



Creating renewable energy

2022 ANNUAL & SUSTAINABILITY REPORT

An aerial photograph taken from a high vantage point on a wind turbine. Two technicians, wearing bright yellow-green safety vests and white hard hats, are standing on the white metal platform of the nacelle. They appear to be inspecting or working on equipment. The nacelle's large, white blades extend outwards, and various sensors and antennas are visible on the platform. Below the turbine, a dense forest of trees with green and yellow foliage stretches across the landscape. In the far distance, a small town or village is visible under a hazy sky.

Invest in the future with Arise

Stjärnarp wind farm

Arise is one of Sweden's leading independent companies in renewable energy. Arise manages the entire value chain – from exploration and permitting, to financing, construction, divestment and long-term management of renewable electricity production.

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CALENDAR

ARISE ANNUAL GENERAL MEETING 2023
The Annual General Meeting will be held on 4 May

FINANCIAL INFORMATION 2023
4 May • Annual General Meeting
4 May • Interim Report for the first quarter
18 July • Interim Report for the second quarter
15 November • Interim Report for the third quarter
15 February 2024 • Interim Report for the fourth quarter

DISTRIBUTION OF THE ANNUAL REPORT 2022

The annual report is available on our website www.arise.se. It will be sent by post to those shareholders who have notified the company that they wish to receive it. Printed copies of the report can be ordered via info@arise.se or by telephone +46 (0) 10 450 71 00

Highlights 2022

THE YEAR IN BRIEF

New Group management

New members joined the Group management.



Markus Larsson,
CFO



Hans Carlsson,
COO and deputy
CEO



Daniel Cambridge,
CCO and M&A

2022



We are extending the management assignment in Finland

An agreement was signed with BlackRock for the management of wind farms in Finland, where the total assignment comprises 219 MW.



Lebo wind power project

Investment decision was made regarding the construction of the Lebo wind power project in Västervik Municipality. The farm will be built and financed by Arise and will comprise five turbines with an installed output totalling approximately 33 MW.



Arise green bonds listed on Nasdaq Stockholm

Arise issued green senior unsecured bonds of MEUR 50, which were listed on Nasdaq Stockholm's corporate bond list for sustainable bonds with the first trading day on 8 July 2022.



Solar power projects

An agreement was signed for land rights for our first solar power projects in southern Sweden.



Arise expands geographically

Arise opened offices and employed local personnel in the UK and Finland.

Kölvallen Project – Arise's largest and most profitable project sale to date

The Kölvallen project was divested to a fund managed by Foresight Group LLP, for which the total consideration amounted to approximately MEUR 100. In conjunction with this transaction, Arise acquired a participating interest of approximately 9% of the project.



Record year

2022 – the company's most profitable year to date!

2023



THIS IS ARISE

Clean energy for a sustainable future!

- We are one of Sweden's leading independent companies in renewable energy
- The company was established in 2007 and listed on the stock exchange in 2010
- We manage the entire value chain – from exploration and permitting, to financing, construction, divestment and long-term management of renewable electricity production
- We are in an expansive phase and now have about 45 engaged employees who work for sustainable electricity production
- We have a promising project portfolio of a total of approximately 3,000 MW in Sweden, Norway and the UK
- We have approximately 1,800 MW under management and 800 MW under construction in Sweden, Norway and Finland
- We have 10 own wind farms in southern Sweden, totalling 139 MW



arise

Arise's operations and portfolio

We are active in several countries and our operations and portfolio comprise a total of 139 MW of own production, a promising project portfolio of more than 3,000 MW, approximately 1,800 MW under management, as well as approximately 800 MW under construction.

Own wind power operations

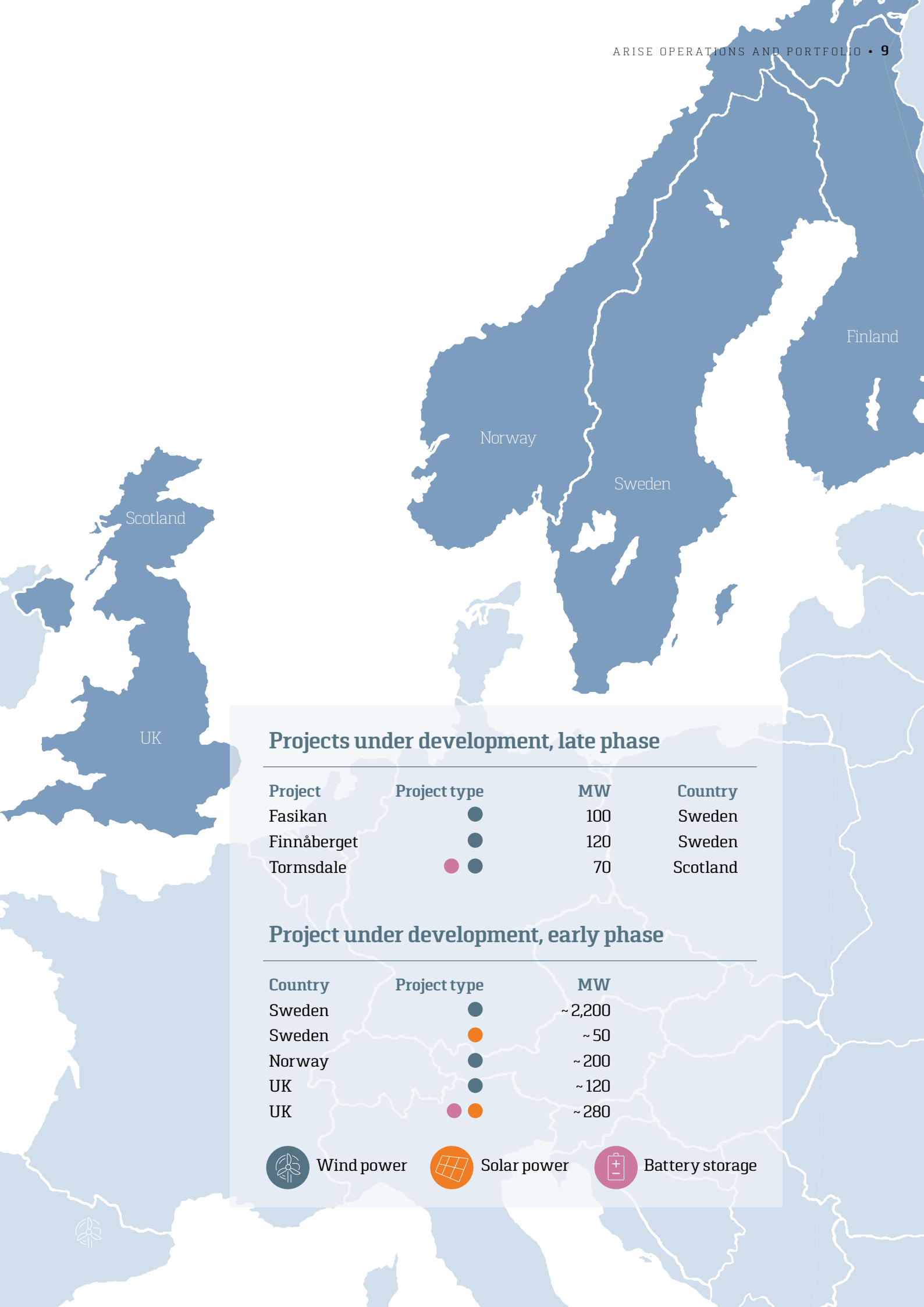
Project	MW	Year commissioned	Country
Oxhult	24.0	2009	Sweden
Råbelöv	10.0	2010	Sweden
Brunsmo	12.5	2010	Sweden
Kåphult	17.5	2010/2011	Sweden
Fröslida	22.5	2011	Sweden
Idhult	16.0	2011	Sweden
Södra Kärna	10.8	2011/2012	Sweden
Blekhem	10.8	2011/2012	Sweden
Gettnabo	12.0	2011	Sweden
Skäppentorp	3.1	2012	Sweden

Managed wind farms

Project	MW	Year	Commissioned	Country
Storrön	30.0	2009	Funds managed by Threadneedle Asset Manag. Ltd.	Sweden
Hästhalla	6.0	2012	Funds managed by Allianz Global Investors	Sweden
Skogaby	7.2	2013	Funds managed by Allianz Global Investors	Sweden
Stjärnarp	5.4	2013	KumBro Vind AB	Sweden
Bohult	12.8	2014	Funds managed by Allianz Global Investors	Sweden
Brotorp	46.2	2015	Funds managed by Equitix	Sweden
Mombyåsen	33.0	2016	Funds managed by Allianz Capital Partners	Sweden
Ryssbol	12.0	2016	KumBro Vind AB	Sweden
Ekeby	6.0	2016	KumBro Vind AB	Sweden
Ullavi	16.2	2016	KumBro Vind AB	Sweden
Svartnäs	115.0	2019	Funds managed by BlackRock	Sweden
Tellenes	160.0	2017	Funds managed by BlackRock	Norway
Bröcklingberget	45.1	2020	Funds managed by re:cap global investors	Sweden
Enviksberget	36.9	2020	Funds managed by BlackRock	Sweden
Överturingen	240.8	2020	Red Rock Power Ltd/CapMan Group	Sweden
Hirvineva	19.2	2020	Funds managed by BlackRock	Finland
Haapalaminkangas	28.5	2023	Funds managed by BlackRock	Finland
Kalajoki	79.8	2023	Funds managed by BlackRock	Finland
Kyyjärvi	45.6	2023	Funds managed by BlackRock	Finland
Kinnula	45.6	2023	Funds managed by BlackRock	Finland

Wind farms under construction

Project	MW	Owner	Country
Ranasjö- & Salsjöhöjden	241.8	TRIG/Funds managed by InfraRed	Sweden
Skaftåsen	231.0	Fund managed by Foresight Group LLP	Sweden
Kölvallen	277.2	Fund managed by Foresight Group LLP	Sweden
Lebo	33.0	Arise AB	Sweden



Projects under development, late phase

Project	Project type	MW	Country
Fasikan	●	100	Sweden
Finnåberget	●	120	Sweden
Tormsdale	● ●	70	Scotland

Project under development, early phase

Country	Project type	MW
Sweden	●	~ 2,200
Sweden	●	~ 50
Norway	●	~ 200
UK	●	~ 120
UK	● ●	~ 280



Wind power



Solar power



Battery storage



CEO'S STATEMENT

A record year for Arise in a turbulent market

2022 was, by a margin, the company's most profitable year to date. I can conclude that we had a positive trend in all three business segments:

- The development business displayed a record result with the sale of Kolvallen during the third quarter
- Our production delivered a historically strong result
- Our service business again displayed profitability during the second half of the year with economies of scale

During the year, many changes were made to the company's Group management, when Markus Larsson was employed as the new CFO, Hans Carlsson as new COO and Daniel Cambridge as CCO, which is a new function for M&A and business development.

Arise is now a well-capitalised company as we succeeded in issuing a green bond (MEUR 50) in an extremely turbulent environment during the spring, combined with a successful development business and healthy income from our production. As a result of this, we are now building the Lebo project on our own balance sheet and have a shareholding corresponding to 9% in the Kolvallen project, which together corresponds to an increase of 50% in our production. As a consequence of the profitable production business, we can also state that we currently have considerable surplus values in our existing production assets. In addition, the company currently has approximately 800 MW under construction and about 1,800 MW under management, which are record levels.

We began to deliver on our growth strategy, entailing that we are diversifying the company in terms of new geographies and technology. Local offices have started up in the UK and Finland and we now have land rights for the first

solar power projects in the south of Sweden and are planning their realization. The company continues to grow in the number of employees and increased by 11 persons during 2022. Accordingly, a major focus area for the company is the strong growth of our project portfolio, from which we hope to reap results during 2023.

The tragic developments related to the war in Ukraine continue and have had a major impact on the European energy markets, with suspended gas and electricity supplies from Russia, resulting in record levels for prices and volatility during the year. The European energy system has managed the prevailing winter without the need for comprehensive crisis measures. The gas stocks in Europe are relatively well-filled, the hydrological balance has been strengthened, nuclear power availability has been improved and at the same time, electricity consumption is lower than in earlier years. The market has adapted to new conditions, but the electricity system remains sensitive to disruptions, such as cold weather combined with low wind power production. It is our expectation that we will continue to have a market environment with high prices and high volatility, but probably not as extreme a market as in 2022.

The investor market remains strong and we foresee

historically high values from projects. There is a certain imbalance in the Swedish market, since there is a deficit of good projects in relation to the availability of capital as a consequence of the permit processes by which several projects were denied permits.

The demand for new, rapidly realisable, cost-efficient and clean electricity production has never been greater in modern times. Wind power and solar power, onshore wind power in particular, have the prerequisites to meet the above criteria and to make a material contribution to the solution.

In conclusion, I can say that 2023 has all the conditions to be another successful year for Arise. We have the means and the ambition for a profitable journey of growth in all business segments and look forward with confidence to the years to come.

Halmstad, March 2023

Per-Erik Eriksson
CEO Arise AB



THE MARKET

The energy crisis – evidence of the energy systems' vulnerability



Development for renewable electricity production in Sweden and other Nordic countries

The year's extreme electricity prices and challenges to security of supply make clear the needs for a stable, well-functioning electricity system. The need for new power production has never been greater in modern times.

The green transition and planned large-scale industry investment entails a strong increase in demand for renewable electricity and it is probable that there will also be a need for more energy types in the energy balance to meet the rising consumption and in addition, a hasty expansion of the Swedish transmission network is required.

The potential for new Nordic wind and solar power remains great although there are currently many obstructions and challenges that slow the rate of expansion. Onshore wind power has the prerequisites to contribute, on a larger scale, to resolving current supply problems and to meet future increases in demand. In Sweden, for example, the permit processes need to be reviewed, since the majority of all projects are currently rejected. After a year in which energy supply and electricity prices have been discussed and debated more than ever, it should be the time for changes to increase the number of projects granted permits. A key issue is to create incentives for municipalities and local residents to approve projects and at the same time, not worsen the financial conditions for investments in new projects and ongoing projects, which would defeat the purpose. Predictability and reasonable profitability are conditions that are required for the realization of investments.

Interest from investors remains high and although inflation and interest rates have risen sharply, investments in renewable energy remain attractive, partly driven by higher electricity prices. The availability of capital is extensive in relation to the offering of good projects. Society, the business sector and policy need to unite around the interest in supporting continued value-generating investments that will enable an expansive development of Nordic power generation, which, in turn, creates the conditions for a competitive export industry and a growth-driven green transition.

The climate challenge, reliability of supply and the need to replace Russian fossil energy is becoming increasingly evident and renewable energy will be a large part of the solution in all areas. For 2022, wind power production in Sweden was 33 TWh, meaning that production increased more than 20% on an annual basis and accounted for 20% of the total electricity production in Sweden.



Electricity price trend

The spot price for electricity fluctuated during 2022 between high and extremely high levels, levels that we will hopefully not need to experience again in the near future. The European gas prices, combined with weak Nordic hydrological conditions, were the strongest price drivers during the periods of extremely high spot prices that we experienced in August-September and November-December. However, a mild and windy end to the year calmed the market and the insight that inventory levels for gas and for water reservoirs were favourable, brought about a significant price decrease.

The forward contracts price trend for electricity in the Nordic countries was, in relation to the spot prices, cautious, but generally upward during the year. The price difference between the Nordic countries and the rest of Europe has remained very high, with the Nordic region having lagged behind with lower forward contract prices than neighbouring countries. The price differences in the Nordic countries were extensive, but improved transmission capacity at the end of the year resulted in the price areas in Sweden approaching each other, whereby we have seen increasing hours with high prices even in northern Sweden.

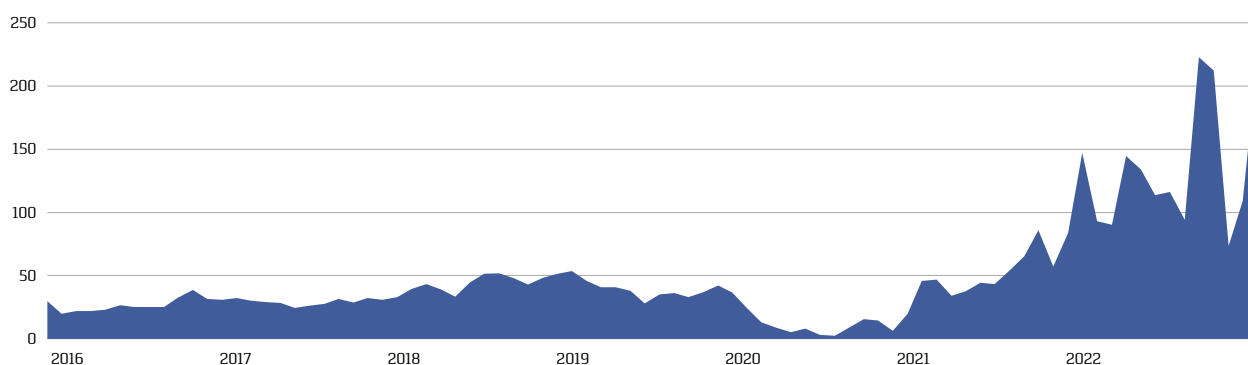
The transmission capacity in Sweden remains a problem that will take a long time to resolve. Nonetheless, some improvements have been discerned in recent months. However, Svenska Kraftnät still has a great deal of work ahead of it and improved transmission capacity remains high on the agenda.

Elforsk has forecast a future electricity requirement of approximately 300 TWh in 2045, a need that, taking into consideration capacity being discontinued, will require 10 TWh of new production per year during the specified period, according to the estimates of the Swedish Wind Energy Economic Association. The need for continued and robust investments in renewable energy appear obvious in light of this objective and the already comprehensive investments occurring in the industrial sector.

Arise takes a positive view of its business opportunities

Historical system price (2016–2022)

EUR/MWh



Source: Macrobond, Nord Pool Spot



and price developments in the Nordic market, and we look forward with confidence to the opportunities to continue to contribute to the transformation toward a sustainable society.

Production from wind power is still expected to increase rapidly in the future as new projects are commissioned, and the industry association Swedish Wind Energy estimates that by 2025, normal production from Swedish wind power will be close to 50 TWh.

[Sources: Swedish Energy Agency, NVE, Swedenergy and the Swedish Wind Energy Economic Association].



Electricity certificates and guarantees of origin

Market prices for electricity certificates continued to fall during the year and are currently below SEK 1 per electricity certificate across the entire forward curve. The subsidy system is now more of an administrative burden than a source of income.

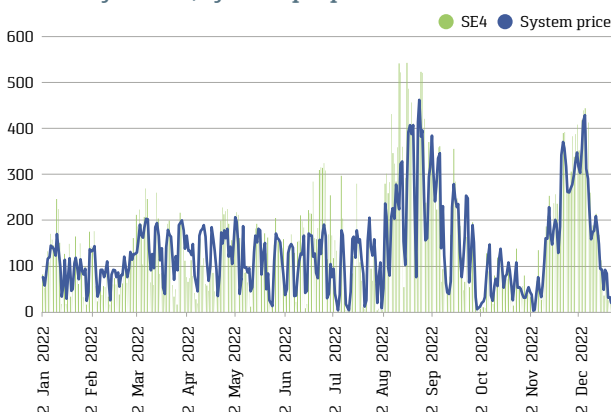
The interest in guarantees of origin continues to grow and is now a significant source of income for many wind power producers. Demand from players who choose to

purchase guarantees of origin in order to green-label their electricity consumption is increasing continuously. The price level of guarantees of origin increased sharply during 2022, particularly driven by large hydrological deficits in Europe, and were being traded at year-end at close to EUR 7 per guarantee for the coming years. The current price level has left a clear mark in both investment calculations and revenue for wind power producers.

Electricity market, forward contracts 2022 (system), EUR/MWh



Electricity market, system spot price EUR/MWh





OUR SEGMENTS

Development Production Solutions

Development

The company's development operations and construction management are reported in the Development segment.

During the year, we have developed our project portfolio to include solar power and battery storage, in addition to wind power. We are expanding our workforce and have a strong focus on further robust growth of our project portfolio.

In July, Arise conducted its largest and most profitable project sale to date. This was the divestment of the Kölvallen wind power project to a fund managed by Foresight Group LLP, a fantastic project that the company worked on for ten years and which became a landmark for the company. Arise has also invested in the project and acquired a participating interest of approximately 9%, which is in line with



Rolf Grybb

our ambition to be a more dynamic developer with a focus on maximising value creation through the project portfolio.

Construction of the Lebo project also commenced during the year. Lebo, which we are building on our own balance sheet, is located in Västervik Municipality and comprises five turbines with a total installed capacity of approximately 33 MW. The farm is expected to come into operation during the first quarter of 2024 and to contribute to own production by approximately 90 GWh per year.

The work on our projects in the late developmental phase in SE2 is proceeding to plan. We now have an approved electricity concession for one of the projects and thus have all of the permits in place and the aim is to make investment decisions during the summer of 2023. The other project is in the final phase regarding the permit and we intend to commence the work with a grid concession. We are also restarting the permit process for two minor projects in SE3 and SE4.

Development of the HT Skogar portfolio continued during the year – potentially more than 1,500 MW of wind power on land owned by Hällefors Tierp Skogar.

In January 2023, an agreement was signed with Persson Invest, one of Sweden's major private landowners. The agreement pertains to rights to the development of potential wind power projects on a large portion of Persson Invest's land holding, where the company initially estimates approximately 500 MW potential for new wind power.

During the latter part of the year, an agreement was signed for our first solar power projects in southern Sweden, corresponding in total to approximately 50 MW, which we plan to realize in the next few years. One of the projects is planned adjacent to one of our own wind farms.

In total, the company now has a project portfolio of more than 3,000 MW of renewable energy at its disposal.

In the UK, the work continued on major solar power projects in progress of about 200 MW as well as 80 MW of battery storage facilities. The company also strengthened its organisation in the UK to secure further projects in both solar and wind power, and to develop ongoing projects in England and Scotland. The permit application and the application for grid connection for the Tormsdale project in Scotland have been submitted and the decision process is in progress. The company has also initiated the permit process for another project of approximately 20 turbines in northern Scotland.

Our projects in Norway are proceeding according to plan. The proposal for the introduction of new taxes in Norway for onshore wind power could have major consequences, since in combination, these will have a large impact on profitability in new and existing wind farms. We monitor development that could impact the scope of our business in Norway.

The build-up of an organisation in Finland commenced during the year and the work to secure project rights was intensified in the fourth quarter of 2022.

Together with a partner, the company has been active in Poland for slightly more than a year, with the primary aim of acquiring solar power projects in various developmental phases. Here, we can state that the market has gone from being essentially overheated to cooling down with the introduction of price ceilings for various types of power. Evaluation is in progress regarding the company's continued activities in Poland. Poland needs more renewable power production in its energy balance, but the regulatory risks have increased and there is a shortage of capacity for grid connection.

We continuously evaluate activities and opportunities in new markets. The company's healthy financial status creates possibilities for growth in new geographies.

Production

The Production segment includes the company's ten (139 MW) wholly owned farms, all located in southern Sweden. The production from these farms increased to 292 GWh (282) due to somewhat stronger winds than in the preceding year, especially during the first quarter. At the same time, the 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.

Own production will be increased in the next few years through the Lebo project of about 90 GWh (first quarter, 2024) and then through our share of the Kølvallen project, which corresponds to approximately 85 GWh (2025), in total this corresponds to approximately 50% in increased production.





Solutions

Solutions includes the company's service offering such as construction management, technical and financial management and other sale of services.

The company is currently responsible for the construction of approximately 800 MW and has contracted management assignments in excess of 1,800 MW.

Arise has signed an agreement for the Kølvalen project to assume responsibility for project management and financial management during construction, and for technical and financial management when the wind farm is in operation. The farm comprises 42 turbines with a total installed capacity of 277 MW. Construction commenced during the autumn of 2022 and the farm is expected to be commissioned at the beginning of 2025.

Construction of the Ranasjö- and Salsjöhöjden project is in progress. The project comprises 39 turbines with a total installed capacity of 242 MW. The farm is expected to be commissioned during the first quarter of 2024. Arise has

signed an agreement to assume responsibility for project management and financial management during construction, and for technical and financial management when the wind farm is in operation.

Completion of the Skaftåsen project is still under way and is now more than a year delayed due to delivery and quality problems for turbines. The economic consequences are deemed to be relatively limited due to protection included in the agreements signed.

During the year, Arise signed an agreement with BlackRock for the management of four wind farms in Finland, with a total installed output of nearly 200 MW. In addition to these four wind farms, which are under construction, Arise already manages one of BlackRock's operational wind farms in Finland. The total assignment comprises 219 MW. In addition to this, Arise extended existing asset management agreements with BlackRock and Allianz during the year.





Ryssbol wind farm



Stjärnarp wind farm

This is Arise's Sustainability Report and refers to the 2022 financial year. The Board of Directors is responsible for the Sustainability Report, which can be found on pages 23–44, and that it has been prepared in accordance with the Swedish Annual Accounts Act. The Sustainability Report includes the Parent Company Arise AB (publ.) [556274-6726] and all entities consolidated in Arise's consolidated financial statements for the same period specified in Note 8, Notes to the Parent Company's financial statements. The Sustainability Report has been prepared in accordance with Chapters 6 and 7 of the Swedish Annual Accounts Act. *)

Adaptation has begun of the year's Sustainability Report to the future EU legislation within the framework of the Corporate Sustainability Reporting Directive (CSRD) adopted in November 2022. An overall plan was prepared with the objective of achieving full reporting in accordance with the CSRD in the year that Arise is subject to the legal requirements. During the year, stakeholders and risks in the value chain were analysed. As a consequence, Arise's focus areas were adapted to the results of the analyses, see page 30. The Auditor's Report on the Sustainability Report is on page 45. The Report is unaudited.

Sustainability Report Arise

Sustainability is part of the Arise DNA and business concept, by which renewable energy is created using the wind or the sun. The value created is sustainable, but all operations affect people, the environment and the climate. To avoid negative effects and make use of positive opportunities, well-conceived work is required, based on risks identified in the value chain. The Arise Sustainability Report for 2022 follows here.



*) The requirement to prepare a sustainability report, and the provisions in content and the companies subject to the requirement, are contained in Ch. 6, paragraphs 10–14 and Ch. 7, paragraphs 31 a – 31 c of the Swedish Annual Accounts Act (1995:1554).

Sustainability in everyday work



Arise CEO, Per-Erik Eriksson, regards the integration of sustainable considerations into everyday operations as a key feature of sustainable business.



“Arise has a business concept that is based on supplying renewable energy. In which area could Arise make a further contribution?”

Our contribution to the climate is generally positive by definition, but we are also conscious that our operations affect people and the environment. In the construction of our energy facilities, there is an unavoidable environmental impact and there are risks for health and safety. Arise makes sure to engage large, reputable suppliers for sensitive phases, such as site preparation and the construction of the production facilities. These suppliers have documented effective sustainability work in terms of environmental and climate issues, as well as social conditions. We regard a workplace without danger to health and safety as an absolute minimum requirement for our own employees, contractors and sub-contractors.

“What drives your intensified focus on sustainability?”

Arise is a modern, listed company that must live up to the high level required. Investors seek dark green investments and Arise, which has such a highly positive environmental impact, can meet the demands for dark green investments, which is confirmed by the validation made when we established our green financing framework. We also see the importance of having healthy relationships with local stakeholders as a requirement for successful results. The better the communication we have with the local community, the better the reception for the operations. Sustainable business has better conditions for being profitable in the long term.

“How does Arise ensure sustainable business?”

We already have well-established procedures for health and safety and for environmental issues during construction. We will continue with these and also further develop them. We have established a Sustainability Council with representatives from all areas of the company. The intention is to have internal acceptance in the organisation's processes and progress in the sustainability work that is adapted to the company's conditions. I regard training and skills-enhancing measures for all employees as a success factor. We will take a sustainable approach to all areas in which we operate.

Arise helps to mitigate climate change

Arise’s overall objective is to provide its shareholders with good returns on their investment through effective financing, project development and management. The business concept is to offer renewable energy and sustainable facilities for energy production, thereby contributing to society’s transition to a sustainable energy system. Arise also wishes to make a positive contribution to the local economy through economic growth and job creation, as well as offering an attractive workplace.

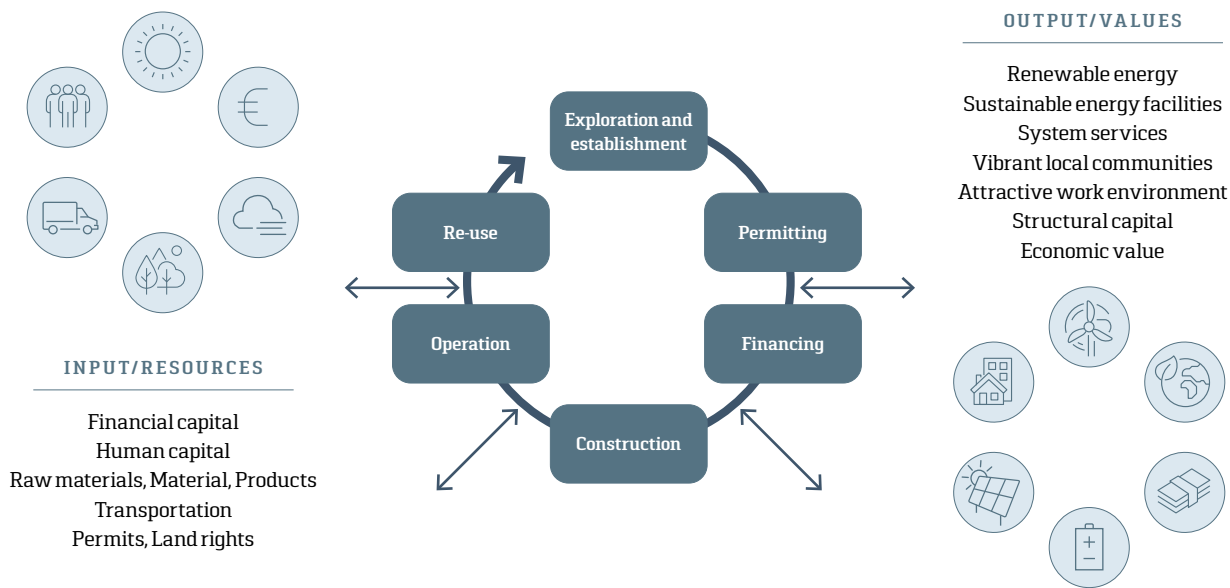
The operations are organised in three segments: Development, Production and Solutions. Arise has production at its own facilities in Sweden. New facilities are under construction in Sweden and at an early stage of planning in the UK. Arise also provides management in Sweden, Norway and Finland. Arise has its background in wind power, but has begun project development in solar power and battery storage in recent years.

Arise manages all phases of an energy facility’s life cycle. Development commences with exploration, permitting and financing. After this, the construction phase can begin and once the facility is put into production, a long operating phase commences. When the energy facility is approaching the end of its lifetime, various measures are implemented to extend the operating phase and ultimately, decisions are made on the re-use or recycling of material. Sale or acquisition of various projects can occur in all phases.

To realise its business concept and achieve its goals, Arise is dependent on skilled employees and partners. Arise has several cooperative partners for product deliveries, construction and financing, who all contribute their particular skills.

For more information on the Arise strategy and business operations, see pages 6–21 of the Annual Report.

Arise’s value chain



“We shall be the obvious partner for investors in renewable electricity production and create added value throughout the lifecycle.”

Stakeholders

Arise conducts continuous dialogues with its stakeholders on various current issues. To identify the requirements and expectations that apply to Arise's sustainability work, targeted communication was conducted in 2022 with customers, owners, investors and employees using questionnaires and verbal dialogue. In the early autumn, a questionnaire was

sent to investors, owners and customers, and sustainability issues were discussed at meetings. During the autumn, Arise employees participated in sustainability discussions in small groups, which was followed up by a questionnaire.

Below is a compilation of identified stakeholder groups, key issues and paths of communication.

STAKEHOLDER GROUP	EXAMPLES OF STAKEHOLDERS	KEY ISSUES	COMMUNICATION CHANNELS
Owners and investors	Shareholders, analysts, Nasdaq.	Long-term profitability, strong brand.	External reports, questionnaires and meetings, monitor regulations.
Local community	Local residents, municipal residents, indigenous population, local interest groups, opposition groups, contractors and companies.	No disruptive noise or light pollution, preservation of the local environment, biodiversity, reindeer herding, returns for the municipality and the district.	Information meetings, study visits, press releases.
Employees	Employees, safety representative, Board of Directors/management, contract workers, students, potential employees.	Safe work environment, reasonable remuneration and workload. An employer with a positive reputation and sustainability as a core issue.	Performance reviews, employee surveys, information for schools.
Business partners	Customers, suppliers (products, construction services, grid service, service and maintenance), recycling companies, landowners.	Workplace health and safety, clear agreements.	Meetings and negotiations, questionnaires, reports.
Financial partners	Investors (project owners), financiers (banks, shareholders).	Long-term profitability, sustainable solutions, responsible business, meeting the market's expectations for sustainability.	Meetings and negotiations, questionnaires, reports.
Regulators	Global community, (UN, EU), legislation in markets where Arise is active, municipalities, regions, county councils and regulatory authorities, other authorities, auditors.	Legal compliance, transparency.	Monitor regulations, reporting in accordance with permits.
Industry	Industry and lobby organisations, competitors, media, politicians, analysts, trade and industry, researchers, advisors, brokers.	Access to objective information.	Business intelligence, press releases, external reports, trade fairs and exhibitions.

Sustainability risks

In the autumn of 2022, Arise conducted a risk analysis of the company's impact on the environment, climate and society. At the same time, an analysis was initiated of how the company is affected by climate change and its effects.

The purpose of the risk analysis is to identify important areas to focus on in order to reduce the risk of negative effects and to promote the possibilities of positive, sustainable development.

The risk model is structured with support of the risk

areas in accordance with the EU's recently adopted CSRD and the future ESRS legislation. The analysis of risks was conducted through discussions in Arise's Sustainability Council and with Group management. The data for the analysis was sourced from, for example, stakeholder dialogues with investors, owners, customers and employees. The risk assessments are a balance of the probability of the risk arising and the consequence for the area.



IMPACT ON: ■ ENVIRONMENT AND CLIMATE ■ SOCIAL ISSUES ■ GOVERNANCE

AREA	POTENTIAL RISKS	ASSESSMENT
Greenhouse gas emissions within Arise (GHG Scope 1-2)	Emissions from electricity consumption, such as the operation of our own turbines, electricity for IT equipment, heating of office premises, business travel using Arise vehicles.	Low
Greenhouse gas emissions in the supply chain (GHG Scope 3)	Emissions from the extraction of raw materials, manufacturing of products, transportation, work vehicles, employee business travel, IT servers at external suppliers.	High
Reduced carbon sinks	Reduced CO ₂ uptake caused by tree felling and land preparation at energy facilities or in the manufacture of products.	Low
Pollution	Use of environmentally hazardous material or chemicals in construction and operation or in the manufacture of products by suppliers.	Medium
Water impact	The impact on wetlands and water courses during the construction phase, operating phase or in product manufacturing.	Low
Biodiversity and ecosystem services	Negative impact on birds, insects, mammals and vegetation during the construction phase, operating phase and restoration phase.	Low
Use of resources	Unnecessarily high amounts of material used, transportation becomes too long or excessively large areas of land are used.	Medium
Waste	Components, products, chemicals, etc., used in the construction or operation of energy facilities that cannot be reused or recycled.	High
Work conditions	Shortcomings in work conditions, freedom of expression in work life, reasonable remuneration, career opportunities, workload, equality or diversity for own employees, contracted workers, contractors.	Medium
Health and safety	Workplace accidents, traffic accidents, use of hazardous materials for own employees, contracted workers and contractors.	Medium
Human rights	Violation of human rights in raw materials extractions or product manufacturing. Violation of the indigenous population's rights to land use.	Medium
Impact on the local community	Noise and light pollution in operation. Changes in surroundings during transportation and construction. Perceived injustices. Change in property value. Impact on local business.	High
Governance	Lack of regulatory compliance, authorisations and internal control. Lack of effective control systems.	Low
Security	Security risks at energy facilities, IT security, infringement.	Medium
Corruption	Unethical terms in agreements and different forms of compensation.	Medium
Ethics and values	Transactions with players with values that differ from those at Arise, trade with regimes under sanctions.	Low

IMPACT ON: ■ ARISE

Climate risks	Extreme weather conditions, such as heat, drought or wind, can lead to damage, poorer performance, production disruptions, transportation disruptions.	Medium
Climate opportunities	Business opportunities through increased demand for renewable energy.	High
Political processes and external risks	Political processes do not support renewable energy. Permit processes obstruct the establishment of new facilities. Business environment events such as war and unrest have a negative impact on operations.	High

Focus areas and sustainability goals

UN Sustainable Development Goals

In September 2015, the UN General Assembly adopted a development agenda setting out 17 Sustainable Development Goals (SDGs) for a better world – Agenda 2030 for sustainable development. Arise supports the UN's work with the SDGs.

The core of Arise's operations is to generate renewable energy by developing wind power, solar power and other sources of renewable energy. The UN goals to which Arise mainly contributes through this is **Goal number 7 – Affordable and clean energy** and **Goal number 13 – Climate action**.

Arise has the ambition of contributing to more UN goals, such as numbers 3, 8, 9, 12, 15 and 16.

Focus areas

Arise has identified its focus areas and assigned priority to sustainability aspects through risk analysis and stakeholder dialogues. During 2022, in-depth risk analysis was conducted

by the newly established Sustainability Council in collaboration with Group management. In support of the analysis, stakeholder dialogues were held with both external and internal stakeholders. See more in the "Stakeholders" and "Sustainability risks" sections.

Three focus areas have been identified with a total of nine prioritised sustainability aspects. See table below. Work continues on risk minimisation in all sustainability aspects and risk areas.



FOCUS AREA	MATERIAL ISSUES
ENVIRONMENT AND CLIMATE-EFFECTIVE SOLUTIONS	
Climate	Maximise production of renewable energy. Identify sources of greenhouse gas emissions, create and work on the basis of a long-term reduction plan.
Biodiversity	Address risks of reduction in biodiversity at facilities.
Resource efficiency	Efficient use of resources in construction. Circular principals as guidance in choices of materials.
SOCIAL RESPONSIBILITY	
Work environment	Attractive workplace, employee well-being, reasonable workload, fair conditions for own personnel and those in the supply chain.
Health and safety	Health and safety at energy facilities and in transportation. Demands on suppliers regarding health and safety.
Impact on the local community	Communication with the local community and other stakeholders in the area. Create favourable conditions for parties involved.
RESPONSIBLE BUSINESS	
Governance	Ensure corporate governance, control systems, documents, procedures and follow-up of effective control of sustainability issues.
Business ethics	Reduce risk of corruption and unethical action.
Sustainable business	Promote long-term profitability and a strong brand. Green financing.

Governing Arise's sustainability activities

Organisation

The Board of Directors has ultimate responsibility for Arise's sustainability work. In 2022, Group management appointed a Sustainability Council, with representatives from the operations' various areas who conduct the work. The Sustainability Council is headed by a project manager who reports to Group management. Sustainability issues are addressed and resolved on at Group management meetings and reported at the company's Board meetings. Governing documents are revised by the Board or by the CEO once a year or more often if required.

In 2022, the Sustainability Council's assignment was to prepare the Sustainability Report for new rules and guidelines that are expected from the EU and, with support from stakeholder dialogues and risk analyses, to verify the company's focus areas for sustainable business. During 2023, the Sustainability Council is assigned to integrate sustainability in the company's processes based on

identified measures from risk and stakeholder analyses.

The Sustainability Council comprises representatives from the areas of the operations to reflect various perspectives and to work on the integration of the sustainability perspective throughout the business.

Control tools

The company's Code of Conduct outlines and sets the tone for the sustainability work. It was developed on the basis of the UN Global Compact's 10 principles for human rights, labour, environment and anti-corruption..

A number of governing documents and procedures guide the everyday work. Detailed instructions and procedures are prepared for construction projects. When a project is managed in collaboration with external owners and investors, plans and control tools are developed in consultation with them.

GOVERNING DOCUMENTS AND PROCEDURES

AREA	POLICY DOCUMENTS	CONTROL SYSTEMS AND PROCESSES - EXAMPLES
Climate and environment	Environmental policy	HSE procedures (health, safety, environment) and reporting within the project and during production. Environmental Impact Assessment and permit application prior to construction.
Work environment, health and safety	Occupational Health & Safety Policy Personnel Policy Equality Policy Personal Data Policy Code of Conduct for Suppliers	HSE procedures (health, safety, environment) and reporting within the project and during production. Work environment plan Emergency plan Safety committee Fire safety procedures
Human rights	Code of Conduct Code of Conduct for Suppliers	
Business ethics, anti-corruption and values	Code of Conduct Code of Conduct for Suppliers	
Sustainability in the supply chain	Code of Conduct for Suppliers	
Governance	Code of Conduct Benefits Policy	Risk management Internal control
Communication and information management	Policy for external communication Information Policy Insider Policy IT Policy	

Arise's internal guidelines, formal work plans, instructions and manuals to guide employees are made available via a shared portal. New employees are given an introduction to the company at the start of their employment and are given copies of the company's various guidelines and formal work plans.

■ FOCUS AREA

Environment and climate-effective solutions

By producing renewable energy, reducing emissions of greenhouse gases, operating a resource-efficient business and protecting biodiversity, Arise contributes to the UN Sustainable Development Goals Number 7 – *Affordable and clean energy* and Number 13 – *Climate Action*.

Arise's business is to deliver sustainable energy solutions for renewable energy. Arise's most important contribution to the climate is to work with developing and pursuing projects in this area. The business also has risks in the areas of environment and climate, such as greenhouse gas emissions, the risk of disrupting biodiversity and the risk of inefficient use of resources. Arise focuses on managing these risks, while the operations are developed.

Arise develops renewable energy for a sustainable future

The operations are recognised in three segments: Development, Production and Solutions. Arise develops and constructs new facilities, owns its own facilities and manages facilities for customers. The customers are often global

financial players who endeavour to generate returns by investing in renewable energy. Accordingly, offering a complete solution is a key feature in reducing the barriers to new investors.

Through the production of renewable energy, Arise contributes to reduced emissions of greenhouse gases. Arise's overall production of renewable energy and corresponding savings of CO₂ equivalents are shown in the table on page 34.

Wind energy contributed approximately 19.5% and solar energy of approximately 1.2% to Sweden's total energy production in 2022, according to preliminary statistics from the Swedish Energy Agency and Statistics Sweden. The corresponding figure for the UK for 2021 was 26.1% wind energy and 1.8% solar energy, according to statistics from National Grid Group. According to forecasts from Swedish Wind Energy based on project planning, the production of wind energy will increase by approximately 56% from 2022 through 2025.

The climate changes in the world risk having a certain negative impact on Arise. The scope has not been fully analysed, but certain changes have been noted. One example was the severe drought in Europe in the summer of 2022, when transportation of transformers could no longer be made by barge on Europe's rivers. The transportations had to be redirected to road transport, which made transportation more expensive and late, while the emission of greenhouse gases increased.

Several steps were taken to expand the operations to include solar power and battery storage. Arise has begun its first solar energy projects for which lease agreements have been signed and development work is in progress. Solar energy has the potential to become a significant part of the Swedish energy supply, although it has its limitations. Arise's skill in project development and construction in Sweden makes solar energy a natural extension of the operations. An investigation is also in progress of the possibilities for the development of battery storage in Sweden, which could contribute stability to the electricity grid.

Facts

- At the end of 2022, Arise's project portfolio amounted to 2,300 MW in Sweden, Norway and the UK in wind energy, solar energy and battery storage.
- Arise owns and manages ten wind farms of its own that produce approximately 343 GWh per year. More management assignments in wind power were added during the year. In two years' time, own production, including the company's share of the jointly owned farms, will increase to nearly 530 GWh per year.
- Arise has one proprietary project and three managed projects under construction in wind power.
 - Lebo (33 MW, wholly owned by Arise)
 - Kölwallen (277 MW, part-owned by Arise)
 - Skaftåsen (231 MW)
 - Ranasjö- and Salsjöhöjden (242 MW)

“With our climate-smart solutions, we create renewable energy for a sustainable future.”



Greenhouse gas emissions

Arise's operations generate emissions of greenhouse gases through construction projects, continuous management and through the purchase of materials and services for the operations. To assess where climate impact is greatest in the value chain, the ambition is to measure greenhouse gases in accordance with the GHG protocol. Collection of data for Scope 1 and 2 is in progress. Data on employee business travel (in Scope 3) is included in this report. For supply chain emissions (in Scope 3), work has begun to identify emissions of greenhouse gases for a proprietary project under construction. The climate impact of Arise's own operations derives from business travel, electricity consumption from computers and servers in offices, as well as electricity consumption at the energy facilities. Business travel increased during 2022 compared with 2020 and 2021 when there was a sharp decline in travel due to the pandemic. Arise has established operations in the UK and Finland, which result-

ed in increased travel. Changed work methods, including a greater number of digital meetings, are expected to reduce the need for travel over time.

The various projects and management assignments are distributed among Sweden, Norway and Finland. Arise has employees in several locations to have proximity to the market. The head office is located in Halmstad and there are offices in Stockholm, Östersund, Sundsvall, London and Jyväskylä. During ongoing construction projects, we set up temporary offices close to the projects.

Electricity consumption is mainly through use on the farms to operate control systems, lubrication pumps, obstruction lights, etc. Other electricity consumption occurs in offices and pertains mainly to the use of computers and servers.

Climate impact also derives from the sourcing of materials and products. Work has begun to analyse the scope of greenhouse gas emissions in the supply chain. Clearer

demands will be made on suppliers and contractors during the procurement phase for the reporting of estimated greenhouse gas emissions and which measures are possible in reducing emissions. Various suppliers climate impact can thus become part of the evaluation when sourcing.

Efficient use of resources

Arise strives for Efficient use of resources and solutions that are as sustainable as possible. However, resource-saving measures must always be weighed against health and safety risks. Resource efficiency is a key issue throughout the life cycle of a facility. The work commences already during the developmental phase, when decisions are made that define the facility. Examples are the routing of roads, entrances and the location of turbines.

In the manufacturing of parts for a facility, there is a risk that components, products or chemicals that are selected cannot be recycled or cannot be manufactured resource-efficiently.

In the construction phase of a facility, there are risks of an unnecessary amount of material being used or that

infrastructure is given excessively large dimensions. There are further examples of resource-saving measures. Where the land conditions permit, rock-anchored foundations are constructed for wind turbines instead of gravity foundations. When rock-anchorage is not an alternative, cement mixes with less environmental impact are evaluated. If possible, infrastructure that is already on site is used in the form of existing roads and connection to the water, wastewater and energy grids.

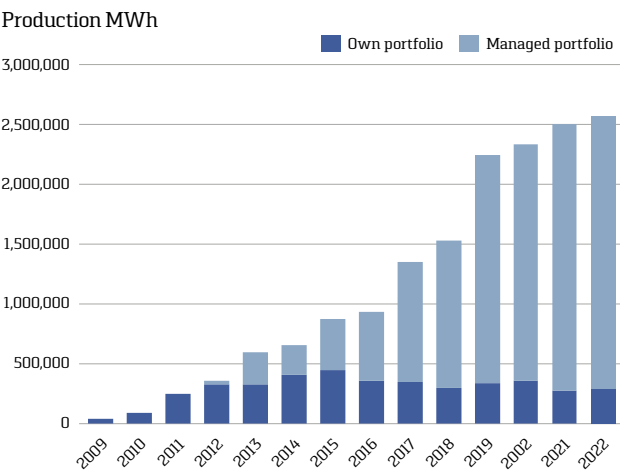
An energy facility has a long operational phase and requires continuous maintenance. When the energy facility approaches the end of its useful life, there is assessment of the possibilities to extend the operational phase, which is often the most resource-effective alternative. During the final dismantling of an energy facility, choices also arise for the effective use of the material used. Increased re-use and reduced waste to landfill are challenges being addressed by the industry. Together with several other players in the industry, Arise is now also part of a project group, Rekov-ind2, with the project's goal to create reuse and recycling opportunities for end-of-life wind turbine blades.

Production renewable energy

	2022	2021	2020
Proprietary facilities, MWh	292,196	281,729	354,505
Managed facilities, MWh	2,376,546	2,239,663	1,981,095
Total	2,668,742	2,521,392	2,335,600
Corresponding emissions of CO ₂ equivalents from the Nordic residual mix, tCO ₂ e ¹⁾	907,372	857,273	794,104

¹⁾ Residual mix 2021, Nordic countries (ei.se) – 0.37 tonnes of CO₂ equivalents/MWh

Production per year 2009–2022



Greenhouse gas emissions from business travel, Arise workforce

Tonnes CO ₂ equivalents	2022	2021	2020
Car ¹⁾	9.7	17.0	16.3
Air travel ²⁾	18.3	9.9	7.8
Train travel	0.0	0.0	0.0

¹⁾ Translation factors from DEFRA, business travel within Sweden
²⁾ Partly based on estimates

Objectives

- Increased offering of renewable energy
- Minimum possible emissions of greenhouse gases through efficient use of resources in projects
- Positive contribution to biodiversity.
- Reduced amount of waste.

Planned activities

- Analyse emissions of greenhouse gases in accordance with the GHG protocol for ongoing construction projects.
- Expand the requirements in request documentation regarding reporting of greenhouse gas effects.
- Update internal rules for business travel and company cars.
- Continued activities with suppliers regarding choice of materials.

Biodiversity

Protecting biodiversity is one of the UN SDGs within Agenda 2030 and a key factor in increasing the resistance in the earth's ecosystem. Ecosystems, climate and biodiversity are connected. To maintain a balance in nature, biodiversity must be protected.

When establishing energy facilities, there is a risk of an impact on important parts of the biodiversity in forests and wetlands, such as species of birds and rare plants.

To prevent and restrict any impact on the biodiversity, Arise conducts thorough preliminary investigations of conditions in the surroundings and protective measures are taken in good time prior to the start of the project. The operations are governed by applicable legislation and the conditions in the environmental permit. Several years of preliminary investigations of any impact on biodiversity are required to obtain environmental permits for wind farms. The placement of wind turbines is done with consideration to the distance from vulnerable species. Certain species are disturbed more by construction activities than by the actual energy facilities and in these cases,

the construction activities are adapted to various sensitive times of the year, such as birds' breeding season.

During the environmental impact assessment, it is clarified whether the location is appropriate for a wind farm or not. In the terms of the environmental permit, further







reservation is made for the placement of wind turbines based on shadow or noise that may arise and limitations for the impact on animals, natural assets, the cultural environment and archaeology. These aspects are central during the assessment process.

Arise participates in a number of research programmes on the effect of wind power on people, nature and the environment such as Vindval and VindEI, where the programme aims to contribute to the transition towards a sustainable and renewable energy system through research on and the development of technologies, systems, methods and issues related to wind power.

How Arise complies with the conditions for wind farms is presented in the section "Conditions for locating wind turbines."

The UN Biodiversity Conference in December 2022 (COP 15) made it clear that robust measures are required throughout the world to reduce mass extinction of species and ecosystems. The UN's objective is that the loss of biodiversity should be stopped and reversed by 2030.

Conditions for locating wind turbines

	Impact from wind farms	What do we do?	Results
	Noise	Noise measurements in existing wind farms	Verify that we are not exceeding the limit values
	Flickering shadows	Estimates of the effects of flickering shadows	Where necessary, the turbines are equipped with flickering shadows mitigation
	Landscape profile	Planning the location of wind farms	Sensitive areas are avoided
	Wildlife and nature	Inventories of birds, bats and natural values	Thorough planning to minimise disturbances of wildlife and nature
	Cultural environment and archaeology	Archaeological inventories	Minimisation of the impact on ancient remains

■ FOCUS AREA

Social responsibility

Arise is dependent on a high level of confidence among its own employees, suppliers' employees and in the local community. Through responsible work on health and safety and work environment, as well as consideration of the local community, Arise contributes, for example, to the UN Sustainable Development Goals number 3 – *Good Health and Well-being*, number 8 – *Decent Work and Economic Growth* and number 16 – *Peace, Justice and Strong Institutions*.



Health and safety

Guaranteeing health and safety in the operations, physically and mentally, is one of Arise's guiding principles. Arise has a zero vision for accidents and work-related illness in its own facilities and offices and at the facilities that are project-managed.

It is a physically demanding and risk-filled business to construct and operate energy facilities. Accidents can occur in, for example, materials handling, transportation or blasting. When construction project are initiated, plans are prepared for work environment, health and safety, and crisis management. Outcomes are continuously reported to project management, the Board of Directors and owners and measures are implemented in the case of deviations. Train-

ing of own employees is conducted regularly in, for example, fire safety and working at heights. Requirements of corresponding training are made of contractors.

Health and safety risks are also found in the manufacture of input products and transportation to and from facilities. Material production occurs in several locations worldwide, which makes it difficult for Arise to have direct control of working conditions. In the business agreement and the Code of Conduct for Suppliers, Arise communicates with suppliers to emphasise the importance of health and safety, and training in this area. This is an important activity in Arise's relationship with its suppliers and partners and there are plans for further communication and follow-up on outcomes.



Hampus Viklund & Johan Neogard, Stjärnarp's wind farm

For operational facilities, an HSE (health, safety, environment) plan is prepared that includes risk assessment and a communication plan for health and safety. The HSE plan also sets the rules for visits to the facility.

At wind farms, there are also risks to the public and warning signs are installed to provide information about the risks of, for example, ice throw from the blades.

There are also health and safety risks in working in an office environment or at home. High workloads can arise periodically and risks with this need to be identified and addressed. The number of employees at Arise is increasing. This means that increased collaboration is necessary within and between the business areas. There are managers for this within each area. Arise has safety representatives who ensure that the work environment, health and safety in offices comply with laws and regulations. Inspection rounds are conducted annually. A fire safety representative is appointed to keep the employees informed about how accidents can be stopped and prevented.

Work environment

One of the most important resources in Arise is the employees. High-level and specially focused skills contribute to Arise's successful business. To provide a good, safe and stimulating work environment is an important and strategic issue for Arise, as is stated clearly in our Occupational Health & Safety Policy.

Equal pay and conditions for equal performance is to apply at Arise and a salary analysis is conducted annually. Employees are offered various benefits, such as health promotion grants, health examinations, specially adapted examinations for those working at altitude, and medical insurance. The company's Code of Conduct clearly states that the Group is to recruit and treat its employees in a manner that ensures there is no discrimination on the basis of gender, religion, age, disability, sexual orientation, nationality, political belief, trade union association, social or ethnic origin. The Group encourages diversity on all levels.

The pandemic continued to impact Arise at the beginning of 2022 and the flexibility in the choice of physical workplace was maintained to an extent.

Training is the key to maintaining and enhancing skills. In 2022, online training in IT security was started for all personnel and this will continue during 2023. Courses in work at heights and safety were conducted during the year in accordance with special planning. In the autumn, workshops were also held in sustainability risks for all employees. Ahead of 2023, further training is planned in safety, IT security and sustainability.

During 2023, an employee survey will be conducted to follow up on the work environment and the employees' work situation.

Arise requires of its contractors and suppliers that they respect human rights and labour rights. This is clarified in

Human rights

Arise supports and respects international human rights. Arise states clearly in its Code of Conduct and Code of Conduct for Suppliers that no form of child labour, forced labour, threats of violence or other violation of human rights may occur. Governing documents also state that freedom of organisation and the right to collective negotiations and agreements must be respected.

Material and products for Arise's energy facilities are manufactured in a global and competitive market. Since Arise's sub-contractors and contractors, in turn, engage contractors or suppliers from other countries, the possibilities of control decrease and the risk of human rights violations increase.

Arise has chosen to work primarily with large, reputable and established brands, and companies that have existed for a long time in the market and who have documented sustainability work. This, in combination with the communication of the Code of Conduct for Suppliers, reduces the risk somewhat.

In 2023, there are plans for a review of the Code of Conduct for Suppliers, which will be followed by special communication with the largest suppliers.

When rolling out energy facilities, there are risks of violation of the rights of indigenous people. Dialogues are continuously conducted with the Sami of northern Sweden to find mutual understanding and solutions.

the Arise Code of Conduct for Suppliers which is based on the ten principles of the UN Global Compact, which in turn, is divided into human rights, labour, environment and anti-corruption.

Arise is an organisation under growth and, accordingly, has expanded its HR function to include an HR Manager.

Local community

The build-out of wind power and other energy facilities creates change for local residents and the local community. Facility work and transportation can cause a perception of disruptive noise or trespass. During both construction and operation, other local business may be affected, such as reindeer herding, forestry and hunting. Natural and cultural heritage could also be changed. Noise and shadows can also be perceived as a disturbance during the operation of a wind farm. The changed community image can

“We want to offer our employees and partners the right conditions for working in a positive and safe work environment.”

Ida Lilja, Stjärnarp wind farm

affect property values, positively and negatively.

Arise endeavours to create the best possible understanding for development projects and energy facilities taken into operation. Ahead of the construction of new projects, a consultation meeting is always held to give the local residents affected by the project an opportunity to present their views. Arise strives for constructive communication with landowners, local residents' associations and other associations.

One goal is that the local community should perceive favourable conditions in the establishment of an energy facility. From some wind farms, development funds are paid annually which are distributed among local projects for the purpose of promoting the development of the local community. Establishment of energy facilities also contributes to income and more jobs, during construction and after commissioning, through the use of, for example, transport companies, shops and hotels. Arise strives to engage businesses in close proximity to the project if possible.

The operations at energy facilities are monitored annually via environmental reports and through other accounting in accordance with the conditions set in the environmental permits for operational assets and in landowner agreements. Supervisory authorities make regular inspections and controls of operations during the facility construction phase.

Arise follows up on all complaints that are submitted in order to minimise the negative impact as quickly as possible and to reuse experience from other projects. The application of experience is important for ensuring that future establishments create favourable communication with residents in the local community at an early stage.

An incentive investigation commissioned by the government will report on its assignment in the spring of 2023. The purpose of the investigation is, for example, to provide proposals for systems to compensate those whose surroundings have been tangibly affected by the development of wind power and to strengthen the municipalities' ability to support the build-out of wind power.

Human rights

No violations of human rights were reported to Arise during 2022.

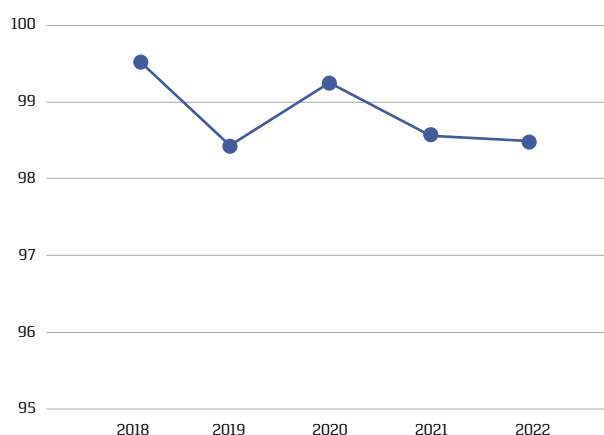
Objectives

- Zero vision for accidents and work-related illness.
- Equal pay for equal work.
- Urgent handling of complaints.
- Reduced negative social impact by the establishment of energy facilities.

Planned activities

- Expand the work with audits of suppliers' work on social issues.
- Secure a plan for stakeholder dialogues with the local community, common to all projects.
- Update policy for managing personal data for external stakeholders.
- Clarify the use of development funds for the local community.

Health Index ¹⁾



¹⁾ The Health Index measures the number of hours worked compared with the number of available hours

Work-related accidents and illness

No accidents or work-related illness were reported among Arise's own personnel in 2022.

Board of Directors, Group management and employees. Number and gender distribution ¹⁾

	2022			2021		
	Number	Women	Men	Number	Women	Men
Board	4	25%	75%	4	25%	75%
Group management	4	0%	100%	2	0%	100%
Employees	41	34%	66%	30	37%	63%

¹⁾ At the end of the financial year

Ranasjö-Salsjö collaborates at an early stage

In October, a group of 13–16 year old pupils from Ramsele School visited the windfarm at Ranasjö-Salsjö. At that time, nearly all foundations had been completed and roads and crane sites were ready in large parts of the wind farm.

On a bus tour through Ranasjö farm, stops were made at the concrete plant and at the contractor's site office. The young visitors received information on concrete production from the site personnel. At the site office, John Edvardsson, health and safety coordinator, provided information about health and safety at the farm and the requirements for personal protection equipment. Professional roles in various positions were described, from skilled workers to administrative personnel. The need for new recruitment to various different roles was also pointed out and that local personnel will need to be employed during the period of operation. After lunch, the project manager from Arise gave the students a general introduction to wind power, from concept to finished farm, and some specific information on the Ranasjö-Salsjö project.

The study visit was the result of discussions between the school management and Arise, whereby the school saw an opportunity for the students to learn about community development and energy supply, while at the same time, seeing various professional roles. For Arise, the visit was a welcome feature of the communication with local residents and an opportunity to have a conversation about the pros and cons of establishing a wind farm. It is important that young people can form their own impression of the impact on society and nature. More people are present in the area and feedback and information is required for all parts of the community.

Many students were curious and asked questions and the study visit led to continued good contact between the project and the school. Further visits are planned for 2023 and during the upcoming turbine installation.

The Ranasjö- and Salsjöhöjden wind farms, just outside Sollefteå, are under construction and expected to be ready for operation at the beginning of 2024. A total of 39 turbines will be raised and these will have a combined output of 242 MW. The wind farms are owned by The Renewables Infrastructure Group Limited ("TRIG") and funds managed by InfraRed ("Infra-Red"). The work is project managed by Arise AB.



FOCUS AREA

Responsible business

Arise conducts responsible and ethical business. High levels require the effective and structured control of the company and clear rules for ethical business behaviour. A responsible business contributes, for example, to the UN goal number 16: *Peace, justice and strong institutions*.

Governance

Arise follows the “Swedish Code of Corporate Governance,” referred to as “the Code”, for the governance of the company and the sustainability efforts. The boards of directors of certain companies must provide shareholders and the capital market with the sustainability disclosures required for an understanding of the company’s development, position and results, as well as the consequences of the operations, in an annual sustainability report to be made available on the company website.

The Board has adopted a Diversity Policy which aims to promote diversity on the Board and in the management team. According to this policy, the Board is to be characterised by diversity and the composition of the Board is to comply with item 4.1 of the Code (Swedish Code of Corporate Governance). Efforts are also being made to achieve an even gender distribution on the Board.

For more information on the company’s governance, refer to the Corporate Governance report on pages 108–111.

Business ethics


Maintaining a high standard of business ethics and operating our business in accordance with the applicable Acts and provisions, is self-evident for Arise. Various risks that can arise in a project and development operation include bribery at various stages of the supply chain or in permit processes, unauthorised forms of cooperation or that agreements are signed that are not based on fair assessments. The violations may be intentional or unintentional and employee training is thus a core part of the business ethics effort.

Arise requires honesty and integrity in all of the company’s activities and from our customers, suppliers and collaborators. The importance of business ethics is emphasised in the Arise Code of Conduct and in the Code of Conduct for Suppliers.

Every form of compensation to advisors, suppliers and partners is to be conducted strictly on the basis of confirmed products and services only. A restrictive approach applies to



Casting of foundations at Ranasjö- and Salsjöhöjden wind farm

A full-page photograph of two men walking on a rocky shore next to a lake. The man on the left is wearing a blue and black plaid jacket and dark pants. The man on the right is wearing a dark green jacket with a brown collar and dark pants. They are both smiling and looking down at the ground. The background shows a calm lake, bare trees, and a forested hill under a bright sky.

"Arise requires honesty
and integrity in all of the
company's activities and
from our customers, sup-
pliers and collaborators."

Peter Svantesson & Thomas Nevalainen

gifts to or from suppliers and business partners. All employees must eliminate conflicts of interest between private financial matters and the company's business operations.

To further increase awareness in the company of the risks for irregularities, anti-corruption training is being planned for all personnel. Dialogues with the company's largest existing suppliers and partners will be conducted for the purpose of providing information about the Code of Conduct for Suppliers and its contents. The Code of Conduct for Suppliers is always attached to the request documentation and the Code of Conduct for Suppliers will be a requirement when signing all future agreements.

Sustainable business

Through efficient financing, asset management, operation and project development, Arise's objective is to provide shareholders with good returns on their investment in the form of dividends and growth in the share price. Arise's strategy is to grow geographically and to broaden the product portfolio to include more renewable types of energy than wind power. Increased sales are to be achieved, with continued healthy profitability.

It is a key issue for Arise to ensure effective cost control and efficient use of resources. Detailed calculations are made in development projects and regular monitoring of the projects is made when they reach the construction phase to ensure investments costs that are as low as possible.

Green financing framework

At the beginning of 2022, Arise established a "Green Financing Framework" that contains criteria for investment in exclusively renewable energy. Through these investments, Arise supports the transition to a zero-carbon society. To ensure that the framework complies with the 2021 version of ICMA Green Bond Principles, Arise has obtained an external validation of the framework from Cicero Shades of Green. Cicero Shades of Green has assigned the framework a "dark green" shade. Under the green bond framework, Arise can include bonds as well as existing and future loans.

In May 2022, Arise issued green senior unsecured bonds of MEUR 50. The proceeds will be used in accordance with the Arise "Green Financing Framework," including financing of new projects for renewable energy. The framework includes a further MEUR 50 that has not yet been issued.

In the 2020 Annual Report, we obtained certification of a green loan under the DNB Sustainable Product Framework, dedicated to our own wind farms, as this loan meets the criteria in the category Renewable Energy. Production in these wind farms in 2022, and the equivalent reduction in CO₂ emissions, are presented in the table on the right.

Training in sustainability-related subjects

Share of participating employees	2022
Sustainability, risks for Arise – workshop	91%
IT safety – web-based training (ongoing)	100%

Anti-corruption

No irregularities or bribery cases were reported in 2022.

Proprietary production	2022 (MWh)	Corresponds to ¹⁾ ton CO ₂ -e
Oxhult	52,104	19,382
Råbelöv	20,901	7,775
Brunsmo	18,693	6,953
Fröslida	39,047	14,525
Idhult	31,347	11,661
Kåphult	33,189	12,346
Södra Kärra	32,891	12,235
Blekhem	28,438	10,579
Gettnabo	28,859	10,735
Skäppentorp	6,726	2,502
Total	292,196	108,694

¹⁾ Residual mix 2021, Nordic countries (el.se) – 0.37 tonnes of CO₂ equivalents/MWh

Objectives

- All strategic suppliers have accepted the Arise Code of Conduct for Suppliers.
- No occurrence of corruption or bribery.
- No cases reported using whistleblowing system.
- Healthy return and value growth.

Planned activities

- Stakeholder dialogues with suppliers and communication of the Code of Conduct for Suppliers.
- Clarification of requirements in request documentation and agreement on compliance with the Code of Conduct for Suppliers.
- Prepare policy for Whistleblowing and complaint management.
- Internal training – sustainability issues.

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

*To the General Shareholders' Meeting of Arise AB (publ),
Corporate Identity Number 556274-6726*

Engagement and responsibility

The Board of Directors is responsible for the Sustainability Report for 2022 on pages 23–44 and that it has been prepared in accordance with the Swedish Annual Accounts Act.

Focus and scope of the audit

Our examination was conducted in accordance with FAR's auditing standard RevR 12, *The Auditor's report on the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Gothenburg, 23 March 2023
Öhrlings PricewaterhouseCoopers AB

Ulrika Ramsvik
Authorised Public Accountant





Directors' Report

The Board of Directors and the CEO of Arise AB (publ), Corporate Identity Number 556274-6726, hereby present the Annual Report and consolidated financial statements for the 1 January – 31 December 2022 financial year.

GROUP

Operations

Arise AB is the Parent Company of the Arise Group, which develops, constructs and sells solar and wind farms and asset management of these farms. In addition, the Group mainly includes a number of wholly owned subsidiaries usually named "Arise Wind Farm" followed by a number. These companies own and manage Arise's operational wind farms, details of which are provided on pages 8–9. Arise Elnät AB, Arise Kran AB and a number of Arise Wind HoldCo companies were established previously. Arise Kran AB will be discontinued over time since business activities are no longer conducted in this company. A company was founded in the UK in 2021, Arise Renewable Energy UK Ltd.

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

Arise Elnät AB is fully devoted to consulting on grid-related issues with responsibility for electrical contracts relating to the Group's solar and wind power expansion. This responsibility includes the management of applications for licences to build transmission networks used to transmit electricity produced in the solar and wind farms to the overlying electricity grid.

The Group's operations are conducted in Sweden and the UK. Arise's vision of the future is available on pages 6–15.

Events in brief

In the first quarter of 2022, Arise established a green financing framework that contains criteria for investments exclusively in renewable energy. Arise can include bonds as well as existing and future bond loans under the green financing

framework. Markus Larsson was appointed the new CFO and Hans Carlsson was appointed the new COO of Arise, both of whom became members of Group management. Arise made investment decisions regarding the construction of the Lebo wind power project in Västervik Municipality.

In the second quarter of 2022, an agreement was signed with BlackRock for the management of wind farms in Finland, where the total assignment comprises 219 MW. Daniel Cambridge was appointed the new CCO of Arise, responsible for business development and M&A. He started his position on 2 May and joined Group management at the same time. Arise issued green senior unsecured bonds of MEUR 50. The net proceeds will be used in accordance with Arise's green financing framework.

The sale of the wind power project Kolvallen, with 42 turbines with a total nominal capacity of 277 MW, was completed in the third quarter of 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.

An extraordinary general meeting held in the fourth quarter 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.

Net sales and results

Net sales attributable to the production of electricity in the Production segment consist of income for sold electricity, sold and earned electricity certificates and guarantees of origin for actual electricity produced. Net sales also include sales proceeds from sold projects and management income. Sales proceeds from sold projects are included in the Development segment and management income is included in the Solutions segment.

The sale of Kolvallen 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 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. In accordance with IFRS, production assets are not recognized at market price, but the company tests for impairment of the carrying amount every year. In the most recent impairment test, the value in use of the production assets exceeded the carrying amount by about MEUR 85, corresponding to approximately MSEK 950, see also Note 1. Recognised profit before tax improved to MSEK 772 (58).

Profit after tax amounted to MSEK 772 (57), corresponding to SEK 18.60 (1.51) per share before dilution and SEK 18.60 (1.49) after dilution.

Cash flow and investments

Cash flow from operating activities before changes in working capital amounted to MSEK 964 (211). Changes in working capital amounted to MSEK -41 (-68). Accordingly, the total operating cash flow was MSEK 923 (143). Net cash flow from investing activities was MSEK -305 (-124) and pertained primarily to investments in Lebo and Kølvalen. Cash flow after investments thus amounted to MSEK 618 (19). During the second quarter, a green bond corresponding to MSEK 523 was issued. Amortisation totalling MSEK -18 (-18) was 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 totalling MSEK -9 (0) took place. 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 Kølvalen. 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 con-

junction 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).

Taxes

Tax for Arise's Swedish subsidiaries has been calculated according to the Swedish tax rate of 20.6 %. Given the Group's loss carry-forwards and depreciation capacity, no corporate tax is expected to be recognised as paid in the next few years.

Employees

The average number of employees in the Group for the year totalled 36 (28). The total number of employees at year-end was 41 (30). Additional information about the number of employees and salaries, remuneration and employment conditions is provided in Note 4 of the consolidated financial statements.

PARENT COMPANY

The Parent Company manages the Group's production plans and electricity hedges in accordance with the adopted financial policy. These intra-Group trading activities were recognised on a gross basis in the income statement. The electricity-generating subsidiaries sell their electricity production directly to counterparties in the market at spot price.

The Parent Company's total income for the year 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).

ENVIRONMENTAL IMPACT

The Group's core business is to develop, construct, sell and manage projects that produce renewable electricity without releasing CO₂, dust or other emissions into the air, water or ground. The operations also include own production of renewable electricity. Building and construction work, in conjunction with building new wind turbines and related electrical systems, comply with the regulations for such operations.

The Group's handling of oils, chemicals and fuels is limited to oils used for lubricating the mechanical parts of the wind turbines and for necessary usage by external contractors for ground and construction work, and also to fuel needed by suppliers and for the vehicles owned by the Group. The operations of the wind farms result in a direct

impact on the environment in the form of noise, shadows and changes to the landscape.

Sustainability Report

In accordance with Chapter 6, Section 11, of the Swedish Annual Accounts Act, Arise AB (publ) has chosen to prepare a Sustainability Report as a report separate from the Annual Report. The Sustainability Report is available on pages 23–44 in this document. The scope of content in Arise's Sustainability Report is based on the UN Sustainable Development Goals (SDGs), where Arise can contribute towards several of these SDGs. Goal 7 *Affordable and clean energy* and Goal 13 *Climate action* are the SDGs that Arise can primarily contribute to since the core operations are to generate renewable energy by developing wind power, solar power and other sources of renewable energy.

Legal requirements

In owning and operating wind turbines and electrical plants, the Group is required to hold all the necessary permits and also provide the necessary notifications according to the Swedish Environmental Code. The Group has all of the permits required to conduct the current operations.

RISKS AND UNCERTAINTIES

Arise classifies risks as external risks (political, economic cycle, environmental, technological developments and competition), financial risks (energy price, certificate price, currency, interest rate, financing, capital, liquidity and credit) and operational risks (operations, operating expenses and capital expenditures, permits and other rights, key individuals, sub-contractors, contracts, disputes, insurance, IT environment and other risk management).

External risks

Arise believes there will be demand for electricity produced from wind and solar power for the foreseeable future. The EU's ambitious climate targets are to cut greenhouse gas emissions by 55% by 2030 compared with 1990, and be carbon neutral by 2050. However, continuing technological development could mean that technologies other than wind and solar power become more competitive in the future.

In Sweden, electricity certificates have almost played out their role since the price is almost zero and no allotments to new projects are being made from 1 January 2022.

The price of electricity and electricity certificates can be affected by a number of factors ranging from economic climate, price of raw materials and CO₂ prices to the structural supply and demand scenario. The received and expected electricity price could influence opportunities for accessing equity and raising debt.

Arise's income depends on the prices of electricity and

the amount of electricity generated by the installed wind turbines which, in turn, is dependent on the wind speed during the period in question at the locations concerned, and the availability of the wind turbines. Wind speed varies between seasons and also between individual years. Furthermore, since production varies hour by hour, day by day, depending on wind conditions, this means that the average price of wind power electricity could deviate from the market price for electricity if these are expressed as daily average prices and/or monthly average prices. The risk of fluctuation in production volumes is reduced by establishing the company's own production in various geographical locations. Unfavourable weather conditions and climate change may, however, have a negative impact on electricity production which, in turn, would affect the company's earnings.

Furthermore, Arise is dependent on income from divesting operational and construction-ready projects to external investors. Through its comprehensive project portfolio and its platform for construction and asset management, Arise is, in terms of its competitive advantages, one of few players in the market able to provide landowners and investors with a complete concept for solar and wind farm construction, including project rights, grid connections and large-scale procurement of panels and turbines. The market is competitive and there is the risk that Arise will not be able to adapt its projects to industrial and technological developments to thereby ensure its future competitiveness. An industrial perspective, combined with the company's own control over the expansion of the operations, are some of the most important prerequisites for the Group's future competitiveness. Furthermore, politics, opinion and the level of general acceptance could negatively affect opportunities for developing wind and solar projects in the future.

Financial risks

Energy price risk arises due to fluctuations in the price of electricity quoted on the Nord Pool marketplace. The Group manages this risk by hedging a certain portion of planned production. Future price trends remain uncertain and any decline in the price of electricity could be an indication of the risk of a reduction in value of existing investments.

Currency risk in the Group primarily arises when selling electricity and selling projects, both usually priced in EUR. This risk is managed by hedging the EUR exchange rate to a certain extent using futures. In addition, borrowing takes place in foreign currency if it is deemed that the underlying value of the assets borrowed against is essentially set in such a foreign currency. Such exposure is not normally hedged.

Interest rate risk arises when the Group raises loans and has been managed by largely fixing the interest rates of loans raised through swap agreements.

Liquidity risk refers to the risk that Arise will be unable

to meet its payment obligations as a result of insufficient liquidity, difficulties in meeting its financial commitments in credit agreements or limited opportunities for raising new loans.

Credit risk refers to the risk that the Group's customers will be unable to fulfil their commitments, meaning that Group companies do not receive payment for their accounts receivable, thus comprising a credit risk. The finance function continuously analyses and assesses customers and applies proactive credit control. Larger accounts receivable can be hedged using guarantees.

Arise is to maintain financial preparedness by holding a liquidity reserve, comprising cash and cash equivalents and unutilised lines of credit, as sufficient at that time.

For more information, see Note 10 in the consolidated financial statements.

Operational risks

The risk of significant consequences from a complete shut-down of all of the company's wind turbines, as a result of simultaneous technical failures, is deemed to be low. This is partly due to the geographical diversity of the farms, and to the fact that different manufacturers have been used. The company has implemented a complete maintenance system for all wind turbines including, for example, qualified vibration measurement in all key components of each turbine, complete component registration and systems for logging errors and corrective measures in the turbines. In addition, full-service agreements with external suppliers have been signed. The Group's insurance cover also includes property insurance, business interruption insurance, liability insurance, product insurance, wealth insurance and limited coverage for environmental damage. Arise's operations are, to a certain extent, regulated by permits and concessions. Arise complies with established requirements and conditions, but any deviations that may occur in the future could entail the risk that similar permits and concessions are revoked.

In its development activities, Arise is dependent on obtaining the necessary permits, concessions, grid connection agreements, leasehold agreements and other right-of-use agreements. The possibility of obtaining these could be affected by politics or public opinion but also Arise's ability to pursue permit processes and negotiate with various counterparties.

Consequently, Arise is dependent on its ability to maintain and recruit key employees. In addition, Arise's future projects are dependent on sub-contractors that are exposed to cost trends for raw materials, components and logistics. Arise is dependent on a number of IT systems and services for conducting its operations and is therefore exposed to risks related to the company's IT environment.

In Arise's opinion, there are no disputes with a potentially significant impact on the Group's financial position.

Arise also believes that operational risks are reduced by the size of the Group and the composition of Group management, which comprises employees with insight into, as well as continuous and close contact with, the operations.

THE WORK OF THE BOARD/ CORPORATE GOVERNANCE REPORT

Information regarding corporate governance and the work undertaken by the Board during the year is provided in the Corporate Governance Report on pages 108–111. This report and other information regarding corporate governance at Arise are available on Arise's website, www.arise.se.

The Articles of Association do not include any provisions regarding the appointment or dismissal of Board members or regarding amendments to the Articles of Association.

DISCLOSURE REGARDING THE COMPANY'S SHARES

Total number of shares, votes, dividends and new shares

On 31 December 2022, a total of 44,494,235 shares were issued. Shareholders have the right to vote for all the shares they own or represent. All shares entitle the holder to equal dividends.

The company holds 54,194 treasury shares with a quotient value of SEK 0.08 per share, at remuneration of SEK 27.56 per share.

In 2022, warrants were issued for shares in Arise AB in a programme directed to employees. As of 31 December 2022, the total number of warrants issued amounted to 980,000, of which 407,360 have been transferred to participants in the programme.

Authorisation

The Annual General Meeting held on 4 May 2022 resolved to authorise the Board, for the period until the next Annual General Meeting, to resolve on issues of ordinary shares, preference shares and convertibles, repurchases of the company's treasury shares and transfers of such shares. There are no restrictions regarding the transfer of shares stipulated in the Articles of Association or applicable legislation. Furthermore, the company is not aware of any agreements between shareholders that would restrict the transfer of shares.

Shareholders

Information on the company's shareholders is provided on page 112. The company has two shareholders with a direct or indirect participation representing more than 10% of the votes, which are Johan Claesson with companies and Alto-Cumulus Asset Management.



AGREEMENTS WITH CLAUSES CONCERNING CHANGES IN OWNERSHIP

With a change in ownership entailing a “change of control” or if Arise is de-listed from Nasdaq Stockholm, clauses in the company’s loan agreements and bond agreements apply, under which the bank and the bond holder has the right to call for the repayment of loans including accrued interest. Except for these agreements, the Group has no other material agreements that could be terminated on the basis of changes in ownership. There are no agreements between

the company and members of the Board or employees regulating remuneration if such individuals terminate their employment, are dismissed without a valid reason or if their employment or contract ceases as a result of a public takeover bid.

CODE OF CONDUCT

Arise places great importance on conducting its business activities based on sound legal and business ethics. The company’s Code of Conduct highlights the principles gov-

erning the Group's relationships with its employees, business partners and other stakeholders. The Code of Conduct applies to both employees and the Board of Directors. The Group's suppliers and partners are also expected to respect our Code of Conduct for suppliers and undertake to work proactively to meet these demands in both their own operations and in the supply chain.

The Code of Conduct stipulates that bribes are not allowed, that the company is to be restrictive in terms of giving/receiving gifts and that all business transactions are to be clearly stated in the company's financial statements, which are to be prepared in accordance with generally accepted accounting policies in an honest, relevant and comprehensible manner.

Arise takes a neutral position regarding party political issues. Neither the Group's name nor its assets may be used for the promotion of political parties or in the interests of political candidates.

The Code of Conduct also governs the company's work towards a sustainable society, stipulating that the Group's products and processes are to be designed in a manner effectively utilising energy and resources, as well as minimising waste and residual products over the product's useful lifetime. Arise recruits and treats its employees in a manner that ensures there is no discrimination on the basis of gender, ethnicity, religion, age, disability, sexual orientation, nationality, political belief, origin, etc. The Group encourages diversity on all levels. Neither child labour nor work under duress is tolerated. Freedom of association and the right to collective bargaining and agreements are respected.

GUIDELINES REGARDING REMUNERATION OF SENIOR EXECUTIVES

These guidelines encompass salaries and other employment conditions for the members of Group management of Arise AB (publ) ("Arise"), including the CEO, referred to below as "senior executives." The guidelines also include any remuneration of Board members for work performed, in addition to Directors' fees. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the company's 2023 AGM.

These guidelines do not apply to any remuneration resolved or approved by the AGM, such as, directors' fees and share-based incentive programmes.

Basic principles

Arise is one of Sweden's leading independent companies in renewable energy with broad experience of project development and management. In short, Arise's business strategy is to develop, construct and sell electricity production and manage it. Arise manages the entire value chain

– from exploration and permitting, to financing, construction, divestment and long-term management of renewable electricity production. A prerequisite for the successful implementation of Arise's business strategy and safeguarding of its long-term interests, including its sustainability, is that Arise is able to recruit and retain highly skilled senior executives with the capacity to achieve established targets. To this end, it is necessary that Arise offers competitive remuneration, as enabled by these guidelines.

The remuneration shall be on market and competitive terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The level of remuneration for each individual executive will be based on such factors as work duties, expertise, experience, position and performance. The AGM may also – regardless of these guidelines – adopt remuneration based on, for example, share and share-price-related incentive schemes.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Fixed salary

Senior executives are to be offered a fixed, market-based annual salary, based on the individual's responsibilities, skills and performance. The fixed salary is to be determined on a calendar year basis, with a salary review to take place on 1 January each year.

Variable cash remuneration

In addition to fixed salary, each senior executive may, from time to time, be offered variable cash remuneration. Such variable cash remuneration is to be specified in the employment contract for each executive. Variable cash remuneration covered by these guidelines shall aim at promoting Arise's business strategy and long-term interests, including its sustainability.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. Performance over a longer period of time may also be considered in the assessment. The annual variable cash remuneration may amount to a maximum of 100 % of fixed annual salary. Variable cash remuneration shall not qualify for pension benefits, unless subject to mandatory collective agreement provisions.

The variable cash remuneration shall be linked to one or more predetermined and measurable criteria which can be financial, such as adjusted profit/loss after tax, or non-financial, such as increased growth, competitiveness, successful acquisitions, refinancing, growing human capital or the fulfilment of other objectives.

Since the criteria are linked with the company's financial and operational development in a clear and measurable way, they support the implementation of Arise business strategy, long-term interests and sustainability.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company. The Board of Directors shall have the possibility to reclaim variable remuneration paid on incorrect grounds (claw-back).

The Group's commitments for variable remuneration to the senior executives who may be encompassed by the objectives for variable remuneration calculated for 2023 – provided that all objectives for variable remuneration are fully satisfied – may amount to a maximum of approximately MSEK 11.8 (approx. MSEK 7.3 for the former Group management) including any social security contributions. The outcome for 2022 subject to objectives for variable remuneration objectives, excluding social security contributions, amounted to MSEK 7.0.

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 % of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee. Variable remuneration of MSEK 0 was paid for such work in 2022.

Each year, the Remuneration Committee and the Board are to evaluate whether share-based incentive programmes are to be proposed to the AGM.

A condition for the payment of variable remuneration is that the executive has been employed for at least three months during the financial year and that the executive is employed by the company at the end of the year. If employment ends because the company terminates the executive's employment due to gross negligence or misconduct, the employee – regardless of when employment is terminated during the year – has no right to receive variable remuneration for and during the year in which employment is terminated. If the executive has been employed for more than three months but less than 12 months during a financial year, the variable remuneration is calculated proportionately based on the time that the executive was employed during the financial year. Periods of employment during any leave of absence or parental leave do not entitle the executive to receive variable remuneration.

Pensions

Pension benefits, including health insurance, shall be defined contribution unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions. In addition to the pension arrangements agreed upon on the basis of collective agreements or other agreements, senior executives may be entitled to individually arranged pension solutions. Senior executives can sacrifice portions of salaries and variable remuneration in exchange for increased pension savings, provided there is no change in the cost incurred by the company over time. The premiums for defined contribution pension, including health insurance, shall amount to a maximum of 32.5 % of the fixed annual salary.

Other benefits

Other benefits may include, for example, life insurance, medical insurance and company car. Premiums and other costs relating to such benefits may total a maximum of 10 % of the fixed annual salary.

Period of notice and severance pay

Senior executives may be permanent or temporary employees. The period of notice for senior executives may be a maximum of 6 months if the executive gives notice, and a maximum of 12 months if the company gives notice. No severance pay is paid during the termination period.

Furthermore, remuneration for any non-compete undertakings may be paid in order to compensate for loss of income. The remuneration shall be based on the fixed salary at the time of termination of employment and amount to not more than 60 % of the fixed salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment.

Salary and employment conditions for employees

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of Arise have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Consultancy fees to Board members

If a Board member performs work on Arise's behalf in addition to Board work, a market-based consultancy fee shall be paid for such work to the Board member or company controlled by the Board member, on the condition that the services contribute to the implementation of Arise's busi-

ness strategy and safeguarding Arise's long-term interests, including its sustainability.

Board preparations and decision-making

The Board has established a Remuneration Committee. The Remuneration Committee's tasks including preparing the Board's decision on proposals concerning guidelines for remuneration of senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the AGM. The guidelines shall be in force until new guidelines are adopted by the AGM. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The Remuneration Committee's members are independent in relation to the company and management. The CEO and other members of Group management do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Information on remuneration resolved but not yet due

Other than the commitment to pay ongoing remuneration, such as salaries, pensions and other benefits, there is no previously resolved remuneration to any senior executive that is not yet due. For additional information concerning remuneration of senior executives, see Note 4.

EVENTS AFTER BALANCE SHEET DATE

In January 2023, Arise signed an agreement with Persson Invest, one of Sweden's largest private landowners. The agreement pertains to rights to the development of potential wind power projects on a large portion of Persson Invest's land, where the company initially estimates approximately 500 MW potential for new wind power.

In the first quarter of 2023, the company signed an agreement to acquire approximately 51 % of the Finnish company Pohjan Voima Oy. Pohjan Voima Oy holds rights to onshore wind and solar power projects in Finland corresponding to about 1.7 GW. The acquisition entails a substantial increase in Arise's project portfolio and broader geographic diversification. Closing is scheduled to take place in April 2023.

PROPOSED APPROPRIATION OF PROFITS

The Board proposes that a dividend of SEK 1.00 (0) per share is paid for the 2022 financial year. The proposed record date for the dividend is Monday 8 May 2023. Provided that the AGM approves the Board's proposal, the dividend is expected to be paid on Thursday 11 May 2023.

The following profits are at the disposal of the Annual General Meeting:

Parent Company

Accumulated loss from preceding year	-886,199,677
Share premium reserve non-restricted equity	1,613,725,340
Profit/loss for the year	36,487,873

Total unappropriated earnings, SEK **764,013,537**

The Board of Directors and the CEO propose to the Annual General Meeting that the available earnings be appropriated as follows:

To be paid as dividends, SEK 1.00 per share	44,494,235
To be carried forward, SEK	719,519,302

Total appropriation of profit, SEK **764,013,537**

For more information regarding the earnings and financial position of the Group and the Parent Company, refer to the income statements, balance sheets, cash flow statements and supplementary notes below.

The Board's statement on the proposed dividend

Based on continuously positive results from energy sales and project sales and healthy financial strength, the Board proposes a dividend of SEK 1 per share to the forthcoming AGM. The Board believes that the proposed dividend will not prevent the company, and other companies included in the Group, from fulfilling their short or long-term commitments, or from making necessary investments. The proposed dividend can thus be justified in accordance with the provisions of Chapter 17, Section 3, paragraphs 2–3 of the Swedish Companies Act (the prudence rule).



Consolidated income statement

Amounts to the nearest MSEK	NOTE	2022	2021
Net sales		1,164	341
Other operating income		5	0
Total income	2	1,169	341
Capitalised work on own account	2	4	5
Personnel costs	4	-63	-46
Cost of sold projects		-136	-68
Other external expenses	5	-124	-91
Operating profit/loss before depreciation and amortisation (EBITDA)		851	143
Depreciation and impairment of non-current assets	9	-61	-63
Operating profit/loss (EBIT)		790	79
Profit/loss from financial items	6	-17	-22
Profit/loss before tax		772	58
Tax on profit/loss for the year	7	0	-1
Profit/loss for the year		772	57
Earnings is attributable in its entirety to Parent Company shareholders.			
Earnings per share (SEK) ¹⁾			
Basic		18.60	1.51
Diluted		18.60	1.49
Treasury shares held by the company, amounting to 54,194 shares, were not included in the calculation.			
Number of shares at the beginning of the year		38,621,440	36,497,916
Number of shares at year-end		44,440,041	38,621,440

¹⁾ For calculation of earnings per share, see Note 17.

Consolidated statement of comprehensive income

Amounts to the nearest MSEK	2022	2021
Profit/loss for the year	772	57
Other comprehensive income		
Items that may be reclassified to the income statement		
Translation differences for period	0	0
Cash flow hedges	45	-164
Income tax attributable to components of other comprehensive income	-9	34
Other comprehensive income for the year, net after tax	36	-130
Total comprehensive income for the year	807	-73

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

Consolidated balance sheet

Amounts to the nearest MSEK	NOTE	2022	2021
ASSETS			
Non-current assets			
Intangible assets	9	25	25
Property, plant and equipment	9	1,164	1,168
Lease assets	9	54	55
Other long-term securities	11	26	-
Other long-term receivables	12	112	-
Deferred tax assets	7	23	32
Other financial non-current assets	13	29	18
Total non-current assets		1,432	1,298
Current assets			
Inventories		0	1
Accounts receivable	15	7	3
Other current receivables	14	12	15
Derivative assets	10	26	6
Contract assets	16	149	62
Prepaid expenses and accrued income	16	69	55
Cash and cash equivalents		1,220	70
Total current assets		1,483	212
TOTAL ASSETS		2,916	1,511
EQUITY			
Share capital	17	4	3
Other contributed capital		1,567	1,435
Reserves		-84	-119
Retained earnings / accumulated loss		129	-643
Total equity		1,616	676
LIABILITIES			
Non-current liabilities			
Non-current interest-bearing liabilities	18	925	370
Non-current interest-bearing lease liabilities	18	55	55
Provisions	19	62	49
Total non-current liabilities		1,042	474
Current liabilities			
Current interest-bearing liabilities	18	27	146
Current interest-bearing lease liabilities	18	2	4
Accounts payable		49	23
Derivative liabilities	10	133	158
Other liabilities	10	1	1
Accrued expenses and deferred income	20	46	30
Total current liabilities		258	361
TOTAL EQUITY AND LIABILITIES		2,916	1,511

Consolidated cash flow statement

Amounts to the nearest MSEK	NOTE	2022	2021
Operating activities			
Operating profit (EBIT)		790	79
Adjustment for non-cash items	8	178	132
Tax paid		-4	-1
Cash flow from operating activities before changes in working capital		964	211
Cash flow from changes in working capital			
Increase (-) / decrease (+) in inventories		1	0
Increase (-) / decrease (+) in operating receivables		-104	-91
Increase (+) / decrease (-) in operating liabilities		62	23
Cash flow from operating activities		923	143
Investing activities			
Acquisition of non-current assets		-176	-124
Investments in financial non-current assets		-130	-
Cash flow from investing activities		-305	-124
Financing activities			
Loan repayments		-18	-18
Loans raised		523	-
Amortisation of lease liabilities		-6	-6
Interest paid and other financing costs		-33	-12
Interest received		3	0
Net payment to blocked accounts		-9	-
New issue/warrants		3	-
Cash flow from financing activities		464	-36
Cash flow for the year		1,082	-17
Cash and cash equivalents at beginning of year		70	86
Exchange-rate difference in cash and cash equivalents		68	2
Cash and cash equivalents at year-end		1,220	70
Interest-bearing liabilities at year-end (excl. lease liabilities)		952	516
Blocked cash and cash equivalents at year-end		-27	-18
Net debt		-296	428

Refer to Note 1 Accounting policies, which describes the basis for the preparation of the consolidated cash flow statement.

Change in liabilities in financing activities 2022

Amounts to the nearest MSEK	31 DEC 2021	Cash flow	Non-cash items	31 DEC 2022
Bank loan	383	-15	35	403
Bond loan	-	514	35	548
Convertible loan	133	-4	-129	-
Lease liabilities	58	-6	5	57
Total	574	489	-54	1,009
Other items affecting cash flow		-25		
Total		464		

Other items affecting cash flow in the financing operations refer to payments of warrants, payments to blocked accounts, interest items, currency futures and fees for overdraft facilities.

Change in liabilities in financing activities 2021

Amounts to the nearest MSEK	31 DEC 2020	Cash flow	Non-cash items	31 DEC 2021
Bank loan	393	-19	9	383
Convertible loan	177	0	-45	133
Lease liabilities	61	-6	3	58
Total	631	-24	-33	574
Other items affecting cash flow		-12		
Total		-36		

Other items affecting cash flow in the financing operations refer to interest items, currency futures and fees for overdraft facilities.

Group equity

Amounts to the nearest MSEK	Share capital	Other contributed capital	Reserves	Retained earnings/accumulated deficit	Total equity
Opening balance on 1 Jan 2021	3	1,390	11	-701	703
Profit for the year				57	57
Other comprehensive income for the year	-	-	-130	-	-130
Total comprehensive income	-	-	-130	57	-73
Transactions with shareholders in their capacity as owners					
New share issue/conversion of convertibles	0	45	-	1	46
Other adjustments	-	-	-	0	0
Total transactions with shareholders	0	45	-	1	46
Closing balance on 31 Dec 2021	3	1,435	-119	-643	676
Opening balance on 1 Jan 2022	3	1,435	-119	-643	676
Profit for the year				772	772
Other comprehensive income for the year	-	-	36	-	36
Total comprehensive income	-	-	36	772	807
Transactions with shareholders in their capacity as owners					
New share issue/conversion of convertibles	0	132	-	-	132
Total transactions with shareholders	0	132	-	-	132
Closing balance on 31 Dec 2022	4	1,567	-84	129	1,616

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 of average capital employed.

Return on equity

Rolling 12-month net profit as a percentage of average equity.

Equity per share

Equity divided by the average number of shares.

Equity per share after dilution

Equity adjusted by conversion of convertibles divided by the average number of shares after dilution.

Net financial items

Financial income minus financial expenses.

Average equity

Rolling 12-month average equity.

Items affecting comparability

Exchange rate differences on bank loans, bond loans and unallocated bond proceeds in foreign currencies. For the 2021 comparative year, non-recurring costs also related to leases of wind farms between 2013 and 2016.

Average capital employed

Rolling 12-month average capital employed.

Operating cash flow

Cash flow from operating activities after changes in working capital.

Net debt

Interest-bearing liabilities excluding 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 liabilities.

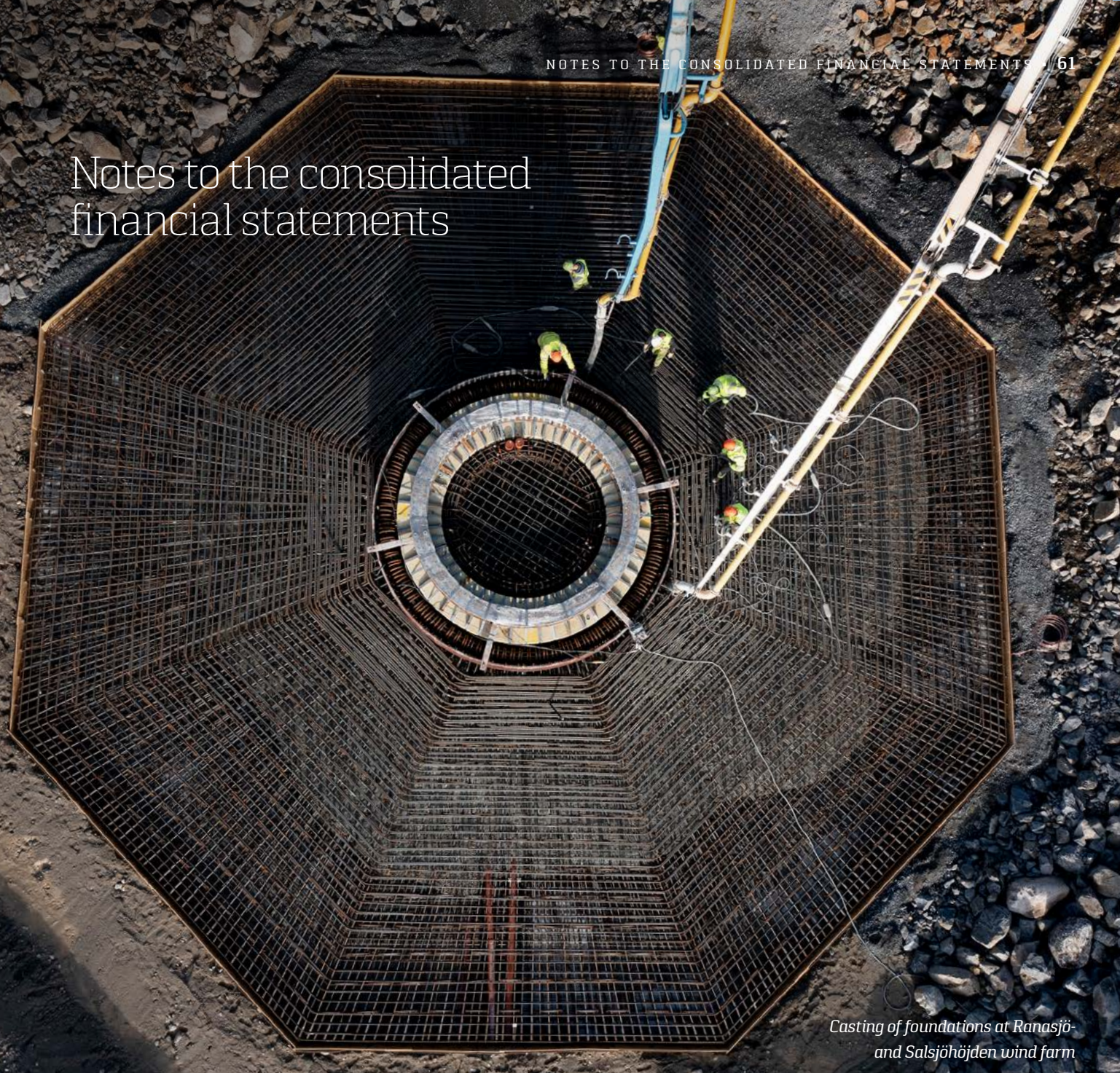
GENERAL INFORMATION ABOUT KEY RATIOS

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 report have been rounded while calculations have been made without rounding. Hence, it may appear that certain tables and figures do not add up correctly.

Notes to the consolidated financial statements



Casting of foundations at Ranasjö- and Salsjöhöjden wind farm

NOTE 1 • ACCOUNTING POLICIES

ACCOUNTING POLICIES FOR THE GROUP

1. General information

Arise AB (publ), Corporate Identity Number 556274-6726, is a limited liability company registered in Sweden, and its shares are listed on Nasdaq Stockholm. The company's registered office is located in Halmstad. The company's and its subsidiaries' primary operations are described in the Directors' Report in this Annual Report. The consolidated financial statements for the financial year ending on 31 December 2022 were approved by the Board of Directors on 23 March 2023, and will be presented to the Annual General Meeting for adoption on 4 May 2023.

2. Summary of important accounting policies

The most important accounting policies applied in the preparation of these consolidated financial statements are presented below. These policies have been applied consistently for all years presented in the accounts, unless otherwise stated.

Basis of preparation of the financial statements

The consolidated financial statements for Arise AB were prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's RFR 1 Supplementary Accounting Rules for Groups, as well as *International Financial Reporting Standards* (IFRS) and the interpretations of the *IFRS Interpretations Committee* (IFRS IC) as adopted by the EU.

The preparation of financial statements in accordance with IFRS requires the application of various important estimates and assumptions for accounting purposes. Management is also required to make assessments regarding the application of the Group's accounting policies. The areas that involve a high degree of assessment, which are complex, or in which estimates and assumptions are of material importance for the consolidated financial statements, are described in Note 1, Point 3.

The Group's presentation currency and the Parent Company's functional currency is the Swedish krona (SEK). Unless otherwise stated, all amounts are stated in millions of SEK (MSEK). In the consolidated financial statements, items have been measured at cost, adjusted for amortisation/depreciation and impairment, with the exception of certain financial instruments, which have been measured at fair value. The applied accounting policies deemed significant to the Group are described below.

New and amended standards applied by the Group 2022

None of the IFRS or IFRIC interpretations that entered into force during the year are expected to have any material effect on the consolidated financial statements.

New standards and interpretations not yet applied by the Group

None of the other IFRS or IFRIC interpretations yet to enter into force are expected to have any material effect on the consolidated financial statements.

Consolidated financial statements

Subsidiaries

Subsidiaries are all companies in which the Group exercises control. Control is deemed to exist when the Group is exposed to or is entitled to variable returns on the basis of its holding in the company and is able to impact this return through its influence in the company. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group and are excluded from the financial statements from the date on which control is relinquished.

Subsidiaries are reported in accordance with the acquisition method. The acquired identifiable assets, liabilities and contingent liabilities are measured at fair value as of the acquisition date. Any surplus, comprised of the difference between the cost paid for the acquired holding and the sum of the fair values of the acquired identifiable assets and liabilities, is recognised as goodwill. If the cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the income statement.

Acquisition-related costs are expensed as they arise. Intra-Group transactions, balance sheet items and income and expenses from transactions between Group companies are eliminated. Gains and losses arising from intra-Group transactions, recognised as assets, are also eliminated. Accounting policies for subsidiaries have, if appropriate, been changed in order to guarantee consistent application of the Group's policies.

Sales of subsidiaries

When the Group no longer exercises control, any remaining holding in the company is measured at fair value as per the date on which control is relinquished. The change in the carrying amount is recognised in the income statement. The fair value is utilised as the initial carrying amount and forms the basis for the continued recognition of the remaining holding as an associate, joint venture or financial asset. All amounts related to the divested entity which were previously recognised in other comprehensive income are recognised as if the Group had directly sold the attributable assets or liabilities. This treatment may entail that amounts which were previously recognised in other comprehensive income are reclassified to the income statement.

Segment reporting

An operating segment, which for Arise entails Development, Production and Solutions, is part of the Group that conducts business operations from which it generates revenues and incurs costs and for which independent financial information is available. An operating segment's earnings are reported to the chief operating decision maker, who at Arise is the CEO, for more information see Note 3.

Translation of foreign currencies

Functional currency and presentation currency

Items included in the financial statements of the various entities in the Group are valued in the currency used in the economic environment in which the respective companies engage in their main operations (functional currency). The consolidated financial statements are presented in Swedish krona (SEK), which is the functional currency of the Parent Company and the presentation currency of the Group.

Transactions and balance sheet items

Transactions in foreign currencies are translated to the functional currency at the exchange rates applicable on the transaction date or the day on which the items were remeasured. Exchange rate gains and losses arising on payment of such transactions and in the translation of monetary assets and liabilities in foreign currency at the closing rate are recognised in the income statement. The exception is transactions that are hedges that meet the conditions for

hedge accounting of cash flows or net investments for which gains/losses are recognised in other comprehensive income. Exchange rate differences on operating receivables and operating liabilities are recognised in EBIT, while exchange rate differences on financial receivables and liabilities are recognised in net financial items. Realised gains and losses on hedging derivatives are recognised in the income statement items in which the hedged transactions are recognised.

Group companies

The earnings and financial position of all Group companies whose functional currency is different to the presentation currency are translated to the Group's presentation currency as follows:

- assets and liabilities for each of the balance sheets are translated at the closing rate
- income and expenses for each of the income statements are translated at the average exchange rate
- all exchange rate differences that arise are recognised in other comprehensive income.

Revenue recognition

Income is recognised in the income statement when control has been passed to the purchaser. The time when control is passed is based on Arise's opinion of whether the Group's performance obligation will be satisfied at a point in time or over time. Arise's net sales include the sale of generated electricity, earned and sold electricity certificates and guarantees of origin, as well as gains and losses from electricity and currency derivatives attributable to the hedged production. Net sales include development income from sold projects and management income. For sales of projects, the sale is recognised at gross amount in the consolidated financial statements with the consideration comprising sales and the costs associated with the sale recognised as cost of sold projects and transaction costs. Capital gains/losses are thus recognised at the corresponding amount as though the company had recognised the profit on the sale at net value, for more information on income, see Note 2.

Income arising from the sale of generated electricity is recognised at a point in time in the period in which delivery took place, at the spot price, forward price or other contracted price. Income relating to electricity certificates and guarantees of origin is recognised over time at the applicable spot price, forward price or other contracted price for the period in which the electricity certificate and guarantees of origin is earned, which is the period in which the electricity was produced. Income from electricity, electricity certificates and guarantees of origin is recognised in net sales for the Production segment, from the date of commissioning.

Electricity certificates are recognised under inventories

in the balance sheet when they are registered in the Swedish Energy Agency's account, and as accrued income for any periods during which they have been earned but not yet registered.

Income from sales of projects is recognised concurrently as the risks inherent to the project are transferred from Arise to the purchaser. For development projects, income and the costs attributable to the project are recognised as revenue and expenses in relation to the degree of completion of the project on the balance sheet date (percentage of completion). Arise estimates the degree of completion of each project by comparing the incurred costs with the estimated total expenses, and by estimating the risk in the remaining stages of the project. The projects may also have variable remuneration associated with the outcome of the project. Such income is recognised in accordance with the limitation regulations related to variable remuneration in IFRS 15, which means that Arise only recognises income attributable to variable remuneration if it is highly probable that a material reversal will not occur. Management income is recognised according to contract in line with the service being delivered.

Current and deferred tax

Tax expense for the period includes current tax calculated on the taxable earnings for the period at applicable tax rates. Current tax expense is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unutilised loss carry-forwards.

Current tax expense is calculated on the basis of the tax rules that have been decided or decided in practice on the balance sheet date in the countries in which the Parent Company and its subsidiaries operate and generate taxable income.

Deferred tax is recognised on all temporary differences arising between the tax value of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is calculated by applying tax rates that have been decided or announced on the balance sheet date and that are expected to apply when the tax asset in question is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is likely that future tax surpluses will be available against which temporary differences can be utilised.

Current and deferred tax is recognised in the income statement, with the exception of tax attributable to items recognised in other comprehensive income or directly in equity. For such items, the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and tax liabilities are offset when there is a legal right of offset for current tax assets and tax liabilities and when the deferred tax assets and liabilities

are attributable to taxes levied by a single tax authority and pertain to either the same tax payer or different tax payers, where the intention is to settle balances by making net payments.

Leases

The Group's leases primarily comprise right-of-use assets for wind farms and office premises. Leases are recognised as right-of-use assets with the corresponding lease liability on the day that the leased asset is available for use by the Group. Short-term leases and leases for which the underlying asset is of a low value are exempted.

Each lease payment is divided between repayment of the lease liability and a financial cost. The financial cost is to be distributed over the lease term so that each reporting period is charged with an amount corresponding to the fixed interest rate for the liability recognised in each period.

The lease period is determined as the non-cancellable period together with both periods that are covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The Group's lease liabilities are recognised at the present value of the Group's future lease payments. The lease payments are discounted using the Group's incremental borrowing rate.

The Group's right-of-use assets are recognised at cost and include the initial present value of the lease liability, adjusted by lease payments paid at or prior to commencement and initial direct costs. Restoration costs are included in the asset if a corresponding provision for restoration costs has been identified. The right-of-use is depreciated straight-line over the shorter of the asset's useful life and the term of the lease.

Intangible assets

Intangible assets are recognised at cost. These assets comprise acquired intangible assets that are attributable to acquired project rights and have an indefinite useful life. These assets are tested annually, or on indication of value decline, for impairment.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment. The cost includes expenditure which is directly attributable to the acquisition of the asset, and also includes the transfer of the outcomes of approved cash flow hedges on purchases of property, plant and equipment in foreign currencies from equity. The cost for wind farms also includes, in contrast to the cost for other investments, normal expenses for calibra-

tion and commissioning. Expenses directly attributable to interest during the construction and assembly period were included in the cost. All expenses for continuous new investments are capitalised.

In conjunction with the granting of permits for the construction of wind turbines, the Group commits to restore land to its original condition after the end of the turbines' useful life. The estimated expense for this restoration is provided for in the consolidated financial statements.

Subsequent expenditure increases the asset's carrying amount or is recognised as a separate component only when it is likely that the future economic benefits associated with the asset will accrue to the Group, and the cost of the asset can be reliably estimated. All other forms of repair and maintenance are recognised as expenses in the income statement in the period in which they arise.

Land is assumed to have an indefinite useful life and is therefore not depreciated. The value of wind farms is depreciated on a straight-line basis down to a maximum of the asset's estimated residual value and over the asset's expected useful life. The Group applies component depreciation, meaning that the components' estimated useful lives form the basis of straight-line depreciation. The depreciation of wind farms is initiated when taken over from the supplier. For the calculation of depreciation according to plan, the following useful lives are applied:

- Buildings 20 years
- Wind turbines and foundations 10–30 years
- Other equipment 3–5 years

Impairment of non-financial assets

Assets that are depreciated are assessed based on a decline in value whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment is recognised at the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. The value in use comprises the present value of all incoming and outgoing payments attributable to the asset during the period in which it is expected to be utilised in the operations, plus the present value of the net realisable value at the end of the asset's useful life. If the calculated recoverable amount is less than the carrying amount, the asset is impaired to its recoverable amount. When testing for impairment, assets are grouped at the lowest level where there are essentially independent cash flows (cash generating units).

A previous impairment is reversed when a change has occurred in the assumptions applied in determining the asset's recoverable amount when the impairment was undertaken, and when such change implies that the impair-

ment is no longer deemed to be necessary. Reversals of previous impairments are assessed individually and recognised in the income statement.

Intangible assets with an indefinite useful life are not amortised, but are tested annually, or on indication of value decline, for impairment. Impairment is recognised at the amount by which the carrying amount of the asset exceeds its recoverable amount.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, which are measured at amortised cost.

Accounts receivable

Accounts receivable are amounts that are to be paid by customers for goods sold or services provided in the operating activities. Accounts receivable are classified as current assets if payment is expected within one year or earlier. Otherwise they are recognised as non-current assets.

Accounts receivable are initially measured at fair value and, thereafter, at amortised cost, applying the effective interest method, reduced by the Group's credit loss risk reserve ("loss allowance"). The Group assesses future expected credit losses on accounts receivable and recognises a loss allowance for such expected credit losses on every reporting date. For accounts receivable, the Group applies the simplified approach, meaning the loss allowance will correspond to the expected losses over the full lifetime of the accounts receivable. The Group makes use of forward-looking variables for expected credit losses. Expected credit losses are recognised in the Group's EBIT.

Inventories

Inventories are valued at the lower of cost and net realisable value. The net realisable value corresponds to the quoted value on a specific exchange for electricity certificates, or is equivalent to another value, should another form of contract have been concluded. The cost for inventories is calculated by applying the first in, first out method (FIFO).

Financial assets and liabilities

Classification

The Group classifies its financial instruments into the following categories:

- financial assets/liabilities measured at amortised cost
- financial assets/liabilities measured at fair value through other comprehensive income (FVTOCI)
- financial assets/liabilities measured at fair value through profit or loss (FVTPL)
- derivative instruments held for trading or hedging

The Group classifies its financial assets and liabilities depending on the purpose for which the financial asset or liability was acquired. The classification of investments in debt instruments is based on the Group's business model and whether the contractual conditions of the assets' cash flows comprise solely payments of principal and interest (the SPPI test).

Financial assets/liabilities measured at amortised cost

Financial assets measured at amortised cost are financial assets that are not derivatives, that have determined, or determinable, payments and that are not quoted on an active market. Assets held to collect the contractual cash flows and where these cash flows comprise solely payments of principal and interest are measured at amortised cost. These items are included in current assets, with the exception of items maturing later than 12 months after the balance sheet date, which are classified as non-current assets. The Group's assets measured at amortised cost comprise "Blocked accounts," "Other long-term receivables," "Accounts receivable," "Other receivables" and "Cash and cash equivalents" in the balance sheet.

Assets in this category are initially measured at fair value and, thereafter, at amortised cost, applying the effective interest method, less any reserve for declines in value.

Financial assets measured at fair value through profit or loss

Assets that do not meet the requirements for being measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Arise's assets that are measured at fair value through profit or loss comprise other long-term securities in unlisted shares. All of these assets belong to Level 3 of the fair value hierarchy.

Derivatives and hedging

Derivative instruments are recognised in the balance sheet on the contract date and are measured at fair value, both upon initial recognition and in subsequent remeasurement. The method for recognising the gain or loss arising in conjunction with remeasurement is dependent on whether the derivative is identified as a hedging instrument and, if this is the case, the nature of the item being hedged. The Group identifies certain derivatives as one of the following:

(a) hedging of fair value regarding a recognised asset or liability, or a binding commitment (fair value hedge), (b) hedging of a particular risk associated with a recognised asset or liability, or a transaction which is forecast as highly likely to take place (cash flow hedge), or (c) hedging of net investments in foreign currency (hedging of net investments).

Measurement of hedging instruments for electricity prices, currencies and interest rates is based on observable data. For derivative instruments or other financial instruments that meet the requirements for hedge accounting under the method for cash flow hedges or hedge of net investments in a foreign currency, the effective portion of the change in value is recognised in other comprehensive income. For derivatives where hedge accounting is not applied and for derivatives included in a fair value hedge, any changes in value are recognised in the income statement.

Cash flow hedges

In cash flow hedging, changes in value are recognised in other comprehensive income and are recognised separately in specific categories within equity until the hedged item is recognised in the income statement. Any gains or losses on hedging instruments attributable to the effective portion of hedging are recognised in other comprehensive income and are recognised separately in equity under hedge reserve. Any gains or losses attributable to the ineffective portions of hedging are recognised in the income statement, for electricity and currencies in EBIT and for interest derivatives in net financial items. Hedge accounting is discontinued when a hedging instrument expires, is sold or when the hedge no longer meets the criteria for hedge accounting. The amount that has been accumulated in equity remains there until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, that amount in the equity related to the hedge is immediately reclassified to the income statement.

When transactions are made, the Group documents the relationship between the hedging instrument and the hedged item, as well as the Group's objectives for risk management and risk management's strategy regarding hedging. The Group also documents its assessment, both when the hedging is initiated and on an ongoing basis, to determine if the derivatives utilised in hedge transactions are effective in terms of counteracting changes in the fair value of, or cash flows attributable to, the hedged items.

Disclosures on the fair value of various derivative instruments used for hedging purposes can be found in Note 10.

Calculation of fair value of financial instruments

Official market prices on the balance sheet date are applied in determining the fair value of long-term derivatives. The market values of other financial assets and financial liabilities are calculated through generally accepted methods, such as the discounting of future cash flows, on the basis of the listed market rates for each maturity. Amounts are translated to SEK at the quoted exchange rate on the balance sheet date.

Recognition and derecognition from the balance sheet

A financial asset or a financial liability is recognised in the balance sheet when Arise becomes a party to the instrument's contractual terms and conditions. A financial asset is derecognised from the balance sheet when the rights of the agreement are realised, expire or the company loses control over them. A financial liability is derecognised from the balance sheet when the obligations in the agreement are fulfilled or otherwise extinguished. Acquisitions and sales of financial assets are recognised on the transaction date, which is the date on which the company commits to acquire or sell the asset, except for cases in which the company acquires or sells listed securities, in which case settlement accounting is applied.

Impairment

The Group measures future expected credit losses that are related to financial assets measured at amortised cost or measured at fair value with changes in other comprehensive income based on forward-looking information. The Group applies a simplified method for impairment testing of accounts receivable and contract assets in accordance with the rules of IFRS 9. This simplification entails that the loss allowance for expected credit losses is based on the risk of loss for the full lifetime of the receivable and is recognised on initial recognition. This method requires that a loss allowance is established for expected losses for the full lifetime of the accounts receivable and the contract assets. To measure expected credit losses, accounts receivable and contract assets have been grouped based on their credit risk characteristics and days past due. The Group makes use of forward-looking variables for expected credit losses.

Offset of financial assets and liabilities

Financial assets and liabilities are offset and recognised in a net amount in the balance sheet when there is a legal right of offset and when the intention is to settle the items at a net amount or to simultaneously realise the asset and settle the liability.

Accounts payable and other liabilities

Accounts payable are obligations to pay for products or services which have been acquired from suppliers in the course of the operations.

Accounts payable and other liabilities are classified as current liabilities if they fall due within one year or earlier. If not, they are recognised as non-current liabilities.

Accounts payable are initially measured at fair value and, thereafter, at amortised cost, applying the effective interest method.

Borrowing and borrowing costs

Liabilities to credit institutions and credit facilities are categorised as “Other interest-bearing liabilities” and are initially measured at fair value, net after transaction costs. Borrowing is, thereafter, recognised at amortised cost, whereby directly attributable expenses, such as arrangement fees, are distributed over the loan's maturity using the effective interest method. Non-current liabilities have an expected maturity longer than one year, while current liabilities have a maturity of one year or less.

The Group capitalised borrowing expenses that were directly attributable to the purchase, construction or production of an asset that took a significant time to finalise for use, as part of the cost of the asset, see Note 9.

Provisions

Provisions for environmental restoration, restructuring costs and legal requirements are recognised when the Group has a legal or informal obligation as a result of events that have occurred, when it is probable that an outflow of resources will be required to settle the obligation, and when the amount has been reliably estimated.

If a number of similar obligations exist, the probability of whether an outflow of resources will be required is assessed for the group of obligations as a whole. A provision is recognised even if the probability that an outflow of resources will be required for an individual item in such a group is deemed to be negligible.

Provisions are measured at the present value of the amount expected to be required to settle the obligation, see Note 19.

Cash flow statement

The consolidated cash flow statement was prepared in accordance with the indirect method. The change in cash in hand for the year is classified as operating, investing and financing activities. The basis for the indirect method is operating profit (EBIT) adjusted by transactions that did not entail inward or outward payments.

Employee benefits

Short-term employee benefits

Employee benefits comprise salaries, holiday pay, paid sick leave, etc., and pensions. Liabilities for salaries and remuneration, including paid sick leave, that are expected to be settled within 12 months from the end of the financial year are recognised as current liabilities at the discounted amount that is expected to be paid when the liabilities are settled.

The expense is recognised in pace with the services being performed by the employees. The liabilities are recognised as an obligation regarding employee benefits in the balance sheet.

Post-employment benefits

With regard to pension commitments, the Group has only defined contribution pension plans which primarily include retirement pension, disability pension and family pension. Premiums are paid regularly during the year by each Group company to independent legal entities, normally insurance companies. The size of the premium is based on the salary level and, other than pension payments, the Group has no obligation to pay further benefits. The expenses are charged to the Group's profit at the same time as the benefits are earned, which normally coincides with the time at which the premiums are paid. For information regarding remuneration of senior executives, refer to the Directors' Report on page 52.

Incentive programme

The Extraordinary General Meeting held on 15 December 2022 resolved to introduce a long-term incentive programmer for Group management and other employees (“Warrant Programme 2022 II”). The purpose of the Warrant Programme 2022 II is to make it possible for participants to receive compensation linked to Arise's long-term value creation and thus align the participants' interests with those of the shareholders. Subscription for new shares under the Warrant Programme 2022 II framework can take place in the period between 15 December 2025 and 31 December 2025. Warrant Programme 2022 II encompasses a total of 980,000 warrants, of which 370,000 were subscribed for by Group management and 37,360 were subscribed for by other employees. The warrants entitle subscription to subscription of an equivalent amount of new ordinary shares in Arise. The warrants that are not subscribed for will remain in treasury with Arise for potential use in the future. The participants acquired warrants at market value according to the Black Scholes formula and the Group is not financing this investment. The subscription price per ordinary share amounted to 125 % of the volume-weighted average price according to the Nasdaq Stockholm's official price list for ordinary shares in the company for the ten trading days immediately preceding the Meeting on 15 December 2022. The subscription price and the number of shares to which each warrant carries entitlement to subscription may be subject to customary recalculation formulas in the event of a share split or reverse share split, preferential rights issue or similar events.

Share capital

Ordinary shares are classified as equity. Transaction costs that can be directly attributed to the issue of new ordinary shares or warrants are recognised, net after tax, in equity, as deductions from the issue proceeds.

Earnings per share

Basic earnings per share is calculated by dividing:

- profit attributable to the Parent Company's shareholders
- using a weighted average number of outstanding ordinary shares during the period, adjusted for the bonus issue element in ordinary shares issued during the year and excluding repurchased shares held as treasury shares by the Parent Company, Note 17

In calculating diluted earnings per share, the amount used in calculating the basic earnings per share is adjusted by to reflect:

- The effect, after tax, of dividends and interest expenses on potential ordinary shares, and
- the weighted average of additional ordinary shares that would have been outstanding assuming the conversion and issue of all dilutive potential ordinary shares.

3. Significant estimates and assessments

In preparing financial statements in accordance with IFRS and generally accepted accounting policies, estimates and assumptions are made about the future, which affect balance sheet and income statement items. These assessments are based on past experience and the various assumptions that management and the Board regard as reasonable under the prevailing circumstances. In cases in which it is not possible to determine the carrying amounts of assets and liabilities on the basis of information from other sources, the valuations are based on such estimates and assumptions. If other assumptions are made or other conditions arise, the actual outcome may differ from these assessments.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, seldom correspond to the actual results. A summary of the estimates and assumptions entailing a considerable risk of significant adjustments in the carrying amounts of assets and liabilities during the forthcoming financial year is presented below:

Impairment testing for property, plant and equipment

The Group has significant values recognised in the balance sheet relating to property, plant and equipment in the form of wind farms and wind power projects. The carrying amounts of these are tested for impairment in accordance with the accounting policies described in this note.

The recoverable amounts of wind farms and wind power

projects, which are deemed to comprise cash generating units, have been determined by calculating the value in use for wind farms in operation or expected value in use for the project portfolio. These calculations require the use of estimates of future cash flows and assumptions regarding the required return and choice of discount rate.

The company's policy is to test for impairment in the Development and Production segments every year. The 2022 tests did not indicate any impairment requirement. The tests performed in Development were based on whether the projects could be expected to be realised at reasonable conditions in the future. In Production, the value in use was calculated at SEK 2.0 billion (1.6), excluding restoration costs, based on exchange rates on the balance sheet date. The value exceeded the carrying amount by SEK 0.9 billion (0.5). The discount rate amounted to 7.4 % (6.8). A change in the discount rate of +/- one percentage point would affect the value by approximately MEUR 10.

The continuing average useful life is estimated at 18 years (19) and is consistent with the company's assessment of the total useful life (see below). A normal production year is estimated at 343 GWh (343) and is based on production outcome. The Board's and company management's assumption regarding the future price trend of electricity, electricity certificates and guarantees of origin is based on observable forward curves for the first five years and thereafter price forecasts produced by external experts. Future price assumptions relating to electricity, electricity certificates and guarantees of origin and the discount rate are the factors with the most influence in a sensitivity analysis. The price trend is dependent on factors including the trend in prices for certificates and guarantees of origin, and the general trend in electricity prices, as well as the effect of the Group's price hedging. The discount rate depends on the underlying interest rate levels, risk factors and the availability of financing. Should the price levels of electricity, electricity certificates and guarantees of origin decline, or should the anticipated future price trend not be realised, while, at the same time, the chosen discount rate remains unchanged, then the estimated value in use will also decrease. This could have a material effect on Arise's earnings and financial position. For more information regarding the company's non-current assets, refer to Note 9.

Valuation of loss carry-forwards

Deferred tax assets attributable to loss carry-forwards recognised in the Group amounted to SEK 0 (0), see Note 7. The company has not recognised any additional deferred tax assets related to loss carry-forwards since a large share of the expected income is tax-exempt. According to current tax legislation in Sweden, loss carry-forwards can be utilised indefinitely.

Sale of projects

Arise has an expansion and business plan that could involve acquisition and sale of one or more projects directly or via companies. During the year, the Group continued with the construction of Skaftåsen and Ranasjö- and Salsjöhöjden, and started the construction of Kölvallen. Each individual transaction is prepared individually and the contracts contain specific contractual terms that, among others, regulate payment model and stipulate the obligations of each party and conditions to be fulfilled within the validity of the contract. Transaction arrangements and the related contract is complex for which the view of the completed transaction and the related contractual terms could have a significant impact on the company's reporting and revenue recognition. If material deviations were to arise in sold projects during the construction phase, it could have a material impact on Arise's earnings and financial position.

Assessments of revenue recognition related to any earnouts consider in the first instance whether a sufficient buffer for unforeseen costs is to be in place, based on experience of how large such an item should reasonably be. The consideration is then recognised in revenue as costs in the project are accrued, taking into account when risks and control transferred from the seller to the buyer. This revenue recognition takes place in accordance with the limitation regulations related to variable remuneration in IFRS 15, which means that Arise only recognises income attributable to variable remuneration if it is highly probable that a material reversal will not occur.

Useful lives of wind turbines

The expected useful life of a wind turbine is 30 years.

Restoration costs

In certain projects, there are requirements for the restoration of land after the expiration of the wind turbines. The expenses for dismantling wind turbines and restoring the land around the wind turbines have been estimated at MSEK 49 (49) for operational turbines, for which a provision has been made in the financial statements, see Note 19, and included in the depreciable amount.

NOTE 2 • INCOME

Net sales include the sale of generated electricity, earned and sold electricity certificates, sales of guarantees of origin as well as gains and losses from electricity and currency derivatives attributable to the hedged production. Net sales also include development income from sold projects and management income. Management income is recognised according to contract based on monthly and quarterly invoices. For sales of projects, the sale is recognised at gross

amount in the consolidated financial statements with the consideration comprising sales and the costs associated with the sale recognised as cost of sold projects and transaction costs. Capital gains/losses are thus recognised at the corresponding amount as though the company had recognised the profit on the sale at net value.

	2022	2021
Electricity	208	171
Electricity certificates and guarantees of origin	2	2
Development	924	143
Services	30	25
Net sales	1,164	341

Income for electricity, electricity certificates and guarantees of origin is recognised in the Production segment, income for development is recognised in the Development segment, and income for services is recognised in the Solutions segment, see Note 3.

Of the company's income for the year, funds managed by Foresight Group LLP and Axpo Nordic AS accounted for more than 10%. Income from Foresight Group LLP is recognised under the Development segment and income from Axpo Nordic AS under the Production segment. In 2021, funds managed by TRIG/InfraRed and Axpo Nordic AS accounted for more than 10% of the company's income. Income from TRIG/InfraRed is recognised in the Development segment.

Realised derivatives impacted net sales by MSEK -96 (-15).

Electricity production in Production amounted to 292 GWh (281) for the year. Average income was SEK 713 (606) per MWh for electricity and SEK 6 (9) per MWh for electricity certificates, meaning an average income per produced MWh of SEK 720 (614).

Capitalised work on own account refers to internal work capitalised on the Group's solar and wind power projects.

Contracted future expected income for as yet unfulfilled performance obligations is presented below and is attributable to ongoing development projects on 31 December 2022 that are recognised as contract assets in Note 16.

Project	2023	2024	2025	Total
Kölvallen	68	68	120	256
Skaftåsen	-	-	-	-
Ranasjö- and Salsjöhöjden	-	-	-	-
	68	68	120	256

NOTE 3 • SEGMENT REPORTING

Accounting policies

An operating segment is part of the company that provides goods and services and that by nature differs from other operating segments. The returns and profitability of an operating segment are monitored by the company's chief operating decision maker, which for Arise is the CEO. Internal prices between the various segments of the Group are determined on the basis of the "arm's length" principle, that is, between parties who are independent, well informed and who have an interest in the transactions being undertaken. Segment income, earnings and assets include directly attributable items and items that can be allocated to segments in a reasonable and reliable manner.

Segment division

The division of segment reporting is based on the Group's products and services, meaning the grouping of operations. The Development segment develops, constructs and sells projects for renewable electricity production. Production is the Group's holdings in commissioned renewable electricity production. Solutions provides services in the form of construction project management and management of renewable electricity production and other services. The Unallocated revenue/expenses pertains to the Group's shared expenses.

	Development		Production		Solutions		Unallocated rev./expenses		Eliminations		Group	
Amounts 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
EBIT before depreciation (EBITDA)	733	57	160	114	-1	3	-42	-31	-	0	851	143
Depreciation/amortisation and impairment	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 assets and property, plant and equipment incl. leasing	183	145	1,058	1,101	0	0	1	2	-	-	1,243	1,248

NOTE 4 • PERSONNEL

Average number of employees	2022			2021		
	Women	Men	Total	Women	Men	Total
Parent Company	13	20	33	11	15	26
Subsidiaries	-	3	3	-	2	2
Group total	13	23	36	11	17	28
Salaries and other remuneration	Board and CEO	Of which variable remuneration	Other employees	Board and CEO	Of which variable remuneration	Other employees
Parent Company	7.0	2.5	30.9	5.4	0.9	23.2
Subsidiaries	-	-	5.7	-	-	2.1
Group total	7.0	2.5	36.6	5.4	0.9	25.3
Salaries and other remuneration	Salaries and remuneration	Social security contributions	of which pension costs	Salaries and remuneration	Social security contributions	of which pension costs
Parent Company	37.8	17.8	5.2	28.7	14.6	5.0
Subsidiaries	5.7	2.0	0.6	2.1	1.3	0.5
Group total	43.5	19.8	5.8	30.7	16.0	5.5



2022

Remuneration of the Board of Directors, CEO and senior executives

	Directors' fee	Salary	Variable remuneration	Other benefits	Pension costs
Joachim Gahm, Chairman	0.84				
Johan Damne	0.40				
Eva Vitell	0.37				
Mikael Schoultz	0.29				
Total remuneration of the Board	1.89				
Per-Erik Eriksson, CEO		2.6	2.5	0.1	0.8
Other senior executives [3 senior executives, see more under Basic salary/directors' fees]		4.7	4.6	0.1	1.0
Total remuneration of CEO and senior executives		7.3	7.0	0.2	1.8

2021

Remuneration of the Board of Directors, CEO and senior executives

	Directors' fee	Salary	Variable remuneration	Other benefits	Pension costs
Joachim Gahm, Chairman	0.82				
Maud Olofsson	0.39				
Jon G Brandsar	0.36				
Johan Damne	0.28				
Total remuneration of the Board	1.84				
Daniel Johansson, CEO until 20 July		1.5	–	0.0	0.4
Per-Erik Eriksson, CEO from 21 July		1.3	0.9	0.0	0.3
Other senior executives [2 senior executives until 20 July then 1 senior executive]		3.2	1.3	0.1	0.8
Total remuneration of CEO and senior executives		6.0	2.1	0.2	1.6

Basic salary/Directors' fees

The Chairman and members of the Board are paid a Directors' fee in accordance with the resolution of the Annual General Meeting. Board members who are employees of the Group did not receive any remuneration or benefits other than those relating to their employment. Remuneration of the CEO and other senior executives consists of basic salary, variable remuneration, other benefits and pensions. Senior executives refers to the group of individuals who, together with the CEO, formed the Group management. At the start of 2022 there was one senior executive other than the CEO and at the end of the year there were three senior executives in addition to the CEO.

Variable remuneration

All employees are covered by a remuneration programme which is linked to the quantitative objectives set out within the Group. This programme has been supplemented with an individual remuneration programme based on individual targets. Variable remuneration of MSEK 12.4 was paid in 2022 (preceding year MSEK 3.9). No other payments or remuneration with a dilution effect were made.

Warrants

The Extraordinary General Meeting held on 15 December 2022 resolved to introduce a warrant programme by issuing a maximum of 980,000 warrants to a subsidiary in the

Group for transfer to employees of the company. A total of 980,000 warrants were subscribed for by the subsidiary, 407,360 of which were transferred to the programme participants. The transfer to participants took place at market value calculated using the Black & Scholes formula. Important input data in the model were the volume-weighted average share price of SEK 51.12 on the allotment date, the below subscription price, volatility of 30.0%, expected dividend of 0%, expected maturity of the warrants of 3.0 years, and an annual risk-free rate of interest of 2.13%. Volatility, measured as the standard deviation of expected return on the share price, is based on a statistical analysis of daily share prices for comparable companies over the last ten years. Each warrant entitles the holder to subscribe for one new ordinary share in the company at a subscription price of SEK 63.90. The warrants can be exercised during the period from 15 December 2025 up to and including 31 December 2025. On full utilisation of the warrants, the company's share capital will increase by SEK 78,400 by issuing 980,000 ordinary shares, corresponding to dilution of approximately 2% based on the number of ordinary shares in the company. The warrants are subject to standard conversion conditions in connection with issues, etc.

Other benefits

Other benefits primarily refer to company cars.

Pensions

The retirement age for the CEO and other senior executives follows applicable rules and no agreements on different retirement ages have been signed. The pension contribution to the CEO is 30% of the pensionable salary and follows the defined contribution plan. Other senior executives also have defined contribution pension plans and, for 2022, the pension premium for senior executives residing in Sweden averaged 28% (28), and for the senior executive residing in the UK the pension premium averaged 6% (0) of the basic salary. Variable remuneration is not pensionable for the CEO or for senior executives. All pensions are vested, meaning that they are not conditional upon future employment.

Financial instruments

Refer to Note 17 for information regarding the warrant programme for employees.

Severance pay

The company and the CEO have a period of notice of 6 months if employment is terminated by the employee and 12 months if employment is terminated by the company. The period of notice for when employment of other senior executives is terminated by the company is normally 3-6 months. Normal salary is paid during a period of notice. No severance pay is paid to the CEO or other senior executives.

Preparatory work and decision-making process

During the year, the Remuneration Committee provided the Board with recommendations on principles for remuneration of senior executives. The recommendations included the scale of any salary increases and the criteria for evaluation of variable remuneration. The Board discussed the Committee's proposals and made a recommendation on the remuneration policy, which was also adopted by the Annual General Meeting. Remuneration of the CEO for the 2022 financial year was determined by the Board in accordance with the recommendations of the Remuneration Committee, and the remuneration policy adopted by the Annual General Meeting. Remuneration of other senior executives was determined by the CEO after consultation with the Remuneration Committee, within the framework of the remuneration policy.

During the year, the Remuneration Committee included Joachim Gahm (Chairman), Johan Damne, Eva Vitell and Mikael Schoultz. The CEO usually participates in the Committee's meetings, but abstains from matters in which his own salary or other benefits are addressed. The Committee is convened when required, but at least twice a year to prepare proposals on remuneration of management and other matters that are the duty of the Remuneration Committee in accordance with its formal work plan and within the framework of the remuneration policy approved by the AGM. The Committee met on four occasions in 2022.

Gender distribution among senior executives at end of financial year

	2022				2021			
	Women		Men		Women		Men	
	No. of	%	No. of	%	No. of	%	No. of	%
Board	1	25%	3	75%	1	25%	3	75%
Group management	0	0%	4	100%	0	0%	2	100%

NOTE 5 • EXTERNAL EXPENSES

Other external expenses	2022	2021
Operating expenses	41	37
Cost of sold contracts and management	9	5
Other external expenses ¹⁾	73	49
Total	124	91

¹⁾ refer to the table below for a specification of auditing fees.

Auditing fees	2022	2021
Öhrlings PricewaterhouseCoopers		
Audit assignment	1.5	1.2
Audit activities not included in the audit assignment	0.0	0.0
Tax consultancy services	0.2	0.1
Other advisory services	-	-
Total	1.8	1.4

NOTE 6 • PROFIT/LOSS FROM FINANCIAL ITEMS

	2022	2021
Interest income		
Other interest income	6	0
Interest expenses		
Other interest expenses	-5	-5
Bond and convertibles	-21	-9
Other financial items		
Lease liabilities	-3	-3
Exchange rate differences revaluation of loan/bond	-67	-7
Other financial items	-5	-3
Other exchange rate differences	78	5
Total	-17	-22



NOTE 7 • TAXES

Tax on net profit/loss for the year	2022	2021
Deferred tax	0	-1
Recognised tax	0	-1
Deferred tax		
Attributable to unutilised loss carry-forwards ¹⁾	-	0
Derivatives at fair value	22	31
Non-current assets	1	1
Other items	-	0
Total recognised deferred tax	23	32
Reconciliation of recognised tax in the Group		
Profit/loss before tax	772	58
Tax 20.6%	-159	-12
Tax effects of:		
Non-deductible expenses/non-taxable income	154	13
Non-deductible interest expenses	-1	-1
Loss carry-forwards for which no tax asset was recognised	6	0
Recognised tax, profit/loss for the year	0	-1

Change in deferred tax	2022	2021
Opening amount, net	32	-1
Recognised deferred tax on profit/loss for the year	0	-1
Other items	0	0
Tax items recognised directly in other comprehensive income ²⁾	-9	34
Closing amount, net	23	32

¹⁾ Total loss carry-forwards for the legal entities amounted to MSEK 567 (603). Of this amount, MSEK 240 is blocked from utilisation for new companies in the Group until the 2023 income year. Since loss carry-forwards do not have any time limits for use according to current legislation, it is possible that these can be utilised in the future but no additional deferred tax assets have been recognised since it is uncertain if and when they will be used.

²⁾ Tax items that are recognised directly in other comprehensive income refer to the Group's hedge reserve for interest, electricity and forward contracts.

Change in deferred tax receivables 2022

	Attributable to:				
	Loss carry-forward	Non-current assets	Cash flow hedges	Other items	Total
Opening amount, net	0	1	31	0	32
Recognised deferred tax on profit/loss for the year	0	0	-	0	0
Tax items recognised directly in other comprehensive income	-	-	-9	-	-9
Closing amount, net	-	1	22	-	23

NOTE 8 • ADDITIONAL DISCLOSURES TO THE CASH FLOW STATEMENT

Cash and cash equivalents comprise cash and bank balances.

Adjustment for non-cash items	2022	2021
Depreciation and impairment of non-current assets	61	63
Leases	-6	-6
Divested non-current assets	123	75
Total	178	132

NOTE 9 • INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

	Land and buildings ¹⁾		Wind power, foundations and electrical installations		Equipment, tools and fittings		Advance payments constructions in progress		Intangible assets		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Opening cost	1	1	2,160	2,181	9	9	145	88	25	-	2,341	2,280
Purchases/investments	-	-	14	65	1	-	162	38	-	25	176	128
Sales/disposals	-	0	-21	-53	-	-	-103	-14	-	-	-124	-67
Reclassifications	-	-	14	-33	6	-	-20	33	-	-	-	-
Closing cost	1	1	2,166	2,160	16	9	184	145	25	25	2,393	2,341
Opening accumulated depreciation and impairment	0	0	-1,113	-1,057	-9	-9	-26	-15	-	-	-1,148	-1,081
Depreciation during the year	0	0	-57	-57	0	0	-	-	-	-	-57	-57
Impairment for the year	-	-	-	-	-	-	-	-2	-	-	-	-2
Sales/disposals	-	0	1	1	-	-	-	-9	-	-	1	-8
Reclassifications	-	-	6	-	-6	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment	0	0	-1,163	-1,113	-15	-9	-26	-26	-	-	-1,204	-1,148
Closing residual value according to plan	1	1	1,003	1,047	1	0	158	119	25	25	1,189	1,193

¹⁾ Land and buildings includes land with a carrying amount of MSEK 1 (1). The tax assessment value of the Group's properties totalled MSEK 0 (0), of which MSEK 0 (0) is the tax assessment value of the land.

Leases

The Group's leases primarily refer to land leaseholds in connection with the construction of wind turbines and rented premises for offices. The lease term for leaseholds for land at wind farms is deemed to be the same period of time as the useful life of the wind turbine constructed on the land.

Lease assets amounted to a carrying amount of MSEK 54 (55) on 31 December 2022. Additional lease assets amounted to MSEK 3 (1) in 2022 and depreciation of lease assets amounted to MSEK 5 (4) for 2022.

Expenses attributable to leases that are excluded from the balance sheet due to their low value and short-term leases amounted to MSEK 1 (1) in the consolidated income statement for 2022.

Expenses attributable to variable lease payments not included in the lease liability amounted to MSEK 12 (4) in the consolidated income statement for 2022. Variable lease payments primarily comprise variable lease payments related to leaseholds for land for wind turbines. These are paid at a percentage of the income from electricity production. Assuming future prices of electricity, electricity certi-

cates and guarantees of origin totalling SEK 300–700 per MWh (corresponding to income of about SEK 1.9 billion to SEK 4.3 billion during the useful life), the variable lease payments not included in the lease liability are deemed to amount to between MSEK 0 and 80 over the useful life.

Total cash flow concerning leases was MSEK 6 (6) in 2022, excluding variable lease payments.

NOTE 10 • FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The most significant financial risks to which the Group is exposed include energy price risk, currency risk, interest rate risk, financing risk, capital risk and credit risk. The overall goal of the Group's financial risk management is to identify and control the Group's financial risks. Risk management is centralised in the Parent Company's finance function. All financial risks that exist or arise in the Group's subsidiaries are managed by the central finance function.

Electricity price risk

Electricity price risk arises in cases where electricity sales are not hedged and changes in the electricity market will, thus, have a direct impact on the Group's operating profit/loss.

The main aim of the Group's price-hedging strategy is to maximise the company's risk-adjusted income from electricity over time. Depending on the Group's financial risk exposure and associated ability to absorb fluctuations in cash flow, this means that the desired price-hedging level may vary over time.

The price-hedging level is to be adjusted to the financial risk exposure of electricity production and the associated ability to absorb fluctuations in cash flow. The minimum price-hedging level requirement and the number of years are linked to the loan to value ratio of the Group's production assets. There is no requirement for price hedging for loan to value ratios of up to 35 %. However, price hedges can be entered into for a maximum of 70 % of the expected production during a period of a maximum of ten years. For a loan to value ratio of more than 35 %, the price hedging requirement increases exponentially from 10 % to 80 % in the event of a 60 % loan to value ratio. At the same time, the requirement for the minimum price hedging period increases from one year to three years with a maximum period of ten years. The highest price-hedging level in which volume risk exists is 70 %. For volumes above this, only contracts without volume risk may be signed.

Price hedges can be made bilaterally by signing physical supply contracts with large electricity users or with players who broker bilateral electricity trading. Price hedges may also take place financially by trading in electricity derivatives on Nasdaq or via banks, brokers

or other players brokering financial electricity trading.

As a rule, price hedges take place in the relevant price area so that the price-area risk is limited.

Price hedging through various types of financial derivatives must be performed in a manner meeting the requirements for hedge accounting according to IFRS. Derivatives are recognised at market value in the balance sheet and unrealised changes in value are recognised in the balance sheet and other comprehensive income, and in the hedge reserve in equity. When the hedged position is recognised in the income statement, the result from the derivatives transaction is transferred from equity to the income statement to meet the result from the hedged position.

Regarding issues related to electricity, the Group co-operates with service providers which, in addition to providing assistance on energy trading and other electricity issues, also manages the Group's need for balancing energy. This need arises on occasions in which the actual physical delivery of electricity deviates from the forecasted delivery. The difference, positive or negative, is handled by service providers as "balancing energy". Through the joint storage of electricity with service providers other customers, a lower balancing energy cost is generally achieved than if Arise itself were to handle this.

Currency risk

The Group's currency risk exposure arises primarily in conjunction with the sale of electricity on the Nord Pool power market and sales or projects (transaction exposure), and where applicable the purchase of assets in foreign currency and the translation of balance sheet items in foreign currency (translation exposure). These transactions usually take place in EUR. The Group's net currency risk exposure on 31 December 2022 was MEUR 34 [–42].

Transaction exposure

Currency exposure takes place since electricity is usually sold in EUR. 75 % of the electricity hedged in EUR is hedged on a quarterly basis for the current year and for a maximum of the next three years. Operating and interest expenses in EUR are to be taken into account insofar as they arise.

Currency exposure also usually arises in connect with project sales. Currency exposure should be hedged in line with the revenue recognition of the projects sold.

The Group uses forward contracts to manage currency risk exposure and applies hedge accounting for contracted future payment flows and the translation of financial assets and liabilities. Arise's net foreign currency flow is essentially in EUR.

Gains/losses from forward contracts held for hedging purposes are recognised as net sales. Exchange rate differences on financial liabilities and receivables are recognised in net financial items.

Translation exposure

If financial and other operating assets and liabilities denominated in foreign currencies arise, they do so in conjunction with the purchase of assets and are normally hedged using forward contracts. In addition, borrowing takes place in foreign currency if it is deemed that the underlying value of the assets borrowed against is essentially set in such a foreign currency. Such exposure is not normally hedged. Other items are not significant and are not currency-hedged. The Group strives to reduce its exposure to currency risks in borrowing and, if applicable, lending. Excess liquidity in EUR is continuously sold.

Interest rate risk

Interest rate risk is defined as the risk of a decrease in profit caused by a change in market interest rates. The Group's financial policy provides guidelines for fixed interest rates (terms). The objective of managing interest rate risk is to reduce the negative effects of market interest rate changes. The Group seeks a balance between cost-effective borrowing and risk exposure to counteract any negative impact on earnings in the event of a sudden, major change in interest rates. Hedging of interest rate periods occurs through interest rate swaps, which include portions of long-term borrowing, see Note 18.

Sensitivity analysis

A change in any of the variables below has an impact on profit/loss before tax for 2022 (in MSEK) as follows:

Variable	Change	Impact on profit/loss before tax
Production	+/-10%	+/-30
Electricity price	+/-10%	+/-20
Electricity certificate price	+/-10%	+/-0
Interest	+/-1 % point	+/-2
EUR/SEK for electricity prices	+/-10%	+/-21

Note that the impact on profit/loss before tax is based on the electricity hedges reported by the Group in 2022.

Capital risk

The Group's objective regarding the capital structure is to safeguard the ability to continue operations in order to provide returns for shareholders and value for other stakeholders, and to ensure that the capital structure is optimal with respect to the cost of capital. Examples of measures that the Group can take to adjust the capital structure include the issuance of new shares, the issuance of corporate bonds or the sale of assets. See also information about the dividend policy and the target equity/assets ratio on page 112. The Group's equity/assets ratio adjusted for cash and cash equivalents should amount to at least 40%. The equity/

assets ratio adjusted for cash and cash equivalents entails a reduction in total assets using current cash and cash equivalents. On 31 December 2022, the equity/assets ratio amounted to 55.4% (44.8) and the adjusted equity/assets ratio was 95.3% (46.9).

Financing risk

Financing risk is defined as the risk of being unable to meet payment obligations as a result of insufficient liquidity or difficulties in obtaining financing. The Group's goal is to always have more than one lender who is willing to offer financing on market terms. However, the Group is dependent on its ability to refinance outstanding borrowing from time to time. These risks are limited by the company ensuring that, at any point in time, it has sufficiency liquidity preparedness in the form of available cash and cash equivalents and potential overdraft facilities, and through endeavouring to maintain a highly diverse loan maturity profile.

Credit risk

The risk that the Group's customers will be unable to fulfil their commitments, meaning that Group companies do not receive payment for their accounts receivable, is a credit risk. It is the responsibility of the finance function to continuously analyse and assess customer and apply proactive credit control. Large accounts receivable may be hedged through guarantees if deemed necessary by the CFO. Credit risk for financial transactions is the risk that the Group incurs losses as a result of counterparties not paying, with respect to the Group's investments, bank balances or derivative transactions. Surplus liquidity may arise on occasion, and if market conditions allow a certain portion of this liquidity should be invested in order to obtain a higher return. Surplus liquidity may only be invested in assets with a low counterparty risk, approved by the Board. Surplus liquidity may be invested in the following:

- Bank accounts (special savings, business or investment accounts)
- Treasury bills
- Commercial paper if the counterparty has a credit rating of at least A3/A- from Moody's or Standard & Poor's. Investments in complex financial products are not permitted even if they meet the credit rating criteria.

Fair value

In cases in which the fair value differs from the carrying amount, the fair value is disclosed in the associated note. All financial instruments that are measured at fair value belong to Level 2 of the fair value hierarchy. The different levels are defined as follows:

- Quoted (unadjusted) prices in active markets for identical assets or liabilities (Level 1).

- Other observable data for the asset or liability than quoted prices included in Level 1, either directly (that is, as quoted prices) or indirectly (that is, derived from quoted prices) (Level 2).
- Data for the asset or liability which is not based on observable market data (that is, non-observable data) (Level 3).

The fair value of interest rate swaps is calculated as the present value of expected cash flows based on observable yield curves. The fair value of electricity futures is calculated as the present value of expected cash flows based on observable electricity prices. The fair value of currency futures is determined using forward rates on the balance sheet date.

Hedge reserve

The hedge reserve consists of interest, electricity future contracts and forward contracts. According to the financial policy, a certain portion of the Group's transaction exposure must be hedged through hedging of prices and exchange rates in future contracted payment flows using electricity and forward contracts. Contracts have been concluded with maturities matching those of the underlying contracted orders and payment flows. The table alongside presents the Group's out-

standing derivative contracts as of 31 December 2022.

The fair value is calculated on the basis of market-based quotations and generally accepted valuation techniques. Currency futures refer to sales and purchases of EUR for hedging of electricity sales, project sales and purchases of wind turbines. There is a counter-flow in SEK for every position. The change in the ineffective portion associated with cash flow hedges, recognised in the income statement, amounted to MSEK 0 (0).

Outstanding derivative contracts	2022	2021
Electricity futures	-133	-158
Currency futures, SEK/EUR	0	5
Interest rate swaps 1-2 years	-	1
Interest rate swaps 3-5 years	26	-
Outstanding derivative contracts	-107	-152

Netting of derivatives 31 Dec 2022	Assets	Liabilities
Gross amount	26	-133
Nettable amount	-	-
Net amount	26	-133



Idhult wind farm

Electricity future contracts

The nominal amount of outstanding electricity future contracts totalled MSEK 225 (137). The hedged, highly probable forecast transactions of electricity sales are expected to take place at varying points in time in the next few years. Gains and losses from electricity futures, which are recognised in other comprehensive income and are included in equity, are recognised in the income statement in the period, or periods, in which the hedged transaction affects the income statement.

Electricity futures impact the Group's financial position and earnings as follows:

Derivative instruments – Electricity futures

	2022	2021
Recognised amount (liability)	-133	-158
Nominal amount	225	137
Maturity date	Jan 2023– Dec 2024	Jan 2022– Dec 2023
Hedge ratio	1:1	1:1
Change in real value of outstanding hedging instrument since 1 January	25	-161
Change in value of hedged item to determine effectiveness	-25	161
Weighted average for electricity futures during the year (EUR/MWh)	121	85

Forward contracts

The nominal amount of outstanding forward contracts on the balance sheet date totalled MSEK 44 (67). Gains and losses from forward contracts, which are recognised in other comprehensive income, and which are included in equity, are recognised in the income statement in the period, or periods, in which the hedged transaction affects the income statement.

Forward contracts impact the Group's financial position and earnings as follows:

Derivative instruments – Currency futures

	2022	2021
Recognised amount (asset/liability)	0	5
Nominal amount	44	67
Maturity date	Jan 2023– Jan 2024	Apr 2022– Jan 2023
Hedge ratio	1:1	1:1
Change in real value of outstanding hedging instrument since 1 January	-6	-4
Change in value of hedged item to determine effectiveness	6	4
Weighted average for forward rates during the year	SEK 11.12: EUR 1	SEK 10.35: EUR 1

Idhult wind farm

Interest rate swaps

The nominal amount of outstanding interest rate swaps totalled MSEK 643 (347). The fixed interest rate was between -0.45 % and 2.21 % (-0.45 %). The variable interest is Euribor. Gains and losses from interest rate swaps, which are recognised in other comprehensive income and are included in equity, are continuously transferred to financial expenses in the income statement, until the loans have been repaid.

Interest rate swaps impact the Group's financial position and earnings as follows:

Derivative instruments – Interest rate swaps

	2022	2021
Recognised amount (asset)	26	1
Nominal amount	643	347
Maturity date	Jan 2023– May 2026	Jan 2022– Sep 2023
Hedge ratio	1:1	1:1
Change in real value of outstanding hedging instrument since 1 January	25	1
Change in value of hedged item to determine effectiveness	-25	-1
Weighted average for rates during the year	0.64 %	0.07 %



PRICE HEDGES AS OF 31 DEC 2022

			2023	2024	2025
<hr/>					
Own production, budget, GWh			343	408	433
Hedged electricity production, GWh			114	53	–
<hr/>					
Specification of price hedging	Q1-23	Q2-23	Q3-23	Q4-23	2024
Hedge MWh	34,544	26,208	26,496	26,508	52,704
Hedge EUR/MWh	129	124	124	124	113

In addition to the above hedging, the company has a portfolio of CfD contracts, in which the full area price has not yet been hedged. With the high volatility and uncertainty

as well as low liquidity at the end of the period, the market value of this portfolio amounted to MSEK –15.

CLASSIFICATION OF FINANCIAL INSTRUMENTS

The tables below present the classification of the financial instruments in the balance sheet in 2022 and 2021. The classification of financial instruments complies with IFRS 9. Financial assets and liabilities are categorised according to whether they are measured at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss.

2022

Assets

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Derivative instruments for hedging purposes	Total
Blocked accounts	29	-	-	29
Other long-term securities	-	26	-	26
Other long-term receivables	112	-	-	112
Current assets				
Accounts receivable	7	-	-	7
Derivative assets	-	-	26	26
Other receivables	0	-	-	0
Cash and cash equivalents	1,220	-	-	1,220
Total current assets	1,227	-	26	1,253
Total assets	1,367	26	26	1,420

	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Derivative instruments for hedging purposes	Total
Non-current interest-bearing liabilities	925	-	-	925
Current liabilities				
Current interest-bearing liabilities	27	-	-	27
Accounts payable	49	-	-	49
Derivative liabilities	-	-	133	133
Other liabilities	1	-	-	1
Total current liabilities	76	-	133	209
Total liabilities	1,001	-	133	1,134

2021

Assets

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Derivative instruments for hedging purposes	Total
Blocked accounts	18	-	-	18
Current assets				
Accounts receivable	3	-	-	3
Derivative assets	-	-	6	6
Other receivables	0	-	-	0
Cash and cash equivalents	70	-	-	70
Total current assets	73	-	6	79
Total assets	91	-	6	97

Liabilities	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Derivative instruments for hedging purposes	Total
Non-current interest-bearing liabilities	370	-	-	370
Current liabilities				
Current interest-bearing liabilities	146	-	-	146
Accounts payable	23	-	-	23
Derivative liabilities	-	-	158	158
Other liabilities	1	-	-	1
Total current liabilities	170	-	158	328
Total liabilities	540	-	158	698

Maturity structure of financial liabilities

The maturity structure of interest-bearing liabilities is presented in Note 18 Interest-bearing liabilities. Other financial liabilities, such as accounts payable, have contractual maturities of 1–60 days.

Capital management

As the company and its operations develop, the possibilities to improve the efficiency and diversification of the capital structure increase through various measures, such as the issuance of shares, preference shares, corporate bonds, convertible instruments, sales of wind turbines or farms, repayments of capital to shareholders or other measures. The objective is to maintain an optimal capital structure. Consequently, a trade-off constantly needs to be made between the cost of capital, financial risk, expected return and cash flow in the company's investments. The capital is assessed based on the adjusted equity/assets ratio, calculated as shareholders' equity divided by total assets less current cash and cash equivalents. The Group's equity/assets ratio adjusted for cash and cash equivalents should amount to at least 40%. On 31 December 2022, the equity/assets ratio amounted to 55.4% [44.8] and the adjusted equity/assets ratio was 95.3% [46.9].

NOTE 11 • OTHER LONG-TERM SECURITIES

	2022	2021
Accumulated cost:		
At the beginning of the year	-	-
Additional assets ¹⁾	26	-
Total	26	-

¹⁾ Refers to Arise AB's shares of 9% of Kolvallen Vind BidCo AB

NOTE 12 • OTHER LONG-TERM RECEIVABLES

	2022	2021
Accumulated cost:		
At the beginning of the year	-	-
Additional receivables ¹⁾	106	-
Translation differences	6	-
Total	112	-

¹⁾ Receivables from the company Kolvallen Vind BidCo AB in which Arise AB has a holding of 9%.

NOTE 13 • OTHER FINANCIAL NON-CURRENT ASSETS

	2022	2021
Blocked cash and cash equivalents	27	18
Blocked / deposited funds	1	–
Total	29	18

NOTE 14 • OTHER CURRENT RECEIVABLES

	2022	2021
Current tax assets	4	4
Other receivables	8	11
Total	12	15

NOTE 15 • ACCOUNTS RECEIVABLE AND OTHER CURRENT RECEIVABLES

	2022	2021
Accounts receivable	16	11
Accumulated impairment of accounts receivable	–9	–8
Accounts receivable – net	7	3
Other receivables (Note 14)	12	15
Current portion	19	18

As of the balance sheet date, MSEK 9 (9) referred to accounts receivable which were overdue, and a provision for bad debt losses of MSEK 0 (0) has been made. Of this amount, MSEK 9 (9) since remains unpaid, MSEK 8 of which has already been written down and is under investigation as the facts are not clear. A maturity analysis of these receivables is provided below.

	2022	2021
Not fallen due/due in less than 3 months	7	2
3–6 months	–	–
6 months or later	9	9
Total	16	11

Accounts receivables and other receivables have been tested for impairment according to the rules on credit losses in IFRS 9. No provision for credit losses was deemed necessary for these assets as per 31 December 2022.

NOTE 16 • PREPAID EXPENSES AND ACCRUED INCOME

	2022	2021
Accrued development income ¹⁾	149	62
Accrued electricity and certificate income	53	40
Other prepaid expenses and accrued income	16	15
Total	218	117

¹⁾ Contract assets that refer to development and management income increased MSEK 88 (50) in 2022. The change was attributable to revenue recognition in ongoing projects. The Skaftåsen project is delayed compared with the original plan. In addition, cost increases have arisen which as a whole means that the expected remaining profit is low and recognising of such profit has been discontinued. Revenue recognition for the Ranäsjö- and Salsjöhöjden project was discontinued due to cost increases. The Kölvallen project is proceeding according to plan. Future expected income for as yet unfulfilled performance obligations in development projects is presented in Note 2.

Contract assets such as accrued income were tested for impairment according to the rules on credit losses in IFRS 9. No provision for credit losses was deemed necessary for these assets as per 31 December 2022.

NOTE 17 • SHARE CAPITAL

Number of registered shares in Parent Company	2022	2021
Issued as per 1 January	38,621,440	36,497,916
Conversion of convertibles	5,872,795	2,123,524
Issued as per 31 December	44,494,235	38,621,440

All shares have been fully paid up. All shares entitle the holder to an equal right to the assets and profits of the company. The share's quotient value is SEK 0.08 (0.08). Treasury shares amount to 54,194 shares (54,194).

Basic earnings per share are calculated by dividing profit/loss for the year by the number of shares. The average number of outstanding shares applied in calculating basic earnings per share amounted to 41,503,644 shares (2021: 37,505,484 shares).

Warrants

Scope

In 2022, warrants were issued for shares in Arise AB in a programme directed to employees. The total number of warrants issued on 31 December 2022 amounted to 980,000 of which 407,360 have been transferred to participants in the programme.

Valuation

The outstanding warrant programme in 2022 comprised one series. The acquisition price of these warrants directed to employees is based on the estimated market price on the subscription date according to the Black & Scholes valuation model. For more information, refer to Note 4.

Terms and conditions of subscription

One warrant entitles the holder to subscribe for one share in Arise AB during the subscription period of 15–31 December 2025 at an subscription price of SEK 63.90.

Convertibles

In the first quarter of 2017, a preferential rights issue of

convertibles was carried out, amounting to approximately MSEK 245, with a loan duration of five years. The loan is represented by convertibles, each with a nominal amount of SEK 22 (or whole multiples thereof). The loan falls due for payment on 31 March 2022.

Terms and conditions of subscription

Each convertible could be converted into an ordinary share at a conversion price per share of SEK 22. Conversion Could take place at any time during the term up until 28 February 2022.

Dilution

When the loan matured, 10,948,655 convertibles had been converted to ordinary shares, and the 175,960 convertibles were redeemed on 31 March 2022.

NOTE 18 • INTEREST-BEARING LIABILITIES

A bank loan of MEUR 40 with a term of three years was raised in 2020. The term of the bank loan was extended in 2022 in connection with an addition entailing the option of raising an additional MEUR 23. The outstanding loan amount corresponded to MSEK 405 on 31 December 2022.



Bohult wind farm

Interest payments are hedged using interest rate swaps, and the financing cost is based on the agreed fixed interest rate and agreed margin.

The company has issued green senior unsecured bonds of MEUR 50 under a framework of a total of MEUR 100 that fall due in the second quarter of 2026. Interest payments are hedged using interest rate swaps, and the financing cost is based on the agreed fixed interest rate and agreed margin.

In spring 2017, the company carried out an issue of convertible bonds, with the convertible holders being entitled, during the period up to and including 28 February 2022, to convert all or portions of their convertible receivable into new ordinary shares in Arise at a conversion price of SEK 22.

The Group's average effective interest rate for the year amounted to 2.8% (2.6).

The company applies IFRS 16. A lease is recognised under leasing if the contract entails the right to use an identified asset for a specified period in return for compensation.

The Group's leases primarily refer to land leaseholds in connection with the construction of wind turbines and rented premises for offices. For remaining lease commitments, the Group recognised lease liabilities of MSEK 57 (58) as per 31 December 2022.

Interest-bearing liabilities	2022	2021
Non-current portion	980	425
Current portion	29	150
Total	1,009	574

Fair value of liabilities

Carrying amounts and fair values of borrowing (excluding lease liabilities and arrangement fees)

	Carrying amount		Fair value	
	2022	2021	2022	2021
Bank loan	405	386	405	386
Convertible loan	-	133	-	133
Bond loan	556	-	556	-
Total	961	518	961	518

The fair value of short-term borrowing correspond to the carrying amount, as the discount effect is insignificant. The fair value of long-term borrowing is calculated by discounting future cash flows of the principal and interest discounted at the current market rate.

Maturity of the Group's financial liabilities, including estimated interest payments

Amounts to the nearest MSEK	Less than 3 Months	Between 3 Months–1 year	Between 2–3 years	Between 4–5 years	More than 5 years	Total contracted cash flow
Bank loan	-	39	417	-	-	456
Bond loan	-	43	86	578	-	707
Lease liabilities	1	2	4	5	45	57
Accounts payable	49	-	-	-	-	49
Total	49	84	507	583	45	1,269

10% of the bank loan has a rate of EURIBOR 0 floor plus a margin of 1.75% and 90% of the loan has a rate of EURIBOR plus a margin of 1.75%. Interest payments for the 90% have been hedged using interest rate swaps of 1.12%. The loan falls due for payment in July 2025.

The bonds carried EURIBOR with a margin of 5.25%. 50% of the interest payments have been hedged using interest rate swaps of 2.21%.

The lease liability regarding leaseholds for land and rented premises for offices amounted to MSEK 57 (58) on 31 December 2022. The lease term for leaseholds for land at wind farms is deemed to be the same period of time as the useful life of the wind turbine constructed on the land and has an annual rate of interest of 4.5%. The useful life of the wind turbine is deemed to extend until 2039–2042. The annual rate for rental premises is 2.75%.





Stjärnarp wind farm

NOTE 19 • PROVISIONS

	2022	2021
At the beginning of the year	49	46
Revaluation of restoration costs due to changed estimates and assessments	–	4
Other provisions	13	–
At year-end	62	49

The item relates to a provision for restoration costs for operational wind turbines and other provisions. The provisions for restoration costs follows the useful life of the wind farms. The amount reserved is the most reliable estimate by the company of the amount required to settle the existing commitment on the balance sheet date. Risks and uncertainties associated with the commitment have been taken into account. With the current assumptions, provisions are expected to result in payments between 2039 and 2042. For further information about provisions, see Note 1.

NOTE 20 • ACCRUED EXPENSES AND DEFERRED INCOME

	2022	2021
Accrued financial expenses	5	2
Accrued personnel-related expenses	24	12
Deferred income	2	2
Accrued property tax	3	3
Other accrued expenses	13	11
Total	46	30

NOTE 21 • PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets	2022	2021
Pledged shares in subsidiaries	966	747
Pledged assets, County Administrative Board	8	8
Pledged assets, bank	19	9
Total	993	764
Contingent liabilities	261	5

The company entered into a counter indemnity for the bank guarantee issued for Arise Wind Farm 20 AB amounting to MSEK 27. The company 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. The company stands surety for the subsidiary Arise Wind HoldCo 3 AB's commitments under the share sales agreements for Kränge Vind AB and Kolvallen Vind AB.

NOTE 22 • RELATED-PARTY TRANSACTIONS

Transactions between Arise AB and its subsidiaries, which are related parties to Arise AB, were eliminated in the consolidated financial statements. Commercial terms and market-based pricing is applied to the delivery of products and services between Group companies. No Board member, senior executive or other related party of the Group has been engaged, either directly or indirectly, in any business transactions between themselves and the company. For information regarding remuneration of senior executives, see Note 4.

NOTE 23 • 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 rights to the development of potential wind power projects on a large portion of Persson Invest's land, where the company initially estimates approximately 500 MW potential for new wind power.

In the first quarter of 2023, the company signed an agreement to acquire about 51 % of the Finnish company Pohjan Voima Oy. Pohjan Voima Oy holds rights to onshore wind and solar power projects in Finland corresponding to about 1.7 GW. The acquisition entails a substantial increase in Arise's project portfolio and broader geographic diversification. Closing is scheduled to take place in April 2023.





Parent company income statement

Amounts to the nearest MSEK	NOTE	2022	2021
Electricity, electricity certificates and guarantees of origin		1	0
Development and services		35	29
Other operating income		4	0
Total income	2	40	30
Capitalised work on own account		1	3
Purchases of electricity, electricity certificates and guarantees of origin		-1	0
Cost of sold projects and management		-9	-5
Personnel costs	3	-55	-42
Other external expenses	4	-31	-35
Operating profit/loss before depreciation and amortisation (EBITDA)		-54	-50
Depreciation and impairment of non-current assets	7	0	-3
Operating profit/loss (EBIT)		-55	-52
Profit/loss from financial items	5	-22	-22
Profit/loss after net financial items		-76	-74
Group contributions		113	69
Profit/loss before tax		37	-4
Tax on profit/loss for the year	6	0	0
Profit/loss for the year		36	-5

Parent company balance sheet

Amounts to the nearest MSEK	NOTE	2022	2021
ASSETS			
Non-current assets			
Intangible assets	7	25	25
Property, plant and equipment	7	45	38
Shares in subsidiaries	8	874	704
Other long-term securities	9	26	-
Other long-term receivables	10	112	-
Deferred tax assets	6	-	0
Other financial non-current assets	11	1	-
Total non-current assets		1,083	767
Current assets			
Receivables from Group companies		15	21
Accounts receivable		7	2
Current tax assets		1	1
Other current receivables		2	3
Contract assets	12	21	19
Prepaid expenses and accrued income	12	3	5
Cash and cash equivalents		293	47
Total current assets		342	97
TOTAL ASSETS		1,424	865
EQUITY			
Restricted equity			
Share capital		4	3
Statutory reserve		0	0
Non-restricted equity			
Share premium reserve		1,614	1,482
Accumulated loss		-886	-881
Profit/loss for the year		36	-5
Total equity		768	599
LIABILITIES			
Non-current liabilities			
Non-current interest-bearing liabilities	13	548	-
Total non-current liabilities		548	-
Current liabilities			
Current interest-bearing liabilities	13	-	133
Liabilities to Group companies		74	114
Accounts payable		5	2
Other liabilities		1	1
Accrued expenses and deferred income	14	28	16
Total current liabilities		108	266
TOTAL EQUITY AND LIABILITIES		1,424	865

Parent company cash flow statement

Amounts to the nearest MSEK	NOTE	2022	2021
Operating activities			
Operating profit/loss (EBIT)		-55	-52
Adjustment for non-cash items	15	0	3
Tax paid		-1	1
Cash flow from operating activities before changes in working capital		-56	-49
Cash flow from changes in working capital			
Increase (-) / decrease (+) in inventories		-	0
Increase (-) / decrease (+) in operating receivables		1	-13
Increase (+)/Decrease (-) in operating liabilities		-27	2
Cash flow from operating activities		-81	-60
Investing activities			
Acquisition and divestment of non-current assets		-7	-19
Investments in subsidiaries		-170	-1
Investments in financial non-current assets		-130	-
Cash flow from investing activities		-307	-20
Financing activities			
Loan repayments		-4	-
Loans raised		523	-
Net payment to blocked accounts		-1	-
Interest paid and other financing c		-25	-8
Interest received		0	-
Group contributions received		113	69
New issue/warrants		3	-
Cash flow from financing activities		610	62
Cash flow for the year		222	-19
Cash and cash equivalents at beginning of year		47	65
Exchange-rate difference in cash and cash equivalents		24	1
Cash and cash equivalents at year-end		293	47

Change in liabilities in financing activities 2022

Amounts to the nearest MSEK	31 Dec 2021	Cash flow	Non-cash items	31 Dec 2022
Bond loan	-	514	35	548
Convertible loan	133	-4	-129	-
Total	133	510	-94	548
Other items affecting cash flow		100		
Total		610		

Other items affecting cash flow in the financing operations refer to payments of warrants, provisions to blocked accounts, interest items, currency futures and Group contributions.

Change in liabilities in financing activities 2021

Amounts to the nearest MSEK	31 Dec 2020	Cash flow	Non-cash items	31 Dec 2021
Convertible loan	177	-	-45	133
Total	177	-	-45	133
Other items affecting cash flow		62		
Total		62		

Other items affecting cash flow in the financing operations refer to interest items, currency futures and Group contributions.

Parent company equity

Rounded to MSEK	Restricted equity			Non-restricted equity		
	Share capital	Statutory reserve	Other restricted equity	Share premium fund	Acc. profit/loss incl. profit/loss for the year	Total equity
Opening balance on 1 Jan 2021	3	0	2	1,435	-882	557
Profit/loss for the year					-5	-5
Total comprehensive income	3	0	2	1,435	-887	553
Transactions with shareholders in their capacity as owners						
New share issue/conversion of convertibles 0		-	-2	47	1	46
Total transactions with shareholders	0	-	-2	47	1	46
Closing balance on 31 Dec 2021	3	0	-	1,482	-886	599
Opening balance on 1 Jan 2022	3	0	-	1,482	-886	599
Profit for the year					36	36
Total comprehensive income	3	0	-	1,482	-850	635
Transactions with shareholders in their capacity as owners						
New share issue/conversion of convertibles 0		-	-	132	-	132
Total transactions with shareholders	0	-	-	132	-	132
Closing balance on 31 Dec 2022	4	0	-	1,614	-850	768

Notes to the Parent company's financial statements

NOTE 1 • ACCOUNTING POLICIES

ACCOUNTING POLICIES FOR THE PARENT COMPANY

The Parent Company has prepared its Annual Report in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, and the applicable statements from the Swedish Financial Reporting Board. RFR 2 states that the Parent Company, in its preparation of the Annual Report for the legal entity, applies all of the IFRSs and statements approved by the EU, as far as possible within the bounds of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act, with respect to the relationship between accounting and taxation. The Parent Company primarily applies the same policies as those described referring to the Group. The Parent Company applies the exemption rule in IFRS 9, meaning that financial instruments are measured at cost. Other differences between the Group's and the Parent Company's accounting policies are described below.

Income

Net sales include the sale of electricity certificates and guarantees of origin and gains and losses from electricity and currency derivatives attributable to the hedged production. Net sales also include development income from sold projects and remuneration for management services. These income streams are recognised in the same manner as for the Group, except as described below.

Income from accrued planning expenses and construction in progress which is charged to Wind Farm companies is recognised as a capital gain/loss on the sale date. Income from sales of projects is recognised at gross amount in the income statement concurrently as control of the project is passed from Arise to the purchaser.

Taxes

Tax legislation permits allocation to special reserves and funds which are reported separately in the Parent Company. This allows companies to appropriate and retain reported profits in the business, within certain limits, rather than being taxed immediately. The untaxed reserves are not subject to taxation until they are utilised. However, in the event that the business reports a loss, the untaxed reserves can be appropriated to cover the loss without being subject to tax.

Operating leases

All leases are recognised in the Parent Company as operating leases.

Group contributions and shareholders' contributions

Group contributions and shareholders' contributions are recognised in accordance with RFR 2. Group contributions are recognised as appropriations in the income statement and the tax effect, in accordance with IAS 12, is also recognised in the income statement. Shareholders' contributions are recognised as an increase in participations in subsidiaries.

NOTE 2 • INCOME

Income comprises sales of electricity certificates and guarantees of origin, consulting expenses invoiced internally in the Group, management services to external customers and income from sales of projects. Income also includes gains and losses from electricity and currency derivatives attributable to the hedged production. Income from sales of projects is recognised concurrently as control of the project is passed to the purchaser. Management income is recognised according to contract based on monthly and quarterly invoices. Profit from financial derivatives is recognised net in an amount of MSEK -3 (13).

NOTE 3 • PERSONNEL

For information relating to personnel, refer to Note 4 of the consolidated financial statements.

NOTE 4 • AUDITING FEES

	2022	2021
Öhrlings PricewaterhouseCoopers		
Audit assignment	1.2	0.9
Audit activities not included in the audit assignment	0.0	0.0
Tax consultancy services	0.1	0.1
Other services	-	-
Total	1.3	1.0

NOTE 5 • PROFIT/LOSS FROM FINANCIAL ITEMS

	2022	2021
Interest income		
Intra-Group interest income	0	0
Other interest income	3	-
Interest expenses		
Intra-Group interest expenses	-3	-2
Bonds and convertibles	-21	-9
Other financial items		
Impairment of shares in subsidiaries	-	-20
Realized profit on sale of subsidiaries	2	7
Exchange rate differences revaluation of bonds	-33	-
Other financial items	-2	-1
Other exchange rate differences	32	3
Total	-22	-22

NOTE 6 • TAXES

Tax on profit/loss for the year	2022	2021
Deferred tax	0	0
Recognised tax	0	0
Deferred tax		
Attributable to unutilised loss carry-forwards ¹⁾	-	0
Other items	0	0
Total recognised deferred tax	0	0
Reconciliation of recognised tax in the Parent Company		
Profit/loss before tax	37	-4
Tax 20.6%	-8	1
Tax effects of:		
Non-deductible expenses/ non-taxable income	0	-3
Non-deductible interest expenses	-1	-1
Loss carry-forwards for which no tax asset was recognised	8	3
Recognised tax, profit/loss for the year	0	0
Change in deferred tax		
Opening amount, net	0	1
Recognised deferred tax on profit/loss for the year attributable to loss carry-forwards	0	-1
Other items	0	0
Closing amount, net	-	0

¹⁾ The Parent Company's total loss carry-forwards amounted to MSEK 32 (75). Of this amount, MSEK 32 is blocked from utilisation for new companies in the Group until the 2023 income year. Since loss carry-forwards do not have any time limits for use according to current legislation, it is possible that these can be utilised in the future but no deferred tax assets have been recognised since it is uncertain if and when they will be used.

NOTE 7 • INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

	Land and buildings ¹⁾		Equipment, tools and fittings		Advance payments constructions in progress		Intangible assets		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Opening cost	1	1	14	14	51	57	25	-	92	72
Purchases/investments	-	-	1	0	10	17	-	25	11	42
Sales/disposals	-	0	-	-	-4	-22	-	-	-4	-22
Closing cost	1	1	15	14	58	51	25	25	99	92
Opening accumulated depreciation and impairment	0	0	-14	-13	-15	-13	-	-	-29	-27
Depreciation during the year	0	0	0	0	-	-	-	-	0	-1
Impairment for the year	-	-	-	-	-	-2	-	-	-	-2
Sales/disposals	-	0	-	-	-	0	-	-	-	0
Closing accumulated depreciation and impairment	0	0	-14	-14	-15	-15	-	-	-30	-29
Closing residual value according to plan	1	1	1	0	42	36	25	25	70	63

¹⁾ Land and buildings includes land with a carrying amount of MSEK 1 (1). The tax assessment value of the Parent Company's properties totalled MSEK 0 (0), of which MSEK 0 (0) is the tax assessment value of the land.

For the company's guarantee commitments, see Note 16.

Operating leases

The company's leases refer to rented premises for offices, cars and some office equipment.

Future total lease fees for cancellable leases are as follows:

	2022	2021
Within 1 year	2	3
Between 1-5 years	3	3
More than 5 years	-	-
Total	5	5

Operating lease expenses for the year amounted to MSEK 3 (2). Office premises are leased under cancellable leases with a term of three years, company cars with a term of three years and office equipment with a term of one to four years.



Bratorp wind farm

NOTE 8 • SHARES IN SUBSIDIARIES

	2022	2021
Opening carrying amount	704	723
Investments in subsidiaries	170	1
Impairment of shares	-	-20
Closing carrying amount	874	704

PARENT COMPANY'S HOLDINGS

Name	Corporate Identity Number	Registered offices	Number of shares	Participating interest %	Carrying amount of holdings	Equity
Arise Elnät AB	556747-2641	Halmstad	1,000	100%	2	2
Arise Kran AB	556758-8966	Halmstad	1,000	100%	5	5
Arise Wind Farm 9 AB	556833-5813	Halmstad	1,000	100%	0	0
Arise Wind HoldCo 1 AB	556869-2114	Halmstad	500	100%	0	0
Arise Wind HoldCo 2 AB	556867-9913	Halmstad	500	100%	4	15
Arise Wind HoldCo 3 AB	556867-9798	Halmstad	500	100%	15	903
Arise Wind HoldCo 5 AB	556867-9764	Halmstad	500	100%	0	0
Arise Wind HoldCo 6 AB	556868-0051	Halmstad	500	100%	0	0
Arise Wind HoldCo 7 AB	556867-9756	Halmstad	500	100%	0	0
Arise Wind HoldCo 8 AB	556868-0010	Halmstad	500	100%	0	0
Arise Wind HoldCo 9 AB	556758-8909	Halmstad	1,000	100%	848	769
Arise Wind HoldCo 10 AB	559075-2746	Halmstad	50,000	100%	0	0
Total					874	1,695

NOTE 9 • OTHER LONG-TERM SECURITIES

	2022	2021
Accumulated cost:		
At the beginning of the year	-	-
Additional assets ¹⁾	26	-
Total	26	-

¹⁾ Refers to Arise AB's shares of 9% of Kølvalen Vind BidCo AB

NOTE 10 • OTHER LONG-TERM RECEIVABLES

	2022	2021
Accumulated cost:		
At the beginning of the year	-	-
Additional assets ¹⁾	106	-
Translation differences	6	-
Total	112	-

¹⁾ Receivables from the company Kølvalen Vind BidCo AB in which Arise AB has a holding of 9%.

NOTE 11 • OTHER FINANCIAL NON-CURRENT ASSETS

	2022	2021
Blocked/deposited funds	1	-
Total	1	-

NOTE 12 • PREPAID EXPENSES AND ACCRUED INCOME

	2022	2021
Accrued development income	21	19
Prepaid expenses	3	5
Total	24	24

NOTE 13 • INTEREST-BEARING LIABILITIES

Non-current portion of interest-bearing liabilities	2022	2021
Bond loan	548	-
Total non-current portion	548	-

Current portion of interest-bearing liabilities	2022	2021
Convertible loan	-	133
Total current portion	-	133

NOTE 14 • ACCRUED EXPENSES AND DEFERRED INCOME

	2022	2021
Accrued personnel-related expenses	21	12
Accrued interest expenses	5	2
Other accrued expenses	3	3
Total	28	16

NOTE 15 • ADDITIONAL DISCLOSURES REGARDING CASH FLOW STATEMENT

Cash and cash equivalents comprise cash and bank balances.

Adjustment for non-cash items	2022	2021
Depreciation and impairment of non-current assets	0	3
Divested non-current assets	-	0
Total	0	3

NOTE 16 • PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets	2022	2021
Shares in subsidiaries	848	666
Total	848	666
Contingent liabilities	261	5

The company entered into a counter indemnity for the bank guarantee issued for Arise Wind Farm 20 AB amounting to MSEK 27. The company 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. The company stands surety for the subsidiary Arise Wind HoldCo 3 AB's commitments under the share sales agreements for Kränge Vind AB and Kölvalen Vind AB.

NOTE 17 • RELATED-PARTY TRANSACTIONS

The following transactions with related parties have taken place during the year:

	2022	2021
Sales of goods and services to subsidiaries	52	6
Sales gains/loss electricity derivatives	3	-13
Purchases of goods and services from subsidiaries	2	3
Transactions with other senior executives	-	-

The Parent Company's transfer of projects and charging of services to its subsidiaries amounted to MSEK 52 (-7). Services sold refer to consulting fees relating to permits and planning work, invoiced administrative expenses, gains/losses on electricity derivatives attributable to hedged production and management services to subsidiaries that own operational wind farms. The Parent Company's purchases of goods and services from subsidiaries amounted to MSEK 2 (3) and consist of electricity certificates and the purchase of various consulting services.

No Board member or senior executive has been engaged, either directly or indirectly, in any business transactions between themselves and the company which is, or was, unusual in character with respect to the terms and conditions applying. Remuneration of Board members and senior executives is presented in Note 4 to the consolidated financial statements and in the Directors' Report.

NOTE 18 • PROPOSED APPROPRIATION OF PROFITS

The following profits are at the disposal of the Annual General Meeting:

Parent Company

Accumulated loss from preceding year	-886,199,677
Share premium reserve non-restricted equity	1,613,725,340
Profit/loss for the year	36,487,873
Total unappropriated earnings, SEK	764,013,537

The Board of Directors and the CEO propose to the Annual General Meeting that the available earnings be appropriated as follows:

To be paid as dividends, SEK 1.00 per share	44,494,235
To be carried forward, SEK	719,519,302
Total appropriation of profit, SEK	764,013,537

For more information regarding the earnings and financial position of the Group and the Parent Company, refer to the income statements, balance sheets, cash flow statements and supplementary notes below.



THE INCOME STATEMENTS AND BALANCE SHEETS WILL BE PRESENTED FOR ADOPTION AT THE ANNUAL GENERAL MEETING ON 4 MAY.

The Board of Directors and Chief Executive Officer hereby certify that the annual accounts have been prepared in compliance with the Annual Accounts Act and RFR 1 and give a true and fair view of the company's financial position and results, and that the Directors' Report gives a true and fair view of the development of the company's business, financial position and results, and describes significant risks and factors of uncertainty faced by the company.

The Board of Directors and Chief Executive Officer

hereby certify that the consolidated financial statements have been prepared in compliance with the *International Financial Reporting Standards* (IFRS), as adopted by the EU, and give a true and fair view of the Group's financial position and results, and that the Directors' Report for the Group gives a true and fair view of the Group's financial position and results and describes the significant risks and factors of uncertainty faced by the companies included in the Group.

Halmstad, 23 March 2023

Joachim Gahm
Chairman

Johan Damne
Board member

Eva Vitell
Board member

Per-Erik Eriksson
CEO

Mikael Schoultz
Board member

Our auditor's report was submitted on 23 March 2023
Öhrlings PricewaterhouseCoopers AB

Ulrika Ramsvik
Authorised Public Accountant



Christer Aronsson, Stjärnarp wind farm

Auditor's report

To the general meeting of the shareholders of Arise AB (publ)
Corporate identity number 556274-6726

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Arise AB (publ) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 47-101 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided

to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

All subsidiaries, where legal auditing obligation exists, comprise of our audit. In addition, The Group team has audited the parent company, the consolidation, the annual report and significant assumptions and assessments. Based on the work efforts above, we believe that we have received sufficient auditing evidence to be able to have an opinion regarding the financial reporting as a whole.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined

certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

KEY AUDIT MATTER

Impairment test of owned windpower farms in operation
Reference to Note 1 on page 68 in the Annual Report "Significant estimates and assumptions for accounting purposes", and Note 9 on page 76 "Property, plant and equipment".

As at 31 December 2022, the value of owned windpower farms in operation amounts to MSEK 1,003. The value of the windpower farms depends, among other things, on future prices for electricity and electricity certificates. These prices have fluctuated since the time of the investment. The company annually carries out impairment tests, which for 2022 have not resulted in any write-downs.

The assumptions and assessments performed by management in conjunction with the impairment test are complex, such as future cash flows and other circumstances, and have a major impact on the calculated value-in-use. In particular, the assumptions of the future price levels on electricity and certificates as well as the weighted average cost of capital (WACC), where small deviations can result in large impact on the calculated value-in-use.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Our audit was focused to ensure that the impairment test performed by the Company is true and fair and that no requirements for impairment charges are required.

We have obtained and reviewed the impairment tests performed by the Company. These include the prognosis of future cash flow made by the Group management based on the discount rate they selected. Assumptions regarding future market prices for electricity and electricity certificates are based on market price projections made by external expertise.

We have developed an understanding of how the development of macroeconomic factors impact Arise.

We have also assessed the process through which the Group management and Board of Directors gather the necessary macro market data to support their assumptions and decisions.

Our review of the impairment tests has included:

- Audited the calculation model applied by management.
- Assessed and checked the mathematical accuracy of the WACC applied by management
- Reviewed input data regarding future revenues against external data. Forward prices obtained from an external party and other price assumptions from external expertise obtained by management.
- Audited input data regarding planned production volumes and assessed the reasonableness compared to historical performance
- Audited input data regarding estimated operating cost and other data and reconciled them against the company's projections and against historical performance.
- Performed sensitivity analysis for changes in key assumptions, such as market price development and the discount rate applied.

KEY AUDIT MATTER*Transactions – sale of projects*

Reference to Note 1 on page 68 in the Annual Report “Significant estimates and assumptions for accounting purposes” and Note 2 Revenue and Note 16 Prepaid expenses and accrued income on page 69 and page 84.

Arise business concept implies potential acquisitions and selling of one or several projects directly or through a company.

During the year the company sold companies with the project Kølvalen as well as continued construction of the projects Ranasjö- and Salsjöhöjden as well as the project Skaftåsen. Each separate transaction is individual, and the contracts contain specific terms of agreements which stipulates, amongst others, a model for payments and the respective parts commitments and requirements during the duration of the agreements.

The business arrangement and accompanying agreements are complex areas in which interpretation of the performed transaction and the accompanying terms of agreements might have a material effect on the accounting records and the revenue recognition.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Our audit focuses on that the performed transactions are treated correctly in the accounting records.

Each separate agreement with regards to selling a company or a project is individual, and the contracts contain specific terms of agreements. We have in our audit:

- Audited the Company's capital gain through a reconciliation against the sale agreement and the company's assessment related to percentage of completion.
- Audited the company's accounting records with regards to the sales transaction on company level.
- Audited the company's accounting records with regards to the sales transaction on a group level.
- Audited that the classification for the capital gain has been treated correctly in accordance with the accounting principles for the company.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-44 and 112-120. The other information also consists of the Remuneration Report for 2022, which we obtained before the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement

of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to

liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors' responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The auditor's audit of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Arise AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled

our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations

of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Arise AB (publ) for the financial year 2022.

Our examination and my (our) opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Arise AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors (and the Managing Director) determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is

prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts [and consolidated accounts]. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors (and the Managing Director), but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Arise AB (publ) by the general meeting of the shareholders on the May 4, 2022 and has been the company's auditor since 2008. Arise AB (publ) has been a company of public interest since the company was listed on March 24, 2010.

Göteborg 23 March 2023

Öhrlings PricewaterhouseCoopers AB

Ulrika Ramsvik

Authorized Public Accountant

Corporate Governance Report

Corporate Governance Report for the Group

Arise AB (publ) ("Arise") is a Swedish public limited liability company listed on Nasdaq Stockholm. Accordingly, Arise applies the Swedish Corporate Governance Code (the "Code", available on [corporategovernanceboard.se](https://www.corporategovernanceboard.se)). This Corporate Governance Report refers to the 2022 financial year and has been established in accordance with the provisions included in the Code, Chapter 6, Sections 6–9 of the Swedish Annual Accounts Act and Chapter 9, Section 31 of the Swedish Companies Act. Arise's Articles of Association and other information regarding corporate governance in Arise are available on our website, www.arise.se.

Regulatory compliance

Arise has no deviations from the Code to report for the 2022 financial year. No breaches of applicable stock-market rules or good practice in the securities market was reported for Arise by Nasdaq Stockholm's Disciplinary Committee or the Swedish Securities Council in 2022.

Shares and shareholders

The share capital in Arise as per 31 December 2022 amounted to SEK 3,559,538.80 distributed between 44,494,235 shares. All shares issued are ordinary shares of the same class and thus entitle the respective holders to equal rights to the company's assets, profits and dividends. According to the shareholder register maintained by Euroclear Sweden AB, Arise had approximately 15,827 shareholders on 30 December 2022. The company had two shareholders with a direct or indirect participation representing 10% or more of the votes on 30 December 2022, which were Johan Claesson with companies (27.9%) and AltoCumulus Asset Management (11.8%). Information about the ten largest shareholders can be found on page 112 of this Annual Report and on Arise's website, [arise.se](https://www.arise.se).

Annual General Meeting

Arise's highest decision-making body is the Annual General Meeting of shareholders. Notice of the Annual General Meeting, or an extraordinary general meeting at which potential changes in the Articles of Association are discussed, is given not earlier than six weeks and not later than four weeks prior to the meeting. The Annual General Meeting is to be held within six months from the end of the financial year. All shareholders listed in the shareholder register six banking days prior to the Meeting, including registrations of voting rights made not later than four banking days prior to the Meeting, and who have announced to the company their intention to participate before the registration period has elapsed, have the right to attend and vote at the meeting. The number of votes a shareholder is entitled to exercise is not restricted. Shareholders who are unable to attend the meeting in person may be represented by proxies. The company does not apply special arrangements with regard to the

function of the Annual General Meeting, either on the basis of regulations in the Articles of Association or, to the extent they are known to the company, shareholder agreements. Furthermore, the Articles of Association do not include specific regulations relating to changes in the Articles of Association. The most recent Annual General Meeting was held on 4 May 2022 by advance voting (postal voting) according to temporary laws. The minutes from the Annual General Meeting are available on Arise's website. At the Annual General Meeting, resolutions were passed regarding the authorisation of the Board to resolve on issues of ordinary shares, preference shares and convertibles, authorisation of the Board to repurchase own ordinary shares, authorisation of the Board to transfer treasury shares, and a resolution was passed on the warrant programme for employees of the company based on the issue and transfer of warrants. The next Annual General Meeting will be held on 4 May 2023 in Halmstad. Shareholders wishing to add items to the agenda of the Annual General Meeting may send a written request to Arise AB (publ), Att: Chairman of the Board, Box 808, SE-301 18 Halmstad, Sweden. Such requests must reach the Board of Directors not later than seven weeks prior to the Annual General Meeting, or at least in sufficient time so that the issue can, if required, be included in the notice of the Meeting.

An Extraordinary General Meeting was held on 15 December 2022 by advance voting (postal voting) according to temporary laws. The resolutions passed by the Extraordinary General Meeting issued on the warrant programme for employees of the company based on the issue and transfer of warrants. The minutes from the Meeting are available on Arise's website.

Nomination Committee

Under the Code, Arise is to have a Nomination Committee whose task is to include the preparation of proposals for members of the Board, the Chairman of the Board, the Chairman of general meetings and auditors as well as procedures for the next year's Nomination Committee. The Nomination Committee is also to submit proposals on fees for Board members and auditors. The Annual General Meeting on 4 May 2022 resolved to establish procedures for the appointment of a Nomination Committee prior to the next election and for the determination of remuneration. According to the resolution, the Nomination Committee is to comprise five regular members appointed by the four largest shareholders as of the start of October as well as the Chairman of the Board.

The Nomination Committee prior to the 2023 Annual General Meeting comprised Johan Claesson (own holdings and through companies), Lars Hagerud (AltoCumulus Asset Management), Peter Lundkvist (Third Swedish National Pension Fund), Richard Torgerson (Nordea) and Chairman of the Board Joachim Gahm. All of the Nomination Committee's members are independent in relation to the company and management. No remuneration has been paid to the mem-

bers of the Board for work on the Nomination Committee.

In its work, the Nomination Committee applied the diversity policy adopted by the Board. Item 4.1 of the Code comprises part of this diversity policy. The result of the work on the diversity policy is that the Nomination Committee has taken into account that, considering Arise's operations, stage of development, prevailing business and social conditions and other circumstances, the Board is to be characterised by diversity and breadth with regard to the expertise, experience and background of the Board members elected by the General Meeting. Efforts have also been made to achieve an even gender distribution on the Board. By applying the above, the Nomination Committee has a solid basis for determining whether the Board's composition is appropriate and whether Arise's needs for expertise, experience and diversity on the Board have been met. The Nomination Committee's proposals will be published not later than in connection with the notice of the 2023 Annual General Meeting. The Nomination Committee will present a description of its activities at the Annual General Meeting on 4 May 2023. Shareholders wishing to submit proposals and opinions to the Nomination Committee are requested to contact the Chairman of the Nomination Committee: *Arise AB (publ), Att: Chairman of the Nomination Committee, Box 808, SE-301 18 Halmstad, Sweden.*

THE BOARD OF DIRECTORS

General information

The Board of Directors is responsible for the management of the company's affairs and its organisation. The Articles of Association stipulate that the Board of Directors is to comprise not fewer than three and not more than nine Board members. The Articles of Association do not include any specific regulations regarding the appointment or dismissal of Board members.

At the most recent Annual General Meeting, held on 4 May 2022, a Board was elected consisting of the members Joachim Gahm (Chairman), Johan Damne, Eva Vitell and Mikael Schoultz. In accordance with the formal work plan for the Board of Directors, the Board is to hold at least six scheduled meetings between each Annual General Meeting. During the 2022 financial year, the Board of Directors held 23 meetings, with minutes taken at each meeting. The Board members' attendance at the meetings is presented in the table below.

Descriptions of the members of the Board of Directors, including information on their other directorships, independence and relevant shareholdings are provided on page 114 of the Annual Report. Remuneration and other benefits to the Board of Directors are described in Note 4 on pages 71–73 of the Annual Report. All of the Board members elected by the Annual General Meeting are independent in relation to the company and management. Furthermore, all members of the Board except for Johan Damne are independent in relation to the major shareholders (refer also to page 114 of the Annual Report). More information on the Board of Directors is provided on Arise's website, www.arise.se.

AGM-elected Board members' attendance, 2022 financial year

	Number of meetings	Present at	Attendance, %
Joachim Gahm, Chairman	23	23	100
Jon Brandsar ¹⁾	10	10	100
Maud Olofsson ¹⁾	10	10	100
Johan Damne	23	22	96
Eva Vitell ²⁾	13	13	100
Mikael Schoultz ²⁾	13	13	100

¹⁾ Jon Brandsar and Maud Olofsson stepped down as Board members at the Annual General Meeting on 4 May 2022.

²⁾ Eva Vitell and Mikael Schoultz became Board members at the Annual General Meeting on 4 May 2022.

The work of the Board

Meetings of the Board of Directors should ideally be held by physical attendance at Arise's head office. However, additional meetings may be conducted over the telephone or virtually. The Chairman of the Board leads and organises the work of the Board.

Legal counsel Jonas Frii has served as the Board's secretary. Prior to each meeting, a proposed agenda is sent out, along with the documents which are to be addressed at the meeting. The proposed agenda is prepared by the CEO in consultation with the Chairman. The matters presented to the Board are presented for the purposes of information, discussion or decision. Decisions are taken after discussions and after all members of the Board in attendance at the meeting have had the opportunity to express their opinions. The Board's broad experience in various areas often results in a constructive and open discussion. During the year, no member of the Board expressed a reservation against any issue regarding which decisions were taken. Any objections are recorded in the minutes. Open questions are followed up on a continuous basis. The Board has not established a division of responsibilities among its members, other than that which is provided in the formal work plan for the Board and its committees. The formal work plan for the Board, which is to be reviewed on an annual basis, regulates the division of duties among the Chairman, the Board and its committees. Among other things, the formal work plan stipulates, for example, the obligatory permanent items to be addressed at every scheduled meeting.

During the year, the Chairman commissioned an evaluation of the Board of Directors to be undertaken by means of a survey. The results have been compiled on an anonymous basis and have been reported to the Board and the Nomination Committee by the Chairman.

Diversity

The Board has adopted a Diversity Policy which aims to promote diversity on the Board and in the management team. The Board believes that diversity in the Board and manage-

ment contributes to greater understanding of the company's organisation and operations, and allows decisions to be constructively and independently questioned and creates a more open climate to new ideas and approaches. According to the diversity policy, the Board is to be characterised by diversity and the composition of the Board is to follow item 4.1 of the Code. Efforts are also being made to achieve an even gender distribution on the Board. The policy is a governing document for the Nomination Committee that is to be applied when preparing proposals for Board members.

Remuneration Committee

Up to the 2023 Annual General Meeting, the Remuneration Committee comprises Board members Joachim Gahm (Chairman), Johan Damne, Eva Vitell and Mikael Schoultz. The CEO normally participates in meetings of the Remuneration Committee, but has no say in matters pertaining to his own salary or benefits. The Remuneration Committee held four meetings in 2022 at which all members participated. The Committee's areas of responsibility are to present proposals regarding overall policy on salaries, remuneration and other employment conditions of the company's Group management and potential warrant programmes. The Remuneration Committee is to provide proposals on individuals salaries and other remuneration of the CEO and, following proposals from the CEO, decide on individual salaries and other remuneration to managers who report to the CEO. All members of the Committee are independent in relation to Arise and its senior executives. The Committee's work is based on the resolutions passed at the most recent Annual General Meeting regarding the guidelines for remuneration of senior executives. The Committee's work follows a written formal work plan adopted by the Board. The Committee does not have its own right of decision other than within the remuneration policy that the AGM resolves on for senior executives.

Audit Committee

Up to the 2023 Annual General Meeting, the Audit Committee consists of the Board members Johan Damne (Chairman), Joachim Gahm and Eva Vitell. The Company's CFO reports to the Committee. The Audit Committee held five meetings in 2022 and each meeting was attended by all members. The Audit Committee is responsible for preparing the Board's work on ensuring the quality of the company's financial reporting. Quality assurance normally takes place by the Committee addressing all critical accounting matters and drafts of the financial statements that the company publishes. The Audit Committee also addresses matters concerning, for example, financial reporting, risks, governing documents, KPIs, accounting rules and internal control. The Audit Committee also maintains a continuous dialogue with the auditor. The Committee's work follows a written formal work plan adopted by the Board and the Board does not have its own right of decision.

Group management

Arise's Group management and the Group management's shareholdings are described on page 115 of the Annual Report.

Appointment of auditors

At the 2022 Annual General Meeting, Öhrlings PricewaterhouseCoopers AB was appointed as the company's auditor, with Authorised Public Accountant Ulrika Ramsvik as Auditor-in-Charge for the period up to the next Annual General Meeting. The 2022 Annual General Meeting also resolved that fees to auditors were to be paid according to standard norms and approved invoices.

Internal control

The objective of the internal financial control in Arise is to establish an effective decision-making process in which requirements, objectives and limits are clearly defined. The company and management apply the internal control system to monitor the operations and the Group's financial position.

Control environment

The control environment forms the basis for internal control. Arise's control environment comprises, for example, sound core values, integrity, competence, a leadership philosophy, an organisational structure, responsibility and authorities. Arise's formal work plans, instructions, policies, guidelines and manuals provide guidance to the employees.

Arise ensures a clear division of roles and responsibilities for the effective management of operational risks through, for example, its formal work plans for the Board of Directors and its committees, as well as through terms of reference to the CEO.

During the company's day-to-day operations, the CEO is responsible for the system of internal controls required to create a control environment for significant risks. Arise also has guidelines and policies regarding financial governance and monitoring, communication issues and business ethics. All companies in the Group employ the same reporting system. The Board has appointed an Audit Committee, which is responsible for, among other things, ensuring compliance with adopted policies for financial reporting and internal control. The CEO or CFO reports the results of their work on internal control to the Audit Committee.

The results of the work of the Audit Committee, in the form of observations, recommendations and proposals for decisions and measures, are reported to the Board on an ongoing basis. To summarise, Arise's internal control environment is based on the division of work between the Company organs, reporting to the Board of Directors, adopted policies and guidelines, and employee compliance with the policies and guidelines.

Internal control over financial reporting

Internal control over financial reporting is part of the internal control within Arise and its aims include providing reasonable assurance of the reliability of the company's external financial reporting in the form of interim reports, annual reports and year-end reports, and ensuring that the external financial reporting is prepared in accordance with laws, applicable accounting standards and other requirements for listed companies.

Risk assessment and control activities

Arise regularly performs risk analyses in order to identify potential sources of errors in the financial reporting. Relevant procedures are documented so as to increase traceability in the financial reporting. Normal control activities include reconciliation of accounts and supporting controls. The purpose of all control activities is to prevent, detect and remedy any errors or deviations in financial reporting. The most significant risks regarding financial reporting identified through the Group's internal control activities are managed through control structures which are primarily based on reports on deviations from established goals or norms regarding, for example, currencies and hedging.

Follow-up

The Board of Directors evaluates the information provided by Company management on an ongoing basis. In the activities of the Board of Directors and the Audit Committee, great importance is attached to the work involved in following up the effectiveness of internal control. The activities include, for example, ensuring that measures are taken regarding any proposals for actions arising in the external audit. The reports provided by management to the Board of Directors and the Audit Committee include a follow-up of the company's positions pursuant to the financial policy, and any deviations. The activities implemented by the Board of Directors in its follow-up of internal control regarding the financial reporting include assigning management to report on the outcome of any issues related to the financial reporting.

Information and communication

The dissemination of correct information, both internally and externally, implies that all parts of the operations are able to exchange and report relevant and significant information about the business in an effective manner. In order to achieve this, Arise has issued policies and guidelines regarding the management of information in the financial processes, which have been communicated to the employees by the management group. For communication with external parties, there is a policy stipulating guidelines for the form such communication is to take. The ultimate purpose of the aforementioned policies and guidelines is to ensure that the company's disclosure requirements are complied with and that the investors receive the correct information in a timely fashion.

Internal audit

Taking into account the size of the company, in combination with the Audit Committee's work, and the fact that sound control procedures have been established and applied, the Board of Directors has not deemed it necessary to establish a separate internal audit function. However, the matter of whether a separate internal audit function is required will be addressed on an annual basis.

Activities in 2022

Focus during the year was on matters related to financing, investments and discussions regarding divestitures.

Halmstad, 23 March 2023

Joachim Gahm
Chairman

Johan Damne
Board member

Eva Vitell
Board member

Per-Erik Eriksson
CEO

Mikael Schoultz
Board member

AUDITOR'S STATEMENT ON THE CORPORATE GOVERNANCE STATEMENT

To the General Shareholders' Meeting of Arise AB (publ), Corporate Identity Number 556274-6726

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement on pages 108-111 and that it has been prepared in accordance with the Annual Accounts Act

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph points 2-6 the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg, 23 March 2023
Öhrlings PricewaterhouseCoopers AB

Ulrika Ramsvik
Authorised Public Accountant

Ownership structure

Share capital

The share capital of Arise AB totals approximately MSEK 3.6, distributed between 44,494,235 shares. All shares entitle the holder to one vote and an equal right to the assets and profits of the company.

Dividend policy and target equity/assets ratio

The company's financial policy states that the Group's equity/assets ratio adjusted for cash and cash equivalents should amount to at least 40%. The equity/assets ratio adjusted for cash and cash equivalents entails a reduction in total assets using current cash and cash equivalents. On 31 December 2022, the equity/assets ratio amounted to 55.4% [44.8] and the adjusted equity/assets ratio was 95.3% [46.9]. The aim is to create the conditions over time to pay dividends to shareholders, if so resolved by the General Meeting.

LARGEST SHAREHOLDERS

Ownership structure as of 30 December 2022	Shares	Share of votes and capital, %
Johan Claesson with companies	12,410,110	27.9
AltoCumulus Asset Management	5,263,471	11.8
AP3	4,352,723	9.8
Nordea Investment Funds	1,299,058	2.9
AP2	1,078,395	2.4
SEB AB, Luxembourg Branch	1,041,799	2.3
BNY Mellon SA/NV	811,801	1.8
Clearstream Banking S.A.	769,256	1.7
HSBC Trinkaus & Burkhardt GMBH	722,500	1.6
J.P. Morgan SE, Luxembourg Branch	693,606	1.6
Ten largest shareholders	28,442,719	63.8
Other shareholders	16,051,516	36.1
Total number of registered shares	44,494,235	100.0



HISTORICAL DEVELOPMENT OF SHARE CAPITAL

Date	Transaction	Number of shares	Accumulated number of shares	Share capital, SEK	Accumulated share capital, SEK
1986	Formation of the company	50,000	50,000	50,000.00	50,000.00
1997	Split	950,000	1,000,000	-	50,000.00
1998	Bonus issue	-	1,000,000	50,000.00	100,000.00
2007	New issue	42,000	1,042,000	4,200.00	104,200.00
2007	New issue	408,000	1,450,000	40,800.00	145,000.00
2007	New issue	23,077	1,473,077	2,307.70	147,307.70
2008	New issue	100,000	1,573,077	10,000.00	157,307.70
2008	New issue	700,000	2,273,077	70,000.00	227,307.70
2008	New issue	244,000	2,517,077	24,400.00	251,707.70
2008	New issue	376,000	2,893,077	37,600.00	289,307.70
2008	Bonus issue	-	2,893,077	867,923.10	1,157,230.80
2008	Split	11,572,308	14,465,385	-	1,157,230.80
2008	New issue	51,000	14,516,385	4,080.00	1,161,310.80
2008	New issue ^{*)}	937,500	15,453,885	75,000.00	1,236,310.80
2009	New issue	5,972,185	21,426,070	477,774.80	1,714,085.60
2010	Warrants	135,000	21,561,070	10,800.00	1,724,885.60
2010	New issue	10,000,000	31,561,070	800,000.00	2,524,885.60
2011	Warrants	227,500	31,788,570	18,200.00	2,543,085.60
2011	Warrants	15,000	31,803,570	1,200.00	2,544,285.60
2011	Warrants	50,000	31,853,570	4,000.00	2,548,285.60
2011	New issue	1,574,500	33,428,070	125,960.00	2,674,245.60
2019	Warrants	117,500	33,545,570	9,400.00	2,683,645.60
2020	Redemption of convertibles	233,250	33,778,820	18,660.00	2,702,305.60
2020	Redemption of convertibles	904,191	34,683,011	72,335.28	2,774,640.88
2020	Redemption of convertibles	137,142	34,820,153	10,971.36	2,785,612.24
2020	Redemption of convertibles	1,677,763	36,497,916	134,221.04	2,919,833.28
2021	Redemption of convertibles	596,314	37,094,230	47,705.12	2,967,538.40
2021	Redemption of convertibles	1,359,285	38,453,515	108,742.80	3,076,281.20
2021	Redemption of convertibles	143,559	38,597,074	11,484.72	3,087,765.92
2021	Redemption of convertibles	24,366	38,621,440	1,949.28	3,089,715.20
2022	Redemption of convertibles	5,872,795	44,494,235	469,823.60	3,559,538.80

^{*)}Private placement in conjunction with the acquisition of PLU Energy Intressenter AB, which was merged with the Parent Company during 2009.

Arise's Board of Directors



Joachim Gahm



Johan Damne



Eva Vitell



Mikael Schoultz

Joachim Gahm, born 1964

Joachim Gahm has been a Board member since 2007 and has served as Chairman of the Board since being appointed by the Annual General Meeting on 6 May 2014.

OTHER DIRECTORSHIPS AND POSITIONS: Chairman of Celina Fondförvaltning AB and Catella Capital AB, Board member of Catella AB, Chairman of Odinviken AB and Chairman of Kristineberg Förvaltnings AB. Previously CEO of E. Öhman J:or Investment AB and vice CEO and Board member of E. Öhman J:or Fondkommission AB.

EDUCATION: M.Sc. in Business and Economics from Stockholm University.

INDEPENDENCE/DEPENDENCE: Joachim Gahm is independent in relation to Arise AB, its senior executives and major shareholders.

HOLDINGS ON 31 DECEMBER 2022, OWN AND VIA COMPANY: 21,000 shares and 100,000 warrants

Johan Damne, born 1963

Johan Damne has been a Board member since being appointed by the Annual General Meeting on 6 May 2020.

OTHER DIRECTORSHIPS AND POSITIONS: CEO of Claesson & Andersson AB and Board member of Catella AB (publ). In addition, several Board and management positions in other companies within the Claesson & Anderzén Group.

EDUCATION: B.B.A Växjö University

INDEPENDENCE/DEPENDENCE: Independent in relation to Arise and its senior executives but not in relation to the major shareholders in Arise.

HOLDINGS ON 31 DECEMBER 2022, OWN AND VIA COMPANY: 93,333 shares.

Eva Vitell, born 1973

Eva Vitell has been a Board member since being appointed by the Annual General Meeting on 4 May 2022.

OTHER DIRECTORSHIPS AND POSITIONS: Partner in Davidson Vitell Handelsbolag. Previously CEO of Svea Vind Offshore AB and Hybrit Development AB and senior positions at Vattenfall.

EDUCATION: M.Sc. in Economics from Stockholm School of Economics.

INDEPENDENCE/DEPENDENCE: Independent in relation to Arise, its senior executives and major shareholders.

HOLDINGS: None.

Mikael Schoultz, born 1963

Mikael Schoultz has been a Board member since being appointed by the Annual General Meeting on 4 May 2022.

OTHER DIRECTORSHIPS AND POSITIONS: Chief Investment Officer at Liquid Wind AB. Former senior positions at Copenhagen Infrastructure Service Company, Lekela Power B.V, Sustainable Technology Partners, Platina Partners and Citigroup. Board member of Nordic Infra Investment & Advisory Partners AB and Vindkraft i Daläsén AB. Deputy Board members of Snickaregatan Holding AB and ST Associates AB.

EDUCATION: International M.Sc. in Economics from Lund University.

INDEPENDENCE/DEPENDENCE: Independent in relation to Arise, its senior executives and major shareholders.

HOLDINGS: None.

The information concerning shareholdings and warrants refers to the situation as of 31 December 2022.

Arise's Group management



Per-Erik Eriksson



Hans Carlsson



Markus Larsson



Daniel Cambridge

Per-Erik Eriksson, born 1963

CEO since October 2021 and COO of the company since 2012. Per-Erik has 30 years' of experience from various positions in energy companies, the forestry industry and as a consultant.

OTHER DIRECTORSHIPS AND POSITIONS: CEO of Arise Elnät AB and Board member of several of Arise's subsidiaries. Chairman of the Board of CapViva Wind Skogaby AB, AREF II Wind Bohult AB and Hästhalla Wind AB. Board member of Sveten AB and Sveten Holding AB.

EDUCATION: Degree in Energy Engineering from Mälardalen University.

HOLDINGS: 100,000 warrants.

Hans Carlsson, born 1967

Deputy CEO and COO since March 2022. Hans has broad experience in sales, maintenance and project management of wind power project since 2007 and most recently worked at turbine supplier Siemens Gamesa Renewable Energy AB, where he was CEO of the Swedish and Finnish local companies.

OTHER DIRECTORSHIPS AND POSITIONS: Board member of CapViva Wind Skogaby AB, AREF II Wind Bohult AB, Hästhalla Wind AB and Brotorp Power AB. Members and convenor of Swedish Wind Energy Association's Nomination Committee. Board member of Skovly Group AB.

EDUCATION: M.Sc in Industrial Engineering and Management KTH.

HOLDINGS: 100,000 warrants.

Markus Larsson, born 1976

CFO since March 2022, and previously interim CFO of the company since January 2022. Markus has many years of experience from the capital markets and in business development, and as CFO.

OTHER DIRECTORSHIPS AND POSITIONS: Board member of several of Arise's subsidiaries. Board member of Kolvallen Vind BidCo AB, Kolvallen Vind AB. Board member of Emission Particle Solution Sweden AB and Butterfly Road AB.

EDUCATION: M.Sc. in Media Technology and Engineering from Linköping University.

HOLDINGS: 150,000 warrants.

Daniel Cambridge, born 1986

CCO since May 2022. Former director of UK and Irish subsidiaries of ib vogt GmbH, and senior investment manager at Foresight Group LLP.

OTHER DIRECTORSHIPS AND POSITIONS: CEO of Arise Renewable Energy UK Ltd

EDUCATION: LLB from the University of Sussex

HOLDINGS: 20,000 warrants.

The information concerning shareholdings, convertibles and warrants refers to the situation as of 31 December 2022.

Annual General Meeting and 2023 calendar



Annual General Meeting

Arise's Annual General Meeting will take place on 4 May 2023 at Hotel Tylösand in Halmstad, Sweden. More information about the Annual General Meeting and instructions for registration and voting will be provided in the notice of the Annual General Meeting and be available on Arise's website www.arise.se

Calendar of financial information

All financial information is published on www.arise.se as soon as it has been released. In 2023, financial information will be published as follows:

First quarter: 4 May 2023

Second quarter: 18 July 2023

Third quarter: 15 November 2023

Fourth quarter: 15 February 2024

Annual Report

The annual report is available on our website www.arise.se. Printed copies of the report can be ordered via e-mail at info@arise.se or via the switchboard, telephone +46 (0) 10 450 71 00. The 2022 Annual Report is expected to be available in early April 2023.

IR contact

CEO Per-Erik Eriksson and CFO Markus Larsson are responsible for Arise's financial information.

Per-Erik Eriksson, CEO

Tel: +46 (0) 702 409 902

Markus Larsson, CFO

Tel. +46 (0) 735 321 776

Financial information in summary

MSEK	2022	2021	2020	2019	2018
Net sales *	1,164	341	130	454	343
Operating profit/loss before amortisation/depreciation (EBITDA)	851	143	33	-56	191
Operating profit/loss (EBIT)	790	79	-37	-131	118
Profit/loss before tax	772	58	-108	-233	28
Profit/loss for the year	772	57	-108	-235	21
Total non-current assets	1,432	1,298	1,276	1,322	1,812
Equity	1,616	676	703	698	824
Cash flow from operating activities*	923	143	65	327	114
Number of employees at the end of the period	41	30	31	28	26
Basic earnings per share, SEK	18.60	1.51	-3.08	-7.03	0.64
Diluted earnings per share, SEK **	18.60	1.49	-3.08	-7.03	0.64
EBITDA margin, %	72.8	41.7	25.1	neg	55.5
Operating margin, %	67.6	23.2	neg	neg	34.4
Return on capital employed (EBIT), %	42.0	6.4	neg	neg	6.0
Return on equity, %	67.4	8.2	neg	neg	2.6
Equity/assets ratio, %	55.4	44.8	49.6	38.9	39.8
Debt/equity ratio, times	neg	0.6	0.7	0.7	1.2
Equity per share, SEK	39	18	20	21	25
Equity per share after dilution, SEK **	39	18	20	21	25

* In 2022, the company changed the presentation format of projects sold in the income statement and cash flow statement. Retroactive adjustments were made for 2021 and these did not result in any impact on earnings.

** In the calculation of earnings per share and equity per share, dilution from convertibles were included.



Sustainability is a priority for Arise in everything it does.
That is why we print on environmentally friendly paper, Edixion from Antalis.
It has FSC certification, which promotes sustainable forestry.

PRODUCTION: hstd reklambyrå. PRINT: Printografen.
PHOTOGRAPHY: Håkan Nilsson, Tina Axelsson, Anders Sällström,
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