Scatec

Danske Bank Green Hydrogen Seminar

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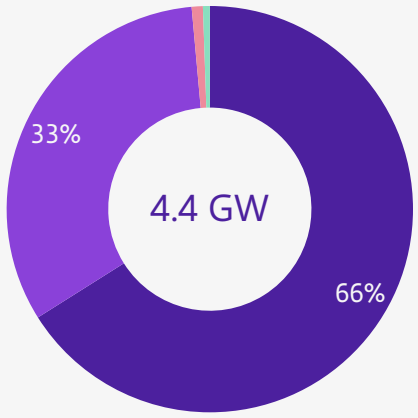
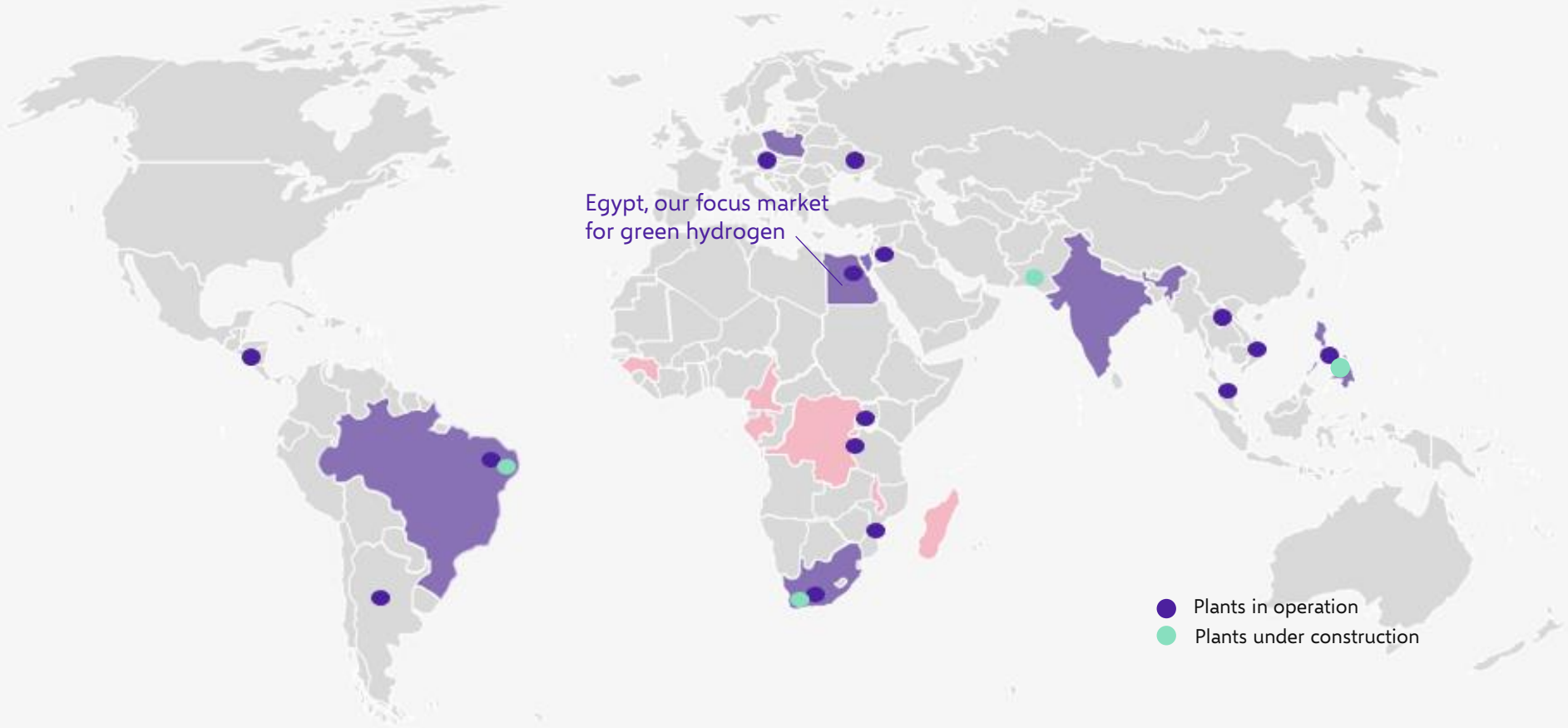
Alternative performance measures (APM) used in this presentation are described and presented in the second quarter and first half 2023 report for the group.

Scatec delivers renewable energy in emerging markets

Capacity in operation & under construction





1) 225 MW/1,140 MWh of battery storage is additionally under construction related to the RMIPPP project in South Africa

*Scatec's focus markets: Brazil, South Africa, Philippines, Egypt, India, Poland & Hydro Africa.

Our strategy:

Develop, build, own and operate renewable energy in emerging markets

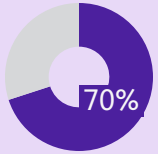
Grow Renewables

Optimise Portfolio

Advance Green Hydrogen

Green hydrogen is a natural extension of Scatec's core capability: Developing and realising complex projects based on renewable energy

Green H2 is a natural extension of what we do



Renewable power is the largest cost component in a green hydrogen project

>50 projects

Strong track record of developing projects in top-tier markets for green hydrogen

Cooperating with governments, being part of their energy strategy

Executing complex projects with many stakeholders

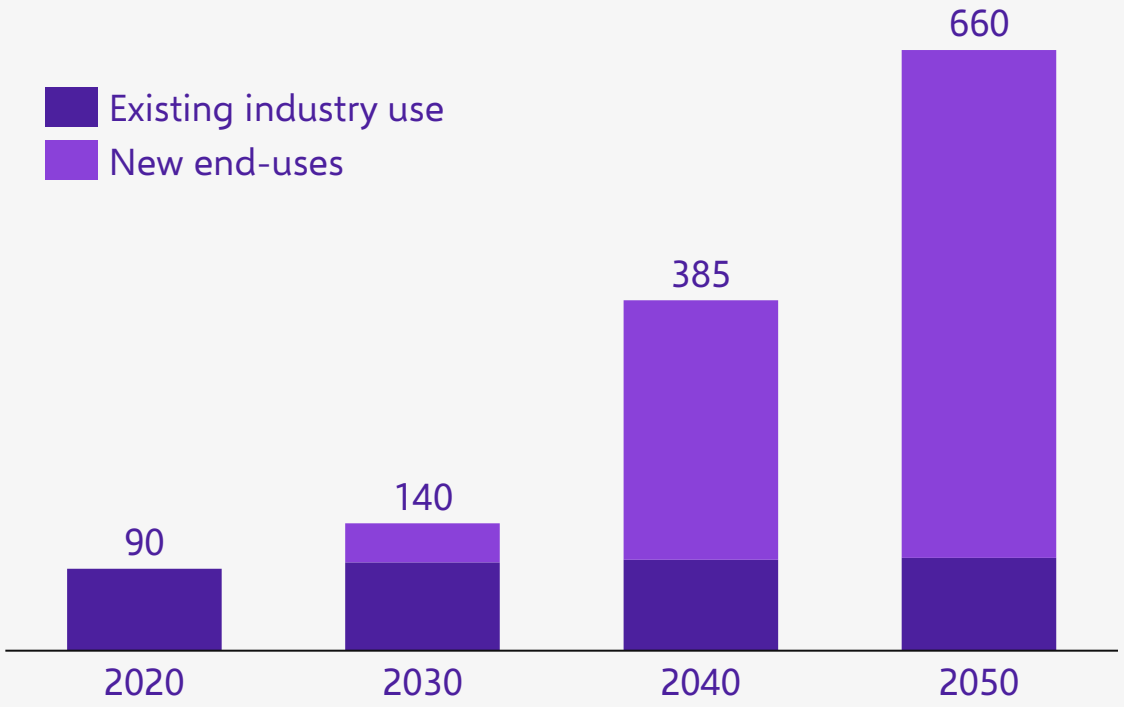
Our approach

1. Secure world-class sites with access to key export routes resulting in a very competitive LCOH / LCOA
2. End-to-end project integration with rapid adoption of new technologies
3. Developed in-house tools for evaluating optimal configurations of renewables and electrolysers
4. Bring in complimentary industrial partners
5. Optimise financing structure at reduced cost by accessing concessional funding
6. Secure long term offtake agreements with reputable industrial companies

The next five years green hydrogen demand will be driven by strong policy support in EU, US and Japan

Green hydrogen demand forecast

H2 end-use demand for net zero, million MT H2 p.a.

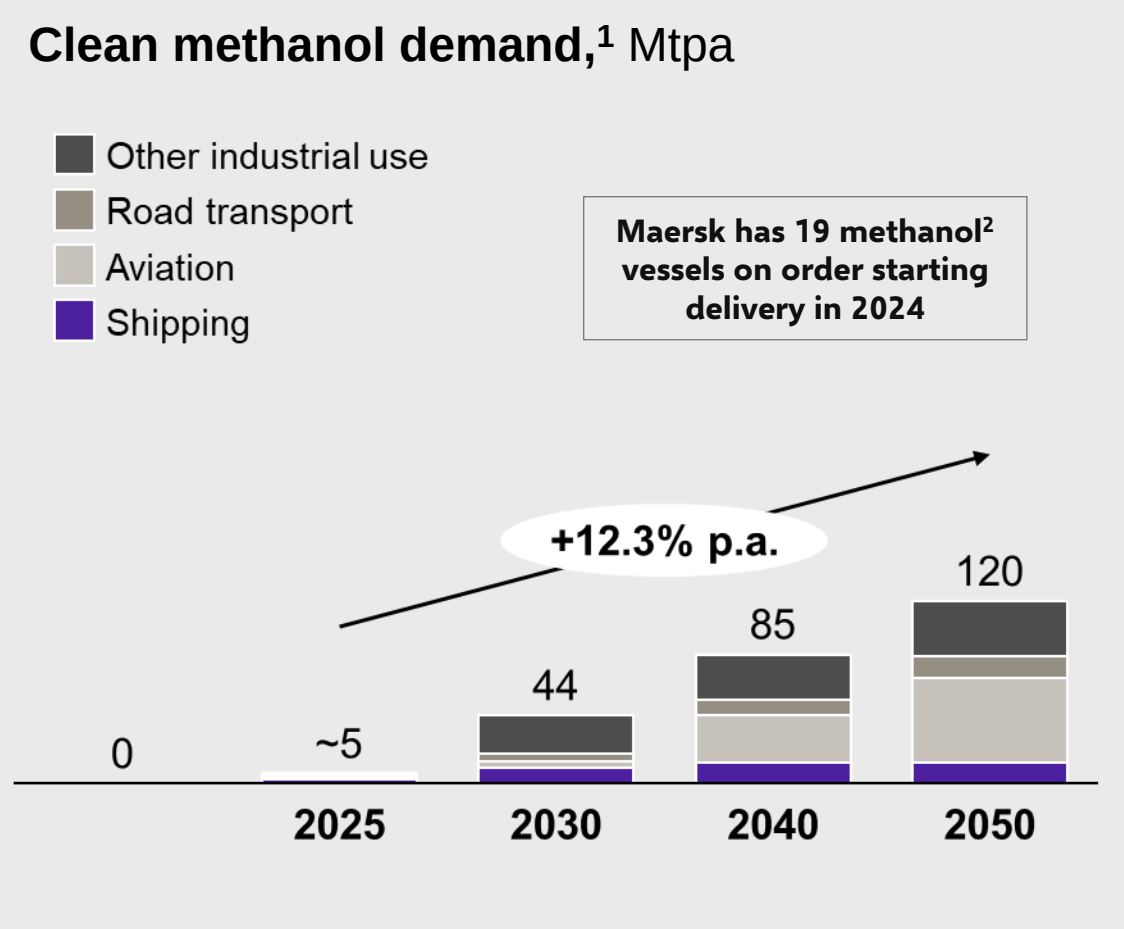


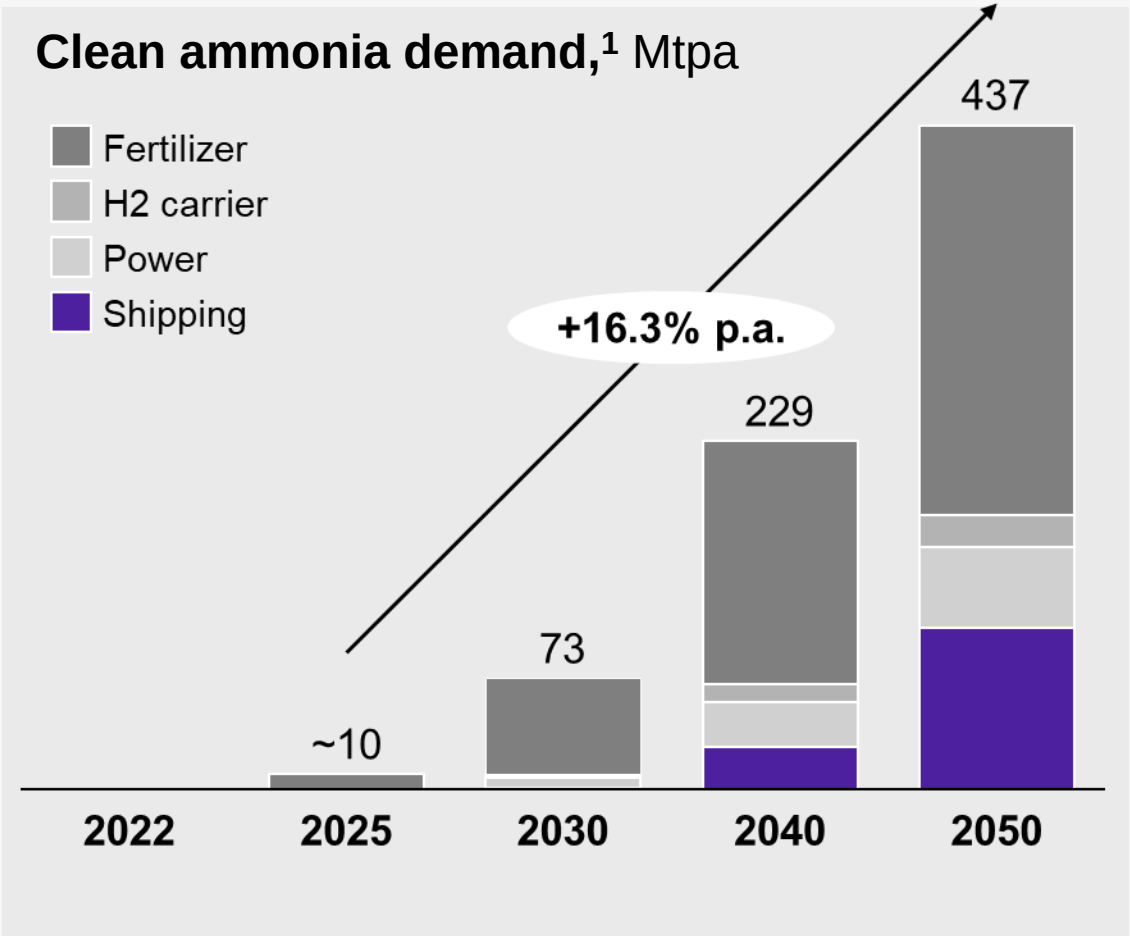
Demand drivers next 3-5 years:

- EU, US and Japan are targeting to ramp up the use of green hydrogen for industrial use
- Key policies:
  - REPowerEU
  - Inflation reduction Act in the US
- Industry leaders in the fertiliser and shipping industries are driving the market development

Sources: Hydrogen council

Demand for green fuel expected to pick up in 2025 and exponentially grow towards 2050





1. Hydrogen Council demand forecast adapted to accommodate for higher than forecasted e-methanol uptake in 2030 based on latest views e.g., Maersk Liner announcements
2. Vessels with dual-fuel engines able to operate on green methanol

Source: Hydrogen Council; 2022 Net-Zero Scenario; IMO target case; team analysis

Renewable Energy EU Delegated Act Requirements

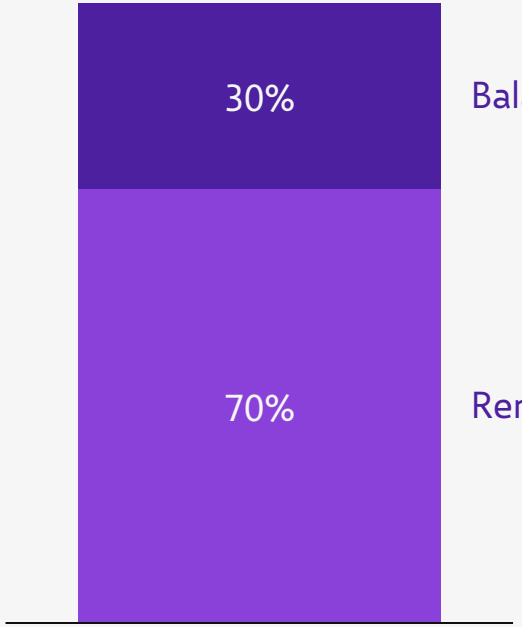
Main principle	Rule	Exemption
Additionality *(Article 5)*	• The renewable asset came into operation not earlier than **36 months** before the hydrogen plant. • It cannot have received operation or investment aid.	• Principle of additionality should not apply **until January 2038** to plants that come into operation **prior January 2028.**
Temporal correlation *(Article 6)*	**Dec 2029** • Hydrogen production occurs within the **same calendar month** as renewable prod under the PPA. **Jan 2030** • Hydrogen production occurs within the **same Hour** as renewable prod under the PPA.	• Temporal correlation is considered met when using electricity in the same **hour when the day ahead price is lower than 20 EUR/MWh or lower than< 0.36 CO2**
Geographical correlation *(Article 7)*	• The renewable asset and H2 production are in the **same bidding zone.** • The renewable asset and H2 production are located in interconnected zone and the renewable asset is located into a bidding zone where the price is higher than the one of the hydrogen plant. • The renewable asset is in an **Offshore bidding zone.**	

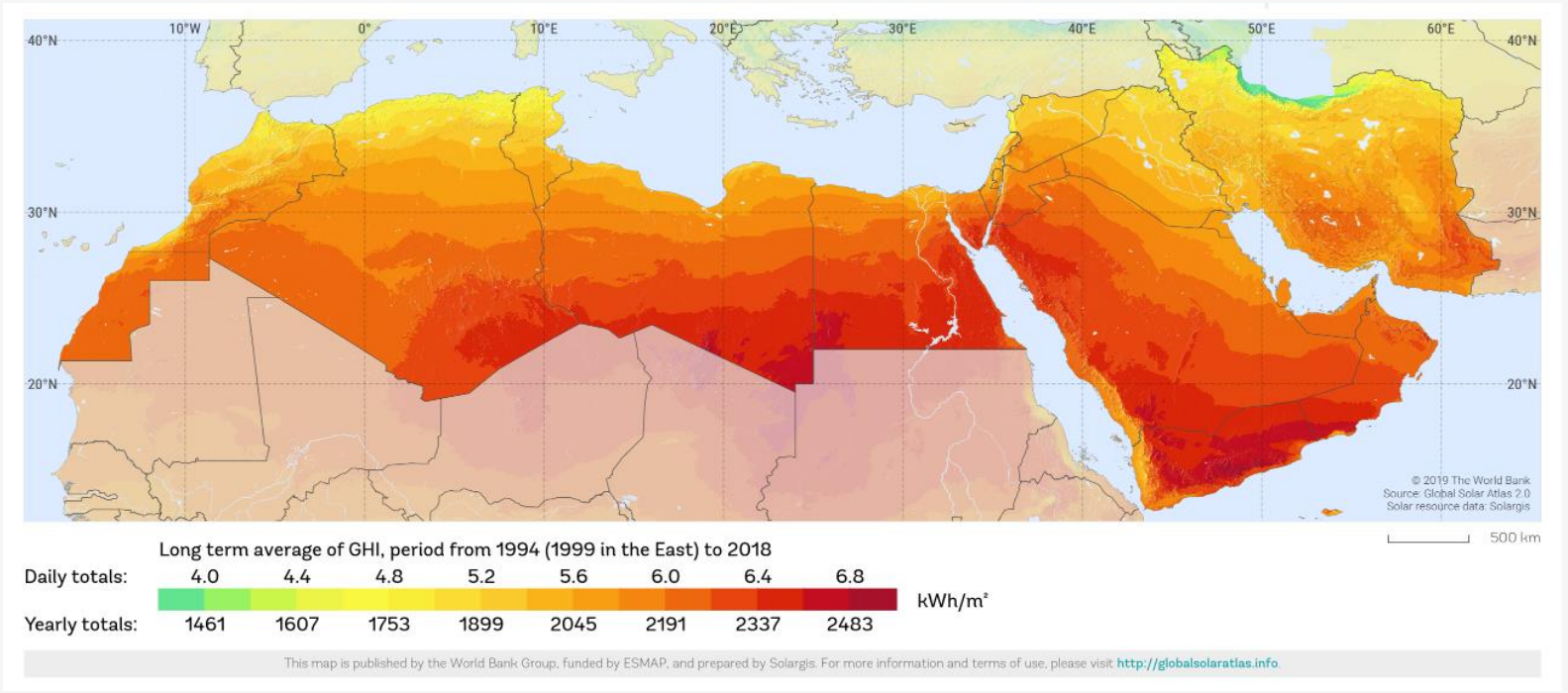
Seeking prime locations

Low-cost renewables is a must for the economics of green hydrogen

North Africa has the resources, land available and proximity to shipping lanes

Green hydrogen cost structure





Bunker: the Asia-Europe shipping route through the Suez canal is a potential green corridor in need of zero-emission fuels

Shipping industry

Suez Canal

By the numbers

12 %
of global trade

30%
of global container ship traffic each day

An average of

52
ships pass through the canal each day

Three main types of cargo flow through the canal

Green corridor opportunity

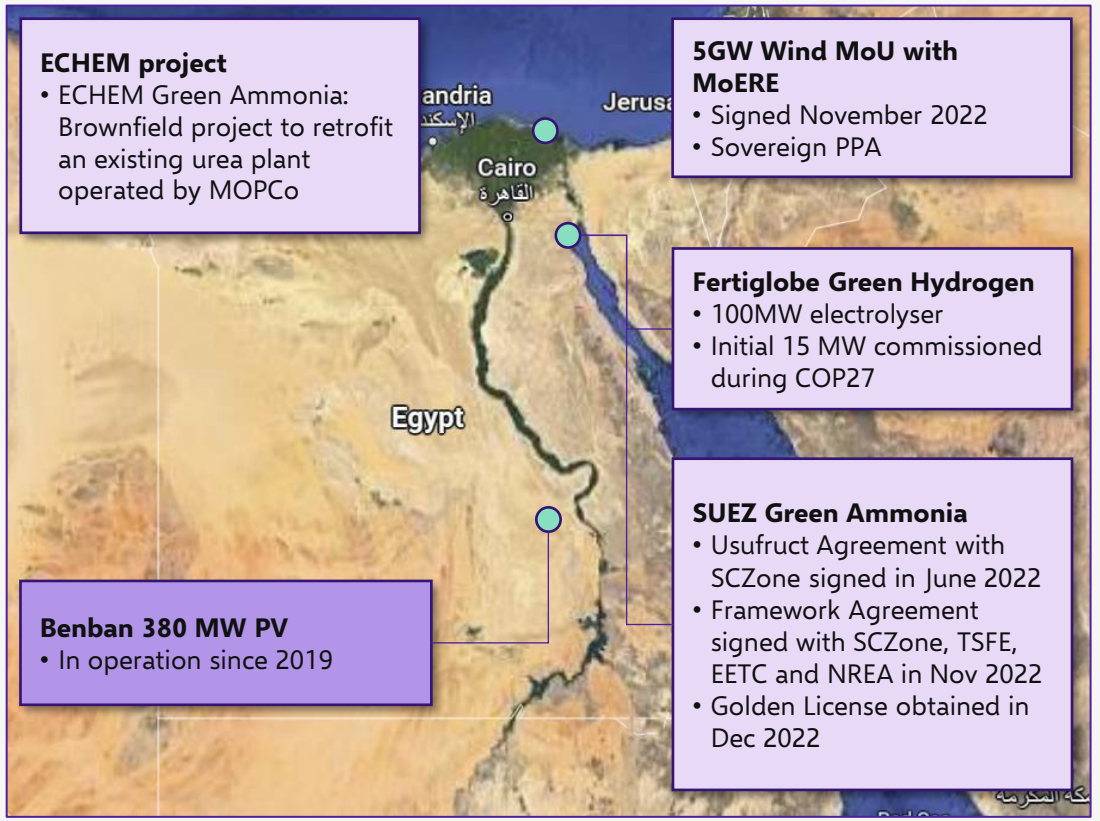
- Low cost of fuel and an enabling regulatory environment on the European leg of the route makes the Suez canal a viable **green corridor**
- Under the EU's "**Fit for 55**" legislative package, the ETS would apply to 50% of the shipping into and out of the EU
- These vessels need **bunkering of zero-emission fuels along the route to Europe**, making the Suez an opportunity both for bunkering of ammonia and export of ammonia to bunkering elsewhere

Source: McKinsey & Company

Strong position in Egypt with the target to become a green hub

An established and strong position in Egypt

- Offtake secured for one green H2 project and other green ammonia projects under development
- Very strong relationship with the Egyptian government and support from the Norwegian government
- Largest renewable developer in Egypt – Benban project was the largest one-site solar PV complex in the world when first commissioned
- Proven track record in green financing with a recent investment grade green bond for the Egypt portfolio



Summing up

- Aiming to advance green hydrogen
- Focusing our H2 activities to Egypt
- Meeting growing demand for green H2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