

INTERIM REPORT 1 JANUARY–31 MARCH 2023

Creating renewable energy



Interim report 1 January–31 March 2023

FIRST QUARTER (1 JANUARY–31 MARCH 2023)

- Net sales for the quarter amounted to MSEK 107 [88].
- Operating profit before depreciation and amortisation (EBITDA) totalled MSEK 76 [61].
- Operating profit (EBIT) was MSEK 61 [46].
- Profit after tax totalled MSEK 52 [37], corresponding to SEK 1.16 [0.90] per share.
- Operating cash flow was MSEK 30 [67] and cash flow after investments amounted to MSEK -41 [47].
- Production generated 87 GWh [100] of green electricity with an average income of SEK 936 per MWh [756].
- 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 assessment from the company, the potential amounts to approximately 500 MW.
- In March 2023, Arise signed an agreement to acquire approximately 51% of the Finnish company Pohjan Voima Oy. Pohjan Voima Oy has developed a well-diversified portfolio of onshore wind and solar projects across Finland, with a project portfolio that at the time of the signing was approximately 1.7 GW.
- Including Pohjan Voima, the project portfolio increased by approximately 2.4 GW.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- In April 2023, Arise completed the previously announced acquisition of approximately 51% of the shares in Pohjan Voima Oy.

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About Arise

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

CEO's statement

A quarter that can be summed up by the completion of our first business acquisition, the signing of the agreement with Persson Invest regarding development of renewable electricity production on their land, and our production delivering record-high earnings.

We are proud to have acquired 51% of the Finnish developer Pohjan Voima Oy. With this acquisition, we have a controlling interest in a successful development organisation with a project portfolio of very high quality that has already increased from 1.7 GW to approximately 1.8 GW. The portfolio contains both wind and solar projects of which a significant portion, approximately 600 MW, comprises projects in late stage development. In addition to an attractive portfolio, we see that the structure and entrepreneur-focused cultures of our two companies fit very well together. In just a short time, Pohjan Voima has built up an impressive project portfolio and succeeded in becoming an established operator in the Finnish market, and with our in-house experience and resources throughout the supply chain, Arise can make a contribution starting in the project development phase but perhaps primarily in the transaction phase, project implementation, and asset management phase. This will be a strong combination, and we can see that the potential for development remains significant.

In January, we also signed an agreement with Persson Invest, one of the larger private landowners in Sweden, regarding granting Arise the rights to develop potential wind power projects on Persson Invest's land. An initial assessment shows a potential of around 500 MW.

Our own production delivered 87 GWh during the quarter, which was about 10% under budget. The average market price in SE4 was approximately EUR 89 per MWh, compared with EUR 110 per MWh in the year-earlier period. Despite lower electricity prices and lower production levels, income from production still reached record-high levels since our price hedges yielded a significantly positive contribution. Here, we see the benefit of actively engaging in a long-term price-hedging strategy.

The electricity market cooled to more normal prices after a mild winter with well-filled gas stocks in Europe and hydrology at largely normal levels in the Nordic countries. The weather is expected to continue driving the market, and we can confirm that the balance between supply and demand is a sensitive one.

In conclusion, the company has had a very good start to the year. We are delivering on our strategy of diversifying the company as regards geographies and technology, and we experienced robust growth in our project portfolio. Our production is delivering record-high earnings, and we are in an exciting growth phase with ongoing intensive efforts in developing our business in all markets where we have a presence. The comments from our latest report stand firm: 2023 has every possibility of becoming yet another successful year for the company.

Halmstad, 4 May 2023

Per-Erik Eriksson

CEO



"Despite lower electricity prices and lower production, income from production still reached record-high levels since our price hedges yielded a significantly positive contribution. Here, we see the benefit of actively engaging in a long-term price-hedging strategy."

Net sales and results

MSEK	Q1 2023	Q1 2022	12m 2022
Net sales	107	88	1,164
EBITDA	76	61	851
EBIT	61	46	790
Comparable profit/loss before tax*	62	42	821
Recognised profit/loss before tax	52	37	772
Recognised profit/loss after tax	52	37	772

*Items affecting comparability comprise exchange rate differences on bank loan, bond loan and unallocated bond proceeds, all in foreign currencies.

COMMENTS ON THE FIRST QUARTER

Income for Development increased compared with the year-earlier quarter due to revenue recognition from Kolvallen. Income in Solutions also increased as a result of Kolvallen, since the company has the project and asset management assignment for the project. In Production, winds were weaker than normal while market prices were lower than in the year-earlier quarter. However, the positive contribution from the company's price hedges in the quarter led to total income in Production increasing despite this.

Net sales increased to MSEK 107 (88). Production generated 87 GWh (100) of green electricity while the average realised price increased to SEK 936 per MWh (756) as a result of the positive contribution from the price hedges. Operating expenses amounted to MSEK -33 (-28).

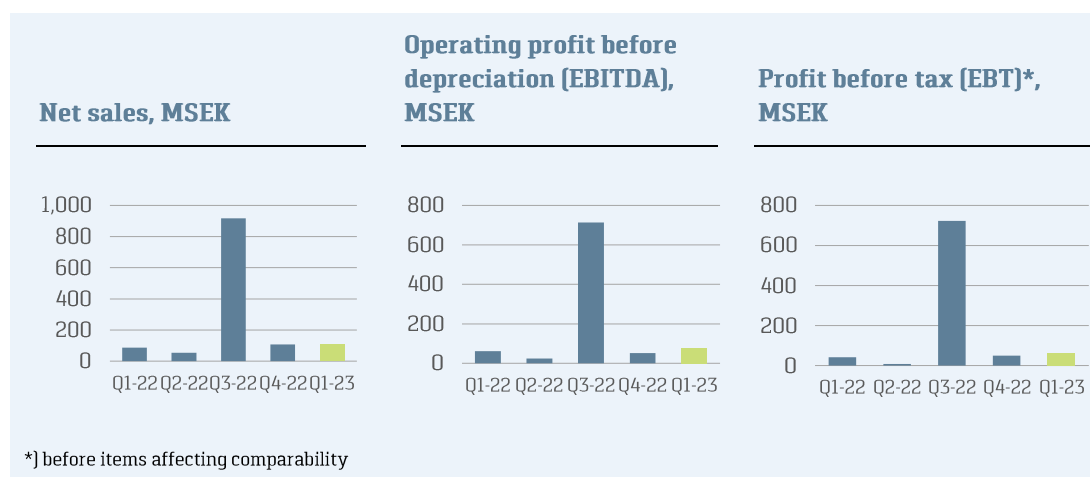
EBITDA increased to MSEK 76 (61). Depreciation increased slightly to MSEK -16 (-15), resulting in EBIT of MSEK 61 (46).

Net financial items, excluding items affecting comparability, amounted to MSEK 2 (-4). 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 comparability of net financial items, whereby a strengthening of SEK will improve the net and vice versa. In the first 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 -11 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⁾.

Recognised profit before and after tax amounted to MSEK 52 (37).

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.

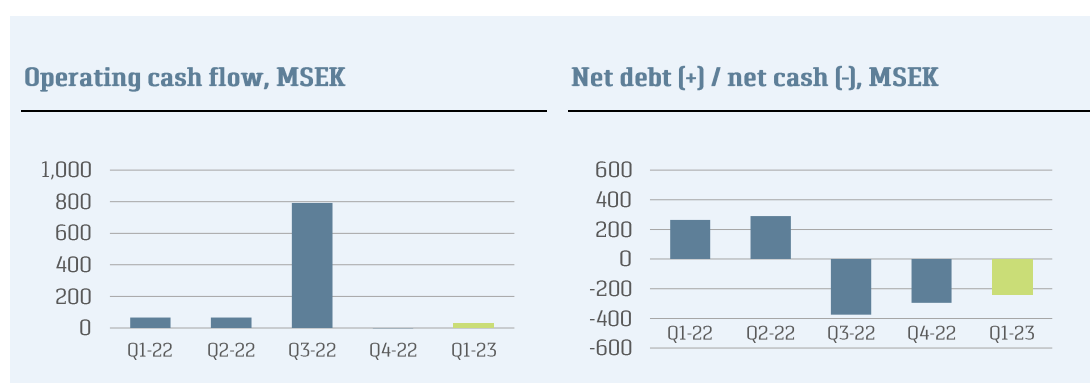


Cash flow and investments

Cash flow from operating activities before changes in working capital was MSEK 74 (59). Changes in working capital were MSEK -44 (9), impacted in part by revenue recognition for Kølvalen during the period. Total operating cash flow was thus MSEK 30 (67). Net cash flow from investing activities was MSEK -71 [-20]. Cash flow after investments thus amounted to MSEK -41 (47). There were no amortisations during the quarter. Interest and other financing costs of MSEK -11 [-3] were paid. No net payments to or from blocked accounts took place, after which cash flow, adjusted for lease effects, amounted to MSEK -56 (37).

Financing and liquidity

At the end of the period, the company had net cash of MSEK 241 compared with net debt of MSEK 263 at the end of the year-earlier quarter. Cash and cash equivalents amounted to MSEK 1,179 (107). In addition, the company signed a project financing agreement for the Lebo project, which is expected to be utilised during the year but had not been at the end of the period. At the end of the period, the equity/assets ratio was 61% (54).



Development

MSEK	Q1 2023	Q1 2022	12m 2022
Income	17	7	927
Cost of sold projects	-	-	-136
Other operating expenses and capitalised work	-6	-2	-58
Operating profit before depreciation (EBITDA)	11	4	733
Operating profit (EBIT)	11	4	733
Comparable profit/loss before tax*	9	3	753
Recognised profit/loss before tax	3	3	738

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

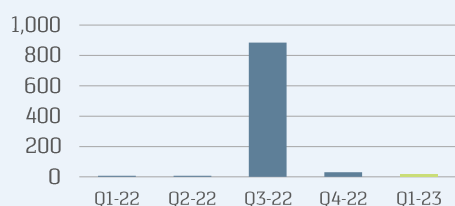
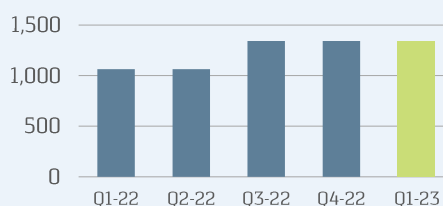
COMMENTS ON THE FIRST QUARTER

Income increased during the quarter due to revenue recognition in the Kolvallen project which was initiated in the third quarter of 2022.

The construction of the Lebo project continued during the quarter and is progressing without material deviations, and is expected to be commissioned in the first quarter of 2024.

During the quarter, the company signed an agreement to acquire 51% of the Finnish company Pohjan Voima Oy, which has developed a well-diversified portfolio of onshore wind and solar projects across Finland, with a current project portfolio of approximately 1.8 GW, which entails an increase of approximately 100 MW since the agreement was signed. The transaction was completed in April 2023. During the quarter, 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. Development activities also continued during the quarter for the HT Skogar portfolio. In the UK, work continued to develop the major solar project 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 solar projects in southern Sweden continued during the quarter. Additionally, the company has added a battery project of approximately 40 MW that is in an early developmental stage. In total, the company now has a portfolio of renewable energy projects of approximately 5.5 GW at its disposal, an increase of approximately 2.4 GW during the quarter, which is presented in more detail under the Portfolio section.

Income increased to MSEK 17 (7). The cost of sold projects amounted to MSEK 0 (0). Other operating expenses and capitalised work totalled MSEK -6 (-2). EBITDA increased to MSEK 11 (4). Depreciation and amortisation amounted to MSEK 0 (0), whereby EBIT amounted to MSEK 11 (4). Net financial items, excluding items affecting comparability, amounted to MSEK -2 (-2) and comparable profit/loss before tax thus increased to MSEK 9 (3). In the first quarter, the comparability of net financial items was impacted by exchange rate differences for bond loan and unallocated bond proceeds of MSEK -5 due to the EUR strengthening against the SEK. Recognised profit before tax thus amounted to MSEK 3 (3).

Income Development, MSEK

Divested projects, accumulated, MW


PORTFOLIO

Arise's development portfolio is presented below, totalling approximately 5.5 GW. The consolidated carrying amount was approximately MSEK 81, excluding Pohjan Voima and Lebo, at the end of the period. Fully developed, the portfolio would equate to an investment level of about SEK 70–80 billion.

The portfolio is divided into projects in later developmental phases, which amount to a total of approximately 900 MW, and projects in early developmental phases, which amount to a total of approximately 4.6 GW. The company is working actively to expand the project portfolio particularly concerning wind and solar power in the Nordic countries and in the UK. 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 evaluates a number of different conceivable projects. The vast majority of the projects being 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

Fasikan, SE 2



MW

100

Finnåberget, SE 2



120

Tormsdale, Scotland



70

Finland*



~600

Total

~900

Projects – early developmental phases

Sweden



MW

~2,400

Sweden



~170

Norway



~200

UK



~120

UK



~500

Finland*



~1,200

Total

~4,600

*J Corresponds to 100% of Pohjan Voima's projects. Arise ownership amounted to 51% after completion on 3 April 2023.



Production

MSEK	Q1 2023	Q1 2022	12m 2022
Income	82	75	211
Operating expenses	-10	-10	-51
Operating profit/loss before depreciation (EBITDA)	72	65	160
Operating profit/loss (EBIT)	57	50	101
Comparable profit/loss before tax*	55	48	99
Recognised profit/loss before tax	49	44	65

*Comparable profit before tax adjusted for exchange rate differences on loan in foreign currencies.

COMMENTS ON THE FIRST QUARTER

Winds were weaker than in the year-earlier period and production at the company's wind farms amounted to 87 GWh (100). The quarter was marked by lower levels of volatility in market prices, as well as lower price levels than in the year-earlier quarter. The market price [weighted average for SE3 and SE4] totalled SEK 965 per MWh (1,134). Despite the lower market price, the company's price hedges contributed to an increase in the average income for electricity, including certificates and guarantees of origin, to SEK 936 per MWh (756). Average income for electricity was thus only 3% under the market price.

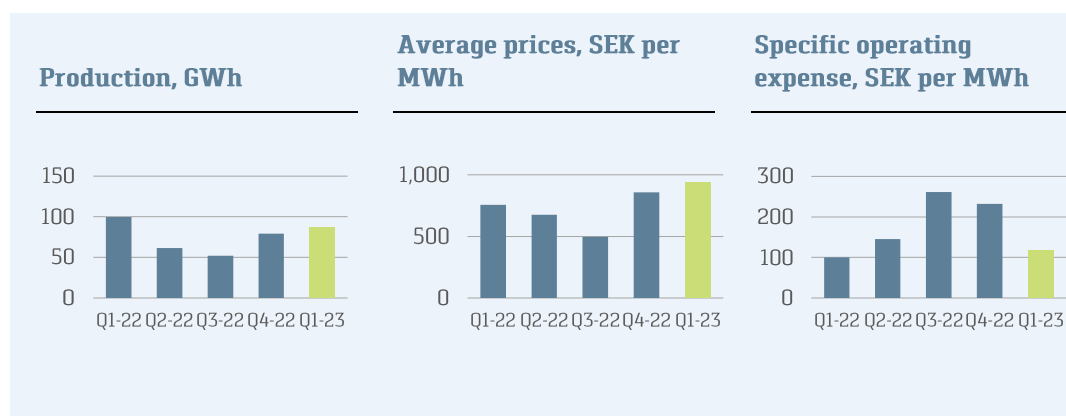
Income increased to MSEK 82 (75) compared with year-earlier period. The specific operating expense amounted to SEK -117 SEK per MWh (-101). EBITDA increased to MSEK 72 (65) compared with the year-earlier quarter. Depreciation amounted to MSEK -15 (-15) and EBIT thus increased to MSEK 57 (50).

Net financial items, excluding items affecting comparability, amounted to MSEK -2 [-2]. Profit before tax, before items affecting comparability, therefore increased to MSEK 55 (48). In the first quarter, the comparability of net financial items was impacted by exchange rate differences for loan in foreign currencies of

MSEK -5 due to the EUR strengthening against the SEK. Recognised profit before tax thus amounted to MSEK 49 [44].

In accordance with IFRS, the production assets are not recognised at market price, 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⁾.

Hedged electricity prices	Q2 2023	Q3 2023	Q4 2023	2024
MWh, SE 4	26,200	26,500	26,500	74,600
EUR per MWh, SE4	124	124	124	110



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.

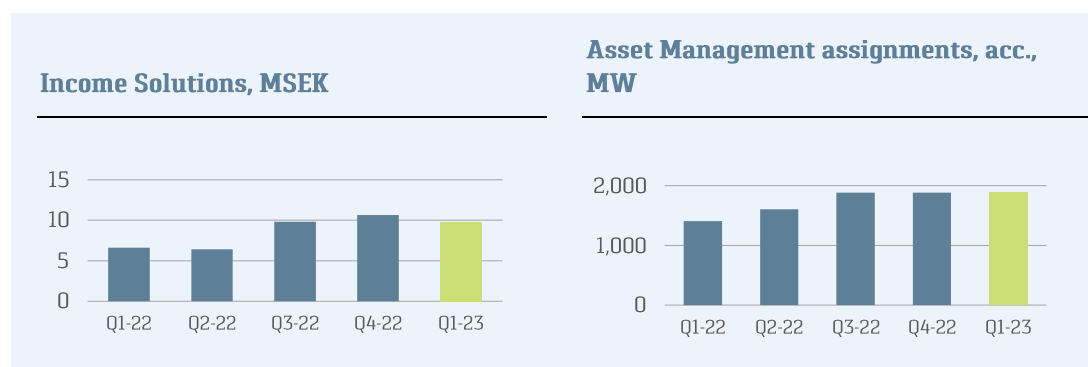
Solutions

MSEK	Q1 2023	Q1 2022	12m 2022
Income	10	7	33
Operating expenses	-10	-8	-34
Operating profit/loss before depreciation (EBITDA)	-1	-2	-1
Operating profit/loss (EBIT)	-1	-2	-1
Profit/loss before tax	-1	-2	-1

COMMENTS ON THE FIRST QUARTER

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

Income amounted to MSEK 10 [7]. Operating expenses amounted to MSEK -10 [-8]. EBITDA was MSEK -1 [-2]. Depreciation and impairment and financial items were MSEK 0 [0] and EBIT and profit before tax thus amounted to MSEK -1 [-2].



OTHER SIGNIFICANT EVENTS

In January 2023, Arise signed an agreement with Persson Invest, one of Sweden's largest private land-owners. 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 assessment from the company, the potential amounts to approximately 500 MW. In March 2023, Arise signed an agreement to acquire 51% of the Finnish company Pohjan Voima Oy. Pohjan Voima Oy has developed a well-diversified portfolio of onshore wind and solar projects across Finland, with a project portfolio that at the time of the signing was approximately 1.7 GW.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

In April 2023, Arise completed the previously announced acquisition of approximately 51% of the shares in Pohjan Voima Oy.

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 solar and wind power projects. These are described in more detail on page 89 under Note 21 in the 2022 Annual Report.

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. Despite a weaker economy and market situation, demand for renewable energy production remains very strong. The company is well positioned with production of renewable electricity and a strong project portfolio. Accordingly, we see very good opportunities for continued 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

Risks and uncertainties affecting the Group are described on pages 49–50 of the 2022 Annual Report, and financial risk management is presented on pages 77–83. 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 solar and wind power 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 first quarter, the Parent Company's total income amounted to MSEK 10 (8) and purchases of electricity and certificates, personnel and other external expenses, capitalised work on own account and depreciation of non-current assets totalled MSEK -23 (-19), resulting in EBIT of MSEK -12 (-11). A net financial expense of MSEK -11 (-2) and Group contributions of MSEK 0 (67) led to net profit/loss after tax of MSEK -23 (53). The Parent Company's net investments amounted to MSEK -51 (-3).

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.

REVIEW BY THE AUDITOR

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

FINANCIAL CALENDAR

- 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
- First quarter (1 January-31 March) 7 May 2024

Halmstad, 4 May 2023

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)		2023	2022	2022
		Q1	Q1	FY
Net sales	Note 1	107	88	1 164
Other operating income		1	0	5
Total income		108	88	1,169
Capitalised work on own account		1	2	4
Personnel costs		-14	-10	-63
Cost of sold projects		-	-	-136
Other external expenses		-19	-18	-124
Operating profit/loss before depreciation (EBITDA)		76	61	851
Depreciation and imp. of non-current assets	Note 2	-16	-15	-61
Operating profit/loss (EBIT)		61	46	790
Profit/loss from financial items	Note 3	-9	-9	-17
Profit/loss before tax		52	37	772
Tax on profit/loss for the period		0	0	0
Net profit/loss for the period		52	37	772
Earnings per share before dilution, SEK		1.16	0.90	18.60
Earnings per share after dilution, SEK		1.16	0.90	18.60

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

(Amounts rounded to the nearest MSEK)		2023	2022	2022
		Q1	Q1	FY
Net profit/loss for the period		52	37	772
<i>Other comprehensive income</i>				
Items that may be reclassified to the income statement				
Translation differences for period		0	0	0
Cash flow hedges		186	-6	45
Income tax attributable to components of other comprehensive income		-38	1	-9
Other comprehensive income for the period, net after tax		148	-5	36
Total comprehensive income for the period		199	32	807

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

CONSOLIDATED BALANCE SHEET

	2023 31 Mar	2022 31 Mar	2022 31 Dec
(Condensed, amounts rounded to the nearest MSEK)			
Intangible assets	30	25	25
Property, plant and equipment ¹⁾	1,231	1,231	1,218
Non-current financial assets	218	51	190
Total non-current assets	1,479	1,308	1,432
Inventories	0	1	0
Other current assets	309	135	263
Cash and cash equivalents	1,179	107	1,220
Total current assets	1,488	242	1,483
TOTAL ASSETS	2,967	1,550	2,916
Equity	1,815	838	1,616
Non-current interest-bearing liabilities ²⁾	999	431	980
Provisions	78	49	62
Total non-current liabilities	1,077	480	1,042
Current interest-bearing liabilities ²⁾	32	17	29
Other current liabilities	43	215	228
Total current liabilities	75	233	258
TOTAL EQUITY AND LIABILITIES	2,967	1,550	2,916

¹⁾ Property, plant and equipment include lease assets of MSEK 62 (57).

²⁾ Interest-bearing liabilities include lease liabilities of MSEK 66 (60).

CONSOLIDATED CASH FLOW STATEMENT

	2023	2022	2022
(Condensed, amounts rounded to the nearest MSEK)	Q1	Q1	FY
Cash flow from operating activities before changes in working capital	74	59	967
Cash flow from changes in working capital	-44	9	-41
Cash flow from operating activities	30	67	926
Investments in non-current assets	-24	-20	-176
Investments in non-current financial assets	-47	-	-130
Cash flow from investing activities	-71	-20	-305
Loan repayments	-	-4	-18
Loan raised	-	-	523
Amortization of lease liabilities	-3	-3	-6
Interest and other financing costs	-11	-3	-33
Net payment to blocked accounts	-	-	-9
New share issue / warrants	-	-	3
Cash flow from financing activities	-14	-10	461
Cash flow for the period	-56	37	1,082
Cash and cash equivalents at the beginning of the period	1,220	70	70
Exchange-rate difference in cash and cash equivalents	15	-1	68
Cash and cash equivalents at the end of the period	1,179	107	1,220
Interest-bearing liabilities at the end of the period (excl. lease liabilities)	965	388	952
Blocked cash at the end of the period	-28	-18	-27
Net debt	-241	263	-296

Note 5

GROUP EQUITY

	2023	2022	2022
(Condensed, amounts rounded to the nearest MSEK)	31 Mar	31 Mar	31 Dec
Opening balance	1,616	676	676
Profit for the year	52	37	772
Other comprehensive income for the period	148	-5	36
New issue of shares/conversion of convertibles	-	129	132
Closing balance	1,815	838	1,616

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2023 Q1	2022 Q1	2022 FY
<u>Operational key performance indicators</u>			
Installed capacity at the end of the period, MW	139.2	139.2	139.2
Own electricity production during the period, GWh	87.0	99.6	292.2
Number of employees at the end of the period	45	32	41
<u>Financial key performance indicators</u>			
Earnings per share before dilution, SEK ¹⁾	1.16	0.90	18.60
Earnings per share after dilution, SEK ¹⁾	1.16	0.90	18.60
EBITDA margin, %	70.9%	69.9%	72.8%
Operating margin, %	56.4%	52.3%	67.6%
Return on capital employed (EBIT), %	40.2%	9.4%	42.0%
Return on equity, %	59.3%	12.8%	67.4%
Equity, MSEK	1,815	838	1,616
Average equity, MSEK	1,326	772	1,146
Net debt, MSEK	-241	263	-296
Equity/assets ratio, %	61.2%	54.0%	55.4%
Debt/equity ratio, times	neg	0.3	neg
Equity per share, SEK	41	20	39
Equity per share after dilution, SEK	41	20	39
No. of shares at the end of the period, excl. treasury shares	44,440,041	44,440,041	44,440,041
Average number of shares	44,440,041	41,503,644	41,503,644
Average number of shares after dilution	44,440,041	41,503,644	41,503,644

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

	2023	2022	2022
(Amounts rounded to the nearest MSEK)	Q1	Q1	FY
Electricity	82	75	208
Certificates and guarantees of origin	0	1	2
Development	17	7	924
Services	8	6	30
Total	107	88	1,164

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 iv) 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 1	Develop- ment		Production		Solutions		Unallocated rev./exp.		Eliminations		Group	
(Amounts rounded to the nearest MSEK)	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
Net sales, external	17	7	81	75	8	6	-	-	-	-	107	88
Net sales, internal	-	-	-	-	1	1	-	-	-1	-1	-	-
Other operating income	0	0	1	0	0	0	0	0	-	-	1	0
Total income	17	7	82	75	10	7	0	0	-1	-1	108	88
Capitalised work on own account	2	2	-	-	-	-	-	-	-	-	2	2
Operating expenses	-8	-4	-10	-10	-10	-8	-6	-7	1	1	-33	-28
EBIT before before depr./imp. (EBITDA)	11	4	72	65	-1	-2	-6	-7	-	-	76	61
Depreciation/impair. Note 2	0	0	-15	-15	0	0	-1	0	-	-	-16	-15
Operating profit/loss (EBIT)	11	4	57	50	-1	-2	-6	-7	-	-	61	46
Net financial items	-7	-2	-8	-6	0	0	6	-1	-	-	-9	-9
Profit/loss before tax (EBT)	3	3	49	44	-1	-2	0	-8	-	-	52	37
Intangible and tangible fixed assets (incl. leasing)	207	163	1,046	1,091	0	0	7	2	-	-	1,261	1,256

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

Depreciation/amortisation	0	0	-15	-15	0	0	-1	0	-	-	-16	-15
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and impairment	0	0	-15	-15	0	0	-1	0	-	-	-16	-15

NOTE 3 - PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts rounded to the nearest MSEK)	2023 Q1	2022 Q1	2022 FY
Interest income			
Other interest income	3	-	6
Interest expense			
Other interest expenses	-3	-1	-5
Bond loan and convertibles	-11	0	-21
Other financial items			
Lease liabilities	-1	-1	-3
Exchange rate difference loan/bond loan	-13	-4	-67
Other financial expenses	-2	-2	-5
Other exchange rate differences	17	-1	78
Total	-9	-9	-17

NOTE 4 – 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 77-83 of the 2022 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)	2023 31 Mar	2022 31 Mar	2022 31 Dec
Assets			
Derivatives held for hedging purposes			
- Derivative assets	80	8	26
Liabilities			
Derivatives held for hedging purposes			
- Derivative liabilities	-1	-166	-133

NOTE 5 – NET DEBT

	2023 31 Mar	2022 31 Mar	2022 31 Dec
(Amounts rounded to the nearest MSEK)			
Non-current liabilities	1,077	480	1,042
- of which interest-bearing non-current liabilities (excl. lease liabilities)	938	374	925
Current liabilities	75	233	258
- of which interest-bearing current liabilities (excl. lease liabilities)	27	13	27
Long and short term interest bearing debt liabilities (excl. lease liabilities)	965	388	952
Cash and cash equivalents at the end of the period	-1,179	-107	-1,220
Blocked cash at the end of the period	-28	-18	-27
Net debt	-241	263	-296

Lease liabilities amounted to MSEK 66 (60) on March 31, 2023.

PARENT COMPANY INCOME STATEMENT

	2023	2022	2022
(Amounts rounded to the nearest MSEK)	Q1	Q1	FY
Sales of electricity and electricity certificates	0	1	1
Development and services	10	7	35
Other operating income	0	0	4
Total income	10	8	40
Capitalised work on own account	1	1	1
Purchases of electricity and electricity certificates	0	-1	-1
Cost of sold projects and asset management	-2	-3	-9
Personnel costs	-12	-9	-55
Other external expenses	-9	-7	-31
Operating profit/loss before depreciation (EBITDA)	-12	-11	-54
Depreciation and imp. of non-current assets	0	0	0
Operating profit/loss (EBIT)	-12	-11	-55
Profit/loss from financial items	Note 1	-2	-22
Profit/loss after financial items	-23	-14	-76
Group contribution	-	67	113
Profit/loss before tax	-23	53	37
Tax on profit/loss for the period	-	0	0
Net profit/loss for the period	-23	53	36

PARENT COMPANY BALANCE SHEET

	2023	2022	2022
(Condensed, amounts rounded to the nearest MSEK)	31 Mar	31 Mar	31 Dec
Intangible assets	30	25	25
Property, plant and equipment	43	41	45
Non-current financial assets	1,065	704	1,013
Total non-current assets	1,138	770	1,083
Other current assets	61	72	49
Cash and cash equivalents	391	74	293
Total current assets	452	146	342
TOTAL ASSETS	1,589	916	1,424
Restricted equity	4	4	4
Non-restricted equity	741	778	764
Total equity	745	781	768
Non-current interest-bearing liabilities	556	-	548
Total non-current liabilities	556	-	548
Other current liabilities	288	135	108
Total current liabilities	288	135	108
TOTAL EQUITY AND LIABILITIES	1,589	916	1,424

PARENT COMPANY EQUITY

	2023	2022	2022
(Condensed, amounts rounded to the nearest MSEK)	31 Mar	31 Mar	31 Dec
Opening balance	768	599	599
Other comprehensive costs for the period	-23	53	36
New issue of shares/ conversion of convertibles	-	129	132
Closing balance	745	781	768

NOTE 1 – PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts rounded to the nearest MSEK)	2023 Q1	2022 Q1	2022 FY
Interest income			
Intra-Group interest income	-	0	0
Other interest income	3	-	3
Interest expense			
Intra-Group interest expenses	-1	-1	-3
Bond loan and convertibles	-11	0	-21
Other financial items			
Realized profit on sale of subsidiaries	0	0	2
Exchange rate difference bond loan	-7	-	-33
Other financial income and expenses	-1	-1	-2
Other exchange rate differences	6	-1	32
Total	-11	-2	-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.

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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