

Scatec

Q3 2024

**Strong financial
performance**

CEO, Terje Pilskog & CFO, Hans Jakob Hegge





Q3 2024 Key highlights

Solid proportionate revenues and EBITDA increase

- revenues of NOK 2.4 billion and EBITDA of NOK 1.5 billion

D&C margin increase after strong construction progress

- 12% underlying D&C-margin

Building partnership with Aeolus - Toyota Tsusho Group in Tunisia

- Started construction of 120 MW solar

Growing our position in Egypt

- Signed 25-year PPA for 1.1 GW solar + 100MW/200MWh storage

Divesting non-core – signing agreements to sell

- African Hydropower assets to TotalEnergies
- Wind plant in Vietnam to SUSI partners
- Parts of solar power plants in REIPP 1 and 2 in South Africa to Stanlib

Key figures - proportionate

Figures in brackets are same quarter last year

Total revenues
and other income

2,416

NOK million

(2,369)

Power production

1,254

GWh

(1,047)

Total EBITDA

1,520

NOK million

(893)

Total EBIT

1,129

NOK million

(584)

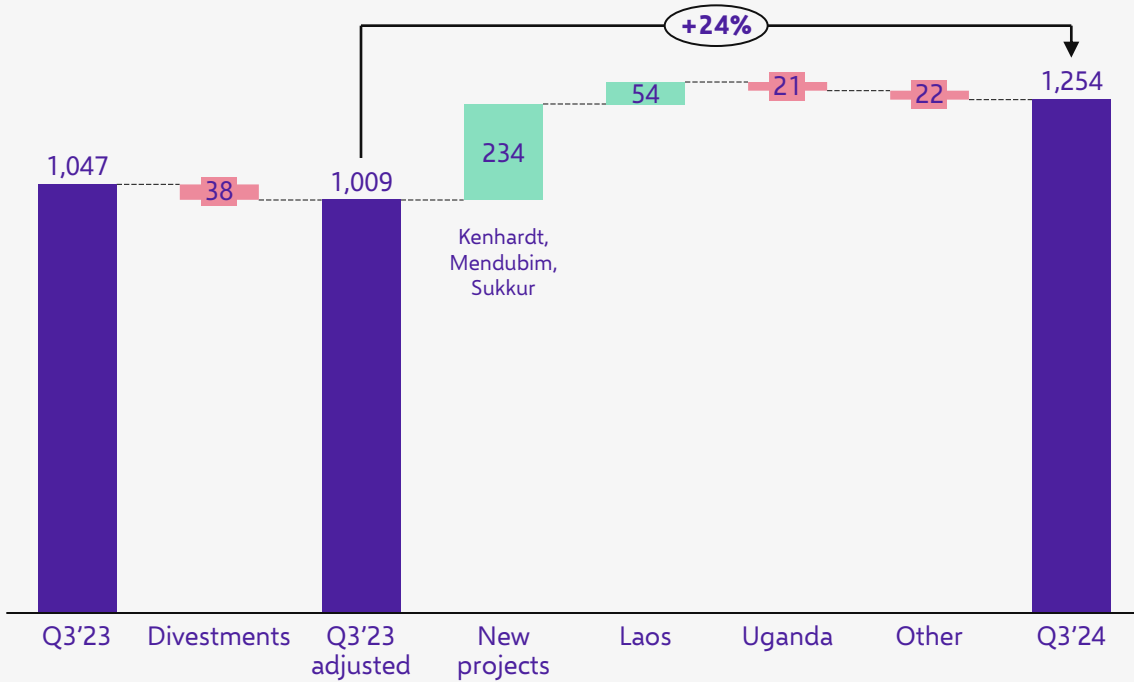




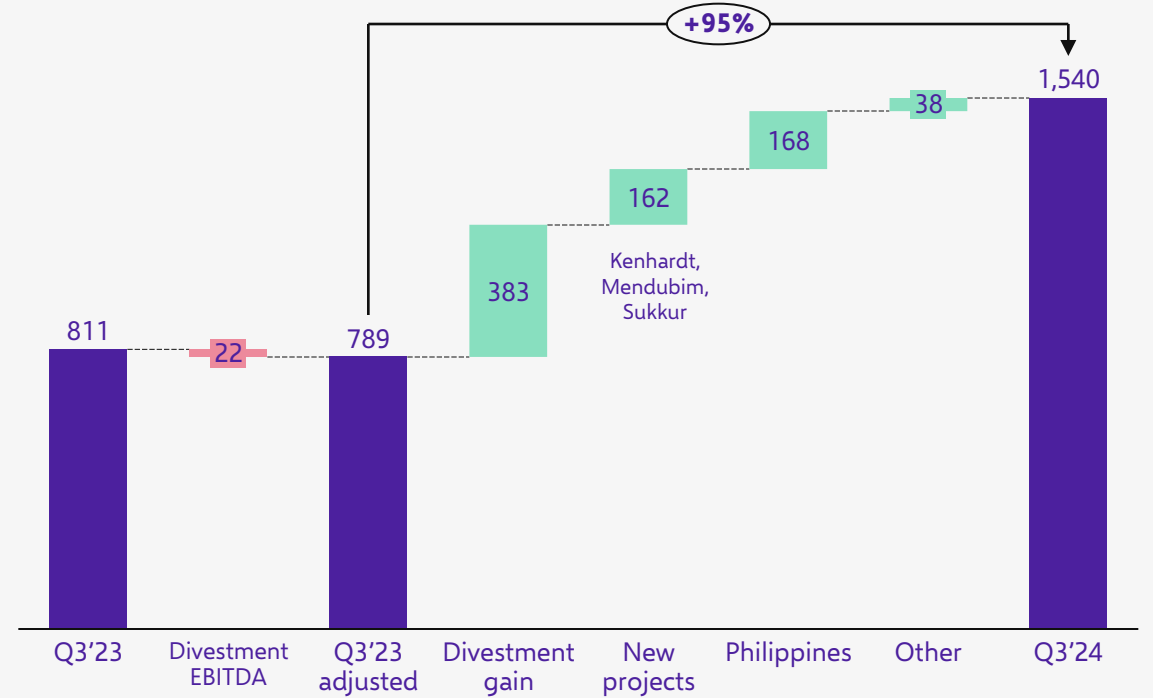
Power Production

Production increase of 24% adjusted for divestments

Power Production, GWh



EBITDA NOKm



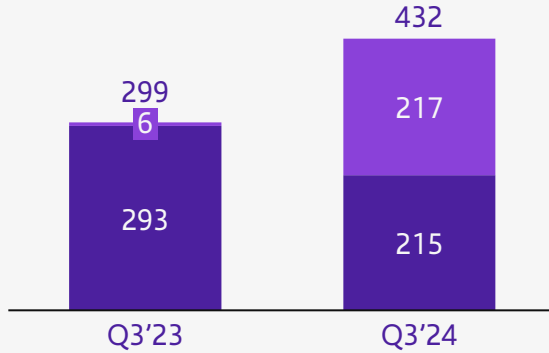


Philippines

EBITDA of NOK 382 million driven by Ancillary Services

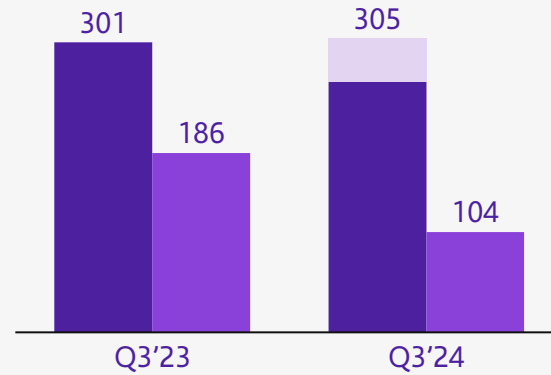
Net Revenue, NOK million

Ancillary Services Spot & Contract

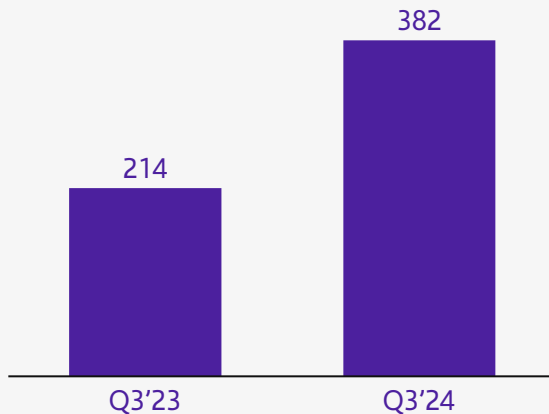


Power Production, GWh

Spot volumes Contract volumes AS volumes

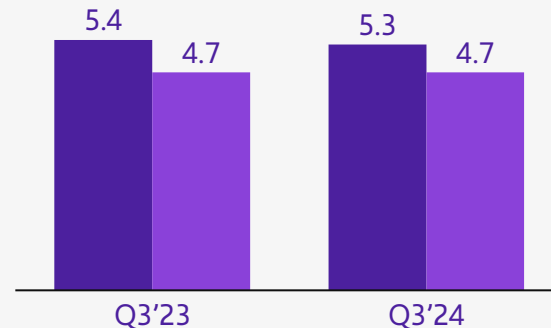


EBITDA, NOK million



Prices, PHP/kWh

Average spot price* Average contract price



*Time weighted average price





- Ancillary service revenues of NOK 217 million driven by:
 - Contribution from long-term ancillary services contracts
 - Reopening of the reserves market
 - Recognition of NOK 60 million from Q1'24
- EBITDA increased by 79% to NOK 382 million



Construction

Strong progress with 12% underlying D&C-margin

- 103 MW Mogobe BESS started construction

<p>273 MW solar Grootfontein, South Africa</p>	
<p>120 MW solar Tunisia</p>	
<p>60 MW solar Botswana phase 1</p>	
<p>103 MW BESS Mogobe, South Africa</p>	



Q3'24 financial performance

NOK 631m
D&C revenues

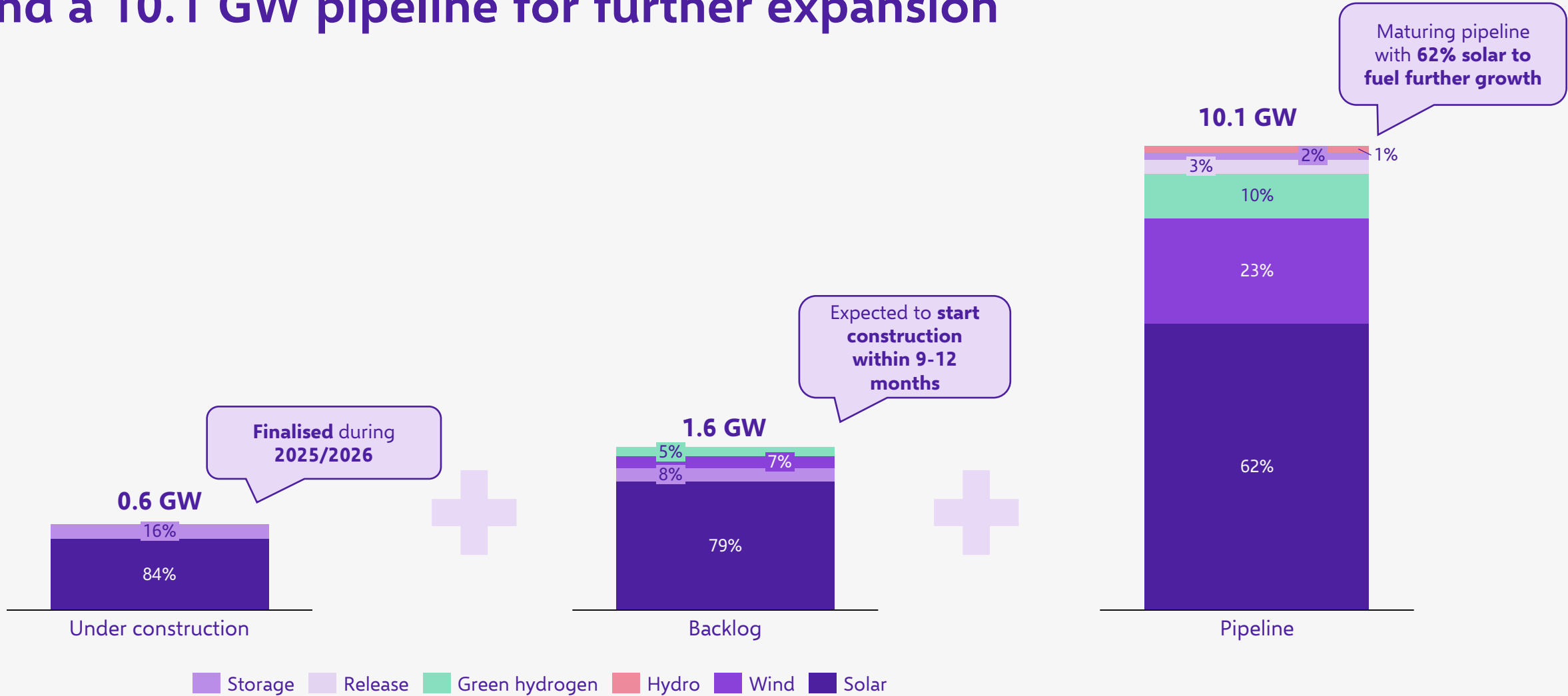
12%
Gross D&C margin

NOK 3.4bn
remaining EPC contract value

NOK 515m*
total equity investment



We have 2.2 GW of near-term growth capacity and a 10.1 GW pipeline for further expansion



Financial review

Hans Jakob Hegge, CFO



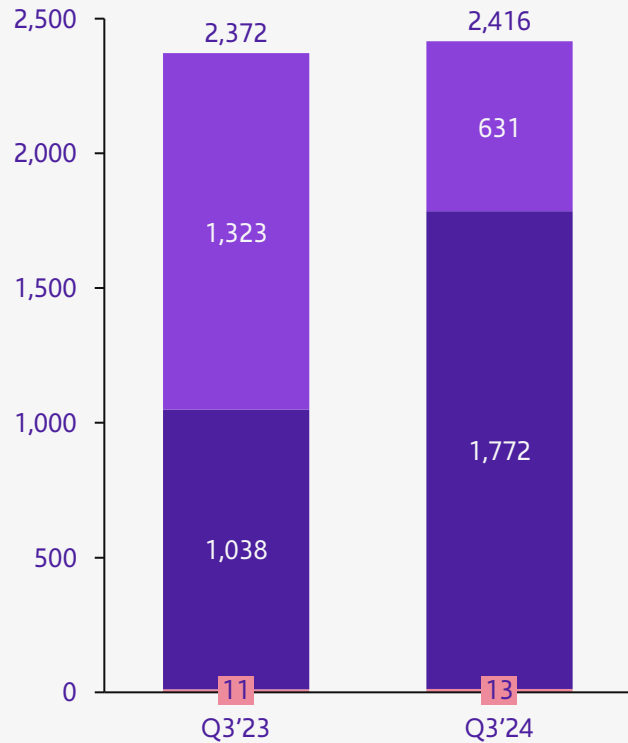
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Q3'24 Proportionate Financials

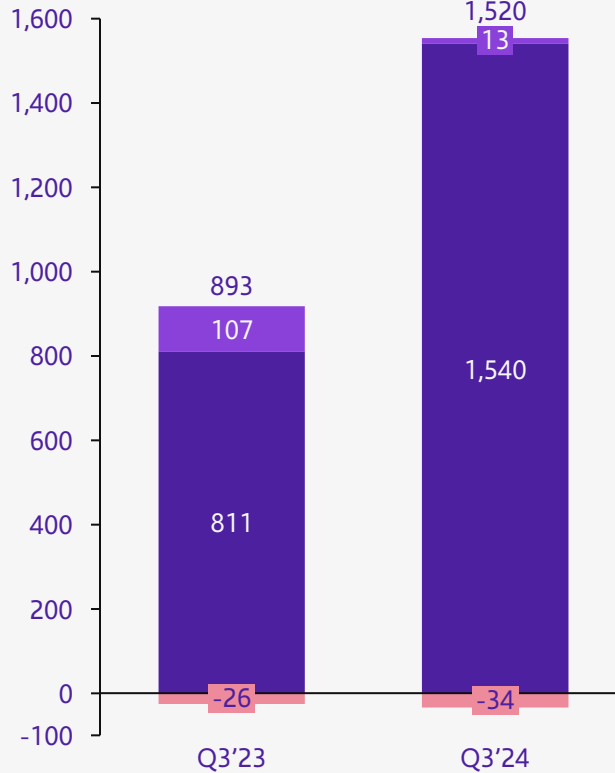
Power Production revenues of NOK 1.8 billion

Revenues, NOK million



D&C Power Production Corporate

EBITDA, NOK million



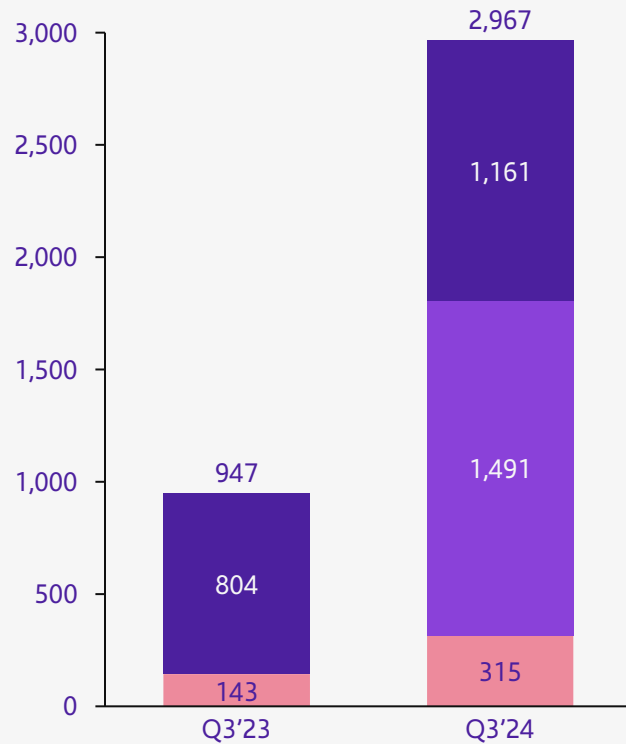
- 90% EBITDA increase driven by divestment in South Africa and the Philippines
- Strong D&C performance with gross margin of 12%
- Continued cost discipline reflected in Corporate EBITDA



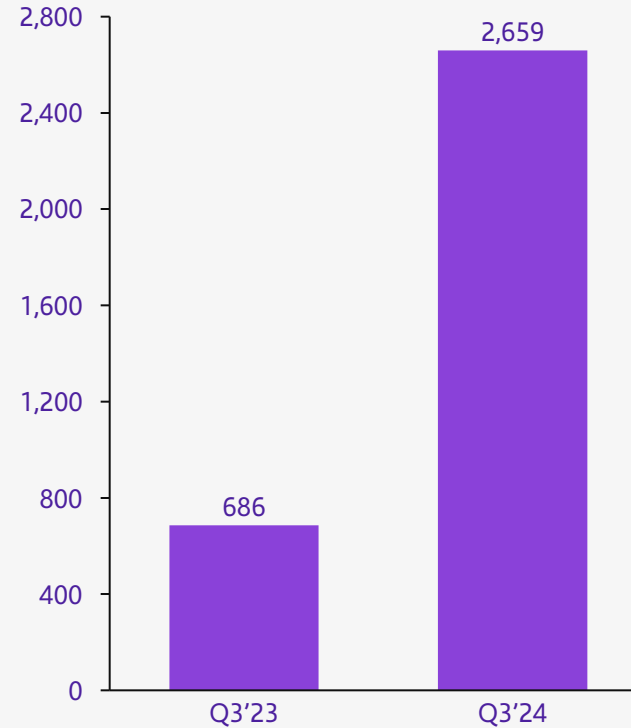
Q3'24 Consolidated Financials

Power sales increased by 44% to 1.2 billion

Revenues, NOK million



EBITDA, NOK million



- NOK 1.5 billion accounting gain from sale of assets in South Africa
- Net income from JVs of NOK 315 million
- Underlying EBITDA increase of NOK 482 million excluding net gain for sale of assets

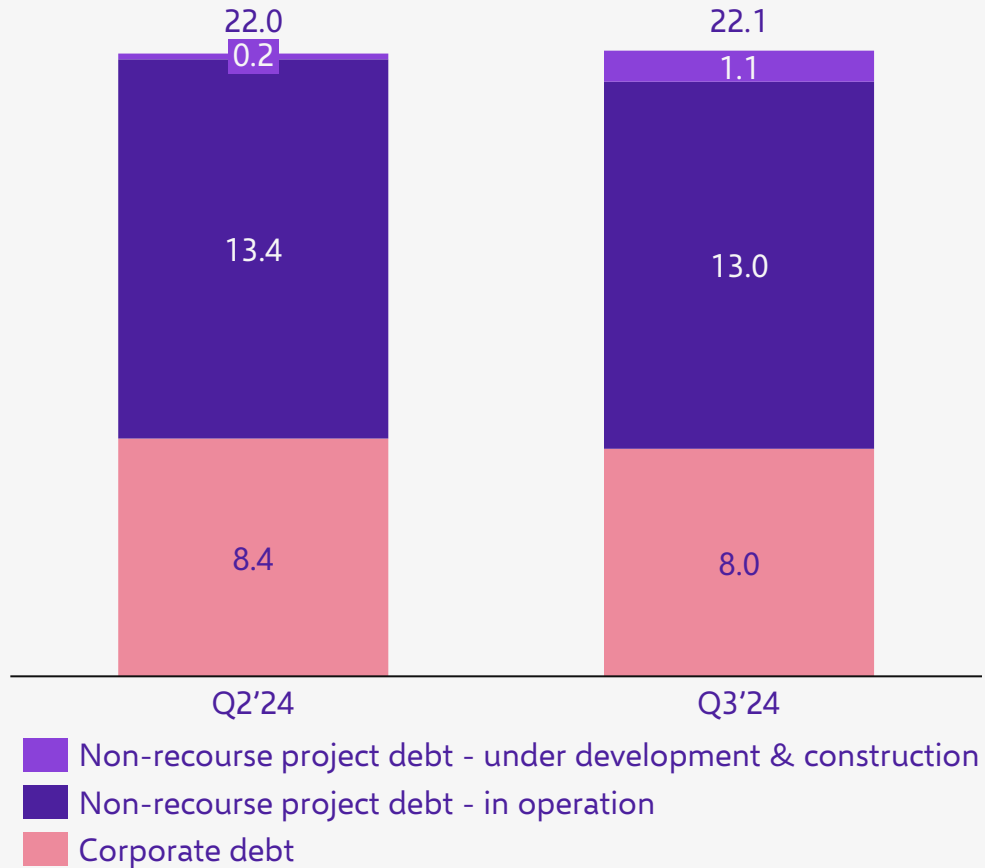
- Power sales
- Net gain from sale of assets
- Net income from JVs and associated companies



Proportionate

Net interest-bearing debt of NOK 22.1 billion

NOK billion



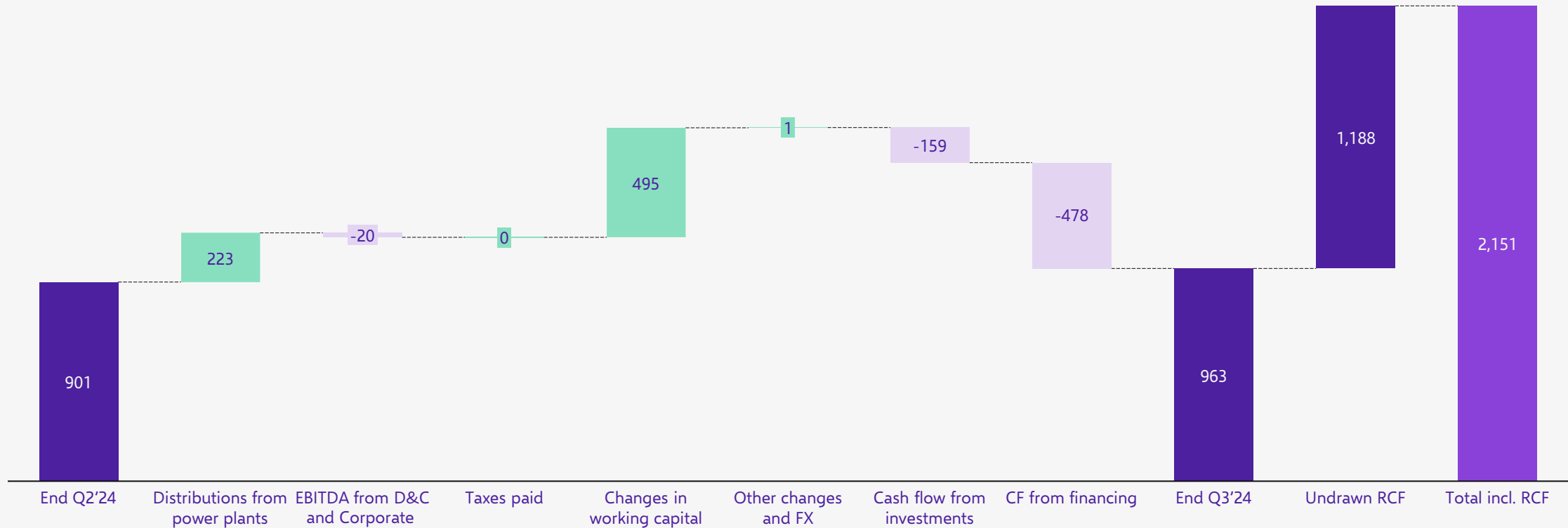
- Drawdown of new debt related to projects under construction
- Net project debt reduced to NOK 13 billion due to amortisations
- Net corporate debt down to NOK 8.0 billion due to amortisation and FX



Free cash on Group level

Total available liquidity of NOK 2.2 billion

Q3'24 movements of the Group's free cash, NOK million





Outlook

Power Production

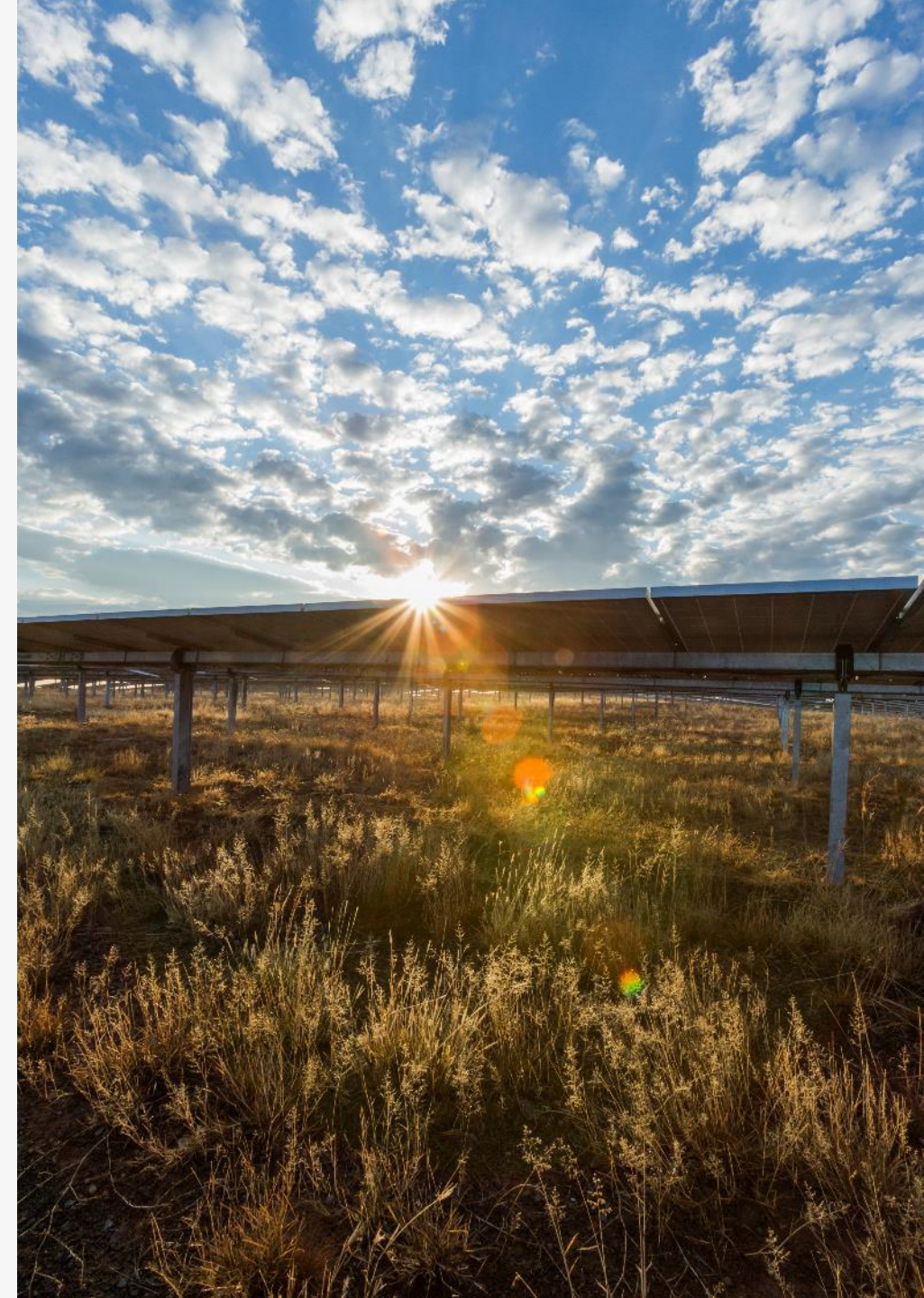
- FY'24 Power Production estimate: 4,200-4,300 GWh
- FY'24 EBITDA estimate: NOK 4,150-4,350 million
- Q4'24 Power production estimate: 1,100-1,200 GWh
- Q4'24 Philippines EBITDA estimate: NOK 270-370 million

Development & Construction

- Remaining D&C contract value: NOK 3.4 billion
- Est. D&C gross margin for projects under construction and backlog: 10-12%

Corporate

- FY'24 EBITDA estimate: NOK -120 to -130 million



2027 strategy roadmap

**Attractive growth and
strengthening balance sheet**



Improving the future for communities and individuals

5.6

GW

renewable capacity
installed, acquired and
under construction*



21

million tonnes

GHG emissions
avoided



11

million

households
powered annually



20

thousand

direct jobs
created



\$20

million

invested in local
communities





We have sharpened our strategic roadmap towards 2027

Continued self-funded strategy with increased focus on solar + BESS in four core markets

Profitable growth

- Target **750 million** equity investments annually
- Estimated **~15%** project equity IRR from operations and **~30%*** integrated project equity IRR

Markets & technologies

- Focus on **Solar PV & BESS** near-term and build onshore wind portfolio over time
- Build scale in **four core markets** (Brazil, Egypt, South Africa and the Philippines)
- Opportunistic approach to other markets and technologies (Hydro & H₂)

Funding

- **NOK 2.2 billion** available liquidity end of Q3'24
- **Solid D&C margins** levered by more **capital efficient model**
- Cash flow from operating assets
- **Divestment proceeds of at least NOK 4 billion towards 2027** from sale of non-core assets**

Deleverage

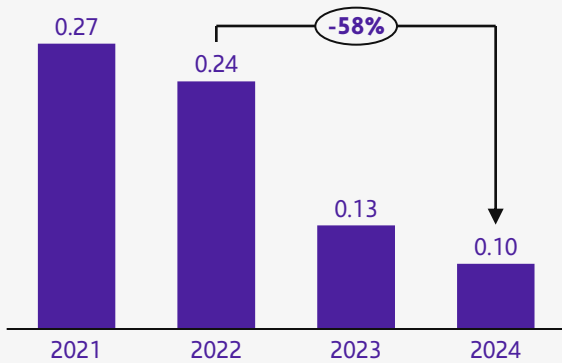
- **~75% of divestment proceeds** allocated to **corporate debt repayments**



...supported by strengthened market fundamentals

Solar PV module prices all time low...

USD/W

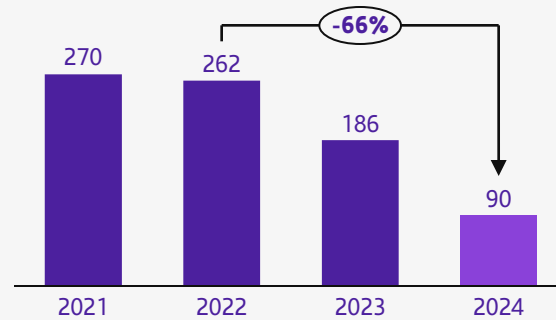


Scatec has ~**1.8 GW** of solar under construction & in backlog and additional ~**6.2 GW** in pipeline

...and energy storage system prices continue to decrease

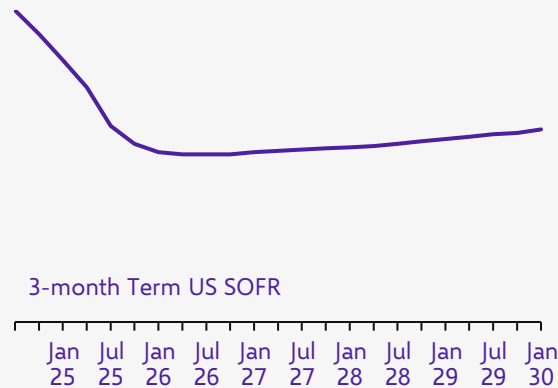
USD/Kwh

■ Yearly delivery prices ■ 2024 April quote*



Scatec has **259 MW of BESS** under construction and in backlog in South Africa, Egypt & the Philippines

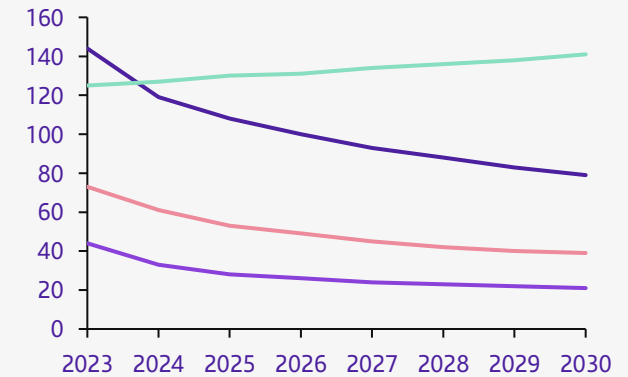
Interest rates expected to decrease...



Scatec benefitting from reduced interest rates through **declining cost of capital and reduced interest costs**

...expected to contribute to falling LCOEs**

— 4-hour battery storage — Onshore wind
— Solar PV — Coal

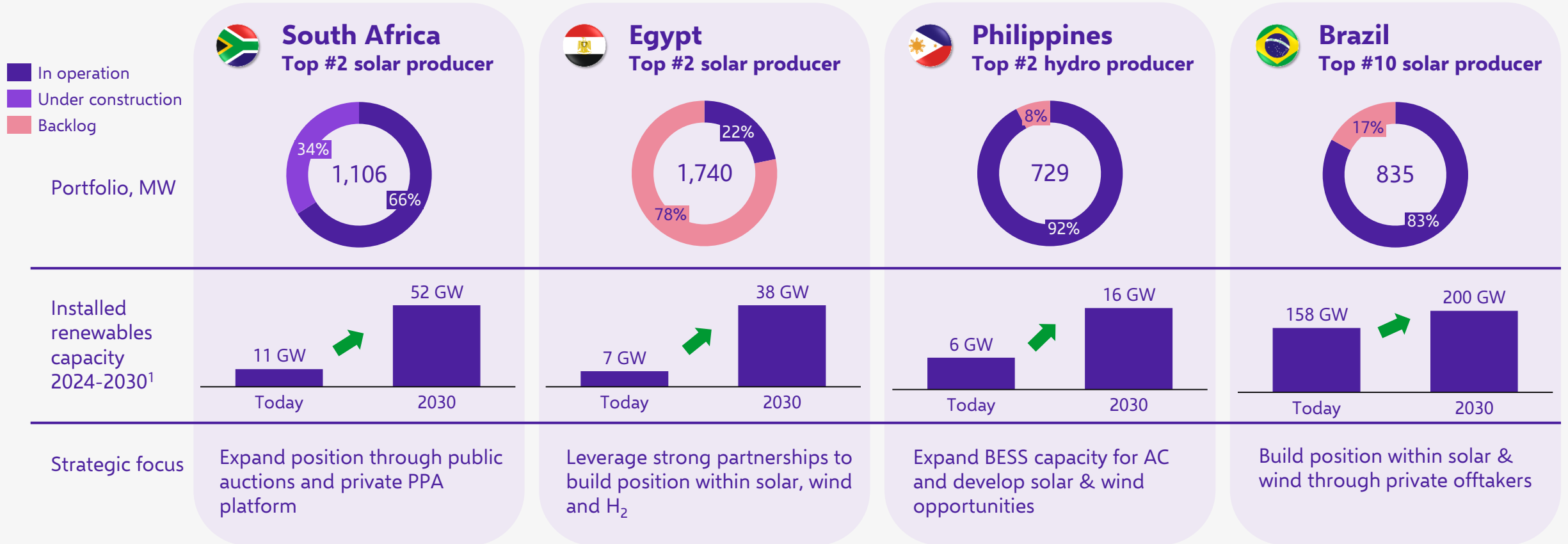


Scatec focusing on **renewables**, the **most attractive source of energy** from an LCOE perspective

*Quoted average China turnkey energy storage system prices in April 2024, **South Africa forecast, battery storage forecast is US. Sources: BNEF



We have selected four core markets with attractive growth outlook

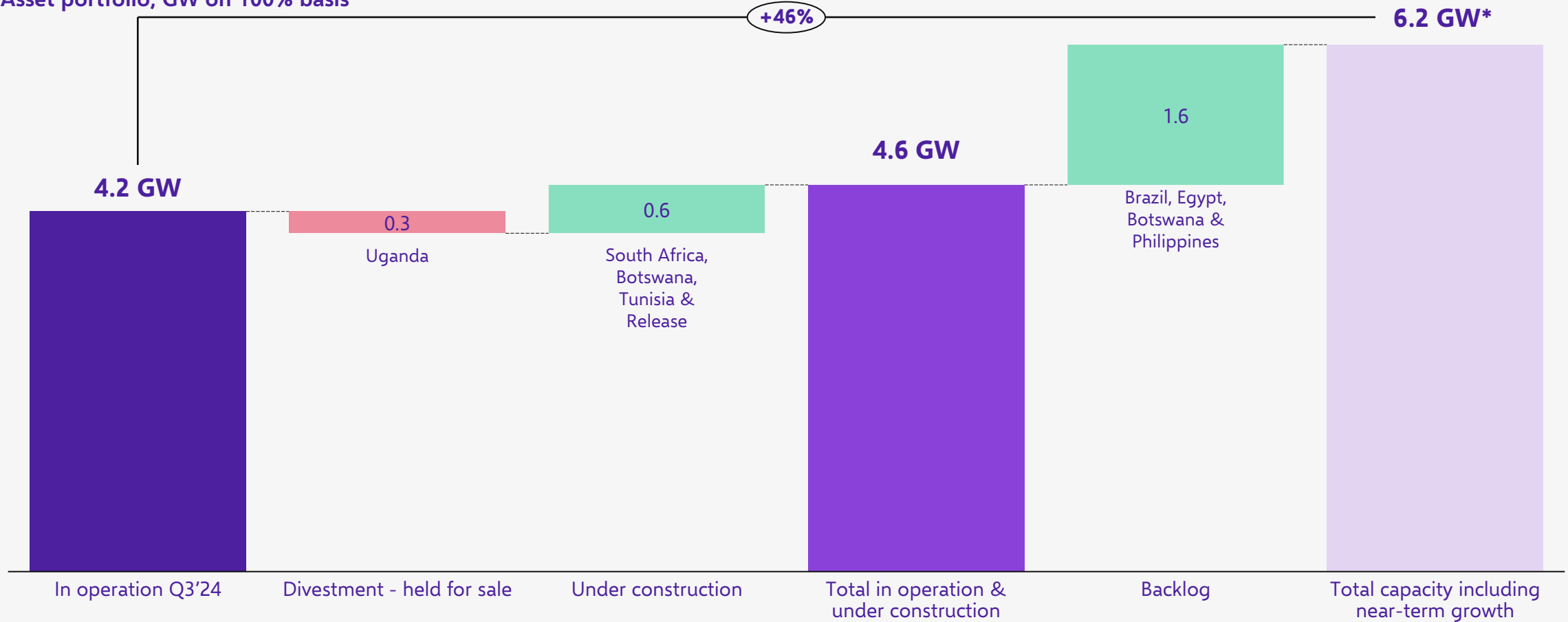


Opportunistic approach to markets outside the four core markets



Our secured projects mainly in these markets represent a 46% capacity increase to 6.2 GW*

Asset portfolio, GW on 100% basis

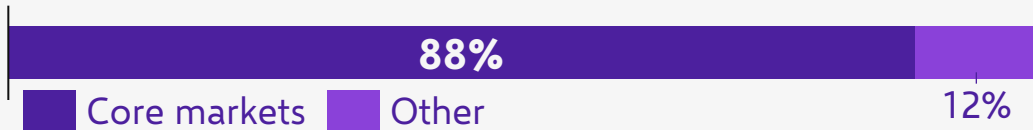


*Before any further divestments of operating assets

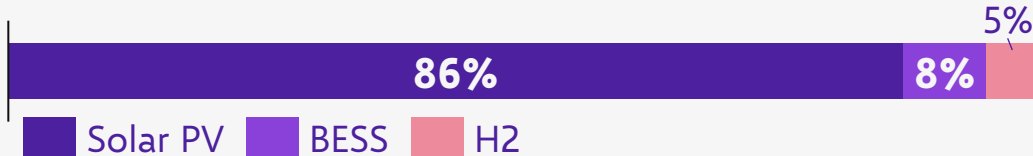


The 2.2 GW are in the sweet spot of our strategic growth ambitions

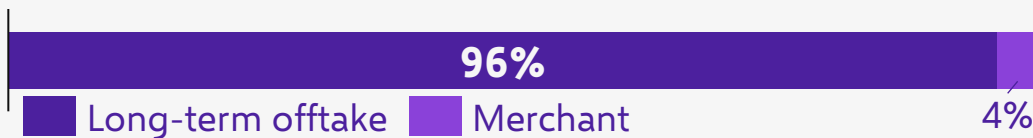
Delivering profitable growth in **core markets**...



...with focus on **Solar PV & BESS**...



...generating **average 20-year contracted cash flows**...



...and **substantial D&C gross margins** covering ~**75%** of Scatec's target equity investments

\$1.9 billion total capex

\$1.5 billion non-recourse debt & grants

\$1.1 billion D&C revenues

\$120 million D&C gross profit













\$155 million Scatec equity investment*



556 MW of Solar + BESS already under construction

Est. D&C revenues of USD 457 million with a gross margin of 10-12%

Projects under construction*

	 	Grootfontein, 273 MW Solar Ownership: 51% Offtake: 20-year PPA (ZAR) Financing structure: Equity last	Capex \$255m	Leverage 89%	Scatec target equity \$14m	D&C revenues \$198m
	 	Tunisia, 120 MW Solar Ownership: 51% Offtake: 20+10-year PPA (EUR) Financing structure: Equity last	Capex \$88m	Leverage*** 85%	Scatec target equity \$7m	D&C revenues \$74m
	 	Botswana phase 1, 60 MW Solar Ownership: 100% (51% target)** Offtake: 25-year PPA (BWP/USD) Financing structure: Equity last	Capex \$51m	Leverage 62%	Scatec equity pre-farm-down \$20m	D&C revenues \$44m
	 	Mogobe, 103 MW BESS Ownership: 51% Offtake: 15-year PPA (ZAR) Financing structure: Equity last	Capex \$170m	Leverage 91%	Scatec target equity \$8m	D&C revenues \$141m

*Equity last financing structures can be achieved through equity last loan agreements, equity L/Cs or Equity Bridge Loans

**Expected farm-down of Botswana post COD





***Including Japanese funding



...And 1.6 GW in backlog

Est. D&C revenues of USD 680 million with a gross margin of 10-12% and long-term offtakes secured

Projects in backlog

	  	Egypt, 1.1 GW Solar + 100 MW BESS Ownership: 100% (26% target) Offtake: 25-year PPA (USD) Financing structure: Equity last	Capex \$604m	Leverage 80%	Scatec target equity \$30m	D&C revenues \$530m
	 H₂ 	Egypt, 100 MW H₂ + 260 MW solar & wind Ownership: 52% (33% target) Offtake: 20-year PPA (USD) Financing structure: Equity last	Capex \$492m	Leverage 80%	Scatec target equity \$32m	D&C revenues \$99m
	 	Brazil, 142 MW Solar* Ownership: 100% (51% target) Offtake: 10-year PPA (USD) Financing structure: Equity first	Capex \$85m	Leverage 35%	Scatec target equity \$28m	D&C revenues \$4m
	 	Botswana phase 2, 60 MW Solar Ownership: 100% (51% target)** Offtake: 25-year PPA (BWP/USD) Financing structure: Equity last	Capex \$56m	Leverage 75%	Scatec equity pre-farm-down \$17m	D&C revenues \$47m
	 	Philippines, 56 MW BESS Ownership: 50% Offtake: Ancillary Services (PHP) Financing structure: No equity	Capex \$90m	Leverage 100%	Scatec target equity NA	D&C revenues NA

21 *Equity last financing structures achieved through either equity last financing agreements, equity L/Cs or Equity Bridge Loans

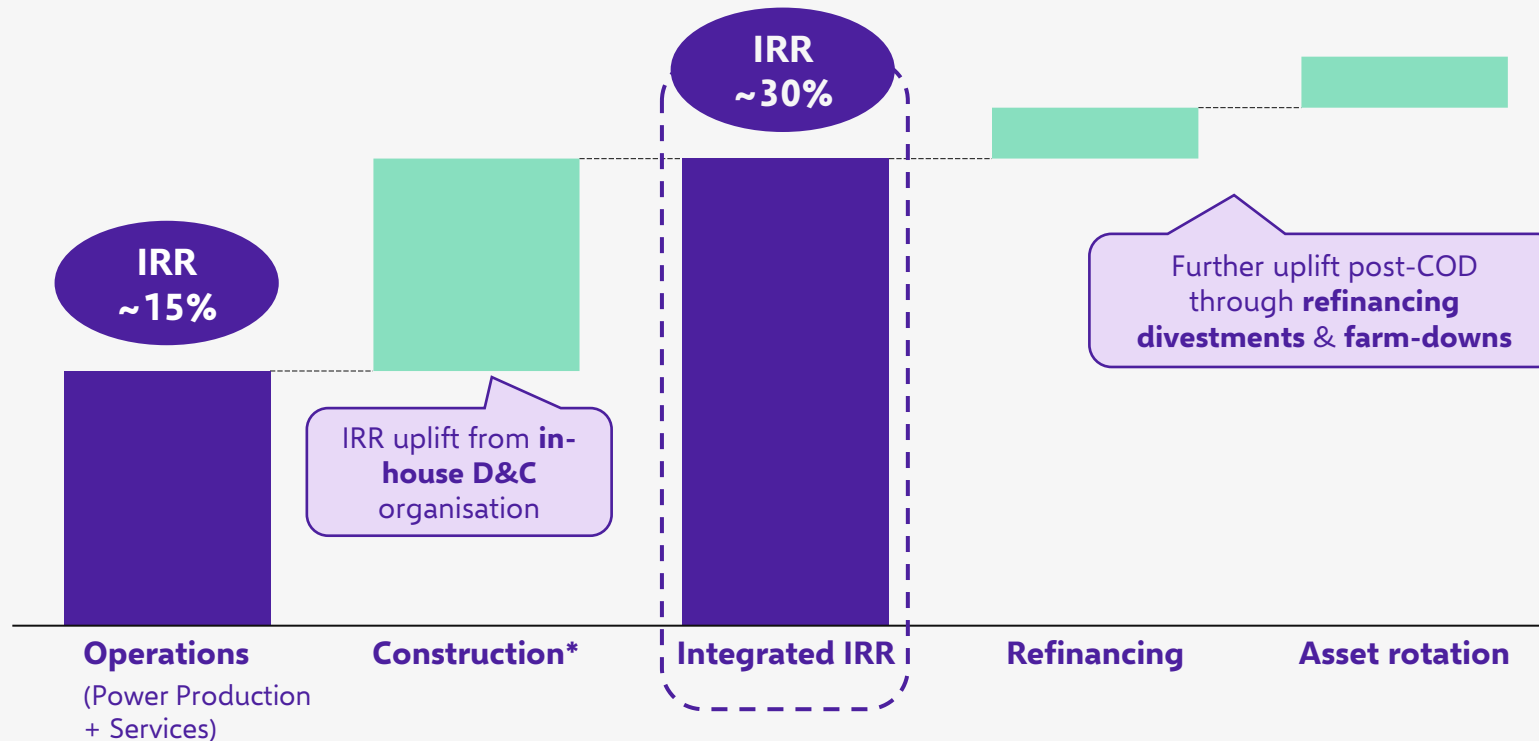
**Expected farm-down of Botswana post COD



Solid project equity returns generated from our integrated approach

Scatec project equity IRR build up

- Average equity IRRs for projects under construction, backlog and mature pipeline projects

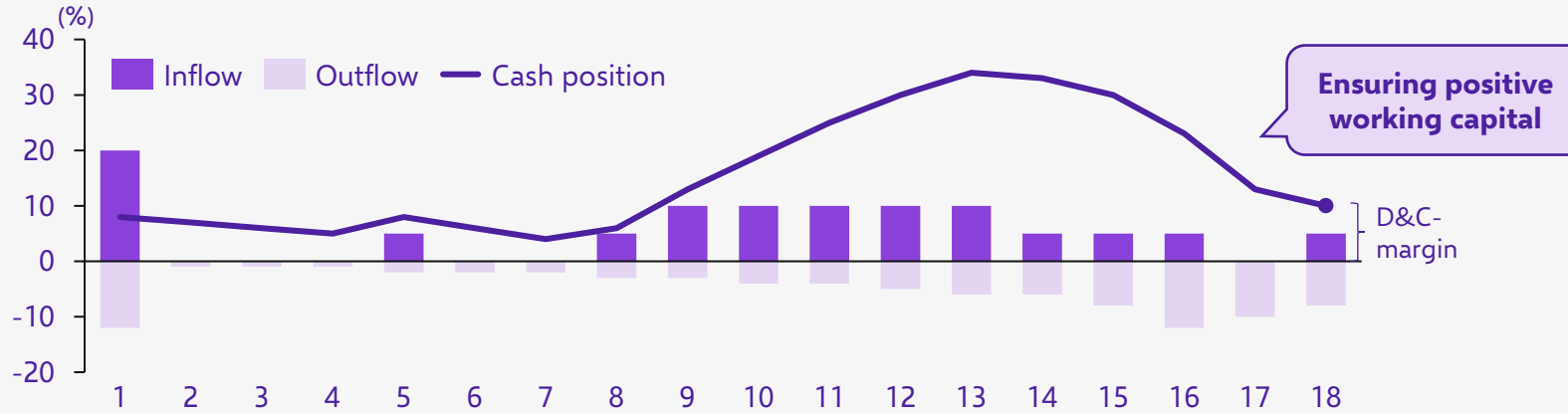


- **Strict value creation criteria** drives all investment decisions
- **Maximising returns** through an integrated approach
- Average IRR from operations of **~15%** and integrated IRR of **~30%** incl. construction margins
- **Returns locked in** before construction start

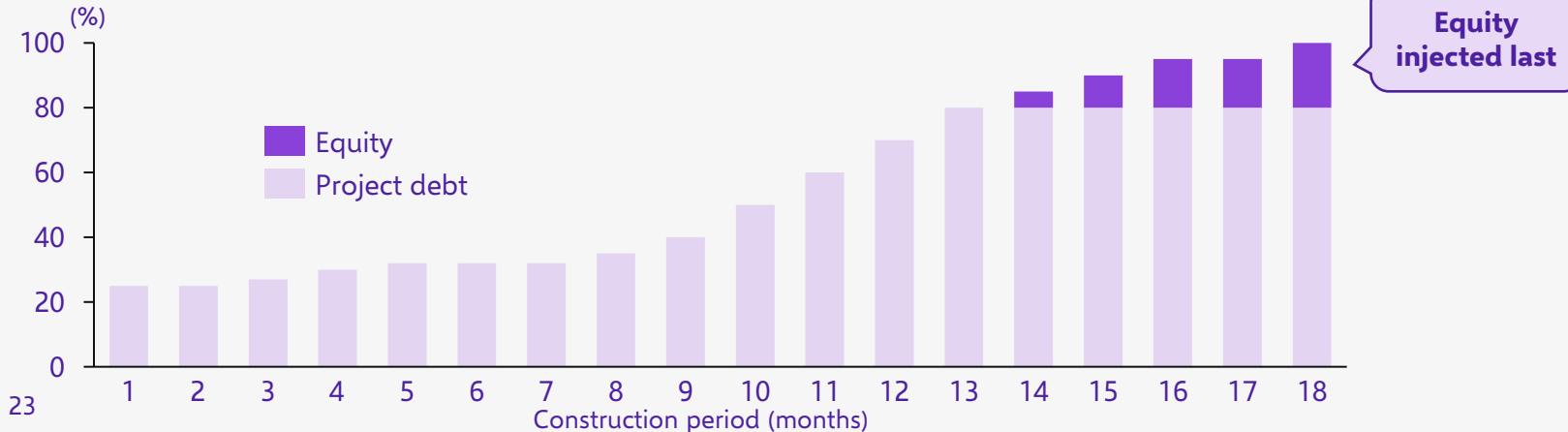


Optimization of working capital during construction

Illustrative Scatec EPC cash flows during construction (%)



Illustrative equity last financing structure* (% accumulated)



*Based on 80% leverage on a 100% ownership basis

EPC-working capital

- **Upfront inflows** based on milestone payments
- **Back-ended outflows** achieved through supplier credits and trade finance
- **D&C margins** accumulated during the construction period

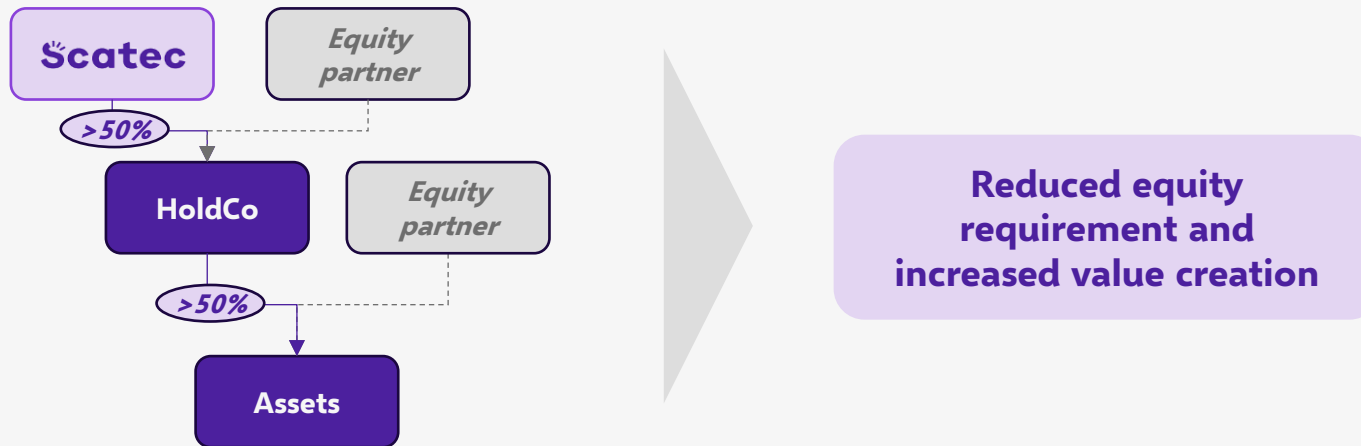
Equity last financing structure

- Equity injected last to optimize cash flows and project returns



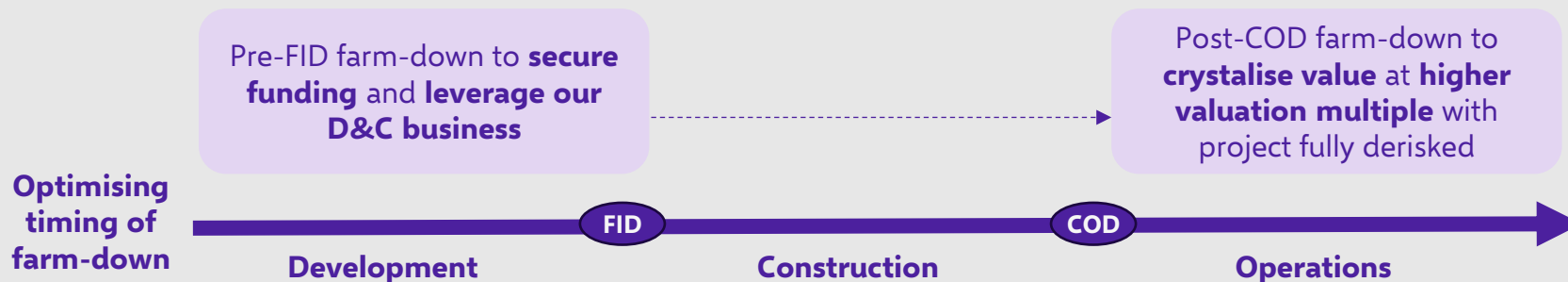
Capturing more value through capital efficiency

Illustrative ownership platform – farm-down to 26% while retaining control



Key rationale

- **Value creation** through **increased D&C margins** per equity invested
- Further **IRR uplift** through optimal timing of farm-down
- **Reduced funding requirement** supporting self-funded growth plan
- **Retained control** over construction and operations
- **Egypt projects most relevant** near-term for ownership platform

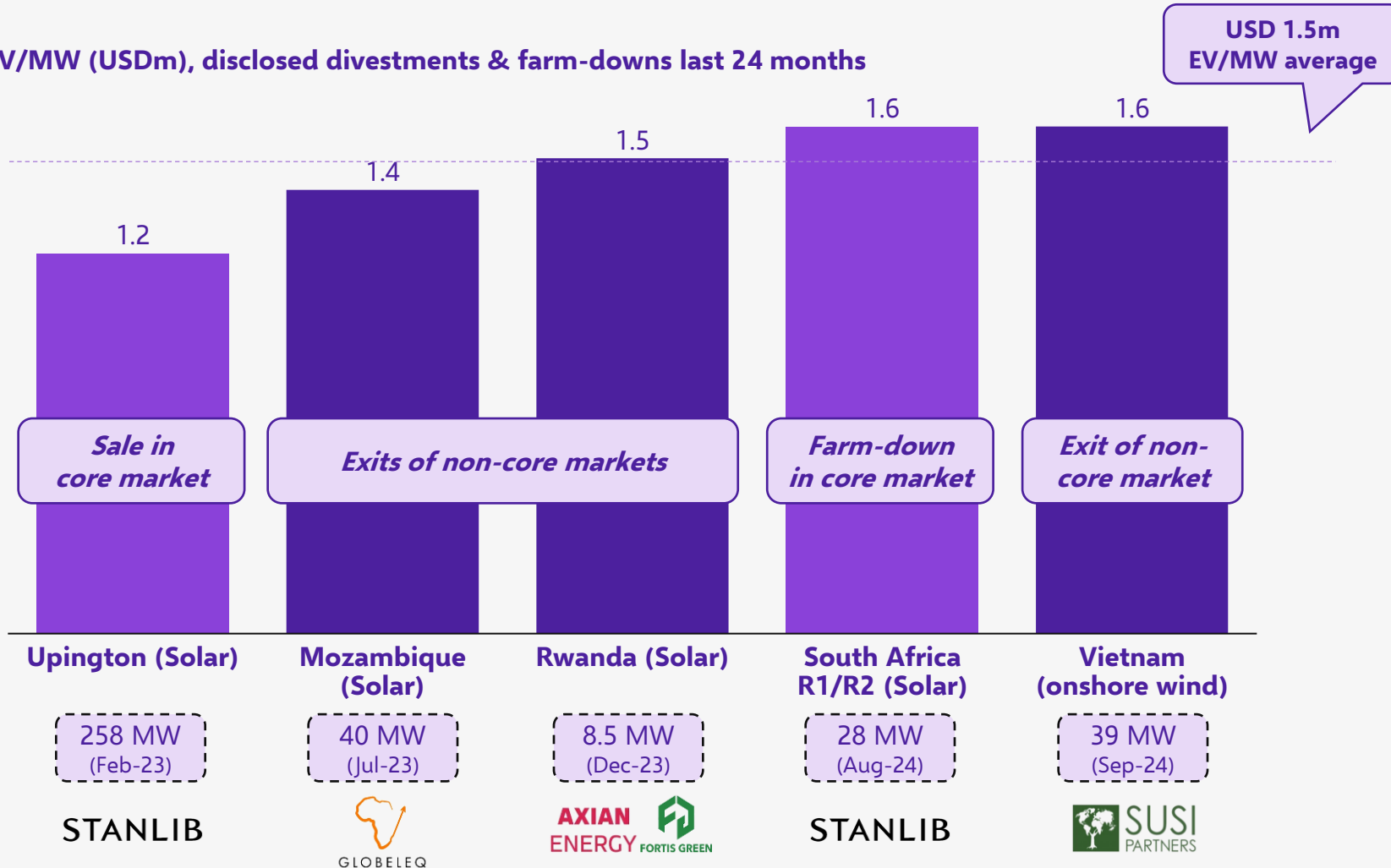


Timing dependent on project size and market conditions



Divesting operating assets to fund strategic initiatives and crystallise value

EV/MW (USDm), disclosed divestments & farm-downs last 24 months



Solid track record

- 6 transactions last 24 months*

Attractive pricing

- USD 1.5 million EV/MW average
- Value accretive price a prerequisite for all transactions

Structured valuation approach

- DCF of estimated future cash-flows with project specific discount rate**

*JV Hydro Africa sale to TotalEnergies in Jul-24 not included in the chart due to non-disclosure of transaction price

**DCF valuation highly dependent on remaining lifetime, PPA tariff, local discount rates etc.



Key takeaways

- Strong quarterly results
- Attractive near-term growth
- Committed to deleverage



Scatec



Overview of change in net debt during the quarter- proportionate

Project and Group level net interest bearing debt

NOK billion	Q2'24	Repayments	New debt	Change in cash	Currency effects and other changes	Q3'24
Project level	-13.6	0.3	-0.7	0.0	-0.1	-14.1
Group level	-8.4	0.1	0.0	0.0	0.3	-8.0
Total	-22.0	0.4	-0.7	0.0	0.2	-22.1

- **Repayments:** Ordinary amortisations of debt on Project and Group level
- **New debt, Project level:** Drawdown of debt related to construction



Our asset portfolio

Plants in operation

	Capacity MW	Economic interest
South Africa	730	45%
Brazil	693	33%
Philippines	673	50%
Laos	525	20%
Egypt	380	51%
Ukraine	336	89%
Uganda	255	28%
Malaysia	244	100%
Pakistan	150	75%
Honduras	95	51%
Jordan	43	62%
Vietnam	39	100%
Czech Republic	20	100%
Release	38	68%
Total	4,221	49%

Under construction

	Capacity MW	Economic Interest
Grootfontein, South Africa	273	51%
Tunisia portfolio	120	51%
Mmadinare, Botswana phase 1	60	100%
Mogobe, South Africa	103	51%
Release	9	68%
Total	565	56%

Project backlog

	Capacity MW	Economic interest
Egypt	1,125	100%
Egypt	260	52%
Brazil	142	100%
Botswana	60	100%
Philippines	40	50%
Philippines	16	50%
Total	1,643	91%

Project pipeline

	Capacity MW	Share in %
Solar	6,231	62%
Wind	2,274	23%
Hydro	144	1%
Green Hydrogen	980	10%
Release	300	3%
Storage	160	2%
Total	10,089	100%