compared with net debt of MSEK 428 at the end of the year-earlier quarter, impacted by the sales proceeds received from KölvalLEN. During the year, all convertibles outstanding were either converted or redeemed at a nominal amount. Cash and cash equivalents at the end of the period totalled MSEK 1,220 [70]. During the year, the company signed a project financing agreement for the Lebo project, which is not expected to be utilised until 2023. In conjunction with this financing, the tenor of other bank financing was extended to 2025. At the end of the period, the equity/assets ratio was 55 [45] per cent.

Development

MSEK	Q4 2022	Q4 2021	12m 2022	12m 2021
Income	29	6	927	145
Cost of sold projects	-	-	-136	-68
Other operating expenses and capitalised work	-6	-1	-58	-20
Operating profit before depreciation (EBITDA)	24	5	733	57
Operating profit (EBIT)	24	5	733	55
Comparable profit/loss before tax*	32	2	753	45
Recognised profit/loss before tax	26	2	738	45

*Comparable profit before tax adjusted for exchange rate differences on bond loans and unallocated bond proceeds, in foreign currencies.

COMMENTS ON THE FOURTH QUARTER

Income increased during the quarter due to revenue recognition in the Kølvalen project that was successfully divested in the third quarter of 2022.

Construction of the Lebo project continued during the quarter, a project which will initially be financed by Arise, providing the flexibility to sell or keep it in the production portfolio once the project is in commercial operation.

Development activities continued for the HT Skogar portfolio, with the potential for more than 1,500 MW. The company also strengthened the development organisation in Sweden in order to secure new project rights. After the end of the year, an agreement was also signed with Persson Invest for development rights for a large portion of their land, with an estimated potential of approximately 500 MW. In the UK, work continued to develop the major solar project (approximately 200 MW and potentially 80 MW of battery storage) and to secure new project rights. For the Tormsdale project in Scotland, the permit application and application for grid connection have been submitted and are in process. Development activities related to the 50 MW solar project in southern Sweden continued during the quarter. In total, the company now has a portfolio of renewable energy projects totalling more than 3,000 MW at its disposal, including the estimated potential from Persson Invest, which is presented in more detail under the Portfolio section. Work in Finland to secure project rights intensified during the quarter.

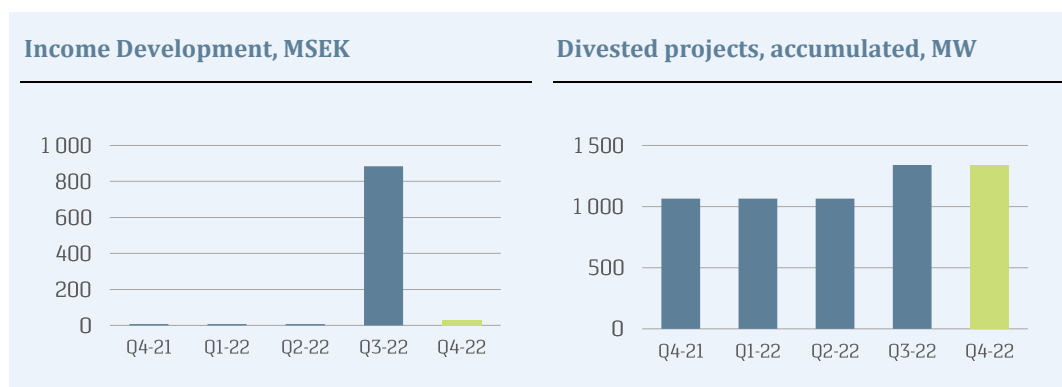
Income increased to MSEK 29 (6). The cost of sold projects amounted to MSEK 0 (0). Other operating expenses and capitalised work totalled MSEK -6 (-1). EBITDA increased to MSEK 24 (5). Depreciation and amortisation amounted to MSEK 0 (0), whereby EBIT amounted to MSEK 24 (5). Net financial items, excluding items affecting comparability, amounted to MSEK 9 (-2) and comparable profit/loss before tax thus increased to MSEK 32 (2). In the fourth quarter, the comparability of net financial items was impacted by exchange rate differences for bond loans and unallocated bond proceeds of MSEK -6 due to the EUR strengthening against the SEK. Recognised profit before tax thus amounted to MSEK 26 (2).



COMMENTS ON THE FULL YEAR

The Kølvallen project, 277 MW, was sold to a fund managed by Foresight Group LLP during the year. The consideration totalled approximately MEUR 100, of which MEUR 75 was received as fixed consideration at closing with an earnings effect of about MEUR 65. The remaining consideration is contingent on the construction of the project being completed according to schedule and budget.

Income increased to MSEK 927 [145] compared with the year-earlier period. The cost of sold projects increased to MSEK -136 [-68]. Other operating expenses and capitalised work totalled MSEK -58 [-20], after which EBITDA increased to MSEK 733 [57]. Depreciation amounted to MSEK 0 [-2] and EBIT thus rose to MSEK 733 [55]. Net financial items, excluding items affecting comparability, amounted to MSEK 20 [-10] and comparable profit/loss before tax thus increased to MSEK 753 [45]. During the period, the comparability of net financial items was impacted by exchange rate differences for bond loans and unallocated bond proceeds of MSEK -16 due to the EUR strengthening against the SEK. Recognised profit before tax thus amounted to MSEK 738 [45].



PORTFOLIO

Arise's development portfolio is presented below, totalling over 3,000 MW. The consolidated carrying amount was approximately MSEK 70, excluding Lebo, at the end of the period. Fully developed, the portfolio would equate to an investment level of about SEK 30 – 40 billion.

The portfolio is divided into projects in later developmental phases, which amount to a total of approximately 300 MW, and projects in early developmental phases, which amount to a total of more than 2,800 MW. The company is working actively to expand the project portfolio particularly concerning wind power and solar power in the Nordic countries and in the UK. Activities in Poland and Norway are evaluated in light of potential new regulatory conditions. Efforts to expand the project portfolio include greenfield projects and acquisitions of projects at varying stages. The organisation is continuing to expand as part of the company's growth strategy.

In working to increase its project portfolio, Arise has evaluated a number of different conceivable projects. The vast majority of the projects evaluated do not qualify for further development as they are not deemed realisable given their production conditions (wind and solar conditions), permit risks, electricity grid capacity and 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

		MW
Fasikan, SE 2		100
Finnåberget, SE 2		120
Tormsdale, Scotland	 	70
Total		~300

Projects – early developmental phases

		MW
Sweden*		~2,200
Sweden		~50
Norway		~200
UK		~120
UK	 	~280
Total		>2,800

**) Including the estimated potential from the agreement with Persson Invest, which was signed after the end of the reporting period.*

 Wind power  Solar power  Battery storage

Production

MSEK	Q4 2022	Q4 2021	12m 2022	12m 2021
Income	68	67	211	173
Operating expenses	-18	-26	-51	-59
Operating profit before depreciation (EBITDA)	50	41	160	114
Operating profit (EBIT)	35	26	101	55
Comparable profit before tax*	35	40	99	65
Recognised profit before tax	27	25	65	43

*Comparable profit before tax adjusted for exchange rate differences on loans in foreign currencies and non-recurring costs for wind-farm leases between 2013 and 2016 for the comparative figures in 2021.

COMMENTS ON THE FOURTH QUARTER

Winds were weaker than normal during the period and production at the company's wind farms amounted to 79 GWh [82]. At the same time, average income for electricity increased to SEK 850 per MWh (803) and average income for guarantees of origin amounted to SEK 7 per MWh (9). The volatility in the market remained high, with high price levels during low-production hours. Average income for electricity was therefore 48% below the market price for electricity (weighted average for SE3 and SE4) during the period and was also impacted by price hedging on lower levels than the market average price.

Income amounted to MSEK 68 [67], in line with the year-earlier period. The specific operating expense increased compared with the year-earlier period (adjusted for non-recurring costs in 2021) to SEK -232 per MWh [-142]. The increase is due to additional costs related to the company's GE wind farms, which corresponded to approximately SEK -100 per MWh. The arbitration process for these wind farms is ongoing.

EBITDA increased to MSEK 50 [41] compared with the fourth quarter of 2021. Depreciation amounted to MSEK -15 [-14] and EBIT thus increased to MSEK 35 [26].

Net financial items, excluding items affecting comparability, amounted to MSEK 0 [-1]. Profit before tax, before items affecting comparability, therefore amounted to MSEK 35 [40]. In the fourth quarter, the comparability of net financial items was impacted by exchange rate differences for loans in foreign currencies of MSEK -8 due to the EUR strengthening against the SEK. Recognised profit before tax thus amounted to MSEK 27 [25].

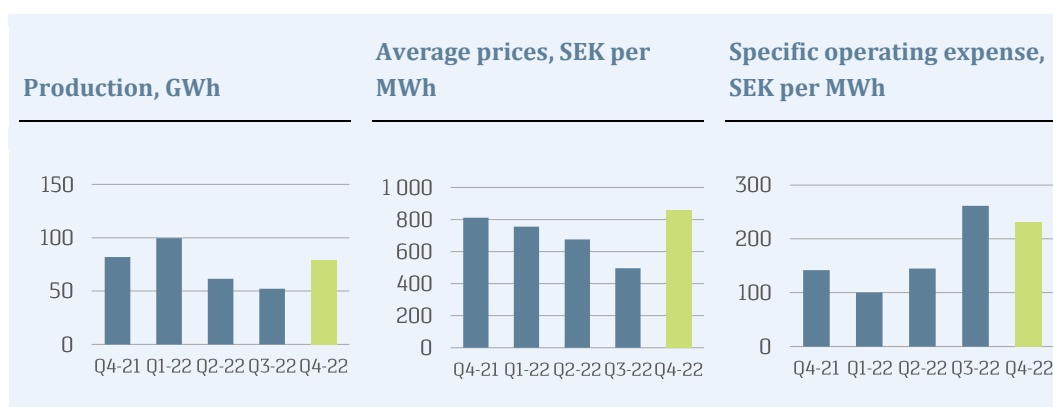
In accordance with IFRS, the production assets are not recognized at market value but the company tests for impairment annually. In the most recent impairment test, the value in use exceeded the carrying amount by approximately MEUR 85¹⁾, corresponding to approximately MSEK 950.

1) Based on a discount rate of 7.4%, the company's forecasts and energy price forecasts prepared by external experts. A change in the discount rate of +/- one percentage point would affect the value by approximately MEUR 10.



Hedged electricity prices	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2024
MWh, SE 4	34,500	26,200	26,500	26,500	52,700
EUR/MWh, SE4	129	124	124	124	113

In addition to the above hedging, the company has 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 amounted to MSEK -15.



COMMENTS ON THE FULL YEAR

Production at the company's wind farms increased to 292 GWh [282] due to slightly stronger winds than in the year-earlier period, especially in the first quarter. At the same time, average income for electricity amounted to SEK 713 per MWh [606] and to SEK 6 per MWh [9] for electricity certificates and guarantees of origin. Average income for electricity was markedly below the market price for electricity (weighted average for SE3 and SE4) during the period, impacted by the high price volatility and price hedging at lower levels than average.

Income amounted to MSEK 211 [173], an increase largely due to a higher realised price than the previous year. The specific operating expense (adjusted for non-recurring costs for 2021) amounted to SEK -174 per MWh [-160] and EBITDA therefore amounted to MSEK 160 [114]. Depreciation amounted to MSEK -59 [-59] and EBIT thus increased to MSEK 101 [55]. Net financial items, excluding items affecting comparability, amounted to MSEK -2 [-4], while the comparability of net

financial items was impacted by exchange rate differences for loans in foreign currencies of MSEK -34 due to the EUR strengthening against the SEK. Comparable and recognised earnings before tax increased to MSEK 99 [65] and MSEK 65 [43], respectively.

Solutions

MSEK	Q4 2022	Q4 2021	12m 2022	12m 2021
Income	11	7	33	27
Operating expenses	-9	-7	-34	-24
Operating profit/loss before depreciation and amortisation (EBITDA)	1	0	-1	3
Operating profit/loss (EBIT)	1	-1	-1	2
Profit/loss before tax	1	-1	-1	2

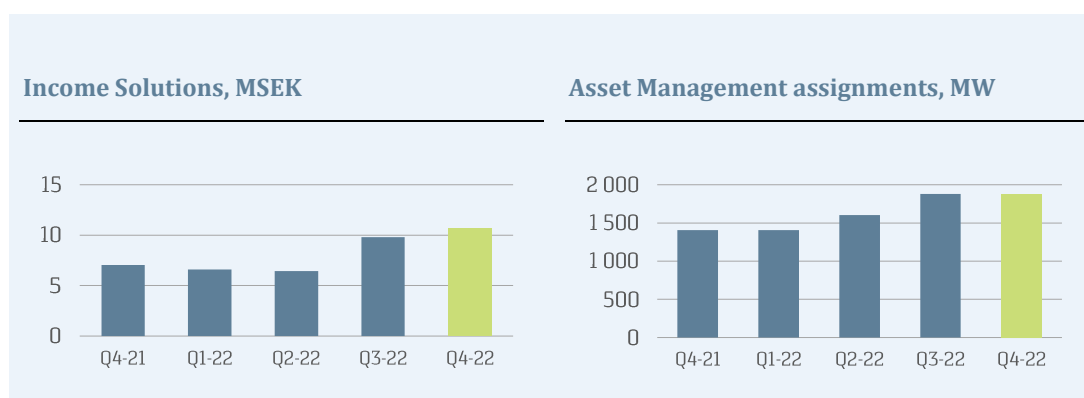
COMMENTS ON THE FOURTH QUARTER

In Solutions, the project and asset management assignment related to Kolvallen continued during the quarter, which contributed positively to income compared with the year-earlier period. The organisation was further strengthened to meet expected growth.

Income amounted to MSEK 11 [7]. Operating expenses amounted to MSEK -9 [-7]. EBITDA was MSEK 1 [0]. Depreciation and impairment and financial items were MSEK 0 [0] and EBIT and profit/loss before tax thus amounted to MSEK 1 [-1].

COMMENTS ON THE FULL YEAR

Income amounted to MSEK 33 [27]. Operating expenses amounted to MSEK -34 [-24]. EBITDA was MSEK -1 [3]. Depreciation and amortisation and financial items were MSEK 0 [0] and EBIT and profit/loss before tax thus amounted to MSEK -1 [2].



OTHER SIGNIFICANT EVENTS

An extraordinary general meeting on 15 December 2022 resolved to introduce a warrant programme for company employees. A total of 407,360 warrants were acquired by employees of the company, of which 370,000 were acquired by members of Group management.

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 power projects. These are described in more detail on page 74 under Note 20 in the 2021 Annual Report. During the first half of the year, Arise AB entered into a counter indemnity for the bank guarantees issued to the benefit of Arise Wind Farm 20 AB amounting to MSEK 27. Arise AB also has a parent company guarantee for Arise Wind Farm 20 AB to the benefit of Siemens Gamesa that amounted to approximately MEUR 21 at the end of the period. Moreover, the company's counter indemnity of MEUR 0.45 related to Bröcklingberget expired during the year.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

In January 2023, Arise signed an agreement with Persson Invest, one of Sweden's largest private landowners, regarding development rights for potential wind power projects on a large portion of Persson Invest's land, for which the company sees good potential to realise new wind power. According to the assessment from the company, the potential amounts to approximately 500 MW.

OUTLOOK

There continues to be high uncertainty and global risks concerning security politics and energy supply, which makes the ongoing energy transition increasingly obvious in society. The war in Ukraine is, above all, a humanitarian catastrophe, but it is also having a noticeable impact on the economy and market situation. Demand for new power production, in particular renewable power production, has never been stronger. The company is well positioned with production of renewable electricity and a strong project portfolio. Accordingly, we see very good opportunities for growth and continued value creation. Our strong financial situation means that we have increased opportunities to maximise value creation in the business and also optimise our long-term income from both production and the project portfolio.

RISKS AND UNCERTAINTIES

Russia's invasion of Ukraine has resulted in growing uncertainty regarding the global economy, leading to a rise in inflation and rising market interest rates. In addition to the impact on the energy market and an increased focus on delivery reliability, logistics chains and transportation have also been beset by disruptions. As a result, there is a risk of increased shipping costs and further supply chain disruptions. However, Arise's direct exposure to the effects of the invasion is relatively limited. Other 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 other 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 land lease 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 year, the Parent Company's total income amounted to MSEK 40 (30) and purchases of electricity and certificates, personnel and other external expenses, capitalised work on own account and depreciation of non-current assets totalled MSEK -95 (-82), resulting in EBIT of MSEK -55 (-52). A net financial expense of MSEK -22 (-22) and Group contributions of MSEK 113 (69) led to net profit/loss after tax of MSEK 36 (-5). The Parent Company's net investments amounted to MSEK -307 (-20).

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.

In conjunction with the sale of Kolvallen, the Group has recognised its remaining participating interest as a financial holding in the item "Non-current financial assets." Investments in shares without significant influence or control are recognised at fair value. Such an investment is also recognised in subsequent periods at fair value and the change in value is recognised in the statement of comprehensive income.

Arise has chosen to change the form of presentation of its income statement regarding sold projects in 2022 to better illustrate subitems in the transactions. As such, Arise has retroactively adjusted comparative figures to comply with a uniform presentation format between the current year and comparative years. As a result, income for the comparative year of 2021 has increased MSEK 63 with a corresponding increase in operating expenses. The changed presentation format thus has no impact on earnings for 2021.

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 2023. 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 2023 |
| ▪ Second quarter (1 April-30 June) | 18 July 2023 |
| ▪ Third quarter (1 July-30 September) | 15 November 2023 |
| ▪ Fourth quarter (1 October-31 December) | 15 February 2024 |

Halmstad, 16 February 2023

Arise AB (publ)

Per-Erik Eriksson

CEO

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CONSOLIDATED INCOME STATEMENT

		2022	2021	2022	2021
		Q4	Q4	FY	FY
[Amounts rounded to the nearest MSEK]					
Net sales	Note 1	106	79	1,164	341
Other operating income		1	0	5	0
Total income		107	79	1,169	341
Capitalised work on own account		1	2	4	5
Personnel costs		-30	-17	-63	-46
Cost of sold projects		-	-	-136	-68
Other external expenses		-26	-32	-124	-91
Operating profit before depreciation (EBITDA)		52	32	851	143
Depreciation and imp. of non-current assets	Note 2,3	-15	-15	-61	-63
Operating profit/loss (EBIT)		37	17	790	79
Profit/loss from financial items	Note 4	-1	-4	-17	-22
Profit/loss before tax		36	13	772	58
Tax on profit/loss for the period		0	-1	0	-1
Net profit/loss for the period		36	13	772	57
Earnings per share before dilution, SEK		0.80	0.33	18.60	1.51
Earnings per share after dilution, SEK		0.80	0.33	18.60	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.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		2022	2021	2022	2021
		Q4	Q4	FY	FY
[Amounts rounded to the nearest MSEK]					
Net profit/loss for the period		36	13	772	57
<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		336	-103	45	-164
Income tax attributable to components of other comprehensive income		-69	21	-9	34
Other comprehensive income for the period, net after tax		267	-82	36	-130
Total comprehensive income for the period		303	-69	807	-73

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

CONSOLIDATED BALANCE SHEET

	2022	2021
[Condensed, amounts rounded to the nearest MSEK]	31 Dec	31 Dec
Intangible assets	25	25
Property, plant and equipment ¹⁾	1,218	1,223
Non-current financial assets	190	50
Total non-current assets	1,432	1,298
Inventories	0	1
Other current assets	263	141
Cash and cash equivalents	1,220	70
Total current assets	1,483	212
TOTAL ASSETS	2,916	1,511
Equity	1,616	676
Non-current interest-bearing liabilities ²⁾	980	425
Provisions	62	49
Total non-current liabilities	1,042	474
Current interest-bearing liabilities ²⁾	29	150
Other current liabilities	228	211
Total current liabilities	258	361
TOTAL EQUITY AND LIABILITIES	2,916	1,511

¹⁾ Property, plant and equipment include lease assets of MSEK 54 (55).

²⁾ Interest-bearing liabilities include lease liabilities of MSEK 57 (58).

CONSOLIDATED CASH FLOW STATEMENT

	2022	2021	2022	2021
(Condensed, amounts rounded to the nearest MSEK)	Q4	Q4	FY	FY
Cash flow from operating activities before changes in working capital	50	33	964	211
Cash flow from changes in working capital	-53	-10	-41	-68
Cash flow from operating activities	-3	23	923	143
Investments in non-current assets	-67	-33	-176	-124
Investments in non-current financial assets	-6	-	-130	-
Cash flow from investing activities	-73	-33	-305	-124
Loan repayments	-7	-9	-18	-18
Loan raised	-	-	523	-
Amortization of lease liabilities	-1	-1	-6	-6
Interest paid and other financing costs	-12	-2	-33	-12
Interest received	3	0	3	0
Net payment to blocked accounts	0	-	-9	-
New share issue / warrants	3	-	3	-
Cash flow from financing activities	-14	-12	464	-36
Cash flow for the period	-90	-22	1,082	-17
Cash and cash equivalents at the beginning of the period	1,287	91	70	86
Translation differences in cash and cash equivalents	23	1	68	2
Cash and cash equivalents at the end of the period	1,220	70	1,220	70
Interest-bearing liabilities at the end of the period	952	516	952	516
Blocked cash at the end of the period	-27	-18	-27	-18
Net debt Note 6	-296	428	-296	428

GROUP EQUITY

	2022	2021
(Condensed, amounts rounded to the nearest MSEK)	31 Dec	31 Dec
Opening balance	676	703
Profit/loss for the year	772	57
Other comprehensive income for the period	36	-130
New issue of shares / conversion of convertibles	132	46
Other items	-	0
Closing balance	1,616	676

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2022 Q4	2021 Q4	2022 FY	2021 FY
<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	79.0	82.0	292.2	281.7
Number of employees at the end of the period	41	30	41	30
<u>Financial key performance indicators</u>				
Earnings per share before dilution, SEK ¹⁾	0.80	0.33	18.60	1.51
Earnings per share after dilution, SEK ¹⁾	0.80	0.33	18.60	1.49
EBITDA margin, %	48.4%	40.9%	72.8%	41.7%
Operating margin, %	34.2%	21.8%	67.6%	23.2%
Return on capital employed (EBIT), %	42.0%	6.4%	42.0%	6.4%
Return on equity, %	67.4%	8.2%	67.4%	8.2%
Capital employed, MSEK	2,567	1,192	2,567	1,192
Average capital employed, MSEK	1,880	1,233	1,880	1,233
Equity, MSEK	1,616	676	1,616	676
Average equity, MSEK	1,146	689	1,146	689
Net debt, MSEK	-296	428	-296	428
Equity/assets ratio, %	55.4%	44.8%	55.4%	44.8%
Debt/equity ratio, times	neg	0.6	neg	0.6
Equity per share, SEK	36	18	39	18
Equity per share after dilution, SEK	36	18	39	18
No. of shares at the end of the period, excl. treasury shares	44,440,041	38,567,246	44,440,041	38,567,246
Average number of shares	44,440,041	38,555,063	41,503,644	37,505,484
Average number of shares after dilution	44,440,041	44,616,001	41,503,644	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.

NOTE 1 – NET SALES

	2022	2021	2022	2021
(Amounts rounded to the nearest MSEK)	Q4	Q4	FY	FY
Electricity	67	66	208	171
Certificates and guarantees of origin	1	1	2	2
Development	29	6	924	143
Services	10	6	30	25
Total	106	79	1,164	341

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, income from electricity certificates and guarantees of origin 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.

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 4	Develop- ment		Production		Solutions		Unallocated rev./exp.		Eliminations		Group	
[Amounts rounded to the nearest MSEK]	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021
Net sales, external	29	6	68	67	10	6	-	-	-	-	106	79
Net sales, internal	-	-	-	-	1	1	-	-	-1	-1	-	-
Other operating income	1	0	0	0	0	0	0	0	-	-	1	0
Total income	29	6	68	67	11	7	0	0	-1	-1	107	79
Capitalised work on own account	1	1	-	-	-	-	-	-	-	-	1	1
Operating expenses	-7	-3	-18	-26	-9	-7	-23	-13	1	1	-56	-48
Operating profit/loss be- fore depr./imp. (EBITDA)	24	5	50	41	1	0	-23	-13	-	0	52	32
Depreciation/impair. Note 2	0	0	-15	-14	0	0	0	0	-	-	-15	-15
Operating profit/loss (EBIT)	24	5	35	26	1	-1	-23	-14	-	0	37	17
Net financial items	2	-2	-8	-2	0	0	5	0	-	-	-1	-4
Profit/loss before tax (EBT)	26	2	27	25	1	-1	-18	-13	-	0	36	13
Intangible and tangible fixed assets	183	145	1,058	1,101	0	0	1	2	-	-	1,243	1,248

NOTE 2 - DEPRECIATION AND IMPAIRMENT OF INTANGIBLE AND TANGIBLE FIXED ASSETS

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

GROUP SEGMENT REPORTING

12 months	Develop- ment		Production		Solutions		Unallocated rev./exp.		Eliminations		Group	
[Amounts rounded to the nearest MSEK]	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales, external	924	145	210	173	30	24	-	-	-	-	1,164	341
Net sales, internal	-	-	-	-	3	3	-	-	-3	-3	-	-
Other operating income	4	0	1	0	0	0	0	0	-	-	5	0
Total income	927	145	211	173	33	27	0	0	-3	-3	1,169	341
Capitalised work on own account	4	5	-	-	-	-	-	-	-	-	4	5
Operating expenses	-198	-93	-51	-59	-34	-24	-42	-31	3	3	-322	-204
Operating profit/loss be- fore depr./imp. (EBITDA)	733	57	160	114	-1	3	-42	-31	-	0	851	143
Depreciation/impair. Note 3	0	-2	-59	-59	0	0	-2	-2	-	-	-61	-63
Operating profit/loss (EBIT)	733	55	101	55	-1	2	-44	-33	-	0	790	79
Net financial items	4	-10	-36	-12	0	0	14	0	-	-	-17	-22
Profit/loss before tax (EBT)	738	45	65	43	-1	2	-30	-33	-	0	772	58
Intangible and tangible fixed assets	183	145	1,058	1,101	0	0	1	2	-	-	1,243	1,248

NOTE 3 – DEPRECIATION AND IMPAIRMENT OF INTANGIBLE AND TANGIBLE FIXED ASSETS

Depreciation/amortisation	0	0	-59	-59	0	0	-2	-2	-	-	-61	-61
Impairment and reversal of impairment	-	-2	-	-	-	-	-	-	-	-	-	-2
Depreciation and impair- ment	0	-2	-59	-59	0	0	-2	-2	-	-	-61	-63

NOTE 4 – PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts rounded to the nearest MSEK)	2022 Q4	2021 Q4	2022 FY	2021 FY
Interest income				
Other interest	5	0	6	0
Interest expense				
Other interest	-1	-1	-5	-5
Bond loan and convertible	-10	-2	-21	-9
Other financial items				
Lease liabilities	-1	-1	-3	-3
Exchange rate difference loan/bond loan	-18	-1	-67	-7
Other financial expenses	-1	-1	-5	-3
Other exchange rate differences	25	2	78	5
Total	-1	-4	-17	-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 Dec	2021 31 Dec
Assets		
Derivatives held for hedging purposes		
- Derivative assets	26	6
Liabilities		
Derivatives held for hedging purposes		
- Derivative liabilities	-133	-158

NOTE 6 – NET DEBT

	2022	2021
(Amounts rounded to the nearest MSEK)	31 Dec	31 Dec
Non-current liabilities	1,042	474
- of which interest-bearing non-current liabilities (excl. lease liabilities)	925	370
Current liabilities	258	361
- of which interest-bearing current liabilities (excl. lease liabilities)	27	146
Long and short term interest bearing debt liabilities (excl. lease liabilities)	952	516
Cash and cash equivalents at the end of the period	-1,220	-70
Blocked cash at the end of the period	-27	-18
Net debt	-296	428

Lease liabilities amounted to MSEK 57 (58) on December 31, 2022.

PARENT COMPANY INCOME STATEMENT

	2022	2021	2022	2021
	Q4	Q4	FY	FY
[Amounts rounded to the nearest MSEK]				
Sales of electricity and electricity certificates	-	-	1	0
Development and services	11	7	35	29
Other operating income	1	0	4	0
Total income	11	8	40	30
Capitalised work on own account	0	1	1	3
Purchases of electricity and electricity certificates	0	-	-1	0
Cost of sold projects and asset management	-2	-2	-9	-5
Personnel costs	-26	-15	-55	-42
Other external expenses	-7	-20	-31	-35
Operating profit/loss before depreciation (EBITDA)	-23	-29	-54	-50
Depreciation and imp. of non-current assets	0	0	0	-3
Operating profit/loss (EBIT)	-23	-29	-55	-52
Profit/loss from financial items Note 1	-12	-22	-22	-22
Profit/loss after financial items	-35	-52	-76	-74
Group contribution	46	36	113	69
Profit/loss before tax	11	-15	37	-4
Tax on profit/loss for the period	0	-1	0	0
Net profit/loss for the period	11	-16	36	-5

PARENT COMPANY BALANCE SHEET

	2022	2021
(Condensed, amounts rounded to the nearest MSEK)	31 Dec	31 Dec
Intangible assets	25	25
Property, plant and equipment	45	38
Non-current financial assets	1,013	704
Total non-current assets	1,083	767
Other current assets	49	50
Cash and cash equivalents	293	47
Total current assets	342	97
TOTAL ASSETS	1,424	865
Restricted equity	4	3
Non-restricted equity	764	596
Total equity	768	599
Non-current interest-bearing liabilities	548	-
Total non-current liabilities	548	-
Current interest-bearing liabilities	-	133
Other current liabilities	108	133
Total current liabilities	108	266
TOTAL EQUITY AND LIABILITIES	1,424	865

PARENT COMPANY EQUITY

	2022	2021
(Condensed, amounts rounded to the nearest MSEK)	31 Dec	31 Dec
Opening balance	599	557
Other comprehensive costs for the period	36	-5
New issue of shares/ conversion of convertibles	132	46
Closing balance	768	599

NOTE 1 – PROFIT/LOSS FROM FINANCIAL ITEMS

	2022	2021	2022	2021
(Amounts rounded to the nearest MSEK)	Q4	Q4	FY	FY
Interest income				
Interest income from group companies	-	0	0	0
Other interest	2	-	3	-
Interest expense				
Interest expense from group companies	-1	-1	-3	-2
Bond loan and convertible	-10	-2	-21	-9
Other financial items				
Exchange rate difference bond loan	-11	-	-33	-
Impairment of subsidiary shares	-	-20	-	-20
Realized profit on sale of subsidiaries	0	0	2	7
Other financial income and expenses	-1	0	-2	-1
Other exchange rate differences	7	1	32	3
Total	-12	-22	-22	-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 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 bank loans, bond loans and unallocated bond proceeds in foreign currency. For the comparison year 2021, also one-off costs related to the rental of wind farms during 2013-2016.

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.

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 interest-bearing 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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