



First quarter

2019



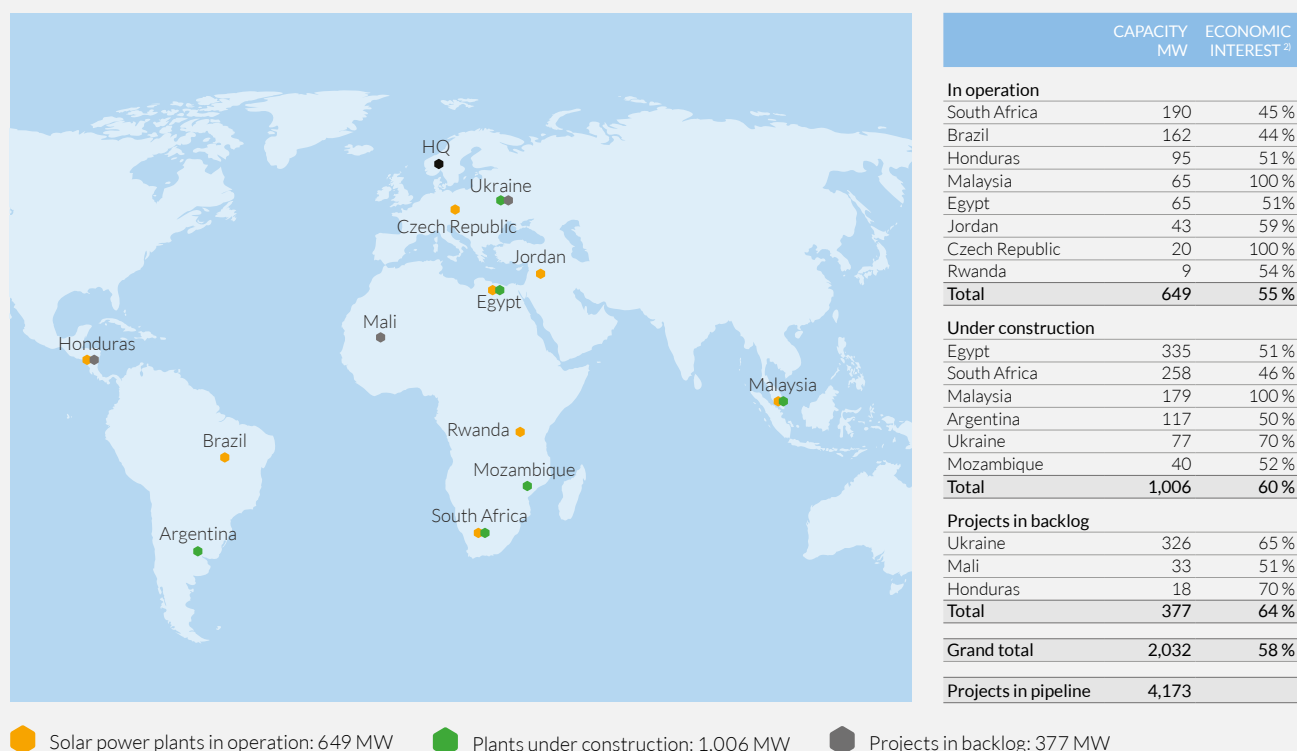
Scatec Solar
Improving our future™

About Scatec Solar

Scatec Solar is a leading integrated independent solar power producer, delivering affordable, rapidly deployable and sustainable clean energy worldwide. A long-term player, Scatec Solar develops, builds, owns and operates solar power plants and has an installation track record of more than 1 GW. The company has a total of 1.7 GW in operation and under construction in Argentina, Brazil, the Czech Republic, Egypt, Honduras, Jordan, Malaysia, Mozambique, Rwanda, South Africa and Ukraine.

With an established global presence and a significant project pipeline, the company is targeting a capacity of 3.5 GW in operation and under construction by end of 2021. Scatec Solar is headquartered in Oslo, Norway and listed on the Oslo Stock Exchange under the ticker symbol 'SSO'.

Asset portfolio ¹⁾



Segment overview

Power Production

The plants produce electricity for sale under long term power purchase agreements (PPAs), with state owned utilities or corporate off-takers, or under government-based feed-in tariff schemes. The average remaining PPA duration for power plants in operation is 17 years. The segment also comprise asset management services provided to solar power plants where Scatec Solar has economic interests.

Operation & Maintenance

The Operation & Maintenance segment comprises services provided to solar power plants where Scatec Solar has economic interests. 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 where Scatec Solar has economic interests.

Corporate

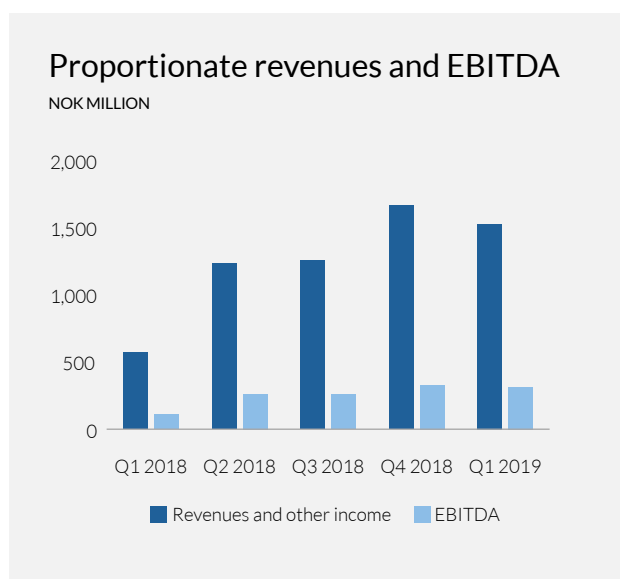
Corporate consists of activities of corporate services, management and group finance.

1) Per reporting date.

2) Scatec Solar's share of the total estimated economic return from its subsidiaries. For projects under development the economic interest may be subject to change.

Q1'19 - Continued strong growth and solid financial results

- Continued high construction activity with D&C revenues of NOK 1,297 million and EBITDA of NOK 159 million
- Power production reached its highest level ever with 133 GWh – revenues up 52% year on year
- A new 152 MW project in Ukraine added to backlog
- Secured the first combined solar and battery project in Africa
- 65 MW of the 400 MW project in Egypt reached commercial operation in April



Key figures

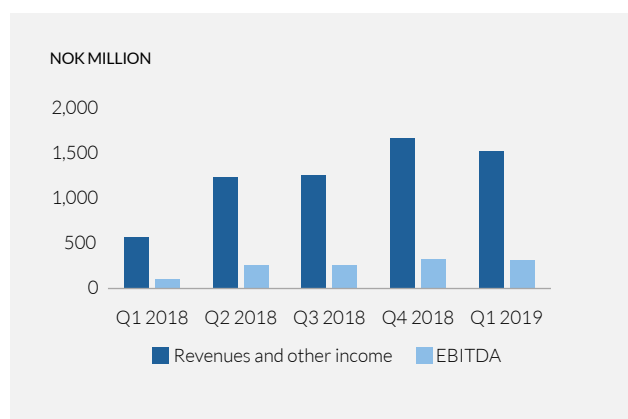
NOK MILLION	Q1 2019	Q4 2018	Q1 2018	FY 2018
PROPORTIONATE FINANCIALS ¹⁾				
Revenues and other income	1,528	1,666	572	4,725
Power Production	208	180	137	622
Operation & Maintenance	17	15	14	81
Development & Construction	1,297	1,466	417	4,005
Corporate	6	5	4	17
EBITDA	315	329	109	961
Power Production	168	139	106	492
Operation & Maintenance	3	2	2	34
Development & Construction	159	202	15	488
Corporate	-14	-14	-14	-53
Operating profit (EBIT)	233	276	71	773
Profit/(loss)	123	204	-	398
Net interest- bearing debt	5,042	4,214	2,237	4,214
Power production (GWh)	133	108	68	318
SSO proportionate share of cash flow to equity ¹⁾ :	171	183	21	481
CONSOLIDATED FINANCIALS ²⁾				
Revenues and other income	327	344	289	1,213
EBITDA	242	257	212	902
Operating profit (EBIT)	145	187	150	629
Profit/(loss)	12	76	12	226
Net interest- bearing debt	7,635	6,447	4,732	6,447
Earnings per Share	-0.29	0.40	-0.17	1.29
Power Production (GWh)	254	224	157	681

1) See Alternative Performance Measures appendix for definition.

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

Group – Proportionate financials

NOK MILLION	Q1'19	Q4'18	Q1'18	FY 2018
Revenues and other income	1,528	1,666	572	4,725
Gross profit	417	432	196	1,321
Operating expenses	-102	-103	-87	-360
EBITDA	315	329	109	961
EBITDA margin ¹⁾	21%	20%	19%	20%
D&A and impairment	-82	-53	-38	-188
EBIT	233	276	71	773
Cash flow to equity ¹⁾	171	183	21	481



1) See Alternative Performance Measures appendix for definition.

First quarter proportionate revenues increased almost threefold from last year but decreased 8% compared to previous quarter.

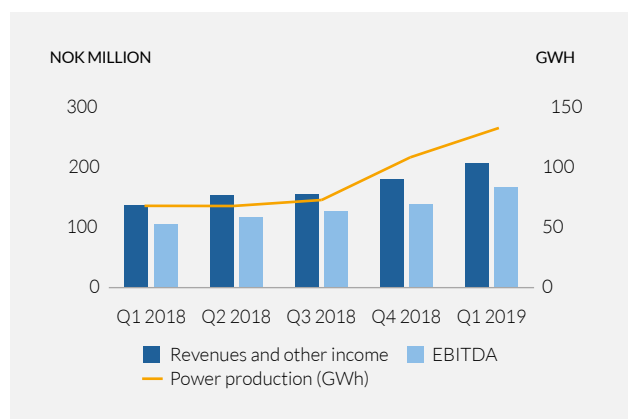
Year on year increase is explained by strong growth in revenues from both Power Production and higher Development & Construction activities.

Power Production increased as new power plants reached commercial operation and Development & Construction continues to be high. Revenues and profitability in the other business segments remained fairly stable.

Operating expenses and depreciation and impairment charges increased year on year mainly explained by new solar plants.

Power Production

NOK MILLION	Q1'19	Q4'18	Q1'18	FY 2018
Revenues and other income	208	180	137	622
Operating expenses	-40	-41	-31	-130
EBITDA	168	139	106	492
EBITDA margin ¹⁾	81%	77%	77%	79%
D&A and impairment	-67	-52	-36	-164
EBIT	101	88	70	328
Cash flow to equity ¹⁾	61	48	26	157



1) See Alternative Performance Measures appendix for definition.

The Power Production segment operated installed capacity of 584 MW at the end of first quarter, unchanged from last quarter.

Production reached 133 GWh compared with 68 GWh last year and 108 GWh in the previous quarter. The increase is mainly explained by the Apodi (Brazil) and Gurun (Malaysia) plants having their first full quarter of production. However, production for both plants were below normal levels due to extraordinary weather conditions and some related damages to components which are currently being replaced. Insurance claims for both equipment damages and related loss of revenues have been filed but are not yet concluded.

The operating expenses were fairly stable compared with previous quarter.

Depreciations have increased from previous quarters following a full quarter of production at the new solar power plants.

See additional information on page 16 for a specification of financials and power production for each individual power plant company.

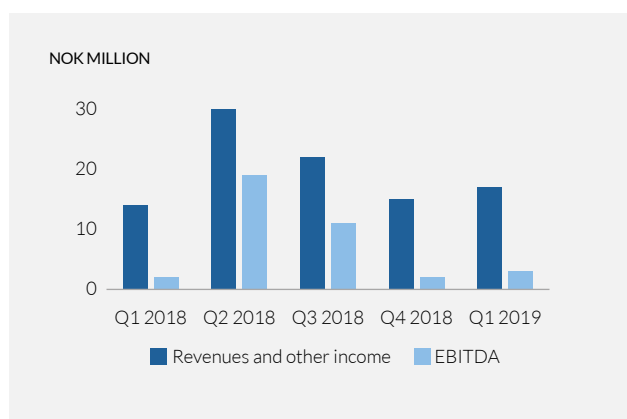
Operation & Maintenance (O&M)

NOK MILLION	Q1'19	Q4'18	Q1'18	FY 2018
Revenues and other income	17	15	14	81
Operating expenses	-15	-13	-13	-48
EBITDA	3	2	2	34
EBITDA margin ¹⁾	15%	12%	13%	41%
D&A and impairment	-1	-	-	-1
EBIT	2	2	2	33
Cash flow to equity ¹⁾	2	2	1	26

O&M revenues in the first quarter reflect steady operation of the power plant portfolio but increased slightly with O&M revenues from the plants in Malaysia and Egypt. Revenues are normally seasonal low in Q1 due to the structure of the performance bonus in South Africa.

Operating expenses mainly constitute fixed expenses and recurring maintenance activities according to a planned maintenance schedule. The increase compared to previous quarters reflect the increased O&M portfolio.

The profitability of the segment reflects seasonal variations and somewhat lower margins on new O&M contracts as well as increased overhead cost in preparation for O&M for plants under construction.



1) See Alternative Performance Measures appendix for definition.

Development & Construction (D&C)

NOK MILLION	Q1'19	Q4'18	Q1'18	FY 2018
Revenues and other income	1,297	1,466	417	4,005
Gross profit	186	232	42	601
Gross margin ¹⁾	14%	16%	10%	15%
Operating expenses	-26	-30	-26	-113
EBITDA	159	202	15	488
D&A and impairment	-13	-1	-1	-21
EBIT	146	201	15	467
Cash flow to equity ¹⁾	128	157	12	383

D&C revenues in first quarter were generated by the projects in Malaysia, Mozambique, Egypt, South Africa, Ukraine and Argentina. Accumulated progress across ongoing construction projects at the end of the first quarter was 53%.

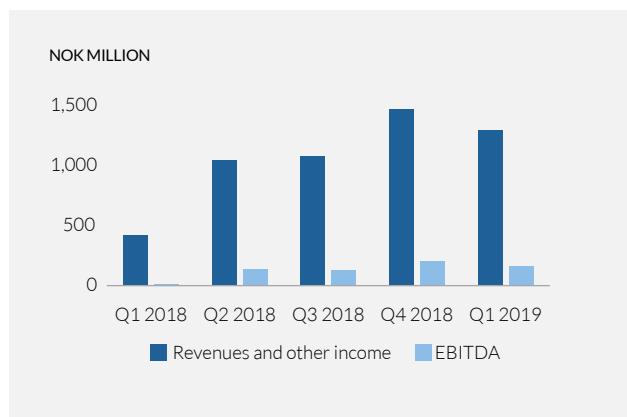
The project development team continued to mature a wide range of projects and a new 152 MW project in Ukraine has been added to the backlog. The team also secured the first combined solar and battery projects in Africa.

The high construction activity is continuing and 65 MW of the 400 MW BenBan project in Egypt reached commercial operation 9 April. Further, the Merchang & Jasin projects in Malaysia, the Mocuba project in Mozambique and the next sites in Egypt are expected to reach commercial operation in the second quarter.

The 14% gross margin for the quarter reflects the current mix of projects under construction and development. Quarterly fluctuations in gross margin must therefore be expected.

Operating expenses comprised of approximately NOK 18 million (18)²⁾ for early stage development of new projects and NOK 8 million (9) related to the construction business.

Depreciation, amortisation and impairment amounted to NOK 13 million (1). An impairment charge of NOK 11 million was made related to obsolete equipment originally sourced for a project in Honduras.



1) See Alternative Performance Measures appendix for definition.

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

Corporate

NOK MILLION	Q1'19	Q4'18	Q1'18	FY 2018
Revenues and other income	6	5	4	17
Operating expenses	-20	-19	-18	-70
EBITDA	-14	-14	-14	-53
D&A and impairment	-1	-1	-	-2
EBIT	-16	-15	-14	-55
Cash flow to equity ¹⁾	-20	-24	-19	-85

1) See Alternative Performance Measures appendix for definition.

Revenues in the corporate segment refers to management fees charged to the other operating segments for corporate services rendered across the Group and remains fairly stable from quarter to quarter.

Operating expenses are fairly stable, and the increase compared to 2018 reflects the strengthened corporate functions over the recent quarters. These functions include management and corporate services such as finance, legal, HR, IT, corporate communication and sustainability.

Short term guidance

Power production

The estimated production for second quarter and full year 2019 is based on production from plants in operation at the end of first quarter 2019.

GWH	Q1'19	Q2'19E	2019E
Proportionate	133	150-170	620 - 660
100% basis	254	290-310	1,100 - 1,300

Operation & Maintenance

2019 Operation & Maintenance revenues are expected to reach NOK 110-120 million with an EBITDA margin of around 30%. This includes revenues and margins from projects expected to start operation during 2019.

The lower EBITDA margin compared to 2018 reflects somewhat lower margins on new O&M contracts as well as increased overhead cost in preparation for O&M for plants under construction.

Development & Construction

D&C revenues and margins are dependent on progress on development and construction projects.

The 1,006 MW currently under construction represent awarded Development & Construction contracts with a value of about NOK 7 billion. The remaining, not booked, contract value at the end of first quarter 2019 was about NOK 3.3 billion.

Corporate

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

Outlook

The solar market is expected to continue to grow strongly in the years to come. According to Bloomberg New Energy Finance (BNEF) the solar market volume is expected to grow from 107 GW in 2018 to 130 GW in 2021. BNEF furthermore expects global power demand to grow by 57% from 2018 to 2050, representing investments of about USD 11.5 trillion in new power generation. Of this, more than 70%, or USD 250 billion per year is forecasted to be invested in wind and solar. The highest growth is forecasted to come from new markets in Latin America, the Middle East and Southeast Asia.

Scatec Solar is continuously developing a large project pipeline across a number of markets. Refer also to project overview on page 10 for details.

Scatec Solar's targets for capacity growth and financial performance towards 2021 as announced at the Capital Markets Update 30 May 2018 remain unchanged:

	1.7 GW IN OPERATION & UNDER CONSTRUCTION	1.8 GW NEW CAPACITY TOWARDS 2021	TOTAL 3.5 GW BY END 2021
Post tax equity IRR	15%	15%	15%
D&C gross margin	15%	12 - 15%	12-15%
SSO's economic interest	57%	50% – 70%	50% – 70%
Capex (NOK million), 100% basis	20,700	13,000 – 15,000	34,000 – 36,000
SSO's equity investments (NOK million)	3,500 ¹⁾	1,800 – 2,300	5,200 – 5,800
D&C CF to equity (NOK million), proportionate share	950 – 1,050	1,000 – 1,500	2,000 – 2,500
Annual cash flow to equity Power Production and O&M (NOK million), proportionate share	500 – 550	250 – 300	750 – 850

1) About NOK 300 million remains to be invested. Based on equity financing of the Los Prados project.

Figures in the table above are estimates.

With continued strong market growth, Scatec Solar will utilise its solid track record and market position to further grow a diversified business beyond 2021. The company has a well-proven business model with a current organisational execution capacity of 800-1,200 MW per year, which can be further expanded based on market conditions.

Consolidated statement of profit and loss

Profit and loss

NOK MILLION	Q1'19	Q4'18	Q1'18	FY 2018
Revenues	327	344	289	1,213
EBITDA	242	257	212	902
Operating profit (EBIT)	145	187	150	629
Profit before income tax	25	95	17	323
Profit/(loss) for the period	12	76	12	226
Profit/(loss) to Scatec Solar	-33	45	-18	140
Profit/(loss) to non-controlling interests	45	31	30	86

Revenues

Revenues from power sales were up 13% compared to the same quarter last year. The increase in revenues is mainly explained by the grid connection of the Los Prados and Gurun power plants in September and December 2018 respectively. For the remaining power plants, the change in production volume from last year is driven by regular operational and seasonal variations.

Revenues also include earnings of NOK -4 million (6), from joint ventures mainly related to the equity consolidated investments in Brazil and Argentina.

Operating profit

Following the increased portfolio of power producing assets, the profitability (EBITDA) has increased in both relative and absolute terms compared to the first quarter last year. The growth in operating expenses compared to first quarter last year is mainly explained by the increased asset base under operation.

Consolidated operating expenses amounted to NOK 85 million (76) in the first quarter. This comprised approximately NOK 42 million (36) for operation of existing power plants, NOK 18 million (18) for early stage development of new projects, NOK 8 million (8) related to construction and NOK 16 million (14) of corporate expenses (excluding eliminated intersegment charges).

Net financial items

NOK MILLION	Q1'19	Q4'18	Q1'18	FY 2018
Financial income	16	13	16	197
Financial expenses	-141	-164	-125	-518
Foreign exchange gains/(loss)	5	59	-24	15
Net financial items	-120	-92	-133	-306

During the second quarter 2018, forward exchange contracts (FEC) were set up in order to eliminate currency exchange risk in the Uppington projects in South Africa. The first quarter loss following the mark-to-market revaluation of open USD and EUR FECs amounts to NOK 10 million (0). For the full year 2018, the Group recorded a gain of NOK 147 million. The FECs are carried at fair value and fluctuate with changes in the exchange rates throughout the contract period.

Financial expenses mainly consist of interest expenses on non-recourse financing of NOK 111 million (109), and corporate funding of NOK 14 million (12). See note 4 and 5 for further information on financing.

Profit before tax and net profit

The effective tax rate was 52% in the first quarter. The underlying tax rates in the companies in operation are in the range of 0% to 33%. In some markets, Scatec Solar receives special tax incentives intended to promote investments in renewable energy. Further, the average effective tax rate fluctuates from quarter to quarter based on construction progress as well as level of profit in JVs and associates which are reported net after tax. In addition to the above, the first quarter effective tax rate is affected by withholding tax on distributions from power plant companies. 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.

Impact of foreign currency changes in the quarter

During the first quarter the NOK appreciated against the ZAR but depreciated against USD, CZK and MYR compared to the average rates for the fourth quarter last year. On a net basis this positively affected consolidated revenues by approximately NOK 8 million quarter on quarter while the net impact on net profit in the quarter was approximately NOK 2 million.

The quarter-on-quarter net foreign currency losses were up NOK 54 million, from a gain of NOK 59 million in the fourth quarter 2018 to a gain of NOK 5 million in the first quarter

2019. These currency effects are to a large extent non-cash effects on intercompany balances.

Following the movements in currencies in the first quarter, the Group has recognised a foreign currency translation loss of NOK 26 million in other comprehensive income related to the conversion of the subsidiaries' statements of financial position from the respective functional currencies to the Group's reporting currency.

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

Consolidated statement of financial position

Assets

NOK MILLION	Q1'19	Q4'18
Property, plant and equipment	10,257	9,008
Other non-current assets	1,429	1,407
Total non-current assets	11,686	10,415
Other current assets	1,384	1,139
Cash and cash equivalents	2,806	3,303
Total current assets	4,190	4,442
Total assets	15,876	14,857

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 power plant assets is consolidated at full value. These accounting principles reduce the consolidated book equity ratio.

The 12% net increase of non-current assets is mainly driven by the construction activities in Mozambique, Malaysia, Egypt, South Africa, Ukraine and Argentina. This is partly offset by depreciation of the operating power plants.

Current assets are reduced 6% compared to fourth quarter 2018 mainly driven by decreased cash balance largely due to capital expenditures related to solar power plants under construction, partly offset by draw down on non-recourse loans. See note 6 for a detailed breakdown of cash balances as well as an overview of movement of cash at the Recourse Group level.

Equity and liabilities

NOK MILLION	Q1'19	Q4'18
Equity	2,364	2,475
Non-current non-recourse project financing	9,242	8,643
Other non-current liabilities	2,170	1,940
Total non-current liabilities	11,412	10,583
Current non-recourse project financing	455	364
Other current liabilities	1,644	1,435
Total Current liabilities	2,100	1,800
Total liabilities	13,512	12,383
Total equity and liabilities	15,876	14,857
Book equity ratio	14.9%	16.7%

Total equity decreased by NOK 110 million during first quarter. The main driver being dividend distributions to non-controlling interests from the power plant companies. The decreased book equity ratio is mainly explained by the net effect of the above as well as increased non-current and current liabilities. The latter is associated with the progress of the construction activities and related supplier credits. Also related to the increased construction activities, current and non-current non-recourse project finance debt increased by NOK 691 during first quarter.

The more relevant equity to capitalisation ratio for the Recourse Group¹⁾ (excluding the non-recourse financed project entities) as defined in the corporate bond agreement was 82% 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 159 million (700) in the first quarter 2019, compared to the EBITDA of NOK 242 million. The difference is primarily explained by changes in working capital, mainly related to power plants under construction.

Net cash flow from consolidated investing activities was NOK -1,206 million (-1,020), driven by further investment in new power plants as well as development of project pipeline and backlog.

Net cash flow from financing activities was NOK 531 million (-29), impacted by net proceeds and repayment of non-re-course- and NCI financing of NOK 655 million (28) and NOK 50 million (96) respectively.

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 Group's ability to generate funds for equity investments in new solar power plant projects and/or for shareholder dividends over time.

NOK MILLION	Q1'19	Q4'18	Q1'18	FY 2018
Power Production	61	48	26	157
Operation & Maintenance	2	2	1	26
Development & Construction	128	157	12	383
Corporate	-20	-24	-19	-85
Total	171	183	21	481

The increased cash flow to equity in the Power Production segment compared to previous quarter is primarily explained by the Apodi (Brazil) and Gurun (Malaysia) plants having their first full quarter of production, partly offset by debt repayments in line with the agreed repayment schedule on the non-recourse financing loans. The cash flow to equity in the O&M segment is influenced by seasonal variations. The cash flow to equity in the D&C segment is driven by the portfolio of construction projects currently being executed.

Risk and forward-looking statements

Scatec Solar has extensive policies and procedures in place as part of its operating system to actively manage risks related to the various parts of the Company's operations. Key policies are reviewed and approved by the Board of Directors annually. The regular follow up of these policies is carried out by Scatec Solar's Management Team, Finance, Legal and other relevant functions. For further information refer to the 2018 Annual Report (the Board of Directors' report and note 4).

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 Group cannot assure that the future results, level of activity or performances will meet these expectations.

1) See Alternative Performance Measures appendix for definition.

Project overview

PROJECT STAGE	Q1'19 CAPACITY (MW) ¹⁾	Q4'18 CAPACITY (MW)
In operation	649	584
Under construction	1,006	1,071
Project backlog	377	225
Project pipeline	4,173	4,454

Projects under construction and backlog

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

LOCATION	CAPACITY (MW)	CURRENCY ²⁾	CAPEX (100% MILLION)	ANNUAL PRODUCTION (100% GWH)	DEBT LEVERAGE	SSO ECONOMIC INTEREST
In Operation	649		10,100	1,235		55%
Under construction						
Benban, Egypt	335	USD	375	725	75%	51%
Upington, South Africa	258	ZAR	4,760	650	77%	46%
Jasin & Merchang, Malaysia	132	MYR	820	186	80%	100%
Guanizuil, Argentina	117	USD	103	310	60%	50%
Redsol, Malaysia	47	MYR	200	67	75%	100%
Rengy, Ukraine	47	EUR	52	60	70%	51%
Mocuba, Mozambique	40	USD	80	75	72%	52%
Kamianka, Ukraine	30	EUR	35	40	70%	100%
Total Under Construction	1,006	NOK ³⁾	10,607	2,112		60%
Backlog						
Segou, Mali	33	EUR	50	60	75%	51%
Los Prados II, Honduras	18	USD	20	35	70%	70%
Ukraine	326	EUR	343	405	70%	65%
Total Backlog	377	NOK ³⁾	3,975	500		64%
Total	2,032	NOK ³⁾	24,683	3,848		59%

Total annual revenues from the 2,032 MW in operation, under construction and in backlog is expected to reach NOK 3,900 million (on 100% basis) 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.

1) Status per reporting date. Average economic interest over the lifetime of QSP projects Malaysia; 88%

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

3) All exchange rates to NOK are as of 31 March 2019.

Under construction

BenBan, Egypt, 335 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. 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 started in the second quarter 2018 and the first plant was grid connected early April 2019. Scatec Solar expects to have completed all six power plants 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 holds 18%, the surrounding Community of Upington 5% and H1 Holdings, a South African Black investor hold the remaining 35% of the equity.

Financial close for the projects was reached in April 2018. A consortium of commercial banks and Development Finance Institutions with Standard Bank in the lead are providing non-recourse project finance to the project.

Construction activities are on track with grid connection expected at year end 2019 and into 2020.

Jasin & Merchang, Malaysia, 132 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 and construction start was in October 2017. Project debt financing was raised through an Islamic Green Bond of MYR 1,000 million.

Commercial operation for the Gurun solar plant was reached on December 19, 2018.

Commercial operation for the two other solar plants is expected in second quarter 2019

Guanizuil, Argentina, 117 MW

In June 2018, Scatec Solar together with Equinor signed an agreement with the Portuguese company Martifer Renewables for the acquisition of the Guanizuil IIA project in Argentina.

The project was awarded a PPA in the RenovAR auction process held by CAMMESA, the Argentinian Wholesale Power Market Administrator, in November 2017. The partners signed the 20-year PPA in November 2018.

Total capital expenditure to realise the plant is estimated at USD 103 million and the plant will be owned 50% by Scatec Solar and 50% by Equinor

Scatec Solar is project lead in a jointly owned construction company while Equinor is providing a construction bridge loan covering 60% of the capex required for the project. The power plant company is sourcing all major components to the project directly so the scope of work for the construction company is smaller than normal. The partners have started a process to secure suitable long-term project financing to the project.

Construction started late 2018 with expected commercial operation by the end of 2019.

Rengy, Ukraine, 47 MW

In December 2018, Scatec Solar and partners reached financial close for the Rengy project in the Mykolaiv region in the south of Ukraine with a total investment of EUR 52 million.

EBRD and the Black Sea Trade and Development Bank (BSTDB) signed loan agreements of 50% each of the non-recourse debt financing of the project. The credit facilities amount to EUR 36 million and covers 70% of the total project costs.

Scatec Solar owns 51% of the project and Rengy Development Group holds the balance.

The project will be realised under the country's 10-year Feed-in-Tariff scheme and are expected to produce about 58 GWh per year. Public land will be leased for an extended time-period and the plants are expected to deliver power also beyond the Feed-in-tariff period.

Construction started late 2018 with commercial operation expected later in 2019.

Redsol, Malaysia, 47 MW

In December 2017, Scatec Solar were awarded the Redsol project under Malaysia's second large scale solar tender round. The power plant is expected to deliver 67 GWh of electricity per year with annual revenues of approximately USD 6 million.

Scatec Solar closed financing for the project in December 2018 with a total investment of approximately USD 47 million. BNP Paribas will provide the non-recourse project finance facility for the project, covering 73% of the project cost.

Construction started late 2018 with grid connection expected in fourth quarter 2019.

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).

Commissioning activities continues according to plan with expected commercial operation in second quarter 2019.

Kamianka, Ukraine, 30 MW

In December 2018, Scatec Solar closed financing for the 30 MW Kamianka project in the Cherkassy region in central Ukraine with a total investment of EUR 35 million.

EBRD and FMO, the Dutch development bank, signed loan agreements for the non-recourse debt financing of the project. The credit facilities amount to EUR 24.5 million and covers 70% of the total project costs.

The project will be realised under the country's 10-year Feed-in-Tariff scheme and are expected to produce about 39 GWh per year. Public land will be leased for an extended time-period and the solar power plant is expected to deliver power also beyond the Feed-in-tariff period.

Construction started early 2019 with commercial operation expected in fourth quarter 2019.

Projects in South Sudan, 3 MW

In first quarter 2019, Scatec Solar signed final agreements and started construction of three solar hybrid installations in South Sudan.

One is an energy supply contract with the International Organisation for Migration (IOM) to provide power for their humanitarian hub in Malakal. Based on a combined solar and battery system, the installation will provide around 90% of the power demand to the hub, significantly reducing costs, diesel consumption and CO₂ emissions.

The other are two installations in the capital Juba and in Wau for an international agency. In these projects Scatec Solar will complete the engineering, procurement and installation of the systems.

The systems will provide significant costs savings and Scatec Solar sees good potential for continued collaboration with these international agencies.

Backlog

Ukraine, 326 MW

During first quarter 2019, Scatec Solar added another 152 MW to backlog and total backlog in Ukraine is now 326 MW. All the projects in the backlog will be realized under the country's Feed-in-Tariff scheme. The plants will also deliver power beyond the 10-year Feed-in-tariff period.

Total capex for the 326 MW is estimated to EUR 343 million. Parts of the project backlog will be financed by the European Bank of Reconstruction and Development (EBRD) and FMO in lead. Alternative financing options are being developed for other parts of the project backlog.

Grid connection of most of the backlog is expected towards the end of 2019, but one or two plants might only reach grid connection in 2020. The economics of the projects will reach Scatec Solar's return targets also based on the expected 2020 FiT.

Scatec Solar will be the lead equity investor in the projects and is targeting to secure additional equity partners for the projects.

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. The lenders, IFC and the African development Bank, have approved the project finance for the project. Finally, the project has also been awarded economic support from Norad (The Norwegian Agency for Development Cooperation) both related to development costs and for grid infrastructure investments that will be transferred and operated by EDM after the project is completed.

Scatec Solar and partners are working to obtain final approvals from the Government of Mali on the project agreements.

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

Los Prados II, Honduras, 18 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 project is owned 70 % by Scatec Solar and 30 % by KLP Norfund Invest.

The 35 MW Phase I of the project was grid connected and reached commercial operation at the end of third quarter 2018. The 18 MW Phase II will be realised after required grid upgrades have been completed by ENEE.

Pipeline

In addition to projects in backlog Scatec Solar holds a solid pipeline of projects totalling 4,173 MW across four key regions. The pipeline has developed favourably over the last year through systematic project development efforts in a number of markets where both governments and corporate off-takers are seeking to source solar energy.

Historically, about 50% of projects in pipeline have been realised. The pipeline projects are in different stages of

development and maturity, but they are all typically in markets with an established government framework for renewables and for which project finance is available (from commercial banks or multilateral development banks).

The project sites have typically been secured and Scatec Solar is in a position to participate in bilateral negotiations for a long-term power sales agreement with an off-taker, feed-in-tariff schemes, or tender processes.

LOCATION	CAPACITY (MW)
Latin America	833
Africa	2,106
Europe & Central Asia	410
South East Asia	824
Total pipeline	4,173

Latin America (833 MW)

Scatec Solar's development efforts in Latin America is mainly focused on Brazil and Argentina. Scatec Solar is partnering with Equinor in these markets.

Argentina is targeting to further expand its RenovAR programme. PPAs have already been awarded to renewable energy projects of more than 4 GW. Over the past 2 years, approximately 1.5 GW of solar projects have been awarded in two consecutive utility scale solar auctions. Brazil is a well-established market for renewable energy with about 1 GW of solar capacity installed and another 1 GW under construction.

In both markets Scatec Solar is seeking to acquire project rights from previous tender rounds, secure sites for participation in upcoming tenders as well negotiating corporate PPAs.

Africa (2,106 MW)

Scatec Solar holds sites representing 688 MW ready to be bid in the upcoming tender rounds in South Africa. A new tender ("round 5") under the REIPPP programme is expected to be launched in 2019.

In addition to South Africa, Scatec Solar is developing a broad pipeline of projects across a number of markets including Egypt, Nigeria, Kenya and several other countries on the continent, in addition to negotiating a number of potential corporate Power Purchase Agreements (PPAs).

Europe and Central Asia (410 MW)

Ukraine, Poland and Pakistan are key markets currently being pursued by Scatec Solar in Europe and Central Asia.

In Ukraine, Scatec Solar is developing projects totalling 100 MW in addition to the 403 MW in project backlog and under construction. Ukraine is committed to integrate with the EU energy system with ongoing electricity market reforms. The country is aiming to replace nuclear reactors and reduce supply of Russian gas with a target of 11% renewables by 2020.

In Pakistan, the 150 MW project portfolio in Sindh were awarded a “costs plus tariff” of 52.6 USD/MWh in January 2018. Scatec Solar and Nizam Energy has applied for the issuance of the power purchase agreement and the implementation agreement. Despite the delay, it was recently announced by the Cabinet Committee on Energy (CCOE) that the project is qualified for the tariff award.

South East Asia (824 MW)

Malaysia, Bangladesh and Vietnam are key markets for Scatec Solar in South East Asia. In Malaysia it is expected that the new government will maintain the same level of ambition for the renewable energy sector as before. Scatec Solar continues to prepare for the next tender round as well as pursuing a number of bi-lateral opportunities.

In Bangladesh, the first project developed by Scatec Solar of 60 MW has been approved by the Prime Minister and a tariff level has been awarded. Scatec Solar is now working with the authorities to finalise project agreements. In parallel, Scatec Solar is developing other projects and is in total working on a portfolio of about 310 MW.

In Vietnam, a draft of the new feed-in tariff legislation has been released and it is expected to be finally approved during second quarter 2019. Scatec Solar is currently focusing on a portfolio of about 200 MW of projects in the country to be positioned for the future feed-in tariff in Vietnam.

Proportionate financials

Break down of power production segment

Key financials

Q1 2019

NOK MILLION	CZECH REPUB.	SOUTH AFRICA	RWANDA	HONDURAS	JORDAN	BRAZIL	MALAYSIA	OTHER	TOTAL
Revenues	20	91	3	27	18	17	22	12	208
OPEX	-2	-8	-1	-4	-2	-5	-3	-15	-40
EBITDA	18	84	2	22	15	11	19	-3	168
EBITDA margin	89%	91%	84%	84%	86%	67%	86%	-28%	81%
Net interest expenses ¹⁾	-5	-26	-1	-3	-7	-4	-7	1	-53
Normalised loan repayments ¹⁾	-7	-15	-1	-4	-6	-2	-7	-	-43
Normalised income tax payments ¹⁾	-1	-11	-	-	-	-	-	1	-11
Cash flow to equity	5	32	-	15	2	5	4	-2	61
SSO economic interest	100%	45%	54%	51%	59%	44%	100%	-	-
Net production (GWh)	4	48	2	22	12	25	20	-	133

1) See Alternative Performance Measures appendix for definition.

Q1 2018

NOK MILLION	CZECH REPUB.	SOUTH AFRICA	RWANDA	HONDURAS	JORDAN	BRAZIL	MALAYSIA	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%	-	-	-55%	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	25	-1	1	2	-	-	-2	26
SSO economic interest	100%	39%	54%	40%	60%	-	-	-	-
Net production (GWh)	3	41	2	11	12	-	-	-	69

1) See Alternative Performance Measures appendix for definition.

Financial position and working capital breakdown

Proportionate financials

31 MARCH 2019

NOK MILLION	POWER PLANT COMPANIES IN OPERATION							POWER PLANT COMPANIES UNDER CONSTRUCTION						TOTAL PROPOR- TIONATE
	CZECH REPUB.	SOUTH AFRICA	RWANDA	HONDU- RAS	JORDAN	MALAY- SIA ¹⁾	BRAZIL	SOUTH AFRICA	MOZAM- BIQUE	EGYPT	MALAY- SIA	UKRAINE	ARGEN- TINA	
Project equity ²⁾	138	120	21	644	206	490	295	2	114	356	87	95	252	2,819
Total assets	579	1,320	91	933	729	2,894	741	776	341	1,683	106	251	188	10,633
PP&E ²⁾	456	1,082	82	795	560	2,482	670	213	249	1,333	40	39	165	8,167
Cash	39	163	2	42	132	456	13	222	54	37	6	39	3	1,210
Gross interest bearing debt ²⁾	368	1,032	63	198	436	2,120	387	521	208	939	-	99	10	6,381
Net interest bearing debt ¹⁾	329	869	61	156	304	1,664	374	299	154	902	-6	59	7	5,171
Net working capital ²⁾	-25	-62	-2	-7	-92	-354	-27	97	29	-59	40	126	-80	-415
SSO economic interest	100%	45%	54%	51%	60%	100%	44%	46%	53%	51%	100%	70%	50%	N/A

1) The Gurun power plant in Malaysia reached COD in December 2018. This column also contains the remaining two power plant companies Jasin & Merchang which are currently still in construction. Average economic interest over the lifetime of QSP projects Malaysia; 88%

2) See Alternative Performance Measures appendix for definition.

Bridge from proportionate to consolidated financials

31 MARCH 2019

NOK MILLION	TOTAL PROPORTIONATE	RESIDUAL OWNERSHIP INTERESTS	EQUITY- CONSOLIDATED ENTITIES	D&C, O&M, CORPORATE, ELIMINATIONS	CONSOLIDATED
Project equity ¹⁾	2,819	1,889	1,179	-1,165	2,364
Total assets	10,633	7,179	2,069	133	15,876
PP&E-in solar projects	8,167	5,248	1,862	-1,530	10,024
Cash	1,210	759	35	872	2,806
Gross interest bearing debt ¹⁾	6,381	4,221	904	744	10,441
Net interest bearing debt ¹⁾	5,171	3,462	870	-128	7,635
Net working capital ¹⁾	-415	-70	-221	-576	-841

1) See Alternative Performance Measures appendix for definition.

Condensed interim financial information

Interim consolidated statement of profit or loss

NOK MILLION	NOTES	Q1 2019	Q1 2018	FY 2018
Revenues	2	331	283	1,151
Net gain/(loss) from sale of project assets	2, 3	-	-	-
Net income/(loss) from JVs and associated companies	2	-4	6	63
Total revenues and other income		327	289	1,213
Personnel expenses	2	-36	-29	-137
Other operating expenses	2	-49	-48	-174
Depreciation, amortisation and impairment	2, 3	-97	-63	-273
Operating profit		145	150	629
Interest and other financial income	4, 5	16	16	197
Interest and other financial expenses	4, 5	-141	-125	-518
Net foreign exchange gain/(losses)	4, 5	5	-24	15
Net financial expenses		-120	-133	-306
Profit/(loss) before income tax		25	17	323
Income tax (expense)/benefit	7	-13	-4	-97
Profit/(loss) for the period		12	12	226
Profit/(loss) attributable to:				
Equity holders of the parent		-33	-18	140
Non-controlling interests		45	30	86
Basic earnings per share (NOK) ¹⁾		-0.29	-0.17	1.29
Diluted earnings per share (NOK) (based on 113.2 million shares) ¹⁾		-0.29	-0.17	1.28

1) Based on 113.2 million shares outstanding for the purpose of earnings per share and 113.2 million shares outstanding for the purpose of diluted earnings per share.

Interim consolidated statement of comprehensive income

NOK MILLION	NOTES	Q1 2019	Q1 2018	FY 2018
Profit/(loss) for the period		12	12	226
Other comprehensive income:				
Items that may subsequently be reclassified to profit or loss				
Net movement of cash flow hedges		-23	-34	-74
Income tax effect	7	6	9	20
Foreign currency translation differences		-26	-74	18
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-42	-99	-36
Total comprehensive income for the period net of tax		-30	-87	190
Attributable to:				
Equity holders of the parent		-57	-90	136
Non-controlling interests		27	3	53

Interim consolidated statement of financial position

NOK MILLION	NOTES	AS OF 31 MARCH 2019	AS OF 31 DECEMBER 2018
ASSETS			
Non-current assets			
Deferred tax assets	7	563	526
Property, plant and equipment – in solar projects	3	10,024	8,956
Property, plant and equipment – other	3	233	53
Goodwill		24	24
Financial assets	4, 5	-	-
Investments in JVs and associated companies		711	745
Other non-current assets		131	112
Total non-current assets		11,686	10,415
Current assets			
Trade and other receivables		281	279
Other current assets		966	711
Financial assets	4, 5	137	149
Cash and cash equivalents	6	2,806	3,303
Total current assets		4,190	4,442
TOTAL ASSETS		15,876	14,857

Interim consolidated statement of financial position

NOK MILLION	NOTES	AS OF 31 MARCH 2019	AS OF 31 DECEMBER 2018
EQUITY AND LIABILITIES			
Equity			
Share capital		3	3
Share premium		1,806	1,795
Total paid in capital		1,809	1,797
Retained earnings		-25	8
Other reserves		55	79
Total other equity		30	87
Non-controlling interests		525	591
Total equity		2,364	2,475
Non-current liabilities			
Deferred tax liabilities	7	353	345
Non-recourse project financing	4	9,242	8,643
Bonds	6	744	743
Financial liabilities	4, 5	135	115
Other non-current liabilities		939	738
Total non-current liabilities		11,412	10,583
Current liabilities			
Trade and other payables		228	162
Income tax payable	7	59	34
Non-recourse project financing	4	455	364
Financial liabilities	4, 5, 6	11	9
Other current liabilities		1,346	1,230
Total current liabilities		2,100	1,800
Total liabilities		13,512	12,383
TOTAL EQUITY AND LIABILITIES		15,876	14,857

Oslo, 25 April 2019

The Board of Directors of Scatec Solar ASA

Interim consolidated statement of changes in equity

NOK MILLION	OTHER RESERVES					TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	HEDGING RESERVES			
At 1 January 2018	3	1,195	31	105	-23	1,310	577	1,887
Profit for the period	-	-	-18	-	-	-18	30	12
Other comprehensive income	-	-	-	-58	-14	-72	-27	-99
Total comprehensive income	-	-	-18	-58	-14	-90	3	-87
Share-based payment	-	1	-	-	-	1	-	1
Share capital increase	-	6	-	-	-	6	-	6
Dividend distribution	-	-	-	-	-	-	-106	-106
Capital increase from NCI ¹⁾	-	-	-	-	-	-	14	14
At 31 March 2018	3	1,202	13	46	-37	1,227	487	1,715
At 1 April 2018	3	1,202	13	46	-37	1,227	487	1,715
Profit for the period	-	-	157	-	-	157	56	214
Other comprehensive income	-	-	-1	77	-7	69	-5	64
Total comprehensive income	-	-	157	77	-7	226	51	278
Share-based payment	-	3	-	-	-	3	-	3
Share capital increase	-	599	-	-	-	599	-	599
Transaction cost, net after tax	-	-10	-	-	-	-10	-	-10
Dividend distribution	-	-	-81	-	-	-81	-100	-180
Purchase of NCIs shares in group companies	-	-	-82	-	-	-82	-22	-104
Capital increase from NCI ²⁾	-	-	-	-	-	-	174	174
At 31 December 2018	3	1,795	8	123	-44	1,884	591	2,475
At 1 January 2019	3	1,795	8	123	-44	1,884	591	2,475
Profit for the period	-	-	-33	-	-	-33	45	12
Other comprehensive income	-	-	1	-17	-7	-23	-19	-42
Total comprehensive income	-	-	-33	-17	-7	-57	27	-30
Share-based payment	-	2	-	-	-	2	-	2
Share capital increase ³⁾	-	11	-	-	-	11	-	11
Share purchase program	-	-1	-	-	-	-1	-	-1
Dividend distribution	-	-	-	-	-	-	-91	-91
At 31 March 2019	3	1,806	-25	106	-51	1,839	525	2,364

1) Non-controlling interests.

2) During first half year 2018 the Group increased the share capital with NOK 6 million in first quarter and with NOK 600 million in second quarter.

3) During first quarter 2019 the Group increased the share capital with NOK 11 million.

Interim consolidated statement of cash flow

NOK MILLION	NOTES	Q1 2019	Q1 2018	FY 2018
Cash flow from operating activities				
Profit before taxes		25	16	323
Taxes paid	7	-8	-4	-65
Depreciation and impairment	3	97	63	273
Proceeds from disposal of fixed assets	3	6	-	5
Net income associated companies/sale of project assets		4	-6	-63
Interest and other financial income	4	-16	-16	-197
Interest and other financial expenses	4	141	125	518
Unrealised foreign exchange (gain)/loss	4	-5	24	-15
Increase/(decrease) in current assets and current liabilities	5	-84	497	469
Net cash flow from operating activities		159	700	1 248
Cash flow from investing activities				
Interest received		17	25	77
Net investments in property, plant and equipment	3	-1,224	-925	-3,565
Net investment in associated companies		29	-120	-321
Net cash flow from investing activities		-1,178	-1,020	-3,809
Cash flow from financing activities				
Proceeds from NCI shareholder financing ¹⁾		50	96	624
Interest paid		-92	-54	-588
Net proceeds and repayment of non-recourse project financing		655	28	2,589
Share capital increase		10	6	596
Dividends paid to equity holders of the parent company and non-controlling interests		-91	-106	-286
Net cash flow from financing activities		531	-29	2,934
Net increase/(decrease in cash and cash equivalents		-487	-349	373
Effect of exchange rate changes on cash and cash equivalents		-10	15	67
Cash and cash equivalents at beginning of the period	6	3,303	2,863	2,863
Cash and cash equivalents at end of the period	6	2,806	2,529	3,303

1) Proceeds from non-controlling interest's 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 by the Board of Directors for issue on 25 April 2019.

Basis of preparation

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

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

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, with exception for

implementation of IFRS 16 from 1 January 2019 as further described below.

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.

Implementation of new accounting standards

The Group has implemented IFRS 16 in 2019 with the modified retrospective approach. Hence, the comparative figures for 2018 have not been adjusted. With the transition to IFRS 16 the Group has recognized right-of-use assets of NOK 182 million, and lease liabilities of NOK 170 million as of 1 January 2019. A further description of the impact of the initial application is disclosed in the tables below.

IFRS 16 requires a lessee to account for lease contracts by recognizing a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees are required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The implementation of IFRS 16 has mainly affected the accounting for office and land leases in Scatec Solar. Scatec Solar has several land lease contracts where the lease payment fully or partly depends on the production volume of the related solar power plant. In the measurement of lease liabilities only fixed and minimum lease payments are included. Variable lease payments are still recognized as operating expenses as they occur.

Reconciliation of lease commitments to lease liabilities

NOK MILLION	
Operating lease obligations at 31 December 2018	430
Short term- and low value lease exemption	-2
Gross liabilities at 1 January 2019	428
Effect of discounting	-258
Lease liabilities recognised at initial application	170
Weighted average incremental borrowing rate applied:	6.5%
Right-of-use assets recognised at initial application ¹⁾	182

1) Includes reclassification of prepaid lease expenses with NOK 12 million.

Leases in the income statement

NOK MILLION	Q1 2019	Q1 2018
Operating expenses		
Short term-, low value and variable lease payment expenses	-5	-
Operating lease expenses under IAS 17 and IFRIC 4	-	-8
Depreciation expenses		
Depreciation of right-of-use assets	-5	-
Financial expenses		
Interest expense on lease liabilities	-2	-

Leases in the statement of financial position

NOK MILLION	31 MARCH 2019	31 MARCH 2019
Assets		
Right-of-use assets - land and buildings	180	-
Equity and liabilities		
<i>Non-current liabilities</i>		
Lease liabilities	139	-
<i>Current liabilities</i>		
Lease liabilities	25	-

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 make judgements of which the following 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 roles and activities are analysed. During first quarter 2019 no new power plant companies have been included in the consolidated financial statements.

Refer to note 2 of the 2018 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 & Maintenance (O&M) and Development & 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.

The segment financials are reported on a proportionate basis as described in the Group's annual consolidated financial statements for the year ended 31 December 2018. A reconciliation between proportionate financials and consolidated financials are provided in the tables below.

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 2019

NOK MILLION	PROPORTIONATE FINANCIALS					TOTAL	RESIDUAL	ELIMINATIONS ²⁾	CONSOLIDATED FINANCIALS
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	OWNERSHIP INTERESTS ¹⁾				
External revenues	197	-	-	-	197	134	-	331	
Internal revenues	12	17	1,297	6	1,331	7	-1,338	-	
Net gain/(loss) from sale of project assets	-	-	-	-	-	-	-	-	
Net income/(loss) from JV and associates	-	-	-	-	-	-	-4	-4	
Total revenues and other income	208	17	1,297	6	1,528	141	-1,342	327	
Cost of sales	-	-	-1,112	-	-1,112	-4	1,116	-	
Gross profit	208	17	185	6	417	137	-226	327	
Personnel expenses	-7	-7	-14	-11	-39	-1	4	-36	
Other operating expenses	-33	-8	-13	-9	-62	-11	24	-49	
EBITDA	168	3	159	-14	315	125	-198	242	
Depreciation and impairment	-67	-1	-13	-1	-82	-49	34	-97	
Operating profit (EBIT)	101	2	146	-16	233	76	-164	145	

Q1 2018

NOK MILLION	PROPORTIONATE FINANCIALS					TOTAL	RESIDUAL OWNERSHIP INTERESTS ¹⁾	ELIMINATIONS ²⁾	CONSOLIDATED FINANCIALS
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE					
External revenues	126	-	-	-	126	157	-	283	
Internal revenues	11	14	417	4	446	34	-480	-	
Net gain/(loss) from sale of project assets	-	-	-	-	-	-	-	-	
Net income/(loss) from JV and associates	-	-	-	-	-	9	-3	6	
Total revenues and other income	137	14	417	4	572	200	-483	289	
Cost of sales	-	-	-376	-	-376	31	345	-	
Gross profit	17	14	42	4	196	231	-138	289	
Personnel expenses	-4	-5	-11	-9	-29	-	-	-29	
Other operating expenses	-27	-7	-15	-9	-58	-7	19	-48	
EBITDA	106	2	15	-14	109	224	-120	212	
Depreciation and impairment	-36	-	-1	-	-38	-39	14	-63	
Operating profit (EBIT)	70	2	15	-14	72	185	-107	150	

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

2) Eliminations made in the preparation of the Group's IFRS consolidated financials.

FULL YEAR 2018

NOK MILLION	PROPORTIONATE FINANCIALS					RESIDUAL OWNERSHIP INTERESTS ¹⁾	ELIMINATIONS ²⁾	CONSOLIDATED FINANCIALS
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL			
External revenues	584	-	-	-	584	567	-	1,151
Internal revenues	38	81	4,006	17	4,142	282	-4,424	-
Net gain/(loss) from sale of project assets	-	-	-	-	-	-	-	-
Net income/(loss) from JV and associates	-	-	-1	-	-	-	63	63
Total revenues and other income	622	81	4,005	17	4,725	849	-4,361	1,213
Cost of sales	-	-	-3,404	-	-3,404	-4	3,409	-
Gross profit	622	81	601	17	1,321	845	-953	1,213
Personnel expenses	-18	-23	-55	-42	-138	-	1	-137
Other operating expenses	-112	-24	-58	-28	-223	-52	101	-174
EBITDA	492	34	488	-53	961	792	-851	903
Depreciation and impairment	-164	-1	-21	-2	-188	-147	62	-273
Operating profit (EBIT)	328	33	467	-55	773	645	-789	629

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

2) Eliminations made in the preparation of the Group's 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 Quantum plants (197 MW) in Malaysia. Construction of the Mocuba power plant (40 MW) in Mozambique began in the first quarter 2018 while construction of the Benban plants (400 MW) in Egypt and the Upington plants (258 MW) in South Africa commenced in the second quarter 2018. During fourth quarter 2018 construction commenced on the RedSol power plant (40 MW) in Malaysia, the Rengy project (47 MW) in Ukraine and the Guanizuil project (117 MW) in Argentina. The 30 MW Kamianka project in Ukraine commenced construction early first quarter 2019.

The power plant company in Argentina is equity consolidated and hence not included in the below table.

The 65 MW Gurun power plant (part of the Quantum projects) reached commercial operation 21 December 2018.

There has been recorded an impairment charge of NOK 11 million in the first quarter 2019. Total impairments amounted to NOK 17 million in 2018.

NOK MILLION	SOLAR POWER PLANTS	SOLAR POWER PLANTS UNDER CONSTRUCTION	SOLAR POWER PLANTS UNDER DEVELOPMENT	EQUIPMENT AND INTANGIBLE ASSETS	TOTAL
Carrying value at 31 December 2018	5,374	3,437	144	53	9,008
Right-of-use assets recognised at initial application	-	-	-	182	182
Additions	30	1,162	26	6	1,224
Disposals	-	-	-6	-	-6
Transfer between asset classes	-	4	-4	-	-
Depreciation	-79	-	-	-7	-86
Impairment losses	-	-	-11	-	-11
Effect of foreign exchange currency translation adjustments	-44	-9	-1	-1	-55
Carrying value at 31 March 2019	5,281	4,594	149	233	10,257
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 2037. NOK 455 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 2018 Annual Report for more information.

During the first quarter 2019 the Group has drawn NOK 360 million on the non-recourse financing related to the construction projects in South Africa and NOK 193 million related to the construction project in Ukraine.

During the second quarter 2018, forward exchange contracts (FEC) were set up in order to eliminate currency exchange risk in the Uppington projects in South Africa. In first quarter the loss following the mark-to-market revaluation of open USD and EUR FECs amounts to NOK 10 million (0). The FECs are carried at fair value and fluctuate with changes in the exchange rates throughout the contract period.

NOK MILLION	Q1 2019	Q1 2018	FY 2018
Interest income	15	13	50
Forward exchange contracts	-	-	147
Other financial income	1	3	-
Financial income	16	16	197
Interest expenses	-125	-121	-500
Forward exchange contracts	-10	-	-
Other financial expenses	-6	-4	-18
Financial expenses	-141	-125	-518
Foreign exchange gains/(losses)	5	-24	15
Net financial expenses	-120	-133	-306

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 2018 provides details for each class of financial assets and financial liabilities, and how these assets and liabilities are grouped.

There are no significant changes in 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)	-	137	-146	-9
Fair value based on unobservable inputs (Level 3)	-	-	-	-
Total fair value at 31 March 2019	-	137	-146	-9

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)	-	149	-124	25
Fair value based on unobservable inputs (Level 3)	-	-	-	-
Total fair value at 31 December 2018	-	149	-124	25

Note 6 Cash, cash equivalents and corporate funding

NOK MILLION	31 MARCH 2019	31 DECEMBER 2018
Cash in power plant companies in operation	792	730
Cash in power plant companies under development/construction	1,154	1,467
Other restricted cash	75	67
Free cash	785	1,039
Total cash and cash equivalents	2,806	3,303

Cash in power plant companies in operation includes 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 distributions as determined by shareholder and non-recourse financing agreements.

Cash in power plant companies under development and construction comprise shareholder financing and draw down on loan facilities to settle outstanding external EPC invoices.

Other restricted cash comprises restricted deposits for withholding tax, guarantees, VAT and rent, NCI's share of free cash as well as collateralised shareholder financing of power plant companies not yet distributed to the power plant companies.

MOVEMENT IN FREE CASH AT GROUP LEVEL (IN RECOURSE GROUP AS DEFINED IN BOND & LOAN FACILITIES)

NOK MILLION	Q1 2019	Q1 2018	FY 2018
Free cash at beginning of period	1,039	688	688
Proportionate share of cash flow to equity O&M	2	1	26
Proportionate share of cash flow to equity D&C	128	12	383
Proportionate share of cash flow to equity CORP	-20	-19	-85
Project development capex in recourse group	-12	-14	-106
Equity contributions to power plant companies	-114	-154	-1,655
Distributions from power plant companies	73	113	216
Share capital increase, net after transaction cost and tax	-	-	590
Dividend distribution	-	-	-81
Working capital / Other	-312	414	1,064
Free cash at end of the period	785	1,042	1,039

Proportionate share of cash flow to equity is defined as EBITDA less normalised loan and interest repayments, less normalised income tax payments, calculated on the basis of Scatec Solar's economic interest in the subsidiaries.

Equity contributions to power plant companies consist of equity injections and shareholder loans.

Net cash effect from Working Capital/Other is mainly related to ongoing construction projects.

Guarantee facility

In third quarter 2017 Scatec Solar entered into a guarantee facility and an intercreditor agreement. The guarantee facility has Nordea Bank as agent, Nordea Bank and ABN Amro as issuing banks and Nordea Bank, ABN Amro and Swedbank as guarantee instrument lenders. The guarantee facility is mainly used to provide advanced payment-, performance- and warranty bonds under construction agreements, as well as 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.

Revolving credit facility

In April 2019 Scatec Solar increased the revolving credit facility from USD 60 million to USD 90 million, with Nordea Bank as agent and Nordea Bank, ABN Amro and Swedbank as equal Lenders. The facility can be drawn in USD, NOK, EUR

or an optional currency agreed with the banks. Revolving credit facility interest is the interbank offer rate for the drawn period plus a margin of 3.25%. Scatec Solar has not drawn on the revolving credit facility per 31 March 2019.

Overdraft facility

In second quarter 2018 Scatec Solar entered into a USD 5 million overdraft facility with Nordea Bank. The overdraft interest is the 7-day interbank offer rate plus a margin of 2.5%. Scatec Solar has not drawn on the overdraft facility per 31 March 2019.

Green bond

In fourth quarter 2017 Scatec Solar issued a NOK 750 million senior unsecured green bond with maturity in November 2021. The bond carries 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.

Per 31 March 2019, Scatec Solar was in compliance with all financial covenants for the above facilities. The book equity of the recourse group, as defined in the facility agreements, was NOK 3,318 million per quarter end.

During first quarter of 2019, interest amounting to NOK 14 million (17 previous quarter) was expensed for the bond, overdraft- and revolving credit facility.

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

Note 7 Income tax expense

For the first quarter ended 31 March 2019 the Group had an income tax expense of 13 million, equivalent to an effective tax rate of 52%. The effective income tax rate for the Group is influenced by profits and losses in tax-jurisdictions with different tax rates offsetting each other. The tax effect of these results offset each other and cause variations in the effective tax rate of the Group from quarter to quarter. The underlying tax rates in the companies in operation are in the range of 0% to 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. Further, the profit/loss from JVs and associates, which are reported net after tax, has an impact on the effective tax rate depending on the relative size of the profit/loss relative to the consolidated profit. The effective tax rate for first quarter 2019 is also impacted by withholding tax expenses associated with distributions from power plant companies.

EFFECTIVE TAX RATE

NOK MILLION	Q1 2019	Q1 2018	FY 2018
Profit before income tax	25	17	323
Income tax (expense)/benefit	-13	-4	-97
Equivalent to a tax rate of (%)	52%	27%	30%

MOVEMENT IN DEFERRED TAX

NOK MILLION	Q1 2019	Q1 2018	FY 2018
Net deferred tax asset at beginning of period	181	217	217
Recognised in the consolidated statement of profit or loss	20	6	-52
Deferred tax on financial instruments recognised in OCI	6	9	20
Recognised in the consolidated statement of changes in equity	-	-	4
Translation differences	3	-1	-8
Net deferred tax asset at end of period	210	231	181

Note 8 Related parties

Scatec Solar has related party transactions and balances with equity consolidated JVs in Brazil and Argentina, mainly loans which are included in the carrying value of the investments. The loan balance as per 31 March 2019 was NOK 199 million.

In addition, Scatec Solar has transactions and balances with key management. Note 27 in the annual report for 2018 provides details of transactions with related parties and the nature of these transactions.

All related party transactions have been carried out as part of the normal course of business and at arm's length. For further information on project financing provided by co-investors, refer to note 25 in the 2018 annual report.

In connection with the Company's Share Purchase Programme in which employees bought 50,904 shares, Scatec AS entered a share lending agreement with Nordea Markets and Scatec Solar ASA.

Note 9 Subsequent events

No events have occurred after the balance sheet date with significant impact on the interim financial statements for the first quarter 2019.

On 9 April 2019, Scatec Solar and partners grid connected and reached commercial operation for 65 MW of the 400

MW Benban project in Egypt. The Benban solar power plant is Scatec Solar's largest project under construction, and Scatec Solar is the largest contributor to the 1.5 GW Benban site – the world's largest solar park.

Alternative Performance Measures

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

The purpose of APMs 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. APMs 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

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 Group'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.

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.

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.

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

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

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.

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.

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.

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% economic interest), for which revenues and profits are eliminated in the Consolidated Financial Statements.

Break-down of proportionate cash flow to equity

Q1 2019

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	168	3	159	-14	315
Net interest expenses	-53	-	1	-12	-63
Normalised loan repayments	-43	-	-	-	-43
Normalised income tax payment	-11	-	-32	6	-38
Cash flow to equity	61	2	128	-20	171

Q4 2018

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	139	2	202	-14	329
Net interest expenses	-44	-	2	-17	-59
Normalised loan repayments	-36	-	-	-	-36
Normalised income tax payment	-11	-	-47	7	-51
Cash flow to equity	48	2	157	-24	183

FY 2018

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	492	33	488	-53	961
Net interest expenses	-162	-	3	-58	-217
Normalised loan repayments	-136	-	-	-	-136
Normalised income tax payment	-38	-8	-108	26	-127
Cash flow to equity	157	26	383	-85	481

Q1 2018

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	106	2	15	-14	109
Net interest expenses	-42	-	-	-12	-52
Normalised loan repayments	-33	-	-	-	-33
Normalised income tax payment	-5	-	-3	6	-3
Cash flow to equity	26	1	12	-19	21

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 that do not yet have a 90% probability of reaching financial close and subsequent realisation. However, the Group has verified feasibility and business cases for the projects.

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.

Project equity

Project equity comprise of equity and shareholder loans in solar power plant companies.

Recourse Group

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

Definition of project milestones

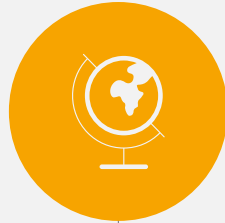
Commercial Operation Date (COD): A scheduled date when certain formal key milestones have been reached, typically including grid compliance, approval of metering systems and technical approval of plant by independent engineers. Production volumes have reached normalised levels sold at the agreed off-taker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

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.

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

Scatec Solar'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



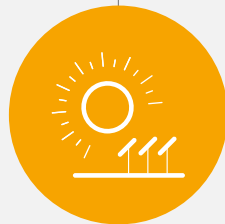
Construction

- Engineering and Procurement
- Construction management
- Quality assurance



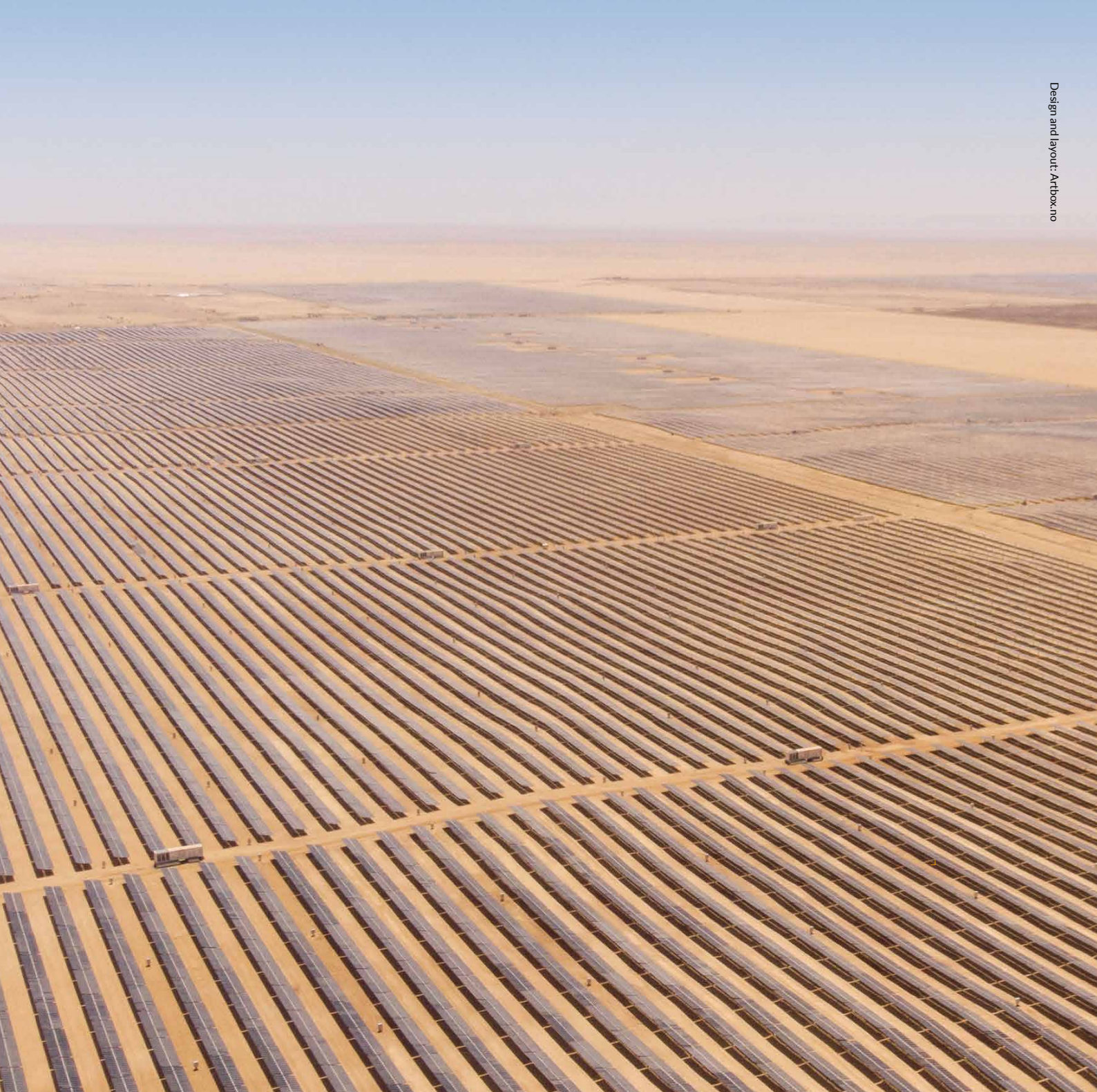
Operations

- Maximize performance and availability
- Maintenance and repair



Ownership (IPP)

- Asset management
- Financial and operational optimization



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