



Fourth quarter 2020

**Building a global  
renewable company**





## Disclaimer

The following presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated ('relevant persons'). Any person who is not a relevant person should not rely, act or make assessment on the basis of this presentation or anything included therein.

The following presentation may include information related to investments made and key commercial terms thereof, including future returns. Such information cannot be relied upon as a guide to the future performance of such investments. The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about, and observe, such restrictions. This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Scatec ASA or any company within the Scatec Group. This presentation contains statements regarding the future in connection with the Scatec Group's growth initiatives, profit figures, outlook, strategies and objectives as well as forward looking statements and any such information or forward-looking statements regarding the future and/or the Scatec Group's expectations are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.







# Agenda

- **Highlights and project update**

Raymond Carlsen, CEO

- **Financial review**

Mikkel Tørud, CFO

- **Market & outlook**

Raymond Carlsen, CEO

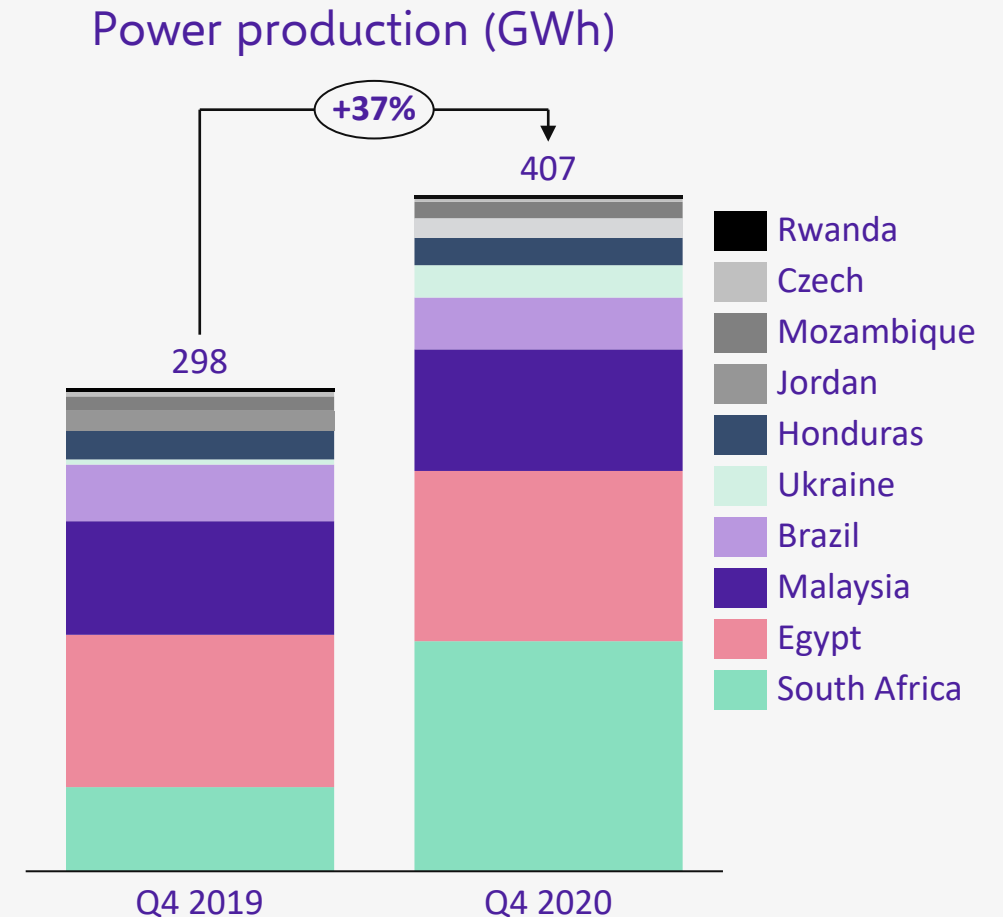




## Q4'20 Building a global renewable company

- Acquired SN Power, adding solid hydropower assets and an attractive project pipeline
- EBITDA\* of NOK 223 million in the quarter and NOK 1,306 million for FY 2020
- Started commercial operation of 79 MW
- Added 150 MW to project backlog, project pipeline increased to 10 GW
- Raised equity of NOK 4,750 million to fund the SN Power acquisition and further growth
- The Board proposes dividends of NOK 1.09 per share

(\*) EBITDA and other alternative performance measures (APMs) are defined and reconciled as a part of the APM section of the fourth quarter report on pages 35-38.







## 2020: A transformational year



Broadened growth  
strategy and  
acquisition of SN Power

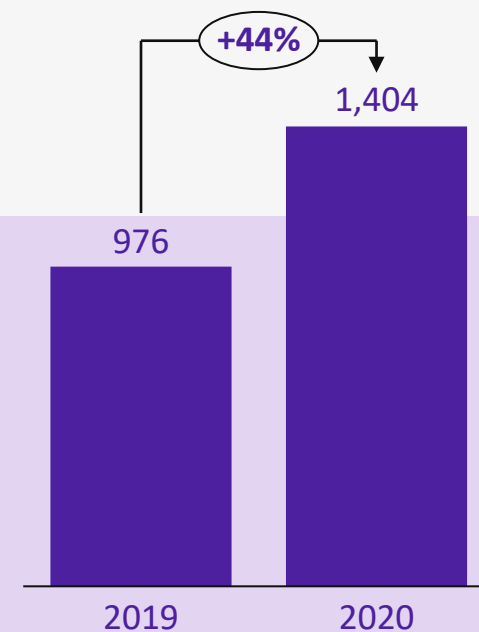


Grid connected:  
391 MW  
Power  
production:  
1,602 GWh



Strong ESG performance:  
Top ratings from  
leading agencies

Power Production EBITDA  
(Proportionate, NOK million)





## A frontrunner in renewable energy



**1.9 GW**  
Solar<sup>1</sup>



**1.4 GW**  
Hydro



**39 MW**  
Wind

## Acquisition of SN Power completed Key figures



**4.1**  
**TWh<sup>2</sup>**

**Power production**



**485**

**Employees**



**4,406**  
**MNOK**

**2020 revenues**



**2,398**  
**MNOK**

**2020 EBITDA**

(1) In operation or under construction. Gross capacity

(2) Median production when all plants are in full operation from first half of 2021.



## First wind farms added to portfolio

- Acquisition of the 39 MW Dam Nai wind project in Vietnam closed last week
- The two wind farms started operations in October 2017 & December 2018
- Average annual generation of 123 GWh - expected annual revenues of USD 10.5 million under the 20-year FiT







# 150 MW Sukkur project in Pakistan

- Key project information:
  - Capex est. USD 100 million
  - Annual production: 300 GWh
  - Annual revenues: USD 11 million
  - Ownership: Scatec 75%, Nizam Energy 25%
- Scatec to provide EPC, O&M and Asset Management Services to the project
- 75% project finance from FMO and Faysal Bank
- Start of construction expected in 1H 2021





# Conducting business during COVID-19

## Key reflections 2020

- Essential infrastructure - all plants in full operation
- Continued to pursue new business opportunities
- COVID-19 monitoring task force
- Strong local presence - committed to play an important role also in challenging times
- Relief efforts related to COVID-19 established through our network channels and extended programmes
- Local development programmes continued according to plan







## Climate reporting

- 1 Carbon Disclosure Project:  
Score in 2020: A
- 2 Climate target and ambitions
- 3 Established closer dialogue  
with key suppliers



**As a Climate A List company,  
we're leaders in climate  
transparency and action**





# Financial review

Mikkel Tørud, CFO

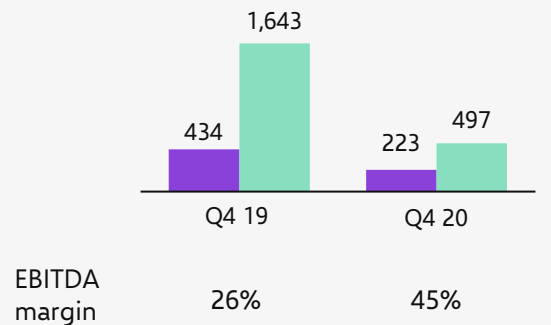


# Increased power production – project pipeline and backlog maturing

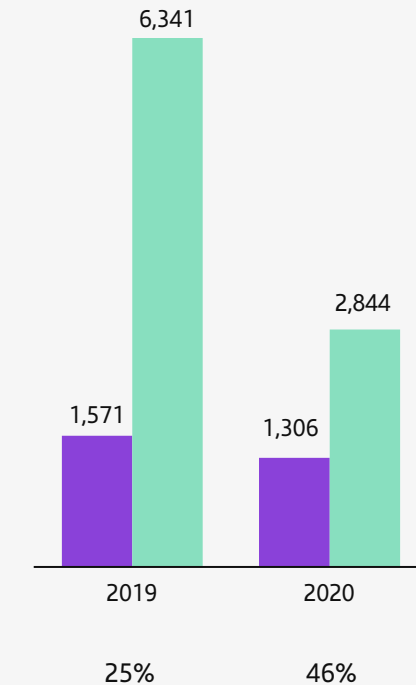
## Proportionate financials

### Quarterly (NOK million)

■ EBITDA ■ Revenues



### Last 12 months (NOK million)



## Fourth quarter 2020

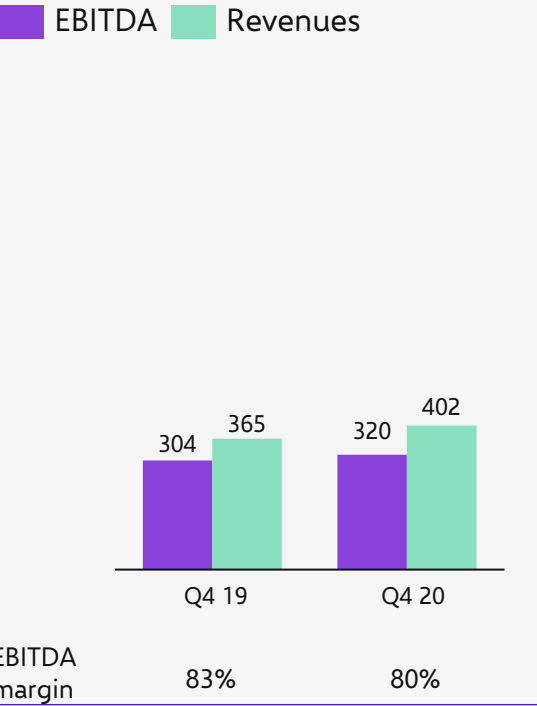
- Year on year increase in Power Production revenues and EBITDA
- Continued strong focus on project development - total capex and opex spend of NOK 67 million
- Limited revenues and gross margin in the D&C segment
- SN Power transaction cost of NOK 47 million
- Revaluation of the Group's significant USD cash position to NOK at year-end, lead to a currency loss of NOK 480 million



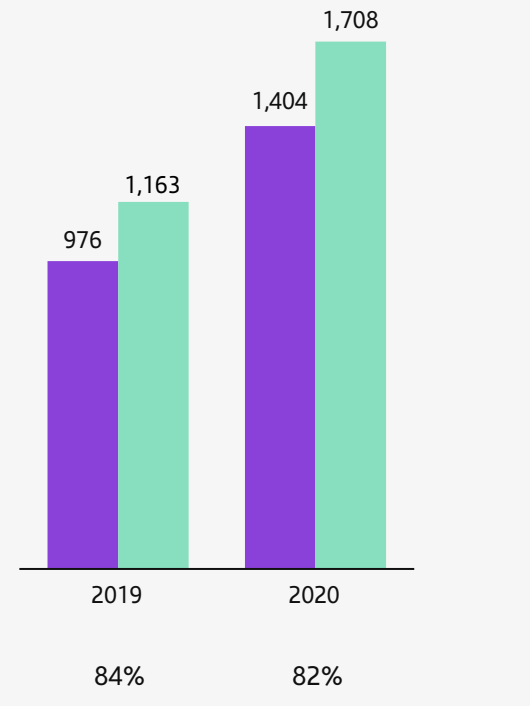
# Power Production

## Steadily increasing power production

Quarterly (NOK million)



Last 12 months (NOK million)



Year on year increase in production mainly from South Africa, Ukraine and Malaysia.





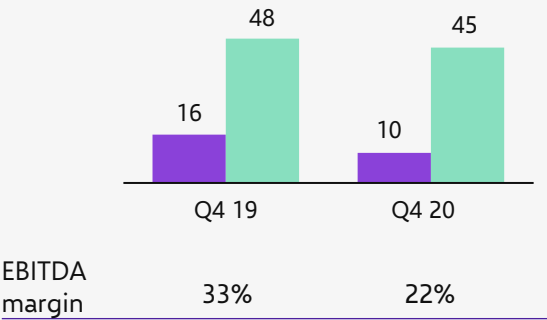


# Services

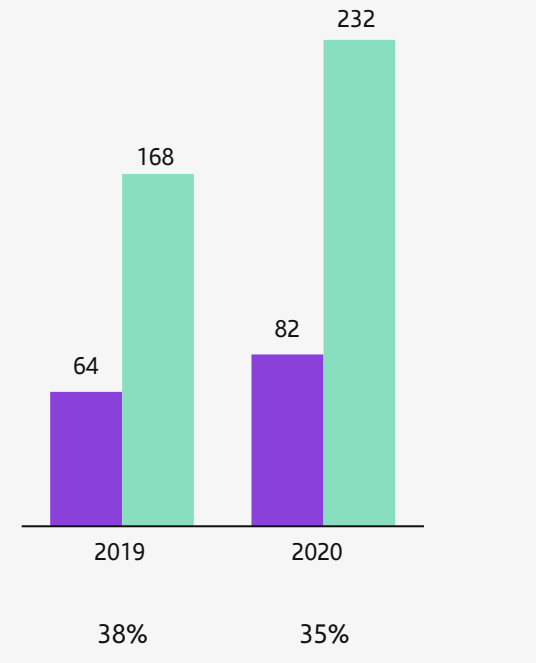
## Financials impacted by seasonal variations

Quarterly (NOK million)

EBITDA Revenues



Last 12 months (NOK million)



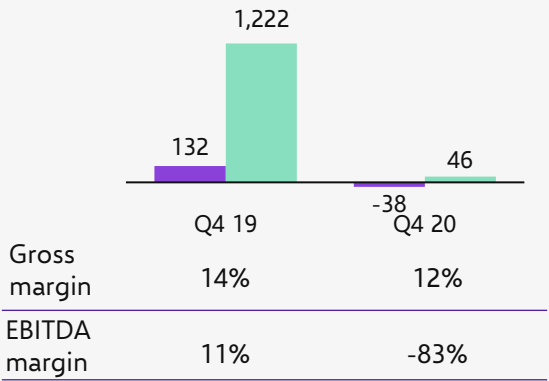


# Development & Construction

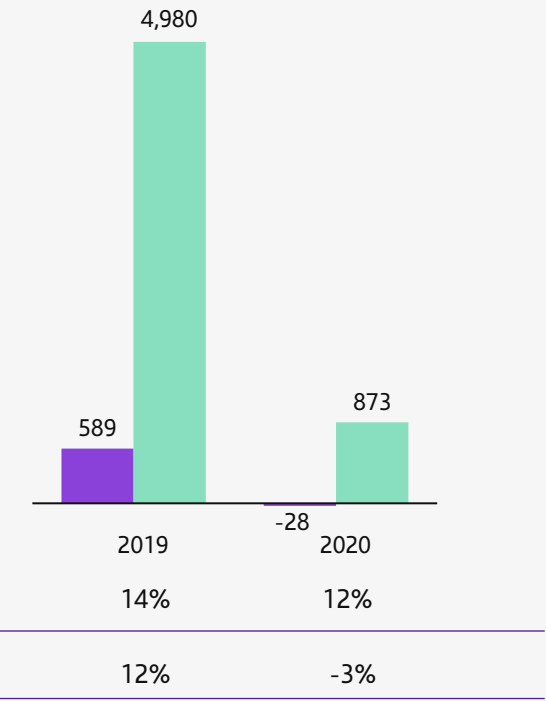
## Project pipeline & backlog maturing

Quarterly (NOK million)

EBITDA Revenues



Last 12 months (NOK million)





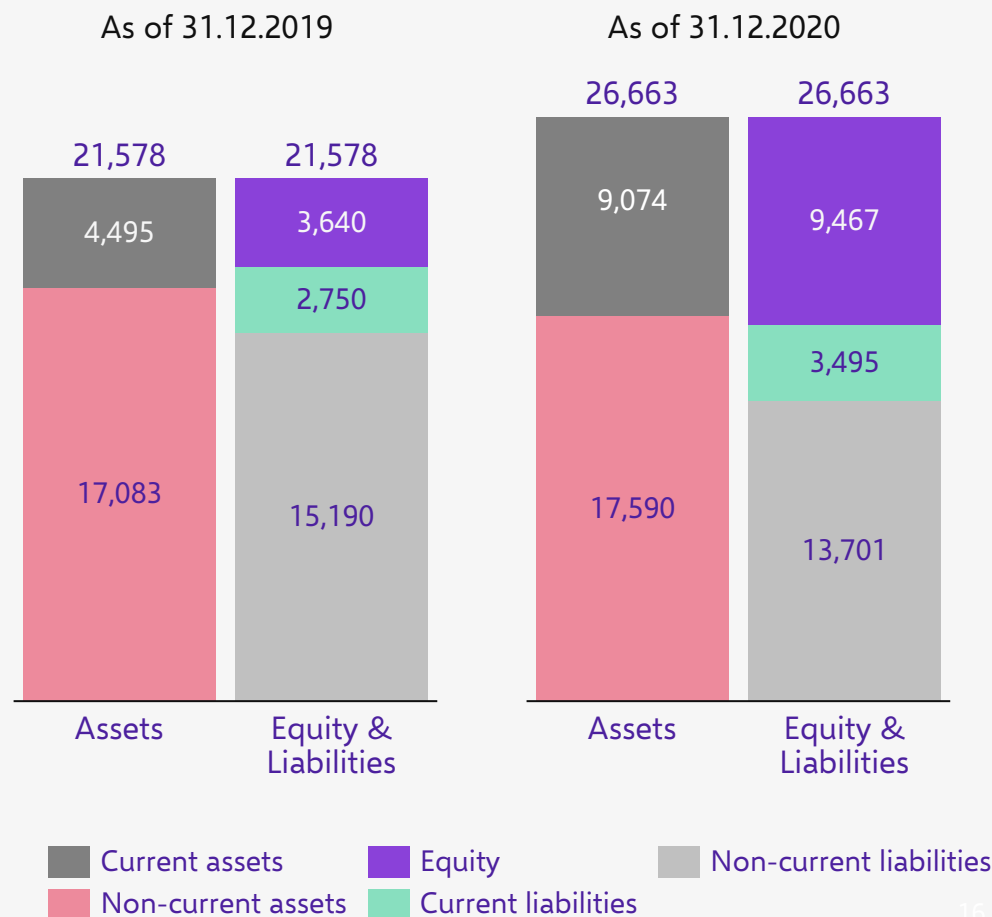
## A solid financial position

- Group free cash of NOK 5,949 million
- Raised equity of gross NOK 4,750 million to fund the SN Power acquisition and further growth
- Group\* book equity of NOK 11,196 million – equity ratio of 94%

NOK million	Consolidated	Scatec prop. share	Group level*
Cash	7,788	1,805	5,949
Interest bearing liabilities*	-12,860	-7,455	-748
Net debt	-5,223	-5,650	5,201

(\*) Defined as 'recourse group' in the corporate bond and loan agreements.

## Consolidated financial position (NOK million)

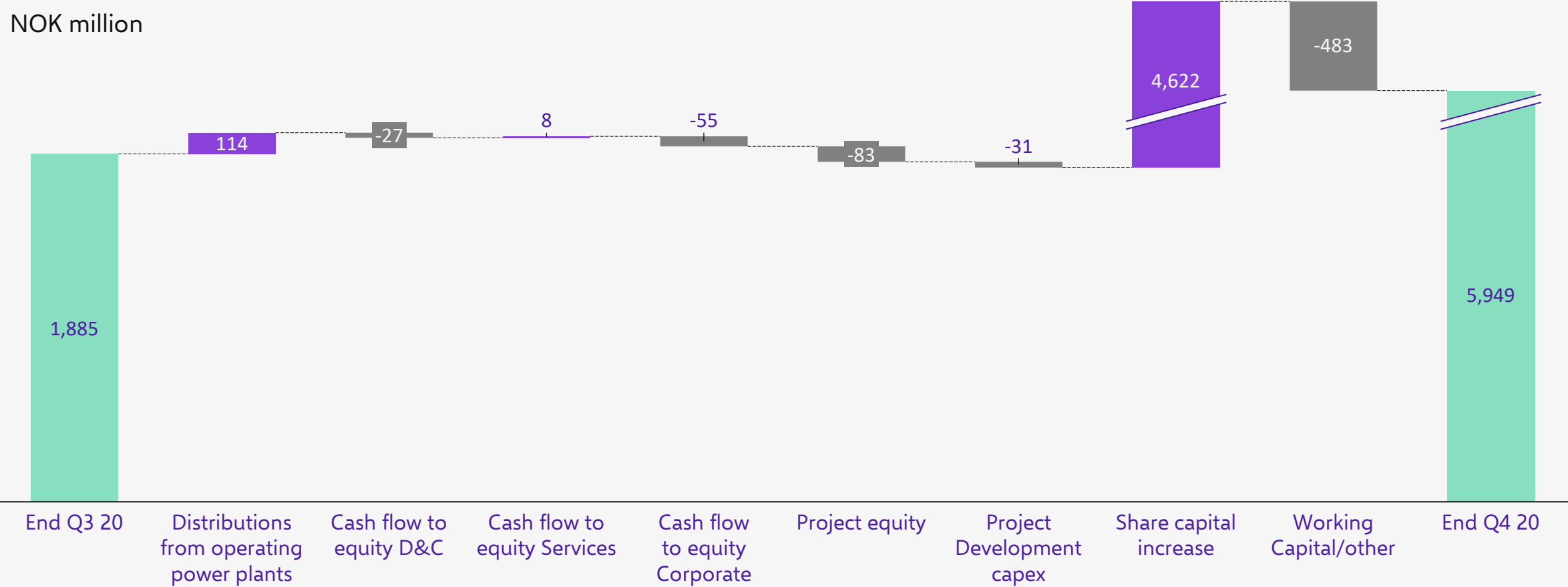






# Q4'20 movement of the Group's free cash

NOK million



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



# 2020 Dividend proposal

## Dividend Policy

- The Group's objective is to pay shareholders consistent and growing cash dividends
- Scatec pays dividends representing 50% of free cash distributed from producing power plants

## Proposed dividend for 2020

- Scatec received distributions from operating power plant companies of NOK 346 million in 2020
- The Board of Directors propose a dividend of NOK 1.09 per share, totalling NOK 173 million for 2020





## Short term guidance

- No material D&C revenues expected until projects currently in backlog move into construction
- Power production from plants in operation end of Q4 2020 (excluding SN Power):

GWh	Q4'20	Q1'21e	2021e
Proportionate	407	425-445	1,750-1,790
100% basis	756	770-800	3,120-3,220

- Services revenues is expected to reach NOK 270 million in 2021 with an EBITDA margin of around 30%

The guidance above is for Scatec's operations before closing of the SN Power transaction.



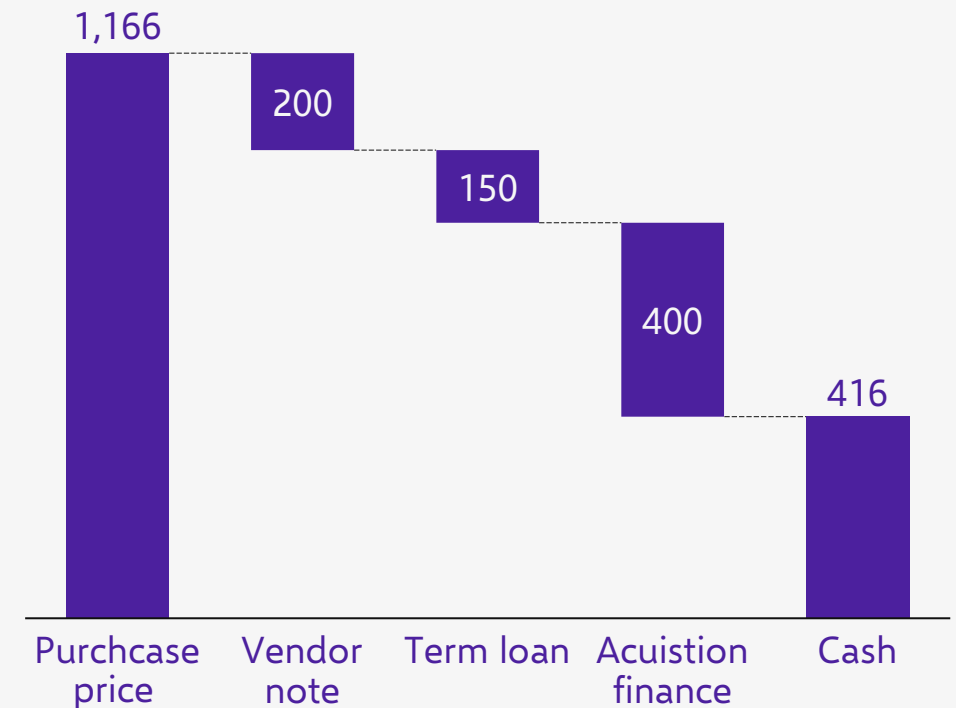




## SN Power Acquisition closing & financing

- Scatec closed the USD 1,166 million acquisition of SN Power from Norfund on 29 January 2021
- The transaction is financed cash and debt facilities:
  - USD 200 million vendor note: Interest step up after 7 years, flexible interest payment, unsecured and subordinated
  - USD 150 million 4-year senior secured Green Term Loan
  - USD 400 million 18-months Acquisition Finance
- Customary purchase price adjustments to be settled in 2021
- Scatec liquidity post transaction of approx. NOK 3.9 billion
  - Including USD 180 million Green Revolving Credit Facility

**SN Power financing – USD million:**



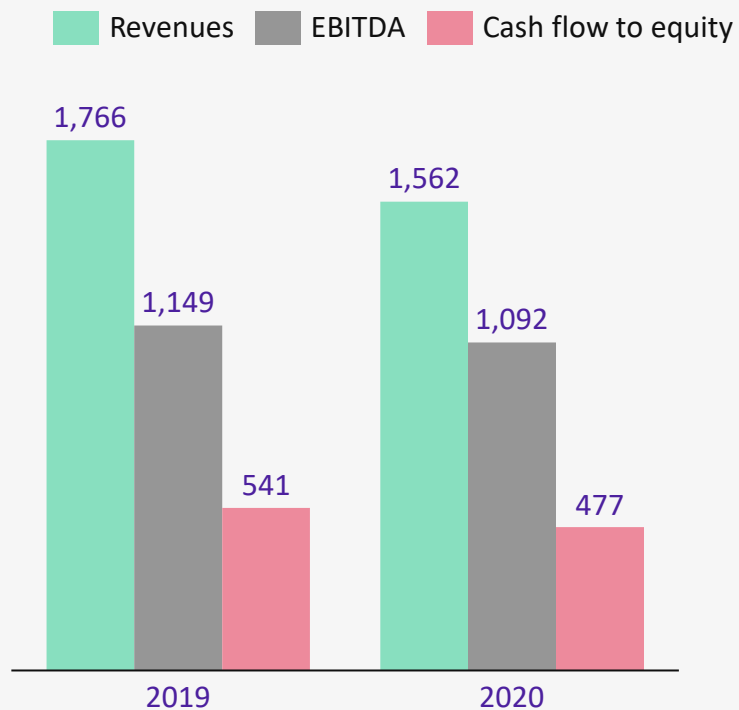




## SN Power 2020 results: Financial performance impacted by hydrology and COVID

### SN Power proportionate financials

NOK million\*



(\*) Unaudited financial results for SN Power and the assets acquired by Scatec.

### Comments

- Low operational gearing and high cash conversion
- A mix of contract types are stabilising cash generation
- Well maintained assets with limited capex expected in the medium term

### 2020 performance

- 2020 production of 4,888 GWh (100%) and 1,443 GWh (net)
- Reduced water in-flow in first 9 months, improved at year end
- Covid-19 impacting power demand and prices in the Philippines

### Hydropower guidance

- Median annual production of 6,100 GWh (100%) and 1,800 GWh (net)
- Further details and guidance on SN Power financials and pipeline to be provided at Capital Markets Update 23 March 2021



# Market & outlook

Raymond Carlsen, CEO

# The world can be powered by renewables in 2050

60%

increase in global  
electricity demand

75%

demand covered by  
renewables

Fossil from 64%  
to 20% market  
share

Solar, wind hydro  
& storage share of  
energy mix from  
36% to 73%

91%

Consumption growth  
non- OECD-countries





## Increasing project pipeline to 10 GW – including 2.5 GW from SN Power



### Latin America



### Africa & Middle East



3,862 MW

### Europe & Central Asia



### Rest of Asia



3,548 MW

All figures are as of Q4 2020 reporting date. Numbers representing project pipeline after closing of SN Power acquisition.

# Combining floating solar and hydropower to achieve lowest cost RE-baseload

## Floating solar becoming mainstream technology

- Attractive cost roadmap
- Limited land use
- Positive cooling and evaporation effects



*Philippines: Test facility on Magat dam*

## Particularly attractive on hydropower reservoirs

- Shared infrastructure, interconnection and operations
- Optimising production of hydro and solar when available
- Utilising the valuable, dispatchable hydropower when needed



*Laos: THPC 525 MW hydropower plant*



# Significant project opportunities in key pipeline markets



## Brazil

### Development status

- Large PV project in mature stage
- Partnerships with large energy companies
- MoU with Hydro and Equinor

### Market opportunities

- Auctions
- Corporate PPAs
- Merchant market



## India

### Development status

- Negotiating participation in large projects
- Preparing for future tenders

### Market opportunities

- A large growth market
- Acquisition of 'Ready To Build' projects
- State and regional tenders



## South Africa

### Development status

- Large ready to bid portfolio
- Permits to also include batteries
- Wind portfolios under negotiation

### Market opportunities

- RMIPPP\* - bid submitted
- REIPPP\* Round 5 and following
- Corporate PPAs



## Vietnam

### Development status

- Broad set of projects pursued across solar, floating solar, wind and near-shore wind
- Dam Nai wind farm acquired

### Market opportunities

- Targets 20+ GW by 2025
- FiT for wind beyond 2021
- +5 GW solar tender expected

(\*) RMIPPP: Risk Mitigation IPP Procurement Program. REIPPP: Renewables IPP Procurement Program

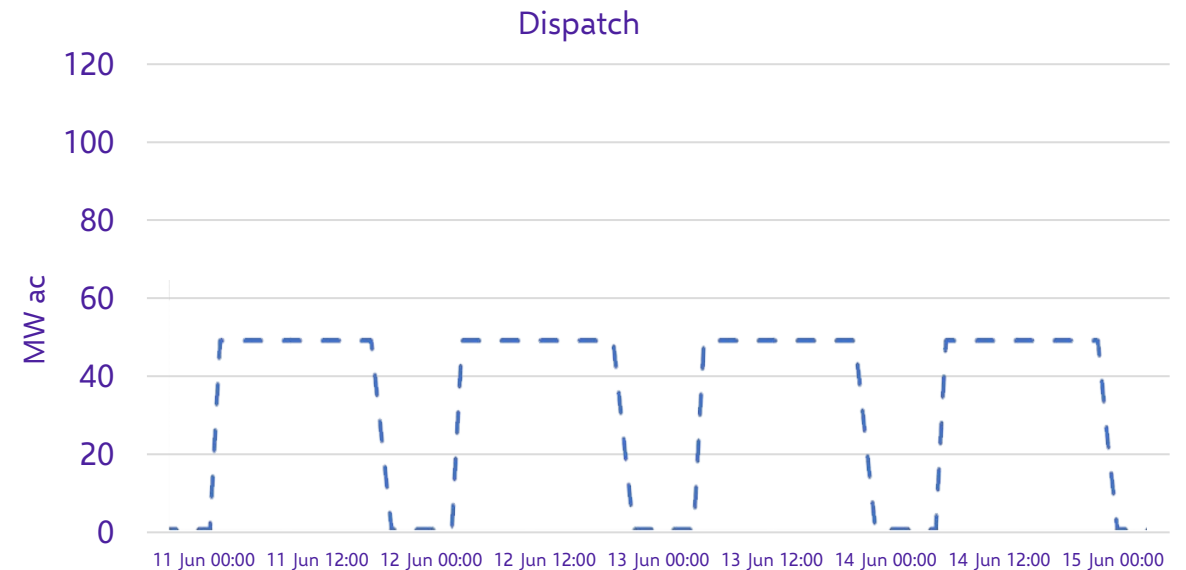




# Dispatchable Energy in South Africa

- South Africa continues to struggle with a constrained power supply
- A technology neutral tender was launched in 2020, aiming to add 2 GW of dispatchable power to the grid (RMIPP)
- Dispatch of Contracted Capacity is required between 5:00 am and 21:30 pm (16.5 hours) – all year
- System required to be grid connected and fully operational within 12-18 months of Financial Close.
- Sites and permits must be “ready-to-build” as only 4 months is allowed from tender award to Financial Close.

## RMIPP: Dispatchable power requirement

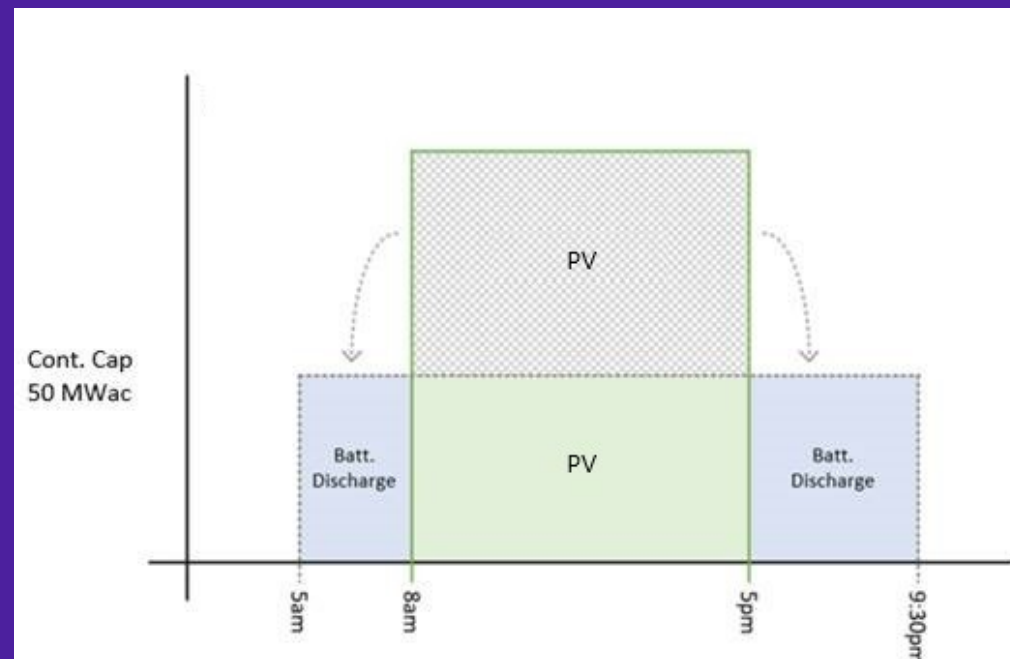




## Scatec has offered a large scale PV + battery solution

- Scatec submitted three renewable energy bids totalling 150 MW of dispatchable capacity
- BESS will supply early morning and late afternoon and address the technical requirements by the customer
- Oversizing (3x-4x) the PV system and BESS system to cater for mornings & evenings, weather phenomena, interannual and seasonal variations
- Dispatchable renewables will gain meaningful traction globally in the coming years and Scatec is well position to support this shift

### RMIPP: Scatec PV + battery solution





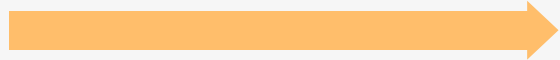
# Building a global leader in renewable energy

*Where we come from*

**Regional solar developer/IPP**



Solar

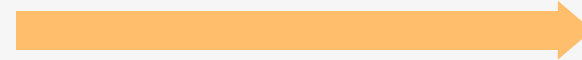


*Where we are now*

**Global top-tier developer/IPP**



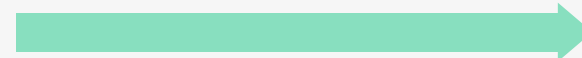
Solar



Hydro



Wind



Storage



*Where we are going*

**A global multi-technology renewables developer/IPP**



Solar



Hydro



Wind



Storage







# Building a global renewable company

- SN Power transaction closed – adding solid hydropower assets and attractive project pipeline
- Solid financial position - available liquidity of NOK 3.9 billion post transaction
- Project backlog & pipeline increased to 10.5 GW
- Targeting installed capacity\* of 4.5 GW by end 2021
- Capital Markets Update 23 March 2021

(\*) In operation or under construction.



