



Rabbalshede Kraft

INTERIM REPORT

JANUARY TO SEPTEMBER 2021

Rabbalshede Kraft AB (publ)

Read more at: rabbalshedekraft.se

CEO's statement

Energy prices in southern Sweden continued to increase during the third quarter. This is caused by several interacting factors, including an imbalance between supply and demand. During the third quarter, the winds also returned to Sweden.

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. We continue to focus on the development of new wind power projects and aim for new investment decisions in the same order of magnitude as in 2020 within a year. However, we see challenges with the deadlocks in the energy debate and especially around the expansion of wind power.

Inspired by VIND2021, it is clear that Swedish business stakeholders are ready with a number of initiatives and innovations that can make electrification and climate change possible. To achieve the goal of 100% renewable energy by 2040 and meet the ambitions of the industry and transport sectors to cope with this transition, we need courageous politicians who see the expansion of wind power as an important piece of the puzzle and a prerequisite for us to cope with the energy transition.

We see our investments in solar and green hydrogen as complementary markets that can further refine the green electricity from our wind power production. Solar is a growing market and green hydrogen is an enabler for the necessary interconnection of energy, industry and the transport sector. We are also looking at how we can develop flexible grid solutions needed to facilitate the interface between network owners and the developing industry.

During the third quarter we achieved a result that was better than expected, despite lower than normal production.

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



A handwritten signature in black ink, which appears to read 'Peter Wesslau'.

Peter Wesslau
CEO



Q3 2021

PRODUCTION DURING THE YEAR

Quarter three started off with weak winds but the winds picked up midway and the Quarter closed on a high. The light wind together with interruptions because of lightning strikes resulted in production below plan. Total production amounted to 171 GWh, of which 126 GWh is owned and 45 GWh is co-owned. The average wind-speed for the period was 5.6 m/s. Production based-availability was 97.2 percent.

SERVICE OPERATIONS

During the third quarter, availability was below average. This was mainly caused by interruptions from repairing the blades damaged by lightning strikes. During the summer, additional maintenance has been performed on blades to alleviate wear and tear in some of our wind farms. The Högen wind farm with 3 turbines (E-138), has been taken over and is now in production.

BUSINESS DEVELOPMENT

The early project portfolio is developing according to plan and we have signed several land lease agreements in specifically chosen areas in southern Sweden. As previously mentioned, we see challenges with the deadlocks in the energy debate and especially around the expansion of wind power. Preparations for the construction of our pilot project "green hydrogen", which we are carrying out together with Euromekanik, continue. The ambition is to deliver green hydrogen in late-2022 directly from one of our own wind farms.

CONSTRUCTION

Construction of Rabbalshede Kraft's three wind farms and the co-owned wind farm on Åland is progressing well with the projects remaining on schedule.

EVENTS AFTER THE DATE

The highest environmental court (MÖD) has decided that it will not review our case regarding Ed SV. The lower court (MMD) decision to rescind the permit for the Ed SV project due to proximity to capercaillie mating.

Financial overview

CONSOLIDATED INCOME STATEMENT

CONDENSED, KSEK	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020
OPERATING REVENUE				
Net sales	52,380	35,474	137,256	147,588
Own work capitalized	1,340	2,003	5,389	4,476
Other operating revenues	2,362	2,424	8,547	11,516
Total operating revenue	56,082	39,901	151,192	165,927
OPERATING COSTS				
Personnel costs	-8,569	-7,292	-29,967	-24,423
Other operating expenses	-27,118	-22,426	-78,142	-75,185
Total operating expenses	-34,687	-29,718	-104,652	-99,608
EBIT	-13,386	-20,825	-67,267	-24,115
PROFIT/LOSS BEFORE TAX	-20,474	-29,152	-96,451	-45,676
PROFIT/LOSS FOR THE PERIOD	-20,413	-29,105	-95,988	-45,360

CONSOLIDATED BALANCE SHEET

CONDENSED, KSEK	30 SEP 2021	30 SEP 2020	31 DEC 2020
ASSETS			
Fixed assets	2,669,012	2,145,492	2,510,416
Current assets	404,197	196,156	204,514
Total assets	3,073,209	2,341,648	2,714,930
SHAREHOLDERS' EQUITY	2,103,485	1,467,240	1,720,851
LIABILITIES			
Long-term liabilities	751,114	727,079	742,481
Current liabilities	218,610	147,329	251,598
Total liabilities	969,724	874,408	994,079
Total shareholders' equity and liabilities	3,073,209	2,341,648	2,714,930

Key figures

KSEK	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	FULL-YEAR 2020
Electricity production, MWh*	126,760	119,474	427,018	455,306	623,771
Net sales (electricity + certificate sales)	52,380	35,474	132,256	147,577	199,139
Total operating revenue	56,082	39,901	151,192	165,927	226,779
EBIT	-13,386	-20,825	-67,267	-24,115	-29,025
Profit/loss before tax	-20,474	-29,152	-96,451	-45,676	-62,610
Profit/loss for the period	-20,413	-29,105	-95,988	-8,440	-62,130
Cash flow from operating activities	77,567	40,561	55,139	90,964	103,956
Average no. of shares	255,912	180,923	226,256	180,923	181,078
Earnings per share, SEK	-0.08	-0.16	-0.42	-0.25	-0.34

KSEK	30 SEP 2021	30 SEP 2020	31 DEC 2020
Debt/equity ratio **	0.37	0.51	0.47
Shareholders' equity	2,103,485	1,467,240	1,720,851
Total assets	3,073,209	2,341,648	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 amounted to SEK 263 million (SEK 173 million) during the period January to September. Investments refer to ongoing planning and ERP.

FINANCING

Total bank loans as of September 30, 2021 amounted to SEK 786 million (SEK 605 million). During the period, the Group's average loan interest rate for borrowed bank loans was 3.44 (3.84) percent. The equity / assets ratio was 68 (63) percent as of September 30, 2021.

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 September 30, 2021 was SEK -7 million (SEK -14,5 million). The market value of currency forward contracts, which are signed in conjunction with construction and futures contracts for electricity, amounted to SEK -15.4 million (SEK 2.5 million) as of September 30, 2021.

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 2020.

Consolidated cash flow

CONDENSED, KSEK	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020
CASH FLOW FROM CHANGES IN WORKING CAPITAL				
Cash flow from operating activities before change in working capital	15,282	2,540	13,542	44,518
Cash flow from changes in working capital	62,285	38,021	41,597	46,446
Cash flow from operating activities	77,567	40,561	55,139	90,964
INVESTING ACTIVITIES				
Acquisition of intangible fixed assets, including advances	-2	-1,322	-248	-4,551
Acquisition of property, plant and equipment, including advances	-96,684	-60,280	-262,605	-168,252
Acquisition of financial assets, incl advance payments	-	-25,298	-	-25,298
Cash flow from investing activities	-98,686	-86,900	-262,853	-198,101
FINANCING ACTIVITIES				
New share issue	-	-	488,559	-
Issue costs	-	-	-670	-
Change in shareholder loans	-	-	-	-
Amortization of loans	-84	-200	-60,164	-25,009
Loans raised	-	10,833	24,935	45,811
Changes in blocked funds	-	-	-12,533	-
Cash flow from financing activities	-84	10,633	440,127	20,802
CASH FLOW FOR THE PERIOD	-21,203	-35,656	232,413	-86,335
Cash and cash equivalents on the opening date	285,089	125,749	31,473	176,428
Cash and cash equivalents on the closing date	263,886	90,093	263,886	90,093
Blocked funds	63,552	48,024	63,552	48,024
Total cash and cash equivalents and blocked funds	327,438	138,117	327,438	138,117



Financial calendar

Download and subscribe to
press releases and financial reports at
rabbalshedekraft.se

Year-end report for 2021, March 9, 2022

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Review

This report is unaudited.

ISSUER OF THE REPORT

RABBALSHED, NOVEMBER 16, 2021

Stine Rolstad Brenna

Chairperson of the Board

Adam Thouret

Board member

Jeffrey Mouland

Board member

Mikael Kowal

Board member

Peter Wesslau

CEO