

**Scatec**

Q4 & FY 2023

# Delivering on strategic milestones

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





## 2023: Delivering on strategy

### Power Production: EBITDA increase



NOK **3.2** billion  
Power Production EBITDA

### Development & Construction: Strong margins



NOK **8.2** billion  
D&C Revenues with 12% gross margin

### Optimise portfolio: Increased funding



NOK **2.7** billion  
of growth funding from transactions

### Growth: Secured projects for 2024



NOK **350** million  
equity investments

NOK **2.5** billion  
secured EPC revenues



# COP28

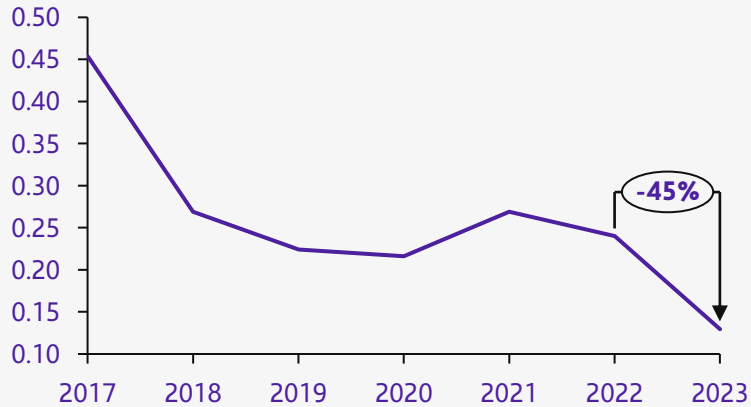
A global pledge to triple renewable energy capacity by 2030



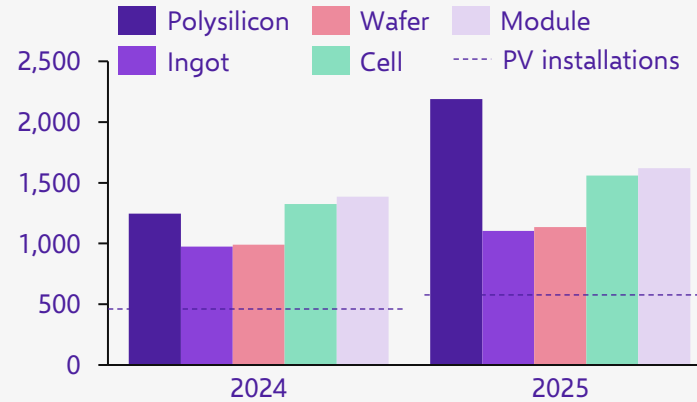


# Price drops pave the way for attractive growth

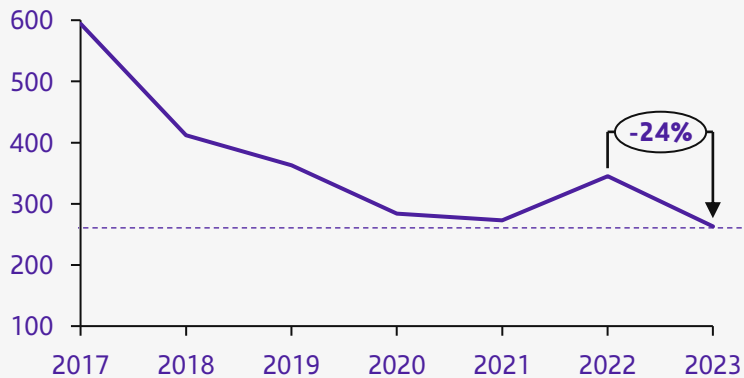
### Solar PV module prices (USD/W)



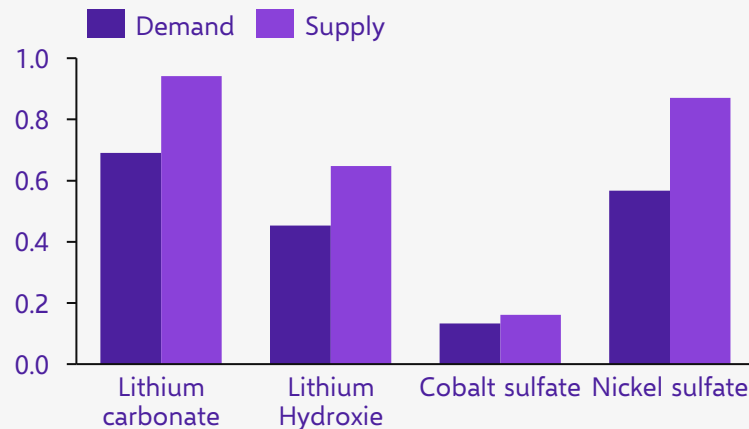
### 2024 & 2025 Est. solar PV market balance (GW)



### Turnkey energy storage system prices<sup>1</sup> (USD/kWh)



### 2024 Exp. battery metals balance (million tonnes)



- Fundamentals for renewables continue to strengthen
  - PV modules -45%
  - Energy storage systems -24%
- Market balance indicating further price pressure
- Forecasted interest rates adding to positive outlook

1) Four-hour duration systems

Sources: BNEF: Bimonthly PV Index November 2023, 2H 2023 Battery Metals Outlook, Energy Storage System Cost Survey 2023, Clean Energy Associates



## Q4 highlights

- Proportionate EBITDA increased to NOK 808 million
- D&C margin of 15%
- Finalised construction of Kenhardt – NOK 40 million EBITDA recognised in Q4
- Initial works started for 273 MW in South Africa and 60 MW in Botswana – EPC revenues of NOK 2.5 billion secured
- Awarded first battery project in South Africa of 103 MW/412 MWh – estimated EPC revenues of NOK 1.4 billion
- Delivering on divestment plan – 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

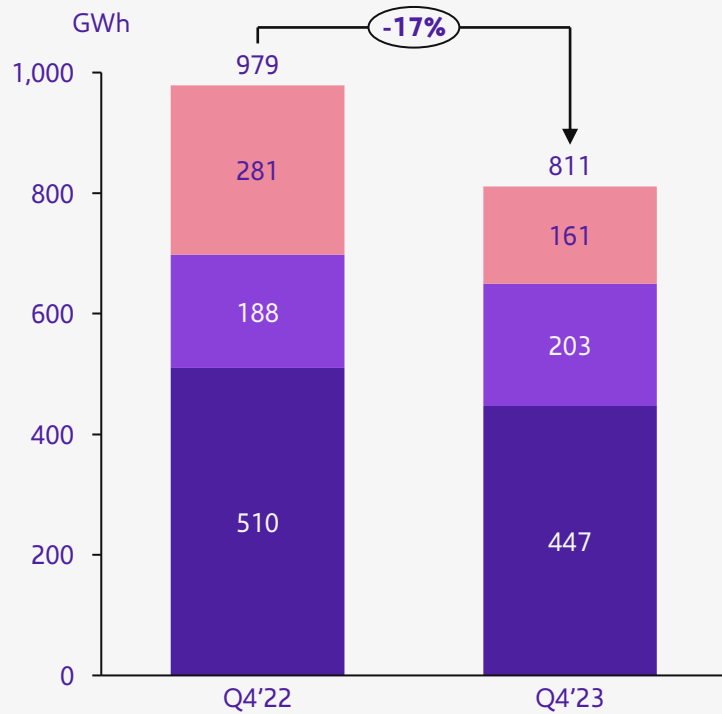




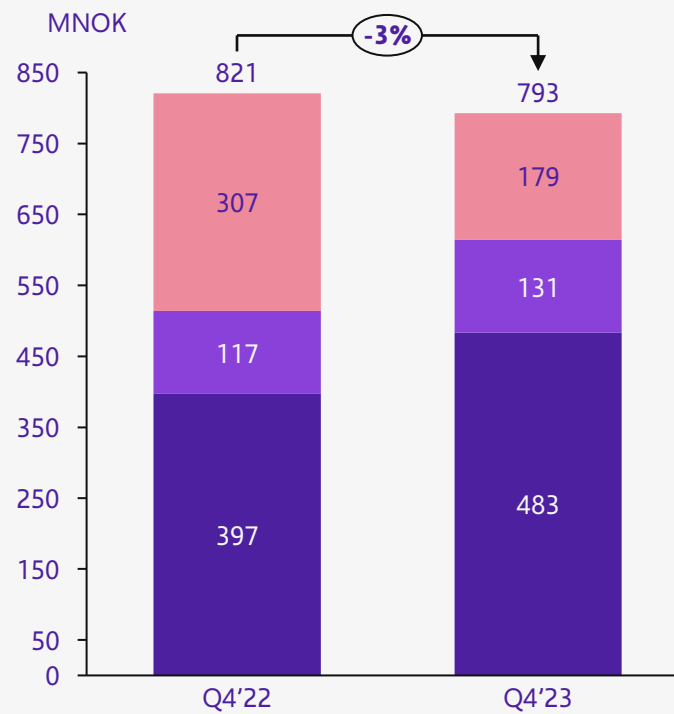
## Power Production

# Solid EBITDA contribution from solar

Prop. power production, GWh



Prop. power production EBITDA, NOK million



Hydro, Philippines Hydro, Laos and Uganda Solar & wind

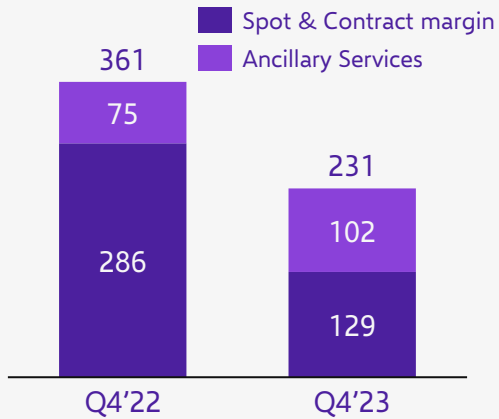
- Close to 100% plant availability
- 22 % EBITDA increase for solar due to Ukraine, Kenhardt and Mozambique
- Lower prices and production in the Philippines due to el Niño



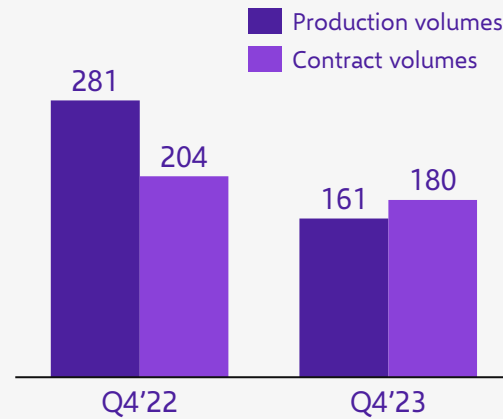
## Philippines - Q4 results impacted by El Nino

# Increased contract volumes, lower prices

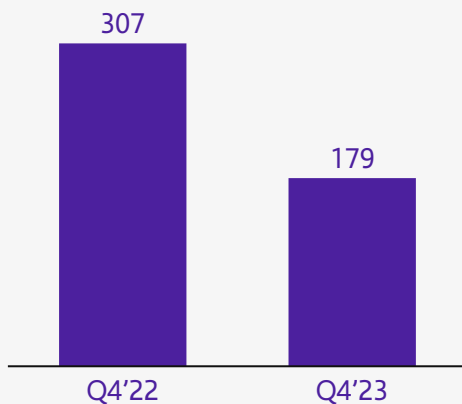
### Net Revenue, NOK million



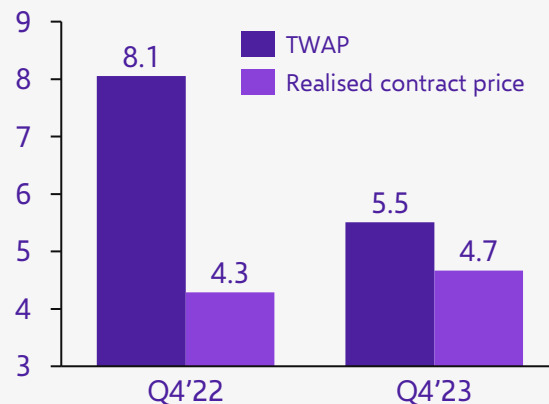
### Power Production, GWh



### EBITDA, NOK million



### Prices, PHP/kWh



- Net revenue of 231 million (361) and EBITDA of NOK 179 million (307)
- Ancillary services revenues increased to NOK 102 million (75)
- Lower production volumes due to el Niño
- Average spot price of 5.5 PHP/kWh down from 8.1 y-o-y





Development & Construction

# Finalising our largest construction programme in history

**NOK 0.5bn**  
D&C revenues  
Q4'23

**15%**  
gross EPC margin  
Q4'23

**NOK 2.5bn<sup>1</sup>**  
Secured  
EPC contract value

## Kenhardt, South Africa

540 MW solar + 225MW battery storage



## Mendubim, Brazil

531 MW solar



## Sukkur, Pakistan

150 MW solar

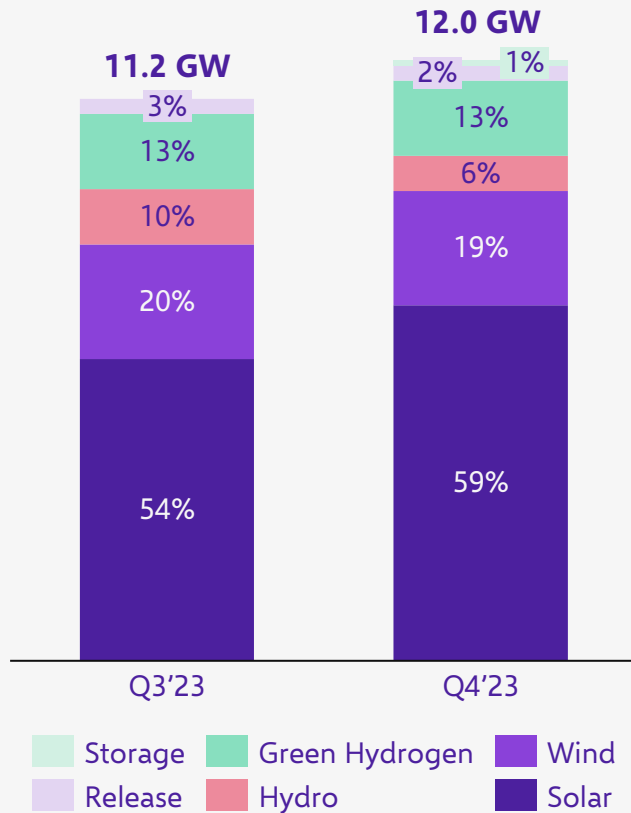


1) Includes NOK 2 billion for the 273 MW Grootfontein in South Africa and NOK 0.5 billion for the first 60 MW of the Mmadinare Solar Complex in Botswana, with construction start in 2024

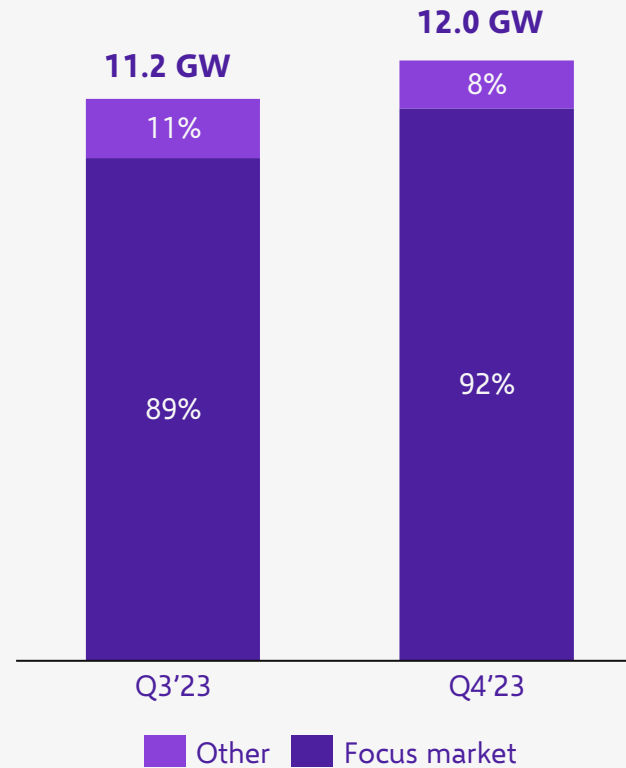


## Backlog & pipeline Increased to 12 GW - adding attractive solar

### Technology distribution



### Share in focus markets



- Continued high-grading of pipeline
  - Technology
  - Location
  - Maturity
  - Value creation
- Increasing solar PV to 59% - attractive projects in core regions
- Increasing core markets to 92%



# Financial review

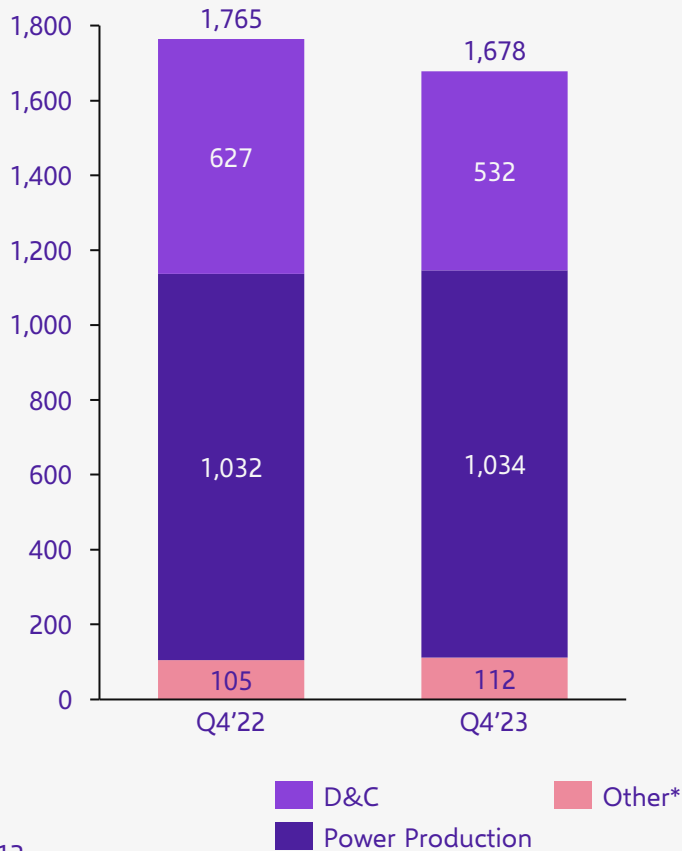
Hans Jakob Hegge, CFO

 **Scatec**

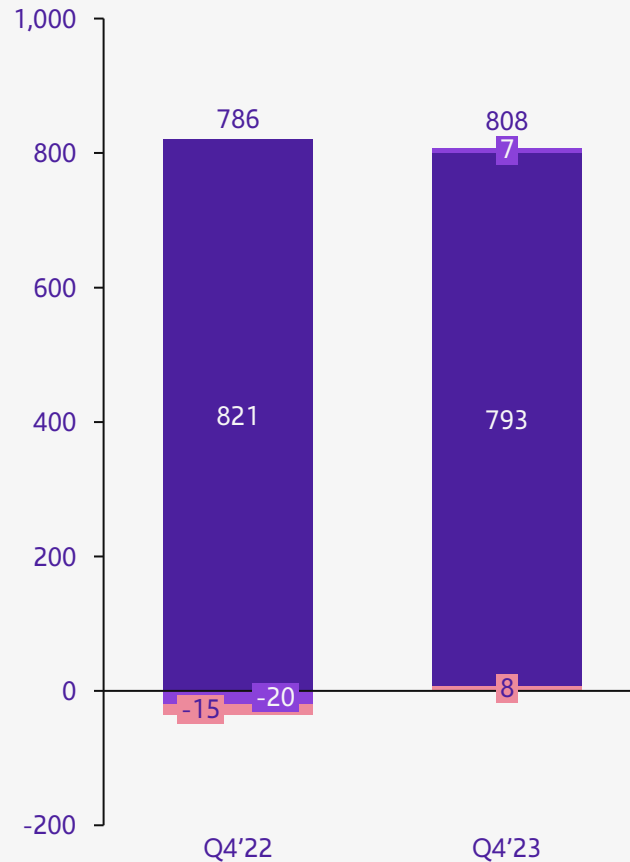


## Q4'23 Proportionate financials NOK 1.7 billion of revenues

Proportionate revenues, NOK million



Proportionate EBITDA, NOK million



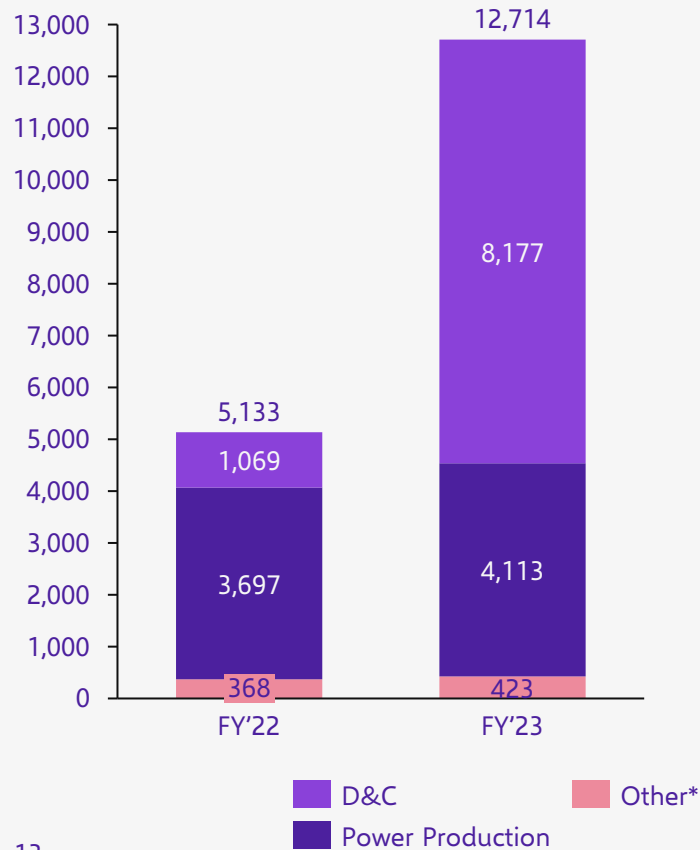
- NOK 1 billion revenues from power production
- NOK 808 million total EBITDA (+3%)
- 15% D&C gross margin



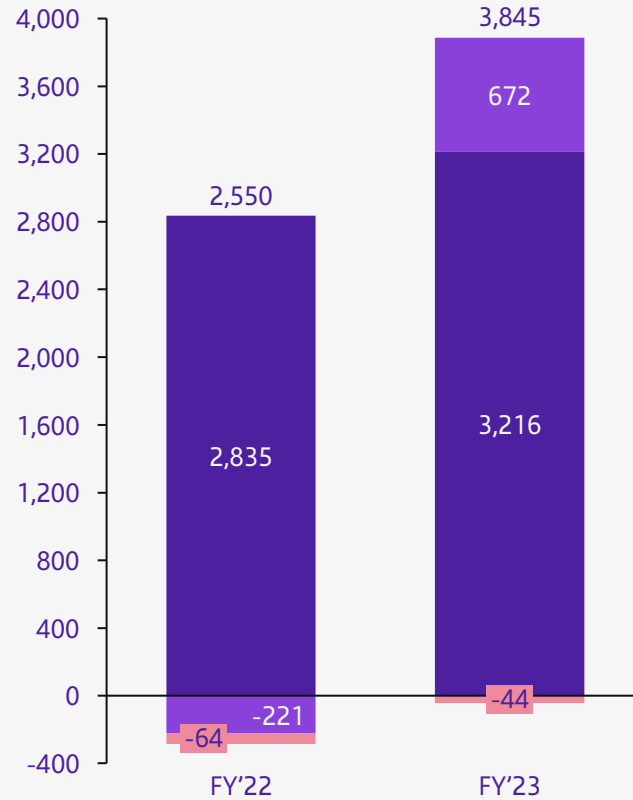
## FY'23 Proportionate financials

# All-time high revenues of 12.7 billion in 2023

Proportionate revenues, NOK million



Proportionate EBITDA, NOK million



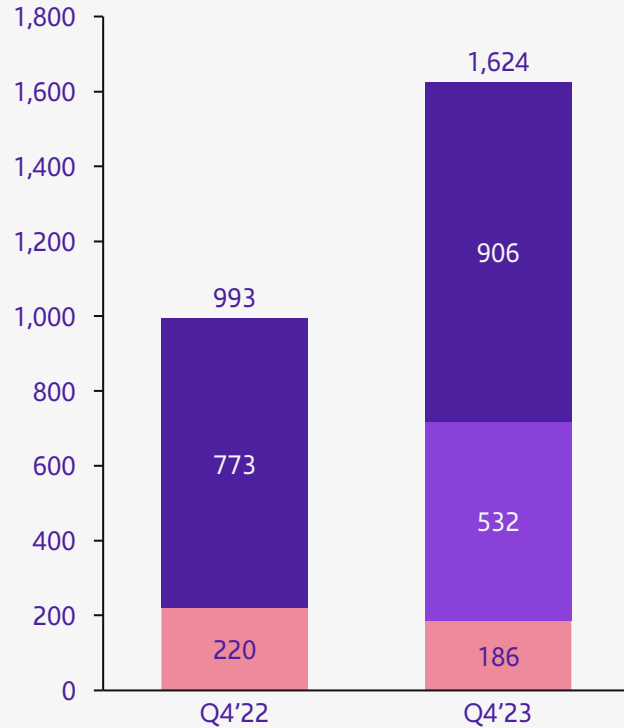
- NOK 8.2 billion D&C revenues
- D&C gross margin of 12%
- NOK 3.8 billion EBITDA, up 51%



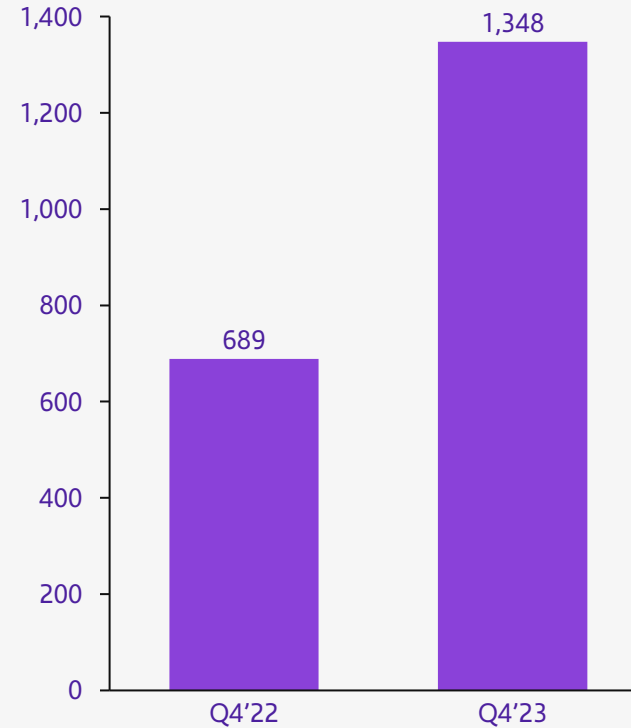
## Q4'23 Consolidated financials

# 96% EBITDA increase to NOK 1.3 billion

Consolidated revenues, NOK million



Consolidated EBITDA, NOK million



- Power sales
- Net gain from Mocuba sale and Release
- Net income from JVs and associated

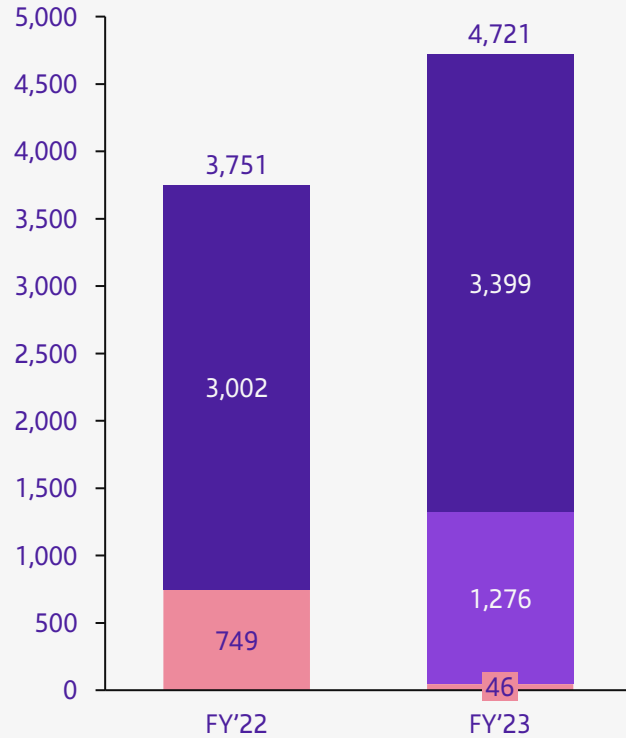
- NOK 1.6 billion total revenues (+64%)
- NOK 906 million in Power sales (+ 17%) driven by Ukraine
- NOK 532 million gain from Mocuba and Release
- NOK 457 million tax benefit related to Kenhardt



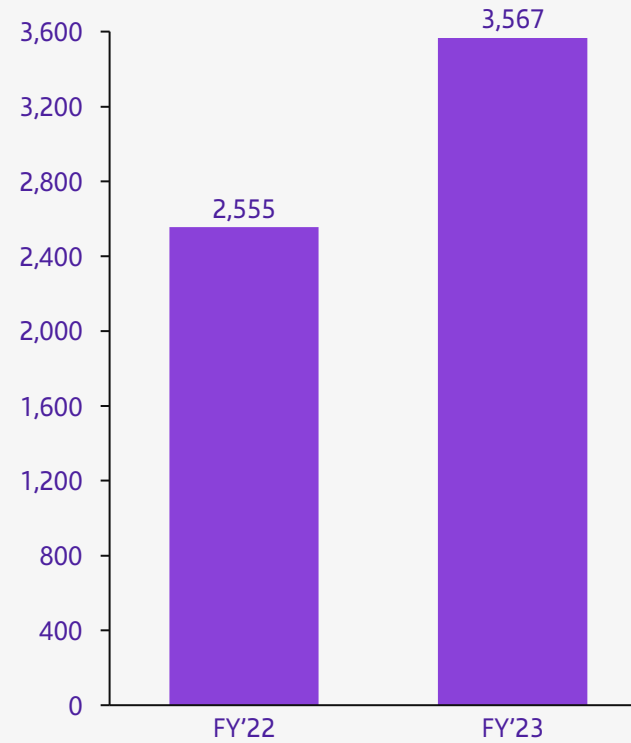
## FY'23 Consolidated financials

# 39% EBITDA increase to NOK 3.6 billion

Consolidated revenues, NOK million



Consolidated EBITDA, NOK million



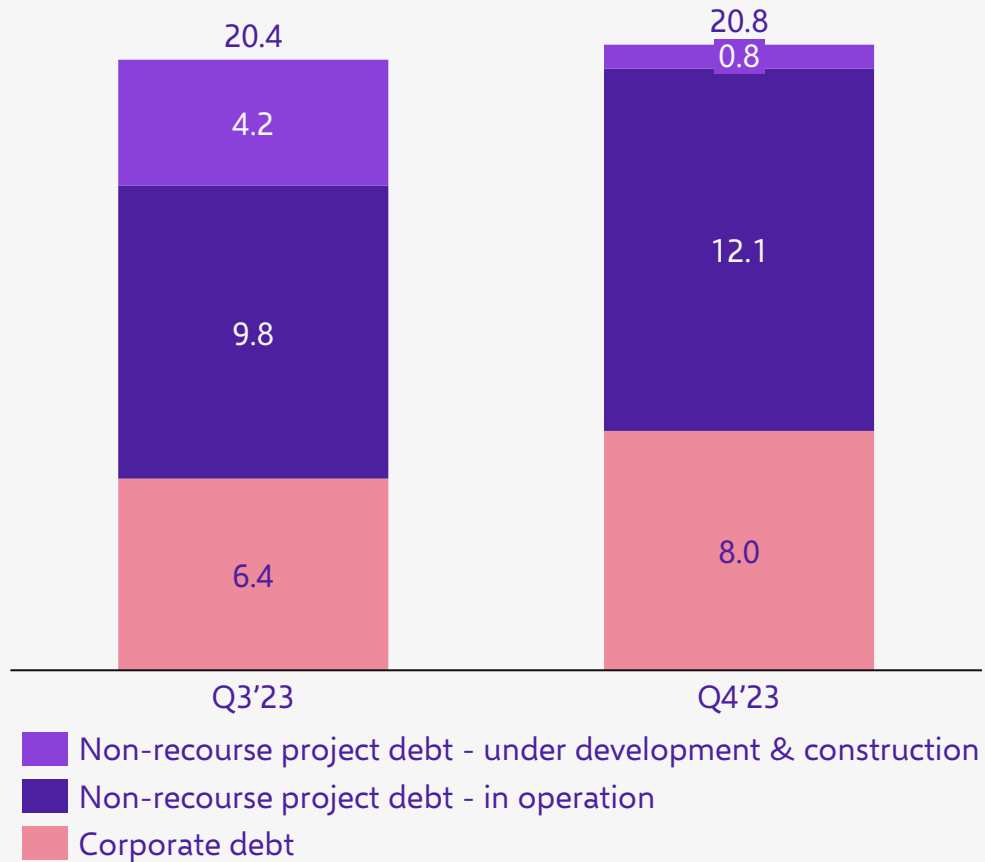
- Power sales
- Net gain from asset sales
- Net income from JVs and associated

- NOK 4.7 billion total revenues (+26%)
- NOK 3.4 billion Power sales (+13%)
- NOK 1.3 billion gain from Upington, Mocuba and Release transactions



## Proportionate Net interest-bearing debt

NOK billion



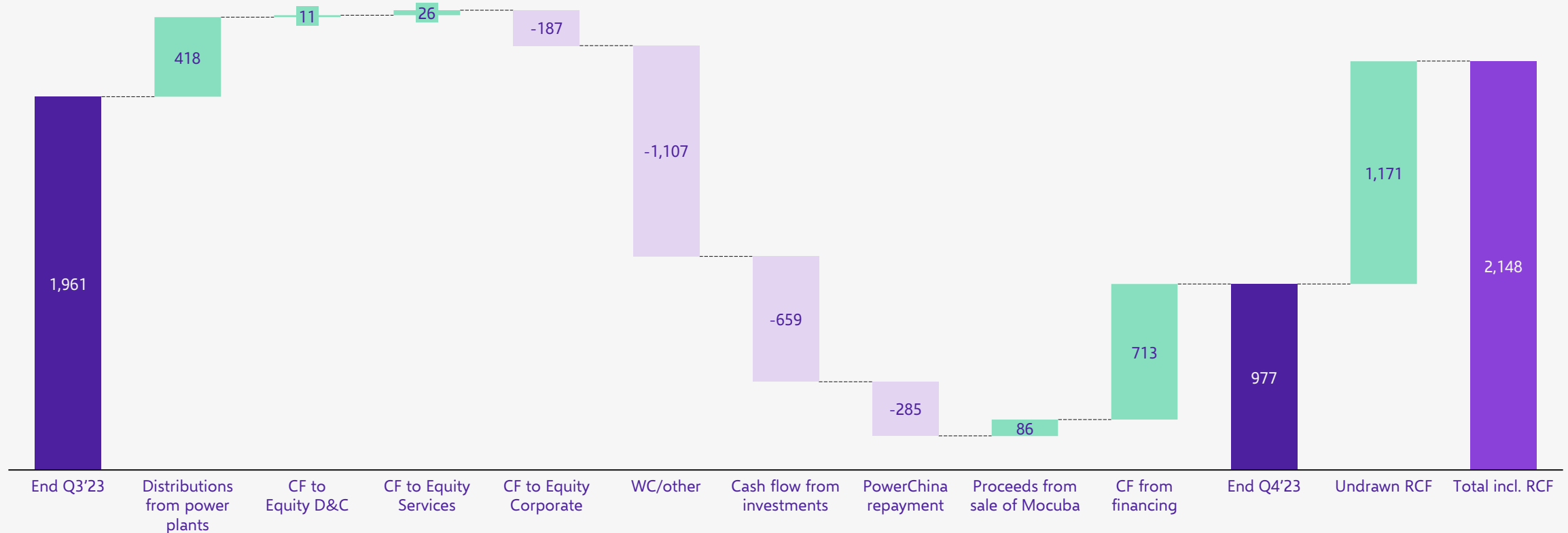
- Non-recourse project debt reduced by 1.1 billion
- Net corporate debt increased by 1.6 billion due to investments and working capital movements
- Agreed refinancing terms for USD 150 million Green Term Loan





# Liquidity buffer of NOK 2.1bn going into 2024

Q4'23 movements of the Group's free cash, NOK million





# Outlook

## Power Production

- FY'24 Power production estimate: 4,200-4,600 GWh
- FY'24 EBITDA estimate: NOK 3,400-3,700
- 1Q'24 Power production estimate: 800-900 GWh
- 1Q'24 Philippines EBITDA estimate: NOK 10-70 million

## Total D&C remaining contract value

- Remaining contract value: NOK 2.5<sup>1</sup> billion
- Estimated D&C gross margin: 8-10% for new projects

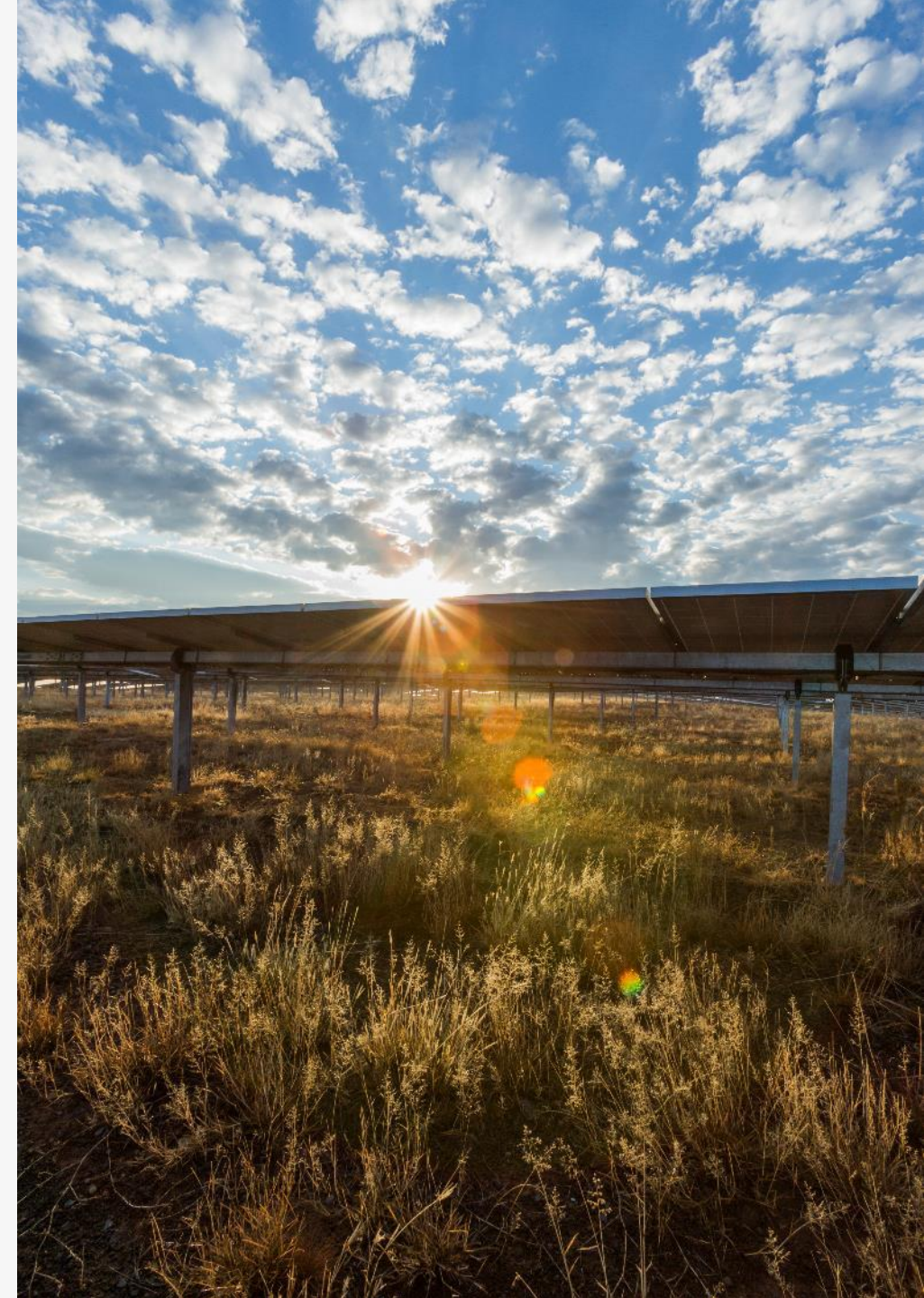
## Services EBITDA

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

## Corporate EBITDA

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

18 1) Includes NOK 2 billion for the 273 MW Grootfontein in South Africa and NOK 0.5 billion for the first 60 MW of the 120 MW solar project in Botswana





Our strategy

Develop, build, own and operate renewable energy in emerging markets

## Grow Renewables

500-750

million NOK annually in gross **equity investments** towards 2027



Focus on PV, wind and BESS due to **attractive fundamentals**



Selective growth within green H<sub>2</sub> in Egypt and hydro through partnerships

## Optimise Portfolio



More **capital recycling** to self fund growth and consolidate the portfolio



**Capital discipline** and **deleverage** at corporate level, positioning for future opportunities

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	Q3'23	Repayments	New debt	Disposal	Change in cash	Currency effects	Q4'23
Project level	-14.0	0.6	-0.5	0.4	0.3	0.4	-12.8
Group level*	-6.4		-0.7		-0.9	0.1	-8.0
<b>Total</b>	<b>-20.4</b>	<b>0.6</b>	<b>-1.2</b>	<b>0.4</b>	<b>-0.6</b>	<b>0.5</b>	<b>-20.8</b>

- **Repayments:** Ordinary project debt repayments and repayment of PowerChina debt
- **New debt, project level:** Mainly drawdown in Pakistan
- **Disposal:** Disposal of projects in Mozambique and Argentina
- **New debt, corporate level:** Drawdown of revolving credit facility
- **Currency effects:** Strengthening of NOK against main functional currencies



# Our asset portfolio

## Plants in operation

	Capacity MW	Economic interest
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	100%
Rwanda	9	54%
<b>Total</b>	<b>3,549</b>	<b>52%</b>

## Under construction

	Capacity MW	Economic interest
Mendubim, Brazil	531	33%
Sukkur, Pakistan	150	75%
Release	9	100%
<b>Total</b>	<b>690</b>	<b>43%</b>

## Project backlog

	Capacity MW	Economic interest
South Africa	273	51%
Egypt	260	52%
Tunisia	120	51%
Botswana	120	100%
South Africa	103	51%
<b>Total</b>	<b>876</b>	<b>58%</b>

## Project pipeline

	Capacity MW	Share in %
Solar	6,571	59%
Wind	2,280	21%
Hydro	700	6%
Green Hydrogen	1,240	11%
Release	300	3%
<b>Total</b>	<b>11,091</b>	<b>100%</b>