

First quarter 2017

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Oslo, May 5, 2017

Our values

Predictable

Driving results

Changemakers

Working together



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On track to reach 2018 growth target

- Power production reached 156 GWh, up 12% from Q1'16*
- SSO cash flow to equity from Power Production and Operation & Maintenance of NOK 33 million
- NOK 380 million equity raised – free cash of NOK 665 million – fully funded for equity investments in project backlog
- Added 400 MW to project backlog with signing of 25-year PPAs in Egypt – backlog now totaling 1,131 MW
- On track to reach target of 1,300 – 1,500 MW in operation or under construction by year end 2018



Proportionate financials improve earnings visibility

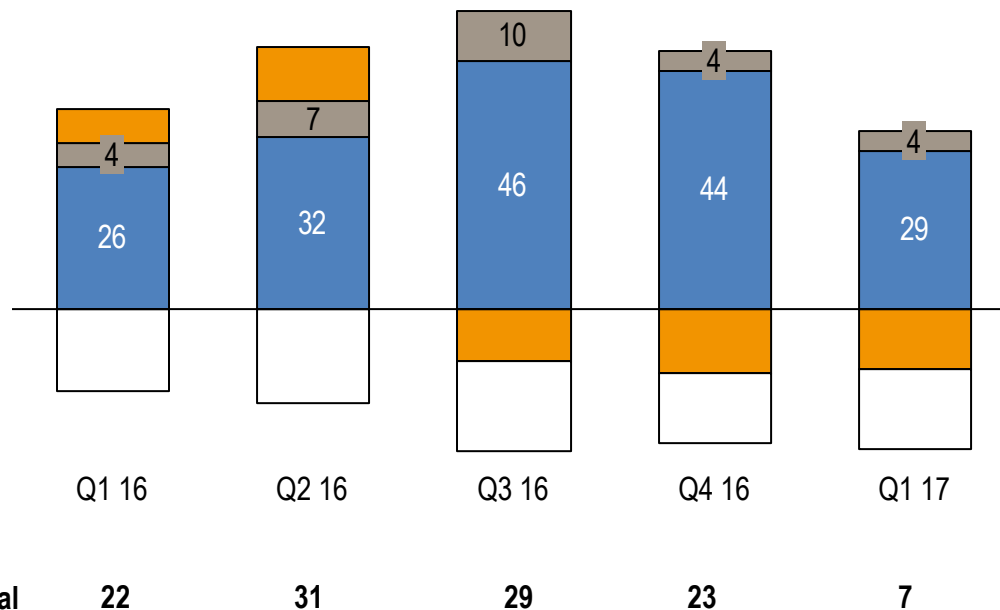
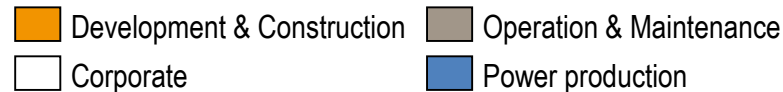
- Financial results presented based on proportionate method without eliminations
- In line with segment reporting while adjusting for Scatec Solar's ownership in Power Production

First quarter 2017 (NOK million)	Power Production 100% basis	Power Production SSO share*	Operation & Maintenance	Development & Construction	Corporate	Total
Total revenues and other income	276.5	125.3	14.6	-0.2	3.0	142.7
EBITDA	243.3	107.8	4.9	-15.4	-10.5	86.8
Operating profit (EBIT)	165.8	69.3	4.6	-15.9	-10.8	47.2

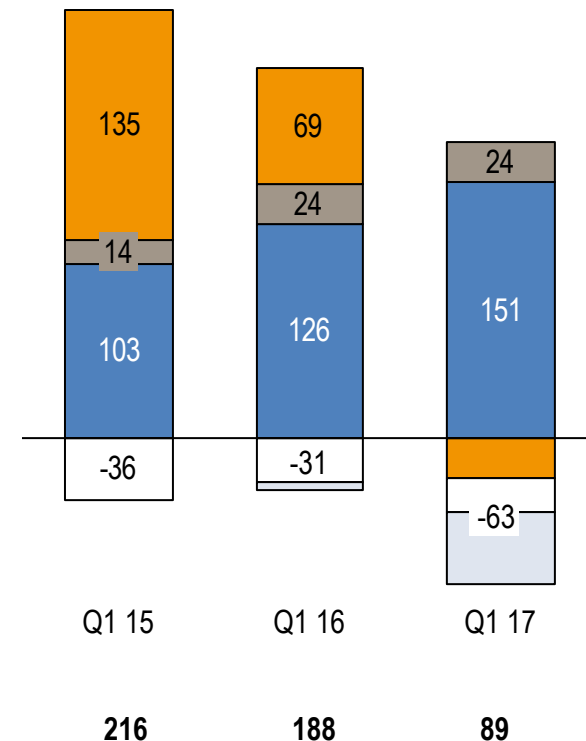
First quarter 2016 (NOK million)	Power Production 100% basis	Power Production SSO share*	Operation & Maintenance	Development & Construction	Corporate *	Total
Total revenues and other income	227.3	102.5	13.1	257.4	2.4	375.3
EBITDA	193.7	81.5	5.7	7.5	-11.6	83.1
Operating profit (EBIT)	122.6	41.0	5.2	5.1	-11.8	39.5

SSO's share of cash flow to equity

SSO proportionate share of cash flow to equity*



Last twelve months (NOKm)

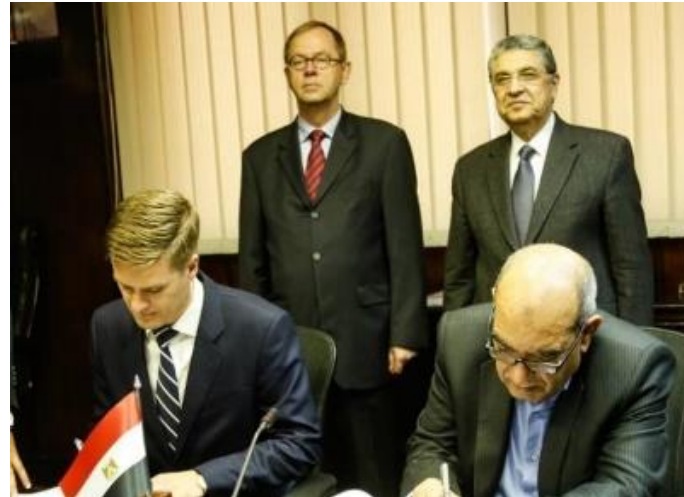


Interest paid on corporate bond

Signed 25 year PPAs for 400 MW in Egypt

Background and status

- Feed-in-Tariff programme for 2 GW of PV established in 2015
- 25 year PPA signed with EETC in April 2017
- Six projects co-located in Aswan area, Upper Egypt
- Economic reforms basis for further growth in Egypt – a solar market with a solid long term potential



Partners

- Scatec Solar ASA*
- KLP Norfund and local partners
- Project finance to be provided by EBRD, Green Climate Fund and Islamic Development Bank

Key facts

- Capacity: 400 MW
- Capex: USD 450 million
- Production: 870 GWh/year

Good progress on projects across backlog

UPINGTON, 258 MW

- 20 year PPA with Eskom
- Capex: ZAR 4,600 million
- Production: 645 GWh/year



MALAYSIA, 197 MW

- 21 year PPA with Tenaga Nasional Berhad
- Capex: MYR 1,240 million
- Production: 285 GWh/year



BRAZIL, 150 MW

- 20 year PPA with ANEEL
- Capex: BRL 720 million
- Production: 305 GWh/year



HONDURAS, 53 MW

- 20 year PPA with ENEC
- Capex: USD 100 million
- Production: 110 GWh/year

MOZAMBIQUE, 40 MW

- 25 year PPA with EDM
- Capex: USD 80 million
- Production: 77 GWh/year

MALI, 33 MW

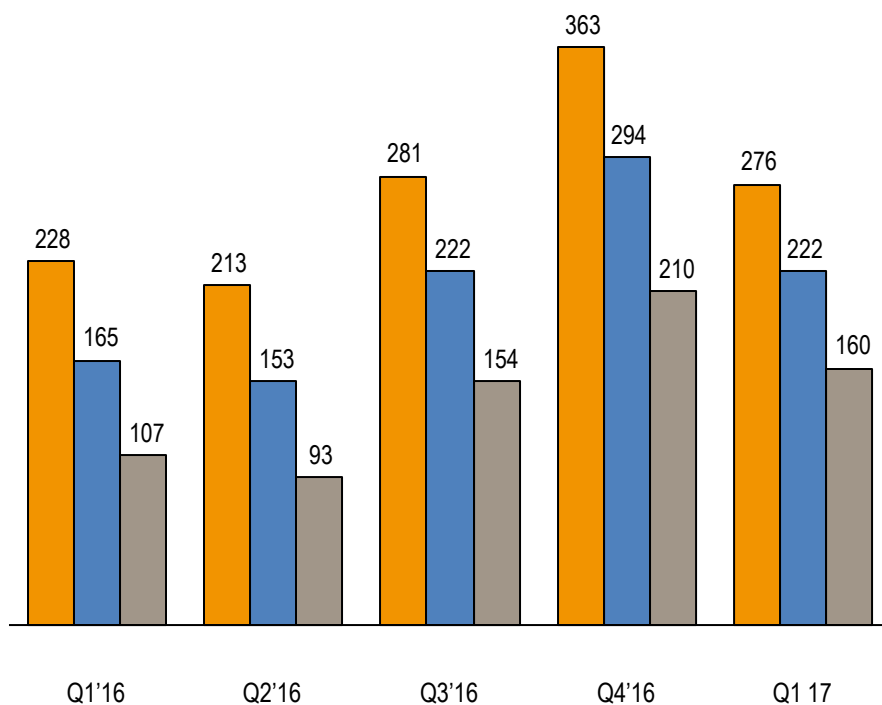
- 25 year PPA with Energie du Mali
- Capex: EUR 52 million
- Production: 60 GWh/year

Financial review

Consolidated & proportionate financials

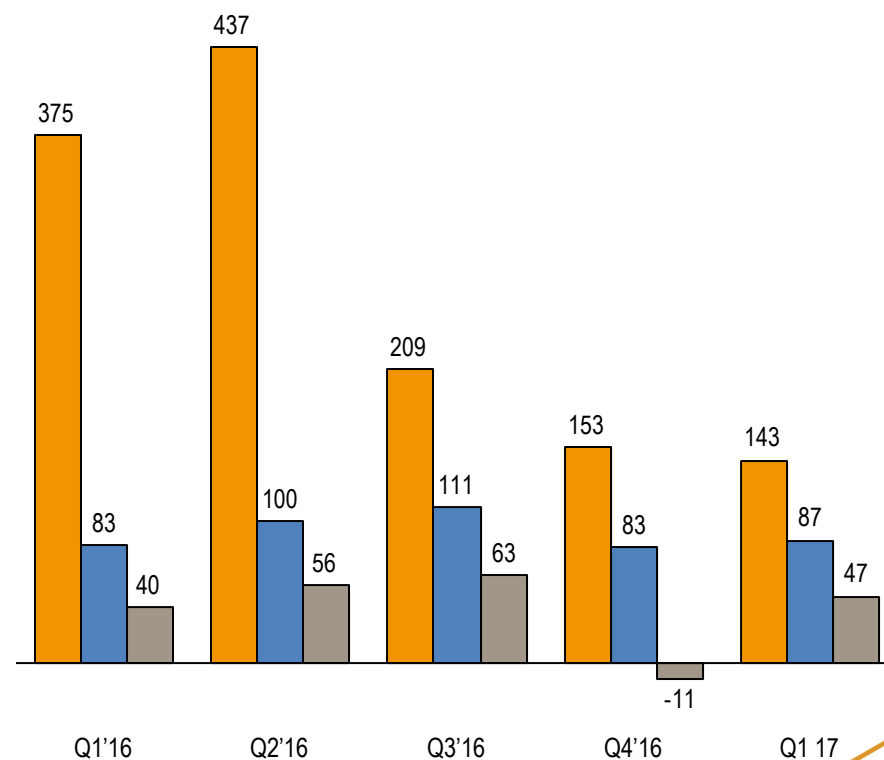
Consolidated financials (NOK million)

Revenues EBITDA EBIT



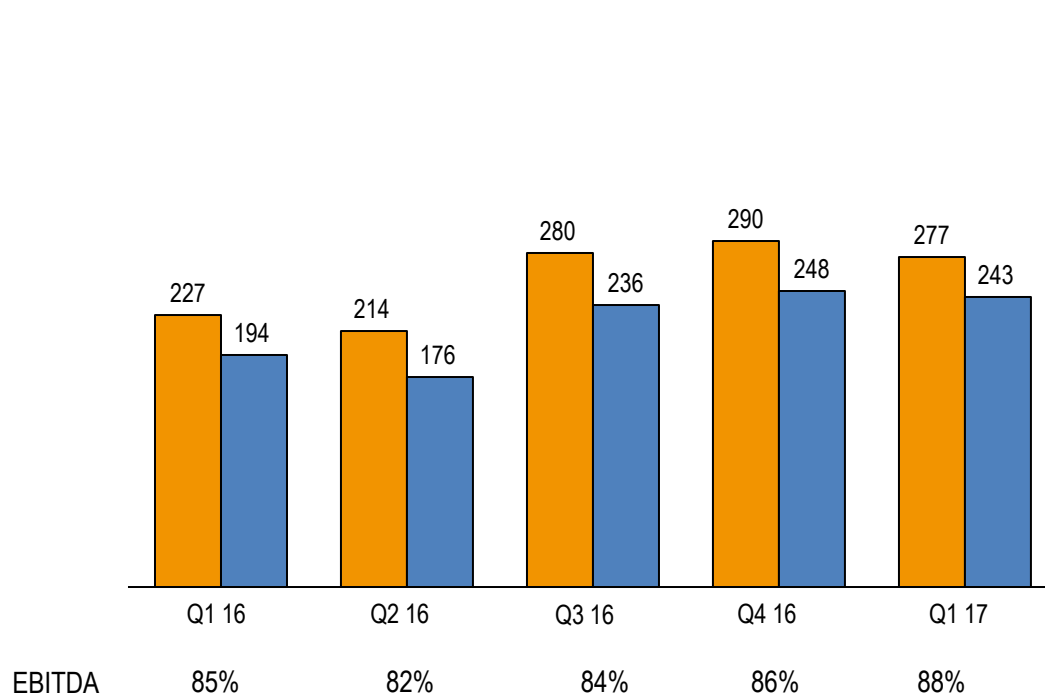
SSO proportionate financials (NOK million)

Revenues EBITDA EBIT

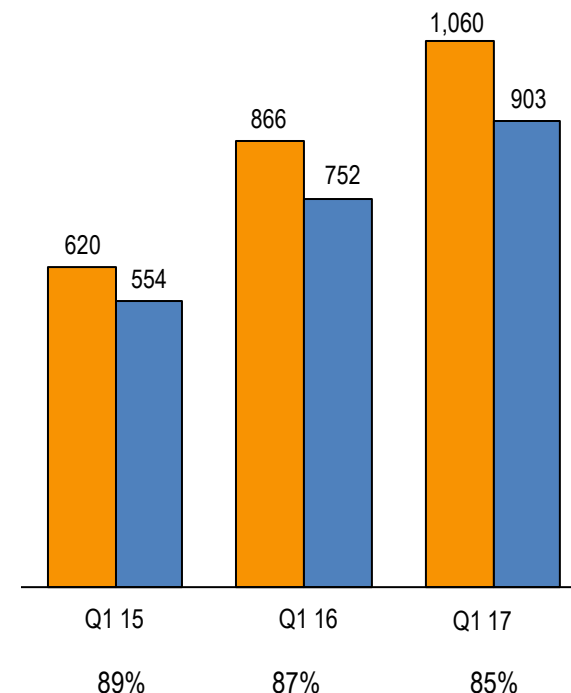


Seasonally lower production in South Africa

Quarterly (NOKm)



Last twelve months (NOKm)

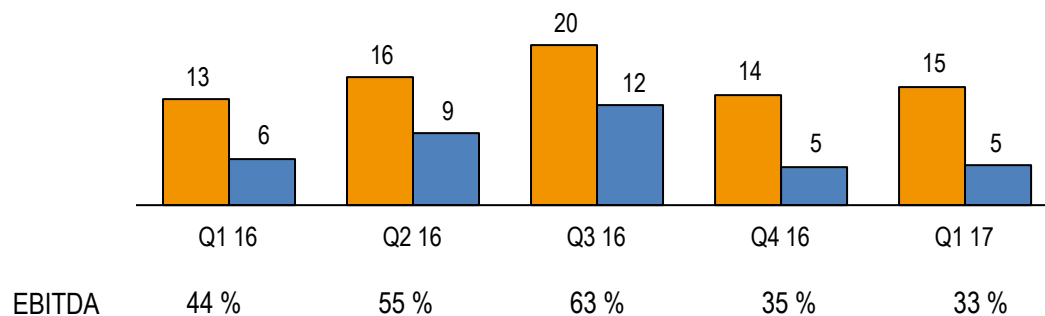


- Quarter on quarter revenues decrease reflect sale of the Utah Red Hills plant and a seasonally lower production in South Africa

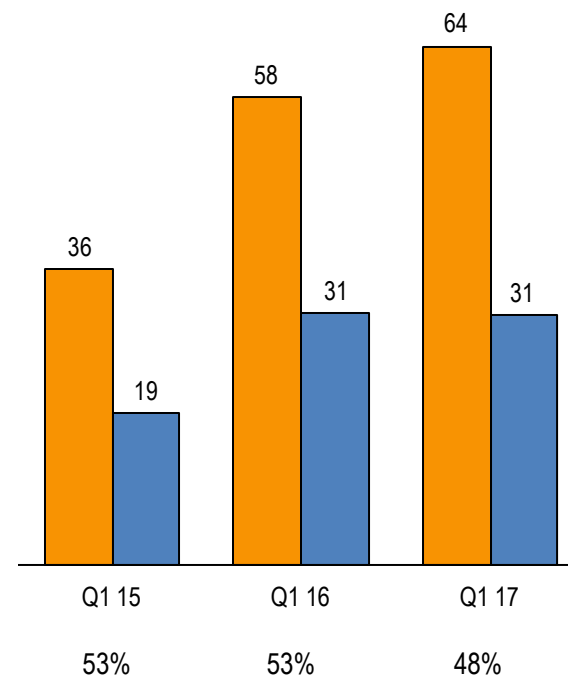
Stable revenues and EBITDA

Quarterly (NOKm)

Revenues EBITDA



Last twelve months (NOKm)

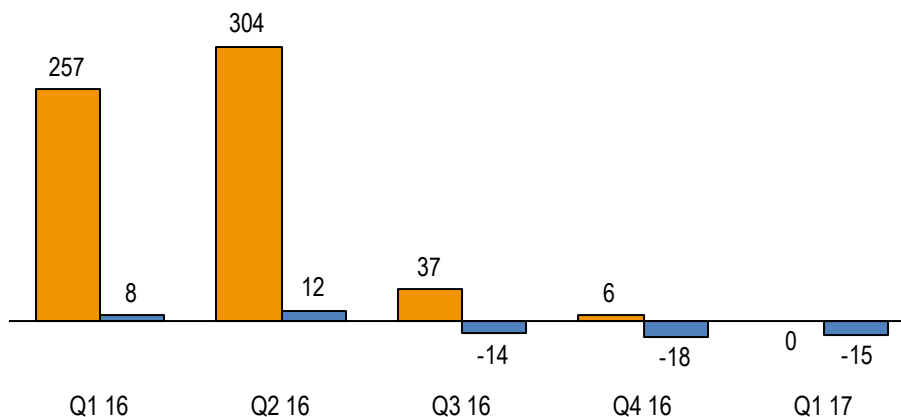


- Additional O&M revenues to be recognised when new power plants are grid connected

Preparing for construction start

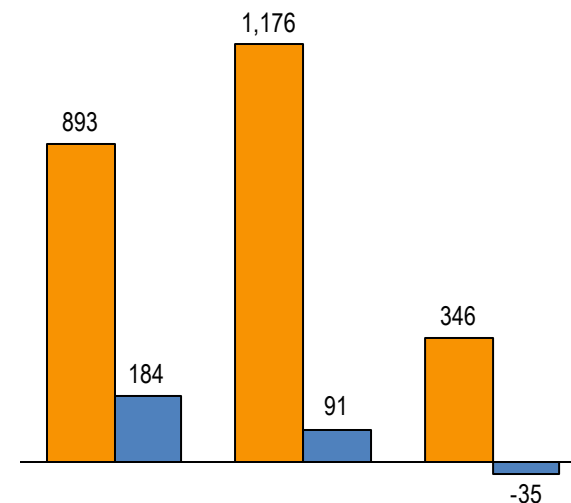
Quarterly (NOKm)

Revenues EBITDA



Gross Margin	12%	9%	-	-	-
EBITDA	3%	4%	-38%	-	-

Last twelve months (NOKm)



	31%	14%	10%
	21%	8%	-10%

- Continued high activity in Development & Construction organisation
- Project backlog's D&C contract value represents NOK ~11,000 million

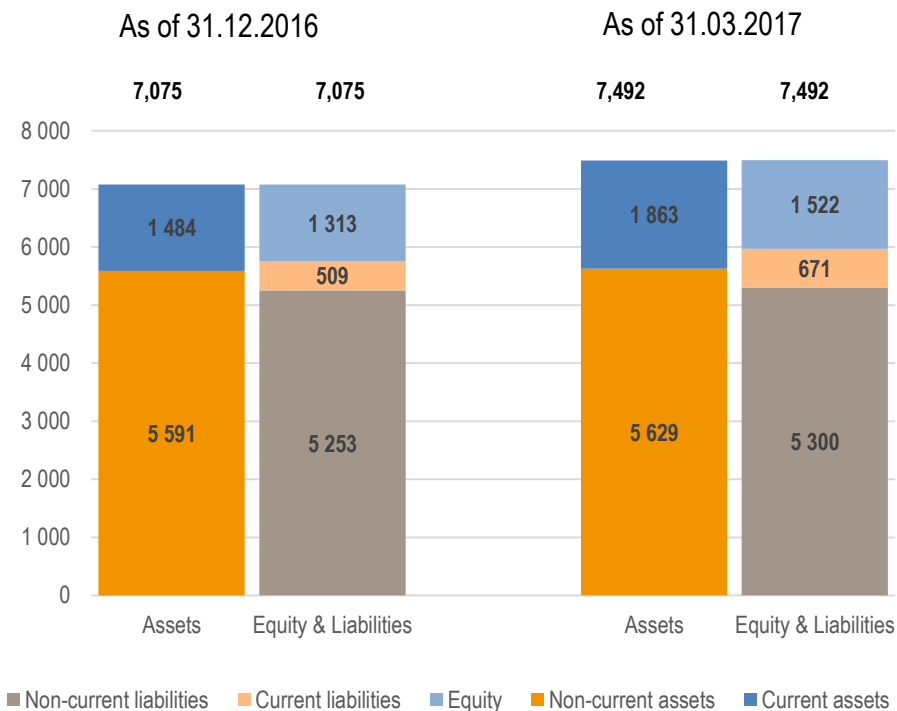
Solid financial position – NOK 665 million free cash

Financial position

- Total assets of NOK 7.5 billion
- New equity NOK 380 million raised in March 2017

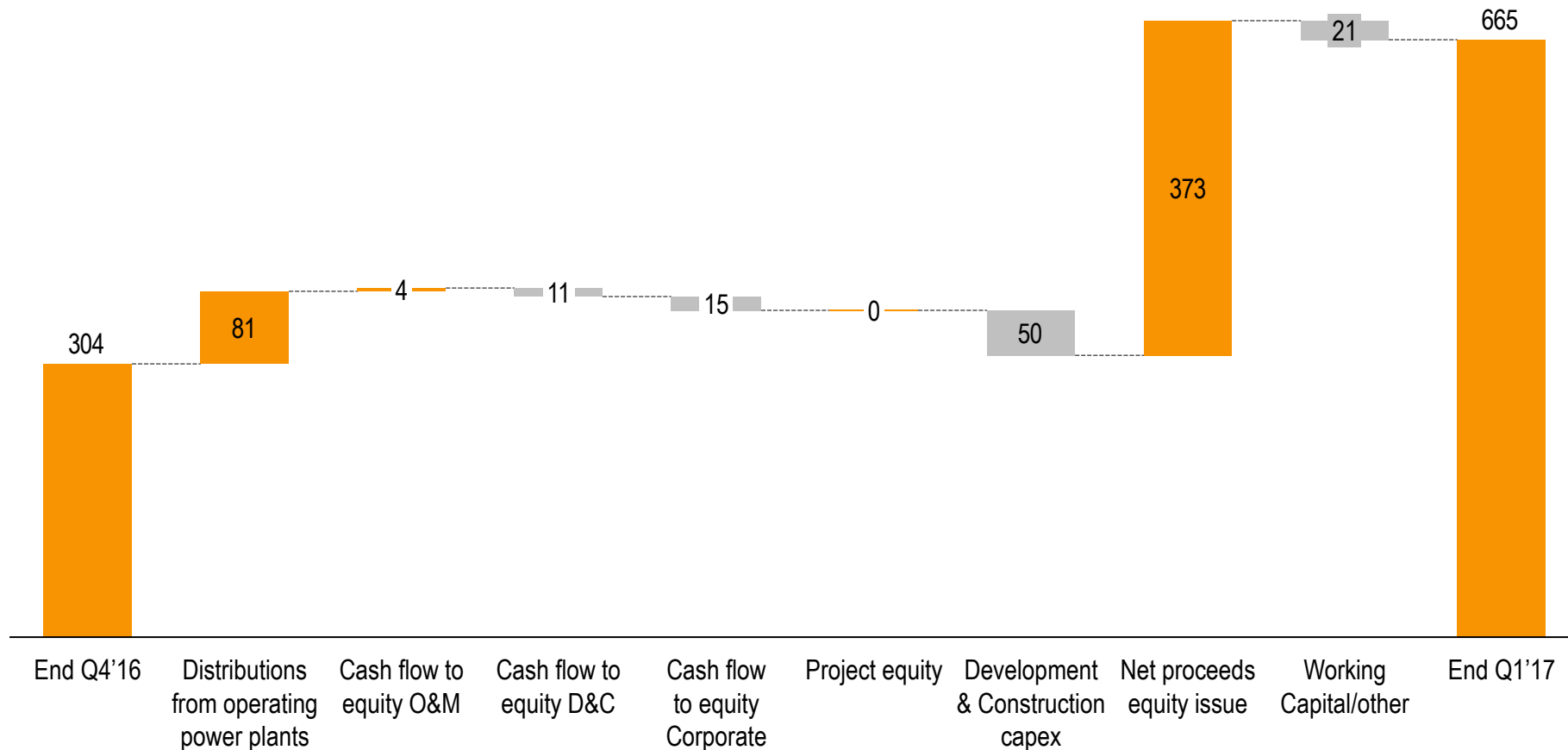
NOKm	Consolidated	SSO prop. share*	Group level**
Cash	1,562	1,137	665
Interest bearing liabilities*	-5,195	-2,752	-496
Net debt/cash	-3,633	-1,615	169

Financial position (NOKm)



Movement of free cash at group level

NOK million



Outlook

Fully funded for investments in project backlog

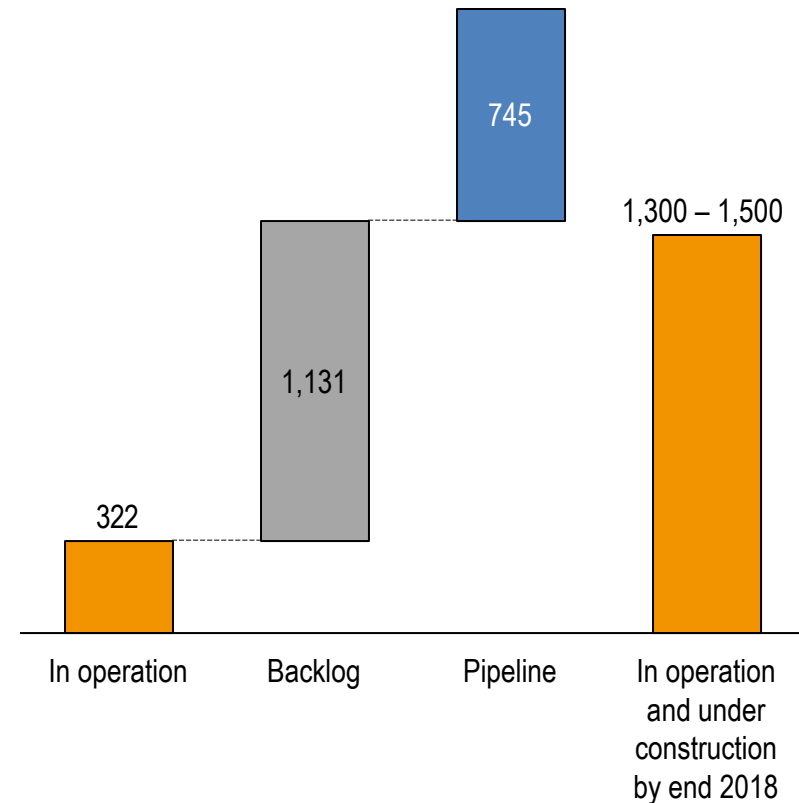
		In operation	Backlog	Total
Capacity	MW	322	1,131	1,453
Annual Production	GWh	~640	~2,352	~2,992
Annual Revenues	MNOK	~1,100	~1,750	~2,850
Total Capex	MNOK	5,639*	~13,000	~18,639
Total Equity	MNOK	1,382*	~2,800	~4,182

- Scatec Solar's share of equity investments NOK 1,700 – 2,000 million in project backlog
 - SSO targets average equity IRR of 15% nominal after tax on these investments
- Free cash position of NOK 665 million
- Project backlog's D&C contract value representing NOK ~11,000 million
 - Scatec Solar targets 15% gross margin from Development & Construction

Outlook

- Growth target by year end 2018:
 - 1,300-1,500 MW in operation & under construction
- 2017 SSO cash flow to equity from PP and O&M:
 - NOK 170 - 190 million
- Power production:
 - 2017: ~ 640 GWh
 - Q2'17: ~145 GWh

Growth target (MWs)



Thank you

Our values

Predictable

Driving results

Changemakers

Working together



Consolidated profit & loss

<i>(NOK million)</i>	Q1 17	Q4 16	Q1 16	FY 16	FY 15
Total revenues	276.3	363.1	227.9	1,084.9	881.0
OPEX	-54.0	-69.5	-62.7	-251.9	-182.6
EBITDA	222.3	293.6	165.2	833.0	698.3
Depreciation, amortization and impairment	-62.0	-83.7	-58.6	-270.1	-175.6
Operating profit	160.3	209.9	106.6	563.0	522.8
Interest, other financial income	13.2	14.1	12.1	50.8	64.4
Interest, other financial expenses	-127.4	-135.7	-118.7	-504.8	-408.1
Foreign exchange gain/(loss)	-8.3	27.2	-34.5	-10.1	40.5
Net financial expenses	-122.5	-94.4	-141.1	-464.1	-303.1
Profit before income tax	37.8	115.5	-34.6	98.9	219.6
Income tax (expense)/benefit	-6.7	-38.7	11.6	-28.4	-84.0
Profit/(loss) for the period	31.0	76.8	-22.9	70.5	135.7
Profit/(loss) attributable to:					
Equity holders of the parent	3.6	46.2	-46.2	3.5	67.7
Non-controlling interests	27.4	30.5	23.2	67.0	68.0
Basic and diluted EPS (NOK)	0.04	0.49	-0.49	0.04	0.72

Consolidated cash flow statement

<i>(NOK million)</i>	Q1 17	Q4 16	Q1 16	FY 2016	FY 2015
Net cash flow from operations	262.0	214.8	9.4	732.0	504.8
Net cash flow from investments	-44.0	211.8	-409.5	-582.0	-2,408.8
Net cash flow from financing	197.9	-199.8	27.1	-660.0	-2,534.7
Net increase/(decrease) in cash and cash equivalents	415.9	226.8	-372.9	-510.1	630.8
Effect of exchange rate changes on cash and cash equivalents	9.3	56.5	-48.5	8.7	-41.3
Cash and cash equivalents at beginning of the period	1,137.2	853.9	1,639.0	1,638.6	1,049.1
Cash and cash equivalents at end of the period	1,562.5	1,137.2	1217.6	1,137.2	1,638.6

Segment results – Q1'17

<i>(NOK million)</i>	Power Production	Operation & Maintenance	Development & Construction	Corporate	Eliminations	Total
External revenues	276.5	-	-	-	-	276.5
Internal revenues	-	14.6	0.1	3.0	-17.6	-
Net gain/(loss) from sale of project assets	-	-	-	-	-	-
Net income / (loss) from associates	-	-	-0.3	-	-	-0.3
Total revenues and other income	276.5	14.6	-0.2	3.0	-17.6	276.3
Cost of sales	-	-	-	-	-	-
Gross profit	276.5	14.6	-0.2	3.0	-17.6	276.5
Operating expenses	-33.3	-9.7	-15.2	-13.5	17.6	-54.0
EBITDA	243.3	4.9	-15.4	-10.5	-	222.3
Depreciation, amortisation and impairment	-77.4	-0.2	-0.6	-0.3	16.5	-62.0
Operating profit (EBIT)	165.8	4.6	-15.9	-10.8	16.5	160.3

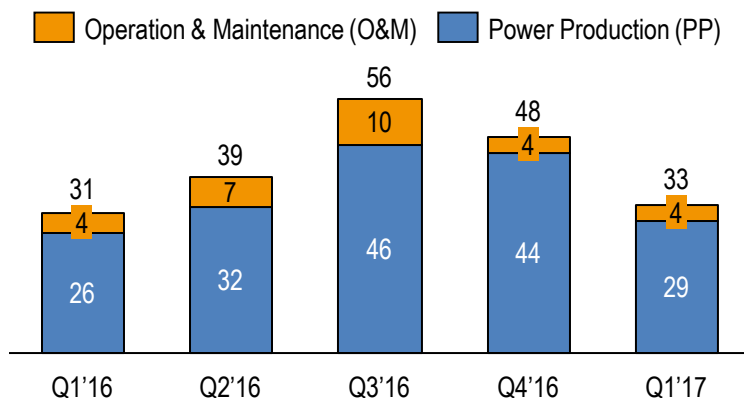
Proportionate financials

First quarter 2017 (NOK million)	Power Production 100% basis	Power Production SSO share*	Operation & Maintenance	Development & Construction	Corporate	Total
Revenues	276.5	125.3	14.6	-0.2	3.0	142.7
Gross Profit	276.5	125.3	14.6	-0.2	3.0	142.7
Operating expenses	-33.3	-17.5	-9.7	-15.2	-13.5	-55.8
EBITDA	243.3	107.8	4.9	-15.4	-10.5	86.8
Depreciation , amort. and impairment	-77.4	-38.5	-0.2	-0.6	-0.3	-39.6
Operating profit (EBIT)	165.8	69.3	4.6	-15.9	-10.8	47.2

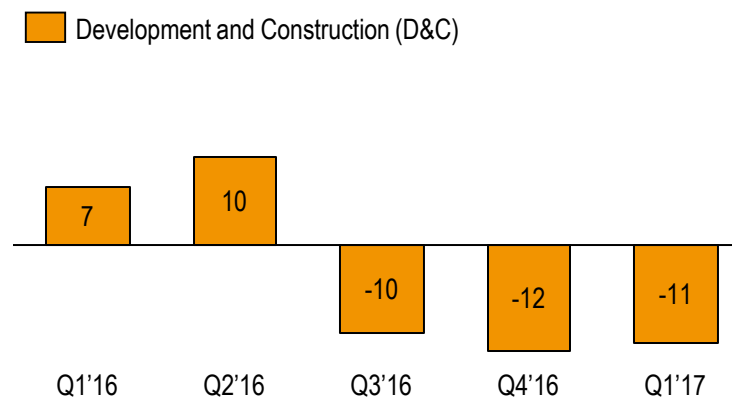
First quarter 2016 (NOK million)	Power Production 100% basis	Power Production SSO share*	Operation & Maintenance	Development & Construction	Corporate	Total
Revenues	227.3	102.5	13.1	257.4	2.4	375.3
Gross Profit	227.3	102.5	13.1	29.7	2.4	147.7
Operating expenses	-33.6	-21.0	-7.3	-22.3	-14.0	-64.6
EBITDA	193.7	81.5	5.7	7.5	-11.6	83.1
Depreciation , amort. and impairment	-71.2	-40.5	-0.5	-2.4	-0.2	-43.6
Operating profit (EBIT)	122.6	41.0	5.2	5.1	-11.8	39.5

Cash flow to Scatec Solar's equity

Cash flow to equity from PP and O&M* (NOKm)



Cash flow to equity from D&C* (NOKm)



- Calculation of SSO's share of cash flow to equity based on proportionate method:

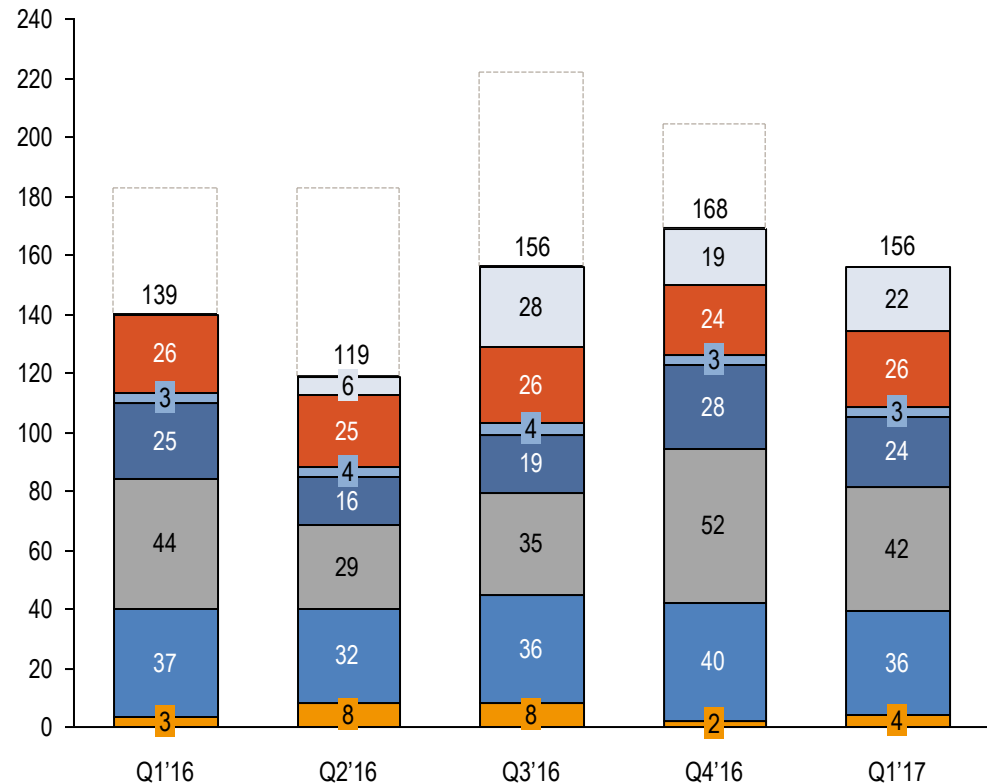
Q1'17 - NOKm	Power Production	O&M	D&C	Corporate	Total
Revenues	125.3	14.6	-0.2	3.0	142.7
EBITDA	107.8	4.9	-15.4	-10.5	86.8
Net interest & loan repayments	-72.1	-	-	-9.1	-81.2
Tax	-6.3	-1.2	3.8	4.8	1.1
SSO share of CF to equity*:	29.3	3.8	-11.4	-14.8	6.8

(*) Cash flow to equity is defined as EBITDA less normalised (i.e. average over each calendar year) loan and net interest repayments, less normalised income tax payments. The definition implies changes in net working capital and investing activities are excluded from the figure.

Power production now excludes Utah plant

- Power production reached 156 GWh this quarter, up 12% from Q1'16 excluding the sold Utah plant
- Quarter on quarter: Reduction in production reflects the sale of the Utah Red Hills plant and a seasonally lower production in South Africa

Power production (GWh)



Project companies' financials – Q1'17

<i>(NOK million)</i>	Czech Republic	Kalkbult	Linde	Dreunberg	ASYV	Agua Fria	Jordan	Segment overhead	Total segment	SSO prop. share
SSO shareholding	100%	39%	39%	39%	43%	40%	90/50.1%			
Revenues	15.6	77.9	41.3	73.3	7.8	30.1	30.2	0.4	276.5	125.3
OPEX	-1.0	-8.9	-3.6	-6.4	-1.0	-4.5	-2.9	-5.1	-33.3	-17.5
EBITDA	14.6	69.0	37.6	66.9	6.8	25.6	27.3	-4.6	243.3	107.8
Net interest expenses	-4.8	-28.4	-14.0	-27.6	-3.0	-9.8	-12.2	1.5	-98.2	-43.3
Normalised loan repayments	-5.7	-8.7	-7.9	-14.7	-3.3	-12.2	-7.0	-	-59.4	-28.8
Cash flow to equity*	3.8	25.3	11.7	18.4	0.2	3.6	8.0	-2.2	68.8	29.3

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

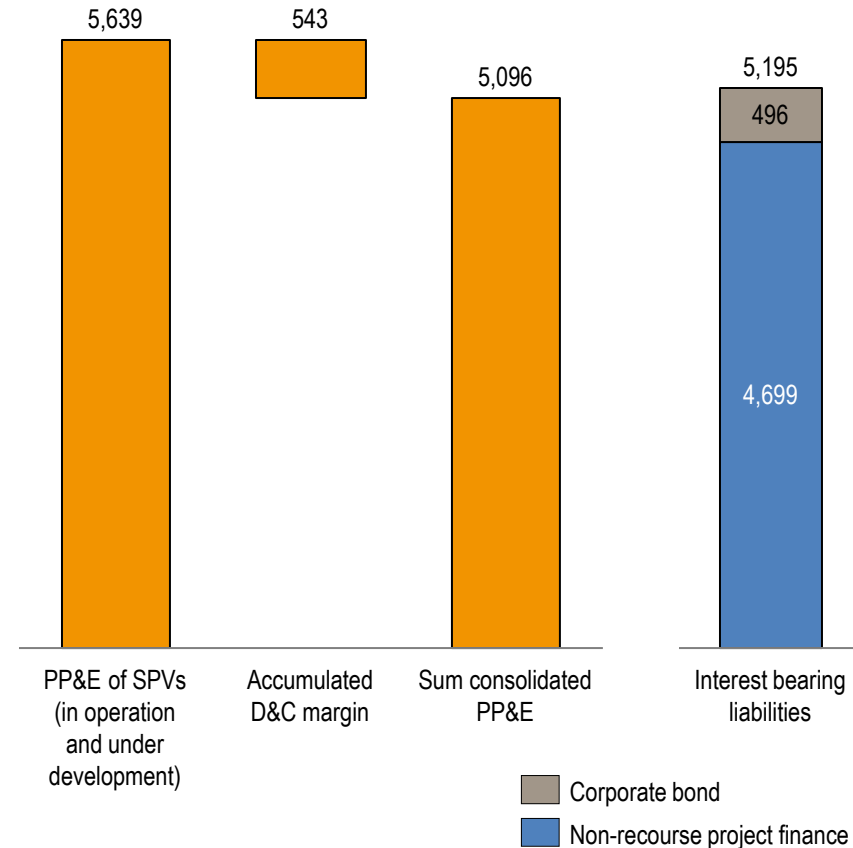
Eliminated D&C margins affect book equity

Build up of PP&E as per 31.03.2017 (NOKm)

- Margins created through Development & Construction 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



Good progress on projects across backlog (i)

Project	Equity partners	Lenders	Status
Egypt 400 MW	<ul style="list-style-type: none"> • Scatec Solar • KLP Norfund • Local partners 	<ul style="list-style-type: none"> • EBRD • Islamic Development Bank • Green Climate Fund 	<ul style="list-style-type: none"> • Project secured in April 2017 • Final stage of securing financing and preparing for construction start
Malaysia 197 MW	<ul style="list-style-type: none"> • Scatec Solar • ItraMas 	<ul style="list-style-type: none"> • CIMB • Sukuk Project Bond 	<ul style="list-style-type: none"> • Project secured in December 2016 • Final stage of securing financing and preparing for construction start
Uppington, South Africa 258 MW	<ul style="list-style-type: none"> • Scatec Solar • KLP Norfund • Local Trust* 	<ul style="list-style-type: none"> • Standard Bank • Syndicate of South African commercial banks 	<ul style="list-style-type: none"> • Awarded preferred bidder status in April 2015 • Timing of financial close relies on alignment between Eskom and various governmental bodies involved in the REIPP Programme
Brazil, 150 MW	<ul style="list-style-type: none"> • Scatec Solar • Kroma Energia Ltda 	<ul style="list-style-type: none"> • Regional and/or International Development Bank 	<ul style="list-style-type: none"> • Project secured in December 2016 • Good progress on debt and equity structuring

Good progress on projects across backlog (ii)

Project	Equity partners	Lenders	Status
Los Prados, Honduras 53 MW	<ul style="list-style-type: none"> • Scatec Solar • KLP Norfund 	<ul style="list-style-type: none"> • EksportKreditt / GIEK • CABI 	<ul style="list-style-type: none"> • Project secured in October 2015 • Project has obtained grid permit for first 35 MW • Financing approved and preparations ongoing for construction start
Segou, Mali 33 MW	<ul style="list-style-type: none"> • Scatec Solar • IFC Infrastructures • Power Africa 1 	<ul style="list-style-type: none"> • IFC • African Development Bank 	<ul style="list-style-type: none"> • Project secured in July 2015 • Pre-Credit approval from IFC and AfDB • Political Risk Guarantee from World Bank pending
Mozambique 40 MW	<ul style="list-style-type: none"> • Scatec Solar • KLP Norfund • EDM 	<ul style="list-style-type: none"> • IFC • Emerging Africa Infrastructure 	<ul style="list-style-type: none"> • Project secured in July 2015 • At final stage of project finance process – construction preparations ongoing

Project pipeline status

Project	Capacity	Status
South Africa	430 MW	SSO bid the projects in November 2015. Award of preferred bidder status expected after closing of the round 4 Uppington projects
Pakistan	150 MW	All required development steps completed. Received grid study approval and is now applying for the “costs plus tariff”
Nigeria	100 MW	Signed Joint Development Agreement with Norfund and Africa50 in November 2016.
Kenya	48 MW	Initialed PPA with local utility Kenya Power and Lighting Company (KPLC) in December 2016.
Burkina Faso	17 MW	Concession agreement signed with Ministry of Energy. Awaiting final sign-off from Ministry of Finance before PPA can be signed.
Total	745 MW	