

Third quarter **2017**



Scatec Solar
Improving our future™

About Scatec Solar

Scatec Solar is an integrated independent solar power producer, delivering affordable, rapidly deployable and sustainable source of clean energy worldwide. A long-term player, Scatec Solar develops, builds, owns, operates and maintains solar power plants, and has an installation track record of 600 MW.

The company is producing electricity from 322 MW of solar power plants in the Czech Republic, South Africa, Rwanda, Honduras and Jordan and another 394 MW under construction. With an established global presence, the company is growing briskly with a project backlog and pipeline of 1.5 GW under development in the Americas, Africa, Asia and the Middle East. Scatec Solar is headquartered in Oslo, Norway and listed on the Oslo Stock Exchange under the ticker symbol 'SSO'.

To learn more, visit www.scatecsolar.com

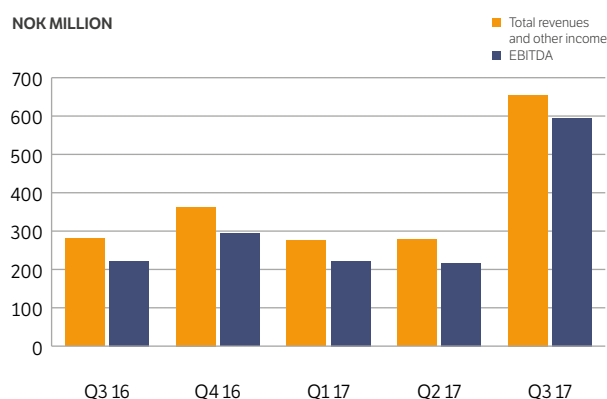
SCATEC SOLAR'S VALUE CHAIN



Q3'17 Highlights

- Consolidated revenues of NOK 655 million and EBITDA of NOK 595 million
- Successful issuance of the world largest green SRI Sukuk bond for the 197 MW project in Malaysia
- 394 MW under construction in Malaysia, Honduras and Brazil - NOK 385 million of construction revenues in Q3'17
- Entered partnership with Statoil for large scale solar in Brazil – sale of project rights with a net gain of NOK 375 million
- 400 MW in Egypt and 258 MW in South Africa approaching financial close with construction start expected in 2018

CONSOLIDATED REVENUES AND EBITDA



KEY FIGURES

NOK MILLION	Q3 2017	Q2 2017	Q3 2016	YTD 2017	YTD 2016
CONSOLIDATED FINANCIALS					
Total revenues and other income	655	279	281	1,210	722
EBITDA ¹⁾	595	217	222	1,034	539
Operating profit (EBIT ¹⁾)	534	151	154	846	353
Profit/(loss)	407	1	11	439	-6
Profit/(loss) to Scatec Solar	383	-13	-1	374	-43
Net debt	3,652	3,713	4,509	3,652	4,509
Power Production (GWh)	157	147	222	460	586
SSO PROPORTIONATE FINANCIALS ¹⁾					
Total revenues and other income	922	165	209	1,230	1,021
EBITDA	500	100	111	687	294
Operating profit (EBIT)	461	58	63	566	158
Profit/(loss)	394	-26	-14	360	-22
Net debt	1,839	1,781	2,556	1,839	2,556
Power Production (GWh)	72	70	137	211	356
SSO proportionate share of cash flow to equity ¹⁾:					
Power Production	42	41	46	113	104
Operation & Maintenance	7	8	10	18	21
Development & Construction	183	-12	-10	159	7
Corporate	-15	-17	-17	-47	-50
Total	216	20	29	243	82

1) See appendix for definition of this alternative performance measure (APM).

Break down of proportionate financials

PROPORTIONATE FINANCIALS Q3 2017

NOK MILLION	POWER PRODUCTION 100% BASIS	POWER PRODUCTION SSO SHARE	OPERATION & MAINTENANCE SSO SHARE	DEVELOPMENT & CONSTRUCTION SSO SHARE	CORPORATE SSO SHARE	TOTAL
Total revenues and other income	279.8	138.6	19.8	760.4	3.3	922.0
Cost of sales	-	-	-	-355.8	-	-355.8
Gross profit	279.8	138.6	19.8	404.6	3.3	566.2
Operating expenses	-37.3	-19.7	-11.0	-21.0	-14.3	-65.9
EBITDA	242.5	118.8	8.8	383.6	-11.0	500.3
Depreciation, amortisation and impairment	-75.1	-37.9	-0.2	-0.6	-0.4	-39.1
Operating profit (EBIT)	167.4	81.0	8.6	383.0	-11.3	461.2

PROPORTIONATE FINANCIALS Q3 2016

NOK MILLION	POWER PRODUCTION 100% BASIS	POWER PRODUCTION SSO SHARE	OPERATION & MAINTENANCE SSO SHARE	DEVELOPMENT & CONSTRUCTION SSO SHARE	CORPORATE SSO SHARE	TOTAL
Total revenues and other income	279.8	150.2	19.8	36.6	2.3	208.9
Cost of sales	-	-	-	-36.8	-	-36.8
Gross profit	279.8	150.2	19.8	-0.1	2.3	172.1
Operating expenses	-44.1	-25.4	-7.4	-13.8	-14.8	-61.3
EBITDA	235.7	124.8	12.4	-13.9	-12.5	110.8
Depreciation, amortisation and impairment	-81.4	-45.8	-0.5	-1.6	-0.2	-48.1
Operating profit (EBIT)	154.3	79.0	11.9	-15.5	-12.7	62.7

PROPORTIONATE FINANCIALS YTD 2017

NOK MILLION	POWER PRODUCTION 100% BASIS	POWER PRODUCTION SSO SHARE	OPERATION & MAINTENANCE SSO SHARE	DEVELOPMENT & CONSTRUCTION SSO SHARE	CORPORATE SSO SHARE	TOTAL
Total revenues and other income	835.4	406.6	54.1	760.1	8.9	1,229.8
Cost of sales	-	-	-	-355.8	-	-355.8
Gross profit	835.4	406.6	54.1	404.3	8.9	874.0
Operating expenses	-111.5	-59.3	-30.2	-53.6	-44.1	-187.2
EBITDA	723.9	347.4	23.9	350.7	-35.2	686.8
Depreciation, amortisation and impairment	-235.3	-117.3	-0.8	-1.8	-1.0	-120.9
Operating profit (EBIT)	488.6	230.1	23.1	348.9	-36.2	565.9

PROPORTIONATE FINANCIALS YTD 2016

NOK MILLION	POWER PRODUCTION 100% BASIS	POWER PRODUCTION SSO SHARE	OPERATION & MAINTENANCE SSO SHARE	DEVELOPMENT & CONSTRUCTION SSO SHARE	CORPORATE SSO SHARE	TOTAL
Total revenues and other income	721.1	368.5	48.7	597.5	6.7	1,021.4
Cost of sales	-	-	-	-539.5	-	-539.5
Gross profit	721.1	368.5	48.7	58.0	6.7	481.9
Operating expenses	-115.4	-67.9	-21.8	-52.7	-45.7	-188.0
EBITDA	605.7	300.6	26.9	5.3	-39.0	293.9
Depreciation, amortisation and impairment	-222.2	-125.4	-1.6	-8.5	-0.5	-136.1
Operating profit (EBIT)	383.5	175.2	25.3	-3.2	-39.5	157.8

PROPORTIONATE FINANCIALS FULL YEAR 2016

NOK MILLION	POWER PRODUCTION 100% BASIS	POWER PRODUCTION SSO SHARE	OPERATION & MAINTENANCE SSO SHARE	DEVELOPMENT & CONSTRUCTION SSO SHARE	CORPORATE SSO SHARE	TOTAL
Total revenues and other income	1,010.6	498.0	62.2	603.9	9.8	1,173.9
Cost of sales	-	-	-	-539.6	-	-539.6
Gross profit	1,010.6	498.0	62.2	64.4	9.8	634.3
Operating expenses	-157.3	-93.5	-30.6	-76.6	-57.2	-257.9
EBITDA	853.4	404.4	31.6	-12.2	-47.4	376.4
Depreciation, amortisation and impairment	-352.0	-216.1	-2.3	-10.4	-0.8	-229.6
Operating profit (EBIT)	501.4	188.3	29.3	-22.7	-48.1	146.8

Segment overview

Scatec Solar is an integrated independent solar power producer; develops, builds, owns and operates large scale solar power plants.

Scatec Solar reports on three operating business segments; Power Production (PP), Operation & Maintenance (O&M), and Development & Construction (D&C), as well as on Corporate and Eliminations.

Revenues and gross margins related to deliveries of development and construction, and operation and maintenance services to project companies deemed to be controlled by Scatec Solar are eliminated in the Consolidated Group Financial Statements. The underlying value creation in each segment is hence reflected only in the segment reporting.

Power Production (PP)

As per the third quarter 2017 the PP segment comprised the 322 MW of solar power plants in operation as specified below. The plants produce electricity for sale under 20-25 year fixed priced, normally with inflation adjustments, power purchase agreements (PPA) or feed-in tariff (FiT) schemes.

Operation & Maintenance (O&M)

The O&M segment comprises primarily of services provided to solar power plants controlled by Scatec Solar. Revenues and profits are typically generated on the basis of fixed service fees with additional profit-sharing arrangements based on plant performance.

Development & Construction (D&C)

The D&C segment comprises of development activities in a number of projects globally as well as construction of solar power plants developed by the company. Revenues and profits are recognised based on percentage-of-completion of the construction contracts.

In the third quarter Development and Construction revenues were recognised for projects in Brazil, Malaysia and Honduras. Projects under construction currently stands at 394 MW per reporting date. The backlog of projects with secured offtake of future power production is currently at 749 MW, while the project pipeline consists of several projects with a combined capacity of 745 MW.

Refer to note 2 in the condensed interim consolidated financial statements for an overview of the segment financials.

Scatec Solar reporting structure per Q3 2017:



Main activities

- Ownership and management of power producing assets
- Technical and operational services
- Project development
- Engineering and Procurement
- Construction management
- Quality assurance
- Corporate services
- Management
- Group finance
- Elimination of revenue and profits from internal transactions

Assets / projects with revenues recognized

- | | | |
|----------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------|
| South Africa (39%):
• Kalkbult, 75 MW
• Linde, 40 MW
• Dreunberg, 75 MW | South Africa:
• Kalkbult, 75 MW
• Linde, 40 MW
• Dreunberg, 75 MW | Malaysia:
• Portfolio, 197 MW |
| Rwanda (43%):
• ASYV, 9 MW | Rwanda:
• ASYV, 9 MW | Brazil:
• Apodi, 162 MW |
| Czech Republic (100%):
• Portfolio, 20 MW | Czech Republic:
• Portfolio, 20 MW | Honduras:
• Los Prados (phase 1), 35 MW |
| Honduras (40%):
• Agua Fria, 60 MW | Honduras:
• Agua Fria, 60 MW | Backlog:
749 MW |
| Jordan:
• Oryx, 10 MW (90%)
• EJRE/GLAE, 33 MW (50.1%) | Jordan:
• Oryx, 10 MW | Pipeline:
745 MW |

Financial review

Power Production

Revenues in Power Production reached NOK 280 million (280)²⁾, in line with the previous quarter.

Third quarter revenues and power production, excluding divestments, are in line with the same quarter last year. A strengthening of ZAR/NOK of 12% offset the impact of the sale of the Utah plant in the fourth quarter 2016. Power production reached 157 GWh.

Operating expenses amounted to NOK 37 million (44) in the third quarter down from 41 million in the previous quarter. The decrease from previous quarter is mainly explained by variations in external services and professional fees incurred in the ordinary course of business. The decrease from last year is driven by savings on facility and insurance fees after re-negotiation for the plants in South Africa, as well as the sale of Utah in Q4 2016.

EBITDA reached NOK 243 million (236) in the third quarter, up from NOK 238 million in the previous quarter. The EBITDA margin was 87% up from 85% in the previous quarter.

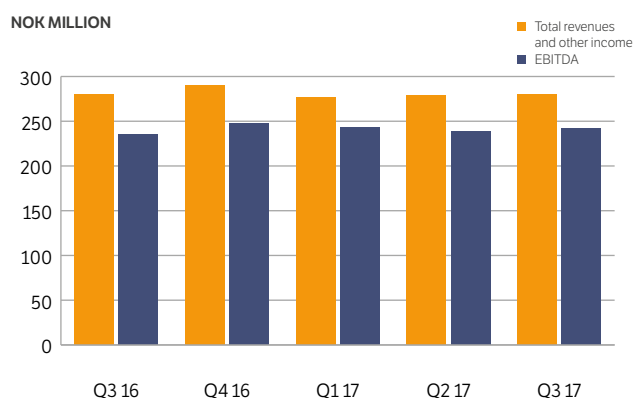
Depreciation and amortisation amounted to NOK 75 million (81), down from NOK 83 million in the previous quarter. The decrease from last year is mainly explained by the sale of the Utah plant, while the decrease from last quarter is explained by a strengthening of the NOK against ZAR and USD.

Scatec Solar's proportionate share of cash flow to equity from Power Production was NOK 42 million (46) in the third quarter, up from NOK 41 million in the previous quarter. The decrease from third quarter last year is mainly explained by increased debt repayments.

See separate tables for financials for each individual project company.

POWER PRODUCTION

– REVENUES AND EBITDA BY QUARTER



POWER PRODUCTION – KEY FIGURES

NOK MILLION	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Revenues	279.8	289.6	276.5	279.0	279.7
Operating expenses	-44.1	-41.9	-33.3	-40.9	-37.3
EBITDA	235.7	247.7	243.3	238.1	242.5
D&A and impairment	-81.4	-129.8	-77.4	-82.7	-75.1
EBIT	154.3	118.0	165.8	155.3	167.4

POWER PRODUCTION – KEY RATIOS (%)

	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
EBITDA margin	84 %	86 %	88 %	85 %	87 %
EBIT margin	55 %	41 %	60 %	56 %	60 %

PRODUCTION (MWH)

	MW	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Czech portfolio	20	8,128	2,157	3,735	8,451	7,210
Kalkbult	75	36,392	40,030	35,531	33,024	37,305
Dreunberg	75	35,050	52,158	41,928	29,908	35,489
Linde	40	19,201	28,170	23,916	16,419	19,962
ASYV	9	3,964	3,345	3,440	3,599	3,369
Agua Fria	60	25,847	24,072	25,791	23,808	24,882
Utah Red Hills	104	65,451	35,685	NA	NA	-
Jordan	43	27,487	18,752	21,793	32,201	28,477
MWh produced	426	221,521	204,370	156,133	147,410	156,694
- net to SSO	252	137,569	107,089	68,650	70,120	72,208

2) Numbers in brackets refer to comparable information for the corresponding period last year.

PROJECT COMPANIES - KEY FINANCIALS Q3 2017

NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	AGUA FRIA	JORDAN	SEGMENT OVERHEAD	TOTAL SEGMENT	SSO PROP. SHARE
Revenues	33.1	80.8	32.7	59.8	7.3	27.4	38.3	0.3	279.8	138.6
OPEX	-2.9	-9.1	-5.3	-8.5	-1.2	-3.7	-2.4	-4.1	-37.3	-19.7
EBITDA	30.2	71.7	27.4	51.3	6.1	23.7	35.9	-3.9	242.5	118.8
EBITDA margin	91 %	89 %	84 %	86 %	84 %	86 %	94 %	N/A	87 %	86 %
Net Interest expenses ³⁾	-5.1	-26.6	-13.4	-25.6	-2.7	-8.9	-11.4	0.8	-92.8	-41.6
Normalised loan repayments ³⁾	-5.6	-8.2	-7.4	-13.9	-3.1	-11.5	-6.6	-	-56.4	-27.5
Normalised income tax payments ³⁾	-3.0	-8.2	-1.6	-2.7	-0.3	-	-0.7	0.7	-15.8	-7.7
Cash flow to equity	16.5	28.7	5.0	9.2	0.1	3.3	17.2	-2.3	77.6	42.2
SSO shareholding	100 %	39 %	39 %	39 %	54 %	40 %	90/50.1%	-	-	-

PROJECT COMPANIES - KEY FINANCIALS YTD 2017

NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	AGUA FRIA	JORDAN	SEGMENT OVERHEAD	TOTAL SEGMENT	SSO PROP. SHARE
Revenues	87.5	235.5	103.5	186.7	23.3	85.6	112.5	0.7	835.4	406.6
OPEX	-6.3	-27.7	-14.1	-23.3	-3.5	-13.4	-7.9	-15.4	-111.5	-59.3
EBITDA	81.3	207.8	89.4	163.4	19.9	72.2	104.6	-14.7	723.9	347.4
EBITDA margin	93 %	88 %	86 %	88 %	85 %	84 %	93 %	N/A	87 %	85 %
Net Interest expenses ³⁾	-14.9	-83.7	-40.0	-82.3	-8.6	-28.6	-35.6	2.6	-291.0	-129.7
Normalised loan repayments ³⁾	-16.9	-25.7	-23.2	-43.4	-9.8	-36.0	-20.7	-	-175.6	-85.3
Normalised income tax payments ³⁾	-7.6	-20.4	-6.4	-8.6	-0.9	-	-1.8	3.0	-42.6	-19.9
Cash flow to equity	41.8	78.1	19.9	29.2	0.7	7.6	46.5	-9.1	214.6	112.5
SSO shareholding	100 %	39 %	39 %	39 %	54 %	40 %	90/50.1%	-	-	-

PROJECT COMPANIES – FINANCIAL POSITION AND WORKING CAPITAL BREAK-DOWN

AS OF 30 SEPTEMBER 2017

NOK MILLION	IN OPERATION							PROJECT COMPANY TOTAL	D&C, O&M, CORPORATE & ELIMINATIONS	CONSOLI- DATED
	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	AGUA FRIA	JORDAN			
Project equity ³⁾	179.3	139.8	106.6	222.7	40.1	329.3	575.7	1,593.5	249.5	1,843.0
Total assets	630.2	1,211.1	667.4	1,327.9	178.9	963.1	1,190.2	6,168.8	1,299.0	7,467.8
PP&E ⁴⁾	508.1	1,004.8	549.6	1,089.8	151.5	813.8	957.8	5,075.4	-129.9	4,945.5
Cash ³⁾	67.0	144.6	73.8	141.7	20.9	120.2	191.0	759.3	359.7	1,118.9
Gross interest bearing debt ³⁾	388.5	948.8	506.9	1,029.5	132.8	527.9	739.2	4,273.7	497.4	4,771.1
Net interest bearing debt ³⁾	321.5	804.2	433.0	887.8	112.0	407.7	548.2	3,514.4	137.8	3,652.2
Net working capital ³⁾	-22.5	-22.9	-21.5	-72.5	-16.7	-25.8	-65.6	-247.5	22.0	-225.5

3) Refer to appendix for definition of this measure.

4) The amount of NOK 129.9 million is net after reduction for capitalised spending on projects under development and construction NOK 479 million and NOK 450 million respectively.

Operation & Maintenance

The Operation & Maintenance activities are fairly stable in their nature. Revenues are based on a combination of fixed price contracts and a profit sharing element, while operating expenses mainly constitutes recurring maintenance activities at the plants and other fixed expenses.

Revenues in the segment reached NOK 20 million (20) in the third quarter in line with the previous quarter.

Operating expenses reached NOK 11 million (7), slightly up from the previous quarter.

The EBITDA amounted to NOK 9 million (12) in the third quarter, corresponding to an EBITDA-margin of 44% (63%).

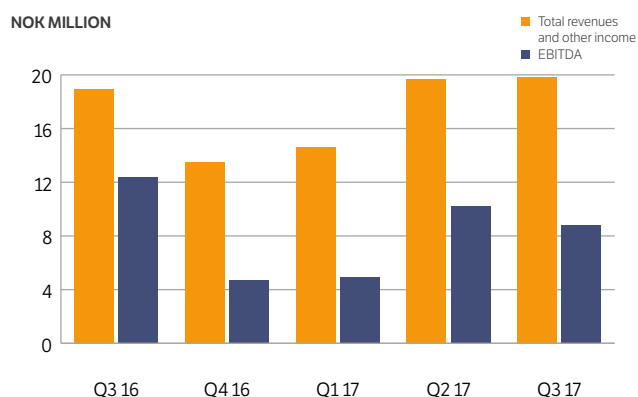
Depreciation and amortisation in the quarter amounted to NOK 0.2 million (0.5), and EBIT was NOK 9 million (12).

Scatec Solar's proportionate share of cash flow to equity from Operation & Maintenance for the third quarter was NOK 7 million (10).

For the first nine months revenues increased to NOK 54 million (49), while operating expenses increased to NOK 30 million (22). EBITDA amounted to NOK 24 million (27) for the first nine months and EBIT was NOK 23 million (25).

The decrease in EBITDA year on year is mainly due to only partially recognition of revenues in Jordan while carrying the full cost of operating the plants. Full revenue recognition is expected in Jordan when timing of 'taking over' is agreed.

OPERATION & MAINTENANCE – REVENUES AND EBITDA BY QUARTER



OPERATION & MAINTENANCE – KEY FIGURES

NOK MILLION	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
External revenues	0.9	-	-	-	-
Internal revenues	18.9	13.5	14.6	19.7	19.8
Total revenues and other income	19.8	13.5	14.6	19.7	19.8
Operating expenses	-7.4	-8.8	-9.7	-9.5	-11.0
EBITDA	12.4	4.7	4.9	10.2	8.8
D&A and impairment	-0.5	-0.7	-0.2	-0.3	-0.2
EBIT	11.9	3.9	4.6	9.9	8.6

OPERATION & MAINTENANCE – KEY RATIOS (%)

	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
EBITDA margin	63 %	35 %	33 %	52 %	44 %
EBIT margin	60 %	29 %	32 %	50 %	43 %

Development & Construction

Revenues in the Development & Construction (D&C) segment amounted to NOK 760 million (37) in the third quarter.

The construction projects in Honduras and Malaysia generated revenues of NOK 385 million in the quarter. Construction revenues are recognised on a percentage-of-completion (PoC) basis, and defined as cost incurred over total expected cost.

At the end of the third quarter Scatec Solar entered into an agreement to establish a 50/50 joint venture with Statoil to build, own and operate large scale solar plants in Brazil. As a first step of the agreement Statoil acquired 40% of the project rights in Scatec Solar's 162 MW Apodi project. The net gain of this transaction, which includes the deconsolidation of the subsidiaries and the recognition of the joint venture at fair value, is NOK 375 million. Additional information about the transaction can be found in note 12.

On October 6, Scatec Solar closed financing for 197 MW in Malaysia. Financing for the plant was been raised through a successful issuance of the world's largest Green SRI Sukuk (Islamic bond) of MYR 1,000 million (USD 237 million).

Cost of sales for the segment reached NOK 356 million (37) in the third quarter, generating a gross margin of 53% (0%).

The high activity continues in the D&C organisation, developing projects across the portfolio and preparing start of construction of projects in backlog. Refer to later sections for status on project backlog and pipeline.

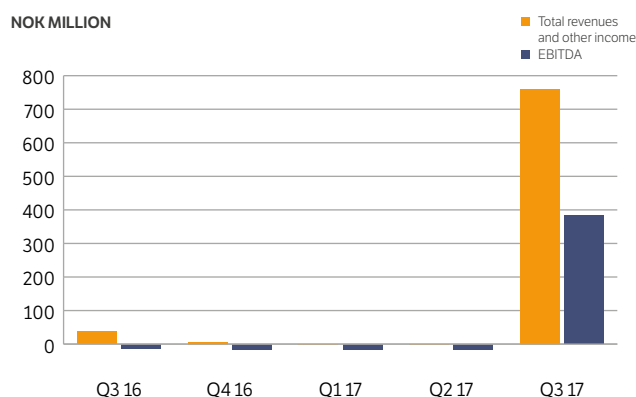
Operating expenses were NOK 21 million (14) in the third quarter. This comprised of approximately NOK 10 million for early stage development of new projects and NOK 11 million related to construction preparations.

EBITDA was NOK 384 million (-14) in the third quarter. Depreciation, amortisation and impairment amounted to NOK 1 million (2). EBIT was thus NOK 383 million (-16).

Scatec Solar's proportionate share of cash flow to equity from Development & Construction in the quarter was NOK 183 million (-10).

For the first nine months, operating expenses increased slightly to NOK 54 million (53). EBITDA was NOK 351 million (5) and EBIT NOK 349 million (-3). Scatec Solar's proportionate share of cash flow to equity from Development & Construction for the first nine months was NOK 159 million (7).

DEVELOPMENT & CONSTRUCTION – REVENUES AND EBITDA BY QUARTER



DEVELOPMENT & CONSTRUCTION – KEY FIGURES

NOK MILLION	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Internal revenues	36.7	-	0.1	0.1	385.3
Net gain project sale	-	6.7	-	-	375.2
Net income/(loss) JV and associated	-0.1	-0.2	-0.3	-0.1	-0.1
Total revenue and other income	36.6	6.4	-0.2	-0.1	760.4
Cost of sales	-36.8	-0.1	-	-	-355.8
Gross profit	-0.1	6.3	-0.2	-0.1	404.6
Operating expenses	-13.8	-23.9	-15.2	-17.5	-21.0
EBITDA	-13.9	-17.6	-15.4	-17.5	383.6
D&A and impairment	-1.6	-1.9	-0.6	-0.6	-0.6
EBIT	-15.5	-19.5	-15.9	-18.1	383.0

DEVELOPMENT & CONSTRUCTION – KEY RATIOS (%)

	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Gross margin	0 %	99 %	N/A	N/A	53 %
EBITDA margin	-38 %	-273 %	N/A	N/A	50 %
EBIT margin	-42 %	-303 %	N/A	N/A	50 %

Refer to appendix for definition of project milestone.

Corporate & Eliminations

Corporate activities include corporate services, management, group finance, legal, HR, IT and similar functions. The net operating cost (EBIT) at corporate level amounted to NOK 11 million (13) in the third quarter and NOK 36 million (40) for the first nine months.

CORPORATE – KEY FIGURES

NOK MILLION	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Total revenues	2.3	3.1	3.0	2.7	3.3
Operating expenses	-14.8	-11.5	-13.5	-16.4	-14.3
D&A and impairment	-0.2	-0.2	-0.3	-0.3	-0.4
EBIT	-12.7	-8.6	-10.8	-14.1	-11.3
Net external interest expenses	-9.9	-9.2	-9.1	-8.3	-9.2

Revenues in the corporate segment refers to management fees charged to the other operating segments for corporate services rendered and remains stable from quarter to quarter. Net interest expenses of NOK -9.2 million (-9.9) is primarily related to corporate funding and the NOK 500 million senior unsecured green bond in particular. See note 6 for further information.

ELIMINATIONS – KEY FIGURES

NOK MILLION	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Revenues	-57.9	50.5	-17.6	-22.5	-408.3
Cost of sales	36.8	0.1	-	-	355.8
Operating expenses	21.2	16.6	17.6	22.5	23.1
EBITDA	-	67.2	-	-	-29.4
D&A	15.5	48.9	16.5	17.9	16.1
EBIT	15.5	116.1	16.5	17.9	-13.3

Gross profits (i.e. revenues and expenses) generated in the D&C segment are eliminated in the consolidated income statement and reduces the consolidated book value of the solar power plants. The profits generated through project development and plant construction is hence improving the consolidated operating profit through lower depreciation charges over the economic life of the solar power plants. In the third quarter this effect amounted to NOK 16 million (16) and for the first nine months it was NOK 51 million (47).

The internal revenues generated in the Corporate and O&M segments are eliminated in the consolidated income statement with corresponding elimination of operating expenses, amounting to NOK 23 million (21) in the third quarter and NOK 63 million (53) for the first nine months.

CONSOLIDATED INCOME STATEMENT

NOK MILLION	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Revenues	281	363	276	279	655
EBITDA	222	294	222	217	595
Operating profit (EBIT)	154	210	160	151	534
Profit before income tax	12	115	38	-1	412
Profit/(loss) for the period	11	77	31	1	407
Profit/(loss) to Scatec Solar	-1	46	4	-13	383
Profit/(loss) to non-controlling interests	12	31	27	14	24
Total assets	7,537	7,075	7,492	7,246	7,464
Equity (%) ⁶⁾	15 %	19 %	20 %	21 %	25 %
Net interest bearing debt	4,509	3,942	3,633	3,713	3,652

6) The book value of consolidated assets reflects eliminations of internal margins generated through project development and construction, operation and maintenance, whereas the consolidated debt includes non-recourse debt in project companies at full amount. This reduces the consolidated equity and equity ratio.

Revenues

Scatec Solar reported consolidated revenues of NOK 655 million in the third quarter 2017, up from NOK 281 million in the same period last year, with the growth reflecting gain from the partial sale of the Apodi project in Brazil of NOK 375 million. See note 12 for further information on the transaction.

For the first nine months, revenues amounted to NOK 1,210 million (722). Net revenues included NOK 375 million (2) of gain from sale of project assets and NOK -0.4 million (-3.0) of loss from associated companies for the first nine months.

Operating expenses

Consolidated operating expenses amounted to NOK 60 million (59) in the third quarter. This comprised of approximately NOK 28 million for operation of existing power plants, NOK 10 million for early stage development of new projects, NOK 11 million related to construction preparations and NOK 11 million of corporate expenses (excluding eliminated intersegment charges).

Personnel expenses amounted to NOK 23 million (21) and other operating expenses to NOK 37 million (38).

For the first nine months, consolidated operating expenses amounted to NOK 176 million (182).

Operating profit

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to NOK 595 million (222) in the third quarter and NOK 1,034 million (539) for the first nine months. The increased profitability year on year primarily reflects the growth in sales of power from the Jordan plants as well as the gain from the partial sale of the project in Brazil. Positive translation effects particularly related to the ZAR has also had an impact.

Depreciation, amortisation and impairment amounted to NOK 60 million (68) in the third quarter and NOK 188 million (186) for the first nine months.

Thus, operating profit (EBIT) was NOK 534 million (154) in the third quarter and NOK 846 million (353) for the first nine months.

Net financial items

NET FINANCIAL ITEMS – KEY FIGURES

NOK MILLION	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Interest income	8.8	14.1	13.2	16.4	11.1
Other financial income	-	-	-	0.2	-
Financial income	8.8	14.1	13.2	16.6	11.1
Interest expenses	-129.2	-133.7	-123.9	-127.1	-116.1
Other financial expenses	-1.8	-2.0	-3.5	-3.4	-3.2
Financial expenses	-131.1	-135.7	-127.4	-130.4	-119.3
Foreign exchange gains/(losses)	-19.2	27.2	-8.3	-37.9	-14.3
Net financial expenses	-141.5	-94.4	-122.5	-151.8	122.5

Financial income amounted to NOK 11 million (9) in the third quarter and NOK 41 million (36) for the first nine months.

Financial expenses amounted to NOK 119 million (131) in the third quarter. The decreased interest expenses are explained by the sale of the Utah Red Hills plant ultimo December 2016. Interest expenses on the solar power plants amounted to NOK 105 million (121) whereas interest expenses on corporate funding amounted to NOK 10 million (10) in the third quarter.

For the first nine months, financial expenses amounted to NOK 377 million (369).

Foreign exchange losses amounted to NOK -14 million (-16) in the third quarter and NOK -61 (-37) for the first nine months. These effects are largely reflecting the strengthening of the EUR and weakening of the USD in the first nine months and are mainly non-cash and related to intercompany balances.

Profit before tax and net profit

Profit before income tax was NOK 412 million (12) in the third quarter and NOK 449 million (-17) for the first nine months.

Income tax expense was NOK 5 million (1) in the third quarter and NOK 10 million (-10) for the first nine months. The underlying tax rates in the companies in operation are in the range of 0%-35%. In some markets, Scatec Solar receives special tax incentives intended to promote investments in renewable energy. In addition to the relative weighting of the underlying tax rates, the consolidated effective tax rate in the first nine months is primarily influenced by non-taxable gain on sale of projects, eliminated intercompany transactions subject to different

statutory tax rates as well as a release of a valuation allowance related to tax losses carried forward, partly offset by withholding tax paid on dividends from the South-African plants.

Net profit was NOK 407 million (11) in the third quarter and NOK 439 million (-6) for the first nine months.

A profit of NOK 383 million (-1) was attributable to the equity holders of Scatec Solar in the third quarter and NOK 374 million (-43) in the first nine months. A profit of NOK 24 million (12) was attributable to non-controlling interests in the third quarter and NOK 65 million (36) in the first nine months.

Non-controlling interests (NCI) represent financial investors in the individual solar power plants, and partners in some development projects. The allocation of profits between NCI and Scatec Solar is generally affected by the fact that NCI only have shareholdings in solar power plants, while Scatec Solar also carries the cost of project development and corporate functions.

Impact of foreign currency changes in the quarter

During the third quarter the NOK appreciated against two of the Group's main currencies (ZAR and USD) compared to the average rates for the second quarter. This negatively affected consolidated revenues by approximately NOK 14 million quarter on quarter. At the same time, the currency movements decreased operating expenses, depreciations, interest expense and tax, reducing the net impact of the currency movements on net profit in the quarter to approximately NOK 2 million.

The quarter-on-quarter net foreign currency losses was down NOK 24 million, from a loss of NOK 38 million in the second quarter compared to a loss of NOK 14 million in the third quarter. These currency effects are to a large extent related to non-cash gains/losses on intercompany balances.

Following the changes in the relevant currencies in the third quarter, the Group has recognised a foreign currency translation loss of NOK 37 million in other comprehensive income related to the conversion of the subsidiaries' statements of financial position from the respective functional currencies to the Group's reporting currency.

Scatec Solar has not hedged the currency exposure on the expected cash distributions from the project companies.

CONSOLIDATED CASH FLOW

Net cash flow from consolidated operating activities amounted to NOK 191 million (196) in the third quarter 2017, compared to the EBITDA of NOK 595 million. The difference between the cash flow and EBITDA is primarily affected by net gain from sale of project assets and changes in the working capital.

Net cash flow from consolidated investing activities was NOK -192 million (-67), mainly driven by further investment in plants in Honduras and Malaysia, and other project development in pipeline and backlog.

Net cash flow from financing activities was NOK -129 million (-177), affected by interest and down payments on non-recourse financing of NOK -74 (-104) as well as dividends paid to non-controlling

interests of NOK 77 million. There was no draw-down of non-recourse financing in the third quarter (4).

For the first nine months, net cash flow from consolidated operating activities was NOK 668 million (517), while the net negative cash flow from consolidated investing activities was NOK -338 million (-794). Net cash flow from consolidated financing activities amounted to NOK -292 million (-460), there was no draw down of non-recourse financing in the same period (117).

Refer to note 6 for a detailed cash overview.

SCATEC SOLAR'S PROPORTIONATE SHARE OF CASH FLOW TO EQUITY

"Scatec Solar's proportionate share of cash flow to equity", is a non-GAAP measure that seeks to estimate the company's ability to generate funds for equity investments in new solar power plant projects and/or for shareholder dividends over time.

PROPORTIONATE SHARE OF CASH FLOW TO EQUITY

NOK MILLION	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Power Production	45.9	44.1	29.3	41.1	42.2
Operation & Maintenance	9.5	3.7	3.8	7.8	6.7
Development & Construction	-9.8	-12.0	-11.4	-12.3	182.6
Corporate	-16.8	-13.2	-14.8	-16.7	-15.1
Total	28.7	22.6	6.8	19.9	216.4

"Scatec Solar's proportionate share of cash flow to equity" was NOK 216.4 million (29) in the third quarter. The increase compared to third quarter 2016 is mainly explained by the gain from sale of projects in the D&C segment.

Please refer to Note 6 for more information on movements in free cash at the group level.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In the consolidated statement of financial position, the solar power plant assets are valued at the Group's cost, reflecting elimination of gross margins generated through the project development and construction phase. At the same time, the ring-fenced non-recourse debt held in the entities owning the power producing assets is consolidated at full value. These accounting principles reduce the consolidated equity ratio.

Total equity was NOK 1,843 million (1,313)1 as of 30 September 2017, representing an increase of NOK 295 million during third quarter and NOK 530 during the first nine months. The increase is mainly due to profit for the period of NOK 439 million, the first quarter private placement raising NOK 380 million (9,380 thousand new shares at a price of NOK 40.50 per share) partly offset by dividends paid to equity holders of the parent company of NOK 73 million as well as dividends from project companies to non-controlling interests of NOK 183 million.

As a result of the above the book equity ratio increased to 24.7% at the end of the third quarter from 21.4% at the end of the second quarter.

The more relevant equity to capitalisation ratio for the Recourse Group (excluding the non-recourse financed project entities) as defined in the corporate bond agreement was 80% at the end of the third quarter. See note 6 for more information.

Total assets amounted to NOK 7,468 million (7,075) as of 30 September 2017, an increase of NOK 221 million during third quarter and an increase NOK 393 during the first nine months.

Non-current assets amounted to NOK 5,917 million (5,591) as of 30 September 2017, an increase of NOK 246 million during third quarter and NOK 326 million during the first nine months. The continued investment in projects under construction as well as backlog and pipeline projects is the main reason for the increase. The fair value adjustment following the partial sale of the Brazilian projects increased non-current assets by approximately NOK 199. These effects are partly offset by currency translation effects.

Current assets amounted to NOK 1,551 million (1,484), which was a decrease of NOK 25 million during third quarter and an increase of NOK 66 million during the first nine months – mainly explained by working capital changes related to the ongoing construction projects.

Of the total cash and cash equivalents of NOK 1,119 million, NOK 759 million was cash in project companies in operation, and NOK 137 million was cash in project companies under development. Other restricted cash amounted to NOK 46 million and NOK 176 million was free cash at the Group level.

During second quarter 2017, Scatec Solar entered into a new guarantee facility, a new overdraft facility and an intercreditor agreement to support execution of the project backlog. The guarantee facility is entered into with Nordea and GIEK, as well as ABN Amro and Swedbank as new members of the consortium. Refer to Note 6 for definition of cash terms and more information on the corporate overdraft and guarantee facility.

Financial assets in the balance sheet primarily comprise interest rate derivatives in the South African project companies used for hedging interest rate exposure.

Total liabilities decreased to NOK 5,625 million from NOK 5,762 at the end of fourth quarter 2016.

Total non-current liabilities amounted to NOK 4,968 million at the end of third quarter, compared to NOK 5,226 at the end of second quarter and NOK 5,253 million at the end of fourth quarter 2016. NOK 3,920 million of this was non-recourse project financing pledged only to the assets and performance of each individual project, compared to NOK 4,220 at the end of second quarter and 4,304 million at the end of fourth quarter 2016. During the first nine months, a total of NOK 430 million was paid to service interest and principal of the non-recourse financing. Further the balance is reduced by currency translation effects of NOK 239 following the depreciation of the USD and ZAR.

Total current liabilities increased to NOK 657 million, from NOK 473 million at the end of second quarter and NOK 509 million at the end of fourth quarter 2016. The increase during the first nine months increased accrual for interest on current non-recourse project financing liabilities as well as working capital changes following the commencement of construction activities in Honduras and Malaysia.

PROJECT BACKLOG, PIPELINE AND OPPORTUNITIES

PROJECT STAGE (IN MW)	Q2 2017 ⁷⁾	Q3 2017 ⁷⁾
In operation	322	322
Under construction	-	394
Project backlog	1,143	749
Project pipeline	745	745
Project opportunities	2,155	2,357

7) Status per reporting date.

Projects under construction and backlog

Project backlog is defined as projects with a secure off-take agreement and assessed to have more than 90% likelihood of reaching financial close and subsequent realisation.

OVERVIEW PROJECTS UNDER CONSTRUCTION AND BACKLOG

LOCATION	CAPACITY (MW)	CURRENCY ⁸⁾	CAPEX ESTIMATE (MILLION)	ANNUAL PRODUCTION (GWH)
Under construction				
Malaysia	197	MYR	1,235	282
Brazil	162	BRL	680	305
Honduras	35	USD	80	73
Backlog				
Egypt	400	USD	450	870
South Africa	258	ZAR	4,200	645
Mozambique	40	USD	80	77
Mali	33	EUR	52	60
Honduras	18	USD	20	37
Total	1,143	NOK	11,800	2,349

8) Currency' specifies currency of PPA tariff, capex and project finance debt.

Total annual revenues from the 1,143 MW under construction and in backlog is expected to reach NOK 1,650 million based on 20-25-year Power Purchase Agreements (PPAs).

Scatec Solar will build, own and operate all power plants in the project backlog and pipeline.

Scatec Solar's share of equity in the project backlog represents NOK 1,700 million of which NOK 1,000 million remains to be funded at financial close or later. D&C after tax cash flow from project backlog is estimated to NOK 900-1,000 million.

Under construction

Malaysia, 197 MW

In December 2016 Scatec Solar partnered with a local ITRAMAS-led consortium that had signed three 21-year PPAs with the country's largest electricity utility, Tenaga Nasional Berhad (TNB).

Scatec Solar and partners achieved financial close for debt financing of the project on October 6, 2017.

Scatec Solar will invest about MYR 250 million through both ordinary preference shares and preference shares convertible to 49% equity ownership in the projects. Scatec Solar will build and operate the solar power plants.

CIMB and Maybank was appointed to arrange the non-recourse project debt financing, in the form of an Islamic Bond, totaling MYR 1,000 million for the three projects. The project bond was rated AA- by the Malaysian Rating Corporation Berhad (MARC) and given a 'dark green' rating from CICERO - The Center for International Climate and Environmental Research in Oslo.

Scatec Solar and partners initiated construction activities earlier in the year to ensure that the obligations under the agreements with TNB are being met. Construction continues and grid connection is planned sequentially when the three plants are completed over the next few months.

Los Prados, Honduras, 35 MW

In October 2015 Scatec Solar and Norfund acquired the Los Prados solar project in Honduras. The project has a 20-year PPA with Empresa Nacional de Energía Eléctrica (ENEE), the state-owned utility. Scatec Solar and ENEE has obtained the required interregional interconnection permit for the first phase of the project representing a capacity of 35 MW, while the remaining 18 MW will be built later in phase two.

Scatec Solar will build, own and operate the solar power plants with a 70% shareholding. Norfund will hold the remaining 30% of the equity.

Project financing will be provided by the Central American Bank of Economic Integration (CABEI) and Export Credit Norway (ECN) with guarantee from the Norwegian Export Credit Guarantee Institute (GIEK). All financing institutions have obtained approvals to provide the project finance debt to the project.

The lenders and ENEE have for some time been in dialogue with regards to the required security agreement between these institutions. This process has unfortunately delayed financial close of debt to the project.

In July 2017, the project sponsors initiated construction activities on the project site to ensure that the relevant timelines in the agreement with ENEE are met. The project has experienced civil unrest in conjunction with construction start up. After reinforced social programs and further central and regional government support the situation is improving but this may affect overall project cost and schedule. At the end of third quarter the expected cash cost to complete the 35 MW in the first phase is estimated to USD 40 million (of a total capex of USD 80 million).

Brazil, 162 MW

In December 2016 Scatec Solar signed an agreement with the Brazilian company Kroma Energia Ltda. and its partners ("Kroma"), securing four PV plants totalling 162 MW (DC) co-located in the state of Ceará in Brazil.

The projects were bid and won by Kroma in the auction process held by ANEEL, the Brazilian Electricity Regulatory Agency, in November 2015. The project companies have since then signed 20-year PPAs with CCEE, the Brazilian Power Commercialization Chamber.

On September 29, 2017 Scatec Solar entered into a partnership agreement with Statoil ASA to establish a 50/50 joint venture to build, own and operate large scale solar plants in Brazil. The Joint Venture has an ambition to become a significant player in the Brazilian solar market.

As the first step of the agreement Statoil acquires the right to participate with a 40% equity position in Scatec Solar's existing 162 MW Apodi project. Statoil paid USD 25 million for 40% of the project rights and for participation in the Joint Venture. Statoil is in addition injecting USD 35 million in the project companies to fund their share of the project.

Subsequently Scatec Solar and Statoil have acquired additional 8% of the project rights from Kroma. Following this transaction Scatec Solar will own 44%, Statoil 44% and Kroma 12% of the equity in the project.

Financing of the Apodi project has been secured through project financing from Banco Nordeste (BNB) with 65% debt leverage. Construction of the solar plant will start imminently with a plan to connect the plant to the grid towards the end of 2018.

Backlog**Egypt, 400 MW**

In April 2017, Scatec Solar and partners signed six 25-year PPAs for projects in "Round 2" of the FiT program in Egypt totalling 400 MW (DC).

All located in the Ben Ban area near Aswan in Upper Egypt, the six solar plants are expected to generate about 870 GWh of solar electricity per year in total.

Total investments for the 400 MW of solar plants is estimated at USD 445 million and the plants are expected to generate annual revenues of about USD 60 million over the 25-year contract period. Scatec Solar will build, own and operate all six projects and Scatec Solar's share of equity investments will be in the range of USD 55 million. Scatec Solar is partnering with local developers, KLP Norfund Investments and Africa50 for equity investments in the projects. Africa50 is an infrastructure investment fund, established by the African Development Bank and backed by more than 20 African states.

European Bank for Reconstruction and Development (EBRD) is leading a consortium of banks that will support the six projects with a total debt of USD 335 million. Loan agreements were signed on October 19 and financial close is expected by end of October

2017. Construction start is planned sequentially in first half of 2018 with approximately 18 months of construction before grid connection.

Upington, South Africa, 258 MW

In April 2015 Scatec Solar was awarded preferred bidder status for three projects in Upington in the fourth bidding round under REIPPP (Renewable Energy Independent Power Producer Programme) in South Africa.

Scatec Solar will build, own and operate the solar power plants with a 42% shareholding. KLP Norfund Investments will hold 18% and a Trust (initially fully funded by Scatec Solar and KLP Norfund) will hold the remaining 40% the equity.

Project financing will be provided by Standard Bank and a syndicate of other South African banks.

In August 2017, the Department of Energy announced the way forward for the fourth bidding round under REIPPP. The Department has invited all IPPs to sign all required agreements and thereby to reach financial close based on revised tariff of 0.77 Rand/kWh.

On this basis Scatec Solar is now completing the financing with project finance lenders and sponsors to be ready to close financing by a timeline to be set out by the Department of Energy.

Mozambique, 40 MW

In October 2016 Scatec Solar and Norfund signed a PPA securing the sale of solar power over a 25-year period to the state-owned utility Electricidade de Mozambique (EDM).

Scatec Solar will build, own and operate the solar power plants with a 52.25% shareholding. Norfund and EDM will hold the remaining part of the equity.

On June 2, IFC, the International Finance Corporation, a member of the World Bank Group, and the Emerging Africa Infrastructure Fund, managed by Investec Asset Management and a part of the Private Infrastructure Development Group (PIDG) signed the loan agreement to provide project finance debt for the project.

Scatec Solar and partners are working to close out remaining conditions precedent of the loan to reach financial close.

Mali, 33 MW

In July 2015, Scatec Solar ASA together with its development partners International Finance Corporation (IFC) and Power Africa 1, signed a 25-year PPA with Energie du Mali (EDM).

IFC and African Development Bank (AfDB) will provide the non-recourse project finance for the project. The project has also been awarded a USD 25 million concessional loan from the Climate Investment Funds under the Scaling Up Renewable Energy Program.

Scatec Solar will build, own and operate the solar power plant with a 51% shareholding. IFC Infrastructures and Power Africa will hold the remaining part of the equity.

Board approval has been obtained from IFC for project finance and from World Bank for the required Partial Risk Guarantee. Final approval by African Development Bank of updated lending terms is expected soon. Scatec Solar and partners are working with lenders and authorities to finalize project, loan and guarantee agreements.

Los Prados, Honduras, 18 MW

Refer to above information on the Los Prados project. As the 35 MW is moved to 'Under Construction' the 18 MW Phase 2 of the project is included in the project backlog.

Pipeline

Project pipeline is defined as projects assessed to have more than 50% likelihood of reaching financial close and subsequent realisation.

PIPELINE OVERVIEW

	CAPACITY (MW)
South Africa	430
Pakistan	150
Nigeria	100
Kenya	48
Burkina Faso	17
Total pipeline	745

South Africa, 430 MW

In South Africa Scatec Solar bid the projects in the pipeline in the expedited bidding round under REIPPP on November 11, 2015. Award of preferred bidder status for this tender round is delayed and it is not expected to be announced before financial close of the current Round 4 projects in South Africa.

Pakistan, 150 MW

In Pakistan Scatec Solar signed a joint development agreement with Nizam Energy for the development of 300 MW solar power plants. The first 150 MW under this agreement is in the state of Sindh and is included in pipeline. The project has received the grid study approval from the National Transmission and Despatch Company (NTDC) in April.

Scatec Solar and Nizam Energy have submitted an application for a "costs plus tariff". The tariff application has been admitted to hearing and the hearing is expected to take place during Q4 2017.

Nigeria, 100 MW

In July 2016 Scatec Solar signed an agreement to take over the 100 MW Nova Scotia project, located in Dutse L.G.A., the capital of Jigawa State in Nigeria.

The Nova Scotia project signed a power purchase agreement (PPA) with Nigerian Bulk Electricity Trader Plc (NBET) in July, 2016.

In November 2016, Scatec Solar signed a Joint Development Agreement (JDA) with Norfund and Africa50, an African Infrastructure Fund sponsored by the African Development Bank and more than 20 African States.

Apart from the three equity investors, the American Overseas Private Investment Corporation (OPIC), Islamic Development Bank and the African Development Bank are expected to be senior debt providers for the project.

The project sponsors are working with the lenders and the World Bank to secure remaining required project documents like the sovereign guarantee (Put Call Option Agreement) and the Partial Risk Guarantee with the Government of Nigeria. In parallel, the World Bank is working to ensure the implementation of a Power Sector Recovery Program for Nigeria and this will be a prerequisite for the remaining project documents.

Kenya, 48 MW

Norfund and Scatec Solar are together with the local development partner, Kenergy, developing a 48 MW project. In July 2017, the project was approved by the Board of Kenya Power and Lighting Company (KPLC), the state-owned utility and the Power Purchase Agreement (PPA) was re-initialized. The PPA has been submitted to the Energy Regulatory Commission (ERC) for final approval. The ERC has requested certain changes in the PPA and these are currently being discussed between the ERC and the project.

The partners continue the work to complete the development of the project, secure the sovereign support letter and establish the project finance solution.

Burkina Faso, 17 MW

In 2014, the Zagtoui project was, as one of four projects, selected as winner in the national tender process. The project was thus formally awarded by the government of Burkina Faso. Given the delay in the project, the Ministry of Energy is looking to adjust the PPA price before the project can forward. After this has been concluded, the concession agreement can be signed with the Ministry of Energy and the Ministry of Finance and the power purchase agreement can be signed with the state-owned utility Société Nationale d'électricité du Burkina Faso (SONABEL).

Project opportunities

Project opportunities are defined as projects where a feasibility study and a business case evaluation have been made.

About 200 MW of new project opportunities has been identified as a result of dedicated market efforts in new geographies.

Scatec Solar now holds project opportunities with a combined capacity of 2,357 MW across Americas, Africa and Asia.

OUTLOOK

Growth targets and investment guidance:

- By year end 2018: 1,300 - 1,500 MW in operation and/or under construction.
- Investments in new solar power plants are expected to yield average equity IRR of 15% nominal after tax.
- Project development & construction (D&C) gross margins averaging 15%.
- 2017 cash flow to Scatec Solar equity is expected to reach NOK 165-185 million from Power Production and Operation & Maintenance
- After grid connection of power plants under construction and in backlog cash flow to Scatec Solar equity is expected to reach NOK 400-450 million from Power Production and Operation & Maintenance

Scatec Solar is in discussions with the project finance lenders with the objective to release cash reserves in certain project companies in the portfolio. SSO proportionate share of the cash reserves expected to be released is estimated to NOK 50-70 million.

2017 AND FOURTH QUARTER 2017 GUIDANCE Power Production (PP)

In 2017 power production is expected to reach 630 GWh compared to 791 GWh in 2016. The reduction is explained by the sale of the Utah plant at the end of 2016, partly offset by full year production at the Jordan plants.

In fourth quarter 2017 power production is expected to reach 170 GWh compared to 157 GWh in third quarter. The increase is explained by seasonally higher production.

Operation and Maintenance (O&M)

2017 O&M revenues are expected to reach NOK 72-77 million with an EBITDA margin of 40 – 50%. The main drivers of uncertainty for the estimate is fourth quarter performance bonus and the pending conclusion on timing for formal Taking Over for the EJRE/GLAE projects in Jordan.

Development & Construction (D&C)

D&C revenues and margins are dependent on timing of commencement and pace of execution of the company's project backlog and pipeline.

Corporate & Eliminations

Corporate costs are expected remain at current levels as the corporate functions have been strengthened over the recent quarters.

Interest expenses related to the NOK 500 million bond will continue to affect the Corporate segment.

Elimination will continue to reflect D&C and O&M revenues and costs related to internal deliveries to project companies managed and consolidated by Scatec Solar.

DIVIDEND POLICY

The Company's objective is to pay shareholders consistent and growing cash dividends. Scatec Solar's dividend policy is to pay its shareholders dividends representing 50% of free cash distributed from the power producing project companies. For 2016, the Annual General Meeting resolved a dividend of NOK 0.71 per share, totalling NOK 73 million.

RISK

Scatec Solar has entered into long-term fixed price contracts for the sale of electricity from all its current solar power plants and the entry into such contracts is a prerequisite for financing and construction of the projects in the backlog and pipeline. All existing electricity sales contracts are entered into with state-owned utilities typically under regulation of various state programs to promote renewable energy. As a consequence, Scatec Solar is to a certain degree subject to political risk in the countries it operates.

The main economic risk going forward relate to operational performance of existing power plants, timely completion of solar plants under construction and progress in the transitioning of projects in backlog through financial close and into construction.

Scatec Solar has established a solid project backlog and pipeline, but further growth of the company will depend on a number of factors such as project availability, access to financing, component availability and pricing, price development for alternative sources of energy and the regulatory framework in the relevant markets.

In terms of specific financial risks, Scatec Solar is mainly exposed to currency risk, credit risk, liquidity risk and to some extent interest rate risk. Financial risks management in Scatec Solar is based on the objective of reducing cash flow effects and to a less extent accounting effects of these risks.

For further information refer to the 2016 Annual Report.

RELATED PARTIES

Note 27 in the annual report for 2016 provides details of transactions with related parties and the nature of these transactions. For details on third quarter 2017 related party transactions see note 9 of this interim report.

FORWARD LOOKING STATEMENTS

This condensed interim report contains forward-looking statements based upon various assumptions. These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risk and uncertainties because they relate to events and depend on circumstances that will occur in the future. Although Scatec Solar believes that these assumptions were reasonable when made, the Company cannot assure that the future results, level of activity or performances will meet these expectations.

Condensed interim financial information

Interim consolidated statement of profit or loss

NOK THOUSAND	NOTES	Q3 2017	Q3 2016	YTD 2017	YTD 2016	FULL YEAR 2016
Revenues	2	279,701	280,735	835,231	723,350	1,012,938
Net gain/(loss) from sale of project assets	2,3,12	375,215	-	375,215	1,618	75,405
Net income/(loss) from associated companies	2	2	-116	-397	-3,152	-3,394
Total revenues and other income		654,918	280,619	1,210,049	721,816	1,084,942
Personnel expenses	2	-23,433	-20,506	-67,878	-67,475	-86,199
Other operating expenses	2	-36,958	-38,425	-108,329	-114,946	-165,713
Depreciation, amortisation and impairment	2,3	-60,252	-68,138	-188,215	-186,349	-270,083
Operating profit		534,275	153,550	845,627	353,046	562,954
Interest and other financial income	4,5	11,058	8,776	40,835	36,686	50,796
Interest and other financial expenses	4,5	-119,292	-131,072	-377,097	-369,084	-504,801
Net foreign exchange gain/(losses)	4,5	-14,256	-19,202	-60,506	-37,216	-10,052
Net financial expenses		-122,490	-141,498	-396,768	-369,614	-464,057
Profit/(loss) before income tax		411,785	12,052	448,859	-16,568	98,897
Income tax (expense)/benefit	7	-5,000	-866	-9,553	10,295	-28,410
Profit/(loss) for the period		406,785	11,186	439,306	-6,273	70,487
Profit/(loss) attributable to:						
Equity holders of the parent		382,996	-1,138	373,966	-42,732	3,502
Non-controlling interests		23,789	12,324	65,340	36,459	66,985
Basic and diluted earnings per share (NOK)	11	3.71	-0.01	3.73	-0.46	0.04
Basic weighted average no of shares (in thousand)	11	103,196	93,816	100,344	93,816	93,816

The interim financial information has not been subject to audit.

Interim consolidated statement of comprehensive income

NOK THOUSAND	NOTES	Q3 2017	Q3 2016	YTD 2017	YTD 2016	FULL YEAR 2016
Profit/(loss) for the period		406,785	11,186	439,306	-6,273	70,487
Other comprehensive income:						
Items that may subsequently be reclassified to profit or loss						
Net movement of cash flow hedges	5	-24,166	-38,365	-62,651	-131,002	-114,582
Income tax effect	7	6,828	10,743	17,538	36,681	32,084
Foreign currency translation differences		-37,018	-25,296	-6,918	-65,433	5,341
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-54,356	-52,918	-52,031	-159,754	-77,157
Total comprehensive income for the period net of tax		353,138	-41,732	387,984	-166,027	-6,670
Attributable to:						
Equity holders of the parent		371,930	-42,364	386,488	-141,404	-69,115
Non-controlling interests		-19,501	630	787	-24,623	62,446

The interim financial information has not been subject to audit.

Interim consolidated statement of financial position

NOK THOUSAND	NOTES	AS OF 30 SEPTEMBER 2017	AS OF 31 DECEMBER 2016
ASSETS			
Non-current assets			
Deferred tax assets	7	364,595	327,456
Property, plant and equipment – in solar projects	3	4,945,518	5,059,802
Property, plant and equipment – other	3	31,510	21,465
Goodwill		23,089	22,289
Financial assets	4,5	242	18,237
Investments in JV and associated companies	12	422,365	-
Other non-current assets	9	129,932	141,789
Total non-current assets		5,917,251	5,591,038
Current assets			
Trade and other receivables		193,664	231,484
Other current assets	9	237,739	114,104
Financial assets	4,5	209	1,289
Cash and cash equivalents	6	1,118,912	1,137,224
Total current assets		1,550,524	1,484,101
TOTAL ASSETS		7,467,775	7,075,139

The interim financial information has not been subject to audit.

Interim consolidated statement of financial position

NOK THOUSAND	NOTES	AS OF 30 SEPTEMBER 2017	AS OF 31 DECEMBER 2016
EQUITY AND LIABILITIES			
Equity			
Share capital	11	2,580	2,345
Share premium	11	1,193,991	819,053
Total paid in capital		1,196,571	821,398
Retained earnings		78,010	-221,977
Other reserves		98,525	85,309
Total other equity		176,535	-136,668
Non-controlling interests		469,871	628,009
Total equity	8	1,842,977	1,312,739
Non-current liabilities			
Deferred tax liabilities	7	135,246	127,508
Non-recourse project financing	4	3,919,762	4,304,098
Bonds	6	497,292	495,417
Financial liabilities	4,5	39,330	7,330
Other non-current liabilities	9	376,280	318,798
Total non-current liabilities		4,967,910	5,253,151
Current liabilities			
Trade and other payables	10	31,081	29,346
Income tax payable	7	18,894	10,680
Non-recourse project financing	4	354,073	279,473
Financial liabilities	4,5,6	13,787	6,584
Other current liabilities	9	239,053	183,166
Total current liabilities		656,888	509,249
Total liabilities		5,624,798	5,762,400
TOTAL EQUITY AND LIABILITIES		7,467,775	7,075,139

The interim financial information has not been subject to audit.

Oslo, 19 October, 2017
The Board of Directors of Scatec Solar ASA

Interim consolidated statement of changes in equity

NOK THOUSAND	OTHER RESERVES					TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	HEDGING RESERVES			
At 1 January 2016	2,345	807,903	-164,909	127,460	34,343	807,142	618,255	1,425,397
Profit for the period	-	-	-42,732	-	-	-42,732	36,458	-6,274
Other comprehensive income	-	-	-5,525	-55,944	-37,203	-98,672	-61,081	-159,753
Total comprehensive income	-	-	-48,257	-55,944	-37,203	-141,404	-24,623	-166,027
Share-based payment	-	10,305	-	-	-	10,305	-	10,305
Dividend distribution	-	-	-61,918	-	-	-61,918	-162,263	-224,181
Capital increase from NCI ¹⁾	-	-	-	-	-	-	113,208	113,208
Distribution to NCI loan	-	-	-	-	-	-	-	-
At 30 September 2016	2,345	818,207	-275,084	71,517	-2,860	614,125	544,577	1,158,702
At 1 October 2016	2,345	818,207	-275,084	71,517	-2,860	614,125	544,577	1,158,702
Profit for the period	-	-	46,234	-	-	46,234	30,528	76,762
Other comprehensive income	-	175	9,228	12,194	4,458	26,055	56,540	82,595
Total comprehensive income	-	175	55,462	12,194	4,458	72,289	87,068	159,357
Share-based payment	-	671	-	-	-	671	-	671
Dividend distribution	-	-	722	-	-	722	-11,435	-10,713
Capital increase from NCI ^{1) 2)}	-	-	-13,381	-	-	-13,381	7,799	-5,582
Distribution to NCI loan	-	-	10,304	-	-	10,304	-	10,304
At 31 December 2016	2,345	819,053	-221,977	83,711	1,598	684,730	628,009	1,312,739
At 1 January 2017	2,345	819,053	-221,977	83,711	1,598	684,730	628,009	1,312,739
Profit for the period	-	-	373,966	-	-	373,966	65,340	439,306
Other comprehensive income	-	-	-710	29,610	-16,394	12,506	-64,552	-52,046
Total comprehensive income	-	-	373,256	29,610	-16,394	386,472	788	387,260
Share-based payment	-	2,210	-	-	-	2,210	-	2,210
Share capital increase	235	379,655	-	-	-	379,890	-	379,890
Transaction cost, net after tax	-	-6,927	-	-	-	-6,927	-	-6,927
Dividend distribution	-	-	-73,269	-	-	-73,269	-182,603	-255,872
Capital increase from NCI ¹⁾	-	-	-	-	-	-	23,677	23,677
At 30 September 2017	2,580	1,193,991	78,010	113,321	-14,796	1,373,106	469,871	1,842,977

The interim financial information has not been subject to audit.

1) Non-controlling interests.

2) Included in this line item is a reclassification from non-current liabilities to the non-controlling interests' share of equity of NOK 105,461 related to shareholder loans granted to the project companies in Jordan.

During first quarter 2017 the Group increased the share capital. See note 11 for further information.

Interim consolidated statement of cash flow

NOK THOUSAND	NOTES	Q3 2017	Q3 2016	YTD 2017	YTD 2016	FULL YEAR 2016
Cash flow from operating activities						
Profit before taxes		411,785	12,052	448,859	-16,568	98,899
Taxes paid	7	-2,064	249	-13,938	-22,671	-29,143
Depreciation and impairment	3	60,252	68,138	188,215	186,349	270,083
Net income associated companies/sale of project assets	11,12	-374,444	116	-373,909	1,534	-72,011
Interest and other financial income	4	-11,058	-8,776	-40,835	-36,686	-50,796
Interest and other financial expenses	4	119,292	131,072	377,097	369,084	504,801
Unrealised foreign exchange (gain)/loss	4	1,758	28,852	61,195	47,022	29,036
(Increase)/decrease in trade and other receivables		-11,396	-40,501	37,820	-1,552	-10,102
(Increase)/decrease in other current/non-current assets		-149,497	68,275	-114,501	162,580	148,448
Increase/(decrease) in trade and other payables	10	2,373	-19,896	1,735	-134,152	-87,951
Increase/(decrease) in current liabilities		148,965	-38,355	113,369	-19,777	-176,228
Increase/(decrease) in financial assets and other changes	5,9	-5,077	-5,241	-16,929	-18,040	106,935
Net cash flow from operating activities		190,889	195,985	668,178	517,123	731,971
Cash flow from investing activities						
Interest received	4	11,058	8,769	40,835	36,687	50,797
Investments in property, plant and equipment	3	-156,315	-75,620	-331,800	-856,893	-883,634
Proceeds from sale of project assets, net of cash disposed	11	-	-	-	26,414	250,840
Net investment in associated companies		-47,150	-	-47,150	-	-
Net cash flow from investing activities		-192,407	-66,851	-338,115	-793,792	-581,997
Cash flow from financing activities						
Proceeds from NCI shareholder financing ¹⁾		21,308	-	21,308	22,251	-
Interest paid	4	-47,543	-88,000	-284,760	-303,813	-509,047
Proceeds from non-recourse project financing	4	-	3,485	-	117,065	241,337
Repayment of non-recourse project financing	4	-26,184	-16,836	-145,595	-71,527	-156,706
Share capital increase	11	-	-	372,963	-	-
Dividends paid to equity holders of the parent company	8	-	-	-73,269	-61,918	-61,918
Dividends and other distributions paid to non-controlling interest		-77,007	-75,734	-182,602	-162,263	-173,699
Net cash flow from financing activities		-129,426	-177,085	-291,955	-460,205	-660,033
Net increase/(decrease) in cash and cash equivalents		-130,944	-47,951	38,108	-736,874	-510,059
Effect of exchange rate changes on cash and cash equivalents		-58,931	-5,883	-56,421	-47,813	8,679
Cash and cash equivalents at beginning of the period	6	1,308,786	907,751	1,137,224	1,638,604	1,638,604
Cash and cash equivalents at end of the period	6	1,118,912	853,917	1,118,912	853,917	1,137,224
Cash in project companies in operation	6	759,416	623,713	759,416	623,713	708,466
Cash in project companies under development/construction	6	137,161	13,060	137,161	13,060	7,000
Other restricted cash	6	46,305	136,397	46,305	136,397	117,840
Free cash	6	176,030	80,747	176,030	80,747	303,918
Total cash and cash equivalents	6	1,118,912	853,917	1,118,912	853,917	1,137,224
Hereof presented as:						
Cash and cash equivalents		1,118,912	868,803	1,118,912	868,803	1,137,224
Financial liabilities		-	-14,886	-	-14,886	-

The interim financial information has not been subject to audit.

1) Proceeds from non-controlling interest shareholder financing include both equity contributions and shareholder loans.

Notes to the condensed interim consolidated financial statements

Note 1 Organisation and basis for preparation

Corporate information

Scatec Solar ASA is incorporated and domiciled in Norway. The address of its registered office is Karenslyst Allé 49, NO-0279 Oslo, Norway. Scatec Solar was established on 2 February 2007.

Scatec Solar ASA ("the Company"), its subsidiaries and investments in associated companies ("the Group" or "Scatec Solar") is a leading independent solar power producer. The Company is pursuing an integrated business model across the complete life cycle of utility-scale solar photovoltaic (PV) power plants including project development, financing, construction, ownership and operation and maintenance.

The condensed interim consolidated financial statements were authorised for issue by the Board of Directors on 19 October 2017.

Basis of preparation

These condensed interim consolidated financial statements are prepared in accordance with recognition, measurement and presentation principles consistent with International Financial Reporting Standards as adopted by the European Union ("IFRS") for interim reporting under International Accounting Standard ("IAS") 34 Interim Financial Reporting. These condensed interim consolidated financial statements are unaudited.

These condensed interim consolidated financial statements are condensed and do not include all of the information and notes required by IFRS for a complete set of consolidated financial statements. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements.

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016. Standards and interpretations mentioned in note 31 of the Group's annual report 2016 with effective date from financial year 2017, do not have a significant impact on the Group's condensed interim consolidated financial statements.

The functional currency of the companies in the Group is determined based on the nature of the primary economic environment in which each company operates. The functional currency of the parent company Scatec Solar ASA and the presentation currency of the Group is Norwegian kroner (NOK). All amounts are presented in NOK thousands unless otherwise stated.

As a result of rounding adjustments, the figures in some columns may not add up to the total of that column.

Significant estimates and judgements

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the condensed interim financial statements:

Consolidation of new project companies

Scatec Solar's value chain comprises all downstream activities such as project development, financing, construction and operations, as well as having an asset management role through ownership of the solar power plants. Normally Scatec Solar enters into partnerships for the shareholding of the project companies owning the power plants. To be able to utilise the business model fully, Scatec Solar seeks to obtain operational control of the project companies. Operational control is obtained through governing bodies, shareholder agreements and other contractual arrangements. Other contractual arrangements may include Scatec Solar's role as the developer of the project, EPC provider (construction), operation and maintenance service provider and asset management service provider.

Scatec Solar would normally seek to undertake the following distinct roles in its projects:

- As the largest shareholder providing equity financing to the project
- As (joint) developer, including obtaining project rights, land permits, off-take agreements and other local approvals
- As EPC supplier, responsible for the construction of the project
- As provider of operation and maintenance services to the projects, responsible for the day-to-day operations of the plant
- As provider of management services to the project companies

Even though none of the projects Scatec Solar are involved with are identically structured, the five roles/activities described above constitute the main and relevant activities which affect the variable return. When assessing whether Scatec Solar controls a project company as defined by IFRS 10 Consolidated Financial Statements, all of the above agreements are analysed.

During first quarter 2017 three project companies in Malaysia were consolidated for the first time. At that point in time the activity was limited to project development. During third quarter the activity increased significantly as construction of the power plants commenced. Scatec Solar's investment is held through redeemable convertible preference shares which will constitute a shareholding of 49% upon conversion. The Company has concluded that it through its involvement has the power to control these entities. Furthermore, Scatec Solar is exposed to variable returns and has the ability to affect those returns through its power over the companies.

Refer to note 12 Partnership in Brazil for information on how the Brazilian investments are accounted for.

Refer to note 2 of the 2016 annual report for further information on judgements.

Estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis, considering the current and expected future market conditions. Changes in accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Seasonality in operations

Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. The Group's operating results are affected by external factors, such as weather conditions. The power production at the PV solar parks is directly affected by seasonal changes in solar irradiance which is normally at its highest during the summer months. This effect is to a certain degree offset in the consolidated revenues due to the fact that the Group operates PV solar parks on both the northern and southern hemisphere.

Note 2 Operating segments

Operating segments align with internal management reporting to the Group's chief operating decision maker, defined as the Group management team. The operating segments are determined based on differences in the nature of their operations, products and services. Scatec Solar manages its operations in three segments; Power Production (PP), Operation and Maintenance (O&M) and Development and Construction (D&C).

Financing and operation of solar power plants is ring-fenced in project companies with a non-recourse project finance structure - where Scatec Solar contributes with the required equity, either alone or together with co-investors. For companies where Scatec Solar is deemed to have a controlling interest in accordance with IFRS 10, revenues, expenses, assets and liabilities are included on a 100% basis in the condensed interim Financial Statements and presented correspondingly in the Power Production segment reporting.

Power Production

The Power Production segment manages the Group's power producing assets, and derives its revenue from the production and sale of solar generated electricity based on long-term Power Purchase Agreements or Feed-in-Tariffs. Finance and operation of the plants is ring-fenced in project companies with a non-recourse finance structure. This implies that the project debt is only secured and serviced by project assets and the cash flows generated by the project, and that there is no obligation for project equity investors to contribute additional funding in the event of a default. Free cash flows after debt service are distributed from these project companies to Scatec Solar, and any other project equity investors in accordance with the shareholding and the terms of the finance documents.

Operation and Maintenance

The Operation and Maintenance segment delivers services to ensure optimised operations of the Group's solar power producing assets through a complete and comprehensive range of services for technical and operational management. Revenues are based on service agreements with a periodic base fee as well as a potential performance bonus.

Development and Construction

The Development and Construction segment derives its revenue from the sale of development rights and construction services to project companies set up to operate the Group's solar power plants. These transactions are primarily made with companies that are under the control of the Group and hence are being consolidated. Revenues from transfer of development rights are recognised upon the transfer of title.

Revenues from construction services are based on fixed price contracts and are accounted for using the percentage of completion method.

Corporate

Corporate consists of the activities of corporate services, management and group finance.

No segments have been aggregated to form these reporting segments. Revenues from transactions between the D&C, O&M and PP segments, where Scatec Solar is deemed to hold a controlling interest, are presented as Internal revenues in the segment reporting and eliminated in the consolidated statement of profit or loss. These transactions are based on international contract standards and terms negotiated at arm's length with lenders and co-investors in each project company.

The management team assesses the performance of the operating segments based on a measure of gross profit and operating profit. The measurement basis for the segment data

follows the accounting policies used in the consolidated financial statement for 2016 as described in Note 32 Summary of significant accounting policies.

Q3 2017

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	279,697	-	-	-	-	279,697
Internal revenues	-	19,772	385,278	3,285	-408,331	-
Net gain/(loss) from sale of project assets	-	-	375,215	-	-	375,215
Net income/(loss) from JV and associates	125	-	-123	-	-	2
Total revenues and other income	279,822	19,772	760,370	3,285	-408,331	654,918
Cost of sales	-	-	-355,821	-	355,821	-
Gross profit	279,822	19,772	404,549	3,285	-52,510	654,918
Personnel expenses	-3,544	-3,484	-7,732	-8,673	-	-23,433
Other operating expenses	-33,741	-7,500	-13,266	-5,578	23,127	-36,958
Depreciation and impairment	-75,147	-230	-636	-359	16,120	-60,252
Operating profit	167,390	8,558	382,915	-11,325	-13,263	534,275

Q3 2016

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	279,812	923	-	-	-	280,735
Internal revenues	-	18,870	36,733	2,311	-57,914	-
Net gain/(loss) from sale of project assets	-	-	-	-	-	-
Net income/(loss) from JV and associates	-	-	-116	-	-	-116
Total revenues and other income	279,812	19,793	36,617	2,311	-57,914	280,619
Cost of sales	-	-	-36,756	-	36,756	-
Gross profit	279,812	19,793	-139	2,311	-21,158	280,619
Personnel expenses	-2,797	-3,037	-7,016	-7,656	-	-20,506
Other operating expenses	-41,348	-4,357	-6,762	-7,139	21,181	-38,425
Depreciation and impairment	-81,365	-457	-1,630	-204	15,518	-68,138
Operating profit	154,302	11,942	-15,547	-12,688	15,541	153,550

YTD 2017

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	835,227	-	-	-	-	835,227
Internal revenues	-	54,088	385,416	8,915	-448,415	-
Net gain/(loss) from sale of project assets	-	-	375,215	-	-	375,215
Net income/(loss) from JV and associates	125	-	-522	-	-	-397
Total revenues and other income	835,352	54,088	760,109	8,915	-448,415	1,210,049
Cost of sales	-	-	-355,821	-	355,821	-
Gross profit	835,352	54,088	404,288	8,915	-92,594	1,210,049
Personnel expenses	-10,827	-10,185	-22,463	-24,403	-	-67,878
Other operating expenses	-100,651	-20,020	-31,148	-19,721	63,211	-108,329
Depreciation and impairment	-235,261	-804	-1,762	-987	50,599	-188,215
Operating profit	488,613	23,079	348,915	-36,196	21,216	845,627

YTD 2016

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	721,055	2,295	-	-	-	723,350
Internal revenues	-	46,410	599,038	6,693	-652,141	-
Net gain/(loss) from sale of project assets	-	-	1,618	-	-	1,618
Net income/(loss) from JV and associates	-	-	-3,152	-	-	-3,152
Total revenues and other income	721,055	48,705	597,504	6,693	-652,141	721,816
Cost of sales	-	2	-539,502	-	539,500	-
Gross profit	721,055	48,707	58,002	6,693	-112,641	721,816
Personnel expenses	-8,718	-8,568	-27,577	-22,612	-	-67,475
Other operating expenses	-106,681	-13,217	-25,101	-23,052	53,105	-114,946
Depreciation and impairment	-222,194	-1,585	-8,535	-539	46,504	-186,349
Operating profit	383,462	25,337	-3,211	-39,510	-13,032	353,046

FULL YEAR 2016

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	1,010,643	2,295	-	-	-	1,012,938
Internal revenues	-	59,918	599,038	9,801	-668,757	-
Net gain/(loss) from sale of project assets	-	-	8,296	-	67,109	75,405
Net income/(loss) from JV and associates	-	-	-3,394	-	-	-3,394
Total revenues and other income	1,010,643	62,213	603,940	9,801	-601,648	1,084,949
Cost of sales	-	-	-539,590	-	539,590	-
Gross profit	1,010,643	62,213	64,350	9,801	-62,065	1,084,949
Personnel expenses	-11,326	-10,514	-35,883	-28,476	-	-86,199
Other operating expenses	-145,925	-20,101	-40,714	-28,693	69,720	-165,713
Depreciation and impairment	-351,968	-2,324	-10,446	-753	95,408	-270,083
Operating profit	501,424	29,274	-22,693	-48,121	103,070	562,954

Note 3 Property, plant and equipment

The Group operates solar power plants in Europe, Middle East, Africa and South America. During third quarter 2017 construction commenced on the Los Prados power plant in Honduras as well as the Merchang, Jasin and Gurun plants in Malaysia.

During second quarter the Group impaired equipment amounting to NOK 2,333 thousand related to a lightning strike at two of the plants in South Africa. The damages are covered by the insurance contract on the plant, and the compensation is recognized as part of revenues. During the first nine months of 2016, the Group incurred impairment losses of NOK 6,770 related to development projects.

NOK THOUSAND	SOLAR POWER PLANTS	SOLAR POWER PLANTS UNDER CONSTRUCTION	SOLAR POWER PLANTS UNDER DEVELOPMENT	MACHINERY AND EQUIPMENT	TOTAL
Carrying value at 31 December 2016	4,419,597	-	640,205	21,465	5,081,267
Additions	14,033	-	301,966	15,801	331,800
Disposals	-	-	-	-909	-909
Transfer between asset classes	-	476,953	-476,953	-	-
Depreciation	-181,842	-	-	-4,040	-185,882
Impairment losses	-2,333	-	-	-	-2,333
Effect of foreign exchange currency translation adjustments	-233,227	2,206	-15,087	-807	-246,915
Carrying value at 30 September 2017	4,016,228	479,159	450,131	31,510	4,977,028
Estimated useful life (years)	20-25	N/A	N/A	3-5	

Note 4 Net financial expenses and liabilities

Scatec Solar uses non-recourse financing for constructing and/or acquiring assets, exclusively using as guarantee the assets and cash flows of the special purpose vehicle carrying out the activities financed. Compared to corporate financing, non-recourse financing has certain key advantages, including a clearly defined and limited risk profile. In this respect, the banks recover the financing solely through the cash flows generated by the projects financed. For four of the five companies operating in the Czech Republic, the non-recourse financing agreements include a cross default clause within the Czech group.

The project companies' assets are pledged as security for the non-recourse financing. The repayment plan for the debt is a sculpted annuity; hence the sum of loan and interest repayments are not stable from year to year. Repayments are normally made twice a year. Refer to note 6 in the 2016 Annual Report for more information. The maturity date for the loans ranges from 2028 to 2036. NOK 354,073 thousand of the Group's total non-recourse debt is due within 12 months and is presented as current in the statement of financial position.

During the first nine months of 2017, the Group did not draw down any additional non-recourse debt.

NOK THOUSAND	Q3 2017	Q3 2016	YTD 2017	YTD 2016	FULL YEAR 2016
Interest income	11,058	8,776	40,660	36,329	50,439
Other financial income	-	-	175	357	357
Financial income	11,058	8,776	40,835	36,686	50,796
Interest expenses	-116,092	-129,243	-367,050	-362,647	-496,317
Other financial expenses	-3,200	-1,829	-10,047	-6,437	-8,484
Financial expenses	-119,292	-131,072	-377,097	-369,084	-504,801
Foreign exchange gains/(losses)	-14,256	-19,202	-60,506	-37,216	-10,052
Net financial expenses	-122,490	-141,498	-396,768	-369,614	-464,057

Note 5 Significant fair value measurements

Derivative financial instruments (including interest rate swaps and forward exchange contracts) are valued at fair value on Level 2 of the fair value hierarchy, in which the fair value is calculated by comparing the terms agreed under each derivative contract to the market terms for a similar contract on the valuation date. Note 11 in the annual report for 2016 provides details for each class of financial assets and financial liabilities, and how these assets and liabilities are grouped.

There are no significant changes for the presentation of these categories in the period, and there are no significant differences between total carrying value and fair value at reporting date. The presented table below summarises each class of financial instruments recognised in the condensed consolidated statement of financial position, split by the Group's basis for fair value measurement.

30 September 2017		NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)	TOTAL FAIR VALUE
NOK THOUSAND					
Fair value based on prices quoted in an active market (Level 1)	-	-	-	-	-
Fair value based on price inputs other than quoted prices (Level 2)	-	-	451	-53,117	-52,666
Fair value based on unobservable inputs (Level 3)	72	-	-	-	72
Total fair value at 30 September 2017	72	72	451	-53,177	-52,594

31 December 2016		NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)	TOTAL FAIR VALUE
NOK THOUSAND					
Fair value based on prices quoted in an active market (Level 1)	-	-	-	-	-
Fair value based on price inputs other than quoted prices (Level 2)	-	-	19,526	-13,914	5,612
Fair value based on unobservable inputs (Level 3)	72	-	-	-	72
Total fair value at 31 December 2016	72	72	19,526	-13,914	5,684

Note 6 Cash, cash equivalents and corporate funding

NOK THOUSAND	30 SEPTEMBER 2017	31 DECEMBER 2016
Cash in project companies in operation ¹⁾	759,416	708,466
Cash in project companies under development/construction ¹⁾	137,161	7,000
Other restricted cash	46,305	117,840
Free cash	176,030	303,918
Total cash and cash equivalents	1,118,912	1,137,224
Hereof presented as:		
Cash and cash equivalents	1,118,912	1,137,224
Financial liabilities	-	-

1) Refer to appendix for definition of this APM.

Other restricted cash comprises restricted deposits for withholding tax, guarantees, VAT and rent as well as

collateralised shareholder financing of project companies not yet distributed to the project companies.

Reconciliation of movement in free cash

NOK THOUSAND	Q3 2017	Q3 2016	YTD 2017	YTD 2016	FULL YEAR 2016
Free cash at beginning of period	426,644	126,488	303,918	651,359	651,359
Proportionate share of cash flow to equity OM	6,746	9,408	18,343	20,564	24,250
Proportionate share of cash flow to equity D&C	182,582	-9,836	158,888	6,869	-5,138
Proportionate share of cash flow to equity CORP	-15,148	-16,740	-46,680	-49,968	-63,132
Project development capex	-72,502	-46,915	-189,401	-404,787	-495,916
Equity contributions/collateralised for equity commitments in project companies	-224,547	-	-239,884	-28,273	-33,007
Distributions from project companies	50,729	52,128	140,537	113,390	134,016
Share capital increase, net after transaction cost and tax	-	-	372,963	-	-
Dividend distribution	-	-	-73,269	-61,919	-61,919
Working capital / Other	-178,474	-33,786	-269,385	-166,488	153,405
Free cash at end of the period	176,030	80,747	176,030	80,747	303,918

On July 7, 2017, Scatec Solar entered into a new guarantee facility, a new overdraft facility and an intercreditor agreement. Financial covenants are unchanged from previous facilities and equal to the financial covenants in the bond agreement. The facilities replaced all other corporate guarantees and overdraft facilities existing at the date of the new agreements.

The guarantee facility has Nordea Bank as agent, Nordea Bank and ABN Amro as issuing banks and Nordea Bank, ABN Amro and Swedbank as guarantee instrument lenders. The guarantee facility is established to support a growing portfolio under construction. The guarantee facility will mainly be used to provide advanced payment, performance and warranty bonds under the construction agreements, as well as for trade letter of credits. The intercreditor agreement is entered into by Scatec Solar, the issuing banks under the guarantee facility and GIEK. GIEK can issue counter indemnity in favour of the issuing banks on behalf of the relevant instrument lenders.

The overdraft facility has Nordea Bank as overdraft lender and is made available on a master top account in a group account system and can be drawn in any currency being part of the group account system. Overdraft interest is the 7-day interbank offer rate in the relevant currency plus a margin of 2.5%. The agreements signed July 7, 2017, are adapted for a later replacement of the

new overdraft facility with a new revolving credit facility with the instrument lenders under the guarantee facility. Scatec Solar has not drawn on the overdraft facility per 30 September 2017.

During fourth quarter 2015 Scatec Solar successfully completed a NOK 500 million senior unsecured green bond issue with maturity in November 2018. The bonds are listed on the Oslo Stock Exchange. The bonds carry an interest of 3 month NIBOR + 6.5%, to be settled on a quarterly basis. During the third quarter, an interest amounting to NOK 10,119 thousand (10,499) was expensed. During the nine months of the year the interest amounted to NOK 30,458 thousand (31,104).

Per 30 September 2017, Scatec Solar was in compliance with all covenants under the bond and overdraft facility agreement. The book equity of the recourse group, as defined in the loan agreement, was NOK 2,051,809 thousand per quarter end.

Refer to bond agreement available on www.scatecsolar.com/investor/debt and note 5 to the 2016 annual financial statements for further information and definitions.

The proceeds from the bond issue is included in the table above as net free cash flow from operations outside non-recourse financed companies.

Note 7 Income tax expense

For the third quarter and first nine months ended 30 September 2017, the effective income tax rate was primarily influenced by non-taxable gain on the sale of projects. Further, the effective tax rate is also affected by a reversal of valuation allowance on tax losses carried forward, partly offset by withholding tax paid on dividends from the South-African plants. The underlying tax rates in the companies in operation are in the range of 0%-35%. In some markets, Scatec Solar receives special tax incentives intended

to promote investments in renewable energy. The effective tax rate has been and will be impacted by the volume of construction activities as the tax rate in the construction companies normally is higher than in the project companies. This means that the full tax expense on the internal profit will not be eliminated and hence increase the effective tax rate during construction. The opposite effect will occur when the eliminated internal profit is reversed through lower depreciation at the tax rate of the project company.

Effective tax rate

NOK THOUSAND	Q3 2017	Q3 2016	YTD 2017	YTD 2016	FULL YEAR 2016
Profit before income tax	411,785	12,052	448,859	-16,568	98,897
Income tax (expense)/benefit	5,000	-866	-9,553	10,295	-28,410
Equivalent to a tax rate of (%)	1.2	7.2	2.1	62.1	28.7

Movement in deferred tax

NOK THOUSAND	Q3 2017	Q3 2016	YTD 2017	YTD 2016	FULL YEAR 2016
Net deferred tax asset at beginning of period	220,415	181,606	199,948	137,234	137,234
Recognised in the consolidated statement of profit or loss	10,422	1,845	15,340	17,225	-15,917
Deferred tax on financial instruments recognised in OCI	6,828	10,743	17,538	36,681	32,084
Recognised in the consolidated statement of changes in equity	566	899	4,563	3,615	4,374
Disposals of subsidiaries	-	-	-	-	29,118
Withholding taxes carried forward	-	-158	-	-1,715	-1,715
Translation differences	-8,882	4,196	-8,040	6,090	14,770
Net deferred tax asset at end of period	229,349	199,131	229,349	199,131	199,948

Note 8 Dividend

For 2016, the Board of Directors proposed a dividend of NOK 0.71 per share, totalling NOK 73,269 thousand (including the 9,380 thousand new shares issued as part of the private placement in March 2017). Distribution of dividends is resolved by a majority vote of the Annual General Meeting of the shareholders of the Company, and on the basis of a proposal from the

Board of Directors. The Annual General Meeting has the power to reduce, but cannot increase the dividend proposed by the Board of Directors. The share was trading excluding dividend rights (ex-date) on the first business day following the Annual General Meeting held 24 April 2017. The dividend was paid 15 June 2017.

Note 9 Current and non-current assets/liabilities – related parties and co-investors

As of 30 September 2017, Scatec Solar has receivables on non-controlling interests of NOK 88,361 thousand (126,385). NOK 65,862 thousand (89,485) of the receivables relates to committed but not paid equity in project companies in South Africa. Further included in other non-current receivables are loans provided to the equity consolidated company Scatec Energy (US) of NOK 10,230 thousand (11,475). In addition, the Group has receivables of NOK 4,248 thousand (3,557) on co-investors related to equity financing of project companies in Jordan. Scatec Solar also has loan receivables on executive management of NOK 5,798 thousand (7,211).

In relation to the structuring and financing of the project companies in the Group, financial instruments are issued by both the controlling and non-controlling interests. Such financing

is granted both as formal equity and shareholder loans.

The shareholder loans granted to Kalkbult, Linde, Dreunberg, ASYV, Oryx, EJRE and GLAE are recognised as equity as the instruments include no contractual obligations. The shareholder loans provided to the Agua Fria project company is recorded as a liability. Shareholder loans from non-controlling interests amounts to NOK 174,594 thousand (175,547) as of 30 September 2017. Other non-current liabilities include NOK 93,106 thousand (31,098) related to project development cost sharing agreements with equity partners related to projects in Egypt, Honduras, Mozambique and Kenya.

For further information on project financing provided by co-investors, refer note 25 to the 2016 annual financial statements.

Note 10 Trade and other payables

The consolidated trade and other payables of NOK 31,081 thousand mainly consist of construction related supplier credits. Consequently, the balance is affected by the activity level in the Development & Construction segment. The increased payables at 30 September 2017 compared to 31 December 2016 of NOK 29,346

thousand, reflects commencing of construction of the Malaysia portfolio and preparations of construction activities in Mozambique, offset by down payments of outstanding supplier credits related to the construction of Agua Fria and the Jordan portfolio, as well as the settlement of Utah Red Hills.

Note 11 Earnings per share and capital increase

During first quarter 2017 Scatec Solar successfully raised NOK 379,890 thousand through a private placement consisting of 9,380 thousand new shares at a price of NOK 40.50 per share. Total transaction cost for the capital increase is recognized in equity and amounted to NOK 6,927 thousand after tax.

Earnings per share is calculated as profit/(loss) attributable to the equity holders of the parent company divided by the average number of shares outstanding.

Diluted earnings per share is affected by the option program for equity-settled share based payment transaction established in October 2016, see note 26 Employee benefits in Annual report 2016.

NOK THOUSAND	Q3 2017	Q3 2016	YTD 2017	YTD 2016	FULL YEAR 2016
Profit/(loss) attributable to the equity holders of the company and for the purpose of diluted shares	382,996	-1,138	373,966	-42,732	3,502
Weighted average number of shares outstanding for the purpose of basic earnings per share	103,196	93,816	100,344	93,816	93,816
Earnings per share for income attributable to the equity holders of the company - basic (NOK)	3.71	-0.01	3.73	-0.46	0.04
Effect of potential dilutive shares:					
Weighted average number of shares outstanding for the purpose of diluted earnings per share	103,433	93,816	100,547	93,816	93,965
Earnings per share for income attributable to the equity holders of the company - diluted (NOK)	3.70	-0.01	3.72	-0.46	0.04

Note 12 Partnership in Brazil

The 29 September 2017 Scatec Solar signed an agreement to establish a 50/50 joint venture with Statoil to build, own and operate large scale solar plants in Brazil. As the first step of the agreement Statoil secured a 40% equity position in Scatec Solar's existing 162 MW Apodi project. Statoil paid USD 25 million for the project rights and for participation in the joint venture. Statoil is in addition injecting USD 35 million in the project companies to fund their share of the project. The joint venture will be responsible for construction, operation and maintenance as well as asset management of the plant.

As of the effective date Scatec Solar lost control (as defined by IFRS 10 for consolidation purposes) of the project companies and full consolidation ceased. Upon deconsolidation of the subsidiaries a net gain of NOK 176 million was recognized.

As of the same date the investments were equity consolidated as Scatec Solar and Statoil are considered to be in joint control of the investees. The joint venture is recognized at fair value, resulting in a net gain of NOK 199 million. The fair value adjustment is provisionally allocated to the power purchase agreement (PPA). No amortizations have been recorded as the PPA is not yet effective. The purchase price allocation will be completed during fourth quarter 2017.

Scatec Solar has concluded that the effective date of the transaction was the signing date. This is based on an analysis of closing precedents and conduct restrictions effectively transferring rights between the parties. Formal closing of the transaction took place 16 October 2017.

Note 13 Subsequent events

No events have occurred after the balance sheet date with significant impact on the interim financial statements for the third quarter 2017.

Alternative Performance Measures

Scatec Solar discloses alternative performance measures (APM's) in addition to those normally required by IFRS. This is based on the Group's experience that APM's are frequently used by analysts, investors and other parties for supplemental information.

APM's are meant to provide an enhanced insight into the operations, financing and future prospect of the Group. Management also uses these measures internally to drive performance in terms of long-term target setting. APM's are adjusted IFRS measures that are defined, calculated and used in a consistent and transparent manner over the years and across the Group where relevant.

Financial APMs should not be considered as a substitute for measures of performance in accordance with the IFRS. Disclosures of APMs are subject to established internal control procedures.

DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES USED BY THE GROUP FOR ENHANCED FINANCIAL INFORMATION

Net interest bearing debt (NIBD): is defined as total interest bearing debt, less cash and cash equivalents. NIBD does not include shareholder loans.

EBIT: is defined as earnings before interest and tax and corresponds to operating profit in the consolidated statement of profit or loss.

EBIT margin: is defined as EBIT divided by total revenues and other income.

EBITDA: is defined as operating profit adjusted for depreciation, amortisation and impairments.

EBITDA margin: is defined as EBITDA divided by total revenues and other income.

Scatec Solar's proportionate share: is defined as the equity holders of the parent company's proportionate share of consolidated revenues, expenses, profits and cash flows.

Project equity: is defined as equity and shareholder loans.

Cash in project companies in operation: is defined as restricted cash in proceed accounts, debt service reserve accounts, disbursements accounts, maintenance and insurance reserve accounts and similar. These cash and cash equivalents are only available to the Group through distribution as determined by shareholder and non-recourse financing agreements.

Cash in project companies under development/construction: comprise shareholder financing and draw down on term loan facilities by project companies to settle outstanding external EPC invoices.

Gross interest bearing debt: is defined as the Group's total debt obligations and consists of non-current and current external non-recourse financing and external corporate financing, irrespective of its maturity as well as bank overdraft and discounted notes.

Net gain project sale: is defined as sales revenue less costs from sale of project assets.

Gross margin: is defined as total sales revenue including net gain/loss from sale of project assets and net gain/loss from associates minus the cost of goods sold (COGS) divided by total sales revenue, expressed as a percentage. The gross margin represents the percentage of total sales revenue that the Group retains after incurring the direct costs associated with producing the goods and services.

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.

Book equity ratio: is defined as total equity divided by total assets.

SSO Proportionate Financials: calculates revenues and profits for Scatec Solar based on the proportionate equity ownership in its subsidiaries without eliminations. The Group introduced SSO Proportionate Financials as the Group is of the opinion that this method improves earnings visibility. The consolidated revenues and profits are mainly generated in the Power Production segment. Activities in Operation & Maintenance and Development & Construction segment mainly reflect deliveries to other companies controlled by Scatec Solar (with from 39% to 100% ownership), for which revenues and profits are eliminated in the Consolidated Financial Statements.

On the following pages are the reconciliation between SSO Proportionate Financial and consolidated financials for the Group:

Q3 2017

NOK THOUSAND	SSO PROPORTIONATE FINANCIALS	RESIDUAL OWNERSHIP INTERESTS	ELIMINATIONS	CONSOLIDATED FINANCIALS
Revenues	547.0	141.1	-408.3	279.7
Net gain/(loss) from sale of project assets	375.2	-	-	375.2
Net income/(loss) from associates	-0.1	0.1	-	-
Total revenues and other income	922.0	141.2	-408.3	654.9
Cost of sales	-355.8	-	355.8	-
Gross profit	566.2	141.2	-52.5	654.9
Operating expenses	-65.9	-17.6	23.1	-60.4
EBITDA	500.3	123.6	-29.4	594.5
Depreciation, amortisation and impairment	-39.1	-37.3	16.1	-60.3
Operating profit (EBIT)	461.2	86.4	-13.3	534.3
Profit/(loss)	394.2	29.1	-16.4	406.8
Net debt	1,839	1,813	-	3,652

Q3 2016

NOK THOUSAND	SSO PROPORTIONATE FINANCIALS	RESIDUAL OWNERSHIP INTERESTS	ELIMINATIONS	CONSOLIDATED FINANCIALS
Revenues	209.0	129.6	-57.9	280.7
Net gain/(loss) from sale of project assets	-	-	-	-
Net income/(loss) from associates	-0.1	-	-	-0.1
Total revenues and other income	208.9	129.6	-57.9	280.6
Cost of sales	-36.8	-	36.8	-
Gross profit	172.1	129.6	-21.2	280.6
Operating expenses	-61.3	-18.8	21.2	-58.9
EBITDA	110.8	110.8	-	221.7
Depreciation, amortisation and impairment	-48.1	-35.6	15.5	-68.1
Operating profit (EBIT)	62.7	75.3	15.5	153.6
Profit/(loss)	-13.7	17.3	7.6	11.2
Net debt	2,556	1,953	-	4,509

Q2 2017

NOK THOUSAND	SSO PROPORTIONATE FINANCIALS	RESIDUAL OWNERSHIP INTERESTS	ELIMINATIONS	CONSOLIDATED FINANCIALS
Revenues	165.2	136.2	-22.5	279.0
Net gain/(loss) from sale of project assets	-	-	-	-
Net income/(loss) from associates	-0.1	-	-	-0.1
Total revenues and other income	165.1	136.2	-22.5	278.9
Cost of sales	-	-	-	-
Gross profit	165.1	136.2	-22.5	278.9
Operating expenses	-65.4	-18.9	22.5	-61.8
EBITDA	99.7	117.3	-	217.0
Depreciation, amortisation and impairment	-42.1	-41.8	17.9	-66.0
Operating profit (EBIT)	57.5	75.6	17.9	151.1
Profit/(loss)	-25.7	19.6	7.6	1.5
Net debt	1,781	1,932	-	3,713

YTD 2017

NOK THOUSAND	SSO PROPORTIONATE FINANCIALS	RESIDUAL OWNERSHIP INTERESTS	ELIMINATIONS	CONSOLIDATED FINANCIALS
Revenues	855.1	428.5	-448.4	835.2
Net gain/(loss) from sale of project assets	375.2	-	-	375.2
Net income/(loss) from associates	-0.5	0.1	-	-0.4
Total revenues and other income	1,229.8	428.7	-448.4	1,210.0
Cost of sales	-355.8	-	355.8	-
Gross profit	874.0	428.7	-92.6	1,210.0
Operating expenses	-187.2	-52.2	63.2	-176.2
EBITDA	686.8	376.4	-29.4	1,033.8
Depreciation, amortisation and impairment	-120.9	-118.0	50.6	-188.2
Operating profit (EBIT)	565.9	258.5	21.2	845.6
Profit/(loss)	360.4	81.4	-2.5	439.3
Net debt	1,839	1,813	-	3,652

YTD 2016

NOK THOUSAND	SSO PROPORTIONATE FINANCIALS	RESIDUAL OWNERSHIP INTERESTS	ELIMINATIONS	CONSOLIDATED FINANCIALS
Revenues	1,022.9	352.6	-652.1	723.4
Net gain/(loss) from sale of project assets	1.6	-	-	1.6
Net income/(loss) from associates	-3.2	-	-	-3.2
Total revenues and other income	1,021.4	352.6	-652.1	721.8
Cost of sales	-539.5	-	539.5	-
Gross profit	481.9	352.6	-112.6	721.8
Operating expenses	-188.0	-47.5	53.1	-182.4
EBITDA	293.9	305.0	-59.5	539.4
Depreciation, amortisation and impairment	-136.1	-96.8	46.5	-186.3
Operating profit (EBIT)	157.8	208.3	-13.0	353.0
Profit/(loss)	-22.3	51.1	-35.1	-6.3
Net debt	2,556	1,953	-	4,509

FULL YEAR 2016

NOK THOUSAND	SSO PROPORTIONATE FINANCIALS	RESIDUAL OWNERSHIP INTERESTS	ELIMINATIONS	CONSOLIDATED FINANCIALS
Revenues	1,169.0	512.7	-668.8	1,012.9
Net gain/(loss) from sale of project assets	8.3	-	67.1	75.4
Net income/(loss) from associates	-3.4	-	-	-3.4
Total revenues and other income	1,173.9	512.7	-601.7	1,084.9
Cost of sales	-539.6	-	539.6	-
Gross profit	634.3	512.7	-62.1	1,084.9
Operating expenses	-257.9	-63.7	69.7	-251.9
EBITDA	376.4	449.0	7.7	833.0
Depreciation, amortisation and impairment	-229.6	-135.8	95.4	-270.1
Operating profit (EBIT)	146.8	313.1	103.1	563.0
Profit/(loss)	-6.1	-23.9	13.4	-16.7
Net debt	1,918	2,024	-	3,942

Cash flow to equity: is a measure that seeks to estimate value creation in terms of the company's ability to generate funds for equity investments in new solar power plant projects and/or for shareholder dividends over time. The measure is defined as EBITDA less normalised loan and interest repayments, less normalised income tax payments. The definition excludes changes in net working capital, investing activities and fair value adjustment of first time recognition of joint venture investments.

Net interest expense: is defined as interest income less interest expenses, excluding shareholder loan interest expenses and

accretion expenses on asset retirement obligations.

Normalised loan repayments: are calculated as the annual repayment divided by four quarters for each calendar year. However, loan repayments are normally made bi-annually. Loan repayments will vary from year to year as the payment plan is based on a sculpted annuity.

Normalised income tax payment: calculated as operating profit (EBIT) less normalized net interest expense multiplied with the nominal tax rate of the jurisdiction where the profit is taxed.

Q3 2017

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	242.5	8.8	184.2	-11.0	424.6
Net Interest expenses	-92.8	-	0.3	-9.1	-101.6
Normalised loan repayments	-56.4	-	-	-	-56.4
Normalised income tax payment	-15.8	-2.1	-1.9	4.9	-14.9
Cash flow to equity	77.5	6.8	182.6	-15.1	251.6
SSO average shareholding	54 %	100 %	100 %	100 %	
SSOs cash flow to equity	42.2	6.7	182.6	-15.1	216.4

Q2 2017

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	238.1	10.2	-17.5	-13.8	217.0
Net Interest expenses	-100.0	-	1.2	-8.3	-107.1
Normalised loan repayments	-59.8	-	-	-	-59.8
Normalised income tax payment	-9.9	-2.4	4.0	5.3	-2.9
Cash flow to equity	68.4	7.8	-12.3	-16.7	47.2
SSO average share	60 %	100 %	100 %	100 %	
SSOs cash flow to equity	41.1	7.8	-12.3	-16.7	19.9

Q1 2017

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	243.3	4.9	-15.4	-10.5	222.3
Net Interest expenses	-98.2	-	0.1	-9.1	-107.2
Normalised loan repayments	-59.4	-	-	-	-59.4
Normalised income tax payment	-16.8	-1.1	3.8	4.8	-9.4
Cash flow to equity	68.8	3.8	-11.4	-14.8	46.3
SSO average shareholding	0 %	100 %	100 %	100 %	
SSOs cash flow to equity	29.3	3.8	-11.4	-14.8	6.8

Q4 2016

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	247.7	4.7	-17.6	-8.4	226.4
Net Interest expenses	104.7	-	0.9	-9.2	-102.4
Normalised loan repayments	-35.1	-	-	-	-35.1
Normalised income tax payment	-3.5	-0.9	4.6	4.4	4.6
Cash flow to equity	104.5	3.8	-12.1	-13.2	93.6
SSO average shareholding	42 %	100 %	100 %	100 %	
SSOs cash flow to equity	44.1	3.8	-12.1	-13.2	22.6

Q3 2016

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	235.7	12.4	-13.9	-12.5	221.7
Net Interest expenses	-104.7	-	0.2	-9.9	-114.4
Normalised loan repayments	-34.8	-	-	-	-34.8
Normalised income tax payment	-16.7	-2.9	3.8	5.6	-10.1
Cash flow to equity	79.5	9.5	-9.8	-16.8	62.4
SSO average shareholding	58 %	100 %	100 %	100 %	
SSOs cash flow to equity	45.9	9.5	-9.8	-16.8	28.8

Other definitions

Backlog

Project backlog is defined as projects with a secure off-take agreement assessed to have more than 90% likelihood of reaching financial close and subsequent realisation.

Pipeline

Project pipeline is defined as projects assessed to have more than 50% likelihood of reaching financial close and subsequent realisation.

Opportunities

Project opportunities are defined as projects that have not yet reached a 50% likelihood of reaching financial close and subsequent realisation. However, the company has verified feasibility and business cases for the projects.

Definition of project milestones

Financial close (FC): The date on which all conditions precedent for drawdown of debt funding has been achieved and equity funding has been subscribed for, including execution of all project agreements. Notice to proceed for commencement of construction of the solar power plant will normally be given directly thereafter. Projects in Scatec Solar defined as “backlog” are classified as “under construction” upon achievement of financial close.

Start of Production (SOP): The first date on which the solar power plant generates revenues through sale of power under the off-take agreement. Production volumes and/or the price of the power may be lower than when commercial operation date (COD) is reached. This milestone is regulated by the off-take agreement with the power off-taker. This milestone may be reached prior to COD if the construction of a power plant is completed earlier than anticipated in the off-take agreement.

Commercial Operation Date (COD): A scheduled date when certain formal key milestones have been reached, typically including grid compliance, approval of metering systems and technical approval of plant by independent engineers. Production volumes have reached normalised levels sold at the agreed off-taker agreement price. This milestone is regulated by the off-taker agreement with the power off-taker.

Take Over Date (TOD): The date on which the EPC contractor hands over the power plant to the project company. COD must have been reached, in addition to delivery of training and all technical documentation before TOD takes place. The responsibility for Operations & Maintenance (O&M) of the plant is handed over from the EPC contractor to the O&M contractor at the TOD. This milestone will normally occur shortly after the COD date.

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