Scatec

First quarter

2022

Scatec in brief

Scatec is a leading renewable energy solutions provider, accelerating access to reliable and affordable clean energy in high growth markets. As a long-term player, we develop, build, own and operate renewable energy plants, with 3.5 GW installed capacity across four continents today. We are targeting 15 GW of renewable capacity to be in operation or under construction by the end of 2025, delivered by our 600 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 symbol 'SCATC'.

Set for further growth

Over the last 15 years, we have been at the forefront of development and investment in renewable energy in emerging economies. We have applied our market understanding and ability to build sustainable sources of energy, while at the same time systemised our way of working in these countries to make them our home markets.

We are building our growth strategy on our strong market position in selected core markets characterised by high demand for new power, a carbon intensive power sector, and a regulatory framework supporting international private capital targeting renewable based infrastructure. We have a long-term perspective on all of our investments based on profitability and potential impact on the environment, people, local communities, and other stakeholders

Over time we have gained a key competitive advantage through a deep understanding of how to realise opportunities and manage risks related to operations in complex environments. Our core competence is to holistically assess and manage a broad range of aspects, to bring new investment opportunities forward and ensure that long lasting renewable assets can be financed and built. Leveraging on this key competitive advantage is a fundamental part of our strategy.

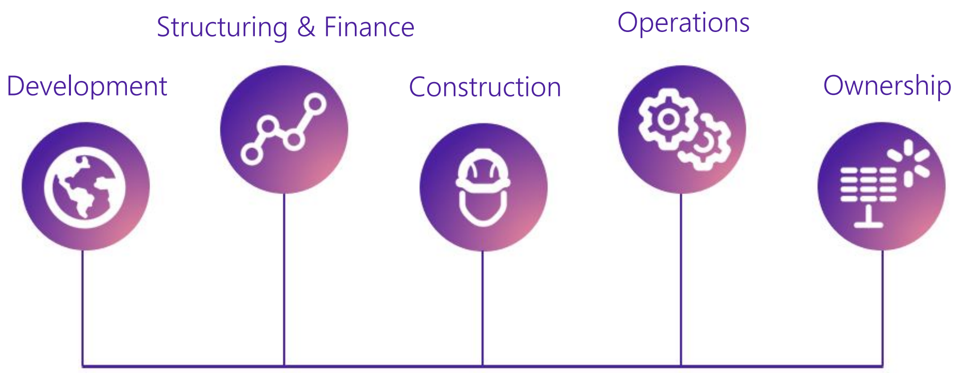
Furthermore, we work alongside policymakers, community members, financial institutions, suppliers, as well as utilities and other end-consumers, as we strive to create growth, generate value and build a greener future for all.

We have developed a business model which allow us to capture the total value of a renewable project while keeping transactional and operational control. This business model is to develop, build, own, and operate renewable energy plants in emerging economies and primarily sell the power under long term power purchase agreements (PPAs).

With operations in emerging economies and across renewable technologies, we are exposed to a variety of risks. Our ability to manage these has over time developed into a key competitive advantage which is fundamental for our success.

We have a strong commitment to generate shareholder value through profitable growth. To deliver on this commitment we stay selective when investing and scrutinise all our investment opportunities against our investment criteria. We target an average project equity IRR of 12-16 per cent based on cash flow from power production, and a development & construction margin of 10-12 per cent.

Our integrated business model



Asset portfolio[1]

	Technology	Capacity MW	Economic interest [2]
In operation			
Philippines		642	50%
Laos		525	20%
South Africa		448	45%
Egypt		380	51%
Ukraine		336	89%
Uganda		255	28%
Malaysia		244	100%
Brazil		162	44%
Argentina		117	50%
Honduras		95	51%
Jordan		43	62%
Mozambique		40	53%
Vietnam		39	100%
Czech Republic		20	100%
Rwanda		9	54%
Total		3,355	52%
Under construction			
Pakistan		150	75%
Release		45	100%
Total		195	61%
Projects in backlog			
South Africa		813	51%
Tunisia		360	55%
Brazil		530	33%
Lesotho		20	48%
Total		1,723	46%
Grand total		5,273	51%
Projects in pipeline		14,553	

Segment overview

Development & Construction

The Development & Construction segment derives its revenues from the sale of development rights and construction services delivered to power plant companies where Scatec has economic interests.

Power Production

The power plants produce electricity for sale primarily under long term 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 18 years. The electricity produced from the power plants in the Philippines is sold on bilateral contracts and in the spot market under a renewable operating license, and as ancillary services.

Services

The Services segment comprises Operations & Maintenance (O&M) and Asset Management services provided to power plants where Scatec has economic interests. 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, environmental and social management, as well as contract management on behalf of the power plant companies.

Corporate

Corporate consists of activities such as corporate services, management, and group finance.

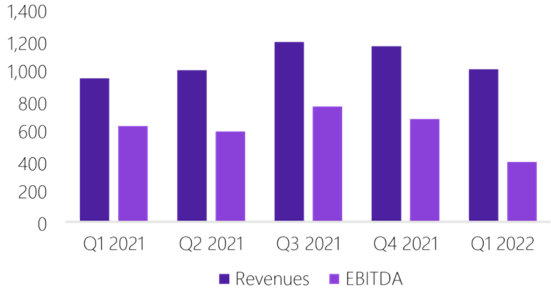
1) Asset portfolio as per reporting date
2) Scatec's share of the total estimated economic return from its subsidiaries. For projects under development the economic interest may be subject to change

First quarter impacted by Ukraine

- Proportionate revenues of NOK 1,014 million (954)[1] and EBITDA of NOK 398 million (636)
- EBITDA impacted by seasonality in the Philippines and NOK 87 million credit loss provision in Ukraine
- Impairment of NOK 770 million of assets in Ukraine
- NOK 479 million in cash distributions from power plants, including refinancing proceeds
- Partnership for green ammonia in Oman and finalised offtake agreement for green hydrogen in Egypt
- Investment decision taken for 20 MW battery system in Philippines

Proportionate revenues and EBITDA

NOK million



Key figures

NOK million	Q1 2022	Q4 2021	Q1 2021	FY 2021
Proportionate Financials [2]				
Revenues and other income	1,014	1,169	954	4,328
Power Production [4]	933	1,073	868	3,889
Services	66	66	56	260
Development & Construction	5	18	24	137
Corporate	10	11	6	42
EBITDA [2]	398	683	636	2,686
Power Production	490	763	704	2,949
Services	16	11	17	75
Development & Construction	-75	-57	-60	-223
Corporate	-34	-35	-25	-114
Operating profit (EBIT)	-772	399	406	1,606
Power Production	-554	511	483	1,977
Services	15	10	16	70
Development & Construction	-193	-79	-62	-301
Corporate	-40	-42	-31	-140
Net interest- bearing debt [2]	14,992	15,175	14,934	15,175
Scatec share of distribution from operation companies	479	346	723	1,603
Power Production (GWh)	868	1,047	854	3,823
Power Production (GWh) 100% [3]	2,136	2,588	2,147	9,729
Consolidated Financials				
Revenues and other income	759	1,039	831	3,803
EBITDA [2]	433	775	631	2,903
Operating profit (EBIT)	-716	539	444	2,012
Profit/(loss)	-1,062	136	42	456
Net interest- bearing debt [2]	15,285	14,949	14,744	14,949
Basic earnings per share	-7.13	0.92	0.11	2.45

1) Amounts from same period last year in brackets
2) See Alternative Performance Measures appendix for definition
3) Production volume on a 100% basis from all entities, including JV companies
4) Revenue from power production for 2021 has been adjusted due to change in accounting policy as disclosed in Note 10

Comments to the Proportionate Financials

Power Production

Power production reached 868 GWh in the first quarter 2022 compared to 854 GWh in the same quarter last year.

Compared to the same quarter last year, revenues increased by NOK 66 million mainly explained by one more month of production from the Dam Nai wind power plant as the asset was acquired on 29 January 2021 and by new power plants in operation in Argentina and Ukraine. In Ukraine increased capacity from more plants in operation were partly offset by lower production and revenues due to the Russian invasion.

As expected, lower-than-average water inflow in the Philippines led to lower production and increased purchase of power at high spot prices to cover contract obligations. This led to an increase of NOK 181 million in cost of sales in the first quarter compared to last year. Additionally, a credit loss provision of NOK 87 million with respect to trade and other receivables in Ukraine was recognised in the first quarter 2022. These effects had a negative impact on EBITDA which decreased by NOK 213 million compared to same quarter last year. Refer to Note 2 Operating segments for further details.

EBIT was further affected by an impairment of NOK 770 million which was recognised in the first quarter related to a partial impairment of the solar power plants and other intangible assets in Ukraine. Refer to Note 2 Operating segments and Note 4 Impairment for further details. For further details on financial results on a country-by-country basis please refer to Scatec's 'Q1 2022 historical financial information' published on Scatec's web page.

Development & Construction (D&C)

D&C revenues remained marginal due to low construction activity in Pakistan during the first quarter 2022.

Operating expenses comprised of approximately NOK 58 million for early-stage project development and NOK 18 million related to the construction business. The reduction in EBITDA compared to the same quarter last year is primarily due to an increase in project development expenses and a strong pipeline growth.

Scatec has decided to discontinue development of projects in Mali, Bangladesh and India totaling 1 GW. The decision is based the worsened security situation in Mali, a continued challenging situation related to Covid in Bangladesh and new import duties and cost inflation in India. An impairment of NOK 116 million is recognised in the first quarter in relation to these projects.

Services

The moderate increase in revenues and operating expenses in the segment compared to the same quarter last year is driven by the expansion of the operational portfolio.

Corporate

The increase in revenues for the first quarter 2022 compared with the same quarter last year is mainly driven by higher activities across the group. First quarter operating expenses compared to the same quarter last year reflect the strengthening of corporate functions throughout 2021. Operating expenses in first quarter where broadly in line with the fourth quarter 2021.

Short term guidance

Power Production

Production volumes guidance have been adjusted for expected continued curtailment in Ukraine. Proportionate EBITDA guidance have been adjusted to reflect the impact of provision for loss of receivables in Ukraine recognised in the first quarter in addition to the expectation of zero EBITDA contribution from Ukraine in 2022.

Production in the second quarter 2022 in the Philippines is expected to be 20% above five-year average. 2022 guidance is based on P50 production estimates for the second half of 2022 with power prices expected to be slightly higher for the remainder of the year compared to the previous guidance update.

EBITDA guidance is based on currency rates as of end of the first quarter 2022.

GWh	Q1 2022	Q2 2022E	2022E
Proportionate	868	860-960	3,850-4,150
100% basis	2,136	2,150-2,350	9,500-10,100

NOK million	2021	2022E
Proportionate EBITDA	2,949	2,300 - 2,600

Development & Construction

D&C revenues and margins are dependent on progress on development and construction projects. At the end of the first quarter the remaining not booked construction contract value was approximately NOK 443 million related to the Sukkur project in Pakistan. The D&C activity level and revenues for the second quarter 2022 are expected to be broadly in line with the previous quarter. More details on projects under construction and in backlog can be found on page 9 and 10 in the report.

Service & Corporate

2022 EBITDA for Services is expected to be slightly above 2021. 2022 EBITDA for Corporate is expected to be slightly below 2021.

ESG performance

ESG Performance Report published

Scatec's ESG Performance Report was published at the end of first quarter, 2022. The report summarises key performance, results and targets related to the Company's most material ESG risks and opportunities. The report is supported by an online report with more detailed information to each of the Company's material ESG topics.

The Company also published its second TCFD (Task Force on Climate-Related Financial Disclosure) Report at the end of first quarter 2022. TCFD encourages standardised reporting of financially material climate-related risks and opportunities. The reporting guidelines are grouped into four areas of disclosure that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets. The TCFD report is available on the Company's corporate website under "ESG resources" and "Climate reporting".

EU Taxonomy update

100 percent of Scatec's revenues, operating expenses and investments are derived from Taxonomy eligible activities. In 2021, third-party assessments were carried out to evaluate the Company's alignment to the EU Taxonomy.

The assessment of the "Do no Significant Harm" (DNSH) principle of the EU Taxonomy Annex 1 Technical screening criteria confirmed that all hydropower assets are aligned with the Taxonomy DNSH criteria, but lack a detailed site-specific climate risk assessment. Two such site-specific climate risk assessments were completed by end of first quarter 2022. The remaining assessments will be completed later in 2022.

First Green Finance Report published

Scatec published its first Annual Green Finance Report in connection with the Company's Green Financing Framework issued in 2021. To enable investors, lenders and other stakeholders to follow the development of the assets and projects funded by Green Finance Instruments, the Green Finance Report includes an Allocation Report and an Impact Report. The report will be published annually as long as Green Finance Instruments are outstanding. A verification report provided by a third party is included in the report.

ESG reporting

Scatec reports on the Company's results and performance across material ESG topics on a quarterly basis.

	Indicator [1]	Unit	Q1 2022	FY 2021	FY 2020	Targets 2022
E	Environmental and social assessments	% completed in new projects	**100**	100	100	100
	GHG emissions avoided[2]	mill tonnes CO2e	**0.5**	2.0	1.6	2.1
	Water consumption	mill litres (water-stressed areas)	**2.2**	11.0	5.9	N/A
S	Lost Time Incident Frequency	per mill hours	**1.8**	1.9	0.6	≤ 2.1
	Hours worked	mill hours (12 months rolling)	**2.7**	2.5	3.7	-
	Female managers	% of females in mgmt. positions	**26**	27	33	32
	Human rights training[3]	% of all security guards trained	**100**	95	65	100
G	Whistleblowing channel	number of incidents reported	**3**	7	7	-
	Corruption incidents	number of confirmed incidents	**0**	0	0	0
	Code of Conduct training	% of all employees trained	**97**	89	100	100
	Supplier E&S screening[4]	% of suppliers screened through EcoVadis	**59**	N/A	N/A	100

1) For a definition of each indicator in the table see ESG Performance Indicators under other definitions on page 36
2) The figure includes the actual annual production for all projects where Scatec has operational control
3) Corporate human rights training is mandatory to all employees. Security guards at the Company's power project site have been identified as a particularly exposed group through a human rights risk assessment, and therefore tailored training sessions to this specific group have been conducted globally
4) Contracted and potential suppliers of key components to power projects, such as solar modules, steel structures, trackers and wind turbines screened through a new supplier management platform implemented at the end of fourth quarter 2021

During first quarter 2022, Scatec conducted Environmental and Social Impact Assessments (ESIAs) and due diligence or baseline studies in close dialogue with project and financing partners for all new projects under development with a certain level of maturity. This included projects located in South Africa, India, Egypt, Botswana, Vietnam and the Philippines. All projects are Category B projects according to the IFC Performance Standards, with potential limited adverse social or environmental impact.

The GHG emissions avoided from the power plants where Scatec has operational control reached 0.5 million tonnes in the first quarter 2022.

Scatec reports on water extraction by source and volume for projects located in water-stressed areas. The water usage in South Africa and Jordan reached 2.2 million litres in the first quarter.

The Company delivered more than 2.7 million working hours with no fatalities or serious injuries (12 months rolling). The lost time incident frequency rate (LTIF) was 1.8 per million working hours. All the lost time incidents were investigated, and preventive actions have been implemented and communicated.

The percentage of female employees in management positions globally was 26% at the end of first the quarter 2022. This is a 1 percentage point decline from 2021 and is a result of a reduction in our gender representation on leadership level. Given our ambition to improve the representation to 32% we acknowledge we have significant work ahead of us and Scatec has therefore launched several initiatives to achieve this target. These include an Employee Value Proposition programme, coaching of hiring managers, strong partnerships with new and existing recruiters to build a talent pipeline, a revised leadership development programme and DEIB (Diversity Equity Inclusion and Belonging) training for all leaders.

The Company's human rights work is embedded in environmental and social assessments, due diligences, training and cross-functional collaborations within our supply chain. Corporate human rights training is mandatory to all employees. During the fourth quarter, Scatec rolled-out a standardised human rights training to all security personnel at its project locations globally. The training was conducted at 100% of all operational project sites where Scatec has operational control as at end of first quarter 2022.

The Company received 3 whistleblowing reports during the first quarter 2022 with zero confirmed incidents of corruption. Scatec provides mandatory anti-corruption and Code of Conduct training to all employees. At the end of the first quarter, 97% of all employees had completed the training. The Company continues to raise awareness of its commitment to a zero-tolerance policy for corruption.

The Company continues to strengthen its supplier management and monitoring by enrolling in a three-year programme with EcoVadis, a global ESG supplier management platform, at the end of the fourth quarter 2021. During the first quarter, 59% of contracted and potential suppliers of key procurement categories were assessed through the platform on four key areas including Environment, Labour and Human Rights, Ethics, and Sustainable Procurement. The remaining suppliers are expected to be assessed during the next quarter.

During the quarter, Scatec continued its strong efforts and collaborations to address the alleged forced labour issues in the solar PV production industry in Xinjiang, China. A third party company has been engaged to conduct a full traceability mapping of the Company's key solar module suppliers for upcoming projects. This is an ongoing evaluation, and the outcome will form part of Scatec's supplier selection process, prior to any contract signing. Scatec has also updated its Supplier Qualification procedure to include traceability mapping of all key suppliers based on the supplier's bills of material. The Company engages regularly on the matter with investors and other key stakeholders through weekly updates on progress and key initiatives.

Russian war in Ukraine

On 24 February, Russia attacked Ukraine, a war that has now been going on for months. We witness a country under siege and countless lives lost in defence of their home. This situation has given rise to a major humanitarian and geopolitical crisis.

Scatec currently operates five solar power plants with a total capacity of 336 MW, located in the central and southern parts of the country. The situation is very challenging and highly uncertain, and Scatec's top priority is the safety of our Ukrainian employees. All of Scatec’s employees are accounted for.

Approximately 95% of the power plants are intact and available, however power demand is down, and production is being curtailed by the grid operator on an ad hoc basis. On 28 March 2022 the Ministry of Energy of Ukraine issued an Order to reduce the amounts paid to the renewable power producers to 15% of the agreed tariff to cover for operating expenses for the duration of the martial law. The unpaid amounts are postponed to a later period. Due to the uncertainty related to future settlement, Scatec has from 24 February 2022 recognised revenues in accordance with the Order and expect to do so until the new regulation is lifted.

The Russian invasion has further triggered an impairment assessment and Scatec has recognised an impairment charge of NOK 770 million in the proportionate financials (NOK 816 million in the consolidated financials) related to tangible and intangible fixed assets in Ukraine. After the impairment, total fixed assets in Ukraine amounts to NOK 1,981 million as of 31 March 2022. Refer to Note 4 Impairment for details on the impairment of the plants.

Scatec has further recognised an expected credit loss provision in the first quarter 2022 with respect to trade and other receivables which amounts to NOK 87 million in the proportionate financials (NOK 98 million in the consolidated financials). The provision is included in other operating expenses. Total outstanding receivables related to Ukraine after the provision is NOK 341 million. Refer to Note 2 Operating Segments for more details.

Scatec’s power plant companies in Ukraine are not in compliance with several covenants in the loan agreements for the non-recourse project debt at quarter-end. Consequently, NOK 603 million of the non-recourse financing is reclassified from non-current to current as of 31 March 2022. Total current non-recourse financing on 31 March 2022 is NOK 945 million. Scatec has continuous and constructive dialogue with the lenders and the parties have agreed on a non-formalised “stand still”. In addition, PowerChina Guizhou Engineering Co has provided Scatec with a recourse construction financing of NOK 638 million related to the Progressovka power plant. The financing is due in June 2022 and Scatec is currently evaluating options for a long-term solution. Refer to Note 5 Financing for overview of debt financing related to Ukraine.

Other matters

COVID-19

Scatec has not experienced any material effects related to COVID-19 on its operations of power plants in the first quarter 2022. The COVID-19 situation has however influenced the markets where Scatec develops projects and has been causing delays in government approvals for some of the development projects.

Overdue receivables in Honduras

Reference is made to Scatec’s Annual Report 2021 regarding information on delayed payments in Honduras.

Scatec has experienced delayed payments from the state-owned power off-takers in Honduras. Overdue receivables have accumulated in Honduras to a varying degree since the second quarter 2020. At the end of the first quarter 2022, the accumulated overdue receivables from Honduras amounted to NOK 86 million compared to NOK 79 million at the end of the fourth quarter 2021. Payments are secured by sovereign guarantees and Scatec’s experience from earlier periods of delays is that outstanding receivables have been paid in full. Scatec therefore expects the outstanding amounts to be paid in full and no loss provision has hence been recognised in the first quarter.

Covenants

Except for Ukraine, Scatec was in compliance with financial covenants for both the recourse and non-recourse debt on 31 March 2022. Refer to Note 5 Financing for more details.

For further information related to Scatec’s policies and procedures to actively manage risks related to the various parts of the Company’s operation, please refer to the 2021 Annual Report (the Board of Directors’ report and Note 6).

Scatec mid-term growth target

In March 2021, Scatec announced a new target to reach 15 GW by the end of 2025 and a NOK 100 billion investment plan to fund its growth target. The business plan is supported by the current macro environment with elevated energy prices and geopolitical unrest, which is increasing attractiveness of renewable energy, in addition to Scatec’s track record of strong growth and the solid project pipeline across solar, wind, hydro and storage in high-growth markets globally.

The 15 GW target implies 12 GW of new capacity, with NOK 15-20 billion of a total NOK 100 billion in investments to be funded by Scatec equity. Solid long-term cash flows from operating power plants and margins from development and construction of new plants are expected to fund the bulk of Scatec's equity investments.

Overview of project portfolio[1)]

NOK million	Q1 2022 Capacity (MW)	Q4 2021 Capacity (MW)
In operation	3,355	3,355
Under construction	195	195
Project backlog[2)]	1,723	1,818
Project pipeline[2)]	14,553	14,775
Total	19,826	20,144

Total annual production from the 5,273 MW in operation, under construction and in backlog is expected to reach about 14,000 GWh (on 100% basis).

Projects under construction and backlog[1)]

Project backlog is defined as projects with a secure off-take agreement and assessed to have more than 90% likelihood of reaching financial close. When financial close is obtained the project moves into construction generally with Scatec as the turn-key Engineering, Procurement & Construction (EPC) provider. Prior to financial close, environmental and social baseline studies or impact assessments (ESIAs) are conducted to identify potential environmental and social risks and impacts of the Company's activities. During construction Scatec is compensated for early-stage development expenditures and construction services through a Development & Construction (D&C) margin. The D&C margin is used as a funding source for Scatec's equity investment in the project company.

For extensive information about the projects under construction and in backlog, refer to our website: scatec.com/investor.

Under construction

Sukkur, Pakistan 150 MW solar

The 150 MW Sukkur project in Pakistan is progressing with an expected construction start on site in 2022. The environmental and social management work for the project revolves around the completion of a physical resettlement process of households living within the project boundaries. The process is implemented in accordance with the IFC Performance Standards.

Release

Release by Scatec continues to deliver under several contracts. The largest contract is for 36 MW of solar and 20 MWh of battery storage capacity to be delivered to ENEO, the main utility of Cameroon.

Backlog

Construction start of the backlog projects relies on final governmental approval processes, completion of the project finance processes and component market development. Based on the current status of these processes it is expected that construction for the backlog projects will start in 2022.

During the first quarter 2022 Scatec has, based on an updated assessment, decided to discontinue development of the Nilphamari project in Bangladesh and the Segou project in Mali and Scatec has impaired the capitalised development spending related to these projects.

Mendubim, Brazil 530 MW solar

In Brazil, development of the 530 MW Mendubim solar project in partnership with Equinor and Hydro Rein is moving forward. The partners are finalising the 20-year PPA with Alunorte and are concluding on remaining commercial agreements and project finance for the project.

Scatec, Equinor and Hydro Rein will each own 1/3 of the Mendubim project and all three partners will be EPC providers on equal terms. O&M and Asset Management services will be provided by Scatec and Equinor in a 50/50 partnership.

RMIPPP, South Africa, 540 MW solar with 225 MW/1,140 MWh battery storage

In June 2021, Scatec was awarded preferred bidder status on three projects totaling 150 MW (3 x 50 MW) of Contracted Capacity by the Department of Mineral Resources and Energy in South Africa under the technology agnostic Risk Mitigation Power Procurement Programme. The three projects, with a total of 540 MW solar and 225 MW/1,140 MWh battery storage were the only projects with preferred bidder status exclusively making use of renewable energy technology, making them one of the largest single-site solar and storage hybrids in the world. The projects have a total estimated capex of about USD 1 billion (ZAR 16 billion).

The power will be sold under a 20-year PPA with a paid capacity charge. The project will be funded by project finance debt from a consortium of commercial banks and Development Finance Institutions. Scatec will own 51% of the equity, and H1 Holdings,

1) Status per reporting date
2) See other definitions

Scatec's local Black Economic Empowerment partner will hold the remaining 49%.

REIPPPP Round 5, South Africa, 273 MW solar

In October 2021, Scatec was awarded preferred bidder status on three solar projects totalling 273 MW by the Department of Mineral Resources and Energy in South Africa under the Renewable Energy Independent Power Producers Procurement Programme (REIPPPP).

The power will be sold under 20-year PPAs. Scatec will own 51% of the equity in the projects with H1 Holdings, our local Black Economic Empowerment partner owning 46,5% and a Community Trust holding 2.5%. Scatec will be the EPC provider and provide O&M as well as Asset Management services to the power plants.

Tunisia portfolio, 360 MW solar

In December 2019, Scatec was awarded three solar projects in Tunisia totalling 360 MW. The three projects will hold 20-year PPAs with Société Tunisienne de l'Electricité et du Gaz (STEG).

Scatec will have an ownership share of 51% of the project and provide EPC, O&M and Asset Management services to the project company.

Lesotho, 20 MW solar

The "Neo 1" solar PV project will be Lesotho's first public-private, utility-scale solar plant. The project is owned by Scatec, Norfund, One Power Lesotho, the Lesotho Pension Fund and Izuba Energy.

Scatec will be the lead equity investor in the project as well as the EPC contractor and provide O&M and Asset Management services to the power plant. The electricity will be sold to the Lesotho Electricity Company (LEC) through a 25-year PPA.

Pipeline

Location	Q1 2022 Capacity (MW)	Q4 2021 Capacity (MW)
Latin America	2,247	2,147
Africa and the Middle East	6,648	5,389
Europe & Central/South Asia	930	1,690
Southeast Asia	4,728	5,549
Total pipeline	**14,553**	14,775

In addition to the projects in backlog Scatec holds a solid pipeline of projects totalling 14,553 MW across technologies. The net pipeline saw a slight decrease in the quarter mainly explained by removal of the Acme project in India offset by the addition of new projects.

Solution	Q1 2022 Capacity (MW)	Q4 2021 Capacity (MW)
Solar	5,924	6,311
Wind	5,000	5,150
Hydro	2,569	2,514
Power-to-X	760	500
Release	300	300
Total	**14,553**	14,775

Hybrid solutions has been replaced by Power-to-X with Q4'21 figures for solar, wind and hydro amended accordingly. Previous Hybrid projects are included under most relevant technology.

Historically, about 50% of projects in pipeline have been realised. 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 where project finance is available. 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.

Scatec focuses on six core markets: South Africa, Egypt, Brazil, India, Philippines and Vietnam, with strong demand and growth opportunities and where the company can build on its market presence. Approximately 65% of the project backlog and pipeline is held in these markets.

Consolidated statement of profit and loss

Profit and loss

NOK million	Q1 2022	Q4 2021	Q1 2021	FY 2021
Revenues	724	762	693	3,038
Net income/(loss) from JVs and associated	35	276	138	765
EBITDA	433	775	631	2,903
Operating profit (EBIT)	-716	539	444	2,012
Net financial items	-295	-301	-344	-1,253
Profit before income tax	-1,011	238	100	759
Profit/(loss) for the period	-1,062	136	42	456
Profit/(loss) to Scatec	-1,133	146	18	388
Profit/(loss) to non-controlling interests	71	-11	24	68

Revenues

Revenues from power sales was NOK 724 million (693) in the first quarter, an increase of 5% compared to the same quarter last year. The increase in revenues is mostly explained by one more month production from the Dam Nai Wind power plant in Vietnam acquired on 29 January 2021 with a positive amount of NOK 12 million.

Revenues generated in the first quarter 2022 were on or above revenues in the first quarter last year for all plants in operation. In Ukraine increased capacity from more plants in operation were offset by lower production and revenues due to the Russian invasion.

Net income from joint venture investments (JVs) and associated companies was NOK 35 million (138) in the first quarter, a decrease of 103 million compared to the same quarter last year. The decrease is mainly explained by lower than average hydrology and water inflow in the Philippines.

Operating profit

The EBITDA was NOK 433 million (631), a decrease of 31% compared to the same quarter last year mainly caused by lower revenue from JVs and associated companies and a loss provision of NOK 98 million on accounts receivable in Ukraine recognised in the first quarter. Refer to Note 2 Operating segments for more details.

Consolidated operating expenses amounted to NOK 325 million (200) in the first quarter. The amount includes NOK 231 million (119) in cost for operation of existing power plants. The increased cost mainly relates to the loss provision on receivables in Ukraine. Operating expenses also include NOK 72 million (58) for early-stage development of new projects and construction, with pipeline growth as the main cost driver. Corporate expenses amounted to NOK 37 million (25) with one more month of an extended organisation in Q1 2022 after the acquisition of SN Power.

Depreciation, amortisation and impairment amounted to NOK 1,149 million (187) in the first quarter 2022. In the first quarter the Group recognised an impairment expense of NOK 932 million (0), where NOK 116 million related to discontinued development of projects in Mali, Bangladesh and India and NOK 816 million related to the solar power plants in Ukraine. Refer to Note 4 Impairment for further details.

Net financial items

NOK million	Q1 2022	Q4 2021	Q1 2021	FY 2021
Financial income	16	15	22	47
Financial expenses	-342	-353	-357	-1,368
Foreign exchange gains/(loss)	30	37	-9	69
Net financial items	-295	-301	-344	-1,253

Financial expenses in the first quarter mainly consisted of interest expenses of NOK 269 million (324) primarily interest on non-recourse financing and corporate funding. The cost of corporate funding is about NOK 24 million lower in the first quarter 2022 compared to the same quarter last year. About NOK 5 million relates to lower interest rates while the remaining difference relate to non-recurring fees recognised in the first quarter 2021 with respect to the refinancing. See Note 5 for further information on financing.

Profit before tax and net profit

The Group recognised a tax expense of NOK 50 million (59) in the first quarter, corresponding to an effective tax rate of 5% (59%). The difference between the Group's actual tax expense and a calculated tax expense based on the Norwegian tax rate of 22% is mainly due to non-recognised deferred tax asset related to the impairment of the assets in Ukraine. Also, the difference is impacted by different tax rates in the jurisdictions in which the companies operate, withholding taxes paid on dividends and currency effects. The profit/loss from JVs and associates are reported net after tax which also impacts the effective tax rate. For further details, refer to Note 7.

Net loss for the first quarter was NOK -1,062 million (42) while loss attributable to Scatec was NOK -1,133 million (18). The allocation of profits between NCI and Scatec is impacted by the fact that non-controlling interests (NCI) only represent shareholdings in the power plants that are fully consolidated and do not include net income from JVs and associated companies.

Impact of foreign currency movements in the quarter

On a net basis in the quarter the foreign currency movements affected consolidated revenues negatively by NOK 13 million, while the net profit was affected positively by NOK 1 million.

Following the movements in currencies in the first quarter, the Group has recognised a foreign currency translation loss of NOK 140 million (64) in other comprehensive income related to the conversion of the subsidiaries' statements of financial position from the respective functional currencies to the Group's presentation currency.

Consolidated statement of financial position

Assets

NOK million	31 March 2022	31 December 2021
Property, plant and equipment	15,005	15,885
Investments in JVs and associated companies	9,535	9,745
Other non-current assets	1,745	1,755
Total non-current assets	26,284	27,385
Other current assets	1,287	1,474
Cash and cash equivalents	4,186	4,171
Total current assets	5,473	5,645
Total assets	31,758	33,030

The decrease in Property, plant and equipment is driven by the NOK 742 million impairment of the Ukrainian solar plants, impairment of development projects of NOK 116 million and yearly depreciation of NOK 210 million. See Note 3 Property, plant and equipment and Note 4 Impairment for more information.

The decreased value of investments in joint ventures and associated companies is mainly explained by dividend paid out and foreign currency translation. See Note 9 Investments in joint ventures and associated companies for full reconciliation.

The cash balance is at the same level as last quarter. Operating activities contribute positively with NOK 441 million in cash inflow. Cash outflow is mainly payment of non-recourse financing and dividends to NCI. See the consolidated statement of cash flows for further details and Note 6 for a detailed breakdown of cash balances as well as an overview of movement of cash at the Recourse Group level.

Equity and liabilities

NOK million	31 March 2022	31 December 2021
Equity	8,554	9,919
Corporate financing	7,128	7,264
Non-current non-recourse project financing	10,636	10,708
Other non-current liabilities	2,056	2,224
Total non-current liabilities	19,819	20,197
Current non-recourse project financing	1,708	1,147
Other current liabilities	1,677	1,766
Total current liabilities	3,385	2,913
Total liabilities	23,204	23,110
Total equity and liabilities	31,758	33,030
Book equity ratio	27%	30%

Total equity decreased by NOK 1,366 million compared to 31 December 2021, driven by the negative result for the period of NOK 1,062 million and dividend distribution of NOK 389 million paid to NCI. This also explains the decreased book equity ratio.

Corporate financing consists of a listed green bond as well as financing secured in relation to the previous year's acquisition of SN Power. In the first quarter 2022, the maturity date for the Bridge to Bond facility was extended to July 2023. See Note 5 Financing for further details.

Total non-recourse financing increased as a result of the refinancing in South Africa and the non-current proportion of the Ukrainian debt have been reclassified to current during the quarter due to breach of covenants. See Note 5 Financing for further details.

Consolidated cash flow

NOK million	Q1 2022	Q4 2021	Q1 2021	FY 2021
Net cash flow from operating activities	441	602	249	2,072
Net cash flow from investing activities	-53	-42	-7,624	-8,081
Net cash flow from financing activities	-360	-719	4,375	2,413
Net increase/(decrease) in cash and cash equivalents	28	-160	-3,000	-3,595

Net cash flow from consolidated operating activities amounted to NOK 441 million (249) in the first quarter 2022, compared to EBITDA of NOK 433 million (631). The difference is primarily explained by net income from JVs and associated companies and changes in other assets and liabilities.

Net cash flow from consolidated investing activities was NOK -53 million (-7,624), driven by investments in property, plant and equipment, partly offset by distributions from JVs.

Net cash flow from financing activities was NOK -360 million (4,375). The main financing activities in the quarter was refinancing of the non-recourse debt in South Africa and repayment of non-recourse financing in project companies.

See the consolidated statement of cash flow and Note 6 for details related to cash movements.

Proportionate cash flow to equity

Scatec's "proportionate share of cash flow to equity" [1], is an alternative performance measure that seeks to estimate the Group's ability to generate funds for equity investments in new power plant projects and/or for shareholder dividends over time.

NOK million	Q1 2022	Q4 2021	Q1 2021	FY 2021
Power Production	391	330	681	1,640
Services	13	9	14	60
Development & Construction	-33	-46	-51	-164
Corporate	-69	-61	-72	-252
Total	302	234	571	1,284

1) See Alternative Performance Measures appendix for definition

The cash flow to equity in the Power Production segment decreased compared to the same quarter last year, primarily explained by lower production in the Philippines and recognition of expected loss provision for receivables in Ukraine. Cash flow to equity in the first quarter 2022 also includes NOK 307 million from debt refinancing of assets in South Africa. The first quarter 2021 included NOK 397 million from debt refinancing of assets in the Philippines.

The cash flow to equity in Services was stable compared to the same quarter last year. The cash flow to equity in the D&C segment was impacted by low construction activity and currently limited revenues. The cash flow to equity for the Corporate segment primarily relates to operating expenses and interest expenses on corporate funding.

In the first quarter 2022, the power plant companies have distributed NOK 479 million to Scatec ASA. Scatec has not hedged the currency exposure on the expected cash distributions from the power plant companies.

Condensed interim financial information

Interim consolidated statement of profit and loss

NOK million	Notes	Q1 2022	Q1 2021	FY 2021
Revenues	2	724	693	3,038
Net income/(loss) from JV and associated companies	9	35	138	765
Total revenues and other income		759	831	3,803
Personnel expenses	2	-117	-82	-397
Other operating expenses	2	-208	-118	-503
Depreciation, amortisation and impairment	2, 3, 4	-1,149	-187	-892
Operating profit (EBIT)		-716	444	2,012
Interest and other financial income		16	22	47
Interest and other financial expenses		-342	-357	-1,368
Net foreign exchange gain/(losses)		30	-9	69
Net financial expenses		-295	-344	-1,253
Profit/(loss) before income tax		-1,011	100	759
Income tax (expense)/benefit	7	-50	-59	-303
Profit/(loss) for the period		-1,062	42	456
Profit/(loss) attributable to:				
Equity holders of the parent		-1,133	18	388
Non-controlling interest		71	24	68
Basic earnings per share (NOK) [1)]		-7.13	0.11	2.45
Diluted earnings per share (NOK) [1)]		-7.13	0.11	2.43

1) Based on average 158.8 million shares outstanding for the purpose of earnings per share in Q1 2022

Interim consolidated statement of comprehensive income

NOK million	Notes	Q1 2022	Q1 2021	FY 2021
Profit/(loss) for the period		-1,062	42	456
Other comprehensive income:				
Items that may subsequently be reclassified to profit or loss				
Net movement of cash flow hedges		266	308	386
Income tax effect	7	-56	-74	-108
Foreign currency translation differences		-140	-64	40
Net other comprehensive income to be reclassified		70	170	317
Total comprehensive income for the period net of tax		-992	212	773
Attributable to:				
Equity holders of the parent		-1,147	85	595
Non-controlling interest		156	127	178

Interim consolidated statement of financial position

NOK million	Notes	31 March 2022	31 December 2021
Assets			
Non-current assets			
Deferred tax assets	7	751	748
Property, plant and equipment	3, 4	15,005	15,885
Goodwill and intangible assets	3, 4	699	797
Investments in JVs and associated companies	9	9,535	9,745
Other non-current assets		295	210
Total non-current assets		26,284	27,385
Current assets			
Trade and other receivables	2	634	740
Other current assets		651	734
Cash and cash equivalents	6	4,186	4,171
Total current assets		5,474	5,645
Total assets		31,758	33,030

Interim consolidated statement of financial position

NOK million	Notes	31 March 2022	31 December 2021
Equity and liabilities			
Equity			
Share capital		4	4
Share premium		9,791	9,775
Total paid in capital		9,795	9,779
Retained earnings		-1,625	-493
Other reserves		-30	-16
Total other equity		-1,655	-508
Non-controlling interests		414	649
Total equity		8,554	9,919
Non-current liabilities			
Deferred tax liabilities	7	647	589
Corporate financing	5	7,128	7,264
Non-recourse project financing	5, 6	10,636	10,708
Other financial liabilities		91	249
Other non-current liabilities		1,318	1,387
Total non-current liabilities		19,819	20,197
Current liabilities			
Non-recourse project financing	5	1,708	1,147
Income tax payable	7	44	24
Trade and other payables	5	719	812
Other financial liabilities		74	90
Other current liabilities		840	841
Total current liabilities		3,385	2,913
Total liabilities		23,204	23,110
Total equity and liabilities		31,758	33,030

Oslo, 5 May 2022

The Board of Directors Scatec ASA

Interim consolidated statement of changes in equity

NOK million	Share capital	Share premium	Retained earnings	Other reserves: Foreign currency translation	Other reserves: Hedging reserves	Total	Non-controlling interests	Total equity
At 1 January 2021	4	9,720	-710	39	-261	8,796	674	9,468
Profit for the period	-	-	18	-	-	18	24	42
Other comprehensive income	-	-	-	-60	127	67	103	170
Total comprehensive income	-	-	18	-60	127	85	127	212
Share capital increase	-	42	-	-	-	42	-	42
Share-based payment	-	5	-	-	-	5	-	5
Dividend distribution	-	-	-	-	-	-	-88	-88
At 31 March 2021	4	9,767	-691	-20	-134	8,927	712	9,637
At 1 January 2022	4	9,775	-493	95	-111	9,271	649	9,919
Profit for the period	-	-	-1,133	-	-	-1,133	71	-1,062
Other comprehensive income	-	-	-	-134	120	-14	84	70
Total comprehensive income	-	-	-1,133	-134	120	-1,147	156	-991
Share capital increase	-	5	-	-	-	5	-1	3
Share-based payment	-	11	-	-	-	11	-	11
Dividend distribution	-	-	-	-	-	-	-389	-389
At 31 March 2022	4	9,791	-1,625	-39	9	8,140	414	8,554

Interim consolidated statement of cash flow

NOK million	Notes	Q1 2022	Q1 2021	FY 2021
Cash flow from operating activities				
Profit before taxes		-1,011	100	759
Taxes paid	7	-	-15	-234
Depreciation and impairment	3, 4	1,149	187	892
Proceeds from disposal of fixed assets	3	3	3	9
Net income from JVs and associated companies	9	-35	-138	-765
Interest and other financial income		-16	-22	-47
Interest and other financial expenses		342	357	1,368
Unrealised foreign exchange (gain)/loss		-30	9	-69
Increase/(decrease) in other assets and liabilities		39	-232	158
Net cash flow from operating activities		441	249	2,072
Cash flow from investing activities				
Interest received		16	22	47
Consideration paid for SN Power, net of cash acquired [1)]	5	-	-7,560	-7,848
Investments in property, plant and equipment	3	-170	-149	-967
Distributions from JV and associated companies	9	118	121	819
Investments in JV and associated companies	9	-18	-58	-131
Net cash flow from investing activities		-53	-7,624	-8,081
Cash flow from financing activities				
Proceeds from non-controlling interests		-	-	25
Distributions to non-controlling interests		-1	-34	-37
Interest paid		-224	-187	-1,180
Proceeds from non-recourse project financing	5	358	42	43
Repayment of non-recourse project financing	5	-94	-118	-750
Payments of principal portion of lease liabilities		-6	-6	-25
Interest paid on lease liabilities		-4	-4	-15
Net proceeds from corporate financing [2)]	5	-	4,729	4,699
Share capital increase		-	42	42
Dividends paid to equity holders of the parent company and non-controlling interests		-389	-88	-390
Net cash flow from financing activities		-360	4,375	2,413
Net increase/(decrease) in cash and cash equivalents		28	-3,000	-3,595
Effect of exchange rate changes on cash and cash equivalents		-13	-6	-20
Cash and cash equivalents at beginning of the period		4,171	7,788	7,788
Cash and cash equivalents at end of the period	6	4,186	4,783	4,173

1) Consideration paid for SN Power was net of NOK 826 million of cash in acquired companies

2) Net proceeds from corporate financing include proceeds from issuance of EUR 250 million green bond, USD 400 million bridge to bond facility and USD 150 green term loan, as well as redemption of NOK 750 million green bond and partial repayment of the USD 400 million bridge to bond facility. See Note 5 Financing

Notes to the condensed interim consolidated financial statements

Note 1 Organisation and basis for preparation

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"), its subsidiaries and investments in associated companies ("the Group" or "Scatec") is a leading renewable power producer, delivering affordable and clean energy worldwide. As a long-term player, Scatec develops, builds and operates renewable power plants and integrates technologies.

The condensed interim consolidated financial statements for the first quarter were authorised by the Board of Directors for issue on 5 May 2022.

Basis of preparation

These condensed interim consolidated financial statements are prepared in accordance with recognition, measurement and presentation principles consistent with International Financing Reporting Standards as adopted by the European Union ("IFRS") for interim reporting under International Accounting Standard ("IAS") 34 Interim Financial Reporting. These condensed interim consolidated financial statements are unaudited.

These condensed interim consolidated financial statements are condensed and do not include all of the information and notes required by IFRS for a complete set of consolidated financial statements. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements.

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for 2021, except for revenue recognition policy applied in the Philippines. Refer to Note 10 Change in accounting policy for further details.

The functional currency of the companies in the Group is determined based on the nature of the primary economic environment in which each company operates. The presentation currency of the Group is Norwegian kroner (NOK). All amounts are presented in NOK million unless otherwise stated.

As a result of rounding adjustments, the figures in some columns may not add up to the total of that column.

Significant estimates and judgements

In the preparation of the condensed interim consolidated financial statements in conformity with IFRS, management has made estimates and assumptions and applied judgements, that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and underlying assumptions are reviewed on an ongoing basis, considering the current and expected future market conditions. Changes in accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management make judgements of which the following have the most significant effect on the amounts recognised in the condensed interim financial statements.

Consolidation of power plant companies

Scatec's value chain comprises all downstream activities such as project development, financing, construction and operations, as well as having an asset management role through ownership of the power plants. Normally Scatec enters into partnerships for the shareholding of the power plant companies. To be able to fully utilise the business model, Scatec normally seeks to obtain operational control of the power plant companies. Operational control is obtained through governing bodies, shareholder agreements and other contractual arrangements. Other contractual arrangements may include Scatec's role as the developer of the project, EPC provider (construction), operation and maintenance service provider and asset management service provider.

When assessing whether Scatec controls a power plant company, the Group's roles and activities are analysed in line with the requirements and definitions in IFRS 10. Refer to note 3 of the 2021 annual report for further information on judgements, including control assessments made in previous years.

Seasonality in operations

Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. The Group's operating results are impacted by external factors, such as seasonal variations and weather conditions.

Note 2 Operating segments

Operating segments align with internal management reporting to the Group's chief operating decision makers, defined as the Group management team. The operating segments are determined based on differences in the nature of their operations, products and services. Scatec manages its operations in four segments: Power Production (PP), Services, Development & Construction (D&C) and Corporate.

The segment financials are reported on proportionate basis. 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. Proportionate financials are further described in the APM section of this report.

Q1 2022

	Proportionate financials								
NOK million	Power Production	Services	Development & Construction	Corporate	Total	Residual ownership for fully consolidated entities	Elimination of equity consolidated entities	Other eliminations	Consolidated financials
External revenues	933	2	-	1	937	278	-491	-	724
Internal revenues	-	63	5	9	77	6	-11	-72	-
Net income from JV and associates [1]	-	-	-	-	-	-	35	-	35
Total revenues and other income	933	66	5	10	1,014	284	-467	-72	759
Cost of sales	-207	-	-4	-	-211	-	208	4	-
Gross profit [2]	727	65	-	10	803	284	-260	-69	759
Personnel expenses	-23	-26	-53	-27	-128	-2	15	-2	-117
Other operating expenses	-213	-23	-23	-18	-278	-52	51	71	-208
EBITDA	490	16	-75	-34	398	230	-195	-	433
Depreciation and impairment	-1,044	-1	-118	-7	-1,170	-127	115	33	-1,149
Operating profit (EBIT)	-554	15	-193	-40	-772	103	-80	33	-716

The Group has recognised an impairment charge of NOK 770 million in the Power Production segment in the proportionate financials related to the solar power plants and intangible assets in Ukraine. In the consolidated financials the impairment charge amounts to NOK 816 million as disclosed in Note 4 Impairment.

The Group has also recognised an impairment charge of NOK 116 million in both consolidated and proportionate financials (D&C segment), related to discontinued development projects in Bangladesh, Mali and India.

In March the Group has recognised revenue from power production in Ukraine to the extent that Scatec believe it is probable to collect consideration. The recognised amount in March was NOK 3 million, which is also in line with the paid amount for the month. Total revenue from power production in Ukraine in the first quarter is NOK 32 million in the consolidated financials and NOK 28 million in the proportionate financials.

Scatec has further recognised an expected credit loss provision in the first quarter of 2022 with respect to trade and other receivables related to Ukraine which amount to NOK 87 million in the proportionate financials (NOK 98 million in the consolidated financials), which is included in other operating expenses. Total outstanding receivables related to Ukraine following the provision is NOK 341 million.

Q1 2021

NOK million	Proportionate financials: Power Production	Proportionate financials: Services	Proportionate financials: Development & Construction	Proportionate financials: Corporate	Total	Residual ownership for fully consolidated entities	Elimination of equity consolidated entities	Other eliminations	Consolidated financials
External revenues [3]	868	1	-	-	869	278	-455	1	693
Internal revenues	-	55	24	6	85	6	-3	-88	-
Net income from JV and associates [1]	-	-	-	-	-	-	138	-	138
Total revenues and other income	868	56	24	6	954	284	-320	-87	831
Cost of sales	-24	-	-24	-	-48	-	25	23	-
Gross profit [2]	844	56	-	6	907	284	-295	-64	831
Personnel expenses	-24	-22	-36	-17	-99	-2	12	7	-82
Other operating expenses	-116	-17	-24	-14	-172	-50	43	60	-118
EBITDA	704	17	-60	-25	636	232	-240	3	631
Depreciation and impairment	-221	-1	-2	-6	-230	-78	77	44	-187
Operating profit (EBIT)	483	16	-62	-31	406	153	-162	47	444

FY 2021

NOK million	Proportionate financials: Power Production	Proportionate financials: Services	Proportionate financials: Development & Construction	Proportionate financials: Corporate	Total	Residual ownership for fully consolidated entities	Elimination of equity consolidated entities	Other eliminations	Consolidated financials
External revenues [3]	3,889	5	3	6	3,903	1,162	-2,025	-1	3,038
Internal revenues	1	255	134	36	426	34	-22	-438	-
Net income from JV and associates [1]	-	-	-	-	-	-	765	-	765
Total revenues and other income	3,890	260	137	42	4,329	1,196	-1,282	-439	3,803
Cost of sales	-270	1	-120	-	-389	-10	274	126	-
Gross profit [2]	3,620	261	16	42	3,939	1,186	-1,009	-313	3,803
Personnel expenses	-99	-97	-162	-92	-449	-7	49	10	-397
Other operating expenses	-572	-90	-78	-65	-804	-208	208	302	-503
EBITDA	2,949	75	-223	-114	2,686	970	-752	-1	2,903
Depreciation and impairment	-972	-5	-78	-26	-1,081	-330	369	151	-892
Operating profit (EBIT)	1,977	70	-301	-140	1,606	640	-383	149	2,012

1) Refer to Note 9 – Investments in joint venture and associated companies for details on Net income from JV and associates

2) Equivalent to Net revenues

3) Refer to Note 10 – Change in accounting policy for details of the change in presentation of revenue and cost of sales for the electricity sold on bilateral contracts in the Philippines

Note 3 Property, plant and equipment

NOK million	Power plants	Power plants under development and construction	Other fixed assets	Total
Carrying value at 31 December 2021	15,106	580	198	15,885
Additions	-	135	38	173
Disposals	-	-	-	-
Transfer between asset classes	-	-	-	-
Depreciation	-200	-	-10	-210
Impairment losses	-742	-97	-19	-858
Effect of movements in foreign exchange rates	25	-2	-4	17
Carrying value at 31 March 2022	14,187	616	202	15,005
Estimated useful life (years)	20-25	N/A	3-5	

Impairment losses

In the first quarter of 2022, Scatec recognised an impairment loss of NOK 858 million for Property, plant and equipment, of which NOK 742 million is related to the solar power plants in Ukraine and NOK 116 million related to discontinued development projects. In 2021, no impairment was recognised in the first quarter.

Please refer to Note 4 Impairment for further details.

Note 4 Impairment

Accounting policy

The Group assesses property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The recoverable amount is the higher of the assets fair value less costs to sell and its value in use.

Impairment test

Impairment indicators were identified for Scatec's five power solar plants in Ukraine triggered by Russia's invasion on 24 February 2022. The situation in Ukraine per the end of the first quarter remains very challenging, and Scatec's top priority is the safety of our Ukrainian employees. The outcome of the situation and the impact of Scatec's assets are highly uncertain.

Per 31 March 2022, approximately 90 percent of the power plants is intact and available, but power demand is down, and production is being curtailed by the grid operator on an ad hoc basis. For the months of February and March 2022 the Ukrainian off-taker paid 86% and 22% respectively of the revenues generated on the defined Feed-in-Tariff for Scatec's assets.

Three scenarios have been assessed and weighted to arrive at the value in use for the power solar plants. The main assumptions used in the impairment test are:

Future cash flows: The power solar plants in Ukraine operate under 10-years Feed-in-Tariffs (tariff) which all end in 2029. For the cash flow periods after 2029, the estimates are based on available power market data and Scatec's long-term power market outlook.

In a best-case scenario, we assume a continued reduction in government payment for the power produced with an 85% decrease in cash flow in 2022 and 2023 before the situation stabilises and return to normal level from the beginning of 2024. In a mid-case scenario, it is assumed to be reduced cash flow also in 2024-2026 with a 50% reduction in cash flow before we return to normal level of cash flows from the beginning of 2027. In a worst-case scenario, no future revenues are assumed. The three scenarios have been equally weighted to reflect the high uncertainty on the impact of Scatec's assets in Ukraine.

Discount rate: The after-tax discount rate applied in the impairment test was 7.2%.

The value in use calculations include significant estimate uncertainty, which has been reflected in the future cash flow assumptions and estimates and not in the discount rate.

Sensitivity: The value in use calculations is sensitive to changes in discount rate. Sensitivity analysis shows that an increase in the discount rate of 1% would results in an increased impairment charge of NOK 159 million, assuming all other factors remain unchanged. The sensitivity analysis is for indicative purposes only.

Impairment: The recoverable amount for the power solar plants and intangible assets for Ukraine were NOK 1,981 million as per 31 March 2022. As a result, a total impairment charge of NOK 816 million was recognised in the first quarter, whereof NOK 742 million related to power solar plants and NOK 74 million related to intangible assets. Intangible assets in Ukraine relates to right to transmit electricity for the power solar plants.

NOK million	Power plants in Ukraine	Other Intangible assets in Ukraine	Total
Carrying value at 31 March 2022	2,564	233	2,797
Impairment charge	-742	-74	-816
Recoverable amount at 31 March 2022	1,822	159	1,981

Scatec has secured Political Violence Insurance (PVI) in Ukraine which covers physical damage of the power plants up to a predetermined amount as described in the Note 32 Subsequent event in Scatec's annual report of 2021. The insurance covers the replacement value for rebuilding the power plants as well as for business interruptions for 6-12 months. The PVI covers for Boguslav, Kamianka and Chigirin expires on 31 May 2022 and the prospect for renewals is highly uncertain.

For further details regarding Scatec's exposure in Ukraine please refer to Note 32 Subsequent event in Scatec's annual report of 2021. For changes in balances from year-end 2021 to 31 March 2022 not resulting from normal changes in operating activities please refer to Note 2 Operating segment for information related to revenues and receivables, Note 5 Financing for financing commitments, covenants and guarantees and Note 6 Cash, cash equivalents for cash in this report.

Further, Scatec impaired NOK 116 million related to discontinued development projects in Mali, Bangladesh and India.

Note 5 Financing

Corporate financing

The table below gives an overview of the corporate financing carried out by the Group. The maturity date for the Bridge to Bond facility was extended to July 2023 in the first quarter of 2022. The listed Green Bond have 3M EURIBOR + 2.5 % margin interest rate terms. The book equity of the recourse group, as defined in the facility agreements, was NOK 10 381 million per quarter end. Scatec was in compliance with financial covenants for recourse debt on 31 March 2022.

	Currency	Denominated currency value (million)	Maturity	Carrying value 31 March 2022 (NOK million)	Carrying value December 2021 (NOK million)
Green Bond (Ticker: SCATC03 NO0010931181)	EUR	250	Q3 2025	2,395	2,475
Total unsecured bonds				2,395	2,475
Green Term Loan	USD	150	Q1 2025	1,307	1,323
Bridge to Bond	USD	193	Q3 2023	1,681	1,702
Total secured acquisition financing				2,988	3,025
Vendor Financing (Norfund)	USD	200	Q1 2028	1,742	1,764
Total unsecured acquisition financing				1,742	1,764
Revolving credit facility	USD	180	Q1 2024	-	-
Overdraft facility	USD	5		-	-
Total secured back-stop bank facilities				-	-
Total				7,125	7,264
As of non current				7,128	7,264
As of current				-	-

Non-recourse financing

Scatec uses non-recourse financing for constructing and/or acquiring assets in power plant companies. Compared to corporate financing, non-recourse financing has certain key advantages, including a clearly defined and limited risk profile. In this respect, the banks recover the financing solely through the cash flows generated by the projects financed.

The table below shows the non-current non-recourse debt and the current non-recourse debt due within 12 months including accrued interest. The maturity date for the loans ranges from 2028 to 2038.

NOK million	As of 31 March 2022	As of 31 December 2021
Non-current liabilities		
Non-recourse project financing	10,636	10,708
Current liabilities		
Non-recourse project financing	1,708	1,147

The current non-recourse debt as of 31 March 2022 includes NOK 945 million in non-recourse debt in Ukraine. All of Scatec's power plant companies in Ukraine are not in compliance with several covenants in the loan agreements for the non-recourse project debt at quarter end. Consequently, NOK 603 million of the non-recourse financing is reclassified from non-current to current on 31 March 2022. Scatec has continuous and constructive dialogue with the lenders and the parties have agreed on a non-formalised "stand still". In all other countries, Scatec was in compliance with financial covenants for non-recourse debt on 31 March 2022.

In the first quarter of 2022, Scatec refinanced the non-recourse debt facilities for the solar power plants Kalkbult, Dreunberg and Linde in South Africa with the existing lenders. Scatec's share of proceeds from the refinancing, based on its 45 per cent ownership in the power plants, amounts to ZAR 540 million (NOK 323 million). Key amended terms include increased debt amounts, reduced margins, increased tenors, and release of cash from debt reserve accounts, implying minor impact to expected future dividends from the power plants.

Other financing

The Progressovka power plant has been a collaboration with PowerChina Guizhou Engineering Co. Ltd who has provided construction financing and Engineering Procurement and Construction (EPC) services to the project. The construction financing from PowerChina of NOK 638 million is classified as trade and other payables. The amount is due in June 2022 and is covered by a corporate guarantee from Scatec ASA. The partners are in dialogue to find a solution considering the challenging situation in Ukraine.

Scatec has no other recourse construction financing arrangements for other projects. Refer to Note 26 Guarantees and commitments and Note 32 Subsequent events in the 2021 Annual Report for further details.

Note 6 Cash, cash equivalents

NOK million	31 March 2022	31 December 2021
Cash in power plant companies in operation	1,547	1,711
Cash in power plant companies under development/construction	19	34
Other restricted cash	70	91
Free cash	2,550	2,335
Total cash and cash equivalents	4,186	4,171

Cash in power plant companies in operation includes restricted cash in proceed accounts, debt service reserve accounts, disbursements accounts, maintenance and insurance reserve accounts and similar. These cash and cash equivalents are only available to the Group through distributions as determined by shareholder and non-recourse financing agreements.

Cash in power plant companies under development and construction comprises shareholder financing and draw down on loan facilities to settle outstanding external EPC invoices.

Other restricted cash comprises restricted deposits for withholding tax, guarantees, VAT and rent, NCI's share of free cash as well as collateralised shareholder financing of power plant companies not yet distributed to the power plant companies. Net cash effect from Working Capital/Other is mainly related to ongoing construction projects.

As of 31 March 2022, NOK 91 million of cash is related to power plant companies in Ukraine.

Movement in free cash at group level (in recourse group as defined in bond & loan facilities)

NOK million	Q1 2022	Q1 2021	FY 2021
Distributions received by Scatec ASA from the power plant companies	479	723	1,603
Cashflow to equity D&C 1)	-33	-51	-164
Cashflow to equity Services 1)	13	14	60
Cashflow to equity Corporate 1)	-69	-72	-252
Working capital/other 2)	-67	-199	-556
Cash flow from operations	323	415	691
Capitalised expenditures in projects under development	-105	-20	-307
Scatec's share of equity investments or shareholder loans in projects under construction	-2	-359	-564
Net cash considerations from purchase of SNP	-	-3,067	-3,262
Cash flow from investments	-107	-3,446	-4,132
Dividend distribution to Scatec ASA shareholders	-	-	-173
Cash flow from financing	-	-	-173
Change in cash and cash equivalents	216	-3,031	-3,615
Free cash at beginning of period	2,335	5,949	5,949
Free cash at end of period	2,550	2,918	2,335
Available undrawn credit facilities	1,612	1,580	1,632
Total free cash and undrawn credit facilities at the end of period	4,162	4,498	3,966

1) Proportionate share of cash flow to equity is defined in Alternative Performance Measures Appendix. See note 3 in Scatec's Annual Report for 2021 for revenue recognition policies

2) Working capital/other is mainly explained by deviations between cashflow to equity and actual cashflow in the D&C segment

Note 7 Income tax expense

Effective tax rate

NOK million	Q1 2022	Q4 2021	Q1 2021	FY 2021
Profit before income tax	-1,011	238	100	759
Income tax (expense)/benefit	-50	-102	-59	-303
Equivalent to a tax rate of (%)	5%	-43%	-59%	-40%

Movement in deferred tax

NOK million	Q1 2022	Q4 2021	Q1 2021	FY 2021
Net deferred tax asset at 1 January 2022	159	252	517	517
Recognised in the consolidated statement of profit or loss	5	-71	-31	-232
Deferred tax on financial instruments recognised in OCI	-56	-30	-74	-108
Deferred tax on excess values from acquisition of SN Power	-	-	-19	-19
Translation differences	-3	9	4	2
Net deferred tax asset at 31 March 2022	104	159	397	159

The difference between the Group's actual tax expense and a calculated tax expense based on the Norwegian tax rate of 22% is mainly due to non-recognised deferred tax asset related to the impairment of the assets in Ukraine. Also, the difference is impacted by different tax rates in the jurisdictions in which the companies operate, withholding taxes paid on dividends and currency effects. The profit/loss from JVs and associates are reported net after tax which also impacts the effective tax rate.

Note 8 Related parties

Related parties include affiliates, associates, joint ventures, and other companies where the Group have 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.

Transactions with joint ventures and associates are primarily financing provided to the companies and dividends received from the companies.

In addition, Scatec has transactions and balances with Executive Management and Board of Directors. The Company has no significant agreements with companies in which a board member has a material interest. Note 30 in the annual report for 2021 provides details of transactions with related parties and the nature of these transactions.

For further information on project financing provided by co-investors, refer to Note 25 in the annual report for 2021.

Note 9 Investments in joint venture and associated companies

The consolidated financial statements include the Group's share of profit/loss from joint ventures and associated companies where the Group has joint control or significant influence, accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and subsequently adjusted for further investments, distributions and the Group's share of the net income from the investment.

The tables below show the material joint ventures and associated companies recognised in the Group and the reconciliation of the carrying amount.

Company	Registered office	31 March 2022	31 December 2021
Kube Energy AS	Oslo, Norway	25.00%	25.00%
Scatec Solar Brazil BV	Amsterdam, Netherlands	50.00%	50.00%
Apodi I Energia SPE S.A	Quixeré, Brazil	43.75%	43.75%
Apodi II Energia SPE S.A	Quixeré, Brazil	43.75%	43.75%
Apodi III Energia SPE S.A	Quixeré, Brazil	43.75%	43.75%
Apodi IV Energia SPE S.A	Quixeré, Brazil	43.75%	43.75%
Mendubim Holding B.V.	Amsterdam, Netherlands	51.00%	51.00%
Mendubim Geração de Energia Ltda.	Assu, Brazil	50.00%	50.00%
Scatec Solar Solutions Brazil BV	Amsterdam, Netherlands	50.00%	50.00%
Scatec Solar Brasil Servicos De Engenharia LTDA	Recife, Brazil	50.00%	50.00%
Scatec Equinor Solutions Argentina S.A	Buenos Aires, Argentina	50.00%	50.00%
Cordilleras Solar VIII S.A	Buenos Aires, Argentina	50.00%	50.00%
Theun-Hinboun Power Company	Vientiane, Laos	20.00%	20.00%
SN Aboitiz Power – Magat Inc	Manila, Phillippines	50.00%	50.00%
Manila-Oslo Reneweable Enterprise	Manila, Phillippines	16.70%	16.70%
SN Aboitiz Power – Benguet Inc	Manila, Phillippines	50.00%	50.00%
SN Aboitiz Power – RES Inc	Manila, Phillippines	50.00%	50.00%
SN Aboitiz Power – Generation Inc	Manila, Phillippines	50.00%	50.00%
SN Power Uganda Ltd. 1)	Kampala, Uganda	51.00%	51.00%
Bujagali Energy Ltd. 1)	Jinja, Uganda	28.28%	28.28%
Campganie Générale D`Hydroelectrciite de Volobe SA 1)	Antananarivo, Madagascar	12.75%	12.75%
Ruzizi Holding Power Company Ltd 1)	Kigali, Rwanda	20.40%	20.40%
Ruzizi Energy Ltd 1)	Kigali, Rwanda	20.40%	20.40%
SN Power Africa Ltd 1)	Nairobi, Kenya	51.00%	51.00%

1) The ownership reflects that Norfund retains a 49% stake in these investments, as communicated in the acquisition announcement (16 October 2020). Refer to note 1 for further details.

Country	Carrying value 31 December 2021	Additions/ disposals	Net income from JV and associated companies	Dividends	Net movement of cash flow hedges recognised in OCI	Foreign currency translations	Carrying value 31 March 2022
Philippines	6,366	-1	-14	-67	-	-172	6,112
Laos	1,632	-	17	-51	-	-20	1,579
Uganda	1,101	6	26	-	25	-14	1,144
Other 2)	646	12	6	-	-	36	700
Total	9,745	18	35	-118	25	-171	9,535

2) Other includes Brazil, Argentina, Madagascar, Rwanda, Norway and Kenya

The joint ventures in the Philippines are subject to tax reviews by the local tax authorities on a regular basis, and one entity received a final assessment notice of NOK 168 million equivalent in March 2022. The matter is disputed, and the amount is not included in net income from JV and associated companies for the quarter.

Note 10 Change in accounting policy

Presentation of external revenues and cost of sales in the proportionate segment financials

The hydropower companies in the Philippines are presented in the condensed interim consolidated financial statements as investments in JVs which are accounted for using the equity method. The companies were acquired as part of the business combination of 100% of the shares of SN Power AS, which effectively took place on 29 January 2021.

The Group has re-assessed its accounting policy for the presentation of external revenues and cost of sales in the proportionate financials. The power market settlement mechanism for bilateral contracts in the Philippines applies net settlement within the settlement period although all volumes are reported gross.

On 1 January 2022 the Group elected to voluntarily change the method of accounting for external revenues and cost of sales related to electricity sold on bilateral contracts in the proportionate financials.

The Group had previously accounted for such external revenues and cost of sales on a gross basis in accordance with the reported volumes. Going forward the Group will present the figures net in accordance with the financial settlement mechanism. The change has no impact on net revenues or EBITDA.

The Group believes that the net presentation provides more relevant information to the users of the proportionate financials as it will reduce the fluctuation in external revenues from the business in the Philippines and is more aligned to the practices adopted by its peers.

The Group applied the change retrospectively to the proportionate financials. The change is not applicable to the consolidated financials as the investment in JVs are accounted for using the equity method.

The voluntary change in accounting policies is applied retrospectively in 2021 as follows:

Q1 2021

Proportionate financials - NOK million	Reported Q1 2021	Adjustment	Adjusted Q1 2021
External revenues - Power Production	924	-56	868
Cost of sales - Power Production	-79	56	-24
EBITDA	704	-	704

FY 2021

Proportionate financials - NOK million	Reported FY 2021	Adjustment	Adjusted FY 2021
External revenues - Power Production	4,176	-287	3,890
Cost of sales - Power Production	-556	287	-269
EBITDA	2,949	-	2,949

Note 11 Subsequent events

No events have occurred after the balance sheet date with significant impact on the interim financial statements for the first quarter of 2022.

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 sales revenue including net gain/loss from sale of project assets and net gain/loss from associates minus the cost of goods sold (COGS). Gross profit is used to measure project profitability in the D&C segment.

Net revenues: include energy sales revenues net of significant cost items directly linked to the energy sales volume (such as cost of energy purchase) in the PP segment. Refer to Note 2 Operating Segments for further details.

Gross interest-bearing debt: is defined as the Group's total debt obligations and consists of non-current and current external non-recourse financing and external corporate financing, 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. NIBD does not include shareholder loans.

Net working capital includes trade- and other receivables, other current assets, trade- and other payables, income tax payable and other current liabilities.

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 Services and Development & Construction segment mainly reflect deliveries to other companies controlled by Scatec (with from 39% to 100% economic interest), 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;

- 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. Internal gain eliminations also include profit on Services delivered to project companies.

- 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.

In the first quarter of 2022 Scatec reports a proportionate operating profit of NOK -772 million compared with an operating profit of NOK -716 million in the consolidated financials. To arrive at the proportionate operating profit from the consolidated operating profit the Group has:

1. added back to the proportionate statement of profit or loss the internal gain on transactions between group companies with a negative amount of NOK 37 million,

2. removed the non-controlling interests share of the operating loss of NOK 103 million to only leave the portion corresponding to Scatec's ownership share,

3. replaced the consolidated net profit from joint venture companies of NOK 34 million with Scatec's share of the Operating profit from the joint venture companies with NOK 119 million.

See Note 2 for further information on the reporting of proportionate financial figures, including reconciliation of the proportionate financials against the consolidated financials.

A bridge from proportionate to consolidated key figures including APMs like gross interest-bearing debt, net interest-bearing debt and net-working capital is included in Scatec's Q1 historical financial information 2022 published on Scatec's web page.

Reconciliation of Alternative Performance Measures (consolidated figures)

NOK million	Q1 2022	Q1 2021	FY 2021
EBITDA			
Operating profit (EBIT)	-716	444	2,012
Depreciation, amortisation and impairment	1,149	187	892
EBITDA	433	631	2,903
Total revenues and other income	759	831	3,803
EBITDA margin	57%	76%	76%
Gross profit			
Total revenues and other income	759	831	3,803
Cost of sales	-	-	-
Gross profit	759	831	3,803
Gross interest-bearing debt			
Non-recourse project financing	10,636	10,533	10,708
Corporate financing	7,128	7,114	7,264
Non-recourse project financing-current	1,708	1,880	1,147
Gross interest-bearing debt	19,471	19,527	19,120
Net interest-bearing debt			
Gross interest-bearing debt	19,471	19,527	19,120
Cash and cash equivalents	4,186	4,783	4,171
Net interest-bearing debt	15,285	14,744	14,949
Net working capital			
Trade and other receivables	634	691	740
Other current assets	651	895	734
Trade and other payable	-719	-748	-812
Income tax payable	-44	-104	-24
Other current liabilities	-840	-1,302	-841
Non-recourse project financing-current	-1,708	-1,880	-1,147
Net working capital	-2,025	-2,449	-1,351

Break-down of proportionate cash flow to equity

Q1 2022

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	490	16	-75	-34	398
Net interest expenses	-199	-	-	-57	-256
Normalised loan repayments	-192	-	-	-	-192
Proceeds from refinancing	307	-	-	-	307
Normalised income tax payment	-15	-3	42	21	45
Cash flow to equity	391	13	-33	-69	302

Q1 2021

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	704	17	-60	-25	636
Net interest expenses	-186	-	-6	-69	-262
Normalised loan repayments	-201	-	-	-	-201
Proceeds from refinancing	397	-	-	-	397
Normalised income tax payment	-33	-4	15	22	1
Cash flow to equity	681	14	-51	-72	571

FY 2021

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	2,949	75	-223	-114	2,686
Net interest expenses	-776	1	-8	-217	-1,000
Normalised loan repayments	-790	-	-	-	-790
Proceeds from refinancing	397	-	-	-	387
Normalised income tax payment	-140	-16	68	78	-9
Cash flow to equity	1,640	60	-164	-252	1,284

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

Historically, about 50% of projects in pipeline have been realised. 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 power sales and other project implementation agreements are in various stages of completion.

Lost time injury (LTI)

An occurrence that results in a fatality, permanent disability or time lost from work of one day/shift or more.

Scatec's economic interest

Scatec's share of the total estimated economic return from its subsidiaries. For projects in development and construction the economic interest is subject to change from the development of the financial model.

Cash in power plant companies in operation

Comprise restricted cash in proceed accounts, debt service reserve accounts, disbursements accounts, maintenance and insurance reserve accounts and similar. These cash and cash equivalents are only available to the Group through distribution as determined by shareholder and non-recourse financing agreements.

Cash in power plant companies under development/construction

Comprise shareholder financing and draw down on term loan facilities by power plant companies to settle outstanding external EPC invoices.

Project equity

Project equity comprise of equity and shareholder loans in power power plant companies.

Recourse Group

Recourse Group means all entities in the Group, excluding renewable energy companies (each a recourse group company).

Definition of project milestones

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 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.

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.

Start of Production (SOP): The first date on which the power plant generates revenues through sale of power under the off-take agreement. Production volumes and/or the price of the power may be lower than when commercial operation date (COD) is reached. This milestone is regulated by the off-take agreement with the power off-taker. This milestone may be reached prior to COD if the construction of a power plant is completed earlier than anticipated in the off-take agreement.

Take Over Date (TOD): The date on which the EPC contractor hands over the power plant to the power plant company. COD must have been reached, in addition to delivery of training and all technical documentation before TOD takes place. The responsibility for Operations & Maintenance (O&M) of the plant is handed over from the EPC contractor to the O&M contractor at the TOD. This milestone will normally occur shortly after the COD date.

ESG Performance Indicators

E&S impact 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 projects where Scatec has operational control multiplied by the country and region-specific emissions factor (source IEA).

Water consumption (in mill liters within water-stressed areas): As per the Water Risk Filter and Aqueduct Water Risk Atlas, the Company reports on water usage by source in South Africa and Jordan.

Lost Time Incident Frequency (per mill hours): The number of lost time incidents per million hours worked for all 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 power projects where Scatec has operational control for the last 12 months.

Female management (% of females in mgmt. positions): The total number of female managers as a percentage of all managers.

Human rights training (% of security guards): The total number of grievances addressed and resolved as a percentage of all grievances received in all projects in construction or operations phase. Grievances resolved are defined as assigned, addressed, and closed out by the Company. The final response must be shared to the filer(s) of the grievance with an explanation of action taken to resolve the grievance. Resolving grievances is an ongoing process and the percentage of resolved grievances will depend on the nature of the grievances, timing, and other factors.

Corruption incidents: The number of confirmed incidents of corruption received via Scatec's publicly available whistleblower function (on the Company's website) managed by an independent third party.

Anti-corruption training (% of employees): The number of employees who successfully completed (certification of 80% pass rate required) Scatec's mandatory anti-corruption gamified training.

Supplier E&S screening (number of key suppliers): The percentage of contracted and potential suppliers of key components to power projects (such as solar modules, steel structures, trackers and wind turbines) screened and rated through EcoVadis.

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