

## Just like you, we're into wind

### Year-end report, 2017 Rabbalshede Kraft AB (publ)

Significant events during the fourth quarter, October 1, 2017 – December 31, 2017

- Production for the fourth quarter totaled 167,975 MWh (183,422 MWh)
- Net sales amounted to KSEK 77,069 (90,819)
- EBITDA amounted to KSEK 58,727 (77,698)
- The Company posted an operating loss (EBIT) of KSEK 2,448 (loss: 45,870)
- Average selling price for wind-power production was SEK 459/MWh (495), of which electricity accounted for SEK 309/MWh (329) and electricity certificates and guarantees of origin for SEK 150/MWh (167)

Key figures	Q4 2017	Q4 2016	Full-year 2017	Full-year 2016
Electricity production, MWh	167,975	183,422	509,535	500,247
Net sales, KSEK	77,069	90,819	234,163	235,628
EBITDA, KSEK	58,729	77,698	132,618	143,299
Average selling price, electricity, SEK/MWh	309	329	311	309
Average selling price from electricity certificates and guarantees of origin, SEK/MWh	150	166	148	162

### For further information, please contact

Britta Ersman, IR and Financial Manager  
Tel. +46 (0) 525 197 18, +46 (0) 702 79 79 43  
britta.ersman@rabbalshedekraft.se

Fredrik Samuelsson, Finance Manager  
Tel. +46 (0) 525 197 13, +46 (0) 703 01 20 49  
fredrik.samuelsson@rabbalshedekraft.se

Rabbalshede Kraft AB (publ)  
Marknadsvägen 1  
SE-457 55 Rabbalshede, Sweden

Tel. +46 (0) 525-197 00  
E-mail: [info@rabbalshedekraft.se](mailto:info@rabbalshedekraft.se)  
[www.rabbalshedekraft.se](http://www.rabbalshedekraft.se)  
Corp. Reg. No. 556681-4652

## Contents

Rabbalshede Kraft's financial calendar .....	2
2017 fiscal year .....	3
CEO's statement.....	4
Production.....	5
Prices for electricity and electricity certificates .....	5
Project portfolio – Planning operations .....	7
Project portfolio at December 31, 2017.....	8
Investments .....	8
Financing .....	8
Hedging instruments .....	9
Risks and uncertainties .....	9
Group key figures.....	10
Consolidated income statement.....	11
Consolidated statement of comprehensive income.....	11
Consolidated balance sheet.....	12
Condensed consolidated statement of changes in shareholders' equity .....	13
Consolidated cash-flow statement .....	14
Parent Company .....	15
Parent Company income statement.....	15
Parent Company's statement of comprehensive income .....	15
Parent Company balance sheet.....	16
Notes to the condensed financial statements .....	17
Signature/issuer of the report.....	18

## Rabbalshede Kraft's financial calendar

Annual General Meeting for the 2017 fiscal year	April 26, 2018
Interim report January-March 2018	May 17, 2018
Interim report January-June 2018	August 23, 2018
Interim report January-September 2018	November 22, 2018
Year-end report for 2018	February 28, 2019

Press releases and financial reports can be subscribed to and downloaded on Rabbalshede Kraft's website [www.rabbalshedekraft.se](http://www.rabbalshedekraft.se).

## Annual General Meeting

The Annual General Meeting (AGM) for the 2017 fiscal year will be held on April 26, 2018 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 29, 2018. An announcement that notification has been published will be made in *Dagens Industri* and *Göteborgs-Posten*.

The 2017 Annual Report will be published on Rabbalshede Kraft's website on April 5, 2018. The Annual Report will be available at the company's office in Rabbalshede as of April 5, 2018, and be distributed by traditional mail to shareholders on request about one week in advance of the AGM.

## 2017 fiscal year

Production from the Group's wind farms in January-December totaled 509,535 MWh (500,247).

Net sales amounted to KSEK 234,163 (235,628).

EBITDA amounted to KSEK 132,618 (143,299).

EBIT was KSEK 3,081 (44,263).

Average selling price for wind-power production was SEK 460/MWh (471), of which electricity accounted for SEK 311/MWh (309) and electricity certificates and guarantees of origin for SEK 148/MWh (162).

Depreciation/amortization amounted to KSEK 129,537 (99,036). The difference from the previous year is mainly due to the closing of a project of KSEK 15,099 and a change to the component depreciation of MSEK 23 in the wind farms.

The result after tax was a loss of KSEK 100,114 (loss: 102,360).

## Significant events

On January 31, 2017, Rabbalshede Kraft held an extraordinary general meeting where, among other items, a decision was taken on a private placement to Sweden Holdco RK AB ("Greystone"). The private placement amounted to SEK 283 M 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.

After many years as an employee and as CEO of Rabbalshede Kraft AB, the Board announced in February that, following a joint decision, Thomas Linnard had chosen to leave his position.

The environmental permit for Åndberg wind farm in Härjedalen Municipality, which comprises of 57 wind turbines, came into full legal force in the spring.

The Annual General Meeting (AGM) for the 2016 fiscal year was held on April 27, 2017, in Gothenburg, Sweden. The Meeting resolved on the re-election of Bertil Villard, Annika Ahl Åkesson, Jean Baptiste Oldenhove, Matthieu Baumgartner and Jeffrey Moulard as well as the new election of Stine Rolstad Brenna. Bertil Villard was elected as Chairman of the Board for the period until the end of the next AGM.

Mads Miltersen took over as CEO on June 1. Mads joined the company from EnergiMidt in Denmark's Jutland region, where he held positions including CFO and CEO. Prior to EnergiMidt, Mads served as Finance Manager at Ericsson Dix and as an Auditor at BDO.

In September, the company entered into a three-year management agreement with Vänern wind farm. Under the agreement, Rabbalshede is responsible for the management, monitoring, service and maintenance of seven of the wind turbines at Vänern wind farm. The agreement is for three years, with an option to extend for an additional two years.

On August 31, Rabbalshede Kraft finalized refinancing of the company with Swedbank. This means that the company now has a new loan structure in place that creates a stable base for the company for the foreseeable future. As a result of the refinancing, Rabbalshede Kraft has concluded a period of focus on internal consolidation and is now ready for growth.

On October 1, we inaugurated the Lyrestad wind farm; nearly 400 visitors came to meet Rabbalshede Kraft and Ardian. The Lyrestad wind farm is operated by Lyrestad Vind AB, a jointly owned company between Rabbalshede Kraft and Ardian Infrastructure, in which Rabbalshede Kraft holds 25% of the shares. The wind farm's annual production of 234 GWh is purchased by Google under a long-term electricity trading agreement. On December 22, construction and trial operation were completed and Lyrestad Vind took over legal responsibility.

## CEO's statement

2017 has been a year of transition, offering both a crash in electricity certificate prices and climbing electricity prices. It began with a great deal of turmoil and finished with faith in the future.

During the autumn we have developed our strategy with an exciting and ambitious plan for growth. We have strengthened the company with several new recruitments and expanded the management group with Wenche Gullaksen and Martin Pettersen, responsible for sales and business development, respectively. In February we also added Dick Foberg, Business Controller to the team.

In February, Greystone Infrastructure came in as new owner through a private placement, and after Manor Group is the next largest owner in Rabbalshede Kraft. Greystone is also represented on the Board.

In August, the company was refinanced and all its established wind farms were placed into a jointly owned company financed by Swedbank. In connection with the refinancing, non-recurring costs arose that impacted the profit for the year. Over the long term, this will lower our financial expenses.

The wind farm in Lyrestad outside of Mariestad was completed in December, and today the 22 turbines produce electricity for Google. The farm was inaugurated on October 1. Nearly 400 visitors met Rabbalshede Kraft and our partner, Ardian Infrastructure. The farm was inaugurated by Lise Nordin, member of the Riksdag and energy policy spokesperson for the Green Party, and Lars Fröding, Director of External Affairs for the Västra Götaland County Administrative Board.

Production during the year totaled 514 GWh, which is in line with expectations. In general, the four quarters have come in as expected, with a few individual months that stood out. February was an unusually weak month, whereas wind conditions were favorable in June and October.

Going forward, the company will work more actively on supporting society's transition to renewable energy. We place great importance on social responsibility and long-term sustainability. These are values that are important to us both as a company and as individuals.

We laid a stable foundation in 2017. We are now looking forward to building on this further, together with both new and existing partners. There is only one way to go in 2018: forward!



Mads Miltersen

## 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 suppliers of the turbines, contributes to high operational reliability.

As of December 31, 2017, Rabbalshede Kraft operated 170 wind turbines (395 MW), of which 93 (266 MW) were operated proprietarily or jointly. Production capacity for the 170 wind turbines corresponds to nearly 1,200 GWh. The annual production capacity of Rabbalshede Kraft's proprietarily or jointly operated wind farms totals some 750 GWh of electricity. During 2017, these wind farms produced 572 GWh; in general, the quarters produced according to expectations, with a few individual months that stood out. Total production for the year was in line with expectations. During the year, the company maintained high availability of over 98 percent.

Wind farms*	Wind turbines		Production outcome, MWh						
	No. of turbines	Effect (MW)	Q4 2017	Q4 2016	Full-year 2017	Full-year 2016	Full-year 2015	Full-year 2014	Full-year 2013
Hud	6	15	11,324	13,290	36,385	37,020	41,614	36,507	35,691
Kil	4	8	5,347	6,695	18,849	19,792	23,226	19,312	19,835
Brattön	6	15	12,003	13,082	36,910	34,424	40,212	34,925	33,788
Töftedalsfjället	10	23	22,478	25,331	68,611	67,897	75,909	65,453	63,839
Dingle-Skogen	12	28	23,758	25,105	72,088	68,128	81,280	66,376	36,278
Årjäng Nordväst	9	28	26,221	27,433	76,371	75,123	86,679	27,090	-
Årjäng Sydväst	11	33	37,974	40,936	110,560	109,155	126,232	30,908	-
Skaveröd/Gurseröd	13	40	28,870	31,550	89,761	88,708	101,260	34,094	-
<b>Total</b>	<b>71</b>	<b>190</b>	<b>167,975</b>	<b>183,422</b>	<b>509,535</b>	<b>500,247</b>	<b>576,412</b>	<b>314,665</b>	<b>189,431</b>
Price-hedged electricity			90%	67 %	90%	70 %	71%	71%	63%

\*Excluding Lyrestad

### Seasonal and annual variations

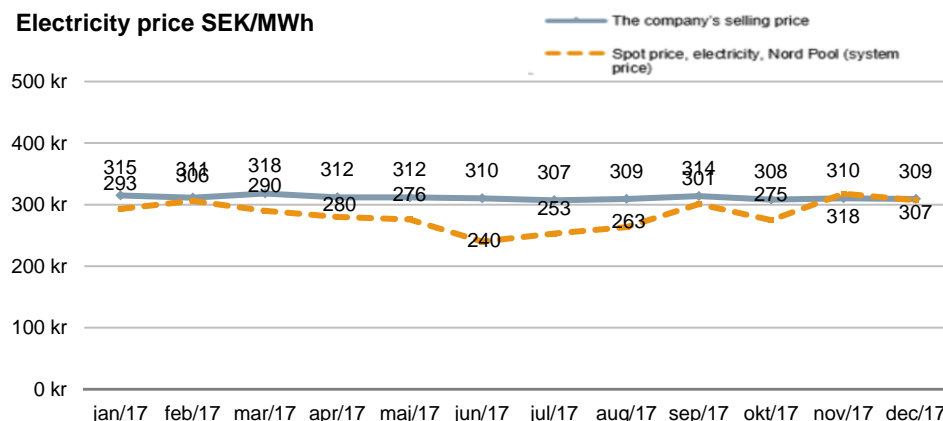
Wind-power production varies during the year, normally entailing higher electricity production during the winter season. An average wind year, known as a normal year, is based on wind measurements over at least a ten-year period. Deviations from a normal year can be substantial during certain periods, thus impacting income and earnings during a single quarter or year.

### Prices for electricity and electricity certificates

For the second year in a row, prices on the Nordic power market have risen. During 2017, the annual average totaled SEK 301/MWh in Rabbalshede Kraft's bidding area (SE 3), which is nearly 50% higher than 2015. One of several contributing factors was increasing coal prices. Sweden is affected by coal prices through electricity connections with other markets such as the German electricity market, where fossil energy production remain dominant. The expansion of interconnected grids in northern Europe allow export and import of electricity, which promotes price equalization.

The fourth quarter experienced a marginal price decline compared with the third quarter. The average price in the bidding area decreased from SEK 359/MWh to SEK 306/MWh. Contributing factors were high precipitation during the past autumn combined with mild weather during the early winter. Spot prices rose during early 2018, in line with the winter cold. Levels in the Swedish-Norwegian water power stores are normal at the beginning of the year, but large amounts of snow are expected to yield a significant surplus to the Nordic power when the meltings begins.

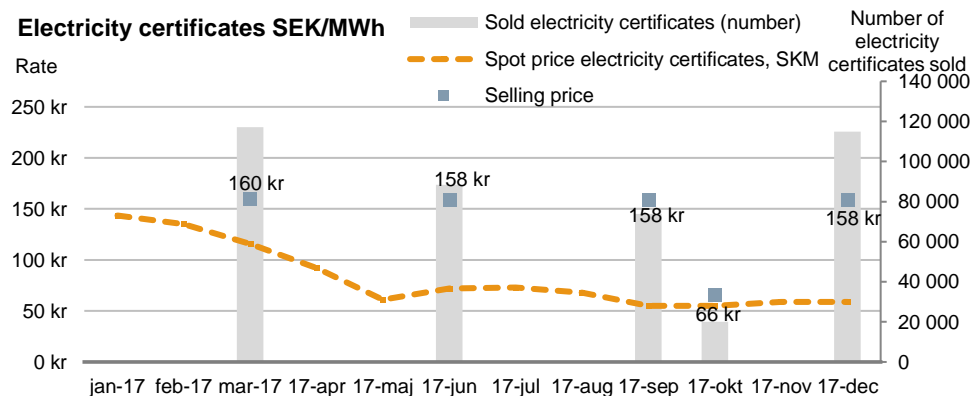
### Electricity price SEK/MWh



**Electricity certificates** are the Swedish-Norwegian support scheme for renewable electricity production. Over the past autumn and in early 2018, prices have increased, partly owing to systemic adjustments. Spot prices were at their highest in August 2008, at approximately SEK 372/MWh. After that, they decreased until the summer of 2017, only to climb weakly to SEK 78/MWh at the end of January 2018.

The price trend in electricity certificates over the past few years have contributed to the slowdown in the transition to renewable production. The Swedish Riksdag therefore decided last year on adjustments to the electricity certificate system, and a new goals for Sweden for an additional 18 TWh 2030.

### Electricity certificates SEK/MWh



**Energy policy.** The starting point is the energy agreement among five Riksdag parties from June 2016. The purpose is to create long-term sustainability rules for the Swedish energy supply. One of the objectives is for Swedish electricity production to be 100% renewable by 2040. The political work towards a completely renewable electricity system is described in greater detail in Rabbalshede Kraft's annual report, which will be published in April.



## 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. 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 agreement. Rabbalshede Kraft also sells operating services for deployed wind farms on behalf of external partners.

## Project portfolio at December 31, 2017

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
<b>Authorized</b>	Brattön Sälelund	14	42	Munkedal
	Femstenaberg	15	45	Strömstad
	Lursäng	5	10	Tanum
	Årjäng Nordväst phase II	8	28	Årjäng
	Sköllunga	3	9	Stenungsund
<b>Total authorized</b>		<b>45</b>	<b>134</b>	
<b>Authorized not gained legal force</b>	Lillhärda Åndberg	57	205	Härjedalen
<b>Total authorized projects not to gain legal force</b>		<b>57</b>	<b>205</b>	
<b>Total applications</b>		<b>34</b>	<b>119</b>	
<b>Total planning</b>		<b>10</b>	<b>33</b>	
<b>Total</b>		<b>146</b>	<b>491</b>	

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 into the planning phase for review or are terminated.

## Investments

Investments, including paid advances, totaled SEK 8,366 during 2017. The investments all relates to ongoing planning.

## Financing

Bank loans totaled SEK 607 M (1,256) at December 31, 2017. During the period, the Group's average interest rate on bank loans raised was 6.01%. The equity/assets ratio was 59 percent (46) at December 31.

On August 31, Rabbalshede Kraft finalized refinancing of the company with Swedbank, which means that a new loan structure is in place. This has resulted in a reduction in the total bank loans of SEK 12 M. Moreover, this has meant that profit was negatively affected as a result of the early redemption of interest-rate hedge instruments totaling SEK 65 M.

During the first quarter, a private placement for Sweden Holdco RK AB (Greystone) was conducted at a value of SEK 283 M. The cash and cash equivalents were largely used to repay the overdraft facility of SEK 20 M and also to repay parts of the shareholder loan of SEK 226 M to Manor Group.



### **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, 2017, the company's outstanding interest-rate contracts had a market value of SEK 30,668. At December 31, 2017, 100% of the company's interest-rate hedges were effective and 70% of the outstanding loans were hedged.

### **Risks and uncertainties**

Through its operations, Rabbalshede Kraft is exposed to risks. The company is affected by both economic development and political dependent on both the general economic and political regulations. For a detailed description of risks, refer to the administration report in the Annual Report for the 2017 fiscal year.

## Group key figures\*

	Q4 2017	Q4 2016	Full-year 2017	Full-year 2016
Installed capacity at the end of the period, MW	190	190	190	190
Electricity production during the period, MWh	167,975	183,422	509,535	500,247
Average sales price for electricity, SEK/MWh	309	329	311	309
Average sales price from electricity certificates, SEK/MWh	139	150	139	154
Average income from guarantees of origin, SEK/MWh	11	16	9	8
Number of employees at the close of the period	29	26	29	26
Net sales, KSEK	77,069	90,819	234,163	235,628
EBITDA, KSEK	58,727	77,698	132,618	143,299
EBITDA margin, %	76.2	85.5	56.6	60.8
EBIT, KSEK	-2,448	45,870	3,081	44,263
Return on capital employed, % (before tax)	-	-	2.62	2.0
Return on shareholders' equity, %	-	-	neg	neg
Earnings per share before dilution, SEK	-0.13	0.10	-0.64	-0.81
Earnings per share after dilution, SEK	-0.13	0.10	-0.64	-0.81
Average no. of shares before dilution, thousands	160,109	126,844	156,554	125,707
Average no. of shares after dilution, thousands	160,109	126,844	156,554	127,015
No. of shares at the end of the period, thousands	160,109	126,844	160,109	126,844
			Dec 31, 2017	Dec 31, 2016
Total assets, KSEK			2,201,881	2,355,778
Equity/assets ratio, %			59	46
Net debt, KSEK			743,472	1,023,662
Debt/equity ratio, multiple			0.63	1.05
Interest-bearing liabilities, KSEK			811,814	1,127,321
Capital employed, KSEK			2,107,598	1,784,670
Shareholders' equity, including non-controlling interests, KSEK			1,295,784	1,074,957
Shareholders' equity per share, SEK			8.09	8.47

\*Excluding Lyrestad

### Definitions

EBITDA:	Operating profit before depreciation, amortization and impairments
EBITDA margin:	EBITDA as a percentage of net sales
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 2017	Q4 2016	Q1-4 2017	Q1-4 2016
Net sales		77,069	90,819	234,163	235,628
Other operating revenues		12,430	7,469	20,935	12,620
<b>Total revenues</b>		<b>89,499</b>	<b>98,288</b>	<b>255,098</b>	<b>248,248</b>
Personnel costs	2	-7,927	-4,285	-27,707	-17,929
Other external costs	2	-22,845	-23,044	-94,773	-93,746
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	3	-62,147	-31,828	-129,537	-99,036
<b>Operating profit/loss</b>		<b>-3,420</b>	<b>45,870</b>	<b>3,081</b>	<b>44,263</b>
Financial income		989	1,101	4,362	2,337
Financial expenses		-18,730	-26,368	-107,557	-155,394
<b>Profit/loss before tax</b>		<b>-21,161</b>	<b>20,603</b>	<b>-100,114</b>	<b>-109,334</b>
Tax		-	-8,185	-	6,974
<b>Profit/loss for the period</b>		<b>-21,161</b>	<b>12,418</b>	<b>-100,114</b>	<b>-102,360</b>
<b>Earnings per share</b>					
Average no. of shares before dilution, thousands		160,109	126,844	156,554	125,707
Average no. of shares after dilution, thousands		160,109	126,844	156,554	127,015
Earnings per share before dilution, SEK		-0.13	0.10	-0.64	-0.81
Earnings per share after dilution, SEK		-0.13	0.10	-0.64	-0.81

## Consolidated statement of comprehensive income

KSEK	Q4 2017	Q4 2016	Q1-4 2017	Q1-4 2016
<b>Profit/loss for the period</b>	<b>-20,189</b>	<b>12,418</b>	<b>-100,114</b>	<b>-102,360</b>
<b>Other comprehensive income:</b>				
<i>Items that can be reclassified to profit or loss when specific conditions have been met:</i>				
Cash-flow hedges:				
Change in fair value	-2,576	12,747	-1,980	-53,251
Reversals against profit or loss	4,614	6,983	19,024	32,841
Reversed to profit/loss	-	-572	31,927	62,930
Transferred to cost of hedged item	-	-	-	-
Tax attributable to cash-flow hedges	-449	-4,214	-10,774	-9,354
<b>Total cash-flow hedges</b>	<b>1,589</b>	<b>14,944</b>	<b>38,197</b>	<b>33,166</b>
<b>Total items that will not be reclassified to profit/loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive profit/loss for the period</b>	<b>-18,600</b>	<b>27,362</b>	<b>-61,917</b>	<b>-69,194</b>

## Consolidated balance sheet

KSEK	Dec 31, 2017	Dec 31, 2016
<b>Assets</b>		
Intangible fixed assets	31,282	31,888
Tangible fixed assets	1,867,042	1,988,607
Deferred tax assets	48,516	59,290
Receivable from associated companies	108,226	108,226
Other long-term receivables	15	15
<b>Total fixed assets</b>	<b>2,055,081</b>	<b>2,188,026</b>
Intangible current assets	9,639	4,897
Accounts receivable	2,837	4,061
Receivables from associated companies	6,602	2,273
Prepaid expenses and accrued income	51,351	44,608
Other receivables	8,028	8,254
Blocked bank funds	40,555	59,726
Cash and cash equivalents	27,788	43,933
<b>Total current assets</b>	<b>146,800</b>	<b>167,752</b>
<b>Total assets</b>	<b>2,201,881</b>	<b>2,355,778</b>
<b>Shareholders' equity</b>		
Share capital	800,543	761,063
Other capital contributions	515,948	399,527
Ongoing new share issue	-	-
Reserves	-23,921	-62,118
Retained earnings including profit/loss for the period	3,206	-23,523
<b>Shareholders' equity attributable to Parent Company's shareholders</b>	<b>1,295,776</b>	<b>1,074,949</b>
Non-controlling interests	8	8
<b>Total shareholders' equity</b>	<b>1,295,784</b>	<b>1,074,957</b>
<b>Liabilities</b>		
Provisions – rehabilitation costs for wind turbines	7,365	6,981
Interest-bearing liabilities	532,104	537,771
Other long-term liabilities	237,531	497,614
<b>Total long-term liabilities</b>	<b>777,000</b>	<b>1,042,366</b>
Accounts payable	12,103	15,525
Interest-bearing liabilities	73,037	171,942
Other liabilities	5,201	6,745
Accrued expenses and deferred income	38,756	44,243
<b>Total current liabilities</b>	<b>129,097</b>	<b>238,455</b>
<b>Total liabilities</b>	<b>906,097</b>	<b>1,280,821</b>
<b>Total shareholders' equity and liabilities</b>	<b>2,201,881</b>	<b>2,355,778</b>
Pledged assets	3,024,366	2,597,040
Contingent liabilities	321,993	248,355

## Condensed consolidated statement of changes in shareholders' equity

Shareholders' equity attributable to the Parent Company's shareholders, KSEK	Dec 31, 2017	Dec 31, 2016
<b>Total shareholders' equity on the opening date</b>	<b>1,074,949</b>	<b>1,145,138</b>
Loss for the period	-100,114	-102,360
Other comprehensive income	38,197	33,166
<b>Comprehensive loss for the period</b>	<b>-61,917</b>	<b>-69,194</b>
New share issue	<b>282,750</b>	-
Expenses attributable to the new share issue	-6	-1,278
Tax effect attributable to the new share issue	-	283
<b>Total shareholders' equity on the closing date</b>	<b>1,295,776</b>	<b>1,074,949</b>



## Consolidated cash-flow statement

Condensed, KSEK	Q4 2017	Q4 2016	Q1-4 2017	Q1-4 2016
<b>Cash flow from operating activities before changes in working capital</b>	<b>47,924</b>	<b>52,290</b>	<b>41,970</b>	<b>-6,576</b>
Cash flow from changes in working capital	-9,923	35,412	-23,918	-32,415
<b>Cash flow from operating activities</b>	<b>38,001</b>	<b>87,702</b>	<b>18,052</b>	<b>-38,991</b>
<b>Investing activities<sup>1</sup></b>				
Acquisition of intangible fixed assets, including advances	-207	-	-207	-480
Acquisition of tangible fixed assets, including advances	-1,961	-26,453	-8,159	-41,275
Divestment of tangible fixed assets	-	-2,779	100	27,318
Divestment of subsidiaries incl the effect of cash and cash equivalents in divested companies	-	-49,016	-	-49,016
<b>Cash flow from investing activities</b>	<b>-3,068</b>	<b>-78,248</b>	<b>-8,266</b>	<b>-63,453</b>
<b>Financing activities</b>				
New share issue	-	-	282,750	-
Expenses attributable to the new share issue	-	-	-6	-1,278
Changes in shareholder's loan	3,571	7,214	15,203	417,608
Amortization shareholder's loan	-	-	-226,138	-
Loans raised	-	-	650,037	20,000
Amortization of loans	-43,313	-105,002	-766,949	-547,161
Changes in blocked funds	-283	-1,216	19,171	30,464
<b>Cash flow from financing activities</b>	<b>-40,025</b>	<b>-99,004</b>	<b>-25,932</b>	<b>-80,367</b>
Cash flow for the period	-5,092	-89,550	-16,146	-182,811
Cash and cash equivalents on the opening date	32,879	133,483	43,933	226,744
<b>Cash and cash equivalents on the closing date</b>	<b>27,787</b>	<b>43,933</b>	<b>27,787</b>	<b>43,933</b>
<b>Blocked funds</b>	<b>40,555</b>	<b>59,726</b>	<b>40,555</b>	<b>59,726</b>
<b>Total cash and cash equivalents and blocked funds</b>	<b>68,342</b>	<b>103,659</b>	<b>68,342</b>	<b>103,659</b>

<sup>1</sup> Investing activities for the fourth quarter of 2017 and full year 2017 have 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 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 2017	Q4 2016	Q1-4 2017	Q1-4 2016
Net sales	5,554	10,000	22,644	23,694
Other operating revenues	11,558	5,542	18,303	18,550
<b>Total revenues</b>	<b>17,112</b>	<b>15,542</b>	<b>40,947</b>	<b>42,244</b>
Personnel costs	-10,102	-4,359	-27,594	-18,075
Other external costs	-6,454	-6,758	-25,738	-26,220
Other operating expenses	-	-770	-	-770
Depreciation, amortization and impairment of tangible and intangible fixed assets	-2,472	-11,016	-9,329	-16,832
<b>Operating profit/loss</b>	<b>-1,916</b>	<b>-7,361</b>	<b>-21,714</b>	<b>-19,653</b>
Profit from participations in Group companies	-159,252	-37	-159,252	-37
Interest income and similar items	1,002	982	4,394	2,354
Interest expense and similar items	-3,641	-9,906	-18,313	-21,934
<b>Profit/loss before tax</b>	<b>-163,807</b>	<b>-16,323</b>	<b>-194,885</b>	<b>-39,270</b>
Appropriations	500	-	500	-
<b>Loss before tax</b>	<b>-163,307</b>	<b>-16,323</b>	<b>-194,385</b>	<b>-39,270</b>
Tax	-110	-10,250	-110	-10,250
<b>Loss for the period</b>	<b>-163,417</b>	<b>-26,573</b>	<b>-194,495</b>	<b>-49,520</b>

## Parent Company's statement of comprehensive income

KSEK	Q4 2017	Q4 2016	Q1-4 2017	Q1-4 2016
Loss for the period	-163,307	-26,573	-194,385	-49,520
Total other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-163,307</b>	<b>-26,573</b>	<b>-194,385</b>	<b>-49,520</b>

## Parent Company balance sheet

Condensed, KSEK	Dec 31, 2017	Dec 31, 2016
Intangible fixed assets	16,306	16,140
Tangible fixed assets	102,672	214,771
Financial fixed assets	1,769,516	1,171,795
Intangible current assets	-	522
Current receivables	29,002	17,550
Cash and bank balances	4,612	10,100
<b>Total assets</b>	<b>1,919,108</b>	<b>1,430,878</b>
Restricted shareholders' equity	800,543	761,064
Ongoing new share issue	-	-
Unrestricted shareholders' equity	441,869	393,099
Untaxed reserves	-	500
Long-term liabilities	210,723	217,316
Current liabilities	465,973	58,772
<b>Total shareholders' equity and liabilities</b>	<b>1,919,108</b>	<b>1,430,878</b>

## Notes to the condensed financial statements

### Note 1 Accounting policies

The consolidated financial statements for 2017 were prepared, similar to the 2016 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.

### 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 2017	Q4 2016	Q1-4 2017	Q1-4 2016
Personnel costs				
Personnel costs	-8,398	-5,205	-29,197	-22,437
Capitalized planning personnel	471	-792	1,490	3,324
Capitalized personnel in management and administration	-	128	-	1,184
<b>Total</b>	<b>-7,927</b>	<b>-4,285</b>	<b>-27,707</b>	<b>-17,929</b>

Group KSEK	Q4 2017	Q4 2016	Q1-4 2017	Q1-4 2016
Other external costs				
Other external costs	-22,603	-23,818	-94,117	-95,371
Reinvoiced costs	-360	412	-1,045	-700
Capitalized other external costs	118	362	389	2,325
<b>Total</b>	<b>-22,845</b>	<b>-23,044</b>	<b>-94,773</b>	<b>-93,746</b>

### Note 3 Depreciations

During the period, the Group amended its assessment of wind turbine components to a useful life of 13-30 years, with an average of 25 years. The change was initiated based on a harmonization of the principles in the Group above it, with Manor Investment S.A. as Parent Company.

Previously, the components had been assessed as having a useful life of 25 years. The effect of the change has been allocated across the components' remaining useful life. During the fiscal year, depreciations increased by SEK 22 M.

**Signature/issuer of the report**

Rabbalshede, February 28, 2018

Bertil Villard  
*Chairman of the Board*

Matthieu Baumgartner  
*Board member*

Jean Baptiste Oldenhove  
*Board member*

Annika Ahl Åkesson  
*Board member*

Jeff Mouland  
*Board member*

Stina Rolstad Brenna  
*Board member*

Mads Miltersen  
*CEO*

**Review**

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

