

**Scatec**

# Investor presentation

November 2021





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Alternative performance measures (APM) used in this presentation are described and presented in the third quarter 2021 report for the group.





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# Scatec in brief

 **Scatec**



## Key investment highlights

A leading renewable power producer with 3.5 GW in operation and under construction

Solid and predictable cash flow generation supported by 18+ years PPAs

A track record of growth with a 13.9 GW project pipeline across high growth markets

A business model to develop, build, own and operate renewable power plants across multiple technologies

Strong focus on ESG with top rating from independent rating agencies





# We develop, build, own and operate renewable energy plants

## Scatec in brief



Develop, build, own and operate renewable energy



3.5 GW in operation and under construction

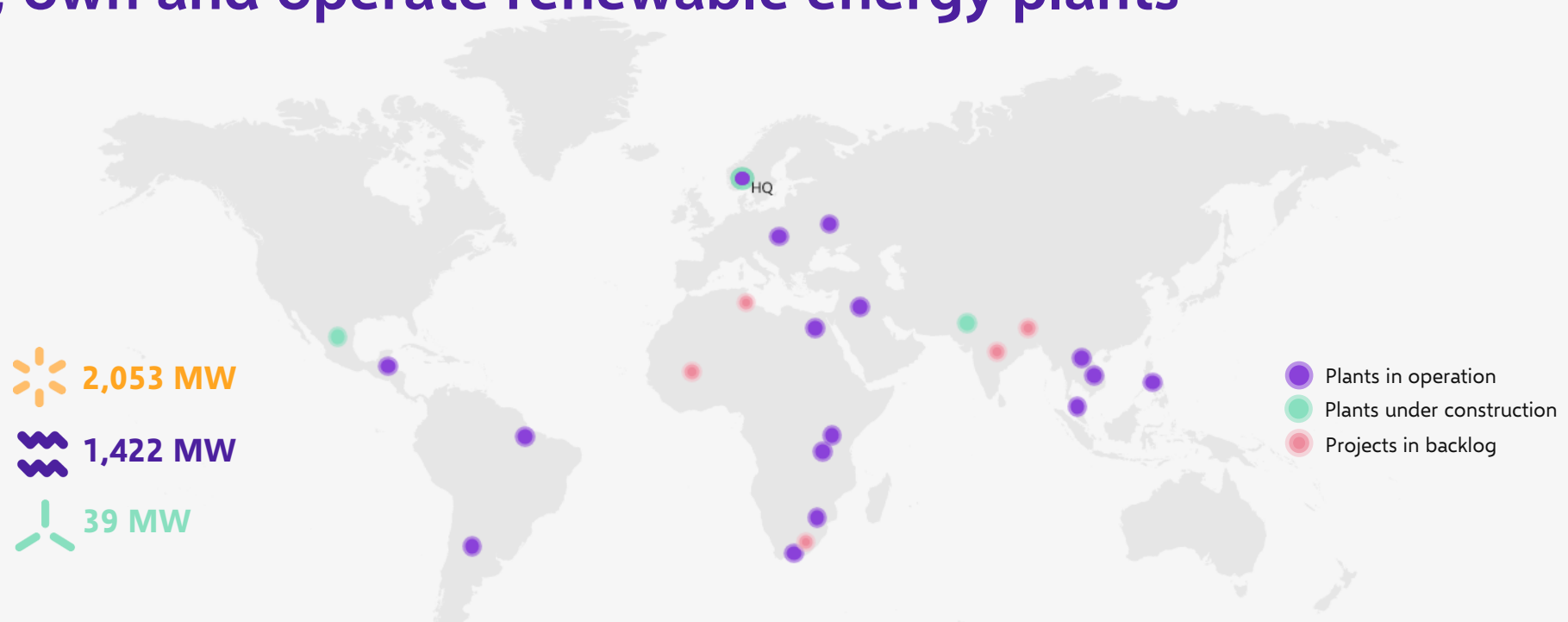



More than 500 employees in 24 countries

 2,053 MW



 1,422 MW

 39 MW



Latin America  
383 MW 



Africa & the Middle East  
1,175 MW  



Europe & Central Asia  
506 MW 



Southeast Asia  
1,450 MW   





# Power production Key figures



4.1  
TWh<sup>2</sup>

Power  
production



3,863  
MNOK

Q3 21 LTM  
revenues<sup>3</sup>



2,227  
MNOK

Q3 21 LTM  
EBITDA<sup>3</sup>

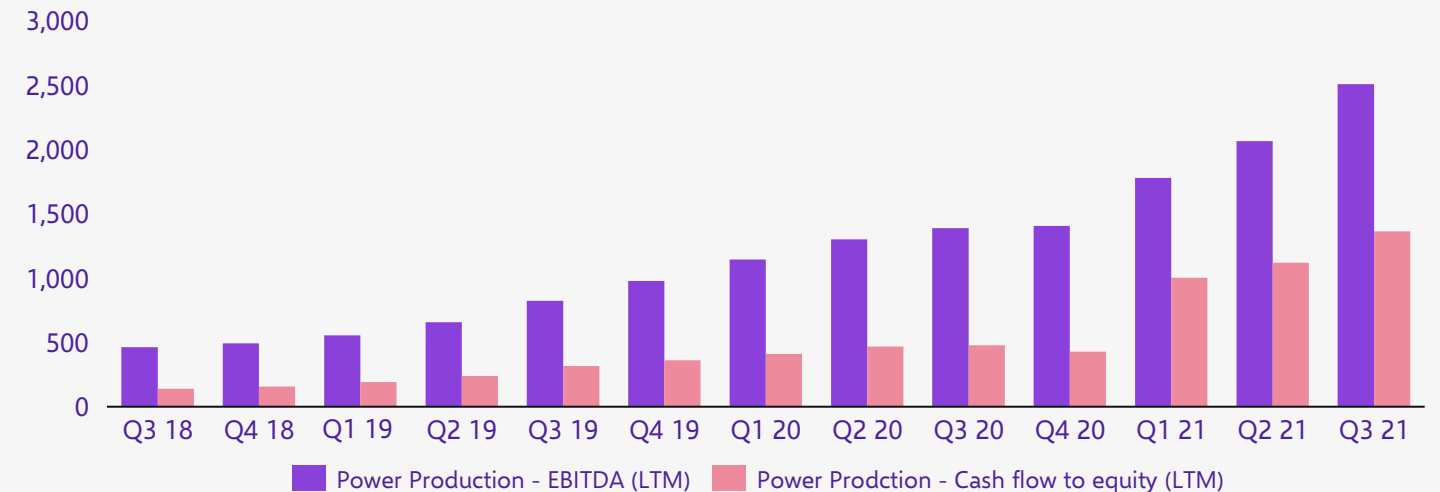
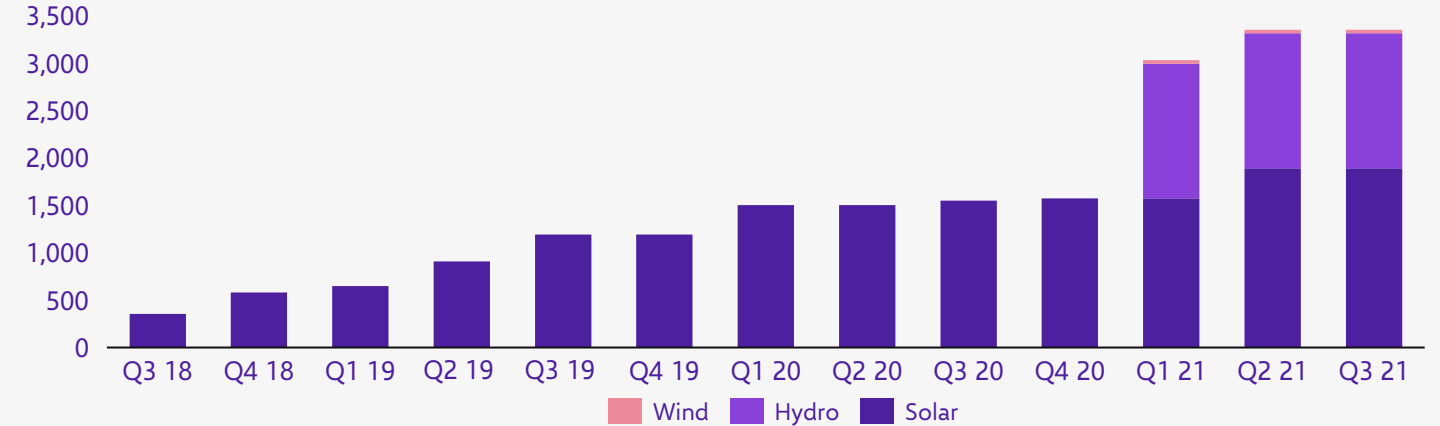


1,030  
MNOK

Q3 21 LTM  
Cash flow to  
Equity<sup>3</sup>

## A growing portfolio of renewable assets

Capacity<sup>1</sup> MW



(1) In operation or under construction. Gross capacity. Average Economic Interest of 52%

(2) Median annual net production.

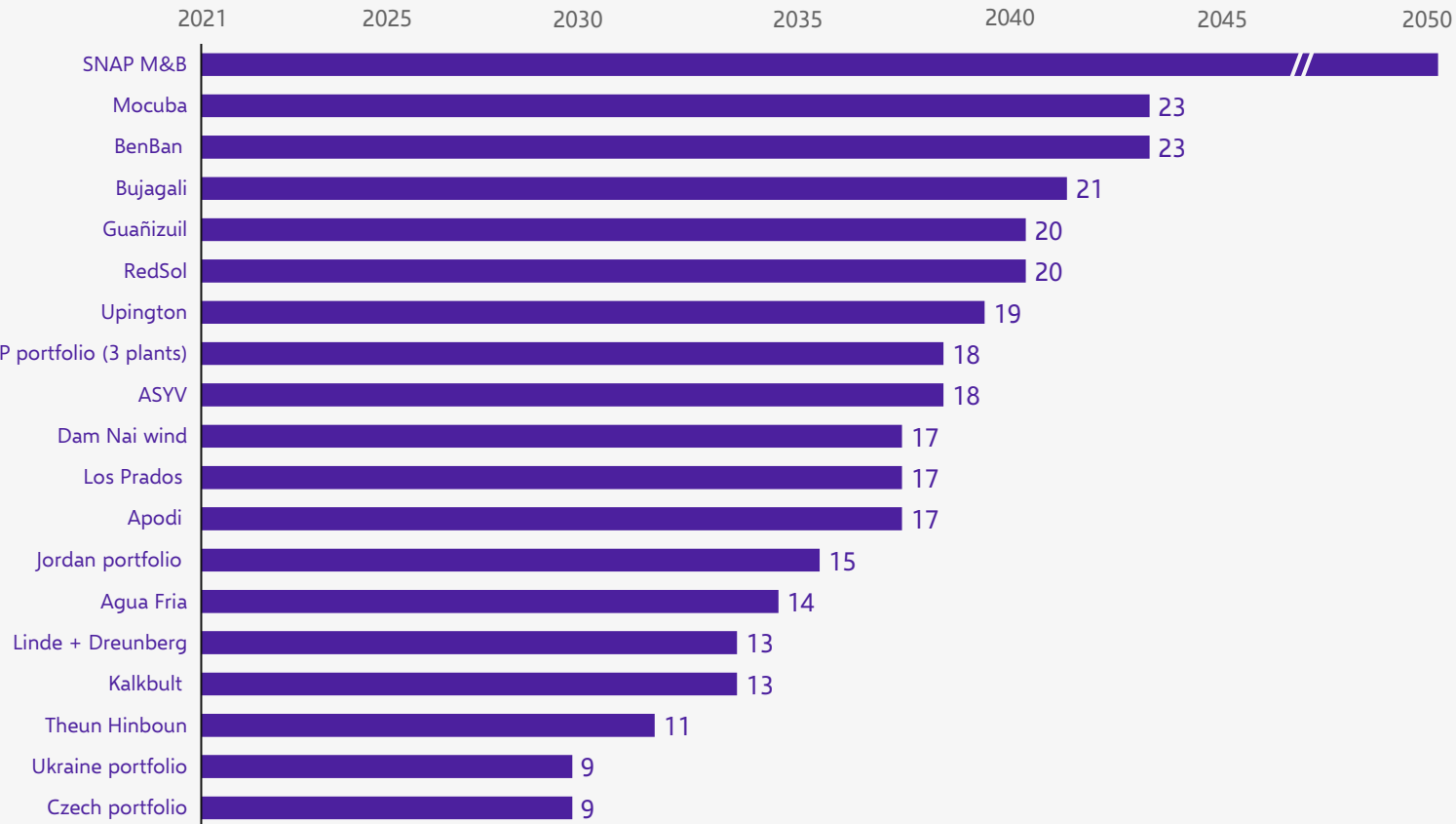
(3) Proportionate Financials



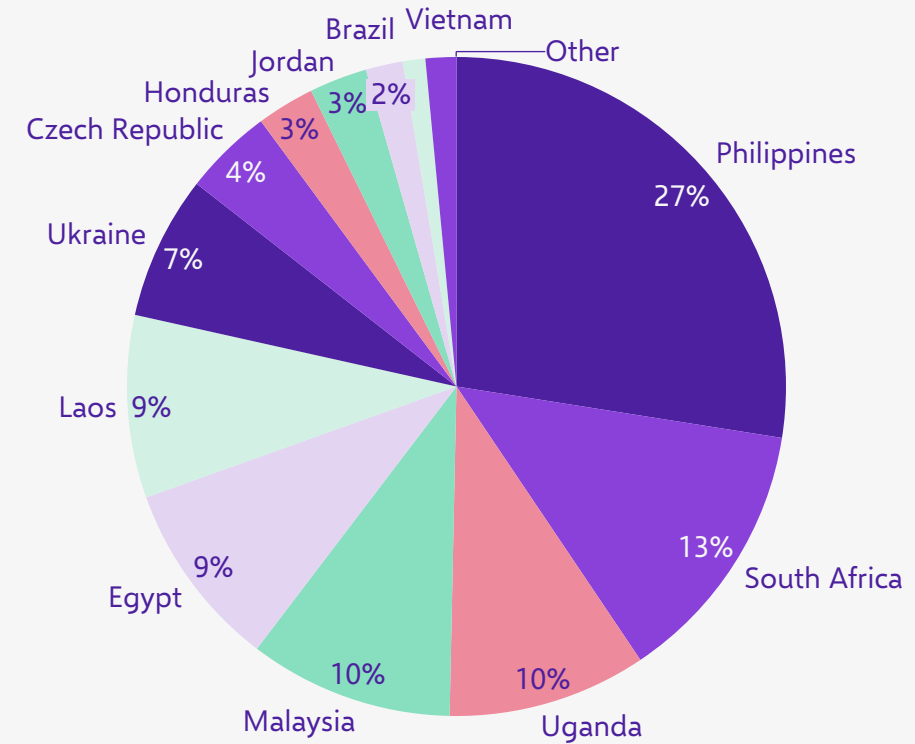
# Predictable and diversified long-term cash flows

Long-term PPA's with weighted average remaining tenor of 18 years<sup>1</sup>

Diversified asset portfolio



Power Production EBITDA distribution YTD 2021



(1) Assets in operation (as of July 2021). See detailed portfolio overview in Appendix





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# Outlook

 **Scatec**



## Scatec is well positioned with a broad renewables offering, focus on high growth markets and a proven business model



**Build a global leader**  
across solar, hydro,  
wind and storage



Focus on **high growth markets** where our track record can be leveraged



Continue to **apply our business model** to a changing market

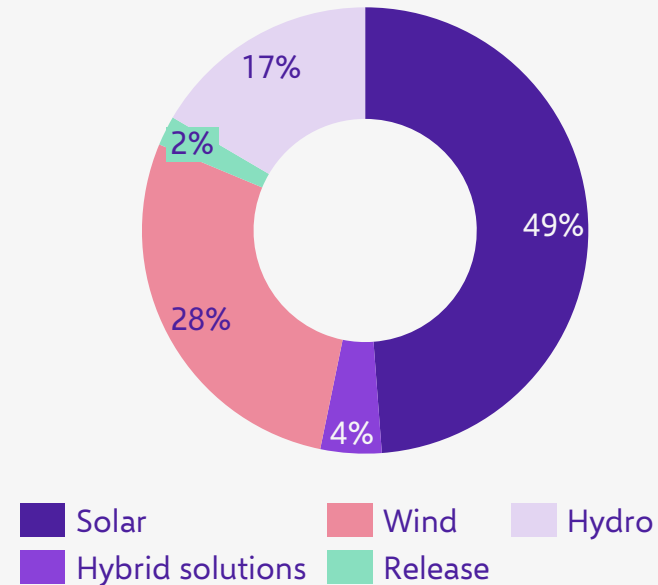


# Scatec holds a large project pipeline in several renewable technologies

## Pipeline development

- Continued broad project origination
- Increased focus on early stage development – securing sites
- Price level on new long-term PPAs to reflect the prevailing capex level
- Targeting 15 GW in operation or under construction by 2025

## Scatec project pipeline of 13.9 GW\*:



## Staying selective when investing:

- Avg. Equity IRR on investments: **12-16%**
- Development & Construction gross margin: **10-12%**



## Scatec is focusing on markets with strong growth and where we can leverage both our market presence and business model



### South Africa

- 448 MW in operation
- 3,468 MW in backlog & pipeline



### Brazil

- 162 MW in operation
- 1,830 MW in pipeline



### India

- 1,140 MW in backlog & pipeline



### Vietnam

- 39 MW in operation
- 1,940 MW in pipeline



### Philippines

- 642 MW in operation
- 2,055 MW in pipeline



### Egypt

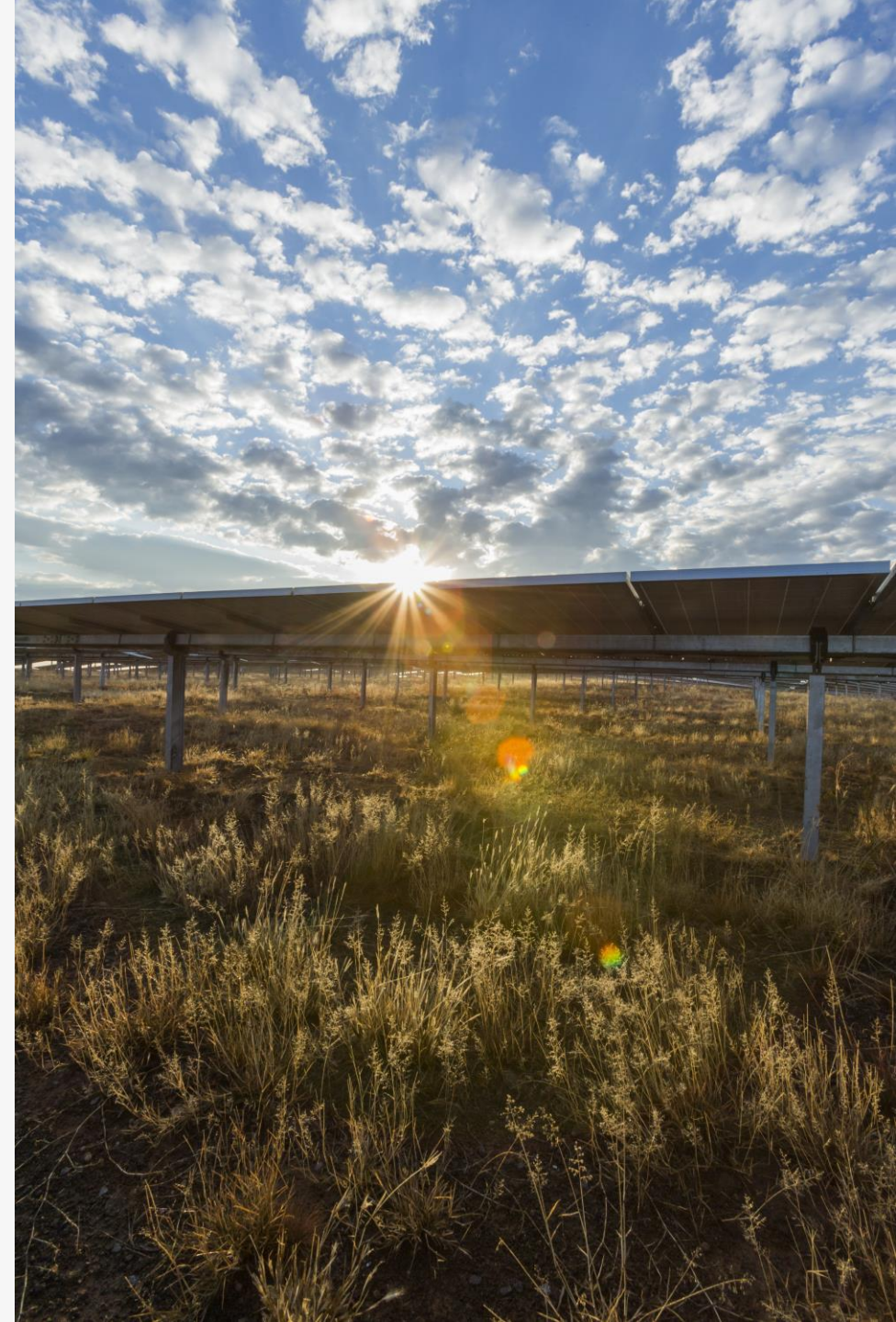
- 380 MW in operation
- 100 MW in pipeline

**About 11 GW or 70% of backlog & pipeline are held in these markets**



## Awarded 273 MW of solar projects in South Africa

- Scatec awarded preferred bidder status on three solar projects totaling 273 MW in the REIPPP\* Round 5 tender in South Africa
- Production from the solar plants will be sold under 20-year Power Purchase Agreements
- Scatec to own 51 % of the equity and provide EPC, O&M and A&M services to the power plants
- Financial close expected in 1H'22 with grid connection and commercial operation by the end of 2023





Technology integration is essential to address the future customer needs;

*“Cost competitive renewable power delivered to match customer demand”*

## 1 GW of Scatec backlog & pipeline relates to hybrid solutions, Release and ‘Power to X’

### Firm Renewable Power

Solar + storage solutions under development in South Africa, Philippines



### Hybridising PV and hydro

Floating solar solutions under development in the Philippines, Malaysia and across Africa



### Release

Release solutions under development across Latin America and Africa



### Power to X

Power to X solutions under development in Egypt and South Africa





## Solar+storage hybrid project in South Africa A breakthrough for our large scale hybrid solutions

- The Kenhardt project will be one of the largest PV and battery plants in the world
- Project competed successfully in a technology agnostic bidding process
  - The only bid exclusivity making use of renewable energy technology
- Our integrated approach strengthens competitiveness of renewables and expands market potential

### The project:

- **Government requirement:** Deliver 150 MW capacity between 5:00am and 21:30pm – all year
- **Scatec's solution:** A 540 MW solar plant + 225MW/1140MWh Storage facility
- Ca. USD 1 billion capex investment
- Fixed 'Capacity Payments' over 20 years





## Developing 50-100 MW green hydrogen facility in Egypt

- Egypt has excellent conditions for solar and wind and a strategic location for supply of green ammonia
- Egypt has clear ambitions to develop the country into a regional green hydrogen hub
- Scatec has partnered with Fertiglobe and The Sovereign Fund of Egypt to develop a green hydrogen facility
- Scatec will build, operate and majority own the 50-100 MW facility with a long-term hydrogen off-take agreement with Fertiglobe







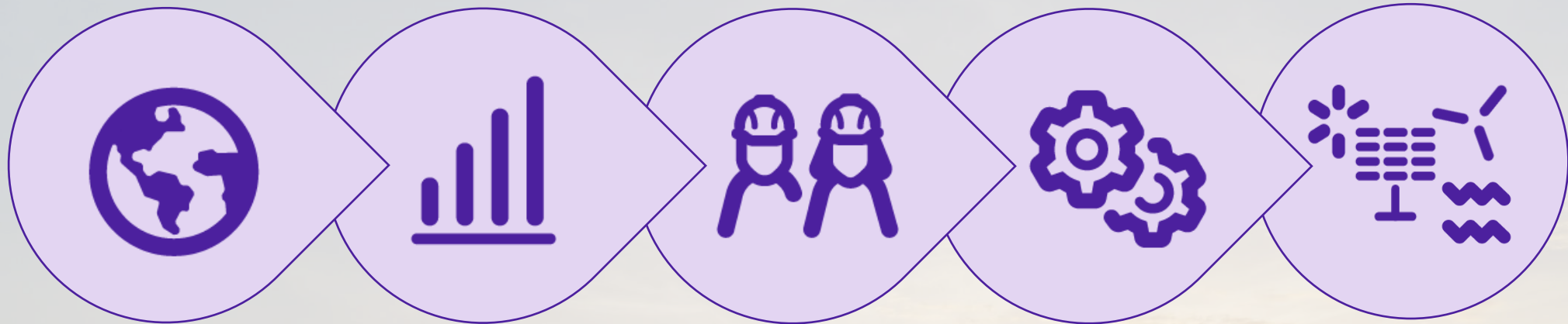
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# Our business model

 **Scatec**



# Our success is a result of an integrated business model



## Project development

Site development & permitting

System design

Business case development

PPA negotiation

## Financing

Debt/Equity structuring

Due diligence

## Construction

Engineering and procurement

Construction management

## Operations

Maximise performance and availability

Maintenance and repair

## Ownership (IPP)

Asset management

Financial optimisation



# Partnering with Development Banks for project finance and risk mitigation



Multilateral development banks (DFIs) are providing **equity and debt to infrastructure projects** in emerging markets



DFIs are often advising governments on design of renewable programmes to promote **private/public partnerships**



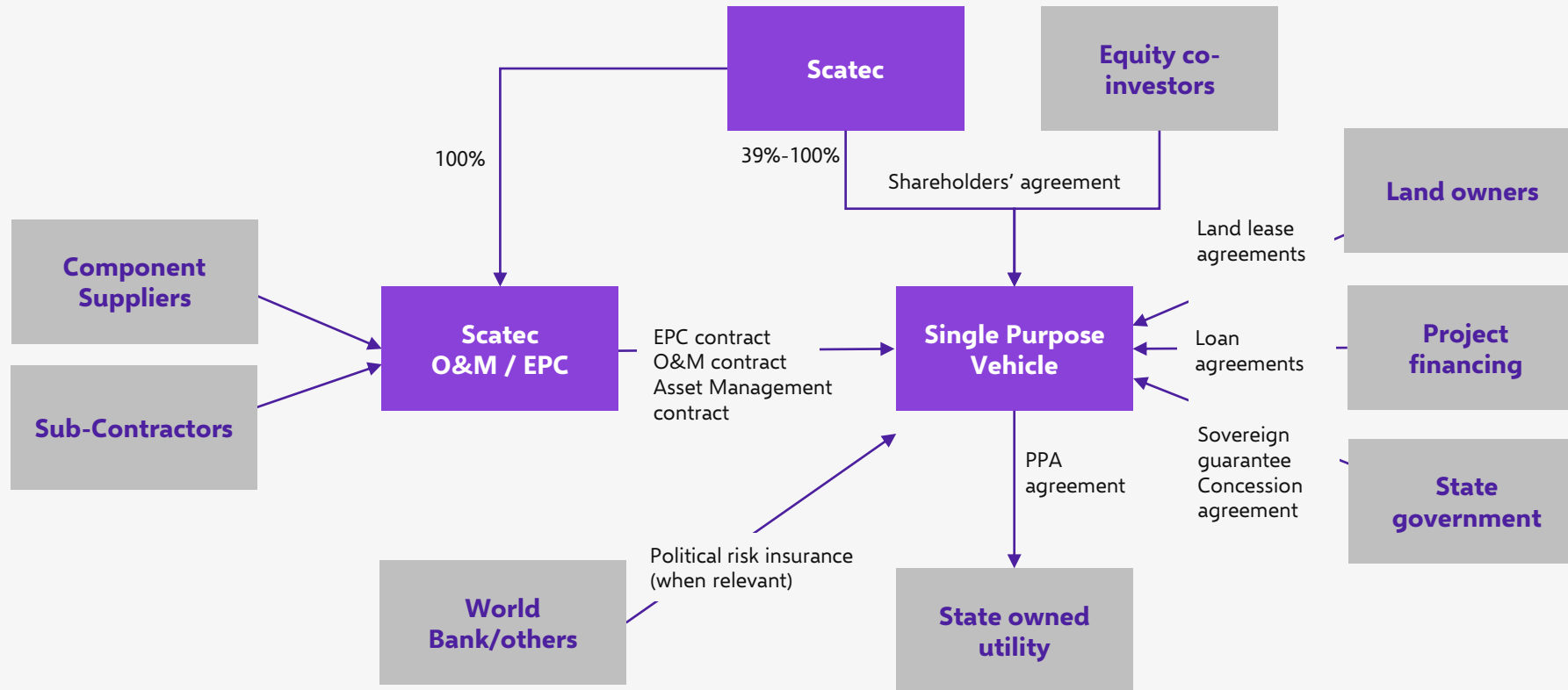
Project insurance/guarantee arrangements through MIGA to protect investments against **non-commercial risks**





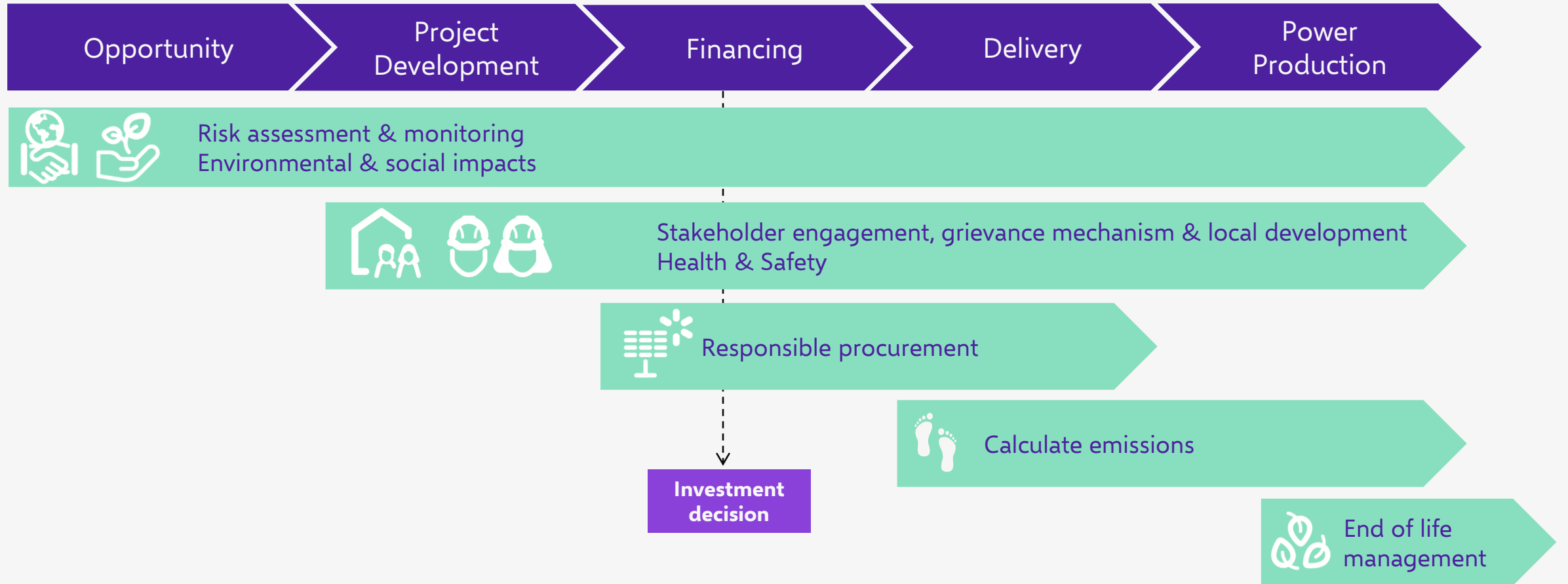
# Our business model and typical project structure

## Illustration of company structure and main contracts





# Environmental, Social & Governance aspects are integrated in our operating model





# Top rating from independent rating agencies

How we work with ESG	A competitive advantage
<ul style="list-style-type: none"> <li>• ESG is an integrated part of our business</li> <li>• Dedicated E&amp;S resources for long term approach and impact</li> <li>• Solid Environmental and Social Management System covering all projects</li> </ul>	<ul style="list-style-type: none"> <li>• Attracts projects and business partners</li> <li>• Reduces risks and strengthens probability of successful completion of projects</li> <li>• Becoming imperative to qualify for and win new projects</li> </ul>

All our projects must adhere to the IFC PS and Equator Principles



**Rating summary: Low risk**  
#1 of 450 – Utilities  
#1 of 48 – Renewable power producers



**Rating: A- (excellent)**  
Status: Prime  
Prime threshold: C+



**Rating: AAA (top rating)**  
Highest scoring range relative to global peers



**Rating: A**  
Carbon Disclosure Project  
Top score



**Rating: A+**  
#1 in ESG reporting among the 100 largest companies on Oslo Stock Exchange



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# Financials

 **Scatec**



# Key figures

NOK million	Q3 21 LTM	FY 2020	FY 2019	FY 2018
PROPORTIONATE FINANCIALS				
<b>Total revenue and other income</b>	<b>3,862</b>	<b>2,844</b>	<b>6,341</b>	<b>4,725</b>
Power Production	3,425	1,708	1,163	622
Services	238	232	168	81
Development & Construction	164	873	4,980	4,005
Corporate	35	33	31	17
<b>EBITDA</b>	<b>2,227</b>	<b>1,306</b>	<b>1,571</b>	<b>961</b>
Power Production	2,507	1,404	976	492
Services	73	82	64	34
Development & Construction	-205	-26	589	488
Corporate	-147	-153	-58	-53
<b>Operating Profit (EBIT)</b>	<b>1,269</b>	<b>690</b>	<b>1,111</b>	<b>773</b>
SSO proportionate share of cash flow to equity	1,028	324	794	481
CONSOLIDATED FINANCIALS				
Revenues and other income	3,443	2,754	1,783	1,213
EBITDA	2,576	2,069	1,386	902
Operating profit (EBIT)	1,716	1,292	874	629
Profit/(loss)	-240	-368	155	226



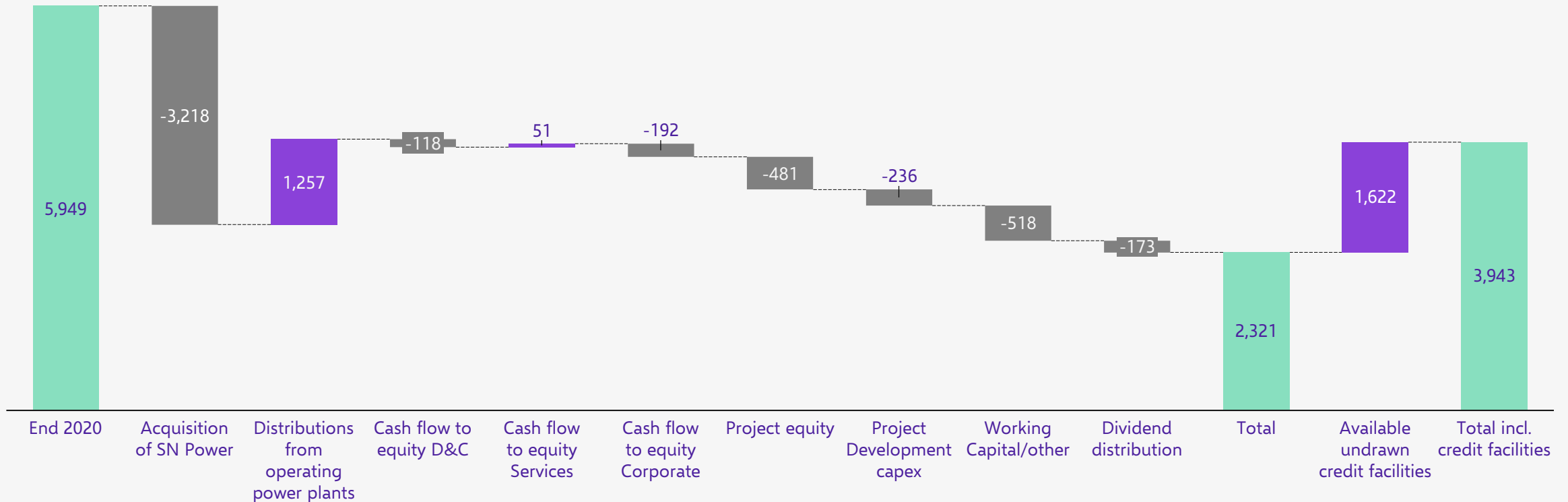




# NOK 3.9bn of available liquidity per Q3 2021

NOK million

Movement in free cash at group level (in recourse group as defined in bond & loan facilities) – 2021 YTD



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



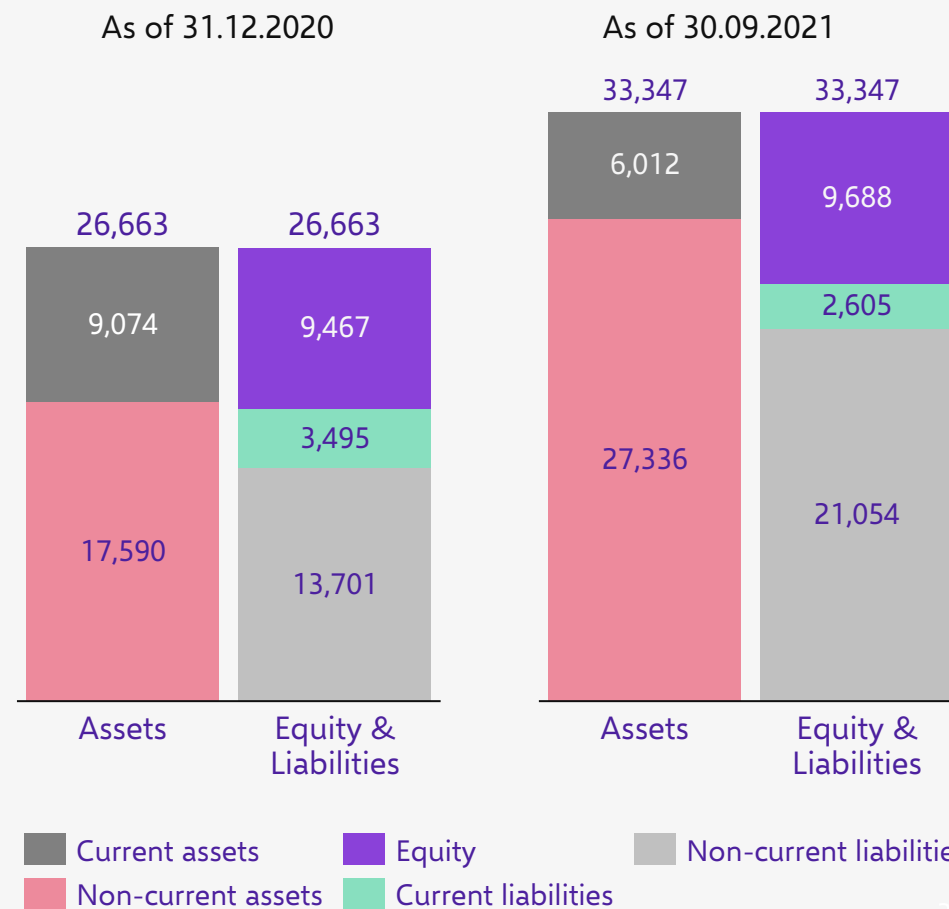
# A solid financial position

- Group free cash of NOK 2,321 million
- Available undrawn credit facilities NOK 1,622 million
- Group\* book equity of NOK 11,042 million

(NOK million)	Consolidated	Project level	Group level*	Total prop.
<b>Cash</b>	4,332	1,764	2,321	4,086
<b>Debt</b>	-19,607	-12,395	-7,272	-19,667
<b>Net debt</b>	-15,274	-10,631	-4,951	-15,581

(\* Defined as 'recourse group' in the corporate bond and loan agreements, where restricted cash is excluded.

## Consolidated financial position (NOK million)





## Scatec - 2021 short term guidance

<b>Power Production (GWh)</b> Proportionate production volume*	<b>Development &amp; Construction</b>	<b>FY2021 Services</b>	<b>FY2021 Corporate</b>
<p>Q4 2021: <b>1,000 – 1,100</b></p> <p>FY 2021: <b>3,770 - 3,870</b></p> <p>Q4 in Philippines: Slightly above 5-year average production, partly offset by higher-than-normal maintenance cost</p>	<p>D&amp;C revenues in Q4'21 expected on par with Q3'21</p> <p>Remaining, not booked, construction contract value NOK 450 million per end-Q3'21</p>	<p>Revenues <b>NOK 260 million</b></p> <p>EBITDA margin: <b>30-35%</b></p>	<p>EBITDA <b>NOK -110 million</b></p>



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# Summary

 **Scatec**



## Scatec is well positioned for continued growth

- Solid and predictable cash flow generation from Scatec's operating assets
- Scatec is well positioned with a broad renewables offering, focus on high growth markets and a proven business model
- Despite cost inflation, renewables continue to be a very competitive source of energy in Scatec's core markets



The logo for Scatec features the word "Scatec" in a bold, purple, sans-serif font. The letter "S" is stylized with three short, upward-pointing lines above its top curve. Below "Scatec" is the tagline "improving our future" in a smaller, lowercase, purple, sans-serif font. The entire logo is centered on a white background, with a large, semi-circular graphic on the right side that transitions from a light pink at the top to a deep purple at the bottom.

**Scatec**  
improving our future



# Our asset portfolio

## Plants in operation

	Capacity MW	Economic interest
Theun Hinboun, Laos	525	20%
Magat, Philippines	388	50%
Benban, Egypt	380	51%
Upington, South Africa	258	46%
Bujagali, Uganda	255	28%
Quantum Solar Park, Malaysia	197	100%
Apodi, Brazil	162	44%
Progressovka, Ukraine	148	100%
Binga, Philippines	140	50%
Guanizuil IIA, Argentina	117	50%
Ambuklao, Philippines	105	50%
Kalkbult, South Africa	75	45%
Dreunberg, South Africa	75	45%
Agua Fria, Honduras	60	40%
Chigirin, Ukraine	55	100%
Boguslav, Ukraine	54	100%
Rengy, Ukraine	47	51%
Redsol, Malaysia	47	100%
Jordan, Jordan	43	62%
Linde, South Africa	40	45%
Mocuba, Mozambique	40	53%
Dam Nai, Vietnam	39	100%
Los Prados, Honduras	35	70%
Kamianka, Ukraine	32	61%
Czech, Czech Republic	20	100%
Maris Hydro, Philippines	9	50%
Asyv, Rwanda	9	54%
<b>Total</b>	<b>3,355</b>	<b>52%</b>

## Under construction

	Capacity MW	Economic interest
Sukkur, Pakistan	150	75%
Torex Gold, Mexico	9	100%
<b>Total</b>	<b>159</b>	<b>76%</b>

## Project backlog

	Capacity MW	Economic interest
India	900	50%
South Africa	540	51%
Tunisia	360	55%
Bangladesh	62	65%
Mali	33	64%
Lesotho	20	48%
<b>Total</b>	<b>1,915</b>	<b>52%</b>

## Project pipeline

	Capacity MW	Share in %
Solar	6,799	49%
Wind	3,910	28%
Hydro	2,305	17%
Hybrid solutions	616	4%
Release	300	2%
<b>Total</b>	<b>13,930</b>	<b>100%</b>