Scatec Solar
Improving our future™

Scatec Solar Capital Markets Day

Oslo, May 31, 2016

Our values
Predictable
Driving results
Changemakers
Working together

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Agenda for the day

TIME	TOPIC	SPEAKER
08.30 – 09.30	1. Introduction 2. Markets and opportunities	Raymond Carlsen, CEO Terje Osmundsen, SVP
	Break	
09.45 – 10.45	3. Project development 4. Solutions	Terje Pilskog, EVP Pål Helsing, EVP
	Break	
11.00 – 12.00	5. Power Production and O&M 6. Financials and funding	Torstein Berntsen, EVP Mikkel Tørud, CFO
	Break	
12.15 – 13.00	7. EBRD – Lenders perspectives 8. Summary and Q&A	Harry Boyd-Carpenter Raymond Carlsen, CEO

Speakers

Raymond Carlsen, CEO

Mr. Carlsen joined Scatec Solar in 2009 from Aker ASA, where he was responsible for the development of the company's portfolio of energy related businesses. He has more than 20 years of industrial experience from management positions.

Terje Osmundsen, SVP Business Development

Mr. Osmundsen joined Scatec Solar in 2009 and is responsible for Business Development, Emerging Markets. Broad professional background including Prime Minister's Office, management consulting, leadership roles from telecom, engineering and energy industries. Regular contributor to industry and public debate on climate and energy issues.

Terje Pilskog, EVP Project Development & Project Finance

Mr. Pilskog joined Scatec Solar in 2012 from the position as SVP of REC Systems and Business Development in Germany. Prior to REC, he was Associated Partner at the management consulting company McKinsey & Co.

Pål Helsing, EVP Solutions

Mr. Helsing joined the Company in 2015 from the role as President of Kongsberg Oil and Gas Technologies AS and a member of the Kongsberg Group Executive Management Team. Before that, he held several executive positions within Aker Solutions.

Torstein Berntsen, EVP Power Production & Asset Management

Mr. Berntsen joined Scatec Solar in 2010 from the position as CFO in the parent company Scatec AS. Before joining Scatec, he had more than 10 years of experience from Arthur Andersen and later Ernst & Young.

Mikkel Tørud, CFO

Mr. Tørud joined Scatec Solar in 2014 from the position as SVP Investor Relations and Business Development and member of Group Management in REC. Prior to REC he was commercial advisor in BP and management consultant in PA Consulting Group.

Harry Boyd-Carpenter, Senior Banker at EBRD

Mr. Boyd-Carpenter is a Senior Banker in EBRD's Power and Energy Utilities team with responsibility for all EBRD's activities in the Egyptian and Jordanian power sectors. He has worked on a wide range of debt and equity transactions in the power and infrastructure sectors across Russia, Mongolia, the Caucasus, the Balkans and Jordan.

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1. Introduction

Raymond Carlsen, CEO

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Generating and capturing PV value in emerging markets

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1. Fully integrated business model tailored for emerging markets
2. Strong global demand for PV accelerates growth in opportunities
3. Excellent track record in capturing value from complex PV projects
4. Solid asset base and a significant self funding capacity
5. Strong project pipeline supporting further growth in attractive markets

A solid track record of developing and building PV

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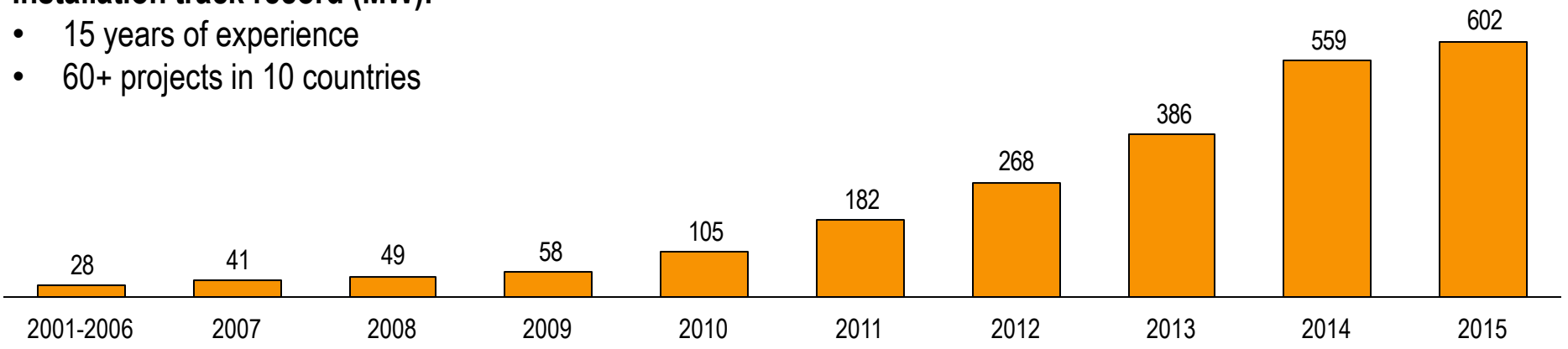
383 MW in operation:

Czech	Kalkbult	Dreunberg	Linde	ASYV	Agua Fria	Red Hills
						
20 MW	75 MW	75 MW	40 MW	9 MW	60 MW	104 MW
Czech Republic	South Africa	South Africa	South Africa	Rwanda	Honduras	USA

Installation track record (MW):

- 15 years of experience
- 60+ projects in 10 countries



SSO strategy evolving with shifting industry dynamics

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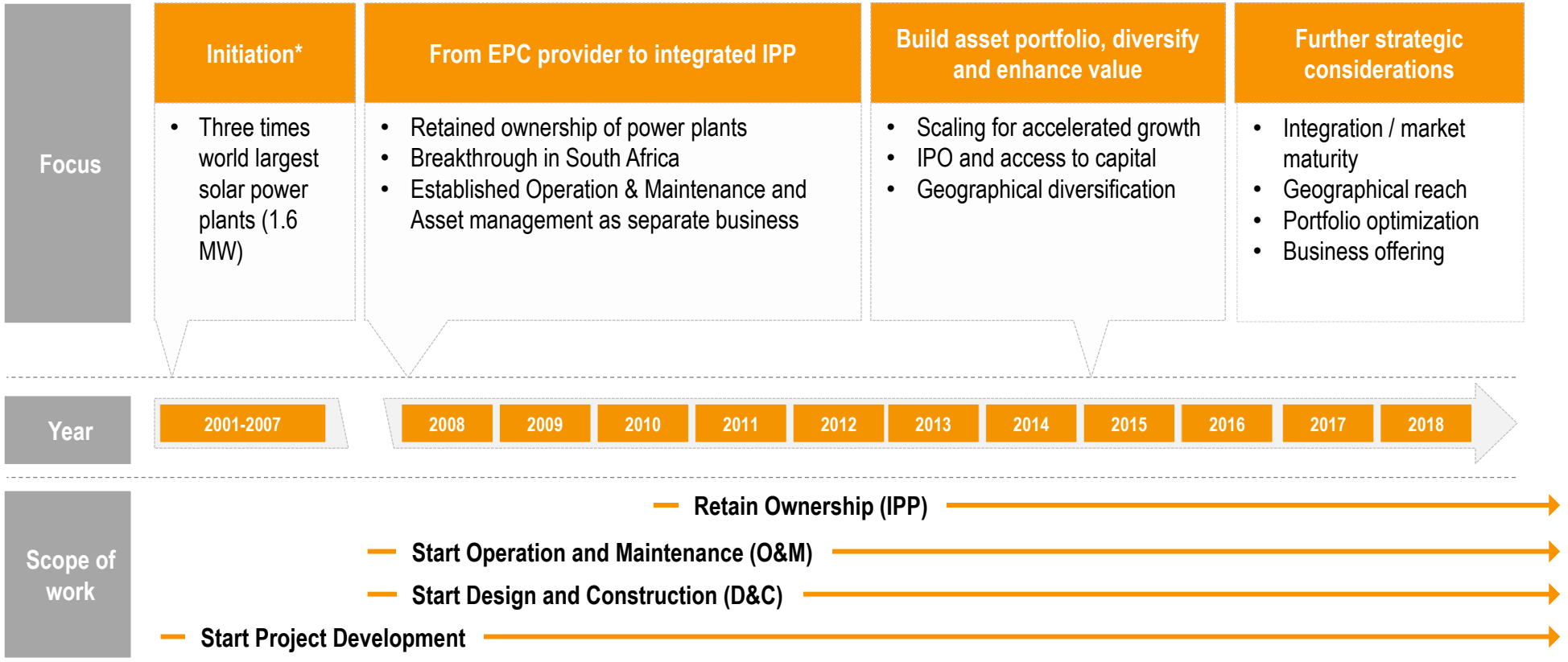
Scatec has evolved and continues to adapt to market and industry dynamics



* *Through integration of the acquired German developer Solarcompetence*

Cost reductions drive strong demand growth

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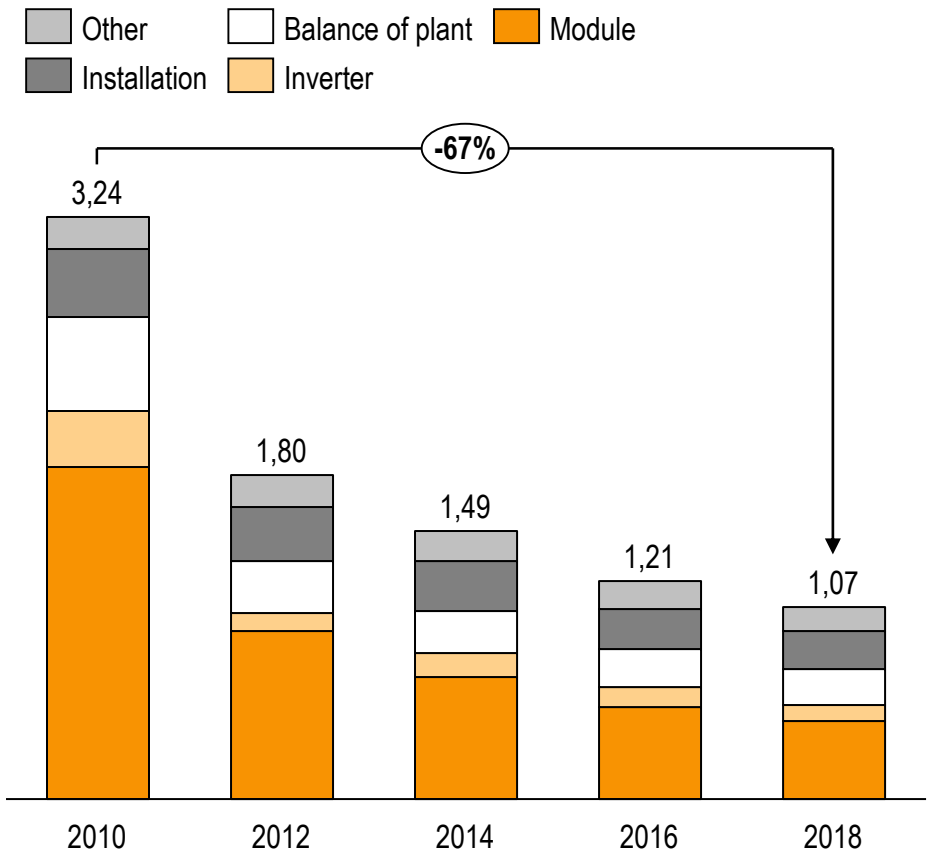
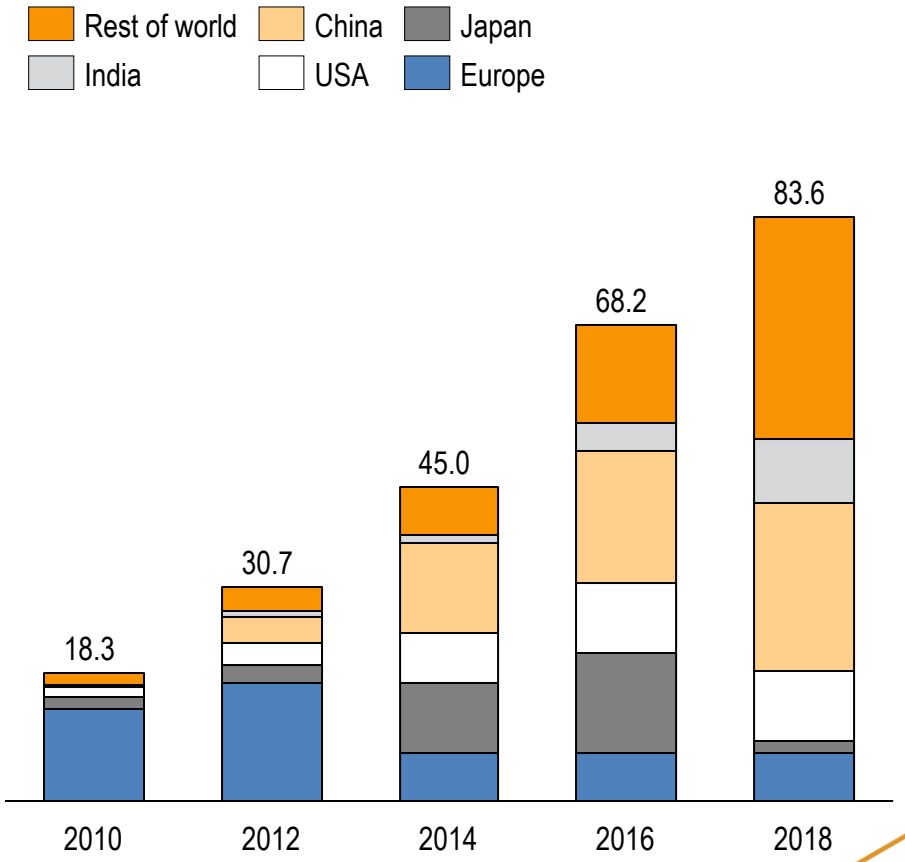
Total system cost (USD / Watt) *



* System cost will vary from market to market depending on system size, market maturity, bankability etc.

Annual installed volume - GW



Source: Bloomberg New Energy Finance, Q1 2016 PV Market Outlook

Integrated Independent Power Producer

Scatec Solar develops, builds, owns & operates solar plants for 20 years

Phases	Origination	Development	Structuring	Delivery	Power Production O&M
	• Opportunity	• Pipeline	• Backlog	• Construction	• Operation
Key activities	 • Analysis & Intelligence • Business opportunity • Partnerships • Commercial viability	 • Site control • PPA and support agreements • Business case • Regulatory approvals/permits	 • Equity, debt structuring • Engineering	 • Procurement • Construction Management	 • Operation & Maintenance • Asset management

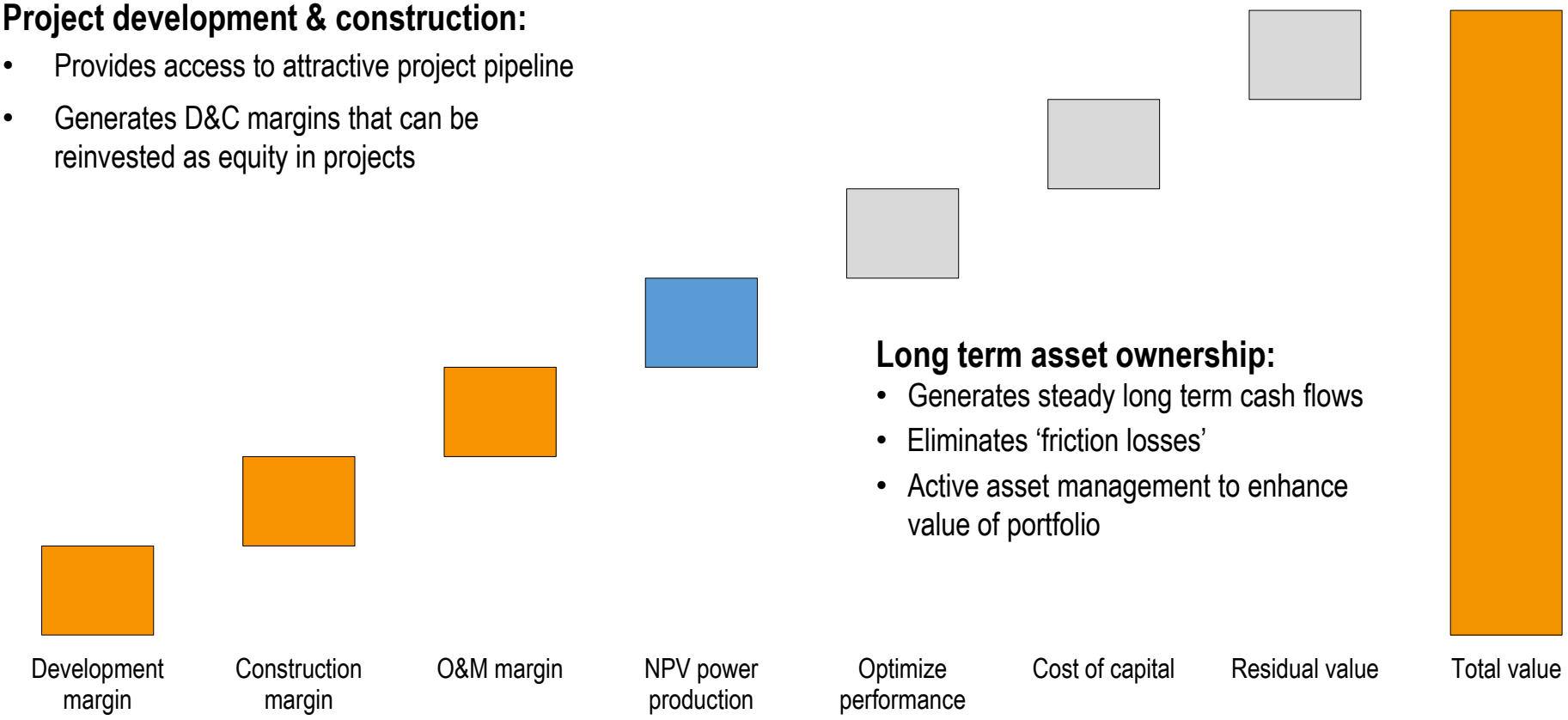
The integrated model captures the full project value

Project development & construction:

- Provides access to attractive project pipeline
- Generates D&C margins that can be reinvested as equity in projects

Long term asset ownership:

- Generates steady long term cash flows
- Eliminates 'friction losses'
- Active asset management to enhance value of portfolio

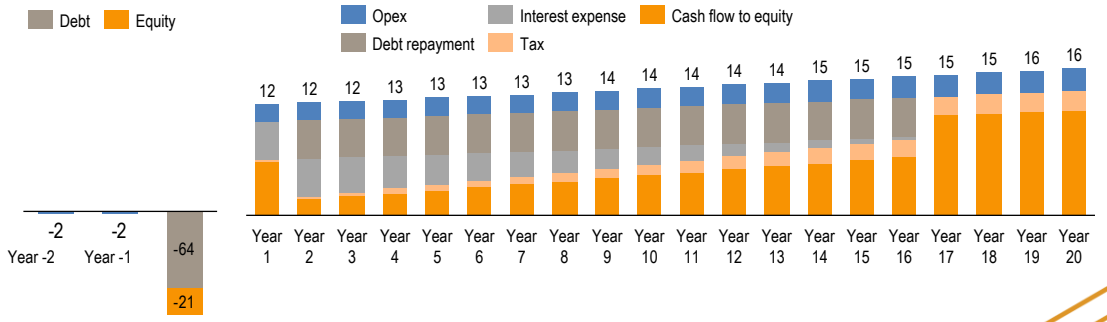


Integration key to assessing new opportunities

- With small integrated teams we can assess new project opportunities effectively
- Key questions: Can we apply our business model, meet our financial targets and control risks?
- Quality assessments ensure resource discipline and increase likelihood for success

Project assessment using SSO competencies:

The business case:

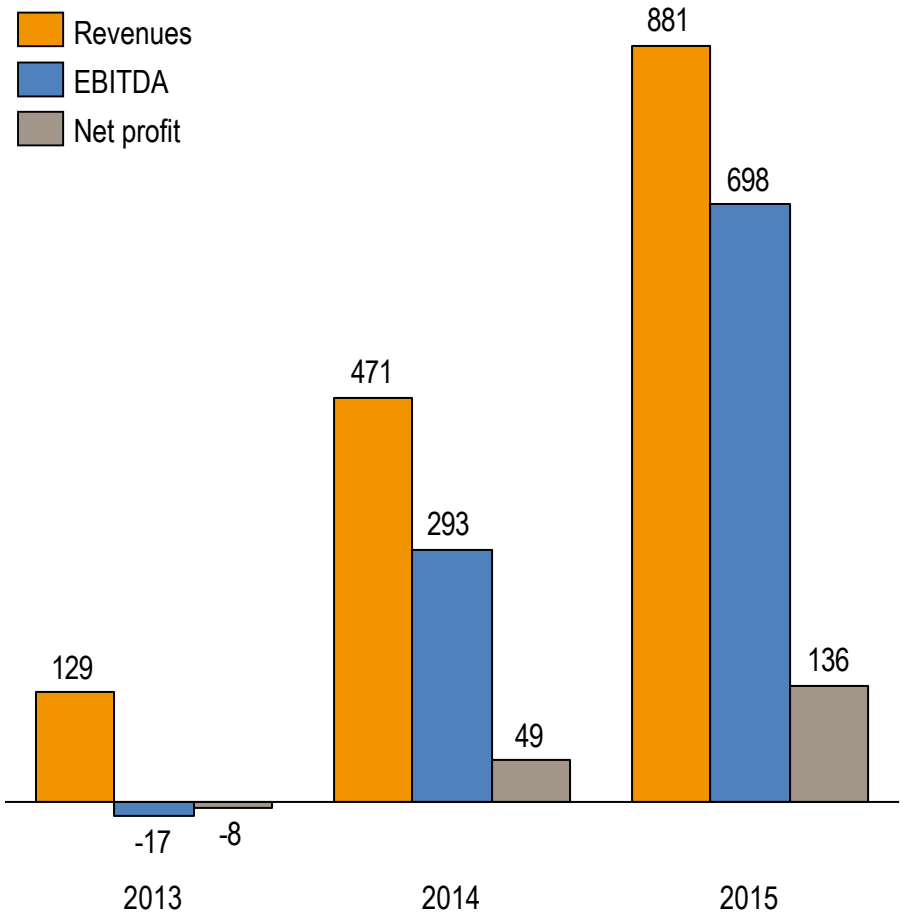


A truly sustainable business model

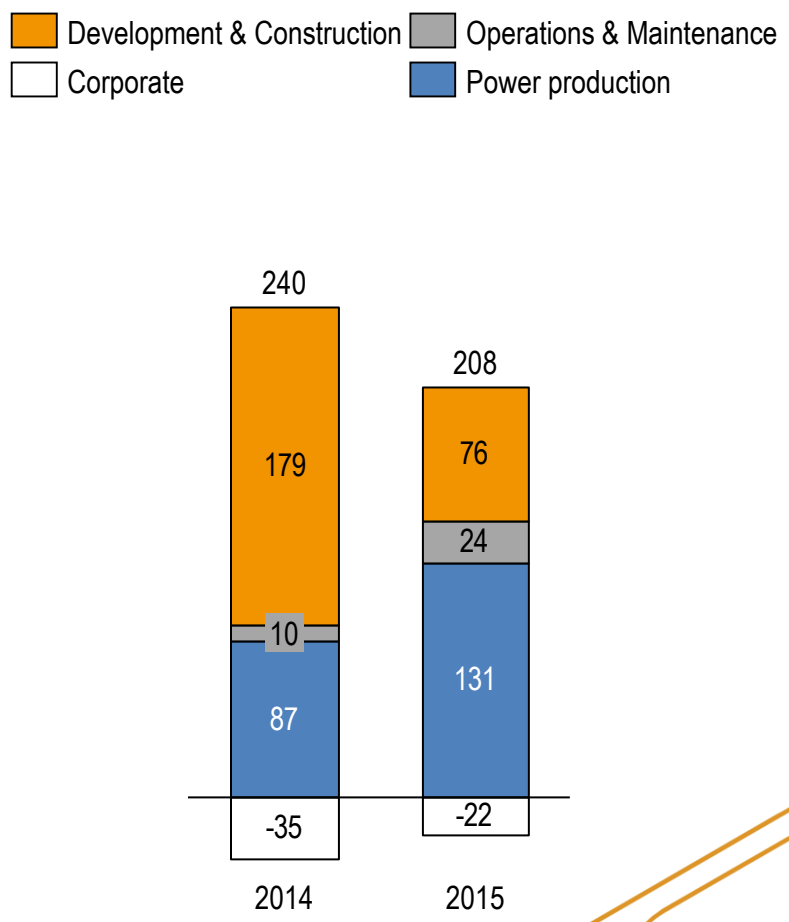
- Solar plants embedded in local communities in emerging economies for 20-25 years
- Economic activity is of vital importance to both countries and communities
- Local suppliers, local employees and good relations with local communities impact performance, cost and risks
- Environmental and Social Impact Assessments are undertaken at the start of the project phase
- Community relations, social and environmental impacts are managed as an integrated part of the business
- Specialist advisors engaged to manage CSR and Economic Development programs

A history of profitable growth

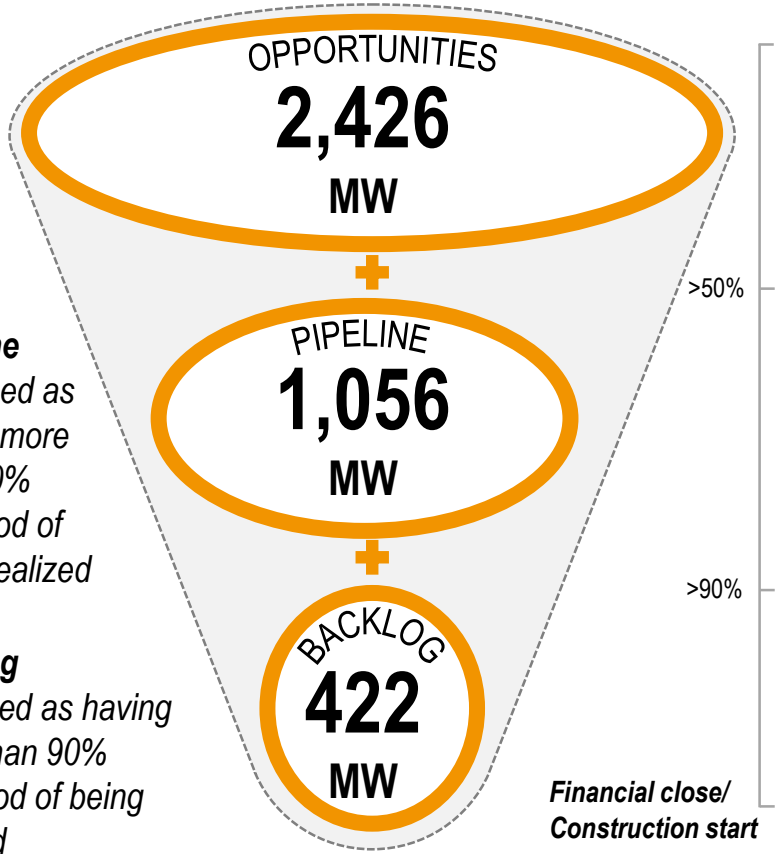
Consolidated financials, NOK million



Cash flow to SSO equity, NOK million



Strong project pipeline in attractive markets



Pipeline
Assessed as having more than 50% likelihood of being realized

Backlog
Assessed as having more than 90% likelihood of being realized

Regions

Americas, Africa, Asia, MENA

Regions

Americas, East and West Africa, South Africa, Egypt, Pakistan

Regions

South Africa, Mali, Honduras, Brazil

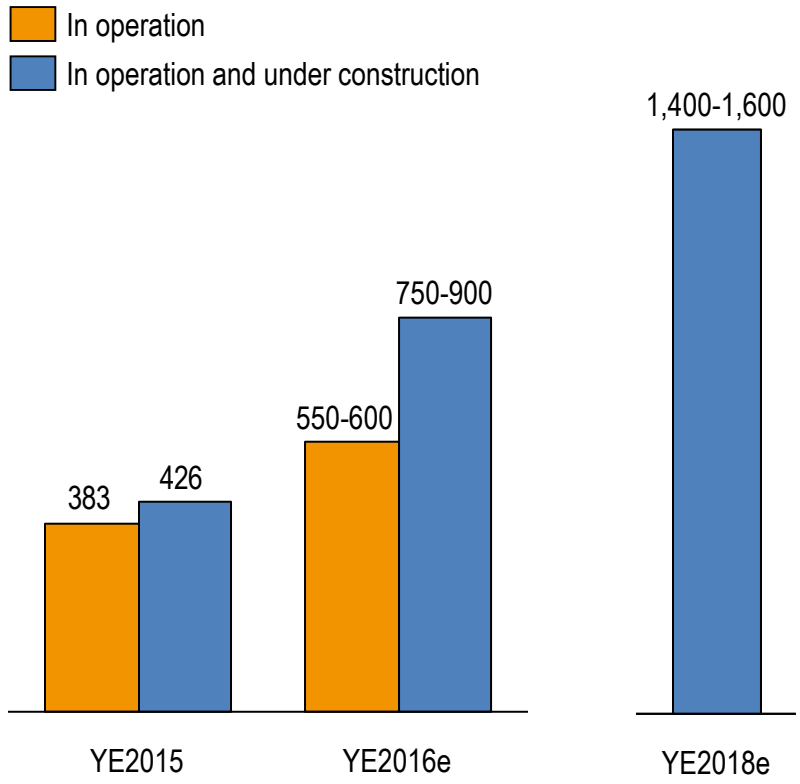
IN OPERATION / UNDER CONSTRUCTION

426 MW

Outlook and targets

- Average 15% gross margin from Development and Construction
- Target average equity IRR of 15% nominal after tax on power plant investments
- 2016 cash flow to SSO equity of NOK 180-200 million (PP and O&M)*
- 2016 production target of 815,000 MWh

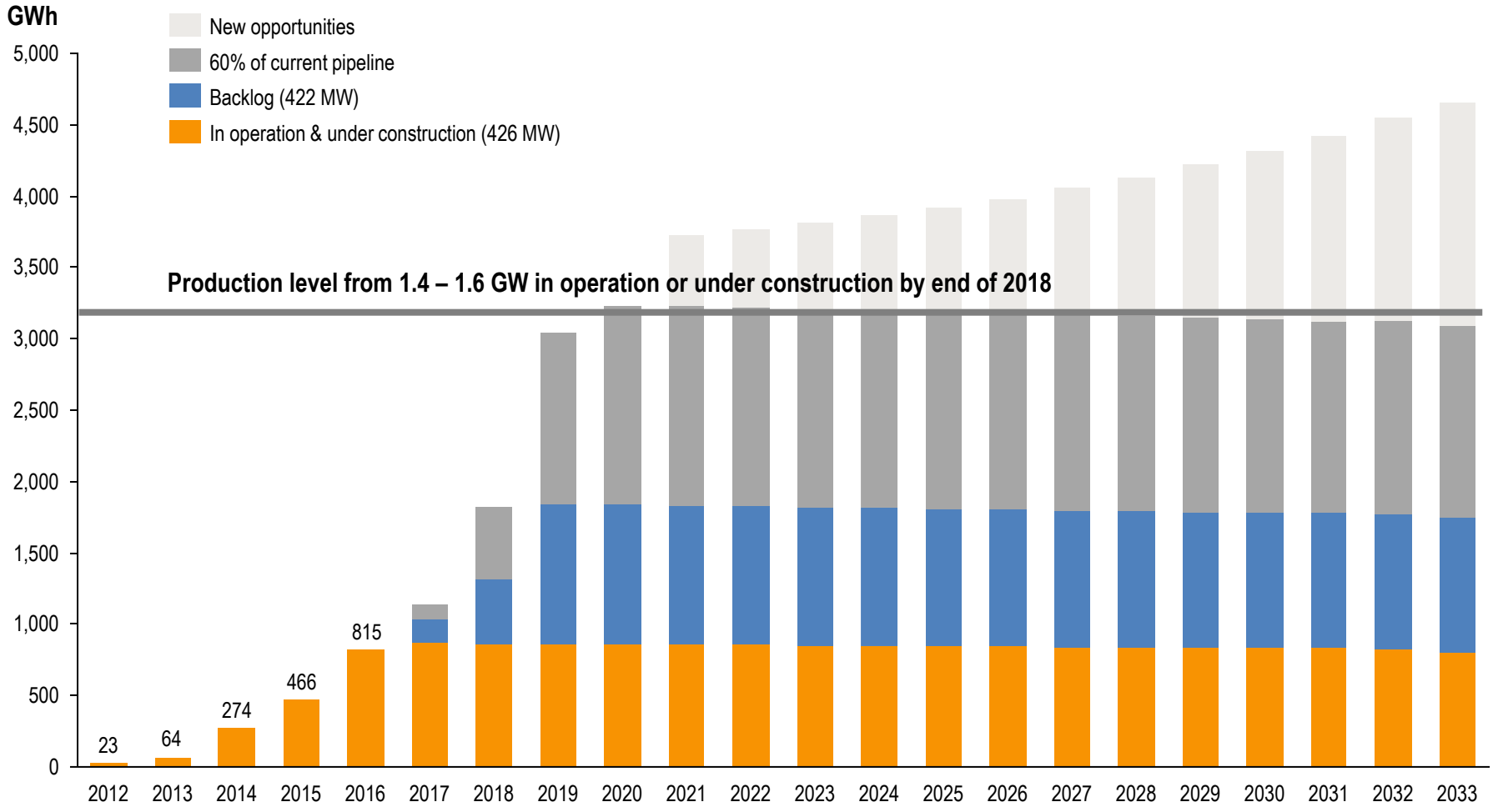
MW in production and under construction



** Based on currency rates as of mid April 2016. Utah Red Hills with no cash flow contribution in 2016 based on merchant pricing. The higher PPA price effective from Jan 1 2017.*

Strong growth in power production

- Power production set to reach more than 3 TWh per year with current growth targets
- Contract length of 20 to 25 years



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2. Market and opportunities

Terje Osmundsen, SVP

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Introduction

- Scatec Solar - a track record as early mover:
  - South Africa (from 2010)
  - Mali (from 2011)
  - Jordan (from 2012)
  - Egypt (from 2014)
- Developed a holistic skill-set and capabilities particularly competitive in emerging markets
- Globally, numerous emerging markets ready to embrace PV development
- SSO: Developing unique opportunities in several of tomorrow's growth markets

Developing opportunities in a fully integrated model

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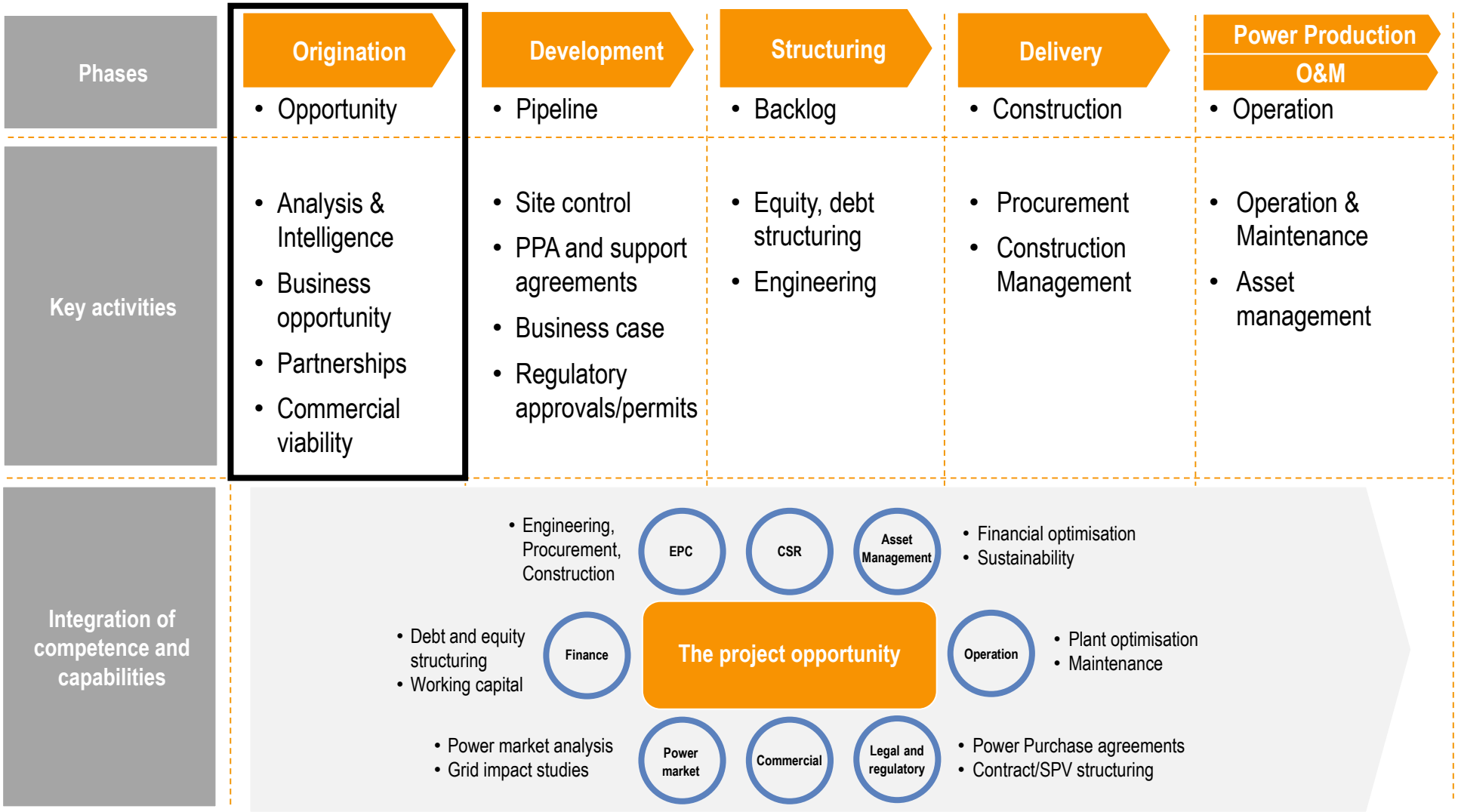

Impressive cost reductions drive strong demand growth

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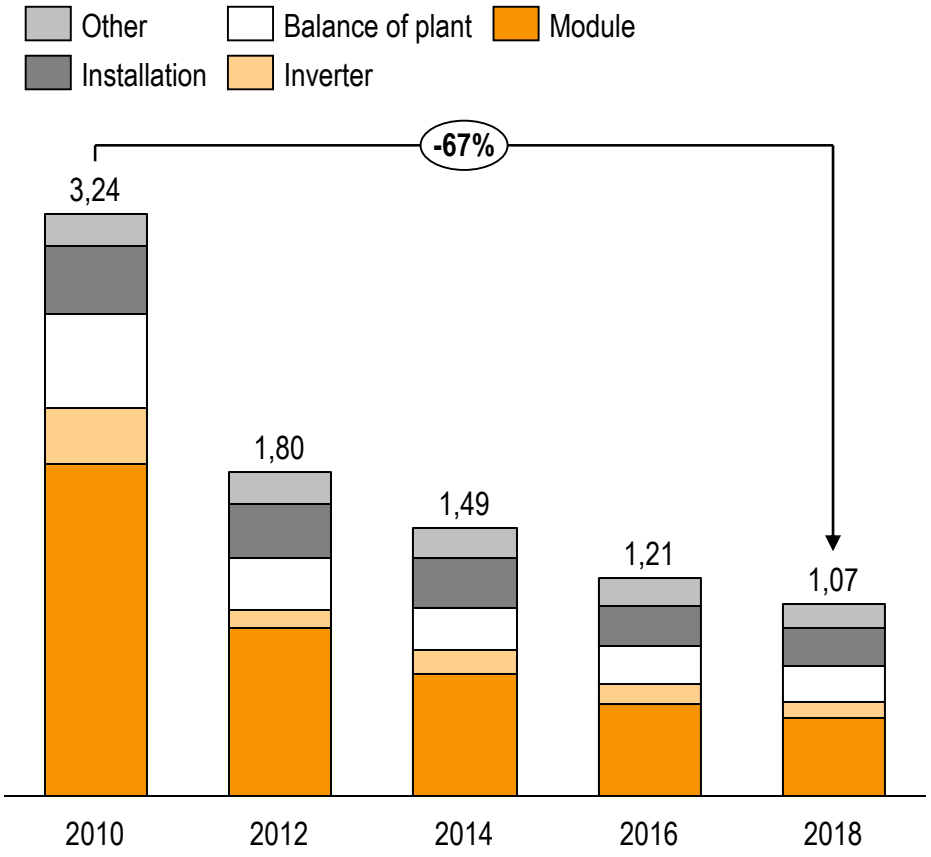
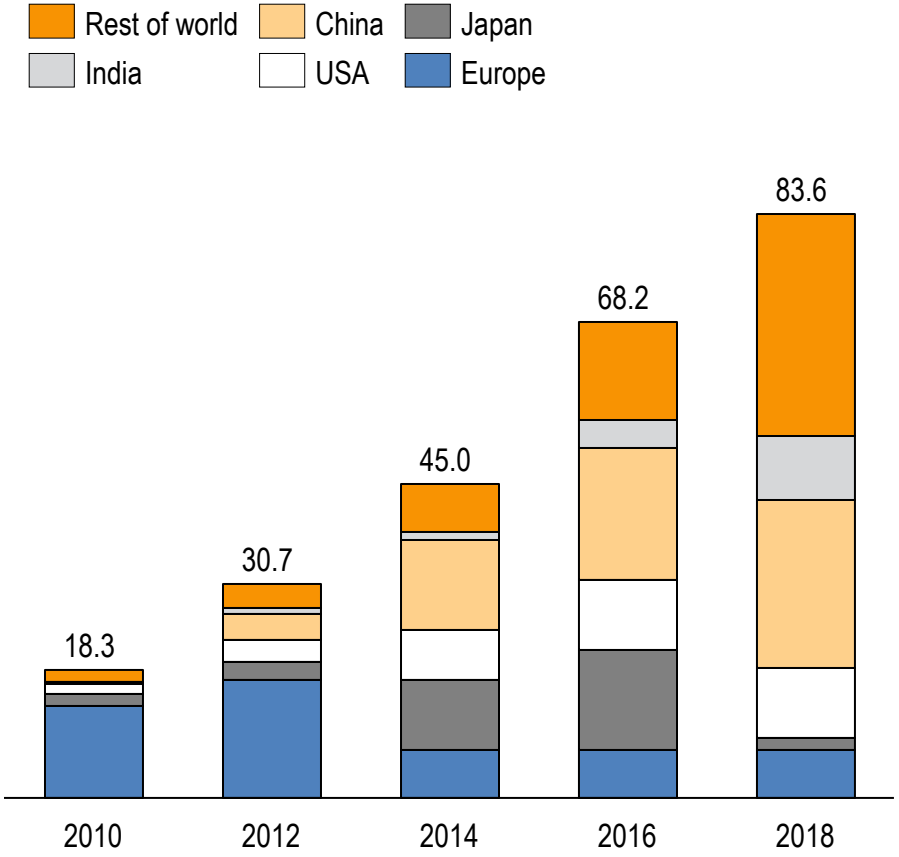
Total system cost (USD / Watt) *



Annual installed volume - GW

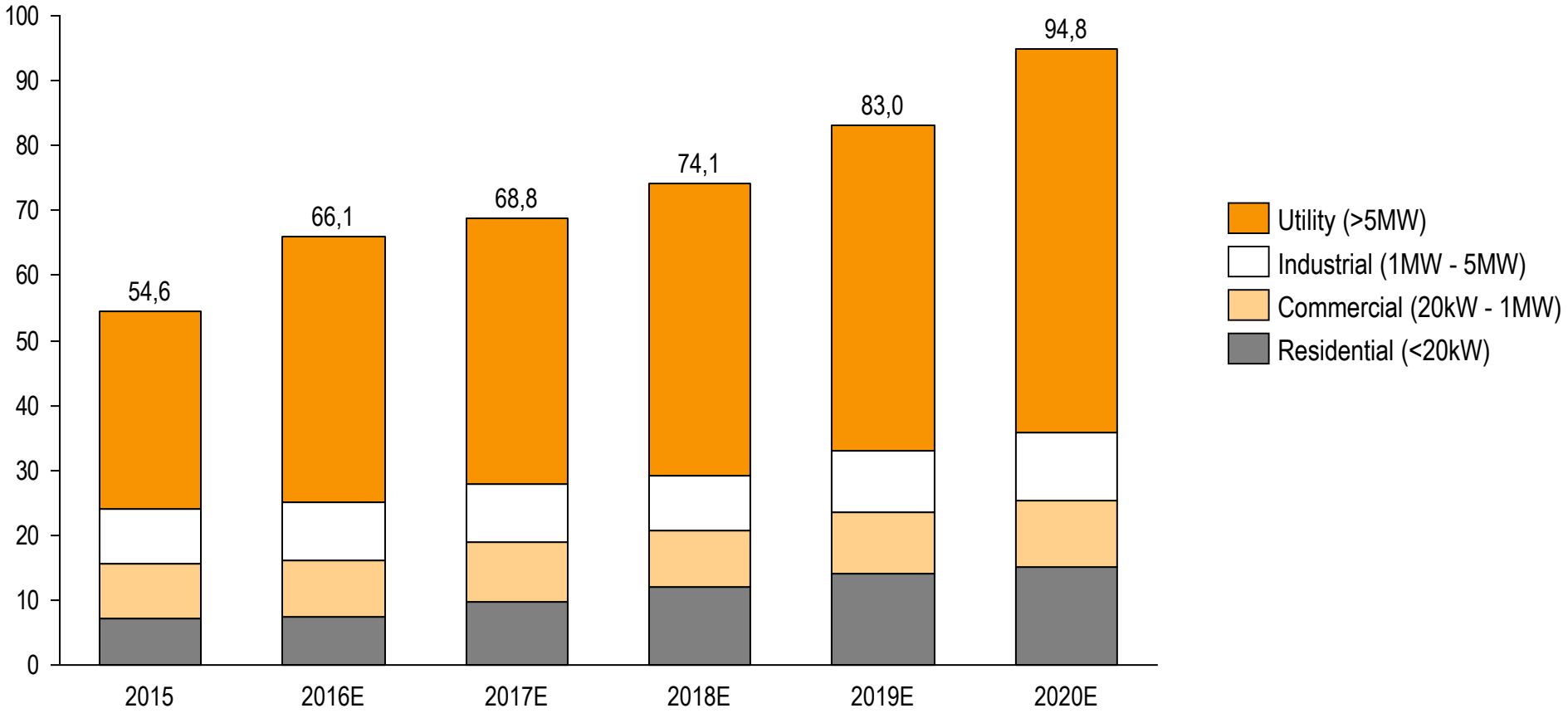


* System cost will vary from market to market depending on system size, market maturity, bankability etc.

Source: Bloomberg New Energy Finance, Q1 2016 PV Market Outlook

Large-scale solar - a major part of the market

PV installation per year, GW



Source: GTM, Solar Summit, May 2016

Emerging markets: Struggling to meet fast-growing demand

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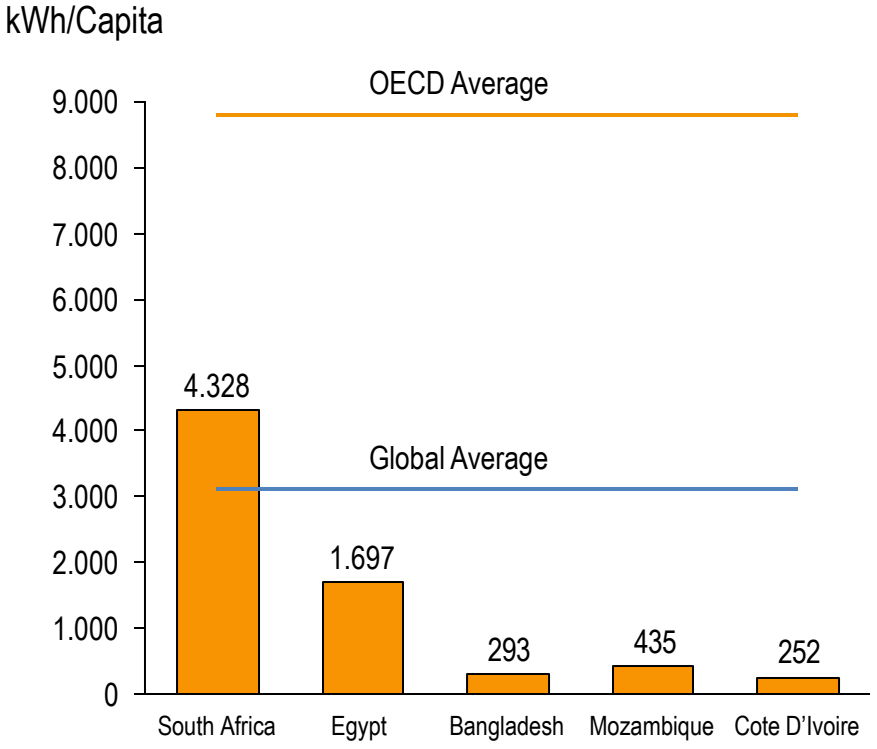
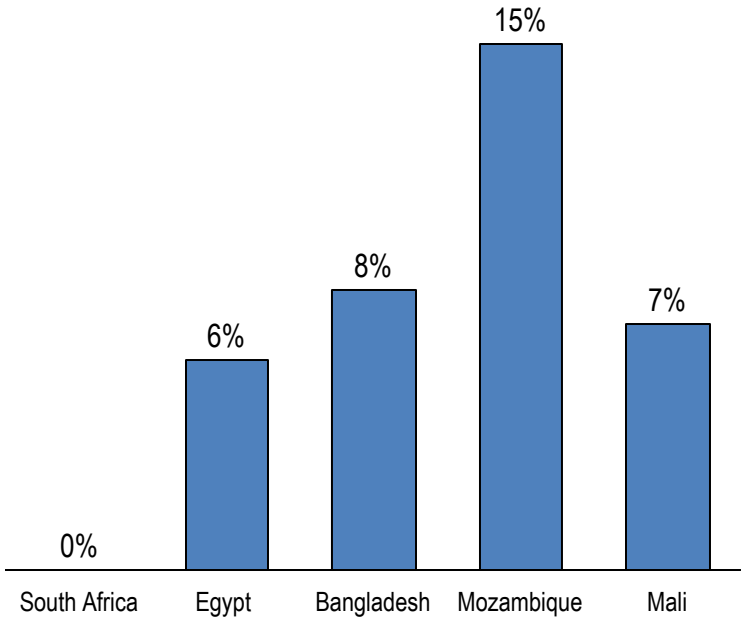
Energy consumption per capita 2013



Source: World Bank, Development Indicators

Average annual growth in power consumption



Source: Recent official estimates

Solar PV is competitive

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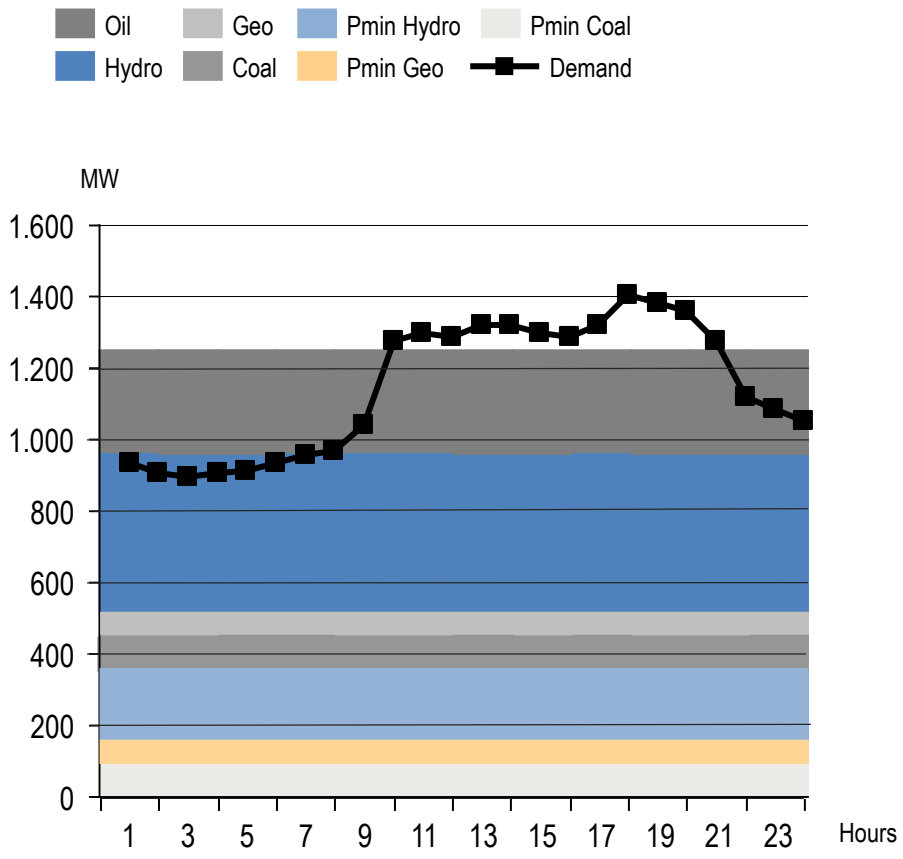
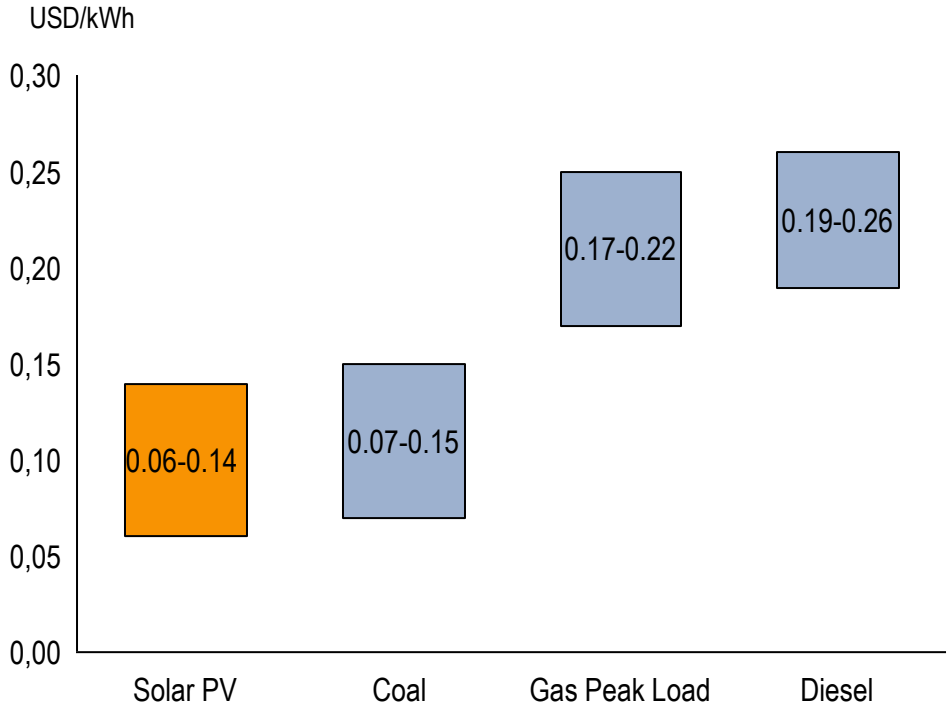
Example load-curve and energy-mix



Illustrative dispatch graph showing dispatch of coal and oil-fired power plants

Cost of alternative energy sources – (LCOE)



Source: Lazard Capital, LCOE v 9.0, Scatec Solar

Multiple drivers of demand for solar

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The government agenda:

How we address them:

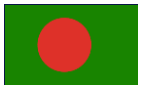
Examples:


South Africa


Egypt


Mali


Iran


Bangladesh

Norwegian and international partners key for our success

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Norfund partnership:
- Project development and investment partnership
- Norfund (with KLP) are equity co-investors in South Africa, Rwanda and Honduras

IFC partnership:
- Project development and investment partner in West Africa, South Asia

GIEK partnership
- Project finance
- Guarantees and bonds

Project finance partners
- Multilateral development banks and commercial institutions

Climate finance partners

Key benefits:
- Access to lower cost of capital
- Expanded network for project origination
- Risk mitigation

Early-phase development: Our toolbox

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Phase	Origination	
	Opportunity → **Attract and identify opportunities**	**Develop and manage business case** → **Enter pipeline**
Activities	• In-depth market and trend analysis • External communication, stakeholder presentations, building relationships • Efficient screening of enquires	• Evaluate and secure land • Explore finance arrangements • Social and environmental and grid assessment • Negotiate initial commercial arrangements
Know-how	• Business innovation • Thought leadership • Inter-cultural understanding and awareness	• Technical-financial • Deep socio-economic understanding • Project and relationship management
Network	• Finance and other business partners • NGOs • "Team Norway" • Developers and national stakeholders • Local stakeholders	• Co-development partners • Off-taker and host government agencies • DFIs, project and climate finance partners • Technology and equipment providers

2.4 GW of opportunities – emerging markets focus

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3. Project Development and Project Finance

Terje Pilskog, EVP

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Develop to capture full project value

- From opportunity to financial close
- Integrated approach for efficient project development
- Strong central organization with local development partners
- Value creation and sustainability key development drivers
- Predictable cash flows to enable attractive, non-recourse financing
- A solid pipeline and backlog has been built over the last 12 months

Project development in the integrated model

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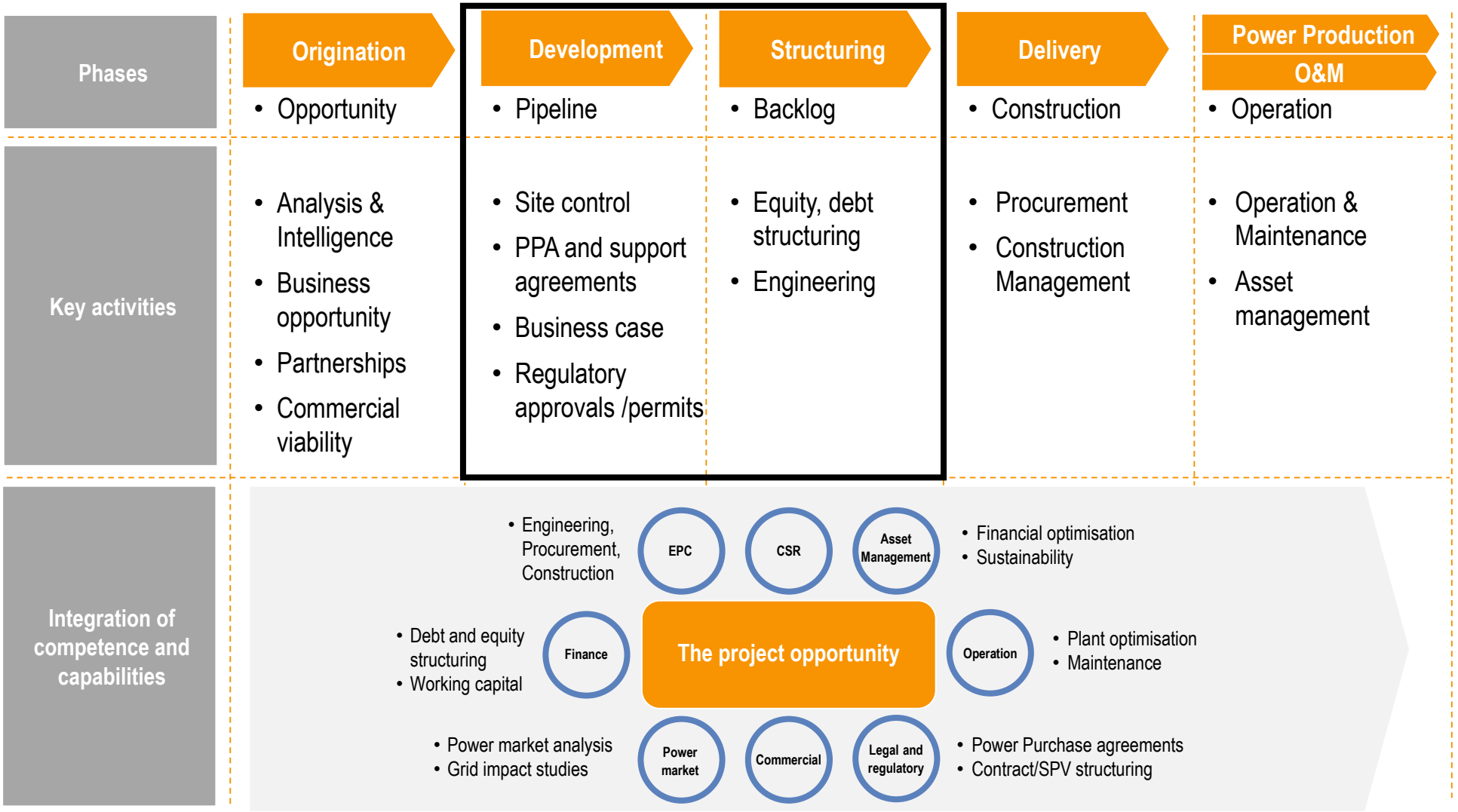
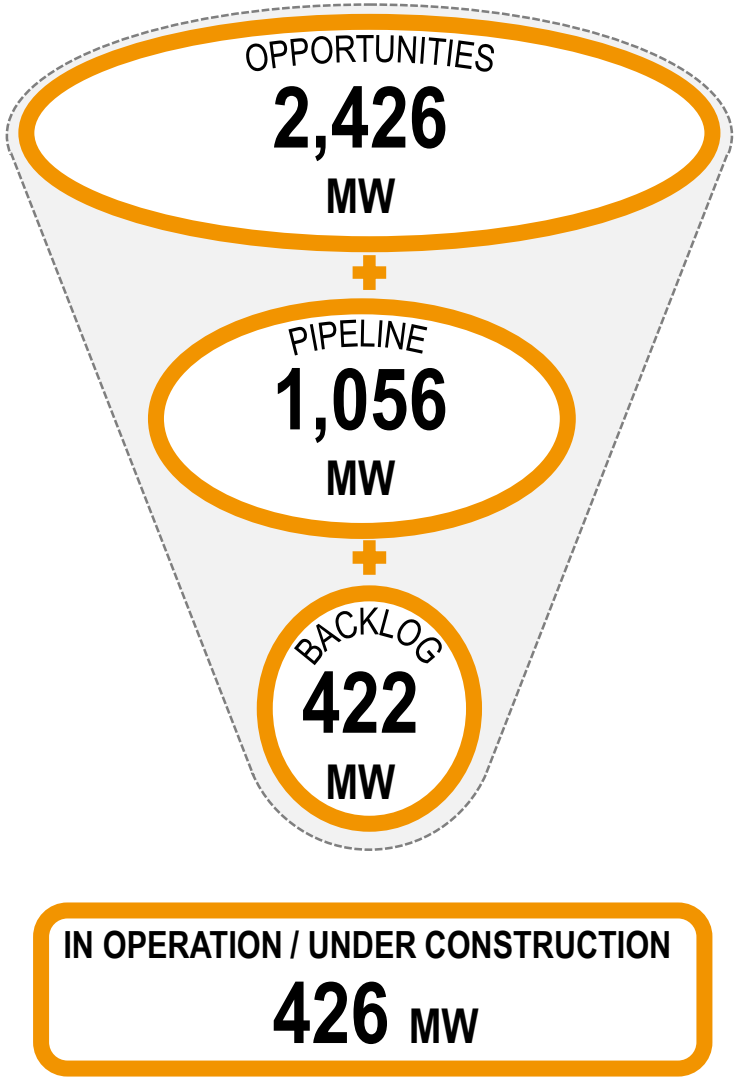


Drivers of project development priorities

- Local partner set-up
- Sustainability
- 15% gross D&C margin
- Average nominal after-tax 15% return on gross equity investment
- Predicable cash flows
- Net equity investment level
- Additional sources of revenues and value
- Repatriation of funds
- Risk and security mitigation



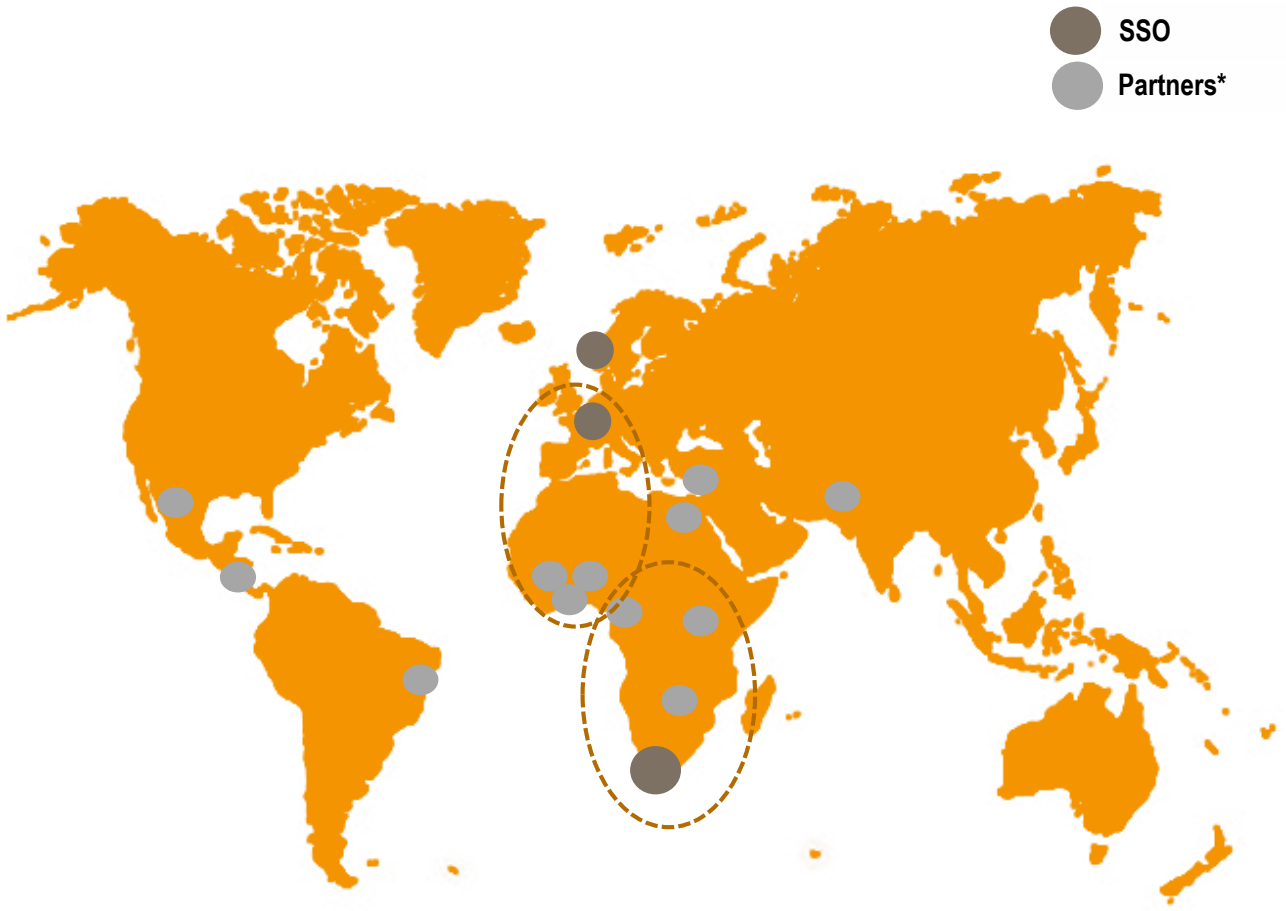
>50% ***Pipeline***
Assessed as having more than 50% likelihood of being realized

>90% ***Backlog***
Assessed as having more than 90% likelihood of being realized

Financial close/ Construction start

Project development organization

- 3 Scatec Solar hubs
- Clear direction and focus on business model
- Tight central control on development spending and business case
- Local development partners managed by SSO hubs
- Development partners with equity participation
- Global development partners like IFC and Norfund



* Not exhaustive list of all local development partners

Project development process

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Activity	Opportunity *Ongoing*	Development *6-18 months*	Structuring *6-9 months*
Development partners	→		
Development budget	→		
Site selection	→	→	
Site surveying		→	
PPA		→	
Environmental permits		→	→
Socialization of project		→	→
Pre-design / engineering		→	→
Support Agreement		→	→
Grid connection		→	→
Legal structure			→
Construction permits			→
Business case validation	→	→	→

Stable and predictable cash flows

Power production

- Stable resource
- Proven technology
- Guaranteed performance

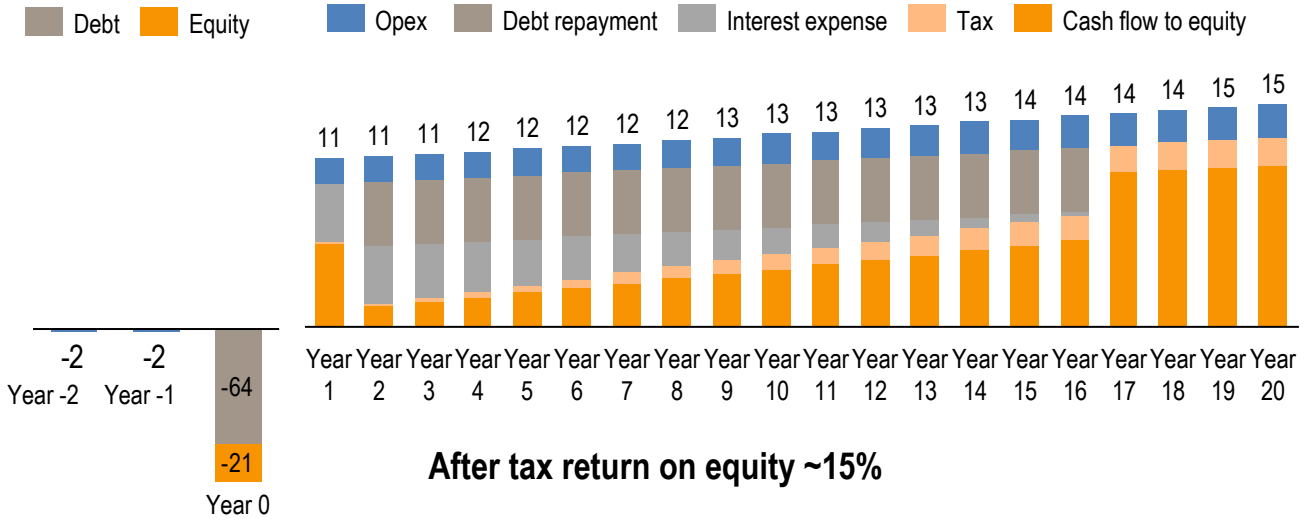
Revenues

- Take or pay energy sales
- Creditworthy off-takers
- Sovereign guarantees
- Guaranteed uptime

Costs

- Stable debt service
- O&M agreements
- Matched currencies
- Equipment warranties
- Insurance

50 MW solar power plant example (USDm)*



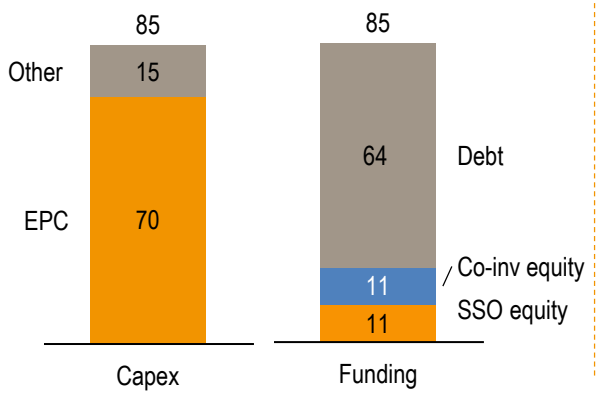
After tax return on equity ~15%

** Based on tariff of 11 USD cent/kWh*

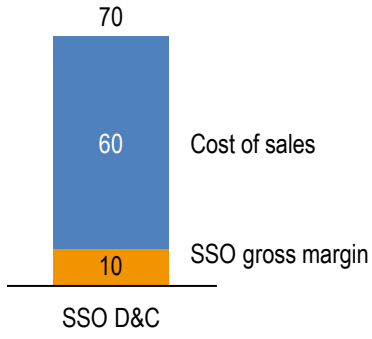
Value creation in the integrated model

50 MW solar power plant example (USD m)*

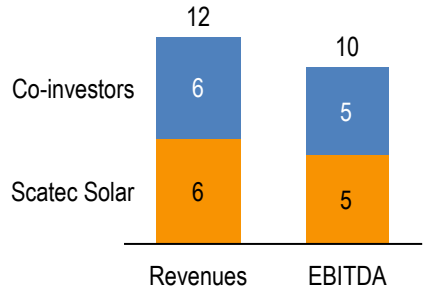
Capex and funding
USD million



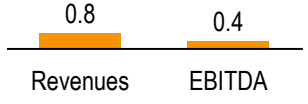
D&C - developing and constructing the plant
USD million



Power Production
20 year annual revenues
USD million



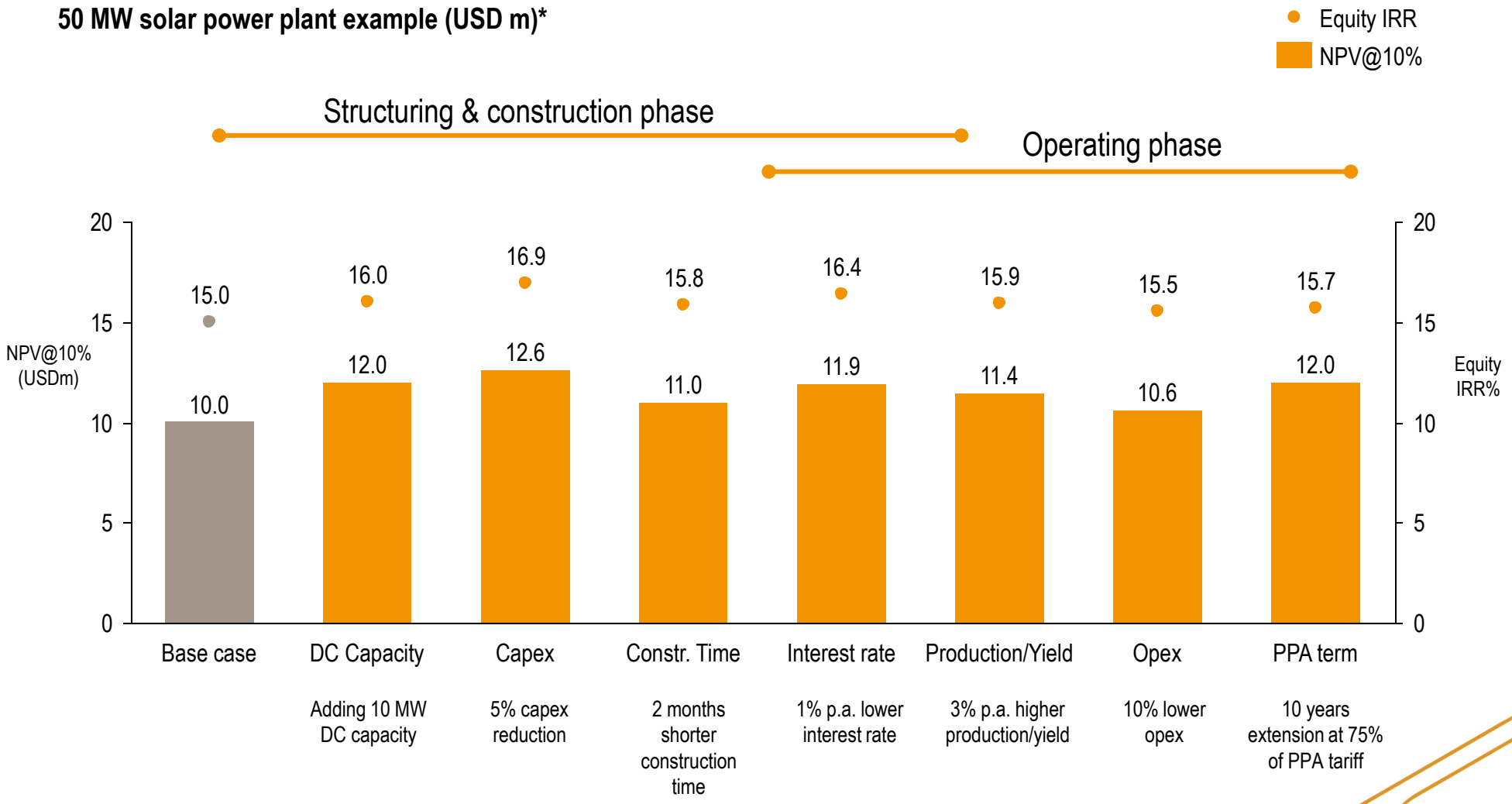
O&M
20 year annual revenues
USD million



** Based on tariff of 11 USD cent/kWh, SSO 50% ownership*

A number of factors influence the project returns

50 MW solar power plant example (USD m)*



** Based on tariff of 11 USD cent/kWh*

A comprehensive project finance process

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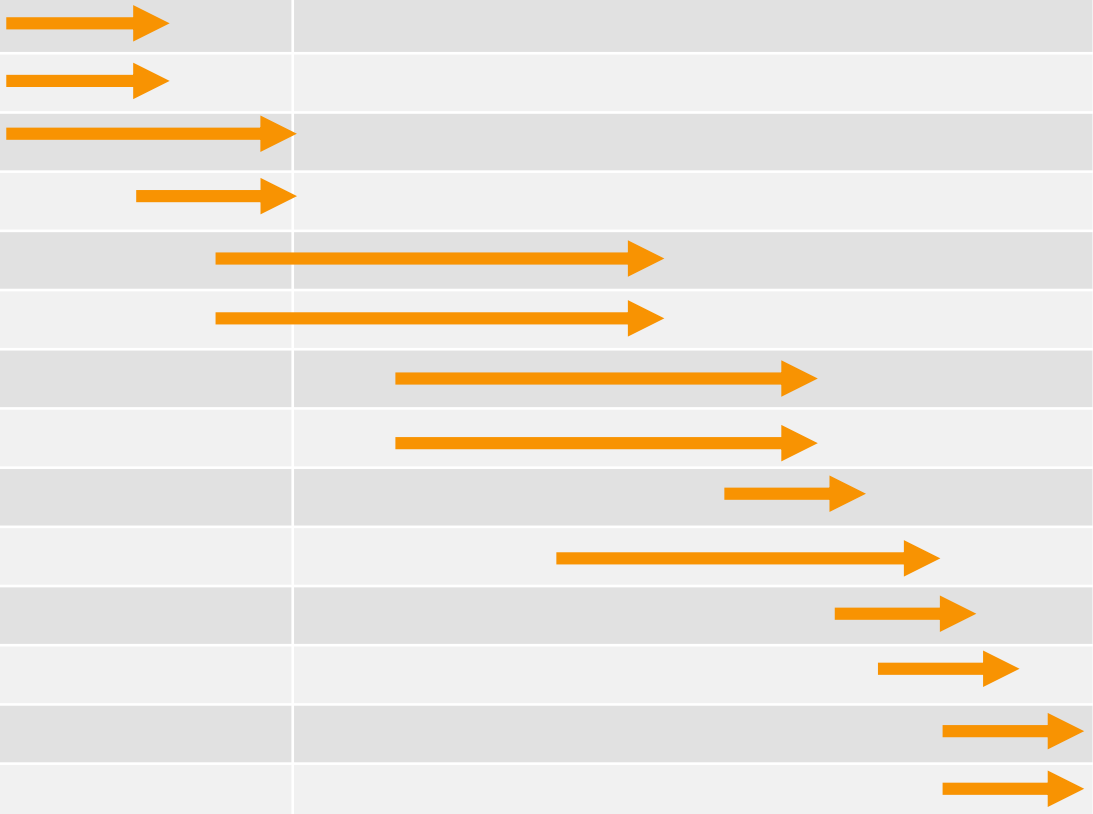
Activity	Development *6-18 months*	Structuring *6-9 months*
Establish Financial Model		
Test interest / share PIM		
Indicative terms		
Share Financial Model		
Sign mandate letters		
Negotiate Term Sheets		
Negotiate project documents		
Technical and legal due diligence		
Credit committee		
Negotiate loan documents		
Board approval		
Sign loan documents		
Conditions precedent		
Financial close and first disbursement		



Lowest possible funding costs

Leverage

- Debt sizing based on debt service capacity
- Mezzanine structures

Costs of debt

- Commercial banks vs Development banks (DFIs)
- Interest rates, hedging and tenure
- Concessional financing and grants
- Transaction fees

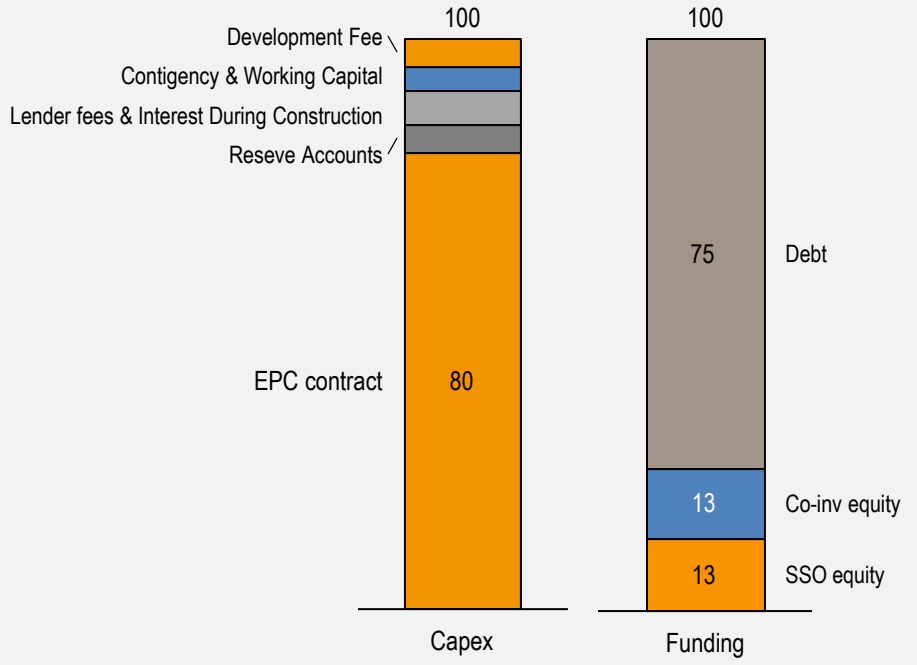
Limit funding need

- Limit reserve accounts and contingencies
- Manage transaction fees legal costs

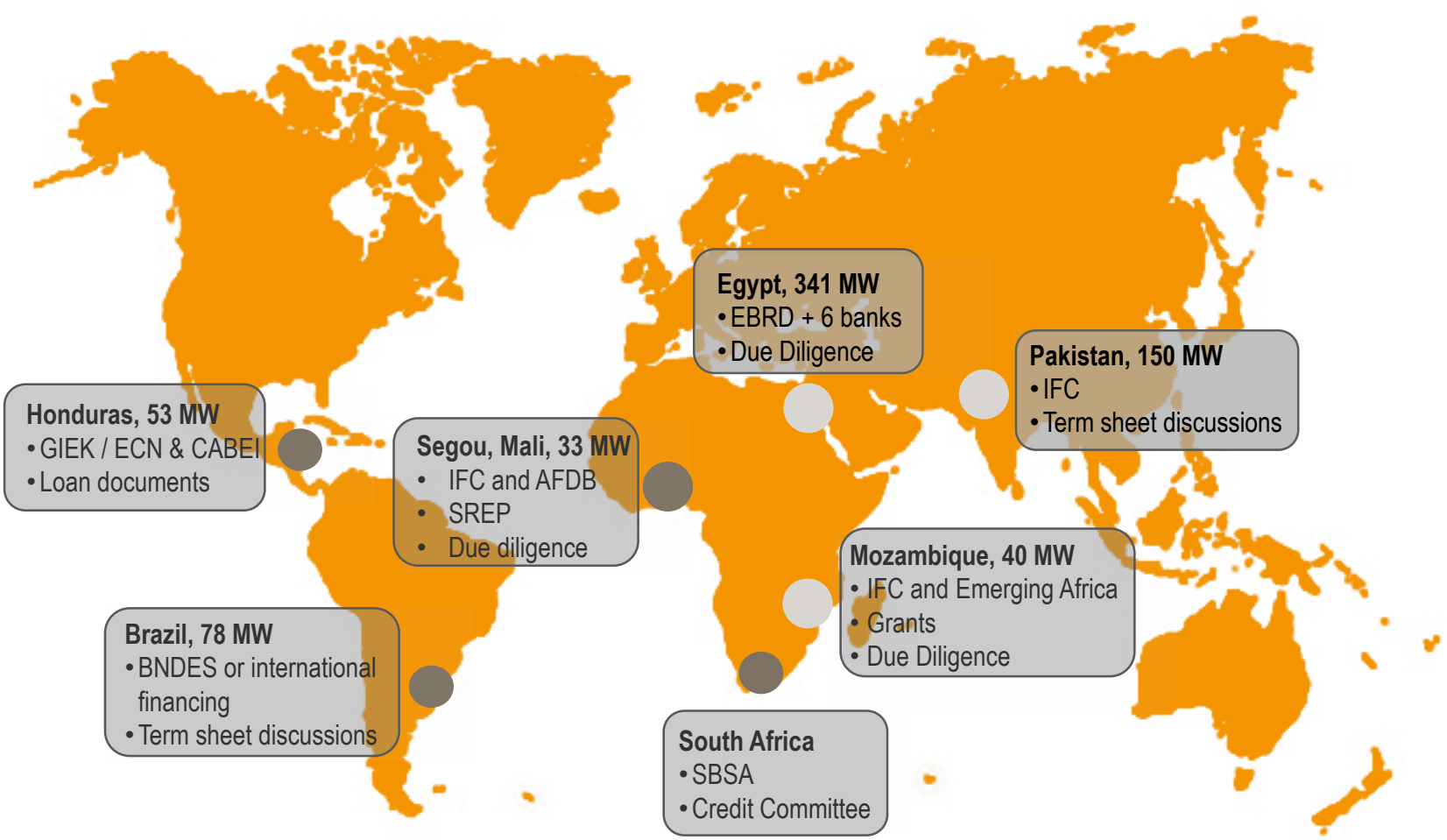
Equity costs

- SSO equity participation
- Shareholder loans
- Co-investors

50 MW solar power plant example
Capex and funding in %

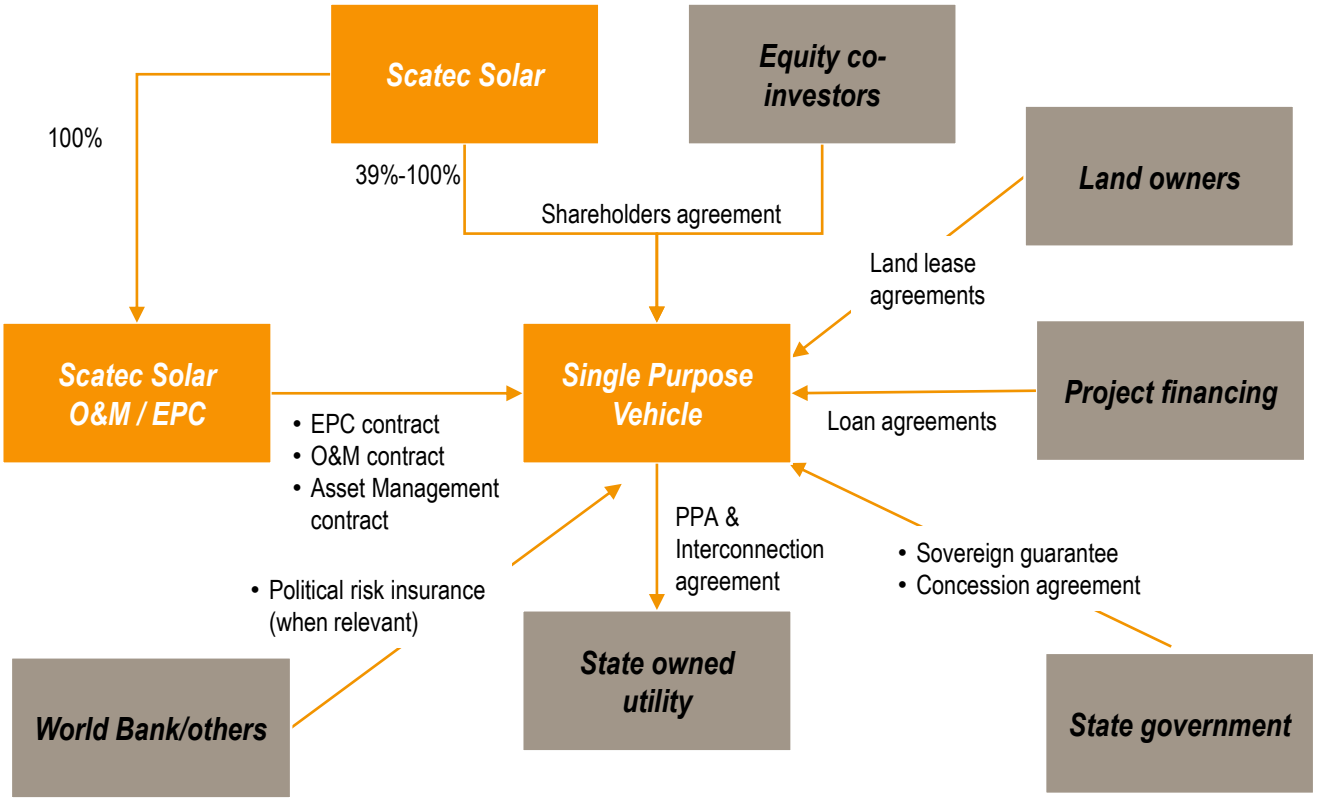


Project Finance for key projects



The deliverable: A shovel ready project

Simplified illustration of company structure and main contracts in place



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4. Solutions

Pål Helsing, EVP

Our values
Predictable
Driving results
Changemakers
Working together

Building plants with a well proven operating model

Our integrated approach is key to provide an optimised solution from project development through construction, operation and maintenance to power production.

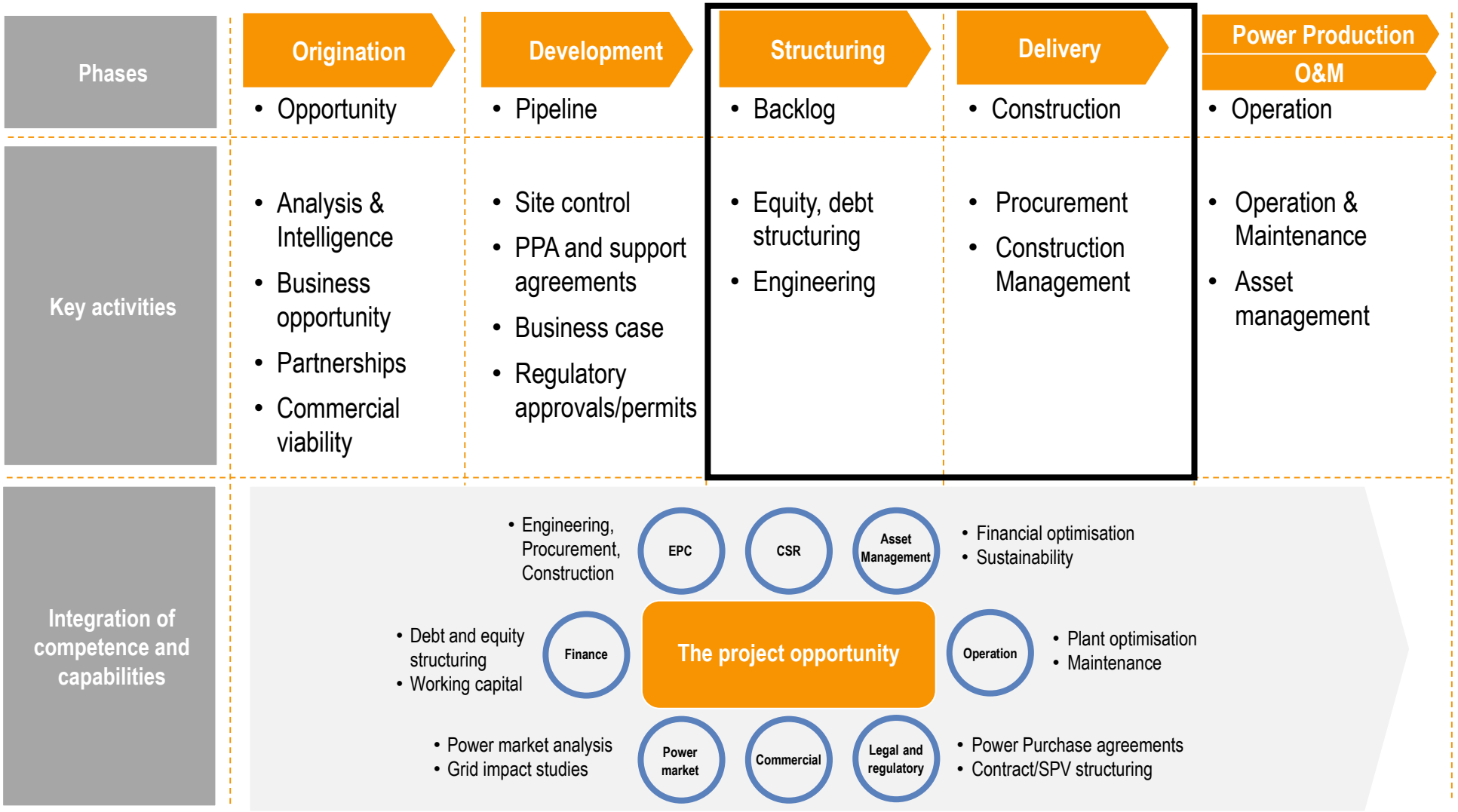
Value-contribution to our integrated model:

- Engineering in close collaboration with Project Development and O&M ensuring optimum plant design
- Procurement leveraging a high global volume to achieve low costs and tier-1 partnerships
- Close cooperation with local construction companies to ensure competitive “balance of system costs” and effective risk-mitigation

Scatec Solar projects under construction

Solutions in the fully integrated model

Scatec Solar
Improving our future™



A solid track record of building solar plants

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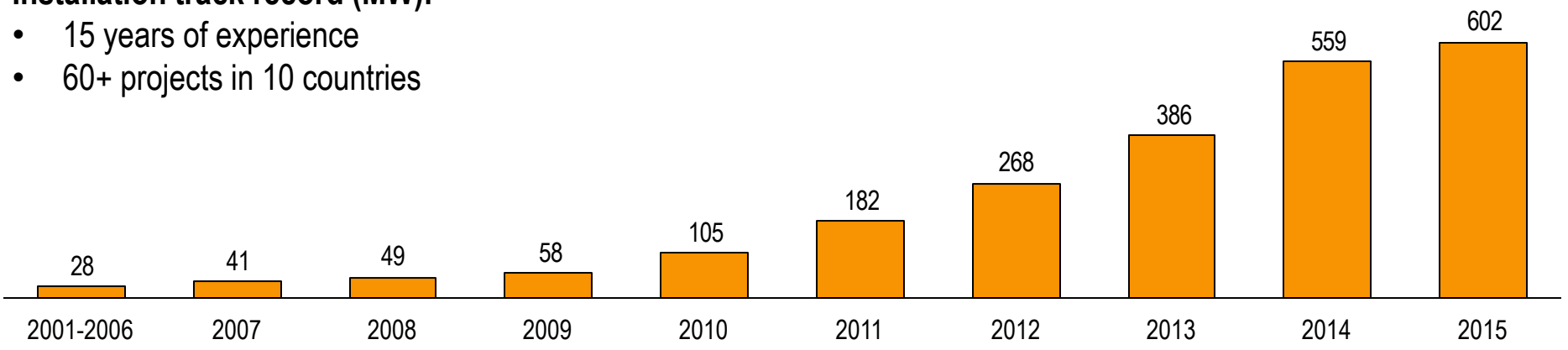
383 MW in operation:

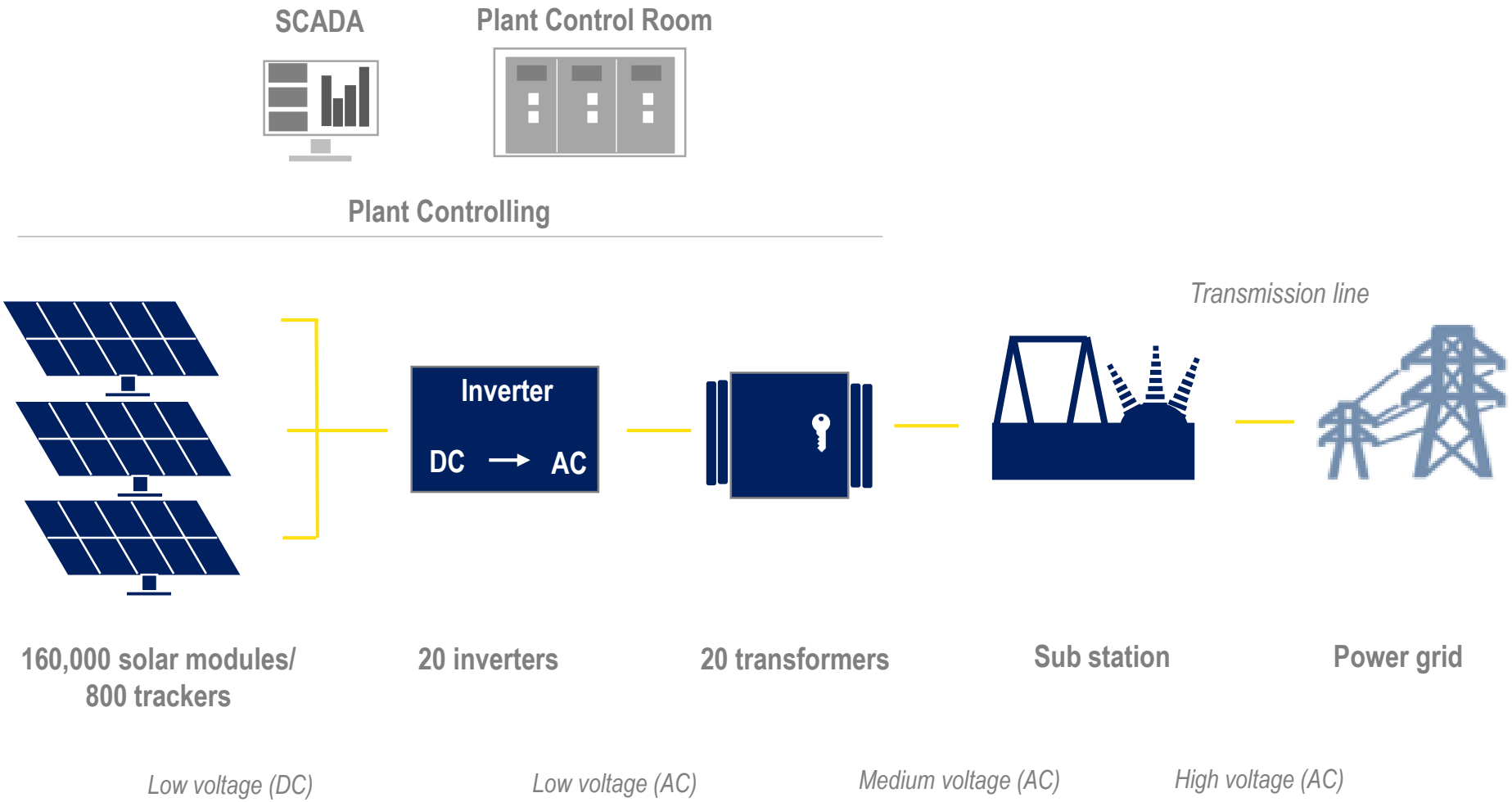
Czech	Kalkbult	Dreunberg	Linde	ASYV	Agua Fria	Red Hills
						
20 MW	75 MW	75 MW	40 MW	9 MW	60 MW	104 MW
Czech Republic	South Africa	South Africa	South Africa	Rwanda	Honduras	USA

Installation track record (MW):

- 15 years of experience
- 60+ projects in 10 countries



50 MW PV plant – build up



Our integrated approach enables key decisions to be made at an early stage of the project

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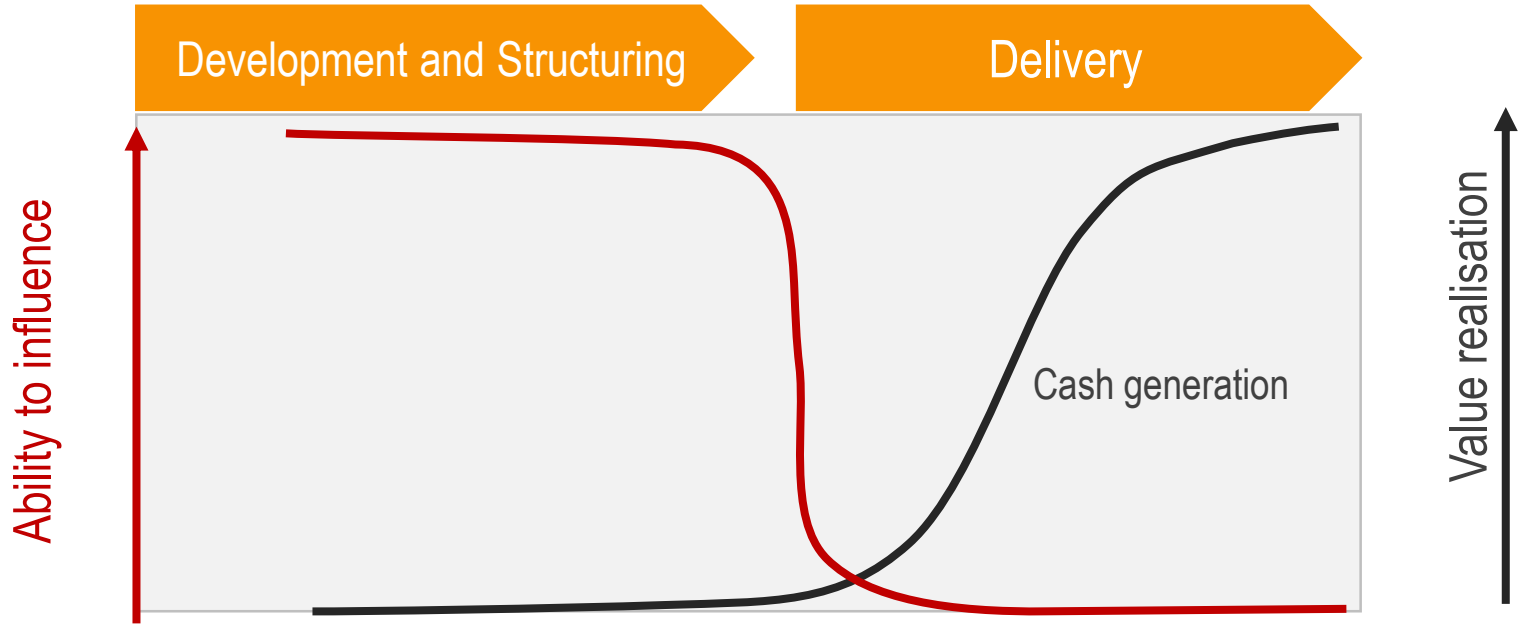

Value engineering

Best value sourcing

Risk assessment, mitigation and management

A standard high level operating model and project plan from Structuring through Delivery

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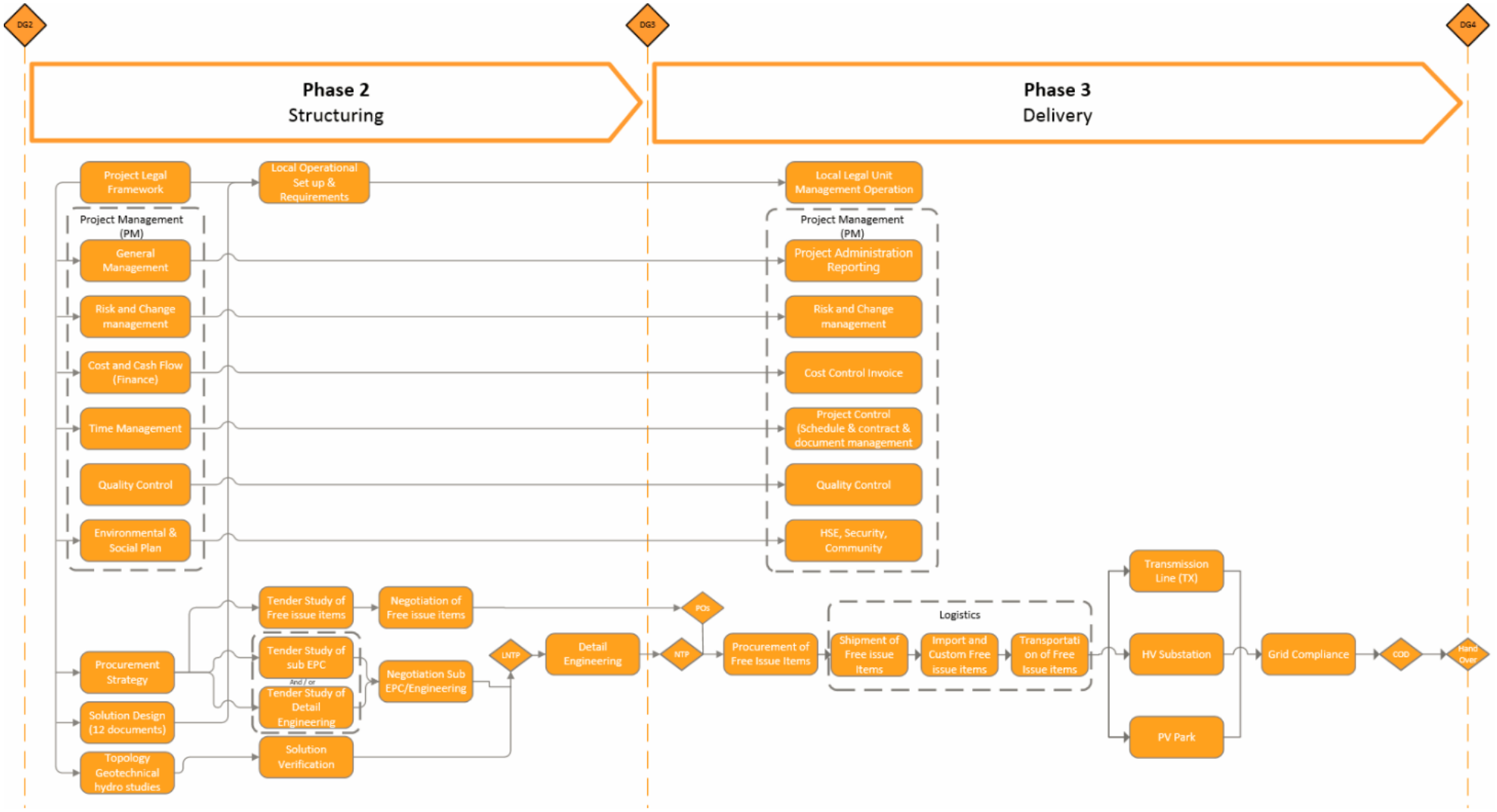
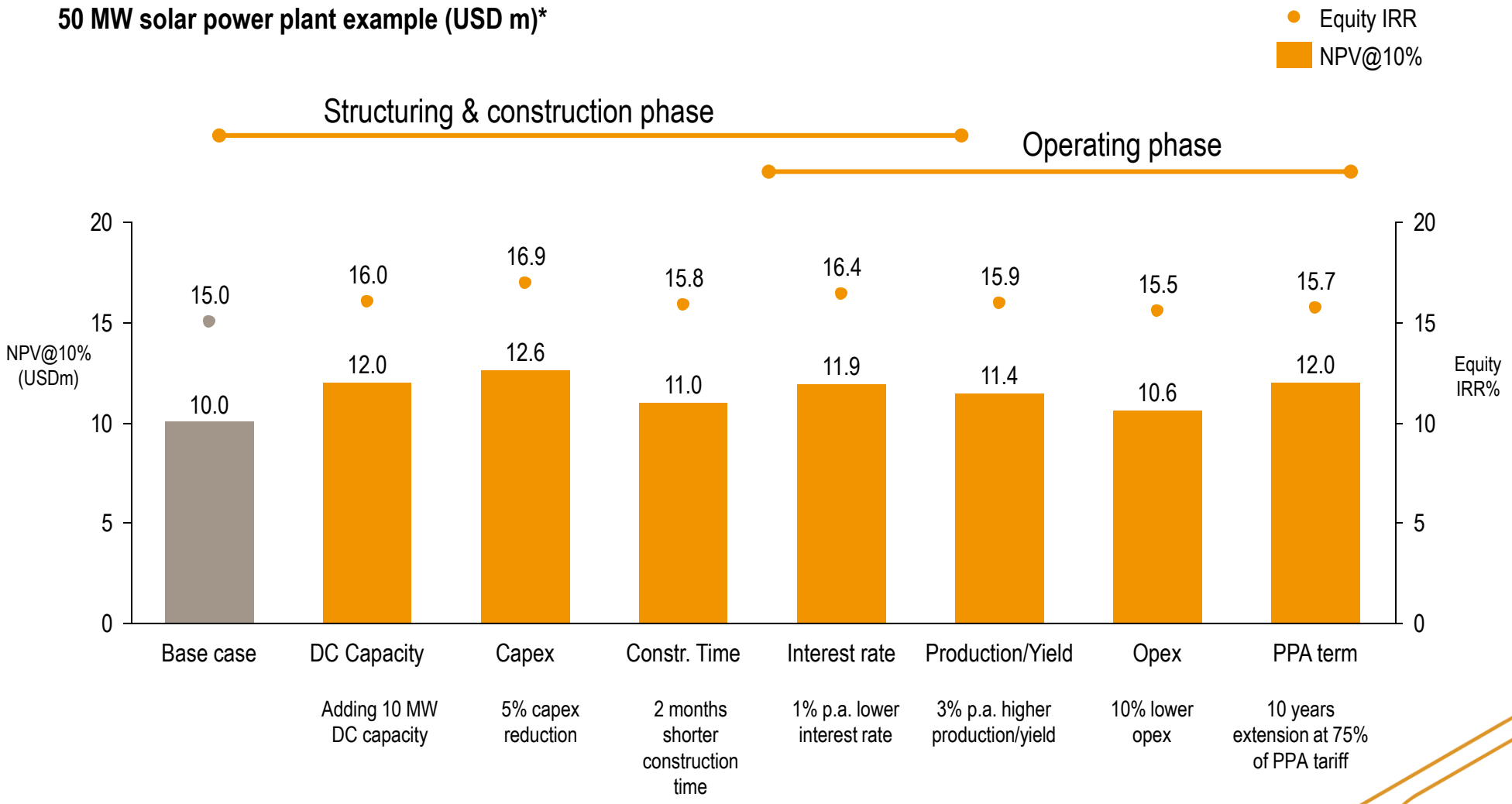


Value drivers in the engineering and construction phase

50 MW solar power plant example (USD m)*



** Based on tariff of 11 USD cent/kWh*

Our sourcing model is tailored to our projects

Sourcing based on frame agreements focusing on cost, quality and delivery assurance

- Leverage high volume in project pipeline and opportunities
- Regular verification of competitiveness and technology development to ensure we are at forefront of a fast changing industry
- Roadmaps to include O&M needs

In country risk “boxed” into one construction contract (sub-EPC)

- Scope: From receipt of “bulk” material to mechanical completion
- Close cooperation to meet our CSR standard
- Effective execution utilising synergies between local knowledge and Scatec Solar’s EPC experience
- Extensive contractor engagement program

Installation work includes a high number of standard components and work processes

- Typical volume for 50 MW power plant
  - Containers: 1 000
  - Drilling of foundation holes: 13 500
  - Ramming of foundation piles: 13 500
  - Installation of substructure tables: 4 500
  - Installation of modules: 180 400

- Significant opportunity for
  - Optimisation of work processes
  - Use of unskilled labour

- High need for quality control

Sustainability is core and profitable

Example from some recent projects

	Agua Fria, Honduras 60 MW	Dreunberg, South Africa 75 MW	ASYV, Rwanda 9 MW
Jobs Created (Mounting and construction workers during peak construction period)	1,050	1,400	600
% Local Employees*	82%	77%	85%
Numbers of workers with documented skill enhancement	275**	142***	400**
Lost Time Injuries (Incident resulting in absence of one day/shift or more)	2	0	1

(*) Employees from local communities (**) Workers with formalised documentation of experience (***) Workers certified

Summary

Our integrated approach is key to provide an optimised solution from project development through construction, operation and maintenance to power production.

A robust project execution model:

- Operating system based on long experience from construction of PV plants
- Strong Project Management and project control
- Optimised plant design through multidiscipline teams
- Global sourcing leveraging high volumes
- Implementation of comprehensive quality plans ensuring plant performance

Scatec Solar projects under construction

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5. Power Production, Asset Management and O&M

Torstein Berntsen, EVP

Our values
Predictable
Driving results
Changemakers
Working together

Securing and maximizing returns from a growing portfolio of power producing assets

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Phases	Origination	Development	Structuring	Delivery	Power Production O&M
	• Opportunity	• Pipeline	• Backlog	• Construction	• Operation
Key activities	• Analysis & Intelligence • Business opportunity • Partnerships • Commercial viability	• Site control • PPA and support agreements • Business case • Regulatory approvals/permits	• Equity, debt structuring • Engineering	• Procurement • Construction Management	• Operation & Maintenance • Asset management

Integration of competence and capabilities

Benefits of an integrated, industrial approach to operating power plants

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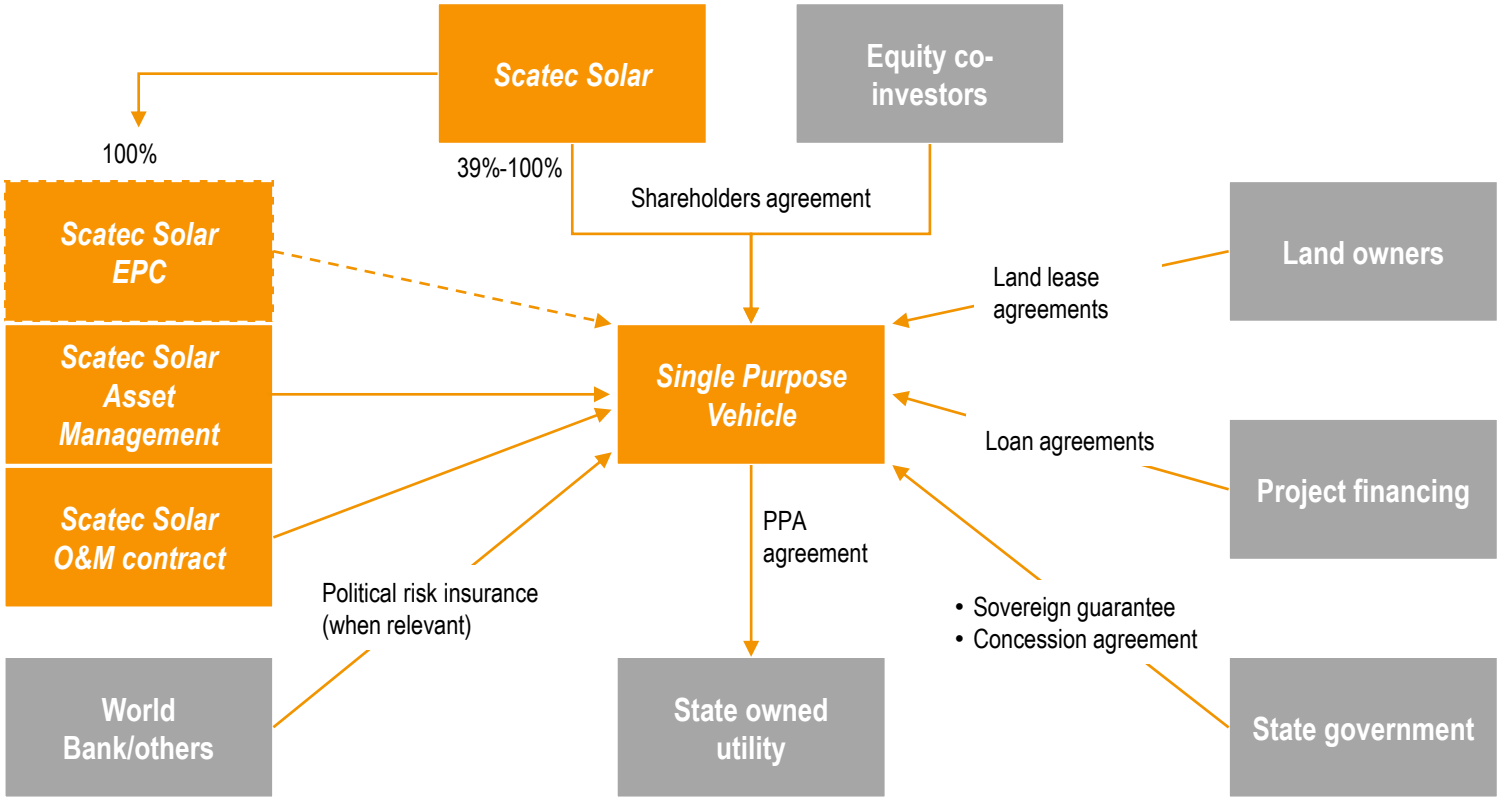
- Aligned focus on operational excellence and maximizing kWh produced
- Continuous search for improvement opportunities trough multidisciplinary teams
- Experience gained in operations translated to improvement initiatives for new projects
- Scale advantages and steeper learning curves through sharing of resources
- Additional cash flows from O&M and AM services

Czech	Kalkbult	Dreunberg	Linde	ASYV	Agua Fria	Red Hills
						
20 MW	75 MW	75 MW	40 MW	9 MW	60 MW	104 MW
Czech Republic	South Africa	South Africa	South Africa	Rwanda	Honduras	USA

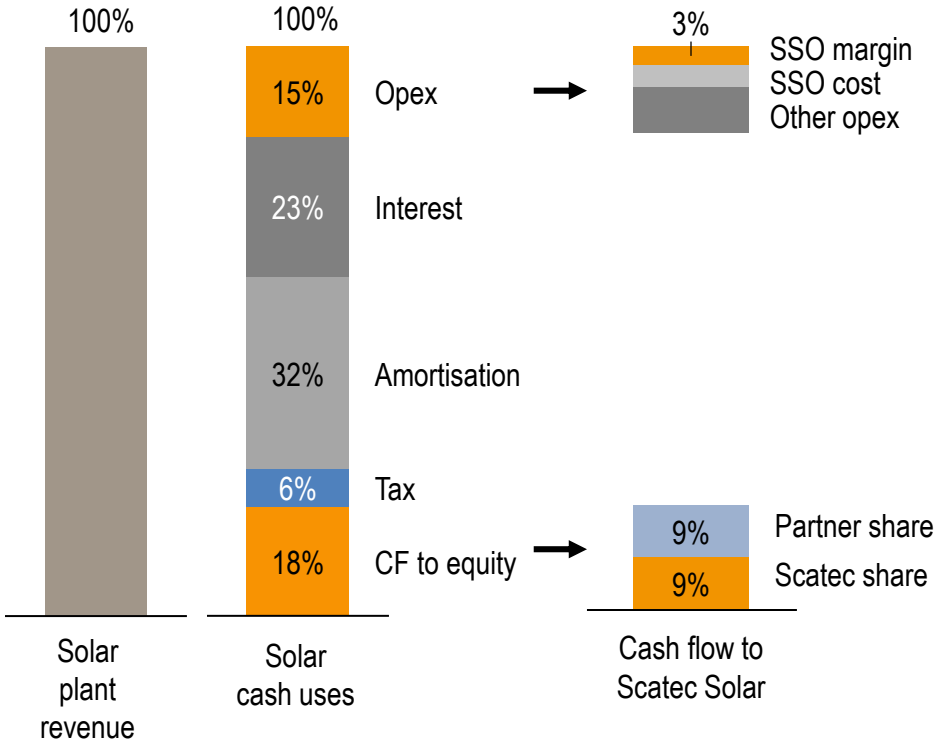
Contractual structure established to ensure good governance and efficient operations

- Simplified illustration of company structure and main contracts in place



Generating significant cash-flow from multiple sources

50 MW project example - typical structure



Asset Management fee to Scatec Solar

O&M Margin to Scatec Solar

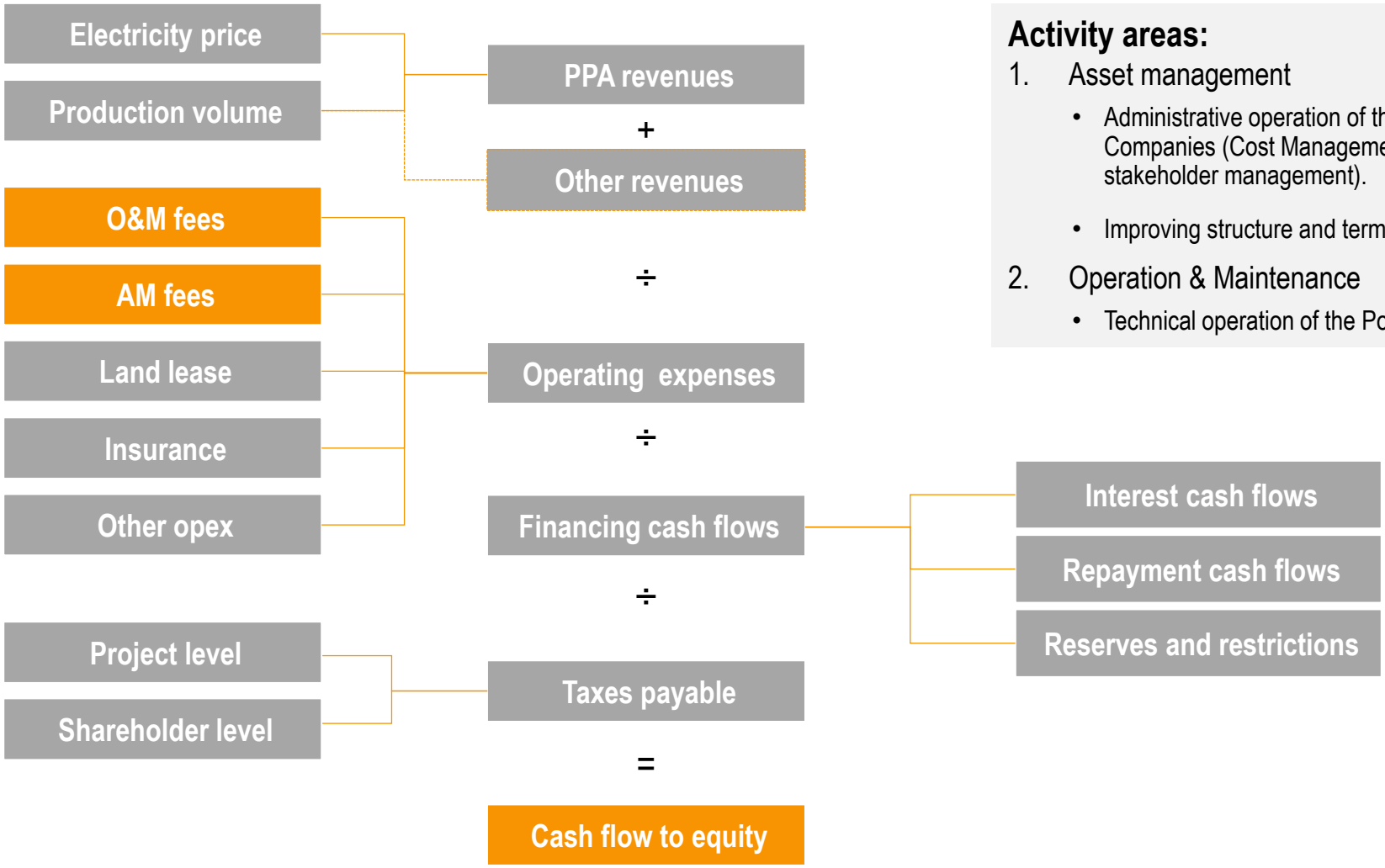
- Impacted by plant performance through bonus arrangements

Scatec Solar equity-share of dividends

- Impacted by plant performance

Scatec Solar share of residual value

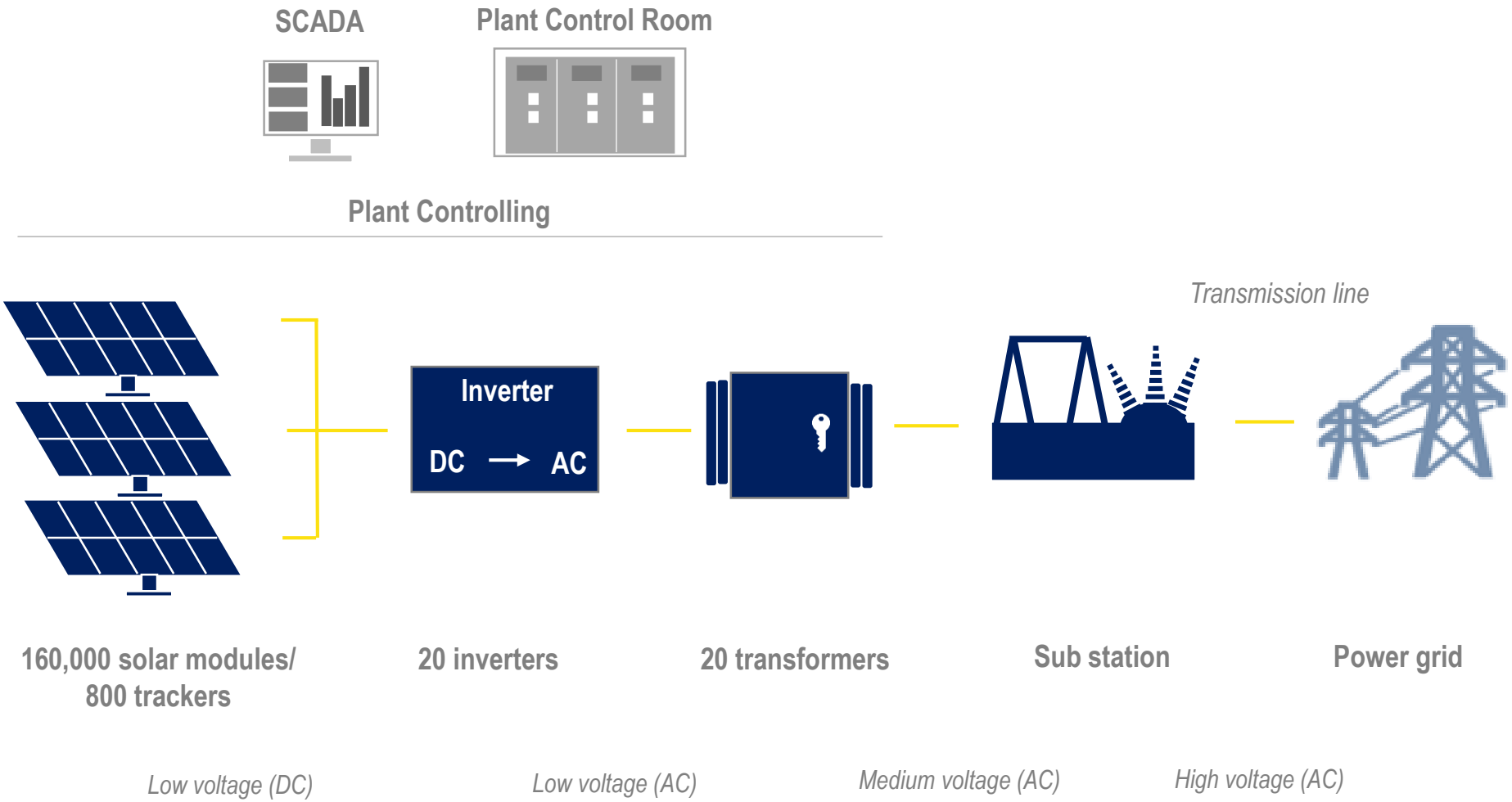
Key drivers of Cash Flow to Equity in an operating project



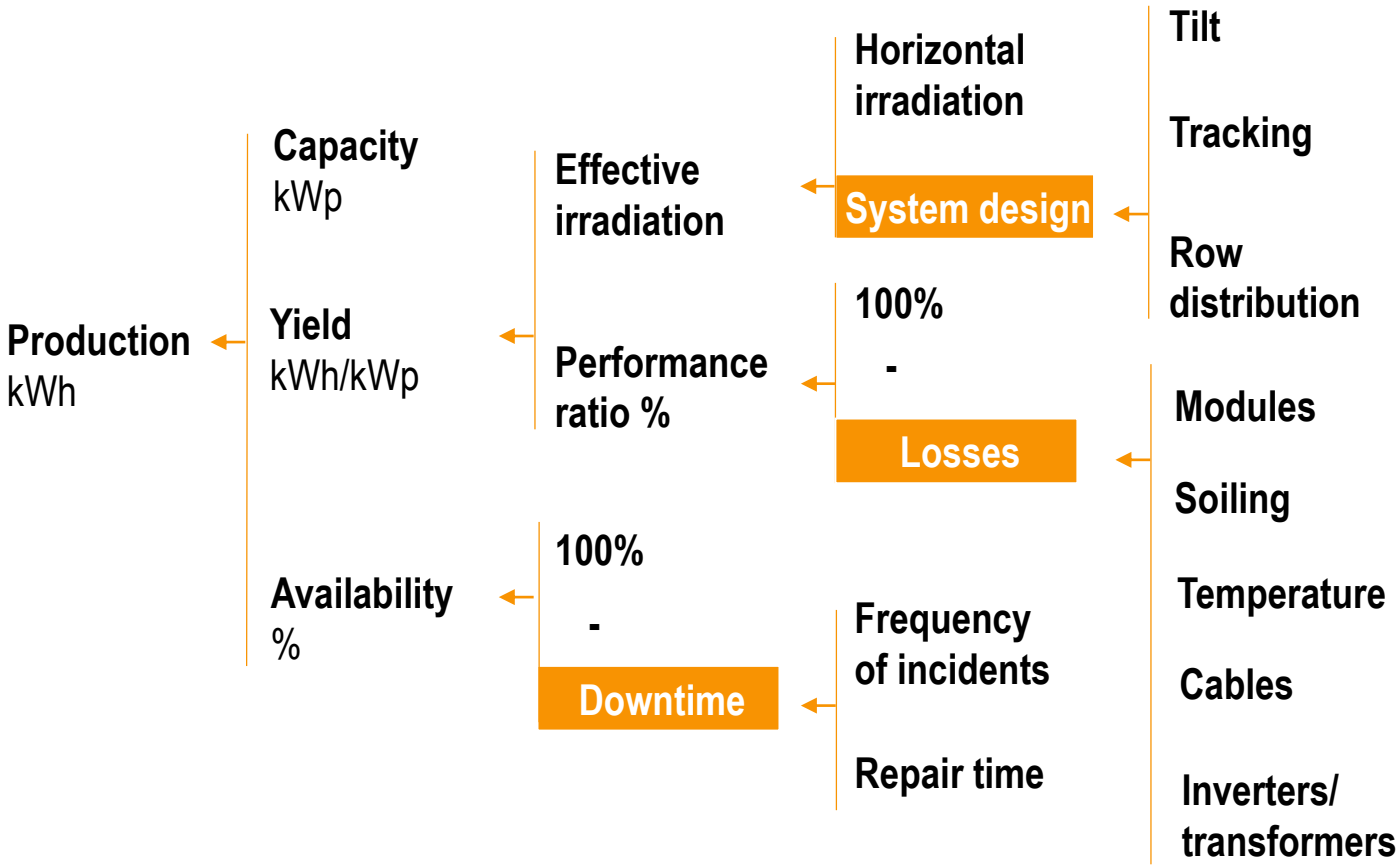
Activity areas:

1. Asset management
   - Administrative operation of the Project Companies (Cost Management, compliance, stakeholder management).
   - Improving structure and terms of project debt
2. Operation & Maintenance
   - Technical operation of the Power Plants

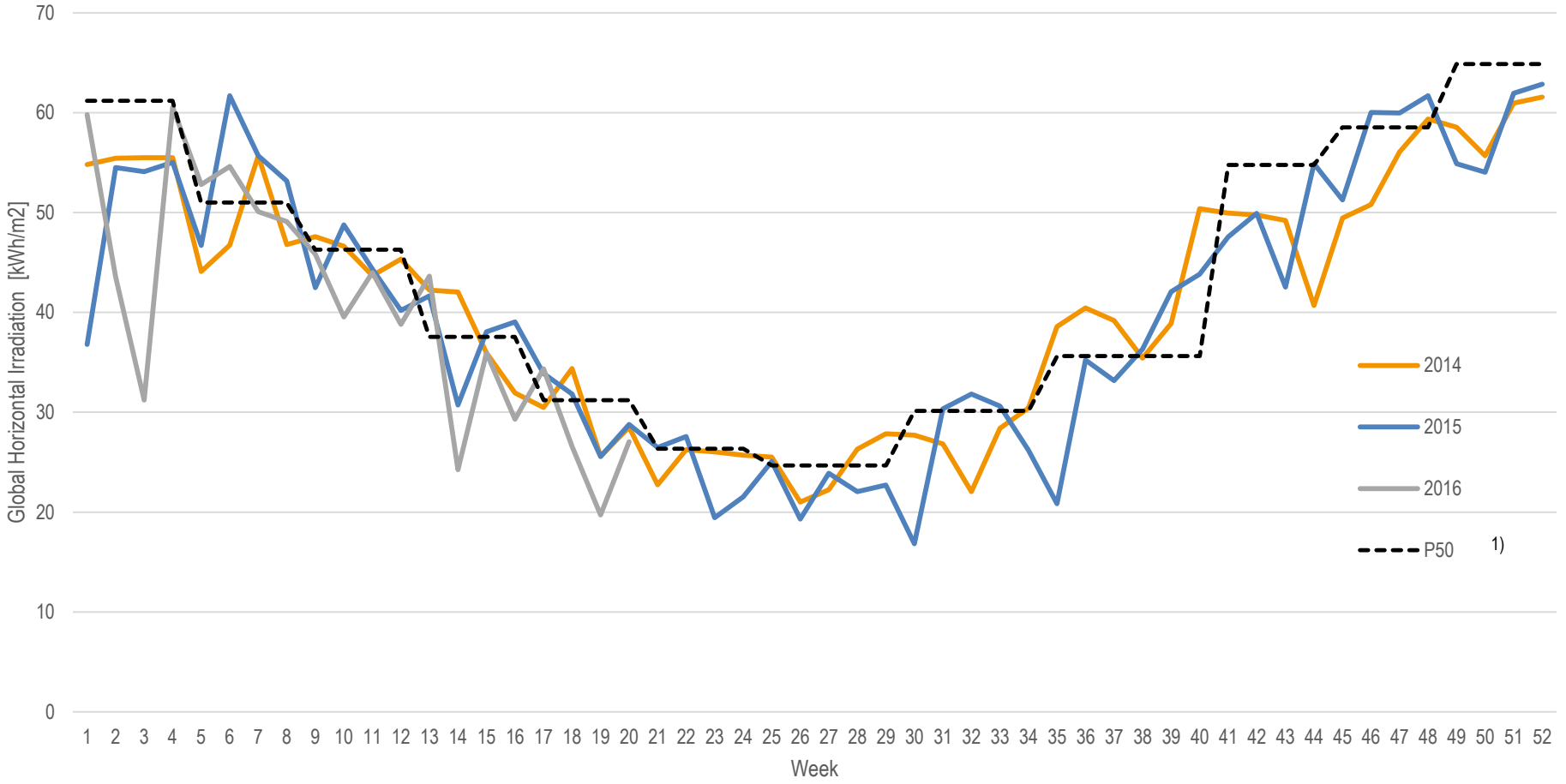
50 MW PV plant – build up



Drivers of production in a PV power plant



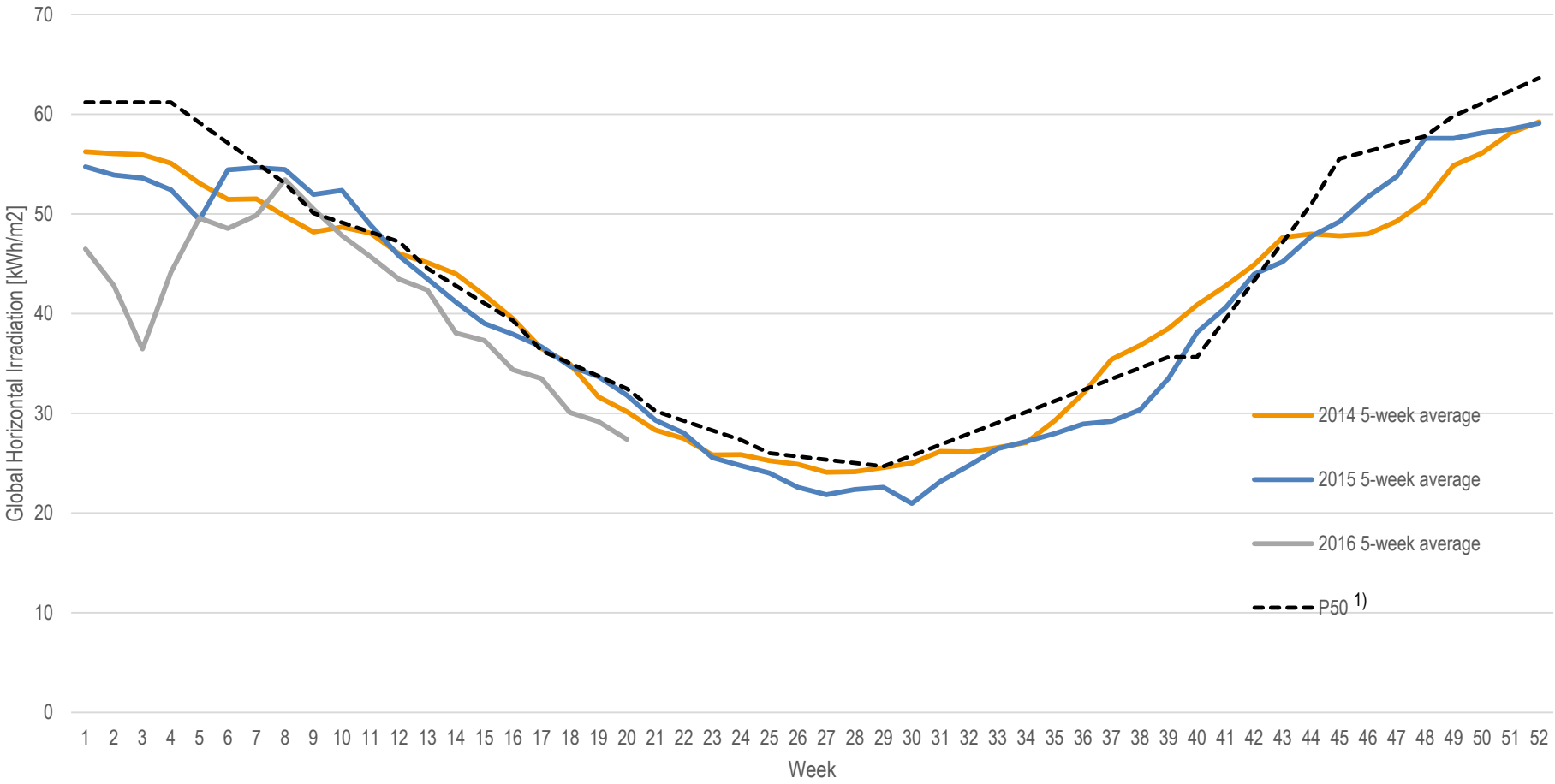
Weekly irradiation, Kalkbult (SA)



While solar irradiation generally has low interannual variability (1 Standard Deviation = +/- 5% in most of the locations relevant to SSO), it is normal to observe significant variations in shorter time periods.

1) Expected monthly irradiation as per business case assumptions at financial close

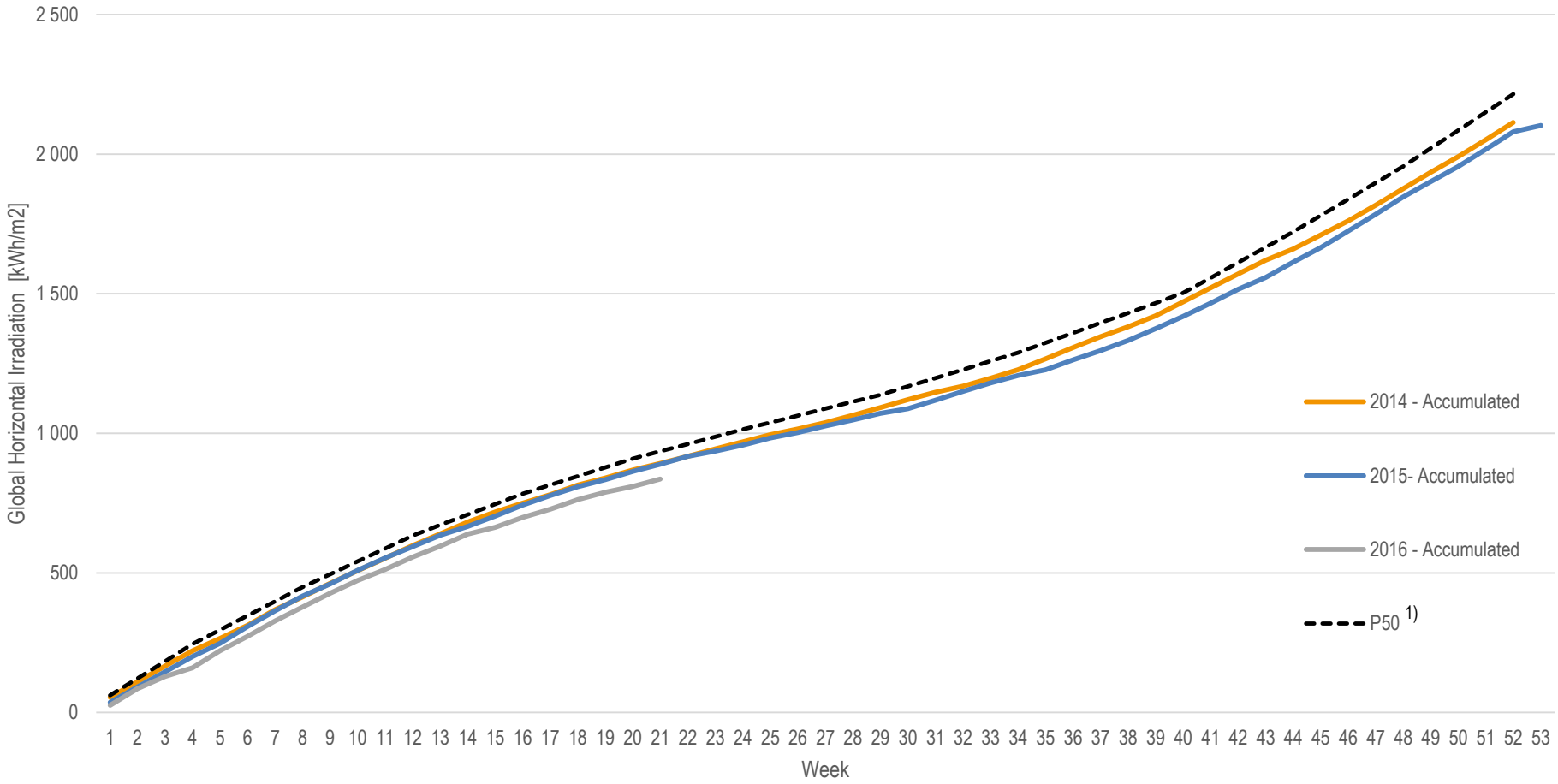
5 weeks rolling average irradiation, Kalkbult (SA)



A 5 week rolling average shows significantly less volatility, but it is still normal to observe +/- 15% variance in irradiation on a monthly basis. The seasonal pattern is still very clear.

1) Expected monthly irradiation as per business case assumptions at financial close

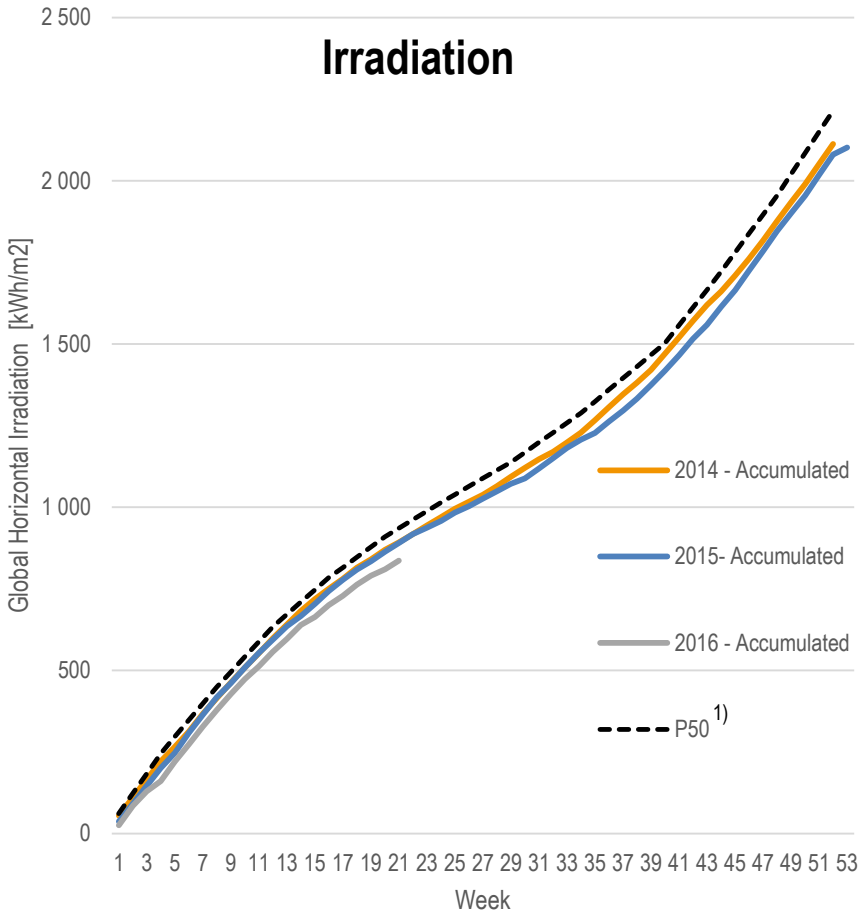
Annual accumulated irradiation, Kalkbult (SA)

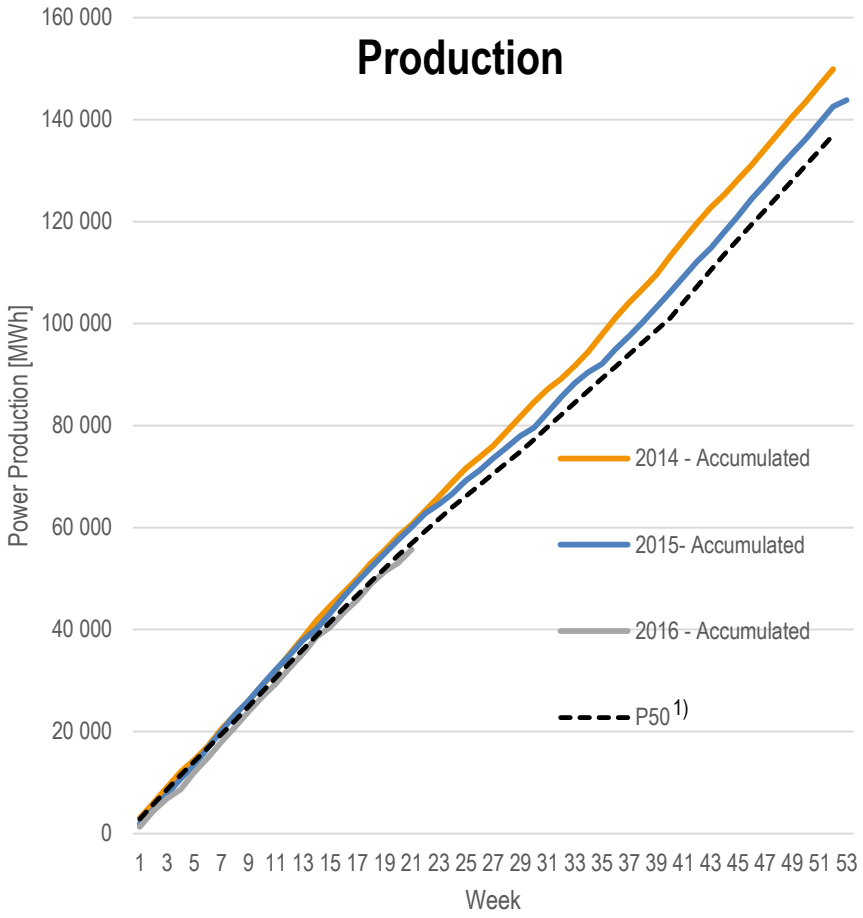


Then finally looking at irradiation on accumulated anual basis we see a quite limited year on year variability.

1) Expected monthly irradiationas per business case assumptions at financial close

Annual accumulated irradiation vs. production





Comparing irradiation to production output, we see that the slightly lower than P50 irradiation observed so far on the plant has been more than offset by higher availability and performance than what was expected in the investment case.

1) Expected monthly irradiation/production as per business case assumptions at financial close

A global standardised approach to O&M based on significant experience

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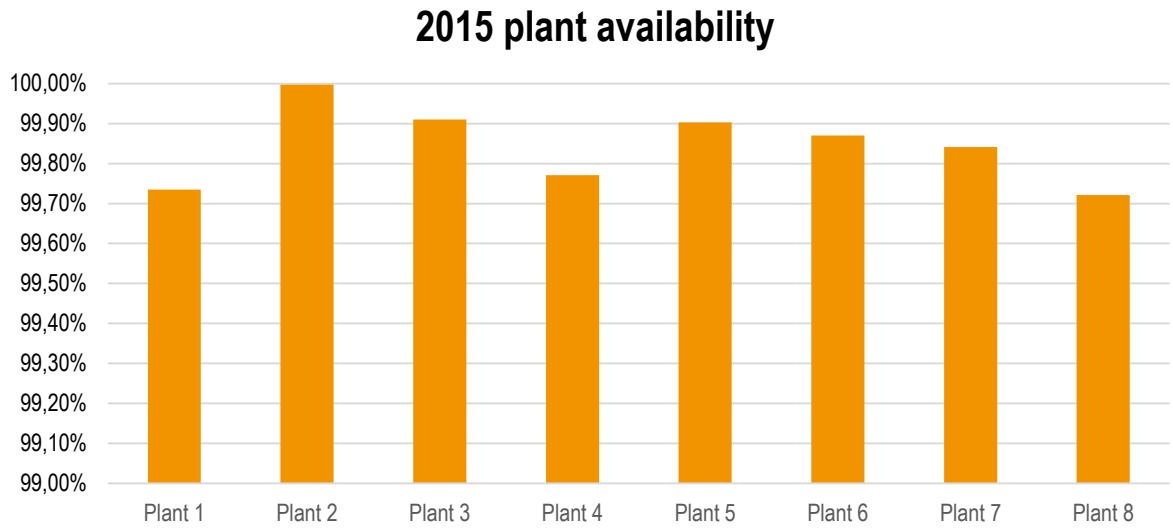
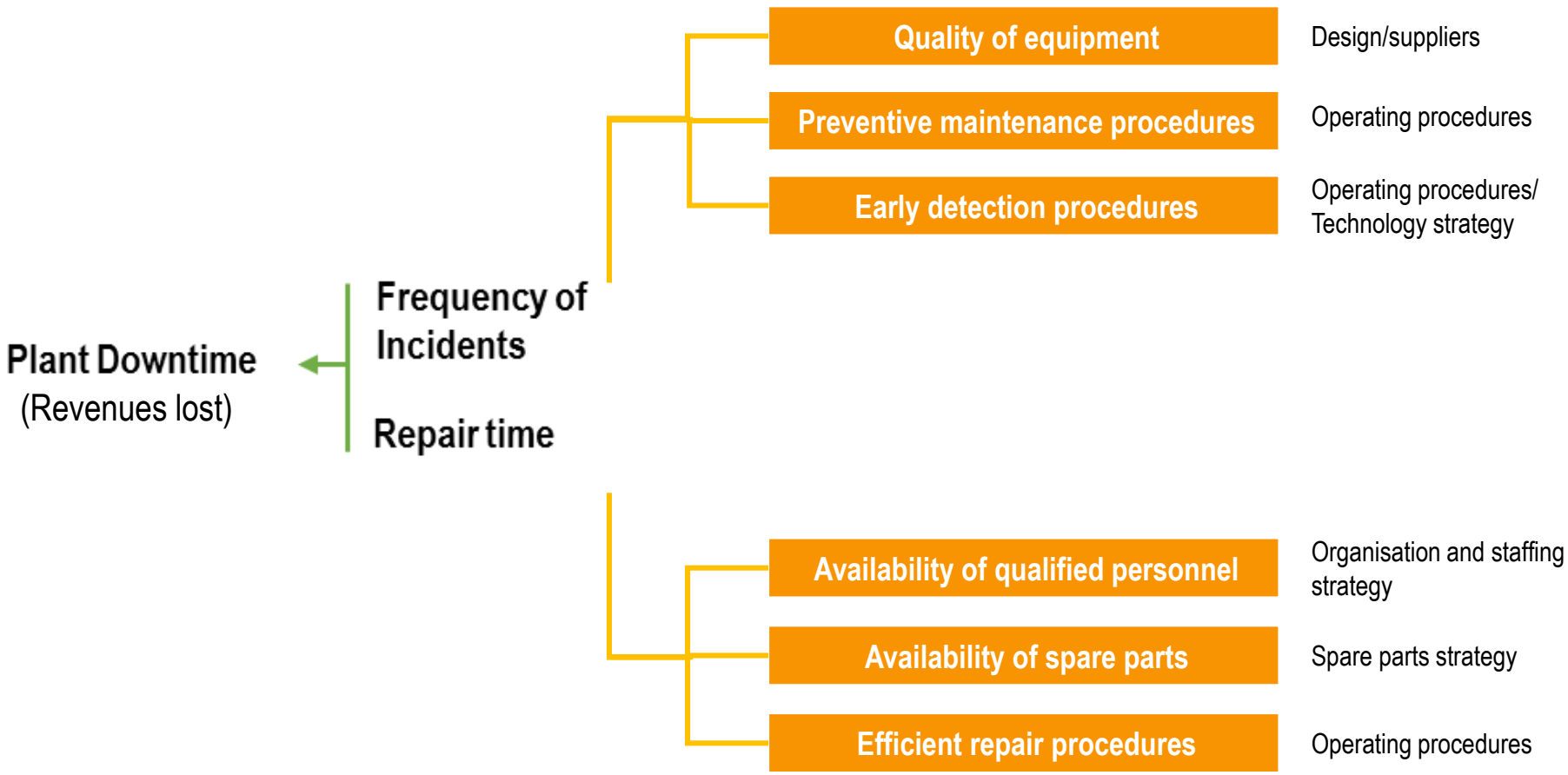
- Global SSO SCADA system allowing for remote monitoring and operation through which central experts can provide back-up and support to plant-level operators.
- Global SSO operating system with standard operating procedures allowing efficient set up of new plant operations where local plant teams are leveraged by central support functions.
- Culture of uncompromising approach to quality and HSE
- Capable and results driven teams resulting in high performance of controllable KPIs.



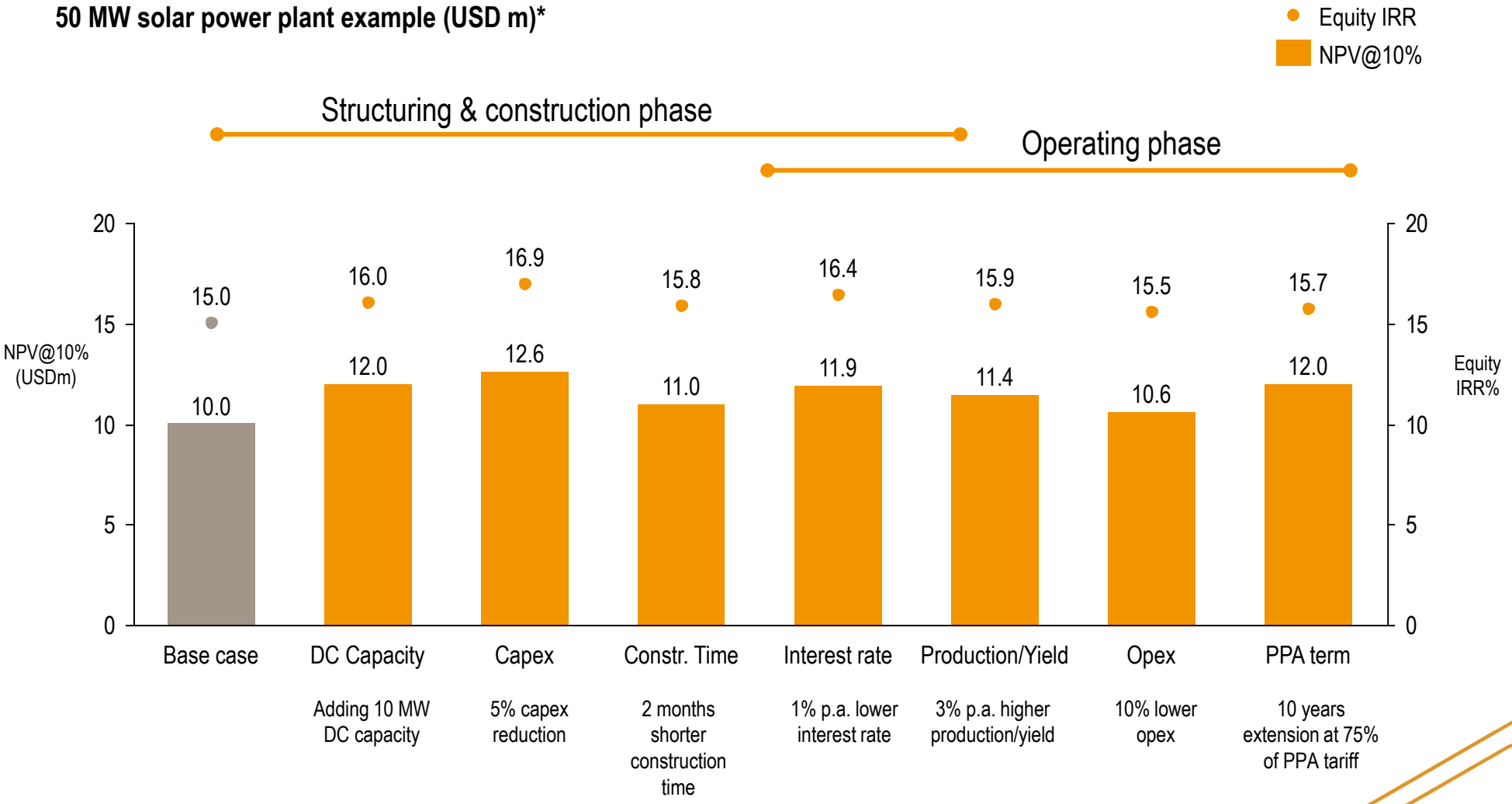
The value of an integrated, industrial approach
Example: Reducing downtime

Scatec Solar
Improving our future™



A number of factors influence the project returns

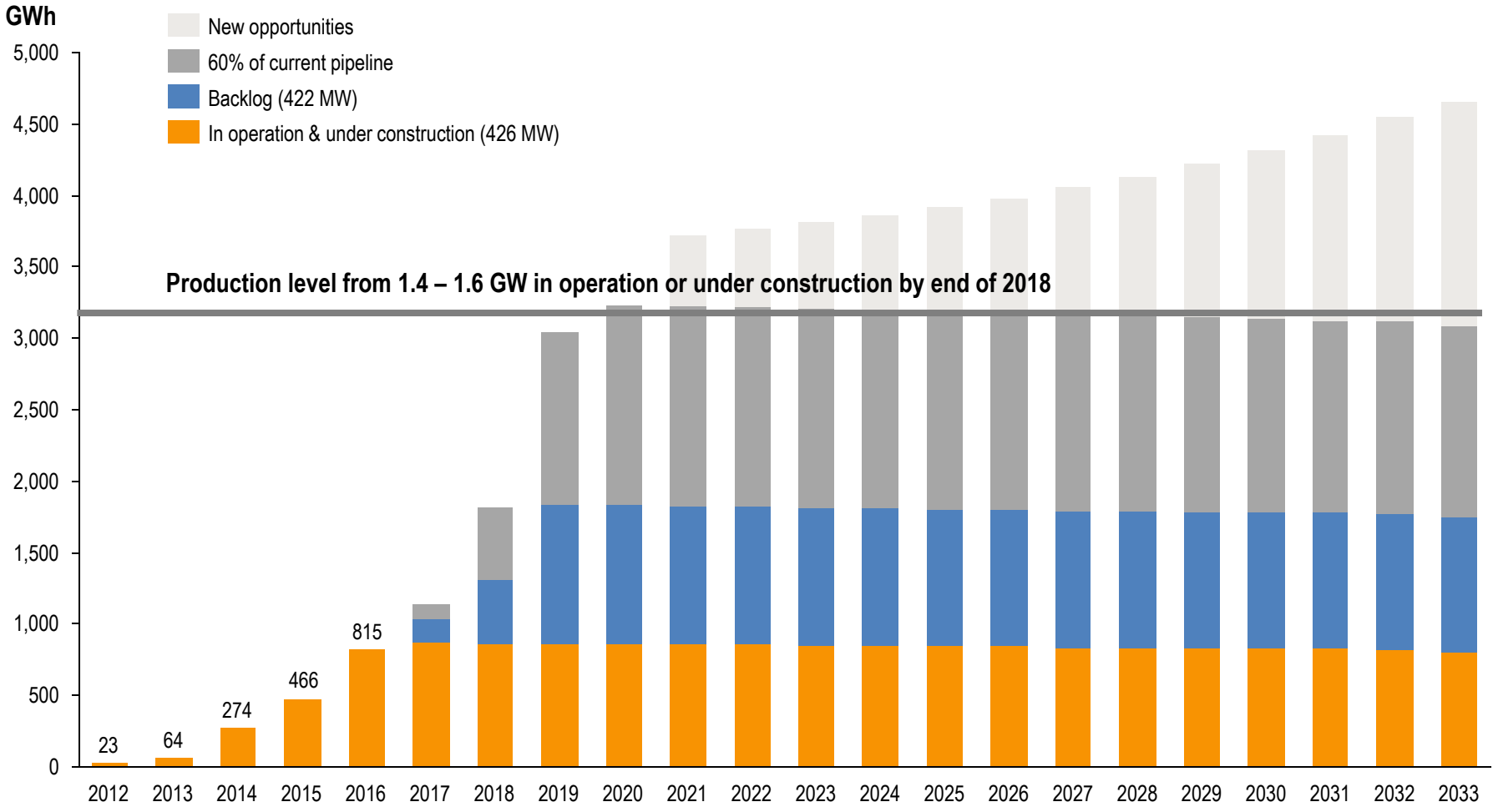
50 MW solar power plant example (USD m)*



** Based on tariff of 11 USD cent/kWh*

Prepared for growth

- Power production set to reach more than 3 TWh per year with current growth targets
- Contract length of 20 to 25 years – potential for additional power sales after this period



Scatec Solar
Improving our future™

6. Financials and funding

Mikkel Tørud, CFO

Our values
Predictable
Driving results
Changemakers
Working together

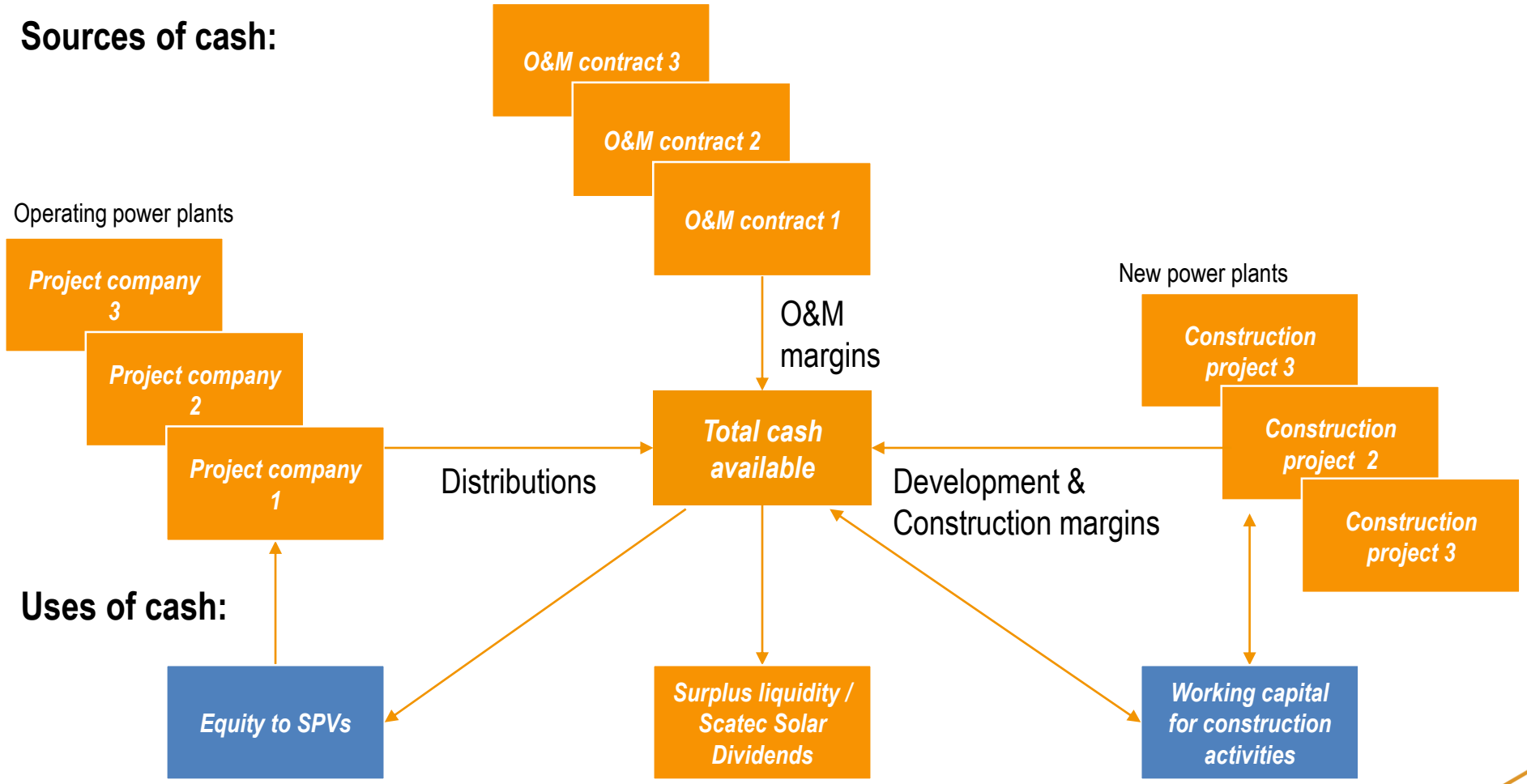
Our approach to investments and financing

Key principles:

- Controlling equity positions in the projects
- Capital discipline – return and margin targets
- Investments funded through non-recourse project finance
- D&C margins - key contribution to equity positions
- Working capital - managed through project structuring
- Moderate debt at SSO ASA level – reflecting the debt capacity of long term cash flows, with head room

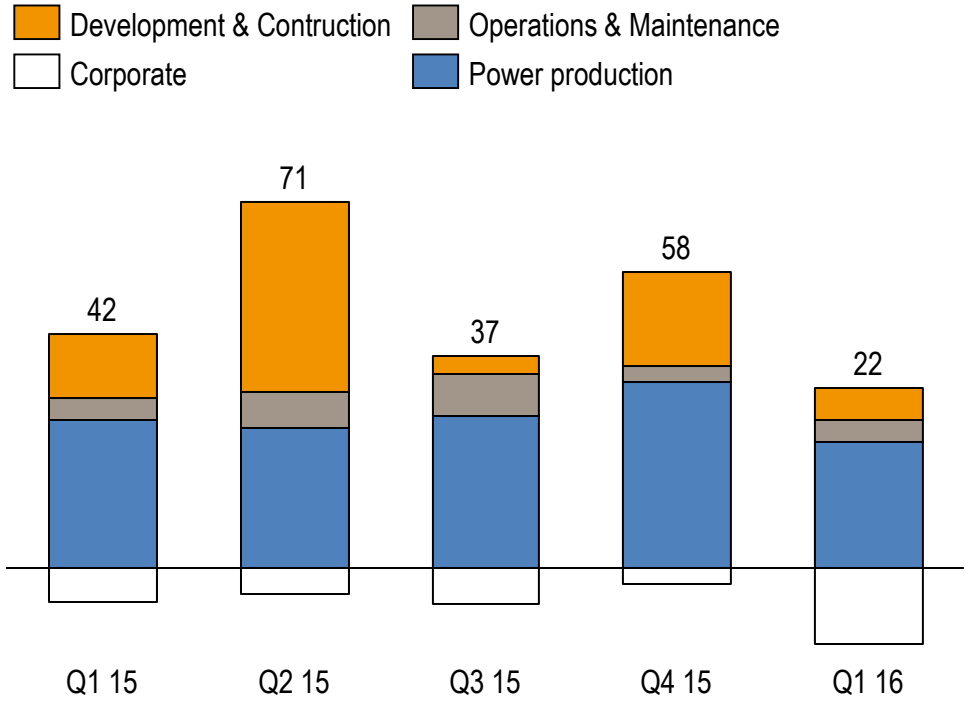
The 60 MW Agua Fria solar power plant in Honduras

Cash flows in Scatec Solar

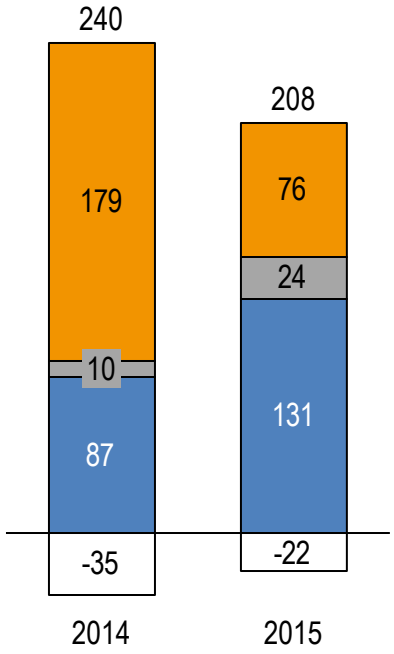


Steadily growing cash flow from operating plants

SSO proportionate share of cash flow to equity*



2014 and 2015 (NOKm)



- **2016 cash flow to equity from PP and O&M: NOK 180-200 million**

(*) Cash flow to equity is defined as EBITDA less normalised (i.e. average over each calendar year) loan and net interest repayments, less normalised income tax payments. The definition implies changes in net working capital and investing activities are excluded from the figure.

Structuring projects with “self-funding” capacity

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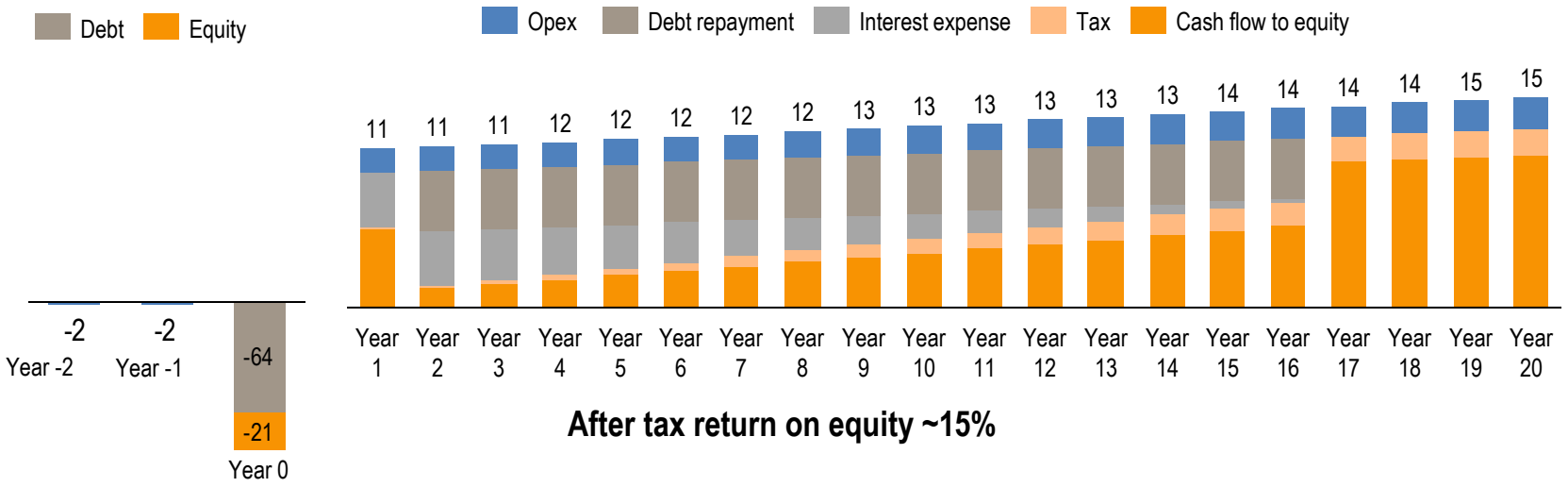
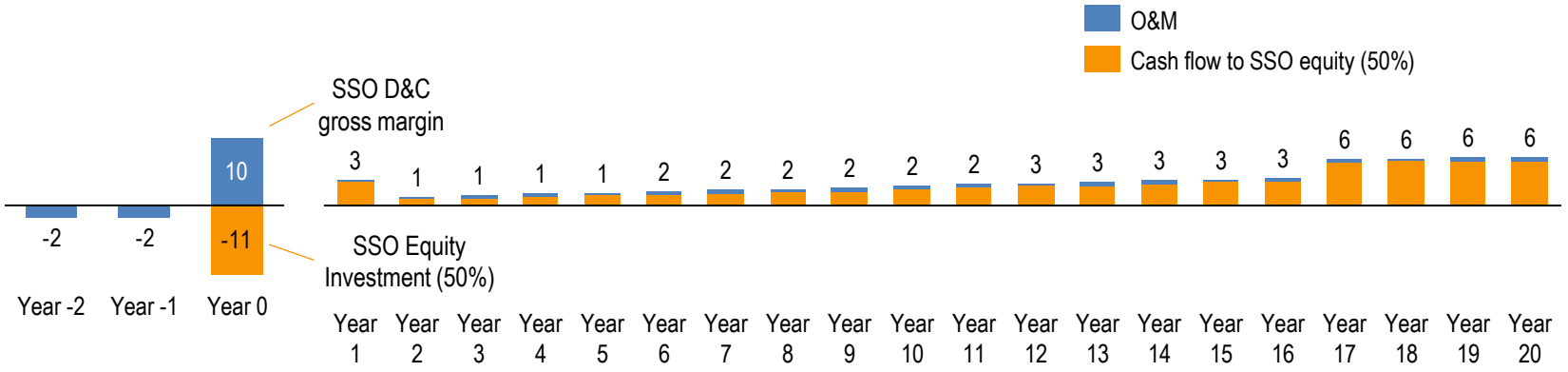
50 MW solar power plant example (USDm)*

Project company perspective:



After tax return on equity ~15%

Scatec Solar perspective:
50% equity ownership



** Based on tariff of 11 USD cent/kWh*

A self funded growth capacity of 300-400 MW per year

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Basis for self funded growth capacity

- 2016 cash flow to equity from PP and O&M of NOK 180-200 million – growing with new operating assets
- D&C gross margins of 15% from realizing new power plants
- Project level leverage of 75% to 85%
- SSO equity positions of 50-60%
- Dividend policy; 50% of project company distributions paid to our shareholders
- Working capital managed through project structuring, trade finance and corporate overdraft (NOK 250 million)

Funding of 300-400 MW (NOK million)*

Sources:	
CF from PP and O&M	~180-200
D&C cash flow*	~420-570
Total	**~600 – 770**
Uses:	
SSO equity investments	~500-650
Corporate cost + dividends	~120-130
Total	**~620 – 780**

(*) After tax D&C cash flow including project development premiums

Managing working capital

Working capital in project development phase:

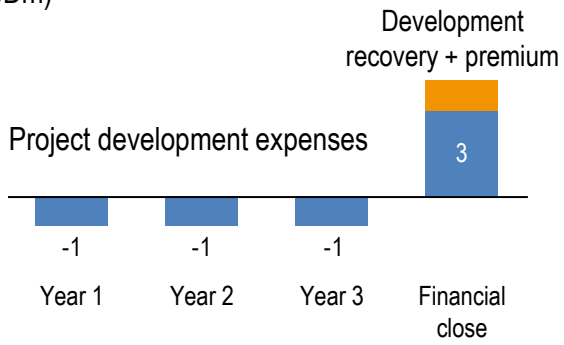
- Project development expenses typically represents 3-4% of project capex
- SSO recovers the project development expenses at financial close - normally with a premium
- Project development cost is part of the project company capex budget

Working capital in construction phase:

- Targeting positive EPC cash flow – milestone payments from project company + trade finance
- Milestone based construction financing part of SPV project finance facility
- EPC normally provides performance bonds to project company/customer

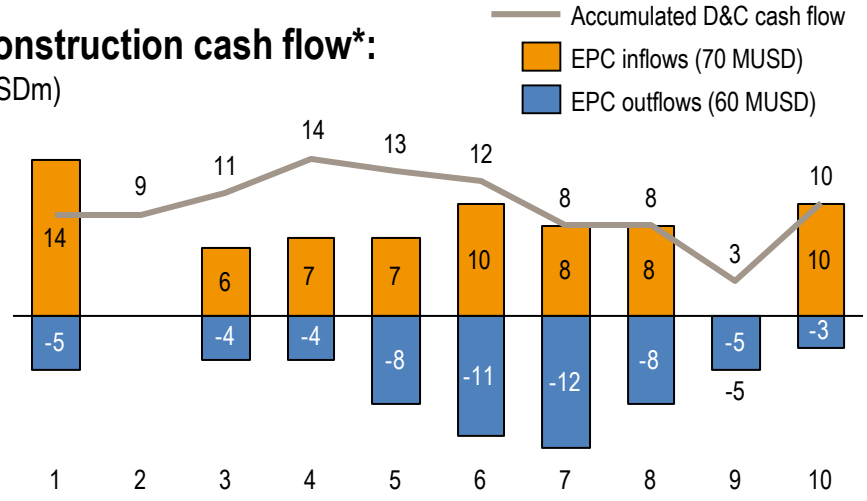
Project development cash flow*:

(USDm)



Construction cash flow*:

(USDm)



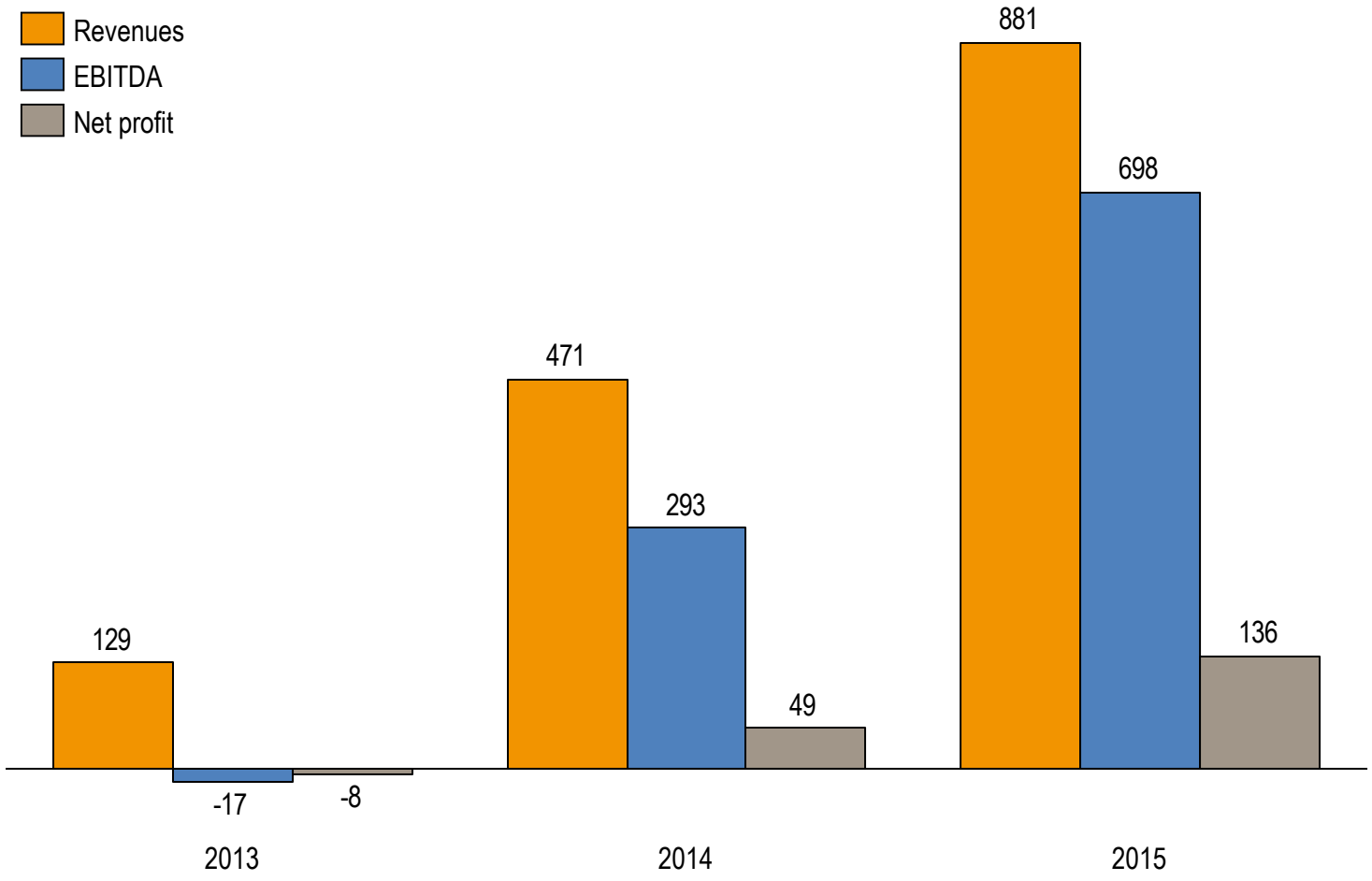
(*) 50 MW solar power plant example

Financial risk management

Power price	• Fixed for 20-25 years, normally inflation adjusted • USD/EUR denominated or pegged tariff except in Czech and South Africa
Currency	Project Company: • Project company structure debt in same currency as long term revenues • Project company hedges any currency exposure during construction (milestone payments) EPC/ SSO ASA : • Milestone payments from project company structured to minimize currency exposure • Long term project company distributions not hedged
Interest rate	• 94% of project finance debt in group is on fixed interest of minimum 10 years from COD • Corporate bond NOK 500 million – interest rate not hedged
Credit / counterparty	• Power purchase agreements with state owned utilities with government guarantees backing payment obligations • Political Risk Insurance considered in certain markets • Utah plant – solid investment grade rated off-taker

A history of profitable growth

Consolidated financials, NOK million



2015 segment results – explained

Full Year 2015 *(NOK million)*	Power Production	Operation & Maintenance	Development & Construction	Corporate	Eliminations	Consolidated
External revenues	863.0	4.1	0.7	-	-	**867.7**
Internal revenues	-	51.4	1,146.6	7.5	-1,205.5	**-**
Net gain/(loss) from sale of project assets	-	-	14.1	-	-	**14.1**
Net income / (loss) from associates	-	-	-0.9	-	-	**-0.9**
Total revenues and other income	**863.0**	**55.4**	**1,160.5**	**7.5**	**-1,205.5**	**881.0**
Cost of sales	-	-	-989.7	-	989.7	**-**
Gross profit	**863.0**	**55.4**	**170.8**	**7.5**	**-215.8**	**881.0**
Operating expenses	-102.9	-24.0	-69.7	-44.8	58.8	**-182.6**
EBITDA	**760.1**	**31.4**	**101.2**	**-37.3**	**-156.9**	**698.4**
Depreciation, amortisation and impairment	-227.6	-2.6	-6.5	-0.5	61.6	**-175.6**
Operating profit (EBIT)	**532.5**	**28.8**	**94.6**	**-37.8**	**-95.4**	**522.8**

- All power plants assets are deemed to be controlled by Scatec Solar
- Power Production & consolidated financials reported on 100% basis – SSO's share ~45%
- O&M, D&C and Corporate gross profit are hence considered internal to the group and hence eliminated in consolidated P&L

Cash flow not affected by eliminations in the accounts

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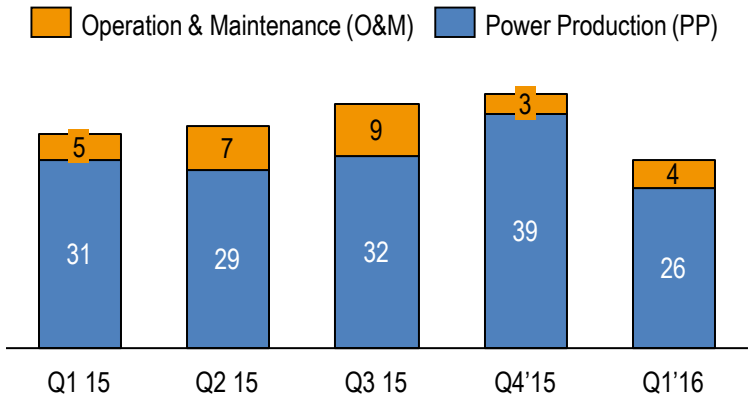
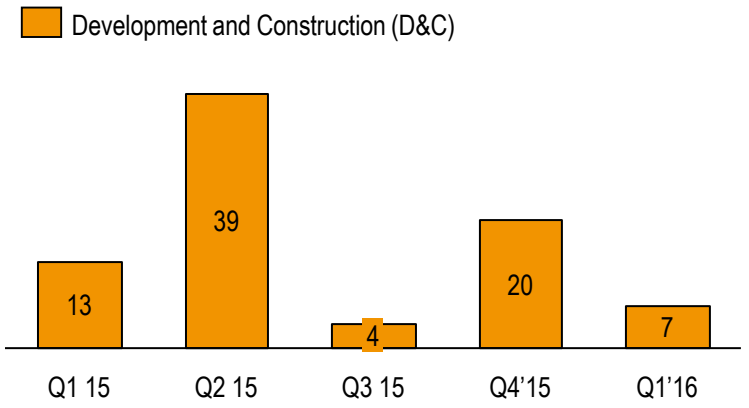
Cash flow to equity from PP and O&M* (NOKm)



Cash flow to equity from D&C* (NOKm)



Full year 2015 - NOK million	Power Production	O&M	D&C	Corporate	Total	Elim.	Consolidated
Revenues	863.0	55.4	1,160.5	7.5	2,086.4	-1,205.5	881.0
EBITDA	760.1	31.4	101.2	-37.3	855.4	-156.9	698.4
Net interest & loan repayments	-421.1		-0.1	6.8	-414.4		
Total cash flow to equity*:	290.8	23.6	75.6	-22.1	367.9		
SSO share of CF to equity*:	**130.6**	**23.6**	**75.6**	**-22.1**	**207.7**		

(*) Cash flow to equity is defined as EBITDA less normalised (i.e. average over each calendar year) loan and net interest repayments, less normalised income tax payments. The definition implies changes in net working capital and investing activities are excluded from the figure.

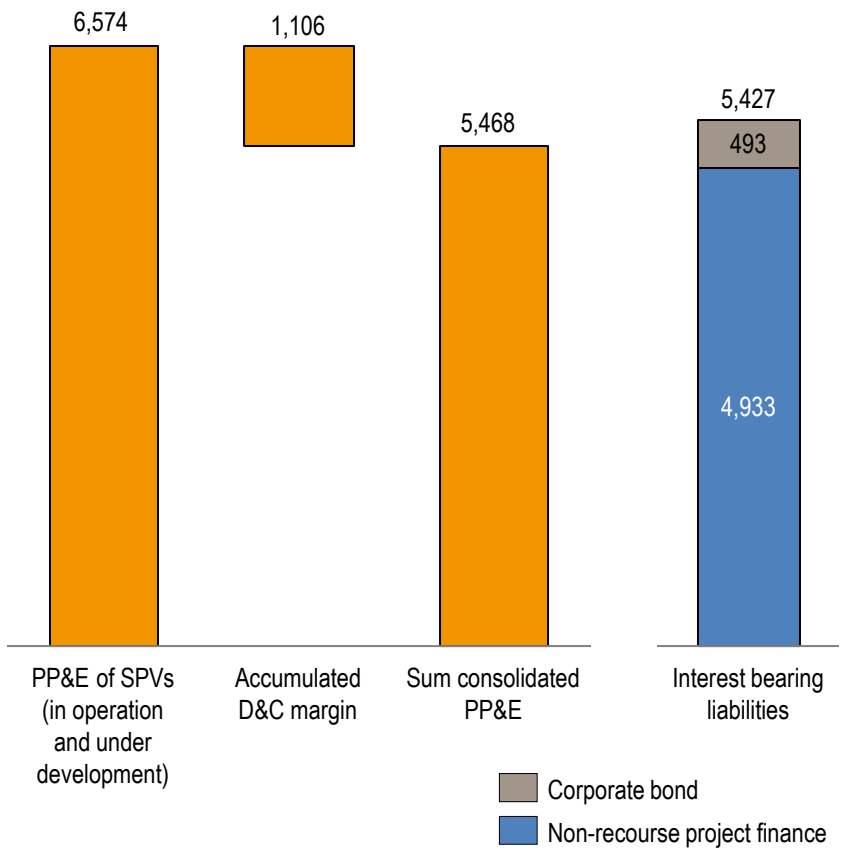
Eliminated D&C margins affects book equity

- Margins created through Development & Construction of power plants are eliminated in consolidated financial statement
- Elimination booked against PP&E in consolidated financial statements

Leads to:

- A negative effect on consolidated equity short term as corresponding non-recourse finance is included at full value
- Improves consolidated net profit over time through reduced depreciation

Build up of PP&E as per 31.03.2016 NOKm



A solid financial position

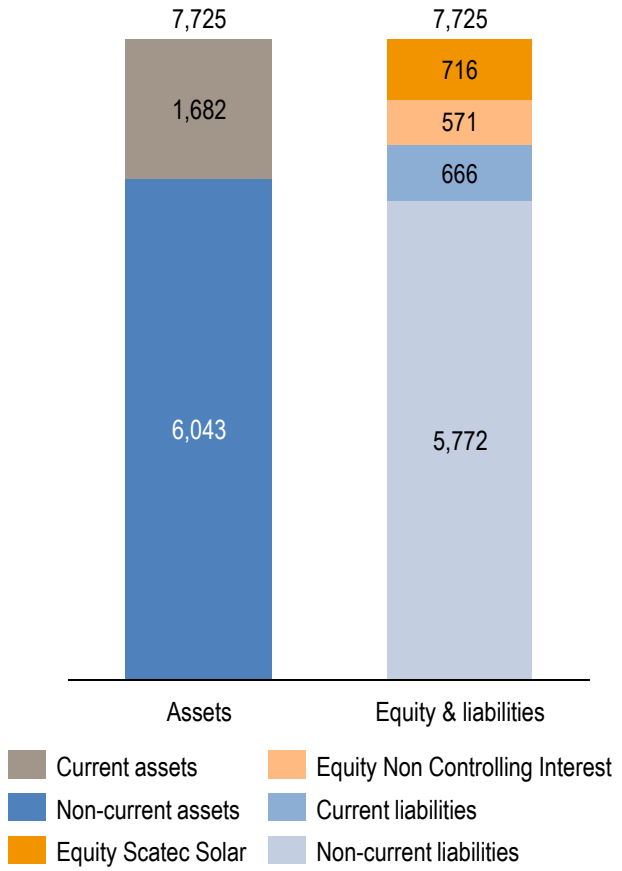
Consolidated financial position:

- Full consolidation of all project companies
- Cash position of NOK 1,217 million of which NOK 277 million free cash available outside project companies
- Total interest bearing liabilities* of NOK 5.4 billion of which NOK 4.9 billion non-recourse project financing

SSO financial position – outside project companies**:

- Equity of NOK 1,422 million
- Interest bearing liabilities of NOK 493 million (bond)
- Debt to capitalisation ratio of 26%

Financial position (NOKm) as of 31.3.2016



(*) Total interest bearing liabilities does not include shareholder loans to project companies.
(**) As per definitions in senior unsecured bond agreement

Prepared for further growth

- Risk managed through project structuring
  - Controlling equity positions
  - Integrated business model
  - Non-recourse project finance
- “Cash flow to Scatec Solar equity” – a key measure of value creation
- A solid “self funded” growth capacity
- Capital discipline – return and margin targets
- Significant value potential in further optimization of current asset base

7. Financing solar in emerging markets

Scatec Solar Capital Markets Day – 31 May 2016

Harry Boyd-Carpenter, Senior Banker, Power and Energy Utilities

European Bank
for Reconstruction and Development

DFIs, MDBs, IFIs…

European Bank
for Reconstruction and Development

- Public ownership
- Public mandate
- Strategically public, tactically private
- Patient capital
- Conservative on commercial and technical risks; appetite for political risks
- Deep commitment to environmental and social standards
- Mobilise and catalyse private finance – no crowding out

25 years of investment

European Bank
for Reconstruction and Development

AAA-rated, multilateral development bank, founded in 1991 to promote transition to modern and well-functioning markets

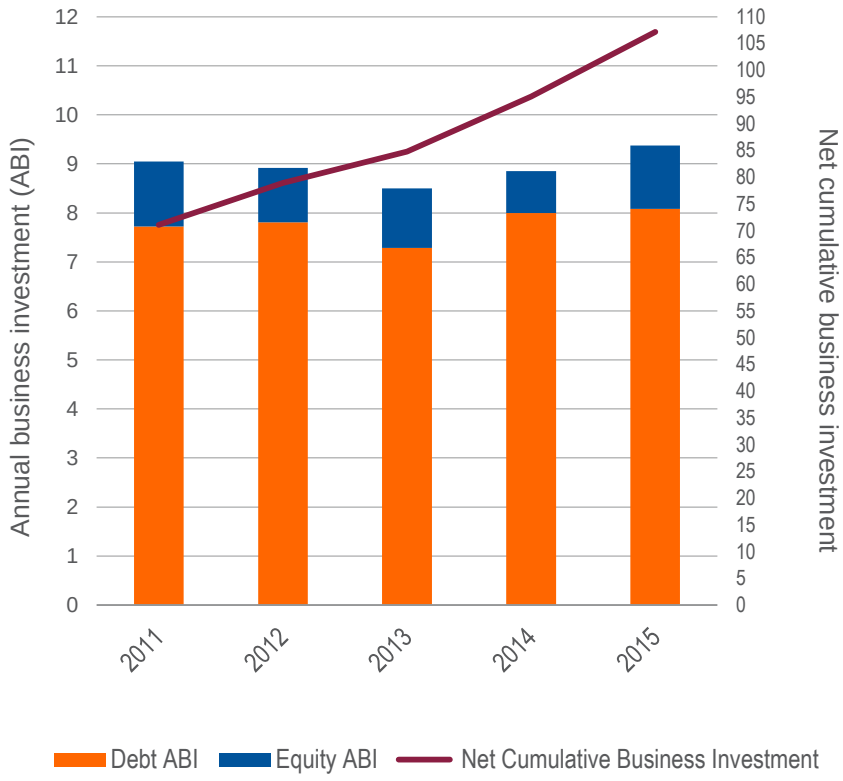
Since 1991, EBRD invested over €107 billion in over 4,400 projects across private and public sectors in its countries of operations, including:

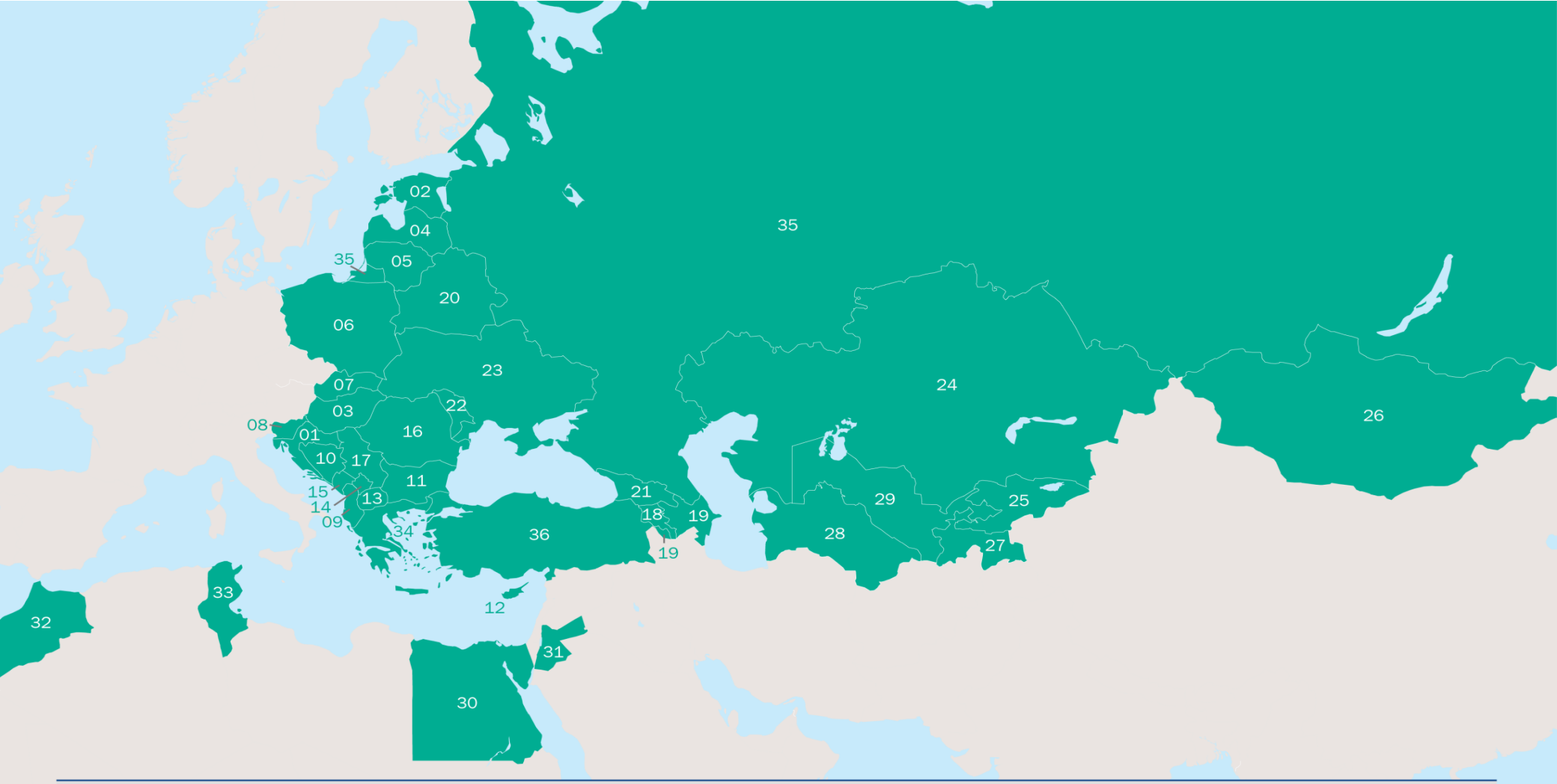
In 2015:

- €9.4 billion invested in 381 projects
- Private sector accounted for 78% share
- Debt 82%, Equity 14% & Guarantee 4%

67 shareholders: 65 countries (China became the most recent member in 2016) and two institution

Net cumulative business investment €107 billion





WHERE WE INVEST

Central Europe and the Baltic states
01 Croatia
02 Estonia
03 Hungary
04 Latvia
05 Lithuania
06 Poland
07 Slovak Republic
08 Slovenia

South-eastern Europe
09 Albania
10 Bosnia and Herzegovina
11 Bulgaria
12 Cyprus
13 FYR Macedonia
14 Kosovo
15 Montenegro
16 Romania
17 Serbia

Eastern Europe and the Caucasus
18 Armenia
19 Azerbaijan
20 Belarus
21 Georgia
22 Moldova
23 Ukraine

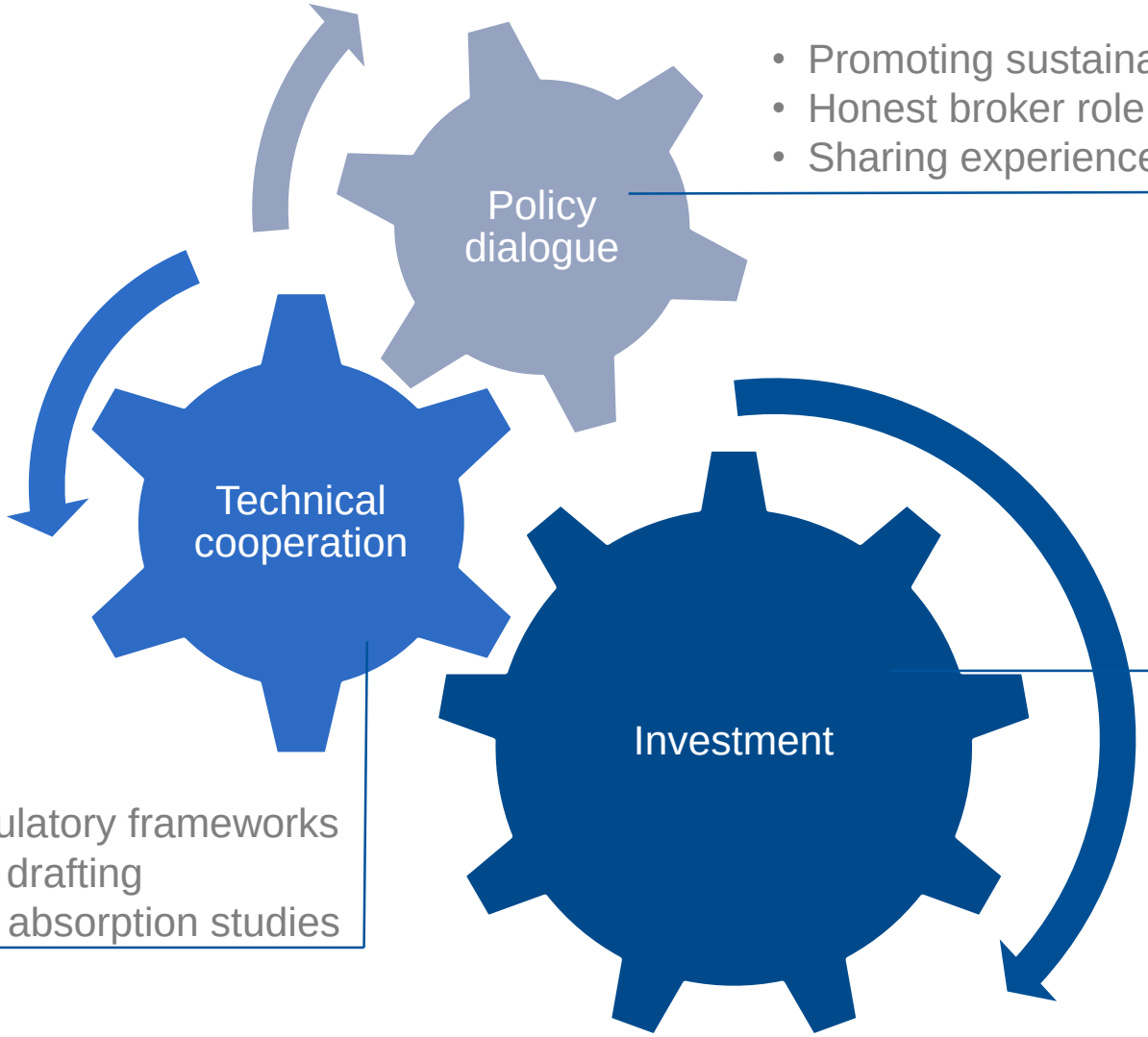
Central Asia
24 Kazakhstan
25 Kyrgyz Republic
26 Mongolia
27 Tajikistan
28 Turkmenistan
29 Uzbekistan

Southern and eastern Mediterranean
30 Egypt
31 Jordan
32 Morocco
33 Tunisia

34 Greece
35 Russia
36 Turkey

Operational approach

European Bank
for Reconstruction and Development



- Promoting sustainable energy
- Honest broker role
- Sharing experience and best practice

- Development equity
- Mezzanine
- Project finance
- Corporate loan
- Equity

- Regulatory frameworks
- PPA drafting
- Grid absorption studies

Bankability in emerging markets

European Bank
for Reconstruction and Development

Why?

- Understand the drivers

Who?

- Sponsor, partners, financiers

What?

- Technology, location, interconnection

How?

- Environmental and social standards; operating principles

Write it all down

- Legislative, regulatory and contractual framework

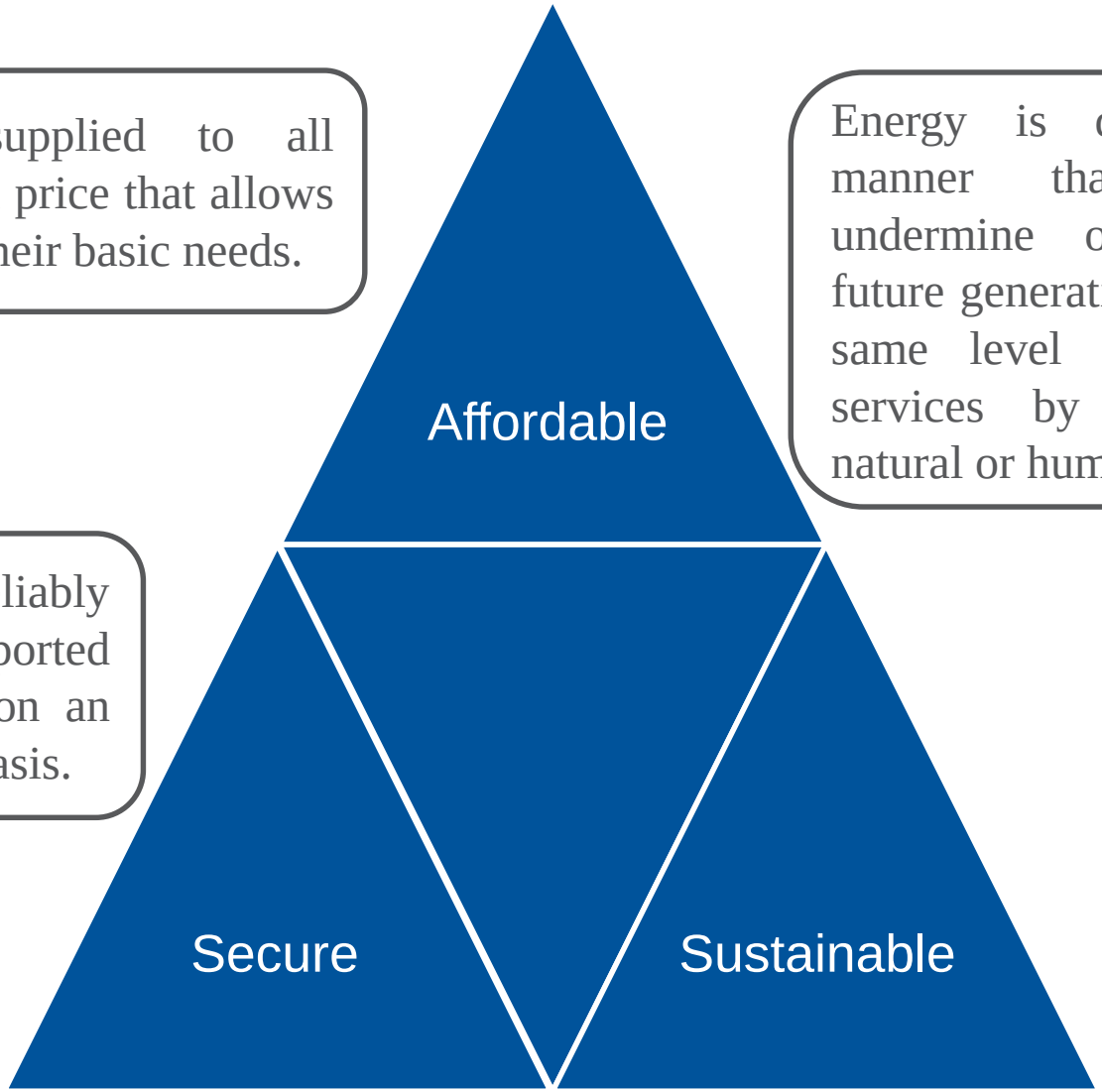
Governments and the energy trilemma

European Bank
for Reconstruction and Development

Energy is supplied to all consumers at a price that allows them to meet their basic needs.

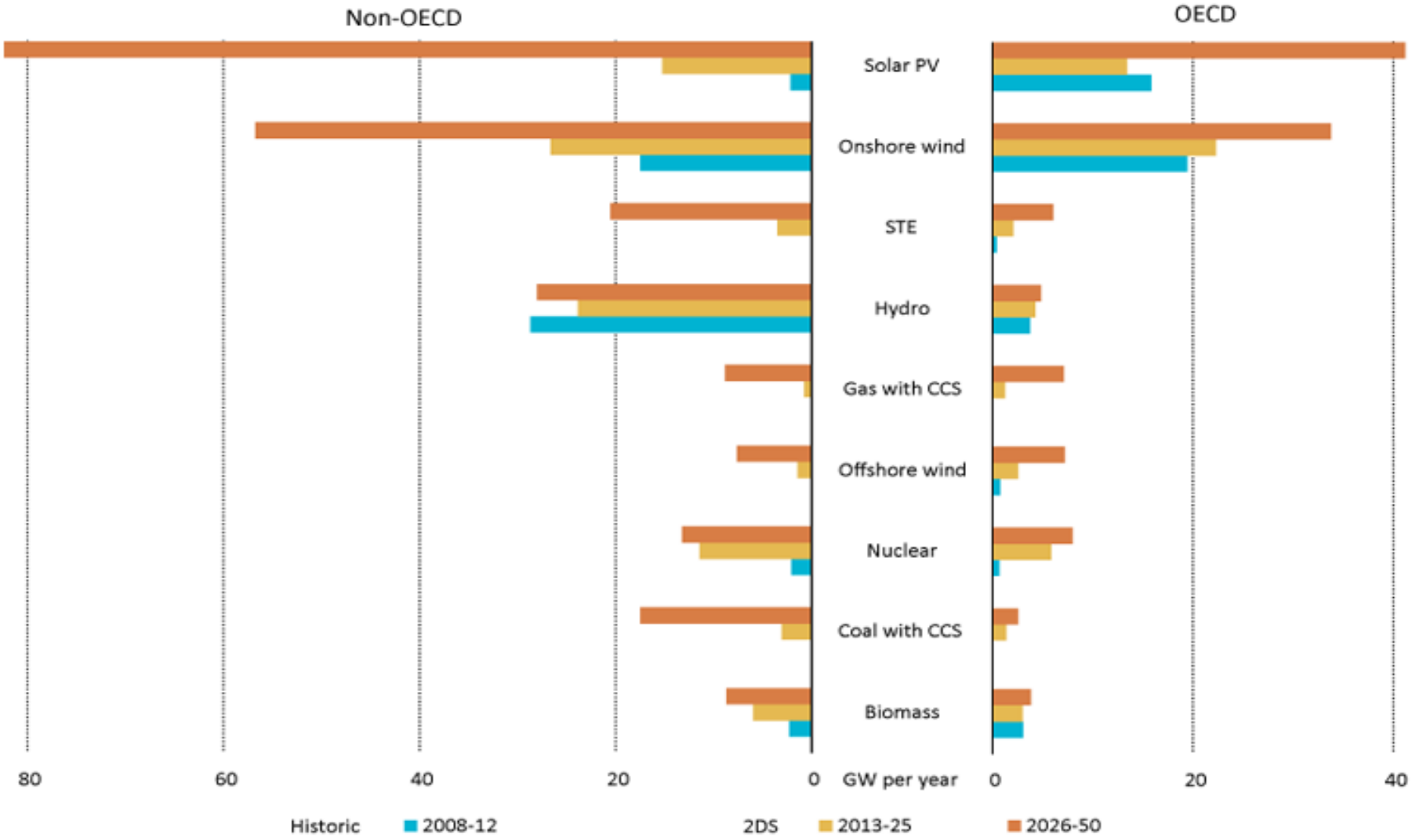
Energy is delivered in a manner that does not undermine opportunities of future generations to enjoy the same level and quality of services by degrading the natural or human environment.

Energy is reliably supplied, transported and delivered on an uninterrupted basis.



Solar in emerging markets

European Bank
for Reconstruction and Development



Source: IEA Energy Technology Perspectives 2015 – annual power sector deployment rates in the Two Degrees Scenario.

Jordan – Oryx solar project – April 2016

Financing solar in emerging markets

Scatec Solar Capital Markets Day – 31 May 2016

Harry Boyd-Carpenter, Senior Banker, Power and Energy Utilities

European Bank
for Reconstruction and Development

Scatec Solar
Improving our future™

Summary

Raymond Carlsen, CEO

Our values
Predictable
Driving results
Changemakers
Working together

Positive market outlook

- The global market for PV is expected to grow significantly in the years to come
- Emerging economies will continue to take advantage of lower cost renewables
- Lower oil and gas prices have limited impact on the appetite for renewables
- Market transformation opens up for new business offerings
- Scatec Solar is strengthening its position as a leading emerging market player

Scatec Solar
Improving our future™

Thank you

Our values
Predictable
Driving results
Change makers
Working together