

INTERIM REPORT 1 JANUARY – 30 JUNE 2023

# Creating re- newable energy



**arise**

# Interim report 1 January – 30 June 2023

## SECOND QUARTER (1 APRIL – 30 JUNE 2023)

- Net sales for the quarter amounted to MSEK 110 (53).
- Operating profit before depreciation and amortisation (EBITDA) totalled MSEK 69 (25).
- Operating profit (EBIT) was MSEK 53 (10).
- Profit/loss after tax totalled MSEK 36 (-6) and earnings per share to SEK 0.85 (-0.13).
- Operating cash flow was MSEK 60 (67) and cash flow after investments amounted to MSEK -167 (-12).
- Production generated 54 GWh (61) of green electricity with an average income of SEK 947 (675)/MWh.
- Arise completed the previously announced acquisition of approximately 51% of the shares in Pohjan Voima Oy.
- The project portfolio increased by approximately 200 GW.

## FIRST HALF OF THE YEAR (1 JANUARY – 30 JUNE 2023)

- Net sales for the period amounted to MSEK 217 (141).
- Operating profit before depreciation and amortisation (EBITDA) totalled MSEK 145 (86).
- Operating profit (EBIT) totalled MSEK 114 (56).
- Profit after tax totalled MSEK 88 (31) and earnings per share to SEK 2.01 (0.76).
- Operating cash flow was MSEK 90 (134) and cash flow after investments amounted to MSEK -208 (35).
- Production generated 141 GWh (161) of green electricity with an average income of SEK 940 (725)/MWh.
- In January 2023, Arise signed an agreement with Persson Invest, one of Sweden's largest private landowners. The agreement pertains to development rights for potential wind power projects on a large portion of Persson Invest's land, for which the company sees good potential to realise new wind power. According to the assessment from the company, the potential amounts to approximately 500 MW.
- In March 2023, Arise signed an agreement to acquire approximately 51% of the Finnish company Pohjan Voima Oy. Pohjan Voima Oy has developed a well-diversified portfolio of onshore wind and solar projects across Finland, with a project portfolio that at the time of the signing was approximately 1.7 GW.
- The project portfolio increased by approximately 2,600 MW.

## SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- No significant events have taken place after the end of the reporting period.

### Arise AB (publ)

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Corporate Identity Number  
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### About Arise

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

## CEO's statement

The company's first half of the year was very strong in terms of earnings. Production during the second quarter was significantly under budget, particularly in June when we had widespread high pressure and record low winds. Earnings for the quarter are nonetheless at a historically good level, largely due to the positive contributions of our price hedges. The realised average price for our production during the quarter was at a new record level, SEK 947/MWh. It is very gratifying to state that our production consistently demonstrates healthy profitability and complements our other business segments well.

Arise has a strong focus on profitable growth. Our project portfolio is growing continuously in Sweden and other countries where we operate: in the first half of the year we saw an excellent rate of growth corresponding to approximately 2,600 MW. The development of Pohjan Voima's project portfolio is very promising and progresses according to plan. We further strengthened the organisation in the UK with internal resources to increase the rate of growth for our project portfolio (wind, solar and batteries) and to develop our ongoing projects to ready to build stage.

The Skaftåsen project has now finally been taken over after a long delay. The final settlement of the earnout payment is expected during the third quarter.

The electricity market will likely remain governed by the weather. So far we have seen significantly lower prices compared to 2022, but also significantly lower profile costs, meaning the actual prices for wind power improved relative to the spot price. The European electricity system remains sensitive, meaning that a cold winter could quickly mean a new period of extremely high prices.

The conditions for investment were affected by rising interest rates and increased inflation during the past year, while the current long-term electricity price forecasts have been adjusted downwards. A counteracting force is that demand for projects remains high in relation to the offering. We continue to see healthy profitability in project development, but our assessment is that the short-term valuations of projects have been negatively affected compared with the previous year with its very high multiples. We believe that a sharp increase in industrial consumption entails an equivalent increase in demand for renewable electricity production, which will drive the market in the year ahead.

In conclusion, half of the year is now behind us, with a good performance for the company both in terms of financial earnings as well as more long-term goals connected to our growth strategy. We look forward to the second half of 2023 with confidence.

The company will organise a capital markets day in September, where we will present the operations and our concrete goals for the years ahead and in the longer term. With this, I wish everyone a wonderful summer and a relaxing vacation – hopefully with both sun and wind!

Halmstad, 18 July 2023

Per-Erik Eriksson

CEO



*"It is gratifying to state that our production consistently demonstrates healthy profitability and complements our other business segments well."*

## Net sales and results

MSEK	Q2 2023	Q2 2022	H1 2023	H1 2022
Net sales	110	53	217	141
EBITDA	69	25	145	86
EBIT	53	10	114	56
Comparable profit before tax*	74	7	136	49
Recognised profit/loss before tax	36	-6	88	32
Recognised profit/loss after tax	36	-6	88	31

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

### COMMENTS ON THE SECOND QUARTER

Income for Development increased compared with the year-earlier quarter due to revenue recognition from Kølvalen and that Skaftåsen also was commercially taken over. The previously discontinued revenue recognition from Skaftåsen was reinstated during the quarter, which had a positive impact on income within Development. The earnout for Skaftåsen is expected to be settled during the third quarter. Income in Solutions also increased as a result of Kølvalen, since the company has the project and asset management assignment for the project. In Production, winds were weaker than normal while market prices were lower than in the year-earlier quarter. However, the positive contribution from the company's price hedges in the quarter led to total income in Production increasing despite this.

Net sales increased to MSEK 110 (53). Production generated 54 GWh (61) of green electricity while the average realised price increased to SEK 947 per MWh (675) as a result of the positive contribution from the price hedges. Operating expenses increased to MSEK -46 (-32). Own capitalised work amounted to MSEK 3 (2).

EBITDA increased to MSEK 69 (25). Depreciation amounted to MSEK -16 (-15), resulting in EBIT of MSEK 53 (10).

Net financial items, excluding items affecting comparability, amounted to MSEK 20 (-2). The company's electricity production assets are valued in EUR and income is received in EUR. The company therefore chose to take financing in EUR, creating a natural hedge. Changes to the EUR/SEK exchange rate will continue to affect comparability of net financial items, whereby a strengthening of SEK will improve the net and vice versa. In the second quarter, the comparability of net financial items was impacted by exchange rate differences for bank loans, bond loans and unallocated bond proceeds in foreign currencies of MSEK -37 due to the EUR strengthening against the SEK.

In accordance with IFRS, the production assets are not recognized at market value, but the company tests for impairment annually. In the most recent impairment test in the second half of 2022, the value in use exceeded the carrying amount by approximately MEUR 85<sup>1)</sup>.

Recognised profit/loss before and after tax amounted to MSEK 36 (-6).

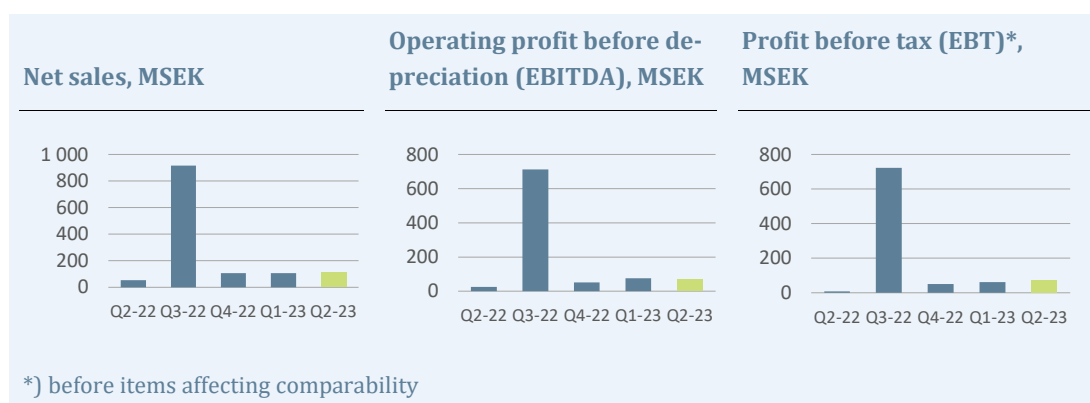
1) Based on a discount rate of 7.4%, the company's forecasts and energy price forecasts prepared by external experts. A change in the discount rate of +/- one percentage point would affect the value by approximately MEUR 10.

## COMMENTS ON THE FIRST HALF OF THE YEAR

Income from Development increased year on year. Despite lower production compared with the year-earlier period, income in Production increased due to positive contributions from price hedges. In total, 141 GWh (161) of green electricity was produced, and the average price for production totalled SEK 940 per MWh (725). Income from Solutions performed as expected. Total net sales increased to MSEK 217 (141) compared with year-earlier period.

Operating expenses amounted to MSEK -79 (-60). Own capitalised work amounted to MSEK 5 (3).

EBITDA increased to MSEK 145 (86), and EBIT increased to MSEK 114 (56). Profit before tax before items affecting comparability thus increased to MSEK 136 (49). During the first half of 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 -48 due to the EUR strengthening against the SEK. Recognised profit before tax thus amounted to MSEK 88 (32). Profit after tax amounted to MSEK 88 (31).



## Cash flow and investments

### COMMENTS ON THE SECOND QUARTER

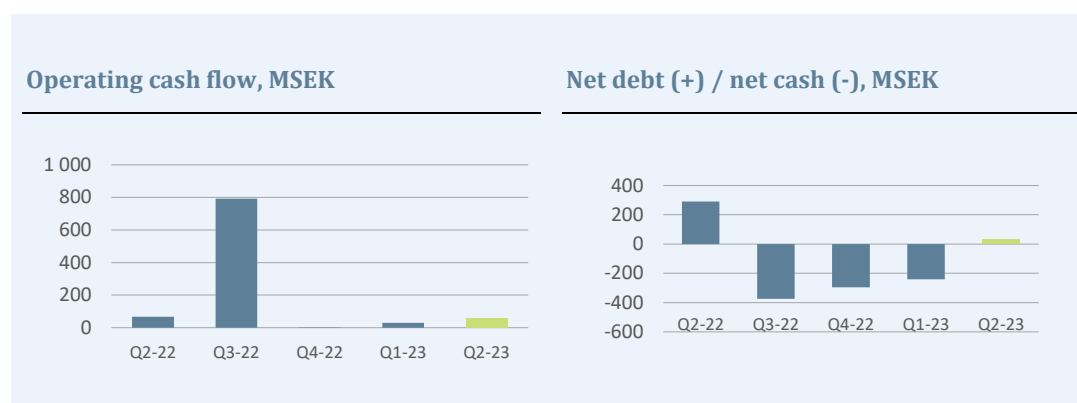
Cash flow from operating activities before changes in working capital was MSEK 69 (22). Changes in working capital were MSEK -9 (45). Accordingly, the total operating cash flow was MSEK 60 (67). Net cash flow from investing activities was MSEK -227 (-79), driven primarily by the acquisition of Pohjan Voima and investments in the Lebo project. Cash flow after investments thus amounted to MSEK -167 (-12). Amortisations totalling MSEK -40 (-7) were paid during the quarter. A dividend totalling MSEK -44 (0) was paid. Interest and other financing costs of MSEK -19 (-10) were paid, after which cash flow, adjusted for lease effects, amounted to MSEK -273 (492) for the quarter, with the year-earlier period also including the issue of bond loans of MSEK 523.

### COMMENTS ON THE FIRST HALF OF THE YEAR

Cash flow from operating activities before changes in working capital was MSEK 143 (81). Changes in working capital were MSEK -53 (54). Total operating cash flow was thus MSEK 90 (134). Net cash flow from investing activities was MSEK -298 (-99), driven primarily by the acquisition of Pohjan Voima and investments in the Lebo and Kõlvallen projects. Cash flow after investments thus amounted to MSEK -208 (35). Amortisations totalling MSEK -40 (-11) were paid during the period. A dividend totalling MSEK -44 (0) was paid. Interest and other financing costs of MSEK -30 (-14) were



paid. No net payments to or from blocked accounts took place, after which cash flow, adjusted for lease effects, amounted to MSEK -329 (529) for the period.



## Financing and liquidity

Net debt amounted to MSEK 32 (290). Cash and cash equivalents at the end of the period totalled MSEK 946 (611). In addition, the company has a project financing agreement for the Lebo project, which is expected to be utilised during the year but had not been at the end of the period. At the end of the period, the equity/assets ratio was 59% (35).

## Development

MSEK	Q2 2023	Q2 2022	H1 2023	H1 2022
Income	50	7	67	14
Other operating expenses and capitalised work	-9	-6	-15	-8
Operating profit before depreciation (EBITDA)	42	1	53	6
Operating profit (EBIT)	42	1	53	6
Comparable profit/loss before tax*	48	-3	56	0
Profit/loss before tax	29	-3	33	0

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

### COMMENTS ON THE SECOND QUARTER

Income increased during the quarter due in part to revenue recognition in the Kølvalen project which was initiated in the third quarter of 2022. Revenue recognition was also resumed for Skaftåsen during the quarter, since the project was commercially taken over and visibility for the earnout increased. The final earnout for Skaftåsen is expected to be settled during the third quarter.

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

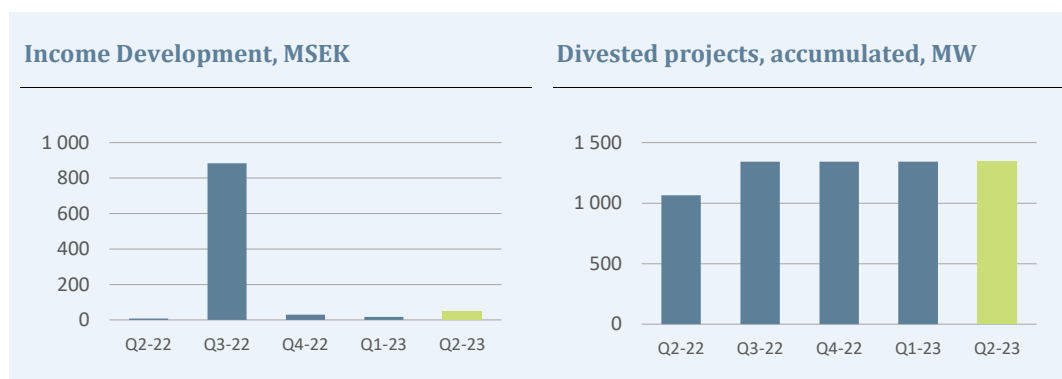
Development activities continued during the quarter for the HT Skogar portfolio as work intensified with development on Persson Invest's land. In the UK, work continued to develop the major solar project and to secure new project rights. For the Tormsdale project in Scotland, the permit application is in process and the electricity connection is secured. Development activities related to solar projects in southern Sweden and battery projects in Sweden continued during the quarter. Another battery project of approximately 40 MW in an early developmental phase was added to the portfolio during the quarter. The conditions for electricity connection at Finnåberget improved, increasing capacity to approximately 200 MW. In total, the company now has a portfolio of renewable energy projects of approximately 5.7 GW at its disposal, an increase of approximately 200 MW during the quarter, which is presented in more detail under the Portfolio section.

Income increased to MSEK 50 (7), of which approximately MSEK 24 was attributable to resumed revenue recognition for Skaftåsen. Other operating expenses and capitalised work totalled MSEK -9 (-6). EBITDA thus amounted to MSEK 42 (1). Depreciation and amortisation amounted to MSEK 0 (0), whereby EBIT amounted to MSEK 42 (1). Net financial items excluding items affecting comparability amounted to MSEK 6 (-4) and comparable profit/loss before tax thus increased to MSEK 48 (-3). In the second quarter, the comparability of net financial items was impacted by exchange rate differences for bond loan and unallocated bond proceeds of MSEK -19 due to the EUR strengthening against the SEK. Recognised profit/loss before tax thus amounted to MSEK 29 (-3).



## COMMENTS ON THE FIRST HALF OF THE YEAR

Income increased to MSEK 67 (14) compared with year-earlier period. Other operating expenses and capitalised work amounted to MSEK -15 (-8), after which EBITDA and EBIT increased to MSEK 53 (6). Net financial items excluding items affecting comparability amounted to MSEK 4 (-6) and comparable profit/loss before tax thus increased to MSEK 56 (0). During the first half of the year, the comparability of net financial items was impacted by exchange rate differences for bond loan and unallocated bond proceeds of MSEK -24 due to the EUR strengthening against the SEK. Recognised profit/loss before tax thus amounted to MSEK 33 (0).



## PORTFOLIO

Arise's development portfolio is presented below, totalling approximately 5.7 GW. The consolidated carrying amount was approximately MSEK 127, excluding Lebo, at the end of the period. Fully developed, the portfolio would equate to an investment level of about SEK 70–80 billion.



The portfolio is divided into projects in later developmental phases, which amount to a total of approximately 1.0 GW, and projects in early developmental phases, which amount to a total of approximately 4.7 GW. The company is working actively to expand the project portfolio particularly concerning wind and solar power in the Nordic countries and in the UK. Efforts to expand the project portfolio












include greenfield projects and acquisitions of projects at varying stages. The company is also developing several projects in battery storage.

In working to increase its project portfolio, Arise evaluates a number of different conceivable projects. The vast majority of the projects being evaluated do not qualify for further development as they are not deemed realisable given their production conditions (wind and solar conditions), permit risks, electricity grid capacity and economic potential. These primary factors were determined to be promising for the projects below. While individual projects may not always be realised, the overall project portfolio represents high potential value for the company, with relatively little capital tied-up and low risk.

#### Projects – late developmental phases

		MW
Fasikan, SE 2		100
Finnåberget, SE 2		200
Tormsdale, Scotland	 	70
Finland*		~600
<b>Total</b>		<b>~1,000</b>

#### Projects – early developmental phases

		MW
Sweden		~2,450
Sweden	 	~210
Norway		~200
UK		~120
UK	 	~500
Finland*	 	~1,250
<b>Total</b>		<b>~4,700</b>

\*) Corresponds to 100% of Pohjan Voima's projects. Arise ownership amounts to approx. 51%.

## Production

MSEK	Q2 2023	Q2 2022	H1 2023	H1 2022
Income	52	42	134	117
Operating expenses	-16	-9	-26	-19
Operating profit before depreciation (EBITDA)	36	33	107	98
Operating profit (EBIT)	21	18	78	68
Comparable profit before tax*	25	19	79	68
Recognised profit before tax	6	6	55	50

\*Items affecting comparability comprise exchange rate differences on loan in foreign currencies.

### COMMENTS ON THE SECOND QUARTER

In Production, winds were weaker than normal for the period and production in the company's wind farms amounted to 54 GWh (61). At the same time, the average income for electricity incl. certificates and guarantees of origin increased to SEK 947 per MWh (675). The company's price hedging was a strong contributing factor to increased average income.

Income amounted to MSEK 52 (42), an increase directly attributable to the higher average income compared with the year-earlier period. The specific operating expense increased compared with the year-earlier period to SEK -301 per MWh (-145) during the quarter, most of which was due to additional costs related to the company's GE wind farms, which corresponded to approximately SEK -100/MWh during the quarter. The arbitration process for these wind farms is ongoing.

EBITDA increased to MSEK 36 (33) compared with the second quarter of 2022. Depreciation amounted to MSEK -15 (-15) and EBIT thus increased to MSEK 21 (18).

Net financial items excluding items affecting comparability amounted to MSEK 4 (1) and comparable profit before tax thus increased to MSEK 25 (19). In the second quarter, the comparability of net financial items was impacted by exchange rate differences for loans in foreign currencies of MSEK -19 due to the EUR strengthening against the SEK. Recognised profit before tax thus amounted to MSEK 6 (6).

Hedged electricity prices	Q3 2023	Q4 2023	2024
MWh, SE 4	26,500	30,900	92,200
EUR per MWh, SE4	124	119	105

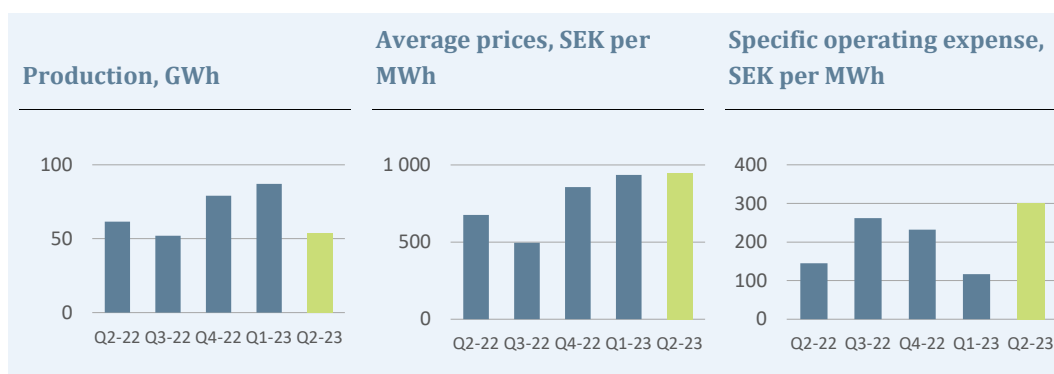


## COMMENTS ON THE FIRST HALF OF THE YEAR

Production at the company's wind farms amounted to 141 GWh (161) due to weaker winds during both quarters compared with last year. The average income for electricity including certificates and guarantees of origin increased at the same time to SEK 940 per MWh (725).

Income amounted to MSEK 134 (117). Specific operating expense amounted to SEK -188 (-118) per MWh. EBITDA increased to MSEK 107 (98). Depreciation amounted to MSEK -30 (-30), on a par with the year-earlier period, and EBIT increased to MSEK 78 (68).

Net financial items excluding items affecting comparability amounted to MSEK 2 (-1) and comparable profit before tax thus increased to MSEK 79 (68). In the first half of the year, the comparability of net financial items was impacted by exchange rate differences for loans in foreign currencies of MSEK -24 due to the EUR strengthening against the SEK. Recognised profit before tax thus amounted to MSEK 55 (50).



## Solutions

MSEK	Q2 2023	Q2 2022	H1 2023	H1 2022
Income	10	6	20	13
Operating expenses	-9	-9	-20	-17
Operating profit/loss before depreciation (EBITDA)	0	-2	0	-4
Operating profit/loss (EBIT)	0	-2	0	-4
Profit/loss before tax	0	-2	0	-4

### COMMENTS ON THE SECOND QUARTER

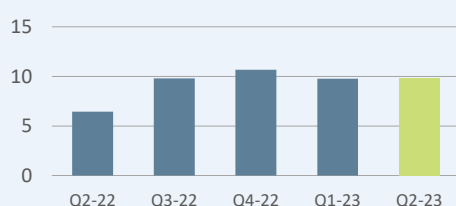
In Solutions, the project and asset management assignment related to Kølvalen continued during the quarter, which contributed positively to income compared with the year-earlier period.

Income amounted to MSEK 10 (6). Operating expenses amounted to MSEK -9 (-9) and EBITDA thus amounted to MSEK 0 (-2). Depreciation and impairment and financial items were MSEK 0 (0) and EBIT and profit/loss before tax thus amounted to MSEK 0 (-2).

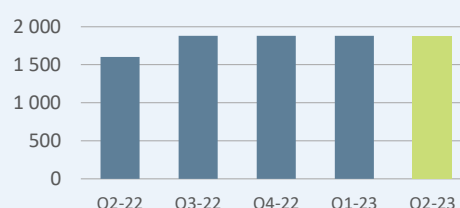
### COMMENTS ON THE FIRST HALF OF THE YEAR

Income amounted to MSEK 20 (13). Operating expenses amounted to MSEK -20 (-17) and EBITDA to MSEK 0 (-4). Depreciation and impairment and financial items were MSEK 0 (0) and EBIT and profit/loss before tax thus amounted to MSEK 0 (-4).

Income Solutions, MSEK



Asset Management assignments, acc., MW





## **OTHER SIGNIFICANT EVENTS**

In April 2023, Arise completed the previously announced acquisition of approximately 51% of the shares in Pohjan Voima Oy. The shares were acquired for a total amount of approximately MEUR 30, of which approximately MEUR 18 in earn-out payments that are conditional upon the fulfilment of certain criteria in the development of the projects.

## **RELATED-PARTY TRANSACTIONS**

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

## **CONTINGENT LIABILITIES**

The Group's contingent liabilities are related to guarantees and counter indemnities that are issued to support the Group's obligations connected to solar and wind power projects. These are described in more detail on page 89 under Note 21 in the 2022 Annual Report.

## **SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD**

No significant events have taken place after the end of the reporting period.

## **OUTLOOK**

There continues to be high uncertainty and global risks concerning security politics and energy supply, which makes the ongoing energy transition increasingly obvious in society. Despite a weaker economy and market situation, demand for renewable energy production remains very strong. The company is well positioned with production of renewable electricity and a strong project portfolio. Accordingly, we see very good opportunities for continued growth and continued value creation. Our strong financial situation means that we have increased opportunities to maximise value creation in the business and also optimise our long-term income from both production and the project portfolio.

## **RISKS AND UNCERTAINTIES**

Risks and uncertainties affecting the Group are described on pages 49–50 of the 2022 Annual Report, and financial risk management is presented on pages 77–83. No significant changes have taken place that affect the reported risks.

## **OWNERSHIP STRUCTURE**

A presentation of the company's ownership structure is available on the website ([www.arise.se](http://www.arise.se))



## Parent Company

The Parent Company's operations comprise project development (identifying suitable solar and wind power locations, signing land lease agreements, producing impact assessments, preparing detailed development plans and permits), divesting projects, contracts and project management of new projects, managing internal and external projects (technically and financially) and managing the Group's electricity and electricity-certificate trading activities.

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

During the first half of the year, the Parent Company's total income amounted to MSEK 21 (17) and purchases of electricity and certificates, personnel costs and other external expenses, capitalised work on own account and depreciation/amortisation of non-current assets totalled MSEK -46 (-42), resulting in EBIT of MSEK -25 (-25). A net financial expense of MSEK -14 (-2) and Group contributions of MSEK 0 (67) led to net profit/loss after tax of MSEK -39 (40). The Parent Company's net investments amounted to MSEK -251 (-1).

## ACCOUNTING POLICIES

Arise applies the International Financial Reporting Standards (IFRS), as adopted by the EU, and the interpretations of these (IFRIC). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 of the Swedish Financial Reporting Board. With the exception of what is set out below, the accounting policies are consistent with those applied in the 2022 annual report.

### Recognition of asset acquisitions

Business combinations where the principal aim is to acquire the company's project portfolio and rights and where management organization and administration of the company is of lesser importance for the acquisition are classified as asset acquisitions. Arise has therefore assessed that the acquisition of Pohjan Voima is an asset acquisition.

## REVIEW BY THE AUDITOR

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

## FINANCIAL CALENDAR

- |  |                  |
|--|------------------|
| ▪ Third quarter (1 July-30 September)    | 15 November 2023 |
| ▪ Fourth quarter (1 October-31 December) | 15 February 2024 |
| ▪ First quarter (1 January-31 March)     | 7 May 2024       |
| ▪ Second quarter (1 April-30 June)       | 17 July 2024     |

## ASSURANCE FROM BOARD OF DIRECTORS

The Board of Directors and the CEO hereby assure that this half-yearly report provides a fair review of the company's and the Group's operations, financial position and earnings and describes the material risks and uncertainties facing the company and the companies included in the Group.

Halmstad, 18 July 2023

Arise AB (publ)

**Joachim Gahm**

*Chairman*

**Eva Vitell**

*Board member*

**Mikael Schoultz**

*Board member*

**Johan Damne**

*Board member*

**P-G Persson**

*Board member*

**Per-Erik Eriksson**

*CEO*

## FOR FURTHER INFORMATION, PLEASE CONTACT

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## CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2023	2022	2023	2022	2022
		Q 2	Q 2	6 mon	6 mon	FY
Net sales	Note 1	110	53	217	141	1,164
Other operating income		1	2	2	2	5
<b>Total income</b>		<b>111</b>	<b>55</b>	<b>219</b>	<b>142</b>	<b>1,169</b>
Capitalised work on own account		3	2	5	3	4
Personnel costs		-19	-11	-33	-21	-63
Cost of sold projects		-	-	-	-	-136
Other external expenses		-27	-20	-46	-38	-124
<b>Operating profit/loss before depreciation (EBITDA)</b>		<b>69</b>	<b>25</b>	<b>145</b>	<b>86</b>	<b>851</b>
Depreciation and imp. of non-current assets	Note 2,3	-16	-15	-31	-31	-61
<b>Operating profit/loss (EBIT)</b>		<b>53</b>	<b>10</b>	<b>114</b>	<b>56</b>	<b>790</b>
Profit/loss from financial items	Note 4	-17	-15	-26	-24	-17
<b>Profit/loss before tax</b>		<b>36</b>	<b>-6</b>	<b>88</b>	<b>32</b>	<b>772</b>
Tax on profit/loss for the period		0	0	0	0	0
<b>Net profit/loss for the period</b>		<b>36</b>	<b>-6</b>	<b>88</b>	<b>31</b>	<b>772</b>
<b>Net profit/loss for the period attributable to:</b>						
Parent company shareholders		38	-6	90	31	772
Non-controlling interests		-2	-	-2	-	-
<b>Earnings per share regarding profit/loss attributable to parent company shareholders:</b>						
Earnings per share before dilution, SEK		0.85	-0.13	2.01	0.76	18.60
Earnings per share after dilution, SEK		0.85	-0.13	2.01	0.76	18.60

Treasury shares held by the Company, amounting to 54.194 shares, have not been included in calculating earnings per share and only financial instruments outstanding at the end of the period were considered.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts rounded to the nearest MSEK)	2023 Q 2	2022 Q 2	2023 6 mon	2022 6 mon	2022 FY
<b>Net profit/loss for the period</b>	<b>36</b>	<b>-6</b>	<b>88</b>	<b>31</b>	<b>772</b>
<u>Other comprehensive income</u>					
<b>Items that may be reclassified to the income statement</b>					
Translation differences for period	-1	0	-1	0	0
Cash flow hedges	-8	-104	178	-110	45
Income tax attributable to components of other comprehensive income	2	21	-37	23	-9
<b>Other comprehensive income for the period, net after tax</b>	<b>-8</b>	<b>-83</b>	<b>140</b>	<b>-88</b>	<b>36</b>
<b>Total comprehensive income for the period</b>	<b>29</b>	<b>-89</b>	<b>228</b>	<b>-56</b>	<b>807</b>
<b>Total comprehensive income for the period attributable to:</b>					
Parent company shareholders	31	-89	230	-56	807
Non-controlling interests	-2	-	-2	-	-

## CONSOLIDATED BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2023 30 Jun	2022 30 Jun	2022 31 Dec
Intangible assets	30	25	25
Property, plant and equipment <sup>1)</sup>	2,014	1,295	1,218
Non-current financial assets	233	73	190
<b>Total non-current assets</b>	<b>2,277</b>	<b>1,393</b>	<b>1,432</b>
Inventories	0	0	0
Other current assets	357	146	263
Cash and cash equivalents	946	611	1,220
<b>Total current assets</b>	<b>1,303</b>	<b>757</b>	<b>1,483</b>
<b>TOTAL ASSETS</b>	<b>3,580</b>	<b>2,150</b>	<b>2,916</b>
Equity attributed to parent company shareholders	1,801	749	1,616
Equity attributed to non-controlling interests	328	-	-
<b>Total equity</b>	<b>2,129</b>	<b>749</b>	<b>1,616</b>
Non-current interest-bearing liabilities <sup>2)</sup>	1,037	960	980
Other non-current liabilities	213	-	-
Provisions	63	49	62
<b>Total non-current liabilities</b>	<b>1,313</b>	<b>1,009</b>	<b>1,042</b>
Current interest-bearing liabilities <sup>2)</sup>	33	17	29
Other current liabilities	104	374	228
<b>Total current liabilities</b>	<b>138</b>	<b>392</b>	<b>258</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,580</b>	<b>2,150</b>	<b>2,916</b>

<sup>1)</sup> Property, plant and equipment include lease assets of MSEK 60 (56).

<sup>2)</sup> Interest-bearing liabilities include lease liabilities of MSEK 64 (59).

## CONSOLIDATED CASH FLOW STATEMENT

	2023 Q 2	2022 Q 2	2023 6 mon	2022 6 mon	2022 FY
(Condensed, amounts rounded to the nearest MSEK)					
<b>Cash flow from operating activities before changes in working capital</b>	<b>69</b>	<b>22</b>	<b>143</b>	<b>81</b>	<b>967</b>
Cash flow from changes in working capital	-9	45	-53	54	-41
<b>Cash flow from operating activities</b>	<b>60</b>	<b>67</b>	<b>90</b>	<b>134</b>	<b>926</b>
Investments in non-current assets	-91	-79	-115	-99	-176
Investments in non-current financial assets	-	-	-47	-	-130
Acquisition of subsidiary	-136	-	-136	-	-
<b>Cash flow from investing activities</b>	<b>-227</b>	<b>-79</b>	<b>-298</b>	<b>-99</b>	<b>-305</b>
Loan repayments	-40	-7	-40	-11	-18
Loan raised	-	523	-	523	523
Amortization of lease liabilities	-2	-2	-6	-5	-6
Interest and other financing costs	-19	-10	-30	-14	-33
Net payment to blocked accounts	-	-	-	-	-9
Dividend to the parent company shareholders	-44	-	-44	-	-
New share issue / warrants	-	-	-	-	3
<b>Cash flow from financing activities</b>	<b>-106</b>	<b>504</b>	<b>-120</b>	<b>494</b>	<b>461</b>
<b>Cash flow for the period</b>	<b>-273</b>	<b>492</b>	<b>-329</b>	<b>529</b>	<b>1,082</b>
Cash and cash equivalents at the beginning of the period	1,179	107	1,220	70	70
Exchange-rate difference in cash and cash equivalents	40	12	55	11	68
<b>Cash and cash equivalents at the end of the period</b>	<b>946</b>	<b>611</b>	<b>946</b>	<b>611</b>	<b>1,220</b>
Interest-bearing liabilities at the end of the period (excl. lease liabilities)	1,006	919	1,006	919	952
Blocked cash at the end of the period	-29	-18	-29	-18	-27
<b>Net debt</b>	<b>32</b>	<b>290</b>	<b>32</b>	<b>290</b>	<b>-296</b>

Note 6

## GROUP EQUITY

	2023 30 Jun	2022 30 Jun	2022 31 Dec
(Condensed, amounts rounded to the nearest MSEK)			
Opening balance	1,616	676	676
Profit for the year	88	31	772
Other comprehensive income for the period	140	-88	36
Dividend to the parent company shareholders	-44	-	-
Non-controlling interests from acquisition of subsidiary	330	-	-
New issue of shares/conversion of convertibles	-	129	132
<b>Closing balance</b>	<b>2,129</b>	<b>749</b>	<b>1,616</b>



## KEY PERFORMANCE INDICATORS FOR THE GROUP

	2023 Q 2	2022 Q 2	2023 6 mon	2022 6 mon	2022 FY
<b><u>Operational key performance indicators</u></b>					
Installed capacity at the end of the period, MW	139.2	139.2	139.2	139.2	139.2
Own electricity production during the period, GWh	53.9	61.5	140.9	161.1	292.2
Number of employees at the end of the period	49	34	49	34	41
<b><u>Financial key performance indicators</u></b>					
Earnings per share before dilution, SEK <sup>1)</sup>	0.85	-0.13	2.01	0.76	18.60
Earnings per share after dilution, SEK <sup>1)</sup>	0.85	-0.13	2.01	0.76	18.60
EBITDA margin, %	61.9%	45.3%	66.3%	60.4%	72.8%
Operating margin, %	47.9%	17.5%	52.0%	39.0%	67.6%
Return on capital employed (EBIT), %	35.3%	9.2%	35.3%	9.2%	42.0%
Return on equity, %	57.5%	13.4%	57.5%	13.4%	67.4%
Equity, MSEK	2,129	749	2,129	749	1,616
Average equity, MSEK	1,439	735	1,439	735	1,146
Net debt, MSEK	32	290	32	290	-296
Equity/assets ratio, %	59.5%	34.8%	59.5%	34.8%	55.4%
Debt/equity ratio, times	0.0	0.4	0.0	0.4	neg
Equity per share, SEK	41	17	41	18	39
Equity per share after dilution, SEK	41	17	41	18	39
No. of shares at the end of the period, excl. treasury shares	44,440,041	44,440,041	44,440,041	44,440,041	44,440,041
Average number of shares	44,440,041	44,440,041	44,440,041	41,503,644	41,503,644
Average number of shares after dilution	44,440,041	44,440,041	44,440,041	41,503,644	41,503,644

<sup>1)</sup> Treasury shares held by the Company, amounting to 54.194 shares, have not been included in calculating earnings per share and only financial instruments outstanding at the end of the period were considered.

## NOTE 1 – NET SALES

(Amounts rounded to the nearest MSEK)	2023 Q 2	2022 Q 2	2023 6 mon	2022 6 mon	2022 FY
Electricity	50	41	132	116	208
Certificates and guarantees of origin	1	0	0	1	2
Development	50	6	67	13	924
Services	9	6	17	11	30
<b>Total</b>	<b>110</b>	<b>53</b>	<b>217</b>	<b>141</b>	<b>1,164</b>

Net sales include i) income from electricity (the sale of generated electricity, and gains and losses from electricity and currency derivatives attributable to the hedged electricity production), ii) earned and sold electricity certificates and guarantees of origin, and iii) development income from projects sold and compensation for development costs and iv) asset management income. The classification is based on an assessment of the nature of the income, the amount, timing and uncertainty surrounding income and cash flows. Income from electricity, income from electricity certificates and guarantees of origin are generated by the renewable electricity production owned by the Group, which are recognised in the Production segment. Income from development is mainly generated through the company's project portfolio and are recognised in the Development segment. Income from services is mainly generated through construction project management and asset management of renewable energy production and are recognised in the Solutions segment.

## GROUP SEGMENT REPORTING

The division of segment reporting is based on the Group's products and services, meaning the grouping of operations. The segment Development, develops, constructs, and sells renewable energy projects. Production comprises the group's ownership in operating renewable energy assets. Solutions offers services in the form of construction project management and asset management for renewable energy production as well as other services. The Unallocated revenue/expenses pertains to the Group's shared expenses.

Quarter 2	Develop- ment		Production		Solutions		Unallocated rev./exp.		Eliminations		Group	
(Amounts rounded to the nearest MSEK)	Q 2 2023	Q 2 2022	Q 2 2023	Q 2 2022	Q 2 2023	Q 2 2022	Q 2 2023	Q 2 2022	Q 2 2023	Q 2 2022	Q 2 2023	Q 2 2022
Net sales, external	50	6	51	41	9	6	-	-	-	-	110	53
Net sales, internal	-	-	-	-	1	1	-	-	-1	-1	-	-
Other operating income	0	2	1	0	0	0	0	0	-	-	1	2
<b>Total income</b>	<b>50</b>	<b>7</b>	<b>52</b>	<b>42</b>	<b>10</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>111</b>	<b>55</b>
Capitalised work on own account	4	2	-	-	-	-	-	-	0	-	3	2
Operating expenses	-12	-8	-16	-9	-9	-9	-9	-7	1	1	-46	-32
<b>EBIT before before depr./imp. (EBITDA)</b>	<b>42</b>	<b>1</b>	<b>36</b>	<b>33</b>	<b>0</b>	<b>-2</b>	<b>-9</b>	<b>-7</b>	<b>-</b>	<b>-</b>	<b>69</b>	<b>25</b>
Depreciation/impair. Note 2	0	0	-15	-15	0	0	-1	0	-	-	-16	-15
<b>Operating profit/loss (EBIT)</b>	<b>42</b>	<b>1</b>	<b>21</b>	<b>18</b>	<b>0</b>	<b>-2</b>	<b>-10</b>	<b>-8</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>10</b>
Net financial items	-13	-4	-15	-12	0	0	11	1	-	-	-17	-15
<b>Profit/loss before tax (EBT)</b>	<b>29</b>	<b>-3</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>-2</b>	<b>1</b>	<b>-7</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>-6</b>
<b>Intangible and tangible fixed assets (incl.leasing)</b>	<b>1,006</b>	<b>233</b>	<b>1,031</b>	<b>1,085</b>	<b>-</b>	<b>0</b>	<b>7</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2,044</b>	<b>1,320</b>

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

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

## GROUP SEGMENT REPORTING

6 months	Develop- ment		Production		Solutions		Unallocated rev./exp.		Eliminations		Group	
(Amounts rounded to the near- est MSEK)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales, external	67	13	132	117	17	11	-	-	-	-	217	141
Net sales, internal	-	-	-	-	2	2	-	-	-2	-2	-	-
Other operating income	0	2	1	0	0	0	0	0	-	-	2	2
<b>Total income</b>	<b>67</b>	<b>14</b>	<b>134</b>	<b>117</b>	<b>20</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>-2</b>	<b>219</b>	<b>142</b>
Capitalised work on own account	5	3	-	-	-	-	-	-	0	-	5	3
Operating expenses	-20	-12	-26	-19	-20	-17	-15	-14	2	2	-79	-60
<b>EBIT before before depr./imp. (EBITDA)</b>	<b>53</b>	<b>6</b>	<b>107</b>	<b>98</b>	<b>0</b>	<b>-4</b>	<b>-15</b>	<b>-14</b>	<b>-</b>	<b>-</b>	<b>145</b>	<b>86</b>
Depreciation/impair. Note 3	0	0	-30	-30	0	0	-2	-1	-	-	-31	-31
<b>Operating profit/loss (EBIT)</b>	<b>53</b>	<b>6</b>	<b>78</b>	<b>68</b>	<b>0</b>	<b>-4</b>	<b>-16</b>	<b>-15</b>	<b>-</b>	<b>-</b>	<b>114</b>	<b>56</b>
Net financial items	-20	-6	-22	-18	0	0	16	0	-	-	-26	-24
<b>Profit/loss before tax (EBT)</b>	<b>33</b>	<b>0</b>	<b>55</b>	<b>50</b>	<b>0</b>	<b>-4</b>	<b>0</b>	<b>-15</b>	<b>-</b>	<b>-</b>	<b>88</b>	<b>32</b>
<b>Intangible and tangible fixed assets (incl.leasing)</b>	<b>1,006</b>	<b>233</b>	<b>1,031</b>	<b>1,085</b>	<b>-</b>	<b>0</b>	<b>7</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2,044</b>	<b>1,320</b>

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

Depreciation/amortisation	0	0	-30	-30	0	0	-2	-1	-	-	-31	-31
Impairment and reversal of impairment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Depreciation and impair- ment</b>	<b>0</b>	<b>0</b>	<b>-30</b>	<b>-30</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>-1</b>	<b>-</b>	<b>-</b>	<b>-31</b>	<b>-31</b>



#### NOTE 4 - PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts rounded to the nearest MSEK)	2023 Q 2	2022 Q 2	2023 6 mon	2022 6 mon	2022 FY
<b>Interest income</b>					
Other interest income	4	-	7	-	6
<b>Interest expense</b>					
Other interest expenses	-4	-1	-7	-2	-5
Bond loan and convertibles	-12	-4	-22	-4	-21
<b>Other financial items</b>					
Lease liabilities	-1	-1	-1	-1	-3
Exchange rate difference loan/bond loan	-45	-24	-57	-28	-67
Other financial expenses	-2	-1	-3	-3	-5
Other exchange rate differences	41	15	58	14	78
<b>Total</b>	<b>-17</b>	<b>-15</b>	<b>-26</b>	<b>-24</b>	<b>-17</b>

#### NOTE 5 - FAIR VALUE OF FINANCIAL INSTRUMENTS

##### FAIR VALUE HIERARCHY

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

(Amounts rounded to the nearest MSEK)	2023 30 Jun	2022 30 Jun	2022 31 Dec
<b>Assets</b>			
Derivatives held for hedging purposes			
- Derivative assets	74	2	26
<b>Liabilities</b>			
Derivatives held for hedging purposes			
- Derivative liabilities	-3	-264	-133

## NOTE 6 – NET DEBT

(Amounts rounded to the nearest MSEK)	2023 30 Jun	2022 30 Jun	2022 31 Dec
Non-current liabilities	1,313	1,009	1,042
- of which interest-bearing non-current liabilities (excl. lease liabilities)	978	905	925
Current liabilities	138	392	258
- of which interest-bearing current liabilities (excl. lease liabilities)	28	14	27
Long and short term interest bearing debt liabilities (excl. lease liabilities)	1,006	919	952
Cash and cash equivalents at the end of the period	-946	-611	-1,220
Blocked cash at the end of the period	-29	-18	-27
<b>Net debt</b>	<b>32</b>	<b>290</b>	<b>-296</b>

Lease liabilities amounted to MSEK 64 (59) on June 30, 2023.

## PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2023 Q 2	2022 Q 2	2023 6 mon	2022 6 mon	2022 FY
Sales of electricity and electricity certificates	-	0	0	1	1
Development and services	11	7	21	14	35
Other operating income	0	1	0	2	4
<b>Total income</b>	<b>11</b>	<b>9</b>	<b>21</b>	<b>17</b>	<b>40</b>
Capitalised work on own account	1	0	2	1	1
Purchases of electricity and electricity certificates	0	0	0	-1	-1
Cost of sold projects and asset management	-2	-3	-4	-6	-9
Personnel costs	-14	-10	-27	-19	-55
Other external expenses	-8	-10	-17	-17	-31
<b>Operating profit/loss before depreciation (EBITDA)</b>	<b>-12</b>	<b>-14</b>	<b>-24</b>	<b>-25</b>	<b>-54</b>
Depreciation and imp. of non-current assets	0	0	0	0	0
<b>Operating profit/loss (EBIT)</b>	<b>-12</b>	<b>-14</b>	<b>-25</b>	<b>-25</b>	<b>-55</b>
Profit/loss from financial items Note 1	-3	1	-14	-2	-22
<b>Profit/loss after financial items</b>	<b>-16</b>	<b>-14</b>	<b>-39</b>	<b>-27</b>	<b>-76</b>
Group contribution	-	-	-	67	113
<b>Profit/loss before tax</b>	<b>-16</b>	<b>-14</b>	<b>-39</b>	<b>40</b>	<b>37</b>
Tax on profit/loss for the period	-	-	-	0	0
<b>Net profit/loss for the period</b>	<b>-16</b>	<b>-14</b>	<b>-39</b>	<b>40</b>	<b>36</b>

## PARENT COMPANY BALANCE SHEET

	2023 30 Jun	2022 30 Jun	2022 31 Dec
(Condensed, amounts rounded to the nearest MSEK)			
Intangible assets	30	25	25
Property, plant and equipment	49	39	45
Non-current financial assets	1,476	704	1,013
<b>Total non-current assets</b>	<b>1,554</b>	<b>768</b>	<b>1,083</b>
Other current assets	95	99	49
Cash and cash equivalents	213	561	293
<b>Total current assets</b>	<b>308</b>	<b>661</b>	<b>342</b>
<b>TOTAL ASSETS</b>	<b>1,863</b>	<b>1,428</b>	<b>1,424</b>
Restricted equity	4	4	4
Non-restricted equity	681	764	764
<b>Total equity</b>	<b>684</b>	<b>768</b>	<b>768</b>
Non-current interest-bearing liabilities	583	525	548
Other non-current liabilities	213	-	-
<b>Total non-current liabilities</b>	<b>795</b>	<b>525</b>	<b>548</b>
Other current liabilities	383	135	108
<b>Total current liabilities</b>	<b>383</b>	<b>135</b>	<b>108</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,863</b>	<b>1,428</b>	<b>1,424</b>

## PARENT COMPANY EQUITY

	2023 30 Jun	2022 30 Jun	2022 31 Dec
(Condensed, amounts rounded to the nearest MSEK)			
Opening balance	768	599	599
Profit/loss for the period	-39	40	36
Dividend to the parent company shareholders	-44	-	-
New issue of shares/ conversion of convertibles	-	129	132
<b>Closing balance</b>	<b>684</b>	<b>768</b>	<b>768</b>

## NOTE 1 – PROFIT/LOSS FROM FINANCIAL ITEMS

(Amounts rounded to the nearest MSEK)	2023 Q 2	2022 Q 2	2023 6 mon	2022 6 mon	2022 FY
<b>Interest income</b>					
Intra-Group interest income	1	0	1	0	0
Other interest income	4	-	6	-	3
<b>Interest expense</b>					
Intra-Group interest expenses	-3	-1	-4	-1	-3
Bond loan and convertibles	-12	-4	-22	-4	-21
<b>Other financial items</b>					
Realized profit on sale of subsidiaries	25	1	25	1	2
Exchange rate difference bond loan	-26	-11	-33	-11	-33
Other financial income and expenses	-1	1	-1	-1	-2
Other exchange rate differences	8	14	14	14	32
<b>Total</b>	<b>-3</b>	<b>1</b>	<b>-14</b>	<b>-2</b>	<b>-22</b>

## DEFINITIONS OF KEY RATIOS

### EBITDA margin

EBITDA as a percentage of total income.

### Operating margin

EBIT as a percentage of total income.

### Return on capital employed

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

### Return on equity

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

### Equity per share

Equity attributable to the parent company shareholders divided by the average number of shares.

### Equity per share after dilution

Equity attributable to the parent company shareholders adjusted for conversion of convertibles divided by the average number of shares after dilution.

### Net financial items

Financial income less financial expenses.

### Average equity

Rolling 12-month average equity.

### Average capital employed

Rolling 12-month average capital employed.

### Items affecting comparability

Exchange rate differences on bank loans, bond loans and unallocated bond proceeds in foreign currency.

### Operating cash flow

Cash flow from operating activities after changes in working capital.

### Net debt

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

### Debt/equity ratio

Net debt as a percentage of equity.

### Specific operating expenses, SEK per MWh

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

### Equity/assets ratio

Equity as a percentage of total assets.

### Capital employed

Equity plus interest-bearing debt.

### Earnings per share

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

## GENERAL INFORMATION ABOUT KEY FIGURES

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

## ROUNDING

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





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