



Rabbalshede Kraft

INTERIM REPORT

JANUARY TO JUNE 2022

Rabbalshede Kraft AB (publ)

Read more at: rabbalshedekraft.se

CEO's statement

The year began in a hopeful spirit with the pandemic beginning to release its grip, thanks to society's strong response, which we all have contributed in various ways. We barely had time to exhale, before the next disaster was a fact. A war in Europe, where Russia attacked Ukraine. A war that highlighted our need for a secure, decentralized and sustainable energy system. In the same way that we gathered strength to fight the pandemic, we now need to gather strength for a renewable future.

The construction of three wind farms, which together comprise 100 MW in southern Sweden, commenced last year and continued this year. Early in the year, we were notified of delayed deliveries for two parks as a result of the pandemic. Based on joint work and a good dialogue, we have negotiated an amendment agreement. The agreement states we are compensated for the delay in the project, which will be just over six months. The third park will be completed in August 2022.

In April, after a long process, good news came from the Supreme Land and Environmental Court (MÖD) that permits were given for four wind turbines with a total height of 210 meters in the Lönhult wind farm in Aneby municipality. Our ambition is to start construction of the park during summer 2023. The park is 30 MW and will contribute with a welcome addition of renewable electricity to Southern Sweden.

On 17 May, the Långnabba wind farm was inaugurated with 10 wind turbines on the Southern tip of Eckerö. Vind AX AB is a privately owned Åland wind power company with 26 shareholders, of which Rabbalshede Kraft is the largest owner. Since then, Åland is most often self-sufficient in electricity when there is wind. This is our first park outside Sweden.

Our pilot project "The Green Hydrogen" continues to develop in the right direction, but it is clear that we are among the first to address both current market and permit issues. The ambition is now to deliver green hydrogen directly from our own wind turbines in early 2023. Our work in solar energy continues as we look to build a strong project portfolio. We expect a number of investment decisions during the second half of 2022.

The result during the first half of the year was SEK -41 million, driven by fluctuating winds and volatile electricity prices.

During the second quarter, the majority owner, owning more than 90% of the shares, began an arbitration process to buy out the remaining minority. This work will continue during the next quarter.

At Rabbalshede Kraft, we are now re-adjusting to a life of work and meetings in our offices again. It is great to have in person meetings with our employees and partners where we can collaborate, think new and take responsibility for real - for a renewable future.



A handwritten signature in black ink, appearing to read 'Peter Wesslau'. The signature is fluid and cursive.

Peter Wesslau
CEO



H1 2022

PRODUCTION DURING THE YEAR

Power production in the beginning of the year was affected by weak winds, whilst May and June offered somewhat stronger winds and above budget production. Through the first half of 2022, production was in line with budget. Total production for H1 was 471 GWh, of which 355 GWh is fully-owned and 116 GWh is co-owned. The average wind during the period was 7.4 m/s and availability 95.7 percent.

DEVELOPMENT

After a lengthy process, the land and environment supreme court Mark- och miljööverdomstolen (MÖD) finally granted a permit for Lönhult wind farm, located in the municipality of Aneby. The project comprising four wind turbines in total is now in the procurement phase.

The permitting process for the project Fägremo has been intense during the first half of the year, and a decision from the land and environment court, Mark- och miljödomstolen, is expected after summer.

Development of the company's early wind portfolio has been ongoing, and by the end of 2022 we aim to have initiated the public consultation process for a number of projects.

The company has put additional focus on large scale solar developments and initiated several projects connected closely with our existing wind farms with the vision of creating hybrid parks.

We have worked intensively on our pilot project "Green Hydrogen" and have now submitted our first permit application and initiated off-take and procurement negotiations.

CONSTRUCTION

All eight wind turbines in the Årjäng wind farm have been installed and the project is on time and budget.

Femstenaberg & Lursäng have been delayed due to issues relating to the turbine supplier, partly due to delays related to covid 19 and supply issues. After negotiation the project now has a new realistic timeplan

In Långnabba all wind turbines have been installed and the project is now in a test phase for adaptation to the grid in Åland.

EVENTS AFTER THE BALANCE-SHEET DATE

On August 11, the Land and Environmental Court decided to reject our application for 10 wind turbines in the Fägremo wind farm, due to play areas for capercaillie. We are now analyzing the judgement in order to make further decisions.

On Aug 18 a refinancing of the group's activities was completed. A new debt provider is now in place.

Financial overview

Consolidated income statement

| Condensed, KSEK | H1 2022 | H1 2021 |
|-----------------------------------|----------------|----------------|
| Operating revenue | | |
| Net sales | 120,488 | 84,876 |
| Own work capitalized | 3,624 | 4,049 |
| Other operating revenues | 7,983 | 6,185 |
| Total operating revenue | 132,095 | 95,110 |
| Operating costs | | |
| Personnel costs | -29,420 | -22,398 |
| Other operating expenses | -127,465 | -126,593 |
| Total operating expenses | -156,885 | -148,991 |
| EBIT | -24,790 | -53,881 |
| Profit/loss before tax | -41,283 | -75,977 |
| Profit/loss for the period | -41,157 | -75,575 |

Consolidated balance sheet

| Condensed, KSEK | 30 Jun 2022 | 30 Jun 2021 | 31 Dec 2021 |
|---|------------------|------------------|------------------|
| Assets | | | |
| Fixed assets | 2,996,054 | 2,604,019 | 2,719,196 |
| Current assets | 464,850 | 411,043 | 244,591 |
| Total assets | 3,460,904 | 3,015,862 | 2,963,787 |
| Shareholders' equity | 2,010,457 | 2,127,864 | 2,072,984 |
| Liabilities | | | |
| Long-term liabilities | 82,096 | 745,430 | 51,789 |
| Current liabilities | 1,368,351 | 142,568 | 839,014 |
| Total liabilities | 1,450,447 | 887,998 | 890,803 |
| Total shareholders' equity and liabilities | 3,460,904 | 3,015,862 | 2,963,787 |

Key figures

| KSEK | H1 2022 | H1 2021 | Full-year 2021 |
|---|------------|------------|-------------------|
| Electricity production, MWh* | 355,130 | 300,258 | 632,823 |
| Net sales (electricity + certificate sales) | 120,488 | 84,876 | 205,778 |
| Total operating revenue | 132,095 | 95,110 | 227,714 |
| EBIT | -24,790 | -53,881 | -79,522 |
| Profit/loss before tax | -41,283 | -75,977 | -115,699 |
| Profit/loss for the period | -41,157 | -75,575 | -117,888 |
| Cash flow from operating activities | 6,275 | -22,428 | 25,642 |
| Average no. of shares | 255,912 | 211,182 | 222,003 |
| Earnings per share, SEK | -0.16 | -0.36 | -0.53 |

| KSEK | 30 Jun 2022 | 30 Jun 2021 | 31 Dec 2021 |
|----------------------|----------------|----------------|----------------|
| Debt/equity ratio ** | 0.64 | 0.37 | 0.36 |
| Shareholders' equity | 2,010,457 | 2,127,865 | 2,072,984 |
| Total assets | 3,460,904 | 3,015,862 | 2,963,787 |

* Excluding co-owned farms

** Debt/equity ratio is calculated as interest-bearing liabilities divided by shareholders' equity.

INVESTMENTS

Investments including paid advances amounted to SEK 343 million (SEK 164 million) during the period January to June. Investments refer to ongoing planning and construction.

FINANCING

Total bank loans as of June 30, 2022 amounted to SEK 1,285 million (SEK 786 million). During the period, the Group's average loan interest rate for borrowed bank loans was 3.1 (3.3) percent. The equity / assets ratio was 58 (71) percent as of June 30, 2022.

HEDGING INSTRUMENTS

Rabbalshede Kraft applies hedge accounting for financial instruments in accordance with Chapter 12 (Financial instruments valued in accordance with Chapters 4, 14A-14e of the Annual Accounts Act) in BFNAR 2012: 1. This means, among other things, that changes in value in various derivatives acquired for hedging of cash flow risks are reported against equity. The market value of outstanding interest contracts as of June 30, 2022 was SEK -4 million (SEK -9 million). The market value of currency forward contracts, which are signed in conjunction with construction and futures contracts for electricity, amounted to SEK -57 million (SEK -8 million) as of June 30, 2022.

RISKS AND UNCERTAINTIES

Through its operations, Rabbalshede Kraft is exposed to risks. The company is dependent on both the general economic and political situation in the outside world. For a more detailed description of risks, refer to the Directors' Report in the annual report for the financial year 2021.

Consolidated cash flow

| Condensed, KSEK | 2022-01-01- 2022-06-30 | 2021-01-01- 2021-06-30 |
|--|---------------------------|---------------------------|
| Cash flow from changes in working capital | | |
| Cash flow from operating activities before change in working capital | 33,887 | -1,740 |
| Cash flow from changes in working capital | -27,612 | -20,688 |
| Cash flow from operating activities | 6,275 | -22,428 |
| Investing activities | | |
| Acquisition of intangible fixed assets, including advances | 0 | -246 |
| Acquisition of property, plant and equipment, including advances | -342,734 | -163,921 |
| Cash flow from investing activities | -342,734 | -164,167 |
| Financing activities | | |
| New share issue | 0 | 488,559 |
| Issue costs | 0 | 670 |
| Amortization of loans | -30,641 | -60,080 |
| Loans raised | 562,000 | 24,935 |
| Changes in blocked funds | -30,000 | -12,533 |
| Cash flow from financing activities | 501,359 | 440,211 |
| Cash flow for the period | 164,900 | 253,616 |
| Cash and cash equivalents on the opening date | 87,090 | 31,473 |
| Cash and cash equivalents on the closing date | 251,990 | 285,089 |
| Blocked funds | 108,855 | 63,552 |
| Total cash and cash equivalents and blocked funds | 360,845 | 348,641 |



Financial calendar

Year-end report for 2022, March 9, 2023

For further information, please contact:

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Review

This report is unaudited.

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ISSUER OF THE REPORT

RABBALSHEDA, AUGUST 22, 2022

Stine Rolstad Brenna
Chairperson of the Board

Adam Thouret
Board member

Jeffrey Moulard
Board member

Mikael Kowal
Board member

Peter Wesslau
CEO