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# Registration Document

Scatec Solar ASA



Business Registration number 990 918 546

Listing on Oslo Børs

**Nordea**

**Swedbank** 

AS Joint Lead Managers  
**ABN AMRO Bank N.V.**

As Co-Lead Manager

Oslo 21 March 2018

This Registration Document does not constitute an offer to buy, subscribe or sell the securities described herein.

This Registration Document combined with the Securities Note and Summary serves as a listing Prospectus as required by applicable laws and no securities are being offered or sold pursuant to this Prospectus.

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## IMPORTANT NOTICE

This Registration Document (the “Registration Document”) has been prepared by Scatec Solar ASA (“Scatec Solar” or “the Company”) for use in connection with the listing of Company’s bonds on the Oslo Børs (the “Listing”).

The Registration Document combined with the relevant Securities Note and Summary constitutes a Prospectus (the “Prospectus”).

This Registration Document has been prepared to comply with chapter 7 of the Norwegian Securities Trading Act of 29 June 2007 No. 75 (Nw: *Verdipapirhandelloven*) (“Norwegian Securities Trading Act”) and related secondary legislation including the Prospectus Directive (EC Commission Regulation EC/809/2004). The Financial Supervisory Authority of Norway (Nw: *Finanstilsynet*) (“NFSA”) has reviewed and approved this Registration Document in accordance with Section 7-7 and 7-8 of the Norwegian Securities Trading Act. The Prospectus is valid 12 months from the Financial Supervisory Authority’s approval. The Norwegian FSA has not verified or approved the accuracy or completeness of the information provided in this Prospectus. The NFSAs control and approval solely relates to the issuers descriptions according to a pre-defined list of requirements. The NFSA has not undertaken any form of control or approval of corporate matters described in, or in any way included in the prospectus. The Registration Document has been prepared in the English language only.

The information contained herein is as of the date of this Registration Document and subject to change, completion or amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, any new factor, significant error or inaccuracy that might have an effect on the assessment of the Bond Issue contemplated hereby and emerges between the time of approval of the Registration Document and the Listing, will be included in a supplement to the Registration Document. Neither the approval nor distribution or use of this Registration Document shall under any circumstances create any implication that the information herein is correct as of any date subsequent to the date of the Registration Document.

All inquiries relating to this Registration Document should be directed to the Company. No other person has been authorized to give any information about, or make any representation on behalf of, the Company in connection with the Listing and, if given or made, such other information or representation must not be relied upon as having been authorized by the Company.

Unless otherwise indicated, the source of the information in this Registration Document is the Company. The contents of this Registration Document are not to be construed as legal, business or tax advice. Each reader of the Registration Document should consult with its own professional advisors for legal, business and tax advice. If you are in any doubt about the contents of this Registration Document, you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor.

An investment in bonds involves inherent risks. Prospective investors in Bonds issued by the Company should carefully consider the risks associated with the investment when reading the information contained in this Registration Document, and be aware of the risk of losing such investment in its entirety, before deciding to invest. A summary of risk factors are set out in Section 1 “Risk Factors”. However, prospective investors should read the entire Registration Document before making any investment decision.

### Offering restrictions

The distribution of this Registration Document may in certain jurisdictions be restricted by law (including, but not limited to, the United States, Canada, Australia, Japan and South Africa). Persons in possession of this Registration Document are required to inform themselves about and to observe any such restrictions. This Registration Document does not constitute an offer of, or an invitation to subscribe or purchase, any bonds or other securities

The securities described in this Registration Document have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S of the U.S. Securities Act). Furthermore, the bonds may not be offered or sold in or into Canada, Japan, the Republic of South Africa or Australia.

In relation to the United Kingdom, this Registration Document is only directed at, and may only be distributed to, persons who fall within the scope of Article 19 (Investment Professionals) and 49 (High Net Worth Companies, Unincorporated Associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) or who are persons to whom the document may otherwise be lawfully distributed. This Registration Document may only be distributed in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of Public Offers of Securities Regulations 1995 (as amended). The distribution

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(which term shall include any form of communication) of this Registration Document may be restricted pursuant to Section 21 (Restrictions on Financial Promotion) of the Financial Services and Markets Act 2000 (as amended).

Except for the approval by NFSA as described above, no action has been taken or will be taken in any jurisdiction by the Company or the Manager that would permit a public offering of Bonds issued by the Company, or the possession or distribution of any documents relating to the Listing, or any amendment or supplement thereto, hereunder but not limited to this Registration Document, in any country or jurisdiction where specific action for that purpose is required. Any person receiving this Registration Document is required by the Company and the Manager to inform themselves about and to observe such restrictions.

The restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations that are not known or identified by the Company or the Manager at the date of this Registration Document may apply in various jurisdictions as they relate to the Listing and the Registration Document.

This Registration Document is subject to Norwegian law, unless otherwise indicated herein. Any dispute arising in respect of this Listing or this Registration Document is subject to the exclusive jurisdiction of the Norwegian courts, with Bergen District Court as exclusive venue.

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# 1 RISK FACTORS

Investing in the Bonds involves a high degree of risk. This section contains risks pertaining to the Company's business. Prospective investors should carefully consider, among other things, the risk factors set out below, in the IPO prospectus (page 16-30, dated 12.09.2014) and in the 2016 Annual Report (page 33-34). Both the IPO prospectus and the 2016 Annual Report can be found on the Company's web page. Before making an investment decision and should conduct their own investigation and analysis of the Company and the risks involved before making an investment decision. This section is not intended to be exhaustive. The Company cannot assure investors that any of the events discussed in the risk factors below will not occur. If they do, the Company's business, financial condition, results of operations and cash flows could be materially adversely affected. In such case, the market price of the Bonds could decline, and an investor might lose all or part of its investment. An investment in the Bonds is suitable only for experts or sophisticated investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.

## RISK FACTORS AND RISK MANAGEMENT

Through its business activities, Scatec Solar is exposed to a variety of operational and financial risks, including commodity price risk, currency risk, interest rate risk, liquidity risk and credit risk. The business of the Group is project related and the majority of the risks that the business is exposed to is contained and managed within individual projects. Guidelines for risk management have been approved by the Board of Directors and are carried out by Scatec Solar's group finance department in cooperation with the individual operational units. See also Note 4 (2016 annual report) – Financial risk management.

### Operational risk

The operational risks going forward relate to the performance of existing power plants, timely completion of solar power plants under construction and progress in the transitioning of projects in backlog through financial close and into construction. Scatec Solar has established a solid project pipeline, but further growth of the company will depend on a number of factors such as project availability, access to competitive financing, component availability and pricing, price development for alternative sources of energy and the regulatory framework in the relevant markets.

### Commodity price risk

Scatec Solar's sales of electricity constitute a material share of its profit. As a result, the Group's business, financial position, results of operation and cash flow are affected by changes in the electricity prices. The Group seeks to reduce the effect of price fluctuation by entering into long-term, fixed price contracts. Currently, the Group has no exposure to price risk related to electricity sold at spot rate as all contracts are based on Feed-in-Tariffs (FiTs) or Power Purchase Agreements (PPAs). Some of the off-take agreements that have been entered into for the projects in the Company's portfolio do not contain inflation-based price increase provisions or provisions that only partially allows for inflation-based increases. Some of the countries in which the Company operates, or into which the Company may expand in the future, have in the past experienced high inflation.

### Currency risk

Scatec Solar operates internationally and is subject to currency risks arising from foreign currency transactions and exposures. As the Group reports its consolidated results in NOK, any change in exchange rates between NOK and its subsidiaries' functional currencies, primarily with respect to changes in USD, ZAR, EUR, MYR, BRL and CZK, affects its consolidated statement of income and consolidated statement of financial position. As the Group expands its operations with projects in new markets the currency risk exposure increases. For the plants in Jordan and Honduras the exposure is in all material respects related to USD as all significant contracts are USD denominated. In order to mitigate convertibility and transfer risk, the Group is currently tailoring currency risk strategies for its upcoming investments in new markets. The Group is on an overall level managed as a NOK company for currency risk management purposes with primary focus on NOK cash flow.

During the construction phase of new solar power plants the construction contract payments to Scatec Solar as the provider of Engineering Procurement and Construction (EPC) services, are structured to match the source currencies. The project company buying the EPC services, will hedge the foreign currency exposure from financial close until grid connection of the power plant. The project company will furthermore secure non-recourse project finance in the functional currency of the company. Once a solar power plant is grid connected, the general policy of the Group is not to hedge foreign currency exposure based on long-term cash flows from the power plants.

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### **Interest rate risk**

Scatec Solar is exposed to interest rate risks through funding and cash management activities. Liquid assets have primarily floating interest rates. The interest rate risk management objective is to minimise interest costs and to keep the volatility of future interest payments within acceptable limits.

The Group has entered into long-term non-recourse financing in the project entities, including both fixed and floating interest rates. To manage the interest rate exposure for the floating rate financing, the Group has entered into fixed rate interest swaps for a major portion of the portfolio, reducing the interest rate risk for the Group significantly.

### **Credit risk**

Credit risk is the risk that Scatec Solar's customers or counterparties will cause the Group financial loss by failing to honour their obligations. The Group is exposed to credit risk, including but not limited to suppliers or contractors who are engaged in constructing or operating assets, property owners who provide land leases to the Company, banks which provide guarantees or project financing, insurance companies which provide coverage against various risks applicable to the Group's assets, off-take partners which have committed to buying electricity produced by the Company and other third parties with obligations to the Group.

All of the electricity generated by the Group's current portfolio of projects in operation or under construction is sold under long-term power sales agreements with public utilities or other partners, or under Feed-in Tariff (FIT) arrangements or similar support mechanisms governed by law. If, for any reason, any of the counterparties to these contracts are unable or unwilling to fulfil their contractual obligations or if they refuse to accept delivery of power delivered thereunder or if they otherwise terminate such agreements prior to the expiration thereof, our assets, liabilities, business, financial condition, results of operations and cash flows could be materially adversely affected. For all current power plants in operation, all such counterparties are supported by government guarantees or have obligations regulated by law.

### **Liquidity risk**

Liquidity risk is the risk that Scatec Solar will not be able to meet obligations associated with financial liabilities when due, and is the product of the operational risk factors and the financial risks mentioned above. The Group manages liquidity risk through continuous review of future commitments and sources of liquidity. Cash flow forecasts are prepared and adequate utilised financing facilities are monitored on a monthly basis.

Scatec Solar uses non-recourse project financing with the advantage of a clearly defined and limited risk profile. In this respect, the banks recover the financing solely through the cash flows generated by the individual projects financed.

In some of the countries where Scatec Solar operates, including South Africa, governments have imposed regulations on repatriation of funds out of the country. This may halt or delay flow of funds between group companies under certain circumstances. Scatec Solar has not experienced any significant delays to date, and are seeking to minimise such risk through thorough investigations of the relevant jurisdictions and regulations and adapt accordingly.

Due to the dynamic nature of the underlying business, the Group maintains flexibility in funding by maintaining availability under credit facilities.

### **Political risk**

Scatec Solar holds assets and operates in many jurisdictions, and the company's operations are subject to international and national laws and regulations applied by various government authorities in connection with obtaining various licenses and permits, government guarantees and other obligations regulated by law.

Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards, the issuance and renewal of licenses and permits and in monitoring licensees' compliance with the terms thereof. Commercial practices and legal and regulatory frameworks differ significantly between jurisdictions and are subject to change at any time. As a result, it may be difficult to ensure compliance with changes in regulatory requirements in the jurisdictions where the Company operates, and this can have an adverse effect on the Group's operations, business, financial performance and prospects.

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### **Other risks**

The business of the Company is project related and the majority of the risks that the business is exposed to is contained and managed within individual projects. The market risk mainly relates to the attractiveness of solar projects in the various markets as derived from development in power prices, including feed-in-tariffs in key markets, relative to the prices of key components such as solar modules. Scatec Solar manages this risk through balancing the commitments on sourcing of projects and components with the commitments on the off-take and financing of the final systems, and through developing a robust portfolio of attractive project opportunities in different markets.

Scatec Solar is often required to provide performance guarantees in connection with construction activities. While the total nominal exposure from such guarantees may become significant as the level of construction activities increases in new markets, the exposure is limited in relation to the expected project margins and the contracts relate to fairly standardised construction where Scatec Solar has a solid track-record.

Scatec Solar operates in several regions of the world with complex risk environments. This primarily relates to political, integrity and security risk. The Company mitigates these risks through comprehensive country risk assessments from partnership with a global risk and security consultancy, security mitigation plans and continuously monitoring of risk environments. In addition, Scatec Solar has 24/7-hour access to comprehensive medical, security and crisis assistance including medical, security, logistical and aviation resources worldwide.

## 2 RESPONSIBILITY STATEMENT

### 2.1 Responsibility Statement by Persons Responsible

This Registration Document has been prepared by Scatec Solar ASA in connection with the Bond Issue and an investment therein. Scatec Solar ASA confirms that it has taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of Scatec Solar ASA's knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, Norway 21 March 2018

A handwritten signature in blue ink, appearing to read 'Mikkel Tørud'.

Mikkel Tørud  
*CFO, Member of the Management Board*

Scatec Solar ASA

Karenslyst Alle 49  
0279 Oslo  
NORWA



## 3 PRESENTATION OF THE GROUP

### 3.1 Overview

Scatec Solar ASA (“Scatec Solar”, “the Company” or the “Issuer”) is a Norwegian incorporated public limited liability company under the Norwegian Public Limited Companies Act, and is registered with the Norwegian Register of Business Enterprises with registration number 990 918 546 and date of incorporation 02.02.2017. The Company's registered office is Karenslyst Allé 49, 0279 Oslo, Norway, telephone +47 48 08 55 00. The objectives for which the Company is formed and incorporated are listed in the Company's Articles of Association, which can be found on the Company's web page or in Appendix A

Scatec Solar is an integrated, independent power producer (IPP). The Company is pursuing an integrated business model across the entire downstream value chain for utility-scale solar power plants, including project development, financing engineering, procurement, construction management, operation and maintenance, and equity ownership / asset management.

### 3.2 Business objectives and strategy

Scatec Solar's vision is to improve our future by establishing solar power as a competitive and sustainable source of energy.

Scatec Solar's strategy is to pursue an integrated business model, and develop, construct, own and operate utility-scale photovoltaic solar power plants offering attractive returns. The Company will seek geographical diversification and believes the integrated business model creates competitive advantages through lower cost, higher speed and improved project execution in both established and emerging markets.

The experience gained from constructing and operating the plants is used in developing and designing new projects and vice versa. Further, the integrated approach also allows the Company to efficiently redeploy development and construction margins generated in the early phases as working capital and equity into the project companies.

The Company's key capabilities is leveraged through multi-disciplinary teams comprising power market insights, operational knowledge, technical and construction management knowhow, and commercial, legal and financial competence. The business model opens for flexible execution models adapted to each individual market. The Company will maintain its strong focus on partnerships throughout the entire business process, and seek equity co-investments to enhance value and reduce risk.

Scatec Solar operates globally, and currently has operating subsidiaries in the Czech Republic, South Africa, Rwanda, Honduras, Brazil, Malaysia and Jordan.

Scatec Solar currently has ownership in solar plants with a combined gross capacity of 322 MW in operation and 394 MW under construction. The current project backlog represents additional capacity of 749 MW.

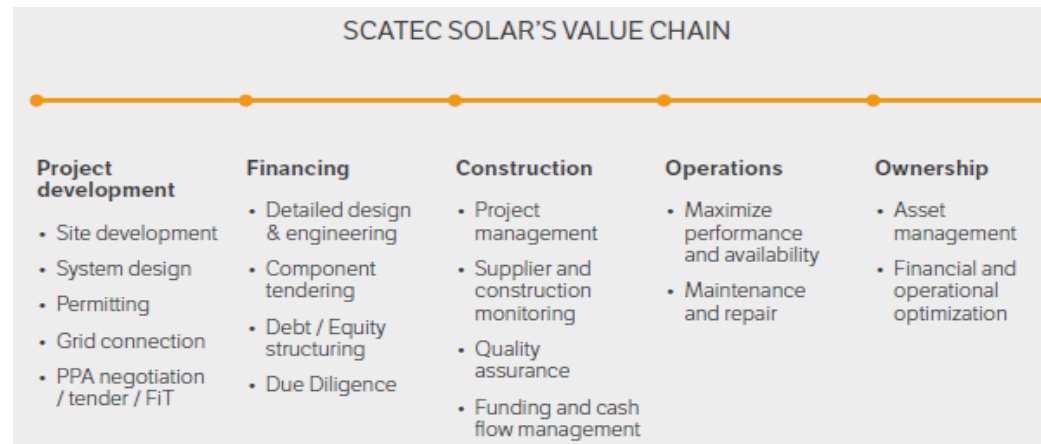
The Company reports three separate business segments: Power Production, Operation & Maintenance, and Development & Construction, in addition to Corporate and Eliminations. More information on business segments below.

The competitive environment for the Company is fragmented. There are many players in the sector and market approach and business model vary greatly. Only a few players are pursuing the integrated business model of Scatec Solar, where projects are developed, built, owned and operated by the same company. In addition to a number of local and regional companies, larger global players like Enel Green Power, Engie, ACWA, Total, First Solar, EDF are typically competitors in the Company's main markets.

### 3.3 Scatec Solar's positioning in the solar market value chain

#### Solar market value chain

Scatec Solar business encompasses five steps.



*Project development:* The most important activities in project development includes site identification and permitting, plant design, development of business case, securing land and grid connection, and negotiation of PPAs (Power Purchase Agreements with 20-25 years tenor). Competition in this part of the value chain is typically related to securing of attractive land, and in tendering rounds where numerous parties may compete on the power price to be obtained for delivery of electricity. Scatec Solar is active in this part of the value chain

*Financing:* Project financing represents a critical part of solar PV projects and is coherent to the development of new projects. This stage involves securing financing for new large-scale solar PV projects. The process includes structuring of debt and equity and due diligence processes. The funding of a new project can vary widely, although senior debt typically forms the dominant source of funding together with junior debt and equity. Other examples of source of funding can be subsidized loans, grants or tax credits.

*Construction:* The construction phase includes activities related to building and finalizing PV plants, such as detailed engineering, procurement, project and construction management quality assurance, and cash flow management. Scatec Solar's integrated value chain includes the construction part of the value chain.

*Operations:* This part of the value chain includes services related to operating, monitoring, maintaining and repairing PV power plants to maximize plant performance and availability. The business related to operation and maintenance is driven by PV capacity and has conventionally been a source to stable margins. Scatec Solar has activities in this part of the value chain.

*IPP (Independent Power Producer):* The last part of the value chain involves selling power to off-takers. Normally low variation of solar irradiation, power purchase agreements (PPAs) with fixed inflation adjusted tariffs and feed-in-tariffs ensures predictable returns once the plant is connected. Scatec Solar operates as an IPP through its ownership in several assets.

### 3.4 Historical background and development

Scatec Solar was formally incorporated 2 February 2007, with its roots tracing back to 2001, through Scatec Solar's acquisition of the German project development company Solarcompetence GmbH. Scatec Solar was listed on the Oslo Stock Exchange in 2014

#### Scatec Solar milestones

Year	Event
2007	Scatec Solar Incorporation
2008	Market entry and project development in Czech Republic and Italy
2009	First installation in Czech Republic and Italy
2010	Market entry South Africa, France and the US
2011	Selected preferred bidder for the 75 MW Kalkbult project in South Africa Market entry West Africa
2012	Initiated construction of the first 75 MW solar power plant in South Africa. Selected as preferred bidder for two more plants in South Africa, totalling 115 MW
2013	Start of construction of two phase 2 projects (40 MW + 75 MW) in South Africa, followed by grid connection of the 75 MW Kalkbult project Market entry into Japan, the UK and Jordan
2014	Grid connection of the 40 MW Linde project in South Africa Construction and grid-connection of the 8.5 MW ASYV plant in Rwanda Grid connection of the 75 MW Dreunberg project in South Africa Scatec Solar AS is converted to a Norwegian public limited liability company and listed on the Oslo Børs
2015	Construction and grid-connection of the 60 MW Agua Fria plant in Honduras Construction start of 43 MW power plants in Jordan Construction and grid-connection of the 104 MW Utah Red Hills plant in USA Scatec Solar ASA successfully raises NOK 500 million through a bond issue Project backlog stands at 344 MW, project pipeline at 1,287 MW and project opportunities of 2,300 MW
2016	Signing of a 25-year PPA in Mozambique together with Norfund. Securing of four PV plants totaling 150 MW in Ceará, Brazil. Landmark revenue growth reached, as revenues cross NOK one billion. Commissioning of two solar plants totaling 33 MW in Jordan. Sale of the 104 MW Utah Red Hills solar plant in Utah.
2017	Established a 50/50 Joint Venture with Statoil in Brazil Construction started in Malaysia, Brazil & Honduras Approaching financial close in Egypt, South Africa, Mozambique and Mali

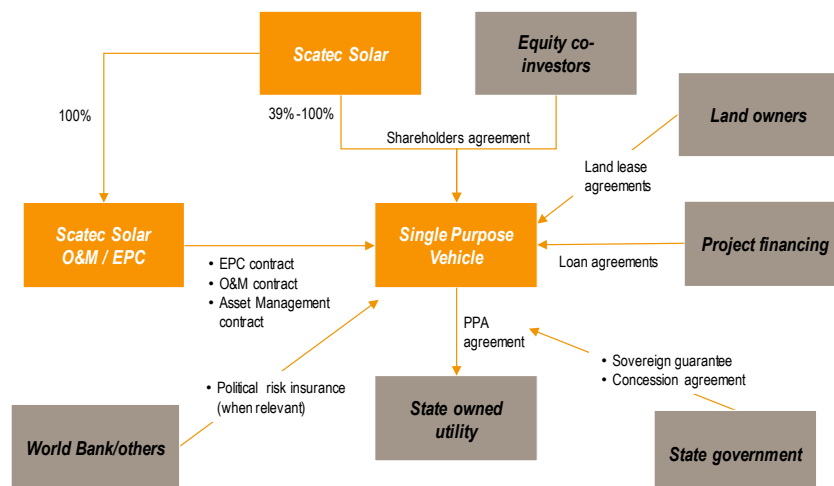
### 3.5 Significant commercial contracts

Ownership in solar power plants is held through project companies offering isolation of operational and financial risks related to each individual project. The solar power plants are debt financed by non-recourse financing pledged only to the respective solar power park asset of each project company, limiting Scatec Solar's exposure to the equity invested and retained in each individual project.

The project companies contract an entity within the Group acting as the contractor with a turnkey engineering, procurement, construction and installation agreement whereby the contractor will sell a turnkey plant to the project company. The contractor will in turn contract with suppliers for the supply of all components required (such as panels, inverters, substructure, cables, high voltage and so forth). The contractor will also contract with sub-contractors for civil and electrical work. Additionally, the project companies will purchase the project rights from the group entity that has developed the project or from third party developers.

For all plants in operation or under construction, a significant number of contracts have been entered into, both by the project companies (single purpose vehicle, SPV) itself and other Scatec Solar entities.

Simplified illustration of company structure and main contracts in place



The project companies are parties to power purchase agreements with the off-taker, and in most cases will also be party to an implementation/concession agreement with a governmental agency.

The project companies have also entered into finance documents with the senior lenders on standard terms and conditions which includes i.a. a common terms agreement, facility agreements and security agreements.

Furthermore, the project companies are the contracting party with other Scatec Solar group entities for the EPC contracts, O&M contracts, management services contracts and asset management agreements.

The Scatec Solar entity holding the ownership in the project companies will, where minority shareholders are present, have entered into a shareholder agreement and funding documents.

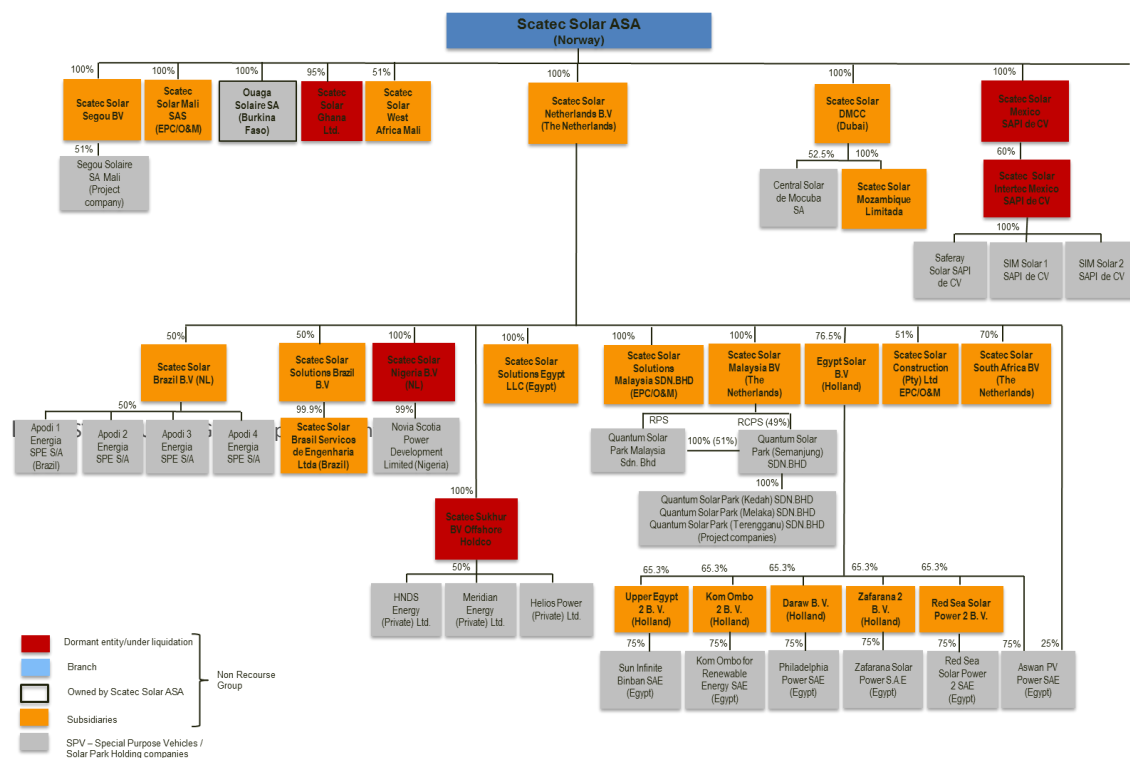
There are to the Issuer no known arrangements, which may at a subsequent date result in a change of control of the Issuer

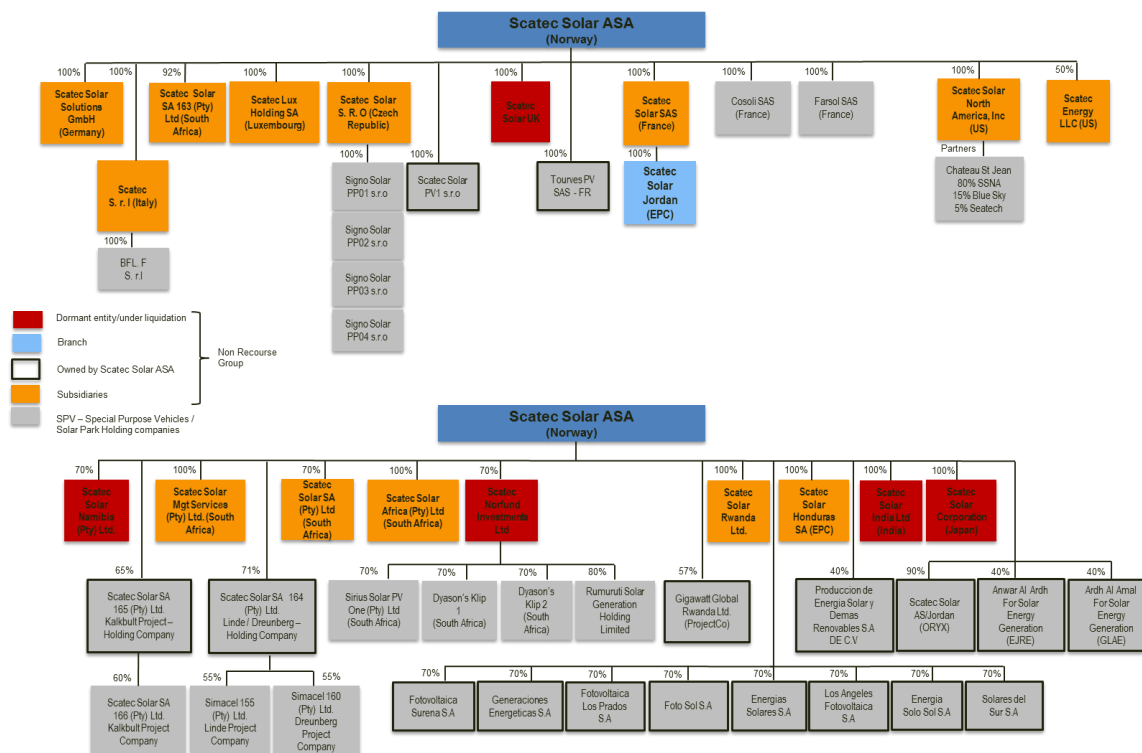
### 3.6 Legal structure

The Group consists of the Company and some 80 direct and indirect subsidiaries. The operations of the Group are carried out by the Company through certain key subsidiaries, while certain of the Company's direct and/or indirect subsidiaries currently are dormant or have only limited operations.

The Group's legal structure is set up on the basis of the key operations of the Group, as further illustrated by the figures below, including the Company's main subsidiaries:

- 1 Development, construction and operations & maintenance activities, and
- 2 Project companies for plants in operations, under construction and in backlog.





For tabular overviews over all subsidiaries and associated companies, please refer to the Annual Report for 2016.

Scatec Solar ASA, as parent company, is dependent upon all of its subsidiaries as listed in the Annual Report for 2016, of which the solar park holding SPV's in particular. The parent company is dependent on these subsidiaries to service its obligations, as a significant part of the cash flow generation originate from these subsidiaries. The solar park holding companies, of which Scatec Solar ASA is the direct or indirect owner, are financed on a non-recourse basis towards the Company, and thus have no cross default clause, guarantees etc. towards Scatec Solar ASA. All other interest bearing debt within the group has the parent company as borrower.

## Segment reporting structure

The Company reports on three business segments; Development & Construction, Operation & Maintenance, and Power Production, in addition to Corporate and Eliminations.



### 3.7 Power Production

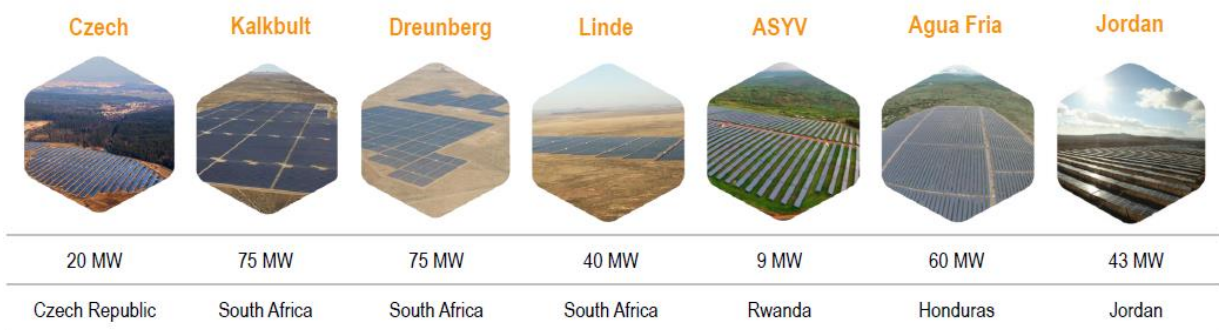
The Company reports three separate business segments: Power Production, Operation & Maintenance, and Development & Construction, in addition to Corporate and Eliminations

Scatec Solar's Power Production ("PP") segment consisted, as of December 2016, of the Kalkbult (75 MW), Linde (40 MW) and Dreunberg (75 MW) plants in South Africa, the ASYV (9 MW) plant in Rwanda, four plants in the Czech Republic (20 MW), Agua Fria (60 MW) plant in Honduras, and three plants in Jordan (43 MW). The plants produce electricity for sale under 20-25 year power purchase agreements or feed-in tariff schemes.

Scatec Solar is targeting average 15% return on equity (nominal after tax) for equity investments in new power plants. The total revenues generated by the PP segment reached NOK 1,011 million in 2016, accompanied by an EBITDA margin of 84 per cent.

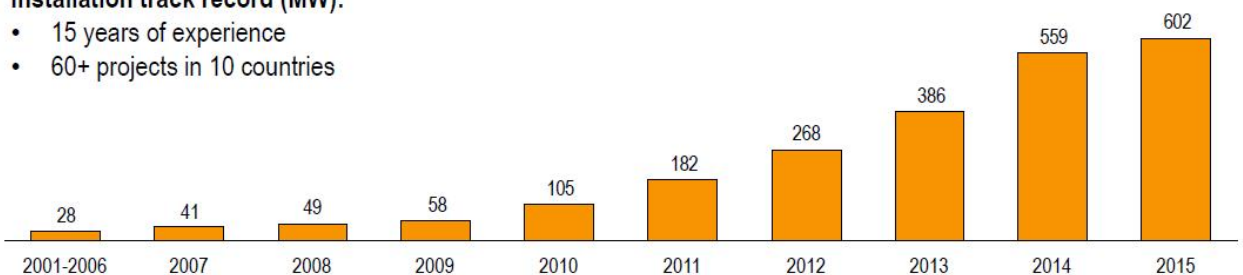
The increase in power production during 2016 is driven by a full year of production at the 60 MW Agua Fria plant in Honduras and the 104 MW Red Hills plant in the US (which is now sold), as well as production from three new plants in Jordan commissioned in the second and third quarter of 2016. All solar plants have performed well with respect to plant availability and efficiency during the year.

#### 322 MW in operation:



#### Installation track record (MW):

- 15 years of experience
- 60+ projects in 10 countries





### 3.8 Operation & Maintenance

Scatec Solar has an industrial approach to the ownership of power plants and recognizes sound operation and maintenance (“OM”) of the solar power plants to be essential in order of maintaining control and maximizing plant performance.

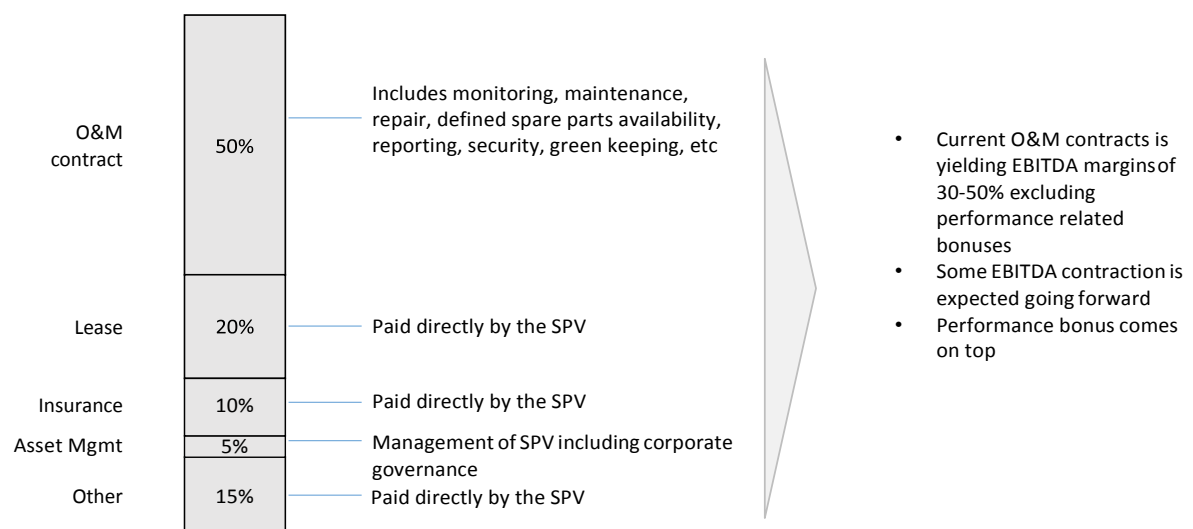
The company operates and maintains all the plants in which the company holds ownership positions.

Revenues and profits are typically generated on the basis of long-term contracts with fixed base-fees and additional profit-sharing arrangements based on power plant performance. The key parameters to optimize performance at lower cost relate to performance and availability, which in turn depend on adequate monitoring systems, regular module cleaning, and optimized fault response, repair time and spare parts strategy.

O&M contracts typically account for approximately 50 percent of total operating expenses at a plant, with land leases (~20%), insurance (~10%), asset management (~5%) and other costs (~15%) making up the remainder.

#### OPERATIONAL COST BREAKDOWN AND O&M MARGINS

##### Total Opex for plant, %



Scatec Solar’s current O&M contracts yield EBITDA margins of 40-50%. The Company expects some EBITDA margin contraction for new O&M contracts going forward.

The current O&M portfolio is expected to generate annual revenues of approximately NOK 55-60 million at current exchange rates.

The majority of the O&M contracts include performance bonus provisions, securing the company 50% of revenue generated when exceeding pre-defined production levels.

### 3.9 Development and Construction

Development and Construction (“D&C”) segment is a segment that consists of development activities for a number of projects, globally, and construction services (EPC) for solar power plants that is developed by Scatec Solar.

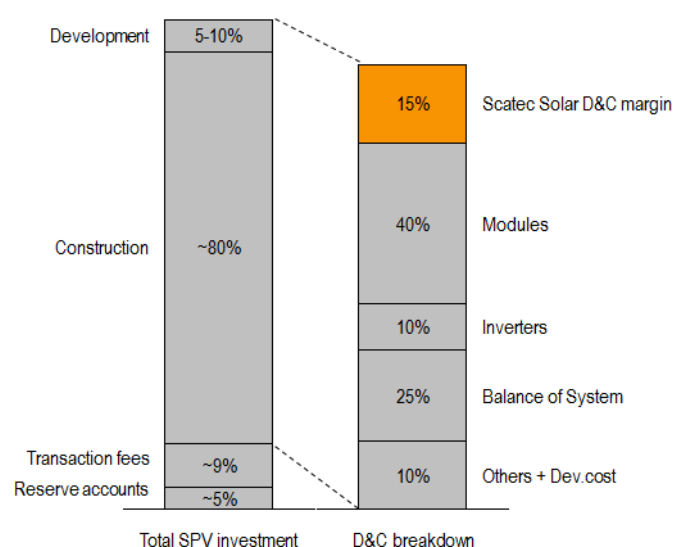
The D&C segment generates cash flows in the early stages of the project lifecycle. Development and construction typically account for 80-85% of an SPV’s total investment, with transaction fees, interest during construction and reserve accounts making up the remainder.

New solar power plants are developed in several stages, and the process will vary greatly from project to project and depend on a number of factors including the relevant regulations in the markets in which the Company operates. One of the main milestones in the projects development phase is to secure the off-take agreement. In some markets, like Egypt, Feed-In-Tariffs are allocated , in other markets, like parts of Africa, the off-take agreements are secured through bi-lateral negotiations with the utilities. In some other markets, including South Africa, Brazil and Jordan, off- take agreements are allocated through tender processes.

The time frame for the development and financing of a new project varies, but normally takes 1-2 years. Construction time for a solar power plant varies with size, location and design. For projects in the Company’s current backlog and pipeline, construction time frames are typically estimated to 12 months.

The breakdown of the development and construction costs typically comprises modules (35-40%), inverters (10%), balance of system (25-30%) and other costs (5-15%), securing Scatec Solar a 15-20% gross D&C-margin. The company believes this will be a sustainable margin level going forward, although the gross margin will vary across markets and projects and depend of the Company’s role in the construction phase in each individual project.

PLANT CAPEX BREAKDOWN AND D&C GROSS MARGINS



Scatec solar is expecting to achieve a gross margin of 15% on its D&C activities. The gross margin will vary and depend on the market and project attractiveness, Scatec Solar’s involvement in the development phase and what role the company takes in the construction phase of the project.

Scatec Solar has a well-tested operating system with clearly defined decision gates between project selection, feasibility studies, development and construction, and project close and transfer of responsibilities to SPVs. The construction approach itself is standardized and well proven, across site preparations, mechanical assembly, electrical assembly, and grid connection and commissioning.

Table with projects currently under construction:

Under construction	Capacity
Malaysia	197 MW
Honduras (phase I)	35 MW
Brazil	162 MW

### 3.10 Project backlog

Scatec Solar's project backlog, as of Q4 2017 reporting, is 789 MW, defined as projects assessed as having more than 90% likelihood of being realized.

Project	Capacity
Honduras (phase II)	18 MW
South Africa	258 MW
Mali	33 MW
Mozambique	40 MW
Egypt	400 MW
Malaysia	40 MW

#### Malaysia, 197 MW

- 25 year PPA with TNB
- SSO 100%\*
- Capex: USD 293 million
- Project finance: USD 234 million



#### Status

- Civil works approaching completion on all three sites
- Mechanical installation started
- Grid connection planned sequentially during 1H 2018

#### Brazil, 162 MW

- 20 year PPA with CCEE
- SSO 44%, Statoil 44%, Apodi 12%
- Capex: USD 215 million
- Project finance: USD 140 million



#### Status

- Civil works approaching completion
- Mechanical installation will commence soon
- Grid connection planned during 2H 2018

#### Egypt, 400 MW

- 25 year PPA with EETC
- SSO 51%, Norfund 24%, Africa50 25%
- Capex: USD 445 million
- Project finance: USD 335 million



#### Status

- Financial close in October 2017
- Common infrastructure in completion
- Construction start during 1H 2018

#### Honduras, 35 MW, phase 1

- 20 year PPA with ENEE
- SSO 70%, Norfund 30%
- Capex: 80 MUSD
- Project finance: USD 50 million



#### Status

- Project experienced civil unrest
- Construction work will continue in close corporation with Honduran authorities
- Some impact on cost and schedule

#### South Africa, 258 MW

- 20 year PPA with ESKOM
- SSO 42%, Norfund 18%, BEEE Trust 40%
- Capex: USD 315 million
- Project finance: USD 260 million



#### Status

- Preparing with IPP Office and lenders for financial close

#### Mozambique, 40 MW

- 25 year PPA with EDM
- SSO 52.5%, Norfund 22.5%, EDM 25%
- Capex: USD 76 million
- Project finance: USD 62 million



#### Status

- Working to close out remaining conditions precedent of the loan to reach financial close

#### Mali, 33 MW

- 25 year PPA with Energie du Mali
- SSO 51%, IFC 30%, Africa Power 19%
- Capex: USD 56 million
- Project finance: USD 42 million



#### Status

- Currently finalizing project loan and guarantee agreements

### 3.11 Project pipeline

Project pipeline is defined as projects assessed to have more than 50% likelihood of reaching financial close and subsequent realization. Scatec Solar currently has a project pipeline of a number of projects with a gross capacity of 745 MW.

#### Pipeline – Overview

Country/Region	Capacity
South Africa	430 MW
Pakistan	150 MW
Nigeria	100 MW
Kenya	48 MW
Burkina Faso	17 MW
<b>Total Pipeline</b>	<b>745 MW</b>

#### Growth prospects

Scatec Solar's key selection criteria for entering new markets include;

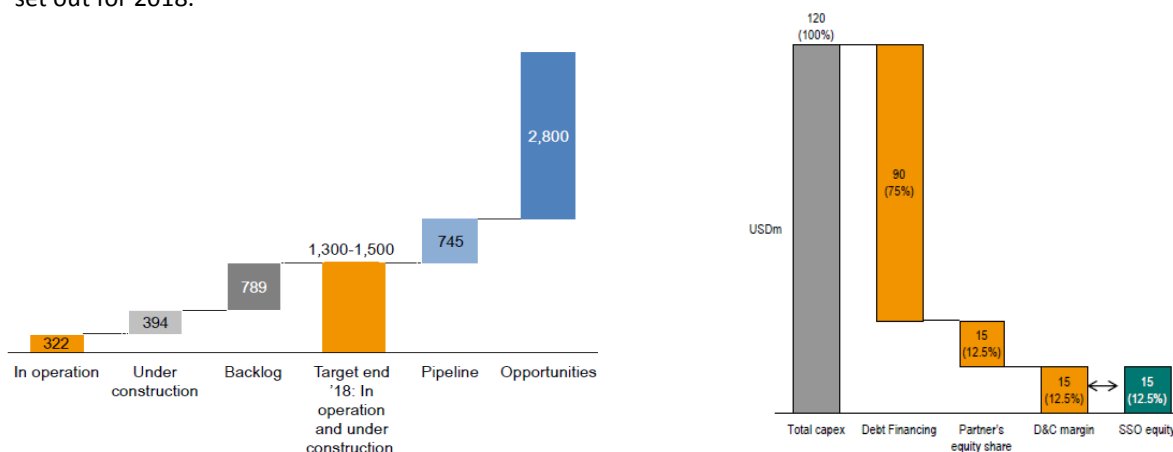
- Solar insolation
- Urgency in terms of energy demand
- The availability of alternative energy sources
- Market transparency and jurisdiction
- Legislation favoring installation of solar power

Markets fulfilling these objective criteria are then matched with company specific competitive advantages in terms of in-house competence, local partnerships, and the availability of flexible financing structures. The resulting target markets offer attractive opportunities across the globe, which can be seen in the current portfolio of assets in production, under construction, in backlog or in the project pipeline.

The global market approach requires a strong organization with regional offices in hubs covering large areas, as well as a broad network of regional and local partners and industry relationships in priority markets. This approach has enabled early entry into new markets with limited investments.

### 3.12 Outlook

New projects will further diversify Scatec Solar's asset portfolio once operational. Scatec Solar currently has a sufficient funding to cover their equity investments in the projects. Residual funding will be financed through non-recourse debt and Partner's equity as shown in the graph below. Development of new utility scale PV projects is progressing well and Scatec Solar is on track to reach growth targets set out for 2018.



Example based on a 75 MW project

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### **3.13 Description of the parent company**

Scatec Solar ASA prepares its financial statements according to NGAAP and the amounts referred to below for Scatec Solar ASA are NGAAP figures. Scatec Solar ASA is a holding company comprising parts of corporate services, management and group finance. In addition, Scatec Solar ASA provides certain services related to project development and construction for its subsidiaries.

Scatec Solar ASA reported revenues of NOK 54 million and operating profit (EBIT) of negative NOK 69 million in 2016, compared to revenue of NOK 789 million and operating profit (EBIT) of negative NOK 33 million in 2015.

Operating expenses decreased to NOK 123 million in 2016, down from NOK 821 million in 2015.

Profit after tax was NOK -26 million in 2016, compared to a profit after tax of NOK 35 million in 2015.

For further information please refer to Scatec Solar's web page or annual report 2016.

#### **Other companies within the Group**

Please refer to Company's annual report for 2016

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### **3.14 Customers**

The predominant share of the Group's consolidated revenues comes from the Power Production segment, and relates to sale of electricity from solar power plants.

The Czech power plants commenced operations in 2009 (1 plant) and 2010 (3 plants). Revenues from these plants are being generated under power purchase agreements with the utility companies CEZ Distribuce and E.ON Distribuce, based on the terms of the Czech Energy Act and Czech Renewable Energy Act. This legislation requires the utilities to purchase the power produced from renewable energy sources for a period of 20 years at the Feed-in-Tariff (FiT) prescribed by law and applicable regulation, and adjusted annually with inflation.

Revenues in South Africa are earned under a 20-year Power Purchase Agreement (PPA) with Eskom Holdings, the South African incumbent utility, awarded under the Renewable Independent Power Producer Procurement Programme (REIPPPP) administrated by the Department of Energy. Eskom's financial commitments under the PPA are guaranteed by the South African National Treasury under the Inter-Governmental Framework Agreement.

For the ASYV power plant in Rwanda, the project company has entered into a 25 year PPA with the stated owned utility EWSA. EWSA's financial commitments under the PPA are guaranteed by under a Rwandan Government guarantee.

For the Agua Fria power plant in Honduras, the project company has entered into a 20 year PPA with Empresa Nacional de Energía Eléctrica (ENEE). ENEE's financial commitments under the PPA are guaranteed by under a Honduran Government guarantee.

For the power plants in Jordan, the project companies have entered into a 20 year PPA with NEPCO

### **3.15 Significant recent trends and investments affecting the Group and the industry in which it operates**

There has not been any significant change in the financial or trading position of the Group which has occurred since the end of the last financial period published on the Company's web page or within the recent year.

There has not been any material adverse change in the prospects of the issuer since the date of its last published audited financial statements or within the recent year.

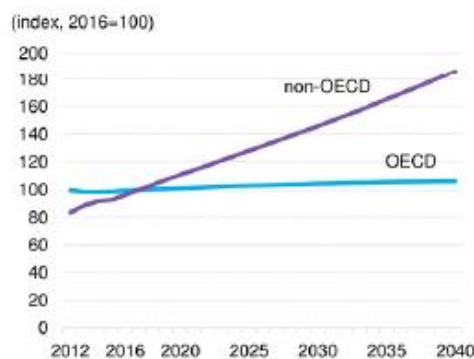
The Group and its management are not aware of any known trends, uncertainties, demands, commitments or events that are likely to have a material effect on the Group's prospects. Furthermore, no significant investments have been done by the Group since the last published financial report.

## 4 MARKET OVERVIEW

### 4.1 Global Energy Outlook (Bloomberg New Energy)

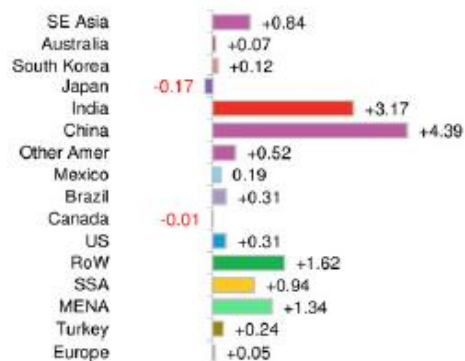
- Global power demand grows by 58% between now and 2040, or 2% per year.
- \$10.2 trillion expected to be invested in new power generation capacity worldwide.
- Wind and solar account for 48% of installed capacity and 34% of electricity generation worldwide by 2040.
- The levelized cost of new electricity from solar PV drops by 66% by 2040.
- Onshore wind costs fall fast, but offshore falls faster.
- Consumer-driven PV becomes a significant part of the power sector.
- Electric vehicles bolster electricity use and help balance the power grid.
- We expect lithium-ion batteries for energy storage to become a \$20 billion per year market by 2040.
- By 2030, wind and PV start to undercut existing coal plants on an operational basis.
- Global coal-fired power generation peaks in 2026.
- Gas is a transition fuel, but not in the way most people think.
- Asia Pacific sees almost as much investment in generation as the rest of the world combined.
- Powering China and India presents a \$4 trillion opportunity.
- Peak coal is in sight in Asia.
- China will go big on renewables with wind and solar capacity increasing eight-fold to 2040.
- India significantly expands its coal fleet over the next five years adding over 40GW of new coal plants.
- Japan and South Korea shift from gas to coal, and then to solar.
- Australia's electricity system becomes one of the most decentralized in the world.
- European investment in renewables grows by 2.6% per year on average out to 2040.
- Half of European electricity supply in 2040 comes from variable renewables, posing challenges for grid and generators.
- Gas in Europe benefits from a wave of coal and nuclear retirements over the next decade.

Figure 1: Global electricity demand, OECD v non-OECD



Source: Bloomberg New Energy Finance

Figure 2: Changes in electricity demand, 2016-2040



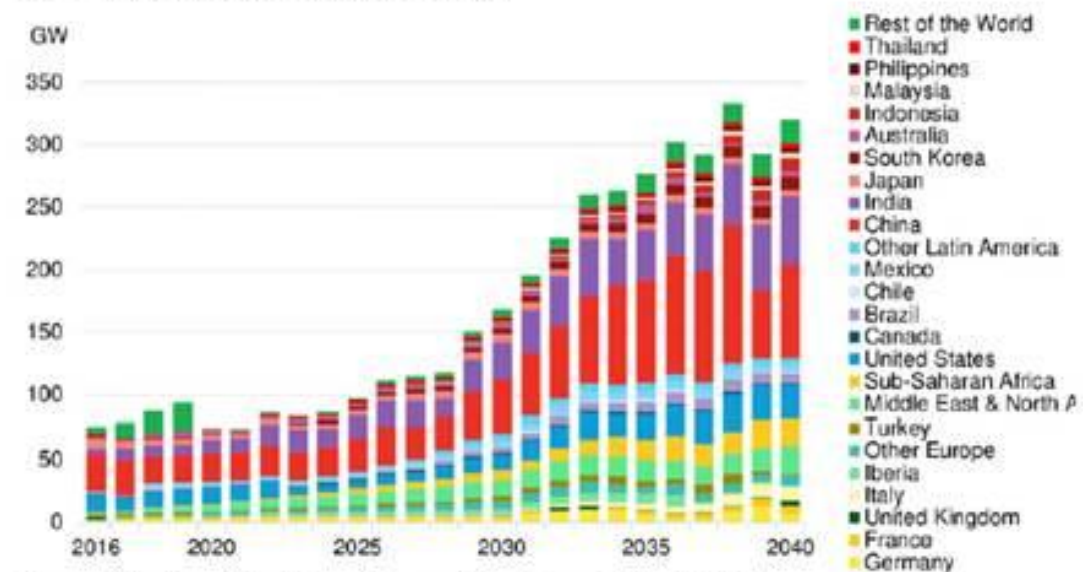
Source: Bloomberg New Energy Finance



## 4.2 Solar Energy Outlook (Bloomberg New Energy)

- Solar power installation total just over 4.5TW by 2040, of which utility-scale PV makes up 3.1TW and small-scale PV 1.4TW.
- Solar contributes 17% of the world's electricity supply, and much more in certain markets – 39% in Australia, 26% in India, 15% in China and 24% in Germany.
- The largest PV markets between 2017 and 2040 are, unsurprisingly, China (1.2TW), India (670GW) and the U.S. (405GW).
- A major driver after 2030 is that PV electricity from new plants is not only cheaper than building new gas and coal power stations, but cheaper in many countries than running existing ones. Once this happens, there is a strong incentive for countries to figure out how to run a grid smoothly at very high solar penetration.
- The global market for solar modules and projects is expected to grow in GW terms and also in dollar terms, with the sector investing \$2.8 trillion between 2017 and 2040.

Figure 1: Global solar new build, by region

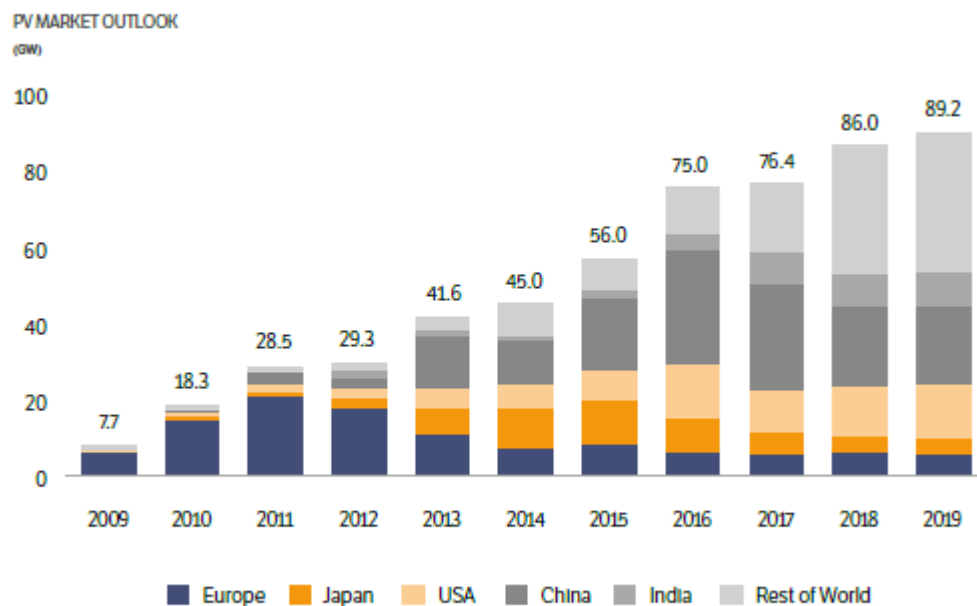


Source: Bloomberg New Energy Finance New Energy Outlook 2017



### 4.3 PV Market Outlook (Bloomberg New Energy)

- The solar industry continues to develop rapidly and with further technology improvements and cost reductions industry analysts are expecting continued market growth in the years to come.
- According to Bloomberg New Energy Finance (BNEF) solar energy for the first time became the cheapest form of new electricity at the end of 2016. Unsubsidized solar is beginning to outcompete coal and natural gas on a large scale per data from BNEF.
- According to BNEF, the world passed a turning point in 2015 when adding more capacity of clean energy each year than coal and natural gas combined. When it comes to renewable energy investments, emerging markets have taken the lead over the 35 OECD countries and with higher growth rates. Three quarters of the emerging markets states have established clean energy targets.
- The graph below shows the increase in annual new installed PV capacity globally per year from 2009 to 2016 and estimates for 2017 and 2018.
- 



Source: Bloomberg New Energy Finance, Q1 2017 PV Market Outlook

## 5 BOARD OF DIRECTORS AND MANAGEMENT

### 5.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Group is vested in the Board of Directors and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Group's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Group's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Group's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Group's chief executive officer, or CEO, is responsible for keeping the Group's accounts in accordance with applicable law and for managing the Group's assets in a responsible manner. In addition, the CEO must according to Norwegian law brief the Board of Directors about the Group's activities, financial position and operating results at a minimum of one time per month.

The Company has made a strong commitment to ensure trust in the Company and to enhance shareholder value through effective decision-making and improved communication between the management, the board of directors and the shareholders. The Company will seek to comply with the Norwegian Code of Practice for Corporate Governance (the "**Corporate Governance Code**"), dated 30 October 2014.

The Company has adopted and implemented a corporate governance regime which complies in all material respects with the Corporate Governance Code.

### 5.2 Board of Directors

#### Overview

The Articles of Association provide that the Board of Directors shall consist of three to seven members. As at the date of this Prospectus, the Company's Board of Directors consists of the following:

Name of director
John Andersen, Chairman
Alf Bjørseth
Jan Skogseth
Mari Thjømøe
Gisele Marchand

The Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance dated 23 October 2012, meaning that (i) the majority of the shareholder-elected members of the Board of Directors is independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected members of the Board of Directors are independent of the Company's main shareholders, and (iii) no members of the Company's executive management are on the Board of Directors.

All members of the Board of Directors are independent of the Company's significant business relations. Mr Andersen and Mr Bjørseth have relations towards the Company's large shareholders (shareholders holding more than 10% of the Shares in the Company). All of the members of the Board of Directors are independent of the Management.

The Company's registered office, Karenslyst Allé 49, 0279 Oslo, Norway, serves as the business address for the members of the Board of Directors in relation to their directorships of the Company.

#### **Brief biographies of the members of the Board Directors**

Set out below are brief biographies of the members of the Board of Directors, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Board of Directors is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and management positions in subsidiaries of the Company).

In the following, for directorships the denominations "C" and "BM" states the position as chairman of the Board of Directors ("C") and ordinary board member ("BM"), respectively, and "CEO", "CFO", "COO" and "EVP" state the position as Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Executive Vice President respectively in the relevant companies.

#### **John Andersen (born 1967), Chairman**

Mr Andersen holds a Master of Business and Economics (Finance) from BI Norwegian Business School, where he after graduating continued for one year as an academic research fellow. Mr Andersen started his professional career as a Project Manager in Energipartner AS, subsequent to which he held positions as Senior Project Manager of Business Development in Borregaard ASA and Sales and Marketing Manager in Borregaard Italia S.p.A.

In 2001, Mr Andersen joined Renewable Energy Corporation ASA (REC), where he in the period from 2001 to 2012 held various executive positions including Vice President of Business Development, Executive Vice President REC Wafer, Executive Vice President REC Solar, Executive Vice President Wafers, Cells and Modules and Group COO. From 2012 to 2013 Mr Andersen was an Executive Vice President and Special Advisor in REC ASA, reporting to the President and CEO of the company.

As from 2013, Mr Andersen is CEO of Scatec AS, and has served at the chairman of the board of directors of Scatec Solar since spring 2014.

Current directorships and management positions	Scatec Invest AS (C), Scatec Solar Ansatte AS (C), Scatec Sunrise AS (C), Scatec Adventure AS (C), NTi Holding AS (C), C2U Norway AS (C), Norsk Titanium AS (BM), Norsun AS (BM), Norwind Installer AS (BM), NBT AS (BM), Reactive Metal Particles AS (BM), Scatec AS (CEO) and Scatec Invest AS (CEO).
Previous directorships and management positions last five years	Sway Turbine AS (C), Mainstream Energy Corp. (BM), Sovello GmbH (BM), REC ASA (EVP and Group COO), REC Solar AS (Managing Director) and REC Wafer Norway AS (Managing Director).

#### **Alf Bjørseth (born 1941), Board member**

Alf Bjørseth earned his Doctor Phil. degree in physical chemistry from the University of Oslo, Norway in 1979. He started his professional career as an associated professor at the Universities of Oslo and Bergen, and subsequently worked for contract research organizations in Norway (SI – today SINTEF). Then Dr. Bjørseth went into industrial research and served as Corporate Director of Research for Norsk Hydro and Director of Technology for Elkem.

In 1994, Dr. Bjørseth started ScanWafer, a company specializing in the production of multi-crystalline silicon wafers for the global solar industry. Later, he started another three companies related to solar cell and module production, as well as a solar module installation company. These companies were

later merged into one holding company, Renewable Energy Corporation (REC), where Dr. Bjørseth served as President and CEO from the start.

In 2005, Dr. Bjørseth retired as President of REC. He is now the Chairman of Scatec AS, which is owned by Dr. Bjørseth and his family. The main objective of Scatec AS is to establish new companies based on the latest technologies in the areas of renewable energy and advanced materials. These efforts have resulted in the following new businesses:

NorSun – Production of high quality mono-crystalline wafers to the PV industry.

Scatec Solar – the Company.

NorWind – EPCI of offshore wind farms.

Thor Energy – development of thorium fuels cycle for nuclear power plants.

Norsk Titanium – new technology for the production of complex titanium components.

Dr. Bjørseth is a member of the Norwegian Academy of Sciences and the Norwegian Academy of Technical Sciences, and has been honoured as Commander of The Royal Order of St. Olav.

Current directorships and management positions	Scatec AS (C), Celmar AS (C), N-Tec AS (BM), Tegma AS (C), Celmar Invest (C), Thor Corporation (C), Norsk Titanium Technology AS (C), Scatec Solar ASA (BM), Scatec Power AS (C), Thor Energy AS (C), Swemodule AB (BM) Scatec AB (C), Institutt for Energiteknikk (BM), Borealis Solar AS (C), Integrated Solar AS (BM) Sunergy AS (BM), Stall SP Breeding AS (C) and Kanorådet Invest AS (BM).
Previous directorships and management positions last five years	Scatec Invest AS, Scatec Adventure AS, Scatec Sunrise AS, NorWind AS, NorWind Installer AS, OceanWind AS, REEtec AS, NTi Holding AS, Norsun AS, Scatec Power AS, 3G Solar AS, SCI Scatec, Think Global AS, Think AS, Confluence Inc, Innovalight Inc and Solopower Inc

#### **Jan Skogseth (born 1955), Board member**

Mr. Skogseth has been President and CEO of Aibel since 2008. Prior to this, Skogseth led Aibel's maintenance and modifications operations and had the primary responsibility for the North Sea operations. He started working for Aibel in 1998. Previously he has also led Aibel's international operations, has been head of Aibel's Australian operations, and he played a critical part in establishing Aibel in Egypt.

Skogseth holds the position as Deputy Chairman in the Federation of Norwegian Industries' Central Board. He is also the Chairman of the Federation of Norwegian Industries Oil and Gas, as well as a Board Member of Harding AS.

Current directorships and management positions	Scatec Solar (C). Deputy Chairman in the Federation of Norwegian Industries' Central Board. Chairman of the Federation of Norwegian Industries Oil and Gas. Board Member of Harding AS. Sparebank 1 SR-Bank ASA.
Previous directorships and management positions last five years	Aibel (President and CEO).

#### **Mari Thjømøe (born 1962), Board member**

Board member Mrs Thjømøe holds a Master of Economy and Business Administration (Nw.: Siviløkonom) from BI Norwegian Business School, is a Chartered Financial Analyst at the Norwegian School of Economics and Business Administration (NHH), and has attended the Senior Executive Programme (SEP 70) at London Business School, as well as several courses in listing and stock market rules.

Mrs Thjømøe has 25 years of experience from the oil and energy sector, working with financial reporting and control, business development, strategy, investor relations and management. Relevant work experience includes serving as Senior Vice President in Statoil ASA during their listing process and beyond, as well as CFO of KLP, and CFO and CEO of Norwegian Property. In addition, Mrs Thjømøe has

extensive experience as board member and chairman of the board of directors, in several private and public limited liability companies, including listed companies.

In 2014, Mrs Thjømøe was awarded with the Gabrielsen board award (Nw.: Gabrielpriisen", granting her Oslo Børs' scholarship for board members at Harvard Business School.

Current directorships and management positions	Seilspport Maritimt Forlag AS (C), ThjømøeKranen AS (C and CEO), AviNor AS (BM), Magseis ASA (BM), Sevan Marine ASA (BM), Tryg (BM), Sintef STI (BM), Argentum Fondsinvesteringer AS (BM), E-CO Energi Holding AS (BM), AGR Group ASA (BM) and Nordic Mining ASA (BM).
Previous directorships and management positions last five years	Onshore Petroleum Company AS (C), Bank2 ASA (C), Norgani AS (C), Infratek ASA (BM), Petoro (BM), SinOceanic Shipping ASA (BM) and Norwegian Property ASA (CEO/CFO).

#### **Gisele Marchand (born 1958), Board member**

Mrs. Marchand holds a Master of Economy and Business Administration (Siviløkonom).

Mrs. Marchand has long and broad experience from various executive positions in several financial institutions, and in particular extensive expertise in international Finance.

She has also been member of various boards, and is currently a Board member in Gjensidige Forsikring ASA, Selvaag Bolig ASA and Norgesgruppen ASA. She won the "Board Award" in Norway in 2015.

Current directorships and management positions	Scatec Solar (C). Gjensidige Forsikring ASA, Selvaag Bolig ASA and Norgesgruppen ASA
Previous directorships and management positions last five years	Eksportfinans ASA, Statens pensjonskasse, Batesgruppen, Den Norske Bank.

## **5.3 Management**

### **Overview**

The Management of the Company consists of seven individuals. The names of the members of the Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Position	Served since
Raymond Carlsen	Chief Executive Officer	2009
Mikkel Tørud	Chief Financial Officer	2014
Terje Pilskog	EVP Project Development & Project Finance	2012
Roar Haugland	EVP Business & People Development	2010
Torstein Berntsen	EVP Power Production & Asset Management	2010
Snorre Valdimarsson	EVP General Counsel	2009
Pål Helsing	EVP Solutions	2015

All members of the Management are employed by Scatec Solar ASA.

The Company's registered office, Karenslyst Allé 49, 0279 Oslo, Norway, serves as the business address for the members of management in relation to their positions in the Company.

#### **Brief biographies of the members of the Management**

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and management positions in subsidiaries of the Company).

#### **Raymond Carlsen, Chief Executive Officer**

Mr. Carlsen earned his M.Sc. at Florida Institute of Technology, USA in 1981. He has held various top management positions within the Aker Group and former Kvaerner ASA since he joined the enterprise in 1989 as managing director for Kvaerner Process Systems. Before joining the Company, Mr. Carlsen was Partner and responsible for developing Aker ASA's portfolio of energy related businesses. Prior to becoming a partner of Aker ASA, he was Executive Vice President and member of the Aker Solutions ASA management team as well as responsible for Aker Solutions Subsea business with operations in more than 15 countries and more than USD 2 billion in revenue.

Current directorships and management positions	Scatec Solar ASA (CEO) Agility Group AS (BM)
Previous directorships and management positions last five years	Aker ASA (Partner)

#### **Mikkel Tørud, Chief Financial Officer**

Mr. Tørud joined the Company in 2014 from the position as SVP Investor Relations and Business Development and member of Group Management in REC. He has extensive experience from finance, investor relations, corporate communications and business development in REC. Prior to joining REC he was commercial advisor in BP and management consultant in PA Consulting Group.

Mr. Tørud has a Master of Science degree in Industrial Economics and Technology Management from the Norwegian University of Science and Technology.

Current directorships and management positions	Scatec Solar ASA (CFO)
Previous directorships and management positions last five years	REC ASA (Director, Vice President and Senior Vice President)

#### **Terje Pilskog, EVP Project Development & Project**

##### **Finance**

Mr. Pilskog joined the Company from the position as Senior Vice President of REC Systems and Business Development based in München, where he was responsible for REC's downstream activities, developing, constructing and financing projects. He also served as board member for Sovello AG a joint venture between REC, Q-Cells and Evergreen, as well as Mainstream Energy Corporation where REC held a 20% stake.

Earlier, Mr. Pilskog was a member of the REC Wafer/Solar management team, leading the REC Wafer/Solar's Business Development team with responsibilities including strategic initiatives and general solar market analysis. Mr. Pilskog joined REC in 2006 to support the IPO of REC that same year. Prior to joining REC, he was Associated Partner at the management consulting company McKinsey & Co. Mr. Pilskog has a Master of Science in business administration with specialisation in finance from the Norwegian School of Management.

Current directorships and management positions	Scatec Solar ASA (COO)
Previous directorships and management positions last five years	REC ASA (Senior Vice President), Mainstream Energy, Inc. (BM), NorthLight Power LLC (Managing Director) and Sovello AG (BM).

#### **Roar Haugland, EVP Business Development**

Mr Haugland is EVP in the Company and responsible for the Global Project Development. Mr Haugland holds a Master Degree in Mechanical Engineering from the Norwegian University of Science and Technology from 1984. His professional experience is from the information technology industry with international leaders like HP and IBM. Haugland has held leading positions in Business Development, Sales and Management in Norway and internationally for more than 20 years.

Current directorships and management positions	Scatec Solar ASA (EVP)
Previous directorships and management positions last five years	Scatec Solar (VP)

#### **Torstein Berntsen, EVP Power Production & Asset Management**

Mr Berntsen is EVP in the Company and responsible for Power Production and asset management for plants in operation as well as structuring and project financing of new projects. Mr Berntsen joined the Company in 2010 from the position as CFO in the parent company Scatec AS. Before joining Scatec AS, he had more than 10 year of experience within auditing and business advisory services from Arthur Andersen and later Ernst & Young, where he served a number of Norwegian and international clients in various industries, including some of the major listed companies in Norway.

Mr. Berntsen holds a Master of Science in Business Administration and is a state authorised public accountant from the Norwegian School of Economics and Business Administration (NHH) in Bergen, Norway.

Current directorships and management positions	Scatec Solar ASA (EVP)
Previous directorships and management positions last five years	Scatec Solar ASA (CFO) and Scatec AS (CFO)

#### **Snorre Valdimarsson, EVP General Counsel**

Mr Valdimarsson is responsible for all legal aspects of the Group. Prior to joining the Company, he worked at the Norwegian law firm Selmer, focusing on M&A, banking, finance and financial issues of complex transactions and company structures.

Mr Valdimarsson has a Master of law from the University of Bergen, Norway.

Current directorships and management positions	Scatec Solar ASA (General Counsel)
Previous directorships and management positions last five years	N/A

#### **Pål Helsing**

Mr. Helsing is EVP in the Company and responsible Solutions, meaning building all of Scatec Solar PV plants World Wide. Mr Helsing was appointed EVP Solutions in December 2015. Mr Helsing came from the role as President for Kongsberg Oil and Gas Technologies AS. In this role he was also a member of the Executive Management Team of the Kongsberg Group. Before that, he has long experience in several executive positions within Aker Solutions.

Mr Helsing has long international experience in execution of major capital projects within the Oil and Gas industry.

Current directorships and management positions	Scatec Solar ASA (Solutions) Chairman INTSOK
Previous directorships and management positions last five years	President and EVP Kongsberg Oil and Gas Technologies AS Chairman Kongsberg Oil and Gas Technologies Pty Ltd Chairman Kongsberg Oil and Gas Technologies Ltd Chairman Kongsberg Oil and Gas Technologies Inc Board member Federation of Norwegian Industri

## 5.4 Benefits upon termination

No employee, including any member of Management, has entered into employment agreements which provide for any special benefits upon termination of employment.

No member of the Board of Directors has or will have service contracts with the Company or any of its subsidiaries providing for benefits upon termination of employment.

### Long term incentive programs

In line with the terms adopted by the annual general meeting of Scatec Solar ASA on May 4, 2016, the Board of Directors has established an option program for leading employees of the company. The option program follows the restricted share incentive program that was established prior to the Scatec Solar IPO in the fall of 2014 and that expired October 3, 2016. The first award under the program is 757 thousand options, which will be vested 1/3 1 January 2018, 1/3 1 January 2019 and the final 1/3 1 January 2020. The strike price is equivalent to the volume weighted average price of the shares the 10 preceding trading days of the grant. A total of 15 employees were awarded options. The current grant is the first of three contemplated annual grants of options in accordance with the Scatec Solar share based incentive program. The award of options meets the definition of an equity-settled share based payment transaction (IFRS 2 app. A). The fair value of the equity instruments is measured at grant date, which was 6 October 2016. The fair value of the first award (excluding social security tax) is estimated at NOK 7,098 thousand, of which NOK 844 thousand was expensed in the fourth quarter 2016. The remaining fair value of the first award will be expensed as the options vests, i.e. approximately NOK 3,484 thousand in 2017, NOK 1,902 thousand in 2018 and NOK 841 thousand in 2019.

In September 2015 certain key employees were invited to participate in a one-time personal award program, whereby such key employees were granted 80 thousand synthetic Scatec Solar shares. In addition, the participants will earn a multiplier of between 1 and 2 times the awarded number of synthetic shares, making the total size of the program 160 thousand synthetic shares. The vesting of the shares is conditional upon the participants being employed with the company at year-end 2016/2018. Further, the second tranche of shares is linked to performance conditions that must be satisfied. The value of the synthetic shares will be paid to the participants 28 February 2017/2019 based on the share price on the last day of trading in 2016/2018. The program meets the definition of a cash settled share based payment transaction and is accounted for in accordance with IFRS 2. The estimated total fair value of the plan at grant date was NOK 8,383 thousand and an accrual of NOK 5,043 thousand (997) has been recognised per 31 December 2016. (Annual report 2016)



## 5.5 Nomination committee

Scatec Solar has established a Nomination committee in accordance with the Articles of Association. The Nomination committee is independent of the Board and management of the company, and its composition shall ensure the shareholder's interests.

Members of the Nomination committee are elected by the General Meeting (dated 07.05.15) for a period of two years. The General Meeting also elect the Chairman of the Nomination committee, and decide upon the committee's compensation.

The current Nomination committee is composed of Inge K. Hansen (Chairman) and Alf Inge Gjerde (Member of the Nomination committee). Please see below for the profiles of the Nomination committee.

### **Inge K. Hansen:**

Mr. Hansen has more than 30 years of experience from various industries in Norway, hereunder President and CEO for Aker Kværner ASA, Group EVP and CFO Statoil, and acting CEO in 2003, Managing Director Orkla Finans, General Manager, Bergen Bank, as well as advisor to Scatec AS and Aker ASA

Current directorships and management positions	Chairman of the Nomination committee
Previous directorships and management positions last five years	Nets AS, Arctic Securities AS, Troms Kraft AS, Harding, Fram Museum, Johan G. Olsen AS, AIM Norway SF, Core Energy AS, Master Marine AS, Leonhard Nilsen & Sønner AS, Hotel- og Restauranthuset Continental AS, Bertel O. Steen ASA, Sissener AS, Jiffy International AS, Norsk Hydro ASA, Norsun AS, Gjensidige Forsikring ASA, Avinor AS, Siriusungen AS.

### **Alf Inge Gjerde:**

Mr. Gjerde has more than 25 years of experience as financial analyst and fund manager Storebrand, and is currently Senior Fundmanager for Norwegian stocks at Storebrand Kapitalforvaltning AS.

Current directorships and management positions	Senior Fundmanager for Norwegian stocks at Storebrand Kapitalforvaltning AS and member of the Nomination committee
Previous directorships and management positions last five years	Member of Verdipapirfondenes Forenings aksjeutvalg, member of the nomination committee in Scana Industrier from 2008 until 2014.

## 5.6 Audit committee

The Board of Directors has elected an audit committee amongst the members of the Board of Directors. The audit committee comprises of John Andersen and Mari Thjømøe. Pursuant to section 6-43 of the Norwegian Public Limited Companies Act, the audit committee shall:

- prepare the Board of Directors' supervision of the Company's financial reporting process;
- monitor the systems for internal control and risk management;
- have continuous contact with the Company's auditor regarding the audit of the annual accounts; and
- review and monitor the independence of the Company's auditor, including in particular the extent to which services than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor.

## 5.7 Conflicts of interests

For information on the Group's involvement in transactions with related parties, see Section 6.2.

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Alf Bjørseth is the father-in-law of John Andersen. Except for this there are no family relations between any of the members of the Board of Directors or members of Management.

There are currently, to the Company's knowledge, no actual or potential conflicts of interest between the private interests or other duties of any of the members of Management and the Board of Directors and their duties towards the Company, including any family relationships between such persons.

## **5.8 Convictions for fraudulent offences, bankruptcy etc.**

Mr John Andersen was the Managing Director of REC Wafer Norway AS, a group company in REC ASA, when it filed for bankruptcy in 2012, and board member Cecilie Amdahl is also a board member of Norse Energy ASA which filed for bankruptcy in 2014.

REC Wafer Norway AS had significant debt and based on the company's financial position the board of directors resolved to file for a bankruptcy petition. The board of directors of Norse Energy ASA filed for bankruptcy petition due to financial problems related to the continued delay of permits to develop the company's assets.

Except for the above, none of the members of the Board of Directors or the Management have during the last five years preceding the date of this Prospectus:

- I. any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- II. received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- III. been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his/her capacity as a founder, director or senior manager of a company or partner of a limited partnership.

## **5.9 Employees**

### **Overview**

As of 31.12.2016, the Company had ~150 employees.

During 2017, Scatec focused on hiring several new employees and consultants, primarily across countries such as Malaysia, Mozambique, Brazil, Mali and Norway.

## 6 LEGAL MATTERS

### 6.1 Legal and Arbitration Proceedings

The Company is not and has not, in subject to above mentioned legal and arbitration proceedings, been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), as at the date of this Prospectus, and for the preceding 12 months, which may have, or have had in recent past significant negative effects on the Company's and/or the Group's financial position or profitability.

### 6.2 Related Party Transactions

Related party	Nature of transaction
Scatec AS (shareholder)	Management services and financing
Scatec Energy LLC (associate)	Financing
Key management personnel	Loans and salaries

All related party transactions have been carried out as part of the normal course of business and at arm's length. The most significant transactions in 2016 and 2015 are:

#### Other Non-Current assets compromise the following:

NOK THOUSAND	2016	2015
Loan to associated companies	9,792	21,043
Loan to key management personnel	7,211	7,047
Total other non-current assets	17,003	28,090

#### Other Current receivables on related parties compromise the following:

NOK THOUSAND	2016	2015
Receivables on associated companies	1,683	3,849
Total current receivables on related parties	1,683	3,849

#### Other Current liabilities to related parties comprise the following:

NOK THOUSAND	2016	2015
Accrued payroll to key management personnel	3,197	1,761
Other payables to shareholder	-	180
Total current liabilities to related parties	3,197	1,941

### 6.3 Material Contracts outside Ordinary Course of Business

Neither the Company, nor any other company within the Group, has entered into any material contracts other than in the ordinary course of business

## **7 FINANCIAL INFORMATION**

### **7.1 Introduction**

The tables set out in this section present selected financial information derived from the Group's audited consolidated annual financial statements for the years ended 31 December 2016 and Q4 2017 (both available on the Company's web page). The annual consolidated financial statements and the interim consolidated financial statements have been prepared in accordance with IFRS, as adopted by the EU.

The Company's auditor is Ernst & Young AS, Dronning Eufemias gate 6, 0191 Oslo, Norway. Ernst & Young AS and its auditors are members of the Norwegian Institute of Public Accountants (Den Norske Revisorforening). Ernst & Young AS has been the Company's auditor since 2010. The annual financial statements have been audited by Ernst & Young AS, and the auditor's reports are included in the annual financial statements

The amounts from the financial information are presented in NOK, rounded to the nearest thousand, unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial information may not add up to the total of that row or column.

The selected financial information presented herein should be read in connection with the annual financial statements and interim financial statements mentioned above

Scatec Solar uses non-recourse project financing with the advantage of 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. Due to the dynamic nature of the underlying business, the Group maintains flexibility in funding by maintaining availability under committed credit facilities. The initial public offering and listing of Scatec Solar in October 2014 has secured the company a substantial increase in available funding and better access to the equity capital markets.

### **7.2 Summary of accounting principles**

For information regarding accounting policies, please refer to note 32 of the consolidated financial statements for the year ended 31 December 2016

In connection with the preparation of the Company's consolidated financial statements, the Company's management has made assumptions and estimates about future events and applied judgements that affect the reported values of assets, liabilities, revenues, expenses and related disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The assumptions, estimates and judgements are based on historical experience, current trends and other factors that the Company's management believes to be relevant at the time the consolidated financial statements are prepared. The Company's management believes the following critical accounting policies affect the more significant judgements and estimates used in the preparation of the consolidated financial statements.

### 7.3 Condensed consolidated profit or loss

The table below sets out selected data from the Group's audited consolidated statement of profit or loss for the years ended 31 December 2016 and unaudited Q4 2017 figures

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

The interim financial information has not been subject to audit.

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

The interim financial information has not been subject to audit.

## 7.4 Condensed consolidated statement of financial position

The table below sets out selected data from the Group's audited consolidated statement of financial position as at year end 2016 and unaudited Q4 2017 figures

### Assets

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

The interim financial information has not been subject to audit.

### Equity and Liabilities

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

The interim financial information has not been subject to audit.

## 7.5 Condensed consolidated statement of cash flow

The table below sets out selected data from the Group's audited consolidated statements of cash flows for the years ended 31 December 2016 and unaudited Q4 2017 figures

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

The interim financial information has not been subject to audit.

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

## 7.6 Condensed consolidated statement of changes in equity

The table below sets out selected data from the Group's audited consolidated statements of changes in equity for the year started and ended 2016 and until Q4 2017

NOK THOUSAND	OTHER RESERVES					TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	HEDGING RESERVES			
At 1 January 2016	2,345	807,903	-164,909	127,460	34,343	807,142	618,255	1,425,397
Profit for the period	-	-	3,502	-	-	3,502	66,986	70,487
Other comprehensive income	-	175	3,703	-43,749	-32,745	-72,616	-4,541	-77,158
<b>Total comprehensive income</b>	-	175	7,205	-43,749	-32,745	-69,114	62,445	-6,670
Share-based payment	-	10,975	-	-	-	10,975	-	10,975
Dividend distribution	-	-	-61,196	-	-	-61,196	-173,698	-234,892
Capital increase from NCI <sup>1) 2)</sup>	-	-	-13,381	-	-	-13,381	121,007	107,626
Distribution to NCI loan	-	-	10,304	-	-	10,304	-	10,304
<b>At 31 December 2016</b>	<b>2,345</b>	<b>819,053</b>	<b>-221,977</b>	<b>83,711</b>	<b>1,598</b>	<b>684,730</b>	<b>628,009</b>	<b>1,312,739</b>
At 1 January 2017	2,345	819,053	-221,977	83,711	1,598	684,730	628,009	1,312,739
Profit for the period	-	-	339,096	-	-	339,096	98,814	437,910
Other comprehensive income	-	-	605	20,789	-24,439	-3,045	-11,117	-14,162
<b>Total comprehensive income</b>	-	-	339,701	20,789	-24,439	336,051	87,697	423,748
Share-based payment	-	2,879	-	-	-	2,879	-	2,879
Share capital increase	235	379,655	-	-	-	379,890	-	379,890
Transaction cost, net after tax	-	-6,927	-	-	-	-6,927	-	-6,927
Dividend distribution	-	-	-73,269	-	-	-73,269	-185,288	-258,557
Capital increase from NCI <sup>1)</sup>	-	-	-	-	-	-	33,456	33,456
Step-by-step acquisition	-	-	-13,431	-	-	-13,431	13,431	-
<b>At 31 December 2017</b>	<b>2,580</b>	<b>1,194,660</b>	<b>31,024</b>	<b>104,500</b>	<b>-22,841</b>	<b>1,309,923</b>	<b>577,305</b>	<b>1,887,228</b>

The interim financial information has not been subject to audit.

1) Non-controlling interests.

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

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



## 7.7 Shareholder overview and share capital

Below table shows 20 largest shareholders as per 15 January 2018. Countries of incorporation among the shareholders include among other Norway, Japan, United States, Great Britain, Cyprus, Luxembourg and Sweden.

In the most recent shareholder overview from Scatec Solar's reports, shareholder capital amounted to NOK 2,580 thousand. All shares rank in parity with one another and carry one vote per share. Total number of outstanding shares amounts to 103,196,230, each with a nominal value of NOK 0.025.

Investor	Number of shares	% of top 20	% of total	Type	Country
SCATEC AS	19,482,339	28.20%	18.88%	Comp.	NOR
FERD AS	13,411,182	19.41%	13.00%	Comp.	NOR
GEVERAN TRADING CO LTD	4,155,956	6.02%	4.03%	Comp.	CYP
FOLKETRYGDFONDET	4,128,477	5.98%	4.00%	Comp.	NOR
VERDIPAPIRFONDET DNB NORGE (IV)	3,587,553	5.19%	3.48%	Comp.	NOR
THE BANK OF NEW YORK MELLON SA/NV	3,260,382	4.72%	3.16%	Nom.	BEL
ARGENTOS AS	2,755,760	3.99%	2.67%	Comp.	NOR
UBS AG	2,724,033	3.94%	2.64%	Nom.	GBR
JPMORGAN CHASE BANK, N.A., LONDON	2,491,746	3.61%	2.41%	Nom.	SWE
ARCTIC FUNDS PLC	1,779,277	2.58%	1.72%	Comp.	IRL
SEB PRIME SOLUTIONS SISSENER CANOP	1,600,000	2.32%	1.55%	Comp.	LUX
STOREBRAND NORGE I VERDIPAPIRFOND	1,504,153	2.18%	1.46%	Comp.	NOR
GOTHIC CORPORATION	1,446,829	2.09%	1.40%	Comp.	USA
VERDIPAPIRFONDET PARETO INVESTMENT	1,412,000	2.04%	1.37%	Comp.	NOR
VERDIPAPIRFONDET DNB MILJØINVEST	1,087,734	1.57%	1.05%	Comp.	NOR
VERDIPAPIRFONDET PARETO NORDIC	984,000	1.42%	0.95%	Comp.	NOR
OBLIGASJON 1 AS	949,657	1.37%	0.92%	Comp.	NOR
STOREBRAND VERDI VERDIPAPIRFOND	794,961	1.15%	0.77%	Comp.	NOR
KLP AKSJENORGE INDEKS	779,757	1.13%	0.76%	Comp.	NOR
STATE STREET BANK AND TRUST COMP	755,081	1.09%	0.73%	Nom.	USA
<b>Total number owned by top 20</b>	<b>69,090,877</b>	<b>100%</b>	<b>66.95%</b>		
<b>Total number of shares</b>	<b>103,196,230</b>		<b>100%</b>		

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## 8 LEAD MANAGERS' DISCLAIMER

Nordea Bank AB (publ), filial i Norge and Swedbank Norway, branch of Swedbank AB (publ) (the Lead Managers) has assisted the Company in preparing this Registration Document. The Lead Managers has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Lead Manager expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this Registration Document or any other information supplied in connection with bonds issued by Scatec Solar or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Company. Each person receiving this Registration Document acknowledges that such person has not relied on the Lead Managers nor any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

Confidentiality rules and internal rules restricting the exchange of information between different parts of the Lead Managers may prevent employees of the Lead Managers who are preparing this Registration Document from utilizing or being aware of information available to the Lead Managers and/ or any of their affiliated companies and which may be relevant to the recipient's decisions

Oslo (Norway), 21 March 2018

*Nordea Bank AB (publ), filial i Norge*

*Swedbank Norway, branch of Swedbank AS (publ.)*

## 9 DEFINITIONS AND GLOSSARY (TBU)

Articles of Association:	The Articles of Association of the Company
Management Board:	The Board of Directors of Scatec Solar ASA
Bond Agreement:	The bond agreements related to the Bonds issued by Scatec Solar ASA and made between Scatec Solar ASA and the Bond Trustee
Bondholders:	The holders of Bonds issued by the Company
Bonds:	Bonds issued by the Company
Bond Trustee:	Nordic Trustee ASA
Group:	The Company and all its subsidiaries
Scatec Solar ASA	Scatec Solar ASA with company registration number 990 918 546
EBIT	Earnings before interest and tax
EBITDA	Operating profit adjusted for depreciation, amortisation and impairments
EEA:	European Economic Area
EU	European Union
Forward Looking Statement	A business slang term for predictions about future business conditions
Green Bond	The Company is issuing the Bond Issue as a “green bond” and has received a second party opinion.
IFRS:	International Financial Reporting Standards, issued by the IASB
Issuer	Scatec Solar ASA
Listing:	The Listing of the Company’s Senior Unsecured Bond Issue
Managers:	Nordea Bank AB (publ), filial i Norge (“Nordea Norway”)   Essendrops gate 7   0368 Oslo   Norway ; and Swedbank Norway, branch of Swedbank AB (publ), Filipstad Brygge 1B, 0252 Oslo.
NOK:	Norwegian Krone
Norwegian Securities Trading Act:	The Securities Trading Act of 19 June 1997 no. 79 (“Verdipapirhandelloven”)
Norwegian Stock Exchange Regulations:	The Stock Exchange Regulations of 17 January 1994 no. 30, last amended by Regulation of 9 December 2005 nr. 1427 (“Børsforskriften”)
Oslo Børs:	Oslo Børs ASA (translated “the Oslo Stock Exchange”)
Prospectus:	This Registration Document, the Securities Document and the Summary for the relevant bond loan.
PV	Photovoltaic
Registration Document:	This Registration Document dated 18 December 2017, first time prepared in connection with the application for Listing.
Securities Document:	A Securities Document may be issued for each bond loan issued by the Company, and should be read in connection with the Registration Document.
Subsidiary	Subsidiary of Scatec Solar ASA
The Company:	Scatec Solar ASA
NO	Norway
U.S.	United States
USD:	United States Dollars
VPS account:	An account with VPS for the registration of holdings of securities
VPS:	Verdipapirsentralen (Norwegian Central Securities Depository), which organizes the Norwegian paperless securities registration system.

## 10 THIRD PARTY INFORMATION, EXPERT STATEMENTS AND DECLARATIONS OF ANY INTEREST

The following third party sources have been used in this Registration document:

- Bloomberg New Energy Finance
- World Energy Outlook
- Oslo Børs (VPS)

To the extent known by the Issuer, the Issuer confirms that all used third party sources has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Note that none of the above third party sources are freely available. Further, none of the above third party sources have any interest in the Issuer.

Third party source	Contact information
Bloomberg New Energy Finance	Bloomberg New Energy Finance  Europe: +44 20 3216 4700  Americas: +1 212 617 4050  Asia Pacific: +81 3 3201 3112  bnef-media[at]bloomberg.com
World Energy Outlook	E-mail: info@iea.org From within France: 01 40 57 65 00 From outside France: +33 1 40 57 65 00 Fax: +33 1 40 57 65 09  International Energy Agency 9, rue de la Fédération 75739 Paris Cedex 15 France
Oslo Børs VPS	Oslo Market Solutions Postboks4 0051 Oslo Phone: +47 40 00 23 13 Mail: info@oslomarketsolutions.no

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## 11 DOCUMENTS ON DISPLAY

For the life of this Registration Document, the following documents (or copies thereof) may be inspected at [www.scatecsolar.com](http://www.scatecsolar.com) or at the Company's registered office Karenslyst Allé 49, 0279 Oslo:

- i. The Articles of Association of the Company
- ii. Historical financial information for the Company's consolidated annual accounts for 2016 and 2017 and consolidated interim Q4 accounts for 2016 and 2017
- iii. Loan agreements for the bonds issued by the Company and listed at any stock exchange at that time

## 12 CROSS REFERENCE LIST

Reference in Registration Document	Refers to	Details
Section 1 Risk Factors	IPO prospectus available at: <a href="http://www.scatecsolar.com/Investor/Reports-and-presentations2/Prospectus/Propsectus">http://www.scatecsolar.com/Investor/Reports-and-presentations2/Prospectus/Propsectus</a>	Section 2 in the IPO prospectus
Section 7 – Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Cash Flow Statement, consolidated change in equity	Annual Report 2016, available at <a href="http://www.scatecsolar.com/Investor/Reports-and-presentations2/Annual-reports">http://www.scatecsolar.com/Investor/Reports-and-presentations2/Annual-reports</a>	Page 74 – 79
Several sections regarding projects, backlog, and unaudited financials.	Quarterly presentation Q4 2017, available at <a href="http://www.scatecsolar.com/Investor/Reports-and-presentations2/Quarterly-presentations">http://www.scatecsolar.com/Investor/Reports-and-presentations2/Quarterly-presentations</a>	Key project information and unaudited financials

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## **13 APPENDIX A – ARTICLES OF ASSOCIATION**

	<p><b>These minutes have been prepared in both Norwegian and English. In case of any discrepancies between the versions, the Norwegian version shall prevail.</b></p>
<p style="text-align: center;"><b>Vedtekter for Scatec Solar ASA</b></p> <p style="text-align: center;">(sist endret 30. september 2014)</p> <p style="text-align: center;">§ 1</p> <p>Selskapets navn er Sea tee Solar ASA. Selskapet er et alimennaksjeselskap.</p> <p style="text-align: center;">§ 2</p> <p>Selskapets forretningskontor er i Oslo kommune.</p> <p style="text-align: center;">§3</p> <p>Selskapets formål er etablering og drift av virksomhet basert på nedstrøms teknologi for produksjon av solstrøm, herunder investering i selskaper med slik virksomhet.</p> <p style="text-align: center;">§4</p> <p>Selskapets firma tegnes av styrets leder.</p> <p style="text-align: center;">§5</p> <p>Styret kan tildele prokura.</p> <p style="text-align: center;">§6</p> <p>Aksjekapitalen er NOK 2 345 405,75, fullt innbetalt og fordelt på 93 816 230 aksjer, hver med pålydende NOK 0,025."</p> <p style="text-align: center;">§7</p> <p>Selskapets styre skal ha fra tre til syv medlemmer etter generalforsamlingens nærmere beslutning.</p> <p style="text-align: center;">§8</p> <p>Selskapet skal ha en valgkomite.</p> <p>Valgkomiteen skal avgi innstillinger til generalforsamlingen om valg av aksjeeiervalgte medlemmer til styret, godtgjørelse til styrets</p>	<p style="text-align: center;"><b>Articles of association for Scatec Solar ASA</b></p> <p style="text-align: center;">(last amended on 30 September 2014)</p> <p style="text-align: center;">§ 1</p> <p>The company's name is Scatec Solar ASA. The company is a public limited company.</p> <p style="text-align: center;">§ 2</p> <p>The company's registered office is in the municipality of Oslo.</p> <p style="text-align: center;">§3</p> <p>The company's business is establishment and operation of business based on downstream technology for production of solar electricity, hereunder investment in companies operating such business.</p> <p style="text-align: center;">§4</p> <p>The chairman of the board alone shall have the authority to sign for the company.</p> <p style="text-align: center;">§5</p> <p>The board may grant power of procuration.</p> <p style="text-align: center;">§6</p> <p>The share capital is NOK 2,345,405.75 fully paid up and divided on 93,816,230 shares, each with a nominal value of NOK 0.025.</p> <p style="text-align: center;">§7</p> <p>The company's board of directors shall consist of three to seven members.</p> <p style="text-align: center;">§8</p> <p>The company shall have a nomination committee.</p> <p>The nomination committee shall make recommendations to the general meeting regarding election of shareholder-elected members of the board of directors, remuneration to</p>



medlemmer, valg av medlemmer til valgkomiteen og godtgjørelse til valgkomiteens medlemmer.

Valgkomiteen skal bestå av to til tre medlemmer som skal være aksjeeiere eller representanter for aksjeeiere. Valgkomiteens medlemmer, herunder valgkomiteens leder, velges av generalforsamlingen for en periode på to år. Godtgjørelse til valgkomiteens medlemmer fastsettes av generalforsamlingen.

#### §9

Aksjeeiere som vil delta på generalforsamlingen skal meddele dette til selskapet innen fem dager før generalforsamlingen.

Ved erverv av aksjer kan retten til å delta og stemme på generalforsamlingen bare utøves når ervervet er innført i aksjeeierregisteret den femte virkedagen før generalforsamlingen.

Dokumenter som gjelder saker som skal behandles på generalforsamlingen trenger ikke sendes til aksjeeierne dersom dokumentene er gjort tilgjengelige for aksjeeierne på selskapets internettsider. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen.

Styret kan bestemme at aksjeeierne skal kunne avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen.

#### § 10

Den ordinære generalforsamling skal behandle:

- 1) Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte
- 2) Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

the members of the board of directors, election of members to the nomination committee and remuneration to the members of the nomination committee.

The nomination committee shall consist of two to three members who shall be shareholders or representatives of shareholders. The members of the nomination committee, including the chairman of the nomination committee, are elected by the general meeting for a term of two years. Remuneration to the members of the nomination committee is determined by the general meeting.

#### §9

Shareholders who want to participate at the general meeting shall notify the company thereof within five days prior to the general meeting.

Upon acquisition of shares, the right to participate and vote at the general meeting may only be exercised if the acquisition is recorded in the shareholder registry the fifth business day prior to the general meeting.

Documents relating to matters which shall be considered at the general meeting need not be sent to the shareholders if the documents are made available to the shareholders on the company's website. This also applies for documents which according to law shall be included in or attached to the notice to the general meeting.

The board of directors may decide that shareholders may submit their votes in writing, including by use of electronic communication, in a period prior to the general meeting.

#### § 10

The company's ordinary general meeting shall consider the following:

- 1) Approval of the annual accounts and annual report, including distribution of dividend.
- 2) Other matters which according to law or articles of association shall be dealt with by the general meeting.