Scatec

Second quarter and first half report

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 [3]		642	50%
Laos [3]		525	20%
South Africa		448	45%
Egypt		380	51%
Ukraine		336	89%
Uganda [3]		255	28%
Malaysia		244	100%
Brazil [3]		162	44%
Argentina [3]		117	50%
Honduras		95	51%
Jordan		43	62%
Mozambique		40	53%
Vietnam		39	100%
Czech Republic		20	100%
Rwanda		9	54%
Total		3,355	52%
Under construction			
Pakistan		150	75%
Mexico		9	100%
Total		159	76%
Projects in backlog			
India		900	50%
South Africa		540	51%
Brazil [3]		101	40%
Tunisia		360	55%
Ukraine		65	65%
Bangladesh		62	65%
Mali		33	64%
Lesotho		20	48%
Total		2,081	60%
Grand total		5,595	55%
Projects in pipeline		12,288	

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.

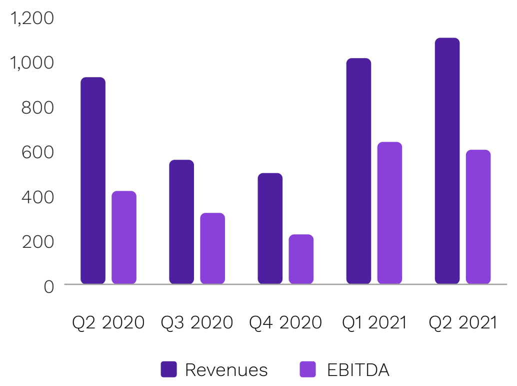
1) Asset portfolio as per reporting date 23 July 2021.
2) Scatec's share of the total estimated economic return from its subsidiaries. For projects under development the economic interest may be subject to change.
3) Projects are equity consolidated, for further details see page 17. All other projects in the table are fully consolidated.

Q2'21 – Strong growth in project backlog and pipeline

- Power production of 860 (406)[1] GWh and EBITDA of NOK 601 (417) million
- 2.6 GW added to project backlog and pipeline
- First large-scale hybrid project of 540 MW solar + storage awarded in South Africa
- Entering the Indian market – secured 900 MW solar plant with local partner
- Moving into offshore wind in Southeast Asia
- 320 MW in Ukraine and Argentina started commercial operation in July

Proportionate revenues and EBITDA

NOK million



Key figures

NOK million	Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Proportionate Financials [2]					
Revenues and other income	**1,101**	1,010	925	2,111	1,791
Power Production	**969**	924	458	1,892	849
Services	**68**	56	73	124	125
Development & Construction	**51**	24	383	75	797
Corporate	**13**	6	11	19	19
EBITDA [2]	**601**	636	417	1,237	763
Power Production	**660**	704	374	1,363	705
Services	**24**	17	34	41	50
Development & Construction	**-54**	-60	22	-113	37
Corporate	**-28**	-25	-13	-54	-29
Operating profit (EBIT)	**364**	406	262	771	468
Net interest- bearing debt [2]	**15,619**	14,934	6,254	15,619	6,254
Scatec proportionate share of cash flow to equity [2]	**177**	571	158	748	265
Power Production (GWh)	**860**	854	406	1,714	755
Power Production (GWh) 100% [3]	**2,318**	2,147	738	4,465	1,361
Consolidated Financials					
Revenues and other income	**874**	831	725	1,706	1,350
EBITDA [2]	**670**	631	580	1,302	1,083
Operating profit (EBIT)	**470**	444	377	915	705
Profit/(loss)	**110**	42	-81	152	217
Net interest- bearing debt [2]	**15,337**	14,744	9,868	15,337	9,868
Basic earnings per share	**0.59**	0.11	-0.76	0.70	1.06

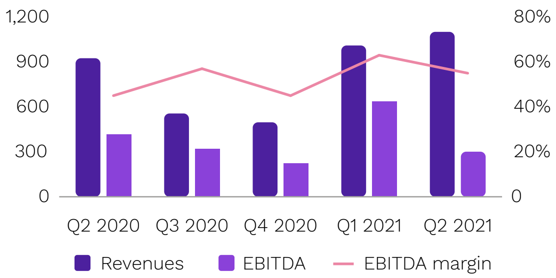
1) Amounts from same period last year in brackets
2) See Alternative Performance Measures appendix for definition. The Q1'21 figure has been corrected from NOK 13,674 million due to an error in reporting from the Philippines.
3) Production volume on a 100% basis from all entities, including JV companies.

Group – Proportionate financials

NOK million	Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Revenues and other income	**1,101**	1,010	925	2,111	1,791
Gross Profit	**897**	907	596	1,804	1,093
Operating expenses	**-296**	-271	-180	-567	-331
EBITDA [1]	**601**	636	417	1,237	763
EBITDA margin [1]	**55%**	63%	45%	59%	43%
D&A and impairment	**-236**	-230	-155	-466	-295
EBIT	**364**	406	262	771	468
Cash flow to equity [1]	**177**	571	158	748	265

Proportionate revenues and EBITDA

NOK million



1) See Alternative Performance Measures appendix for definition.

The Group's revenues increased compared with the same quarter last year after the inclusion of the SN Power assets in January 2021, combined with new power plants that have started operation, partly offset by lower construction activity.

The increase in operating expenses and depreciation compared with the same quarter last year is mainly driven by the new power plants in the portfolio and strengthened project development and corporate functions to support the Group's growth plans.

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 change in segment mix resulted in a higher EBITDA margin for the Group compared with the same quarter last year.

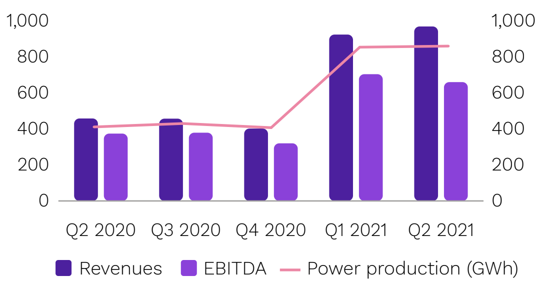
EBITDA and cash flow to equity for the first half of 2021 increased compared with the first half last year, primarily explained by the factors above in addition to NOK 397 million from refinancing of assets in the Philippines. See page 12 for further comments on cash flow to equity.

Power Production – Proportionate financials

NOK million	Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Revenues and other income	**969**	924	458	1,892	849
Gross profit	**808**	844	458	1,652	849
Operating expenses	**-149**	-140	-84	-289	-144
EBITDA [1]	**660**	704	374	1,363	705
EBITDA margin [1]	**68%**	76%	82%	72%	83%
D&A and impairment	**-227**	-221	-144	-448	-269
EBIT	**432**	483	230	915	436
Cash flow to equity [1]	**252**	681	135	933	240

Proportionate revenues and EBITDA

NOK million



1) See Alternative Performance Measures appendix for definition.

Production capacity increased by 1,461 MW compared to last year mainly driven by the acquisition of SN Power.

Power production reached 860 GWh in the second quarter compared with 406 GWh in the same quarter last year. In the same period, revenues and EBITDA increased by NOK 511 million and NOK 286 million respectively.

Compared with the previous quarter the EBITDA decreased by NOK 44 million, mainly explained by weaker financial performance at the Philippine hydropower plants. Second quarter is a seasonal dryer period with lower production and some energy is therefore normally purchased in the spot market to deliver power under the prevailing energy sales contracts. See page 17 for a specification of financial performance for each country in the portfolio.

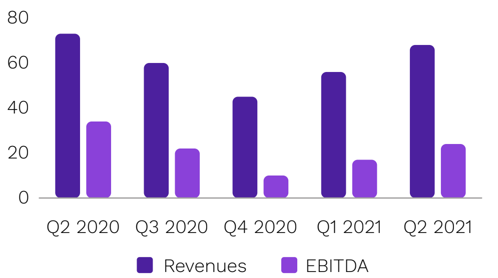
Revenues and profitability in the first half of 2021 are explained by the developments referred to above.

Cash flow to equity for the first half of 2021, includes NOK 397 million from debt refinancing of assets in the Philippines, recorded in the first quarter 2021.

Services – Proportionate financials

NOK million	Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Revenues and other income	**68**	56	73	125	125
Operating expenses	**-44**	-39	-39	-83	-75
EBITDA [1]	**24**	17	34	42	50
EBITDA margin [1]	**35%**	30%	47%	34%	40%
D&A and impairment	**-1**	-1	-1	-2	-2
EBIT	**23**	16	33	39	49
Cash flow to equity [1]	**19**	14	27	33	40

Proportionate revenues and EBITDA
NOK million



1) See Alternative Performance Measures appendix for definition.

The Services contract portfolio has been fairly stable the last year and the underlying second quarter revenues and EBITDA were broadly in line with the same period in 2020. Revenues and EBITDA in the second quarter last year included a one-off catch up of service revenues.

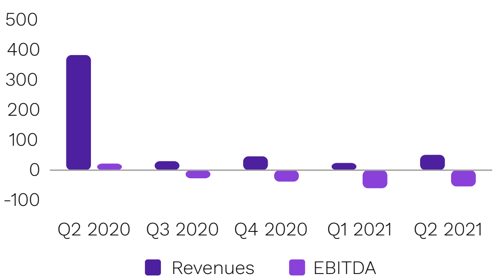
Operating expenses mainly constitute fixed expenses such as personnel and recurring maintenance cost reflecting the prevailing maintenance schedules. The increase in expenses compared with the same period last year is mainly due to growth of centralised service costs required to support the growing portfolio.

Revenues and profitability in the first half of 2021 are explained by the developments referred to above.

Development & Construction (D&C) – Proportionate financials

NOK million	Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Revenues and other income	**51**	24	383	75	797
Gross Profit	**7**	-	54	7	99
Gross Margin [1]	**14%**	1%	14%	10%	12%
Operating expenses	**-61**	-60	-32	-121	-63
EBITDA [1]	**-54**	-60	22	-113	37
D&A and impairment	**-2**	-2	-4	-4	-14
EBIT	**-56**	-62	17	-117	22
Cash flow to equity [1]	**-37**	-51	19	-88	32

Proportionate revenues and EBITDA
NOK million



1) See Alternative Performance Measures appendix for definition.

D&C revenues decreased compared to the same period last year with lower construction activity. Moderate revenues were recognised in the second quarter related to the 150 MW Sukkur project in Pakistan.

The 148 MW Progressovka project and the 55 MW Chigirin project in Ukraine, together with the 117 MW Guanizuil project in Argentina, reached commercial operation in early July 2021.

Continued high project development activity with major projects like Kenhardt in South Africa and Acme in India, in total 1,440 MW were matured and moved to backlog in the quarter. For further details, see page 14.

Operating expenses comprised of approximately NOK 44 million for early stage project development and NOK 17 million related to the construction business.

EBITDA in the first half of 2021, and the reduction compared with the same quarter last year, are explained by lower construction activity.

Corporate – Proportionate financials

NOK million	Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Revenues and other income	**13**	6	11	19	19
Operating expenses	**-42**	-31	-24	-74	-48
EBITDA [1]	**-28**	-25	-13	-54	-29
D&A and impairment	**-6**	-6	-5	-12	-10
EBIT	**-35**	-31	-18	-66	-39
Cash flow to equity [1]	**-57**	-72	-23	-130	-47

1) See Alternative Performance Measures appendix for definition

Revenues in the corporate segment are mainly earned from corporate services rendered to the Groups' subsidiaries.

Operating expenses increased by NOK 18 million compared with the same quarter last year, mainly related to the integration of SN Power and a strengthened corporate function to support the Group's growth targets.

Short term guidance

Power Production

The estimated production for the third 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 the second quarter 2021.

GWh	Q2 2021	Q3 2021E	2021E
Proportionate	**860**	970 – 1,040	3,600 – 3,750
100% basis	**2,318**	2,450 -2,600	9,200 – 9,500

The EBITDA from the Philippines in second half 2021 is expected to be 20-30% higher than in first half of the year.

Services

Revenues in the Services segment are expected to reach approximately NOK 260 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 the second quarter the remaining, not booked, construction contract value was about NOK 490 million.

D&C revenues will further increase when new projects move into construction in second half of 2021.

Corporate

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

ESG performance

EU Taxonomy update

During the second quarter 2021, a lifecycle assessment of greenhouse gas (GHG) emissions for all Scatec's operating hydropower assets was carried out in line with the technical screening criteria of the EU Taxonomy. The threshold of lifecycle emissions in the Taxonomy is set to 100gCO2/kWh. The lifecycle emissions of Scatec's hydropower assets are estimated to be significantly below the threshold, ranging from 1.2-21.6gCO2/kWh. The assessment was carried out by the International Hydropower Association (IHA) and is available under ESG resources on the Company's website.

Scatec is also assessing its hydropower assets against the criteria relating to the "Do no Significant Harm" principle of the EU Taxonomy. The outcome of the assessment will be ready in the second half of 2021.

Science Based Target Initiative

In June 2021, Scatec committed to The Science Based Target Initiative (SBTi). The SBTi is a joint initiative by the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute and the Worldwide Fund for Nature (WWF), aiming to accelerate corporate climate action. The commitment requires Scatec to publish a climate target in line with the Paris Agreement for all direct emissions (scope 1) and indirect emissions (scope 2 and 3) within a time period of two years.

Scatec published a climate target earlier this year for scope 1 and 2 in line with the 1.5°C scenario to reduce emissions by more than 50% by 2030 and to achieve net zero by 2050. The Company is also developing a target for scope 3 to be published by end of 2021.

Bi-annual ESG reporting

	Indicator [1]	Unit	First half 2021	2021 targets	2020
E	E&S impact assessments	% completed in new projects	**100**	100	100
	GHG emissions avoided	mill tonnes	**2.2**	4.4	1.6
	Water consumption	mill litres (water-stressed areas)	**5.4** [2]	-	5.9 [3]
S	Lost Time Incident Frequency	per mill hours	**1.5**	0.6	0.6
	Hours worked	mill hours (12 months rolling)	**2.7**	-	3.7
	Female managers	% of females in mgmt. positions	**28**	35	33
G	Number of grievances	total received in all projects	**24**	-	79
	Grievances resolved [4]	% of grievances resolved	**42** [5]	100	82
	Anti-corruption training	% completed - all employees	**77**	100	100

1) See ESG Performance Indicators under other definitions on page 47 for definition of each indicator in the table.
2) As per the Aqueduct Water Risk Atlas, Scatec reports on water usage by source in South Africa and Jordan. The YTD 2021 figure includes full operation of three new power plants grid connected in South Africa during 2020.
3) During 2020, all planned module cleaning cycles in Jordan could not be completed due to COVID-19 restrictions.
4) Grievances resolved are defined as assigned, addressed and closed out by the Company.
5) The majority of the unresolved grievances relate to a flooding incident in June 2021 at the Agua Fria project site in Honduras. Now in process of being addressed and closed.

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

During the first half of 2021, Scatec conducted Environmental and Social Impact Assessments (ESIAs) or baseline studies in close dialogue with project and financing partners for all new projects under development. This include projects located in Brazil, Malaysia and the Philippines. All projects are Category B projects according to the IFC Performance Standards, with potential limited adverse social or environmental impact.

The GHG emissions avoided from Scatec's power plants in operation totaled 2.2 million tonnes in the first half year of 2021. The increase in avoided GHG emissions from 2020 mainly comes from the addition of the hydropower plants in Laos, the Philippines and Uganda.

Scatec reports on water extraction by source and volume for projects located in water-stressed areas. South Africa and Jordan are defined as areas of medium or high-water risk by the World Resources Institute's "Aqueduct Water Risk Atlas". The water usage in South Africa and Jordan reached 5.4 million litres during the first half of 2021 compared with 2020 full year figures of 5.9 million litres. The water usage year-to-date 2021 includes full operation of three new power plants grid connected in South Africa during 2020. The average water usage per MW installed capacity was 35,582 litres for first half 2021 compared with 2020 full year figures of 45,365 litres per MW installed capacity.

The Company delivered more than 2.7 mill working hours with no fatalities or serious injuries during the first half of 2021. The lost time incident frequency rate (LTIF) was 1.5 per million working hours. The figure is based on four incidents which resulted in lost time. All lost time incidents were investigated and preventive actions have been implemented and communicated.

The percentage of female employees in management positions globally was 28% at the end of the second quarter 2021. Scatec has set an ambitious target to increase this number to 35% by the end of 2021. Several key initiatives to reach this target are implemented across hiring processes, performance and reward programmes, and learning and development initiatives.

During the first half of 2021, the total number of grievances received from projects in operation and under construction amounted to 24. Of the total grievances registered, 42% were resolved as of July 2021. To date, nine grievances in Honduras, four in South Africa and one in Malaysia are still in the process of being resolved. The majority of the unresolved grievances in Honduras relate to a flooding incident in June 2021 on the Agua Fria project site. The incident also affected a nearby community and the Company is currently engaging with the affected households by providing support and compensation. All grievances relating to the flooding are expected to be resolved within the next month.

Scatec provides mandatory anti-corruption and code of conduct training to all employees. At the end of the second quarter 2021, 77% of all employees had completed the training. The Company continues to raise awareness of its commitment to a zero-tolerance policy for corruption.

COVID-19

Scatec has not experienced any material effects related to COVID-19 on its operations of power plants in the second quarter 2021. The COVID-19 situation is however in general still impacting the markets where Scatec develops projects and delays in maturing some of the projects in backlog and pipeline are expected.

Acquistion 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.

See note 1 regarding basis for preparation, note 2 Operating segments for a full reconciliation between the proportionate and the IFRS financials 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.

Outlook

Despite the pandemic, global investments 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.

Bloomberg New Energy Finance (BNEF) expects global solar new build to accelerate, seeing new installations of more than 180 GW in 2021, up from 144 GW in 2020. For wind, new installations reached a record-setting 97 GW for the first time in 2020 with further expected growth at 88 GW in new capacity 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 20.6 GW in 2020, and the International Energy Agency (IEA) forecasts an increase of 28 GW in 2021. In a recent report, IEA highlights that around half of hydropower's economically viable potential is untapped globally, and the potential is particularly high in emerging economies and developing economies, reaching almost 60%. To reach IEA's net-zero emission by 2050, significant investments in hydropower is required with an estimated need to build additional 477 GW hydropower capacity globally by 2030. Of new capacity, 75% is expected to come from large-scale projects in Asia and Africa, with the Asia Pacific region outside of China expected to add over 64 GW, and Africa to add over 19 GW. Combined with wind and solar power, hydropower offers unmatched flexibility in renewable power production.

Long term, BNEF expects all renewables to see massive growth, supplying 85% of energy in 2050 in a green scenario [1)]. In its latest New Energy Outlook 2021 report, BNEF highlights that the following milestones would need to be achieved every year (in average) by 2030 to get on track to reach net zero by 2050:

- New wind power of 505 GW
- Solar PV of 455 GW
- Batteries of 245 GW

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 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 11.5 GW of new capacity in operation or under construction that will require close to 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.

1) Green Scenario is a clean-electricity and green-hydrogen net-zero pathway. Here, hydrogen produced from water using electrolyzers powered by wind and solar is applied in sectors such as industry and heavy transport, as well as in power generation to complement electrification.

Consolidated statement of profit and loss

Profit and loss

NOK million	Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Revenues	**736**	693	722	1,429	1,352
Net income/(loss) from JVs and associated	**138**	138	3	276	-2
EBITDA	**670**	631	580	1,302	1,083
Operating profit (EBIT)	**470**	444	377	915	705
Net financial items	**-279**	-344	-454	-623	-372
Profit before income tax	**191**	100	-77	292	333
Profit/(loss) for the period	**110**	42	-81	152	217
Profit/(loss) to Scatec	**93**	18	-98	111	137
Profit/(loss) to non-controlling interests	**17**	24	17	41	80

Revenues
Revenues from power sales were up 2% compared with the same quarter last year, and 6% compared to the first half of last year. The increase in revenues is explained by the commercial operation of new solar parks at 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 135 million compared with the same quarter last year. The increase relates to the share of net income from the joint ventures in the Philippines (50% ownership), Laos (20% ownership) and Uganda (28.3% ownership), all part of the SN Power acquisition. The increase for the first half of 2021 was NOK 274 million. 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 16% compared with the same quarter last year. The growth in operating expenses compared with the second quarter last year is also explained by the increased asset base in operation, higher cost related to development of new power plants and increased corporate cost mainly caused by the integration of SN Power and a strengthend corporate function to support the Group's growth targets.

Consolidated operating expenses amounted to NOK 204 million (144) in the second quarter. This consists of approximately NOK 106 million (96) for operation of existing power plants, NOK 48 million (22) for early stage development of new projects, NOK 16 million (9) related to construction and NOK 34 million (18) of corporate expenses (excluding eliminated intersegment charges). Operating expenses was NOK 222 million in the first half of 2021.

Net financial items

NOK million	Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Financial income	**9**	22	16	31	28
Financial expenses	**-322**	-357	-301	-679	-552
Foreign exchange gains/(loss)	**34**	-9	-169	25	151
Net financial items	**-279**	-344	-454	-623	-372

Financial expenses in the second quarter mainly consist of interest expenses, which comprise of primarily interest on non-recourse financing of NOK 210 million (260), and corporate funding of NOK 52 million (19). See note 4 and 5 for further information on financing.

The quarter's net foreign currency gain increased by NOK 203 million to NOK 34 million in the second quarter of 2021. The increase 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' functional currencies. The gain for the first half of 2021 was NOK 25 million compared to NOK 151 million last year.

Profit before tax and net profit
The Group recognised a tax expense of NOK 81 million (4) in the second quarter, corresponding to an effective tax rate of 42% (-5%). 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 different tax rates in the jurisdictions in which the companies operate, withholding taxes paid on dividends, revised assessment of deferred tax asset and currency effects. The tax expense for the first half of 2021 was NOK 115 million compared to NOK 130 million last year. 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 second quarter of 2021 there were minor variations between NOK and relevant currencies' average rates, resulting in a small net impact on consolidated revenues and net profit.

Following the movements in currencies in the second quarter, the Group has recognised a foreign currency translation gain of NOK 191 million (-163) in other comprehensive income related to the conversion of the subsidiaries' statements of financial position from the respective functional currencies to the Group's presentation currency. The gain for the first half of 2021 was NOK 125 million.

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	30 June 2021	31 December 2020
Property, plant and equipment	16,462	16,086
Investments in JVs and associated companies	9,795	612
Other non-current assets	1,206	891
Total non-current assets	27,463	17,590
Other current assets	1,558	1,286
Cash and cash equivalents	4,192	7,788
Total current assets	5,571	9,074
Total assets	33,213	26,663

The 56% net increase of non-current assets as of 30 June 2021 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 21% compared with 31 December 2021, mainly driven by working capital changes related to construction projects. The cash balance has decreased by NOK 3,596 million since 31 December 2020, primarily following the acquisition of SN Power. In addition, the Group had NOK 1,588 million in available undrawn credit facilities at the end of the second 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	30 June 2021	31 December 2020
Equity	9,681	9,467
Non-current non-recourse project financing	11,507	11,350
Corporate financing	7,179	-
Other non-current liabilities	2,366	2,351
Total non-current liabilities	21,052	13,701
Corporate financing	-	748
Current non-recourse project financing	844	913
Other current liabilities	1,637	1,834
Total current liabilities	2,480	3,495
Total liabilities	23,532	17,196
Total equity and liabilities	33,213	26,663
Book equity ratio	29.1%	35.5%

Total equity increased by NOK 214 million compared with 31 December 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.

At 30 June 2021, Scatec was in compliance with all financial covenants for both the recourse and non-recourse debt. Refer to note 4 for further details on the covenants in Ukraine.

The NOK 6,431 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. In the first quarter 2021, Scatec successfully completed a EUR 250 million senior unsecured green bond issue with maturity in August 2025, which was listed on the Oslo Stock Exchange 23 June 2021. 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 757 million (200) in the second quarter 2021, compared to EBITDA of NOK 670 million. The difference is primarily explained by changes in other current liabilities.

Net cash flow from consolidated investing activities was NOK -462 million (-564), driven by investments in property, plant and equipment.

Net cash flow from financing activities was NOK -877 million (1,399), driven by loan repayments as well as payments of dividends and interest.

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	Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Power Production	**252**	681	135	933	240
Services	**19**	14	27	33	40
Development & Construction	**-37**	-51	19	-88	32
Corporate	**-57**	-72	-23	-130	-47
Total	**177**	571	158	748	265

The cash flow to equity in the Power Production segment has increased compared with the same quarter last year, primarily explained by new power plants included following the acquisition of SN Power. Cash flow to equity for the first half of 2021 includes NOK 397 million that stems from debt refinancing of assets in the Philippines, recorded in the first quarter 2021. 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 has decreased compared with the same quarter last year. The cash flow to equity in Services is influenced by commencement of new contracts and sesonal vairations.

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

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

The power plant companies have distributed a total of NOK 206 million in the second quarter of 2021 and NOK 929 million in the first half of 2021, net of withholding taxes, 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 Group'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 Management believes that the assumptions were reasonable when made, the Group cannot assure that the future results, level of activity or performance will meet the expectations.

1) See Alternative Performance Measures appendix for definition.

Project overview

Project stage	Q2 2021 Capacity [1] (MW)	Q1 2021 Capacity (MW)
In operation	3,355	3,035
Under construction	159	479
Project backlog [2]	2,081	641
Project pipeline [2]	12,228	11,098
Total	17,883	15,253

Total annual production from the 5,595 MW in operation, under construction and in backlog is expected to reach about 14,200 GWh (on 100% basis).

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						
Sukkur, Pakistan	150	USD	100	300	75%	75%
Torex Gold, Mexico [3]	9	USD	N/A	N/A	N/A	100%
Total under construction	**159**	NOK [4]	**880**	**300**	**75%**	**76%**
Backlog						
India	900	INR	29,600	1,600	75%	50%
South Africa	540	ZAR	16,000	900	80%	51%
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	**2,081**	NOK [4]	**17,800**	**3,910**	**76%**	**60%**
Total	**2,240**	NOK [4]	**18,660**	**4,210**	**74%**	**55%**

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 30 June 2021.
5) Expected economic interest at financial close of project.

Under construction

Project	Capacity (MW)
Sukkur, Pakistan	150
Torex Gold, Mexico	9
Total	159

The 150 MW Sukkur project started construction in April 2021 with expected commercial operation in 2022.

Backlog

The 900 MW Acme project in India and the 540 MW Kenhardt 1-3 solar project in South Africa with 225 MW/1,140 MWh battery storage capacity have been included in backlog since the first quarter report, resulting in a project backlog of 2,081 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 limited. This continues to impact project development as certain activities requires physical presence and delays in maturing some of the projects in backlog and pipeline are expected.

Acme, India 900 MW

The Acme project is Scatec's first project in India and will be developed in partnership with ACME, a leading solar developer in India. The project is located in the state of Rajasthan, on the north-western side of the country. The project holds a 25-year PPA with Solar Energy Corporation of India (SECI) secured in a tender in 2018. The estimated total capex for the project is USD 400 million (INR 29,600 million), with 75% debt financing from an Indian state-owned lender. Financial close and construction start is expected in second half 2021.

Scatec will hold a 50% economic interest in the project, while ACME will retain 50%. ACME will be the turn-key EPC (Engineering, Procurement and Construction) provider and Scatec will ensure delivery according to international standards, HSSE and E&S, as well as optimisation of engineering, procurement and operations of the plants.

Kenhardt 1-3, South Africa, 540 MW solar with 225 MW/1,140 MWh battery storage

In June 2021, Scatec was awarded preferred bidder status on three projects totaling 150MW (3x50MW) of Contracted Capacity by the Department of Mineral Resources and Energy in South Africa under the technology agnostic Risk Mitigation Power Procurement Programme. The three projects, with a total of 540 MW solar and 225 MW/1,140 MWh battery storage were the only projects with preferred bidder status exclusively making use of renewable energy technology, making them one of the largest single site solar + storage hybrids in the world. The projects have a total estimated capex of about USD 1 billion (ZAR 16 billion).

The power will be sold under a 20-year PPA with a paid capacity charge. The project will be funded by project finance debt from a consortium of commercial banks and Development Finance Institutions with expected debt leverage of 80%. Scatec will own 51% of the equity, and H1 Holdings, Scatec's local Black Economic Empowerment partner will hold the remaining 49%. Financial close is expected later in 2021 with grid connection by the end of 2022.

Tunisia portfolio, 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, as well as the Engineering, Procurement and Construction (EPC) provider and provide Operation & Maintenance as well as Asset Management services to the power plants. Financial close and start construction is expected in second half 2021.

San Pedro and Paulo (SPP), Brazil, 101 MW

The SPP project is developed in partnership with Kroma Energia and Equinor with an estimated capex of BRL 350 million and annual production of 220 GWh. The project is located in Flores, Pernambuco and financing will be provided by Banco do Nordeste (BNB) with expected debt leverage of 60%. The project has secured off-take of about 75% of energy generated with ANEEL and Engie. The remaining energy will be contracted on shorter 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. Financial close and start construction is expected in second half 2021.

Other backlog

In addition to the above projects, Scatec's backlog also includes Ukraine (65 MW), Bangladesh (62 MW), Mali (33 MW) and Lesotho (20 MW). Additional information is available on www.scatec.com.

Pipeline

Location	Q2 2021 Capacity (MW)	Q1 2021 Capacity (MW)
Latin America	**2,017**	1,325
Africa and the Middle East	**5,761**	4,693
Europe & Central/South Asia	**280**	1,330
Southeast Asia	**4,230**	3,750
Total pipeline	**12,288**	11,098

In addition to the projects in backlog Scatec holds a solid pipeline of projects totaling 12,288 MW across several technologies. During the period, 1,440 MW was moved from pipeline to backlog, so during the quarter, more than 2.5 GW of new projects have been added to the pipeline. The net increase in pipeline was 1,190 MW since the first quarter reporting date. The increase in pipeline is mainly coming from new projects in South Africa in preparation for REIPP Round 5, offshore wind projects being developed in South East Asia and new wind projects being pursued in Latin America.

Solution	Q2 2021 Capacity (MW)	Q1 2021 Capacity (MW)	Q2 2021 Share in %	Q1 2021 Share in %
Solar	**6,082**	5,536	**49%**	49%
Wind	**2,620**	1,870	**21%**	17%
Hydro	**2,428**	2,516	**20%**	23%
Hybrid solutions	**858**	876	**7%**	8%
Release	**300**	300	**3%**	3%
Total	**12,288**	11,098	**100%**	100%

Q1'21 figures for hybrid solutions and solar have been amended due to change in definition.

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 (2,017 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.

A screening of hydropower opportunities is being performed across the continent. Interesting medium to large hydropower prospects in Equador associated with an announced privatization program is being evaluated.

Africa and the Middle East (5,761 MW)

In South Africa, Scatec holds solar and wind sites representing more than 3.0 GW ready to be bid, and Scatec is in the process of securing additional projects for upcoming tender rounds. 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 (RMIPPP) 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 remain 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 in Madagascar and a development project in Malawi where Scatec is part of an exclusive tender consortium. In addition, opportunities across the continent with several prospects especially in the West Africa are being pursued.

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.

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 (280 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 operating assets with potential to improve performance and Greenfield projects in the central to western part of Asia and in India.

Southeast Asia (4,230 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.

Based on the company's established positions in Vietnam and the Philippines, Scatec has also initiated development of offshore wind projects in these two countries. Both countries hold attractive conditions for such projects. In the Philippines, Scatec has secured 750 MW of exclusive development rights through Wind Energy Service Contracts for two projects. Another 1 GW of development rights is expected to be awarded and signed in second half 2021. In Vietnam, Scatec has with a local development partner secured the initial award of development rights from the Provincial Authorities for a total of 2 GW. Final confirmation of these rights will come after the new Power Development Plan 8 has been approved.

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 technologies.

Further hydropower acquisitions and greenfield opportunities across the region are being evaluated and pursued as markets open up for IPPs and cross – country power trading. The combination of asset ownership and project development in solar, hydro and wind represent opportunities for Scatec to pursue opportunities in several countries in the region, e.g. Vietnam and the Greater Mekong region, Malaysia and the Philippines.

Proportionate financials
Break down of Power Production segment
Key financials

Q2 2021

NOK million	Philippines	South Africa [1]	Uganda	Malaysia	Egypt	Laos	Ukraine	Czech Republic	Honduras	Jordan	Brazil	Vietnam	Other [2]	Total
Revenues	348	108	76	86	86	80	48	45	26	26	18	9	12	969
Cost of sales	-160	-	-	-	-	-	-	-	-	-	-	-	-	-161
OPEX	-39	-20	-5	-11	-9	-8	-9	-3	-4	-3	-4	-6	-29	-149
EBITDA	149	88	71	75	77	72	39	42	22	23	14	4	-16	660
EBITDA margin	43%	81%	94%	87%	89%	90%	81%	94%	84%	90%	79%	40%	-131%	68%
Cash flow to equity	65	13	40	18	38	37	7	24	14	10	4	-1	-19	252
Scatec economic interest [3]	50%	45%	28%	100%	51%	20%	91%	100%	51%	62%	44%	100%		
Net production (GWh)	111	91	111	86	139	182	34	8	22	20	33	13	9	860

1) Includes Kalkbult, Linde, Dreunberg and Upington projects
2) Includes Rwanda, Mozambique and Release
3) The project companies in Philippines, Uganda, Laos and Brazil are equity consolidated in the in the groups financial statements

Q2 2020 [3]

NOK million	Philippines	South Africa [1]	Uganda	Malaysia	Egypt	Laos	Ukraine	Czech Republic	Honduras	Jordan	Brazil	Vietnam	Other [2]	Total
Revenues	-	100	-	86	91	-	38	48	29	31	20	-	15	458
Cost of sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPEX	-	-20	-	-12	-12	-	-3	-3	-4	-11	-4	-	-15	-84
EBITDA	-	80	-	74	79	-	35	45	25	20	16	-	-1	374
EBITDA margin	-	80%	-	87%	86%	-	91%	94%	85%	66%	82%	-	-2%	82%
Cash flow to equity	-	19	-	16	34	-	16	27	15	4	13	-	-7	135
Scatec economic interest [4]	-	45%	-	100%	51%	-	91%	100%	51%	62%	44%	-	-	-
Net production (GWh)	-	92	-	71	129	-	22	9	20	19	33	-	11	406

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

YTD 2021

NOK million	Philippines	South Africa [1]	Uganda	Malaysia	Egypt	Laos	Ukraine	Czech Republic	Honduras	Jordan	Brazil	Vietnam	Other [2]	Total
Revenues	708	237	152	178	155	138	68	64	52	45	35	31	29	1,892
Cost of sales	-240	-	-	-	-	-	-	-	-	-	-	-	-	-240
OPEX	-76	-42	-9	-23	-21	-15	-13	-6	-8	-5	-7	-8	-56	-289
EBITDA	392	195	143	155	134	124	55	58	43	40	27	23	-27	1,363
EBITDA margin	55%	82%	94%	87%	86%	89%	81%	91%	84%	88%	79%	74%	-94%	72%
Cash flow to equity	605 [3]	46	80	38	60	55	-3	28	27	14	7	7	-31	933
Scatec economic interest [4]	50%	45%	28%	100%	51%	20%	91%	100%	51%	62%	44%	100%		
Net production (GWh)	279	210	220	177	253	310	49	12	42	33	65	43	20	1,714

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

YTD 2020 [3]

NOK million	Philippines	South Africa [1]	Uganda	Malaysia	Egypt	Laos	Ukraine	Czech Republic	Honduras	Jordan	Brazil	Vietnam	Other [2]	Total
Revenues	-	202	-	181	164	-	46	71	60	51	41	-	32	849
Cost of sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPEX	-	-34	-	-21	-23	-	-5	-5	-8	-13	-9	-	-26	-144
EBITDA	-	168	-	161	141	-	41	66	52	38	32	-	6	705
EBITDA margin	-	83%	-	89%	86%	-	89%	92%	86%	74%	79%	-	20%	83%
Cash flow to equity	-	48	-	44	54	-	15	33	32	6	17	-	-8	240
Scatec economic interest [4]	-	45%	-	100%	51%	-	91%	100%	51%	62%	44%	-	-	-
Net production (GWh)	-	165	-	152	238	-	28	13	43	32	63	-	21	755

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 quity	-	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

30 June 2021

NOK million	Power plants in operation													
	Philippines	South Africa [4]	Uganda	Malaysia	Egypt	Laos	Ukraine	Czech Republic	Honduras	Jordan	Brazil	Vietnam	Other [3]	Total
Project equity [1]	1,367	246	636	647	280	549	343	149	835	221	189	139	60	5,663
Total assets [5]	4,462	2,463	2,159	2,889	2,023	992	975	534	1,033	691	525	519	427	19,692
PP&E	2,090	2,196	1,984	2,801	1,739	793	819	432	909	521	479	427	351	15,540
Cash	309	175	110	298	215	122	33	31	28	150	12	70	54	1,608
Gross interest bearing debt [2]	2,902	1,887	867	2,074	1,438	398	568	333	146	400	297	328	289	11,928
Net interest bearing debt [2]	2,593	1,712	757	1,776	1,222	276	535	302	118	250	285	258	235	10,320
Net working capital [2]	-193	-63	51	-315	-51	-56	20	-5	50	-58	-17	-40	-11	-688
Scatec economic interest	50%	45%	28%	100%	51%	20%	73%	100%	51%	62%	44%	100%		

NOK million	Power plants under construction			
	Ukraine	Argentina	Pakistan	Total
Project equity [1]	1,091	215	59	1,364
Total assets [5]	2,185	567	79	2,831
PP&E	1,950	549	45	2,544
Cash	21	1	34	56
Gross interest bearing debt [2]	291	319	-	611
Net interest bearing debt [2]	270	318	-34	555
Net working capital [2]	-648	-311	-11	-970
Scatec economic interest	100%	50%	75%	

1) See Other definitions appendix for definition
2) See Alternative Performance Measures appendix for definition
3) Includes Rwanda, Mozambique and Release
4) Includes Kalkbult, Linde, Dreunberg and Upington projects
5) The above asset figures does not include group adjustments of internal margins or group level PPA's

Bridge from proportionate to consolidated financials

30 June 2021

NOK million	Power plants in 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]	5,663	1,364	1,173	-2,956	4,437	9,681
Total assets	19,692	2,831	6,614	1,091	2,985	33,213
PP&E-in power projects	15,540	2,544	5,665	-5,895	-1,788	16,066
Cash	1,608	56	648	-554	2,434	4,192
Gross interest bearing debt [2]	11,928	611	4,596	-4,783	7,179	19,530
Net interest bearing debt [2]	10,320	555	3,947	-4,229	4,744	15,337
Net-working capital [2]	-688	-970	-182	526	511	-804

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 and Argentina, 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	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Revenues	2	736	722	1,429	1,352	2,771
Net income/(loss) from JVs and associated companies	9	138	3	276	-2	-16
Total revenues and other income		874	725	1,706	1,350	2,754
Personnel expenses	2	-100	-59	-182	-113	-262
Other operating expenses	2	-104	-86	-222	-155	-423
Depreciation, amortisation and impairment	2,3	-200	-203	-387	-378	-777
Operating profit (EBIT)		470	377	915	705	1,292
Interest and other financial income	4	9	16	31	28	57
Interest and other financial expenses	4	-322	-301	-679	-552	-1,189
Net foreign exchange gain/(losses)	4	34	-169	25	151	-398
Net financial expenses		-279	-454	-623	-372	-1,530
Profit/(loss) before income tax		191	-77	292	333	-238
Income tax (expense)/benefit	6	-81	-4	-140	-115	-130
Profit/(loss) for the period		110	-81	152	217	-368
Profit/(loss) attributable to:						
Equity holders of the parent		93	-98	111	137	-478
Non-controlling interests		17	17	41	80	110
Basic earnings per share (NOK) [1]		0.59	-0.76	0.70	1.06	-3.51
Diluted earnings per share (NOK) [1]		0.58	-0.75	0.69	1.05	-3.51

1) Based on average 158.9 million shares outstanding for the purpose of earnings per share and average 159.9 million shares outstanding for the purpose of diluted earnings per share.

Interim consolidated statement of comprehensive income

NOK million	Notes	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Profit/(loss) for the period		110	-81	152	217	-368
Other comprehensive income:						
Items that may subsequently be reclassified to profit or loss						
Net movement of cash flow hedges		-44	-176	264	-480	-376
Income tax effect	6	7	48	-67	121	98
Foreign currency translation differences		188	-163	125	138	-116
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		151	-291	321	-220	-394
Total comprehensive income for the period net of tax		261	-373	473	-3	-762
Attributable to:						
Equity holders of the parent		246	-269	331	74	-698
Non-controlling interests		15	-103	142	-76	-65

Interim consolidated statement of financial position

NOK million	Notes	As of 30 June 2021	As of 31 December 2020
Assets			
Non-current assets			
Deferred tax assets	6	793	722
Property, plant and equipment - power plants	3	16,066	15,861
Property, plant and equipment – other	3	395	225
Goodwill	8	240	25
Investments in JVs and associated companies	9	9,795	612
Other non-current assets		163	144
Total non-current assets		27,463	17,590
Current assets			
Trade and other receivables		664	623
Other current assets		894	663
Cash and cash equivalents	5	4,192	7,788
Total current assets		5,751	9,074
Total assets		33,213	26,663

Interim consolidated statement of financial position

NOK million	Notes	As of 30 June 2021	As of 31 December 2020
Equity and liabilities			
Equity			
Share capital		4	4
Share premium		9,824	9,720
Total paid in capital		9,828	9,724
Retained earnings		-706	-708
Other reserves		-116	-221
Total other equity		-821	-929
Non-controlling interests		675	673
Total equity		9,681	9,467
Non-current liabilities			
Deferred tax liabilities	6	518	205
Non-recourse project financing	4	11,507	11,350
Corporate financing	5	7,179	-
Financial liabilities		337	572
Other non-current liabilities		1,511	1,575
Total non-current liabilities		21,052	13,701
Current liabilities			
Corporate financing	5	-	748
Trade and other payables	3	783	760
Income tax payable	6	14	90
Non-recourse project financing	4	844	913
Financial liabilities		118	131
Other current liabilities		722	852
Total current liabilities		2,480	3,495
Total liabilities		23,532	17,196
Total equity and liabilities		33,213	26,663

Oslo, 22 July 2021

The Board of Directors of Scatec ASA

Interim consolidated statement of changes in equity

NOK million	Share capital	Share premium	Retained earnings	Other reserves: Foreign currency translation	Other reserves: Hedging reserves	Total	Non-controlling interests	Total equity
At 1 January 2020	3	3,108	-134	128	-130	2,975	663	3,640
Profit for the period	-	-	137	-	-	137	80	217
Other comprehensive income	-	-	-1	122	-184	-63	-157	-220
Total comprehensive income	-	-	136	122	-184	74	-76	-3
Share-based payment	-	7	-	-	-	7	-	7
Share capital increase	-	1,994	-	-	-	1,994	-	1,994
Transaction cost, net after tax	-	-32	-	-	-	-32	-	-32
Share purchase program	-	-1	-	-	-	-1	-	-1
Dividend distribution	-	-	-	-	-	-	-110	-110
Sale of shares in group companies to NCIs	-	-	35	-	-	35	-	35
Capital increase from NCI	-	-	-	-	-	-	169	169
At 30 June 2020	3	5,075	37	250	-314	5,052	647	5,699
At 1 July 2020	3	5,075	37	250	-314	5,052	647	5,699
Profit for the period	-	-	-615	-	-	-615	30	-585
Other comprehensive income	-	-	-1	-211	53	-157	-17	-174
Total comprehensive income	-	-	-614	-211	53	-722	11	-759
Share-based payment	-	7	-	-	-	7	-	7
Share capital increase	1	4,749	-	-	-	4,750	-	4,750
Transaction cost, net after tax	-	-112	-	-	-	-112	-	-112
Dividend distribution	-	-	-131	-	-	-131	-38	-169
Capital increase from NCI	-	-	-	-	-	-	52	52
At 31 December 2020	4	9,720	-708	40	-261	8,794	673	9,467
At 1 January 2021	4	9,720	-708	40	-261	8,794	673	9,467
Profit for the period	-	-	111	-	-	111	41	152
Other comprehensive income	-	-	-	118	101	219	101	320
Total comprehensive income	-	-	111	118	101	330	142	472
Share-based payment	-	13	-	-	-	13	-	13
Share capital increase	-	42	-	-	-	42	-	42
Dividend distribution	-	-	-173	-	-	-173	-159	-332
Capital increase from NCI	-	-	-	-	-	-	18	18
At 30 June 2021	4	9,775	-770	158	-160	9,007	675	9,681

Interim consolidated statement of cash flow

NOK million	Notes	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Cash flow from operating activities						
Profit before taxes		191	-77	292	333	-238
Taxes paid	6	-44	-105	-59	-168	-214
Depreciation and impairment	3	200	203	387	378	777
Proceeds from disposal of fixed assets	3	-	-	3	-	26
Net income from JVs and associated companies	9	-138	-3	-276	2	16
Interest and other financial income	4	-9	-16	-31	-28	-57
Interest and other financial expenses	4	322	301	679	552	1,189
Unrealised foreign exchange (gain)/loss	4	-34	169	-25	-151	398
Increase/(decrease) in other assets and liabilities [1]		270	-274	27	12	-262
Net cash flow from operating activities		757	200	996	929	1,636
Cash flow from investing activities						
Interest received	4	9	16	31	28	57
Consideration paid for SN Power, net of cash acquired [2]	8	-	-	-7,560	-	-
Investments in property, plant and equipment	3	-622	-648	-771	-1,378	-1,774
Net investments in, and distributions from, JVs and associated companies	9	151	68	214	64	12
Net cash flow from investing activities		-462	-564	-8,086	-1,287	-1,704
Cash flow from financing activities						
Net proceeds and repayment from non-controlling interests [3]		25	85	-9	190	159
Interest paid	4	-367	-335	-554	-443	-894
Proceeds from non-recourse project financing		-	49	37	283	135
Repayment of non-recourse project financing		-262	-38	-375	-262	-678
Net proceeds from corporate financing [4]	5	-30	-289	4,699	-	-
Share capital increase		-	1,927	42	1,954	6,576
Dividends paid to equity holders of the parent company and non-controlling interests		-244	-	-332	-110	-279
Net cash flow from financing activities		-877	1,399	3,509	1,612	5,020
Net increase/(decrease) in cash and cash equivalents		-582	1,035	-3,581	1,254	4,951
Effect of exchange rate changes on cash and cash equivalents		-8	-24	-14	-8	13
Cash and cash equivalents at beginning of the period		4,783	3,058	7,788	2,824	2,824
Cash and cash equivalents at end of the period	5	4,192	4,069	4,192	4,069	7,788

1) Payments on lease liabilities are presented under cash flow from operating activities in the quarterly reports, and reclassified to cash flow from financing activities in the annual report.

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

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

4) 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 second quarter and first half 2021 were authorised by the Board of Directors for issue on 22 July 2021.

Basis of preparation

The condensed interim consolidated financial statements have been prepared in accordance with International Financing Reporting Standards as adopted by the European Union ("IFRS") for interim reporting under International Accounting Standard ("IAS") 34 Interim Financial Reporting. These condensed interim consolidated financial statements are unaudited.

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

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

A full reconciliation between the proportionate and the IFRS financials including the effect of January 2021 is provided in Note 2 Operating Segments.

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.

Q2 2021

NOK million	Proportionate financials: Power Production	Proportionate financials: Services	Proportionate financials: Development & Construction	Proportionate financials: Corporate	Total	Residual ownership for fully consol-idated entities [1]	Elimination of equity consolidated entities [2]	Other eliminations [3]	Consolidated financials
External revenues	969	1	2	6	978	280	-521	-1	736
Internal revenues	-	67	49	7	123	8	-4	-127	-
Net income from JV and associates	-	-	-	-	-	-	138	-	138
Total revenues and other income	969	68	51	13	1,101	289	-387	-129	874
Cost of sales	-161	-	-43	-	-204	-	163	42	-
Gross profit	808	68	7	13	897	289	-226	-86	874
Personnel expenses	-23	-23	-40	-26	-112	-2	11	3	-100
Other operating expenses	-126	-21	-21	-16	-184	-45	47	78	-104
EBITDA	660	24	-54	-28	601	242	-168	-5	670
Depreciation and impairment	-227	-1	-2	-6	-236	-85	86	35	-200
Operating profit (EBIT)	432	23	-56	-35	364	157	-82	30	470

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.

Q2 2020

NOK million	Proportionate financials: Power Production	Proportionate financials: Services	Proportionate financials: Development & Construction	Proportionate financials: Corporate	Total	Residual ownership for fully consol-idated entities [1]	Elimination of equity consolidated entities [2]	Other eliminations [3]	Consolidated financials
External revenues	458	-	6	2	467	282	-20	-7	722
Internal revenues	-	73	377	9	458	129	-7	-580	-
Net income from JV and associates	-	-	-	-	-	-	3	-	3
Total revenues and other income	458	73	383	11	925	411	-24	-588	725
Cost of sales	-	-	-329	-	-330	-115	8	437	-
Gross profit	458	73	53	11	596	297	-16	-152	725
Personnel expenses	-5	-21	-20	-14	-61	-	2	1	-59
Other operating expenses	-78	-18	-13	-10	-119	-56	6	83	-86
EBITDA	374	34	22	-13	417	241	-8	-69	580
Depreciation and impairment	-144	-1	-4	-5	-155	-87	7	32	-203
Operating profit (EBIT)	230	33	17	-18	262	154	-1	-38	377

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.

YTD 2021

NOK million	Proportionate financials: Power Production	Services	Development & Construction	Corporate	Total	Residual ownership for fully consol-idated entities [1]	Elimination of equity consolidated entities [2]	Other eliminations [3,4]	Consolidated financials
External revenues	1,892	3	2	6	1,903	559	-1,032	-1	1,429
Internal revenues	-	122	73	13	208	13	-7	-214	-
Net income from JV and associates [5]	-	-	-	-	-	-	276	-	276
Total revenues and other income	1,892	124	75	19	2,111	573	-763	-215	1,706
Cost of sales	-240	-	-68	-	-307	-	242	65	-
Gross profit	1,652	125	7	19	1,804	573	-521	-150	1,706
Personnel expenses	-47	-45	-76	-44	-211	-4	23	10	-182
Other operating expenses	-242	-38	-45	-30	-356	-95	90	138	-222
EBITDA	1,363	41	-113	-54	1,237	474	-408	-2	1,302
Depreciation and impairment	-448	-2	-4	-12	-466	-163	163	79	-387
Operating profit (EBIT)	915	39	-117	-66	771	311	-244	78	915

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.

YTD 2020

NOK million	Proportionate financials: Power Production	Services	Development & Construction	Corporate	Total	Residual ownership for fully consol-idated entities [1]	Elimination of equity consolidated entities [2]	Other eliminations [3]	Consolidated financials
External revenues	849	-	6	2	858	541	-40	-7	1,352
Internal revenues	-	125	791	17	933	298	-17	-1,214	-
Net income from JV and associates	-	-	-	-	-	-	-2	-	-2
Total revenues and other income	849	125	797	19	1,791	839	-59	-1,221	1,350
Cost of sales	-	-	-698	-	-698	-271	14	955	-
Gross profit	849	125	99	19	1,093	568	-45	-266	1,350
Personnel expenses	-11	-38	-39	-28	-117	-1	3	1	-113
Other operating expenses	-133	-37	-24	-20	-214	-92	12	139	-155
EBITDA	705	50	37	-29	763	475	-30	-126	1,083
Depreciation and impairment	-269	-2	-14	-10	-295	-157	16	58	-378
Operating profit (EBIT)	436	48	22	-39	468	318	-14	-68	705

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: Power Production	Proportionate financials: Services	Proportionate financials: Development & Construction	Proportionate financials: Corporate	Total	Residual ownership for fully consol-idated entities [1]	Elimination of equity consolidated entities [2]	Other eliminations [3]	Consolidated financials
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 has been recorded an impairment charge of NOK 6 million in 2021. Total impairments amounted to NOK 11 million in 2020.

NOK million	Power plants [1]	Power plants under construction	Power plants under development	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	39	36	95	36	**207**
Disposals	-	-	-2	-2	**-4**
Transfer between asset classes	310	-303	-6	-	**-**
Depreciation	-362	-	-	-19	**-381**
Impairment losses	-6	-	-	-	**-6**
Effect of foreign exchange currency translation adjustments	53	-66	4	4	**-5**
Carrying value at 30 June 2021	14,211	1,489	366	395	**16,462**
Estimated useful life (years)	20-25	N/A	N/A	3-20	

1) Power plants 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

The 148 MW Progressovka project in Ukraine, classified as “Power plants under construction” per 30 June 2021, was grid connected and started commercial operation from 2 July 2021. This project has been a collaboration with PowerChina Guizhou Engineering Co. Ltd., who has provided construction financing and Engineering Procurement and Construction (EPC) services to the project. The Construction financing from PowerChina is classified as trade and other payables in statement of financial position, and amounts to NOK 671 million on 30 June 2021. The loan is due 1 June 2022 and Scatec is working on securing long term financing with a local or international bank group.

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 844 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.

On 30 June 2021, Scatec was in compliance with all financial covenants for both the recourse and non-recourse debt.

Scatec and co-sponsors have reached an in principle agreement with the lenders for certain adjustments to the loan agreements for Kamianka and Boguslav, where the debt service and covenants are adapted to the expected cash flows of the power plants. The same adjustments are expected to be implemented on the rest of the portfolio in Ukraine during the second half of 2021.

The Rengy, Chigrin, Kamianka and Boguslav projects in Ukraine that failed to meet certain loan covenants on 31 March 2021 are compliant with all covenants on 30 June 2021. The non-current non-recourse debt of NOK 921 million in Ukraine which was classified as current on 31 March 2021 have been reclassified back to non-current in the statement of financial position on 30 June 2021. 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	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Interest income	**4**	13	**16**	24	48
Other financial income	**5**	3	**15**	4	8
Financial income	**9**	16	**31**	28	57
Interest expenses	**-309**	-291	**-646**	-528	-1,131
Forward exchange contracts	**2**	-1	**2**	-7	-7
Other financial expenses	**-15**	-9	**-34**	-16	-51
Financial expenses	**-322**	-301	**-679**	-552	-1,189
Foreign exchange gains/(losses)	**34**	-169	**25**	151	-398
Net financial expenses	**-279**	-454	**-623**	-372	-1,530

Note 5 Cash, cash equivalents and corporate funding

NOK million	30 June 2021	31 December 2020
Cash in power plant companies in operation	1,692	1,741
Cash in power plant companies under development/construction	68	11
Other restricted cash	71	87
Free cash	2,361	5,949
Total cash and cash equivalents	4,192	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-recourse 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	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Free cash at beginning of period	2,918	717	5,949	758	758
Free cash in acquired SN Power entities at 1 January 2021	-	-	491	-	-
Proportionate share of cash flow to equity [1] Services	19	27	33	40	65
Proportionate share of cash flow to equity [1] D&C	-37	19	-88	32	-15
Proportionate share of cash flow to equity [1] CORP	-57	-23	-130	-47	-153
Project development capex	-86	-53	-106	-108	-156
Equity contributions to power plant companies [2]	-101	-216	-460	-569	-756
Distributions from power plant companies [3]	206	20	929	163	346
Share capital increase, net after transaction cost	-	1,927	-	1,927	6,575
Dividend distribution	-173	-	-173	-	-131
Net cash considerations from acquisition of SN Power	-143	-	-3,701	-	-
Working capital / Other	-185	-169	-384	-262	-584
Drawn on credit facilities	-	-315	-	-	-
Free cash at end of the period	2,361	1,933	2,361	1,933	5,949
Available undrawn credit facilities	1,588	1,646	1,588	1,646	813
Total free cash and undrawn credit facilities at the end of the period	3,949	3,579	3,949	3,579	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 30 June 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 was listed on the Oslo Stock Exchange 23 June 2021 with ticker SCATC03 ESG.

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.
- Refinance USD 207 million of the USD 400 million bridge to bond facility that was committed in 2020 in relation to the acquisition of SN Power. The remaining principal of USD 193 million has maturity in June 2022.
- cover for other eligible activities as set out in Scatec's Green Financing Framework.

Per 30 June 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 11,061 million per quarter end.

During the second quarter of 2021, interest amounting to NOK 52 million (NOK 83 million in previous quarter) was expensed for the bond, overdraft- and revolving credit facility. Amortised cost relating to the previous financing facilitites was expensed in full in the first quarter when the acquisition financing and the EUR bond were signed, which explain the high cost in the first quarter.

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 81 million (NOK 4 million) in the second quarter, corresponding to an effective tax rate of 42% (-5%). The tax expense for the first half year of 2021 was NOK 140 million. The difference between effective tax expense for the quarter and calculated tax expense based on the Norwegian tax rate of 22% is due to different tax rates in the jurisdictions in which the companies operates, withholding taxes paid on dividends, revised assessment of deferred tax asset and currency effects. Further, the profit/loss from JVs and associates are reported net after tax which also impacts the effective tax rate.

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 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.

Effective tax rate

NOK million	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Profit before income tax	**191**	-77	**292**	333	-238
Income tax (expense)/benefit	**-81**	-4	**-140**	-115	-130
Equivalent to a tax rate of (%)	**42%**	-5%	**48%**	35%	-55%

Movement in deferred tax

NOK million	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Net deferred tax asset at beginning of period	**397**	395	**517**	343	343
Recognised in the consolidated statement of profit or loss	**-116**	-5	**-147**	-79	25
Deferred tax on financial instruments recognised in OCI	**7**	48	**-67**	121	98
Deferred tax on excess values from acquisition of SN Power	**-**	-	**-19**	-	-
Recognised in the consolidated statement of changes in equity	**-**	9	**-**	9	41
Translation differences	**-13**	-16	**-9**	36	9
Net deferred tax asset at end of period	**275**	432	**275**	432	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. These are 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, as well as a large project pipeline across solar, hydro, wind and storage.

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 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 acquistion 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 half 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 30 June 2021.

Company	Registered office	Q2 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, Phillippines	50%	-
Manila-Oslo Reneweable Enterprise	Manila, Phillippines	16.7%	-
SN Aboitiz Power – Benguet Inc	Manila, Phillippines	50%	-
SN Aboitiz Power – RES Inc	Manila, Phillippines	50%	-
SN Aboitiz Power – Generation Inc	Manila, Phillippines	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 recognised in OCI	Foreign currency translations	Carrying value 30 June 2021
Brazil and Argentina	610	47	-4	-	-	12	665
Laos	-	1,571	64	-41	-	-1	1,592
Philippines	-	6,637	166	-280	-	-86	6,437
Uganda	-	1,070	52	-79	22	-1	1,063
Other	2	36	-1	-	-	-	38
Total	612	9,360	276	-400	22	-75	9,795

Note 10 Subsequent events

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

Responsibility statement

We confirm to the best of our knowledge, that the condensed interim financial statement for the period 1 January 2021 to 30 June 2021 has been prepared in accordance with IFRS as adopted by EU, and that the information gives a true and fair view of the Group's assets, liabilities, financial position and result for the period. We also confirm that presented information provides a fair overview of important events that have occurred during the period and their impact on the financial statements, key risk and uncertainty factors that Scatec is facing during the next accounting period.

Oslo, 22 July 2021
The Board of Directors of Scatec ASA

John Andersen Jr. (Chairman)	Jørgen Kildahl	Maria Moræus Hanssen
Jan Skogseth	Gisele Marchand	Raymond Carlsen (CEO)

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 second quarter of 2021 Scatec reports a proportionate operating profit of NOK 364 million compared with an operating profit of NOK 470 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 35 million [1],

2. removed the non-controlling interests share of the operating profit of NOK 157 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 224 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 20.

1) Where NOK 7 million comprise Scatec's share of gross profit on D&C contracts, NOK -35 million comprise increased depreciation charges from internal gains and NOK -7 million comprise other items.

Reconciliation of Alternative Performance Measures (consolidated figures)

NOK million	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
EBITDA					
Operating profit (EBIT)	470	377	915	705	1,292
Depreciation, amortisation and impairment	200	203	387	378	777
EBITDA	670	580	1,302	1,083	2,069
Total revenues and other income	874	725	1,706	1,350	2,754
EBITDA margin	77 %	80%	76 %	80%	75%
Gross profit					
Total revenues and other income	874	725	1,706	1,350	2,754
Cost of sales	-	-	-	-	-
Gross profit	874	725	1,706	1,350	2,754
Gross interest-bearing debt					
Non-recourse project financing	11,507	11,875	11,507	11,875	11,350
Corporate financing	7,179	747	7,179	747	748
Non-recourse project financing-current	844	1,315	844	1,315	913
Gross interest-bearing debt	19,530	13,937	19,530	13,937	13,011
Net interest-bearing debt					
Gross interest-bearing debt	19,530	13,937	19,530	13,937	13,011
Cash and cash equivalents	4,192	4,069	4,192	4,069	7,788
Net interest-bearing debt	15,337	9,868	15,337	9,868	5,223
Net working capital					
Trade and other receivables	664	764	664	764	623
Other current assets	894	837	894	837	663
Trade and other payables	-783	-867	-783	-867	-760
Income tax payable	-14	-7	-14	-7	-90
Other current liabilities	-722	-912	-722	-912	-852
Non-recourse project financing-current	-844	-1,315	-844	-1,315	-913
Net working capital	-804	-1,501	-804	-1,501	-1,330

Break-down of proportionate cash flow to equity

Q2 2021

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	660	24	-54	-28	601
Net interest expenses	-182	-	5	-46	-223
Normalised loan repayments	-193	-	-	-	-193
Proceeds from refinancing [1]	-	-	-	-	-
Normalised income tax payment	-32	-5	11	18	-8
Cash flow to equity	252	19	-37	-57	177

1) Refer to Note 5 Cash and cash equivalents.

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.

Q2 2020

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	374	34	22	-13	417
Net interest expenses	-129	-	-	-17	-147
Normalised loan repayments	-93	-	-	-	-93
Normalised income tax payment	-17	-7	-3	8	-19
Cash flow to equity	135	27	19	-23	158

YTD 2021

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	1,363	41	-113	-54	1,237
Net interest expenses	-368	-	-1	-115	-484
Normalised loan repayments	-394	-	-	-	-394
Proceeds from refinancing [1]	397	-	-	-	397
Normalised income tax payment	-64	-9	26	40	-7
Cash flow to equity	933	33	-88	-130	748

1) Refer to Note 5 Cash and cash equivalents.

YTD 2020

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	705	50	37	-29	763
Net interest expenses	-253	1	-	-34	-286
Normalised loan repayments	-181	-	-	-	-181
Normalised income tax payment	-31	-11	-5	16	-31
Cash flow to equity	240	40	32	-47	265

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 to 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.

ESG Performance Indicators

E&S impact assessments (% completed in new projects): Environmental and Social Impact Assessments (ESIAs) or baseline studies to identify potential environmental and social risks and impacts of our activities (in accordance with the IFC PS and Equator Principles).

GHG emissions avoided (in mill tonnes of CO_2): Actual annual production from power plants (solar, hydro and wind) multiplied by the country and region-specific emissions factor (source IEA).

Water consumption (in mill liters within water-stressed areas): As per the Aqueduct Water Risk Atlas, the Company reports on water usage by source in South Africa and Jordan.

Lost Time Incident Frequency (per mill hours): The number of lost time incidents per million hours worked.

Hours worked (mill hours - 12 months rolling): The total number of hours worked by employees and contractors for the last 12 months.

Female management (% of females in mgmt. positions): The total number of female managers (level 5 and up) as a percentage of all managers (level 5 and up). Total levels range from 1-8.

Number of grievances (total number received in all projects): The total number of grievances received in the first half of 2021 for all projects globally in operation and under construction. This includes grievances received via the Company's website, physical grievance boxes located on project sites, CLO offices or in the local community.

Grievances resolved (% of grievances resolved): The total number of grievances addressed and resolved as a percentage of all grievances received (covering the first half of 2021).

Grievances resolved are defined as assigned, addressed, and closed out by the Company. The final response must be shared to the filer(s) of the grievance with an explanation of action taken to resolve the grievance. Resolving grievances is an ongoing process and the percentage of resolved grievances will depend on the nature of the grievances, timing, and other factors.

Anti-corruption training: The number of employees who successfully completed (certification of 80% pass rate required) Scatec's mandatory anti-corruption gamified training.

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