

The Scatec logo features the word "Scatec" in a white, bold, sans-serif font. The letter "S" is stylized with three short, curved lines above it, resembling a sun or a signal. The background is a dark purple with a large, flowing, abstract shape in a lighter purple and pinkish hue on the right side. Two thin, white, curved arrows point upwards and to the right, one above the other, in the upper right quadrant of the image.

Scatec

Capital Markets Update 2022

Improving our future



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





Capturing value in the green transition

09:00

Welcome

09:05 – 10:00

Strategy Update

- Grow Renewables
- Advance Green Hydrogen
- Optimise Asset Portfolio

Financials

10:00

Q&A

10:30

Mingling



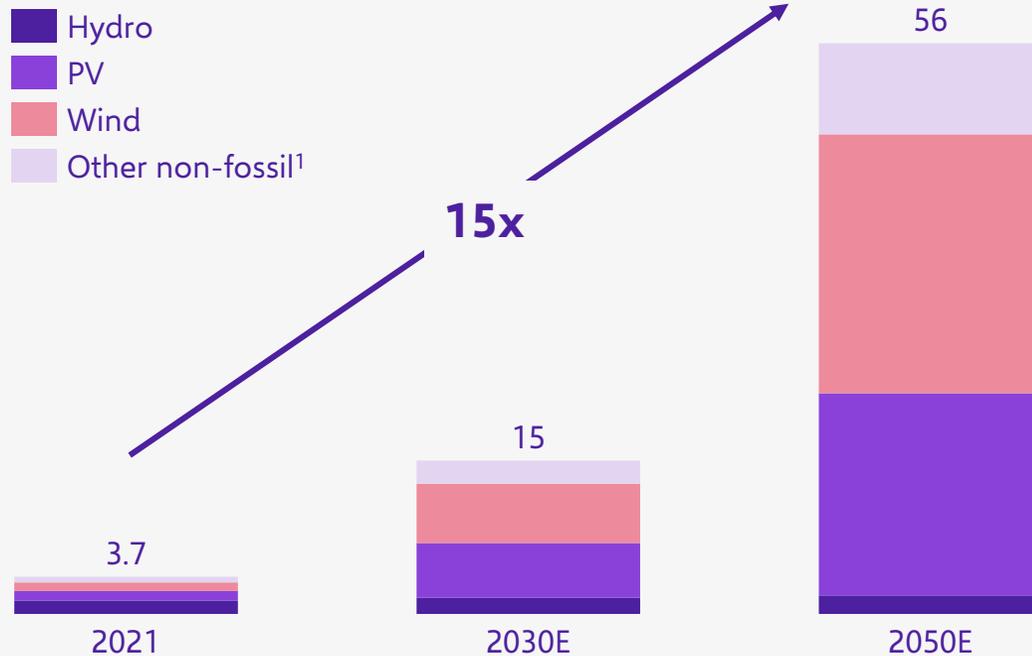
Our vision:
Improving our future



Renewables demand driven by environmental, economical and geopolitical factors

Installed capacity of non-fossil energy to reach net zero

Installed capacity outlook in TW



- Despite short-term turmoil, renewables has strengthened against conventional energy
- 82% of emerging markets have a net zero target as of end 2022
- Green hydrogen to play a key role in decarbonising hard-to-abate sectors

⁵ Source: BNEF New Energy Outlook 2021, Green scenario for net-zero

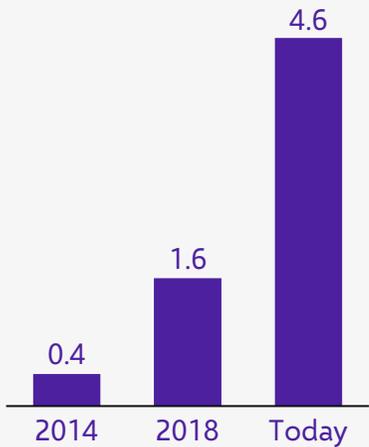
1: Other non-fossil: Bioenergy, nuclear, battery storage, hydrogen and other RE



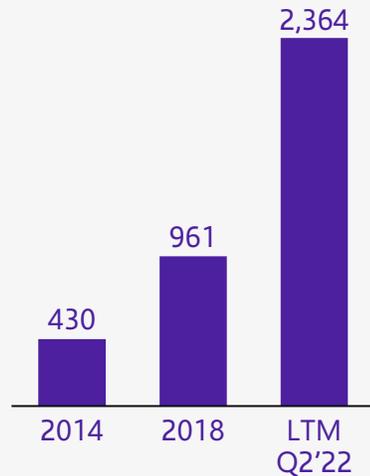
Scatec has a track record of profitable growth in emerging markets



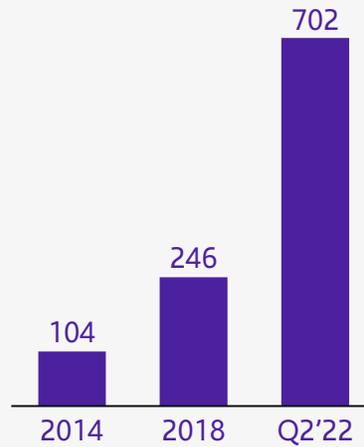
Capacity in operation & under construction (GW)¹



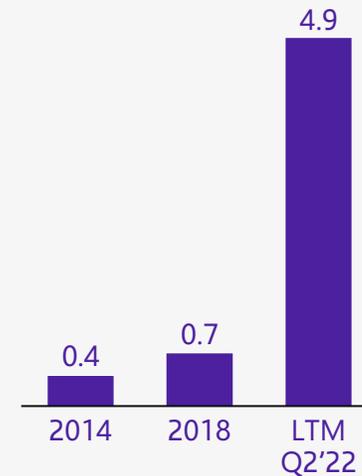
Proportionate EBITDA, NOK million



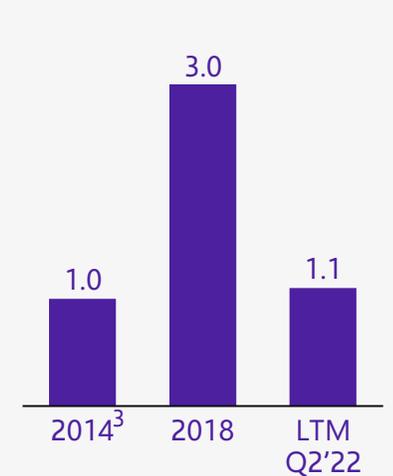
#Employees



GHG emissions avoided, million tonnes



Lost Time Incident Frequency²



(1) Includes 1.2 GW under construction
(2) Per million hours worked (3) LTI



Our strategy is built on our core strengths



Emerging markets focus and track record



Proven integrated business model



Multi-technology approach



Partnerships



Leading in ESG





Our strategy:

Develop, build, own and operate renewable energy in emerging markets

**Grow
Renewables**

**Advance
Green Hydrogen**

**Optimise
Portfolio**



We target to invest NOK 10 billion and double Power Production EBITDA

Targets towards 2027

NOK 10 billion
Equity investments¹

1.2x CoE²
Project equity IRR

NOK+3 billion
Power Production EBITDA³

1.5 GW
Avg annual capacity
additions⁴

(1) Committed equity for new power plant investments (2) Cost of Equity (3) Additional Annual Proportionate Power Production EBITDA generated from 10 BNOK Equity investment (4) Average gross capacity additions



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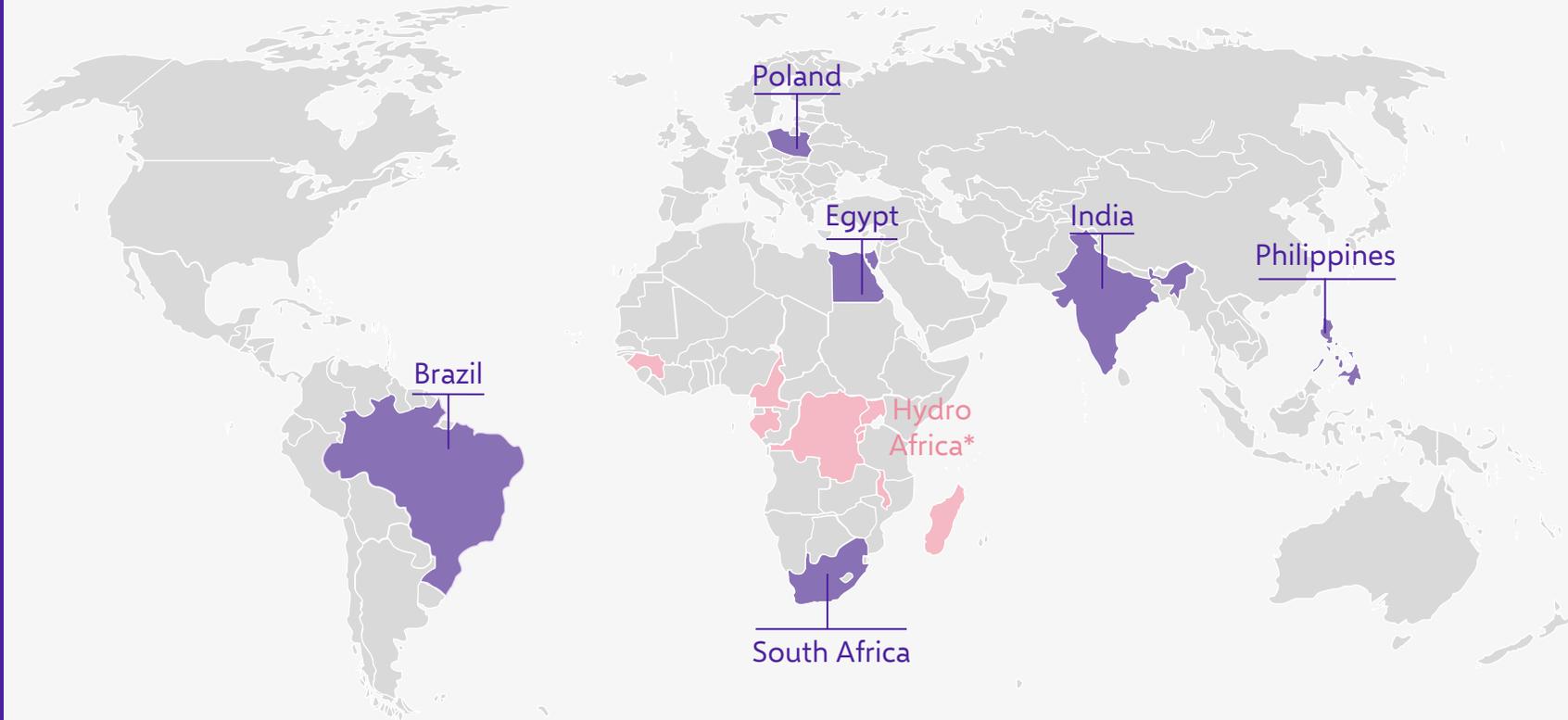
Our strategy:

Build scale, improve predictability and secure competitiveness

Selection criteria

- Large and growing power demand
- Clear energy transition agenda
- Predictable regulatory frameworks
- Strong conditions for renewables

Scatec's focus markets



*Hydro Africa has operations in Uganda and pipeline projects in Malawi, Madagascar, Rwanda/DRC/Burundi, Cameroon, Gabon and Guinea



Benefits of market focus – South Africa

Strategy in focus markets

- Market understanding and long-term perspective
- Applying our multi-technology capabilities
- Long term finance partnerships
- Strong ESG capabilities and track record

RMIPPP multi-technology solution

- 540 MW solar / 225 MW storage
- 150 MW dispatchable power

988 MW

In operation and under
construction

273 MW

backlog

3,660 MW

project pipeline





Leverage our strengths and partnership with Equinor in Brazil

Long term focus & strong market presence

Multi-technology - solar & wind

Several off-take alternatives

693 MW

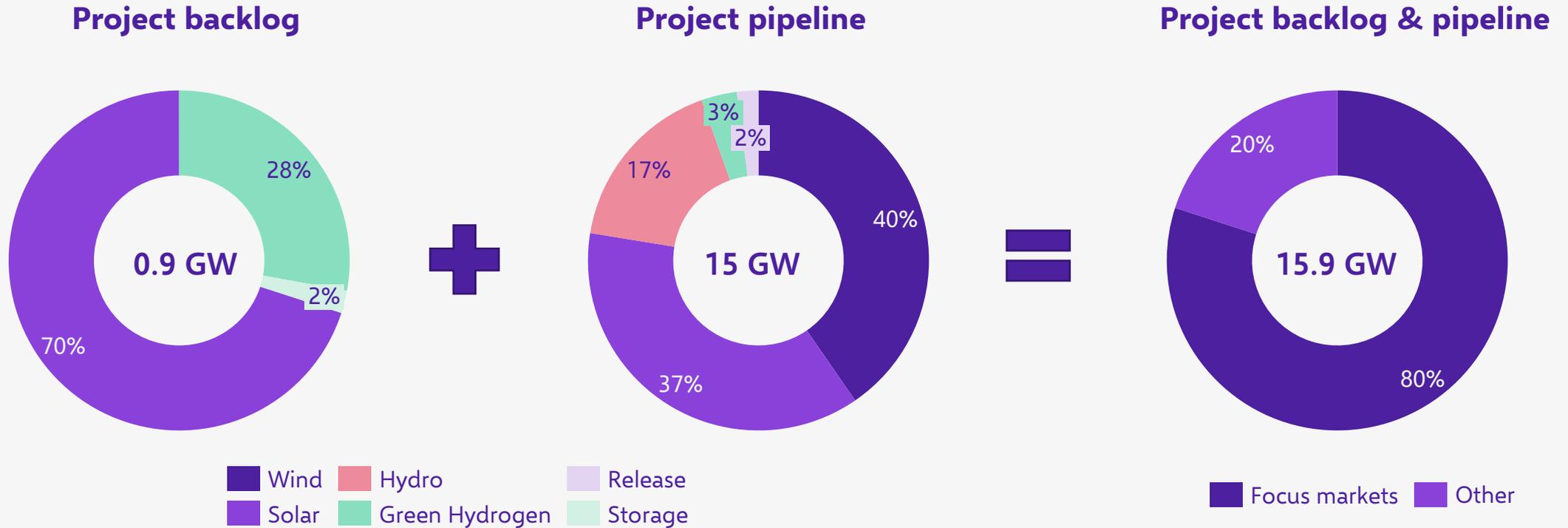
In operation and under construction

1,276 MW

project pipeline



Project pipeline and backlog of 16 GW across renewable technologies - 80% held in our focus markets



Focus on larger projects

- Average pipeline project size 350 MW
- Target average equity investment of NOK 500 million in projects



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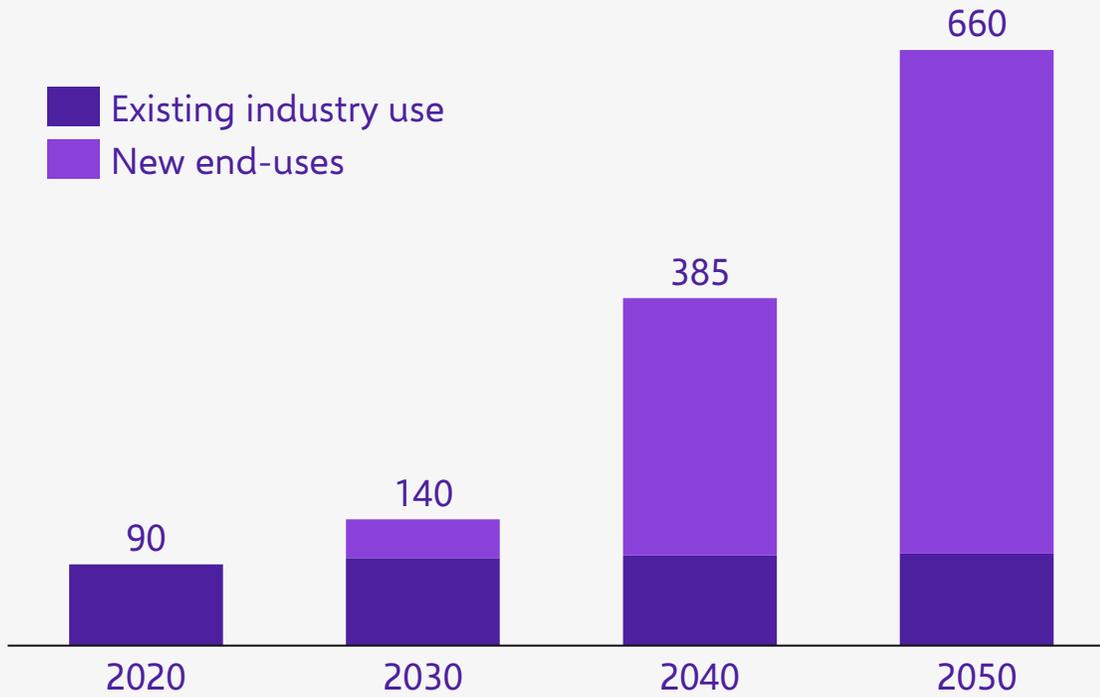
**Optimise
Portfolio**



The next five years green hydrogen demand will be driven by strong policy support in EU, US and Japan

Green hydrogen demand forecast

H2 end-use demand for net zero, million MT H2 p.a.



Demand drivers next 3-5 years:

- EU, US and Japan are targeting to ramp up the use of green hydrogen for industrial use
- Key policies:
 - REPowerEU
 - Inflation reduction Act in the US
- Industry leaders in the fertiliser and shipping industries are driving the market development



Building on Scatec's strengths to be an early mover in green hydrogen

Our approach



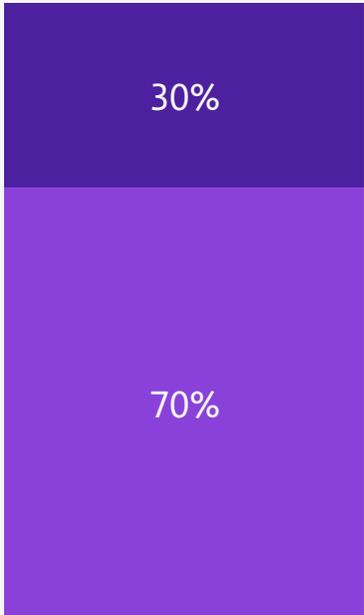


Seeking prime locations

Low-cost renewables is a must for the economics of green hydrogen

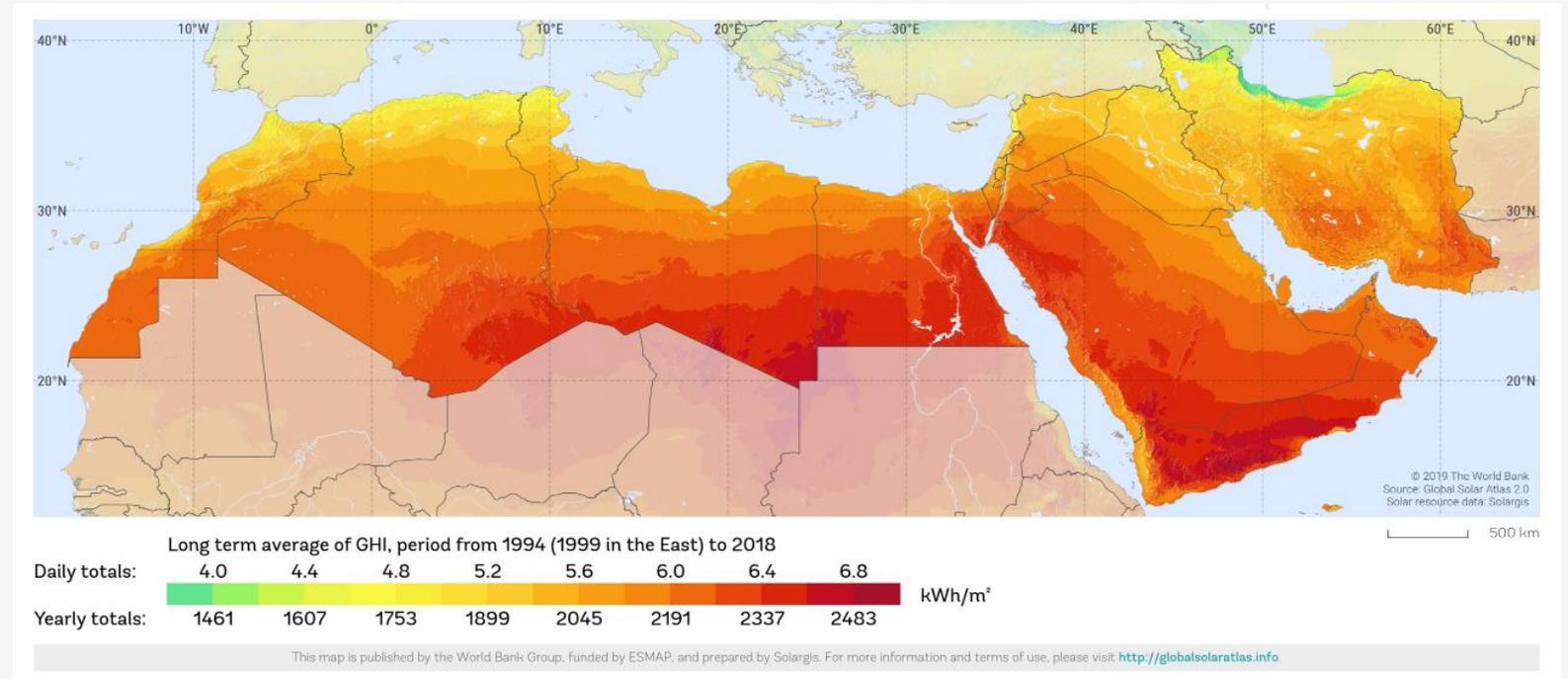
North Africa has the resources, land available and proximity to shipping lanes

Green hydrogen cost structure



Balance of plant

Renewables





Seeking prime locations

Egypt is developing into a green energy and hydrogen hub

Egypt's energy policy;

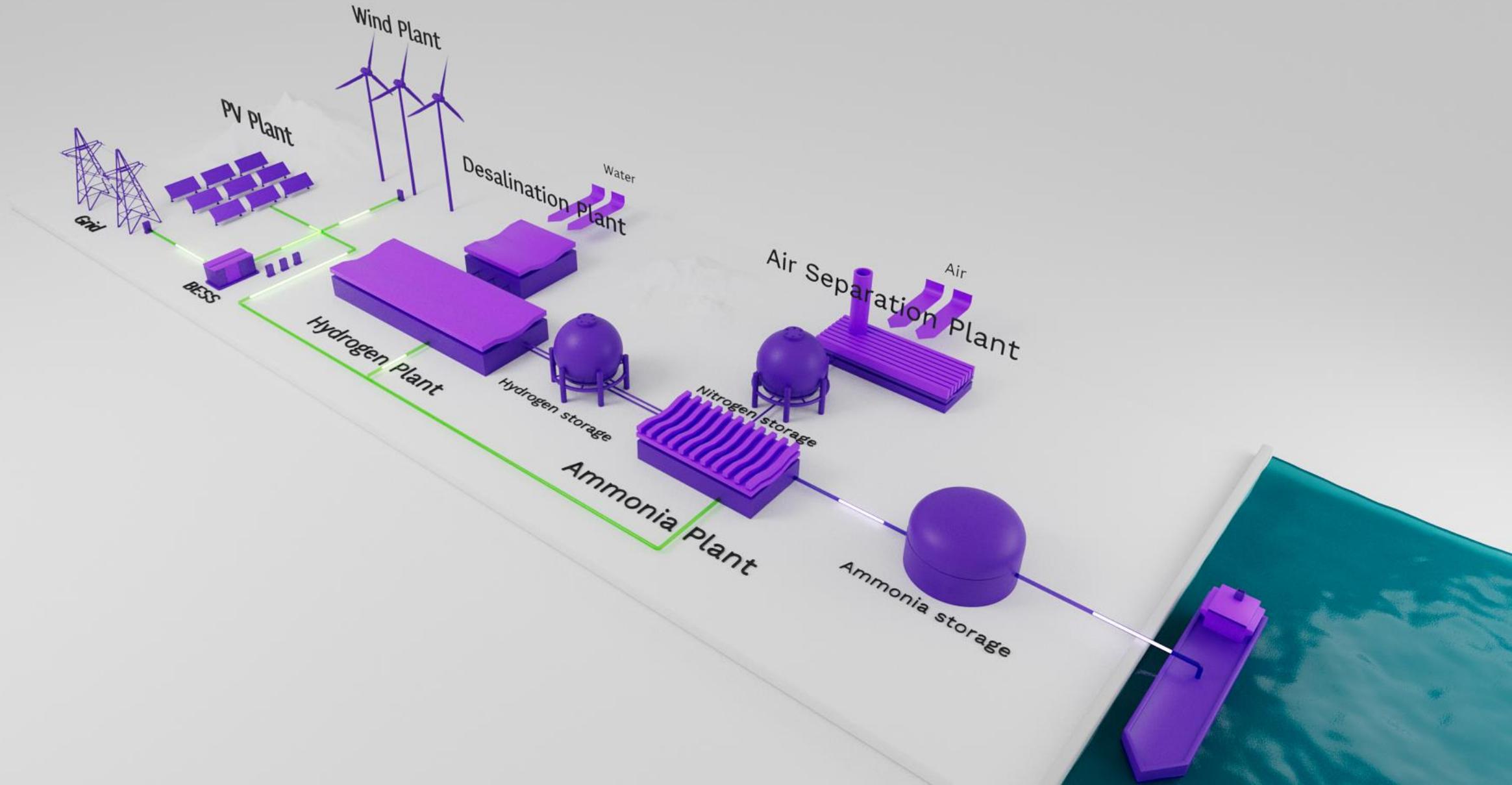
- Grow low cost solar and wind capacity
- Develop green hydrogen and ammonia facilities by the Suez canal
- Free up natural gas to power for Europe
- Strong support from EU, World Bank and DFIs





We believe our integrated model is critical to succeed

Scatec aim to develop, finance, build, own and operate the full integrated facilities

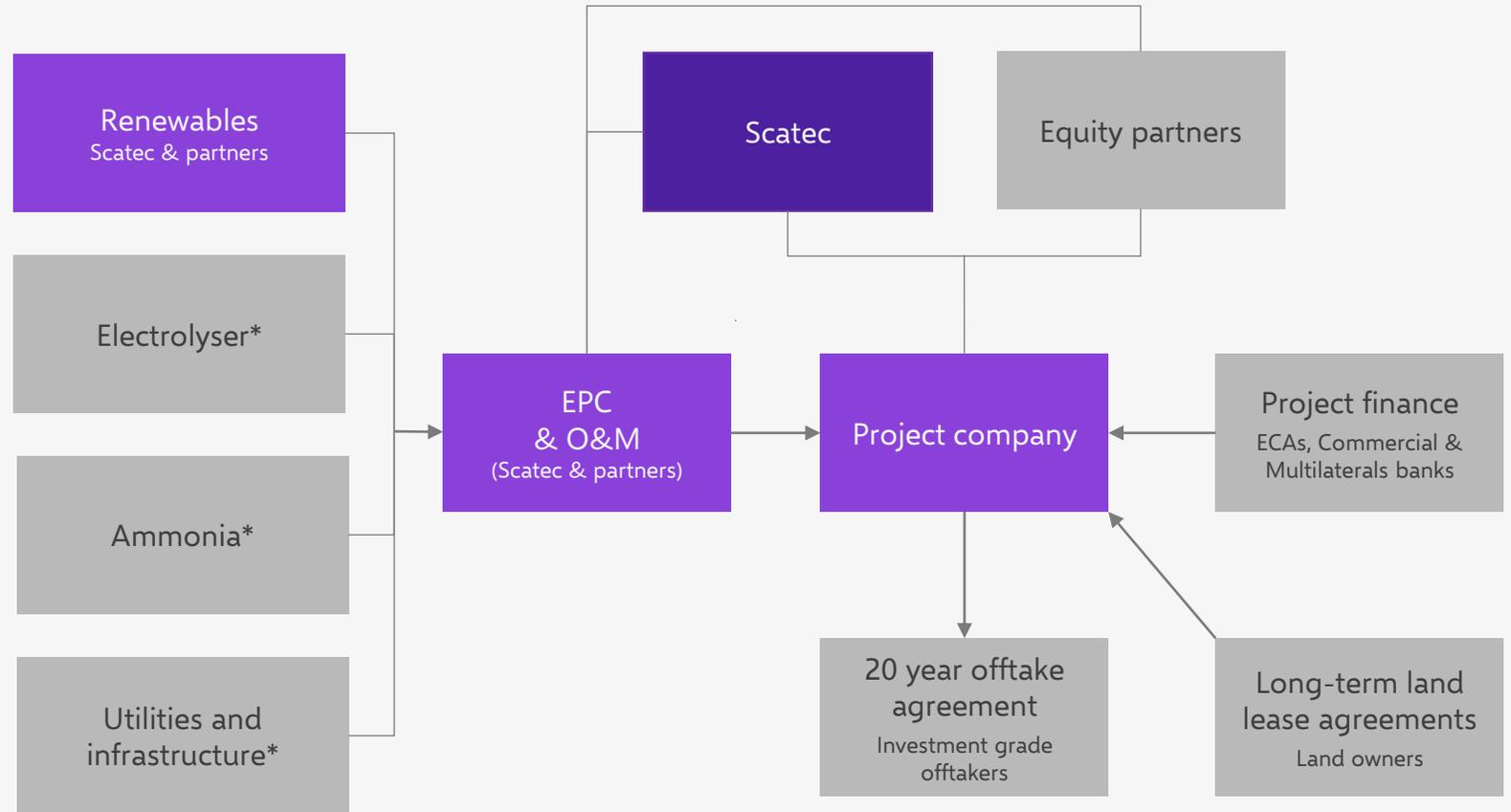




Risk mitigated through proven technology and processes

- Reputable providers of technology and system integration
- Utilising proven technology
- Adequate risk sharing between parties
- Sufficient system redundancy
- Extensive due diligence processes

Illustrative project structure



*Provided by reputable service and technology providers. Performance obligations and guarantees carried by technology and process providers



We are advancing our green hydrogen projects in Egypt and Oman

Our most advanced projects

Egypt: 100 MW green hydrogen sold to Fertiglobe

- Partnership with Fertiglobe, Orascom and Sovereign Fund of Egypt
- 12,000 MT p.a. from 100 MW electrolyser / 260 MW solar & wind
- Capex of USD 430 million, 75% leverage, Scatec ownership of 52%

Oman: 100k MT green ammonia sold to Yara

- Partnership with Acme for green ammonia production
- 100k MT p.a. from 300 MW electrolyser / 500 MW of solar
- Capex of USD 650 million, 75% leverage, Scatec ownership of 50%





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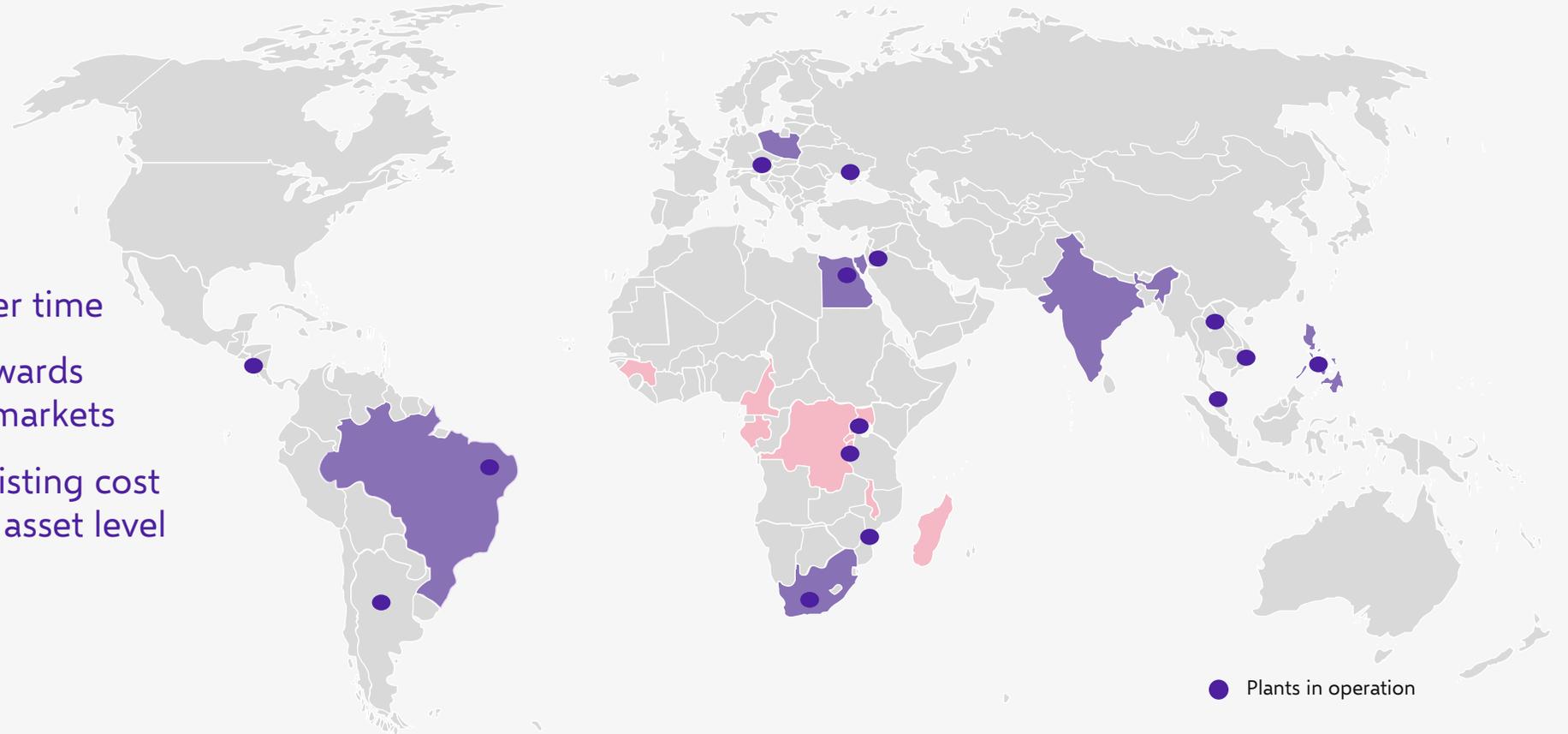
**Optimise
Portfolio**



Consolidate and simplify our portfolio to gain scale benefits

Strategic actions

- Divest smaller assets over time
- Concentrate pipeline towards larger projects in focus markets
- Create more scale on existing cost base and reduce cost at asset level

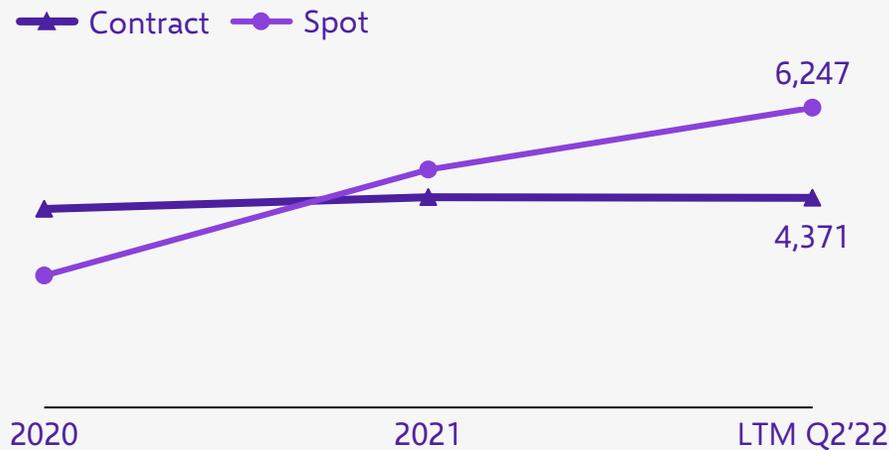




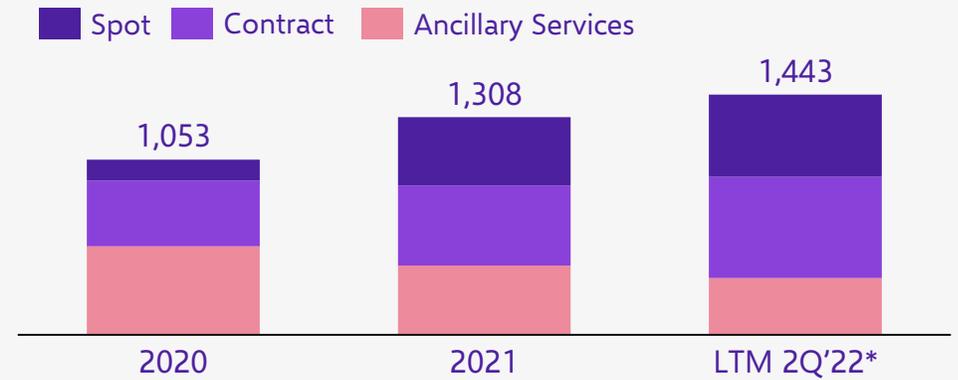
Adjusting market approach in the Philippines to capture more value

- The product mix shifting based on market conditions - contract, spot and ancillary services
- High contract sales volume at fixed prices, weak hydrology and high spot prices last 12 months
- Going forward contract sales will be lower to capture more value from higher power prices

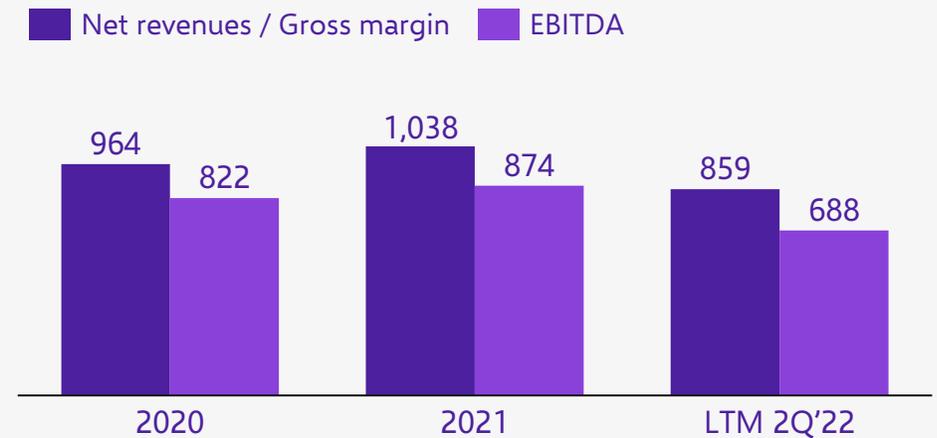
Spot- and contract prices (PHP/MWh)



Revenues – NOK million



Net Revenues and EBITDA – NOK million





Scale and launch an independent Release platform

- Prepared to raise external equity and debt funding

In operation & under construction

Project pipeline

46 MW
capacity

500 MNOK
Scatec investment*

100 MNOK
Annual EBITDA

300 MW
capacity



Financials



Financial update – a solid platform for growth

- A diversified asset portfolio
- Prudent financial risk management
- Continued focus on capital discipline
- Solid cash flow to support growth





Power production
Key figures



4.1
TWh¹ **Power production**



4,093
MNOK **Q2'22 LTM revenues²**



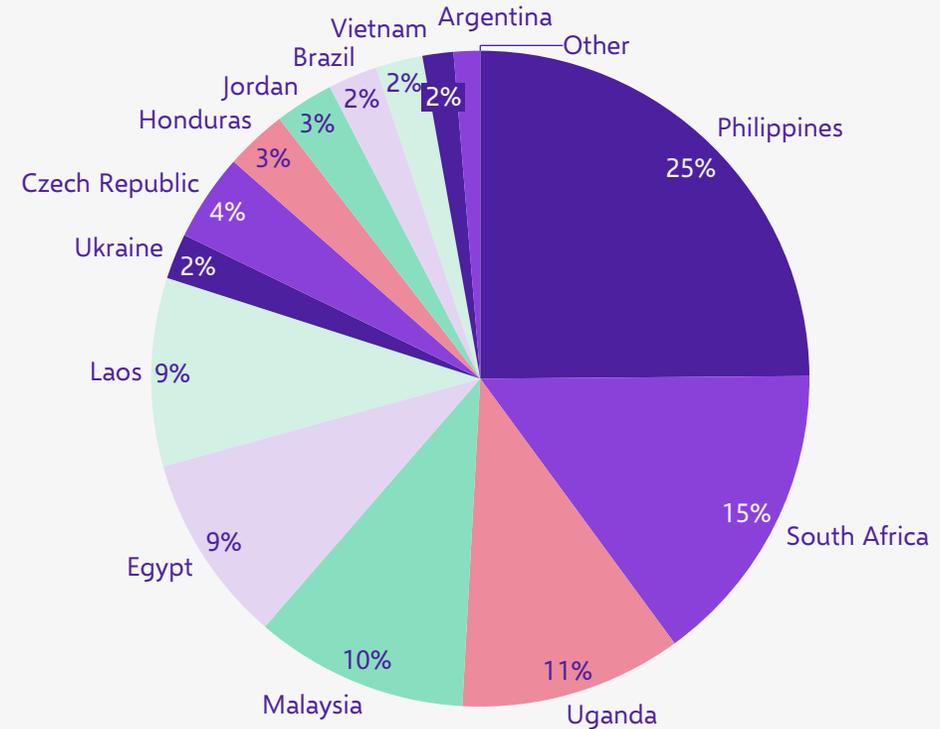
2,693
MNOK **Q2'22 LTM EBITDA²**



1,367
MNOK **Q2'22 LTM Cash flow to Equity²**

Diversified and predictable cash flows

Power Production EBITDA distribution Q2'22 LTM



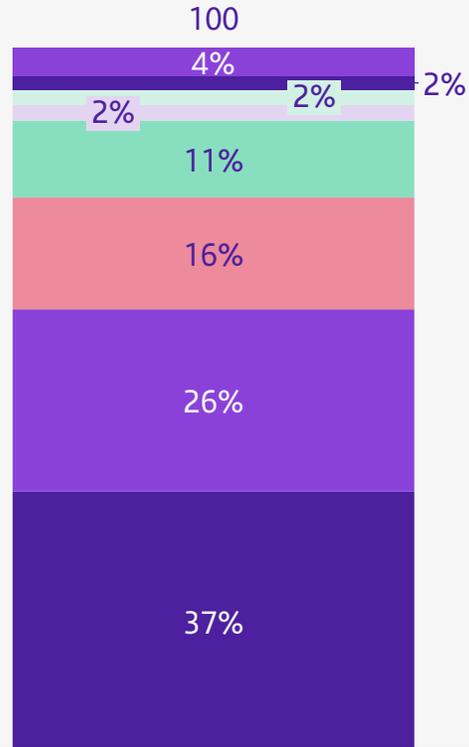
Expecting to be 100% EU Taxonomy compliant when reporting at year end 2022

(1) Median annual net production.
(2) Proportionate Financials

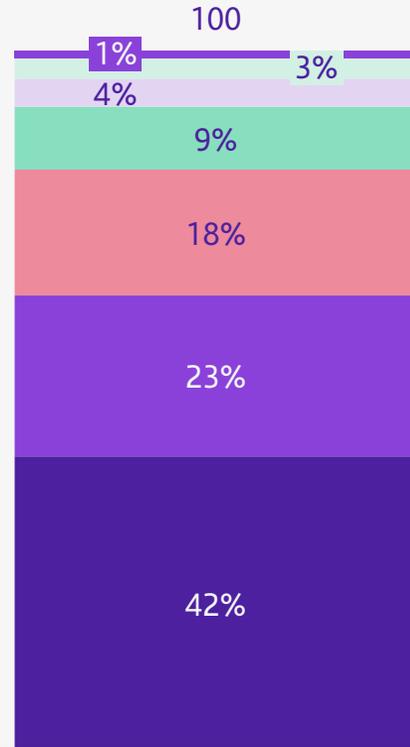


All projects carefully structured to manage financial risk

Power Production EBITDA per currency (LTM'2Q'22)



Project debt per currency (2Q'22)



■ USD ■ PHP ■ ZAR ■ MYR ■ EUR ■ BRL ■ EGP ■ CZK

- Long term PPAs with fixed tariffs with the exception of the Philippines
- Local PPA tariffs subject to CPI adjustments in South Africa and Brazil
- Currency risk mitigated by matching PPA and debt currencies
- Interest rate hedged with long tenors
- Debt amortisation over loan tenor reduces debt service volatility and refinancing risk



Stable long term cash flow supports growth and debt service at group level

- Green Finance framework basis for our funding
- Adequate group level debt relative to current long term cash flow
- USD 193 million Bridge to bond maturity extended to Q1 2024

End Q2'22:

NOK billion	Project level	Group level	Total
Cash	1.8	2.0	3.8
Debt	-13.0	-7.9	-20.9
Net debt	-11.2	-5.9	-17.2
Interest hedging ratio*	84%	19%	
Q2'22 debt interest rate	6.0%	3.2%	
Avg remaining loan tenor	11 yrs	3.3 yrs	

Available liquidity**

NOK 3.8 billion

Group level net debt /
LTM Power Production
Cash flow to Equity:

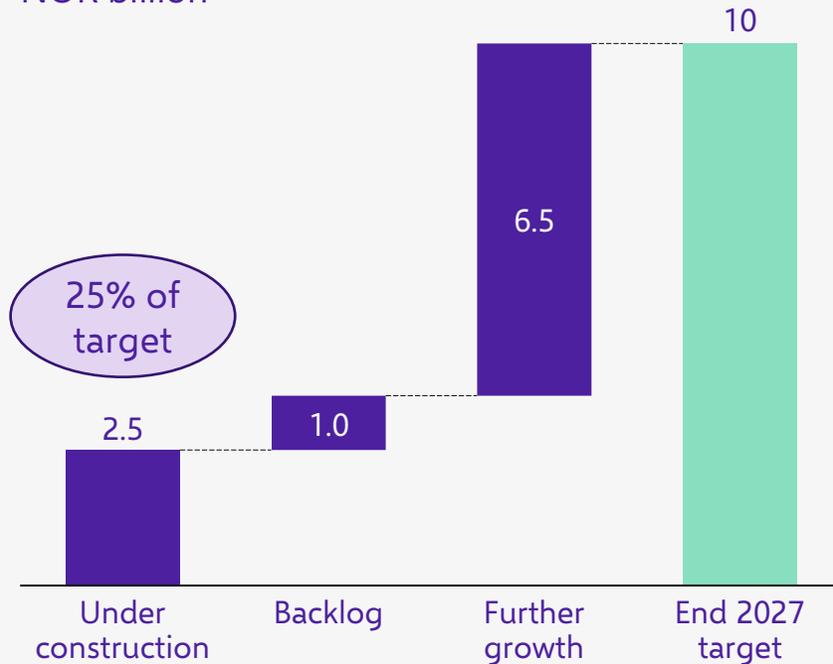
4.2x



Target to double Power Production EBITDA to NOK 6 billion - 25% of growth secured from projects under construction

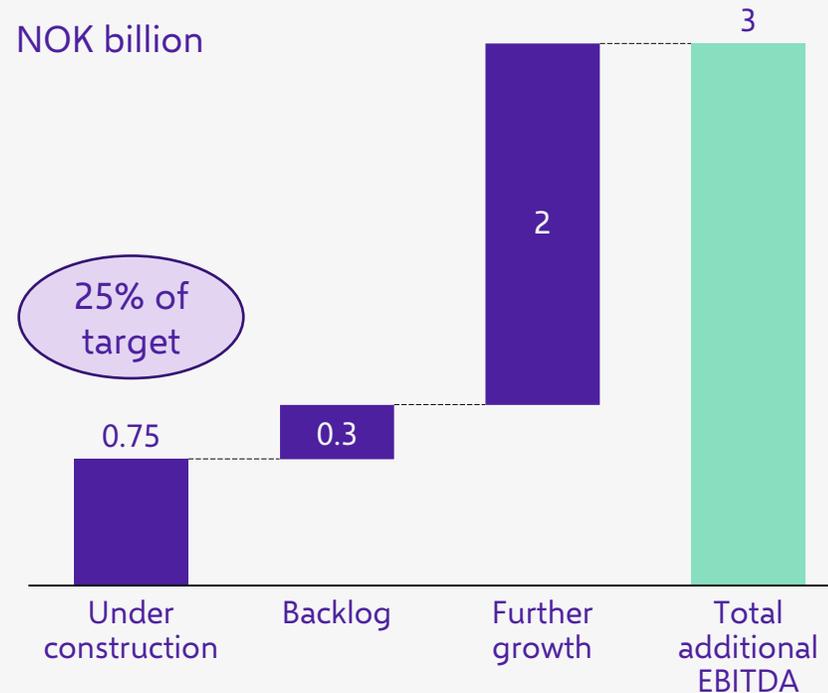
Equity investments towards 2027*

NOK billion



Power Production annual EBITDA increase from NOK 10 billion investment

NOK billion



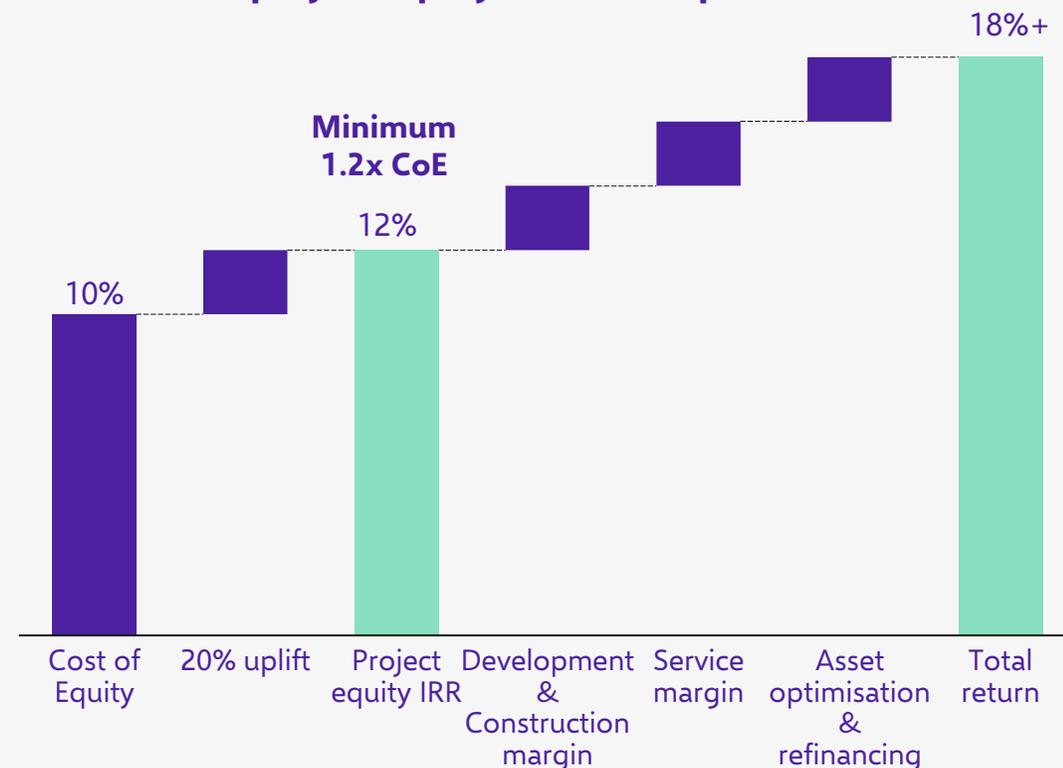
- 40-45% of EBITDA is converted to cash flow to Scatec (after project level debt service)

S Investment criteria

Multiple sources of value create robust investments

- **Project equity IRR of 1.2x Cost of Equity**
 - Cost of Equity calculated based on standard CAPM methodology – taking into account country risk premium, currency, technology, leverage, off-take structure
- **Development & Construction gross margin of 8-10%**
 - D&C revenues expected to average 50% of capex
- **Services EBITDA margin of 25-30%**
- **Target Scatec equity investment of average NOK 500 million per project**

Illustration of project equity IRR build up



Previous guidance followed same principle

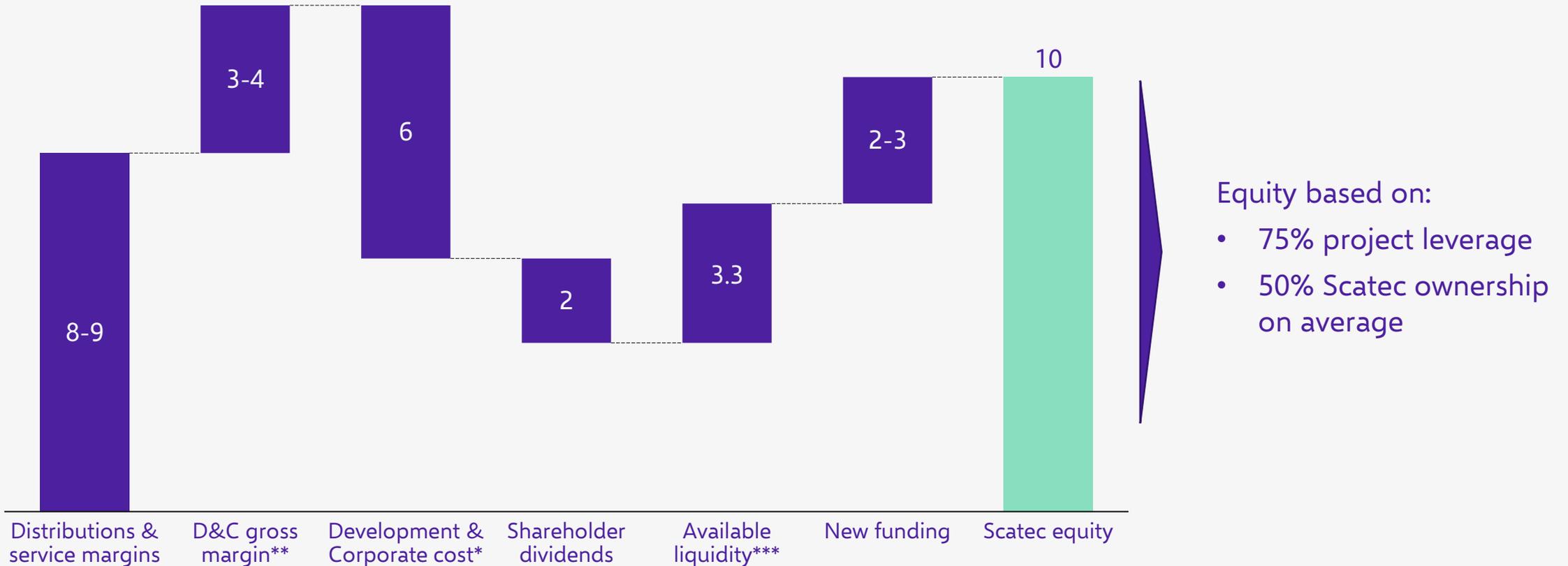
- Average 12-16% project equity IRR based on average Cost of Equity of 10-13% across project portfolio.



Moderate funding needed to realise our growth target towards 2027

Funding structure – high level estimates

NOK billion



(*) Includes debt service at group level (**) D&C revenues on average representing 50% of project capex (***) Net of minimum liquidity of NOK 500 million



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Q&A

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