Fourth quarter

2018

Scatec Solar
Improving our future™

About Scatec Solar

Scatec Solar is an integrated independent solar power producer, delivering affordable, rapidly deployable and sustainable clean energy worldwide. A long- term player, Scatec Solar develops, builds, owns, operates and maintains solar power plants and has an installation track record of more than 1 GW. The company has a total of 1.7 GW in operation and under construction in Argentina, Brazil, the Czech Republic, Egypt, Honduras, Jordan, Malaysia, Mozambique, Rwanda, South Africa and Ukraine.

With an established global presence and a significant project pipeline, the company is targeting a capacity of 3.5 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	190	45 %
Brazil	162	44 %
Honduras	95	51 %
Malaysia	65	100 %
Jordan	43	59 %
Czech Republic	20	100 %
Rwanda	9	54 %
Total	**584**	**55 %**
Under construction		
Egypt	400	51 %
South Africa	258	46 %
Malaysia	179	100 %
Argentina	117	50 %
Ukraine	77	70 %
Mozambique	40	52 %
Total	**1,071**	**59 %**
Projects in backlog		
Ukraine	174	65 %
Mali	33	51 %
Honduras	18	70 %
Total	**225**	**64 %**
Grand total	**1,880**	**58 %**
Projects in pipeline	**4,454**	

Solar power plants in operation: 584 MW

Plants under construction: 1,071 MW

Projects in backlog: 225 MW

Segment overview

Power Production

The plants produce electricity for sale under 20-25 year fixed priced contracts, normally with inflation adjustments, power purchase agreements or feed-in tariff schemes. The segment also comprise asset management services provided to solar power plants controlled by Scatec Solar.

Operation & Maintenance

The Operation & Maintenance segment comprises services provided to solar power plants controlled by Scatec Solar. Revenues are generated on the basis of fixed service fees with additional profit-sharing arrangements.

Development & Construction

The Development & Construction segment derives its revenues from the sale of development rights and construction services delivered to power plant companies controlled by Scatec Solar.

Corporate

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

1) Per reporting date.

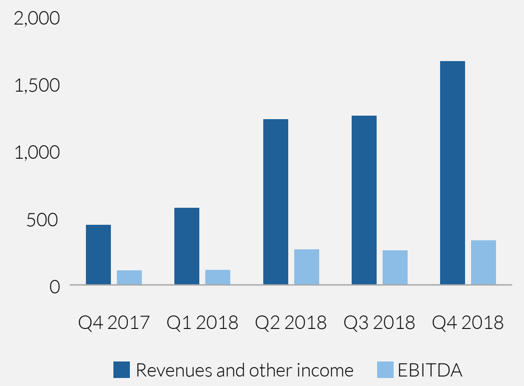
2) Scatec Solar's share of the total estimated economic return from its subsidiaries. For projects under development the economic interest may be subject to change.

Q4'18 Highlights

- Solid operational performance and strong financial results
- Q4'18 proportionate revenues of NOK 1,666 million and EBITDA of NOK 329 million
- D&C revenues of NOK 1,466 million and EBITDA of NOK 202 million – 16% gross margin
- 162 MW in Brazil and 65 MW in Malaysia in commercial operation, capacity reached 584 MW
- Construction start for four projects in Argentina, Malaysia and Ukraine totaling 241 MW
- The Board of directors has proposed dividends of NOK 0.95 per share

Proportionate revenues and EBITDA

NOK MILLION



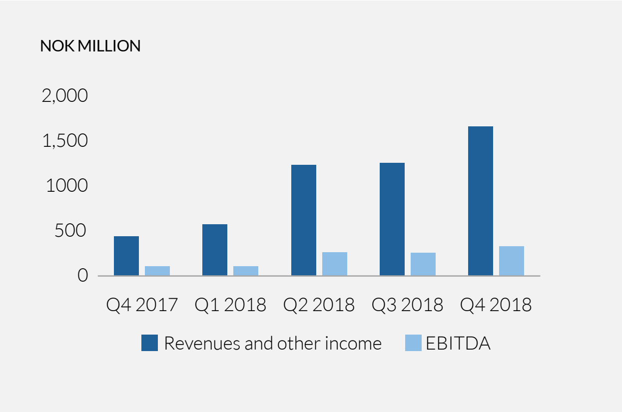
Key figures

NOK MILLION	Q4 2018	Q3 2018	Q4 2017	FY 2018	FY 2017
PROPORTIONATE FINANCIALS [1]					
Revenues and other income	**1,666**	1,259	444	**4,725**	1,680
Power Production	*180*	*155*	*132*	*622*	*544*
Operation & Maintenance	*15*	*22*	*15*	*81*	*69*
Development & Construction	*1,466*	*1,077*	*294*	*4,005*	*1,054*
Corporate	*5*	*4*	*4*	*17*	*13*
EBITDA	**329**	257	106	**961**	792
Power Production	*139*	*127*	*107*	*492*	*454*
Operation & Maintenance (O&M)	*2*	*11*	*4*	*34*	*28*
Development & Construction (D&C)	*202*	*130*	*10*	*488*	*361*
Corporate	*-14*	*-11*	*-15*	*-53*	*-50*
Operating profit (EBIT)	**276**	200	66	**773**	632
Profit/(loss)	**204**	110	-35	**398**	326
Net interest- bearing debt	**4,214**	3,093	2,013	**4,214**	2,013
Power production (GWh)	**108**	73	71	**318**	282
SSO proportionate share of cash flow to equity [2]:	**183**	141	22	**481**	265
CONSOLIDATED FINANCIALS [3]					
Revenues and other income	**344**	294	282	**1,213**	1,492
EBITDA	**257**	221	207	**902**	1,231
Basic earnings per Share (NOK)	**0.40**	0.13	-0.34	**1.29**	3.37
Power Production (GWh)	**224**	155	167	**681**	627

1) See Other definitions appendix for definition.
2) See Alternative Performance Measures appendix for definition.
3) See Note 2 Operating Segments in Condensed interim financial information for reconciliation between proportionate and consolidated financials.

Group – Proportionate financials

NOK MILLION	Q4'18	Q3'18	Q4'17	FY 2018	FY 2017
Revenues and other income	**1,666**	1,259	444	4,725	1,680
Gross profit	**432**	342	188	1,321	1,068
Operating expenses	**-103**	-85	-83	-360	-276
EBITDA	**329**	257	106	961	792
EBITDA margin [1)]	**20%**	20 %	24 %	20%	47 %
D&A and impairment	**-53**	-57	-40	-188	-160
EBIT	**276**	200	66	773	632
Cash flow to equity [1)]	**183**	141	22	481	265



1) See Alternative Performance Measures appendix for definition.

The proportionate revenues increased by 32% in fourth quarter 2018 compared to previous quarter, mainly explained by a significant increase in D&C activities. Furthermore, power revenues increased based on achieving commercial operation for the Los Prados (Honduras), Gurun (Malaysia) and Apodi (Brazil) power plants. Revenues and profitability in the other business segments remained fairly stable.

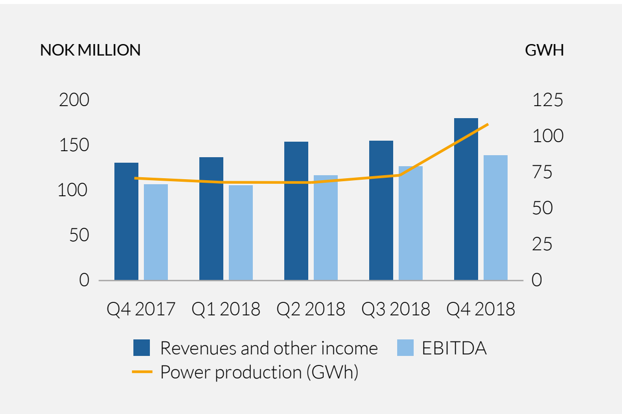
Operating expenses increased in fourth quarter, mainly driven by operating expenses on the new plants in operation.

Development & Construction activities contributed with NOK 202 million of a total EBITDA of NOK 329 million for the quarter. EBITDA for the full year increased strongly compared to last year mainly explained by higher construction activities. The EBITDA in 2017 was included a NOK 375 million gain on the partial sale of the Apodi project in Brazil in third quarter 2017.

During the fourth quarter, financial close was achieved for the Guanizuil project (117 MW) in Argentina, the Redsol project (47 MW) in Malaysia as well the Rengy (47 MW) and Kamianka (30 MW) projects in Ukraine.

Power Production

NOK MILLION	Q4'18	Q3'18	Q4'17	FY 2018	FY 2017
Revenues and other income	**180**	155	132	622	544
Operating expenses	**-41**	-29	-25	-130	-90
EBITDA	**139**	127	107	492	454
EBITDA margin [1)]	**77%**	82%	81%	79%	83%
D&A and impairment	**-52**	-38	-39	-164	-156
EBIT	**88**	89	68	328	298
Cash flow to equity [1)]	**48**	47	30	157	143



1) See Alternative Performance Measures appendix for definition.

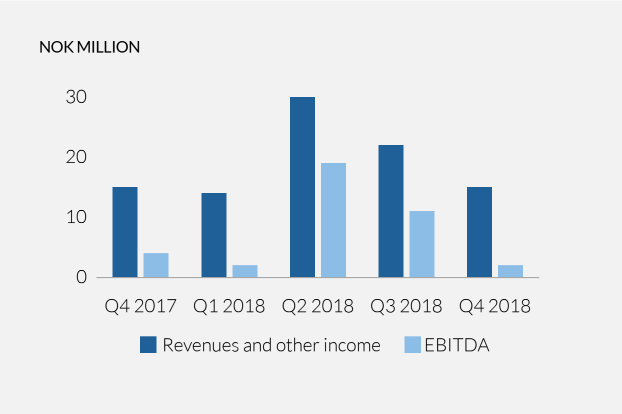
The Power Production segment had an installed capacity of 584 MW at the end of the fourth quarter and reached production of 108 GWh compared with 73 GW in the previous quarter and 71 GW in the same quarter last year. The increase in production volume and revenues is mainly driven by new power plants reaching commercial operation as well as asset management services rendered to new power plants. Further, Scatec Solar's increased ownership share in the South African plants Kalkbult, Linde and Dreunberg with effect from September 2018.

The increase in operating expenses from fourth quarter last year is explained by the new plants set in operation, as well as commencement of asset management activities for plants under construction. As asset management services yields lower margin than sale of electricity, the EBITDA margin for the fourth quarter and full year is reduced compared to last year. This margin impact is reinforced during construction as the company is earning asset management revenues but no power sales revenue is this phase.

See additional information on page 16 for a specification of financials and power production for each individual power plant company.

Operation & Maintenance (O&M)

NOK MILLION	Q4'18	Q3'18	Q4'17	FY 2018	FY 2017
Revenues and other income	**15**	22	15	81	69
Operating expenses	**-13**	-11	-11	-48	-41
EBITDA	**2**	11	4	34	28
EBITDA margin 1)	**12%**	49%	25%	41%	40%
D&A and impairment	**-**	-	-	-1	-1
EBIT	**2**	11	4	33	27
Cash flow to equity 1)	**2**	9	3	26	22



1) See Alternative Performance Measures appendix for definition.

O&M revenues in the fourth quarter reflect steady operation of the power plant portfolio and includes revenues from the Apodi plant in Brazil, the Gurun plant in Malaysia as well as the Los Prados plant in Honduras which all commenced operations in the quarter. The quarter on quarter decrease in revenues is explained by weather seasonality resulting in lower performance ratio for the portfolio in South Africa.

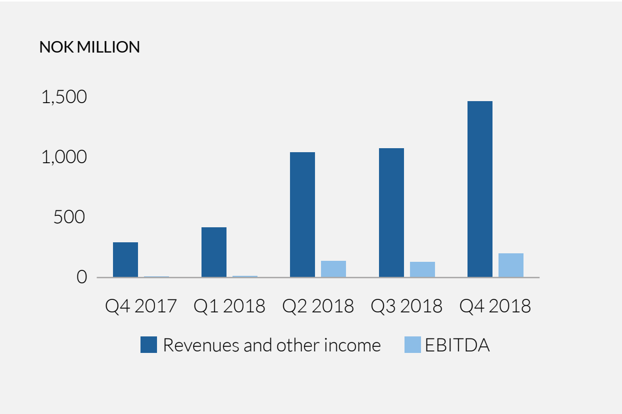
The revenue and profitability growth in 2018 are explained by; commencement of O&M operations in Malaysia, Brazil and Honduras, as well as the catch-up of previously unrecorded revenues for two of the plants in Jordan.

Operating expenses mainly constitute fixed expenses and recurring maintenance activities according to a maintenance schedule.

The profitability of the segment reflects somewhat lower margins on new O&M contracts as well as increased overhead cost in preparation for O&M for plants under construction.

Development & Construction (D&C)

NOK MILLION	Q4'18	Q3'18	Q4'17	FY 2018	FY 2017
Revenues and other income	**1,466**	1,077	294	4,005	1,054
Gross profit	**232**	160	38	601	442
Gross margin 1)	**16%**	15%	13%	15%	42%
Operating expenses	**-30**	-30	-28	-113	-82
EBITDA	**202**	130	10	488	360
D&A and impairment	**-1**	-18	-1	-21	-3
EBIT	**201**	113	7	467	358
Cash flow to equity 1)	**157**	105	8	383	167



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

The D&C revenues in the fourth quarter were generated by the projects in Honduras, Malaysia, Brazil, Mozambique, Egypt, South Africa, Ukraine and Argentina. Accumulated progress across construction projects under way at the end of the fourth quarter was 43%.

Construction was completed for Gurun in Malaysia and Apodi in Brazil in the quarter. Financial close was achieved and construction started for the 117 MW Guanizuil project in Argentina, the 47MW Redsol project in Malaysia as well as the 47MW Rengy project in Ukraine.

The 15.9% gross margin for the quarter reflects the current mix of projects under construction and development. Quarterly fluctuations in gross margin must therefore be expected. For the full year, the gross margin reached the target of 15%.

Operating expenses comprised of approximately NOK 17 million (18) for early stage development of new projects and NOK 13 million (9) related to the construction business.´

Depreciation, amortization and impairment amounted to NOK 1 million (1).

The gross profit in 2017 was positively affected by the NOK 375 million gain on the partial sale of the Apodi project in Brazil.

Corporate

NOK MILLION	Q4'18	Q3'18	Q4'17	FY 2018	FY 2017
Revenues and other income	**5**	4	4	17	13
Operating expenses	**-19**	-16	-19	-70	-63
EBITDA	**-14**	-11	-15	-53	-50
D&A and impairment	**-1**	-1	-	-2	-1
EBIT	**-15**	-12	-15	-55	-51
Cash flow to equity [1]	**-24**	-20	-19	-85	-65

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 and remains fairly stable from quarter to quarter.

Operating expenses are fairly stable during 2018 and the increase compared to 2017 reflects the strengthened corporate functions over the recent quarters. These functions include management and corporate services such as finance, legal, HR, IT, corporate communication and sustainability.

Short term guidance

Power production

The estimated production for full year 2019 is based on production from plants in operation at year-end 2018.

GWH	Q4'18	Q1'19E	2019E
Proportionate	**108**	140-160	575 – 625
100% basis	**224**	260-300	1,050 - 1,150

Operation & Maintenance

2019 Operation & Maintenance revenues are expected to reach NOK 110-120 million with an EBITDA margin of around 30%.

The increased revenues reflect commencement of O&M services for new power plants while the lower EBITDA margin reflects somewhat lower margins on new O&M contracts as well as increased overhead cost in preparation for O&M for plants under construction.

Development & Construction

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

The 1,071 MW currently under construction represent awarded Development & Construction contracts with a value of about NOK 8.4 billion. The remaining, not booked, contract value at the end of 2018 was about NOK 4.8 billion.

Corporate

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

Outlook

The solar market is growing strongly, and Scatec Solar is continuously developing a large project pipeline across a number of markets and is well positioned for continued solid growth over the years to come. Refer also to project overview on page 10 for details.

Scatec Solar's targets for capacity growth and financial performance towards 2021 as announced at the Capital Markets Update 30 May 2018 remain unchanged:

	1.7 GW IN OPERATION & UNDER CONSTRUCTION	1.8 GW NEW CAPACITY TOWARDS 2021	TOTAL 3.5 GW BY END 2021
Post tax equity IRR	15%	15%	15%
D&C gross margin	15%	12 - 15%	12-15%
SSO's economic interest	57%	50% – 70%	50% – 70%
Capex (NOK million), 100%	20,700	13,000 – 15,000	34,000 – 36,000
SSO's equity investments (NOK million)	3,500 1)	1,800 – 2,300	5,200 – 5,800
D&C Cash flow to equity (NOK million)	950 – 1,050	1,000 – 1,500	2,000 – 2,500
Annual cash flow to equity Power Production and O&M (NOK million)	500 – 550	250 – 300	750 – 850

1) About NOK 500 million remains to be invested. Based on equity financing of the Los Prados project.
Figures in the table above are estimates.

Recent corporate activity across the solar energy sector indicates an increased interest for renewable assets from both industrials and financial investors. As a leading independent solar power producer in emerging markets Scatec Solar should be well prepared to take part in these market dynamics. To assist the Board and the management in their further considerations, the Group has engaged J.P. Morgan and Carnegie as financial advisors.

Consolidated statement of profit and loss

Profit and loss

NOK MILLION	Q4'18	Q3'18	Q4'17	FY 18	FY 17
Revenues	**344**	294	282	1,213	1,492
EBITDA	**257**	221	207	902	1,241
Operating profit (EBIT)	**187**	143	148	629	993
Profit before income tax	**95**	60	12	323	460
Profit/(loss) for the period	**76**	36	-1	226	438
Profit/(loss) to Scatec Solar	**45**	14	-35	140	339
Profit/(loss) to non-controlling interests	**31**	22	33	86	99

Revenues

Revenues from power sales were up 9% compared to the same quarter last year. The increase in revenues is mainly explained by the grid connection of the Los Prados and Gurun power plants 30 September and 21 December 2018 respectively. For the remaining power plants, the change in production volume from last year is driven by regular operational variability.

Revenues also include increased earnings, NOK 33 million (-7), from joint ventures mainly related to the equity consolidated investments in Brazil and Argentina.

Included in the revenues and net profit for 2017 was a gain of NOK 375 million related to the partial sale of the Apodi project in Brazil to Equinor.

Operating profit

Following the increased portfolio of power producing assets, the profitability has increased in both relative and absolute terms compared to the first three quarters of 2018. The Group has in recent quarters invested in both early stage development activities and also strengthening of the organisation following the commencement of several construction projects. This explains the growth in operating expenses compared to last year.

Consolidated operating expenses amounted to NOK 87 million (74) in the fourth quarter. This comprised approximately NOK 42 million (32) for operation of existing power plants, NOK 17 million (18) for early stage development of new projects, NOK 13 million (9) related to construction and NOK 15 million (15) of corporate expenses (excluding eliminated intersegment charges).

Net financial items

NOK MILLION	Q4'18	Q3'18	Q4'17	FY 18	FY 17
Financial income	**13**	61	10	197	51
Financial expenses	**-164**	-121	-147	-518	-524
Foreign exchange gains/(loss)	**59**	-22	1	15	-60
Net financial items	**-92**	-83	-136	-306	-532

During the second quarter 2018, forward exchange contracts (FEC) were set up in order to eliminate currency exchange risk in the Upington projects in South Africa. The fourth quarter loss following the mark-to-market revaluation of open USD and EUR FECs amounts to NOK 22 million (0). For the full year, the Group recorded a gain of NOK 147 million. The FECs are carried at fair value and fluctuate with changes in the exchange rates throughout the contract period.

Financial expenses mainly consist of interest expenses on non-recourse financing, NOK 113 million (100), and corporate funding, NOK 18 million (11). The interest expenses are in line with the trend from 2017. In the fourth quarter 2017 the Group recorded a one-off expense of NOK 27 million related to the refinancing of the senior unsecured bond. See note 6 for further information on the bond.

Profit before tax and net profit

The effective tax rate was 20% in the fourth quarter. 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 average effective tax rate fluctuates from quarter to quarter mainly based on construction progress. For further details, refer to note 7.

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 shareholdings in solar power plants, while Scatec Solar also carries the cost of project development, construction, operation & maintenance and corporate functions.

For the full year power production revenues increased to NOK 1,151 million (1,121). Operating expenses increased to NOK 311 million (250) while net profit decreased to NOK 226 million (438), mainly driven by the Apodi projects sale in 2017.

Impact of foreign currency changes in the quarter

During the fourth quarter the NOK depreciated against the ZAR, USD and CZK compared to the average rates for the third quarter. This positively affected consolidated revenues by approximately NOK 4 million quarter on quarter while the net impact on net profit in the quarter was approximately NOK 3 million.

The quarter-on-quarter net foreign currency gains were up NOK 81 million, from a loss of NOK 22 million in the third quarter compared to a gain of NOK 59 million in the fourth quarter. These currency effects are to a large extent related to non-cash effects on intercompany balances.

Following the movements in currencies in the fourth quarter, the Group has recognised a foreign currency translation gain of NOK 102 million 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	Q4'18	Q4'17
Property, plant and equipment	9,008	5,618
Other non-current assets	1,407	961
Total non-current assets	10,415	6,580
Other current assets	1,139	797
Cash and cash equivalents	3,303	2,863
Total current assets	4,442	3,661
Total assets	14,857	10,240

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 equity ratio.

The 58% net increase of non-current assets is mainly driven by the construction activities in Mozambique, Honduras, Malaysia, Brazil, Egypt, South Africa, Ukraine and Argentina. This is partly offset by depreciation of the operating power plants.

Current assets increased 21% compared to fourth quarter 2017 mainly driven by increased cash balance following draw down on non-recourse loans for the above-mentioned projects. See note 6 for a detailed breakdown of cash balances and as well as an overview of movement of cash at the group level (Recourse Group).

Equity and liabilities

NOK MILLION	Q4'18	Q4'17
Equity	2,475	1,887
Non-current non-recourse project financing	8,643	6,164
Other non-current liabilities	1,940	1,254
Total non-current liabilities	10,583	7,418
Current non-recourse project financing	364	317
Other current liabilities	1,413	619
Total Current liabilities	1,800	935
Total liabilities	12,384	8,353
Total equity and liabilities	14,857	10,240
Book equity ratio	16.7%	18.4%

Total equity increased by NOK 588 million during 2018. The main drivers being the share capital increase and profit, partly offset by dividend distributions. The decreased book equity ratio is mainly explained by the net effect of the above as well as increased current liabilities. The latter is associated with the progress of the construction activities and related supplier credits as well as shareholder loans provided by non-controlling interests in the Egypt project portfolio. Also related to the increased construction activities, current and non-current non-recourse project finance debt had a net increase NOK 2,526 during 2018.

The more relevant equity to capitalisation ratio for the Recourse Group [1] (excluding the non-recourse financed project entities) as defined in the corporate bond agreement was 81% at the end of the third quarter. See note 6 for more information on the corporate bond agreement.

1) See Alternative Performance Measures appendix for definition.

Consolidated cash flow

Net cash flow from consolidated operating activities amounted to NOK 184 million (176) in the fourth quarter 2018, compared to the EBITDA of NOK 257 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 -1,268 million (-536), 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 2,230 million (1,932), impacted by proceeds from non-recourse- and NCI financing of NOK 2,397 million (1,974) and NOK 163 million (10) respectively, partly offset by interest and down payments on non-recourse financing of NOK 330 million (276).

For the full year, net cash flow from consolidated operating activities was NOK 1,248 million (844), while the net negative cash flow from consolidated investing activities was NOK -3,732 million (-874). Net cash flow from consolidate financing activities amounted to NOK 2,857 million (1,640).

Refer to note 6 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	Q4'18	Q3'18	Q4'17	FY 18	FY 17
Power Production	**48**	47	30	157	143
Operation & Maintenance	**2**	9	3	26	22
Development & Construction	**157**	105	8	383	167
Corporate	**-24**	-20	-19	-85	-65
Total	**183**	141	22	481	265

The increased cash flow to equity in the Power Production segment compared to fourth quarter and full year 2017 is primarily explained by the new plants set in operation in Brazil, Honduras and Malaysia, asset management fees to plants in construction and higher production in the Czech Republic, partly offset by debt repayments for 2018 in line with the agreed repayment schedule on the non-recourse financing loans. The cash flow to equity in the O&M segment is on a normalized level and influenced by seasonal variations. The cash flow to equity in the Development & Construction segment is driven by the increased portfolio of construction projects throughout the year.

Risk

Scatec Solar has entered into long-term fixed price contracts for the sale of electricity from all its current solar power plants and the entry into such contracts is a prerequisite for financing and construction of the projects in the backlog and pipeline. All existing electricity sales contracts are entered into with state-owned utilities typically under regulation of various state programs to promote renewable energy. As a consequence, Scatec Solar is to a certain degree subject to political risk in the countries it operates.

Scatec Solar mitigates political risk in emerging markets through partnerships with multilateral development banks as project finance lenders and/or through establishing project risk insurance covering from the World Bank and others.

The main economic risk going forward relates to operational performance of existing power plants, timely completion of solar plants under construction and progress in the transitioning of projects in backlog through financial close and into construction.

Scatec Solar operates in several regions of the world with complex risk environments. This primarily relates to political, compliance, integrity and security risk. The Group mitigates these risks through comprehensive due diligence processes whereby country risk, permits, project agreements, partners, execution plans, security and all other relevant aspects of the project are carefully assessed. These assessments are done in close cooperation with a number of advisors including global risk and security consultancies.

In terms of specific financial risks, Scatec Solar is mainly exposed to currency risk, credit risk, liquidity risk and to some extent interest rate risk. Financial risk management in Scatec Solar is based on the objective of reducing cash flow effects and to a less extent accounting effects of these risks.

For further information refer to the 2017 Annual Report.

1) See Alternative Performance Measures appendix for definition.

Related parties

Note 27 in the annual report for 2017 provides details of transactions with related parties and the nature of these transactions. For details on fourth quarter 2018 related party transactions, see note 9 of this interim report.

Forward looking statements

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.

Dividend policy

The Group's objective is to pay shareholders consistent and growing cash dividends. Scatec Solar's dividend policy is to, over time, pay its shareholders dividends representing 50% of free cash distributed from the producing power plant companies. For 2018, NOK 216 million has been distributed from the power plant companies.

In line with the dividend policy, the Board of Directors have resolved to propose to the ordinary General Meeting of Scatec Solar that a dividend of NOK 0.95 should be paid for 2018.

Project overview

PROJECT STAGE	Q4'18 CAPACITY (MW) [1]	Q3'18 CAPACITY (MW)
In operation	584	357
Under construction	1,071	1,057
Project backlog	225	459
Project pipeline	4,454	3,820

1) Status per reporting date.

Projects under construction and backlog

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.

LOCATION	CAPACITY (MW)	CURRENCY [1]	CAPEX (100%, MILLION)	ANNUAL PRODUCTION (100%, GWH)	DEBT LEVERAGE	SSO ECONOMIC INTEREST
In Operation	584		9,526	1,091		55%
Under construction						
BenBan, Egypt	400	USD	450	870	75%	51%
Upington, South Africa	258	ZAR	4,760	650	77%	46%
Jasin & Merchang, Malaysia	132	MYR	823	186	80%	100%
Guanizuil, Argentina	117	USD	95	310	60%	50%
Redsol, Malaysia	47	MYR	200	65	75%	100%
Rengy, Ukraine	47	EUR	52	60	70%	51%
Mocuba, Mozambique	40	USD	80	75	72%	52%
Kamianka, Ukraine	30	EUR	35	39	70%	100%
Total Under Construction	1,071	NOK [2]	11,215	2,257		59%
Backlog						
Segou, Mali	33	EUR	52	60	75%	51%
Los Prados II, Honduras	18	USD	20	35	70%	70%
Ukraine	174	EUR	193	221	70%	65%
Total Backlog	225	NOK [2]	2,588	316		64%
Total	1,880	NOK [2]	23,330	3,664		58%

1) 'Currency' specifics of PPA tariff, capex and project finance debt.
2) All exchange rates to NOK are as of 31 December 2018.

Total annual revenues from the 1,880 MW in operation, under construction and in backlog is expected to reach NOK 3,600 million 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.

Under construction

BenBan, Egypt, 400 MW

In April 2017, Scatec Solar and partners signed six 25-year PPAs for projects in "Round 2" of the FiT program in Egypt totalling 400 MW (DC).

All located in the Ben Ban area near Aswan in Upper Egypt. Total investments for the 400 MW of solar plants is estimated at USD 450 million and the plants are expected to generate annual revenues of about USD 60 million over the 25-year contract period.

Scatec Solar is partnering with local developers, KLP Norfund Investments and Africa50 for equity investments in the projects.

European Bank for Reconstruction and Development (EBRD) is leading a consortium of banks providing total debt of USD 335 million.

Construction started in the second quarter 2018 and grid connection is expected during second half of 2019.

Upington, South Africa, 258 MW

In April 2015 Scatec Solar was awarded preferred bidder status for three projects in Upington in the fourth bidding round under REIPPP (Renewable Energy Independent Power Producer Programme) in South Africa.

Scatec Solar will build, own and operate the solar power plants with a 42% shareholding. Norfund holds 18%, the surrounding Community of Upington 5% and a South African Black investor hold the remaining 35% of the equity.

Financial close for the projects was reached in April 2018. A consortium of commercial banks and Development Finance Institutions with Standard Bank in the lead are providing non-recourse project finance to the project.

Construction activities are on track with grid connection expected towards the end of 2019.

Jasin & Merchang, Malaysia, 132 MW

In December 2016, Scatec Solar partnered with a local ITRAMAS-led consortium that had signed three 21-year PPAs with the country's largest electricity utility, Tenaga Nasional Berhad (TNB).

Financial close and construction start was in October 2017. Project debt financing was raised through an Islamic Green Bond of MYR 1,000 million.

Commercial operation for the Gurun solar plant was reached on December 19, 2018.

Commercial operation for the two other solar plants has been delayed and is expected to be achieved within the next couple of months.

Guanizuil, Argentina, 117 MW

In June 2018, Scatec Solar together with Equinor signed an agreement with the Portuguese company Martifer Renewables for the acquisition of the Guanizuil IIA project in Argentina.

The project was awarded a PPA in the RenovAR auction process held by CAMMESA, the Argentinian Wholesale Power Market Administrator, in November 2017. The partners signed the 20-year PPA in November 2018.

Total capital expenditure to realise the plant is estimated at USD 103 million and the plant will be owned 50% by Scatec Solar and 50% by Equinor.

Scatec Solar will be project lead in a jointly owned construction company while Equinor will provide a construction bridge loan covering 60% of the capex required for the project. The project company will source all major components to the project directly. The partners have started a process to secure suitable long-term project financing to the project.

Construction started late 2018 with expected commercial operation by the end of 2019.

Rengy, Ukraine, 47 MW

In December 2018, Scatec Solar and partners reached financial close for the Rengy project in the Mykolaiv region in the south of Ukraine with a total investment of EUR 52 million.

EBRD and the Black Sea Trade and Development Bank (BSTDB) signed credit agreements of 50% each of the non-recourse debt financing of the project. The credit facilities amount to EUR 36 million and covers 70% of the total project costs.

Scatec Solar owns 51% of the project and Rengy Development Group holds the balance.

The project will be realised under the country's 10-year Feed-in-Tariff scheme and are expected to produce about 58 GWh per year. Public land will be leased for an extended time-period and the plants are expected to deliver power also beyond the Feed-in-tariff period.

Construction started late 2018 with commercial operation expected during 2019.

Redsol, Malaysia, 47 MW

In December 2017, Scatec Solar were awarded the Redsol project under Malaysia's second large scale solar tender round. The power plant is expected to deliver 67 GWh of electricity per year with annual revenues of approximately USD 6 million.

Scatec Solar closed financing for the project in December 2018 with a total investment of approximately USD 47 million. BNP Paribas will provide the non-recourse project finance facility for the project, covering 73% of the project cost.

Construction started late 2018 with grid connection expected in fourth quarter 2019.

Mocuba, Mozambique, 40 MW

In October 2016, Scatec Solar and Norfund signed a PPA securing the sale of solar power over a 25-year period to the state-owned utility Electricidade de Mozambique (EDM).

Scatec Solar will build, own and operate the solar power plants with a 52.25% shareholding. Norfund and EDM will hold the remaining part of the equity.

Scatec Solar and partners reached financial close in March 2018 with debt financing from IFC, the International Finance Corporation, a member of the World Bank Group, and the Emerging Africa Infrastructure Fund, managed by Investec Asset Management and a part of the Private Infrastructure Development Group (PIDG).

Construction activities continues according to plan with expected grid connected during first half of 2019.

Kamianka, Ukraine, 30 MW

In December 2018, Scatec Solar closed financing for the 30 MW Kamianka project in the Cherkassy region in central Ukraine with a total investment of EUR 35 million.

EBRD and FMO, the Dutch development bank signed credit agreements for the non-recourse debt financing of the project. The credit facilities amount to EUR 24.5 million and covers 70% of the total project costs.

The project will be realised under the country's 10-year Feed-in-Tariff scheme and are expected to produce about 39 GWh per year. Public land will be leased for an extended time-period and the solar power plant is expected to deliver power also beyond the Feed-in-tariff period.

Construction started early 2019 with commercial operation expected in fourth quarter 2019.

Backlog

Ukraine, 174 MW

During 2018, Scatec Solar signed agreements securing projects with total capacity of 251 MW in Ukraine. Two of these projects secured financing in 2018 and moved into construction.

All the projects will be realized under the country's Feed-in-Tariff scheme and the portfolio is expected to produce about 220,000 MWh per year. The plants are expected to deliver power also beyond the 10-year Feed-in-tariff period.

Total capex for the projects is estimated to EUR 193 million. The project finance process has been initiated for the projects with the European Bank of Reconstruction and Development (EBRD) and FMO in lead. Grid connection of the plants is expected towards the end of 2019.

Scatec Solar will be the lead equity investor in the projects and is targeting to secure additional equity partners for the projects. Further, Scatec Solar will be the Engineering, Procurement and Construction (EPC) provider and provide Operation & Maintenance as well as Asset Management services to the power plants.

Segou, Mali, 33 MW

In July 2015, Scatec Solar ASA together with its development partners International Finance Corporation (IFC) and Power Africa 1, signed a 25-year PPA with Energie du Mali (EDM).

IFC and African Development Bank (AfDB) will provide the non-recourse project finance for the project. The project has also been awarded a USD 25 million concessional loan from the Climate Investment Funds under the Scaling Up Renewable Energy Program.

Scatec Solar will build, own and operate the solar power plant with a 51% shareholding. IFC Infraventures and Power Africa will hold the remaining part of the equity.

The lenders, IFC and the African development Bank, have approved the project finance for the project. Scatec Solar and partners are working to obtain final approvals from the Government of Mali on the project agreements.

Los Prados II, Honduras, 18 MW

In October 2015, Scatec Solar and Norfund acquired the Los Prados project holding a 20-year PPA with Empresa Nacional de Energía Eléctrica (ENEE), the state-owned utility. The project is owned 70% by Scatec Solar and 30% by KLP Norfund Invest.

The 35 MW Phase I of the project was grid connected and reached commercial operation at the end of third quarter 2018. The 18 MW Phase II will be realised after required grid upgrades have been completed by ENEE.

Pipeline

In addition to projects in backlog Scatec Solar holds a solid pipeline of projects totalling 4,454 MW across four key regions. The pipeline has increased by more than 600 MW over the last quarter through systematic project development efforts in a number of markets where both governments and corporate off-takers are seeking to source solar energy.

LOCATION	CAPACITY (MW)
Latin America	833
Africa	2,186
Europe & Central Asia	523
South East Asia	912
Total pipeline	**4,454**

Latin America (833 MW)

Scatec Solar's development efforts in Latin America is mainly focused on Brazil and Argentina. Scatec Solar is partnering with Equinor in these markets.

Argentina is targeting to further expand its RenovAR program. PPAs have already been awarded to renewable energy projects of more than 4 GW. Over the past 18 months, approximately 1.5 GW of solar projects have been awarded in two consecutive utility scale solar auctions.

Brazil is a well-established market for renewable energy with about 1 GW of solar capacity installed and another 1 GW under construction.

In both markets Scatec Solar is seeking to acquire project rights from previous tender rounds, secure sites for participation in upcoming tenders as well negotiating corporate PPAs.

Africa (2,186 MW)

Scatec Solar holds sites representing 516 MW ready to be bid in the upcoming tender rounds in South Africa. A new tender ("round 5") under the REIPPP program is expected to be launched in 2019.

In addition to South Africa, Scatec Solar is developing a broad pipeline of projects across a number of markets including Egypt, Nigeria, Kenya and in a number of other countries on the continent, in addition to negotiating a number of potential corporate PPAs.

Europe and Central Asia (523 MW)

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

In Ukraine, Scatec Solar is developing projects totalling 163 MW in addition to the 251 MW in project backlog and under construction. Ukraine is committed to integrate with the EU energy system with ongoing electricity market reforms and aiming to replace nuclear reactors and reduce supply of Russian gas with a target of 11% renewables by 2020.

In Pakistan, the 150 MW project portfolio in Sindh were awarded a "costs plus tariff" of 52.6 USD/MWh in January 2018. Scatec Solar and Nizam Energy has applied for the issuance of the power purchase agreement and the implementation agreement.

South East Asia (912 MW)

Malaysia, Bangladesh and Vietnam are key markets for Scatec Solar in South East Asia. In Malaysia, it is expected the new government will maintain the same level of ambition for the renewable energy sector as before. Scatec Solar continues to prepare for the next tender round as well as pursuing a number of bi-lateral opportunities.

In Bangladesh, the first project developed by Scatec Solar of 60 MW has been approved by the Prime Minister and a tariff level has been awarded. Scatec Solar is now working with the authorities to finalise project agreements. In parallel, Scatec Solar is developing other projects and is in total working on a portfolio of about 310 MW.

In Vietnam, the government is expected to announce a new feed-in tariff level shortly. Scatec Solar is currently working on a portfolio of about 400 MW of projects in the country to be positioned for the future feed-in tariff in Vietnam.

Proportionate financials
Break down of power production segment
Key financials

Q4 2018

NOK MILLION	CZECH REPUB.	SOUTH AFRICA	RWANDA	HONDURAS	JORDAN	BRAZIL	MALAYSIA	OTHER	TOTAL
Revenues	14	102	2	22	15	10	4	11	180
OPEX	-4	-9	-1	-5	-3	-3	-1	-16	-41
EBITDA	10	93	2	16	12	7	3	-4	139
EBITDA margin	74 %	91 %	68 %	72 %	83 %	68 %	74 %	-37 %	77 %
Net interest expenses [1]	-5	-29	-2	-4	-7	-1	-	4	-44
Normalised loan repayments [1]	-7	-15	-1	-5	-6	-1	-1	-	-36
Normalised income tax payments [1]	1	-13	-	-	-	-1	-	2	-11
Cash flow to equity	-1	37	-1	8	-1	4	2	1	48
SSO economic interest	100%	45%	54%	51%	60%	44 %	100 %	-	-
Net production (GWh)	2.8	51.8	1.7	18.1	10.7	16.1	7.5	-	108.5

1) See Alternative Performance Measures appendix for definition.

Q4 2017

NOK MILLION	CZECH REPUB.	SOUTH AFRICA	RWANDA	HONDURAS	JORDAN	BRAZIL	MALAYSIA	OTHER	TOTAL
Revenues	11	85	4	11	15	-	-	5	132
OPEX	-3	-7	-1	-2	-2	-	-	-11	-25
EBITDA	8	78	4	9	13	-	-	-5	107
EBITDA margin	69 %	92 %	87 %	79 %	88 %	N/A	N/A	-92 %	81 %
Net interest expenses [1]	-5	-24	-1	-4	-7	-	-	-	-41
Normalised loan repayments [1]	-6	-11	-2	-5	-4	-	-	-	-28
Normalised income tax payments [1]	1	-11	-	-	-	-	-	1	-9
Cash flow to equity	-2	32	1	-	2	-	-	-4	30
SSO economic interest	100%	39%	54%	40%	60%	-	-	-	-
Net production (GWh)	2.4	46.6	1.8	9.3	10.9	-	-	-	70.9

1) See Alternative Performance Measures appendix for definition.

Financial position and working capital breakdown
Proportionate financials

31 DEC 2018

NOK MILLION	POWER PLANT COMPANIES IN OPERATION							POWER PLANT COMPANIES UNDER CONSTRUCTION							
	CZECH REPUB.	SOUTH AFRICA	RWANDA	HONDU-RAS	JORDAN	MALAY-SIA [1]	BRAZIL	SOUTH AFRICA	MOZAM-BIQUE	EGYPT	MALAY-SIA	UKRAINE	ARGEN-TINA	TOTAL PROPOR-TIONATE
Project equity [2]	145	173	22	618	206	494	324	11	82	358	78	30	164	2,705
Total assets	574	1,341	91	924	764	2,709	779	553	237	1,524	150	66	174	9,884
PP&E [2]	478	1,115	84	830	571	2,207	690	194	180	879	4	16	142	7,390
Cash	40	129	4	46	166	452	47	75	14	368	78	12	19	1,451
Gross interest bearing debt [2]	377	1,018	65	205	462	2,076	394	357	142	934	-	-	-	6,030
Net interest bearing debt [1]	337	889	62	159	296	1,624	347	282	128	566	-78	-12	-19	4,579
Net working capital [2]	-31	-13	-6	-57	-118	-84	-38	101	34	72	-4	5	-60	-200
SSO economic interest	100%	45%	54%	51%	60%	100%	44%	46%	53%	51%	100 %	70 %	50%	N/A

1) The Gurun power plant in Malaysia reached CoD in December 2018. This column also contains the remaining two power plant companies Jasin & Merchang which are currently still in construction.

2) See Alternative Performance Measures appendix for definition.

Bridge from proportionate to consolidated financials

31 DEC 2018

NOK MILLION	TOTAL PROPORTIONATE	RESIDUAL OWNERSHIP INTERESTS	EQUITY-CONSOLIDATED ENTITIES	D&C, O&M, CORPORATE, ELIMINATIONS	CONSOLIDATED
Project equity [1]	2,705	1,837	1,068	-999	2,475
Total assets	9,884	6,629	2,129	473	14,857
PP&E	7,390	4,806	1,862	-1,378	8,956
Cash	1,451	892	147	1,107	3,303
Gross interest bearing debt [1]	6,030	3,878	901	743	9,750
Net interest bearing debt [1]	4,579	2,986	754	-364	6,447
Net working capital [1]	-200	-34	-208	-773	-799

1) See Alternative Performance Measures appendix for definition.

Condensed interim financial information

Interim consolidated statement of profit or loss

NOK MILLION	NOTES	Q4 2018	Q4 2017	FY 2018	FY 2017
Revenues	2	311.4	285.8	1,150.6	1,121.1
Net gain/(loss) from sale of project assets	2,3	-	2.6	-	377.8
Net income/(loss) from JVs and associated companies	2	32.5	-7.0	62.6	-7.4
Total revenues and other income		343.9	281.5	1,213.2	1,491.5
Personnel expenses	2	-37.9	-28.7	-136.7	-107.0
Other operating expenses	2	-48.7	-45.4	-174.0	-143.2
Depreciation, amortisation and impairment	2,3	-70.6	-59.8	-273.3	-248.1
Operating profit		186.7	147.6	629.2	993.2
Interest and other financial income	4,5	12.7	10.4	197.3	51.2
Interest and other financial expenses	4,5	-164.0	-146.7	-518.3	-523.8
Net foreign exchange gain/(losses)	4,5	59.2	0.7	15.1	-59.8
Net financial expenses		-92.1	-135.6	-305.9	-532.3
Profit/(loss) before income tax		94.7	12.0	323.3	460.9
Income tax (expense)/benefit	7	-18.8	-13.4	-97.4	-23.0
Profit/(loss) for the period		75.9	-1.4	225.8	437.9
Profit/(loss) attributable to:					
Equity holders of the parent		45.4	-34.9	139.8	339.1
Non-controlling interests		30.5	33.5	86.0	98.8
Basic earnings per share (NOK)	11	0.40	-0.34	1.29	3.36
Diluted earnings per share (NOK)	11	0.40	-0.34	1.28	3.35

Interim consolidated statement of comprehensive income

NOK MILLION	NOTES	Q4 2018	Q4 2017	FY 2018	FY 2017
Profit/(loss) for the period		75.9	-1.4	225.8	437.9
Other comprehensive income:					
Items that may subsequently be reclassified to profit or loss					
Net movement of cash flow hedges	5	-107.6	0.9	-73.8	-61.8
Income tax effect	7	29.0	-0.7	19.6	16.9
Foreign currency translation differences		101.8	37.7	-4.2	30.8
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		23.3	37.9	-58.4	-14.2
Total comprehensive income for the period net of tax		99.1	36.5	167.4	423.7
Attributable to:					
Equity holders of the parent		99.3	-50.4	136.4	336.1
Non-controlling interests		-0.2	86.9	31.1	87.7

Interim consolidated statement of financial position

NOK MILLION	NOTES	AS OF 31 DECEMBER 2018	AS OF 31 DECEMBER 2017
ASSETS			
Non-current assets			
Deferred tax assets	7	526.2	401.9
Property, plant and equipment – in solar projects	3	8,955.7	5,580.4
Property, plant and equipment – other	3	52.7	37.9
Goodwill		24.4	24.1
Financial assets	4,5	-	0.2
Investments in JVs and associated companies		744.5	415.1
Other non-current assets	9	111.9	120.1
Total non-current assets		10,415.2	6,579.8
Current assets			
Trade and other receivables		279.3	238.8
Other current assets	9	711.5	558.5
Financial assets	4,5	148.8	0.2
Cash and cash equivalents	6	3,302.6	2,863.1
Total current assets		4 442.2	3,660.6
TOTAL ASSETS		14,857.5	10,240.4

Interim consolidated statement of financial position

NOK MILLION	NOTES	AS OF 31 DECEMBER 2018	AS OF 31 DECEMBER 2017
EQUITY AND LIABILITIES			
Equity			
Share capital		2.8	2.6
Share premium		1,794.5	1,194.7
Total paid in capital		1,797.4	1,197.2
Retained earnings		89.4	31.0
Other reserves		79.0	81.7
Total other equity		168.4	112.7
Non-controlling interests		508.8	577.3
Total equity	8	2,474.5	1,887.2
Non-current liabilities			
Deferred tax liabilities	7	344.8	184.9
Non-recourse project financing	4	8,643.1	6,163.9
Bonds	6	742.9	740.8
Financial liabilities	4,5	114.8	28.7
Other non-current liabilities	9	737.8	299.4
Total non-current liabilities		10,583.4	7,417.7
Current liabilities			
Trade and other payables	10	161.7	216.3
Income tax payable	7	34.4	19.4
Non-recourse project financing	4	363.7	316.6
Financial liabilities	4,5,6	9.3	26.6
Other current liabilities	9	1,230.3	356.5
Total current liabilities		1,799.6	935.4
Total liabilities		12,382.9	8,353.1
TOTAL EQUITY AND LIABILITIES		14,857.5	10,240.4

Oslo, 24 January 2019

The Board of Directors of Scatec Solar ASA

Interim consolidated statement of changes in equity

				OTHER RESERVES				
NOK MILLION	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	HEDGING RESERVES	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
At 1 January 2017	2.3	819.1	-222.0	83.7	1.6	**684.7**	628.0	**1,312.7**
Profit for the period	-	-	339.1	-	-	**339.1**	98.8	**437.9**
Other comprehensive income	-	-	0.6	20.8	-24.4	**-3.0**	-11.1	**-14.2**
Total comprehensive income	-	-	339.7	20.8	-24.4	**336.1**	87.7	**423.7**
Share-based payment	-	2.9	-	-	-	**2.9**	-	**2.9**
Share capital increase [1)]	0.2	379.7	-	-	-	**379.9**	-	**379.9**
Transaction cost, net after tax	-	-6.9	-	-	-	**-6.9**	-	**-6.9**
Dividend distribution	-	-	-73.3	-	-	**-73.3**	-185.3	**-258.6**
Capital increase from NCI [2)]	-	-	-	-	-	**-**	33.5	**33.5**
Step-by-step acquisition	-	-	-13.4	-	-	**-13.4**	13.4	**-**
At 31 December 2017	2.6	1,194.7	31.0	104.5	-22.8	**1,309.9**	577.3	**1,887.2**
At 1 January 2018	2.6	1,194.7	31.0	104.5	-22.8	**1,309.9**	577.3	**1,887.2**
Profit for the period	-	-		-	-	**139.8**	86.0	**225.8**
Other comprehensive income	-	-	-0.8	18.4	-21.0	**-3.5**	-55.0	**-58.4**
Total comprehensive income	-	-	139.1	18.4	-21.0	**136.4**	31.1	**167.4**
Share-based payment	-	4.6	-	-	-	**4.6**	-	**4.6**
Share capital increase [3)]	0.3	605.7	-	-	-	**606.0**	-	**606.0**
Transaction cost, net after tax	-	-10.4	-	-	-	**-10.4**	-	**-10.4**
Dividend distribution	-	-	-80.7	-	-	**-80.7**	-215.8	**-296.4**
Capital increase from NCI [2)]	-	-	-	-	-	**-**	116.2	**116.2**
At 31 December 2018	2.8	1,794.5	89.4	122.9	-43.9	**1,965.8**	508.8	**2,474.5**

1) During first quarter 2017 the Group increased the share capital with NOK 379.7 million.

2) Non-controlling interests.

3) During first half year 2018 the Group increased the share capital with NOK 6.2 million in first quarter and with NOK 600.0 million in second quarter.

Interim consolidated statement of cash flow

NOK MILLION	NOTES	Q4 2018	Q4 2017	FY 2018	FY 2017
Cash flow from operating activities					
Profit before taxes		**94.7**	12.0	323.3	460.9
Taxes paid	7	**-25.4**	-3.5	-65.3	-17.4
Carry-back tax payment received	7	**-**	8.5	-	8.5
Depreciation and impairment	3	**70.6**	59.8	273.3	248.1
Net gain/loss sale of fixed assets	3	**4.6**	-	4.6	-
Net income associated companies/sale of project assets		**-32.5**	3.3	-62.6	-370.6
Interest and other financial income	4	**-12.7**	-10.4	-197.3	-51.2
Interest and other financial expenses	4	**164.0**	146.7	518.3	523.8
Unrealised foreign exchange (gain)/loss	4	**-59.2**	-116.9	-15.1	-55.7
(Increase)/decrease in trade and other receivables		**-54.0**	-45.1	-40.5	-7.3
(Increase)/decrease in other current/non-current assets		**-325.0**	-306.4	-365.5	-420.9
Increase/(decrease) in trade and other payables	10	**-98.9**	185.3	-54.6	187.0
Increase/(decrease) in other current liabilities	9	**485.9**	40.6	851.1	153.9
Increase/(decrease) in financial assets and other changes	5,9	**-28.3**	202.1	78.6	185.2
Net cash flow from operating activities		**183.7**	175.9	1,248.2	844.1
Cash flow from investing activities					
Interest received	4	**16.0**	10.4	77.1	51.2
Investments in property, plant and equipment	3	**-1,118.0**	-341.3	-3,565.3	-673.1
Net investment in associated companies		**-166.1**	-205.1	-244.0	-252.3
Net cash flow from investing activities		**-1,268.1**	-536.0	-3,732.1	-874.1
Cash flow from financing activities					
Proceeds from NCI shareholder financing [1)]		**163.0**	10.1	551.8	31.4
Interest paid	4	**-232.2**	-191.1	-587.6	-475.9
Proceeds from non-recourse project financing	4	**2,396.9**	1,973.8	2,854.6	1,973.8
Repayment of non-recourse project financing	4	**-97.6**	-85.0	-266.0	-230.6
Share capital increase		**-**	-	595.6	373.0
Proceeds from corporate bond issue	6	**-**	750.0	-	750.0
Repayment of corporate bond	6	**-**	-523.3	-	-523.3
Dividends paid to equity holders of the parent company	8	**-**	-	-80.7	-73.3
Dividends and other distributions paid to non-controlling interest		**-**	-2.7	-210.8	-185.3
Net cash flow from financing activities		**2,230.0**	1,931.8	2,856.8	1,639.8
Net increase/(decrease) in cash and cash equivalents		**1,145.5**	1,571.7	372.9	1,609.8
Effect of exchange rate changes on cash and cash equivalents		**116.4**	172.5	66.7	116.1
Cash and cash equivalents at beginning of the period	6	**2,040.7**	1,118.9	2,863.1	1,137.2
Cash and cash equivalents at end of the period	6	**3,302.6**	2,863.1	3,302.6	2,863.1
Cash in power plant companies in operation	6	**730.4**	793.3	730.4	793.3
Cash in power plant companies under construction	6	**1,466.5**	1,323.9	1,466.5	1,323.9
Other restricted cash	6	**66.6**	57.8	66.6	57.8
Free cash	6	**1,039.1**	688.1	1,039.1	688.1
Total cash and cash equivalents	6	**3,302.6**	2,863.1	3,302.6	2,863.1
Hereof presented as:					
Cash and cash equivalents		**3,302.6**	2,863.1	3,302.6	2,863.1

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

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 Karenslyst Allé 49, NO-0279 Oslo, Norway. Scatec Solar 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 24 January 2019.

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 the year ended 31 December 2017, with exception for the reporting on operating segments as described below. Standards and interpretations mentioned in note 32 of the Group's annual report 2017 with effective date from financial year 2018 (IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers), do not have a significant impact on the Group's condensed interim consolidated financial statements.

From first quarter 2018 the segment financials are reported on a proportionate basis in line with how the management team assesses the segment performance. 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 uses proportionate financials to improve transparency on underlying value creation across Scatec Solar's business activities.

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.

Scatec Solar would normally seek to undertake the following distinct roles in its projects:

- As the largest shareholder providing equity financing to the project
- As (joint) developer, including obtaining project rights, land permits, off-take agreements and other local approvals
- As EPC supplier, responsible for the construction of the project
- As provider of operation and maintenance services to the projects, responsible for the day-to-day operations of the plant
- As provider of management services to the power plant companies

Even though none of the projects Scatec Solar are involved with are identically structured, the five roles/activities described above constitute the main and relevant activities which affect the variable return. When assessing whether Scatec Solar controls a power plant company as defined by IFRS 10 Consolidated Financial Statements, all of the above roles and activities are analysed. During second quarter 2018 three power plant companies (holding the Upington projects) were consolidated for the first time. Scatec Solar's economic interest in the companies is 45.5%. During fourth quarter 2018 two power plant companies (holding the Rengy and Kamianka projects in Ukraine) were consolidated for the first time. Scatec Solar's economic interest in the companies is 51% and 100% respectively. The Group has concluded that it through its investment has the power to control these entities. Furthermore, Scatec Solar is exposed to variable returns and has the ability to affect those returns through its power over the companies.

As the construction of the Guanizuil IIA project in Argentina commenced in fourth quarter 2018, the construction and power plant companies were reported for the first time. The joint venture companies held by Scatec Solar and Equinor are equity consolidated as the parties have joint control.

Refer to note 2 of the 2017 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), Operation & Maintenance (O&M) and Development & Construction (D&C).

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.

From first quarter 2018 the segment financials are reported on a proportionate basis as described in note 1. A reconciliation between proportionate financials and consolidated financials are provided in the tables below. Comparative information in this note for prior year has been restated.

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.

Operation and Maintenance

The Operation and Maintenance segment delivers services to ensure optimised operations of the Group's solar power producing assets through a complete and comprehensive range of services for technical and operational management. Revenues are based on service agreements with a periodic base fee as well as a potential performance bonus.

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, O&M 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.

Q4 2018

NOK MILLION	PROPORTIONATE FINANCIALS							
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL	RESIDUAL OWNERSHIP INTERESTS 1)	ELIMINATIONS 2)	CONSOLIDATED FINANCIALS
External revenues	169.2	0.2	-	-	169.5	141.9	-	311.4
Internal revenues	10.9	14.6	1,466.5	4.6	1,496.6	111.1	-1,607.7	-
Net gain/(loss) from sale of project assets	-	-	-	-	-	-	-	-
Net income/(loss) from JV and associates	-	-	-0.7	0.4	-0.3	-	32.8	32.5
Total revenues and other income	180.2	14.8	1,465.8	5.0	1,665.7	253.0	-1,574.9	343.9
Cost of sales	-	-	-1,233.5	-	-1,233.5	-12.7	1,246.2	-
Gross profit	180.2	14.8	232.3	5.0	432.2	240.4	-328.7	343.9
Personnel expenses	-6.3	-6.8	-12.9	-12.5	-38.6	-0.1	0.9	-37.9
Other operating expenses	-34.7	-6.1	-17.1	-6.3	-64.2	-3.9	19.3	-48.7
EBITDA	139.1	1.8	202.3	-13.8	329.4	236.4	-308.5	257.3
Depreciation and impairment	-51.5	-0.2	-0.9	-0.8	-53.5	-33.8	16.7	-70.6
Operating profit (EBIT)	87.6	1.6	201.4	-14.6	276.0	202.5	-291.8	186.7

Q4 2017

NOK MILLION	PROPORTIONATE FINANCIALS							
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL	RESIDUAL OWNERSHIP INTERESTS 1)	ELIMINATIONS 2)	CONSOLIDATED FINANCIALS
External revenues	125.5	-	-	-	125.5	160.3	-	285.8
Internal revenues	6.0	14.6	296.5	4.1	321.1	27.2	-348.3	-
Net gain/(loss) from sale of project assets	-	-	2.6	-	2.6	-	-	2.6
Net income/(loss) from JV and associates	-	-	-4.9	-	-4.9	2.0	-4.1	-7.0
Total revenues and other income	131.5	14.6	294.2	4.1	444.4	189.5	-352.4	281.5
Cost of sales	-	-	-256.2	-	256.2	21.8	234.4	-
Gross profit	131.5	14.6	38.0	4.1	188.2	211.3	-118.0	281.5
Personnel expenses	-3.9	-4.3	-13.4	-8.8	-30.3	-	1.6	-28.7
Other operating expenses	-20.9	-6.8	-14.9	-9.9	-53.2	-15.3	23.2	-45.4
EBITDA	106.7	3.6	9.7	-14.6	105.5	196.0	-93.1	207.4
Depreciation and impairment	-38.5	0.1	-0.8	-0.4	-39.5	-36.5	16.2	-59.8
Operating profit (EBIT)	68.2	3.7	8.9	-14.9	65.9	159.5	-77.0	147.6

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

FULL YEAR 2018

NOK MILLION	PROPORTIONATE FINANCIALS POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL	RESIDUAL OWNERSHIP INTERESTS [1]	ELIMINATIONS [2]	CONSOLIDATED FINANCIALS
External revenues	583.7	0.2	-	-	584.0	566.7	-	1,150.6
Internal revenues	38.3	80.7	4,005.9	16.8	4,141.7	282.1	-4,423.9	-
Net gain/(loss) from sale of project assets	-	-	-	-	-	-	-	-
Net income/(loss) from JV and associates	-	-	-0.7	0.4	-0.3	-	62.8	62.6
Total revenues and other income	622.1	80.9	4,005.2	17.3	4,725.4	848.8	-4,361.0	1,213.2
Cost of sales	-	-	-3,404.2	-	-3,404.2	-4.3	3,408.5	-
Gross profit	622.1	80.9	601.0	17.3	1,321.2	844.5	-952.6	1,213.2
Personnel expenses	-17.5	-23.0	-54.6	-42.4	-137.5	-0.2	1.1	-136.7
Other operating expenses	-112.1	-24.4	-58.1	-27.8	-222.5	-52.2	100.6	-174.0
EBITDA	492.4	33.4	488.3	-52.9	961.2	792.1	-850.8	902.5
Depreciation and impairment	-164.0	-0.8	-20.9	-2.4	-188.1	-147.4	62.3	-273.3
Operating profit (EBIT)	328.4	32.6	467.4	-55.4	773.1	644.7	-788.6	629.2

FULL YEAR 2017

NOK MILLION	PROPORTIONATE FINANCIALS POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL	RESIDUAL OWNERSHIP INTERESTS [1]	ELIMINATIONS [2]	CONSOLIDATED FINANCIALS
External revenues	532.2	-	-	-	532.2	588.8	-	1,121.0
Internal revenues	11.9	68.6	681.9	13.1	775.5	27.2	-802.7	-
Net gain/(loss) from sale of project assets	-	-	377.8	-	377.8	-	-	377.8
Net income/(loss) from JV and associates	-	-	-5.4	-	-5.4	2.1	-4.1	-7.4
Total revenues and other income	544.1	68.7	1,054.3	13.1	1,680.1	618.2	-806.8	1,491.5
Cost of sales	-	-	-612.0	-	-612.0	21.8	590.2	-
Gross profit	544.1	68.7	442.3	13.1	1,068.2	640.0	-216.6	1,491.5
Personnel expenses	-15.2	-14.6	-42.7	-35.6	-108.0	-0.1	1.1	-107.0
Other operating expenses	-75.0	-26.7	-39.3	-27.5	-168.6	-67.6	93.0	-143.2
EBITDA	453.9	27.5	360.5	-50	791.5	572.3	-122.5	1,241.3
Depreciation and impairment	-155.8	-0.6	-2.6	-1.4	-160.4	-154.5	66.8	-248.1
Operating profit (EBIT)	298.1	26.8	357.7	-51.4	631.8	418.0	-55.9	993.2

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, Middle East, Africa and South America. During third quarter 2017 construction commenced on the Los Prados power plant (35 MW) in Honduras as well as the Quantum plants (197 MW) in Malaysia while construction of the four Apodi plants (162 MW) in Brazil commenced in the fourth quarter 2017. Construction of the Mocuba power plant (40 MW) in Mozambique began in the first quarter 2018 while construction of the Aswan plants (400 MW) in Egypt and the Upington plants (258 MW) in South Africa commenced in the second quarter 2018. During fourth quarter 2018 construction commenced on the RedSol power plant (40 MW) in Malaysia, the Rengy project (47 MW) in Ukraine and the Guanizuil project (117 MW) in Argentina.

The power plant companies in Brazil and Argentina are equity consolidated and hence not included in the below table.

The Los Prados power plant was grid connected and reached commercial operation 30 September 2018. On 28 November 2018, the Apodi power plant was grid connected and in commercial operation while the 65 MW Gurun power plant (part of the Quantum projects) reached commercial operation 21 December.

The company discontinued development of some projects during third quarter 2018 and recorded an impairment charge of NOK 17 million. Total impairments amounted to NOK 2 million in 2017.

NOK MILLION	SOLAR POWER PLANTS	SOLAR POWER PLANTS UNDER CONSTRUCTION	SOLAR POWER PLANTS UNDER DEVELOPMENT	EQUIPMENT AND INTANGIBLE ASSETS	TOTAL
Carrying value at 31 December 2017	4,236.2	703.9	640.3	37.9	**5,618.3**
Additions	80.0	3,309.7	151.5	24.0	**3,565.3**
Disposals	-3.4	-	-	-1.2	**-4.6**
Transfer between asset classes	1,352.3	-729.3	-623.0	-	-
Depreciation	-248.2	-	-	-8.1	**-256.3**
Impairment losses	-	-	-17.0	-	**-17.0**
Effect of foreign exchange currency translation adjustments	-42.5	152.5	-7.4	-	**102.6**
Carrying value at 31 December 2018	5,374.4	3,436.8	144.4	52.7	**9,008.4**
Estimated useful life (years)	20-25	N/A	N/A	3-10	

Note 4 Net financial expenses and liabilities

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 loans ranges from 2028 to 2037. NOK 363.7 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. Refer to note 6 in the 2017 Annual Report for more information.

During the fourth quarter 2018 the Group has drawn NOK 1,823.9 million on the non-recourse financing related to the construction projects in Egypt and NOK 601.3 million related to the construction project in South Africa.

During the second quarter 2018, forward exchange contracts (FEC) were set up in order to eliminate currency exchange risk in the Upington projects in South Africa. In fourth quarter the loss following the mark-to-market revaluation of open USD and EUR FECs amounts to NOK 21.9 million (0).
The FECs are carried at fair value and fluctuate with changes in the exchange rates throughout the contract period.

NOK MILLION	Q4 2018	Q4 2017	FY 2018	FY 2017
Interest income	12.6	10.2	50.2	50.9
Forward exchange contracts	-	-	146.9	-
Other financial income	0.1	0.2	0.2	0.4
Financial income	12.7	10.4	197.3	51.2
Interest expenses	-135.3	-115.0	-499.9	-482.1
Forward exchange contracts	-21.9	-	-	-
Other financial expenses	-6.7	-31.6	-18.4	-41.7
Financial expenses	-164.0	-146.7	-518.3	-523.8
Foreign exchange gains/(losses)	59.2	0.7	15.1	-59.8
Net financial expenses	-92.1	-135.6	-305.9	-532.3

Note 5 Significant fair value measurements

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 11 in the annual report for 2017 provides details for each class of financial assets and financial liabilities, and how these assets and liabilities are grouped.

There are no significant changes for the presentation of these categories in the period, and there are no significant differences between total carrying value and fair value at reporting date. The presented table below summarises each class of financial instruments recognised in the condensed consolidated statement of financial position, split by the Group's basis for fair value measurement.

NOK MILLION	NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)	TOTAL FAIR VALUE
Fair value based on prices quoted in an active market (Level 1)	-	-	-	-
Fair value based on price inputs other than quoted prices (Level 2)	-	148.8	-124.1	24.7
Fair value based on unobservable inputs (Level 3)	-	-	-	-
Total fair value at 31 December 2018	-	148.8	-124.1	24.7

NOK MILLION	NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)	TOTAL FAIR VALUE
Fair value based on prices quoted in an active market (Level 1)	-	-	-	-
Fair value based on price inputs other than quoted prices (Level 2)	-	0.3	-55.2	-54.9
Fair value based on unobservable inputs (Level 3)	0.1	-	-	0.1
Total fair value at 31 December 2017	0.1	0.3	-55.2	-54.8

Note 6 Cash, cash equivalents and corporate funding

NOK MILLION	31 DECEMBER 2018	31 DECEMBER 2017
Cash in power plant companies in operation	730.4	793.3
Cash in power plant companies under development/construction	1,466.5	1,323.9
Other restricted cash	66.6	57.8
Free cash	1,039.1	688.1
Total cash and cash equivalents	3,302.6	2,863.1

Cash in power plant companies in operation is restricted cash in proceed accounts, debt service reserve accounts, disbursements accounts, maintenance and insurance reserve accounts. These cash and cash equivalents are available to the Group through 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 not distributed to power plant companies.

MOVEMENT IN FREE CASH AT GROUP LEVEL (IN RECOURCE GROUP AS DEFINED IN BOND & LOAN FACILTIES)

NOK MILLION	Q4 2018	Q4 2017	FY 2018	FY 2017
Free cash at beginning of period	489.2	176.0	688.1	303.9
Proportionate share of cash flow to equity O&M	1.5	3.2	26.0	21.5
Proportionate share of cash flow to equity D&C	157.4	7.7	383.0	166.6
Proportionate share of cash flow to equity CORP	-23.5	-18.6	-84.8	-65.3
Project development capex in recourse group	-45.5	-39.9	-106.4	-229.3
Equity contributions to power plant companies	-349.7	-237.6	-1,655.1	-477.5
Distributions from power plant companies	28.0	10.0	215.7	150.5
Share capital increase, net after transaction cost and tax	-	-	589.6	373.0
Dividend distribution	-	-	-80.7	-73.3
Net proceeds from bond issuance	-	226.7	-	226.7
Working capital / Other	781.7	560.6	1,063.7	291.2
Free cash at end of the period	1,039.1	688.1	1,039.1	688.1

Proportionate share of cash flow to equity is defined as EBITDA less normalised loan and interest repayments, less normalised income tax payments, calculated on the basis of Scatec Solar's economic interest in the subsidiaries.

Equity contributions to power plant companies consist of equity injections and shareholder loans.

Net cash effect from Working Capital/Other is mainly related to ongoing construction projects

Guarantee facility

In third quarter 2017 Scatec Solar entered into a guarantee facility and an intercreditor agreement. The guarantee facility has Nordea Bank as agent, Nordea Bank and ABN Amro as issuing banks and Nordea Bank, ABN Amro and Swedbank 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 2018 Scatec Solar entered into a USD 60 million revolving credit facility with Nordea Bank as agent and Nordea Bank and ABN Amro as equal Lenders. The facility can be drawn in USD, NOK, EUR or an optional currency agreed with the banks. Revolving credit facility interest is the interbank offer rate for the drawn period plus a margin of 3.25%. Scatec Solar has not drawn on the revolving credit facility per 31 December 2018.

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 31 December 2018.

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 31 December 2018, 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 3,095 million per quarter end.

During fourth quarter 2018, interest amounting to NOK 17.1 million (10.8) 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 7 Income tax expense

For the fourth quarter ended 31 December 2018 the Group had an income tax expense of 19 million, equivalent to an effective tax rate of 20%. The effective income tax rate for the Group is influenced by profits in higher-tax countries and losses in lower-tax countries. The tax effect of these results offset each other and cause variations in the effective tax rate of the group from quarter to quarter. 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.

EFFECTIVE TAX RATE

NOK MILLION	Q4 2018	Q4 2017	FY 2018	FY 2017
Profit before income tax	94.7	12.0	323.3	460.9
Income tax (expense)/benefit	-18.8	-13.4	-97.4	-23.0
Equivalent to a tax rate of (%)	19.9	111.6	30.1	5.0

MOVEMENT IN DEFERRED TAX

NOK MILLION	Q4 2018	Q4 2017	FY 2018	FY 2017
Net deferred tax asset at beginning of period	169.5	229.3	217.0	200.0
Recognised in the consolidated statement of profit or loss	-14.6	-14.0	-51.6	1.3
Deferred tax on financial instruments recognised in OCI	29.0	-0.7	19.6	16.9
Recognised in the consolidated statement of changes in equity	0.3	0.1	4.0	4.7
Offset against tax carry-back payment received	-	-8.5	-	-8.5
Translation differences	-2.7	10.7	-7.6	2.6
Net deferred tax asset at end of period	181.4	217.0	181.4	217.0

Note 8 Dividend

For 2017, the Board of Directors proposed a dividend of NOK 0.78 per share, totalling NOK 80.7 million. The General Meeting resolved the Board's proposal of a dividend of NOK 0.78 per share. The share traded excluding dividend rights (ex-date) on the first business day following the Annual General Meeting held 23 April 2018. The dividend was paid on 14 May 2018.

In line with the dividend policy, the Board of Directors have resolved to propose to the ordinary General Meeting of Scatec Solar that a dividend of NOK 0.95 per share, totalling NOK 108 million, should be paid for 2018. Distribution of dividends is resolved by a majority vote of the Annual General Meeting of the shareholders of the Company, and on the basis of a proposal from the Board of Directors. The Annual General Meeting has the power to reduce, but cannot increase the dividend proposed by the Board of Directors. The share will be trading excluding dividend rights (ex-date) on the first business day following the Annual General Meeting to be held 30 April 2019.

Note 9 Current and non-current assets/liabilities – related parties

NOK MILLION	31 DECEMBER 2018	31 DECEMBER 2017
Other non-current assets		
Loans to non-controlling interests	61.2	79.3
Loans to key management personnel	4.5	5.8
Other non-current receivables	46.2	34.9
Total other non-current assets	111.9	120.0
Other current assets		
Receivables from public authorities/prepaid taxes, VAT etc	310.0	137.5
Receivables related to assets under development/construction	220.6	321.6
Other receivables and prepaid expenses	180.9	99.4
Total other current assets	711.5	558.5

NOK MILLION	31 DECEMBER 2018	31 DECEMBER 2017
Other non-current liabilities		
Shareholder loan from non-controlling interests	563.8	128.2
Other liabilities to non-controlling interests and partners	70.7	65.6
Other non-current liabilities	103.2	105.6
Total other non-current liabilities	737.8	299.4
Other current liabilities		
Accrued payroll to key management personnel	8.3	5.9
Accrued expenses related to assets under development/construction	763.6	66.4
Current liabilities to non-controlling interest	83.0	108.6
Public dues other than income taxes	99.3	79.1
Accrued payroll	33.1	27.4
Other accrued expenses	243.1	69.2
Total other current liabilities	1,230.4	356.5

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 on the investments. The loan balance as per 31 December 2018 was NOK 304 million.

In addition, Scatec Solar has transactions and balances with key management as specified in the tables above.

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 note 25 to the 2017 annual financial statements.

Note 10 Trade and other payables

The consolidated trade and other payables of NOK 161.7 million mainly consist of construction related supplier credits. Consequently, the balance is affected by the activity level in the Development & Construction segment. The decreased payables at 31 December 2018 compared to 31 December 2017 of NOK 54.6 million, mainly reflects down payments of outstanding supplier credits related to the construction of the Quantum projects in Malaysia, partly offset by purchases of construction material to the projects in South Africa, Egypt and Mozambique.

Note 11 Earnings per share and capital increase

During second quarter 2018 Scatec Solar successfully raised NOK 600 million through a private placement consisting of 10 million new shares at a price of NOK 60 per share. Total transaction cost for the capital increase is recognized in equity and amounted to NOK 10.4 million after tax.

Earnings per share is calculated as profit/(loss) attributable to the equity holders of the parent company divided by the average number of shares outstanding.

Diluted earnings per share is affected by the option program for equity-settled share-based payment transactions established in October 2016, see note 26 Employee benefits in the Annual report 2017.

NOK MILLION	Q4 2018	Q4 2017	FY 2018	FY 2017
Basic earnings per share				
Profit/(loss) attributable to the equity holders of the parent company and for the purpose of diluted shares	45.4	-34.8	139.8	339.1
Weighted average number of shares (million) outstanding for the purpose of basic earnings per share	113.4	103.2	108.8	101.1
Earnings per share for income attributable to the equity holders of the parent company - basic (NOK)	0.40	-0.34	1.29	3.36
Diluted earnings per share				
Weighted average number of shares(million) outstanding for the purpose of diluted earnings per share	113.7	103.4	109.1	101.3
Earnings per share for income attributable to the equity holders of the parent company - diluted (NOK)	0.40	-0.34	1.28	3.35

Note 12 Expected impact from Implementation of IFRS 16

In January 2016 the IASB issued IFRS 16 Leases. The standard is effective and implemented in the group accounts from 1 January 2019. Note 32 in the Group's annual report for 2017 provides a description of the general change in accounting that will be implementation following the of this standard.

The Group has made an analysis of the expected impact on the 2019 financials based on the contracts in place at year-end 2018. The new standard is expected to mainly impact the Group's recognition of long-term land lease agreements for the solar power plants and office leases. The accounting effect for land leases varies across the solar plants due to differences in contract terms impacting whether there is a lease or not. Parts of the Group's land lease contracts contain variable-pricing clauses linked to power production or revenues and are excluded from the lease liability. Such lease payments are instead recognized as operating expenses in the profit and loss when they occur.

The Group's analysis indicates that the total effects on the financial statements for 2019 will have been limited. Total lease payments for the Group's consolidated entities in operation at year end 2018 are expected to reach NOK 29 million in 2019, of which NOK 11 million will be recognized as operating expenses while NOK 13 million and NOK 6 million will be recognized as amortization expenses and interest expense respectively. The opening balance of the Group's consolidated statement of financial position is expected to increase by NOK 119 million corresponding to the lease liability.

On proportionate basis the total lease payments, from entities in operation at year end 2018 are expected to reach NOK 25 million in 2019, of which NOK 6 million will be recognized as operating expenses while NOK 13 million and NOK 7 million will be recognized as amortization expenses and interest expense respectively.

Note 13 Subsequent events

No events have occurred after the balance sheet date with significant impact on the interim financial statements for the fourth quarter 2018.

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 the IFRS. Disclosures of APMs are subject to established internal control procedures.

Definition of alternative performance measures used by the Group for enhanced financial information

Book equity: is the total book equity of the recourse group less investments in subsidiaries within the recourse group at the end of any relevant period and in accordance with IFRS. In case a subsidiary is not wholly owned, the book equity of that subsidiary is adjusted to reflect the issuer's pro rate ownership of the book equity in that subsidiary.

Book equity ratio: is defined as total equity divided by total assets.

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. The measure is defined as EBITDA less normalised loan and interest repayments, less 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.

EBIT: is defined as earnings before interest and tax and corresponds to operating profit in the consolidated statement of profit or loss.

EBIT margin: is defined as EBIT divided by total revenues and other income.

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.

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.

Gross margin: 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) divided by total sales revenue, expressed as a percentage. The gross margin represents the percentage of total sales revenue that the Group retains after incurring the direct costs associated with producing the goods and services.

Net gain project sale: is defined as sales revenue less costs from sale of project assets.

Net interest-bearing debt (NIBD): is defined as total interest-bearing debt, less cash and cash equivalents. NIBD does not include shareholder loans.

Net interest expense: is defined as interest income less interest expenses, excluding shareholder loan interest expenses and accretion expenses on asset retirement obligations.

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.

Normalised income tax payment: calculated as operating profit (EBIT) less normalized net interest expense multiplied with the nominal tax rate of the jurisdiction where the profit is taxed.

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.

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

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.

SSO Proportionate Financials

Calculates proportionate revenues and profits for Scatec Solar based on its 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 consolidated revenues and profits are mainly generated in the Power Production segment. Activities in Operation & Maintenance 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.

Break-down of proportionate cash flow to equity

Q4 2018

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	139.1	1.8	202.3	-13.8	329.4
Net interest expenses	-43.5	0.1	1.9	-16.9	-58.5
Normalised loan repayments	-36.3	-	-	-	-36.3
Normalised income tax payment	-11.4	-0.4	-46.7	7.2	-51.3
Cash flow to equity	47.9	1.5	157.4	-23.5	183.4

Q3 2018

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	126.6	10.9	130.5	-11.4	256.5
Net interest expenses	-35.8	-	0.4	-14.2	-49.6
Normalised loan repayments	-32.7	-	-	-	-32.7
Normalised income tax payment	-11.4	-2.4	-26.0	6.1	-33.7
Cash flow to equity	46.6	8.5	104.9	-19.6	140.4

Q4 2017

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	106.7	3.6	9.7	-14.6	105.5
Net interest expenses	-40.8	0.6	1.8	-10.0	-48.4
Normalised loan repayments	-28.0	-	-	-	-28.0
Normalised income tax payment	-8.0	-0.9	-3.8	6.0	-6.7
Cash flow to equity	30.0	3.2	7.7	-18.6	22.3

FY 2018

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	492.4	33.4	488.3	-52.9	961.2
Net interest expenses	-162.0	0.1	2.9	-57.9	-216.9
Normalised loan repayments	-135.6	-	-	-	-135.6
Normalised income tax payment	-37.7	-7.5	-108.2	26.1	-127.3
Cash flow to equity	157.1	26.0	383.0	-84.8	481.3

FY 2017

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	454.1	27.5	360.5	-49.8	792.3
Adjustments [1)]	-	-	-200.8	-	-200.8
EBITDA	454.1	27.5	159.7	-49.8	591.5
Net interest expenses	-170.6	0.6	3.4	-36.5	-203.1
Normalised loan repayments	-113.3	-	-	-	-113.3
Normalised income tax payment	-27.9	-6.6	3.7	21	-9.8
Cash flow to equity	142.3	21.5	166.8	-65.3	265.3

1) Adjustments include changes in net working capital, investing activities and fair value adjustment of first-time recognition of joint venture investments.

Responsibility statement

We confirm to the best of our knowledge, that the condensed interim financial statement for the period 1 January 2018 to 31 December 2018 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, 24 January 2019

The Board of Directors of Scatec Solar ASA

John Andersen jr. (Chairman)	John Giverholt	Mari Thjømøe
Jan Skogseth	Gisele Marchand	Raymond Carlsen (CEO)

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.

Cash in power plant companies in operation
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.

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.

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.

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.

Project equity
Project equity comprise of equity and shareholder loans in project companies.

Scatec Solar's Value Chain

Project development

- Site development
- System design
- Business case
- Permitting
- Grid connection
- PPA negotiation /tender / FiT

Financing

- Detailed design & engineering
- Component tendering
- Debt / Equity structuring
- Due Diligence

Construction

- Engineering and Procurement
- Construction management
- Quality assurance

Operations

- Maximize performance and availability
- Maintenance and repair

Ownership (IPP)

- Asset management
- Financial and operational optimization

Design and layout: Artbox.no

Scatec Solar

www.scatecsolar.com