

**Scatec**

Second quarter 2023  
**Strong construction  
progress**

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Alternative performance measures (APM) used in this presentation are described and presented in the second quarter and first half 2023 report for the group.





## Key highlights

- Solid increase in proportionate EBITDA to **NOK 1.4 billion**
- Strong progress on projects under construction while improving **gross margin to 12%**
- Continued progress on our **strategy implementation**





Development & Construction

# Significant progress on construction activities with increased margins

**NOK 4.6bn**  
D&C revenues  
Q2'23

**12%**  
gross EPC margin  
Q2'23

**NOK 1.8bn**  
remaining  
contract value

## Kenhardt, South Africa

540 MW solar + 225MW battery storage



## Mendubim, Brazil

531 MW solar



## Sukkur, Pakistan

150 MW solar

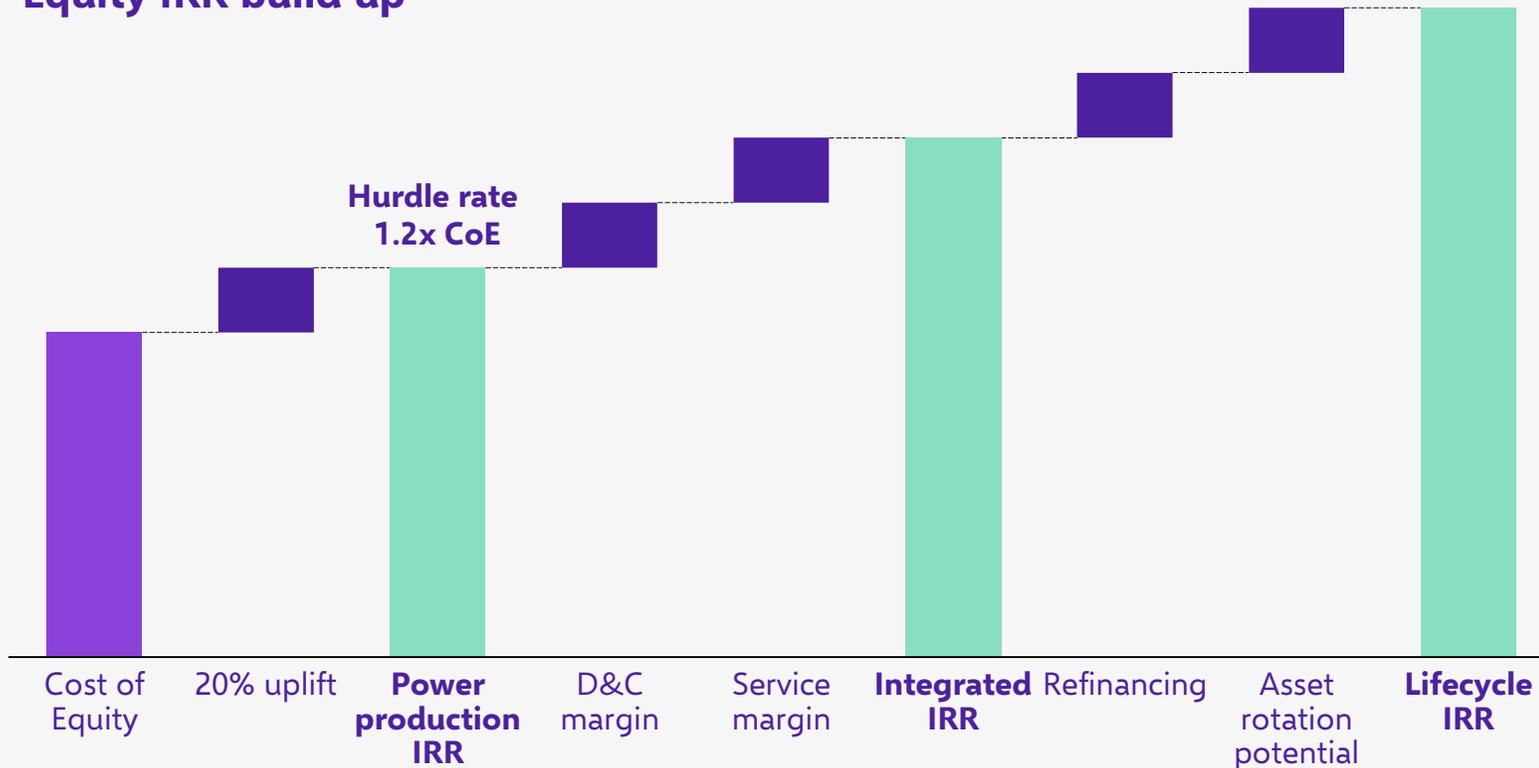




# Solid returns from projects under construction

Fuelled by several revenue streams

## Equity IRR build up



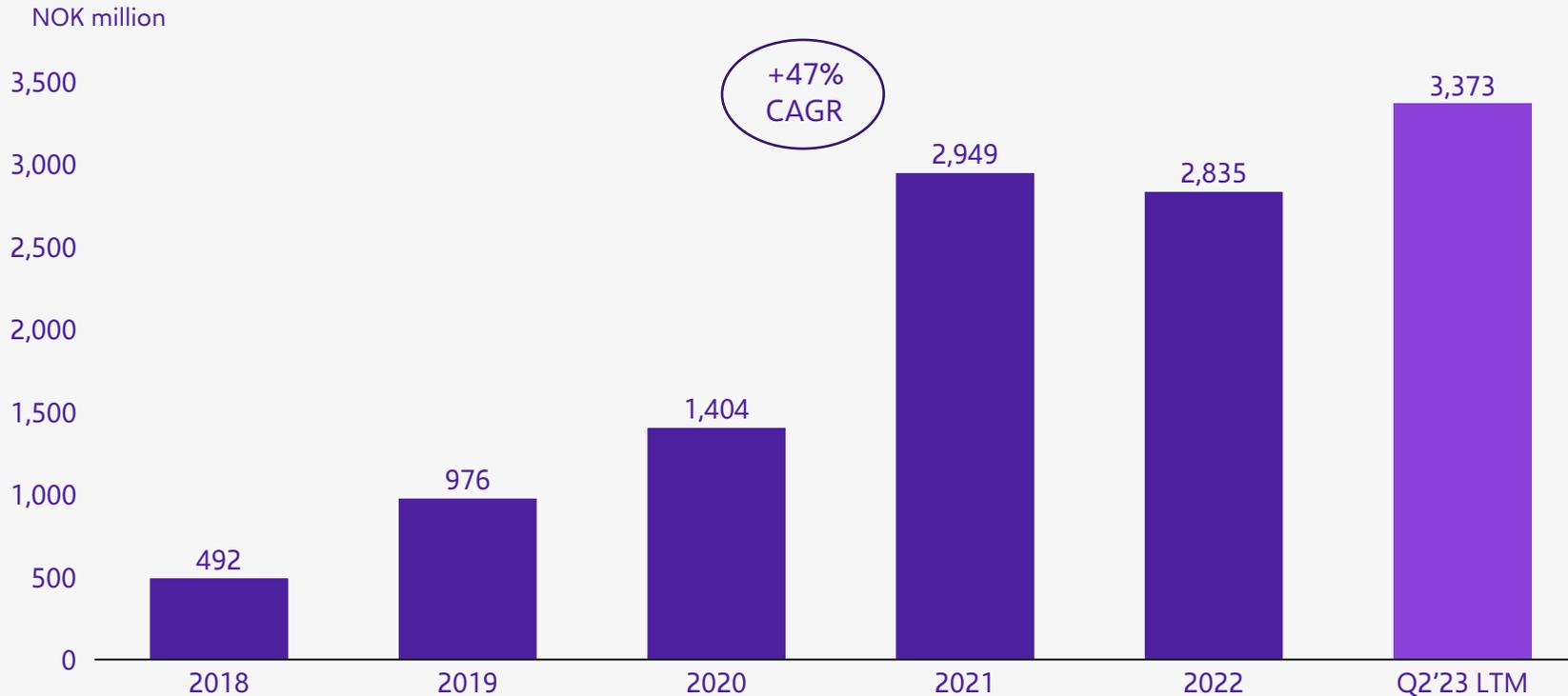
- Project equity IRR of 1.2x CoE from Power Production
- Solid value uplift from D&C and Services margins
- Added value from refinancing and asset rotation



# Strong and predictable cash flow from operating assets

Supported by inflation protection and interest hedges\*

## Proportionate Power Production - EBITDA



Additional EBITDA  
**NOK 750 million**  
from projects under  
construction

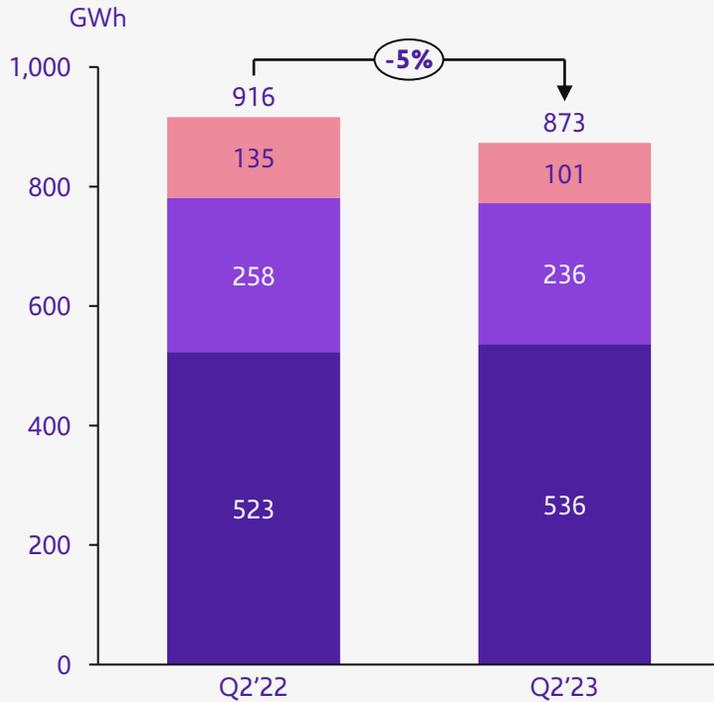
\*80% of project debt with interest hedges and 90% of Power Production EBITDA is either in USD/EUR, have partial or full inflation protection through local CPI adjustments, or is based on sales in the local power market (Philippines).



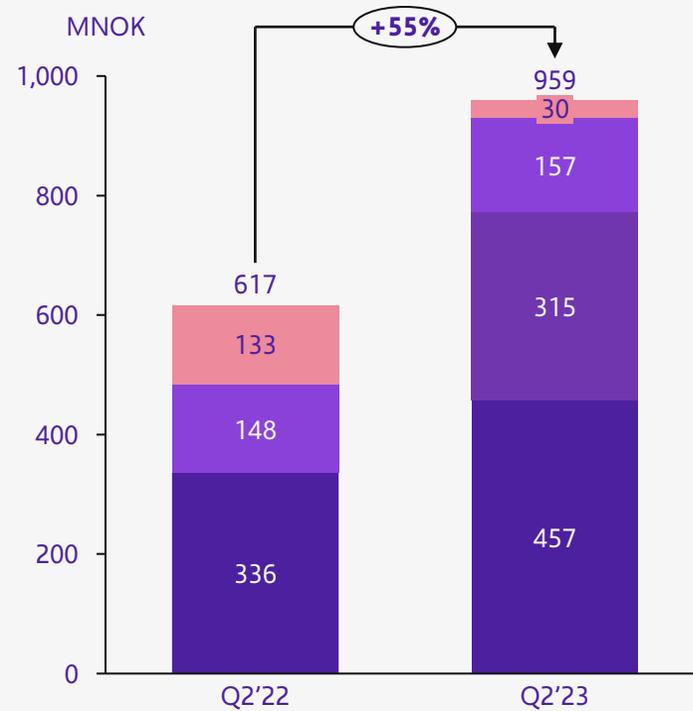
# Power Production

## Strong EBITDA of NOK 959 million

Prop. power production, GWh



Prop. power production EBITDA, NOK million



Hydro, Philippines      Upington sale  
Hydro, Laos and Uganda      Solar & wind

- Total EBITDA increase 55%, underlying growth 4%
- NOK 315 million from Upington sale
- NOK 76 million EBITDA from Ukraine – initiated spot sales
- Lower production and absence of ancillary services in the Philippines



# Delivering on our strategy

Important milestones reached

## Grow renewables

- ✓ Financial close for 273 MW Grootfontein solar projects
- ✓ Signed land agreement for 5 GW wind in Egypt
- ✓ Participating in a BESS tender in South Africa
- ✓ Signing of PPA for 300 MW in India

## Recycling capital

- ✓ Closed the sale of Upington in South Africa (NOK 546m)
- ✓ Agreement to sell Mocuba in Mozambique (NOK 85m)

## Cost efficiency

- ✓ Majority of cost efficiency programme finalised
  - NOK 150 million cost reduction target

## Release launched

- ✓ Raising NOK 1 billion for Release to accelerate growth





## Milestone on Release: Raising NOK 1 billion for growth Re-deployable solar PV and battery lease solution

**Deliver on strategy:** scale and launch independent Release platform

**Strong operating platform:** Positive EBITDA contribution from assets in operation and under construction

**Solid partner:** Climate Fund Managers acquires 32% for USD 55m and provides USD 47m in additional funding

**Strong growth potential:** attractive potential within mining and Africa's utilities market





# Financial review

Hans Jakob Hegge, CFO

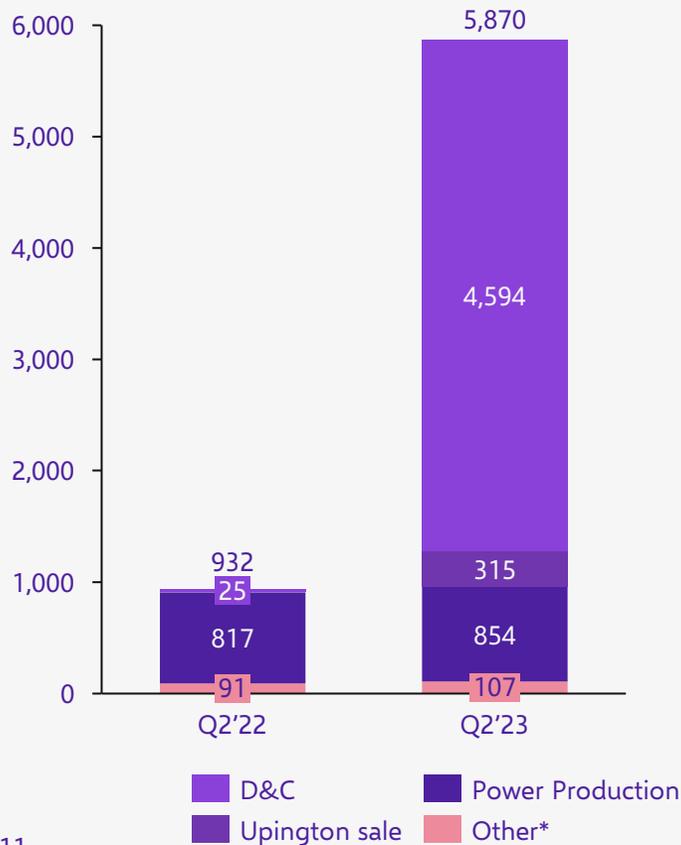
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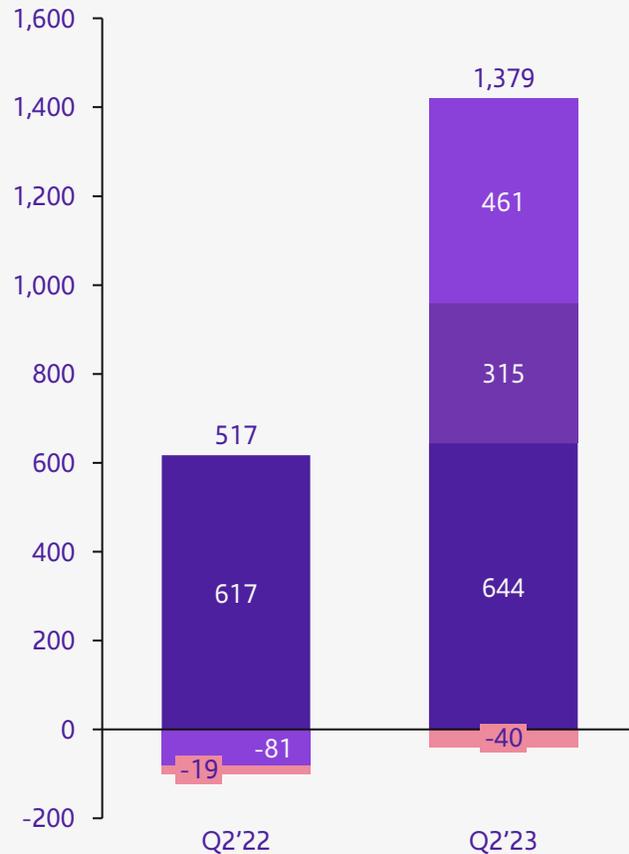
# Proportionate financials

## Significant revenues growth from core segments

Proportionate revenues, NOK million



Proportionate EBITDA, NOK million



### 12% gross margin from projects under construction

- D&C revenues of NOK 4.6 billion
- EBITDA of NOK 461 million (+542)

### 43% revenues increase y-o-y from power production

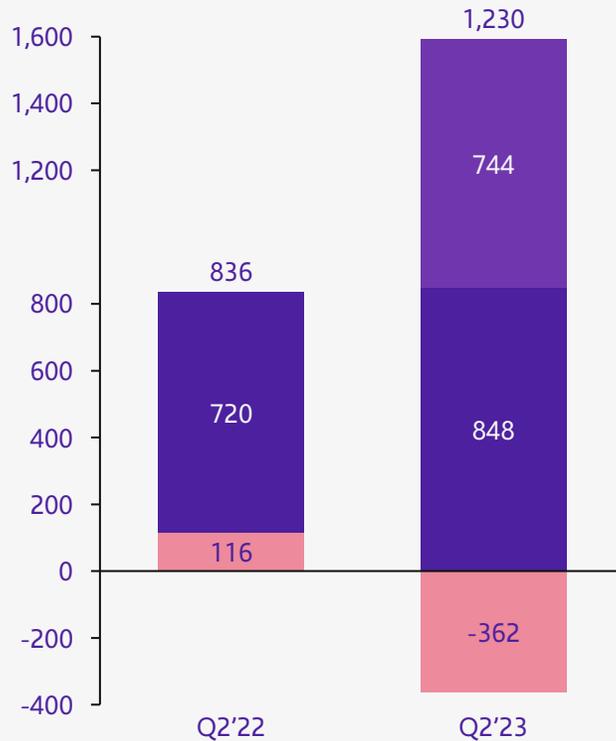
- Absolute Power Production EBITDA +55% to NOK 959 million
- Solid contributions from Ukraine and the sale of Upington



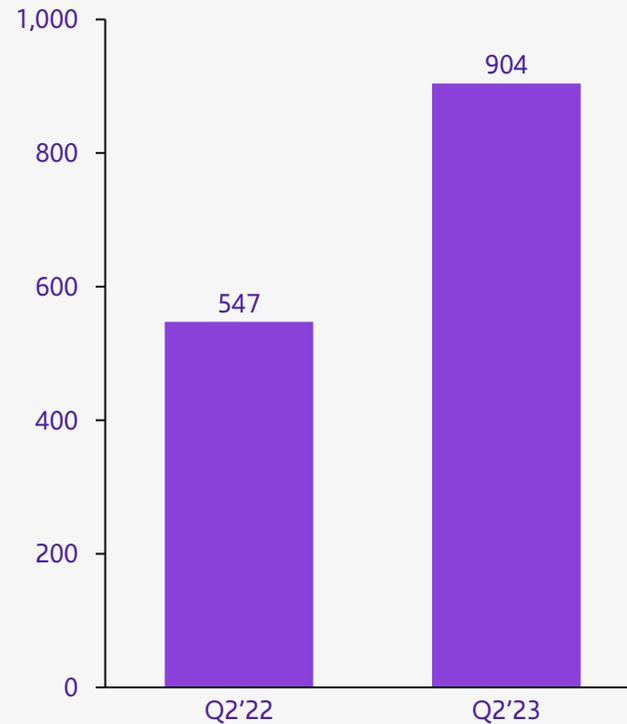
## Consolidated financials

# Total EBITDA of NOK 904 million

Consolidated revenues, NOK million



Consolidated EBITDA, NOK million

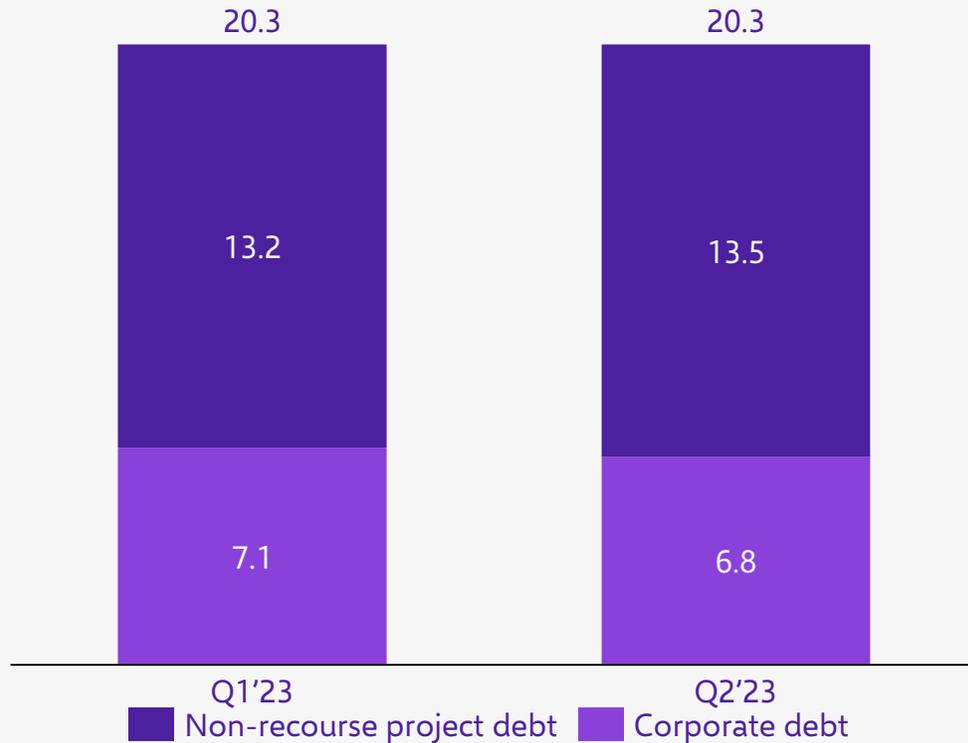


- 848 million from power sales (+18%)
- 744 million gain from sale of Upington
- 350 million impairment in Argentina



## Proportionate Net debt unchanged in the quarter

### Proportionate net interest-bearing debt NOK billion

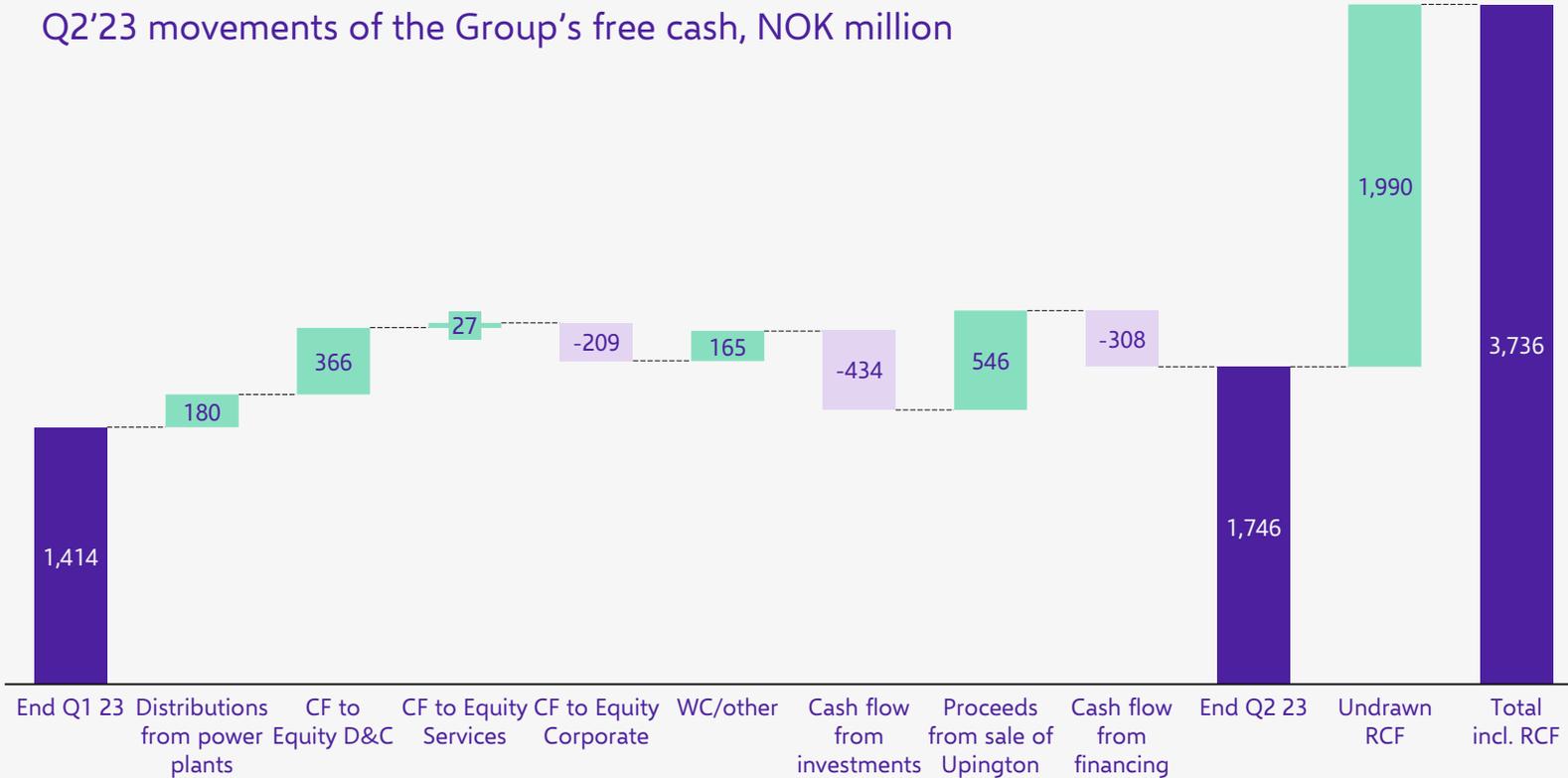


- New debt for construction projects 1.6 billion
- Net project debt reduced 0.9 billion due to Upington
- Repaid project debt 0.5 billion



# Solid liquidity position of NOK 3.7 billion

Q2'23 movements of the Group's free cash, NOK million



**NOK 3.7 billion**  
total liquidity

**NOK 180 million**  
distributed from power plants

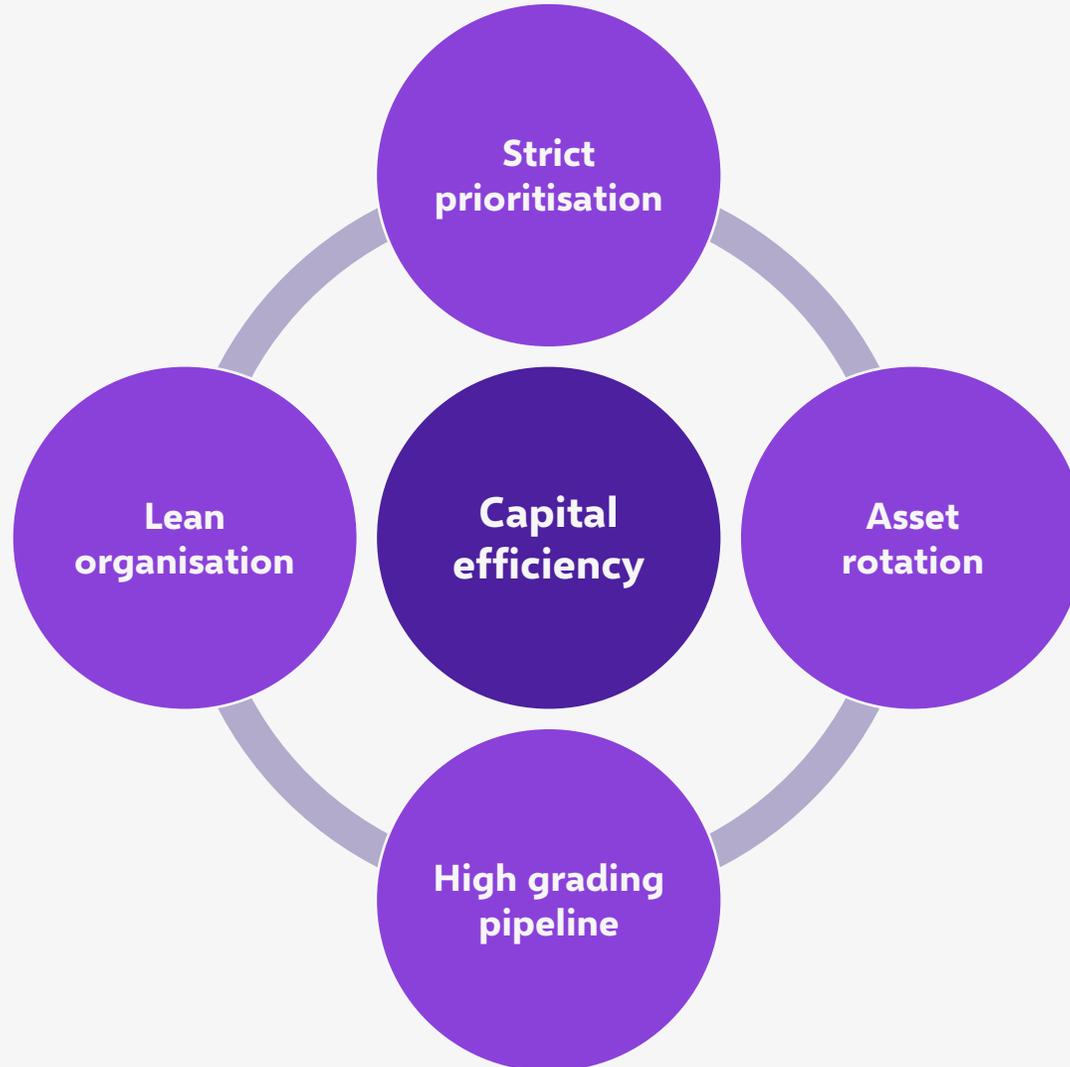
**NOK 434 million**  
invested in growth

**NOK 546 million**  
Net proceeds from Upington sale



# Reiterating our NOK 10 billion equity target

Efficiency and capital discipline remains a priority



- ✓ **Closed sale of Upington**
- ✓ **Initiated sale of Mozambique solar power plant**
- ✓ **Implemented the efficiency programme**



# Outlook

## Power Production EBITDA

- FY'23 estimate increased by NOK 250 million to 3.1-3.4 billion
- Q3'23 Philippines estimate of NOK 180-240 million
- Proportionate power production reduced by 100 GWh to 3,400-3,800 GWh

## Development & Construction

- Remaining contract value of NOK 1.8 billion
- Estimated gross margin of 10-12 %

## Services EBITDA

- FY'23 estimate increased by NOK 15 million to 95-105 million

## Corporate EBITDA

- FY'23 estimate reduced by NOK 15 million to -155 million to -165 million





## Summing up

- Strong operational performance
- Speedy construction with margins increased
- Solid progress on strategy implementation



The logo for Scatec features the word "Scatec" in a bold, purple, sans-serif font. The letter "S" is stylized with three short, upward-pointing lines above it, resembling a hand or a signal. Below "Scatec" is the tagline "improving our future" in a smaller, lowercase, purple, sans-serif font. The entire logo is centered on a white background, with a large, semi-circular graphic on the right side that transitions from a light pink at the top to a dark purple at the bottom.

**Scatec**  
improving our future



## Overview of change in proportionate net debt during the quarter

### Project and Group level net interest bearing debt

NOK billion	Q1'23	Repayments	New debt	NIBD related to disposal of assets	Change in cash	Currency effects	Q2'23
Project level	-13.2	0.5	-1.6	0.9	-0.1	0.0	-13.5
Group level*	-7.1	-	-	-	0.4	-0.1	-6.8
<b>Total</b>	<b>-20.3</b>	<b>0.5</b>	<b>-1.6</b>	<b>0.9</b>	<b>0.3</b>	<b>-0.1</b>	<b>-20.3</b>

- **Repayments:** Ordinary project debt repayments
- **New debt:** NOK 1.3 billion for RMIPPP and NOK 0.3 billion for Mendubim
- **NIBD related to disposal of assets:** Net interest-bearing debt related to the Uppington solar plants disposed in the quarter
- **Currency effects:** Weakening of NOK against main functional currencies



# Our asset portfolio

## Plants in operation

	Capacity MW	Economic interest
Theun Hinboun, Laos	525	20%
Magat, Philippines	388	50%
Benban, Egypt	380	51%
Bujagali, Uganda	255	28%
Quantum Solar Park, Malaysia	197	100%
Apodi, Brazil	162	44%
Project I, Ukraine	148	100%
Binga, Philippines	140	50%
Guanizuil IIA, Argentina	117	50%
Ambuklao, Philippines	112.5	50%
Kalkbult, South Africa	75	45%
Dreunberg, South Africa	75	45%
Agua Fria, Honduras	60	40%
Project II, Ukraine	55	100%
Project III, Ukraine	54	100%
Project IV, Ukraine	47	51%
Redsol, Malaysia	47	100%
Jordan, Jordan	43	62%
Linde, South Africa	40	45%
Mocuba, Mozambique	40	53%
Dam Nai, Vietnam	39	100%
Los Prados, Honduras	35	70%
Project V, Ukraine	32	61%
Czech, Czech Republic	20	100%
Maris Hydro, Philippines	9	50%
Release	20	100%
Asyv, Rwanda	9	54%
<b>Total</b>	<b>3,124</b>	<b>52%</b>

## Under construction

	Capacity MW	Economic interest
Kenhardt, South Africa	540	51%
Mendubim, Brazil	531	33%
Sukkur, Pakistan	150	75%
Release	26	100%
Philippines	24	50%
<b>Total</b>	<b>1,271</b>	<b>47%</b>

## Project backlog

	Capacity MW	Economic interest
Tunisia	360	51%
South Africa	273	51%
Egypt	260	52%
Botswana	60	100%
<b>Total</b>	<b>953</b>	<b>54%</b>

## Project pipeline

	Capacity MW	Share in %
Solar	4,150	34%
Wind	5,383	44%
Hydro	1,158	10%
Green Hydrogen	1,181	10%
Release	300	2%
<b>Total</b>	<b>12,172</b>	<b>100%</b>