



Year-end report 1 January – 31 December 2019

Fourth quarter (1 October – 31 December 2019)

- Net sales for the quarter amounted to MSEK 247 (90).
- Operating profit/loss before depreciation and amortisation (EBITDA) amounted to MSEK 147 (46).
- Operating profit/loss (EBIT) totalled MSEK 128 (28).
- Profit/loss before tax (EBT) amounted to MSEK 108 (5).
- Profit after tax totalled MSEK 98 (2), corresponding to SEK 2.93 (0.07) per share before dilution and 2.29 (0.07) after dilution.
- Operating cash flow was MSEK 196 (30).
- Production from Own wind power operations was 89 GWh (85).
- Average income from Own wind power operations was SEK 440 per MWh (437), of which SEK 323 per MWh (317) pertained to electricity and SEK 117 per MWh (120) to electricity certificates.
- The 231 MW Skaftåsen project was divested to a fund managed by Foresight with an expected profit of approximately MSEK 210 between 2019 and 2021.

Full-year (1 January – 31 December 2019)

- Net sales for the period amounted to MSEK 454 (343).
- Operating profit/loss before depreciation and amortisation excluding associates (adjusted EBITDA) totalled MSEK 217 (191), and including associates (EBITDA) totalled MSEK -56 (191).
- Operating profit/loss excluding associates (adjusted EBIT) amounted to MSEK 142 (118), and including associates (EBIT) totalled MSEK -131 (118).
- Operating profit/loss excluding associates (adjusted EBT) amounted to MSEK 60 (28), and including associates (EBT) totalled MSEK -233 (28).
- Profit/loss after tax excluding associates (adjusted profit/loss after tax) amounted to MSEK 53 (21) and including associates totalled MSEK -235 (21), corresponding to SEK -7.03 (0.64) per share before dilution and SEK -7.03 (0.64) after dilution.
- Operating cash flow was MSEK 327 (114) and total cash flow was MSEK 305 (-85).
- Production from Own wind power operations was 333 GWh (295). Production from Co-owned wind power operations ceased in conjunction with the sale of the associate Sirocco.
- Average income from Own wind power operations was SEK 436 per MWh (512), of which SEK 333 per MWh (344) pertained to electricity and SEK 103 per MWh (169) to electricity certificates.
- The sale of the company's participation in the associate Sirocco was completed and the Skaftåsen project was sold.

About Arise

Arise is one of Sweden's leading wind power companies, with the business concept of developing, building and managing onshore proprietary wind farms and on behalf of investors. The company is listed on Nasdaq Stockholm.

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Halmstad, 14 February 2020

Daniel Johansson
CEO

CEO's statement

Arise upping the pace

Underlying earnings improved considerably in 2019 compared with 2018. Excluding the earnings effect from the sale of Jädraås, we more than doubled adjusted EBT to MSEK 60.

It is gratifying that we can continue to deliver according to plan on our project sales. Following the sale of Skaftåsen, which is expected to bring in profits of MSEK 210, we can state that our business model is robust and that we have every reason to be confident in the potential in our continuing development portfolio of about 850 MW.

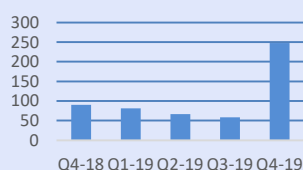
We are looking forward to gradually advancing our positions and selling more projects over the next few years. We are in a positive trend with interesting times ahead of us. Naturally, this is satisfying after several difficult years. We have focused on improving the balance sheet and on creating growth opportunities. Now that we have succeeded with both of these intentions, we will concentrate on profitable growth. We are not dependent on making quick deals, instead we can bide our time and maximise the value of our project sales.

2020 will be an important year for us as we look to refinance our own wind farms and extend their service lives. We expect our green electricity production to return to profitability from 2021. This would mean that from 2021 we could achieve profitability for all three of our business lines – project development, management and production.

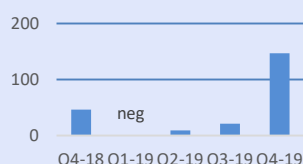
At the end of 2019, we have a robust cash balance and following the planned refinancing in the autumn we will be able to dramatically improve our net financial items. We will do this by both reducing the amount of debt outstanding and by significantly reducing interest rates.

Although the company's performance is going better and better, we must keep our feet on the ground and grow at a controlled rate. We will continue to be dynamic and innovative and methodically investigate new business opportunities.

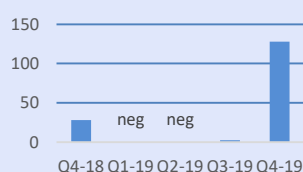
Net sales, MSEK



Operating profit/loss before depreciation and amortisation (EBITDA), MSEK



Operating profit/loss (EBIT), MSEK



Net sales and results

MSEK	Q4 2019	Q4 2018	FY 2019	FY 2018
Net sales	247	90	454	343
Adjusted EBITDA	147	46	217	191
Adjusted EBIT	128	28	142	118
Adjusted EBT	108	5	60	28
<i>Loss from associates (after tax)</i>	-	-	-273	-
Recognised EBITDA	147	46	-56	191
Recognised EBIT	128	28	-131	118
<i>FX item from comprehensive income attributable to hedge accounting</i>	-	-	-20	-
Recognised EBT	108	5	-233	28
<i>Net tax effect of adj. items</i>	-	-	4	-
Recognised profit/loss after tax	98	2	-235	21

Adjusted earnings pertains to earnings from the company's underlying operations excluding the sale of the company's participation in its associate Sirocco and its effects on the Group's recognised earnings.

Comments on the fourth quarter

Quarterly earnings were impacted by the sale of the Skaftåsen project and related revenue recognition of appr. MSEK 140. Winds and therefore production were weaker than normal. Electricity prices were negatively impacted by a mild end to the year and certificates traded at low levels.

Development and management income increased to MSEK 209 (55), due to higher revenue recognition following the sale Skaftåsen, 231 MW (0), during the period. Production from Own wind power operations increased to 89 GWh (85) despite lower winds than normal. This was due to that the year-earlier quarter was also weaker than normal. The average price for production increased to SEK 440 per MWh (437). The average price rose slightly due to price hedging, despite lower market prices. The combination of a higher average price and higher production increased net sales from Own wind power operations to MSEK 39 (37). Overall, the Group's net sales rose MSEK 157 to MSEK 247 (90).

Operating expenses amounted to MSEK 102 (45), of which MSEK 64 (13) was attributable to project sales and contracts. The remaining MSEK 38 (32) consisted of personnel and other external expenses. The increase is primarily due to costs for the company's bonus programme. Own capitalised work was MSEK 1 (1) and consolidated profit from associates was MSEK 0 (0), see Note 3. Operating profit/loss before depr. and amortisation (EBITDA) increased MSEK 100 to MSEK 147 (46) and operating profit/loss (EBIT) to MSEK 128 (28). Net financials improved due to lower debt levels. Profit/loss before and after tax was MSEK 108 (5) and MSEK 98 (2), respectively. IFRS 16 resulted in a MSEK 1.4 decrease in operating expenses and increases in depreciation and financial expenses of MSEK 1.1 and MSEK 0.6 respectively during the quarter.

Comments on the full-year

Development and management income increased during the year due to higher income from project sales. At the same time, slightly weaker winds than normal resulted in production from Own wind power operations of 333 GWh (295). The average price for the company's own production fell SEK 76 per MWh to SEK 436 per MWh (512). Net sales rose a total of MSEK 110 to MSEK 454 (343).

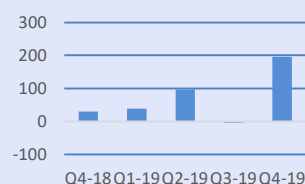
Operating expenses increased to MSEK 241 (155), of which MSEK 134 (50) was attributable to sales and contracts. The remaining MSEK 107 (105) comprised personnel and other external expenses. Own capitalised work was MSEK 4 (3). Consolidated profit/loss from associates was MSEK -273 (0) as a result of the sale of the associate Sirocco in Q1 2019.

As a result of higher revenue recognition in Development and management, operating profit/loss before depreciation and amortisation excluding associates (adjusted EBITDA) increased to MSEK 217 (191) and adjusted EBIT rose to MSEK 142 (118). Adjusted EBT increased further as a result of improved underlying net financial items, and totalled MSEK 60 (28). This was due primarily to lower loans outstanding and the impact of refinancing costs in the year-earlier period.

Recognised EBITDA and EBIT before and after depreciation amortisation and including associates declined due to the sale of the associate to MSEK -56 (191) and MSEK -131 (118) respectively. Moreover, recognised earnings before tax were also affected by a currency item, attributable to hedge accounting ending in connection with the sale and amounted to MSEK -20. Profit/loss before tax thus amounted to MSEK -233 (28). Recognised profit/loss after tax was MSEK -235 (21), including tax effects from the sale of the associate of MSEK 4, representing earnings per share of SEK -7.03 (0.64) before dilution and SEK -7.03 (0.64) after dilution.

IFRS16 resulted in a MSEK 6 decrease in operating expenses and increases in depreciation and financial expenses of MSEK 4 and MSEK 2 respectively for the year.

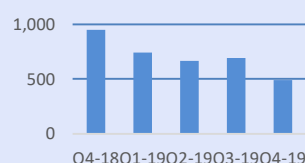
Operating cash flow, MSEK



Investments (-)/sales (+), MSEK



Net debt, MSEK



Cash flow and investments

Comments on the fourth quarter

Cash flow from operating activities before changes in working capital was MSEK 142 (45). Changes in working capital amounted to MSEK 53 (-15). Total operating cash flow was thus MSEK 196 (30). Cash flow from investing activities was MSEK 24 (-5), net, and cash flow after investments amounted to MSEK 220 (25). Provisions to blocked accounts took place in the amount of MSEK -19 (0) and depreciation of IFRS16 lease liabilities totalled MSEK -4 (0). Interest of MSEK -11 (-16) was paid, after which cash flow for the quarter amounted to MSEK 187 (9).

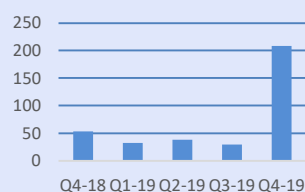
Comments on the full-year

Cash flow from operating activities before changes in working capital was MSEK 198 (183). Changes in working capital amounted to MSEK 129 (-70), driven primarily by the receipt of part and final payments for projects sold. Total operating cash flow was therefore MSEK 327 (114). Projects were both acquired and divested during the period, bringing net cash flow from investing activities to MSEK 12 (-6). Cash flow after investments thus amounted to MSEK 339 (107). The sale of the associate Sirocco was completed and cash proceeds of MSEK 193 were received through repayment of the loan to Arise from the associate. Loan repayments of MSEK -146 (-929) were made and no new loans were raised MSEK 0 (825). Interest and other financing costs of MSEK -59 (-88) were paid. Depreciation of IFRS16 lease liabilities totalled MSEK -5 (0). Net payments to or from blocked accounts totalled MSEK -19 (0). In addition, the exercise of warrants generated cash funds of MSEK 2 (0) for the company and cash flow for the year thereafter amounted to MSEK 305 (-85).

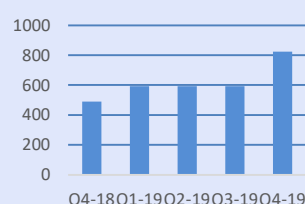
Financing and liquidity

Net debt amounted to MSEK 491 (949), of which convertibles comprised MSEK 238 (236). Cash and cash equivalents totalled MSEK 365 (61). The company still had some tied-up working capital in ongoing construction projects sold at the end of the year. The remaining cash flow from ongoing construction projects sold is expected to amount to slightly more than MSEK 40, net, during the period from Q1 2020 to Q2 2020. At the end of the period, the equity/assets ratio was 39% (40). Under the assumption that all of the company's convertible bonds would be converted and existing cash netted against interest-bearing liabilities, the equity/assets ratio would correspond to 66%.

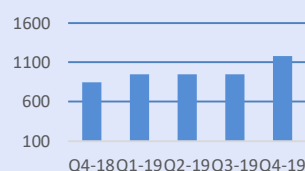
Development and management income, MSEK



Divested projects, accumulated, MW



External management assignments, accumulated, MW



Segment – Dev. & management

MSEK	Q4 2019	Q4 2018	FY 2019	FY 2018
Income	209	55	313	197
Cost of sold projects and contracts	-64	-13	-134	-50
Other operating expenses and capitalised work	-8	-7	-29	-28
Operating profit before depreciation (EBITDA)	137	34	150	119
Operating profit (EBIT)	137	34	150	118
Profit before tax	133	29	132	101

Comments on the fourth quarter

The sale of the Skaftåsen project, 231 MW, took place during the quarter and had a positive impact on earnings of about MSEK 140. Revenue recognition of the remaining expected profit of about MSEK 70 is anticipated to take place in 2020 and 2021. In connection with the sale, an asset management agreement was also signed for both construction and operation. The construction of the Enviksberget and Bröcklingberget projects continued but with some delays compared to the original plan. Revenue recognition was therefore reduced during the quarter due to increased uncertainty. Enviksberget is expected to be completed in the first quarter and Bröcklingberget in the second quarter of 2020. Work continued on making more projects ready for sale, and the ambition is to begin the sales process for the Ranasjö and Salsjöhöjden projects, a total of about 250 MW, in Q2 2020. The sale is expected to be completed at the end of 2020.

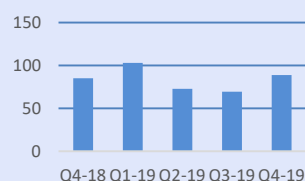
Development and management income increased to MSEK 209 (55) driven by the sale of Skaftåsen. At the same time, the cost of sold projects and contracts increased to MSEK -64 (-13). Other operating expenses and capitalised work rose to MSEK -8 (-7). EBITDA thus increased a total of MSEK 104 to MSEK 137 (34). Depreciation, amortisation and impairment amounted to MSEK 0 (0) and net financial items to MSEK -5 (-4). EBIT and profit before tax thus increased to MSEK 137 (34) and MSEK 133 (29), respectively.

Comments on the full-year

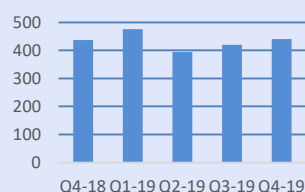
In addition to events in the fourth quarter, the Svartnäs project was completed and final settlement took place during the year. Furthermore, a part-payment for the Bröcklingberget project was received.

Income increased MSEK 116 to MSEK 313 (197), while the cost of sold projects and contracts increased to MSEK -134 (-50). Other operating expenses and capitalised work rose slightly to MSEK -29 (-28). EBITDA thus increased MSEK 31 to MSEK 150 (119). Depreciation, amortisation and impairment amounted to MSEK 0 (0) and EBIT thus increased to MSEK 150 (118). Net financial items remained unchanged at MSEK -17 (-17). Profit/loss before tax thus increased MSEK 31 to MSEK 132 (101).

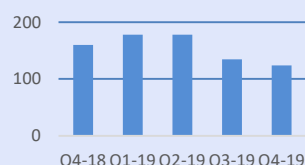
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Segment – Own wind power operations

MSEK	Q4 2019	Q4 2018	FY 2019	FY 2018
Income	39	37	146	151
Operating expenses	-11	-14	-46	-52
Operating profit before depreciation (EBITDA)	28	24	100	99
Operating profit (EBIT)	10	6	27	27
Loss before tax	-5	-14	-37	-47

Comments on the fourth quarter

Weak than normal wind conditions led to production amounting to 89 GWh (85). The increase was due to winds in the year-earlier quarter being even weaker.

Average income from electricity and certificates was SEK 323 per MWh (317) and SEK 117 per MWh (120), respectively. Electricity (SE4) was 25% below, and certificates (SKM) 116% above, the market price for the period. Compared with the market price for the period, the average prices for electricity were negatively impacted by price hedges and the pricing profile of production. The average prices for certificates were positively impacted by price hedges.

Higher production increased net sales by MSEK 2 compared with the year-earlier quarter, while the price mix had only a marginal effect. EBITDA rose MSEK 5 compared with the year-earlier quarter due to higher production, lower property tax and IFRS16 effects. Specific operating expense decreased to SEK 124 per MWh (160). Net financial items improved to MSEK -15 (-19) mainly due to lower borrowing. Loss before tax thus improved to MSEK -5 (-14).

Comments on the full-year

Production was 333 GWh (295). Winds were slightly weaker than normal but significantly better than in 2018.

Average income from electricity and certificates declined to SEK 333 per MWh (344) and SEK 103 per MWh (169), respectively. These figures correspond to 21% under the market price for electricity (SE4) and 32% above the market price for certificates (SKM) during the year.

Higher production had a positive impact of MSEK 20 on net sales, while the lower average price had a negative effect of MSEK 25 compared with 2018. In total, net sales decreased MSEK 6 and EBITDA increased MSEK 1 compared with 2018. This was due to lower property tax and IFRS16 effects. Specific operating expense declined to SEK 137 per MWh (178). EBIT was unchanged at MSEK 27 (27) since depreciation increased due to IFRS16. Net financial items improved due to lower borrowing and last year was charged with refinancing costs. Overall, loss before tax thus improved to MSEK -37 (-47).

Project portfolio

At the end of the period, the company had a project portfolio of about 850 MW, of which just under 800 MW in Sweden and about 70 MW in an active phase in Scotland. The carrying amount totalled approximately MSEK 55. Fully developed, the portfolio would equate to an investment level of about SEK 8 billion. While individual projects may not always be realised, the overall project portfolio represents high potential value for the company, with relatively little capital tied-up and low risk.

Other significant events

There are no other significant events to report.

Related-party transactions

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

Contingent liabilities

There were no material changes to the Group's contingent liabilities. These contingent liabilities are described in more detail on page 74 under Note 21 in the 2018 Annual Report.

Significant events after the end of the period

No significant events occurred after the end of the period.

Outlook

The market for development and management is favourable. The company is well-positioned and therefore we see opportunities to continue to create value with relatively little capital tied-up. We remain optimistic regarding the trend for forward prices for electricity. The proposed stop rule (first entering force in 2030) for the electricity certificate system has pushed certificate prices to a low level. There is uncertainty regarding the final structure of the stop rule. We can report that our remaining wind farms are located in favourable areas and that there is potential for value enhancement via, for example, lengthening useful life. A strong financial position also means we can reduce our interest expense over time, in particular in connection with the planned refinancing in autumn 2020. We will thereby also optimise our income from production for the long term. Underlying earnings are expected to increase over the next few years compared with 2019, and net debt is expected to continue to decline.

Risks and uncertainties

Risks and uncertainties affecting the Group are described on pages 36–37 of the 2018 Annual Report, and financial risk management is presented on pages 64–71. No significant changes have taken place that affect the reported risks.

Ownership structure

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

Parent Company

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

Until February 2018, the electricity-generating subsidiaries sold their produced electricity to Arise at spot prices, which Arise then sold on to the market at spot price. These intra-Group trading activities were recognised on a gross basis in the income statement. From March 2018, the electricity-generating subsidiaries sell their produced electricity directly to counterparties in the market at spot price.

During the year, the Parent Company's total income amounted to MSEK 145 (116), and the purchase of electricity and certificates, personnel and other external expenses, capitalised work on own account and depreciation of non-current assets totalled MSEK -181 (-146), resulting in EBIT of MSEK -36 (-30). A net financial expense of MSEK -244 (-16) (including impairment of shares in associates) led to a net loss after tax of MSEK -232 (-54). The Parent Company's net investments amounted to MSEK 45 (-12).

Accounting policies

Arise applies the International Financial Reporting Standards (IFRS), as adopted by the EU, and the interpretations of these (IFRIC). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 of the Swedish Financial Reporting Board. The accounting policies are consistent with those applied in the 2018 Annual Report, with the addition of IFRS 16, which has been applied since 1 January 2019. The transition to IFRS 16 is recognised according to the modified retrospective approach, which entails a calculation model based only on the remaining payments, the comparative year is not restated and leases of less than 12 months are not taken into consideration. For remaining lease commitments, the Group recognised lease liabilities of MSEK 55 and right-of-use assets of MSEK 55 as per 1 January 2019. Leases primarily refer to right-of-use assets for wind farms and office premises. For more information regarding the accounting policies pertaining to the new lease standard, refer to Note 1 in the 2018 Annual Report.

Review by the auditor

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

Dividends

The Board of Directors proposes that no dividends be paid.

Annual General Meeting

The AGM will be held in Halmstad, Sweden, on 6 May 2020. The Annual Report will be available on the company's website in early April.

Financial calendar

- | | |
|-----------------------------------|------------------|
| • First quarter (1 Jan.-31 Mar.) | 6 May 2020 |
| • Second quarter (1 Apr.-30 Jun.) | 17 July 2020 |
| • Third quarter (1 Jul.-30 Sept.) | 6 November 2020 |
| • Fourth quarter (1 Oct.-31 Dec.) | 17 February 2021 |

Halmstad, 14 February 2020

Daniel Johansson, Chief Executive Officer

For further information, please contact

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CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2019	2018	2019	2018
		Q4	Q4	Full year	Full year
Net sales	Note 1	247	90	454	343
Other operating income		0	0	1	0
Total income		248	90	454	343
Capitalised work on own account		1	1	4	3
Personnel costs		-23	-15	-49	-42
Other external expenses	Note 2	-79	-30	-192	-113
Profit/loss from associates	Note 3	-	-	-273	0
Operating profit before depreciation (EBITDA)		147	46	-56	191
Depr. and imp. of property, plant and equipment	Note 4,5	-19	-18	-76	-73
Operating profit/loss (EBIT)		128	28	-131	118
Financial income		0	-2	0	1
Financial expenses		-20	-22	-101	-91
Profit/loss before tax		108	5	-233	28
Tax on profit/loss for the year		-10	-2	-2	-7
Net profit/loss for the year		98	2	-235	21
Earnings per share before dilution, SEK		2.93	0.07	-7.03	0.64
Earnings per share after dilution, SEK		2.29	0.07	-7.03	0.64

Treasury shares held by the Company, amounting to 54,194 shares, have not been included in calculating earnings per share.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts rounded to the nearest MSEK)		2019	2018	2019	2018
		Q4	Q4	Full year	Full year
Net profit/loss for the period		98	2	-235	21
<i>Other comprehensive income</i>					
Items that may be reclassified to the income statement					
Translation differences for period		0	0	0	0
Cash flow hedges		33	-16	80	-52
Net investment in foreign currency		-	-2	-36	17
Share of other comprehensive income in associates, net after tax		-	-	72	-12
Income tax attributable to components of other comprehensive income		-7	4	-9	6
Other comprehensive income for the year, net after tax		26	-15	107	-41
Total comprehensive income for the year		124	-13	-128	-20

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



CONSOLIDATED BALANCE SHEET

	2019 31 Dec	2018 31 Dec
(Condensed, amounts rounded to the nearest MSEK)		
Property, plant and equipment ¹⁾	1,282	1,330
Non-current financial assets	40	482
Total non-current assets	1,322	1,812
Inventories	8	8
Other current assets	100	187
Cash and cash equivalents	365	61
Total current assets	473	256
TOTAL ASSETS	1,795	2,069
Equity	698	824
Non-current interest-bearing liabilities ²⁾	932	922
Provisions	46	46
Total non-current liabilities	977	968
Current interest-bearing liabilities ²⁾	3	97
Other current liabilities	116	180
Total current liabilities	120	277
TOTAL EQUITY AND LIABILITIES	1,795	2,069

¹⁾ Property, plant and equipment include lease assets of MSEK 51 (0).

²⁾ Interest-bearing liabilities include lease liabilities of MSEK 52 (0).

CONSOLIDATED CASH FLOW STATEMENT

	2019	2018	2019	2018
(Condensed, amounts rounded to the nearest MSEK)	Q4	Q4	Full year	Full year
Cash flow from operating activities before changes in working capital	142	45	198	183
Cash flow from changes in working capital	53	-15	129	-70
Cash flow from operating activities	196	30	327	114
Investments in property, plant and equipment	-54	-5	-66	-33
Sales of property, plant and equipment	79	-	79	27
Cash flow from investing activities	24	-5	12	-6
Loan repayments	-	-	-146	-929
Loans raised	-	-	-	825
Repayment of long-term receivables	-	-	193	-
Amortization of lease liabilities	-4	-	-5	-
Interest paid and other financing costs	-11	-16	-59	-88
Interest received	0	-	0	-
Net payment to blocked accounts	-19	-	-19	-
New issue / warrants	-	-	2	-
Cash flow from financing activities	-33	-16	-34	-192
Cash flow for the period	187	9	305	-85
Cash and cash equivalents at the beginning of the period	180	52	61	146
Translation differences in cash and cash equivalents	-2	0	-2	0
Cash and cash equivalents at the end of the period	365	61	365	61
Interest-bearing liabilities at the end of the period	883	1,020	883	1,020
Blocked cash at the end of the year	-27	-9	-27	-9
Net debt	491	949	491	949

Note 7

GROUP EQUITY

	2019	2018
(Condensed, amounts rounded to the nearest MSEK)	31 Dec	31 Dec
Opening balance	824	843
Profit/loss for the year	-235	21
Other comprehensive income for the period	107	-41
New issue / warrants	2	-
Convertible loan	-	0
Closing balance	698	824



KEY PERFORMANCE INDICATORS FOR THE GROUP

	2019 Q4	2018 Q4	2019 Full year	2018 Full year
<u>Operational key performance indicators</u>				
Installed capacity at the end of the period, MW	139	241	139	241
Own electricity production during the period, GWh	88.6	85.0	333.2	294.7
Number of employees at the end of the period	28	26	28	26
<u>Financial key performance indicators</u>				
Earnings per share before dilution, SEK ¹⁾	2.93	0.07	-7.03	0.64
Earnings per share after dilution, SEK ¹⁾	2.29	0.07	-7.03	0.64
EBITDA margin, %	59.2%	51.1%	neg	55.5%
Operating margin, %	51.6%	31.0%	neg	34.4%
Return on capital employed (EBIT), %	neg	6.6%	neg	6.6%
Return on adjusted capital employed (EBITDA), %	neg	10.6%	neg	10.6%
Return on equity, %	neg	2.6%	neg	2.6%
Capital employed, MSEK	1,189	1,773	1,189	1,773
Average capital employed, MSEK	1,481	1,795	1,481	1,795
Equity, MSEK	698	824	698	824
Average equity, MSEK	761	834	761	834
Net debt, MSEK	491	949	491	949
Equity/assets ratio, %	38.9%	39.8%	38.9%	39.8%
Interest coverage ratio, times	6.5	1.2	neg	1.3
Debt/equity ratio, times	0.7	1.2	0.7	1.2
Equity per share, SEK	21	25	21	25
Equity per share after dilution, SEK	21	25	21	25
No. of shares at the end of the period, excl. treasury shares	33,491,376	33,373,876	33,491,376	33,373,876
Average number of shares	33,491,376	33,373,876	33,432,626	33,373,876
Average number of shares after dilution	44,616,001	33,933,876	33,432,626	33,933,876

¹⁾ Treasury shares held by the Company, amounting to 54,194 shares, have not been included in calculating earnings per share.

Note 1 - Net sales	2019	2018	2019	2018
(Amounts rounded to the nearest MSEK)	Q4	Q4	Full year	Full year
Electricity income	29	27	111	101
Certificate income	10	10	34	50
Development and management income	208	53	308	192
	247	90	454	343

Net sales include i) income from electricity (the sale of generated electricity, and gains and losses from electricity and currency derivatives attributable to the hedged electricity production), ii) earned and sold electricity certificates and guarantees of origin, and iii) development income from projects sold and management income. The classification is based on an assessment of the nature of the income, the amount, timing and uncertainty surrounding income and cash flows. Income from electricity and income from electricity certificates are generated by the wind farms owned by the Group, which are recognised under Own wind power operations segment. Development and management income is primarily generated through the company's project portfolio and is recognised under the Development and management segment.

Note 2 - Other external expenses	2019	2018	2019	2018
(Amounts rounded to the nearest MSEK)	Q4	Q4	Full year	Full year
Cost of sold projects and construction work	64	13	134	50
Other items	15	17	58	63
	79	30	192	113

Note 3 – Share of profits from associates	2019	2018	2019	2018
(Amounts rounded to the nearest MSEK)	Q4	Q4	Full year	Full year
Share of profits in associates (net after tax, 21.4%)	-	-3	-	-23
Adjustment to consolidated value	-	3	-	19
Realization loss on sale of associated companies	-	-	-273	-
Financial income from associates (gross before tax)	-	7	-	28
Less uncapitalised share	-	-7	-	-25
	-	-	-273	0

Financial income from associates during 2018 is attributable to granted shareholder loans.

GROUP SEGMENT REPORTING

Quarter 4	Develop. and management		Own wind power operations		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	Q4-19	Q4-18	Q4-19	Q4-18	Q4-19	Q4-18	Q4-19	Q4-18	Q4-19	Q4-18
Net sales, external	208	53	39	37	-	-	-	-	247	90
Net sales, internal	1	2	-	-	-	-	-1	-2	-	-
Other operating income	0	0	0	0	0	0	-	-	0	0
Total income	209	55	39	37	0	0	-1	-2	248	90
Capitalised work on own account	1	1	-	-	-	-	-	-	1	1
Operating expenses	-73	-22	-11	-14	-19	-11	1	2	-102	-45
Share of profits from associates	-	-	-	-	-	-	-	-	-	-
Operating profit/loss before depr./imp. (EBITDA)	137	34	28	24	-19	-11	0	0	147	46
Depreciation/ impairment Note 4	0	0	-18	-18	0	0	-	-	-19	-18
Operating profit/loss (EBIT)	137	34	10	6	-19	-11	0	0	128	28
Net financial items	-5	-4	-15	-19	0	0	-	-	-20	-23
Profit/loss before tax (EBT)	133	29	-5	-14	-19	-11	0	0	108	5
Property, plant and equipment	55	84	1,224	1,246	3	0	-	-	1,282	1,330

Fund managed by Foresight Energy Infrastructure Partners accounted for more than 10% of development and management income during the quarter and in the corresponding quarter in 2018 fund managed by BlackRock accounted for more than 10%. There were no other customers who accounted for more than 10% of this income during the period.

Note 4 - Depreciation and impairment of property, plant and equipment

Depreciation/amortisation	0	0	-18	-18	0	0	-	-	-19	-18
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-
Depreciation and impairment	0	0	-18	-18	0	0	-	-	-19	-18

GROUP SEGMENT REPORTING

12 months	Develop. and management		Own wind power operations		Unallocated rev./exp.		Eliminations		Group	
(Amounts to the nearest MSEK)	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net sales, external	308	192	145	151	-	-	-	-	454	343
Net sales, internal	5	5	-	-	-	-	-5	-5	-	-
Other operating income	0	0	0	0	0	0	-	-	1	0
Total income	313	197	146	151	0	0	-5	-5	454	343
Capitalised work on own account	4	3	-	-	-	-	-	-	4	3
Operating expenses	-167	-81	-46	-52	-33	-27	5	6	-241	-155
Share of profits from associates	-	-	-	-	-273	0	-	-	-273	0
Operating profit/loss before depr./imp. (EBITDA)	150	119	100	99	-306	-27	0	0	-56	191
Depreciation/ impairment Note 5	0	0	-74	-72	-1	0	-	-	-76	-73
Operating profit/loss (EBIT)	150	118	27	27	-308	-27	0	0	-131	118
Net financial items	-17	-17	-64	-74	-21	1	-	-	-101	-90
Profit/loss before tax (EBT)	132	101	-37	-47	-328	-26	0	0	-233	28
Property, plant and equipment	55	84	1,224	1,246	3	0	-	-	1,282	1,330

Fund managed by Foresight Energy Infrastructure Partners and fund managed by re:cap global investors accounted for more than 10% of development and management income during the period. In the corresponding period 2018 fund managed by BlackRock and fund managed by re:cap global investors accounted for more than 10%. There were no other customers who accounted for more than 10% of this income during the period.

Note 5 – Depreciation and impairment of property, plant and equipment

Depreciation/amortisation	0	0	-74	-72	-1	0	-	-	-76	-73
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-
Depreciation and impairment	0	0	-74	-72	-1	0	-	-	-76	-73

Impairment tests were conducted and indicated no impairment requirement. The tests were based in part on long-term market price forecasts for electricity and electricity certificates and a discount rate of 6.8%.

Note 6 - Fair value of financial instruments

Fair value hierarchy

All financial instruments that are measured at fair value belong to Level 2 of the fair value hierarchy. Derivatives comprise electricity futures, currency futures and interest-rate swaps. Measuring the fair value of currency futures is based on published forward rates in an active market. The measurement of interest-rate swaps is based on forward interest rates derived from observable yield curves. The discounting does not have any material impact on the valuation of derivatives in Level 2. The recognition of financial instruments is described on pages 64-71 of the 2018 Annual Report. The table below presents the Group's financial assets and liabilities measured at fair value at the balance-sheet date.

(Amounts rounded to the nearest MSEK)	2019 31 Dec	2018 31 Dec
Assets		
Derivatives held for hedging purposes		
- Derivative assets	2	1
Liabilities		
Derivatives held for hedging purposes		
- Derivative liabilities	-48	-117

Note 7 – Net debt

(Amounts rounded to the nearest MSEK)	2019 31 Dec	2018 31 Dec
Non-current liabilities	977	968
- of which interest-bearing non-current liabilities (excl. IFRS16 lease liabilities)	883	922
Current liabilities	120	277
- of which interest-bearing current liabilities (excl. IFRS16 lease liabilities)	-	97
Long and short term interest bearing debt liabilities (excl. IFRS16 lease liabilities)	883	1,020
Cash and cash equivalents at the end of the year	-365	-61
Blocked cash at the end of the year	-27	-9
Net debt	491	949

IFRS16 lease liabilities amounted to MSEK 52 (0) on December 31, 2019.

PARENT COMPANY INCOME STATEMENT

	2019	2018	2019	2018
(Amounts rounded to the nearest MSEK)	Q4	Q4	Full year	Full year
Sales of electricity and electricity certificates	11	15	43	76
Development and management income	10	20	101	40
Other operating income	0	0	0	0
Total income	21	35	145	116
Capitalised work on own account	1	0	2	1
Purchases of electricity and electricity certificates	-10	-14	-42	-75
Cost of sold projects and construction work	-5	-13	-75	-16
Personnel costs	-22	-14	-46	-37
Other external expenses	-6	-5	-20	-18
Operating profit/loss before depreciation (EBITDA)	-21	-11	-36	-30
Depr. and impairment of property, plant and equipment	0	0	0	0
Operating profit/loss (EBIT)	-21	-11	-37	-30
Financial income ¹⁾	141	48	142	368
Financial expenses ²⁾	-19	-45	-386	-384
Profit/loss after financial items	101	-7	-281	-47
Group contribution	-	-	49	-
Profit/loss before tax	101	-7	-232	-47
Tax on profit/loss for the year	0	0	0	-7
Net profit/loss for the year	101	-7	-232	-54

1) Includes dividends from subsidiaries of MSEK 0 (295) and sales of shares in subsidiaries of MSEK 133 (52).

2) Includes a write down of shares in subsidiaries of MSEK 70 (295) and a write-down of long-term receivables in associated companies of MSEK 244 (0). 2018 includes a conversion of shareholder loans to investment in associates totalling MEUR 1, corresponding to MSEK 10 which were subsequently impaired to MSEK 0.

PARENT COMPANY BALANCE SHEET

	2019 31 Dec	2018 31 Dec
(Condensed, amounts rounded to the nearest MSEK)		
Property, plant and equipment	26	55
Non-current financial assets	1,170	1,648
Total non-current assets	1,196	1,703
Inventories	8	6
Other current assets	39	130
Cash and cash equivalents	324	41
Total current assets	371	177
TOTAL ASSETS	1,567	1,881
Restricted equity	8	8
Non-restricted equity	531	761
Total equity	539	769
Non-current interest-bearing liabilities	883	922
Total non-current liabilities	883	922
Current interest-bearing liabilities	-	97
Other current liabilities	145	93
Total current liabilities	145	190
TOTAL EQUITY AND LIABILITIES	1,567	1,881

PARENT COMPANY EQUITY

	2019 31 Dec	2018 31 Dec
(Condensed, amounts rounded to the nearest MSEK)		
Opening balance	769	822
Other comprehensive income for the period	-232	-54
New issue / warrants	2	-
Convertible loan	-	0
Closing balance	539	769

DEFINITIONS OF KEY RATIOS

EBITDA margin

EBITDA as a percentage of total income.

Operating margin

EBIT as a percentage of total income.

Return on capital employed

Rolling 12-month EBIT as a percentage to average capital employed.

Return on adjusted capital employed

Rolling 12-month EBITDA as a percentage to average capital employed.

Return on equity

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

Equity per share

Equity divided by the average number of shares.

Equity per share after dilution

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

Net financial items

Financial income less financial expenses.

Average equity

Rolling 12-month average equity.

Average capital employed

Rolling 12-month average capital employed.

Operating cash flow

Cash flow from operating activities after changes in working capital.

Net debt

Interest-bearing liabilities, excl. IFRS16 lease liabilities, less cash and blocked cash and cash equivalents.

Interest coverage ratio

Operating profit (EBIT) plus financial income in relation to financial expenses.

Debt/equity ratio

Net debt as a percentage of equity.

Specific operating expenses, SEK per MWh

Operating expenses for electricity production divided by electricity production during the period.

Equity/assets ratio

Equity as a percentage of total assets.

Capital employed

Equity plus net debt.

GENERAL INFORMATION ABOUT KEY FIGURES

In its reporting, Arise applies key ratios based on the company's accounting. The reason that these key ratios are applied in the reporting is that Arise believes that it makes it easier for external stakeholders to analyse the company's performance.

ROUNDING

Figures in this interim report have been rounded while calculations have been made without rounding. Hence, it can appear like certain tables and figures do not add up correctly.