



Second quarter

2019

About Scatec Solar

Scatec Solar is a leading integrated independent solar power producer, delivering affordable, rapidly deployable and sustainable clean energy worldwide. A long-term player, Scatec Solar develops, builds, owns and operates solar power plants and has an installation track record of more than 1 GW. The company has a total of 1.9 GW in operation and under construction on four continents.

With an established global presence and a significant project pipeline, the company is targeting a capacity of 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		
Egypt	195	51 %
South Africa	190	45 %
Brazil	162	44 %
Malaysia	197	100 %
Honduras	95	51 %
Jordan	43	59 %
Czech Republic	20	100 %
Rwanda	9	54 %
Total	911	61 %
Under construction		
Ukraine	282	87 %
South Africa	258	46 %
Egypt	195	51 %
Argentina	117	50 %
Mozambique	40	52 %
Total	993	65 %
Projects in backlog		
Vietnam	108	65 %
Ukraine	65	65 %
Bangladesh	62	65 %
Mali	33	51 %
Honduras	18	70 %
Total	286	64 %
Grand total	2,190	63 %
Projects in pipeline	4,850	

■ Solar power plants in operation: 911 MW
 ■ Plants under construction: 993 MW
 ■ Projects in backlog: 286 MW

Segment overview

Power Production

The plants produce electricity for sale under long term power purchase agreements (PPAs), with state owned utilities or corporate off-takers, or under government-based feed-in tariff schemes. The average remaining PPA duration for power plants in operation is 19 years. The segment also comprise asset management services provided to solar power plants where Scatec Solar has economic interests.

Operation & Maintenance

The Operation & Maintenance segment comprises services provided to solar power plants where Scatec Solar has economic interests. 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 where Scatec Solar has economic interests.

Corporate

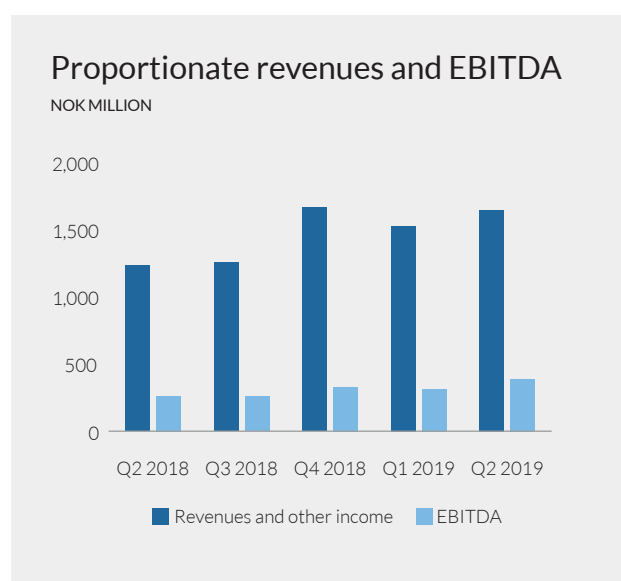
Corporate consists of activities of corporate services, management and group finance.

1) Per reporting date.

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

Q2'19 - Record results - project backlog and pipeline exceeding 5 GW

- Power production reached 198 GWh delivering EBITDA of NOK 221 million, up 83% year on year
- D&C revenues of NOK 1,339 million and EBITDA of NOK 165 million, up 18% year on year
- 326 MW reached commercial operation in Egypt and Malaysia and construction started for 247 MW in Ukraine
- Strong market traction - 170 MW added to backlog and 677 MW added to project pipeline – now totalling more than 5 GW



Key figures

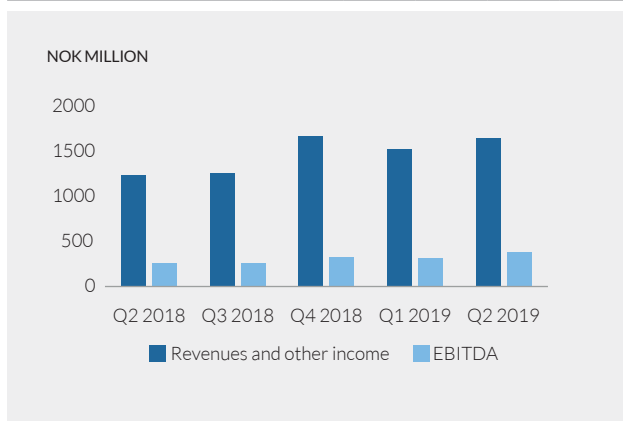
NOK MILLION	Q2 2019	Q1 2019	Q2 2018	YTD 2019	YTD 2018
PROPORTIONATE FINANCIALS ¹⁾					
Revenues and other income	1,648	1,528	1,229	3,177	1,801
Power Production	272	208	150	480	287
Operation & Maintenance	29	17	30	46	44
Development & Construction	1,339	1,297	1,045	2,636	1,462
Corporate	9	6	4	15	8
EBITDA	388	315	266	703	375
Power Production	221	168	121	388	227
Operation & Maintenance	14	3	19	16	21
Development & Construction	165	159	140	324	156
Corporate	-11	-14	-14	-25	-28
Operating profit (EBIT)	298	233	226	531	297
Profit/(loss)	142	123	85	265	85
Net interest- bearing debt	6,005	5,042	2,512	6,005	2,512
Power production (GWh)	198	133	68	331	136
SSO proportionate share of cash flow to equity ¹⁾ :	205	171	136	376	157
CONSOLIDATED FINANCIALS ²⁾					
Revenues and other income	376	327	286	702	575
EBITDA	290	242	212	531	425
Operating profit (EBIT)	188	145	150	333	300
Profit/(loss)	21	12	102	33	114
Net interest- bearing debt	9,367	7,635	4,584	9,367	4,584
Earnings per Share	-0.22	-0.29	0.93	-0.51	0.77
Power Production (GWh)	346	254	144	600	301

1) See Alternative Performance Measures appendix for definition.

2) See Note 2 Operating Segments in Condensed interim financial information for reconciliation between proportionate and consolidated financials.

Group – Proportionate financials

NOK MILLION	Q2'19	Q1'19	Q2'18	YTD 2019	YTD 2018
Revenues and other income	1,648	1,528	1,229	3,177	1,801
Gross profit	500	417	351	917	547
Operating expenses	-111	-102	-85	-213	-172
EBITDA	388	315	266	703	375
EBITDA margin	24%	21%	22%	22%	21%
D&A and impairment	-90	-82	-40	-172	-78
EBIT	298	233	226	531	297
Cash flow to equity ¹⁾	205	171	136	376	157



1) See Alternative Performance Measures appendix for definition.

Second quarter proportionate revenues increased from previous quarter and last year by 8% and 34% respectively, while the revenues for the first half year increased by 76% compared to first half year 2018. The quarter on quarter increase is explained by new solar power plants put into commercial operation.

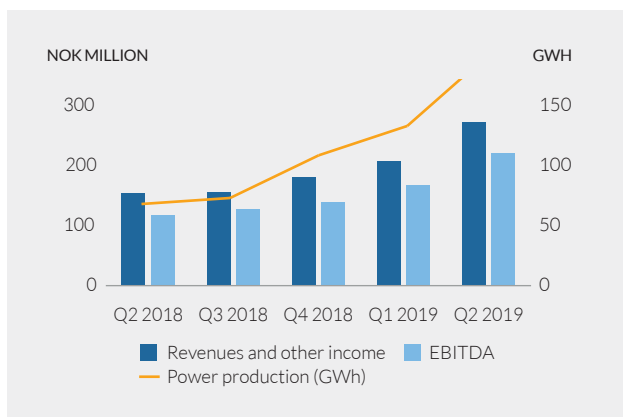
The growth in revenues and profitability during the first half 2019 also reflects higher Development & Construction activities.

Operating expenses, depreciation and impairment charges increased mainly due to new solar power plants put into operation.

During second quarter, financing was secured, and construction started for three projects totalling 257 MW in Ukraine.

Power Production

NOK MILLION	Q2'19	Q1'19	Q2'18	YTD 2019	YTD 2018
Revenues and other income	272	208	150	480	287
Operating expenses	-51	-40	-29	-91	-60
EBITDA	221	168	121	388	227
EBITDA margin	81%	81%	81%	81%	79%
D&A and impairment	-83	-67	-39	-150	-75
EBIT	138	101	82	239	152
Cash flow to equity ¹⁾	82	61	36	143	62



1) See Alternative Performance Measures appendix for definition.

The Power Production segment operated installed capacity of 911 MW at the end of second quarter, an increase of 326 MW from the end of last quarter.

Production reached 198 GWh in second quarter compared to 68 GWh in second quarter last year and 133 GWh in the previous quarter. The increase from first quarter is mainly explained by power plants in Egypt and Malaysia commencing production.

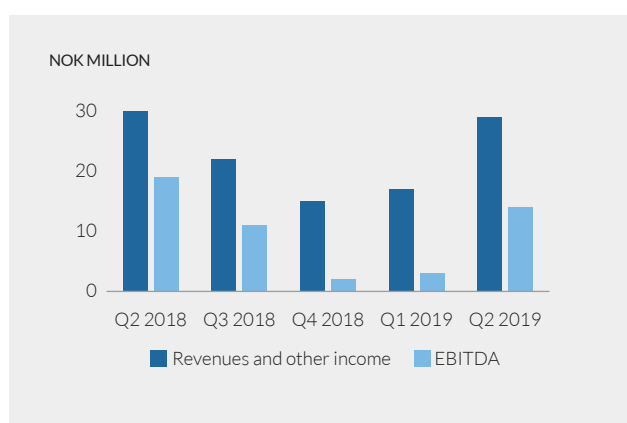
Operating expenses and depreciations increased due to the added capacity. Profitability remained stable compared with previous quarters.

Installed capacity at the end of second quarter 2018 was 322 MW and the improved financial performance in first half 2019 compared to 2018 is mainly reflecting grid connection of new power plants in the period.

See additional information on page 16 for a specification of financial performance for each individual power plant company.

Operation & Maintenance (O&M)

NOK MILLION	Q2'19	Q1'19	Q2'18	YTD 2019	YTD 2018
Revenues and other income	29	17	30	46	44
Operating expenses	-15	-15	-11	-30	-23
EBITDA	14	3	19	16	21
EBITDA margin	48%	15%	63%	36%	47%
D&A and impairment	-1	-1	-	-1	-1
EBIT	13	2	19	15	20
Cash flow to equity ¹⁾	11	2	15	13	16



1) See Alternative Performance Measures appendix for definition.

O&M revenues in the second quarter are positively affected by revenues from new plants in Malaysia, Egypt and Mozambique compared to the same period last year. Revenues in the second quarter 2018 included a catch-up of NOK 8 million related to previously unrecorded revenues in Jordan. Revenues are also normally seasonal high in second quarter due to the structure of the performance bonus in South Africa.

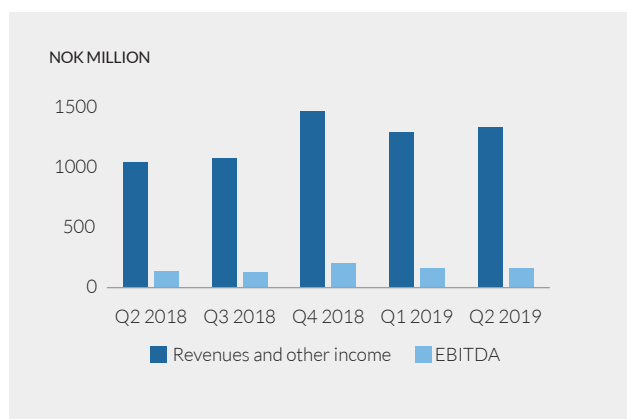
Operating expenses mainly constitute fixed expenses and recurring maintenance activities according to a fixed maintenance schedule.

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

Revenues and profitability in first half 2019 are explained by the developments referred to above.

Development & Construction (D&C)

NOK MILLION	Q2'19	Q1'19	Q2'18	YTD 2019	YTD 2018
Revenues and other income	1,339	1,297	1,045	2,636	1,462
Gross profit	190	186	167	376	208
Gross margin ¹⁾	14%	14%	16%	14%	14%
Operating expenses	-25	-26	-27	-52	-53
EBITDA	165	159	140	324	156
D&A and impairment	-5	-13	-1	-18	-2
EBIT	160	146	139	306	154
Cash flow to equity ¹⁾	130	128	108	258	120



1) See Alternative Performance Measures appendix for definition.

2) Figures in brackets refer to same quarter previous years.

D&C revenues in second quarter were generated by the projects in Malaysia, Mozambique, Egypt, South Africa, Ukraine and Argentina. Accumulated progress across ongoing construction projects at the end of the second quarter was 46%.

The Company continued to mature a wide range of projects and construction started for 257 MW in Ukraine (Boguslav, Chigrin and Progressovka). Further, additional 170 MW were added to the project backlog and 677 MW to project pipeline during the quarter.

Construction was completed for 195 MW of the 390 MW in Egypt and 131 MW in Malaysia, completing the Quantum project.

The 14% gross margin for the quarter reflects the current mix of projects under construction and development. Quarterly fluctuations in gross margin must therefore be expected.

Operating expenses comprised of approximately NOK 17 million (18)²⁾ for early stage development of new projects and NOK 8 million (9) related to the construction business.

For the first half 2019, financial performance improved significantly compared to 2018 due to the activities described above.

Corporate

NOK MILLION	Q2'19	Q1'19	Q2'18	YTD 2019	YTD 2018
Revenues and other income	9	6	4	15	8
Operating expenses	-20	-20	-18	-40	-36
EBITDA	-11	-14	-14	-25	-28
D&A and impairment	-2	-1	-	-3	-1
EBIT	-13	-16	-14	-28	-29
Cash flow to equity ¹⁾	-18	-20	-23	-38	-42

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, the increase reflects the growth of the Company.

Operating expenses are fairly stable, and the increase compared to 2018 reflects strengthening of 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 third quarter and full year 2019 is based on production from the 911 MW in operation at the end of second quarter 2019.

GWH	Q2'19	Q3'19E	2019E
Proportionate	198	260-285	800-850
100% basis	346	460-490	1,450-1,650

Operation & Maintenance

2019 Operation & Maintenance revenues are expected to reach NOK 110-120 million with an EBITDA margin of around 30%. This includes revenues and margins from projects expected to start operation during 2019.

The lower EBITDA margin compared to 2018 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 933 MW currently under construction represent awarded Development & Construction contracts with a value of about NOK 5.3 billion. The remaining, not booked, contract value at the end of second quarter 2019 was about NOK 2.9 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 expected to continue to grow strongly in the years to come. Bloomberg New Energy Finance expects global power demand to grow by 62% from 2019 to 2050, representing investments of about USD 13.3 trillion in new power generation. Of this, some 77%, or USD 330 billion per year is forecasted to be invested in renewables. The highest growth is forecasted to come from new Investments in Asia-Pacific.

Scatec Solar is continuously developing a large project pipeline across a number of markets. 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:

	1.9 GW IN OPERATION & UNDER CONSTRUCTION	1.6 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	63%	50%-70%	50%-70%
Capex (NOK million), 100% basis	23,500	10,500 - 12,500	34,000 - 36,000
SSO's equity investments (NOK million)	3,900 ¹⁾	1,300 - 1,900	5,200 - 5,800
D&C CF to equity (NOK million), proportionate share	1,050 - 1,150	950 - 1,350	2,000 - 2,500
Annual cash flow to equity Power Production and O&M (NOK million), proportionate share	550 - 600	200 - 250	750 - 850

1) About NOK 400 million remains to be invested. Based on equity financing of the Los Prados project. Figures in the table above are estimates.

With continued strong market growth, Scatec Solar will utilise its solid track record and market position to further grow a diversified business beyond 2021. The company has a well-proven business model with a current organisational execution capacity of 800-1,200 MW per year, which can be further expanded based on market conditions.

Consolidated statement of profit and loss

Profit and loss

NOK MILLION	Q2'19	Q1'19	Q2'18	YTD 2019	YTD 2018
Revenues	376	327	286	702	575
EBITDA	290	242	212	531	425
Operating profit (EBIT)	188	145	150	333	300
Profit before income tax	27	25	152	52	169
Profit/(loss) for the period	21	12	102	33	114
Profit/(loss) to Scatec Solar	-25	-33	98	-58	80
Profit/(loss) to non-controlling interests	45	45	4	91	34

Revenues

Revenues from power sales were up 40% compared to the same quarter last year. The increase in revenues is mainly explained by the grid connection of new plants in Honduras, Malaysia and Egypt. For the remaining power plants, the change in production volume from last year is driven by regular operational and seasonal variations.

Revenues also include earnings of NOK -7 million (13), from joint ventures mainly related to the equity consolidated investments in Brazil and Argentina.

Operating profit

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

Consolidated operating expenses amounted to NOK 86 million (74) in the second quarter. This comprised approximately NOK 45 million (32) for operation of existing power plants, NOK 17 million (18) for early stage development of new projects, NOK 8 million (8) related to construction and NOK 13 million (15) of corporate expenses (excluding eliminated intersegment charges).

Net financial items

NOK MILLION	Q2'19	Q1'19	Q2'18	YTD 2019	YTD 2018
Financial income	19	16	130	35	146
Financial expenses	-177	-141	-130	-317	-255
Foreign exchange gains/(loss)	-4	5	1	1	-22
Net financial items	-162	-120	2	-281	-131

During the second quarter 2018, forward exchange contracts (FEC) were set up in order to eliminate currency exchange risk in the Uppington projects in South Africa. The second quarter loss following the mark-to-market revaluation of open USD and EUR FECs amounts to NOK 22 million (gain of NOK 124 million). For the full year 2018, 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 of NOK 127 million (107), and corporate funding of NOK 16 million (17). See note 4 and 5 for further information on financing.

Profit before tax and net profit

The effective tax rate was 23% in the second 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. Further, the average effective tax rate fluctuates from quarter to quarter based on construction progress as well as level of profit in JVs and associates which are reported net after tax. 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.

Impact of foreign currency changes in the quarter

During the second quarter the NOK depreciated against the ZAR, CZK, MYR and BRL, but appreciated against USD compared to the average rates for the first quarter. On a net basis this negatively affected consolidated revenues by approximately NOK 2 million quarter on quarter while the net impact on net profit in the quarter was positive with approximately NOK 0.5 million.

The quarter-on-quarter net foreign currency losses were up NOK 9 million, from a gain of NOK 5 million in the first quarter to a loss of NOK 4 million in the second quarter. These currency effects are to a large extent non-cash effects on intercompany balances.

Following the movements in currencies in the second quarter, the Group has recognised a foreign currency translation

loss of NOK 11 million (-26) 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.

For the first half 2019 power production revenues increased to NOK 713 million (556) while net profit from the equity consolidated investments in Brazil and Argentina decreased from NOK 19 million to NOK -11 million. Operating expenses increased to NOK 171 million (151) while net profit decreased to NOK 33 million (114) mainly driven by the grid connection of new plants and mark-to-market revaluation of forward exchange contracts as explained above.

Consolidated statement of financial position

Assets

NOK MILLION	Q2'19	Q1'19
Property, plant and equipment	11,293	10,257
Other non-current assets	1,517	1,429
Total non-current assets	12,811	11,686
Other current assets	2,306	1,384
Cash and cash equivalents	2,375	2,806
Total current assets	4,681	4,190
Total assets	17,492	15,876

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

The 10% net increase of non-current assets is mainly driven by the construction activities in Mozambique, Malaysia, Egypt, South Africa, Ukraine and Argentina. This is partly offset by depreciation of the operating power plants.

Current assets are up 12% compared to first quarter mainly driven by working capital changes related to construction projects, partly offset by decreased cash balance. See note 6 for a detailed breakdown of cash balances as well as an overview of movement of cash at the Recourse Group level.

Equity and liabilities

NOK MILLION	Q2'19	Q1'19
Equity	2,123	2,364
Non-current non-recourse project financing	10,609	9,242
Other non-current liabilities	2,350	2,170
Total non-current liabilities	12,959	11,412
Current non-recourse project financing	389	455
Other current liabilities	2,021	1,644
Total Current liabilities	2,410	2,100
Total liabilities	15,369	13,512
Total equity and liabilities	17,492	15,876
Book equity ratio	12.1%	14.9%

Total equity decreased by NOK 241 million during second quarter. The main drivers being dividend distributions as well as mark-to-market revaluation of interest rates swaps. The decreased book equity ratio is mainly explained by the effect of the above as well as increased total balance sheet value. The latter is associated with the progress of the construction activities and related supplier credits. Also related to the increased construction activities, current and non-current non-recourse project finance debt increased by NOK 1,300 million during second quarter.

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 82% at the end of the second 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 -278 million (304) in the second quarter 2019, compared to the EBITDA of NOK 290 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 -1,189 million (-789), driven by further investment in new power plants as well as development of project pipeline and backlog.

Net cash flow from financing activities was NOK 1,037 million (412), impacted by net proceeds and repayment of non-recourse debt of NOK 1,419 million (84) as well as dividends paid of NOK -114 million (122).

For the first half year, net cash flow from consolidated operating activities was NOK -119 million (1,004), while the net negative cash flow from consolidated investing activities was NOK -2,366 million (-1,808). Net cash flow from consolidated financing activities amounted to NOK 1,568 million (382).

Refer to note 6 for a detailed cash overview.

Proportionate cash flow to equity

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

NOK MILLION	Q2'19	Q1'19	Q2'18	YTD 2019	YTD 2018
Power Production	82	61	36	143	62
Operation & Maintenance	11	2	15	13	16
Development & Construction	130	128	108	258	121
Corporate	-18	-20	-23	-38	-42
Total	205	171	136	376	157

The increased cash flow to equity in the Power Production segment compared to previous quarter and last year is primarily explained by new power plants reached commercial operation during the quarter, partly offset by higher debt repayments in line with the agreed repayment schedule on the non-recourse financing loans. The cash flow to equity in the O&M segment is influenced by commencement of new contracts as well as seasonal variations. The cash flow to equity in the D&C segment is driven by the portfolio of construction projects currently being executed.

Risk and forward-looking statements

Scatec Solar has extensive policies and procedures in place as part of its operating system to actively manage risks related to the various parts of the Company's operations. Key policies are reviewed and approved by the Board of Directors annually. The regular follow up of these policies is carried out by Scatec Solar's Management Team, Finance, Legal and other relevant functions. For further information refer to the 2018 Annual Report (the Board of Directors' report and note 4).

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.

Project overview

PROJECT STAGE	Q2'19 CAPACITY (MW) ¹⁾	Q1'19 CAPACITY (MW) ²⁾
In operation	911	649
Under construction	993	1,006
Project backlog	286	377
Project pipeline	4,850	4,173

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 ³⁾	CAPEX (100%, MILLION)	ANNUAL PRODUCTION (100%, GWH)	DEBT LEVERAGE	SSO ECONOMIC INTEREST
In Operation	911	NOK	13,830	1,712		61%
Under Construction						
Ukraine portfolio	336	EUR	300	313	70%	89%
Upington, South Africa	258	ZAR	4,760	650	77%	46%
Benban, Egypt	195	USD	225	435	75%	51%
Guanizuil, Argentina	117	USD	103	310	60%	50%
Redsol, Malaysia	47	MYR	200	67	75%	100%
Mocuba, Mozambique	40	USD	80	75	72%	52%
Total under construction	993	NOK	9,809	1,949		65%
Backlog						
Vietnam	108	USD	116	202	70%	65%
Ukraine	65	EUR	74	65	70%	65%
Bangladesh	62	USD	68	86	70%	65%
Segou, Mali	33	EUR	50	60	75%	51%
Los Prados II, Honduras	18	USD	20	35	70%	70%
Total backlog	286	NOK ³⁾	2,945	475		64%
Total	2,190	NOK ³⁾	26,583	4,136		63%

Total annual revenues from the 2,190 MW in operation, under construction and in backlog is expected to reach NOK 4,000 million (on 100% basis) based on 20-25-year Power Purchase Agreements (PPAs).

Scatec Solar will build, own and operate all power plants in the project backlog and pipeline.

1) See Alternative Performance Measures appendix for definition.

2) Status per reporting date. Average economic interest over the lifetime of QSP projects Malaysia: 88%

3) Currency specifics of PPA tariff, capex and project finance debt.

4) All exchange rates to NOK are as of 30 June 2019.

Under construction

Ukraine portfolio, 336 MW

Scatec Solar currently has a portfolio of five projects under construction in Ukraine with expected commercial operations in fourth quarter 2019 and first half of 2020.

All projects will be realised under Ukraine's 10-year feed-in-tariff scheme. 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.

PROJECT	CAPACITY (MW)	CAPEX (EUR MILL)	ANNUAL PROD. (GWH)	PROJECT FINANCING PARTNERS
Rengy	47	52	60	EBRD, Black Sea Trade and Development Bank
Kamianka	32	35	39	EBRD, FMO
Progressovka	148	124	187	POWER CHINA GUIZHOU ENGINEERING (construction financing)
Chigirin	55	53	65	EBRD, NEFCO, Swedfund
Boguslav	54	54	61	FMO, Green for Growth Fund (GGF), GIEK
Total	336	318	313	

In June 2019, Scatec Solar signed an agreement with FMO, the Dutch development bank, for FMO to take a 40% equity stake in Scatec Solar's 32 MW Kamianka project in Ukraine. Scatec Solar continues to be the lead equity investor in the project with 60% ownership.

Benban, Egypt, 195 MW

In April 2017, Scatec Solar and partners signed six 25-year PPAs for projects in "Round 2" of the feed-in tariff program in Egypt totalling 400 MW. All located in the Benban 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 second quarter 2018. The first plant was grid connected early April 2019 and the second and third plant were grid connected in June 2019. Scatec Solar expects to have completed all six power plants 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 H1 Holdings, 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.

Grid connection of the plants are expected in early 2020.

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 is project lead in a jointly owned construction company while Equinor is providing a construction bridge loan covering 60% of the capex required for the project. The power plant company is sourcing all major components to the project directly so the scope of work for the construction company is smaller than normal. 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.

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).

Commercial operation is expected in third quarter 2019.

Projects in South Sudan, 3 MW

In first quarter 2019, Scatec Solar signed final agreements and started construction of three solar hybrid installations in South Sudan.

One is an energy supply contract with the International Organisation for Migration (IOM) to provide power for their humanitarian hub in Malakal. Based on a combined solar and battery system, the installation will provide around 90% of the power demand to the hub, significantly reducing costs, diesel consumption and CO₂ emissions.

The other are two installations in the capital Juba and in Wau for an international agency. In these projects Scatec Solar will complete the engineering, procurement and installation of the systems.

The systems will provide significant costs savings and Scatec Solar sees good potential for continued collaboration with these international agencies.

Backlog

During the second quarter, the projects: Progressovka, Chigirin and Boguslav in Ukraine reached financial close and started construction. These projects represented 261 MW of the pipeline. At the same time, projects representing 160 MW has matured and entered the backlog during the quarter, bringing the total backlog to 286 MW.

Ukraine, 65 MW

The 65 MW project will be realised under the country's Feed-in-Tariff scheme providing a secured tariff until end of 2029, and the plant is also expected to deliver power beyond the 10-year feed-in-tariff period.

The capex for the 65 MW project is estimated to EUR 74 million and grid connection is expected in 2020. The economics of the projects will reach Scatec Solar's return targets also based on the expected 2020 feed-in tariff. Scatec Solar will be the lead equity investor and is targeting to secure additional equity partners for the project.

Vietnam, 108 MW

During second quarter, Scatec Solar has secured two projects in Vietnam. The Vietnamese renewable energy market is experiencing significant growth and based on an established feed-in tariff for both solar and wind, the market has already reached more than 4 GW of installed solar PV capacity. The current feed-in tariff for solar PV is expected to be replaced by a new feed-in tariff later this year. The power plants will hold 20 years PPA with Vietnam Electricity (EVN) paid in VND and indexed annually to USD

The first is a 48 MW project located in Hong Phong commune in the Binh Thuan Province of Vietnam. Total project cost is expected to be around USD 54 million. Scatec Solar has received term sheets for the financing of the project and the project is expected to be realised in 2020.

The second is a 60 MW project located in the Binh Phouc province of Vietnam. Total project cost is expected to be around USD 62 million and is also expected to be realised in 2020.

Both projects will be realised according to Scatec Solar's traditional model, financing, constructing, owning and operating the plants. Further, Scatec Solar is also in dialogue with potential equity co-investors for the projects and expected project finance leverage is 70%.

Bangladesh 62 MW

The Bangladeshi solar PV market is experiencing continued growth as a direct result of government ambition to achieve

its goal to meet 10% of renewable energy by 2020. The government has so far signed agreements for more than 1 GW of solar PV projects.

Scatec Solar has been working on the Nilphamari project in Bangladesh for some time and the project is now being moved into backlog. The power plant will hold 20 years PPA with the Bangladesh Power Development Board (BPDB) and lenders are being mandated. The agreed tariff is around 11 USD cents/kWh, paid in BTD and indexed to USD. Total project costs are estimated to USD 68 million, expected to be funded with 75% debt and 25% equity.

Scatec Solar will finance, construct, own and operate the project. The project has been developed with local development partner and FMO, the Dutch development bank, has also joined as development partner, covering 50% of development costs. Finally, Norad, the Norwegian Agency for Development Cooperation has provided a development grant for the project.

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. The lenders, IFC and the African development Bank, have approved the project finance for the project. Finally, the project has also been awarded economic support from Norad both related to development costs and for grid infrastructure investments that will be transferred to and operated by EDM after the project is completed.

During the second quarter, the project has signed an amendment to the Concession Agreement with the Ministry of Finance and the Ministry of Energy, and the final step is now to sign an amendment to the Power Purchase Agreement with EDM, the state utility in Mali. Scatec Solar will build, own and operate the solar power plant with a 51% shareholding. IFC Infraventures and Africa Power will hold the remaining part of the equity.

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

LOCATION	Q2'19 CAPACITY (MW)	Q1'19 CAPACITY (MW)
Latin America	880	833
Africa	2,280	2,106
Europe & Central Asia	350	410
South East Asia	1,340	824
Total pipeline	4,850	4,173

In addition to projects in backlog Scatec Solar holds a solid pipeline of projects totalling 4,850 MW, an increase of 677 MW from previous quarter. The pipeline has developed favourably over the last year through systematic project development efforts in a number of markets across four key regions where both governments and corporate off-takers are seeking to source solar energy.

Historically, about 50% of projects in pipeline have been realised. The pipeline projects are in different stages of development and maturity, but they are all typically in markets with an established government framework for renewables and for which project finance is available (from commercial banks or multilateral development banks). The project sites have typically been secured and Scatec Solar is in a position to participate in bilateral negotiations for a long-term power sales agreement with an off-taker, feed-in- tariff schemes, or tender processes.

Latin America (880 MW)

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

Argentina is targeting to further expand its RenovAR programme. PPAs have already been awarded to renewable energy projects of more than 4 GW. Over the past two years, 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 (2,280 MW)

Scatec Solar holds sites representing about 700 MW ready to be bid in the upcoming tender rounds in South Africa. A new tender ("round 5") under the REIPPP programme is expected to be launched in 2019, after the new Integrated Resource Plan has been established.

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

Scatec Solar has also increased its efforts in securing Power Purchase Agreements with private companies and non-governmental organisations like the UN. These are typically smaller projects in the range of 5 to 20 MW and Scatec Solar is currently actively working on a portfolio of about 250 MW of this type of projects on the African continent.

Europe and Central Asia (350 MW)

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

In Ukraine, Scatec Solar has over the last quarters focused on bringing projects from pipeline and backlog into construction to realise the 2019 tariff for the secured projects. Now, with close to 350 MW in construction, the development team will refocus to secure new projects to position itself for the new market situation in Ukraine. Projects securing construction permit by the end of 2019 can still qualify for the feed-in tariff, otherwise projects will likely have to participate in the planned auction system to secure offtake agreements. Ukraine is committed to integrate with the EU energy system with ongoing electricity market reforms. The country is 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. Despite the delay, it was announced by the Cabinet Committee on Energy (CCOE) earlier this year that the project is qualified for the tariff award.

South East Asia (1,340 MW)

Malaysia, Bangladesh, Indonesia and Vietnam are prioritised markets for Scatec Solar in South East Asia. In Malaysia it is expected that the new government will maintain the same level of ambition for the renewable energy sector as before. Scatec Solar continues to prepare for the next tender round which is expected to be in August 2019.

In Bangladesh, Scatec Solar is working on a project development portfolio of about 400 MW. These projects are partly based on bi-lateral negotiations and partly related to tender processes issued by the authorities.

In Vietnam, a draft of the new feed-in tariff legislation has been released and it is expected to be finally approved shortly. Scatec Solar has signed up several new projects in Vietnam over the last quarter and the pipeline currently stands at around 750 MW.

Proportionate financials

Break down of power production segment

Key financials

Q2 2019

NOK MILLION	CZECH REPUBLIC	SOUTH AFRICA	RWANDA	HONDURAS	JORDAN	BRAZIL	MALAYSIA	EGYPT	OTHER	TOTAL
Revenues	43	70	2	26	28	23	46	19	12	272
OPEX	-3	-12	0	-4	-3	-5	-5	-2	-17	-51
EBITDA	40	58	2	23	26	19	41	17	-5	220
EBITDA margin	94%	82%	103%	88%	92%	82%	90%	87%	-41%	81%
Net interest expenses ¹⁾	-5	-28	-2	-3	-7	-9	-16	-5	1	-73
Normalised loan repayments ¹⁾	-7	-17	-0	-6	-7	-3	-15	-	-	-55
Normalised income tax payments ¹⁾	-5	-3	0	-	-1	0	-1	-2	1	-11
Cash flow to equity	24	9	0	14	12	8	9	10	-3	82
SSO economic interest	100%	45%	54%	51%	62%	44%	100%	51%		
Net production (GWh)	9	35	2	21	19	27	46	40		198

1) See Alternative Performance Measures appendix for definition.

Q2 2018

NOK MILLION	CZECH REPUBLIC	SOUTH AFRICA	RWANDA	HONDURAS	JORDAN	BRAZIL	MALAYSIA	EGYPT	OTHER	TOTAL
Revenues	43	63	3	10	24	-	-	-	6	149
OPEX	-3	-9	-	-2	-6	-	-	-	-7	-29
EBITDA	40	53	2	9	17	-	-	-	-1	121
EBITDA margin	93%	85%	93%	85%	73%	-	-	-	N/A	81%
Net interest expenses ¹⁾	-5	-29	-2	-3	-7	-	-	-	4	-41
Normalised loan repayments ¹⁾	-7	-14	-2	-4	-7	-	-	-	-	-34
Normalised income tax payments ¹⁾	-5	-2	-	-	-	-	-	-	-1	-8
Cash flow to equity	24	7	-1	1	3	-	-	-	2	36
SSO economic interest	100%	39%	54%	40%	60%	-	-	-		
Net production (GWh)	9	31	2	10	17	-	-	-		68

1) See Alternative Performance Measures appendix for definition.

Financial position and working capital breakdown

Proportionate financials

30 JUNE 2019

NOK MILLION	IN OPERATION								UNDER CONSTRUCTION						TOTAL
	CZECH REPUB.	SOUTH AFRICA	RWA-NDA	HON-DURAS	JOR-DAN	MALAY-SIA	EGYPT	BRAZIL	SOUTH AFRICA ROUND IV	MOZAM-BIQUE	EGYPT	MALAY-SIA	UKRAINE	ARGEN-TINA	
Project equity ²⁾	149	121	20	646	221	471	154	273	1	67	160	84	449	230	3,046
Total assets	582	1,291	90	913	776	2,757	975	768	1,087	351	874	175	855	276	11,768
PP&E ²⁾	455	1,081	80	774	568	2,560	862	667	281	259	763	90	326	231	8,998
Cash	36	125	3	41	154	386	64	37	125	52	32	2	86	1	1,144
Gross interest bearing debt ²⁾	360	985	63	191	456	2,000	657	410	791	244	598	0	246	1	7,003
Net interest bearing debt ¹⁾	324	860	60	150	303	1,615	593	373	665	193	567	-2	159	-	5,860
Net working capital ²⁾	-16	-24	-3	9	-94	-469	-79	-52	402	17	-17	-8	269	-64	-129
SSO economic interest	100%	45%	54%	51%	62%	100%	51%	44%	46%	53%	51%	100%	91%	50%	

1) See Alternative Performance Measures appendix for definition.

Bridge from proportionate to consolidated financials

30 JUNE 2019

NOK MILLION	TOTAL PROPORTIONATE	RESIDUAL OWNERSHIP INTERESTS	LESS EQUITY-CONSOLIDATED ENTITIES	D&S, O&M, CORPORATE, ELIMINATIONS	CONSOLIDATED
Project equity ¹⁾	3,046	1,792	1,083	-1,632	2,123
Total assets	11,768	7,929	2,307	102	17,492
PP&E-in solar projects	8,998	5,822	1,988	-1,768	11,064
Cash	1,144	720	88	599	2,375
Gross interest bearing debt ¹⁾	7,003	4,934	940	744	11,742
Net interest bearing debt ¹⁾	5,860	4,214	852	145	9,367
Net working capital ¹⁾	-129	194	-246	-508	-197

1) See Alternative Performance Measures appendix for definition.

Condensed interim financial information

Interim consolidated statement of profit or loss

NOK MILLION	NOTES	Q2 2019	Q2 2018	YTD 2019	YTD 2018	FY 2018
Revenues	2	382	273	713	556	1,151
Net gain/(loss) from sale of project assets	2,3	-	-	-	-	-
Net income/(loss) from JVs and associated companies	2	-7	13	-11	19	63
Total revenues and other income		376	286	702	575	1,213
Personnel expenses	2	-35	-30	-71	-59	-137
Other operating expenses	2	-51	-44	-100	-92	-174
Depreciation, amortisation and impairment	2,3	-101	-62	-198	-125	-273
Operating profit		188	150	333	300	629
Interest and other financial income	4,5	19	130	35	146	197
Interest and other financial expenses	4,5	-177	-130	-317	-255	-518
Net foreign exchange gain/(losses)	4,5	-4	1	1	-22	15
Net financial expenses		-162	2	-281	-131	-306
Profit/(loss) before income tax		27	152	52	169	323
Income tax (expense)/benefit	7	-6	-50	-19	-55	-97
Profit/(loss) for the period		21	102	33	114	226
Profit/(loss) attributable to:						
Equity holders of the parent		-25	98	-58	80	140
Non-controlling interests		45	4	91	34	86
Basic earnings per share (NOK) ¹⁾		-0.22	0.93	-0.51	0.77	1.29
Diluted earnings per share (NOK) ¹⁾		-0.22	0.93	-0.51	0.77	1.28

1) Based on 113.8 million shares outstanding for the purpose of earnings per share and 113.2 million shares outstanding for the purpose of diluted earnings per share.

Interim consolidated statement of comprehensive income

NOK MILLION	NOTES	Q2 2019	Q2 2018	YTD 2019	YTD 2018	FY 2018
Profit/(loss) for the period		21	102	33	114	226
Other comprehensive income:						
Items that may subsequently be reclassified to profit or loss						
Net movement of cash flow hedges		-179	55	-202	21	-74
Income tax effect	7	48	-15	54	-6	20
Foreign currency translation differences		-11	-15	-36	-89	18
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-142	25	-184	-74	-36
Total comprehensive income for the period net of tax		-121	127	-152	40	190
Attributable to:						
Equity holders of the parent		-102	118	-159	28	136
Non-controlling interests		-19	9	7	11	53

Interim consolidated statement of financial position

NOK MILLION	NOTES	AS OF 30 JUNE 2019	AS OF 31 DECEMBER 2018
ASSETS			
Non-current assets			
Deferred tax assets	7	666	526
Property, plant and equipment – in solar projects	3	11,064	8,956
Property, plant and equipment – other	3	229	53
Goodwill		24	24
Investments in JVs and associated companies		687	745
Other non-current assets		141	112
Total non-current assets		12,811	10,415
Current assets			
Trade and other receivables		389	279
Other current assets		1,801	711
Financial assets	4,5	116	149
Cash and cash equivalents	6	2,375	3,303
Total current assets		4,681	4,442
TOTAL ASSETS		17,492	14,857

Interim consolidated statement of financial position

NOK MILLION	NOTES	AS OF 30 JUNE 2019	AS OF 31 DECEMBER 2018
EQUITY AND LIABILITIES			
Equity			
Share capital		3	3
Share premium		1,808	1,795
Total paid in capital		1,811	1,797
Retained earnings		-163	8
Other reserves		-22	79
Total other equity		-185	87
Non-controlling interests		497	591
Total equity		2,123	2,475
Non-current liabilities			
Deferred tax liabilities	7	378	345
Non-recourse project financing	4	10,609	8,643
Bonds	6	744	743
Financial liabilities	4,5	297	115
Other non-current liabilities		932	738
Total non-current liabilities		12,959	10,583
Current liabilities			
Trade and other payables		234	162
Income tax payable	7	66	34
Non-recourse project financing	4	389	364
Financial liabilities	4,5,6	24	9
Other current liabilities		1,698	1,230
Total current liabilities		2,410	1,800
Total liabilities		15,369	12,383
TOTAL EQUITY AND LIABILITIES		17,492	14,857

Oslo, 18 July 2019

The Board of Directors of Scatec Solar ASA

Interim consolidated statement of changes in equity

NOK MILLION	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	OTHER RESERVES		TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
				FOREIGN CURRENCY TRANSLATION	HEDGING RESERVES			
At 1 January 2018	3	1,195	31	105	-23	1,310	577	1,887
Profit for the period	-	-	80	-	-	80	34	114
Other comprehensive income	-	-	-1	-57	7	-52	-22	-74
Total comprehensive income	-	-	79	-57	7	28	12	40
Share-based payment	-	2	-	-	-	2	-	2
Share capital increase	-	606	-	-	-	606	-	606
Transaction cost, net after tax	-	-10	-	-	-	-10	-	-10
Dividend distribution	-	-	-81	-	-	-81	-148	-229
Capital increase from NCI ¹⁾	-	-	-	-	-	-	7	7
At 30 June 2018	3	1,793	29	47	-16	1,855	448	2,303
At 1 July 2018	3	1,793	29	47	-16	1,855	448	2,303
Profit for the period	-	-	60	-	-	60	52	112
Other comprehensive income	-	-	1	76	-28	49	-10	39
Total comprehensive income	-	-	61	76	-28	109	42	151
Share-based payment	-	2	-	-	-	2	-	2
Dividend distribution	-	-	-	-	-	-	-57	-57
Purchase of NCIs shares in group companies	-	-	-82	-	-	-82	-22	-104
Capital increase from NCI ²⁾	-	-	-	-	-	-	181	181
At 31 December 2018	3	1,795	8	123	-44	1,884	591	2,475
At 1 January 2019	3	1,795	8	123	-44	1,884	591	2,475
Profit for the period	-	-	-58	-	-	-58	91	33
Other comprehensive income	-	-	-	-29	-72	-101	-83	-184
Total comprehensive income	-	-	-58	-29	-72	-159	7	-152
Share-based payment	-	3	-	-	-	3	-	3
Share capital increase ²⁾	-	11	-	-	-	11	-	11
Share purchase program	-	-1	-	-	-	-1	-	-1
Dividend distribution ³⁾	-	-	-108	-	-	-108	-98	-205
Purchase of NCIs shares in group companies	-	-	-5	-	-	-5	-3	-9
At 30 June 2019	3	1,808	-163	93	-115	1,626	497	2,123

1) Non-controlling interests.

2) During first quarter 2019 the Group increased the share capital with NOK 11 million.

3) During second quarter 2019 the Group paid dividend of 0.95 per share, totalling NOK 108 million to the owners in accordance with the resolution from the General Meeting held at 30 April 2019.

Interim consolidated statement of cash flow

NOK MILLION	NOTES	Q2 2019	Q2 2018	YTD 2019	YTD 2018	FY 2018
Cash flow from operating activities						
Profit before taxes		27	152	52	169	323
Taxes paid	7	-31	-16	-40	-19	-65
Depreciation and impairment	3	101	62	198	125	273
Proceeds from disposal of fixed assets	3	-	-	6	-	5
Net income associated companies/sale of project assets		7	-13	11	-19	-63
Interest and other financial income	4	-19	-130	-35	-146	-197
Interest and other financial expenses	4	177	130	317	255	518
Unrealised foreign exchange (gain)/loss	4	4	-1	-1	22	-15
Increase/(decrease) in current assets and current liabilities	5	-543	121	-627	617	469
Net cash flow from operating activities		-278	304	-119	1,004	1,248
Cash flow from investing activities						
Interest received		25	15	42	40	77
Net investments in property, plant and equipment	3	-1,229	-805	-2,453	-1,730	-3,565
Net investment in associated companies		16	1	45	-118	-321
Net cash flow from investing activities		-1,189	-789	-2,366	-1,808	-3,809
Cash flow from financing activities						
Net proceeds from NCI shareholder financing ¹⁾		-	104	50	200	624
Interest paid		-268	-244	-360	-298	-588
Net proceeds and repayment of non-recourse project financing		1,419	84	2,073	113	2,589
Share capital increase		-	590	10	596	596
Dividends paid to equity holders of the parent company and non-controlling interests		-114	-122	-205	-228	-286
Net cash flow from financing activities		1,037	412	1,568	382	2,934
Net increase/(decrease) in cash and cash equivalents		-430	-73	-917	-422	373
Effect of exchange rate changes on cash and cash equivalents		-1	-27	-11	-12	67
Cash and cash equivalents at beginning of the period	6	2,806	2,529	3,303	2,863	2,863
Cash and cash equivalents at end of the period	6	2,375	2,429	2,375	2,429	3,303

1) Proceeds from non-controlling interest's 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 18 July 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 2018, with exception for implementation of IFRS 16 from 1 January 2019 as further described below.

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.

Implementation of new accounting standards

The Group has implemented IFRS 16 in 2019 with the modified retrospective approach. Hence, the comparative figures for 2018 have not been adjusted. With the transition to IFRS 16 the Group has recognized right-of-use assets of NOK 182 million, and lease liabilities of NOK 170 million as of 1 January 2019. A further description of the impact of the initial application is disclosed in the quarterly report for first quarter 2019.

IFRS 16 requires a lessee to account for lease contracts by recognizing a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees are required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The implementation of IFRS 16 has mainly affected the accounting for office and land leases in Scatec Solar. Scatec Solar has several land lease contracts where the lease payment fully or partly depends on the production volume of the related solar power plant. In the measurement of lease liabilities only fixed and minimum lease payments are included. Variable lease payments are still recognized as operating expenses as they occur.

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 2019 three power plant companies (holding the Chigrin, Boguslav

and Progressovka projects in Ukraine) were consolidated for the first time. Scatec Solar's economic interest in the companies is 100%, 100% and 60% 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.

Refer to note 2 of the 2018 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.

The segment financials are reported on a proportionate basis as described in the Group's annual consolidated financial statements for the year ended 31 December 2018. A reconciliation between proportionate financials and consolidated financials are provided in the tables below.

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.

Q2 2019

NOK MILLION	PROPORTIONATE FINANCIALS					TOTAL	RESIDUAL OWNERSHIP INTERESTS ¹⁾ ELIMINATIONS ²⁾		CONSOLIDATED FINANCIALS
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE					
External revenues	258	-	2	-	260	145	-23	382	
Internal revenues	14	29	1,337	9	1,388	5	-1,393	-	
Net gain/(loss) from sale of project assets	-	-	-	-	-	-	-	-	
Net income/(loss) from JV and associates	-	-	-	-	-	23	-30	-7	
Total revenues and other income	272	29	1,339	9	1,648	127	-1,400	376	
Cost of sales	-	-	-1,149	-	-1,149	-50	1,199	-	
Gross profit	271	29	190	9	500	78	-201	376	
Personnel expenses	-8	-7	-13	-10	-38	-	2	-35	
Other operating expenses	-43	-8	-12	-10	-73	-18	41	-51	
EBITDA	221	14	165	-11	388	60	-158	290	
Depreciation and impairment	-83	-1	-5	-2	-90	-52	40	-101	
Operating profit (EBIT)	138	13	160	-13	298	8	-118	188	

1) Residual ownerships interests share of the proportionate financials in subsidiaries where SSO do not have 100% economic interest.

2) Eliminations made in the preparation of the groups IFRS consolidated financials.

Q2 2018

NOK MILLION	PROPORTIONATE FINANCIALS					TOTAL	RESIDUAL OWNERSHIP INTERESTS ¹⁾ ELIMINATIONS ²⁾		CONSOLIDATED FINANCIALS
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE					
External revenues	142	-	-	-	142	131	-	273	
Internal revenues	7	30	1,045	4	1,087	56	-1,142	-	
Net gain/(loss) from sale of project assets	-	-	-	-	-	-	-	-	
Net income/(loss) from JV and associates	-	-	-	-	-	-	13	13	
Total revenues and other income	150	30	1,045	4	1,229	186	-1,129	286	
Cost of sales	-	-	-878	-	-878	4	874	-	
Gross profit	150	30	167	4	351	190	-255	286	
Personnel expenses	-4	-5	-12	-9	-30	-	-	-30	
Other operating expenses	-25	-6	-15	-9	-55	-23	34	-44	
EBITDA	121	19	140	-14	266	167	-221	212	
Depreciation and impairment	-39	-	-1	-	-40	-38	17	-62	
Operating profit (EBIT)	82	19	139	-14	226	129	-204	150	

1) Residual ownerships interests share of the proportionate financials in subsidiaries where SSO do not have 100% economic interest.

2) Eliminations made in the preparation of the groups IFRS consolidated financials.

YTD 2019

NOK MILLION	PROPORTIONATE FINANCIALS					TOTAL	RESIDUAL OWNERSHIP INTERESTS ¹⁾	ELIMINATIONS ²⁾	CONSOLIDATED FINANCIALS
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE					
External revenues	455	-	2	-	457	296	-40	713	
Internal revenues	25	46	2,634	15	2,720	4	-2,724	-	
Net gain/(loss) from sale of project assets	-	-	-	-	-	-	-	-	
Net income/(loss) from JV and associates	-	-	-	-	-	40	-51	-11	
Total revenues and other income	480	46	2,636	15	3,177	260	-2,735	702	
Cost of sales	-	-	-2,260	-	-2,260	-43	2,303	-	
Gross profit	480	46	376	15	917	217	-431	702	
Personnel expenses	-15	-14	-27	-21	-77	3	2	-71	
Other operating expenses	-76	-15	-25	-19	-136	-29	65	-100	
EBITDA	388	16	324	-25	703	192	-364	531	
Depreciation and impairment	-150	-1	-18	-3	-172	-102	76	-198	
Operating profit (EBIT)	239	15	306	-28	531	90	-288	333	

1) Residual ownerships interests share of the proportionate financials in subsidiaries where SSO do not have 100% economic interest.

2) Eliminations made in the preparation of the groups IFRS consolidated financials.

YTD 2018

NOK MILLION	PROPORTIONATE FINANCIALS					TOTAL	RESIDUAL OWNERSHIP INTERESTS ¹⁾	ELIMINATIONS ²⁾	CONSOLIDATED FINANCIALS
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE					
External revenues	269	-	-	-	269	287	-	556	
Internal revenues	18	44	1,462	8	1,532	93	-1,625	-	
Net gain/(loss) from sale of project assets	-	-	-	-	-	-	-	-	
Net income/(loss) from JV and associates	-	-	-	-	-	-	19	19	
Total revenues and other income	287	44	1,462	8	1,801	380	-1,606	575	
Cost of sales	-	-	-1,253	-	-1,253	7	1,247	-	
Gross profit	287	44	208	8	547	387	-359	575	
Personnel expenses	-8	-10	-23	-18	-59	-	-	-59	
Other operating expenses	-52	-13	-30	-18	-113	-31	52	-92	
EBITDA	227	21	156	-28	375	356	-307	424	
Depreciation and impairment	-75	-	-2	-1	-78	-77	30	-125	
Operating profit (EBIT)	152	20	154	-29	297	279	-277	300	

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.

FULL YEAR 2018

NOK MILLION	PROPORTIONATE FINANCIALS					TOTAL	RESIDUAL OWNERSHIP INTERESTS ¹⁾ ELIMINATIONS ²⁾		CONSOLIDATED FINANCIALS
	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE					
External revenues	584	-	-	-	584	567	-	1,151	
Internal revenues	38	81	4,006	17	4,142	282	-4,424	-	
Net gain/(loss) from sale of project assets	-	-	-	-	-	-	-	-	
Net income/(loss) from JV and associates	-	-	-1	-	-	-	63	63	
Total revenues and other income	622	81	4,005	17	4,725	849	-4,361	1,213	
Cost of sales	-	-	-3,404	-	-3,404	-4	3,409	-	
Gross profit	622	81	601	17	1,321	845	-953	1,213	
Personnel expenses	-18	-23	-55	-42	-138	-	1	-137	
Other operating expenses	-112	-24	-58	-28	-223	-52	101	-174	
EBITDA	492	34	488	-53	961	792	-851	903	
Depreciation and impairment	-164	-1	-21	-2	-188	-147	62	-273	
Operating profit (EBIT)	328	33	467	-55	773	645	-789	629	

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.

Note 3 Property, plant and equipment

The Group operates solar power plants in Europe, South East Asia, Middle East, Africa and South America. During third quarter 2017 construction commenced on Quantum plants (197 MW) in Malaysia. Construction of the Mocuba power plant (40 MW) in Mozambique began in the first quarter 2018 while construction of the Benban plants (395 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 30 MW Kamianka project in Ukraine commenced construction early first quarter 2019. During second quarter 2019 the Company started constructing the Boguslav (54 MW), Chigrin (55 MW) and Progressovka (148 MW) projects in Ukraine.

The power plant company in Argentina is equity consolidated and hence not included in the below table.

The 65 MW Gurun power plant reached commercial operation 21 December 2018, while the Jasin and Merchang power plants (each 65 MW and part of the Quantum projects in Malaysia) started operation in the second quarter 2019. Further, 195 MW of the Benban project in Egypt commenced operation in the second quarter 2019.

There has been recorded an impairment charge of NOK 14 million in the first half year 2019. Total impairments amounted to NOK 17 million in 2018.

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 2018	5,374	3,437	144	53	9,008
Right-of-use assets recognised at initial application	-	-	-	182	182
Additions	32	2,367	40	15	2,453
Disposals	-	-	-6	-	-6
Transfer between asset classes	3,527	-3,492	-35	-	-
Depreciation	-171	-	-	-13	-184
Impairment losses	-	-	-11	-3	-14
Effect of foreign exchange currency translation adjustments	-89	-54	-	-3	-146
Carrying value at 30 June 2019	8,674	2,257	133	229	11,293
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 2038. NOK 389 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 2018 Annual Report for more information.

During the second quarter 2019 the Group has drawn NOK 634 million on the non-recourse financing related to the construction projects in Egypt, NOK 594 related to the construction project in South Africa, NOK 62 related to the construction project in Mozambique and NOK 262 million related to the construction project in Ukraine.

During the second quarter 2018, forward exchange contracts (FEC) were set up in order to eliminate currency exchange risk in the Uppington projects in South Africa. In second quarter the loss following the mark-to-market revaluation of open USD and EUR FECs amounts to NOK 22 million (gain of NOK 124 million). The FECs are carried at fair value and fluctuate with changes in the exchange rates throughout the contract period.

NOK MILLION	Q2 2019	Q2 2018	YTD 2019	YTD 2018	FY2018
Interest income	17	9	32	22	50
Forward exchange contracts	-	124	-	124	147
Other financial income	2	-3	3	-	-
Financial income	19	130	35	146	197
Interest expenses	-149	-126	-274	-247	-500
Forward exchange contracts	-22	-	-32	-	-
Other financial expenses	-5	-4	-11	-8	-18
Financial expenses	-177	-130	-317	-255	-518
Foreign exchange gains/(losses)	-4	1	1	-22	15
Net financial expenses	-162	2	-281	-131	-306

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 2018 provides details for each class of financial assets and financial liabilities, and how these assets and liabilities are grouped.

There are no significant changes in 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)	-	116	-320	-204
Fair value based on unobservable inputs (Level 3)	-	-	-	-
Total fair value at 30 June 2019	-	116	-320	-204

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)	-	149	-124	25
Fair value based on unobservable inputs (Level 3)	-	-	-	-
Total fair value at 31 December 2018	-	149	-124	25

Note 6 Cash, cash equivalents and corporate funding

NOK MILLION	30 JUNE 2019	31 DECEMBER 2018
Cash in power plant companies in operation	940	730
Cash in power plant companies under development/construction	836	1,467
Other restricted cash	39	67
Free cash	560	1,039
Total cash and cash equivalents	2,375	3,303

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

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

Other restricted cash comprises restricted deposits for withholding tax, guarantees, VAT and rent, NCI's share of free cash as well as collateralised shareholder financing of power plant companies not yet distributed to the power plant companies.

MOVEMENT IN FREE CASH AT GROUP LEVEL (IN RECOURSE GROUP AS DEFINED IN BOND & LOAN FACILITIES)

NOK MILLION	Q2 2019	Q2 2018	YTD 2019	YTD 2018	FY 2018
Free cash at beginning of period	785	1,042	1 039	688	688
Proportionate share of cash flow to equity O&M	11	15	13	16	26
Proportionate share of cash flow to equity D&C	130	108	258	121	383
Proportionate share of cash flow to equity CORP	-18	-23	-38	-42	-85
Project development capex in recourse group	-10	-33	-22	-85	-106
Equity contributions to power plant companies	-264	-302	-378	-456	-1,655
Distributions from power plant companies	29	21	102	134	216
Share capital increase, net after transaction cost and tax	-	590	-	590	590
Dividend distribution	-108	-81	-108	-81	-81
Working capital / Other	5	-331	-306	122	1,064
Free cash at end of the period	560	1,005	560	1,005	1,039

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 April 2019 Scatec Solar increased the revolving credit facility from USD 60 million to USD 90 million, with Nordea Bank as agent and Nordea Bank, ABN Amro and Swedbank 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 30 June 2019.

Overdraft facility

In second quarter 2018 Scatec Solar entered into a USD 5 million overdraft facility with Nordea Bank. The overdraft interest is the 7-day interbank offer rate plus a margin of 2.5%. Scatec Solar has not drawn on the overdraft facility per 30 June 2019.

Green bond

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

Per 30 June 2019, 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 3,318 million per quarter end.

During second quarter of 2019, interest amounting to NOK 16 million (NOK 14 million in previous quarter) was expensed for the bond, overdraft- and revolving credit facility.

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

Note 7 Income tax expense

For the second quarter ended 30 June 2019 the Group had an income tax expense of 6 million, equivalent to an effective tax rate of 23%. The effective income tax rate for the Group is influenced by profits and losses in tax-jurisdictions with different tax rates offsetting each other. 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. Further, the profit/loss from JVs and associates, which are reported net after tax, has an impact on the effective tax rate depending on the relative size of the profit/loss relative to the consolidated profit. In addition to the above, the first half year 2019 effective tax rate is also impacted by withholding tax expenses associated with distributions from power plant companies.

EFFECTIVE TAX RATE

NOK MILLION	Q2 2019	Q2 2018	YTD 2019	YTD 2018	FY 2018
Profit before income tax	27	152	52	169	323
Income tax (expense)/benefit	-6	-50	-19	-54	-97
Equivalent to a tax rate of (%)	23%	33%	45%	32%	30%

MOVEMENT IN DEFERRED TAX

NOK MILLION	Q2 2019	Q2 2018	YTD 2019	YTD 2018	FY 2018
Net deferred tax asset at beginning of period	210	231	181	217	217
Recognised in the consolidated statement of profit or loss	35	2	55	8	-52
Deferred tax on financial instruments recognised in OCI	48	-15	54	-6	20
Recognised in the consolidated statement of changes in equity	-	4	-	4	4
Translation differences	-5	-2	-3	-3	-8
Net deferred tax asset at end of period	288	220	288	220	181

Note 8 Related parties

Scatec Solar has related party transactions and balances with equity consolidated JVs in Brazil and Argentina, mainly loans which are included in the carrying value of the investments. The loan balance as per 30 June 2019 was NOK 192 million.

In addition, Scatec Solar has transactions and balances with key management. Note 27 in the annual report for 2018 provides details of transactions with related parties and the nature of these transactions

All related party transactions have been carried out as part of the normal course of business and at arm`s length. For further information on project financing provided by co-investors, refer to note 25 in the 2018 annual report.

In connection with the Company's Share Purchase Programme in which employees bought 50,904 shares in March 2019, as the Company entered a share lending agreement with Scatec AS, the Company's largest shareholder, and Nordea Markets.

Note 9 Subsequent events

No events have occurred after the balance sheet date with significant impact on the interim financial statements for the second quarter 2019.

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

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

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 profit: is defined as total sales revenue including net gain/loss from sale of project assets and net gain/loss from associates minus the cost of goods sold (COGS).

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 here defined as interest income less interest expenses, excluding shareholder loan interest expenses and accretion expenses on asset retirement obligations.

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.

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

Q2 2019

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	220	13	165	-11	387
Net interest expenses	-73	-	1	-12	-85
Normalised loan repayments	-55	-	-	-	-55
Normalised income tax payment	-11	-3	-36	6	-44
Cash flow to equity	82	11	130	-18	205

Q1 2019

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	168	3	159	-14	315
Net interest expenses	-53	-	1	-12	-63
Normalised loan repayments	-43	-	-	-	-43
Normalised income tax payment	-11	-	-32	6	-38
Cash flow to equity	61	2	128	-20	171

YTD 2019

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	388	16	324	-25	703
Net interest expenses	-126	-	2	-24	-149
Normalised loan repayments	-98	-	-	-	-98
Normalised income tax payment	-22	-3	-68	12	-81
Cash flow to equity	143	13	258	-38	376

Q2 2018

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	121	19	140	-14	266
Net interest expenses	-41	-	-	-16	-57
Normalised loan repayments	-34	-	-	-	-34
Normalised income tax payment	-10	-4	-32	7	-39
Cash flow to equity	37	15	108	-23	136

YTD 2018

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	227	21	156	-28	375
Net interest expenses	-83	-	1	-27	-109
Normalised loan repayments	-67	-	-	-	-67
Normalised income tax payment	-15	-5	-35	13	-42
Cash flow to equity	62	16	121	-42	157

FY 2018

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	TOTAL
EBITDA	492	33	488	-53	961
Net interest expenses	-162	-	3	-58	-217
Normalised loan repayments	-136	-	-	-	-136
Normalised income tax payment	-38	-8	-108	26	-127
Cash flow to equity	157	26	383	-85	481

Responsibility statement

We confirm to the best of our knowledge, that the condensed interim financial statement for the period 1 January 2019 to 30 June 2019 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, 18 July 2019

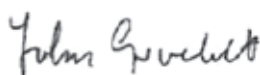
The Board of Directors of Scatec Solar ASA



John Andersen jr. (Chairman)



Jan Skogseth



John Giverholt



Gisele Marchand



Mari Thjømøe



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.

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.

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.

Project equity

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

Recourse Group

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

Definition of project milestones

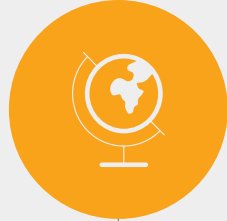
Commercial Operation Date (COD): A scheduled date when certain formal key milestones have been reached, typically including grid compliance, approval of metering systems and technical approval of plant by independent engineers. Production volumes have reached normalised levels sold at the agreed off-taker agreement price. This milestone is regulated by the off-taker agreement with the power off-taker. In the quarterly report grid connection is used as a synonym to COD.

Financial close (FC): The date on which all conditions precedent for drawdown of debt funding has been achieved and equity funding has been subscribed for, including execution of all project agreements. Notice to proceed for commencement of construction of the solar power plant will normally be given directly thereafter. Projects in Scatec Solar defined as "backlog" are classified as "under construction" upon achievement of financial close.

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

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

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

