

**Scatec**

Q3 2024

**Strong financial  
performance**

CEO, Terje Pilskog & CFO, Hans Jakob Hegge





# Disclaimer

The following presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated ('relevant persons'). Any person who is not a relevant person should not rely, act or make assessment on the basis of this presentation or anything included therein.

The following presentation may include information related to investments made and key commercial terms thereof, including future returns. Such information cannot be relied upon as a guide to the future performance of such investments. The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about, and observe, such restrictions. This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Scatec ASA or any company within the Scatec Group. This presentation contains statements regarding the future in connection with the Scatec Group's growth initiatives, profit figures, outlook, strategies and objectives as well as forward looking statements and any such information or forward-looking statements regarding the future and/or the Scatec Group's expectations are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

Alternative performance measures (APM) used in this presentation are described and presented in the third quarter 2024 report for the group.





Q3 2024

## Key highlights

### Solid proportionate revenues and EBITDA increase

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

### D&C margin increase after strong construction progress

- 12% underlying D&C-margin

### Building partnership with Toyota Tsusho Group in Tunisia

- Started construction of 120 MW solar

### Growing our position in Egypt

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

### Divesting non-core – signing agreements to sell

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

### Key figures - proportionate

Figures in brackets are same quarter last year

Total revenues  
and other income

**2,416**

NOK million

(2,369)

Power production

**1,254**

GWh

(1,047)

Total EBITDA

**1,520**

NOK million

(893)

Total EBIT

**1,129**

NOK million

(584)

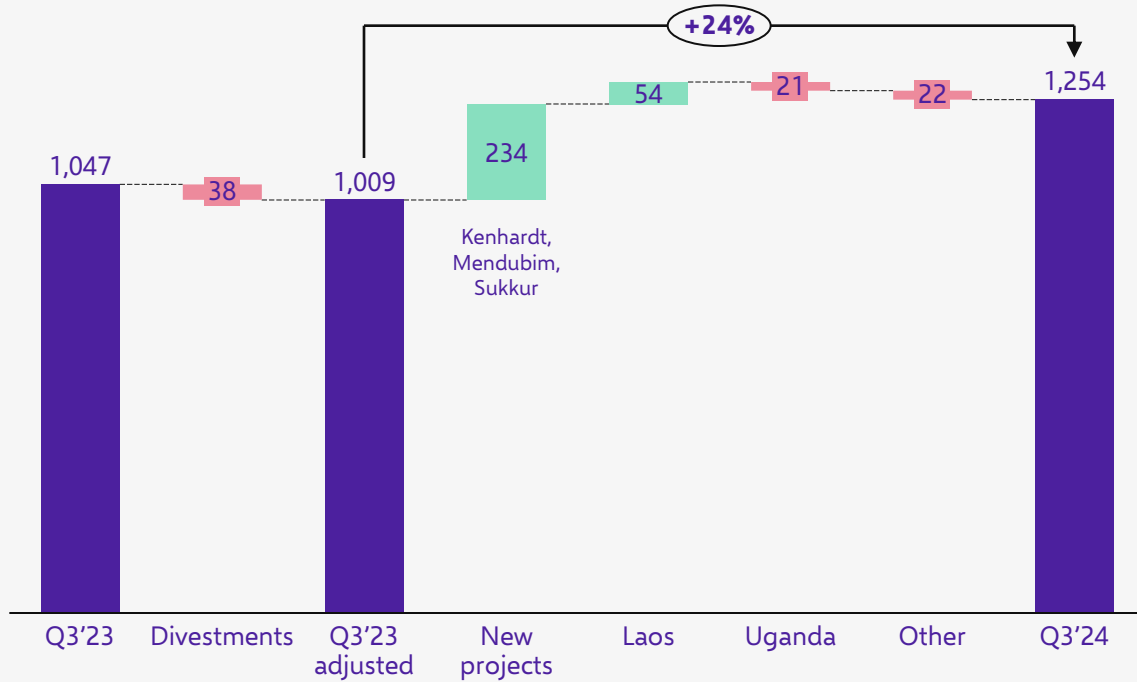




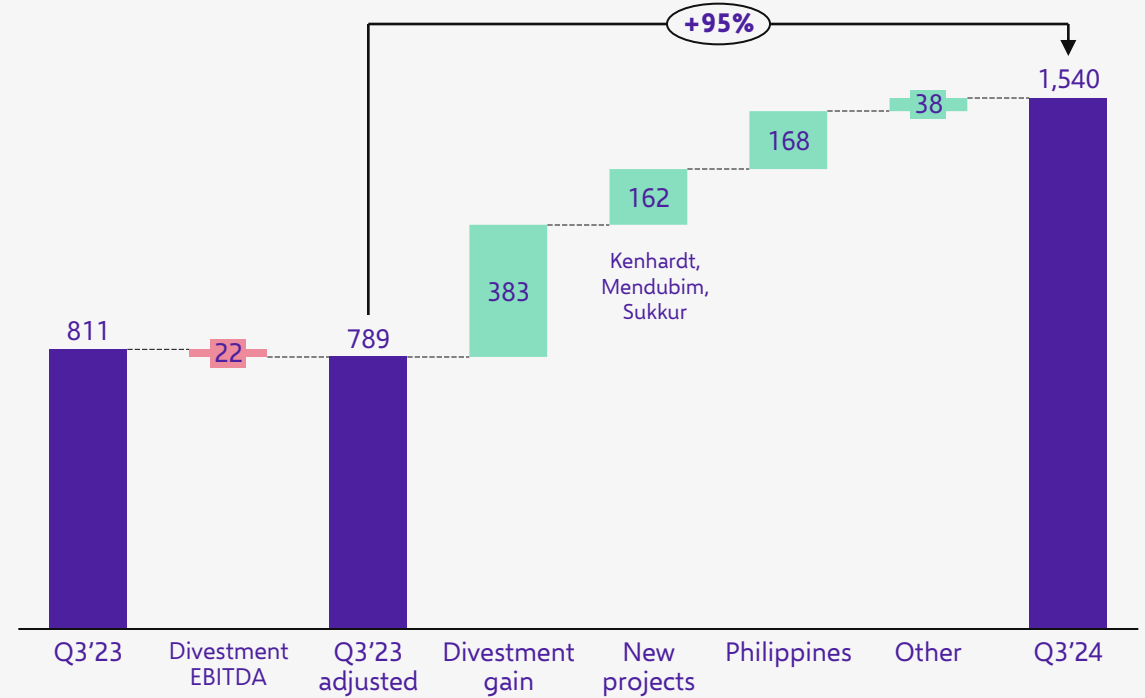
## Power Production

# Production increase of 24% adjusted for divestments

### Power Production, GWh



### EBITDA NOKm



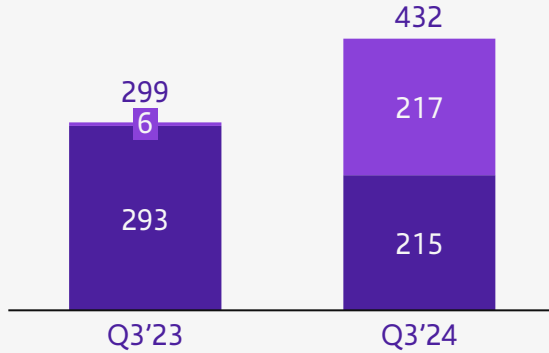


# Philippines

## EBITDA of NOK 382 million driven by Ancillary Services

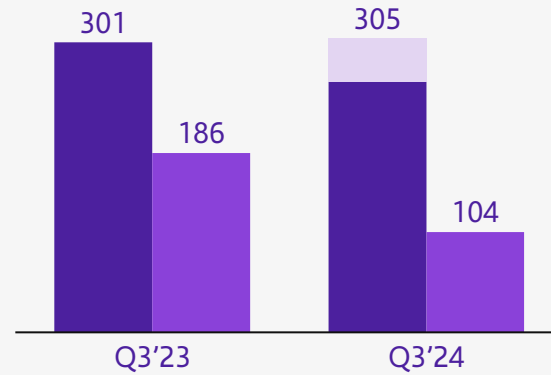
**Net Revenue, NOK million**

Ancillary Services Spot & Contract

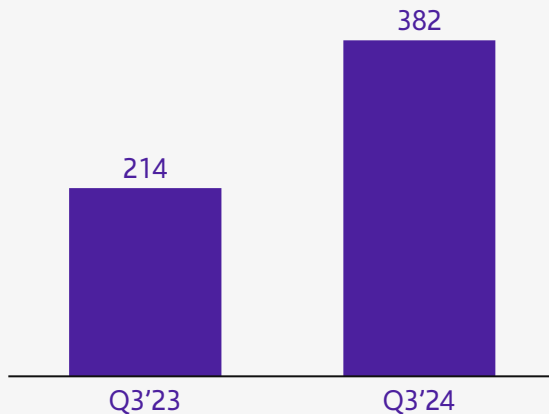


**Power Production, GWh**

Spot volumes Contract volumes AS volumes

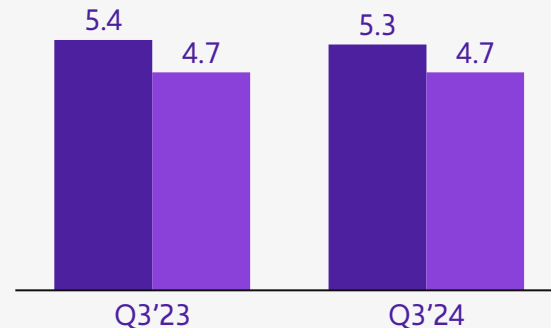


**EBITDA, NOK million**



**Prices, PHP/kWh**

Average spot price\* Average contract price



\*Time weighted average price





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



Construction

# Strong progress with 12% underlying D&C-margin

- 103 MW Mogobe BESS started construction

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



## Q3'24 financial performance

**NOK 631m**  
D&C revenues

**12%**  
Gross D&C margin

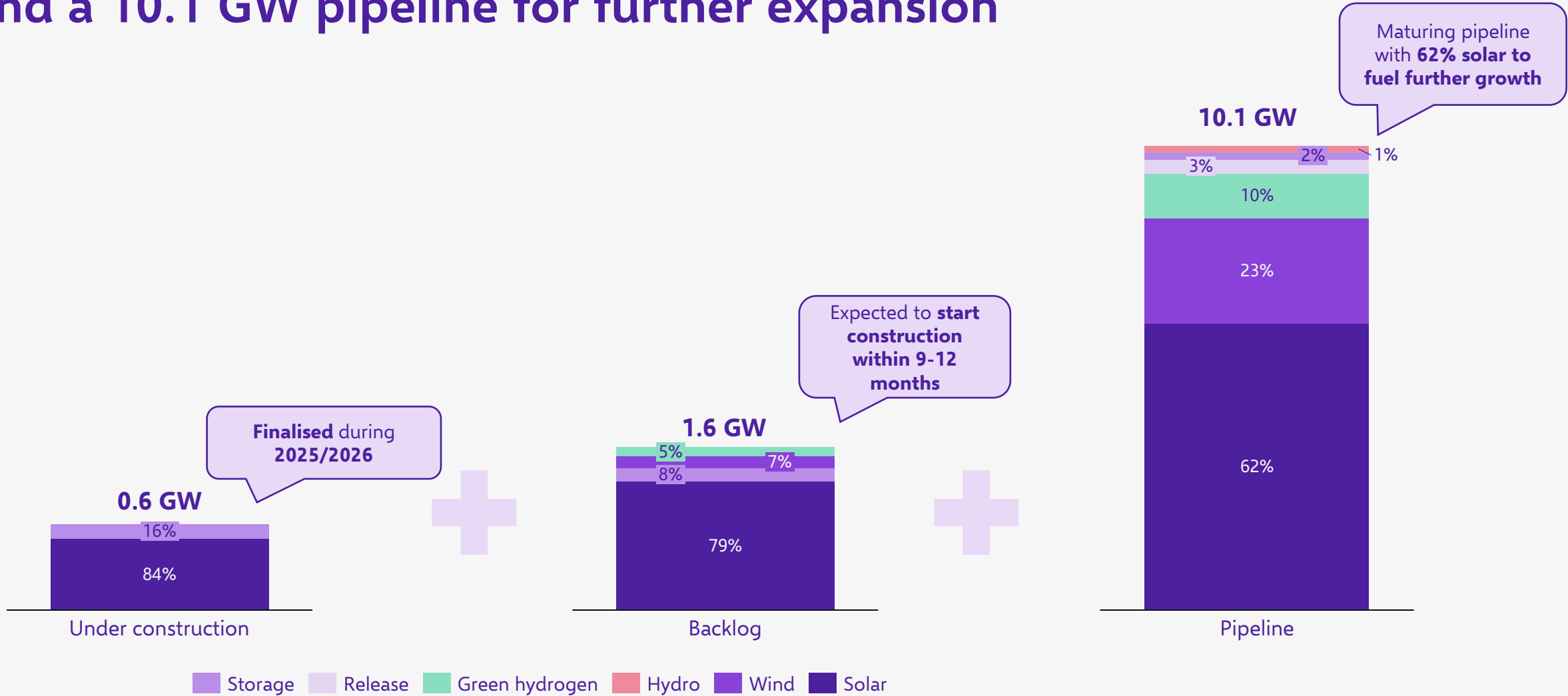
**NOK 3.4bn**  
remaining EPC contract value

**NOK 515m\***  
total equity investment

\*Net of Japanese credit funding related to Tunisia



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



# Financial review

Hans Jakob Hegge, CFO



Scatec

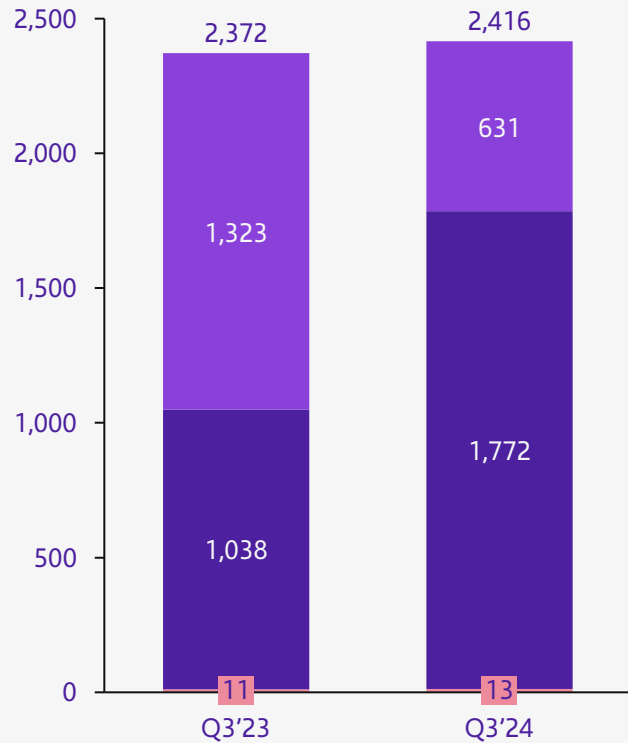




## Q3'24 Proportionate Financials

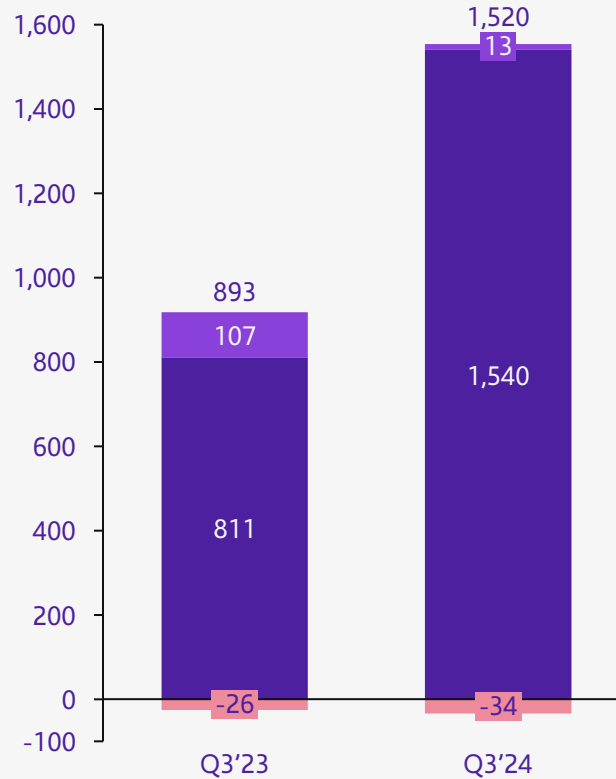
# Power Production revenues of NOK 1.8 billion

Revenues, NOK million



D&C Power Production Corporate

EBITDA, NOK million



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

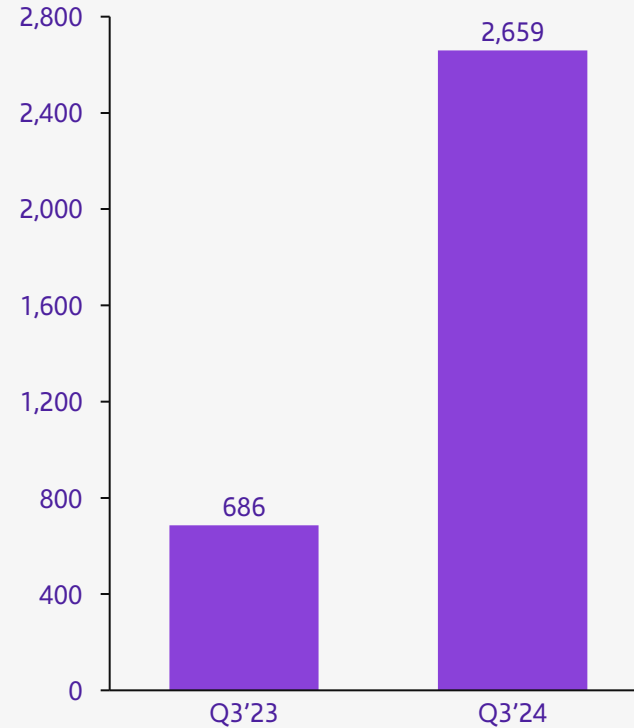
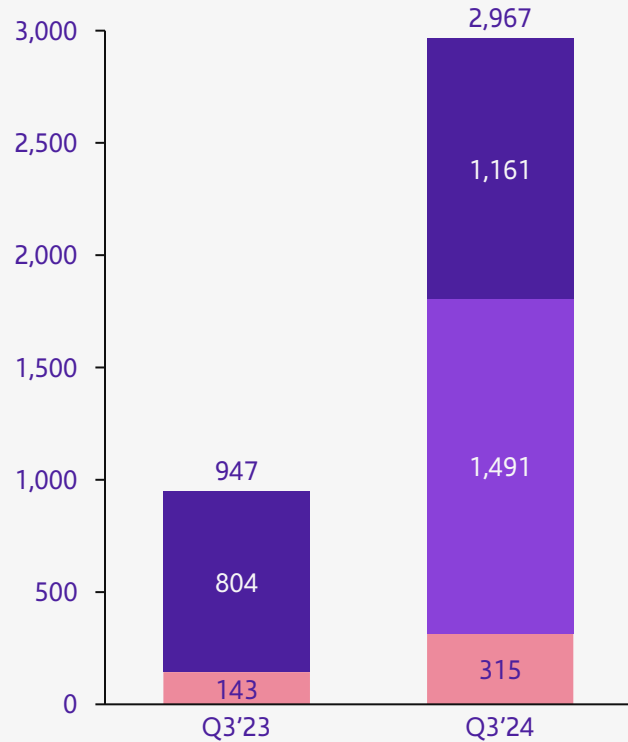


## Q3'24 Consolidated Financials

# Power sales increased by 44% to 1.2 billion

Revenues, NOK million

EBITDA, NOK million



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

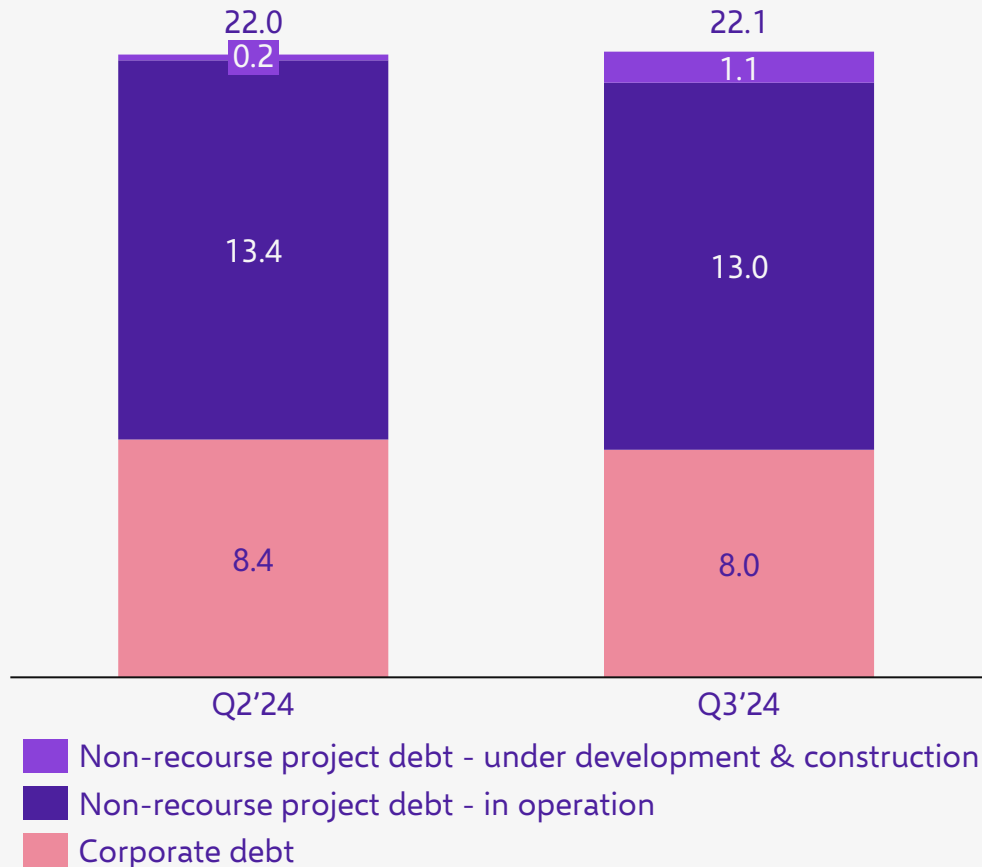
- Power sales
- Net gain from sale of assets
- Net income from JVs and associated companies



Proportionate

# Net interest-bearing debt of NOK 22.1 billion

NOK billion



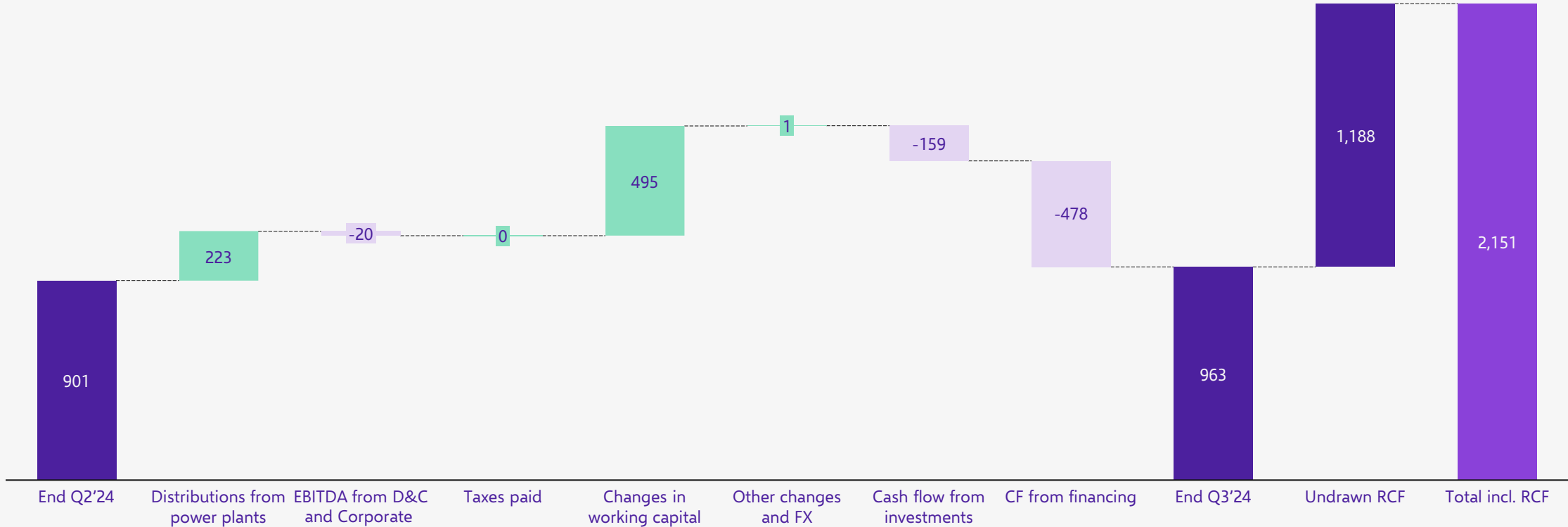
- Drawdown of new debt related to projects under construction
- Net project debt reduced to NOK 13 billion due to amortisations
- Net corporate debt down to NOK 8.0 billion due to amortisation and FX



Free cash on Group level

# Total available liquidity of NOK 2.2 billion

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





# Outlook

## Power Production

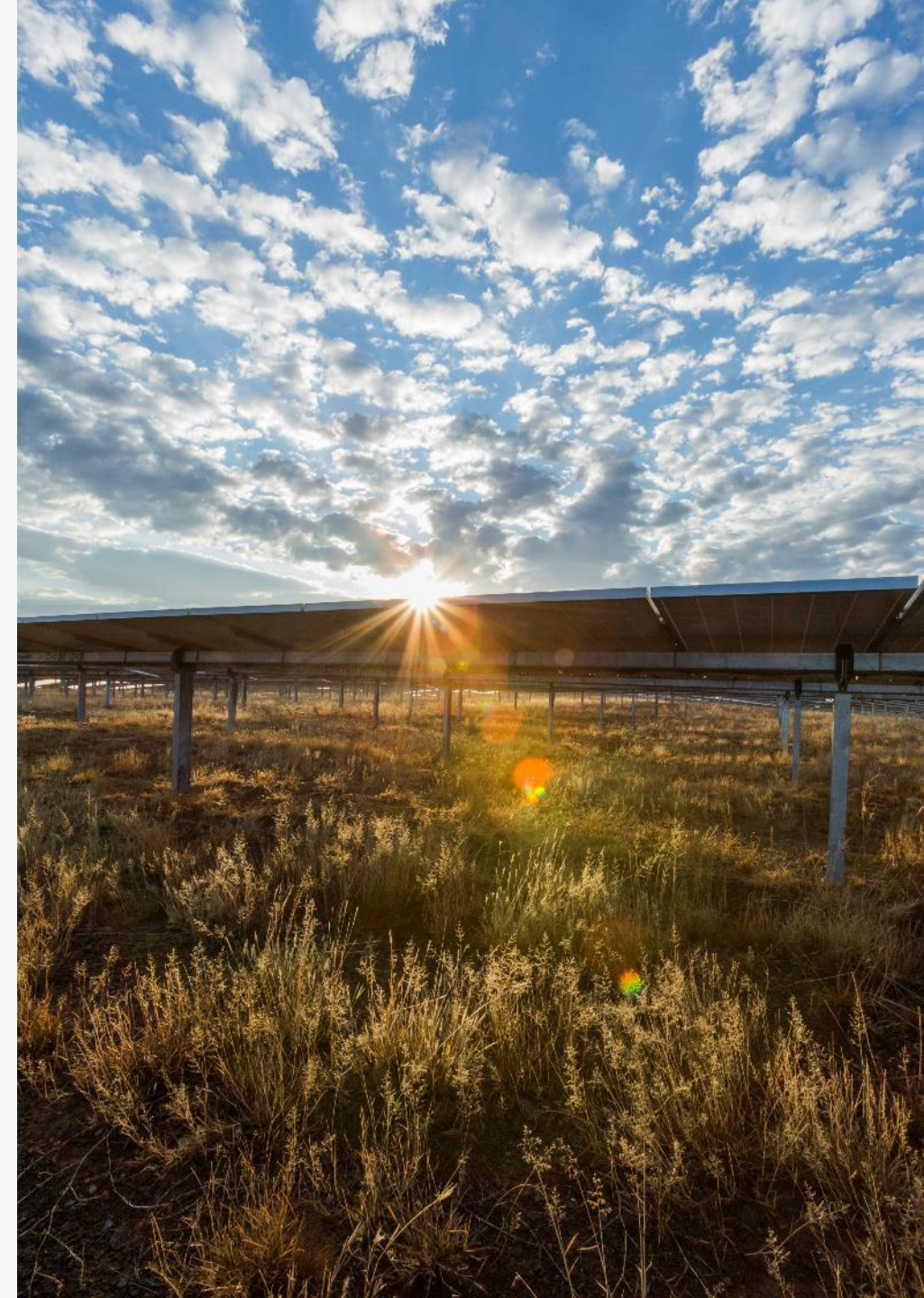
- FY'24 Power Production estimate: 4,200-4,300 GWh
- FY'24 EBITDA estimate: NOK 4,150-4,350 million
- Q4'24 Power production estimate: 1,100-1,200 GWh
- Q4'24 Philippines EBITDA estimate: NOK 270-370 million

## Development & Construction

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

## Corporate

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



# 2027 strategy roadmap

**Attractive growth and  
strengthening balance sheet**



# Improving the future for communities and individuals

**5.6**

**GW**

renewable capacity  
installed, acquired and  
under construction\*



**21**

**million tonnes**

GHG emissions  
avoided



**11**

**million**

households  
powered annually\*\*



**20**

**thousand**

direct jobs  
created



**\$20**

**million**

invested in local  
communities





# We have sharpened our strategic roadmap towards 2027

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

## Profitable growth

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

## Markets & technologies

- Focus on **Solar PV & BESS** near-term and build onshore wind portfolio over time
- Build scale in **four core markets** (Brazil, Egypt, South Africa and the Philippines)
- Opportunistic approach to other markets and technologies (Hydro & H<sub>2</sub>)

## Funding

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

## Deleverage

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

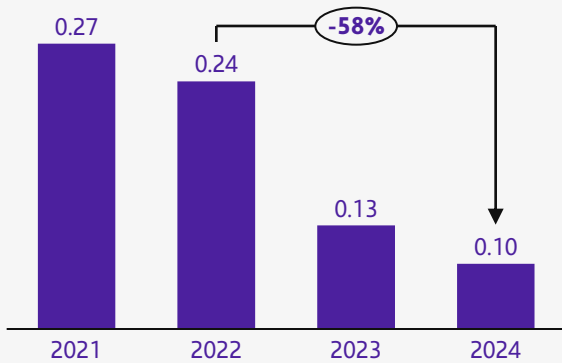




# ...supported by strengthened market fundamentals

## Solar PV module prices all time low...

USD/W

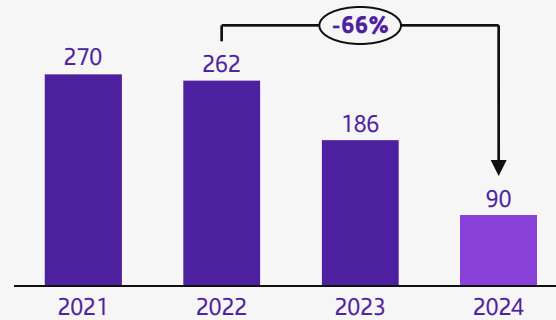


**Scatec** has **~1.8 GW** of solar under construction & in backlog and additional **~6.2 GW** in pipeline

## ...and energy storage system prices continue to decrease

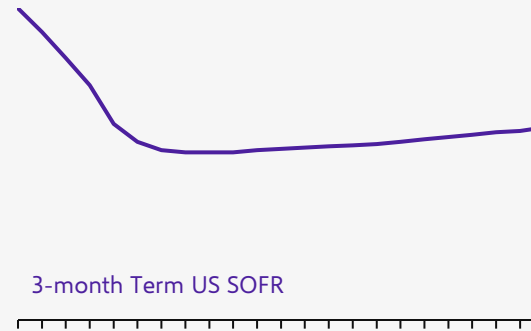
USD/Kwh

■ Yearly delivery prices ■ 2024 April quote\*



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

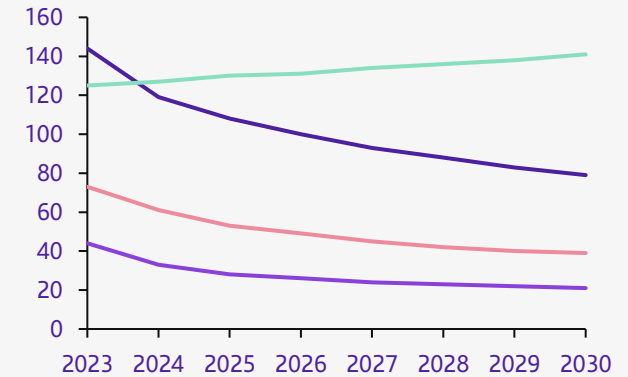
## Interest rates expected to decrease...



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

## ...expected to contribute to falling LCOEs\*\*

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

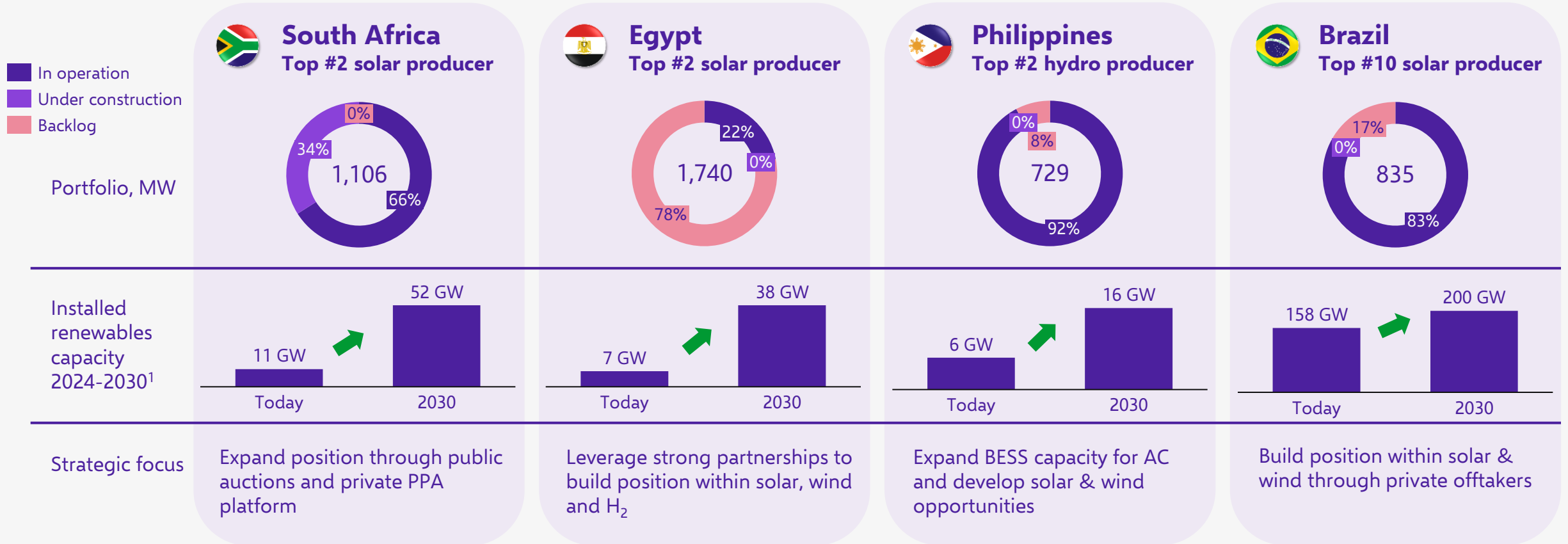


**Scatec** focusing on **renewables**, the **most attractive source of energy** from an LCOE perspective

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



# We have selected four core markets with attractive growth outlook

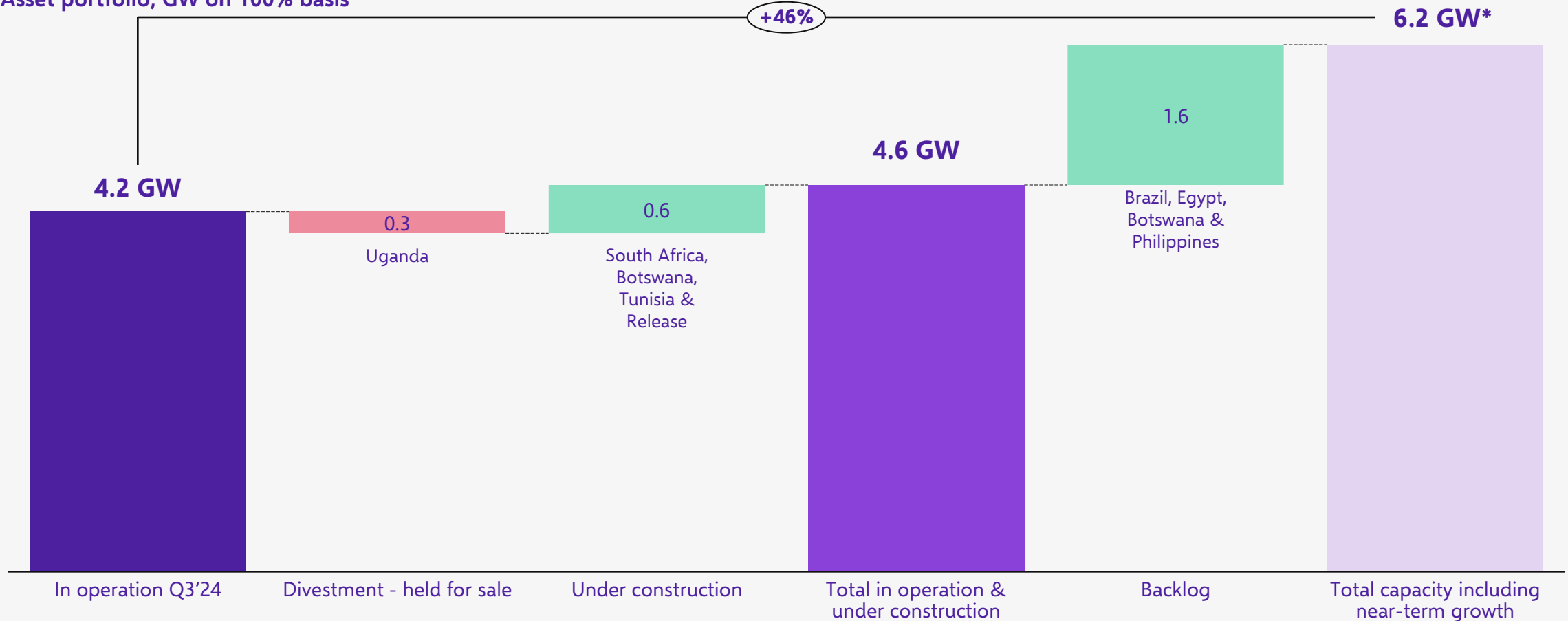


## Opportunistic approach to markets outside the four core markets



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

Asset portfolio, GW on 100% basis

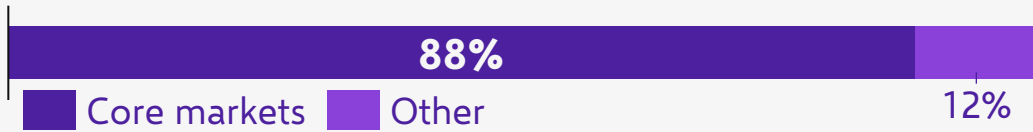


\*Before any further divestments of operating assets

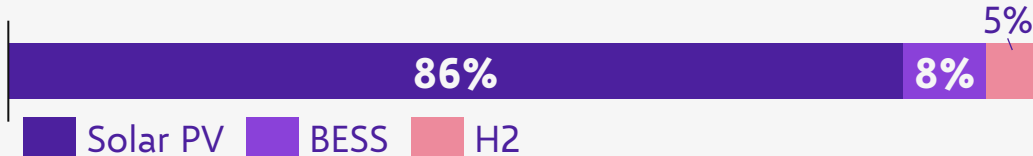


# The 2.2 GW are in the sweet spot of our strategic growth ambitions

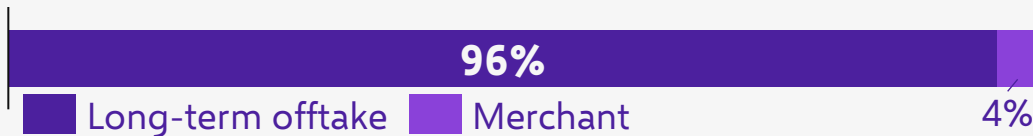
Delivering profitable growth in **core markets**...



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



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



...and **substantial D&C gross margins** covering ~**70%** of Scatec's target equity investments

**\$1.9 billion** total capex

**\$1.5 billion** non-recourse debt & grants

**\$1.0 billion** D&C revenues

**\$110 million** D&C gross profit













**\$155 million** Scatec equity investment\*



# 556 MW of Solar + BESS already under construction

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

## Projects under construction\*

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

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

\*\*Expected farm-down of Botswana post COD

















\*\*\*Including Japanese funding



# ...And 1.6 GW in backlog

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

## Projects in backlog

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

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

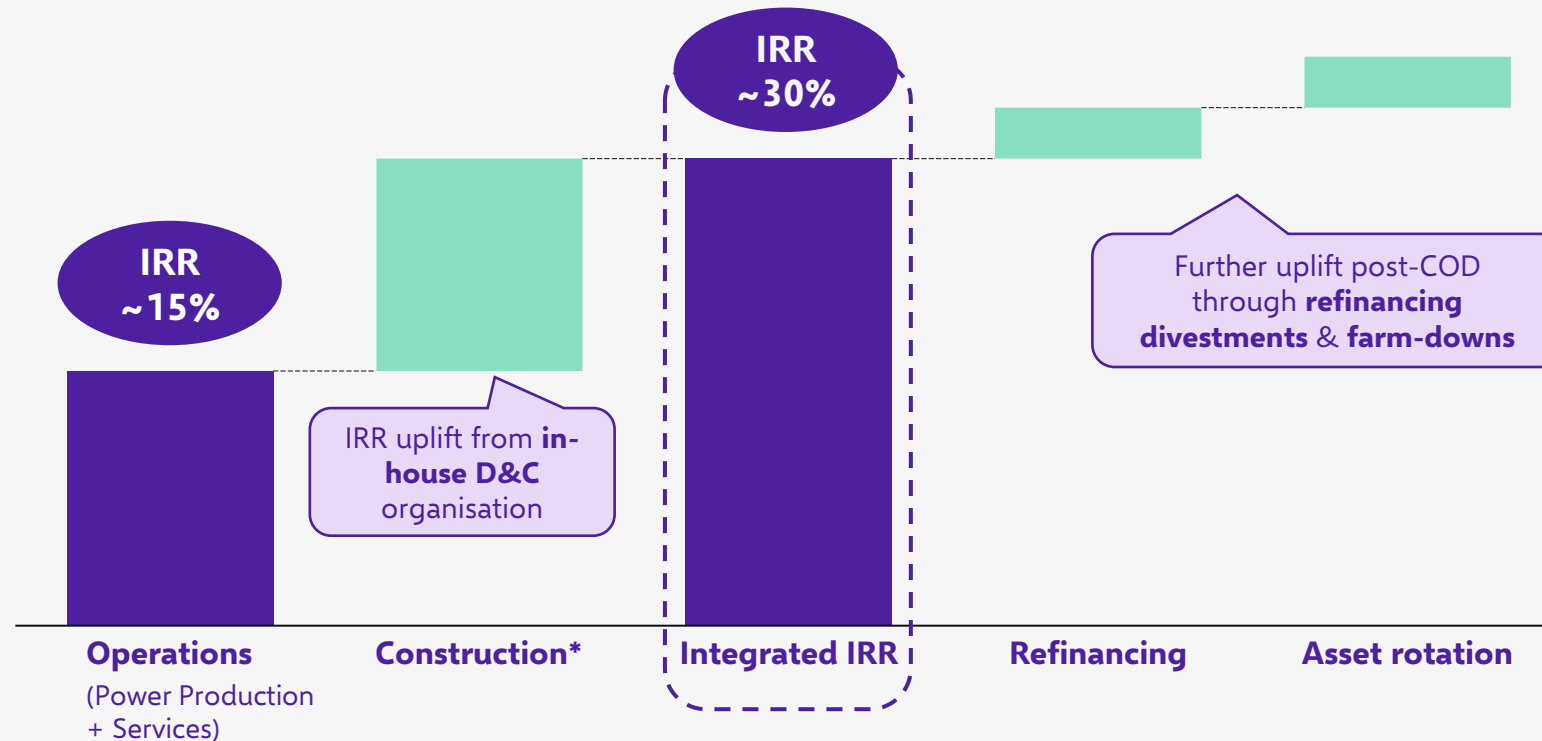
\*\*Expected farm-down of Botswana post COD



# Solid project equity returns generated from our integrated approach

## Scatec project equity IRR build up

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

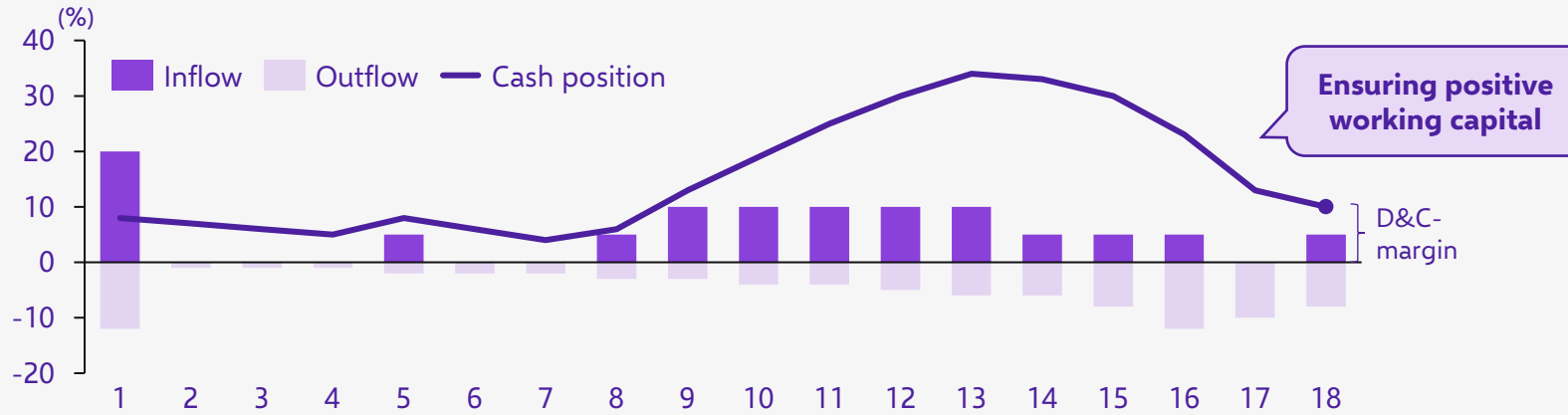


- **Strict value creation criteria** drives all investment decisions
- **Maximising returns** through an integrated approach
- Average IRR from operations of **~15%** and integrated IRR of **~30%** incl. construction margins
- **Returns locked in** before construction start

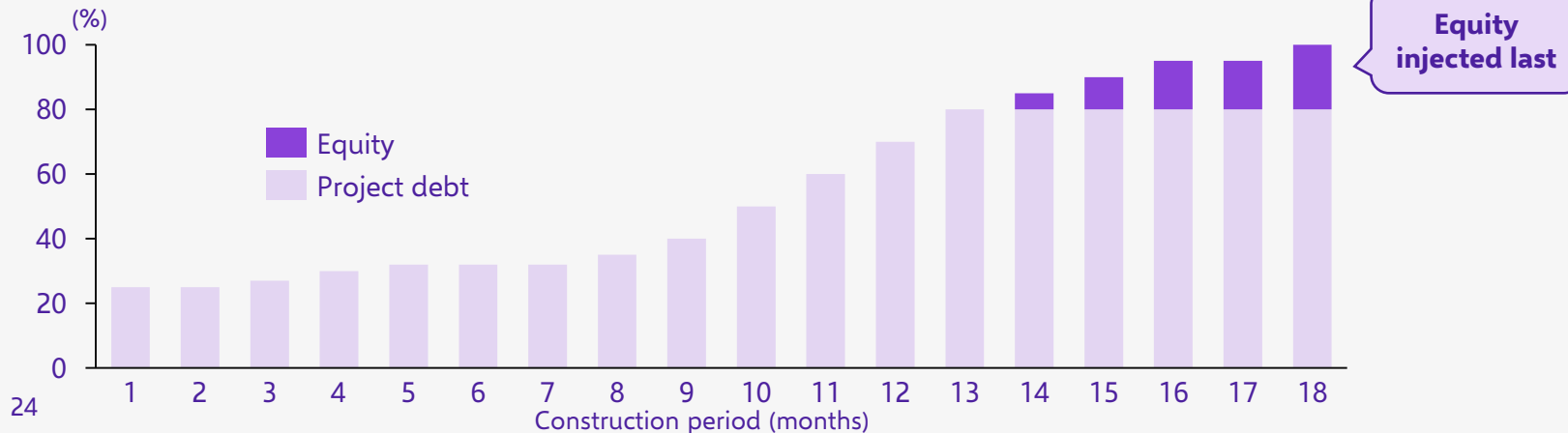


# Optimization of working capital during construction

### Illustrative Scatec EPC cash flows during construction (%)



### Illustrative equity last financing structure\* (% accumulated)



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

## EPC-working capital

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

## Equity last financing structure

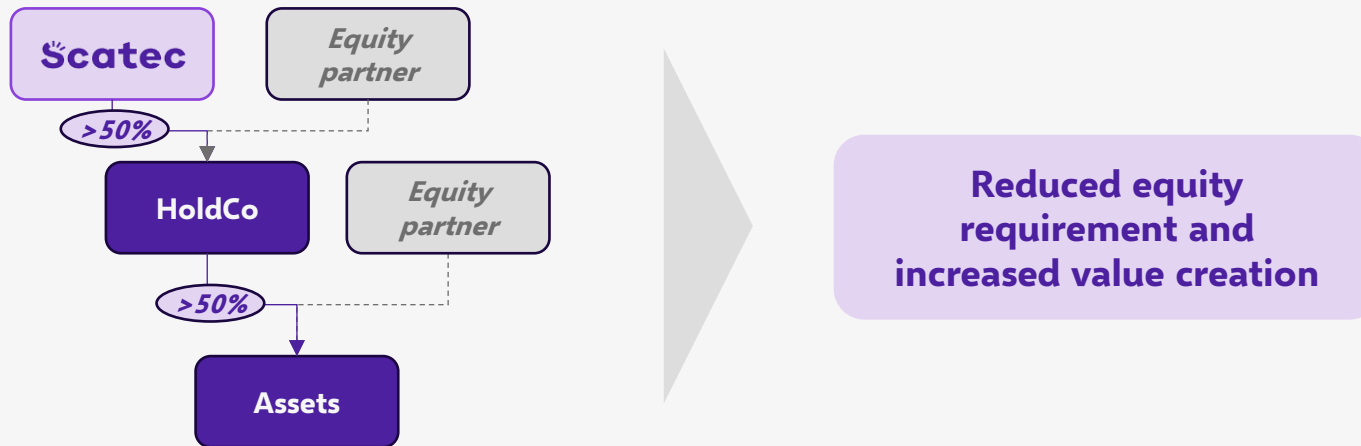
- Equity injected last to optimize cash flows and project returns





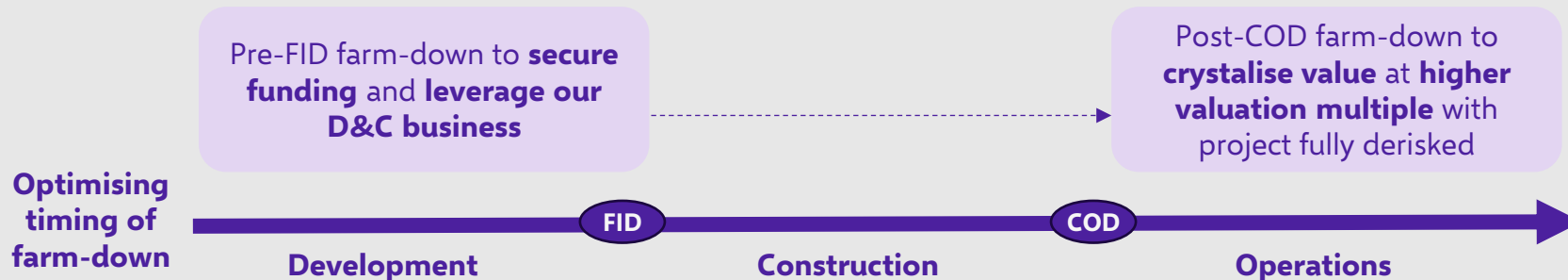
# Capturing more value through capital efficiency

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



## Key rationale

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

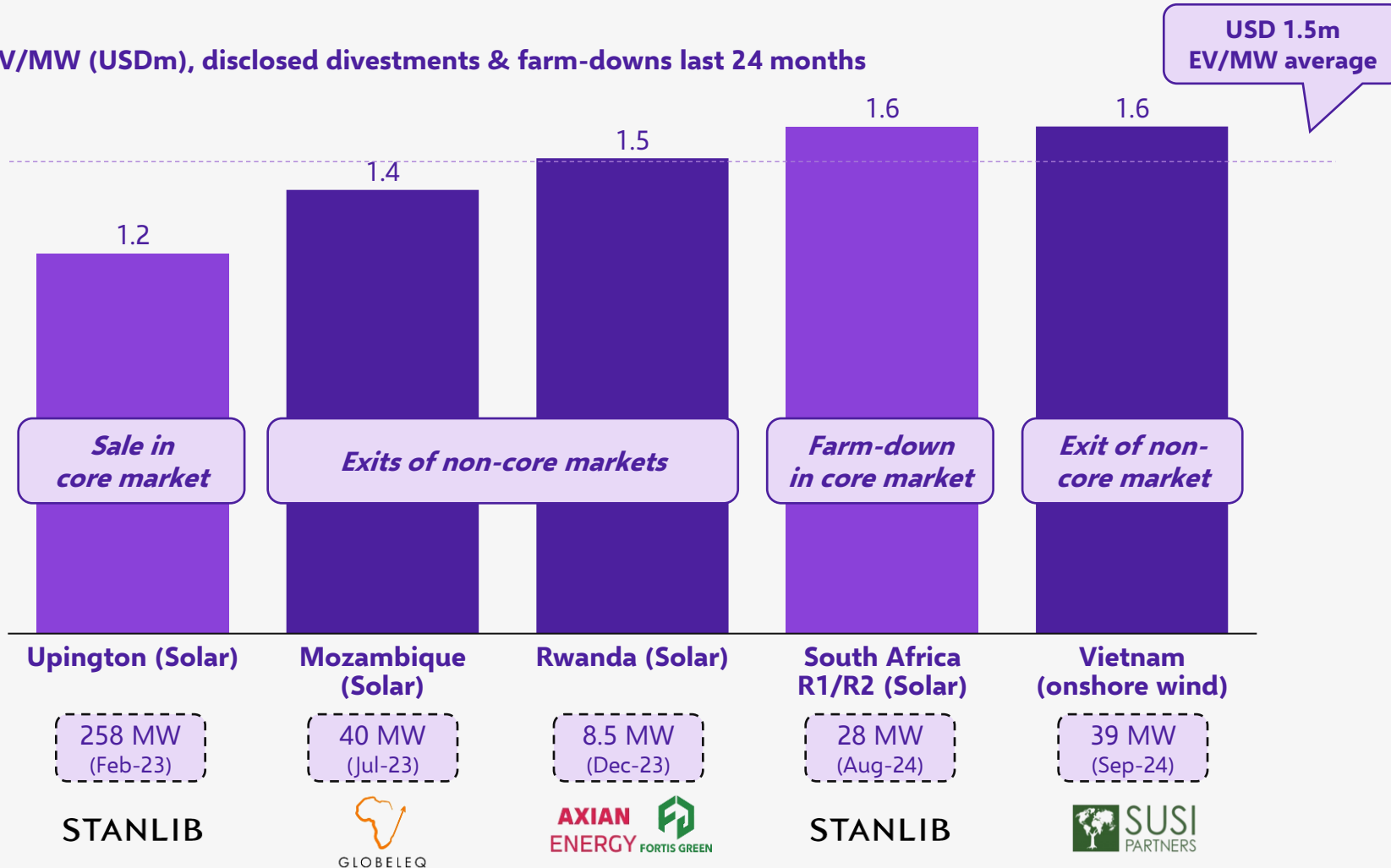


Timing dependent on project size and market conditions



# Divesting operating assets to fund strategic initiatives and crystallise value

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



## Solid track record

- 6 transactions last 24 months\*

## Attractive pricing

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

## Structured valuation approach

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

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

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



## Key takeaways

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



**Scatec**



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

### Project and Group level net interest bearing debt

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

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



# Our asset portfolio

## Plants in operation

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

## Under construction

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

## Project backlog

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

## Project pipeline

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