

Update on the Scatec project in Choluteca, Honduras

Following up on our last public statement, Scatec considers it valuable to reiterate the desire to conclude the two legal processes opened in 2017.

Our objective is also to achieve the closure of these legal processes, in which Red de Abogadas Defensoras de Derechos Humanos represents ten defendants, who have had all the precautionary measures suspended. The closure of these processes can be realized through the conciliation of the parties, having as a precedent that in 2018, Conciliation Agreements were carried out with twelve (12) of the twenty-two (22) defendants.

During the months of May and September 2021, a member of Red de Abogadas Defensoras de Derechos Humanos was formally presented with a proposal for a Conciliation Agreement in favor of ten of their clients (copy attached as Annex 1). The document does not include within its content any commitment for any of the Parties, nor does it condition any situation, only to terminate the legal process in benefit of each of the accused.

We also take the opportunity to reiterate that the company has acted in a manner that is respectful of local laws. As we have expressed in previous communications, the initial dialogue with the interested parties and the approval of the photovoltaic solar projects in the municipality of Namasigüe was carried out in 2014 through a Town Hall Meeting, carried out by the previous promoter, prior to the construction of the parks. Scatec also held several meetings with community members since 2016, reporting on the scope of the project; resulting in the construction and operation of three solar parks, located in the community of Ranchería, in 2018.

In the same way, we find it important to indicate that there will be no development by the company of any type of project on the land in front of the community of Prados 1. The company has no connection whatsoever with this land and any current or future use corresponds to its owners. There is no longer any type of permit or concession for the development of a solar project in this land.

Finally, the company has a long-term perspective of the investment made in the country, which prompts us to carry out programs to contribute to the development of the communities neighboring our operations. We are willing to show the social investment, executed alongside the neighboring communities, to any interested party, reiterating that the doors of the project's Community Office are open to those who want to know more about our activities.

Annex 1.

EXTRAJUDICIAL SETTLEMENT IN A CRIMINAL CASE.

We, XXXXXX, of legal age, with identity number XXXXX who appears on behalf of the Company ENERGIAS SOLARES S.A. who accredits his condition by means of power of attorney granted in public deed No. 96 dated November 9 of the year two thousand and fifteen, before the Notary Public Fernando Alberto Godoy Sagastume, registered under No. 30859, with registration No. 2532524 in the Register of Social Merchants of the Commercial Registry of Francisco Morazán hereinafter referred to as THE COMPANY, on the one hand, and Mr. XXXXXXXX with Identity No. XXX on the other hand, By means of this document We declare: That we have agreed to enter into an EXTRAJUDICIAL AGREEMENT OF CRIMINAL CHARACTER in accordance with the following terms:

FIRST: I, XXXXXXXXX, declare: That the Public Ministry filed a Fiscal Inquiry against XXXXXXXXXXXXXXXX, for the Crimes of COACTIONS AND THREATS, committed to the detriment of THE COMPANY and is processed in the Court of First Instance of the Judicial Section of Choluteca, RF No. 626-17; and that taking into account the conversation held with Mr. XXXXXXXXXXXXXXXX in order to amicably resolve this judicial problem, we have reached an Agreement with the accused by mutual agreement, since they both agree to no longer continue with the present case, agreeing in closing and filing judicial proceedings, without present and future civil or criminal liability for both parties; having acquired, in a verifiable manner, an attitude of amendment with respect to the acts for which the criminal prosecution was initiated.

SECOND: To carry out the commitments adopted, the parties agree that this agreement is effective from the signing of this agreement and are satisfied by the declaration made in the previous paragraph, for which we declare that its approval is appropriate so that the Criminal Action is terminated, all in accordance with the provisions of Article 45 of the Criminal Procedure Code.

THIRD: For my part XXXXXXXXXXXXXXXX, I declare: That what is expressed by THE COMPANY is true and that with this SETTLEMENT the differences that existed between the parties are overcome, and I promise to faithfully comply with what was agreed.

In witness whereof we extend and sign this EXTRAJUDICIAL AGREEMENT IN A CRIMINAL CASE, in the City of Choluteca, on the XXX days of the Month of XXX of the year Two Thousand Twenty-one (2021).

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Identity No. XXXX-XXXX-XXXXX

XXXXXXXXXXXXXXXXXX

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