Second quarter

2020

Scatec Solar
Improving our future™

About Scatec Solar

Scatec Solar is a leading integrated independent solar power producer, delivering affordable, rapidly deployable and sustainable clean energy worldwide. A long- term player, Scatec Solar develops, builds, owns and operates solar power plants and has an installation track record of more than 1.6 GW. The Company has a total of 1.9 GW in operation and under construction on four continents.

With an established global presence and a significant project pipeline, the company is targeting a capacity of 4.5 GW in operation and under construction by end of 2021. Scatec Solar is headquartered in Oslo, Norway and listed on the Oslo Stock Exchange under the ticker symbol 'SSO'.

Asset portfolio [1)]

	Capacity MW	Economic interest [2)]
In operation		
South Africa	448	46%
Egypt	390	51%
Malaysia	197	100%
Brazil	162	44%
Ukraine	101	77%
Honduras	95	51%
Jordan	43	62%
Mozambique	40	53%
Czech Republic	20	100%
Rwanda	9	54%
Total	**1,505**	**58%**
Under construction		
Ukraine	235	95%
Argentina	117	50%
Malaysia	47	100%
Total	**399**	**82%**
Projects in backlog		
Tunisia	360	65%
Ukraine	65	65%
Bangladesh	62	65%
Mali	33	64%
Total	**520**	**65%**
Grand total	**2,424**	**63%**
Projects in pipeline	**5,620**	

Solar power plants in operation: 1,505 MW   Plants under construction: 399 MW   Projects in backlog: 520 MW

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 Solar has economic interests.

Power Production

The plants produce electricity for sale under long term power purchase agreements (PPAs), with state owned utilities or corporate off-takers, or under government-based feed-in tariff schemes. The average remaining PPA duration for power plants in operation is 20 years.

Services

The Services segment comprises Operations & Maintenance (O&M) and Asset Management services provided to solar power plants where Scatec Solar 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.

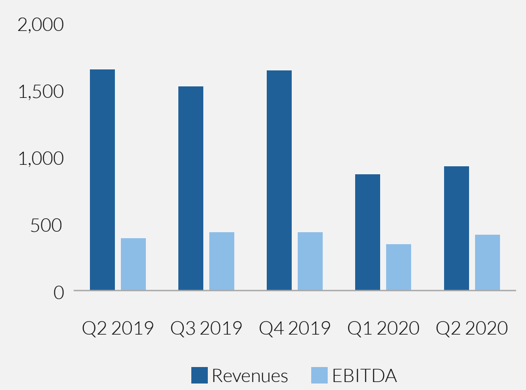
Corporate

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

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

Q2'20 – Power production doubled – progressing large project opportunities

- Power production reached 406 GWh, doubling production from the same quarter last year
- EBITDA [1] of NOK 417 million, up from NOK 346 million in previous quarter
- Completed 140 MW in South Africa and Ukraine
- Raised gross NOK 1,968 million of new equity to fund further investments in renewables
- Limited impact of COVID-19
- The Board of Directors approves dividends of NOK 131 million equivalent to NOK 0.95 per share



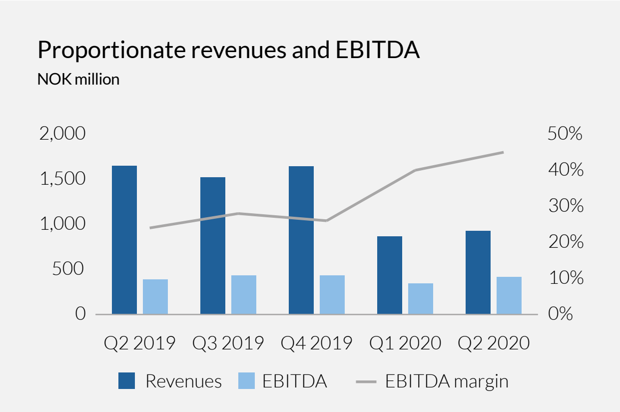
Key figures

NOK million	Q2 2020	Q1 2020	Q2 2019	YTD 2020	YTD 2019
Proportionate Financials [1]					
Revenues and other income	**925**	866	1,648	1,791	3,177
Power Production	*458*	391	258	849	455
Services	*73*	52	42	125	71
Development & Construction	*383*	414	1,339	797	2,636
Corporate	*11*	8	9	19	15
EBITDA [1]	**417**	346	388	763	703
Power Production	*374*	331	216	705	380
Services	*34*	16	19	50	26
Development & Construction	*22*	15	165	37	324
Corporate	*-13*	-16	-11	-29	-25
Operating profit (EBIT)	**262**	206	298	468	531
Profit/(loss)	**-15**	240	142	225	265
Net interest- bearing debt [1]	**6,254**	8,139	6,005	6,254	6,005
Power Production (GWh)	**406**	349	198	755	331
SSO proportionate share of cash flow to equity [1]	**158**	107	205	265	376
Consolidated Financials					
Revenues and other income	**725**	625	376	1,350	702
EBITDA [1]	**580**	503	290	1,083	531
Operating profit (EBIT)	**377**	328	188	705	333
Profit/(loss)	**-81**	299	21	217	33
Net interest- bearing debt	**9,868**	12,038	9,367	9,868	9,367
Earnings per Share	**-0.76**	1.87	-0.22	1.06	-0.51
Power Production (GWh) [2]	**738**	623	346	1,361	600

1) See Alternative Performance Measures appendix for definition.
2) Production volume on a 100% basis of all consolidated entities, including from JV companies.

Group – Proportionate financials

NOK million	Q2 2020	Q1 2020	Q2 2019	YTD 2020	YTD 2019
Revenues and other income	**925**	866	1,648	1,791	3,177
Gross Profit	**596**	497	500	1,093	917
Operating expenses	**-180**	-151	-111	-331	-213
EBITDA	**417**	346	388	763	703
EBITDA margin	**45%**	40%	24%	43%	22%
D&A and impairment	**-155**	-140	-90	-295	-172
EBIT	**262**	206	298	468	531
Cash flow to equity [1]	**158**	107	205	265	376



1) See Alternative Performance Measures appendix for definition.

In the second quarter, proportionate revenues decreased compared to the same quarter last year due to lower construction activity only partly offset by higher power production revenues.

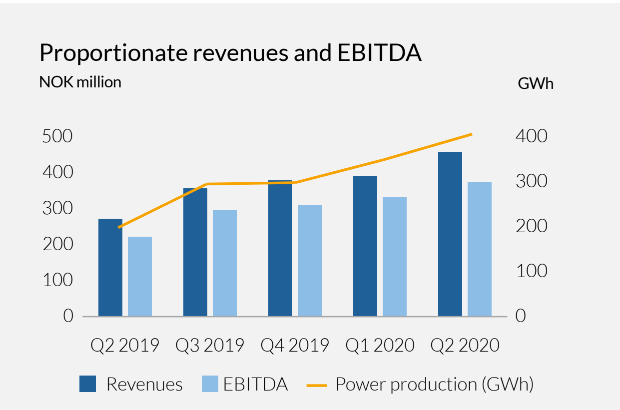
The EBITDA increased by 7% compared to the same period last year and by 21% compared to the previous quarter, primarily driven by new solar power plants starting commercial operation.

With a larger portfolio of power plants in operation, both revenues and EBITDA increased in the Power Production segment, while decreasing in the Development & Construction segment due to lower construction activity. This continued change in segment mix resulted in a higher EBITDA margin for the Group compared to previous periods.

Operating expenses and depreciation increased, mainly due to new solar power plants starting operation.

Power Production – Proportionate financials

NOK million	Q2 2020	Q1 2020	Q2 2019	YTD 2020	YTD 2019
Revenues and other income	**458**	391	258	849	455
Operating expenses	**-84**	-60	-42	-144	-75
EBITDA [1]	**374**	331	216	705	380
EBITDA margin [1]	**82%**	85%	84%	83%	84%
D&A and impairment	**-144**	-125	-83	-269	-150
EBIT	**230**	206	133	436	230
Cash flow to equity [1]	**135**	105	78	240	136



1) See Alternative Performance Measures appendix for definition.

At the end of second quarter, power plants with a total capacity of 1,505 MW were in operation. The total capacity increased by 140 MW from the end of previous quarter reflecting completion of the 258 MW solar power plant in Upington, South Africa and the 54 MW Boguslav plant in Ukraine.

Production reached 406 GWh in the second quarter compared to 349 GWh in the previous quarter and 198 GWh in the same quarter last year, mainly explained by added capacity.

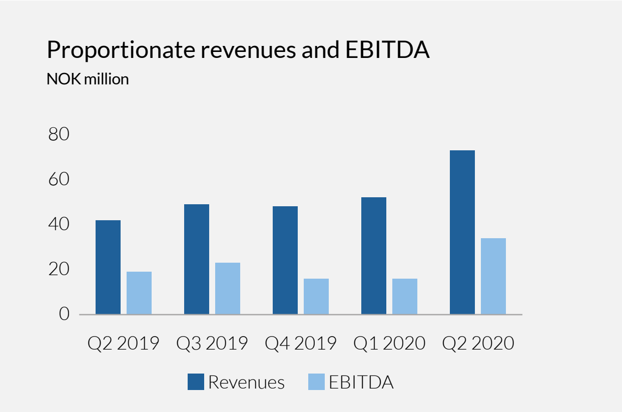
Operating expenses and depreciations increased due to the added capacity. The reduced EBITDA margin compared to the quarter is primarily reflecting seasonal production variations in South Africa and Malaysia.

See additional information on page 14 for a specification of financial performance for each individual power plant company.

Revenues and profitability in first half 2020 are explained by the developments referred to above.

Services – Proportionate financials

NOK million	Q2 2020	Q1 2020	Q2 2019	YTD 2020	YTD 2019
Revenues and other income	**73**	52	42	125	71
Operating expenses	**-39**	-36	-24	-75	-46
EBITDA	**34**	16	19	50	26
EBITDA margin [1)]	**47%**	31%	44%	40%	36%
D&A and impairment	**-1**	-1	-1	-2	-2
EBIT	**33**	15	18	49	24
Cash flow to equity [1)]	**27**	13	15	40	20



1) See Alternative Performance Measures appendix for definition.

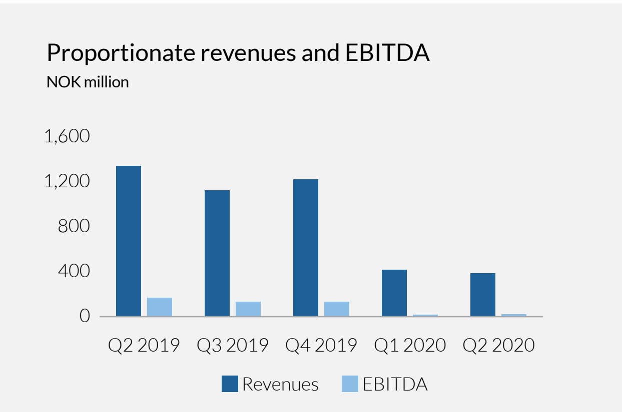
Revenues from Services increased by 73% from the same period last year due to new plants starting operations in Ukraine, Egypt and South Africa. The revenues in second quarter also includes a NOK 14 million catch up of service revenues, following a clarification of certain contracts in the portfolio which allows for earlier revenue recognition than previously anticipated.

Operating expenses increased compared to the previous quarter and the second quarter last year, primarily due to the new plants in operation. The operating expenses mainly constitute fixed expenses, covering personnel and recurring maintenance cost reflecting fixed maintenance schedules.

Revenues and profitability in first half 2020 are explained by the developments referred to above.

Development & Construction (D&C) – Proportionate financials

NOK million	Q2 2020	Q1 2020	Q2 2019	YTD 2020	YTD 2019
Revenues and other income	**383**	414	1,339	797	2,636
Gross Profit	**53**	46	190	99	376
Gross Margin [1)]	**14%**	11%	14%	12%	14%
Operating expenses	**-32**	-31	-25	-63	-52
EBITDA	**22**	15	165	37	324
D&A and impairment	**-4**	-10	-5	-14	-18
EBIT	**17**	5	160	22	306
Cash flow to equity [1)]	**19**	13	130	32	258



1) See Alternative Performance Measures appendix for definition.
2) Figures in brackets refer to same quarter previous years.

D&C revenues in second quarter were generated by the projects in Malaysia, South Africa, Ukraine and Argentina. Accumulated progress across ongoing construction projects at the end of the second quarter was 96%.

Construction was completed for an additional 54 MW in Ukraine and 86 MW in South Africa. Further, the second solar hybrid project for a United Nations (UN) organisation in South Sudan was completed. Limited construction activities remain for the ongoing projects in Malaysia, Argentina and Ukraine.

The 14% gross margin for the quarter reflects the current mix of projects under construction and under development.

Operating expenses comprised of approximately NOK 23 million (17) for early stage development of new projects and NOK 9 million (8) related to the construction business.

Compared to same quarter last year the EBITDA is reduced primarily due to lower construction activity.

Revenues and profitability in first half 2020 are explained by the developments referred to above.

Corporate – Proportionate financials

NOK million	Q2 2020	Q1 2020	Q2 2019	YTD 2020	YTD 2019
Revenues and other income	**11**	8	9	19	15
Operating expenses	**-24**	-24	-20	-48	-40
EBITDA	**-13**	-16	-11	-29	-25
D&A and impairment	**-5**	-5	-2	-10	-3
EBIT	**-18**	-21	-13	-39	-29
Cash flow to equity [1]	**-23**	-24	-18	-47	-38

1) See Alternative Performance Measures appendix for definition.

Revenues in the corporate segment refers to management fees charged to the other operating segments for corporate services rendered across the Group.

Operating expenses increased by NOK 4 million compared with the same quarter last year, reflecting the strengthening of corporate functions to support the Company's growth.

Short term guidance

Power production

The estimated production for third quarter and full year 2020 is based on production from the 1,505 MW in operation at the end of second quarter 2020.

GWh	Q2 2020	Q3 2020E	2020E
Proportionate	**406**	420 - 435	1,580 – 1,630
100% basis	**738**	770 - 800	2,900 – 3,000

Services

Revenues in the Services segment are expected to reach approximately NOK 240 million in 2020 with an EBITDA margin of around 35%.

Development & Construction

D&C revenues and margins are dependent on progress on development and construction projects.

At the end of second quarter, the portfolio under construction represents awarded Development & Construction contracts with a value of about NOK 1.1 billion. The remaining, not booked, contract value at the end of second quarter 2020 was about NOK 45 million.

The portfolio under construction was 96% completed at the end of second quarter, hence revenues from D&C are expected to be lower in second half of 2020. The revenues are estimated to increase significantly from first quarter 2021 when projects currently in backlog move into construction.

Corporate

Corporate costs are expected to remain at current levels as the corporate functions have been strengthened over the recent quarters.

COVID-19 impacts

Scatec Solar has throughout second quarter continued to follow and implement the respective national authorities' advice and recommendations regarding COVID-19. The Company has taken precautionary measures at all sites and locations to limit the spread of the virus, keep people safe, and ensure continued stable operations of the power plants. Strict travel restrictions are imposed for all employees globally, and office employees have mainly been working remotely without any impact on regular business processes.

In all countries where Scatec Solar has operating assets, power supply is defined as critical infrastructure and power production and general maintenance continue as normal. The Company has to date experienced limited impact of COVID-19 on operating assets or on delivery of power to customers. All solar plants require few operators and are remotely monitored and supported 24/7 by the Company's global Control & Monitoring Centre in Cape Town, South Africa. Scatec Solar has robust contingency plans in place to mitigate any potential operational issues.

The Company is selling all production from the portfolio of power plants to state owned utilities, normally supported by government guarantees, under long term fixed price contracts with USD, MYR and ZAR being the predominant currencies. The long term contracted cash flows amounts to more than NOK 56 billion over the next 20 years.

Scatec Solar has experienced some further delays of payments in Honduras, mainly due to the COVID-19 outbreak. Including some amount in Ukraine, the proportionate share of overdue payments increased by NOK 50 million during the second quarter to NOK 111 million. Based on discussions with the customers, Scatec Solar expects the full amounts to be paid in the future, hence no allowance is recognised in the second quarter financials. The delayed amounts are also secured by sovereign guarantees and the collection risk is therefore considered to be low. Please refer to note 16 in the Annual Report 2019 for further information on aging of trade receivables.

Scatec Solar's portfolio of 399 MW under construction is being completed during second half of 2020. Travel constraints and local restrictions are still affecting commissioning and testing of some of the new solar plants. No further material costs are expected to be associated with the delays.

The COVID-19 situation continues to impact some of the markets where Scatec Solar develops new projects, as some countries are still in lock-down or have restrictions on movement. A number of project development activities requires physical presence and the Company is expecting some temporary delays in maturing projects currently in backlog and pipeline.

Outlook

The COVID-19 pandemic triggered a global economic slowdown, impacting all industries. With power supply defined as critical infrastructure solar has not been amongst the hardest hit sectors. Construction has continued in several countries even under lock down. Even though market analysts have cut global solar demand forecasts for 2020, the electricity demand is expected to continue growing in emerging markets. As some of the near-term growth has been pushed back in time, Scatec Solar might be impacted by delays in renewable energy investments in the short term. In the medium- and longer term, the renewable energy market is expected to see continued growth with solar market volumes expected to grow by 23-34% from 2019 to 2022 according to Bloomberg New Energy Finance (BNEF).

Earlier this year, Scatec Solar further strengthened its financial position by securing a new credit facility of USD 75 million and refinancing the existing USD 90 million revolving credit facility. In May, the Company raised NOK 1,968 million in gross proceeds through a private placement to fund further investments in renewable power plants.

In accordance with the overall development within the renewable energy sector it is conceivable that Scatec Solar will engage in other renewable energy technologies than solar energy, hence the Articles of Association have been amended to accommodate for a broader scope of future renewable business. As addressed at the first quarter presentation 2020, the Company is assessing certain M&A opportunities in the current environment.

Scatec Solar's long-term targets remain firm with the Company targeting a portfolio of projects under construction and in operation of 4.5 GW by end 2021. The solid track record and market position is supported by a robust financial platform and enables pursual of attractive project opportunities for further growth in emerging markets.

Consolidated statement of profit and loss

Profit and loss

NOK million	Q2 2020	Q1 2020	Q2 2019	YTD 2020	YTD 2019
Revenues	**725**	625	376	1,350	702
EBITDA	**580**	503	290	1,083	531
Operating profit (EBIT)	**377**	328	188	705	333
Net financial items	**-454**	82	-162	-372	-281
Profit before income tax	**-77**	410	27	333	52
Profit/(loss) for the period	**-81**	299	21	217	33
Profit/(loss) to Scatec Solar	**-98**	235	-25	137	-58
Profit/(loss) to non-controlling interests	**17**	64	45	80	91

Revenues

Revenues from power sales were up 93% compared to the same quarter last year. The increase in revenues is mainly explained by the grid connection of new plants in Malaysia, Egypt, Ukraine and Mozambique. For the remaining power plants, the change in production volume from last year is driven by regular operational and seasonal variations.

Net income from the joint venture investments in Brazil and Argentina is NOK 3 million (-7) [1] driven by production in Brazil and construction in Argentina.

Operating profit

Following the enlarged portfolio of power producing assets, the profitability (EBITDA) has increased in both relative and absolute terms compared to the second quarter last year. The growth in operating expenses compared to second quarter last year is mainly explained by the increased asset base in operation.

Consolidated operating expenses amounted to NOK 145 million (86) in the second quarter. This consists of approximately NOK 96 million (45) for operation of existing power plants, NOK 22 million (17) for early stage development of new projects, NOK 9 million (8) related to construction and NOK 18 million (13) of corporate expenses (excluding eliminated intersegment charges).

1) Figures in brackets refer to same quarter previous year.

Net financial items

NOK million	Q2 2020	Q1 2020	Q2 2019	YTD 2020	YTD 2019
Financial income	**16**	12	19	28	35
Financial expenses	**-301**	-250	-177	-552	-317
Foreign exchange gains/(loss)	**-169**	320	-4	151	1
Net financial items	**-454**	82	-162	-372	-281

Financial expenses in the second quarter mainly consist of interest expenses, which comprise of interest on non-recourse financing of NOK 260 million (127), and corporate funding of NOK 19 million (16). See note 4 and 5 for further information on financing.

The currency gains and losses of the group are primarily driven by changes in the NOK value of Scatec Solar ASA's shareholder loans to project companies which are provided in the respective projects' currencies. The quarter's net foreign currency loss increased from NOK 4 million in the second quarter of 2019 to NOK 169 million in the second quarter of 2020, compared with a net gain of NOK 320 million in the first quarter of 2020. The gains primarily constitute unrealized gains on long term inter-company shareholders loans from Scatec Solar ASA to project companies and are driven by the strengthening of the NOK against the USD with approximately 7% compared with previous quarter.

Profit before tax and net profit

The effective tax rate was negative 5% in the second quarter and 35% for the first half of 2020. The effective tax rate fluctuates from quarter to quarter based on construction progress, currency effects and level of profit in in JVs and associates which are reported net after tax. The underlying tax rates in the companies in operation are in the range of 0% to 33%. In some markets, Scatec Solar receives special tax incentives intended to promote investments in renewable energy. For further details, refer to note 6.

Non-controlling interests (NCI) represent financial investors in solar power plants. The allocation of profits between NCI and Scatec Solar is impacted by the fact that NCI only have share-holdings in solar power plants, while Scatec Solar also carries the cost of project development, construction, operation & maintenance and corporate functions. The allocation of profits is also impacted by unrealised currency gains and losses on shareholder loans from Scatec Solar ASA to project companies which are profits fully allocated to Scatec Solar. In the second quarter of 2020 the profits to Scatec Solar was particularly affected by the weakening of the USD against the NOK.

Impact of foreign currency changes in the quarter

During the second quarter, the NOK depreciated against USD, EUR and MYR but appreciated against ZAR and BRL, compared to the average rates for the first quarter. On a net basis this negatively affected consolidated revenues by approximately NOK 3 million compared to the previous quarter, while the net impact on net profit in the quarter was negative with approximately NOK 1 million.

Following the movements in currencies in the second quarter, the Group has recognised a foreign currency translation loss of NOK 176 million (-179) in other comprehensive income related to the conversion of the subsidiaries' statements of financial position from the respective functional currencies to the Group's reporting currency.

Scatec Solar has not hedged the currency exposure on the expected cash distributions from the power plant companies.

Consolidated statement of financial position

Assets

NOK million	30 JUNE 2020	30 JUNE 2019
Property, plant and equipment	**17,008**	11,293
Other non-current assets	**1,624**	1,517
Total non-current assets	**18,632**	12,811
Other current assets	**1,601**	2,306
Cash and cash equivalents	**4,069**	2,375
Total current assets	**5,670**	4,681
Total assets	**24,302**	17,492

The 45% net increase of non-current assets is mainly driven by the new plants in South Africa, Mozambique, Egypt, Ukraine and Malaysia. This is partly offset by depreciation of the operating power plants.

Other current assets increased by 31% compared to second quarter 2019, mainly driven by working capital changes related to construction projects. The cash balance has increased with NOK 1,694 million since second quarter 2019, primarily following the private placement completed during the second quarter 2020 and third quarter 2019. In addition, the Group had NOK 1,646 million in available undrawn credit facilities at the end of the second quarter. See note 5 for a detailed breakdown of cash balances as well as an overview of movement of cash at the Recourse Group level.

In the consolidated statement of financial position, the solar power plant assets are valued at the Group's cost, reflecting elimination of gross margins generated through the project development and construction phase. At the same time, the ring-fenced non-recourse debt held in power plant assets is consolidated at full value. These accounting principles reduce the consolidated book equity ratio.

Equity and liabilities

NOK million	30 JUNE 2020	30 JUNE 2019
Equity	**5,699**	2,123
Non-current non-recourse project financing	**11,875**	10,609
Other non-current liabilities	**3,505**	2,350
Total non-current liabilities	**15,380**	12,959
Current non-recourse project financing	**1,315**	389
Other current liabilities	**1,908**	2,021
Total current liabilities	**3,223**	2,410
Total liabilities	**18,603**	15,369
Total equity and liabilities	**24,302**	17,492
Book equity ratio	**23.5 %**	12.1%

Total equity increased by NOK 3,576 million since second quarter 2019, mainly driven by the private placement during the second quarter 2020 and the third quarter 2019. The book equity ratio almost doubled from the same quarter last year. The increase is driven by the private placement, partly offset by increased total balance sheet value. The current and non-current non-recourse project finance debt increased by NOK 2,193 million from the second quarter 2019 following the completion of new solar plants.

The equity to capitalisation ratio for the Recourse Group [1)] (excluding the non-recourse financed project entities) as defined in the corporate bond agreement was 91% at the end of the second quarter. See note 5 for more information on the corporate bond agreement.

1) See Other definitions appendix for definition.

Consolidated cash flow

Net cash flow from consolidated operating activities amounted to NOK 200 million (-278) in the second quarter of 2020, compared to the EBITDA of NOK 580 million. The difference is primarily explained by changes in working capital, mainly related to power plants under construction.

Net cash flow from consolidated investing activities was NOK -564 million (-1,189), driven by further investment in new power plants as well as development of project pipeline and backlog.

Net cash flow from financing activities was NOK 1,399 million (1,037), driven primarily by increased share capital through a private placement, partly offset by loan- and interest payments.

Refer to note 5 for a detailed cash overview.

Proportionate cash flow to equity

Scatec Solar'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 solar power plant projects and/or for shareholder dividends over time.

NOK million	Q2 2020	Q1 2020	Q2 2019	YTD 2020	YTD 2019
Power Production	**135**	105	78	240	136
Services	**27**	13	15	40	20
Development & Construction	**19**	13	130	32	258
Corporate	**-23**	-24	-18	-47	-38
Total	**158**	107	205	265	376

The increased cash flow to equity in the Power Production segment compared to previous quarter is primarily explained by new power plants reached commercial operation, partly offset by higher debt repayments in line with the agreed repayment schedule on the non-recourse financing loans.

The cash flow to equity in Services is influenced by commencement of new contracts, seasonal variations and a NOK 14 million catch up of service revenues, following a clarification of certain contracts in the portfolio which allows for earlier revenue recognition than previously anticipated.

The cash flow to equity in the D&C segment is driven by the portfolio of construction projects currently being executed. The cash flow to equity for the Corporate segment primarily relates to operating expenses and payments of interest.

In the second quarter of 2020, the power plant companies has distributed a total of NOK 216 million to Scatec Solar ASA.

Risk and forward-looking statements

Scatec Solar has extensive policies and procedures in place as part of its operating system to actively manage risks related to the various parts of the Company's operations. Key policies are reviewed and approved by the Board of Directors annually. The regular follow up of these policies is carried out by Scatec Solar's Management Team, Finance, Legal and other relevant functions. For further information refer to the 2019 Annual Report (the Board of Directors' report and note 5).

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

1) See Alternative Performance Measures appendix for definition.

Project overview

Project stage	Q2 2020 Capacity [1] (MW)	Q1 2020 Capacity [1] (MW)
In operation	**1,505**	1,505
Under construction	**399**	399
Project backlog [2]	**520**	520
Project pipeline [2]	**5,620**	5,320

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 and subsequent realisation.

The table below shows the projects under construction and in backlog with details on capital expenditure and annual production. For extensive information about the projects under construction and in backlog, refer to our website www.scatecsolar.com/asset-portfolio-overview/.

Location	Capacity (MW)	Currency	CAPEX (100%, million)	Annual production (100%, GWH)	Debt leverage	SSO economic interest
In operation	**1,505**	**NOK [3]**	**20,233**	**3,093**	**72%**	**58%**
Under construction						
Ukraine portfolio	235	EUR	212	285	66%	95%
Guanizuil, Argentina	117	USD	103	310	60%	50%
Redsol, Malaysia	47	MYR	200	67	75%	100%
Total under construction	**399**	**NOK [3]**	**3,752**	**662**		**82%**
Backlog						
Tunisia	360	USD	240	903	70%	65%
Ukraine	65	EUR	74	65	70%	65%
Bangladesh	62	USD	68	86	70%	65%
Mali	33	EUR	50	60	75%	64%
Total backlog	**520**	**NOK [3]**	**4,351**	**1,141**		**65%**
Total	**2,424**	**NOK [3]**	**28,336**	**4,896**		**63%**

Total annual revenues from the 2,424 MW in operation, under construction and in backlog is expected to reach about NOK 4,300 million (on 100% basis) based on 20-25-year Power Purchase Agreements (PPAs). Scatec Solar will build, own and operate all power plants in the project backlog and pipeline.

1) Status per reporting date.
2) See Other Definitions for definition.
3) All exchange rates to NOK are as of 30 June 2020.

Under construction

Scatec Solar's project portfolio under construction is close to completion. Due to the COVID-19 outbreak, travel constraints and local regulations are mainly impacting commissioning and testing of the new solar plants. The final effects on completion dates are still uncertain, however the Company currently estimates that all power plants will reach commercial operation dates (COD) in the second half of 2020.

Project	Capacity (MW)	Status
Progressovka, Ukraine	148	PV plant completed – COD expected 2H 2020
Guanizuil, Argentina	117	PV plant completed – COD expected 2H 2020
Chigirin, Ukraine	55	PV plant completed – COD expected 2H 2020
Redsol, Malaysia	47	PV plant completed – COD expected 2H 2020
Kamianka, Ukraine	32	PV plant completed - COD expected 2H 2020
Total	399	

Backlog

There has been no movements in the project backlog during the second quarter, leaving the backlog at 520 MW.

The COVID-19 situation is in general impacting the markets in which Scatec Solar develops projects. Many countries are still in lock-down, or continued restrictions on movement, and international travel is still very limited. This will to a varying degree impact project development as certain activities requires physical presence. The progress that can be made for projects in backlog and pipeline is therefore impacted and delays in maturing some of these projects are expected.

Tunisia, 360 MW

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

Scatec Solar will be the lead equity investor in the projects. The company will also be the Engineering, Procurement and Construction (EPC) provider and provide Operation & Maintenance as well as Asset Management services to the power plants.

Ukraine, 65 MW

In Ukraine, the government is evaluating the current feed-in tariff scheme and working on the transition to a tender scheme for renewable energy.

The 65 MW Kherson project is situated at a very good site, is fully developed and ready to be built from a permitting perspective. The project is well positioned to participate in upcoming tenders.

Bangladesh, 62 MW

The Nilphamari project was moved into backlog in 2019. The power plant will hold a 20 years PPA with the Bangladesh Power Development Board (BPDB). Total project costs are estimated to USD 78 million, expected to be funded with 75% debt and 25% equity. Lenders have been selected and are mandated.

Scatec Solar will finance, construct, own and operate the project. The project is being developed with a local development partner and with FMO, the Dutch development bank.

Mali, 33 MW

In July 2015, Scatec Solar and development partners, International Finance Corporation (IFC) and Power Africa 1, signed a 25-year PPA with Energie du Mali (EDM) for the Segou project. IFC and African Development Bank (AfDB) will provide the non-recourse project finance for the project.

During 2019, the project signed an amendment to the Concession Agreement with the Ministry of Finance and the Ministry of Energy and the amendment to the PPA with EDM. The main remaining step is to finalise agreements with lenders. Scatec Solar will build, own and operate the solar power plant with a 64% shareholding. IFC Infraventures and Africa Power will hold the remaining part of the equity.

Pipeline

Location	Q2 2020 Capacity (MW)	Q1 2020 Capacity (MW)
Latin America	1,000	998
Africa	2,615	2,357
Europe & Central Asia	430	430
South East Asia	1,575	1,535
Total pipeline	5,620	5,320

In addition to projects in backlog Scatec Solar holds a solid pipeline of projects totalling 5,620 MW. The pipeline has developed favourably over the last year through systematic project development efforts in a number of markets across four key regions where both governments and corporate off-takers are seeking to source solar energy.

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 have typically been secured and Scatec Solar is in a position to participate in bilateral negotiations for a long-term power sales agreement with an off-taker, feed-in-tariff schemes, or tender processes.

Latin America (1,000 MW)

Scatec Solar's development efforts in Latin America is now mainly focused on Brazil, where Scatec Solar is partnering with Equinor. Selected opportunities are also being pursued in other markets.

Brazil is a well-established market for renewable energy with about 2.7 GW of utility scale solar capacity installed. Scatec Solar has secured rights to a number of projects in Brazil and is seeking to secure power purchase agreements through upcoming tenders and negotiations with corporate off-takers.

Africa (2,615 MW)

Scatec Solar holds sites representing more than 1.0 GW ready to be bid in upcoming tender rounds in South Africa. The new integrated Resource Plan has been launched and based on this a new tender ("round 5") under the REIPPP Programme is expected to be launched during first half of 2021. Further, the Department of Mineral Resource and Energy has launched a Request for Information for a Risk Mitigation Power Procurement Programme in response to the current critical energy supply situation in the country.

The Department has indicated that they might procure 2-3 GW of power under this risk mitigation process and the tender is expected to be launched during second half of 2020.

In addition, Scatec Solar is developing a broad pipeline of projects across a number of markets, including Egypt, Nigeria, Cameroon, Kenya, Angola and several other countries on the continent. Some of the projects are based on bi-lateral negotiations with governments and state-owned utilities, while Scatec Solar is also selectively participating in tenders.

Through its Release concept, Scatec Solar has also increased its efforts in securing agreements with private companies and Non-Governmental Organisations, like the UN. These are typically smaller projects in the range of 5 to 20 MW and Scatec Solar is currently actively working on a portfolio of about 300 MW of this type of projects on the African continent.

Europe and Central Asia (430 MW)

Ukraine, Poland and Pakistan are key markets currently being pursued by Scatec Solar in Europe and Central Asia.

Ukraine is committed to integrate with the EU energy system with ongoing electricity market reforms. Scatec Solar is working on a portfolio of projects in Ukraine to participate in the expected auction system that likely will be implemented during 2020.

In Pakistan, the 150 MW project portfolio in Sindh were during first quarter 2020 awarded a "costs plus tariff" of 36.7 USD/MWh by the National Energy Power Regulatory Authority (NEPRA). This is a reduction in the tariff level from last award and Scatec Solar and the local partner, Nizam Energy, are now investigating on how to realize this project.

South East Asia (1,575 MW)

Malaysia, Bangladesh, Indonesia and Vietnam are prioritised markets for Scatec Solar in South East Asia. In Malaysia it is expected that the new government will maintain the same level of ambition for the renewable energy sector as before.

In Bangladesh, Scatec Solar is working on a project development portfolio of about 150 MW. These projects are partly based on bi-lateral negotiations and partly related to tender processes issued by the authorities.

Scatec Solar has signed up several new projects in Vietnam during 2020 and the pipeline stands at more than 1,000 MW. These are projects that fit well with the stated objectives of the authorities in terms of the future implementation of renewable energy in the country.

Proportionate financials
Break down of Power Production segment
Key financials

Q2 2020

NOK million	Czech Republic	South Africa Round 1/2 [1]	Honduras	Jordan	Brazil	Malaysia	Egypt	Ukraine	Mozambique	South Africa Round IV [2]	Other [3]	Total
Revenues	48	66	29	31	20	86	91	38	11	33	4	458
OPEX	-3	-12	-4	-11	-4	-12	-12	-3	-3	-8	-12	-84
EBITDA	45	55	25	20	16	74	79	35	8	25	-8	374
EBITDA margin	94%	82%	85%	66%	82%	87%	86%	91%	69%	77%	-216%	82%
Net interest expenses [4]	-5	-25	-4	-8	-1	-28	-30	-7	-3	-18	-1	-129
Normalised loan repayments [4]	-8	-17	-6	-8	-2	-29	-9	-9	-3	-	-1	-93
Normalised income tax payments [4]	-6	-4	-	-	-1	-1	-6	-3	-	2	2	-17
Cash flow to equity	27	9	15	4	13	16	34	16	1	10	-8	135
SSO economic interest	100%	45%	51%	62%	44%	100%	51%	91%	53%	46%		
Net production (GWh)	9	35	20	19	33	71	129	22	8	57	2	406

1) Kalkult, Linde and Dreunberg projects
2) Upington projects
3) Includes Rwanda
4) See Alternative Performance Measures appendix for definition

Q2 2019

NOK million	Czech Republic	South Africa Round 1/2 [1]	Honduras	Jordan	Brazil	Malaysia	Egypt	Ukraine	Mozambique	South Africa Round IV [2]	Other [3]	Total
Revenues	43	70	26	28	23	46	19	-	-	-	2	258
OPEX	-3	-12	-4	-3	-5	-5	-2	-	-	-	-9	-42
EBITDA	40	58	23	26	19	41	17	-	-	-	-7	216
EBITDA margin	94%	82%	88%	92%	82%	90%	87%	-	-	-	-406%	84%
Net interest expenses [4]	-5	-28	-3	-7	-9	-16	-5	-	-	-	-1	-73
Normalised loan repayments [4]	-7	-17	-6	-7	-3	-15	-	-	-	-	-	-55
Normalised income tax payments [4]	-5	-3	-	-1	-	-1	-2	-	-	-	-	-10
Cash flow to equity	24	9	14	12	8	9	10	-	-	-	-8	78
SSO economic interest	100%	45%	51%	62%	44%	100%	51%	-	-	-		
Net production (GWh)	9	35	21	19	27	46	40	-	-	-	2	198

1) Kalkult, Linde and Dreunberg projects
2) Upington projects
3) Includes Rwanda
4) See Alternative Performance Measures appendix for definition

YTD 2020

NOK million	Czech Republic	South Africa Round 1/2 [1]	Honduras	Jordan	Brazil	Malaysia	Egypt	Ukraine	Mozambique	South Africa Round IV [2]	Other [3]	Total
Revenues	71	157	60	51	41	181	164	46	25	46	7	849
OPEX	-5	-22	-8	-13	-9	-21	-23	-5	-5	-12	-21	-144
EBITDA	66	134	52	38	32	161	141	41	20	34	-14	705
EBITDA margin	92%	86%	86%	74%	79%	89%	86%	89%	79%	75%	-215%	83%
Net interest expenses [4]	-10	-52	-7	-15	-10	-56	-62	-10	-7	-22	-2	-253
Normalised loan repayments [4]	-17	-35	-13	-16	-4	-57	-17	-13	-6	-	-1	-181
Normalised income tax payments [4]	-7	-13	-	-	-1	-4	-9	-3	-1	2	4	-31
Cash flow to equity	33	34	32	6	17	44	54	15	6	14	-14	240
SSO economic interest	100%	45%	51%	62%	44%	100%	51%	91%	53%	46%		
Net production (GWh)	13	81	43	32	63	152	238	28	18	84	3	755

1) Kalkult, Linde and Dreunberg projects
2) Upington projects
3) Includes Rwanda
4) See Alternative Performance Measures appendix for definition

YTD 2019

NOK million	Czech Republic	South Africa Round 1/2 [1]	Honduras	Jordan	Brazil	Malaysia	Egypt	Ukraine	Mozambique	South Africa Round IV [2]	Other [3]	Total
Revenues	63	162	53	46	40	68	19	-	-	-	4	455
OPEX	-5	-20	-8	-6	-10	-8	-2	-	-	-	-18	-75
EBITDA	58	141	45	42	30	60	17	-	-	-	-13	380
EBITDA margin	92%	87%	86%	90%	76%	89%	87%	-	-	-	-287%	84%
Net interest expenses [4]	-10	-55	-6	-14	-13	-23	-5	-	-	-	-1	-126
Normalised loan repayments [4]	-14	-32	-10	-13	-5	-22	-	-	-	-	-1	-98
Normalised income tax payments [4]	-5	-14	-	-1	-	-1	-2	-	-	-	2	-20
Cash flow to equity	29	41	29	14	13	13	10	-	-	-	-13	136
SSO economic interest	100%	45%	51%	62%	44%	100%	51%	-	-	-		
Net production (GWh)	13	83	43	31	52	66	40	-	-	-	4	331

1) Kalkult, Linde and Dreunberg projects.
2) Upington projects.
3) Includes Rwanda.
4) See Alternative Performance Measures appendix for definition.

FY 2019

NOK million	Czech Republic	South Africa Round 1/2 [1)]	Honduras	Jordan	Brazil	Malaysia	Egypt	Ukraine	Mozambique	South Africa Round IV [2)]	Other [3)]	Total
Revenues	118	350	105	92	101	228	127	12	23	-	7	1,163
OPEX	-10	-40	-17	-11	-25	-27	-21	-2	-6	-	-29	-188
EBITDA	108	309	89	81	76	201	106	10	17	-	-22	975
EBITDA margin	92%	88%	84%	88%	75%	88%	83%	82%	75%	-	-	84%
Net interest expenses [4)]	-19	-112	-14	-29	-20	-80	-43	-7	-8	-	-2	-333
Normalised loan repayments [4)]	-28	-65	-21	-26	-14	-67	-4	-3	-	-	-1	-229
Normalised income tax payments [4)]	-10	-35	-	-1	-2	-6	-6	1	-	-	8	-51
Cash flow to equity	51	97	54	26	40	48	53	1	9	-	-17	362
SSO economic interest	100%	45%	51%	62%	44%	100%	51%	91%	53%	-		
Net production (GWh)	23	177	83	62	118	205	225	8	18	-	7	926

1) Kalkult, Linde and Dreunberg projects
2) Upington projects
3) Includes Rwanda
4) See Alternative Performance Measures appendix for definition

Financial position and working capital breakdown Proportionate financials

30 June 2020

NOK million	Solar plants in operation											Solar plants under construction			Total
	Czech repub.	South Africa Round 1/2	Rwa-nda	Hon-duras	Jordan	Malaysia	Brazil	Egypt	Mozam-bique	Ukraine	South Africa Round IV	Malaysia	Ukraine	Argentina	
Project equity [1]	159	11	21	781	228	478	219	304	97	288	261	97	920	224	4,088
Total assets	588	1,094	97	1,016	786	2,776	583	2,466	459	870	1,373	448	2,280	600	15,435
PP&E	446	933	87	835	605	2,670	508	2,015	337	736	1,230	399	2,011	543	13,356
Cash	56	105	3	42	133	464	29	303	82	15	64	4	44	4	1,349
Gross interest bearing debt [2]	355	847	68	192	485	2,083	320	1,660	277	539	1,007	264	435	327	8,859
Net interest bearing debt [2]	299	741	65	150	351	1,619	291	1,357	195	524	942	260	391	323	7,510
Net working capital [2]	-24	-46	-3	86	-74	-639	-21	-184	-	-105	-65	-10	-702	-314	-2,102
SSO economic interest	100%	45%	54%	51%	62%	100%	44%	51%	53%	77%	46%	100%	95%	50%	

1) See Other definitions appendix for definition

2) See Alternative Performance Measures appendix for definition

Bridge from proportionate to consolidated financials

30 June 2020

NOK million	Total proportionate Solar plants	Residual ownership interest	Less equity consolidated entities	PP overhead, D&C, Services, Corporate, eliminations	Consolidated
Project equity [1]	4,088	2,079	-947	479	5,699
Total assets	15,435	8,981	-2,533	2,419	24,302
PP&E-in solar projects	13,356	7,528	-2,248	-1,848	16,788
Cash	1,349	792	-74	2,002	4,069
Gross interest bearing debt [2]	8,859	5,717	-1,385	747	13,937
Net interest bearing debt [2]	7,510	4,925	-1,311	-1,255	9,868
Net-working capital [2]	-2,102	-796	677	721	-1,501

1) See Other definitions appendix for definition.

2) See Alternative Performance Measures appendix for definition.

Condensed interim financial information

Interim consolidated statement of profit or loss

NOK million	NOTES	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Revenues	2	**722**	382	**1,352**	713	1,810
Net income/(loss) from JVs and associated companies	2	**3**	-7	**-2**	-11	-28
Total revenues and other income		**725**	376	**1,350**	702	1,783
Personnel expenses	2	**-59**	-35	**-113**	-71	-163
Other operating expenses	2	**-86**	-51	**-155**	-100	-234
Depreciation, amortisation and impairment	2,3	**-203**	-101	**-378**	-198	-512
Operating profit (EBIT)		**377**	188	**705**	333	874
Interest and other financial income	4	**16**	19	**28**	35	66
Interest and other financial expenses	4	**-301**	-177	**-552**	-317	-744
Net foreign exchange gain/(losses)	4	**-169**	-4	**151**	1	-13
Net financial expenses		**-454**	-162	**-372**	-281	-690
Profit/(loss) before income tax		**-77**	27	**333**	52	184
Income tax (expense)/benefit	6	**-4**	-6	**-115**	-19	-29
Profit/(loss) for the period		**-81**	21	**217**	33	155
Profit/(loss) attributable to:						
Equity holders of the parent		**-98**	-25	**137**	-58	-39
Non-controlling interests		**17**	45	**80**	91	194
Basic earnings per share (NOK) [1)]		**-0.76**	-0.22	**1.06**	-0.51	-0.31
Diluted earnings per share (NOK) [1)]		**-0.75**	-0.22	**1.05**	-0.51	-0.31

1) Based on average 129.1 million shares outstanding for the purpose of earnings per share and average 130.9 million shares outstanding for the purpose of diluted earnings per share.

Interim consolidated statement of comprehensive income

NOK million	NOTES	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Profit/(loss) for the period		**-81**	21	**217**	33	155
Other comprehensive income:						
Items that may subsequently be reclassified to profit or loss						
Net movement of cash flow hedges		**-176**	-179	**-480**	-202	-233
Income tax effect	6	**48**	48	**121**	54	58
Foreign currency translation differences		**-163**	-11	**138**	-36	12
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**-291**	-142	**-220**	-184	-162
Total comprehensive income for the period net of tax		**-373**	-121	**-3**	-152	-7
Attributable to:						
Equity holders of the parent		**-269**	-102	**74**	-159	-117
Non-controlling interests		**-103**	-19	**-76**	7	109

Interim consolidated statement of financial position

NOK million	Notes	As of 30 June 2020	As of 31 December 2019
Assets			
Non-current assets			
Deferred tax assets	6	780	781
Property, plant and equipment – in solar projects	3	16,788	15,180
Property, plant and equipment – other	3	220	221
Goodwill		25	24
Investments in JVs and associated companies		674	728
Other non-current assets		144	149
Total non-current assets		18,632	17,083
Current assets			
Trade and other receivables		764	461
Other current assets		837	1,211
Cash and cash equivalents	5	4,069	2,824
Total current assets		5,670	4,495
Total assets		24,302	21,578

Interim consolidated statement of financial position

NOK million	Notes	As of 30 June 2020	As of 31 December 2019
Equity and liabilities			
Equity			
Share capital		3	3
Share premium		5,075	3,108
Total paid in capital		5,079	3,111
Retained earnings		37	-134
Other reserves		-64	-2
Total other equity		-27	-136
Non-controlling interests		647	663
Total equity		5,699	3,640
Non-current liabilities			
Deferred tax liabilities	6	349	437
Non-recourse project financing	4	11,875	12,228
Bonds	5	747	745
Financial liabilities	4	710	320
Other non-current liabilities		1,699	1,460
Total non-current liabilities		15,380	15,190
Current liabilities			
Trade and other payables		867	888
Income tax payable	6	7	92
Non-recourse project financing	4	1,315	837
Financial liabilities	4	121	31
Other current liabilities		912	902
Total current liabilities		3,223	2,750
Total liabilities		18,603	17,939
Total equity and liabilities		24,302	21,578

Oslo, 16 July 2020

The Board of Directors of Scatec Solar 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 2019	3	1,795	8	123	-44	**1,884**	591	**2,475**
Profit for the period	-	-	-58	-	-	**-58**	91	**33**
Other comprehensive income	-	-	-	-29	-72	**-101**	-83	**-184**
Total comprehensive income	-	-	-58	-29	-72	**-159**	7	**-152**
Share-based payment	-	3	-	-	-	**3**	-	**3**
Share capital increase	-	11	-	-	-	**11**	-	**11**
Share purchase program	-	-1	-	-	-	**-1**	-	**-1**
Dividend distribution	-	-	-108	-	-	**-107**	-98	**-205**
Purchase of NCIs shares in group companies	-	-	-5	-	-	**-5**	-3	**-9**
At 30 June 2019	3	1,808	-163	93	-115	**1,626**	497	**2,123**
At 1 July 2019	3	1,808	-163	93	-115	**1,626**	497	**2,123**
Profit for the period	-	-	19	-	-	**19**	101	**122**
Other comprehensive income	-	-	3	35	-15	**24**	-1	**22**
Total comprehensive income	-	-	22	35	-15	**42**	100	**145**
Share-based payment	-	3	-	-	-	**3**	-	**3**
Share capital increase [1]	-	1,319	-	-	-	**1,319**	-	**1,319**
Transaction cost, net after tax	-	-23	-	-	-	**-23**	-	**-23**
Dividend distribution	-	-	-1	-	-	**-1**	-81	**-82**
Purchase of NCIs shares in group companies	-	-	7	-	-	**7**	-	**8**
Capital increase from NCI	-	-	-	-	-	**-**	147	**147**
At 31 December 2019	3	3,108	-134	128	-130	**2,975**	663	**3,640**
At 1 January 2020	3	3,108	-134	128	-130	**2,975**	663	**3,640**
Profit for the period	-	-	137	-	-	**137**	80	**217**
Other comprehensive income	-	-	-1	122	-184	**-63**	-157	**-220**
Total comprehensive income	-	-	136	122	-184	**74**	-76	**-3**
Share-based payment	-	7	-	-	-	**7**	-	**7**
Share capital increase [2]	-	1,994	-	-	-	**1,994**	-	**1,994**
Transaction cost, net after tax	-	-32	-	-	-	**-32**	-	**-32**
Share purchase program	-	-1	-	-	-	**-1**	-	**-1**
Dividend distribution	-	-	-	-	-	**-**	-110	**-110**
Sale of shares in group companies to NCIs	-	-	35	-	-	**35**	-	**35**
Capital increase from NCI	-	-	-	-	-	**-**	169	**169**
At 30 June 2020	3	5,075	37	250	-314	**5,052**	647	**5,699**

1) During third quarter 2019 the Group increased the share capital with NOK 1,297 million net of transaction cost of NOK 23 million after tax.

2) During first half year 2020 the group increased the share capital with NOK 1,994 million, whereof NOK 1,934 million net of transaction cost of NOK 32 million after tax was raised through a private placement, and NOK 26 million was share option program.

Interim consolidated statement of cash flow

NOK million	NOTES	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Cash flow from operating activities						
Profit before taxes		**-77**	27	**333**	52	184
Taxes paid	6	**-105**	-31	**-168**	-40	-61
Depreciation and impairment	3	**203**	101	**378**	198	512
Proceeds from disposal of fixed assets	3	**-**	-	**-**	6	6
Net income associated companies/sale of project assets		**-3**	7	**2**	11	28
Interest and other financial income	4	**-16**	-19	**-28**	-35	-66
Interest and other financial expenses	4	**301**	177	**552**	317	744
Unrealised foreign exchange (gain)/loss	4	**169**	4	**-151**	-1	13
Increase/(decrease) in other assets and liabilities		**-274**	-543	**12**	-627	501
Net cash flow from operating activities		**200**	-278	**929**	-119	1,860
Cash flow from investing activities						
Interest received	4	**16**	25	**28**	42	76
Net investments in property, plant and equipment	3	**-648**	-1,229	**-1,378**	-2,453	-6,502
Net investment in associated companies		**68**	16	**64**	45	-14
Net cash flow from investing activities		**-564**	-1,189	**-1,287**	-2,366	-6,439
Cash flow from financing activities						
Net proceeds from NCI shareholder financing [1]		**85**	-	**190**	50	307
Interest paid		**-335**	-268	**-443**	-360	-740
Net proceeds and repayment from non-recourse project and other external financing		**-278**	1,419	**21**	2,073	3,646
Share capital increase		**1,927**	-	**1,954**	10	1,307
Dividends paid to equity holders of the parent company and non-controlling interests		**-**	-114	**-110**	-205	-288
Net cash flow from financing activities		**1,399**	1,037	**1,612**	1,568	4,232
Net increase/(decrease) in cash and cash equivalents		**1,035**	-430	**1,254**	-917	-348
Effect of exchange rate changes on cash and cash equivalents [2]		**-24**	-1	**-8**	-11	-131
Cash and cash equivalents at beginning of the period		**3,058**	2,806	**2,824**	3,303	3,303
Cash and cash equivalents at end of the period		**4,069**	2,375	**4,069**	2,375	2,824

1) Proceeds from non-controlling interest's shareholder financing include both equity contributions and shareholder loans.

2) See note 5 Cash, cash equivalents and corporate funding

Notes to the condensed interim consolidated financial statements

Note 1 Organisation and basis for preparation

Corporate information

Scatec Solar ASA is incorporated and domiciled in Norway. The address of its registered office is Askekroken 11, NO-0277 Oslo, Norway. Scatec Solar ASA was established on 2 February 2007.

Scatec Solar ASA ("the Company"), its subsidiaries and investments in associated companies ("the Group" or "Scatec Solar") is a leading independent solar power producer. The Company is pursuing an integrated business model across the complete life cycle of utility-scale solar photovoltaic (PV) power plants including project development, financing, construction, ownership and operation and maintenance.

The condensed interim consolidated financial statements were authorised by the Board of Directors for issue on 16 July 2020.

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 2019.

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 functional currency of the parent company Scatec Solar ASA and 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

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements

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 Solar'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 solar power plants. Normally Scatec Solar enters into partnerships for the shareholding of the power plant companies owning the power plants. To be able to utilise the business model fully, Scatec Solar 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 Solar'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 Solar controls a power plant company as defined by IFRS 10 Consolidated Financial Statements, the Group's roles and activities are analysed in line with the requirements and definitions in IFRS 10.

During second quarter 2020 no new power plant companies have been included in the consolidated financial statements.

Refer to note 3 of the 2019 annual report for further information on judgements, including control assessments made in previous years.

Estimates and assumptions

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 estimate is 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.

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 weather conditions. The power production at the PV solar parks is directly impacted by seasonal changes in solar irradiance which is normally at its highest during the summer months. This effect is to a certain degree offset in the consolidated revenues due to the fact that the Group operates PV solar parks on both the northern and southern hemisphere.

Note 2 Operating segments

Operating segments align with internal management reporting to the Group's chief operating decision maker, defined as the Group management team. The operating segments are determined based on differences in the nature of their operations, products and services.

Scatec Solar manages its operations in three segments; Power Production (PP), Services and Development & Construction (D&C).

From January 2020 the group has reorganized its segment structure so that the Group's Operations and Maintenance services and Asset Management services are reported combined in the new segment Services. Earlier these operations were reported in the segments Operations & Maintenance and Power Production respectively.
The comparative figures for 2019 in the tables below are restated with the new segment structure.

Financing and operation of solar power plants is ring-fenced in power plant companies with a non-recourse project finance structure - where Scatec Solar contributes with the required equity, either alone or together with co-investors.

The management team assesses the performance of the operating segments based on a measure of gross profit and operating profit; hence interest income/expense is not disclosed per segment.

Power Production

The Power Production segment manages the Group's power producing assets and derives its revenue from the production and sale of solar generated electricity based on long-term Power Purchase Agreements or feed-in-tariffs. Finance and operation of the plants is ring-fenced in power plant companies with a non-recourse finance structure. This implies that the project debt is only secured and serviced by project assets and the cash flows generated by the project, and that there is no obligation for project equity investors to contribute additional funding in the event of a default. Free cash flows after debt service are distributed from these power plant companies to Scatec Solar, and any other project equity investors in accordance with the shareholding and the terms of the finance documents.

Services

The Services segment comprises Operations & Maintenance (O&M) and Asset Management services provided to solar power plants where Scatec Solar has economic interest. 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.

Development and Construction

The Development and Construction segment derives its revenue from the sale of development rights and construction services to power plant companies set up to operate the Group's solar power plants. These transactions are primarily made with companies that are under the control of the Group and hence are being consolidated. Revenues from transfer of development rights are recognised upon the transfer of title.

Revenues from construction services are based on fixed price contracts and are accounted for using the percentage of completion method.

Corporate

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

No segments have been aggregated to form these reporting segments. Revenues from transactions between the D&C, Services and PP segments, where Scatec Solar is deemed to hold a controlling interest, are presented as internal revenues in the segment reporting and eliminated in the consolidated statement of profit or loss. These transactions are based on international contract standards and terms negotiated at arm's length with lenders and co-investors in each power plant company.

Use of proportionate financials

The segment financials are reported on proportionate basis. With proportionate financials Scatec Solar reports its share of revenues, expenses, profits and cash flows from its subsidiaries without eliminations based on Scatec Solar's economic interest in the subsidiaries. The Group introduced SSO 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. A reconciliation between the segments proportionate financials and the groups consolidated financials is included in the tables below.

Q2 2020

	Proportionate financials							
NOK million	Power Production	Services	Development & construction	Corporate	Total	Residual ownership interests [1]	Eliminations [2]	Consolidated financials
External revenues	458	-	6	2	467	262	-6	722
Internal revenues	-	73	377	9	458	4	-462	-
Net income from JV and associated companies	-	-	-	-	-	-	3	3
Total revenues and other income	458	73	383	11	925	266	-465	725
Cost of sales	-	-	-329	-	-330	-	329	-
Gross profit	458	73	53	11	596	265	-136	725
Personnel expenses	-5	-21	-20	-14	-61	1	1	-59
Other operating expenses	-78	-18	-13	-10	-119	-51	83	-86
EBITDA	374	34	22	-13	417	216	-53	580
Depreciation and impairment	-144	-1	-4	-5	-155	-96	48	-203
Operating profit	230	33	17	-18	262	120	-5	377

1) Residual ownerships interests share of the proportionate financials in subsidiaries where SSO do not have 100% economic interest.
2) Eliminations made in the preparation of the groups IFRS consolidated financials.

Q2 2019

	Proportionate financials							
NOK million	Power Production	Services	Development & construction	Corporate	Total	Residual ownership interests [1]	Eliminations [2]	Consolidated financials
External revenues	258	-	2	-	260	161	-38	382
Internal revenues	-	42	1,337	9	1,388	69	-1,457	-
Net income/(loss) from JV and associates	-	-	-	-	-	-	-7	-7
Total revenues and other income	258	42	1,339	9	1,648	230	-1,502	376
Cost of sales	-	-	-1,149	-	-1,149	-50	1,198	-
Gross profit	258	42	190	9	500	180	-305	376
Personnel expenses	-5	-10	-13	-10	-38	-	3	-35
Other operating expenses	-37	-14	-12	-10	-73	-26	48	-51
EBITDA	216	19	165	-11	388	154	-253	290
Depreciation and impairment	-83	-1	-5	-2	-90	-76	64	-101
Operating profit (EBIT)	133	18	160	-13	298	79	-190	188

1) Residual ownerships interests share of the proportionate financials in subsidiaries where SSO do not have 100% economic interest.
2) Eliminations made in the preparation of the groups IFRS consolidated financials.

YTD 2020

NOK million	Proportionate financials: Power Production	Services	Development & construction	Corporate	Total	Residual ownership interests [1]	Eliminations [2]	Consolidated financials
External revenues	849	-	6	2	858	527	-32	1,352
Internal revenues	-	125	791	17	933	60	-993	-
Net income/(loss) from JV and associates	-	-	-	-	-	-	-2	-2
Total revenues and other income	849	125	797	19	1,791	587	-1,027	1,350
Cost of sales	-	-	-698	-	-698	-45	743	-
Gross profit	849	125	99	19	1,093	541	-284	1,350
Personnel expenses	-11	-38	-39	-28	-117	1	3	-113
Other operating expenses	-133	-37	-24	-20	-214	-90	149	-155
EBITDA	705	50	37	-29	763	453	-133	1,083
Depreciation and impairment	-269	-2	-14	-10	-295	-190	107	-378
Operating profit (EBIT)	436	49	22	-39	468	263	-26	705

1) Residual ownerships interests share of the proportionate financials in subsidiaries where SSO do not have 100% economic interest.
2) Eliminations made in the preparation of the groups IFRS consolidated financials.

YTD 2019

NOK million	Proportionate financials: Power Production	Services	Development & construction	Corporate	Total	Residual ownership interests [1]	Eliminations [2]	Consolidated financials
External revenues	455	-	2	-	457	333	-76	713
Internal revenues	-	71	2,634	15	2,720	75	-2,794	-
Net income/(loss) from JV and associates	-	-	-	-	-	-	-11	-11
Total revenues and other income	455	71	2,636	15	3,177	408	-2,881	702
Cost of sales	-	-	-2,261	-	-2,260	-57	2,317	-
Gross profit	455	71	376	15	917	350	-566	702
Personnel expenses	-10	-19	-27	-21	-77	5	1	-71
Other operating expenses	-65	-27	-25	-19	-136	-26	62	-100
EBITDA	380	26	324	-25	703	329	-502	531
Depreciation and impairment	-150	-2	-18	-3	-172	-155	128	-198
Operating profit (EBIT)	230	24	306	-29	531	176	-375	333

1) Residual ownerships interests share of the proportionate financials in subsidiaries where SSO do not have 100% economic interest.
2) Eliminations made in the preparation of the groups IFRS consolidated financials.

FY 2019

NOK million	Proportionate financials: Power Production	Services	Development & construction	Corporate	Total	Residual ownership interests [1]	Eliminations [2]	Consolidated financials
External revenues	1,163	1	2	-	1,165	776	-130	1,810
Internal revenues	-	167	4,978	31	5,176	301	-5,477	-
Net income/(loss) from JV and associates	-	-	-	-	-	-	-28	-28
Total revenues and other income	1,163	168	4,980	31	6,341	1,077	-5,635	1,783
Cost of sales	-	-	-4,274	-	-4,274	-228	4,503	-
Gross profit	1,163	168	706	31	2,067	848	-1,133	1,783
Personnel expenses	-21	-45	-59	-48	-173	8	2	-163
Other operating expenses	-167	-59	-57	-40	-323	-126	215	-234
EBITDA	975	65	589	-57	1,571	730	-915	1,386
Depreciation and impairment	-412	-4	-39	-6	-460	-278	226	-512
Operating profit (EBIT)	563	61	550	-65	1,111	452	-689	874

1) Residual ownerships interests share of the proportionate financials in subsidiaries where SSO do not have 100% economic interest.
2) Eliminations made in the preparation of the groups IFRS consolidated financials.

Note 3 Property, plant and equipment

The Group operates solar power plants in Europe, South East Asia, Middle East, Africa and South America. The power plant companies in Argentina and Brazil are equity consolidated and hence not included in the below table.

In first quarter 2020 two of three solar power plants in Upington, South Africa, reached commercial operation, while the third reached commercial operation in the second quarter, completing the 258 MW solar power complex. In addition, the 54 MW Boguslav project in Ukraine were grid connected in second quarter, hence the second project in Ukraine have been completed.

There has been recorded an impairment charge of NOK 6 million in 2020. Total impairments amounted to NOK 33 million in 2019.

NOK million	Solar power plants	Solar power plants under construction	Solar power plants under development	Intangible assets, equipment and other assets	Total
Carrying value at 31 December 2019	11,584	3,415	181	221	**15,401**
Additions	1	1,279	81	17	**1,378**
Disposals	-	-	-	-	**-**
Transfer between asset classes	3,104	-3,104	-	-	**-**
Depreciation	-352	-	-	-20	**-372**
Impairment losses	-	-	-6	-	**-6**
Effect of foreign exchange currency translation adjustments	495	108	2	3	**607**
Carrying value at 30 June 2020	14,833	1,698	257	220	**17,008**
Estimated useful life (years)	20-25	N/A	N/A	3-10	

Note 4 Net financial expenses and liabilities and significant fair value measurements

Scatec Solar uses non-recourse financing for constructing and/or acquiring assets, exclusively using as guarantee the assets and cash flows of the power plants carrying out the activities financed. 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. For four of the five solar power companies operating in the Czech Republic and the three solar power companies in Malaysia, the non-recourse financing agreements include a cross default clause within the Czech and Malaysian group respectively.

The power plant companies' assets are pledged as security for the non-recourse financing. The repayment plan for the debt is a sculpted annuity; hence the sum of loan and interest repayments are not stable from year to year. Repayments are normally made twice a year. The maturity date for the loan's ranges from 2028 to 2038. NOK 806 million of the Group's total non-recourse debt is due within 12 months and is presented as current in the statement of financial position, together with accrued interest. In addition, the Rengy project in Ukraine failed to meet one loan covenant measured at June 30th, due to missing payments of revenues following a delayed funding of the offtaker. Consequently NOK 299 million of non-current non-recourse debt has been presented as current in the balance-sheet.

During the second quarter 2020 the Group has drawn NOK 21 million on the non-recourse financing related to the construction projects in Ukraine, NOK 22 million related to the construction project in Egypt and NOK 6 million related to the construction project in Malaysia.

During the second quarter of 2020 the group had a loss of NOK 1 million on USD and EUR Foreign Exchange Contracts which were set up in order to eliminate currency exchange risk in the construction period for the Upington projects in South Africa. All these contracts have been closed during the second quarter in parallel with the completion of the projects.

Derivative financial instruments (including interest rate swaps and forward exchange contracts) are valued at fair value on Level 2 of the fair value hierarchy, in which the fair value is calculated by comparing the terms agreed under each derivative contract to the market terms for a similar contract on the valuation date. Note 7 in the annual report for 2019 provides details for each class of financial assets and financial liabilities, and how these assets and liabilities are grouped.

NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Interest income	**13**	17	24	32	66
Other financial income	**2**	2	4	3	-
Financial income	**16**	19	28	35	66
Interest expenses	**-291**	-149	-528	-274	-704
Forward exchange contracts	**-1**	-22	-7	-32	-33
Other financial expenses	**-9**	-5	-16	-11	-6
Financial expenses	**-301**	-177	-552	-317	-744
Foreign exchange gains/(losses)	**-169**	-4	151	1	-13
Net financial expenses	**-454**	-162	-372	-281	-690

Note 5 Cash, cash equivalents and corporate funding

NOK million	30 June 2020	31 December 2019
Cash in power plant companies in operation	**2,019**	1,567
Cash in power plant companies under development/construction	**52**	420
Other restricted cash	**65**	78
Free cash	**1,933**	758
Total cash and cash equivalents	**4,069**	2,824

There are no significant changes in the presentation of these categories in the period.

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 comprise 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.

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

NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Free cash at beginning of period	**717**	785	758	1,039	1,039
Proportionate share of cash flow to equity [1] Services	**27**	15	40	20	53
Proportionate share of cash flow to equity [1] D&C	**19**	130	32	258	471
Proportionate share of cash flow to equity [1] CORP	**-23**	-18	-47	-38	-91
Project development capex in recourse group	**-53**	-10	-108	-22	-135
Equity contributions to power plant companies [2]	**-216**	-264	-569	-378	-869
Distributions from power plant companies	**20**	29	163	102	241
Share capital increase, net after transaction cost and tax	**1,927**	-	1,927	-	1,300
Dividend distribution	**-**	-108	-	-108	-108
Working capital / Other	**-1 69**	1	-262	-313	-1,143
Drawn on credit facilities	**-315**	-	-	-	-
Free cash at end of the period	**1,933**	560	1,933	560	758
Available undrawn credit facilities	**1,646**	811	1,646	811	836
Total free cash and undrawn credit facilities at the end of the period	**3,579**	1,371	3,579	1,371	1,594

1) Proportionate share of cash flow to equity is defined in Alternative Performance Measures Appendix.
2) Equity contributions to power plant companies consist of equity injections and shareholder loans.

Guarantee facility

In the first quarter of 2020, Scatec Solar refinanced the guarantee facility and intercreditor agreement that was established in 2017. The guarantee facility has Nordea Bank as agent and issuer, Nordea Bank, Swedbank and BNP Paribas as guarantee instrument lenders. The guarantee facility is mainly used to provide advanced payment-, performance- and warranty bonds under construction agreements, as well as trade letter of credits. The intercreditor agreement is entered into by Scatec Solar, the issuing banks under the guarantee facility and GIEK. GIEK can issue counter indemnity in favour of the issuing banks on behalf of the relevant instrument lenders.

Revolving credit facility

In first quarter 2020 Scatec Solar refinanced the USD 90 million revolving credit facility (RCF) with Nordea Bank as agent and Nordea Bank, Swedbank and BNP Paribas as equal Lenders. The facility can be drawn in USD, NOK, EUR or an optional currency agreed with the banks. The new facility is ESG linked and has a three years tenor. The facility is linked to the following ESG (Environmental, Social and Governance) KPIs:

- A targeted level for LTIFR (Lost time incident frequency rate) for the Group
- Anti-Corruption training for all employees
- Environmental and social baseline studies and risk assessment on all power plants by external experts

Revolving credit facility interest is the interbank offer rate for the drawn period plus a margin of 2.40%. The margin is adjusted annually according to a matrix related to fulfilment of the ESG KPIs. Scatec Solar has not drawn on the revolving credit facility per 30 June 2020.

Bank facility

In first quarter 2020, Scatec Solar entered into a USD 75 million credit facility with Nordea Bank, Swedbank and BNP Paribas. The facility has a tenor of up to 18 months. Scatec Solar has not drawn on this facility per 30 June 2020.

Overdraft facility

In second quarter 2018 Scatec Solar entered into a USD 5 million overdraft facility with Nordea Bank. The overdraft interest is the 7-day interbank offer rate plus a margin of 2.5%. Scatec Solar has not drawn on the overdraft facility per 30 June 2020.

Green bond

In fourth quarter 2017 Scatec Solar issued a NOK 750 million senior unsecured green bond with maturity in November 2021. The bond carries an interest of 3-month NIBOR + 4.75%, to be settled on a quarterly basis. The bond was listed on the Oslo Stock Exchange 6 April 2018 with ticker SSO02 G.

Per 30 June 2020, Scatec Solar was in compliance with all financial covenants for the above facilities. The book equity of the recourse group, as defined in the facility agreements, was NOK 7 ,361 million per quarter end.

During second quarter of 2020, interest amounting to NOK 20 million (NOK 17 million in previous quarter) was expensed for the bond, overdraft- and revolving credit facility.

Refer to bond agreement available on www.scatecsolar.com/investor/debt for further information and definitions.

Note 6 Income tax expense

The Group had an income tax expense of NOK 4 million for the second quarter and NOK 115 million for the first half of 2020, equivalent to an effective tax rate of negative 5% and 35%. The effective tax rate continues to be influenced by profits and losses in tax jurisdictions with different tax rates offsetting each other. The effective tax rate is also influenced by currency fluctuations on tax assets and liabilities in locations where different functional currency is applied in tax reporting compared with financial accounting.

The underlying tax rates in the companies in operation are in the range of 0% to 33%. In some markets, Scatec Solar receives special tax incentives intended to promote investments in renewable energy. The effective tax rate has been and will be impacted by the volume of construction activities as the tax rate in the construction companies normally is higher than in the power plant companies. This means that the full tax expense on the internal profit will not be eliminated and hence increase the effective tax rate during construction. The opposite effect will occur when the eliminated internal profit is reversed through lower depreciation at the tax rate of the power plant company. Further, the profit/loss from JVs and associates, which are reported net after tax, has an impact on the effective tax rate depending on the relative size of the profit/loss relative to the consolidated profit. In addition to the above, the quarter's effective tax rate is also impacted by withholding tax expenses associated with distributions from power plant companies.

Effective tax rate

NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Profit before income tax	**-77**	27	333	52	184
Income tax (expense)/benefit	**-4**	-6	-115	-19	-29
Equivalent to a tax rate of (%)	**-5%**	23%	35%	45%	16%

Movement in deferred tax

NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Net deferred tax asset at beginning of period	**395**	210	343	181	181
Recognised in the consolidated statement of profit or loss	**-5**	35	-79	55	91
Deferred tax on financial instruments recognised in OCI	**48**	48	121	54	58
Recognised in the consolidated statement of changes in equity	**9**	-	9	-	6
Translation differences	**-16**	-5	36	-3	7
Net deferred tax asset at end of period	**432**	288	432	288	343

Note 7 Related parties

Scatec Solar has related party transactions and balances with equity consolidated JVs in Brazil and Argentina, mainly loans which are included in the carrying value of the investments. The loan balance as per 30 June 2020 was NOK 189 million.

In addition, Scatec Solar has transactions and balances with key management. Note 26 in the annual report for 2019 provides details of transactions with related parties and the nature of these transactions.

All related party transactions have been carried out as part of the normal course of business and at arm`s length. For further information on project financing provided by co-investors, refer to note 28 in the 2019 annual report.

In connection with the Company's Share Option Programme and capital increases in 2019 and 2020, the Company entered into share lending agreements with Scatec AS, the Company's second largest shareholder.

Note 8 Capital increase

During second quarter 2020 Scatec Solar successfully raised NOK 1,968 million through a private placement consisting of 12,000,000 new shares at a price of NOK 164 per share.

Total transaction cost for the capital increase is recognized in equity and amounted to NOK 32 million after tax.

Note 9 Dividend

In line with the dividend policy and pursuant to the authorisation granted by the Annual General Meeting 28 April 2020, The Board of Directors has resolved to approve a dividend of NOK 0.95 per share for 2019, totalling NOK 131 million.

The share will be trading excluding dividend rights (ex-date) from 22 July 2020.

Please refer to www.scatecsolar.com for the Group's dividend policy.

Note 10 Subsequent events

No events have occurred after the balance sheet date with significant impact on the interim financial statements for the second quarter 2020.

Alternative Performance Measures

Scatec Solar 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.

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 solar power plant projects and/or for shareholder dividends over time. Management believes that the cash flow to equity measure provide 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. 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 and accretion expenses on asset retirement obligations. *Normalised income tax payment* is calculated as operating profit (EBIT) less normalized 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 consisting information of operating performance which is relative 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). The measurement of gross profit is used to measure project profitability in the D&C 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 and discounted notes.

Net interest-bearing debt (NIBD): is defined as total 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, other current liabilities and intercompany receivables and payables.

Proportionate Financials

The groups 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 Solar (with from 39% to 100% economic interest), for which revenues and profits are eliminated in the Consolidated Financial Statements. With proportionate financials Scatec Solar reports its share of revenues, expenses, profits and cash flows from its subsidiaries without eliminations based on Scatec Solar's economic interest in the subsidiaries. The Group introduced SSO 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 solar plant compared to the stand-alone book value. Similarly, the consolidated financials have lower solar plant depreciation charges than the proportionate financials since the proportionate depreciations are based on solar 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 Solar's ownership percentage/economic interest.

- In the consolidated Financials joint venture companies (Brazil and Argentina) are equity consolidated and are presented with Scatec Solar'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.

For second quarter 2020 Scatec Solar reports a proportionate operating profit of NOK 262 million compared with an operating profit of NOK 377 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 an amount of NOK 6 million [1),]

2. removed the non-controlling interests share of the operating profit of NOK 120 million to only leave the portion corresponding to Scatec Solar's ownership share,

3. replaced the consolidated net profit from joint venture companies of NOK 3 million with Scatec Solar's share of the Operating profit from the joint venture companies with NOK 2 million.

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

1) Where NOK 53 million comprise Scatec Solar's share of gross profit on D&C contracts, NOK -32 million comprise increased depreciation charges from internal gains and NOK -15 million comprise other items.

Reconciliation of Alternative Performance Measures (consolidated figures)

NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
EBITDA					
Operating profit (EBIT)	377	188	705	333	874
Depreciation, amortisation and impairment	203	101	378	198	512
EBITDA	580	290	1,083	531	1,386
Total revenues and other income	725	376	1,350	702	1,783
EBITDA margin	80%	77%	80%	76%	78%
Gross profit					
Total revenues and other income	725	376	1,350	702	1,783
Cost of sales	-	-	-	-	-
Gross profit	725	376	1,350	702	1,783
Gross interest-bearing debt					
Non-recourse project financing	11,875	10,609	11,875	10,609	12,228
Bonds	747	744	747	744	745
Non-recourse project financing - current	1,315	389	1,315	389	837
Gross interest-bearing debt	13,937	11,742	13,937	11,742	13,810
Net interest-bearing debt					
Gross interest-bearing debt	13,937	11,742	13,937	11,742	13,810
Cash and cash equivalents	4,069	2,375	4,069	2,375	2,824
Net interest-bearing debt	9,868	9,367	9,868	9,367	10,986
Net working capital					
Trade and other receivables	764	389	764	389	461
Other current assets	837	1,801	837	1,801	1,211
Trade and other payables	-867	-234	-867	-234	-888
Income tax payable	-7	-66	-7	-66	-92
Other current liabilities	-912	-1,698	-912	-1,698	-902
Non-recourse project financing-current	-1,315	-389	-1,315	-389	-837
Net working capital	-1,501	-197	-1,501	-197	-1,047

Break-down of proportionate cash flow to equity

Q2 2020

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	374	34	22	-13	417
Net interest expenses	-129	-	-	-17	-147
Normalised loan repayments	-93	-	-	-	-93
Normalised income tax payment	-17	-7	-3	8	-19
Cash flow to equity	135	27	19	-23	158

Q1 2020

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	331	16	15	-16	346
Net interest expenses	-124	-	-	-16	-139
Normalised loan repayments	-88	-	-	-	-88
Normalised income tax payment	-15	-3	-2	8	-13
Cash flow to equity	105	13	13	-24	107

Q2 2019 [1)]

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	216	19	165	-11	388
Net interest expenses	-73	-	1	-13	-85
Normalised loan repayments	-55	-	-	-	-55
Normalised income tax payment	-10	-4	-35	6	-44
Cash flow to equity	78	15	130	-18	205

1) 2019 is restated in line with the new segment structure

YTD 2020

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	705	50	37	-29	763
Net interest expenses	-253	1	-	-34	-286
Normalised loan repayments	-181	-	-	-	-181
Normalised income tax payment	-31	-11	-5	16	-31
Cash flow to equity	240	40	32	-47	265

YTD 2019 [1)]

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	380	26	324	-25	703
Net interest expenses	-126	-	2	-24	-149
Normalised loan repayments	-98	-	-	-	-98
Normalised income tax payment	-20	-5	-68	12	-81
Cash flow to equity	136	20	258	-38	376

1) 2019 is restated in line with the new segment structure

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

Project pipeline is defined as projects that do not yet have a 90% probability of reaching financial close and subsequent realisation. However, the Group has verified feasibility and business cases for the projects.

Scatec Solar's economic interest

Scatec Solar'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 solar power plant companies.

Recourse Group

Recourse Group means all entities in the Group, excluding solar park 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 solar power plant will normally be given directly thereafter. Projects in Scatec Solar defined as "backlog" are classified as "under construction" upon achievement of financial close.

Start of Production (SOP): The first date on which the solar 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.

Responsibility statement

We confirm to the best of our knowledge, that the condensed interim financial statement for the period 1 January 2020 to 30 June 2020 has been prepared in accordance with IFRS as adopted by EU, and that the information gives a true and fair view of the Group's assets, liabilities, financial position and result for the period. We also confirm that presented information provides a fair overview of important events that have occurred during the period and their impact on the financial statements, key risk and uncertainty factors that Scatec Solar is facing during the next accounting period.

Oslo, 16 July 2020
The Board of Directors of Scatec Solar ASA

John Andersen jr. (Chairman)	John Giverholt	Maria Moræus Hanssen
Jan Skogseth	Gisele Marchand	Raymond Carlsen (CEO)

Scatec Solar’s value chain

Project development

- Site development & permitting
- System design
- Business case
- PPA negotiation

Financing

- Debt / Equity structuring
- Due Diligence

Construction

- Engineering and procurement
- Construction management

Operations

- Maximise performance and availability
- Maintenance and repair

Ownership (IPP)

- Asset management
- Financial and operational optimisation

Design and layout: Artbox.no

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