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# CEO'S STATEMENT

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THE CONSTRUCTION OF THE GÄRDSHYTTAN PROJECT HAS NOW BEEN COMPLETED AND RABBALSHEDA KRAFT EXPECTS TO TAKE OVER OPERATIONS DURING THE FIRST HALF OF JULY

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Peter Wesslau, CEO

The first half of 2020 has largely been characterized by Covid-19. We have not yet seen the end of the pandemic that affects us all, both privately and professionally. Rabbalshede Kraft continues to follow the Swedish Public Health Agency's recommendations to take the right measures and handle the situation in the best possible way for all our employees, customers and partners.

The company's operations have had a good first half year in terms of production. Mild, rainy and above all a very windy weather has led to electricity production being above normal and demand below normal. Therefore, we have for a long time had low electricity prices due to increased supply of hydro and wind power in combination with lower demand. In the last days of June, the transmission capacity in the network was limited to southern Sweden at the same time it was dead calm and nuclear power carried out maintenance. During these days, electricity prices rose sharply. The certificate system continues its politically unclear path with prices around just over SEK 10.

Despite the low market price, Rabbalshede Kraft reports slightly higher revenues than expected during the first six months of the year. This is partly because the company has hedged the electricity price for a large share of its production, and partly due to a windy half-year with high production. The high production has to some extent compensated for the low electricity price. The net result for the period amounts to SEK -16.5 million, compared with SEK -8.0 million in the first half of 2019.

Due to prevailing circumstances and the ongoing pandemic, the market for selling new management agreements has largely come to a complete standstill. However, our ongoing management activities with existing customers and our own parks are not affected.

The construction of the Gärdsyttan project has now been completed and Rabbalshede Kraft expects to take over operations during the first half of July. The construction at Högen / Sköllunga will take a break during the summer and be completed during Q3 / Q4. As usual, the company conducts continuous work with new wind power projects and during Q2, a contract was signed with a "site hunter" to identify and develop a large number of projects in southern Sweden.

The Annual General Meeting for the 2019 financial year was held virtually on April 28. The Annual General Meeting resolved in accordance with the Nomination Committee's proposal that the company's Board shall continue to consist of five members elected by the Annual General Meeting. The AGM resolved to re-elect Annika Ahl Åkesson, Jeffrey Moulard and Nicoló Napolitano as well as the election of Cian McComb. Stine Rolstad Brenna was re-elected Chairman of the Board for the period until the end of the next Annual General Meeting.

Events after the balance sheet day

\* No events worth noting

**Peter Wesslau**  
CEO



# QUARTER 2, 2020

## PRODUCTION DURING THE YEAR

Production at own farms in the second quarter was 161 GWh, of which 118 GWh was our own and 43 GWh was co-owned. The average wind for the period was 5,9 m/s, which is +0,1 m/s vs. normal wind. The availability of our own wind turbines and those of our clients remains at a high level of around 98 percent.

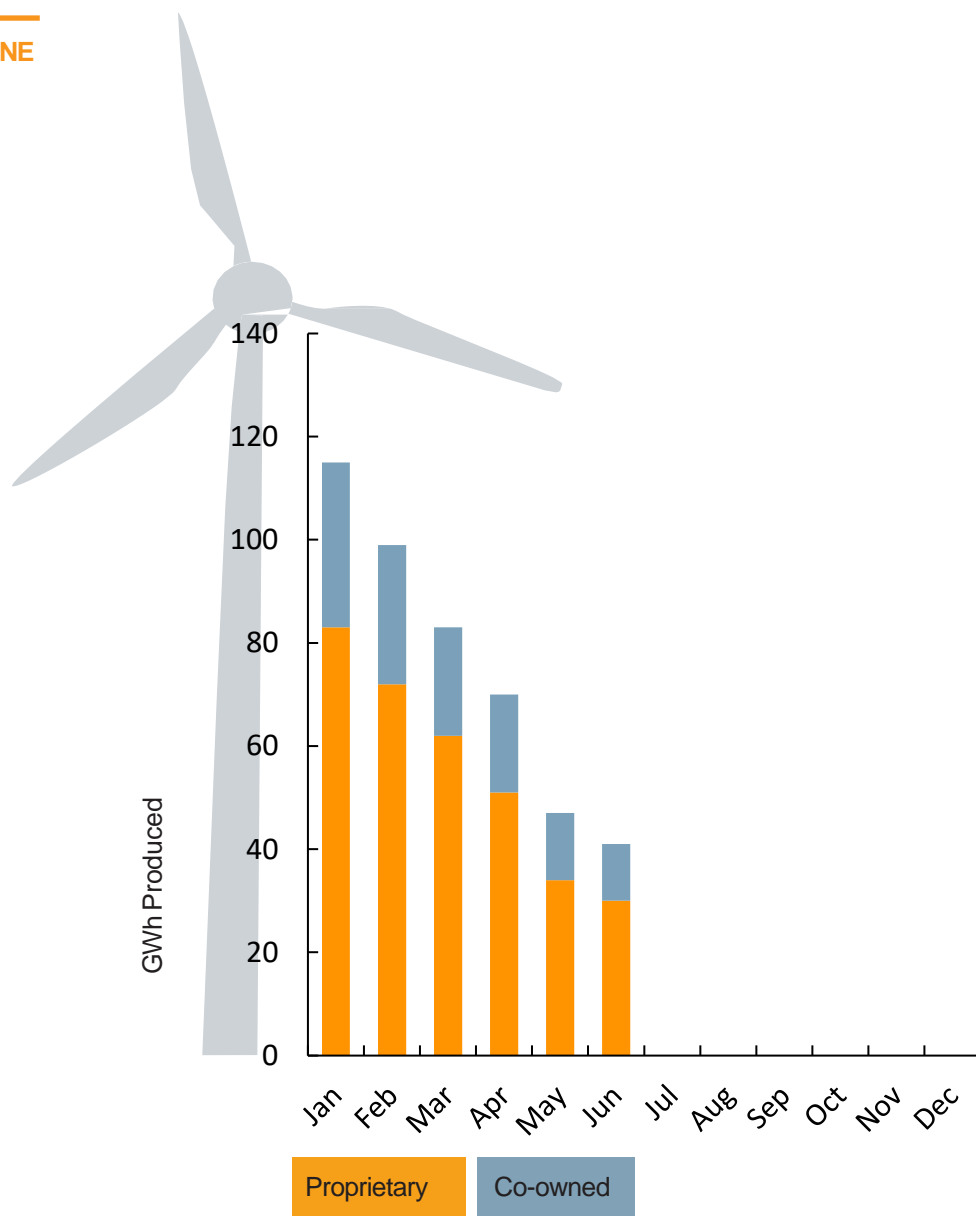
## SERVICE OPERATIONS

Blade repairs have been carried out in Hud and Töftedal wind farms. Service period has ended in all wind farms and TOC-takeover of wind farm Gärdshyttan has been prepared. Construction of the PV plan at the office in Rabbalshede continues and the foundations have been completed. Installation of solar cells will take place in August.

## BUSINESS DEVELOPMENT

The construction project Gärdshyttan has been taken into operation. The final take over from the turbine manufacturer occurred in July. The two other construction projects Högen and Sköllunga, roads, crane areas and foundations are in place to enable turbine erection during the fall. On the project development side, MPD has granted the project ED SV a permit for 5 WTGs. This decision has been appealed by RKAB to extend the farm to 8 or 10 WTGs. A significant project portfolio (~1.5 GW) has been secured via a site hunter and a project manager has been recruited.

## PRODUCTION JANUARY-JUNE 2020 (GWH)



## FINANCIAL OVERVIEW

## Consolidated income statement

In summary, SEKthousand	Q2 2020	Q2 2019	Q1-Q2 2020	Q1-Q2 2019
<b>OPERATING INCOME</b>				
Net sales	32 815	49,687	112 114	128,548
Capitalised work for own account	2 287	1,688	4 820	3,025
Other operating income	5 302	4,422	9 092	12,514
<b>Total operating income</b>	<b>40 404</b>	<b>55,796</b>	<b>126 026</b>	<b>144,087</b>
<b>OPERATING EXPENSES</b>				
Employee benefit expenses	-8 130	-7,561	-17 131	-18,931
Other operating expenses	-54 639	-54,929	-112 185	-114,464
<b>Total operating expenses</b>	<b>-62 769</b>	<b>-62,491</b>	<b>-129 316</b>	<b>-133,394</b>
<b>Operating profit</b>	<b>-22 365</b>	<b>-6,694</b>	<b>-3 290</b>	<b>10,692</b>
<b>Profit before tax</b>	<b>-30 055</b>	<b>-13,717</b>	<b>-16 524</b>	<b>-8,152</b>
<b>Profit/loss for the period</b>	<b>-30 006</b>	<b>-13,717</b>	<b>-16 255</b>	<b>-8,152</b>

## Consolidated balance sheet

In summary, SEKthousand	30 jun, 2020	30 jun, 2019	31 dec, 2019
<b>ASSETS</b>			
Non-current assets	2 090 145	1 951 628	2 039 482
Current assets	223 773	290 698	359 356
<b>Total assets</b>	<b>2 313 918</b>	<b>2 242 326</b>	<b>2 398 838</b>
<b>EQUITY</b>	<b>1 494 335</b>	<b>1 312 621</b>	<b>1 506 037</b>
<b>LIABILITIES</b>			
Non-current liabilities	712 741	748 686	731 154
Current liabilities	106 842	181 019	106 842
<b>Total liabilities</b>	<b>819 583</b>	<b>929 705</b>	<b>819 583</b>
<b>Total equity and liabilities</b>	<b>2 313 918</b>	<b>2 242 326</b>	<b>2 398 838</b>



Photo: Wind farm in Hud

## Key ratios

SEK thousand	Q2	Q2	Q1-Q2	Q1-Q2	FULL YEAR
	2020	2019	2020	2019	2019
Electricity production MWh*	117 501	105 977	335 832	272 158	517 545
Net sales (electricity sales)	32 815	49 687	112 114	128 548	247 165
Total operating income	40 404	55 796	126 026	144 087	275 007
Operating profit	-22 365	-6 694	-3 290	10 692	21 556
Profit before tax	-30 055	-13 717	-16 524	-8 152	-13 838
Profit/loss for the period	-30 006	-13 717	-16 255	-8 152	-13 838
Cash flow from operating activities	-16 496	7 994	50 403	55 225	116 514
Average number of shares	180 923	160 109	180 923	160 109	164 899
Earnings per share	-0,17	-0,09	-0,09	-0,05	-0,08

SEK thousand	30 June 2020	30 June 2019	31 December 2019
Debt/equity ratio **	0,50	0,63	0,49
Equity	1 494 335	1 312 621	1 506 037
Balance sheet total	2 313 918	2 242 326	2 398 838

\* Excluding co-owned farms

\*\* Debt/equity ratio is calculated as interest-bearing liabilities/equity.

## INVESTMENTS

Investments including paid advances amounted to SEK 111 million (SEK 39 million) during the period January to June. Investments refer to ongoing planning, acquisition of existing turbines and ERP.

## FINANCING

Total bank loans as of June 30, 2020 amounted to SEK 595 million (SEK 554 million). During the period, the Group's average loan interest rate for borrowed bank loans was 3.80 (3.84) percent. The equity / assets ratio was 65 (59) percent as of June 30, 2020.

## 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 BFAR 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, 2020 was SEK -16,3 million (SEK -26 million). The market value of currency forward contracts, which are signed in conjunction with construction and futures contracts for electricity, amounted to SEK 1,7 million (SEK 0 million) as of June 30, 2020.

## 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 2019.

## Consolidated cash flow

In summary, SEKthousand	Q2 2020	Q2 2019	Q1-Q2 2020	Q1-Q2 2019
<b>Cash flow from changes in working capital</b>				
Cash flow from operations before changes to working capital	-636	16 436	41 978	52 141
Cash flow from changes in working capital	-15 860	-8 442	8 425	3 084
Cash flow from operating activities	-16 496	7 994	50 403	55 225
<b>Investing activities</b>				
Acquisition of intangible assets incl. advance payments	-1 602	-	-3 229	-1 282
Acquisition of property, plant and equipment incl. advance payments	-29 175	-25 044	-107 972	-37 237
Sale of property, plant and equipment	-	-	-	141 945
Cash flow from investing activities	-30 777	-25 044	-111 201	103 426
<b>Financing activities</b>				
Change in shareholder loans	-	-14 133	-	-14 113
Loans raised	-	-	34 928	-
Amortisation of loans	-24 440	-38 780	-24 809	-39 150
Change in blocked funds	-	-	-	-3 000
Cash flow from financing activities	-24 440	-58 028	10 119	-56 263
<b>Cash flow for the period</b>	<b>-71 713</b>	<b>-75 078</b>	<b>-50 679</b>	<b>102 388</b>
Cash and cash equivalents at beginning of period	197 462	238 758	176 428	61 292
Cash and cash equivalents at end of period	125 749	163 680	125 749	163 680
Blocked funds	48 024	43 845	48 024	43 845
Total cash and cash equivalents and blocked funds	173 773	207 525	173 773	207 525

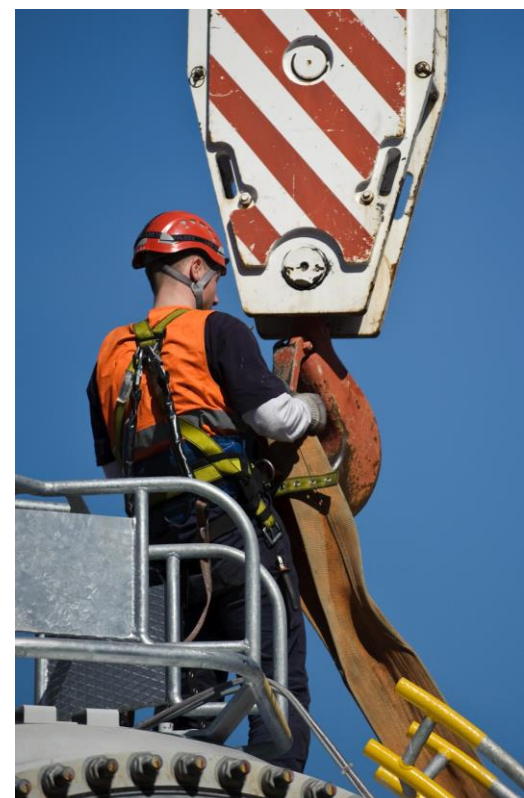


Photo: Installation of rotor blades

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# FINANCIAL CALENDAR

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PRESS RELEASES AND FINANCIAL  
REPORTS CAN BE SUBSCRIBED TO  
AND DOWNLOADED ON  
RABBALSHEDE KRAFT'S WEBSITE AT  
[WWW.RABBALSHEDEKRAFT.SE](http://WWW.RABBALSHEDEKRAFT.SE)

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Interim Report July-September 2020, 18 November, 2020  
Year-end report for 2020, 11 March, 2021

## Further information

For further information, contact:

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## Audit

This report has not been audited by the company's auditors.

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## SUBMISSION OF THE REPORT

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RABBALSHEDE, 19 AUGUST 2020

**Stine Rolstad Brenna**  
Chair of the Board of Directors

**Annika Ahl Åkesson**  
Director

**Jeffrey Mouland**  
Director

**Cian McComb**  
Director

**Nicolò Napolitano**  
Director

**Peter Wesslau**  
CEO

