Scatec

Fourth quarter

2023

Record construction activity at attractive margins in 2023 – ready for 2024

It has been a privilege to be CEO of Scatec during 2023, a year of significant change and progress.
In a year with geopolitical uncertainty, a turbulent macroeconomic situation and hiking interest rates, Scatec executed its highest construction programme ever with a 40% capacity increase. During the year we delivered all-time high revenues of NOK 12.7 billion and 8.2 billion of this came from development and construction, with a strong gross margin of 12%.

We have sharpened our strategy focusing on solar, wind and batteries to capitalise on a significant drop in solar panel prices, batteries, and transportation costs. We focused on core markets to ensure we are well positioned for profitable growth, while reducing operational costs. We adjusted our growth ambition to NOK 500 – 750 million gross equity investments annually while staying committed to delivering attractive returns of 1.2 cost of equity, D&C gross margins of 8-10% and O&M margins of 25-30%.

The fourth quarter was a noteworthy quarter that sealed a successful year for Scatec. Scatec was awarded the first pure battery project in South Africa of 103 MW/412 MWh with capex of USD 163 million. We have secured growth projects for 2024 by expanding Botswana to 120 MW. Scatec continued to divest non-core assets, selling solar plants in Mozambique and Rwanda. In the quarter, we also reached a new milestone for Release by raising a USD 100 million loan in addition to a USD 65 million guarantee from IFC. We started commercial operation of Kenhardt, adding NOK 40 million EBITDA in power production segment. Kenhardt is a unique project, totaling 540 MW solar and 225 MW/1,140 MWh battery storage. It is one of the world's largest hybrid generation and storage facilities. The project will supply 150 MW dispatchable power to the grid from 5 am to 9.30 pm under a 20-year PPA contract with Eskom. The project was delivered on time and budget, providing significant ripple effects to surrounding communities, and demonstrates Scatec's capabilities as a leading renewable energy player in emerging markets.

Turning to 2024, we have a strong fundament and are well positioned for further growth. We have optimized our pipeline during 2023 and added more than 1 GW of new solar PV projects to our pipeline in Q4. In South Africa and Botswana, we expect to start construction already in Q1 of projects representing NOK 350 million in equity investments and D&C revenues of NOK 2.5 billion. Further, we have agreed refinancing terms for the USD 150 million Green Term Loan, with USD 135 million outstanding, with new maturity in the fourth quarter 2027.

During 2023 Scatec continued its journey as a pioneering renewable energy provider dedicated to delivering affordable and clean energy in emerging markets. Our dedicated employees delivered strong results with focus and passion. I send my warmest regards to our employees in Ukraine, working another year under very challenging conditions with impressive results.

Terje Pilskog, CEO

Asset portfolio[1]

	Technology	Capacity MW	Economic interest [2]
In operation			
South Africa		730	49%
Philippines		673	50%
Laos		525	20%
Egypt		380	51%
Ukraine		336	89%
Uganda		255	28%
Malaysia		244	100%
Brazil		162	44%
Honduras		95	51%
Jordan		43	62%
Vietnam		39	100%
Czech Republic		20	100%
Release		38	68%
Rwanda[3]		9	54%
Total		**3,549**	**52%**
Under construction			
Brazil		531	33%
Pakistan		150	75%
Release		9	68%
Total		**690**	**43%**
Projects in backlog			
South Africa		273	51%
Egypt	H_2	260	52%
Tunisia[4]		120	51%
Botswana		120	100%
South Africa		103	51%
Total		**876**	**58%**
Grand total		**5,115**	**52%**
Projects in pipeline		**11,091**	

Segment overview

Development & Construction

The Development & Construction segment derives its revenues from the sale of development rights and construction services delivered to power plant projects where Scatec has economic interests.

Power Production

The power plants produce electricity for sale primarily under long term power purchase agreements (PPAs), with state owned utilities or corporate off-takers, or under government-based feed-in tariff schemes. The weighted average remaining PPA duration for power plants in operation excluding the Philippines is approximately 15 years. The electricity produced from the power plants in the Philippines is sold on shorter bilateral contracts and in the spot market under a renewable operating license, and as ancillary services.

Services

The Services segment comprises Operations & Maintenance (O&M) and Asset Management (AM) services provided to power plants where Scatec has economic interests and to third party power producers. O&M revenues are generated on the basis of fixed service fees with additional profit-sharing arrangements. Asset Management services typically include financial reporting to sponsors and lenders, regulatory compliance, environmental and social management, as well as contract management on behalf of the power plant companies.

Corporate

Corporate consists of activities such as corporate services, management, and group finance.

1) Asset portfolio as per reporting date
2) Scatec's share of the total estimated economic return from its subsidiaries. For projects under development the economic interest may be subject to change
3) On 19 December 2023, Scatec signed an agreement to sell its equity share in the Asyv solar plant in Rwanda
4) During the fourth quarter the Tunisia portfolio was reduced by 240 MW to 120 MW

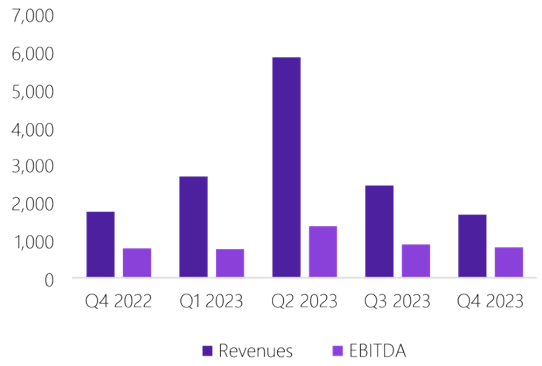
Delivering on strategic milestones

Highlights

- Proportionate EBITDA increased to NOK 808 million
- D&C margin increased to 15 %
- Finalised construction of Kenhardt – NOK 40 million power production EBITDA recognised in the quarter
- Initial construction works for 273 MW in South Africa and 60 MW in Botswana – D&C revenues of NOK 2.5 billion secured
- Awarded first battery project in South Africa of 103 MW/412 MWh – estimated D&C revenues of NOK 1.4 billion
- Delivering on strategic divestments – closed sale of Mozambique and signed agreement to divest Rwanda
- New milestone for Release – raised USD 100 million loan + USD 65 million guarantee from IFC
- Agreed refinancing terms for USD 150 million Green Term Loan with new maturity in Q4'27

Proportionate revenues and EBITDA

NOK million



Key figures

NOK million	Q4 2023	Q3 2023	Q4 2022	FY 2023	FY 2022
Proportionate Financials 2)					
Revenues and other income	1,678	2,459	1,765	12,714	5,133
Power Production 4)	1,034	1,028	1,032	4,113	3,697
Services	98	97	85	373	312
Development & Construction	532	1,323	627	8,177	1,069
Corporate	14	11	20	50	56
EBITDA 2)	808	893	786	3,845	2,550
Power Production	793	778	821	3,216	2,835
Services	31	33	16	118	74
Development & Construction	7	107	-20	672	-221
Corporate	-23	-26	-30	-162	-138
Operating profit (EBIT)	463	584	469	2,152	460
Power Production	458	489	515	1,631	916
Services	30	31	14	112	68
Development & Construction	8	100	-22	607	-358
Corporate	-33	-35	-39	-198	-167
Net interest- bearing debt 2)	20,786	20,442	18,215	20,786	18,215
Scatec share of distribution from operation companies	418	114	402	914	1,231
Power Production (GWh)	811	1,047	979	3,615	3,898
Power Production (GWh) 100% 3)	1,918	2,405	2,243	8,540	9,381
Consolidated Financials					
Revenues and other income	1,624	947	993	4,721	3,751
EBITDA 2)	1,348	686	689	3,567	2,555
Operating profit (EBIT)	1,103	484	458	2,625	723
Profit/(loss)	724	95	-433	1,122	(1,228)
Net interest- bearing debt 2)	23,284	22,175	19,578	23,284	19,578
Basic earnings per share	2.80	0.28	(2.26)	3.95	(8.40)

1) Amounts from same period last year in brackets
2) See Alternative Performance Measures appendix for definition
3) Production volume on a 100% basis from all entities, including JV companies
4) Revenue from Power Production for 2022 has been adjusted due to change in accounting policy as disclosed in Note 2

Comments to the Proportionate Financials

Please refer to Note 2 for details of the segment financials.

Power Production

Power production delivered 811 GWh in the quarter compared to 979 GWh last year, with plant availability close to 100% and with no Lost Time Incidents. The reduction is explained by the divestments of Upington in South Africa, Guañizuil in Argentina and Mocuba in Mozambique during the year, and lower production in the Philippines due to the effects of el Niño. The reduction was partly offset by additional power production from Kenhardt which started operations in the fourth quarter. Adjusted for divestments and additions the underlying reduction in power production was 95 GWh, mainly driven by the reduction in the Philippines.

Revenues and other income were NOK 1,034 million in the quarter, in line with last year. Revenues were positively affected by NOK 52 million in revenues from Kenhardt, NOK 39 million in insurance proceeds for the Rengy power plant in Ukraine, and a NOK 33 million gain from the sale of Mocuba. The increase in revenues from these items were partly offset by the above mentioned divestments, and NOK 130 million in decreased revenues in the Philippines due to the lower production.

Operating expenses were NOK 240 million compared to NOK 211 million in the same quarter last year. The change is mainly due to negative foreign currency effects and one-offs associated with the divestments.

EBITDA was NOK 793 million compared to NOK 821 in the same quarter last year, mainly driven by the factors above. Adjusted for divestments and additions during the year, the EBITDA was NOK 41 million lower compared to last year.

For the full year 2023, power production was at 3,615 GWh compared to 3,898 GWh last year. The change is mainly driven by divestments and weaker hydrology in the Philippines, partly offset by Kenhardt and increased production in Ukraine. Adjusted for divestments and additions, the power production was 147 GWh lower compared to last year, mainly explained by the reduction in the Philippines.

Revenues increased by NOK 416 million compared to last year, to NOK 4,113 million. The increase is mainly explained by gain from the sale of Upington, increased revenue in Ukraine and positive foreign currency effects. This was partly offset by lower revenues in Philippines due to weaker hydrology and lower contribution from ancillary services. Contribution from ancillary services in the Philippines also came in lower than anticipated as the new higher prices under the contracts awarded in March 2023 is still pending confirmation from the authorities.

EBITDA increased by NOK 381 million to NOK 3,216 million in 2023 due to the factors above. Adjusted for divestments and additions, the EBITDA increased by NOK 93 million.

EBIT in 2023 was affected by the impairment charge of NOK 350 million in Argentina in the second quarter.

For further details on financial results on a country-by-country basis please refer to Scatec's 'Q4 2023 historical financial information published on Scatec's web page.

Development & Construction (D&C)

The D&C segment delivered another solid quarter, with construction activities progressing according to timeline and budget, generating a robust gross margin of 15 percent. Construction of Kenhardt, the largest project in Scatec's history, was finalised and started commercial operation in the quarter. D&C revenues reached NOK 532 million (627), as the projects in South Africa, Brazil and Pakistan reached their final stages of construction.

Total operating expenses were reduced to NOK 73 (82) million driven by successful implementation of the cost efficiency programme, comprising approximately NOK 52 million (58) for early-stage project development and NOK 21 million (24) related to construction activities.

Development & Construction EBITDA reached NOK 7 million in the quarter, an increase from a negative EBITDA of 20 million in the same quarter last year. The change was driven by strong gross margin and reduced operating expense as explained above.

For the full year 2023, D&C revenues reached an all-time high of NOK 8,177 million compared to NOK 1,069 million last year. 2023 was characterised by high construction activities in South Africa, Brazil, and Pakistan and a solid gross margin of 12 percent.

EBITDA for the full year was NOK 672 million, an increase from a negative EBITDA of NOK million221 year-on-year.

Services

Revenues increased by NOK 13 million to NOK 98 million and operating expenses was stable year-on-year at NOK 69 million. This was mainly driven by mobilization activities related to projects under construction and positive net foreign currency effects. The EBITDA margin for the quarter was 32 percent due to the factors explained above.

For the full year, revenues increased by NOK 61 million to NOK 373 million and operating expenses by NOK 22 million to NOK

260 million compared to last year, mainly driven by higher performance bonus in South Africa related to Operations and Maintenance Services and higher Asset Management revenues provided by the projects under development and construction, in addition to the factors explained above.

Corporate

Corporate revenues was NOK 14 million in the quarter, compared to NOK 20 million in the same quarter last year, explained by non-recurring income in 2022. Operating expenses of NOK 38 million decreased by NOK 14 million compared to the same quarter last year mainly driven by the effects of the cost efficiency programme. EBITDA for the quarter was negative 24 million, an increase from a negative EBITDA of 30 million in the same quarter last year.

For the full year of 2023 operating expenses were NOK 213 million compared to NOK 194 million last year. The change was mainly driven by the non-recurring costs related to the cost efficiency programme incurred in the second quarter. EBITDA for the full year 2023 was negative 162 million, a decrease from a negative EBITDA of 138 million in the same period last year also driven by the non-recurring costs related to cost efficiency programme.

Outlook

All figures related to estimated performance are based on the Company's current assumptions and are subject to change.

All figures related to Power Production, Services and Corporate are further based on assets in operations as per the end of the fourth quarter 2023, including the projects under construction in Brazil and Pakistan which are in the final stages of construction.

In 2024, revenues and margins from Power Production and Services will be reported together in the Power Production segment. Guidance and restated figures for the new Power Production segment will be published before reporting of Q1 2024.

Power Production

First quarter 2024 power production is estimated at 800-900 GWh on proportionate basis. In the Philippines, EBITDA for the first quarter 2024 is estimated at NOK 10-70 million based on lower-than-average power production due to continued effects from el Niño and power market prices broadly in line with the previous quarter.

The full year 2024 proportionate EBITDA mid-point estimate of NOK 3,550 million reflects a normalisation to P50 production in the second half of 2024 in the Philippines from the ongoing el Niño phenomenon, additional contribution from the projects under construction in Brazil and Pakistan, and adjustments for divestments of assets made in 2023.

GWh	Q1 2023	Q1 2024E	2023	2024E
Proportionate	887	800-900	3,615	4,200-4,600
100% basis	2,105	2,000-2,200	8,906	10,000-10,800

NOK million	2023	2024E
Proportionate EBITDA	3,216	3,400-3,700

EBITDA estimate is based on currency rates as of end of year 2023.

Development & Construction

D&C revenues and margins are dependent on progress on development and construction projects.

At the end of the fourth quarter 2023 the value of the remaining construction contracts was approximately NOK 2.5 billion related to the 273 MW Grootfontein project in South Africa, the first 60 MW of the 120 MW Mmadinare Solar Complex in Botswana, the 150 MW Sukkur project in Pakistan and the 531 MW Mendubim project in Brazil. The difference in remaining contract value from the third quarter equals the progress of the contracts and D&C revenue recognised in the quarter and the additional secured construction contracts in South Africa and Botswana. In line with previous communication, Scatec estimates to generate an average D&C gross margin of 8-10 percent for new projects under construction.

More details on projects under construction and in backlog can be found on page 8-10 in the report.

Services & Corporate

2024 EBITDA for Services is estimated to be between NOK 120 million and NOK 130 million.

2024 EBITDA for Corporate is estimated to be between NOK -120 million and NOK -130 million

ESG performance

Net zero strategy

Scatec's high-level plan and initiatives to reach its climate targets approved by the Science Based Target Initiative (SBTi), is captured in its Net Zero Strategy, available on the Company's corporate website.

In fourth quarter, approval was granted for the implementation of electric vehicles in two solar projects in South Africa. Discussions are well underway to further expand on this initiative in Brazil.

Further details to the seven key initiatives the Company will undertake to reach its near term and net zero targets, will be included in the Net Zero roadmap to be published in the Company's 2023 annual reports.

Corporate Sustainability Reporting Directive

During fourth quarter, Scatec continued to focus on strengthening ESG data management and internal controls for sustainability reporting. The Company completed a gap assessment of the European Sustainability Reporting Standards (ESRS) requirements to its current annual reporting based on the outcomes of the Company's double materiality assessment.

The main focus areas for 2024 will include an overall sustainability governance review, ESG risk management integration, ESG data management, strengthening of internal controls, in addition to ESRS topic-specific improvements.

ESG reporting

Scatec reports on the Company's results and performance across material ESG topics on a quarterly basis.

	Indicator [1]	Unit	Q4 2023	Q4 2022	FY 2023	FY 2022	Targets 2023
E	Environmental and social assessments	% completed in new projects	100	100	100	100	100
E	GHG emissions avoided[2]	mill tonnes CO2e	0.5	0.5	1.9	2.0	2.0
E	Water withdrawal	mill litres (water-stressed[3] areas)	2.8	2.8	9.3	11.3	N/A
S	Lost Time Incident Frequency (LTIF)	per mill hours (12 months rolling)	0.9	0.7	0.9	0.7	≤ 2.1
S	Hours worked	mill hours (12 months rolling)	9.2	4.5	9.2	4.5	N/A
S	Female managers	% of females in mgmt. positions	29	29	29	29	N/A[4]
G	Whistleblowing channel	number of reports received	2	2	29	8	N/A
G	Corruption incidents	number of confirmed incidents	0	0	0	0	0
G	Supplier environmental and social screening[5]	number of suppliers screened through EcoVadis	45	35	45	35	N/A

1) For a definition of each indicator in the table see ESG Performance Indicators under other definitions on page 38.
2) The figure includes the actual annual production for all renewable power projects where Scatec has operational control.
3) As per the WRI Aqueduct Water Risk Atlas, Scatec reports on water withdrawal for projects located within water-stressed areas in South Africa and Jordan.
4) The Company has a gender equality target for 2023 that 35% of new hires (including internal promotions) on management level are female employees.
5) Total contracted and potential suppliers of key procurement categories screened through the EcoVadis supplier management platform.

New projects in South Africa were subject to E&S desktop screening, due diligences and impact assessments during fourth quarter. These new projects are Category B projects according to the IFC Performance Standards, with potential limited adverse E&S impact.

During fourth quarter, the GHG emissions avoided from the power plants where Scatec has operational control amounted to 0.48 million tonnes. For the full year 2023, 1.9 million tonnes of GHG emissions were avoided for projects where Scatec has operational control, slightly lower compared to last year (2.0 million). On a 100% basis, for all projects where Scatec has an ownership stake, 3.9 mill tonnes of GHG emissions were avoided in 2023. The reduction from last year (4.7 million) comes from the sale of assets in South Africa and Argentina.

Water withdrawal in water-stressed areas, South Africa and Jordan, reached 2.8 mill litres in fourth quarter, similar to fourth quarter of the previous year. The total water withdrawal amounted to 9.3 million litres in 2023, compared to 11.3 in 2022. The reduction from last year primarily comes from water savings in Jordan, where less water was used due to increased rainfall and improved cleaning methodology.

During the quarter, the Company delivered nearly 9.2 million working hours with no fatalities or serious injuries (12 months rolling). The lost time incident frequency rate (LTIF) for the full year 2023 was 0.9 per million working hours, slightly higher than last year.

The two whistleblowing reports received in fourth quarter relate to health and safety, as well as supplier conduct. Both reports were investigated according to the Company's procedures and subsequently closed.

Scatec continues with targeted actions to ensure that its supply partners follow the Company's integrity standards and are not sourcing components from Xinjiang, China. At the end of the quarter, 45 contracted and potential suppliers of key procurement categories were assessed in four ESG areas via the EcoVadis supplier management platform.

Ukraine

On 24 February 2022, Russia attacked Ukraine, and started a war that has now been going on for almost two years. Approximately 95% of the power plants owned and operated by Scatec are intact and available. Revenues from power production in Ukraine have however only been recognised in accordance with actual paid amounts since March 2022. In 2023, proportionate revenues and EBITDA in Ukraine amounted to NOK 371 million and NOK 289 million respectively. The payment level reached 66%.

In June 2023, Scatec started selling power from the Progressovka power plant in the spot market, reaching a payment level of 100 percent, with revenues being settled in full every ten days. The decision to sell into the spot market was made based on changes in the local law which enabled Scatec to pause the PPA, while retaining the option to re-enter the PPA at a later stage.

As of 31 December 2023, the non-recourse financing in Ukraine of NOK 865 million, continues to be classified as current in the consolidated financials as the power plant companies are in breach with certain covenants. A total of NOK 165 million of the debt has been repaid in 2023. Scatec has continuous and constructive dialogue with the lenders and the parties have agreed on a non-formalised standstill.

Other matters

Potential PPA changes and overdue receivables in Honduras

Scatec has over time experienced delayed payments from the state owned off-taker in Honduras (ENEE) and overdue receivables have accumulated to a varying degree since 2020. In 2023, ENEE has continued to settle outstanding receivables and paid a total of approximately NOK 180 million, leaving the balance at NOK 87 million as of year-end.

Also, reference is made to previous quarterly reports with regards to the new Energy law which came into force in 2022 as introduced by the new Government of Honduras. The negotiations of the PPAs are still ongoing, however no formal conclusion has been reached. An unfavorable result may have negative impact on the future financial performance of the assets.

Covenants

Except for Ukraine, Scatec was in compliance with financial covenants for both the recourse and non-recourse debt on 31 December 2023. Refer to Note 4 Financing for more details.

For further information related to Scatec's policies and procedures to actively manage risks related to the various parts of the Company's operation, please refer to the 2022 Annual Report.

Dividend

In 2023, the BoD changed the dividend policy to no dividend, as disclosed in the third quarter report, due to the macro-economic and capital market situation. The dividend policy will be assessed annually by the board based on Scatec's capital situation.

Overview of project portfolio[1)]

Project stage	Q4 2023 Capacity (MW)	Q3 2023 Capacity (MW)
In operation	3,549	3,142
Under construction	690	1,254
Project backlog[2)]	876	1,013
Project pipeline[2)]	11,091	10,184
Total	16,206	15,593

Total annual production from the 4,728 MW in operation, under construction and in backlog, excluding green hydrogen and BESS, is expected to reach about 12,600 GWh (on 100% basis).

Projects under construction and backlog[1)]

Project backlog is defined as projects with a secure off-take agreement and assessed to have more than 90 percent likelihood of reaching financial close. When financial close has been obtained and notice to proceed has been issued, the project moves into construction generally with Scatec as the turn-key Engineering, Procurement & Construction (EPC) provider. Prior to financial close, environmental and social baseline studies or impact assessments (ESIAs) are conducted to identify potential environmental and social risks and impacts of the Company's activities. During construction Scatec is compensated for early-stage development expenditures and construction services through a Development & Construction (D&C) margin. The D&C margin is used as a funding source for Scatec's equity investment in the project company.

For more information about the projects under construction and in backlog, refer to our website: scatec.com/investor.

Key events during the quarter were commercial operation start for Kenhardt in South Africa, financial close of the first 60 MW of the Mmadinare Solar Complex in Botswana, tariff award for the 103 MW Mogobe battery energy storage project in South Africa, and discontinued development of 240 MW of the 360 MW Tunisia portfolio.

Under construction

Sukkur, Pakistan 150 MW solar

Construction of the Sukkur project in Pakistan is close to completion. Final grid connections activities and facility testing, are ongoing.

Power from the solar power plant will be sold to Pakistan Authorities under a 25-year PPA. Capex for the project is approximately USD 110 million, financed by approximately 70% non-recourse project finance debt and 30% equity from the sponsors.

Scatec owns 75% of the project and provide EPC services as well as Operation & Maintenance (O&M) and Asset Management (AM) services to the power plants.

Mendubim, Brazil 531 MW solar

The construction activities of Mendubim solar power plant are nearly completed. In fourth quarter, the interconnection works were concluded and the energisation process was initiated. The installation of the electro-mechanical activities of the PV plant is in its final stage and equipment testing is ready to start. Currently, close to 800 contractors and Scatec employees are involved in the construction work on site.

The 20-year PPA signed with Alunorte, will cover approximately 60% of the power produced with the remaining volume to be sold in the Brazilian power market. The estimated total capital expenditure for the project is USD 430 million and is financed by a mix of non-recourse project debt and equity from partners.

All three partners have an equal economic interest of 33.3% in the power plant and will jointly provide EPC services. Scatec will further provide O&M as well as AM services to the power plants together with Equinor.

Release

Release has 8.7 MW of solar under construction in Mexico.

Backlog

Construction start of the backlog projects relies on final governmental approval processes, completion of project finance processes and component price development.

Grootfontein, South Africa, 273 MW solar

In October 2021, Scatec was awarded preferred bidder status on three solar projects totalling 273 MW by the Department of Mineral Resources and Energy in South Africa under the Renewable Energy Independent Power Producers Procurement Programme (REIPPPP). In December 2022, the power purchase and implementation agreements for the projects were signed, and in June 2023 the projects reached financial close.

At the end of the fourth quarter, Scatec started enabling works for the three projects, and construction activities will be ramped up for all disciplines in the first quarter of 2024.

The power will be sold under 20-year PPAs. Scatec will own 51% of the equity in the projects with H1 Holdings, our local Black Economic Empowerment partner owning 46.5% and a Community Trust holding 2.5%. Scatec will be the EPC provider and provide O&M as well as AM services to the power plants.

Tunisia portfolio, 120 MW solar

Since the fourth quarter 2022, Scatec has engaged with the Tunisian authorities to negotiate the PPA tariff in order to improve the economics of the three solar projects awarded in 2019, totalling 360 MW. Based on a review of the project portfolio and in close dialogue with the Tunisian government, Scatec has during the fourth quarter 2023 decided to discontinue development of 240 MW. The remaining 120 MW will continue to be developed based on more favourable project economics.

The remaining 120 MW projects hold 20-year PPAs with Société Tunisienne de l'Electricité et du Gaz (STEG).

Scatec currently owns 100% of projects and will provide EPC, O&M and AM services to the project company. Scatec is aiming to reduce its ownership in the project by inviting equity partners.

Egypt, 100 MW green hydrogen facility

Scatec has partnered with Fertiglobe, The Sovereign Fund of Egypt and Orascom Construction to develop, build, own and operate a 100 MW green hydrogen production facility in Ain Sokhna in Egypt. When the project is fully developed the facility will be powered by 260 MW of solar and wind capacity.

The partners have signed a term sheet with Fertiglobe for a 20-year offtake agreement for 100% of the volumes produced.

1) Status per reporting date
2) See other definitions

Fertiglobe will use the green hydrogen as feedstock for production of green ammonia. Execution of the project will depend on securing offtake for the green ammonia and the timing of this depends on the development of market mechanisms and demand for green ammonia.

Scatec will be the lead equity investor in the project with an ownership share of 52% and provide EPC services in collaboration with Orascom Construction. Scatec will further provide O&M and AM services for the project alongside key technology providers and project partners.

Mmadinare Solar Complex, Botswana, 120 MW solar

In August 2022, Scatec signed a binding 25-year PPA with Botswana Power Corporation, a state-owned utility in Botswana, for a 60 MW solar power plant at Selebi-Phikwe. During the third quarter 2023 Scatec was awarded an additional 25-year PPA with Botswana Power Corporation for another 60 MW. In December 2023, Scatec reached financial close for the first 60 MW and have started preliminary site activities. Construction is expected to ramp up in the first quarter 2024. The remaining 60MW will be developed in a second phase with financial close and construction start also expected in 2024. The solar projects are the first of its kind in the country.

Scatec currently owns 100% of the projects, and will provide EPC services, as well as Asset Management and O&M services. Scatec is aiming to reduce its ownership in the projects by inviting equity partners.

Mogobe, South Africa, 103 MW BESS

In November 2023, Scatec was awarded preferred bidder status for a battery energy storage project totalling 103 MW/ 412 MWh by the Department of Mineral Resources and Energy in South Africa under the Battery Energy Storage Independent Power Producer Procurement Programme (BESIPPPP).

The power will be dispatched under a 15-year PPA. Scatec will own 51% of the equity in the project with Perpetua Holding owning 46.5% and a Community Trust holding 2.5%. Scatec will be the engineering, procurement, and construction (EPC) provider and provide operations & maintenance (O&M), as well as asset management (AM) services to the project. According to the Department of Mineral Resources and Energy, commercial close is expected by June 2024.

Pipeline

Location	Q4 2023 Capacity (MW)	Q3 2023 Capacity (MW)
Asia	834	1,236
Latin America/Europe	2,161	2,322
Middle East and North Africa	2,270	2,270
Sub-Saharan Africa	5,826	4,356
Total pipeline	**11,091**	10,184

In addition to the projects in backlog Scatec holds a solid pipeline of projects totalling 11,091 MW across technologies. During the quarter, Scatec has continued to high grade the pipeline with focus on project locations, timelines, maturity and value creation. Additional attractive solar projects have been added in our core regions. Consequently, the share of solar in the pipeline has increased to 59%, and the share of projects in our focus markets to above 90%.

Solution	Q4 2023 Capacity (MW)	Q3 2023 Capacity (MW)
Solar	6,571	5,262
Wind	2,280	2,280
Hydro	700	1,102
Green Hydrogen[1)]	1,240	1,240
Release	300	300
Total	**11,091**	10,184

The pipeline projects are in different stages of development and maturity, but they are all typically in markets with an established government framework for renewables and where project finance is available. The project sites and concessions have been secured and negotiations related to power sales and other project implementation agreements are in various stages of completion.

1) Renewable capacity for use in production of green hydrogen and green ammonia

Consolidated statement of profit and loss

Profit and loss

NOK million	Q4 2023	Q3 2023	Q4 2022	FY 2023	FY 2022
Revenues	**906**	804	773	3,399	3,002
Net gain/(loss) from sale of project assets	**532**	-	-	1,276	-
Net income/(loss) from JVs and associated	**186**	143	220	46	749
EBITDA	**1,348**	686	689	3,567	2,555
Operating profit (EBIT)	**1,103**	484	458	2,625	723
Net financial items	**-632**	-392	-875	-1,617	-1,818
Profit before income tax	**471**	91	-417	1,008	-1,095
Profit/(loss) for the period	**724**	95	-433	1,122	-1,228
Profit/(loss) to Scatec	**445**	45	-359	628	-1,334
Profit/(loss) to non-controlling interests	**279**	50	-74	494	106

Revenues

Revenues increased to NOK 906 million (773) in the quarter. The revenues were positive affected by NOK 75 million in insurance proceeds in Ukraine. Kenhardt started operations in the quarter, however the revenues were offset by no revenues from the 258 MW Upington power plant which was divested earlier in the year. Higher contribution from Ukraine and positive foreign currency effects contributed to the increase in revenues to NOK 3,399 million (3,002) for the year.

The sale of the 40 MW solar plant in Mozambique and the divestment of 32% of the shares in Release contributed with a net income from sale of project assets of NOK 532 million in the quarter. For the full year sale of project assets totaled NOK 1.3 billion including the divestment of Upington.

Net income from joint ventures (JVs) and associated companies was NOK 186 million (220) in the quarter. The decrease compared to the same quarter last year is mainly driven by lower net income from the Philippines. The full year 2023 is also impacted by the impairment of the solar power plants in Argentina of NOK 350 million in the second quarter. See Note 8 Investments in joint ventures and associated companies for further details.

Operating profit

Consolidated operating expenses was NOK 276 million (305) in the quarter. For the full year 2023 expenses amounted to NOK 1,154 million (1,196). The decrease is mainly driven by the cost efficiency programme.

EBITDA reached NOK 1,348 million in the quarter and NOK 3,567 million for the year driven by the factors explained above.

Depreciation, amortisation and impairment for the quarter of NOK 246 million (231) include depreciation of Kenhardt as operations started during the quarter. The effect was partly offset by the divestment of Upington. Depreciation, amortisation and impairment decreased in 2023 compared to 2022 due to impairment expense of NOK 932 million in 2022, mainly related to the power plants in Ukraine of NOK 816 million.

Net financial expenses

NOK million	Q4 2023	Q3 2023	Q4 2022	FY 2023	FY 2022
Interest and other financial income	**45**	42	45	415	115
Interest and other financial expenses	**-550**	-482	-677	-1,977	-1,666
Net foreign exchange gain/(losses)	**-126**	47	-244	-56	-268
Net financial expenses	**-632**	-392	-875	-1,617	-1,818

Interest and other financial income were NOK 45 million (45) in the quarter, mainly related to interest income on cash balances. Year to date, NOK 246 million (-88) in gain on the USD/ZAR currency hedging contracts for Kenhardt was recognized, compared to a loss in 2022 classified as finance expense.

Interest and other financial expenses of NOK 550 million (677) consist of interest expenses of NOK 478 million (414), and other financial expenses of NOK 72 million (42). In addition, the amount in 2022 includes a loss of NOK 221 million on the USD/ZAR currency hedging contracts related to Kenhardt. The increase in interest expense in the quarter and for the full year is mainly driven by higher interest expenses on the unhedged corporate debt. Interest expenses on non-recourse project level debt have increased compared to the same quarter last year mostly explained by Kenhardt, and partly offset by divestment of Upington. Scatec manages interest rate risk with a hedge ratio of approximately 80% for the non-recourse project level debt. For corporate debt, the hedge ratio has been slightly reduced from approximately 20% to 17% in 2023 due to instalments on the hedged part of the debt.

The net foreign exchange losses of NOK 126 million in the quarter and NOK 56 million for the full year are primarily driven by unrealised losses from translation of monetary assets and liabilities denominated in foreign currencies.

Profit before tax and net profit

The Group recognised a tax benefit of NOK 253 million (-16) in the quarter. The tax benefit is attributable to Kenhardt (NOK 457 million) which qualified for the Enhanced renewable energy tax incentive after reaching their Commercial Operating dates in November and December 2023. The difference between the Group's actual tax expense and the calculated tax expense based on the Norwegian tax rate of 22% is also explained by different tax rates in the jurisdictions in which the companies operate, withholding taxes paid on dividends, movements in deferred tax balances and currency effects. For further details, refer to Note 6 Income tax expense.

Net profit for the quarter was NOK 724 million (-433) while profit attributable to Scatec was NOK 445 million (-359). The allocation of profits between non-controlling interests (NCI) and Scatec is impacted by the fact that NCI only represent shareholdings in the power plants that are fully consolidated, while Scatec also carries the cost of project development, construction, operation & maintenance and corporate functions. Profits allocated to NCI neither include net income from JVs and associated companies.

Impact of foreign currency movements in the quarter

Following the movements of the closing rates, the Group has recognised a foreign currency translation loss of NOK 455 million (635) in other comprehensive income in the quarter related to the conversion of the subsidiaries' statements of financial position from the respective functional currencies to the Group's presentation currency.

During the quarter, NOK have been stable with a slight deprecation against key currencies USD, EUR, ZAR, MYR, PHP and BRL compared to the average rates in previous quarter. On a net basis, the movement in rates positively affected the consolidated revenues in the quarter by approximately NOK 21 million, and the net profit was positively affected by approximately NOK 10 million.

Consolidated statement of financial position

Assets

NOK million	31 December 2023	31 December 2022
Property, plant and equipment	22,035	17,310
Investments in JVs and associated companies	12,368	10,674
Other non-current assets	2,507	2,233
Total non-current assets	36,911	30,218
Other current assets	1,646	2,380
Cash and cash equivalents	3,101	4,132
Assets held for sale	138	-
Total current assets	4,884	6,512
Total assets	41,795	36,730

The increase in property, plant and equipment is mostly driven by construction activities in South Africa and Pakistan. The increase is partly offset by Release which was reclassified to a joint venture in the fourth quarter, the NOK 1.8 billion disposal of Upington in the second quarter and depreciation of NOK 853 million for the year. See Note 3 Property, plant and equipment for more information.

The balance of investments in JVs and associated companies increased due to investments related to the Mendubim project in Brazil and Release being classified as a joint venture. The effects were partly offset by distributions of dividends. See Note 8 Investments in joint ventures and associated companies for full reconciliation.

Other current assets decreased at year-end with reversal of project accruals as the construction of Kenhardt was completed in the fourth quarter. The cash balance was NOK 3,101 million at year-end. See the consolidated statement of cash flows for further details and Note 5 Cash, cash equivalents for a detailed breakdown of cash balances as well as an overview of movement of cash at the Recourse Group level.

Equity and liabilities

NOK million	31 December 2023	31 December 2022
Equity	10,570	8,803
Corporate financing	7,947	7,987
Non-current non-recourse project financing	15,026	13,297
Other non-current liabilities	2,617	2,604
Total non-current liabilities	25,590	23,888
Corporate financing	1,132	-
Current non-recourse project financing	1,931	1,963
Other current liabilities	2,443	2,076
Liabilities of disposal group held for sale	129	-
Total current liabilities	5,635	4,039
Total liabilities	31,225	27,927
Total equity and liabilities	41,795	36,730
Book equity ratio	25%	24%

Total equity increased to NOK 10,570 million and the change in equity during the year is driven by the total comprehensive income for the period and capital increase from non-controlling interest. Further details are in the consolidated statement of changes in equity.

Corporate financing consists of unsecured green bonds, secured green term loans and financing secured in relation to the acquisition of SN Power in 2021. Changes in 2023 is primarily due to refinancing of Bridge-to-Bond facility, drawdown of the Revolving Credit Facility and foreign currency translation. See Note 4 Financing for further details.

Total non-recourse financing reached NOK 17 billion at year-end after drawdown of NOK 5.4 billion in project debt in South Africa and NOK 630 million in Pakistan in the year. This was partially offset by the sale of Upington including NOK 2.2 billion in non-recourse financing and repayments. The Ukrainian debt is classified as current due to breach of covenants. See section Ukraine above and Note 4 Financing for further details.

Other current liabilities of NOK 2,443 million at year end include balances related to construction activity in South Africa and Pakistan, and related accounts payables and supplier credits.

Consolidated cash flow

NOK million	Q4 2023	Q3 2023	Q4 2022	FY 2023	FY 2022
Operating activities	**-1,816**	1,178	-362	3,825	756
Investing activities	**-468**	-1,645	-605	-8,216	-1,406
Financing activities	**1,194**	660	-1	3,294	221
Net increase/(decrease) in cash and cash equivalents	**-1,090**	193	-968	-1,097	-428

Net cash flow from consolidated operating activities amounted to negative NOK 1,816 million (362) in the quarter, compared to EBITDA of NOK 1,348 million (689). The difference is mainly explained by payment of liabilities related to construction activities. For the year, net cash flow from consolidated operating activities amounted to NOK 3,825 million (756), compared to EBITDA of NOK 3,567 million (2,555). The difference is primarily explained by increased liabilities related to construction activities compared to last year. Further, the gain from sale of project assets is included in EBITDA while the cash effect is included in investing activities in the cash flow.

Net cash flow from consolidated investing activities was negative NOK 468 million (605) in the quarter and negative NOK 8,216 million (1,406) for the year, mainly driven by investments in property, plant and equipment. The sale of Upington contributed positively with net cash of NOK 439 million in the second quarter 2023.

Net cash flow from financing activities was positive NOK 1,194 million (1) in the quarter and positive NOK 3,294 million (221) for the year. The main financing is drawdown of debt in South Africa and on the Sukkur projects in Pakistan, drawdown on the Revolving Credit Facility of USD 70 million, payment of interests and repayment of non-recourse financing in project companies as well as payment of dividend to NCI.

Cash and cash equivalents at the end of the quarter was NOK 3,101 million of which NOK 977 million was free cash. Additionally, the Group had available undrawn credit facilities of NOK 1,171 million resulting in NOK 2,148 million in total available liquidity.

See the consolidated statement of cash flow and Note 5 for details related to cash movements.

Proportionate cash flow to equity

Scatec's "proportionate share of cash flow to equity" [1], is an alternative performance measure that seeks to estimate the Group's ability to generate funds for equity investments in new power plant projects and/or for shareholder dividends over time.

NOK million	Q4 2023	Q3 2023	Q4 2022	FY 2023	FY 2022
Power Production	**398**	324	357	1,663	1,487
Services	**26**	27	13	96	58
Development & Construction	**11**	91	-18	555	-149
Corporate	**-187**	-173	-105	-716	-347
Total	**247**	268	246	1,600	1,050

1) See Alternative Performance Measures appendix for definition

The cash flow to equity in the Power Production segment increased compared to the same quarter last year, primarily explained by the sale of the 40 MW Mocuba plant in Mozambique. The sale of the Upington in the second quarter contributed positively for the full year.

The cash flow to equity in Services increased compared to the fourth quarter and the full year 2022, mainly explained by higher EBITDA in the segment.

The cash flow to equity in the D&C segment increased from last year mainly due to higher EBITDA driven by the projects under construction in South Africa, Brazil and Pakistan.

The cash flow to equity in the Corporate segment decreased compared to last year, mainly explained by increased interest expenses and higher normalized debt repayments on corporate funding for the year.

The power plant companies have in the quarter and year to date distributed NOK 418 million and NOK 914 million to Scatec ASA. Scatec has not hedged the currency exposure on the expected cash distributions from the power plant companies.

Condensed interim financial information

Interim consolidated statement of profit and loss

NOK million	Notes	Q4 2023	Q4 2022	FY 2023	FY 2022
Revenues	2	906	773	3,399	3,002
Net gain/(loss) from sale of project assets	8, 9	532	-	1,276	-
Net income/(loss) from JVs and associated companies	8	186	220	46	749
Total revenues and other income		1,624	993	4,721	3,751
Personnel expenses	2	-120	-136	-570	-528
Other operating expenses	2	-156	-168	-584	-668
Depreciation, amortisation and impairment	2, 3	-246	-231	-942	-1,832
Operating profit (EBIT)		1,103	458	2,625	723
Interest and other financial income		45	45	415	115
Interest and other financial expenses		-550	-677	-1,977	-1,666
Net foreign exchange gain/(losses)		-126	-244	-56	-268
Net financial expenses		-632	-875	-1,617	-1,818
Profit/(loss) before income tax		471	-417	1,008	-1,095
Income tax (expense)/benefit	6	253	-16	114	-132
Profit/(loss) for the period		724	-433	1,122	-1,228
Profit/(loss) attributable to:					
Equity holders of the parent		445	-359	628	-1,334
Non-controlling interest		279	-74	494	106
Basic earnings per share (NOK) [1]		2.80	-2.26	3.95	-8.40
Diluted earnings per share (NOK) [1]		2.80	-2.26	3.95	-8.40

1) Based on average 158.9 million shares outstanding for the purpose of earnings per share in Q4 2023

Interim consolidated statement of comprehensive income

NOK million	Notes	Q4 2023	Q4 2022	FY 2023	FY 2022
Profit/(loss) for the period		724	-433	1,122	-1,228
Other comprehensive income:					
Items that may subsequently be reclassified to profit or loss					
Net movement of cash flow hedges		-279	20	-292	664
Income tax effect	6	60	-3	69	-150
Foreign currency translation differences		-455	-635	194	472
Net other comprehensive income to be reclassified		-674	-618	-30	986
Total comprehensive income for the period net of tax		50	-1,052	1,092	-242
Attributable to:					
Equity holders of the parent		-65	-946	704	-648
Non-controlling interest		115	-106	389	406

Interim consolidated statement of financial position

NOK million	Notes	31 December 2023	31 December 2022
Assets			
Non-current assets			
Deferred tax assets	6	1,226	860
Property, plant and equipment	3	22,035	17,310
Goodwill and intangible assets		717	758
Investments in JVs and associated companies	8	12,368	10,674
Other non-current assets		564	616
Total non-current assets		36,911	30,218
Current assets			
Trade and other receivables	2	478	497
Other current assets		1,166	1,883
Cash and cash equivalents	5	3,101	4,132
Assets classified as held for sale	9	138	-
Total current assets		4,884	6,512
Total assets		41,795	36,730

Interim consolidated statement of financial position

NOK million	Notes	31 December 2023	31 December 2022
Equity and liabilities			
Equity			
Share capital		4	4
Share premium		9,847	9,819
Total paid in capital		9,851	9,823
Retained earnings		-1,911	-2,231
Other reserves		747	671
Total other equity		-1,164	-1,560
Non-controlling interests		1,884	540
Total equity		10,570	8,803
Non-current liabilities			
Deferred tax liabilities	6	849	743
Corporate financing	4	7,947	7,987
Non-recourse project financing	4	15,026	13,297
Other financial liabilities		179	12
Other interest-bearing liabilities	4	247	231
Other non-current liabilities		1,343	1,618
Total non-current liabilities		25,590	23,888
Current liabilities			
Corporate financing	4	1,132	-
Non-recourse project financing	4	1,931	1,963
Income tax payable	6	48	37
Trade and other payables		294	594
Other financial liabilities		41	108
Other interest-bearing liabilities	4	-	231
Other current liabilities		2,060	1,106
Liabilities directly associated with assets classified as held for sale	9	129	-
Total current liabilities		5,635	4,039
Total liabilities		31,225	27,927
Total equity and liabilities		41,795	36,730

Oslo, 25 January 2024

The Board of Directors Scatec ASA

Interim consolidated statement of changes in equity

NOK million	Share capital	Share premium	Retained earnings	Other reserves: Foreign currency translation	Other reserves: Hedging reserves	Total	Non-controlling interests	Total equity
At 1 January 2022	4	9,775	-493	95	-111	9,271	649	9,919
Profit for the period	-	-	-1,334	-	-	-1,334	106	-1,228
Other comprehensive income	-	-	-	377	309	686	300	986
Total comprehensive income	-	-	-1,334	377	309	-648	406	-242
Share capital increase	-	5	-	-	-	5	-	5
Share-based payment	-	39	-	-	-	39	-	39
Dividend distribution	-	-	-404	-	-	-404	-526	-929
Capital increase from NCI	-	-	-	-	-	-	11	11
At 31 December 2022	4	9,819	-2,231	472	199	8,263	540	8,803
At 1 January 2023	4	9,819	-2,231	472	199	8,263	540	8,803
Profit for the period	-	-	628	-	-	628	494	1,122
Other comprehensive income	-	-	-	241	-166	75	-105	-30
Total comprehensive income	-	-	628	241	-166	704	389	1,092
Share-based payment	-	28	-	-	-	28	-	28
Dividend distribution	-	-	-308	-	-	-308	-121	-429
Capital increase from NCI	-	-	-	-	-	-	1,076	1,076
At 31 December 2023	4	9,847	-1,911	713	34	8,686	1,884	10,570

Interim consolidated statement of cash flow

NOK million	Notes	Q4 2023	Q4 2022	FY 2023	FY 2022
Cash flow from operating activities					
Profit before taxes		471	-417	1,008	-1,095
Taxes paid		-109	-115	-261	-170
Depreciation and impairment	3	246	231	942	1,832
Proceeds from disposal of fixed assets	3	14	27	68	45
Net income from JVs and associated companies	8	-186	-220	-46	-749
Gain from sale of project assets	9	-532	-	-1,276	-
Interest and other financial income		-45	-45	-415	-115
Interest and other financial expenses		550	677	1,977	1,666
Unrealised foreign exchange (gain)/loss		126	244	56	268
Increase/(decrease) in other assets and liabilities [1]		-2,349	-743	1,773	-926
Net cash flow from operating activities		-1,816	-362	3,825	756
Cash flow from investing activities					
Interest received		53	45	170	115
Investments in property, plant and equipment [1]	3	-723	-977	-8,786	-1,986
Proceeds from sale of project assets,net of cash disposed [2]	9	-49	-	390	-
Distributions from JV and associated companies	8	254	381	457	669
Investments in JV and associated companies	8	-2	-55	-447	-204
Net cash flow from investing activities		-468	-605	-8,216	-1,406
Cash flow from financing activities					
Proceeds from non-controlling interests		581	6	944	18
Repayments to non-controlling interests		-7	-4	-35	-8
Interest paid		-431	-276	-1,962	-1,108
Proceeds from non-recourse project financing	4	730	574	6,038	3,468
Repayment of non-recourse project financing	4	-380	-241	-1,818	-1,175
Payments of principal portion of lease liabilities		-2	-6	-21	-26
Interest paid on lease liabilities		-12	-8	-27	-20
Net of proceeds and repayments from corporate financing	4	713	-	603	-
Dividends paid to equity holders of the parent company and non-controlling interests		-	-45	-429	-929
Net cash flow from financing activities		1,194	-1	3,294	221
Net increase/(decrease) in cash and cash equivalents		-1,090	-968	-1,097	-428
Effect of exchange rate changes on cash and cash equivalents		-128	-393	78	389
Cash transferred to assets held for sale	9	111	-	-12	-
Cash and cash equivalents at beginning of the period		4,208	5,493	4,132	4,171
Cash and cash equivalents at end of the period	5	3,101	4,132	3,101	4,132

1) The line item includes changes in trade and other payables, trade and other receivables and other assets and liabilities. Investments in property, plant and equipment mainly relates to construction activities in South Africa recognised by percentage of completion.

2) Proceeds from sale of project assets, net of cash disposed, is cash received from sale of project assets less consolidated cash position in disposed projects at the time of disposal.

Notes to the condensed interim consolidated financial statements

Note 1 Organisation and basis for preparation

Corporate information

Scatec ASA is incorporated and domiciled in Norway. The address of its registered office is Askekroken 11, NO-0277 Oslo, Norway. Scatec ASA was established on 2 February 2007.

Scatec ASA ("the Company"), its subsidiaries and investments in associated companies ("the Group" or "Scatec") is a leading renewable power producer, delivering affordable and clean energy worldwide. As a long-term player, Scatec develops, builds and operates renewable power plants and integrates technologies.

The condensed interim consolidated financial statements for the fourth quarter 2023 were authorised by the Board of Directors for issue on 25 January 2024.

Basis of preparation

These condensed interim consolidated financial statements are prepared in accordance with recognition, measurement, and presentation principles consistent with International Financing Reporting Standards as adopted by the European Union ("IFRS") for interim reporting under International Accounting Standard ("IAS") 34 Interim Financial Reporting. These condensed interim consolidated financial statements are unaudited.

These condensed interim consolidated financial statements are condensed and do not include all of the information and notes required by IFRS for a complete set of consolidated financial statements. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements. The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for 2022.

The functional currency of the companies in the Group is determined based on the nature of the primary economic environment in which each company operates. The presentation currency of the Group is Norwegian kroner (NOK). All amounts are presented in NOK million unless otherwise stated. As a result of rounding adjustments, the figures in some columns may not add up to the total of that column.

Significant estimates and judgements

In the preparation of the condensed interim consolidated financial statements in conformity with IFRS, management has made estimates and assumptions and applied judgements, that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis, considering the current and expected future market conditions. Changes in accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management makes judgements of which the following have the most significant effect on the amounts recognised in the condensed interim financial statements.

Consolidation of power plant companies

Scatec's value chain comprises all downstream activities such as project development, financing, construction and operations, as well as having an asset management role through ownership of the power plants. Normally Scatec enters into partnerships for the shareholding of the power plant companies. To be able to fully utilise the business model, Scatec normally seeks to obtain operational control of the power plant companies. Operational control is obtained through governing bodies, shareholder agreements and other contractual arrangements. Other contractual arrangements may include Scatec's role as the developer of the project, EPC provider (construction), operation and maintenance service provider and asset management service provider.

When assessing whether Scatec controls a power plant company, the Group's roles and activities are analysed in line with the requirements and definitions in IFRS 10. Refer to note 2 of the 2022 Annual Report for further information on judgements, including control assessments made in previous years.

Seasonality in operations

Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. The Group's operating results are impacted by external factors, such as seasonal variations and weather conditions.

Note 2 Operating segments

Operating segments align with internal management reporting to the Group's chief operating decision makers, defined as the Group management team. The operating segments are determined based on differences in the nature of their operations, products and services. Scatec manages its operations in four segments: Power Production (PP), Services, Development & Construction (D&C) and Corporate.

The segment financials are reported on proportionate basis. With proportionate financials Scatec reports its share of revenues, expenses, profits and cash flows from all its subsidiaries, associates and joint ventures without eliminations based on Scatec's economic interest in the subsidiaries. The Group introduced proportionate financials as the Group is of the opinion that this method improves earnings visibility. Proportionate financials are further described in the APM section of this report.

Q4 2023

	Proportionate financials								
NOK million	Power Production	Services	Development & Construction	Corporate	Total	Residual ownership for fully consolidated entities	Elimination of equity consolidated entities	Other eliminations	Consolidated financials
External revenues	1,000	10	-	-	1,010	348	-452	-	906
Net gain/(loss) from sale of project assets	33	-	-	-	33	-	-	499	532
Internal revenues	1	87	532	14	634	77	-322	-390	-
Net income/(loss) from JVs and associates[1)]	-	-	-	-	-	-	186	-	186
Total revenues and other income	1,034	98	532	14	1,678	425	-587	108	1,624
Cost of sales [2)]	-	2	-452	1	-449	-85	318	216	-
Gross profit	1,034	100	79	15	1,227	340	-269	326	1,624
Personnel expenses	-36	-35	-43	-24	-137	-4	31	-11	-120
Other operating expenses	-204	-34	-31	-14	-283	-57	87	96	-156
EBITDA	793	31	7	-23	808	280	-150	411	1,348
Depreciation and impairment	-335	-1	1	-10	-345	-100	172	28	-246
Operating profit (EBIT)	458	30	8	-33	463	180	22	439	1,103

Q4 2022

	Proportionate financials								
NOK million	Power Production	Services	Development & Construction	Corporate	Total	Residual ownership for fully consolidated entities	Elimination of equity consolidated entities	Other eliminations	Consolidated financials
External revenues [2)]	1,028	8	1	2	1,038	278	-544	-	773
Internal revenues	4	77	627	19	727	122	-49	-800	-
Net income/(loss) from JVs and associates [1)]	-	-	-	-	-	-	220	-	220
Total revenues and other income	1,032	85	627	20	1,765	401	-373	-800	993
Cost of sales [2)]	-	-	-565	1	-565	-90	36	620	-
Gross profit	1,032	84	62	21	1,199	310	-337	-180	993
Personnel expenses	-39	-31	-50	-28	-149	-2	19	-3	-136
Other operating expenses	-172	-38	-32	-23	-265	-59	76	80	-168
EBITDA	821	16	-20	-30	786	249	-243	-104	689
Depreciation and impairment	-306	-2	-1	-9	-317	-96	148	35	-231
Operating profit (EBIT)	515	14	-22	-39	469	153	-96	-68	458

FY 2023

NOK million	Proportionate financials: Power Production	Services	Development & Construction	Corporate	Total	Residual ownership for fully consolidated entities	Elimination of equity consolidated entities	Other eliminations	Consolidated financials
External revenues	3,760	32	4	-	3,796	1,199	-1,601	4	3,399
Net gain/(loss) from sale of project assets	348	-	-	-	348	-	-	928	1,276
Internal revenues	6	341	8,172	50	8,569	1,956	-557	-9,969	-
Net income/(loss) from JVs and associates [1]	-	-	-	-	-	-	46	-	46
Total revenues and other income	4,113	373	8,177	50	12,714	3,155	-2,115	-9,036	4,721
Cost of sales	-	5	-7,182	-	-7,179	-1,888	502	8,565	-
Gross profit	4,113	378	994	50	5,535	1,268	-1,613	-469	4,721
Personnel expenses	-141	-138	-216	-139	-633	-12	94	-20	-570
Other operating expenses	-755	-122	-107	-74	-1,058	-224	314	383	-584
EBITDA	3,216	118	672	-162	3,845	1,032	-1,204	-106	3,567
Depreciation and impairment	-1,585	-6	-65	-36	-1,692	-323	939	135	-942
Operating profit (EBIT)	1,631	112	607	-198	2,152	709	-265	29	2,625

The Group has continued to recognise revenue from power production in Ukraine to the extent Scatec believes it is probable to collect the consideration, which is equal to actual paid amounts. The recognised amount in the fourth quarter of 2023 was NOK 104 million in the proportionate financials (NOK 150 million in the consolidated financials), which is in line with the paid amounts including insurance proceeds. Total revenue from power production in Ukraine for the full year 2023 is NOK 371 million (NOK 440 million in the consolidated financials).

The Group has recognised net gain from sale of project assets in total amount of NOK 348 million in the proportionate financials (NOK 1,276 million in the consolidated financials) attributable to the strategic sales of the Upington solar plants in South Africa and Mocuba solar plant in Mozambique, and to the divestment of 32% shareholding in Release contributing with an accounting gain of NOK 485 million in the consolidated financials. For further information refer to Note 8 Investments in joint ventures and associated companies.

In the second quarter of 2023 the Group recognised an impairment charge of NOK 350 million in the Power Production segment in the proportionate financials related to the divestment in Argentina (NOK 350 million in the consolidated financials included in the net income/(loss) from JVs and associated companies).

In 2023 the Group has also recognised an impairment charge of NOK 65 million in the proportionate financials (NOK 48 million in the consolidated financials) in the D&C segment related to discontinued development projects.

FY 2022

NOK million	Proportionate financials: Power Production	Services	Development & Construction	Corporate	Total	Residual ownership for fully consolidated entities	Elimination of equity consolidated entities	Other eliminations	Consolidated financials
External revenues [2]	3,689	18	5	7	3,718	1,120	-1,837	-	3,002
Internal revenues	8	294	1,064	49	1,415	188	-138	-1,465	-
Net income/(loss) from JVs and associates [1]	-	-	-	-	-	-	749	-	749
Total revenues and other income	3,697	312	1,069	56	5,133	1,309	-1,226	-1,465	3,751
Cost of sales [2]	-28	1	-962	1	-989	-145	90	1,044	-
Gross profit	3,669	312	106	57	4,144	1,163	-1,136	-421	3,751
Personnel expenses	-125	-120	-215	-113	-574	-9	68	-12	-528
Other operating expenses	-709	-118	-112	-81	-1,020	-221	253	320	-668
EBITDA	2,835	74	-221	-138	2,550	933	-815	-113	2,555
Depreciation and impairment	-1,918	-6	-137	-29	-2,090	-414	510	162	-1,832
Operating profit (EBIT)	916	68	-358	-167	460	519	-306	49	723

1) Refer to Note 8 – Investments in joint ventures and associated companies for details on Net income from JVs and associates

2) Refer to the section below for details of the change in presentation of revenue and cost of sales for Philippines

In 2022 the Group recognised an impairment charge of NOK 770 million in the Power Production segment in the proportionate financials related to the solar power plants and intangible assets in Ukraine. In the consolidated financials the impairment charge amounted to NOK 816 million.

Scatec also recognised an expected credit loss provision in 2022 with respect to trade and other receivables related to Ukraine which amounted to NOK 87 million in the proportionate financials (NOK 98 million in the consolidated financials), which is included in other operating expenses.

Change in accounting policy for external revenues and cost of sales in Power Production segment

The Group has re-assessed its accounting policy for the presentation of external revenues and cost of sales in the proportionate financials. The change is motivated by changes in management internal reporting of revenue from the hydropower companies in the Philippines. The power market settlement mechanism in the Philippines is net for all power sales and purchases within the reporting period, although all volumes are reported gross. The Group previously accounted for such external revenues and cost of sales on a gross basis in accordance with reported volumes. Going forward the Group will present the figures net in accordance with the financial settlement mechanism. The change has no impact on gross profit or EBITDA.

The Group believes that net presentation provides more relevant information to the users of the proportionate financials as it reduces the fluctuations in external revenues reported in the Philippines and is more aligned to the practices adopted by peers.

The Group has applied the change retrospectively to the proportionate financials. The change is not applicable to the consolidated financials as the investments in the Philippine JVs are accounted for using the equity method.

Q4 2022

Proportionate financials - NOK million	Reported Q4 2022	Adjustment	Adjusted Q4 2022
External revenues - Power Production	1,258	-230	1,028
Cost of sales - Power Production	-230	230	0
EBITDA	821	-	821

FY 2022

Proportionate financials - NOK million	Reported FY 2022	Adjustment	Adjusted FY 2022
External revenues - Power Production	4,513	-824	3,689
Cost of sales - Power Production	-852	824	-28
EBITDA	2,835	-	2,835

Note 3 Property, plant and equipment

NOK million	Power plants	Power plants under development and construction	Other fixed assets	Total
Carrying value at 31 December 2022	**15,083**	**1,997**	**229**	**17,310**
Additions	62	8,674	51	**8,786**
Disposals	-2,866	-300	-	**-3,165**
Transfer of assets classified as held for sale	-114	-	-	**-114**
Transfer between asset classes	9,564	-9,564	-	**-**
Depreciation and amortisation	-804	-	-48	**-853**
Impairment losses	-17	-48	-	**-64**
Effect of movements in foreign exchange rates	-54	184	7	**137**
Carrying value at 31 December 2023	**20,855**	**943**	**238**	**22,035**
Estimated useful life (years)	20-30	N/A	3-5	

Impairment losses

In the fourth quarter, impairment indicators are identified for assets in operation in Ukraine, but no significant events have triggered additional impairment compared to recognised amount in 2022. In 2023 a total impairment charge of NOK 64 million was recognised primarily related to discontinued development projects.

Sale of assets and assets classified as held for sale

Disposals of assets relate to the sale of the 40 MW Mocuba plant and deconsolidation of Release subsequent to the divestment of 32% of the shares in the fourth quarter, and the sale of the 258 MW Upington solar plants in the second quarter. Refer to Note 9 Sale of project assets and disposal group held for sale for further information. Assets classified as held for sale relate to the Rwanda solar power plant. Refer to Note 9 Sale of project assets and disposal group held for sale for further information.

Transfer between asset classes

Transfer between asset classes mainly relates to Kenhardt which started operation as the project reached COD in the fourth quarter.

Note 4 Financing

Corporate financing

The table below gives an overview of the corporate financing carried out by the Group. The loan balances include the non-current and current portion.

The book equity of the recourse group, as defined in the facility agreements, was NOK 10 393 million on 31 December 2023. Scatec was in compliance with financial covenants for recourse debt at quarter end.

The listed EUR Green Bond has a coupon rate of 3M EURIBOR + 2.5 % margin. The USD 150 million Green Term Loan is amortised through semi-annual repayments of USD 7.5 million.

Bridge to Bond facility

In the first quarter of 2023, Scatec fully refinanced the USD 193 million Bridge-to-Bond facility related to the acquisition of SN Power. On 2 February 2023, Scatec refinanced USD 100 million of the USD 193 million Bridge-to-Bond facility with a new USD 100 million green term loan with maturity in the fourth quarter 2027 provided by DNB, Nordea and Swedbank. The new term loan is amortised through semi-annual repayments of USD 5 million starting from 2024.

On 10 February 2023 Scatec ASA issued NOK 1 billion of new senior unsecured green bonds to refinance the remaining USD 93 million of the bridge facility. Interests will be paid on a quarterly basis, with no repayments of principal before maturity. The new bonds have maturity in February 2027 with a coupon rate of 3m NIBOR + 660 bps. With the new bond, Scatec ASA has entered into a cross-currency interest rate swap contract in which the principal of NOK 1 billion was swapped to USD 97.5 million, and interest payments based on NIBOR rates are swapped to SOFR-based rates.

The existing USD 180 million Revolving Credit Facility (RCF), provided by the same banks and BNP Paribas, was in the first quarter further extended by 1.5 years with maturity in the third quarter of 2025. Any drawdown on the RCF is required to repaid after 12 months. Scatec made a drawdown on the facility in the fourth quarter and USD 70 million was outstanding at year-end 2023, increasing free cash to NOK 977 million.

	Currency	Denominated currency value (million)	Maturity	Carrying value 31 December 2023 (NOK million)	Carrying value 31 December 2022 (NOK million)
Green Bond EUR (Ticker: SCATC03 NO0010931181)	EUR	250	Q3 2025	2,793	2,625
Green Bond NOK (Ticker: ISIN NO0012837030)	NOK	1,000	Q1 2027	989	-
Total unsecured bonds				3,782	2,625
USD 150 million Green Term Loan	USD	135	Q1 2025	1,374	1,481
USD 100 million Green Term Loan	USD	100	Q4 2027	1,008	-
Bridge to Bond	USD	193	-	-	1,906
Total secured financing				2,383	3,387
Vendor Financing (Norfund)	USD	200	Q1 2028	2,038	1,975
Total unsecured financing				2,038	1,975
Revolving credit facility	USD	180	Q3 2025	713	-
Overdraft facility	USD	5		-	-
Total secured back-stop bank facilities				713	-
Total Principal amount				8,915	7,987
Accrued interest				164	112
Total Corporate financing [1]				9,079	8,099
As of non-current				7,947	8,099
As of current				1,132	-

1) Accrued interest has been reclassified from Other current liabilities to Corporate financing in the statement of financial position in 2023.

Non-recourse financing

As a main rule, Scatec uses non-recourse financing for constructing and/or acquiring assets in power plant companies. Compared to corporate financing, non-recourse financing has certain key advantages, including a clearly defined and limited risk profile. In this respect, the banks recover the financing solely through the cash flows generated by the projects financed.

The table below shows the non-current non-recourse debt and the current non-recourse debt due within 12 months including accrued interest. The maturity dates for the loans range from 2028 to 2045.

NOK million	As of 31 December 2023	As of 31 December 2022
Non-current liabilities		
Non-recourse project financing	15,026	13,297
Current liabilities		
Non-recourse project financing	1,931	1,963

The current non-recourse debt as of 31 December 2023 includes NOK 865 million in non-recourse debt in Ukraine. All of Scatec's power plant companies in Ukraine with non-recourse financing are not in compliance with several covenants in the loan agreements for the non-recourse project debt at the end of fourth quarter of 2023. Scatec has continuous and constructive dialogue with the lenders and the parties have agreed on a non-formalised "stand still".

Reference is made to Scatec's third quarter report, where difficulties with exchanging local currency (EGP) with USD was disclosed. In the fourth quarter, Scatec's project companies in Egypt have exchanged material deposits in local currency to USD (USD 42 million) at the official exchange rate and refilled the Debt Service Reserve Accounts with the required amounts for the non-recourse Green Project Bond. The project companies hold sufficient USD to serve the next installment of the bond due in March 2024 of approximately USD 18 million. The uncertain macro situation and difficulties of exchanging EGP to USD is expected to persist and is closely monitored by the Group.

Other financing

Please refer to the Annual Report of 2022 for information related to the construction loan provided by PowerChina Guizhou Engineering Co ("PowerChina") to Scatec for the Progressovska power plant in Ukraine. In 2022, Scatec and PowerChina signed a revised payment plan for the construction loan where part of the loan was paid in August 2022. The second instalment of EUR 22 million, plus interest, was paid in December 2023 and last tranche of EUR 22 million will be paid by mid-2025. Scatec ASA has provided a corporate and bank guarantee to PowerChina in support of this obligation.

Scatec has no other recourse construction financing arrangements for other projects. Refer to Note 24 Guarantees and commitments in the 2022 Annual Report for further details.

Note 5 Cash, cash equivalents

NOK million	31 December 2023	31 December 2022
Cash in power plant companies in operation	**1,747**	2,057
Cash in power plant companies under development/construction	**175**	109
Other restricted cash	**203**	223
Free cash	**977**	1,743
Total cash and cash equivalents	**3,101**	4,132

Cash in power plant companies in operation includes restricted cash in proceed accounts, debt service reserve accounts, disbursements accounts, maintenance and insurance reserve accounts and similar. These cash and cash equivalents are only available to the Group through distributions as determined by shareholder and non-recourse financing agreements. Cash in assets held for sale of NOK 12 million is not included.

Cash in power plant companies under development and construction comprises shareholder financing and draw down on non-recourse financing debt to settle outstanding external EPC invoices. Other restricted cash comprises restricted deposits for withholding tax, guarantees, VAT and rent, NCI's share of free cash as well as collateralised shareholder financing of power plant companies not yet distributed to the power plant companies.

As of 31 December 2023, NOK 117 million of the total cash is related to companies in Ukraine (of this NOK 88 million is cash in power plant companies). In Egypt, NOK 60 million is held in Egyptian pounds (of this NOK 40 million is cash in power plant companies). Please refer to Note 4 for further comments on the difficulties around exchangeability of EGP in Egypt.

Distribution in 2022 included refinancing proceeds from South Africa and Vietnam compared to no proceeds from refinancing in 2023. Capitalised expenditures and Scatec's share of equity investments in projects under development includes spending related to Botswana and the Grootfontein projects in South Africa where constructions are planned to start in the first quarter of 2024. Scatec's share of equity investment in project under construction includes investment in Kenhardt proiects in South Africa, which were in operation at the end of 2023.

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

NOK million	Q4 2023	Q4 2022	FY 2023	FY 2022
Distributions received by Scatec ASA from the power plant companies	**418**	402	**914**	1,231
Cash flow to equity D&C [1]	**11**	-18	**555**	-149
Cash flow to equity Services [1]	**26**	13	**96**	58
Cash flow to equity Corporate [1]	**-187**	-105	**-716**	-347
Working capital/other [2]	**-1,392**	-1,379	**-427**	16
Cash flow from operations	**-1,125**	-1,088	**422**	809
Capitalised expenditures and Scatec's share of equity investments in projects under development	**-130**	-152	**-503**	-454
Scatec's share of equity investments in projects under construction	**-529**	-158	**-1,723**	-543
Proceeds from disposals of project assets	**86**	-	**632**	-
Cash flow from investments	**-573**	-310	**-1,594**	-996
Dividend distribution to Scatec ASA shareholders	**-**	-	**-308**	-404
Drawdown of credit facilities in Scatec ASA	**713**	-	**713**	-
Cash flow from financing	**713**	-	**405**	-404
Change in cash and cash equivalents	**-984**	-1,399	**-766**	-592
Free cash at beginning of period	**1,961**	3,143	**1,743**	2,335
Free cash at end of period	**977**	1,743	**977**	1,743
Available undrawn credit facilities	**1,171**	1,827	**1,171**	1,827
Total free cash and undrawn credit facilities at the end of period	**2,148**	3,570	**2,148**	3,570

1) Proportionate share of cash flow to equity is defined in Alternative Performance Measures Appendix. See note 3 in Scatec's Annual Report 2022 for revenue recognition policies.

2) Working capital/other in Q4 2023 and FY 2023 is mainly explained by payments for construction activities related to the Kenhardt project in South Africa and repayment of construction loan for Ukraine to PowerChina.

Note 6 Income tax expense

Effective tax rate

NOK million	Q4 2023	Q4 2022	FY 2023	FY 2022
Profit before income tax	471	-417	1,008	-1,095
Income tax (expense)/benefit	253	-16	114	-132
Equivalent to a tax rate of (%)	-54%	NA	-11%	NA

Movement in deferred tax

NOK million	Q4 2023	Q4 2022	FY 2023	FY 2022
Net deferred tax asset at the beginning of the period	42	97	117	159
Recognised in the consolidated statement of profit or loss	272	21	384	108
Deferred tax on financial instruments recognised in OCI	60	-3	69	-150
Deferred tax transferred to assets classified as held for sale	-	-	-193	-
Translation differences	3	2	-	-
Net deferred tax asset/(liability) at the end of the period	377	117	377	117

The Group recognised tax benefit of NOK 253 million (-16) in the fourth quarter, corresponding to an effective tax rate of -54%. The tax benefit for the full year 2023 is NOK 114 million (-132). The tax benefit is largely attributable to the Kenhardt plants (NOK 457 million) which qualified for the Enhanced renewable energy tax incentive after reaching Commercial Operating dates in the fourth quarter. This tax incentive granted a 25% additional tax deduction of the plants cost when the assets were put into use in 2023. The incentive will be settled as reduced tax payments in the coming years. The net gain from the divestment of 32% of the shares in Release is free of taxes and does not give rise to any tax expense.

The remaining difference between the effective tax expense for the quarter and the calculated tax expense based on the Norwegian tax rate of 22% is mainly driven by the differences in tax rates between the jurisdictions in which the companies operate, withholding taxes paid on dividends, currency effects and effects from unrecognised tax losses. The profit/loss from JVs and associates are reported net after tax which also impacts the effective tax rate.

The underlying tax rates in the companies in operation are in the range of 0% to 33%. In some markets, Scatec receives special tax incentives intended to promote investments in renewable energy.

Note 7 Related parties

Related parties include affiliates, associates, joint ventures, and other companies where the Group have significant influence, as well as the Executive Management and the Board of Directors. All related party transactions have been carried out as part of the normal course of business and at arm's length terms.

Transactions with joint ventures and associates are primarily financing provided to the companies and dividends received from the companies.

In addition, Scatec has transactions and balances with Executive Management and Board of Directors. The Company has no significant agreements with companies in which a board member has a material interest. Note 28 in the Annual Report for 2022 provides details of transactions with related parties and the nature of these transactions.

For further information on project financing provided by co-investors, refer to Note 23 in the Annual Report for 2022.

Note 8 Investments in joint ventures and associated companies

The consolidated financial statements include the Group's share of profit/loss from joint ventures and associated companies where the Group has joint control or significant influence, accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and subsequently adjusted for further investments, distributions and the Group's share of the net income from the investment.

The tables below show the material joint ventures and associated companies recognised in the Group and the reconciliation of the carrying amount.

Company	Registered office	31 December 2023	31 December 2022
Kube Energy AS	Oslo, Norway	25.00%	25.00%
Scatec Solar Brazil BV	Amsterdam, the Netherlands	50.00%	50.00%
Apodi I Energia SPE S.A	Quixeré, Brazil	43.75%	43.75%
Apodi II Energia SPE S.A	Quixeré, Brazil	43.75%	43.75%
Apodi III Energia SPE S.A	Quixeré, Brazil	43.75%	43.75%
Apodi IV Energia SPE S.A	Quixeré, Brazil	43.75%	43.75%
Mendubim Holding B.V. 1)	Amsterdam, the Netherlands	33.33%	33.33%
Mendubim Geração de Energia Ltda. 1)	Assu, Brazil	33.33%	33.33%
Mendubim (I-XIII) Energia Ltda. 1)	Assu, Brazil	33.33%	33.33%
Mendubim Solar EPC Ltda. 1)	Assu, Brazil	33.33%	33.33%
Scatec Solar Solutions Brazil B.V.	Amsterdam, the Netherlands	50.00%	50.00%
Scatec Solar Brasil Servicos De Engenharia LTDA	Recife, Brazil	50.00%	50.00%
Theun-Hinboun Power Company	Vientiane, Laos	20.00%	20.00%
SN Aboitiz Power – Magat Inc	Manila, Phillippines	50.00%	50.00%
Manila-Oslo Reneweable Enterprise	Manila, Phillippines	16.70%	16.70%
SN Aboitiz Power – Benguet Inc	Manila, Phillippines	50.00%	50.00%
SN Aboitiz Power – RES Inc	Manila, Phillippines	50.00%	50.00%
SN Aboitiz Power – Generation Inc	Manila, Phillippines	50.00%	50.00%
SN Power Uganda Ltd.	Kampala, Uganda	51.00%	51.00%
Bujagali Energy Ltd.	Jinja, Uganda	28.28%	28.28%
Ruzizi Holding Power Company Ltd.	Kigali, Rwanda	20.40%	20.40%
Ruzizi Energy Ltd.	Kigali, Rwanda	20.40%	20.40%
SN Power Invest Netherlands B.V.	Amsterdam, the Netherlands	51.00%	51.00%
SN Development B.V.	Amsterdam, the Netherlands	51.00%	51.00%
Mpatamanga Hydro Power Ltd.	Blantyre, Malawi	14.00%	14.00%
SN Malawi B.V.	Amsterdam, the Netherlands	51.00%	51.00%
Release Solar AS 2)	Oslo, Norway	68.00%	100.00%
Release Management B.V. 2)	Amsterdam, the Netherlands	68.00%	100.00%
Scatec Equinor Solutions Argentina S.A	Buenos Aires, Argentina	-	50.00%
Cordilleras Solar VIII S.A	Buenos Aires, Argentina	-	50.00%

1) Mendubim project structure includes 13 SPVs, EPC and an operating company.
2) Release project structure includes 11 companies.

Country	Carrying value 31 December 2022	Additions/ disposals	Net income/(loss) from JV and associated companies	Dividends	Net movement of cash flow hedges recognised in OCI	Foreign currency translations	Carrying value 31 December 2023
Philippines	6,535	-	152	-207	-	291	6,770
Laos	1,822	-1	63	-58	-	56	1,882
Uganda	1,292	-	171	-192	-22	40	1,288
Release	-	1,207	10	-	-	-	1,217
Brazil	625	408	1	-	-	60	1,093
Other 3)	401	40	-350	-	-	26	118
Total	10,674	1,654	46	-457	-22	473	12,368

3) Other includes Argentina, Malawi, Rwanda, Norway and the Netherlands.

The joint ventures in the Philippines are subject to tax reviews by the local tax authorities on a regular basis, and one entity received a final assessment notice related to the year 2019 of NOK 183 million equivalent (at 31 December 2023) in March 2022. The matter is disputed, and the amount is not included in net income from JVs and associated companies for the period.

As disclosed in the third quarter report, on October 19th Scatec and Equinor sold their shares in the 117 MW solar power plant in Argentina and in the local operating services company. The investments have been derecognised from the group accounts of Scatec.

The joint venture in Uganda is subject to a tax investigation by a local tax authority and received tax claims in total amount of NOK 308 million equivalent (at 31 December 2023) on Scatec's proportionate share during the third quarter. The matter is disputed, and the amount is not included in net income from JVs and associated companies for the period. If the claims materialise, the joint venture will claim this through the tariff according to the Power Purchase Agreement. Should this be challenged the JV has certain indemnities under the Power Purchase Agreement with the off-taker. Further, Scatec has certain tax indemnities under the SN Power share purchase agreement.

On October 27th Release by Scatec ("Release") closed the previously announced USD 102 million (NOK 1.1 billion) transaction with Climate Fund Managers ("CFM"). From the date of the transaction Release is accounted for as a joint venture investment in the group accounts of Scatec, generating an accounting gain of NOK 485 million.

Note 9 Sale of project assets and disposal group held for sale

Sale of project assets

On 2 February 2023, Scatec signed an agreement with a subsidiary of STANLIB Infrastructure Fund II, managed by STANLIB Asset Management Proprietary Limited ("Stanlib"), to sell its 42% equity share in the 258 MW Upington solar plants. The closing of the transaction took place on 31 May 2023. Total consideration, net after sales cost amounted to ZAR 973 million (NOK 546 million). The transaction has generated a net accounting gain of NOK 744 million on a consolidated basis and NOK 315 million on a proportionate basis. With effect from the closing date, the consolidation of the project companies ceased, decreasing the total assets with NOK 2,165 million, decreasing total liabilities with NOK 2,277 million, and increasing equity with NOK 198 million.

On 18 July 2023, Scatec signed an agreement with Globeleq to sell its 52.5% equity share in the 40 MW Mocuba solar power plant in Mozambique for a gross consideration of USD 8.5 million (NOK 86 million), in line with the Group's strategy. The closing of the transaction took place on 29 December 2023. The transaction has generated a net accounting gain of NOK 47 million on a consolidated basis and NOK 33 million on a proportionate basis. The consolidation of the project company ceased, decreasing the total assets with NOK 785 million, decreasing total liabilities with NOK 588 million, and decreasing equity with NOK 84 million.

Disposal group held for sale

On 19 December 2023, Scatec signed an agreement with Fortis Green Fund I Rwanda Holdings Ltd and Axian Energy Green Ltd to sell its 54% equity share in the 8.5 MW solar power plant in Rwanda for a gross consideration of USD 1.38 million (NOK 14.2 million), in line with the Group's strategy. The associated assets and liabilities of the subsidiary are presented as held for sale as per 31 December 2023. The transaction is subject to the customary consents and is expected to be completed in 2024. Scatec is also exiting from the operations & maintenance and asset management agreements as part of the sale.

Note 10 Subsequent events

In line with the terms adopted by the Annual General Meeting of Scatec ASA in 2023, the Board of Directors continue the share-based incentive programme for leading employees of the company, following the same principles as previous years. On January 3, 2024, a total of 1,514,263 share options were granted to leading employees. Each share option gives the right to subscribe for and be allotted one share in Scatec ASA. The strike price of the options is set to NOK 79.47 per share based on the volume weighted average share price over the ten last trading days preceding the grant date of 3 January 2024. The options will lapse if not exercised by 1 January 2028. The option grant is divided into three tranches whereby 1/3 vests each year over three years, with the first tranche vesting 1 January 2025. The current grant is the second of three contemplated annual grants of share options in accordance with Scatec's share-based incentive programme.

On January 25, 2024, Scatec ASA agreed refinancing terms with DNB, Nordea and Swedbank for its USD 150 million green term loan, with USD 135 million outstanding at the end of the fourth quarter 2023. The new green term loan will be amortised through semi-annual repayments of USD 7.5 million with final maturity in the fourth quarter 2027.

Responsibility statement

We confirm to the best of our knowledge, that the condensed interim financial statement for the period 1 January to 31 December 2023 has been prepared in accordance with IFRS as adopted by EU, and that the information gives a true and fair view of the Group's assets, liabilities, financial position and result for the period. We also confirm to the best of our knowledge, that presented information provides a fair overview of important events that have occurred during the period and their impact on the financial statements, key risk and uncertainty factors that Scatec is facing during the next accounting period.

Oslo, 25 January 2024

The Board of Directors Scatec ASA

John Andersen Jr. (Chairman)

Espen Gundersen

Maria Moræus Hanssen

Jørgen Kildahl

Mette Krogsrud

Gisele Marchand

Morten Henriksen

Terje Pilskog (CEO)

Alternative Performance Measures

Scatec discloses alternative performance measures (APMs) in addition to those normally required by IFRS. This is based on the Group's experience that APMs are frequently used by analysts, investors and other parties for supplemental information.

The purpose of APMs is to provide an enhanced insight into the operations, financing and future prospect of the Group. Management also uses these measures internally to drive performance in terms of long-term target setting. APMs are adjusted IFRS measures that are defined, calculated and used in a consistent and transparent manner over the years and across the Group where relevant.

Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS. Disclosures of APMs are subject to established internal control procedures.

Definition of alternative performance measures used by the Group for enhanced financial information

Cash flow to equity: is a measure that seeks to estimate value creation in terms of the Group's ability to generate funds for equity investments in new power plant projects and/or for shareholder dividends over time. Management believes that the cash flow to equity measure provides increased understanding of the Group's ability to create funds from its investments. The measure is defined as EBITDA less net interest expense, normalised loan repayments and normalised income tax payments, plus any proceeds from refinancing. The definition excludes changes in net working capital, investing activities and fair value adjustment of first-time recognition of joint venture investments. Normalised loan repayments are calculated as the annual repayment divided by four quarters for each calendar year. However, loan repayments are normally made bi-annually. Loan repayments will vary from year to year as the payment plan is based on a sculpted annuity. Net interest expense is here defined as interest income less interest expenses, excluding shareholder loan interest expenses, non-recurring fees and accretion expenses on asset retirement obligations. Normalised income tax payment is calculated as operating profit (EBIT) less normalised net interest expense multiplied with the nominal tax rate of the jurisdiction where the profit is taxed.

EBITDA: is defined as operating profit adjusted for depreciation, amortisation and impairments.

EBITDA margin: is defined as EBITDA divided by total revenues and other income.

EBITDA and EBITDA margin are used for providing consistent information of operating performance which is comparable to other companies and frequently used by other stakeholders.

Gross profit: is defined as total sales revenue including net gain/loss from sale of project assets and net gain/loss from associates minus the cost of goods sold (COGS). Gross profit is used to measure project profitability in the D&C segment.

Gross interest-bearing debt: is defined as the Group's total debt obligations and consists of non-current and current external non-recourse financing, external corporate financing and other interest-bearing liabilities, irrespective of its maturity as well as bank overdraft.

Net interest-bearing debt (NIBD): is defined as gross interest-bearing debt, less cash and cash equivalents. NIBD does not include shareholder loans.

Net working capital includes trade- and other receivables, other current assets, trade- and other payables, income tax payable and other current liabilities.

Proportionate Financials

The Group's segment financials are reported on a proportionate basis. The consolidated revenues and profits are mainly generated in the Power Production segment. Activities in Services and Development & Construction segments mainly reflect deliveries to other companies controlled by Scatec (with between 33% and 100% economic interest), for which revenues and profits are eliminated in the Consolidated Financial Statements. With proportionate financials Scatec reports its share of revenues, expenses, profits and cash flows from all its subsidiaries without eliminations based on Scatec's economic interest in the subsidiaries. The Group introduced Proportionate Financials as the Group is of the opinion that this method improves earnings visibility. The key differences between the proportionate and the consolidated IFRS financials are that;

- Internal gains are eliminated in the consolidated financials but are retained in the proportionate financials. These internal gains primarily relate to gross profit on D&C goods and services delivered to project companies which are eliminated as a reduced group value of the power plant compared to the stand-alone book value. Similarly, the consolidated financials have lower power plant depreciation charges than the proportionate financials since the proportionate depreciations are based on power plant values without elimination of internal gain. Internal gain eliminations also include profit on Services delivered to project companies.

- The consolidated financials are presented on a 100% basis, while the proportionate financials are presented based on Scatec's ownership percentage/economic interest.

- In the consolidated financials joint venture companies are equity consolidated and are presented with Scatec's share of the net profit on a single line in the statement of profit or loss. In the proportionate financials the joint venture companies are presented in the same way as other subsidiaries on a gross basis in each account in the statement of profit or loss.

In the fourth quarter 2023 Scatec reports a proportionate operating profit of NOK 463 million compared with an operating profit of NOK 1,103 million in the consolidated financials. To arrive at the proportionate operating profit from the consolidated operating profit the Group has:

1. removed from the consolidated statement of profit or loss the internal gain on transactions between group companies with a positive amount of NOK 491 million,

2. removed the non-controlling interests share of the operating profit of NOK 180 million to only leave the portion corresponding to Scatec's ownership share,

3. replaced the consolidated net profit from joint venture companies of NOK 186 million with Scatec's share of the Operating profit from the joint venture companies with NOK 219 million.

See Note 2 for further information on the reporting of proportionate financial figures, including reconciliation of the proportionate financials against the consolidated financials.

A bridge from proportionate to consolidated key figures including APMs like gross interest-bearing debt, net interest-bearing debt and net-working capital is included in Scatec's Q4 historical financial information 2023 published on Scatec's web page.

Reconciliation of Alternative Performance Measures (consolidated figures)

NOK million	Q4 2023	Q4 2022	FY 2023	FY 2022
EBITDA				
Operating profit (EBIT)	1,103	458	2,625	723
Depreciation, amortisation and impairment	246	231	942	1,832
EBITDA	1,348	689	3,567	2,555
Total revenues and other income	1,624	993	4,721	3,751
EBITDA margin	83%	69%	76%	68%
Gross interest-bearing debt				
Non-recourse project financing	15,026	13,297	15,026	13,297
Corporate financing	7,947	7,987	7,947	7,987
Non-recourse project financing - current	1,931	1,963	1,931	1,963
Corporate financing - current	1,132	-	1,132	-
Other non-current interest-bearing liabilities	247	231	247	231
Other current interest-bearing liabilities	-	231	-	231
Gross interest-bearing debt associated with disposal group held for sale	115	-	115	-
Gross interest-bearing debt	26,398	23,709	26,398	23,709
Net interest-bearing debt				
Gross interest-bearing debt	26,398	23,709	26,398	23,709
Cash and cash equivalents	3,101	4,132	3,101	4,132
Cash and cash equivalents associated with disposal group held for sale	12	-	12	-
Net interest-bearing debt	23,284	19,578	23,284	19,578
Net working capital				
Trade and other account receivables	478	497	478	497
Other current receivables [1)]	1,151	1,863	1,151	1,863
Trade and accounts payable	-294	-594	-294	-594
Income taxes payable	-48	-37	-48	-37
Other current liabilities	-2,060	-1,106	-2,060	-1,106
Non-recourse project financing - current	-1,931	-1,963	-1,931	-1,963
Corporate financing - current	-1,132	-	-1,132	-
Other current interest-bearing liabilities	-	-231	-	-231
Net working capital associated with disposal group held for sale	-6	-	-6	-
Net working capital	-3,842	-1,571	-3,842	-1,571

1) Excluding current portion of derivatives of NOK 15 million in Q4 2023

Break-down of proportionate cash flow to equity

Q4 2023

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	793	31	7	-23	808
Net interest expenses	-182	1	7	-169	-343
Normalised loan repayments	-227	-	-	-39	-265
Proceeds from refinancing and sale of project assets	86	-	-	-	86
Less proportionate gain on sale of project assets	-33	-	-	-	-33
Normalised income tax payment	-39	-7	-3	44	-5
Cash flow to equity	398	26	11	-187	247

Q3 2023

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	778	33	107	-26	893
Net interest expenses	-163	1	7	-149	-304
Normalised loan repayments	-250	-	-	-39	-289
Proceeds from refinancing and sale of project assets	-	-	-	-	-
Less proportionate gain on sale of project assets	-	-	-	-	-
Normalised income tax payment	-41	-7	-23	40	-31
Cash flow to equity	324	27	91	-173	268

Q4 2022

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	821	16	-20	-30	786
Net interest expenses	-193	-	-2	-107	-304
Normalised loan repayments	-237	-	-	-	-237
Proceeds from refinancing and sale of project assets	-	-	-	-	-
Normalised income tax payment	-34	-3	4	32	-1
Cash flow to equity	357	13	-18	-105	246

FY 2023

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	3,216	118	672	-162	3,845
Net interest expenses	-712	4	22	-593	-1,279
Normalised loan repayments	-998	-	-	-145	-1,144
Proceeds from refinancing and sale of project assets	632	-	-	10	642
Less proportionate gain on sale of project assets	-348	-	-	-	-348
Normalised income tax payment [1)]	-126	-25	-138	174	-116
Cash flow to equity	1,663	96	555	-716	1,600

1) Normalised income tax payment excludes a normalised tax on gain on sale of project assets reflecting that the transaction is tax exempted.

FY 2022

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	2,835	74	-221	-138	2,550
Net interest expenses	-780	-1	-5	-316	-1,102
Normalised loan repayments	-815	-	-	-	-815
Proceeds from refinancing and sale of project assets	363	-	-	-	363
Normalised income tax payment	-116	-15	78	106	53
Cash flow to equity	1,487	58	-149	-347	1,050

Other definitions

Backlog

Project backlog is defined as projects with a secure off-take agreement assessed to have more than 90% probability of reaching financial close and subsequent realisation.

Pipeline

The pipeline projects are in different stages of development and maturity, but they are all typically in markets with an established government framework for renewables and for which project finance is available (from commercial banks or multilateral development banks). The project sites and concessions have been secured and negotiations related to power sales and other project implementation agreements are in various stages of completion.

Lost time injury (LTI)

An occurrence that results in a fatality, permanent disability or time lost from work of one day/shift or more.

Scatec's economic interest

Scatec's share of the total estimated economic return from its subsidiaries. For projects in development and construction the economic interest is subject to change from the development of the financial model.

Cash in power plant companies in operation

Comprise restricted cash in proceed accounts, debt service reserve accounts, disbursements accounts, maintenance and insurance reserve accounts and similar. These cash and cash equivalents are only available to the Group through distribution as determined by shareholder and non-recourse financing agreements.

Cash in power plant companies under development/construction

Comprise shareholder financing and draw down on term loan facilities by power plant companies to settle outstanding external EPC invoices.

Project equity

Project equity comprise of equity and shareholder loans in power plant companies.

Recourse Group

Recourse Group means all entities in the Group, excluding renewable energy companies (each a recourse group company).

Definition of project milestones

Commercial Operation Date (COD): A scheduled date when certain formal key milestones have been reached, typically including grid compliance, approval of metering systems and technical approval of plant by independent engineers. Production volumes have reached normalised levels sold at the agreed off-taker agreement price. This milestone is regulated by the off-taker agreement with the power off-taker. In the quarterly report grid connection is used as a synonym to COD.

Financial close (FC): The date on which all conditions precedent for drawdown of debt funding has been achieved and equity funding has been subscribed for, including execution of all project agreements. Notice to proceed for commencement of construction of the power plant will normally be given directly thereafter. Projects in Scatec defined as "backlog" are classified as "under construction" upon achievement of financial close.

Start of Production (SOP): The first date on which the power plant generates revenues through sale of power under the off-take agreement. Production volumes and/or the price of the power may be lower than when commercial operation date (COD) is reached. This milestone is regulated by the off-take agreement with the power off-taker. This milestone may be reached prior to COD if the construction of a power plant is completed earlier than anticipated in the off-take agreement.

Take Over Date (TOD): The date on which the EPC contractor hands over the power plant to the power plant company. COD must have been reached, in addition to delivery of training and all technical documentation before TOD takes place. The responsibility for Operations & Maintenance (O&M) of the plant is handed over from the EPC contractor to the O&M contractor at the TOD. This milestone will normally occur shortly after the COD date.

ESG Performance Indicators

Environmental and social assessments (% completed in new projects): Environmental and Social Impact Assessments (ESIAs), due diligence or baseline studies to identify potential environmental and social risks and impacts of our activities (in accordance with the IFC Performance Standards and Equator Principles).

GHG emissions avoided (in mill tonnes of CO2): Actual annual production from renewable power projects where Scatec has operational control multiplied by the country and region-specific emissions factor (source IEA).

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

Lost Time Incident Frequency (per mill hours): The number of lost time incidents per million hours worked for all renewable power projects where Scatec has operational control.

Hours worked (mill hours - 12 months rolling): The total number of hours worked by employees and contractors for all renewable power projects where Scatec has operational control for the last 12 months.

Female managers (% of females in mgmt. positions): The total number of female managers as a percentage of all managers.

Corruption incidents: The number of confirmed incidents of corruption from reports received via Scatec's publicly available whistleblower function (on the Company's corporate website) managed by an independent third party.

Supplier environmental and social screening (number of suppliers): The number of contracted and potential suppliers of key procurement categories screened and rated through the EcoVadis supplier assessment platform.

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