

Second quarter 2015

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Our values

Predictable

Driving results

Change makers

Working together



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Agenda

- Operational review
- Financial review
- Outlook

Operational review

Strong growth in pipeline and Agua Fria completed

- Revenues of NOK 205 million, EBITDA of NOK 146 million and net profit of NOK 21 million
- Scatec Solar's proportionate share of cash flow to equity reached NOK 71 million
- Backlog increased by 33 MW to 299 MW
- Pipeline increased by gross 747 MW to 1,172 MW
- Total investments of NOK 1,159 million across 207 MW under construction
- The 60 MW Agua Fria project reached mechanical completion and will start production in the third quarter 2015



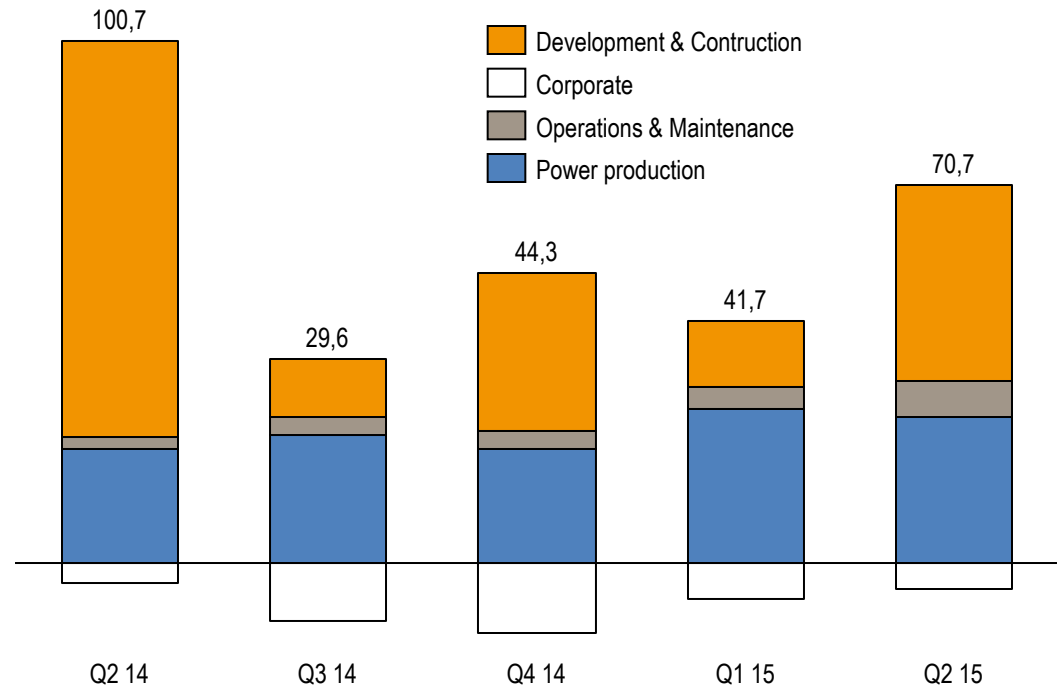
The 60 MW Agua Fria plant in Honduras

Construction driving increased cash generation

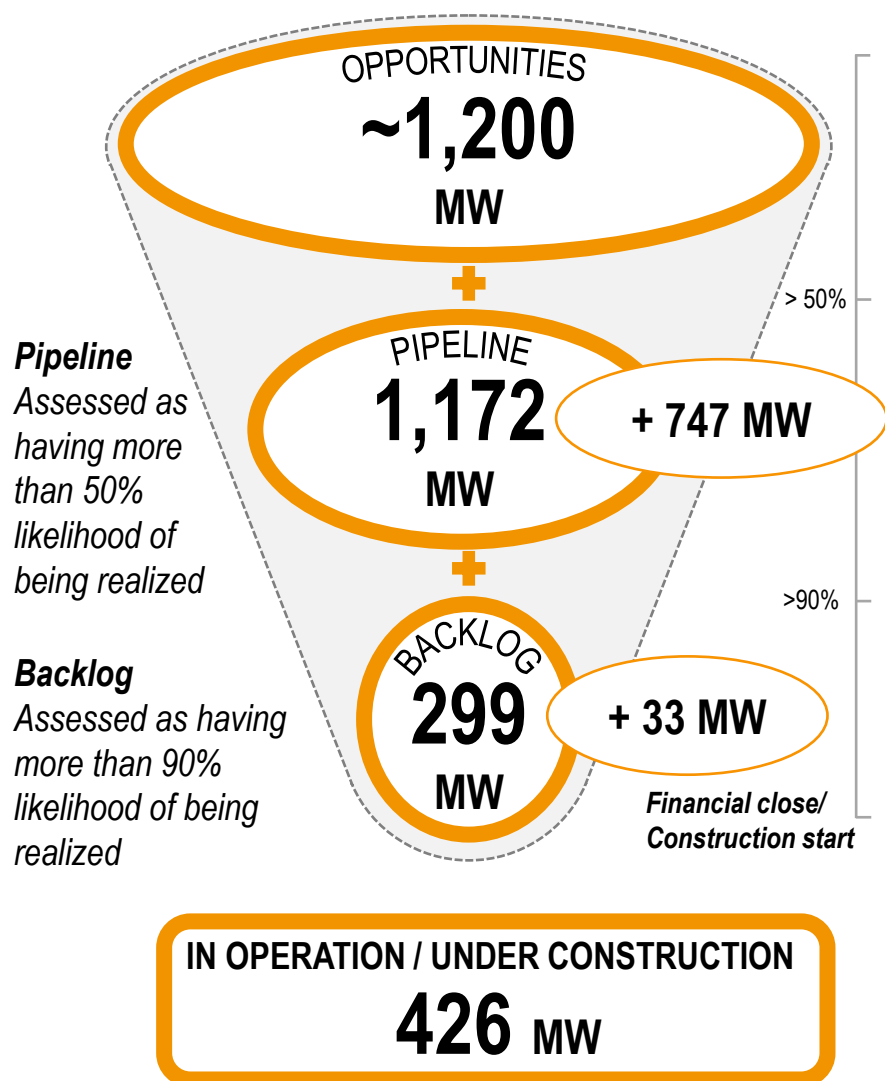
Q2'15 cash flow to SSO equity:

- Power Production and O&M cash flow of NOK 36 million
- D&C cash flow driven by the near completion of the Agua Fria plant
- Corporate cost fairly stable

SSO proportionate share of cash flow to equity*



Solid progress through the project funnel



- Feasibility and business case verified

Regions

Americas, Africa, MENA, Asia, Oceania

- Land secured
- Grid connection available
- Preliminary design completed
- PPA/FiT through tender or negotiations likely

Regions

Americas, East and West Africa, South Africa, Egypt, Pakistan

- PPA signed / FiT secured
- Grid connection secured
- All main permits in place
- Project financing the only milestone outstanding

Regions

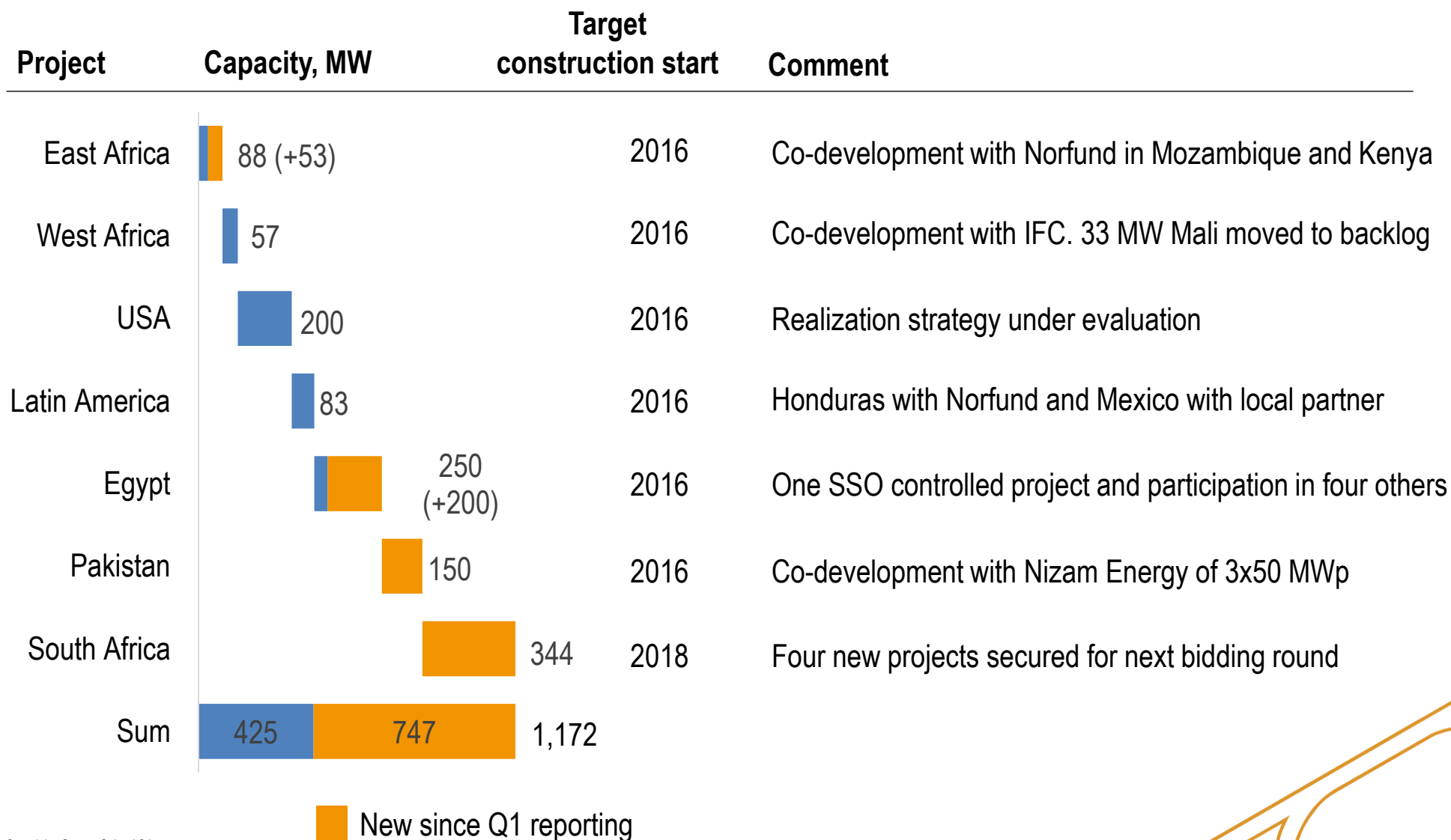
South Africa, Mali, USA

33 MW added to the backlog since Q1 reporting

Project	Capacity, MW	Target construction start	SSO Ownership	Comment
South Africa	258	Q1 2017	42%	Co-investment with Norfund Local Trust to own 40% - Trust to be funded by SSO and Norfund
Waihonu, Hawaii	8	Q4 2015	49%	Sales process initiated
Segou, Mali	33	Q1 2016	50%	Co-investment with IFC and local partner
Sum	299			

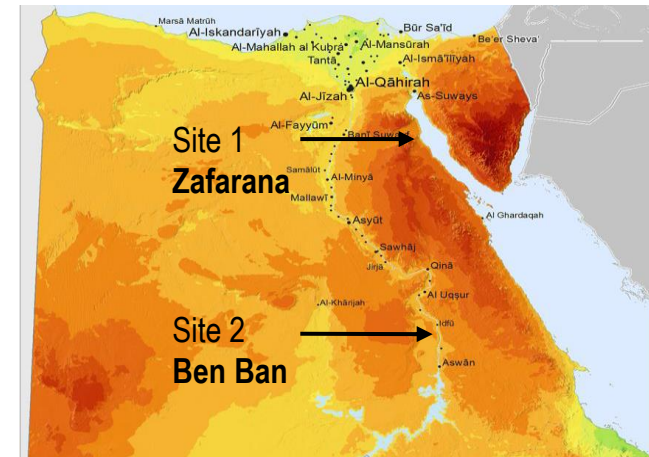
 New since Q1 reporting

Gross 747 MW added to pipeline since Q1 reporting



Scatec Solar establishing a solid position in Egypt

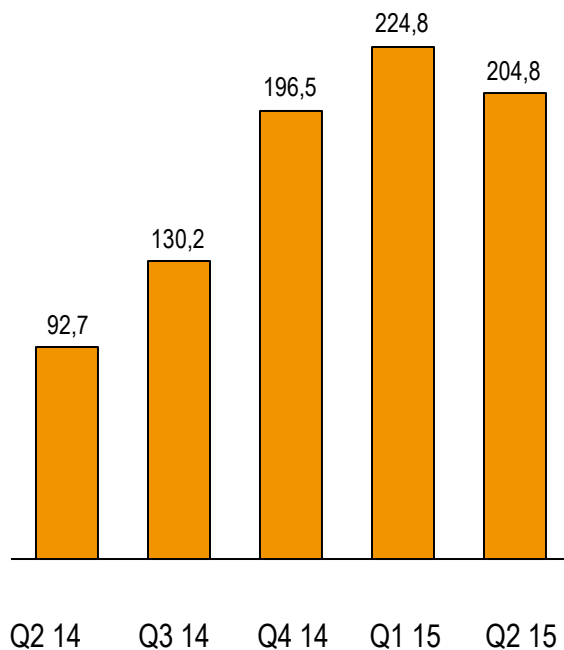
- Egypt target to more than double its electricity capacity from renewable sources (to 20%) by year 2022
- A Feed in Tariff (FiT) program has been launched for 4,300 MW of Solar and Wind by 2017 and further 9,000 MW of solar planned until 2022
- Scatec Solar was one of the first to be awarded a 50 MW (AC) project in the Ben Ban area of Egypt
- Scatec Solar additionally has secured participation in further 4 x 50 MW (AC) projects as an equity investor, EPC provider and O&M contractor
- All projects will receive a PPA tariff of 14.3 USDc/kWh
- Target PPA signing in 2H 2015 and target financial close and construction start in 1H 2016



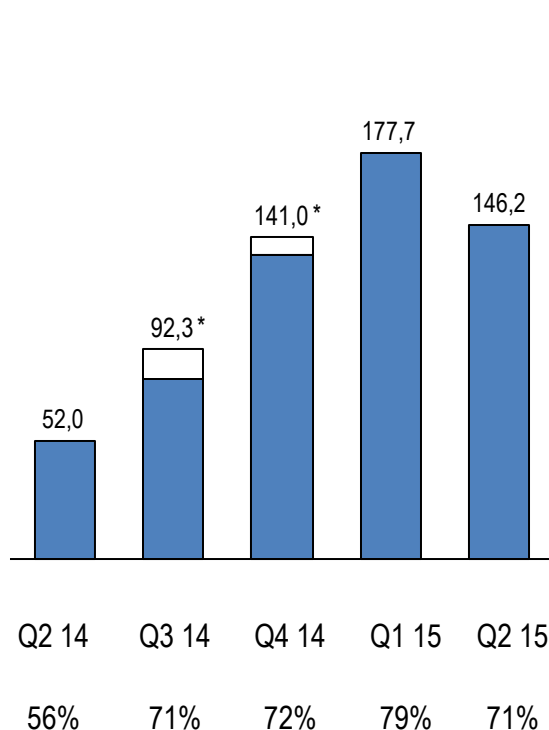
Financial review

Financials impacted by normal seasonal effects

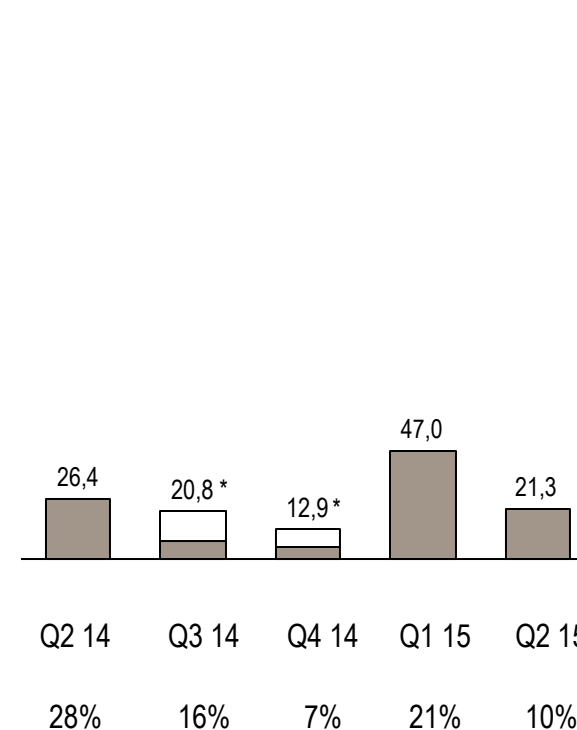
Revenues (NOKm)



EBITDA (NOKm)



Net profit (NOKm)

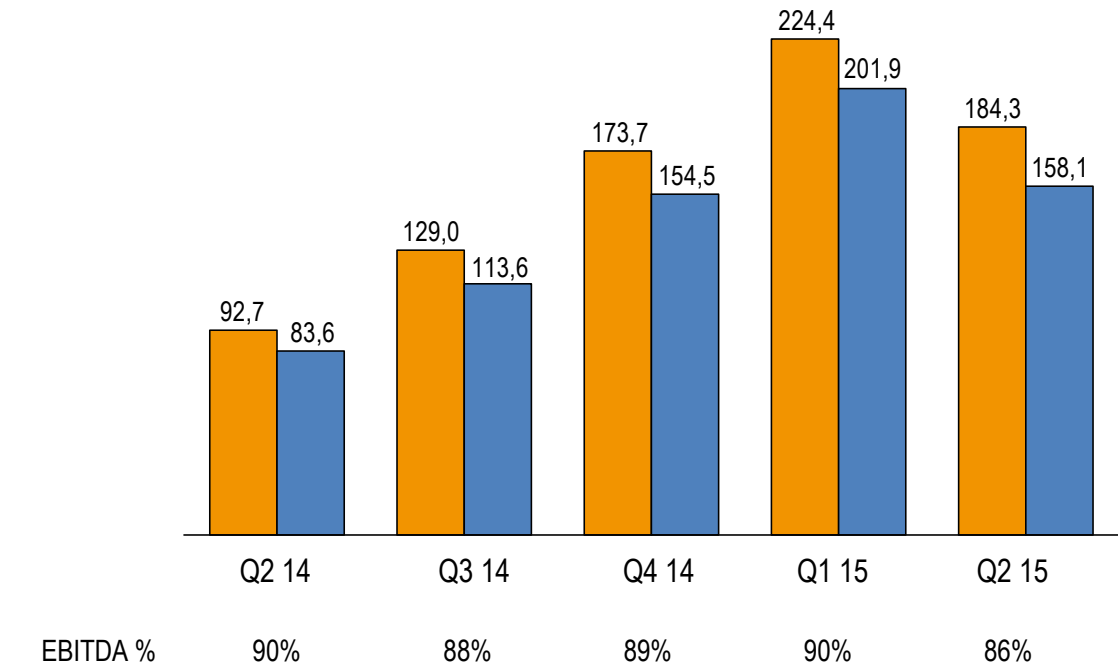


- Revenues and EBITDA reduction from Q1 affected by lower production volumes
- Q2 revenues impacted by NOK 20 million sale of UK project portfolio with a marginal EBITDA impact

Production affected by winter in South Africa

Consolidated revenues & EBITDA (NOKm)

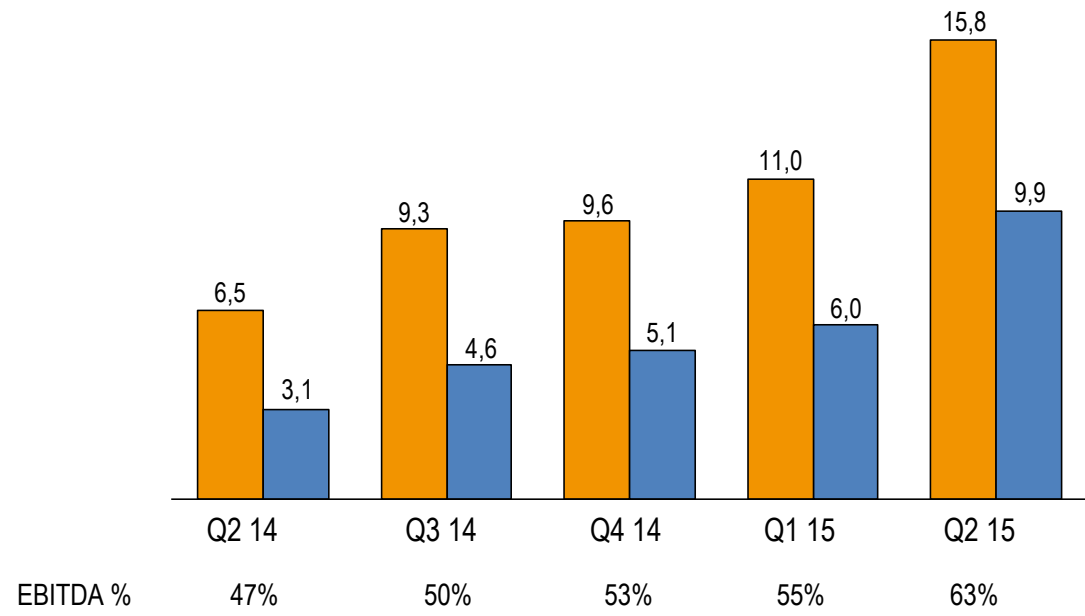
- Production was affected by winter in South Africa and by five percent lower irradiation than normal in the quarter
- Plant availability remained high during the quarter



O&M contracts taking full effect

- Quarter on quarter increase in revenues and EBITDA based on increased overperformance revenues
- Overperformance revenues/bonus – profit sharing based on plant performance irrespective of irradiation
- O&M contracts covering 236 MW, of which 17 MW for third parties

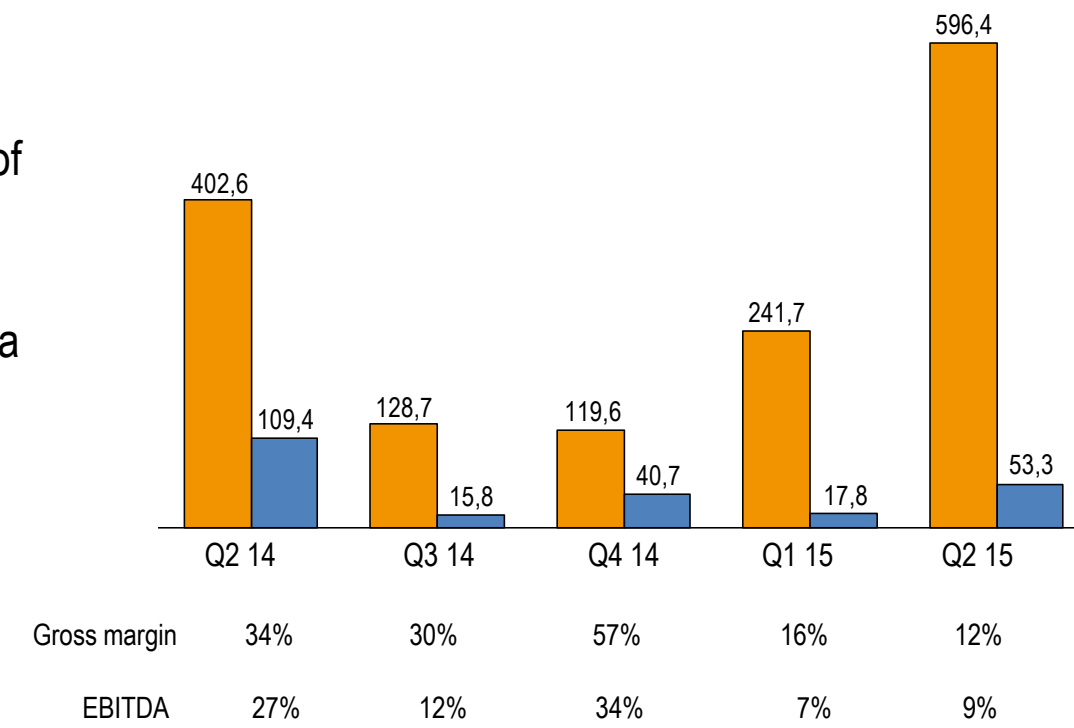
Consolidated revenues & EBITDA (NOKm)



Agua Fria nearly completed – Jordan well under way

- D&C revenues and margins reflect project development and power plant construction activities
- Development revenues of NOK 28 million for sale of UK projects and financial close of EJRE/GLAE in Jordan
- Construction revenues of NOK 564 million mainly driven by solid progress of Agua Fria
- Underlying gross margin within guidance – but will vary from quarter to quarter

Consolidated revenues & EBITDA (NOKm)



Stable long term cash flow generation

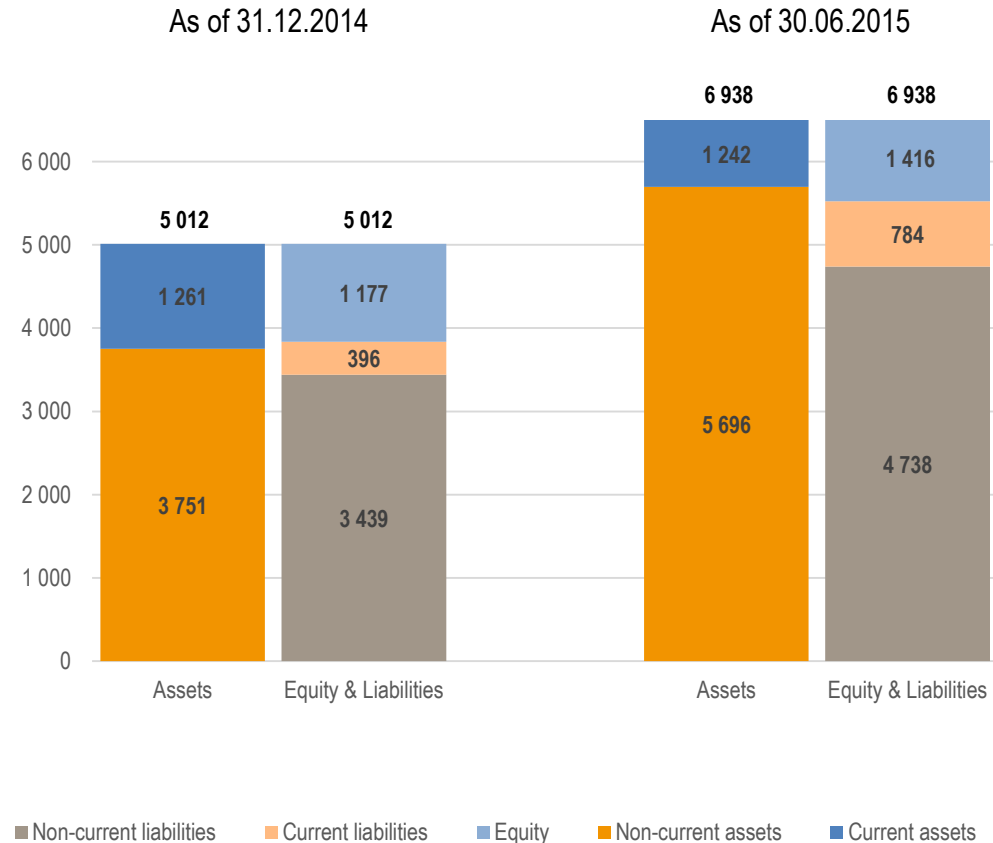
Q2'15 - NOK million	Power Production	O&M	D&C	Corporate	Total	Elim.	Consolidated
Revenues	184.3	15.8	596.4	1.5	797.9	-593.1	204.8
EBITDA	158.0	10.0	53.3	-7.1	214.2	-68.0	146.2
Interest expenses	-82.4				-82.4		
Loan repayment	-21.2				-21.2		
Tax	-4.9	-2.6	-14.2	2.0	-19.7		
Total cash flow to equity*:	49.4	7.4	39.2	-5.1	90.9		
SSO share of CF to equity*:	29.2	7.4	39.2	-5.1	70.6		

- Consolidated revenues and gross profit mainly represent value creation in the Power Production segment
- O&M, D&C and Corporate gross profit are internal to the group and hence eliminated

Total investments of NOK 1,159 million in Q2

- Cash position of NOK 1,003 million of which NOK 223 million free cash
 - SSO equity investments of NOK 203 million in Q2'15
- All non-current interest bearing liabilities represent non-recourse project financing
- Eliminated D&C margin reduces asset values in the balance sheet - leads to;
 - Lower book equity value
 - Reduced depreciation over time

Financial position (NOKm)



Outlook

Significant opportunities for further growth

- Target to own gross 750 MW by end of 2016
 - 426 MW in operation and under construction
 - 299 MW in project backlog
 - 1,172 MW in project pipeline
- A solid platform for increased growth in 2016 and beyond
- To fund accelerated growth, alternatives for accessing debt at the corporate level is being evaluated
- Annual cash flow to SSO equity of NOK 140-160 million from 219 MW in operation (PP and O&M)
- 15-20% gross margin from Development and Construction
- Target average equity IRR of 15% nominal after tax on power plant investments.
- Q3'15 production target of 115,000 MWh



The 60 MW Agua Fria plant in Honduras

Thank you

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Driving results

Change makers

Working together



Consolidated profit & loss

(NOK million)	Q2 15	Q1 15	Q2 14	FY 2014
Total revenues	204.8	224.8	92.7	476.4
Gross profit	187.3	224.8	91.5	471.3
EBITDA	146.2	177.7	52.0	292.9
Depreciation, amortization and impairment	-38.1	-38.9	-16.7	-101.9
Operating profit	108.1	138.8	35.3	191.0
Interest, other financial income	15.8	12.9	8.3	54.8
Interest, other financial expenses	-95.3	-101.1	-36.1	-248.6
Foreign exchange gain/(loss)	1.0	22.2	23.8	62.3
Net financial expenses	-78.5	-66.0	-3.9	-131.5
Profit before income tax	29.6	72.8	31.3	59.6
Income tax (expense)/benefit	-8.3	-25.8	-4.9	-11.1
Profit/(loss) for the period	21.3	47.0	26.4	48.5
Profit/(loss) attributable to:				
Equity holders of the parent	18.6	19.5	8.2	-17.9
Non-controlling interests	2.7	27.5	18.3	66.4
Basic and diluted EPS (NOK)	0.20	0.21	0.13	-0.25

Consolidated cash flow statement

(NOK million)	Q2 15	Q1 15	Q2 14	FY 2014
Net cash flow from operations	102.7	456.5	1.5	-96.5
Net cash flow from investments	-1,142.8	-685.2	-255.4	-909.8
Net cash flow from financing	750.7	453.2	178.6	972.0
Net increase/(decrease) in cash and cash equivalents	-289.4	224.5	-75.2	-34.3
Effect of exchange rate changes on cash and cash equivalents	-2.2	20.5	23.2	58.0
Cash and cash equivalents at beginning of the period	1,294.1	1,049.1	971.3	1,025.4
Cash and cash equivalents at end of the period	1,002.5	1,294.1	919.3	1,049.1

SSOs proportionate share of net profit

SSO's profit normally impacted by growth investments



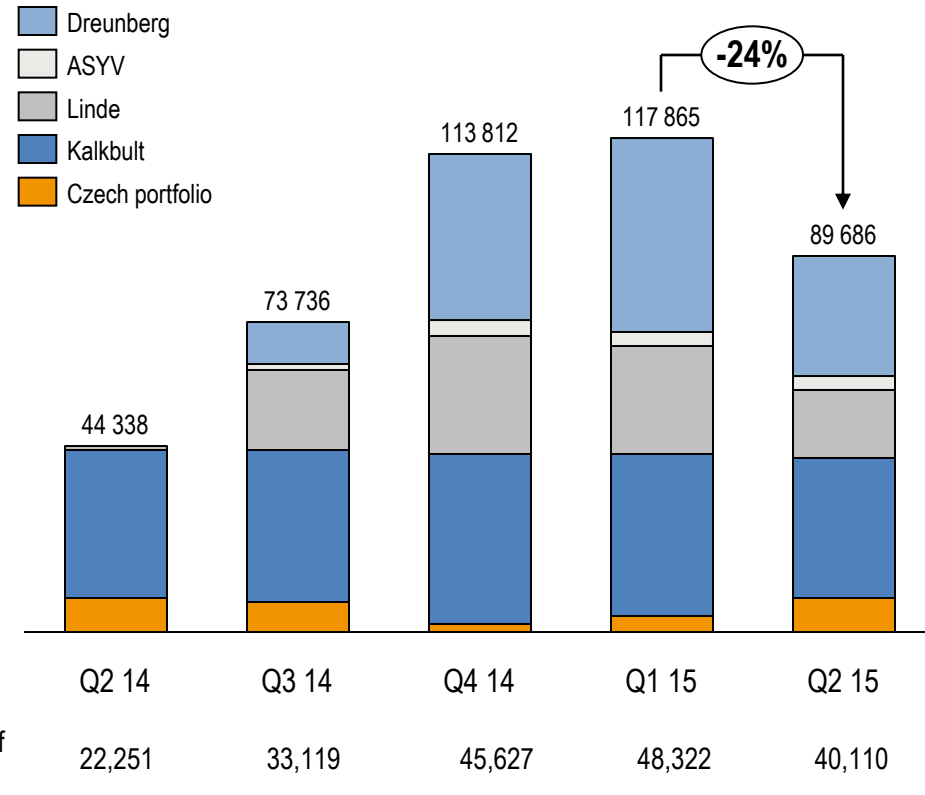
- Scatec Solar is investing early phase project development and construction as well as corporate functions that impacts SSO's share of net profit
- However - these investments pays off through access to attractive projects and significant cash generation

Second quarter (NOKm)	Consolidated	SSO prop. share	%
Total revenues	204.8	124.2	61 %
Cost of sales & opex	-58.6	-56.7	97 %
EBITDA	146.2	67.5	46 %
D&A & Impairments	-38.1	-13.4	35 %
EBIT	108.1	54.1	50 %
Net financials & tax	-86.8	-35.5	41 %
Net profit	21.3	18.6	87 %

Production affected by winter in South Africa

- Production affected by winter in South Africa and by five percent lower irradiation than normal in the quarter
- Plant availability remained high during the quarter

Power Production (MWh)



Project companies' financials – Q2'15

<i>(NOK million)</i>	Czech Republic	Kalkbult	Linde	Dreunberg	ASYV	Segment overhead	Total segment	SSO prop. share
SSO shareholding	100%	39%	39%	39%	43%	-	-	-
Revenues	31.8	67.2	27.7	49.9	6.3	1.3	184.3	92.2
OPEX	-2.2	-8.9	-4.9	-6.9	-0.9	-2.4	-26.2	-13.0
EBITDA	29.7	58.3	22.8	43.0	5.4	-1.1	158.1	79.2
Net interest expenses	-5.0	-30.1	-14.9	-30.3	-2.9	0.7	-82.4	-34.9
Normalised loan repayments	-4.9	-3.7	-6.5	-4.5	-1.7	-	-21.2	11.3
Cash flow to equity*	16.6	21.3	1.7	9.4	0.7	-0.2	49.4	29.2

* Cash flow to equity: is EBITDA less normalised (i.e. average over the calendar year) loan and interest repayments, less normalised income tax payments.

Project companies' financials – Q2'15

(NOK million)	Power Production					Red Hills	Agua Fria	Oryx	EJRE/GLAE	D&C, O&M, Corporate & Eliminations*	Consolidated
	Czech Republic	Kalkbult	Linde	Dreunberg	ASYV						
Project equity	185.0	349.0	216.9	381.3	23.4	249.0	293.6	60.4	249.8	-592.3	1,415.9
Total assets	607.8	1,467.2	844.7	1,611.2	188.2	1,227.1	970.2	132.5	268.0	-379.8	6,937.1
PP&E*	518.0	1,235.3	674.2	1,331.4	161.5	1,214.2	808.0	91.8	101.2	-1,199.2	4,936.6
Cash**	38.4	180.6	93.0	132.8	19.9	0.7	162.0	9.4	-	365.8	1,002.5
Gross debt	383.3	1,054.6	595.8	1,182.2	154.0	893.3	395.8	25.1	-	-	4,684.1
Net debt	344.9	874.1	502.8	1,049.4	134.0	892.6	233.8	15.7	-	-365.8	3,681.5
Net working capital***	-11.2	-23.6	-35.8	-52.1	-15.3	-72.6	-280.6	-15.7	110.6	682.9	286.8

* The amount of NOK 1,199 million includes capitalised development spending on projects that have not yet reached construction phase of NOK 44 million.

** Cash in project companies includes cash in proceeds accounts, debt service reserve accounts and cash available for redistribution to project company shareholders. Cash in D&C, O&M and Corporate include NOK 133 million of restricted cash related to deposits for withholding tax, guarantees, VAT and rent as well as collateralised shareholders financing of NOK 33 million.

*** Net working capital includes trade and other receivables, other current assets, trade and other payables, income tax payable, other current liabilities and intercompany receivables and payables.

Segment results – Q2'15

<i>(NOK million)</i>	Power Production	Operation & Maintenance	Development & Construction	Corporate	Eliminations	Total
External revenues	183.6	0.9	20.5	-	-	205.0
Internal revenues	0.7	14.9	576.0	1.5	-593.1	-
Net income / (loss) from associates	-	-	-0.2	-	-	-0.2
Total revenues and other income	184.3	15.8	596.4	1.5	-593.1	204.8
Cost of sales	-	-	-525.5	-	508.0	-17.5
Gross profit	184.3	15.8	70.8	1.5	-85.1	187.3
Operating expenses	-26.2	-5.8	-17.5	-8.6	17.1	-41.1
EBITDA	158.1	10.0	53.3	-7.1	-68.0	146.2
Depreciation, amortisation and impairment	-52.2	-0.5	-0.9	-0.1	15.6	-38.1
Operating profit (EBIT)	105.9	9.4	52.5	-7.2	-52.4	108.1

Segment results – FY 2014

<i>(NOK million)</i>	Power Production	Operation & Maintenance	Development & Construction	Corporate	Eliminations	Total
External revenues	448.1	7.0	22.5	-	-	477.6
Internal revenues	11.4	21.6	949.5	6.2	-988.7	-
Net income / (loss) from associates	-	-	-1.2	-	-	-1.2
Total revenues and other income	459.5	28.7	970.8	6.2	-988.7	476.4
Cost of sales	-	-	-639.5	-	634.4	-5.1
Gross profit	459.5	28.7	331.3	6.2	-354.3	471.3
Operating expenses	-47.2	-15.8	-89.4	-53.8	27.8	-178.4
EBITDA	412.2	12.9	241.9	-47.6	-326.5	292.9
Depreciation, amortisation and impairment	-122.9	-1.2	-15.4	-0.4	38.1	-101.9
Operating profit (EBIT)	289.3	11.7	226.4	-48.0	-288.4	191.0

D&C margins reduces consolidated PP&E

- Margins created through D&C of power plants are eliminated in consolidated financial statement
- Elimination booked against PP&E in consolidated financial statements

Leads to:

- A negative effect on consolidated equity short term as corresponding non-recourse finance is included at full value
- Improves consolidated net profit over time through reduced depreciation

Build up of PP&E as per 30.06.2015 – NOKm

