



First quarter

2018



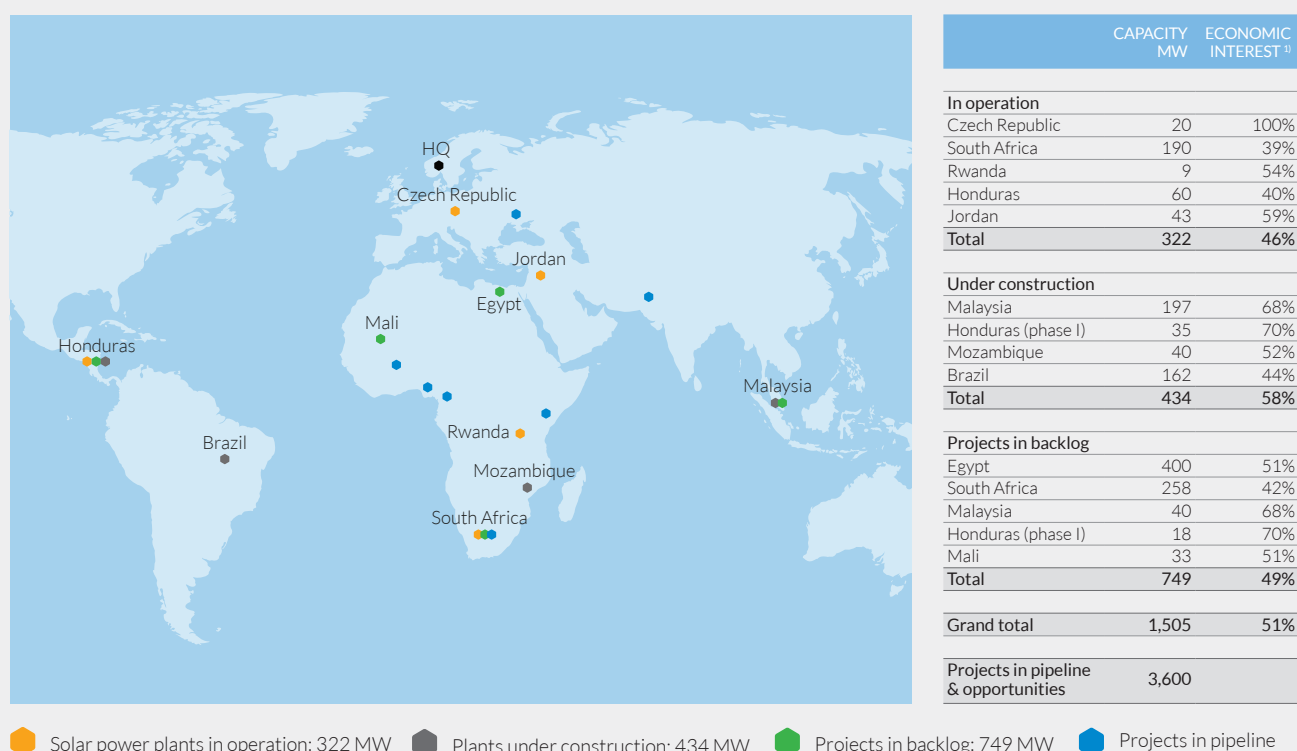
Scatec Solar
Improving our future™

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 and holds another 434 MW under construction. With an established global presence, the company is growing briskly with a significant project backlog and pipeline under development in the Americas, Africa, Asia and the Middle East. Scatec Solar is headquartered in Oslo, Norway.

Asset portfolio



Segment overview

Power Production

The plants produce electricity for sale under 20-25 year fixed priced, normally with inflation adjustments, power purchase agreements or feed-in tariff schemes. The segment also comprise asset management services provided to solar power plants controlled by Scatec Solar.

Operation & Maintenance

The Operation & Maintenance segment comprises services provided to solar power plants controlled by Scatec Solar. Revenues are generated on the basis of fixed service fees with additional profit-sharing arrangements.

Development & Construction

The Development & Construction segment derives its revenues from the sale of development rights and construction services delivered to power plant companies controlled by Scatec Solar.

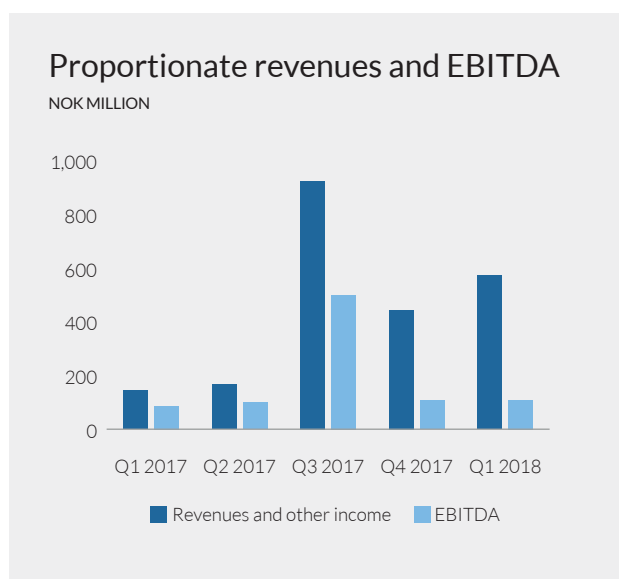
Corporate

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

1) Scatec Solar's share of the total estimated economic return from its subsidiaries. For projects in development and construction the economic interest is subject to change from the development of the financial model.

Q1'18 Highlights

- Q1'18 proportionate revenues of NOK 573 million and EBITDA of NOK 109 million
- Financial close reached for 258 MW in South Africa and 40 MW in Mozambique – 2018 growth target confirmed
- D&C revenues set to increase significantly over the coming quarters after total contract awards of NOK 8.5 billion
- 175 MW in Ukraine and Cameroon added to project pipeline - solid basis for growth beyond 2018



Key figures

NOK MILLION	Q1 2018	Q4 2017	Q1 2017	FY 2017
PROPORTIONATE FINANCIALS ¹⁾				
Revenues and other income	572	444	144	1,680
Power Production	137	131	127	544
Operation & Maintenance	14	15	15	69
Development & Construction	417	294	-	1,054
Corporate	4	4	3	13
EBITDA	109	106	87	792
Power Production	106	107	108	454
Operation & Maintenance	2	4	5	28
Development & Construction	15	10	-15	361
Corporate	-14	-15	-11	-50
Operating profit (EBIT)	71	66	47	632
Profit/(loss)	-	-35	-8	326
Net interest bearing debt	2,237	2,013	1,615	2,013
Power Production (GWh)	68	71	69	282
SSO proportionate share of cash flow to equity ²⁾ :	21	22	7	265
CONSOLIDATED FINANCIALS ³⁾				
Revenues and other income	289	281	276	1,492
EBITDA	212	207	222	1,241
Earnings per Share	-0.17	-0.34	0.04	3.37
Power Production (GWh)	157	167	156	627

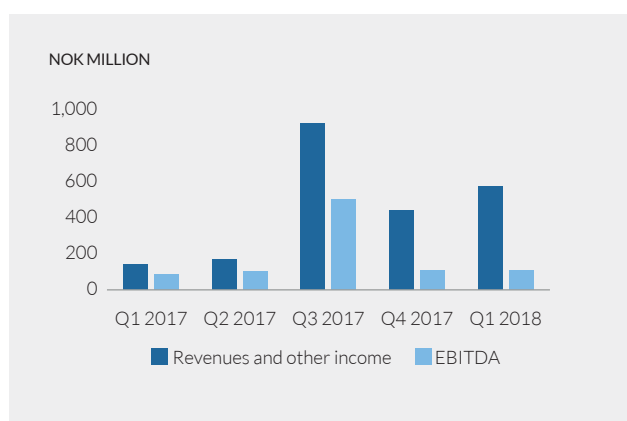
1) See Other definitions appendix for definition.

2) See Alternative Performance Measures appendix for definition.

3) See Note 2 Operating Segments in Condensed interim financial information for reconciliation between proportionate and consolidated financials.

Group – Proportionate financials

NOK MILLION	Q1'18	Q4'17	Q1'17	FY 17
Revenues and other income	572	444	144	1,680
Gross profit	196	188	144	1,068
Operating expenses	-87	-83	-58	-276
EBITDA	109	106	87	792
EBITDA margin ¹⁾	19%	24%	60%	47%
D&A and impairment	-38	-40	-40	-161
EBIT	71	66	47	632
Cash flow to equity	21	22	7	265



The proportionate revenues and gross profit increase compared to previous quarter and the same quarter last year is explained by a significant increase in Development & Construction activities. Revenues and profitability in the other business segments remain fairly stable.

EBITDA is broadly in line with previous quarter and up 25% from last year. Operating expenses increased by NOK 30 million from first quarter 2017, mainly related to increased non-capitalised early phase project development activities. The EBITDA margin is reduced compared to first quarter 2017 due to the shift from mainly power sales to a significant share of development and construction revenues related to power plant projects in Honduras, Malaysia, Brazil and Mozambique.

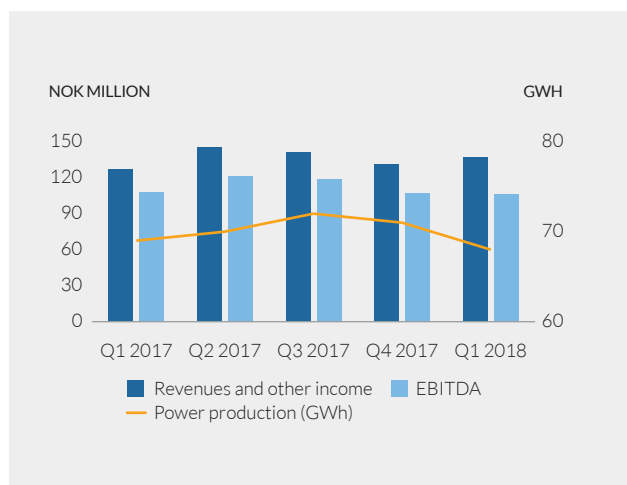
Cash flow to equity reached NOK 21 million (7) ²⁾ in the quarter, with growth explained by the increased development and construction activity.

1) See Alternative Performance Measures appendix for definition.

2) Figures in brackets refer to same quarter previous year.

Power Production

NOK MILLION	Q1'18	Q4'17	Q1'17	FY 17
Revenues and other income	137	131	127	544
Operating expenses	-31	-25	-19	-90
EBITDA	106	107	108	454
EBITDA margin	77%	81%	85%	83%
D&A and impairment	-36	-39	-39	-156
EBIT	70	68	69	298
Cash flow to equity	26	30	29	143



Power production reached 68 GWh in the quarter compared to 69 GWh in the same period last year. The increase in revenues from first quarter 2017 is primarily explained by higher production in South Africa, a stronger ZAR, and increased asset management revenues for plants under construction.

Scatec Solar provides a full range of asset management services to the power companies including statutory compliance, accounting, financial and operational reporting and contract management.

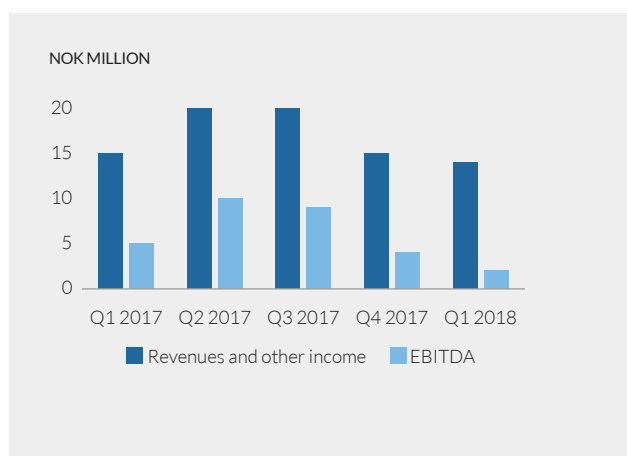
Revenues compared to previous quarter is impacted by seasonal variations with higher production from the Czech plants partly offset by lower production from the South African plants. The revenues are positively impacted by a strengthening of the ZAR and CZK to NOK.

The EBITDA is in line with both previous quarter and first quarter last year, reflecting the steady state of the power plants in operation. The EBITDA margin is reduced compared previous periods as the portfolio of power plants that Scatec Solar is providing asset management services to is increasing.

See 'Additional information' on page 16 for financials for each individual power plant company.

Operation & Maintenance

NOK MILLION	Q1'18	Q4'17	Q1'17	FY 17
Revenues and other income	14	15	15	69
Operating expenses	-13	-11	-10	-41
EBITDA	2	4	5	28
EBITDA margin	13%	25%	34%	40%
D&A and impairment	-	-	-	-1
EBIT	2	4	5	27
Cash flow to equity	1	3	4	22



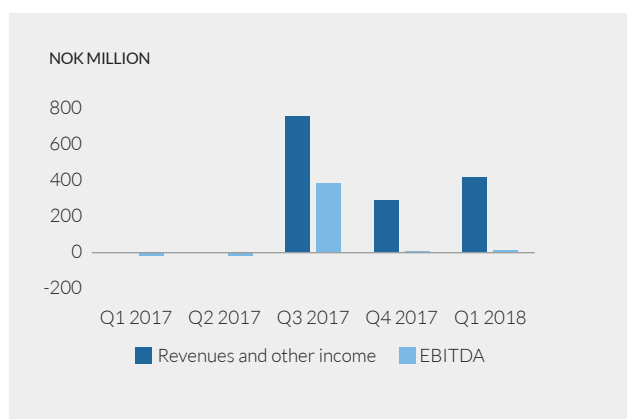
The operation & Maintenance (O&M) activities are fairly stable in their nature. Revenues are based on a combination of fixed price contracts and a profit sharing element, and are subject to seasonal variations.

Operating expenses mainly constitute fixed expenses and recurring maintenance activities according to a detailed maintenance schedule.

The higher operating expenses in the quarter mainly reflect non-recurring costs related the establishment of a state of the art control and monitoring centre in Cape Town.

Development & Construction

NOK MILLION	Q1'18	Q4'17	Q1'17	FY 17
Revenues and other income	417	294	-	1,054
Gross profit	42	38	-	442
Operating expenses	-26	-28	-15	-82
EBITDA	15	10	-15	361
EBITDA margin	4%	3%	N/A	34%
D&A and impairment	-1	-1	-1	-3
EBIT	15	9	-16	358
Cash flow to equity	12	8	-11	167



The projects in Honduras, Malaysia, Brazil and Mozambique generated the D&C revenues in the quarter. Overall progress across the four construction projects was 33% at the end Q1'18.

Malaysia progress was moderate in the quarter in order to optimize project execution as commercial operation dates have been moved into third quarter 2018 to align with revised availability of grid connection. In March 2018, Scatec Solar and partners achieved financial close for a 40 MW solar plant in Mozambique. Financial close for the 258 MW solar power plants in South Africa was reached early April and development revenues will be recorded in the second quarter.

The moderate gross margin for the quarter is explained by the current mix of projects under construction and will vary from quarter to quarter.

Operating expenses comprised of approximately NOK 18 million (8) for early stage development of new projects and NOK 8 million (7) related to construction.

Corporate

NOK MILLION	Q1'18	Q4'17	Q1'17	FY 17
Revenues and other income	4	4	3	13
Operating expenses	-18	-19	-14	-63
EBITDA	-14	-15	-11	-50
D&A and impairment	-	-	-	-1
EBIT	-14	-15	-11	-51
Cash flow to equity	-19	-19	-15	-65

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. Increased operating expenses reflect the strengthened corporate functions over the recent quarters. These functions include management and corporate services such as finance, legal, HR, IT, communications and sustainability.

Outlook

- Year end 2018 target confirmed: 1,300 - 1,500 MW in operation and under construction (on 100% basis).
- Investments in new solar power plants are expected to yield average equity IRR of 15% nominal after tax.
- Project Development & Construction 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 from 1.5 GW is expected to reach NOK 430-480 million from Power Production and Operation & Maintenance.

Guidance

Power production

In Q2 2018 proportionate power production is expected to reach 68 GWh (145 GWh on 100% basis) compared to 68 GWh (157 GWh on 100% basis) in Q1 2018.

Operation & Maintenance

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

Development & Construction

Development & Construction revenues and margins are dependent on timing of commencement and progress on development and construction of projects.

Projects with a total capacity of 1,092 MW (under construction and/or reached financial close) represents awarded D&C contract a value of about NOK 8.5 billion. Based on current plans, about 50% of the D&C contract value is expected to be recognised as revenues in 2018.

Corporate

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

Consolidated income statement

NOK MILLION	Q1'18	Q4'17	Q1'17	FY 17
Revenues	289	281	276	1,492
EBITDA	212	207	222	1,241
Operating profit (EBIT)	150	148	160	993
Profit before income tax	16	12	38	461
Profit/(loss) for the period	12	-1	31	438
Profit/(loss) to Scatec Solar	-18	-35	4	339
Profit/(loss) to non-controlling interests	30	33	27	99

Revenues

Revenues from power sales are up 2.3% compared to same quarter last year, producing from the same asset base. This is the net impact following higher production in South Africa partly offset by the weakening of the USD to NOK.

Revenues also include increased earnings, NOK 6 million (0), from joint ventures mainly related to the equity consolidated investments in Brazil.

Operating profit

Profitability remains stable compared to fourth quarter 2017. Since first quarter 2017, the company has invested significantly in both early stage development activities and also strengthening of the organisation to facilitate the increased activity following the portfolio of construction projects commencing. This explains the growth in operating expenses compared to first quarter last year.

Consolidated operating expenses amounted to NOK 76 million (54) in the first quarter. This comprised approximately NOK 36 million (28) for operation of existing power plants, NOK 18 million (8) for early stage development of new projects, NOK 8 million (7) related to construction and NOK 14 million (10) of corporate expenses (excluding eliminated intersegment charges).

Net financial items

NOK MILLION	Q1'18	Q4'17	Q1'17	FY 17
Financial income	16	10	13	51
Financial expenses	-125	-147	-127	-524
Foreign exchange gains/(loss)	-24	1	-8	-60
Net financial expenses	-133	-136	-123	-532

Financial expenses mainly consist of interest expenses on non-recourse financing, NOK 109 million (110), and corporate funding, NOK 12 million (10). The interest expenses are in line with the trend from 2017. In the fourth quarter 2017 the company recorded a one-off expense of NOK 27 million related to the refinancing of the senior unsecured bond. See note 6 for further information on the bond.

Foreign exchange gains(+)/losses(-) are largely reflecting the weakening of the USD during the quarter and are non-cash and related to intercompany balances.

Profit before tax and net profit

The effective tax rate was 27% in the first quarter. The underlying tax rates in the companies in operation are in the range of 0%-33%. In some markets, Scatec Solar receives special tax incentives intended to promote investments in renewable energy. The average effective tax rate fluctuates from quarter to quarter mainly based on construction progress. For further details, refer to note 7.

Non-controlling interests (NCI) represent financial investors in solar power plants. The allocation of profits between NCI and Scatec Solar is impacted by the fact that NCI only have shareholdings in solar power plants, while Scatec Solar also carries the cost of project development, construction, operation & maintenance and corporate functions.

Consolidated statement of financial position

Assets

NOK MILLION	Q1'18	Q4'17
Property, plant and equipment	6,347	5,618
Other non-current assets	1,166	961
Total non-current assets	7,513	6,580
Other current assets	604	797
Cash and cash equivalents	2,529	2,863
Total current assets	3,133	3,661
Total assets	10,647	10,240

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.

The 14% net increase of non-current assets is mainly driven by the construction activities in Mozambique, Honduras, Malaysia and Brazil. This is partly offset by depreciation of the operating power plants.

Current assets are reduced 15% compared to fourth quarter 2017 mainly driven by reduced net cash balance following cash outflows to cover capital expenditures in the power plant companies under construction partly offset by a NOK 354 million increase of free cash. See note 6 for a detailed breakdown of cash balances and as well as the cash bridge.

Equity and liabilities

NOK MILLION	Q1'18	Q4'17
Equity	1,715	1,887
Non-current non-recourse project financing	6,078	6,164
Other non-current liabilities	1,348	1,254
Total non-current liabilities	7,426	7,418
Current non-recourse project financing	442	317
Other current liabilities	1,064	619
Total Current liabilities	1,506	935
Total liabilities	8,932	8,353
Total equity and liabilities	10,647	10,240
Book equity ratio	16.1%	18.4%

Total equity decreased NOK 172 million during the quarter. The main drivers being net distributions to non-controlling interests of NOK 93 million and negative translation differences upon consolidation of subsidiaries. The decreased book equity ratio ¹⁾ is mainly driven by the above as well as increased current liabilities. The latter is associated with the progress of the construction activities and related supplier credits, mainly for the Quantum projects in Malaysia. Further, accrued interest expense on non-recourse financing rose by NOK 100 million during the quarter. These obligations are normally settled twice a year.

The more relevant equity to capitalisation ratio for the Recourse Group ¹⁾ (excluding the non-recourse financed project entities) as defined in the corporate bond agreement was 75% at the end of the first quarter. See note 6 for more information on the corporate bond agreement.

1) See Alternative Performance Measures appendix for definition.

Consolidated cash flow

Net cash flow from consolidated operating activities amounted to NOK 700 million (262) in the first quarter 2018, compared to the EBITDA of NOK 212 million. The difference between the cash flow and EBITDA is primarily impacted by positive changes in the working capital, mainly related to power plants under construction.

Net cash flow from consolidated investing activities was NOK -1,020 million (-44), driven by further investment in plants in Egypt, Honduras, Malaysia, Mozambique, Brazil as well as development of project pipeline and backlog.

Net cash flow from financing activities was NOK -29 million (198), impacted by interest and down payments on non-recourse financing of NOK -89 (-69), reduced by proceeds from non-recourse financing of NOK 63 million (0), as well as dividends paid to non-controlling interests of NOK 106 million.

Refer to note 6 for a detailed cash overview.

Proportionate cash flow to equity

“Scatec Solar’s proportionate share of cash flow to equity” ¹⁾, is an alternative performance 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.

NOK MILLION	Q1'18	Q4'17	Q1'17	FY 17
Power Production	26	30	29	143
Operation & Maintenance	1	3	4	22
Development & Construction	12	8	-11	167
Corporate	-19	-19	-15	-65
Total	21	22	7	265

1) See Alternative Performance Measures appendix for definition.

The reduced cash flow to equity in the power production segment is primarily explained by increased debt repayments for 2018 in line with the agreed repayment schedule on the non-recourse financing loans. The increase in the D&C segments reflects the increased EBITDA compared to earlier quarters.

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 operates in several regions of the world with complex risk environments. This primarily relates to political, compliance, integrity and security risk. The Company mitigates these risks through comprehensive due diligence processes whereby country risk, permits, project agreements, partners, execution plans, security and all other relevant aspects of the project are carefully assessed. These assessments are done in close cooperation with a number of advisors including global risk and security consultancies.

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

For further information refer to the 2017 Annual Report.

Related parties

Note 27 in the annual report for 2017 provides details of transactions with related parties and the nature of these transactions. For details on first quarter 2018 related party transactions see note 9 of this interim report.

Forward looking statements

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.

Project overview

PROJECT STAGE (MW)	Q1'18 CAPACITY (MW) ¹⁾	Q4'17 CAPACITY (MW) ²⁾
In operation	322	322
Under construction	434	394
Project backlog	749	789
Project pipeline	920	745
Project opportunities	2,700	2,800

1) 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% probability of reaching financial close and subsequent realisation.

LOCATION	CAPACITY (MW)	CURRENCY ¹⁾	CAPEX (100%, MILLION)	ANNUAL PRODUCTION (100%, GWH)	DEBT LEVERAGE	SSO ECONOMIC INTEREST
In Operation	322					46%
Under construction						
Quantum, Malaysia	197	MYR	1,235	282	80%	68%
Apodi, Brazil	162	BRL	680	305	65%	44%
Los Prados, Honduras	35	USD	80	73	70%	70%
Mocuba, Mozambique	40	USD	80	77	72%	52%
Total Under Construction	434	NOK	5,400	737		58%
Backlog						
Aswan, Egypt	400	USD	450	870	75%	51%
Upington, South Africa	258	ZAR	4,760	650	77%	42%
Segou, Mali	33	EUR	52	60	75%	51%
Los Prados II, Honduras	18	USD	20	37	70%	70%
RedSol, Malaysia	40	MYR	200	65	75%	68%
Total Backlog	749	NOK	7,500	1,682		49%
Total	1,505					51%

1) '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 1,850 million of which NOK 850 million remains to be invested at the end of first quarter 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).

Financial close for debt financing of the project was achieved in October 2017. Scatec Solar invests through ordinary preference shares and convertible preference shares equivalent to an overall economic interest in the project of 68%.

A non-recourse project debt financing has been raised through an Islamic Green Bond of MYR 1,000 million.

For the projects in Malaysia the commercial operation dates have been moved into third quarter 2018 to align with revised availability of grid connection.

Los Prados, Honduras, 35 MW

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

Project financing is expected to be established at time of grid connection for the project

In July 2017 construction activities was initiated but the project experienced civil unrest in conjunction with construction start up. The situation caused some project delays and capex increase.

In the first quarter 2018, Scatec Solar continued construction work in close cooperation with Honduran authorities. At the end of first quarter the expected cash cost to complete the 35 MW in the first phase is estimated to USD 25 million (of a total capex of USD 80 million).

Apodi, Brazil, 162 MW

In December 2016 Scatec Solar signed an agreement with Kroma Energia Ltda. and its partners securing a PV plant totalling 162 MW the state of Ceará in Brazil.

The projects were bid and won by Kroma in the auction process held by ANEEL. The power plant companies have since then signed 20-year PPAs with CCEE, the Brazilian Power Commercialization Chamber.

In 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.

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. Mechanical installation has commenced and grid connection is planned during second half of 2018.

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.

Scatec Solar and partners reached financial close in March 2018 with debt financing from 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).

Construction preparations have started and the plant is planned to be grid connected in the first quarter 2019.

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. Total investments for the 400 MW of solar plants is 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 is partnering with local developers, KLP Norfund Investments and Africa50 for equity investments in the projects.

European Bank for Reconstruction and Development (EBRD) is leading a consortium of banks providing total debt of USD 335 million.

Construction start is planned for second quarter 2018 with grid connection during second half of 2019.

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. Norfund will hold 18%, the surrounding Community of Upington 5% and a South African Black investor will hold the remaining 35% of the equity.

Financial close for the projects was reached in April 2018. A consortium of commercial banks and DFIs with Standard Bank in the lead are providing non-recourse project finance of ZAR 3.68 billion, representing 77% of the total project cost.

Construction start is expected in the second half of 2018 with grid connection towards the end of 2019. The plants are, on an annual basis, expected to produce 650 GWh of electricity. All contract terms are based on the original award in April 2015.

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.

The lenders, IFC and the African development Bank, have approved the project finance for the project. Scatec Solar and partners are working to obtain final approvals from the Government of Mali on the project agreements.

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. 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.

Los Prados, Honduras, 18 MW

Refer to above information on the Los Prados project. The 18 MW Phase 2 will be realised after required grid upgrades have been completed.

Pipeline

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

LOCATION	CAPACITY (MW)
South Africa	430
Pakistan	150
Ukraine	150
Nigeria	100
Kenya	48
Cameroon	25
Burkina Faso	17
Total pipeline	920

South Africa, 430 MW

In South Africa, the projects were bid in the expedited bidding round under REIPPP on 11 November 2015. The Ministry of Energy has confirmed that this round will go ahead, but award of preferred bidder is not likely to be announced before the end of 2018.

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 are in the State of Sindh and are included in pipeline.

The project has received the grid study approval from the National Transmission and Despatch Company (NTDC), the generation license and in the first quarter 2018 the projects were awarded a "costs plus tariff" of 52.6 USD/MWh.

Scatec Solar and Nizam Energy has filed a petition to challenge the tariff level and feedback is expected shortly. The project has also now applied for the issuance of the power purchase agreement and the implementation agreement.

Ukraine, 150 MW

Ukraine has a feed-in tariff of 15 €cents/kWh running until end of 2029. Scatec Solar has been actively pursuing projects in the country the last few months and is now screening and negotiating a broad portfolio of project opportunities with several local project developers.

Projects in Ukraine are typically in the range of 30 to 50 MW in size. Start of construction will depend on finalizing development work and on when financial close can be achieved. Scatec Solar is in advanced discussions with EBRD and other banks on project finance.

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. The project has, upon the request of the authorities in Nigeria, entered into a process to re-negotiate the tariff in the PPA.

The project is being developed by Scatec Solar and Africa50. The American Overseas Private Investment Corporation (OPIC), Islamic Development Bank and the African Development Bank are mandated to be senior debt providers for the project.

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

Kenya, 48 MW

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

Cameroon, 25 MW

On March 21, 2018, Scatec Solar and partners were awarded a 25 MW solar project, in a tender held by the national power utility in Cameroon, ENEO. The power plants, located near Guider in the North region and Maroua in the Far North region of Cameroon, are expected to deliver 49 GWh of electricity per year with annual revenues of approximately EUR 3.5 million based on a EUR pegged tariff. Scatec Solar is currently negotiating the power purchase agreement with ENEO and work has started to secure project finance from banks and capex is estimated to be approximately EUR 22 million.

Burkina Faso, 17 MW

In 2014, the Zagtouli 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.

Scatec Solar now holds project opportunities with a combined capacity of about 2,700 MW across Americas, Africa and Asia.

Proportionate financials

Power plant companies in operation

Q1 2018

NOK MILLION	CZECH REPUB.	SOUTH AFRICA	RWANDA	HONDURAS	JORDAN	OTHER	TOTAL
Revenues	16	81	2	12	15	11	137
OPEX	-3	-8	-1	-2	-2	-16	-31
EBITDA	13	74	2	10	14	-6	106
EBITDA margin	81%	91%	76%	83%	90%	N/A	77%
Net interest expenses ¹⁾	-5	-26	-1	-4	-6	1	-42
Normalised loan repayments ¹⁾	-7	-15	-1	-5	-5	-	-33
Normalised income tax payments ¹⁾	-	-8	-	-	-	3	-5
Cash flow to equity	1	20	-1	1	2	-2	26
SSO economic interest	100%	39%	54%	40%	60%		
Net production (GWh)	3.2	40.8	1.7	10.5	11.9		68.2

1) See Alternative Performance Measures appendix for definition.

Q1 2017

NOK MILLION	CZECH REPUB.	SOUTH AFRICA	RWANDA	HONDURAS	JORDAN	OTHER	TOTAL
Revenues	16	75	4	12	18	2	127
OPEX	-1	-7	-1	-2	-2	-5	-19
EBITDA	15	68	4	10	16	-4	108
EBITDA margin	94%	90%	87%	85%	91%	N/A	85%
Net interest expenses ¹⁾	-5	-27	-2	-4	-7	2	-43
Normalised loan repayments ¹⁾	-6	-12	-2	-5	-4	-	-29
Normalised income tax payments ¹⁾	-	-7	-	-	-	1	-6
Cash flow to equity	4	22	-	2	5	-2	29
SSO economic interest	100%	39%	54%	40%	60%		
Net production (GWh)	3.7	39.5	1.9	10.3	13.2		68.7

1) See Alternative Performance Measures appendix for definition.

Proportionate financials

Financial position and working capital breakdown

31 MARCH 2018

NOK MILLION	IN OPERATION						UNDER CONSTRUCTION			TOTAL PROPORTIONATE
	CZECH REPUB.	SOUTH AFRICA	RWANDA	HONDURAS	JORDAN	MALAYSIA	HONDURAS	BRAZIL	MOZAMBIQUE	
Project equity ¹⁾	155	164	21	130	329	92	312	196	43	1,441
Total assets ¹⁾	599	1,366	90	368	674	1,428	312	224	120	5,182
PP&E	501	1,125	78	302	535	556	219	194	48	3,558
Cash ¹⁾	38	148	9	43	112	354	-	12	48	765
Gross interest bearing debt ¹⁾	397	1,064	66	197	417	1,373	-	-	33	3,545
Net interest bearing debt ¹⁾	358	916	57	154	305	1,019	-	-12	-15	2,780
Net working capital ¹⁾	-21	-74	-7	-21	-87	518	-189	-	-21	98
SSO economic interest	100%	39%	54%	40%	60%	68%	70%	44%	53%	N/A

1) See Alternative Performance Measures appendix for definition.

Bridge from proportionate to consolidated financials

31 MARCH 2018

NOK MILLION	TOTAL PROPORTIONATE	RESIDUAL OWNERSHIP INTERESTS	D&C, O&M, CORPORATE, ELIMINATIONS	CONSOLIDATED
Project equity ¹⁾	1,441	1,166	-893	1,715
Total assets	5,182	4,433	1,032	10,647
PP&E ²⁾	3,558	3,302	-556	6,304
Cash ¹⁾	765	609	1,155	2,529
Gross interest bearing debt ¹⁾	3,545	2,975	741	7,261
Net interest bearing debt ¹⁾	2,780	2,365	-414	4,732
Net working capital ¹⁾	98	-74	-926	-902

1) See Alternative Performance Measures appendix for definition.

2) The amount of NOK 556 million is net after reduction of capitalised spending on projects under development of NOK 598 million (on a consolidated basis).

Condensed interim financial information

Interim consolidated statement of profit or loss

NOK MILLION	NOTES	Q1 2018	Q1 2017	FULL YEAR 2017
Revenues	2	282.8	276.5	1,121.1
Net gain/(loss) from sale of project assets	2,3	-	-	377.8
Net income/(loss) from JVs and associated companies	2	6.0	-0.3	-7.4
Total revenues and other income		288.8	276.3	1,491.5
Personnel expenses	2	-28.5	-20.5	-94.7
Other operating expenses	2	-47.9	-33.5	-155.5
Depreciation, amortisation and impairment	2,3	-62.8	-62.0	-248.1
Operating profit		149.7	160.3	993.2
Interest and other financial income	4,5	15.5	13.2	51.2
Interest and other financial expenses	4,5	-125.2	-127.4	-523.8
Net foreign exchange gain/(losses)	4,5	-23.6	-8.3	-59.8
Net financial expenses		-133.2	-122.5	-532.3
Profit/(loss) before income tax		16.5	37.8	460.9
Income tax (expense)/benefit	7	-4.4	-6.7	-23.0
Profit/(loss) for the period		12.1	31.0	437.9
Profit/(loss) attributable to:				
Equity holders of the parent		-17.7	3.6	339.1
Non-controlling interests		29.7	27.4	98.8
Basic earnings per share (NOK)		-0.17	0.04	3.36
Diluted earnings per share (NOK)		-0.17	0.04	3.35

Interim consolidated statement of comprehensive income

NOK MILLION	NOTES	Q1 2018	Q1 2017	FULL YEAR 2017
Profit/(loss) for the period		12.1	31.0	437.9
Other comprehensive income:				
Items that may subsequently be reclassified to profit or loss				
Net movement of cash flow hedges	5	-34.3	-146.6	-61.8
Income tax effect	7	9.3	41.0	16.9
Foreign currency translation differences		-74.4	14.7	30.8
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-99.3	-90.8	-14.2
Total comprehensive income for the period net of tax		-87.3	-59.8	423.7
Attributable to:				
Equity holders of the parent		-90.0	-24.9	336.1
Non-controlling interests		2.7	-34.9	87.7

Interim consolidated statement of financial position

NOK MILLION	NOTES	AS OF 31 MARCH 2018	AS OF 31 DECEMBER 2017
ASSETS			
Non-current assets			
Deferred tax assets	7	432.2	401.9
Property, plant and equipment – in solar projects	3	6,303.5	5,580.4
Property, plant and equipment – other	3	43.9	37.9
Goodwill		23.7	24.1
Financial assets	4,5	0.1	0.2
Investments in JVs and associated companies		547.3	415.1
Other non-current assets	9	162.8	120.1
Total non-current assets		7,513.5	6,579.8
Current assets			
Trade and other receivables		215.3	238.8
Other current assets	9	388.6	558.5
Financial assets	4,5	0.1	0.2
Cash and cash equivalents	6	2,529.4	2,863.1
Total current assets		3,133.4	3,660.6
TOTAL ASSETS		10,646.9	10,240.4

Interim consolidated statement of financial position

NOK MILLION	NOTES	AS OF 31 MARCH 2018	AS OF 31 DECEMBER 2017
EQUITY AND LIABILITIES			
Equity			
Share capital		2.6	2.6
Share premium		1,202.1	1,194.7
Total paid in capital		1,204.7	1,197.2
Retained earnings		13.2	31.0
Other reserves		9.4	81.7
Total other equity		22.7	112.7
Non-controlling interests		487.4	577.3
Total equity	8	1,714.8	1,887.2
Non-current liabilities			
Deferred tax liabilities	7	201.2	184.9
Non-recourse project financing	4	6,077.9	6,163.9
Bonds	6	741.1	740.8
Financial liabilities	4,5	54.0	28.7
Other non-current liabilities	9	351.9	299.4
Total non-current liabilities		7,426.0	7,417.7
Current liabilities			
Trade and other payables	10	511.7	216.3
Income tax payable	7	28.6	19.4
Non-recourse project financing	4	442.2	316.6
Financial liabilities	4,5,6	23.8	26.6
Other current liabilities	9	499.8	356.5
Total current liabilities		1,506.1	935.4
Total liabilities		8,932.1	8,353.1
TOTAL EQUITY AND LIABILITIES		10,646.9	10,240.4

Oslo, 19 April 2018

The Board of Directors of Scatec Solar ASA

Interim consolidated statement of changes in equity

NOK MILLION	OTHER RESERVES							NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	HEDGING RESERVES	TOTAL			
At 1 January 2017	2.3	819.1	-222.0	83.7	1.6	684.7	628.0	1,312.7	
Profit for the period	-	-	3.6	-	-	3.6	27.4	31.0	
Other comprehensive income	-	-	0.3	11.5	-40.3	-28.5	-62.3	-90.8	
Total comprehensive income	-	-	3.9	11.5	-40.3	-24.9	-34.9	-59.8	
Share-based payment	-	0.9	-	-	-	0.9	-	0.9	
Share capital increase ¹⁾	0.2	379.7	-	-	-	379.9	-	379.9	
Transaction cost, net after tax	-	-6.9	-	-	-	-6.9	-	-6.9	
Dividend distribution	-	-	-	-	-	-	-105.6	-105.6	
Capital increase from NCI ²⁾	-	-	-	-	-	-	0.8	0.8	
At 31 March 2017	2.6	1,192.6	-218.1	95.2	-38.7	1,033.7	488.3	1,521.9	
At 1 April 2017	2.6	1,192.6	-218.1	95.2	-38.7	1,033.7	488.3	1,521.9	
Profit for the period	-	-	335.5	-	-	335.5	71.4	406.9	
Other comprehensive income	-	-	0.3	9.3	15.8	25.5	51.2	76.7	
Total comprehensive income	-	-	335.8	9.3	15.8	360.9	122.6	483.6	
Share-based payment	-	2.0	-	-	-	2.0	-	2.0	
Dividend distribution	-	-	-73.3	-	-	-73.3	-79.7	-153.0	
Capital increase from NCI ²⁾	-	-	-	-	-	-	32.7	32.7	
Step-by-step acquisition	-	-	-13.4	-	-	-13.4	13.4	-	
At 31 December 2017	2.6	1,194.7	31.0	104.5	-22.8	1,309.9	577.3	1,887.2	
At 1 January 2018	2.6	1,194.7	31.0	104.5	-22.8	1,309.9	577.3	1,887.2	
Profit for the period	-	-	-17.7	-	-	-17.7	29.7	12.1	
Other comprehensive income	-	-	-0.1	-58.4	-13.8	-72.3	-27.0	-99.3	
Total comprehensive income	-	-	-17.8	-58.4	-13.8	-90.0	2.7	-87.3	
Share-based payment	-	1.2	-	-	-	1.2	-	1.2	
Share capital increase	0.0	6.2	-	-	-	6.2	-	6.2	
Dividend distribution	-	-	-	-	-	-	-106.1	-106.1	
Capital increase from NCI ²⁾	-	-	-	-	-	-	13.5	13.5	
At 31 March 2018	2.6	1,202.1	13.2	46.1	-36.6	1,227.4	487.4	1,714.8	

1) During first quarter 2017 the Group increased the share capital.

2) Non-controlling interests.

Interim consolidated statement of financial position

NOK MILLION	NOTES	Q1 2018	Q1 2017	FULL YEAR 2017
Cash flow from operating activities				
Profit before taxes		16.5	37.8	460.9
Taxes paid	7	-3.7	-8.0	-17.4
Carry-back tax payment received	7	-	-	8.8
Depreciation and impairment	3	62.8	62.0	248.1
Net income associated companies/sale of project assets		-6.0	0.3	-370.6
Interest and other financial income	4	-15.5	-13.2	-51.2
Interest and other financial expenses	4	125.2	127.4	523.8
Unrealised foreign exchange (gain)/loss	4	-50.8	26.2	-55.7
(Increase)/decrease in trade and other receivables		23.5	29.0	-7.3
(Increase)/decrease in other current/non-current assets		124.0	-27.5	-420.9
Increase/(decrease) in trade and other payables	10	295.3	-3.9	187.0
Increase/(decrease) in other current liabilities		113.0	-11.1	153.9
Increase/(decrease) in financial assets and other changes	5,9	16.0	-11.9	185.2
Net cash flow from operating activities		700.1	262.0	844.1
Cash flow from investing activities				
Interest received	4	25.3	13.2	51.2
Investments in property, plant and equipment	3	-924.9	-57.2	-673.1
Net investment in associated companies		-120.1	-	-252.3
Net cash flow from investing activities		-1,019.7	44.0	-874.1
Cash flow from financing activities				
Proceeds from NCI shareholder financing ¹⁾		96.4	-	31.4
Interest paid	4	-54.1	-42.9	-475.9
Proceeds from non-recourse project financing	4	62.5	-	1,973.8
Repayment of non-recourse project financing	4	-34.5	-26.6	-230.6
Share capital increase		6.2	373.0	373.0
Proceeds from corporate bond issue	6	-	-	750.0
Repayment of corporate bond	6	-	-	-523.3
Dividends paid to equity holders of the parent company	8	-	-	-73.3
Dividends and other distributions paid to non-controlling interest		-106.1	-105.6	-185.3
Net cash flow from financing activities		-29.5	197.9	1,639.8
Net increase/(decrease) in cash and cash equivalents		-349.1	415.9	1,609.8
Effect of exchange rate changes on cash and cash equivalents		15.4	9.3	116.1
Cash and cash equivalents at beginning of the period	6	2,863.1	1,137.2	1,137.2
Cash and cash equivalents at end of the period	6	2,529.4	1,562.5	2,863.1
Cash in power plant companies in operation	6	734.7	797.3	793.3
Cash in power plant companies under construction	6	679.5	11.6	1,323.9
Other restricted cash	6	72.8	88.1	57.8
Free cash	6	1,042.4	665.4	688.1
Total cash and cash equivalents	6	2,529.4	1,562.5	2,863.1
Hereof presented as:				
Cash and cash equivalents		2,529.4	1,562.5	2,863.1

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

Notes to the condensed interim consolidated financial statements

Note 1 Organisation and basis for preparation

Corporate information

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

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

The condensed interim consolidated financial statements were authorised for issue by the Board of Directors on 19 April 2018.

Basis of preparation

These condensed interim consolidated financial statements are prepared in accordance with recognition, measurement and presentation principles consistent with International Financing 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 2017, with exception for the reporting on operating segments as described below. Standards and interpretations mentioned in note 32 of the Group's annual report 2017 with effective date from financial year 2018

(IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers), do not have a significant impact on the Group's condensed interim consolidated financial statements.

From first quarter 2018 the segment financials are reported on a proportionate basis in line with how the management team assesses the segments performance. With proportionate financials Scatec Solar reports its share of revenues, expenses, profits and cash flows from its subsidiaries without eliminations based on Scatec Solar's economic interest in the subsidiaries. The group uses proportionate financials to improve transparency on underlying value creation across Scatec Solar's business activities.

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 million 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 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 2018 no new power plant companies have been included in the consolidated financial statements.

Refer to note 2 of the 2017 annual report for further information on judgements, including control assessments made in previous years.

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 impacted by external factors, such as weather conditions. The power production at the PV solar parks is directly impacted 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.

From first quarter 2018 the segment financials are reported on a proportionate basis as described in note

1. A reconciliation between proportionate financials and consolidated financials are provided in the tables below. Comparative information in this note for prior year has been restated.

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.

Q1 2018

NOK MILLION	PROPORTIONATE FINANCIALS					RESIDUAL OWNERSHIP INTERESTS ¹⁾	ELIMINATIONS ²⁾	CONSOLIDATED FINANCIALS
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL			
External revenues	126.2	-	-	-	126.2	156.6	-	282.8
Internal revenues	10.6	13.9	417.4	4.0	445.9	34.1	-480.0	-
Net gain/(loss) from sale of project assets	-	-	-	-	-	-	-	-
Net income/(loss) from JV and associates	-	-	-	-	-	9.3	-3.2	6.0
Total revenues and other income	136.8	13.9	417.4	4.0	572.0	200.0	-483.2	288.8
Cost of sales	-	-	-375.9	-	-375.9	30.5	345.4	-
Gross profit	136.8	13.9	41.5	4.0	196.1	230.5	-137.8	288.8
Personnel expenses	-4.1	-5.0	-10.8	-8.8	-28.7	0.2	-	-28.5
Other operating expenses	-27.0	-7.1	-15.3	-9.0	-58.4	-7.1	17.6	-47.9
EBITDA	105.7	1.8	15.4	-13.9	109.0	223.6	-120.2	212.4
Depreciation and impairment	-36.0	-0.2	-0.9	-0.4	-37.5	-38.7	13.5	-62.8
Operating profit (EBIT)	69.7	1.5	14.5	-14.2	71.5	184.9	-106.7	149.7

1) Residual ownerships interests share of the proportionate financials in subsidiaries where SSO do not have 100% economic interest.

2) Eliminations made in the preparation of the groups IFRS consolidated financials.

Q1 2017

NOK MILLION	PROPORTIONATE FINANCIALS					RESIDUAL OWNERSHIP INTERESTS ¹⁾ ELIMINATIONS ²⁾		CONSOLIDATED FINANCIALS
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL			
External revenues	125.3	-	-	-	125.3	151.2	-	276.5
Internal revenues	1.7	14.6	0.1	3.0	19.4	-	-19.4	-
Net gain/(loss) from sale of project assets	-	-	-	-	-	-	-	-
Net income/(loss) from JV and associates	-	-	-0.3	-	-0.3	-	-	-0.3
Total revenues and other income	127.0	14.6	-0.2	3.0	144.4	151.2	-19.4	276.3
Cost of sales	-	-	-	-	-	-	-	-
Gross profit	127.0	14.6	-0.2	3.0	144.4	151.2	-19.4	276.3
Personnel expenses	-3.5	-3.3	-6.2	-7.5	-20.6	-0	0.1	-20.5
Other operating expenses	-15.8	-6.4	-9.1	-6.0	-37.2	-15.8	19.5	-33.5
EBITDA	107.8	4.9	-15.4	-10.5	86.8	135.4	-	222.3
Depreciation and impairment	-38.5	-0.2	-0.6	-0.3	-39.6	-38.9	16.5	-62.0
Operating profit (EBIT)	69.3	4.6	-15.9	-10.8	47.2	96.5	16.5	160.3

1) Residual ownerships interests share of the proportionate financials in subsidiaries where SSO do not have 100% economic interest

2) Eliminations made in the preparation of the groups IFRS consolidated financials.

FULL YEAR 2017

NOK MILLION	PROPORTIONATE FINANCIALS					TOTAL	RESIDUAL OWNERSHIP INTERESTS ¹⁾	ELIMINATIONS ²⁾	CONSOLIDATED FINANCIALS
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE					
External revenues	532.2	-	-	-	532.2	561.6	27.2	1,121.1	
Internal revenues	11.9	68.6	681.9	13.1	775.5	-	-775.5	-	
Net gain/(loss) from sale of project assets	-	-	377.8	-	377.8	-	-	377.8	
Net income/(loss) from JV and associates	-	-	-5.4	-	-5.4	2.1	-4.1	-7.4	
Total revenues and other income	544.1	68.6	1,054.3	13.1	1,680.2	563.2	-751.8	1,491.5	
Cost of sales	-	-	-612.0	-	-612.0	21.8	590.2	-	
Gross profit	544.1	68.6	442.3	13.1	1,068.2	585.0	-161.6	1,491.5	
Personnel expenses	-14.5	-14.4	-33.2	-33.2	-95.4	-	1.2	-94.7	
Other operating expenses	-75.4	-26.8	-48.7	-29.6	-180.6	-67.5	92.5	-155.5	
EBITDA	454.1	27.5	360.5	-49.8	792.3	517.3	-68.3	1,241.3	
Depreciation and impairment	-155.8	-0.7	-2.6	-1.4	-160.4	-154.5	66.9	-248.1	
Operating profit (EBIT)	298.3	26.7	357.9	-51.1	631.8	363.0	-1.6	993.2	

1) Residual ownerships interests share of the proportionate financials in subsidiaries where SSO do not have 100% economic interest.

2) Eliminations made in the preparation of the groups IFRS consolidated financials.

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. Construction of the Mocuba power plant in Mozambique begun in the first quarter 2018.

NOK MILLION	SOLAR POWER PLANTS	SOLAR POWER PLANTS UNDER CONSTRUCTION	SOLAR POWER PLANTS UNDER DEVELOPMENT	MACHINERY AND EQUIPMENT	TOTAL
Carrying value at 31 December 2017	4,236.2	703.9	640.3	37.9	5,618.3
Additions	-	890.6	25.8	8.5	924.9
Disposals	-2.0	-	-	-	-2.1
Transfer between asset classes	-	63.6	-63.6	-	-
Depreciation	-61.0	-	-	-1.8	-62.8
Impairment losses	-	-	-	-	-
Effect of foreign exchange currency translation adjustments	-97.8	-28.2	-4.4	-0.7	-131.0
Carrying value at 31 March 2018	4,075.5	1,629.9	598.2	43.9	6,347.4
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 power plants 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 solar power companies operating in the Czech Republic and the three solar power companies in Malaysia, the non-recourse financing agreements include a cross default clause within the Czech and Malaysian group respectively.

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. The maturity date for the loans ranges from 2028 to 2036. NOK 442.2 million of the Group's total non-recourse debt is due within 12 months and is presented as current in the statement of financial position. Refer to note 6 in the 2017 Annual Report for more information.

During the first quarter 2018 the Group has drawn NOK 63 million on the non-recourse financing related to the construction project in Mozambique.

NOK MILLION	Q1 2018	Q1 2017	FULL YEAR 2017
Interest income	12.8	13.2	50.9
Other financial income	2.7	-	0.4
Financial income	15.5	13.2	51.2
Interest expenses	-121.0	-123.9	-482.1
Other financial expenses	-4.2	-3.5	-41.7
Financial expenses	-125.2	-127.4	-523.8
Foreign exchange gains/(losses)	-23.6	-8.3	-59.8
Net financial expenses	-133.2	-122.5	-532.3

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 2017 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.

NOK MILLION	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)	-	0.3	-77.7	-77.4
Fair value based on unobservable inputs (Level 3)	0.1	-	-	0.1
Total fair value at 31 March 2018	0.1	0.3	-77.7	-77.3

NOK MILLION	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)	-	0.3	-55.2	-54.9
Fair value based on unobservable inputs (Level 3)	0.1	-	-	0.1
Total fair value at 31 December 2017	0.1	0.3	-55.2	-54.8

Note 6 Cash, cash equivalents and corporate funding

NOK MILLION	31 MARCH 2018	31 DECEMBER 2017
Cash in power plant companies in operation ¹⁾	734.7	793.3
Cash in power plant companies under development/construction ¹⁾	679.5	1,323.9
Other restricted cash	72.8	57.8
Free cash	1,042.4	688.1
Total cash and cash equivalents	2,529.4	2,863.1

1) See Alternative Performance Measures appendix for definition.

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 MILLION	Q1 2018	Q1 2017	FULL YEAR 2017
Free cash at beginning of period	688.1	303.9	303.9
Proportionate share of cash flow to equity O&M	1.4	3.8	21.5
Proportionate share of cash flow to equity D&C	12.3	-11.4	166.6
Proportionate share of cash flow to equity CORP	-18.7	-14.8	-65.3
Project development capex	-13.6	-49.9	-229.3
Equity contributions/collateralised for equity in power plant companies	-154.2	-	-477.5
Distributions from power plant companies	112.7	80.9	150.5
Share capital increase, net after transaction cost and tax	-	-	373.0
Dividend distribution	-	-	-73.3
Net proceeds from bond issuance	-	-	226.7
Working capital / Other	414.4	352.9	291.2
Free cash at end of the period	1,042.4	665.4	688.1

On 7 July 2017 Scatec Solar entered into a guarantee facility, a USD 30 million overdraft facility and an intercreditor agreement. The facilities replaced all other corporate guarantees and overdraft facilities existing at the date of these new agreements. On 23 March 2018 Scatec Solar entered into a USD 60 million revolving credit facility. Scatec Solar will enter into a new USD 5 million overdraft facility in second quarter 2018 and the USD 30 million overdraft facility will be cancelled. Financial covenants are equal to the financial covenants in the NOK 750 million bond agreement in all these facilities.

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 revolving credit facility has Nordea Bank as agent and Nordea Bank and ABN Amro as equal 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 overdraft facility with a revolving

credit facility with the instrument lenders under the guarantee facility. Scatec Solar has not drawn on the overdraft facility per 31 March 2018.

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. The bond was listed on the Oslo Stock Exchange 6 April 2018 with ticker SSO02 G.

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 first quarter, interest amounting to NOK 11.3 million (10.2) was expensed for the bonds.

Per 31 March 2018, Scatec Solar was in compliance with all covenants under the NOK 750 million bond, the guarantee facility, revolving credit facility and overdraft facility. The book equity of the recourse group ¹⁾, as defined in the facility agreements, was NOK 2,269 million per quarter end.

Refer to bond agreement available on www.scatecsolar.com/ investor/debt for further information and definitions.

1) See Alternative Performance Measures appendix for definition.

Note 7 Income tax expense

For the first quarter ended 31 March 2018, the effective income tax rate was primarily influenced by profits in higher-tax countries being offset by losses in lower-tax countries. The underlying tax rates in the companies in operation are in the range of 0%-33%. 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 MILLION	Q1 2018	Q1 2017	FULL YEAR 2017
Profit before income tax	16.5	37.8	460.9
Income tax (expense)/benefit	-4.4	-6.7	-23.0
Equivalent to a tax rate of (%)	26.8	17.8	5.0

MOVEMENT IN DEFERRED TAX

NOK MILLION	Q1 2018	Q1 2017	FULL YEAR 2017
Net deferred tax asset at beginning of period	217.0	200.0	200.0
Recognised in the consolidated statement of profit or loss	5.8	-1.9	1.3
Deferred tax on financial instruments recognised in OCI	9.3	41.0	16.9
Recognised in the consolidated statement of changes in equity	0.1	3.0	4.7
Offset against tax carry-back payment received	-	-	-8.5
Translation differences	-1.1	2.4	2.6
Net deferred tax asset at end of period	231.0	244.5	217.0

Note 8 Dividend

For 2017, the Board of Directors proposed a dividend of NOK 0.78 per share, totalling NOK 80 million. 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 will be trading excluding dividend rights (ex-date) on the first business day following the Annual General Meeting to be held 23 April 2018. The dividend is expected to be paid on or about 15 May 2018.

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

The consolidated other current assets of NOK 388.6 million (558.5) mainly consist of prepaid expenses related to commencement of construction of the Los Prados plant in Honduras of NOK 129.0 million (172.8) and the Quantum Solar projects in Malaysia NOK 0 (205.6). In addition, prepaid VAT and other receivables from public authorities account for NOK 148,5 million (128.0).

Other non-current liabilities of NOK 351.9 million (299.4) mainly consists of shareholder loans of NOK 211.1 million (128.2) and accruals for asset retirement obligations of NOK 74.4 million (75.6).

Other current liabilities of NOK 499.8 (356.5) consists mainly of accrued expenses related to the Malaysian projects NOK 110 million (0), payables to shareholders of NOK 81.5 million (0), proposed dividends for 2017 of NOK 80.7 million (73.3) and payables to public authorities and employees.

Related parties and co-investors

As of 31 March 2018, Scatec Solar has receivables on non-controlling interests of NOK 95.5 million (90.6). NOK 87.4 million (77.0) of the receivables relates to committed but not paid equity in power plant companies in South Africa. In

addition, the Group has receivables of NOK 6.5 million (6.8) on co-investors related to equity financing of power plant companies in Jordan. Scatec Solar also has loan receivables on executive management of NOK 4.5 million (5.9).

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 211.1 million (177.3) as of 31 March 2018. Other non-current liabilities include NOK 11.2 million (20.6) related to accrued dividends to non-controlling interests.

For further information on project financing provided by co-investors, refer note 25 to the 2017 annual financial statements.

Note 10 Trade and other payables

The consolidated trade and other payables of NOK 511.7 million 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 March 2018 compared to 31 December 2017

of NOK 216.3 million, reflects purchase of construction material to the Quantum projects in Malaysia. The increase in balance was partly offset by a decrease related to down payment of outstanding supplier credits in Egypt and general down payments.

Note 11 Subsequent events

No events have occurred after the balance sheet date with significant impact on the interim financial statements for the first quarter 2018.

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.

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.

Recourse Group: means all entities in the group, excluding solar park companies (each a recourse group company).

Book equity: is the total book equity of the recourse group less investments in subsidiaries within the recourse group at the end of any relevant period and in accordance with IFRS. In case a subsidiary is not wholly owned, the book equity of that subsidiary is adjusted to reflect the issuer's pro rate ownership of the book equity in that subsidiary.

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

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.

Q1 2018

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	105.7	1.8	15.4	-13.9	109.0
Net interest expenses	-42.0	-	0.3	-10.6	-52.2
Normalised loan repayments	-32.7	-	-	-	-32.7
Normalised income tax payment	-9.4	-0.4	-3.4	5.7	-7.5
Cash flow to equity	21.5	1.4	12.3	-18.7	16.6

Q4 2017

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	106.7	3.6	8	-14.6	103.7
Net interest expenses	-40.8	0.6	1.8	-10	-48.4
Normalised loan repayments	-28	-	-	-	-28
Normalised income tax payment	-8	-1	-2.2	6	-5.2
Cash flow to equity	30	3.2	7.7	-18.6	22.3

FULL YEAR 2017

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	454.1	27.5	159.7	-49.8	591.5
Net interest expenses	-170.6	0.6	3.4	-36.5	-203.1
Normalised loan repayments	-113.3	-	-	-	-113.3
Normalised income tax payment	-27.9	-6.6	3.7	21	-9.8
Cash flow to equity	142.3	21.5	166.8	-65.3	265.3

Q1 2017

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	107.8	4.9	-15.4	-10.5	86.8
Net interest expenses	-43.3	-	0.1	-9.1	-52.3
Normalised loan repayments	-28.8	-	-	-	-28.8
Normalised income tax payment	-6.3	-1.1	3.8	4.8	1.2
Cash flow to equity	29.3	3.8	-11.5	-14.8	6.8

Other definitions

Backlog

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

Pipeline

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

Opportunities

Project opportunities are defined as projects that have not yet reached a 50% probability 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.

Project equity

Equity and shareholder loans.

Cash in power plant companies in operation

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.

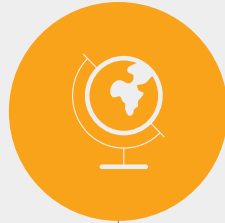
SSO Proportionate Financials

Calculates proportionate revenues and profits for Scatec Solar based on its economic interest in the subsidiaries. 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.

Scatec Solar's economic interest

Scatec Solar's share of the total estimated economic return from its subsidiaries. For projects in development and construction the economic interest is subject to change from the development of the financial model.

Scatec Solar's Value Chain



Project development

- Site development
- System design
- Business case
- Permitting
- Grid connection
- PPA negotiation /tender / FiT



Financing

- Detailed design & engineering
- Component tendering
- Debt / Equity structuring
- Due Diligence



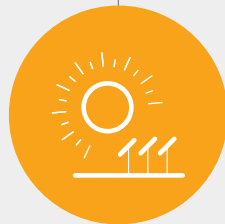
Construction

- Engineering and Procurement
- Construction management
- Quality assurance



Operations

- Maximize performance and availability
- Maintenance and repair



Ownership (IPP)

- Asset management
- Financial and operational optimization

