

Fourth 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 1,000 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

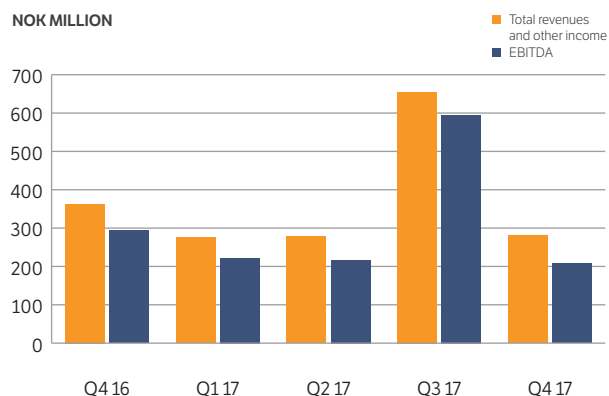
SCATEC SOLAR'S VALUE CHAIN



Q4'17 Highlights

- Q4'17 consolidated revenues of NOK 281 million and EBITDA of NOK 207 million
- Ramping up construction in Malaysia, Brazil and Honduras
- Financial close reached for 400 MW in Egypt with construction start expected in 1H 2018
- A new 40 MW project in Malaysia added directly to backlog
- Successful issuance of NOK 750 million green bond
- Board of Directors propose 2017 dividends of NOK 0.78 per share – up 10 percent from 2016

CONSOLIDATED REVENUES AND EBITDA



KEY FIGURES

NOK MILLION	Q4 2017	Q3 2017	Q4 2016	FY 2017	FY 2016
CONSOLIDATED FINANCIALS					
Total revenues and other income	281	655	363	1,492	1,085
EBITDA ¹⁾	207	595	294	1,241	833
Operating profit (EBIT ¹⁾)	148	534	210	993	563
Profit/(loss)	-1	407	77	438	70
Profit/(loss) to Scatec Solar	-35	383	46	339	4
Net interest bearing debt	4,358	3,652	3,942	4,358	3,942
Power Production (GWh)	167	157	204	627	791
Earnings per Share	-0.34	3.71	0.49	3.37	0.04
SSO PROPORTIONATE FINANCIALS ¹⁾					
Total revenues and other income	438	922	153	1,668	1,174
EBITDA	106	500	83	792	376
Operating profit (EBIT)	66	461	-11	632	147
Profit/(loss)	-35	394	-61	326	-84
Net interest bearing debt	2,013	1,839	1,918	2,013	1,918
Power Production (GWh)	71	72	107	282	356
SSO proportionate share of cash flow to equity ¹⁾:					
Power Production	30	42	44	142	148
Operation & Maintenance	3	7	4	22	24
Development & Construction	8	183	-12	167	-5
Corporate	-19	-15	-13	-65	-63
Total	22	216	23	265	104

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

Break down of proportionate financials

PROPORTIONATE FINANCIALS Q4 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	285.0	125.5	14.6	294.2	4.1	438.4
Cost of sales	-	-	-	-256.2	-	-256.2
Gross profit	285.0	125.5	14.6	38.0	4.1	182.2
Operating expenses	-35.6	-18.8	-11.0	-28.2	-18.7	-76.7
EBITDA	249.4	106.7	3.6	9.7	-14.6	105.5
Depreciation, amortisation and impairment	-74.9	-38.5	0.1	-0.8	-0.4	-39.5
Operating profit (EBIT)	174.4	68.2	3.7	8.9	-14.9	65.9

PROPORTIONATE FINANCIALS Q4 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	289.6	129.5	13.5	6.4	3.1	152.5
Cost of sales	-	-	-	-0.1	-	-0.1
Gross profit	289.6	129.5	13.5	6.3	3.1	152.4
Operating expenses	-41.9	-25.7	-8.8	-23.9	-11.5	-69.9
EBITDA	247.7	103.8	4.7	-17.6	-8.4	82.5
Depreciation, amortisation and impairment	-129.8	-90.7	-0.7	-1.9	-0.2	-93.5
Operating profit (EBIT)	118.0	13.1	3.9	-19.5	-8.6	-11.0

PROPORTIONATE FINANCIALS FULL YEAR 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	1,120.3	532.2	68.6	1,054.3	13.1	1,668.2
Cost of sales	-	-	-	-612.0	-	-612.0
Gross profit	1,120.3	532.2	68.6	442.3	13.1	1,056.2
Operating expenses	-147.1	-78.1	-41.2	-81.8	-62.8	-263.9
EBITDA	973.2	454.1	27.5	360.5	-49.8	792.3
Depreciation, amortisation and impairment	-310.2	-155.8	-0.7	-2.6	-1.4	-160.4
Operating profit (EBIT)	663.1	298.3	26.7	357.9	-51.1	631.8

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 power plant 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 fourth 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.

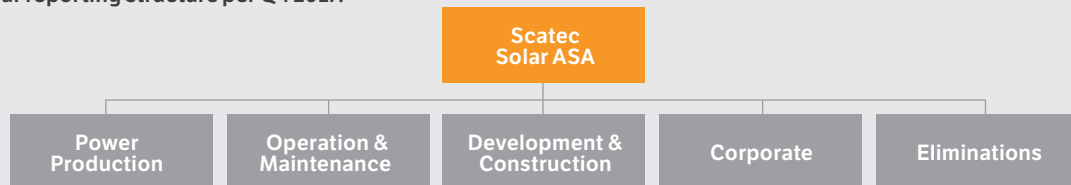
Development & Construction (D&C)

The D&C segment comprises of Scatec Solar's own development 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 fourth 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 Q4 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 285 million (290)² up from NOK 280 million in the previous quarter. Fourth quarter revenues and power production, excluding divestments, were in line with the same quarter last year. Power production reached 167 GWh.

Operating expenses amounted to NOK 36 million (42) in the fourth quarter down from 37 million in the previous quarter. The decrease from last year is mainly explained by the sale of the Utah Red Hills power plant in fourth quarter 2016.

EBITDA reached NOK 249 million (248) in the fourth quarter, up from NOK 243 million in the previous quarter. The EBITDA margin was 88% in line with the previous quarter.

Depreciation and amortisation amounted to NOK 75 million (130), in line with the previous quarter. In the fourth quarter 2016, an impairment charge of NOK 43 million was recognized following the sale of the Utah Red Hills plant and the exit from the US market.

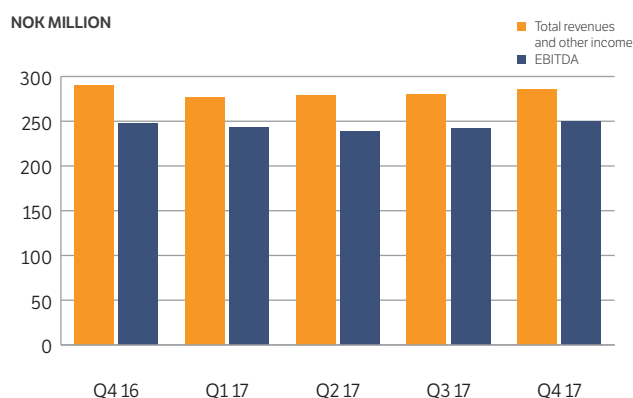
Scatec Solar's proportionate share of cash flow to equity from Power Production was NOK 27 million (44) in the fourth quarter, down from NOK 42 million in the previous quarter. The decrease in Scatec's Solar's proportionate share of cash flow in the fourth quarter is explained by seasonally changes reflecting relatively higher production in the plants with lower Scatec Solar ownership. The decrease from fourth quarter last year is mainly explained by increased debt repayments.

For the full year revenues amounted to NOK 1,121 million (1,011), while operating expenses decreased to NOK 147 million (157). EBITDA amounted to NOK 973 million (853), and EBIT to NOK 663 million (501). Scatec Solar's proportionate share of cash flow to equity from Power Production for the full year was NOK 142 million (148).

See separate tables for financials for each individual power plant company.

POWER PRODUCTION

– REVENUES AND EBITDA BY QUARTER



POWER PRODUCTION – KEY FIGURES

NOK MILLION	Q4'17	Q3'17	Q4'16	FY 17	FY 16
Revenues	285.8	279.7	289.6	1,121.1	1,010.6
Net income/(loss) JV and associated	-0.9	-	-	-0.7	-
Total revenues and other income	285.0	279.7	289.6	1,120.3	1,010.6
Operating expenses	-35.6	-37.3	-41.9	-147.1	-157.3
EBITDA	249.4	242.5	247.7	973.2	853.4
D&A and impairment	-74.9	-75.1	-129.8	-310.2	-352.0
EBIT	174.4	167.4	118.0	663.1	501.4

POWER PRODUCTION – KEY RATIOS (%)

	Q4'17	Q3'17	Q4'16	FY 17	FY 16
EBITDA margin	88 %	87 %	86 %	87 %	84 %
EBIT margin	61 %	60 %	41 %	59 %	50 %

PRODUCTION (MWH)

	MW	Q4'17	Q3'17	Q4'16	FY17	FY 16
Czech portfolio	20	2,359	7,210	2,157	21,755	21,327
Kalkbult	75	39,965	37,305	40,030	145,825	145,528
Dreunberg	75	51,126	35,489	52,158	158,451	160,266
Linde	40	28,479	19,962	28,170	88,776	88,447
ASYV	9	3,361	3,369	3,345	13,769	14,169
Agua Fria	60	23,145	24,882	24,072	97,626	100,948
Utah Red Hills	104	N/A	N/A	35,685	N/A	208,044
Jordan	43	18,455	28,477	18,752	100,926	52,091
MWh produced	426	166,892	156,694	204,370	627,130	790,822
- net to SSO	252	70,916	72,208	107,089	281,895	462,699

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

POWER PLANT COMPANIES - KEY FINANCIALS Q4 2017

NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	AGUA FRIA	JORDAN	SEGMENT OVERHEAD	TOTAL SEGMENT	SSO PROP. SHARE
Revenues	11.1	85.1	46.4	85.4	7.4	26.1	24.3	-0.8	285.0	125.5
OPEX	-3.4	-8.9	-3.9	-5.7	-1.1	-5.5	-2.5	-4.6	-35.6	-18.8
EBITDA	7.7	76.2	42.5	79.7	6.3	20.6	21.8	-5.4	249.4	106.7
EBITDA margin	69 %	90 %	92 %	93 %	86 %	79 %	90 %	N/A	88 %	85 %
Net Interest expenses ³⁾	-5.2	-26.4	-11.8	-23.7	-2.6	-9.1	-11.5	0.4	-89.9	-40.8
Normalised loan repayments ³⁾	-5.9	-8.2	-7.4	-13.8	-3.2	-11.8	-6.8	-	-57.0	-28.0
Normalised income tax payments ³⁾	1.4	-9.6	-6.4	-11.2	-0.3	-	0.2	1.3	-24.7	-8.0
Cash flow to equity	-2.0	32.0	16.9	31.1	0.2	-0.3	3.7	-3.7	77.7	30.0
SSO shareholding	100 %	39 %	39 %	39 %	54 %	40 %	90/50.1 %	-	-	-

POWER PLANT COMPANIES - KEY FINANCIALS FULL YEAR 2017

NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	AGUA FRIA	JORDAN	SEGMENT OVERHEAD	TOTAL SEGMENT	SSO PROP. SHARE
Revenues	98.6	320.6	149.9	272.0	30.7	111.7	136.8	-0.1	1,120.3	532.2
OPEX	-9.7	-36.6	-18.0	-28.9	-4.5	-18.9	-10.4	-20.0	-147.1	-78.1
EBITDA	88.9	284.0	131.9	243.1	26.2	92.8	126.4	-20.1	973.2	454.1
EBITDA margin	90 %	89 %	88 %	89 %	85 %	83 %	92 %	N/A	87 %	85 %
Net Interest expenses ³⁾	-20.2	-110.1	-51.8	-106.0	-11.2	-37.7	-47.1	3.0	-380.9	-170.6
Normalised loan repayments ³⁾	-22.8	-33.8	-30.6	-57.2	-13.0	-47.8	-27.5	-	-232.6	-113.3
Normalised income tax payments ³⁾	-6.3	-30.0	-12.7	-19.7	-1.2	-	-1.6	4.3	-67.2	-27.9
Cash flow to equity	39.7	110.0	36.8	60.2	0.9	7.3	50.2	-12.7	292.5	142.4
SSO shareholding	100 %	39 %	39 %	39 %	54 %	40 %	90/50.1 %	-	-	-

POWER PLANT COMPANIES – FINANCIAL POSITION AND WORKING CAPITAL BREAK-DOWN

AS OF 31 DECEMBER 2017

NOK MILLION	IN OPERATION										CONSOLI- DATED
	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	AGUA FRIA	JORDAN	SPVS UNDER CONSTR- UCTION ⁵⁾	POWER COMPANIES TOTAL	D&C, O&M, CORPORATE & ELIMINATIONS	
Project equity ³⁾	174.1	189.8	138.6	283.4	43.0	339.8	588.5	619.1	2,376.2	-489.0	1,887.2
Total assets	625.4	1,351.5	742.9	1,475.6	174.0	978.0	1,235.1	2,795.1	9,377.6	862.8	10,240.4
PP&E ⁴⁾	518.9	1,111.1	608.7	1,206.9	154.2	807.4	972.6	783.2	6,162.9	-582.5	5,580.4
Cash ³⁾	53.0	169.7	74.2	139.2	12.9	115.2	228.6	1,290.6	2,083.5	779.6	2,863.1
Gross interest bearing debt ³⁾	398.0	1,018.7	538.7	1,097.4	125.5	531.5	772.8	2,001.3	6,484.0	737.3	7,221.3
Net interest bearing debt ³⁾	345.0	848.9	464.6	958.2	112.6	416.3	544.2	710.7	4,400.5	-42.3	4,358.2
Net working capital ³⁾	-24.1	28.6	0.4	-34.7	-9.4	-2.0	-90.2	687.7	556.4	-694.5	-138.1

3) Refer to appendix for definition of this measure

4) The amount of NOK 582.5 million is net after reduction for capitalised spending on projects under development and construction NOK 704 million and NOK 640 million respectively.

5) SPVs under construction as of 31 December 2017 are the Quantum projects in Malaysia and Los Prados in Honduras. In addition to the numbers presented for these consolidated entities, SSO has done a contribution of NOK 205 million of project equity into the SPVs in Brazil which are equity-consolidated as joint ventures in the balance sheet in the group.

Operation & Maintenance

The Operation & Maintenance activities are fairly stable in their nature. Revenues currently have some seasonality 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 15 million (14) in the fourth quarter, a decrease from the previous quarter, but slightly up from the same quarter last year. Revenues are recognized based on O&M contracts totalling 289 MW, same as for 2016.

Operating expenses reached NOK 11 million (9), in line with the previous quarter.

EBITDA amounted to NOK 4 million (5) in the fourth quarter, corresponding to an EBITDA-margin of 25% (35%).

Depreciation and amortisation in the quarter amounted to NOK -0.1 million (0.7), and EBIT was NOK 3.7 million (3.9).

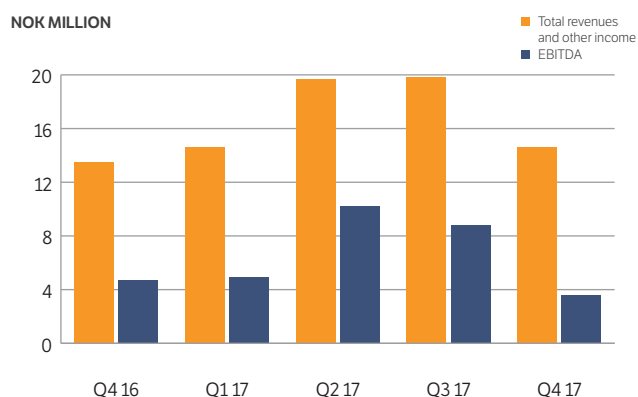
Scatec Solar's proportionate share of cash flow to equity from Operation & Maintenance for the fourth quarter was NOK 3 million (4).

The decrease in revenues and EBITDA quarter on quarter is mainly due to lower O&M performance bonus reflecting seasonally lower performance ratio. Several of the O&M contracts include performance bonus provisions, securing the company up to 50% of revenues generated above pre-defined performance levels (irrespective of irradiation levels).

Total revenue for 2017 reached NOK 69 million (62), while operating expenses came to a total of NOK 41 million (31). EBITDA amounted to NOK 28 million (32) and EBIT reached NOK 27 million (29). Scatec Solar's proportionate share of cash flow to equity from Operation & Maintenance for the full year was NOK 22 million (24).

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 as well cost related to O&M preparations for plants under construction. 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	Q4'17	Q3'17	Q4'16	FY 17	FY 16
External revenues		-	-	-	2.3
Internal revenues	14.6	19.8	13.5	68.6	59.9
Operating expenses	-11.0	-11.0	-8.8	-41.2	-30.6
EBITDA	3.6	8.8	4.7	27.5	31.6
D&A and impairment	0.1	-0.2	-0.7	-0.7	-2.3
EBIT	3.7	8.6	3.9	26.7	29.3

OPERATION & MAINTENANCE – KEY RATIOS (%)

	Q4'17	Q3'17	Q4'16	FY 17	FY 16
EBITDA margin	25 %	44 %	35 %	40 %	51 %
EBIT margin	25 %	43 %	29 %	39 %	47 %

Development & Construction

Revenues in the Development & Construction (D&C) segment amounted to NOK 269 million (6) in the fourth quarter.

The construction projects in Honduras and Malaysia generated revenues of NOK 200 million in the quarter. Construction revenues are recognised on a percentage-of-completion (PoC) basis, and defined as cost incurred over total expected cost.

In October 2017, Scatec Solar and partners achieved financial close for six solar PV power plants in Egypt totalling 400 MW. At financial close all rights and permits were transferred to the power plant companies which will own and operate the solar power plants, and this generated total development revenues of NOK 69 million for the D&C segment.

The construction of the Apodi project in Brazil through the 50/50 joint venture with Statoil generated a net income of NOK 9 million in the quarter.

Cost of sales for the segment reached NOK 234 million (0) in the fourth quarter, generating a gross margin of 13%.

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

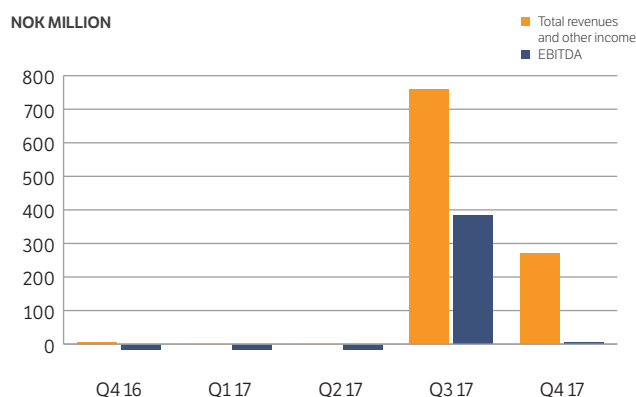
Operating expenses were NOK 27 million (24) in the fourth quarter. This comprised of approximately NOK 18 million (15) for early stage development of new projects and NOK 9 million (9) related to construction. The increase in operating expense is mainly explained by higher spending on early stage development of project opportunities (which are not capitalised)

EBITDA was NOK 8 million (-18) in the fourth quarter. Depreciation, amortisation and impairment amounted to NOK 1 million (2). EBIT was thus NOK 7 million (-19).

Scatec Solar's proportionate share of cash flow to equity from Development & Construction in the quarter was NOK 8 million (-12).

For the full year, revenues amounted to NOK 1,029 million (604), with a gross margin of 43% (11%). Operating expenses increased slightly to NOK 80 million (77). EBITDA was NOK 359 million (-12) and EBIT NOK 356 million (-23). Scatec Solar's proportionate share of cash flow to equity from Development & Construction for the full year was NOK 167 million (-5).

DEVELOPMENT & CONSTRUCTION – REVENUES AND EBITDA BY QUARTER



DEVELOPMENT & CONSTRUCTION – KEY FIGURES

NOK MILLION	Q4'17	Q3'17	Q4'16	FY 17	FY 16
Internal revenues	268.6	385.3	-	654.1	599.0
Net gain project sale	2.6	375.2	6.7	377.8	8.3
Net income/(loss) JV and associated	-2.0	-0.1	-0.2	-2.5	-3.4
Total revenue and other income	269.2	760.4	6.4	1,029.4	603.9
Cost of sales	-234.4	-355.8	-0.1	-590.2	-539.6
Gross profit	34.8	404.6	6.3	439.1	64.4
Operating expenses	-26.8	-21.0	-23.9	-80.4	-76.6
EBITDA	8.0	383.6	-17.6	358.7	-12.2
D&A and impairment	-0.8	-0.6	-1.9	-2.6	-10.4
EBIT	7.2	383.0	-19.5	356.1	-22.7

DEVELOPMENT & CONSTRUCTION – KEY RATIOS (%)

	Q4'17	Q3'17	Q4'16	FY 17	FY 16
Gross margin	13 %	53 %	99 %	43 %	11 %
EBITDA margin	3 %	50 %	-273 %	35 %	-2 %
EBIT margin	3 %	50 %	-303 %	35 %	-4 %

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 15 million (9) in the fourth quarter and NOK 51 million (48) for the full year.

CORPORATE – KEY FIGURES

NOK MILLION	Q4'17	Q3'17	Q4'16	FY 17	FY 16
Total revenues	4.1	3.3	3.1	13.1	9.8
Operating expenses	-18.7	-14.3	-11.5	-62.8	57.2
D&A and impairment	-0.4	-0.4	-0.2	-1.4	-0.8
EBIT	-14.9	-11.3	-8.6	-51.1	-48.1
Net external interest expenses	-10.0	-9.2	-9.2	-36.5	-37.2

Revenues in the corporate segment refers to management fees charged to the other operating segments for corporate services rendered and remains fairly stable from quarter to quarter. Net interest expenses of NOK -10 million (-9.2) is primarily related to corporate funding and the NOK 750 million senior unsecured green bond. See note 6 for further information.

ELIMINATIONS – KEY FIGURES

NOK MILLION	Q4'17	Q3'17	Q4'16	FY 17	FY 16
Revenues	-287.3	-408.3	50.5	-735.8	-668.8
Net income/(loss) JV and associated	-4.1	-	-	-4.1	67.1
Cost of sales	234.4	355.8	0.1	590.2	539.6
Operating expenses	18.1	23.1	16.6	81.3	69.7
EBITDA	-39.0	-29.4	67.2	-68.4	7.7
D&A	16.2	16.1	48.9	66.8	95.4
EBIT	-22.8	-13.3	116.1	-1.6	103.1

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 fourth quarter this effect amounted to NOK 16 million (16) and for the full year it was NOK 67 million (63).

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 18 million (17) in the fourth quarter and NOK 81 million (70) for the full year.

CONSOLIDATED INCOME STATEMENT

NOK MILLION	Q4'17	Q3'17	Q4'16	FY 17	FY 16
Revenues	281	655	363	1,492	1,085
EBITDA	207	595	294	1,241	833
Operating profit (EBIT)	148	534	210	993	563
Profit before income tax	12	412	115	461	99
Profit/(loss) for the period	-1	407	77	438	70
Profit/(loss) to Scatec Solar	-35	383	46	339	4
Profit/(loss) to non-controlling interests	33	24	31	99	67
Total assets	10,240	7,464	7,075	10,240	7,075
Equity (%) ⁶⁾	18 %	25 %	19 %	18 %	19 %
Net interest bearing debt	4,358	3,652	3,942	4,358	3,942

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 power plant companies at full amount. This reduces the consolidated equity and equity ratio.

Revenues

Scatec Solar reported consolidated revenues of NOK 281 million in the fourth quarter 2017, down from NOK 363 million in the same period last year, with the reduction reflecting the gain from the sale of the Utah Red Hills plant ultimo December 2016.

For the full year, revenues amounted to NOK 1,492 million (1,085). With the growth reflecting gain from the partial sale of the Apodi project in Brazil of NOK 375 million in the third quarter, increased power production revenues from the Jordan plants, offset by the sale of the Utah Red Hills plant. See note 12 for further information on the Apodi transaction. Net revenues included NOK 378 million (75) of gain from sale of project assets and NOK -7 million (-3) of loss from JVs and associated companies.

Operating expenses

Consolidated operating expenses amounted to NOK 74 million (69) in the fourth quarter. This comprised of approximately NOK 32 million (37) for operation of existing power plants, NOK 18 million (15) for early stage development of new projects, NOK 9 million (9) related to construction and NOK 15 million (8) of corporate expenses (excluding eliminated intersegment charges).

Personnel expenses amounted to NOK 27 million (19) and other operating expenses to NOK 47 million (51).

For the full year, consolidated operating expenses amounted to NOK 250 million (252).

Operating profit

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to NOK 207 million (294) in the fourth quarter and NOK 1,241 million (833) for the full year. 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 (84) in the fourth quarter and NOK 248 million (270) for the full year. The decrease is mainly explained by reduced impairment charges following the exit of the US market.

Thus, operating profit (EBIT) was NOK 148 million (210) in the fourth quarter and NOK 993 million (563) for the full year.

Net financial items

NET FINANCIAL ITEMS – KEY FIGURES

NOK MILLION	Q4'17	Q3'17	Q4'16	FY 17	FY 16
Interest income	10.2	11.1	14.1	50.9	50.4
Other financial income	0.2	-	-	0.4	0.4
Financial income	10.4	11.1	14.1	51.2	50.8
Interest expenses	-115.0	-116.1	-133.7	-482.1	-496.3
Other financial expenses	-31.6	-3.2	-2.0	-41.7	-8.5
Financial expenses	-146.7	-119.3	-135.7	-523.8	-504.8
Foreign exchange gains/(losses)	0.7	-14.3	27.2	-59.9	-10.1
Net financial expenses	-135.6	-122.5	-94.4	-532.3	-464.1

Financial income amounted to NOK 10 million (14) in the fourth quarter and NOK 51 million (51) for the full year.

Financial expenses amounted to NOK 147 million (136) in the fourth quarter. The decreased interest expenses compared to fourth quarter 2016 are explained by the sale of the Utah Red Hills plant ultimo December 2016. Interest expenses from the solar power plant companies amounted to NOK 100 million (126) whereas interest expenses on corporate funding amounted to NOK 11 million (11) in the fourth quarter.

During fourth quarter Scatec Solar refinanced the NOK 500 million senior unsecured green bond with maturity in November 2018. The refinancing included certain one-off expenses, including early redemption price above par. The one-off expenses are included in other financial expenses with NOK 27 million. See note 6 for further information.

For the full year, financial expenses amounted to NOK 532 million (505).

Foreign exchange gains(+)/losses(-) amounted to NOK 1 million (27) in the fourth quarter and NOK -60 (-10) for the full year. These effects are largely reflecting the strengthening of the EUR and weakening of the USD during the year and are mainly non-cash and related to intercompany balances.

Profit before tax and net profit

Profit before income tax was NOK 12 million (115) in the fourth quarter and NOK 461 million (99) for the full year.

Income tax expense was NOK 13 million (39) in the fourth quarter and NOK 23 million (28) for the full year. 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 for the full year is primarily influenced by non-taxable gain on sale of projects.

Net profit was NOK -1 million (77) in the fourth quarter and NOK 438 million (70) for the full year.

A profit of NOK -35 million (46) was attributable to the equity holders of Scatec Solar in the fourth quarter and NOK 339 million (4) in the full year. A profit of NOK 33 million (31) was attributable to non-controlling interests in the fourth quarter and NOK 99 million (67) for the full year.

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 fourth quarter the NOK depreciated against two of the Group's main currencies (USD and CZK) and appreciated against ZAR compared to the average rates for the third quarter. This positively affected consolidated revenues by approximately NOK 2 million quarter on quarter while the net impact on net profit in the quarter was less than NOK 0.5 million.

The quarter-on-quarter net foreign currency losses was up NOK 15 million, from a loss of NOK 14 million in the third quarter compared to a gain of NOK 1 million in the fourth quarter. These currency effects are to a large extent related to non-cash gains/losses on intercompany balances.

Following the movements in currencies in the fourth quarter, the Group has recognised a foreign currency translation gain of NOK 38 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 power plant companies.

CONSOLIDATED CASH FLOW

Net cash flow from consolidated operating activities amounted to NOK 176 million (215) in the fourth quarter 2017, compared to the EBITDA of NOK 207 million. The difference between the cash flow and EBITDA is primarily affected by changes in the working capital.

Net cash flow from consolidated investing activities was NOK -536 million (212), mainly driven by further investment in plants in Egypt, Honduras, Malaysia and development of project pipeline and backlog.

Net cash flow from financing activities was NOK 1,932 million (-200), mainly affected by the green SRI Sukuk (Islamic bond) issued by the Group, and proceeds from corporate bond issue, this was reduced by interest and down payments on non-recourse

financing of NOK -276 (-290) as well as dividends paid to non-controlling interests of NOK 77 million.

For the full year, net cash flow from consolidated operating activities was NOK 844 million (732), while the net negative cash flow from consolidated investing activities was NOK -874 million (-582). Net cash flow from consolidated financing activities amounted to NOK 1,640 million (-660), mainly impacted by the fourth quarter events.

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"⁷⁾, 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 EQUITY⁸⁾

NOK MILLION	Q4'17	Q3'17	Q4'16	FY 17	FY 16
Power Production	30.0	42.2	44.1	142.5	148.3
Operation & Maintenance	3.2	6.7	3.7	21.5	24.3
Development & Construction	7.7	182.6	-12.0	166.6	-5.1
Corporate	-18.6	-15.1	-13.2	-65.2	-63.1
Total	22.3	216.4	22.6	265.4	104.3

"Scatec Solar's proportionate share of cash flow to equity" was NOK 22 million (23) in the fourth quarter. The decrease compared to the previous quarter is mainly explained by the gain from sale of projects in the D&C segment in the third quarter 2017.

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 1,887 million (1,313)⁸⁾ as of 31 December 2017, representing an increase of NOK 44 million during fourth quarter and NOK 574 during the full year. The increase is mainly due to profit for the period of NOK 438 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 power plant companies to non-controlling interests of NOK 185 million.

The book equity ratio decreased to 18.4% at the end of the fourth quarter from 24.7% at the end of the third quarter mainly driven by increased total debt following the issuance of the green SRI Sukuk (Islamic bond) of NOK 1.975 million in Malaysia.

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 74% at the end of the fourth quarter. See note 6 for more information on the corporate bond agreement.

Total assets amounted to NOK 10,240 million (7,075) as of 31 December 2017, an increase of NOK 2,773 million during fourth quarter and an increase of NOK 3,165 for the full year.

Non-current assets amounted to NOK 6,580 million (5,591) as of 31 December 2017, an increase of NOK 663 million during fourth quarter and NOK 989 million for the full year. The continued investment in projects under construction, backlog and pipeline projects as well as positive currency translation effects following the strengthening of the ZAR are the main reasons for the increase. In addition to the above, the year-on-year increase is also impacted by the fair value adjustment following the partial sale of the Brazilian projects increasing non-current assets by approximately NOK 199.

Current assets amounted to NOK 3,661 million (1,484), which was an increase of NOK 2,110 million during fourth quarter and an increase of NOK 2,176 million for the full year – mainly explained by increased cash balances related to the SRI Sukuk bond. Working capital changes related to the ongoing construction projects also increased current assets quarter-on-quarter and year-on-year.

Of the total cash and cash equivalents of NOK 2,863 million, NOK 793 million was cash in power plant companies in operation, and NOK 1,324 million was cash in power plant companies under development and construction. Other restricted cash amounted to NOK 58 million and NOK 688 million was free cash at the Group level.

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

Total liabilities increased to NOK 8,351 million from NOK 5,762 at the end of fourth quarter 2016.

Total non-current liabilities amounted to NOK 7,418 million at the end of fourth quarter, compared to NOK 4,968 at the end of third quarter and NOK 5,253 million at the end of fourth quarter 2016. NOK 6,164 million of this was non-recourse project financing pledged only to the assets and performance of each individual project, compared to NOK 3,920 at the end of third quarter and 4,304 million at the end of fourth quarter 2016. The issuance of the SRI Sukuk bond accounts for the increase in the quarter. For the full year, a total of NOK 667 million was paid to service interest and principal of the non-recourse financing. Further the balance is increased by currency translation effects of NOK 134 following the appreciation of the ZAR. Further, the bond debt increased from NOK 497 million in the third quarter to NOK 741 million in the fourth quarter following the refinancing of the corporate bond.

Total current liabilities increased to NOK 935 million, from NOK 657 million at the end of third quarter and NOK 509 million at the end of fourth quarter 2016. The increase for the full year is explained by increased accrual for interest on current

7) Refer to appendix for definition of this measure

8) Number in brackets for the consolidated statement of financial position refers to comparable information per 31 December 2016

non-recourse project financing liabilities as well as working capital changes following the commencement of construction activities in Honduras and Malaysia.

PROJECTS UNDER CONSTRUCTION, BACKLOG, PIPELINE AND OPPORTUNITIES

PROJECT STAGE (IN MW)	Q4 2017 ⁹⁾	Q3 2017 ⁹⁾
In operation	322	322
Under construction	394	394
Project backlog	789	749
Project pipeline	745	745
Project opportunities	2,800	2,357

9) 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 ¹⁰⁾	CAPEX ESTIMATE (MILLION)	ANNUAL PRODUCTION (GWH)
Quantum, Malaysia	197	MYR	1,235	282
Apodi, Brazil	162	BRL	680	305
Los Prados, Honduras	35	USD	80	73
Backlog				
Aswan, Egypt	400	USD	450	870
Upington, South Africa	258	ZAR	4,200	645
Mocuba, Mozambique	40	USD	80	77
Segou, Mali	33	EUR	52	60
Los Prados II, Honduras	18	USD	20	37
RedSol, Malaysia	40	MYR	200	65
Total	1,183	NOK	12,200	2,414

10) 'Currency' specifics of PPA tariff, capex and project finance debt.

Total annual revenues from the 1,183 MW under construction and in backlog is expected to reach NOK 1,700 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 projects under construction and in backlog represents NOK 1,800 million of which NOK 950 million remains to be funded at the end of 2018. D&C after tax cash flow from projects under construction and in backlog is estimated to NOK 950-1,050 million.

Under construction

Quantum, 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 6 October 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 in 2017. Civil works are approaching completion on all three sites and mechanical installation has started. Grid connection is planned sequentially during the first half of 2018.

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.

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.

Scatec Solar will continue construction work in close corporation with Honduran authorities. The situation has had some impacted overall project cost and schedule. At the end of fourth quarter the expected cash cost to complete the 35 MW in the first phase is estimated to USD 30 million (of a total capex of USD 80 million).

Apodi, 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 power plant companies have since then signed 20-year PPAs with CCEE, the Brazilian Power Commercialization Chamber.

On 29 September 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 power plant companies to fund their share of the project.

Subsequently Scatec Solar and Statoil acquired additional 8% of the project rights from Kroma. Following this transaction Scatec Solar owns 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 started in the fourth quarter 2017. Civil works are approaching completion and mechanical installation will commence soon. Grid connection is planned during second half of 2018.

Backlog

Aswan, 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 are estimated at USD 450 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 in October 2017, and financial close was achieved in the same month.

The final conditions for first drawdown of the project debt are being cleared and 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 5% of the equity. The authorities have requested the Sponsors to secure black investors to contribute with the remaining 35% of 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 preparations for signing all agreements were close to being finalized before the year end 2017. Scatec Solar has finalized debt financing with lenders and is ready to move forward once the Authorities have finalized preparations.

Mocuba, 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.

In June 2017, 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.

Segou, 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 InfraVentures 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 in the first quarter 2018. 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.

RedSol, Malaysia, 40 MW

In December 2017, Scatec Solar ASA and partners were awarded a 40 MW PV project in the PSS2 tender held by the Energy Commission in Malaysia.

The power plant, located in the state of Perak in Northwest Malaysia, is expected to deliver 65 GWh of electricity per year with annual revenues of approximately USD 6 million. Work has started to secure project finance from commercial banks in Malaysia and capex is estimated to USD 50 million.

Scatec Solar will be an equity partner, turn-key EPC provider and provide operation & maintenance as well as asset management services to the power plant.

The project will be realized together with Fumase, a US- and Malaysia-based asset management and development company focused on renewable energy in South and Southeast Asia.

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 11 November 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. In 2017, the bid validity was extended by SSO until February 2018 at request of IPP Office.

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 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 hearing of the tariff application took place during Q4 2017. No major concerns were raised in the hearing and Scatec Solar is expecting official feedback on the tariff application in first half 2018.

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, Kenenergy, 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. Updated commercial terms have been agreed with the Ministry of Energy and the next step will be to sign the concession agreement with the Ministry of Energy and the Ministry of Finance and the power purchase agreement 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.

Close to 400 MW of new project opportunities has been identified in the fourth quarter as a result of dedicated market efforts. This is a combination of bi-lateral negotiations, FiT markets and auction processes.

Scatec Solar now holds project opportunities with a combined capacity of about 2,800 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%.
- 2018 cash flow to Scatec Solar equity for plants in operation is expected to reach NOK 160-180 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 430-480 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 power plant companies in the portfolio. SSO proportionate share of the cash reserves expected to be released is estimated to NOK 50-70 million.

2018 AND Q1 2018 GUIDANCE

Power Production (PP)

In 2018 power production is expected to reach 635 GWh compared to 627 GWh in 2017. The increase is explained by normalized irradiation levels and somewhat better plant performance partly offset by normal module degradation.

In first quarter 2018 power production is expected to reach 160 GWh compared to 167 GWh in fourth quarter. The decrease is explained by seasonally lower production.

Operation and Maintenance (O&M)

2018 O&M revenues from plants in operation are expected to reach NOK 70-80 million with an EBITDA margin of 40-45%.

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.

Remaining EPC contract value of projects in Malaysia, Honduras and Brazil is approximately NOK 2.6 billion.

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 750 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 power plant 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 power plant companies. For 2017, NOK 151 million has been distributed from the power plant companies.

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 risk 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 fourth 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	Q4 2017	Q4 2016	FULL YEAR 2017	FULL YEAR 2016
Revenues	2	285,821	289,588	1,121,052	1,012,938
Net gain/(loss) from sale of project assets	2,3,12	2,606	73,787	377,821	75,405
Net income/(loss) from JVs and associated companies	2	-6,974	-242	-7,371	-3,394
Total revenues and other income		281,453	363,126	1,491,502	1,084,942
Personnel expenses	2	-26,795	-18,724	-94,673	-86,199
Other operating expenses	2	-47,210	-50,767	-155,539	-165,713
Depreciation, amortisation and impairment	2,3	-59,843	-83,734	-248,058	-270,083
Operating profit		147,605	209,908	993,232	562,954
Interest and other financial income	4,5	10,389	14,110	51,224	50,796
Interest and other financial expenses	4,5	-146,664	-135,717	-523,761	-504,801
Net foreign exchange gain/(losses)	4,5	696	27,164	-59,810	-10,052
Net financial expenses		-135,579	-94,443	-532,347	-464,057
Profit/(loss) before income tax		12,026	115,465	460,885	98,897
Income tax (expense)/benefit	7	-13,422	-38,705	-22,975	-28,410
Profit/(loss) for the period		-1,396	76,760	437,910	70,487
Profit/(loss) attributable to:					
Equity holders of the parent		-34,870	46,234	339,096	3,502
Non-controlling interests		33,474	30,526	98,814	66,985
Basic earnings per share (NOK)	11	-0.34	0.49	3.36	0.04
Diluted earnings per share (NOK)	11	-0.34	0.49	3.35	0.04

The interim financial information has not been subject to audit.

Interim consolidated statement of comprehensive income

NOK THOUSAND	NOTES	Q4 2017	Q4 2016	FULL YEAR 2017	FULL YEAR 2016
Profit/(loss) for the period		-1,396	76,760	437,910	70,487
Other comprehensive income:					
Items that may subsequently be reclassified to profit or loss					
Net movement of cash flow hedges	5	870	16,420	-61,780	-114,582
Income tax effect	7	-679	-4,597	16,858	32,084
Foreign currency translation differences		37,676	70,773	30,760	5,341
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		37,867	82,596	-14,162	-77,157
Total comprehensive income for the period net of tax		36,471	159,356	423,748	-6,670
Attributable to:					
Equity holders of the parent		-50,440	72,290	336,050	-69,115
Non-controlling interests		86,911	87,069	87,698	62,446

The interim financial information has not been subject to audit.

Interim consolidated statement of financial position

NOK THOUSAND	NOTES	AS OF 31 DECEMBER 2017	AS OF 31 DECEMBER 2016
ASSETS			
Non-current assets			
Deferred tax assets	7	401,901	327,456
Property, plant and equipment – in solar projects	3	5,580,404	5,059,802
Property, plant and equipment – other	3	37,926	21,465
Goodwill		24,138	22,289
Financial assets	4,5	176	18,237
Investments in JVs and associated companies	12	415,149	-
Other non-current assets	9	120,095	141,789
Total non-current assets		6,579,789	5,591,038
Current assets			
Trade and other receivables		238,789	231,484
Other current assets	9	558,526	114,104
Financial assets	4,5	157	1,289
Cash and cash equivalents	6	2,863,091	1,137,224
Total current assets		3,660,563	1,484,101
TOTAL ASSETS		10,240,352	7,075,139

The interim financial information has not been subject to audit.

Interim consolidated statement of financial position

NOK THOUSAND	NOTES	AS OF 31 DECEMBER 2017	AS OF 31 DECEMBER 2016
EQUITY AND LIABILITIES			
Equity			
Share capital	11	2,580	2,345
Share premium	11	1,194,660	819,053
Total paid in capital		1,197,240	821,398
Retained earnings		31,024	-221,977
Other reserves		81,659	85,309
Total other equity		112,683	-136,668
Non-controlling interests		577,305	628,009
Total equity	8	1,887,228	1,312,739
Non-current liabilities			
Deferred tax liabilities	7	184,948	127,508
Non-recourse project financing	4	6,163,851	4,304,098
Bonds	6	740,799	495,417
Financial liabilities	4,5	28,657	7,330
Other non-current liabilities	9	299,436	318,798
Total non-current liabilities		7,417,691	5,253,151
Current liabilities			
Trade and other payables	10	216,339	29,346
Income tax payable	7	19,400	10,680
Non-recourse project financing	4	316,645	279,473
Financial liabilities	4,5,6	26,576	6,584
Other current liabilities	9	356,473	183,166
Total current liabilities		935,433	509,249
Total liabilities		8,353,124	5,762,400
TOTAL EQUITY AND LIABILITIES		10,240,352	7,075,139

The interim financial information has not been subject to audit.

Oslo, 25 January, 2018
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	-	-	3,502	-	-	3,502	66,986	70,487
Other comprehensive income	-	175	3,703	-43,749	-32,745	-72,616	-4,541	-77,158
Total comprehensive income	-	175	7,205	-43,749	-32,745	-69,114	62,445	-6,670
Share-based payment	-	10,975	-	-	-	10,975	-	10,975
Dividend distribution	-	-	-61,196	-	-	-61,196	-173,698	-234,892
Capital increase from NCI ^{1) 2)}	-	-	-13,381	-	-	-13,381	121,007	107,626
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	-	-	339,096	-	-	339,096	98,814	437,910
Other comprehensive income	-	-	605	20,789	-24,439	-3,045	-11,117	-14,162
Total comprehensive income	-	-	339,701	20,789	-24,439	336,051	87,697	423,748
Share-based payment	-	2,879	-	-	-	2,879	-	2,879
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	-185,288	-258,557
Capital increase from NCI1)	-	-	-	-	-	-	33,456	33,456
Step-by-step acquisition	-	-	-13,431	-	-	-13,431	13,431	-
At 31 December 2017	2,580	1,194,660	31,024	104,500	-22,841	1,309,923	577,305	1,887,228

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 power plant 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	Q4 2017	Q4 2016	FULL YEAR 2017	FULL YEAR 2016
Cash flow from operating activities					
Profit before taxes		12,026	115,467	460,885	98,899
Taxes paid	7	-3,454	-6,472	-17,392	-29,143
Carry-back tax payment received	7	8,481	-	8,481	-
Depreciation and impairment	3	59,843	83,734	248,058	270,083
Net income associated companies/sale of project assets	11,12	3,260	-73,545	-370,649	-72,011
Interest and other financial income	4	-10,389	-14,110	-51,224	-50,796
Interest and other financial expenses	4	146,664	135,717	523,761	504,801
Unrealised foreign exchange (gain)/loss	4	-116,940	-17,986	-55,745	29,036
(Increase)/decrease in trade and other receivables		-45,125	-8,550	-7,305	-10,102
(Increase)/decrease in other current/non-current assets		-306,400	-14,132	-420,901	148,448
Increase/(decrease) in trade and other payables	10	185,258	46,201	186,993	-87,951
Increase/(decrease) in current liabilities		40,576	-156,451	153,945	-176,228
Increase/(decrease) in financial assets and other changes	5,9	202,142	124,975	185,213	106,935
Net cash flow from operating activities		175,942	214,848	844,120	731,971
Cash flow from investing activities					
Interest received	4	10,389	14,110	51,224	50,797
Investments in property, plant and equipment	3	-341,292	-26,741	-673,092	-883,634
Proceeds from sale of project assets, net of cash disposed	11	-	224,426	-	250,840
Net investment in associated companies		-205,125	-	-252,275	-
Net cash flow from investing activities		-536,028	211,795	-874,143	-581,997
Cash flow from financing activities					
Proceeds from NCI shareholder financing ¹⁾		10,128	-22,251	31,436	-
Interest paid	4	-191,136	-205,234	-475,896	-509,047
Proceeds from non-recourse project financing	4	1,973,828	124,272	1,973,828	241,337
Repayment of non-recourse project financing	4	-85,038	-85,179	-230,633	-156,706
Share capital increase	11	-	-	372,963	-
Proceeds from corporate bond issue	6	750,000	-	750,000	-
Repayment of corporate bond	6	-523,314	-	-523,314	-
Dividends paid to equity holders of the parent company	8	-	-	-73,269	-61,918
Dividends and other distributions paid to non-controlling interest		-2,685	-11,436	-185,287	-173,699
Net cash flow from financing activities		1,931,783	-199,828	1,639,828	-660,033
Net increase/(decrease) in cash and cash equivalents		1,571,697	226,815	1,609,805	-510,059
Effect of exchange rate changes on cash and cash equivalents		172,483	56,492	116,062	8,679
Cash and cash equivalents at beginning of the period	6	1,118,912	853,917	1,137,224	1,638,604
Cash and cash equivalents at end of the period	6	2,863,091	1,137,224	2,863,091	1,137,224
Cash in power plant companies in operation	6	793,264	708,466	793,264	708,466
Cash in power plant companies under development/construction	6	1,323,938	7,000	1,323,938	7,000
Other restricted cash	6	57,833	117,840	57,833	117,840
Free cash	6	688,056	303,918	688,056	303,918
Total cash and cash equivalents	6	2,863,091	1,137,224	2,863,091	1,137,224
Hereof presented as:					
Cash and cash equivalents		2,863,091	1,137,224	2,863,091	1,137,224

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 25 January 2018.

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 power plant 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 power plant companies owning the power plants. To be able to utilise the business model fully, Scatec Solar seeks to obtain operational control of the power plant 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 power plant 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 power plant company as defined by IFRS 10 Consolidated Financial Statements, all of the above agreements are analysed. During first quarter 2017 three power plant 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 power plant 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 power plant 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 power plant 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 power plant 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 power plant 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.

Q4 2017

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	285,821	-	-	-	-	285,821
Internal revenues	-	14,560	268,643	4,140	-287,343	-
Net gain/(loss) from sale of project assets	-	-	2,606	-	-	2,606
Net income/(loss) from JV and associates	-866	-	-2,006	-	-4,102	-6,974
Total revenues and other income	284,955	14,560	269,243	4,140	-291,445	281,453
Cost of sales	-	-	-234,425	-	234,425	-
Gross profit	284,955	14,560	34,818	4,140	-57,020	281,453
Personnel expenses	-3,762	-4,235	-10,304	-8,802	308	-26,795
Other operating expenses	-31,825	-6,740	-16,483	-9,904	17,742	-47,210
Depreciation and impairment	-74,927	73	-803	-367	16,181	-59,843
Operating profit	174,441	3,658	7,228	-14,933	-22,789	147,605

Q4 2016

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	289,588	-	-	-	-	289,588
Internal revenues	-	13,508	-	3,108	-16,616	-
Net gain/(loss) from sale of project assets	-	-	6,678	-	67,109	73,787
Net income/(loss) from JV and associates	-	-	-242	-	-	-242
Total revenues and other income	289,588	13,508	6,436	3,108	50,493	363,133
Cost of sales	-	-	-88	-	88	-
Gross profit	289,588	13,508	6,348	3,108	50,581	363,133
Personnel expenses	-2,608	-1,946	-8,306	-5,864	-	-18,724
Other operating expenses	-39,244	-6,884	-15,613	-5,641	16,615	-50,767
Depreciation and impairment	-129,774	-739	-1,911	-214	48,904	-83,734
Operating profit	117,962	3,939	-19,482	-8,611	116,100	209,908

FULL YEAR 2017

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	1,121,052	-	-	-	-	1,121,052
Internal revenues	-	68,648	654,059	13,055	-735,762	-
Net gain/(loss) from sale of project assets	-	-	377,821	-	-	377,821
Net income/(loss) from JV and associates	-741	-	-2,528	-	-4,102	-7,371
Total revenues and other income	1,120,311	68,648	1,029,352	13,055	-739,864	1,491,502
Cost of sales	-	-	-590,246	-	590,246	-
Gross profit	1,120,311	68,648	439,106	13,055	-149,618	1,491,502
Personnel expenses	-14,589	-14,420	-32,767	-33,205	308	-94,673
Other operating expenses	-132,476	-26,760	-47,631	-29,625	80,953	-155,539
Depreciation and impairment	-310,188	-731	-2,565	-1,354	66,780	-248,058
Operating profit	663,058	26,737	356,143	-51,129	-1,577	993,232

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 Quantum plants in Malaysia while construction of the four Apodi plants in Brazil commenced in the fourth quarter. The power plant companies in Brazil are equity consolidated and hence not included in the below table. The six power plants in Egypt reached financial close in the fourth quarter and is presented as 'solar power plants under construction' in the below table.

The negative additions to solar power plants is related to

recalculation of the asset retirement obligation which is reduced mainly due to increased raw material prices.

During second quarter the Group impaired equipment amounting to NOK 1,888 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 twelve months of 2016, the Group incurred impairment losses of NOK 22,202 of which 13,417 related to power plants in operation (a rooftop plant in the US), 8,191 related to development projects and NOK 594 related to other equipment.

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	-21,771	613,048	58,072	23,743	673,092
Disposals	-	-	-	-1,884	-1,884
Transfer between asset classes	-	63,556	-63,556	-	-
Depreciation	-240,258	-	-	-5,912	-246,170
Impairment losses	-1,888	-	-	-	-1,888
Effect of foreign exchange currency translation adjustments	80,545	27,260	5,594	514	113,913
Carrying value at 31 December 2017	4,236,225	703,864	640,315	37,926	5,618,330
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 power plant 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 316,645 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 fourth quarter and full year of 2017, the Group drew down NOK 1.975 million of additional non-recourse debt as the Group issued the world's largest green SRI Sukuk (Islamic bond) related to the three projects in Malaysia. The bond was given an AA-rating by the Malaysian Rating Corporation Berhad (MARC) and a 'dark green' rating from CICERO - The Center for International Climate and Environmental Research in Oslo. CIMB Investment Bank Berhad (CIMB) is the sole principal adviser and both CIMB and Maybank are the joint lead arrangers and joint lead managers for the Green SRI Sukuk. CIMB Islamic Bank Berhad is the Shariah adviser for the Green SRI Sukuk.

During fourth quarter 2017 Scatec Solar refinanced the NOK 500 million senior unsecured green bond with maturity in November 2018. The refinancing included certain one-off expenses, including early redemption price above par, early consent fee and solicitation agent fee. The one-off expenses are included in other financial expenses with NOK 27,302. See Note 6 for further information.

NOK THOUSAND	Q4 2017	Q4 2016	FULL YEAR 2017	FULL YEAR 2016
Interest income	10,206	14,110	50,872	50,439
Other financial income	183	-	352	357
Financial income	10,389	14,110	51,224	50,796
Interest expenses	-115,045	-133,670	-482,095	-496,317
Other financial expenses	-31,619	-2,047	-41,666	-8,484
Financial expenses	-146,664	-135,717	-523,761	-504,801
Foreign exchange gains/(losses)	696	27,164	-59,810	-10,052
Net financial expenses	-135,579	-94,443	-532,347	-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.

31 December 2017

NOK THOUSAND	NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)	TOTAL FAIR VALUE
Fair value based on prices quoted in an active market (Level 1)	-	-	-	-
Fair value based on price inputs other than quoted prices (Level 2)	-	333	-55,233	-54,900
Fair value based on unobservable inputs (Level 3)	72	-	-	72
Total fair value at 31 December 2017	72	333	-55,233	-54,828

31 December 2016

NOK THOUSAND	NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)	TOTAL FAIR VALUE
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	19,526	-13,914	5,684

Note 6 Cash, cash equivalents and corporate funding

NOK THOUSAND	31 DECEMBER 2017	31 DECEMBER 2016
Cash in power plant companies in operation ¹⁾	793,264	708,466
Cash in power plant companies under development/construction ¹⁾	1,323,938	7,000
Other restricted cash	57,833	117,840
Free cash	688,056	303,918
Total cash and cash equivalents	2,863,091	1,137,224
Hereof presented as:		
Cash and cash equivalents	2,863,091	1,137,224

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 power plant companies not yet distributed to the power plant companies.

Reconciliation of movement in free cash

NOK THOUSAND	Q4 2017	Q4 2016	FULL YEAR 2017	FULL YEAR 2016
Free cash at beginning of period	176,030	80,747	303,918	651,359
Proportionate share of cash flow to equity O&M	3,169	3,686	21,512	24,250
Proportionate share of cash flow to equity D&C	7,682	-12,007	166,570	-5,138
Proportionate share of cash flow to equity CORP	-18,597	-13,164	-65,277	-63,132
Project development capex	-39,936	-91,129	-229,337	-495,916
Equity contributions/collateralised for equity commitments in power plant companies	-237,600	-4,734	-477,484	-33,007
Distributions from power plant companies	9,994	20,626	150,531	134,016
Share capital increase, net after transaction cost and tax	-	-	372,963	-
Dividend distribution	-	-	-73,269	-61,919
Net proceeds from bond issuance	226,686	-	226,686	-
Working capital / Other	560,628	319,893	291,243	153,405
Free cash at end of the period	688,056	303,918	688,056	303,918

On 7 July 2017 Scatec Solar entered into a new guarantee facility, a new USD 30 million overdraft facility and an intercreditor agreement. The facilities replaced all other corporate guarantees and overdraft facilities existing at the date of the new agreements. Financial covenants were changed during the fourth quarter 2017 and equal the financial covenants in the new NOK 750 million bond agreement.

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 on 7 July 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 31 December 2017.

During the fourth quarter 2017 Scatec Solar successfully completed a NOK 750 million senior unsecured green bond issue with maturity in November 2021. The bonds carry an interest of 3-month NIBOR + 4.75%, to be settled on a quarterly basis. An application will be made for the bonds to be listed on the Oslo Stock Exchange.

The proceeds from the bond issue was used for a full redemption of the NOK 500 million senior unsecured green bond with maturity in November 2018 and will be used for financing of eligible activities as defined in the Scatec Solar green bond framework. The NOK 500 million bond carried an interest of 3-month NIBOR + 6.50%. The full redemption of the NOK 500 million bond was carried out through a consent solicitation process, at early redemption price of 104.25% of par value and with early consent fee of 0.50%. The redemption proposal was duly passed in a bondholders' meeting 6 November 2017.

During the fourth quarter, interest amounting to NOK 10,757 thousand (10,313) was expensed for the bonds. During 2017 the interest amounted to NOK 41,215 thousand (41,013).

Per 31 December 2017, Scatec Solar was in compliance with all covenants under the NOK 750 million bond, the guarantee facility and overdraft facility. The book equity of the recourse group, as defined in the facility agreements, was NOK 2,072,020 thousand per quarter end.

Refer to bond agreement available on www.scatecsolar.com/investor/debt 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 fourth quarter ended 31 December 2017, the effective income tax rate was primarily influenced by profits in higher-tax countries being offset by losses in lower-tax rates. For the full year of 2017 the effective tax rate is also 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 power plant 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 power plant company.

Effective tax rate

NOK THOUSAND	Q4 2017	Q4 2016	FULL YEAR 2017	FULL YEAR 2016
Profit before income tax	12,026	115,465	460,885	98,897
Income tax (expense)/benefit	-13,422	-38,705	-22,975	-28,410
Equivalent to a tax rate of (%)	111.6	33.5	5.0	28.7

Movement in deferred tax

NOK THOUSAND	Q4 2017	Q4 2016	FULL YEAR 2017	FULL YEAR 2016
Net deferred tax asset at beginning of period	229,349	199,131	199,948	137,234
Recognised in the consolidated statement of profit or loss	-14,025	-33,142	1,315	-15,917
Deferred tax on financial instruments recognised in OCI	-679	-4,597	16,858	32,084
Recognised in the consolidated statement of changes in equity	105	759	4,668	4,374
Disposals of subsidiaries	-	29,118	-	29,118
Offset against tax carry-back payment received	-8,481	-	-8,481	-
Withholding taxes carried forward	-	-	-	-1,715
Translation differences	10,684	8,678	2,645	14,770
Net deferred tax asset at end of period	216,953	199,948	216,953	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

The consolidated other current assets of NOK 558,526 thousand (114,104) mainly consist of prepaid expenses related to commencement of construction of the Los Prados plant in Honduras NOK 172,8 thousand (0) and the Quantum projects in Malaysia NOK 205,6 thousand (0). In addition, prepaid VAT accounts for NOK 112,3 thousand (0).

Related parties and co-investors

As of 31 December 2017, Scatec Solar has receivables on non-controlling interests of NOK 90,563 thousand (126,385). NOK 77,003 thousand (89,485) of the receivables relates to committed but not paid equity in power plant companies in South Africa. Further included in other non-current receivables are loans provided to the equity consolidated company Scatec Energy (US) of NOK 15,213 thousand (11,475). In addition, the Group has receivables of NOK 6,830 thousand (3,557) on co-investors related to equity financing of power plant companies in Jordan. Scatec Solar also has loan receivables on executive management of NOK 5,929 thousand (7,211).

In relation to the structuring and financing of the power plant 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 repayment obligations. The shareholder loans provided to the Agua Fria power plant company and the Egyptian power plant companies are recorded as a liability. Shareholder loans from non-controlling interests amounts to NOK 128,239 thousand (175,547) as of 31 December 2017. Other non-current liabilities include NOK 65,584 thousand (31,098) related to project development cost sharing agreements with equity partners related to projects in 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 216,339 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 31 December 2017 compared to 31 December 2016 of NOK 186,993

thousand, reflects commencement of construction of the Los Prados plant in Honduras and the Quantum projects in Malaysia as well as the preparations of construction activities in Egypt and Mozambique.

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.

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.

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.

NOK THOUSAND	Q4 2017	Q4 2016	FULL YEAR 2017	FULL YEAR 2016
Basic earnings per share:				
Profit/(loss) attributable to the equity holders of the company and for the purpose of diluted shares	-34,870	46,234	339,096	3,502
Weighted average number of shares outstanding for the purpose of basic earnings per share	103,196	93,816	101,063	93,816
Earnings per share for income attributable to the equity holders of the company - basic (NOK)	-0.34	0.49	3.36	0.04
Diluted earnings per share:				
Weighted average number of shares outstanding for the purpose of diluted earnings per share	103,437	93,957	101,290	93,851
Earnings per share for income attributable to the equity holders of the company - diluted (NOK)	-0.34	0.49	3.35	0.04

Note 12 Partnership in Brazil

On 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 power 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 has in addition injected USD 35 million in the power plant 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 power plant 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 allocated to the power purchase agreement (PPA). No amortizations have been recorded as the PPA is not yet effective.

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 on 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 fourth quarter 2017.

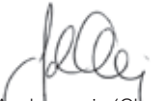
Responsibility statement

We confirm to the best of our knowledge, that the condensed interim financial statements for the period 1 January 2017 to 31 December 2017 has been prepared in accordance with IFRS as adopted by EU, and that the information gives a true and fair view of the Group's assets, liabilities, financial position and result for

the period. We also confirm that presented information provides a fair overview of important events that have occurred during the period and their impact on the financial statements, key risk and uncertainty factors that Scatec Solar is facing during the next accounting period.

Oslo, 25 January 2018

The Board of Directors of Scatec Solar ASA




John Andersen jr. (Chairman)



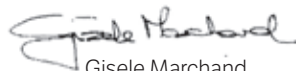
Alf Bjørseth



Mari Thjømøe



Jan Skogseth



Gisele Marchand



Raymond Carlsen (CEO)

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.

The purpose of APM's is 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 revenues, expenses, profits and cash flows from fully and equity consolidated investments.

Project equity: is defined as equity and shareholder loans.

Cash in power plant companies in operation: Cash in power plant 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 power plant companies under development/construction: comprise shareholder financing and draw down on term loan facilities by power plant 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:

Q4 2017

NOK THOUSAND	SSO PROPORTIONATE FINANCIALS	RESIDUAL OWNERSHIP INTERESTS	ELIMINATIONS	CONSOLIDATED FINANCIALS
Revenues	440.1	133.1	-287.3	285.8
Net gain/(loss) from sale of project assets	2.6	-	-	2.6
Net income/(loss) from associates	-4.9	2.0	-4.1	-7.0
Total revenues and other income	438.4	134.5	-291.4	281.5
Cost of sales	-256.2	21.8	234.4	-
Gross profit	182.2	156.3	-57.0	281.5
Operating expenses	-76.7	-15.3	18.1	-74.0
EBITDA	105.5	141.0	-39.0	207.4
Depreciation, amortisation and impairment	-39.5	-36.5	16.2	-59.8
Operating profit (EBIT)	65.9	104.5	-22.8	147.6
Profit/(loss)	-34.5	38.7	-5.5	-1.4
Net interest bearing debt	2,013	2,129	216	4,358

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	-	0.0
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 interest bearing debt	1,839	1,813	-	3,652

Q4 2016

NOK THOUSAND	SSO PROPORTIONATE FINANCIALS	RESIDUAL OWNERSHIP INTERESTS	ELIMINATIONS	CONSOLIDATED FINANCIALS
Revenues	146.1	160.1	-16.6	289.6
Net gain/(loss) from sale of project assets	6.7	-	67.1	73.8
Net income/(loss) from associates	-0.2	-	-	-0.2
Total revenues and other income	152.5	160.1	50.5	363.1
Cost of sales	-0.1	-	0.1	0.0
Gross profit	152.4	160.1	50.6	363.1
Operating expenses	-69.9	-16.2	16.6	-69.5
EBITDA	82.5	143.9	67.2	293.6
Depreciation, amortisation and impairment	-93.5	-39.1	48.9	-83.7
Operating profit (EBIT)	-11.0	104.8	116.1	209.9
Profit/(loss)	-61.2	39.1	98.9	76.8
Net interest bearing debt	1,918	2,024	-	3,942

FY 2017

NOK THOUSAND	SSO PROPORTIONATE FINANCIALS	RESIDUAL OWNERSHIP INTERESTS	ELIMINATIONS	CONSOLIDATED FINANCIALS
Revenues	1,295.2	561.6	-735.8	1,121.1
Net gain/(loss) from sale of project assets	377.8	-	-	377.8
Net income/(loss) from associates	-5.4	2.1	-4.1	-7.4
Total revenues and other income	1,668.2	563.1	-739.9	1,491.5
Cost of sales	-612.0	21.8	590.2	-
Gross profit	1,056.2	584.9	-149.6	1,491.5
Operating expenses	-263.9	-67.5	81.3	-250.2
EBITDA	792.3	517.4	-68.4	1,241.3
Depreciation, amortisation and impairment	-160.4	-154.4	66.8	-248.1
Operating profit (EBIT)	631.8	363.0	-1.6	993.2
Profit/(loss)	325.9	120.1	-8.1	437.9
Net interest bearing debt	2,013	2,129	216	4,358

FY 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	0.0
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)	-83.5	90.2	63.8	70.5
Net interest bearing 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.

Q4 2017

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	249.4	3.6	8.0	-14.6	246.4
Net Interest expenses	-89.9	0.6	1.8	-10.0	-97.5
Normalised loan repayments	-57.0	-	-	-	-57.0
Normalised income tax payment	-24.7	-1.0	-2.2	6.0	-21.9
Cash flow to equity	77.7	3.2	7.7	-18.6	70.0
SSO average share	35 %	100 %	100 %	100 %	
SSOs cash flow to equity	30.0	3.2	7.7	-18.6	22.3

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	6.7	182.6	-15.1	251.6
SSO average share	54 %	100 %	100 %	100 %	
SSOs cash flow to equity	42.2	6.7	182.6	-15.1	216.4

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 share	42 %	100 %	100 %	100 %	
SSOs cash flow to equity	44.1	3.8	-12.1	-13.2	22.6

FY 2017

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	973.2	27.5	159.7	-49.8	1,110.6
Net Interest expenses	-380.9	0.6	3.4	-36.5	-413.4
Normalised loan repayments	-232.6	-	-	-	-232.6
Normalised income tax payment	-67.2	-6.6	3.7	21.0	-49.0
Cash flow to equity	292.5	21.5	166.8	-16.7	47.2
SSO average share	49 %	100 %	100 %	100 %	
SSOs cash flow to equity	142.4	21.5	166.8	65.3	265.5

FY 2016

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	853.4	31.6	-12.2	-47.4	825.4
Net Interest expenses	-386.5	-0.1	1.9	-37.0	-421.7
Normalised loan repayments	-232.7	-	-	-	-232.7
Normalised income tax payment	-41.6	-7.0	5.0	20.4	-23.2
Cash flow to equity	192.5	24.5	-5.3	-63.9	147.8
SSO average share	77 %	100 %	100 %	100 %	
SSOs cash flow to equity	148.3	24.5	-5.3	-63.9	103.5

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 power plant 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.

Scatec Solar ASA

Karenslyst Allé 49, 0279 Oslo, Norway

www.scatecsolar.com

Phone: +47 48 08 55 00

Email: post@scatecsolar.com

