Investor presentation

July 2020

Scatec Solar
Improving our future™

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Contents

- **Introduction**
- **The solar market**
- **Our backlog & pipeline**
- **Our business model**
- **Financials**
- **Outlook and guidance**

The 54 MW Boguslav solar plant in Ukraine.

Scatec Solar in brief

1.9 GW

In operation & under construction

6.1 GW

Backlog & pipeline

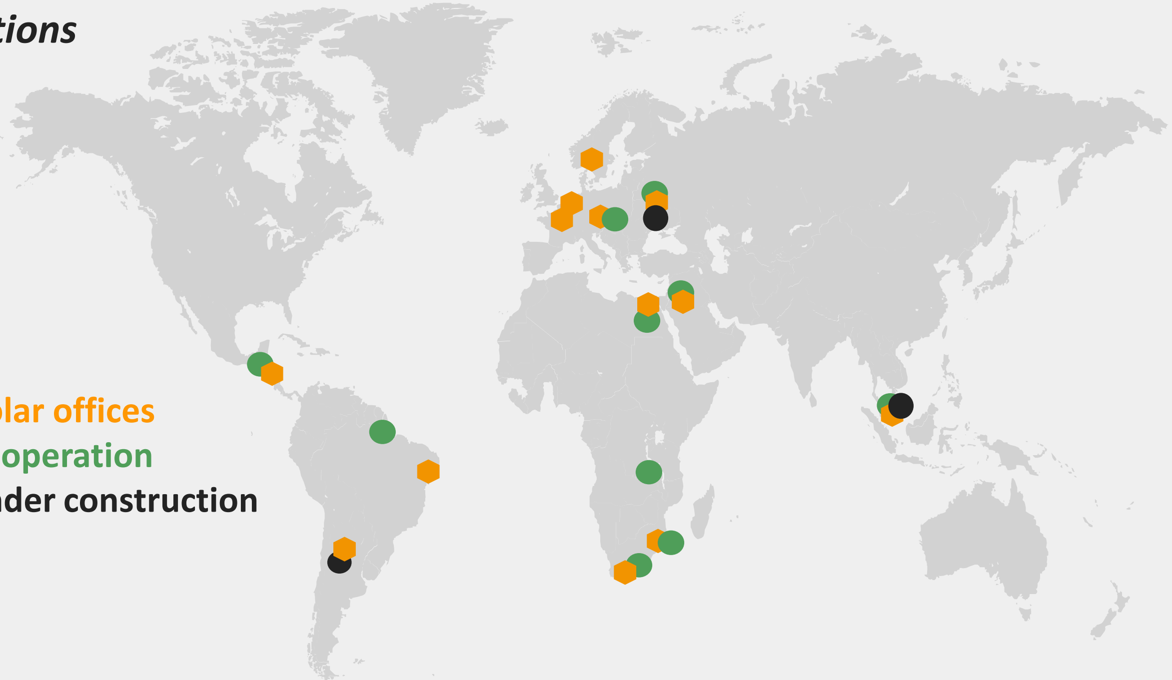
373

Employees

Key facts

- We develop, build, own and operate solar plants across emerging markets
- Founded in 2007 – headquarter in Oslo, Norway
- Present in 18 countries globally

Our locations



Scatec Solar offices

Plants in operation

Plants under construction

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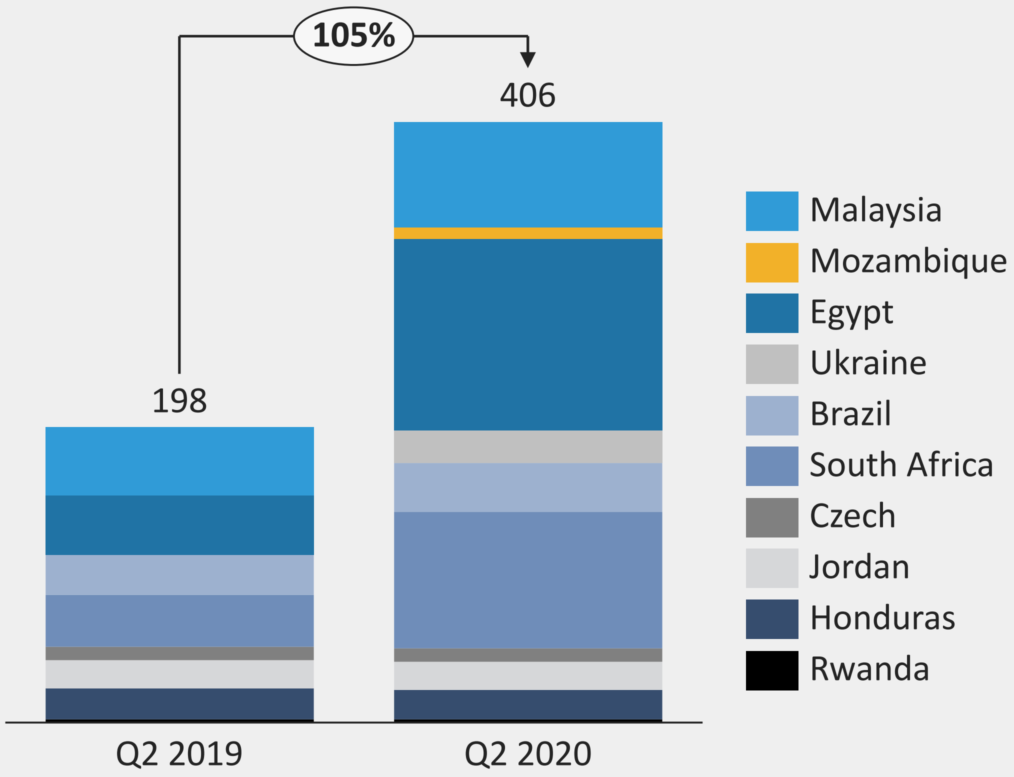
Q2’20:

Power production doubled – progressing large project opportunities

- Power production reached 406 GWh, doubling production from same quarter last year
- EBITDA* of NOK 417 million, up from NOK 346 million in previous quarter
- Completed 140 MW in South Africa and Ukraine
- Raised gross NOK 1,968 million in new equity to fund further investments in renewables
- The Board approves dividends of NOK 131 million, equivalent to NOK 0.95 per share
- Limited impact of COVID-19

Power production (GWh)



*EBITDA and other alternative performance measures (APMs) are defined and reconciled to the IFRS financial statements as a part of the APM section of the second quarter report on pages 34-37.

A portfolio of 1.9 GW in operation and under construction

1,505 MW in operation (140 MW added in Q2):

South Africa, 448 MW

Egypt, 390 MW

Malaysia, 197 MW

Brazil, 162 MW

Ukraine, 101 MW

Honduras, 95 MW

Jordan, 43 MW

Mozambique, 40 MW

Czech, 20 MW

Rwanda, 9 MW

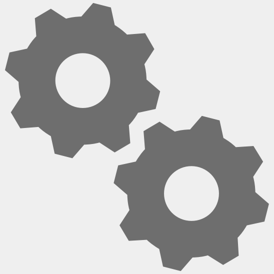
399 MW under construction:

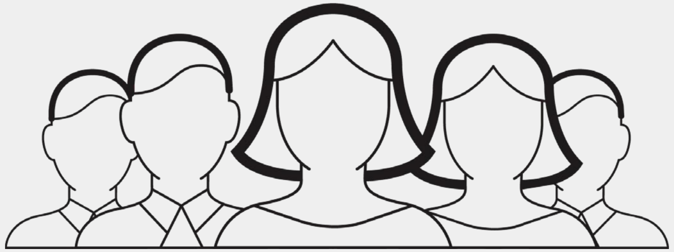
Ukraine, 235 MW

Argentina, 117 MW

Malaysia, 47 MW

Our success is based on our business model and a strong entrepreneurial culture





Business model ✚ **People**

- Integrated – capturing full project value
- Structuring and financing
- Financial discipline
- Partnerships

- Agile and lean
- Entrepreneurial culture
- Passionate and empowered people
- Strong and diversified talent pool

Predictable **Working together** **Driving results** **Changemakers**

The Solar market

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Solar & wind expected to provide 50% of all power globally by 2050

The global power sector towards 2050:

62%

Increase in global electricity demand

12,000 GW

New power generation capacity

77%

Of new demand to be covered by renewables

98%

Demand growth in non-OECD-countries

Solar from 2% to 22% market share in power

Fossil from 64% to 20% market share in power

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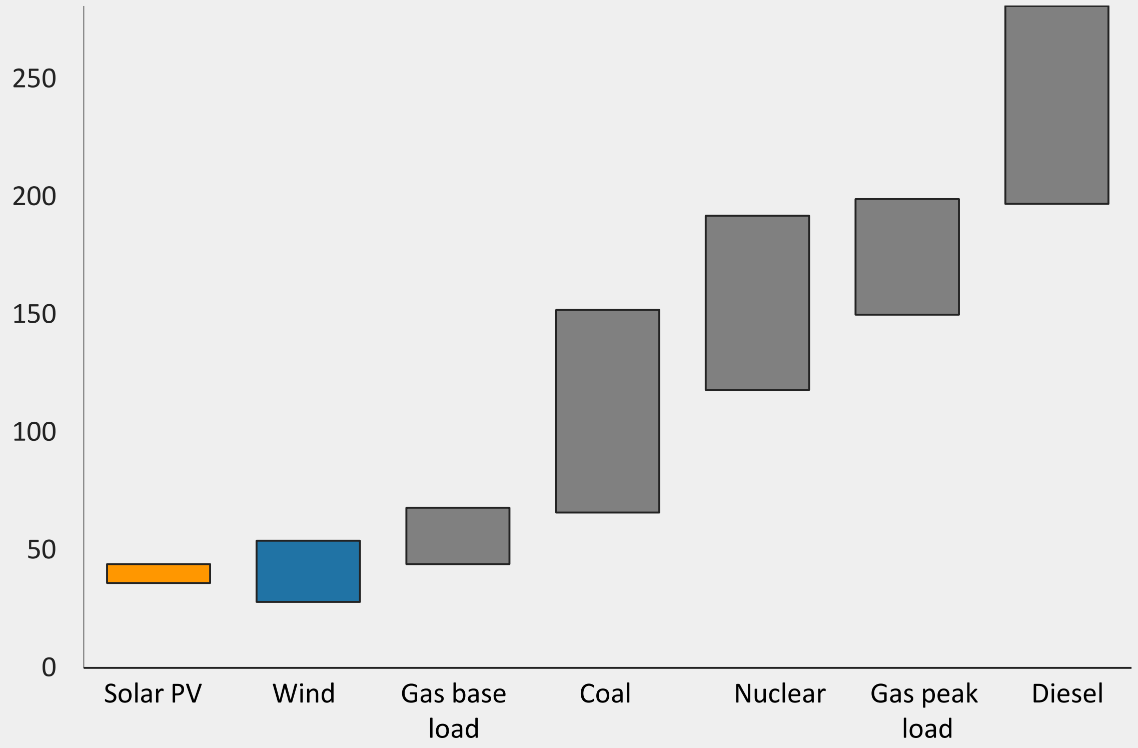
Source: Bloomberg New Energy Outlook 2019.

Solar is one of the world's most competitive sources of energy

- Solar is now the lowest cost source of energy across the sun-rich regions globally
- The levelised cost of solar has come down 85% since 2010 – industry scale and technology
- Storage and hybrid solutions are expected to become increasingly important for demand
- New business propositions are emerging when solar is cost competitive with base load

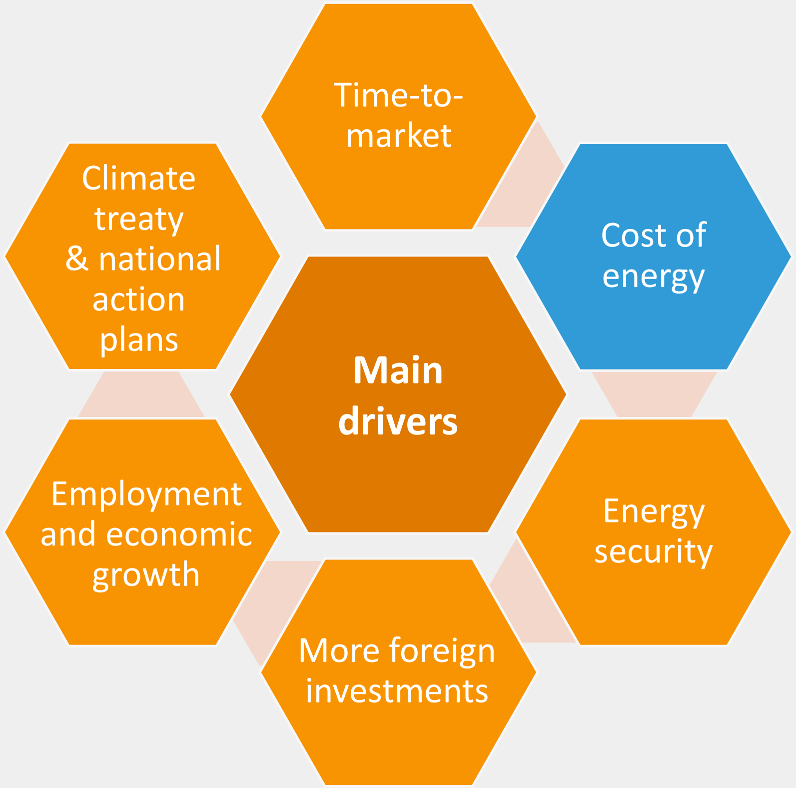
Cost of alternative energy sources (LCOE, USD/MWh)



Source: Lazard Capital, LCOE v13, Scatec Solar.
LCOE: Levelised cost of energy

Solar market expected to reach 170 GW of annual installations in 2022

Multiple governmental drivers for solar demand



Main drivers

Time-to-market

Cost of energy

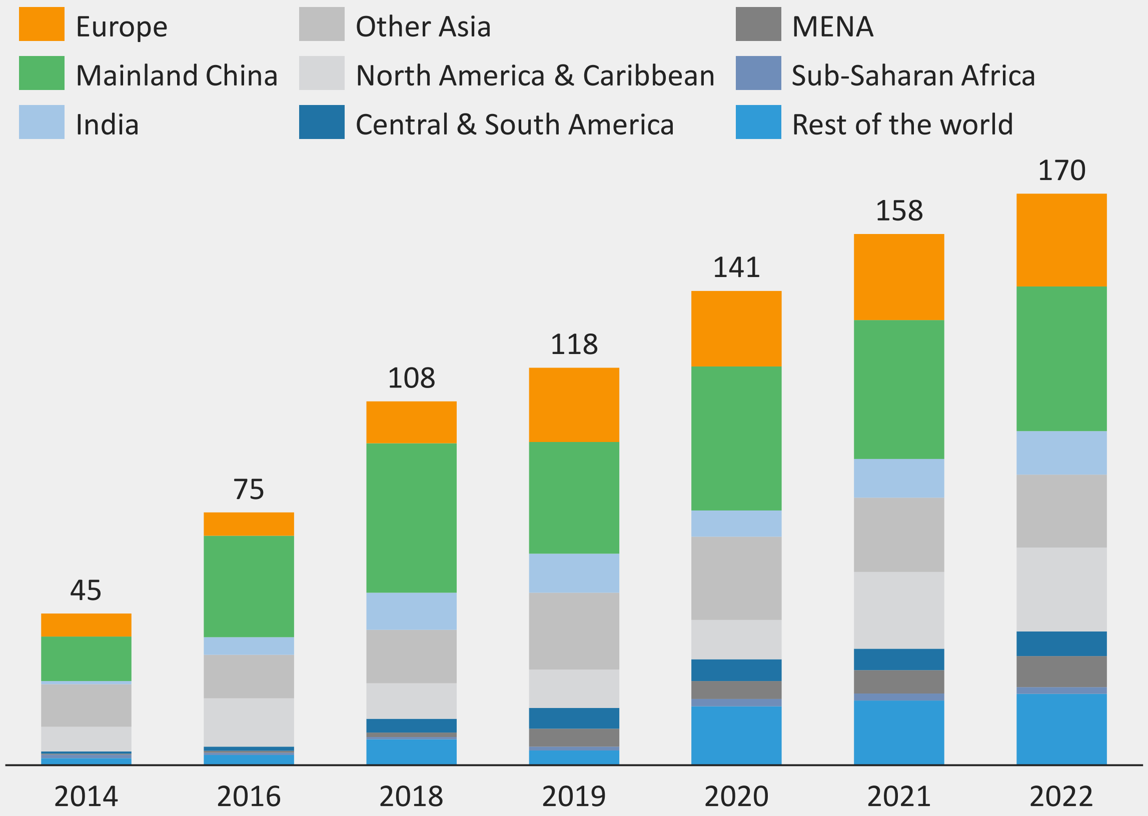
Energy security

More foreign investments

Employment and economic growth

Climate treaty & national action plans

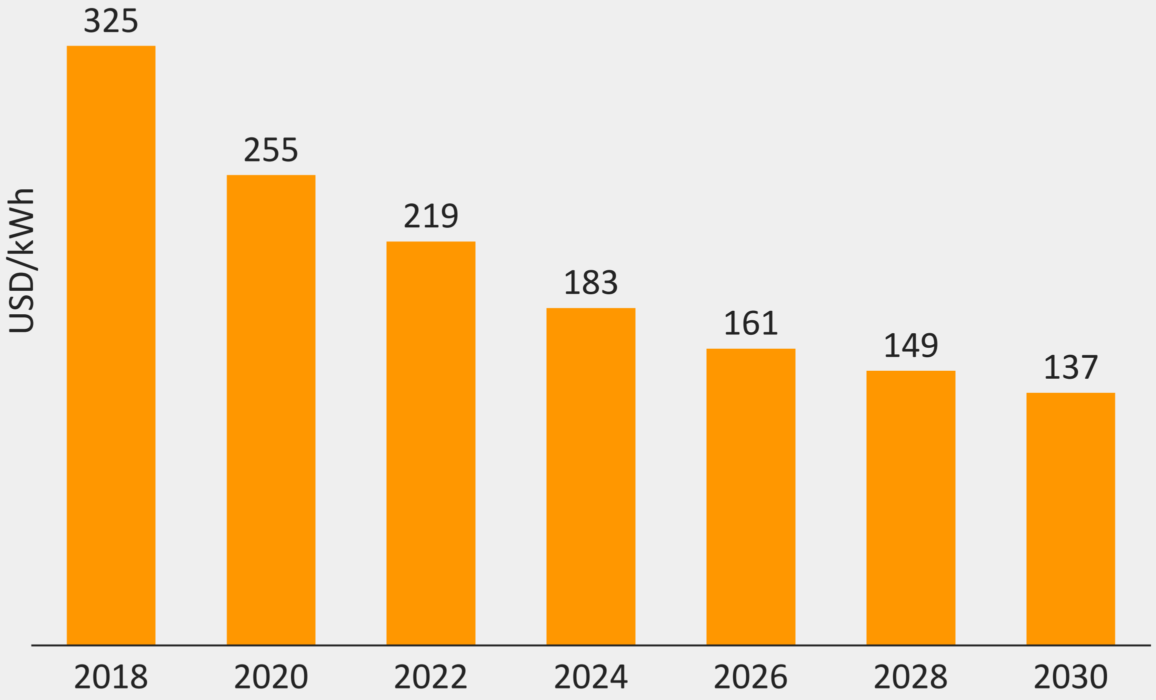
Annual global solar demand forecast - GW



Source: Bloomberg NEF Q2 2020 Global PV Market Outlook 2020, forecast by region.

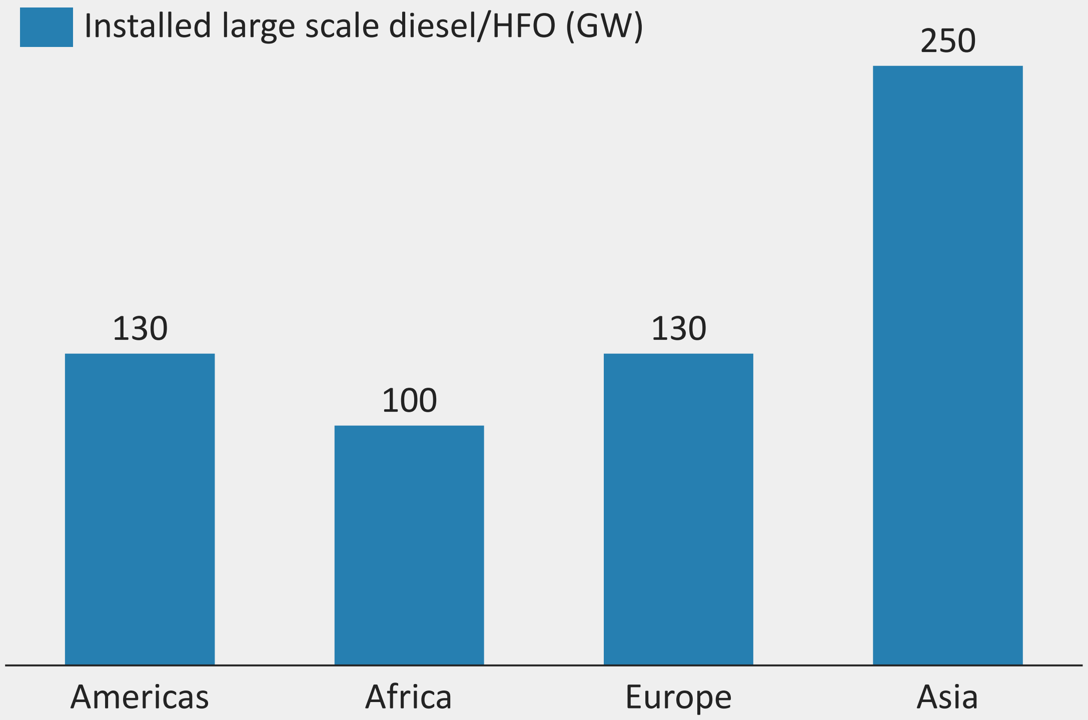
Battery costs expected to be reduced by almost 60% by 2030

Expected battery cost development



Source: Bloomberg NEF 2019. Fully installed equipment in 2019 USD..

600 GW of large scale diesel/HFO installed globally



Source: IEA World Energy Outlook, BNEF, MarketResearchFuture, Scatec Solar analysis.

Our backlog & pipeline

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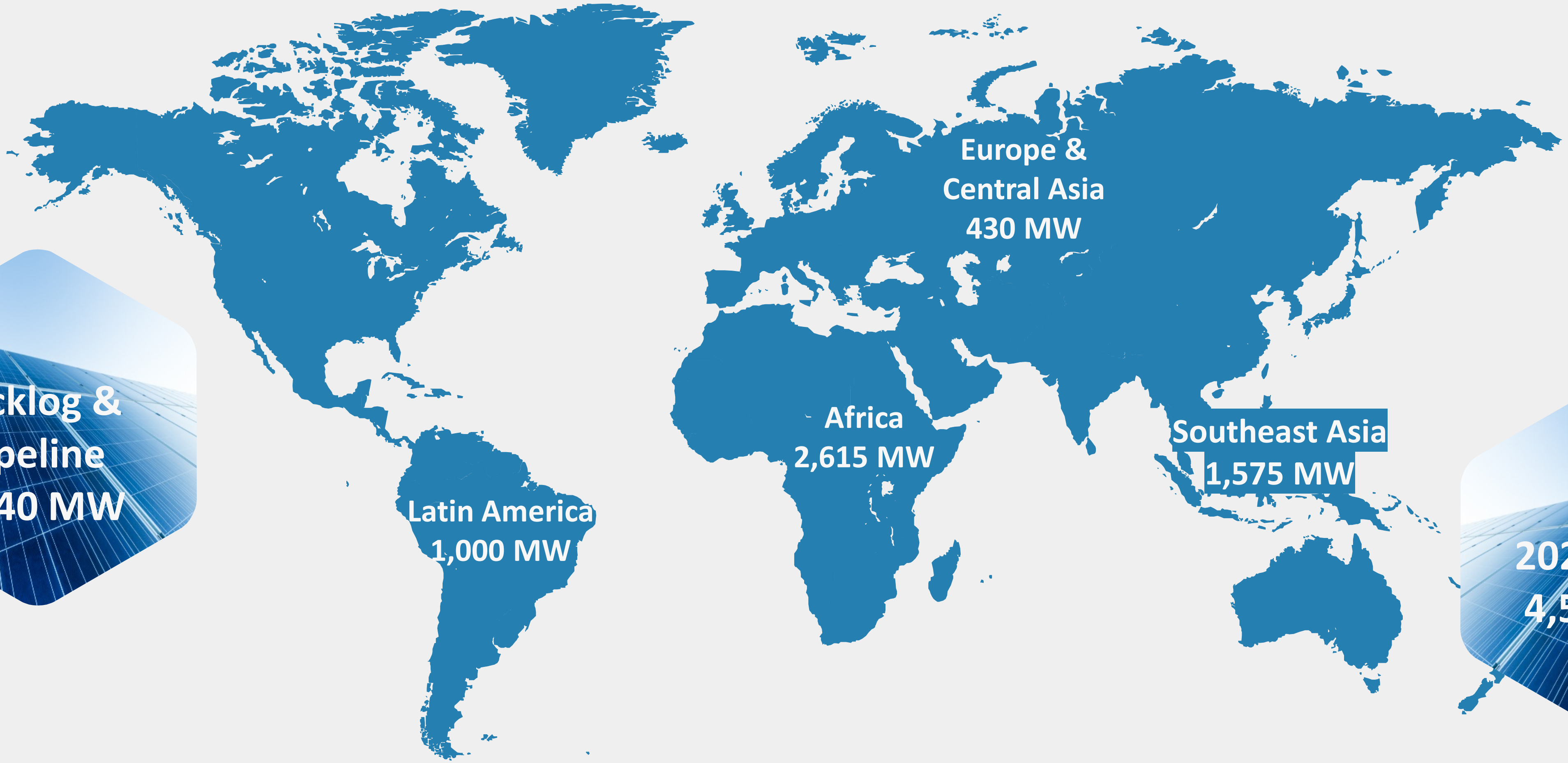
Growing pipeline with several additional opportunities under development

Backlog & pipeline 6,140 MW



2021 target 4,500 MW

All figures are as of Q2 2020 reporting date.

Key project backlog & pipeline updates

Tunisia – 360 MW
- Three solar projects awarded in international tender, Dec 2019
- Project agreements in process of finalisation with the authorities
- Lenders have been mandated to finance project debt

Industrial partnership projects (1,000 MW in pipeline)
- Several large projects of 500 MW+ developed in Brazil and South Africa
- Partnering with large industrial players for realisation of these projects
- Various renewable energy sources being assessed

We are further expanding our market segments & product offerings

Utility scale solar

- PPAs with state owned utilities
- Non-recourse project finance

Corporate & Industrial

- Large industrial customers
- Long-term PPAs with fixed prices

Release – Redeployable solar

- Hybrids with storage and gensets
- Off-grid or on-grid solutions

Release – a new growth platform for Scatec Solar

- Release offers affordable, clean, reliable and flexible solar power for rent
- Targeting industrial customers in emerging markets with pre-assembled and re-deployable solar parks
- Large addressable market, including 600 GW in large scale diesel power plants
- Targeting annual installations of 300 - 500 MW from 2022 and onwards
- Equity partnership with Norfund and other partners

release BY SCATEC SOLAR - offering reliable, flexible and low-cost solar power

Pre-assembled and containerised solar and battery equipment

Quickly installed – modular, scalable and redeployable

Limited upfront investment flexible contract duration

Photo: Cambridge Energy Partners

Our business model

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Scatec Solar’s value chain

We develop, build, own & operate solar plants for 20 years

Project development

- Site development & permitting
- System design
- Business case development
- PPA negotiation

Financing

- Debt/Equity structuring
- Due diligence

Construction

- Engineering and procurement
- Construction management

Operations

- Maximise performance and availability
- Maintenance and repair

Ownership (IPP)

- Asset management
- Financial optimisation

Partnering with Development Banks for project finance and risk mitigation

- Multilateral development banks (DFIs) are providing project debt to infrastructure in emerging markets
- DFIs are often advising governments on design of renewable programmes to promote private / public partnerships
- Project structures and contracts are set up to mitigate risk and facilitate non-recourse project level debt

Norfund

IFC International Finance Corporation WORLD BANK GROUP

InfraCo AFRICA

European Bank for Reconstruction and Development

Cifi

EMERGING AFRICA INFRASTRUCTURE FUND

AFRICA50 FINANCING AFRICA'S INFRASTRUCTURE POUR LES INFRASTRUCTURES EN AFRIQUE

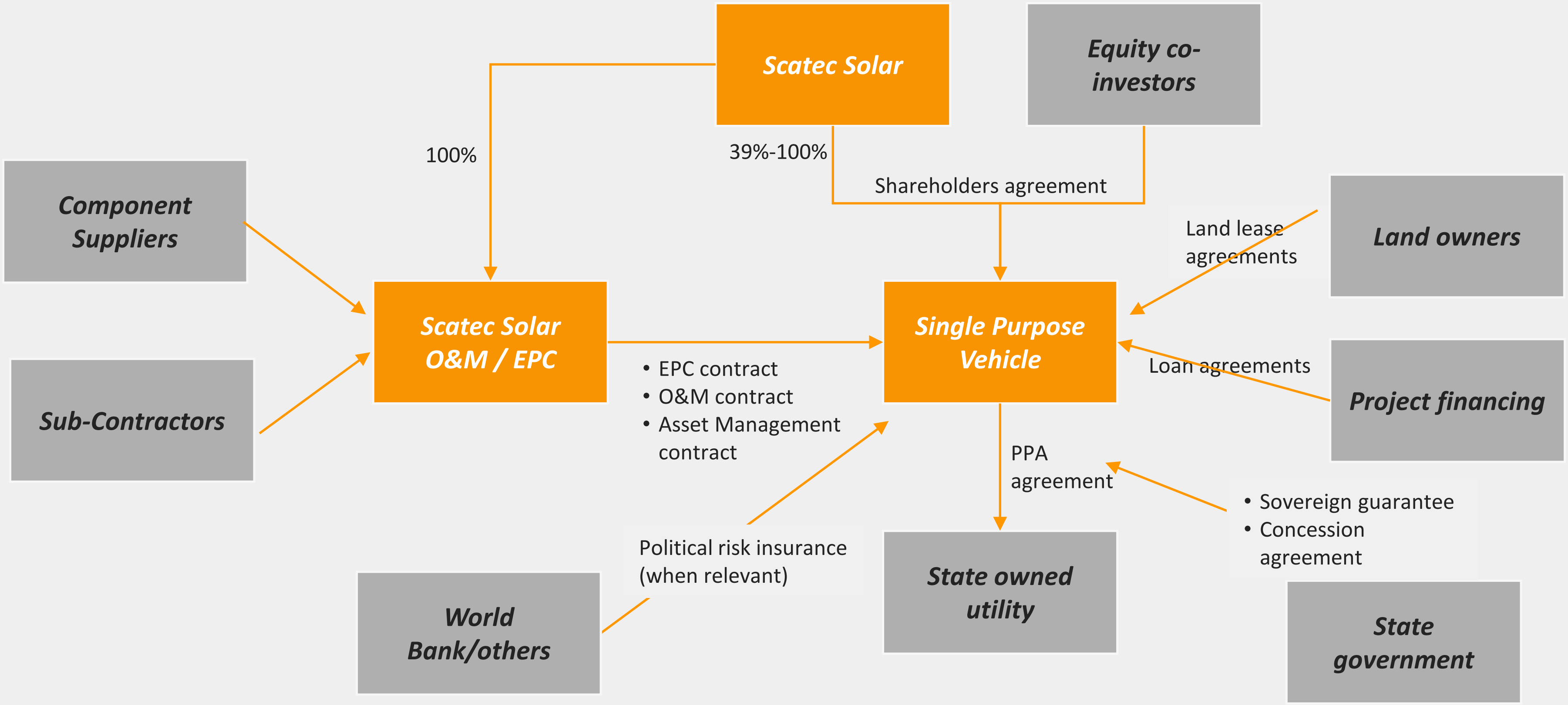
FMO Entrepreneurial Development Bank

ISLAMIC DEVELOPMENT BANK • BANQUE ISLAMIQUE DE DÉVELOPPEMENT

PROPARCO

Our business model and typical project structure

Simplified illustration of company structure and main contracts in place



Scatec Solar

Equity co-investors

100%

39%-100%

Shareholders agreement

Component Suppliers

Sub-Contractors

Scatec Solar O&M / EPC

Single Purpose Vehicle

Land lease agreements

Land owners

Loan agreements

Project financing

- EPC contract
- O&M contract
- Asset Management contract

PPA agreement

- Sovereign guarantee
- Concession agreement

Political risk insurance (when relevant)

World Bank/others

State owned utility

State government

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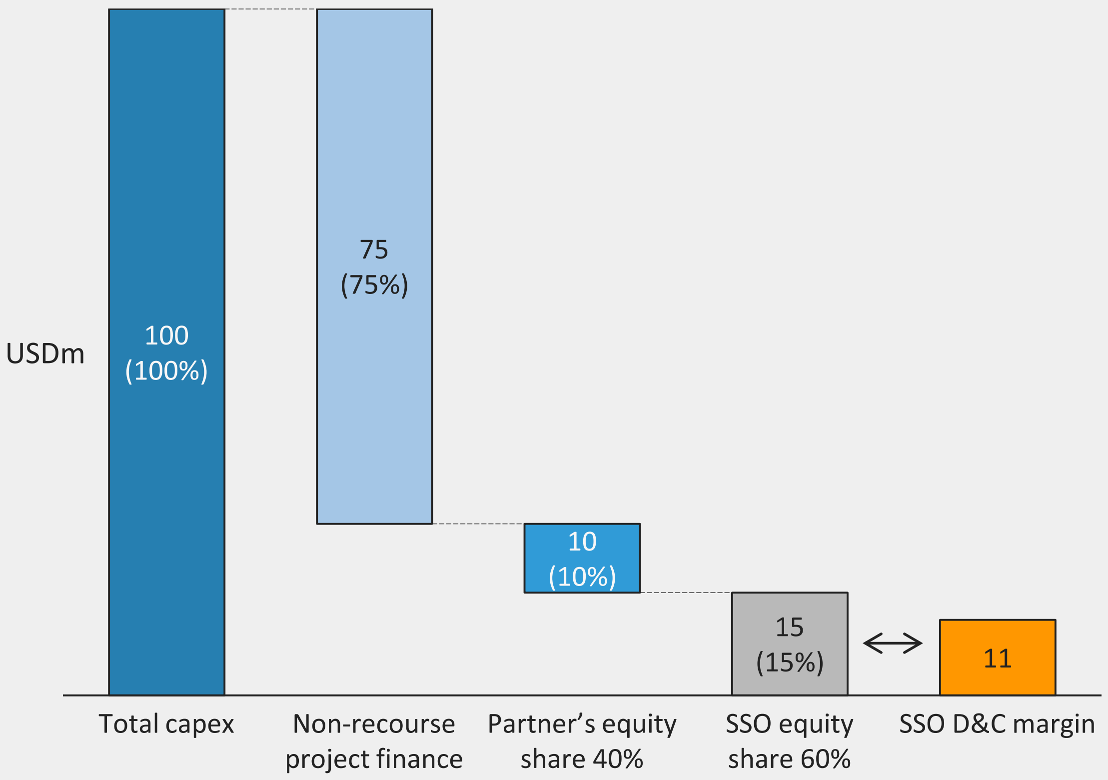
Scatec Solar’s growth capacity continues to increase

Our business model and typical project capital structure:



100 MW project example

Scatec Solar’s growth capacity

- As the asset portfolio grows, more dividends/operating cash flow is available for investments
- In addition the integrated business model adds to our growth capacity – D&C margin generation
- Timing, size & type of funding depends on several factors:
  - Size and timing of new projects
  - Debt leverage of projects
  - Scatec Solar ownership in projects

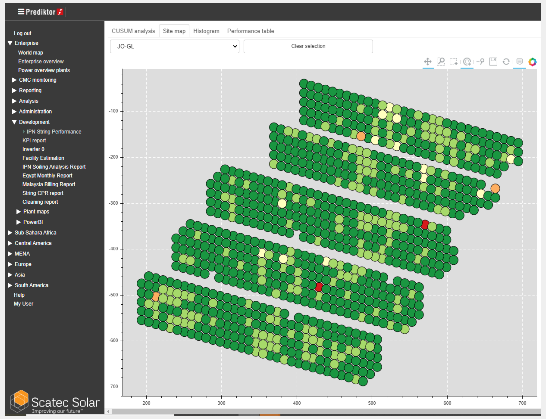
Utilising new technology to reduce costs and improve power plant performance

Operation & Maintenance (O&M)

- Improved workflows through automation of processes
- Actionable analysis sent directly to decision makers
- Examples:
  - Using drones to detect module level issues
  - Cleaning robots to reduce soiling
  - Digital field workers

Global control & monitoring centre, Cape Town

- Leveraging economies of scale - MW/FTE doubled from 2018
- Real-time data from all plants globally 24/7 - remote monitoring and support
- Using state-of-the-art analytics to detect and mitigate underperformance of our PV plants



Improving cost, design and performance for future solar plants

Bi-facial solar panels

- 390 MW Benban project, Egypt - world's largest solar plant using bi-facial panels
- Test- and production data enables design optimisation of new plants

Larger PV modules

- 500Wp+ modules available
- Working with leading vendors to implement the latest technology
- Further reduction of capex and LCOE*

Self-powered trackers

- Incudes wireless communication
- Enables cost reduction and simpler installation and commissioning

Joint initiatives

- Improve operations' efficiency and plant design
- Cooperation with universities and research institutes
- Examples: AI & machine learning, floating solar and bi-facial characteristics

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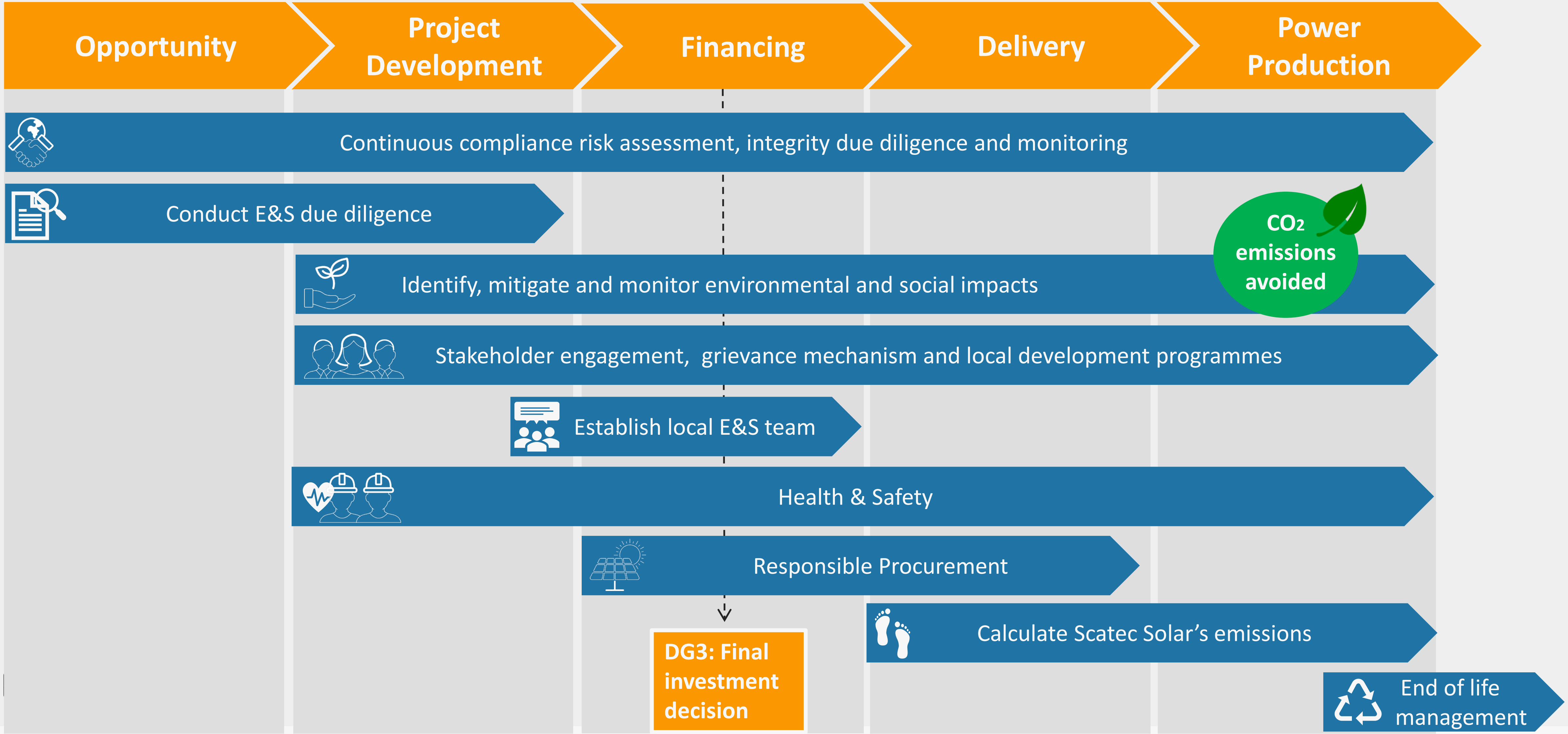
*LCOE: Levelised cost of energy

Environmental, Social & Governance (ESG) is integrated in our operating model



Opportunity

Project Development

Financing

Delivery

Power Production

Continuous compliance risk assessment, integrity due diligence and monitoring

Conduct E&S due diligence

Identify, mitigate and monitor environmental and social impacts

CO_2 emissions avoided

Stakeholder engagement, grievance mechanism and local development programmes

Establish local E&S team

Health & Safety

Responsible Procurement

Calculate Scatec Solar's emissions

DG3: Final investment decision

End of life management

Sustainability
Key ambitions 2020:

22 sustainability targets for 2020

Responsible procurement

Engaging key suppliers to capture more of our value chain's total environmental impact

Climate action

Setting and pursuing an emission reduction target for our company

Climate reporting: Strategic priority and key stakeholder focus

2019

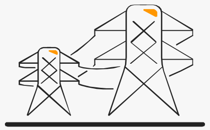
Scope 1

Vehicles & Equipment

Diesel generators

Transformer stations

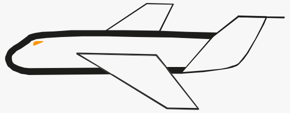
Scope 2



Purchased Electricity

Purchased Heating/Cooling

Scope 3



Business Air Travel

CO_2 emissions from our business 2019: **10,972 tons**

CO_2 emissions avoided from our solar plants in operation in 2019: **870,637 tons**

2020

Ambitions:

- Reporting on more indirect emissions in scope 3
- Engaging with several of our key suppliers to capture more of our total environmental impact

nextracker A Flex Company
PVH
Gamesa
GPTech
risen solar technology
LONGi Solar

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Financials

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Our priorities when investing in solar stay firm

Continue to stay selective
- Focus on value and risk adjusted returns
- Secure D&C margin – key for equity funding

Transactional and operational control
- Scatec Solar – the lead developer and investor

Debt & Equity partnerships
- Maximise return on equity and mitigate political risk

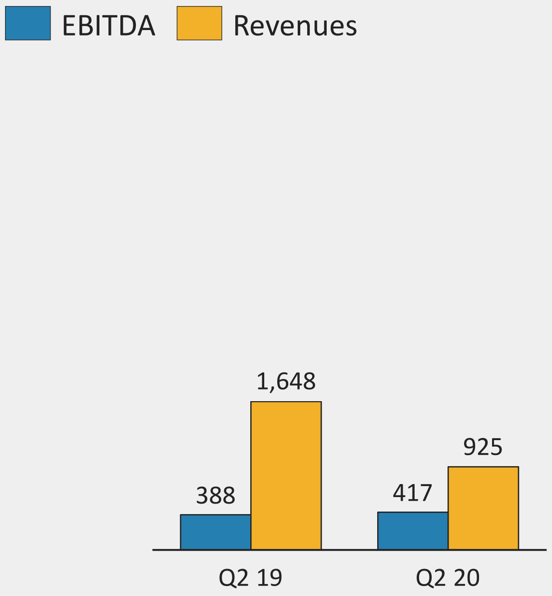
Capital structure approach remains unchanged
- Maximise leverage at the project level
- Moderate group level debt

Dividend policy stays firm
- Pay out 50% of free cash flow from operating power plants

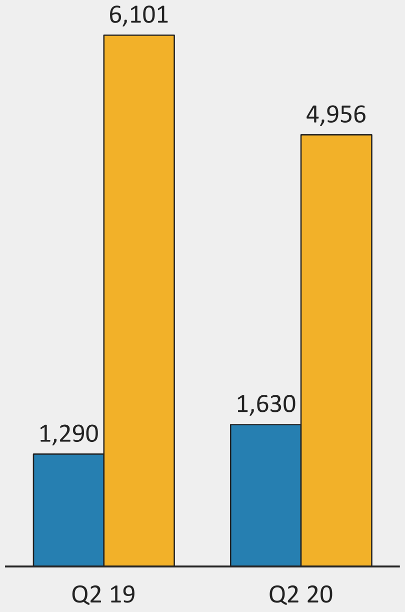
Continued growth in power production – steady operations

Proportionate financials

Quarterly (NOK million)



Last 12 months (NOK million)



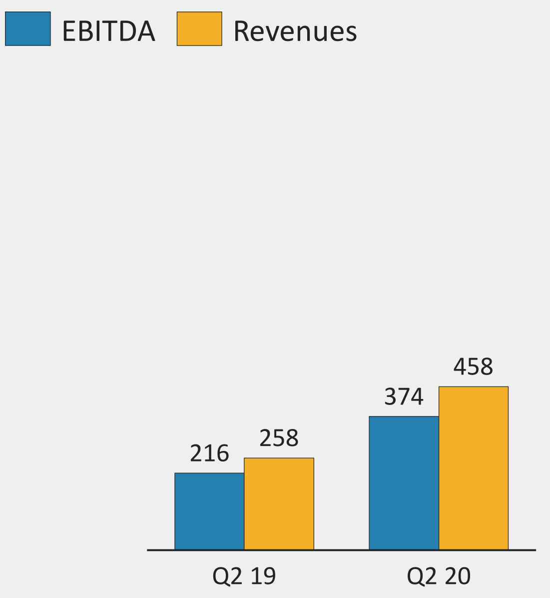
EBITDA	24%	45%	21%	33%

Second quarter 2020

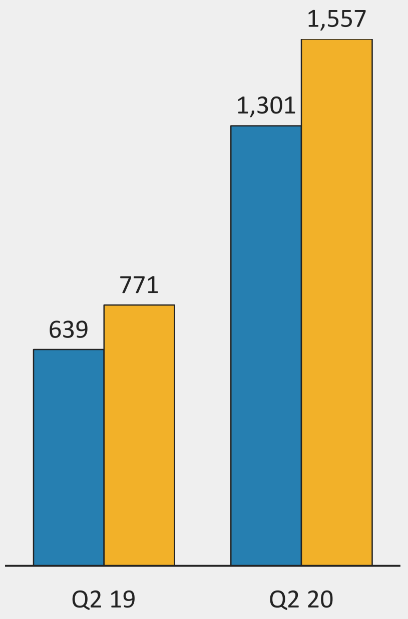
- Increased Power Production revenues and EBITDA as asset portfolio grows
- Change in segment mix resulting in EBITDA margin of 45% compared to 24% last year
- Unrealised currency loss of NOK 169 million in Q2 after a currency gain of NOK 320 million in Q1

Power production doubled – plant availability above 99%

Quarterly (NOK million)



Last 12 months (NOK million)



EBITDA	84%	82%	83%	84%

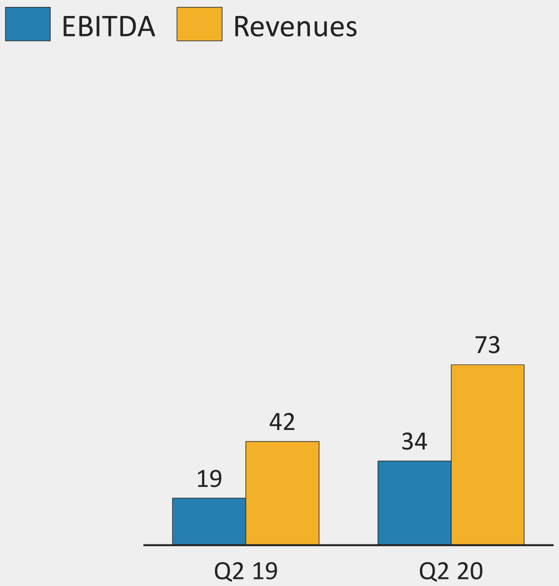
- 140 MW in South Africa and Ukraine reached commercial operation in Q2’20

The 258 MW Upington project in South Africa.

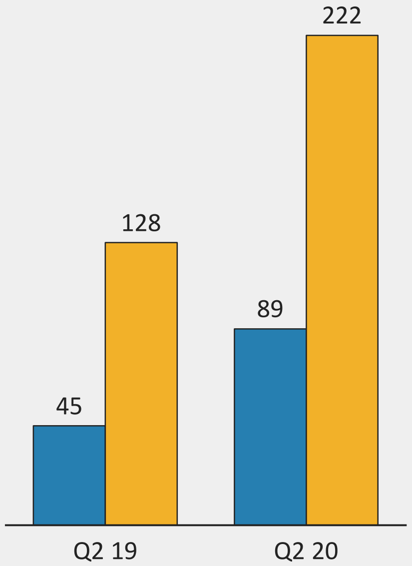
Services

EBITDA increased with a larger asset portfolio and revenues catch up

Quarterly (NOK million)



Last 12 months (NOK million)



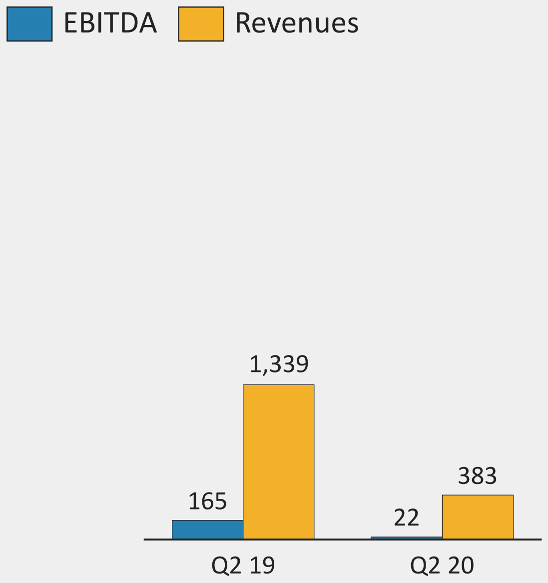
EBITDA	45%	47%	35%	40%

- Includes revenues catch up of NOK 14 million

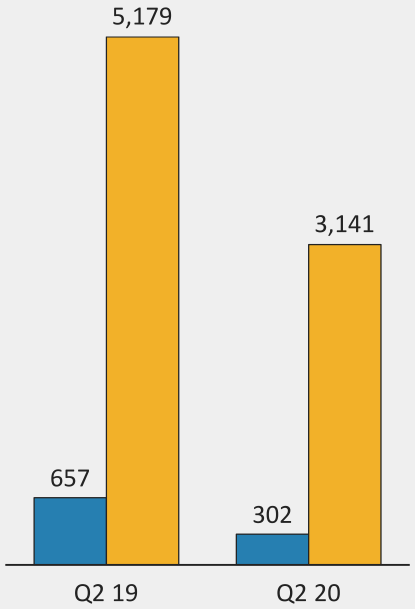
Development & Construction

Lower construction activity before starting a new wave of projects

Quarterly (NOK million)



Last 12 months (NOK million)



Gross margin	14%	14%	15%	14%
EBITDA	12%	6%	13%	10%

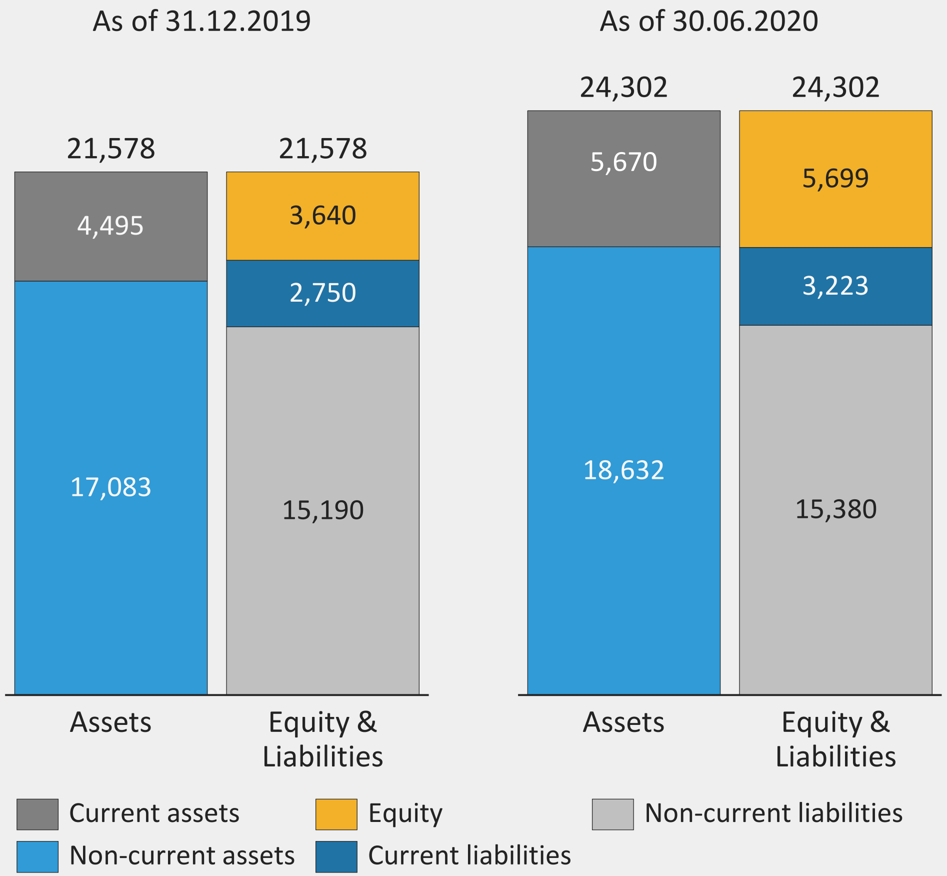
The 47 MW Redsol project in Malaysia.

Ready for further investments – NOK 3.6 billion of available liquidity

- Group free cash of NOK 1,933 million
- Undrawn credit facilities of NOK 1,646 million
- Group* book equity of NOK 7,361 million – equity ratio 91%

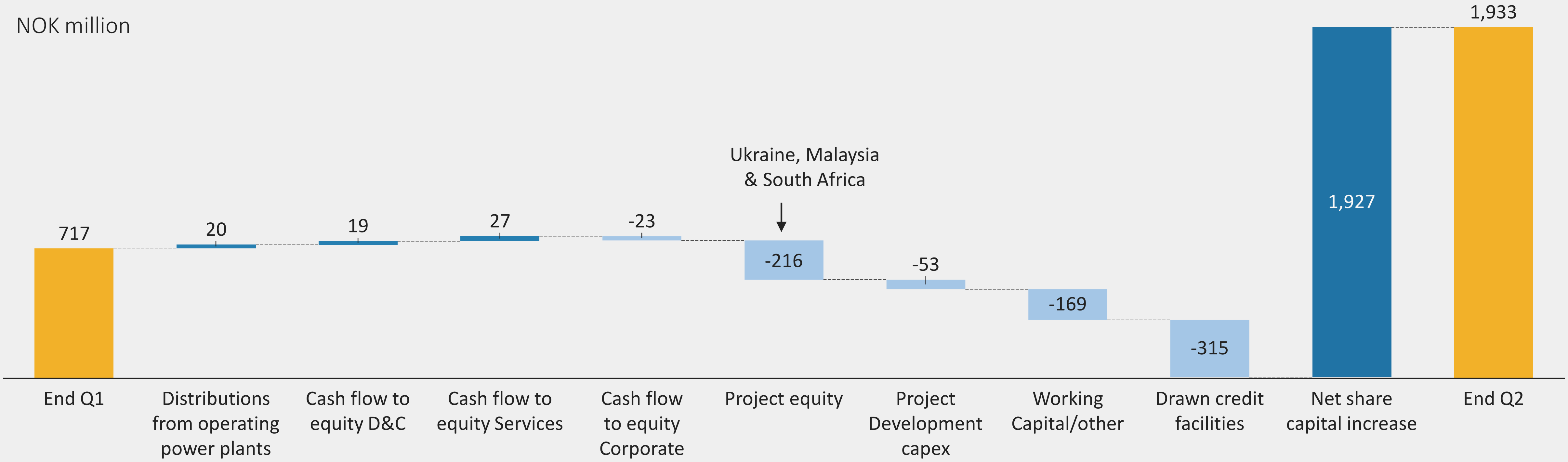
NOK million	Consolidated	SSO prop. share	Group level*
Cash	4,069	3,351	1,933
Interest bearing liabilities*	-13,937	-9,606	-747
Net debt	-9,868	-6,254	1,186

Consolidated financial position (NOK million)



*Defined as ‘recourse group’ in the corporate bond and loan agreements

Q2’20 movement of free cash



In addition: Undrawn credit facilites of NOK 1,646 million

Movement of cash in ‘recourse group’ as defined in the corporate bond and loan agreements.

Stable cash flows based on PPAs with public utilities and corporates

Power price & volume

- Tariffs fixed in long term contracts
- Take or pay all volume produced
- Shorter contract tenors in Release concept

Counterparty

- PPAs with state owned utilities
- Financing partners with strong government relations
- Political Risk Insurance in selected markets
- Corporate off takers with solid financial position and guaranteed payments

Interest rate

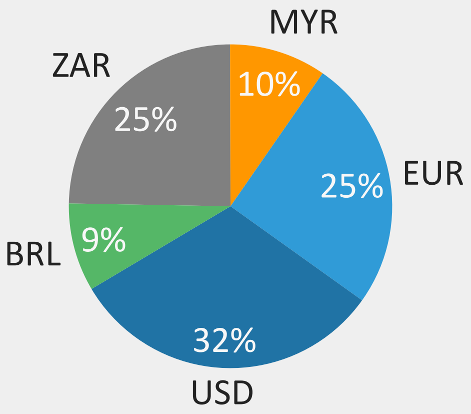
- Project finance debt with fixed interest of 10 years or more from grid connection

Currency

- Structuring of project debt in same currency as power sales revenues
- Inflation adjusted tariffs in PPA

A well diversified portfolio with PPA contract values of more than NOK 60 billion

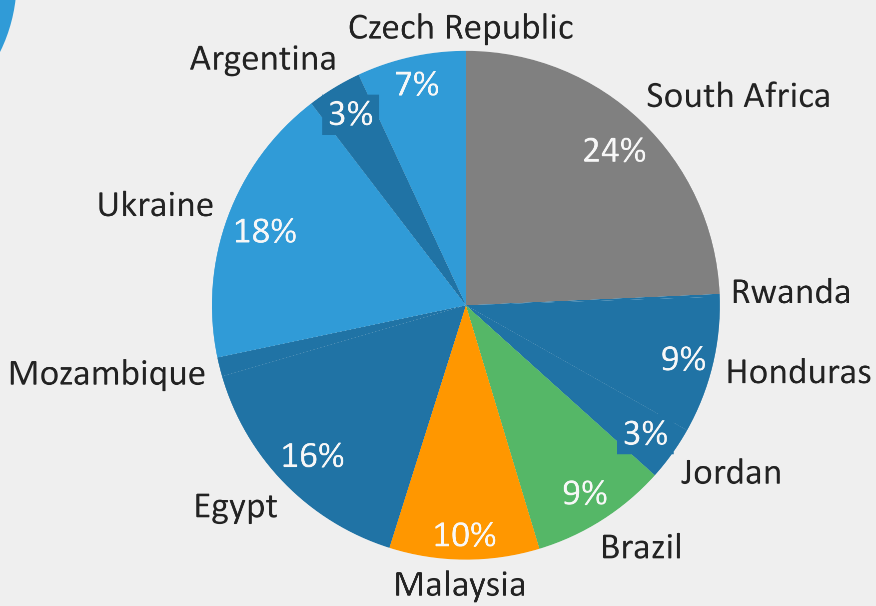
Portfolio currency split*:



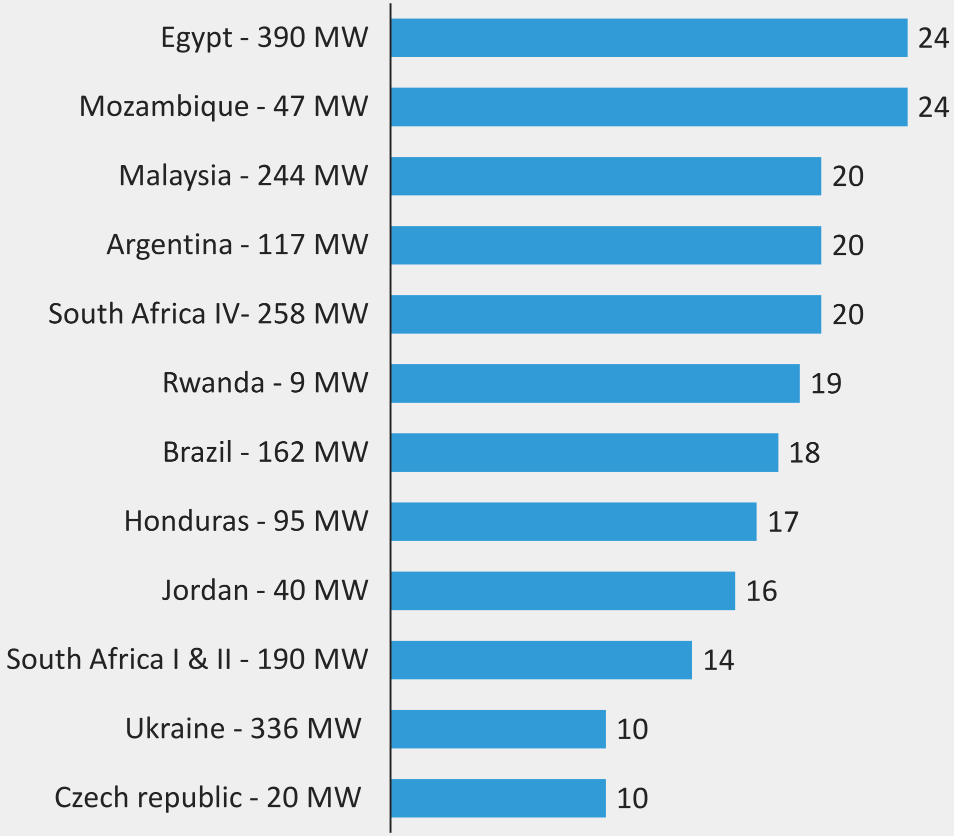
1.9 GW

in operation & under construction

Portfolio country split*:



19 years average remaining PPA tenor:



Expected plant lifetime of more than 35 years

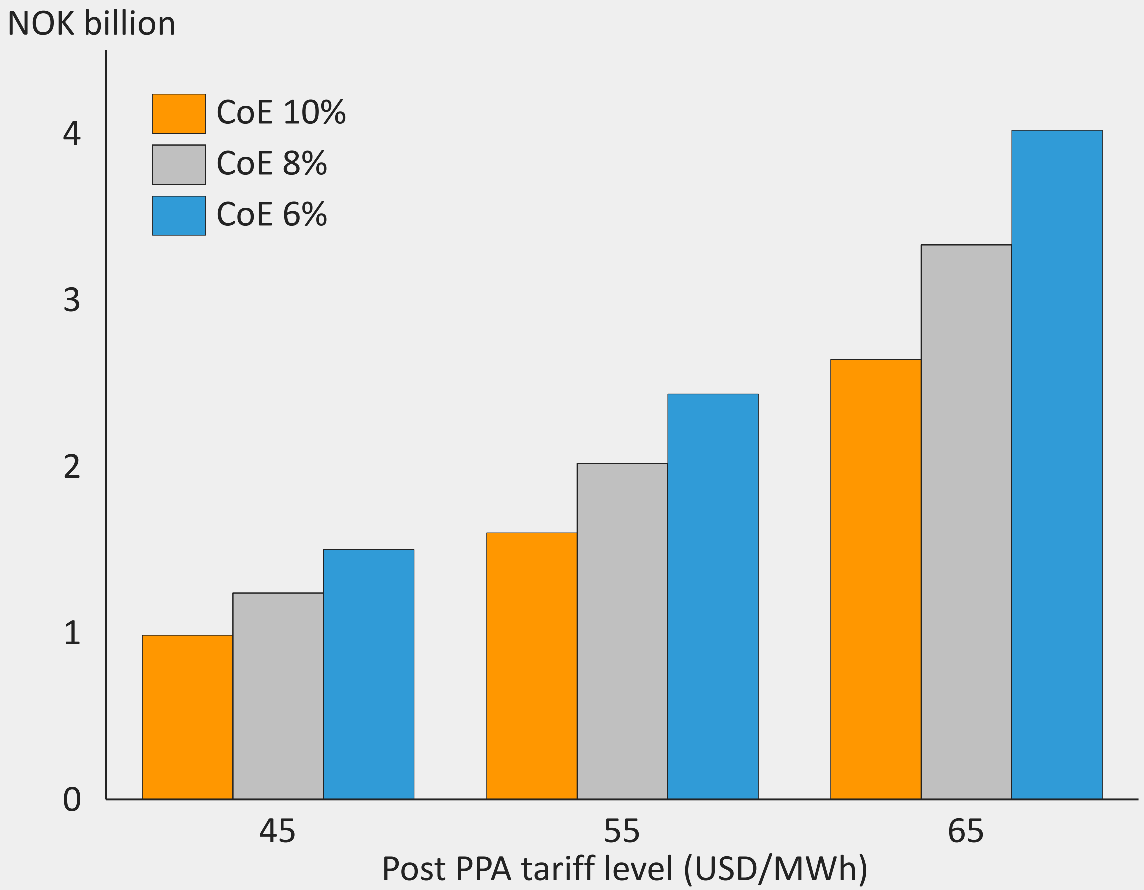
*Based on expected cash flow to equity.

A significant Post PPA value based on a plant life of 35+ years

Post PPA value:

- Power Purchase Agreements of 20-25 years
- Technical life of solar plants of 35+ years
- After 20 years the marginal cost of solar power production is very limited
    - Fully depreciated and debt free plants
    - No fuel cost
    - Limited cost of operation & maintenance
- Market power prices are expected continue to increase – especially across emerging markets

15 years of post PPA Equity Value for 1.9 GW*



(*) 2019 tariff value, 65% ownership, 2.5% inflation and 20% tax rate

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Outlook and guidance

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Short term guidance

- D&C value of portfolio under construction: NOK 1.1 billion
  - Remaining NOK 45 million value to be recognised
  - Lower D&C revenues in second half of 2020
- Power production from plants in operation end of Q2 2020:

GWh	Q2'20	Q3'20e	2020e
Proportionate	406	420-435	1,580-1,630
100% basis	738	770-800	2,900-3,000

- Services revenues is expected to reach NOK 240 million in 2020 with an EBITDA margin of around 35%.

The 35 MW Los Prados solar plant in Honduras.

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Power production doubled – progressing large project opportunities

- COVID-19: Short-term impact on project development
- Pipeline of 5.6 GW – several large additional opportunities
- Completing 399 MW in second half of 2020
- Assessing M&A opportunities
- Robust financial position
  - available liquidity of NOK 3.6 billion
- Targeting installed capacity* of 4.5 GW by end 2021

The 162 MW Apodi solar plant in Brazil.

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*In operation and under construction.

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Our asset portfolio – July 2020

In operation:

	CAPACITY MW	ECONOMIC INTEREST
Egypt: Benban	390	51%
South Africa: Upington	258	46%
Malaysia: Gurun, Jasin, Merchang	197	100%
South Africa: R1 & R2	190	45%
Brazil: Apodi Solar	162	44%
Ukraine: Rengy, Boguslav	101	77%
Honduras: Agua Fria, Los Prados I	95	51%
Jordan: EJRE/GLAE, Oryx	43	62%
Mozambique: Mocuba	40	53%
Czech Republic	20	100%
Rwanda: Asyv	9	54%
Total	**1,505**	**58%**

Under construction:

	CAPACITY MW	ECONOMIC INTEREST
Ukraine: Kamianka, Progressovka, Chigirin	289	96%
Argentina: Guañizuil	117	50%
Malaysia: Redsol	47	100%
Total	**399**	**82%**

Project backlog:

	CAPACITY MW	ECONOMIC INTEREST
Tunisia	360	65%
Ukraine	65	65%
Bangladesh	62	65%
Mali	33	64%
Total	**520**	**65%**

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