



Rabbalshede Kraft

ANNUAL REPORT

2021

Rabbalshede Kraft AB (publ)

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About Rabbalshede Kraft

At Rabbalshede Kraft, we shape tomorrow's energy.

Our ambition, together with our partners and local actors, is to develop and drive sustainable energy solutions. Through long-term ownership, we generate power that can be supplied when and where it is needed. We compete with global actors, we offer unique flexibility and local understanding, all the way from planning, construction and operation to administrative services.

Our head office is in Rabbalshede. We also have offices in Stockholm and Göteborg.



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Administration report**2021****Multi-year review**

PROJECT PORTFOLIO	No. of Turbines					Total capacity, MW				
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Operation	98	92	78	78	71	259	238	205	205	190
Construction	18	25	11	-	-	98	115	37	-	-
Authorized	0	23	33	41	45	0	149	111	139	134
Preplanning, planning and application phase	270	179	25	25	101	2,400	1,622	102	105	324
Total in operation and being planned	386	319	147	144	217	2,757	2,108	455	449	648
PRODUCTION						Full-year 2021	Full-year 2020	Full-year 2019	Full-year 2018	Full-year 2017
Production Outcome, GWh						633	633	518	465	510
Price-hedged energy, %						64	79	74	74	90
FINANCIAL OVERVIEW (MSEK)		Full-year 2021	Full-year 2020	Full-year 2019	Full-year 2018	Full-year 2017				
Net sales		206	199	247	243	234				
Total revenue		228	227	275	331	257				
EBIT		-80	-29	22	75	3				
Profit/loss before tax		-116	-63	-14	33	-100				
Profit/loss for the year		-118	-62	-14	20	-100				
Cash flow from operating activities		26	104	117	81	18				
CONDENSED BALANCE SHEET (MSEK)		Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017				
Total assets		2,964	2,715	2,399	2,309	2,202				
Shareholders' equity		2,073	1,721	1,506	1,321	1,296				
Interest-bearing liabilities, (excl. shareholder loans)		749	814	577	587	605				
Other liabilities, incl. shareholder loans		142	180	316	401	301				
KEY RATIOS		Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017				
Return on capital employed before taxes, %		-	-	0.1	4	0.4				
Debt/equity ratio, multiple		0.36	0.5	0.5	0.7	0.6				
Net debt, MSEK		583	731	509	778	743				
Equity/assets ratio, %		70	63	63	57	59				
Number of shares at the end of the period (millions)		256	209	181	160	160				
Shareholders' equity per share, SEK		8.10	8.22	8.32	8.25	8.09				
Earnings per share, SEK		-0.53	-0.34	-0.08	0.12	-0.64				
Average number of employees		32	32	29	27	28				

See Notes for definitions of key metrics.

Administration report

The Board of Directors and CEO of Rabbalshede Kraft AB (publ), corporate registration number: 56681-4652, hereby submit the Annual Report and consolidated financial statements for the January 1, 2021 to December 31, 2021 fiscal year.

BUSINESS ACTIVITIES

The Group comprises the Parent Company, Rabbalshede Kraft AB (publ.) and 7 (8) wholly owned subsidiaries, of which 6 are directly owned. Refer to Note 18 for further information.

The Parent Company started operations in 2005 and the Group was formed in November 2007. Rabbalshede Kraft refers to the Group in this report.

Rabbalshede Kraft plans and constructs onshore wind farms for proprietary operation or to sell on to other operators. The company ensures effective control of all stages from preplanning, planning, application and construction to, ultimately, operation and maintenance. Optimal long and short-term profitability is achieved by being in control of all of the stages from the initial analysis of suitable areas for the construction of wind farms to their actual operation. Rabbalshede Kraft also offers operational management of wind turbines for partners.

In 2020, the average number of employees was 32 (32).

PARENT COMPANY

The Parent Company, Rabbalshede Kraft AB (publ.), focuses primarily on management, coordination and development of the Group. The administration of electricity sales is carried out by the Parent Company. The Parent Company is responsible for issues related to the equities market, such as preparing consolidated financial statements and equity market information, and to the credit market on such matters as funding and financial risk management. All staff are employed by the Parent Company.

SHARE CAPITAL AND OWNERSHIP STRUCTURE

At the end of the fiscal year, the registered share capital comprised 255,911,965 shares (208,382,517), of which Class A shares comprised 1,000,000 (1,000,000) and Class B shares 254,911,965 (208,382,517). Class A shares entitle the holder to one vote and Class B shares entitle the holder to one tenth of a vote. The quotient value of the shares at December 31, 2021 was SEK 5 per share.

At December 31, 2021, according to the share register maintained by Euroclear Sweden AB, the number of shareholders was 1,042. At the end of the fiscal year, Sweden Holdco RK (TD Asset Management) controlled 88.07% of the company's votes and Nordea Nordic Small Cap Fund 2.16%. No other shareholder controls 2% or more of the company's votes.

Rabbalshede Kraft AB's shares are not listed on any stock exchange or market. In April 2014, the Board of Directors decided to list the company's Class B share for trading on Alternativa Sweden trading platform via the Alternativa List. On the Alternativa List, buyers and sellers can follow share price information and execute regular trading. Trading on the Alternativa List occurs regularly once a month in order to gather transactions and create share liquidity. Each trading period comprises four days. During 2021, 185,295 Class B shares were traded at an average price of SEK 7.18.

At the year end, Pepin's decided to cease the current trading model for unlisted shares. Pepin's ambition is to be able to offer share trade but in some different form. Rabbalshede Kraft follows the development and awaits further information from Pepins. In connection with this, the Rabbalshede Kraft Board of Directors decided that going forward the financial reporting shall be published semi-annually instead of quarterly.

The Articles of Association do not include any preemption clauses, meaning no barriers to transferring shares in the company.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The year began with the start of construction of three wind farms in the southern half of Sweden totalling 100 MW, with expected annual production of over 300 GWh. These three wind farms and our co-owned farm on Åland were under construction throughout the year and construction is proceeding to plan. All farms should be in production in Q3 2022.

The company held a new share issue in June, resulting in a capital injection of SEK 489 million, to realise its growth strategy by building and acquiring wind farms.

Construction of the projects Högen (Lilla Edet Municipality) and Sköllunga (Stenungsund Municipality) was completed and the projects were commissioned in the first half of 2021. The production portfolio thus gained 6 turbines (Enercon E-138). Production in 2021 was 633 GWh for the company's own wind farms. This was slightly lower than expected on account of weak wind for much of the year. Availability during the year was 96.2%.

Service operations took over the management of two wind farms, Lerkaka and Stensåsa in December 2021, a total of 12 turbines. Availability in the portfolio was lower than expected during the year. This is partly due to the launch of new wind farms, extensive blade repairs following lightning damage and losses on account of ice formation. Service contracts were signed with Deutsche Windtechnik for Vindpark Skaveröd-Gurseröd, Årjäng NV, Årjäng SV and Kil. Management business still has low demand for services. However, new business was added in electrical installation inspection and electrical safety training.

The project portfolio developed to plan. During the year, we signed leases focusing on southern Sweden. Projects in the permit process required and continue to require more and more work in the form of dialogue and communication with decision makers and stakeholders. The risks and challenges of impasses in the energy debate, in particular in relation to development of wind power, increased during the year. In the year to come, we hope for political reforms that will help simplify the permit process. The solar project portfolio has developed, as did opportunities for solar power partnerships. The green hydrogen pilot project that we are carrying out with Euromekanik advanced during the year and is approaching the investment decision stage. The ambition is for us to supply green hydrogen from our wind farm at the end of 2022.

IMPACT OF COVID-19

Covid-19 has affected all of society, including us at Rabbalshede Kraft. It has challenged us to innovate and find new ways of doing things. We have had to work a little harder together on everything from health and safety issues to leadership and values to digital infrastructure and digital meetings. Operating activities have been affected by a large number of delays in our construction projects and in repair work. This has been the consequence of delayed deliveries and, in some cases, a lack of human resources. This factor had a negative impact on the company as a result of lower availability during the year and therefore reduced income.

EVENTS AFTER THE BALANCE SHEET DATE

The company has started to refinance its loans. This process is expected to have been finished before the summer.

Towards the end of February Russia invaded Ukraine and the war has continued since then. Aside from the horrible humanitarian consequences for millions of humans, this has resulted in a change in the perception of

Information about risks and uncertainties

importing Russian energy resources (oil, gas, coal and electricity) in the long-run. Politically this has led to increased support for the continued build-out of renewable energy. It is difficult to say how Rabbalshede Kraft will be affected as the uncertainty factors are several as a result of the war. The management is following the development.

POLITICAL RISKS

The power market is subject to laws and regulations, and in Sweden these are partly derived from EU Directives. The wind power market is also subject to laws and regulations for both the subsidy system and the permit process for installing wind turbines.

The projects Rabbalshede Kraft has in the planning and application phases are subject to investigation and consideration by municipalities and/or county administrative boards. Consequently, there is uncertainty as to whether the company will be granted permits for these projects.

The electricity certificate system was introduced in Sweden in 2003 to promote the expansion of renewable, carbon-free power. Sweden has now decided to end the certificate system, meaning that new plants will not receive electricity certificates. The system has been ended with a built-in surplus, i.e. the expected annual production exceeds the annual quota. This resulted in prices falling throughout the year. They are now below SEK 5/MWh. Given that the system has been ended, there is nothing to indicate that the prices of certificates will rise in the future.

ELECTRICITY PRICES

2021 saw less wind than the historical average, higher gas prices, higher prices for emission allowances and falling watershed levels. The prices of gas and emission allowances affect the price of electricity in continental Europe, which in turn affects the price of electricity in the Nordic region as we export and import electricity to and from continental Europe. These factors resulted in higher electricity prices in 2021 than in 2020, particularly at the end of the year.

The average SYS price for 2021 was 62.31 EUR/MWh (10.93). Price differences within Sweden increased in 2021, partly on account of restrictions in the transmission network, and the average price for price region SE3, in which Rabbalshede has the majority of wind production, was 66.00 EUR/MWh (21.19). In price region SE4 the average price was 80.54 EUR/MWh (25.86) and in price region SE2 the average price was 42.55 EUR/MWh (14.39).

Future electricity prices will depend on how the prices of gas and emission allowances develop, expansion of production capacity, increased demand for electricity and transmission restrictions. Prices will vary from year to year according to levels of precipitation and whether there is more or less wind than in an average year.

COMPETITORS

Over the past few years, interest in wind power has increased and competition for areas with favorable wind conditions has intensified. Through its extensive project portfolio, Rabbalshede Kraft holds a strong position in the Swedish wind power market. Rabbalshede Kraft is open to partnerships with other operators on individual projects, which can also enable the establishment of more and larger wind farms.

Wind farms with favorable wind conditions have a competitive advantage when applying for financing. The capacity in the power grid is limited, which means that local wind power projects compete for the available space.

VARIATIONS IN WIND

Wind power production varies during the year, normally entailing higher electricity production during the winter season. An average wind year, known as a normal year, is based on wind measurements over at least a ten-year period. Deviations from the normal year may be substantial during certain periods, thus affecting income and earnings during a single quarter or year. When making investment decisions about wind farms, Rabbalshede Kraft takes variations in wind into consideration and, furthermore, places great importance on diligent wind measurement to optimize the location of wind turbines and production.

ECONOMIC LIFE AND OPERATING COSTS

Investment decisions are based on an estimated economic life of 15–30 years depending on the components in a wind turbine. If the actual economic life should be less than the estimated economic life, this will negatively affect the Group's profitability. Such a long investment horizon means that future operating expenses may deviate from estimated expenses and thus affect the earnings trend. The Group established its own operation and maintenance organization in 2010.

DEPENDENCY

The company uses various suppliers as part of planning and constructing wind farms. In the opinion of Rabbalshede Kraft, the company is not dependent on any single supplier of strategic components such as wind turbines, which means that any interruptions in deliveries do not need to entail any long-term consequences for operations. The critical point for bringing new turbines into operation is whether they can be connected to the Swedish power grid. On this point, producers of renewable electricity such as Rabbalshede Kraft are extremely dependent on grid companies at local, regional and national levels. Svenska Kraftnät is responsible for the Swedish national grid and has system responsibility for the electricity supply in Sweden. The agency has been tasked by the government to strengthen the national grid with the aim of managing the expansion of wind farms that are often located in sparsely populated areas with power grids that are under-dimensioned for large-scale electricity production. The company expects the connections to be in place in time for those turbines planned to be operational over the next few years.

EMPLOYEES

The achievement of sustained growth combined with healthy earnings is also dependent on the company's ability to recruit, retain and develop senior executives and other key individuals. The organization will gradually be adjusted for continued growth in line with the expansion plan. Additional key employees may be recruited in pace with the company's growth.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Through its business operations, the Group is exposed to various categories of financial risk. Financial risk pertains to fluctuations in the company's earnings and cash flow arising from changes in exchange rates, interest rates and defaulted credit. The Group's financial policy was formulated by its Board of Directors and constitutes a framework of guidelines and rules in the form of risk mandates and limits for finance activities for managing financial risks. The CEO is responsible for the Group's financial transactions and risks. The overall objective of the finance function is to provide cost-efficient financing and to minimize the negative impact on consolidated earnings arising from market risks. Reporting is undertaken on a continuous basis to the company's Board of Directors.

MARKET RISK

A market risk is the risk that the fair value or future cash flows of a financial instrument may vary due to fluctuations in market prices. Market risks are divided into three categories: exchange rate risk, interest rate risk and other price risks. The market risks that primarily affect the Group consist of exchange rate risk, interest rate risk and risks attributable to the price trends of electricity and electricity certificates.

The Group's objective is to manage and control market risks within fixed parameters, while optimizing the profits from risk taking within given frameworks. The parameters are fixed with the aim that short-term (6–12 months) market risks should only affect the Group's profit and position marginally. However, persistent changes to exchange rates, interest rates and prices of electricity, electricity certificates and guarantees of origin will have an impact on consolidated profit in the longer term.

RICE RISKS IN ELECTRICITY SALES

Rabbalshede Kraft is a net producer of electricity, which makes the price of electricity a crucial parameter in the Group's profit. A lower electricity price results in direct negative impact on the Group's sales and earnings. It is thus of great importance that electricity price risks are managed in a professional and cost-efficient manner.

With the aim of achieving stable earnings, Rabbalshede Kraft has prepared a cooperation agreement with Apxo Sweden AB, one of the leading players at Nord pool. Apxo assists with advisory services concerning the markets for electricity and electricity certificates and functions as a support in Rabbalshede Kraft's risk management, and offers hedging products that provide Rabbalshede Kraft with the scope to balance risks and opportunities. The partnership aims to secure future production revenue, reach long-term profitability, reduce the risk of fluctuations in market prices negatively affecting the company's revenue, achieving favorable results from price hedges and managing the need for balance power in a cost-efficient manner.

Price risk refers to fluctuations in the price of electricity and electricity certificates and their impact on profit. To minimize such exposure, derivative instruments are used as a hedge against future sales. The Group hedges its sale of electricity using forward contracts existing in the market, as well as PPA and EPA products. Fixed limits were set on the maximum permitted deviations in volume between normal hedge volumes and price-hedged volumes relating to ongoing electricity sales. Similarly, there are limits on the volumes that may be stored and sold in advance concerning electricity certificates. The Group's sale of electricity in 2021 totaled 633 GWh (633).

SENSITIVITY ANALYSIS

A fluctuation of 10% in the electricity price results in a change in the profit for the year of MSEK 12 (2.8). The sensitivity analysis is based on all other factors remaining unchanged and the non-application of hedge accounting.

EXCHANGE RATE RISK

Exchange rate risk arises in connection with the planning and ordering of wind turbines, which is preferably from European suppliers in EUR. In most cases, payment occurs on a number of predetermined dates. With the aim of restricting the exchange rate risk, Rabbalshede Kraft will, early in the process, reduce the uncertainty by hedging the currency exposure, in full or in part, when the order is placed, to safeguard profits and estimates. This risk is referred to as transaction exposure.

Exchange rate risks are thus hedged if they are attributable to the purchase of future investments in wind turbines for which permits have been obtained.

Hedge accounting is applied in the Group.

The Group's transaction exposure on the balance sheet date was distributed over the following currencies:

Group	2021	2020
Wind turbines ordered*, MEUR	51.2	14.6
Of which hedged, %	98	100%

* Includes investments made during the year and orders for turbines for which delivery has not yet been made.

The Group classifies its currency futures that are used for the hedging of forecast purchases as cash flow hedges. Hedge accounting is applied in the Group. The fair value of outstanding forward contracts on the balance sheet date amounted to MSEK 0.3 (0.7) net.

SENSITIVITY ANALYSIS

A fluctuation of +/- 5% in the SEK/EUR rate at December 31, 2021 would mean a change in cost of MSEK 21 (7). The sensitivity analysis is based on all other factors (for example interest) remaining unchanged and the non-application of hedge accounting.

INTEREST RATE RISKS

Interest rate risk is the risk that the value of a financial instrument may vary due to fluctuations in market interest rates. Interest rate risks may result in changes in fair value and changes in cash flows. A significant factor that affects interest rate risk is the fixed interest period. The Group's interest rate exposure is managed by the Group's financial control function, which is responsible for identifying and managing this exposure. On the balance sheet date the Group had MSEK 753 (821) in loan payables outstanding.

Derivative instruments such as interest rate swaps may be utilized to control the Group's interest rate risk. According to the financial policy, the norm risk has been set at five years. The company has a mandate to allow the debt portfolio's average fixed interest period to deviate from the norm risk by +/- 12 months. A maximum of 50% of the total debt portfolio including derivatives may be subject to a change in interest rate within a 12-month period and a maximum of 50% of the loan maturity (tied-up capital) may be within a 12-month period.

During the year, the company's average interest rate on bank loans was 3.74 (3.77)%. During the year, there were also shareholder loans with an average interest rate of 5.0%.

Interest rate swaps are utilized for switching between variable and fixed interest rates with the aim of adapting interest rates and fixed interest periods. At December 31, 2021, the average fixed interest period was 1.34 years (1.85) and the average capital maturity term for the debt portfolio was 1.03 years (1.89). On the balance sheet date, the company had interest derivatives with a nominal value of MSEK 546 (603).

The fair value of outstanding interest derivatives on the balance sheet date was MSEK -5 (-13) net. These figures were recognized as long-term liabilities in the balance sheet. Hedge accounting is applied in the Group.

SENSITIVITY ANALYSIS

A change in interest rates of 100 basis points would result in an annual change of MSEK 1.6 (1.7) in profit or loss on the balance sheet date. The sensitivity analysis is based on all other factors remaining unchanged and the non-application of hedge accounting.

LIQUIDITY RISKS

Liquidity risk refers to the risk the Group may have problems in meeting its obligations that are associated with financial liabilities.

The Group has rolling 24-month liquidity planning that is updated monthly. Liquidity planning is used to manage liquidity risks and costs for financing the Group.

The objective is for the Group to be able to manage its financial obligations in upturns and downturns without significant unpredictable costs. Liquidity risks are managed by the Group's financial function. According to the financial policy, there must always be sufficient cash and cash equivalents (liquidity reserves) totaling a minimum of MSEK 50 within the Group. The liquidity reserve pertains to cash, overdraft facility, listed investments that can be sold within five days and unutilized confirmed lines of credit.

In 2021, liquidity reserves comprised bank funds in accounts. In addition, the due dates for financial liabilities were distributed over time in order to limit the liquidity risk. The Group's financial liabilities at year-end amounted to MSEK 749 (814).

ENVIRONMENTAL INFORMATION

Wind power is a clean and renewable energy source that has an environmental impact throughout the useful life of a turbine. Environmental impact under operation is primarily in the form of sound and shadow. Through its portfolio of wind power facilities, Rabbalshede Kraft operates a business that is licensable or notifiable under the Swedish Environmental Code. The company holds all necessary environmental permits. Where activities are notifiable, application is required under the Environmental Code for building permits to be granted.

In 2010, Rabbalshede Kraft secured ISO 9001 quality certification and ISO 14001 environmental certification. In 2018, the company was certified under ISO 9001:2015, the standard for quality management systems, and 14001:2015, the standard for environmental management systems. Being certified is an important part of the company's operations, as this provides security in both internal and external processes.

FINANCING

Rabbalshede Kraft's goal is that the company's debt/equity ratio will not fall below 1.25 and that the equity/assets ratio will be at least 40%. Bank loans totaled MSEK 753 (821) at December 31, 2021 and are all with Swedbank and DNB.

BOARD ACTIVITIES

The Board consisted of five directors as of December 31, 2021. During the 2021 fiscal year, the Board held 15 Board meetings. The Board has a written work plan and instructions regulating the duties of the Board and the CEO. Accordingly, the Board's meetings and its work follow an agenda programme dedicated to securing the Board's need for information and control of business activities as well as the Group's organization.

EXPECTATIONS FOR FUTURE DEVELOPMENT

The opinion of the Board of Directors is that the company's future business activities under normal market conditions, meaning when electricity revenues are at historically average levels, will generate a cash flow that results in value growth for the shareholders. The company's project portfolio, from planning to operation, comprises nearly 2,296 (1,886) MW represented by some ten wind farms in favorable wind locations across Sweden. In addition, the company has a pipeline of attractive projects in the market ready for construction. In addition to the possibility of building from its own project portfolio, the company also evaluates the possibility of acquiring permits in attractive locations from other players in the market.

THE BOARD'S RISK ASSESSMENT REGARDING COVID-19

The risks and the financial consequences of continued delayed deliveries are hard to grasp in their entirety. The company continues to conduct a dialogue with suppliers, licensing authorities and other stakeholders in order to secure future deliveries and repairwork as far as possible.

FUTURE CAPITAL REQUIREMENTS

If developments follow the predicted expansion plan, a natural need for fresh capital will arise in the future. Additional shareholders' equity in the company is required before a bank will grant any loans for new wind farms. This means that from time to time the need for cash and cash equivalents may be substantial. Accordingly, additional share issues may be carried out. To date, Rabbalshede Kraft has secured financing for its expansion on an ongoing basis.

PROPOSED APPROPRIATION OF PROFITS

The following funds in SEK are at the disposal of the Annual General Meeting:

Share premium reserve	948,489,352
Retained earnings	-77,713,253
Profit for the year	-43,718,173
Total	827,057,926

PROPOSED APPROPRIATION OF PROFITS

The Board of Directors proposes that unappropriated earnings and unrestricted reserves be appropriated as follows (SEK):

To be carried forward	-121,431,426
Share premium reserve	948,489,352
Total	827,057,926

For information regarding the earnings and financial position of the company, please refer to the following financial statements and balance sheets with accompanying notes.

Group financial statements

Consolidated income statement

TKR	Note	2021	2020
Operating revenue			
Net sales	3	205,778	199,139
Own work capitalized	4	7,045	9,202
Other operating revenues	5	14,891	18,439
Total revenue		227,714	226,779
Operating costs			
Service and maintenance		-88,192	-73,348
Other external costs	6, 7	-23,180	-24,752
Personnel costs	8	-38,954	-33,794
Depreciation, amortization and impairment		-156,910	-123,910
EBIT		-79,522	-29,025
Profit/loss from financial items	9		
Earnings from other securities and receivables classified as fixed assets	10	4,307	4,329
Interest expenses and similar loss items	11	-40,484	-37,916
Profit/loss after financial items		-115,699	-62,610
Tax on profit/loss for the year (income tax, current and deferred)	12	-2,189	480
Profit/loss for the year		-117,888	-62,130



Consolidated balance sheet

TKR	Note	Dec. 31, 2021	Dec. 31, 2020
Assets			
Non-current assets			
Intangible fixed assets			
Business systems	13	6,405	6,881
Leases and similar rights	14	17,135	18,131
Total		23,540	25,012
Property, plant and equipment	15		
Land and buildings		17,952	18,805
Operational wind farms		1,961,210	1,862,214
Equipment, tools, fixtures and fittings		513	449
Planning in progress		533,686	424,076
Total		2,513,361	2,305,544
Financial fixed assets			
Receivables from associated companies and joint ventures	16	108,226	108,226
Other long-term securities holdings	17, 19	41,739	41,749
Deferred tax assets	12	32,330	29,885
Total		182,295	179,860
Total fixed assets		2,719,196	2,510,416
Current assets			
Inventory, etc			
Electricity certificates		4,839	17,389
Spare parts		3,988	2,144
Total		8,827	19,533
Current receivables			
Accounts receivables		6,723	833
Receivables from associated companies and joint ventures		15,492	12,718
Other receivables		17,085	57,258
Orepaid costs and accrued income	20	30,519	31,680
Total		69,819	102,489
Blocked bank funds		78,855	51,019
Cash and cash equivalents	30	87,090	31,473
Total current assets		244,591	204,514
Total assets		2,963,787	2,714,930

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Consolidated balance sheet, cont.

TKR	Note	Dec. 31, 2021	Dec. 31, 2020
Shareholders' equity and liabilities			
Shareholders' equity	21,22, 23		
Share capital		1,279,560	1,046,913
Other capital contributions		991,055	735,813
Reserves		-26,485	-8,617
Retained earnings		-53,258	8,873
Profit/loss for the year		-117,888	-62,130
Shareholders' equity attributable to Parent Company's shareholders		2,072,984	1,720,851
Total shareholders' equity		2,072,984	1,702,851
Provisions			
Other provisions	24	12,320	11,272
Long-term liabilities			
Liabilities to credit institutions	25	8,113	720,355
Other liabilities, derivatives	26	33,356	10,854
Total		51,789	742,481
Current liabilities			
Liabilities to credit institutions	25	742,898	93,481
Accounts payable		39,401	113,749
Other liabilities		4,909	1,596
Accrued expenses and deferred income	27	51,806	42,772
Total		839,803	251,598
Total liabilities		890,803	994,079
Total equity and liabilities		2,963,787	2,714,930

Consolidated statement of changes in shareholders' equity

Shareholders' equity attributable to Parent Company's shareholders, KSEK	Share capital	Share premium reserve	Retained earnings	Profit/loss for the year	Total shareholders' equity
Opening shareholders' equity, Jan. 1, 2020	904,614	608,640	-16,089	8,872	1,506,037
Profit/loss for the year			7,472	-62,130	-54,658
Total changes in equity excluding transactions with the company's owners	904,614	608,640	-8,617	-53,258	1,451,379
Transactions with the Group's owners	-	-	-	-	-
New share issue	142,299	128,069			270,368
Expenses attributable to the new share issue		-896			-896
Closing shareholders' equity, Dec. 31, 2020	1,046,913	735,813	-8,617	-53,258	1,720,851
Opening shareholders' equity, Jan. 1, 2021	1,046,913	735,813	-8,617	-53,258	1,720,851
Profit/loss for the year			-17,868	-117,888	-135,756
Total changes in equity excluding transactions with the company's owners	1,046,913	735,813	-26,485	-171,146	1,585,095
Transactions with the Group's owners					
New share issue	232,647	255,912			488,559
Expenses attributable to the new share issue		-670			-670
Closing shareholders' equity, Dec. 31, 2021	1,279,560	991,055	-26,485	-171,146	2,072,984

Consolidated cash flow statement

KSEK	Note	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	30	159,966	125,711
Cash flow from operating activities before changes in working capital		44,267	63,101
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in electricity certificates		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	103,956
Investing activities			
Acquisition of intangible assets incl. advance payments		-236	-4,840
Acquisition of property, plant and equipment, including advances		-362,368	-549,944
Sale of tangible fixed assets		650	-
Acquisition of shares associated companies		-	-41,725
Cash flow from investing activities		-361,954	-596,509
Financing activities	30		
New share issue		488,559	270,368
Issue 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	30	31,473	176,428
Cash and cash equivalents at end of period		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	Note	2021	2020
Operating revenue			
Net sales	3	16,509	12,148
Own work capitalized	4	2,920	6,976
Other operating revenues	5	12,277	13,036
Total revenue		31,706	32,160
Operating costs			
Other external costs	6, 7	-28,767	-21,487
Personnel costs	8	-31,172	-34,703
Depreciation, amortization and impairment		-12,961	-910
EBIT		-41,194	-24,940
Profit/loss from financial items			
Earnings from other securities and receivables classified as fixed assets	10	4,307	4,329
Interest income and similar profit items	11	-	472
Interest expenses and similar loss items	11	-6,831	-7,932
Profit/loss after financial items		-43,718	-28,071
Appropriations		-	-
Profit/loss before tax		-43,718	-28,071
Tax	12	-	-
Profit/loss for the year		-43,718	-28,071

Parent Company balance sheet

KSEK	Note	Dec. 31, 2021	Dec. 31, 2020
Assets			
Non-current assets			
Intangible fixed assets			
Business systems	13	6,405	6,881
Property, plant and equipment	15		
Land and buildings		14,859	15,613
Equipment, tools, fixtures and fittings		253	137
Planning in progress		20,652	72,863
Total		42,169	88,613
Financial fixed assets			
Participation in Group companies	18	1,872,974	1,405,675
Participations in associated companies and joint ventures	17, 19	41,738	41,738
Receivables from associated companies and joint ventures	16	108,226	108,226
Other long-term securities holdings	17	5	15
Deferred tax assets	12	2,110	2,110
Total		2,025,053	1,557,764
Total fixed assets		2,067,222	1,653,258
Current assets			
Inventory, etc.			
Spare parts		3,988	2,144
Current receivables			
Accounts receivable		3,439	352
Receivables from Group companies		15,626	15,717
Receivables from associated companies and joint ventures		15,492	12,718
Other receivables		4,621	2,415
Prepaid costs and accrued income	20	839	1,613
Total		44,005	32,814
Cash and cash equivalent ^{”å}	30	31,763	4,223
Total current assets		75,768	39,182
Total assets		2,142,990	1,692,440

Continued on next page.

Parent Company balance sheet, cont'd.

KSEK	Note	Dec. 31, 2021	Dec. 31, 2020
Shareholders' equity and liabilities			
Shareholders' equity	21, 22, 23		
Share capital		1,279,560	1,046,913
Share premium reserve		948,489	693,247
Retained earnings		-77,713	-49,642
Profit/loss for the year		-43,718	-28,071
Total shareholders' equity		2,106,618	1,662,447
Long-term liabilities			
Liabilities to credit institutions	25	2,278	2,531
Total		2,278	2,531
Current liabilities			
Liabilities to credit institutions	25	675	675
Accounts payable		2,153	4,659
Liabilities to Group companies		-	63
Other liabilities		4,079	1,336
Accrued expenses and deferred income	27	27,184	20,729
Total		34,094	27,462
Total shareholders' equity and liabilities		2,142,990	1,692,440

Changes in Parent Company's shareholders' equity

KSEK	RESTRICTED SHAREHOLDERS' EQUITY			UNRESTRICTED SHAREHOLDERS' EQUITY	
	Share capital	Share premium reserve	Retained earnings	Profit/loss for the year	Total shareholders' equity
Opening shareholders' equity. Jan 1, 2020	904,614	566,074	-17,746	-31,896	1,421,046
Appropriation of profits			-31,896	31,896	-
Profit/loss for the year				-28,071	-28,071
New share issue	142,299	128,069			270,368
Expenses attributable to the new share issue	-	-896			-896
Closing shareholders' equity. Dec. 31, 2020	1,046,913	693,247	-49,642	-28,071	1,662,447
Opening shareholders' equity. Jan 1, 2021	1,046,913	693,247	-49,642	-28,071	1,662,447
Appropriation of profits			-28,071	28,071	-
Profit/loss for the year				-43,718	-43,718
New share issue	232,647	255,912			488,559
Expenses attributable to the new share issue					-670
Closing shareholders' equity. Dec. 31, 2021	1,279,560	948,489	-77,713	-43,718	2,106,618

Parent company cash flow statement

KSEK	Note	Dec. 1, 2021- Dec. 31, 2021	Dec. 1, 2020- Dec. 31, 2020
Operating activities			
Resultat före skatt och bokslutsdispositioner		-43,718	-28,071
Adjustment for non-cash items	30	14,602	917
Income tax paid		-	-
Cash flow from operating activities before changes in working capital		-29,116	-27,154
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventory		-1,844	-942
Increase (-)/Decrease (+) in operating receivables		-9,703	-2,984
Increase (+)/Decrease (-) in operating liabilities		6,632	823
Cash flow from changes in working capital		-4,915	-3,104
Cash flow from operating activities		-34,031	-30,257
Investing activities			
Acquisition of intangible assets incl. advance payments		-236	-4,840
Acquisition of property, plant and equipment incl. advance payments		-6,457	-15,277
Sale of tangible fixed assets		650	-
Acquisition of shares, associated companies		-	-41,725
Shareholders' contributions paid		-422,524	-88,138
Cash flow from investing activities		-428,567	-149,980
Financing activities	30		
Dividend from Group companies		2,500	24,100
New share issue		488,559	270,368
Issue costs		-670	-896
Shareholder loans raised		324,000	88,284
Amortization of shareholder loans		-324,000	-244,086
Amortization of loans		-252	-169
Cash flow from financing activities		490,137	137,602
Cash flow for the period		27,540	-42,635
Cash and cash equivalents on the opening date	30	4,223	46,858
Cash and cash equivalents on the closing date		31,763	4,223
Total cash and cash equivalents		31,483	4,223

Notes to the financial statements

Note 1 Accounting policies and valuation policies

COMPLIANCE WITH STANDARDS AND LEGISLATION

The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and Swedish Accounting Standards Board general guidelines BFNAR 2012:1, Årsredovisning och koncernredovisning (K3) [Annual Accounts and Consolidated Financial Statements].

The Parent Company applies the same accounting policies as the Group except in cases listed below in the section "Parent Company accounting policies."

VALUATION BASIS APPLIED WHEN PREPARING THE FINANCIAL STATEMENTS OF THE PARENT COMPANY AND GROUP

Assets and liabilities are recognized at historical cost, except for certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities measured at fair value consist of derivative instruments.

FUNCTIONAL CURRENCY AND REPORTING CURRENCY

The Parent Company's functional currency is SEK, which is also the reporting currency for the Parent Company and the Group. This means that the financial statements are presented in SEK. All amounts, unless otherwise stated, are rounded to the nearest thousand.

CLASSIFICATION

Fixed assets and long-term liabilities essentially comprise amounts that are expected to be recovered or paid more than twelve months after the balance-sheet date.

Current assets and current liabilities mainly comprise amounts that are expected to be recovered or paid within 12 months of the balance-sheet date or where the liability is subject to terms that could require repayment of the debt within 12 months.

BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are companies over which Rabbalshede Kraft AB has a controlling influence. A controlling influence entails the direct or indirect right to formulate a company's financial and operational strategies in order to receive financial benefits. Acquisitions of subsidiaries are recognized using the purchase method. An acquisition is regarded as a transaction whereby the Group indirectly acquires the subsidiary's assets and takes over its liabilities and contingent liabilities. When an acquisition takes place, an acquisition analysis is performed, through which the cost is established for shares or the business, as well as the fair value of acquired identifiable assets, and assumed liabilities and contingent liabilities on the acquisition date. Amortized cost comprises the sum of the fair values on the acquisition date of assets acquired, arising or assumed liabilities, issued equity instruments submitted as payment in exchange for the acquired net assets and expenses directly attributable to the acquisition. If in a business combination the acquisition cost exceeds the fair value of acquired assets and assumed liabilities, as well as any contingent liabilities that are recognised separately, the difference is recognised as goodwill. When the difference is negative, this is recognized directly in profit or loss.

The financial statements of subsidiaries are included in the consolidated financial statements as from the acquisition date to the date on which the control ceases.

DEFINITIONS OF KEY METRICS

Return on capital employed

Profit before taxes plus financial expenses divided by average capital employed

TOTAL ASSETS

The total value of all of the assets held by the company

SHAREHOLDERS' EQUITY PER SHARE

Shareholders' equity divided by the number of shares

NET DEBT

Interest-bearing liabilities less cash and cash equivalents

EARNINGS PER SHARE

Profit after tax divided by the number of shares

DEBT/EQUITY RATIO

Interest-bearing liabilities divided by shareholders equity

EQUITY/ASSETS RATIO

Shareholders' equity as a percentage of total assets

CAPITAL EMPLOYED:

Total assets less non-interest-bearing liabilities

FINANCIAL INSTRUMENTS

Financial instruments are reported 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. Financial instruments recognised in the balance sheet include, on the assets side, cash and cash equivalents, loans and accounts receivable, as well as derivatives with a positive fair value. The liabilities side includes accounts payable and loan payables, as well as derivatives with a negative fair value. At inception, financial instruments are recognized at a cost corresponding to the instrument's fair value, including direct transaction costs for all financial instruments except those belonging to the category: financial assets measured at fair value in profit or loss and all derivatives, which are recognized at fair value less transaction costs.

RECOGNITION IN AND DERECOGNITION FROM THE BALANCE SHEET

A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the instrument's contractual terms and conditions. Accounts receivable are recognized in the balance sheet when invoices have been sent. A liability is recognised when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not been received. Accounts payable are recognised when an invoice has been received.

A financial asset is derecognized from the balance sheet when the rights inherent in the agreement are realized or expire or if the company loses control over them. The same applies to a portion of a financial asset. A financial liability is removed from the balance sheet when the obligation arising from the agreement has been met or is extinguished for other reasons. The same applies to a portion of a financial liability.

A financial asset and a financial liability are offset and recognized in a net amount in the balance sheet only when there is a legal right to offset the amounts and there is an intention to settle the items in a net amount or to simultaneously realize the asset and settle the liability.

Acquisitions and sales of financial assets are recognized at the transaction date, which is the date when the company commits to acquire or sell the asset.

CLASSIFICATION AND MEASUREMENT

A non-derivative financial instrument is initially recognized at cost, which corresponds to the instrument's fair value including direct transaction costs for all financial instruments except those belonging to the category financial assets measured at fair value in profit or loss, which are recognized at fair value excluding transaction costs. When entered for the first time, a financial instrument is classified on the basis of the purpose for which the instrument was acquired. This classification determines how the financial instrument is measured following the first reporting occasion.

At inception, derivative instruments are recognized at fair value. This means that transaction costs are charged to profit or loss for the year. The main rule is that these financial instruments are recognized on an ongoing basis in profit or loss at fair value unless hedge accounting is applied. Where derivative instruments are used for hedge accounting and, insofar as this is efficient, changes in the value of derivative instruments are recognized on the same line as the hedged item in profit or loss if it pertains to fair-value indexing. Increases and decreases in the value of derivatives are recognized in profit or loss as income and expenses, respectively, or under net financial items based on the purpose of the holding. Refer also to the heading below, "Derivative instruments and hedge accounting."

FINANCIAL ASSETS HELD FOR TRADE

Financial assets in this category are measured at fair value, and the changes in value are recognized in profit or loss. The category includes derivatives with positive fair value, excluding derivatives that are an identified and effective hedging instrument.

LOAN RECEIVABLES AND ACCOUNTS RECEIVABLE

Loan receivables and accounts receivable are non-derivative financial assets with payments that are fixed or can be determined and that are not listed on an active market. These assets are measured at amortized cost. Amortized cost is determined based on the effective rate calculated on the acquisition date. Accounts receivable are recognized at the amounts expected to be received, that is, after deductions for doubtful receivables. Financial liabilities in this category are measured continuously at fair value, and the changes in value are recognized in profit or loss. The category includes derivatives with negative fair value, excluding derivatives that are an identified and effective hedging instrument.

OTHER FINANCIAL LIABILITIES

Loans and other financial liabilities, such as accounts payable, are included in this category. Liabilities are measured at amortised cost.

IMPAIRMENT OF FINANCIAL ASSETS AND LIABILITIES

On each reporting occasion, the company assesses whether there is objective evidence of impairment of a financial asset or group of assets. Objective evidence comprises observable circumstances that have occurred and that have a negative impact on the possibility of recovering the cost. Rabbalshede Kraft receives objective evidence of any impairment of financial assets through credit-assessment reports on borrowers provided by external parties. Unforthcoming interest rates or a lack of ongoing communication from the borrower may constitute an indication that such a report should be ordered. Impairment of accounts receivable is recognized as a cost in profit or loss.

DERIVATIVES AND HEDGE ACCOUNTING

The Group's derivative instruments have been acquired to financially hedge risks associated with interest-rate exposure, and with the selling price or currency exchange rates to which the Group is subject. At inception, derivative instruments are recognized at fair value, entailing that transaction expenses are charged against profit or loss for the year. After initial recognition, derivative instruments are measured at fair value and changes in value are reported in the manner described below. Derivative instruments are recognized in the balance sheet as current receivables and liabilities, or as longterm receivables and liabilities, depending on the duration of the agreement.

Meeting the requirements for hedge accounting in accordance with K3 requires a documented connection to the hedged item. It is also required that the hedge effectively protects the hedged item, that hedge documentation is prepared and that the effectiveness can be measured. Gains and losses pertaining to hedges are recognized in profit or loss at the same date that the gains or losses are recognized for the hedged items. Derivative instruments are used to hedge interest-rate risk, future cash flows from the sale of electricity (where the derivative is settled in cash) and for the hedging of purchases of wind turbines in foreign currencies. Interest-rate swaps are used to hedge future interest-rate flows pertaining to loans borrowed at variable interest rates. Interest-rate swaps are measured at fair value in the balance sheet. The interest coupon portion is recognized continuously in profit or loss as interest income or interest expense. Other changes in the value of interestrate swaps are recognized as fair value reserve until the time when the hedged item impacts profit or loss and as long as the criteria for hedge accounting are fulfilled and the hedged is deemed to be effective. The gain or loss attributable to any ineffective portion is recognized in profit or loss.

Cash-flow hedging is applied to derivative instruments and electricity futures that are used for the hedging of future electricity sales. Cash-settled electricity futures are recognised at fair value in the balance sheet. Changes in value are recognized in fair value reserve until the time when the hedged flow impacts recognized profit/loss, at which time the hedge instrument's accumulated changes in value are transferred to profit or loss in order to match the effects of the hedged transaction.

The currency forward contracts that are used to hedge future cash flows, pertaining to forecast purchases of wind turbines in foreign currencies, are recognized at fair value in the balance sheet. Changes in value are recognized in fair value reserve until the time when the hedged flow impacts profit or loss, at which time the hedge instrument's accumulated changes in value are transferred to property, plant and equipment. This takes place long as the criteria for hedge accounting are fulfilled and the hedge is deemed to be efficient. The gain or loss attributable to the ineffective portion of the ongoing hedge, where hedge accounting is applied, is recognized in profit or loss.

If hedge accounting in the above case is terminated due to the forecast flows no longer being probable or because transactions will not occur, the items in fair value reserve will be transferred to profit/loss for the year.

EMPLOYEE BENEFITS

Defined-contribution pension plans

The company has only defined-contribution pension plans in its operations. Plans in which the company's obligation is limited to the contributions that the company undertakes to pay are classified as defined-contribution pension plans. In such cases, the amount of the employee's pension depends on the contributions that the company pays to the plan or to an insurance company and the return generated by the contribution. Accordingly, it is the employee who bears the actuarial risk (that the payment will be lower than expected) and the investment risk (that the investment assets will be inadequate to provide the expected benefits). The company's obligation regarding contributions to defined-contribution plans are recognised as an expense in profit and loss at the rate in which they are earned by employees performing services for the company during a period.

REMUNERATION FOR TERMINATION OF EMPLOYMENT

A provision is recognised in connection with termination of employment only if the company is clearly obligated, without a realistic possibility of reversal, to a formal and detailed plan to terminate employment before the normal time.

When a termination benefit is offered to encourage voluntary redundancy, a cost is recognized if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

SHORT-TERM REMUNERATION

Short-term benefits to employees are calculated without discounting and are recognized as a cost when the related services are received.

A provision is recognized for the anticipated cost of profit-share and bonus payments when the Group has a valid legal or informal duty to make such payments as a result of services received from employees and when the obligation can be reliably calculated.

REVENUES

Revenue primarily comprises sales of produced electricity, sales of electricity certificates and remeasurement of awarded electricity certificates. Other operating revenue primarily comprises payments for the sale of wind-power projects, re-invoiced construction costs and the sale of asset management services.

Revenue from the sale of produced electricity: Revenue from produced electricity is recognized in the period in which delivery is made. The unhedged portion of electricity produced is valued at the wind production hour (WPH) price from Nasdaq Commodities and the hedged portion is valued at the hedged price. Hedging is carried out using PPAs. Revenue from electricity sales is recognized as accrued revenue in the balance sheet until payment has been received.

Revenue regarding awarded electricity certificates and guarantees of origin (GoO) are recognized in the period in which the delivery of electricity based on certificates or GoO occurred. Electricity certificates and GoO are recognized in the balance sheet as intangible assets when they are registered in the Swedish Energy Agency's account and recognized as accrued revenue provided that they have been earned but not yet registered. Other revenue from sales of wind turbines is recognized during the period in which the purchaser acquires the wind turbines.

FINANCIAL INCOME AND EXPENSES

Financial income comprises interest income and exchange-rate gains and divestments of financial instruments. Interest income on financial instruments is recognised in accordance with the effective interest-rate method. Gains on the disposal of a financial instrument are recognised when the risks and benefits associated with owning the instrument are transferred to the buyer and the Group no longer controls the instrument.

Financial expenses primarily comprise interest expenses for loans, interest derivatives and other financial expenses. Borrowing costs are recognized in profit or loss applying the effective interest-rate method. Borrowing costs during construction are included in the asset's cost. Exchange-rate gains and exchange-rate losses are recognised at gross amounts. The effective interest rate is the rate used to discount estimated future cash payments or receipts during the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. The calculation includes all fees paid or received by contractual parties that are an integral part of the effective interest rate, transaction costs and all other fair value adjustments.

TAX

Income tax comprises current and deferred tax. Income tax is recognised in profit and loss, except when the underlying transaction is recognised directly against shareholders' equity or as other comprehensive income, at which time the related tax effect is recognised in equity or other comprehensive income.

Current tax comprises tax that is to be paid or received in the current year, with the application of the tax rates that have been determined, or determined in practice, on the balance-sheet date. Current tax also includes adjustments of current tax attributable to prior periods.

Deferred tax is calculated in accordance with the balance-sheet method, proceeding from the temporary differences existing between the carrying amounts and tax bases of assets and liabilities. Temporary differences are not considered when they arise from the initial recognition of goodwill or from initial recognition of assets and liabilities in a transaction that is not a business acquisition and that affect neither recognized nor taxable earnings at the time of the transaction. Nor are temporary differences attributable to shares in subsidiaries or associated companies that are not expected to be reversed in the foreseeable future taken into consideration. Measurement of deferred tax is based on how the carrying amount of underlying assets or liabilities is expected to be recovered or settled.

Deferred tax is calculated using the tax rates and regulations enacted or substantially enacted at the balance-sheet date. Deferred tax assets relating to deductible temporary differences and loss carryforwards are recognized only insofar as it is probable that they can be utilized. The value of deferred tax assets is adjusted when it is no longer likely that they can be utilised.

INTANGIBLE ASSETS

Leasehold agreements

Intangible assets acquired by the Group take the form of leasehold agreements that are recognized at their respective cost, less accumulated amortization and impairment losses.

OTHER INTANGIBLE ASSETS

Other intangible assets comprise acquired computer software and received electricity certificates and guarantees of origin (GoO). A certificate system is in place for the purpose of promoting the use of renewable electricity. Facilities affected by these systems receive certificates, free of charge, in pace with the generation of electricity that qualifies under the scheme. Received electricity certificates are registered in accounts maintained by the Swedish Energy Agency. Electricity certificates are recognized as intangible current assets in the balance sheet of the Rabbalshede Kraft Group.

Whenever certificates are awarded, they are measured at the fair value on the date of receipt and on every balance-sheet date. The Group recognizes electricity certificates and their remeasurement as net sales. In connection with measurement, historical daily prices are provided by Svensk Kraftmäklning.

AMORTIZATION POLICIES

Amortization is recognized on a straight-line basis in profit or loss over the estimated useful life of the intangible asset. Useful lives are reviewed at least on an annual basis. Intangible assets with determinable useful lives are amortized as from the date the asset is available for use.

The applied useful lives of the assets are:

- Leasehold agreements, 25 years
- Software, 5 years

PROPERTY, PLANT AND EQUIPMENT

Owned assets

In the Group, property, plant and equipment are recognized at cost, less accumulated depreciation and any impairment. Cost includes the purchase price, a reasonable share of indirect costs and expenses directly attributable to bringing the asset to where it belongs and in the condition required for it to be used in accordance with the aim of the purchase. When calculating each asset's depreciable amount, consideration is given to the asset's potential residual value. The estimated residual value and applied useful life are continuously reviewed and recognition adjusted to the extent necessary.

In the event that property, plant and equipment comprise components that are significant in relation to the entire asset's value, these are processed separately. Each component is recognized and amortized in accordance with individual depreciation schedules. In the case of Rabbalshede Kraft, differences in the useful life of components may vary between 3 and 25 years.

The carrying amount of a tangible fixed asset is derecognized from the balance sheet when the asset is scrapped or divested, or when no future financial benefits are expected from the use or scrapping/divestment of the asset. Gains or losses arising from the divestment or scrapping of an asset comprise the difference between the selling price and the asset's carrying amount, less direct selling costs. Capital gains are recognised as other operating income and Capital losses are recognised as other expenses.

ADDITIONAL EXPENSES

Additional expenses are added to the cost only if it is probable that the future financial benefits associated with the asset will accrue to the company and the cost can be reliably calculated. All other additional expenses are expensed in the period they are incurred. An additional expense is added to the cost if the expense pertains to the replacement of identified components or parts thereof. The expense is also activated in cases where new components are created. Any remaining carrying amounts for replaced components, or parts of components, are retired and recognized in conjunction with the exchange. Repairs are expensed on a current account basis.

BORROWING COSTS

Borrowing costs directly attributable to the purchase, construction or production of assets that take a considerable amount of time to complete for their intended use or sale are included in the asset's cost. Interest expenses are capitalized during the construction phase.

AMORTIZATION POLICIES

Depreciation is applied on a straight-line basis over the estimated useful life of assets, while ongoing planning is not amortized. The Group applies component depreciation, which means that the components' estimated useful life provides the basis for the depreciation. However, the useful lives for all components of the wind turbines, foundations and electrical installations are deemed to be the same, which is why there is no further division.

The applied useful lives of the assets are:

- Tower and foundation, 30 years
- Rotor blades 25 years
- Transmission case 13 years
- Generator 15 years
- Buildings and land improvements, 20–25 years
- Equipment, tools, fixtures and fittings 3–5 years

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

If there is an indication of an impairment requirement, the recoverable amount of the asset is calculated (see below). If it is not possible to determine essentially independent cash flows for an individual asset and its fair value less selling expenses cannot be used for impairment testing, the assets are to be grouped at the lowest level at which it is possible to identify essentially independent cash flows – this is known as a cash-generating unit (CGU). An impairment loss is recognized when the carrying amount of an asset or CGU exceeds the recoverable amount. An impairment loss is recognised as an expense in profit or loss. Impairment of assets identified for a CGU is distributed proportionally between other assets included in the unit.

The recoverable amount is the higher of the fair value minus selling costs and value in use. When calculating the value in use, future cash flows are discounted using a discount factor taking into account risk-free interest and the risk associated with the specific asset.

REVERSAL OF IMPAIRMENT LOSSES

An asset's impairment loss is reversed if there is an indication that impairment no longer exists and also that a change has occurred in the assumptions on which the estimate of recoverable value was based. A reversal is only performed to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been recognised, minus appropriate depreciation, if no impairment loss had been recognised.

LEASES

Leased assets

Lease agreements are classified in the consolidated financial statements either as finance leases or operating leases. A finance lease substantially transfers the economic risks and rewards associated with ownership to the lessee; any other case is an operating lease.

Assets under a finance lease agreement are recognized as assets in the consolidated balance sheet. The obligation to pay future lease payments is recognised as either long-term or current liabilities. Leased assets are depreciated on a straight-line basis over the leasing period or useful life, whichever is shorter, while leasing payments are recognised as interest payments and debt amortisation.

Costs for operating leases are recognised in profit or loss for the year on a straight-line basis over the term of the lease. Benefits received in connection with signing an agreement are recognized in profit or loss as a reduction of the lease payment on a straight-line basis across the duration of the leasing agreement. Variable fees are expensed in the period in which they were incurred. The Group's leases consist primarily of ground rent in the form of leasehold agreements.

INVENTORY

Inventory is recognised in accordance with the lowest value principle and the first-in-first-out method (FIFO).

FOREIGN CURRENCIES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction date. Functional currency is the currency of the primary economic environments in which the entity operates. Monetary assets and liabilities in foreign currency are translated into the functional currency using the exchange rate prevailing on the balance-sheet date. Exchange-rate differences arising on translation are recognized in profit or loss under net financial items. Exchange-rate differences on investments are capitalized in the balance sheet. Exchange-rate differences arising on business combinations are recognized in EBIT. Exchange-rate differences from financial items are recognized under net financial items. Non-monetary assets and liabilities that are recognised at their historic cost are translated to the exchange rate at the date of the transaction.

PROVISIONS

The agreements and obtained permits are subject to requirements regarding the restoration of land following the expiry of leasehold terms and cessation of production by wind-power plants. This entails an obligation to dismantle and remove all facilities, buildings and pipelines. The Company recognizes a provision under Long-term liabilities: Provisions, and this has been discounted to present value.

CONTINGENT LIABILITIES

A contingent liability is recognized when a possible obligation arising from past events exists whose existence will only be confirmed by one or more uncertain future events or when there is an obligation that is not recognized as a liability or provision since it is not likely that an outflow of resources will be required (see above). Refer to Note 30 for further information.

EARNINGS PER SHARE

The calculation of earnings per share is based on the Group's net profit for the year attributable to Parent Company shareholders and on the weighted average number of shares outstanding during the year. In calculating earnings per share after dilution, the earnings and average number of shares are adjusted to take into account the effects of potentially diluting ordinary shares, which derive from issued shares and options distributed to employees during the reported periods. Dilution from options impacts the number of shares and occurs only when the exercise price is lower than the market price. The larger the difference between the exercise and market price, the greater the dilution.

PARENT COMPANY ACCOUNTING POLICIES

The differences between reporting in the Group and the Parent Company are described below. The accounting policies for the Parent Company stated below have been consistently applied in all periods presented in the financial statements of the Parent Company.

SUBSIDIARIES

Shares in subsidiaries are recognised in the Parent Company in accordance with the acquisition-value method. Only dividends received are recognised as revenue.

GROUP AND SHAREHOLDERS' CONTRIBUTIONS

Group contributions received/paid are recognized as an appropriation in profit and loss. Shareholders' contributions are recognized by the donor as an increase in the recognized value of the participation and by the recipient as an increase in shareholders' equity.

ANTICIPATED DIVIDENDS

Anticipated dividends from subsidiaries are recognized in cases where the Parent Company has sole rights to decide on the size of the dividend and the Parent Company has passed a resolution on the size of the dividend prior to the Parent Company publishing its financial statements.

TAX

In the Parent Company, untaxed reserves including deferred tax liability are recognized. However, in the consolidated financial statements, untaxed reserves are divided into deferred tax liability and shareholders' equity.

Note 2 Assumptions and estimates

Preparing financial statements requires management to make assumptions, estimates and presumptions that affect the application of the accounting policies and the carrying amounts for assets, liabilities, revenue and expenses. The actual outcome may diverge from these estimates and assumptions.

Estimates and assumptions are reviewed regularly and revised when necessary. Changes in the estimates are recognized in the period they are made if this is the only period affected by the change, or in the period the changes are made and in future periods if they also affect future periods. For Rabbalshede Kraft, impairment testing of the Group's fixed assets comprises the area that requires a high degree of assumptions and where estimates are of material significance. Impairment testing of the Group's fixed assets uses revenue that is based on the average of a price curve from Wattsgård, the forecasting agency, which is converted in accordance with the EUR/SEK exchange rate on the balance-sheet date. A price curve comprises information on the electricity and certificate price trends, indicated as SEK per MWh for a given forecast period. If, for example, global economic conditions should take a considerable change for the worse following the reporting period, this could lead to an impairment requirement that is not reflected in the annual accounts. When testing ongoing projects among the Group's property, plant and equipment for impairment, the carrying amounts for the projects are compared with their respective market values. The market values are mainly based on quotations or information received from other market operators.

Deferred tax assets are recognized to the extent that it is probable they will be used against future generated profits. The value of deferred tax assets is adjusted when it is no longer likely that they can be utilised. Refer to Note 14 for further information.

JOINT VENTURES

Cooperation arrangements in the form of joint ventures, which for Rabbalshede Kraft (publ) consist of jointly managed companies, are recognized using the equity method in the consolidated financial statements.

The shares in a joint venture are initially recognized as cost at the acquisition date and adjusted on an ongoing basis to the Group's share of the jointly controlled company's income adjusted for dividends, internal profits and depreciation of assets. The Group's share of earnings generated in the joint venture is recognized in the consolidated income statement. When the Group's holding is reduced to zero, additional losses and a liability are recognized, but only to the extent that the Group has incurred legal or constructive obligations or made payments on the joint venture company's behalf. If the joint venture company later reports profits, the Group returns to recognizing its share of those profits only when these total the same amount as the share of losses not recognized by the Group.

Note 3 Net sales

KSEK	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Income per significant income category				
Sale of electricity	196,676	162,268	-	-
Income from electricity certificates	4,670	32,240	-	-
Income from guarantees of origin	4,432	4,631	-	-
Other income from Group companies	-	-	16,509	12,148
Total	205,778	199,139	16,509	12,148

The Group's sale of electricity in 2021 totaled 632,823 (632,771) MWh. Other income from Group companies consists of planning services, operation and maintenance services, as well as administrative services.

Note 4 Own work capitalized

KSEK	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Capitalized costs for ongoing projects	7,045	9,202	2,920	6,976
Total	7,045	9,202	2,920	6,976

The company capitalized all personnel costs for planning personnel in ongoing projects.

Note 5 Other operating income

KSEK	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Technical and financial management	8,426	13,346	6,862	11,775
Others	6,465	5,094	5,414	1,261
Total	14,891	18,440	12,276	13,036

Note 6 Leases

The Group leases no assets through financial leases. Assets the Group leases through operational leases comprise land where wind turbines are located, office premises and vehicles.

KSEK	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Operating leases				
Within one year	13,391	7,178	2,012	1,925
Between one year and five years	46,764	24,251	1,248	3,239
Longer than five years	92,401	73,193	-	-
Total	152,556	104,622	3,260	5,164

The cost of operating leases in 2021 totaled KSEK 11,020 (10,017).

Operating leases mainly comprises leases with landowners. The term correlates with the economic life of the wind turbines. Leases comprise no variable fees.

Note 7 Information on remuneration to the auditors

Fees and cost reimbursement paid to auditors

KSEK	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
KPMG				
Audit engagements	600	670	190	190
Tax advice	80	108	80	108
Other services	0	83	0	83
Total	680	861	270	381

Note 8 Employees, personnel expenses and remuneration of senior executives employees

AVERAGE NUMBER OF EMPLOYEES	2021			2020		
	Women	Men	Total	Women	Men	Total
Parent company	9	23	32	9	23	32
Group total	9	23	32	9	23	32

DISTRIBUTION OF COMPANY MANAGEMENT BY GENDER	GROUP				PARENT COMPANY			
	2021		2020		2021		2020	
The Board of Directors	1	4	2	3	1	4	2	3
Other senior executives	1	4	1	6	1	4	1	6

Employees, personnel expenses and remuneration of senior executives employees

KSEK	2021			2020		
	Board of Directors/ Senior executives (7 persons)	Other employees	Total	Board of Directors/ Senior executives (12 persons)	Other employees	Total
PARENT COMPANY						
Sweden, salary	9,711	15,384	25,095	9,219	13,515	22,734
Social security expenses	5,214	6,783	11,998	5,120	5,871	10,991
(of which pension costs)	(2,163)	(1,614)	(3,777)	(1,789)	(1,308)	(3,097)
Group total	14,925	22,167	37,092	14,339	19,386	33,725

All of the employees are in the Parent Company, and consequently, the Parent Company and the Group's payroll expenses are the same.

Note 8 Employees, personnel expenses and remuneration of senior executives employees, cont.

Senior executives

A fixed monthly salary is paid to senior executives. All of the pension plans in the Group are defined-contribution plans. For senior executives, with the exception of the Board of Directors, a defined-contribution pension agreement is paid into. Premiums correspond to the applicable premium provisions under ITP 1 at that time.

Remuneration and other benefits, KSEK	2021				2020			
	Basic salary/Board fee	Other remuneration/benefits	Pension cost	Total	Basic salary/Board fee	Other remuneration/benefits	Pension cost	Total
Stine Rolstad Brenna, ny styrelseordförande fr o m 2019-02-07	650	-	-	650	692	-	-	692
Peter Wesslau, Verkställande direktör, 2019-04-01	3,288	160	849	4,297	3,023	147	775	3,945
Other senior executives (7 individuals)	5,553	60	1,314	6,927	5,271	87	1,014	6,372
Group total	9,491	220	2,163	11,874	8,986	234	1,789	11,009

Notice period and severance pay

A mutual notice of termination period of 9 month shall apply in conjunction with notice of termination.

DEFINED-CONTRIBUION PENSION PLANS KSEK	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Costs for defined-contribution pension plans	3,777	3,097	3,777	3,097

There are only defined-contribution pension plans in the Group that are completely paid by the companies. The plans are paid into continuously, according to the rules of each plan. The company capitalizes all personnel costs for planning personnel in ongoing projects. Personnel costs for management/administration (overheads) are capitalized at an appropriate percentage for projects that are approved or in the construction phase, and the remaining costs impact earnings. KSEK 7,045 (6,976) was capitalized for the year; refer no Note 4.

Note 9 Profit/loss from participations in Group and associated companies

KSEK	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Interest expenses	-	-	2,500	0
Interest expenses, shareholder loans	-	-	-2,500	0
Total	-	-	0	0

Note 10 Earnings from other securities and receivables classified as fixed assets

KSEK	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Interest income, Lyrestad Holding AB	4,317	4,329	4,317	4,329
Result from securities	-10	0	-10	0
Total	4,307	4,329	4,307	4,329

Note 11 Interest expenses and similar loss items

KSEK	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Interest expenses	29,761	23,741	80	81
Interest expenses, shareholder loans	6,750	7,849	6,750	7,849
Other interest expenses	16	0	1	0
Exchange-rate losses	-527	3,967	0	-472
Other financial expenses	4,484	2,339	-	-
Total	40,484	37,916	6,831	7,458

Of the group's interest expenses, KSEK 22,433 (16,847) pertains to interest attributable to liabilities. The corresponding amount for the Parent Company was KSEK 80 (81). Remaining interest expenses pertain to current interest attributable to the Group's interest derivatives.

Note 12 Tax

RECOGNIZED IN PROFIT OR LOSS, KSEK	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Current tax cost (-)/tax revenue(+) -	-	-	-	-
Deferred tax regarding temporary differences	-2,189	480	-	-
Total tax	-2,189	480	-	-
Reconciliation of effective tax, KSEK				
Profit/loss before tax	-115,699	-62,610	-43,718	-28,071
Tax according to applicable tax rate for the Parent Company, 20,6%	23,834	13,399	9,006	6,007
Tax effects of non-deductible expenses	-1,117	44	-662	-831
Tax effects of non-taxable revenues	0	0	0	0
Temporary differences	-2,466	480	-	-
Reversal of previously capitalized loss	138	192	138	192
Changes to capitalized loss	277	0	-	-
Uncapitalized loss carryforwards	-22,855	-13,634	-8,482	-5,368
Recognised effective tax	-2,189	480	0	0

Note 12 Tax, cont.

Recognized in the balance sheet

Change to deferred tax in temporary differences and tax loss carryforwards. Deferred tax assets and liabilities are attributable to the following

GROUP KSEK	BALANCE AT JANUARY 1, 2021				BALANCE AT DECEMBER 31, 2021			
	Deferred tax assets	Deferred tax liabilities	Net balance	Recognized in profit/ loss for the year	Reserves	Deferred tax assets	Deferred tax liabilities	Net balance
Intangible assets	-	-3,541	-3,541	195	-	-	-3,346	-3,346
Interest derivatives	2,238	-	2,238	-	-4,635	6,873	-	6,873
Capitalized exchange rate gains	-	-1,963	-1,963	120	-	-	-1,843	-1,843
Untaxed reserves	-	-7,248	-7,248	-2,699	-	-	-9,947	-9,947
Capitalized Group interest	50	-	50	-7	-	43	-	43
Internal profits	698	-	698	-37	-	661	-	661
Provisions for rehabilitation	40	-	40	-38	-	2	-	2
Capitalized loss carryforwards	39,611	-	39,611	277	-	39,888	-	39,888
Tax assets/liabilities	42,637	-12,752	29,885	-2,189	-4,635	47,467	-15,136	32,330

GROUP	BALANCE AT JANUARY 1, 2020					BALANCE AT DECEMBER 31, 2020			
	KSEK	Deferred tax assets	Deferred tax liabilities	Net balance	Recognized in profit/loss for the year	Reserves	Deferred tax assets	Deferred tax liabilities	Net balance
Intangible assets	-	-3,866	-3,866	345			-	-3,541	3,541
Interest derivatives	4,378	-	4,378	-	-2,140	2,237	-	-	2,237
Capitalized exchange rate gains	-	-2,194	-2,194	231	-	-	-	-1,963	-1,963
Untaxed reserves	-	-7,249	-7,249	-	-	-	-	-7,248	-7,248
Capitalized Group interest	59	-	59	-9	-	50	-	-	50
Internal profits	763	-	763	-65	-	698	-	-	698
Provisions for rehabilitation	62	-	62	-22	-	41	-	-	41
Capitalized loss carryforwards	39,611	-	39,611	-	-	39,611	-	-	39,611
Tax assets/liabilities	44,873	-13,329	31,544	480	-2,140	-42,637	-12,752	29,885	

PARENT COMPANY		DEC. 31, 2021			DEC. 31, 2020		
KSEK		Deferred tax assets	Deferred tax liabilities	Net balance	Deferred tax assets	Deferred tax liabilities	Net balance
Capitalized loss carryforwards		2,110	-	2,110	2,110	-	2,110
Other temporary differences		-	-	-	-	-	-
Tax assets/liabilities		2,110	-	2,110	2,110	-	2,110

The parent's total closing tax deficit was SEK 219,908 as at 31 December 2021. The Group's total closing tax loss was SEK 653,271 as at 31 December 2021. The capitalised loss is lower than the estimated tax effect of 10 years' future forecast earnings.

Note 13 Business systems

INTANGIBLE FIXED ASSETS GROUP PARENT COMPANY

KSEK	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Costs				
Opening balance	6,881	3,083	6,881	3,083
New acquisitions	236	4,840	236	4,840
Sales/scrappage	0	-1,042	0	-1,042
Closing balance	7,117	6,881	7,117	6,881
Depreciation				
Opening balance	0	-959	0	-959
Depreciation for the year	-712	0	-712	0
Sales/scrappage	0	959	0	959
Closing balance	-712	0	-712	0
Carrying amount	6,405	6,881	6,405	6,881

Note 14 Leases and similar rights

INTANGIBLE FIXED ASSETS GROUP PARENT COMPANY

KSEK	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Costs				
Opening balance	27,902	28,062	-	-
Reclassifications	0	-160	-	-
Closing balance	27,902	27,902	-	-
Depreciation				
Opening balance	-9,771	-8,906	-	-
Depreciation for the year	-996	-865	-	-
Closing balance	-10,767	-9,771	-	-
Carrying amount	17,135	18,131	-	-

Note 15 Property, plant and equipment

GROUP

KSEK	Land and buildings		Operational windfarms		Equipment, tools, fixtures and fittings		Wind farms in construction phase and ongoing planning		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Costs										
Opening balance	26,668	25,307	2,716,083	2,515,668	11,464	14,591	424,076	239,266	3,178,291	2,794,832
New acquisitions	-	-	240,856	-162,469	219	0	-240,856	-	0	-162,469
Reclassifications	590	1,361	940	363,644	-	-	361,049	184,939	362,799	549,944
Sales/scrappage	-875	-	-170	-760	0	-3,127	-10,583	-129	-11,628	-4,016
Closing balance	26,383	26,668	2,957,710	2,716,083	11,683	11,464	533,686	424,076	3,519,462	3,178,291
Depreciation										
Opening balance	-7,863	-7,335	-853,869	-895,116	-11,015	-13,813	-	-	-872,746	-916,264
Depreciation for the year*	-568	-528	-142,658	-121,705	-155	-330	-	-	-143,381	-122,563
Reclassifications	-	27	483	-	-	-	-	-	27	0
Sales/scrappage	-	0	162,469	0	0	0	-	-	0	162,469
Closing balance	-8,431	-7,863	-996,500	-853,869	-11,170	-11,015	-	-	-1,016,101	-872,746
Carrying amount	17,952	18,805	1,961,210	1,862,214	513	449	533,686	424,076	2,513,361	2,305,545

PARENT COMPANY

KSEK	Land and buildings		Equipment, tools, fixtures and fittings		Wind farms in construction phase and ongoing planning		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Costs								
Opening balance	22,869	21,508	10,527	13,655	72,863	59,076	106,258	94,238
New acquisitions	590	1,361	219	0	5,648	13,916	6,457	15,277
Sales/scrappage	-875	0	0	-3,128	-57,859	-129	-58,734	-3,257
Closing balance	22,584	22,869	10,746	10,527	20,652	72,863	53,981	106,258
Depreciation								
Opening balance	-7256	-6,827	-10,390	-13,240	-	-	-17,646	-20,067
Depreciation for the year*	-469	-429	-103	-278	-	-	-572	-707
Sales/scrappage	-	-	0	3,128	-	-	0	3,128
Closing balance	-7,725	-7,256	-10,493	-10,390	-	-	-18,218	-17,646
Carrying amount	14,859	15,613	253	137	20,652	72,863	35,763	88,613

* Of the depreciation for the year, KSEK 0 (14) was capitalized in property, plant and equipment pertaining to wind measurement equipment. Wind farms in a construction phase are reclassified as operational wind farms when wind turbines are commissioned.

Note 16 Receivables from associated companies and joint ventures

KSEK	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Lyrestad Holding AB	108,226	108,226	108,226	108,226
Carrying amount	108,226	108,226	108,226	108,226

Note 17 Other long-term securities holdings

KSEK	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Opening balance	14	24	5	15
Acquisition of securities	-	-	-	-
Carrying amount	14	24	5	15

Note 18 Participation in Group companies

PARENT COMPANY

KSEK	Dec. 31, 2021	Dec. 31, 2020
Accumulated costs		
On 1 January	1,405,675	1,317,538
Purchasing	0	0
Sales	0	0
Shareholders' contribution	469,799	88,137
Impairment losses	-2,500	0
Carrying amount	1,872,974	1,405,675

A dividend of KSEK 2,500 (0) was paid out during the year, and from that an impairment of shares.

Specification of the Parent Company's direct holdings of shares in subsidiaries

Subsidiaries	Corp. reg. no.	Domicile	Votes, %	Dec. 31, 2021 Carrying amount	Dec. 31, 2020 Carrying amount
Brattön Elnät AB	556775-1358	Rabbalshede	100	500	500
Rabbalshede Vind AB (fd Rabbalshede Vind 6 AB)	556872-2879	Rabbalshede	100	1,868,090	1,398,291
RK Halland AB	556794-0340	Rabbalshede	100	3,991	3,991
Lygnern Vind AB	556792-4039	Rabbalshede	100	179	179
Åndberg Elnät AB	556865-6069	Rabbalshede	100	114	2,614
Rabbalshede Värdepapper AB	556732-7852	Rabbalshede	100	100	100
Total				1,872,974	1,405,675

Shareholdings owned by Group Companies other than the Parent Company

Company	Corp. reg. no.	Domicile	Votes, %	Dec. 31, 2021 Carrying amount	Dec. 31, 2020 Carrying amount
Gårdshyttan Vind AB	556903-5180	Rabbalshede	100	87,369	87,369
Sköllunga Vind AB	556855-9008	Rabbalshede	100	0	105,991
Total				87,369	193,360

During the year, Sköllunga Vind AB was merged into Rabbalshede Vind AB

Note 19 Participation in associated companies and joint ventures

GROUP

KSEK	Dec. 31, 2021	Dec. 31, 2020
Profit participation in associated companies*	0	0
Carrying amount	0	0

PARENT COMPANY

BOOK VALUE

Associated companies	Domicile	Number of shares	Dec. 31, 2021	Dec. 31, 2020
Lyrestad Holding AB	Tanums kommun	25%	13	13
Vind AX Ab	Åland	20.8%	41,725	41,725
Total participation in associated companies, Parent Company			41,738	41,738

* Refers to Vind AX Ab. As the Group's holding is initially valued at zero, losses and a liability are recognized only to the extent that the Group has incurred legal or constructive obligations, or has made payments on behalf of the joint venture company. No such legal or constructive obligations exist. If the joint venture company later reports profits, however, the Group returns to recognizing its share of those profits only when these total the same amount as the share of losses not recognized by the Group.

Note 20 Prepaid costs and accrued income

GROUP

PARENT COMPANY

KSEK	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Accrued electricity sales	20,906	16,446	-	-
Accrued electricity certificates	90	1,891	-	-
Accrued guarantees of origin (GoO)	624	303	-	-
Prepaid insurance expenses	3,513	2,890	166	369
Prepaid service contracts	3,543	4,727	56	-
Insurance compensation	1,178	3,911	45	-
Other	665	1,512	572	1,244
Total	30,519	31,680	839	1,613

Note 20 Earnings per share

		GROUP	
KSEK		Dec. 31, 2021	Dec. 31, 2020
Earnings per share were calculated as follows:			
Net profit attributable to Parent Company shareholders (KSEK)		-117,888	-62,130
Weighted average number of shares			
Total number of ordinary shares at January 1		209,382,517	164,898,735
Effect of new shares		46,529,448	28,459,759
Weighted average number of shares before dilution		222,002,833	181,078,276
Weighted average number of shares after dilution		222,002,833	181,078,276
Earnings per share before dilution		-0.53	-0.34
Earnings per share after dilution		-0.53	-0.34

Note 22 Shareholders' equity

Share capital in Rabbalshede Kraft totaled SEK 1,279,559,825 December 31, 2021. The share capital is distributed among 255,911,965 shares, of which 1,000,000 were Class A shares and 254,911,965 Class B shares.

Class A shares entitle the holder to one vote and Class B shares entitle the holder to one tenth of a vote. The quotient value of the shares is SEK 5 per share.

GROUP

Other capital contributions

Pertains to shareholders' equity contributed by the owners. Includes premiums that are paid in connection with share issues.

RETAINED EARNINGS INCLUDING PROFIT/LOSS

FOR THE YEAR

Retained earnings including profit/loss for the year include funds earned by the Parent Company and its subsidiaries, as well as paid option premiums

HEDGING RESERVE

The hedging reserve includes the effective portion of the accumulated net change in the fair value of cash flow hedging instruments (interest rate swaps, electricity futures and currency forwards) attributable to hedging transactions that have not yet occurred.

PARENT COMPANY

Restricted funds

Restricted funds are not reduced through dividends.

UNRESTRICTED SHAREHOLDERS' EQUITY

Share premium reserve

When shares are issued to premium reserves, i.e. when more than the shares' quotient value is to be paid for the shares, an amount corresponding to the amount received in excess of the shares' quotient value is transferred to the share premium reserve. The amount that was provided to the share premium reserve as of January 1, 2006 is included under unrestricted capital.

Retained earnings

This consists of the previous year's unrestricted equity after any dividend payments. Combined with profit for the year and the share premium reserve, it constitutes the total unrestricted shareholders' equity, i.e. the amount that is available for dividends to shareholders.

PARENT COMPANY

Number of shares	Dec. 31, 2021	Dec. 31, 2020
Opening number of shares	209,382,517	180,922,758
Nyemission	46,529,448	28,459,759
Closing number of shares	255,911,965	209,382,517

Note 23 Proposed appropriation of profits

Proposed appropriation of profits

The following funds in SEK are at the disposal of the Annual General Meeting:	
Share premium reserve	948,489,352
Retained earnings	-77,713,252
Profit/loss for the year	-43,718,173
Total	827,057,926

Proposed appropriation of profits

The Board of Directors proposes that unappropriated earnings and unrestricted reserves be appropriated as follows (SEK)	
To be carried forward	-121,431,426
Share premium reserve	948,489,352
Total	827,057,926

Note 24 Provisions

KSEK	GROUP		PARENT COMPANY	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Opening value	11,272	9,758	0	675
Change in value for the year	1,048	1,514	0	-675
Closing value	12,320	11,272	0	0

The item relates to a provision for site restoration costs (i.e. that the land where the wind turbines stand is to be restored to its original state regarding commissioned wind turbines). The provision follows the wind farm's useful life

Note 25 Liabilities to credit institutions

KSEK	GROUP		PARENT COMPANY	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Current liabilities, 0-1 yr				
Liabilities to credit institutions	742,898	93,481	675	675
Long-term liabilities, 2-5 yrs				
Liabilities to credit institutions	8,971	727,777	2,278	2,531
Long-term liabilities, 6-10 yrs				
Liabilities to credit institutions	-	-	-	-
Total long-term liabilities	753,134	821,258	2,953	3,206

Collateral for bank loans is issued through what is known as collateral transfer, whereby assets are transferred, as well as mortgage deeds on properties and chattel mortgages; refer to Note 28. Recognized liabilities are reduced by capitalized financing expenses, which are accrued over the term of the loan agreement. Capitalized financing expenses total KSEK 4,123 (7,422).

Note 26 Other long-term Liabilities

KSEK	GROUP		PARENT COMPANY	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Interest derivatives	5,087	13,051	-	-
Currency forward contracts	263	722	-	-
Financial contracts	28,006	-2,919	-	-
Total	33,356	10,854	-	-

Note 27 Accrued expenses and deferred income

KSEK	GROUP		PARENT COMPANY	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Accrued holiday pay	5,311	4,608	5,311	4,608
Accrued social security contributions	694	712	694	712
Accrued interest expense	152	494	12	13
Accrued leasehold payments	17,272	21,548	9,364	14,583
Accrued project costs	14,161	4,693	11,580	-
Accrued property tax	5,259	6,674	23	23
Other	8,957	4,043	200	790
Total	51,806	42,772	27,184	20,729

Note 28 Pledged assets contingent liabilities

KSEK		GROUP		PARENT COMPANY	
		Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Pledged assets					
In the form of pledged assets for own liabilities and provisions					
Collateral transferred for ordered wind turbines and leaseholds	1,954,399	1,855,416	-	-	-
Mortgage deeds on properties	13,500	14,400	13,500	13,500	
Chattel mortgages	5,000	5,000	5,000	5,000	
Blocked bank funds	78,855	51,019	-	-	-
Pledged shares in Rabbalshede Vind AB (Rabbalshede Vind 6 AB)	1,853,399	1,435,929	1,872,974	1,405,675	
Total pledged assets	3,905,153	3,361,764	1,891,474	1,424,175	
Contingent liabilities					
Parent Company guarantee	-	-	-	-	-
Total pledged guarantee	-	-	-	-	-

Pledged assets

The loan agreements with banks include far-reaching collateral. Shares in some of the company's subsidiaries have been pledged, wind farms have been transferred as collateral and rights and future balances in subsidiaries have been pledged. If the company is unable to meet material obligations in loan agreements, the banks are entitled to make use of pledged assets under certain circumstances. For example, if the price of electricity were to remain persistently low, the company might not be able to meet its obligations to the banks. The agreements also contain restrictions on the company and/or its subsidiaries issuing dividends unless certain conditions are met. The company's loan-to-value is normally approximately 60% of the investment expenses for a wind farm. Given that the company's assets are financed by loans to such a high extent, the high loan-to-value means that the company assumes far-reaching obligations, for example in terms of repayments and interest payments to the banks. Such payment obligations may affect the opportunities to share profit with the shareholders and lead to the company being in a tight financial situation. The loan agreements for the Group's wind farms contain certain conditions that are usually called covenants. The covenants are linked in part to cash flow and earning capacity having to exceed certain key ratios. If these covenants are not met, the banks are entitled to terminate the loans under certain circumstances.

Parent company guarantee

The subsidiary Rabbalshede Vind AB has signed a partnership agreement with Tanum Vindkraft AB regarding settlement of potential obligations jointly linked to the accumulated sound for the two neighboring wind farms. Rabbalshede Kraft AB issued a Parent Company guarantee as a safeguard for its subsidiary's obligations. The guarantee is not limited to a certain amount.

Contingent liabilities

On ongoing construction projects, Rabbalshede Kraft and its Group companies issue payment guarantees to other parties as part of the construction contracts, gridconnection contracts and turbine supply agreements. The conditions of the payment guarantees may vary but they are generally linked to the contract price and written down as payment is made. The Group decided not to recognise these guarantees as contingent liabilities as the Group is expected to meet its obligations under the contracts.

Note 29 Related parties

Related parties and transactions with key individuals in senior positions

For information regarding the remuneration of senior executives, refer to Note 8.

Rabbalshede Kraft had a short-term shareholder loan from TD Asset Management (formerly Greystone) during the year. Total interest of SEK 6.8 million was recognised. The closing balance of the total shareholder loan was SEK 0 as at 31 December 2021. SEK 4.1 million was also invoiced for services performed.

Note 30 Cash flow statement

	GROUP	PARENT COMPANY						
Cash and cash equivalents, KSEK	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020				
The following sub-components are included in cash and cash equivalents:								
Cash and bank balances	87,090	82,492	31,763	4,223				
Liquidity regulated interest, KSEK								
Interest received	4,317	4,329	4,317	4,329				
Interest paid	-36,511	-31,112	-7,932	-7,936				
Total	-32,194	-26,783	-3,615	-3,607				
Adjustment for non-cash items, KSEK	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020				
Depreciation and impairment losses	155,673	123,558	11,867	835				
Impairment of shares	-	-	2,500	-				
Inefficient interest-rate hedging	-	-	-	-				
Capitalized financing expenses	3,299	-396	-	-				
Reversal charges	616	2,190	-	-				
Divestment/disposal of property, plant and equipment/intangible fixed assets	378	359	235	82				
Total	159,966	125,711	14,602	917				
Changes in financing activities, KSEK	Dec. 31, 2021	Affecting cash flow Changes to loans	Not affecting cash flow Capitalized interest	Dec. 31, 2020	Dec. 31, 2021	Affecting cash flow Changes to loans	Not affecting cash flow Capitalized interest	Dec. 31, 2020
Interest-bearing liabilities								
Shareholder loans	0	0	-6,750	-6,750	0	0	-6,750	-6,750
Loans from credit institutions	821,258	-68,124	0	753,134	3,206	-252	0	2,954
Total	821,258	68,124	-6,750	-746,384	3,206	-252	-6,750	-3,796

Note 31 Events after the balance sheet date

The company has started to refinance its loans. This process is expected to have been finished before the summer.

Towards the end of February Russia invaded Ukraine and the war has continued since then. Aside from the horrible humanitarian consequences for millions of humans, this has resulted in a change in the perception of importing Russian energy resources (oil, gas, coal and electricity) in the long-run. Politically this has led to increased support for the continued build-out of renewable energy. It is difficult to say how Rabbalshede Kraft will be affected as the uncertainty factors are several as a result of the war. The management is following the development.

Note 32 Information about the Parent Company

Rabbalshede Kraft AB (publ) is a Swedish limited liability company headquartered in Rabbalshede, Sweden. The address of the head office is Marknadsvägen 1, SE-457 55 Rabbalshede, Sweden. The consolidated financial statements for 2021 relate to the Parent Company and its subsidiaries, jointly designated the Group, and the associated companies Lyrestad Holding AB and Vind AX AB.



The Board of Directors and CEO give their assurance that the consolidated financial statements have been compiled in accordance with K3 and provide a fair and accurate impression of the financial position and earnings of the Group.

The Annual Report was compiled in compliance with generally accepted accounting policies and provides a fair and accurate view of the financial position and earnings of Parent Company.

The Administration Report for both the Group and the Parent Company accurately reviews the Group's and the Parent Company's operations, financial positions and earnings and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

The Annual Report and the consolidated financial statements were approved for release by the Board of Directors on April 1, 2021. The Parent Company's and Group's balance sheets and income statements will be presented to the Annual General Meeting on April 28, 2021 for adoption.

SUBMISSION OF THE REPORT

RABBALSHEDE, APRIL 1, 2022

Stine Rolstad Brenna

Chair of the Board Directors

Jeffrey Mouland
Director

Adam Thouret
Director

Mikael Kowal
Director

Peter Wesslau
CEO

Our auditors' report was submitted on April 1, 2022
KPMG AB

Fredrik Waern
Authorized Public Accountant revisor

Daniel Haglund
Aukthorized Public Accountant revisor

Auditors' report

To the general meeting of the shareholders of Rabbalshede Kraft AB (publ), corp. id 556681-4652.

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Rabbalshede Kraft AB (publ.) for the year 2021.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error. In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Rabbalshede Kraft AB (publ.) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general. The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company,
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Göteborg,

KPMG AB

Fredrik Waern

Authorized Public Accountant

Daniel Haglund

Authorized Public Accountant