



Second Quarter 2018

Oslo, July 20, 2018



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# Agenda

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- **Highlights and project update**

Raymond Carlsen, CEO

- **Financial review**

Mikkel Tørud, CFO

- **Summary and Outlook**

Raymond Carlsen, CEO



The 162 MW Apodi project in Brazil



# Ramping up construction and increasing backlog and pipeline

- Q2'18 proportionate revenues of NOK 1,229 million and EBITDA of NOK 266 million
- D&C revenues at NOK 1,045 million and EBITDA of NOK 140 million – reflecting a significant step up in construction activities
- Secured 117 MW in Argentina and 130 MW in Ukraine – total backlog & pipeline reached 4.5 GW
- Targeting 3.5 GW by end of 2021
- Gross NOK 600 million of equity raised through a private placement



The 197 MW Quantum project in Malaysia



# Construction progressing well – six projects totalling 1,092 MW

**Malaysia, 197 MW**



**Brazil, 162 MW**



**Honduras, 35 MW**



**Egypt, 400 MW**



**Mozambique, 40 MW**



**South Africa, 258 MW**



# Secured 117 MW in Argentina and 130 MW in Ukraine

## Argentina, 117 MW

- 20 year PPA with CAMMESA
- SSO 50%, Equinor 50%
- Capex: USD 95 million



## Comments

- SSO & Equinor 50/50 joint venture to build, own and operate the plant
- Equinor to provide construction financing
- Target construction start in 2H 2018

## Ukraine, 130 MW

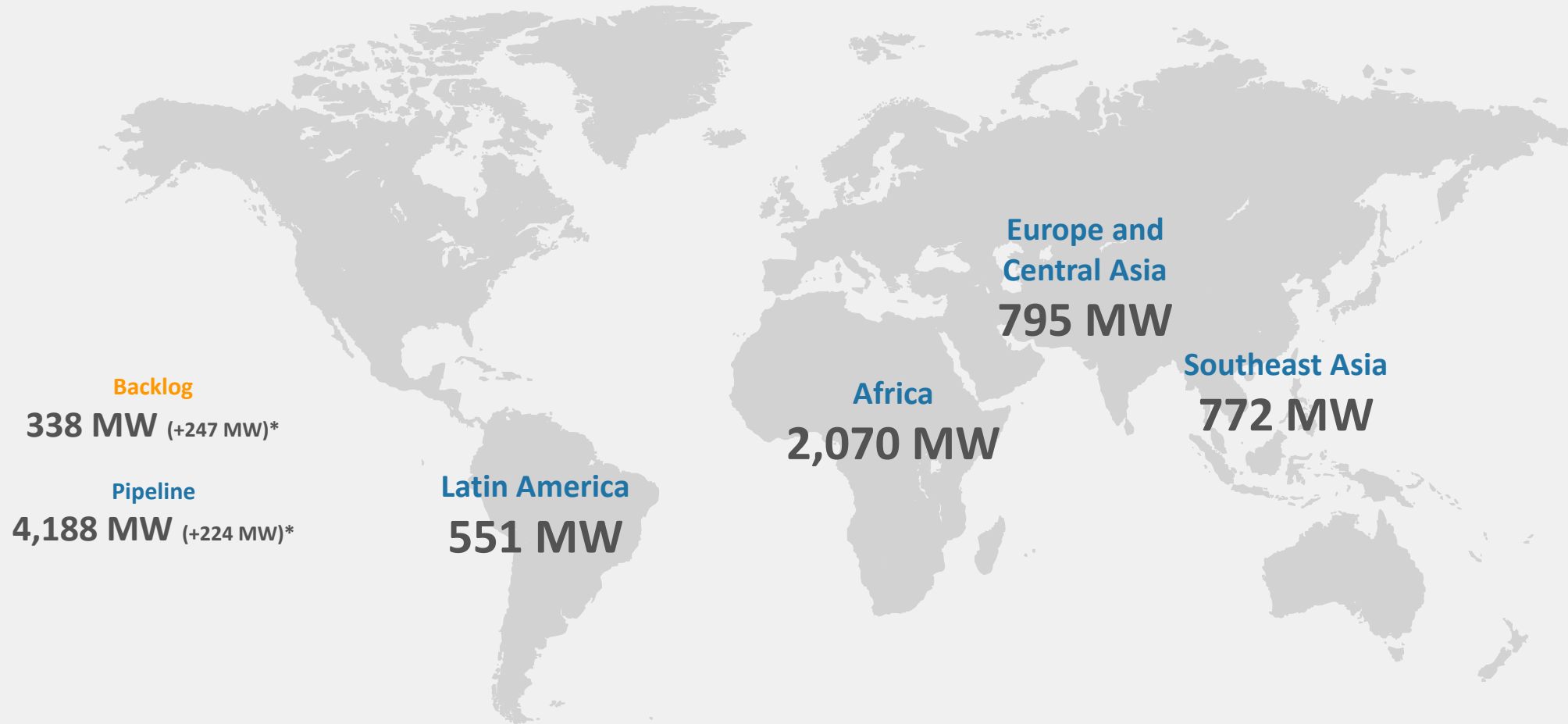
- 10 year Feed in Tariff
- SSO 70%, partners 30%
- Capex: EUR 137 million



## Comments

- Project finance to be provided by European Bank of Reconstruction and Development and partners
- Target construction start in 2H 2018

## Project backlog and pipeline increased by 0.5 GW to 4.5 GW



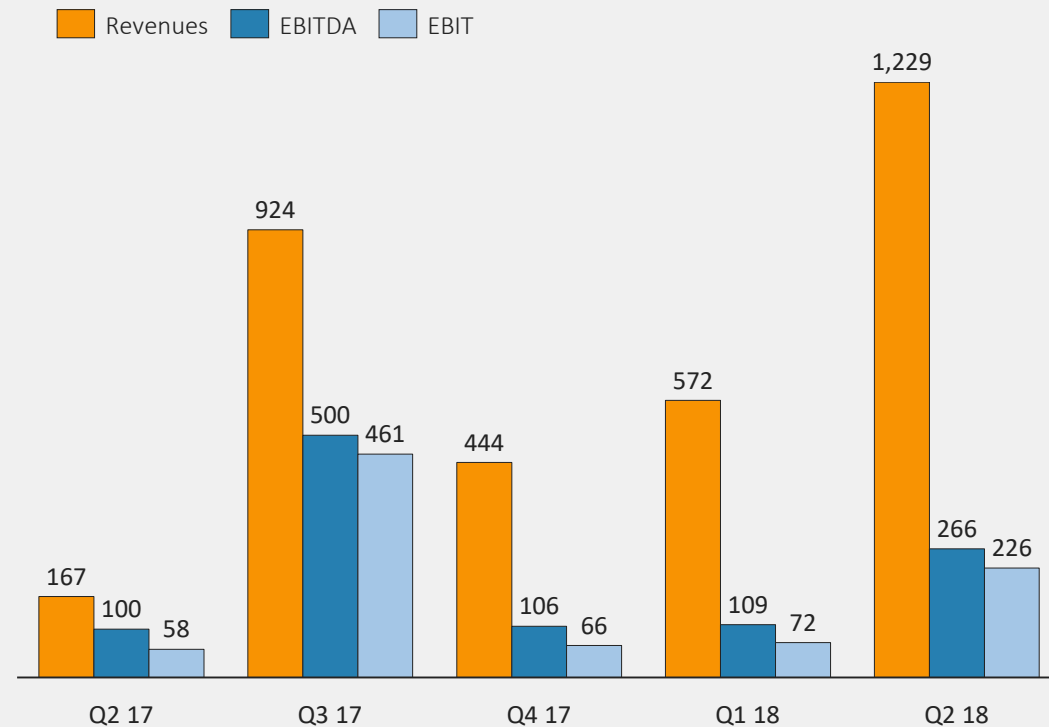
# Financial review

Mikkel Tørud, CFO



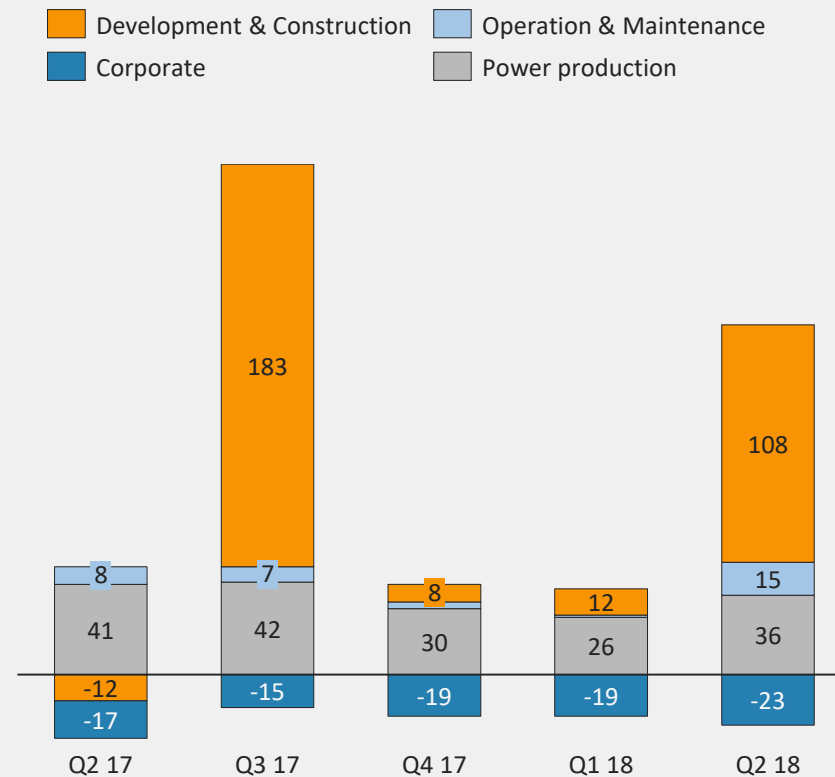
# EBITDA up significantly year on year – step change in construction activities

SSO proportionate financials (NOK million)



EBITDA 59% 54% 24% 19% 22%

SSO's share of cash flow to equity (NOK million)

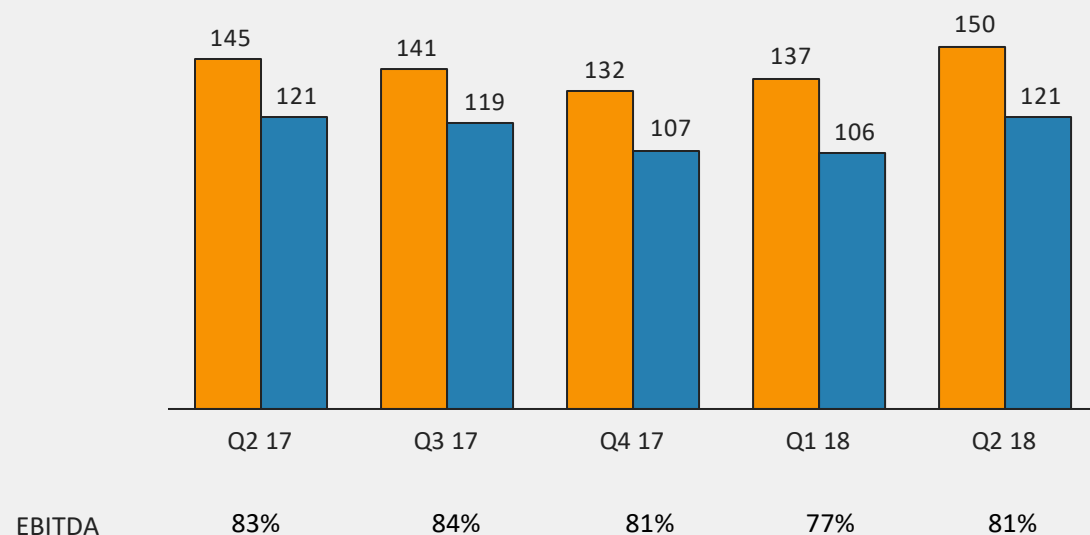


Total 20 217 21 21 136

# Unchanged EBITDA year on year - stable operation and same asset base

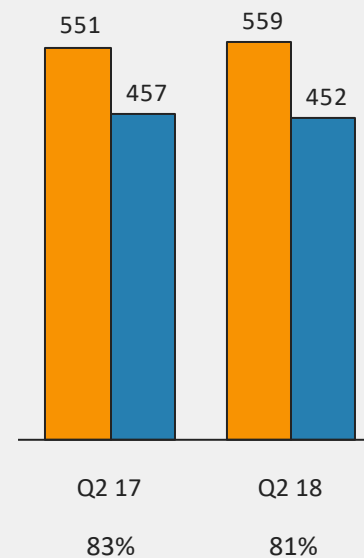
Quarterly (NOK million)

Revenues EBITDA



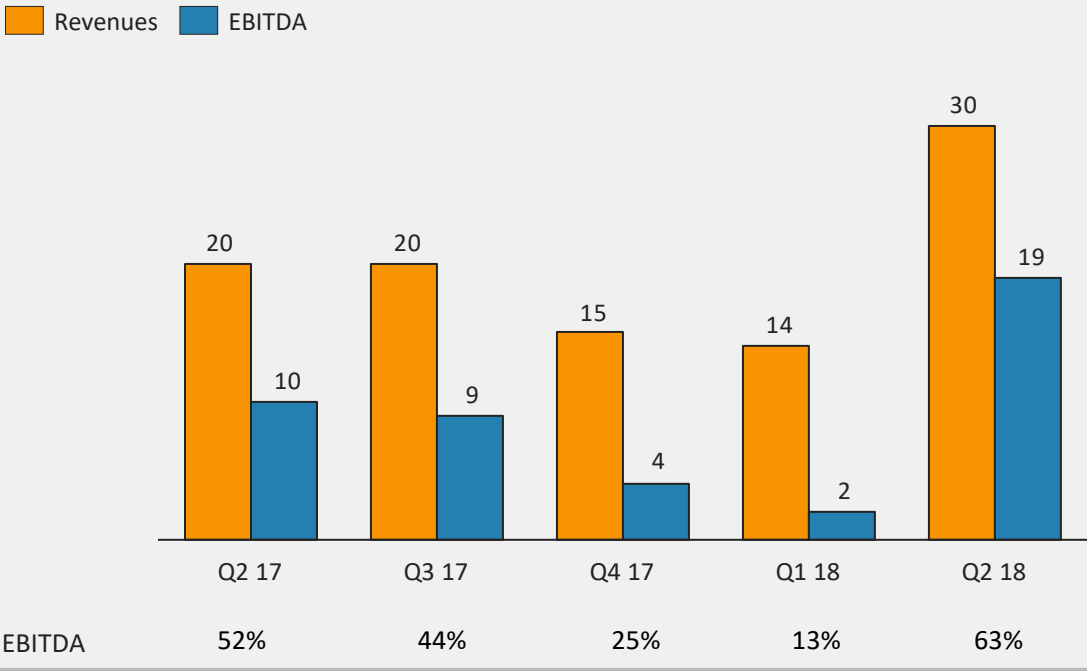
Last twelve months (NOK million)

Revenues EBITDA

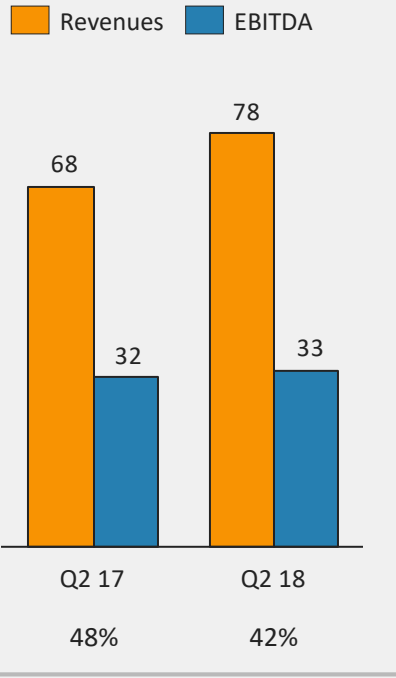


# Growth in EBITDA year on year after catch up of O&M revenues in Jordan

Quarterly (NOK million)



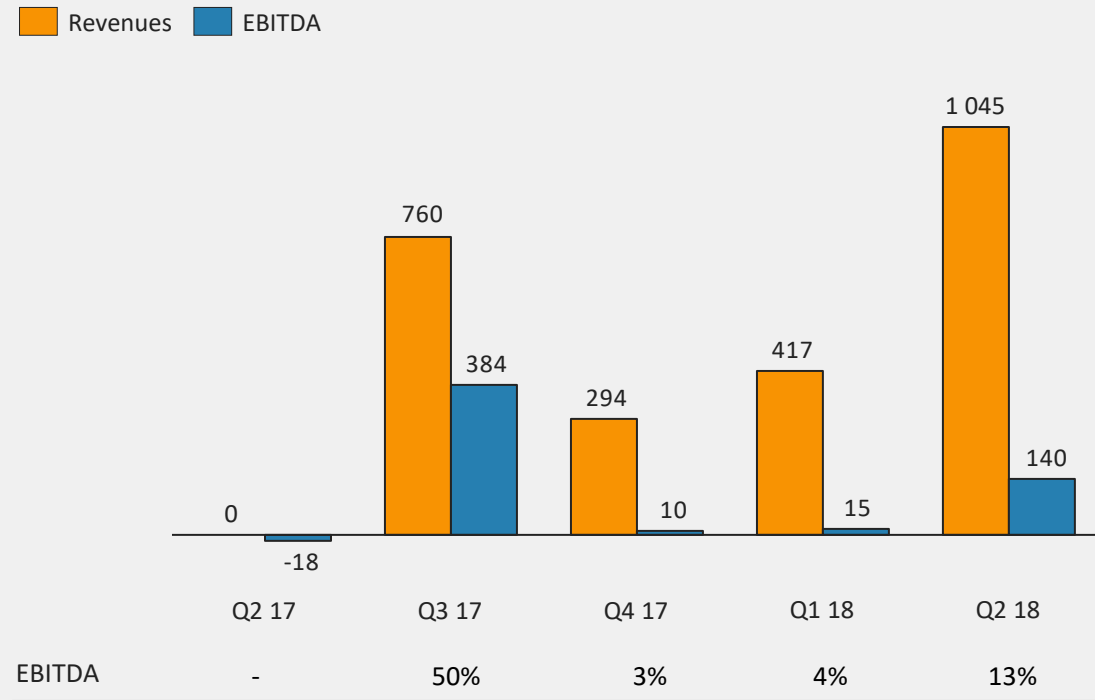
Last twelve months (NOK million)



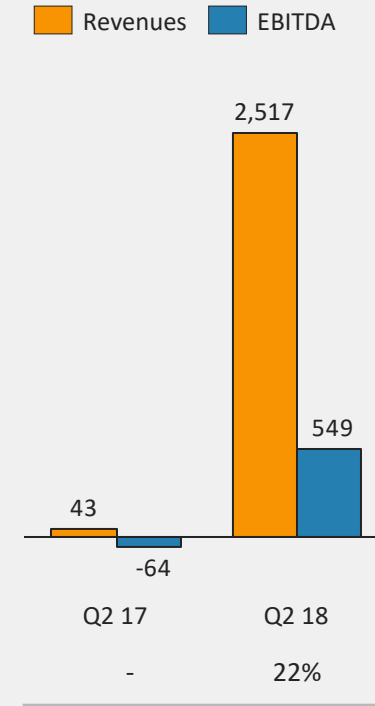


## A significant step change in construction activities

Quarterly (NOK million)



Last twelve months (NOK million)

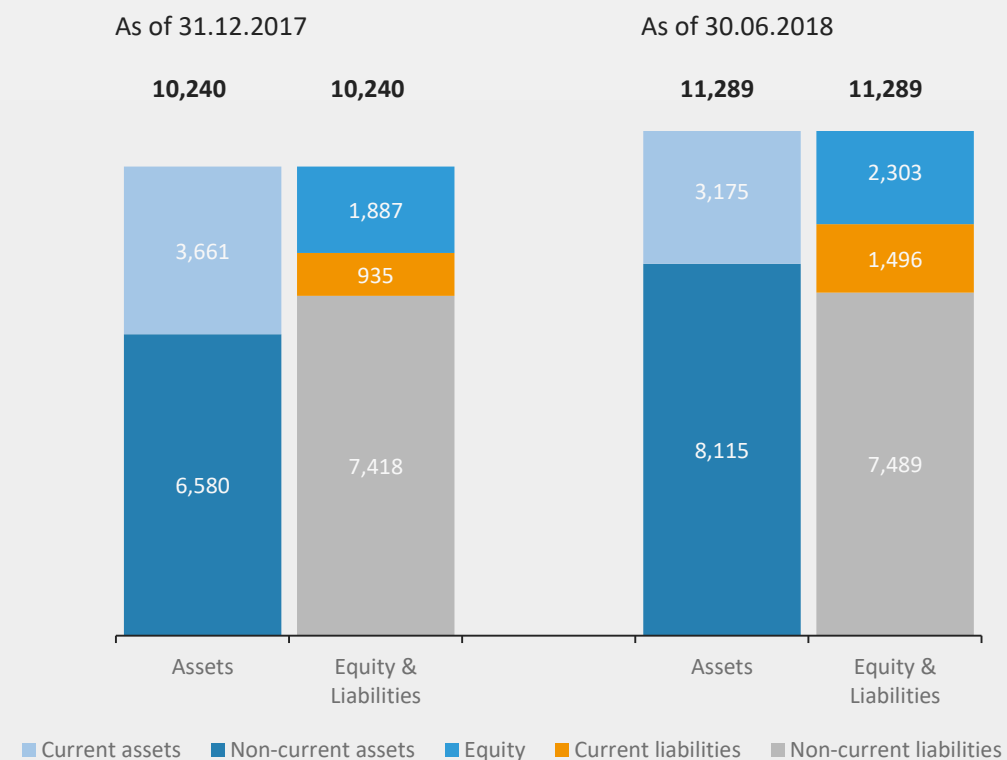


# Raised gross NOK 600 million of equity to fund further growth

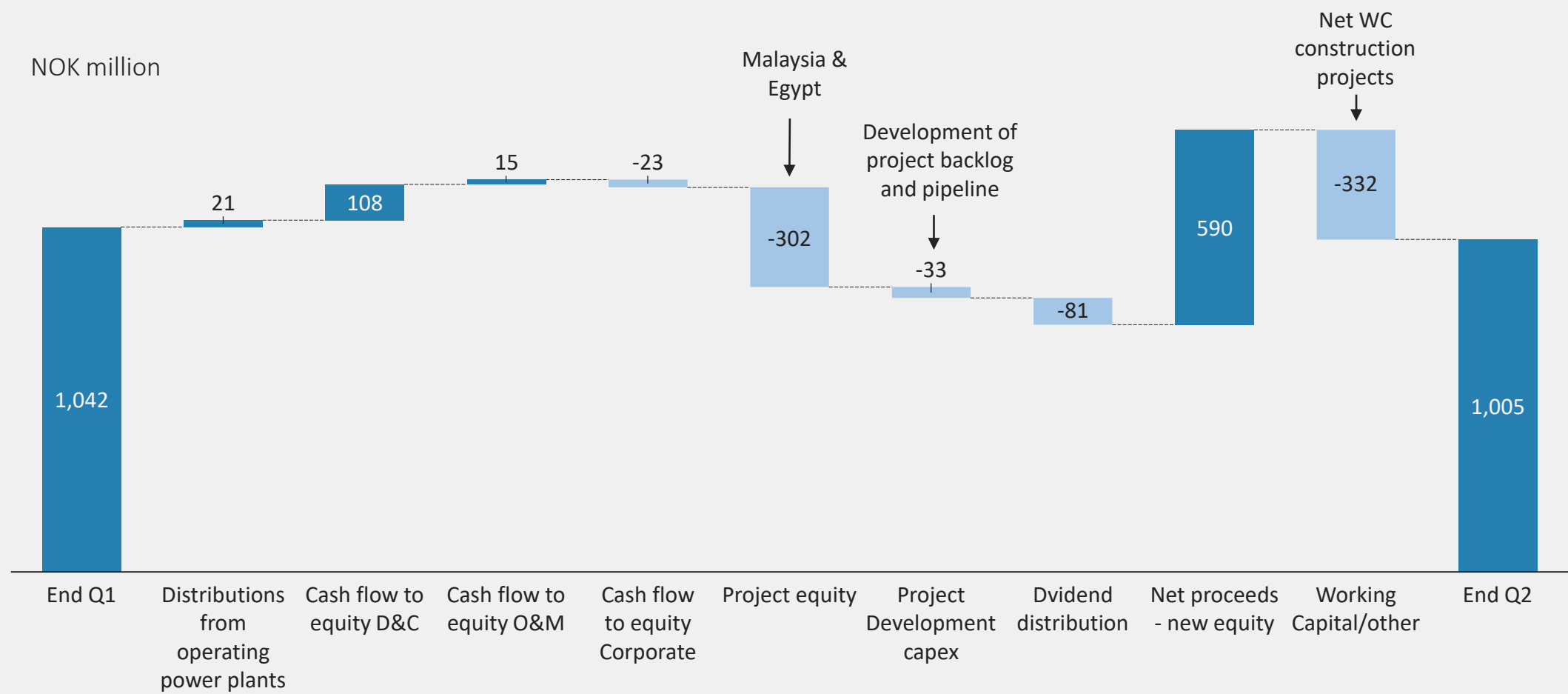
- Gross NOK 600 million of equity raised through a private placement – funding further growth
- NOK 500 million available through undrawn credit facilities
- Cash position of NOK 2,429 million of which NOK 1,005 million at the group level
- Group\* book equity strengthened to NOK 2,804 million – equity ratio of 79%

NOK million	Consolidated	SSO prop. Share	Group level*
Cash	2,429	1,879	1,005
Interest bearing liabilities*	-7,013	-4,391	-742
Net debt	-4,584	-2,512	263

## Consolidated financial position (NOK million)



# Q2'18 movement of free cash at group level





# New investments generate significant value from D&C and power production

	In operation	New capacity for 1.5 GW	New capacity for 3.5 GW	Total
Capacity (MW), 100%	322	1,183	2,000	3,500
Capex (NOK million), 100%	5,100	12,900	14,000 – 17,000	32,000 – 35,000
<b>Key figures - SSO proportionate:</b>				
SSO's economic interest	46%	57%	50% – 70%	50% – 70%
SSO's equity investments (NOK million)	800	1,850	2,000 – 2,500	4,600 – 5,200
Development & Construction CF to equity (NOKm)		950 – 1,050	1,000 – 1,500	<b>2,000 – 2,500</b>
Annual cash flow to equity Power P. & O&M (NOKm)	170	260 – 310	300 – 400	<b>750 – 850</b>
<b>Average equity value per MW (NOK million)</b>				
		<b>2.1</b>	<b>1.5</b>	<b>1.7</b>

# Summary and Outlook

Raymond Carlsen, CEO



**Scatec Solar**  
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# Accelerating growth

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Effective execution of  
current project portfolio



Secure growth in  
priority regions



Broaden commercial  
and technology scope

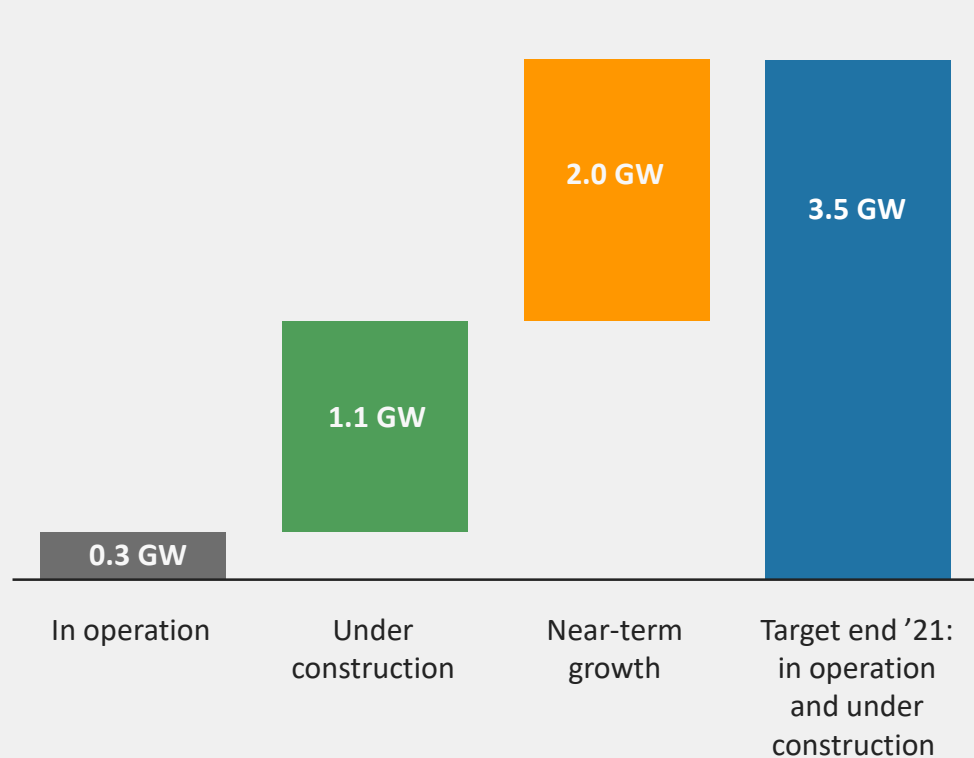


Optimise financing and asset  
portfolio to enhance value



# Targeting 3.5 GW by end of 2021

We will more than double installed capacity



Targets and guidance

Realizing  
**3.5 GW**  
capacity

D&C contribution of NOK 2.0 – 2.5 billion

Annual cash flow from operating solar plants of NOK 750 – 850 million

Value of NOK  
**1.5 mill.**  
per MW for  
+2 GW

D&C gross margin; 12-15%

Equity IRR on power plant investments; 15%

Continued strong focus on HSSE and sustainability throughout all project phases



Thank You!

# Consolidated profit & loss

NOK MILLION	Q2 18	Q2 17	YTD 18	YTD 17	FY 17
<b>Total revenues and other income</b>	<b>286.3</b>	<b>278.9</b>	<b>575.1</b>	<b>555.1</b>	<b>1,491.5</b>
OPEX	-74.1	-61.8	-150.6	-115.8	-250.2
<b>EBITDA</b>	<b>212.2</b>	<b>217.1</b>	<b>424.5</b>	<b>439.3</b>	<b>1,241.3</b>
Depreciation, amortization and impairment	-62.0	-66.0	-124.7	-128.0	-248.1
<b>Operating profit</b>	<b>150.2</b>	<b>151.1</b>	<b>299.9</b>	<b>311.4</b>	<b>993.2</b>
Interest, other financial income	130.4	16.6	146.0	29.8	51.2
Interest, other financial expenses	-129.6	-130.4	-254.8	-257.8	-523.8
Foreign exchange gain/(loss)	1.2	-37.9	-22.4	-46.3	-59.8
<b>Net financial expenses</b>	<b>2.0</b>	<b>-151.7</b>	<b>-131.2</b>	<b>-274.3</b>	<b>-532.3</b>
<b>Profit before income tax</b>	<b>152.2</b>	<b>-0.7</b>	<b>168.7</b>	<b>37.1</b>	<b>460.9</b>
Income tax (expense)/benefit	-50.2	2.2	-54.6	-4.6	-23.0
<b>Profit/(loss) for the period</b>	<b>102.0</b>	<b>1.5</b>	<b>114.0</b>	<b>32.5</b>	<b>437.9</b>
<b>Profit/(loss) attributable to:</b>					
Equity holders of the parent	97.8	-12.7	80.1	-9.0	339.1
Non-controlling interests	4.2	14.1	33.9	41.6	98.8
<b>Basic and diluted EPS (NOK)</b>	<b>0.93</b>	<b>-0.12</b>	<b>0.77</b>	<b>-0.09</b>	<b>3.36</b>



# Consolidated cash flow statement

NOK MILLION	Q2 18	Q2 17	YTD 18	YTD 17	FY 17
Net cash flow from operations	303.7	215.3	1,003.9	477.3	844.1
Net cash flow from investments	-788.7	-101.7	-1,808.4	145.7	-874.1
Net cash flow from financing	411.9	-360.5	382.4	-162.5	1,639.8
Net increase/(decrease) in cash and cash equivalents	-73.0	-246.9	-422.1	169.1	1,609.8
Effect of exchange rate changes on cash and cash equivalents	-27.0	-6.8	-11.6	2.5	116.1
Cash and cash equivalents at beginning of the period	2,529.4	1,562.5	2,863.1	1,137.2	1,137.2
<b>Cash and cash equivalents at end of the period</b>	<b>2,429.4</b>	<b>1,308.8</b>	<b>2,429.4</b>	<b>1,308.8</b>	<b>2,863.1</b>

# A significant increase in D&C activities

Q2 2018					
NOK MILLION	Power Production	Operation & Maintenance	Development & Construction	Corporate	Total
Revenues	150	30	1,045	4	1,229
Gross margin	150	30	167	4	351
<b>EBITDA</b>	<b>121</b>	<b>19</b>	<b>140</b>	<b>-14</b>	<b>266</b>
EBIT	82	19	139	-14	226
EBIT (%)	55%	63%	13%	-	18%

Q2 2017					
NOK MILLION	Power Production	Operation & Maintenance	Development & Construction	Corporate	Total
Revenues	145	19	-	3	167
Gross margin	145	19	-	3	167
<b>EBITDA</b>	<b>121</b>	<b>10</b>	<b>-18</b>	<b>-14</b>	<b>100</b>
EBIT	80	10	18	-14	58
EBIT (%)	55%	53%	-	-	35%

# Segment results – Q2'18

NOK MILLION	PROPORTIONATE					RESIDUAL OWNERSHIP INTERESTS	ELIMINATIONS	CONSOLIDATED
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL			
External revenues	142.4	-	-	-	<b>142.4</b>	130.7	-	<b>273.1</b>
Internal revenues	7.3	30.1	1,044.8	4.1	<b>1,086.3</b>	55.6	-1,141.8	-
Net gain/(loss) from sale of project assets	-	-	-	-	-	-	-	-
Net income from JV and associated companies	-	-	-	-	-	-	13.2	<b>13.2</b>
<b>Total revenues and other income</b>	<b>149.7</b>	<b>30.1</b>	<b>1,044.8</b>	<b>4.1</b>	<b>1,228.7</b>	<b>186.2</b>	<b>-1,128.6</b>	<b>286.3</b>
Cost of sales	-	-	-877.9	-	<b>-877.9</b>	3.8	874.2	-
<b>Gross profit</b>	<b>149.7</b>	<b>30.1</b>	<b>166.9</b>	<b>4.1</b>	<b>350.8</b>	<b>190.0</b>	<b>-254.5</b>	<b>286.3</b>
Personnel expenses	-4.0	-5.4	-12.1	-8.6	<b>-30.2</b>	-	-	<b>-30.2</b>
Other operating expenses	-24.9	-5.8	-14.7	-9.2	<b>-54.6</b>	-23.0	33.6	<b>-44.0</b>
EBITDA	120.8	18.9	140.1	-13.8	<b>266.0</b>	167.0	-220.8	<b>212.2</b>
Depreciation and impairment	-38.7	-0.2	-1.1	-0.4	<b>-40.4</b>	-38.2	16.7	<b>-62.0</b>
<b>Operating profit</b>	<b>82.2</b>	<b>18.7</b>	<b>139.0</b>	<b>-14.3</b>	<b>225.6</b>	<b>128.7</b>	<b>-204.2</b>	<b>150.2</b>

# Project companies' financials – Q2'18

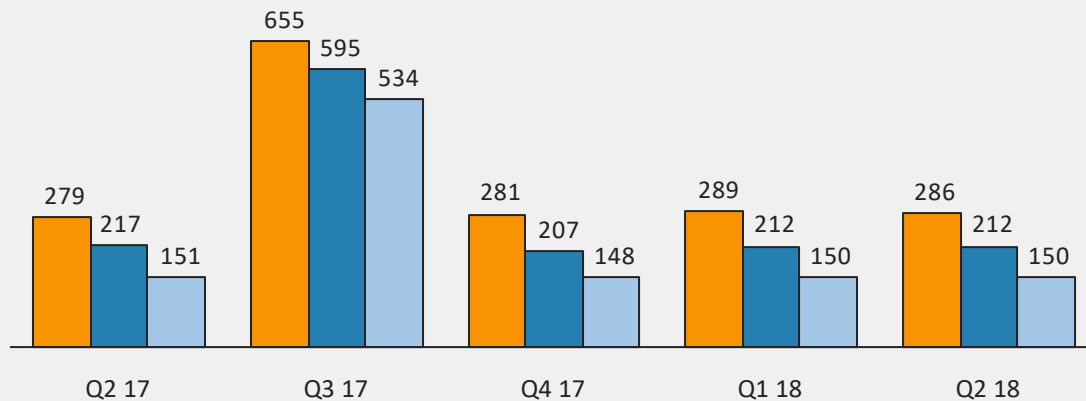
NOK MILLION	CZECH REPUBLIC	SOUTH AFRICA	RWANDA	HONDURAS	JORDAN	OTHER	TOTAL
SSO economic interest	100%	39%	54%	40%	60%		
Revenues	43	63	3	10	24	6	149
OPEX	-3	-9	-	-2	-6	-7	-29
EBITDA	40	53	2	9	17	-1	121
Net interest expenses	-5	-29	-2	-3	-7	4	-41
Normalised loan repayments	-7	-14	-2	-4	-7	-	-34
Normalised income tax payments	-5	-2	-	-	-	-1	-8
Cash flow to equity*	24	7	-1	1	3	2	36



# Q2'18 - Consolidated & proportionate financials

Consolidated financials (NOK million)

Revenues EBITDA EBIT



Proportionate financials (NOK million)

Revenues EBITDA EBIT

