

Third 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

Solid operational performance

- Revenues of NOK 204 million (130)*, EBITDA of NOK 159 million (79) and net profit of NOK 8 million (7)
- Power production lower than forecasted in South Africa due to significantly lower irradiation than expected based on historical weather data
- The 60 MW Agua Fria plant grid connected - operating asset portfolio now stands at 279 MW
- The 53 MW Los Prados project entered backlog (344 MW) and good progress in project pipeline (1,287 MW)
- SSO's share of cash flow to equity reached NOK 37 million (30) – continued growth in cash flow from PP and O&M



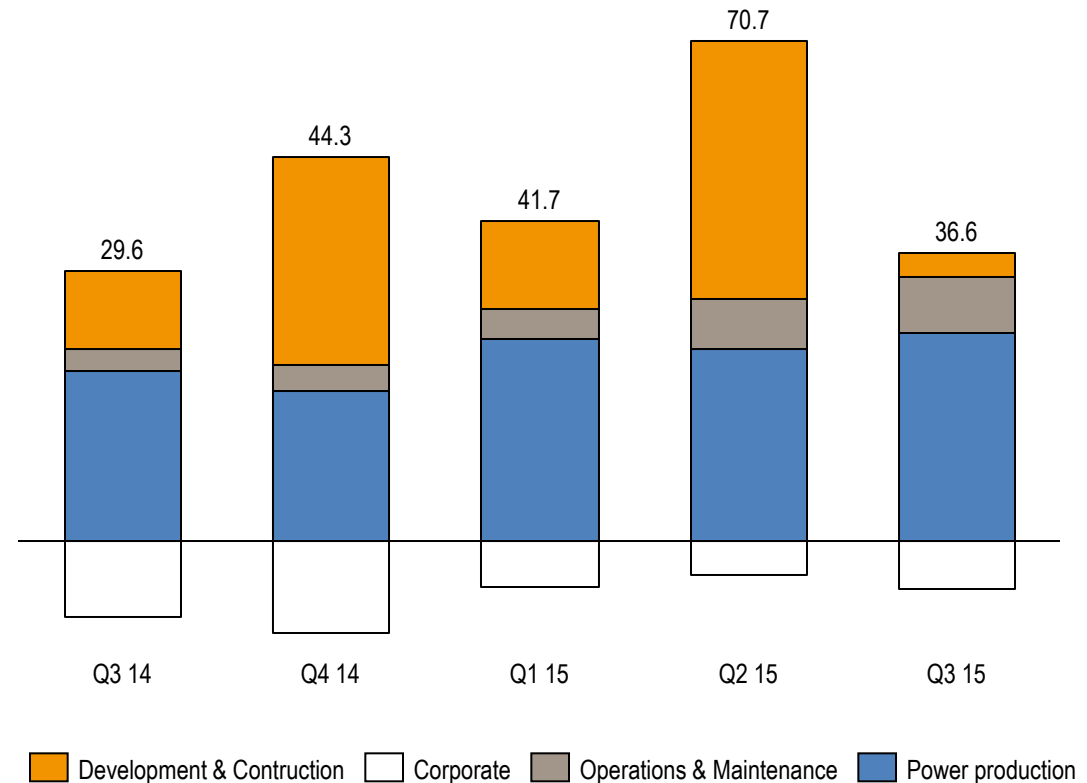
The 60 MW Agua Fria plant in Honduras

Steady growth in cash flow from PP and O&M

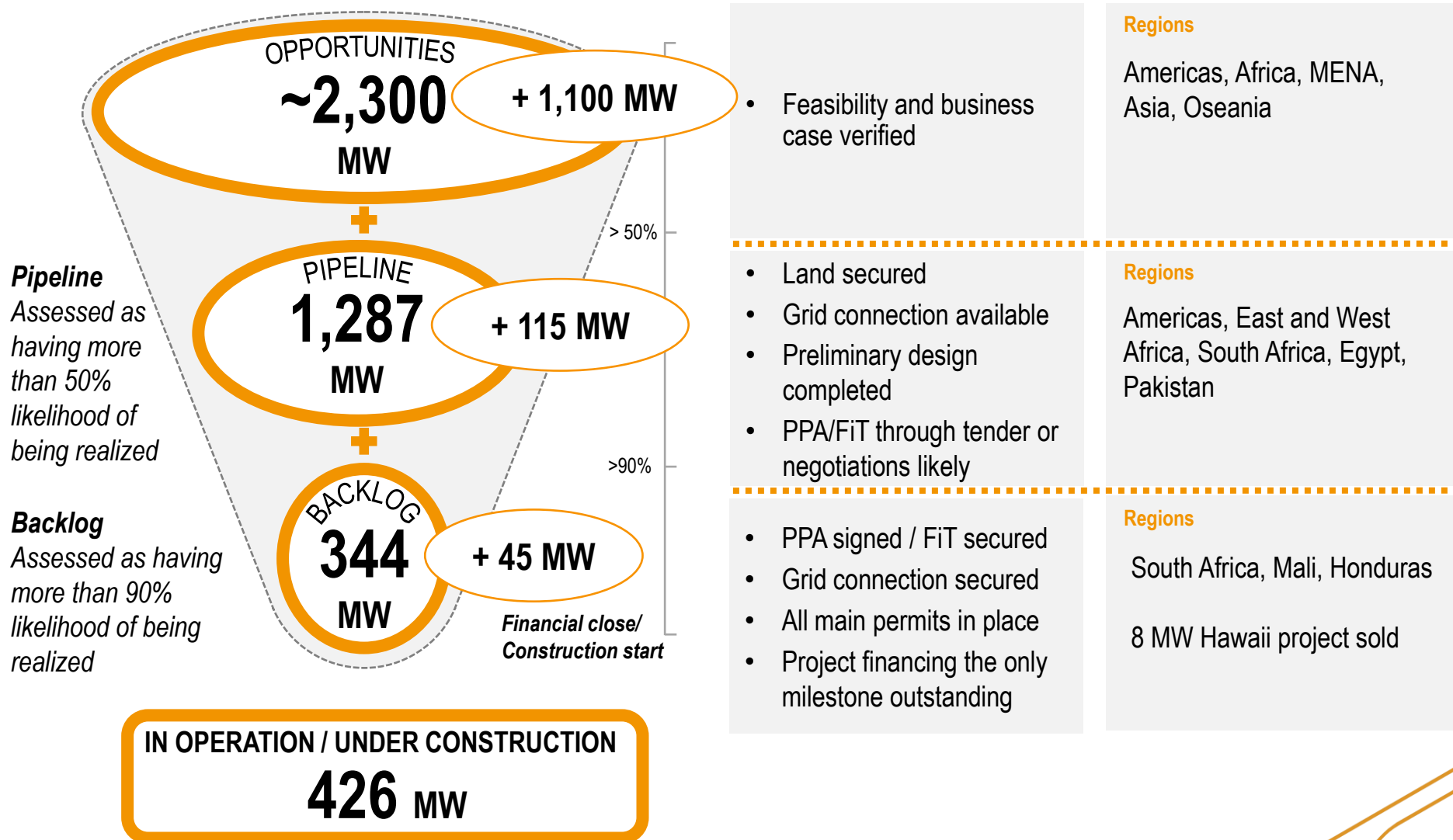
SSO proportionate share of cash flow to equity*

Q3'15 cash flow to SSO equity:

- Power Production and O&M cash flow of NOK 40 million
- Moderate construction progress in Jordan – expected to pick up again in the fourth quarter – no impact on grid connection dates



A solid project funnel – basis for further growth



Preparing for execution of backlog projects

Project	Capacity	Target construction start	SSO ownership	Status
Uppington, South Africa	258 MW	Q1 2017	42%*	Department of Energy and Eskom target signing of PPA and financial close in December 2015
Segou, Mali	33 MW	Q1 2016	50%	Project finance and EPC preparations well advanced.
Los Prados, Honduras	53 MW	Q4 2015	70%	Project finance well advanced and certain EPC activities to start immediately
Total	344 MW			
Waihonu, Hawaii	8 MW	Q4 2015	49%	Project sale closed in October. Cash consideration of NOK 76 million – SSO net margin of NOK 12 million.

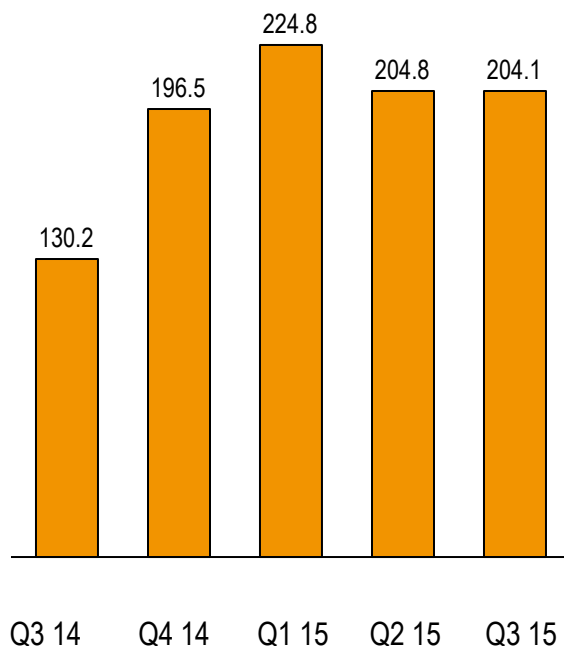
Project pipeline is progressing well

Project	Capacity	Target construction start	Status
Egypt	332 MW	2016	Final project documents expected from government before year end 2015, project finance process well advanced. SSO mobilizing locally to prepare for execution.
Pakistan	150 MW	2016	Securing site and tariff in process, but approval processes takes time. Project finance available.
South Africa	430 MW	2018	Bidding deadline was moved one month to first week of November. SSO is well prepared and ready to submit bids.
East & West Africa	145 MW	2016	Mozambique and Kenya is moving forward with good progress.
Americas	230 MW	2016	Awaiting certain clarifications from utilities for projects in Latin America. 200 MW in the US for sale.
Total	1,287 MW		

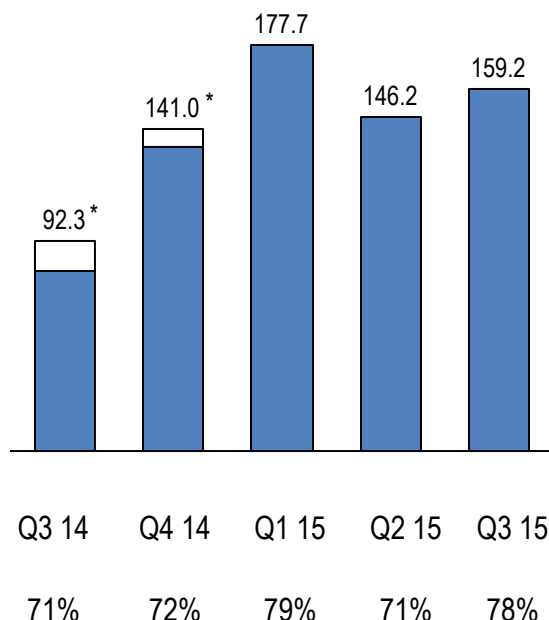
Financial review

Financials reflect stable operations

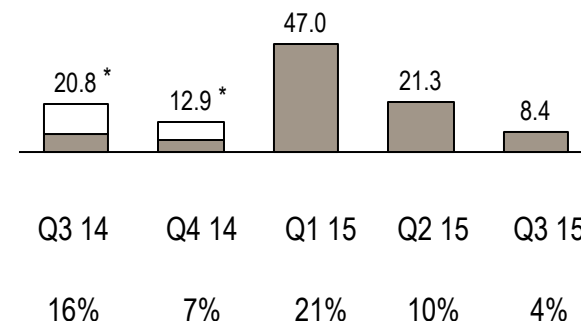
Revenues (NOKm)



EBITDA (NOKm)



Net profit (NOKm)

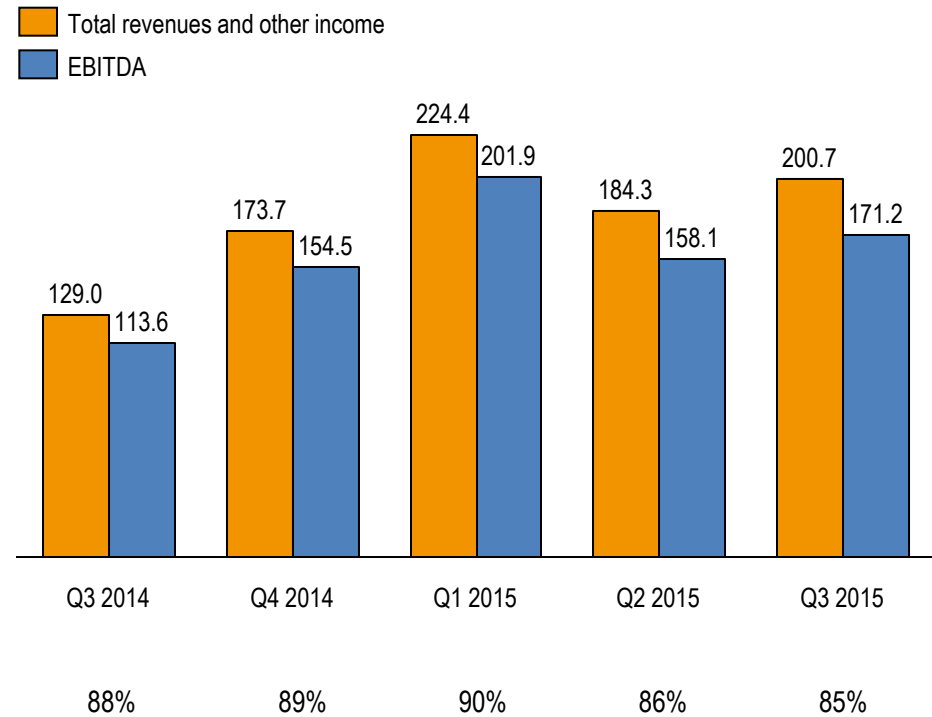


- Underlying revenues increased – as second quarter included NOK 20 million from UK project sales
- Net profit impacted by non-cash currency losses on intercompany loans and withholding tax on dividend declaration from Scatec Solar's EPC company in South Africa – totalling 16 MNOK

Production increase driven by start of Agua Fria

- The quarter on quarter increase in production volume and revenues was mainly driven by start up of the 60 MW Agua Fria plant in Honduras
- Agua Fria revenues based on base tariff - additional incentive tariff for early completion under evaluation by utility
- EBITDA margin over the last two quarters impacted by lower irradiation and production than forecasted based on historical weather data

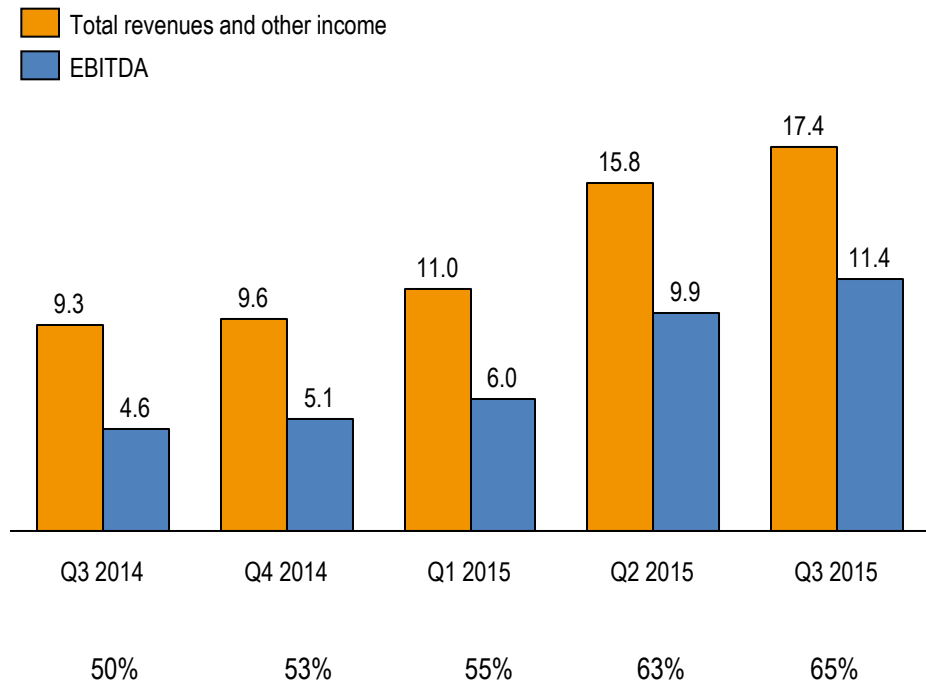
Consolidated revenues & EBITDA (NOKm)



Steady increase in revenues and margin

- The increased profitability is mainly due to performance bonus
- Overperformance revenues/bonus – profit sharing based on plant performance irrespective of irradiation

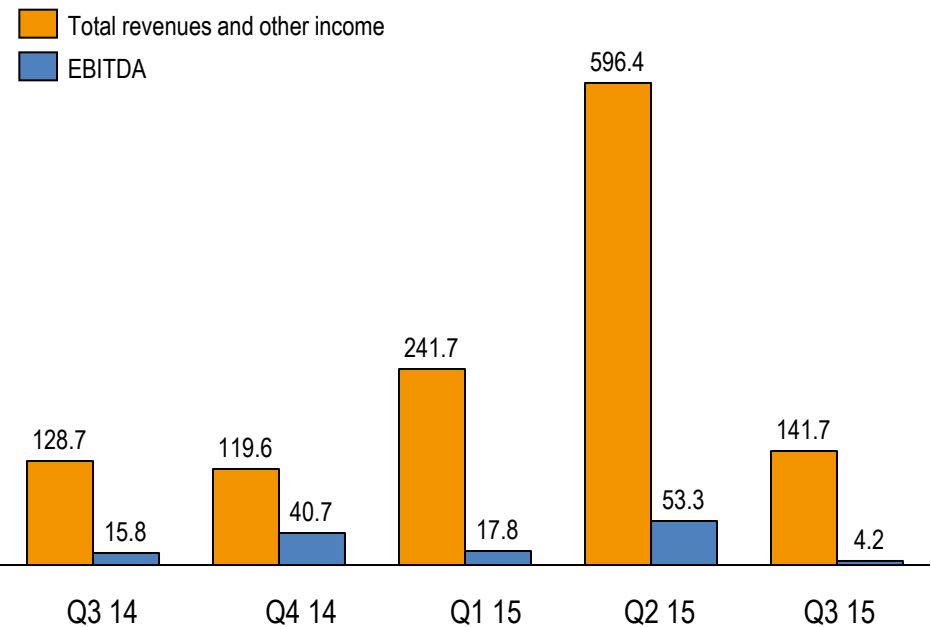
Consolidated revenues & EBITDA (NOKm)



Moderate construction progress in Jordan

- D&C revenues and margins reflect project development and plant construction
- Moderate construction progress in Jordan – expected to pick up in the fourth quarter
- Construction of the Agua Fria plant completed in the quarter

Consolidated revenues & EBITDA (NOKm)



Gross margin	30%	57%	16%	12%	13%
EBITDA	12%	34%	7%	9%	3%

Stable long term cash flow generation

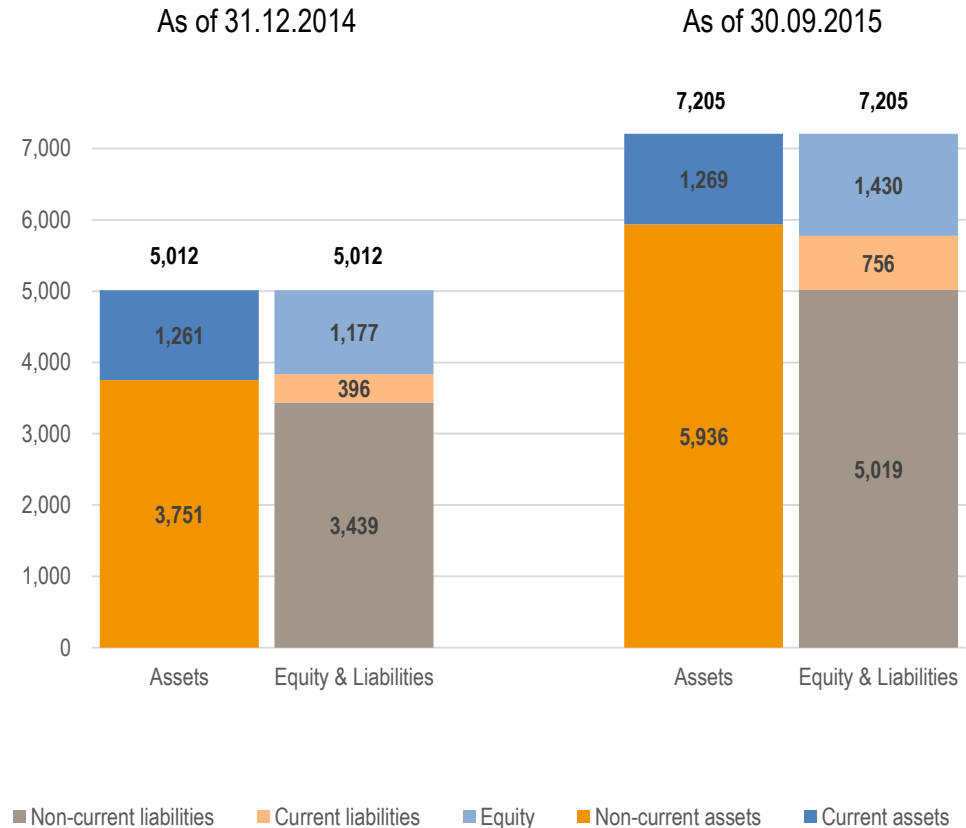
Q3'15 - NOK million	Power Production	O&M	D&C	Corporate	Total	Elim.	Consolidated
Revenues	200.7	17.4	141.7	1.7	361.5	-157.4	204.1
EBITDA	171.2	11.4	4.2	-9.9	176.9	-17.8	159.2
Net interest expenses	-85.5				-85.5		
Loan repayment	-21.2				-21.2		
Tax	-4.6	-2.9	-0.7	2.7	-5.4		
Total cash flow to equity*:	59.9	8.5	3.6	-7.2	64.8		
SSO share of CF to equity*:	31.7	8.5	3.6	-7.2	36.6		
YTD'15 SSO CF to equity*:	91.9	20.4	56.0	-19.2	149.3		

- Distributions of NOK 34 million from Kalkbult and the Czech power plants received in the quarter – NOK 92 million paid in the first nine months of 2015
- Distributions of NOK 18 million from the Linde plant to be received in the fourth quarter

A growing asset base

- Cash position of NOK 963 million of which NOK 213 million free cash
- All non-current interest bearing liabilities represent non-recourse project financing
- Overdraft facility with Nordea Bank to be increased from NOK 100 million to NOK 250 million in the fourth quarter.
- Preparations for accessing further debt at the corporate level is well progressed and continues in the fourth quarter

Financial position (NOKm)



Outlook

Solid market outlook

- Target to own gross 750 MW by end of 2016
 - 426 MW in operation and under construction
 - 344 MW in project backlog
 - 1,287 MW in project pipeline
- A solid platform for increased growth going forward
- Annual cash flow to SSO equity of NOK 155-175 million from 279 MW currently in operation (PP and O&M)
- 15-20% gross margin from Development and Construction - remaining construction contract value in Jordan of 85 MUSD
- Target average equity IRR of 15% nominal after tax on power plant investments.
- Q4'15 production target of 140,000 MWh



The 75 MW Dreunberg plant in South Africa

Thank you

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Consolidated profit & loss

(NOK million)	Q3 15	Q2 15	Q3 14	FY 2014
Total revenues	204.1	204.8	130.2	476.4
Gross profit	202.3	187.3	128.8	471.3
EBITDA	159.2	146.2	78.8	292.9
Depreciation, amortization and impairment	-46.1	-38.1	-27.4	-101.9
Operating profit	113.1	108.1	51.4	191.0
Interest, other financial income	18.5	15.8	8.3	54.8
Interest, other financial expenses	-100.5	-95.3	-65.3	-248.6
Foreign exchange gain/(loss)	-4.9	1.0	18.4	62.3
Net financial expenses	-86.9	-78.5	-38.5	-131.5
Profit before income tax	26.2	29.6	12.9	59.6
Income tax (expense)/benefit	-17.8	-8.3	-5.4	-11.1
Profit/(loss) for the period	8.4	21.3	7.4	48.5
Profit/(loss) attributable to:				
Equity holders of the parent	3.3	18.6	-5.4	-17.9
Non-controlling interests	5.1	2.7	12.8	66.4
Basic and diluted EPS (NOK)	0.03	0.20	-0.08	-0.25

Consolidated cash flow statement

(NOK million)	Q3 15	Q2 15	Q3 14	FY 2014
Net cash flow from operations	-30.5	102.7	-258.4	-96.5
Net cash flow from investments	-193.8	-1,142.8	-122.6	-909.8
Net cash flow from financing	203.4	750.7	146.7	972.0
Net increase/(decrease) in cash and cash equivalents	-20.9	-289.4	-234.2	-34.3
Effect of exchange rate changes on cash and cash equivalents	-18.6	-2.2	-19.0	58.0
Cash and cash equivalents at beginning of the period	1,002.5	1,294.1	919.3	1,025.4
Cash and cash equivalents at end of the period	963.0	1,002.5	666.1	1,049.1

Segment results – Q3'15

<i>(NOK million)</i>	Power Production	Operation & Maintenance	Development & Construction	Corporate	Eliminations	Total
External revenues	201.5	0.8	2.0	-	-	204.2
Internal revenues	-0.7	16.6	139.8	1.7	-157.4	-
Net income / (loss) from associates	-	-	-0.1	-	-	-0.1
Total revenues and other income	200.7	17.4	141.7	1.7	-157.4	204.1
Cost of sales	-	-	-123.9	-	122.0	-1.9
Gross profit	200.7	17.4	17.8	1.7	-35.4	202.3
Operating expenses	-29.5	-6.0	-13.6	-11.6	17.6	-43.1
EBITDA	171.2	11.4	4.2	-9.9	-17.8	159.2
Depreciation, amortisation and impairment	-59.8	-0.7	-1.7	-0.1	16.3	-46.1
Operating profit (EBIT)	111.4	10.6	2.5	-10.0	-1.5	113.1

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

Third quarter (NOKm)	Consolidated	SSO prop. share	%
Total revenues	204.1	111.0	54%
Cost of sales & opex	-45.0	-40.2	98 %
EBITDA	159.2	70.3	44 %
D&A & Impairments	-46.1	-17.2	37 %
EBIT	113.1	53.2	47 %
Net financials & tax	-104.7	-40.3	38 %
Net profit	8.4	3.3	39 %

Project companies' financials – Q3'15

(NOK million)	Czech Republic	Kalkbult	Linde	Dreunberg	ASYV	Agua Fria	Segment overhead	Total segment	SSO prop. share
SSO shareholding	100%	39%	39%	39%	43%	40%	-	-	-
Revenues	30.4	64.8	27.3	53.0	8.2	17.6	-0.4	200.7	97.0
OPEX	-2.4	-8.7	-4.5	-8.5	-1.3	-1.5	-2.5	-29.5	-14.6
EBITDA	27.9	56.1	22.9	44.4	6.8	16.0	-2.9	171.2	82.4
Net interest expenses	-5.3	-29.5	-14.0	-29.8	-3.5	-4.7	1.4	-85.5	-35.9
Normalised loan repayments	-5.4	-3.5	-6.2	-4.3	-1.8	-	-	-21.2	-11.6
Cash flow to equity*	14.5	20.2	2.6	11.0	1.2	11.3	-1.0	59.9	31.7

* 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 – Q3'15

(NOK million)	Power Production							EJRE/ GLAE	D&C, O&M, Corporate & Eliminations*	Consolidated	
	Czech Republic	Kalkbult	Linde	Dreunberg	ASYV	Agua Fria	Red Hills				Oryx
Project equity	201.1	314.6	207.3	361.9	26.9	321.8	283.2	65.6	273.2	-625.4	1,430.2
Total assets	663.4	1,408.6	820.7	1,565.0	208.6	943.2	1,394.5	241.4	347.7	-388.1	7,205.0
PP&E*	554.2	1,161.9	634.5	1,253.2	173.2	896.2	1,381.3	126.5	224.5	-1,164.4	5,241.1
Cash**	61.3	196.0	108.2	168.4	27.2	12.1	-	39.8	33.2	316.7	963.0
Gross debt	414.8	1,005.7	568.1	1,127.3	169.1	440.5	1,032.0	149.3	58.8	-	4,965.7
Net debt	353.5	809.7	459.9	958.9	141.9	428.4	1,032.0	109.5	25.6	-316.7	4,002.7
Net working capital***	-22.5	-70.7	-50.2	-80.8	-16.3	-146.1	-66.1	54.1	43.4	368.6	13.4

* The amount of NOK 1,164 million includes capitalised development spending on projects that have not yet reached construction phase of NOK 72 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 166 million of restricted cash related to deposits for withholding tax, guarantees, VAT and rent as well as collateralised shareholders financing.

*** 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.

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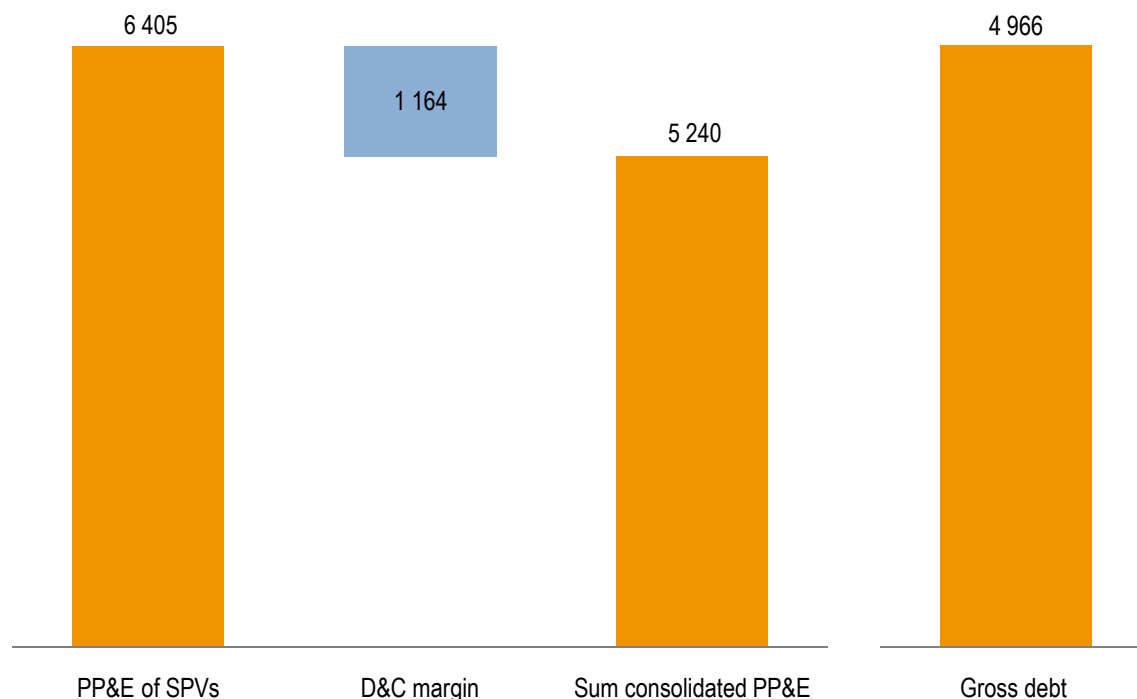
D&C margins reduces consolidated PP&E

- 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 30.09.2015– NOKm



Production increase after grid connection of Agua Fria

- The quarter on quarter increase in production volume was mainly driven by start of the 60 MW Agua Fria plant.
- Power production volumes in South Africa continued to be affected by lower irradiation than expected in the quarter
- Plant availability remained high

Power Production (MWh)

