

Strong end of the year

Year-end report, 2016 Rabbalshede Kraft AB (publ)

Significant events during the fourth quarter, October 1, 2016 – December 31, 2016

- Production for the fourth quarter totaled 183,422 MWh (169,975 MWh)
- Net sales were KSEK 90,819 (78,811)
- EBITDA amounted to KSEK 77,698 (50,443)
- EBIT was KSEK 45,870 (loss: 153,711)
- Average income for wind power production was SEK 495/MWh (464), of which electricity accounted for SEK 329/MWh (286) and electricity certificates and guarantees of origin for SEK 167/MWh (178)

Key figures	Q4 2016	Q4 2015	Full-year 2016	Full-year 2015
Electricity production, MWh	183,422	169,975	500,247	576,412
Net sales, KSEK	90,819	78,811	235,628	264,204
EBITDA, KSEK	77,698	50,443	143,299	169,655
Average income, electricity, SEK/MWh	329	286	309	288
Average income from electricity certificates and guarantees of origin, SEK/MWh	167	178	162	190

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Rabbalshede Kraft's financial calendar

Annual General Meeting for the 2016 fiscal year	April 27, 2017
Interim report January-March 2017	May 18, 2017
Interim report January-June 2017	August 17, 2017
Interim report January-September 2017	November 23, 2017
Year-end report for 2017	February 28, 2018
Press releases and financial reports can be subscribed to and downloaded on Rabbalshede Kraft's website www.rabbalshedekraft.se .	

Annual General Meeting

The Annual General Meeting (AGM) for the 2016 fiscal year will be held on April 27, 2017 in Gothenburg, Sweden. The official notification of the AGM will be published in Post- och Inrikes Tidningar and on Rabbalshede Kraft's website not later than March 30, 2017. An announcement that notification has been published will be made in *Dagens Industri* and *Göteborgs-Posten*.

The 2016 Annual Report will be published on Rabbalshede Kraft's website on April 6, 2017. The Annual Report will be available at the company's office in Rabbalshede as of April 6, 2017, and be distributed by traditional mail to shareholders on request about one week in advance of the AGM.

Nomination Committee

Shareholders wanting to submit proposals to the Nomination Committee ahead of Rabbalshede Kraft's AGM on April 27, 2017, may do so by e-mailing valberedningen@rabbalshedekraft.se or by traditional mail to Nomination Committee, Rabbalshede Kraft, Marknadsvägen 1, SE-457 55 Rabbalshede, Sweden, not later than March 3, 2017.

2016 fiscal year

Production from the Group's wind farms in January-December totaled 500,247 (576,412) MWh.

Net sales amounted to KSEK 235,628 (264,204).

EBITDA amounted to KSEK 143,299 (169,655).

EBIT was KSEK 44,263 (loss: 110,669).

Average income for wind power production was SEK 471/MWh (458), of which electricity accounted for SEK 309/MWh (288) and electricity certificates and guarantees of origin for SEK 162/MWh (170).

Depreciation impairment losses amounted to KSEK 99,036 (280,324). The difference from the previous year is mainly due to an impairment loss of wind farms and projects about MSEK 183 the previous year.

The result after tax was a loss of KSEK 96,823 (loss: 171,647).

Significant events

In late 2015, a new share issue was conducted whereby the company raised SEK 312 M which was used to reduce the Company's loans. The share issue was registered in January 2016

In April 2016, an agreement was reached concerning the sale of a wind turbine (2 MW) in Hällevadsholm to Mölndal Energi. Rabbalshede Kraft had been responsible for procurement and construction, and also signed a two-year operational agreement. The wind turbine was commissioned during the fourth quarter of 2016.

The AGM for the 2015 fiscal year was held on April 1, 2016, in Gothenburg, Sweden.

Construction of Lyrestad wind farm, comprising 22 wind turbines (76 MW) in the municipalities of Mariestad and Töreboda, commenced in June 2016. The wind farm corresponds to an investment of just over SEK 1 billion and is operated by a company owned jointly by Rabbalshede Kraft and Ardian Infrastruktur, with Rabbalshede Kraft holding 25 percent of the shares. Rabbalshede Kraft's majority shareholder, Manor Group, assisted in the project by providing financing and a parent company guarantee. The civil-engineering contract, involving roadworks and foundations, is proceeding as planned and the wind farm is scheduled to be commissioned in stages in autumn 2017. The wind farm's annual production of 234 GWh will be purchased by Google under a long-term electricity trading agreement.

In August 2016, Rabbalshede Kraft concluded a management agreement with Gnosjö Energi. The agreement pertains to a four-year management assignment involving operational management and monitoring of the Kulltorp wind farm in Gnosjö municipality as of January 2017. The wind farm comprises four turbines (10 MW). During the fourth quarter the Company signed operational agreement with the Municipality of Dorotea and Kvarkenvinden concerning two turbines (4 MW) in the Bleikevare wind farm. Håkan Frick was employed as acting CEO as of August 1, 2016. CEO Thomas Linnard is on sick leave.

During the year, Rabbalshede Kraft and its subsidiaries reduced their bank liabilities for the Group's wind farms by some 40 percent. This was made possible by a shareholder loan from Manor Group, the company's majority shareholder.

In October 2016, an environmental permit was received for the Sköllunga wind farm. The wind farm comprises up to three 180-meter-high wind turbines (9 MW).

Significant events after the end of the period

An extraordinary general meeting was held on January 31, 2017. At the meeting, resolutions were passed to reduce the share capital by SEK 126,843,931 for transfer to unrestricted shareholders' equity. The meeting also resolved on a private placement to Greystone Sweden Venture AB ("Greystone"). The private placement amounted to 285M SEK and was implemented on February 1, 2017. Following the investment, Greystone is the company's second largest shareholder, with Manor Group remaining the company's largest shareholder.

The meeting resolved that the Board of Directors is to comprise six elected members. Re-election of Karin Kronstam, Jean Baptiste Oldenhove and Matthieu Baumgartner and new election of Bertil Villard, Annika Ahl Åkesson and Jeff Mouland. Bertil Villard was elected Chairman of the Board.

CEO's statement

2016 was another eventful year for Rabbalshede Kraft and the activity continued into 2017. On February 1, 2017, Greystone Infrastructure Fund ("Greystone") became the second largest shareholder in the company through a private placement. Greystone is a privately owned Canadian institutional asset manager, which spent a large part of 2016 familiarizing itself with Rabbalshede Kraft. This new major shareholder strengthens the ownership base and adds further expertise and an international perspective to the company. We are delighted to welcome Greystone as a major shareholder.



Production in the company's wind farms in 2016 slightly exceeded 500 GWh of electricity. The year ended with two strong quarters of favorable winds; production exceeded expectations during the fourth quarter and availability was high. Since we had somewhat weaker winds during the first half of the year, the year ended with production that was about 3 percent less than expected. We are continuing our efforts to strengthen the company's operational activities in order to be best in class in terms of operating wind farms. By monitoring a number of key figures and pursuing activities to improve them, we endeavor to continuously enhance the efficiency of both our own facilities and the ones we manage on behalf of our customers.

In total, we currently operate 141 wind turbines (341 MW) with annual production capacity of 900 GWh. Of these, Rabbalshede Kraft operates 71 wind turbines (190 MW) on a proprietary basis and 70 (151 MW) turbines are owned by partners.

Construction of the new farm in Lyrestad outside Mariestad is proceeding as planned. This wind farm is being established in collaboration with Ardian Infrastruktur. During 2016, 15 km of roads were constructed, and the final foundations were cast in early 2017. Vestas will begin the assembly of the 22 turbines in June 2017 for commissioning in stages in autumn 2017. We look forward to commissioning an additional 76 MW to reach annual delivery of slightly more than 230 gigawatt hours in our long-term electricity trading contract with Google.

We are also expanding our activity of operating and managing wind farms on behalf of customers. During the fourth quarter, we commenced the management of a turbine in Hällevadsholm for Mölndal Energi, as well as further two turbines in the Bleikevare wind farm for Kvarkenvinden and the Municipality of Dorotea. In January we commenced management in the Gnosjö Energi's turbines. We see major potential for continued growth in this area and look forward to intensifying this business line and additionally advancing our position in Sweden.

In 2016, we prioritized continued development of our project portfolio, which currently contains a number of projects with favorable potential to constitute a base for further investment decisions. The focus is always on delivering profitable wind power projects, in which the sale of turnkey wind power projects is a feature. In December, after a period of trial operation, we handed over a wind turbine located in Hällevadsholm to Mölndal Energi. Discussions are in progress with a number of interested parties from various industries concerning investments in wind farms.

During the year, we generated EBITDA of SEK 143,299. A minus on the last line was due primarily to non-recurring costs arising in connection with a paying down of loans.

The costs of generating electricity from wind power have been reduced sharply in recent years, which has made wind power the power source that has increased the most. However, a market under pressure affects everyone, regardless of power source. It is difficult to get older facilities to operate profitably. We saw in January how certificate prices declined to record lows, which is naturally worrying and causing frustration in the industry. Political processes are under way in Sweden and the EU to reverse this trend; during 2017, energy issues will be high on the agenda, with the shared objective of sharply increasing the portion of renewable electricity production. It is crucial that politicians understand the gravity of the situation and take responsibility for the system.

At Rabbalshede Kraft, we are doing what we can to cope with the tough market conditions. Negotiations with the banks were finalized in October. We reduced our bank borrowings by some 40% during 2016, through both scheduled and extra repayments. All of this was made possible by a shareholder loan from our majority shareholder Manor Group. Although we have made considerable progress in our efforts to reduce the company's financial expenses, there is more left to be done and the work will continue in 2017.

With a focus on reducing the company's financial expenses, securing high operational reliability in the company's wind farms and broadening our operational activities, we enter 2017 with a positive outlook together with a strong new institutional investor. Rabbalshede Kraft stands strong in this ever-changing world.

Håkan Frick, acting CEO

Production

Rabbalshede Kraft offers operational services in technical, commercial and accounting management for deployed wind farms. The company's operational organization, together with the suppliers of the turbines, is responsible for both the wind turbines managed proprietarily by the company and those managed on behalf of partners. A professional operations and maintenance organization, in close cooperation with the turbine suppliers, contributes to high operational reliability. As of December 31, 2016, Rabbalshede Kraft operated 137 wind turbines (330 MW), of which 66 (140 MW) were owned by partners. Production capacity for the 137 wind turbines corresponds to nearly 900 GWh.

The annual production capacity of Rabbalshede Kraft's proprietarily operated wind farms totals some 515 TWh of electricity. In 2016, these wind farms produced slightly more than 500 GWh. Although the year ended with two strong quarters with favorable winds, somewhat weaker winds in the first and second quarter resulted in total production for the year being about 3 percent below the expected level. In total during the year, the company maintained high availability of 98.9 percent.

Wind farms	Wind turbines		Production outcome, MWh					
	No. of turbines	Output (MW)	Q4 2016	Q4 2015	Full-year 2016	Full-year 2015	Full-year 2014	Full-year 2013
Hud	6	15	13,290	12,831	37,020	41,614	36,507	35,691
Kil	4	8	6,695	7,130	19,792	23,226	19,312	19,835
Brattön	6	15	13,082	11,634	34,424	40,212	34,925	33,788
Töftedalsfjället	10	23	25,331	21,976	67,897	75,909	65,453	63,839
Dingle-Skogen	12	28	25,105	24,509	68,128	81,280	66,376	36,278
Årjäng Nordväst	9	28	27,433	25,259	75,123	86,679	27,090	-
Årjäng Sydväst	11	33	40,936	36,577	109,155	126,232	30,908	-
Skaveröd/Gurseröd	13	40	31,550	30,059	88,708	101,260	34,094	-
Total	71	190	183,422	169,975	500,247	576,412	314,665	189,431
Price-hedged electricity			67%	70%	70%	71%	71%	63%

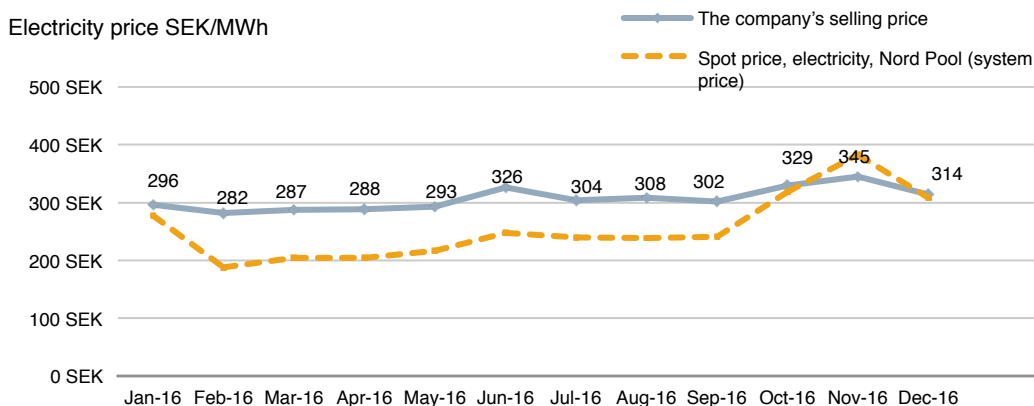
Seasonal and annual variations

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 a normal year can be substantial during certain periods, thus impacting income and earnings during a single quarter or year.

Prices for electricity and electricity certificates

During the fourth quarter of 2016, the price of electricity continued to rise and the highest monthly spot price on the Nord Pool power market since April 2013 was noted in November. The November average was SEK 383/MWh (38 öre/kWh). On an annual basis, the price of electricity rose 30 percent from SEK 196 to 256/MWh. The system price is a theoretical system price and the reference price for financial contracts. The spot price in bidding area three, where most of Rabbalshede Kraft's wind farms are located, is generally some 5 to 10 percent higher than the system price.

An important reason for the increased price of electricity last year was the declining level in Swedish-Norwegian hydro-power reservoirs. Hydropower generated 61 TWh, down 17 percent. Similarly, last year was not as strong a year in terms of wind, down 7 percent to 15.4 TWh, although wind still accounted for one tenth of Swedish electricity production. The price forecast for 2017 is cautiously positive, although a warm start to the year with declining electricity consumption has added some pressure on prices. However, the current year started with better winds than in January 2016.



By 2040, electricity production in Sweden is to be 100 percent renewable. Five parliamentary parties agreed on this last year. A continued high rate of expansion of, for example, wind power is essential to achieving this target. An extension of the electricity-certificate system until 2030 constituted part of the agreement. The system was introduced in 2003 and entailed that renewable electricity production, such as wind turbines, would receive one electricity certificate for every MWh produced during the first 15 years in operation. Most of the support went to wind power. From 2012, the intention of the system has been to jointly with Norway increase annual production of renewable electricity by 28.4 TWh by 2020. Up to 2030, a further 18 TWh/year is to be constructed, although this only involves Sweden, because Norway is closing the system at the end of 2021.

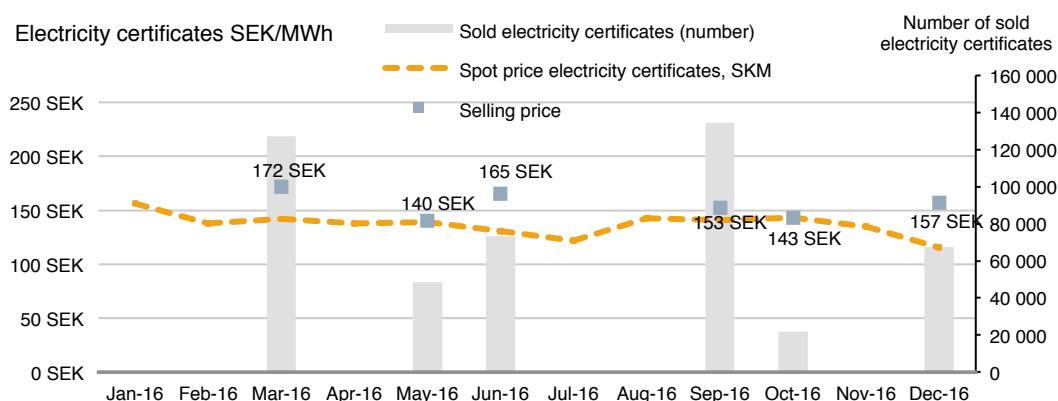
During 2005–2016, the spot price for electricity certificates varied from more than SEK 300 to just over SEK 100/MWh (30 – 10 öre/kWh). The peak was noted in August 2008 at SEK 372/MWh. A declining trend has been noted throughout the 2010s, with the price falling to SEK 50/MWh in February 2017. A number of forecasts indicate that there is a risk that the negative price trend will continue.

The declining certificate price and a low electricity price are contributing to a decrease in investments in renewable electricity production. Accordingly, operators in the electricity market are currently calling for rapid action to ensure that the expansion does not come to a halt. Last year, investments in wind power declined sharply, according to the trade organization Swedish Wind Energy. Energy issues are therefore high on the political agenda during 2017. Control station 2017, which is being implemented this year, is the next audit of the electricity-certificate system. It applies to both the current and the following period. By 2030, Sweden's nuclear power reactors are to be decommissioned and there are serious question marks about when the remaining six will be

taken out of operation. Accordingly, there is an urgent need for a broad agreement on energy policy.

Meanwhile, processes within the EU are under way to strengthen the expansion of renewable energy. The European Commission's energy package (the winter package) is based on the EU's undertaking to reduce carbon emissions by at least 40 percent by 2030. The proposals have to be converted into legislation, which is expected to take a couple of years. A central issue is that the proportion of renewable energy is to be at least 27 percent by 2030. This pertains to electricity, heat and transport. Today, the proportion of renewable energy is half of this level. A long-term objective is that electricity production in the EU should be carbon-free by 2050.

At December 31, 2016, the company had an inventory of 42,006 electricity certificates at a value of KSEK 4,852.



Project portfolio – Planning operations

The first step in a successful establishment is to conduct a thorough analysis of the conditions for wind power. Experience gained from operational wind farms, ongoing construction and applications provides a strong foundation for future projects. The following sections describe the various phases involved, from preplanning to commissioning.

Preplanning, planning

In the preplanning phase, basic prerequisites are analyzed, such as wind conditions based on wind maps, opposing interests, ground conditions, the feasibility of grid connections and so forth. Most of Sweden's municipalities have established wind-power plans, which indicate areas that may be appropriate for establishing wind-power production. Leaseholds are signed with land owners, which are subject to the condition that wind measurements and other analyses in the next phase remain positive.

In the planning phase, wind measurements begin and the consultation process is initiated with the authorities, organizations and individuals affected by the establishment. At this point an Environmental Impact Assessment (EIA) is prepared, which is submitted to the relevant authority together with the application. An EIA describes the direct and indirect impact of wind power on natural and cultural environments, recreational amenities and public health.

Application

Wind farm applications that are to be assessed under the Environmental Code are submitted to the County Administrative Board where the Environmental Protection Department formulates a decision-making proposal for the operation. The County Administrative Board's environmental testing delegation subsequently reaches a decision. In order for the County Administrative Board to assess an application and decide whether or not to issue a permit, the project must be approved by the municipality. If the municipality rejects the application, the County Administrative Board must also reject the application. This is usually referred to as a municipal veto. Wind farms that are assessed under the Swedish Planning and Building Act are submitted to the relevant municipality for assessment.

Authorization

When all permits have been granted and gained legal force, the focus is on the procurement of turbines, other engineering, electrical and contracting work, as well as financing. Grid connection agreements are also reached with various grid companies. The wind measurements are thoroughly analyzed, which provides the basis for investment and profitability calculations.

Construction

This phase begins with preparatory work on land and the construction of roads. Contractors are appointed for earthworks, while turbine suppliers are responsible for the assembly and commissioning of wind turbines. Grid connections are made by the electricity companies that own the adjacent networks and are paid for by Rabbalshede Kraft.

Operation

A service and maintenance plan is established for each turbine and operational monitoring is performed remotely by both the supplier and Rabbalshede Kraft. The company's internal operational and maintenance organization is considered a core strategic competency and establishes processes certified in accordance with ISO 9001 and ISO 14001. The aim is to achieve higher operational reliability and availability than the turbine manufacturers are able to offer in their service agreements. Along with the company's suppliers, the operational organization is also responsible for the turbines at wind farms jointly managed by Rabbalshede Kraft and its partners. Töftedalsfjället is the first example of this type of facility. Rabbalshede Kraft also sells operating services for deployed wind farms on behalf of external partners.



Project portfolio at December 31, 2016

The company's project portfolio at the end of the period had the following appearance:

Phase	Project name	No. of turbines	Output, total (MW)	Municipality
Construction	Lyrestad	22	76	Mariestad
Total construction		22	76	
Authorized	Brattön Sälelund	14	42	Munkedal
	Femstenaberg	15	45	Strömstad
	Lursång	5	10	Tanum
	Årjäng Nordväst phase II	8	28	Årjäng
	Vetteberget	2	6	Strömstad
	Sköllunga	3	9	Stenungsund
Total authorized		47	140	
Authorized not gained legal force	Lillhärda Åndberg	57	205	Härjedalen
Total authorized projects not to gain legal force		57	205	
Total applications		34	119	
Total planning		10	33	
Total		170	573	

- 1) At the Lyrestad project, which is currently under construction, Rabbalshede owns 25% of the wind turbines, corresponding to 5.5 turbines, while Ardian Infrastruktur owns 75%.
- 2) The projects that are planned or are under application are subject to evaluation and assessment by the municipality and/or the county administrative board. Accordingly, there may be some uncertainty as to whether or not the company will receive the permits for the projects that are being planned and the projects for which the company has submitted applications. Projects that have not been granted permits are moved down the planning phase for review or are terminated.

Investments

Investments, including paid advances, totaled KSEK 41,755 during the period from January to December 2016. The investments pertain to ongoing planning.

Financing

Bank loans totaled KSEK 728,492 (1,255,652) at December 31, 2016. During the year, the company's average interest rate on bank loans raised was 5.98 percent. The equity/assets ratio was 46 percent (45) at December 31.

During the year, the company's principal owner – Manor Investment S.A Group – granted a shareholder's loan of MSEK 400, a portion of which was used to repay loans for the wind farms, Hud, Töftedalsfjället, Kil, Brattön, Dingle-Skogen, Skaveröd/Gurseröd, Årjäng Nordväst och Årjäng Sydväst.

In connection with early repayment of bank loans, Rabbalshede Kraft redeemed interest-hedging instruments in a corresponding amount. This had a negative impact of MSEK 62,9 on profit.

The company has been granted an overdraft facility of MSEK 50, of which MSEK 20 had been utilized on the balance-sheet date.

Hedging instruments

Rabbalshede Kraft applies hedge accounting of financial instruments in accordance with IAS 39. As a result, value changes in various derivatives acquired to hedge cash flows have to be recognized against shareholders' equity through comprehensive income. At December 31, 2016, the company's outstanding interest-rate contracts had a market value of KSEK 79,639. At December 31, 2016, 100% of the company's interest-rate hedges were effective and 100% of the outstanding loans were hedged.

Risks and uncertainties

Through its operations, Rabbalshede Kraft is exposed to risks. The company is dependent on both the general economic and political climate in its business environment. For a detailed description of risks, refer to the administration report in the Annual Report for the 2015 fiscal year.

In 2008, Rabbalshede Kraft entered into an agreement with a supplier relating to the acquisition of a total of 29 wind turbines. Of these, the company instructed the delivery of 14 wind turbines to the Dingle-Skogen wind farm in February 2012. The advance payment in EUR that had previously been made for the 29 turbines, corresponding to KSEK 39,921 (rate 9.23), was used as an installment payment for 14 turbines. While the remaining agreements for 15 wind turbines stipulate specific delivery dates, the parties intend to sign supplementary agreements specifying new delivery dates for wind farms that are scheduled further down the line. Should the company cancel the remaining 15 wind turbines, this could cost EUR 6.7 M, corresponding to SEK 64.1 M at the closing-date rate.

Group key figures

	Q4 2016	Q4 2015	Full-year 2016	Full-year 2015
Installed output at the close of the period, MW	190	190	190	190
Electricity production during the period, MWh	183,422	169,975	500,247	576,412
Average income for electricity, SEK/MWh	329	286	309	288
Average income from electricity certificates, SEK/MWh	150	177	154	162
Average income from guarantees of origin, SEK/MWh	16	1	8	8
Number of employees at the close of the period	26	27	26	27
Net sales, KSEK	90,819	78,811	235,628	264,204
EBITDA, KSEK	77,698	50,443	143,299	169,655
EBITDA ² margin, %	85.6	64.0	60.8	64.2
EBIT, KSEK	45,870	-153,711	44,263	-110,669
Return on capital employed, percent (before tax)	-	-	2.2	neg
Return on shareholders' equity, %	-	-	neg	neg
Earnings per share before dilution, SEK	0.14	-2.07	-0.77	-2.29
Earnings per share after dilution, SEK	0.14	-1.68	-0.76	-2.17
Average no. of shares before dilution, thousands	126,844	74,825	125,707	74,825
Average no. of shares after dilution, thousands	126,844	92,393	127,015	92,393
No. of shares at the end of the period, thousands	126,844	74,825	126,844	74,825
			Dec 31, 2016	Dec 31, 2015
Total assets, KSEK			2,356,163	2,562,718
Equity/assets ratio, %			46	45
Net debt, KSEK			1,023,662	914,788
Debt/equity ratio, multiple			1.0	1.1
Interest-bearing liabilities, KSEK			709,713	1,231,722
Capital employed, KSEK			1,790,207	2 2376 868
Shareholders' equity, including non-controlling interests, KSEK			1,080,494	1,145,146
Shareholders' equity per share, KSEK			8.52	15.30

Definitions

EBITDA:	Operating profit before depreciation, amortization and impairments
EBITDA margin:	EBITDA as a percentage of net sales
EBITDA ² margin:	EBITDA as a percentage of net sales excluding non-recurring costs from Vestas
EBIT:	Operating profit before financial items and taxes.
Earnings per share:	Earnings for the period divided by the number of shares
Total assets:	Total value of assets held by the company
Capital employed:	Total assets less non-interest-bearing liabilities
Net debt:	Interest-bearing liabilities less cash and cash equivalents.
Return on equity:	Earnings for the period/average shareholders' equity.
Return on capital employed:	Profit before tax plus financial expenses/average capital employed
Equity/assets ratio:	Shareholders' equity as a percentage of total assets.
Debt/equity ratio:	Interest-bearing liabilities/shareholders' equity
Shareholders' equity per share:	Equity divided by the number of shares

Consolidated income statement

KSEK	Note	Q4 2016	Q4 2015	Q1-4 2016	Q1-4 2015
Net sales		90,819	78,811	235,628	264,204
Other operating revenues		7,469	1,723	12,620	6,388
Total revenues		98,288	80,534	248,248	270,592
Personnel costs	2	-4,285	-4,124	-17,929	-15,176
Other external costs	2	-23,044	-25,967	-93,746	-85,761
Other operating expenses		-770		-770	
Income from the sale of group companies		7,509		7,509	
Share of profit/loss of associated companies		-		-13	
Depreciation, amortization and impairment of tangible and intangible fixed assets		-31,828	-204,154	-99,036	-280,324
Operating loss		45,870	-153,711	44,263	-110,669
Financial income		1,101	-46	2,337	100
Financial expenses		-20,831	-24,456	-150,397	-86,160
Loss before tax		26,140	178,213	-103,797	-196,729
Tax		-8,185	21,008	6,974	25,082
Loss for the period		17,955	-157,205	-96,823	-171,647
Earnings per share					
Average no. of shares before dilution, thousands		126,844	74,825	125,707	74,825
Average no. of shares after dilution, thousands		126,844	92,393	127,015	79,253
Earnings per share before dilution, SEK		0.14	-2.10	-0.77	-2.29
Earnings per share after dilution, SEK		0.14	-1.70	-0.76	-2.17

Consolidated statement of comprehensive income

KSEK	Q4 2016	Q4 2015	Q1-4 2016	Q1-4 2015
Loss for the period	17,955	-157,205	-96,823	-171,647
Other comprehensive income:				
<i>Items that can be reclassified to profit or loss when specific conditions have been met:</i>				
Cash-flow hedges:				
Change in fair value	12,747	10,693	-53,251	-5,539
Reversals against profit or loss	6,983	9,634	32,841	35,701
Reversed to profit/loss	-572		62,930	
Transferred to cost of hedged item	-	-	-	-2,266
Tax attributable to cash-flow hedges	-4,214	-4,472	-9,354	-6,137
Total cash-flow hedges	14,944	15,855	33,166	21,759
Total items that will not be reclassified to profit/loss	-	-	-	-
Comprehensive loss for the period	32,899	-141,350	-63,657	-149,888

Consolidated balance sheet

KSEK	Dec 31, 2016	Dec 31, 2015
Assets		
Intangible fixed assets	31,888	33,751
Tangible fixed assets	1,988,607	2,088,834
Deferred tax assets	59,290	61,387
Receivable from associated companies	108,226	-
Other long-term receivables	15	15
Total fixed assets	2,188,026	2,183,987
Intangible current assets	4,897	7,737
Accounts receivable	4,061	1,316
Receivable from associated companies	2,273	-
Prepaid costs and accrued income	44,993	46,010
Other receivables	8,254	6,734
Blocked bank funds	59,726	90,190
Cash and cash equivalents	43,933	226,744
Total current assets	168,137	378,731
Total assets	2,356,163	2,562,718
Shareholders' equity		
Share capital	761,063	748,249
Other capital contributions	399,527	399,527
Ongoing new share issue	-	304,665
Reserves	-62,118	-95,284
Retained earnings including profit/loss for the period	-17,986	-212,019
Shareholders' equity attributable to Parent Company's shareholders	1,080,486	1,145,138
Non-controlling interests	8	8
Total shareholders' equity	1,080,494	1,145,146
Liabilities		
Provisions – rehabilitation costs for wind turbines	6,981	6,617
Interest-bearing liabilities	537,771	5,400
Other long-term liabilities	497,614	122,844
Total long-term liabilities	1,042,366	134,861
Accounts payable	15,525	5,204
Interest-bearing liabilities	171,942	1,226,322
Other liabilities	6,745	5,805
Accrued expenses and deferred income	39,091	45,380
Total current liabilities	233,303	1,282,711
Total liabilities	1,275,669	1,417,572
Total shareholders' equity and liabilities	2,356,163	2,562,718
Pledged assets	1,943,288	2,062,593
Contingent liabilities	214,855	209,205

Condensed consolidated statement of changes in shareholders' equity

Shareholders' equity attributable to the Parent Company's shareholders, KSEK	Dec 31, 2016	Dec 31, 2015
Total shareholders' equity on the opening date	1,145,138	990,361
Profit/loss for the period	-96,823	-171,647
Other comprehensive income	33,166	21,759
Comprehensive loss for the period	-63,657	-149,888
New share issue	-	312,114
Expenses attributable to the new share issue	- 1,278	-9,551
Tax effect attributable to the new share issue	283	2,102
Total shareholders' equity on the closing date	1,080,486	1,145,138

Consolidated cash-flow statement

Condensed, KSEK	Q4 2016	Q4 2015	Q1-4 2016	Q1-4 2015
Cash flow from operating activities before changes in working capital	52,290	34,544	-6,576	92,006
Cash flow from changes in working capital	35,412	-21,755	-32,405	-70,868
Cash flow from operating activities	87,702	12,789	-38,981	21,138
Investing activities¹				
Acquisition of intangible fixed assets, including advances	-	-180	-480	-290
Acquisition of tangible fixed assets, including advances	-26,453	-6,485	-41,275	-22,731
Divestment of tangible fixed assets	-2,779	-	-21,708	-
Divestment of subsidiaries incl the effect of cash and cash equivalents in divested companies	-49,016	-	-49,016	-
Cash flow from investing activities	-78,248	-6,665	-63,463	-23,021
Financing activities				
Ongoing new share issue	-	312,114	-	312,114
Expenses attributable to the new share issue	-	-9,551	-1,278	-9,551
Change shareholder's loan	7,214	-116,174	417,608	-109,811
Loans raised	-	-1,551	20,000	25,000
Amortization of loans	-105,002	-34,498	-547,161	-74,368
Changes in blocked funds	-1,216	-569	30,464	-35,763
Cash flow from financing activities	-99,004	149,771	-80,367	107,621
Cash flow for the period	-89,550	155,895	-182,811	105,738
Cash and cash equivalents on the opening date	133,483	70,849	226,744	121,006
Cash and cash equivalents on the closing date	43,933	226,744	43,933	226,744
Blocked funds	59,726	90,190	59,726	90,190
Total cash and cash equivalents and blocked funds	103,659	316,934	103,659	316,934

¹ Investing activities for Q4 2016 and full year 2016 has been restated to illustrate the effect on liquidity from the sale of part of a subsidiary.

Parent Company

The Parent Company, Rabbalshede Kraft AB (publ.), primarily focuses on the management, coordination and operation of the Hud wind farm and the development of the Group. The Parent Company is responsible for issues related to the equities market, such as preparing consolidated financial statements and equity market information, as well as to the credit market such as matters regarding funding and financial risk management.

Parent Company income statement

KSEK	Q4 2016	Q4 2015	Q1-4 2016	Q1-4 2015
Net sales	10,000	8,339	23,694	30,268
Other operating revenues	5,542	542	18,550	910
Total revenues	15,542	8,881	42,244	31,178
Personnel costs	-4,359	-4,254	-18,075	-15,871
Other external costs	-6,758	-6,798	-26,220	-17,622
Other operating expenses	-770	-	-770	-
Depreciation and amortization of tangible and intangible fixed assets	-11,016	-13,400	-16,832	-22,250
Operating loss	-7,361	-15,571	-19,653	-24,565
Income from shares in group companies	-37	-179,169	-37	-179,169
Interest income and similar items	982	1,439	2,354	1,524
Interest expense and similar items	-4,369	-5,075	-16,397	-9,115
Loss before tax	-10,785	-198,376	-33,733	-211,325
Appropriations	-	-	-	-
Profit/loss before tax	-10,785	-198,376	-33,733	-211,325
Tax	-10,250	4,209	-10,250	7,059
Loss for the period	-21,035	-194,167	-43,983	-204,266

Parent Company's statement of comprehensive income

KSEK	Q4 2016	Q4 2015	Q1-4 2016	Q1-4 2015
Profit/loss for the period	-21,035	-194,167	-43,983	-204,266
Total other comprehensive income	-	-	-	-
Total comprehensive income/loss for the period	-21,035	-194,167	-43,983	-204,266

Parent Company balance sheet

Condensed, KSEK	Dec 31, 2016	Dec 31, 2015
Intangible fixed assets	16,140	16,927
Tangible fixed assets	214,771	234,777
Financial fixed assets	1,171,795	842,725
Intangible current assets	522	561
Current receivables	17,935	13,446
Cash and bank balances	10,100	208,341
Total assets	1,431,263	1,316,777
Restricted shareholders' equity	761,064	748,249
Ongoing new share issue	-	312,114
Unrestricted shareholders' equity	398,637	144,317
Untaxed reserves	500	500
Ongoing new share issue	-	312,114
Long-term liabilities	217,316	5,400
Current liabilities	53,746	106,197
Total shareholders' equity and liabilities	1,431,263	1,316,777

Notes to the condensed financial statements

Note 1 Accounting policies

The consolidated financial statements for 2016 were prepared, similar to the 2015 year-end report, in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Commission for adoption within the EU, and the Swedish Annual Accounts Act.

The interim report for the Group has been prepared in accordance with IAS 34 Interim Reporting. Pertinent provisions of the Annual Accounts Act have also been applied. The same accounting policies and calculation principles have been applied as in the most recent Annual Report.

The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act and the regulations in RFR 2 Accounting for Legal Entities.

Pursuant to IFRIC 21, property tax has been expensed for the entire fiscal year at the start of the year. In the past, property tax was accrued over the year.

Note 2 Personnel costs and other external costs

The company capitalizes all expenses for project-planning personnel. Overhead costs are capitalized at an appropriate percentage for projects in the construction phase and the remaining costs impact earnings. The expenses encompass both personnel expenses and other external expenses.

Group KSEK	Q4 2016	Q4 2015	Q1-4 2016	Q1-4 2015
Personnel costs				
Personnel costs	-5,205	-5,868	-22,437	-21,850
Capitalized planning personnel	792	1,274	3,324	4,876
Capitalized personnel in management and administration	128	470	1,184	1,798
Total	-4,285	-4,124	-17,929	-15,176

Group KSEK	Q4 2016	Q4 2015	Q1-4 2016	Q1-4 2015
Other external costs				
Other external costs	-23,818	-26,500	-95,371	-87,177
Reinvoiced costs	412	-395	-700	-2,110
Capitalized other external costs	362	928	2,325	3,526
Total	-23,044	-25,967	-93,746	-85,761

Signature/issuer of the report

Rabbalshede, February 23, 2017

Håkan Frick

Acting CEO

Review

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

