

INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2023

We create
renewable
energy



Interim report 1 January – 30 September 2023

THIRD QUARTER (1 JULY – 30 SEPTEMBER 2023)

- Net sales for the quarter amounted to MSEK 96 (917).
- Operating profit before depreciation and amortisation (EBITDA) totalled MSEK 59 (713).
- Operating profit (EBIT) was MSEK 43 (697).
- Profit after tax totalled MSEK 35 (705) and earnings per share was SEK 0.84 (15.86).
- Operating cash flow was MSEK -47 (792) and cash flow after investments amounted to MSEK -231 (659).
- Production generated 60 GWh (52) of green electricity with an average income of SEK 718 per MWh (496).
- Arise held its Capital Markets Day in September 2023 and presented new financial targets with a focus on profitable growth.
- The earnout payment for project Skaftåsen of MEUR 6.4 was settled in September 2023, of which MEUR 2.5 was recognised during the quarter.
- The project portfolio increased by approximately 160 MW during the quarter.

FIRST NINE MONTHS (1 JANUARY – 30 SEPTEMBER 2023)

- Net sales for the period amounted to MSEK 313 (1,058).
- Operating profit before depreciation and amortisation (EBITDA) totalled MSEK 204 (799).
- Operating profit (EBIT) totalled MSEK 157 (753).
- Profit after tax totalled MSEK 123 (736) and earnings per share was SEK 2.86 (17.74).
- Operating cash flow was MSEK 43 (926) and cash flow after investments amounted to MSEK -439 (694).
- Production generated 201 GWh (213) of green electricity with an average income of SEK 874 per MWh (669).
- 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 1,700 MW.
- The project portfolio increased by approximately 3,200 MW during the period.

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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.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- The wind farm project Fasikan was divested in October 2023 to SCA. The total purchase price amounted to approximately MSEK 125, which also includes a variable portion that is dependent on how construction of the project progresses in relation to budget.
- Arise entered into a partnership agreement with SCA in October 2023 to cooperate in the development of wind power in six identified land areas. The estimated total potential amounts to approximately 1,000 MW and the projects will be included in Arise's project portfolio as early-stage projects. Arise will have a 49% ownership in the projects once they reach ready-to-build status.
- Given the sale of Fasikan and the partnership agreement with SCA, the project portfolio amounts thereafter to approximately 6,800 MW.
- Arise announced in November 2023 that the Board of Directors has decided to utilise the authorisation granted by the Annual General Meeting in May 2023 to repurchase the company's own shares up to a maximum amount of MSEK 100 until the date of the Annual General Meeting 2024.

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A strong quarter in terms of profitability with good production income and a continued profitable development business

Low spot prices for electricity as a result of a wet summer that culminated in extreme rainfall with the storm Hans. The hydrological balance in the Nordic countries changed at record speed from a previous deficit at the start of July following an extremely dry beginning of the summer to a historically high surplus, forcing spot prices in the Nordic countries to fall. Despite the market situation and relatively low production in relation to budget, our production has recorded historically high third-quarter earnings, primarily thanks to our favourable price hedging.

We are approaching the colder months with well-filled reservoirs in the Nordic countries and high gas stock levels in continental Europe. The market will continue to be highly weather dominated in the short term. I would like to once again point out that the European electricity system remains sensitive to supply shocks, that preconditions can rapidly change with the weather and that we can also confirm that gas prices are demonstrating an upward trend ahead of the winter.

As previously announced, the project Skaftåsen has entered commercial operation. We have now received the final payment, the earnout, which corresponds to the amount announced when the transaction was carried out in December 2019. We are proud and delighted to be able to contribute to realising a project of this magnitude, particularly having established a good example for the future where we see benefits for local businesses, local residents and the municipality. The project left a positive mark during construction and will continue to contribute to the development of the local area under operation.

We arranged a well-attended Capital Markets Day according to plan on 12 September when we introduced our new financial targets that reflect our ambition for profitable growth. The targets are designed to be challenging but realistic. Assuming that we succeed in achieving our growth target to increase our project portfolio and rate of transactions, in other words, to sell more projects each year and increase own production, we will by definition become a larger and more successful company.

The company completed the sale of project Fasikan in mid-October. We are happy to have succeeded in reaching our targets with the transaction despite being faced with market conditions that are at present relatively challenging. In a separate transaction, Arise and SCA have signed a more long-term agreement concerning the development of projects in selected parts of SCA's land. The partnership will create the prerequisites for more attractive projects to be realised that can contribute to meeting increased electricity consumption from industry and tackling climate challenges.

In conclusion, we have completed the first three quarters of an already eventful year. Our expectations for 2023 to be a good year for the company's profitability and growth remain firm. In the long term, our fundamental view of the future remains highly positive, as showcased by our targets. With this in mind, we look forward to the year's final quarter and a healthy conclusion to 2023.

Halmstad, 15 November 2023

Per-Erik Eriksson

CEO



"In the long term, our fundamental view of the future remains highly positive, as showcased by our targets."

Net sales and results

MSEK	Q3 2023	Q3 2022	9 m 2023	9 m 2022
Net sales	96	917	313	1,058
EBITDA	59	713	204	799
EBIT	43	697	157	753
Profit before tax	35	705	123	736
Profit after tax	35	705	123	736

COMMENTS ON THE THIRD QUARTER

Income in Development declined during the quarter as a result of the sale of Kølvalen in the corresponding quarter of the preceding year. The final settlement of project Skaftåsen positively impacted income during the quarter. Income from Solutions increased, with a positive earnings contribution. In Production, winds were weaker than normal while market prices were significantly lower than in the year-earlier quarter. However, the company's price hedging led to total income in Production increasing despite this, with average income significantly over the average market price.

Net sales amounted to MSEK 96 (917) with the sale of Kølvalen in 2022 considerably impacting the year-on-year figure. Production generated 60 GWh (52) green electricity while the average realised price increased to SEK 718 per MWh (496), despite lower market prices. Operating expenses amounted to MSEK -40 (-206).

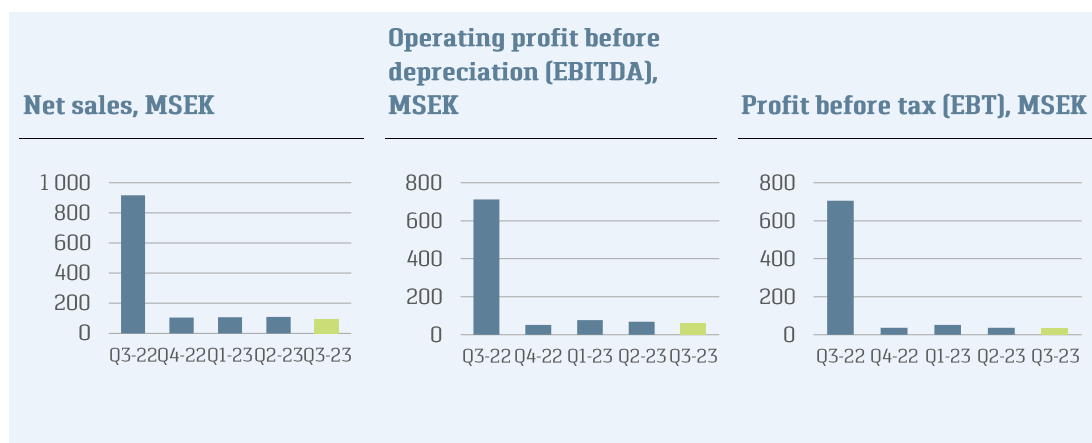
Overall, EBITDA amounted to MSEK 59 (713). Depreciation amounted to MSEK -16 (-15), resulting in EBIT of MSEK 43 (697). Net financial items amounted to MSEK -8 (7), of which exchange rate differences corresponded to MSEK 6 (17). The company's electricity production assets are valued in EUR and income is received in EUR. The company has therefore chosen to take loans 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. Corresponding reverse value changes in SEK terms for the underlying assets are not recognised.

Profit before and after tax amounted to MSEK 35 (705).

COMMENTS ON THE FIRST NINE MONTHS OF THE YEAR

In Development, revenue recognition from the Skaftåsen and Kølvalen projects positively impacted income. Income in Production increased as a result of higher year-on-year realised prices. In total, 201 GWh (213) of green electricity was produced, and the average price for production totalled SEK 874 per MWh (669). In total, net sales amounted to MSEK 313 (1,058). Operating expenses amounted to MSEK -118 (-266).

EBITDA amounted to MSEK 204 (799) and EBIT to MSEK 157 (753). Net financial items amounted to MSEK -34 (-17), of which exchange rate differences corresponded to MSEK 6 (4). Profit before and after tax amounted to MSEK 123 (736).



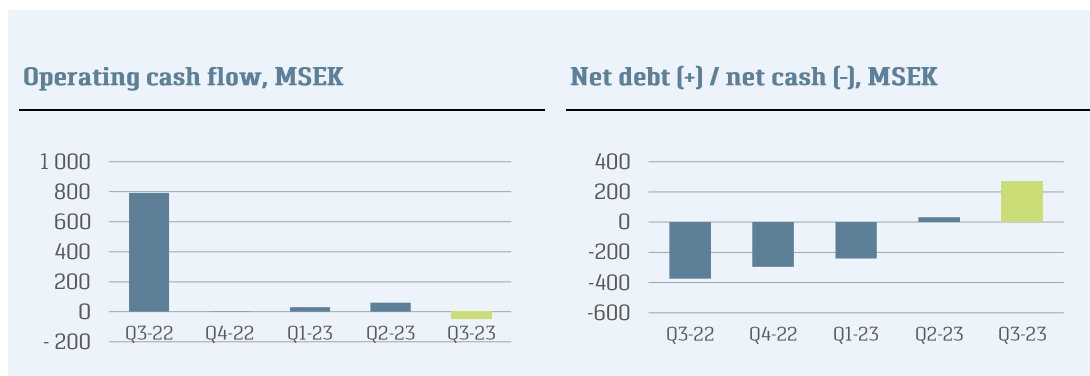
Cash flow and investments

COMMENTS ON THE THIRD QUARTER

Cash flow from operating activities before changes in working capital was MSEK 56 [833]. Changes in working capital were MSEK -104 [-41] and were negatively impacted by an advance payment of approximately MSEK 140 related to project Fasikan, which the company received payment for after the end of the period. This will therefore have a positive impact on cash flow in the fourth quarter in a corresponding amount. Total operating cash flow therefore amounted to MSEK -47 [792]. Net cash flow from investing activities was MSEK -183 [-134], driven primarily by investments in the Lebo project. Cash flow after investments therefore amounted to MSEK -231 [659]. There were no amortisations during the quarter. New loans for the Lebo project were raised totalling MSEK 149 [0]. Interest and financing costs of MSEK -13 [-7] were paid. Payments to blocked accounts amounted to MSEK 0 [-9], after which cash flow, adjusted for lease effects, amounted to MSEK -96 [642] for the quarter.

COMMENTS ON THE FIRST NINE MONTHS OF THE YEAR

Cash flow from operating activities before changes in working capital was MSEK 199 [914]. Changes in working capital were MSEK -157 [13] and the total operating cash flow was thus MSEK 43 [926]. Net cash flow from investing activities was MSEK -482 [-233], driven primarily by investments in the Lebo project and the acquisition of 51% of Pohjan Voima in the second quarter. Cash flow after investments therefore amounted to MSEK -439 [694]. Amortisations totalling MSEK -40 [-11] were paid. New loans were raised totalling MSEK 149 [523] and interest and financing costs of MSEK -43 [-21] were paid. A dividend payment of MSEK -44 [0] was paid and payments to blocked accounts amounted to MSEK 0 [-9], after which cash flow, adjusted for lease effects, amounted to MSEK -425 [1,172].



Financing and liquidity

At the end of the period, the company had a net debt of MSEK 270 compared with net cash of MSEK 374 at the end of the year-earlier quarter. Cash and cash equivalents at the end of the period totalled MSEK 830 (1,287). At the end of the period, the equity/assets ratio was 58% (45).

Development

MSEK	Q3 2023	Q3 2022	9 m 2023	9 m 2022
Income	42	884	109	898
Cost of sold projects	0	-136	0	-136
Other operating expenses and capitalised work	-15	-43	-29	-52
Operating profit before depreciation (EBITDA)	27	704	80	710
Operating profit (EBIT)	27	704	80	710
Profit before tax	23	712	55	712

COMMENTS ON THE THIRD QUARTER

Income for Development declined as the year-earlier quarter was impacted by the sale of Kølvalen. The earnout for Skaftåsen was determined at MEUR 6.4 and was settled during the quarter, leading to additional revenue recognition of approximately MEUR 2.5, corresponding to about MSEK 29.

The construction of the Lebo project continued during the quarter and is progressing without any material deviations. The project is still expected to be in operation during the fourth quarter of 2023, with commercial take-over in the first quarter of 2024.

Development activities continued during the quarter for the HT Skogar portfolio as well as intensified work with development on Persson Invest's land. In the UK, work continued to develop the major solar project while activities to secure new project rights continued and has started to yield results. For the Tormsdale project in Scotland, the permit application is in process and the grid connection is secured. Development activities related to the solar projects and battery projects in Sweden continued during the quarter. In Finland, development activities are proceeding according to plan. One project received a negative decision from the Finnish Defence Forces and was removed as an early-stage project while several additional projects are being evaluated. In total, the company has a project portfolio of approximately 6,800 MW including projects related to the partnership with SCA.

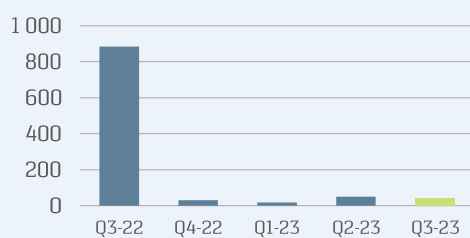
Income amounted to MSEK 42 (884). The cost of sold projects amounted to MSEK 0 (-136). Other operating expenses and capitalised work totalled MSEK -15 (-43), and depreciation and amortisation amounted to MSEK 0 (0). EBITDA therefore amounted to MSEK 27 (704) and EBIT to MSEK 27 (704). Net financial items amounted to MSEK -5 (8), of which exchange rate differences corresponded to MSEK 8 (17). Profit before tax thus amounted to MSEK 23 (712).



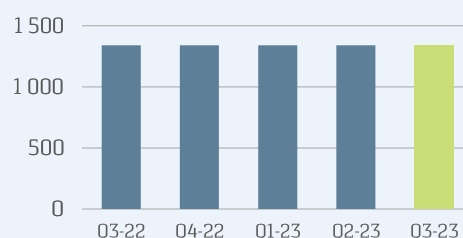
COMMENTS ON THE FIRST NINE MONTHS OF THE YEAR

Income amounted to MSEK 109 (898). The cost of sold projects amounted to MSEK 0 (-136). Other operating expenses and capitalised work declined to MSEK -29 (-52), and depreciation and amortisation amounted to MSEK 0 (0). EBITDA amounted to MSEK 80 (710) and EBIT to MSEK 80 (710). Net financial items amounted to MSEK -25 (2), of which exchange rate differences corresponded to MSEK 11 (16). Profit before tax thus declined to MSEK 55 (712).

Income Development, MSEK



Divested projects, accumulated, MW



PORTFOLIO

Arise's development portfolio on the reporting date is presented below, amounting to approximately 6,800 MW. Fully developed, the portfolio would equate to an investment level of about SEK 80–90 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 5,900 MW. 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 company is also developing a number of projects in battery storage.

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, 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

Finnåberget, SE 2

Tormsdale, Scotland

Finland*

Total



MW

200

70

~600

~900

Projects – early developmental phases

Sweden**

Sweden

Norway

UK

UK

Finland*

Total



MW

~3 350

~360

~260

~120

~650

~1 150

~5 900

*] Represents Pohjan Voima's project portfolio. Arise's ownership in Pohjan Voima amounts to about 51%.

**] Including assessed total potential of about 1,000 MW from the partnership with SCA. Arise's future ownership in these projects amounts to 49%.

Production

MSEK	Q3 2023	Q3 2022	9 m 2023	9 m 2022
Income	43	26	177	143
Operating expenses	-12	-14	-38	-33
Operating profit before depreciation (EBITDA)	31	12	139	111
Operating profit (EBIT)	17	-2	94	66
Profit before tax	18	-12	73	39

COMMENTS ON THE THIRD QUARTER

Winds were weaker than normal during the period and production at the company's wind farms amounted to 60 GWh (52). At the same time, the average income for electricity incl. certificates and guarantees of origin increased to SEK 718 per MWh (496). The company's price hedging was a strong contributing factor to increased average income, which was considerably higher than the average market price during the period.

Income amounted to MSEK 43 (26), an increase attributable to higher production and average income compared with the year-earlier period. The specific operating expense declined compared with the year-earlier period to SEK -201 per MWh (-262).

EBITDA increased to MSEK 31 (12). Depreciation amounted to MSEK -15 (-15) and EBIT thus increased to MSEK 17 (-2).

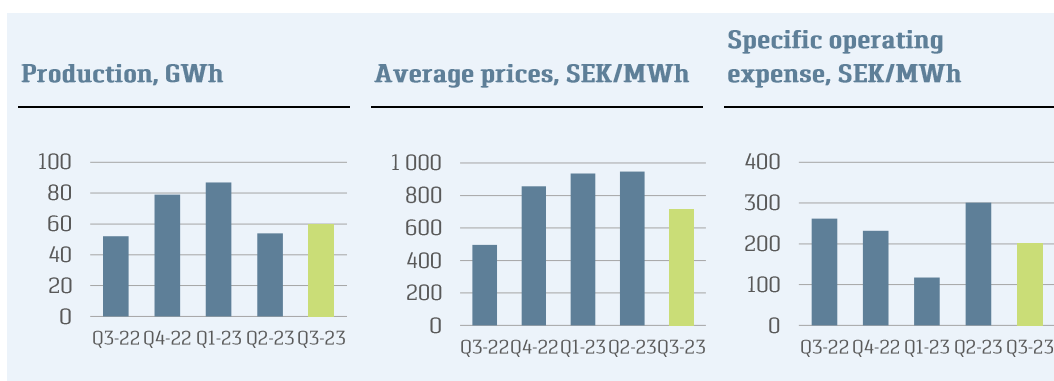
Net financial items amounted to MSEK 1 (-10), of which exchange rate differences corresponded to MSEK 5 (-7). Profit/loss before tax thus increased to MSEK 18 (-12).

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 of the production assets exceeded the carrying amount by about MEUR 60¹⁾.

1) Based on a discount rate of 8.2%, 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	Q4 2023	2024
MWh, SE 4	30,900	92,200
EUR per MWh, SE4	119	105



COMMENTS ON THE FIRST NINE MONTHS OF THE YEAR

Production at the company's wind farms declined to 201 GWh (213) due to weaker winds during the first half of the year than in the year-earlier period. At the same time, the average income for electricity including certificates and guarantees of origin amounted to SEK 874 per MWh (669). The average income was higher than the market price for the period as a result of the positive impact of price hedging.

Income amounted to MSEK 177 (143). The specific operating expense amounted to SEK -192 per MWh (-153) and EBITDA increased to MSEK 139 (111). Depreciation amounted to MSEK -45 (-44), after which EBIT increased to MSEK 94 (66). Net financial items amounted to MSEK -21 (-28), of which exchange rate differences corresponded to MSEK -9 (-21). Profit before tax thus increased to MSEK 73 (39).

Solutions

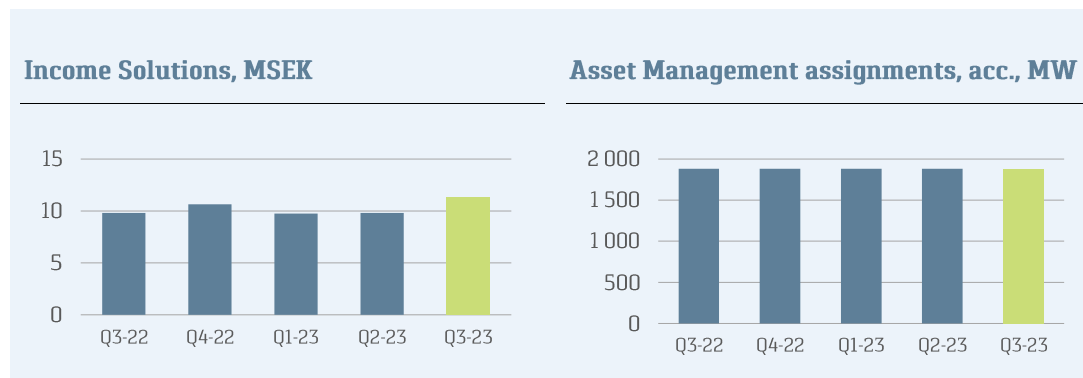
MSEK	Q3 2023	Q3 2022	9 m 2023	9 m 2022
Income	11	10	31	23
Operating expenses	-8	-8	-28	-25
Operating profit before depreciation (EBITDA)	3	2	3	-2
Operating profit (EBIT)	3	2	3	-2
Profit before tax	3	2	3	-2

COMMENTS ON THE THIRD QUARTER

In Solutions, the takeover of Skaftåsen meant the conclusion of the construction management agreement and the commencement of the asset management agreement for the operational wind farm. Income increased to MSEK 11 (10). Operating expenses amounted to MSEK -8 (-8) and EBITDA thus amounted to MSEK 3 (2). Depreciation and financial items were MSEK 0 (0) and EBIT and profit before tax thus increased to MSEK 3 (2).

COMMENTS ON THE FIRST NINE MONTHS OF THE YEAR

Income increased to MSEK 31 (23), primarily driven by the construction management agreement for Kølvalen that came into force in July 2022. Operating expenses amounted to MSEK -28 (-25), whereby EBITDA increased to MSEK 3 (-2). Depreciation and financial items were MSEK 0 (0) and EBIT and profit/loss before tax thus amounted to MSEK 3 (-2).



OTHER SIGNIFICANT EVENTS

At the Capital Markets Day in September 2023, Arise presented new financial targets with a focus on profitable growth. Also in September, the earnout payment of MEUR 6.4 was settled for project Skaftåsen, and was received in the same month.

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.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

The wind farm project Fasikan was divested in October 2023 to SCA. The total purchase price amounted to MSEK 125, which also includes a variable portion that is dependent on how construction of the project progresses in relation to budget.

Arise entered into a partnership agreement with SCA in October 2023. Arise and SCA will cooperate in the development of wind power in six identified land areas. The estimated potential amounts to approximately 1,000 MW and the projects will be included in Arise's project portfolio as early-stage projects. Arise will have a 49% ownership in the projects once they reach ready-to-build status.

Given the sale of Fasikan and the partnership agreement with SCA, the project portfolio amounts thereafter to approximately 6,800 MW.

Arise announced in November 2023 that the Board of Directors has decided to utilise the authorisation granted by the Annual General Meeting in May 2023 to repurchase the company's own shares up to a maximum amount of MSEK 100 until the date of the Annual General Meeting 2024.

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 trading activities and guarantees of origin.

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

During the first nine months of the year, the Parent Company's total income amounted to MSEK 34 (29), and purchases of electricity and certificates, personnel and other external expenses, capitalised work on own account and depreciation of non-current assets totalled MSEK -67 (-60), resulting in EBIT of MSEK -33 (-31). Net financial items of MSEK 10 (-10) and Group contributions of MSEK 0 (67) led to net profit/loss after tax of MSEK -22 (26). The Parent Company's net investments amounted to MSEK -278 (-298).

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. With the exception of what is outlined below, the accounting policies are consistent with those applied in the 2022 Annual Report.

Reporting of asset acquisitions

Corporate acquisitions, the primary purpose of which is to acquire the company's project portfolio and rights and where the company's management organisation and administration are of secondary importance to the acquisition, are classed as asset acquisitions. Arise has therefore assessed that the acquisition of Pohjan Voima comprises an asset acquisition.

FINANCIAL CALENDAR

- | | |
|--|------------------|
| ▪ Fourth quarter (1 October-31 December) | 15 February 2024 |
| ▪ First quarter (1 January-31 March) | 7 May 2024 |
| ▪ Second quarter (1 April-30 June) | 17 July 2024 |
| ▪ Third quarter (1 July-30 September) | 14 November 2024 |

Halmstad, 15 November 2023

Arise AB (publ)

Per-Erik Eriksson

CEO

FOR FURTHER INFORMATION, PLEASE CONTACT

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REVIEW REPORT

Introduction

We have performed a review of the interim condensed financial information (interim report) of Arise AB (publ) at 30 September 2023, and the nine-month period ending on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

Direction and scope of the review

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with the ISA, and with generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed on the basis of a review does not provide the same level of assurance as an opinion expressed on the basis of an audit.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material aspects, been compiled for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Gothenburg, 15 November 2023

Öhrlings PricewaterhouseCoopers AB

Ulrika Ramsvik

Authorised

CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2023	2022	2023	2022	2022
		Q 3	Q 3	9 mon	9 mon	FY
Net sales	Note 1	96	917	313	1,058	1,164
Other operating income		0	2	2	4	5
Total income		96	919	315	1,061	1,169
Capitalised work on own account		3	0	8	4	4
Personnel costs		-17	-11	-50	-32	-63
Cost of sold projects		-	-136	-	-136	-136
Other external expenses		-23	-60	-68	-98	-124
Operating profit/loss before depreciation (EBITDA)		59	713	204	799	851
Depreciation and imp. of non-current assets	Note 2,3	-16	-15	-47	-46	-61
Operating profit/loss (EBIT)		43	697	157	753	790
Profit/loss from financial items	Note 4	-8	7	-34	-17	-17
Profit/loss before tax		35	705	123	736	772
Tax on profit/loss for the period		0	0	0	0	0
Net profit/loss for the period		35	705	123	736	772
Net profit/loss for the period attributable to:						
Parent company shareholders		37	705	127	736	772
Non-controlling interests		-2	-	-4	-	-
Earnings per share regarding profit/loss attributable to parent company shareholders:						
Earnings per share before dilution, SEK		0.84	15.86	2.86	17.74	18.60
Earnings per share after dilution, SEK		0.84	15.86	2.86	17.74	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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts rounded to the nearest MSEK)	2023 Q 3	2022 Q 3	2023 9 mon	2022 9 mon	2022 FY
Net profit/loss for the period	35	705	123	736	772
Other comprehensive income					
Items that may be reclassified to the income statement					
Translation differences for period	15	0	14	0	0
Cash flow hedges	27	-181	205	-291	45
Income tax attributable to components of other comprehensive income	-6	37	-42	60	-9
Other comprehensive income for the period, net after tax	36	-144	177	-231	36
Total comprehensive income for the period	71	561	299	505	807
Total comprehensive income for the period attributable to:					
Parent company shareholders	74	561	297	505	807
Non-controlling interests	-2	-	3	-	-

CONSOLIDATED BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2023 30 Sep	2022 30 Sep	2022 31 Dec
Intangible assets	30	25	25
Property, plant and equipment ¹⁾	2,199	1,166	1,218
Non-current financial assets	248	248	190
Total non-current assets	2,477	1,439	1,432
Inventories	-	0	0
Other current assets	494	166	263
Cash and cash equivalents	830	1,287	1,220
Total current assets	1,324	1,454	1,483
TOTAL ASSETS	3,801	2,893	2,916
Equity attributed to parent company shareholders	1,868	1,310	1,616
Equity attributed to non-controlling interests	333	-	-
Total equity	2,201	1,310	1,616
Non-current interest-bearing liabilities ²⁾	1,161	981	980
Other non-current liabilities	207	-	-
Provisions	68	58	62
Total non-current liabilities	1,436	1,039	1,042
Current interest-bearing liabilities ²⁾	32	18	29
Other current liabilities	131	526	228
Total current liabilities	164	544	258
TOTAL EQUITY AND LIABILITIES	3,801	2,893	2,916

¹⁾ Property, plant and equipment include lease assets amounted to MSEK 62 (55) on September 30, 2023.

²⁾ Interest-bearing liabilities include lease liabilities amounted to MSEK 66 (58) on September 30, 2023.

CONSOLIDATED CASH FLOW STATEMENT

(Condensed, amounts rounded to the nearest MSEK)	2023	2022	2023	2022	2022
	Q 3	Q 3	9 mon	9 mon	FY
Cash flow from operating activities before changes in working capital	56	833	199	914	967
Cash flow from changes in working capital	-104	-41	-157	13	-41
Cash flow from operating activities	-47	792	43	926	926
Investments in non-current assets	-183	-10	-298	-109	-176
Investments in non-current financial assets	-	-124	-47	-124	-130
Acquisition of subsidiary	-	-	-136	-	-
Cash flow from investing activities	-183	-134	-482	-233	-305
Loan repayments	-	-	-40	-11	-18
Loan raised	149	-	149	523	523
Amortization of lease liabilities	-1	0	-7	-5	-6
Interest and other financing costs	-13	-7	-43	-21	-33
Net payment to blocked accounts	-	-9	-	-9	-9
Dividend to the parent company shareholders	-	-	-44	-	-
New share issue / warrants	-	-	-	-	3
Cash flow from financing activities	135	-16	14	478	461
Cash flow for the period	-96	642	-425	1,172	1,082
Cash and cash equivalents at the beginning of the period	946	611	1,220	70	70
Exchange-rate difference in cash and cash equivalents	-20	34	34	45	68
Cash and cash equivalents at the end of the period	830	1,287	830	1,287	1,220
Interest-bearing liabilities at the end of the period (excl. lease liabilities)	1,127	940	1,127	940	952
Blocked cash at the end of the period	-28	-27	-28	-27	-27
Net debt	270	-374	270	-374	-296

Note 6

GROUP EQUITY

	2023	2022	2022
(Condensed, amounts rounded to the nearest MSEK)	30 Sep	30 Sep	31 Dec
Opening balance	1,616	676	676
Profit for the period	123	736	772
Other comprehensive income for the period	177	-231	36
Dividend to the parent company shareholders	-44	-	-
Non-controlling interests from acquisition of subsidiary	330	-	-
New issue of shares/conversion of convertibles	-	129	132
Closing balance	2,201	1,310	1,616

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2023 Q 3	2022 Q 3	2023 9 mon	2022 9 mon	2022 FY
<u>Operational key performance indicators</u>					
Installed capacity at the end of the period, MW	139.2	139.2	139.2	139.2	139.2
Own electricity production during the period, GWh	59.8	52.1	200.7	213.2	292.2
Number of employees at the end of the period	57	36	57	36	41
<u>Financial key performance indicators</u>					
Earnings per share before dilution, SEK ¹⁾	0.84	15.86	2.86	17.74	18.60
Earnings per share after dilution, SEK ¹⁾	0.84	15.86	2.86	17.74	18.60
EBITDA margin, %	61.5%	77.6%	64.9%	75.3%	72.8%
Operating margin, %	45.0%	75.9%	49.9%	70.9%	67.6%
Return on capital employed (EBIT), %	6.9%	43.8%	6.9%	43.8%	42.0%
Return on equity, %	9.0%	72.9%	9.0%	72.9%	67.4%
Equity, MSEK	2,201	1,310	2,201	1,310	1,616
Average equity, MSEK	1,755	1,027	1,755	1,027	1,146
Net debt, MSEK	270	-374	270	-374	-296
Equity/assets ratio, %	57.9%	45.3%	57.9%	45.3%	55.4%
Debt/equity ratio, times	0.1	neg	0.1	neg	neg
Equity per share, SEK	42	29	42	32	39
Equity per share after dilution, SEK	42	29	42	32	39
No. of shares at the end of the period, excl. treasury shares	44,440,041	44,440,041	44,440,041	44,440,041	44,440,041
Average number of shares	44,440,041	44,440,041	44,440,041	41,503,644	41,503,644
Average number of shares after dilution	44,440,041	44,440,041	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

(Amounts rounded to the nearest MSEK)	2023 Q 3	2022 Q 3	2023 9 mon	2022 9 mon	2022 FY
Electricity	43	26	175	141	208
Certificates and guarantees of origin	0	0	1	1	2
Development	42	882	109	894	924
Services	11	9	28	21	30
Total	96	917	313	1,058	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 compensation for development costs 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 3	Develop- ment		Production		Solutions		Unallocated rev./exp.		Eliminations		Group	
	Q 3 2023	Q 3 2022	Q 3 2023	Q 3 2022	Q 3 2023	Q 3 2022	Q 3 2023	Q 3 2022	Q 3 2023	Q 3 2022	Q 3 2023	Q 3 2022
(Amounts rounded to the nearest MSEK)												
Net sales, external	42	882	43	26	11	9	-	-	-	-	96	917
Net sales, internal	-	-	-	-	1	1	-	-	-1	-1	-	-
Other operating income	0	1	1	0	0	0	0	0	-	-	0	2
Total income	42	884	43	26	11	10	0	0	-1	-1	96	919
Capitalised work on own account	3	0	-	-	-	-	-	-	-	-	3	0
Operating expenses	-17	-180	-12	-14	-8	-8	-3	-6	1	1	-40	-206
EBIT before depr./imp. (EBITDA)	27	704	31	12	3	2	-3	-6	-	-	59	713
Depreciation/impair. Note 2	0	0	-15	-15	-	0	-1	0	-	-	-16	-15
Operating profit/loss (EBIT)	27	704	17	-2	3	2	-4	-6	-	-	43	697
Net financial items	-5	8	1	-10	0	0	-5	9	-	-	-8	7
Profit/loss before tax (EBT)	23	712	18	-12	3	2	-9	3	-	-	35	705
Intangible and tangible fixed assets (incl. leasing)	1,204	117	1,016	1,073	-	0	9	1	-	-	2,229	1,191

NOTE 2 – DEPRECIATION AND IMPAIRMENT OF NON-CURRENT ASSETS

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

GROUP SEGMENT REPORTING

9 months	Develop- ment		Production		Solutions		Unallocated rev./exp.		Eliminations		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
(Amounts rounded to the nearest MSEK)												
Net sales, external	109	895	175	143	28	20	-	-	-	-	313	1,058
Net sales, internal	-	-	-	-	3	2	-	-	-3	-2	-	-
Other operating income	0	3	2	0	0	0	0	0	-	-	2	4
Total income	109	898	177	143	31	23	0	0	-3	-2	315	1,061
Capitalised work on own account	8	4	-	-	-	-	-	-	-	-	8	4
Operating expenses	-37	-191	-38	-33	-28	-25	-17	-20	3	2	-118	-266
EBIT before depr./imp. (EBITDA)	80	710	139	111	3	-2	-17	-20	-	-	204	799
Depreciation/impair. Note 3	0	0	-45	-44	0	0	-2	-1	-	-	-47	-46
Operating profit/loss (EBIT)	80	710	94	66	3	-2	-20	-21	-	-	157	753
Net financial items	-25	2	-21	-28	0	0	12	9	-	-	-34	-17
Profit/loss before tax (EBT)	55	712	73	39	3	-2	-8	-12	-	-	123	736
Intangible and tangible fixed assets (incl. leasing)	1,204	117	1,016	1,073	-	0	9	1	-	-	2,229	1,191

NOTE 3 – DEPRECIATION AND IMPAIRMENT OF NON-CURRENT ASSETS

Depreciation/amortisation	0	0	-45	-44	0	0	-2	-1	-	-	-47	-46
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and impairment	0	0	-45	-44	0	0	-2	-1	-	-	-47	-46

NOTE 4 - PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts rounded to the nearest MSEK)	2023 Q 3	2022 Q 3	2023 9 mon	2022 9 mon	2022 FY
Interest income					
Other interest income	5	1	12	1	6
Interest expense					
Other interest expenses	-5	-1	-11	-4	-5
Bond loan and convertibles	-12	-8	-34	-12	-21
Other financial items					
Lease liabilities	-1	-1	-2	-2	-3
Exchange rate difference loan/bond loan	28	-21	-29	-49	-67
Other financial expenses	-2	-1	-5	-4	-5
Other exchange rate differences	-22	38	35	52	78
Total	-8	7	-34	-17	-17

NOTE 5 - FAIR VALUE OF FINANCIAL INSTRUMENTS

FAIR VALUE HIERARCHY

The financial instruments at fair value reported in the group's statement of financial position comprise derivative instruments. The derivatives comprise electricity futures, interest rate swaps and currency futures and are primarily used for hedging purposes. The valuation at fair value of derivative instruments belongs to Level 2 in the fair value hierarchy.

(Amounts rounded to the nearest MSEK)	2023 30 Sep	2022 30 Sep	2022 31 Dec
Assets			
Derivatives held for hedging purposes			
- Derivative assets	99	21	26
Liabilities			
Derivatives held for hedging purposes			
- Derivative liabilities	-1	-464	-133

NOTE 6 – NET DEBT

(Amounts rounded to the nearest MSEK)	2023	2022	2022
	30 Sep	30 Sep	31 Dec
Non-current liabilities	1,436	1,039	1,042
- of which interest-bearing non-current liabilities (excl. lease liabilities)	1,100	926	925
Current liabilities	164	544	258
- of which interest-bearing current liabilities (excl. lease liabilities)	28	14	27
Long and short term interest bearing debt liabilities (excl. lease liabilities)	1,127	940	952
Cash and cash equivalents at the end of the period	-830	-1,287	-1,220
Blocked cash at the end of the period	-28	-27	-27
Net debt	270	-374	-296

Lease liabilities amounted to MSEK 66 (58) on September 30, 2023.

PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2023 Q 3	2022 Q 3	2023 9 mon	2022 9 mon	2022 FY
Sales of electricity and electricity certificates	-	0	0	1	1
Development and services	13	10	33	25	35
Other operating income	0	2	0	3	4
Total income	12	12	34	29	40
Capitalised work on own account	1	0	2	1	1
Purchases of electricity and electricity certificates	0	0	0	-1	-1
Cost of sold projects and asset management	-2	-2	-6	-8	-9
Personnel costs	-12	-9	-39	-29	-55
Other external expenses	-7	-6	-24	-24	-31
Operating profit/loss before depreciation (EBITDA)	-8	-6	-32	-31	-54
Depreciation and imp. of non-current assets	0	0	0	0	0
Operating profit/loss (EBIT)	-8	-6	-33	-31	-55
Profit/loss from financial items Note 1	25	-8	10	-10	-22
Profit/loss after financial items	16	-14	-22	-41	-76
Group contribution	-	-	-	67	113
Profit/loss before tax	16	-14	-22	26	37
Tax on profit/loss for the period	-	-	-	0	0
Net profit/loss for the period	16	-14	-22	26	36

PARENT COMPANY BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2023 30 Sep	2022 30 Sep	2022 31 Dec
Intangible assets	30	25	25
Property, plant and equipment	52	42	45
Non-current financial assets	1,503	1,003	1,013
Total non-current assets	1,585	1,069	1,083
Other current assets	194	75	49
Cash and cash equivalents	247	280	293
Total current assets	441	355	342
TOTAL ASSETS	2,026	1,424	1,424
Restricted equity	4	4	4
Non-restricted equity	697	750	764
Total equity	701	754	768
Non-current interest-bearing liabilities	568	538	548
Other non-current liabilities	207	-	-
Total non-current liabilities	776	538	548
Other current liabilities	549	133	108
Total current liabilities	549	133	108
TOTAL EQUITY AND LIABILITIES	2,026	1,424	1,424

PARENT COMPANY EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2023 30 Sep	2022 30 Sep	2022 31 Dec
Opening balance	768	599	599
Profit/loss for the period	-22	26	36
Dividend to the parent company shareholders	-44	-	-
New issue of shares/conversion of convertibles	-	129	132
Closing balance	701	754	768

NOTE 1 – PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts rounded to the nearest MSEK)	2023 Q 3	2022 Q 3	2023 9 mon	2022 9 mon	2022 FY
Interest income					
Intra-Group interest income	2	0	3	0	0
Other interest income	4	1	10	1	3
Interest expense					
Intra-Group interest expenses	-3	-1	-7	-2	-3
Bond loan and convertibles	-12	-8	-34	-12	-21
Other financial items					
Realized profit on sale of subsidiaries	29	0	54	1	2
Exchange rate difference bond loan	15	-12	-18	-23	-33
Other financial income and expenses	-1	-1	-2	-1	-2
Other exchange rate differences	-9	11	5	25	32
Total	25	-8	10	-10	-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 attributable to the parent company shareholders divided by the average number of shares.

Equity per share after dilution

Equity attributable to the parent company shareholders 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.

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.

Earnings per share

Share of profit after tax attributable to the parent company shareholders in relation to the average number of outstanding shares.

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.



arise

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