Integrated Annual Report

2024

START READING

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About this report

The integrated annual report for the full year 2024 includes both financial and sustainability reporting, reflecting the importance of sustainability to the company's operational and financial performance.

This report includes:

- Board of Director's report (reference sections)
- Consolidated financial statements of the Scatec Group (reference sections)
- Parent company financial statements of Scatec ASA (reference sections)
- Sustainability reporting, prepared according to European Union (EU) requirements under the Corporate Sustainability Reporting Directive (CSRD) (reference sections)
- Taskforce on Climate-related Financial Disclosure (TCFD) (reference sections)
- Corporate Governance report
- Communication on Progress to the UN Global Compact (advanced reporting level)

Other 2024 reports published on Scatec.com/reports:

- Executive Remuneration Report
- Transparency Act Statement
- Statement of Equality and Non-discrimination
- Green Finance Report
- Financials – Norwegian (XBRL data ESEF)

This publication constitutes the statutory annual report in accordance with Norwegian requirements for Scatec ASA for the year ended 31 December 2024. The Integrated annual report is filed with the Norwegian Register of Company Accounts. The version prepared in accordance with the European Single Electronic Format (ESEF) and filed with Oslo Børs is the official version of the company's integrated annual report and the ESEF version prevails in case of any issues or conflicts with other versions. Further information on the boundary conditions for sustainability data can be found in (reference sections). This report should be read in conjunction with the cautionary statement in (reference sections).

The Integrated Annual Report may be downloaded from Scatec's website at www.scatec.com. References in this document or other documents to Scatec's website are included as an aid to their location and are not incorporated by reference into this document.

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CEO letter

Laying a solid foundation for continued profitable growth

2024 has been a year of significant positive development for Scatec. We have delivered good financial performance across all segments, built an attractive growth portfolio for the next few years, continued to optimize our portfolio and deleveraged on corporate level. Renewables have become more competitive during the year, improving the market potential for Scatec going forward.

Proportionate revenues reached NOK 7.9 billion for the year, and proportionate EBITDA was NOK 4.7 billion. The EBITDA in the power production segment increased by close to 30% to NOK 3.8 billion as we brought 681 MW of solar power plants online in Brazil and Pakistan in the beginning of the year and the hybrid 540 MW solar and 1.1 GWh battery storage project into operation late in 2023. In the D&C segment we achieved an EBITDA of NOK 184 million based on a gross margin of 19%.. We also realized gains from sales of assets of close to NOK 800 million.

As we enter 2025, Scatec has an unparalleled growth portfolio for the coming years. This underscores the strength over our teams across markets and the success of our focused development approach in the emerging markets we target. Our near-term growth portfolio of projects under construction and in backlog now stands at 2.7 GW, representing a capacity increase of 64% to 6.9 GW once realised.

We have initiated construction of 698 MW of solar and battery storage capacity across key markets, including South Africa, Brazil, Tunisia, and Botswana during the year, and have increased our to 1.9 GW. During 2024, we signed a Power Purchase Agreement (PPA) for a 1.1 GW solar and a 100 MW/200 MWh battery storage project in Egypt and were awarded a 288 MW solar project in South Africa in round 7 of the REIPPP programme. In the beginning of 2025, we signed a 15-year Contract for Difference (CfD) in Romania, enabling us to enter the growing Romanian market with a 190 MW solar facility. We have made significant progress for our Release and Lyra platforms during the year and we expect visible, positive development during 2025.

Our commitment to strengthening our financial position is evident through divestments and farm-down of assets and the reduction of corporate debt. During the years, we successfully completed the farm-down of Kalkbult, Linde, and Dreunberg in South Africa, signed the sales of our hydropower portfolio in Africa to TotalEnergies and exited Vietnam though an asset sale to Susi Partners. We also closed the sales of our Mozambique and Rwanda assets. Based on our strategic asset divestments and strong operational cash flow reduced our net interest-bearing corporate debt by NOK 1 billion, significantly

> Our achievements in 2024 reflect the dedication and hard work of our team and I am proud of the progress we are making.

strengthening our balance sheet and enhancing financial flexibility for future investments.

We continue to see increased scale and technological improvement within renewables. Based on this, renewable energy continue to come down in terms of costs and also increase in usability and renewable energy strengthens its position as the most competitive source of new electricity generation in our target markets. In the current unstable geo-political environment, we are encouraged by the fact that renewable is competing without subsidies and contributes to reduced energy costs, reduced greenhouse gas emissions and increased economic growth in the market we operate.

Working Together is one of our core values and we have a strategy of working in close partnerships with our stakeholders. Throughout 2024, we have engaged with partners and stakeholders across our markets and beyond to foster collaborative efforts between investors, development institutions, governments and companies to progress deployment of renewable energy. We aim to be a credible and trustworthy partner and believe our track record and stakeholder engagement is a critical contributor to our future success.

Sustainability is embedded in our strategy, guiding us to develop clean energy solutions that power communities today while protecting the environment for generations to come. Our team's expertise and dedication are key drivers of our success, enabling us to execute projects efficiently and advance innovation in renewable energy.

Equally important, our commitment to Health, Safety, Security, and Environment (HSSE) and compliance ensures that our operations are conducted responsibly and ethically, safeguarding our workforce and the communities we serve.

Our achievements in 2024 reflect the dedication and hard work of our team, and I am proud of the progress we are making in delivering on our purpose, Improving Our Future. The dedication, passion and competence of our people is amazing and I am proud to see what we achieve together.

As we look ahead, we are committed to continue to deliver on our strategy of growing renewables in our core markets, focusing on technologies with shorter development cycles, working closely with our partners and also to optimize our portfolio, bring down debt and increase our financial and strategic flexibility going forward.

Thank you for your ongoing support. I look forward to a successful 2025 alongside you and our partners.

Terje Pilskog

Terje Pilskog, CEO

Scatec at a glance

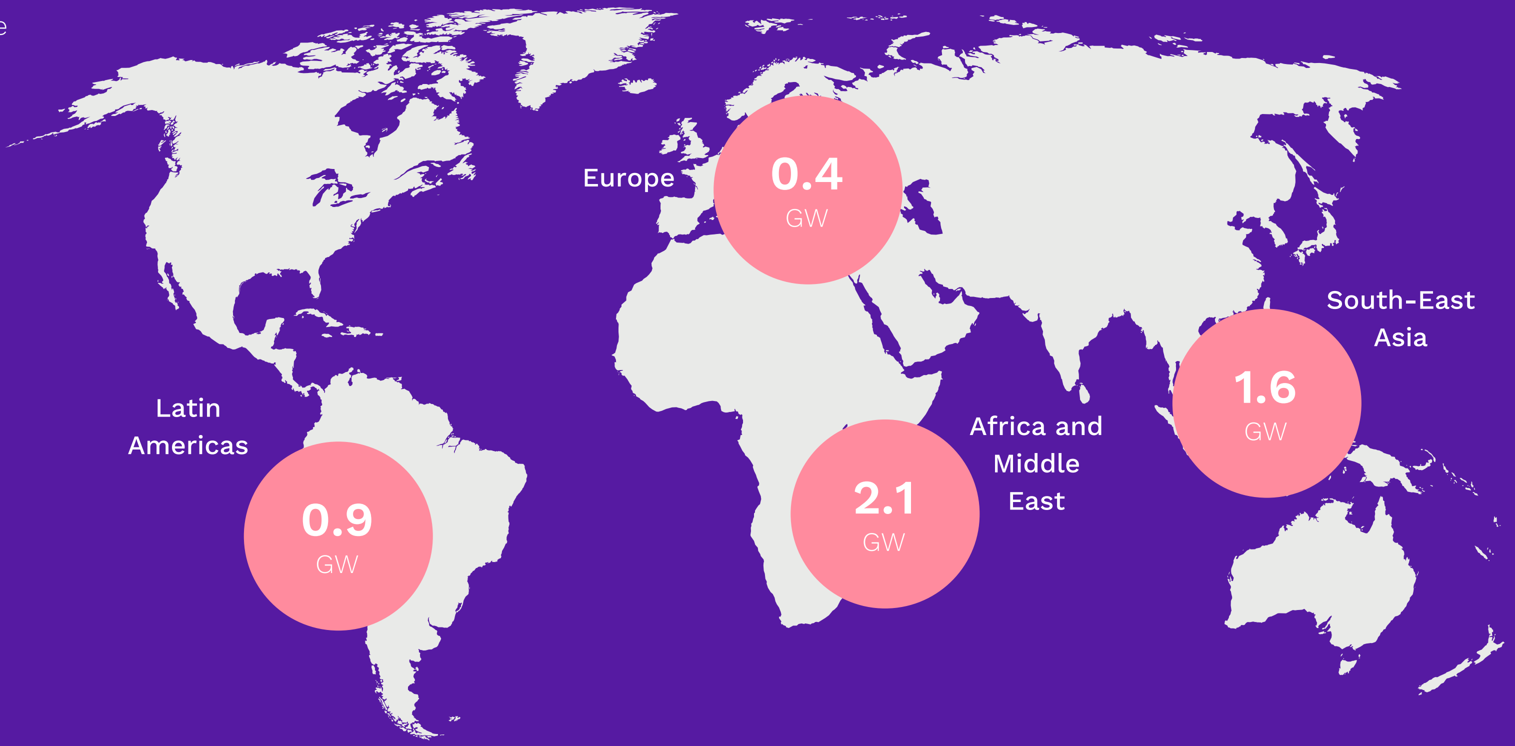
Scatec is a leading renewable energy provider that is accelerating access to reliable and affordable clean energy in emerging markets. We develop, build, own and operate renewable energy plants, with 5 GW[1)] in operation and under construction across five continents.

Sustainability is a fundamental part of our culture, rooted in all our business units and integrated across our value chain. We are committed to growing our renewable energy capacity, led by passionate employees and partners who are driven by a common vision of 'Improving our future'. Scatec is headquartered in Oslo, Norway, and listed on the Oslo Stock Exchange under the ticker 'SCATC'.

Our vision
Improving our future

Our mission
To deliver competitive and sustainable renewable energy globally, to protect our environment and to improve quality of life through the innovative integration of reliable technology.

Our values
Driving results
Changemakers
Predictable
Working together



1) Capacity in operation and under construction as at Q4 2024 reporting date.

Improving the future for communities and individuals since 2010

5.8
GW
renewable capacity installed, acquired and under construction

24
million tonnes
GHG emissions avoided

11
million
households powered annually

22
thousand
direct jobs created[1]

$22
million
invested in local communities

[1] Total number of direct jobs created during the peak construction phase of our projects

2024

Strong growth while strengthening balance sheet

Highlights

- Grew our backlog by 1.1 GW during the year, including our largest projects to date in Egypt, South Africa and the Philippines
- Started construction on projects with a combined capacity of 767 MW in South Africa, Brazil, Tunisia and Botswana
- Finalised large construction programmes and launched operations - 681 MW solar in Brazil and Pakistan
- Ranked 2nd most sustainable company in Norway and 99th in the world by TIME
- Divested wind farm in Vietnam, our share of the Hydro Africa JV and carried out a farm-down in South Africa in line with our strategy
- Extended our maturity debt profile through a new bond issue, bond buy-back and refinancing of bank facilities

Five strategic priorities to **improving our future**

Profitable renewables growth

Scaling up in core markets with a multi-technology approach, integrated solutions, and focus on high-return projects.

Portfolio optimisation

Enhancing financial flexibility through strategic divestments, corporate deleverage, and a capital-efficient business model.

Leadership in Sustainability

Positioning Scatec as a leader in sustainability through strong focus on green footprint, responsible supply chain, and local value creation.

People

Building a motivated and skilled organisation with a strong employee value proposition, continuous learning, and future-ready competencies.

Innovative solutions

Driving customer-focused innovation with advanced technology, operational efficiency, and digital transformation.

Strategic targets and ambitions

1. Profitable renewables growth

Scatec is a leading renewable energy provider that is accelerating access to reliable and affordable clean energy in emerging markets with 5 GW in operation and under construction across five continents at year-end 2024.

Scatec will continue to targeting NOK 750 million in annual gross equity investments on average. Solar PV and battery storage will make up the largest share of our investments due to its attractive fundamentals and complementary profiles. We will utilise our integrated business model and remain committed to delivering high value creation to our shareholders.

We aim to build stronger and longer-term positions in selected emerging markets with excellent conditions for renewable power and where we have identified growing power demand, a clear green agenda and the opportunity to build scale and apply our proven model. These markets are South Africa, Egypt, Brazil and the Philippines, where we already have a strong track record and operational portfolios. Beyond these core markets, we are maintaining an opportunistic approach, applying strict investment criteria related to project size and value creation.

We also aim to grow selectively within green hydrogen in Egypt and hydropower in the Philippines. Egypt has excellent resources for renewable energy and a strategic location for exports, making it optimal for green hydrogen and green ammonia production. In the Philippines, Scatec and Aboitiz Power are exploring attractive growth opportunities for hydropower through an established joint venture.

2. Portfolio optimisation

We are focusing on divestments of non-core assets to consolidate our portfolio, enhance value creation and fund our growth ambitions. We are also pursuing selective divestments or equity sell-downs in core markets when this makes sense from a strategic and value creative perspective. By 2027, we aim to have generated at least NOK 4 billion in proceeds from these divestments. By reinvesting capital to develop, finance and build new projects, we are focusing on the steps in the value chain that give us a competitive advantage. We are also committed to deleveraging on the corporate level to increase our financial flexibility and will allocate 75% of divestment proceeds towards corporate debt repayment.

Target **NOK 750 million** of annual **equity investments** on average towards 2027

At least **NOK 4 billion proceeds** from divestments of non-core assets by 2027

~75% of divestment proceeds allocated to **corporate debt repayment** towards 2027

3. Leadership in sustainability

Sustainability is embedded within all business units and seamlessly integrated across our value chain. We allocate dedicated sustainability resources at both the project and corporate levels, ensuring involvement in every phase of the value chain to achieve long-term benefits and impact.

To be a leader in sustainability, beyond green energy, we are focusing on **the three key priority areas below**. These are based on stakeholder expectations, upcoming regulations and requirements, risk management assessments and our company's vision and mission.

4 People

The success and competitiveness of our organisation depend on the skills of our employees and our collaborative efforts. We emphasise a strong value proposition for our staff, continuous learning and development, prepare for the future with appropriate competencies and ensure flexibility, competence hubs and efficiency.

5. Innovative solutions

Throughout our history, our skilled people have collaborated across functions through our integrated business model to develop solutions for our customers that position us ahead of competition. We aim to continuously enhance our capability to develop innovative solutions for our customers. This includes incorporating advanced technology, smart solutions and efficiency improvements.

Sustainability priorities towards 2027

GREEN FOOTPRINT

- Net-zero emission by 2040
- End-of-life strategies for all operating assets
- Clear biodiversity strategy in line with the Task Force on Nature-Related Financial Disclosures (TNFD) by end of 2025

RESPONSIBLE SUPPLY CHAIN

- Industry leader within solar PV and battery supply chain traceability

LOCAL VALUE CREATION

- 70% of construction workers from local communities
- Measurable community investments with a long-term focus in all projects

Our integrated business model

Our integrated business model ensures transactional and operational control throughout the project lifecycle, which in turn ensures de-risking of the projects from a financial and operational perspective, while managing health and safety issues, including the potential impact on people, communities and the environment. This business model includes the project development, construction, ownership and operation of renewable energy plants in emerging markets with the power produced primarily sold under long-term power purchase agreements (PPAs). Our approach is to offer the most cost-efficient solution for each project, ranging from a single technology to a combination of integrated renewables technologies. Combining the effects of several revenue sources, the total return during the lifetime of a project is typically higher than the stand-alone project equity IRR. This illustrates the robustness of our integrated business model.

For more details on Scatec's environmental and social risks, impacts and opportunities along our value chain, please click here.

Creating value in all phases of the integrated business model...

...by controlling the project from cradle to production, ensuring optimal execution

Driving positive stakeholder impact and managing risks

Value uplift from early-stage development to ready-to-build projects

Development

Securing land, grid, offtake, equity partners and non-recourse project debt

- Local economic growth through investment in infrastructure
- Local community engagement and development

Value creation through project de-risking and extraction of construction margins

Construction

Engineering, procurement and construction (EPC) services

- Stimulating economic activity in emerging markets
- Long-term employment in local economies
- More sustainable practices implemented in developing countries

Further value uplift through distributions, service margins and accretive transactions

Operations

Owning and operating the plants, refinancing, divestments & farm-downs

- Reliable renewable energy to emerging markets
- Regional renewable energy expansion
- Partnerships with governments and local utilities

Market fundamentals

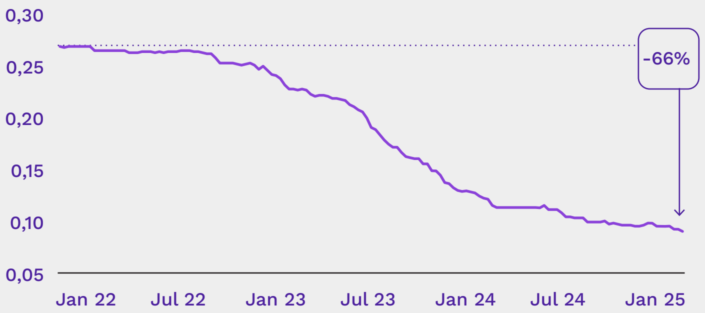
Price drops and increasing renewables installations continue to pave the way for profitable growth.

The competitiveness of renewables continued to improve in 2024, with solar module and battery storage system prices reaching all-time lows during the year. Significant capacity expansions throughout the value-chain are expected to put continued pressure on prices throughout 2025.

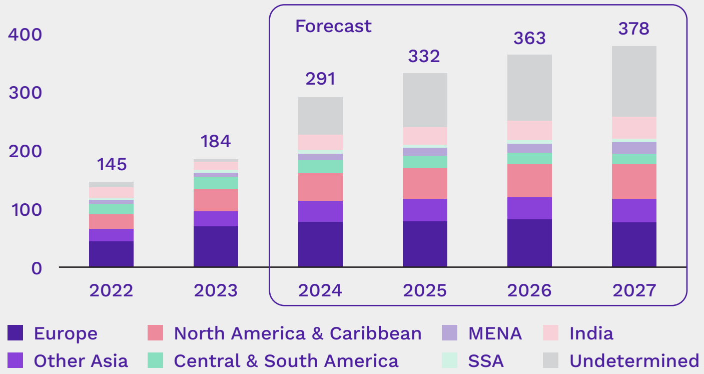
Technological advancements, including more efficient solar cells and improved battery storage solutions, are further enhancing the reliability and cost-effectiveness of renewable energy. Power generated by solar and wind farms are now the most cost-efficient source of energy in the majority of markets in which Scatec operates.

Global demand for clean energy is accelerating, driven by supportive regulatory frameworks, corporate sustainability commitments and climate action targets. This is particularly evident in the emerging markets in which Scatec operates, where the need for affordable, sustainable energy is critical for economic growth and energy security.

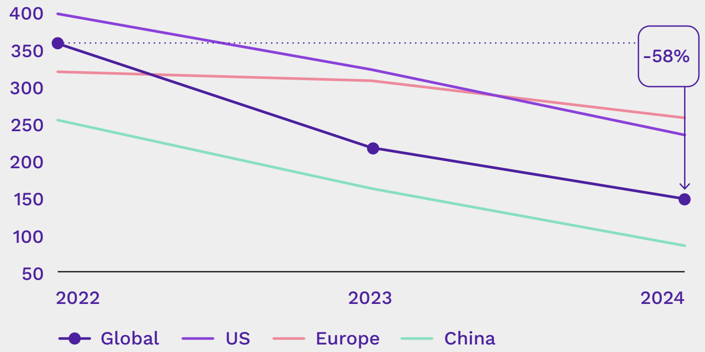
PV module prices dropping during the year
USD/W



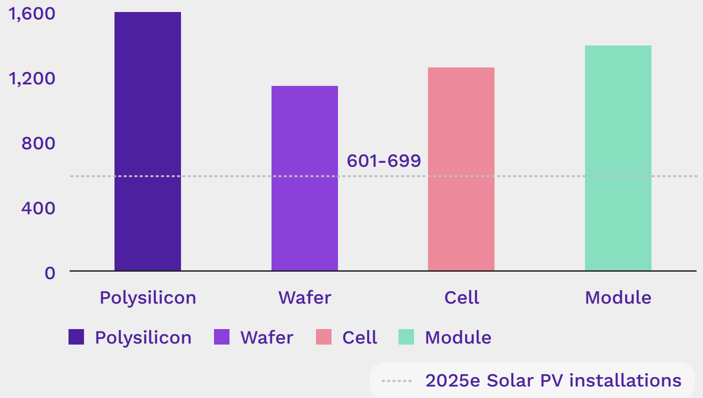
Global newbuild PV forecast excl. China increasing
GW



Turnkey energy storage system prices coming down[1]
USD/kWh



Global Solar PV manufacturing capacity versus installations: Market balance indicates further price pressure
GW/year



[1] Four-hour duration systems

Sources: BNEF: 4Q 2024 Global PV Market Outlook, Energy Storage System Cost Survey 2024

Core markets

We have selected South Africa, Brazil, Egypt and the Philippines as core markets due to their strong renewable energy potential and shared commitment to reducing carbon reliance. These markets are projected to add over 100 GW of renewable capacity by 2030, driven by ambitious transition goals and supportive regulatory frameworks. South Africa and Egypt are rapidly shifting from coal and gas, while Brazil and the Philippines offer robust opportunities with growing demand for renewables. Scatec's established presence, local expertise and integrated approach uniquely position us to scale efficiently, deliver impactful solutions and support long-term energy development. By focusing on these markets, we ensure strategic alignment with our strengths while contributing to global decarbonisation and sustainable growth.

South Africa

Top #2 solar producer

Expand position through public auctions and private PPA platform

Egypt

Top #2 solar producer

Leverage strong partnerships to build position within solar, wind and H_2

Philippines

Top #2 hydro producer

Expand BESS capacity for ancillary services and develop solar & wind opportunities

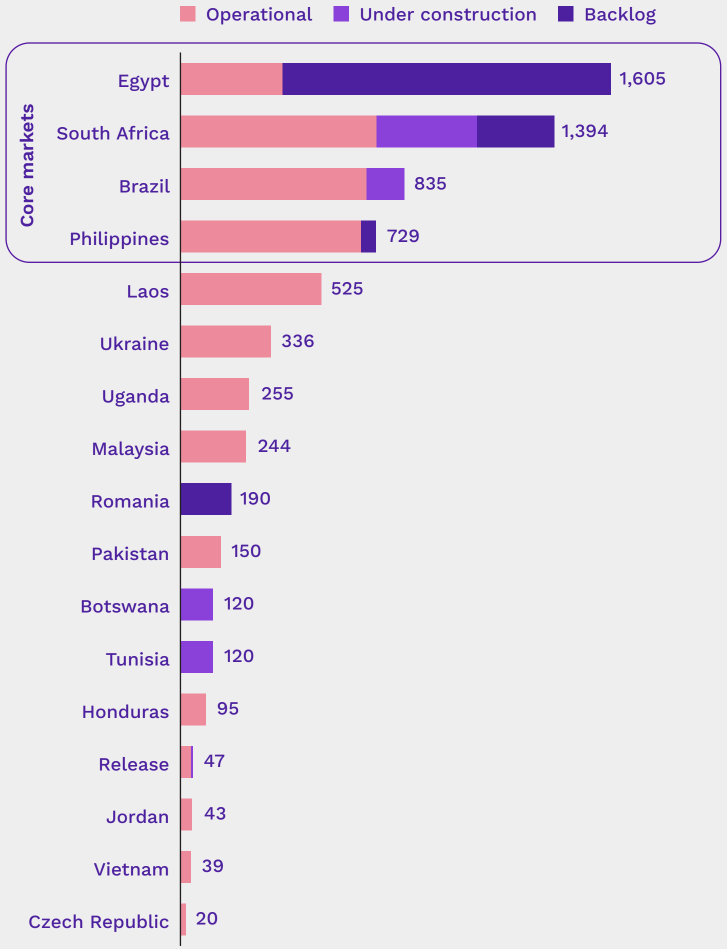
Brazil

Top #10 solar producer

Build position within solar & wind through private offtakers

Scatec's asset portfolio

Gross MW



Investment and funding approach

We invest selectively and assess all our investment opportunities against our investment criteria.

We have a project equity IRR threshold of 1.2 times cost of equity in local currency, based on expected cash flow from sale of power produced, excluding other sources of revenue from our integrated model. The cost of equity is calculated individually for each project using a standardised CAPM methodology that takes into account such factors as the relevant cost of debt, currency, leverage and country risk premium.

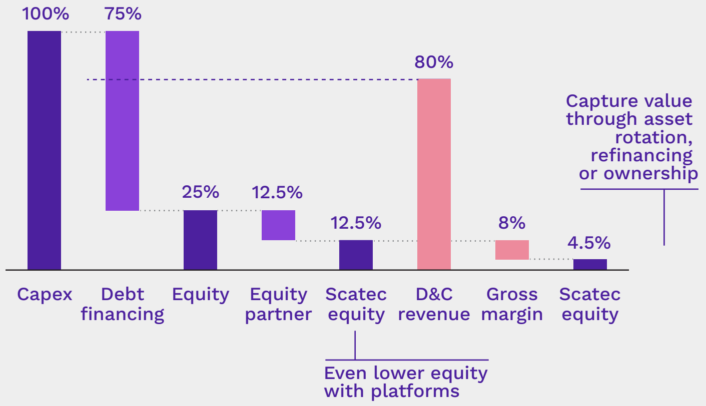
Our renewable energy power plants are normally organised in single purpose vehicles and predominately financed by equity from Scatec and co-investors, representing 20–30 per cent of the investment and non-recourse project debt, representing the remaining 70–80 per cent of the total investment.

We seek to retain a controlling economic interest in the assets, with the remaining equity and debt provided by commercial and multilateral finance institutions attracted by the return rates and environmental and social benefits of the renewable projects. In selected projects, we seek a more capital-light model through a layered ownership structure that reduces the project's equity requirement while we retain control and increase value creation.

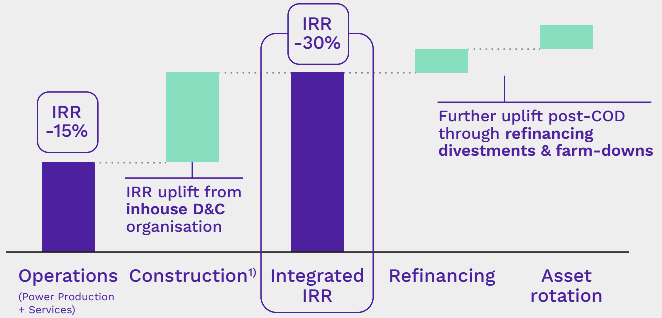
In our role as developer and EPC provider, we aim to achieve a gross development & construction margin of 10-12 per cent for our projects under construction and in backlog, and 8-10 per cent for our pipeline projects.

These margins can be used to fund a substantial part of our equity investment in the project. Revenue from this segment represents up to 80 per cent of project capex, depending on the type of technology and project structure. Once operational, we seek additional value uplift to project returns through refinancing at improved financing terms and asset rotation.

Strong focus on capital efficiency
Illustrative project breakdown



Robust project equity returns
%



[1] Project equity IRR from construction calculated based on development & construction gross profit with a project leverage and EPC-scope of 80-85%, equity share of 51% and development & construction gross margin of 10-12%

A diversified asset portfolio[1] based on long-term contracts

Power plants in operation

Country	Technology	Capacity MW	Economic interest
South Africa		730	41%
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

Country	Technology	Capacity MW	Economic interest
Grootfontein, South Africa		273	51%
Urucuia, Brazil		142	100%
Tunisia portfolio		120	51%
Mmadinare, Botswana		120	100%
Mogobe, South Africa		103	51%
Release		9	68%
Total		**767**	**68%**

Project backlog

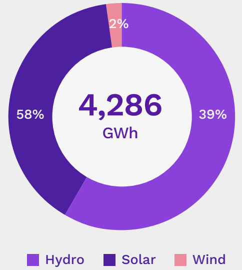
Country	Technology	Capacity MW	Economic interest
Egypt		1,125	100%
Egypt	H_2	290	52%
South Africa		288	51%
Romania		190	65%
Philippines		56	50%
Total		**1,949**	**81%**

Project pipeline

Technology	Capacity MW	Share in %
Solar	6,258	62%
Wind	2,274	22%
Green Hydrogen	980	10%
Release	300	3%
Storage	160	2%
Hydro	144	1%
Total	**10,116**	**100%**

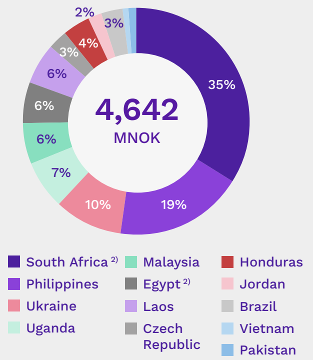
[1] Portfolio as at Q4 2025 reporting date

Power production by technology

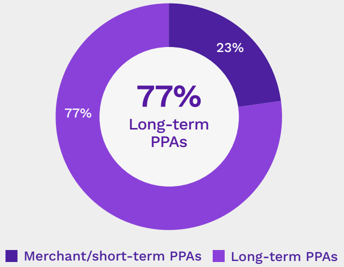


Share of renewable energy

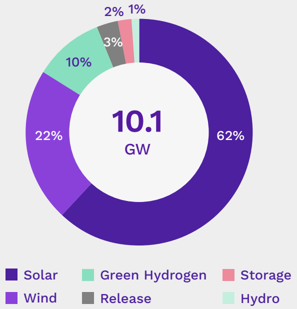
Power production EBITDA distribution



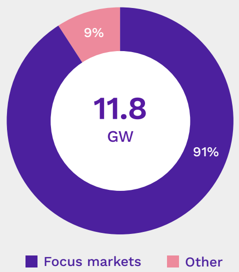
Offtake structure



Pipeline by technology



Pipeline & backlog



Corporate governance

Scatec is strongly committed to ensuring trust in the company and enhancing shareholder value through effective decision-making and open communication between management, the Board of Directors, shareholders and other stakeholders.

The company's corporate governance is designed to ensure robust management and allocation of responsibilities, decrease business risk, maximise value and utilise the company's recourses in an efficient, sustainable manner in line with Scatec values to the benefit of shareholders, employees and society at large.

Implementation and reporting on corporate governance

This report is prepared in line with the Accounting Act section 2-9 and the Company complies with the Norwegian Code of Practice for Corporate Governance (the Code of Practice) based on the "comply or explain" principle. The report covers all sections and any deviations between the Company's corporate governance and the Code of Practice is explained under each section if applicable.

The Board of Directors is responsible for ensuring that the Company conducts its business using sound corporate governance in line with the Code of Practice as adopted in overarching guidelines for corporate governance. This includes rules of procedure for the Board of Directors and related Committees, manual on disclosure of information and insider manual, as well as ethical guidelines and guidelines for sustainable responsibility.

The company's corporate governance framework is subject to annual reviews by the Board of Directors.

Business

The Company's business is defined in the Company's articles of association (the "Articles of Association") section 3: "The company's business is establishment and operation of business within renewable energy, hereunder investment in companies operating such business." Refer to section 'Sustainable renewables growth' for information about business model and strategic ambitions evaluated by the Board of directors.

The Scatec Share

Scatec ASA is listed on the Oslo Stock Exchange under the ticker 'SCATC'. Scatec share capital was NOK 3,972,932, divided into 158,917,275 shares at year-end 2024, each with a nominal value of NOK 0.025.

The Company has one class of shares, and all shares carry equal rights in the Company. There are no limitations on a party's ability to own, trade or vote for shares in the Company. On 31 December 2024, the number of shareholders was 13,312. During 2024, Scatec's share price increased by 3.2 per cent.

The Board of Director's continuously evaluate the capital structure in the light of its objectives, strategy and risk profile. At 31 December 2024, the Company's consolidated equity was NOK 12,764 million, equal to 28% of total assets, which is considered satisfactory.

In 2023, the Board of Directors changed the dividend policy to no dividend. The dividend policy will be assessed annually by the Board based on Scatec's capital situation.

The Board is authorised by the Annual General Meeting held 18 April 2024 to increase the Company's share capital or acquire treasury shares until the General Meeting of 2025, for the purpose of:

- issuing shares as transaction currency in connection with acquisitions of business, purchase of treasury shares in connection with acquisitions, mergers, demergers, other transactions or investment or for subsequent sale or deletion of such shares limited to NOK 397,293. As per the date of this document, the authorisation has not been used.
- issuing of shares or purchase treasury shares in connection with the Company's incentive scheme limited to NOK 70,036. The authorisation was partly used when completing the buyback for Employee Share Purchase programme 13 June 2024 by acquiring 50,162 shares at an average volume weighted price per share of NOK 84.6157.

According to the Norwegian Public Limited Liability Companies Act, shareholders have pre-emption rights in share offerings. These rights can be waived by the General Meeting or the Board if authorized. Any decision to waive these rights will be disclosed through a stock exchange notice and will be in the best interest of the Company and its shareholders.

For share buy-back programmes, the Board ensure that transactions occur through the stock exchange at prevailing prices. The Board consider the interests of the Company and shareholders, ensuring transparency and equal treatment. If liquidity is limited, alternative methods will be explored to maintain fairness.

The Board ensures that the company meet its disclosure obligations in a transparent manner with equal treatment of all market participants through guidelines for communication with shareholders. The company aim to publish accurate, relevant and timely information and inform all interested parties about important events and company developments through annual reports and quarterly financial presentations, stock exchange notices and other company updates. More information can be found in the investor section of Scatec's website at www.scatec.com/investor.

In the event of a take-over offer, the Board of Directors will ensure equal treatment of shareholders and minimal disruption to the Company's activities. The Board will, if relevant, consider the recommendations in the Code of Practice. Additionally, they will ensure shareholders have adequate information and time to evaluate the offer. The Company's

Articles of Association do not contain defense mechanisms against take-over bids, nor are there measures to obstruct such bids.

General meetings

Scatec is following the Code of Practice regarding distribution of information, participation and execution including separate voting of the General Meeting except as commented on below.

To facilitate for participation in the General Meeting, digital attendance is available. Furthermore, any shareholder unable to attend on the day of the meeting may be represented by proxy or vote in advance. Participation must be noticed five days prior to the General Meeting.

Explanation for deviation from the Code of Practice

- The Company intends for the Chair of the Board, who is deemed capable of addressing any board related question, to be present at General Meetings. Typically, not all Directors will attend as their presence is considered unnecessary.
- In 2024, members of the nomination committee were elected through a combined vote to ensure expertise following the committee's recommendation.

The auditor is scheduled to attend the ordinary General Meeting and any extraordinary General Meetings as required by agenda items or relevant circumstances. External legal counsel chairs the General Meetings.

Nomination committee

Articles of Association section 8 and instructions for the Nomination Committee as adopted by the General Meeting following the Code of Practice govern the work carried out by the committee. The Nomination Committee consists of two to four members, who must be either shareholders or representatives of shareholders. These members are elected by the General Meeting for a term of one or two years, with the possibility of re-election.

The nomination committee provides recommendations to the general meeting regarding the election of members to the Board of Directors and the nomination committee and their compensation. The current members are Kristine Ryssdal (Chair), Mads Holm, Annie Golden Bersagel and Christian Rom.

All shareholders are welcome to propose candidates for election on the Company’s website, www.scatec.com/investor.

Board of Directors

According to section 7 of the Articles of Association, the Company's Board of Directors consist of three to seven members. Each member serves a two-year term, with the option for re-election.The Chair of the board is elected by the General Meeting. All members of the Board of Directors are considered independent of the company’s executive management and material business contracts and executive personnel is not present in the Board. Each member is also considered independent of the company’s main shareholders.

The Board shall ensure that both its members and executive personnel disclose any significant interests they may have in matters to be reviewed by the Board.

The Board of Directors shall ensure that any significant transactions between the Company and shareholders or related parties are conducted on arm's-length terms. For transactions not requiring General Meeting approval according to the Norwegian Public Limited Liability Companies Act, the Board shall consider obtaining a fairness opinion from an independent third party. Such transactions are disclosed in the Company’s financial statements.

Diversity is a business imperative in the company and diversity in all parts of the organisation is desired, including the Board of Directors. Diversity within the Board is ensured through the instructions for the nomination committee clause 4.5 a) (ii), which include requirements on expertise, capacity and diversity. As of 31 December 2024 the Board of Directors currently has 43% female representation and a diverse professional background with respect to both education and working experience. The committees appointed by the Board based on experience currently have 25% - 50% female representation.

The Directors are encouraged to own shares in the Company and the Directors must invest at least 20% of their gross board remuneration in shares of the Company until they own shares equal to one year's gross board remuneration. These shares must be retained while serving in the Board. Any holdings beyond one year's remuneration are not subject to this requirement.

Scatec ASA has purchased and maintains directors' and officers' liability insurance on behalf of the members of the Board of Directors and CEO. The insurance also covers any employee acting in a managerial capacity and includes subsidiaries owned with more than 50%. The insurance policy is issued by a reputable, specialised insurer with an appropriate rating.

The Board of Directors is responsible for the overall management of the company and supervises the company's day-to-day management and activities in general. The duties and procedures of the Board is guided by Board instructions adopted in line with the Norwegian Public Limited Liability Companies Act and the Code of Practice. The instructions ensure allocation of responsibilities and duties between the Board and the CEO, and include guidelines for the annual cycle of Board meetings, notice of Board proceedings, Board committees and confidentiality.

Throughout the annual cycle, the Board is responsible for overseeing KPIs and execution of strategy including integration of stakeholder consideration. The CEO shall monthly communicate to the Board about the Company's activities and financial performance.

The Board shall ensure appropriate risk management and internal control. This is conducted through a complete annual risk assessment as well as quarterly business performance and risk review. Refer to the section 'Risk management' and 'Internal control over sustainability and financial reporting process' below. The CEO monthly communicates to the Board on risks that would impact achievement of strategic objectives and, as such, guide major plans of action and business strategy. The Board responsibility for monitoring of environmental and social impacts, risks and opportunities is currently not documented directly in board mandates or other related documents. The monthly communication from the CEO includes sustainability and climate related matters enabling monitoring on region, country and project level.

The Organisation and Remuneration Committee

The Committee, governed by instructions from the Board of Directors, is comprised by members of the Board. The main tasks of the Committee include preparing remuneration guidelines for Executive Management in line with the Norwegian Public Limited Liability Companies Act section 6-16a, addressing remuneration and employment issues for Executive Management, and setting key performance indicators in cooperation with the CEO and EVP of People, Sustainability & Digitalisation.

The current members of the Organisation and Remuneration Committee are Jørgen Kildahl (chair), Pål Kildemo and Mette Krogsrud.

Audit and Sustainability Committee

The principal tasks of the Audit and Sustainability Committee are to:

- Review and monitor the group's financial and sustainability reporting process and the effectiveness of the internal control environment including identified weaknesses and proposals for improvements
- Review the external auditor's assessment of the Company`s internal control system, monitor the audit and assurance process and the independence and selection of the company's external auditor.
- Discussing with relevant members of the Management of the Company, the Company's Compliance function, the Company's Internal Audit Function the quality and adequacy of the Company's systems for internal control
- Monitor the Management's use of judgement and estimates for financial and sustainability reporting, including compliance with laws and regulations relevant for reporting
- Monitoring and assessing the Management's implementation of sustainability risk strategies and such risk appetite adopted by the Board

The members of the Audit and Sustainability Committee are appointed by and among the members of the Board of Directors. At least one member must have qualifications in accounting or auditing and several of the members should have sustainability-related expertise or experience. The current members of the Audit and Sustainability Committee are Espen Gundersen (chair), Jørgen Kildahl, Maria Moræus Hanssen and Maria Tallaksen

Internal Audit (IA) and Compliance function

IA is an independent, objective assurance and consulting function that add value and improve operations through enhancement of risk management, internal control, and governance processes. The Director of Internal Audit reports functionally to the Chair of the Audit and Sustainability Committee and administratively to the CFO quarterly.

The scope of IA activities includes providing independent assessments and recommendations for improvement of governance, risk management, and control processes. IA adheres to the Chartered Institute of Internal Auditors (IIA) mandatory guidance, including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). IA aligns its activities with external auditors and other internal assurance functions, including Compliance and Quality.

The Compliance function supports and monitors internal controls to manage non-compliance risks, oversees incident management, including investigations, from the Whistleblower Channel that is operated by a third party.

Auditor

The Company's external auditor is PricewaterhouseCoopers AS. The auditor is required to annually present a review of internal control procedures, including identified weaknesses, improvement proposals, and the audit plan to the Audit and Sustainability Committee. The auditor shall participate in the Board meeting where the integrated annual reported is approved, and at least one meeting annually where the Executive Management Team is not present. Guidelines are established for non-audit services carried out by the auditor, and the remuneration is approved by the General Meeting.

Internal control over sustainability and financial reporting process

The Board of Directors is the highest body in charge of approving and supervising the reporting including risk management and internal controls of the Group. The Audit and Sustainability Committee has the preparatory and advisory body in connection with the Board's supervisory role refer to the section 'Audit and sustainability committee' for their responsibility for monitoring the internal control system and reporting process. The Executive Management Team is responsible for providing oversight of the implementation and effectiveness of control activities within their areas, ensure timely correction of deficiencies, support the Internal Audit function and report on findings to the Audit and Sustainability Committee.

The control environment is the foundation of the internal control system, including policies and procedures that ensure the reliability of financial and sustainability reporting, compliance with applicable laws and regulations, and the efficient and effective operation of the organisation. Independence of those in charge of governance and a clear organizational structure is essential for effective internal control.

The risk management and internal control processes and systems in relation to financial and sustainability reporting is building on the COSO framework as established in the ICFSR policy. The risk assessment implies to identify, evaluate and manage risks that could potentially impact the ability to achieve the objectives of the reporting.

For the sustainability reporting, the double materiality assessment and identification of sustainability risks and impacts are fundamental to the process of identifying reporting risks. Relevant overarching risks include greenwashing and inconsistency with other reporting. Risks on topic level is guided by the impacts and risks identified and include gap between information disclosed and Scatec ambition level. Risk of error for disclosure requirements include use of estimates and manual data.

Risks in the financial reporting process is identified based on a top-down approach assessing inherent risk, significance of accounts and processes in place. Relevant risks include change in the circumstances such as external environment and business model, inaccurate reporting not complying to accounting standards and the risks of fraud.

The risks are mitigated through the internal control environment in place that put emphasis on clear roles and responsibilities including management review, leveraging the capabilities and resources throughout the whole organisation. Chief Financial Officer (CFO) is accountable for the financial reporting process and EVP People, Sustainability & Digitalisation is accountable for the sustainability reporting process.

Scatec is strengthening the reporting processes by seeking continuous improvement through identification of risks and implementation of controls.

Board of Directors

Jørgen Kildahl

Chair

- Director at Scatec since 2021 (chair since 2024)
- Chair of organisation & remuneration committee and member of audit & sustainability committee
- Independent of executive management and main shareholders
- Current board position: Alpiq AG
- Number of shares in Scatec: 10,000
- Board meetings attended in 2024: 9/9

Jørgen Kildahl is a senior advisor to Energy Infrastructure Partners with extensive leadership experience from the energy sector, including more than five years as EVP at E.ON SE and 11 years as EVP in Statkraft AS, which included six years as CEO of Statkraft Energi AS. He holds an MSc in Economics, is a chartered financial analyst, holds an MBA from the Norwegian School of Economics (NHH) and completed the Advanced Management Program at Harvard Business School.

Competencies:
Geographies: Europe, Latin America, Asia and Africa
ESG: Environmental, Social, Governance

Espen Gundersen

Board member

- Director at Scatec since 2022
- Chair of audit & sustainability committee
- Independent of executive management and main shareholders
- Current board positions: chair of Hexagon Purus ASA and Kid ASA, board member of Norsk Hydro ASA
- Number of shares in Scatec: 10,000
- Board meetings attended in 2024: 8/9

Espen Gundersen is currently a full-time non-executive board member. He played a key role in the international growth and expansion of Tomra Systems in 1999-2022, where he held various positions, including CFO from 2003 and deputy CEO from 2009. Previous experience includes positions at Selmer ASA and Arthur Andersen. He holds an MBA from the Norwegian School of Management in Oslo and is a certified public accountant with a degree from the Norwegian School of Economics (NHH).

Competencies:
Geographies: Europe, Latin America and Asia
ESG: Environmental, Governance

Maria Moræus Hanssen

Board member

- Director at Scatec since 2020
- Member of audit & sustainability committee
- Independent of executive management and main shareholders
- Current board positions: chair of Å Energi AS and National Museum of Art (Stiftelsen Nasjonalmuseet for kunst), board member of MMH Nysteen Invest AS, SLB Ltd (previous Schlumberger Ltd) and Kosmos Energy LTD
- Number of shares in Scatec: 13,615
- Board meetings attended in 2024: 8/9

Maria Moræus Hanssen has extensive experience from the international oil & gas industry, including six years as CEO of GdF Suez E&P Norge as, ENGIE E&P International SA (Paris) and DEA AG (Hamburg). She has previously held executive positions at Norsk Hydro, Statoil (Equinor) and Aker ASA and served as deputy CEO and COO for the newly merged Wintershall DEA after returning to Norway at the end of 2019. She holds a Master of Petroleum Engineering from the Norwegian University of Science and Technology and a Master of Petroleum Economics from the IFP School (Paris).

Competencies:
Geography: Europe, Americas, Africa, Asia & Middle East
ESG: Environmental, Social, Governance

[1] Morten Henriksen resigned from the Board of Directors on 17 February 2025

Maria Tallaksen

Board member

- Director at Scatec since 2024
- Member of the audit & sustainability committee
- Independent of executive management and main shareholders
- Current board positions: SATS ASA, VOW ASA and Hafslund
- Number of shares in Scatec: 0
- Board meetings attended in 2024: 8/9

Partner at Altor Private Equity from 2007-2023. During this period, she was actively involved in investment strategies across all sectors, with a focus on driving value for portfolio companies.
Prior to Altor, she worked at Morgan Stanley in London (2004-2007). She holds a Master's in Business with a Major in Finance from the BI Norwegian School of Management and has also studied information technology and mathematics at the University of Oslo.

Competencies:
Geographies: Europe, America, Asia
ESG: Environmental, Social, Governance

Pål Kildemo

Board member

- Director at Scatec since 2024
- Member of organisation & remuneration committee
- Independent of executive management and main shareholders
- Current board positions: ZNL Energy AS and Future Leaders Global
- Number of shares in Scatec: 5,000
- Board meetings attended in 2024: 3/3

CFO of Emirates Global Aluminium. He held the position of EVP CFO of Norsk Hydro ASA from 2019 to March 2024. Prior to that, he held several positions at Norsk Hydro from 2008, including head of finance primary metal, head of IR and IRO and energy trader. He holds an MA Economics and Finance degree from the Heriot Watt University and studied project management at the Skema Business School.

Competencies:
Geographies: Europe, Latin America, Middle East, America
ESG: Environmental, Social, Governance

Mette Krogsrud

Board member

- Director at Scatec since 2022
- Member of the organisation & remuneration committee
- Independent of executive management and main shareholders
- Number of shares in Scatec: 3,000
- Board meetings attended in 2024: 9/9

Mette Krogsrud is currently senior client partner and chair of Korn Ferry Norway. She has more than 30 years of leadership experience from a broad range of roles across industries, including executive vice president in the Schibsted Group. She holds an MSc from the Norwegian School of Economics (NHH) and an MSc in Organisational Change from Ashridge/Hult Business School, UK.

Competencies:
Geographies: Europe, America, Africa
ESG: Social, Governance

Executive management team

The executive management team (EMT) is responsible for the company's day-to-day management and activities in general.

The current EMT is a diverse group of eight members, of which 25% are female. Several of the members have diverse backgrounds, with different nationalities and geographic experience.

Board and executive management remuneration

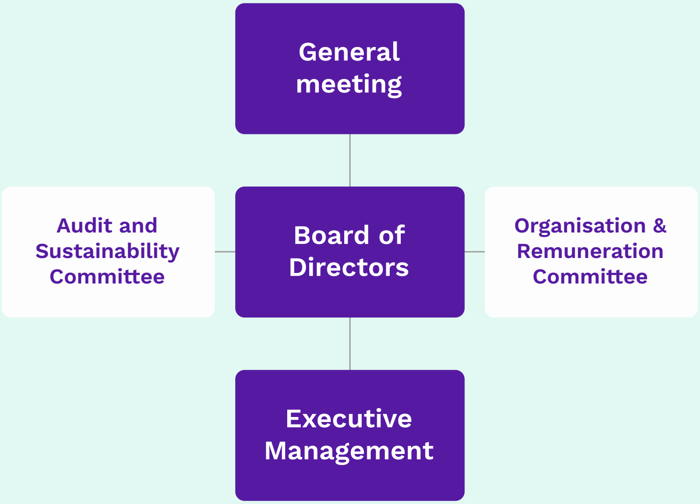
Scatec is following the Code of Practice for Board Remuneration. The remuneration of the Board of Directors is decided by the company's general meeting based on recommendation from the nomination committee and reflect the Board of Directors' responsibilities, expertise, time commitment and complexity of company activities, in addition to being linked to sustainability matters. The remuneration is not linked to company performance and share options are not granted to the Board members. Any remuneration in additional to the standard fee is disclosed in the annual report, note 4 Personnel expenses, number of employees and auditor's fee in the Parent company financial statement. Through the Remuneration Committee, the board prepares guidelines for remuneration of the EMT as approved by the annual general meeting. The Board aims to ensure that performance-related remuneration of executive management in the form of a fixed base salary, share options and annual bonus programmes is linked to value creation for shareholders and the company's earnings performance over time.

The company threshold determines bonus payments and may reduce or in critical situations, even annul bonus payments. It ensures and strengthens the link between the company's overall financial results and executive's individual variable pay. Threshold assessment includes the overall company goals and objectives and key financial performance. Additionally, the group's ambition to be a leading company in handling environment and sustainability impacts is also considered when determining the bonus threshold. This includes meeting the company's annual sustainability-linked targets.

Climate-related considerations that are factored into the remuneration of the CEO include the annual implementation of Scatec's net zero roadmap, through the achievement of annual targets linked to each net zero initiative of the roadmap. The percentage of remuneration linked to climate is weighted equally compared to other functional key performance indicators. Please refer to the Executive Remuneration Report 2024 on our corporate website for more details.

Target-setting process

Company targets are developed in a combination of corporate goals as well as by each relevant business unit, and this include annual sustainability key performance indicators, near-term and net zero targets developed by the VP Sustainability Reporting and Strategy, and reviewed and approved by the EMT and ultimately the Board. The tracking and communication of progress towards targets is reviewed monthly by the EMT and biannually by the Board. External communication of performance are evaluated quarterly by the Audit and Sustainability Committee.



Executive management team

Terje Pilskog

Chief Executive Officer

Terje Pilskog was named CEO of Scatec in 2022, after serving as EVP Project Development since 2013. He was previously SVP of REC Systems and Business Development at Renewable Energy Corporation ASA. Prior to REC, he was an associate partner at the management consulting company McKinsey & Co. Pilskog holds a Master of Science in Business Administration from BI Norwegian Business School.

- Number of shares in Scatec: 543,356
- Number of share options: 230,400

Competencies:
Geography: Europe, Americas, Africa, Asia & Middle East
ESG: Environmental, Social, Governance

Hans Jakob Hegge

Chief Financial Officer

Hans Jakob Hegge was appointed CFO of Scatec on March 1 2023. He was previously CFO of Hitec Moreld and Group CFO at Equinor. He has held several senior management positions including US Country Manager, SVP operations and SVP Global Shared Services at Equinor. Hegge has more than 25 years of experience from the energy industry in Norway, US and UK. He has a MSc in Economics and Business Administration from the Norwegian School of Economics (NHH) as well as Executive leadership training from BI Norwegian Business School and Harvard Business School.

- Number of shares in Scatec: 11,152
- Number of share options: 178,195

Competencies:
Geography: Europe, Americas, Africa, Asia & Middle East
ESG: Environmental, Social, Governance

Mohamed Amer

EVP Green Hydrogen & Egypt

Mohamed Amer was appointed EVP Green Hydrogen & Egypt in September 2023. He joined Scatec in 2016, a year after the company entered Egypt. Mohamed has held various senior roles in the company, including in finance and asset management and green hydrogen. He previously held the position of Global Head of Green Hydrogen and Ammonia and General Manager for the MENA region. Before joining Scatec, Mohamed worked for BP, PwC and KPMG. Mohamed is Egyptian and resides in Cairo.

- Number of shares in Scatec: 1,571
- Number of share options: 96,803

Competencies:
Geography: Europe, Africa, Asia & Middle East
ESG: Environmental, Governance

Eliseo (Andy) Ana

EVP Asia

Eliseo (Andy) Ana was appointed EVP Asia in November 2022. Andy joined Scatec in 2021 as SVP Hydropower Project Development, Head of Africa & Latin America and became SVP Global Head Hydropower Project Development in 2022. Prior to this, he was part of the management team of SN Power since 2018. He previously worked at SN Aboitiz Power. Andy is a civil engineer with a PhD in Engineering and an MSc in Water Resources Engineering. He has extensive experience in hydro-power planning, development and construction.

- Number of shares in Scatec: 1,152
- Number of share options: 141,154

Competencies:
Geography: Asia, Middle East & Africa
ESG: Environmental, Governance

Roar Haugland

EVP People, Sustainability & Digitalisation

Roar Haugland became EVP of Scatec in 2010. He has more than 20 years of experience from leading positions in business development, sales and management at large multinational companies like HP and IBM. Haugland holds a Master of Science in Mechanical Engineering from the Norwegian University of Science and Technology.

- Number of shares in Scatec: 80,718
- Number of share options: 134,691

Competencies:
Geography: Europe, Americas, Asia, Middle East & Africa
ESG: Environmental, Social, Governance

Pål Helsing

EVP Solutions

Pål Helsing became EVP in 2015. Helsing was previously President of Kongsberg Oil and Gas Technologies AS and a member of the Kongsberg Group executive management team. Before that, he held several executive positions within Aker Solutions. Helsing has a Bachelor of Civil Engineering from Glasgow University and a Business Economics degree from the BI Norwegian Business School.

- Number of shares in Scatec: 7,356
- Number of share options: 156,366

Competencies:
Geography: Europe, Americas, Asia, Middle East & Africa
ESG: Environmental, Governance

Ann-Mari Lillejord

EVP Latin America & Europe

Ann-Mari Lillejord was appointed EVP in May 2022. Prior to re-joining Scatec in April 2022 as SVP Project Development, Lillejord was a partner at HitecVision. She previously held commercial positions at Pareto Project Finance and SN Power in Singapore. Lillejord has an MSc in Economics and Business Administration from the Norwegian School of Economics (NHH).

- Number of shares in Scatec: 11,281
- Number of share options: 115,405

Competencies:
Geography: Europe, Asia, Middle East & Africa
ESG: Environmental, Governance

Siobhan Minnaar

EVP General Counsel

Siobhan became EVP 1 February 2023. She previously held the position of SVP Legal at Scatec and joined the company back in 2016. She has worked in the renewables industry for more than a decade, having worked on several large-scale renewable projects globally from inception to completion, M&A, all legal aspects related to project financing, project agreements, as well as construction and supply chain contracts. Before joining Scatec, Siobhan worked for more than seven years at Norton Rose Fulbright. Siobhan is South African and lives in Norway. She holds an LLB from the Nelson Mandela Metropolitan University.

- Number of shares in Scatec: 1,152
- Number of share options: 91,509

Competencies:
Geography: Europe, Americas, Asia, Middle East & Africa
ESG: Environmental, Social, Governance

Risk management and due diligence

At Scatec, risk management forms an integral part of the operating system. Over the years, Scatec have systematised its approach to risk management through policies and procedures controlled by the management team and relevant functions, including Solutions, Finance, Internal Audit, Legal, Sustainability, HSSE, Compliance and O&M. The main risk management policies are reviewed and approved by the CEO on a regular basis.

Integrated operations in emerging economies and renewable technologies mean that Scatec is exposed to a variety of risks. Our ability to manage these risks is fundamental to our success and has over time developed into a key competitive advantage for Scatec. We capitalise on our experiences with complex environments and risk management systems to de-risk an opportunity and move it forward.

Scatec identifies risks on corporate and project level along the value chain and project life cycle from development to decommissioning and on the corporate level across all business units. For all renewable power projects, risks and potential impacts are managed through defined decision gate requirements in all project phases in accordance with the risk management system. The decision gate process includes guidelines for risk identification, assessment, mitigation and monitoring. For each decision gate, a project report with input from all relevant disciplines provides a summary of risks and potential impacts for the review and decision making of the EMT and ultimately the board. Meetings prior to each decision gate are held with members of the project teams and relevant business units, along with members of the EMT.

Monthly and bi-weekly corporate risk reviews are also performed by the executive management team and the conclusions of the reviews are reported to the Board of Directors. This includes but is not limited to health and safety, anti-corruption, financial risks, regulatory risk and environmental and social impacts.

The monthly and bi-weekly reports represent a consolidation of information from different sources, such as project risk assessments, monthly financial and operational reporting, environmental and social impact assessments, stakeholder and community engagements, health and safety reports, and reporting channels, including the whistleblowing channel and grievance mechanism. Each EVP is responsible for informing the leadership group about key updates and status relating to material risks and impacts affecting their business.

Insurance

Scatec uses a comprehensive global insurance programme as a risk mitigating tool. The global programme provides cover against a broad range of potential risks, such as third-party and professional liability, directors' and officers' liability, cyber incidents and in certain territories, political risks.

Scatec's operational assets are insured against physical damage, including natural catastrophes and weather-related events, through a global property damage & business interruption insurance programme. A similar insurance programme is also in place for projects under construction that covers Scatec against any physical damage, loss of income and potential transportation risks.

Below we have summarised the key inherent risks that Scatec is exposed to as per year-end 2024 and key mitigation activities.

Project development risk

Scatec's growth relies on successful project development, which is impacted by several factors that include the availability of attractive sites, grid capacity and securing interconnection, power prices, component prices, interest rate level, government approval processes, permits and access to competitive financing. Scatec manages this risk through a well-proven approach to the screening of new projects, as well as holding a large and broad project pipeline.

Component price risk

From the date on which Scatec enters into a long-term contract for the sale of electricity to the date of the investment decision, the company is exposed to the risk of component price fluctuations and supply chain disruptions.

Scatec manages this risk by seeking to work with a broad range of suppliers and contractors and ensuring that both capex and EPC budgets for new projects hold sufficient contingencies to absorb the most likely price fluctuations in the relevant timeframe. Resilience to price fluctuations does, however, vary from project to project.

Ethics and integrity risk

Integrity is imperative to achieving a sustainable business. Scatec's reputation, built on integrity, earns the trust of its stakeholders and the communities in which the company operates. Scatec strives to meet the highest ethical standards and to conduct business activities in a sustainable and transparent manner respecting human rights.

The Scatec Code of Conduct sets out clear expectations and requirements to promote ethics and integrity, including on protection of the environment, human rights, safety and security, and the company's zero tolerance for any form of corruption. Furthermore, Scatec expects all business partners and suppliers to conduct their activities in a manner consistent with the Code of Conduct. In 2024, the focus has been on strengthening the risk assessments process to ensure that integrity continues to be identified and adequately mitigated.

Forced labour and human rights breaches in the supply chain are industry-wide risks and Scatec collaborates with key stakeholders to develop long-term solutions to address the risks. When sourcing components, Scatec follow a supplier qualification procedure that includes traceability audits and third-party evaluations. See the Sustainability Statement on Business Conduct and Workers in the Value Chain for more information.

Country and political risk

Scatec mainly sells electricity to state-owned utilities, typically supported by sovereign guarantees. The company's financial performance therefore relies on government adherence to contractual obligations and various laws and regulations.

Consequently, Scatec is subject to political risk, including expropriation, changes in tax regulations, capital restrictions, financial stability and civil unrest in the countries in which it operates. Scatec mitigates political risk through a comprehensive contractual framework for each individual project and asset. Risk is also mitigated through partnerships with multilateral development banks as project finance lenders and/or through establishing specific political risk insurance cover from MIGA and the commercial insurance market. A large and broad asset portfolio also gives diversification effects and reduces the overall political risk related to the asset portfolio.

Scatec is dependent on social licence to operate in the areas in which we are present and we always strive to create long-term value for the communities affected by our operations.

Scatec is generally not making investments in regions with a high risk of war and civil unrest. This risk is assessed before starting the development of new project opportunities, but the risk has unfortunately materialised in Ukraine, where Russia launched a military invasion in February 2022.

Cyber risk

Cyber risk is a growing concern in today's society. The main cyber risks in 2024 were ransomware/cryptolocker, phishing, supply chain attacks and zero-day vulnerabilities.

To mitigate these risks, Scatec protects and monitors all endpoints with a well-known EDR (Endpoint Detection and Response) solution and another dedicated tool to reveal crypto locker activity at an early stage. All user accounts are protected with multi-factor authentication and compliant device requirements. Scatec runs regular phishing campaigns and all users need to complete IT security awareness training annually.

Scatec's offices and managed power plants are all connected to the global enterprise network in which all network traffic passes through next-generation firewalls that are monitored by our service providers Security Operations Center (SOC) at all times. All computers, servers and network devices are updated regularly by following the best-practice schedules by the vendors. Any urgent security vulnerabilities are patched immediately. The network is protected against distributed denial-of-service (DDoS) attacks and all central server infrastructure is backed up to three different physical locations. The security set-up is audited by third-party experts on a regular basis and the findings are prioritised based on risk assessments. In 2024, the main cyber security projects have been related to plant OT/network security. Scatec did not experience any major cyber incidents in 2024.

Financial risk

Through its business activities, Scatec is exposed to financial risk, mainly currency risk, credit risk, liquidity risk and the interest rate risk. Financial risk management is based on the objective of reducing negative cash flow effect.

For a more detailed description and management of financial risks, see the Note 19 on Financial Risk Management.

Power market price risk

Scatec's revenue is mainly derived from sale of electricity and the company is exposed to a power market price risk. The group seeks to reduce the effect of price fluctuations by entering into long-term fixed price contracts. The power plants produce electricity primarily sold under long-term bilateral 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 is 15 years.

Some of the off-take agreements entered into do not contain inflation-based price increase provisions or provisions that only partially allow for inflation-based increases. Some of the countries in which the company operates, or into which the company may expand in the future, have experienced high inflation in the past.

A decline in the market price of electricity could materially adversely affect the financial attractiveness of new projects.

The price of electricity is influenced by government support schemes, the development of the renewable power production industry and price development for other sources of electricity.

The electricity produced by the power plants in the Philippines is sold in the spot market and on bilateral contracts, as well as ancillary services.

In Ukraine, for the Progressovka plants, changes in the local law in 2023 enabled Scatec to pause the PPA and sell electricity in the spot market while maintaining the option to re-enter the PPA at a later stage.

The Mendubim power plant in Brazil is delivering approximately 60% of the energy on a 20-year corporate PPA, while the remaining production is sold in the merchant market, with exposure to short-term fluctuations in power market prices.

For projects under construction and in backlog in 2024, most projects have secured long-term offtake. For the Urucuia project in Brazil, approximately 25% of the energy will be sold in the merchant market.

Health, safety and security risk

Through the construction of large-scale renewable energy plants with up to several thousand workers on site and during the provision of operations and maintenance services in the operational phase, the company is exposed to health and safety risks. Scatec continuously works toward the goal of zero harm to personnel, materials and the environment. The company takes responsibility, sets requirements and monitors HSSE performance across the development, construction and operational phases of its projects. Furthermore, health and safety standards are clearly defined and communicated to employees and contractors.

Transportation management has been a key risk for Scatec in recent years. In response, the company has reviewed and implemented stricter requirements across all construction and operational projects, closely monitoring main contractors' and employees' compliance.

In countries with a high-risk rating, Scatec follows special security measures for all travel in line with recommendations from the company's third-party risk advisors. Scatec systematically works to strengthen its approach to security management and emergency preparedness.

Environmental risk

Scatec's strategy aims to shift the energy generation in the countries in which we operate from fossil fuels-based power to renewable power to reduce GHG emissions, contributing to the global climate change mitigation.

However, Scatec is exposed to physical climate risks that could impact Scatec's business. Extreme weather events like droughts and floods can damage plants, affect power generation and possible site locations, mitigated through engineering, inspections and emergency plans.

Transitional risks include expanded regulations related to land-use and habitat loss, carbon footprint and use of scare minerals in capital good and decommissioning at end of life. Rising climate ambitions may increase competition, affecting component and power prices. See the Climate Change, Biodiversity and Circularity chapter of our Sustainability Statements for more information.

Sustainability review

Key 2024 highlights

- Scatec ranked 2nd most sustainable company in Norway and 99th in the world by TIME
- EU Taxonomy alignment: Scatec's revenue is 94%, capex 98% and opex 98% aligned
- Net zero roadmap 2024 rollout of key initiatives targeted towards achieving our science-based targets for 2030 and net zero target by 2040, in line with our Science-Based Target Initiative (SBTi) verified commitment
- Recognised with an 'A-' (Leadership) for tackling climate change by the Carbon Disclosure Project (CDP)
- Climate risk assessment reviewed in line with the European Sustainability Reporting Standards (ESRS) requirements by conducting a scenario analysis including one high-emission scenario (3-4°) and one scenario aligned with the Paris Agreement (1.5°)
- Certified to ISO 9001, 45001 and 14001 by DNV
- Delivered 7.2 million working hours with a lost time incident frequency rate of 0.4 per mill hours
- Female managers globally rose to 33% in 2024, up from 29% in 2023
- 100% engagement with all strategic suppliers on sustainability matters on climate ambitions, targets, reporting, as well as circularity and human rights
- Collaborations with key suppliers on traceability and Chain of Custody Audits for projects in Brazil, Pakistan, and South Africa

TIME

World's most sustainable companies

Scatec ranked 99 out of 500 globally
Scatec ranked 2nd in Norway

SUSTAINALYTICS

Low risk

Top score in Utillities industry group

ecovadis

Gold

Among the top 5% of companies rated

CDP DISCLOSURE INSIGHT ACTION

A-Leadership

Carbon Disclosure Project

ESG performance highlights

Scatec reports on targets and key performance indicators across material sustainability topics on a quarterly and annual basis. The table below covers key ESG results and performance from the full year 2024. For more detailed reporting across all our material sustainability topics, refer to our Sustainability Statements later in this report.

- Achieved
- Partly achieved
- Not achieved

ESG results and performance

	Key performance indicator	Unit	Status	Target 2024	FY 2024	FY 2023
E	Environmental and social assessments	% completed in new projects	Achieved	100	100	100
	GHG emissions - scopes 1 and 2[1]	tonnes CO_2e		N/A	5,002	3,765
	GHG emissions - scope 3[2]	tonnes CO_2e		N/A	307,719	418,324
	GHG emissions avoided[3]	million tonnes CO_2e	Achieved	2.8	2.8	1.9
	Renewable electricity consumption (I-RECs)[4]	% RE use/total consumption	Not achieved	80	55	73
S	Lost Time Incident Frequency (LTIF)	LTIF/million hours	Achieved	≤ 2.2	0.4	0.9
	Total Recordable Injury Frequency (TRIF)	TRIF/million hours	Achieved	≤ 3.2	0.6	2.1
	Fatalities	number	Achieved	0	0	0
	Female leaders	% female	Achieved	31	33	29
G	Grievances resolved	% resolved	Partly achieved	100	86	86
	Corruption incidents	number	Not achieved	0	1	0
	Whistleblowing channel	number		N/A	23	29
	Anti-corruption training	% trained (in scope employees)	Achieved	100	100	100
	Supplier ESG workshops[5]	% of strategic suppliers	Achieved	100	100	50

[1] Scope 2 is reported following the market-based approach based on international renewable energy certificates (I-RECs).
[2] The decrease in scope 3 emissions is primarily due to fewer capital goods purchased for project construction in 2024. Refer to the Climate change chapter for more information.
[3] GHG emissions avoided include all projects aligned to our reporting boundaries, including projects in the value chain where we have operational control.
For all projects where Scatec has an ownership stake, 4.1 mill tonnes of GHG emissions were avoided in 2024.
[4] Scope 2 energy and its renewable energy attributes are purchased separately (unbundled).
[5] Strategic suppliers are potential and contracted suppliers of key component categories, including solar modules, batteries, wind turbines, inverters and substructures

Environmental review

In 2024, new projects in Brazil, the Philippines, and South Africa underwent Environmental & Social (E&S) desktop screening, due diligence, and impact assessments, depending on the relevant project's decision gate. All new projects have been classified as Category B according to the IFC Performance Standards, indicating potential limited adverse E&S impacts.

It is key for Scatec to contribute to emissions mitigation for the societies we operate in through renewable energy production, in our own operations and value chain. In 2024, we implemented our Net Zero roadmap detailing the key initiatives required within our operations and value chain to reach our net zero 2040 targets, validated by the Science Based Target Initiative (SBTi). To measure our contribution to the renewable energy transition, we also calculate emissions that Scatec helps avoid by producing low emission electricity compared to the existing grid mix available in the countries we operate. During the year, 2.8 million tonnes of GHG emissions were avoided for projects aligned to our reporting boundaries, including projects in the value chain where we have operational control.

Social review

In 2024, Scatec completed nearly 7.2 million working hours. The lost time incident frequency rate was 0.4 per million hours, with all incidents investigated and preventive measures taken. Traffic and transportation remain high-risk activities, with four high potential traffic-related incidents reported in 2024. Scatec responded with the implementation of a Transportation Safety Policy and introduction of mandatory transportation safety training for all employees. Further, we rolled-out the 'Scatec Life Saving Acts' that represent safety guiding principles to encourage safe behaviour, actions, and practices in our day-to-day activities to achieve zero harm.

The percentage of female managers globally rose to 33% in 2024, up from 29% in 2023. We exceeded our target of 31% for 2024 through the continued focus on strong diversity, equity, inclusion and belonging (DEIB) initiatives, including key activities related to recruitment and internal promotions of female leaders. Scatec's 2024 Statement of Equality and Non-discrimination is available on our corporate website.

Governance review

In 2024, Scatec worked with stakeholders to address forced labour issues in the solar PV industry in Xinjiang, China. Key actions included completing Chain of Custody Audits for projects in Brazil, Pakistan, and South Africa, collaborating on panel discussions, updating governing documents, and exploring alternative polysilicon sources. Traceability remains a key focus, with ongoing monitoring and the potential for tracing to metal grade silicon. Further, Scatec enhanced its sustainability framework to keep up with industry human rights and material tracing developments. The Supplier Qualification procedure includes traceability mapping for all key suppliers based on their bills of material. Scatec regularly updates investors and stakeholders with weekly progress reports.

In 2024, we concluded module procurement for our projects in Botswana, South Africa and Tunisia. All procurement included the respective Chain of Custody Audits to ensure traceability commitments were executed as per the contracts. All project audits had no adverse findings.

Scatec engages its strategic suppliers through tailored ESG workshops on an annual basis. The various topics include areas such as human rights, traceability, climate and emissions. During the year, workshops were held with all strategic suppliers (eight in total).

The 23 whistleblower reports received in 2024 related to alleged conflicts of interest, internal financial controls, the workplace environment, health and safety at site operations, data privacy, alleged fraud, and human relations concerns. All reports were investigated in line with our procedures and subsequently closed. One corruption allegation concerning an alleged request for kick-back payments from a supplier on site was reported directly to the Scatec compliance function. The allegation was substantiated following internal investigation, after which appropriate and robust disciplinary action was taken.

The Company continues to promote awareness of the Code of Conduct and its zero-tolerance policy for corruption through training, targeted workshops, and communication. Mandatory anti-corruption and code of conduct training is provided to all employees. During 2024, 100% of employees within scope had completed the required training.

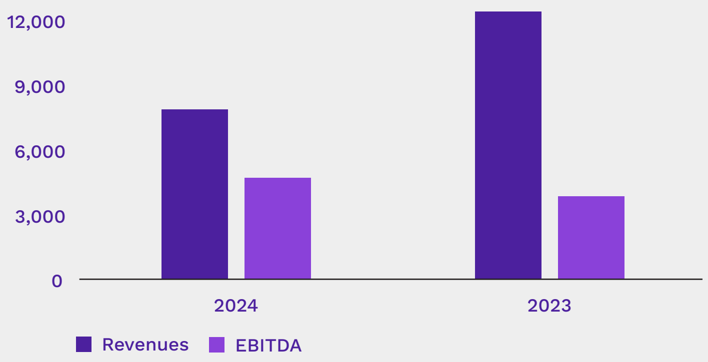
Review of financial performance

Key figures

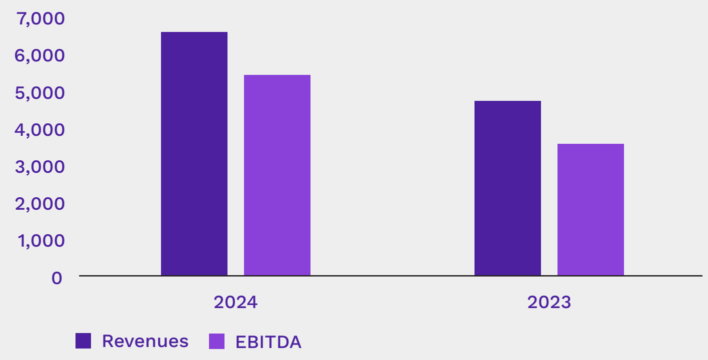
NOK million	FY 2024	FY 2023
Proportionate Financials[1) 3)]		
Revenues and other income	**7,853**	12,372
Power Production	**5,503**	4,144
Development & Construction	**2,291**	8,177
Corporate	**59**	50
EBITDA[3)]	**4,694**	3,845
Power Production	**4,636**	3,334
Development & Construction	**184**	672
Corporate	**-125**	-162
Operating profit (EBIT)	**3,158**	2,152
Power Production	**3,212**	1,743
Development & Construction	**112**	607
Corporate	**-165**	-198
Net interest- bearing debt[3)]	**21,863**	20,786
Scatec's share of distributions from power plant companies	**1,813**	914
Power Production (GWh)	**4,288**	3,615
Power Production (GWh) 100%[2)]	**10,321**	8,540
Consolidated IFRS financials		
Revenues and other income	**6,574**	4,721
EBITDA[3)]	**5,421**	3,567
Operating profit (EBIT)	**4,127**	2,625
Profit/(loss)	**1,486**	1,122
Basic earnings per share	**8.24**	3.95
Net interest- bearing debt[3)]	**24,639**	23,284

[1)] The segment reporting structure was changed effective as of 1 January 2024 and comparable figures for 2023 have been restated
[2)] Production volume on 100% basis from all entities, including JV companies
[3)] See Alternative Performance Measures appendix for definition

Drop in proportionate revenues while EBITDA increases
NOK million



Strong increase in consolidated revenues and EBITDA
NOK million



39% increased power production EBITDA in 2024

EBITDA EBITDA increased by NOK 1.3 billion to 4.7 billion driven by the partial sale of Kalkbult, Linde and Dreunberg in South Africa, new plants in operation and the Philippines

New power plants in operation and improved hydrology for the hydro plants in the portfolio led to 673 GWh increased production volume compared to last year.

Revenue and other income increased to NOK 5,503 million (4,144) [2] for the year, driven by a NOK 796 million gain mainly from the closing of the partial sale of Kalkbult, Linde and Dreunberg in South Africa. Revenue in the Philippines increased by NOK 296 million compared to previous year due to improved hydrology and opening of the reserve market for ancillary services. The year was positively affected by NOK 690 million in revenue from new plants in operation, partly offset by a net reduction in revenue from divested assets of NOK 591 million. Higher payment levels in Ukraine and a one-off compensation in Honduras also contributed to the increase.

Operating expenses increased by NOK 53 million, mainly driven by new plants in operation. The increase was partly offset by the reversal of a credit loss provision in Ukraine of NOK 71 million.

The NOK 1,302 million increase in power production EBITDA to NOK 4,636 million is mainly related to the increase in revenue.

Excluding the gain from sale of assets, the increase was NOK 854 million.

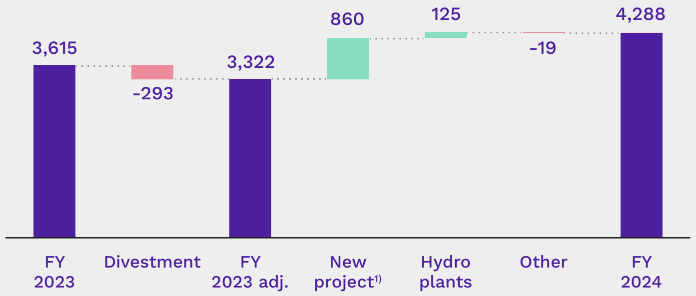
Scatec delivered an EBIT of NOK 3,212 million, an increase of NOK 1,469 million year-on-year. EBIT for the financial year 2023 includes a NOK 350 million impairment of the divested power plant in Argentina compared to a NOK 60 million impairment of the power plant in Honduras in 2024.

Cash flow to equity was NOK 2,449 million, including NOK 523 million in proceeds from the partial divestment in South Africa and NOK 324 million in proceeds from refinancing in the Philippines as well as increased EBITDA as explained above.

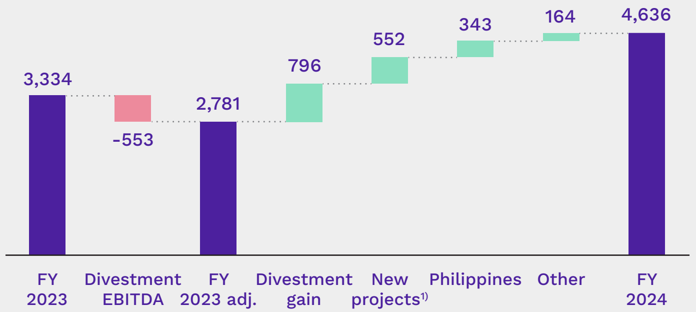
NOK million [1]	2024	2023
Revenues and other income	**5,503**	4,144
Operating expenses	**-868**	-815
EBITDA	**4,636**	3,334
EBITDA margin	**84%**	80%
EBIT	**3,212**	1,743
Cash flow to equity	**2,449**	1,759

[1] Proportionate financials - See Alternative Performance Measures appendix for definition
[2] Amounts from same period last year in brackets

Substansial production increase driven by new plants in operation
Production volume, GWh



39% EBITDA increase driven by divestment gain, new plants and the Philippines
EBITDA, MNOK



[1] New projects include Kenhardt, Mendubim and Sukkur solar plants which reached COD in Q4 2023/Q1 2024

GO BACK

Projects progressing well with gross margin of 11%

High activity with five projects under construction at year-end.

In 2024, Scatec finalised construction of power plants in Pakistan and Brazil and began construction on five new solar power plants in South Africa, Tunisia, Botswana and Brazil, and one BESS project in South Africa.

Revenue in the D&C segment reached NOK 2,291 million, compared to NOK 8,177 million last year. Prior year construction revenue was driven by construction of 1.2 GW of solar in South Africa, Brazil and Pakistan. As of year-end 2024, Scatec has 767 MW under construction.

Gross margin in the D&C segment in 2024 was 19%, compared to 12% in 2023. During 2024, NOK 187 million of contingencies were released related to Kenhardt project which was finalised in 2023. The underlying gross margin for projects under construction in 2024 was 11%.

Operating expenses were reduced to NOK 257 million (322) based on continued focus on managing costs. EBITDA ended at NOK 184 million (672), driven by the above developments.

EBIT of NOK 112 million (607) includes NOK 72 million in impairment charges, related primarily to discontinued development projects in Vietnam, compared to NOK 65 million in 2023.

Cash flow to equity was NOK 157 million (555).

NOK million [1]	FY 2024	FY 2023
Revenue and other income	**2,291**	8,177
Gross profit	**441**	994
Operating expenses	**-257**	-322
EBITDA	**184**	672
EBIT	**112**	607
Cash flow to equity	**157**	555

[1] Proportionate financials - See Alternative Performance Measures appendix for definition

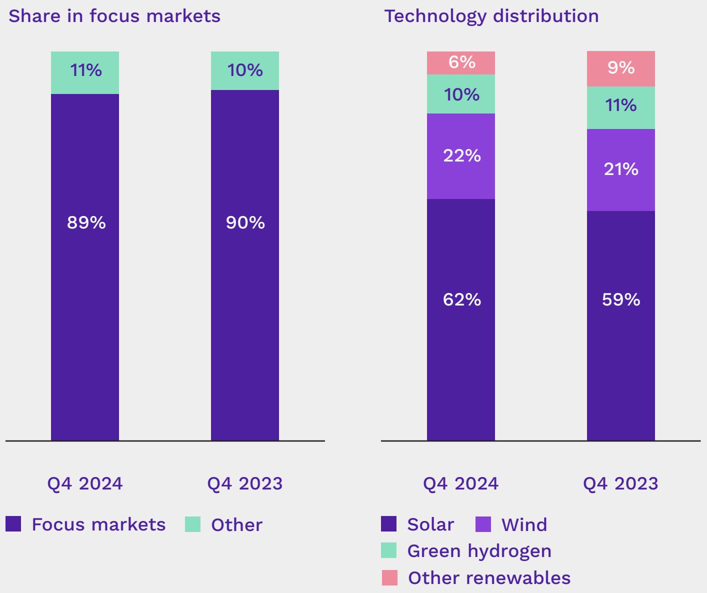
Backlog and pipeline

In addition to the projects under construction, Scatec holds a solid portfolio of projects in backlog and pipeline, which are in different stages of development and maturity.

Scatec expanded its backlog in 2024, which now includes 478 MW of solar projects in South Africa and Romania, 1.4 GW of solar, wind, and hydrogen in Egypt, and a 56 MW battery storage project in the Philippines.

The pipeline stands at 10,116 MW with a 62% share of solar projects and 89% in core markets.

Attractive solar and wind constitute majority of pipeline



More than 1 GW of solar moved to backlog

Backlog and pipeline review[1]

Location	Q4 2024 Capacity (MW)	Q4 2023 Capacity (MW)
Project backlog[2]	**1,949**	876
Project pipeline[2]	**10,116**	11,091
Total	**12,065**	11,967

[1] Status per reporting date
[2] See other definitions

Corporate functions

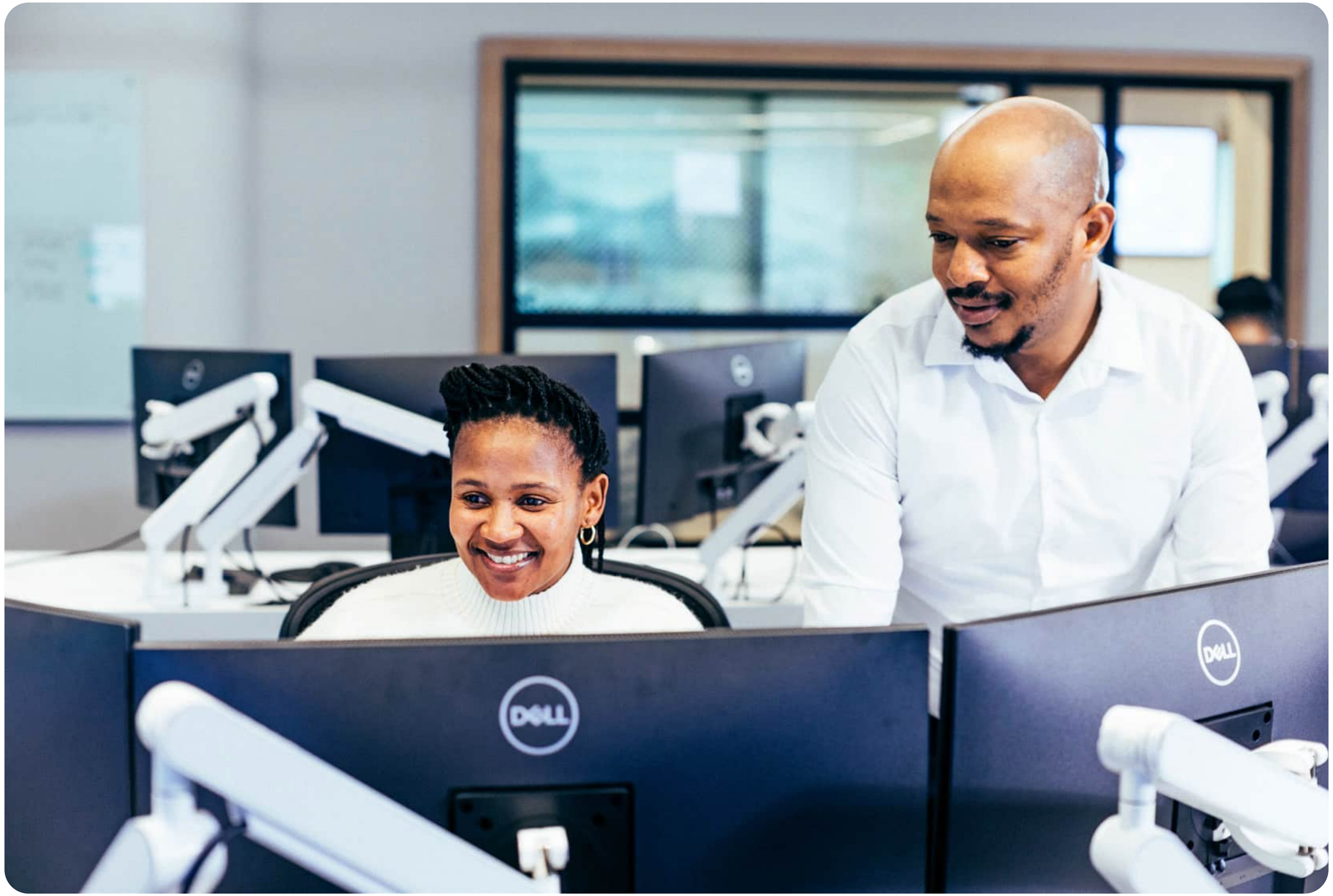
Corporate revenue increased by NOK 9 million, reflecting the increase in corporate management fee to the group's subsidiaries. Operating expenses decreased to NOK 184 million in 2024, compared to NOK 212 million last year driven by the cost efficiency programme introduced in the second quarter 2023.

Cash flow to equity for the Corporate segment was negative NOK 928 million. The change compared to last year is mainly due to increased interest and debt amortisation on corporate debt.

NOK million[1]	FY 2024	FY 2023
Revenues and other income	**59**	50
Operating expenses	**-184**	-212
EBITDA	**-125**	-162
EBIT	**-165**	-198
Cash flow to equity	**-928**	-716

[1] Proportionate financials - See Alternative Performance Measures appendix for definition

For more details on financial results for segment reporting on a country-by-country basis, see Scatec's Q4 2024 historical financial information published on the Scatec's website.



Group liquidity position increased by NOK 1.6 billion

Available liquidity increased to NOK 3.7 billion, driven by high distributions, refinancing in the Philippines and divestment proceeds.

Free cash on the group level is Scatec's share of available cash in the recourse group, defined as all entities in the group with the exception of renewable energy companies, namely power plant companies, and joint venture and associated companies.

Cash flow from operations was NOK 2,533 million (1,303) in 2024, primarily due to high distributions from power plant companies, including NOK 324 million in proceeds from refinancing in the Philippines and positive working capital changes related to construction activities.

Cash flow from investments was negative NOK 173 million (-1,487) driven by equity injections in projects under development and projects under construction during the year partially offset by proceeds from partial divestment of Linde, Dreunberg and Kalkbult plants in South Africa of NOK 523 million.

Cash flow from financing was negative NOK 1,718 million (582) including repayment of USD 72 million (NOK 804 million) previously drawn under the revolving credit facility and repayment of interest on group level.

The group had NOK 3,719 million in available liquidity as of 31 December 2024, including free cash of NOK 1,619 million and available undrawn credit facilities of NOK 2,100 million.

Movement in free cash on the group level

NOK million	FY 2024	FY 2023
Scatec's share of distributions from power plant companies	**1,813**	914
EBITDA from D&C and Corporate segments	**59**	510
Taxes paid	**-78**	-167
Changes in working capital	**683**	-213
Other changes and FX	**55**	259
Cash flow from operations	**2,533**	1,303
Scatec's share of equity injection and shareholder loans in projects under construction	**-378**	-1,723
Scatec's share of equity injection, shareholder loans and capitalised expenditures in projects under development	**-404**	-503
Net proceeds from disposals of project assets	**533**	632
Interest received	**76**	107
Cash flow from investments	**-173**	-1,487
Net of drawdowns and repayments of credit facilities in Scatec ASA	**-804**	713
Net of proceeds and repayments from corporate financing	**-109**	-357
Interest paid	**-804**	-630
Dividend distribution to Scatec ASA shareholders	**-**	-308
Cash flow from financing	**-1,718**	-582
Change in cash and cash equivalents	**642**	-766
Free cash at beginning of period	**977**	1,743
Free cash at end of period	**1,619**	977
Available undrawn credit facilities	**2,100**	1,171
Total free cash and undrawn credit facilities at the end of period	**3,719**	2,148

IFRS consolidated financials

Profit and loss

NOK million	FY 2024	FY 2023
Revenue	**4,368**	3,399
Net gain/(loss) from sale of project assets	**1,491**	1,276
Net income/(loss) from JVs and associated	**714**	46
EBITDA	**5,421**	3,567
Operating profit (EBIT)	**4,127**	2,625
Net financial expenses	**-2,663**	-1,617
Profit before income tax	**1,464**	1,008
Profit/(loss) for the period	**1,486**	1,122

Revenue

For the 2024 financial year, revenue amounted to NOK 4,368 million, compared to NOK 3,399 million in 2023. Projects starting operation during the year contributed approx. NOK 1,200 million in revenue, offset partly by approx. NOK 500 million reduced revenue from divested assets. Additionally, revenue was positively impacted by higher payment levels in Ukraine and a one-off compensation in Honduras following the settlement agreement for the amended PPA signed in the first quarter 2024.

The net gain/(loss) from the sale of project assets in 2024 of NOK 1,491 million relates to the partial sale of Kalkbult, Linde and Dreunberg in South Africa. Following the transaction closure, Scatec holds an economic interest of approximately 13% in Kalkbult and 12% in Linde and Dreunberg, and the projects are accounted for as investments in JV and associated companies from 30 September. The gain in 2023 of NOK 1,276 million relates to the sale of Upington in South Africa, partial divestment and deconsolidation of Release, and divestment of the Mocuba solar power plant in Mozambique.

Net income from joint ventures (JVs) and associated companies increased to NOK 714 million (46) for the entire year, driven mainly by a higher contribution from the Philippines due to improved hydrology and the opening of the reserve market for ancillary services. Net income from JVs and associated companies in 2023 included a NOK 350 million impairment charge related to the divested entity in Argentina compared to no impairment in 2024.

Operating profit

Operating expenses were stable compared to last year, at NOK 1,153 million, with lower personnel expenses driven by the cost efficiency program initiated in 2023 and higher operating expenses driven by the net increase in the operating portfolio in 2024. Operating expenses include a reversal of NOK 80 million in credit loss provision related to Ukraine.

For the 2024 financial year, depreciation, amortisation and impairment were NOK 1,294 million (942), owing to changes in the portfolio and impairment charges of NOK 146 million (64).

Net financial income and expenses

Interest and other financial income were NOK 185 million compared to NOK 415 in 2023. Last year's income included a NOK 246 million gain on currency hedging contracts compared to no gain in 2024.

Interest and other financial expenses were NOK 2,673 million (1,977), an increase of NOK 696 million, driven by higher interest cost on corporate debt and increased interest cost on non-recourse debt due to new plants put into operation. Scatec manages interest rate risk with a hedge ratio of approximately 69% for the non-recourse project level debt and approximately 36% for the corporate debt.

The net foreign exchange loss of NOK 175 million mainly relates to a revaluation of cash balances in UAH (Ukraine Hryvnia) in Ukraine where Scatec held NOK 274 million in cash at year-end, and deflation of the EGP (Egyptian pound) in the first quarter of 2024.

Net profit

The group recognised a tax benefit of NOK 22 million (114) during the year. The tax benefit in previous year is attributable to the Kenhardt project which qualified for the Enhanced renewable energy tax incentive after reaching its commercial operating dates in November and December 2023. Net profit for the year was NOK 1,486 million (1,122).

Profit attributable to Scatec was NOK 1,309 million (628). The allocation of profits between non-controlling interests (NCI) and Scatec is impacted by the fact that NCI only represents shareholdings in 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 include neither net income from JVs nor associated companies or gain/loss from the sale of project assets.

Consolidated statement of financial position

Assets

NOK million	FY 2024	FY 2023
Property, plant & equipment and intangible assets	**24,628**	22,752
Investments in JV and associated companies	**11,452**	12,368
Other non-current assets	**2,079**	1,791
Total non current assets	**38,158**	36,911
Other current assets	**1,430**	1,645
Cash and cash equivalents	**3,890**	3,101
Assets held for sale	**2,264**	138
Total current assets	**7,584**	4,884
Total assets	**45,742**	41,795

Equity and liabilities

NOK million	FY 2024	FY 2023
Equity	**12,764**	10,570
Non-recourse project financing	**16,929**	15,026
Corporate financing	**6,729**	7,947
Other non-current liabilities	**2,487**	2,617
Total non-current liabilities	**26,145**	25,590
Non-recourse project financing	**1,900**	1,931
Corporate financing	**2,150**	1,132
Trade payables and other current liabilities	**2,382**	2,443
Liabilities held for sale	**401**	129
Total current liabilities	**6,833**	5,635
Total liabilities	**32,978**	31,225
Total equity and liabilities	**45,742**	41,795
Book equity ratio	**28%**	25%

Total assets amounted to NOK 45,742 million at year-end 2024, up from NOK 41,795 million at the end of 2023. The increase in property plant and equipment and intangible assets to NOK 24,628 million (22,752) is driven by construction activities, offset partly by the partial sale of Linde, Dreunberg and Kalkbult during 2024. Investments in JV and associated companies has decreased to NOK 11,451 million (12,368) following the reclassification of the African hydropower JV, including the hydropower plant in Uganda to asset held for sale.

Cash and cash equivalents increased by NOK 789 million during the year driven by currency effects, higher distributions from JVs and associated companies and cash flow from operations.

Assets held for sale as of 31 December 2024 are the Uganda hydro power plant and Vietnam wind power plant, divested subsequent to the balance sheet date.

Total equity increased to NOK 12,746 million (10,570). The change in equity is driven by the total comprehensive income for the period with positive net profit in 2024 and positive foreign currency effects from converting the financial statements in the group to NOK.

Movements on corporate financing in 2024 primarily relate to issuance of a NOK 1,750 million bond used to repay EUR 136 million of the green bond maturing in Q3 2025.

Changes in total non-recourse financing of NOK 19 billion (17) relate to drawdown on new projects after reaching financial close during the year offset partly by ordinary debt repayments and the deconsolidation of of Linde, Dreunberg and Kalkbult.

Consolidated statement of cash flow

Cash flow

NOK million	FY 2024	FY 2023
Net cash flow from operating activities	**3,128**	2,200
Net cash flow from investment activities	**-1,578**	-6,774
Net cash flow from financing activities	**-1,068**	3,477
Net increase/(decrease) in cash and cash equivalents	**482**	-1,097

Net cash flow from consolidated operating activities amounted to NOK 3,128 million (2,200) in 2024, compared to EBITDA of NOK 5,421 million (3,567) which includes the net gain/(loss) from the sale of project assets and net income/(loss) from JVs and associated companies classified as cash flow from investing activities.

Net cash flow from consolidated investing activities was negative NOK 1,578 million (-6,774) mainly driven by investments in property, plants and equipment. Proceeds from sale of project assets excluding cash in disposed assets had a positive impact of NOK 407 million (390) during the year.

Net cash flow from financing activities was negative NOK 1,068 million (3,477). The group draw down on debt related to projects under construction during the year and repaid NOK 2,615 million in corporate debt and NOK 2,334 million in interest on corporate and non-recourse debt.

Cash and cash equivalents were NOK 3,890 million (3,101) at year end 2024, of which NOK 1,619 million (977) was free cash on the group level. Total cash in power plant companies in operation and under construction was NOK 1,997 million (1,922), while other restricted cash was NOK 274 million (203).

Covenants

Except for in Ukraine, Scatec was in compliance with financial covenants for both the recourse and non-recourse debt on 31 December 2024.

Subsequent events

No adjusting events occurred after the balance sheet date. See note 30 Subsequent events in the financial statement for overview of non-adjusting events.

Parent company

Scatec ASA prepares its financial statements according to the Norwegian Generally Accepted Accounting Principles (NGAAP). Scatec ASA is a holding company comprising corporate services, management and group finance. Scatec ASA also provides project development and construction services to its subsidiaries.

Scatec ASA reported revenue in the amount of NOK 1,428 million in 2024, compared to NOK 6,271 million in 2023. The decrease in revenues is driven by lower construction activity. All revenue is mainly internal within the group and based on agreements established between Scatec ASA and its subsidiaries, joint ventures and associated companies.

Total cost of sales and operating expenses was NOK 1,269 million (6,043), a decrease from last year driven by lower construction activity and reduced head count, which impacted personnel expenses. Total interest and other financial income of NOK 825 million (392) is related to interest income on shareholder loans and dividends received. External interest expense on corporate debt was NOK 890 million (707). Profit after tax was negative NOK 52 million, compared to a profit after tax of negative NOK 399 million in 2023.

Total equity for the parent company Scatec ASA was NOK 11,389 million on 31 December 2024, up from NOK 10,296 million in 2023. Total assets were NOK 22,032 million on 31 December 2023, compared to NOK 21,070 million last year.

Outlook

Refer to the Q4 report 2024 published on Scatec website for full overview of outlook for 2025. The below is a summary of the outlook presented in Q4 2024 report. Refer to section 'Strategic targets and ambitions' for growth targets.

Power production

FY'25 power production estimate	4,100-4,500 GWh
Q1'25 power production estimate	900-1000 GWh
FY'25 EBITDA estimate	NOK 3,750-4,050 million
Q1'25 Philippines EBITDA estimate	NOK 170-230 million

Development & construction

Remaining contract value	NOK 3,400 million
Estimated D&C gross margin	10-12 percent

Corporate

FY'25 EBITDA estimate	NOK -115 to -125 million

Forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Although Scatec believes that these assumptions were reasonable when made, the Group cannot assure that the future results, level of activity or performances will meet these expectations.

Financial review

Pursuant to section 3-3 of the Norwegian Accounting Act, the Board of Directors has confirmed that the financial statements were prepared under the assumption that the Scatec Group and Scatec ASA is a going concern and that this assumption was appropriate at the date of approval of the financial statements.

In preparation of the group's consolidated financial statements, management has made assumptions and estimates about future events and applied judgements that affect the financial statement refer to note 1 Basis for preparation and corporate information for further information.

The group reports its consolidated financial statements in accordance with IFRS® accounting standards as adopted by the EU, with Norwegian Kroner (NOK), as the reporting currency. The notations Scatec, Scatec Group, the company and the group are used interchangeably throughout the document. Figures in parentheses are for the corresponding period during the previous year.

There have been no changes in accounting principles during the year, refer to note 29 Changes in accounting policies.

Sustainability statements

GO BACK

Introduction to our Sustainability Statements

In November 2022, the EU Corporate Sustainability Reporting Directive (CSRD) and the underlying European Sustainability Reporting Standards (ESRS) were adopted. Scatec has high standards for balanced, transparent, and consistent disclosure of sustainability information, as well as sustainability governance and management.

The preparatory work towards developing our ESRS reporting and Sustainability Statements started in 2023. We updated Scatec's materiality assessment according to CSRD requirements, including a comprehensive stakeholder engagement process to identify impacts and financial risk and opportunities. Our Sustainability Statements are based on the outcome of our double materiality assessment (DMA), validated by both the Executive Management Team and the Board of Directors.

Basis for preparation

Consolidation and reporting

Scatec reports in accordance with the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). We regard our report to be our Communication on Progress (COP) to the United Nations Global Compact (UNGC). Furthermore, this report builds upon our submissions to the Carbon Disclosure Project (CDP) and aligns with the principles of the Task Force on Climate-related Financial Disclosures (TCFD).

Scatec's sustainability reporting covers the period 1 January 2024 to 31 December 2024. The basis for consolidation is aligned with that of Scatec's financial statements. Refer to Note 1 'Basis for preparation and corporate information' in the annual financial statement for future information. Scatec is a project organisation structured as separate power-producing entities and operating entities with employees. Specific projects are usually included in the reporting on sustainability matters from the backlog phase. The type of company is relevant for certain sustainability matters and impacts, risks, and opportunities (IROs) related to Scatec's own workforce.

Scatec's own workforce is defined as follows:

- **Employees:** Workers that are employed full-time (FTE) and on a short-term (STE) basis in consolidated entities. Scatec's workforce includes a balance of roles, with approximately 40% of employees working on-site in operational and technical capacities, and 60% engaged in corporate, management, and support functions.
- **Non-employees:** Corporate consultants (CONS) who perform the same work as employees carry out and fill in for employees who are temporarily absent. These are included in the human resources system and carry out services, especially in support functions such as finance, digital, and solutions.

The employees most at risk of being materially impacted by the Company include full-time and short-term employees, particularly in some of the emerging markets we operate in. Employees across all contract types, who may be materially impacted by Scatec, are included in our reporting. Scatec does not foresee any material impacts on our employee base arising from our transition to the green economy due to our current renewable project portfolio. Furthermore, actual and potential impacts on Scatec's workforce that originate in or are connected with our business model include for example health and safety on project sites due to the construction of renewable energy projects. These impacts are considered in our corporate strategy development process where 'Our People' is a key strategic priority.

Workers in the value chain include all employees in the Company's upstream and downstream value chain who are or may be materially impacted by the Company but are not part of the Company's own workforce.

Value chain workers subject to material impacts include strategic suppliers' employees (such as solar module suppliers) and contractors' employees' (employees of the main subcontractor responsible for the construction of Scatec's projects).

- **O&M contractors:** These are workers employed by contractors who work at a Scatec site to carry out operations and maintenance (O&M) services. Such contractors primarily include security personnel, module-cleaning and vegetation-control suppliers.

- **EPC contractors:** These are workers appointed by third parties and hired as contractors to Scatec to build our projects. Scatec's business model does not include executing the construction, and those who work in engineering, procurement and construction (EPC) execution are mainly contractors. The EPC project team responsible for the management of the construction phase is usually part of Scatec's own workforce. Construction is conducted during a 6-14-month period, and there are often up to 5,000 individuals on site during the peak period.

- **Other workers in the value chain:** These include workers for suppliers of main components (such as solar modules, batteries, inverters, substructures, and wind turbines) and those working in transportation, logistics, and mining companies.

Scatec undertakes to ensure that its own practices do not cause or contribute to material negative impacts on value chain workers, through its active involvement in the management of its contractors and the working conditions of their employees. Furthermore, we engage with our strategic suppliers in key component categories on labour compliance matters and participate in industry initiatives on the development of alternative supply chains outside of regions with a high risk of forced labour. We have a zero-tolerance policy towards engaging with business partners or suppliers against which forced labour allegations have been confirmed in chain of custody audit reports.

Actual and potential impacts on workers in the value chain that originate in or are connected to our business model inform our strategy of being a leader in traceability which is an element of a key strategic pillar.

The understanding of our own workforce being distinct from workers in the value chain was developed by assessing the control over the operational companies in the Group, Scatec's business model, and the supply chain.

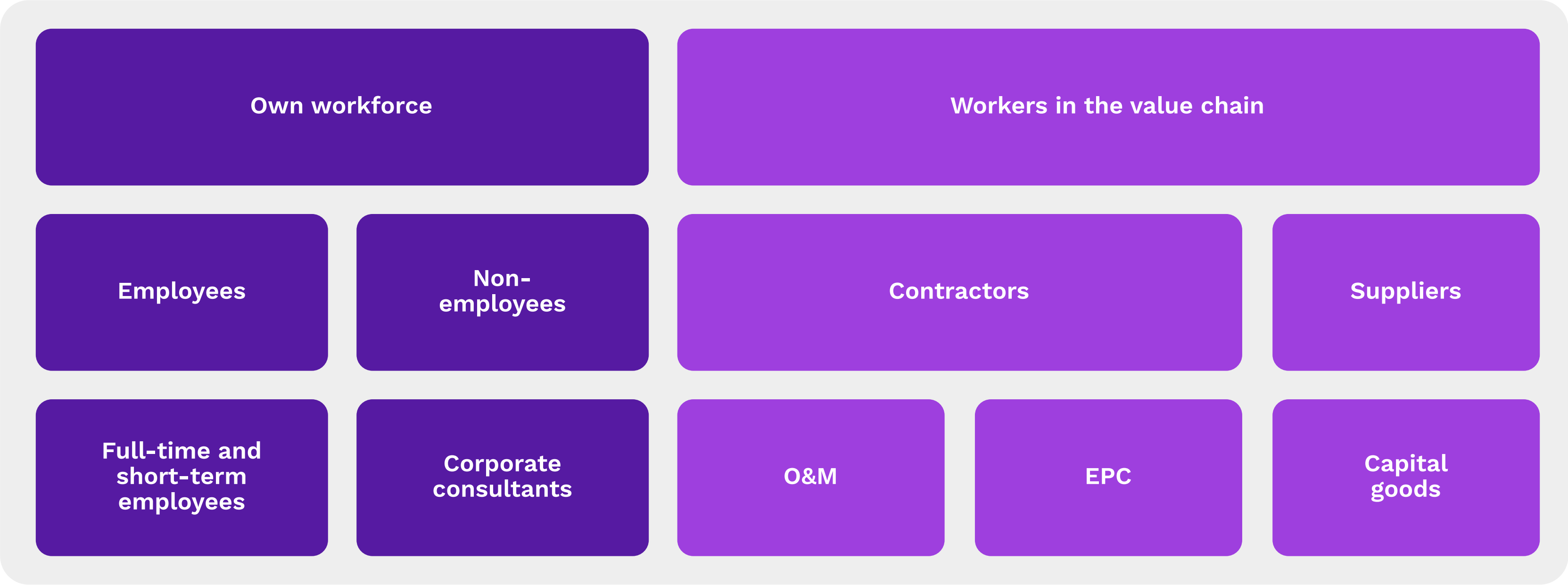
Value chain

Scatec's geographies, activities, technologies, actors, and relationships within the value chain were assessed during the double materiality assessment (DMA). The analysis was based on industry expertise and mainly focused on our first-tier suppliers, customers, and business partners. The downstream value chain includes power producers outside the reporting boundaries to which Scatec delivers services. These include:

- the Apodi and Mendubim joint venture projects in Brazil
- the Kalkbult, Linde, and Dreunberg projects in South Africa that were partly sold during the year
- the Upington project sold in 2023 to which Scatec delivers O&M services
- a project in Egypt neither constructed nor owned by Scatec but to which it delivers O&M services

The upstream value chain includes the supply chain ranging from the sourcing of raw materials to the manufacture of capital goods and to workers on site. Contractors working on site with O&M during operation and contractors working on site during the construction phase are treated as workers in the value chain.

Scatec's operations in emerging markets includes the risk of negative human rights impacts, particularly with regard to poverty levels, freedom of association rights, and forced and child labour. Geographies include Africa, Latin America, and Asia. The same risks exist in the renewable energy value chain, particularly for solar modules and batteries, and include the geographies of Asia and Latin America. Relevant scarce and other minerals and metals, over and above conflict minerals, include cobalt, rare earths, nickel, bauxite, and lithium.



Six material value chain impacts were identified and scored in respect of climate change, resource use and circularity, and workers in the value chain. Two material value chain risks and opportunities were identified and scored in respect of business conduct, climate change, resource use and circularity, and workers in the value chain. Refer to the different topic chapters for an explanation of the extent to which policies, actions, and targets apply to the value chain IROs and their inclusion in metrics.

The solar projects outside of the reporting boundaries are constructed and operated by Scatec following the same approach as the other projects in the Group. When conducting the DMA, these projects were analysed together with the projects within the reporting boundaries. IROs identified for the projects in our own operations as disclosed in the chapters are also relevant for the solar projects in the value chain (Apodi, Mendubim, Upington, Kalkbult, Linde, and Dreunberg), if not otherwise stated and 'own operations' therefore include these projects. IROs identified as 'in the value chain' relate to the upstream value chain.

Time horizons

The time horizons applied are the short term (within one year) and the long term (after five years or more). The short term primarily includes impacts, risks, and opportunities (IROs) related to assets in the portfolio, with the long-term view also including growth opportunities. Most projects in Scatec's portfolio last for more than 30 years, and therefore this long-term time horizon is relevant to understanding the relevant IROs. There is no material difference between IROs in the medium term (between one and five years) and the long term. Therefore, the short term and long term are used to distinguish between what is currently relevant and what will be relevant in the future, depending on the execution of strategy and developments in the industry. For the climate risk assessment, the time horizon used is 2025 for the short term, 2030 for the medium term, and 2050 for the long term. Refer to the Climate change chapter for further information.

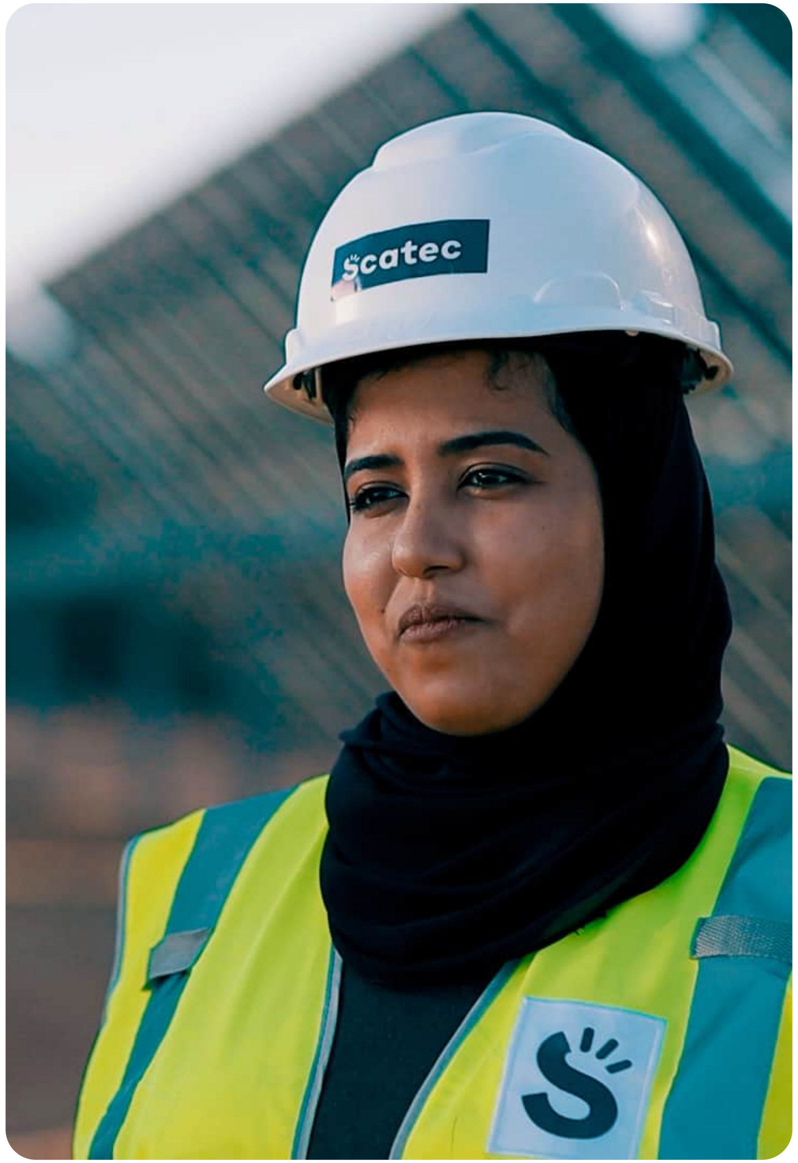
Estimation uncertainty, changes, and corrections

In the preparation of the sustainability statements, the management made assumptions and estimates in the calculation and presentation of certain metrics. Metrics relevant to the downstream value chain are measured on the basis of direct reporting from these entities. Metrics relevant to the upstream value chain include:

- Health and safety data for workers in the value chain for which Scatec receives reporting from contractors
- Scope 3 greenhouse gas (GHG) emissions, for which desktop research is done to identify emission factors and data is received from strategic suppliers of key components
- Resource inflows where materials comprising key components are identified through desktop research

Refer to the methodology sections of the chapters on these topics for a description of assumptions and estimation uncertainty, which include value chain data estimated by using indirect sources.

This is the first year Scatec is preparing the sustainability report in line with CSRD, and comparative figures are included if disclosed externally through other reporting in prior years. There has been no revision or correction of comparable figures.



Strategy

Strategy and business model

The key activities of Scatec's business model include developing, constructing, operating and owning renewable energy projects. The illustration to the right shows our business model, please refer to further information in the Management Review section of this report.

Our strategy and our business model are developed with resilience, which enables us to adapt to environmental and social impacts, risks, and opportunities. At Scatec, we are committed to advancing sustainable energy solutions while ensuring the long-term viability of our operations.

The next section summarises Scatec's material impacts, risks and opportunities.

Key inputs

Natural resources

- Natural resources such as sun, wind and water for our assets to generate renewable energy
- Raw materials such as silicon, glass and aluminium to create key components for our renewable energy projects

Human capital

- Dedicated workforce of about 800 passionate employees with knowledge and experience throughout our value chain

Financial capital

- Raise equity and predominately non-recourse debt for the project in collaboration with our financing partners
- Strategic divestments of non-core assets to consolidate portfolio, enhance value creation and fund our growth ambitions

Partnerships

- Key stakeholders such as co-investors, financing partners, shareholders, suppliers, contractors, governments and regulators, and local communities
- Trusted partnerships with high standards for the projects and their associated impacts

Key outputs and value creation

Global community

- Contributing to the green transition by developing sustainable renewable energy in emerging markets

Shareholders & customers

- Creating shareholder value through profitable and sustainable growth
- Creating customer value by deploying renewable energy capacity and supporting countries and companies in reaching their climate targets

Employees

- Creating value for employees by providing a motivational, sustainable and safe workplace

Communities

- Creating value in local communities through long term community investments and local job creation across our projects

As per ESRS requirements:
Key inputs: The key inputs are primarily secured from our supply chain, own operations and contractors, as well as project and financing partners

Scatec's environmental and social impacts, risks and opportunities

Climate change

- + Renewable energy production
- – Scope 3 GHG emissions and SF_6
- – Increased costs and decreased revenue due to extreme weather
- + Policies and regulations promoting renewable energy

Own workforce

- + Employing a diverse workforce
- + Employee training and skills development
- – Health and safety of employees on project sites
- – Increased cost of retention, recruitment and training due to high turnover

Workers in the value chain

- – Human and labour rights in the solar and battery supply chains
- – Health and safety of contractors' workers
- + Training and skills development on site
- + Working conditions on site for contractors
- – Increased cost of compliance due to regional dependency

Circularity & Biodiversity

- – Increased cost due to decommissioning requirements
- – Resource use in the value chain linked to conflict minerals
- – Large volumes of component waste at end of life
- – Habitat loss and harm to protected areas
- + Develop solutions for end of life and component recycling

Business conduct

- + Influence within developing markets through due diligence, compliance and training
- – Penalties and limited growth possibilities due to reputation damage from corruption/bribery incidents

Affected communities

- – High cost and lower revenue due to unrest and strikes
- – Negative impacts from project construction
- – Resettlement and displacement
- + Local value creation through direct community investments and job creation

Note 1: A plus sign indicates opportunity/positive impact, while a minus sign indicates risk/negative impact.

Climate change

Scatec's business model and strategy centre on the transition away from fossil fuels to reduce greenhouse gas (GHG) emissions. The transition towards a decarbonised society is a significant opportunity for Scatec. To limit global warming and align with the Paris Agreement, the share of electricity in final energy consumption is projected to steadily increase between 2020 and 2050. Our projects supply renewable energy, helping to reduce emissions from fossil fuel-based electricity generation. Seizing and delivering on the climate-related opportunities driven by regulatory change and the growing demand for renewable energy is central to our growth strategy. While this presents a significant climate-related opportunity, we acknowledge that both physical and transition risks potentially pose a range of impacts on our business. Climate risks may arise from the physical impact of extreme weather events, such as drought and floods, which can damage projects and disrupt power generation. Transitional risks, including increased regulation and market shifts, may also influence Scatec. Additionally, as climate ambitions intensify, increased competition has the potential to impact component and power prices.

As we mitigate climate-related risks and pursue climate-related opportunities, our commitment to sustainability is reinforced by the comprehensive actions outlined in our Net Zero Roadmap. It outlines five key initiatives to work towards achieving our net-zero target by 2040.

Circularity

Renewable energy projects require large amounts of resources to be built. With power purchase agreements (PPAs) lasting up to 30 years, the projects must be designed and operated with a view to long-term performance and eventual decommissioning. We also need to ensure that our projects can be decommissioned responsibly at end of life and prevent or minimise the impact of waste.

Biodiversity

The development and construction of utility-scale renewable energy projects may have environmental impacts such as habitat degradation, the reduction of resource availability, and the transformation of habitats, which can affect biodiversity. Scatec endeavours to implement mitigation measures to minimise and avoid impacts and restore biodiversity to ensure that we sustainably manage and conserve our planet for future generations.

Own workforce

Scatec is its people: a highly skilled, driven, and diverse workforce. What motivates us is our ability to deliver affordable and clean energy worldwide through our ambitious vision of improving our future. We encourage creativity, innovation, and new ways of thinking, and we are fortunate to work with people from all over the world. At the core of Scatec's vision for health, safety, security, and the environment (HSSE) is everyone working together to achieve zero harm.

Workers in the value chain

Sustaining a responsible supply chain and increasing our value chain focus are a key part of our sustainability efforts. We seek to understand, monitor, and report on key environmental, social and governance (ESG) risks and performance in our supply chain, and to select and develop suppliers with strong sustainability practices. We respect and protect all internationally recognised human rights in our operations and value chain, continually endeavour for zero harm to our contractors' personnel, materials, and the environment, and to prepare for and respond to emergencies to minimise all consequential impacts/losses.

Business conduct

The renewables industry is built by people who believe in a better future. However, many of the countries where we operate are vulnerable to corruption, which can make our work challenging. We make extensive efforts in our projects and operations to prevent corruption and other unethical practices, to ensure a constant focus on a zero-tolerance approach to bribery and corruption, and to strive for high standards of business ethics.

Affected communities

Renewable energy projects may trigger environmental and social impacts. We endeavour to minimise our negative impacts, maximise local benefits, and ensure constructive dialogue with all project stakeholders. In all of our work, we pay special attention to the human rights that we are at risk of impacting and to the most vulnerable groups. We engage in ongoing communication in local communities about our projects and potential impacts, implement long-term development programmes, and contribute to local job creation and skills transfer.

Resilience analysis

As part of updating our climate risk and opportunity assessment in 2024, we also conducted a resilience analysis. This analysis was carried out on a corporate level and evaluated all material climate-related risks and opportunities over the short (2025), medium (2030), and long term (2050), taking into consideration both a high emission scenario (3-4°) and a scenario aligned with the Paris Agreement (1.5°). This involved the evaluation of physical risks, transition risks, and opportunities and the resilience of our assets, business model, and strategy in the two scenarios. A diverse group of employees from across our organisation participated in assessing this, including top management, employees with site-specific experience, and members of the finance department. Although this was our first time conducting a resilience analysis in line with CSRD, we conduct monthly assessments that consider risk and resilience on a corporate level.

The Board of Directors receives a monthly risk report from the executive management team (EMT) to monitor and review highlights by region, country, and project. This includes the identification of risks that can impact our achievement of strategic objectives and, as such, guides major plans of action and business strategy. The Chief Executive Officer (CEO) and the Executive Vice President (EVP) People, Sustainability & Digitalisation are responsible for assessing and managing environmental and social impacts, risks, and opportunities, as well as overseeing target setting and implementing key initiatives. Scatec's EMT are responsible for managing these impacts, risks, and opportunities, which is an integrated part of Scatec's overall business strategy.

Scatec's strategic and operational resilience is strong given its position in the renewable energy industry. While the transition to a low-carbon economy presents challenges, it will require fewer adjustments for us than for other industries. We are aware of the risks and opportunities ahead and are committed to actively mitigating and continually capitalising on them.

Areas of uncertainty and ability to adapt strategy and business model

The scenario analysis is naturally accompanied by uncertainties, the most important of which for Scatec relate to climate change projections, technological advancements, market dynamics, demand for renewable energy, supply chain risks, and investments and financing. In both scenarios change can occur quickly, but we believe we are prepared for developments in either direction.

Stakeholder engagement

Regular engagement with internal and external stakeholders[1] to better understand, and gain valuable insights into, impacts, risks, and opportunities related to Scatec is key in order to review and update our corporate strategy and sustainability priorities. Scatec's key affected and consulted stakeholder groups include co-investors and partners, financing partners, shareholders, employees, suppliers, contractors, governments and regulators, and local communities.

During 2024, we engaged with a large number of key stakeholders through both our double materiality assessment (DMA) process and the regular engagements in our day-to-day business. Several key outcomes of these engagements have been incorporated into Scatec's strategy and business model. In 2024, we updated our corporate strategy with 'Leadership in sustainability' as one of our five key strategic priorities. Several of our key stakeholder groups indicated that it was important that Scatec be a leader in sustainability in order to successfully develop projects, attract solid partners, further increase access to capital, and motivate and retain employees. Key stakeholder feedback and inputs linked to, for instance, end-of-life management and recycling, and biodiversity losses and gains, as well as human rights and responsible value chains, have been incorporated into our strategy and sustainability priorities.

Scatec's Audit and Sustainability Committee (ASC) periodically reviews engagements and stakeholder views.

[1] Affected stakeholders
[2] Consulted stakeholders

Stakeholder group	How we engage	Nature and purpose of engagement	Interests and views of stakeholders
Norwegian government and regulators[2]	• Direct dialogue with policymakers • Conferences and industry events	The Norwegian government collaborates with institutions in Norway and abroad.	• The Norwegian government oversees our efforts and supports the positive impacts of renewable energy deployment both locally and internationally.
National governments and customers[2]	• Third-party due diligence • Direct dialogue with policymakers • Conferences and industry events	Regular dialogue with national governments is integral to our business and is handled mainly by our government affairs and communications team. During the initial phase of a project, we secure attractive locations, grid connections, licences and permits and enter into discussions with potential long-term partners. We negotiate commercially viable power purchase agreements (PPAs) with potential off-takers and start project design.	• Governments in host countries, which are often our customers, focus on local impacts and value creation. • This typically includes the economic value of projects, increased energy access, and potential job creation.
Local governments and communities[1]	• Public meetings and consultations, town halls • Direct dialogue by the community liaison officer (CLO) • Collaboration on community investments • Grievance mechanism • Annual general meetings	A social impact assessment is conducted during the planning phase of every project, on the basis of which a stakeholder engagement plan is formulated. Scatec prioritises ongoing dialogue with local and regional communities to effectively manage and meet their expectations. Each location is assigned a dedicated CLO to facilitate this engagement.	• Local governments and communities primarily focus on local impacts and value generation, particularly in the areas of job creation, local procurement, and education/training. • Local communities are keenly interested in Scatec's community investment initiatives.
Co-investors and partners[1]	• Direct dialogue by the business development and project teams • Third-party due diligence	Detailed dialogue regarding expectations is the starting point for all partnerships and is captured in our agreements.	• Co-investors and partners are keenly interested in ensuring that our business adheres to international best practice standards, such as the IFC Performance Standards and the Equator Principles, to effectively manage environmental and social impacts. • Furthermore, investors place a significant emphasis on our climate strategy and targets, resource use and circularity, key sustainability risks within our supply chain – including human and labour rights, biodiversity, corruption, and conflict minerals. Further, corporate governance aspects linked to executive remuneration, board composition, and minority shareholder rights. • Investors with a specific focus on impact investment are also concerned with local value creation and the promotion of clean energy initiatives. • Legal and binding agreements govern our relationships with co-investors and partners.

[1] Affected stakeholders
[2] Consulted stakeholders

Stakeholder group	How we engage	Nature and purpose of engagement	Interests and views of stakeholders
Financing partners[2]	• Sustainability risk ratings • Investor calls, questionnaires, emails • Direct dialogue by the project, investor relations, and sustainability teams	Financing partners are typically involved before capital is provided and frequently have stringent requirements concerning the assessment and management of sustainability matters.	• Financing partners evaluate our business conduct, climate strategy and targets, circularity, the key sustainability risks in our supply chain, and our local impact on energy access and job creation. • Legal and binding agreements govern our relationships with financing partners.
Shareholders[1]	• Shareholder calls, emails, questionnaires	As owner of the projects, we ensure that they are operating according to requirements. We also manage stakeholders and report to our lenders, partners, and the authorities. Shareholders regularly engage with top management to share their concerns and expectations.	• Shareholders focus on the creation of short- and long-term value, anti-corruption, and trustworthiness. • They are also interested in executive pay, board composition, and minority shareholder rights.
Employees[1]	• Engagement survey • Global committees, such as DEIB network calls • Leader calls • Global and local town halls • Training and awareness • Performance development appraisal and goal setting	Our employees make up our company and who we are. We are committed to fostering open, transparent, and dynamic communication with our workforce through a variety of engagement channels. The executive management team is actively involved in setting the tone for these engagements, ensuring alignment with Scatec's strategic priorities and values.	• Many employees take pride in our renewable energy initiatives, sustainability efforts, and local value creation, which boost their motivation and sense of purpose. • They are also focused on working conditions, health and safety, and career development and training opportunities.
Contractors[2]	• Direct dialogue by the engineering, procurement, and construction (EPC) teams • Third-party due diligence • Grievance mechanism	Contractors' concerns are addressed during projects, and contractors are treated like our employees on site.	• Contractors on our projects focus on working conditions, fair wages, health and safety, and skills development for their employees.
Suppliers[2]	• Supplier due diligence • Direct dialogue by the EPC, compliance, sustainability, and supply chain teams • Assessments and audits (desktop and physical) • Annual sustainability and climate workshops	Engaging closely with suppliers is crucial for understanding sustainability risks and opportunities in our supply chain. We conduct supplier audits and other engagements annually to facilitate dialogue, gather feedback, and encourage collaboration.	• Our suppliers are concerned with fair pricing, working conditions, health and safety, human rights, and climate-related matters.
Non-governmental organisations (NGO's)[1]	• Collaboration on community projects • Direct dialogue with the sustainability teams, including community liaison officers (CLOs)	NGOs representing local communities are involved in every project phase. In Norway, environmental NGOs collaborate to promote renewable energy.	• Local NGOs focus on creating value within their communities. Norwegian environmental NGOs assist us in promoting renewable energy. Their primary interests include renewable energy deployment.

[1] Affected stakeholders
[2] Consulted stakeholders

Reporting concerns

Scatec has a whistleblowing channel and a grievance mechanism in place, in line with the IFC Performance Standards and the UN Guiding Principles on Business and Human Rights.

Whistleblowing channel

All Scatec employees have a duty to report concerns regarding possible violations of the Code of Conduct or any other unethical conduct. Reports from our employees and stakeholders are crucial for us to understand if anything is amiss in Scatec or with our partners. Accordingly, the reporting threshold is low. Scatec recognises that it takes courage to come forward and share concerns and it encourages employees to raise any issues with their managers, or their managers' manger. In addition, employees can always share concerns directly with the compliance function.

The whistleblowing channel is accessible to all employees, business partners, and stakeholders and allows for anonymous reporting. Scatec does not tolerate retaliation of any kind against those who report in good faith. The channel protects the privacy of individuals who report a concern, as well as the privacy of any individual who is the subject of a report.

Scatec uses an independent company to manage all reports, and each is treated as confidential with restricted access. The channel is always open and is available in most local languages. A reporter's identity is always kept confidential unless otherwise agreed. Any person or company making use of the channel may also choose to remain anonymous. Scatec encourages reporters to submit under their own names, with restricted access, so that we can be in contact if more information is needed to substantiate an allegation.

Grievance mechanism

The grievance mechanism is designed for individuals, communities, and companies to provide feedback or raise concerns regarding projects. It serves as a channel to present issues to the project administration and is overseen by the global sustainability business unit. Each grievance is logged in the system, assigned to the appropriate person, and processed according to established grievance procedures. The goal is to respond and initiate action to address the grievance within 15 working days. The mechanism is available at local project sites and in five different languages on the corporate website.

Employees are informed about the available channels when onboarding with Scatec. Additionally, mandatory annual training provides reminders. Local communities are reminded of the available channels though the CLO and environmental and social (E&S) teams, which continually engage with, and implement community investment programmes in, the respective regions.

In the case of actual negative impacts, appropriate actions are taken depending on the nature of the impact.

Impact, risk, and opportunity (IRO) management

Double materiality assessment (DMA) introduction

Scatec has carried out its DMA in accordance with the guidelines in the ESRS. The assessment has a dual focus, investigating both an organisation's impact on the environment, people, and society and how different sustainability matters financially impact the Company.

The double materiality assessment is conducted through a mix of quantitative and qualitative methods, including interviews, desktop analysis, and scoring, and is built on a solid foundation of previous analyses and resources, such as the Task Force on Climate-related Financial Disclosures (TCFD) report, the Transparency Act Statement, the ESG Performance Report, and the Annual Strategic Report. Broad stakeholder involvement, both externally and internally throughout the organisation, has informed the current year assessment, with geographical reach obtained through the involvement of regional executives and environmental and social managers from all geographic areas. As part of the insights phase, a nature risk assessment, inspired by the Task Force on Nature-related Financial Disclosures (TNFD), was performed to better understand financial risks and opportunities related to biodiversity.

Scatec will review, calibrate, and update its DMA during the third quarter on an annual basis. Furthermore, increased alignment between Scatec's enterprise risk management system (ERM) and the DMA will be performed in 2025. Opportunities assessed and scored in the DMA are primarily derived from Scatec's business model and the core opportunities we pursue as a company.

Value chain analysis

A value chain analysis was performed that included an evaluation of the geographies, activities, technologies, actors, and relationships to be able to identify and score relevant IROs. This assessment relied on internal expertise and primarily concentrated on our first-tier suppliers, customers, and business partners.

Stakeholder engagement through interviews and roundtables

Affected stakeholders were engaged in the double materiality process through interviews, roundtables, and workshops, and their perspectives are included in the assessment. Interactions with external sustainability experts, partners, and networks also inform the understanding of IROs along the value chain.

A working group consisting of subject matter experts and line managers provided inputs and cross-functional discussions in the areas of environmental and social management, health and safety, community engagement, human resources, supply chain, financial reporting, enterprise risk management, investor relations, and communications.

The Audit and Sustainability Committee (ASC) and the Board of Directors were a key part of the DMA process, through the initial interviews, continual updates, and validation of results. The executive management team (EMT) and representatives of the ASC participated in one-on-one conversations during the insights phase and validated the results. Differences between internal and external stakeholder views were also examined and discussed as part of the assessment.

Impact materiality

In the impact assessment, we evaluated Scatec's impact on people and the environment over the short and long term, in own operations and along the value chain. Impacts can be positive or negative, actual or potential and may vary in scale, scope, irremediability (severity), and likelihood. The irremediable nature of an impact is defined as whether and to what extent a negative impact can be reversed, from both an internal (related to strategic direction and mandates in making decisions) and an external (related to outside factors that can make it easier or more difficult to mitigate) viewpoint. To consider both scale and scope, it was important to ensure a balanced view of the impacts. For example, the impact on biodiversity in relation to land use change was rated as high, since all renewable energy projects occupy large areas of land. However, this does not automatically mean that there is a negative impact, as we aim to select project sites with a low biodiversity value. Furthermore, biodiversity values differ significantly among the countries we operate in. Therefore, actual and potential negative impacts on areas of key biodiversity value were scored within the broad range of contexts in our total project portfolio.

The scale and scope of all impacts were considered on a gross basis, so impacts were not scored according to the effect following mitigating actions being put in place. The most relevant and significant impacts were summarised and scored. Key dependencies were assessed in connection with certain impacts, where applicable. We do not deem any specific activity, business relationship, geography, or project to give rise to a heightened risk of adverse impacts.

Financial materiality

The materiality of risk and opportunities was assessed according to magnitude in terms of possible financial effect on cash flow at the group level and the likelihood in terms of probability of the risk materialising within the time frame. Financial influence depends on the type of risk or opportunity, e.g. physical or transitional risk, and is not limited to matters within the control of the undertaking. Projects under construction and in operation with a financial influence in the short and long term and growth possibilities with a financial influence in the long term are included in the assessment. Financial influence may be in terms of direct costs related to the repair of a project due to physical risks or indirect costs such as a higher cost of capital due to reputational risk, and judgement is applied when comparing the financial influence of risks and opportunities.

All sustainability-related IROs identified and assessed as material for Scatec are presented in each chapter of the sustainability statements of this report. All sustainability-related risks are prioritised the same as other risks in Scatec.

Aggregation

IROs are assessed through a top-down approach that considers all of the projects in our portfolio and future projects and technologies in line with our strategy. IROs within some topics are project-driven and relate to the project location, such as biodiversity, climate adaption, and affected communities. However, the same IROs are often relevant to all projects within a technology, regardless of location. IROs within other topics, mainly social and governance, are more corporate in nature and overarching in terms of the business and portfolio of projects.

Interconnections between IROs

There is an interrelated relationship between certain IROs, where a positive or negative impact increases in significance as the financial risk or opportunity decreases, and vice versa. The interrelationships between IROs are driven by the business model and strategy, which generate impacts on the environment and society, and in turn, the strategy manages the risks to the Company.

For example, the potential negative impact of the end-of-life treatment of project components (resource use and circularity) is high if low carbon components that are easier to recycle are not chosen. In turn, the potential negative impact is expected to be lower at end of life if capital is already invested in low carbon components now.

Results

The determination of whether an IRO is material depends on the significance score. The setting of thresholds involves judgement based on Scatec's understanding of what might influence the decision-making of the primary users of the sustainability statements. Refer to the risk management section in the Management Review for the overview responsibilities in respect of oversight of the IROs identified and how oversight is exercised.

Since 2019, Scatec has conducted materiality assessments every second year, building the foundation for the sustainability strategy and reporting according to best practices. Given that the focus of these assessments was primarily on impacts and the assessments have not followed a rigid methodology, it is not practical to compare previous results to the current DMA including financial risks and opportunities that is carried out according to the CSRD guidelines.

Note – Pollution is not a material topic for Scatec. In the completed DMA, the stakeholders that we engaged (including affected communities through our E&S and CLO perspectives) were not concerned with the topic of pollution. As a result, there were no IROs documented, assessed, or scored for this topic. Our projects are built so as to limit or avoid pollution due to the nature of renewable energy generation. Furthermore, all projects have waste and hazardous waste management plans that include the identification and management of effluents and pollution (if relevant).

Note – Water and marine resources is not a material topic for Scatec. In December 2023, Scatec decided to establish a separate platform for its hydropower operations and to identify partners for funding and ownership. In the completed DMA, the main stakeholder groups concerned with water expressed this in relation to the hydropower project portfolio. Scatec's direct water usage in its own solar and wind operations is limited compared to that of other companies and industries. Water usage in the value chain comprises greater volumes due to the production of components, such as solar modules, inverters and substructures, and batteries. The impacts in our own operations and in the value chain were not scored as material.

Note - Consumers and end users is not a material topic for Scatec, due to the nature of our business model, customer base, and renewable electricity production.

Refer to the Climate change, Biodiversity and ecosystems, Resource use and circularity, and Business conduct chapters in this report for further information on IROs. References are included via footnotes on the following pages: 76, 77, 83, 87, 88, 91, 95, 97, 128.

ESRS topic	Material sustainability matters	Disclosure requirements complied with following the outcome of the DMA	Page number
E1 Climate change	Climate change adaptation	E1-1, E1-SBM-3, E1-2, E1 IRO-1, E1-3, E1-4, E1-6	73-86
E1 Climate change	Climate change mitigation	E1-1, E1-SBM-3, E1-2, E1 IRO-1, E1-3, E1-4, E1-6	73-86
E1 Climate change	Energy	E1-1, E1-SBM-3, E1-2, E1 IRO-1, E1-3, E1-4, E1-6	73-86
E2 Pollution		Not material	58
E3 Water and marine resources		Not material	58
E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	E4-1, E4 IRO-1, E4-3, E4 SBM-3, E4-4, E4-5	87-94
E5 Resource use and circular economy	Resource inflows, including resource use	E5-1, E5-2, E5 IRO-1, E5-3, E5-4,	95-99
E5 Resource use and circular economy	Waste	E5-1, E5-2, E5 IRO-1, E5-3, E5-4,	95-99
S1 Own workers	Equal treatment and opportunities for all	S1-1, S1-2, S1-4, S1 SBM-3, S1-5, S1-6, S1-14	101-112
S1 Own workers	Working conditions	S1-1, S1-2, S1-4, S1 SBM-3, S1-5, S1-6, S1-14	101-112
S2 Workers in the value chain	Working conditions	S2-1, S2-2, S2-4, S2 SBM-3, S2-5	113-119
S2 Workers in the value chain	Other work-related rights	S2-1, S2-2, S2-4, S2 SBM-3, S2-5	113-119
S3 Affected communities	Communities’ economic, social and cultural rights	S3-1, S3 SBM 9, S3-2, S3-4, S3 SBM-3, S3-5	120-126
S4 Consumers and end users		Not material	58
G1 Business conduct	Corruption and bribery	G1-1, G1 IRO-1, G1-3, G1-4, S1-17	128-131

Reference tables

Disclosure requirements incorporated by reference

ESRS disclosure requirement	Description	Report and section	Page number
GOV-1 21a-e, AR3, AR5, 22a-b, 22c i-iii, 22d, 23a-b; G1 GOV-1 5a-b	Board committees, Executive Management Team	Management Review: Corporate Governance	20-24, 25-28
GOV-2 22, 26a-c, 22b	Executive Management and Board oversight of impacts, risks and opportunities	Management Review: Risk management and due diligence	29
GOV-3 29 a-e, AR7, E1 GOV3 13	Board and Executive Management Remuneration	Management Review: Corporate Governance	25
		Executive Remuneration Report	3-4, 7, 9-12
SBM-1 40a i-iii, 40b, 40e-g, AR12-13, 41, 42a-c, AR15-15	Strategic priorities, business model and value chain	Management Review: Strategic pillars, Strategic targets and ambitions, Core markets and business model	11-13
GOV-5 36a-e, AR11	Risk management over sustainability reporting	Management Review: Corporate Governance	22

ESRS data points from other EU legislation

Disclosure requirement	Data point	Description	Legislation	Page number
ESRS 2, GOV-1	21d	Board's gender diversity	SFDR/BRR	20
ESRS 2, GOV-1	21e	Percentage of board members who are independent	BRR	20
ESRS 2, GOV-4	30	Statement on due diligence	SFDR	64
ESRS 2, SBM-1	40d i	Involvement in activities related to fossil fuel activities	SFDR/P3/BRR	Not relevant
ESRS 2, SBM-1	40d ii	Involvement in activities related to chemical production	SFDR/BRR	Not relevant
ESRS 2, SBM-1	40d iii	Involvement in activities related to controversial weapons	SFDR/BRR	Not relevant
ESRS 2, SBM-1	40d iv	Involvement in activities related to cultivation and production of tobacco	BRR	Not relevant
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	EUCL	74-75
ESRS E1-1	16g	Undertakings excluded from Paris-aligned benchmarks	P3/BRR	Not relevant
ESRS E1-4	34	GHG emission reduction targets	SFDR/P3/BRR	84
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR	Not relevant
ESRS E1-5	37	Energy consumption and mix	SFDR	Not material
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	SFDR	Not relevant
ESRS E1-6	44	Gross scope 1, 2, 3, and total GHG emissions	SFDR/P3/BRR	83
ESRS E1-6	53-55	Gross GHG emissions intensity	SFDR/P3/BRR	84
ESRS E1-7	56	GHG removals and carbon credits	EUCL	Not relevant
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	BRR	76-79
ESRS E1-9	66a-c	Disaggregation of monetary amounts by acute and chronic physical risk; location of significant assets at material physical risk	P3	Not included
ESRS E1-9	67c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	P3	Not relevant
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	BRR	76-79
ESRS E2-4	28	Amount of each pollutant listed in annex II of the E-PRTR regulation emitted to air, water, and soil	SFDR	Not material
ESRS E3-1	9	Water and marine resources	SFDR	Not material
ESRS E3-1	13	Dedicated policy	SFDR	Not material
ESRS E3-1	14	Sustainable oceans and seas	SFDR	Not material

Disclosure requirement	Data point	Description	Legislation	Page number
ESRS E3-4	28c	Total water recycled and reused	SFDR	Not material
ESRS E3-4	29	Total water consumption in m^3 per net revenue on own operations	SFDR	Not material
ESRS E4, SBM-3 (ESRS 2)	16a i	Activities negatively affecting biodiversity-sensitive areas	SFDR	91
ESRS E4, SBM-3 (ESRS 2)	16b	Land degradation, desertification, or soil sealing	SFDR	91
ESRS E4, SBM-3 (ESRS 2)	16c	Threatened species	SFDR	93
ESRS E4-2	24b	Sustainable land/agriculture practices or policies	SFDR	88
ESRS E4-2	24c	Sustainable oceans/seas practices or policies	SFDR	Not relevant
ESRS E4-2	24d	Policies to address deforestation	SFDR	88
ESRS E5-5	37d	Non-recycled waste	SFDR	98
ESRS E5-5	39	Hazardous waste and radioactive waste	SFDR	98
ESRS S1, SBM-3 (ESRS 2)	14f	Risk of incidents of forced labour	SFDR	101
ESRS S1, SBM-3 (ESRS 2)	14g	Risk of incidents of child labour	SFDR	101
ESRS S1-1	20	Human rights policy commitments	SFDR	102-103
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BRR	102-103
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	SFDR	102-103
ESRS S1-1	23	Workplace accident prevention policy or management system	SFDR	102-103
ESRS S1-3	32c	Grievance/complaints-handling mechanisms	SFDR	56
ESRS S1-14	88b-c	Number of fatalities and number and rate of work-related accidents	SFDR/BRR	110
ESRS S1-14	88e	Number of days lost to injuries, accidents, fatalities, or illness	SFDR	110
ESRS S1-16	97a	Unadjusted gender pay gap	SFDR/BRR	External source

Disclosure requirement	Data point	Description	Legislation	Page number
ESRS S1-16	97b	Excessive CEO pay ratio	SFDR	External source
ESRS S1-17	103a	Incidents of discrimination	SFDR	131
ESRS S1-17	104a	Non-respect of UNGPs on Business & Human Rights, ILO principles, or OECD guidelines	SFDR/BRR	131
"ESRS S2, SBM-3 (ESRS 2)"	11b	Significant risk of child labour or forced labour in the value chain	SFDR	113, 116-117
ESRS S2-1	17	Human rights policy commitments	SFDR	116
ESRS S2-1	18	Policies related to value chain workers	SFDR	114, 116, 118
ESRS S2-1	19	Non-respect of UNGPs on Business & Human Rights, ILO principles, or OECD guidelines	SFDR/BRR	116
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BRR	114, 116, 118
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	114-119
ESRS S3-1	16	Human rights policy commitments	SFDR	122
ESRS S3-1	17	Non-respect of UNGPs on Business & Human Rights, ILO principles, or OECD guidelines	SFDR/BRR	122
ESRS S3-4	36	Human rights issues and incidents	SFDR	123-124
ESRS S4-1	16	Policies related to consumers and end-users	SFDR	Not material
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR/BRR	Not material
ESRS S4-4	35	Human rights issues and incidents	SFDR	Not material
ESRS G1-1	10b	United Nations Convention against Corruption	SFDR	129-130
ESRS G1-1	10d	Protection of whistleblowers	SFDR	56
ESRS G1-4	24a	Fines for violation of anti-corruption and anti-bribery laws	SFDR/BRR	131
ESRS G1-4	24b	Standards of anti-corruption and anti-bribery	SFDR	129-130

Scatec-specific metrics

Metric description	Unit	Reported in ESRS topic chapter	Page number
Fatalities	Number	Own workforce	110
Lost Time Incident Frequency (LTIF)	Ratio	Own workforce	110
Total Recordable Injury Frequency (TRIF)	Ratio	Own workforce	110
High potential incidents (HPI)	Ratio	Own workforce	110
Sick leave	Percentage	Own workforce	110
Working hours	Number	Own workforce	110
Operations assessed for risks related to corruption	Percentage	Business conduct	131
Whistleblowing reports received	Number	Business conduct	131
Confirmed incidents of corruption	Number	Business conduct	131
Workshops with strategic suppliers	Number	Workers in the value chain	117
Chain of Custody audits for new solar projects	Number	Workers in the value chain	117
Grievances received	Number	Affected communities	126
Grievances addressed and resolved	Percentage	Affected communities	126
Direct jobs created in the peak construction phase	Number	Affected communities	126
Long-term local development programmes	Number	Affected communities	126
IUCN Red List species and national conservation list species	Number	Biodiversity	93
Critically endangered	Number	Biodiversity	93
Endangered	Number	Biodiversity	93
Vulnerable	Number	Biodiversity	93
Near threatened	Number	Biodiversity	93
Least concern	Number	Biodiversity	93
Electricity production	GWh	Climate change	84
Emissions avoided	mill tCO_2e	Climate change	84
Voluntary resignations	Number	Own workforce	106
Turnover	Rate	Own workforce	106
Employees by contract type and gender	Headcount	Own workforce	108
Full-time permanent employees	Headcount	Own workforce	108
Part-time permanent employees	Headcount	Own workforce	108
Temporary employees	Headcount	Own workforce	108
Non-guaranteed working hours	Headcount	Own workforce	108

Metric description	Unit	Reported in ESRS topic chapter	Page number
Nationalities	Number	Own workforce	108
Female leaders	Percentage	Own workforce	108
Engagement pulse survey	Percentage	Own workforce	108
Response rate	Percentage	Own workforce	108
Engagement score	Number	Own workforce	108

Disclosures from other generally accepted sustainability reporting frameworks

Taskforce for Climate-related Financial Disclosures (TCFD)	Reported in ESRS topic chapter	Page number
Governance Disclose the organisation's governance around climate-related risks and opportunities.	Climate change	76, 80
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Climate change	74-75
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	Climate change	29-32, 76-79
Metrics & Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Climate change	83-84

Taskforce for Nature-related Financial Disclosures (TNFD)	Reported in ESRS topic chapter	Page number
Governance Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.	Biodiversity	88-89
Strategy Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.	Biodiversity	87-88
Risk Management Describe the process used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risk and opportunities.	Biodiversity	29-32, 87
Metrics & Targets Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.	Biodiversity	91-93

Sustainable Development Goals

Sustainable Development Goals (SDG)	Our main contribution	Page number
Goal 7: Affordable and clean energy As a company we contribute directly to SDG 7 "Affordable and clean energy". Access to energy is fundamental for economic development and people's standard of living, which implies that contribution to SDG 7 has a positive impact on several other SDGs.	By 2030, increase substantially the share of renewable energy in the global energy mix. By 2030, ensure universal access to affordable, reliable and modern energy services.	10-12
Goal 8: Decent work and economic growth Providing safe and healthy working conditions for our employees and subcontractors and protecting labour rights are identified as the most material topics for our business.	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. By 2020, substantially reduce the proportion of youth not in employment, education, or training.	101-111
Goal 17: Partnerships for the goals Our partnership-based approach is essential to our role as an integrated renewable power producer. We aim to select strong and trusted partners with high standards for all projects.	Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the SDGs in all countries, in particular developing countries.	13

Sustainability due diligence

The OECD Due Diligence Guidelines provide a framework for companies to identify, prevent, mitigate, and address risks related to their operations, supply chains, and business relationships. The due diligence process is designed to ensure that businesses operate responsibly, particularly in terms of human rights, labour, the environment, anti-corruption, and other ethical considerations.

Core elements of due diligence	Page number
a. Embedding due diligence in governance, strategy and business model	18-22, 29-32
b. Engaging with affected stakeholders in all key steps of the due diligence	53-55
c. Identifying and assessing adverse impacts	56-58
d. Taking actions to address those adverse impacts	80-82, 90, 97, 105, 107, 109-110, 114-119, 123-125, 130
e. Tracking the effectiveness of these efforts and communicating	80-82, 90, 97, 105, 107, 109-110, 114-119, 123-125, 130

Environmental

EU taxonomy

Identification of eligible economic activities

Scatec performs economic activities related to different renewable energy technologies and solutions along the value chain. Identification of economic activities is based on the technology and the project. Refer to 'A diversified asset portfolio based on long-term contracts' in the Management Review section of this report for an overview of the projects in the Group. As a global energy provider, most of Scatec's economic activities are outside of the EU and not directly covered by EU requirements.

Electricity generation using solar photovoltaic technology (4.1)

Scatec's activities mainly include the operation and construction of solar photovoltaic (PV) technology projects. Battery energy storage system (BESS) storage capacity attached to solar projects is included under this activity when Scatec does not sell storage capacity externally but uses it to enable the sale of electricity.

Scatec is carrying out operations and maintenance (O&M) services on projects that it does not own, an activity classified as operation of electricity-generation facilities. This is in line with the current contextual interpretation of the definition of activity 4.1.

Electricity generation from wind power (4.3)

This activity includes electricity generation and the operation of wind power projects, namely the 40MW Dam Nai project in Vietnam.

Storage of electricity-enabling activities (4.10)

This activity includes the construction and operation of electricity storage projects. Scatec's BESS projects include the 103MW Mogobe project in South Africa that is under construction.

Manufacture of hydrogen (3.10)

Scatec is pursuing green hydrogen opportunities in Egypt, which are classified within this activity. The green hydrogen production facility will be fully powered by renewable solar and wind energy, and the hydrogen will be used as feedstock to produce green ammonia.

With regard to activity 4.5 Electricity generation from hydropower, refer to the section titled 'Equity-consolidated entities'.

Assessment of economic activity alignment

During 2024, Scatec continued its assessment of economic activities. This consists of a review of project documentation and the completion of a screening questionnaire for each project based on the relevant taxonomy criteria for the economic activity. All project documents reviewed are included in the screening file as supporting information that demonstrates alignment.

Making a substantial contribution to at least one environmental objective, climate mitigation

Scatec's overall company mission is to deliver competitive and sustainable renewable energy globally, to protect our environment, and to improve quality of life through the innovative integration of reliable technology. For the activities listed below, Scatec is fulfilling the criteria for a substantial contribution to climate mitigation:

- **4.1 Solar:** Scatec's solar projects use solar PV technology to generate renewable electricity
- **4.3 Wind:** Scatec's wind project uses wind power technology to generate renewable electricity
- **4.10 Storage:** Scatec's BESS projects will operate using electricity storage
- **3.10 Hydrogen:** In order to make a substantial contribution to the environmental objective of climate change mitigation, the relevant asset should comply with the lifecycle greenhouse gas (GHG) emissions savings requirement for hydrogen of 73.4%. Scatec's green hydrogen production facility in Egypt will be fully assessed once operational, and we expect this project to be aligned.

Doing no significant harm (DNSH) to any other environmental objectives

Scatec is committed to operating in line with the Equator Principles and the International Finance Corporation (IFC) Environmental and Social Performance Standards to ensure consistent practices across all projects. Scatec's work is also guided by the OECD Guidelines for Multinational Enterprises. Scatec works with trusted partners such as the IFC, Norfund, KLP, and several larger development banks, all of which maintain high standards for the projects and their associated impact.

Climate adaptation

The environmental objective and the criteria for DNSH related to climate adaptation are relevant for all of the eligible activities. As part of updating our climate risk and opportunity assessment in 2024, we also conducted a resilience analysis. This analysis evaluated climate-related risks and opportunities over the short (2025), medium (2030), and long (2050) term, and considered both a high emission scenario (3-4°) and a scenario aligned with the Paris Agreement (1.5°). Refer to the Climate Change chapter and Management Review for more information.

Protection and restoration of biodiversity and ecosystems

The environmental objective and the DNSH criteria related to biodiversity are relevant for all of the eligible activities. Scatec's environmental and social management system (ESMS) identifies biodiversity impacts and risks throughout the project lifecycle, from initial assessment and planning through construction, operations, and decommissioning. Each project has an environmental and social management plan that includes relevant mitigating actions and further focuses on restoring and creating rich ecosystems. Scatec prioritises site selection to mitigate impacts by avoiding highly sensitive areas where irreversible negative impacts cannot be prevented. We adhere to the precautionary principle and avoid projects that threaten critically endangered species. Refer to the Biodiversity and ecosystems chapter in the Sustainability Statements for more information.

Transition to a circular economy

The environmental objective and the DNSH criteria related to circular economy are relevant to Scatec's solar (4.1), wind (4.5), and storage (4.10) projects. Lifecycle considerations include site selection and E&S impact studies in the feasibility phase, and thereafter component sourcing, design, and financing in the structuring phase. Scatec procures high-quality components, addresses obsolescence risk, and creates decommissioning plans. A key target for 2027 is for each project to have a plan for reusing or recycling components such as solar panels, batteries, and turbine blades after decommissioning. Hazardous waste management plans are in place for all projects, in alignment with Scatec's guidelines.

During construction and operations, the focus is on the maintenance, monitoring, and safe disposal of damaged components.

For all new projects, Scatec evaluates components for durability, recyclability, and ease of dismantling and refurbishing. Refer to the Resource use and circular economy chapter in the Sustainability Statements for more information.

Sustainable use and protection of water resources, and pollution prevention and control

The environmental objectives and the DNSH criteria related to water and pollution are relevant for Scatec's hydrogen (3.10) activities. Scatec currently has a green hydrogen production facility under development in Egypt that is not yet operational, hence only a high-level screening was performed. A detailed screening will be undertaken when the project is realised.

Green hydrogen production requires water, and following the waste hierarchy, Scatec focuses on using lower-quality water, minimising use, and ensuring no significant adverse impact on communities or the environment in accordance with ISO14001 standards.

Fulfilment of the DNSH criteria

Most of Scatec's economic activities were aligned with the DNSH criteria in 2024. The following project is not considered aligned as of the publication of this report:

- The 20MW Czech portfolio was developed and constructed in 2009/2010. Due to a lack of sufficient documentation covering the criteria for circularity and biodiversity, we do not consider the project to be aligned with the criteria relevant for activity 4.1.

Complying with minimum social safeguards

Scatec conducts its economic activities in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Scatec's respect for human rights, anti-corruption, anti-bribery, taxation, and fair competition was reviewed and assessed against the minimum social safeguards criteria and our activities were found to be aligned with requirements in 2024. In addition, we expect all future economic activities to be aligned with the criteria.

Human rights

Our human rights policy confirms Scatec's commitment to respecting all internationally recognised human rights aligned with the International Bill of Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. Human rights due diligence is integrated into our overall E&S due diligence process and follows IFC Performance Standards and UN Guiding Principles on Business and Human Rights. When initial assessments indicate potential human rights risks, focused human rights due diligence assessments are conducted to obtain a deeper understanding of the risks associated with the development of the project and to implement mitigation measures.

Refer to the Workers in the value chain and Affected communities chapters, as well as the Transparency Act Statement for more information about Scatec's human rights work.

In 2024, no cases or allegations were brought against Scatec by the OECD or the Business and Human Rights Resource Centre (BHRRC).

Anti-corruption and fair competition

Scatec is committed to opposing all forms of corruption and maintaining the highest ethical standards in our business activities. We adhere to both national and international laws prohibiting bribery and corruption, including the Norwegian Penal Code, the US Foreign Corrupt Practices Act, and the UK Bribery Act, all of which have international jurisdiction. Additionally, Scatec complies with applicable anti-corruption laws in the countries where it operates.

Our Code of Conduct strictly prohibits all forms of corruption. Scatec supports fair competition and adheres to anti-trust laws. We ensure quality service without engaging in bid rigging, price fixing, or market abuse. Collaboration with partners also complies with competition laws, and we do not share non-public information unless necessary and legal. Refer to the Business conduct chapter for further information on Scatec's approach to anti-corruption.

Neither Scatec nor its senior management has been convicted in court on charges of corruption or bribery in recent years. Scatec and its senior management have no recent convictions for violating competition laws.

Taxation

Scatec follows a responsible, fair, and transparent tax approach, adhering to high compliance standards globally. Taxes are paid where economic value is created, guided by international principles such as the OECD standard. Our tax policy outlines our tax positions, including compliance, transfer pricing, and risk management.

Neither Scatec nor its subsidiaries have been convicted of violating tax laws in recent years.

Fulfilment of the minimum social safeguards criteria
All Scatec's economic activities were considered to be aligned with minimum social safeguards criteria in 2024. We expect all future economic activities also to be aligned with these criteria.

Reporting on financial key performance indicators

The extent to which Scatec carries out activities in line with the taxonomy is quantified through the key performance indicators (KPIs) of turnover, capital expenditure (capex), and operating expenditure (opex). Refer to the mandatory annexures at the end of this section.

According to the taxonomy, KPIs are to be reported on the basis of a company's IFRS consolidated figures. This implies that turnover, capex, and opex are to be disclosed for economic activities in the companies included in the consolidated financial statements. These KPIs do not include figures from joint ventures (JVs) or associated companies, such as the hydropower-producing companies.

	Turnover		Capex		Opex	
	NOK million	%	NOK million	%	NOK million	%
Eligible	4,256	97%	3,260	99%	333	100%
Aligned	4,127	94%	3,252	98%	325	98%
Not aligned	129	3%	8	0%	8	2%
Non eligible	112	3%	45	1%	-	-

Turnover

Scatec's turnover gives a clear picture of where the Company is today relative to the taxonomy. Net turnover for the purpose of taxonomy reporting aligns with the heading 'Revenues' in the financial statement, as reported in the consolidated statement of profit and loss. Scatec's consolidated turnover is primarily from the sale of electricity from solar and wind projects to third parties. A smaller portion of the turnover is generated by the sale of project maintenance services to third parties. The consolidated turnover is allocated to the numerator based on the economic activities in the operating entities. Refer to the consolidated financial statement Note 2 Operating segments for turnover disaggregated by country.

94% of Scatec's turnover is derived from eligible activities that are aligned with the taxonomy. 3% of the turnover relates to the sale of electricity from the Czech portfolio that is assessed as non-aligned, as discussed above in the DNSH section. The remaining 3% relates to miscellaneous goods and services sold from various entities in the Group that are classified as non-eligible.

Capex

Scatec's capex gives investors a sense of the Company's strategic direction. Capital expenditure reflects which economic activities will generate future turnover. Capex for the purpose of taxonomy reporting relates to additions as presented in Note 9 Property, plant and equipment and Note 11 Goodwill and other intangible assets in the Group's consolidated financial statements, recognised in line with IFRS. Capex is allocated to the numerator by economic activity based on the structuring of projects in separate SPVs and the capitalisation of project costs.

98% of the capex recognised during the year relates to taxonomy-aligned economic activities, mainly capex on solar projects under construction during the year.

Capex plan

Capex also includes capitalisation of projects under development that are a part of the plan to expand taxonomy-aligned economic activities, referred to as the capex plan. All projects under development within solar, wind, hydrogen, and BESS technologies are expected to expand the scope of taxonomy-aligned economic activities in the Group. The projects are developed to be in line with Scatec's mission to deliver competitive and sustainable renewable energy globally and to contribute to the climate mitigation objective. Project development and execution follow Scatec's approach and standards in order to not significantly harm any of the other objectives.

The timeline and total capital expenditure related to projects expected to expand taxonomy-aligned economic activities in the Group are based on project size, our growth targets, and the strategic direction of the Group. The project development timeline varies, but all projects follow a streamlined decision gate process whereby management approval is given at different stages of the development phase. The timeline depends on external factors, including securing land, negotiations with off-take, and government approval.

Total capex for projects in the backlog and pipeline is disclosed in Scatec's quarterly reporting when reliable estimates are available.

Refer to the 'Asset portfolio' section for an overview of the main capex-driving projects in the backlog and in the pipeline.

Opex

Opex gives information about maintenance and repair costs incurred to ensure the efficiency of projects in operation. Opex covers costs reported in the financial statement under 'Personnel expenses' and under 'Other operating expenses' in the consolidated statement of profit and loss. It excludes certain costs, such as overhead costs, costs of project administration, and early-phase project costs.

Judgement is applied in assessing the cost incurred according to the definition of opex as per the taxonomy. Opex is allocated to the numerator by economic activity based on the structuring of projects in separate SPVs and costs incurred in different segments.

Scatec's turnover is mainly derived from eligible economic activities aligned with the taxonomy, and 98% of operating expenses incurred in relation to the same activities are also aligned. Opex related to turnover generation from the projects in the Czech Republic is considered non-aligned.

Equity-consolidated entities

Scatec discloses information on taxonomy alignment for these entities on a voluntary basis.

Eligible economic activities carried out in the equity-consolidated entities include electricity generation from hydropower (4.5) and electricity generation through solar photovoltaic technology (4.1).

The hydropower projects located in the Philippines, Uganda, and Laos became a part of the Group after the acquisition of SN Power in 2021.

- The assessment 'substantial contribution to climate mitigation and lifecycle GHG emissions' for the operating hydropower assets confirms that emissions are significantly below the threshold of 100g CO_2/kWh.
- The DNSH assessment confirmed that the assets are aligned with the taxonomy climate change adaption DNSH criteria. Physical climate risk assessment carried out for all of our hydropower assets by a third party identify no high risks without existing mitigation measures in place.
- Assessments of the remaining DNSH criteria, which focus on biodiversity, water, and pollution, were also conducted. As regards non-EU hydropower projects, the process of documenting compliance with DNSH criteria proved to be challenging because local regulations are not identical to the Water Framework Directive (WFD). In addition, where projects are decades old, certain E&S documentation had not been required at the time of development and construction and was thus not available.
- Therefore, it is challenging to ascertain whether our projects allow for good ecological potential or status in the connected water bodies, given that this assessment needs to consider both the current and former ecological environment, as well as the actual requirements of the WFD.
- Based on the points above, we do not have sufficient documentation to conclude that the hydropower assets are aligned, and we therefore categorise the hydropower portfolio as non-aligned.

The solar projects structured in equity-consolidated entities include the operational projects Apodi and Mendubim in Brazil, as well as the Linde, Dreunberg, and Kalkbult projects in South Africa that were partly sold in 2024. The solar projects are developed, constructed, and operated in line with Scatec's approach and have been assessed as aligned with taxonomy criteria.

The Release business is structured in an equity-consolidated entity and consists of constructed and leased modular, movable, and redeployable solar PV equipment for the utility market. Release uses the same solar technology as the solar PV technology described above. However, the Release projects consist of portable energy equipment on site that is leased to customers. The Release projects are not considered aligned, as they have not been fully screened.

Turnover

Financial year 2024	Year			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm) (h)									
Economic Activities (1)	Code (2) (a)	Turnover (3)	Proportion of Turnover, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, 2023 (18)	Category (enabling activity) (19)	Category (transi-tional activity) (20)
		NOK millions	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	4 046	92.63%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	91%		
Electricity generation from wind power	CCM 4.3	81	1.85%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	3%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**4 127**	94.48%	**94%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**94%**		
Of which Enabling		-	0.00%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which Transitional		-	0.00%	0%						Y	Y	Y	Y	Y	Y	Y	0%		
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taconomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Electricity generation using solar photovoltaic technology	CCM 4.1	129	2.95%	Y	N	N	N	N	N								5%		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		129	2.95%	3%	0%	0%	0%	0%	0%								5%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		4 256	97.43%	97%	0%	0%	0%	0%	0%								99%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		112	2.57%																
TOTAL		**4 368**	**100%**																

CapEx

Financial year 2024	Year			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm) (h)									
Economic Activities (1)	Code (2) (a)	CapEx (3)	Proportion of CapEx, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, 2023 (18)	Category (enabling activity) (19)	Category (transi-tional activity) (20)
		NOK millions	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology (CapEx A)	CCM 4.1	2 572	77.84%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	93%		
Electricity generation using solar photovoltaic technology (CapEx B)	CCM 4.1	240	7.25%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	2%		
Manufacture of hydrogen (CapEx B)	CCM 3.10	289	8.75%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	1%		
Storage of electricity (CapEx A)	CCM 4.10	150	4.54%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**3 252**	98.39%	**98%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**97%**		
Of which Enabling		150	4.54%	5%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which Transitional		-	0.00%	0%						Y	Y	Y	Y	Y	Y	Y	0%		
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taconomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Electricity generation from wind power (CapEx B)	CCM 4.3	8	0.25%	Y	N	N	N	N	N								0%		
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		8	0.25%	0%	0%	0%	0%	0%	0%								3%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		3 260	98.64%	99%	0%	0%	0%	0%	0%								100%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities		45	1.36%																
TOTAL		**3 305**	**100%**																

Opex

Financial year 2024	Year			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm) (h)									
Economic Activities (1)	Code (2) (a)	Opex (3)	Proportion of Opex, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Opex, 2023 (18)	Category (enabling activity) (19)	Category (transi-tional activity) (20)
		NOK millions	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	324	97.28%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	91%		
Electricity generation from wind power	CCM 4.3	1	0.37%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	5%		
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**325**	97.65%	**98%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**97%**		
Of which Enabling		-	0.00%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which Transitional		-	0.00%	0%						Y	Y	Y	Y	Y	Y	Y	0%		
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taconomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Electricity generation using solar photovoltaic technology	CCM 4.1	8	2.35%	Y	N	N	N	N	N								3%		
Opex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		8	2.35%	2%	0%	0%	0%	0%	0%								3%		
A. Opex of Taxonomy eligible activities (A.1+A.2)		333	100.00%	100%	0%	0%	0%	0%	0%								100%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy non-eligible activities		-	0.00%																
TOTAL		**333**	**100%**																

Climate change

Impacts, risks, and opportunities

The material impacts, risks, and opportunities (IROs) identified in our double materiality assessment (DMA) are listed below.

Sustainability matter	Description of material IRO	Type	Own operations or value chain
Climate change mitigation	Policies and regulations promoting renewable energy, with increased demand for renewable energy and new markets and technologies increasing Scatec's growth possibilities	Opportunity	Own operations
Climate change adaptation	Lower revenue and repair costs due to more acute and chronic extreme weather causing damage to large parts of a project site	Risk	Own operations
Climate change mitigation	Scope 3 emissions (indirect) from capital goods purchases (such as modules, wind turbines, and substructures) is the largest source of Scatec's CO_2 emissions within its suppliers' control	Impact (negative) - short term	Value chain
Climate change mitigation	Scope 1 emissions (direct) of SF_6 (global warming potential of 23,500 times higher than CO_2) is relevant to the transformer equipment on all solar and wind projects	Impact (negative) - short term	Own operations
Energy	Scatec contributes to climate change mitigation through renewable power production in developing countries	Impact (positive) - short term	Own operations

Climate change mitigation and adaptation

Net zero roadmap

For the world to reach net zero emissions in line with the Paris Agreement, extensive investments in renewable energy technologies will be crucial. As a renewable energy developer, Scatec has a key role in mobilising investment in solar, wind, hydropower, storage, and green hydrogen. We hereby contribute to the global transition to a low carbon society, as our projects provide affordable, reliable, and emissions-free electricity in growth markets with a lifetime of up to 30 years. Refer to the Management Review section of this report for further information on Scatec's business and strategy.

We acknowledge that our operations and construction activities contribute to climate emissions, which we work to abate though our net zero roadmap towards 2040. This plan integrates climate mitigation into our day-to-day operations, driving necessary change into our operations, technology, and behaviour.

Scatec's net zero roadmap does not include all ESRS disclosure requirements for a transition plan. Notably, we do not disclose absolute Scope 3 emissions targets, the expected GHG emissions effect of each decarbonisation lever, or financial figures linked to emissions reduction activities. During 2025, we will work further on establishing our transition plan in order to meet all requirements.

Net zero roadmap: Key initiatives

#1: Electric Mobility	Reduce dependency on fossil fuels for mobility and facilitate the transition to electric vehicles
#2: SF_6	Reduce emissions and find alternatives to the usage of the highly potent climate gas present in switchgear. SF_6 gas (Sulfur hexafluoride) is a greenhouse gas that is mainly used in medium and high-voltage switchgears in the electric power grid
#3: Back-up power	Reduce dependency on fossil fuel-based back-up generators and increase renewable share of consumed electricity
#4: Electricity use	Ensure we continue to purchase renewable electricity certificates for consumed electricity
#5: Supplier engagement	Reduce value chain emission from purchased goods and services

Commitment to climate change mitigation

Our net zero roadmap outlines the specific initiatives and actions we will implement towards achieving our science-based targets for 2030 and net zero target for 2040, in line with our Science Based Targets Initiative (SBTi) verified commitment. We are committed to transparency and accountability and will continuously monitor and report on our progress towards net zero emissions.

Decarbonisation levers

By analysing climate emissions in recent years and modelling future emissions on the basis of our strategy and pipeline, we have identified five decarbonisation levers towards net zero emissions. These are the pillars of our net zero journey, and each decarbonisation lever has become a net zero initiative leading different climate mitigation actions.

Implementing the net zero roadmap

Scatec's net zero roadmap is led by our Vice President (VP) of Sustainability Reporting and Strategy, with the support of the Executive Vice President (EVP) People, Sustainability & Digitalisation. Each of the five initiatives are led by individuals with topic-specific knowledge and expertise, while the executive management team (EMT) oversees implementation. The EMT regularly reviews progress, and the Board of Directors is also actively involved in monitoring progress. On a yearly basis, we evaluate the development of the initiatives and whether the net zero roadmap and focus areas should be adjusted to ensure progress towards a net zero operation in 2040.

Each initiative owner and sponsor will continue to implement the roadmap in the organisation through the development of specific targets and indicators, further update relevant policies, and explore opportunities and dependencies across the other initiatives. We will also continue to anchor our work at each project site to ensure that we are effectively addressing local challenges and opportunities.

Financing the net zero transition

The net zero roadmap is approved by Scatec's EMT and Board of Directors. As indicated in the key performance indicators of taxonomy-aligned capex, we support the climate transition through our investment projects.

Over the last year, activities related to electric mobility and supplier engagement have been financed by integrating the reduction activities into day-to-day operations. Scatec tested new technology at selected sites and will continue to evaluate the costs of implementation at all project sites. Activities related to SF_6 and back-up power are at this stage still exploratory and evaluated on a case-by-case basis as we expand our portfolio. In addition, we are exploring applicable grants and incentives in relevant geographies that can help move the transition forward. In 2024, we engaged a third party to develop a complete overview of all relevant grants and incentives available in several of our focus markets, including South Africa, Egypt, and Brazil.

Scatec is fully committed to achieving its science-based net zero target and playing its part in combatting climate change, but we do recognise that we face challenges. As early movers in the decarbonisation of renewable electric utilities, we are aware of the technological risks associated with achieving our climate strategy. While low carbon technology that will further reduce our carbon footprint holds great promise, it is not yet fully mature, and we cannot reach our targets without significant improvements in this area. To mitigate these risks, we must continually engage with stakeholders, testing equipment and being an active part of the development process.

Locked-in GHG emissions

The presence of locked-in emissions is associated in particular with the existence of SF_6-dependent equipment[1] in our operations. This equipment typically has a lifespan of 30–35 years, with limited existing alternatives currently for SF_6 in installed equipment. In addition, we still possess fossil fuel-dependent vehicles and generators, although we are working to phase-out their usage by 2030.

Scatec mainly faces the risk of SF_6 leakage in medium voltage switchgear. The risk of a major leakage is considered low, and we monitor and perform maintenance on equipment to further mitigate the risk. The net zero roadmap addresses the areas in which we have locked-in climate emissions. Alternatives to SF_6 and SF_6-containing equipment will be considered as these become increasingly available. We are also closely observing the development of the regulation and planned phase-out of the use of this highly potent climate gas in this kind of equipment. We plan to phase out SF_6 and align our actions with the EU regulation in our global operations.

We recognise that the decarbonisation of locked-in emissions poses challenges related to our sites' locations and legal frameworks. Many of our sites are in remote areas with limited low-carbon infrastructure, less developed sustainability regulations than in the EU, and a lower level of political emphasis on climate mitigation. To mitigate the risks associated with our geographical locations, we must act as pioneers in the market and effectively engage with local stakeholders and on-site and off-site suppliers. By building a coalition of partners who share our vision, we can work together to try to overcome these challenges and achieve our ambitious climate goals.

Investments related to coal, oil, and gas-related economic activities

Scatec is not excluded from the EU Paris-aligned benchmark, as 100% of our revenue from electricity generation is derived from generation with a GHG intensity of 72 tCO_2e/kWh[2]. Scatec invests exclusively in electric power generation based on renewable energy sources. Thus, no investment related to coal, oil, or gas-related economic activities was carried out in 2024.

[1] Sulfur hexafluoride (SF_6) is a widely used insulating gas in electrical equipment as it is highly effective at preventing electrical discharges and ensuring the safe operation of high-voltage equipment, such as switchgear, transformers, and circuit breakers.
[2] Scope 1 and 2 emissions from electricity generation sites, hence excluding indirect emissions such as construction activities.

Governance

The Chief Executive Officer (CEO) and the Executive Vice President (EVP) People, Sustainability & Digitalisation are responsible for the implementation of emissions reduction initiatives that influence different organisational and regional levels. Pursuing and delivering on the climate-related opportunities arising from regulatory changes and expanding markets for renewable energy are central to our growth strategy. As such, the pursuit of climate-related opportunities is a key responsibility of the CEO. Internal sustainability-related capacity building is also a deliverable for both the CEO and the EVP People, Sustainability & Digitalisation. The EMT meets monthly and discusses various matters highlighted in its monthly operating report, including relevant climate and environmental topics.

In January 2023, Scatec's near-term and net zero targets were approved by the SBTi. The Board reviewed and approved our targets prior to submission to SBTi. Scatec's Net Zero Strategy and Roadmap detail its high-level plan and initiatives to reach its near-term targets by 2030 and net zero targets by 2040. The Board owns our Net Zero Strategy and Roadmap and the EMT is tasked with its implementation.

Assessment of climate-related risks and opportunities

As the global climate continues to change, the renewable energy sector faces both challenges and opportunities that require careful management to ensure long-term sustainability, resilience, and growth. Depending on the scenario, climate-related risks and opportunities will evolve in different ways. Scatec's assets and operations may be exposed to risks such as changing weather patterns, altered resource availability, and stringent policies, but also to opportunities such as increased market share and market expansion. How the sites are affected depends on geographical location and type of energy technology. While extreme precipitation can damage solar projects, it can have a positive impact on hydropower projects. Conversely, drought conditions can cause a reduction in the production capacity of hydropower, while high solar radiation can drive up solar energy prices. The resilience and robustness of renewable energy projects vary depending on their location and the measures in place to manage extreme events. Which risks and opportunities we will face in the future depends on the development of our portfolio and technologies in the future.

In 2024 we updated our climate risk assessment by conducting a scenario analysis[3] in line with ESRS requirements. This involved a wide range of employees in our organisation, including top management, resources from our financial department, and employees with site-specific knowledge and experience. The same group of people were included in the assessment, financial quantification, and validation of the climate-related risks and opportunities. The VP of Sustainability Reporting and Strategy was responsible for the overall assessment, which was conducted in the following manner:

- Risks and opportunities (physical and transition) were analysed in two different scenarios and with three time horizons. The scenarios applied include one high-emissions scenario (3–4°) and one scenario aligned with the Paris Agreement (1.5°). For the time horizons, we used 2025 for the short term, 2030 for the medium term, and 2050 for the long term. The time horizons are linked to Scatec's strategic planning, the useful lifetime of assets, and international policy goals such as the Paris Agreement.
- The scenario analysis resulted in a variety of physical risks, transition risks, and opportunities for Scatec. The high-emissions scenario is likely to comprise mostly physical risks and, to a lower degree, transition risks, while the transition scenario is likely to provide risks and opportunities deriving from the transition to a low-carbon economy. Physical climate-risks are likely to be less extreme in the transition scenario. Both scenario evaluations considered the whole value chain.

Physical risks[4]

For the high-emissions scenario, we used the latest available science from the Intergovernmental Panel on Climate Change (IPCC), which aligns with the ESRS recommendations for a 'hot house scenario'. We used SSP5-8.5, which represents a large variety of physical risks in the short, medium, and long term. In this scenario, global temperatures will significantly increase, and median global temperature is estimated to rise by over 2°C by 2050 and around 4°C by 2100. This will have severe impacts on ecosystems and human health and require intensive climate adaption solutions. A primary climate risk for Scatec is the variability and unpredictability of weather patterns. Weather events such as extreme precipitation, storms, wildfires, and flooding are becoming more frequent and more intense. Scatec is exposed to physical climate risk in different geographies across four continents and needs to be prepared to handle a large variety of both acute and chronic physical risks in this scenario. Extreme weather events can result in damages to projects and components, periods of downtime or limited site access. This scenario assumes that climate mitigation measures will remain limited, which reduces transition risks and opportunities. Changes in the regulatory landscape take place very late or not at all. Global climate policies are hence insufficient to achieve global commitments and targets, leaving temperatures to rise. This may result in limited incentives and financing mechanisms for renewable energy and a lack of regulations favouring green development.

As a result of the climate risk assessment, the physical climate risks below were assessed as material for Scatec. All the risks are considered smaller in the short term but as steadily increasing through the 2030s and towards 2050. For each project, weather-related risks are evaluated and align with the climate assumptions in the financial statements. These risks are not substantially different from the climate-related risks, maintaining consistency with the financial assumptions.

[3] E1 IRO-1 21
[4] E1 IRO-1 20b i-ii

Transition risks and opportunities

As the world moves towards net zero emissions, businesses must navigate a complex landscape of regulatory, market, and technological change that can impact operations and strategic planning. This is also true for Scatec. However, this scenario also presents significant opportunities for the expansion of renewable energy.

To assess transition risks and opportunities, we applied the net zero emissions (NZE) scenario by 2050 from the International Energy Agency (IEA). This scenario outlines the pathway for the energy sector to reach net zero by 2050 and to try to limit the global temperature rise to 1.5 °C. This scenario solely relies on the energy sector to reach the goals through effective global collaboration. Here, fast regulatory development will provide more ambitious policies and regulations, which can create certain risks in terms of compliance, in addition to a variety of local regulations in the countries where Scatec is operating. However, policies and regulations that promote renewable energy can also help reduce renewable energy costs. This scenario offers mostly opportunities for Scatec, and as the worst consequences of climate change are halted, physical climate risks are lower in this scenario. The material risks and opportunities identified in association with the transition to a net zero industry for Scatec are as follows:

Type	Name	Description
Physical risk	Extreme precipitation and flooding	Extreme precipitation and flooding is a risk for Scatec in some countries of operation and can damage critical infrastructure and disrupt operations. Scatec owns solar projects in Malaysia and Pakistan, in areas at high risk of flooding and heavy precipitation. Flooding can cause erosion around the steel substructures and of infrastructure, limiting site access. An increase in such events can also result in disruptions to the supply chain and limit access to critical components. Protection measures that are in place to mitigate the consequences of flooding are improved infrastructure, micro-siting, and the addition of vegetation or gates. To reduce the risk of complete production loss, flooding design is enhanced and flood assessments are carried out. The risk of extreme precipitation and flooding is considered small in 2025; however, it is likely to increase through the 2030s and towards 2050. This increase in extreme precipitation (annual maximum precipitation amount in 5 days) is expected to go from 4% in 2025 to 5% in 2030 and 7% in 2050 (compared to 1951–1970).
Physical risk	Intensity and frequency of storms	Storms can damage both our projects and our sites, which can impact our ability to deliver a project on time and potentially disrupt operations. Both the intensity and frequency of storms such as cyclones are expected to increase towards 2050 in many of Scatec's key locations. Our projects in, for instance, Honduras, Malaysia, Pakistan and South Africa are increasingly exposed to storms that can impact production. Several mitigating measures are already in place or under development, such as early warning systems for storms and trackers to change position into stow mode and protect modules from strong winds. The risk of increased intensity and frequency of storms is considered small for 2025; however, it is likely to increase through the 2030s and towards 2050. The expected damage from storms (tropical cyclones) is expected to increase from 2% in 2025, 5% in 2030, and 13% in 2050 (compared to 1986–2006).
Physical risk	Heat extremes, including wildfires	Heatwaves and wildfires can impact Scatec in various ways. When temperatures rise to a certain point, voltage can drop due to limited heat tolerance, which again can affect production. Other technical equipment may also be unable to function above certain temperatures. High temperatures can also alter the lifetime of components and accelerate degradation. Lastly, this has the potential to affect human labour capacity on site, as certain times of the day become too warm to be outside. This can delay important work and affect not only projects under construction but also maintenance and other tasks regularly carried out on operating sites. Examples of countries are Pakistan, Jordan, Egypt, and Honduras. Mitigating measures include monitoring of employee working conditions and health. In the case of wildfire, some projects can turn off the grid to prevent spreading. The financial implications of hot extremes and wildfires are considered small in 2025; however, they are likely to increase through the 2030s and towards 2050. The number of days above 35°C is expected to be 14 in 2025, 16 in 2030, and 29 in 2050 (compared to 1951–1970).
Physical risk	Precipitation variability and drought	Periods of drought and less precipitation can affect Scatec in various ways. For sites generally, longer dry periods may also increase exposure to wildfires. If water becomes an even more scarce resource, it may also impact the price of components that require water in various stages of the supply chain. Despite the risks, droughts also have the potential to increase prices for solar-generated energy. The financial implications of precipitation variability and droughts are considered small in 2025; however, they are likely to increase through the 2030s and towards 2050. The increase in consecutive dry days is expected to increase by 1% in 2025, 2% in 2030, and 4% in 2050 (compared to 1951–1970).

Type	Name	Description
Transition opportunity	Increased demand for energy	With population increase and economic growth, the number of households and businesses requiring electricity is rising. Additionally, the expansion of the middle-class results in increased demand for energy as people climb up the energy ladder. Today, there are more than 800 million people without access to electricity, including 600 million who live in Africa. This makes the increasing demand for renewable energy an important opportunity for Scatec in this market. The financial opportunity is expected to materialise towards 2030 and increase further into the 2050s. The share of the population with renewable energy access is expected to be 100% for clean cooking in 2030 and in 2050 in the net zero scenario.
Transition opportunity	Increasing proportion of renewable energy	An increasing proportion of and demand for renewable energy are a key opportunity for Scatec in the transition scenario. These can lower the threshold for entering new markets and support expansion in existing markets. Carbon costs are likely to increase in the net zero scenario, which presents an opportunity for Scatec. This makes fossil energy more expensive, levelling the playing field for renewable energy and making it more competitive in the market through improved profit margins and potential asset appreciation. Carbon trading schemes similar to the EU Emissions Trading Systems (ETS) are not present in the regions where we operate, although in a net zero scenario such measures are likely. With higher prices for carbon emissions, the marginal cost is likely to increase on electricity, which would pose a competitive advantage for renewable electricity production. The financial opportunity has materialised and will further evolve towards 2030 and increase towards 2050. This follows the expected development of renewables in this scenario, where 40% of electricity is derived from wind and solar PV in 2030 globally. In 2050, this is assumed to be the largest opportunity to Scatec financially.
Transition risk	Inputs, costs, and supply	A risk in this scenario is the competition for resources in the renewable energy sector as demand for clean energy increases. This may result in challenges in the supply of critical raw materials, minerals, or other important components. For instance, Scatec depends on the availability of low-carbon modules in the future to reduce emissions, as most emissions derive from the purchase of modules. In addition, carbon pricing may increase expenses by affecting the price of modules and component transport. There may also be increased costs associated with a growing number of regulations and requirements in the industry due to an increased need to invest in resources to follow up on the changes. It may also become increasingly challenging to attract the right talent, as more companies will be offering similar positions in a net zero scenario. The financial implications of inputs, costs, and supply are expected to increase through the 2030s and towards 2050 but remain lower than those of the opportunities in this scenario. Carbon pricing is expected to increase steadily from 2025 to 2050, where advanced economies will have to pay higher levels than emerging economies, according to the World Bank.
Transition opportunity	Technology and innovation	Advancements in technology and new innovative solutions also present an opportunity for Scatec. These can help improve efficiency, reduce costs, and enhance the reliability of renewable energy sources. By staying at the forefront of technological advancements, we can better meet regulatory requirements, adapt to market changes, and contribute significantly to reaching net zero in 2050. Examples of technological opportunities for Scatec include green hydrogen and battery energy storage systems (BESS). Variation in energy production creates either a surplus of energy or an energy deficit, which can create opportunities for Scatec to either use energy for other purposes such as producing green hydrogen or store energy for times when demand exceeds production. This opportunity is materialising faster than many of the other risks and opportunities in the assessment and is a financial opportunity already in the short term. The demand for low-emissions hydrogen grows quickly in the net zero scenario, and announced low-emissions hydrogen production projects represent 55% of the level in 2030.

Our approach and policies

Environmental policy

Our environmental policy is a statement of our environmental commitments and how we systematically undertake to reduce potential negative impacts and address physical and transition risks whilst maximising positive impacts. The policy outlines our standards for climate change and energy and sets minimum requirements for all our projects.

Climate change mitigation

- Scatec is a leading provider of renewable energy solutions, enhancing clean energy access in emerging markets.
- We develop our renewable energy projects in line with the Equator Principles and the IFC Performance Standards, specifically PS1, PS3, and PS6.
- We implement the precautionary principle by conducting environmental and social impact assessments (ESIA) to identify risks and mitigation measures before development begins.
- Every project we undertake includes an environmental and social management system (ESMS) in alignment with ISO14001 standards. This system incorporates an environmental risk register and, when necessary, an emergency plan.
- We aim to cut our greenhouse gas emissions to limit global warming to under 1.5 degrees and achieve net zero by 2040.
- Our goal is to eliminate fossil fuel use at operational sites by 2030.
- We require suppliers to understand and reduce their emissions as per our procurement policy and supplier conduct principles.
- Additionally, we train our employees in environmental policies and key issues.

Climate change adaptation

- We monitor and mitigate climate risks.
- We conduct regular scenario analyses in projects and at the corporate level.

The policy is part of Scatec's environmental and social management system (ESMS). It applies to all Scatec employees and projects and should be communicated to all business partners. Policies are developed and maintained through a structured workflow in the company's corporate document management system, which defines roles for originators, reviewers, and approvers, ensuring consistency and solid governance. Scatec's EVP People, Sustainability & Digitalisation is responsible for the implementation of the policy.

Employees should report environmental policy non-conformities through our internal system, while the public can use our grievance mechanism. We conduct regular internal audits to ensure compliance with our environmental policy, along with external audits for ISO14001, sustainability reporting, and audits by project lenders and other key stakeholders.

All key policies are published on Scatec's website in the ESG resources section, while other governing documents are accessible internally to all employees and shared with relevant stakeholders.

Actions

During 2024, we made significant progress in implementing our net zero actions in our worldwide organisation. We also strengthened our resilience to climate change through a variety of adaptation activities.

Overall responsibility for our net zero actions is located in the sustainability business unit. The net zero working group comprises employees in various business units as net zero initiative leads with an EVP sponsor.

The effectiveness of the net zero actions we implement is tracked quarterly by the working group through a structured process. In addition, we assess outcomes achieved and discuss whether to tailor or adjust initiatives to suit Scatec's strategy and efficiently cover IROs.

The table below summarises our key 2024 actions and planned actions for 2025:

Initiative	Longer-term ambitions and planned actions for 2024	Actions 2024	Actions 2025 and beyond
Electric mobility	• Zero CO_2 emissions from Scatec's vehicle fleet by 2030 • 2024: Roll out pilots at multiple project sites to test equipment in our operations	• Electric vehicle pilot projects performed at three sites in South African and in Brazil • Charging infrastructure for electric mobility installed at three sites, including two fast chargers and one AC charger • Extensive research into available grants and incentives at the local and national levels that can ensure financing for the electrification of our vehicle fleet	• Amend purchasing policies to ensure electric mobility is evaluated and prioritised where feasible • Establish corporate net zero fund that can be used to finance the price difference when purchasing vehicles • Implement 2–3 new pilot projects in our focus markets
SF_6	• Install SF_6-free equipment in all new projects from 2026 onwards • 2024: Engage with relevant technology providers of SF_6-free equipment • 2024: Amend design guidelines to include options for SF_6-free equipment	• Exploratory discussions with strategic component suppliers about their SF_6-free switchgear product offerings • Engagements with key service providers in Sub-Saharan Africa to understand how to better track, monitor, and report on SF_6 gas leakages • Commencement of a data improvement project that aims to track and integrate SF_6 refill data in monthly reporting structure • Amendment of contracts and design guidelines to include option for SF_6-free equipment	• Update project specifications to ensure SF_6-free equipment is always considered for functional requirements • Update requirements with maintenance suppliers to include reporting of mitigating measures/potential retrofits that can reduce the risk of SF_6-leakages occurring • Develop corporate policy on SF_6 usage
Back-up power	• Self-produced back-up power considered in all new projects from 2026 onwards • 2024: Evaluate implications and applicability of off-grid power solutions • 2024: Map possibility of back-up power for own consumption	• Discussions underway on new projects in Sub-Saharan Africa where a back-up solution could be tested to reduce dependency on fossil fuel generators on site • Extensive research into available grants and incentives at the local and national levels that can ensure financing of back-up power initiatives	• Obtain approval of project enhancement on a specific site including an off-grid maintenance building • Update project specifications to ensure back-up power is assessed as part of the functional requirements
Renewable electricity	• 2024: 80% of electricity consumption should be covered by iRECs • 2030: 100% of externally sourced electricity should be covered by iRECs	Scatec works along several pillars to mitigate the climate impact of own consumed electricity: • Enable consumption of own produced electricity through back-up power in our operations. This will reduce the need to purchase electricity during periods when we do not have own production • Contribute to the decarbonisation of the electricity grid at our locations by participating in the market for tradable renewable energy certificates In 2024, 55% of purchased electricity was covered by renewable electricity certificates (iRECs). We plan to continue increasing the number of purchased renewable electricity certificates.	• Actions planned to facilitate this going forwards include lobbying for the introduction of iRECs in countries where we operate or plan to operate and ensure that we maintain the rights to cancel own iRECs in future power purchase agreement (PPA) contracts.

Initiative	Longer-term ambitions and planned actions for 2024	Actions 2024	Actions 2025 and beyond
Supplier engagement	• 2024: Workshops with 100% of strategic suppliers on climate change and net zero initiatives • 2024: Assess the readiness of 100% of strategic suppliers to provide low carbon components	The construction of new renewable energy projects requires a wide range of components. To mitigate the climate impact of these components, we took the following steps in 2024: • Held workshops with all strategic suppliers[1]. In eight separate workshops we discussed the suppliers' climate mitigation ambitions, activities and targets, documentation of climate gas emissions, and climate-mitigating activities going forwards • Built competence within Scatec and externally by interacting with suppliers worldwide. Specifically, we had a training session for the entire supply chain team on climate mitigation in the value chain. We covered key areas such as the importance of reducing value chain emissions in our net zero journey, the need for comparable documentation of supplier-specific emissions, and the need to cooperate actively with our strategic suppliers to mitigate climate impact through the value chain. Our supply chain managers brought their competence into supplier interactions, hence also building competence externally • Discussed revised climate parameters for updating contracts and policies in 2025. Created a Net Zero Supply Chain Task Force with the mandate to develop and embed climate-mitigation activities in all stages of the procurement process and in contract lifetime management	• We will continue to integrate climate evaluations in tendering and bidding processes, and climate mitigation-related requirements in existing and new contracts • Perform regular (annual or quarterly, depending on supplier spend) workshops on development related to climate mitigation measures • Develop specific sustainability assessment criteria for new suppliers • Gather product-specific emissions factors from a larger number of suppliers • Assess and establish collaborations with strategic suppliers on recycling and end-of-life solutions
Climate change adaptation	• 2024: Conduct climate risk assessment in line with the requirements of CSRD and EU Taxonomy	We are already experiencing some of the effects of extreme weather, which is expected to become increasingly challenging over coming decades, regardless of scenario. This will, amongst others, require investment in resilient infrastructure. To be as prepared as possible, Scatec is evaluating and implementing several adaptation measures in all projects, depending on project location. Examples include: • Limiting physical damage caused by extreme weather by using adequate engineering in the design phase, regular inspections, and emergency plans. We ensure that we are using the latest and most technologically improved components when constructing a project • All financial planning activities account for risk mitigation measures, including mandatory insurance on all climate-related risks. For example, should storms and strong winds cause damage to power projects, potentially reducing production, the repair cost is covered by insurance • Early warning systems are installed that enable us to put solar modules in a stowed position and make them less vulnerable to wind-induced forces. These systems can also identify which part of the project will be affected so that only certain sections of modules are stowed • To protect employees from sandstorms, we invest in protective gear and avoid having employees work outside in such conditions • Micro-siting is implemented for protection from wildfires and to halt their spread. In addition, employee training, firefighting equipment, pre-burning vegetation, and general vegetation control are prioritised	All new projects will undergo the same adaptation measures as described for 2024, tailored for the location and climate in the respective region. • Climate risk assessments for all new projects from 2025 onwards • Further embedding of the review and discussion of project adaptation measures in the monthly risk assessments shared with the EMT

[1] Potential and contracted suppliers of key component categories, including solar modules, batteries, wind turbines, inverters, and substructures

Metrics

As part of our commitment to sustainability and our net zero targets, we continually work to improve our GHG accounting methods and increase the precision of our captured data. We report on our emissions across Scope 1, 2, and 3 in line with the GHG Protocol framework.

Scatec reports on entity-specific metrics in addition to ESRS-required metrics for material sustainability matters.

GHG emissions[1]

		Retrospective				Milestones and target year			
	Unit	2019	2024	2023	% change (2024 vs 2023)	2025	2030	2040	% change (2024 vs 2019)
Scope 1 GHG emissions									
Total Scope 1 GHG emissions	tCO_2e	1,987	889	1,167	-23%	-60%	-95%	-99%	-55%
Scope 1 GHG emissions from regulated emissions-trading schemes	%	0	0	0	-	-	-	-	-
Scope 2 GHG emissions									
Total Scope 2 location-based GHG emissions	tCO_2e	6,657	12,277	10,230	20%				-
Total Scope 2 market-based GHG emissions	tCO_2e	6,682	4,113	2,598	-20%	-85%	-100%	-100%	-69%
Significant Scope 3 GHG emissions									
Total Scope 3 GHG emissions	tCO_2e	344,958	307,719	417,867	-26%	300%	-55%	-97%	-11%
1 Purchased goods and services	tCO_2e	1,630	5,465	14,272					
2 Capital goods	tCO_2e	327,749	272,903	386,377					
3 Fuel-and-energy-related activities	tCO_2e	2,759	6,021	3,728					
4 Upstream transportation and distribution	tCO_2e	8,953	17,307	10,342					
6 Business travel	tCO_2e	3,666	2,142	1,897					
7 Employee commuting	tCO_2e	201	1,714	224					
15 Investments	tCO_2e	0	2,417	1,027					
Total GHG emissions									
Scope 1, 2, and 3 GHG emissions (location-based)	tCO_2e	353,627	320,884	429,263	-25%	-	-	-	-9%
Scope 1, 2, and 3 GHG emissions (market-based)	tCO_2e	353,602	312,721	421,632	-26%	-	-	-	-12%

[1] E1 IRO-1 20a

GHG emissions intensity

	Unit	2019	2024	2023	% change
Electricity production in GWh	GWh	1,655	4,288	3,615	19%
Scope 3 GHG emissions per unit of generated electricity	tCO_2e/GWh	208	72	116	-38%
Net revenue	NOK mill	1,783	6,574	4,721	39%
Scope 1, 2, and 3 GHG emissions (location-based) per net revenue	tCO_2e/NOK mill	198	49	91	-46%
Scope 1, 2, and 3 GHG emissions (market-based) per net revenue	tCO_2e/NOK mill	198	48	89	-47%

Scatec-specific emissions avoided

	Unit	2024
Emissions avoided	million tonnes of CO_2e	2.8

Targets and ambitions

Scatec recognises the urgent need to address climate change and is committed to doing its part to help achieve the Paris Agreement's goal of limiting the global temperature rise to 1.5°C above pre-industrial levels. As part of this commitment, we have set ambitious climate targets in line with the Science Based Targets initiative (SBTi).

Near-term targets

Reductions by 2030 from 2019

- Reduce absolute Scope 1 GHG emissions by 95%
- Source 100% renewable electricity annually (Scope 2)
- Reduce Scope 3 GHG emissions by 55% per kWh

Long-term targets

Reductions by 2040 from 2019

- Maintain at least 99% absolute Scope 1 and 2 GHG emissions reductions
- Reduce Scope 3 GHG emissions by 97% per kWh

The science-based targets were developed using the SBTi guidelines for electric utilities and were validated by SBTi in 2023. By validating our targets with SBTi, we can be confident that our targets are in line with the latest climate science. We selected 2019 as the base year as it was representative of our business activities.

We also aim to avoid 2.9 million tonnes of CO_2 in 2025.

Methodology

Introduction

Scatec's carbon footprint accounting is in accordance with the GHG Protocol and ESRS E1. Our GHG emissions have been calculated and reported in CEMAsys since 2018. This is divided into three scopes:

- Scope 1: Direct emissions sources, including all use of fossil fuels for on-site back-up generators and transportation (in owned and leased vehicles), and emissions of SF_6 from electrical equipment.
- Scope 2: Indirect all purchased/acquired and consumed electricity, heat, steam, or cooling. The electricity consumed from national grids is consumed during the night to keep the transformers energised, to heat the inverters to keep them dry (to avoid moisture build-up), and for securing auxiliary services. Smaller amounts are used from national grid for lighting and other O&M purposes. Emissions from consumed electricity are reported according to both location- and market-based calculation methods, where the latter takes account of redeemed renewable energy certificates (iRECs).
- Scope 3: Indirect upstream and downstream emissions from the Company's activities, such as purchased capital goods, other goods and services, construction waste, well-to-wheel (WTW) emissions related to fuel and energy consumption, transportation, travel, and investments.

The inventory is continually being improved through feedback and alignment with industry best practices.

Scope 1 emissions

- Mobile combustion: Emissions related to fuel for vehicles owned or operated by Scatec. Data is collected through Scatec's computerised maintenance monitoring system (CMMS), and emissions are calculated using specific emissions factors (in CO_2e/litre from the Department for Environment, Food, and Rural Affairs (DEFRA), 2024) for different fuel types.
- Stationary combustion: Emissions from fuel used in generators and other stationary equipment. Data is also collected through CMMS, and emissions factors (in CO_2e/litre from DEFRA, 2024) are applied to calculate the emissions.
- Fugitive emissions: Emissions from SF_6 leakage in transmission and distribution equipment. These are estimated based on maximum leakage rates and estimated SF_6 content in the assets reported through CMMS and converted to CO_2e based on the IPCC's emissions factor of 23,500 gCO_2e/gSF_6.

Scope 2 emissions

- Purchased electricity: Emissions from electricity consumption at Scatec-operated sites and offices. Data is collected through the supervisory control and data acquisition (SCADA) system and purchased certificates, and emissions are calculated using location-based and market-based emissions factors (in CO_2e/kWh from the International Energy Agency (IEA), 2024).
- Primarily two methods are used to allocate the GHG emissions created by electricity generation to the end consumers of a given grid: the location-based and the market-based methods. The location-based method reflects the emissions intensity based on the power generation connected to the grid. The market-based method reflects a contractual allocation of emissions from electricity production where companies choose to purchase, or not purchase, renewable electricity available on the grid through contractual instruments (contracts, certificates, or supplier-specific information). Our Scope 2 emissions are reported using both methods. Data is collected monthly and reported externally annually.

Scope 3 emissions

- Purchased goods and services[1]: Emissions from the production of goods and services purchased by Scatec. Data on purchases is sourced from corporate accounting, and emissions are calculated using spend-based emissions factors (in NOK from the Environmental Protection Agency (EPA), 2024) for different categories.
- Capital goods[1]: Emissions from the production of capital goods used in projects, such as solar modules, batteries, substructures, and inverters. Data is collected from the project supply chain management, and activity-based emissions are calculated using supplier-specific information when available, or else activity-based or spend-based emissions factors when supplier-specific factors have not been provided. Activity- and spend-based factors are provided through the CEMAsys platform.
- Fuel- and energy-related activities[1]: Emissions from upstream activities related to fuel and electricity consumption. Data is collected through CMMS and SCADA, and emissions are calculated using WTW emissions factors (DEFRA, 2024).
- Upstream transportation and distribution[1]: Emissions from the transportation and distribution of capital goods purchased by Scatec are reported. Data is collected from the project site supply chain teams, and emissions are calculated using activity data through EcoTransIT.
- Business travel: Activity data is collected from travel agencies, and emissions are calculated using DEFRA (2024) and general emissions factors.
- Employee commuting: Emissions from employee commuting are estimated based on corporate data collected through a global employer commuting survey. Emissions are calculated using the activity data and DEFRA (2024) emissions factors.
- Investments: Scope 1, 2, and material 3 emissions are reported from investments in the value chain. Activity data is collected and calculated based on Scatec's equity share in the investment. Emissions factors applied are the same as summarised above.

40% of Scatec's scope 3 emissions is based on primary data.

[1] Significant categories

Significance and relevance

The climate inventory includes all relevant emissions sources and categories, with boundaries defined in alignment with Scatec's financial reporting. The significance threshold is 10,000 tonnes:

- Equivalent to a 2% of average Scope 3 emissions over the last five years
- This threshold cannot exceed 5% of total GHG emissions from all significant categories averaged over a five-year period

A screening of possible emissions has been performed to establish which Scope 3 categories are relevant to Scatec. The categories excluded and the justification for their exclusion are as follows:

- Category 8: Upstream leased assets – excluded because all relevant emissions are included in Scope 1, Scope 2, and relevant Scope 3 categories
- Category 9: Downstream transportation and distribution – excluded because SF_6 is accounted for in Scope 1. Other eventual emissions related to distribution cannot be accounted for
- Category 10: Processing of sold products – excluded because sold products are not subject to further processing
- Category 11: Use of sold products – excluded because products do not have use phase emissions
- Category 12: End-of-life treatment of sold products – excluded because Scatec's main business is the production of electricity
- Category 13: Downstream leased assets – excluded because leasing out assets is not part of Scatec's business model
- Category 14: Franchises – excluded because Scatec's business model does not include having franchise operations

Estimates and assumptions

In preparing the GHG accounting, management made assumptions and applied judgement to calculate the following emissions:

- SF_6: Estimating the climate impact from SF_6 in equipment involves several key assumptions. Average SF_6 content per medium voltage switchgear (MVSG) unit is based on estimations derived from environmental product declarations on similar products. For SF_6 content per ring main unit (RMU), it is assumed that each RMU has a similar SF_6 content as three MVSGs. The annual SF_6 leakage rate is based on the guaranteed maximum leakage according to product specifications of similar or comparable units. The estimate can be considered conservative, as it assumes the leakage rate from equipment is equal to the guaranteed maximum specified by equipment manufacturers.
- Capital goods: Desktop research is required to find appropriate emissions factors for certain components due to the lack of supplier-specific factors. Scatec is engaging all strategic suppliers on climate and net zero initiatives on an annual basis and aims to use more supplier-specific factors in future.
- Employee commuting: Emissions are estimated on the basis of average passenger kilometre and transportation means based on a survey updated every three years.

Emissions avoided

- Emissions avoided is a leading key measure linked to Scatec's vision and part of how we communicate our 2027 corporate strategy. This measure has also been used in the last 10-15 years and is valued by key stakeholders.
- Scatec calculates emissions avoided in its projects relative to the average emissions of the relevant national grid. This figure is based on actual production figures received from O&M (SCADA) and emissions factors as per the IEA. Marginal emission factors are not available, however Scatec's contribution to national emission factors in the countries that we operate are deemed as insignificant. Projects are included in this figure on the basis of boundaries aligned with Scatec's financial reporting.

Biodiversity and ecosystems

Impacts, risks, and opportunities

The material impacts, risks, and opportunities (IROs) identified in our double materiality assessment (DMA) are listed below.

Sustainability matter	Description of material IRO	Type	Own operations or value chain
Direct impact drivers of biodiversity loss: land-use change	Area of land changed where our projects are constructed and operated, with a potential impact on habitats that have a high biodiversity value (within a 10 km radius) and may support threatened and/or endangered species	Impact (negative) - long term	Own operations
Direct impact drivers of biodiversity loss: land-use change	Increased cost of compliance and mitigation cost to adhere to stricter regulations related to nature and biodiversity. Land use change with possible penalties and reputational risk affecting growth possibilities and cost of financing due to non-compliance	Risk	Own operations

While utility-scale renewable energy projects are crucial for addressing the climate crisis, they require substantial land to harness energy from the sun, wind, and rain, potentially affecting local ecosystems.

Potential impacts occur from construction to decommissioning, usually lasting for about 20–30 years for solar and wind projects and 30+ years for hydropower projects.

The risk and impact identified in relation to the sustainability matter of land-use change are interrelated, and the actual impact or risk depends on strategies to avoid or mitigate such impacts and tolerate risk. Mitigating a potential impact may come at a cost, such as delayed construction or offsetting biodiversity losses. If no adequate mitigation of negative impact is in place, this increases reputational risk and the possibility of negative financial effects.

[1] E4 IRO-1 17a

Potential land-use and species biodiversity impacts[1] according to technology are outlined below:

- Solar project construction involves land use change over significant areas that can lead to habitat conversion and potential ecosystem degradation.
- Wind projects, if poorly located, can have a substantial impact on birds and bats due to collisions during the project's lifespan.
- Hydropower projects can disrupt river flows, affecting aquatic species, riverine vegetation, and ecosystem services, as well as impact land species if large areas are flooded to create reservoirs.

We strive to avoid and mitigate irreversible impacts during a project's design phase. In line with the Equator Principles and the IFC Performance Standards, Scatec is committed to restoring sites to their previous state or better at the end of their life.

Scatec operates in countries where the regulatory landscape for biodiversity matters can vary significantly. When a particular country's biodiversity and nature legislation requires a lower standard than that set out in Scatec's policies and guidelines, we adhere to our own higher standards.

Scatec does not depend[2] on biodiversity to conduct its business or generate revenue, as nature is not an input in the construction or operations of our renewable energy projects.

Biodiversity and nature

Our approach and policies

Scatec recognises the ongoing global biodiversity crisis and the responsibility of all businesses to minimise their negative impact on biodiversity and maximise their positive contributions.

Environmental policy

Our environmental policy confirms our objective not to undertake projects in areas where threats to critically endangered species cannot be mitigated. Adhering to the mitigation hierarchy, we strive to avoid, minimise, restore, and finally offset any residual negative impacts. Our goal is to achieve net gains in critical biodiversity areas and ensure no net loss in natural habitats across all our projects. When impacts cannot be sufficiently mitigated, we implement biodiversity offsets to compensate for potential losses.

Furthermore, our policy states that we endeavour to avoid developments in forests and will not engage in projects that negatively impact intact forest landscapes. When a project directly impacts forested areas, we aim to restore or plant an equivalent replacement forest. We are committed to restoring sites at the end of their operational life to ensure the ecosystem is in a comparable or improved state than before development.

Policies are developed and maintained through a structured workflow in the company's corporate document management system, which includes defined roles for originators, reviewers, and approvers, ensuring consistency and solid governance. Our policies are applicable to all Scatec employees and our projects and should be communicated to all business partners. Scatec's EVP People, Sustainability & Digitalisation is accountable for the policy's implementation. All key policies are available on Scatec's corporate website.

Environmental and social management system (ESMS)

Our sustainability policy confirms that we are committed to complying with the IFC Performance Standards and the Equator Principles. Furthermore, it expands on our framework for identifying and managing all relevant environmental and social (E&S) aspects of our business under our environmental and social management system (ESMS), which combines policies, procedures, and tools. This system guides the management of biodiversity impacts and risks throughout the project lifecycle, from initial project assessment, planning, construction, and operations to the project decommissioning phase. We focus our efforts not only on the mitigation[3] of potential negative impacts but also on the restoration and creation of rich ecosystems.

- During project development, third-party specialists (with local knowledge and nature-based solutions) assess biodiversity impacts and document the findings from E&S due diligence (ESDD) and E&S impact assessments (ESIAs) in the E&S management plans. Where impacts are identified, mitigation objectives are included accordingly.
- Scatec aims first and foremost to mitigate impacts through site selection, avoiding highly sensitive areas where the avoidance of irreversible negative impact cannot be ensured, and avoiding the net loss of species of concern by implementing precautionary measures.
- Solar, wind, and hydropower projects undergo desktop assessments that may involve field surveys to identify species. Wind project assessments focus on birds and bats; hydropower projects assess fish, mammals, and plants. Biodiversity assessments map species near project sites and vary by risk level and technology.
- Efforts to minimise land transformation and optimise land use include micro-siting project infrastructure outside of areas identified as having higher sensitivity, in line with the mitigation hierarchy. This may also include mitigation efforts such as reduced lighting and the maintenance of migration corridors for small animals.
- Engagement[4] takes place with a broad range of stakeholders, including local communities where shared biodiversity resources are relevant.

During 2025, we will further assess the biodiversity impacts in our value chain[5] and map the social consequences resulting from such impacts.

Transition plan[6]

During 2025, Scatec will work towards developing and implementing its transition plan addressing biodiversity impact management, governance, strategy, and disclosure. The plan will include an overview of our commitment to biodiversity and natural capital conservation; demonstrate alignment with the Taskforce for Nature-related Financial Disclosures (TNFD) and ESRS E4 standards; and provide key objectives and a timeline for achieving biodiversity goals.

[2] E4 IRO-1 17b
[3] E4 IRO-1 19b
[4] E4 IRO-1 17e
[5] E4 IRO-1 17a
[6] E4 IRO-1 17c-d

Biodiversity governance framework

Key processes and decision gates (DGs) for biodiversity management along our value chain

DG0

Screening/Opportunity

- Environmental & Social (E&S) Early Screening: Biodiversity threshold criteria
- Environmental and Social Due Diligence (ESDD)

DG1.5

Development

- Environmental & Social Impact Assessment (ESIA)
- Environmental & Social Action Plan (ESAP)
- Biodiversity Management Plan / Biodiversity Action Plan

DG2

Structuring

- Finalisation of Biodiversity Management Plans
- Allocation of resources and budget

DG3

Delivery

- Implementation of Biodiversity Management Plans during construction phase
- Training and awareness programs
- Monitoring and reporting

DG4

Power production

- Implementation of Biodiversity Management Plans/Offsets during operations phase
- Training and awareness programs
- Monitoring and reporting

Decommissioning

- Implementation of decommissioning plan
- Restorations/ Rehabilitations as per requirements

Overall management of biodiversity risks and impacts

- Aligning diligence/assessment findings for design optimisation/minimising biodiversity impacts
- Preparation and implementation for relevant biodiversity management plans and mitigation measures
- Allocation of appropriate project budget and resources
- Training and capacity development for local site teams and relevant functions
- Continuous monitoring of mitigation across construction and operations, as well as implementation of necessary corrective actions
- Reporting and disclosures

Actions

- During the construction phase of the Grootfontein solar project, a rare range-restricted plant species was discovered in the powerline corridor. The species belongs to the Lithops genus (stone plant) and is difficult to see. The project E&S team, in collaboration with the respective project managers, managed to redesign the powerline to avoid the stone plant population.

- Avifaunal monitoring was implemented at our Scatec Kenhardt hybrid project (solar and BESS) during operations. Specialist data will refine our understanding of the impact (positive and negative) of land-use change on avifaunal communities. The two-year plan aims to provide valuable insight to Scatec and other stakeholders, such as Birdlife South Africa, so as to better understand the technology-specific impact on avifaunal communities.

- In 2024, Scatec established an internal biodiversity taskforce of specialists with the overall objective of further developing and formalising our biodiversity strategy and thresholds in line with TNFD. The key actions included:
  - Establishing a progressive governance framework to seamlessly integrate biodiversity considerations into decision-making processes
  - Proactively identifying and implementing measures to avoid and minimise irreversible biodiversity loss associated with Scatec's projects. Tools used in this process include Atlas, the Integrated Biodiversity Assessment Tool (IBAT), and regional spatial tools that assess proximity to protected and critical biodiversity areas
  - Planning and allocating resources, such as internal specialist teams and external consultants, to drive biodiversity conservation initiatives and promote greater awareness
  - Strengthening transparency by advancing the disclosure of biodiversity impacts in all Scatec's projects, as in the avifaunal impact monitoring programme described above
- We also developed a biodiversity tool that defines threshold criteria for whether or not to proceed with project opportunities at an early stage. For more information refer to the Methodology section. Final validation and approval of the tool are expected in the first quarter of 2025.

- No offsets were used in 2024.

The effectiveness of actions implemented towards policy objectives in relation to all biodiversity matters is tracked by the E&S function through a structured process. Periodic reviews are scheduled to assess outcomes achieved and whether actions should be further tailored or adjusted for Scatec's strategy and whether they efficiently address IROs. All actions are ongoing throughout the year.

Case study: Protecting baobab trees in Botswana

Project: Mmadinare solar project, 400 km northeast of Gaborone, capital of Botswana

Situation: In the early development phase, a desktop environmental and social (E&S) risk assessment was conducted, followed by a site visit to assess the potential impacts of the project on biodiversity.

Objective: To perform a predevelopment site visit to help identify biodiversity sensitivities to avoid and limit the project's biodiversity impact and guide design engineers' optimisation of the project footprint.

Key actions taken:

- A site survey guided by the desktop analysis confirmed the presence of an ephemeral watercourse and four relatively large baobab trees (Adasonia digitata).
- The data was presented to the project design team. The watercourse could be avoided, but due to limitations from the size of the project area, the trees could not be avoided.
- The E&S team subsequently implemented a strategy to minimise the impact by planning to relocate the trees to a suitable area near the new exclusion zone resulting from the watercourse.

Outcome:

- Avoidance of the watercourse offered an opportunity to create an exclusion zone where the baobab trees could be relocated.
- Fortunately, one of the four trees is already growing in the exclusion zone, meaning that conditions are suitable for the remaining three.
- A specialist service provider will conduct the relocation in early 2025 under careful supervision of the environmental site team.

Metrics

Land-use change

Scatec reports on the size of land used by each of its projects and maps the proximity of projects in operation and under construction onto protected[7)] areas (CBA/KBA/IUCN/Ramsar/Emerald). Where impacts are identified, corresponding mitigation measures are documented in the project management plans. While many projects are near (within 10 km of) protected areas, only one site is partially within one, with a generally low biodiversity impact. For the remainder of the projects listed, no negative impacts were identified. Refer to the table[8)] on the next page.

[7)] Protected areas are designated as such due to the high biodiversity value of the respective area. Refer to the Methodology section for more information.

[8)] E4 IRO-1 19a

Projects within a 10km radius of protected areas with high biodiversity value

Country	Project name	Technology	Status	Area of land changed (ha)	Position related to protected area	Distance to protected area (km)	Description of project site in relation to the protected area (within 10 km radius), including mitigation measures (where impacts were identified)
Czech Republic	Portfolio	Solar	In operation	42	Outside	1 (closest proximity)	The four project sites are located as follows: • Adjacent to the Travni Dvur protected area (IUCN category IV) • 3 km from Lom U Zerutek protected area (IUCN category IV) • 2 km from Novy Rybnik protected area (IUCN category IV) • 5 km from Hrebecovsky Les protected area (IUCN category IV) • There are also multiple other protected areas within a 10 km radius
Honduras	Agua Fria	Solar	In operation	63	Outside	2	• 2 km from a protected mangrove area (Tropical Dry Forest)
Honduras	Los Prados	Solar	In operation	133	Outside	2	• 2 km from a protected mangrove area (Tropical Dry Forest)
Malaysia	Quantum Solar Park (one site)	Solar	In operation	81	Outside	1	• 1 km from the Rantua Abang fisheries protected area (IUCN category IV) and 3 km from Jambu Bongkok Forest reserve (IUCN category IV) – site consists of modified and natural habitats with wetlands west of the site
Pakistan	Sukkur	Solar	In operation	287	Outside	3	• 3 km from Nara Desert (IUCN category IV) site, which is mostly sandy plains with limited vegetation
South Africa	Linde	Solar	In operation	108	Outside	4	• 4 km outside protected areas, namely Hanover Aardvark nature reserve and Karoo Gariep nature reserve
South Africa	Kenhardt	Solar and storage	In operation	750	Outside	5	• 5 km north of a CBA – the site is untransformed semi-desert shrubland
South Africa	Grootfontein	Solar	Under construction		Outside	1	• Adjacent to a critical habitat utilised by protected species (Riverine Rabbit) – the site is untransformed semi-desert succulent Karoo shrubland
Ukraine	Portfolio	Solar	In operation	473	Inside and outside	1 (closest proximity)	The project site locations are broadly described below: • Adjacent to an estuary and partially within an Emerald Network area of special conservation interest: • Naturally functioning wetlands provide a range of benefits and services for people's livelihoods, in addition to being rich in biodiversity, including waterbirds • The loss of natural habitats coupled with excessive predator activity led to a sharp decline in the number of bird species in the estuary • Scatec's site selection and avoidance of the wetland were the primary mitigation measures • In addition, we created a birdwatching site to support scientific research and to raise awareness and educational opportunities. The site monitors and identifies factors that negatively impact the number of rare and endangered species • Between 1 and 4 km from various protected areas within the Emerald Network
Vietnam	Dam Nai	Wind	In operation	760	Outside	4	• 4 km from Nui Chua National Park (IUCN category II) – the site is on agricultural land and thus a dual-use area due to the small footprint of each wind turbine
Total number and size of projects located within protected areas				203	Within	1	

Species

Scatec reports on the number of species identified in the region where the project site is based. The conservation status of these species is monitored and reported on annually by Scatec. To date, we have not identified any negative impact on the state of species as a result of our projects.

	Unit	2024	2023
Vulnerable	Number	22	31
Near threatened	Number	20	28
Endangered	Number	4	14
Critically endangered	Number	3	6
Species of least concern	Number	372	1,088

Critically endangered species identified are:
- Coccoloba Cholutecensis (tree) in Honduras
- White Backed Vulture in South Africa
- European Mink in Ukraine

Given the changes to Scatec's reporting boundaries and the projects sold during the year, the 2024 figures reflect lower numbers of species.

Targets and ambitions

Our ambitions focus on our biodiversity agenda and transition plan. Scatec's ambitions do not constitute targets as prescribed by ESRS.
- In 2025, we will establish a clear biodiversity strategy for all projects in line with TNFD, and as part of this process we will work to develop measurable targets relating to biodiversity.
- We will assess and implement risk mitigation measures based on the LEAP (Locate, Evaluate, Assess and Prepare) analysis carried out in 2024.

Biodiversity ambitions are Scatec-specific and set for the upcoming financial year. The 2025 ambitions relate to the first step of avoidance in the mitigation hierarchy and include Scatec's own operations on a global scale. Our current ambitions are not informed by the EU Biodiversity Strategy for 2030, as most of our projects are not located in the EU.

Methodology

Development of biodiversity thresholds

Our threshold criteria emphasise the proactive identification of bio-diversity-related challenges, facilitating the exclusion of opportunities that entail substantial adverse impacts on biodiversity without a robust remediation strategy or that culminate in a net biodiversity loss.

- We will not undertake projects in areas where threats to critically endangered species cannot be mitigated.
- Adhering to the mitigation hierarchy, we strive to avoid, minimise, restore, and finally offset any residual negative impacts.
- Our goal is to achieve net gains in critical habitats and ensure no net loss in natural habitats across all of our projects.
- When impacts cannot be sufficiently mitigated, we implement biodiversity offsets to compensate for potential losses.

Screening phase

- Screen projects against the Biodiversity Threshold Criteria for Critical Habitat in alignment with IFC Performance Standard 6 (PS 6).
- Leverage advanced tools such as IBAT, Atlas, and regional spatial screening mechanisms.
- The screening process will yield an assessment of the potential presence of critical habitat, providing a definitive yes/no outcome to guide strategic decision-making.

Responsibility for respecting thresholds is held by the E&S team in close consultation with the biodiversity committee and external consultants.

The threshold criteria also enable us to facilitate informed decision-making in line with our mitigation hierarchy.

Protected areas

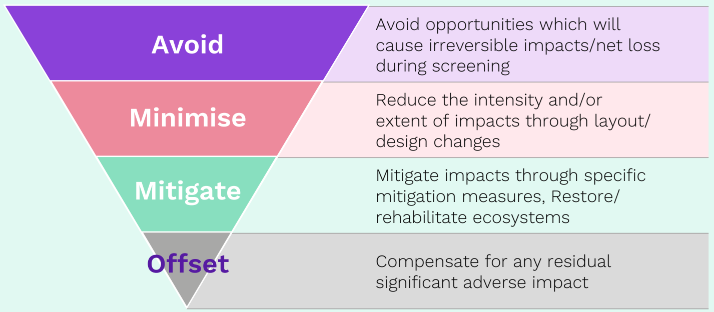
- Biodiversity data is gathered from desktop studies, E&S baseline studies, site visits, etc. and captured in formal ESIA/ESDD documents. These studies and assessments will be completed by Scatec, its project partners, or external specialists.
- Third-party specialists report findings and, for any identified or potential negative impact, mitigation measures are incorporated into project ESAPs.
- The E&S team, in collaboration with the O&M team, is responsible for implementing the measures for each project (where applicable).
- All project sites are assessed in relation to the distance to protected areas that include critical biodiversity areas (CBAs), key biodiversity areas (KBAs), the International Union for Conservation of Nature (IUCN), Ramsar, and the Emerald Network.

Species

- Species data is gathered from desktop studies, E&S baseline studies, site visits, etc. and captured in formal ESIA/ESDD documents. Species identified in the area around the project site are recorded. These studies and assessments will be completed by Scatec, its project partners, or external specialists.
- Third-party specialists report findings and, for any identified or potential negative impact, mitigation measures are incorporated into project ESAPs.
- The number of species is recorded and reported on, which range from critically endangered to near threatened and vulnerable species, as well as species of least concern, as per IUCN definitions.
- Updates to species lists and tracking of biodiversity impacts are made annually based on publicly available research and confirmations from project sites in highly sensitive areas. Should there be any change (such as a negative development) in the state of species from that originally identified in the ESIA/ESDD documents, this will be indicated.

Mitigation hierarchy

Scatec's mitigation hierarchy is designed to manage negative impacts on ecologically valuable habitats for it's projects. It empathizes four sequential steps for managing biodiversity across project's lifestyle – avoid, minimise, mitigate and offset. This approach prioritises avoiding and minimising impacts on key ecological features with higher biodiversity value.



Resource use and circular economy

Impacts, risks, and opportunities

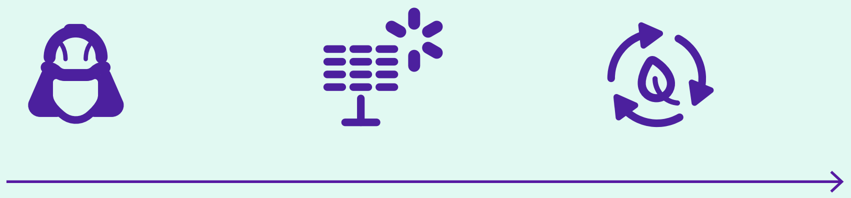
The material impacts, risks, and opportunities (IROs) identified in our double materiality assessment (DMA) are listed below.

Sustainability matter	Description of material IRO	Type	Own operations or value chain
Resource inflows, including resource use	Resource use in the value chain for the production of components that contain finite, scarce, or conflict minerals	Impact (negative) - short term	Value chain
Waste	Component waste at project end of life comprising large volumes for responsible treatment and disposal	Impact (negative) - long term	Own operations
Waste	Increased decommissioning requirements due to stricter regulations, immature technology, and lack of infrastructure for handling broken components	Risk	Own operations
Resource inflows, including resource use	Limited availability and higher cost of low carbon/recycled components	Risk	Own operations
Waste	Developing solutions for end-of-life treatment and recycling of key components by accessing new markets that lead to increased revenue	Opportunity	Own operations

Renewable energy projects require the building of large amounts of resources. Resources and materials used to manufacture the components (such as solar modules) needed to build our projects include silicon, glass, aluminium, plastic, copper. Given that a substantial portion of our GHG emissions and resource footprint originates in the manufacture of the capital goods purchased, it is crucial to make informed decisions to minimise this impact when feasible. With power purchase agreements (PPAs) lasting up to 30 years, projects must be designed and operated with a view to long-term performance and eventual decommissioning.

The volumes and types of waste generated vary by renewable technology. Limited waste is generated during the construction and operations phases of a project, however this is expected to increase at the end of life. Scatec's key waste streams by project phase are presented to the right[1].

Further details on the process for identifying material IROs are included in the Introduction section of this report.



Construction

Moderate volume of:
- Packaging
- Damaged solar modules for example during transportation
- General waste

Operations

Limited volume of:
- General waste
- Damaged solar modules for example due to extreme weather conditions

End of life

Large volume of:
- Solar modules
- Batteries
- Trackers
- Inverters

[1] E5 IRO-1 11a

Resource flows and circularity

Our approach and policies

Scatec is committed to being a responsible business by considering its projects' long-term performance and end-of-life decommissioning. We develop projects in line with our environmental policy and Project Lifecycle Management & End of Life Guide to ensure the recycling and recovery of key components and materials and the reduction of lifecycle impact where possible.

Environmental policy

Scatec's environmental policy is a high-level statement of its environmental commitments and how it systematically works to reduce potential negative impacts whilst maximising positive impacts.

The policy is part of Scatec's environmental and social management system (ESMS). It is applicable to all Scatec employees and projects and should be communicated to all business partners. The key policy elements of waste and resource management are summarised below:
- We follow the waste hierarchy for waste management. First we seek to prevent waste being generated, then to minimise, reuse, recycle, recover energy, and dispose of waste responsibly while avoiding landfill as far as practically possible.
- We develop plans for hazardous substance and waste management for construction and operations.
- We take a circular, cradle-to-cradle approach, and every project will develop a plan for end of life and decommissioning.
- At end of life, we make sure that all major components such as solar panels and turbine blades are reused or recycled.

Scatec's policy does not currently address transitioning away from the extraction of virgin resources, including relative increases in the use of recycled resources. Our policy will be reviewed and updated during 2025.

With respect to conflict and other scarce minerals, Scatec's procurement policy includes its alignment with international frameworks, such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the Norwegian Transparency Act. Our commitments include:
- Identifying which components of our capital goods are impacted through our responsible supply chain risk analysis and targeting our efforts accordingly
- Carrying out due diligence activities and traceability audits, and making the evaluations publicly available
- Further investigating scarce and other minerals and metals, over and above conflict minerals, such as cobalt, rare earths, nickel, bauxite and lithium
- Sourcing materials from companies that share our values related to human rights, ethics, and environmental responsibility
- Ensuring that our suppliers have sufficient and appropriate policies in place to manage risks related to conflict minerals

Project Lifecycle Management & End of Life Guide

The main purpose of Scatec's Project Lifecycle Management & End of Life Guide is to ensure best practice and support decision-making throughout the project lifecycle, in accordance with relevant standards such as the Equator Principles and the IFC Performance Standards.

The guidance document is relevant to all Scatec owned or operated projects during the construction, operation, and decommissioning phases. The key elements of the guidance document include lifecycle considerations in each project phase. This also includes specific opportunity assessments related to lifetime extension or repowering at year 10 and onwards, such as:

- **Life extension:** Project operating-life extension should be explored if the project and components are still functioning at an acceptable level in terms of health and safety risk, industry standard project availability, and financial viability.
- **Re-powering:** If a project cannot viably continue in its present state, then repowering by upgrading or redeveloping the site with modern technology should also be considered.

Additionally, 2–3 years before the agreed decommissioning date, the initial decommissioning plan should be reviewed and updated and contracts agreed with partners who can responsibly repurpose or dispose of large volumes of used components in a traceable manner according to the waste hierarchy.

Policies are developed and maintained through a structured workflow in the Company's document management system, which has defined roles for originators, reviewers, and approvers, ensuring consistency and governance. All key Scatec policies are available on our corporate website in the ESG resources section.

Scatec's EVP Solutions and EVP People, Sustainability & Digitalisation are accountable for the implementation of the policies.

Actions

- We explored and analysed opportunities for end-of-life decommissioning and engaged with key suppliers to identify options such as take-back schemes and other relevant alternatives.
- We assessed end-of-life solutions with all our strategic suppliers (eight in total). Several suppliers are actively pursuing circularity and end-of-life solutions. We will continue our engagements in 2025.
- We held climate workshops with all strategic suppliers to discuss their climate mitigation goals, activities, targets and documentation of climate gas emissions, as well as climate-mitigating activities going forwards. This also included specific information on the suppliers' current or future offering of low-carbon components.
- In South Africa, we continued to explore a potential collaboration with e-Waste Africa, an organisation aiming to offer an e-waste recycling solution for the African continent and to assess waste facilities for solar refurbishment and battery recycling that will seek to involve local small businesses and facilitate local job creation.
- Engaging[2)] with local communities involves informing them about our projects, managing expectations, and ensuring support. We hold regular meetings with local leaders. Each project has a specific stakeholder engagement plan (SEP) that details how often and by what method we engage with each stakeholder group.

The effectiveness of actions implemented towards policy objectives in relation to all resource use and circularity matters is tracked by the E&S function through a structured process. Periodic reviews are scheduled to assess outcomes achieved and whether actions should be further tailored or adjusted for Scatec's strategy and whether they efficiently address IROs. All actions are ongoing throughout the year.

[2)] E5 IRO-1 11b

Case study: Broken module management in Brazil

Project: The Mendubim solar project[3)] located in the state of Rio Grande do Norte in Brazil.

Situation: Solar modules can be damaged for various reasons during the construction or operations phases of a project. Examples include accidents during logistics or installation activities and extreme weather events such as lightning.

Objective: To explore and implement sustainable solutions for module management that can potentially be scaled for other markets and employed for end-of-life decommissioning.

Key actions taken:
- Comprehensive understanding acquired of which solar module parts can be recycled or reused
- Research on and discussions with potential recycling partners
- Navigation of the complex regulatory environment in Brazil to identify the most suitable solution
- Preparation of reporting on the status of the project's module management

Outcome:
- Module management plan developed with a strong traceability focus that can be tailored and rolled out in other regions worldwide
- Testing of module recycling with SunR, the first photovoltaic recycling company in Latin America
- Comprehensive reporting schedule implemented, including tracking and accounting for each damaged module on site

[3)] This project is outside of Scatec's reporting boundaries. However, best practice will be shared and applied to other sites in the Group.

Metrics

Waste

Waste is reported for projects in the operations phase.

	Unit	2024
Total hazardous waste		**4 766**
Hazardous waste: diverted from disposal		
Preparation for reuse	Kilograms	-
Recycling	Kilograms	0
Other recovery operations [1]	Kilograms	432
Hazardous waste: directed to disposal		
Incineration*	Kilograms	4 334
Landfill	Kilograms	-
Other disposal options	Kilograms	-
Total non-hazardous waste		**30 094**
Non-hazardous waste: diverted from disposal	Kilograms	
Preparation for reuse [1]	Kilograms	317
Recycling	Kilograms	5 208
Other recovery operations		-
Non-hazardous waste: directed to disposal		
Incineration [1]	Kilograms	449
Landfill [1]	Kilograms	24 120
Other disposal options	Kilograms	-
Total waste generated		34 860

[1] The total non-recyled waste is 29,652kg and comprises 85% of total waste generated.

No radioactive waste was generated in 2024.

Resource inflows

Scatec reports on solar modules and trackers purchased and received as capital goods during 2024, representing the most material of key components used in the construction of its projects. No batteries were purchased in 2024.

	Unit	2024
Solar modules		**27.4**
Glass	Thousand tonnes	18.3
Aluminium	Thousand tonnes	5.6
Plastic	Thousand tonnes	2.6
Silicon	Thousand tonnes	0.3
Copper	Thousand tonnes	0.2
Other	Thousand tonnes	0.4
Trackers (substructures)		**15.8**
Steel	Thousand tonnes	15.4
Other	Thousand tonnes	0.4
Total		43.2

The materials included in the table above do not contain biological materials. The weight and percentage of recycled materials used to manufacture the components that Scatec purchases are unknown and at present estimates are primarily used within the industry.

Targets and ambitions

Our ambitions focus on increasing circular material usage of key components in our value chain and ensuring that strategies are in place for the end of life of our projects. Scatec's ambitions do not constitute targets as prescribed by ESRS.

- Develop an end-of-life strategy for all projects by 2027. We will undertake to develop a standardised framework for an end-of-life strategy for all operating projects that can be tailored to each local context regarding regulatory framework, challenges, and opportunities.
- Evaluate and strengthen criteria for circularity in our supplier screening processes.
- Continue to identify and assess end-of-life options in key focus markets.

Scatec's approach to setting ambitions integrates its corporate strategy with industry best practice and global regulations and includes engagement with various stakeholders, such as through feedback and input from employees. In addition to Company-wide ambitions, certain business units and regions set specific goals to meet local requirements and challenges.

Circularity ambitions are Scatec-specific and set for the upcoming financial year. The 2025 ambitions relate to the first and second steps of "prevention and reduction" in the waste hierarchy. The ambitions include Scatec's own operations on a global scale and are not required by legislation.

Methodology

Waste

- In Scatec's waste management, waste is classified as hazardous and non-hazardous.
- Non-hazardous waste on the project site includes general/non-recyclable waste and solid recyclable waste, such as paper, cardboard, plastic, glass, metal, and wood.
- Hazardous waste can be categorised as solid hazardous material and liquid hazardous material, such as oily rags, empty paint cans, lubricants, sewage, cement, and medical waste.
- Scatec reports on both hazardous and non-hazardous waste, whether diverted from disposal or directed to disposal.
- We aim to recycle all waste where possible, incinerate hazardous waste, and use landfill only in accordance with internationally recognised standards.

Resource inflows

- Capital goods purchased for the construction of our projects include solar modules, batteries, trackers, inverters, and transformer stations.
- The weight of the components transported is recorded and supplied by our procurement team. The weight of the materials is based on estimates of components' composition.

Social

Own workforce

Impacts, risks, and opportunities

The material impacts, risks, and opportunities (IROs) identified in our double materiality assessment (DMA) are listed below.

Sustainability matter	Description of material IRO	Type	Own operations or value chain
Equal treatment and opportunities for all	Increased costs of retention, recruitment, and training, as well as indirect costs of loss of knowledge due to the risk of high turnover and lack of correct competence related to employees	Risk	Own operations
Equal treatment and opportunities for all	Employing a diverse workforce and contributing to the inclusion and belonging (DEIB) of employees	Impact (positive) - short term	Own operations
Training and skills development	Training and skills development of employees, including specialised industry and sector-specific skills	Impact (positive) - short term	Own operations
Working conditions – health and safety	Health and safety of own workforce on project sites during construction and operations phases of a project, including working conditions, incidents, and injuries	Impact (negative) - short term	Own operations

Our employees are the driving force behind everything we achieve. The people of Scatec define who we are – a highly skilled, driven, and diverse workforce committed to delivering affordable and clean energy worldwide. What motivates us is our ambitious vision of improving the future, and we foster a culture that encourages creativity, innovation, and new ways of thinking. We are fortunate to collaborate with talented individuals from across the globe who are united by a shared purpose.

Refer to the Basis for preparation section of this report for definitions of our workforce.

Further details on the process for identifying material IROs are included in the Introduction section of this report.

Our approach and policies

Scatec's human resources (HR) policies align with internationally recognised standards, such as the International Labour Organisation (ILO) conventions, the Universal Declaration of Human Rights, the United Nations (UN) Guiding Principles, and other relevant global frameworks. This ensures that our policies not only comply with local legislation but also reflect best practices in human rights, employee welfare, and sustainability, supporting a globally responsible and ethical approach to managing our people.

Scatec's policies apply to all employees and non-employees performing work on behalf of the Company. Policies are developed and maintained through a structured workflow in the Company's document management system, which defines roles for originators, reviewers, and approvers, ensuring consistency and governance. Key policies, such as the HR policy and the diversity, equity, inclusion and belonging (DEIB) policy, are published on Scatec's corporate website, while other governing documents are accessible internally to relevant stakeholders.

These policies, procedures, and guidelines have been developed by taking into consideration feedback from employees via regular engagement surveys and contributions from employee representatives within the Working Environment Committee. Policies are approved by the executive management team (EMT).

Global HR policy

Scatec's HR policy is designed to foster a positive, engaging, and efficient work environment across its global organisation. It emphasises the importance of building strong, respectful relationships within the workplace. The policy encourages shared responsibility among all employees, supporting a culture that values collaboration and development. The policy underscores the importance of leadership that empowers teams and fosters a culture aligned with Scatec's values: predictable, driving results, changemakers, and working together.

Key aspects of the HR policy include a strong commitment to DEIB, promoting equal opportunities for all employees and supporting their growth through continuous development, training, and career progression. Recognising the importance of retaining a motivated and engaged workforce, Scatec's HR policy provides a framework for an environment where employees can thrive and grow. Through our commitment to transparent communication, fair recognition, and development opportunities, the policy supports Scatec's ability to attract, retain, and develop its people across its global operations.

Diversity, equity, inclusion, and belonging policy

Diversity is a business imperative in Scatec. We believe that diversity enables better decision-making and increases value creation, and we acknowledge its significance in meeting market and societal expectations. Scatec's DEIB policy sets out how Scatec approaches DEIB in the workplace and provides a framework for targeted initiatives.

Scatec's definition of equality is based on, but not limited to, gender, gender identity or expression, religion, belief, ethnicity, disability, pregnancy, leave related to childbirth or adoption, care responsibilities, sexual orientation, or any combination of these. We are committed to preventing any form of harassment, discrimination, or violence grounded in biases against any of the above.

Our stance on equality and discrimination is referenced in the Scatec Code of Conduct, which outlines the following standards:
- We oppose any form of discrimination or favouritism due to race, ethnicity, nationality, gender, age, sexual identity, disability, national origin, religious conviction, or cultural belief
- We do not engage in nepotism when hiring or promoting our employees
- We show respect for co-workers and treat them as we would like to be treated
- We actively listen to contrasting points of view and respect cultural differences
- We prohibit any form of hate speech, racial slur, harassment, or intimidation, including sexual harassment, or threats of violence for any reason
- We ensure that our suppliers, customers, and business partners understand what it means to strive for a workplace with equal opportunities
- We confront incidents of harassment or inappropriate behaviour and proactively protect our work environment

Health and safety policy

Scatec's policy includes a commitment to maintaining a comprehensive, effective, and consistent health, safety, security, and environment (HSSE) management system in all projects.
- The system used to manage occupational HSSE within Scatec is documented on a project level. The management system is adapted to the needs of the organisation and describes how the HSSE risks in relevant activities are identified, evaluated, monitored, and controlled.
- The system meets relevant regulatory requirements and is implemented on the basis of recognised risk management system standards and guidelines, such as the IFC Performance Standards.
- The focus and comprehensiveness of the systems depend on the nature and scale of the operation, as well as the type and magnitude of the HSSE risks and impacts involved.

Our HSSE management performance is continually assessed and improved by taking accountability and responsibility in the pursuit of meeting targets and objectives. Our HSSE objectives and actions are planned, monitored, and systematically evaluated by audit programmes and management reviews.

Working together to achieve zero harm is at the core of Scatec's vision for HSSE. We aspire for zero harm from the impact of our business on the health and wellbeing of all our employees and stakeholders, the environment, and society at large.

- Employees most at risk include full-time and short-term employees in all consolidated entities and equity-consolidated entities in Brazil, primarily based on project sites
- The HSSE governance team reviews risks in all global operations and studies the incidents logged in our global system in order to determine appropriate objectives, targets, and actions

Our procedures include key aspects of our HSSE management system, such as key responsibilities, document control, training, risk assessment, internal control and external audits, key performance indicators (KPIs), and management reviews.

Scatec is certified to ISO 45001 and 14001, confirming its alignment with industry best practice and providing its stakeholders with a level of assurance related to its way of working. DNV executes certification audits every three years, as well as intermittent monitoring audits. During the management review process conducted by Scatec's EMT, various business units and national offices are consulted globally.

Transportation policy

The purpose of Scatec's transportation policy is to ensure the safety and security of all employees, contractors, and stakeholders, while promoting sustainable and responsible driving practices in line with Scatec's HSSE policy and transportation and other related requirements. The policy applies to all Scatec employees and contractors and all other individuals driving vehicles for Scatec business activities, including Company-owned, leased, or personal vehicles used for work-related purposes.

To achieve zero harm and eliminate transportation-related incidents, Scatec is committed to:
- establishing, maintaining, and implementing a global transportation management procedure
- ensuring compliance with applicable transportation laws and regulations
- ensuring that all drivers are suitably trained as per transportation requirements
- zero tolerance of driving under the influence of alcohol and narcotics
- ensuring that all vehicles and mobile equipment comply with transportation specifications and are maintained in accordance with manufacturer instructions
- establishing and maintaining journey management plans for long-haul journeys
- providing and implementing driving rules

Emergency Response Programme

The objective of Scatec's emergency preparedness and response is to contain and control actual material impacts and to prevent or limit acute loss of:
- life and health of people, including:
  - Scatec employees and hired personnel while at work or travelling for business
  - expatriated employees and family members
  - contractor personnel while working at Scatec operated sites, and
  - third parties, if affected by Scatec activities
- environmental resources, if affected by Scatec activities
- Scatec assets, operations, and other business critical systems
- the trust and confidence in the market and society

In Scatec, the emergency response is organised in 1st, 2nd, and 3rd lines, with the following responsibilities:
- 1st line: Incident response at the operating site or project with site activities
- 2nd line: Emergency response at the country office or regional organisation
- 3rd line: Crisis management at Scatec head office

Scatec will review its policies and make any relevant updates and changes during 2025 to reflect all IROs covered.

In addition, as per the Norwegian Diversity Act, Scatec publishes an annual Statement of equality and discrimination, available on our corporate website.

Engaging our workforce

At Scatec, we prioritise open and transparent communication with our workforce through various engagement channels. The executive management team ensures that these engagements align with Scatec's strategic goals and values.

- A global engagement survey is conducted twice yearly, covering employee wellbeing, leadership, alignment, collaboration, pride, development, and recognition. The latest survey, in 2024, had an 86% response rate, offering key insights that inform the People & Organisation (P&O) business unit and leadership actions for improvement.
- Our global process for continuous development includes goal setting, mid-year reviews, and quarterly follow-ups between all employees and managers.
- Regular on-site toolbox talks and discussions in projects promote safety and wellness, offering practical knowledge and proactive wellbeing measures.
- Local employee committees enable workforce feedback, idea sharing, and participation in decisions impacting the workplace. For example, the working environment committee in Norway meets quarterly to address key issues and collaborate on solutions. Additionally, our DEIB Ambassador Programme, advisory board, and annual calendar sustain inclusivity through monthly initiatives.
- As part of our corporate strategy rollout, strategy workshops are held to support employees in understanding and contributing to the Company's direction, promoting alignment and engagement across departments.

We assess workforce sentiment and engagement effectiveness through several key metrics, including general engagement surveys, onboarding and exit surveys, retention tracking, participation rates in engagement activities, and analytics from our internal communication channels.

Scatec's whistleblowing channel is accessible to all employees, business partners, and stakeholders and allows for anonymous reporting. Scatec does not tolerate retaliation of any kind against those who report in good faith. The channel protects the privacy of individuals who report a concern, as well as the privacy of individuals who are the subject of a report. Ensuring that our employees are comfortable with reporting potential misconduct is important to Scatec. We make regular efforts to ensure that the channel is described in relevant workshops and training to reinforce this. The channel is always open and it is available in eleven languages.

Scatec uses an independent company to manage all reports, and each is treated as confidential with restricted access. Please refer to the Reporting concerns section of this report for more details about the whistleblowing channel.

Recruitment and retention

Actions

Scatec's retention strategy focuses on fostering an environment where employees feel valued, supported, and connected to our mission of shaping a sustainable future. Retention risks are particularly high among full-time and short-term employees with specialised industry skills.

In 2024, we implemented a range of targeted programmes to address specific workforce needs. Our retention efforts begin with understanding what matters most to our employees. To achieve this, we conducted dedicated retention surveys alongside our engagement surveys, gathering direct insights into the key factors influencing employees' commitment to staying.

Based on these insights, we have refined our approach in multiple areas, including career development, compensation, and overall employee experience, ensuring that our strategies align with work-force expectations and business goals.

Performance and development

- Our performance development framework supports employees in achieving their performance and development goals while connecting their contributions to broader Company success.
- We have a structured annual goal-setting process with a minimum of half-yearly check-ins to ensure alignment, progress, and continuous development.

Leadership and succession planning

- We are committed to building a strong leadership pipeline through focused succession planning. In 2024, our efforts prioritised succession planning for management levels to ensure long-term business continuity.

Learning and development

- With the launch of Scatec Learning & Leadership Labs in 2024, we are reinforcing a culture of continuous learning.
- The framework provides employees with access to external courses and specialised programmes designed for managers and emerging leaders.
- During the mid-year reviews, we focused on the importance of setting solid development goals that reinforce our commitment to development and retention.

Compensation and benefits

- To attract, motivate, and retain our talent, we introduced a new performance management framework with an expanded incentive range.
- We conducted supplementary total reward benchmarking in key markets beyond our regular benchmarking processes, ensuring that our compensation packages remain competitive in regions with a higher retention risk.
- We updated maternity policies in select markets, aligning them with or exceeding industry standards to better support employees' family needs.

Ensuring that employees feel connected to Scatec's vision is critical for fostering a strong sense of purpose and engagement. Details on engagement are summarised on the previous page.

Retention risk is closely linked to key ongoing initiatives such as DEIB programmes and training and development, as these directly and indirectly influence recruitment and retention efforts. The P&O business unit tracks retention rates in all locations and business units, allowing Scatec to assess the impact of our initiatives and adapt our strategies as needed. The SVP People & Organisation is responsible for our work in this area.

Metrics

Scatec reports on entity-specific metrics in addition to ESRS-required metrics for material sustainability matters. The ESRS-required metrics include all consolidated legal entities, while the Scatec-specific metrics, in addition, include equity consolidated legal entities in the value chain. This approach aligns with the historical reporting that included these equity consolidated entities in both sustainability reporting and target setting.

This results in two datasets as presented below, where the Scatec-specific metrics are fully aligned to our corporate targets. Comparative figures are not reported for ESRS metrics.

Employee turnover

	Unit	2024
Voluntary resignations	Number	57
Turnover rate	%	9

Employee turnover at Scatec includes only permanent employees with no contractual end date. For short-term employees (STEs), the contract end date is predetermined before they join, meaning they are not included in voluntary turnover calculations. The turn-over figures presented in the table above include Scatec's full-time employees (FTE) who voluntarily resigned. Data on employees who left due to dismissal, retirement, or death in service is not available.

Scatec-specific employee turnover

	Unit	2024	2023
Voluntary resignations	Headcount	66	N/A
Turnover rate	%	10	11

The turnover figures presented in the table above include Scatec's full-time employees and those in the equity-consolidated entities in Brazil who voluntarily resigned.

Targets and ambitions

- Retain 91% of full-time employees in 2025

Our approach to workforce-related target-setting combines top-down alignment with Company strategic goals and bottom-up feedback gathered through engagement channels. In addition to Company-wide targets, certain departments and regions set tailored goals to address local requirements and challenges.

Targets are Scatec-specific and set for the upcoming financial year. The scope of these targets includes Scatec's full-time employees and employees in the equity-consolidated entities in Brazil.

Diversity, equity, inclusion, and belonging

Actions

Scatec fosters a culture of diversity, equity, inclusion, and belonging (DEIB), with strong commitment from both management and the executive management team. We integrate DEIB principles into recruitment, performance evaluation, rewards, and learning and development programmes, ensuring inclusive practices across the organisation. Guided by our DEIB policy, we implement targeted initiatives and programmes to promote diversity and inclusion.

Key DEIB achievements in 2024

In 2024, we made significant strides in our diversity and inclusion efforts, with key achievements including:

- Recruiters being tasked to ensure female candidates are short-listed for all new roles. This initiative has been instrumental in driving balanced hiring practices across the organisation.
- Holding a global Mental Health Month with initiatives at both global and local levels to support employee wellbeing.
- Ensuring gender diversity in all our learning initiatives, including coaching and mentoring programmes.
- Conducting our global engagement survey twice in 2024, focusing on diversity and discrimination.
- Regional and cultural celebration examples: In South Africa, we celebrated a dedicated Wellbeing Day for all employees and launched a Women's Month campaign to promote gender awareness and address women's health issues. Other initiatives included Diwali celebrations and a women's campaign in India; Mano Amiga Career Day, Women's Day, and Moon Cake Festival in the Philippines; and Chinese New Year, Eid Mubarak gatherings, and Family Day in Malaysia.
- Ongoing graduate development: For the fourth consecutive year, we ran our 12-month graduate and bursary programme in South Africa, providing young professionals with meaningful career development opportunities.

The effectiveness of ongoing actions implemented in relation to DEIB matters is tracked by the P&O business unit through a structured process. The SVP People & Organisation is responsible for our work in this area. Periodic reviews are scheduled to assess outcomes achieved and whether actions should be further tailored or adjusted to suit Scatec's strategy and efficiently cover IROs.

Metrics

Scatec reports on entity-specific metrics in addition to ESRS-required metrics for material sustainability matters. The ESRS-required metrics include all consolidated legal entities, while the Scatec-specific metrics, in addition, include equity consolidated legal entities in the value chain. This approach aligns with the historical reporting that included these equity consolidated entities in both sustainability reporting and target setting.

This results in two datasets as presented below, where the Scatec-specific metrics are fully aligned to our corporate targets. Comparative figures are not reported for ESRS metrics.

Employees by gender

	Unit	2024
Women	Headcount	259
Men	Headcount	549
Total		808

Employees by age group

	Unit	2024
Under 30	Headcount	137
30–50	Headcount	582
Above 50	Headcount	89
Total		808

Employees by age group

	Unit	2024
Under 30	%	17
30–50	%	72
Above 50	%	11

Employees by country

	Unit	2024
South Africa	Headcount	302
Egypt	Headcount	115
Norway	Headcount	113
Ukraine	Headcount	53
Malaysia	Headcount	36
Brazil	Headcount	34
Tunisia	Headcount	29
Netherlands	Headcount	27
Honduras	Headcount	18
India	Headcount	17
Pakistan	Headcount	17
Philippines	Headcount	15
Botswana	Headcount	13
Czech	Headcount	5
Vietnam	Headcount	4
Jordan	Headcount	3
Poland	Headcount	3
Bulgaria	Headcount	1
Germany	Headcount	1
Laos	Headcount	1
Zambia	Headcount	1
Total		808

Employees by contract type and gender

	Unit	2024
Full-time permanent employees		**644**
Women	Headcount	203
Men	Headcount	441
Part-time permanent employees		**4**
Women	Headcount	2
Men	Headcount	2
Temporary employees		**160**
Women	Headcount	54
Men	Headcount	106
Non-guaranteed working hours		**0**
Women	Headcount	0
Men	Headcount	0
Total		808

Management and Board by gender

	Unit	2024
Executive management team		
Women	Headcount	2
Women	%	29
Board of Directors		
Women	Headcount	3
Women	%	43

The figures presented in the tables above include Scatec's own workforce and/or employees as required by ESRS.

Scatec-specific employees by gender

	Unit	2024	2023
Women	Headcount	287	250
Men	Headcount	599	570
Total		886	820

Scatec-specific employees by contract type and gender

	Unit	2024	2023
Full-time permanent employees		**717**	**664**
Women	Headcount	231	200
Men	Headcount	486	464
Part-time permanent employees		**4**	**5**
Women	Headcount	2	3
Men	Headcount	2	2
Temporary employees		**165**	**151**
Women	Headcount	54	47
Men	Headcount	111	104
Non-guaranteed working hours		**0**	**0**
Women	Headcount	0	0
Men	Headcount	0	0
Total		886	863

Scatec-specific nationalities

	Unit	2024	2023
Permanent and temporary employees	Number	48	50

Scatec-specific female leaders

	Unit	2024	2023
Permanent employees	Headcount	77	66
Permanent employees	%	33	29

Scatec-specific engagement pulse survey

	Unit	2024	2023
Response rate	%	86	80
Engagement score	Number	82	79

The figures presented in the tables above include Scatec's own workforce and/or employees, as well as employees in the equity-consolidated entities in Brazil.

Targets and ambitions

Scatec remains dedicated to ensuring equality, enhancing diversity, and preventing discrimination throughout the organisation. There will continue to be a special emphasis on improving gender balance:

- Increase the percentage of the female share of management to 33% in 2025
- Reach an employee engagement score of 82 in 2025

Our approach to setting workforce-related targets integrates both top-down alignment with Company strategic goals and bottom-up feedback from the organisation through our engagement channels with our employees. In addition to Company-wide targets, certain departments and regions set specific goals to meet local requirements and challenges.

Targets are Scatec-specific and set for the upcoming financial year. The scope of the targets includes Scatec's employees and employees in the equity-consolidated entities in Brazil.

Training and skills development
Actions

Mandatory training
- During the year, we launched LinkedIn Learning for 250 employees, providing access to a wide range of skill-building courses.
- In 2024, we also introduced several new e-learning courses, including:
  - a Code of Conduct refresher to enhance ethical standards
  - specialised health, safety, security, and environment (HSSE) training focused on road transportation safety
  - generative Artificial Intelligence (AI) and cybersecurity training to equip employees with critical skills for an evolving digital landscape

Leadership development
In 2024, our leadership development initiatives expanded significantly, supporting leaders at multiple levels of the organisation. The key ongoing initiatives are summarised below:
- Leadership Effectiveness Programme: This continued as a core global initiative aimed at enhancing the performance of our management teams worldwide.
- Coaching Programme: Now in its third year, the programme enrolled 40 employees in 2024, equipping them with coaching skills to strengthen leadership capabilities across the organisation.
- Mentorship Programme: Launched in Q4, with 20 mentees gaining valuable insights and guidance from experienced colleagues.
- O&M Site Manager Programme: Designed for site managers in four regions, enhancing operational leadership specific to their roles.
- Manager Enabler Programme (South Africa): Piloted to support new managers in developing foundational leadership skills essential for their success In South Africa, we piloted the Management Enablement Programme, specifically tailored to support new managers in building foundational leadership skills essential for their roles.

Competence development
- Based on priority areas identified within the organisation, we hosted targeted functional training to strengthen leadership competencies critical to our business success.
- We hosted seven global Learn@Lunch sessions designed to enhance business understanding across departments for all employees.

Graduate programme
- Our annual ongoing Graduate Programme in South Africa is now in its fourth year, providing recent graduates with valuable work experience opportunities
- This programme helps develop skilled and motivated young talent while strengthening our local workforce.
- As part of this, our Bursary Programme, introduced in 2023, provides financial support to undergraduate and postgraduate students.

The effectiveness of ongoing actions implemented related to training and skills development matters are tracked by the P&O business unit through a structured process. The SVP People & Organisation is responsible for our work in this area. Periodic reviews are scheduled to assess outcomes achieved and whether actions should be further tailored or adjusted to suit Scatec's strategy and efficiently cover IROs.

Cultural awareness and DEIB are important training pillars, as explained in the section above.

Metrics, targets and ambitions
Our training and skills development initiatives, including leadership programmes, onboarding, and targeted campaigns, are integral to our broader retention strategy. These efforts support our retention and engagement. By fostering continuous growth and development, we aim to enhance employee satisfaction and loyalty, ensuring a motivated and skilled workforce.

Scatec will report on the relevant metrics for 2025 given that the disclosure requirements will be phased in. Our targets will follow along with the metrics.

Health, safety, and security

Actions

Emergency response

- Emergency response exercises are conducted annually to strengthen our coordinated response across the three emergency response lines of the organisation. Additionally, regional training sessions tailored to address scenarios specific to each region are planned.

Training, competence building, and awareness

- HSSE training is performed to ensure that employees are made aware of the importance of the HSSE policy and relevant objectives; controls identified to reduce occupational hazards, security risks, and environmental impacts; preparedness for potential situations (i.e. emergency response); and changes in operational, legislative, and other requirements.
- During 2024, Scatec developed and implemented transportation safety training for all employees to ensure that the entire organisation is aware of transportation requirements and defensive driving techniques.

Life-saving acts

- During 2024, we introduced Scatec Life Saving Acts, which represents Scatec's guiding safety principles to encourage safe behaviour, actions, and practices in our day-to-day activities to achieve zero harm.
- For routine or non-routine tasks, or whenever an undesired event takes place, Life Saving Acts provides guidance for making conscious decisions that could prevent serious or fatal accidents in our business operations and personal life.
- Life Saving Acts is rooted in the concept of collective responsibility, emphasising the importance of awareness, compliance, and proactive safety measures, but speaks from a personal perspective, meaning that safety starts with me: "I am SCATEC."

S – Stop, think, and check
C – Comply with authorisations
A – Avoid shortcuts and risky behaviour
T – Travel safe
E – Evaluate emergencies and adhere to protocols
C – Control hazardous energy and materials

Actions to achieve the targets set are developed and implemented in the HSSE programme. All actions are reviewed quarterly by the HSSE governance team.

Metrics

Scatec reports on entity-specific metrics in addition to ESRS-required metrics for material sustainability matters. The ESRS-required metrics include all consolidated legal entities, while the Scatec-specific metrics, in addition, include equity consolidated legal entities in the value chain. This approach aligns with the historical reporting that included these equity consolidated entities in both sustainability reporting and target setting.

This results in two datasets as presented below, where the Scatec-specific metrics are fully aligned to our corporate targets. Comparative figures are not reported for ESRS metrics.

Health and safety of our workforce

	Unit	2024
Own workforce covered by health and safety management system	%	100%
Fatalities	Number	0
Recordable work-related accidents	Number	1
Total recordable accident frequency	Ratio	0.8
Cases of recordable work-related ill health of employees	Number	0
Days lost to injury or fatality from work-related accidents and ill health related to employees	Number	0

During 2024, there were no fatalities as a result of work-related injuries or work-related ill health of other workers on Scatec's sites.

Scatec-specific health and safety performance

	Unit	2024	2023
Fatalities	Number	0	0
Lost time incident frequency (LTIF)	Ratio	0.4	0.9
Total recordable injury frequency (TRIF)	Ratio	0.6	2.1
High potential incidents (HPI)	Ratio	0.6	0.8
Sick leave	%	0.8	0.9
Working hours (million)	Number	7.2	9.2

The performance of contractors is integral to Scatec's own reporting and largely forms the basis of our HSSE performance figures. Contractors' working hours and incidents, as well as those of employees in the equity-consolidated entities in Brazil, are part of Scatec's consolidated reporting (except for sick leave). Rates are calculated per million hours worked.

Targets and ambitions

Our main strategic goal is a sustained strong health and safety performance and attaining the targets set out in the table below.

	2025
Fatalities	0
Lost time incident frequency (LTIF)	≤ 2.2
Total recordable injury frequency (TRIF)	≤ 3.2
High potential incidents (HPI)	≤ 1.4

In addition, we aim to improve and maintain our Scatec HSSE culture by:

- Continued traffic management-related key performance indicators (KPIs) to service functions
- Developing the SafeDriver internal project in the first quarter

The HSSE governance team provides input to the to the target-setting process that includes feedback from the organisation through our engagement channels with our employees. The EVP for People, Sustainability & Digitalisation discusses and sets targets with Scatec's Executive Management Team. Thereafter, the Senior Vice President (SVP) for HSSEQ aligns the focus areas for the annual HSSE programme.

Targets are Scatec-specific and set for the upcoming financial year. The scope of the targets includes Scatec's own workforce, employees in the equity-consolidated entities in Brazil, and our EPC and O&M contractors.

Methodology

Recruitment and retention

- Full-time employees (FTE): Permanent own employees working full-time
- Turnover: Rate at which employees voluntarily leave the workforce during a reporting period
- Headcount: Data reported as headcount at the end of the reporting year

Diversity, equity, inclusion, and belonging (DEIB)

- Permanent employees: Own employees working full-time and part-time
- Temporary employees: Short-term own employees with specific contract end dates stipulated prior to their start date
- Full-time employees (FTE): Permanent own employees working full-time
- Part-time employees: Permanent own employees working part-time
- Short-term employees (STE): Temporary employees with specific contract end dates stipulated prior to their start date
- Female leaders: Permanent female employees in management positions
- Top management: Scatec's executive management team (EMT), excluding the CEO
- Engagement survey response rate: Percentage of employees who responded to the October 2024 survey
- Engagement score: Index score from 0 to 100
- Headcount: Data reported as headcount at the end of the reporting year

Refer to the Management Review pages 9, 34-35 for the corresponding DEIB figures.

Health, safety and security

Scatec's HSSE reporting procedure and boundaries are limited to working hours and do not include commuting.

General

- Unsafe act: A dynamic situation where a person exposes himself to hazards or has removed one or more physical barriers
- Hazardous condition: A static condition representing a potential for harm or where one or more physical barriers have been removed
- Emergency: Something dangerous or serious, such as an accident, that happens suddenly or unexpectedly and needs fast action in order to avoid harmful results
- Disaster: A calamitous event, especially one occurring suddenly and causing great loss of life, damage, or hardship, such as a flood, kidnapping, or business failure. The hallmark of a disaster is that the relief efforts are disproportionate and insufficient for the need for relief
- HSE observation: Report from employees on any near accident, unsafe act, or hazardous condition. Reports by personnel with the duty to follow up on HSE and reports from regular inspections are not included
- Work-related: Something that is connected to or pertains to someone's job or the activities involved in work that takes place during working hours
- Sick leave includes hours from full-time employees, short-term employees, and consultants

Fatality

- Fatality: A death resulting from an accident or a disaster

Lost time incidents

- Lost time incident frequency (LTIF): The number of lost time injuries occurring per one million hours worked
- Lost time injury (LTI): An injury during working hours that leads to unfitness for work and absence beyond the day of the accident, irrespective of whether the next day falls within a weekend or on a public holiday
- Number of days lost: The total number of workdays lost due to injury, illness, or incidents related to health, safety, security, and environment (HSSE)
- Ill health: Health condition or disease that is primarily caused by conditions or activities in the workplace. These illnesses can result from exposure to occupational hazards, such as harmful chemicals, biological agents, physical stressors, or other factors related to the work environment

Recordable injuries

- Total recordable injury frequency (TRIF): The number of medical treatments, restricted work incidents, lost time injuries, fatalities, serious property damage, and significant environmental incidents per one million hours worked
- Recordable incident: Any medical treatment, restricted work, lost time injury, fatality, serious property damage, or significant environmental incident

High potential incidents

- High potential incident (HPI): Any event which under slightly different circumstances could have resulted in a major loss, such as a fatality or serious personal injury; occupational illness which may lead to death or disability; emissions or discharge which may lead to long-term damage; serious incident with major consequences; or extensive damage to assets or infrastructure

Refer to the Management Review page 9 for the corresponding HSSE figures.

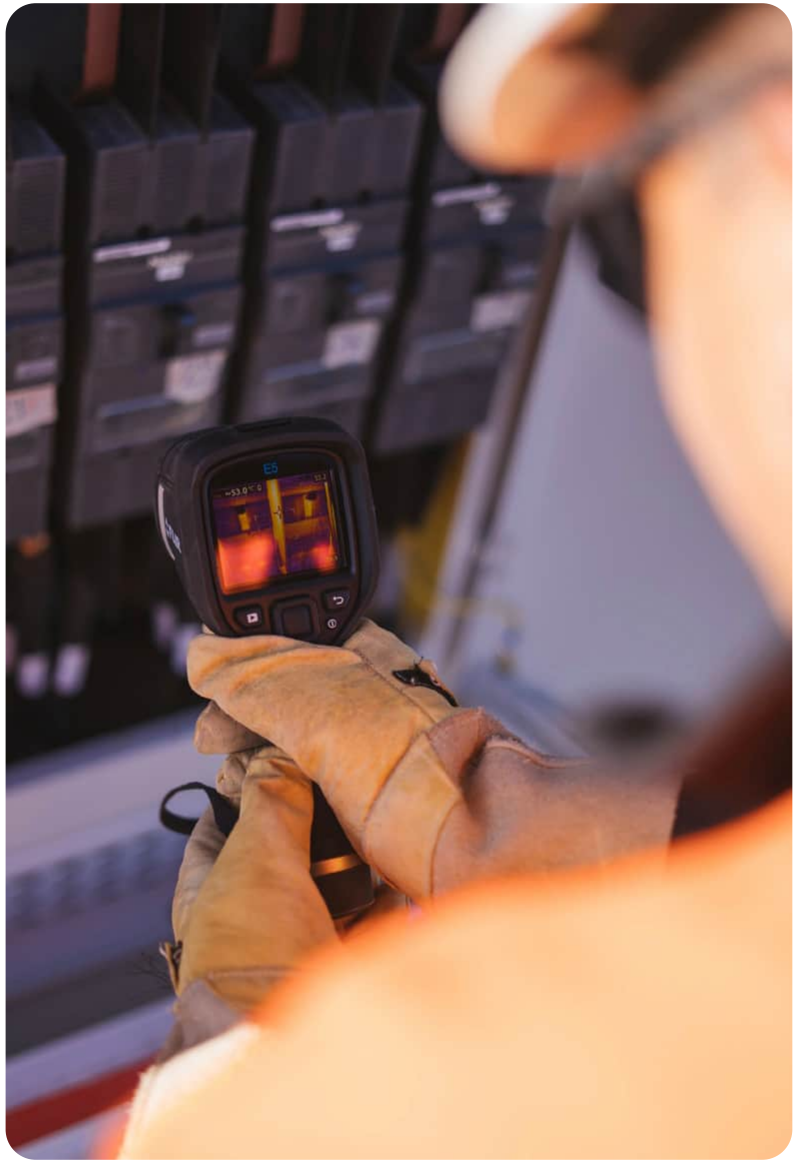
Workers in the value chain

Impacts, risks, and opportunities

The material impacts, risks, and opportunities (IROs) identified in the double materiality assessment (DMA) process are listed below.

Sustainability matter	Description of material IRO	Type	Own operations or value chain
Health and safety	Health and safety of large numbers of contractors' workers on project sites during the construction and operations phases of a project, including working conditions, incidents, or injuries (particularly related to transportation)	Impact (negative) - short term	Value chain
Forced labour	Reputational and compliance risk due to dependency on Chinese suppliers, as well as the risk of forced labour and human rights violations. Higher cost of procurement due to the risk of bans in solar and battery supply chain	Risk	Value chain
Forced labour	Human and labour rights violations, including forced and/or child labour (solar and battery supply chain)	Impact (negative) - short term	Value chain
Equal treatment and opportunities	[1] Training of local workers on our project sites during the construction phase to improve skills and employability	Impact (positive) - short term	Value chain
Working conditions	Impact on the working conditions of contractors' workers on our project sites through contractor management, including facilitation of decent accommodation and support on pay practices	Impact (positive) - short term	Value chain

[1] The positive impact is primarily relevant in the emerging markets we operate in.



Health, safety, and security in the value chain

Our approach and policies

Scatec aims for zero harm to contractors' workers, stakeholders, the environment, and society through its health, safety, security and environment (HSSE) vision. All business activities meet labour standards and human rights norms set by the ILO and Universal Declaration of Human Rights. Our HSSE and quality procedures cover key factors such as responsibilities, document control, training, risk assessment, internal audits, KPIs, and management reviews.

The HSSE requirements, which are based on Scatec's policy and industry best practices, are incorporated through the project engineering designs in the development phase and are included in contractor management systems. These requirements are included in tenders and contracts for project construction, with evaluations being conducted of contractors' abilities to meet such HSSE requirements during the tender process. Scatec ensures systematic follow-up of HSSE during contract execution.

Contractors are required to demonstrate a commitment to HSSE at all times when working with Scatec. The contractor is responsible for designing and implementing HSSE systems according to all specified project and legal requirements. The contractor should furthermore inform and train its employees in the requirements, enforce these requirements, monitor compliance, and participate in relevant HSSE activities. The contractor needs to ensure that its subcontractors comply with the relevant specifications and other applicable Scatec requirements.

Transportation policy

Scatec's transportation policy prioritises the safety and security of employees, contractors, and stakeholders, while encouraging sustainable driving in line with the HSSE policy. The transportation policy applies to all of Scatec's contractors and to others using vehicles for business, including company-owned, leased, or personal cars.

- Scatec requires that contractors provide safe transportation to and from the project site for their employees and materials.
- All applicable transportation and traffic legislation, including vehicle registration, seatbelt use for all passengers, and the prohibition on driving under the influence of alcohol, drugs, or any impairing medication, should be followed and complied with.
- All contractors' workers should apply safe driving techniques and avoid reckless and negligent driving.
- Drivers must adhere to legal speed limits and are expected to reduce their speed in bad weather or hazardous road conditions.
- Vehicles should be appropriate for the number of passengers and maintained in good condition.
- Only drivers possessing a valid driving licence appropriate for the vehicle type are permitted to enter the project site.

Policies are developed and maintained through a structured workflow in the company's corporate document management system, which includes defined roles for originators, reviewers, and approvers, ensuring consistency and solid governance. Scatec's Executive Vice President People, Sustainability & Digitalisation is responsible for our policies, which are also signed off by the CEO. Key policies are published on Scatec's corporate website, while other governing documents are accessible internally to relevant stakeholders.

Stakeholder engagement

Scatec engages workers in the value chain through the main contractor in a project and the requirements set out to them in the contract schedules. In turn, the main contractor engages its sub-contractors and their workers. All stakeholders, including vulnerable groups, are identified and mapped accordingly in each project's stakeholder engagement plan (SEP). Where required, and dependent on the vulnerable workers in the value chain, additional plans are put in place in consultation with such workers, such as a transportation management plan for our projects in South Africa.

Through the onboarding of our contractors and the review of documents received, Scatec shares its policies and guidelines for their alignment, and we require that all documentation be accepted by the Scatec HSSE governance team before project construction starts.

Scatec's Senior Vice President (SVP) for HSSE is responsible for engagement with contractors on project sites. The effectiveness of such engagement is assessed through the working relationship and the implementation of agreements, and ultimately in the number and frequency of incidents that occur.

Even though our contractors have their own grievance mechanisms in place, reports are often filed through Scatec's channels. In such cases, we apply our best efforts to support these workers in having their concerns addressed.

Scatec's whistleblowing channel and grievance mechanism are accessible to contractors' employees and allow for anonymous reporting. Scatec does not tolerate retaliation of any kind against those who report in good faith. Scatec uses an independent company to manage all reports, and each is treated as confidential with restricted access. Please refer to the Reporting concerns section of this report for more details about the available channels.

Actions

Contractors on project sites receive continual training and are included in actions that create awareness, such as toolbox talks. These focus primarily on safe working conditions and are mandatory for all people working on our project sites. Lessons learnt from our operations in 2024 were incorporated into our processes to prevent accidents.

HSSE actions taken, based on lessons learnt in 2024, that have been extended to our contractors include:

- Implementation of Scatec's transportation policy
- Introduction and roll-out of Scatec's Life Saving Acts
- Updated HSSE requirements (e.g. mandatory defensive driving training and tracking devices in all vehicles)

The effectiveness of actions implemented in relation to all health and safety matters is tracked by the HSSE governance team through a structured process. Periodic reviews are scheduled to assess outcomes achieved and whether actions should be further tailored or adjusted to suit Scatec's strategy and efficiently cover IROs.

Metrics

Health and safety of workers in the value chain

	Unit	2024	2023
Fatalities	Number	0	N/A

During the third quarter, we were starkly reminded of the significant risks associated with transportation when a tragic accident occurred, involving one of our subcontractors in South Africa. A bus transporting workers from a break back to the project site, veered off the road, resulting in several tragic fatalities and injuries. The accident falls outside of Scatec's operational control and reporting boundaries due the nature of the travel being commuting and given that Scatec was not responsible for this transport.

Scatec performed an internal investigation and followed up closely with the subcontractor. Some of the actions taken include rolling out a transportation safety campaign involving contractors, and initiating a "Safer Driver" internal project that targets the elimination of re-occurrence of root causes and identifies further preventive measures.

Targets and ambitions

Our main strategic goal is to have a sustained strong health and safety performance with zero fatalities.

In addition, we aim to improve and maintain Scatec's HSSE culture by:

- reducing the total number of contractor-related traffic incidents from 2024 to 2025
- adopting the 'no-repeat principle' by ensuring that at least 90% of HSSE incident lessons learnt are implemented across the value chain

HSSE targets have been set for the upcoming financial year. The scope of the targets includes Scatec's operations and maintenance (O&M) and engineering, procurement, and construction (EPC) contactors in the value chain. The HSSE governance team provides input to the EVP for People, Sustainability & Digitalisation, who discusses and sets targets with Scatec's executive management team. Thereafter, the SVP for Health, Safety and Quality aligns the focus areas for the annual HSSE programme, where actions to achieve the targets are developed and implemented. All actions are reviewed quarterly. Scatec has not engaged value chain workers in setting targets, tracking performance, or understanding lessons learnt.

Forced labour in the value chain

Our approach and policies

Human rights policy

Our human rights policy is aligned with the UN Guiding Principles on Business and Human Rights. It sets out Scatec's responsibility to respect human rights wherever we operate, which extends to our business partners, suppliers, and contractors. We pay special attention to the human rights risks associated with certain groups, such as minorities, women, children, migrant workers, and other vulnerable populations.

Scatec commits to support and respect, within its sphere of influence, the protection of the internationally recognised human rights of people affected by our operations, including employees of Scatec's suppliers and contractors, as well as individuals potentially affected by the use and disposal of materials from our activities.

Supplier conduct principles

Our supplier conduct principles set out Scatec's values and selected rules and expectations for our business partners, service providers, and suppliers. Sustaining a responsible supply chain and increasing our value chain focus is a key part of our sustainability efforts. Scatec selects and develops suppliers with strong sustainability practices.

Our supply chain management work is guided by international standards, including IFC Performance Standards, the OECD Due Diligence Guide for Responsible Business Conduct, UN Guiding Principles on Human Rights, and industry best practice.

Scatec's human rights policy and supplier conduct principles address forced and child labour.

Scatec's sustainability, supply chain, and compliance business units collaborate and are responsible for our work in this regard. The EVP Solutions and EVP People, Sustainability & Digitalisation are responsible for the implementation of our policies.

In 2024, no identified cases of disregard of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involved value chain workers.

Policies are developed and maintained through a structured workflow in the company's corporate document management system, which includes defined roles for originators, reviewers, and approvers, ensuring consistency and solid governance. Key policies are published on Scatec's corporate website, while other governing documents are accessible internally to relevant stakeholders.

Stakeholder engagement

The risk of forced labour is an industry issue and Scatec regularly collaborates with its peers to understand their approach, evolve best practice, and create collective pressure on supply chains to ensure compliance. However, managing this risk is complicated by current geopolitics.

Scatec participates in and actively supports industry and government collaboration to increase long-term solutions, including the development of alternative supply chains outside of regions with high human rights risks. Furthermore, we engage with strategic suppliers on traceability and labour compliance matters within their supply chains.

Scatec's Senior Vice President (SVP) for Supply Chain is responsible for the engagement with strategic suppliers.

Actions

In 2024, Scatec continued to implement processes to manage the risks and systematically conducts risk assessments, including assessments of aspects of human rights, in all its projects.

Forced labour in the solar module and battery supply chains

- During 2024, Scatec continued to collaborate with key stakeholders to address alleged forced labour issues in the solar and battery production industry in Xinjiang, China.
- There are industry-wide risks and human rights challenges associated with the solar and battery supply chains, and Scatec is proactively working with the industry and suppliers, including, among others, SolarPower Europe, to further develop and broaden the supply chain and to implement strong processes to mitigate and address those risks and industry-wide challenges.
- For all new module and battery procurement in 2024, we followed our supplier qualification procedure step by step:
  - We conducted desktop traceability audit/assessments on all shortlisted suppliers to determine their ability to map and document the origin of their supplies.
  - Upon signing a contract, to ensure that components were not sourced by entities associated with forced labour, potential suppliers were obliged to be evaluated by an expert third party, such as the Clean Energy Associates (CEA), on the supplier's ability to trace the origin of solar module and battery components. This was accomplished through document audits, and where possible, through physical assessments of production facilities. This was then compiled in a chain of custody audit report.
  - We required solar module and battery suppliers to provide a complete list of sub-suppliers, which we independently vetted.
  - Suppliers that were not able to comply with the above did not continue further in the qualification process.

In 2024, we concluded module procurement for the following projects: Grootfontein in South Africa, Mmadinare in Botswana, and our portfolio in Tunisia. All procurements included the respective chain of custody audits to ensure that traceability commitments were executed as per contract. No project audits had adverse findings.

The effectiveness of actions implemented in relation to all supply chain matters are tracked by the responsible supply chain and solutions teams through a structured process. Periodic reviews are scheduled to assess outcomes achieved and whether actions should be further tailored or adjusted to suit Scatec's strategy and efficiently cover IROs.

Metrics

Scatec reports on entity-specific metrics for material sustainability matters.

	Unit	2024	2023
Workshops with strategic suppliers	Number	8	4
Chain of custody audits for new solar PV projects	Number	3	3

Targets and ambitions

- Workshops with 100% of strategic suppliers in 2025
- 100% traceable supply chain for solar modules through chain of custody audits for all new projects in 2025
- 100% supply chain mapping for key components in 2025

Scatec's approach to setting targets integrates its corporate strategy with industry best practice and global regulations and includes engagement with various stakeholders. Targets are Scatec-specific and set for the upcoming financial year. The scope of targets is aligned with the reporting boundaries. Scatec engages the value chain workers of strategic suppliers in tracking performance and understanding lessons learnt.

Working conditions in the value chain

Our approach and policies

Scatec's human rights policy outlines the company's responsibility to respect human rights in all operational areas, which also applies to our business partners, suppliers, and contractors. Particular attention is given to the human rights risks associated with groups such as minorities, women, children, migrant workers, and other vulnerable populations.

Scatec is committed to supporting and respecting the protection of internationally recognised human rights within its sphere of influence. This includes individuals affected by our operations and employees of Scatec's suppliers and contractors, as well as those who may be impacted by the use and disposal of materials from our activities.

Appointed engineering, procurement and construction (EPC) and operation and maintenance (O&M) contractors for each individual project are responsible for management of the construction site and their activities in compliance with the project's environmental and social plans, relevant laws and regulations, and international standards. This includes, but is not limited to, taking the required precautions and implementing the necessary actions to minimise adverse environmental and social impacts that may occur during the construction and operation phases of each individual project.

Scatec's sustainability, supply chain, and health and safety business units collaborate and are responsible for our work in this area. The EVP People, Sustainability & Digitalisation is responsible for the implementation of our policies.

Policies are developed and maintained through a structured workflow in the company's corporate document management system, which includes defined roles for originators, reviewers, and approvers, ensuring consistency and solid governance. Key policies are published on Scatec's corporate website, while other governing documents are accessible internally to relevant stakeholders.

Stakeholder engagement

Scatec engages workers in the value chain through the main contractor in a project and the requirements set out to them in the contract schedules. In turn, the main contractor engages its sub-contractors and their workers. All stakeholders, including vulnerable groups, are identified and mapped accordingly in each project's stakeholder engagement plan (SEP). Where required, and dependent on the vulnerable workers in the value chain, additional plans are put in place in consultation with such workers, such as a gender action plan (GAP) for our projects in Pakistan.

Through the onboarding of our contractors and the review of documents received, Scatec shares its policies and guidelines for their alignment, and we require that all documentation be accepted by the Scatec environmental and social (E&S) team before project construction starts.

Scatec's Director for E&S Advisory is responsible for engagement with contractors on project sites. The effectiveness of such engagements is assessed through the working relationship and the implementation of agreements, and ultimately through the number and frequency of working condition violations that occur.

Even though our contractors have their own grievance mechanisms in place, reports are often filed through Scatec's channels. In such cases, we apply our best efforts to support these workers in having their concerns addressed.

Scatec's whistleblowing channel and grievance mechanism are accessible to contractors' employees and allow for anonymous reporting. Scatec does not tolerate retaliation of any kind against those who report in good faith. Scatec uses an independent company to manage all reports, and each is treated as confidential with restricted access. Please refer to the Reporting concerns section of this report for more details about the available channels.

Actions

Training and skills development

Prior to and during the early stages of project construction, Scatec invests in training local workers who will be working on the project site. During the construction phase, when up to 5,000 workers are appointed, training and knowledge transfer form a key part of our activities. Many of the workers have never worked for a company before, and we can have a positive impact and influence employability development in the local communities.

- During 2024, biodiversity and gender-based violence and harassment (GBVH) awareness training was conducted for contractors' workers on our project sites in South Africa and Botswana.
- Health and safety onboarding was organised with contractors' workers prior to the construction start of five new projects in Brazil, Botswana, Tunisia, and South Africa.

Labour and working conditions of contractors' employees

Scatec specifically focuses on monitoring its contractors to ensure that compliant labour practices are established and maintained in all projects. In line with its own commitment, Scatec requires all contractors to comply with IFC Performance Standard 2: Labor and working conditions, in addition to local laws and regulations, and request that these standards be cascaded down to subcontractors through contractual arrangements. As part of periodic inspections and audits, we regularly monitor working conditions, recruitment practices, welfare services, and efficient grievance mechanisms. In 2024, our efforts continued globally to ensure compliant labour practices.

The respective EVPs have overall accountability for the business units they oversee and manage.

The effectiveness of actions implemented in relation to all contractor management matters is tracked by the EPC, environmental and social, and HSSE teams through a structured process. Periodic reviews are scheduled to assess the outcomes achieved and whether actions should be further tailored or adjusted to suit Scatec's strategy and efficiently cover IROs.

Metrics, targets and ambitions

Scatec will include relevant metrics for 2025, given that the disclosure requirements include no mandatory metrics. In addition, our targets will follow along with the metrics.

Methodology

Health and safety in the value chain

- Fatality: A death resulting from an accident or a disaster
- Scatec's HSSE reporting procedure and boundaries are limited to working hours and do not include commuting

Forced labour in the value chain

- Strategic suppliers: Potential and contracted suppliers of key component categories, including solar modules, batteries, wind turbines, inverters, and substructures
- Workshops: Online or in-person meetings at Scatec's offices, our strategic suppliers' offices, international conferences, or events where sustainability matters are discussed
- Chain of custody audit: Supplier evaluation by an expert third party (such as the Clean Energy Associates (CEA)) through document audits and, where possible, physical assessments of production facilities

Affected communities

Impacts, risks, and opportunities

We always strive to create long-term value, but we also acknowledge the risk of unintended consequences from developing, constructing, and operating renewable projects. Contributing to long-term local value creation is a key success criterion for achieving the overall Company goal of delivering competitive and sustainable renewable energy. In every project, we identify, mitigate, and monitor risk and potential impact areas, such as resettlement that can be linked to the risk of a human rights breach. For any significant actual or potential impact that affects local communities adjacent or in close proximity to the project site, we act in line with the strict requirements of the IFC Performance Standards and the Equator Principles.

Local communities range from those living adjacent to a project site to others living at a distance. Depending on the country and region, certain groups may be more marginalised than others. To date, Scatec is not aware of any projects developed that have affected indigenous peoples.

- The impact of project construction, such as noise, dust, and accidental damage to property and roads, consists mainly of individual incidents that are remedied as a matter of urgency.
- In the solar and battery industry value chains, there are various communities that may be affected by mining and production operations. Refer to the Workers in the value chain chapter for more details on the forced labour matters that are generally widespread and systematic in the industry.
- Having been an active presence for up to 30 years, we have a unique opportunity to have a positive impact on our local neighbours within each phase of a project. Scatec aims to positively affect the communities closest to the project site, an impact that may extend to those living further away.

Scatec prioritises, values, and depends on good relationships with local communities to ensure its social licence to operate, successful project operations, and revenue generation.

The material impacts, risks, and opportunities (IROs) identified in our double materiality assessment (DMA) are listed in the table below.

Sustainability matter	Description of material IRO	Type	Own operations or value chain
Communities' economic, social, and cultural rights	Community unrest, strikes, and failure to obtain social licence to operate, causing disruption with a negative effect on revenue and projects in operation as well as delays to projects in construction	Risk	Own operations
Communities' economic, social, and cultural rights	Negative impacts from project construction, such as noise, dust, and accidental damage to property and roads	Impact (negative) - short term	Own operations
Communities' economic, social, and cultural rights	[1] Unsustainable community investments that create local dependencies	Impact (negative) - long term	Own operations
Communities' economic, social, and cultural rights	Physical or economic resettlement of local communities	Impact (negative) - long term	Own operations
Communities' economic, social, and cultural rights	[1] Local value creation through job creation and community investments	Impact (positive) - short term	Own operations

[1] Scatec-specific IRO

Further details on the process of identifying material IROs are included in the Introduction section of this report.

Our approach and policies

Scatec is committed to operating in line with the Equator Principles and the IFC Performance Standards (PS) to ensure consistent practices across all projects. Our work is also guided by the OECD Guidelines for Multinational Enterprises. Scatec respects all internationally recognised human rights, including the International Bill of Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. Our human rights policy is aligned with the United Nations (UN) Guiding Principles on Business and Human Rights.

Human rights policy

Our human rights policy confirms Scatec's responsibility to respect human rights wherever we operate and to pay special attention to the human rights risks associated with certain groups, such as minorities, women, children, migrant workers, and other vulnerable populations within local communities.

Scatec is committed to supporting and respecting, within its sphere of influence, the protection of the internationally recognised human rights of the people affected by the construction and operation of our projects, including individuals and groups in the communities within the impact area of our operations.

In 2024, there were no identified cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that involve affected communities.

Community investment procedure

The community investment procedure outlines the purpose, definitions, guiding principles, and management of community investments by Scatec. Its purpose is to contribute to long-term local value creation and ensure a uniform approach to community investments that is aligned with Scatec's Code of Conduct and sustainability policy.

Investments should be based on community needs, proportionate to a project's impact, transparent, and not politically influenced, among other criteria. We follow a structured process, including needs assessments, risk management, and regular monitoring, with strict adherence to Scatec's compliance standards.

Priority activities include community engagement, planning, and implementation of local development programmes.

Environmental and social management system (ESMS)

Scatec's ESMS requires the structured identification of the environmental and social (E&S) impacts and risks of each project, from the project development phase to the execution and operation phases. The social impacts and risks are screened by way of an E&S due diligence assessment during the opportunity and feasibility stage and are later studied in more detail in the environmental and social impact assessments (ESIAs).

The assessments identify the contextual and potential risks and impacts associated with project intervention, and propose mitigating actions for each phase of the project. The scope of such actions depends on the type and scale of impact. Stakeholder engagement is a key requirement for both the identification and mitigation of social impacts and risks.

We are ever conscious of the risk of unintended consequences. Risk identification, mitigation assessments, and action plans are key elements of our environmental and social management system (ESMS) and the process for project decision gates (DGs). The truly global reach of our organisation means that, in some instances, legal and governance frameworks are not always present to govern the standards of impact control within project communities. Scatec follows global industry standards in all projects, even when such standards are not required in a particular country.

Policies are developed and maintained through a structured workflow in the Company's corporate document management system, which has defined roles for originators, reviewers, and approvers, ensuring consistency and solid governance. Scatec's Executive Vice President (EVP) People, Sustainability & Digitalisation is responsible for the human rights policy and community investment procedure.

All key policies are published on Scatec's website in the ESG resources section, while other governing documents are accessible internally to all employees and shared with relevant stakeholders.

Engaging with affected communities

Scatec adheres to internationally recognised principles for stakeholder engagement:

- A stakeholder analysis and stakeholder engagement plan (SEP) are always carried out in accordance with the IFC's Performance Standards and the Equator Principles.
- All projects under construction and in operation have an assigned community liaison officer (CLO) who is responsible for community engagement and maintaining good relations with local communities.
- A grievance mechanism is implemented for all projects. It is available locally at the project site, in the CLO's office, and on our corporate website.

Establishing dialogue with a broad range of stakeholders, including local communities, at an early stage in a project is both critical and necessary for understanding a project's impact and for integrating relevant considerations into the project development process. If dialogue with affected parties is not carried out in a timely and integrated manner, misunderstandings and concerns might arise in local communities, increasing the risk posed to Scatec. Community engagement is not a series of isolated events but rather a continuous process throughout the life of a project that is necessary to establish good relations.

Engaging with local communities means informing people about our projects and their impact, managing expectations, and ensuring local support and understanding. Regular meetings are held with local leaders and representatives in all the communities where we have a presence. For each project we develop project-specific SEPs that outline the frequency and method of engagement with each of our stakeholder groups.

Scatec's whistleblowing channel and grievance mechanism are accessible to local communities and allow for anonymous reporting. Scatec does not tolerate retaliation of any kind against those who report in good faith. Scatec uses an independent company to manage all reports, and each is treated as confidential with restricted access. Please refer to the Reporting concerns section of this report for more details about the available channels.

Scatec engages broad-based representation within each community by, for example, hosting town hall meetings or stakeholder engagement forums to ensure that the community at large is adequately represented. Separate engagement channels are established for stakeholders not represented in the broader forums.

Through biweekly progress reports from project teams, the executive management receives communication on all material matters raised by our communities and other stakeholders. The EVP Sustainability, People & Digitalisation is responsible for ensuring that engagements take place.

Actions related to affected communities

Physical or economic resettlement

Land acquisition for our projects may negatively impact people who are dependent on the land. If any physical (loss of shelter) and/or economic displacement (loss of assets/income sources) cannot be avoided by considering alternatives and site optimisation, the resettlement process must be properly managed to protect the human rights of the affected people and avoid any long-term hardship or impoverishment. Scatec adheres to IFC Performance Standard 5: Land acquisition and involuntary resettlement, which guides the planning and implementation of a broad range of mitigation measures, such as fair compensation and the improvement of living conditions, with the active engagement of the affected people during the process.

No resettlement actions were undertaken by Scatec during 2024.

Community investments

Scatec is continually planning and implementing local development programmes in line with its community investment procedure in the communities where it has operations. All initiatives and programmes are identified in close dialogue with local stakeholders and in consultation with local community members to ensure that the prioritised needs and significant social challenges of the communities are addressed. Our community investments focus on, but are not limited to, access to energy (e.g. local solar projects) and capacity building, as well as healthcare and education.

In line with our sustainability policy and community investment procedure, a community needs assessment is always carried out prior to the implementation of any programmes. Early baseline data on our neighbouring communities is collected during the ESIA process by means of a detailed community mapping performed by Scatec and its external partners. The community needs assessment is conducted prior to the commercial operation date (COD) and aims to develop a comprehensive understanding of the community's needs, as well as of the resources, assets, and strengths available to meet those needs. The assessment provides the foundation for a strategic community investment plan that aims to address the identified needs and ensure that resources are directed towards appropriate initiatives.

Scatec ensures that all community investments are implemented with a clear monitoring and evaluation (M&E) plan and that they are monitored and reported on a quarterly basis. All programmes shall be implemented with sustainable exit strategies to ensure that we avoid community dependency on Scatec funding.

Key highlights from 2024:
- Several projects were under development and four in the construction phase, with both phases requiring a strong local presence and community engagement efforts.
- Community needs assessments were conducted in South Africa and Botswana, with requests being issued for proposals (RFPs) to identify new programmes in South Africa.
- We developed stakeholder engagement plans and ensured the early presence of local stakeholder teams on the ground for all relevant projects during the year.
- Each project site has a manager and several operations and maintenance (O&M) personnel directly employed locally.
- The appointment of a CLO in each new project continues to be a central element of our local hiring and stakeholder management approach.
- Improvement continued in measuring the effectiveness of initiatives implemented, e.g. through digital platforms.

Our CLOs are responsible for liaising with communities and local authorities, identifying and proposing new local development programmes, and following up on existing programmes. Country E&S managers are responsible for developing annual implementation plans according to Scatec's community investment procedure, assessing the effectiveness of the initiatives implemented towards policy objectives, and reporting in various channels. The corporate E&S unit provides technical assistance to the E&S managers and CLOs and approves the annual implementation plans from a functional/technical point of view prior to funding approval by project shareholders and sponsors. They also integrate reporting and perform audits or controls on projects on behalf of the project board.

Case study

Ukraine: PV Station for Town Water Utility

Scatec built a solar photovoltaic (PV) station for a town water utility with co-financing from the local community surrounding one of our solar projects in Ukraine. This is one of three solar PV stations built for water utilities in 2024, in cooperation with the NGO “Eco Club”.

The challenge

Due to the full-scale invasion of Ukraine, constant shelling of the energy system and consequent blackouts, the population faced water shortages. The installation of the PV station for the water utility created an alternative source of energy that affects the level of energy independence and autonomy, which also creates the prerequisites for the uninterrupted provision of water supply services for the needs of the community.

How we worked together

The process of installing the PV station took 18 months, from mid 2023 to end of 2024. We installed a 51.48 kW power station that provides water to 5,240 households and 250 legal entities, about 11,000 people in total.

Key results

25,000
$ Invested by Scatec

12,500
€ Invested by the community

23.95
Tonnes, Annual reduction of CO_2 emissions

47,935
kWh, Estimated annual electricity generation

The PV station allows the enterprise to save on electricity costs and provide the population with water during blackouts. We plan to invest the saved money to modernise the water supply system, which in some places has not been repaired since the 1950s.

– **Oleksandr Temnyi**, the Director of the Town Water Utility

Affected communities' metrics and targets

Metrics

Scatec reports on entity-specific metrics for material sustainability matters.

	Unit	2024	2023
Grievances received	Number	56	92
Grievances addressed and resolved	%	86	86
Direct jobs created in the peak construction phase	Number	1,937	N/A
Long-term local development programmes	Number	80	97

Targets and ambitions

Our key ambitions for 2025 focus on local value creation through employment, the implementation of sustainable development programmes, and ensuring a continued local presence in the communities close to our project sites. Scatec's ambitions do not constitute targets as prescribed by ESRS.

- 70% local recruitment during construction, targeting unskilled labour based on availability
- Clear M&E and reporting plans for new development programmes – monitored on a quarterly basis
- Appointment of a CLO to each project
- Community needs assessments for all new projects finalised prior to COD

Scatec's approach to setting ambitions integrates its corporate strategy with industry best practice and global regulations and includes engagement with various stakeholders. Communities are engaged through needs assessments with a focus on programme and initiative identification and prioritisation. Feedback from communities is incorporated into certain ambition-setting processes. In addition to Company-wide ambitions, certain business units and regions set specific goals to meet local requirements and challenges. Ambitions are Scatec-specific and set for the upcoming financial year.

Methodology

Community investments

- Community investments: Socio-economic development initiatives are either voluntary or required by concessions and local legislation and are implemented in line with Scatec's policies.
- Long-term programmes: Long-term investments build local capacity over time and support longer-term business objectives such as asset predictability, risk management, reputation, and sustainability. While the extent of a long-term project will necessarily differ from location to location, we aim to monitor impact for at least 12 months (source: IFC).

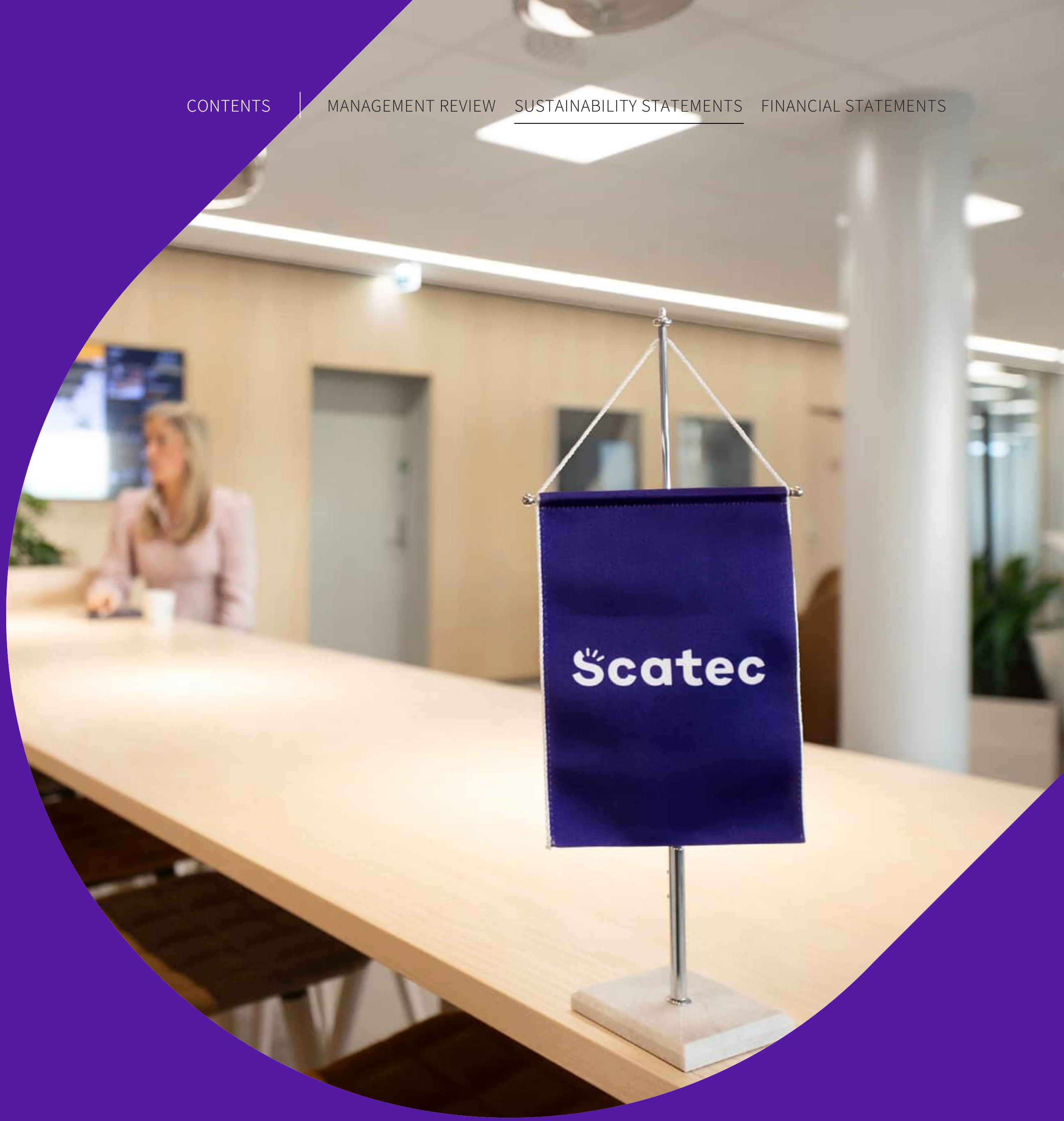
Grievances

- Grievance: Any feedback or concern raised by our stakeholders via the Company's corporate website or in a physical grievance box related to our projects' social and environmental performance.
- Resolved grievances: Feedback or concerns investigated and closed out through a structured process that involves a final response shared with the complainant.

Job creation

- Direct job creation: Workers directly employed by Scatec or its contractors during the construction phase of a project.
- Local job creation: Local community members employed by Scatec or its contractors who live adjacent to the project site or a short distance.
- Peak construction period: This refers to the quarter when the greatest number of workers are on the project site.

Governance



Business conduct

Impacts, risks and opportunities

The material impacts, risks, and opportunities (IROs) identified in the double materiality assessment (DMA) process are listed below.

Sustainability matter	Description of material IRO	Type	Own operations or value chain
Incidents of corruption and bribery	Reputational damage, regulatory fines, contractual penalties, and termination of contracts due to the risk of corruption and bribery linked to Scatec's activities in challenging business environments, interaction with public officials, and vulnerable local supply chains	Risk	Own operations and value chain
Prevention and detection of corruption and bribery	Awareness building in developing countries through the introduction of integrity due diligence on partners and suppliers, robust contractual requirements, procurement and financial controls	Impact (positive) - short term	Own operations

In identifying material IROs, the criteria[1)] used in the process includes among others, all of Scatec's locations of operation globally, renewable energy technology type, and the structure of the project with financing and project partners. Further details on the process to identify material IROs are included in the Introduction section of this report.

[1)] G1 IRO-1 6

Prevention and detection of corruption and bribery

Our approach and policies

Scatec opposes all forms of corruption and strives to meet the highest ethical standards across its business activities. Our policies and procedures support our ambition to combat corruption wherever we encounter it.

Our company adheres to national and international laws prohibiting bribery and corruption. All Scatec employees, wherever they are located, must comply with the Norwegian Penal Code, as well as the applicable anti-corruption laws in the countries where we operate.

Business ethics at Scatec extend beyond mere compliance; we conduct business with integrity, respecting the culture, dignity, and rights of individuals in all regions where we operate. We aim to conduct business in a way that reflects positively on Scatec.

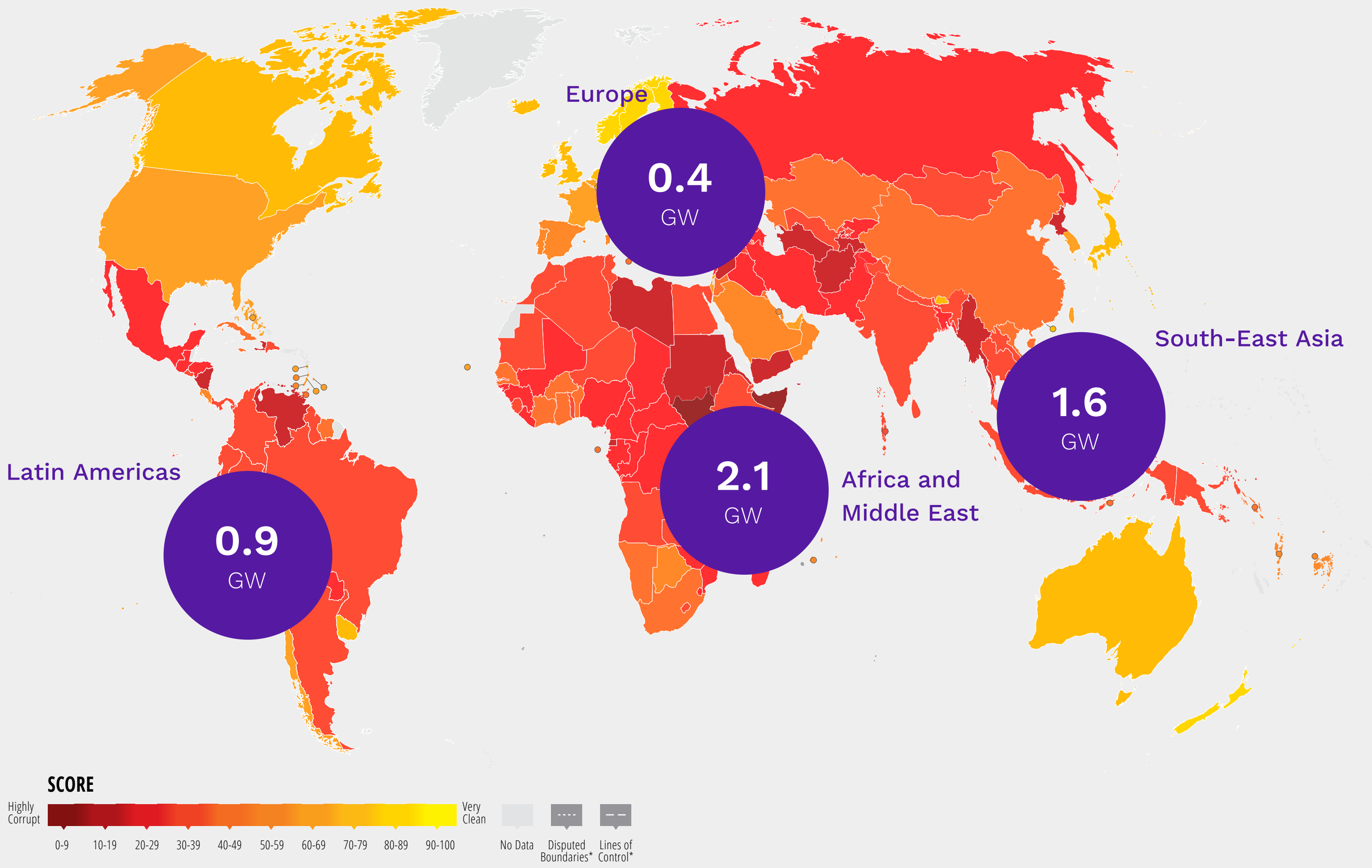
Code of Conduct

Our Code of Conduct explicitly prohibits all forms of corruption and outlines what is expected of Scatec and its employees when interacting with stakeholders and with each other. It establishes the essential requirements for good business conduct and offers guidance on how to act in accordance with Scatec values.

To ensure compliance with the Code of Conduct and with applicable law, Scatec has implemented a set of policies and procedures designed to prevent, detect, and remedy improper conduct. This collection of internal controls is described in Scatec's Anti-Corruption Compliance Programme. This ensures that our employees understand the scope of the requirements across the Company.

Scatec's mission of introducing renewable energy to emerging markets requires operation in countries with complex and challenging business environments. We make comprehensive efforts in our projects and

Corruption Perceptions Index 2024



*The designations employed and the presentation of material on this map follow the UN practice to the best of our knowledge as of January 2025. They do not imply the expression of any opinion on the part of Transparency International concerning the legal status of any country, territory, city or area or of its authorities or concerning the delimitation of its frontiers or boundaries.

#CPI2024
Map from Transparency International:
www.transparency.org/cpi

operations to prevent corruption and other unethical practices. Our risk-based approach means that we focus on markets and activities that are particularly exposed to corruption.

Scatec's compliance function, led by the Chief Compliance Officer, is responsible for establishing and overseeing compliance within Scatec. This responsibility includes providing guidance on corruption matters and addressing potential violations of our governing framework by employees, partners, and suppliers. When necessary, a local compliance officer will be appointed. The CEO is responsible for the Code of Conduct and any changes made are signed off by the Board of Directors. The roles, responsibilities, and expertise of the EMT and Board are disclosed in the Management Review section of this report.

Scatec's whistleblower function is available to all employees, suppliers, partners, and customers of the Company through Scatec's intranet and corporate website. The function is operated by an independent third party and available in eight languages. All whistleblowers have the option to remain anonymous. Further details about the mechanisms for identifying, reporting, and investigating concerns are provided in the Management Review section of this report.

Anyone who violates Scatec's Code of Conduct may face disciplinary action, which may include termination of employment and the involvement of relevant authorities. All individuals working in Scatec are subject to the same consequences and sanctions, regardless of their position or seniority. Leaders who tolerate violations by their team members may also face disciplinary measures.

Policies are developed and maintained through a structured workflow in the Company's Document Management System, which involves defined roles for originators, reviewers, and approvers and ensures consistency and governance. All key Scatec policies are available on our corporate website under the ESG resources section.

Actions

Corruption risk assessments

We conduct corruption risk assessments at the country, project, and contract levels. The assessments identify areas that require special attention, mitigating action, and resource allocation. When risks are identified, they are recorded and reported to relevant stakeholders in each project to ensure awareness and implementation.

Integrity due diligence (IDD) assessments

All new third parties, including business partners, suppliers, and corporate customers, must undergo appropriate IDD in accordance with the Company's integrity due diligence procedure. The IDD requirements for third parties are risk-based and determined by the country risk, scope of work, and annual value of the contract. No relationship with a third party may be established without an appropriate integrity due diligence assessment of the business relationship, and no contract may be entered into without adequate anti-corruption undertakings.

Local business partners and consultants assist in development activities, which often include interactions with public officials and government authorities. These business relationships can represent a high risk to Scatec and are placed under specific control measures, including enhanced IDD requirements, tailored anti-corruption clauses, and strengthened monitoring activities.

Furthermore, Scatec expects all business partners and suppliers to conduct their activities in a way that is consistent with the Code of Conduct. Third parties are screened and assessed against potential integrity risks and contractually required to mitigate such risks. Scatec's anti-corruption policies and procedures are regularly communicated to all suppliers and business partners globally through contractual discussions and monitoring activities.

Training in anti-corruption principles

Scatec places a strong emphasis on training and communication to ensure that all employees are well-versed in ethics and anti-corruption practices. The Chief Compliance Officer is responsible for preparing and coordinating these training sessions. Regular communication of the key elements of the Anti-Corruption Programme is also a part of this initiative.

Scatec requires all employees to complete training in our anti-corruption policies.

- **Mandatory to all employees:** Interactive gamified Code of Conduct annual training consisting of dilemma training and mini games with an 80% pass rate for each module to be certified.
- **Supervisory Bodies:** The Code of Conduct training is required for members of the Board of Directors when they join Scatec.
- **Specific corruption exposure:** Employees with a specific exposure to corruption risk are identified each year. Tailored anti-corruption training and specialised workshops are held to build awareness in those functions, which include Scatec's business development and procurement functions.

The effectiveness of actions implemented in relation to all business conduct and anti-bribery matters is tracked by the compliance function through a structured process. Periodic reviews are scheduled to assess the outcomes achieved and whether actions should be further tailored or adjusted to suit Scatec's strategy and efficiently cover impacts, risks, and opportunities (IROs). All actions are ongoing throughout the year, with completion of training required annually.

Metrics

Corruption risk assessment

Scatec reports on entity-specific metrics in addition to ESRS-required metrics for material sustainability matters. This results in two datasets as presented below, where the Scatec-specific metrics are fully aligned to our corporate targets.

Anti-corruption and anti-bribery training

	Unit	2024	2023
Frequency of training		Annual	Annual
In-scope employees that completed the training	Number	890	707
In-scope employees that completed the training	%	100	100
At-risk functions that completed the training	%	100	100
New Board members that completed the training	Number	0	1

Convictions and fines for the violation of anti-corruption and anti-bribery laws

	Unit	2024	2023
Number of convictions for violation of anti-corruption and anti-bribery laws	Number	0	0
Fines for violation of anti-corruption and anti-bribery laws	NOK	0	0

Incidents, complaints, and severe human rights impact

No severe human rights issues or incidents connected to our own workforce have occurred.

Scatec-specific corruption risk assessments

In 2024, 100% of our operations were assessed for risk related to corruption.

Scatec-specific whistleblower reports and confirmed incidents of corruption

	Unit	2024	2023
Whistleblower reports received	Number	23	29
Confirmed incidents of corruption	Number	1	0
Number of convictions for violation of anti-corruption and anti-bribery laws	Number	0	0
Fines for violation of anti-corruption and anti-bribery laws	NOK	0	0

Whistleblower reports in 2024 related to alleged conflicts of interest, internal financial controls, the workplace environment, health and safety at site operations, data privacy, alleged fraud, and human relations concerns. All reports were investigated in line with our procedures and subsequently closed.

One corruption allegation concerning an alleged request for kickback payments from a supplier on site was reported directly to the Scatec compliance function. The allegation was substantiated following internal investigation, after which appropriate and robust disciplinary action was taken.

Targets and ambitions

- 100% participation by in-scope employee in Code of Conduct e-learning for 2025
- Provision of targeted anti-corruption training to at-risk functions during 2025
- No significant compliance breaches for 2025
- Strengthening of third-party selection and onboarding during 2025

Scatec's approach to setting targets integrates its corporate strategy with industry best practice and global regulations and includes engagement with various stakeholders, such as through feedback and input from employees. In addition to company-wide targets, certain business units and regions set specific goals to meet local requirements or challenges.

Targets are Scatec-specific and set for the upcoming financial year, with the scope aligned to the reporting boundaries.

Methodology

Training

- In-scope employees: even through training is mandatory for all employees, an in-scope definition has been introduced to ease the reporting process. In-scope employees for 2024 do not include:
  - employees who are out of office (on long-term sick leave and/or parental leave)
  - employees who are on-site but do not have access to a computer (covered by in-person training through the compliance network)
  - employees currently with the Company who have tendered their resignation or have short-term contracts that will terminate during the year.

Appendix

Assurance report

Scatec's ESG data and sustainability reporting align with our annual financial audits. PwC, our financial auditor, reviewed our ESRS disclosure requirements in accordance with ISAE 3000. They conducted a full verification of all material sustainability matters with limited assurance. For details, see the limited assurance statement on the next page and on our corporate website.

Feedback and contact

We aim to be sustainable in our societal impact. We will listen, learn, adapt, and enhance our operations continually. Feedback on our sustainability reporting is valued as we strive for ongoing improvement. For comments or questions, contact Julie Hamre, VP Sustainability Reporting and Strategy: Julie.Hamre@scatec.com

Signatures for the Board of Directors Report

Oslo, 31 March 2025
The Board of Directors Scatec ASA

Jørgen Kildahl (Chair) | Espen Gundersen | Maria Moræus Hanssen

Maria Tallaksen | Pål Kildemo | Mette Krogsrud

Terje Pilskog (CEO)

To the General Meeting of Scatec ASA

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Scatec ASA (the «Company») included in Sustainability Statements of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in section Impact, risk, and opportunity (IRO) management; and
- compliance of the disclosures in section EU Taxonomy of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in section Impact, risk, and opportunity (IRO) management of the Sustainability Statement. This responsibility includes:

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in section EU Taxonomy of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in section Impact, risk, and opportunity (IRO) management.

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Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in section Impact, risk, and opportunity (IRO) management.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
  - Obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
  - Obtaining an understanding of the Group's risk assessment process;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;

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- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Oslo, 31 March 2025
PricewaterhouseCoopers AS

Thomas Fraurud
State Authorised Public Accountant – Sustainability Auditor

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Group consolidated financial statements

Group Consolidated Financial statements and notes

Consolidated statement of profit and loss

1 JANUARY - 31 DECEMBER

NOK million	Note	2024	2023
Revenues	2	4,368	3,399
Net gain/(loss) from sale of project assets and divestments	8, 13	1,491	1,276
Net income/(loss) from JVs and associated companies	2, 13	714	46
Total revenues and other income		6,574	4,721
Personnel expenses	3	-495	-570
Other operating expenses	4	-658	-584
Depreciation, amortisation and impairment	9, 11, 12, 10	-1,294	-942
Operating profit (EBIT)		4,127	2,625
Interest and other financial income	6	185	415
Interest and other financial expenses	6	-2,673	-1,977
Net foreign exchange gain/(loss)	19, 6	-175	-56
Net financial expenses		-2,663	-1,617
Profit/(loss) before income tax		1,464	1,008
Income tax (expense)/benefit	5	22	114
Profit/(loss) for the period		1,486	1,122
Profit/(loss) attributable to:			
Equity holders of the parent		1,309	628
Non-controlling interest	27	177	494
Basic earnings per share (NOK)	7	8.24	3.95
Diluted earnings per share (NOK)	7	8.24	3.95

Consolidated statement of comprehensive income

1 JANUARY - 31 DECEMBER

NOK million	Notes	2024	2023
Profit/(loss) for the period		1,486	1,122
Other comprehensive income:			
Items that may subsequently be reclassified to profit or loss			
Net movement of cash flow hedges	21	61	-292
Income tax effect from net movement of cash flow hedges	5	-5	69
Foreign currency translation differences		783	194
Net other comprehensive income to be reclassified		839	-30
Total comprehensive income for the year, net of tax		2,325	1,092
Attributable to:			
Equity holders of the parent		1,913	704
Non-controlling interest	27	412	389

Consolidated statement of financial position

NOK million	Note	31 December 2024	31 December 2023
Assets			
Non-current assets			
Deferred tax assets	5	1,551	1,226
Property, plant and equipment	9	24,068	22,035
Goodwill and intangible assets	11	560	717
Investments in JVs and associated companies	13	11,451	12,368
Other non-current financial assets	20, 21	365	299
Other non-current assets	16, 28	163	265
Total non-current assets		38,158	36,911
Current assets			
Trade and other receivables	14	487	478
Other current financial assets	20, 21	36	16
Other current assets	16, 28	907	1,150
Cash and cash equivalents	15	3,890	3,101
Assets classified as held for sale	8	2,264	138
Total current assets		7,584	4,884
Total assets		45,742	41,795

Oslo, 31 March 2025

The Board of Directors Scatec ASA

Jørgen Kildahl (Chair) Espen Gundersen Maria Moræus Hanssen

Maria Tallaksen Pål Kildemo Mette Krogsrud

Terje Pilskog (CEO)

NOK million	Note	31 December 2024	31 December 2023
Equity and liabilities			
Equity			
Paid in capital			
Share capital	7	4	4
Share premium		9,876	9,847
Total paid in capital		9,880	9,851
Other equity			
Retained earnings		-603	-1,911
Other reserves		1,351	747
Total other equity		748	-1,164
Non-controlling interests	27	2,136	1,884
Total equity		12,764	10,570
Non-current liabilities			
Deferred tax liabilities	5	671	849
Corporate financing	22	6,729	7,947
Non-recourse project financing	23	16,929	15,026
Other financial liabilities	20, 21	423	179
Other interest-bearing liabilities	22	-	247
Other non-current liabilities	17, 28	1,393	1,343
Total non-current liabilities		26,145	25,590
Current liabilities			
Corporate financing	22	2,150	1,132
Non-recourse project financing	23	1,900	1,931
Income tax payable	5	57	48
Trade payables and supplier finance	24	481	294
Other financial liabilities	20, 21	64	41
Other interest-bearing liabilities	22	500	-
Other current liabilities	17, 28	1,281	2,060
Liabilities directly associated with assets classified as held for sale	8	401	129
Total current liabilities		6,833	5,635
Total liabilities		32,978	31,225
Total equity and liabilities		45,742	41,795

Consolidated statement of changes in equity

					Other reserves				
NOK million	Note	Share capital	Share premium	Retained earnings	Foreign currency translation	Hedging reserves	Total	Non-controlling interests	Total equity
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	3	-	28	-	-	-	28	-	28
Dividend distribution	7	-	-	-308	-	-	-308	-121	-429
Capital increase from NCI	27	-	-	-	-	-	-	1,076	1,076
At 31 December 2023		4	9,847	-1,911	713	34	8,686	1,884	10,570
At 1 January 2024		4	9,847	-1,911	713	34	8,686	1,884	10,570
Profit for the period		-	-	1,309	-	-	1,309	177	1,486
Other comprehensive income		-	-	-	608	-4	604	235	839
Total comprehensive income		-	-	1,309	608	-4	1,913	412	2,325
Share-based payment	3	-	29	-	-	-	29	-	29
Dividend distribution	7	-	-	-	-	-	-	-395	-395
Capital increase from NCI	27	-	-	-	-	-	-	236	236
At 31 December 2024		4	9,876	-603	1,321	30	10,628	2,136	12,764

Consolidated statement of cash flow

NOK million	Notes	2024	2023 [1]
Cash flow from operating activities			
Operating profit (EBIT)		4,127	2,625
Depreciation and impairment	9	1,294	942
Net income from JVs and associated companies	13	-714	-46
Net gain from sale of project assets	8	-1,491	-1,276
Taxes paid	5	-162	-261
Net proceeds from sale of fixed assets		2	68
Increase/(decrease) in trade and other receivables		-9	18
Increase/(decrease) in trade and other payables		67	-422
Increase/(decrease) in other assets and liabilities [1]		14	551
Net cash flow from operating activities		3,128	2,200
Cash flow from investing activities			
Investments in property, plant and equipment [1]		-3,268	-7,344
Proceeds from sale of project assets, net of cash disposed	8	407	390
Distributions from JVs and associated companies	13	1,176	457
Investments in JVs and associated companies	13	-77	-447
Interest received	6	185	170
Net cash flow used in investing activities		-1,578	-6,774

NOK million	Notes	2024	2023 [1]
Cash flow from financing activities			
Proceeds from non-recourse project financing	23, 20	3,953	6,038
Proceeds from corporate financing	22, 20	1,702	713
Proceeds from other interest-bearing liabilities	22	212	-
Proceeds received under supplier finance arrangements [1]	24	286	3,427
Repayment of non-recourse project financing	23, 20	-1,649	-1,818
Repayments of corporate financing	22, 20	-2,615	-110
Repayment under supplier finance arrangements [1]	24	-241	-3,244
Interest paid	20	-2,334	-1,962
Dividends paid to equity holders of the parent company and non-controlling interests		-395	-429
Proceeds from equity injections from non-controlling interests		112	944
Repayments to non-controlling interests		-52	-35
Payments of principal portion on lease liabilities	12	-22	-21
Interest paid on lease liabilities	12	-26	-27
Net cash flow from financing activities		-1,068	3,477
Net increase/(decrease) in cash and cash equivalents		482	-1,097
Effect of exchange rate changes on cash and cash equivalents		340	78
Cash transferred to assets held for sale		-33	-12
Cash and cash equivalents at beginning of the period		3,101	4,132
Cash and cash equivalents at end of the period	15	3,890	3,101
Bank deposits not available for use by the Group		135	88

1) Following the changes in 2024 to IAS 7 Statement of cash flow and IFRS 7 Financial instruments, cash flows from supplier finance arrangements are presented separately as part of financing activities in the cash flow. The changes impact line items 'Investments in property, plant and equipment', 'Increase/(decrease) in trade and other payables' and 'Increase/(decrease) in other assets and liabilities'. Comparable numbers are correspondingly updated.

Notes to the Group consolidated financial statements

Note 1 Basis for preparation and 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") and its subsidiaries and investments in associated companies and joint ventures ("the Group" or "Scatec") is a leading renewable energy solution provider, accelerating access to reliable and affordable clean energy in high growth markets. The consolidated financial statements comprise the financial statements of the parent company Scatec ASA and its subsidiaries as of 31 December 2024.

The Company is listed on the Oslo Stock Exchange under the ticker symbol "SCATC".

The consolidated financial statements for the full year 2024 were authorised for issue in accordance with a resolution by the Board of Directors on 1 April 2025.

Basis for preparation

The Scatec Group's consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU (IFRS). In compliance with the Norwegian Accounting Act, additional disclosure requirements are included in the notes to the financial statements of Scatec ASA.

The statement of cash flows is prepared under the indirect method. The segment financials are reported on a proportionate basis in line with how the management team assesses the segments performance, refer to Note 2 Operating segments.

The functional currency of the companies in the Group is determined according to the nature of the primary economic environment in which each company operates. The consolidated financial statements are presented in Norwegian kroner (NOK) and on consolidation, the assets and liabilities of entities with functional currencies other than NOK are translated at the rate of exchange prevailing at the end of the reporting period and their income statements are translated at average monthly exchange rates.

Estimation uncertainty

In preparation of the Group's consolidated financial statements, management has made assumptions and estimates about future events and applied judgements that affect the reported amounts and related disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods. Assumptions about future developments may change due to market conditions beyond the control of the Group and are reflected in the financial statements when changes in assumptions occur. Information about estimation uncertainty, judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is largely incorporated into the individual notes.

The Group's management believes the following critical accounting items represent significant judgements and estimates not naturally belonging in the individual notes, but used in the preparation of the consolidated financial statements:

Consolidation of power plant companies

The Group considers all relevant facts and circumstances in assessing whether it has control over an investee. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The assessment of whether Scatec controls the investee is performed upon first time consolidation and is renewed annually or more often, if, facts that could impact the conclusion change.

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

1. As developer, it obtains project rights, land permits, off taker agreements and other local approvals
2. As EPC contractor, it is responsible for the construction of the project
3. As provider of operation and maintenance services to the projects, it is responsible for the day to day operations of the plant
4. As provider of management services to the power plant companies, it provides these services

These constitute the main relevant activities that affect the variable return in the difference project phases. For the power plant companies consolidated in the financial statement, Scatec has concluded that through its involvement and ownership share it controls the entities.

Significant judgement is applied in determining if the exposure to variable return is satisfied. The relevant activities Scatec has power over do, in its nature, have an impact on the return of the project.

Note 2 Operating segments

Operating segments align with internal management reporting to the Group's chief operating decision-makers, defined as the Executive Management team. The operating segments are determined by the differences in the nature of their operations, products and services. Scatec manages its operations in three segments: Power Production (PP), Development & Construction (D&C) and Corporate. The Group has reorganised its segment structure and the Service segment is reported as part of the Power Production segment, with effect from 1 January 2024. Comparable periods have been restated accordingly to conform with the current year's presentation.

Power Production

The Power Production segment manages the Group's power-producing assets and derives its revenue from the production and sale of solar, wind, and hydro generated electricity mainly based on long-term Power Purchase Agreements or feed-in-tariffs. In the Philippines, electricity is sold using bilateral contracts, in the spot market, and as ancillary services. In Ukraine, with regard to the Progressovka plants, electricity is sold in the spot market with the option to re-enter the long-term PPA at a later stage. In Brazil, approximately 40% of the electricity from the Mendubim solar power plant is sold in the merchant market, while the rest is sold through the 20-year corporate PPA. The segment also includes revenues from the Release concept.

The performance obligation for revenues from the power-producing assets – the delivery of a series of distinct goods (power) – is satisfied over time, which requires the recognition of revenue for each unit delivered at the transaction price. Revenue is recognised upon the transfer of electricity produced to the local operator of the electricity grid, based on periodic meter readings.

The Group has continued to recognise revenue from power production in Ukraine to the extent that Scatec believes collection of the consideration is probable, which is being equal to the actual paid amounts.

The segment also comprises Operations & Maintenance (O&M) and Asset Management services provided to power production plants where Scatec has an economic interest reflected as a cost in the segment and external O&M services to the plants not owned. The services are delivered to ensure the optimised operation of power-producing assets through a complete and comprehensive range of services for technical and operational management. 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, and environmental and social management, as well as contract management on behalf of the power plant companies.

Development & Construction

The Development & Construction segment derives its revenue from the sale of development rights and construction deliverables and services to project entities set up to operate the Group's power production plants. Transactions in this segment are mainly between entities under the Group's control and hence eliminated in the consolidated financial statement. Construction include operations where Scatec is responsible for the total scope of a turnkey installation of a power plant through a contract covering Engineering, Procurement and Construction.

Revenues from construction are recognised over time according to the percentage of completion. A contract's percentage of completion is determined by assessing actual progress on site compared to the total estimated cost at completion. Progress is measured when control is transferred to the customer. For equipment such as modules, Scatec consider that control is transferred when the equipment is installed and permanently attached or fitted to the power production systems as required by the engineering designs.

The construction contracts are fixed-price contracts with variable considerations related to performance- and delay liquidated damages. Scatec periodically revise contract profit estimates and immediately recognises any losses on contracts if applicable.

The construction contracts include product warranties. The expected warranty amounts are recognised as an expense at the time of sale and are adjusted for subsequent changes in estimates or actual outcomes.

Corporate

The Corporate segment consists of the corporate and management service activities.

No segments have been aggregated to form these reporting segments.

Use of proportionate financials

The segment financials are reported on proportionate basis. With proportionate financials Scatec reports its share of revenues, expenses, profits and cash flows from its subsidiaries without eliminations based on Scatec's economic interest in the subsidiaries. The Group has introduced proportionate financials as the Group is of the opinion that this method improves earnings visibility and improves transparency in underlying value creation in Scatec's business activity.

Revenues from transactions between group companies, where Scatec is deemed to hold a controlling interest, are presented as internal revenues in the segment reporting. These transactions are based on international contract standards and terms negotiated at arm's length with lenders and co-investors in each power plant company. The consolidated revenues and profits are mainly generated in the Power Production segment.

The key differences between the proportionate and consolidated (IFRS) financials are as follows:

- In the consolidated financials fully consolidated companies are presented on a 100% basis. In the proportionate financials the fully consolidated companies are presented according to Scatec's ownership percentage/economic interest. The residual ownership interests in the table below represent the share of fully consolidated subsidiaries that Scatec does not own.
- In the consolidated financials, joint ventures and associated companies are equity consolidated and 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 JVs and associate companies are presented, like other subsidiaries, on a gross basis for each line in the statement of profit or loss based on Scatec's economic interest. In the table below, elimination of equity-consolidated entities shows the elimination of proportionate financials to arrive at Scatec's share of net income/(loss).
- Internal gains from transactions between segments 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. Hence, the consolidated financials have a lower book value of solar plants than the proportionate financials and corresponding lower depreciation charges.
- Other eliminations are mainly related to other eliminations of intercompany and internal margins in the consolidated financial statements.

Geographical break down of consolidated revenues and PPE

Consolidated revenues by country

NOK million	2024	2023
South Africa	1,829	1,073
Egypt	653	657
Ukraine	539	440
Honduras	398	232
Malaysia	374	364
Jordan	181	171
Czech Republic	129	150
Vietnam	81	95
Pakistan	74	-
Other	109	216
Total	4,368	3,399

Property, plant and equipment by country

NOK million	2024	2023
South Africa	10,110	9,554
Egypt	3,998	3,453
Malaysia	2,825	2,570
Ukraine	2,108	2,063
Honduras	1,291	1,293
Pakistan	1,227	961
Jordan	894	866
Botswana	543	11
Norway	373	475
Czech Republic	290	314
Tunisia	205	-
Other	203	53
Vietnam	-	422
Total	24,068	22,035

Major customers

In South Africa, revenues from the Linde, Kalkbult and Dreunberg plants which commenced operations in 2013 and 2014 are earned under 20-year Power Purchase Agreements (PPAs) with Eskom Holdings (South African incumbent utility), which was awarded under the Renewable Independent Power Producer Procurement Programme (REIPPPP) administrated by the Department of Energy. During 2024 Scatec partially divested its equity share in the plants and the projects are accounted for as investments in JVs and associate companies at year-end. The Kenhardt plants started commercial operation in December 2023 under a 20-year PPA that was awarded under the Risk Mitigation Independent Power Producer Procurement Programme (RMIPPPP). Eskom's financial commitments under the PPA are guaranteed by the South African National Treasury under the Implementation Agreement.

The Benban plants in Egypt commenced operation in 2019. The electricity is sold under a 25-year Power Purchase Agreement with Egyptian Electricity Transmission Company, S.A.E. The financial commitments of Egyptian Electricity Transmission Company, S.A.E under the PPA are guaranteed by the sovereign guarantee from The Ministry of Finance under the Egyptian Law.

The Gurun plant in Malaysia commenced operation in 2018, the Merchang and Jasin plant commenced operation in 2019, and RedSol commenced operations in 2020. The electricity is sold under 21-year Power Purchase Agreements with the country's largest electricity utility, Tenaga Nasional Berhad (TNB). The PPA is not guaranteed by the government as TNB is a reputable AAA-rated listed company in Malaysia.

Bridge proportionate – to consolidated financials

2024

NOK million	Proportionate financials: Power Production [1]	Development & Construction	Corporate	Total	Residual ownership for fully consolidated entities	Elimination of equity consolidated entities	Other eliminations	Consolidated financials
External revenues	4,707	-	-	4,707	1,653	-1,991	-	4,368
Net gain/(loss) from sale of project assets	796	-	-	796	-	-33	728	1,491
Internal revenues	-	2,291	59	2,351	327	-21	-2,657	-
Net income/(loss) from JVs and associates	-	-	-	-	-	714	-	714
Total revenues and other income	5,503	2,291	59	7,853	1,980	-1,330	-1,929	6,574
Cost of sales	-	-1,850	-	-1,850	-386	40	2,196	-
Gross profit	5,503	441	59	6,003	1,594	-1,290	267	6,574
Personnel expenses	-314	-164	-110	-587	-12	104	-	-495
Other operating expenses	-553	-94	-75	-722	-222	272	14	-658
EBITDA	4,636	184	-125	4,694	1,360	-915	281	5,421
Depreciation and impairment	-1,424	-72	-40	-1,536	-396	542	96	-1,294
Operating profit (EBIT)	3,212	112	-165	3,158	964	-373	378	4,127

1) The segment reporting structure was changed effective as of 1 January 2024 and comparable figures for 2023 have been restated

2023

NOK million	Proportionate financials: Power Production	Development & Construction	Corporate	Total	Residual ownership for fully consolidated entities	Elimination of equity consolidated entities	Other eliminations	Consolidated financials
External revenues	3,792	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	8,172	50	8,228	1,929	-521	-9,636	-
Net income/(loss) from JVs and associates [1]	-	-	-	-	-	46	-	46
Total revenues and other income	4,144	8,177	50	12,372	3,128	-2,076	-8,703	4,721
Cost of sales	5	-7,182	-	-7,179	-1,888	502	8,565	-
Gross profit	4,150	994	50	5,194	1,239	-1,575	-138	4,721
Personnel expenses	-278	-216	-139	-633	-12	94	-20	-570
Other operating expenses	-536	-107	-74	-716	-201	279	53	-584
EBITDA	3,334	672	-162	3,845	1,027	-1,201	-105	3,567
Depreciation and impairment	-1,591	-65	-36	-1,692	-323	939	135	-942
Operating profit (EBIT)	1,743	607	-198	2,152	704	-262	31	2,625

Note 3 Employee benefits

Salaries and other personnel costs

NOK million	2024	2023
Salaries	491	571
Share-based payment	29	29
Payroll tax	45	58
Pension costs	39	41
Other personnel costs	37	35
Capitalised to PP&E (project assets)	-146	-164
Total	495	570

Salaries and personnel expenses for management

NOK million	2024	2023
Salary and bonus	47	51
Pension	2	2
Total	50	53

Number of employees in the financial year in consolidated entities

	2024	2023
South Africa	295	281
Norway	110	144
Egypt	107	98
Ukraine	49	46
Malaysia	32	29
Brazil	16	-
Netherlands	26	31
Pakistan	23	28
Honduras	19	20
India	16	26
Philippines	14	15
Tunisia	13	3
Botswana	12	3
Other	22	27
Total	754	751

For further details on employee benefits and management remuneration, refer to Note 4 Personnel expenses, number of employees and auditor's fee in the separate financial statements for the Parent Company. Reference is also made to the separate Executive Remuneration Report 2024. No severance package agreements have been established with management. The Group's pension schemes are classified as defined contribution plans.

Long term incentive programmes

The cost of equity-settled transactions is recognised in personnel expenses, together with a corresponding increase in equity over the vesting period. To calculate the fair value of the options that satisfies the definition of an equity-settled share-based payment transaction (IFRS 2 app. A), the BlackScholes-Merton option-pricing model is applied to each tranche. Share price (spot), exercise price, expected option lifetime, expected volatility, expected dividend and risk-free interest rate are the model's input parameters.

In line with the terms adopted by the Annual General Meeting of Scatec ASA on 4 May 2016, and prolonged in the years that followed, the Board of Directors have established an option programme for leading employees of the Company. Options are vested in tranches over a three-year period, with the first tranche vesting one year from award. As of 31 December 2024, there are options not fully vested from the grants awarded in 2022 and onwards. Each share option gives a right to subscribe for and be allotted one share in Scatec ASA. The strike prices are equivalent to the volume weighted average price of the shares during the ten trading days preceding the grant.

For the options granted in 2024 the assumptions used to calculate the fair value of the options are as follows: 2.99 years (2.99 years) for expected lifetime, 51.19% (52.45%) for expected volatility and 0 (0) for expected dividend. The calculations are based on average values. The fair value of the options is expensed over the vesting period. In 2024 NOK 29 million (29) was expensed.

Outstanding number of options

Date granted	Number	Strike price	Lapse date
1/2/2020	180,233	110	1/1/2025
1/4/2021	126,552	311	1/1/2025
5/6/2021	107,409	242	1/1/2025
1/4/2022	569,123	148	1/1/2026
3/28/2022	10,000	132	1/1/2026
4/27/2022	14,353	124	1/1/2026
5/16/2022	16,711	96	1/1/2026
1/3/2023	1,052,918	80	1/1/2027
3/2/2023	67,516	80	1/1/2027
1/3/2024	1,376,866	79	1/1/2028
Sum	3,521,681		

Movements in options

	Opening balance	Granted	Terminated	Closing balance	Closing balance vested options
Numbers of instruments	2,411,222	1,487,788	-377,329	3,521,681	1,194,401
Weighted average strike price	123.08	79.47	109.64	106.10	146.17

Note 4 Other operating expenses

NOK million	2024	2023
Facilities	329	210
Professional fees	188	166
IT and office costs	80	78
Travel costs	30	32
Social development contributions	32	21
O&M external fees	35	25
Other costs	44	52
Expected credit loss	-80	-
Total other operating expenses	658	584

Government grants are recognised when it is reasonably certain that the Company will meet the conditions stipulated for the grants and that the grants will be received. Grants are recognised either as a cost reduction or as a deduction of the asset's carrying amount. In 2024 Scatec recognised NOK 20 million (10) in grants as deductions from the development and construction asset's carrying amount.

In 2024, NOK 80 million of expected credit loss related to Ukraine was reversed.

Remuneration to the auditors (PwC and other independent auditors)

NOK million	2024	2023
Audit services	17	15
Other attestation services	2	2
Tax services	1	1
Total remuneration	20	18

VAT is not included in the numbers above.

Note 5 Tax

Estimation uncertainty

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits.

When assessing the probability of utilising these losses several factors are considered, including whether the entity in question has a history of losses, whether there is an expiration date for the entity's ability to carry the losses forward and/or whether the losses can be used to offset taxable income elsewhere in the Group. The majority of the Group's tax losses relate to favourable tax rules for depreciation of power plants and their reversal is merely a timing effect.

Uncertain tax positions and potential tax exposures are analysed individually and, the best estimate of the probable amount of liabilities to be paid (unpaid potential tax exposure amounts, including penalties) and assets to be received (disputed tax positions for which payment has already been made), are recognised within current tax or net deferred tax as appropriate.

The Group has not identified any significant exposure to Pillar Two income taxes that require disclosure in the consolidated financial statements.

Effective tax rate

NOK million	2024	2023
Tax payable	-135	-230
Change in deferred tax	194	384
Withholding tax	-37	-42
Adjustments of tax concerning previous years	-	2
Income tax expense	22	114
Reconciliation of Norwegian nominal tax rate to effective tax rate		
Profit before income tax	1,464	1,008
Nominal tax rate (22%)	-322	-222
Tax effect of:		
Permanent differences on divestments	328	270
Permanent differences on tax incentive in South Africa	-	457
Other permanent differences	-19	66
Tax rate different from Norwegian rate	-26	-29
Current tax on dividend received and withholding tax	-37	-42
Valuation allowance loss carried forward	-122	-322
Share of net income from associated companies	157	10
Use and capitalisation of previously unrecognised losses carried forward	36	-1
Other items	8	10
Currency translation	18	-84
Calculated tax expense	22	114
Effective tax rate	-2%	-11%

The Group recognised an income tax benefit of NOK 22 million in 2024 compared to a tax benefit of NOK 114 million in the previous year. The tax benefit recognised in the previous year is largely attributable to the Kenhardt plants which qualified for the Enhanced renewable energy tax incentive after achieving commercial operating dates in November and

December 2023. This tax incentive granted a 25% additional tax deduction from the plants' cost when the assets were put into use in 2023. The incentive will be settled as reduced tax payments over the coming years.

The net gain from the partial divestment of the Linde, Dreunberg and Kalkbult solar power plants (NOK 1,491 million) is a permanent difference and does not give rise to any tax expense. The item is presented as permanent differences on divestments in the table above.

The remaining difference between the Group's actual tax expense and the calculated tax expense based on the Norwegian tax rate of 22% is mainly due to different tax rates in the jurisdictions in which the companies operates, withholding taxes paid on dividends, currency effects and effects from unrecognised tax losses. Furthermore, the profit/loss from JVs and associated companies is 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 30%. In some markets, Scatec receives special tax incentives intended to promote investments in renewable energy.

Significant components of deferred tax assets

NOK million	2024	2023
Tax losses carried forward	4,455	4,058
Valuation allowance of deferred tax assets	-797	-623
Financial instruments	29	58
Property, plant and equipment and intangible assets	152	120
Construction projects	81	92
Lease liabilities	40	56
Other items	66	5
Offsetting of tax balances [1]	-2,475	-2,540
Total deferred tax assets	1,551	1,226

Significant components of deferred tax liabilities

NOK million	2024	2023
Property, plant and equipment, intangible assets, including right-of-use assets	3,054	3,252
Financial instruments	80	74
Other items	11	63
Offsetting of tax balances [1]	-2,474	-2,540
Total deferred tax liabilities	671	849

1) Deferred tax assets and liabilities are offset to the extent that the deferred taxes related to the same fiscal authority and there is a legally enforceable right to offset current tax assets against current tax liabilities

Scatec also holds NOK 17 million in deferred tax liabilities related to disposal group held for sale which is not included in the table above. For details refer to Note 8 Sale of project assets and disposal group held for sale.

Movement in net deferred tax asset

NOK million	2024	2023
Net deferred tax asset at 1 January	377	117
Recognised in the consolidated statement of profit or loss	194	384
Deferred tax other comprehensive income	-5	69
Deferred tax transferred to assets classified as held for sale	270	-193
Translation differences	44	-
Net deferred tax asset at 31 December	880	377

Specification of tax loss carried forward

NOK million	2024		
Country	Loss carried forward	Deferred tax asset	Net deferred tax on other differences
South Africa	11,392	3,076	-1,858
Norway	3,205	67	-10
Ukraine	1,801	324	-305
Egypt	1,591	168	-600
Jordan	284	11	-56
Netherlands	435	-	-
Malaysia	187	-	17
Other	39	12	34
Total	18,934	3,658	-2,778

NOK million	2023		
Country	Loss carried forward	Deferred tax asset	Net deferred tax on other differences
South Africa	10,332	2,788	-2,187
Norway	2,910	75	-25
Ukraine	1,898	389	-421
Egypt	1,463	158	-499
Jordan	379	17	-55
Netherlands	303	8	-2
Malaysia	163	-	25
Other	11	-	105
Total	17,459	3,435	-3,058

Tax losses carried forward are offset against taxable temporary differences within the same fiscal authority, mainly related to property, plant and equipment.

For renewable energy companies, the tax losses carried forward are mainly related to accelerated depreciation rates for power plant assets compared to the accounting depreciations determined by the useful life of the assets. Tax losses are recognised to ensure that the tax losses were recorded to the extent that the Group expects sufficient future taxable profits to be available to utilise the losses. At year-end 2024 the Group has recorded a valuation allowance of NOK -797 million (-623) related to tax losses carried forward that are not expected to be used to offset future taxable income. The valuation allowance is recognised in Norway (NOK 463 million), Egypt (NOK 190 million), Malaysia (NOK 131 million) and other countries. In Norway the Group has disallowed interest deduction carry forward of NOK 701 million (195) which can be carried forward 10 years. Tax losses in Egypt and Jordan can be carried forward for 5 years while all other tax losses in the Group can be carried forward indefinitely.

Note 6 Financial income and expenses

NOK million	2024	2023
Interest income	152	162
Change in fair value of foreign exchange contracts	-	246
Other financial income	33	8
Interest and other financial income	185	415
Interest expenses	-2,564	-1,727
Change in fair value of foreign exchange contracts	-	-29
Other financial expenses	-109	-221
Interest and other financial expenses	-2,673	-1,977
Net foreign exchange gain/(loss)	-175	-56
Net financial expenses	-2,663	-1,617

See Note 19 Financial risk and capital management for interest rate sensitivity. See Note 23 Non-recourse financing for details on project financing and Note 22 for details on corporate financing. During the year the Group capitalised borrowing costs of NOK 158 million on qualifying assets under construction, see Note 9 Property, plant and equipment.

Note 7 Earnings per share and shareholder information

NOK million	2024	2023
Profit/(loss) attributable to the equity holders of the Company and for the purpose of diluted shares	1,309	628
Weighted average number of shares outstanding for the purpose of calculating basic earnings per share (million)	158.9	158.9
Earnings per share for income attributable to the equity holders of the Company - basic (NOK)	8.24	3.95
Effect of potential dilutive shares:		
Weighted average number of shares outstanding for the purpose of calculating diluted earnings per share (million)	158.9	158.9
Earnings per share for income attributable to the equity holders of the Company - diluted (NOK)	8.24	3.95

Diluted earnings per share is affected by the option programme for equity-settled share-based payment transactions. Refer to Note 3 – Employee benefits for information on share options granted to the management. No leading employees have exercised any share options during the year. There is no diluted effect on earnings per share in case of loss.

At year-end 2024 the total number of shareholders in Scatec was 13.312 (14,846). The total number of outstanding shares was 158,917,275 (158,917,275) at par value NOK 0.025 per share as of 31 December 2024.

Refer to Note 12 – Equity and shareholder information in the Parent financial statement for an overview of the largest shareholders of Scatec ASA and shares held by management and the Board of Directors at 31 December 2024.

Note 8 Sale of project assets and disposal group held for sale

Sale of project assets

8.5 MW solar power plant in Rwanda

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 solar power plant in Rwanda for a gross consideration of NOK 14 million. Scatec has also exited the operations, maintenance, and asset management agreements for the power plant. The transaction closed on 1 August 2024 and did not generate any material accounting effects.

Kalkbult, Linde and Dreunberg solar power plants in South Africa

On 30 September and 20 November 2024, Scatec closed the partial sale of its ownership of 46% of in the Kalkbult and 44% of the Linde and Dreunberg solar power plants to Greenstreet 1 Proprietary Limited, a subsidiary of STANLIB Infrastructure Find II, for a gross consideration of NOK 523 million for the sold ownership share. Following the transactions, Scatec held an economic interest of approximately 13% in Kalkbult and 12% in Linde and Dreunberg. Following the transactions, Scatec lost control over the entities and the power plants have been accounted for as investments in JVs and associated companies using the equity method. The transaction generated a net gain from the sale of project entities of NOK 1.491 million in net gain/(loss) from the sale of project assets.

With effect from the closing date of the first phase, the consolidation of the project companies ceased, decreasing total assets by NOK 1,434 million, decreasing total liabilities by NOK 2,393 million, and increasing equity by NOK 959 million (Scatec's share). An accumulated foreign currency translation reserve (gain) of NOK 14 million was recycled from other comprehensive income to profit or loss as part of the deconsolidation.

Refer to Note 13 for details about the profit and loss and financial position on a stand alone basis for the acquired investments, including the bridge from Scatec's share of equity on a stand alone basis to the carrying value of net investments in associated companies at Group level.

Upington solar power plants in South Africa
On 2 February 2023, Scatec signed an agreement with a subsidiary of STANLIB Infrastructure Fund II, managed by STANLIB Asset Management Proprietary Limited, to sell its 42% equity share in the Upington solar plants. The transaction was closed on 31 May 2023. Total consideration, net after sales cost amounted to NOK 546 million. The transaction generated a net accounting gain of NOK 744 million presented in net gain/(loss) from sale of project assets in 2023.

Mocuba solar power plant in Mozambique
On 18 July 2023, Scatec signed an agreement with Globeleq to sell its 52.5% equity share in the Mocuba solar power plant in Mozambique for a gross consideration of NOK 86 million. The transaction was closed on 29 December 2023. The transaction has generated a net accounting gain of NOK 47 million presented in net gain/(loss) from the sale of project assets in 2023.

Guañizuil IIA solar power plant in Argentina
On 19 October 2023, Scatec ASA and Equinor ASA sold their shares in the Guañizuil IIA solar power plant in Argentina, as well as their shares in the local operating services company to Central Puerto. In 2023 the solar power plant was impaired in the amount of NOK 350 million, and the sales transaction did not generate any material accounting impact.

Release
On 27 October 2023, Release closed NOK 1.1 billion transaction with Climate Fund Managers ('CFM"). CFM contributed NOK 560 million in equity for a 32% shareholding in Release. Scatec retained the majority shareholding of 68%. As a result of the transaction and in line with the shareholder agreement, Scatec lost control over Release and recognised an investment in joint venture at fair value at the acquisition date. The divestment of the 32% shareholding generated an accounting gain of NOK 485 million in presented in net gain/(loss) from the sale of project assets in 2023.

Disposal group held for sale

African hydropower joint venture
On 30 July 2024, Scatec signed an agreement with TotalEnergies to sell its 51% equity share in the African hydropower joint venture with Norfund and British International Investment. The sale covers Scatec's indirect interest held through SN Power in the operating 255 MW Bujagali hydropower plant in Uganda, and a development portfolio consisting of the 361 MW Mpatamanga in Malawi, and the 206 MW Ruzizi III. The transaction is subject to conditions and consents being received from stakeholders including lenders and joint venture partners and is schedule to close within the first half of 2025. The associated balances of the investments in joint ventures and related holding entities, including part of the goodwill deriving from the acquisition of SN Power, are presented as held for sale as of 31 December 2024.

Dam Nai Wind farm in Vietnam
On 13 September 2024, Scatec signed an agreement to sell the 39 MW Dam Nai Wind farm and the associated operating company in Vietnam to Sustainable Asia Renewable Assets, a utility-scale renewable energy platform of the SUSI Asia Energy Transition Fund. Scatec will receive an upfront consideration of NOK 306 million (USD 27 million) for its 100% equity share at completion, with the potential for additional earn-out payments of up to NOK 147 million (USD 13 million) subject to certain conditions being fulfilled prior to May 2026. The transaction is expected to close within the first half of 2025, subject to customary regulatory approvals. The associated assets and liabilities of the subsidiaries are presented as held for sale as of 31 December 2024.

As of 31 December 2023, associated assets and liabilities of the solar power plant in Rwanda were presented as held for sale.

NOK million	2024	2023
Assets classified as held for sale		
Property, plant and equipment	434	118
Goodwill and intangible assets	230	-
Investments in JVs and associated companies	1,501	-
Trade and other receivables	65	8
Cash and cash equivalents	33	12
Total assets of disposal group held for sale	2,264	138
Liabilities directly associated with assets classified as held for sale		
Deferred tax liabilities	17	-
Non-current non-recourse project financing	337	104
Current portion of non-recourse project financing	17	11
Other current liabilities	29	14
Total liabilities of disposal group held for sale	401	129

Note 9 Property, plant and equipment

Accounting principle

Power plants in operation

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of an asset retirement obligation and, for qualifying assets, borrowing costs incurred in the construction period. All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Depreciation of a power plant commences when the plant is ready for use, normally at the date of grid connection and commissioning.

Asset retirement obligations

Asset retirement costs are recognised when the Group has a constructive obligation to dismantle and remove a power plant and to restore the site on which it is located. Expenditures related to asset retirement obligations are expected to be paid in the period between 2030 and 2053.

Other fixed assets

Other fixed assets mainly include office lease, fixtures and equipment. For accounting principles related to right to use lease assets, details are provided in Note 12 Leases.

Estimation uncertainty

Estimated useful life of power plants

The estimated useful life of power plants is reviewed on an annual basis and changes in the useful life are accounted for prospectively. In most of these markets the sale of electricity depends on having a PPA, hence, the length of the PPA is relevant to determining useful life. The power plants currently in operation have 9 to 25 years off-take agreements. The technical useful life of a power plants is subject to several factors such as climatic conditions and the maintenance programme but is generally expected to be 30 years. Technical useful life of storage equipment, such as the BESS (batter energy storage system) on the Kenhardt plant, is dependent on usage and number of charging cycles, with the useful life is expected to be 20 years.

The assessment is made on a plant-by-plant basis, and the Group's power plants are depreciated over the length of the PPA or up to 30 years based on expected usage.

Scatec's operational assets are protected from physical damage, including damage from natural catastrophes and weather-related events, by property damage & business interruption insurance. Similar insurance has been designed for projects under construction and covers physical damage, loss of income and transportation risks. Thus, potential physical damage to plants will be repaired and is not expected to impact the useful life of the plants. Other climate related risks have been considered and it has been concluded that they do noy impact the useful life of the plants.

Capitalisation of development costs

Expenses relating to research activities (project opportunities) are recognised in the statement of profit or loss as they incur. Expenses relating to development activities (project pipeline and backlog) are capitalised to the extent that the project is technically and commercially viable and the Group has sufficient resources to complete the development work. The assessment of project viability is based on the completion of key development activities and includes management judgement.

The carrying value of development projects that have not yet reached the construction phase was NOK 380 million (332) at 31 December 2024. During the year the Group capitalised borrowing costs of NOK 158 (583) million on qualifying assets. Capitalisation rate of the borrowing costs in the project companies under construction is close to 100%.

Asset retirement obligations

Scatec has obligations to dismantle and remove the power plants upon cessation of production. Scatec's future asset retirement obligations depend on several factors, such as the possible existence of a power market for the plants after the end of their useful life, the future development of manhour and equipment costs, and interest and currency exchange rates. The calculation of the asset retirement obligation includes significant judgement and is conducted on a plant-by-plant basis, taking into consideration relevant project specifics.

Impairments

Power plants and projects under development and construction are tested for impairment to the extent that indicators of impairment exist, please refer to Note 10 Impairment testing for details.

During 2024, the Group impaired NOK 65 million (48) related to discontinued development projects. The Group also impaired NOK 81 million related to plants in operations in Honduras.

Property, plant and equipment

NOK million	Power plants	Power plants under development and construction	Other fixed assets	Total
Accumulated cost at 1 January 2024	25,896	1,233	461	27,590
Additions	36	3,227	16	3,277
Transfers	378	-378	-	-
Disposals	-2,505	-12	-	-2,517
Transfer of assets classified as held for sale	-539	-	-	-536
Effect of movements in foreign exchange rates	2,225	166	50	2,441
Accumulated cost at 31 December 2024	25,490	4,236	527	30,256
Accumulated depreciation and impairment losses at 1 January 2024	5,040	290	224	5,554
Depreciation for the year	1,077	-	51	1,128
Impairment losses	81	65	-	146
Accumulated depreciation and impairment losses disposed assets	-1,050	-	-	-1,050
Accumulated depreciation transfer of assets classified as held for sale	-110	-	-	-110
Effect of movements in foreign exchange rates	449	39	27	514
Accumulated depreciation and impairment losses at 31 December 2024	5,486	394	302	6,186
Carrying amount at 31 December 2024	20,002	3,842	226	24,070
Estimated useful life (years)	20-30	N/A	3-5	
Accumulated cost at 1 January 2023	19,828	2,250	414	22,492
Additions	62	8,674	51	8,786
Transfers	9,564	-9,564	-	-
Disposals	-3,377	-309	-12	-3,696
Transfer of assets classified as held for sale	-214	-	-	-214
Effect of movements in foreign exchange rates	33	183	8	224
Accumulated cost at 31 December 2023	25,896	1,233	461	27,590
Accumulated depreciation and impairment losses at 1 January 2023	4,743	251	186	5,179
Depreciation for the year	804	-	49	853
Impairment losses	17	48	-	64
Accumulated depreciation and impairment losses disposed assets	-511	-8	-12	-531
Accumulated depreciation transfer of assets classified as held for sale	-100	-	-	-100
Effect of movements in foreign exchange rates	88	-2	1	87
Accumulated depreciation and impairment losses at 31 December 2023	5,040	290	224	5,554
Carrying amount at 31 December 2023	20,854	943	238	22,035
Estimated useful life (years)	20-30	N/A	3-5	

Note 10 Impairment testing

Estimation uncertainty

An impairment loss is recognised when the carrying value of an asset or cash generating unit (CGU) exceeds the recoverable amount.

Factors which trigger impairment testing include, but are not limited to, political changes, macroeconomic fluctuations, changes in the Group's strategy, project delays, underperformance, tariff changes and similar. When an asset is constructed, certain assumptions are made about climate-related factors such as irradiation and temperature. Deviations from such assumptions may lead to the underperformance of assets, which, if significant, may be an indicator of impairment. Furthermore, climate-related changes are expected to have a pervasive effect on the energy industry overall which may impact factors such as regulations and the financial viability of our assets in the markets we operate in, and are considered in our impairment testing. Climate-related changes at specific locations, such as extreme weather events, may reduce production and increase maintenance costs and, if pervasive, trigger impairment testing.

Recoverable amount calculations of value-in-use are based on a discounted cash flow model. The future cash flows include a number of estimates and assumptions, including future market conditions and energy prices, discount rates, estimated useful life and others. Climate risks such as more extreme weather and natural disasters, and changes to environmental regulations are accounted for in the discount rates. The estimates are based on the Group's budgets and long-term outlooks approved by management. The recoverable amount is sensitive to changes in discount rate, expected production rates, and demand and price forecasts for power assets with variable income.

The Group monitors changes in government legislation on a continual basis. Legal changes may impact key assumptions in the value-in-use calculations in future periods.

Impairment test – plants in operation

Tests for impairment have been performed for CGUs with mandatory annual tests and the CGUs where impairment indicators have been identified. The recoverable amounts for these units have been determined by estimating the value-in-use of the assets and comparing it against the carrying value of the CGUs.

In 2024, impairment indicators were identified for Scatec's solar power plants in Honduras due to the signing of PPA amendment agreements between Scatec's operating entities and the off taker ENEE. The agreements included a compensation for production in previous years, a 5-year extended PPA period and lower tariff for future periods with effect from 2024. The assets were tested for impairments.

Future cash flows: In line with the PPA amendment agreement the solar power plants in Honduras operate under 25-year reduced feed-in-tariffs (tariff). The estimate includes a 30 year cash flow, and for 5 years after the PPA term, the estimates are based on the PPA tariffs.

Discount rate: The discount rates are based on the weighted average cost of capital (WACC) methodology. The discount rate used in the impairment calculations represents the current market assessment of the risks specific to a group of CGUs, taking into consideration any individual risks of the underlying assets that have not been incorporated into the cash flow estimates. The after-tax discount rate applied in the cash flows is 7.3%. This corresponds to the average pre-tax discount rate of 8.6%.

Sensitivity: The value-in-use calculation is sensitive to changes in the discount rate. Sensitivity analysis shows that a 1% increase in the discount rate would result in an increased impairment charge of NOK 37 million, assuming other factors remained unchanged. The sensitivity analysis is for indicative purposes only.

Impairment: A total impairment charge of NOK 81 million related to solar power plants was recognised.

Since 2022, impairment indicators were identified for Scatec's five solar plants in Ukraine triggered by Russia's invasion and the plants were partially impaired in 2022. As of 31 December 2024 all the power plants owned and operated by Scatec are intact and available in Ukraine. The impairment test has been updated to reflect new information, and three scenarios have been assessed and weighted to arrive at the value-in-use for the solar power plants. No significant events have triggered additional impairment in 2024.

Annual mandatory impairment test - goodwill

The goodwill of the Group mainly relates to the acquisition of SN Power AS in 2021. The goodwill relates to the portfolio of identified project development opportunities and the assembled workforce. Consequently, the goodwill is allocated to and tested for impairment on the global Development & Construction operating segment. During the year, NOK 80 million was allocated to the development portfolio of the Sub-Sahara African hydropower joint venture and is classified as held for sale as of 31 December 2024. The goodwill has been tested for impairment using the following key assumptions and estimates:

Discount rate: Discount rates used in the value-in-use calculation is based on the discount rate before tax. The pre-tax discount rate applied in 2024 is 8.9%.

Future cash flows: The recoverable amount has been determined on the basis of value-in-use calculations. The estimated cash flows correspond to the business plan for a five-year period, which is based on the Group's project backlog and pipeline. The business plan has been approved by the Board of Directors. Cash flows have been calculated on the basis of estimated project volumes and an average margin related to project execution. Cash outflows have been calculated on the basis of budgeted operating expenses attributable to project execution activities. To the best of management's judgement, capital expenditure and changes in working capital are insignificant in relation to this calculation and are therefore excluded. The discounted free cash flows exceed the carrying amount and the asset is not impaired.

Sensitivity: The Group is of the view that no reasonably likely change in the key assumptions listed above would cause the carrying value to materially exceed the recoverable amount for any of the CGUs. An increase in the WACC by 2 percentage point would not lead to an impairment loss.

The Group did not recognise any impairments related to goodwill in 2024 or 2023 as the recoverable amounts exceeded the carrying amount.

Impairment test – development projects

In 2024 Scatec impaired NOK 65 million mainly relates to discontinued development projects, of which NOK 54 million relates to development projects in Vietnam as Scatec is exiting all operations in the country.

Note 11 Goodwill and other intangible assets

Estimation uncertainty
There is considerable estimate uncertainty associated with the value of intangible assets. Please refer to Note 10 Impairment testing for assessment of recoverable amount.

Overview
The Group's goodwill is mainly associated with the acquisitions of SN Power in 2021. The Group had no other intangible assets with an indefinite useful life other than goodwill as of 31 December 2024 and 2023. During the year, NOK 80 million was allocated to the development portfolio of the African hydropower joint venture and is classified as held for sale as of 31 December 2024.

The Group's other intangible assets consist of renewable operating licence, the right to transmit electricity and software. The estimated useful life of intangible assets with a finite lifetime are reviewed on an annual basis, and are amortised over 3 to 25 years.

No impairment charges related to intangible assets were recognised in 2024 and in 2023.

Carrying value of goodwill and other intangible assets

NOK million	Goodwill	Other intangible assets	Total
Accumulated cost at 1 January 2024	367	489	857
Additions	-	28	28
Transfer of assets classified as held for sale	-80	-177	-256
Effect of movements in foreign exchange	34	32	66
Accumulated cost at 31 December 2024	321	373	694
Accumulated amortisation and impairment losses at 1 January 2024	-	139	139
Amortisation for the year	-	18	18
Accumulated amortisation transfer of assets classified as held for sale	-	-38	-38
Effect of movements in foreign exchange	-	16	16
Accumulated amortisation and impairment losses at 31 December 2024	-	134	134
Carrying amount at 31 December 2024	321	239	560
Accumulated cost at 1 January 2023	357	525	882
Additions	-	35	35
Cost of disposed assets	-	-99	-99
Effect of movements in foreign exchange	10	28	38
Accumulated cost at 31 December 2023	367	489	857
Accumulated amortisation and impairment losses at 1 January 2023	-	124	124
Amortisation for the year	-	24	24
Accumulated amortisation and impairment losses disposed assets	-	-19	-19
Effect of movements in foreign exchange	-	10	10
Accumulated amortisation and impairment losses at 31 December 2023	-	139	139
Carrying amount at 31 December 2023	367	350	717
Estimated useful life	N/A	3-25	

Note 12 Lease

Accounting principle
The Group's leases accounted for in accordance with IFRS 16 primarily relate to offices in countries which Scatec operates and land where power production plants are located.

The Group applies the recognition exemptions and recognises the lease payments as other operating expenses in the statement of profit or loss for leases of low value and leases with a lease term of less than 12 months. Future lease payments include fixed lease payments and variable lease payments that depend on an index such as the consumer price index or future events such as power generation. The Group recognises land lease payments that vary with power generation in profit or loss.

Estimation uncertainty
When calculating the lease liability and the right-of-use asset, the discount factor is a significant estimate. In the absence of an identifiable discount rate, implicit in the lease agreement, the discount rate used is the Group's incremental borrowing rate. The incremental borrowing rate has been estimated by each subsidiary on an individual basis. For power producing entities, the interest rate on the non-recourse loans has been central for estimating the incremental borrowing rate. For other subsidiaries, non-secured debt has been used as a benchmark for the discount rate.

Several of the Group's lease agreements contain options to extend the lease agreement beyond the contractual lease term. As the extension period is at the end of the PPA period, it is uncertain whether the option will be exercised for land leases. The Group has evaluated all these options, but it is not reasonably certain that the Group will exercise the options, hence the period covered by these options has not been included in the lease liability. The Group reevaluates the options on a continuous basis.

Reconciliation of movement in right-of-use asset

NOK million	Land	Office & cars	Total
Right-of-use asset at 1 January 2024	201	116	317
Additions	1	8	9
Depreciation for the year	-13	-25	-38
Sale of assets and transfer to held for sale	15	0	15
Effect of movement in foreign exchange and other changes	19	11	30
Right-of-use asset at 31 December 2024	224	109	334

Reconciliation of movement in lease liabilities

NOK million	2024	2023
Lease liability at 1 January 2024	340	313
Lease agreements entered into during the year	9	66
Lease payments made during the year	-48	-48
Interest expense on lease liabilities	26	27
Effect of movement in foreign exchange and other changes	19	-18
Lease liability at 31 December 2024	346	340

Leases in the income statement

NOK million	2024	2023
Operating expenses		
Short term- low value and variable lease payment expenses	-32	-35
Depreciation expenses		
Depreciation of right-of-use assets (land lease)	-13	-13
Depreciation of right-of-use assets (office lease and other)	-25	-25
Total depreciation	-38	-38
Financial expenses		
Interest expense on lease liability	-26	-27
Total lease expense in the income statement	-96	-100

Leases in the statement of financial position

NOK million	2024	2023
Assets		
Right-of-use assets - land lease	224	201
Right-of-use assets - office lease and other	109	116
Total right-of-use assets	334	317
Liabilities		
Non-current liabilities		
Lease liabilities (see Note 17 Other non-current and current liabilities)	320	315
Current liabilities		
Lease liabilities (see Note 17 Other non-current and current liabilities)	26	25
Lease liabilities included in the balance sheet	346	340

The land lease portion of the right-of-use asset is presented under 'power plants' and 'Power plants under development and construction' in Note 9, while the office lease portion of the right-of-use asset is presented under the line 'Other fixed assets'.

Leases in the statement of cash flows

NOK million	2024	2023
Cash flow from operating activities		
Short-term and variable lease payments	32	35
Cash flow from financing activities		
Payments of principal portion on lease liabilities	22	21
Interest paid on lease liabilities	26	27

Maturity analysis – undiscounted contractual cash flows

NOK million	2024	2023
One year	46	47
One to two years	47	62
Two to three years	48	40
Three to four years	43	37
Four to five years	48	35
More than five years	256	278
Total undiscounted lease liabilities	489	499
Lease liabilities included in the balance sheet	346	340

Note 13 Investments in joint venture and associated companies

Accounting principle and estimation uncertainty

A joint venture or associate is an entity over which the Group has joint control or significant influence. The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, an investment is initially recognised at cost or at fair value when acquired through a transaction, and subsequently adjusted for further investments, distributions, and the Group's share of the net income from the associate or joint venture. Refer to Note 1 for preparation, basis for consolidation and key sources of estimation.

Other current assets in the table of "Financial positions for material joint venture and associated companies" include excess values for all JVs excluding Brazil. Excess values mainly relate to water rights, and infrastructure assets in the solar power companies. The estimated useful life of the water rights is reviewed on an annual basis and amortised over the remaining concession period. The excess values, and related amortization, are grossed up on a 100% basis in the tables below according to the values allocated to Scatec's share.

Carrying amounts of joint ventures and associated companies

In 2024 Alunorte entered the Mendubim project in Brazil with a 10% economic interest and Scatec's ownership share fell from 33% to 30%. The Mendubim project has entered into a 20-year fixed price PPA with Alunorte starting on 1 January 2025 for the sale of approximately 60% of the energy from the solar power plant. In 2024, all energy was sold in the merchant market at lower prices compared to the PPA, and Scatec experienced curtailment losses due to grid constraints, which affected the results for 2024. Scatec expects the project financials to improve in 2025.

In 2024 Scatec signed an agreement with TotalEnergies to sell its 51% equity share in the African hydropower joint venture with Norfund and British International Investment. The associated balances of the JV investments are presented as held for sale as per 31 December 2024. Scatec closed the partial sale of the Kalkbult, Linde and Dreunberg solar power plants in 2024, and all assets and liabilities were deconsolidated and Scatec's investment in JVs and associates was recognised at fair value at the transaction date. Excess values of NOK 200 million are identified for investments in JVs and associated companies.

Dividends include refinancing of NOK 324 million of the assets in the Philippines.

Material joint ventures and associated companies

Company	2024	2023
Brazil		
Scatec Solar Brazil BV	50.00%	50.00%
Apodi I Energia SPE S.A	43.75%	43.75%
Apodi II Energia SPE S.A	43.75%	43.75%
Apodi III Energia SPE S.A	43.75%	43.75%
Apodi IV Energia SPE S.A	43.75%	43.75%
Mendubim Holding B.V. [1]	33.33%	33.33%
Mendubim Geração de Energia Ltda. [1]	30.00%	33.33%
Mendubim (I-XIII) Energia Ltda. [1]	30.00%	33.33%
Mendubim Solar EPC Ltda. [1]	33.33%	33.33%
Scatec Solar Solutions Brazil B.V.	50.00%	50.00%
Scatec Solar Brasil Servicos De Engenharia LTDA	50.00%	50.00%
Laos		
Theun-Hinboun Power Company	20.00%	20.00%
Philippines		
SN Aboitiz Power – Magat Inc	50.00%	50.00%
Manila-Oslo Reneweable Enterprise	16.70%	16.70%
SN Aboitiz Power – Benguet Inc	50.00%	50.00%
SN Aboitiz Power – RES Inc	50.00%	50.00%
SN Aboitiz Power – Generation Inc	50.00%	50.00%
Uganda		
Bujagali Energy Ltd.	28.28%	28.28%
SN Power Uganda Ltd.	51.00%	51.00%
Rwanda		
Ruzizi Energy Ltd.	20.40%	20.40%
Norway		
Release Solar AS [2]	68.00%	68.00%
Netherlands		
SN Power Invest Netherlands B.V.	51.00%	51.00%
SN Development B.V.	51.00%	51.00%
Release Management B.V. [2]	68.00%	68.00%
Malawi		
Mpatamanga Hydro Power Ltd.	25.50%	25.50%
SN Malawi B.V.	51.00%	51.00%
South Africa		
Scatec Solar SA 164 (Pty) Ltd.	21.00%	80.70%
Simacel 155 (RF) (Pty) Ltd.	11.55%	44.40%
Simacel 160 (RF) (Pty) Ltd.	11.55%	44.40%
Scatec Solar SA 165 (Pty) Ltd.	21.00%	76.60%
Scatec Solar SA 166 (Pty) Ltd.	12.60%	46.00%

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

Carrying amounts of investments in material joint ventures and associated companies

Country	Carrying value 31 December 2023	Additions/ disposals	Net income from joint venture and associated companies	Dividends	Assets held for sale	Foreign currency translations	Carrying value 31 December 2024
Philippines	6,770	6	472	-795	-	445	6,898
Laos	1,882	1	109	-160	-	217	2,048
Uganda	1,288	-	97	-203	-1,350	167	-
Brazil	1,093	-18	-8	-18	-	1	1,051
Release	1,217	-64	-28	-	-	128	1,254
South Africa	-	186	18	-	-	-4	200
Other	118	-34	55	-	-151	12	-
Total	12,368	77	714	-1,176	-1,501	967	11,451

100% figures of summarised profit and loss for material joint ventures and associated companies

2024

NOK million	Philippines	Laos	Uganda	Brazil	Release	South Africa	Other
Revenues	2,204	1,519	1,294	487	120	823	-9
Operating expenses	-422	-207	-122	-187	-71	-125	-26
Depreciation, amortisation and impairment	-493	-679	-227	-181	-75	-158	-
Operating profit/(loss)	1,289	633	945	120	-27	540	-35
Net financial items	-203	3	-158	-217	-7	-203	376
Profit before income tax	1,087	636	788	-97	-34	336	342
Income tax	-137	-93	2	105	1	-95	-
Profit/(loss) after tax	950	543	790	8	-33	241	342
Scatec's share of profit/(loss) after tax	475	109	223	11	-22	87	173
Elimination of January - September figures for South Africa	-	-	-	-	-	-68	-
Elimination of profit & loss for assets held for sale	-	-	-134	-	-	-	11
Elimination of internal transactions and foreign currency translation	-3	-	7	-19	-6	-1	-128
Net profit/(loss)	472	109	97	-8	-28	18	55

2023

NOK million	Philippines	Laos	Uganda	Brazil	Release	Other
Revenues	1,605	1,258	1,349	352	112	103
Operating expenses	-521	-195	-88	-138	-37	-58
Depreciation, amortisation and impairment	-479	-666	-399	-106	-52	-735
Operating profit/(loss)	605	398	861	108	23	-689
Net financial items	-214	-33	-308	-136	22	171
Profit before income tax	391	365	553	-28	44	-519
Income tax	-87	-52	-34	-8	-20	76
Profit/(loss) after tax	304	313	520	-19	25	-443
Scatec's share of profit/(loss) after tax	152	63	147	-11	17	-220
Elimination of January - October figures for Release	-	-	-	-	10	-
Elimination of profit & loss for assets held for sale	-	-	-	-	-	-
Elimination of internal transactions and foreign currency translation	-	-	24	12	-17	-129
Net profit/(loss)	152	63	171	1	10	-350

100% figures of summarised financial positions for material joint venture and associated companies (standalone basis)

2024

NOK million	Philippines	Laos	Uganda	Brazil	Release	South Africa	Other
Non-current assets	20,141	10,814	10,162	12,129	3,265	3,297	3,371
Current assets	745	305	311	401	939	187	22
Cash and cash equivalents	1,077	216	494	452	292	82	63
Total assets	21,963	11,335	10,966	12,981	4,495	3,566	3,456
Non-current liabilities	7,094	882	5,350	7,074	762	2,079	551
Current liabilities	1,069	218	362	544	945	252	66
Total liabilities	8,164	1,100	5,711	7,618	1,707	2,330	618
Total equity	13,799	10,236	5,255	5,363	2,788	1,235	2,838
Scatec share of equity	6,900	2,047	1,486	1,857	1,896	166	1,454
Loans to joint ventures as investment	10	-	-	194	4	51	88
Other / foreign currency translation	-12	1	-136	-20	-5	4	12
Assets held for sale	-	-	-1,350	-	-	-	-151
Elimination of equity investments	-	-	-	-980	-641	-22	-1,402
Net investment in joint ventures	6,898	2,048	-	1,051	1,254	200	-

2023

NOK million	Philippines	Laos	Uganda	Brazil	Release	Other
Non-current assets	19,241	10,198	9,277	11,200	2,222	2,754
Current assets	625	201	277	741	1,330	44
Cash and cash equivalents	915	696	447	513	533	178
Total assets	20,781	11,094	10,000	12,454	4,086	2,977
Non-current liabilities	6,543	852	5,155	6,072	210	388
Current liabilities	823	833	299	1,219	1,316	30
Total liabilities	7,365	1,685	5,453	7,292	1,525	418
Total Equity	13,416	9,409	4,547	5,163	2,561	2,559
Scatec share of equity	6,708	1,882	1,286	1,798	1,741	1,313
Loans to joint ventures as investment	73	-	-	258	66	61
Other / foreign currency translation	-10	-	2	14	-31	-
Assets held for sale	-	-	-	-	-	-
Elimination of equity investments	-	-	-	-975	-560	-1,255
Net investment in joint ventures	6,770	1,882	1,288	1,093	1,217	118

Note 14 Trade receivables

Trade receivables are recognised for amounts owed by the customer. Accrued income represents contract assets related to energy production in the last month of the year, which is invoiced in January the following year.

In accordance with the expected credit loss (ECL) model, lifetime expected credit loss is recognised on the basis of historical and forward-looking information. Expected credit loss is assessed on an individual instrument basis.

In Honduras, Scatec has historically experienced delays in payments from the state-owned off-taker. In 2024 overdue receivables have decreased following the settlement agreement for the amended PPA reached in the first quarter of 2024. Historically, no receivables have been written off and remaining outstanding amounts are expected to be settled; hence no expected credit loss provision has been recognised.

In 2022 Scatec made an expected credit loss provision in Ukraine reflecting the high uncertainty for future settlement of trade and other receivables related to the period prior to the war. In 2024, all outstanding trade receivables from before the war were settled and the provision related to trade receivables was reversed.

For other jurisdictions in the Group, no expected credit provision has been made.

NOK million	2024	2023
Trade receivables	322	328
Accrued income and other receivables	203	247
Impairment for expected credit loss	-38	-98
Total trade and other receivables	487	478

Ageing of trade receivables at year-end was as follows:

NOK million	Total	Not overdue	Overdue
2024	322	273	49
2023	328	242	86

Scatec also holds NOK 65 million in trade and other receivables related to disposal group held for sale which is not included in the tables above. For details refer to Note 8 Sale of project assets and disposal group held for sale.

Note 15 Cash and cash equivalents

Cash and cash equivalents include bank deposits and monetary items. Total cash include cash in non-recourse and in recourse entities, and NOK 135 million of the cash is restricted relating to proceed accounts, debt service reserve accounts, disbursements accounts, maintenance and insurance reserve accounts and similar. Cash in assets held for sale of NOK 33 million and cash held in JVs and associated companies is not included. As of 31 December 2024, NOK 274 million is related to companies in Ukraine (of which NOK 246 million is cash in power plant companies).

Note 16 Other non-current and current assets

Other non-current assets

NOK million	2024	2023
Other non-current investments	59	154
Other non-current receivables	104	112
Total other non-current assets	163	265

Other current assets

NOK million	2024	2023
Prepayments related to assets under construction	222	635
Receivables from public authorities, prepaid taxes & VAT	353	252
Other receivables and prepaid expenses	332	263
Total other current assets	907	1,150

Note 17 Other non-current and current liabilities

Other non-current liabilities comprise the following:

NOK million	2024	2023
Shareholder loan from co-investors	469	428
Non-current lease liability (ref Note 12)	320	315
Asset retirement obligations (ref Note 9)	480	490
Other long-term liabilities and accruals	124	110
Total other non-current liabilities	1,393	1,343

Other current liabilities comprise the following:

NOK million	2024	2023
Accrued expenses related to assets under development/construction	496	1,400
Public duties other than income taxes	205	89
Accrued payroll	84	74
Current lease liability (ref Note 12)	26	25
Deferred income	16	14
Other current liabilities and accruals	453	459
Total other current liabilities	1,281	2,060

Movement in asset retirement obligations

NOK million	2024	2023
Asset retirement obligation at 1 January	490	475
Additional provision during the year	45	35
Provisions reversed in association with disposals	-109	-52
Unwinding of discount	23	25
Effect of movement in foreign exchange and other changes	30	6
Asset retirement obligation at 31 December	480	490

Accrued expenses relate to accrual of project costs on the construction projects in South Africa, Botswana and Tunisia.

Asset retirement obligations are provided for as the Group considers it a constructive obligation to dismantle and remove a power plant and restore the site on which it is located at a future date. The estimate for the asset retirement cost is capitalised as part of the carrying value of the power plant and depreciated over the useful life. The estimate is reassessed annually for each power plant, based on updates in assumptions and key input data.

Note 18 Legal disputes and contingencies

Estimation uncertainty

The Group is operating in various jurisdictions and is subject to legal disputes and regulatory reviews. Management applies assumptions and judgement to consider all information available when assessing if unfavourable outcomes are probable and when estimating amounts required to settle any obligation. Legal claims are assessed on an individual basis and provisions are recognised if the specific claims give rise to present, probable obligations and the costs can be reliably measured.

Significant disputes and uncertain tax positions

The joint venture in Uganda is subject to a tax investigation by a local tax authority and received tax claims totaling the equivalent of NOK 344 million (at 31 December 2024) on Scatec's proportionate share during the third quarter of 2023. The matter is disputed, and the amount is not included in net income from JVs and associated companies for the year. 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. Furthermore, Scatec has certain tax indemnities under the SN Power share purchase agreement with Norfund.

Reference is made to Scatec's previous communication regarding changes to the PPA in Honduras. In May 2022, a new energy law came into force as introduced by the new government of Honduras. On 31 January 2024, a PPA amendment agreement was signed between Scatec's operating entities in Honduras and the off taker ENEE. The agreement included a compensation for production in previous years, a 5-year extended PPA period and a lower tariff for future periods with effect from 2024. Following the settlement agreement, the overdue receivables in Honduras were reduced, and as of 31 December 2024 the outstanding balance was NOK 52 million.

The Sukkur project in Pakistan was awarded a "costs plus tariff" by the National Electric Power Regulatory Authority (NEPRA) in 2020 and the project reached commercial operation in January 2024. The project has a 25-year PPA with the Central Power Purchasing Agency of Pakistan. The revenue is recorded according to a lower reference tariff and is subject to a "tariff true up" following approval by NEPRA. The tariff true up is a routine process for NEPRA projects and is expected to take approximately 18-24 months. Depending on the conclusion of the process, any differential revenue will be recorded in the period in which approval is granted by the regulator, while an unfavourable outcome may negatively impact the project's economics. Refer to Note 30 Subsequent events for further information.

Scatec has a signed PPA for one of Scatec's pipeline projects in India, and there is ongoing litigation that may impact the project timeline and economics. Furthermore, there are certain milestone commitments for the PPA and the project if backed by a bank guarantee from Scatec ASA of USD 8 million. By the end of the financial year, the process was yet to be concluded and no provision had been made.

Note 19 Financial risks and capital management

Through its business activities Scatec is exposed to the following financial risks:

- Liquidity risk
- Market risk (currency risk and interest rate risk)
- Credit risk

Liquidity risk and capital management

Liquidity risk is the risk that Scatec will not be able to meet its financial obligations when due. The Group manages liquidity risk through the regular review of future commitments, cash flows from operations, and credit facilities. Scatec's liquidity risk depends on the financial performance of operating assets in the portfolio and future growth opportunities.

New regulations and shift in global financing towards green investments may impact Scatec's ability, and terms, in obtaining financing in future periods.

Scatec's capital management is designed to effectively manage liquidity risk and ensure reliable access to capital. Scatec's operations are funded to generate shareholder value through profitable and sustainable growth.

Non-recourse financing
Renewable energy companies are predominately financed by equity from Scatec and co-investors and non-recourse loans from project lenders.

The companies are ring-fenced and the security provided, and the repayment of loans is only based on the project assets and revenue. The Group's book value of the pledged power plants is NOK 22,004 million (20,710) as of 31 December 2024.The financing has a clearly defined and limited risk profile and there is no obligation for project equity investors to contribute additional funding in the event of a default.

Free cash flows after debt service are distributed from the power plant companies to Scatec, and to any other project equity investors in accordance with the shareholding and the terms of the finance documents. The aim is to distribute all excess cash in the SPVs to maintain liquidity and manage capital at the corporate level. In some of the countries where Scatec operates, the respective government has imposed regulations on the repatriation of funds from the country. This may halt or delay the flow of funds between Group companies under certain circumstances. Scatec seeks to minimise such risk by assessing the relevant jurisdictions and regulations and adapting accordingly.

Please refer to Note 23 Non-recourse financing for overview of such financing in the Group, including covenants.

Corporate financing
External funding on the corporate level includes various funding sources to reduce dependency on a single bank and to optimise the capital structure and liquidity in the Group. This includes equity and corporate financing such as:

- Listed unsecured bonds and financing not pledged for collateral
- Secured financing in the form of Term loans
- Credit facilities used to maintain flexibility in funding by maintaining availability under committed credit facilities. The Group has available funding through the USD 180 million Revolving Credit Facility (RCF) and the USD 5 million Overdraft Facility. As of 31 December 2024, Scatec had not drawn on the facilities.

As disclosed in the Note 24 Trade payables and supplier finance, the Group has financial arrangements in place with some of the corporate banks that offer extended payment terms related to supply of components of property, plant and equipment for the projects under construction from selected suppliers. The suppliers receive payments according to the payment terms of the invoices, and Scatec settles the invoices with the issuing bank up to 150 days later.

Other interest-bearing liabilities
Other interest-bearing liabilities include liabilities where corporate guarantees are provided from Scatec ASA as security backing our obligations.

Maturity of principal payment and interest on financial liabilities held by the Group as of balance sheet date

NOK million	2024			
	Within 1 year	1-2 years	3-5 years	More than 5 years
Corporate financing	2,716	890	7,286	-
Non-recourse financing	3,222	2,245	6,611	25,661
Other interest bearing liabilites	527	-	-	-
Shareholder loan from non-controlling interests	-	-	188	555
Trade and supplier finance	481	-	-	-
Lease liabilities	46	47	139	256
Total	6,992	3,182	14,224	26,472

NOK million	2023			
	Within 1 year	1-2 years	3-5 years	More than 5 years
Corporate financing	1,564	4,600	5,612	-
Non-recourse financing	2,596	2,455	7,091	20,717
Other interest bearing liabilites	-	247	-	-
Shareholder loan from non-controlling interests	30	12	168	370
Trade and supplier finance	294	-	-	-
Lease liabilities	47	62	112	278
Total	4,531	7,376	12,983	21,365

For information about the Group's financial liabilities including maturity, refer to Note 22 Financing, Note 23 Non-recourse financing, Note 25 Guarantees, Note 12 Leases and Note 24 Trade payables and supplier finance.

Market risk
Scatec is exposed to foreign currency risks and interest rate risks arising from financial instruments.

Currency risk
Scatec operates internationally and is subject to currency exposure when transactions and monetary balances are denominated in currencies other than the functional currency.

For the Group's operating entities, currency risk is managed on the basis of the functional currency and expected cash flows. This is achieved through the set-up of the SPVs with natural hedges where non-recourse financing, revenue and other transactions are to a large extent denominated in the same currency. Construction revenues, cost of sales and gross profit may be denominated in different currencies. Currency risk is reduced by using multi-currency construction contracts as a natural hedge of cost of sales or foreign exchange derivative contracts to hedge currency exposure.

The Group is exposed to currency fluctuations that impact dividend distributions from the operating companies and dividend payment to the shareholders of the parent company. The general policy of the Group is not to hedge foreign currency exposure on distributions from the operating companies.

The sensitivity analysis shows the profit and loss effect of revaluation of balances in foreign currency due to changes in currencies that the Group is exposed to. The sensitivities have been calculated on the basis of what Scatec views as reasonably possible changes in the foreign exchange rates for the coming year and net consolidated balances in different currencies as of 31 December 2024.

Profit and loss impact of a 5% increase in the currency rate against NOK

NOK million	2024	2023
EUR - Net gain/(loss) (5%)	-56	-63
ZAR - Net gain/(loss) (5%)	-14	-25
UAH - Net gain/(loss) (5%)	-10	-3
MYR - Net gain/(loss) (5%)	-7	-6
EGP - Net gain/(loss) (5%)	-7	-7
USD - Net gain/(loss) (5%)	21	18

Interest rate risk

Scatec is exposed to interest rate risks through funding and cash management activities. The interest rate risk management objective is to minimise borrowing costs and keep the volatility of future interest payments at an acceptable level. The Group manages its interest rate risk either by using long-term financing at fixed rates or using floating to fixed interest rate swaps subject to hedge accounting for either parts or full exposure of external loans. For details refer to Note 21 Derivative financial instruments for overview of derivatives entered into in the Group.

Based on the Group's current interest-bearing debt portfolio, the interest rate hedge ratio (weighted average) is approximately 69% (63%) for the non-recourse project level debt.

For corporate debt, the hedge ratio has increased from 17% in 2023 to 36% in 2024 due to entering into the cross-currency fixed interest rate swap for the bond issued during the year. For details refer to Note 22 Corporate financing.

Profit and loss impact before tax of one percentage point increase in the interest rates on unhedged debt

NOK million	2024	2023
Percentage change	1%	1%
Net gain/(loss)	-74	-71

The impact on the profit and loss of an increase in the interest rate of one percentage point would result in a gain or loss of NOK 74 million (71).

Credit risk

Credit risk is the risk that Scatec's customers or counterparties will cause financial loss by failing to meet their obligations. The Group is exposed to third party credit risk in several instances, including off-take partners who have committed to buying electricity produced by or on behalf of the Group, suppliers and/or contractors who are engaged to construct or operate assets held by the Group, property owners who are leasing land to the Group, banks providing financing and guarantees of the obligations of other parties, insurance companies providing coverage against various risks applicable to the Group's assets, and other third parties who may have obligations towards the Group.

Most of the electric power generated in the Group's current portfolio of projects in operation or under construction is, or will be, sold under long-term off-take agreements with public utilities or other partners, or under Feed-in Tariff ("FiT") arrangements, Power Purchase Agreements (PPAs) or similar support mechanisms governed by law. The majority of these projects are supported by government guarantees or have obligations regulated by law. However, there is still a risk of legislative or other political action that may impair their contractual performance.

The Group's main credit risks arise from credit exposures with accounts receivables and deposits with financial institutions. All major deposits and investments with financial institutions are kept with entities that have a minimum international credit rating from S&P of at least A- or equivalent.

Theoretically, the Group's maximum credit exposure is the statement of financial position carrying amounts of financial loans and receivables as well as cash and cash equivalents as disclosed in note 20 Financial instruments.

Refer to Note 14 Trade receivables for information on the expected credit loss provision related to trade receivables.

Note 20 Financial instruments

Accounting principle

The classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group's financial assets at amortised cost mainly include receivables and cash and cash equivalents. Financial assets at amortised cost are subsequently measured by using the effective interest (EIR) method and are subject to impairment assessment. See Note 14 for accounting policy and the ECL approach on trade receivables.

All financial liabilities are initially recognised at fair value, in the case of loans and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, interest bearing loans including bank overdrafts and derivative financial instruments. A financial liability is derecognised when the obligation is discharged, cancelled or expires After initial recognition, interest-bearing loans are subsequently measured at amortised cost by way of the EIR method. The EIR amortisation is included as finance costs in the statement of profit or loss.

The Group's financial assets and liabilities at fair value through OCI include effective cash flow hedges related to interest rate swaps on external debt and foreign exchange forward contracts.

Estimation uncertainty

Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on the observable yield curves (level 2). The fair value of foreign exchange derivative is calculated as the present value of the difference between the fixed forward rate and the spot rate at the balance sheet date (level 2). During the reporting period ending 31 December 2024, there were no transfers between the fair value levels. Refer to Note 21 Derivative financial instruments for details.

There are no significant differences between the total carrying value and the fair value for financial instruments measured at amortised cost.

Financial instrument by measurement category

NOK million	Measurement category	2024	2023
Assets			
Debt instruments			
Trade receivables	Amortised cost	487	478
Other debt instruments and receivables	Amortised cost	233	312
Cash and cash equivalents	Amortised cost	3,890	3,101
Derivatives			
Interest rate swap	Fair value through OCI	360	315
Foreign exchange forward contracts	Fair value through OCI	41	-
Total financial assets		5,011	4,206
Total current		4,536	3,728
Total non-current		475	478
Liabilities			
Interest bearing loans and borrowings			
Corporate financing	Amortised cost	8,878	9,079
Non-recourse financing loans	Amortised cost	18,829	16,957
Other interest bearing liabilities	Amortised cost	500	247
Trade payables and supplier finance	Amortised cost	481	294
Shareholder loan from non-controlling interests	Amortised cost	469	428
Lease liability	Amortised cost	346	340
Derivatives			
Interest rate swap	Fair value through OCI	213	179
Foreign exchange forward contracts and cross-currency interest rate swaps	Fair value through OCI	274	41
Total financial liabilities		29,989	27,564
Total current		5,120	3,670
Total non-current		24,870	23,894

Changes in liabilities arising from financing activities

NOK million	2024	2023	2024	2023	2024	2023	2024	2023
	Corporate financing		Non-recourse financing		Other interest-bearing liabilities		Shareholder loan	
Opening balance at 1 January	9,079	7,987	16,957	15,260	247	462	428	708
Cash movements during the year								
Proceeds	1,702	713	3,953	6,038	212	-	34	45
Repayment	-2,615	-110	-1,649	-1,818	-	-247	-51	-12
Interest paid[1)]	-842	-630	-1,620	-1,388	-	-16	-35	-44
Non- cash movements during the year								
Accrued interest expense1[)]	924	796	1,746	1,588	18	19	37	50
Disposal and reclassified to held for sale	-	-	-337	-2,803	-	-	-	-22
Deconsolidated and classified as JV	-	-	-1,747	-	-	-	-	-
Reclassified to equity	-	-	-	-	-	-	-	-329
Foreign exchange movements	629	324	1,525	80	23	29	56	32
Closing balance at 31 December	8,877	9,079	18,829	16,957	500	247	469	428

1) Interest paid and accrued interest include capitalised borrowing cost

Refer to Note 12 Lease for movement in lease liabilities and note 24 Trade payables and supplier finance for information about supplier finance arrangements

Note 21 Derivative financial instruments

Derivatives

The Group uses derivative financial instruments to hedge certain risk exposures. Derivative financial instruments entered into include:

- receive fixed, pay variable interest rate swaps to hedge the interest rate risks related to non-recourse financing of renewable power production plants and for parts of the corporate debt
- cross-currency interest rate swap to hedge corporate debt denominated in NOK where the principal amount in NOK is swapped to USD and reference rate is swapped from NIBOR to SOFR to hedge the risk of fluctuations in the USD/NOK exchange rate and the underlying interest rates
- cross-currency interest rate swap to hedge corporate debt denominated in NOK where the principal amount in NOK is swapped to USD and variable interest rate is swapped to fixed to hedge the interest rate risks
- foreign exchange derivative contracts to hedge the risk related to financing and CAPEX denominated in foreign currencies for projects under construction

Hedge accounting

Interest rate swaps and cross-currency interest rate swaps

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The effective portion of cash flow hedges is recognised in OCI and later reclassified to profit or loss when the underlying hedged item affects profit or loss.

The Group applies hedge accounting only for cash flow hedges that meet the criteria in IFRS 9. This includes the interest rate swaps and the cross-currency interest rate swaps. Such hedges are expected to be highly effective in achieving offsetting changes in the expected cash flows and are assessed on an ongoing basis to determine whether they have actually been highly effective throughout the financial reporting periods for which they were designated.

Foreign exchange derivatives

Foreign exchange derivatives consist of USD/ZAR currency forward contracts related to the power plants under construction in South Africa, to mitigate currency exposure on equipment purchases denominated in USD. The foreign exchange derivatives are initially recognised in the statement of financial position at fair value. The forecast transaction subsequently results in the recognition of a non-financial item (property, plant and equipment), as such the carrying value of that item is adjusted for the gains or losses on the hedging instrument accumulated in the cash flow hedge reserve in equity. This adjustment is made through a direct transfer from the cash flow hedge reserve in equity to that hedged item once it is recognised in the statement of financial position.

Derivative financial assets and liabilities

The tables show the market value of the derivatives for the year ending 2024 and 2023, carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The derivative financial instruments are presented on a gross basis in the consolidated statement of financial position, since the Group did not have the legal right to offset these cash flows.

NOK million	2024	2023
Interest rate swap contracts		
Current portion	24	16
Non-current portion	336	299
Total interest rate swap contracts - financial assets	360	315
Foreign exchange contracts		
Current portion	12	-
Non-current portion	29	-
Total Foreign exchange contracts - financial assets	41	-
Total derivative financial assets	401	315

NOK million	2024	2023
Interest rate swap contracts		
Current portion	60	7
Non-current portion	153	172
Total Interest rate swap contracts - financial liabilities	213	179
Foreign exchange contracts		
Current portion	4	34
Non-current portion	270	7
Total Foreign exchange contracts - financial liabilities	274	41
Total derivative financial liabilities	488	219

Interest rate swaps by country

NOK million		2024		
Country	Notional amount (NOK million)	Fixed rate	Floating reference rate	Maturity
Norway	1,352	0.40%	USD SOFR Compounded	2025
Norway	1,750	3.87%	3-months USD SOFR	2028
South Africa	5,429	7.42%-9.78%	3-month JIBAR	2025-2029
Egypt	2,485	2.15%	USD SOFR Compounded	2041
Malaysia	204	2.95%	6-month KLIBOR	2028
Botswana	379	3.78%-4.27%	USD SOFR Compounded	2044-2045

NOK million		2023		
Country	Notional amount (NOK million)	Fixed rate	Floating reference rate	Maturity
Norway	1,374	0.40%	3-month USD LIBOR	2025
South Africa	3,308	8.40%-9.78%	3-month JIBAR, 1-month JIBAR	2025-2041
Egypt	2,369	2.15%	USD SOFR Compounded	2041
Malaysia	191	2.95%	6-month KLIBOR	2028

In 2024, Scatec entered into a cross-currency fixed interest rate swap contract for the unsecured NOK 1,750 million bond in which the principal was swapped to USD 164 million, and the interest payments based on NIBOR rates were swapped to fixed SOFR rates.

In 2023, Scatec entered into a cross-currency swap for the NOK 1 billion senior unsecured Green Bond which was swapped to USD 97.5 million and the interest reference rate was swapped from NIBOR to SOFR to hedge the risk of fluctuations in the USD/NOK. The swap matures in 2027.

Reconciliation of hedging reserve

NOK million	2024	2023
Opening balance	98	291
Amount reclassified from OCI to profit or loss, gross	97	-125
Amount reclassified from OCI to profit or loss, tax effect	-23	28
Unrealised gain/(loss) during the year	-68	-125
Unrealised gain/(loss) during the year, tax effect OCI	14	37
Hedge reserves in disposed entities and currency effects	-2	-8
Closing balance	116	98
Of which equity holders of the parent company	30	34

Note 22 Financing

Corporate financing

Bonds

On 31 January 2024, Scatec ASA announced the issuance of a NOK 1,750 million 4-year senior unsecured bond with a coupon of 3 months NIBOR + 4.25% p.a. with quarterly interest payments. DNB Markets, Nordea and SpareBank 1 Markets acted as Joint Lead Managers in connection with the placement of the new bond issue. The bond has maturity in Q1'28 and was listed on the Oslo Stock Exchange in Q2'24. With the new bond, Scatec has entered into a cross-currency fixed interest rate swap contract in which the principal of NOK 1,750 million was swapped to USD 164 million, and the interest payments based on NIBOR rates are swapped to fixed SOFR rates.

On 1 February 2024, Scatec ASA announced the buy-back of EUR 136 million of the outstanding EUR 250 million senior unsecured bond with ticker "SCATC03 ESG" (ISIN NO0010931181). Following the transactions, the total nominal outstanding amount is EUR 114 million as of 31 December 2024. The listed EUR Green Bond has a coupon rate of 3M EURIBOR + 2.5 % margin. Refer to Note 30 Subsequent events for refinancing details after year-end 2024.

On 10 February 2023, Scatec ASA issued NOK 1 billion of new senior unsecured green bonds to refinance USD 93 million of the Bridge-to-Bond facility Interests are paid on a quarterly basis, with no repayments of principal before maturity. The bonds have maturity in February 2027 with a coupon rate of 3m NIBOR + 660 bps. With the bond, Scatec ASA 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 were swapped to SOFR-based rates.

Corporate financing facilities

On 25 January 2024, Scatec ASA agreed refinancing terms with DNB, Nordea and Swedbank for its USD 150 million green term loan, with USD 120 million outstanding as of 31 December 2024. Both green term facilities are amortised through semi-annual repayments of USD 7.5 million (USD 150 million) and USD 5 million (USD 100 million) with final maturity in the fourth quarter of 2027.

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

Vendor financing facility

As of 31 December 2024, USD 200 million Vendor Financing provided by Norfund with maturity in 2028 was outstanding. This related to the acquisition of SN Power in the first quarter of 2021. USD 30 million of the Vendor Financing facility falls due in June 2025 and is classified as current liabilities as of 31 December 2024.

Green Revolving credit facility

The existing USD 180 million Revolving Credit Facility (RCF), provided by Nordea Bank, DNB, Swedbank and BNP Paribas, was extended in 2024 with maturity in 2027. The facility is a Multi Currency Facility and can be drawn in any currency agreed with the banks. Scatec had not drawn on the facility as of 31 December 2024.

Overdraft facility

Scatec had not drawn on the USD 5 million overdraft facility with Nordea as of 31 December 2024 and 31 December 2023.

Covenants

Bonds and corporate financing facilities are subject to the following financial covenants:

- Minimum liquidity ratio for the parent company and recourse group calculated as the sum of free cash and available undrawn credit facilities.
- Maximum debt to capitalisation ratio for the recourse group, calculated as gross debt, excluding Vendor financing and any permitted EPC financing (PowerChina debt), divided by the total capital of the recourse group, which includes gross debt and book equity.
- Interest coverage ratio is calculated as Cash Flow to Equity divided by the net interest costs of the Recourse Group.

Covenants are tested at the end of each quarter. There is no indication that the Group will have difficulty complying with these covenants within 12 months of the reporting date. As of 31 December 2024 and as of 31 December 2023, Scatec was in compliance with all financial covenants for the above facilities.

Other interest-bearing liabilities

As of 31 December 2024, Scatec had NOK 500 million as current Other interest-bearing liabilities. PowerChina Guizhou Engineering Co ("PowerChina") have provided a construction loan to Scatec for the Progressovska power plant in Ukraine and Scatec has provided a corporate and bank guarantee to PowerChina in support of this obligation. The last tranche, NOK 272 million (EUR 23 million, including interest) will be paid in 2025.

In 2024 one of Scatec's operating entities in Egypt made a USD 20 million draw down (equivalent to NOK 227 million as of 31 December 2024) on an Equity Bridge loan provided by EBRD in relation to the Egypt Green Hydrogen project. Scatec ASA has provided a corporate guarantee for its share in support of the obligation and it is classified as current other interest-bearing liabilities at year-end 2024. The facility is due in 2025. Scatec has no other recourse financing arrangements. Refer to Note 25 Guarantees and commitments for further details

Overview of Corporate Financing

Corporate financing	Currency	Denominated currency value (million)	Maturity	Carrying value 31 December 2024 (NOK million)	Carrying value 31 December 2023 (NOK million)
Green Bond EUR (Ticker: SCATC03 NO0010931181)	EUR	114	Q3 2025	**1,343**	2,793
Green Bond NOK (Ticker: SCATC04 NO0012837030)	NOK	1,000	Q1 2027	**992**	989
Green bond NOK (Ticker: SCATC05 NO0013144964)	NOK	1,750	Q1 2028	**1,727**	-
Total unsecured bonds				**4,062**	3,782
USD 150 million Green Term Loan	USD	120	Q4 2027	**1,352**	1,374
USD 100 million Green Term Loan	USD	90	Q4 2027	**1,013**	1,008
Total secured financing				**2,364**	2,383
Vendor financing (Norfund)	USD	200	Q1 2028	**2,270**	2,038
Total unsecured financing				**2,270**	2,038
Revolving credit facility	USD	180	Q3 2027	**-**	713
Overdraft facility	USD	5		**-**	-
Total secured back-stop bank facilities				**-**	713
Total principal amount				**8,696**	8,915
Accrued interest				**182**	164
Total corporate financing				**8,878**	9,079
Of which non-current				**6,729**	7,947
Of which current				**2,150**	1,132

Note 23 Non-recourse financing

See Note 20 Financial instruments for accounting principle for financial liabilities recognised at amortised cost.

The table below specifies non-recourse financing as of 31 December 2024 and 2023. The rate of interest is a calculated average per portfolio. Most of the loans are fixed or swapped to fixed rate interests, see Note 19 Financial risk management.

NOK million	Interest rate	Maturity date	2024	2023
South Africa - Kenhardt	11.72%	2041	**7,705**	6,969
South Africa - Grootfontein	10.29%	2045	**2,304**	237
South Africa - Mogobe	9.27%	2036	**446**	-
Egypt - Benban	5.21%	2041	**3,217**	3,074
Malaysia - QSP (Semenanjung)	6.00%	2035	**1,760**	1,656
Malaysia - Red Sol	4.48%	2028	**243**	236
Ukraine	7.74%	2029	**736**	868
Pakistan	11.71%	2037	**681**	637
Jordan	6.47%	2032	**644**	639
Tunisia	4.03%	2043	**447**	-
Botswana	7.00%	2044	**402**	-
Czech Republic	4.90%	2029	**245**	284
South Africa - Kalkbult, Linde and Dreunberg	-	-	**-**	1,711
Vietnam	-	-	**-**	345
Honduras - Agua Fria	-	-	**-**	302
Total non-recourse financial liabilites			**18,829**	16,957
Of which non-current non-recourse financial liabilities			**16,929**	15,026
Of which current non-recourse financial liabilities			**1,623**	1,669
Of which accrued interest expense			**277**	262

Repayment structure

NOK million	Loan repayment	Interest payment	Total
2025	1,623	1,599	3,222
2026	617	1,628	2,245
2027	616	1,583	2,199
2028	858	1,543	2,401
2029	607	1,405	2,012
2030	640	1,362	2,002
2031	727	1,319	2,046
2032	791	1,270	2,060
2033	918	1,211	2,129
2034	1,154	1,128	2,282
2035	1,228	1,026	2,254
2036	1,178	913	2,091
2037	1,332	786	2,118
2038	1,304	658	1,962
2039	1,392	528	1,920
2040	1,194	394	1,588
2041	1,427	251	1,678
2042	388	139	527
2043	367	90	458
2044	268	51	319
2045	210	16	226
Total future loan repayment	18,839	18,901	37,740

Scatec also holds NOK 337 million in non-current and NOK 17 million in current non-recourse project financing related to disposal group held for sale which is not included in the tables above. For details refer to Note 8 Sale of project assets and disposal group held for sale.

Covenants

Under the terms of the non-recourse financing agreements, Scatec is required to comply with several financial and non-financial covenants in different countries at the end of each annual and/or interim period. The key financial covenants include:

- Historic and projected debt service coverage ratios (DSCR)
- Debt service reserve account (DSRA) levels that Scatec is required to maintain equal to several months of revenues following the covenant reporting period
- Debt service reserve account (DSRA) covering the next debt repayment
- Equity ratio
- Debt to equity ratio
- Loan life cover ratio
- Current ratio

For four of the five companies operating in the Czech Republic, the non-recourse financing agreements include a cross-default clause within the Czech group.

The agreements also contain restrictions on, inter alia, hedging policies, new activities and consents, amendments to the key agreements and insurance policies, pledges and guarantees, financial indebtedness and giving financial support, capital expenditures, and changes of shareholder structure and auditors, as well as several undertakings related to budgets, and financial and operational reporting.

Ukraine

The current non-recourse debt as of 31 December 2024 includes NOK 736 million in non-recourse debt in Ukraine. All of Scatec's power plant companies in Ukraine with non-recourse financing are in breach of several covenants in the loan agreements as of 2024 and non-recourse debt is presented as current non-recourse project financing. Scatec has continuous and constructive dialogue with the lenders and the parties have agreed on a non-formalised "stand still". Loan repayments are based on cash availability but classified as current with maturity date of principal payments in 2025 in the repayment structure table. It is expected that Scatec's power plant companies in Ukraine will be in breach of several covenants in the foreseeable future.

Pakistan

The Sukhur project in Pakistan was awarded a "costs plus tariff" by the National Electric Power Regulatory Authority (NEPRA) in 2020. Revenue is recorded on a basis of a lower reference tariff and is subject to a "tariff true up" following approval by NEPRA. The process is expected to take approximately 18-24 months. Due to lower revenues during the tariff true up process, Scatec's power plant companies in Pakistan faced a risk of non-compliance with applicable bank covenants. Scatec has agreed on a waiver until the project completion date which will occur after the tariff true up process is finalised. Non-recourse financing in Pakistan is classified as non-current at year-end.

Except for the power plant companies mentioned above, there are no indications that Scatec will have difficulties complying with the covenants for its consolidated entities when they are be next tested.

However, unforeseen events impacting the financial performance of the operating entities may occur as Scatec's financial performance to a large degree relies on government adherence to contractual obligations and various laws and regulations. Further, Scatec is subject to political risk, including expropriation, changes in tax regulations, capital restrictions, financial stability and civil unrest in the countries in which it operates.

Note 24 Trade payables and supplier finance

NOK million	2024	2023
Trade payables	114	95
Trade payables that are part of supplier finance arrangements	367	199
Total trade and other payables	481	294

The Group has agreed financial arrangements with the corporate banks, offering extended payment terms related to supply of components for property, plant and equipment to projects under construction, from selected suppliers.

Trade and other payables balance as of 31 December 2024 includes documentary credits (supplier finance arrangements) that are issued to the suppliers through Scatec ASA's banking group (Nordea and DNB) as part of working capital management during construction. Suppliers receive payments by drawing on the documentary credits in accordance with the invoice payment terms (normally 60 days). Scatec settles the invoices with the issuing banks 150 days later. The documentary credits carry interest rates based on SOFR plus an agreed margin. The total interest expense in 2024 was NOK 10 million. There were non-cash transfers from supplier trade payables to payables to banks of NOK 286 million in 2024.

NOK million	2024
Carrying amount of trade payables that are part of a supplier finance arrangement	367
Of which suppliers have received payment	262

Note 25 Guarantees and commitments

Guarantee exposure

The amounts specified below are total exposure on guarantees issued by Scatec ASA reflecting the maturity profile. The majority of the guarantees are issued on behalf of consolidated entities, except as specified in the table below. The fair value of the guarantees is immaterial on a consolidated basis; hence no liability is recognised.

NOK million	31.12.2024	31.12.2025	31.12.2026	31.12.2027
Bid Bonds	244	233	233	233
SPV Performance / Commitments	664	427	301	273
Equity commitment	951	419	138	138
Performance Guarantees (EPC)	983	306	-	-
Warranty Guarantees (EPC)	529	429	23	-
Other Payment Guarantees	490	14	14	14
O&M Performance (3rd Party)	27	27	-	-
Total	3,888	1,855	709	658

Guarantees

For projects under development, Scatec is often required to issue Bid Bonds to secure commitment during the submission of project bids.

SPV performance and commitment guarantees are issued to cover certain obligations under PPAs and implementation agreements. These obligations are connected to project performance where Scatec is in control and hold the O&M and the asset management agreements.

Equity commitments includes security for equity commitments in project companies during construction where project lenders disburse debt before equity is injected. Equity commitments also include debt service reserve guarantees replacing cash reserves in project companies.

EPC performance guarantees cover contractual obligations under the construction phase and typically represents 10%-15% of the contract value. Warranty Gurantees typically represent 2.5%-5% of the contract value and are issued to secure operational performance for the first two years of operation.

Scatec provides other payment guarantees to support for the drawn Equity Bride loan (EBL) in Egypt and construction loan in Ukraine, refer to note 22 Financing.

Guarantee facilities

The guarantees issued by Scatec ASA are issued under the Guarantee Facility Agreement (GFA) with Nordea Bank as agent, and Nordea Bank, BNP Paribas, Swedbank and DNB as guarantee instrument lenders.

Export Finance Norway (Eksfin) normally covers the guarantees issued under the GFA. Eksfin can issue counter indemnity of 50% in favor of the issuing banks. Per 31 December 2024, Scatec was in compliance with all covenants in the GFA.

In addition to the GFA, Scatec has guarantee facilities with Standard Bank South Africa, Lombard Insurance Company in South Africa and First Randbank in South Africa. These facilities are used mostly to cover short-term bid bonds and some SPV performance obligations. Scatec has also negotiated agreements with four European insurance companies providing sureties. None of these are currently in use.

Note 26 Consolidated subsidiaries

The consolidated financial statement of Scatec comprises more than 200 legal companies controlled by Scatec ASA. The following table includes material consolidated subsidiaries, including material holding companies. Consolidated economic interests correspond to the voting interests if not otherwise stated. For subsidiaries of the ultimate parent's subsidiaries, the economic interests stated are the mathematically indirect consolidated economic interests. For information on associated companies and joint venture companies, refer to Note 13 Investments in JV and associated companies.

Company	Economic interests 2024
Norway	
SN Power AS	100.00%
Netherlands	
Scatec Solar Netherlands BV	100.00%
Czech Republic	
Scatec Solar s.r.o.	100.00%
Signo Solar PV1 s.r.o.	100.00%
Signo Solar PP01 s.r.o.	100.00%
Signo Solar PP02 s.r.o.	100.00%
Signo Solar PP04 s.r.o.	100.00%
FVE Sulkov 3, s.r.o.	100.00%
Poland	
Scatec Solutions Poland SP. Z.o.o.	100.00%
PV Konin SP. Z.o.o.	100.00%
Ukraine	
Scatec Solar Solutions Ukraine LLC	100.00%
Chysta Energhiaa 2011 LLC	60.00%
Boguslav Energy LLC	100.00%
Greenteco SES LLC	100.00%
Rengy Bioenergy LLC	51.00%
PV Progressovka Alpha LLC	100.00%
PV Progressovka Beta LLC	100.00%
PV Progressovka Gamma LLC	100.00%
Jordan	
Scatec Solar Jordan (EPC)	100.00%
Scatec Solar AS/ Jordan PSC	100.00%
Anwar Al Ardh For Solar Energy Generation PSC	50.10%
Ardh Al Amal For Solar Energy Generation PSC	50.10%
Tunisia	
Scatec Solar Tunisia Management Services SARL	100.00%
Scatec Solar Tunisia Operations SARL	100.00%
Scatec Solar Tunisia Constructions SARL	100.00%
Scatec Tozeur PV Power Sarl	51.00%
Scatec Sidi Bouzid Mezzouna PV Power	51.00%
Egypt	
Scatec Solar Solutions Egypt LLC	100.00%
Aswan PV Power SAE	51.00%
Daraw Solar Power SAE	51.00%
Kom Ombo Renewable Energy SAE	51.00%
Red Sea Solar Power SAE.	51.00%
Upper Egypt Solar Power	51.00%
Zafarana Power SAE	51.00%
Egypt Green Hydrogen SAE	46.20%
EGH for Renewable Energy SAE	56.30%
Egypt Green Ammonia SAE	100.00%
Damietta Green Ammonia SAE	75.00%
Obelisk Solar Power SAE	100.00%
South Africa	
Scatec Solar Africa (Pty) Ltd	100.00%
Scatec Solar Management Services (Pty) Ltd	100.00%
Scatec Solar SA 163 (Pty) Ltd.	92.00%
Scatec Solar SA (pty) Ltd.	100.00%
Scatec Hybrid EPC (Pty) Ltd	75.00%
Scatec Kenhardt 1 (Pty) Ltd	51.00%
Scatec Kenhardt 2 (Pty) Ltd	51.00%
Scatec Kenhardt 3 (Pty) Ltd	51.00%
Scatec R5 Construction (Pty.) Ltd.	75.00%
Scatec R5 Operations (Pty.) Ltd.	51.00%
Grootfontein PV1 (RF) (Pty) Ltd	51.00%
Grootfontein PV2 (RF) (Pty) Ltd	51.00%
Grootfontein PV3 (RF) (Pty) Ltd	51.00%
Mogobe BESS (Pty) Ltd	51.00%
Scatec Renewable EPC (Pty) Ltd	75.00%
Scatec Renewable Operations (Pty) Ltd	100.00%
Botswana	
Scatec Operations Botswana (Pty) Ltd	100.00%
Selebi Phikwe Solar Proprietary Limited	100.00%
Mmadinare Solar Proprietary Limited	100.00%
Brazil	
Scatec Brasil Renováveis Ltda	100.00%
Aruna Energias Renováveis Ltda.	100.00%
Hélios Energias Renováveis Ltda.	100.00%
Fênix Energias Renováveis Ltda.	100.00%
Hinata Energias Renováveis Ltda.	100.00%
Urucuia EPC Solar Ltda.	100.00%
Honduras	
Scatec Solar Honduras SA	100.00%
Energias Solares S.A.	70.00%
Fotovoltaica Los Prados S.A.	70.00%
Fotovoltaica Surena S.A.	70.00%
Generaciones Energeticas S.A.	70.00%
Produccion de Energia Solar y Demas Renovables S.A DE C.V (Agua Fria)	40.00%

Company	Economic interests 2024
Malaysia	
Scatec Solar Solutions Malaysia Sdn Bhd	100.00%
Quantum Solar Park (Kedah) Sdn Bhd [1)]	100.00%
Quantum Solar Park (Melaka) Sdn Bhd [1)]	100.00%
Quantum Solar Park (Terengganu) Sdn Bhd [1)]	100.00%
Quantum Solar Park Semenanjung Sdn Bhd [1)]	100.00%
Redsol Sdn Bhd	100.00%
Philippines	
SN Power Philippines Inc.	100.00%
India	
Scatec Renewables India Private Ltd	100.00%
Scatec India Renewables One Private Limited	100.00%
Scatec India Renewables Two Private Limited	100.00%
Pakistan	
Helios Power Ltd	75.00%
HNDS Energy Ltd	75.00%
Meridian Energy Ltd	75.00%
Scatec Solar Pvt Ltd (Pakistan)	100.00%
Vietnam	
Scatec Solar Solutions Vietnam Co. Ltd.	100.00%
Dam Nai Wind Power JSC	100.00%

1) The consolidated economic interest in the Malaysian project companies represents Scatec's share of the contributed equity and retained earnings in the project companies as of the reporting date. Scatec's average economic interest through the PPA tenor is estimated to be 95% based on the Group's right to economic return obtained through shareholdings and other contractual arrangements. The average economic interest may be subject to change.

Note 27 Non-controlling interests

Accounting principle non-controlling interests

Normally Scatec enters into partnerships for the shareholding of the power plant company owning the power plants while maintaining control, leading to a material non-controlling interest (NCI). Non-controlling interests are calculated on the respective subsidiaries' stand-alone reporting, before eliminations of intercompany transactions. Furthermore, unrealised intercompany profits relating to depreciable assets (power plants) are viewed as being realised gradually over the remaining economic life of the asset. Consequently, the specification of a non-controlling interest in the Group financial statements will differ from the non-controlling interests calculated on the basis of the respective subsidiaries' stand-alone reporting.

The change in the NCI balance from year to year is driven by the NCIs share of profit or loss and other comprehensive income, capital injections from and dividends paid to NCIs, and foreign exchange differences.

Note 26 Consolidated subsidiaries shows all material entities with a NCI share.

Total balances of material non-controlling interest

NOK million	2024	2023
South Africa	1,181	997
Egypt	430	394
Honduras	418	327
Jordan	118	191
Pakistan	7	28
Ukraine	-25	-60
Other	5	6
Total non-controlling interests	2,136	1,884

Profit/(loss) allocated to material non-controlling interest

NOK million	2024	2023
South Africa	29	449
Egypt	23	-7
Honduras	96	12
Jordan	15	15
Pakistan	-23	-9
Ukraine	38	28
Other	-2	8
Total non-controlling interests	177	494

Financial information of subsidiaries that have material non-controlling interests is provided below. Profit and loss figures excludes gains from the sale of project assets:

Summarised statement of profit or loss for 2024 (before group eliminations)

NOK million	Revenues	Operating expenses	Operating profit	Net financial expenses	Profit before income tax	Profit/(loss) for the period	Profit/loss attributable to NCI	Dividends paid to NCI [1]
South Africa	3,823	(2,493)	1,330	(996)	335	282	29	241
Egypt	644	(311)	333	(258)	76	48	23	50
Honduras	397	(195)	202	(27)	175	175	96	-
Jordan	138	(71)	67	(34)	33	31	15	104
Pakistan	74	(62)	13	(105)	(92)	(93)	(23)	-
Ukraine	149	(17)	132	(60)	71	84	38	-
Other	16	(8)	7	(10)	(3)	(2)	(2)	-

1) Excluding repayments of shareholders loans

Summarised statement of profit or loss for 2023 (before group eliminations)

NOK million	Revenues	Operating expenses	Operating profit	Net financial expenses	Profit before income tax	Profit/(loss) for the period	Profit/loss attributable to NCI	Dividends paid to NCI [1]
South Africa	8,825	(7,968)	857	41	903	1,373	449	121
Egypt	646	(296)	350	(337)	13	(14)	(7)	-
Honduras	232	(104)	127	(88)	39	39	12	-
Jordan	130	(68)	62	(31)	31	30	15	-
Pakistan	1	(6)	(5)	(31)	(36)	(47)	(9)	-
Ukraine	153	(37)	116	(39)	77	57	28	-
Other	125	(62)	62	(43)	19	17	8	-

1) Excluding repayments of shareholders loans

Summarised statement of financial position as of 31 December 2024

									Attributable to	
NOK million	Property, plant and equipment	Other non-current asstes	Cash and cash equivalent	Other current assets	Non-recourse financing	Other non-current liabilities	Current liabilities	Total equity	Non-controlling interests	Equity holders of the parent
South Africa	10,348	1,255	934	2,096	(10,454)	(421)	(1,715)	2,044	1,181	861
Egypt	3,881	1,369	532	194	(3,217)	(1,383)	(521)	854	430	424
Honduras	1,196	9	32	72	-	(368)	(17)	925	418	507
Jordan	704	1	145	31	(494)	(71)	(44)	272	118	154
Pakistan	1,204	0	28	41	(681)	(432)	(81)	79	7	72
Ukraine	455	413	39	(0)	(292)	(753)	(20)	(158)	(25)	(133)
Other	226	0	111	261	(447)	(10)	(126)	15	5	10

Summarised statement of financial position as of 31 December 2023

									Attributable to	
NOK million	Property, plant and equipment	Other non-current asstes	Cash and cash equivalent	Other current assets	Non-recourse financing	Other non-current liabilities	Current liabilities	Total equity	Non-controlling interests	Equity holders of the parent
South Africa	9,593	1,094	652	1,260	(8,917)	(717)	(1,658)	1,308	997	309
Egypt	3,380	1,057	521	108	(3,074)	(1,008)	(181)	803	394	410
Honduras	1,217	10	179	130	(302)	(357)	(40)	837	327	510
Jordan	841	1	419	23	(639)	(82)	(97)	467	191	276
Pakistan	941	-	133	38	(637)	(231)	(166)	79	28	50
Ukraine	431	368	5	(1)	(348)	(662)	(21)	(228)	(60)	(167)
Other	-	(0)	(3)	138	-	(31)	(129)	(25)	6	(32)

Note 28 Transactions with related parties

Related parties include affiliates, associates, joint ventures, and other companies where the Group has 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.

See Note 26 for information about consolidated subsidiaries. No significant impairment is booked for expected credit loss on intercompany receivables within the Group.

See Note 13 Investments in joint ventures and associated companies for an overview of the companies included and further information about the investments. Transactions with joint ventures and associates consist primarily of financing provided to the companies and dividends received from the companies. Transactions also include the sale of development rights, asset management and OM services provided by consolidated entities to equity consolidated entities.

See Note 16 Guarantees, contractual obligations and contingent liabilities in the Parent company financial statements for an overview of the guarantees provided by Scatec ASA to Group companies.

For remuneration to management including information about the share purchase programme, see Note 3 Employee benefits and further details in Note 4 Personnel expenses in the Parent company financial statements. Scatec has made loans to Executive Management given in relation to the long-term incentive programme which amount to NOK 0.3 million (0.2) as of 31 December 2024.

Note 29 Change in accounting policies

New standards and interpretations

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

- Classification of liabilities as current or non-current and as non-current liabilities with covenants – Amendments to IAS 1;
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

As a result of the adoption of the amendments, the Group has provided new disclosures for liabilities under supplier finance arrangements as well as the associated cash flows in Note 24 Trade payables and supplier finance and new disclosures related to the corporate debt and non-recourse project debt in Note 22 and Note 23.

The Group has not elected to early adopt Amendments to IAS 21 *The effects of changes in foreign exchange rates* effective from 1 January 2025. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

The Group has not elected to early adopt Amendments to IFRS 9 and IFRS 7 related to the classification and measurement of financial instruments effective from 1 January 2026. The amendments clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for certain financial liabilities settled through an electronic cash transfer system, add new disclosure for certain instruments with contractual terms that can change cash flows and update the disclosures for equity instruments designated at fair value through other comprehensive income. The amendments are not expected to have a material impact on the Group's operations or financial statements.

The Group has not elected to early adopt IFRS 18 Presentation and disclosure in financial statements effective from 1 January 2027. The impact of IFRS 18 on presentation and disclosure is expected to be pervasive, particularly in relation to the statement of financial performance and providing management-defined performance measures within the financial statements. Management will assess the detailed implications of applying the new standard to the Group consolidated financial statements. The Group does not expect a significant change in the information currently disclosed in the notes because the requirements for disclosing material information remains unchanged; however, the way in which information is grouped may change as a result of the aggregation/ disaggregation principles. In addition, there will be significant new disclosures required for management-defined performance measures, a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss, and, for the first annual period of application of IFRS 18 a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented by applying IAS 1.

Note 30 Subsequent events

Adjusting subsequent events

No adjusting events occurred after the balance sheet date.

Non-adjusting subsequent event

In January 2025, the Sukkur project in Pakistan was awarded an interim relief tariff after approval by the National Electric Power Regulatory Authority (NEPRA). The award includes a compensation amount and a higher interim tariff, which will positively impact the projects financials. The compensation amount will be recorded in the first quarter of 2025 with an impact of approximately NOK 52 million on a consolidated basis and NOK 39 million on a proportionate basis. As described in the Note 18, the tariff true-up is a routine process for NEPRA projects and another approval for the final granted tariff is expected within 18 to 24 months.

On 5 February 2025, Scatec ASA successfully issued a NOK 1,250 million 4-year senior unsecured green bond with a coupon of 3 months NIBOR + 3.15% p.a. Net proceeds from the bond and available liquidity were used to repay the EUR 114 million bonds outstanding with ticker “SCATC03 ESG” (ISIN NO0010931181). In conjunction with the bond issue, on 6 February 2025, Scatec bought back EUR 9.1 million, and on 20 February 2025, remaining portion of the outstanding bond was bought back.

On 10 February 2025, Alberto Gambacorta has begun his role as EVP Sub-Saharan Africa. In accordance with the terms of the share-based incentive programme for leading employees, Alberto Gambacorta, has been granted an additional 12,707 share options. Each share option gives the right to subscribe for and be allotted one share in Scatec ASA.

Identical to the strike price of the options granted to leading employees in Scatec’s long term incentive programme in January 2025, the strike price of the options is set to NOK 78.66 per share. The options will lapse if not exercised by January 2030. The option grant is divided into three tranches whereby 1/3 vests each year over three years, with the first tranche vesting 1 January 2026.

On 13 February 2025, Scatec ASA divests its 100 percent stake in the 39-megawatt (MW) Dam Nai wind farm and the associated operating company in Vietnam to Sustainable Asia Renewable Assets, a utility-scale renewable energy platform of the SUSI Asia Energy Transition Fund. Scatec has received the initial payment of USD 27 million, with potential for additional earn-out payments of up to USD 13 million that are subject to certain conditions being fulfilled prior to May 2026. At the Scatec Group level, the transaction generated an accounting gain of approximately USD 8 million on a proportionate and consolidated basis, including a fair value estimate of the contingent consideration, which will be recognised in the first quarter 2025. Following the transaction Scatec will exit all operations in Vietnam.

On 17 February 2025, Scatec announced that Morten Henriksen has informed the company that he resigns from his position as a member of the Board of Directors, effective 17 February 2025.

On 28 February 2025, Scatec divests its 51 percent stake in the African hydropower joint venture with Norfund and British International Investment (BII) in line with the company’s strategy. The transaction closed at an agreed sales price of USD 167 million, based on a valuation date of 31 December 2023. The net proceeds from the transaction are estimated at USD 161 million, adjusted for cash movements between the valuation date and the closing date. The sales agreement includes the operating 255 MW Bujagali hydropower plant in Uganda, and a development portfolio consisting of the 361 MW Mpatamanga in Malawi and the 206 MW Ruzizi III at the border of Rwanda, DRC, and Burundi. As part of the transaction, the Hydro Africa team will be transferred to TotalEnergies in an entity incorporated as SN Power AS. The transaction has generated a total proportionate accounting effect of approximately USD 30 million and consolidated accounting effect of approximately USD 50 million, to a large extent driven by foreign currency effects, which will be recognised in the first quarter of 2025.

Parent company Financial statements and notes

Statement of income

1 JANUARY – 31 DECEMBER

NOK million	Note	2024	2023
Revenues	3	1,428	6,271
Total revenues		1,428	6,271
Costs of sales		-852	-5,570
Personnel expenses	4	-214	-284
Other operating expenses	5, 6, 17	-203	-189
Depreciation, amortisation and impairment	9, 11	-54	-59
Operating profit/(loss)		107	169
Interest and other financial income	7, 17	825	392
Interest and other financial expenses	7, 17	-890	-707
Net foreign exchange gain/(loss)		-74	-33
Profit/(loss) before tax		-32	-179
Income tax (expense)/benefit	8	-19	-220
Profit/(loss) for the period		-52	-399
Allocation of profit/(loss) for the period			
Transfer to/(from) other equity	13	-52	-399
Total allocation of profit/(loss) for the period		-52	-399

Statement of financial position

1 JANUARY – 31 DECEMBER

NOK million	Note	2024	2023
Non-current assets			
Deferred tax assets	8	61	35
Property plant and equipment	9	138	86
Investments in subsidiaries, joint ventures and associated companies	10	17,140	16,025
Loan to group companies	17	2,923	2,783
Interest rate swap (cash flow hedge)	14	22	64
Other non-current receivables		60	53
Total non-current assets		20,343	19,047
Current assets			
Inventory	11	363	996
Trade and other receivables	6	58	68
Trade and other receivables group companies	3, 17	605	755
Other current assets		36	30
Cash and cash equivalents	12	627	173
Total current assets		1,689	2,022
Total assets		22,032	21,070

Statement of financial position

AS OF 31 DECEMBER

NOK million	Note	2024	2023
Paid in capital			
Share capital	13	5	5
Share premium	13	13,141	11,761
Total paid in capital		13,146	11,765
Other equity			
Other equity	13	-1,721	-1,520
Reserve for valuation variances	13	-37	51
Total other equity		-1,757	-1,469
Total equity		11,389	10,296
Non-current liabilities			
Corporate financing	14	6,729	7,947
Liabilities to group companies	17	19	17
Other financial liabilities		270	-
Other non-current liabilities		1	2
Total non-current liabilities		7,020	7,966
Current liabilities			
Trade and other payables		390	226
Trade payables group companies		289	444
Public duties payable		21	24
Other current liabilities	15	955	1,146
Other current financial liabilities		-	713
Current corporate financing	14	1,968	255
Total current liabilities		3,624	2,808
Total liabilities		10,643	10,774
Total equity and liabilities		22,032	21,070

Oslo, 31 March 2025
The Board of Directors Scatec ASA

Jørgen Kildahl (Chair)
Espen Gundersen
Maria Moræus Hanssen
Maria Tallaksen
Pål Kildemo
Mette Krogsrud
Terje Pilskog (CEO)

Statement of cash flow

1 JANUARY – 31 DECEMBER

NOK million	Notes	2024	2023
Cash flow from operating activities			
Profit/(loss) before tax		-32	-179
Gain from sale of subsidiaries and associated companies		-372	-
Depreciation, amortisation and impairment	9	54	59
Interest and other financial income	7	-825	-392
Interest and other financial expenses	7	890	707
Foreign exchange gain/(loss)		74	33
Witthholding tax on received dividends	8	-19	-3
(Increase)/decrease in inventories	11	705	394
(Increase)/decrease in trade and other receivables		286	-223
Increase/(decrease) in trade and other payables		-70	149
(Increase)/decrease in other assets and liabilities		-179	106
Net cash flow from operating activities		512	651
Cash flows from investing activities			
Investments in property, plant and equipment	9	-58	-33
Interest received	17	283	252
Increase in loans to subsidiaries		-302	-742
Repayments of loans to subsidiaries		284	281
Investments in subsidiaries and associated companies	10	-609	-1,266
Repayments of investments in subsidiaries and associated companies	10	984	361
Proceeds from sale of subsidiaries and associated companies	10	522	-
Dividends from and capital decrease in subsidiaries		542	140
Net cash flow used in investing activities		1,646	-1,007

NOK million	Notes	2024	2023
Cash flow from financing activities			
Dividends paid to equity holders	13	-	-308
Interest paid		-857	-638
Proceeds from corporate financing	14	-913	713
Net cash flow from financing activities		-1,770	-233
Net increase/(decrease) in cash and cash equivalents		388	-588
Cash and cash equivalents at beginning of period	12	173	811
Translation effect on cash and cash equivalents		46	-75
Translation effect from difference between average and year-end exchange rate		20	25
Cash and cash equivalents at end of period	12	627	173

Notes to the parent company financial statements

Note 1 General information

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

Scatec ASA ("the Company"), its subsidiaries and investments in associated companies and joint ventures ("the Group" or "Scatec") is a leading renewable power producer, delivering affordable and clean energy worldwide. As a long-term player, Scatec develops, builds, owns and operates solar, wind and hydro power plants and storage solutions.

The Company is listed on the Oslo Stock Exchange.

The consolidated financial statements for the full year 2024 were authorized for issue in accordance with a resolution by the Board of Directors on 30 March 2025.

Note 2 Accounting principles

Basis for preparation

The financial statements of Scatec ASA are prepared in accordance with the Norwegian Accounting Act of 1998 and Norwegian Generally Accepted Accounting Principles (NGAAP). The financial statements have been prepared on a historical cost basis.

Accounting estimates and judgements

In preparing the financial statements, management has made assumptions and estimates about future events and applied judgements that affect the reported values of assets, liabilities, revenues, expenses, and related disclosures. Therefore, future actual results may differ from current figures.

Foreign currency translation

The functional currency of the Company is US dollar (USD). USD is the currency which primarily affects the financials including corporate financing, income from dividends and revenue from construction activities. The financial statements are presented in NOK. The assets and liabilities are translated into NOK at the rate of exchange prevailing at the end of reporting period and their income statement is translated at average exchange rates. The exchange differences arising on translation are recognised in equity.

Revenues and cost of sales

Scatec ASA develops project rights that are the basis for construction of power plants. Revenues from sale of project rights are recognised upon the transfer of title. Projects in work in progress are expensed as cost of sale upon the transfer of title or when a project is abandoned and impaired.

Revenues from construction services are based on fixed price contracts and are accounted for using the percentage of completion method. The stage of completion of a contract is determined by actual cost incurred over total estimated costs to complete. Incurred costs include all direct materials, costs for modules, labour, subcontractor costs, and other direct costs related to contract performance.

Scatec ASA periodically revise contract margin estimates and immediately recognises any losses on onerous contracts. Some construction contracts include product warranties. The expected warranty amounts are expensed at the time of sale and are adjusted for subsequent changes in assumptions or actual outcomes.

Further, Scatec ASA derives revenues from the allocation of headquarter costs to its subsidiaries. Revenues from the sale of intercompany services are recognised when the services are delivered.

Employee benefits

Wages, salaries, bonuses, pension and social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Company. The Company has pension plans for employees that are classified as defined contribution plans. Contributions to defined contribution schemes are recognised in the statement of profit or loss in the period in which the contribution amounts are earned by the employees.

The Board of Directors has established an option program for leading employees of the company. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in personnel expenses, together with a corresponding increase in equity over the vesting period.

For further information on accounting principle and share options refer to Note 3 – Employee benefits in the consolidated financials.

For further information refer Note 4 – Personnel expenses, number of employees and auditor's fee.

Income tax expense

Income tax expense comprises current tax and changes in deferred tax. Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. In order for a deferred tax asset to be recognised based on future taxable profits, convincing evidence is required.

Balance sheet classification
Current assets and liabilities consist of receivables and payables due within one year, as well as project rights. Other balance sheet items are classified as non-current assets and liabilities.

Property, plant and equipment
Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. Property, plant and equipment are depreciated on a straight-line basis over their expected useful life, from the date the assets are taken into use.

Subsidiaries and investment in associated companies
Subsidiaries are entities controlled by Scatec ASA. Subsidiaries and investment in associated companies are accounted for using the cost method and are recognised at cost less impairment. The cost is increased when funds are added through capital increases. Dividends to be received are recognised at the date the dividend is declared by the general meeting of the subsidiary. To the extent that the dividend relates to distribution of results from the period Scatec ASA has owned the subsidiary, it is recognised as income. Dividends which are repayment of invested capital are recognised as a reduction of the investment in the subsidiary.

Inventories
Inventories are measured at the lower of cost and net realisable value. Inventories consist primarily of project assets in various stages of development. Capitalised development costs include legal, consulting, permitting, and other similar costs such as interconnection or transmission upgrade costs as well as directly attributable payroll expenses, travel expenses and other expenses related to developing the project rights.

Scatec reviews project assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company considers a project commercially viable if it is anticipated to be realised with a margin once it is either fully developed or fully constructed. Scatec considers a partially developed project commercially viable if the anticipated selling price is higher than the carrying value of the related project assets. A number of factors are assessed to determine if the project will be profitable, the most notable is whether there are any changes in environmental, ecological, permitting, or regulatory conditions that impact the project.

Cash and cash equivalents
Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months. In the statement of cash flows, the overdraft facility is presented gross as part of changes in current liabilities.

Financial liabilities
Interest-bearing borrowings are initially recognised at cost. After initial recognition, such financial liabilities are measured at amortised costs using the effective interest method. Transaction costs are taken into account when calculating amortised cost. Trade payables are carried at cost.

Dividends
On 2 November 2023, the Board of Directors announced its decision to change the dividend policy to no dividend.

Events after the reporting period
New information on the Company's financial position on the end of the reporting period which becomes known after the reporting period, is recorded in the annual accounts. Events after the reporting period that do not affect the Company's financial position on the end of the reporting period, but which will affect the Company's financial position in the future, are disclosed if significant.

Statement of cash flow
The cash flow statement is prepared using the indirect method.

Note 3 Revenues

Revenue by business area

NOK million	2024	2023
Services	1,024	6,252
Other revenue	404	19
Sum	1,428	6,271

Services comprise EPC services, sale of project rights and management services – all rendered to Group companies and associates.

Revenue by geographical distribution

NOK million	2024	2023
Pakistan	-	462
Netherlands	38	49
South-Africa	632	5,658
Ukraine	4	3
Egypt	11	36
Brazil	5	37
Botswana	196	-
Tunisia	120	-
Argentina	-	2
Malaysia	3	3
Honduras	1	1
France	1	1
India	12	-
Philippines	1	-
Sum	1,024	6,252

Refer to Note 17 - Transactions with related parties for further information.

Note 4 Personnel expenses, number of employees and auditor’s fee

Personnel expenses

NOK million	2024	2023
Salaries	168	225
Share-based payment	29	28
Payroll tax	31	43
Pension costs	15	18
Other benefits and personnel costs	5	7
Capitalised to inventory	-36	-38
Total personnel expenses	214	284

The average number of FTEs that has been employed in the company through 2024 was 110 (144).

Pension costs

The Company has a defined contribution plan in line with the requirement of the law. NOK 15 million (18) is expensed related to the defined contribution plan in 2024.

Paid salaries and personnel expenses for the management of Scatec ASA

2024

NOK thousand	Title	Salary [1]	Bonus	Number of options awarded	Exercise of share options	Out-standing share options	Other benefits	Pension cost	Loans outstanding
Terje Pilskog	Chief Executive Officer	4,280	1,985	60	-	189	17	192	34
Hans Jakob Hegge	Chief Financial Officer	3,795	1,547	54	-	122	17	188	34
Siobhan Minnaar	EVP General Counsel	2,339	1,005	31	-	60	17	186	34
Roar Haugland	EVP People, Sustainability & Digitalisation	2,845	1,004	33	-	116	17	191	34
Pål Helsing	EVP Operations	2,883	1,215	38	-	132	17	188	34
Ann Mari Lillejord	EVP Latam/Europe	2,578	1,036	34	-	78	17	185	34
Pål Strøm [2]	EVP Operations & Maintenance	1,454	587	31	-	86	11	120	25

1) Including holiday allowance accrued in 2024
2) Left EMT 15.08.2024

2023

NOK thousand	Title	Salary [1]	Bonus	Number of options awarded	Exercise of share options	Out-standing share options	Other benefits [4]	Pension cost	Loans outstanding
Terje Pilskog	Chief Executive Officer	3,992	1,444	57	-	129	158 [b]	179	-
Hans Jakob Hegge [3]	Chief Financial Officer	2,895	1,021	68	-	68	1513 [a]	146	-
Siobhan Minnaar [2]	EVP General Counsel	2,009	825	13	-	29	16	173	-
Roar Haugland	EVP People, Sustainability & Digital	2,262	882	31	-	83	143 [b]	180	-
Pål Helsing	EVP Solutions	2,601	1,045	36	-	94	152 [b]	177	-
Ann-Mari Lillejord	EVP Latam/Europe	2,179	662	29	-	43	16	173	-
Pål Strøm	EVP Operations & Maintenance	2,102	800	29	-	55	16	176	-
Kate Bragg	EVP People, Strategy & Digital	2,294	[8]	29	-	-	16	172	-
Snorre Valdimarsson [5]	EVP General Counsel	480	-	-	-	-	1	48	-
Mikkel Tørud [6]	EVP Chief Financial Officer / EVP MENA Green H2	2,145	-	41	-	-	175 [b]	149	-
Torstein Berntsen [7]	Interim EVP MENA/Green H2	497	-	36	-	93	138	38	-

1) Including holiday allowance accrued in 2023
2) Joined EMT 01.02.2023
3) Joined Scatec and EMT 01.03.2023
4) Includes benefits such as insurances, mobile, broadband, or other allowances
   a) Includes a sign-on bonus of 1,500,000 NOK
   b) Includes stock options converted to cash payment
5) Left Scatec 31.01.2023
6) CFO between 01.01.2023 – 31.03.2023. EVP MENA/Green H2 between 01.03.2023 – 31.08.2023
7) Interim EVP MENA/Green H2 between 01.01.2023 – 28.02.2023
8) Left Scatec before bonus pay-out March 2024

Remuneration for the Board of Directors [1)]

NOK thousand	2024 Board remuneration 2)	2024 Audit committee	2024 Remuneration committee	2024 Nomination committee	Total remuneration 2024	2023 Board remuneration	2023 Audit committee	2023 Remuneration committee	2023 Nomination committee	Total remuneration 2023
Jørgen Kildahl [2)]	596 [a)]	67	55	-	718	-	-	-	-	-
Jørgen Kildahl [3)]	282 [a)]	32	-	-	314	369	93	-	-	462
John Andersen Jr. [4)]	195	32	26	-	253	576	93	77	-	746
Jan Skogseth	-	-	-	-	-	119	-	18	-	137
Gisele Marchang	125	53	-	-	178	369	155	-	-	524
Maria Moræus Hanssen	390	67	19	-	476	369	-	57	-	426
Mette Krogsrud	390	-	60	-	450	369	-	57	-	426
Espen Gundersen	390	143	-	-	533	369	93	-	-	462
Morten Henriksen	390	-	60	-	450	250	-	38	-	288
Maria Tallaksen	265	67	-	-	332	-	-	-	-	-
Pål Kildemo	265	-	41	-	306	-	-	-	-	-
Kristine Ryssdal	-	-	-	66	66	-	-	-	62	62
Svein Høgseth	-	-	-	-	-	-	-	-	13	13
Mats Holm	-	-	-	44	44	-	-	-	41	41
Annie Bersagel	-	-	-	44	44	-	-	-	41	41
Christian Rom	-	-	-	44	44	-	-	-	28	28

1) Board remuneration is reported on an accrual basis. Remuneration is agreed at the April Annual General Meeting (AGM), to be paid after the AGM of the following year.
2) Chairman of the Board from the Annual General Meeting in April 2024
a) Includes meeting allowance to members who reside outside of Norway (167)
3) Board member until the Annual General Meeting in April 2024
a) Includes meeting allowance to members who reside outside of Norway (157)
4) Chairman of the Board until the Annual General Meeting in April 2024

For more information about remuneration to management, refer to Note 3 Employee benefits in the consolidated financial statement of the Group and the Remuneration Report for 2024.

Audit

NOK million	2024	2023
Audit fees	5	5
Other attestation services	2	2
Tax services	-	-
Other services	-	-
Total	7	7

VAT is not included in the numbers above.

Note 5 Other operating expenses

NOK million	2024	2023
Facilities	19	21
Professional fees	91	60
IT and communications	42	42
Travel costs	10	13
O&M costs	1	2
Other costs	38	51
Total other operating expenses	203	189

Note 6 Provision for bad debt

The Company has during 2024 recognized NOK 0 million (13.3) in realized bad debt losses on receivables related to discontinued development projects.

No further provision for bad debt has been made as the collection risk of the outstanding receivables is considered low.

Note 7 Financial income and expenses

Interest and other financial income

NOK million	2024	2023
Interest income from group companies	249	218
Other interest income	34	34
Dividend from group companies	542	140
Total interest and other financial income	825	392

Interest and other financial expenses

NOK million	2024	2023
External interest expenses	-789	-638
Impairment of financial assets	-32	-
Other financial expenses	-68	-69
Total interest and other financial expenses	-890	-707

The write down of financial assets in 2024 is related to impairment of shares, following abandoned development projects in subsidiaries of Scatec ASA. Refer to Note 10 in the consolidated financial statement of the Group for details related to the impairment testing.

During 2024, interest amounting to NOK 789 million (638) was expensed for corporate financing, refer to Note 22 Financing in the consolidated financial statement of the Group for further details. The increase in interest expenses is primarily explained by increase in interest rates.

Note 8 Tax

NOK million	2024	2023
Income tax expense:		
Withholding tax on received dividends	19	3
Change in deferred tax	-	204
Taxes related to previous years	-	12
Total tax expense/(income)	19	220
Tax basis:		
Profit before tax	-32	-179
Change in temporary differences	59	25
Permanent differences caused by NOK being tax currency	-489	-30
Non-taxable dividend and gain from sale of shares	-912	-139
Disallowed interests	506	-

Reconciliation of nominal statutory tax rate to effective tax rate

NOK million	2024	2023
Expected income tax expense (22%)	7	-39
Tax effect of:		
Permanent differences caused by NOK being tax currency	0	0
Non-taxable dividend and gain from sale of shares	110	-31
Other permanent differences	-9	27
Withholding tax on received dividends	0	3
Allowance for losses carried forward	310	268
Income tax expense/(income)	19	220

Temporary differences as of 31 December

NOK million	2024	2023	Change
Tax losses and disallowed interests carried forward	-3,502	-2,656	-846
Work in progress	-71	-23	-48
Other temporary differences	-8	2	-10
Total temporary differences	-3,581	-2,677	-904
Tax loss carried forward not recognized	3,304	2,518	786
Total temporary differences as basis for recognized tax liability/(asset)	-276	-159	-118

Disallowed interest carry forward was MNOK 701 in 2024 MNOK 195 in 2023.

The change in deferred tax asset is recognised in tax expense, except for changes which are related to hedged accounting and transaction cost from capital increases which are booked directly to equity.

Note 9 Property, plant and equipment

Office equipment

NOK million	2024	2023
Accumulated cost at 1 January	143	113
Additions	58	33
Foreign currency translation	20	-7
Accumulated cost at 31 December	221	139
Accumulated depreciation at 1 January	58	42
Depreciations for the year	19	13
Foreign currency translation	8	1
Accumulated depreciation at 31 December	84	54
Carrying amount at 31 December	137	86
Estimated useful life (years)	3-10	3-10

Note 10 Investments in subsidiaries, joint ventures and associated companies

The table below include material subsidiaries of Scatec ASA. Ownership interest corresponds to voting interest if not otherwise stated.

NOK million

Subsidiary	Registered office	Ownership interest	Carrying value 2024	Carrying value 2023
SN Power AS	Norway	100.00%	456	1,083
Scatec Solar Netherlands BV	Netherlands	100.00%	15,161	13,163
Scatec Solar SA (pty) Ltd.	Sandton, South-Africa	100.00%	4	3
Scatec Solar SA 163 (Pty) Ltd.	South-Africa	100.00%	21	19
Scatec Solar SA 164 (Pty) Ltd.	Sandton, South-Africa	-	-	85
Scatec Solar SA 165 (Pty) Ltd.	Sandton, South-Africa	-	-	114
Gigawatt Global Rwanda Ltd	Rwanda	-	-	8
Scatec Solar Mozambique Limitada	Mozambique	0.50%	11	10
Scatec Solar SAS	Paris, France	100.00%	70	89
Scatec Solar Jordan	Amman, Jordan	100.00%	27	31
Anwar Al Ardh For Solar Energy Generation PSC	Amman, Jordan	50.10%	31	98
Ardh Al Amal For Solar Energy Generation PSC	Amman, Jordan	50.10%	15	43
Scatec Solar Honduras S.A.	Honduras	100.00%	4	3
Produccion de Energia Solar Demas Renovables S.A	Honduras	40.00%	79	71
Fotovoltaica Los Prados	Honduras	70.00%	94	84
Fotovoltaica Surena	Honduras	70.00%	100	133
Generaciones Energeticas S.A	Honduras	70.00%	92	126
Energias Solares S.A	Honduras	70.00%	61	79
Foto Sol S.A	Honduras	70.00%	7	6
Scatec Solar PV1 S.R.O	Prague, Czech	100.00%	3	2
Scatec Solar S.R.O	Prague, Czech	100.00%	1	1
			16,235	15,254

Gigawatt Global Rwanda Ltd. has been sold to Fortis Green Fund I Rwanda Holdings Ltd. and Axian Energy Green Ltd. as announced on 1 August 2024.

A list of all material companies in the Scatec Group is listed in Note 26 Consolidated subsidiaries of the Consolidated financial statements.

NOK million

Associates and joint ventures	Office	Ownership	Carrying value 2024	Carrying value 2023
Release Solar AS	Oslo, Norway	68%	858	771
Scatec Solar SA 164 (Pty) Ltd.	Sandton, South-Africa	21%	19	-
Scatec Solar SA 165 (Pty) Ltd.	Sandton, South-Africa	21%	27	-
Total			904	771

In 2023, Scatec ASA signed an agreement to raise capital from Climate Fund Managers ("CFM") to further accelerate its growth ambitions in Release. Release Solar AS is recognized at cost, where Scatec's carrying value as of December 2023 corresponds to the investments made in the company prior to the entry of CFM. Total equity and net profit in the financial statements of Release Solar AS for 2023 was NOK (4) and 126,808.

On 20 November 2024, Scatec ASA closed the last and second phase of the sale of parts of its ownership in the Kalkbult, Linde and Dreunberg solar power plants to Greenstreet 1 Pty. Ltd for a total consideration of NOK 522 million. Post the transactions, Scatec lost control over the entities and the power plants are accounted for as an investment in joint ventures and associated companies at fair value.

Note 11 Inventory

The decrease from last year is mainly explained by projects reaching construction completion in South Africa and Pakistan.

Project geography

NOK million	2024	2023
Asia	2	193
Europe	78	63
West Africa	3	4
South Africa	108	642
North Africa	166	66
South America	6	25
East Africa	-	3
Carrying value of inventory at 31 December	363	997

Impairment charges in 2024 were NOK 33 million (37) for development projects in Vietnam (Oman and Brazil).

Note 12 Cash and cash equivalents

NOK million	2024	2023
Restricted cash	56	50
Free cash	571	122
Total cash and cash equivalents	627	173

Scatec ASA has drawn USD 0 million (70) on the revolving credit facility per 31 December 2024.

For more information about external financing and facilities, refer to Note 22 Corporate Financing in the consolidated financial statement of the Group.

Note 13 Equity and shareholder information

Nok million	Issued capital	Share premium	Other equity	Total equity
Equity as of 31 December 2023	5	11,761	-1,469	10,297
Profit/(loss) for the period	-	-	-52	-52
Share-based payment	-	29	-	29
Change in hedging reserves	-	-	-23	-23
Foreign currency translation	-	1,351	-212	1,139
Equity as of 31 December 2024	5	13,141	-1,757	11,389

On 2 November 2023, the Board of Directors announced its decision to change the dividend policy to no dividend. This decision remains unchanged in 2024.

The table below show the largest shareholders of Scatec ASA at 31 December 2024.

Shareholder	Number of shares	Ownership
EQUINOR ASA	25,776,200	16.22%
FOLKETRYGDFONDET	14,748,949	9.28%
SCATEC INNOVATION AS	7,000,000	4.40%
J.P. Morgan SE	4,511,976	2.84%
Citibank Europe plc	3,592,524	2.26%
CLEARSTREAM BANKING S.A.	3,416,325	2.15%
VERDIPAPIRFONDET DNB NORGE	3,063,144	1.93%
Morgan Stanley & Co. Int. Plc.	3,034,830	1.91%
JPMorgan Chase Bank, N.A., London	2,695,682	1.70%
J.P. Morgan SE	2,600,000	1.64%
State Street Bank and Trust Comp	2,535,255	1.60%
VPF DNB AM NORSKE AKSJER	2,374,555	1.49%
VERDIPAPIRFONDET DNB MILJØINVEST	2,370,367	1.49%
The Bank of New York Mellon	2,260,524	1.42%
RAIFFEISEN BANK INTERNATIONAL AG	2,144,472	1.35%
Citibank, N.A.	2,009,538	1.26%
VERDIPAPIRFONDET STOREBRAND NORGE	1,997,926	1.26%
DANSKE INVEST NORSKE INSTIT. II.	1,973,383	1.24%
The Bank of New York Mellon SA/NV	1,803,921	1.14%
State Street Bank and Trust Comp	1,634,511	1.03%
Total 20 largest shareholders	91,544,082	57.60%
Total other shareholders	67,373,193	42.40%
Total shares outstanding	158,917,275	100%

The tables below show shares held by Management and Board of Directors at 31 December 2024.

Board of Directors	Number of shares	Ownership
Jørgen Kildahl	10,000	0.01%
Maria Moræus Hanssen [1)]	13,615	0.01%
Mette Krogsrud	3,000	0.00%
Espen Gundersen	10,000	0.01%
Morten Henriksen	10,000	0.01%
Pål Kildemo	5,000	0.00%
Maria Tallaksen	-	0.00%
Total at 31 December 2024	51,615	0.03%

1) Held through the controlled company MMH Nysteen Invest AS.

Management	Number of shares	Ownership
Terje Pilskog [1)]	543,356	0.34%
Hans Jakob Hegge	11,152	0.01%
Roar Haugland [2)]	80,718	0.05%
Pål Helsing	7,356	0.00%
Ann-Mari Lillejord	11,281	0.01%
Siobhan Minnaar	1,152	0.00%
Pål Strøm [3)]	2,703	0.00%
Total at 31 December 2024	657,718	0.41%

1) Held through the controlled company Océmar AS

2) Held through the controlled company Buzz Aldrin AS, whereof 3356 shares held by Roar Haugland directly

3) Member of the Management until 31.08.2024.

Refer to Note 4 – Personnel expenses, number of employees and auditor's fee for information on share options granted to the management.

Note 14 Corporate financing

For information about Corporate financing refer to Note 22 Financing in the consolidated financial statement of the Group.

For information about interest rate swap refer to Note 21 Derivative financial instruments in the consolidated financial statement of the Group.

Note 15 Other current liabilities

Nok million	2024	2023
Deferred income EPC projects	694	901
Accrued interest expenses	182	164
Vacation allowances, bonus accruals etc.	43	47
Other	36	34
Total current liabilities	955	1,146

Note 16 Guarantees, contractual obligations and contingent liabilities

Scatec ASA issue certain guarantees on behalf of the Group. The amounts specified below are total exposure on guarantees issued by Scatec ASA at each balance sheet date based on when the guarantees expire. The guarantees expire haphazardly during the year.

NOK million	12/31/2023	12/31/2024	12/31/2025	12/31/2026
Equity commitment	951	419	138	138
Performance guarantees (EPC)	983	306	-	-
Warranty Guarantees (EPC)	529	429	23	-
Bid Bonds	244	233	233	233
SPV Performance / Commitments	664	427	301	273
O&M Performance (3rd party)	27	27	-	-
Other Payment Guarantees	490	14	14	14
Total	3,888	1,855	709	658

See note 25 Guarantee and commitments in the consolidated financial statement of the Group for more information on the other guarantees issued to third parties.

Contractual obligations

Scatec ASA has contractual obligations primarily through office lease.

NOK million	2025	2026	2027	>2027
Leases (office rental)	15	15	15	36
Total contractual obligations	15	15	15	36

Further, as an EPC contractor Scatec ASA may enter into purchase commitments with suppliers of equipment and sub-EPC services related to the plants under construction.

Contingent liabilities

Scatec ASA have no material contingent liabilities.

Note 17 Transactions with related parties

Related parties	Transactions
Subsidiaries, joint ventures and associates	Management, development and EPC services and financing
Key management personnel	Loan and payroll
Board of Directors	Board remuneration

Transactions with related parties
All related party transactions have been carried out as part of the normal course of business and at arm's length. The most significant transactions in 2024 and 2023 are:

Subsidiaries – EPC services
In 2024 Scatec ASA sold EPC services to subsidiaries amounting to NOK 792 million (6 116 million).

Subsidiaries – development services
During 2024 the company sold development project services amounting to NOK 87 million. Corresponding amount in 2023 was 80 million.

Subsidiaries - management service income
Scatec ASA has during 2024 charged NOK 60 million (49 million) for corporate services provided to its subsidiaries and associates.

Subsidiaries and associates – financing
In the course of the ordinary business, inter-company financing is provided from Scatec ASA to its subsidiaries. Long-term financing is interest bearing and priced at arm's length. Refer to Note 7 for specification of interest income/expenses from/to subsidiaries and Note 10 Investments in subsidiaries, joint ventures and associated companies.

Refer to Note 4 – Personnel expenses, number of employees and auditor's fee for information regarding transactions with key management personnel and board members.

Note 18 Subsequent events

Adjusting subsequent events
No adjusting events have occurred after the balance sheet date.

Non-adjusting subsequent event
In line with the terms adopted by the Annual General Meeting of Scatec ASA in 2024, the Board of Directors continue the share-based incentive programme for leading employees of the company, following the same principles as previous years. On 3 January 2025, a total of 1,516,378 share options were granted to leading employees. Refer to Note 30 in the consolidated financial statement of the Group for details related to the share-based incentive program.

On 4 February 2025, Scatec ASA successfully issued a NOK 1,250 million bond. In conjunction with the bond issue, on 6 February 2025 Scatec bought back EUR 9.1 million and on 20 February 2025 remaining outstanding EUR bond was bought back.

On 17 February 2025, Scatec announced that Morten Henriksen has informed the company that he resigns from his position as member of the Board of Directors, effective 17 February 2025.

On 28 February 2025, Scatec divested its 51 percent stake in the African hydropower joint venture with Norfund and British International Investment in line with company's strategy.

Responsibility statement

We also confirm, to the best of our knowledge, that presented, that the consolidated financial statements for 2024 has been prepared in accordance with IFRS Accounting Standards 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, 31 March 2025

The Board of Directors Scatec ASA

Jørgen Kildahl (Chair) Espen Gundersen Maria Moræus Hanssen

Maria Tallaksen Pål Kildemo Mette Krogsrud

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 revenues and other income minus the cost of goods sold (COGS). Gross profit is used to measure project profitability in the D&C segment.

Gross margin: Is defined as gross profit divided by total revenues and other income in the D&C segment.

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

Gross interest-bearing debt: is defined as the Group's total interest bearing debt obligations except shareholder loan 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.

Proportionate net-interest bearing debt: is defined as net interest bearing debt based on Scatec's economic interest in the subsidiaries holding the net-interest bearing debt.

Net corporate debt is defined as corporate financing, less proportionate cash and cash equivalent in non-renewable energy companies.

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 Development & Construction segment mainly reflect deliveries to other companies controlled by Scatec, 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;

- 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.
- 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.

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

Reconciliation of Alternative Performance Measures (consolidated figures)

NOK million	2024	2023
EBITDA		
Operating profit (EBIT)	4,127	2,625
Depreciation, amortisation and impairment	1,294	942
EBITDA	5,421	3,567
Total revenues and other income	6,574	4,721
EBITDA margin	82%	76%
Gross interest-bearing debt		
Non-recourse project financing	16,929	15,026
Corporate financing	6,729	7,947
Non-recourse project financing - current	1,900	1,931
Corporate financing - current	2,150	1,132
Other non-current interest-bearing liabilities	-	247
Other current interest-bearing liabilities	500	-
Gross interest-bearing debt associated with disposal group held for sale	355	115
Gross interest-bearing debt	28,563	26,398
Net interest-bearing debt		
Gross interest-bearing debt	28,563	26,398
Cash and cash equivalents	3,890	3,101
Cash and cash equivalents associated with disposal group held for sale	33	12
Net interest-bearing debt	24,640	23,284
Net working capital		
Trade and other receivables	487	478
Other current receivables	907	1,151
Trade and other payable	-481	-294
Income tax payable	-57	-48
Other current liabilities	-1,281	-2,060
Non-recourse project financing-current	-1,900	-1,931
Corporate financing - current	-2,150	-1,132
Other current interest-bearing liabilitie	-500	-
Net working capital associated with disposal group held for sale	30	-6
Net working capital	-4,944	-3,842

Break-down of proportionate cash flow to equity

FY 2024

NOK million	Power Production	Development & Construction	Corporate	Total
EBITDA	4,636	184	-125	4,693
Net interest expenses	-1,111	1	-743	-1,852
Normalised loan repayments	-1,061	-	-260	-1,321
Proceeds from refinancing and sale of project assets	944	-	-	944
Less proportionate gain on sale of project assets	-796	-	-	-796
Normalised income tax payment	-159	-28	200	13
Cash flow to equity	2,452	157	-928	1,680

FY 2023

NOK million	Power Production	Development & Construction	Corporate	Total
EBITDA	3,334	672	-162	3,845
Net interest expenses	-708	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	-151	-138	174	-116
Cash flow to equity	1,759	555	-716	1,600

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.

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

Scatec share of distribution from power plant companies
Include dividend on equity injected power plant companies, repayment of shareholder loan and proceeds from refinancing received by recourse group entities.

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

Free cash at Group level is Scatec's share of available cash in the recourse group, defined as all entities in the Group with the exception of renewable energy companies, namely power plant companies, and joint venture and associated companies.

Definition of project milestones
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.

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 a 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.

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 litres 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 leaders (% of female in management 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 ESG workshops (% of strategic suppliers): The number of ESG workshops with strategic suppliers defined as potential and contracted suppliers of key component categories, including solar modules, batteries, wind turbines, inverters and substructures.

Auditor’s Report

To the General Meeting of Scatec ASA

Independent Auditor’s Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Scatec ASA, which comprise:

- the financial statements of the parent company Scatec ASA (the Company), which comprise the statement of financial position as at 31 December 2024, the statement of income and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Scatec ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Scatec ASA for 3 years from the election by the general meeting of the shareholders on 29 April 2022 for the accounting year 2022.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Group's business activities are largely unchanged compared to last year. Impairment *Assessment of Ukrainian Assets* and *IFRS 10 Control Assessment* have the same characteristics and risks as in the prior year, and therefore continue to be areas of focus this year.

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment Assessment of Ukrainian Assets	
In 2022 the war triggered an impairment of Scatec's solar power plants located in Ukraine, amounting to NOK 816 million. This represented approximately 28% of the carrying value of the assets before impairment. The future operational performance of these solar power plants and the outcome of the ongoing war were identified as, and continues to be, significant factors that could impact the estimated future cash flows from these assets. In the current year, no further impairments have been recognized for Ukrainian assets. In forecasting future cash flows, significant assumptions are made concerning future revenues and country risk, particularly the risk related to the ongoing war. Management uses weighted scenarios to estimate the value in use for the solar power plants. We continue to focus on the impairment assessment of Ukrainian assets due to the high level of estimation uncertainty, complexity, and subjectivity involved in determining the value in use of these assets. Furthermore, the continued volatile situation in Ukraine adds a layer of complexity to the assumptions used in the impairment testing. Management's impairment testing, including the use of scenarios and the sensitivity of key assumptions, is explained in note 10 to the consolidated financial statements.	We obtained and challenged management's impairment assessment and the process by which this was performed. We assessed management's accounting policy against IFRSs and obtained explanations from management as to how the specific requirements of the standards, in particular IAS 36 – Impairment of assets, were met. To assess each of the assumptions in the impairment assessment, we interviewed management on and challenged their assumptions. We also involved our internal specialists to assist in the review of the impairment model and the assumptions used. We used external market data to assess the assumptions used to build the discount rate. We found that the discount rate was within an appropriate range. We evaluated management's assumptions related to future revenues and checked current and historical prices in the Power Purchase Agreements (PPA) to corroborate the power rates assessed by management within the PPA duration. For power prices beyond the PPA period, we examined external market forecasts for the power market in Ukraine. We considered that power rates used by management were within an appropriate range. Further, we discussed management's expectations regarding the future utilisation of the assets and their ability to earn revenue in the near future. Management's expectations about future development were corroborated to, and found to be in line with, information from reliable external sources which discuss the various possible outcomes of the war. We performed an analysis of the significant assumptions to evaluate the implied sensitivity of the valuation models. Naturally, to foresee the outcome of the war with a reasonable degree of certainty, is at best a highly judgmental

exercise. The assessed values are therefore sensitive to changes in the probabilities for different possible outcomes used in the valuation model and for changes in the discount rate.

We also assessed the related disclosures provided, in particular disclosures about key assumptions and sensitivities, and found them to be adequate and in accordance with the accounting requirements.

IFRS 10 Control Assessment

The group has entered into partnerships for shareholding of project companies owning solar power plants. Scatec seeks to obtain operational and financial control of the project companies also when Scatec's ownership is less than 50% of the shares.

Based on the criteria in IFRS 10 regarding control, other factors than ownership can be decisive as to whether Scatec has control. Management's assessment of control is based on shareholder agreements and other contractual arrangements. Assessments of control are performed when new projects are acquired, and an annual reassessment is performed for material project companies.

We focused on this area because of the complexity involved in the assessments, the use of management judgment, and the impact these assessments may have on classification and presentation of the project companies in the consolidated financial statements.

For more information on investments in joint ventures, refer to notes 1, and 13 to the consolidated financial statement.

We evaluated and challenged management's assessment of control for new project companies, and the annual reassessment for material project companies. We performed inquiries on the process to assess the requirements for control in IFRS 10 and further performed the procedures described below.

We reviewed shareholder agreements and other key contractual agreements such as development, financing, Engineering, Procurement and Construction (EPC) and Operation & Maintenance (O&M) agreements.

We assessed management's evaluation against IFRS 10 criteria: power, exposure or rights to variable returns, and the ability to use power to affect returns. Our procedures included testing whether the role that Scatec has in the projects is defined in the contract, to understand the ability of Scatec to direct relevant activities. In addition, we tested the negotiated terms and conditions outlined in the agreements, to conclude on exposure to variable returns.

We found that the information provided in the notes to the consolidated financial statement are consistent with the assessments performed by management.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the

Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Scatec ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Scatec Annual Report 2024.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 31 March 2025
PricewaterhouseCoopers AS

Thomas Fraurud
State Authorised Public Accountant

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Scatec

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