



Rabbalshede Kraft

YEAR-END REPORT

2021

Rabbalshede Kraft AB

Read more at: rabbalshedekraft.se

CEO'S STATEMENT

Another year with Covid-19 has taught us to be more innovative in finding new solutions. Together, we have had to make additional efforts in many areas, from work environment, leadership and values to digital infrastructure and digital meetings. Appropriately, our new core values were agreed early 2021; We cooperate, we are innovative, we take responsibility.

2021 began with construction start on three new wind farms located in the Southern part of Sweden which has a shortage of electrical production capacity. The windfarms comprise a total capacity of 100 MW and are expected to produce around 300 GWh p.a. The parks are expected to be operational in Q3 2022. We continue to focus on the development of new wind power projects. During 2022, we aim for new investment decisions in the same order of magnitude as in 2020.

In May, the Swedish Environmental Protection Agency announced the good news that our pilot project "Green Hydrogen", which we developed together with Euromekanik, has been granted support from the "Climate Leap Initiative", which supports local climate investments for the greatest possible climate gain. Thanks to this support, we have developed the pilot project during the year. The ambition is to deliver green hydrogen in late-2022 directly from one of our own wind farms.

We are constantly analyzing how we can complement wind power with other renewable energy sources. During the year, we signed cooperation agreements with Solkompaniet and ReCap, two strong partners within solar power development. Together, we have designed solutions that will make it easier for companies to invest in sustainable energy.

In June, the company completed a new rights issue. The rights issue was oversubscribed at 102% and therefore fully subscribed. A signal that indicates that we are an attractive company who our shareholders believe in and want to invest in. The capital injection provides us with opportunities to continue our growth strategy through new construction and acquisitions of wind farms.

During the year, the energy debate was characterized by rising energy prices. This is caused by several interacting factors, including an imbalance between supply and demand due to the shutdown of controllable electricity production in Southern Sweden and bottlenecks in the transmission network. 2021 is often described in relation to 2020, which was an extreme year in the other direction with very low prices. The debate often takes place for different political purposes or with other agendas, so it is important that we in the industry keep a balanced dialogue based on facts. We strongly believe that the energy market will be advantageous for renewable energy production in Southern Sweden, where most of our wind farms are located.

During the year, we strengthened our management team with a new hire. We continued to develop and streamline our internal processes. We have developed a new brand model, an important guiding document for our working methods and our values. Our employees are our brand - it will be a long-term change that we implemented in different phases during the year and which we will continue to work actively with in 2022.

During the year, all employees have, with great commitment, completed an e-learning around the Agenda 2030 with succeeding workshops to be able to use the knowledge in our own sustainability work. The education was a collaboration with Miljöbron, a non-profit organization that acts as a link for sustainability issues between academia, businesses, and the public sector.

Through cooperating, being innovative, and taking responsibility we continue to power the renewable future.



A stylized, handwritten signature in black ink, appearing to read 'Peter Wesslau'.

Peter Wesslau
CEO



2021

PRODUCTION DURING THE YEAR

Production in 2021 amounted to 633 GWh for the company's own wind farms, which is lower than expected due to light winds most of the year. Production based-availability was 96.2 percent.

OPERATIONS

Two wind farms have been transferred to the production portfolio. Wind farm Högen and wind farm Sköllunga with a total of six Enercon E-131. The operation and maintenance department has also taken over the operation of wind farm Lerka-ka and wind farm Stensåsa with a total of twelve Vestas V90. Availability was below expectations due to start-up of new wind farms, material repairs of blades damaged by lightning strikes, and losses due to ice detection. We have now adjusted the parameters of these wind turbines and therefore expect that problems with ice detection will decrease in 2022. Service agreements have been signed for wind farm Skaveröd-Gurseröd, Årjäng NV, Årjäng SV and Kil with Deutsche Windtechnik. Work on the sale of new management agreements is ongoing on a smaller scale. Nevertheless, we entered into new contracts for electrical inspections and electrical safety education.

BUSINESS DEVELOPMENT

The business portfolio has developed according to plan. During the year, we have signed several land lease agreements in specifically chosen areas in Southern Sweden. Projects in the permitting phase have required and increasingly require more communication with decision-makers and stakeholders. The risks and challenges with the deadlocks in the energy debate, especially around the expansion of wind power have increased during the year. In 2022, we wish for political reforms that help simplify the permitting phase. Our portfolio within solar energy has developed together with the opportunities to collaborate within solar energy. Preparations for the construction of our pilot project "Green Hydrogen", which we are carrying out together with Euro-mekanik, continues. The ambition is to deliver green hydrogen in late-2022 directly from one of our own wind farms.

CONSTRUCTION

The construction of wind farm Högen (Lilla Edets municipality) and Sköllunga (Stenungsunds municipality) is completed and both wind farms are operational. Construction of Rabbalshede Kraft's three wind farms and the co-owned wind farm on Åland is progressing well with the projects remain roughly on budget and on schedule. All parks should be in production by Q3 2022.

Financial overview

Keyfigures

KSEK	Q4	Q4	FULL-YEAR	FULL-YEAR
	2021	2020	2021	2020
Electricity production, MWh*	205,805	177,465	632,823	632,771
Net sales (electrical power)	68,522	51,551	205,778	199,139
Operating total revenue	76,522	60,853	227,714	226,779
EBIT	-12,255	-4,910	-79,522	-29,025
Profit/loss before tax	-19,248	-16,935	-115,699	-62,610
Profit/loss for the period	-21,900	-16,771	-117,888	-62,130
Cash flow from operating activities	-29,497	12,992	25,642	103,956
Earnings per share before dilution, SEK	-0,09	-0,09	-0,53	-0,34
Earnings per share after dilution, SEK	-0,09	-0,09	-0,53	-0,34
Average no. of shares before dilution, thousands	255,911	181,541	222,003	181 078
Average no. of shares after dilution, thousands	255,911	181,541	222,003	181 078

KSEK	2021	2020
Debt/equity ratio **	0,36	0,47
Shareholder's equity	2,072,984	1,720,851
Total assets	2,963,787	2,714,930

* Excluding co-owned farms

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

INVESTMENTS

Investments, including paid advances, totaled MSEK 362 (555) during the January to December period. The investments pertain to ongoing planning, acquisition of existing turbines and ERP-system.

FINANCING

Bank loans totaled MSEK 753 (821) at December 31, 2021. During the period, the Group's average interest rate on bank loans raised was 3.74 percent (3.77). The equity/assets ratio was 70 percent (63) at December 31, 2021. The majority of the debt expires in August 2022. Rabbalshede Kraft has started work relating to the refinancing that is expected to be completed later in spring.

HEDGING INSTRUMENTS

Rabbalshede Kraft applies hedge accounting of financial instruments in accordance with Chapter 12 (Financial instruments measured in accordance with Chapter 4, Paragraphs 14a–e of the Annual Accounts Act) of 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 December 31, 2021 was SEK -5 million (SEK -13 million). The market value of currency forward contracts, which are signed in conjunction with construction and futures contracts for electricity, amounted to SEK -28 million (SEK 2 million) as of December 31, 2021.

RISK AND UNCERTAINTIES

Through its operations, Rabbalshede Kraft is exposed to risks. The company is dependent on both the general economic and political climate in its business environment. For a detailed description of risks, refer to the administration report in the Annual Report for fiscal year 2020.

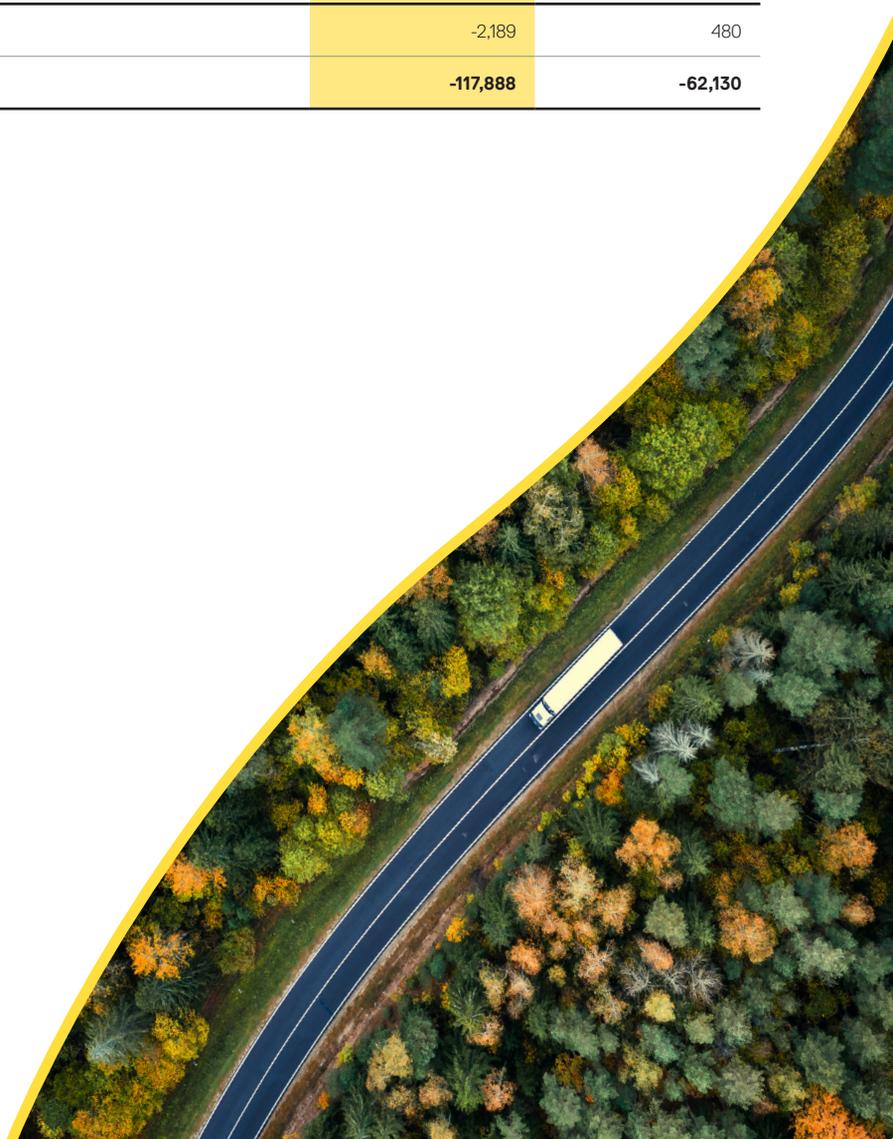
ACCOUNTING POLICIES

The year-end report has been prepared in accordance with the Swedish BFNAR 2012:1 Årsredovisning och koncernredovisning (K3) [Annual Reports and consolidated financial statements].

Group

Consolidated income statement

KSEK	2021	2020
Operating revenue		
Net sales	205,778	199,139
Own work capitalized	7,045	9,202
Other operating revenue	14,891	18,438
Total operating revenue	227,714	226,779
Operating costs		
Service and maintenance, windfarms	-88,192	-73,348
Other external costs	-23,180	-24,752
Personnel costs	-38,954	-33,794
Depreciation, amortisation and impairment	-156,910	-123,910
EBIT	-79,522	-29,025
Profit/Loss from financial items		
Other interest income and similar items	4,317	4,329
Interest expenses and similar items	-40,494	-37,914
Profit/loss after financial items	-115,699	-62,610
Tax on profit/loss for the year (incom tax, current and deferred)	-2,189	480
Profit/loss for the year	-117,888	-62,130



Consolidated balance sheet

KSEK	DEC 31, 2021	DEC 31, 2020
Assets		
Intangible fixed assets	23,540	25,012
Tangible fixed assets	2,513,361	2,305,544
Receivables from associated companies and joint ventures	108,226	108,226
Deferred tax assets	32,330	29,884
Other long-term receivables	41,739	41,749
Total fixed assets	2,719,196	2,510,416
Intangible current assets	4,839	17,389
Inventory	3,988	2,144
Accounts receivable	6,723	833
Receivables from associated companies and joint ventures	15,492	12,718
Other receivables	17,085	57,258
Prepaid costs and accrued income	30,519	31,680
Blocked bank funds	78,855	51,019
Cash and cash equivalents	87,090	31,473
Total current assets	244,591	204,514
Total assets	2,963,787	2,714,930
Shareholders equity		
Share capital	1,279,560	1,046,913
Other capital contribution	991,055	735,813
Reserves	-26,485	-8,617
Retained earnings	-53,258	8,873
Profit/loss for the year	-117,888	-62,130
Total shareholders' equity	2,072,984	1,720,851
Provision - rehabilitation costs for wind turbines	12,320	11,272
Liabilities to credit institutions	6,113	720,355
Other liabilities	33,356	10,854
Total long-term liabilities and provisions	51,789	742,481
Liabilities to credit institutions	742,898	93,481
Accounts payable	39,401	113,749
Other liabilities	4,909	1,596
Accrued expenses and deferred income	51,806	42,772
Total current liabilities	839,014	251,598
Total liabilities	890,803	994,079
Total shareholders' equity and liabilities	2,963,787	2,714,930

Consolidated statement of changes in shareholders' equity

CONDENSED SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS, KSEK	DEC 31, 2021	DEC 31, 2020
Total shareholders' equity on the opening date	1,720,851	1,506,037
Profit/loss for the year	-117,888	-62,130
Change in fair value, hedging instruments	-17,868	7,472
New share issue	488,559	270,368
Expenses attributable to the new share issue	-670	-896
Total shareholders' equity on the closing date of the period	2,072,984	1,720,851



Consolidated cash flow statement

CONDENSED, KSEK	JAN 1, 2021- DEC 31, 2021	JAN 1, 2020- DEC 31, 2020
Operating activities		
Profit/loss before tax	-115,699	-62,610
Adjustment for non-cash items	159,966	125,711
Cash flow from operating activities before changes in working capital	44,267	63,101
Cash flow changes in working capital		
Increase (-)/Decrease (+) in intangible current assets	10,706	43,260
Increase (-)/Decrease (+) in operating receivables	32,670	-30,383
Increase (+)/Decrease (-) in operating liabilities	-62,001	27,978
Cash flow from changes in working capital	-18,625	40,855
Cash flow from operating activities	25,642	103,955
Investing activities		
Acquisition of intangible fixed assets, including advances	-236	-4,840
Acquisition of tangible fixed assets, including advances	-362,368	-549,944
Sale of tangible assets	650	-
Acquisition of shares in associated companies	-	-41,725
Cash flow from investing activities	-361,954	-596,509
Financing activities		
New share issue	488,559	270,368
Issuance costs	-670	-896
Loans raised	24,935	262,132
Shareholder loans raised	324,000	88,284
Amortization of shareholder loans	-324,000	-244,086
Amortization of loans	-93,058	-25,209
Changes in blocked funds	-27,836	-2,995
Cash flow from financing activities	391,930	347,598
Cash flow for the period	55,618	-144,955
Cash and cash equivalents on the opening date	31,473	176,428
Cash and cash equivalents on the closing date	87,091	31,473
Blocked funds	78,855	51,019
Total cash and cash equivalents and blocked funds	165,946	82,492

Parent company

Parent Company income statement

KSEK	2021	2020
Operating revenue		
Own work capitalized	2,920	6,976
Other operating revenue	28,785	25,184
Operating costs		
Other external costs	-20,984	-22,395
Personnel costs	-38,954	-33,794
Depreciation, amortisation and impairment	-12,961	-910
EBIT	-41,194	-24,941
Profit/loss from financial items		
Other interest income and similar items	4,317	4,329
Interest expenses and similar items	-6,841	-7,459
Profit/loss after financial items	-43,718	-28,071
Appropriations	-	-
Tax on profit/loss for the year (income tax, current and deferred)	-	-
Profit/loss for the year	-43,718	-28,071

Parent Company balance sheet

CONDENSED, KSEK	31 DEC, 2021	31 DEC, 2020
Intangible fixed assets	6,405	6,881
Tangible fixed assets	35,764	88,614
Financial fixed assets	2,025,053	1,555,653
Inventory	3,988	2,144
Other receivables	40,017	34,925
Cash and cash equivalents	31,763	4,223
Total assets	2,142,990	1,692,440
Share capital	1,279,560	1,046,913
Retained earnings	870,776	643,605
Profit/loss for the year	-43,718	-28,071
Long-term liabilities	2,278	2,531
Current liabilities	34,094	27,462
Total shareholders' equity and liabilities	2,142,990	1,692,440

Financial calendar

Annual report 2021, April 7, 2022
Annual General Meeting for the 2021 fiscal year, April 28 April, 2022
Interim report January-June 2022, August 25, 2022
Year-end report for 2022, 9 March, 2023

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Download financial reports at:
rabbalshedekraft.se

Review
This report is unaudited.

ISSUER OF THE REPORT

RABBALSHEDA, FEBRUARY 24, 2022

Stine Rolstad Brenna
Chairman of the Board

Adam Thouret
Board member

Jeffrey Mouland
Board member

Mikael Kowal
Board member

Peter Wesslau
CEO