



Scatec

First
quarter

2021



About Scatec

Scatec is a leading renewable power producer, delivering affordable and clean energy worldwide. As a long-term player, Scatec develops, builds, owns and operates solar, wind and hydro power plants and storage solutions. Scatec has more than 3.5 GW in operation and under construction on four continents and more than 500 employees. The company is targeting 15 GW capacity in operation or under construction by the end of 2025. Scatec is headquartered in Oslo, Norway and listed on the Oslo Stock Exchange under the ticker symbol 'SCATC'. To learn more, visit www.scatec.com.

Asset portfolio ¹⁾

	Technology	Capacity MW	Economic interest ²⁾
In operation			
Philippines	☼	642	50%
Laos	☼	525	20%
South Africa	☼	448	45%
Egypt	☼	380	51%
Uganda	☼	255	28%
Malaysia	☼	244	100%
Brazil	☼	162	44%
Ukraine	☼	133	73%
Honduras	☼	95	51%
Jordan	☼	43	62%
Mozambique	☼	40	53%
Vietnam	☼	39	100%
Czech Republic	☼	20	100%
Rwanda	☼	9	54%
Total		3,035	48%
Under construction			
Ukraine	☼	203	100%
Pakistan	☼	150	75%
Argentina	☼	117	50%
Mexico	☼	9	100%
Total		479	78%
Projects in backlog			
Tunisia	☼	360	55%
Brazil	☼	101	40%
Ukraine	☼	65	65%
Bangladesh	☼	62	65%
Mali	☼	33	64%
Lesotho	☼	20	48%
Total		641	55%
Grand total		4,155	53%
Projects in pipeline		11,098	

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 has economic interests.

Power Production

The power plants produce electricity for sale primarily 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 18 years. The electricity produced from the power plants in the Philippines is sold on bilateral contracts and the spot market, under a renewable operating license. Also, ancillary services make up a significant part of the total revenues in the Philippines.

Services

The Services segment comprises Operations & Maintenance (O&M) and Asset Management services provided to power plants where Scatec 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.

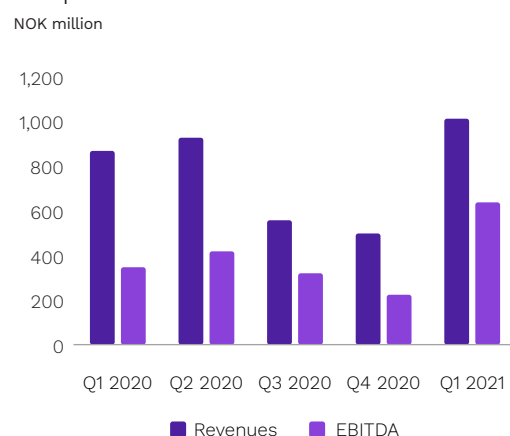
1) Asset portfolio as per reporting date.

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

Q1'21 – Strong growth and solid cash flow generation

- Acquisition of SN Power completed
– the hydro assets contributing to strong growth
- Power production of 854 (349) ¹⁾ GWh and EBITDA of NOK 636 (346) million.
- Power Production cash flow to equity NOK 681 (107) million including refinancing proceeds
- Start construction of 150 MW solar plant in Pakistan
- 2025 growth target announced – 15 GW capacity and investments of NOK 100 billion

Proportionate revenues and EBITDA



Key figures

NOK million	Q1 2021	Q4 2020	Q1 2020	FY 2020
Proportionate Financials ²⁾				
Revenues and other income	1,010	497	866	2,844
Power Production	924	402	391	1,708
Services	56	45	52	232
Development & Construction	24	46	414	873
Corporate	6	5	8	33
EBITDA ²⁾	636	223	346	1,306
Power Production	704	320	331	1,404
Services	17	10	16	82
Development & Construction	-60	-38	15	-28
Corporate	-25	-69	-16	-153
Operating profit (EBIT)	406	63	206	690
Net interest- bearing debt ²⁾	14,934	1,851	8,139	1,851
Scatec proportionate share of cash flow to equity ²⁾	571	-22	107	324
Power Production (GWh)	854	407	349	1,602
Power Production (GWh) 100% ³⁾	2,147	756	623	2,911
Consolidated Financials				
Revenues and other income	831	679	625	2,754
EBITDA ²⁾	631	448	503	2,069
Operating profit (EBIT)	444	244	328	1,292
Profit/(loss)	42	-561	299	-368
Net interest- bearing debt ²⁾	14,744	5,223	12,038	5,223
Basic earnings per share	0.11	-4.10	1.87	-3.51

1) Amounts from same period last year in brackets

2) See Alternative Performance Measures appendix for definition

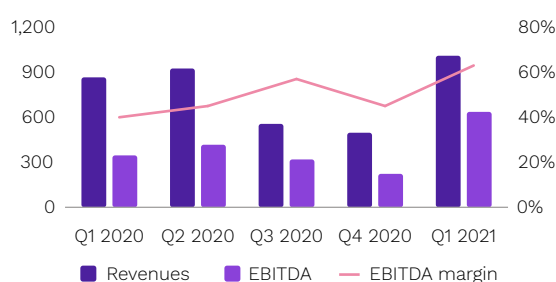
3) Production volume on a 100% basis from all entities, including JV companies.

Group – Proportionate financials

NOK million	Q1 2021	Q4 2020	Q1 2020	FY 2020
Revenues and other income	1,010	497	866	2,844
Gross Profit	907	457	497	2,080
Operating expenses	-271	-234	-151	-775
EBITDA ¹⁾	636	223	346	1,306
EBITDA margin ¹⁾	63%	45%	40%	46%
D&A and impairment	-230	-160	-140	-615
EBIT	406	63	206	690
Cash flow to equity ¹⁾	571	-22	107	324

Proportionate revenues and EBITDA

NOK million



1) See Alternative Performance Measures appendix for definition.

The Group's revenues increased compared to the same quarter last year, from inclusion of the SN Power assets in January 2021 combined with new solar plants in operations, partly offset by lower construction activity.

The increase in operating expenses and depreciation compared with same quarter last year is mainly driven by the new power plants in the portfolio.

With a larger portfolio of power plants in operation, both revenues and EBITDA increased in the Power Production segment, while decreasing in the Development & Construction segment due to low construction activity in the quarter. This segment mix resulted in a higher EBITDA margin for the Group compared with the previous quarter.

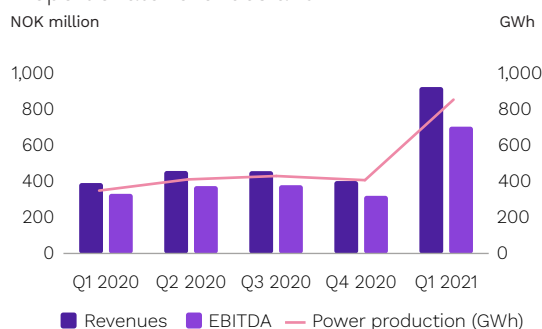
Cash flow to equity increased compared to the same quarter last year, primarily explained by the factors above in addition to NOK 397 million from refinancing of assets in the Philippines. See page 10 for further comments on cash flow to equity.

Power Production – Proportionate financials

NOK million	Q1 2021	Q4 2020	Q1 2020	FY 2020
Revenues and other income	924	402	391	1,708
Gross profit	844	402	391	1,708
Operating expenses	-140	-81	-60	-304
EBITDA ¹⁾	704	320	331	1,404
EBITDA margin ¹⁾	76%	80%	85%	82%
D&A and impairment	-221	-149	-125	-566
EBIT	483	171	206	838
Cash flow to equity ¹⁾	681	53	105	427

Proportionate revenues and EBITDA

NOK million



1) See Alternative Performance Measures appendix for definition.

The capacity increased by 1,461 MW (including the SN Power assets) from year end 2020, and increased production is the main reason for higher revenues and EBITDA. Cash flow to equity also includes NOK 397 million that stems from debt refinancing of assets in the Philippines.

Power production reached 854 GWh in the first quarter compared to 349 GWh in the same quarter last year, while revenues and EBITDA increased by NOK 532 million and NOK 373 million respectively.

The financial performance of the hydropower plants was strong in the quarter with production above median expectation, mainly due to favorable hydrology and higher power prices in the Philippines.

Revenues and EBITDA from solar plants remained stable compared to the same quarter last year, somewhat offset by increased asset ownership costs.

See page 15 for a specification of financial performance for each country in the portfolio.

Services – Proportionate financials

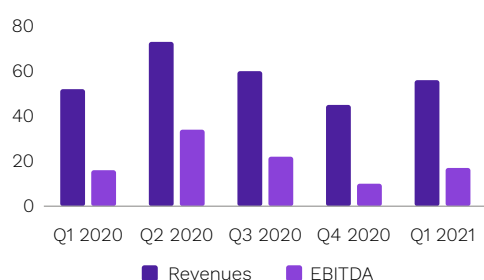
NOK million	Q1 2021	Q4 2020	Q1 2020	FY 2020
Revenues and other income	56	45	52	232
Operating expenses	-39	-35	-36	-150
EBITDA ¹⁾	17	10	16	82
EBITDA margin ¹⁾	30%	22%	31%	35%
D&A and impairment	-1	-1	-1	-3
EBIT	16	9	15	79
Cash flow to equity ¹⁾	14	8	13	65

The revenues in the Services segment increased from the previous quarter due to the inclusion of revenues related to services rendered to the hydropower plant in Laos.

Operating expenses in the segment mainly constitute fixed expenses such as personnel and recurring maintenance cost reflecting fixed maintenance schedules. As such the operating expenses are broadly in line with the previous quarter.

Proportionate revenues and EBITDA

NOK million



1) See Alternative Performance Measures appendix for definition.

Development & Construction (D&C) – Proportionate financials

NOK million	Q1 2021	Q4 2020	Q1 2020	FY 2020
Revenues and other income	24	46	414	873
Gross Profit	-	6	46	109
Gross Margin ¹⁾	1%	12%	11%	12%
Operating expenses	-60	-43	-31	-137
EBITDA ¹⁾	-60	-38	15	-28
D&A and impairment	-2	-5	-10	-26
EBIT	-62	-43	5	-54
Cash flow to equity ¹⁾	-51	-27	13	-15

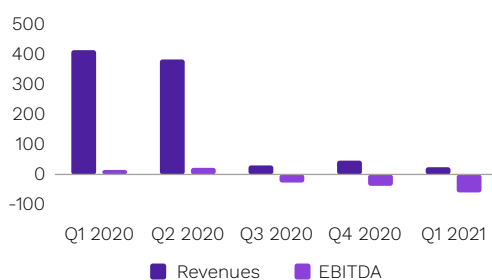
In February 2021, Scatec achieved financial close for the 150 MW Sukkur project in Pakistan and development revenues have been recorded in the first quarter.

The total construction activity and revenues in the quarter was low compared with the same quarter last year as only minor activities are remaining in Argentina and Ukraine. These plants are estimated to be completed in the second quarter.

The increase in operating expenses reflects the new scope of pursuing hydropower project development after the acquisition of SN Power. Operating expenses is comprised of approximately NOK 49 million for early stage project development and NOK 11 million related to the construction business. In addition project development spending (including amounts capitalised) reached NOK 60 million in the quarter. The company continued to mature a wide range of projects, resulting in 13% pipeline growth, see page 13 for further details

Proportionate revenues and EBITDA

NOK million



1) See Alternative Performance Measures appendix for definition.

Corporate – Proportionate financials

NOK million	Q1 2021	Q4 2020	Q1 2020	FY 2020
Revenues and other income	6	5	8	33
Operating expenses	-31	-74	-24	-186
EBITDA ¹⁾	-25	-69	-16	-153
D&A and impairment	-6	-5	-5	-20
EBIT	-31	-74	-21	-173
Cash flow to equity ¹⁾	-72	-55	-24	-153

1) See Alternative Performance Measures appendix for definition.

Revenues in the corporate segment are earned through corporate services rendered to the Groups subsidiaries.

Operating expenses increased by NOK 7 million compared with the same quarter last year, mainly related to the integration of SN Power and a strengthened corporate function to support the Company's growth targets.

Short term guidance

Scatec updated its financial and operational targets at its Capital Markets Update 23 March 2021. Refer to [the complete presentation material](#) for further details.

Power Production

The estimated production for second quarter and full year 2021 is based on production from the portfolio with a capacity of 3,035 MW in operation at the end of first quarter 2021.

GWh	Q1 2021	Q2 2021E	2021E
Proportionate	854	815 – 865	3,500 – 3,700
100% basis	2,147	2,050 – 2,150	9,000 – 9,400

Services

Revenues in the Services segment are expected to reach approximately NOK 280 million in 2021 with an EBITDA margin of 30-35%.

Development & Construction

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

At the end of first quarter the remaining, not booked, construction contract value was about NOK 513 million.

D&C revenues will further increase when new projects move into construction.

Corporate

Full year 2021 EBITDA for Corporate is expected to be NOK -110 million.

COVID-19

Scatec has not experienced any material effects related to COVID-19 on its operations in first quarter 2021.

Acquisition of SN Power

In January 2021, Scatec ASA completed the acquisition of 100% of the shares of SN Power AS, a leading hydropower developer and Independent Power Producer (IPP), from Norfund for a total consideration of USD 1,200 million (NOK 10,371 million).

The transaction is structured so that the economic risk of the acquired companies was transferred to Scatec 1 January 2021, and SN Power is consequently included in the proportionate segment financials from 1 January 2021.

In the groups consolidated IFRS financials the date of inclusion is 29 January 2021, which is the date of completion of the transactions, defined by IFRS as the point in time Scatec obtained control over the project companies. A full reconciliation between the proportionate and the IFRS financials including the effect of January 2021 is provided in Note 2 Operating Segments.

See note 1 regarding basis for preparation and note 8 Business combination for further information about the acquisition and the fair value of the identifiable assets and liabilities of SN Power and the Purchase Price Allocation.

ESG performance

Sustainability and Climate Reports

Scatec's Annual Sustainability Report was published at the end of first quarter 2021. The report summarises key performance, results and targets related to the Company's most material ESG risks and opportunities. The full report can be downloaded under "[Sustainability Reports](#)".

The Company also published its first TCFD (Task Force on Climate-Related Financial Disclosure) Report at end of first quarter, 2021. TCFD encourages standardised reporting of financially material climate-related risks and opportunities. The reporting guidelines are grouped into four areas of disclosure that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets. The TCFD report is available under "[Climate Reporting](#)".

All ESG-related reports, policies and other documentation are published under ESG resources on the [Company's website](#).

ESG Committee

In fourth quarter 2020, Scatec established an ESG Committee consisting of three Board members, elected for a period of two years.

The purpose of the ESG Committee is to guide and support the Company's work and commitment towards Environmental, Social and Governance matters. For further information about the ESG Committee, visit [Board of Directors - Scatec](#)

Bi-annual ESG reporting

From second quarter 2021, Scatec will start reporting on a set of environmental, social and governance indicators on a bi-annual basis. The reporting will cover results and performance across material ESG topics.

Outlook

Despite the pandemic, global investment in low-carbon energy transition reached USD 500 billion in 2020 according to Bloomberg New Energy Finance (BNEF), a 9% increase from previous year. This level is expected to remain in 2021.

BNEF expects global solar new build to accelerate, seeing new installations between 160-209 GW in 2021, up from an estimated 141 GW in 2020. For wind, new installations reached more than 70 GW for the first time in 2020 with further growth to 84 GW expected in 2021. The global energy storage market also set new records in 2020 with 5.3 GW in new capacity, expected to reach 9.7 GW in 2021. Global hydropower new-build reached approximately 18 GW in 2020, and the International Energy Agency forecasts an increase of 28 GW in 2021.

Long term, all renewables are expected to see massive growth, with solar, hydro, wind and storage covering 73% of global energy needs by 2050.

In March 2021, Scatec announced a NOK 100 billion investment plan towards 2025 and updated its financial and operational targets. The current 4.5 GW capacity target for 2021 (excluding new hydro capacity) was reconfirmed and a new target of 15 GW by the end of 2025 was announced. The business plan is supported by Scatec's track record of strong growth and a solid project pipeline across solar, wind, hydro and storage in high-growth markets globally. The 15 GW target implies 12 GW of new capacity, that will require an estimated NOK 100 billion in investments, of which NOK 15-20 billion will be funded by Scatec equity. Solid long term cash flows from operating power plants and margins from development and construction of new plants are expected to fund a major part of Scatec's equity investments.

Consolidated statement of profit and loss

Profit and loss

NOK million	Q1 2021	Q4 2020	Q1 2020	FY 2020
Revenues	693	688	630	2,771
Net income/(loss) from JVs and associated	138	-8	-5	-16
EBITDA	631	448	503	2,069
Operating profit (EBIT)	444	244	328	1,292
Net financial items	-344	-825	82	-1,530
Profit before income tax	100	-581	410	-238
Profit/(loss) for the period	42	-561	299	-368
Profit/(loss) to Scatec	18	-558	235	-478
Profit/(loss) to non-controlling interests	24	-3	64	110

Revenues

Revenues from power sales were up 10% compared to the same quarter last year. The increase in revenues is explained by the commercial operation of new solar parks at Upington (South Africa), Boguslav (Ukraine) and Kamianka (Ukraine), and the acquisition of the Dam Nai Wind power plant in Vietnam.

The increase in net income from joint venture investments and associated companies was NOK 143 million compared to same quarter last year. The increase relates to the share of net income from the joint ventures in Philippines (50% ownership), Laos (20% ownership) and Uganda (28.3% ownership), all part of the SN Power acquisition. Net income for February and March 2021 from the joint ventures acquired are included in the consolidated figures for the first quarter 2021. See note 9 for further description and break-down per country.

Operating profit

Following the enlarged portfolio from the acquisition of SN Power, the EBITDA increased 26% compared to the same quarter last year. The growth in operating expenses compared to first quarter last year is also explained by the increased asset base in operation.

Consolidated operating expenses amounted to NOK 200 million (123) in the first quarter. This consists of approximately NOK 119 million (72) for operation of existing power plants, NOK 46 million (22) for early stage development of new projects, NOK 11 million (8) related to construction and NOK 23 million (21) of corporate expenses (excluding eliminated intersegment charges).

Net financial items

NOK million	Q1 2021	Q4 2020	Q1 2020	FY 2020
Financial income	22	18	12	57
Financial expenses	-357	-363	-250	-1,189
Foreign exchange gains/(loss)	-9	-480	320	-398
Net financial items	-344	-825	82	-1,530

Financial expenses in the first quarter mainly consist of interest expenses, which comprise of primarily interest on non-recourse financing of NOK 242 million (209), and corporate funding of NOK 82 million (17). See note 4 and 5 for further information on financing.

The quarter's net foreign currency loss decreased from NOK 320 million in the first quarter of 2020 to NOK -9 million in the first quarter of 2021. The change is primarily explained by change of functional currency in Scatec ASA from NOK to USD from 1 January 2021, which has reduced the currency exposure of Scatec ASA's shareholder loans to project companies which are provided in the respective projects' currencies.

Profit before tax and net profit

The Group recognised a tax expense of NOK 59 million (111) in the first quarter, corresponding to an effective tax rate of 59% (27%). The difference between the actual tax expense for the quarter and a calculated tax expense based on the Norwegian tax rate of 22% is primarily explained by withholding taxes paid on dividends received from subsidiaries in addition to currency effects in countries with a tax reporting currency that deviates from the functional currency. For further details, refer to note 6.

Non-controlling interests (NCI) represent financial investors in the power plants. The allocation of profits between NCI and Scatec is impacted by the fact that NCI only have shareholdings in the power plants, while Scatec also carries the cost of project development, construction, operation & maintenance and corporate functions.

Impact of foreign currency movements in the quarter

During the first quarter of 2021 NOK appreciated against all relevant currencies compared to the average rates for the fourth quarter of 2020. On a net basis this negatively affected consolidated revenues by approximately NOK 25 million, while the net impact on net profit in the quarter was negative NOK 2 million.

Following the movements in currencies in the first quarter, the Group has recognised a foreign currency translation loss of NOK 64 million (343) 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 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 2021	Q4 2020
Property, plant and equipment	16,316	16,086
Investments in JVs and associated companies	9,750	612
Other non-current assets	1,118	891
Total non-current assets	27,184	17,590
Other current assets	1,586	1,286
Cash and cash equivalents	4,783	7,788
Total current assets	6,369	9,074
Total assets	33,553	26,663

The 54% net increase of non-current assets in the first quarter is mainly driven by the acquisition of SN Power and increase in investments in joint ventures and associated companies. See note 9 for an overview of investments in joint ventures and associated companies and split per country.

Other current assets increased by 23% compared to fourth quarter 2020, mainly driven by working capital changes related to construction projects. The cash balance has decreased with NOK 3,005 million since fourth quarter 2020, primarily following the acquisition of SN Power. In addition, the Group had NOK 1,580 million in available undrawn credit facilities at the end of the first quarter. 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 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, which reduce the consolidated book equity ratio.

Equity and liabilities

NOK million	Q1 2021	Q4 2020
Equity	9,637	9,467
Non-current non-recourse project financing	10,533	11,350
Corporate financing	7,114	-
Other non-current liabilities	2,112	2,351
Total non-current liabilities	19,760	13,701
Corporate financing	-	748
Current non-recourse project financing	1,880	913
Other current liabilities	2,276	1,834
Total current liabilities	4,156	3,495
Total liabilities	23,916	17,196
Total equity and liabilities	33,553	26,663
Book equity ratio	28.7%	35.5%

Total equity increased by NOK 170 million compared to fourth quarter 2020, driven by the profit and other comprehensive income in the period. The decreased book equity ratio is explained by the effect above, offset by increased total balance sheet value related to the acquisition of SN Power. The net increase in current and non-current non-recourse project finance debt of NOK 150 million from the fourth quarter 2020 is mainly related to the SN Power acquisition and the fully consolidated entity Dam Nai Wind. In addition has NOK 921 million of the non-current non-recourse debt in Ukraine been presented as current in the statement of financial position since the projects failed to meet certain loan covenants measured at the end of the quarter. Refer to note 4 for further details.

The NOK 6,366 million increase in corporate financing from the fourth quarter 2020 mainly relates to financing of the acquisition of SN Power which, at closing date of the acquisition, comprised of a USD 400 million bridge to bond facility, a USD 150 million Green Term Loan and a USD 200 million Vendor Financing. Subsequently in the quarter, Scatec successfully completed a EUR 250 million senior unsecured green bond issue with maturity in August 2025.

Proceeds from the bond issue were used for repayment of USD 207 million of the bridge to bond facility, redemption of the NOK 750 million senior unsecured green bond issued in 2017, and other eligible activities as set out in Scatec's Green Financing Framework. See note 5 for further details

Consolidated cash flow

Net cash flow from consolidated operating activities amounted to NOK 239 million (729) in the first quarter of 2021, compared to the EBITDA of NOK 631 million. The difference is primarily explained by changes in other current liabilities.

Net cash flow from consolidated investing activities was NOK -7,624 million (-723), driven by the acquisition of SN Power.

Net cash flow from financing activities was NOK 4,386 million (213), driven primarily by the loan proceeds to fund the transaction of SN Power.

See also note 5 for a detailed cash overview.

Proportionate cash flow to equity

Scatec's "proportionate share of cash flow to equity"¹⁾, is an alternative performance measure that seeks to estimate the Group's ability to generate funds for equity investments in new power plant projects and/or for shareholder dividends over time.

NOK million	Q1 2021	Q4 2020	Q1 2020	FY 2020
Power Production	681	53	105	427
Services	14	8	13	65
Development & Construction	-51	-27	13	-15
Corporate	-72	-55	-24	-153
Total	571	-22	107	324

The cash flow to equity in the Power Production segment have increased compared to the same quarter last year, primarily explained by new power plants included following the acquisition of SN Power. Cash flow to equity includes

NOK 397 million that stems from debt refinancing of assets in the Philippines. The refinancing is part of a long-term financing strategy for the Philippines that secures an attractive average leverage, and was successfully concluded in the local banking market at favorable terms.

The cash flow to equity in Services is stable compared to same quarter last year.

The cash flow to equity in the D&C segment is impacted by low construction activity and limited revenues.

The cash flow to equity for the Corporate segment primarily relates to operating expenses and interest expenses on corporate funding.

In the first quarter of 2021, the power plant companies distributed a total of NOK 723 million to Scatec ASA.

Risk and forward-looking statements

Scatec 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's Management Team, Finance, Legal and other relevant functions. For further information refer to the 2020 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 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 2021 Capacity ¹⁾ (MW)	Q4 2020 Capacity (MW)
In operation	3,035	1,574
Under construction	479	320
Project backlog ²⁾	641	670
Project pipeline ²⁾	11,098	9,790
Total	15,253	12,354

Total annual production and revenues from the 4,155 MW in operation, under construction and in backlog is expected to reach about 11,700 GWh (on 100% basis) and NOK 9,700 million (on 100% basis) based on 10-25-year Power Purchase Agreements (PPAs).

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.scatec.com/asset-portfolio-overview/.

Location	Capacity (MW)	Currency	CAPEX (100%, million)	Annual production (100%, GWh)	Debt leverage	Scatec economic interest
Under construction						
Ukraine portfolio	203	EUR	177	248	65%	100%
Sukkur, Pakistan	150	USD	100	300	75%	75%
Guanizuil, Argentina	117	USD	103	310	60%	50%
Torex Gold, Mexico ³⁾	9	USD	N/A	N/A	N/A	100%
Total under construction	479	NOK ⁴⁾	3,581	858		78%
Backlog						
Tunisia	360	EUR	240	900	70%	55% ⁴⁾
Brazil	101	BRL	356	220	60%	40%
Ukraine	65	EUR	74	90	70%	65% ⁵⁾
Bangladesh	62	USD	68	85	70%	65% ⁵⁾
Mali	33	EUR	50	60	75%	64% ⁵⁾
Lesotho	20	ZAR	430	55	70%	48%
Total backlog	641	NOK ⁴⁾	4,751	1,410		55%
Total	1,120	NOK ⁴⁾	8,333	2,275		65%

1) Status per reporting date.

2) See Other Definitions for definition.

3) Lease contract through Release by Scatec, hence other project data N/A.

4) All exchange rates to NOK are as of 31 March 2021.

5) Expected economic interest at financial close of project.

Under construction

Project	Capacity (MW)
Sukkur, Pakistan	150
Progressovka, Ukraine	148
Guanizuil, Argentina	117
Chigirin, Ukraine	55
Torex Gold, Mexico	9
Total	479

Scatec's project portfolio under construction is close to completion. The Company maintains its estimate for power plants under construction in Argentina and Ukraine to reach commercial operation dates in the second quarter 2021. The 150 MW Sukkur project started construction in April 2021 with expected commercial operation in 2022.

In Ukraine, the government adopted a new law in July 2020 to revise the previous Feed-in Tariffs (FiTs). The new FiTs have not been accepted by Scatec or other IPPs and Scatec is in the process of assessing future actions related to the new FiTs.

8.5 MW lease agreement with Torex Gold (Release)

In April 2021, Release by Scatec entered into a lease agreement with mining company Torex Gold for a 8.5 MW solar plant for two projects in Mexico. The initial contract term is ten years with a possibility of extension and options for buy-out starting after the expiry of year 3. The solar plant can at any time be expanded, including adding battery storage and it can also be moved to a new location if needed. The solar plant is estimated to be completed in fourth quarter 2021 subject to permitting approvals.

Backlog

The 101 MW SPP project in Brazil and the 20 MW Lesotho project has been included in backlog since the fourth quarter report, resulting in a project backlog of 641 MW.

The COVID-19 situation is in general impacting the markets where Scatec develops projects. There are still restrictions on movement and international travel continues to be very limited. This is expected to impact project development as certain activities requires physical presence. The progress that can be made for projects in backlog and pipeline is therefore impacted and delays in maturing some of these projects are expected.

Tunisia, 360 MW

In December 2019, Scatec 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 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.

San Pedro and Paulo (SPP), 101 MW

The SPP project is being developed in partnership with Kroma Energia and Equinor, the same partners that realised the Apodi project. The project is located in Flores, Pernambuco and financing will be provided by Banco do Nordeste (BNB). The project has secured off-take of about 75% of energy generated with ANEEL and Engie. The remaining energy will be contracted on short term contracts in the market.

Scatec will have a 40% ownership stake in the project. The Engineering, Procurement and Construction (EPC) and Operation & Maintenance as well as Asset Management service will be provided by Scatec and Equinor in partnership.

Lesotho, 20 MW

The "Neo 1" solar PV project will be Lesotho's first public-private, utility-scale solar plant. The project has a total estimated capex of ZAR 430 million and is owned by Scatec, Norfund, One Power Lesotho, the Lesotho Pension Fund and Izuba Energy.

Scatec will be the lead equity investor in the project and also be the Engineering, Procurement and Construction (EPC) provider and provide Operation & Maintenance as well as Asset Management services to the power plant. The electricity will be sold to the Lesotho Electricity Company (LEC) through a 25-year Power Purchase Agreement (PPA).

Other backlog

In addition to the above projects, Scatec's backlog also includes) Ukraine (65 MW), Bangladesh (62 MW) and Mali (33 MW). Additional information is available on www.scatec.com.

Pipeline

Location	Q1 2021 Capacity (MW)	Q4 2020 Capacity ¹⁾ (MW)
Latin America	1,325	1,100
Africa and the Middle East	4,693	3,862
Europe & Central/South Asia	1,330	1,280
Southeast Asia	3,750	3,548
Total pipeline	11,098	9,790

In addition to the projects in backlog Scatec holds a solid pipeline of projects totaling 11,098 MW across several technologies. The pipeline has increased from 9,790 MW at the fourth quarter reporting to 11,098 MW at the first quarter reporting date. The increase in the pipeline is mainly coming from new projects in Africa, Asia and the Middle East.

Solution	Capacity (MW)	Share in %
Solar	4,686	42%
Wind	1,870	17%
Hydro	2,516	23%
Hybrid solutions	1,726	15%
Release	300	3%
Total	11,098	100%

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 and concessions have been secured and negotiations related power sales and other project implementation agreements are in various stages of completion.

Latin America (1,325 MW)

Scatec's development efforts for solar in Latin America is now mainly focused on Brazil, where Scatec has been partnering with Equinor over the last few years. Selected opportunities are also being pursued in other markets. Scatec 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.

In fourth quarter 2020, Scatec signed an MoU with Equinor and Hydro for the solar development of the 530 MW

Mendubim project. The MoU provides a framework to realise the project on a site already secured in Rio Grande do Norte in Brazil. The MoU contemplates joint ownership and development of the project by the three parties and offtake of part of the production by Hydro.

Project opportunities in hydropower in Latin America are being evaluated and pursued mainly in Peru and Colombia.

Africa and the Middle East (4,693 MW)

In South Africa, Scatec holds solar and wind sites representing more than 1.5 GW ready to be bid, and the Company is in the process of securing additional projects for upcoming tenders rounds.

In fourth quarter 2020, Scatec submitted proposals in the Risk Mitigation Power Procurement Programme in South Africa. Scatec is currently providing clarifications to the IPP Office in South Africa regarding these proposals and are expecting a decision in the near future.

Further, the new integrated Resource Plan has been launched and based on this, a new tender ("round 5") under the Risk Mitigation Independent Power Procurement Programme Programme (REIPPP) for various renewable technologies has been launched and the proposal submission date is in third quarter 2021.

Scatec, together with local partners, have been awarded two solar projects, in total 525 MW, in a tender in Iraq, and is currently in discussions with the authorities and lenders on the required contract structures to finance and construct this capacity. The projects remains in our pipeline until this is further clarified.

Hydropower project development is undertaken in the 51/49 joint venture between Scatec and Norfund. Efforts are concentrated on the 153 MW Ruzizi project in Rwanda/DRC, the 120 MW Volobe project at Madagascar and development in Malawi.

In addition, Scatec is developing a broad pipeline of projects across several markets and technologies, including Egypt, Nigeria, Cameroon, Tunisia 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 is also selectively participating in tenders.

1) Includes Hydropower pipeline after closing of SN Power acquisition.

Through its Release concept, Scatec has increased its efforts in securing agreements with private companies, smaller state-owned utilities and Non-Governmental Organisations, like the UN. These are typically smaller projects in the range of 5 to 20 MW and Scatec is currently actively working on a portfolio of about 300 MW of this type of projects on the African continent.

Europe and Central/South Asia (1,330 MW)

Scatec is currently mainly pursuing solar project opportunities in India and Poland.

India is expected to be one of the countries with highest renewable energy growth globally in the coming years. Expected investment returns have improved over the last couple of years and India is therefore becoming an attractive renewables market. Scatec is working on several large project opportunities in the country.

Poland has ambitious targets for renewable energy. The energy market is deregulated and renewable energy projects are incentivized through auctions awarding contracts for difference and it is also possible to sell energy under PPAs to industrial companies. Scatec is working on a portfolio of renewable energy projects in the country.

The region represents a major potential for increase in hydropower capacity supported by political development. The focus is on opportunities to acquire assets with potential to improve operational performance and Greenfield projects in the central to western part of Asia and in India.

Southeast Asia (3,750 MW)

Malaysia, Vietnam and the Philippines are markets Scatec currently is focused on in Southeast Asia.

In Malaysia it is expected that the new government will maintain the same level of ambition for the renewable energy sector as before and there will be opportunities within solar through both tenders and bilateral negotiations.

Scatec is developing a range of projects in Vietnam, both solar and wind. 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.

In the Philippines, two major laws have incentivised growth of renewables and the country now aims for 15.3 GW of renewables capacity by 2030. A feed-in tariff has spurred over 1 GW of renewable energy installations, and it is expected that implementation of Renewable Portfolio Standards will be fast-tracked. Scatec is working on developing project opportunities across various renewable technologies in the country.

Scatec is developing 227 MW of hybrid solutions and a Greenfield hydropower project in Joint Venture with its partner Aboitiz in the Philippines. Assessments are ongoing to expand the scope of project development in the partnership to take further advantage of growth in renewables.

Further hydropower acquisitions and greenfield opportunities across the region are being evaluated and pursued as markets open up for IPPs and to take advantage of Scatec's presence within solar. Due to the political situation, the development of the Middle Yeywa project in Myanmar is currently on hold.

Proportionate financials

Break down of Power Production segment

Key financials

Q1 2021

NOK million	Philippines ⚡	South Africa ¹⁾ ✳	Uganda ⚡	Malaysia ✳	Egypt ✳	Laos ⚡	Ukraine ✳	Czech Republic ✳	Honduras ✳	Jordan ✳	Brazil ✳	Vietnam ⚡	Other ²⁾	Total
Revenues	360	129	77	92	69	58	20	19	25	19	17	22	16	924
Cost of sales	-79	-	-	-	-	-	-	-	-	-	-	-	-	-79
OPEX	-37	-22	-5	-12	-12	-6	-4	-3	-4	-3	-4	-2	-27	-140
EBITDA	243	107	72	81	57	52	16	16	21	16	13	20	-11	704
EBITDA margin	68%	83%	94%	88%	83%	89%	80%	86%	85%	86%	78%	89%	-67%	76%
Cash flow to equity	540 ³⁾	34	40	20	22	18	-11	3	13	3	2	7	-11	681
Scatec economic interest ⁴⁾	50%	45%	28%	100%	51%	20%	91%	100%	51%	62%	44%	100%	-	-
Net production (GWh)	168	119	109	90	114	128	15	3	21	14	32	30	11	854

1) Includes Kalkbult, Linde, Dreunberg and Upington projects

2) Includes Rwanda, Mozambique and Release

3) The amount includes NOK 397 million from a refinancing of the projects

4) The project companies in Philippines, Uganda, Laos and Brazil are equity consolidated in the in the groups financial statements

Q1 2020 ³⁾

NOK million	Philippines ⚡	South Africa ¹⁾ ✳	Uganda ⚡	Malaysia ✳	Egypt ✳	Laos ⚡	Ukraine ✳	Czech Republic ✳	Honduras ✳	Jordan ✳	Brazil ✳	Vietnam ⚡	Other ²⁾	Total
Revenues	-	103	-	95	73	-	9	23	31	20	21	-	17	391
Cost of sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPEX	-	-14	-	-9	-10	-	-2	-3	-4	-3	-5	-	-11	-60
EBITDA	-	88	-	86	62	-	7	20	27	17	16	-	6	331
EBITDA margin	-	86%	-	91%	86%	-	79%	89%	88%	86%	76%	-	37%	85%
Cash flow to equity	-	29	-	28	20	-	-1	6	17	2	4	-	-1	105
Scatec economic interest ⁴⁾	-	45%	-	100%	51%	-	91%	100%	51%	62%	44%	-	-	-
Net production (GWh)	-	73	-	81	109	-	6	4	23	13	30	-	10	349

1) Includes Kalkbult, Linde, Dreunberg and Upington projects

2) Includes Rwanda, Mozambique and Release

3) The acquisition of SN Power took place in January 2021, hence zero values for Philippines, Uganda, Laos and Vietnam in 2020

4) The project companies in Brazil are equity consolidated in the in the groups financial statements

FY 2020 ³⁾

NOK million	Philippines ⚓	South Africa ¹⁾ ✱	Uganda ⚓	Malaysia ✱	Egypt ✱	Laos ⚓	Ukraine ✱	Czech Republic ✱	Honduras ✱	Jordan ✱	Brazil ✱	Vietnam ⚓	Other ²⁾	Total
Revenues	-	470	-	335	319	-	107	127	112	97	78	-	63	1,708
Cost of sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPEX	-	-76	-	-40	-51	-	-13	-12	-18	-14	-17	-	-63	-304
EBITDA	-	394	-	295	268	-	94	116	93	83	61	-	-	1,404
EBITDA margin	-	84%	-	88%	84%	-	88%	91%	83%	86%	78%	-	-	82%
Cash flow to equity	-	116	-	55	104	-	19	54	55	21	30	-	-26	427
Scatec economic interest ⁴⁾	-	45%	-	100%	51%	-	91%	100%	51%	62%	44%	-	-	-
Net production (GWh)	-	417	-	294	473	-	80	23	81	62	129	-	43	1,602

1) Includes Kalkbult, Linde, Dreunberg and Upington projects

2) Includes Rwanda, Mozambique and Release

3) The acquisition of SN Power took place in January 2021, hence zero values for Philippines, Uganda, Laos and Vietnam in 2020

4) The project companies in Brazil are equity consolidated in the in the groups financial statements

Financial position and working capital breakdown

Proportionate financials

31 March 2021

NOK million	Power plants in operation													Total
	Philippines	South Africa ¹⁾	Uganda	Malaysia	Egypt	Laos	Ukraine	Czech Republic	Honduras	Jordan	Brazil	Vietnam	Other ³⁾	
Project equity ¹⁾	1,481	266	685	519	365	491	324	122	820	212	165	145	60	5,653
Total assets ⁴⁾	4,537	2,472	2,231	2,972	2,045	945	963	511	1,032	673	459	530	428	19,797
PP&E	2,116	2,142	1,990	2,826	1,758	800	822	425	923	527	420	433	355	15,535
Cash	335	229	175	343	200	87	23	31	38	127	9	41	46	1,683
Gross interest bearing debt ²⁾	2,854	1,866	894	2,154	1,451	397	577	321	152	392	260	337	289	11,943
Net interest bearing debt ²⁾	2,519	1,637	719	1,812	1,251	310	554	290	113	265	251	296	243	10,261
Net working capital ²⁾	-93	-111	40	-491	-93	-79	-487	-21	18	-62	-16	-6	-10	-1,411
Scatec economic interest	50%	45%	28%	100%	51%	20%	73%	100%	51%	62%	44%	100%		

NOK million	Power plants under construction		
	Ukraine ✿	Argentina ✿	Total
Project equity ¹⁾	1,012	225	1,237
Total assets ⁴⁾	2,169	555	2,724
PP&E	1,937	535	2,471
Cash	13	3	15
Gross interest bearing debt ²⁾	286	308	594
Net interest bearing debt ²⁾	274	305	579
Net working capital ²⁾	-896	-296	-1,192
Scatec economic interest	100%	50%	

1) See Other definitions appendix for definition

2) See Alternative Performance Measures appendix for definition

3) Includes Rwanda, Mozambique and Release

4) The above asset figures does not include group adjustments of internal margins or group level PPA's

Bridge from proportionate to consolidated financials

31 March 2021

NOK million	Power plants under operation	Power plants under construction	Residual ownership interest for fully consolidated entities	Elimination of equity consolidated entities ³⁾	PP overhead, D&C, Services, Corporate, Eliminations	Consolidated
Project equity ¹⁾	5,653	1,237	1,240	-3,046	4,553	9,637
Total assets	19,797	2,724	6,607	1,023	3,401	33,553
PP&E-in power projects	15,535	2,471	5,617	-5,860	-1,839	15,925
Cash	1,683	15	674	-608	3,020	4,783
Gross interest bearing debt ²⁾	11,943	594	4,589	-4,713	7,114	19,527
Net interest bearing debt ²⁾	10,261	579	3,915	-4,105	4,094	14,744
Net-working capital ²⁾	-1,411	-1,192	-479	444	190	-2,449

1) See Other definitions appendix for definition

2) See Alternative Performance Measures appendix for definition

3) Elimination of the project companies in Philippines, Uganda, Laos and Brazil, which are equity consolidated in the in the groups financial statements.

Condensed interim financial information

Interim consolidated statement of profit or loss

NOK million	Notes	Q1 2021	Q1 2020	FY 2020
Revenues	2	693	630	2,771
Net income/(loss) from JVs and associated companies	9	138	-5	-16
Total revenues and other income		831	625	2,754
Personnel expenses	2	-82	-54	-262
Other operating expenses	2	-118	-69	-423
Depreciation, amortisation and impairment	2,3	-187	-175	-777
Operating profit (EBIT)		444	328	1,292
Interest and other financial income	4	22	12	57
Interest and other financial expenses	4	-357	-250	-1,189
Net foreign exchange gain/(losses)	4	-9	320	-398
Net financial expenses		-344	82	-1,530
Profit/(loss) before income tax		100	410	-238
Income tax (expense)/benefit	6	-59	-111	-130
Profit/(loss) for the period		42	299	-368
Profit/(loss) attributable to:				
Equity holders of the parent		18	235	-478
Non-controlling interests		24	64	110
Basic earnings per share (NOK) ¹⁾		0.11	1.87	-3.51
Diluted earnings per share (NOK) ¹⁾		0.11	1.82	-3.51

1) Based on average 158.9 million shares outstanding for the purpose of earnings per share and average 160.2 million shares outstanding for the purpose of diluted earnings per share

Interim consolidated statement of comprehensive income

NOK million	Notes	Q1 2021	Q1 2020	FY 2020
Profit/(loss) for the period		42	299	-368
Other comprehensive income:				
Items that may subsequently be reclassified to profit or loss				
Net movement of cash flow hedges		308	-310	-376
Income tax effect	6	-74	74	98
Foreign currency translation differences		-64	343	-116
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		170	106	-394
Total comprehensive income for the period net of tax		212	405	-762
Attributable to:				
Equity holders of the parent		85	378	-698
Non-controlling interests		127	27	-65

Interim consolidated statement of financial position

NOK million	Notes	As of 31 March 2021	As of 31 December 2020
Assets			
Non-current assets			
Deferred tax assets	6	646	722
Property, plant and equipment – power plants	3	15,925	15,861
Property, plant and equipment – other	3	391	225
Goodwill	8	239	25
Investments in JVs and associated companies	9	9,750	612
Other non-current assets		233	144
Total non-current assets		27,184	17,590
Current assets			
Trade and other receivables		691	623
Other current assets		895	663
Cash and cash equivalents	5	4,783	7,788
Total current assets		6,369	9,074
Total assets		33,553	26,663

Interim consolidated statement of financial position

NOK million	Notes	As of 31 March 2021	As of 31 December 2020
Equity and liabilities			
Equity			
Share capital		4	4
Share premium		9,767	9,720
Total paid in capital		9,770	9,724
Retained earnings		-691	-708
Other reserves		-154	-221
Total other equity		-844	-929
Non-controlling interests		712	673
Total equity		9,637	9,467
Non-current liabilities			
Deferred tax liabilities	6	248	205
Non-recourse project financing	4	10,533	11,350
Corporate financing	5	7,114	-
Financial liabilities		279	572
Other non-current liabilities		1,585	1,575
Total non-current liabilities		19,760	13,701
Current liabilities			
Corporate financing	5	-	748
Trade and other payables		748	760
Income tax payable	6	104	90
Non-recourse project financing	4	1,880	913
Financial liabilities		122	131
Other current liabilities		1,302	852
Total current liabilities		4,156	3,495
Total liabilities		23,916	17,196
Total equity and liabilities		33,553	26,663

Oslo, 29 April 2021

The Board of Directors of Scatec ASA

Interim consolidated statement of changes in equity

NOK million	Other reserves						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Foreign currency translation	Hedging reserves	Total		
At 1 January 2020	3	1,806	-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	3,317	100	415	-274	3,382	677	4,059
At 1 April 2020	3	3,317	100	415	-274	3,382	677	4,059
Profit for the period	-	-	-713	-	-	-713	46	-667
Other comprehensive income	-	-	-1	-376	13	-363	-137	-500
Total comprehensive income	-	-	-713	-376	13	-1,076	-92	-1,167
Share-based payment	-	11	-	-	-	11	-	11
Share capital increase	1	6,717	-	-	-	6,718	-	6,718
Transaction cost, net after tax	-	-144	-	-	-	-144	-	-144
Share purchase program	-	-1	-	-	-	-1	-	-1
Dividend distribution	-	-	-131	-	-	-131	-38	-169
Purchase of NCIs shares in group companies	-	-	35	-	-	35	-	35
Capital increase from NCI	-	-	-	-	-	-	126	126
At 31 December 2020	4	9,720	-710	39	-261	8,796	674	9,468
At 1 January 2021	4	9,720	-710	39	-261	8,796	674	9,468
Profit for the period	-	-	18	-	-	18	24	42
Other comprehensive income	-	-	-	-60	127	67	103	170
Total comprehensive income	-	-	18	-60	127	85	127	212
Share-based payment	-	5	-	-	-	5	-	5
Share capital increase	-	42	-	-	-	42	-	42
Dividend distribution	-	-	-	-	-	-	-88	-88
At 31 March 2021	4	9,767	-691	-20	-134	8,927	712	9,637

Interim consolidated statement of cash flow

NOK million	Notes	Q1 2021	Q1 2020	FY 2020
Cash flow from operating activities				
Profit before taxes		100	410	-238
Taxes paid	6	-15	-63	-214
Depreciation and impairment	3	187	175	777
Proceeds from disposal of fixed assets	3	3	-	26
Net income from JVs and associated companies	9	-138	5	16
Interest and other financial income	4	-22	-12	-57
Interest and other financial expenses	4	357	250	1,189
Unrealised foreign exchange (gain)/loss	4	9	-320	398
Increase/(decrease) in other assets and liabilities		-242	285	-262
Net cash flow from operating activities		239	729	1,636
Cash flow from investing activities				
Interest received	4	22	12	57
Consideration paid for SN Power, net of cash acquired ¹⁾	8	-7,560	-	-
Investments in property, plant and equipment	3	-149	-730	-1,774
Net investments in, and distributions from, JVs and associated companies	9	63	-5	12
Net cash flow from investing activities		-7,624	-723	-1,704
Cash flow from financing activities				
Net proceeds and repayment from non-controlling interests ²⁾		-34	105	159
Interest paid	4	-187	-108	-894
Proceeds from non-recourse project financing		42	45	135
Repayment of non-recourse project financing		-118	-61	-678
Net proceeds from corporate financing ³⁾	5	4,729	315	-
Share capital increase		42	26	6,576
Dividends paid to equity holders of the parent company and non-controlling interests		-88	-110	-279
Net cash flow from financing activities		4,386	213	5,020
Net increase/(decrease) in cash and cash equivalents		-2,999	219	4,951
Effect of exchange rate changes on cash and cash equivalents		-6	16	13
Cash and cash equivalents at beginning of the period		7,788	2,824	2,824
Cash and cash equivalents at end of the period	5	4,783	3,058	7,788

1) Consideration paid for SN Power comprise of payment made at the transaction date, excluding NOK 826 million of cash in acquired companies

2) Net proceeds from non-controlling interests include both equity contributions and shareholder loans

3) Net proceeds from corporate financing include proceeds from issuance of EUR 250 million green bond, USD 400 million bridge to bond facility and USD 150 green term loan, as well as redemption of NOK 750 million green bond and partial repayment of the USD 400 million bridge to bond facility. See note 5 Cash, cash equivalents and corporate funding for further details.

Notes to the condensed interim consolidated financial statements

Note 1 Organisation and basis for preparation

Corporate information

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

Scatec ASA ("the Company"), its subsidiaries and investments in associated companies ("the Group" or "Scatec") is a leading renewable power producer, delivering affordable and clean energy worldwide. As a long-term player, Scatec develops, builds and operates renewable power plants and integrates technologies.

The condensed interim consolidated financial statements for the first quarter 2021 were authorised by the Board of Directors for issue on 29 April 2021.

Basis of preparation

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

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

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for 2020.

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. From 1

January 2021 the functional currency of Scatec ASA is determined to be US Dollars, being the currency which primarily affects the financials of the company. Up until 31 December 2020 the functional currency of Scatec ASA was Norwegian kroner (NOK). 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'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 power plants. Normally Scatec 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 normally 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'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 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.

Refer to note 3 of the 2020 annual report for further information on judgements, including control assessments made in previous years.

Acquisition of SN Power

Scatec ASA acquired 100% of the shares of SN Power AS on 29 January 2021. SN Power AS was acquired from Norfund for a total consideration of USD 1,200 million (NOK 10,371 million). See note 8 Business combination for further information about the acquisition and the fair value of the identifiable assets and liabilities of SN Power and the purchase price allocation.

Completion of the acquisition as defined in the Share Purchase Agreement (SPA) was made on 29 January 2021. At completion the control and legal ownership of SN Power

were transferred to Scatec ASA and 29 January 2021 serves as the transaction date under IFRS from which SN Power has been included in the consolidated figures for of the group.

Estimates and assumptions

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

Seasonality in operations

Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. The Group's operating results are impacted by external factors, such as seasonal variations and weather conditions.

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

From January 2021 the group has incorporated the hydro and wind producing assets in the Power Production segment, other activities related to the development, construction and operations of the wind and hydro plants are incorporated in the different segments according to its nature, as defined below.

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.

The acquisition of SN Power from January 2021 is structured so that the economic risk of the acquired companies

is transferred to Scatec from 1 January 2021. Consequently SN Power is included in the proportionate segment financials from 1 January 2021. In the Group consolidated IFRS financials the date of inclusion is 29 January 2021, which is the date of completion when Scatec obtained control over the project companies as defined by IFRS. A full reconciliation between the proportionate and the IFRS financials including the effect of January 2021 is provided in the tables below.

Power Production

The Power Production segment manages the Group's power producing assets and derives its revenue from the production and sale of solar, wind and hydro generated electricity. The electricity is primarily sold on long-term Power Purchase Agreements or feed-in-tariffs except for in the Philippines where the electricity is sold on bilateral contracts and the spot market. Finance and operation of the plants is ring-fenced in power plant companies with a non-recourse finance structure. This implies that the project debt is only secured and serviced by project assets and the cash flows generated by the project, and that there is no obligation for project equity investors to contribute additional funding in the event of a default. Free cash flows

after debt service are distributed from these power plant companies to Scatec, 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 and hydro power plants where Scatec 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 & 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, wind and hydro 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, Services and PP segments, where Scatec 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 reports its share of revenues, expenses, profits and cash flows from all its subsidiaries without eliminations based on Scatec's economic interest in the subsidiaries. The Group introduced 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.

Q1 2021

NOK million	Proportionate financials				Total	Residual ownership for fully consolidated entities ¹⁾	Elimination of equity consolidated entities ^{2) 4)}	Other eliminations ^{3) 4)}	Consolidated financials
	Power Production	Services	Development & Construction	Corporate					
External revenues	924	1	-	-	925	279	-511	-	693
Internal revenues	-	55	24	6	85	6	-3	-88	-
Net income from JV and associates ⁵⁾	-	-	-	-	-	-	138	-	138
Total revenues and other income	924	56	24	6	1,010	284	-376	-87	831
Cost of sales	-79	-	-24	-	-103	-	79	23	-
Gross profit	844	56	-	6	907	284	-295	-64	831
Personnel expenses	-24	-22	-36	-17	-99	-2	12	7	-82
Other operating expenses	-116	-17	-24	-14	-172	-50	43	60	-118
EBITDA	704	17	-60	-25	636	232	-240	3	631
Depreciation and impairment	-221	-1	-2	-6	-230	-78	77	44	-187
Operating profit (EBIT)	483	16	-62	-31	406	153	-162	47	444

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

2) Elimination of proportionate financials from equity consolidated entities adjusted for Scatec's share of net income/(loss).

3) Other eliminations made in the preparation of the Groups IFRS consolidated financials.

4) The proportionate amount of total revenues, EBITDA, EBIT and net profit included for the SN Power entities for January 2021 are NOK 184 million, NOK 119 million, NOK 92 million and NOK 45 million respectively. Of this a net profit of NOK 57 million from equity consolidated entities and NOK -12 million is from fully consolidated entities.

5) Refer to note 9 – Investments in joint venture and associated companies for details on Net income from JV and associates.

Q1 2020

NOK million	Proportionate financials				Total	Residual ownership for fully consolidated entities ¹⁾	Elimination of equity consolidated entities ²⁾	Other eliminations ³⁾	Consolidated financials
	Power Production	Services	Development & Construction	Corporate					
External revenues	391	-	-	-	391	259	-20	-	630
Internal revenues	-	52	414	8	475	169	-10	-633	-
Net income from JV and associates	-	-	-	-	-	-	-5	-	-5
Total revenues and other income	391	52	414	8	866	428	-35	-633	625
Cost of sales	-	-	-369	-	-368	-156	6	518	-
Gross profit	391	52	46	8	497	271	-29	-114	625
Personnel expenses	-6	-17	-19	-14	-56	-	1	1	-54
Other operating expenses	-55	-19	-11	-10	-95	-36	6	56	-69
EBITDA	331	16	15	-16	346	235	-22	-57	503
Depreciation and impairment	-125	-1	-10	-5	-140	-70	8	26	-175
Operating profit (EBIT)	206	15	5	-21	206	165	-13	-30	328

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

2) Elimination of proportionate financials from equity consolidated entities adjusted for Scatec's share of net income/(loss)

3) Other eliminations made in the preparation of the Groups IFRS consolidated financials.

FY 2020

NOK million	Proportionate financials				Total	Residual ownership for fully consolidated entities ¹⁾	Elimination of equity consolidated entities ²⁾	Other eliminations ³⁾	Consolidated financials
	Power Production	Services	Development & Construction	Corporate					
External revenues	1,708	1	12	5	1,727	1,131	-77	-10	2,771
Internal revenues	-	231	861	28	1,118	310	-25	-1,403	-
Net income from JV and associates	-	-	-	-	-	-	-16	-	-16
Total revenues and other income	1,708	232	873	33	2,844	1,442	-119	-1,414	2,754
Cost of sales	-	-	-764	-	-764	-271	17	1,017	-
Gross profit	1,708	232	109	33	2,080	1,171	-102	-396	2,754
Personnel expenses	-28	-75	-85	-72	-259	-3	6	-7	-262
Other operating expenses	-276	-75	-52	-113	-517	-189	26	256	-423
EBITDA	1,404	82	-28	-153	1,306	979	-69	-147	2,069
Depreciation and impairment	-566	-3	-26	-20	-615	-321	29	131	-777
Operating profit (EBIT)	838	79	-54	-173	690	658	-40	-16	1,292

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

2) Elimination of proportionate financials from equity consolidated entities adjusted for Scatec's share of net income/(loss)

3) Other eliminations made in the preparation of the Groups IFRS consolidated financials.

Note 3 Property, plant and equipment

Scatec operates solar, wind and hydro power plants in Europe, South East Asia, Middle East, Africa and South America. The power plant companies in Argentina, Brazil, Phillipines, Laos and Uganda are equity consolidated and hence not included in the below table.

On 29 January 2021, Scatec ASA acquired 100% of the shares of SN Power AS, which had a portfolio of wind and hydro. The 39 MW Dam Nai Wind project is fully consolidated and included in the below table. The hydro power

plants in Phillipines, Laos and Uganda are equity consolidated and hence not included in the below table.

In Ukraine the 32 MW Kamianka project started commercial operation from 1 January 2021.

There have not been recorded an impairment charge in 2021. Total impairments amounted to NOK 11 million in 2020.

NOK million	Power plants	Power plants under construction	Power plants under development ¹⁾	Intangible assets, equipment and other assets	Total
Carrying value at 31 December 2020	13,765	1,822	275	225	16,086
Additions from consolidated SNP entities ²⁾	412	-	-	152	564
Additions	95	27	6	20	149
Disposals	-	-	-3	-	-3
Transfer between asset classes	680	-680	-	-	-
Depreciation	-177	-	-	-10	-187
Impairment losses	-	-	-	-	-
Effect of foreign exchange currency translation adjustments	-199	-89	-7	3	-292
Carrying value at 31 March 2021	14,575	1,080	271	391	16,316
Estimated useful life (years)	20-25	N/A	N/A	3-20	

1) Power plants under development and construction includes NOK 46 million of capitalised right to transmit electricity

2) Additions following the acquisition of SN Power, mainly related to assets in Dam Nai

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

Scatec uses non-recourse financing for constructing and/or acquiring assets in power plant companies, 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 three of the four solar power companies in Malaysia, the non-recourse financing agreements include a cross default clause within the Czech and Malaysian group respectively.

The power plant companies' assets are pledged as security for the non-recourse financing. The repayment plan for the debt is a sculpted annuity; hence the sum of loan and interest repayments are not stable from year to year. Repayments are normally made twice a year. The maturity date for the loans ranges from 2028 to 2038.

NOK 959 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. In addition, the Rengy, Chigrin, Kamianka and Bougslav projects in Ukraine failed to meet certain loan covenants measured at 31 March 2021. The offtaker in Ukraine required the Rengy, Chigrin and Kamianka projects to do some smaller changes to the PPA, and since this

was not approved by the lenders as of 31 March 2021, this was defined as an event of default. The Bougslav project failed to meet a loan covenant due to missing payments of revenues following a delayed funding of the offtaker. Scatec is in close dialogue with the lenders to resolve the above topics, and no intention to accelerate the loans has been communicated. Nevertheless, NOK 921 million of non-current non-recourse debt has been presented as current in the statement of financial position as of 31 March 2021 in line with requirements in IFRS.

During the first quarter of 2021 the Group has drawn a total of NOK 118 million on the non-recourse financing for the construction projects in the Group.

Refer to note 5 – Cash, cash equivalents and corporate funding for information on the Group's credit facilities and the new senior unsecured green bond issued in the first quarter of 2021.

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 2020 provides details for each class of financial assets and financial liabilities, and how these assets and liabilities are grouped.

NOK million	Q1 2021	Q4 2020	Q1 2020	FY 2020
Interest income	12	14	11	48
Other financial income	10	4	1	8
Financial income	22	18	12	57
Interest expenses	-337	-341	-237	-1,131
Forward exchange contracts	-	-	-6	-7
Other financial expenses	-19	-21	-7	-51
Financial expenses	-357	-363	-250	-1,189
Foreign exchange gains/(losses)	-9	-480	320	-398
Net financial expenses	-344	-825	82	-1,530

Note 5 Cash, cash equivalents and corporate funding

NOK million	31 March 2021	31 December 2020
Cash in power plant companies in operation	1,750	1,741
Cash in power plant companies under development/construction	13	11
Other restricted cash	102	87
Free cash	2,918	5,949
Total cash and cash equivalents	4,783	7,788

- There are no significant changes in the presentation of these categories in the period.
- 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-re-course financing agreements.
- Cash in power plant companies under development and construction comprises 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. Net cash effect from Working Capital/ Other is mainly related to ongoing construction projects.

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

NOK million	Q1 2021	Q4 2020	Q1 2020	FY 2020
Free cash at beginning of period	5,949	1,885	758	758
Free cash in acquired SN Power entities at 1 January 2021	491	-	-	-
Proportionate share of cash flow to equity ¹⁾ Services	14	8	13	65
Proportionate share of cash flow to equity ¹⁾ D&C	-51	-27	13	-15
Proportionate share of cash flow to equity ¹⁾ CORP	-72	-55	-24	-153
Project development capex	-20	-31	-56	-156
Equity contributions to power plant companies ²⁾	-359	-83	-353	-756
Distributions from power plant companies ³⁾	723	114	142	346
Share capital increase, net after transaction cost	-	4,622	-	6,575
Dividend distribution	-	-	-	-131
Net cash considerations from acquisition of SN Power	-3,558	-	-	-
Working capital / Other	-199	-483	-91	-584
Drawn on credit facilities	-	-	315	-
Free cash at end of the period	2,918	5,949	717	5,949
Available undrawn credit facilities	1,580	813	1,415	813
Total free cash and undrawn credit facilities at the end of the period	4,498	6,762	2,132	6,762

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. The amount for 2021 includes equity paid by SN Power before 29 January 2021 for the acquisition of the Dam Nai project in Vietnam.

3) The amount includes NOK 516 million - net of withholding taxes of NOK 62 million - paid by the project companies in Philippines before 29 January 2021, where NOK 397 million are additional distributions subsequent to a refinancing of the projects

Guarantee facility

In the first quarter of 2021, Scatec amended the guarantee facility and intercreditor agreement that was established in 2017, to also include DNB as instrument lender. The guarantee facility has Nordea Bank as agent and issuer, Nordea Bank, Swedbank, BNP Paribas and DNB 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, 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 the first quarter of 2021, at the closing of the SN Power acquisition, Scatec increased the existing revolving credit facility (RCF) to USD 180 million, with Nordea Bank as agent and Nordea Bank, Swedbank, DNB and BNP Paribas as equal Lenders. The facility can be drawn in USD, NOK, EUR or an optional currency agreed with the banks. The facility is ESG (Environmental, Social and Governance) linked and has a three year tenor. The facility margin is linked to the following ESG 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

Scatec has not drawn on the revolving credit facility per 31 March 2021.

Acquisition Finance related to the SN Power transaction

The following financing package in the total amount of USD 1,030 million was signed in the fourth quarter of 2020, to cater for the SN Power acquisition:

- USD 150 million Green Term Loan provided by Nordea, Swedbank and DNB with maturity in the first quarter of 2025.
- USD 400 million bridge to bond facility provided by Nordea, Swedbank and DNB with maturity in June 2022. USD 207 million of the facility was repaid following the EUR 250 million bond issue in the first quarter of 2021.

- USD 300 million bridge to equity facility provided by Nordea, Swedbank and DNB with maturity in June 2022. The facility was repaid in full following the private placement in October 2020.
- USD 200 million Vendor Financing provided by Norfund with maturity in the first quarter of 2028.

Green bond

In the first quarter of 2021 Scatec issued a EUR 250 million senior unsecured green bond with maturity in August 2025. The bond carries a coupon of 3-month EURIBOR (with no floor) + 2.50%, to be settled on a quarterly basis. The bond will be listed on the Oslo Stock Exchange in the second quarter of 2021.

The proceeds from the bond issue were used to

- redeem in whole the NOK 750 million senior unsecured green bond issued in 2017, with ticker SSO02 ESG, including any call premium and accrued interest.
- to partially refinance the bridge to bond facility that was committed in 2020 in relation to the acquisition of SN Power.
- cover for other eligible activities as set out in Scatec's Green Financing Framework.

Per 31 March 2021, Scatec was in compliance with financial covenants related to the above facilities. The book equity of the recourse group, as defined in the facility agreements, was NOK 11,190 million per quarter end.

During the first quarter of 2021, interest amounting to NOK 83 million (NOK 45 million in previous quarter) was expensed for the bond, overdraft- and revolving credit facility. The increased interest expenses follows the increase in corporate debt level after the acquisition of SN Power and an on-off redemption fee relating to the redeemed NOK bond.

Refer to bond agreement available on <https://scatec.com/investor/investor-overview/> for further information and definitions.

Note 6 Income tax expense

The Group recognised a tax expense of NOK 59 million (NOK 111 million) in the first quarter, corresponding to an effective tax rate of 59% (27%). The difference between the actual tax expense for the quarter and a calculated tax expense based on the Norwegian tax rate of 22% is explained primarily by withholding taxes paid on dividends received from subsidiaries in addition to currency effects in countries in which the functional currency deviates from the currency for tax reporting. The tax cost is also influenced by taxable profits and -losses in tax jurisdictions with different tax rates which offset each other in the group, but leaves a net tax expense to be recognized.

The underlying tax rates in the companies in operation are in the range of 0% to 33%. In some markets, Scatec

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.

Effective tax rate

NOK million	Q1 2021	Q4 2020	Q1 2020	FY 2020
Profit before income tax	100	-581	410	-238
Income tax (expense)/benefit	-59	19	-111	-130
Equivalent to a tax rate of (%)	59%	3%	27%	-55%

Movement in deferred tax

NOK million	Q1 2021	Q4 2020	Q1 2020	FY 2020
Net deferred tax asset at beginning of period	517	414	343	343
Recognised in the consolidated statement of profit or loss	-31	108	-75	25
Deferred tax on financial instruments recognised in OCI	-74	-4	74	98
Deferred tax on excess values from acquisition of SN Power	-19	-	-	-
Recognised in the consolidated statement of changes in equity	-	32	-	41
Translation differences	4	-32	52	9
Net deferred tax asset at end of period	397	517	395	517

Note 7 Related parties

Scatec have related party transactions and balances with equity consolidated JVs in Argentina, Brazil, Laos, Madagascar, Uganda, Philippines and Rwanda, mainly loans which are included in the carrying value of the investments.

In addition, Scatec has transactions and balances with key management. Note 26 in the annual report for 2020

provides details of transactions with related parties and the nature of these transactions.

For further information on project financing provided by co-investors, refer to note 28 in the annual report for 2020.

All related party transactions have been carried out as part of the normal course of business and at arm's length.

Note 8 Business combinations

Acquisition of SN Power

On 29 January 2021, Scatec ASA acquired 100% of the shares of SN Power AS, a leading hydropower developer and Independent Power Producer (IPP), from Norfund for a total consideration of USD 1,200 million (NOK 10,371 million). The transaction includes SN Power's portfolio of hydropower assets in the Philippines, Laos and Uganda with a total gross capacity of 1.4 GW (net 0.5 GW) and gross median production of 6.1 TWh (net 1.8 TWh) and the wind farm Dam Nai. Dam Nai was acquired by SN Power on 27 January 2021 and has a capacity of 39.4 MW.

The acquisition forms an important part of Scatec's broadened growth strategy, with an ambition to become a global large-scale player in solar, hydro, wind and storage solutions, and an integrator of high-value infrastructure solutions.

Scatec and SN Power have a unique and complementary portfolio of assets, geographical footprint and capabilities, and will together hold a large project pipeline across solar, hydro, wind and storage. The combined company has 500 employees, power plants in 14 countries and gross 3.3 GW of plants in operation and under construction. When all plants are in full operation from first half of 2021, the median annual production is expected to be 4.1 TWh.

Financing of the SN Power acquisition includes the following debt facilities:

- USD 200 million Vendor Financing provided by Norfund with a tenor of 7 years from closing
- USD 150 million Green Term Loan provided by Nordea, Swedbank and DNB with maturity 4 years from closing
- USD 400 million acquisition finance provided by Nordea, Swedbank and DNB with a tenor of 18 months from closing

The remaining financing of the acquisition is cash.

The purchase price of the acquisition could still be subject to certain adjustments which have not been finalized prior to the release of this report, including adjustments for working capital in the acquired companies based on the audited financial statements of SN Power for 2020. Consequently, the table below which shows the fair value of the identifiable assets and liabilities of SN Power and the purchase price allocation, must be considered preliminary.

The assessment of the preliminary purchase price allocation has been made using balance sheet figures at the transaction date 29 January 2021. The purchase price adjustments are further described in the prospectus which was published in connection with the financing of the transaction. The prospectus also includes a further description of the transaction, including pro forma financial information with a preliminary purchase price allocation. The prospectus is available on our website at www.scatec.com.

Scatec recognised NOK 219 million in goodwill related to the acquisition of SN Power. Goodwill is recorded in functional currency and as a result, changes in currency exchange rates affect the value of goodwill in NOK. Goodwill arising from the acquisition relates mainly to the portfolio of identified project development opportunities and assembled workforce. The goodwill is not deductible for tax purposes.

Refer to note 1 – Organisation and basis for preparation and note 2 – Operating segments for details regarding how the SN Power figures are included in both the consolidated – and proportionate financials.

Preliminary purchase price allocation for the acquisition of SN Power

NOK million		29 January 2021
Assets		
Non-current assets		
Property, plant and equipment		431
Goodwill & other intangible assets		352
Investments in JV and associated companies		9,172
Other non-current assets		71
Total non-current assets		10,026
Current assets		
Trade and other receivables		101
Cash and cash equivalents		826
Total current assets		927
Total assets		10,953
Total equity		10,371
Liabilities		
Non-current liabilities		
Deferred tax liabilities		19
Non-recourse project financing		318
Financial liabilities		1
Other non-current liabilities		50
Total non-current liabilities		387
Current liabilities		
Non-recourse financing		57
Trade and other payables		7
Other current liabilities		131
Total current liabilities		195
Total equity and liabilities		10,953

Note 9 Investments in joint venture and associated companies

The consolidated financial statements include the Group's share of profit/loss from joint ventures and associated companies where the Group has joint control or significant influence, accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and subsequently adjusted for further investments, distributions and the Group's share of the net income from the investment.

The tables below shows the material joint ventures and associated companies recognised in the Group and the reconciliation of the carrying amount. For the first quarter of 2021, net income from the newly acquired joint ventures in Laos, Philippines and Uganda includes the share of profit for the period from 29 January to 31 March 2021.

Company	Registered office	Q1 2021	Q4 2020
Kube Energy AS	Oslo, Norway	25%	25%
Scatec Solar Brazil BV	Amsterdam, Netherlands	50%	50%
Apodi I Energia SPE S.A	Jaboatão dos Guararapes, Brazil	43.75%	43.75%
Apodi II Energia SPE S.A	Jaboatão dos Guararapes, Brazil	43.75%	43.75%
Apodi III Energia SPE S.A	Jaboatão dos Guararapes, Brazil	43.75%	43.75%
Apodi IV Energia SPE S.A	Jaboatão dos Guararapes, Brazil	43.75%	43.75%
Scatec Solar Solutions Brazil BV	Amsterdam, Netherlands	50%	50%
Scatec Solar Brasil Servicos De Engenharia LTDA	Recife, Brazil	50%	50%
Scatec Equinor Solutions Argentina S.A	Buenos Aires, Argentina	50%	50%
Cordilleras Solar VIII S.A (Argentina)	Buenos Aires, Argentina	50%	50%
Theun-Hinboun Power Company	Vientiane, Laos	20%	-
SN Aboitiz Power – Magat Inc	Manila, Philippines	50%	-
Manila-Oslo Renewable Enterprise	Manila, Philippines	16.7%	-
SN Aboitiz Power – Benguet Inc	Manila, Philippines	50%	-
SN Aboitiz Power – RES Inc	Manila, Philippines	50%	-
SN Aboitiz Power – Generation Inc	Manila, Philippines	50%	-
SN Power Uganda Ltd ¹⁾	Kampala, Uganda	51%	-
Bujagali Energy Ltd ¹⁾	Jinja, Uganda	28.28%	-
Campganie Générale D`Hydroelectrciite de Volobe SA ¹⁾	Antananarivo, Madagascar	12.75%	-
Ruzizi Holding Power Company Ltd ¹⁾	Kigali, Rwanda	20.4%	-
Ruzizi Energy Ltd ¹⁾	Kigali, Rwanda	20.4%	-

1) The ownership reflects that Norfund retains a 49% stake in these investments, as communicated in the acquisition announcement (16 October 2020). Refer to note 1 for further details.

Country	Carrying value 31 December 2020	Additions/ disposals	Net income from JV and associated companies	Dividends	Net movement of cash flow hedges recognized in OCI	Foreign currency translations	Carrying value 31 March 2021
Brazil and Argentina	610	58	-1	-	-	-29	639
Laos	-	1,560	23	-41	-	-2	1,540
Philippines	-	6,546	92	-80	-	-102	6,456
Uganda	-	1,066	24	-	27	-5	1,112
Other	2	3	-1	-	-	-1	3
Total	612	9,233	138	-121	27	-139	9,750

Note 10 Subsequent events

No events have occurred after the balance sheet date with significant impact on the interim financial statements for the first quarter of 2021.

Alternative Performance Measures

Scatec 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.

Definition of alternative performance measures used by the Group for enhanced financial information

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 power plant projects and/or for shareholder dividends over time. Management believes that the cash flow to equity measure provides 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, non-recurring fees and accretion expenses on asset retirement obligations. Normalised income tax payment is calculated as operating profit (EBIT) less normalised 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.

EBITDA and EBITDA margin are used for providing consistent information of operating performance which is comparable to other companies and frequently used by other stakeholders.

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). Gross profit is used to measure project profitability in the D&C segment and to illustrate energy sales revenues net of significant cost items directly linked to the energy sales volume (such as cost of energy purchase) in the PP 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 gross 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 and other current liabilities.

Proportionate Financials

The group's 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 (with from 39% to 100% economic interest), for which revenues and profits are eliminated in the Consolidated Financial Statements. With proportionate financials Scatec reports its share of revenues, expenses, profits and cash flows from all its subsidiaries without eliminations based on Scatec's economic interest in the subsidiaries. The Group introduced 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 power plant compared to the stand-alone book value. Similarly, the consolidated financials have lower power plant depreciation charges than the proportionate financials since the proportionate depreciations are based on power 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's ownership percentage/economic interest.
- In the consolidated financials joint venture companies (Brazil, Argentina, Phillipines, Uganda, Laos) are equity consolidated and are presented with Scatec'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.

In the first quarter of 2021 Scatec reports a proportionate operating profit of NOK 406 million compared with an operating profit of NOK 444 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 a negative amount of NOK 30 million ¹⁾,
2. removed the non-controlling interests share of the operating profit of NOK 153 million to only leave the portion corresponding to Scatec's ownership share,
3. replaced the consolidated net profit from joint venture companies of NOK 138 million with Scatec's share of the Operating profit from the joint venture companies with NOK 191 million.
4. added back operating profit for January from the SN Power entities, NOK 92 million.

See Note 2 for further information on the reporting of proportionate financial figures, including reconciliation of the proportionate financials against the consolidated financials.

A bridge from proportionate to consolidated key figures including APMs like gross interest bearing debt, net interest bearing debt and net-working capital is included on page 17.

¹⁾ Where NOK 0.3 million comprise Scatec's share of gross profit on D&C contracts, NOK -34 million comprise increased depreciation charges from internal gains and NOK -4 million comprise other items.

Reconciliation of Alternative Performance Measures (consolidated figures)

NOK million	Q1 2021	Q1 2020	FY 2020
EBITDA			
Operating profit (EBIT)	444	328	1,292
Depreciation, amortisation and impairment	187	175	777
EBITDA	631	503	2,069
Total revenues and other income	831	625	2,754
EBITDA margin	76%	80%	75%
Gross profit			
Total revenues and other income	831	625	2,754
Cost of sales	-	-	-
Gross profit	831	625	2,754
Gross interest-bearing debt			
Non-recourse project financing	10,533	13,438	11,350
Corporate financing	7,114	746	748
Non-recourse project financing-current	1,880	912	913
Gross interest-bearing debt	19,527	15,096	13,011
Net interest-bearing debt			
Gross interest-bearing debt	19,527	15,096	13,011
Cash and cash equivalents	4,783	3,058	7,788
Net interest-bearing debt	14,744	12,038	5,223
Net working capital			
Trade and other receivables	691	687	623
Other current assets	895	1,120	663
Trade and other payables	-748	-829	-760
Income tax payable	-104	-78	-90
Other current liabilities	-1,302	-1,087	-852
Non-recourse project financing-current	-1,880	-912	-913
Net working capital	-2,449	-1,100	-1,330

Break-down of proportionate cash flow to equity

Q1 2021

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	704	17	-60	-25	636
Net interest expenses	-186	-	-6	-69	-262
Normalised loan repayments	-201	-	-	-	-201
Proceeds from refinancing ¹⁾	397	-	-	-	397
Normalised income tax payment	-33	-4	15	22	1
Cash flow to equity	681	14	-51	-72	571

1) Refer to Note 5 Cash and cash equivalents.

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 2020

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	1,404	82	-28	-153	1,306
Net interest expenses	-542	1	1	-58	-598
Normalised loan repayments	-382	-	-	-	-382
Normalised income tax payment	-53	-18	12	58	-2
Cash flow to equity	427	65	-15	-153	324

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

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 and concessions have been secured and negotiations related power sales and other project implementation agreements are in various stages of completion.

Lost time injury (LTI)

An occurrence that results in a fatality, permanent disability or time lost from work of one day/shift or more.

Scatec's economic interest

Scatec'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

Comprise 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 power power plant companies.

Recourse Group

Recourse Group means all entities in the Group, excluding power plant 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 power plant will normally be given directly thereafter. Projects in Scatec defined as "backlog" are classified as "under construction" upon achievement of financial close.

Start of Production (SOP): The first date on which the 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.

The Scatec logo features the word "Scatec" in a bold, white, sans-serif font. The letter "S" is stylized with three small, upward-pointing curved lines above its top left stroke. The logo is positioned in the lower-left corner of the page, which has a solid purple background. A diagonal line runs from the top-left corner of the page down towards the bottom-right, separating a landscape photograph from the purple background. The photograph shows a calm lake or reservoir nestled between steep, forested mountains. A winding road is visible on the left side of the lake, and a small boat is on the water. In the bottom-right corner, there is a small inset photograph showing a rocky riverbed with green water and a power line tower.

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