

Scatec

Capital Markets Update

23 March 2021



Scatec

Building a global leader in renewables

Raymond Carlsen, CEO





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The following presentation contains unaudited pro forma financial information which has been prepared solely for illustrative purposes to show how the acquisition of SN Power might have affected the financials of the group if the acquisition had occurred at an earlier date. All pro forma financials in this presentation are unaudited.

Alternative performance measures (APM) used in this presentation are described and presented in the fourth quarter report of the group for 2020.





Building a global leader in renewables

- Realising **15 GW** by end of 2025
- Proven **business model**
- Team with a **growth track record**
- **Solid cash flow** to fund growth
- **ESG** at the center



The world can be powered by renewables in 2050

60%

increase in global
electricity demand

75%

demand covered by
renewables

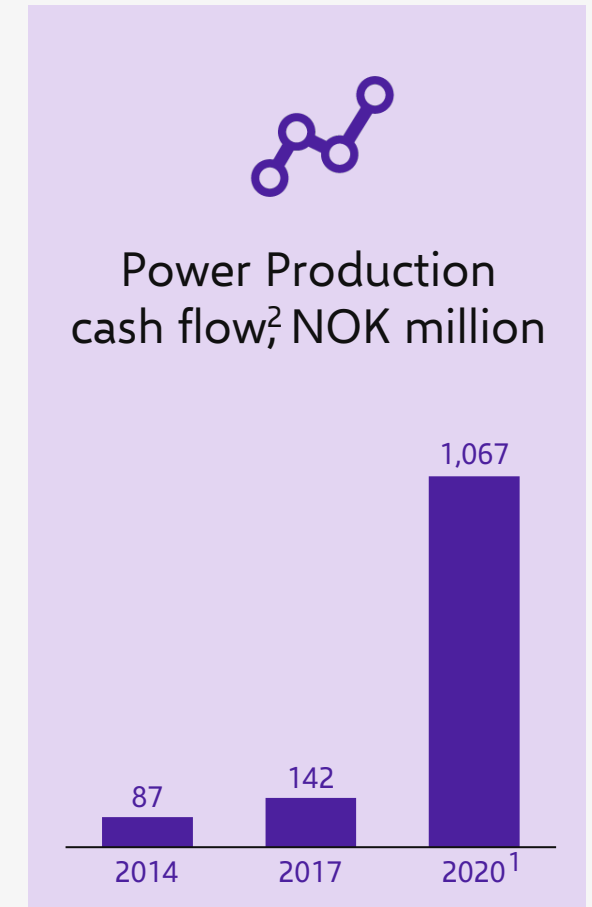
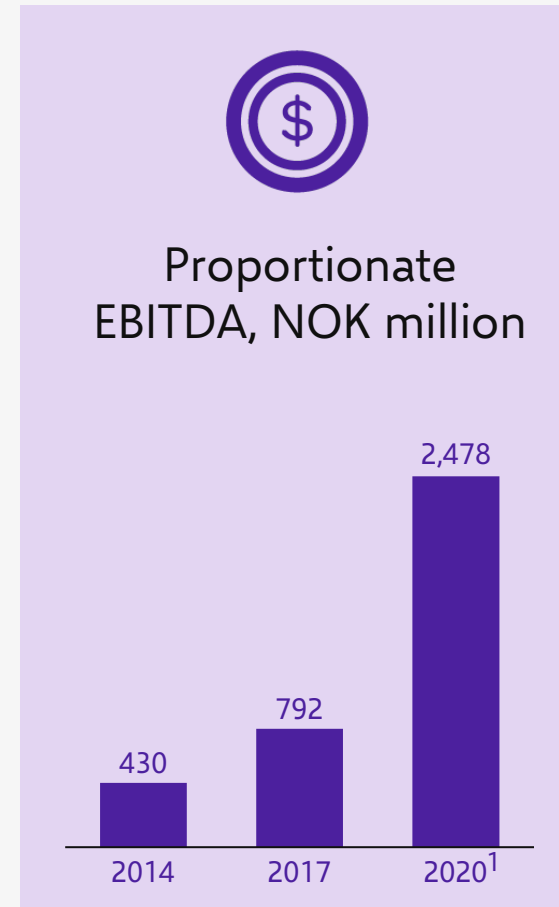
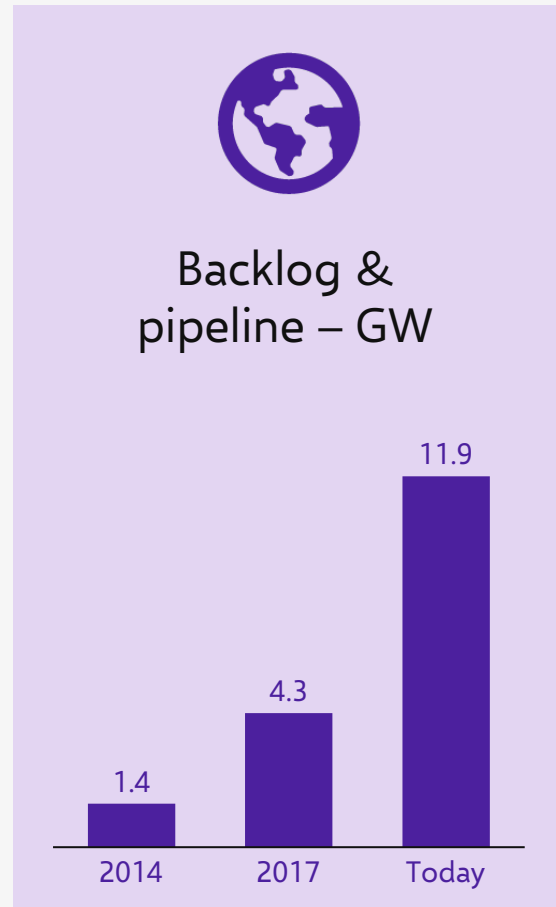
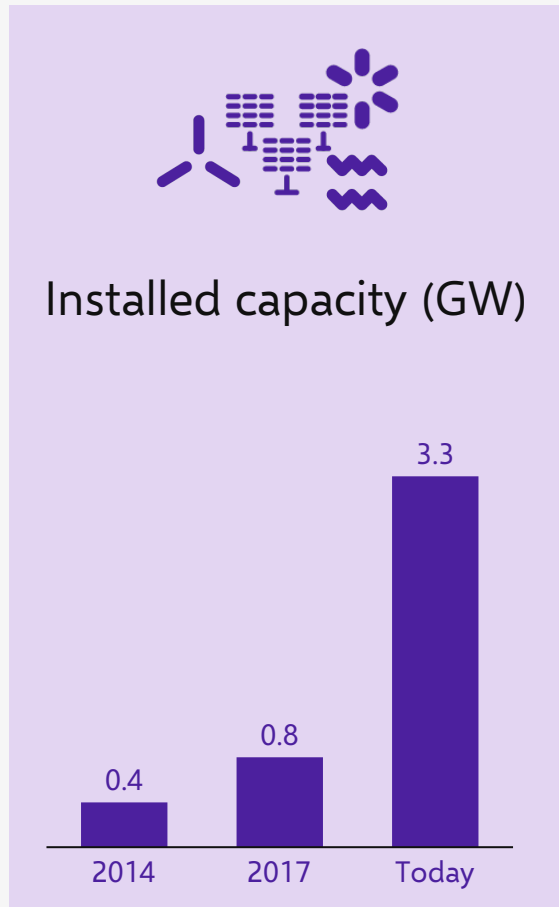
Fossil from **64%**
to **20%** market
share

Solar, wind, hydro
& storage share of
energy mix from
36% to **73%**

USD 500 billion
Annual renewables
investments



Scatec has grown significantly since the IPO in 2014 - invested NOK 34 billion³



6 1) 2020 EBITDA and cash flow pro forma including SN Power
2) Cash flow to Equity form Power Production
3) In total, including SN Power



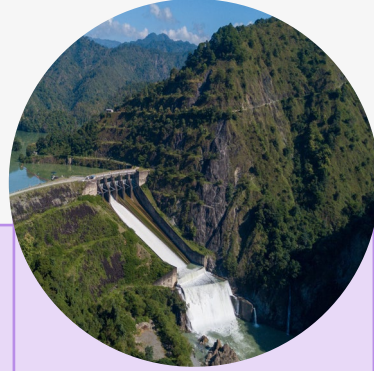
Key achievements since our 2019 Capital Markets Update



Broadened growth strategy
- building a **global leader in renewables**



Global footprint expanded to 35 countries
Backlog and pipeline **increased to 11.9 GW**



Acquired leading hydropower player SN Power
- added significant cash flow and assets



Grid connected **446 MW** new capacity in four countries

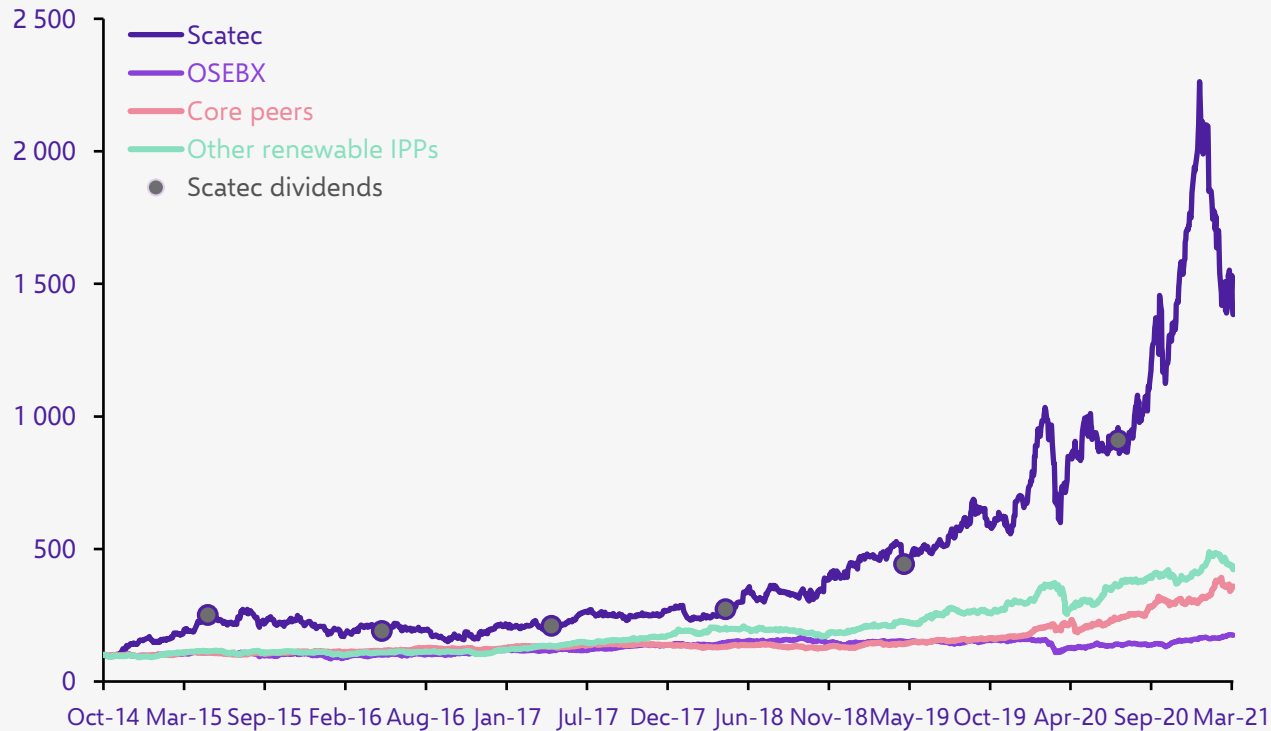


Strong ESG performance
- top ratings from leading ESG agencies

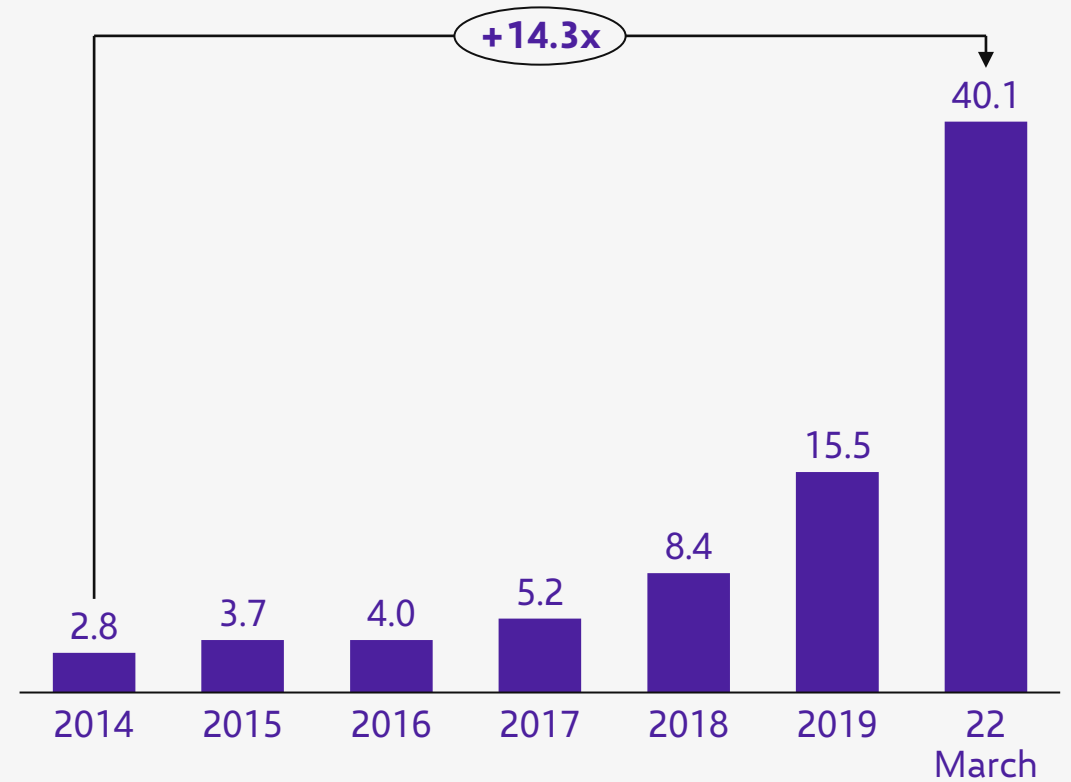


Strong shareholder value creation

Share price development since IPO (NOK)



Market cap growth since IPO (BNOK)



Source: Factset as of March 19, 2021

Note: Rebased to 100; Dividends reinvested on paydate; Core peers includes Northland Power, Neoen and Voltalia; Other renewable IPPs includes Falck Renewables, ERG, Albioma and Boralex.



A broad and growing asset portfolio

Scatec in brief




Develop, build, own and operate renewable energy



3.3 GW in operation and under construction




More than 500 employees in 24 countries

Latin America
257 MW 



Europe & Central Asia
153 MW 



Africa & Middle East
1,175 MW  



Rest of Asia
1,449 MW   



 1,574 MW

 1,422 MW

 39 MW



We continue to lead and are broadening our growth strategy



Build a global leader
across solar, hydro,
wind and storage



Focus on new and existing
high growth markets
and a **broader offering**



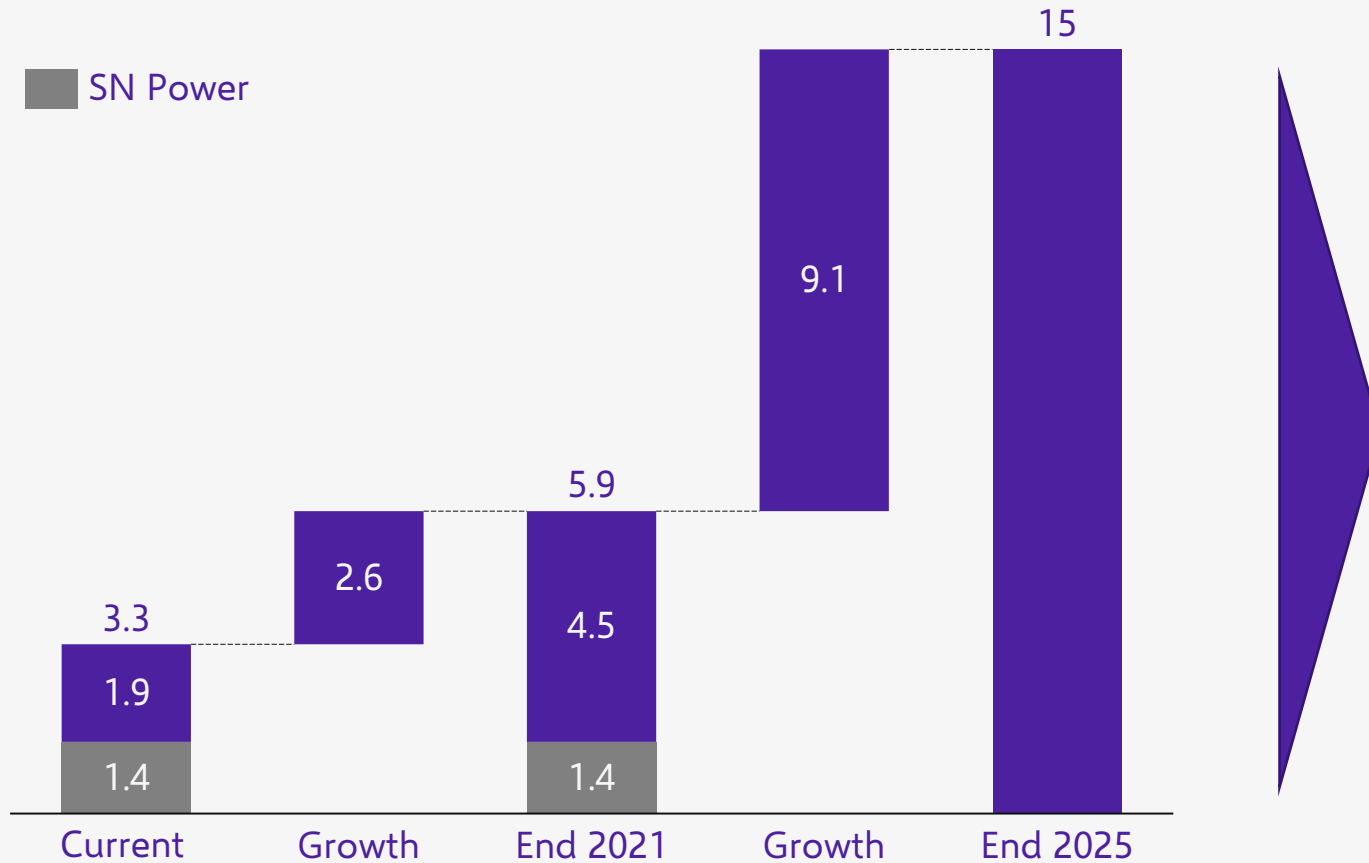
Continue to **adapt our**
business model to a
changing market





4.5 GW by end 2021 and 15 GW by end 2025

GW – In operation and under construction – 100% basis



2021

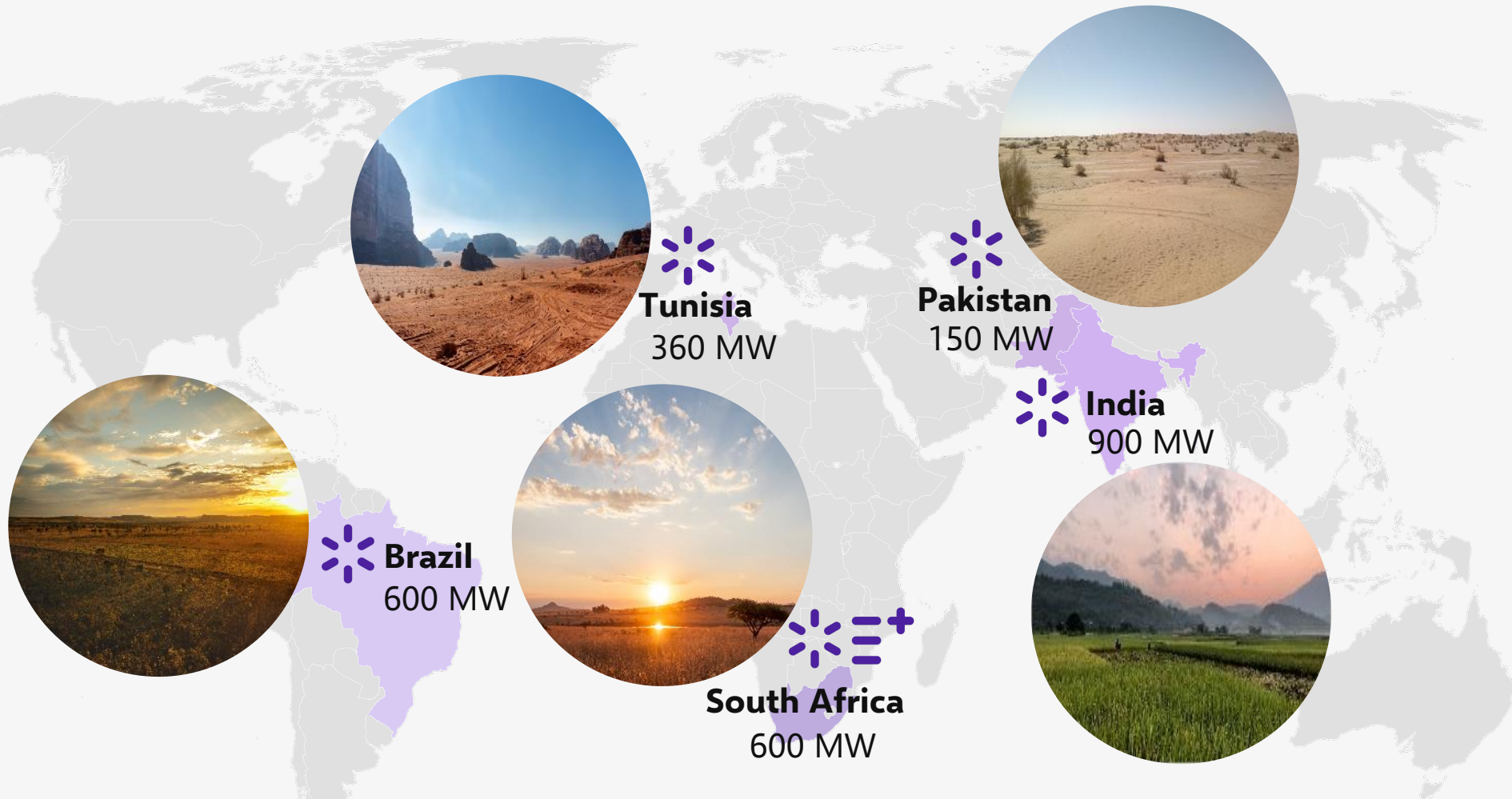
Delivery of large solar projects in India, Brazil, Tunisia, South Africa & Pakistan

2025

Continued growth in pipeline and conversion of projects across key regions and technologies



















2.6 GW in 2021 to be delivered from five large projects





A proven business model across renewables

- Scatec role in wind and hydro expected to be similar to solar

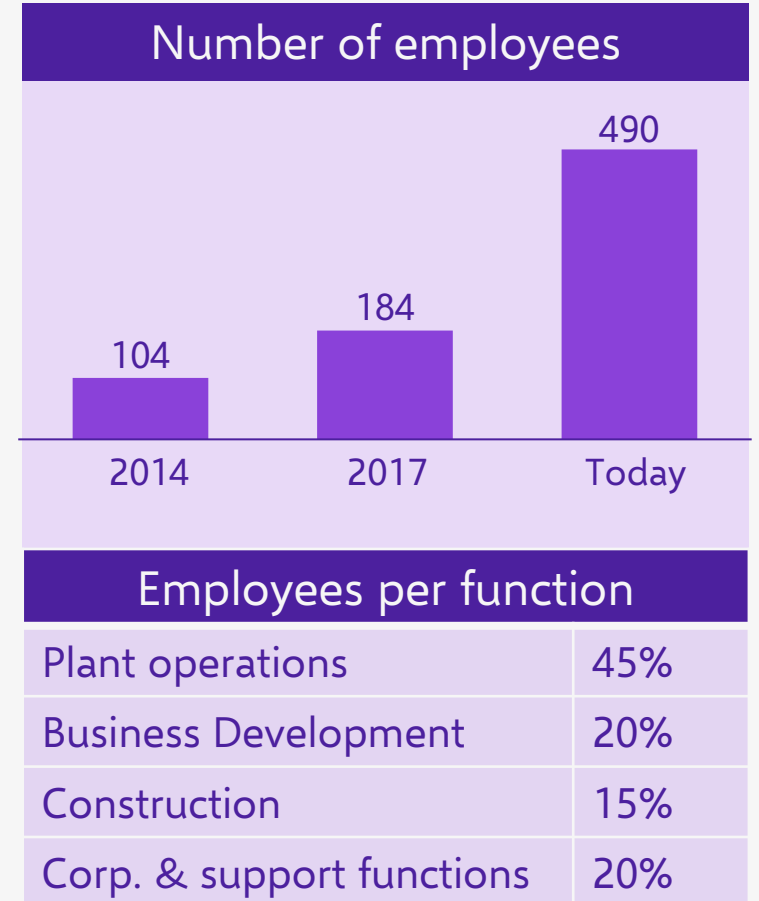
	Develop	Build	Own	Operate
Scatec's role	Lead developer	Engineering, procurement and construction management	Scatec target equity of 50-60%	Scatec to provide O&M and Asset Mng. services
Solar				
Wind				
Hydro				
Hybrid systems				

Scatec role may vary across solar, hydro and wind projects. D&C revenues on average expected to represent 55%-65% % of capex



An agile organisation with a track record of delivering growth

- Experienced global team – developed and built >6 GW across technologies
- M&A capabilities
- Strong result-driven and value-based culture
- Matrix organisation with focus on enterprise leadership





A leading position in ESG

- Experience from navigating complex markets
- Identifies ESG project risks early with dedicated teams on the ground
- A net positive carbon footprint – and set targets for reductions in direct emissions
- Comprehensive ESG reporting and close monitoring of regulations (e.g. EU Taxonomy)



Rating summary: Low risk
#1 of 450 – Utilities
#1 of 48 – Renewable power producers



Rating: A- (excellent)
Status: Prime
Prime threshold: C+



Rating: AAA (top rating)
Highest scoring range
relative to global peers



Rating: A
Carbon Disclosure Project
Top score



Staying selective when investing - Operating cash flow funding growth

- Power Production: **Return on Equity: 12-16%**
- Development & Construction gross margin: **10-12%***
- 15 GW representing **NOK 100 billion** of capex
- Scatec equity investments of **NOK 15-20 billion**
- Liquidity available & operating cash flow until 2025: **NOK 14-16 billion****

(*) D&C revenues expected to average 50-70% of project capex

(**) Cash flow to Equity across all segments net of shareholder dividends

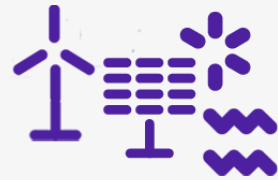




A NOK 100 billion business plan towards 2025 - Building on our key strengths



**15 GW
capacity* by
end of 2025**



Renewables in high
growth markets



A proven business
model



Agile organisation with
a growth track record



Financial discipline
and solid cash flow



Leading in ESG



Strong partnerships

(*) In operation or under construction..

Scatec

A robust financial platform

Mikkel Tørud, CFO





A robust financial platform

- Solid operating cash flow
- Excellent access to funding
- Prudent risk management
- Focus on capital discipline



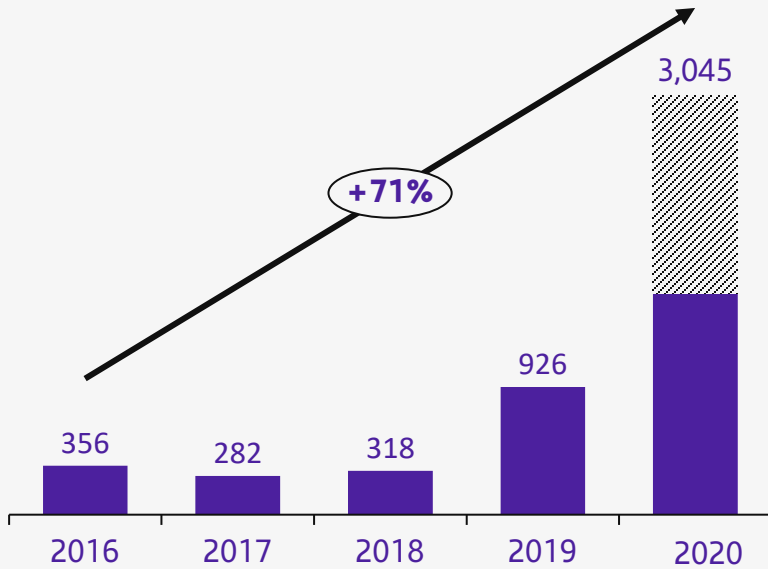


Strong growth in power production

Proportionate production, revenues and EBITDA

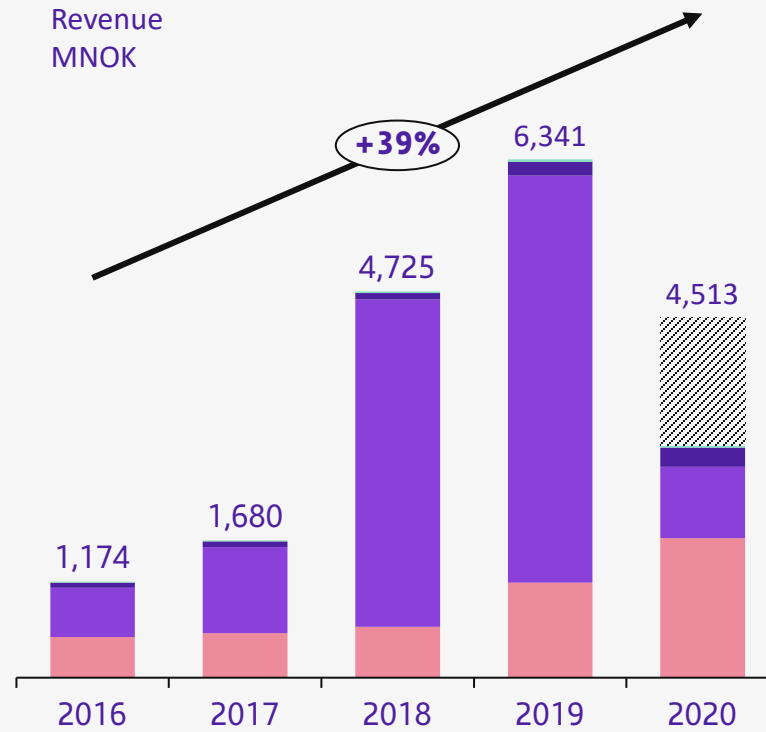
■ Power Production ▨ SN Power

Production
GWh

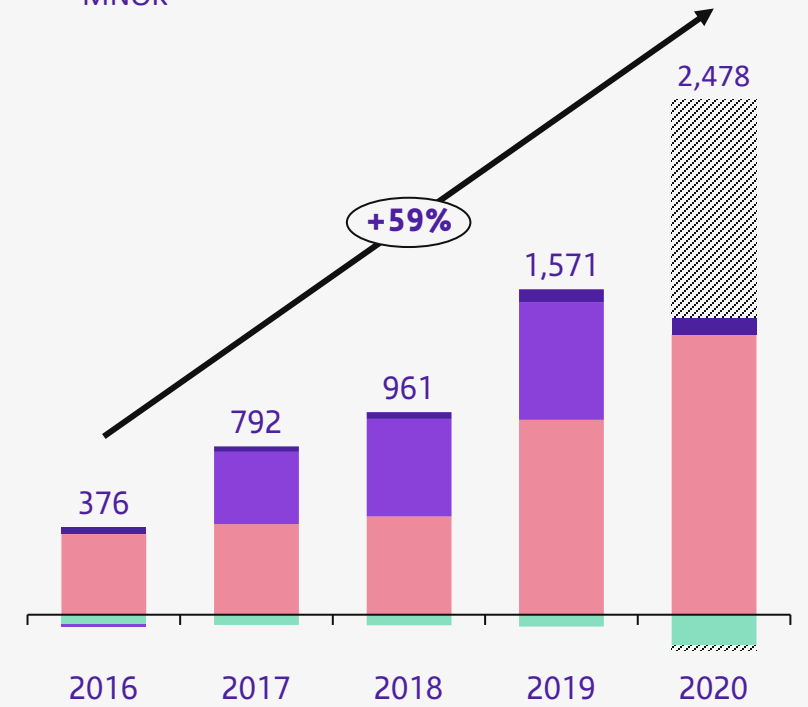


■ Power Production ■ Development & Construction ■ Services ■ Corporate ▨ SN Power

Revenue
MNOK



EBITDA
MNOK



21 Compound annual growth rates



2020 EBITDA almost doubled with new hydro assets

2020 pro forma proportionate financials

NOK million

Revenues	Solar	Hydro	Total
Power Production	1,708	1,648	3,356
Development & Construction (D&C)	873	-	873
Services	232	11	243
Corporate	33	7	40
Total	2,844	1,667	4,512
EBITDA			
Power Production	1,404	1,302	2,706
Development & Construction	-28	-84	-112
Services	82	6	88
Corporate	-153	-50	-203
Total	1,306	1,173	2,478

Pro forma 2020 explained

- Hydro production revenues impacted by low hydrology and Covid-19
- Growth in solar production and reduced construction activities
- D&C opex of NOK 221 million – 85% on development of project pipeline
- Corporate includes NOK 102 million of SN Power transaction cost
- Solar & Hydro financials to be reported combined going forward
- Country P&L break down of Power Production to be provided



A well diversified and high quality asset portfolio

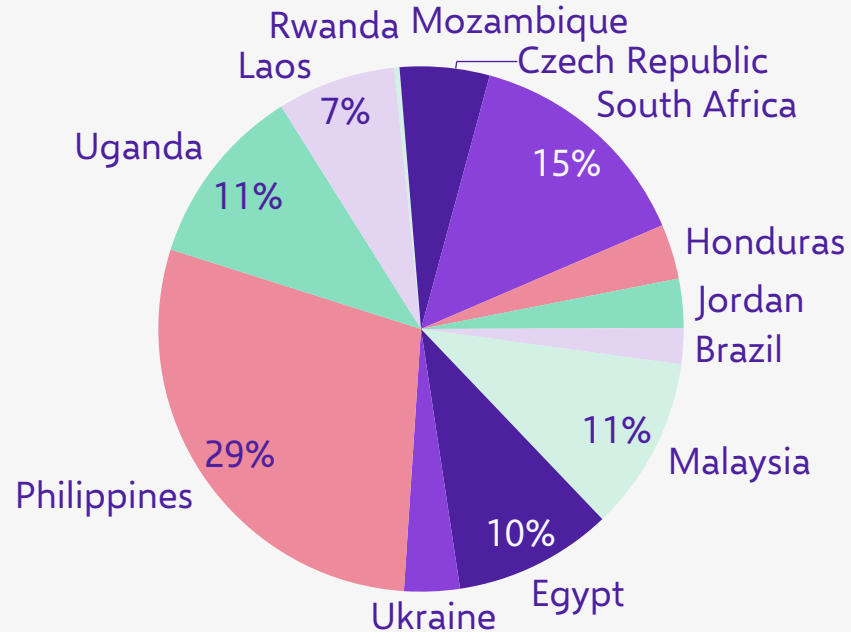
2020 Pro forma Power Production:

EBITDA:
NOK 2,706 million

Cash flow to Equity
NOK 1,067 million

**Remaining contract
duration***
18+ yrs

2020 EBITDA distribution:



(*) Perpetual concession for the hydro assets on the Philippines.



Dividends will grow with increased cash flow

- The Group's objective is to pay shareholders consistent and growing cash dividends
- From 2021, Scatec will adjust its dividend policy to pay out a minimum of **25 %** of the cash distributions received from the power plants
- Cash distributions is typically received by Scatec 6-12 months after cash being generated in the power plants



Group funding: A solid financial position

Year End 2020: Pro forma proportionate net debt post closing of SN Power acquisition

NOK billion	Project level	Group level	Total
Cash	1.7	2.9	4.6
Debt	12.1	7.2	19.2
Net debt	10.4	4.3	14.7

Green financing

- Scatec Green Finance Framework
- Dark Green shading from CICERO
- EUR 250 mill Green bond issued in Q1'21
- Undrawn USD 180 million Green RCF



(*) Post SNP transaction – Group level cash + USD 180 million Revolving Credit Facility (RCF).

Available liquidity*

NOK 4.4 billion

2020 Cash flow to equity /
Group level net debt:

20%

Group debt
all in interest rate

2.5%



Strong partnership with project-equity and debt providers

Raised project level financing of NOK 20 billion

- Experienced project equity partners - often DFIs
- Non-recourse project level debt of 60-80%
- Quality projects with good ESG profile in high demand

Opportunistic re-financing

- Highly dependent on project structure and market
- Hydro assets in the Philippines refinanced and released **NOK 408 million** to Scatec in Q1 2021
- Refinancing continues to be explored across portfolio



European Bank
for Reconstruction and Development



Entrepreneurial
Development
Bank



BNP PARIBAS



Share of funding from multilateral
development banks

~50%



Careful structuring of projects to manage risks

Project structuring

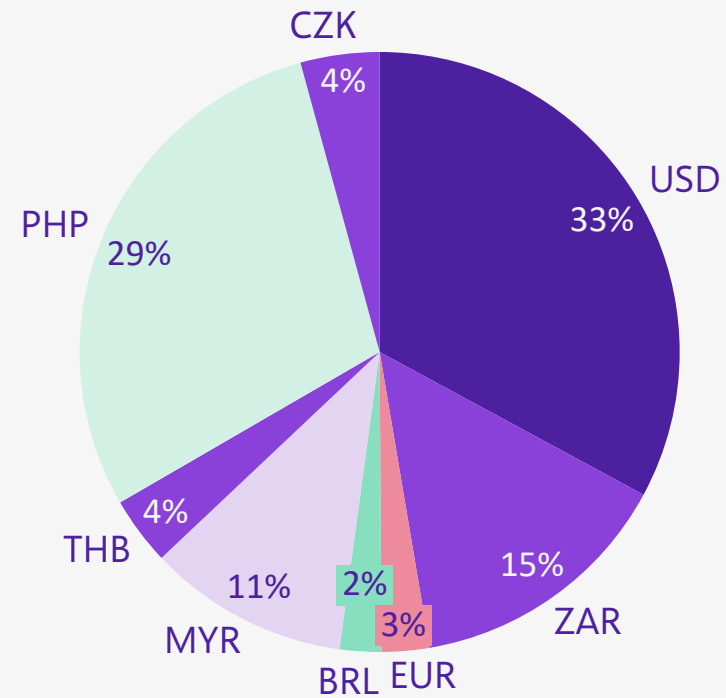
Project level debt
currency matching cash flows

Long debt tenors:
12.2 years avg. remaining

Fixed interest rate:
6.5% average interest rate
86% hedging ratio

MIGA insurance in South
Africa, Egypt, Uganda

2020 Power Production EBITDA





Staying selective when investing

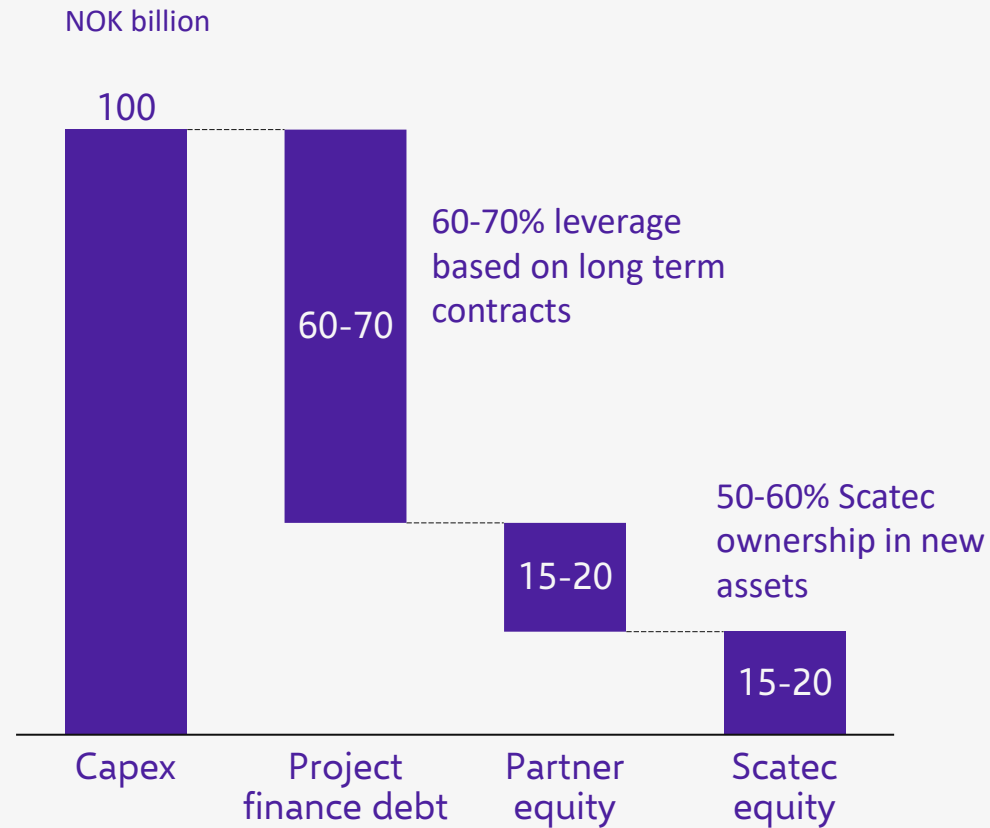
- Focus on capital discipline
- Power Production: **Return on Equity: 12-16%**
 - 30 year cash flows
 - Average across technologies, regions & currencies
- Development & Construction gross margin: **10-12%**
 - D&C revenues expected to average 50-70% of project capex dependent on Scatec's role in the project



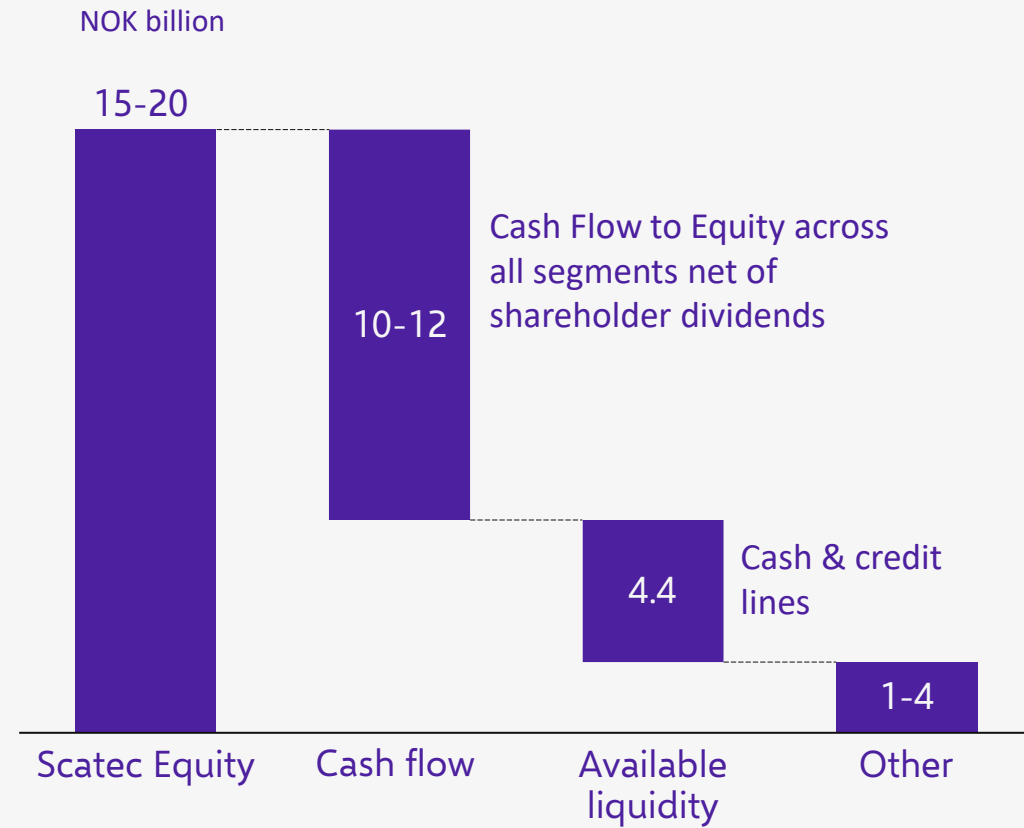


Target of 15 GW by end 2025 representing NOK 100 billion of capex

Capital structure for 12 GW new capacity towards 2025



Scatec Equity funded by cash & operating cash flow





Scatec - 2021 Guidance

Q1 2021 Power Production

Proportionate volume:
800-825 GWh

Proportionate EBITDA:
NOK 660-680 million

FY2021 Power production volume*

Proportionate:
3,500 - 3,700 GWh

Up from 3,045 GWh
in 2020

FY2021 Services

Revenues
NOK 280 million

EBITDA margin:
30-35%

FY2021 Corporate

EBITDA
NOK -110 million

(*) Production from plants in operations.



A robust financial platform supporting growth







2020 Proportionate P&L segment details

2020 pro forma proportionate financials

NOK MILLION	Power Production	Development & Construction	Services	Corporate	Total
Revenues and other income	3,356	873	243.4	40	4,512
Cost of sales	-100	-764	-	-	-864
Gross profit	3,256	109	243	40	3,649
Personnel	-96	-117	-78	-97	-388
Other operating expenses	-453	-104	-77	-146	-780
EBITDA	2,706	-112	88	-203	2,478
D&A	-812	-26	-3	-20	-861
EBIT	1,894	-138	84	-223	1,618
Cash flow to equity	1,067	-78	69	-190	867
Cash flow to Equity % of EBITDA	39 %	70 %	79 %	94 %	35 %

Note: The pro forma figures include financials for SN Power as if the acquisition by Scatec occurred before January 1st 2020



2020 Proportionate - Power Production P&L details

2020 pro forma proportionate financials

NOK million	Power Production					Other	Total
	Philippines	Laos	Uganda	Solar assets			
Power Production - GWh	576	473	394	1,602		n.a.	3,045
Revenues and other income	1,053	242	337	1,703		21	3,356
Cost of sales	-89	-11	0	-		-	-100
Gross profit	964	231	337	1,703		22	3,256
Personnel	-27	-7	-3	-2		-57	-96
Other operating expenses	-115	-16	-15	-253		-54	-453
EBITDA	822	208	319	1,449		-90	2,706
D&A	-126	-58	-60	-564		-3	-812
EBIT	696	149	258	885		-93	1,894
Cash flow to equity	400	59	216	460		-68	1,067
Cash flow to EQ % of EBITDA	49%	28%	68%	32%		n.a.	39%
Net debt end 2020	2,151	306	786	7,141			10,383

Note: The pro forma figures include financials for SN Power as if the acquisition by Scatec occurred before January 1st 2020



2019 Proportionate - Power Production P&L details

2019 pro forma proportionate financials

NOK million	Power Production					Total
	Philippines	Laos	Uganda	Solar assets	Other	
Power Production - GWh	671	454	414	926	n.a.	2,465
Revenues and other income	1,191	217	315	1,162	21	2,906
Cost of sales	-258	-14	-	-	-	-272
Gross profit	933	203	315	1,162	21	2,634
Personnel	-28	-7	-2	-	-48	-86
Other operating expenses	-90	-18	-16	-164	-26	-314
EBITDA	815	178	297	999	-60	2,229
D&A	-116	-55	-50	-376	-36	-633
EBIT	699	123	247	624	-97	1,596
Cash flow to Equity	422	58	166	380	-47	979
Cash flow to Equity % of EBITDA	52%	33%	56%	38%	n.a.	44%

Note: The pro forma figures include financials for SN Power as if the acquisition by Scatec occurred before January 1st 2019



Fairly stable EBITDA generation through the year

2020 pro forma Power Production quarterly results

Power Production (NOK million)	Q1	Q2	Q3	Q4	Total
Solar					
Revenues	391	458	457	402	1,708
EBITDA	331	374	379	320	1,404
Hydro					
Revenues	329	389	419	512	1,648
EBITDA	242	307	340	413	1,302
Total					
Revenues	720	847	876	914	3,356
EBITDA	573	681	719	733	2,706
% of yearly total	21%	25%	27%	27%	100%

Note: Solar & Hydro will be reported jointly in the Power Production segment going forward



2020 Cash flow to Equity details

2020 pro forma proportionate financials

NOK million	Power Production	Development & Construction	Services	Corporate	Total
Revenues	3,356	873	243	40	4,513
EBITDA	2,706	-112	88	-203	2,478
Debt repayments	-731	0	0	0	-731
Interest expenses	-783	1	1	-56	-837
Tax	-126	33	-19	69	-43
Cash flow to equity	1,067	-78	69	-190	867

- Power production – includes debt service of project finance debt
- Corporate – includes debt service of group level debt
- **Quarterly reports** will include P&L, balance sheet items and Cash flow to Equity for assets/countries:
 - The Philippines, South Africa, Laos, Uganda, Egypt, Malaysia, Brazil, Czech Republic, Jordan, other

Note: The pro forma figures include financials for SN Power as if the acquisition by Scatec occurred before January 1st 2020



Our capital structure - details

Pro forma capital structure – Per 31.12.2020 – with SN Power closing adjustment

Scatec

NOK million	Consolidated	Proportionate Project Level	Group level*	Total Proportionate
Cash	7,788	1,065	5,949	7,014
Interest bearing liabilities	-13,011	-8,205	-748	-8,953
Net debt	-5,223	-7,141	5,201	-1,939

SN Power

NOK million	Consolidated	Proportionate Project Level	Group level*	Total Proportionate
Cash	491	614	491	1,105
Interest bearing liabilities	-	-3,856	-	-3,856
Net debt	491	-3,242	491	-2,751

SN Power Acquisition closing

NOK million	Consolidated	Proportionate Project Level	Group level*	Total Proportionate
Acquisition financing debt	-6,415	-	-6,415	-6,415
Cash settlement	-3,558	-	-3,558	-3,558

Combined

NOK million	Consolidated	Proportionate Project Level	Group level*	Total Proportionate
Cash	4,721	1,679	2,882	4,561
Interest bearing liabilities	-19,426	-12,061	-7,163	-19,224
Net debt	-14,704	-10,382	-4,281	-14,663