



Pareto Power & Renewables Conference

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Our values

Predictable

Driving results

Changemakers

Working together



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SSO: An independent solar power producer

Scatec Solar is an independent solar power producer based in Norway

- SSO develops, builds, owns and operates large scale solar power plants
- Assets in South Africa, Czech Republic, Rwanda, Honduras and Jordan
- Experienced management team with demonstrated execution capabilities

Experienced and fast-growing

- 322 MW of solar power plants in operation
- 600 MW project track record

Integrated across the downstream value chain

- Generating margins through all project stages while establishing premium assets with strong and predictable long-term cash flows
- Focus on asset management with the goal of maximizing long term values

Strong backlog and pipeline

- Project backlog of 731 MW
- Project pipeline and opportunities of ~3.6 GW

Key facts - Scatec Solar ASA

Established	2007
Headquarter	Oslo
Employees	152
Market cap	NOK 3.6 bn
Plants in operation	322 MW

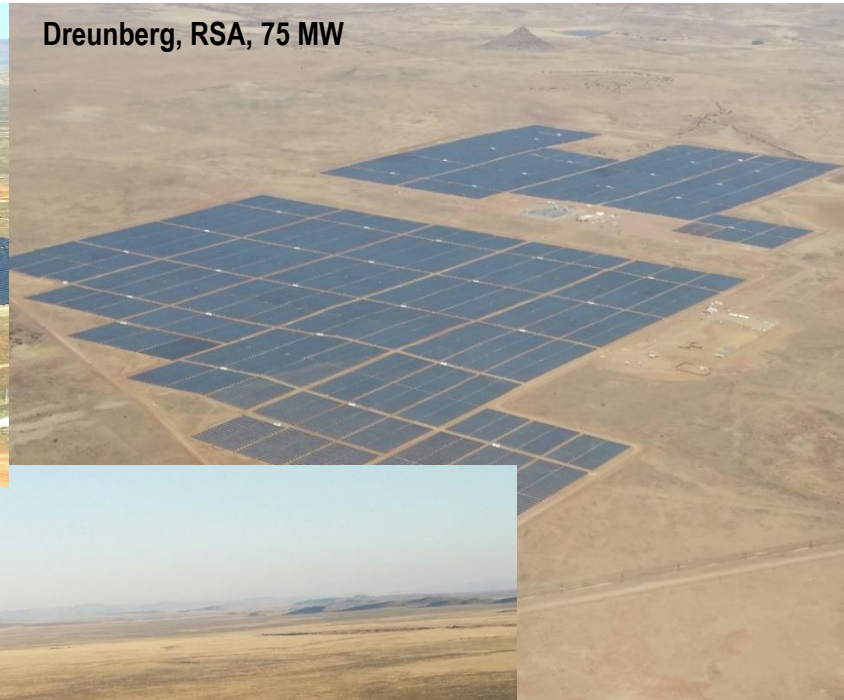


Our focus: Large scale solar and 20+ year cash flows

Kalkbult, RSA, 75 MW



Dreunberg, RSA, 75 MW



Linde, RSA, 40 MW



Strong partners – key for success

Norfund partnership:

- Project development and investment partnership
- Norfund (with KLP) are equity co-investors in South Africa, Rwanda and Honduras

IFC partnership:

- Project development and investment partner in West Africa, South Asia

GIEK partnership (Norwegian ECA)

- Project finance
- Guarantees and bonds

Project finance partners

- Multilateral development banks and commercial institutions

Climate finance partners

Key benefits:

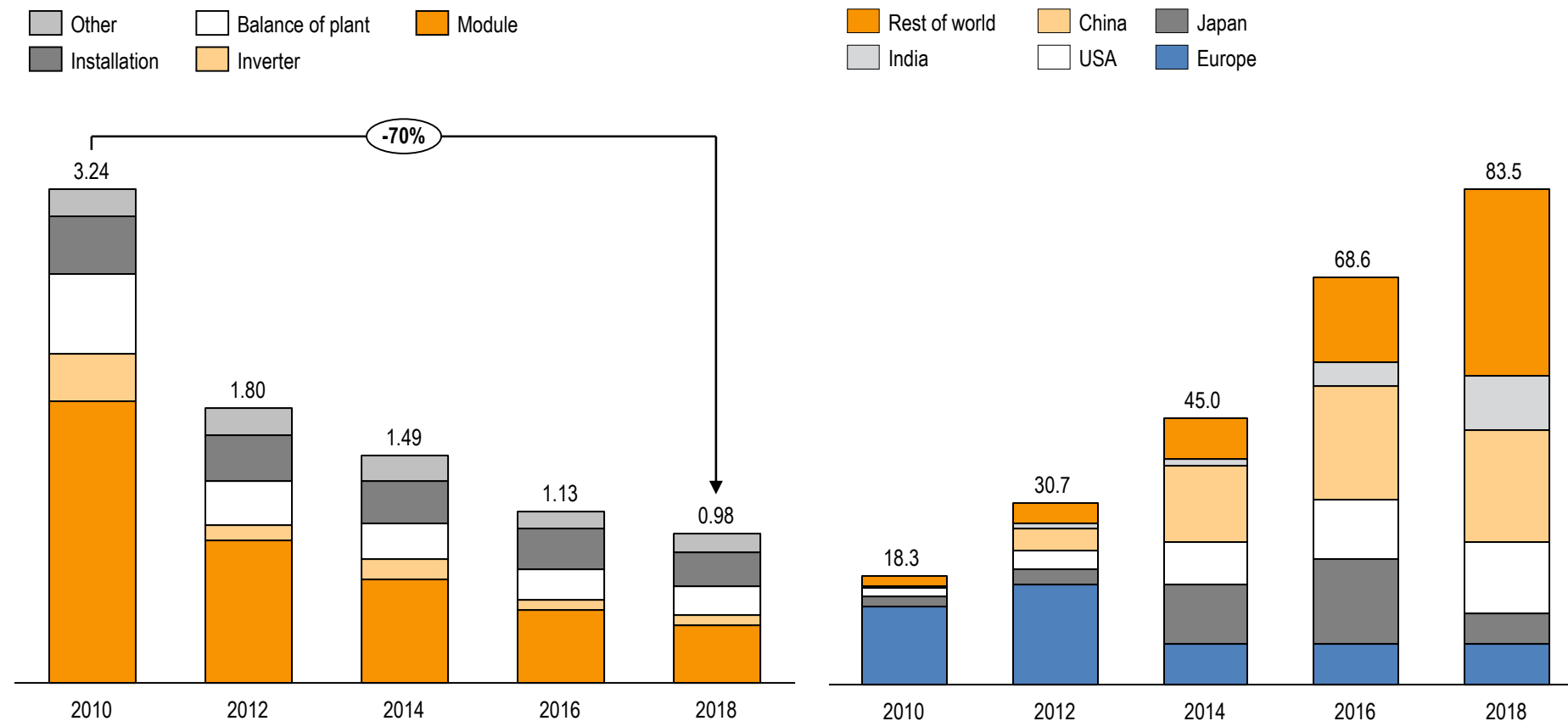
- Access to lower cost of capital
- Expanded network for project origination
- Risk mitigation



Impressive cost reductions and growth in demand

Total system cost (USD / Watt) *

Annual installed volume - GW

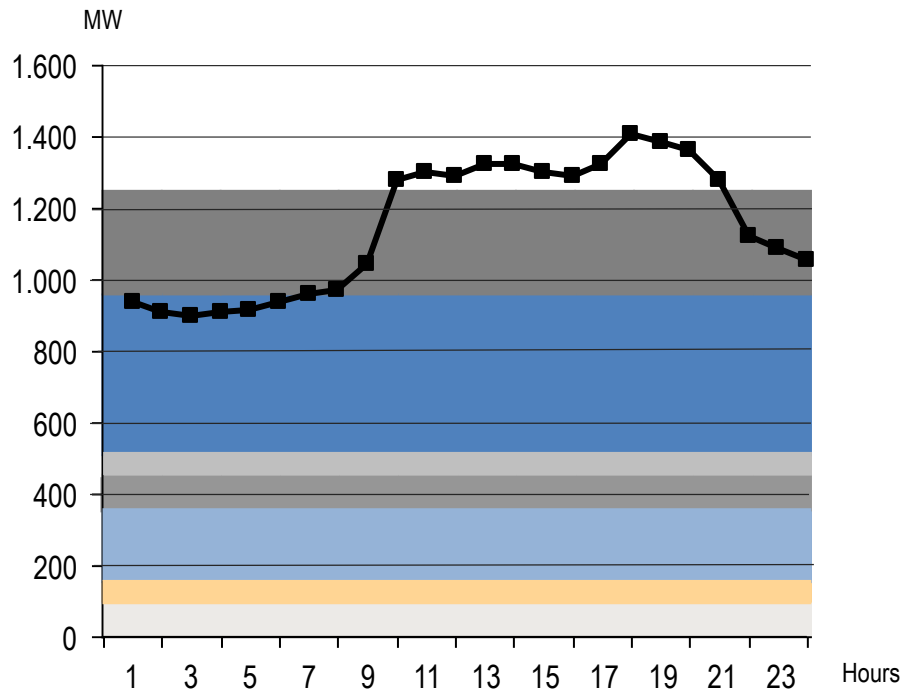


* Utility Scale. System cost will vary from market to market depending on system size, market maturity, bankability etc.

Solar PV is very competitive – driving demand growth

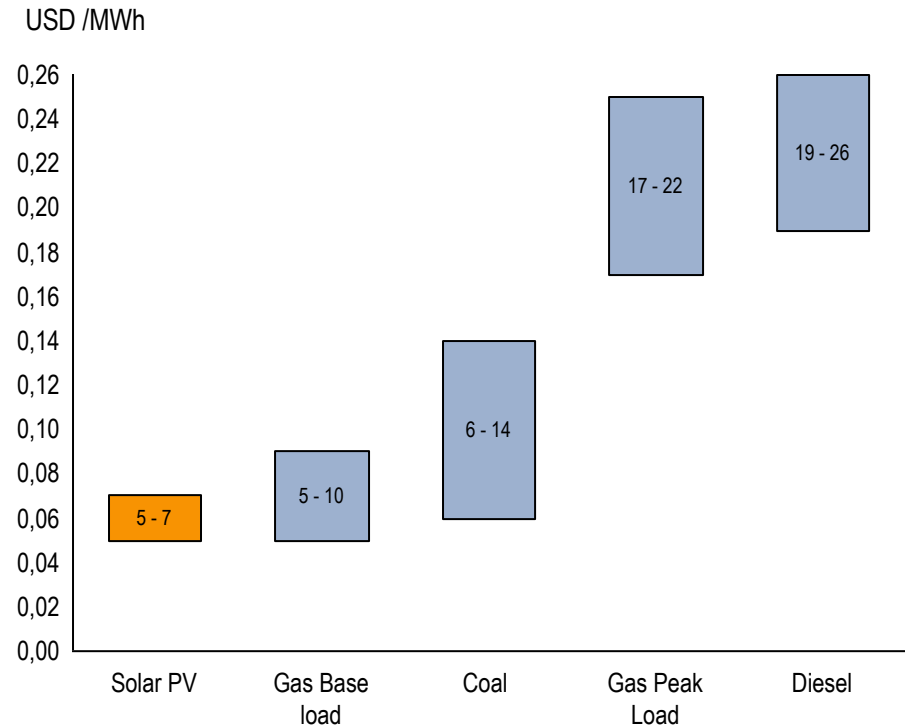
Example load-curve and energy-mix

Oil Geo Pmin Hydro Pmin Coal
Hydro Coal Pmin Geo Demand



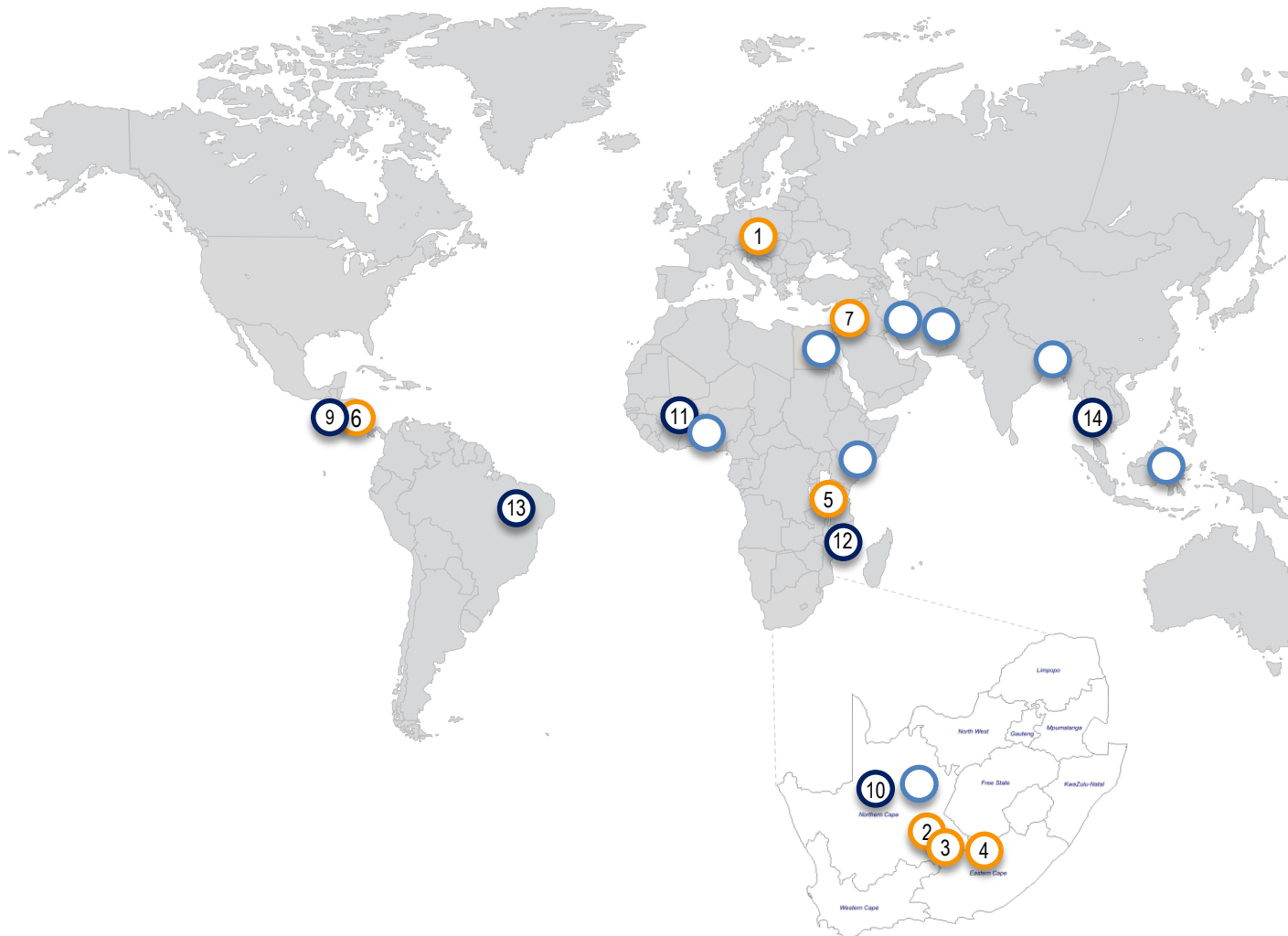
Illustrative dispatch graph showing dispatch of coal and oil-fired power plants

Cost of alternative energy sources – (LCOE)



Source: Lazard Capital, LCOE v 10.0, Scatec Solar

731 MW ready for construction



In operation

Czech Republic	1	20 MW
Kalkbult, RSA	2	75 MW
Linde, RSA	3	40 MW
Dreunberg, RSA	4	75 MW
ASYV, Rwanda	5	9 MW
Agua Fria, Honduras	6	60 MW
Jordan	7	43 MW
Total		322 MW

Projects in backlog*

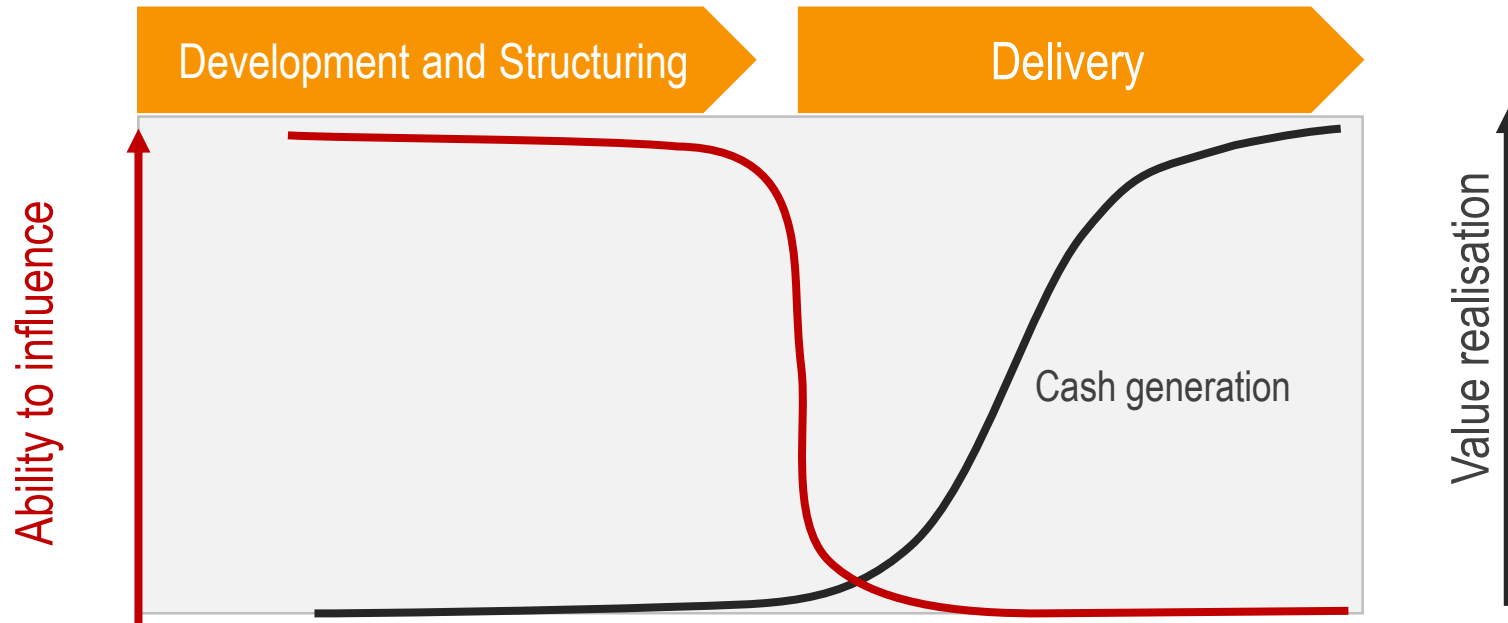
Honduras	9	53 MW
South Africa	10	258 MW
Mali	11	33 MW
Mozambique	12	40 MW
Brazil	13	150 MW
Malaysia	14	197 MW
Total		731 MW

Pipeline & opportunities

		3.6 GW
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(*) Projects with secured tariff and/or off take agreements

Our integrated approach enables key decisions to be made at an early stage of the project



Value engineering

Best value sourcing

Risk assessment, mitigation and management

Our sourcing model is tailored to our projects

Sourcing based on frame agreements focusing on cost, quality and delivery assurance



- Leverage high volume in project backlog and pipeline
- Regular verification of competitiveness and technology development to ensure we are at forefront of a fast changing industry
- Technology roadmaps including O&M needs

In country risk “boxed” into one construction contract (sub-EPC)



- Scope: From receipt of “bulk” material to mechanical completion
- Close cooperation to meet our CSR standard
- Effective execution utilising synergies between local knowledge and Scatec Solar’s EPC experience
- Extensive contractor engagement program

Sustainability is excellent risk mitigation

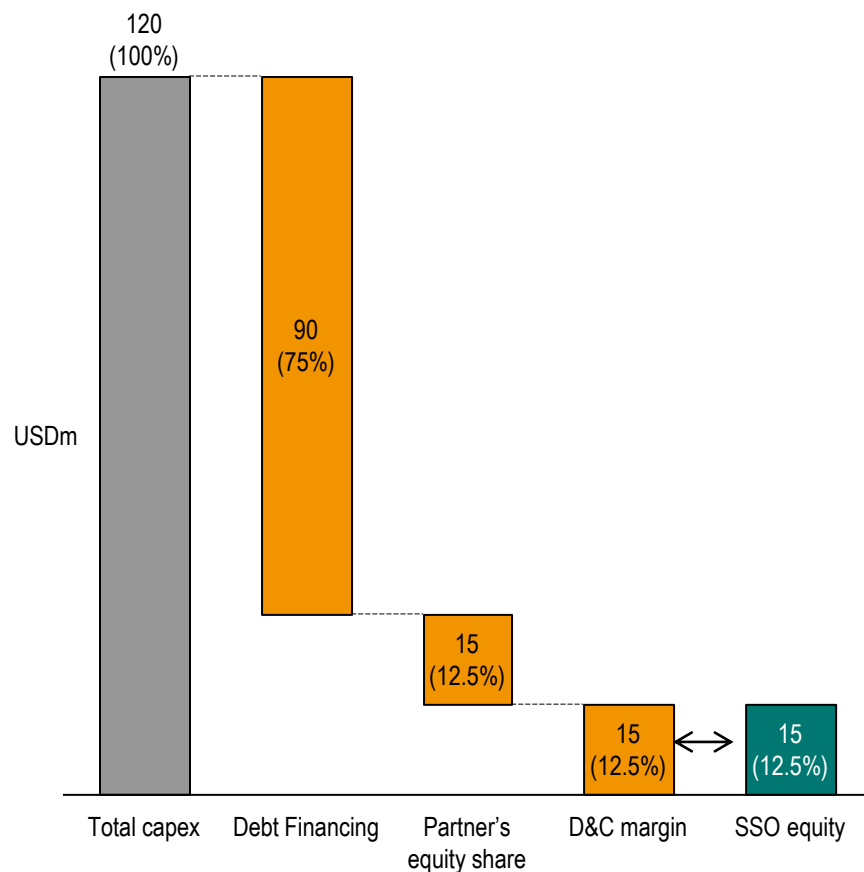
Example from some recent projects

	Agua Fria, Honduras 60 MW	Dreunberg, South Africa 75 MW	ASYV, Rwanda 9 MW
Jobs Created (Mounting and construction workers during peak construction period)	1,050	1,400	600
% Local Employees*	82%	77%	85%
Numbers of workers with documented skill enhancement	275**	142***	400**
Lost Time Injuries (Incident resulting in absence of one day/shift or more)	2	0	1



(*) Employees from local communities (**) Workers with formalised documentation of experience (***) Workers certified

A business model enabling “self funded” growth



Example based on a 75 MW project

- The D&C gross margin provides a large part of the Scatec Solar's equity contribution in the project
- Projects are financed by non-recourse debt, allowing Scatec Solar to operate with high financial leverage at the project level while maintaining limited risk exposure at the parent level
- Annual self funded growth capacity of adding 300-400 MW based on average ownership of 50-60%

Key figures – plants in operation and backlog

		In operation	Backlog*	Total
Capacity	MW	322	731	1,053
Annual Production	MWh	~640,000	~1,500,000	~2,140,000
Annual Revenues	MNOK	~1,100	~1,200	~2,300
Total capex	MNOK	5,300**	~9,200	~14,500
Total Equity	MNOK	1,425**	~1,850	~3,275

- Scatec Solar equity position in backlog projects; 50-100% / leverage 75-80%
- Average equity IRR of 15% nominal after tax on new power plant investments
- Typical EPC contract value represents 80% of project capex (~7,400 MNOK for backlog)
- Scatec Solar expects 15% gross margin from Development & Construction

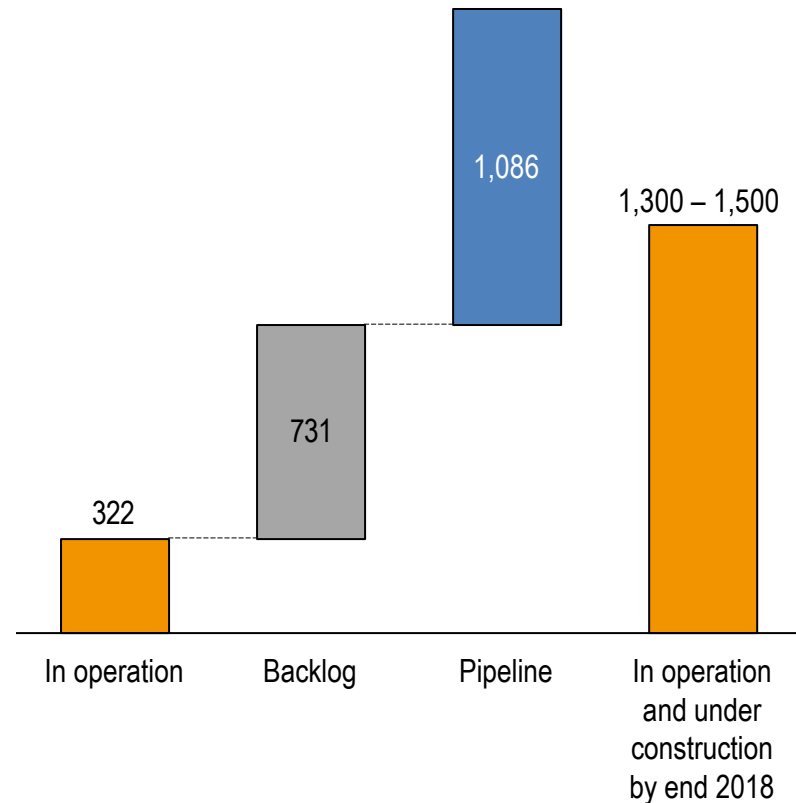
(*) Backlog: Projects assessed as having more than 90% likelihood of being realized

(**) Based on project company balance sheet values as of end of Q3'16

SSO - Guidance and investment criteria

- Target 1,300-1,500 MW in operation and under construction by end 2018
- Development and Construction gross margin averaging 15%
- Average equity IRR of 15% nominal after tax on power plant investments

Growth target (MWs)



Summary

- The global market for PV is expected to grow significantly in the years to come
- Recent fall in component prices makes solar power even more competitive
- Emerging economies will continue to take advantage of lower cost renewables
- Cost of batteries in rapid decline
- Lower oil and gas prices have limited impact on the appetite for renewables



The 10 MW Oryx solar power plant in Jordan

Thank you

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