

**Scatec**

Fourth quarter 2020

**Building a global  
renewable company**





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# Agenda

- **Highlights and project update**

Raymond Carlsen, CEO

- **Financial review**

Mikkel Tørud, CFO

- **Market & outlook**

Raymond Carlsen, CEO



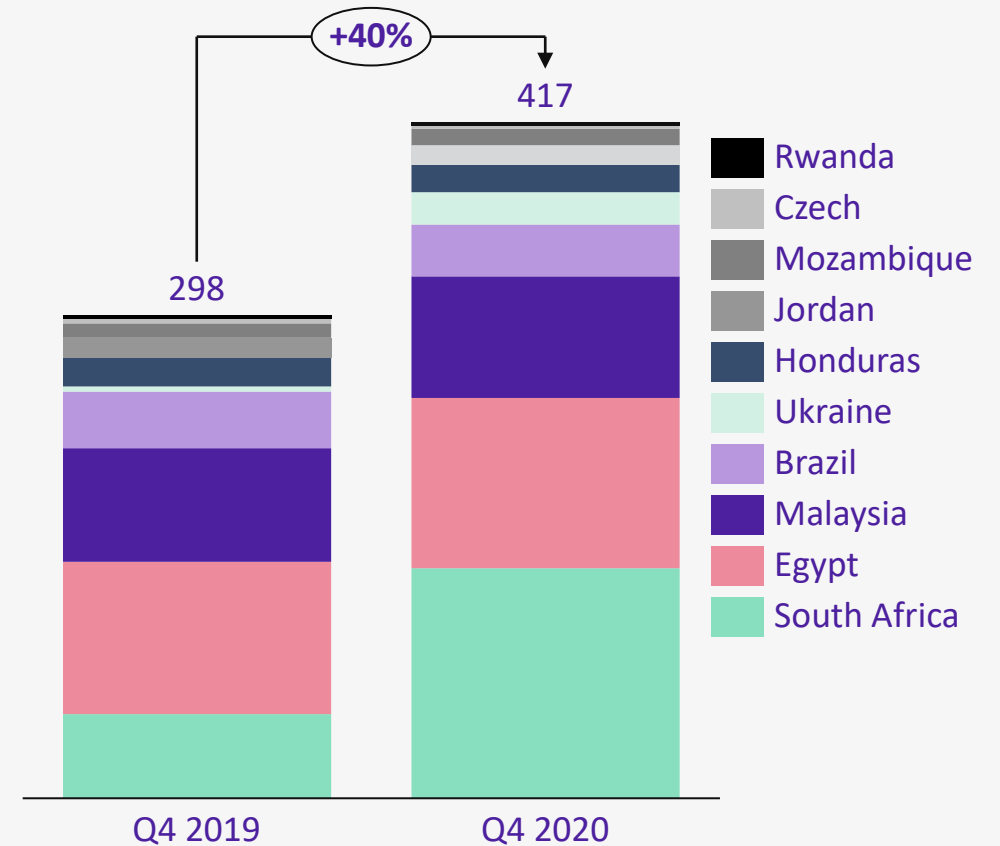


## Q4'20 Building a global renewable company

- Acquired SN Power, adding solid hydropower assets and an attractive project pipeline
- EBITDA\* of NOK 223 million in the quarter and NOK 1,306 million for FY 2020
- Started commercial operation of 79 MW
- Added 150 MW to project backlog, project pipeline increased to 10 GW
- Raised equity of NOK 4,750 million to fund the SN Power acquisition and further growth
- The Board proposes dividends of NOK 1.09 per share

(\*) EBITDA and other alternative performance measures (APMs) are defined and reconciled as a part of the APM section of the fourth quarter report on pages 35-38.

Power production (GWh)







## 2020: A transformational year



Broadened growth strategy and acquisition of SN Power

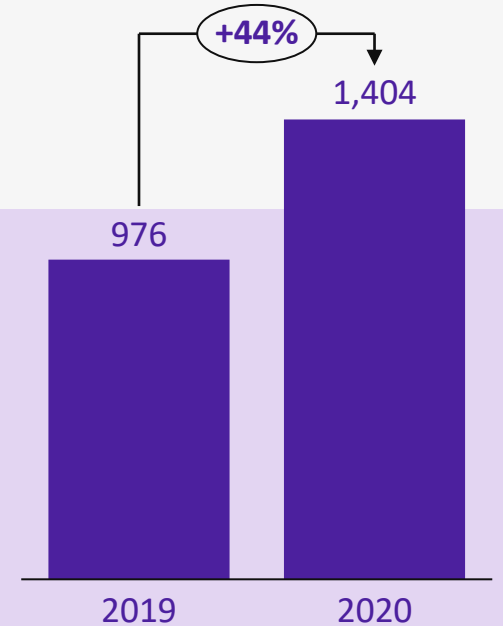


Grid connected:  
391 MW  
Power production:  
1,602 GWh



Strong ESG performance:  
Top ratings from leading agencies

Power Production EBITDA  
(Proportionate, NOK million)





## A frontrunner in renewable energy



## Acquisition of SN Power completed Key figures



**4.1**  
**TWh<sup>2</sup>**

**Power production**



**485**

**Employees**



**4,406**  
**MNOK**

**2020 revenues**



**2,398**  
**MNOK**

**2020 EBITDA**

(1) In operation or under construction. Gross capacity

(2) Median production when all plants are in full operation from first half of 2021.



## First wind farms added to portfolio

- Acquisition of the 39 MW Dam Nai wind project in Vietnam closed last week
- The two wind farms started operations in October 2017 & December 2018
- Average annual generation of 123 GWh - expected annual revenues of USD 10.5 million under the 20-year FiT







# 150 MW Sukkur project in Pakistan

- Key project information:
  - Capex est. USD 100 million
  - Annual production: 300 GWh
  - Annual revenues: USD 11 million
  - Ownership: Scatec 75%, Nizam Energy 25%
- Scatec to provide EPC, O&M and Asset Management Services to the project
- 75% project finance from FMO and Faysal Bank
- Start of construction expected in 1H 2021





# Conducting business during COVID-19

## Key reflections 2020

- Essential infrastructure - all plants in full operation
- Continued to pursue new business opportunities
- COVID-19 monitoring task force
- Strong local presence - committed to play an important role also in challenging times
- Relief efforts related to COVID-19 established through our network channels and extended programmes
- Local development programmes continued according to plan







## Climate reporting

- 1 Carbon Disclosure Project:  
Score in 2020: A
- 2 Climate target and ambitions
- 3 Established closer dialogue  
with key suppliers



**As a Climate A List company,  
we're leaders in climate  
transparency and action**



# Financial review

Mikkel Tørud, CFO

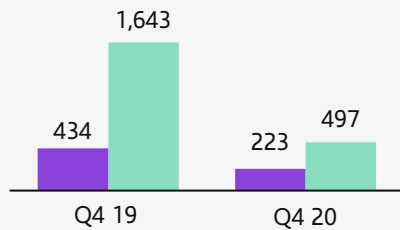


# Increased power production – project pipeline and backlog maturing

## Proportionate financials

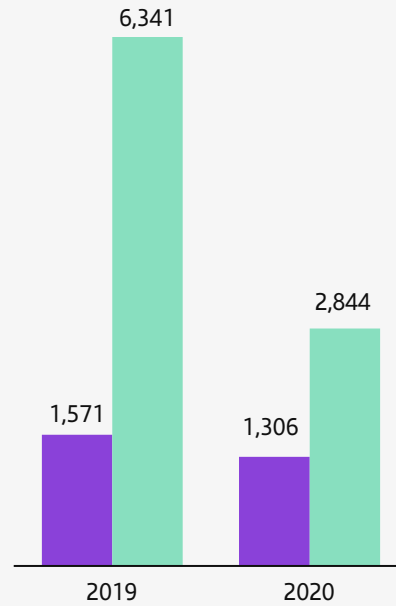
Quarterly (NOK million)

EBITDA Revenues



| EBITDA margin | Q4 19 | Q4 20 |
|---------------|-------|-------|
|               | 26%   | 45%   |

Last 12 months (NOK million)



| EBITDA margin | 2019 | 2020 |
|---------------|------|------|
|               | 25%  | 46%  |

## Fourth quarter 2020

- Year on year increase in Power Production revenues and EBITDA
- Continued strong focus on project development - total capex and opex spend of NOK 67 million
- Limited revenues and gross margin in the D&C segment
- SN Power transaction cost of NOK 47 million
- Revaluation of the Group's significant USD cash position to NOK at year-end, lead to a currency loss of NOK 480 million

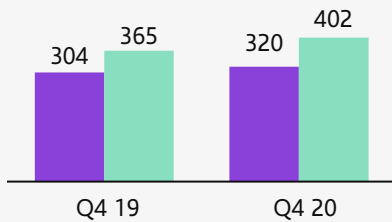


# Power Production

## Steadily increasing power production

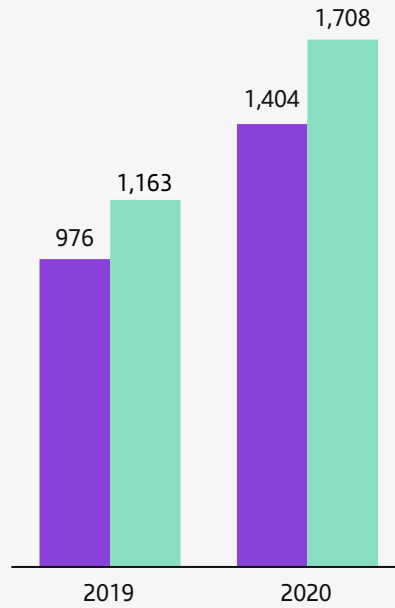
Quarterly (NOK million)

EBITDA Revenues



EBITDA margin  
83% 80%

Last 12 months (NOK million)



84% 82%



Year on year increase in production mainly from South Africa, Ukraine and Malaysia.

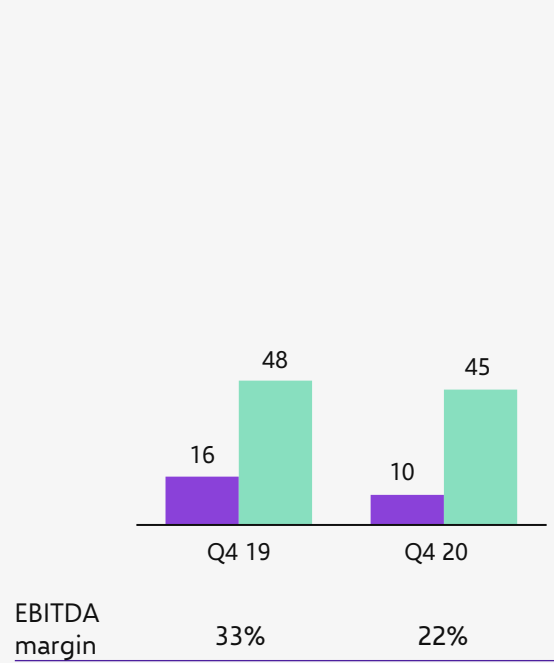




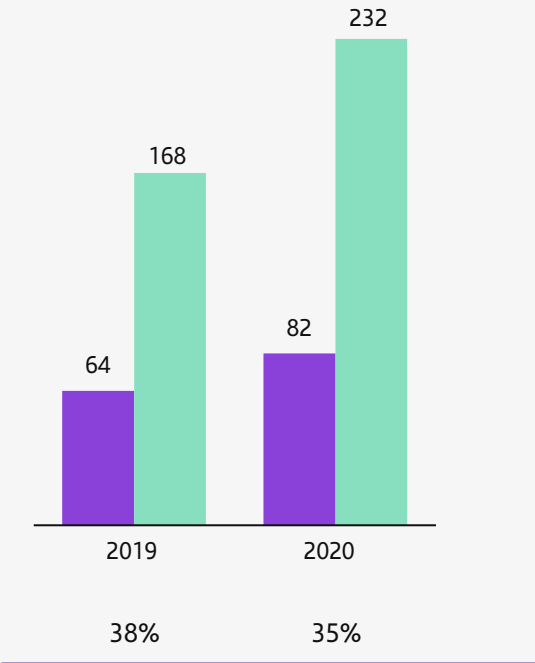
# Services Financials impacted by seasonal variations

Quarterly (NOK million)

EBITDA Revenues



Last 12 months (NOK million)

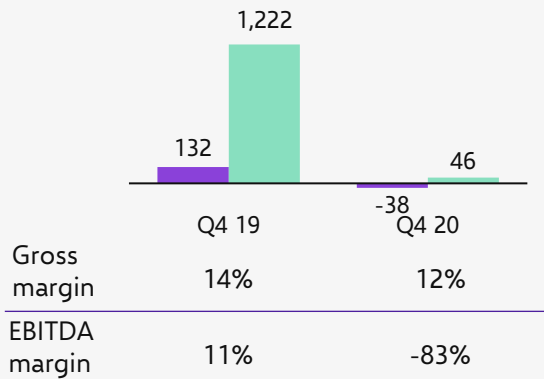




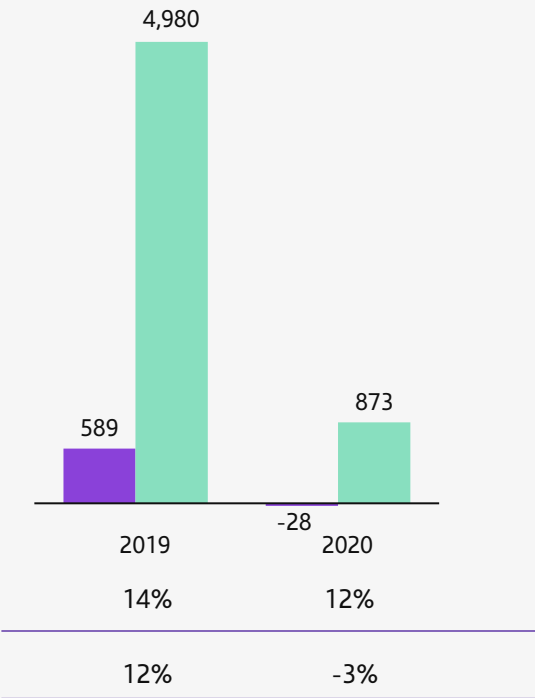
# Development & Construction Project pipeline & backlog maturing

Quarterly (NOK million)

EBITDA Revenues



Last 12 months (NOK million)





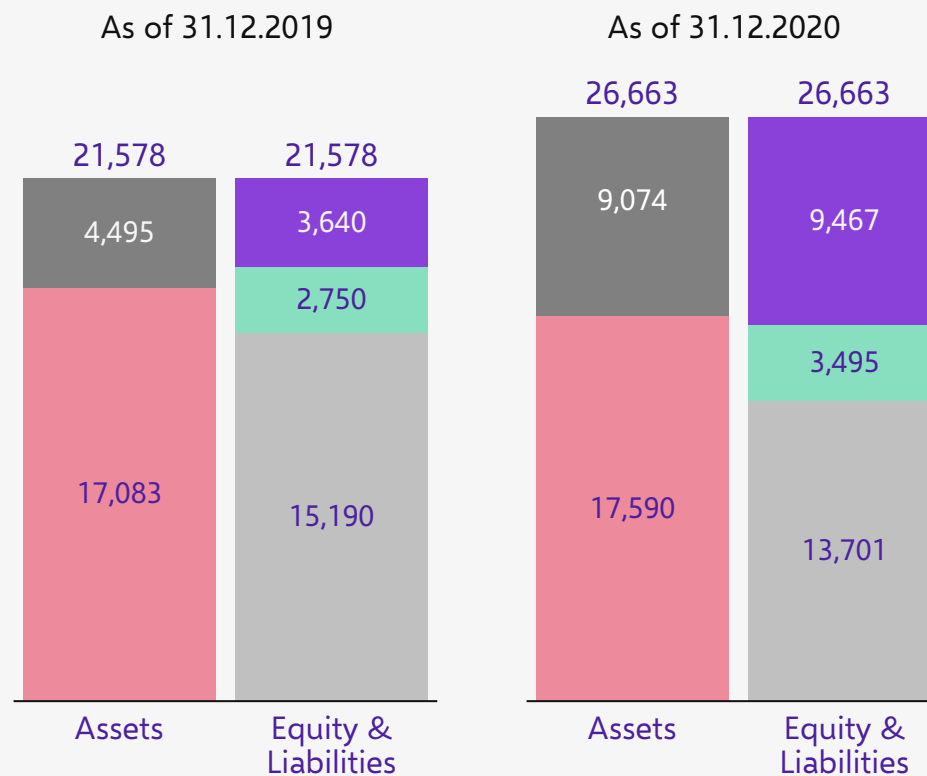
## A solid financial position

- Group free cash of NOK 5,949 million
- Raised equity of gross NOK 4,750 million to fund the SN Power acquisition and further growth
- Group\* book equity of NOK 11,196 million – equity ratio of 94%

| NOK million                   | Consolidated | Scatec prop. share | Group level* |
|-------------------------------|--------------|--------------------|--------------|
| Cash                          | 7,788        | 1,805              | 5,949        |
| Interest bearing liabilities* | -12,860      | -7,455             | -748         |
| Net debt                      | -5,072       | -5,650             | 5,201        |

(\* ) Defined as 'recourse group' in the corporate bond and loan agreements.

## Consolidated financial position (NOK million)



Current assets
  Equity
  Non-current liabilities

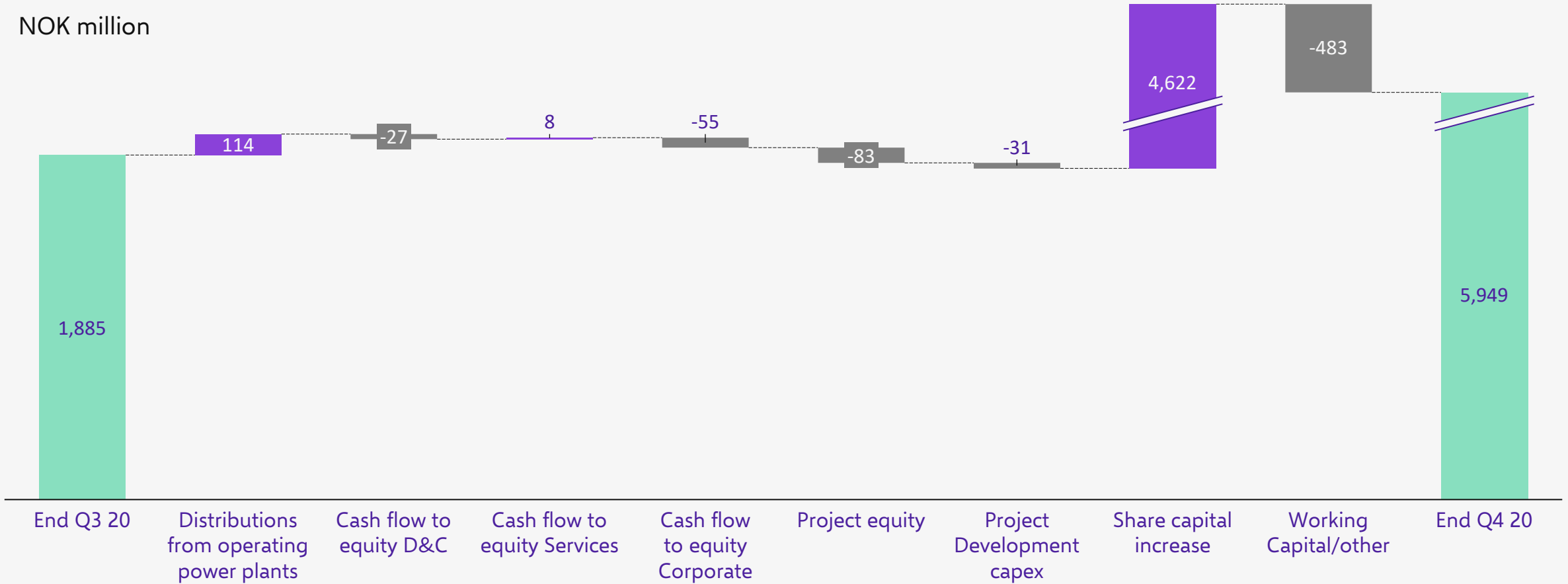
Non-current assets
  Current liabilities





## Q4'20 movement of the Group's free cash

NOK million



Movement of cash in 'recourse group' as defined in the corporate bond and loan agreements.



# 2020 Dividend proposal

## Dividend Policy

- The Group's objective is to pay shareholders consistent and growing cash dividends
- Scatec pays dividends representing 50% of free cash distributed from producing power plants

## Proposed dividend for 2020

- Scatec received distributions from operating power plant companies of NOK 346 million in 2020
- The Board of Directors propose a dividend of NOK 1.09 per share, totalling NOK 173 million for 2020





## Short term guidance

- No material D&C revenues expected until projects currently in backlog move into construction
- Power production from plants in operation end of Q4 2020 (excluding SN Power):

| GWh           | Q4'20 | Q1'21e  | 2021e       |
|---------------|-------|---------|-------------|
| Proportionate | 407   | 425-445 | 1,750-1,790 |
| 100% basis    | 756   | 770-800 | 3,120-3,220 |

- Services revenues is expected to reach NOK 270 million in 2021 with an EBITDA margin of around 30%

The guidance above is for Scatec's operations before closing of the SN Power transaction.



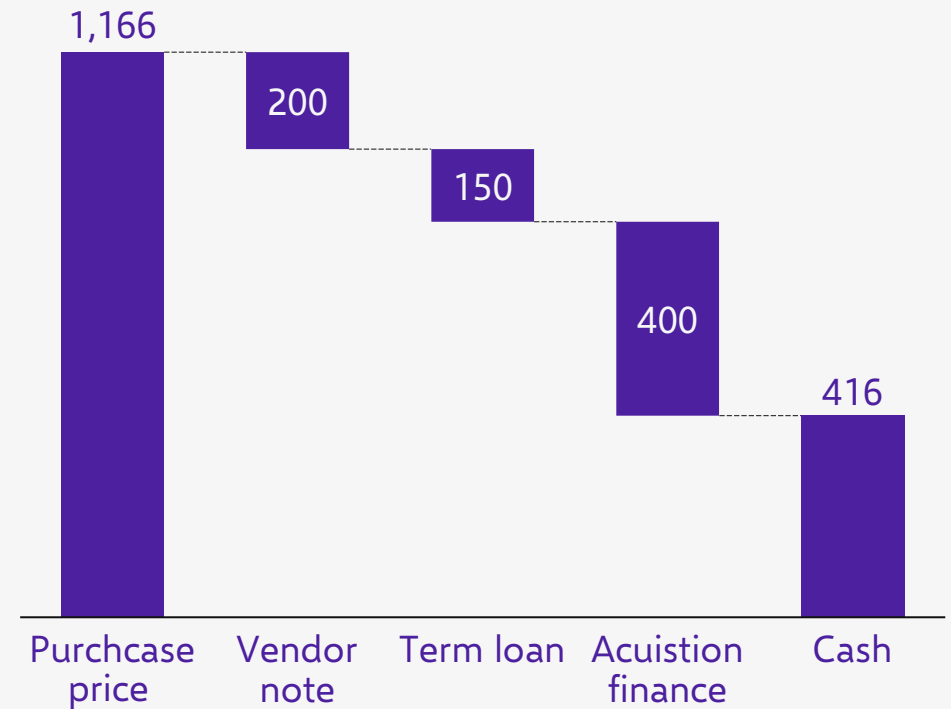




# SN Power Acquisition closing & financing

- Scatec closed the USD 1,166 million acquisition of SN Power from Norfund on 29 January 2021
- The transaction is financed cash and debt facilities:
  - USD 200 million vendor note: Interest step up after 7 years, flexible interest payment, unsecured and subordinated
  - USD 150 million 4-year senior secured Green Term Loan
  - USD 400 million 18-months Acquisition Finance
- Customary purchase price adjustments to be settled in 2021
- Scatec liquidity post transaction of approx. NOK 3.9 billion
  - Including USD 180 million Green Revolving Credit Facility

**SN Power financing – USD million:**



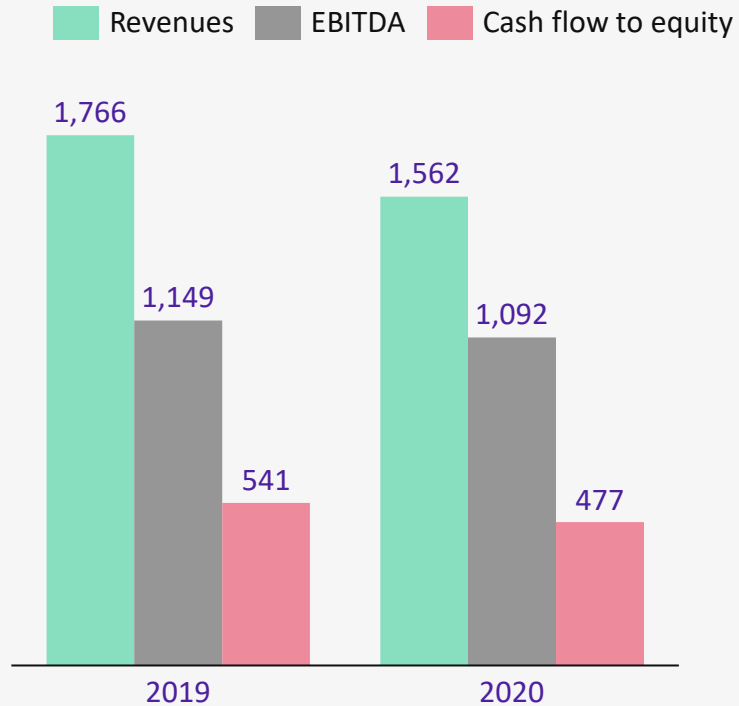




# SN Power 2020 results: Financial performance impacted by hydrology and COVID

## SN Power proportionate financials

NOK million\*



(\*) Unaudited financial results for SN Power and the assets acquired by Scatec.

## Comments

- Low operational gearing and high cash conversion
- A mix of contract types are stabilising cash generation
- Well maintained assets with limited capex expected in the medium term

## 2020 performance

- 2020 production of 4,888 GWh (100%) and 1,443 GWh (net)
- Reduced water in-flow in first 9 months, improved at year end
- Covid-19 impacting power demand and prices in the Philippines

## Hydropower guidance

- Median annual production of 6,100 GWh (100%) and 1,800 GWh (net)
- Further details and guidance on SN Power financials and pipeline to be provided at Capital Markets Update 23 March 2021



# Market & outlook

Raymond Carlsen, CEO

# The world can be powered by renewables in 2050

60%

increase in global  
electricity demand

75%

demand covered by  
renewables

Fossil from 64%  
to 20% market  
share

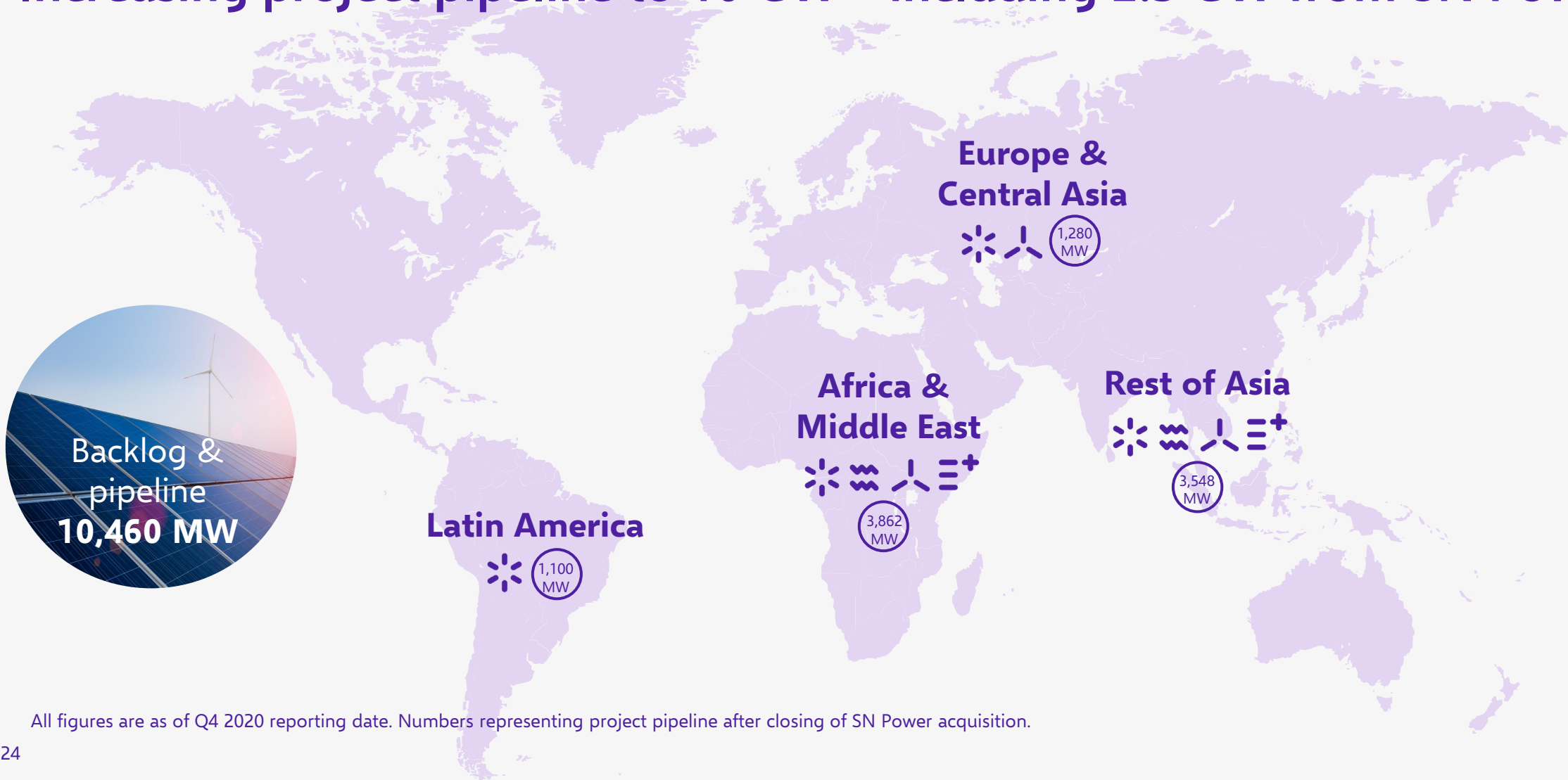
Solar, wind hydro  
& storage share of  
energy mix from  
36% to 73%

91%

Consumption growth  
non- OECD-countries



# Increasing project pipeline to 10 GW – including 2.5 GW from SN Power



All figures are as of Q4 2020 reporting date. Numbers representing project pipeline after closing of SN Power acquisition.



# Combining floating solar and hydropower to achieve lowest cost RE-baseload

## Floating solar becoming mainstream technology

- Attractive cost roadmap
- Limited land use
- Positive cooling and evaporation effects



*SN Power Phillipines: OceanSun Pilot on Magat dam*

## Particularly attractive on hydro power reservoirs

- Shared infrastructure, interconnection and operations
- Optimising production of hydro and solar when available
- Utilising the valuable, dispatchable hydro power when needed



*SN Power Laos: THPC 525 MW hydro power plant*



# Significant project opportunities in key pipeline markets



## Brazil

### Development status

- Large PV project in mature stage
- Partnerships with large energy companies
- Hydropower partnerships

### Market opportunities

- Auctions
- Corporate PPAs
- Merchant market



## India

### Development status

- Negotiating participation in large projects
- Preparing for future tenders

### Market opportunities

- A large growth market
- Acquisition of 'Ready To Build' projects
- State and regional tenders



## South Africa

### Development status

- Large ready to bid portfolio
- Permits to also include batteries
- Wind portfolios under negotiation

### Market opportunities

- RMIPPP\* - bid submitted
- REIPPP\* Round 5 and following
- Corporate PPAs



## Vietnam

### Development status

- Broad set of projects pursued across solar, floating solar, wind and near-shore wind
- Dam Nai wind farm acquired

### Market opportunities

- Targets 20+ GW by 2025
- FiT for wind beyond 2021
- +5 GW solar tender expected

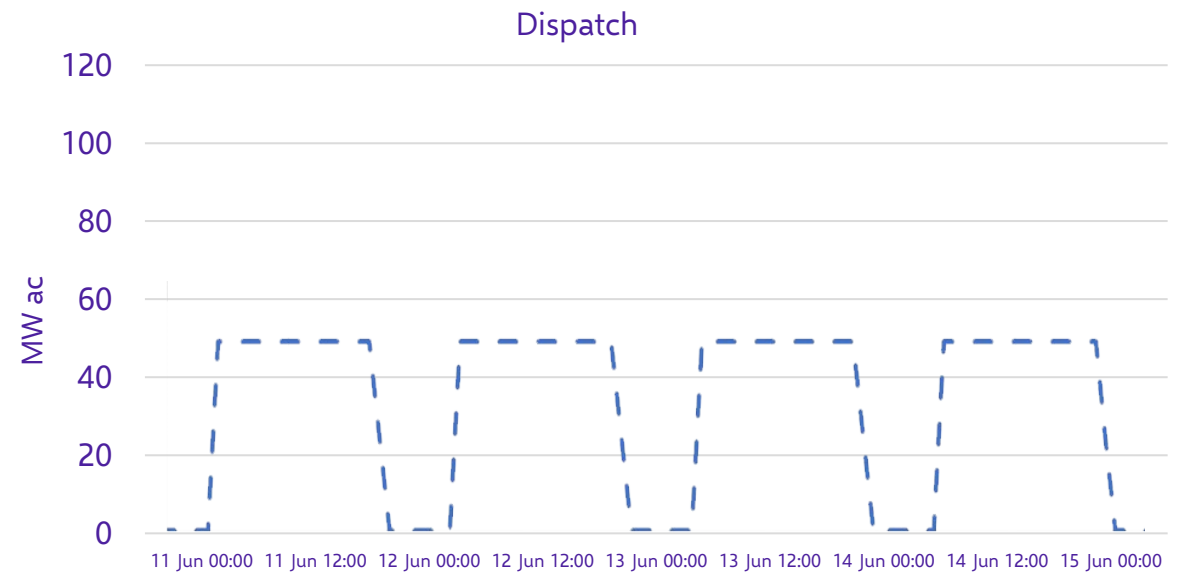
(\*) RMIPPP: Risk Mitigation IPP Procurement Program. REIPPP: Renewables IPP Procurement Program



# Dispatchable Energy in South Africa

- South Africa continues to struggle with a constrained power supply
- A technology neutral tender was launched in 2020, aiming to add 2 GW of dispatchable power to the grid (RMIPP)
- Dispatch of Contracted Capacity is required between 5:00 am and 21:30 pm (16.5 hours) – all year
- System required to be grid connected and fully operational within 12-18 months of Financial Close.
- Sites and permits must be “ready-to-build” as only 4 months is allowed from tender award to Financial Close.

## RMIPP: Dispatchable power requirement



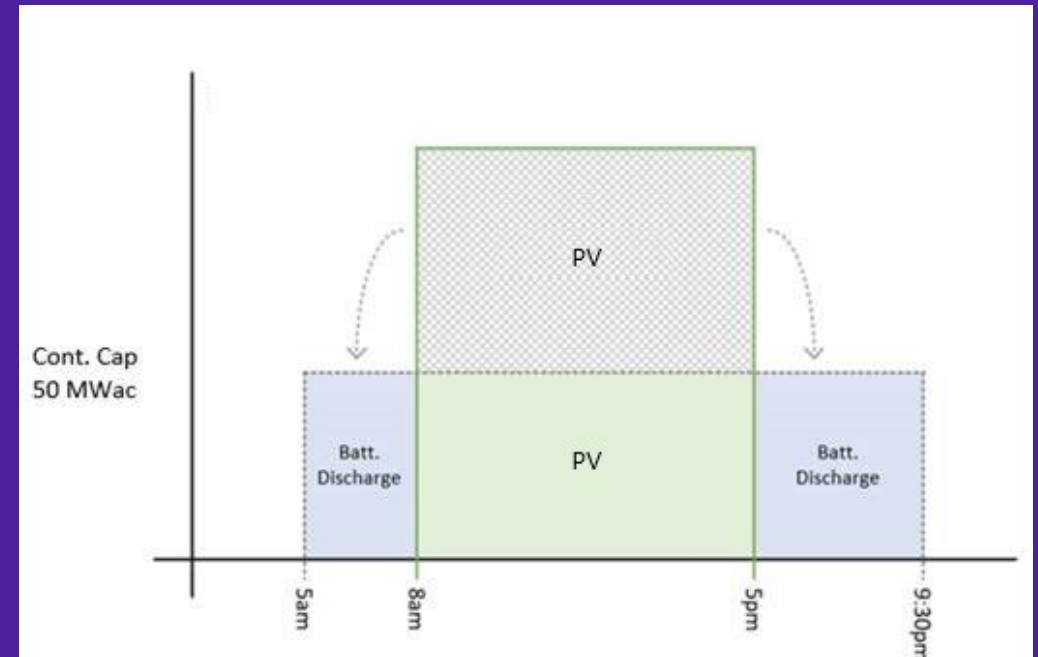




## Scatec has offered a large scale PV + battery solution

- Scatec submitted three renewable energy bids totalling 150 MW of dispatchable capacity
- BESS will supply early morning and late afternoon and address the technical requirements by the customer
- Oversizing (3x-4x) the PV system and BESS system to cater for mornings & evenings, weather phenomena, interannual and seasonal variations
- Dispatchable renewables will gain meaningful traction globally in the coming years and Scatec is well position to support this shift

### RMIPP: Scatec PV + battery solution





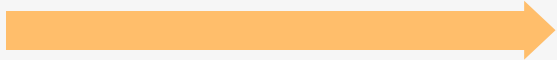
# Building a global leader in renewable energy

*Where we come from*

**Regional solar developer/IPP**



Solar

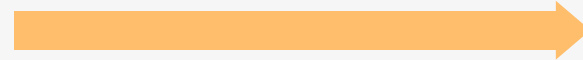


*Where we are now*

**Global top-tier developer/IPP**



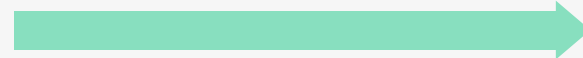
Solar



Hydro



Wind



Storage



*Where we are going*

**A global multi-technology renewables developer/IPP**



Solar



Hydro



Wind



Storage





# Building a global renewable company

- SN Power transaction closed – adding solid hydropower assets and attractive project pipeline
- Solid financial position - available liquidity of NOK 3.9 billion post transaction
- Project backlog & pipeline increased to 10.5 GW
- Targeting installed capacity\* of 4.5 GW by end 2021
- Capital Markets Update 23 March 2021

(\*) In operation or under construction.







# TCFD Reporting

Task Force on Climate related  
Financial Disclosures

Key elements:

- Governance
- Strategy
- Risk Management
- Metrics and targets

