



First quarter

2020



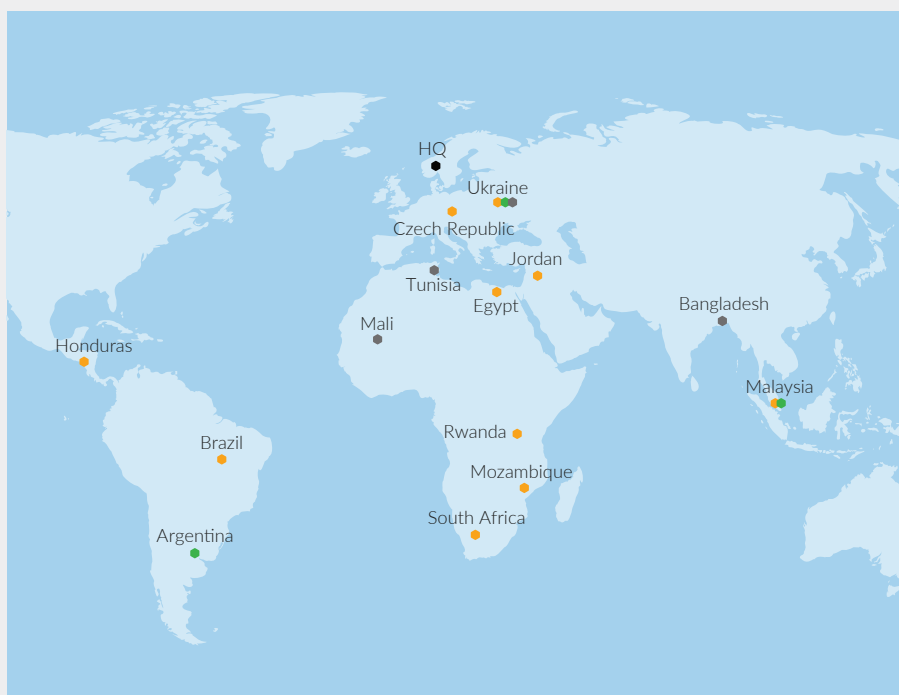
Scatec Solar
Improving our future™

About Scatec Solar

Scatec Solar is a leading integrated independent solar power producer, delivering affordable, rapidly deployable and sustainable clean energy worldwide. A long-term player, Scatec Solar develops, builds, owns and operates solar power plants and has an installation track record of more than 1.6 GW. The company has a total of 1.9 GW in operation and under construction on four continents.

With an established global presence and a significant project pipeline, the company is targeting a capacity of 4.5 GW in operation and under construction by end of 2021. Scatec Solar is headquartered in Oslo, Norway and listed on the Oslo Stock Exchange under the ticker symbol 'SSO'.

Asset portfolio ¹⁾



	Capacity MW	Economic interest ²⁾
In operation		
South Africa	448	46%
Egypt	390	51%
Brazil	162	44%
Malaysia	197	100%
Ukraine	101	77%
Honduras	95	51%
Jordan	43	62%
Mozambique	40	53%
Czech Republic	20	100%
Rwanda	9	54%
Total	1,505	56%
Under construction		
Ukraine	235	95%
Argentina	117	50%
Malaysia	47	100%
Total	399	82%
Projects in backlog		
Tunisia	360	65%
Ukraine	65	65%
Bangladesh	62	65%
Mali	33	51%
Total	520	64%
Grand total	2,424	63%
Projects in pipeline	5,320	

Orange dot: Solar power plants in operation: 1,505 MW Green dot: Plants under construction: 399 MW Grey dot: Projects in backlog: 520 MW

Segment overview

Development & Construction

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

Power Production

The plants produce electricity for sale under long term power purchase agreements (PPAs), with state owned utilities or corporate off-takers, or under government-based feed-in tariff schemes. The average remaining PPA duration for power plants in operation is 20 years.

Services

The Services segment comprises Operations & Maintenance (O&M) and Asset Management services provided to solar power plants where Scatec Solar has economic interests. O&M revenues are generated on the basis of fixed service fees with additional profit-sharing arrangements. Asset Management services typically include financial reporting to sponsors and lenders, regulatory compliance, environmental and social management, as well as contract management on behalf of the power plant companies.

Corporate

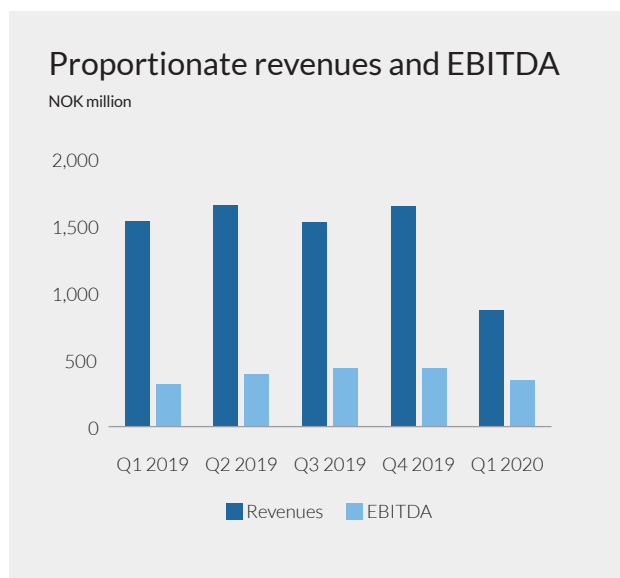
Corporate consists of activities of corporate services, management and group finance.

1) Per reporting date.

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

Q1 2020 – Record high power production – robust operations in turbulent times

- Power production reached 349 GWh, up 162% compared with same quarter last year
- EBITDA ¹⁾ of NOK 346 million, up from NOK 315 million in first quarter 2019
- Completed the 258 MW solar power complex in Upington, South Africa
- Established a new bank facility of USD 75 million and refinanced USD 90 million revolving credit facility with reduced costs
- Limited impact of COVID-19 on operating assets – some deferred commissioning of new plants & slower project development



Key figures

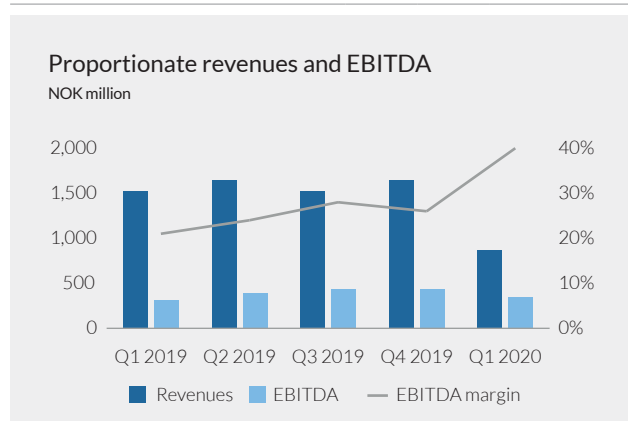
NOK million	Q1 2020	Q4 2019	Q1 2019	FY 2019
Proportionate Financials ¹⁾				
Revenues and other income	866	1,642	1,528	6,341
Power Production	391	365	197	1,163
Services	52	48	29	168
Development & Construction	414	1,222	1,297	4,980
Corporate	8	7	6	31
EBITDA ¹⁾	346	434	315	1,571
Power Production	331	304	164	975
Services	16	16	7	65
Development & Construction	15	132	159	589
Corporate	-16	-18	-14	-58
Operating profit (EBIT)	206	263	233	1,111
Profit/(loss)	240	91	123	530
Net interest- bearing debt ¹⁾	8,139	7,312	5,042	7,312
Power Production (GWh)	349	298	133	926
SSO proportionate share of cash flow to equity ¹⁾	107	200	171	794
Consolidated Financials				
Revenues and other income	625	568	327	1,783
EBITDA ¹⁾	503	437	242	1,386
Operating profit (EBIT)	328	271	145	874
Profit/(loss)	299	56	12	155
Net interest- bearing debt	12,038	10,986	7,635	10,986
Earnings per Share	1.87	-0.10	-0.29	-0.31
Power Production (GWh) ²⁾	623	536	254	1,655

1) See Alternative Performance Measures appendix for definition.

2) Production volume on a 100% basis of all consolidated entities, including from JV companies.

Group – Proportionate financials

NOK million	Q1 2020	Q4 2019	Q1 2019	FY 2019
Revenues and other income	866	1,642	1,528	6,341
Gross Profit	497	586	417	2,067
Operating expenses	-151	-152	-102	-497
EBITDA	346	434	315	1,571
EBITDA margin	40%	26%	21%	25%
D&A and impairment	-140	-171	-82	-460
EBIT	206	263	233	1,111
Cash flow to equity ¹⁾	107	200	171	794



1) See Alternative Performance Measures appendix for definition.

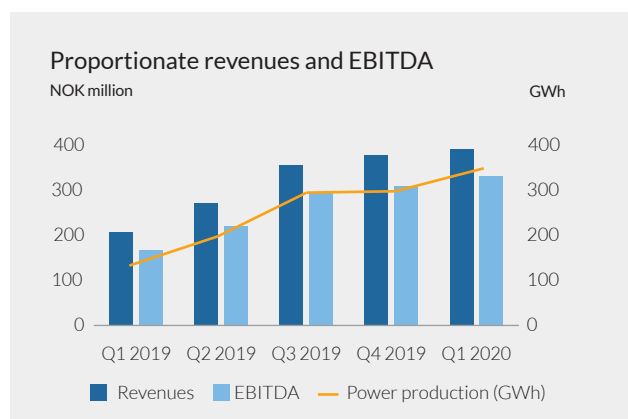
In the first quarter, proportionate revenues decreased compared with the same quarter last year due to lower construction activity only partly offset by higher power production revenues. The EBITDA increased by 10% in the same period, primarily driven by new solar power plants starting commercial operation.

Both revenues and EBITDA increased in the Power Production segment, while decreasing in the Development & Construction segment due to lower construction activity. This change in segment mix resulted in a higher overall EBITDA margin than in previous periods.

Operating expenses and depreciation increased, mainly due to new solar power plants starting operation.

Power Production – Proportionate financials

NOK million	Q1 2020	Q4 2019	Q1 2019	FY 2019
Revenues and other income	391	365	197	1,163
Operating expenses	-60	-61	-33	-188
EBITDA ¹⁾	331	304	164	975
EBITDA margin ¹⁾	85%	83%	83%	84%
D&A and impairment	-125	-155	-67	-412
EBIT	206	149	97	564
Cash flow to equity	105	104	58	362



1) See Alternative Performance Measures appendix for definition.

Power plants with a total capacity of 1,365 MW were in production at the end of first quarter. The total capacity increased with 172 MW from the end of 2019, reflecting partial completion of the 258 MW solar power complex in Upington, South Africa.

Production reached 349 GWh in first quarter compared with 298 GWh in the previous quarter and 133 GWh in the same quarter last year.

Operating expenses have been stable, and depreciations and impairment decreased due to an impairment recognised in the previous quarter.

See additional information on page 16 for a specification of financial performance for each individual power plant company.

Services – Proportionate financials

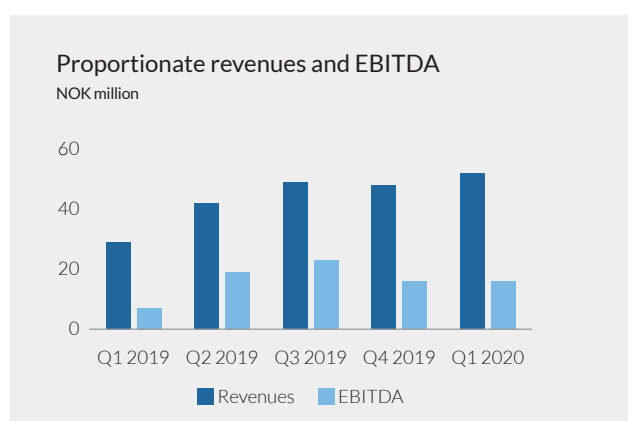
NOK million	Q1 2020	Q4 2019	Q1 2019	FY 2019
Revenues and other income	52	48	29	168
Operating expenses	-36	-32	-22	-104
EBITDA	16	16	7	65
EBITDA margin ¹⁾	31%	33%	23%	38%
D&A and impairment	-1	-1	-1	-3
EBIT	15	15	6	61
Cash flow to equity ¹⁾	13	14	5	53

The Services segment comprise Operations & Maintenance (O&M) and Asset Management (AM) services provided to solar power plants in the group. Revenues from Services increased 79% from the same period last year due to new plants starting operations in Ukraine, Mozambique, Egypt and Uppington in South Africa.

Operating expenses increased compared to the previous quarter and the first quarter last year, primarily due to the new plants in operation.

The operating expenses mainly constitute fixed expenses, covering personnel and recurring maintenance cost reflecting fixed maintenance schedules.

The profitability of the segment has increased compared to same quarter last year mainly due to new plants placed in operation as O&M contract revenues increases after Commercial Operation Date (COD).



1) See Alternative Performance Measures appendix for definition.

Development & Construction (D&C) – Proportionate financials

NOK million	Q1 2020	Q4 2019	Q1 2019	FY 2019
Revenues and other income	414	1,222	1,297	4,980
Gross Profit	46	166	186	706
Gross Margin ¹⁾	11%	14%	14%	14%
Operating expenses	-31	-34	-26	-117
EBITDA	15	132	159	589
D&A and impairment	-10	-13	-13	-39
EBIT	5	119	146	550
Cash flow to equity ¹⁾	13	107	128	471

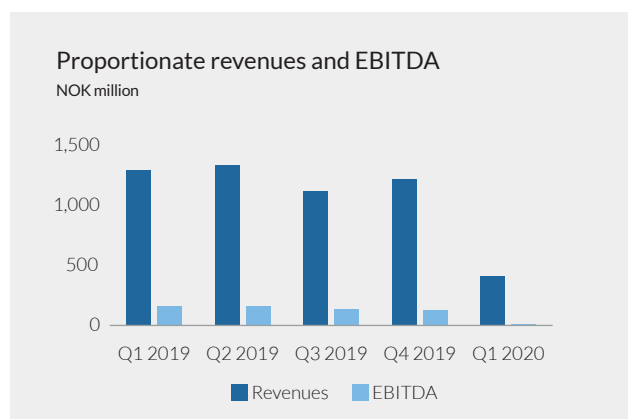
Argentina. Accumulated progress across ongoing construction projects at the end of the first quarter was 90%. Both revenues and margin decreased compared to previous periods due to lower construction activity.

172 MW of the 258 MW Uppington project in South Africa were completed in first quarter, while the last 86 MW started commercial operation early April 2020. Further, the first solar hybrid project for UNMISS in South Sudan was completed.

The 11% gross margin for the quarter reflects the current mix of projects and a slight increase in cost to complete ongoing construction projects.

Operating expenses comprised of approximately NOK 23 million (18) ²⁾ for early stage development of new projects and NOK 8 million (8) related to the construction business.

The EBITDA for the quarter is impacted by the reduced construction activity combined with operating expenses which are stable from the previous quarter.



1) See Alternative Performance Measures appendix for definition.

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

Corporate – Proportionate financials

NOK million	Q1 2020	Q4 2019	Q1 2019	FY 2019
Revenues and other income	8	7	6	31
Operating expenses	-24	-25	-20	-89
EBITDA	-16	-18	-14	-58
D&A and impairment	-5	-2	-1	-6
EBIT	-21	-20	-16	-64
Cash flow to equity ¹⁾	-24	-25	-20	-91

1) See Alternative Performance Measures appendix for definition.

Revenues in the corporate segment refers to management fees charged to the other operating segments for corporate services rendered across the Group.

Operating expenses increased by NOK 4 million compared with the same quarter last year, reflecting the strengthening of corporate functions to support the Company's growth.

Short term guidance

Power production

The estimated production for second quarter and full year 2020 is based on production from the 1,365 MW in operation at the end of first quarter 2020.

GWh	Q1 2020	Q1 2020E	2020E
Proportionate	349	365 - 390	1,450 - 1,550
100% basis	623	660 - 700	2,700 - 2,800

Services

Revenues in the Services segment are expected to reach approximately NOK 230 million in 2020 with an EBITDA margin of around 30%.

Development & Construction

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

The portfolio under construction at the end of first quarter represents awarded Development & Construction contracts with a value of about NOK 1.5 billion. The remaining, not booked, contract value at the end of first quarter 2020 was about NOK 400 million.

Corporate

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

Coronavirus disease (COVID-19)

Scatec Solar continues to monitor developments and is following the respective national authorities' advice and recommendations regarding COVID-19. The Company is taking precautionary measures at all locations to limit the spread of the virus, keep people safe, and ensure continued stable operations of the power plants.

In most countries where Scatec Solar operates, power supply is defined as critical infrastructure and power production and maintenance continue as normal. The Company has to date not experienced any impact of COVID-19 on operating assets or on delivery of power to customers. All solar plants require few operators and are remotely monitored and supported 24/7 by the Company's global Control & Monitoring Centre in Cape Town, South Africa. Scatec Solar has robust contingency plans in place to mitigate any potential operational issues.

The Company is selling all production from the portfolio of power plants to state owned utilities, normally supported by government guarantees, under long term fixed price contracts with USD, MYR and ZAR being the predominant

currencies. The long term contracted cash flows amounts to more than NOK 60 billion over the next 20 years. Scatec Solar has not experienced delays of payments from customers as a consequence of COVID-19.

Scatec Solar's portfolio under construction are close to completion. Travel constraints and local restrictions are impacting, commissioning and testing of the new solar plants. The final effects on completion dates are still uncertain and the Company's current estimates are delays of two to five months for solar plants under construction. The current estimated start of commercial operations can be found in the project overview on page 12 of this report.

The COVID-19 situation is impacting some markets where Scatec Solar develops new projects, as countries have implemented lock-down or restrictions on movement. A number of project development activities requires physical presence and the Company is therefore expecting some delays in maturing projects currently in backlog and pipeline.

Outlook

In the medium- and long term, the renewable energy market is expected to see continued strong growth with solar market volumes expected to grow by more than 30% to 158 GW by 2022 according to Bloomberg New Energy Finance (BNEF). The outbreak of COVID-19 has triggered a global economic slowdown impacting all industries and market analysts have cut global solar demand forecasts for 2020. The demand for electricity is expected to continue its growth in emerging markets, even though some of the near-term growth is being pushed back in time and investments in renewable energy might see delays which could impact Scatec Solar.

Scatec Solar recently secured a new credit facility of USD 75 million and refinanced the existing USD 90 million revolving

credit facility. The facilities were established at attractive terms and contribute to increased financial flexibility, reduced funding cost and supports growth.

Further, the Board of Directors' proposal to the General Meeting for authorisation to pay dividends at a later stage when capital markets have improved, was adopted. Sustaining a solid financial platform is a priority in the current environment.

The Company's strategic direction remains firm as Scatec Solar targets a portfolio of projects under construction and in operation of 4.5 GW by end 2021. The solid track record and market position enables pursuit of attractive project opportunities for further growth in emerging markets.

Consolidated statement of profit and loss

Profit and loss

NOK million	Q1 2020	Q4 2019	Q1 2019	FY 2019
Revenues	625	568	327	1,783
EBITDA	503	437	242	1,386
Operating profit (EBIT)	328	271	145	874
Net financial items	82	-226	-120	-690
Profit before income tax	410	45	25	184
Profit/(loss) for the period	299	56	12	155
Profit/(loss) to Scatec Solar	235	-12	-33	-39
Profit/(loss) to non-controlling interests	64	68	45	194

Revenues

Revenues from power sales were up 91% compared to the same quarter last year. The increase in revenues is mainly explained by the grid connection of new plants in Malaysia, Egypt, Ukraine and Mozambique. For the remaining power plants, the change in production volume from last year is driven by regular operational and seasonal variations.

Net income from the joint venture investments in Brazil and Argentina is reduced to negative NOK 5 million (-4) driven by cost overruns and delayed grid connection in Argentina.

Operating profit

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

Consolidated operating expenses amounted to NOK 123 million (131) in the first quarter. This comprised of approximately NOK 72 million (73) for operation of existing power plants, NOK 22 million (20) for early stage development of new projects, NOK 8 million (14) related to construction and NOK 21 million (24) of corporate expenses (excluding eliminated intersegment charges).

Net financial items

NOK million	Q1 2020	Q4 2019	Q1 2019	FY 2019
Financial income	12	31	16	66
Financial expenses	-250	-251	-141	-744
Foreign exchange gains/(loss)	320	-6	5	-13
Net financial items	-82	-226	-120	-690

Financial expenses in the first quarter mainly consist of interest expenses, which comprise of interest on non-recourse financing of NOK 209 million (111), and corporate funding of NOK 17 million (17). See note 4 and 5 for further information on financing.

The currency gains and losses of the group are primarily driven by changes in the NOK value of Scatec Solar ASA's shareholder loans to project companies which are provided in the respective projects' currencies. The quarter-on-quarter net foreign currency gain increased from NOK 5 million in the first quarter of 2019 to NOK 332 million in the first quarter of 2020. The gains primarily constitute unrealized gains on long term inter-company shareholders loans from Scatec Solar ASA to project companies and are driven by the strengthening of the USD against the NOK with approximately 19% quarter-on-quarter.

Profit before tax and net profit

The effective tax rate was 27% in the first quarter, which primarily is driven by tax incentives received during the quarter. The underlying tax rates in the companies in operation are in the range of 0% to 33%. In some markets, Scatec Solar receives special tax incentives intended to promote investments in renewable energy. Further, the average effective tax rate fluctuates from quarter to quarter based on construction progress as well as level of profit in JVs and associates which are reported net after tax. For further details, refer to note 6.

Non-controlling interests (NCI) represent financial investors in solar power plants. The allocation of profits between NCI and Scatec Solar is impacted by the fact that NCI only have shareholdings in solar power plants, while Scatec Solar also carries the cost of project development, construction, operation & maintenance and corporate functions. The allocation of profits is also impacted by unrealised currency gains and losses on shareholder loans from Scatec Solar ASA to project companies which are profits fully allocated to Scatec Solar. In the first quarter of 2020 the profits to Scatec Solar was particularly affected by the strengthening of the USD against the NOK.

Impact of foreign currency changes in the quarter

During the first quarter, the NOK depreciated against all relevant currencies, except BRL and ZAR, compared to the average rates for the fourth quarter of 2019. On a net basis this positively affected consolidated revenues by approximately NOK 17 million compared to the previous quarter, while the net impact on net profit in the quarter was negative with approximately NOK 5 million.

Following the movements in currencies in the first quarter, the Group has recognised a foreign currency translation gain of NOK 343 million (-26) in other comprehensive income related to the conversion of the subsidiaries' statements of financial position from the respective functional currencies to the Group's reporting currency.

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

Consolidated statement of financial position

Assets

NOK million	Q1 2020	Q1 2019
Property, plant and equipment	17,735	10,257
Other non-current assets	1,808	1,429
Total non-current assets	19,543	11,686
Other current assets	1,807	1,384
Cash and cash equivalents	3,058	2,806
Total current assets	4,865	4,190
Total assets	24,408	15,876

The 67% net increase of non-current assets is mainly driven by the construction activities in Egypt, South Africa, Mozambique, Ukraine and Malaysia. This is partly offset by depreciation of the operating power plants.

Other current assets increased by 31% compared to first quarter 2019, mainly driven by working capital changes related to construction projects. The cash balance has increased with NOK 252 million since first quarter 2019. See note 5 for a detailed breakdown of cash balances as well as an overview of movement of cash at the Recourse Group level.

In the consolidated statement of financial position, the solar power plant assets are valued at the Group's cost, reflecting elimination of gross margins generated through the project development and construction phase. At the same time, the ring-fenced non-recourse debt held in power plant assets is consolidated at full value. These accounting principles reduce the consolidated book equity ratio.

Equity and liabilities

NOK million	Q1 2020	Q1 2019
Equity	4,059	2,364
Non-current non-recourse project financing	13,438	9,242
Other non-current liabilities	3,625	2,170
Total non-current liabilities	17,063	11,412
Current non-recourse project financing	912	455
Other current liabilities	2,373	1,644
Total current liabilities	3,286	2,100
Total liabilities	20,349	13,512
Total equity and liabilities	24,408	15,876
Book equity ratio	16.6%	14.9%

Total equity increased by NOK 1,695 million since first quarter 2019, mainly driven by the private placement in third quarter of 2019. The book equity ratio has increased from the same quarter last year. The increase is driven by the private placement, partly offset by increased total balance sheet value, driven by the progress of the construction activities. Related to these projects the current and non-current non-recourse project finance debt increased by NOK 4,653 million from the first quarter 2019.

The more relevant equity to capitalisation ratio for the Recourse Group ¹⁾ (excluding the non-recourse financed project entities) as defined in the corporate bond agreement was 84% at the end of the first quarter. See note 5 for more information on the corporate bond agreement.

1) See Other definitions appendix for definition.

Consolidated cash flow

Net cash flow from consolidated operating activities amounted to NOK 729 million (159) in the first quarter of 2020, compared to the EBITDA of NOK 503 million. The difference is primarily explained by changes in working capital, mainly related to power plants under construction.

Net cash flow from consolidated investing activities was NOK -723 million (-1,718), driven by further investment in new power plants as well as development of project pipeline and backlog.

Net cash flow from financing activities was NOK 213 million (531), driven primarily by loan drawdowns, although somewhat reduced by dividend to non-controlling interests and interest payments.

Refer to note 5 for a detailed cash overview.

Proportionate cash flow to equity

Scatec Solar's "proportionate share of cash flow to equity", is an alternative performance measure that seeks to estimate the Group's ability to generate funds for equity investments in new solar power plant projects and/or for shareholder dividends over time.

NOK million	Q1 2020	Q4 2019	Q1 2019	FY 2019
Power Production	105	104	58	362
Services	13	14	5	53
Development & Construction	13	107	128	471
Corporate	-24	-25	-20	-91
Total	107	200	171	794

The cash flow to equity from Power Production is unchanged compared to previous quarter despite increase in EBITDA of 25 million. This is explained by seasonal variability in revenues combined with differences in interest rates and loan repayment schedules across the projects in operations.

The cash flow to equity in the D&C segment is driven by the portfolio of construction projects currently being executed. The cash flow to equity for the Corporate segment primarily relates to operating expenses and payments of interest.

In the first quarter of 2020, the power plant companies has distributed a total of NOK 142 million to Scatec Solar ASA.

Risk and forward-looking statements

Scatec Solar has extensive policies and procedures in place as part of its operating system to actively manage risks related to the various parts of the Company's operations. Key policies are reviewed and approved by the Board of Directors annually. The regular follow up of these policies is carried out by Scatec Solar's Management Team, Finance, Legal and other relevant functions. For further information refer to the 2019 Annual Report (the Board of Directors' report and note 5).

Forward-looking statements reflect current views about future events and are, by their nature, subject to significant risk and uncertainties because they relate to events and depend on circumstances that will occur in the future. Although Scatec Solar believes that these assumptions were reasonable when made, the Group cannot assure that the future results, level of activity or performances will meet these expectations.

1) See Alternative Performance Measures appendix for definition.

Project overview

Project stage	Q1 2020 Capacity ¹⁾ (MW)	Q4 2019 Capacity (MW)
In operation	1,505	1,193
Under construction	399	711
Project backlog ²⁾	520	568
Project pipeline ²⁾	5,320	5,206

The 1,505 MW in operation includes the solar plants in South Africa (86 MW) and Ukraine (54 MW) that started operation in April and May.

Projects under construction and backlog ¹⁾

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

The table below shows the projects under construction and in backlog with details on capital expenditure and annual production. For extensive information about the projects under construction and in backlog, refer to our website www.scatecsolar.com/asset-portfolio-overview/.

Location	Capacity (MW)	Currency	CAPEX (100%, million)	Annual production (100%, GWh)	Debt leverage	SSO economic interest
In operation	1,505	NOK ³⁾	21,673	3,093	72%	58%
Under construction						
Ukraine portfolio	235	EUR	212	285	66%	95%
Guanizuil, Argentina	117	USD	103	310	60%	50%
Redsol, Malaysia	47	MYR	200	67	75%	100%
Total under construction	399	NOK ³⁾	4,004	662		82%
Backlog						
Tunisia	360	USD	240	903	70%	65%
Ukraine	65	EUR	74	65	70%	65%
Bangladesh	62	USD	68	86	70%	65%
Segou, Mali	33	EUR	50	60	75%	51%
Total backlog	520	NOK ³⁾	4,680	1,141		64%
Total	2,424	NOK ³⁾	30,357	4,896		63%

Total annual revenues from the 2,424 MW in operation, under construction and in backlog is expected to reach about NOK 4,600 million (on 100% basis) based on 20-25-year Power Purchase Agreements (PPAs). Scatec Solar will build, own and operate all power plants in the project backlog and pipeline.

1) Status per reporting date

2) See Other Definitions for definition

3) All exchange rates to NOK are as of 31 March 2020

Under construction

Scatec Solar's project portfolio under construction is close to completion. Due to the COVID-19 outbreak, travel constraints and local regulations are mainly impacting commissioning and testing of the new solar plants. The final effects on completion

dates are still uncertain, however the Company currently estimates delays of two to five months on commercial operation dates (COD) for the plants under construction.

Project	Capacity (MW)	Status
Progressovka, Ukraine	148	PV plant and grid connection delayed – COD expected 2H 2020
Guanizuil, Argentina	117	PV plant completed – COD expected 2H 2020
Chigirin, Ukraine	55	PV plant completed – COD expected 2H 2020
Redsol, Malaysia	47	PV plant completed – COD expected 2H 2020
Kamianka, Ukraine	32	PV plant completed - on track for COD in Q2 2020
Total	399	

Backlog

During the first quarter, the 48 MW Hong Phong project in Vietnam has been removed from the backlog, leaving the project backlog at 520 MW. In Vietnam, a new feed-in tariff for solar was approved by the government, subject to reaching commercial operation by the end of 2020. Given the short timeline and the uncertainty due to the COVID-19 pandemic, Scatec Solar decided not to pursue the project. The Company continues to develop projects in Vietnam and has a project pipeline of more than 1,000 MW in the country.

The COVID-19 situation is in general impacting some markets in which Scatec Solar develops projects. Many markets are currently in lock-down or severe restrictions on movement have been implemented, and all international travel is impossible. Project development requires physical presence for certain activities, and this will to a varying degree impact project development. This has consequences for the progress that can be made for projects in backlog and pipeline and there will therefore be delays in the maturing of some of these projects.

Tunisia, 360 MW

In December 2019, Scatec Solar was awarded three solar power plant projects in Tunisia totalling 360 MW. The three projects will hold 20 years of PPAs with Société Tunisienne de l'Electricité et du Gaz (STEG).

Scatec Solar will be the lead equity investor in the projects. The company will also be the Engineering, Procurement and Construction (EPC) provider and provide Operation & Maintenance as well as Asset Management services to the power plants.

Ukraine, 65 MW

In Ukraine, the government is evaluating the current feed-in tariff scheme and working on the transition to a tender scheme for renewable energy.

The 65 MW Kherson project is situated at a very good site, is fully developed and ready to be built from a permitting perspective. The project is well positioned to participate in upcoming tenders.

Bangladesh, 62 MW

The Nilphamari project was moved into backlog in 2019. The power plant will hold a 20 years PPA with the Bangladesh Power Development Board (BPDB). Total project costs are estimated to USD 78 million, expected to be funded with 75% debt and 25% equity. Lenders have been selected and are mandated.

Scatec Solar will finance, construct, own and operate the project. The project is being developed with a local development partner and with FMO, the Dutch development bank.

Mali, 33 MW

In July 2015, Scatec Solar and development partners, International Finance Corporation (IFC) and Power Africa 1, signed a 25-year PPA with Energie du Mali (EDM) for the Segou project. IFC and African Development Bank (AfDB) will provide the non-recourse project finance for the project.

During 2019, the project signed an amendment to the Concession Agreement with the Ministry of Finance and the Ministry of Energy and the amendment to the PPA with EDM. The main remaining step is to finalise agreements with lenders. Scatec Solar will build, own and operate the solar power plant with a 51% shareholding. IFC Infraventures and Africa Power will hold the remaining part of the equity.

Pipeline

Location	Q1 2020 Capacity (MW)	Q4 2019 Capacity (MW)
Latin America	998	960
Africa	2,357	2,198
Europe & Central Asia	430	463
South East Asia	1,535	1,585
Total pipeline	5,320	5,206

In addition to projects in backlog Scatec Solar holds a solid pipeline of projects totalling 5,320 MW. The pipeline has developed favourably over the last year through systematic project development efforts in a number of markets across four key regions where both governments and corporate off-takers are seeking to source solar energy.

Historically, about 50% of projects in pipeline have been realised. The pipeline projects are in different stages of development and maturity, but they are all typically in markets with an established government framework for renewables and for which project finance is available (from commercial banks or multilateral development banks). The project sites have typically been secured and Scatec Solar is in a position to participate in bilateral negotiations for a long-term power sales agreement with an off-taker, feed-in- tariff schemes, or tender processes.

Latin America (998 MW)

Scatec Solar's development efforts in Latin America is now mainly focused on Brazil, where Scatec Solar is partnering with Equinor. Selected opportunities are also being pursued in other markets.

Brazil is a well-established market for renewable energy with about 2.7 GW of utility scale solar capacity installed. Scatec Solar has secured rights to a number of projects in Brazil and is seeking to secure power purchase agreements through upcoming tenders and negotiations with corporate off-takers.

Africa (2,357 MW)

Scatec Solar holds sites representing about 950 MW ready to be bid in upcoming tender rounds in South Africa. The new integrated Resource Plan has been launched and based on this a new tender ("round 5") under the REIPPP Programme is expected to be launched in 2020. Further, the Department of Mineral Resource and Energy has launched a Request for Information for a Risk Mitigation Power Procurement Programme in response to the current critical energy supply situation in the country. The Department has indicated that they might procure 2-3 GW of power under this risk mitigation process.

In addition, Scatec Solar is developing a broad pipeline of projects across a number of markets, including Egypt, Nigeria, Cameroon, Kenya, Angola and several other countries on the continent. Some of the projects are based on bi-lateral negotiations with governments and state-owned utilities, while Scatec Solar is also selectively participating in tenders.

Through its new concept, Release, that was presented at the Capital Markets Update in September, Scatec Solar has also increased its efforts in securing agreements with private companies and Non-Governmental Organisations, like the UN. These are typically smaller projects in the range of 5 to 20 MW and Scatec Solar is currently actively working on a portfolio of about 300 MW of this type of projects on the African continent.

Europe and Central Asia (430 MW)

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

Ukraine is committed to integrate with the EU energy system with ongoing electricity market reforms. Scatec Solar is working on a portfolio of projects in Ukraine to participate in the expected auction system that likely will be implemented during 2020.

In Pakistan, the 150 MW project portfolio in Sindh were during first quarter 2020 awarded a "costs plus tariff" of 36.7 USD/MWh by the National Energy Power Regulatory Authority (NEPRA). This is a reduction in the tariff level from last award and Scatec Solar and the local partner, Nizam Energy, are now investigating on how to realize this project.

South East Asia (1,535 MW)

Malaysia, Bangladesh, Indonesia and Vietnam are prioritised markets for Scatec Solar in South East Asia. In Malaysia it is expected that the new government will maintain the same level of ambition for the renewable energy sector as before.

In Bangladesh, Scatec Solar is working on a project development portfolio of about 150 MW. These projects are partly based on bi-lateral negotiations and partly related to tender processes issued by the authorities.

Scatec Solar has signed up several new projects in Vietnam during 2020 and the pipeline stands at more than 1,000 MW. These are projects that fit well with the stated objectives of the authorities in terms of the future implementation of renewable energy in the country.

Proportionate financials

Break down of Power Production segment

Key financials

Q1 2020

NOK million	Czech Republic	South Africa Round 1/2 ¹⁾	Honduras	Jordan	Brazil	Malaysia	Egypt	Ukraine	Mozambique	South Africa Round IV ²⁾	Other ³⁾	Total
Revenues	23	90	31	20	21	95	73	9	14	12	3	391
OPEX	-3	-10	-4	-3	-5	-9	-10	-2	-2	-4	-9	-60
EBITDA	20	80	27	17	16	86	62	7	12	9	-6	331
EBITDA margin	89%	89%	88%	86%	76%	91%	86%	79%	87%	69%	-215%	85%
Net interest expenses ⁴⁾	-5	-27	-4	-7	-9	-27	-32	-3	-4	-4	-1	-124
Normalised loan repayments ⁴⁾	-8	-18	-6	-8	-2	-28	-8	-4	-3	-	-1	-88
Normalised income tax payments ⁴⁾	-1	-9	-	-	-	-3	-2	-	-1	-	2	-15
Cash flow to equity	6	25	17	2	4	28	20	-1	5	4	-6	105
SSO economic interest	100%	45%	51%	62%	44%	100%	51%	91%	53%	46%		
Net production (GWh)	4	46	23	13	30	81	109	6	10	27	2	349

1) Kalkult, Linde and Dreunberg projects

2) Uppington projects

3) Rwanda is included in Other

4) See Alternative Performance Measures appendix for definition

Q1 2019

NOK million	Czech Republic	South Africa Round 1/2 ¹⁾	Honduras	Jordan	Brazil	Malaysia	Egypt	Ukraine	Mozambique	South Africa Round IV ²⁾	Other ³⁾	Total
Revenues	20	91	27	18	17	22	-	-	-	-	3	197
OPEX	-2	-8	-4	-2	-5	-3	-	-	-	-	-9	-33
EBITDA	18	84	22	15	11	19	-	-	-	-	-6	164
EBITDA margin	89%	91%	84%	86%	67%	86%					-200%	83%
Net interest expenses ⁴⁾	-5	-26	-3	-7	-4	-7	-	-	-	-	-	-53
Normalised loan repayments ⁴⁾	-7	-15	-4	-6	-2	-7	-	-	-	-	-1	-43
Normalised income tax payments ⁴⁾	-1	-11	-	-	-	-	-	-	-	-	2	-10
Cash flow to equity	5	32	15	2	5	4	-	-	-	-	-5	58
SSO economic interest	100 %	45 %	51 %	59 %	44 %	100 %	-	-	-	-	-	-
Net production (GWh)	4	48	22	12	25	20	-	-	-	-	2	133

1) Kalkult, Linde and Dreunberg projects

2) Uppington projects

3) Rwanda is included in Other

4) See Alternative Performance Measures appendix for definition

Financial position and working capital breakdown

Proportionate financials

31 March 2020

NOK million	In operation											Under construction				Total
	Czech repub.	South Africa	Rwanda	Honduras	Jordan	Malaysia	Egypt	Ukraine	Mozambique	Brazil	South Africa Round IV	South Africa Round IV	Malaysia	Ukraine	Argentina	
Project equity ¹⁾	147	29	23	839	261	524	321	84	105	240	178	57	91	996	254	4,150
Total assets	611	1,208	109	1,100	866	3,096	2,655	285	489	662	1,025	470	464	2,667	657	16,365
PP&E	474	994	95	917	665	2,902	2,202	235	355	583	831	340	369	2,389	576	13,927
Cash	44	112	6	51	160	523	306	23	81	21	42	17	7	75	2	1,471
Gross interest bearing debt ²⁾	385	947	77	214	517	2,329	1,806	189	297	366	706	351	287	841	346	9,658
Net interest bearing debt ²⁾	341	834	71	164	357	1,806	1,500	166	216	344	664	334	279	766	344	8,187
Net working capital ²⁾	-27	-38	-5	69	-106	-685	-220	5	16	-26	22	58	35	-609	-322	-1,836
SSO economic interest	100%	45%	54%	51%	62%	100%	51%	51%	53%	44%	46%	46%	100%	96%	50%	

1) See Other definitions appendix for definition

2) See Alternative Performance Measures appendix for definition

Bridge from proportionate to consolidated financials

31 March 2020

NOK million	Total proportionate Solar plants	Residual ownership interest	Less equity consolidated entities	PP overhead, D&C, Services, Corporate, eliminations	Consolidated
Project equity ¹⁾	4,150	2,222	-1,057	-1,256	4,059
Total assets	16,365	9,807	-2,829	1,067	24,408
PP&E-in solar projects	13,927	7,989	-2,483	-1,926	17,507
Cash	1,471	845	-53	795	3,058
Gross interest bearing debt ²⁾	9,658	6,220	-1,528	746	15,096
Net interest bearing debt ²⁾	8,187	5,375	-1,476	-49	12,038
Net-working capital ²⁾	-1,836	-567	705	598	-1,100

1) See Other definitions appendix for definition.

2) See Alternative Performance Measures appendix for definition.

Condensed interim financial information

Interim consolidated statement of profit or loss

NOK million	Notes	Q1 2020	Q1 2019	FY 2019
Revenues	2	630	331	1,810
Net income/(loss) from JVs and associated companies	2	-5	-4	-28
Total revenues and other income		625	327	1,783
Personnel expenses	2	-54	-36	-163
Other operating expenses	2	-69	-49	-234
Depreciation, amortisation and impairment	2,3	-175	-97	-512
Operating profit (EBIT)		328	145	874
Interest and other financial income	4	12	16	66
Interest and other financial expenses	4	-250	-141	-744
Net foreign exchange gain/(losses)	4	320	5	-13
Net financial expenses		82	-120	-690
Profit/(loss) before income tax		410	25	184
Income tax (expense)/benefit	6	-111	-13	-29
Profit/(loss) for the period		299	12	155
Profit/(loss) attributable to:				
Equity holders of the parent		235	-33	-39
Non-controlling interests		64	45	194
Basic earnings per share (NOK) ¹⁾		1.87	-0.29	-0.31
Diluted earnings per share (NOK) ¹⁾		1.82	-0.29	-0.31

1) Based on 125.7 million shares outstanding for the purpose of earnings per share and 128.7 million shares outstanding for the purpose of diluted earnings per share.

Interim consolidated statement of comprehensive income

NOK million	Notes	Q1 2020	Q1 2019	FY 2019
Profit/(loss) for the period		299	12	155
Other comprehensive income:				
Items that may subsequently be reclassified to profit or loss				
Net movement of cash flow hedges		-310	-23	-233
Income tax effect	6	74	6	58
Foreign currency translation differences		343	-26	12
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		106	-42	-162
Total comprehensive income for the period net of tax		405	30	-7
Attributable to:				
Equity holders of the parent		378	-57	-117
Non-controlling interests		27	27	109

Interim consolidated statement of financial position

NOK million	Notes	As of 31 March 2020	As of 31 December 2019
Assets			
Non-current assets			
Deferred tax assets	6	929	781
Property, plant and equipment – in solar projects	3	17,507	15,180
Property, plant and equipment – other	3	229	221
Goodwill		25	24
Investments in JVs and associated companies		731	728
Other non-current assets		122	149
Total non-current assets		19,543	17,083
Current assets			
Trade and other receivables		687	461
Other current assets		1,120	1,211
Cash and cash equivalents	5	3,058	2,824
Total current assets		4,865	4,495
Total assets		24,408	21,578

Interim consolidated statement of financial position

NOK million	Notes	As of 31 March 2020	As of 31 December 2019
Equity and liabilities			
Equity			
Share capital		3	3
Share premium		3,137	3,108
Total paid in capital		3,140	3,111
Retained earnings		100	-134
Other reserves		142	2
Total other equity		242	-136
Non-controlling interests		677	663
Total equity		4,059	3,640
Non-current liabilities			
Deferred tax liabilities	6	534	437
Non-recourse project financing	4	13,438	12,228
Bonds	5	746	745
Financial liabilities	4	638	320
Other non-current liabilities		1,707	1,460
Total non-current liabilities		17,063	15,190
Current liabilities			
Trade and other payables		829	888
Income tax payable	6	78	92
Non-recourse project financing	4	912	837
Financial liabilities	4	379	31
Other current liabilities		1,087	902
Total current liabilities		3,286	2,750
Total liabilities		20,349	17,939
Total equity and liabilities		24,408	21,578

Oslo, 7 May 2020

The Board of Directors of Scatec Solar ASA

Interim consolidated statement of changes in equity

NOK million	Other reserves					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Foreign currency translation	Hedging reserves			
At 1 January 2019	3	1,795	7	123	-44	1,884	591	2,475
Profit for the period	-	-	-33	-	-	-33	45	12
Other comprehensive income	-	-	1	-17	-7	-23	-19	-42
Total comprehensive income	-	-	-33	-17	-7	-57	27	-30
Share-based payment	-	2	-	-	-	2	-	2
Share capital increase	-	11	-	-	-	11	-	11
Share purchase program	-	-1	-	-	-	-1	-	-1
Dividend distribution	-	-	-	-	-	-	-91	-91
At 31 March 2019	3	1,806	-25	106	-51	1,839	525	2,364
At 1 April 2019	3	1,806	-25	106	-51	1,839	525	2,364
Profit for the period	-	-	-6	-	-	-6	149	143
Other comprehensive income	-	-	-3	22	-79	-54	-66	-120
Total comprehensive income	-	-	-3	22	-79	-60	82	23
Share-based payment	-	5	-	-	-	5	-	5
Share capital increase	-	1,319	-	-	-	1,319	-	1,319
Transaction cost, net after tax	-	-23	-	-	-	-23	-	-23
Dividend distribution	-	-	-108	-	-	-108	-89	-197
Purchase of NCIs shares in group companies	-	-	3	-	-	3	-3	-1
Capital increase from NCI	-	-	-	-	-	-	147	147
At 31 December 2019	3	3,108	-134	128	-130	2,975	663	3,640
At 1 January 2020	3	3,108	-134	128	-130	2,975	663	3,640
Profit for the period	-	-	235	-	-	235	64	299
Other comprehensive income	-	-	-	287	-144	143	-37	106
Total comprehensive income	-	-	235	287	-144	378	27	405
Share-based payment	-	3	-	-	-	3	-	3
Share capital increase	-	26	-	-	-	26	-	26
Dividend distribution	-	-	-	-	-	-	-110	-110
Capital increase from NCI	-	-	-	-	-	-	95	95
At 31 March 2020	3	3,137	100	415	-274	3,382	677	4,059

Interim consolidated statement of cash flow

NOK million	Notes	Q1 2020	Q1 2019	FY 2019
Cash flow from operating activities				
Profit before taxes		410	25	184
Taxes paid	6	-63	-8	-61
Depreciation and impairment	3	175	97	512
Proceeds from disposal of fixed assets	3	-	6	6
Net income associated companies/sale of project assets		5	4	28
Interest and other financial income	4	-12	-16	-66
Interest and other financial expenses	4	250	141	744
Unrealised foreign exchange (gain)/loss	4	-320	-5	13
Increase/(decrease) in other assets and liabilities		285	-84	501
Net cash flow from operating activities		729	159	1,860
Cash flow from investing activities				
Interest received	4	12	17	76
Net investments in property, plant and equipment	3	-730	-1,224	-6,502
Net investment in associated companies		-5	29	-14
Net cash flow from investing activities		-723	-1,718	-6,439
Cash flow from financing activities				
Net proceeds from NCI shareholder financing ¹⁾		105	50	307
Interest paid		-108	-92	-711
Proceeds from non-recourse project and other external financing		360	701	3,937
Repayment of non-recourse project financing		-61	-46	-291
Share capital increase		26	10	1,307
Dividends paid to equity holders of the parent company and non-controlling interests		-110	-91	-288
Net cash flow from financing activities		213	531	4,232
Net increase/(decrease) in cash and cash equivalents		219	-487	-348
Effect of exchange rate changes on cash and cash equivalents		16	-10	-131
Cash and cash equivalents at beginning of the period		2,824	3,303	3,303
Cash and cash equivalents at end of the period		3,058	2,806	2,824

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

Notes to the condensed interim consolidated financial statements

Note 1 Organisation and basis for preparation

Corporate information

Scatec Solar ASA is incorporated and domiciled in Norway. The address of its registered office is Askekroken 11, NO-0277 Oslo, Norway. Scatec Solar ASA was established on 2 February 2007.

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

The condensed interim consolidated financial statements were authorised by the Board of Directors for issue on 7 May 2020.

Basis of preparation

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

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

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for 2019.

The functional currency of the companies in the Group is determined based on the nature of the primary economic environment in which each company operates. The functional currency of the parent company Scatec Solar ASA and the

presentation currency of the Group is Norwegian kroner (NOK). All amounts are presented in NOK million unless otherwise stated.

As a result of rounding adjustments, the figures in some columns may not add up to the total of that column.

Significant estimates and judgements

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements

In the process of applying the Group's accounting policies, management make judgements of which the following have the most significant effect on the amounts recognised in the condensed interim financial statements:

Consolidation of power plant companies

Scatec Solar's value chain comprises all downstream activities such as project development, financing, construction and operations, as well as having an asset management role through ownership of the solar power plants. Normally Scatec Solar enters into partnerships for the shareholding of the power plant companies owning the power plants. To be able to utilise the business model fully, Scatec Solar seeks to obtain operational control of the power plant companies. Operational control is obtained through governing bodies, shareholder agreements and other contractual arrangements. Other contractual arrangements may include Scatec Solar's role as the developer of the project, EPC provider (construction), operation and maintenance service provider and asset management service provider.

When assessing whether Scatec Solar controls a power plant company as defined by IFRS 10 Consolidated Financial Statements, the Group's roles and activities are analysed in line with the requirements and definitions in IFRS 10.

During first quarter 2020 no new power plant companies have been included in the consolidated financial statements.

Refer to note 3 of the 2019 annual report for further information on judgements, including control assessments made in previous years.

Estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis, considering the current and expected future market conditions. Changes in accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Note 2 Operating segments

Operating segments align with internal management reporting to the Group's chief operating decision maker, defined as the Group management team. The operating segments are determined based on differences in the nature of their operations, products and services.

Scatec Solar manages its operations in three segments; Power Production (PP), Services and Development & Construction (D&C).

From January 2020 the group has reorganized its segment structure so that the Group's Operations and Maintenance services and Asset Management services are reported combined in the new segment Services. Earlier these operations were reported in the segments Operations & Maintenance and Power Production respectively. The comparative figures for 2019 in the tables below are restated with the new segment structure.

Financing and operation of solar power plants is ring-fenced in power plant companies with a non-recourse project finance structure - where Scatec Solar contributes with the required equity, either alone or together with co-investors.

The management team assesses the performance of the operating segments based on a measure of gross profit and operating profit; hence interest income/expense is not disclosed per segment.

Power Production

The Power Production segment manages the Group's power producing assets and derives its revenue from the production and sale of solar generated electricity based on long-term Power Purchase Agreements or feed-in-tariffs. Finance and

Seasonality in operations

Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. The Group's operating results are impacted by external factors, such as weather conditions. The power production at the PV solar parks is directly impacted by seasonal changes in solar irradiance which is normally at its highest during the summer months. This effect is to a certain degree offset in the consolidated revenues due to the fact that the Group operates PV solar parks on both the northern and southern hemisphere.

operation of the plants is ring-fenced in power plant companies with a non-recourse finance structure. This implies that the project debt is only secured and serviced by project assets and the cash flows generated by the project, and that there is no obligation for project equity investors to contribute additional funding in the event of a default. Free cash flows after debt service are distributed from these power plant companies to Scatec Solar, and any other project equity investors in accordance with the shareholding and the terms of the finance documents.

Services

The Services segment comprises Operations & Maintenance (O&M) and Asset Management services provided to solar power plants where Scatec Solar has economic interest. O&M revenues are generated on the basis of fixed service fees with additional profit-sharing arrangements. Asset Management services typically include financial reporting to sponsors and lenders, regulatory compliance, environmental and social management, as well as contract management on behalf of the power plant companies.

Development and Construction

The Development and Construction segment derives its revenue from the sale of development rights and construction services to power plant companies set up to operate the Group's solar power plants. These transactions are primarily made with companies that are under the control of the Group and hence are being consolidated. Revenues from transfer of development rights are recognised upon the transfer of title.

Revenues from construction services are based on fixed price contracts and are accounted for using the percentage of completion method.

Corporate

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

No segments have been aggregated to form these reporting segments. Revenues from transactions between the D&C, O&M and PP segments, where Scatec Solar is deemed to hold a controlling interest, are presented as internal revenues in the segment reporting and eliminated in the consolidated statement of profit or loss. These transactions are based on international contract standards and terms negotiated at arm's length with lenders and co-investors in each power plant company.

Use of proportionate financials

The segment financials are reported on proportionate basis. With proportionate financials Scatec Solar reports its share of revenues, expenses, profits and cash flows from its subsidiaries without eliminations based on Scatec Solar's economic interest in the subsidiaries. The Group introduced SSO Proportionate Financials as the Group is of the opinion that this method improves earnings visibility. Proportionate financials are further described in the APM section of this report. A reconciliation between the segments proportionate financials and the groups consolidated financials is included in the tables below.

Q1 2020

NOK million	Proportionate financials					Residual ownership interests ¹⁾	Eliminations ²⁾	Consolidated financials
	Power Production	Services	Development & construction	Corporate	Total			
External revenues	391	-	-	-	391	265	-26	630
Internal revenues	-	52	414	8	475	56	-531	-
Net income from JV and associated companies	-	-	-	-	-	-	-5	-5
Total revenues and other income	391	52	414	8	866	321	-562	625
Cost of sales	-	-	-369	-	-368	-45	414	-
Gross profit	391	52	46	8	497	276	-148	625
Personnel expenses	-6	-17	-19	-14	-56	-	2	-54
Other operating expenses	-55	-19	-11	-10	-95	-39	66	-69
EBITDA	331	16	15	-16	346	237	-80	503
Depreciation and impairment	-125	-1	-10	-5	-140	-94	59	-175
Operating profit	206	15	5	-21	206	143	-21	328

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

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

Q1 2019

NOK million	Proportionate financials					Residual ownership interests ¹⁾	Eliminations ²⁾	Consolidated financials
	Power Production	Services	Development & construction	Corporate	Total			
External revenues	197	-	-	-	197	172	-38	331
Internal revenues	-	29	1,297	6	1,331	6	-1,337	-
Net income/(loss) from JV and associates	-	-	-	-	-	-	-4	-4
Total revenues and other income	197	29	1,297	6	1,528	178	-1,379	327
Cost of sales	-	-	-1,112	-	-1,112	-7	1,119	-
Gross profit	197	29	186	6	417	170	-261	327
Personnel expenses	-5	-9	-14	-11	-39	5	-2	-36
Other operating expenses	-28	-13	-13	-9	-62	-	14	-49
EBITDA	164	7	159	-14	315	175	-249	242
Depreciation and impairment	-67	-1	-13	-1	-82	-79	64	-97
Operating profit (EBIT)	97	6	146	-16	233	97	-184	145

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

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

FY 2019

NOK million	Proportionate financials					Residual ownership interests ¹⁾	Eliminations ²⁾	Consolidated financials
	Power Production	Services	Development & construction	Corporate	Total			
External revenues	1,163	1	2	-	1,165	776	-130	1,810
Internal revenues	-	167	4,977	31	5,176	301	-5,477	-
Net income/(loss) from JV and associates	-	-	-	-	-	-	-28	-28
Total revenues and other income	1,163	168	4,980	31	6,341	1,077	-5,635	1,783
Cost of sales	-	-	-4,274	-	-4,274	-228	4,503	-
Gross profit	1,163	168	706	31	2,067	848	-1,133	1,783
Personnel expenses	-21	-45	-59	-48	-173	8	2	-163
Other operating expenses	-167	-59	-57	-40	-323	-126	215	-234
EBITDA	975	65	589	-58	1,571	730	-915	1,386
Depreciation and impairment	-412	-4	-39	-6	-460	-278	226	-512
Operating profit (EBIT)	563	61	550	-64	1,111	452	689	874

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

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

Note 3 Property, plant and equipment

The Group operates solar power plants in Europe, South East Asia, Middle East, Africa and South America.

172 MW of the 258 MW solar power complex have been grid connected.

The power plant companies in Argentina and Brazil are equity consolidated and hence not included in the below table.

There has been recorded an impairment charge of NOK 6 million in the quarter. Total impairments amounted to NOK 33 million in 2019.

In first quarter 2020 two of three solar power plants in Uppington, South Africa, reached commercial operation, hence

NOK million	Solar power plants	Solar power plants under construction	Solar power plants under development	Intangible assets, equipment and other assets	Total
Carrying value at 31 December 2019	11,584	3,415	181	221	15,401
Additions	-	674	47	9	730
Disposals	-	-	-	-	-
Transfer between asset classes	1,880	-1,880	-	-	-
Depreciation	-159	-	-	-10	-169
Impairment losses	-	-	-6	-	-6
Effect of foreign exchange currency translation adjustments	1,499	260	12	9	1,780
Carrying value at 31 March 2020	14,804	2,469	234	229	17,736
Estimated useful life (years)	20-25	N/A	N/A	3-10	

Note 4 Net financial expenses and liabilities and significant fair value measurements

Scatec Solar uses non-recourse financing for constructing and/or acquiring assets, exclusively using as guarantee the assets and cash flows of the power plants carrying out the activities financed. Compared to corporate financing, non-recourse financing has certain key advantages, including a clearly defined and limited risk profile. In this respect, the banks recover the financing solely through the cash flows generated by the projects financed. For four of the five solar power companies operating in the Czech Republic and the three solar power companies in Malaysia, the non-recourse financing agreements include a cross default clause within the Czech and Malaysian group respectively.

The power plant companies' assets are pledged as security for the non-recourse financing. The repayment plan for the debt is a sculpted annuity; hence the sum of loan and interest repayments are not stable from year to year. Repayments are normally made twice a year. The maturity date for the loan's ranges from 2028 to 2038. NOK 684 million of the Group's total non-recourse debt is due within 12 months and is presented as current in the statement of financial position, together with accrued interest. Refer to note 18 in the 2019 Annual Report for more information.

During the first quarter 2020 the Group has drawn NOK 16 million on the non-recourse financing related to the construction projects in Ukraine, NOK 20 million related to the construction project in Mozambique and NOK 12 million related to the construction project in Malaysia.

During the first quarter of 2020 the group had a loss of NOK 6 million on USD and EUR Foreign Exchange Contracts which were set up in order to eliminate currency exchange risk in the construction period for the Upington projects in South Africa. All these contracts have been closed during the second quarter in parallel with the completion of the projects.

Derivative financial instruments (including interest rate swaps and forward exchange contracts) are valued at fair value on Level 2 of the fair value hierarchy, in which the fair value is calculated by comparing the terms agreed under each derivative contract to the market terms for a similar contract on the valuation date. Note 7 in the annual report for 2019 provides details for each class of financial assets and financial liabilities, and how these assets and liabilities are grouped. There are no significant changes in the presentation of these categories in the period.

NOK million	Q1 2020	Q1 2019	FY 2019
Interest income	11	15	66
Other financial income	1	1	-
Financial income	12	16	66
Interest expenses	-237	-125	-704
Forward exchange contracts	-6	-10	-33
Other financial expenses	-7	-6	-6
Financial expenses	-250	-141	-744
Foreign exchange gains/(losses)	320	5	-13
Net financial expenses	82	-120	-690

Note 5 Cash, cash equivalents and corporate funding

NOK million	31 March 2020	31 December 2019
Cash in power plant companies in operation	1,886	1,567
Cash in power plant companies under development/construction	384	420
Other restricted cash	71	78
Free cash	717	758
Total cash and cash equivalents	3,058	2,824

Cash in power plant companies in operation includes restricted cash in proceed accounts, debt service reserve accounts, disbursements accounts, maintenance and insurance reserve accounts and similar. These cash and cash equivalents are only available to the Group through distributions as determined by shareholder and non-recourse financing agreements.

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

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

Movement in free cash at group level (in recourse group as defined in bond & loan facilities)

NOK million	Q1 2020	Q1 2019	FY 2019
Free cash at beginning of period	758	1,039	1,039
Proportionate share of cash flow to equity ¹⁾ Services	13	2	37
Proportionate share of cash flow to equity ¹⁾ D&C	13	128	471
Proportionate share of cash flow to equity ¹⁾ CORP	-24	-20	-91
Project development capex in recourse group	-56	-12	-135
Equity contributions to power plant companies ²⁾	-353	-114	-869
Distributions from power plant companies	142	73	241
Share capital increase, net after transaction cost and tax	-	-	1,300
Dividend distribution	-	-	-108
Working capital / Other	-91	-312	-1,127
Drawn on credit facilities	315	-	-
Free cash at end of the period	717	785	758
Available undrawn credit facilities	1,415	561	836
Total free cash and undrawn credit facilities at the end of the period	2,132	1,346	1,594

1) Proportionate share of cash flow to equity is defined in Alternative Performance Measures Appendix.

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

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

Guarantee facility

In the first quarter of 2020, Scatec Solar refinanced the guarantee facility and intercreditor agreement that was established in 2017. The guarantee facility has Nordea Bank as agent and issuer, Nordea Bank, Swedbank and BNP Paribas as guarantee instrument lenders. The guarantee facility is mainly used to

provide advanced payment-, performance- and warranty bonds under construction agreements, as well as trade letter of credits. The intercreditor agreement is entered into by Scatec Solar, the issuing banks under the guarantee facility and GIEK. GIEK can issue counter indemnity in favour of the issuing banks on behalf of the relevant instrument lenders.

Revolving credit facility

In first quarter 2020 Scatec Solar refinanced the USD 90 million revolving credit facility (RCF) with Nordea Bank as agent and Nordea Bank, Swedbank and BNP Paribas as equal Lenders. The facility can be drawn in USD, NOK, EUR or an optional currency agreed with the banks. The new facility is ESG linked and has a three years tenor. The facility is linked to the following ESG (Environmental, Social and Governance) KPIs:

- A targeted level for LTIFR (Lost time incident frequency rate) for the Group
- Anti-Corruption training for all employees
- Environmental and social baseline studies and risk assessment on all power plants by external experts

Revolving credit facility interest is the interbank offer rate for the drawn period plus a margin of 2.40%. The margin is adjusted annually according to a matrix related to fulfilment of the ESG KPIs. Scatec Solar has drawn USD 30 million on the revolving credit facility per 31 March 2020.

Bank facility

In first quarter 2020, Scatec Solar entered into a USD 75 million credit facility with Nordea Bank, Swedbank and BNP Paribas. The facility has a tenor of up to 18 months. Scatec Solar has not drawn on this facility per 31 March 2020.

Overdraft facility

In second quarter 2018 Scatec Solar entered into a USD 5 million overdraft facility with Nordea Bank. The overdraft interest is the 7-day interbank offer rate plus a margin of 2.5%. Scatec Solar has not drawn on the overdraft facility per 31 March 2020.

Green bond

In fourth quarter 2017 Scatec Solar issued a NOK 750 million senior unsecured green bond with maturity in November 2021. The bond carries an interest of 3-month NIBOR + 4.75%, to be settled on a quarterly basis. The bond was listed on the Oslo Stock Exchange 6 April 2018 with ticker SSO02 G.

Per 31 March 2020, Scatec Solar was in compliance with all financial covenants for the above facilities. The book equity of the recourse group, as defined in the facility agreements, was NOK 5,602 million per quarter end.

During first quarter of 2020, interest amounting to NOK 17 million (NOK 17 million in previous quarter) was expensed for the bond, overdraft- and revolving credit facility.

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

Note 6 Income tax expense

For the first quarter the Group had an income tax expense of NOK 111 million, equivalent to an effective tax rate of 27%. The effective tax rate is primarily influenced by profits and losses in tax jurisdictions with different tax rates offsetting each other. The tax effect of these cause variations in the effective tax rate of the Group from quarter to quarter. The underlying tax rates in the companies in operation are in the range of 0% to 33%. In some markets, Scatec Solar receives special tax incentives intended to promote investments in renewable energy. The effective tax rate has been and will be impacted by the volume of construction activities as the tax rate in the construction companies normally is higher

than in the power plant companies. This means that the full tax expense on the internal profit will not be eliminated and hence increase the effective tax rate during construction. The opposite effect will occur when the eliminated internal profit is reversed through lower depreciation at the tax rate of the power plant company. Further, the profit/loss from JVs and associates, which are reported net after tax, has an impact on the effective tax rate depending on the relative size of the profit/loss relative to the consolidated profit. In addition to the above, the quarter's effective tax rate is also impacted by withholding tax expenses associated with distributions from power plant companies.

Effective tax rate

NOK million	Q1 2020	Q1 2019	FY 2019
Profit before income tax	410	25	184
Income tax (expense)/benefit	-111	-13	-30
Equivalent to a tax rate of (%)	27%	52%	16%

Movement in deferred tax

NOK million	Q1 2020	Q1 2019	FY 2019
Net deferred tax asset at beginning of period	343	170	181
Recognised in the consolidated statement of profit or loss	-75	-15	91
Deferred tax on financial instruments recognised in OCI	74	29	58
Recognised in the consolidated statement of changes in equity	-	-	6
Translation differences	52	-3	7
Net deferred tax asset at end of period	395	-181	343

Note 7 Related parties

Scatec Solar has related party transactions and balances with equity consolidated JVs in Brazil and Argentina, mainly loans which are included in the carrying value of the investments. The loan balance as per 31 March 2020 was NOK 207 million.

In addition, Scatec Solar has transactions and balances with key management. Note 26 in the annual report for 2019 provides details of transactions with related parties and the nature of these transactions.

All related party transactions have been carried out as part of the normal course of business and at arm's length. For further information on project financing provided by co-investors, refer to note 28 in the 2019 annual report.

In connection with the Company's Share Option Programme and capital increase in 2019 and 2020, the Company entered into share lending agreements with Scatec AS, the Company's largest shareholder.

Note 8 Subsequent events

No events have occurred after the balance sheet date with significant impact on the interim financial statements for the first quarter 2020.

Alternative Performance Measures

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

The purpose of APMs is to provide an enhanced insight into the operations, financing and future prospect of the Group. Management also uses these measures internally to drive performance in terms of long-term target setting. APMs are adjusted IFRS measures that are defined, calculated and used in a consistent and transparent manner over the years and across the Group where relevant.

Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS. Disclosures of APMs are subject to established internal control procedures.

Cash flow to equity: is a measure that seeks to estimate value creation in terms of the Group's ability to generate funds for equity investments in new solar power plant projects and/or for shareholder dividends over time. Management believes that the cash flow to equity measure provide increased understanding of the Group's ability to create funds from its investments. The measure is defined as EBITDA less net interest expense, normalised loan repayments and normalised income tax payments. The definition excludes changes in net working capital, investing activities and fair value adjustment of first-time recognition of joint venture investments. *Normalised loan repayments* are calculated as the annual repayment divided by four quarters for each calendar year. However, loan repayments are normally made bi-annually. Loan repayments will vary from year to year as the payment plan is based on a sculpted annuity. *Net interest expense* is here defined as interest income less interest expenses, excluding shareholder loan interest expenses and accretion expenses on asset retirement obligations. *Normalised income tax payment* is calculated as operating profit (EBIT) less normalized net interest expense multiplied with the nominal tax rate of the jurisdiction where the profit is taxed.

EBITDA: is defined as operating profit adjusted for depreciation, amortisation and impairments.

EBITDA margin: is defined as EBITDA divided by total revenues and other income.

Gross profit: is defined as total sales revenue including

net gain/loss from sale of project assets and net gain/loss from associates minus the cost of goods sold (COGS). The measurement of gross profit is used to measure project profitability in the D&C segment. Refer to note 2 Operating Segments for further details.

Gross interest-bearing debt: is defined as the Group's total debt obligations and consists of non-current and current external non-recourse financing and external corporate financing, irrespective of its maturity as well as bank overdraft and discounted notes.

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

Net working capital includes trade- and other receivables, other current assets, trade- and other payables, income tax payable, other current liabilities and intercompany receivables and payables.

SSO Proportionate Financials

The groups segment financials are reported on a proportionate basis. The consolidated revenues and profits are mainly generated in the Power Production segment. Activities in Services and Development & Construction segment mainly reflect deliveries to other companies controlled by Scatec Solar (with from 39% to 100% economic interest), for which revenues and profits are eliminated in the Consolidated Financial Statements. With proportionate financials Scatec Solar reports its share of revenues, expenses, profits and cash flows from its subsidiaries without eliminations based on Scatec Solar's economic interest in the subsidiaries. The Group introduced SSO Proportionate Financials as the Group is of the opinion that this method improves earnings visibility. The key differences between the proportionate and the consolidated IFRS financials are that;

- Internal gains are eliminated in the consolidated financials but are retained in the proportionate financials. These internal gains primarily relate to gross profit on D&C goods and services delivered to project companies which are eliminated as a reduced group value of the solar plant compared to the stand-alone book value. Similarly, the consolidated financials have lower solar plant depreciation charges than the proportionate financials since the proportionate depreciations are based on solar plant values without elimination of internal gain. Internal gain eliminations also include profit on Services delivered to project companies.

- The consolidated financials are presented on a 100% basis, while the proportionate financials are presented based on Scatec Solar's ownership percentage/economic interest.
- In the consolidated Financials joint venture companies (Brazil and Argentina) are equity consolidated and are presented with Scatec Solar's share of the net profit on a single line in the statement of profit or loss. In the proportionate financials the joint venture companies are presented in the same way as other subsidiaries on a gross basis in each account in the statement of profit or loss.

For first quarter 2020 Scatec Solar reports a proportionate operating profit of NOK 206 million compared with an

operating profit of NOK 328 million in the consolidated financials. To arrive at the proportionate operating profit from the consolidated operating profit the Group has;

1. added back to the proportionate statement of profit or loss the internal gain on transactions between group companies with an amount of NOK 16 million ¹⁾,
2. removed the non-controlling interests share of the operating profit of NOK 143 million to only leave the portion corresponding to Scatec Solar's ownership share,
3. replaced the consolidated net profit from joint venture companies of NOK -5 million with Scatec Solar's share of the Operating profit from the joint venture companies with NOK 6 million.

1) Where NOK 46 million comprise Scatec Solar's share of gross profit on D&C contracts, NOK -26 million comprise increased depreciation charges from internal gains and NOK -10 million comprise other items.

Reconciliation of Alternative Performance Measures (consolidated figures)

NOK million	Q1 2020	Q1 2019	FY 2019
EBITDA			
Operating profit (EBIT)	328	145	874
Depreciation, amortisation and impairment	175	97	512
EBITDA	503	242	1,386
Total revenues and other income	625	327	1,783
EBITDA margin	80%	74%	78%
Gross profit			
Total revenues and other income	625	327	1,783
Cost of sales	-	-	-
Gross profit	625	327	1,783
Gross interest-bearing debt			
Non-recourse project financing	13,438	9,242	12,228
Bonds	746	744	745
Non-recourse project financing - current	912	455	837
Gross interest-bearing debt	15,096	10,441	13,810
Net interest-bearing debt			
Gross interest-bearing debt	15,096	10,441	13,810
Cash and cash equivalents	3,058	2,806	2,824
Net interest-bearing debt	12,038	7,635	10,986
Net working capital			
Trade and other receivables	687	281	461
Other current assets	1,120	966	1,211
Trade and other payables	-829	-228	-888
Income tax payable	-78	-59	-92
Other current liabilities	-1,087	-1,346	-902
Non-recourse project financing-current	-912	-455	-837
Net working capital	-1,100	-841	-1,047

Break-down of proportionate cash flow to equity

Q1 2020

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	331	16	15	-16	346
Net interest expenses	-124	-	-	-16	-139
Normalised loan repayments	-88	-	-	-	-88
Normalised income tax payment	-15	-3	-2	8	-13
Cash flow to equity	105	13	13	-24	107

FY 2019 ¹⁾

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	975	65	589	-58	1,571
Net interest expenses	-333	2	4	-61	-388
Normalised loan repayments	-229	-	-	-	-229
Normalised income tax payment	-51	-14	-122	27	-159
Cash flow to equity	362	53	471	-91	794

1) 2019 is restated in line with the new segment structure

Q1 2019 ¹⁾

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	164	7	159	-14	315
Net interest expenses	-53	-	1	-12	-63
Normalised loan repayments	-43	-	-	-	-43
Normalised income tax payment	-10	-1	-32	6	-38
Cash flow to equity	58	5	128	-20	171

1) 2019 is restated in line with the new segment structure

Other definitions

Backlog

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

Pipeline

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

Scatec Solar's economic interest

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

Cash in power plant companies in operation

Restricted cash in proceed accounts, debt service reserve accounts, disbursements accounts, maintenance and insurance reserve accounts and similar. These cash and cash equivalents are only available to the Group through distribution as determined by shareholder and non-recourse financing agreements.

Cash in power plant companies under development/construction

Comprise shareholder financing and draw down on term loan facilities by power plant companies to settle outstanding external EPC invoices.

Project equity

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

Recourse Group

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

Definition of project milestones

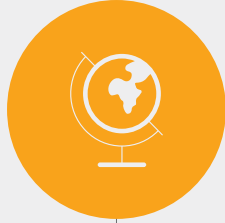
Commercial Operation Date (COD): A scheduled date when certain formal key milestones have been reached, typically including grid compliance, approval of metering systems and technical approval of plant by independent engineers. Production volumes have reached normalised levels sold at the agreed off-taker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

Financial close (FC): The date on which all conditions precedent for drawdown of debt funding has been achieved and equity funding has been subscribed for, including execution of all project agreements. Notice to proceed for commencement of construction of the solar power plant will normally be given directly thereafter. Projects in Scatec Solar defined as "backlog" are classified as "under construction" upon achievement of financial close.

Start of Production (SOP): The first date on which the solar power plant generates revenues through sale of power under the off-take agreement. Production volumes and/or the price of the power may be lower than when commercial operation date (COD) is reached. This milestone is regulated by the off-take agreement with the power off-taker. This milestone may be reached prior to COD if the construction of a power plant is completed earlier than anticipated in the off-take agreement.

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

Scatec Solar's value chain



Project development

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



Financing

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



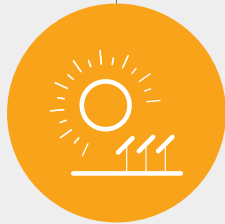
Construction

- Engineering and Procurement
- Construction management
- Quality assurance



Operations

- Maximize performance and availability
- Maintenance and repair



Ownership (IPP)

- Asset management
- Financial and operational optimization

