

INTERIM REPORT



 *rabbalshede* **kraft**

JANUARY TO JUNE 2018
RABBALSHED E KRAFT AB
(publ)

CEO'S STATEMENT

2018

The first half of 2018 has been an intense and exciting period for Rabbalshede Kraft, and I am proud of our employees' commitment and work.

During the first half of the year, we acquired new projects as well as commissioned wind turbines. We also signed new service agreements.

Our organization was strengthened further during the period, with more technicians and a new project manager who started on August 1. Our ambition is to grow the company without losing the entrepreneurial spirit that characterizes Rabbalshede Kraft.

Events during the period

The first half of the year was marked by weaker than expected winds. The wind is not something we can influence, but on the other hand we can ensure that our wind turbines and our customers' wind turbines produce renewable electricity when the wind is blowing. During the first half of the year, we maintained availability of 98 percent. Part of ensuring a high degree of availability is continuing our work on operational excellence, and taking part in projects that can help us towards that goal.

Being an attractive workplace and organization is important to us. To achieve this, we place a strong focus on management, governance and processes. This spring, we renewed and upgraded our ISO certificate to the new standard. Today, we are 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 our operations, as this provides security in our processes both internally and externally.

The development of our project portfolio continues, and we are currently evaluating several interesting projects. In addition, we are developing partnerships with several players who are important to the company's success.

Our service operations, with a focus on technical, financial and commercial services, continue to grow. In January 2018, we signed an agreement for financial management for seven turbines in Kalix. We see increasing opportunities in the service sector.

Our vision is to be on the leading edge as regards service, as well as electricity trading agreements with environmental profiles.

Reaching our goals requires healthy collaboration between the entire organization, the Board, and the owners – collaboration which we have, and is a driving factor for our continued growth.



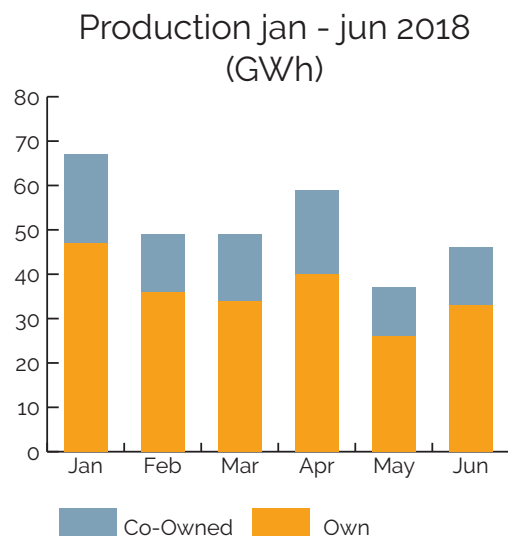
Mads Miltersen
CEO

SALES, EARNINGS, CASH FLOW

Service Operations signed a new service agreement with Kalix Wind AB during the first half of the year. Rabalshede Kraft manages a total of 186 turbines, of which 101 are own or co-owned.

In May, Business Development acquired three operational wind turbines located in Falkenberg, Hjo and Skara.

Production for the company's own farms totaled 301,850 MWh, of which 212,802 were own and 89,048 co-owned; production was negatively impacted by poor wind conditions during the first quarter but rebounded, primarily in June. During the period, the company had a high level of availability, nearly 98 percent.



KEY FIGURES

kSEK	Q2 2018	Q2 2017	Q1-Q2 2018	Q1-Q2 2017	Full-year 2017
Electricity production, MWh*	97,274	108,381	212,802	246,440	509,535
Net sales	50,931	49,135	111,208	109,807	234,163
EBIT	-2,042	981	54,879	48,885	3,081
Loss before tax	-12,775	-13,779	-23,469	-27,577	-100,114
Loss for the period	-12,775	-13,779	-23,469	-27,577	-100,114
Debt/equity ratio **	0.60	0.60	0.60	0.60	0.60
Cash flow from operating activities	1,476	35,669	31,487	42,876	18,264
Shareholders' equity	1,273,842	1,339,636	1,273,842	1,339,644	1,295,784
Total assets	2,170,513	2,340,703	2,170,513	2,340,703	2,201,881

* Excluding co-owned farms

** Debt/equity ration is calculated as interest-bearing liabilities divided by shareholders' equity

FINANCIAL OVERVIEW

Investments

The investments, including paid advances, totaled kSEK 46,978 during the period from January to June 2018. The investments pertain to ongoing planning.

Financing

Total bank loans as of June 30, 2018 were kSEK 604,621 (666,814). During the period, the Group's average interest rate on bank loans raised was 4.62%. The equity/assets ratio was 59 percent (57) at June 30.

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 June 30, 2018, the company's outstanding interest-rate contracts had a negative value against the market amounting to kSEK 28,711. At June 30, 2018, 70% 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 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 fiscal year 2018.

CONSOLIDATED INCOME STATEMENT

	Q2	Q2	Q1-Q2	Q1-Q2
kSEK	2018	2017	2018	2017
Net sales	50,931	49,135	111,208	109,807
Other operating revenue	6,855	2,215	11,345	5,100
Total revenue	57,786	51,350	122,553	114,907
Personnel expenses	-6,163	-6,417	-11,186	-13,352
Other expenses	-24,819	-21,428	-53,988	-52,670
Total expenses	-30,982	-27,845	-62,264	-66,022
EBIT	-2,042	981	-2,315	3,833
Loss before tax	-12,775	-13,779	-23,469	-25,577
Loss for the period	-12,775	-13,779	-23,469	-25,577
Earnings per share				
Average no. of shares before dilution, thousands	160,109	160,109	160,109	152,941
Average no. of shares after dilution, thousands	160,109	160,109	160,109	152,941
Earnings per share before dilution, SEK	-0.08	-0.09	-0.15	-0.18
Earnings per share after dilution, SEK	-0.08	-0.09	-0.15	-0.18

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q2	Q2	Q1-Q2	Q1-Q2
kSEK	2018	2017	2018	2017
Loss for the period	-12,775	-13,779	-23,469	-27,577
Total cash-flow hedges	464	6,675	1,527	9,520
Total items that will not be reclassified to profit or loss	-	-	-	-
Comprehensive profit/loss for the period	12,311	-7,104	-21,942	-18,057

CONSOLIDATED BALANCE SHEET

	Jun 30	Jun 30	Dec 31
kSEK	2018	2017	2017
Assets			
Fixed assets	2,047,628	2,147,861	2,055,081
Current assets	122,886	192,842	146,800
Total assets	2,170,513	2,340,703	2,201,881
Shareholders' equity	1,273,842	1,339,644	1,295,784
Liabilities			
Long-term liabilities	776,811	755,424	777,000
Current liabilities	119,860	245,635	129,097
Total liabilities	896,671	1,001,059	906,097
Total shareholders' equity and liabilities	2,170,513	2,340,703	2,201,881

CONSOLIDATED CASH-FLOW STATEMENT

	Q2	Q2	Q1-Q2	Q1-Q2
Condensed, kSEK	2018	2017	2018	2017
Cash flow from operating activities before changes in working capital	15,655	9,982	33,717	19,936
Cash flow from changes in working capital	-14,179	25,687	-2,230	22,940
Cash flow from operating activities	1,476	35,669	31,487	42,876
Investing activities				
Acquisition of intangible fixed assets, including advances	-	-	-	-
Acquisition of tangible fixed assets, including advances	-44,999	-2,806	-46,978	-5,285
Cash flow from investing activities	-44,999	-2,806	-46,978	-5,285
Financing activities				
New share issue	-	--	-	282,750
Expenses attributable to the new share issue	-	-	-	-6
Change in shareholder loans	-3,657	3,412	-7,314	-218,074
Loans raised	27,706		27,706	-
Amortization of loans	-34,666	- 38,319	-34,666	-61,678
Changes in blocked funds	-	-938	-	-2,938
Cash flow from financing activities	-3,303	-35,845	354	54
Cash flow for the period	-46,826	-2,982	-15,137	37,645
Cash and cash equivalents on the opening date	59,476	84,560	27,787	43,933
Cash and cash equivalents on the closing date	12,650	81,578	12,650	81,578
Blocked funds	40,555	62,664	40,555	62,664
Total cash and cash equivalents and blocked funds	53,205	144,242	53,205	144,242



FINANCIAL CALENDAR

Interim report July–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.

FURTHER INFORMATION

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REVIEW

This report is unaudited.

ISSUER OF THE REPORT

Rabbalshede, August 23, 2018

Bertil Villard
Chairman of the Board

Matthieu Baumgartner
Board Member

Jeff Mouland
Board Member

Frederic de Stexhe
Board Member

Stine Rolstad Brenna
Board Member

Annika Ahl Åkesson
Board Member

Mads Miltersen
CEO