



Acquisition of SN Power

Building a global leader in renewable energy

20 October 2020



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Important information

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Scatec Solar acquires SN Power - a leading hydropower developer and IPP



The acquisition of SN Power AS

- Scatec Solar has signed an agreement to **acquire 100%** of the shares in SN Power from Norfund for a total **consideration of USD 1,166 million (NOK 10,948 million)**
- Includes SN Power's hydropower assets in the Philippines, Laos and Uganda¹ with a gross capacity of 1.4 GW (production of 6.1 TWh) and a pipeline of gross 2.5 GW
- Hydro asset and pipeline in **Sub-Saharan Africa** to be structured as a **joint venture** with Norfund (51% Scatec Solar / 49% Norfund) – Scatec Solar being the operator

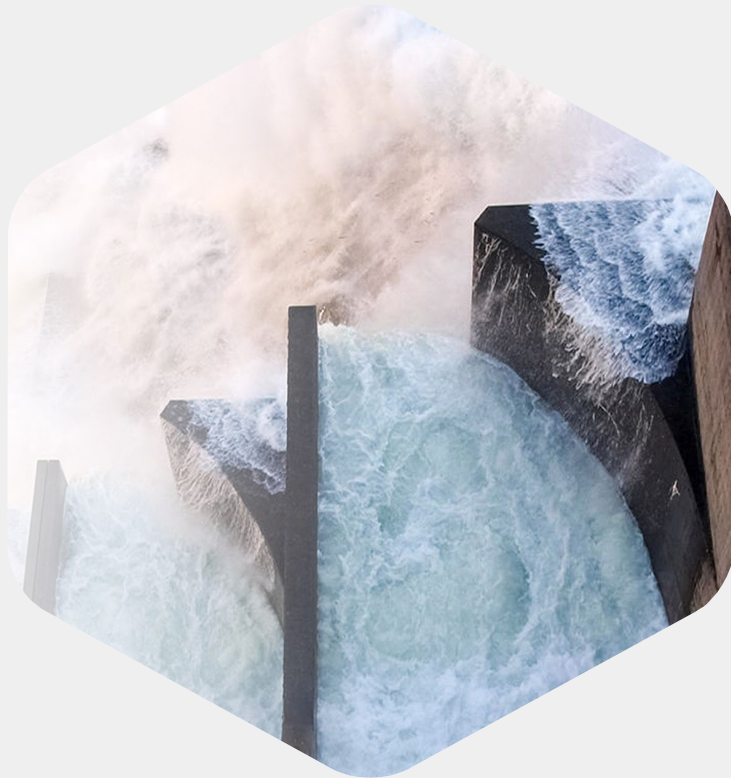


Financing & transaction timing

- The acquisition is **fully funded** through cash on hand, vendor finance, term loan and acquisition finance from DNB, Nordea, Swedbank and BNP Paribas
- The transaction is expected **to close** in the **first half of 2021**
- The transaction is conditional upon customary regulatory approvals and local competition approval



Strategic rationale



- 1 Building a global leader in renewable energy**
- 2 Adding significant cash flow from operating plants**
- 3 Solid hydro assets in attractive power markets**
- 4 Accelerating growth with new pipeline & market access**
- 5 Cultural fit and strong focus on ESG**

Key risk factors

Investing in the shares (the "**Shares**") of the Company involves inherent risks. Prospective investors should consider, among other things, the risk factors set out in this Presentation before making an investment decision. The risks described below are the assumed most relevant risk factors, but are not the only ones facing the Company. Additional risks presented in the financial reports made public by the Company, and risks not presently known to the Company, or that the Company currently deems immaterial may also impair the Company's business operations and adversely affect the price of the Company's shares and/or the Company's financial position. If any such risks should actually occur, the Company's business, financial position and operating results could be materially and adversely affected. A prospective investor should consider carefully the factors set forth below, and should consult his or her own expert advisors as to the suitability of an investment in the shares of the Company. An investment in the shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.

POTENTIAL INVESTORS WHO ARE CONSIDERING INVESTING IN THE SHARES OF THE COMPANY ARE URGED TO CAREFULLY REVIEW THE KEY RISK FACTORS DESCRIBED IN THIS PRESENTATION, AS WELL AS THE SUMMARY OF CERTAIN OTHER RISK FACTORS WHICH IS INCLUDED IN THIS PRESENTATION, OR OTHERWISE MADE PUBLIC BY SCATEC SOLAR.

ADDITIONAL DESCRIPTIONS OF RISKS RELATED TO SCATEC SOLAR IS, INTER ALIA, PRESENTED IN ITS ANNUAL AND INTERIM FINANCIAL REPORTS, AS WELL AS ITS PROSPECTUS DATED 12 SEPTEMBER 2014, THAT ARE PUBLICLY AVAILABLE.

Key risk factors

- The market price of electricity may fluctuate significantly and the profitability of its PV solar power plants and hydropower depends to a large extent on the sales price of the electricity produced. Electricity prices depend on a number of factors including, but not limited to, availability and costs of primary energy sources (including oil, coal, natural gas and uranium), and the development in cost efficiency and equipment investment need for other electricity producing technologies, including other renewable energy sources.
- Both SN Power AS ("**SN Power**") and the Company (collectively, after the Company's acquisition of SN Power, the "**Combined Group**") operates internationally, which makes the Combined Group vulnerable to political and governmental changes and changes in the legal environment in several countries and jurisdictions.
- The PV industry and hydropower industry competes with other sources of renewable energy (e.g. wind, biomass, fuel cells), as well as conventional power generation. With an increased focus on environmental issues the recent years, the market for renewable energy has also experienced an increase in the number of players and the competition is more intense.
- Both hydropower plants and solar power plants are highly technical, and investments in power generation and energy-related infrastructure involve technical and operational risk. Insufficient quality of installed solar modules, hydropower plants and other equipment resulting in faster than estimated degradation, may lead to lower revenues and higher maintenance costs, particularly if the product guarantees have expired or the supplier is unable or unwilling to respect its obligations.

Key risk factors (cont.)

- The activities of the Company and its consolidated subsidiaries (collectively the "**Scatec Solar Group**") are in many circumstances conducted through joint ventures, associated companies and/or companies where Scatec Solar is not the sole shareholder. The Scatec Solar Group's ability to receive dividends and other payments from such companies depends not only upon such companies' cash flows and profits, but also upon the terms of agreements with the shareholders of such companies. Conflict or disagreement with such shareholders may lead to deadlock and result in the Scatec Solar Group's inability to pursue its desired strategy and/or force it to exit from such companies.
- The Company's technology is based on factors outside of the Company's control, and is highly exposed to natural disasters consequences of climate change and weather variations.
- The metrological conditions (rain and wind) at particular sites at which the SN power's plants are located can vary materially from season to season and from year to year.
- The Scatec Solar Group may require additional capital in the future in order to execute its commercialization and growth strategy or for other purposes.
- The unaudited pro forma financial information presented for the Transaction may not be indicative of future results.
- Applicable law, as well as other financing arrangements, may limit transfer of cash among group entities and hence the Company may risk not being able to service its obligations towards lenders or others in a timely manner or at all.

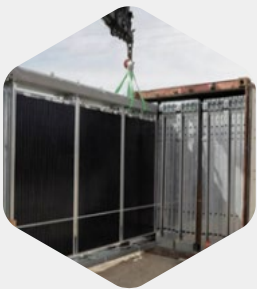
1 The energy transition is accelerating and Scatec Solar broadens its growth strategy



Massive demand growth in renewables



More complex power markets



Further technology integration

Scatec Solar's broadened growth strategy:

- **Build an IPP** across solar, hydro, wind and storage
- **New, high growth markets and broader offering**
- **Maintain the integrated business model**
- **Increase focus on early phase project development**

The SN Power acquisition is an important step in this direction

1 Building a global leader in renewable energy

Where we come from

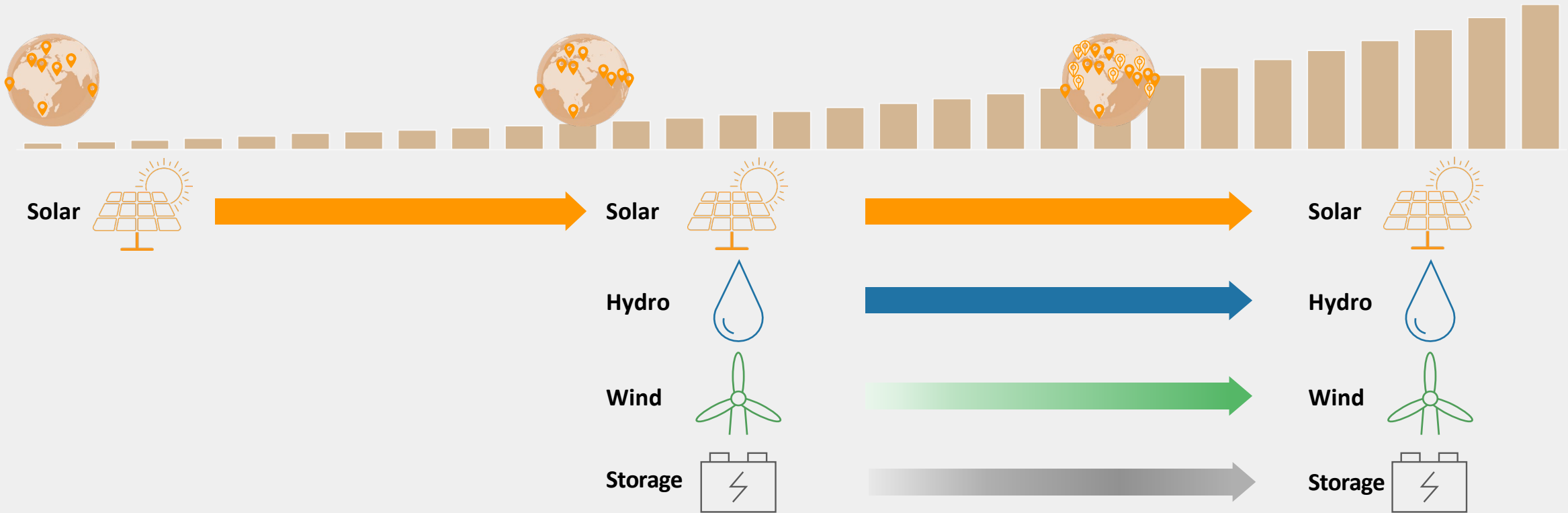
Regional solar developer/IPP

Where we are now

Global top-tier developer/IPP

Where we are going

A global multi-technology renewables developer/IPP



1 Strengthening Scatec Solar's position as a leading renewable developer



Scatec Solar + SN Power - in brief

SSO SNP



In operation & under construction



Backlog & pipeline



2019 net power production



2019 proportionate Revenues

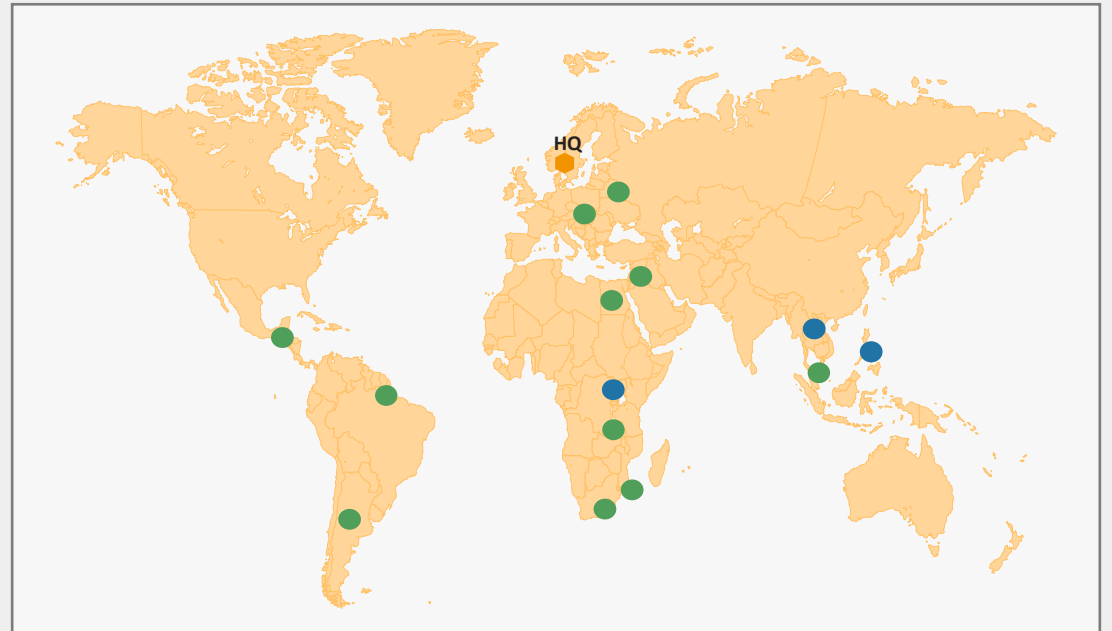


2019 proportionate EBITDA



2019 proportionate cash flow to equity

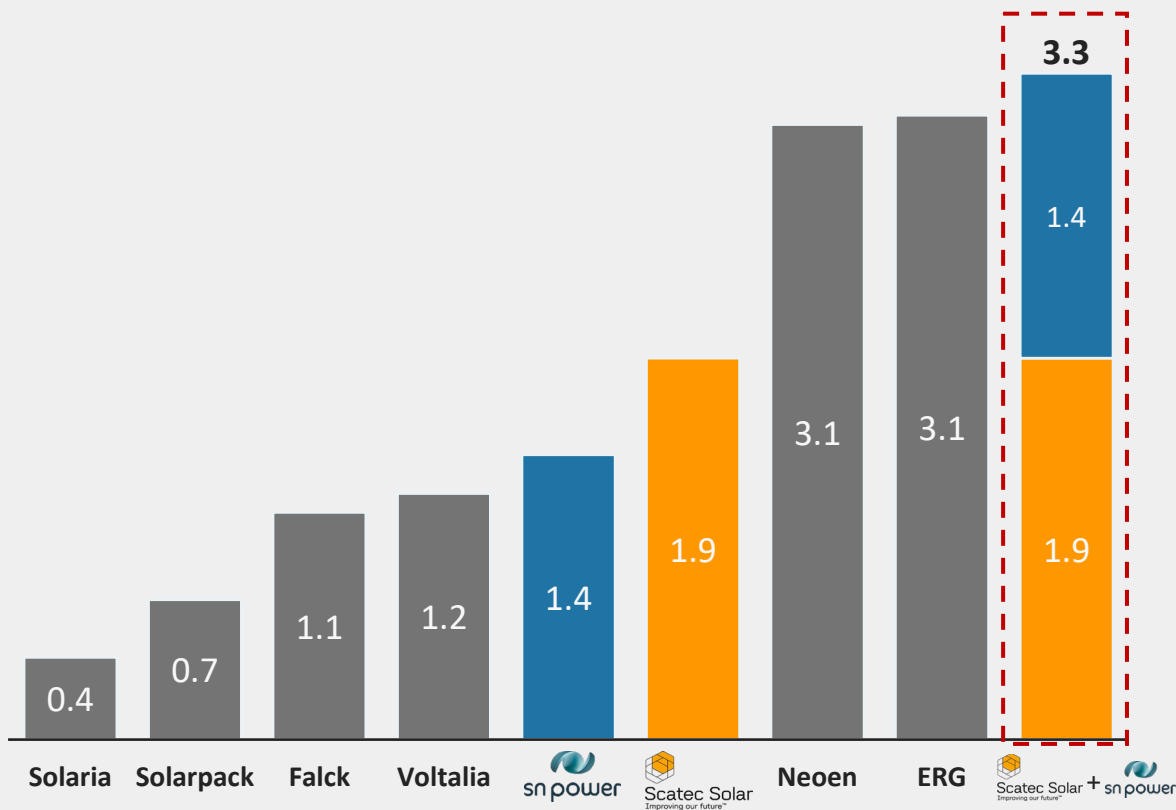
450 employees globally



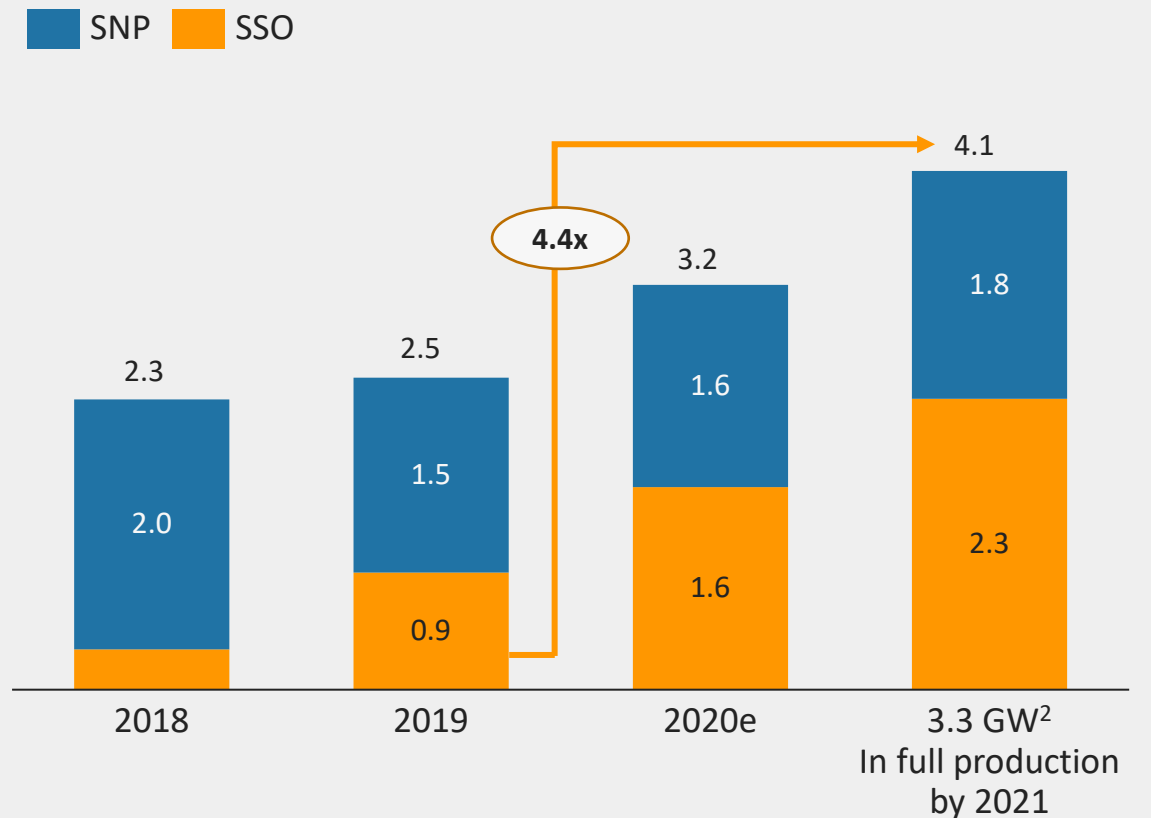
Scatec Solar: Plants in operation & under construction in 11 countries
 SN Power: Plants in operation in 3 countries

1 Scatec Solar will increase net power production 4.4x to 4.1 TWh by 2021

Gross capacity in operation or under construction³ (GW)



Net power production (TWh)¹



2 Adding scale and significant cash flow from operating plants

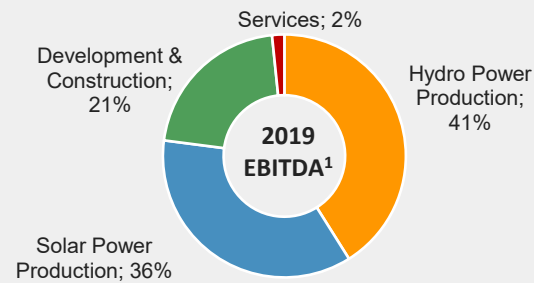
Combined financials

Financial year 2019 – Proportionate, MNOK

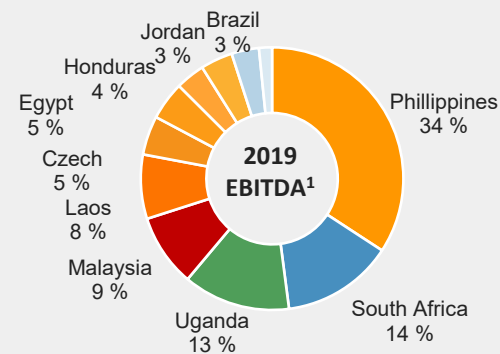


	Scatec Solar	snpower	Combined
Revenues	8,107	6,341	1,766
EBITDA	2,720	1,571	1,149
EBITDA margin	34%	25%	65%
Cash flow to equity	1,336	795	541

EBITDA per segment



Power Production EBITDA per geography

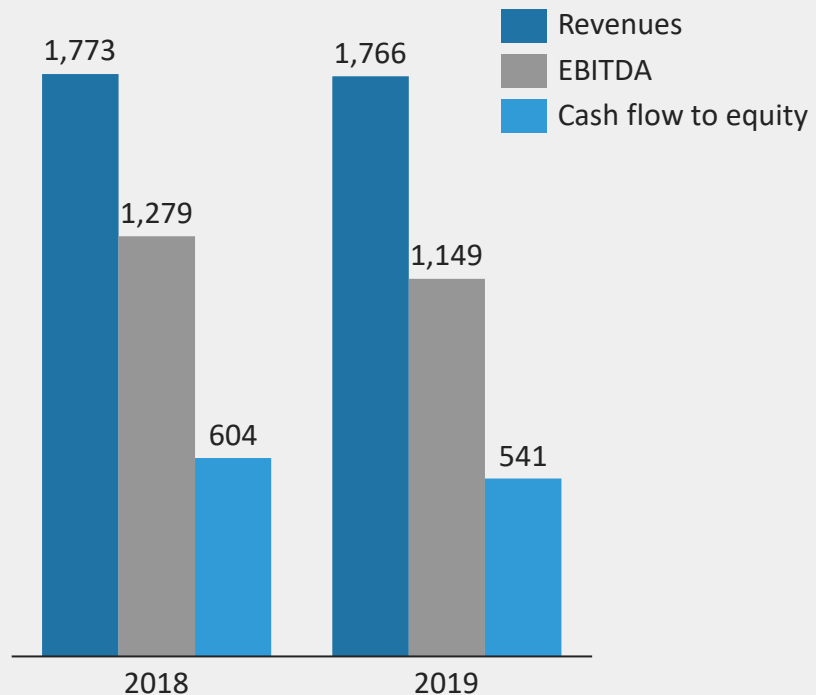


Value creation

- The **equity returns** from SN Power's asset base is expected to be **significantly higher** than Scatec Solar's cost of equity
- **Equity returns** on hydro pipeline projects are expected to be above returns on solar pipeline
- **Increased portfolio diversification** - assets with long term cash flows in new markets and new technologies

2 The hydropower assets are generating stable long-term cash flows

SN Power proportionate financials - MNOK



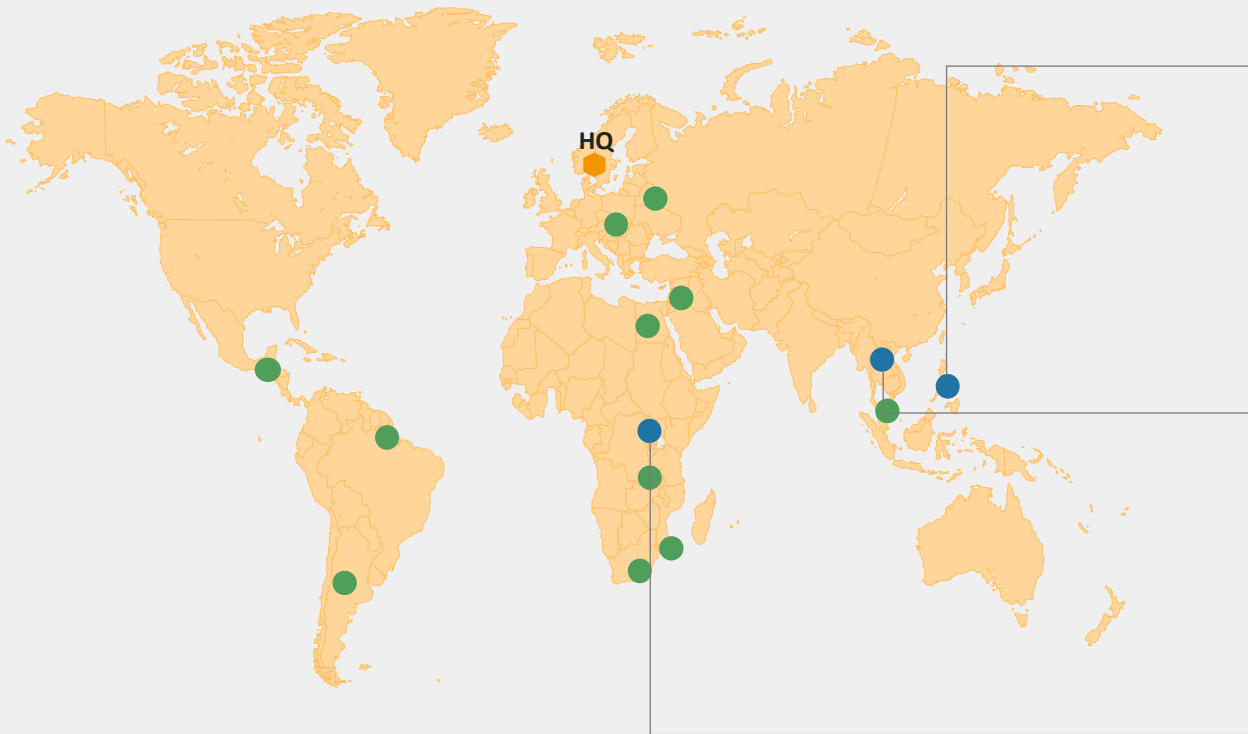
Comments

- Low operational gearing and high cash conversion
- A mix of contract types are stabilizing cash generation
- Well maintained assets with limited capex expected in the medium term
- SN Power annual corporate / asset ownership expenses (pre synergies) of about NOK 90 million + project development expenses of about NOK 50 million


1H 2020 performance

- Some reduced water in-flow compared to 2019
- Covid-19 impacting power demand and prices in the Philippines
- EBITDA down about 10% from 1H 2019 to 1H 2020
- Seasonal variations; 55-60% of full year EBITDA generated in 2H


3 Securing solid hydro assets in attractive power markets




Scatec Solar: Plants in operation & under construction in 11 countries
SN Power: Plants in operation in 3 countries

 **Philippines**

- About 2 GW new PV & Wind expected by 2025
- Established **wholesale market** with large volumes
- Market dominated by local/regional players

 **Laos**

- Targeting 30% non-hydro renewables by 2025
- **Single-buyer structure** with Electricité du Laos (EDL)
- Increasing 2x transmission capacity to neighbours (e.g. Thailand and Vietnam) over the next few years

 **Uganda**

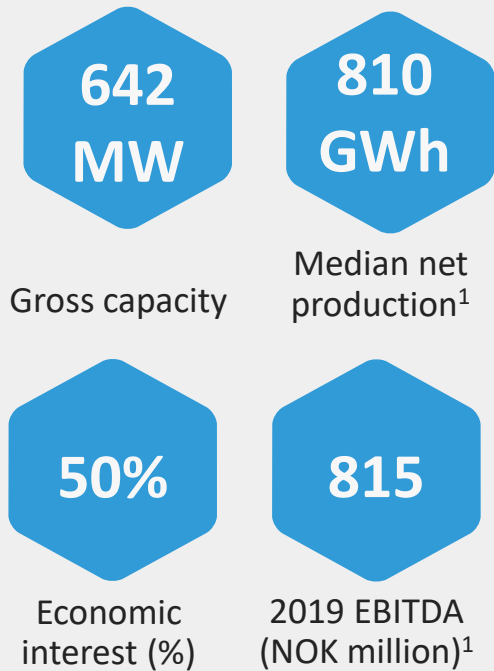
- Generates >90% of its power from renewable sources, including large hydro and biomass
- Feed in Tariff - first auction program for renewables in East Africa

3 The Philippines – a sophisticated power market in a robust economy

SN Power assets

Benguet & Magat

Key facts



Stakeholders and agreements

Power sales

- 30 % spot sales in the wholesale market
- 40 % sales of ancillary services
- 30% bilateral contracts with 2-3 years tenor

Financing

- Project finance: 57% leverage provided by a consortium of local banks

Equity partner

- Aboitiz Power²

Horizon

- Assets owned to perpetuity



Binga 140 MW hydro power plant

3 Laos – delivering hydropower to Thailand

SN Power assets

Theun Hinboun Power Company

Key facts

525
MW

Gross capacity

600
GWh

Median net production¹

20%

Economic interest (%)

178

2019 EBITDA (NOK million)¹

Stakeholders and agreements

Power sales

- Off-taker EGAT (Thailand) and EDL (Laos)
- 20 year take-or-pay fixed price contract for ca 90% of generation with EGAT

Financing

- Project finance: 50% leverage provided by a consortium of Development Banks

Equity Partners

- Electricité du Laos EDL (Utility in Laos) and GMS Power Public Company (Thailand)²

Horizon

- PPA renegotiated or transfer assets to state in 2039



THPC 525 MW hydro power plant



Scatec Solar
Improving our future™

(1) On 20% basis. NOK/USD 8.80. (2) See appendix for more information

3 Uganda - largest independent hydro investment in Africa

SN Power assets

Bujagali

Key facts

255
MW

Gross capacity

420
GWh

Median
production¹

28.3%

Economic
interest (%)

297

2019 EBITDA
(NOK million)¹

Stakeholders and agreements

Power sales

- Off taker: Ugandan Electricity Transmission Co
- Tariff entirely based on capacity payments

Financing

- Project finance: 75% leverage provided by a consortium of Development Banks (incl IFC)

Equity Partners

- Equity partners: Aga Kahn Fund for Economic Development and others²
- MIGA insurance from the World Bank
- Producing asset in new SSO & Norfund JV

Horizon

- 25-year concession expiring in 2042



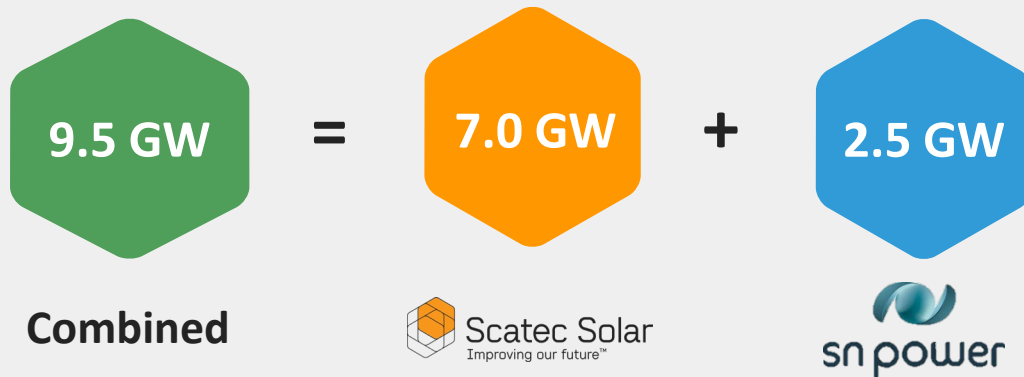
Bujagali 255 MW hydro power plant

4 Increasing pipeline to further accelerate growth

Selected mature pipeline projects

Country	Philippines	Philippines	Rwanda, DRC, Burundi	Madagascar
Capacity ¹	140 MW	40 MW	147 MW	120 MW
Technology	Hydro	Battery	Hydro	Hydro

Pipeline & backlog:¹



Accelerating growth

- **Leveraging both companies track record in project development, financing and construction**
- **Access to 2.5 GW of pipeline** across hydro, floating solar, wind and storage - brings significant growth optionality
- **Four mature pipeline projects** totaling 447 MW
- Presence in new markets for Scatec Solar

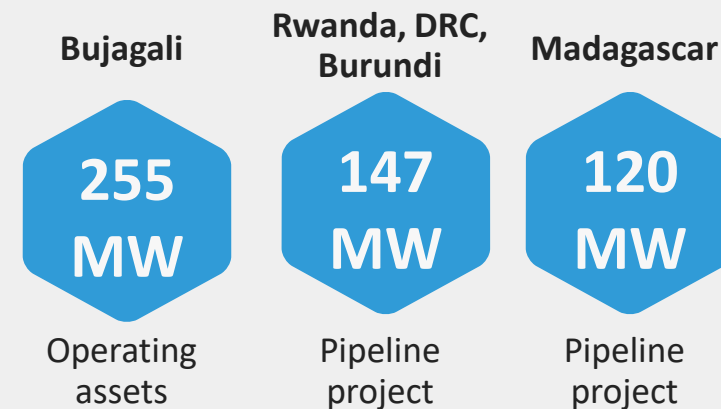
4 Establishing a new partnership for hydro-power in Sub-Saharan Africa

A new joint venture for Sub-Saharan Africa;

- Joint venture for Hydro power production and project development in the region
- Includes the Bujagali hydro asset and the hydro project pipeline from SN Power
- Scatec Solar will be the JV operator



Hydro power production and project development in **Sub-Saharan Africa**



4 Complementary technologies and strong competence synergies

Complementary technologies

- Optimal use of intermittent PV and regulated hydro generation to create base load & hybrid solutions
- Hydro reservoirs potential for **floating PV plants**
- SN Power's pipeline in addition includes **battery storage and wind projects**



Competence synergies



- The same development process, legal framework project financing and off-takers across technologies
- **Combining** Scatec Solar's project development competence with SN Power's hydro experience
- **Transferring** leading power trading competence from hydro to other renewable technologies

5 Strong ESG focus: Solid track record and shared mindset

Scatec Solar and SN Power with same ESG approach

Strict ESG standards: Operating in line with the IFC Performance Standards and signatories to the UN Global Compact

Trusted partnerships: Partners with strong ethical standards including IFC, Norfund, UN, KLP and several larger development banks

Strong ESG track record and performance: ESG as an integrated part of both businesses with solid hands on experience across emerging markets



Financing and capital structure

Financing of the transaction

200 MUSD subordinated 7-year **vendor finance** provided by Norfund

150 MUSD 4- year **term loan** provided by Nordea, DNB and Swedbank

700 MUSD **acquisition finance** is available until 12 months after transaction close and is expected to be refinanced through debt and equity

Scatec Solar is committed to the policy of moderate group level debt in relation to long-term cash flow generated by operating power plants

A new Revolving Credit Facility of **180 MUSD** to be established – replacing the existing 90 MUSD facility – not required/drawn for the acquisition

Financing - MUSD:

Vendor finance	200
Term loan	150
Acquisition finance	700
Cash on hand	116
Purchase price	1,166

Average margin on transaction financing facilities: **250 bps¹**

Building a global leader in renewable energy

Where we come from

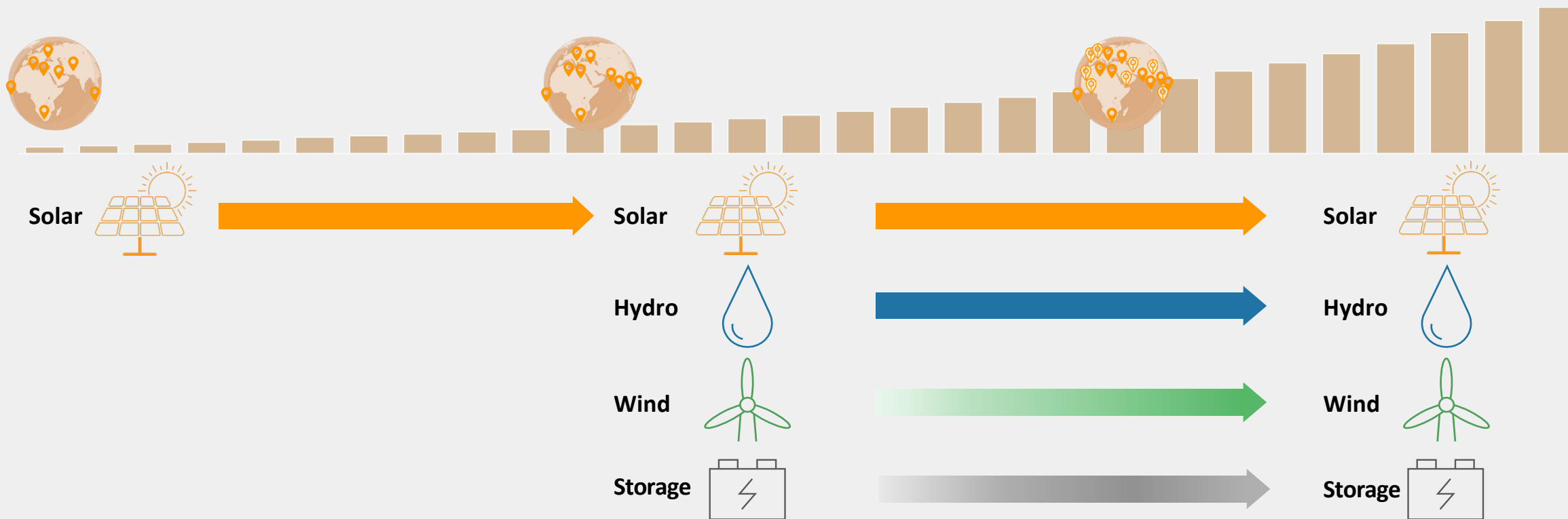
Regional solar developer/IPP

Where we are now

Global top-tier developer/IPP

Where we are going

A global multi-technology renewables developer/IPP



Appendix



Scatec Solar
Improving our future™

2019 Pro forma proportionate P&L

NOK MILLION	FY 2019					
	Scatec Solar Power Production	SN Power	Scatec Solar Services	Scatec Solar D&C	Scatec Solar Corporate	Total
Revenues and other income	1,163	1,766	168	4,980	31	8,108
Cost of sales	0	-272	0	-4,274	0	-4,546
Gross profit	1,163	1,494	168	706	31	3,562
Personnel	-21	-110	-45	-59	-48	-283
Other operating expenses	-167	-235	-59	-57	-40	-558
EBITDA	975	1,149	64	590	-57	2,720
SSO share of CF to equity	362	541	53	471	-91	1,336

2019 Proportionate P&L SN Power

NOK MILLION	FY 2019 SN Power				
	Philippines	Laos	Uganda	Corporate	Total
Power Production - GWh	671	454	414	-	1,539
Revenues and other income	1,191	217	315	42	1,766
Cost of sales	-258	-14	-	-	-272
Gross profit	933	203	315	42	1,493
Personnel	-28	-7	-2	-73	-110
Other operating expenses	-90	-18	-16	-111	-235
EBITDA	815	178	297	-144	1,149
D&A	-101	-45	-46	0	-191
EBIT	714	134	252	-144	958
SSO share of CF to equity	422	58	166	-105	541

Pro forma capital structure

Pro- forma capital structure – Per 30 June 2020

Scatec Solar

NOK million	Consolidated	SSO prop. share	Group level
Cash	4,069	3,351	1,933
Interest bearing liabilities ¹	(13,937)	(9,606)	(747)
Net debt	(9,868)	(6,255)	1,186

SN Power





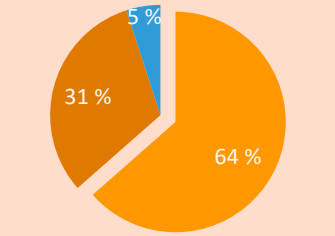
NOK million	Consolidated	SN Power prop. share	Group level
Cash	613	978	241
Interest bearing liabilities	(1,133)	(4,534)	-
Net debt	(519)	(3,557)	241

Combined

NOK million	Consolidated	Combined prop. share	Group level
Cash	4,682	4,329	2,174
Interest bearing liabilities	(15,070)	(14,140)	(747)
Acquisition financing	(8,230) ²	(8,230) ²	(8,230) ²
Net debt	(18,617)	(18,042)	(6,803)

Equity partner Philippines







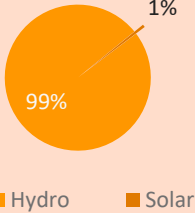




 Business overview	 Presence in renewables	 Ownership	 History and recent developments in hydro
<ul style="list-style-type: none"> With investments in power generation, electricity supply and power distribution, AboitizPower is considered one of the leading companies in the power industry in the Philippines The company is the second largest power generation firm in the Philippines Net capacity of 3,455 MW as of 31 March 2020, corresponding to approx. 15% of the country's total capacity, with the ambition to reach 4,000 MW by end of 2020 Investments in both renewable energy through hydro, solar and geothermal production, but also through conventional sources (e.g. coal and oil) Second largest electricity distributor in the Philippines with interest in nine power distribution companies Pioneer in building and operating run-of-river hydropower plants in the country 2019 revenue of \$2,426mm and EBITDA of \$748mm 	<ul style="list-style-type: none"> Out of a total net capacity of 3,455 MW as of 31 March 2020, renewable energies constitutes c.921 MW:  <p> ■ Hydro ■ Geothermal ■ Solar </p>	<ul style="list-style-type: none"> Publicly listed, but ~80% owned by Aboitiz Equity Ventures Inc., which is also publicly listed and majority owned by the Aboitiz family Market capitalisation of \$4bn as of 12 October 2020 	<ul style="list-style-type: none"> 1978-90: Invested in 14 mini-hydroelectric projects at combined installed capacity of 36 MW 1996: Build-Operate-Transfer (BOT) agreement with NPC to develop and operate the 70 MW Bakun hydroelectric plant 2008: In partnership with SN Power, won the Ambuklao-Binga Hydroelectric Power Complex 2020: Currently seeking approval to build 140 MW Alimit hydro plant together with SN Power



Equity partners Laos












 Business overview	 Presence in renewables	 Ownership	 History and recent developments in hydro
 <p>Électricité du Laos - Gen</p>  <ul style="list-style-type: none"> Électricité du Laos – Gen is the listed production arm of Électricité du Laos, the state power utility in Laos, which owns 75% of the company The company operates Laos’ electricity generation, transmission and distribution assets Operates within the following business areas: Hydro power, Solar power, Operation and Maintenance services Operates around 1.2 GW, constituting approximately 18% of the Laos’ total capacity¹ 2019 revenue of \$154mm and operating profit of (\$15mm) Owns 60% of THPC (SN Power hydro asset in Laos) 	<ul style="list-style-type: none"> 10 fully-owned hydropower plants with combined net power generation of 2,149 GWh in 2019 7 IPP hydropower plants with combined net power generation of 1,863 GWh in 2019 Total generation of 4,037 GWh in 2019, including net solar generation of 25 GWh:  <p>■ Hydro ■ Solar</p>	<ul style="list-style-type: none"> Publicly listed, but 75% owned by the state owned Électricité du Laos Market capitalisation of \$454mm as of 12 October 2020 	<ul style="list-style-type: none"> 2010: Founded and subsequently listed in 2011 as part of the restructuring of the power sector in Laos 2020: Électricité du Laos signed agreement with China Southern Power Grid to install 230kV high-voltage transmission lines, with the objective of increasing hydropower generation
  <ul style="list-style-type: none"> Private Thailand-based company focused on developing independent power projects Owns approximately 12% of MDX, a Thai-listed company engaged in property development, infrastructure and energy projects Owns 20% of THPC (SN Power hydro asset in Laos) 		<ul style="list-style-type: none"> Privately owned 	<ul style="list-style-type: none"> Led the development of several pioneering energy projects in the Greater Mekong region, including the initial development in 1998, and subsequent expansion in 2013, of THPC in Laos



Equity partners Uganda



 Business overview	 Presence in renewables	 Ownership	 History and recent developments in hydro
 <ul style="list-style-type: none"> International development agency that invests in economically sound enterprises in the developing world Operates as a network of affiliates with more than 90 separate project companies across 18 countries 	<ul style="list-style-type: none"> In addition to the investment in Bujagali, Aga Khan Fund for Economic Development has also invested in another hydro energy project through PamirEnergy 	<ul style="list-style-type: none"> Owned by the Aga Khan Development Network 	<ul style="list-style-type: none"> 2019: Signed agreement with SN Power and the governments of Rwanda, Burundi and DRC to develop the 147 MW Ruzizi hydropower plant
 <ul style="list-style-type: none"> The infrastructure and development arm of the Aga Khan Fund for Economic Development, an affiliate of the privately-owned Aga Khan Development Network 	<ul style="list-style-type: none"> Part of a PPP for the creation of Bujagali and owner of the West Nile Rural Electrification Company. Bujagali is the flagship of IPS' infrastructure investments in East Africa 	<ul style="list-style-type: none"> Majority owned by the Aga Khan Development Network 	
 <ul style="list-style-type: none"> CDC is the UK's development finance institution 28% of the current portfolio is invested in infrastructure, of which the majority is in Africa and South Asia 	<ul style="list-style-type: none"> Investments produced a total of 57,000 GWh of electricity in 2019 	<ul style="list-style-type: none"> Owned by the UK government 	<ul style="list-style-type: none"> Experience in investing with Norfund through the c.\$700mm acquisition of Globeleq, the largest independent power producer in Africa, in 2015
 <ul style="list-style-type: none"> Listed Kenyan financial services holding company, with subsidiaries across East Africa (Kenya, Uganda, Tanzania, Burundi, Mauritius) and Pakistan, mainly active within the insurance services sector 		<ul style="list-style-type: none"> The Aga Khan Fund for Economic Development holds a 38% interest 	
 <ul style="list-style-type: none"> The government of Uganda holds a passive stake in the Uganda assets 			

Aga Khan Fund for Economic Development

Summary of certain other risk factors

Summary of certain other risk factors

Risks relating to the business of Scatec Solar Group and SN Power Group, the Combined Group

Cost uncertainty and increasing operating expenses

- For projects in which the Combined Group currently undertakes, or in the future will undertake, the construction of any particular PV plant and hydropower plant, the Combined Group is subject to the risk of cost overruns or other unanticipated costs and expenses, or delays that could have a material adverse impact on the Combined Group's financial performance. Furthermore, while the revenues from sale of power from operating plants are typically fixed through long term contracts, the operating cost base is exposed to the markets of the respective inputs, such as manpower, and may increase in the future.

The Combined Group is dependent on external subcontractors and suppliers of services and goods to carry out its operations

- If suppliers fail to meet agreed or generally accepted standards in areas such as environmental compliance, human rights, labour relations, product quality and timely delivery, this could have a significant adverse effect.

The success, competitive position and future revenues will depend in part on the Combined Group's ability to protect intellectual property and know-how

- The Combined Group's daily business and business strategy are tied to its technology and know-how, however, the Combined Group is not dependent on any patents for its daily business. The Combined Group relies on a combination of trade secrets, confidentiality procedures and contractual provisions to protect its intellectual property rights.

The cost of compliance with health, safety, environmental and other laws and regulations may be increased over time

- The Combined Group is subject to numerous laws and regulations of the various jurisdictions in which the Combined Group conducts its business. Such laws and regulations govern, among other matters, land utilization, development- and zoning plans, property tax, HSE (health, safety and environmental), power market, grid operation, air pollution emissions, wastewater discharges, solid and hazardous waste management, and the use, composition, handling, distribution and transportation of hazardous materials. Many of these laws and regulations are becoming increasingly stringent (and may contain "strict liability"), and the cost of compliance with these requirements can be expected to increase over time.
- *The Combined Group operates in countries with a high degree of bureaucracy and/or turbulent political conditions*
 - Many of the countries in which the Combined Group operates are known for a high degree of bureaucracy. This may influence the Combined Group's ability to execute its business without delays.
 - The Combined Group further carries out operations in several countries with a history of turbulent political conditions. Operating business in countries with such turbulent political conditions may be challenging and lead to slower production due to halt in deliveries, unforeseen regulatory changes, or lack of governmental regulations.
- *The Combined Group operates in countries where corruption and other unethical practices may occur*
 - The Combined Group operates in countries known to experience governmental corruption. While the Combined Group is committed to conducting business in a legal and ethical manner, there is a risk that the Combined Group's employees or agents or those of its affiliates may take actions that violate applicable anti-corruption regulations. These actions could result in monetary penalties against the Combined Group or its affiliates and could damage the Combined Group's reputation and, therefore, its ability to do business.
 - In addition to the risks that arise in countries that have experienced governmental and contractual corruption, there is also a risk that the Combined Group will not be able to ensure that its internal control policies and procedures will protect the Combined Group from fraud or other criminal acts committed by the Combined Group's employees or agents or those of its affiliates.

Summary of certain other risk factors (cont.)

Risks relating to the business of Scatec Solar Group

The international operations expose the Company to exchange rate risks rising from various currency transactions and exposures

- Scatec Solar operates internationally and is exposed to foreign exchange risk arising from various currency transactions and exposures. As the Scatec Solar Group reports its consolidated results in NOK, any change in exchange rates between NOK and its subsidiaries' functional currencies, with respect to fluctuations in currencies primarily with respect to changes in USD, ZAR, EUR, MYR, BRL, EGP and CZK, affects its consolidated statement of income and consolidated statement of financial position. As the Scatec Solar Group expands its operations with projects in new markets the currency risk exposure increases. A sustained adverse development of the exchange rates between the said currencies may have an adverse effect on Scatec Solar's business, prospects, financial results and results of operations.

The Scatec Solar Group is exposed to credit risks in relation to third parties with obligations to the Scatec Solar Group

- The Scatec Solar Group is exposed to third party credit risk in several instances, including off-take partners who have committed to buy electricity produced by or on behalf of the Scatec Solar Group, suppliers and/or contractors who are engaged to construct or operate assets held by the Scatec Solar Group, property owners who are leasing land to the Scatec Solar Group, banks providing financing and guarantees of the obligations of other parties, insurance companies providing coverage against various risks applicable to the Scatec Solar Group's assets, and other third parties who may have obligations towards the Scatec Solar Group.

Scatec Solar is exposed to various risks related to the Scatec Solar Group's financing arrangements

- The Scatec Solar Group has operational and financial covenants related to its loans and other financial commitments, demanding a certain performance of the Scatec Solar Group and setting restrictions on the Scatec Solar Group's freedom to operate and manage the Scatec Solar Group's business, including change of control clauses that may be triggered outside the control of the Scatec Solar Group. Failure to comply with financial and other covenants may have a material adverse effect on the Scatec Solar Group and its financial position, including potential increased financial cost, need for re-financing and requirement for additional security or cancellation of loans.

The Scatec Solar Group is exposed to risks in relation to interest rates

- In recent years, relatively low interest rates generally have had a positive effect on the profitability of PV solar power plants. In addition, the low interest rate environment has reduced the expected return on certain alternative investments, and reduced costs of financing. An increase in interest rates could significantly reduce the profitability of the Company's PV solar power plants.

The Scatec Solar Group is dependent on its PV plants quality or PV plants performance and the reputation of PV solar power plant in general

- Scatec Solar's PV solar power plants must meet stringent quality requirements but may contain defects that are not detected until the completion of their construction and subsequent operation because Scatec Solar or subcontractors cannot test for all possible scenarios or applications. These defects could cause Scatec Solar to incur significant replacement costs or re-engineering costs, divert the attention of its engineering personnel from development efforts, and significantly affect its customer relations and business reputation. If Scatec Solar constructs defective PV plants or if there is a perception that its PV plants are defective, Scatec Solar's credibility and sales could be harmed.

Accounting treatment and classification

- The accounting treatment for many aspects of the Company's solar energy business is complex, and the Company's future results could be adversely affected by changes in the accounting treatment applicable to its solar energy business. Changes in key assumptions could lead to the recognition of additional impairment losses. Changes in evaluation of the useful lives of assets may change depreciation and amortization going forward.

Dividends distribution

- The Company intends to distribute dividends to its shareholders in the future. Any distribution of dividends may imply that the Company, after any dividend distribution, will not have sufficient funds to support future corporate investments and further growth. There can be no guarantee that the Company will be able to pay dividends to its shareholders in the future.

Summary of certain other risk factors (cont.)

Specific risks relating to SN Power

SN Power's revenues and costs are dependent on charges related to transmission and distribution

- Increases in charges relating to the connection to and use of the electricity transmission and distribution networks and relating to balancing of electricity supply and demand, and/or restrictions on the capacity in such networks available for use by SN Power's power plants, may result in higher operating costs, lower revenues and fewer opportunities for growth.

Several of SN Power's development projects may not be realized

- Several of SN Power's projects are under development and may not be realized. The right to build and operate a renewable project is subject to public concessions and permits in addition to private ownership rights to land and waterfalls. This comprises all stages of a renewable project, from early development stage to construction, production, transmission and sale of power.

Sedimentation of the water reservoirs represents a potential threat to the production of electricity

- Over time, accumulation of sludge will build up in the reservoir. This process is called sedimentation, and is a process of erosion, entrainment, transportation, deposition and compaction of sediment carried out into reservoirs formed and contained by dams. Such sedimentation of the water reservoirs will affect the safety of the dams and cause a reduction of energy production, storage, discharge capacity and flood attenuation capabilities. Further, sedimentation will increase the pressure on the dam and gates, and may cause damages to mechanical equipment and also otherwise create a wide range of environmental impacts.

The resettlement of relocated residents may cause significant cost increases and/or construction delays of SN Power's hydropower projects

- The construction of hydropower projects requires the construction of dams and reservoirs, typically increasing the water-level at the hydropower project site, and leaving part of the area submerged. This generally requires the relocation and resettlement of residents in the area surrounding the project sites. Commonly, the local government authorities in the relevant area are responsible for the relocation and resettlement of such residents, but the hydropower project's owner is often responsible for paying associated resettlement compensation. SN Power has not experienced any significant setbacks or disputes due to resettlement issues, but there is no assurance that such problems will not arise in the future.
- In addition, the relevant local government may dispute or request adjustment of resettlement compensation allocated for a hydropower project, even after the hydropower commences operations.
- Furthermore, SN Power may face opposition from local environmental and other interest groups due to the perceived impact of SN Power's hydropower projects.

Risks relating to laws and regulations

Changes in tax laws, rules related to accounting for income taxes or adverse outcomes from audits by taxation authorities could impact the Scatec Solar Group's effective tax rate

- The Scatec Solar Group has, and the Combined Group will, operate in several countries, and its effective tax rate is derived primarily from the applicable tax rate in these countries. The Combined Group's effective tax rate may be lower or higher than the Scatec Solar Group's tax rates have been in the past due to numerous factors, including the sources of its income and the tax filing positions it takes.

The Combined Group's transfer pricing documentation and policies may be challenged

- The Combined Group will have activity in several countries and tax jurisdictions. As such, there is a risk that tax authorities may challenge the Combined Group's transfer pricing documentation and policies regarding intercompany transactions between companies in the Combined Group.

Antitrust and competition regulations or authorities may limit the Combined Group's ability to grow and may force the Combined Group to alter its business practices

- Depending on how a relevant market is defined by the Norwegian Competition Authority and any other relevant competition authority, the Combined Group may be found to have a leading competitive position, which could restrict the ability of the Combined Group to make additional expansion efforts, including through acquisitions.

Summary of certain other risk factors (cont.)

Risks relating to the Transaction

Completion of the Company's acquisition of 100% of the shares in SN Power (the "Transaction") is subject to the following:

- obtaining necessary clearances and approvals from relevant national competition authorities ; and certain other governmental bodies and third parties;
- obtaining consent from the Philippine Board of Investments (an attached agency of the Philippine Department of Trade and Industry);
- obtaining waiver from the lender counterparties to the financing documents for Theun-Hinboun Power Company regarding the requirement for Nordic Hydro Power AB to procure that Norfund and Statkraft Asset Holdings AS will remain the legal and beneficial owners of at least 80% of Nordic Hydro Power AB's issued share capital;
- execution and delivery of an amended agreement regarding call options on Philippine shares where Scatec Solar shall assume the rights and obligations of Statkraft AS, Norfund and Statkraft Asset Holding AS;
- execution and delivery of novation agreements under which Norfund replaces SN Power as a counter-party under the Bajo Frio SSA agreement and CER Support Sharing Letters;
- obtaining consent from the lenders of the Bajo Frio project for the transfer by SN Power of all shares in Agua Imara;
- the distribution to Norfund of 100% of the voting shares in Agua Imara; and
- the delivery of the bring down certificate under the W&I Insurance.

Scatec Solar does not currently control SN Power and will not control SN Power until completion of the Transaction

- The Company will not obtain control of SN Power until the Transaction has been completed. Management may not operate the business of SN Power during the interim period in the same way that the new owners would.

Integration of the acquired business is a comprehensive and complex task, and Scatec Solar may not be successful in the integration

- The acquisition of Scatec Solar represents an acquisition of a size and complexity not experienced by Scatec Solar before and in order for the acquisition to be successful, Scatec Solar must succeed in integrating SN Power in a manner enabling the business of both SN Power and Scatec Solar to be continued in a manner not negatively affecting the businesses and enabling Scatec Solar to achieve the desired synergies. Scatec Solar will face foreseen and may also face unforeseen risks and challenges when integrating SN Power into its existing business.

Scatec Solar may not achieve the expected synergies and other benefits from the Transaction

- When resolving to acquire SN Power, Scatec Solar made certain assumptions inter alia with respect to synergies to be achieved. There is a risk that some or all of the assumptions made will not be fulfilled, which may have a material adverse effect on the business, results of operations, cash flows, financial conditions and/or prospects of Scatec Solar.

Scatec Solar is acquiring an ongoing business with a number of exposures relating to the period prior to completion of the Transaction

- By the acquisition of SN Power, Scatec Solar is acquiring liabilities and other exposures relating to that business and which stems from periods prior to completion of the Transaction. The Company's protection against such liabilities and other exposures under the SPA is limited both by the scope of the warranties provided by the seller of SN Power and by the amount and time limitations applicable to these warranties.

Amendments made to the share purchase agreement for the Transaction may have adverse consequences

- The Transaction is expected to be completed in accordance with the terms of the SPA. However, the terms of the SPA may be amended, and the completion conditions may be waived at any time by the parties thereto.

Scatec Solar may experience negative reactions from the market if the Transaction is not completed

- If the Transaction is not completed, Scatec Solar may experience negative reactions from the financial markets, the media and its shareholders, potential investors, customers, employees and other stakeholders.

Necessary agreements in relation to the Transaction may be entered into on terms and conditions less favourable to Scatec Solar than expected or may not be materialized at all

- As part of the Transaction several agreements may be required entered into with effect from completion of the Transaction; including transitional services agreement, teaming agreements, framework agreements, license agreements, trading agreements and local sale and purchase agreements. The full terms and conditions of all these agreements have not been agreed between the parties, and thus there is a risk that one or more of these agreements will not materialize or that such agreements will be entered into on terms and conditions less favorable to Scatec Solar than currently expected by the Company.

Risk related to financing of the Transaction

- The Company have acquisitions finance facilities from banks to fund the acquisition of SN Power. The facilities have a tenor of 12 to 18 months after closing and are planned to be refinanced and repaid in advance of the maturity date of the facilities. The necessary refinancing might not be possible to obtain at terms considered attractive for the Company, or on a timely basis.

Scatec Solar relies on information made available by the Seller

- In relation to the Transaction, the Company has received certain information about SN Power, including certain vendor due diligence reports, and has performed its own due diligence of SN Power, including access to and Q&A with current management and the Seller. All acquisitions involve risks, some of which may not be known to a buyer or not disclosed by a seller. All due diligence reports are limited in nature. Lack of a complete analysis involves an increased risk that the Company is not made aware of any existing event of circumstance that may have a material adverse effect on SN Power's business, results of operations, financial condition and/or prospects

Summary of certain other risk factors (cont.)

Risks relating to the shares

The price of the Company's shares could fluctuate significantly

- An investment in the Company's Shares is associated with a high degree of risk and the price of the Shares may not develop favorably. An active or liquid trading market for the Shares may not develop or be sustained, and the Shares may not be resold at or above the offer Price. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be in a position to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

Large shareholders may exercise considerable influence on the Combined Group and its operations, and the interests of these shareholders may conflict with those of other shareholders

- Equinor ASA, Scatec AS and Folketrygdfondet hold a significant percentage of the Shares in the Company. Accordingly, these shareholders may continue to retain a significant influence in the Company, inter alia with respect to the outcome of matters submitted for the vote by the Company's shareholders, including election of members of the Company's board of directors. The interests of large shareholders, and those of the Company and other shareholders, may not always remain aligned and this concentration of ownership may not always be in the best interest of the Company's other shareholders.

Future offerings of debt or equity securities by the Company may adversely affect the market price of the Shares and lead to substantial dilution of existing shareholders

- The Company may in the future seek to raise capital through offerings of debt securities (potentially including convertible debt securities) or additional equity securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price for the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders.

Future sales, or the possibility for future sales, of Shares after the Transaction may affect the market price of the Shares

- The Company cannot predict what effect, if any, future sales of the Shares, or the availability of shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market following the Transaction or the perception that such sales could occur, could adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities at a time and price that they deem appropriate.