

## TERM SHEET



### Scatec ASA Senior Unsecured Green Bond Issue 2023/2027 (the "Bonds" or the "Bond Issue")

ISIN: NO0012837030

**Initial Issue Date:** 17 February 2023

<b>Issuer:</b>	Scatec ASA, incorporated under the laws of Norway with business registration number 990 918 546.  LEI-code: 5967007LIEEXZ XIARK36
<b>Group:</b>	The Issuer and all its Subsidiaries from time to time (each a " <b>Group Company</b> ").
<b>Currency:</b>	NOK
<b>Initial Issue Amount:</b>	NOK 1,000 million (the " <b>Initial Bond Issue</b> ").
<b>Maximum Issue Amount:</b>	NOK 2,000 million.
<b>Interest Rate:</b>	The percentage rate per annum which is the aggregate of the Reference Rate plus the Margin.
<b>Margin:</b>	6.60 % p.a.
<b>Reference Rate:</b>	3 months NIBOR.
<b>Initial Issue Date:</b>	Expected to be 17 February 2023 (Notice to be given to subscriber's minimum 2 Business Days prior to the Initial Issue Date).
<b>Maturity Date:</b>	17 February 2027 (4 years after the Initial Issue Date).
<b>Amortisation:</b>	The Bonds shall be repaid in full at the Maturity Date at 100% of the Nominal Amount (plus accrued interest on redeemed amount).
<b>Interest Payment Date:</b>	The last day of each Interest Period, the first Interest Payment Date being 17 May 2023 and the last Interest Payment Date being the Maturity Date.
<b>Interest Periods:</b>	Means, subject to adjustment in accordance with the Business Day Convention, the period between 17 May, 17 August, 17 November and 17 February each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

<b>Interest Payments:</b>	Interest on the Bonds will commence to accrue on the Initial Issue Date and shall be payable quarterly in arrears on each Interest Payment Date, subject to adjustment in accordance with the Business Day Convention. Day-count fraction is act/360.
<b>Business Day:</b>	Means a day on which both the relevant CSD settlement system is open, and the relevant currency of the Bonds settlement system is open.
<b>Business Day Convention:</b>	Means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (Modified Following).
<b>Default Interest:</b>	Interest Rate plus 3 percentage points p.a.
<b>Initial Issue Price:</b>	100% of the Nominal Amount.
<b>Nominal Amount:</b>	The Bonds will have a nominal value of NOK 500,000 each.
<b>Minimum Subscription:</b>	Minimum subscription and allocation amount shall be NOK 1,500,000, and integral multiples thereof.
<b>Status of the Bonds:</b>	The Bonds shall constitute senior debt obligations of the Issuer and will rank <i>pari passu</i> between themselves and at least <i>pari passu</i> with all other unsecured obligations of the Issuer (save for such obligations which are mandatorily preferred by law). The Bonds shall be unsecured.
<b>Purpose of the Bond Issue:</b>	<p>The net proceeds from the Initial Bond Issue shall be used for financing of the Eligible Activities as set out in the Green Financing Framework, hereunder for redemption in whole or in part of the amounts outstanding under the USD 400 million bridge facility.</p> <p>The net proceeds from any Tap Issue shall be used for financing of Eligible Activities as set out in the Green Financing Framework.</p>
<b>Tap Issues:</b>	<p>The Issuer may on one or more occasions up until, but excluding, the Maturity Date or any earlier date when the Bonds have been redeemed in full issue Additional Bonds under the Bond Issue (each such issue, a "<b>Tap Issue</b>"), until the aggregate Nominal Amount of all Bonds outstanding equals the Maximum Issue Amount (less the aggregate Nominal Amount of any previously redeemed Bonds).</p> <p>The Additional Bonds issued in a Tap Issue shall be subject to the terms and conditions of the Finance Documents and have the same rights as the Bonds issued under the Initial Bond Issue. For Tap Issues not falling on an Interest Payment Date, accrued interest will be calculated using standard market practice in the secondary bond market. Any such Additional Bonds may be issued at par or at a discount or at a premium relative to the Initial Issue Price.</p> <p>If the Bonds have been listed on Oslo Stock Exchange prior to a Tap Issue, such Additional Bonds may be issued at a different ISIN ("<b>Temporary Bonds</b>") to be merged with the ISIN of the Bonds pending</p>

satisfaction of applicable prospectus requirements pursuant to the Prospectus Regulation (as defined below).

**Additional Bonds:** Additional Bonds means Bonds issued under a Tap Issue, including any Temporary Bonds.

**Representations and Warranties:** The Bond Terms shall include customary relevant representations and warranties by the Issuer (pursuant to the Standard Bond Terms).

**Call Options:** The Issuer may redeem all but not only some of the Outstanding Bonds on any Business Day from and including:

- (i) the Initial Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
- (ii) the First Call Date to, but not including, the Maturity Date at a price equal to 101.23 per cent. of the Nominal Amount for each redeemed Bond.

**First Call Date:** The Interest Payment Date falling 42 months after the Initial Issue Date.

**Make Whole Amount:** Means an amount equal to the sum of:

- a) the present value on the Call Option Repayment Date of 101.23 per cent. of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and
- b) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds, less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date, to the First Call Date,

where the present value shall be calculated by using a discount rate of 3.60 per cent., and where the Interest Rate applied for the remaining interest payments until the First Call Date shall be the applicable Interest Rate on the Call Option Repayment Date.

**Call Option Repayment Date:** The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least ten (10) Business Days prior to the proposed repayment date for the Call Option (the "**Call Option Repayment Date**"). Such notice sent by the Issuer shall specify the relevant Call Option Repayment Date.

Any call notice given in respect of redemption of Bonds shall be irrevocable but may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, to be satisfied or waived no later than three (3) Business Days prior to the Call Option Repayment Date. If such conditions precedent have not been satisfied or waived by that date, the call notice shall be null and void.

**Condition Precedent – Initial Bonds:** Payment of the net proceeds from the issuance of the Initial Bonds (net of legal costs, fees of the Joint Lead Managers and any other agreed costs and expenses) to the Issuer shall be conditional on the Bond Trustee having received in due time (as determined by the Bond

Trustee) prior to the Initial Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:

- a) the Bond Terms duly executed by all parties thereto;
- b) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
- c) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party;
- d) copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
- e) a Second Party Opinion confirming that the Bonds qualify as green bonds;
- f) copies of the Issuer's latest Financial Reports;
- g) confirmation that the applicable prospectus requirements (cf. the EU prospectus regulation (2017/1129 EC) (the "**Prospectus Regulation**")) concerning the issuance of the Bonds have been fulfilled;
- h) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
- i) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
- j) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Joint Lead Manager in connection with the issuance of the Bonds;
- k) the Bond Trustee Fee Agreement duly executed by the parties thereto; and
- l) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).

**Condition Precedent – Tap Issue:**

Settlement of any Tap Issue and disbursement of the net proceeds (net of legal costs, fees to the manager(s) and the Bond Trustee, and any other agreed costs and expenses) to the Issuer will be subject to the fulfilment of certain conditions precedent, to the satisfaction of the Bond Trustee, as customary for these types of transactions, including (but not limited to):

- a) the Tap Issue addendum to the Bond Terms duly executed by all parties thereto;
- b) copies of all necessary corporate resolutions of the Issuer to issue the Additional Bonds and execute the Finance Documents to which it is a party;
- c) a certified copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;

- d) confirmation that the applicable prospectus requirements (cf. the Prospectus Regulation) concerning the issuance of the Additional Bonds have been fulfilled;
- e) confirmation that the Additional Bonds are registered in the CSD (by obtaining an ISIN for the Additional Bonds);
- f) copies of any written documentation used in marketing the Additional Bonds or made public by the Issuer or any manager in connection with the issuance of the Additional Bonds; and
- g) legal opinions or other statements as may be required by the Bond Trustee.

**Information Undertakings**

The Bond Terms shall include relevant information undertakings as per the Standard Bond Terms, including (but not limited to):

- (i) **Reporting:** The Issuer shall prepare Annual Financial Statements and Interim Accounts and make them available on its website in the English language (alternatively by arranging for publication on Stamdata) as soon as they become available, and not later than 4 months after the end of the financial year or 2 months after the end of the interim period. Such reporting shall include a calculation of Cash Flow to Equity from the Issuer's various Power Production (business segments), calculated in a consistent manner.

**Information and General Undertakings:**

- (ii) **Mergers:** The Issuer shall not, and shall procure that no Group Company shall, carry out any merger or other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Issuer or any other Group Company with any other companies or entities if such transaction would have a Material Adverse Effect.
- (iii) **De-mergers:** The Issuer shall not, and shall procure that no Group Company shall, carry out any de-merger or other corporate reorganisation involving a split of the Issuer or any other Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.
- (iv) **Continuation of business:** The Issuer shall (i) not cease to carry on its business and (ii) procure that no material change is made to the general nature of the business from that carried on by the Group at the Initial Issue Date.
- (v) **Corporate status:** The Issuer shall not change its type of organisation or jurisdiction of incorporation.
- (vi) **Disposal of business:** The Issuer shall not, and shall procure that no other Group Company shall, sell, transfer or otherwise dispose of all or a substantial part of the Group's assets or operations (other than to a Group Company), unless:
  - a. such transaction is carried out at fair market value, on terms and conditions customary for such transactions; and

- b. such transaction would not have a Material Adverse Effect.
- (vii) **Arm's length transactions:** The Issuer shall not, and shall procure that no other Group Company shall, enter into any transaction with any person outside the Group except on arm's length terms.
- (viii) **Compliance with laws:** The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations it or they may be subject to from time to time.
- (ix) **Subsidiaries' distributions:** The Issuer shall ensure that none of its Subsidiaries will enter into or will permit to subsist any contractual obligation that materially restricts such Subsidiary from resolving or transferring Distributions to its direct owner.
- (x) **Negative pledge:** The Issuer shall not, and shall procure that no Recourse Group Company shall, incur, create or permit to subsist any Security over any of its assets or revenues or rights or enter into arrangements having a similar effect, other than Security:
- a. in favour of any provider of guarantees, letters of credit or other financial assistance issued to governments and other third parties (which is not a Group Company) in the ordinary course of business or as required under law,
  - b. in favour of any provider of guarantees, letters of credit, Security or other financial assistance to or on behalf of any of its Subsidiaries or any Renewable Energy Company related to, the development, construction, operation, performance or equity funding of such entity, always provided such assistance is given in the ordinary course of business, which may include Security granted in relation to financing of the development and construction of renewable energy plants of Renewable Energy Companies, provided that any funding of Renewable Energy Companies following completion of the development and construction of renewable energy plants always shall be on a non-recourse basis towards other Group Companies;
  - c. securing any Local Content Funding;
  - d. arising by operation of law and not as a result of any default or omission;
  - e. arising in the ordinary course of banking arrangements for the purposes of netting debt and credit balances of Group Companies;
  - f. in the form of rental deposits in respect of any real property leased by a Group Company in the ordinary course of business and on normal commercial terms;

- g. for any derivative transaction permitted under item j) under Financial Indebtedness restrictions below; or
  - h. not otherwise permitted above which does not exceed NOK 50,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time.
- (xi) **Financial Indebtedness restrictions:** The Issuer shall not, and shall procure that no Recourse Group Company shall, incur, create or permit to subsist any Financial Indebtedness other than:
- a. the Bonds (including any Tap Issue);
  - b. SCATC03 ESG;
  - c. moneys borrowed under any bank credit facilities of which the Issuer is the borrower;
  - d. the Vendor Note;
  - e. issuance of unsecured bonds having a maturity date after the Maturity Date of the Bonds, of which the Issuer is the issuer;
  - f. any Financial Indebtedness arising in relation to guarantees, letters of credit or other financial assistance issued to governments and other third parties (which is not a Group Company) in the ordinary course of business or as required under law;
  - g. any Financial Indebtedness arising in relation to any guarantees, letters of credit, Security or other financial assistance to or on behalf of any of its Subsidiaries or any Renewable Energy Company related to, the development, construction, operation, performance or equity funding of such entity, always provided such assistance is given in the ordinary course of business;
  - h. any Local Content Funding;
  - i. any Financial Indebtedness under any hedging arrangements entered into by the Issuer, its Subsidiaries or any Renewable Energy Company on market terms and as part of the ordinary course of business of the Group for non-speculative purposes;
  - j. any Financial Indebtedness under any operational leases of real property, vehicles and other operating assets in the ordinary course of business up to an aggregate outstanding amount of NOK 50,000,000 for the Group;
  - k. any Shareholder Loan and any Intercompany Loan;
  - l. any Permitted (EPC) Financing; or

- m. without double counting, not otherwise permitted under (a)-(l) above which in aggregate does not exceed NOK 50,000,000 (or its equivalent in other currencies) at any time for the Group.
  
- (xii) **Financial assistance:** The Issuer shall not, and shall procure that no Recourse Group Company shall, grant any loans, guarantees or other financial assistance (including, but not limited to granting Security) to or for the benefit of any other entity, other than:
  - a. guarantees or other financial assistance issued to governments and other third parties (which is not a Group Company) in the ordinary course of business or as required under law;
  - b. guarantees, letters of credit, Security or other financial assistance to or on behalf of any of its Subsidiaries or any Renewable Energy Company related to, the development, construction, operation, performance or equity funding of such entity, always provided such assistance is given in the ordinary course of business, which may include financial assistance provided in relation to financing of the development and construction of renewable energy plants of Renewable Energy Companies, provided that any funding of Renewable Energy Companies following completion of the development and construction of renewable energy plants always shall be on a non-recourse basis towards other Group Companies;
  - c. any Shareholder Loans and any Intercompany Loans or any commitment to provide such Shareholder Loans or Intercompany Loans;
  - d. any Local Content Funding; or
  - e. without double counting, not otherwise permitted under (a)-(d) above which in aggregate does not exceed NOK 50,000,000 (or its equivalent in other currencies) at any time.
  
- (xiii) **Distributions:** Distributions from the Issuer in any financial year shall be limited to 50% of any Distributions received from any Renewable Energy Company the preceding financial year. Any payment of Distribution shall be subject to:
  - a. no Event of Default outstanding or would occur from such Distribution; and
  - b. compliance with the Financial Covenants and continued compliance immediately after such Distribution.
  
- (xiv) **Green Bonds:** The Issuer shall at all times maintain a Green Financing Framework.



**Financial Covenants:** During the term of the Bonds, the Issuer shall comply with the following financial covenants at all times:

- a) **Minimum Liquidity:** The Issuer shall maintain Free Cash of minimum NOK 150,000,000.
- b) **Maximum Debt to Capitalisation Ratio:** The Issuer shall maintain a Debt to Capitalisation Ratio of maximum 50%.
- c) **Minimum Interest Coverage Ratio:** The Issuer shall maintain a Cash Flow Interest Coverage Ratio of minimum 3.0x.

**Definitions:** Capitalised terms defined in the Standard Bond Terms have the same meaning in this Term Sheet unless expressly defined in this Term Sheet. In addition:

**Additional Bonds** means the debt instruments issued under a Tap Issue, including any Temporary Bonds.

**Accounting Standard** means IFRS.

**Annual Financial Statements** means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

**Bond Trustee Fee Agreement** means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds.

**Bondholder** means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond.

**Book Equity** means the total book equity of the Recourse Group less investments in subsidiaries within the Recourse Group, at the end of any Relevant Period and in accordance with the Accounting Standard. In case a Subsidiary is not wholly owned, the book equity of that Subsidiary is adjusted to reflect the Issuer's pro rata ownership of the book equity in that Subsidiary.

**Capitalisation** means Book Equity plus Gross Debt.

**Cash Flow Interest Coverage Ratio** means, for any Relevant Period, the Issuer's aggregate Cash Flow to Equity from Power Production, O&M and Corporate (as reported in the Interim Accounts and for Corporate adjusted by adding back any Net Interest Costs already deducted) divided by the Net Interest Costs of the Recourse Group.

**Cash Flow to Equity** means EBITDA *plus* any interest earned on any loans to equity partners as a substitute for direct investments in Renewable Energy Companies for local law reasons *less* Normalised Debt Service *less* Normalised Income Tax Expenses, multiplied by the Issuer's ownership share in each relevant Subsidiary.

**Corporate** means corporate services, management and group finance and any other overhead cost.

**Debt to Capitalisation Ratio** means the Gross Debt of the Recourse Group *divided* by the Capitalisation of the Recourse Group.

**Decisive Influence** means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (i) a majority of the voting rights in that other person; or
- (ii) a right to elect or remove a majority of the members of the board of directors of that other person.

When determining the relevant person's number of voting rights in the other person or the right to elect and remove members of the board of directors, rights held by the parent company of the relevant person and the parent company's Subsidiaries shall be included.

**Distribution** means any (i) payment of dividend on shares, (ii) repurchase of own shares, (iii) redemption of share capital or other restricted equity with repayment to shareholders, or (iv) any other similar distribution or transfers of value to the direct and/or indirect shareholders of any Group Company or the affiliates of such direct and/or indirect shareholders without mutual consideration (including group contributions).

**EBITDA** means, for any Relevant Period, earnings before interest, tax, depreciation and amortisation as reported in accordance with the Accounting Standard.

**EPC Company** means a Recourse Group company which has (or will) entered into an EPC Contract (as contractor) with a Renewable Energy Company (as employer) for the engineering, procurement, construction and installation of a renewable energy plant.

**EPC Contract** means a contract for the engineering, procurement, construction and installation of a renewable energy plant with an EPC Company as contractor and a Renewable Energy Company as employer.

**Finance Documents** means:

- (i) the Bond Terms;
- (ii) the Bond Trustee Fee Agreement;
- (iii) the Subordination Agreement; and
- (iv) any other document designated by the Issuer and the Bond Trustee as a Finance Document.

**Financial Indebtedness** means any indebtedness for or in respect of:

- (i) moneys borrowed (and debit balances at banks or other financial institutions);
- (ii) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Standard, be capitalised as an assets and booked as a corresponding liability in the balance sheet;
- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Accounting Standard are met);
- (vi) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (vii) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (viii) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;
- (ix) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (x) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Standard; and
- (xi) without double counting, the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (x) above.

**Financial Reports** means the Annual Financial Statements and the Interim Accounts.

**Free Cash** means on any date the amount of unrestricted and freely available cash, including any amount under any committed and freely available credit facilities.

**Green Financing Framework** means the Issuer's Green Financing Framework dated February 2021.

**Gross Debt** means the aggregate Financial Indebtedness, of which a Recourse Group Company is the borrower and any entity outside the Recourse Group is the creditor, but excluding the Vendor Note and Permitted (EPC) Financing.

**IFRS** means International Financial Reporting Standards, and guidelines and interpretations issued thereto by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.

**Intercompany Loan** means any loans from the Issuer to any Group Company, from any Group Company to the Issuer, or any Group Company to another Group Company, and where loans from:

- (i) any Renewable Energy Company; and
- (ii) from such time as an Event of Default has occurred and is continuing, any other Group Company,

shall be fully subordinated, so that they shall have payment-in-kind interest, no acceleration rights and where no repayment is permitted until after the Maturity Date (and after full repayment of the Bond Issue, including interest).

**Interim Accounts** means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on each 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with the Accounting Standard.

**Local Content Funding** means a loan from a Recourse Company to a Local Content Partner for the sole purpose of funding such Local Content Partner's equity contribution to a Renewable Energy Company to fulfill any applicable local content and/or ownership regulations applicable to such power production asset, where the Recourse Company has control and Security (as per market standard) over relevant parts over the shares held by such Local Content Partner in such Renewable Energy Company.

**Local Content Partner** means a third party company, trust or natural person which is domiciled in the same jurisdiction as a Renewable Energy Company and which is a shareholder in a Renewable Energy Company for the sole purpose of fulfilling local content and/or ownership regulations applicable to such power production asset.

**Net Interest Costs** means, for the Recourse Group (on a consolidated basis), the aggregate gross interest costs (including the interest component of any capital lease obligations) on Gross Debt (always excluding any non-recurring fees and costs) less the aggregate gross interest income on bank deposits and short term securities, for any Relevant Period.

**Non-Recourse Lenders** means such financial institutions that provide non-recourse project finance to a Renewable Energy Company for the turn key delivery of a power production asset.

**Normalised Debt Service** means loan and interest payments during the Relevant Period where (i) amortisations are averaged within the relevant calendar year, and (ii) interest payments are accounted for as accrued during the Relevant Period.

**Normalised Income Tax Expenses** means income tax expenses averaged over each calendar year.

**O&M** means operations and maintenance activities related to, wholly or partly, owned power production asset.

**Outstanding Bonds** means any Bonds not redeemed or otherwise discharged.

**Permitted (EPC) Financing** means short term trade finance obligations or arrangements to that effect arising out of or in connection with either (i) a EPC Contract with a EPC Company (as debtor) and a Renewable Energy Company (as creditor), and/or (ii) supply agreements with the EPC Company as purchaser and debtor and the suppliers as suppliers and creditors.

**Power Production** means the ownership of (and capital income from) the Renewable Energy Companies.

**Recourse Group** means all entities in the Group, excluding the Renewable Energy Companies (each a Recourse Group Company).

**Renewable Energy Company** means:

- (i) any company being the direct owner of any power-producing asset in which the Issuer is a direct or indirect owner by virtue of ordinary shares or preference shares; or
- (ii) any holding company which sole purpose is to own one or more Renewable Energy Companies,

which, in whole or part, is financed or forms part of the security for the financing which is on a non-recourse basis towards the Issuer.

**Regulated Marked** means as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

**Relevant Period** means, at the date of calculation, the 12 months immediately preceding each interim period.

**SCATC03 ESG** means the Issuer's outstanding senior unsecured green bond issue of EUR 250 million and EUR 300 million borrowing limit (and for the avoidance of doubt including any tap issue thereof) and with ISIN NO 001 0931181.

**Second Party Opinion** means an assessment from an institution that is independent from the Issuer and (through information barriers or otherwise) the Green Bond Advisor and which reviews the alignment of the Bonds or the Issuer's Green Financing Framework with the four core components of the Green Bond Principles issued in June 2018 by the International Capital Markets Association.

**Security** means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**Senior Facilities Agreement** means the USD 1,030,000,000 multicurrency term, bridge and revolving loan facilities agreement originally dated 23 March 2018 (as amended and restated from time to time, latest by an amendment and restatement agreement dated 15 October 2020).

**Shareholder Loan** means any loan from any shareholder to its wholly or partly, directly or indirectly, owned Subsidiary. The Shareholder Loans shall be senior obligations of the relevant debtor with standard creditor rights, other than:

- (i) any Shareholder Loan where the Issuer is the borrower, which shall be fully subordinated to the Bond Issue, have payment-in-kind interest, no acceleration rights and no repayment is permitted until after the Maturity Date (and after full repayment of the Bond Issue, including interests), other than with an amount which may otherwise be subject to Distribution to its shareholders; and
- (ii) any Shareholder Loans granted to any Subsidiary being a Renewable Energy Company where the right of repayment of principal and/or interest may be subordinated and junior to any Non-Recourse Lender in that company.

**Subordination Agreement** means the subordination and coordination agreement dated 29 January 2021 and entered into between the Issuer as debtor, the Vendor as subordinated creditor, the Bond Trustee as bond trustee and Nordea Bank Abp, filial i Norge as senior agent under the Senior Facilities Agreement and governing the subordination of the rights of the Vendor under the Vendor Note to the rights of, *inter alia*, the Bondholders of the Bonds, and whereby the mandatory prepayment set out in the definition of Vendor Note is permitted.

**Subsidiary** means a person over which another person has Decisive Influence and any Renewable Energy Companies in which another company within the Group has ownership interests.

**Term Loan Facility** means the USD 150,000,000 term loan facility made available to the Issuer under the Senior Facilities Agreement for the acquisition of the shares in SN Power AS.

**Vendor** means Norfund, business reg. no 879 554 802, the Norwegian investment fund for developing countries.

**Vendor Note** means the USD 200,000,000 subordinated unsecured equity finance note issued by the Issuer in favour of the Vendor pursuant to the terms of the Vendor Note Agreement and the Subordination Agreement, which shall be prepaid in an amount of USD 25,000,000 upon the first voluntary refinancing of the Term Loan Facility and in amounts of USD 30,000,000, USD 35,000,000, USD 45,000,000, USD 50,000,000 and USD 15,000,000 on each respective refinancing date thereafter.

**Vendor Note Agreement** means the vendor note agreement dated on 29 January 2021 and made by the Issuer in favour of the Vendor, which is subject to the Subordination Agreement.

**Material Adverse Effect:** means a material adverse effect on:

- (a) the ability of the Issuer to perform and comply with its obligations under any of the Finance Documents; or
- (b) the validity or enforceability of any of the Finance Documents.

**Event of Default:** The Bond Terms shall include standard event of default provisions (as per the Standard Bond Terms, including remedy periods and materiality thresholds), including cross default provisions for the Recourse Group with a threshold of NOK 50,000,000 (or the equivalent in any other currency).

**Bondholder's put option:** Upon the occurrence of a Change of Control Event or a Share De-listing Event occurring, each Bondholder shall have a right to require that the Issuer repurchases all or some of the of the Bonds held by that Bondholder ("**Put Option**") at a price equal to 101% of the Nominal Amount of the repurchased Bonds (plus accrued and unpaid interest on the repurchased Bonds). The Put Option must be exercised no later than fifteen (15) Business Days after notice of a Change of Control Event or a Share De-listing Event. The settlement date of such Put Option shall be the date falling five (5) Business Days after the end of the fifteen (15) Business Days exercise period for the Put Option (the "**Put Option Repayment Date**"). The settlement of the Put Option will be based on each Bondholders holding of Bonds of that day.

**Clean-up call:** If Bonds representing more than 90 per cent of the Outstanding Bonds have been repurchased due to the Put Option, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date.

**Change of Control Event:** A Change of Control Event means any person or group of persons acting in concert, directly or indirectly gaining Decisive Influence over the Issuer.

**Share De-listing Event:** A Share De-listing Event means an event where the Issuer's shares are no longer listed and admitted to trading on the Oslo Stock Exchange and are not immediately thereafter listed on another Regulated Market.

**Tax gross up:** If the Issuer is required by law to withhold any tax from any payment in respect of the Bonds under the Finance Documents the amount of the payment due will be grossed-up to such net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required.

Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

**Early redemption option due to a tax event:** If the Issuer is required by law to withhold any tax from any payment in respect of the Bonds under the Finance Documents as a result of a change in applicable law implemented after the date of the Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least twenty (20) Business Days prior to the relevant repayment date, provided that no such notice shall be given earlier than forty (40) days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

**Bond Terms:** The Bond Terms will be entered into by the Issuer and the Bond Trustee acting as the bondholders' representative, and it shall be based on the Bond Trustee's Norwegian high-yield standard bond terms (September 2022 version) (the "**Standard Bond Terms**") adjusted by the terms set out herein.

The Bond Terms shall regulate the bondholders' rights and obligations with respect to the Bonds. If any discrepancy should occur between this Term Sheet and the Bond Terms, then the Bond Terms shall prevail.

By filing an application to subscribe for Bonds, each investor accepts to become a Bondholder (as defined in the Bond Terms) and to be bound by the provisions of the Bond Terms. Further, by filing such application, each investor accepts that certain adjustments to the structure and terms described in this term sheet may occur in the final Bond Terms.

The Bond Terms shall include provisions on the Bond Trustee's right to represent the Bondholders, including a "no action" clause, meaning that no individual Bondholder may take any legal action against the Issuer individually (as further described in the Bond Terms).

The Bond Terms will further contain provisions regulating the duties of the Bond Trustee, procedures for Bondholders' Meetings/Written Resolutions and applicable quorum and majority requirements for Bondholders' consent, whereas a sufficient majority of Bondholders may materially amend the provisions of the Bond Terms or discharge the Bonds in part or in full without the consent of all Bondholders, as



well as other provisions customary for a bond offering as described herein.

**Governing Law:** The Bond Terms shall be governed by Norwegian law and be subject to Norwegian jurisdiction, with Oslo District Court as court of first instance.

**Registration:** The Bonds will be registered in VPS ASA (the “**CSD**”). Principal and interest accrued will be credited the Bondholders through the CSD.

**Joint Lead Managers:** DNB Markets, a part of DNB Bank ASA; Nordea Bank Abp, filial i Norge; and SpareBank 1 Markets AS.

**Green Bond Advisors:** DNB Markets, a part of DNB Bank ASA and Nordea Bank Abp, filial i Norge.

**EU Taxonomy and EU Green Bond Standard:** The Issuer and its Green Financing Framework have not been evaluated under the EU classification system for sustainable economic activities (“**EU Taxonomy**”) and EU Green Bond Standard. There can be no assurances that the Bonds will qualify as Green Bonds under the EU Green Bond Standard. Bonds not meeting the EU Green Bond Standard (or a standard deemed equivalent) are likely not to qualify as sustainable investments under the EU Action Plan on Financing Sustainable Growth.

**Bond Trustee:** Nordic Trustee AS, Postboks 1470 Vika, 0116 Oslo.

**Paying Agent:** Nordea Bank Abp, filial i Norge

**Stock Exchange listing:** An application will be made for the Initial Bonds to be listed on the Oslo Stock Exchange within 6 months after the Initial Issue Date.

**Listing Failure Event:** Means:

- (a) that the Bonds (save for any Temporary Bonds) have not been admitted to listing on Oslo Stock Exchange within 6 months after the Initial Issue Date;
- (b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange; or
- (c) that the Temporary Bonds have not been admitted to listing on the Exchange where the other Bonds are listed within 3 months following the issue date for such Temporary Bonds.

Upon a Listing Failure Event, the interest accruing on the Outstanding Bonds will accrue at the Interest Rate plus 1.00 per cent. p.a. for as long as the Bonds are not listed. In the event the Listing Failure Event relates to Temporary Bonds, the Interest Rate will only be increased in respect of such Temporary Bonds.

**Market Making:** No market-maker agreement has been made for this Bond Issue.

**Repurchase of Bonds:** The Issuer may purchase and hold Bonds and such Bonds may be retained or sold, in the Issuer's sole discretion, but not discharged

(other than in relation to a process of full redemption of all Outstanding Bonds).

**Terms of Subscription:** Application and subscriptions of Bonds will be made on the terms of, and by the execution and delivery or otherwise accept (by a taped telephone conversation, e-mail or otherwise) of, an application form from the Joint Lead Managers ("**Application Form**") prior to receiving Bond allotments. The terms of the Application Form inter alia provide that the relevant subscribers, through their applications for Bonds, specifically authorise the Bond Trustee to execute and deliver the Bond Terms on behalf of the prospective bondholders. On this basis, the Issuer and the Bond Trustee will execute and deliver the Bond Terms and the latter's execution and delivery is on behalf of all of the subscribers, such that they thereby will become bound by the Bond Terms. The Bond Terms specifies that by virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by the terms of the Bond Terms, without any further action required to be taken or formalities to be complied with. The Bond Terms shall specify that it shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request by the Bond Trustee or the Issuer.

**Subscription  
Restrictions:**

**General**

No action has been taken or will be taken to permit the distribution of any of the Bond Issue or any other material related to the Bonds in any jurisdiction where action would be required for such purposes. The offering of Bonds, the distribution of any of this Term Sheet or any other material related to the Bond Issue, the application for or purchase of Bonds, or the entry into of an agreement to purchase Bonds, may be restricted by law in certain jurisdictions, and persons into whose possession such documents or offer come must inform themselves about and observe any such restrictions. None of the Issuer or the Joint Lead Managers, or any of their representatives, shall have any responsibility for any violations of such restrictions.

**European Economic Area**

This Term Sheet or any other material related to the Bonds does not constitute or form part of a prospectus within the meaning of the EU Prospectus Regulation, as implemented in any member state of the European Economic Area (the "**EEA**") (each, a "**Relevant Member State**"). The expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129 and includes any relevant implementing measure in each Relevant Member State. This Term Sheet or any other material related to the Bonds has therefore not been, and will not be, reviewed by or registered with the Norwegian Financial Supervisory Authority or any other regulator or public authority.

Accordingly, the Bonds will only be offered or sold within the EEA in reliance of applicable exemptions from preparing a prospectus pursuant to the EU Prospectus Regulation.

**United States**

The Bonds will only be offered or sold within the United States to Qualified Institutional Buyers ("QIBs") as defined in Rule 144A under the U.S. Securities Act.

The Bonds have not and will not be registered under the U.S. Securities Act, or any state securities law except pursuant to an exemption from the registration requirements of the U.S. Securities Act and appropriate exemptions under the laws of any other jurisdiction. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. Person (as such terms are defined in regulations), except pursuant to an exemption from the registration requirements of the U.S. Securities Act. See further details in the application agreement. Failure to comply with these restrictions may constitute a violation of applicable securities legislation.

The ability of Nordea Bank Abp and Sparebank1 Markets AS to engage in U.S. securities dealings is limited under the U.S. Bank Holding Company Act and neither may underwrite, offer or sell securities in the United States. Each of Nordea Bank Abp and Sparebank1 Markets AS will only underwrite, offer and sell (as applicable) the securities that are part of its allotment solely outside the United States.

### **United Kingdom**

In the UK the Bonds will only offered or sold to persons who have professional experience, knowledge and expertise in matters relating to investments and are "investment professionals" for the purposes of article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and only in circumstances where, in accordance with section 86(1) (c) and (d) of the Financial and Services Markets Act 2000 ("**FSMA**") the requirement to provide an approved prospectus in accordance with the requirement under section 85 FSMA does not apply. Consequently, the Applicant understands that the Bonds may be offered only to "qualified investors" for the purposes of sections 86(1) and 86(7) FSMA, or to limited numbers of UK investors, or only where minima are placed on the consideration or denomination of securities that can be made available (all such persons being referred to as "relevant persons"). Any application or subscription for the Bonds is available only to relevant persons and will be engaged in only with relevant persons. See further details in the application agreement.

### **Transfer Restrictions:**

The Bonds are freely transferable and may be pledged, subject to the following:

- (i) bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.

- (ii) bondholders located in the United States will not be permitted to transfer the Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the Securities Act in a transaction on the Oslo Børs, and (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 there under (if available)
- (iii) the Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Bonds were originally issued.

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Oslo, 10 February 2023

# Scatec

**Scatec ASA**

*as Issuer*

**DNB**  
Markets  
**DNB Markets**

**Nordea**  
**Nordea**

*as Joint Lead Managers and Green Bond Advisors*

**SpareBank**   
MARKETS  
**SpareBank1 Markets**

*as Joint Lead Manager*