

**Scatec**

# Investor presentation

July 2022





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Alternative performance measures (APM) used in this presentation are described and presented in the second quarter and first 2022 report for the group.





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1. Scatec in brief
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01

# Scatec in brief

 **Scatec**



## Key investment highlights

A leading renewable power producer with 4.6 GW in operation and under construction

Solid and predictable cash flow generation supported by 16 years PPAs

A track record of growth with a 14.8 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





# Scatec provides renewable energy solutions in high growth markets

- 4.6 GW of solar, wind, hydro and storage in operation and under construction

## Scatec in brief



Develop, build, own and operate renewable energy



4.6 GW in operation and under construction




More than 700 employees in 27 countries

 3,160 MW

 1,422 MW

 39 MW

Latin America  
905 MW 



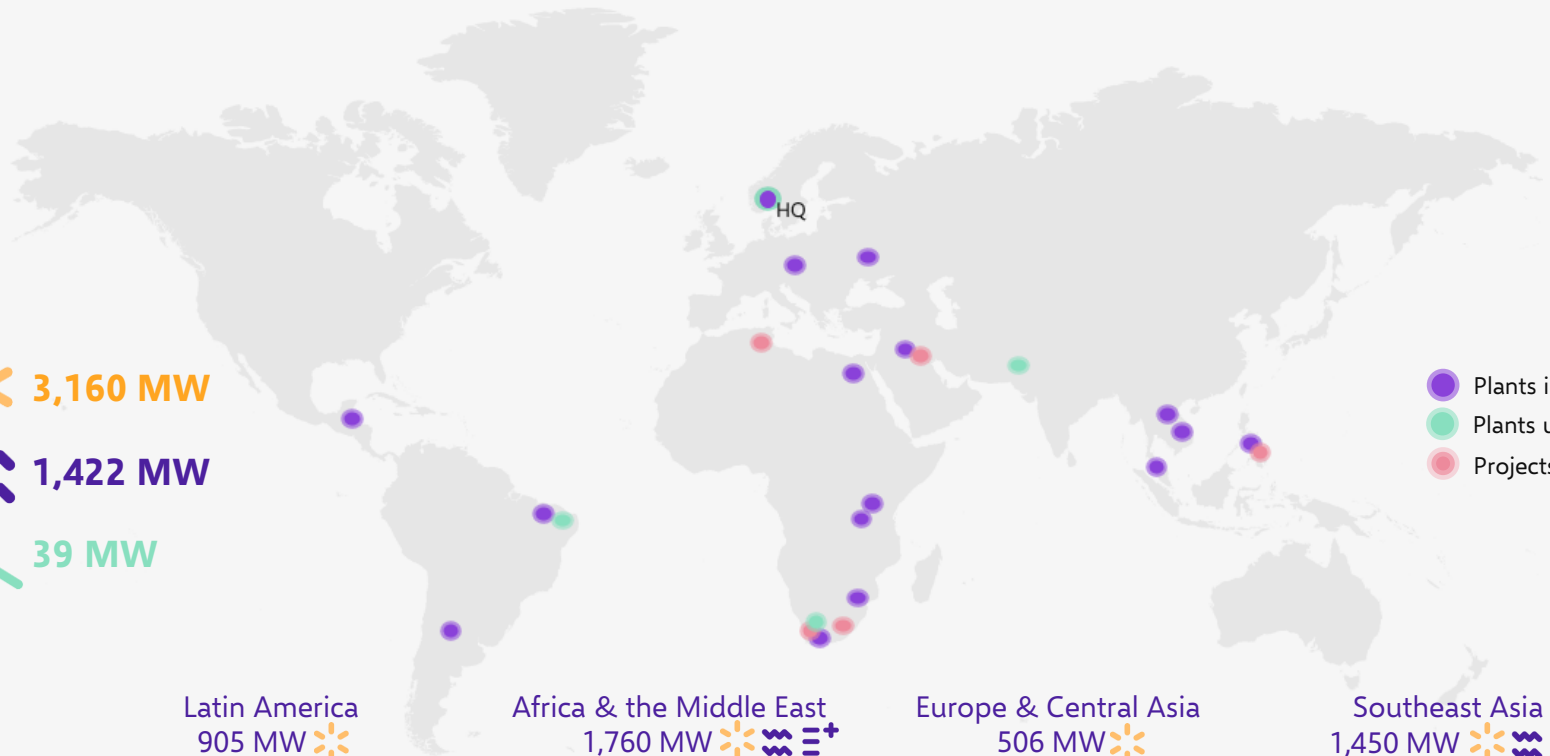
Africa & the Middle East  
1,760 MW   






Europe & Central Asia  
506 MW 



Southeast Asia  
1,450 MW   



-  Plants in operation
-  Plants under construction
-  Projects in backlog



## Power production Key figures



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

**Power  
production**



**4,093  
MNOK**

**Q2'22 LTM  
revenues<sup>3</sup>**



**2,693  
MNOK**

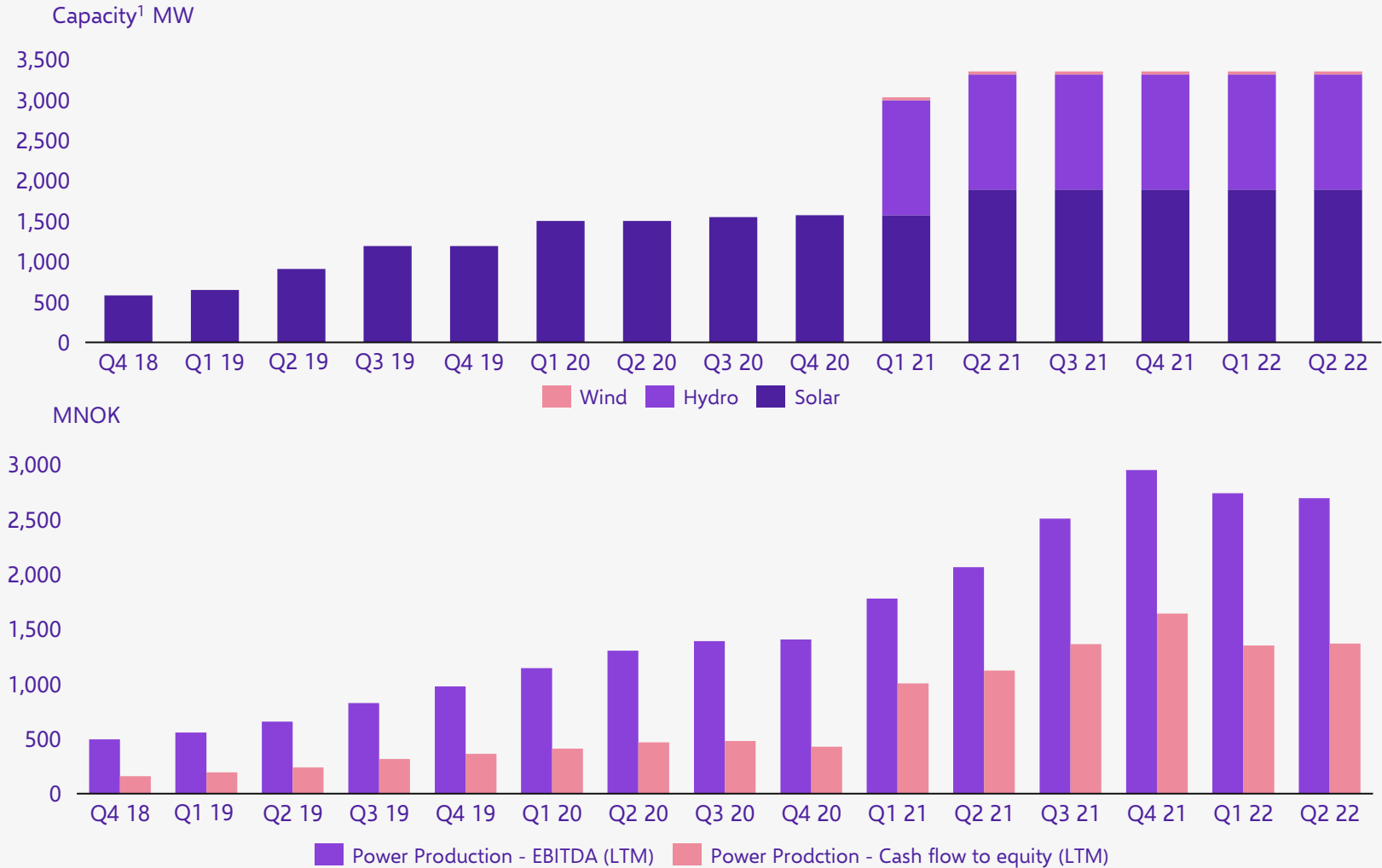
**Q2'22 LTM  
EBITDA<sup>3</sup>**



**1,367  
MNOK**

**Q2'22 LTM  
Cash flow to  
Equity<sup>3</sup>**

## A growing portfolio of renewable assets



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

(2) Median annual net production.

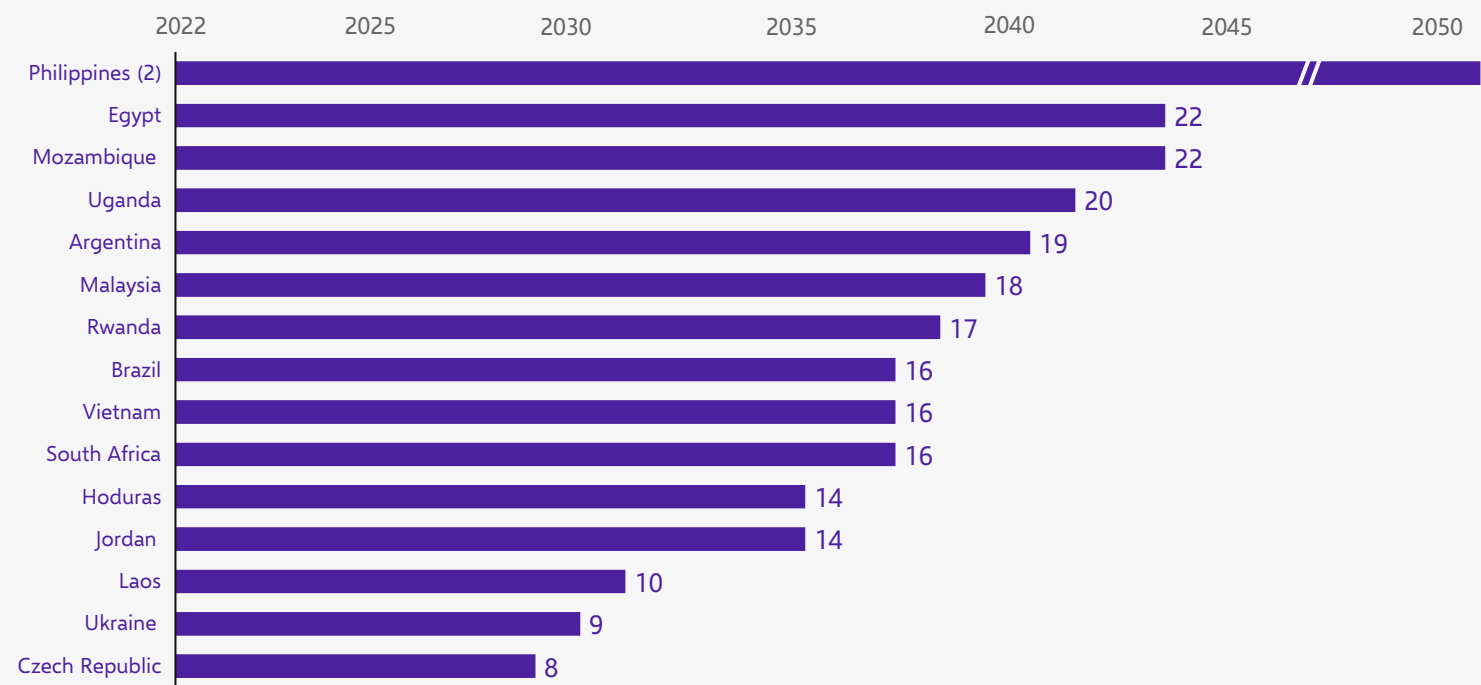
(3) Proportionate Financials



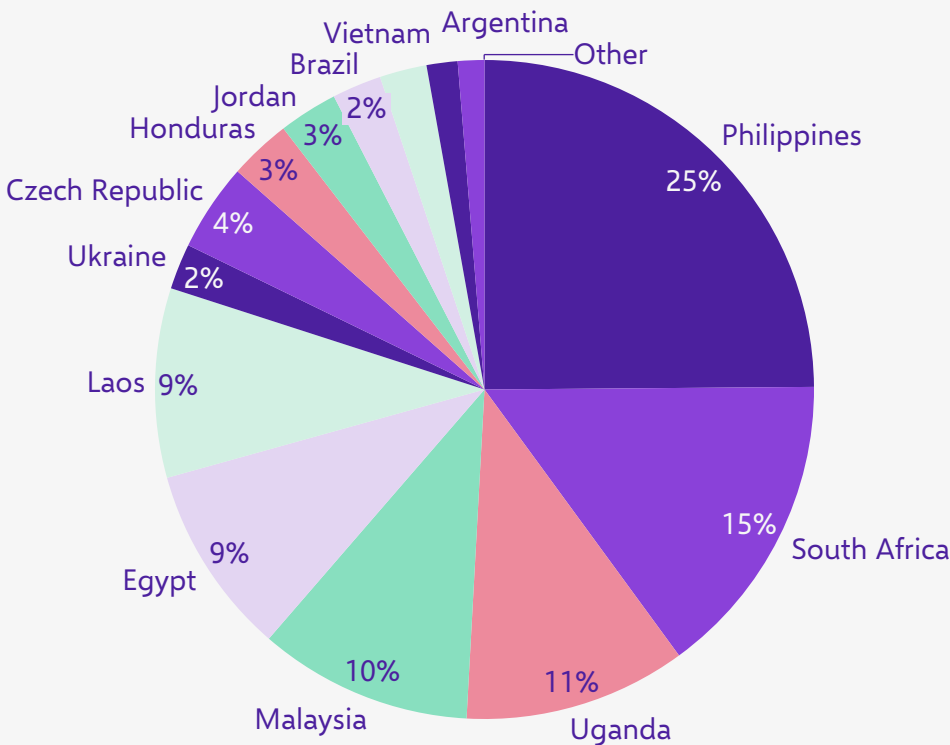
# Predictable and diversified long-term cash flows

Long-term PPA's with weighted average remaining tenor of 16 years<sup>1</sup>

Diversified asset portfolio



Power Production EBITDA distribution Q2'22 LTM



(1) Assets in operation as per July 2022, weighted average tenor based on PPA portfolio for operating assets  
(2) Illustrating operating license for assets in the Philippines. Power sold under short term bilateral contracts and in the spot market.





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# Our business model

 **Scatec**



## Scatec's integrated business model

- Develop, build, own & operate
- An agile and proven approach
- Focus on markets with excellent conditions for renewables
- Value creation from multiple sources
- Risk management integrated in Scatec operating system

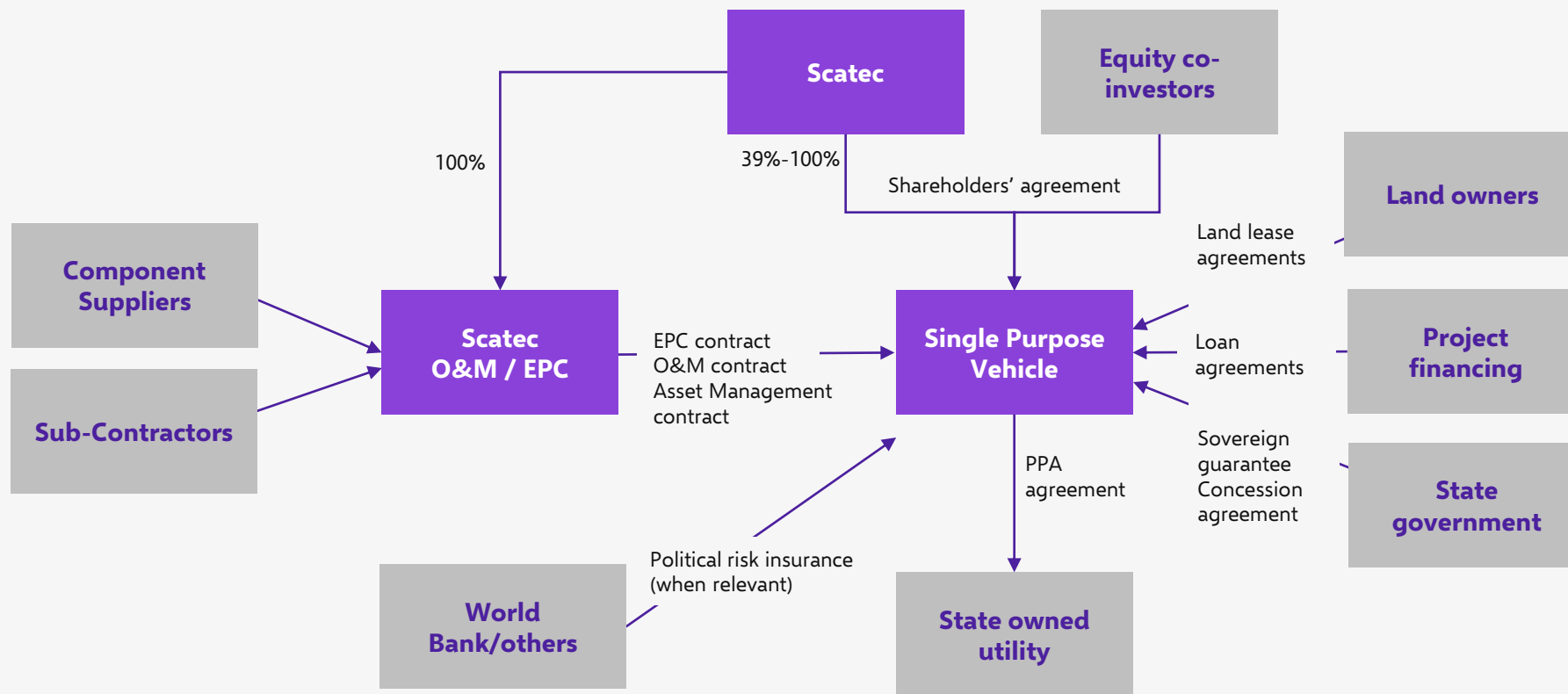
## Scatec's business model and strategic approach





# A typical project structure

## Illustration of company structure and main contracts

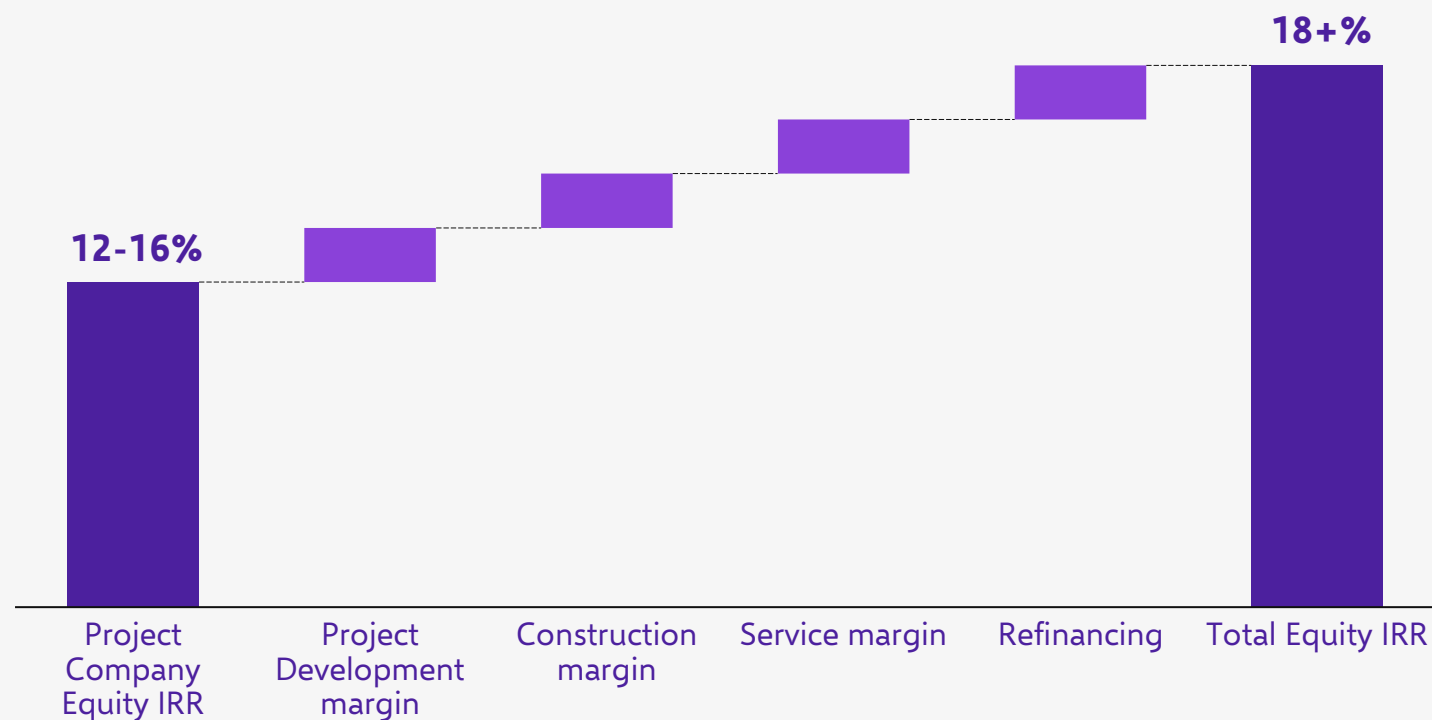




# Value creation in Scatec's integrated business model

- The integrated business model yields multiple sources of value
- Project cost of equity defined based on e.g. leverage, currency and country risk premium
- **Scatec guidance:**
  - Avg project Equity IRR of 12-16%
  - D&C gross margins of 10-12%
- Cost inflation with some impact on Development & Construction margin for project backlog

## Illustration of Equity IRR build up:





# 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**



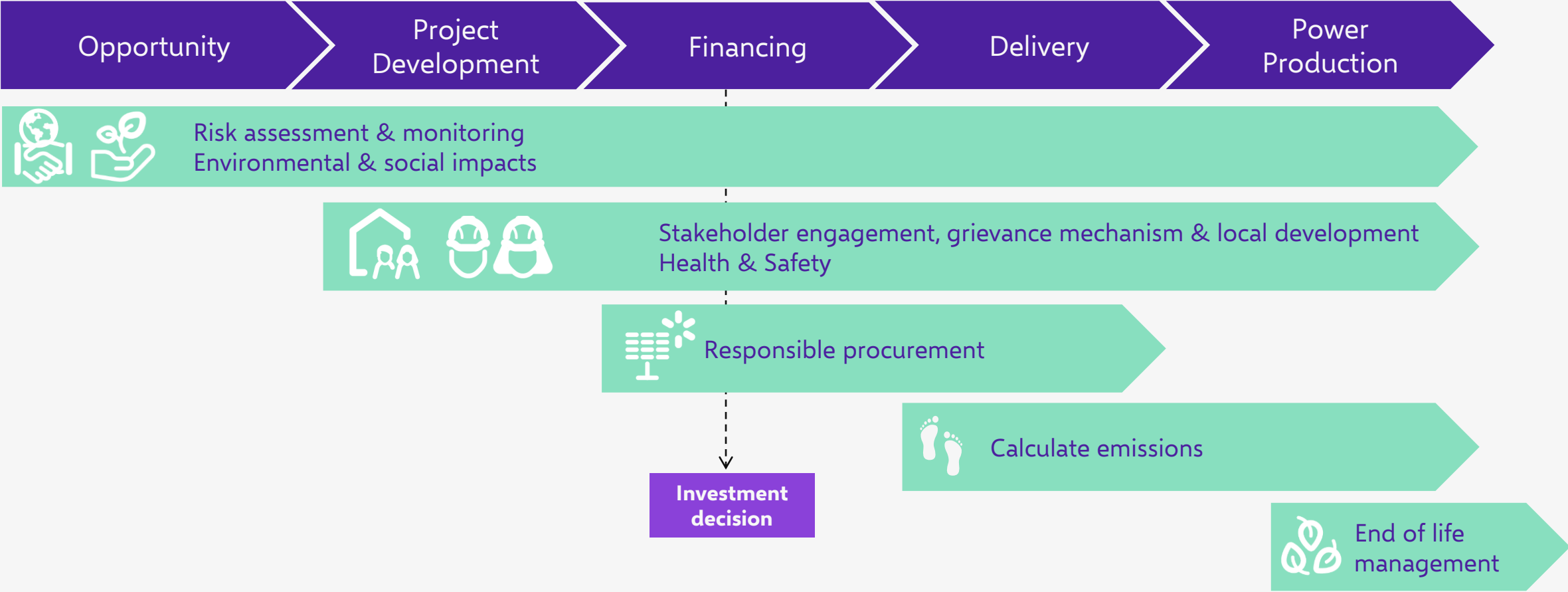
Project insurance/guarantee arrangements through MIGA to protect investments against **non-commercial risks**







# 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



## Platinum Medal

Highest recognition for sustainability ratings, placing Scatec among top 1% rated worldwide



## 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

A large, light pink circular graphic is positioned on the left side of the slide, partially cut off by the edge.

03

# Financials

 **Scatec**



# Proportionate financials

NOK million

Revenues	Q2'22	Q1'22	Q2'21	2021
Power Production	1,015	933	875	3,890
Services	79	66	68	260
Development & Construction	25	5	51	137
Corporate	12	10	13	42
<b>Total</b>	<b>1,130</b>	<b>1,014</b>	<b>1,007</b>	<b>4,329</b>
<b>EBITDA</b>				
Power Production	617	490	660	2,949
Services	20	16	24	75
Development & Construction	-81	-75	-54	-223
Corporate	-39	-34	-28	-114
<b>Total</b>	<b>517</b>	<b>398</b>	<b>601</b>	<b>2,686</b>
<b>EBIT</b>				
Power Production	340	-554	432	1,977
Services	18	15	23	70
Development & Construction	-81	-193	-56	-301
Corporate	-47	-40	-35	-140
<b>Total</b>	<b>230</b>	<b>-772</b>	<b>364</b>	<b>1,606</b>

## Q2'22 vs Q2'21

### Power Production

- Revenue of NOK 1,015 million (875)
  - Increase mainly driven by Philippines and currency effects
  - Partly offset by Ukraine
- Gross profit of NOK 810 million (808) and EBITDA of NOK 617 million (660):
  - Increased purchase of power in the Philippines to fulfil sales contracts
  - Opex increased – currency effects, Ukraine, Argentina and non-recurring cost

### Develop. & Construction and Corporate

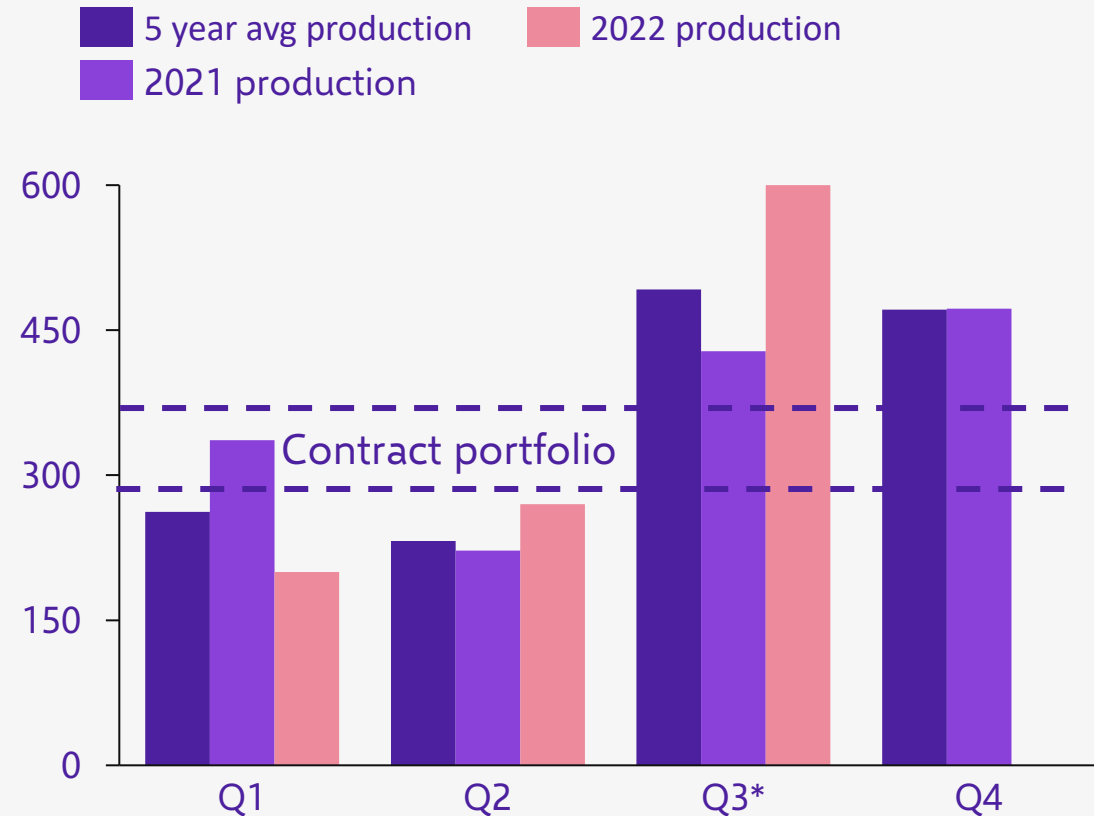
- Strong focus on pipeline growth
- Ramp-up of construction activities



## Power Production – Philippines Short-term impact by seasonality - long-term asset values increasing

- Q2'22 production 20% above 5-year average as expected
- Production in 2H'22 expected to exceed contractual volumes, benefitting from continued high spot prices
- Q3'22 production expected 25% above the five-year average and 45% above the same period last year
  - 560 - 640 GWh (100% basis) / 280-320 GWh (proportionate basis)
  - Favourable hydrology and shift in product mix
- Long-term asset values increasing – capturing higher energy prices over time with a premium for flexibility

### Quarterly power production – GWh (100%)







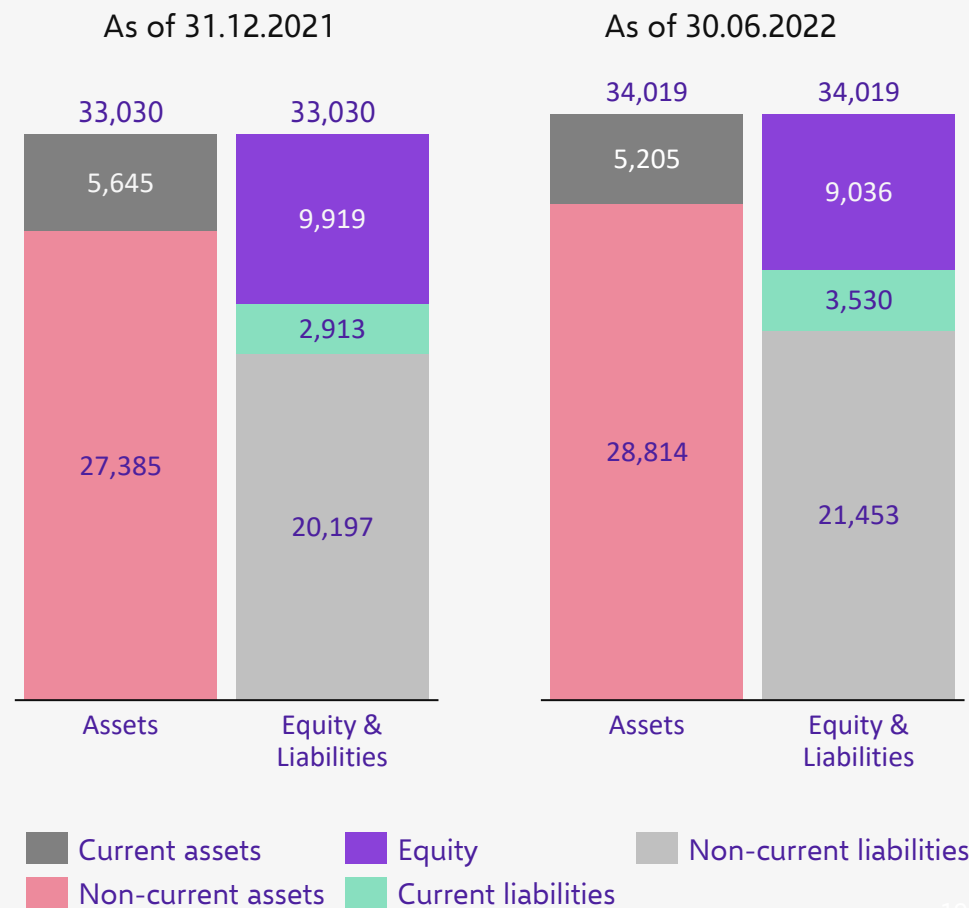
## A solid financial position

- Group free cash of NOK 1,981 million
- Available undrawn credit facilities NOK 1,830 million
- Group\* book equity of NOK 10,949 million
- Agreed revised payment plan for the construction loan in Ukraine from Power China

(NOK million)	Consolidated	Project level	Group level*	Total prop.
<b>Cash</b>	3,784	1,809	1,981	3,790
<b>Debt</b>	-21,019	-13,039	-7,932	-20,972
<b>Net debt</b>	-17,234	-11,230	-5,952	-17,182

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

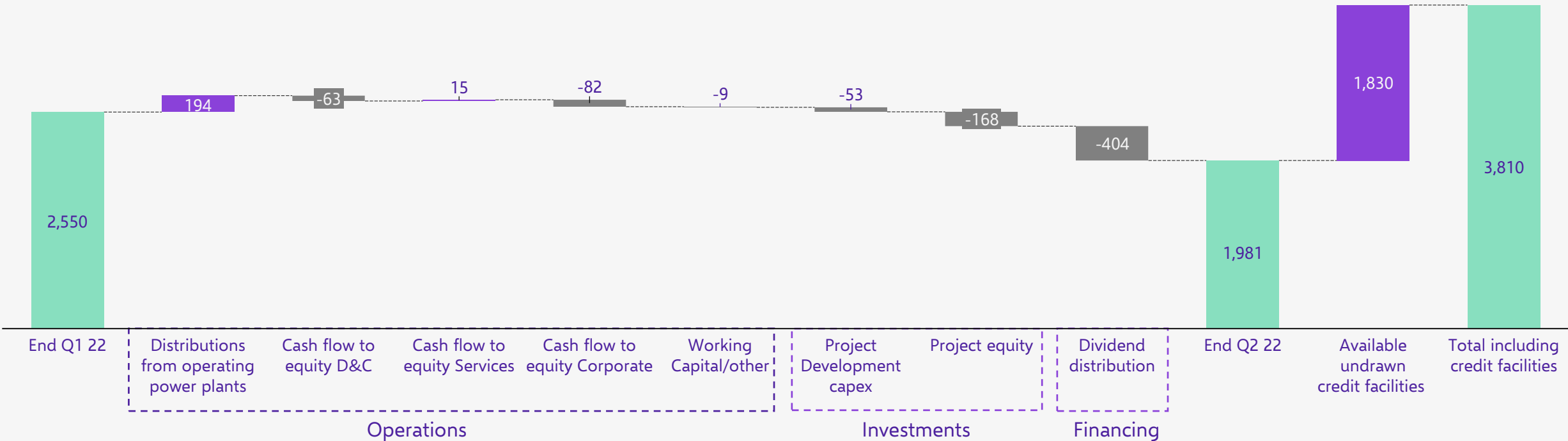
## Consolidated financial position (NOK million)





# Q2'22 movement of the Group's free cash

NOK million



- Total liquidity available of **NOK 3.8 billion** (including undrawn credit facilities)

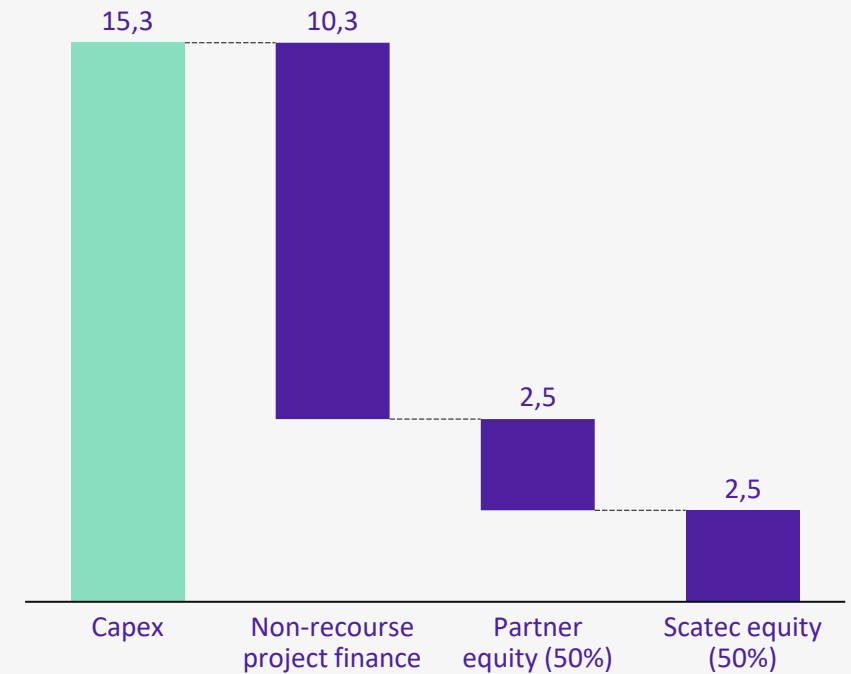


# Scatec is starting construction projects with NOK 15.3 billion of capex

- NOK 15.3 billion capex for 1.2 GW under construction;
- Funded by NOK 10.3 billion of non-recourse project finance representing leverage of 67%
- Scatec holding on average 50% of the equity;
  - Total Scatec equity of **NOK 2.5 billion** (NOK 2.0 billion remaining)
  - To be injected over an 18 month construction period
- Total Development & Construction contract value of **NOK 8.9 billion** with an expected gross margin of **10-12%** - in line with guidance

## 1.2 GW under construction

Project capital structure – NOK billion





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# Outlook

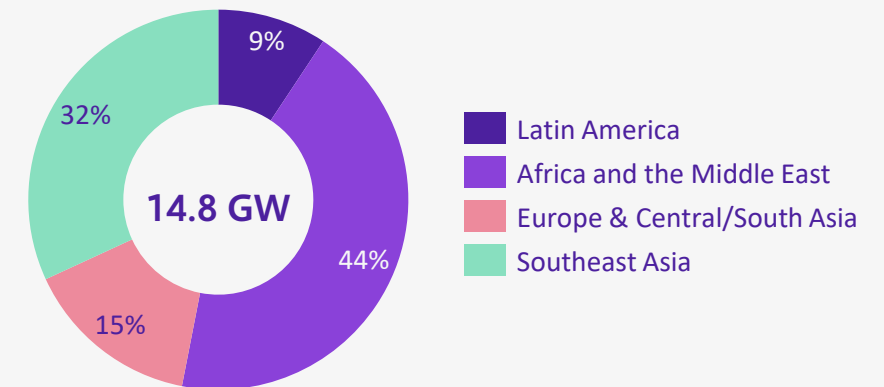
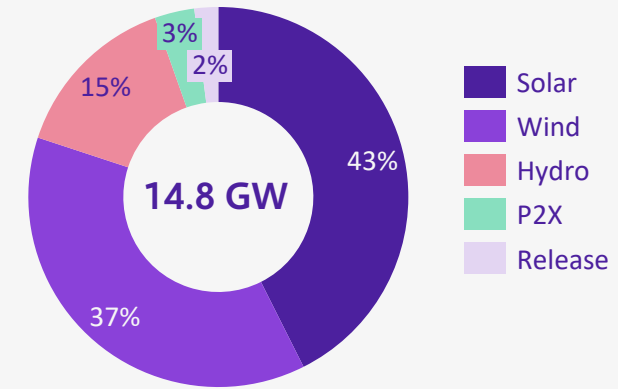
 **Scatec**



## A project portfolio of 20.3 GW – a solid platform for further growth

		(Since Q2'21)
In operations	<b>3,355 MW</b>	(-)
Under construction	<b>1,266 MW</b>	(+1,107 MW)
Project backlog*	<b>933 MW</b>	(-1,148 MW)
Project pipeline*	<b>14,786 MW</b>	(+2,498 MW)
<hr/>		
<b>Total</b>	<b>20,340 MW</b>	(+2,457 MW)

Project pipeline:







## 1.2 GW under construction

### South Africa: RMIPPPP starting construction

- 540MW solar and 225/1,140MWh battery power plant
- 20-year PPA with Eskom providing 150 MW of dispatchable capacity

### Brazil: Mendubim starting construction

- 531 MW solar plant in partnership with Equinor and Hydro Rein
- 20-year PPA with Alunorte for 60% of the volumes

### Pakistan – 150 MW Sukkur solar project

- Ramping up construction after resolving demarcation process
- 25-year PPA with Pakistan authorities

### Cameroon – 36 MW / 20 MWh Release solar & battery project

- 18 MW of 36 MW installed and operational





## Power-to-X

# Building strategic position within green ammonia and green hydrogen

### Egypt: 100 MW green hydrogen moved to backlog

- Partnership with Fertiglobe, Orascom and Sovereign Fund of Egypt
- 12,000 MT p.a. from 100 MW electrolyser / 260 MW solar & wind
- Term-sheet signed for 20-year offtake agreement with Fertiglobe

### Oman: term-sheet with Yara for offtake of green ammonia

- Partnership with Acme for green ammonia production in Oman
- 100,000 MT p.a. from 300 MW electrolyser / 500 MW of solar
- **Partnership with Egyptian authorities for green ammonia facility**
  - 1-3 million MT p.a. with strategic location close to Suez canal in Egypt







# Guidance

Power Production <sup>1)</sup>	Q2'22	Q3'22	FY2022
Production - GWh	916	1,060-1,160	3,900 – 4,100
EBITDA - NOK million			2,500 – 2,700

- 25% above average production in the Philippines in Q3'22
- FY2022 EBITDA increased by NOK 150 million reflecting currency exchange rate development

## Development & Construction

- Total contract value (revenues) of **NOK 8.9 billion** with an expected gross margin of **10-12%**
- D&C revenues based on “percentage of completion” – progress following and “S-Curve” during 18-months construction period

## Services & Corporate

Services 2022 EBITDA is expected **in line** with 2021.

Corporate 2022 EBITDA is expected slightly **below** 2021



1) Proportionate production volume based on production from plants in operations at the end of Q2'22. EBITDA based on currency rates as per year end of Q2'22.



## A renewable solution provider well positioned for further growth



**Building a global leader**  
across renewable energy  
technologies



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



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







## Power Production financials – proportionate

	Q2'22	Q1'22	Q2'21	2021
<b>Power production (GWh)</b>				
Solar & Wind	523	527	456	2,002
Hydro the Philippines	135	100	111	729
Hydro Laos and Uganda	259	241	293	1,092
<b>Total</b>	<b>916</b>	<b>868</b>	<b>860</b>	<b>3,823</b>
<b>Revenues (NOK million)</b>				
Solar & Wind	476	479	464	1,971
Hydro the Philippines	376	316	254	1,310
Hydro Laos and Uganda	163	138	156	608
<b>Total</b>	<b>1,015</b>	<b>933</b>	<b>875</b>	<b>3,889</b>
<b>EBITDA (NOK million)</b>				
Solar & Wind	336	293	367	1,521
Hydro the Philippines	133	73	149	874
Hydro Laos and Uganda	148	124	143	554
<b>Total</b>	<b>617</b>	<b>490</b>	<b>660</b>	<b>2,949</b>



# Our asset portfolio

## Plants in operation

	Capacity MW	Economic interest
Theun Hinboun, Laos	525	20%
Magat, Philippines	388	50%
Benban, Egypt	380	51%
Uppington, 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
Kenhardt, South Africa	540	51%
Mendubim, Brazil	531	33%
Sukkur, Pakistan	150	75%
Release	45	100%
<b>Total</b>	<b>1,266</b>	<b>50%</b>

## Project backlog

	Capacity MW	Economic interest
Tunisia	360	51%
South Africa	273	55%
Egypt	260	52%
Lesotho	20	48%
Philippines	20	50%
<b>Total</b>	<b>933</b>	<b>53%</b>

## Project pipeline

	Capacity MW	Share in %
Solar	6,298	43%
Wind	5,540	37%
Hydro	2,148	15%
P2X	500	3%
Release	300	2%
<b>Total</b>	<b>14,786</b>	<b>100%</b>