Listing of up to 20,652,478 Private Placement Shares issued in connection with a Private Placement

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The information in this prospectus (the "**Prospectus**") relates to the listing on Oslo Børs by Scatec Solar ASA, ("**Scatec Solar**" or the "**Company**"), a public limited company incorporated under the laws of Norway (together with its consolidated subsidiaries, the "**Scatec Solar Group**") of 20,652,478 new shares in the Company (the "**Private Placement**"), each with a nominal value of NOK 0.025 (the "**Private Placement Shares**"), issued in a private placement directed towards Norwegian and international investors for gross proceeds of approximately NOK 4,750 million, issued at a subscription price of NOK 230 per share (the "**Subscription Price**"). 13,768,280 of the Private Placement Shares were issued on 21 October according to a board authorisation (the "**New Shares**"), and the remaining 6,884,198 will be issued according to a resolution by the General Meeting on 12 November 2020 (the "**Borrowed Shares**").

The Company's existing shares are listed on the Oslo Børs under the ticker code "SSO". Except where the context requires otherwise, references in this Prospectus to "Shares" will be deemed to include the existing Shares and the Private Placement Shares. All of the existing shares in the Company are, and the Private Placement Shares will be, registered in the VPS in book-entry form. All of the Shares rank pari passu with one another and each carry one vote.

Investing in the Company's Shares involves a high degree of risk. See Section 2 "Risk factors" beginning on page 8 and Section 4 "General information".

Trading in the Private Placement Shares on Oslo Børs commenced on 21 October 2020 for the 13,768,280 Private Placement Shares issued in the board meeting as of 20 October 2020 and the 6,884,198 will be tradable after the issuance on or about 13 November.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR AN INVITATION TO BUY, SUBSCRIBE OR SELL THE SECURITIES BEING ADMITTED TO TRADING DESCRIBED HEREIN AND THE PROSPECTUS RELATES SOLELY TO THE LISTING OF THE NEW SHARES.

Managers

DNB Markets, a part of DNB Bank ASA

Nordea Bank Abp, filial i Norge

Swedbank AB (publ)

SpareBank 1 Markets AS

The date of this Prospectus is 12 November 2020

IMPORTANT INFORMATION

This Prospectus has been prepared for use in connection with the listing of the Private Placement on Oslo Børs. Please see Section 17 "Definitions and Glossary" for definitions of terms used throughout this Prospectus.

The Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 No. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended, and as implemented in Norway in accordance with section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (the "**Norwegian FSA**") has reviewed and approved this Prospectus in accordance with sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Prospectus. The approval given by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described or referred to in this Prospectus. The Prospectus was approved on 12 November 2020.The Prospectus is valid for a period of twelve months from the date of approval by the Norwegian FSA.

No person is authorised to give information or to make any representation concerning the Scatec Solar Group or in connection with the Private Placement other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, advisors or selling agents of any of the foregoing.

No action to approve, register or file the Prospectus has been made outside Norway. The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Private Placement Shares in any jurisdiction in which such offer, sale or subscription would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Private Placement Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. None of the Company or the Managers, in any of their respective capacities in connection with the Private Placement accept any legal responsibility for any violation by any person of any such restrictions.

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the value of the Private Placement Shares between the time of approval of this Prospectus by the Norwegian FSA and the Listing of the Borrowed Shares on Oslo Børs, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances create any implication that there has been no change in the Scatec Solar Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Scatec Solar Group, the Managers or any of their respective representatives that any recipient of this Prospectus should purchase any Shares. Prior to making any decision of whether to purchase the Shares, prospective investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. **In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Scatec Solar Group, including the merits and risks involved.** None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such purchaser under the laws applicable to such purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares, to among other things consider such investment decision in light of his or her personal circumstances and in order to determine whether or not such prospective investor is eligible to subscribe for the Shares.

This Prospectus serves as a listing prospectus as required by applicable laws and regulations only. This Prospectus does not constitute an offer to buy, subscribe or sell any of the securities described herein, and no securities are being offered or sold pursuant to it.

THE SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES. THIS PROSPECTUS HAS NOT BEEN APPROVED NOR REVIEWED BY THE US SECURITIES AND EXCHANGE COMMISSION AND IS NOT FOR DISTRIBUTION IN THE UNITED STATES.

This Prospectus and the terms and conditions of the Private Placement as set out herein shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the listing of the Private Placement Shares or this Prospectus.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General information".

Investing in the Shares involves certain risks. See Section 2 "Risk factors".

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APPENDICES

1. SUMMARY

Introduction

Warnings	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus by the investor. An investment in the Company's Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
The securities....................	The Company has one class of shares in issue. The existing Shares are registered in book-entry form with the VPS and ISIN NO 001 0715139.
The issuer………………	The Company's registration number in the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret) is 990 918 546 and its LEI is 5967007LIEEXZXIARK36. The Company's registered office is located at Askekroken 11, 0277 Oslo, Norway, and the Company's main telephone number at that address is +47 48 08 55 00. The Group's website can be found at www.scatecsolar.com
and offeror(s)....................	The Company, as issuer, is the offeror of the Private Placement Shares. See the item above for information about the Company.
Approval of the Prospectus	The Financial Supervisory Authority of Norway (Nw.: Finanstilsynet), with registration number 840 747 972 and registered address at Revierstredet 3, N-0151 Oslo, Norway, and with telephone number +47 22 93 98 00 has reviewed and, on 12 November 2020, approved this Prospectus.

Key information on the issuer

Who is the issuer?	
Corporate information	Scatec Solar ASA is a Norwegian Public Limited Liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "Norwegian Public Limited Companies Act"). The Company was incorporated in Norway on 2 February 2007, and the Company's registration number in the Norwegian Register of Business Enterprises is 990 918 546 and its LEI is 5967007LIEEXZXIARK36.
Principal activities.............	Scatec Solar is an integrated independent renewable power producer, delivering affordable, rapidly deployable and sustainable clean energy worldwide.
Major shareholders	Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. As of the date of this Prospectus, four shareholders own more than 5% of the issued Shares:

#	Shareholder name	No. of shares	Percentage (%)*
1	Equinor ASA	20,776,200	13.12%
2	Scatec AS**	19,482,339	12.30%
3	Folketrygdfondet	16,620,979	10.50%
4	BlackRock, Inc.***		>5%

*Percentages assuming registration of 6,884,198 shares resolved issued by the General Meeting on 12 November 2020.
**According to a share lending agreement between Scatec AS and the Managers, 6,884,198 shares in the Company will be redelivered to Scatec AS after the issuance of shares according to the resolution by the General Meeting on 12 November 2020. After this Scatec AS will hold an amount of 19,482,339 shares in the Company, corresponding to 12.30% of the outstanding shares in the Company.
*** BlackRock Inc. issued a disclosure of significant shareholding on 16 September 2020, stating that it holds 6,890,153 shares in the Company through a chain of controlling companies that at the time was corresponding to 5% of the shares and voting rights in the Company. No notification of falling below the notification threshold of 5% or passing of any higher threshold has subsequently been disclosed for BlackRock, Inc.

Key managing directors ..... The Company's executive management comprise of the following members:

Name	Position	Served since
Raymond Carlsen	Chief Executive Officer	2009
Mikkel Tørud	Chief Financial Officer	2014
Terje Pilskog	EVP Project Development & Project Finance	2012
Roar Haugland	EVP Sustainable Business & HSSE	2010
Toril Haaland	EVP People & Organisation	2018
Torstein Berntsen	EVP Power Production	2014
Snorre Valdimarsson	EVP General Counsel	2009

Statutory auditor .... The Company's auditor is Ernst & Young AS (EY), with business registration number 976 389 387 in the Norwegian Register of Business Enterprises and registered address at Dronning Eufemias gate 6, N-0191 Oslo, Norway.

What is the key financial information regarding the issuer?
Statement of comprehensive income data
Selected key historical financial information for Scatec Solar

Consolidated Statement of Profit or Loss

NOK million	**Nine months ended 30 September**		**Six Months ended 30 June**		**Year ended 31 December**	
	2020	**2019**	**2020**	**2019**	**2019**	**2018**
	unaudited	unaudited	unaudited	unaudited	audited	audited
Total revenues and other income	2,075	1,214	1,350	702	1,783	1,213
Profit /(loss) for the period	193	99	217	33	155	226
Profit/(loss) attributable to:						
Equity holders of the parent	80	-27	137	-58	-39	140
Non-controlling interests	113	126	80	91	194	86

Consolidated Statement of Financial Position

NOK million	As at 30 September		As at 30 June		As at 31 December	
	2020	**2019**	**2020**	**2019**	**2019**	**2018**
	unaudited	unaudited	unaudited	unaudited	audited	audited
Total Assets	23,919	20,435	24,302	17,492	21,578	14,857
Total equity	5,485	3,581	5,699	2,123	3,640	2,475
Total liabilities	18,434	16,854	18,603	15,369	17,939	12,383
Total equity and liabilities	23,919	20,435	24,302	17,492	21,578	14,857

Consolidated Statement of Cash Flow

NOK million	Nine months ended 30 September		Six months ended 30 June		Year ended 31 December	
	2020	**2019**	**2020**	**2019**	**2019**	**2018**
	unaudited	unaudited	unaudited	unaudited	audited	audited
Net cash flow from operating activities	1,510	224	929	-119	1,860	1,248
Net cash flow used in investing activities	-1,414	-3,747	-1,287	-2,366	-6,439	-3,809
Net cash flow from financing activities	1,089	3,683	1,612	1,568	4,232	2,934

Selected key pro forma financial information for the Combined Group

NOK million	Scatec Solar Historical financial information 2019 IFRS	SN Power Historical financial information 2019 IFRS	SN Power Group reorganisation pro forma adjustments unaudited	Other pro forma adjustments unaudited	Notes to adjustments	Pro forma year ended 31 December 2019 unaudited
Total revenues and other income	1,783	1,146	-504	-16		2,409
Net foreign exchange loss	-13	-6	6	-84	1,2	-96
Net financial expenses	-690	-81	85	-415		-1,102
Profit for the period	155	477	-59	-425		148
Profit/(loss) attributable to:						
Equity holders of the parent	-39	479	-62	-425		-46
Non-controlling interests	194	-3	3	0		194

The table below sets out the unaudited pro forma Statement of Financial Position as at 31 December 2019, as if the Transaction had occurred on 31 December 2019, and should be read in conjunction with the accompanying notes in Section 9.6 of this Prospectus.

NOK million	**Scatec Solar Historical financial information 2019 IFRS**	**SN Power Historical financial information 2019 IFRS**	**SN Power Group reorganisation pro forma adjustments unaudited**	**Other pro forma adjustments unaudited**	**Notes to adjustments**	**Pro forma year ended 31 December 2019 unaudited**
Total non-current assets	17,083	10,275	-4,403	3,993		26,949
Total current assets	4,495	961	-384	947		6,019
Total assets	21,578	11,236	-4,787	4,941		32,968
Total paid in capital	3,111	7,500	0	-2,832		7,779
Total other equity	-136	1,036	-2,213	1,092		-221
Total equity	3,640	9,194	-2,871	-1,739		8,223
Total non-current liabilities	15,190	1,668	-1,651	6,569		21,776
Total current liabilities	2,750	374	-265	111		2,970
Total liabilities	17,939	2,042	-1,916	6,680		24,745
Total equity and liabilities	21,578	11,236	-4,787	4,941		32,968

What are the key risks that are specific to the issuer?

Material 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.

- The Combined Group operates internationally, which makes it vulnerable to political and governmental changes and changes in the legal environment in several countries and jurisdictions.

- The 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 Group, suppliers and/or contractors who are engaged to construct or operate assets held by the Group, property owners who are leasing land to the Group, banks providing financing and guarantees of the obligations of other parties, insurance companies providing coverage against various risks applicable to the Group's assets, and other third parties who may have obligations towards the Group.

- 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.

- 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.

- The activities of 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, wind and the risk for drought) 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.

- 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.

Key information on the securities

What are the main features of the securities?

Type, class and ISIN	All the Shares and the Private Placement Shares are, and the Borrowed Shares will be, common shares in the Company and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO 001 0715139
Currency, par value and number of securities	The Shares will be traded in NOK. As at the date of this Prospectus, the Company's share capital, including the resolved share capital increases in relation to the Private Placement, is NOK 3,958,391.675 divided into 158,335,667 Shares, each with a nominal value of NOK 0.025.
Rights attached to the securities	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote.
Transfer restrictions..	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors
Dividend and dividend policy	The table below shows the amount of dividend distributed per Share in 2019 and as at the date of this Prospectus in 2020.

NOK	2020 (as at the date of this Prospectus)	2019
Amount of dividend per Share	0.95	0.95

Where will the securities be traded?

The Company's existing Shares, including the Private Placement Shares, are, and the Borrowed Shares will be, traded on the Oslo Stock Exchange.

What are the key risks specific to the securities?

Material risks factors........	An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favourably. 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.

Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in the security?

Terms and conditions of the offering	6,884,198 shares, corresponding to approximately 5% of the Private Placement has been settled towards investors by delivery of borrowed shares pursuant to a share lending agreement with Scatec AS. Redelivery of the number of shares exceeding the Board of Directors' authorisation will be made after the completion of a share capital increase directed towards Nordea on behalf of the Managers and resolved by the General Meeting on 12 November 2020. Registration of the share capital increase for redelivery of the borrowed shares to Scatec AS is expected to be registered with the NRBE on 13 November 2020 and the shares will be issued on the same date.
Admission to trading	The Shares are listed on the Oslo Stock Exchange under ISIN NO 001 0715139 and ticker code "SSO".
Dilution	The following table shows a comparison of participation in the Company's share capital and voting rights for existing shareholders before and after the Private Placement:

	Number of shares and percentage
Number of Shares prior to the Private Placement	137,683,189
Private Placement	20,652,478
Total number of Shares each with a par value of NOK 0.025	158,335,667
% dilution	13.04%

Who is the offeror and/or the person asking for admission to trading?

Brief description of the offeror(s)	Not applicable. The Company is offering the Private Placement Shares.

Why is the Prospectus being produced?

Reasons for the offer/admission to trading	The Prospectus has been prepared in order to facilitate the listing of the Private Placement Shares on the Oslo Stock.
Use of proceeds....	The expected net proceeds from the Private Placement, will be used (i) to finance USD 300 million of the acquisition SN Power and (ii) the remaining amount for growth capital and general corporate purposes.
Underwriting agreements..........	Not applicable.

2. RISK FACTORS

An investment in the Shares involves inherent risk. Before making an investment decision with respect to the Shares, investors should carefully consider the risk factors and all information contained in this Prospectus, including the Financial Statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 "Risk factors" are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Scatec Solar Group, takin into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the Shares. If any of the following risks were to materialize, individually or together with other circumstances, they could have a material and adverse effect on the Company and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in the loss of all or part of an investment in the same. Additional factors of which the Company is currently unaware, or which it currently deems not to be risks, may also have corresponding negative effects.

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

Subject to completion of the Transaction as described in Section 6 "The acquisition of SN Power", the Scatec Solar Group will expand its business operations to include production of hydroelectric power. The characteristics of the Scatec Solar Group and SN Power Group's operations are to a large extent comparable and the two entity's operations are to a large extent subject to similar risk factors as further described below in this Section 2.1 "Risks relating to the business of Scatec Solar Group and SN Power Group, the Combined Group".

2.1.1 *The Combined Group operates internationally, which makes it vulnerable to political and governmental changes and changes in the legal environment in several countries and jurisdictions*

The Combined Group carries out its operations in several countries with a history of turbulent political conditions. Involvement in such countries represents an imminent risk to the Combined Group of rapid political changes and state of emergencies. Some of the countries where the Combined Group operates have been, are or may be subject to civil wars and/or political turmoil. 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.

Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards, the issuance and renewal of licenses and permits and in monitoring licensees' compliance with the terms thereof. Commercial practices and legal and regulatory frameworks differ significantly between jurisdictions and are subject to change at any time. As a result, it may be difficult to ensure compliance with changes in regulatory requirements in the jurisdictions where the Company operates, and this can have an adverse effect on the Scatec Solar Group's operations, business, financial performance and prospects.

The Combined Group is further exposed to changes in renewable energy policies in the countries in which the Combined Group operates or intends to operate in the future. A reduction of government support and financial incentives (as applicable) for the installation of PV solar power plants and hydropower plants in any of the markets in which Scatec Solar Group and SN Power Group currently operate or intend to operate in the future could result in a material decline in the availability of investment opportunities.

Other political and economic uncertainties related to operating internationally include:

- measures restricting the ability of the Combined Group's facilities to access the grid to deliver electricity at certain times or at all;
- the macroeconomic climate and levels of energy consumption in the countries where the Combined Group has operations;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements; changes to land use regulations, concessions and permitting requirements.

2.1.2 *The market price of electricity may fluctuate significantly*

Scatec Solar's and SN Power's (subject to completion of the Transaction, the "**Combined Group**") sales of electricity constitute a material share of their gross profit. Thus, the profitability of 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, power demand and supply, 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. This is further influenced by government subsidies and support, as outlined more detailed below. Broader regulatory changes to the electricity trading market (such as changes to integration of transmission allocation and changes to energy trading and transmission charging) could have an impact on electricity prices. A decline in the market price of electricity could materially adversely affect the financial attractiveness of new projects.

The Scatec Solar Group an SN Power Group seeks to reduce the effect of price fluctuation by primarily entering into long-term fixed price contracts for sale of the electricity produced from its plants. While the majority of SN Power's sales today are based on long-term fixed price purchase agreements, a share of the SN Power's revenue, in particular their Philippine assets is exposed to price risk related to electricity sold at spot rates.

2.1.3 *The Combined Group operates in a competitive industry and may not be able to compete against its competitors*

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. Development of technology by other players may render the Company's technology, or the PV industry and hydropower industry in general, obsolete or uncompetitive. If other renewable energy resources enjoy greater policy support than the PV industry and hydropower industry, and the industries, including the Combined Group, is not able to achieve reduction in production costs that enables it to reduce the price per kilowatt-hour of electricity that can be generated from its PV solar power plants and hydropower plants, the PV industry and hydropower industry could suffer.

Scatec Solar Group and SN Power currently face intense competition in most of the markets in which the groups are present. The Scatec Solar Group and the SN Power Group have in the past been able to enter new markets early and thereby been able to realise its projects with attractive margins and returns. Due to increasing competition, the Combined Group may not be able to develop projects with similar margins and returns.

Furthermore, Scatec Solar and SN Power also competes with other companies in attempting to secure equipment necessary for the construction of solar energy projects and hydropower projects. Such equipment may be in short supply from time to time. In addition, equipment and other materials necessary to construct production and transmission facilities may be in short supply from time to time. There is no assurance that the Combined Group will be able to successfully compete against its competitors. The failure by the Combined Group to successfully compete against its competitors could have a material adverse effect on the Combined Group's business and results of operations.

2.1.4 *The Combined Group may be subject to cost uncertainty and increasing operating expenses*

The Combined Group may on certain projects participate in all of the following activities; developing, construction and operation of plants related to PV solar power and hydropower. 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. This may have a negative impact on the Combined Group's profitability and cash flows.

2.1.5 *Insufficient quality of equipment and technical breakdowns may lead to lower revenues and higher maintenance costs*

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 turbines 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. Even well-maintained high-quality PV solar power plants and hydropower plants may from time to time experience technical problems or breakdowns. This may be caused by a number of different events, inter alia erroneous installation or malfunction of components, which may require extensive repair projects. Depending on the component that fails and the design of the plant parts, some or whole of the capacity can be out of production for some time. There is a risk that the appropriate spare parts are not available for various reasons, causing a prolonged production stop.

Moreover, the main system components (such as inverters, trackers, generators, turbines and transformers) utilized in the Combined Group's solar power plants and hydropower plants are generally covered by manufacturers' warranties, which typically range from 2 to 5 years, except for PV modules which typically have up to 20 year warranty. In the event any such components fail to operate as required, the Combined Group may be able to make a claim against the applicable warranty to cover all or a portion of the expense associated with the faulty component. However, these suppliers could cease operations or for any other reasons not honour their obligations and warranties, which would leave the Combined Group to cover the expense associated with the faulty component, both in relation to EPC and as shareholder in any SPV. The Combined Group's business, financial condition, results of operations and cash flows could be materially adversely affected if it cannot make claims under warranties covering its projects.

There is also a risk of discrepancies between power meter readings and actual power production due to system or human failure. In such cases, it is upon the operator to justify claims for the correct revenue collection.

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

The Combined Group's construction of PV solar power plants and hydropower plants relies on external subcontractors and suppliers of services and goods to varying degrees, as well as the more complex contracts for engineering, procurement and construction (each of these contracts an "**EPC Contract**" and each of these contractors an "**EPC Contractor**"). This construction model inherently contains a risk to the Combined Group's goodwill and branding as well as timely project development according to budgeted costs. 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.

In addition, when establishing operations in new areas, the Combined Group may face difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms. The Combined Group's failure to enter into agreements with such suppliers on reasonable terms, if at all, could have a material and adverse effect on the business, its financial condition and results of operations.

2.1.7 *The Combined Group operates in countries with a high degree of bureaucracy*

Many of the countries in which the Combined Group operates are known for a high degree of bureaucracy. The operation of the power plants and hydropower plants includes from time to time exchange of information with relevant authorities and counter parties. Such exchange and verification of documents may take some time. This may influence the Combined Group's ability to execute its business without delays.

2.1.8 *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.

Anti-bribery and anti-corruption laws and regulations generally prohibit companies and their intermediaries from making improper payments to governmental officials or other persons for the purpose of obtaining or retaining business. While the Combined Group's policies and programmes mandate compliance with applicable laws and regulations, including anti-bribery laws and other anti-corruption laws, the Combined Group cannot assure that it will be successful in preventing its individual suppliers or agents from taking actions in violation of these laws or regulations. Such violations, or allegations of such violations, could disrupt the Combined Group's business and result in a material adverse effect on the Combined Group's business, financial condition, results of operations, cash flows and/or prospects.

Changes in the political status of certain countries may also impact the Combined Group's services. For example, certain countries in which the Combined Group currently operates or may operate in the future may become restricted or sanctioned countries. As a result, the Combined Group could incur fines or other penalties for performing services or be required to cease operations in such jurisdictions. If any jurisdiction in which the Combined Group operates becomes designated as a sanctioned country by certain organisations, countries or other political bodies, the Combined Group's services may be impaired.

2.1.9 *The Combined Group may be affected by the ongoing Covid-19 pandemic going forward*

Although the effect of Covid-19 has been quite limited for both Scatec Solar and SN Power up until the date of this prospectus, it is not possible to know how this will affect the energy market going forward. There is a risk that the demand for energy in markets in which the Combined Group develops projects will be reduced due to lock down and production stops in businesses with large energy consumptions, and that this might result in the projects being less profitable.

2.1.10 *The Combined Group is exposed to credit risks in relation to third parties with obligations to the Combined Group*

The 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 Group, suppliers and/or contractors who are engaged to construct or operate assets held by the Group, property owners who are leasing land to the Group, banks providing financing and guarantees of the obligations of other parties, insurance companies providing coverage against various risks applicable to the Group's assets, and other third parties who may have obligations towards the Group. The Scatec Solar Group has in the past experienced delays in payment due to delayed funding of governmental offtakers, and this is a continued risk for the Group.

All of the electric power generated by the Scatec Solar Group's current portfolio of projects in operation or under construction, and a significant share of the electric power generated by the SN Power current portfolio of projects in operation forming part of the Transaction, is, or will be, sold under long-term off-take agreements with public utilities or other partners, or under Feed-in Tariff ("FiT") arrangements, Power Purchase Agreements (PPAs) or similar support mechanisms governed by law. If, for any reason, any of the counterparties to these contracts are unable or unwilling to fulfil their related contractual obligations or if they refuse to accept delivery of power delivered thereunder or if they otherwise terminate such agreements prior to the expiration thereof, the Company will have few or no alternative buyers for their produced electricity. If such circumstances occur, our assets, liabilities, business, financial condition, results of operations and cash flows could be materially and adversely affected. For the Group's current projects under operation, the majorities of these are supported by government guarantees or have obligations regulated by law. However, there is still a risk of legislative or other political action that may impair their contractual performance.

The Combined Group's main credit risks arise from credit exposures with accounts receivables and deposits with financial institutions.

Some of the markets in which the Combined Group operates have in recent years suffered significant constraints which have led to a large number of bankruptcies, involving also well-established market participants. Should this trend continue, the Scatec Solar Group will be further exposed to third party credit risk.

2.2 Specific risks relating to Scatec Solar

2.2.1 *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.

Furthermore, Scatec Solar is dependent on the reputation of PV solar industry in general. Widespread PV plant failures may damage Scatec Solar's market reputation, reduce its market share and cause a decline of construction projects. Although a defect in Scatec Solar's PV plants may be caused by defects in products delivered by Scatec Solar's sub-suppliers which are incorporated into Scatec Solar's PV plants, there can be no assurance that Scatec Solar will be entitled to or successful in claiming reimbursement, repair, replacement or damages from its sub-suppliers relating to such defects.

Scatec Solar is often required to provide certain warranties in connection with agreements, and in particular in relation to acting as EPC. Such warranties often include performance guarantees in connection with construction activities and O&M, in addition to guaranteed deadlines for completion of deliveries. Breach of any such warranties may pursuant to relevant agreements trigger claims for liquidated damages towards the Company, and the Company's loss in respect of such breach may be significant. Further, the total nominal exposure from such guarantees may become very significant as the level of construction activities increases in new markets, the Company believes that the exposure is limited in relation to the expected project margins and the contracts relate to fairly standardised construction where the Company has a solid track-record. No performance guarantees have yet been called upon.

If Scatec Solar is not able to achieve satisfactory quality in the design, engineering and construction of its PV plants or does not continue to develop at the same rate as its competitors, the demand for its PV solar power plants could be adversely affected and existing contracts could be terminated, which could have a significant adverse effect on Scatec Solar's business, prospects, financial results and results of operations.

2.2.2 *The Company is exposed to risks related to operations carried out through partly owned companies*

The activities of 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. In general, the projects carried out by the Scatec Solar Group require many and complex agreements, which increases the risk when carrying out the project. The Scatec Solar Group's ability to receive dividends and other payments from partly owned 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. Also, agreements with such shareholders, or the virtue of not being the sole shareholder, may restrict the Scatec Solar Group's freedom to carry out its business.

There can be no assurance that the Scatec Solar Group's partners in such companies will continue their relationships with the Scatec Solar Group in the future or that the Scatec Solar Group will be able to pursue its stated strategies with respect to its joint ventures and the markets in which they operate. Furthermore, the partners in such companies may (a) have economic or business interests or goals that are inconsistent with those of the Scatec Solar Group; (b) undergo a change of control; (c) experience financial and other difficulties; or (d) be unable or unwilling to fulfil their obligations under the joint ventures, which may materially adversely affect the Scatec Solar Group's revenues, profitability, cash flows and financial condition.

2.2.3 *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.

The Scatec Solar Group is on an overall level managed as a NOK company for currency management purposes, with primary focus on NOK cash flow. The general policy of the Scatec Solar Group is not to hedge foreign currency exposure based on long term cash flows from the power plant companies operating the solar power plants. Subsidiaries with functional currency other than NOK do not hedge NOK positions versus their own functional currency. For the Group's power plant entities, currency risk is managed separately with the basis of its functional currency and expected cash flows. This is because the SPVs are set up with ring-fenced financing and have significant non-controlling interests. To the extent the Group hedges foreign currency exposure, it is based on cash flow considerations and not with regards to foreign currency translation effects in the financial statements. Although, the Company's segment revenues, cost of sales and gross profit may be subject to significant currency fluctuations, inter alia with respect to construction contracts, the construction contracts are normally structured as multi-currency contracts to achieve a natural hedging of cost of sales.

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. Currency developments will affect translation to NOK of financial statements of entities with functional currencies other than NOK. For translation of profit and loss items, as well as capital expenditure, Scatec Solar uses average year-to-date exchange rates as an approximation to the exchange rates at the dates of the transactions. If exchange rates fluctuate significantly, the use of the average rate for a period may be inappropriate.

2.2.4 *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. See Section 5.5 "Material contracts outside the ordinary course of business" for further information.

Scatec Solar seeks to mitigate this risk by primarily using non-recourse financing for constructing and/or acquiring assets, exclusively using as guarantee the assets and cash flows of the special purpose vehicle carrying out the activities financed. Compared to corporate financing, non-recourse financing has certain key advantages, including a clearly defined and limited risk profile. In this respect, the banks recover the financing solely through the cash flows generated by the projects being financed.

For four of the five solar power companies operating in the Czech Republic and the three solar power companies in Malaysia, the non-recourse financing agreements include a cross default clause within the Czech and Malaysian group respectively. Under these agreements, default on a specific loan arrangement will be regarded as default also under other financing arrangements. Any such default may have a material adverse effect on the Group and its financial position, including potential increased financial cost, need for re-financing, and requirement for additional security or cancellation of loans.

2.2.5 *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.

Scatec Solar is exposed to interest rate fluctuation risks through funding and cash management activities. Liquid assets have primarily floating interest rates. The interest rate risk management objective is to minimize borrowing costs and to keep the volatility of future interest payments within acceptable limits. Based on various scenarios, the Group manages its cash flow interest rate risk by using a high degree of long-term financing at fixed rates or using floating to fixed interest rate swaps.

2.2.6 *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*

As the Company's technology is based on the use of natural resources, the Company is highly exposed to external stresses stemming from the weather. Severe weather phenomena such as strong wind, hailstorms, snow and lightening or other weather phenomena may disrupt the functionality of components or even cause damage. Many of the Company's PV constructions is located in parts of the world that are highly exposed to extreme weather and other natural disasters. Other phenomena that may occur and which could possibly affect the Group's production of PV power plants are rodent damage, fires, floods, landslides, earthquakes and other geo hazards, and must be taken into account when evaluating the risk of solar power plant operation.

Even in a stable climate the weather varies from year to year, and thus also the production of energy from the power plants. This will influence the periodic revenues, and hence the results of operation and cash-flows of the Company. Over time the irradiation and production will likely approach the expected average, but still with the risk of less production than anticipated. However, due to climate changes it is also possible that the expected annual irradiation changes over long periods of time. It is possible that this may influence the expected performance of the plant during its technical lifetime of 20 – 40 years.

2.2.7 *The Company's future results could be adversely affected by changes in the accounting treatment applicable to its solar energy business*

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. Various matters may require the Company to change the manner in which it undertakes its accounting treatment, which may include, but are not limited to:

- consolidation of entities, especially where the Company does not have full ownership to the capital of such entities or consolidation of joint venture entities and the inclusion or exclusion of their assets and liabilities on our balance sheet;
- classification of assets, liabilities and equity generally;
- revenue recognition and related timing;
- deferred tax assets;
- intra-company contracts;
- operation and maintenance contracts;
- long-term vendor agreements; and
- foreign holding company tax treatment.

Moreover, the preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Uncertainties include impairment reviews, evaluation of useful lives of assets, income taxes and provisions.

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 amortisation going forward. The Scatec Solar Group is subject to income taxes in several jurisdictions. Judgment is required in determining the provision for income taxes, and the final outcome may be different from the amounts that were initially recorded. The Scatec Solar Group recognizes its best estimate of provisions for liabilities of uncertain amount and timing, including warranty provisions, provisions for restructuring, onerous contracts and asset retirement and restoration obligations. Even if assumptions underlying such assessments are reasonable, they are inherently uncertain and unpredictable and, as a result, future estimates and actual results may differ from the current estimates.

2.3 Specific risks relating to SN Power

Subject to completion of the Transaction as described in Section 6 "The acquisition of SN Power", the Scatec Solar Group will expand its business operations to include production of hydroelectric power and the operations of SN Power. In addition to the risks as described in Sections 2.1 "Risks relating to the business of Scatec Solar Group and SN Power Group, the Combined Group" and as elsewhere described in this Section 2 "Risk factors", the expansion will also expose the Scatec Solar Group to the additional operational risks as set out below in this Section 2.3 "Specific risks relating to SN Power".

2.3.1 *Revenues from the power plants are dependent on meteorological conditions*

The metrological conditions (rain, wind and the risk for drought) at particular sites at which the SN power's plants are located can vary materially from season to season and from year to year. If a site proves to have lower resources than anticipated in SN Power's business model or suffers a sustained decline in metrological conditions, such power plants are likely to generate lower electricity volumes and lower revenue than anticipated, which could have a material adverse effect on the SN Power's business.

2.3.2 *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.

2.3.3 *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 and also indigenous land rights. This comprise all stages of a renewable project, from early development stage to construction, production, transmission and sale of power. The necessary concessions and permits will depend on national and regional jurisdiction, size and type of project, classification, development stage of the projects etc.

In addition to the energy/production related concessions and permits, other permits, licenses and regulatory requirements are also applicable, such as licenses related to safety, pollution, noise, etc. SN Power is required to obtain various governmental concessions and approvals for each of its projects, including inter alia construction concessions and sales concessions.

2.3.4 *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 might 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 loss of storage capacity in the dams makes the production of hydropower more dependent on the weather and seasonal flows. This reduces the flexibility and stability of the production of hydropower, which normally is one of the advantages hydroelectricity enjoys compared to other sources of renewable energy.

Eventually, if the dam does not burst at an earlier time, the reservoirs will be totally filled up by sludge if nothing is done to remove it. SN Power is therefore dependent on, and faces the challenge on, dealing with such accumulations of sludge over time. There are currently developed some strategies and solutions for sediment management. SN Power must at all times seek the best solutions for dealing with sedimentation in each individual place where they operate.

If SN Power does not succeed on finding satisfactory solutions for such handling sedimentation, SN Power may face challenges in producing electricity and suffer losses as a result of this. If SN Power fails to find satisfactory and efficient sedimentation management strategies and solutions, SN Power may be forced to move or shut down production at the relevant area.

2.3.5 *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.

2.4 Risks related to financing and market risk

2.4.1 *The Combined Group may require additional capital in the future in order to execute its commercialization and growth strategy or for other purposes*

The Scatec Solar Group plans on further commercialization and growth, such strategy to be accomplished through both strengthening of existing product portfolio, development of technology and expansion into new territories, and through acquisitions of existing businesses, products and technology. The implementation of such strategies may require additional financing and the Combined Group may have to rely on external financing, including future issuances of new shares. Adequate sources of funding may not be available when needed or may not be available on favourable terms. The Combined Group's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its effort to arrange additional financing on satisfactory terms. If the Company raises additional funds by issuing additional shares or other equity or equity-linked securities, this may result in a dilution of the holdings of existing shareholders. If the Combined Group raises additional capital through debt financing, the Combined Group may be subject to covenants limiting or restricting its ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If the Combined Group is unable to obtain adequate financing when needed, it may have to delay, reduce the scope of or suspend one or more of the activities under its commercialization and growth strategy. If additional funding is unavailable, or not available on satisfactory terms, the Combined Group's operations may be delayed or be discontinued due to inadequate financing, which could delay or prevent the Combined Group from being able to generate revenues and sustainable income that is significant enough to achieve profitability, which could have a material adverse effect on the Combined Group's revenues, profitability, liquidity, cash flow, financial position and prospects.

2.5 Risks related to the Transaction

2.5.1 *Completion of the Transaction is subject to several conditions and the Transaction may hence be delayed or may not be completed at all*

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.

There can be made no guarantee as to whether all of these conditions will be fulfilled on time or at all. Accordingly, the Transaction may not be completed in a timely fashion, without remedies or at all.

2.5.2 *The Company 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. Furthermore, the Transaction has required, and will likely continue to require, substantial time and focus from management of the Company, which could materially adversely affect their ability to operate the business. Likewise, other employees may be uncomfortable with the Transaction or feel otherwise affected by it, which could have an impact on work quality and retention.

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

The acquisition of SN Power 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.

2.5.4 *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.

The expected synergies and other benefits from the Transaction may not be achieved or not be achieved in the time frame in which they are expected. Achieving the anticipated synergies and other benefits from the

Transaction depends in part on Scatec Solar's ability to integrate SN Power in an effective and cost-efficient manner. Scatec Solar's failure to do so may result in significant costs and diversion of Management's time from on-going business. No assurance can be given that the integration of SN Power into Scatec Solar will be successful. Unsuccessful integration may have a material adverse effect on the business, results of operations, cash flows, financial conditions and/or prospects of Scatec Solar.

2.5.5 *Scatec Solar is acquiring an ongoing business with a number of exposures relating to the period prior to Completion*

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. 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 (the "**Seller**") and by the amount and time limitations applicable to these warranties (see Section 6.5 "Warranties of the Seller" for further details).

2.5.6 *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. Furthermore, any amendment made to such share purchase agreement may make the Transaction less attractive and may materially and adversely affect the interests of any investor or holder of securities issued by the Company, which, in turn, may have a material adverse effect.

2.5.7 *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. Each of these factors may materially and adversely affect the trading price of the Shares and could have a material adverse effect on the business, results of operations, cash flows, financial condition and/or prospects of Scatec Solar.

2.5.8 *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; including transitional services agreement, teaming agreements, framework agreements, license agreements, trading agreements, shareholders' 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 favourable to Scatec Solar than currently expected by the Company.

2.5.9 *Scatec Solar faces risks related to financing of the Transaction*

Referring to section 6.7, 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. While a significantly amount of equity has already been secured trough the private placement, the refinancing of the remaining amount of the acquisitions finance debt facilities is not secured as of the date of this prospectus. The refinancing necessary to cover the remaining amount of facilities might not be possible to obtain at terms considered attractive for the Company, or on a timely basis.

2.5.10 *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 (together the "**Due Diligence Investigations**"). 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.

2.6 Risk Related to laws and regulations

2.6.1 *Changes in tax laws, rules related to accounting for income taxes or adverse outcomes from audits by taxation authorities could impact the Combined 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 Scatec Solar Group currently estimates its effective tax rate at any given point in time based on a calculated combination of the tax rates applicable to its group and on estimates of the amount of business likely to be done in any given jurisdiction. Changes in rules related to accounting for income taxes, changes in tax laws in any of the jurisdictions in which the Scatec Solar Group operates and the Combined Group will operate, expiration of tax credits formerly available, changes to the rules for deduction of debt interest costs or adverse outcomes from tax audits that the Combined Group may be subject to in any of the jurisdictions in which it operates could result in an unfavourable change in its effective tax rate.

Due to complexity of the ownership structure in the projects, they are structured with holding companies through different layers and in different jurisdictions. The Group seeks to optimize the tax structure of the projects. There is a risk that the tax authorities in the different jurisdictions will challenge the structures, which could represent a risk for increased tax burden to the Group.

The Combined Group is further subject to risks that foreign countries in which the Combined Group operates, or will operate in the future, may impose additional withholding taxes, income taxes or other taxes, as well as changing tax levels from those in force at the date of the respective projects or the date hereof. Any such additional taxation or change in tax regimes or levels may have a significant adverse effect on its business, prospects, financial results and results of operations.

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

The Company is pursuing an integrated business model which involves a high volume of inter-company and cross-border transactions across several countries and tax jurisdictions. 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. Changes in rules related to transfer pricing documentation and policies in any of the jurisdictions in which the Combined Group operates, or adverse outcomes from tax audits that the Combined Group may be subject to in any of the jurisdictions in which it operates could have an adverse effect.

2.6.3 *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 Filipino Competition Authority or other component 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. If the Combined Group were deemed to have a "dominant position" in any given market, certain of its business practices may need to be altered or modified in order to comply with applicable regulations, and there can be no assurances that the relevant Competition Authority will not take action against the Combined Group or that the Combined Group will successfully implement or carry out any required alterations or modifications to its business practices. An enforcement action by such antitrust or competition authority could have a material adverse effect on the Combined Group's business, financial condition, results of operations, cash flows and/or prospects. The Combined Group will only be filed with the Filipino Competition Authority. As Scatec has no prior operations in the Philippines the likelihood of any action by the Filipino Competition Authority is regarded very low.

2.7 Risks related to the Shares

2.7.1 *The price of the Company's Shares could fluctuate significantly*

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favourably. 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.

The share prices of publicly-traded companies can be highly volatile and, after the Transaction, the price of the Shares could fluctuate substantially due to various factors, some of which could be specific to the Scatec Solar Group and its operations, and some of which could be related to the industry in which the Scatec Solar Group operates and the Combined Group will operate or equity markets generally. Some of the factors that could negatively affect the share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Combined Group's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the strategy described in this Prospectus, as well as the evaluation of the related risks, changes in general economic conditions, changes in consumer preferences, an increase in market interest rates, changes in shareholders and other factors. As a result of these and other factors, the shares may trade at prices significantly below the Offer Price.

Market volatility and volume fluctuations have affected and continue to affect the market prices of securities issued by many companies, including companies in the renewables energy market and companies which operates within the energy sector, and may occur without regard to the operating performance of such companies. The market price of the shares may decline regardless of the Combined Group's actual operating performance, and there can be no assurances as to the liquidity of any market for the Shares, investors' ability to sell their shares or the prices at which investors would be able to sell their Shares.

2.7.2 *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 "**Board of Directors**" or the "**Board**"). 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.

2.7.3 *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. There can be no assurances that the Company will not decide to conduct further offerings of securities in the future, and because the time and nature of any future offering will depend on, amongst other things, the need for capital at the relevant point in time, assumed feasibility of different transaction alternatives and market conditions at the timing of such an offering, the Company cannot predict or estimate the amount, timing or nature of any future offering. Accordingly, the shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

2.7.4 *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.

3. RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Offering and the Listing described herein.

The Board of Directors of Scatec Solar ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Oslo, 12 November 2020

The Board of Directors of Scatec Solar ASA

John Andersen	Maria Moræus Hanssen	Gisele Marchand
Jan Skogseth	John Giverholt	

4. GENERAL INFORMATION

4.1 The approval of this Prospectus by the Norwegian Financial Supervisory Authority

The Financial Supervisory Authority of Norway (Nw. Finanstilsynet) (the "**Norwegian FSA**") has reviewed and approved this Prospectus, as competent authority under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. This Prospectus was approved by the Norwegian FSA on 12 November 2020. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129 (the EU Prospectus Regulation). Investors should make their own assessment as to the sustainability of investing in the securities.

4.2 Other important investor information

The Company has furnished the information in this Prospectus. No representation or warranty, express or implied is made by the Managers as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Managers assume no responsibility for the accuracy or completeness or the verification of this Prospectus and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Prospectus or any such statement.

None of the Company or the Managers or any of their respective affiliates, representatives or advisors, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should make their own assessment as to the suitability of investing in the Shares and should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of an investment in the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk factors".

4.3 Financial information

4.3.1 *Historical Financial information of Scatec Solar Group*

The Company has published financial statements for the year ended 31 December 2019 (the "**Financial Statements**") and unaudited financial statements as of, and for the six month period ended 30 June 2020 and the three-month period ended 30 September 2020 (the "**Interim Financial Statements**").

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**") and audited by Ernst & Young AS ("**EY**"), as incorporated by reference herein. The Interim Financial Statements have been prepared in accordance with IAS 34 – "Interim financial reporting".

The Financial Statements and the Interim Financial Statements are together referred to as the "**Financial Information**". The Financial Information is incorporated by reference in this Prospectus (see Section 16.3 "**Documents incorporated by reference**").

4.3.2 *Financial information relating to significant gross change*

The Transaction as set out in Section 6 "The acquisition of SN Power" triggers a requirement of pro forma financial information, as further described in Section 9 "Unaudited Pro Forma Financial Information".

4.4 Presentation of other information

4.4.1 *Industry and market data*

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Scatec Solar Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Scatec

Solar Group's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as the Scatec Solar Group, as well as the Scatec Solar Group's internal data and its own experience, or on a combination of the foregoing. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Scatec Solar Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to, update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

As a result, readers should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and projections, assumptions and estimates based on such information may not be reliable indicators of the Scatec Solar Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

The following third party sources have been used in this Prospectus:

- IRENA' publication "Global Renewables Outlook, edition 2020", freely available
- IEA Energy outlook report, not freely available
- Nomura, CIA, not freely available Trademarks

Each trademark, trade name or service mark of any other company appearing in this Prospectus belongs to its holder. Solely for convenience, the trademarks, trade names and copyrights referred to in this Prospectus are listed without the ™, ® and © symbols.

4.4.2 *Currency Presentation*

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**USD**" are to the lawful currency of the United States of America, all references to "**EUR**" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency. No representation is made that the NOK, USD or EUR amounts referred to herein could have been or could be converted into NOK, USD or EUR, as the case may be, at any particular rate, or at all.

The Scatec Solar Group prepares its financial statements in NOK (presentation currency). Unless otherwise noted, all amounts in this Prospectus are expressed in NOK.

4.4.3 *Rounding*

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.4.4 *Certain terms used*

For definitions of certain terms and metrics used throughout this Prospectus, see Section 17 "Definitions and Glossary".

4.5 Forward-looking Statements

This Prospectus contains forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. Such forward-looking statements include, without limitation, projections and expectations regarding the Scatec Solar Group's future financial position, business strategy, plans and objectives, and appear in Section 5 "Presentation of the Scatec Solar Group", and elsewhere in the Prospectus. All forward-looking statements included in the Prospectus are based on information available to the Company, and views and assessments of the Company, as at the date of this Prospectus. Except as required by the applicable stock exchange rules or applicable law, the Company does not intend, and expressly disclaims any obligation or undertaking, to publicly update, correct or revise any of the information included in this Prospectus, including forward-looking information and statements, whether to reflect changes in the Company's expectations with regard thereto or as a result of new information, future events, changes in conditions or circumstances or otherwise on which any statement in this Prospectus is based.

When used in this document, the words "anticipate", "assume", "believe", "can", "could", "estimate", "expect", "intend", "may", "might", "plan", "should", "will", "would" or, in each case, their negative, and similar expressions, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. The Company can give no assurance as to the correctness of such forward-looking statements and investors are cautioned that any forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Scatec Solar Group, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Scatec Solar Group's present and future business strategies and the environment in which the Company and its subsidiaries operate.

Factors that could cause the Scatec Solar Group's actual results, performance or achievements to materially differ from those in the forward-looking statements include but are not limited to, the competitive nature of the markets in which the Scatec Solar Group operates, technological developments, government regulations, changes in economic conditions or political events. These forward-looking statements reflect only the Company's views and assessment as at the date of this Prospectus. Factors that could cause the Scatec Solar Group's actual results, performance or achievements to materially differ from those in the forward-looking statements include, but are not limited to, those described in Section 2 "Risk factors" and elsewhere in the Prospectus.

Given the aforementioned uncertainties, readers are cautioned not to place undue reliance on any of these forward-looking statements.

5. PRESENTATION OF THE SCATEC SOLAR GROUP

5.1 Overview

Scatec Solar ASA is a Norwegian incorporated public limited liability company under the Norwegian Public Limited Companies Act and is registered with the Norwegian Register of Business Enterprises with registration number 990 918 546. The Company's registered office is Askekroken 11, 0277 Oslo, Norway, telephone +47 48 08 55 00.

Scatec Solar is an integrated, independent power producer (IPP). The Company is pursuing an integrated business model across the entire downstream value chain for utility-scale solar power plants, including project development and design, financing, engineering, procurement, construction management, operation and maintenance, and asset management.

5.1.1 *Scatec Solar's positioning in the value chain*

Scatec Solar operates globally, and currently has operating subsidiaries in Egypt, South Africa, Malaysia, Brazil, Honduras, Ukraine, Jordan, Mozambique, Czech Republic and Rwanda.

The Company reports on the three business segments (i) Development & Construction, (ii) Services, and (iii) Power Production, in addition to Corporate and Eliminations, as shown in the illustration below.

5.1.2 *Segment reporting structure*

The table below shows the segment reporting structure of the Scatec Solar Group.

Scatec Solar ASA

	Power Production	Services	Development & Construction	Corporate	Eliminations
Main activities	• Ownership and management of power producing assets	• Operations and Maintenance services • Asset Management services	• Project developement • Engineering and Procurement • Contruction management • Quality assurance	• Corporate services • Management • Group finance	• Elimination of revenues and profits from internal transactions

Assets / projects with revenues recognized

Egypt (51%):
Benban, 390 MW

South Africa Round 4 (46%):
Upington, 258 MW

South Africa Round 1/2 (45%):
Kalkbult, 75 MW
Linde, 40 MW
Dreunberg, 75 MW

Malaysia (100%):
Gurun, 65 MW
Jasin, 66 MW
Merchang, 66 MW
RedSol, 47 MW

Brazil (44%):
Apodi, 162 MW

Ukraine:
Rengy, 47 MW (51%)
Boguslav, 54 MW (100%)

Honduras (51%):
Agua Fria, 60 MW
Los Prados, 35 MW

Jordan:
Oryx, 10 MW (90%)
Ejre/Glae, 33 MW (50.1%)

Mozambique (52%):
Mocuba, 40 MW

Czech Republic (100%):
Portfolio 20 MW

Rwanda (54%):
ASYV, 9 MW

Argentina (50%):
Guanizuil, 117 MW

Ukraine:
Kamianka, 32 MW (60%)
Progressovka, 148 MW (100%)
Chigirin, 55 MW

Backlog:
520 MW

Pipeline:
6,520 MW

5.2 Solar market value chain

The value chain from production of raw materials to a fully operational power plant producing electricity can be divided into six steps, PV equipment manufacturing, Project development, Financing, Construction, Operations and Ownership (IPP). As illustrated directly below, Scatec Solar business encompasses five of these six steps:

The only step Scatec Solar is not involved in is the *PV equipment manufacturing:* This part of the value chain could mainly be divided into several sub-categories as there are four steps in the production and ultimately the assembly of solar panels:

- Polysilicon
- Wafer
- Cells
- Panels

From the perspective of the Company, it is expedient to present the upstream part of the solar PV value chain as one separate part, as none of the processes in the production of solar panels are part of the Company's business model.

Project development: The most important activities in project development includes site identification and permitting, plant design, development of business case, securing of grid connection, PPA negotiation, tendering activity and securing FiTs. Competition in this part of the value chain is typically related to securing of attractive land, and in tendering rounds where numerous parties may compete. Scatec Solar is active in this part of the value chain

Financing: Project financing represents a critical part of solar PV projects and is coherent to the development of new projects. This stage involves securing financing for new large-scale solar PV project and preparation of the new projects for commercial operations. The process includes structuring of debt and equity and due diligence processes. The funding of a new project can vary widely, although senior debt typically forms the dominant source of funding together with junior debt and equity. Other examples of source of funding can be subsidized loans, grants or tax credits.

Construction: The construction phase includes activities related to building and finalizing PV plants, such as project management, construction, supplier and construction monitoring, quality assurance, and cash flow management. Scatec Solar's integrated value chain includes the construction part of the value chain.

Operations: This part of the value chain includes services related to operating, monitoring, maintaining and repairing PV power plants to maximize plant performance and availability. The business related to operation and maintenance is driven by PV capacity and has conventionally been a source to stable margins. Scatec Solar has activities in this part of the value chain.

IPP (Independent Power Producer): The last part of the value chain involves selling power to off-takers. Normally low variation of solar irradiation, power purchase agreements (PPAs) and feed-in-tariffs ensures fairly predictable returns once the plant is connected. Strong decline in prices for PV systems as well as increase in the general level of electricity prices has led solar PV generated electricity to be competitive with conventional sources of energy on equal terms in some segments in some countries, a development that is expected to continue. This development is important when evaluating the profitability of potential projects, in addition to ensure IPPs to be less dependent of future policymakers' subsidy schemes. However, competition for electricity sales is not an issue as soon as power off-take agreements are acquired as the Company then will sell its production in accordance to contracted arrangements. Scatec Solar operates as an IPP through its ownership in several assets.

5.3 Business objectives and strategy

Scatec Solar has successfully built a global independent solar power producer with a strong emerging market footprint through its strategy of pursuing an integrated business model and develop, construct, own and operate utility-scale photovoltaic solar power plants offering attractive returns.

The Company sees significant growth opportunities in core markets as decarbonization ambitions increase, including net zero commitments in some regions, whilst renewables continue to grow at a high rate. While the power markets are becoming more complex and regulatory models are evolving, there are also new differentiation and value creation opportunities arising, such as technology integration across solar PV/storage/wind/hydro, corporate offtake, development margins increasing in some markets, and new financing solutions arising.

Scatec Solar has renewed and broadened its strategy, reflecting opportunities for future growth, as the Company sets out to become a leading large-scale player in solar, hydro, wind and storage solutions, and an integrator of these technologies in high-value infrastructure solutions. Scatec Solar holds material positions in a number of markets that can be leveraged on, while increasing the geographical footprint and retaining agility to capture new opportunities.

The Company's key capabilities are leveraged through multi-disciplinary teams comprising power market insights, operational knowledge, technical and construction management knowhow, and commercial, legal and financial competence. The business model opens for flexible execution models adapted to each individual market that can be applied across several renewable technologies. The Company will maintain its strong focus on value creating partnerships throughout the entire business process and seek equity co-investments to enhance value and reduce risk.

The SN Power transaction forms part of the broadened strategy, as Scatec Solar is creating a leading developer, asset owner and producer of renewable energy in markets characterised by high economic growth and rapid adoption of green energy. The acquisition is strongly supporting the Company's growth ambitions by adding scale and broadening technology footprint, establishing presence and pipeline in new growth markets, as well as supporting immediate synergies such as access to a pipeline of floating solar PV projects. Scatec Solar will further strengthen its position as a solid partner for governments and communities seeking economic growth, for corporate customers seeking cleaner and more affordable energy, for shareholders who wish to position themselves in the rapidly growing renewable energy space

5.4 Business description

5.4.1 *Overview*

Scatec Solar is an integrated independent renewable power producer, delivering affordable, rapidly deployable and sustainable clean energy worldwide. As a long-term player, Scatec Solar develops, builds, owns and operates power plants and has an installation track record of more than 1.6 GW. The Company has a total of 1.9 GW in operation and under construction on four continents. The Company has 373 highly skilled employees in 16 countries

The ownership in solar power plants is held through project companies offering isolation of operational and financial risks related to each individual project. The solar power plants are debt financed by non-recourse financing pledged only to the respective solar power park asset of each project company, limiting Scatec Solar's exposure to the equity invested and retained in each individual project.

Scatec Solar has established a sizeable asset base with solar power plants in operation or under construction currently representing installed capacity of 1.9GW, and projects currently in backlog represent further capacity of 520 MW.

The project companies contract an entity within the Scatec Solar Group acting as the contractor with a turnkey engineering, procurement, construction and installation agreement whereby the contractor will sell a turnkey plant to the project company. The contractor will in turn contract with suppliers for the supply of all components required (such as panels, inverters, substructure, cables, high voltage and so forth). The contractor will also contract with sub-contractors for civil and electrical work. Additionally, the project companies will purchase the project rights from the group entity that has developed the project or from third party developers.

The Company reports three separate business segments: Power Production, Services and Development & Construction, in addition to Corporate and Eliminations.

The competitive environment for the Company is fragmented. There are many players in this field and their market approaches and business models vary greatly. Only a few players are pursuing the integrated business model of Scatec Solar, where projects are developed, built, owned and operated by the same company. In addition to a number of local companies, larger global players like Neoen, Engie, Total, Enel, Masdar, ACWA, Votalia are typically competitors in the Company's main markets.

5.4.2 *Power Production*

The plants produce electricity for sale under long term power purchase agreements (PPAs, setting out the terms on which the power is delivered), with state owned utilities or corporate off-takers, or under government-based feed-in tariff (FiT) schemes. FiT means a fixed tariff per kW/h delivered to the grid. The average remaining PPA duration for power plants in operation is 19 years. Scatec Solar currently holds ownership positions in 22 solar power plants in 10 countries, with a combined production capacity of 1,552 MW.

Portfolio overview	**Capacity (MW)**	**Expected annual production (GWh)**	**Scatec Solar's economic interest**	**Currency**	**Capex (million)**	**Start of commercial operation**	**Offtake arrangement**
Czech portfolio	**20**	**21**	**100 %**	**CZK**	**2,232**	**2010**	**20 year FiT**
South Africa							
Kalkbult	75	141	45 %	ZAR	2,162	2013	20 year PPA
Linde	40	86	45 %	ZAR	1,116	2014	20 year PPA
Dreunberg	75	156	45 %	ZAR	2,085	2014	20 year PPA
Upington	258	650	46 %	ZAR	4,761	2020	20 year PPA
Total South Africa	**448**	**1,033**					
Asyv, Rwanda	**9**	**14**	**54 %**	**USD**	24	**2014**	**25 year PPA**
Honduras							
Agua Fria	60	97	40 %	USD	116	2015	20 year PPA
Los Prados	35	70	70 %	USD	83	2018	20 year PPA
Total Honduras	**95**	**167**					

Jordan							
Oryx	10	24	100 %	USD	31	2016	20 year PPA
EJRE/GLAE	33	78	50 %	USD	101	2016	20 year PPA
Total Jordan	**43**	**102**					
Apodi, Brazil	**162**	**346**	**44 %**	**BRL**	**680**	**2018**	**20 year PPA**
Malaysia							
Gurun	65	97	100 %	MYR	412	2018	21 year PPA
Merchang	66	95	100 %	MYR	412	2019	21 year PPA
Jasin	66	92	100 %	MYR	412	2019	21 year PPA
Redsol	47	67	100 %	MYR	200	2020	21 year PPA
Total Malaysia	**244**	**351**					
Benban, Egypt	**390**	**930**	**51 %**	**USD**	**450**	**2019**	**25 year PPA**
Mocuba, Mozambique	**40**	**79**	**53 %**	**USD**	**76**	**2019**	**25 year PPA**
Ukraine							
Rengy	47	56	51 %	EUR	52	2019	10 year FiT
Boguslav	54	61	100 %	EUR	54	2020	10 year FiT
Total Ukraine	**101**	**117**					
Total portfolio	**1,552**	**3,160**	**59 %**				

The predominant share of the Scatec Solar Group's recurring revenues comes from the Power Production segment and relates to sale of electricity from solar power plants in South Africa, Brazil, Egypt, Malaysia, Honduras, Jordan, Czech Republic, Mozambique, Ukraine and Rwanda.

Brazil
The Apodi solar plant (162 MW) in Brazil, commenced operation in 2018. The project was established as a 50/50 joint venture with Equinor in 2017. The electricity is sold under a 20-year Power Purchase Agreement with the Brazilian Power Commercialization Chamber (CCEE). The financial commitments of CCEE under the PPA are guaranteed by the Government of Brazil represented by its Ministry of Mines & Energy (MME) under the federal decree 6.353/2008.

Czech Republic
The Czech power plants (20 MW) commenced operations in 2009 (1 plant) and 2010 (3 plants) and have entered into power purchase agreements with utilities CEZ Distribuce and EON Distribuce, based on the terms of the Czech Energy Act and Czech Renewable Energy Act. This legislation requires the utilities to purchase the power produced from renewable energy sources for a period of 20 years at the Feed-in-Tariff (FiT) prescribed by law and applicable regulation, adjusted annually.

Egypt
The Benban plant (390 MW), located near Aswan in upper Egypt, commenced operation in 2019. This is Scatec Solar's largest solar project and the first project using bi-facial solar modules, meaning solar modules which allows power to be produced from both sides of the module. The electricity is sold under a 25-year Power Purchase Agreement with Egyptian Electricity Transmission Company, S.A.E. The financial commitments of Egyptian Electricity Transmission Company, S.A.E under the PPA are guaranteed by the sovereign guarantee from The Ministry of Finance under the Egyptian Law.

Honduras
The Agua Fria (60 MW) power plant in Honduras was the first plant constructed by Scatec Solar in Latin America, commenced operations in 2015, whereas the Los Prados (35 MW) plant in Honduras commenced operation in 2018. The electricity from both plants is sold under a 20-year Power Purchase Agreement with the utility Empresa Nacional de Energia Electricia (ENEE). The financial commitments of ENEE under the PPA are guaranteed by the sovereign guarantee executed by the Honduran attorney general and the secretary of finance, approved by the National Congress of Honduras.

Jordan
The Oryx, GLAE and EJRE power plants (43 MW in total) in Jordan, Scatec Solar's first solar plants in the Middle East, commenced operations in 2016. The electricity is sold under a 20-year Power Purchase Agreement with National Electric Power Company (NEPCO). NEPCO's financial commitments under the PPA are guaranteed by the Government of Jordan represented by its Ministry of Finance under the Government Guarantee Agreement.

Malaysia
The Gurun plant in Malaysia commenced operation in 2018, whereas the Merchang and Jasin plant commenced operation in 2019. These three plants make up the Quantum Solar Park (197 MW), which was Scatec Solar's first large scale solar project in South East Asia. In addition, the Redsol plant (47 MW) commenced operation in 2020. The electricity is sold under 21-year Power Purchase Agreements with the country's largest electricity utility, Tenaga Nasional Berhad (TNB). The PPAs are not guaranteed by the Government as TNB is a reputable AAA rated listed company in Malaysia.

Mozambique
The Mocuba plant (40 MW) in Mozambique commenced operation in 2019. The plant was the first large scale solar plant starting operation in the country. The electricity is sold under a 25-year Power Purchase Agreement with Electricidade de Moçambique (EDM). The financial commitments of EDM under the PPA are guaranteed by the Mozambican government under the concession agreement approved under law 88/2016, of 5 December 2016 for 30 years.

Rwanda
The ASYV power plant (9 MW) in Rwanda commenced operations in 2014. The plant is the only utility scale solar plant in the country and was the first large solar plant to be constructed in Eastern Africa. The power is sold under a 25-year Power Purchase Agreement with the state-owned utility EWSA, with an annual price adjustment of 100% of Rwandan CPI. EWSA's financial commitments under the PPA are guaranteed by the Government of Rwanda represented by its Ministry of Finance and Economic Planning under the Government Guarantee Agreement.

South Africa
The South African portfolio consists of the Kalkbult (75 MW), Linde (40 MW) and Dreunberg (75 MW) plants, which commenced operations in 2013 and 2014, and the Upington plants (258 MW) which commenced operation in 2020. With 448 MW in operation, Scatec Solar is a major solar player in the country. Revenues are earned under 20-year Power Purchase Agreements (PPA) with Eskom Holdings (South African incumbent utility), which was awarded under the Renewable Independent Power Producer Procurement Programme (REIPPPP) administrated by the Department of Energy. Eskom's financial commitments under the PPA are guaranteed by the South African National Treasury under the Inter-Governmental Framework Agreement.

Ukraine
The Rengy plant (47 MW) in Ukraine commenced operation in 2019, with partner Rengy Development Group, and the Boguslav plant (54 MW) commenced operation in 2020. The electricity is sold under a 10-year Power Purchase Agreement with the state-owned company Guaranteed Buyer. The financial commitments of Guaranteed Buyer under the PPA are guaranteed by the State under the law on Alternative Energy Sources and the Law on Electric Energy Market.

5.4.3 *Services*

The Services segment comprises Operations & Maintenance ("O&M") and Asset management services provided to solar power plants where Scatec Solar has economic interests. Asset management services typically include financial reporting to sponsors and lenders, regulatory compliance, environmental and social management, as well as contract management on behalf of the power plant companies.

Scatec Solar has an industrial approach to the ownership of power plants and considers expertise in operation and maintenance to be a key element of the integrated business model as it both contributes to optimizing performance of operating assets and gives input to improving development and design of future projects. The Company therefore provide O&M services to all the plants in which the Company holds ownership positions

The Company's approach to O&M is driven by a continuous effort to optimize plant performance, while maximizing cost efficiency of the service delivery and never compromising on HSE. The global Control and Monitoring Centre in Cape Town is providing a 24/7 service to all plants, and together with a central O&M support organisation this creates economics of scale and skill to the local plant operation and ensures consistency and quality of operating processes.

The O&M services generates revenues and margins through long-term contracts with the companies owning the power plants. The contracts are typically combining a fixed base-fee and an additional profit-sharing arrangement based on power plant performance. O&M contracts typically account for approximately 50 percent of total operating expenses at a plant, with land leases (~20%), insurance (~10%), asset management (~5%) and other costs (~15%) making up the remainder.

5.4.4 *Development & Construction*

The Development & Construction segment derives its revenues from the sale of development rights and construction services delivered to power plant companies where Scatec Solar has economic interests.

Development, design and construction of solar power plants is a crucial activity for increasing the Company's base of producing assets, and also generates significant cash flows in the early stages of the project lifecycle. Development and construction typically account for 85-90% of an SPV's total investment, with transaction fees and reserve accounts making up the remainder.

New solar power plants are developed in several stages, and the process will vary greatly from project to project and depend on a number of factors including the relevant regulations in the markets in which the Company operates. One of the main milestones in the projects' development phase is to secure the off-take agreement. In some markets globally, including South Africa, Malaysia, and Brazil, off-take agreements are allocated through tender processes. In a few markets, like Vietnam, Feed-In-Tariffs are secured through an application process, but it is expected that these markets will transition to tenders within the next few years.

The time frame for the development and financing of a new project varies, but normally takes 1-2 years. Construction time for a solar power plant varies with size, location and design. For projects in the Company's current backlog and pipeline, construction time frames are typically estimated to 6 – 12 months.

Scatec Solar has a well-tested operating system with clearly defined decision gates between project selection, feasibility studies, development and construction, and project close and transfer of responsibilities to SPVs. The construction approach itself is standardized and well proven, across site preparations, mechanical assembly, electrical assembly, and grid connection and commissioning.

Scatec Solar currently has the following projects under construction:

Location	Capacity (MW)	Currency	CAPEX (100%, million)	Annual production (100%, GWH)	Debt leverage	SSO economic interest
Progressovka, Ukraine	148	EUR	124	184	65%	100%
Chigirin, Ukraine	55	EUR	53	64	65%	100%
Kamianka, Ukraine	32	EUR	35	37	70%	60%

Guanizuil, Argentina	117	USD	103	310	60%	50%
Total under construction	**352**	**NOK***	**3,306**	**595**		**80%**

* All exchange rates to NOK are as of 30 September 2020

The Progressovka project in Ukraine is currently financed by vendor finance from Power China, which will need to be refinanced within one year from mechanical completion of the project. The refinancing is an on-going process which is not yet concluded.

The Guanizuil project in Argentina is currently financed by bridge financing provided from Equinor, which will need to be replaced by long-term financing within May 2023. The refinancing is an on-going process which is not yet concluded.

Scatec Solar's project portfolio under construction is close to completion. Due to the COVID-19 outbreak, delays in certain third party services and deliveries has in addition to travel constraints and local regulations, impacted completion of high voltage connection and hence grid connection, commissioning and testing of the new solar plants. The final impact on completion dates are still uncertain, however the Company's current estimate is that all power plants will reach commercial operation dates in the first quarter 2021. The revised timeline is not expected to impact the tariff levels obtained for these power plants.

5.4.5 *Backlog*

Scatec Solar's project backlog, as of the date of this Prospectus, is 520 MW, defined as projects assessed as having more than 90% likelihood of being realized. PPA agreements or FiT and grid-connections have been secured for these projects and all main permits are in place. Scatec Solar is currently working on project financing, which is considered to be the only major outstanding milestone before commencement of construction.

Location	**Capacity (MW)**	**Currency**	**CAPEX (100%, million)**	**Annual production (100%, GWh)**	**Debt leverage**	**SSO economic interest**
Tunisia	360	USD	240	903	70%	65%
Ukraine	65	EUR	74	65	70%	65%
Bangladesh	62	USD	68	86	70%	65%
Mali	33	EUR	50	60	75%	64%
Total backlog	**520**	**NOK**	**4,287***	**1,114**		**65%**

* All exchange rates to NOK are as of 30 September 2020

Tunisia, 360 MW
In December 2019, Scatec Solar was awarded three solar power plant projects in Tunisia totalling 360 MW. The three projects will hold 20 years of PPAs with Société Tunisienne de l'Electricité et du Gaz (STEG). Scatec Solar will be the lead equity investor in the projects. The Company will also be the Engineering, Procurement and Construction (EPC) provider and provide Operation & Maintenance as well as Asset management services to the power plants.

Ukraine, 65 MW
In Ukraine, the government is evaluating the current Feed-In-Tariff scheme and working on the transition to a tender scheme for renewable energy. The 65 MW Kherson project is situated at a very good site, is fully developed and ready to be built from a permitting perspective. The project is well positioned to participate in upcoming tenders.

Bangladesh, 62 MW
The Nilphamari project was moved into backlog in 2019. The power plant will hold a 20 years PPA with the Bangladesh Power Development Board (BPDB). Total project costs are estimated to USD 78 million, expected to be funded with 75% debt and 25% equity. Lenders have been selected and are mandated. Scatec Solar will finance, construct, own and operate the project. The project is being developed with a local development partner and with FMO, the Dutch development bank.

Mali, 33 MW
In July 2015, Scatec Solar and development partners, International Finance Corporation (IFC) and Power Africa 1, signed a 25-year PPA with Energie du Mali (EDM) for the Segou project. IFC and African Development Bank (AfDB) will provide the non-recourse project finance for the project. During 2019, the project signed an amendment to the Concession Agreement with the Ministry of Finance and the Ministry of Energy and the amendment to the PPA with EDM. The main remaining step is to finalise agreements with lenders. Scatec Solar will build, own and operate the solar power plant with a 64% shareholding. IFC Infraventures and Africa Power will hold the remaining part of the equity.

5.4.6 *Project pipeline*

In addition to projects in backlog Scatec Solar holds a solid pipeline of projects totalling 6,520 MW. The pipeline increased by 900 MW over the last quarter with new projects added in India, Brazil and Vietnam.

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

This overview shows pipeline projects as per reporting date of Q3 2020 and Q2 2020:

Location	Q3 2020 Capacity (MW)	Q2 2020 Capacity (MW)
Latin America	1,234	1,000
Africa and the Middle East	2,516	2,615
Europe & Central Asia	430	430
Rest of Asia	2,340	1,575
Total pipeline	6,520	5,620

Latin America, 1,234 MW
Scatec Solar's development efforts in Latin America is now mainly focused on Brazil, where Scatec Solar is partnering with Equinor. Selected opportunities are also being pursued in other markets.

Brazil is a well-established market for renewable energy with about 2.7 GW of utility scale solar capacity installed. Scatec Solar has secured rights to a number of projects in Brazil and is seeking to secure power purchase agreements through upcoming tenders and negotiations with corporate off-takers.

Africa and the Middle East, 2,516 MW
Scatec Solar holds sites representing more than 1.0 GW ready to be bid in upcoming tender rounds in South Africa. The new integrated Resource Plan has been launched and based on this a new tender ("round 5") under the REIPPP Programme is expected to be launched during first half of 2021. Further, the Department of Mineral Resource and Energy has launched a Request for Information for a Risk Mitigation Power Procurement Programme in response to the current critical energy supply situation in the country. The Department to procure 2 GW of dispatchable power under this risk mitigation process and the tender is expected to be conducted in the fourth quarter 2020.

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

Scatec Solar has exited its participation in the development of the Rumuruti project in Kenya during the quarter. Further, due to the economic consequences of the Covid-19 pandemic, Angola has temporarily halted its initiative to develop large-scale renewable energy projects. These project opportunities have been removed from the pipeline.

Through its Release concept, Scatec Solar has also increased its efforts in securing agreements with private companies and Non-Governmental Organisations, like the UN. These are typically smaller projects in the range of 5 to 20 MW and Scatec Solar is currently actively working on a portfolio of about 300 MW of this type of projects on the African continent.

Europe and Central Asia, 430 MW
Scatec Solar is currently pursuing project opportunities in Ukraine, Poland and Uzbekistan in Europe and Central Asia.

Ukraine is committed to integrate with the EU energy system with ongoing electricity market reforms. Scatec Solar is working on projects in Ukraine to be realised under the FiT system or to participate in expected auctions likely to be implemented after 2020.

Rest of Asia, 2,340 MW
Malaysia, Vietnam, Bangladesh, Pakistan and India are markets Scatec Solar currently is focused on in South and South East Asia.

In Malaysia it is expected that the new government will maintain the same level of ambition for the renewable energy sector as before.

Scatec Solar is developing several projects in Vietnam and the pipeline stands at 930 MW. These are projects that fit well with the stated objectives of the authorities in terms of the future implementation of renewable energy in the country.

In Pakistan, the 150 MW project portfolio in Sindh was during first quarter 2020 awarded a "costs plus tariff" of 36.7 USD/MWh by the National Energy Power Regulatory Authority (NEPRA). This is a reduction in the tariff level from last award. Scatec Solar and its local partner, Nizam Energy, are now working to secure financing and preparing construction of this project.

India is a new market for Scatec Solar, and is expected to be one of the countries with highest renewable energy growth in the coming years. Expected investment returns have improved over the last couple of years and India is therefore becoming an attractive renewables market. Scatec Solar is working on 900 MW of project opportunities in the country.

5.5 Material contracts outside the ordinary course of business

During the two years prior to the date of this Prospectus, the Company has not entered into any agreements that are deemed to be material contracts outside the ordinary course of business, except for the agreements related to the purchase of SN Power AS as further described in Section 6 "The acquisition of SN Power".

Further, no company in the Group has entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement.

5.6 Investments

Scatec Solar has entered into an agreement regarding the Transaction as further described in Section 6 "The acquisition of SN Power". Other than this, the Scatec Solar Group has not made any material investments since 31 December 2019, which are in progress and/or for which firm commitments have already been made.

5.7 Research and development activities

Scatec Solar has no research and development activities, but costs related to development of projects in a mature stage are normally capitalised.

5.8 Recent developments and trends

5.8.1 *Significant recent trends since the end of the last financial year*

The renewables sector generally, and solar power in particular, is experiencing a positive trend world-wide, with increasing interest and demands. Although Scatec Solar views this as positive, there is no guarantee that this trend will last.

Other than the above, the Scatec Solar Group has not experienced any changes or trends that are significant to the Scatec Solar Group between 31 December 2019 and the date of this Prospectus, nor is the Scatec Solar Group aware of such changes or trends that may or are expected to be significant to the Scatec Solar Group for the current financial year.

5.8.2 *Significant changes in the Scatec Solar Group's financial performance since the end of the last financial year*

On 18 May 2020 the Company did a private placement directed towards existing and new shareholders, raising a total of NOK 1,968 million in gross proceeds through the allocation of 12,000,000 new shares in the Company, and a subscription price of NOK 164 per share.

The private placement was approved by the Board of Directors based on an authorisation from the General Meeting.

Other than the above-mentioned private placement, there has been no significant changes in the financial position or performance of the Scatec Solar Group since the end of the last financial period.

5.8.3 *Other information regarding events since the end of the last financial year*

The COVID-19 pandemic is hitting the economy and demand for electricity in various countries differently. Scatec Solar's global business and operations have in general managed quite well despite the pandemic.

The negative impact of the COVID-19 on the solar demand forecasts for 2020 has partly been reversed, and the forecasts are back up for many countries according to Bloomberg New Energy Finance (BNEF). BNEF is expecting solar new build to grow up to 22% from 2019 to 2020. Short term, Scatec Solar might still be impacted by delays in renewable energy investments, while in the medium- and longer term, renewables are expected to see massive growth, with solar and wind covering more than 60% of the world's energy needs in 2050.

Earlier this year, Scatec Solar further strengthened its financial position by securing a new credit facility of USD 75 million and refinancing the existing USD 90 million revolving credit facility. In May, the Company raised NOK 1,968 million in gross proceeds through a private placement to fund further investments in renewable power plants.

In accordance with the overall development within the renewable energy sector it is conceivable that Scatec Solar will engage in other renewable energy technologies than solar energy, hence the Articles of Association have been amended to accommodate for a broader scope of future renewable business. As addressed at the first quarter presentation 2020, the Company is assessing certain M&A opportunities in the current environment.

Scatec Solar has announced that it acquires SN Power from Norfund to strengthen its position as a leading developer and producer of renewable energy across technologies in markets with high growth and rapid adoption of green energy.

The acquisition forms an important part of Scatec Solar's broadened growth strategy, to become a global large-scale player in solar, hydro, wind and storage solutions, and an integrator of high-value infrastructure solutions.

Scatec Solar and SN Power have a unique and complementary portfolio of assets, geographical footprint and capabilities, and will together have access to a large project pipeline across solar, hydro, wind and storage.
In 2019, SN Power had proportionate revenues of NOK 1,776 million, and Scatec Solar and SN Power combined had proportionate revenues of NOK 8,107 million.

The acquisition is fully funded through a combination of cash available from Scatec Solar's balance sheet, a USD 200 million vendor note, a USD 150 million term loan, USD 300 million from the Private Placement and a USD 400 million acquisition financing from Nordea Bank Abp, filial i Norge, DNB Markets, a part of DNB Bank ASA, BNP Paribas and Swedbank. The acquisition finance is expected to be refinanced through debt and equity within 12 months post-closing of transaction. The transaction is expected to close in the first half of 2021. For more information about the transaction please visit www.scatecsolar.com.

Independent of this transaction, Scatec Solar's growth ambition remains firm with the Company targeting a portfolio of projects under construction and in operation of 4.5 GW by end 2021.

Other than the above-mentioned events, there has been no significant events impacting the Company since the end of the last financial period.

5.9 Regulatory environment

In 2019, the government of Ukraine started a dialogue with the renewables industry with the aim to reduce the prices and Feed-In-Tariffs (FiT) for renewables power. The industry offered to reduce the tariffs against an extension of the availability of the FiT beyond 10 year. The legislation was approved in July 2020, whereby the FiT for solar projects was reduced without extending the tenor of the FiT. Tariffs for Solar plants commissioned (defined as the time for reaching mechanical completion) within 2019 where reduced by 15%, while projects commissioned after 2019, the FiT were reduced by 2.5%, which is in addition to the fact that the FiT for projects commissioned after 2019 was already approx. 10% below the FiT for projects commissioned in 2019. For projects commissioned after 1 November 2020, the FiT reduction is 40% instead of 2.5%, and from 1 April 2021 and onwards the reduction is 60%. The FiT however consists for several elements and the final outcome of the changes are not yet fully concluded.

Change to the 2019 FiT impacts four Scatec Solar projects in Ukraine with a total capacity of 188 MW: Rengy (47 MW), Boguslav (54 MW), Kamianka (32 MW) and Chigirin (55 MW). Change to the 2020 FiT impacts one Scatec Solar project in Ukraine: Progressovka (148 MW).

The Company is in the process of assessing whether these retroactive changes are unconstitutional and is evaluating its position and potential legal actions in this regard. If these regulatory changes were to be accepted by the Company, the tariff reductions would reduce revenues and cash flow from the affected power plants and negatively impact capital returns on these investments.

Other than as set out above, there has been no material changes in the issuer's regulatory environment since 31 December 2019.

5.10 Legal proceedings

In the ordinary course of its business, the Scatec Solar Group might be involved in disputes and litigation matters from time to time.

The Company is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), as at the date of this Prospectus, and for the preceding 12 months, which may have, or have had in recent past significant negative effects on the Company's and/or the Scatec Solar Group's financial position or profitability.

5.11 Related party transactions

The Company has entered into a share lending agreement with Scatec AS relating to loan of shares in connection with the contemplated Private Placement. The agreement is entered into on market terms and at arm's length.

Further, the Company has entered into an agreement with Scatec AS relating to the right to the name "Scatec", to enable the Company to change its name to Scatec ASA. Scatec Solar has agreed to cover costs for Scatec AS in relation to the name change. No other consideration is payable by Scatec Solar.

For other related party transactions, please refer to note 7 of the Q3 report.

Other than as set out above, the Scatec Solar Group has not entered into any related party transactions in the period between 31 December 2019 and to the date of this Prospectus.

6. THE ACQUISITION OF SN POWER

6.1 Overview

On 16 October 2020, Scatec Solar entered into a share purchase agreement regarding the acquisition of SN Power (the "**SPA**"). Completion of the Transaction is expected to take place in the first quarter of 2021 (the "**Completion**").

6.2 The parties to the Transaction

The SPA was entered into by Scatec Solar as purchaser of 100% of the shares in SN Power and with Norfund as seller of the shares. Norfund is a Norwegian legal entity wholly owned by the Norwegian Government.

6.3 Background and reasons for the Transaction

Scatec Solar develops, builds, owns and operates solar power plants and delivers solar power worldwide. The Company's business is establishment and operation of business within renewable energy, hereunder investment in companies operating such business. SN Power develops, builds, acquires, owns and operates renewable energy facilities, with primary focus on hydropower. The market and demand for renewable energy are expanding. The competitive landscape is expected to be increasingly dominated by larger players offering both larger scale and broader technology scopes for delivering renewable energy worldwide going forward. The Transaction is expected to strengthen Scatec Solar's market position and plans to accelerate growth as hydropower and solar PV are complementary, yielding new project opportunities and further portfolio optimization. The Company sees great opportunity in instant access to additional growth markets including the Philippines and Uganda, broader project origination, including floating solar on reservoirs, economies of scale and competence sharing. On this basis, Scatec Solar expects to provide customers with a broader offering, and utilise the increase in scale and financial strength to support continued strong growth.

6.4 Description of the Transaction

In the Transaction, Scatec Solar will acquire 100% of the shares in SN Power against a cash consideration payable upon Completion of the Transaction. Parts of the purchase price will be settled through the transfer of 49% of the SSAJV/the Sub-Sahara assets, see below in Section 6.4, from SN Power to Norfund at Completion.

In connection with Completion, the shares in Agua Imara AS, a company holding the SN Power projects in Zambia and Panama, will be transferred from SN Power to Norfund. These assets will consequently not form part of the Transaction.

The consideration to be paid by Scatec Solar for SN Power is based on an agreed equity value to be adjusted for net debt and normalised net working capital, net a capped reservoir overage/underage and a compensation for new investment per 31.12.20, less parts of Scatec Solar's costs for the warranties insurance, see Section 6.5, and less a sell-side advisory success fee. The agreed Purchase Price is USD 1,166,250,000 reflecting the transfer of 49% of the SSAJV/the Sub-Sahara assets from SN Power to Norfund at Completion. The 31.12.20 accounts of SN Power will be audited and will serve as an instrument for adjustment and determination of the final purchase price, based on actual values per 31.12.20. The 31.12.20 accounts will also serve as locked box accounts for the period from 31.12.20 until Completion. A locked box ticking fee will apply from 31.12.20 until Completion. Completion of the Transaction is expected to take place in the first quarter of 2021. In the event that the final purchase price is determined prior to the Completion of the Transaction, Scatec Solar shall pay the final purchase price upon Completion of the Transaction. If the final purchase price is not determined prior to the Completion of the Transaction, Scatec Solar will pay an agreed initial purchase price, based on estimated levels of net debt etc. When the final purchase price is determined after Completion of the Transaction, an amount equal to any difference between the initial purchase price and the final purchase price (an adjustment amount), shall be paid by Scatec Solar to Norfund or by Norfund to Scatec Solar dependent on the adjustment amount, together with an interest of 5% per annum on the adjustment amount for the period between (and including) the Completion date and the date of actual payment of the adjustment amount.

Scatec Solar estimates costs of approximately MNOK 85 in connection with the due diligence, negotiations, and signing of the Transaction. In addition, the Company will incur costs relating to the Completion of the Transaction, see Section 6.7 "Financing of the Transaction".

After Completion of the Transaction, Scatec Solar shall hold 51% and Norfund shall hold 49% of the shares in SSAJV/the Sub-Sahara assets, consisting of SN Power's interests in Kenya, Madagascar, Rwanda and Uganda. Hence, Scatec Solar and Norfund shall enter into a shareholders' and joint development agreement regarding this collaboration.

6.5 Warranties of the Seller

The SPA contains warranties to the benefit of Scatec Solar customary for a transaction of this size and nature.

In order to facilitate an efficient process in the event of claims under the warranties of Norfund, Scatec Solar have arranged for a customary buyer's representations and warranties (W&I) insurance.

6.6 Condition for the Completion of the Transaction

In addition to a customary no material breach condition precedent, the Completion of the Transaction is subject to (i) clearances and approvals from relevant national competition authorities of the Philippines, (ii) consent from the Philippine Board of Investments (an attached agency of the Philippine Department of Trade and Industry), (iii) waiver from the lender counterparties to the financing documents for Theun-Hinboun Power Company (iv) execution and delivery of an amended agreement regarding call options on the Philippine shares where Scatec Solar shall assume the rights and obligations of Statkraft AS, Norfund and Statkraft Asset Holding AS, (v) execution and delivery of novation agreements under which Norfund replaces SN Power as a counter-party under the Bajo Frio equity contribution, subordination, guarantee and share retention agreement and the CER Support Sharing Letters, (vi) consent from the lenders of the Bajo Frio project for the transfer by SN Power of all shares in Agua Imara, (vii) the distribution to Norfund of 100% of the voting shares in Agua Imara, and (viii) the delivery of the delivery of the bring down certificate under the W&I Insurance.

6.7 Financing of the Transaction

The Transaction is fully funded through cash on hand, vendor finance, term loan and acquisition finance.

The Company will use USD 116,000,000 of available cash on hand to finance the Transaction.

The vendor finance is a subordinated 7-year vendor finance provided by Norfund for USD 200,000,000 (the "**Vendor Finance**"). The interest of the Vendor Finance consists of a) an applicable margin of (i) 3% per annum from Completion of the Transaction until the date falling 7 years from Completion, and (ii) a material step up from the date falling 7 years from the Completion of the Transaction until the date of repayment, and b) 3 month LIBOR (never less than zero).The Company may, in its own sole discretion, determine when it wishes to make a repayment in part or in full, except for and subject to consent from the senior lenders, in extraordinary events such as insolvency, cessation of business etc. Upon completion of any refinancing of the Term Loan Facility (as defined below), the Company shall repay part of the Vendor Finance and the same shall apply in relation to any subsequent refinancing.

A 4-year term senior secured loan facility of USD 150,000,000 will be provided by DNB Bank ASA, Nordea Bank Abp, filial i Norge and Swedbank AB (publ) (the "**Term Loan Facility**"). The interest on the Term Loan Facility consist of 3 month LIBOR plus an applicable margin of 2.70% per annum from Completion of the Transaction until the date falling 4 years from Completion.

Finally, the Company has agreed an acquisition financing of USD 400,000,000provided by BNP Paribas, DNB Bank ASA, Nordea Bank Abp, filial i Norge and Swedbank AB (publ) (the "**Acquisition Financing**"). In addition the Company had in place a second acquisition financing facility of USD 300,000,000, which subsequent to the announcement of the Transaction on 16 October 2020 has been cancelled and will be replaced by using proceeds from the Private Placement as further described in Section 15 "The completed Private Placement". The Acquisition Financing will be available for the Company for a period of 24 months following Completion of the Transaction and carry an interest of 3 month LIBOR plus an applicable margin of 2.25% to 3.25%, based on the remaining tenor. It is expected that the Acquisition Financing will be refinanced through debt and/or equity.

The Term Loan Facility and the Acquisition Financing both have loan covenants relating to Free cash, Debt to Capitalisation ratio and Cash Flow to interest ratio.

6.8 Timeline to Completion

Completion of the Transaction is expected to take place in the first quarter of 2021.

6.9 Agreements entered into for the benefit of the managers and directors

No agreements have been entered into by Scatec Solar in connection with the Transaction for the benefit of any board members or senior employees in the Company, or for the benefit of any senior employees in SN Power.

7. PRESENTATION OF SN POWER

7.1 Introduction

SN Power AS ("**SN Power**", and together with its consolidated subsidiaries the "**SN Power Group**") is a global company, with an objective to develop, construct, acquire, own and manage renewable energy plants in Africa, Asia and Latin America, either alone, in cooperation with or through ownership in other companies. SN Power's primary focus has been hydropower, and through joint ventures it currently operates nine producing hydropower assets in the Philippines, Laos, Uganda, Zambia and Panama totalling 1,531 MW of which 648 MW is the net equity holding. SN Power has a multinational team of professionals in 10 countries on four continents, with head office functions located in Oslo, Norway and Amsterdam, the Netherlands

SN Power has a long-term investment perspective and emphasizes strong compliance with international standards and guidelines within the areas of Environment, Social, Compliance and Governance. SN Power is member of the UN Global Compact program and Transparency International and complies with World Bank and IFC Performance Standards.

SN Power's mission is to become a leading hydropower company in emerging markets, contributing to economic growth and sustainable development. SN Power's technical expertise is based on more than 100 years of hydropower development in the Norwegian market and through international experience.

SN Power was established in 2002, as a partnership between the two Norwegian companies Norfund and Statkraft. In 2017 Norfund acquired Statkraft's share in SN Power and the company is now owned 100% by Norfund. Norfund is the Norwegian Investment Fund for developing countries, and invests risk capital in profitable private enterprises in Africa, Asia and Central America. Norfund is owned by the Norwegian Government through the Ministry of Foreign Affairs.

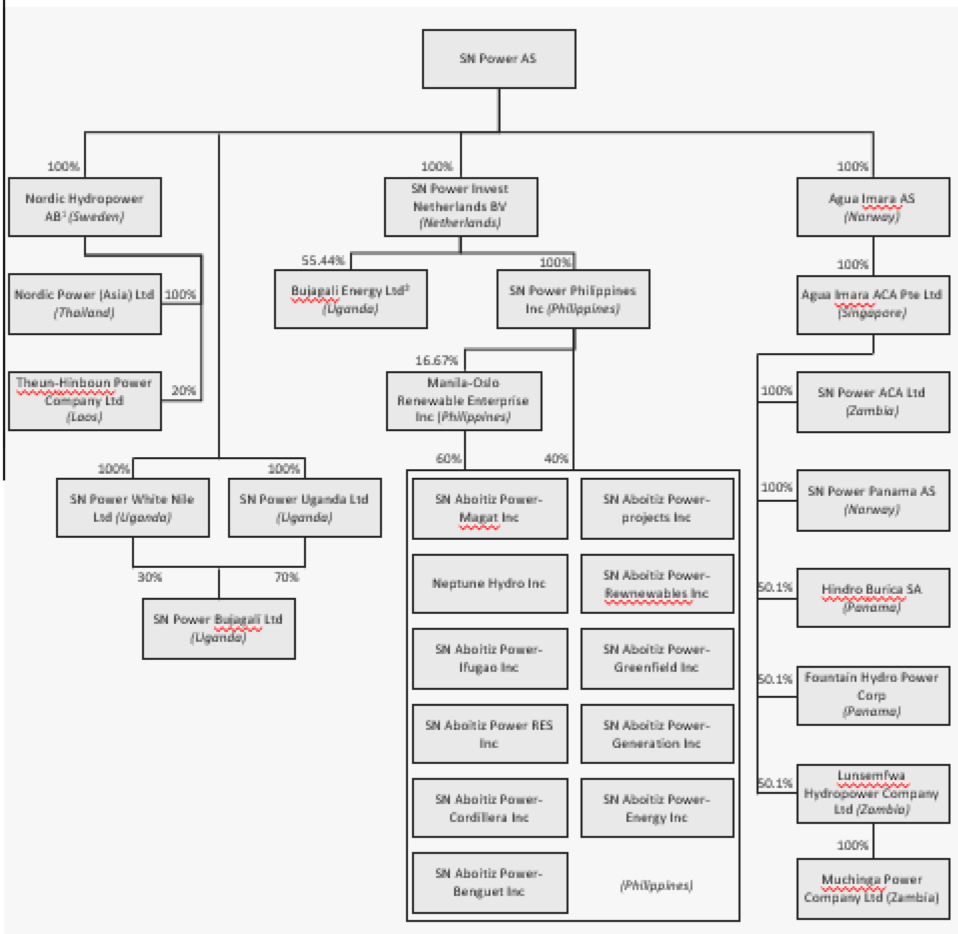
7.2 Legal structure

SN Power AS is the parent company of the SN Power Group, and the operations of the group are carried out through the operating subsidiaries of the Company. The following tables sets out information about the entities in which the SN Power Group, as at the date of this prospectus, holds more than 50% of the outstanding capital and votes.

Company	Business Office	Parent Company	Voting share	Owner sh
Subsidiaries				
SN Power AS	Oslo, Norway			
Agua Imara AS	Oslo, Norway	SN Power AS	100.0%	100.0%
SN Power Invest Netherlands BV	Amsterdam, Netherlands	SN Power AS	100.0%	100.0%
Nordic Hydropower AB	Amsterdam, Netherlands	SN Power AS	100.0%	100.0%
SN Power Philippines Inc	Manila, Philippines	SN Power Invest Netherlands BV	100.0%	100.0%
Agua Imara ACA Pte. Ltd.	Amsterdam, Netherlands	Agua Imara AS	100.0%	100.0%
SN Power ACA (Zambia) Ltd.	Lusaka, Zambia	Agua Imara ACA Pte. Ltd.	100.0%	100.0%
SN Power Panama SA	Panama City, Panama	Agua Imara ACA Pte. Ltd.	100.0%	100.0%
Nordic Power (Asia) Ltd.	Bankok, Thailand	Nordic Hydropower AB	100.0%	100.0%
Fountain Intertrade Corporation	Panama City, Panama	Agua Imara ACA Pte. Ltd.	50.1%	50.1%
Lunsemfwa Hydro Power Company Ltd.	Kabwe, Zambia	Agua Imara ACA Pte. Ltd.	50.1%	50.1%
Muchinga Power Company Ltd.	Kabwe, Zambia	Lunsemfwa Hydro Power Company Ltd	100.0%	100.0%
SN Power White Nile Ltd.	Kampala, Uganda	SN Power AS	100.0%	100.0%
SN Power Uganda Ltd.	Kampala, Uganda	SN Power AS	100.0%	100.0%
SN Power Bujagali Ltd.	Kampala, Uganda	SN Power Uganda Ltd. / SN Power White Nile Ltd.	100.0%	100.0%

Company	Business Office	Parent Company	Voting share	Owner share
Associated companies and joint ventures				
Manila-Oslo Renewable Enterprise Inc 2)	Manila, Philippines	SN Power Philipines Inc	16.70%	16.70%
SN Aboitiz Power - Magat Inc	Manila, Philippines	SN Power Philipines Inc	40.00%	40.00%
SN Aboitiz Power - Benguet Inc	Manila, Philippines	SN Power Philipines Inc	40.00%	40.00%
SN Aboitiz Power - RES Inc	Manila, Philippines	SN Power Philipines Inc	40.00%	40.00%
SN Aboitiz Power - Generation Inc	Manila, Philippines	SN Power Philipines Inc	40.00%	40.00%
SN Aboitiz Power - Hydro Inc	Manila, Philippines	SN Power Philipines Inc	40.00%	40.00%
Neptune Hydro Inc	Manila, Philippines	SN Power Philipines Inc	40.00%	40.00%
SN Aboitiz Power - Ifugao Inc	Manila, Philippines	SN Power Philipines Inc	40.00%	40.00%
SN Aboitiz Power - Cordillera Inc	Manila, Philippines	SN Power Philipines Inc	40.00%	40.00%
SN Aboitiz Power - Projects Inc	Manila, Philippines	SN Power Philipines Inc	40.00%	40.00%
SN Aboitiz Power - Renewables Inc	Manila, Philippines	SN Power Philipines Inc	40.00%	40.00%
SN Aboitiz Power - Greenfield Inc	Manila, Philippines	SN Power Philipines Inc	40.00%	40.00%
SN Aboitiz Power - Energy Inc	Manila, Philippines	SN Power Philipines Inc	40.00%	40.00%
Hidro Burica SA	Panama City, Panama	Agua Imara ACA Pte. Ltd.	50.00%	50.10%
Theun-Hinboun Power Company Ltd	Vientiane, Laos	Nordic Hydropower AB	20.00%	20.00%
Bujagali Energy Ltd	Jinja, Uganda	SN Power Invest Netherlands BV	49.80%	64.90%
Ruzizi III Holding Power Company Ltd	Kigali, Rwanda	SN Power Invest Netherlands BV	40.00%	40.00%
Ruzizi III Energy Ltd	Kigali, Rwanda	Ruzizi III Holding Power Company Ltd	100.00%	100.00%

The following condensed chart sets out the SN Power Group's legal structure as of the date of this prospectus:



7.3 Industry and business overview

The information in 7.3.1 and 7.3.2 is partly based on information from IRENA' publication "Global Renewables Outlook, edition 2020" which is freely available and the latest IEA Energy outlook report which is not freely available.

7.3.1 *Introduction to the renewable power industry*

While the world's energy demand has grown at an average rate of about 2% since 2015, renewable power technologies are dominating the global market for new power generation capacity. Solar PV and wind power are increasingly the cheapest source of electricity in many markets, and most renewable power sources will be fully cost competitive with fossil alternatives within the next decade. However, the share of modern renewable energy in global final energy consumption has increased only slightly since 2010, staying around a threshold of about 10%. IRENA, in their latest Global Renewables Outlook, estimate that the world currently is headed toward a scenario where the share of modern renewable energy in final energy supply will increase to 17% by 2030 and 25% by 2015, while in order to meet the targets under the Paris agreement, a substantially higher share of renewable power generation is needed.

The most important drivers for the growth of renewables can be summarized in the following bullets (not exhaustive list):

- Increased global demand for energy
- Energy security and energy independence
- Decreasing costs of renewable energy systems
- Regulations to decrease pollution from fossil fuel
- Political dedication to the use of clean and sustainable energy sources
- Capital subsidies

7.3.2 *Introduction to Hydropower and its role in the renewable energy transition.*

Hydropower refers to electricity produced by the natural energy in a waterfall. The technology is mature and proven. It exploits naturally occurring waterfalls and can be very economically efficient when the physical site conditions are good. A typical hydropower plant is often built in connection with a naturally occurring lake or dam built to create a reservoir. A penstock leads the water under pressure from the reservoir to the turbines where mechanical energy is created and drives the generator. The generator converts the mechanical energy into electrical power. Power generated is a product of the volume of water and the head, which is the altitude difference between the reservoir surface and the turbine.

It is typical to separate hydropower plants between those having reservoir and those that are run-of-river. The run-of-river plants must more or less dispatch the inflow at any given time, and therefore they can only to a limited extent regulate generation over time. Plants with reservoirs have exactly that ability to regulate generation over time. In the future power generation mix where solar- and wind power represent a significant share of total power production, hydropower with reservoir capacity can bring valuable synergies by counteracting the short-term and seasonal variability of other renewable generation power sources.

In a scenario where the world is to meet the target under the Paris agreement, which is to keep the rise in global temperatures well below 2 degree Celsius during this century, according to IRENA, hydropower capacity would need to increase 25% by 2030, and 60% by 2050, while pumped hydro storage capacity would need to double. When including both types of hydropower, around 850 GW of newly installed capacity is required in the next 30 years – or roughly adding the entire power system capacity of the European Union in 2020. However, note that increasing hydropower capacity does not specifically entail only building new dams. Options also exist to upgrade turbines and systems in existing plants, utilise run-of-river designs and electrify non-power dams.

7.3.3 *Market presence and portfolio overview*

Power markets are generally organized in regional or local markets. SN Power operate in various developing economies around the world with differences with respect to the electricity generation technology mix, size, regulatory environment, political risk etc. SN Power has power plants in the Philippines, Laos, Uganda, Panama and Zambia, however the power plants in Panama and Zambia is not part of the Transaction. The table below gives a high-level overview of the locations, sizes and share of renewable power generation in the energy mix in each market where SN Power is present and that is part of the Transaction, together with information on capacity and production in each of the countries.[1]

1 Source: Nomura, CIA

Country	Unit	Philippines	Laos	Uganda
Demographics	M	105.9	7.2	40.9
GDP per Capita (PPP)	USD	8,400	7,400	2,400
Percentage of fossil fuels in energy mix	%	67	28	19
Capacity (Net)	MW	321	104	165
Capacity (Gross)	MW	642	520	255
Production (Gross)	GWh	1,795	3,200	1,490
Production (Net)	GWh	898	640	967
Pro. Start	Year	2011-2017	2012	2012
Concession End	Year	2066+	2039	2042

In addition to the operational plants, SN Power holds a development pipeline across hydro, floating solar, wind and storage of 2.5 GW. The pipeline consists of four mature pipeline projects totalling 447 MW:

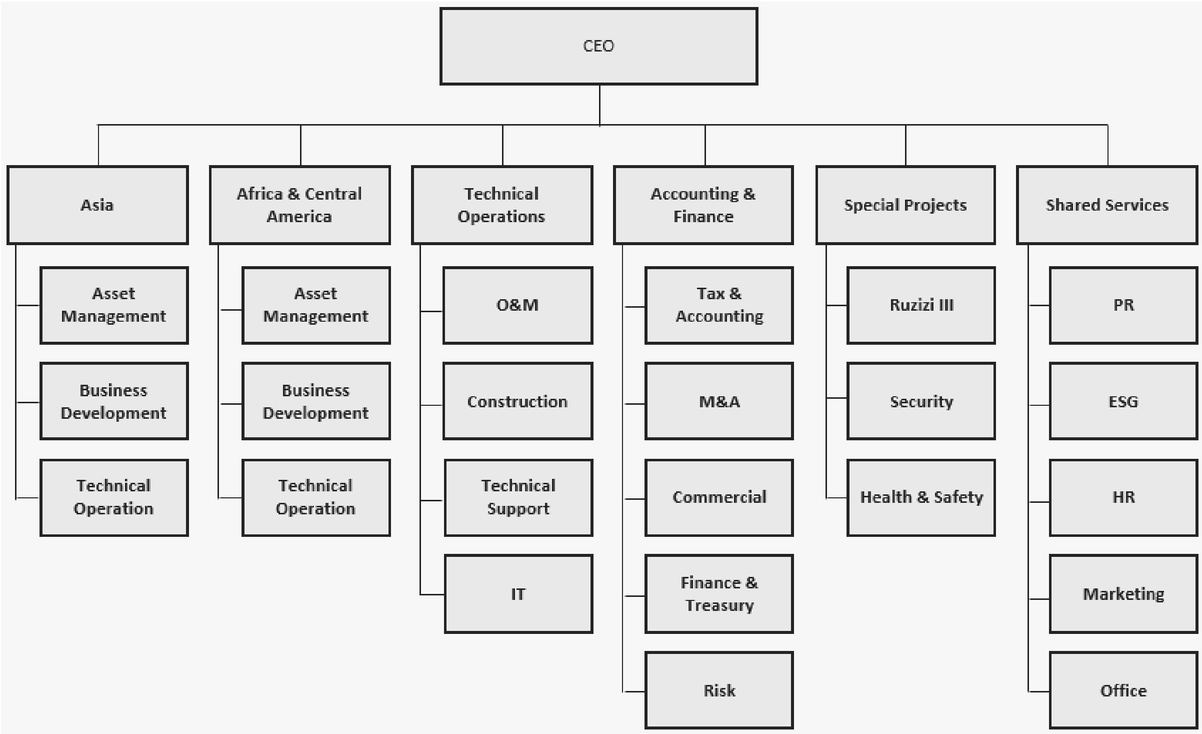
Country	Philippines	Philippines	Rwanda, DRC, Burundi	Madagascar
Gross capacity	140 MW	40 MW	147 MW	120 MW
Technology	Hydro	Battery	Hydro	Hydro

Further information about the SN Power pipeline can be found in the SN Power Annual Report.

7.4 Segment information

7.4.1 *Overview of the organizational structure*

SN Power's headquarter is located in Oslo, Norway and Amsterdam, the Netherlands, where the central capacities are located. SN Power also has several offices located in regional markets. In 2019, a number of organisational changes were implemented as part of a new strategy to optimise the portfolio and deliver growth. The figure below includes the segment reporting structure of the SN Power Group. SN Power is organized in two geographical verticals i.e. with one organization responsible for Asia and another responsible for Africa and Central America. These two organizations are supported by three other branches of the organization, namely Technical Operations, Accounting & Finance, and Shared Services. A sixth branch, Special Projects, holds the responsibility for Ruzizi III, a developed project located in the Democratic Republic of Congo, Rwanda and Burundi, Security and Health and safety matters. An illustration of SN Power's organizational structure is illustrated below



7.4.2 *Overview of the Asia Business*

SN Power's operating assets in Asia have a combined net capacity of 425 MW (gross capacity of 1,162 MW) with assets located in the Philippines and Laos. The following includes a summary of the projects and operations in each of the Asian markets.

The Philippines

SN Power entered the Philippine market in 2005 through a joint venture with Aboitiz Power. Today, SN Aboitiz Power (SNAP) is the largest private hydropower company in the country. The Philippines is an emerging market and a newly industrialized country, which has an economy transitioning from being based on agriculture to one based more on services and manufacturing. In the Philippines SN Power own four hydropower facilities through SNAP.

Magat – 388 MW gross capacity

Magat is designed as a peaking plant and each generating unit has the capability to be on-line and deliver electricity to the system in less than two minutes. The units are started/stopped approximately 300 times a year. During the wet season, energy is delivered outside peaking hours. Magat is served by a reservoir with a usable storage capacity of 690 million m3, the equivalent of about two months' production. The reservoir and dam, including the intake gates, are owned and operated by the National Irrigation Administration (NIA), who also dictates the water level in Magat's reservoir through a rule curve. A reregulating pond is constructed downstream of the Magat power plant and is also owned and operated by NIA. This re-regulating pond facilitates peak hour power generation while water for irrigation goes into two irrigation canals. Magat's main purpose is irrigation and flood control as the water source for almost 85,000 hectares of rice fields downstream. The Magat project was initiated in 1975 and construction work started in 1980 and the plant went into commercial operation in 1983. Magat forms an important backbone in the local community both from an employment and a local revenue perspective.

Ambuklao -105 MW gross capacity

Ambuklao is located in the province of Benguet and was commissioned in 1956 with a capacity of 75 MW. Ambuklao is one of the oldest hydropower plants in the Philippines. The plant was shut down following an earthquake in 1990. In 2008 SNAP bought the plant and it has since then gone through major rehabilitation that was completed in 2011 with a new installed capacity of 105 MW. A new intake has been built and all major power components, such as turbines and generators, have been replaced. The fully rehabilitated plant has three turbines of 35 MW each with a combined average annual production of about 335 GWh.

Binga – 140 MW gross capacity
Binga is built a few kilometres downstream of the Ambuklao hydropower station. The plant was commissioned in 1960 with a capacity of 100 MW.

A new intake has recently been built to address the increased level of siltation in the Binga reservoir and the usable storage capacity of about 13 million m3 corresponds to about 10 operating days at five peak hours. All major power components have been replaced or gone through a major overhaul. The overhaul and upgrade were completed in July 2013. The rehabilitated plant has four turbines of 33 MW each with a combined average annual production of about 430 GWh.

The electricity generated at Magat, Ambuklao and Binga is traded at the Wholesale Electricity Spot Market and sold to open access customers. These assets are also providing ancillary services to the system operator, National Grid Corporation of the Philippines.

Laos
In 2014, SN Power took over Statkraft's 20% shareholding in the 520 MW Theun-Hinboun Power Company (THPC) in Laos. Laos' ambitious strategies for development are based on generating electricity from its rivers and selling the power to its neighbouring countries. Laos plan to become a "landlinked" nation, shown by the planning of four new railways connecting Laos to those same countries.

Theun Hinboun Power Company (THPC) – 520 MW gross capacity
Theun Hinboun Power Company (THPC) is SN Power's third largest cash generating unit with a revenue capacity of up to 170 MUSD (3.0-3.2 TWh production). The Theun Hinboun project, situated 200 km east of Vientiane on the Nam Theun river, has been running for more than 20 years. The project was developed in two phases. Production from the first 210 MW project started in 1998. The project was expanded with an additional 290 MW that went into operations in 2012. In 2016-17 the turbines in the original TH Units were replaced with a new and more efficient turbines, bringing the total combined generating capacity of THPC to 520 MW, with much of the water from the new reservoir being used to generate power twice.

THPC was the first privately developed hydropower project in Laos and has served as a model for how Laos can utilize its hydropower potential in a sustainable way. SN Power hold a minority share, the other owners are EdL Generation Public Company in Laos with 60% shareholding and GMS Power Public Company Limited in Thailand with a 20% shareholding. THPC is exploring new opportunities for THPC to expand into other projects in Laos.

7.4.3 *Overview of the Africa business*

SN Power's operating asset in Africa that is part of the transaction is located in Uganda and have a net capacity of 165 MW (gross capacity of 255 MW). Further, SN Power has development projects located in Rwanda, Democratic Republic of Congo, Burundi, and Madagascar. The following includes a summary of the projects and operations in each of the African markets.

Uganda
SN Power has a 55 percent economic interest, the 255 MW run-of-river Bujagali Energy Ltd (BEL) hydropower plant. SN Power acquired its shareholding in BEL in 2018. The project which has been in operation since 2012 is structured as Build-Own-Operate-Transfer (BOOT) with a 30 years concession. The plant has a sovereign guaranteed long-term PPA with the Ugandan utility, UETCL. The past year saw Bujagali operating at 99.9% availability, well-above the 96% availability required in the PPA, thus securing full capacity payment for the plant.

Bujagali – 255 MW gross capacity
The Bujagali hydropower plant is located near Lake Victoria, approximately 12 km north of the town of Jinja and 8 km downstream from the much older Nalubaale (180 MW) and Kiira (200 MW) hydropower plants. It utilizes the water released from Lake Victoria through Nalubaale and Kiira plants for energy generation. Subsequently, the water released from Bujagali plant is utilized for further power generation at the downstream Isimba power plant (180 MW).

At the time of its commissioning in 2012, Bujagali was the largest hydropower generation facility in Uganda. It nearly doubled the peak electricity capacity of Uganda at that time, eliminating load-shedding in Kampala and providing a reliable power supply to meet increasing power demand in Uganda.

Burundi, Democratic Republic of the Congo (DRC) & Rwanda
In July 2019, SN Power signed the project agreements for the 147 MW Ruzizi III hydropower project. The project is considered a key development project and it will be one of the largest infrastructure projects in this region. Burundi, DRC, and Rwanda have severe power generation deficits and where electricity supply exists, this is largely supplied by expensive diesel generation. The project is targeting achieving financial close in 2021- 2022.

Ruzizi III - 147 MW gross proceeds
The Ruzizi III hydropower is a greenfield project located on the Ruzizi river, downstream of the existing Ruzizi I and Ruzizi II hydropower plants. The Ruzizi River flows from Lake Kivu to Lake Tanganyika and forms the border between the Democratic Republic of Congo (DRC) and Rwanda. Ruzizi III is being undertaken as a public private partnership (PPP) project together with Burundi, DRC and Rwanda.

At financial close, the project company will be owned by SN Power and IPS as private developers with combined 70% shareholding in the project company, and a 10% shareholding for each of the contracting states. The Energie des Grands Lacs (EGL) was given special mandate by the Economic Community of the States of the Great Lakes Countries (CEPGL) for the implementation of the Ruzizi III hydroelectric project. EGL serves as the agent of the contracting states for the implementation of the project.

Madagascar
Madagascar has abundant water resources, of which only a very small part is commercially exploited. Most electricity is produced by thermal power plants (65%). Hydroelectric power plants account for 35% of production. A major new hydroelectric development is expected to reduce the country's energy deficit in an affordable fashion. SN Power formally entered as owner of the 120 MW Upper Volobe hydropower project with the signing of shareholding agreements in 2019. The purpose of the Volobe hydroelectric project on the Ivondro River in Atsinanana region, 30km close the port of Tamatave is to generate electricity for the country of Madagascar. The concession and power purchase agreements are targeted for signing early 2020

Volobe – 120 MW Gross capacity
Compagnie Génerale d'Hydroélectricité de Volobe (CGHV) was established in 2016 with the purpose of developing the Upper Volobe River Hydropower Project (Volobe). The initial shareholders to whom the development license was awarded following public tender are Jovena (a subsidiary of the Malagasy Axian Group) and Colas (subsidiary of the French Bouygues Group). SN Power and Africa 50 entered as owners of CGHV after signing Share Purchase Agreement (SPA) and a Shareholder Agreement (SHA) on the 4th October 2019 whereby the two new shareholders would each acquire 30% of the shareholding. Jovena will remain as 40% owner, with Colas exiting the project at financial close. The Volobe project is situated on the Ivondro river approximately 20 km from Tamatave, Madagascar's second largest city and the country's main port. The project will deliver its generation to Jirama, Madagascar's utility, as off taker. The Volobe hydro project is first in the list of the near-term major hydro projects called for in the "Least-Cost Development Plan" for development of Madagascar power sector.

7.4.4 *Overview of Technical Operations*

Technical Operations has the responsibility for supporting and reviewing the technical and project management related issues across SN Power's project portfolio for development and implementation, as well as assisting in the Operation & Maintenance (O&M) of the operating assets.

SN Power has since the onset in 2002 gained considerable experience in developing and executing hydropower projects in challenging areas. Development of hydropower and other renewable energy projects involve a wide range of disciplines that need to work in alignment to arrive at a sustainable solution balancing impact, cost, risk, revenue etc.

The development of a project in SN Power is governed by an Integrated Project Management system called PROMAS, and passes through several Decision Gates (DG) along the way from Screening, through Pre- Feasibility, Feasibility, Project Framing, Pre-Construction and Construction prior to finally going into Commercial Operation. The system is based on a stepwise reduction of risk, and clear requirements on maturity that needs to be reached to pass a Decision Gate.

SN Power has a central system with requirements and guidelines for O&M called POWERMAS. The day to day operation of our existing assets is however mainly handled by the project companies. A corporate O&M function as well as Frame Agreements with Regional Power Utilities in Norway and other O&M Service Providers are however set up to support the decentralized O&M organizations. SN Power is working on optimizing the O&M by utilization of new technology which includes implementation of remote monitoring and control systems as well as condition monitoring with modern sensor technology.

7.4.5 *Overview of Accounting and Finance*

The overall purpose of the controlling functions and activities in SN Power is to contribute to the shareholder achieving a secure, long-term return on its investments by providing financial management support for the group entities, and ensuring effective and proactive cost control across the asset portfolio of the group (operations and projects). Risk Management in SN Power is based on the principle that risk identification and evaluation is an integral part of all business activities (control disciplines) and a central element of good corporate governance.

The accounting and finance team consist of eight members, lead by the group CFO Tor I. Stokke. In addition, several resources are hired on project engagement contracts. These resources are normally employed directly in the project company and are thus reporting to the management of these companies and relate to SN Power through the governance structure of the company

7.4.6 *Overview of Special Projects*

The Special Project Unit's role is to secure new and ongoing businesses in difficult areas, with a special attention on external risks, security and safety. SN Power operates in countries where crime and criminal activities are well above average according to UN and EU indices on crime and criminal activity. For SN Power it is of upmost importance to handle these risks in a proactive professional way. The objective of SN Power is to base its security and safety policy on prevention, detection, and protection, in order to achieve zero related security incidents.

7.4.7 *Overview of Shared Services*

SN Power work actively to mitigate negative impacts of their projects to the extent possible and uphold a high ESG standards. During the investigation phases (pre-feasibility and feasibility) SN Power undertake Environmental and Social Impact Assessments (ESIA) in parallel with technical and economical project studies in order to incorporate environmental and social aspects into the technical planning.

For project opportunities which have already completed the design stage SN Power always carry out an environmental and social due diligence to make sure that the project complies with IFC Performance Standards. Projects where the ESIA indicates that they will be deemed environmentally or social unmanageable, will not be put forward for investment decision to SN Power's Board of Directors

Shared services also include competence and resources within health safety and environment (HSE), Legal and contract management, human resources, external communication functions.

7.5 Board of Directors and Management

7.5.1 *SN Power Management team*

The following list includes an overview of the management team in SN.

- Group CEO – Erik Knive
- Group CFO – Tor Stokke
- EVP of Asia – Torbjørn Elliot Kirkeby-Garstad

- EVP, Africa & Central America – Eliseo V Ana Jr
- EVP, Technical Operations – Øyvind Engelstad
- EVP, Shared Services – Elsbeth Tronstad
- EVP, Special Projects – Halvor Fossum Lauritzsen

7.5.2 *SN Power Board of Directors*

The following list includes an overview of the Board of Directors in SN Power.

- Chairman of the Board – Øystein Øyehaug
- Member of the Board – Kari Mercedes Fremme
- Member of the Board – Orli Arav
- Member of the Board – Mark Davis
- Member of the Board - Michael McWilliams

7.6 Employees

SN Power's consolidated companies had 133 employees at the end of 2019. Of these, 27 worked at the company's headquarters in Oslo. In addition to this there are 7 in the Philippines, 6 in the Netherlands, 60 in Zambia, 5 in Thailand, 1 in Uganda and 27 in Panama. Including joint ventures, the total number of employees at the end of 2019 was 526. Of the employees in joint ventures, 186 worked in the Philippines (SN Aboitiz Power (SNAP)/Manila Oslo Renewable Energy (MORE), 196 in Laos (Theun-Hinboun Power Company) and 11 in Uganda (Bujagali Energy). Among the consolidated entities, the total of 135 employees represent a diversity of 28 different nationalities.

In 2019, sick leave in SNP was 736 days, equivalent to 2.35% of the total number of working days. SN Power AS had 30 sick leave days, equivalent to 0.44% of the total number of working days.

7.7 Material contracts outside the ordinary course of business

SN Power is reliable on a set of contractual agreements for each of its power plants to be built and operate. These agreements include, but is not limited to, construction contracts, ancillary services procurement agreements, hydropower service contracts, power supply agreements, power exchange contracts, wholesale market participation contracts, grid connection agreements and operations and maintenance agreements. These are all contracts which are within SN Power ordinary course of business.

At the date of this Prospectus neither SN Power nor its subsidiaries or affiliated companies have in the past two years entered into any material contracts outside the ordinary course of business or entered into any other contract outside the ordinary course of business that contains any provision under which SN Power or any of its subsidiaries (pre-Merger) or the Company or any of its subsidiaries (post-Merger) has any obligation or entitlement that is material to the SN Power Group as of the date of this Prospectus.

7.8 Key financial figures

SN Power has a strong financial situation with a steady yearly dividend from the company to Norfund AS for around MUSD 100[2]. There is currently no debt in any of the holding companies.

The financial performance of SN Power depends to a large extent on hydrology and price level. In Bujagali, Uganda the revenues are secured through a sovereign-guaranteed long-term capacity-based Power Purchase Agreement (PPA), while the PPA in THPC, Laos is a fixed price take or pay contract with EGAT of Thailand. The business in the Philippines is more volatile and dependent on spot prices and sale of ancillary services, although the revenue line to some degree is secured through PPAs.

Most of the costs in the holding companies are related to several business development projects. They are in different stages, from pre-feasibility up to pre-construction. The SN Power Group relies on project financing in which lenders are not entitled to recourse against the parent or sister companies. In some cases, capped parent

[2] SN Power's annual report for 2019, page 8

company guarantees have been issued to cover risks that cannot be allocated to lenders, typically construction related risks.

7.8.1 *Summary historical financial information*

The summary historical financial information of SN Power and its subsidiaries as of and for the years ended 31 December 2019 and 2018 presented herein has been derived from the audited consolidated financial statements of SN Power, which are attached with this Prospectus and should be read in conjunction with the relevant reports of the independent auditor.

SN Power does not publish interim financial statements.

SN Power presents its financial statements in USD. In the tables below Scatec Solar has made a convenience translation to present in NOK. Balance sheet information as at 31 December 2019 and 2018 has been translated from USD to NOK at the rates on those dates of 8.7965 and 8.6851 respectively. Statement of Profit or Loss and Cash Flows information has been translated from USD to NOK at the average rates for the years ended 31 December 2019 and 2018 at the rates of 8.8032 and 8.1396 respectively.

The audited financial statements and the related notes thereto attached with this Prospectus. Historical results may not necessarily be indicative of results that may be expected for any future period.

SN Power historical Statement of Profit or Loss information

NOK million	Year ended 31 December	
	2019	2018
Sales revenues	407	440
Energy purchase and other costs related to power sales	-59	-28
Salary and personnel costs	-107	-99
Depreciation, amortisation and impairment	-77	-72
Other operating costs	-206	-119
Income from investments in associated companies and joint ventures	739	730
Earnings before financial items and tax	698	852
Financial income	39	72
Financial expenses	-120	-112
Net financial items	-81	-41
Profit before tax	617	812
This year's tax expense	-140	-96
Net profit for the year	477	716
Attributable to:		
Equity holders of the parent	479	689
Non-controlling interests	-3	26

SN Power historical Balance Sheet information

NOK million	Year ended 31 December	
	2019	2018
Deferred tax asset	10	5
Intangible assets	50	49
Property, plant and equipment	3,012	3,042
Investment in associated companies and joint ventures	7,107	7,162
Financial assets	96	63
Total non-current assets	10,274	10,320
Spare parts	2	2
Receivables	571	401
Bank deposits, cash and cash equivalents	388	584
Total current assets	961	986
Total assets	11,235	11,307
Paid-in capital	7,500	7,405
Other equity	1,036	1,246
Non-controlling interests	658	668
Total Equity	9,194	9,320
Pension commitments	15	14
Deferred tax	348	362
Non-current financial instruments (derivatives)	43	10
Non-current liabilities	309	0
Interest-bearing long-term debt	953	1,033
Total long-term liabilities	1,668	1,418
Current portion long term debt	93	80
Tax payable	102	66
Other current liabilities	179	422
Total current liabilities	373	569
Total equity and liabilities	11,235	11,307

SN Power historical Statement of Cash Flows information

NOK million	Year ended 31 December	
	2019	2018
Net cash flow from operating activities	735	788
Net cash flow to investing activities	-42	-2,566
Net cash flow to financing activities	-900	-69
Effect of exchange rates on cash and cash equivalents	3	-13
Net change in cash and cash equivalents	-204	-1,860
Cash and cash equivalents at 1 January	592	2,408
Cash and cash equivalents at 31 December	388	548

7.9 Legal proceedings

Due to the nature of SN Power's business, SN Power might be involved in disputes and litigation matters from time to time. These matters may include, among other things, project errors, disputes regarding land and property, as well as other disputes that arise in the ordinary course of business. SN Power cannot predict with certainty the outcome of any claim or other litigation matter. The ultimate outcome of any litigation matter and the potential costs associated with prosecuting or defending such lawsuits, including the diversion of Management's attention to these matters, could have a material adverse effect on SN Power's business, revenue, profit and financial condition.

SN Power is not, nor has been during the course of the preceding 12 months from the date of this Prospectus, involved in any legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), which may have, or has had in the recent past, significant effects on SN Power's and/or SN Power's financial position or profitability, and SN Power is not aware of any such proceedings which are pending or threatened.

7.10 Recent developments and trends

7.10.1 *The effect of the Covid-19 pandemic*

The ongoing outbreak of the novel coronavirus (COVID-19) has led to governmental shutdowns of cities, boarders and companies to close business operations. These restrictions and potential further restrictions have had adverse effects on the macroeconomic conditions and the power markets in which SN Power operates.

The restrictions put in place by Norwegian authorities in March 2020 coupled with SN Power's actions to limit the spread of the coronavirus has lowered the SN Power's general activity level, among other delaying planned corporate- and project development projects.

7.10.2 *Financial performance year-to-date for the SN Power Group as a whole*

Scatec Solar understands that the actual performance for the first half of 2020 came in 3% lower than expected for the SN Power Group combined, and 5% lower than expected on a project level. The decrease in performance relative to budget is primarily due to lower power prices and water inflow to the power plants. In particular Magat (Philippines) and LHPC (Zambia) had a lower performance than expected with a negative deviation from budget of -22% and -114% respectively. While volumes and prices have been less favourable than budgeted, lower activity level for the SN Power Group has reduced operating costs and corporate overhead costs, which have had a positive impact on financial results in first half 2020.

8. THE COMBINED GROUP FOLLOWING THE TRANSACTION

This Section provides information about the prospects of the results of the Transaction and its expected implications on the Combined Group following Completion of the Transaction and should be read in conjunction with the Prospectus, in particular Section 7 "Presentation of SN Power" and Section 9 "Unaudited Pro Forma Financial Information". The following discussion contains Forward-looking Statements that reflect the Company's plans and estimates. Factors that could cause or contribute to differences for these Forward-looking Statements include, but are not limited to, those discussed in Section 2 "Risk factors" and 4.5 "Forward-looking Statements".

8.1 The Combined Group following Completion of the Transaction

SN Power will be acquired by Scatec Solar and the SN Power Group will be integrated into Scatec Solar's operations. Scatec Solar and SN Power both operates within the renewable energy market. Today Scatec Solar's operations is mainly within development and production of solar power, while SN Power has a primary focus on hydropower. The acquisition of SN Power forms part of the Company's renewed and broadened strategy, and its ambition to become a large-scale player in solar, hydro, wind and storage solutions, and as an integrator of these technologies in high-value infrastructure solutions. The Transaction is strengthening Scatec Solar's position as a leading developer, asset owner and producer of renewable energy in markets characterised by high economic growth and rapid adoption of green energy.

8.2 Legal structure following Completion of the Transaction

Detailed plans for the integration and organisation of SN Power into Scatec Solar will be developed through close co-operation between Scatec Solar and SN Power, prior to Completion of the Transaction.

8.3 Strengths and strategies following Completion of the Transaction

The market for renewable energy is changing rapidly as decarbonization ambitions increase and renewables reach cost-parity.

These changes are mainly driven by the following market trends; (i) increasing renewable energy demand and volumes, (ii) intensified competition, and (iii) more efficient policy making and regulations. These trends are creating growth opportunities and at the same time impacting the value creation potential. The market trends are pushing the need to both; differentiate through expansion and innovation within product, service and solution offerings, and to offer the most competitive price points.

Scatec Solar has historically proven to be successful in achieving its strategic ambitions and meeting demands from a changing market through development of attractive projects and assets. These have supported the Company in growing its customer base, diversifying the portfolio of solar plants, strengthening global footprint, expanding product offering and realising other strategic aims. The acquisition of SN Power represents the first step in including other renewable energy sources in the portfolio, and is supporting Scatec Solar in achieving its ambition of building a global leader in renewable energy.

The Transaction will strengthen Scatec Solar's market position and its plans to accelerate growth as hydropower and solar PV are complementary, yielding new project opportunities and gives portfolio optimization opportunities. The Company sees great potential in access to additional growth markets including the Philippines and Uganda, broader project origination, including floating solar on reservoirs, economies of scale and competence sharing. On this basis, Scatec Solar expects to provide their customers with a broader offering and utilise the increased scale and financial strength to support continued strong growth.

8.4 The Transaction's significance for the earnings, assets and liabilities for Scatec Solar

The Transaction and the effects of the Transaction-related financing are expected to have a significant impact on the Scatec Solar Group's earnings, assets and liabilities, as further described in Section 9 "Unaudited Pro Forma Financial Information".

On a pro forma basis, revenue would have increased from NOK 1,783 million for Scatec Solar for 2019 (as reported in Scatec Solar's 2019 audited financial statements) to NOK 1,823 million on a pro forma combined basis. As of 31 December 2019, the Company's total assets were NOK 21,578 million, total equity was NOK 3,640 million and total liabilities were NOK 17,939 million , which on a pro forma basis would have increased to NOK 32,968 million, NOK 8,223 million and NOK 24,745 million, respectively.

For a further description of the pro forma figures and the basis for such figures, see Section 9 "Unaudited Pro Forma Financial Information".The Company estimates that the financing of the Transaction will be achieved through the Private Placement combined with loans and acquisition financing, which will have a corresponding impact on the balance sheet and the capital structure of the Scatec Solar Group.

9. UNAUDITED PRO FORMA FINANCIAL INFORMATION

9.1 The Transaction

On 16 October 2020, the Company announced that it had entered into the SPA with Norfund in relation to the acquisition of SN Power AS (the "**Transaction**"). The Transaction is a cash offer for 100% of the shares in SN Power. The consideration to be paid by Scatec Solar for SN Power is based on an agreed equity value and will be adjusted based on the audited 31.12.20 accounts of the SN Power Group, which will serve as locked box accounts for the period from 31.12.20 until Completion. The total expected purchase price of USD 1,166 million (NOK 10,259 million applying foreign exchange rate as at 31 December 2019) will be financed by the Private Placement as described in Section 15.1 "The Private Placement" and Vendor Finance, the Term Loan Facility and Acquisition Financing as described in Section 6.7 "Financing of the Transaction", the effects of which are included in the pro forma financial information. For further details, see Section 6 "The acquisition of SN Power". The Completion of the Transaction is subject to Conditions as described in Section 6.6 "Condition for the Completion of the Transaction". Completion of the Transaction is expected to take place during first half of 2021.

9.2 Cautionary Note Regarding the Unaudited Pro Forma Financial Information

The following tables (see Section 9.3 "Sources of the Unaudited Pro Forma Financial Information", 9.4 "Unaudited Pro Forma Statement of Profit or Loss" and 9.5 "Unaudited Pro Forma Statement of Financial Position") set out unaudited pro forma financial information for the Scatec Solar Group and is prepared under the assumption that the Transaction will close as described in Section 6 "The acquisition of SN Power". It should be noted that the unaudited pro forma financial information reflects the effects of the Transaction as well as the effects of the financing of the Transaction, i.e. the Private Placement as described in Section 15.1 "The Private Placement" and Vendor Finance, the Term Loan Facility and Acquisition Financing as described in Section 6.7 "Financing of the Transaction". For the purpose of this Section 9 "Unaudited Pro Forma Financial Information", the term "Transaction" shall be read as to include the Private Placement, Vendor Finance, the Term Loan Facility and Acquisition Financing.

The unaudited pro forma financial information has been prepared solely to show how the Transaction would have impacted the consolidated Statement of Profit or Loss of the Scatec Solar Group for the year ended 31 December 2019 had the Transaction occurred on 1 January 2019, and the consolidated Statement of Financial Position as at 31 December 2019 had the Transaction occurred on 31 December 2019.

Although the unaudited pro forma financial information is based on estimates and assumptions believed to be reasonable at the time of preparation, actual results could have materially differed from those presented herein. There is a greater degree of uncertainty associated with pro forma figures than with actual reported financial information. The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Scatec Solar Group's actual financial position or results if the Transaction had in fact occurred on 1 January and 31 December 2019 and is not representative of the results of operations for any future periods. It should be noted that greater uncertainty is attached to the unaudited pro forma financial information than historical financial information. Investors are cautioned against placing undue reliance on this unaudited pro forma financial information. The assumptions underlying the pro forma adjustments are described in the notes to the unaudited pro forma financial information. Neither these adjustments nor the resulting unaudited pro forma financial information have been audited in accordance with Norwegian generally accepted auditing standards.

In evaluating the unaudited pro forma financial information, each reader should carefully consider the historical financial statements of the Scatec Solar Group and the notes thereto and the notes to the unaudited pro forma financial information.

The unaudited pro forma financial information has been compiled to comply with the requirements of the Norwegian Securities Trading Act by reference to the EU Prospectus Regulation regarding information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements. The Company's independent accountant, Ernst & Young AS, has issued a report on the Pro Forma Balance Sheet included in Appendix C hereto. The report is prepared in accordance with ISAE 3420 “*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*.”

9.3 Sources of the Unaudited Pro Forma Financial Information

The historical unadjusted financial information for the Scatec Solar Group used for compilation of the pro forma Statement of Profit or Loss and pro forma Statement of Financial Position has been extracted from the audited consolidated Annual Financial Statements of the Scatec Solar Group as of and for the year ended 31 December 2019 prepared under International Financial Reporting Standards ("IFRS") as adopted by the EU. The historical unadjusted financial information of the SN Power Group used for compilation of the pro forma Statement of Profit or Loss and pro forma Statement of Financial Position has been extracted from the audited consolidated Annual Financial Statements of the SN Power Group as of and for the year ended 31 December 2019 prepared under IFRS as adopted by EU. These annual financial statements are incorporated by reference to this Prospectus; See Section 16.2 "Documents on display".

Scatec Solar have made certain reclassifications to conform SN Power Group's financial statement presentation to that of the Scatec Solar Group. SN Power presents financial information in its Annual Financial Statements in USD. In the tables below the USD amounts have been recalculated to NOK, which is the presentation currency of the Scatec Solar Group. The tables show the reclassification adjustments made to comply with the form of financial statements presented by Scatec Solar Group. The currency rate for conversion to NOK is the average 2019 rate of 8.8032 for the Statement of Profit or Loss and the 31 December 2019 rate of 8.7965 for the Statement of Financial Position.

Translation and reclassification of SN Power Group Statement of Profit or Loss for the year ended 31 December 2019

SN Power Group presentation	**SN Power Group historical financial information 2019 IFRS USD'000**	**NOK million**	**Reclassification NOK million**	**SN Power Group historical financial information 2019 IFRS reclassified and in NOK million**		**Scatec Solar Group presentation**
Sales revenues	46,254	407		407		Revenues
			739	739		Net income/(loss) from JVs and associated companies
				1,146		Total revenues and other income
Energy purchase and other costs related to power sales	-6,646	-59	59			
Salary and personnel costs	-12,120	-107		-107		Personnel expenses
Other operating costs	-23,377	-206	-59	-264		Other operating expenses
Depreciation, amortisation and impairment	-8,779	-77		-77		Depreciation, amortisation and impairment
Income from investments in associated companies and joint ventures	83,926	739	-739			

Earnings before financial items and tax	79,258	698		698		Operating profit (EBIT)
Financial income	4,445	39	-11	28		Interest and other financial income
Financial expenses	-13,658	-120	17	-103		Interest and other financial expenses
			-6	-6		Net foreign exchange gain/(loss)
Net financial items	-9,213	-81		-81		Net financial expenses
Profit before tax	70,046	617		617		Profit before income tax
This year's tax expense	-15,897	-140		-140		Income tax (expense)/benefit
Net profit for the year	54,149	477		477		Profit/(loss) for the period

Translation and reclassification of SN Power Group Statement of Financial Position for the year ended 31 December 2019

SN Power Group presentation	**SN Power Group historical financial information 2019 IFRS USD'000**	**NOK million**	**Reclassification NOK million**	**SN Power Group historical financial information 2019 IFRS reclassified and in NOK million**		**Scatec Solar Group presentation**
Deferred tax asset	1,139	10		10		Deferred tax assets
Intangible assets	5,628	50	-50	0		Property, plant and equipment - in solar projects
Property, plant and equipment	342,362	3,012	5	3,017		Property, plant and equipment - other
			45	45		Goodwill
Investment in associated companies and joint ventures	807,896	7,107		7,107		Investments in JVs and associated companies
Financial assets	10,912	96		96		Other non-current assets
Total non-current assets	1,167,937	10,275		10,275		Total non-current assets
			571	571		Trade and other receivables

Spare parts	204	2		2		Other current assets
Receivables	64,861	571	-571	0		Financial assets
Bank deposits, cash and cash equivalents	44,128	388		388		Cash and cash equivalents
Total current assets	109,193	961		961		Total current assets
Total assets	1,277,130	11,236		11,236		Total assets
Total Equity	1,045,187	9,194		9,194		Total equity
Deferred tax	39,569	348		348		Deferred tax liabilities
Pension commitments	1,742	15	-15	0		
Interest-bearing long-term debt	108,334	953		953		Non-recourse project financing
				0		Bonds
Non-current financial instruments (derivatives)	4,871	43	15	58		Financial liabilities (1)
Non-current liabilities	35,116	309		309		Other non-current liabilities
Total long-term liabilities	189,632	1,668		1,668		Total non-current liabilities
			22	22		Trade and other payables
Tax payable	11,550	102		102		Income tax payable
Current portion long term debt	10,550	93		93		Non-recourse project financing
			56	56		Financial liabilities (2)
Other current liabilities	20,211	179	-78	101		Other current liabilities
Total current liabilities	42,311	374		374		Total current liabilities
Total equity and liabilities	1,277,130	11,236		11,236		Total equity and liabilities

(1) Reclassification of NOK 15 million of SN Power Group pension commitments

(2) Reclassification of NOK 56 million of SN Power Group short term credit facility

9.4 Unaudited Pro Forma Statement of Profit or Loss

The table below presents the pro forma Statement of Profit or Loss of the Combined Group for the year ended 31 December 2019 as if the Transaction had been completed on 1 January 2019.

NOK million	Scatec Solar Group historical financial information 2019 IFRS	SN Power Group historical financial information 2019 IFRS reclassified and in NOK million	SN Power Group reorganisation pro forma adjustments unaudited	Other pro forma adjustments unaudited	Notes to adjustments	Pro forma year ended 31 December 2019 unaudited
Revenues	1,810	407	-394	0	1	1,823
Net income/(loss) from JVs and associated companies	-28	739	-110	-16	1,5	585
Total revenues and other income	1,783	1,146	-504	-16		2,409
Personnel expenses	-163	-107	40	0	1	-230
Other operating expenses	-234	-264	186	-85	1,3	-397
Depreciation, amortisation and impairment	-512	-77	76	0	1	-513
Operating profit	874	698	-201	-101		1,269
Interest and other financial income	66	28	-26	0	1	68
Interest and other financial expenses	-744	-103	104	-332	1,2	-1,075
Net foreign exchange loss	-13	-6	6	-84	1,2	-96
Net financial expenses	-690	-81	85	-415		-1,102
Profit before income tax	184	617	-117	-516		168
Income tax expense	-29	-140	58	91	1,2,7	-19
Profit for the period	155	477	-59	-425		148
Profit/(loss) attributable to:						
Equity holders of the parent	-39	479	-62	-425		-46
Non-controlling interests	194	-3	3	0		194

The accompanying notes are an integral part of the unaudited pro forma financial information

9.5 Unaudited Pro Forma Statement of Financial Position

The table below presents the pro forma Statement of Financial Position of the Combined Group as at 31 December 2019 as if the Transaction had been completed on 31 December 2019.

NOK million	Scatec Solar Group historical financial information 2019 IFRS	SN Power Group historical financial information 2019 IFRS reclassified and in NOK million	SN Power Group reorganisation pro forma adjustments unaudited	Other pro forma adjustments unaudited	Notes to adjustments	Pro forma as at 31 December 2019 unaudited
Deferred tax assets	781	10	-10	0	1	781
Property, plant and equipment - in solar projects	15,180	0	0	0		15,180
Property, plant and equipment - other	221	3,017	-3,014	0	1	224
Goodwill	24	45	-45	129	4	153
Investments in JVs and associated companies	728	7,107	-1,334	3,864	1,4	10,365
Other non-current assets	149	96	0	0		245
Total non-current assets	17,083	10,275	-4,403	3,993		26,949
Trade and other receivables	461	571	-263	0	1	769
Other current assets	1,211	2	-2	0	1	1,211
Financial assets	0	0	0	0		0
Cash and cash equivalents	2,824	388	-119	947	1, 2	4,040
Total current assets	4,495	961	-384	947		6,019
Total assets	21,578	11,236	-4,787	4,941		32,968
Share capital	3	8	0	-7	6,8	4
Share premium	3,108	7,492	0	-2 824	6,8	7,776
Total paid in capital	3,111	7,500	0	-2 832		7,779
Retained earnings	-134	1,670	-2,221	466	1, 8	-219

Other reserves	-2	-634	8	626	1,8	-2
Total other equity	-136	1,036	-2,213	1 092		-221
Non-controlling interests	663	658	-658	0	1	663
Total equity	3,640	9,194	-2,871	-1,739		8,223
Deferred tax liabilities	437	348	-348	8	1,2	445
Non-recourse project financing	12,228	953	-953	0	1	12,228
Bonds	745	0	0	0		745
Financial liabilities	320	58	-43	6,561	1,2	6,896
Other non-current liabilities	1,460	309	-307	0	1	1 462
Total non-current liabilities	15,190	1,668	-1,651	6,569		21,776
Trade and other payables	888	22	70	85	1,3	1,065
Income tax payable	92	102	-102	26	1,4	118
Non-recourse project financing	837	93	-93	0	1	837
Financial liabilities	31	56	-56	0	1	31
Other current liabilities	902	101	-84	0	1	919
Total current liabilities	2,750	374	-265	111		2,970
Total liabilities	17,939	2,042	-1,916	6,680		24,745
Total equity and liabilities	21,578	11,236	-4,787	4,941		32,968

The accompanying notes are an integral part of the unaudited pro forma financial information

9.6 Notes to the unaudited Pro Forma Financial Information

The unaudited pro forma financial information has been prepared in a manner consistent with the accounting policies of the Scatec Solar Group (IFRS as adopted by the EU) applied in 2019. The Scatec Solar Group will not adopt any new accounting policies in 2020 as a result of the Transaction or otherwise. Refer to the 2019 financial statements for descriptions of the Scatec Solar Group's accounting policies.

The unaudited pro forma financial information does not include all information required for financial statements under IFRS and should be read in connection with the historical information of the Company. The Transaction is accounted for as an acquisition under IFRS 3 *Business Combinations* ("IFRS 3") as the Scatec Solar Group will gain control of the SN Power business. IFRS 3 establishes principles and requirements for the recognition and measurement of the assets, liabilities (including contingent liabilities) and goodwill acquired. IFRS 3 requires that the cost of the acquisition is measured at the fair value of the consideration paid, allocated to the acquired identifiable assets and liabilities on the basis of their fair values with any residual cost allocated to goodwill.

The unaudited pro forma condensed financial information has been prepared under the going concern assumption.

All amounts are expressed in NOK millions unless otherwise stated.

Note 1 – SN Power Group Reorganisation

Under the terms of the Transaction agreement, the following two undertakings shall take place:

(A) Agua Imara AS and its subsidiaries not part of the Transaction
On or prior to completion of the transaction, the shares in Agua Imara AS, a company holding the SN Power Group's projects in Zambia and Panama, will be transferred to Norfund prior to the acquisition and so not form part of the Transaction.

A proforma adjustment has been made to reflect that the Scatec Solar Group will have no ownership in Agua Imara AS or its subsidiaries (including Fountain Intertrade Corporation (Panama) and Lunsemfwa Hydro Power Company Limited (Zambia)), or its joint venture investment in Burica Hydropower SA (Panama). This pro forma adjustment has been calculated by preparing a sub-consolidation of Agua Imara AS and its subsidiaries based on SN Power Group legal chart and consolidation schedules used in the preparation of the consolidated Annual Financial Statements of the SN Power Group as of and for the year ended 31 December 2019. The figures for each entity (including investments in subsidiaries / associates and intercompany balances) have been taken from these SN Power consolidation schedules and a sub-consolidation of Agua Imara AS, its subsidiaries and associates has been prepared, including eliminations of investment in subsidiary balances and intercompany balances between entities in the Agua Imara sub-group. The pro forma adjustment removes the balances of this Agua Imara AS sub-consolidation, including the subsidiaries and equity accounted joint venture investment from the pro forma Statement of Profit or Loss and all related balances from the pro forma Statement of Financial Position.

(B) SSAJV/the Sub Saharan assets reduced ownership interest
Under the terms of the Transaction, SN Power will establish new holding companies which will own the SN Power Group's Kenyan, Ugandan, Rwandan and Madagascan related investments (together the "Sub Saharan assets"), which includes the Bujagali Energy Limited equity accounted associate. Upon closing of the Transaction, Norfund will retain a 49% economic interest in these holding companies, with the legal ownership transferring to Norfundat a date subsequent to the closing of the Transaction. Prior to the Completion of the Transaction, Scatec Solar and Norfund shall, pursuant to an agreed term-sheet, enter a joint venture / shareholder agreement which results in Scatec Solar Group and Norfund having joint control over the Sub Saharan assets, including Bujagali Energy Limited. For accounting purposes Scatec Solar Group's interests in the Sub Saharan assets will therefore be equity accounted following the Transaction.

In addition, prior to the completion of the Transaction, SN Power Invest Netherlands BV, a 100% owned subsidiary of SN Power, divested 9.44% of its ownership interest in the associated entity Bujagali Energy Limited. As a result, the pro forma adjustments described below reflect Scatec Solar Group's post transaction economic ownership interest in Bujagali Energy Limited held through Class B shares of 28.28% compared to the SN Power Group's 64.89% interest as at 31 December 2019. Scatec Solar Group's 28.28% ownership reflects the SN Power Group's interest of 64.89% as at 31 December 2019, less 9.44% divested by SN Power Invest Netherlands BV prior to the completion of the Transaction and less the 49% interest of SN Power Group's interest retained by Norfund as detailed in the paragraph above.

For entities that were equity accounted prior to the Transaction, including Bujagali Energy Limited, a proforma adjustment has been calculated to reflect Scatec Solar Group's economic ownership interests acquired through the Transaction by reducing the historical reported amounts of the relevant entities based on figures taken from the SN Power Group consolidation schedules used in the preparation of the consolidated Annual Financial Statements of the SN Power Group as of and for the year ended 31 December 2019. The pro forma adjustment reduces "Net income/(loss) from JV's and associated companies" in the pro forma Statement of Profit or Loss and reduces "Investments in JVs and associated companies" in the pro forma Statement of Financial Position as compared to the historical financial information reported by the SN Power Group. The pro forma adjustment to the Statement of Financial Position assumes a reduction in dividends received consistent with the reduced economic ownership interests.

In addition, a pro forma adjustment is made to reflect Scatec Solar Group's economic ownership interests in the SN Power Group's Ugandan related 100% owned consolidated subsidiary entities acquired through the Transaction and the application of equity accounting to those entities following the Transaction by reducing the historical reported amounts of these subsidiary entities based on figures taken from the SN Power Group consolidation schedules as at and for the year ended 31 December 2019 and reclassifying the remaining balances to "Net income/(loss) from JV's and associated companies" in the pro forma Statement of Profit or Loss and "Investments in JVs and associated companies" in the pro forma Statement of Financial Position.

These proforma adjustments, based on SN Power Group consolidation schedules as at and for the year ended 31 December 2019 (subject to translation and reclassification as per Section 9.3), are detailed below.

These adjustments will have continuing impact and the Scatec Solar Group's interests in the Sub Saharan assets will be accounted for using the equity method.

Impact on Unaudited Pro forma Statement of Profit or Loss from the SN Power Group Reorganisation

NOK millions	SN Power Group historical financial information 2019 IFRS reclassified and in NOK million	(A) Agua Imara AS and its subsidiaries and joint venture not part of the Transaction	(B) Sub Saharan assets reduced ownership interest	SN Power Group reorganisation pro forma adjustment (A+B) Unaudited
Revenues	407	-368	-25	-394
Net income/(loss) from JVs and associated companies	739	83	-193	-110
Total revenues and other income	1,146	-285	-218	-504
Personnel expenses	-107	34	6	40
Other operating expenses	-264	154	32	186
Depreciation, amortisation and impairment	-77	76	0	76
Operating profit (EBIT)	698	-21	-180	-201
Interest and other financial income	28	-23	-3	-26
Interest and other financial expenses	-104	104	0	104
Net foreign exchange gain/(loss)	-5	-7	13	6
Net financial expenses	-81	74	10	85
Profit before income tax	617	53	-170	-117
Income tax (expense)/benefit	-140	23	36	58

Profit/(loss) for the period	477	76	-135	-59

Impact on Unaudited Pro forma Statement of Financial position from the SN Power Group Reorganisation

NOK millions	**SN Power Group Historical financial information 2019 IFRS reclassified and in NOK million**	**(A) Agua Imara AS and its subsidiaries not part of the Transaction**	**(B) Sub Saharan assets reduced ownership interest**	**SN Power Group reorganisation pro forma adjustment (A+B) Unaudited**
Deferred tax assets	10	-10		-10
Property, plant and equipment - other	3,017	-3,012	-2	-3,014
Goodwill	45	-45		-45
Investments in JVs and associated companies	7,107	-72	-1,262	-1,334
Other non-current assets	96			0
Total non-current assets	10,275	-3,139	-1,264	-4,403
Trade and other receivables	571	-462	199	-263
Other current assets	2	-2		-2
Cash and cash equivalents	388	-91	-28	-119
Total current assets	961	-555	171	-384
Total assets	11,236	-3,694	-1,093	-4,787
Share capital	8	0	0	0
Share premium	7,492	0	0	0
Total paid in capital	7,500	0	0	0
Retained earnings	1,670	-1,048	-1,173	-2,221
Other reserves	-634	8		8
Total other equity	1,036	-1,040	-1,173	-2,213
Non-controlling interests	658	-658		-658
Total equity	9,194	-1,698	-1,173	-2,871
Deferred tax liabilities	348	-348	0	-348
Non-recourse project financing	953	-953	0	-953

Financial liabilities	58	-43	0	-43
Other non-current liabilities	309	-307	0	-307
Total non-current liabilities	1,668	-1,651	0	-1,651
Trade and other payables	22	-16	86	70
Income tax payable	102	-102		-102
Non-recourse project financing	93	-93		-93
Financial liabilities	56	-56		-56
Other current liabilities	101	-78	-6	-84
Total current liabilities	374	-345	80	-265
Total liabilities	2,042	-1,996	80	-1,916
Total equity and liabilities	11,236	-3,694	-1,093	-4,787

Note 2 – Financing transactions

The Transaction is expected to be initially financed from the Term Loan Facility, Acquisition Financing, Vendor Finance and the Private Placement (as further described in note 6 below). The Term Loan Facility is a 4-year senior secured loan facility of USD 150 million bearing interest at 3 month LIBOR plus 270 basis points. The Acquisition Financing is a USD 400 million facility available for 24 months following Completion of the Transaction bearing interest at 3 month LIBOR plus an applicable margin of 225 to 325 basis points based on the remaining tenor. The Vendor Finance is a 7-year subordinated vendor finance of USD 200 million, provided by the Seller, bearing interest at 3 month LIBOR plus 300 basis points.

Direct costs relating to establishment of the Term Loan Facility, The Acquisition Financing and Vendor Finance are estimated to be USD 1.2 million, USD 2.2 million and USD 0.7 million respectively and are amortised over the expected loan terms of between 2 and 7 years in the pro forma financial information.

As this USD financing is expected to be held by a company with a NOK functional currency, these balances will be subject to foreign currency translation at effects at each reporting date. These USD denominated balances have been translated as at 31 December 2019 in the pro forma Statement of Financial Position. In the pro forma Statement of Profit or Loss an adjustment has been made to reflect a foreign exchange loss of NOK 84 million in the pro forma financial information reflecting the weakening of the NOK against the USD between 1 January and 31 December 2019.

The cash inflow effects of these financing transactions of NOK 4,802 million (net of fees, including those relating to Vendor Finance of NOK 6 million), plus the net proceeds from the Private Placement of NOK 4,645 million (see note 6 below) less the cash element of the purchase price as described in note 4 below of NOK 8,500 million (applying foreign exchange rate as at 31 December 2019) results in a pro forma net increase in cash and cash equivalents of NOK 947 million.

A pro forma adjustment has been made to recognize interest expense, fee amortisation and foreign exchange losses relating to the Term Loan Facility, The Acquisition Financing and Vendor Finance, together with an associated tax deduction at the corporate tax rate in Norway of 22% as Scatec Solar will hold the financing instruments.

Pro forma interest expense, foreign exchange loss and tax effects relating to the Term Loan Facility, The Acquisition Financing and Vendor Finance totaling NOK 324 million are presented in the pro forma Statement of Profit or Loss.

The effect of these pro forma adjustments on the line items effected are detailed below (applying foreign exchange rates as at 31 December 2019).

These adjustments will have continuing impact.

Impact on pro forma Statement of Profit or Loss financing transactions

	NOK millions
Interest and other financial income	0
Interest and amortised fees - Bank debt (Acquisition Financing USD 400 million)	-172
Interest and amortised fees - Bank debt (Term Loan Facility USD 150 million)	-69
Interest and amortised fees - Vendor Finance (USD 200 million)	-91
Interest and other financial expenses	-332
Foreign exchange loss - Bank debt (Acquisition Financing USD 400 million)	-45
Foreign exchange loss - Bank debt (Term Loan Facility USD 150 million)	-17
Foreign exchange loss - Vendor Finance (USD 200 million)	-22
Net foreign exchange gain/(loss)	-84
Net financial expenses	-415
Profit before income tax	-415
Income tax (expense)/benefit	91
Profit/(loss) for the period	-324

Impact on pro forma Statement of Financial position from financing transactions

	NOK millions
Deferred tax liabilities 1)	8
Bank debt – acquisition financing USD 400 million, net of fees	3,499
Bank debt – term loan USD 150 million, net of fees	1,309
Vendor financing – USD 200 million, net of fees	1,753
Financial liabilities – non-current	6,561
Income tax payable 2)	-8

1) Deferred tax liability on capitalized fees
2) Tax benefit of fees incurred

Note 3 – Acquisition transaction costs
External costs relating to the Transaction are estimated to be NOK 85 million. These costs are not tax deductible and are expensed in the pro forma Statement of Profit or Loss and included as an increase in trade and other payables and a reduction in retained earnings in the pro forma Statement of Financial Position. This adjustment will not have continuing impact.

Note 4 – Preliminary Purchase Price Allocation
For the purposes of the pro forma financial information, a preliminary purchase price allocation has been performed to allocate the cost of the acquisition to the assets and liabilities (including contingent liabilities) acquired in accordance with the principles of IFRS 3 *Business Combinations*.

The consideration payable of USD 1,166 million (comprising a cash payment of USD 966 million and USD 200 million settled through Vendor Finance results in an excess value of NOK 3,936 million (applying foreign exchange rates as at 31 December 2019) primarily relating to interests in water rights and hydropower plants acquired directly or through interests in joint arrangements. This allocation has formed the basis of the pro forma adjustments to depreciate and amortise the excess values over the remaining useful lives of the underlying assets in the pro forma financial information.

The main uncertainties in respect to the purchase price allocation relates to the fair value and remaining useful lives of the water rights and hydropower plants which in turn may materially affect the depreciation and amortisation expense.

In addition, contingent tax liabilities of USD 6.5 million have been recognized in the preliminary purchase price allocation as income tax payable.

The residual excess values not allocated to identifiable assets is recognized as goodwill, which will not be depreciated or amortised and will be subject impairment testing in accordance with IAS 36 *Impairment of assets*. No goodwill impairment charges are recognized in the pro forma financial information.

These adjustments will have continuing impact.

Provisional purchase price allocation adjustments	NOK million
Consideration:	
Vendor Finance	1,759
Cash payment	8,500
Total consideration payable	10,259
Less: Adjusted book value of SN Power equity (see above)	-6,323
Excess values	3,936
Allocated to:	
Goodwill	129
Investments in JVs and associated companies	3,864
Income tax payable[1)]	-57

Note 5 – Depreciation and amortisation of excess values

A pro forma adjustment of NOK 16 million has been made in the pro forma Statement of Profit or Loss to depreciate and amortise the excess values relating to the water rights and hydropower plants over the remaining useful lives of the underlying assets. As these investments are held through jointly controlled entities, the expense is presented in the line item "Net income/(loss) from JVs and associated companies".

These adjustments will have continuing impact until the fair values for the acquired water rights with definite lives and hydropower plants are depreciated in full.

Note 6 – Private Placement

The table below sets forth the proforma adjustment in respect of the completed Private Placement (see further details in section 15).

	Total
NOK per share nominal value	0.025
Number of Scatec Solar Shares issued	20,652,478
Price per share, NOK	230
Nominal share capital from share issue, NOK million	1

Share premium capital from share issue, NOK million	4,750
Total share capital raised in share issue, NOK	4,750

Estimated share issuance costs of NOK 105 million have been netted against share premium, such that the net proceeds are NOK 4,645 million. The total pro forma increase in share capital and share premium as a result of the Private Placement, including NOK 23 million tax benefit of issuance costs added to share premium, totals NOK 4,668 million.

These adjustments will have continuing impact.

Note 7 – Reconciliation of pro forma tax adjustments in profit or loss

The table below sets out the reconciliation of tax costs, with applicable tax rates.

NOK million	Expense	Tax rate	Tax benefit
Interest cost – bank debt (see note 2 above)	-241	22%	53
Interest cost – Vendor Finance (see note 2 above)	-91	22%	20
Foreign exchange losses on USD financing (see note 2)	-84	22%	18
Sum pro forma tax adjustments			91

Note 8 – Equity pro forma adjustments

The table below sets forth the pro forma adjustments made to equity in the pro forma Statement of Financial Position, including the elimination of the SN Power Group's equity and the effects of the Scatec Solar Group Private Placement.

These adjustments will have continuing impact.

NOK million	Share capital	Share premium	Retained earnings	Other reserves	Non-controlling interests	Total
SN Power Group reported equity as at 31 December 2019	8	7,492	1,670	-634	658	9,194
SN Power Group reorganisation pro forma adjustments			-2,221	8	-658	-2,871
Pro forma SN Power Group equity adjusted for SN Power Group reorganisation 1)	8	7,492	-551	-626	0	6,323
Elimination of SN Power share capital	-8					-8
Elimination of SN Power share premium		-7,492				-7,492
Elimination of remaining other equity and non-controlling interest in SN Power Group			551	626		1,177
Private Placement	1	4,668				4,669
Transaction costs expensed			-85			-85
Total other pro forma adjustments	-7	-2,824	466	626	0	-1,739

1) Represents the SN Power Group equity as at 31 December 2019 as adjusted for the effects of the SN Power Group reorganisation as detailed in Note 2. These adjusted equity amounts are subsequently eliminated in full in the Preliminary Purchase Price Allocation as detailed in Note 4.

9.7 Independent Practitioners Assurance Report on the compilation of Pro Forma Financial Information included in a Prospectus

With respect to the unaudited pro forma financial information included in this Prospectus, Ernst & Young AS has applied assurance procedures in accordance with ISAE 3240 *Assurance Engagement to Report on Compilation of Pro Forma Financial Information Included in a Prospectus* in order to express an opinion as to whether the unaudited pro forma financial information has been properly compiled on the basis stated in section 9 of the Prospectus, and that such basis is consistent with the accounting policies of the Scatec Solar Group; see Appendix C (*Independent Practitioners' Assurance Report on the compilation of pro-forma financial information included in a prospectus*). There are no qualifications to this assurance report.

10. CAPITALISATION AND INDEBTEDNESS

10.1 Introduction

The information presented below should be read in conjunction with other relevant sections of this Prospectus, in particular Section 6 "The acquisition of SN Power" and Section 9 "Unaudited Pro Forma Financial Information", along with the annual financial statements of Scatec Solar Group and SN Power Group as at 31 December 2019 and the interim financial statements of Scatec Solar Group as at 30 September 2020 and the notes related thereto, as incorporated by reference in this Prospectus (see Section 16.3 "Documents incorporated by reference").

This Section provides information about the Scatec Solar Group's unaudited consolidated capitalisation and net financial indebtedness on an actual basis as at 30 September 2020 and, in the "As adjusted" column, the Scatec Solar Group's unaudited consolidated capitalisation and net financial indebtedness as at 30 September 2020, on an adjusted basis to give effect to the following adjustments:

(i) Acquisition of the SN Power Group under the terms of the Transaction, based on the SN Power Group consolidated Statement of Financial Position as at 31 December 2019 as adjusted to reflect the effects of the SN Power Group Reorganisation as described in Note 1 "SN Power Group reorganisation" to the pro forma financial information in Section 9 and applying USD:NOK foreign exchange rate as at 30 September 2020 of 9.4091.

(ii) The completion and drawdown of Acquisition Financing of USD 400 million and Term Loan Facility of USD 150 (NOK 3,743 million and NOK 1,400 million, respectively net of fees and applying foreign exchange rate as at 30 September 2020) as described in Section 6.7 "Financing of the Transaction".

(iii) The completion of Vendor Financing of USD 200 million (NOK 1,875 million net of fees and applying foreign exchange rate as at 30 September 2020), as described in Section 6.7 "Financing of the Transaction".

(iv) The Scatec Solar Group’s Private Placement completed on 21 October 2020 raising gross proceeds of NOK 4,750 million less estimated costs of NOK 105 million plus associated tax benefit of NOK 23 million, see Section 15 "The completed Private Placement".

The Scatec Solar Group figures have been extracted from the unaudited condensed consolidated Statement of Financial Position as reported for Q3 2020.

Between 30 September 2020 and to the date of the Prospectus, no transactions have been completed which require any adjustments to the Scatec Solar Group's capitalisation and net financial indebtedness.

10.2 Capitalisation

The following table sets forth information about the Scatec Solar Group's unaudited consolidated capitalisation as at 30 September 2020.

	As of 30 September 2020	Notes	Adjustments related to Transaction (Note 4)	Notes	Eliminations related to Transaction (Note 7)	Adjustments related to Transaction financing	Notes	As adjusted for Transaction and related eliminations and Transaction financing
Figures in NOK millions	(unaudited)		(unaudited)		(unaudited)	(unaudited)		(unaudited)
Indebtedness								
Current debt								
Guaranteed	-		-		-	-		-
Secured	1,545	1	-		-	-		1,545
Unguaranteed/unsecured	1,888	2	117	4	-	-		2,005
Total Current Debt	**3,433**		**117**		**-**	**-**		**3,550**
Non-current debt (excl. current portion of long-term debt)								
Guaranteed	-		-		-	-		-
Secured	11,455	1	-		-	5,143	5	16,598
Unguaranteed/unsecured	3,545	3	18	4	-	1,875	6	5,438
Total non-current debt	**15,000**		**18**		**-**	**7,018**		**22,037**
Total indebtedness (a)	**18,434**		**135**		**-**	**7,018**		**25,587**
Shareholders' equity								
Share capital	3		9	4	(9)	1	8	4
Share premium	5,078		8,014	4	(8,014)	4,668	8	9,746
Other reserves	(228)		-1,259	4	1,259			(228)
Total equity (b)	**4,853**		**6,763**		**-6,763**	**4,668**		**9,522**
Total capitalisation (a + b)	**23,287**		**6,898**		**-6,763**	**11,686**		**35,109**

Note 1
Scatec Solar Group's secured current debt of NOK 1,545 million and non-current debt of NOK 11,455 million represents non-recourse project financing for constructing and/or acquiring assets with the project entities' assets pledged as security. For four of the five solar power companies operating in the Czech Republic and the three solar power companies in Malaysia, the non-recourse financing agreements include a cross default clause within the Czech and Malaysian group respectively. Scatec Solar has not provided any guarantees or additional security for this non-recourse project financing debt provided to project companies.

Note 2
Scatec Solar Group's unsecured current debt represents trade and other payables of NOK 806 million, income tax payable of NOK 24 million, financial liabilities of NOK 131 million and other current liabilities of NOK 927 million.

Note 3
Scatec Solar Group's unsecured non-current debt comprises deferred tax liabilities of NOK 354 million, bonds of NOK 747 million, financial liabilities of NOK 667 million and other non-current liabilities of NOK 1,777 million.

Note 4
SN Power Group's unsecured current debt of NOK 117 million represents SN Power Group’s total current liabilities as at 31 December 2019 of NOK 374 million less adjustments for entities not acquired ("SN Power Group Reorganization pro forma adjustments") of NOK 265 million, all re-translated applying the foreign exchange rate as at 30 September 2010. The following table presents a reconciliation of the balances to be acquired based on the SN Power Group consolidated Statement of Financial Position as at 31 December 2019 as adjusted to reflect the effects of the SN Power Group Reorganisation as described in Note 1 "SN Power

Group reorganisation" to the pro forma financial information in Section 9 and applying foreign exchange rate as at 30 September 2020.

Total current liabilities / Unguaranteed / unsecured current debt

	SN Power Group Historical financial information 2019 IFRS reclassified and in NOK million	SN Power Group reorganization pro forma adjustments (refer section 9.6 Note 1)	SN Power Group balances to be acquired in NOK million applying USD:NOK exchange rate as at 31 December 2019	SN Power Group balances to be acquired in NOK million applying USD:NOK exchange rate as at 30 September 2020
Trade and other payables	22	70	92	99
Income tax payable	102	-102	-	-
Non-recourse project financing	93	-93	-	-
Financial liabilities	56	-56	-	-
Other current liabilities	101	-84	17	18
Total	**374**	**-265**	**109**	**117**

Similarly, the non-current debt of NOK 18 million represents SN Power Group's total non-current liabilities as at 31 December 2019 of NOK 1,668 million less adjustments for entities not acquired ("SN Power Group Reorganization pro forma adjustments") of NOK 1,651 million, all re-translated applying the foreign exchange rate as at 30 September 2010. The following table presents a reconciliation of the balances to be acquired based on the SN Power Group consolidated Statement of Financial Position as at 31 December 2019 as adjusted to reflect the effects of the SN Power Group Reorganisation as described in Note 1 "SN Power Group reorganisation" to the pro forma financial information in Section 9 and applying foreign exchange rate as at 30 September 2020.

Total non-current liabilities / Unguaranteed / unsecured non-current debt

	SN Power Group Historical financial information 2019 IFRS reclassified and in NOK million	SN Power Group reorganization pro forma adjustments (refer section 9.6 Note 1)	SN Power Group balances to be acquired in NOK million applying USD:NOK exchange rate as at 31 December 2019	SN Power Group balances to be acquired in NOK million applying USD:NOK exchange rate as at 30 September 2020
Deferred tax liabilities	348	-348	-	-
Non-recourse project financing	953	-953	-	-
Financial liabilities	58	-43	15	16
Other non-current liabilities	309	-307	2	2
Total	**1,668**	**-1,651**	**17**	**18**

SN Power Group's shareholder's equity represents the amounts to be acquired, prior to eliminations performed as part of the purchase price allocation (see note 8 below). The following table presents a reconciliation of the balances to be acquired based on the SN Power Group consolidated Statement of Financial Position as at 31 December 2019 as adjusted to reflect the effects of the SN Power Group Reorganisation as described in Note 1 "SN Power Group reorganisation" to the pro forma financial information in Section 9 and applying foreign exchange rate as at 30 September 2020.

Share capital, share premium, total other equity and total equity

	SN Power Group Historical financial information 2019 IFRS reclassified and in NOK million	SN Power Group reorganization pro forma adjustments (refer section 9.6 Note 1)	SN Power Group balances to be acquired in NOK million applying USD:NOK exchange rate as at 31 December 2019	SN Power Group balances to be acquired in NOK million applying USD:NOK exchange rate as at 30 September 2020
Share capital	**8**	**-**	**8**	**9**
Share premium	**7,492**	**-**	**7,492**	**8,014**
Retained earnings	1,670	-2,221	-551	-
Other reserves	-634	8	-626	-
Total other equity / Other reserves	**1,036**	**-2,213**	**-1,177**	**-1,259**
Total equity	**8,536**	**-2,213**	**6,323**	**6,763**

Note 5

The adjustment of NOK 5,143 million reflects the Acquisition Financing of USD 400 million plus the non-current Term Loan Facility of USD 150 million, net of fees and associated taxes and translated to NOK at the 30 September 2020 exchange rate of 9.4091. These debt facilities will be secured against the SN Power Group assets acquired by the Scatec Solar Group in the Transaction.

Note 6

The adjustment of NOK 1,875 million reflects the Vendor Finance of USD 200 million, net of fees and associated taxes and translated to NOK at the 30 September 2020 exchange rate of 9.4091.

Note 7

The eliminations related to the Transaction of NOK 9 million, NOK 8,014 million and NOK 1,812 million reflect the elimination of the equity of SN Power as per the "Adjustments relating to the Transaction" column. These amounts are as per Section 9.6 "Notes to the unaudited Pro Forma Financial Information" Note 1 re-translated applying the foreign exchange rate as at 30 September 2010.

Note 8

The adjustment relating to the Transaction financing reflects the proceeds of the Private Placement of NOK 4,750 million net of estimated costs of NOK 105 million and the associated tax effect of NOK 23 million. The adjustment therefore increases share capital by NOK 1 million and share premium by NOK 4,668 million.

The table below sets forth the nominal and additional paid in capital:

Share price, NOK:	230
Number of shares:	20,652,478
Nominal share capital, NOK:	516,312
Gross proceeds from Rights Issue, NOK:	4,750,069,940
Nominal share capital, NOK:	516,312
Estimated share issue costs, net of tax; NOK:	81,900,000
Share premium net, NOK	4,667,653,628

10.3 Indebtedness

	As of 30 September 2020	Notes	Adjustments related to Transaction (Notes 7)	Notes	Adjustments related to Transaction financing	Notes	As adjusted for Transaction and Transaction financing
Figures in NOK millions	(unaudited)		(unaudited)		(unaudited)		(unaudited)
(A) Cash	4,002	1	288	7	1,013	8	5,303
(B) Cash equivalents	-		-		-		-
(C) Other current financial assets	1	2	-		-		1
(D) Liquidity (A + B + C)	**4,003**		**288**		**1,013**		**5,304**
(E) Current financial debt (including debt instruments but excluding current portion of non-current financial debt)		3	117	7	-		117
(F) Current portion of non-current financial debt	1,553	4	-		-		1,553
(G) Current financial indebtedness (E + F)	**1,553**		**117**		**-**		**1,670**
(H) Net current financial indebtedness (G - D)	**-2,450**		**-171**		**-1,013**		**-3,634**
(I) Non-current financial debt (excluding current portion of debt instruments)	12,623	5	-		7,018	9	19,641
(J) Debt instruments	747	6	-				747
(K) Non-current trade and other payables			18	7	-		18
(L) Non-current financial indebtedness (I + J + K)	**13,370**		**18**		**7,018**		**20,406**

(M) Total financial indebtedness (H + L)	**10,920**		**-153**		**6,005**		**16,772**

Note 1
Scatec Solar Group's cash balance includes unrestricted and restricted balances as detailed in the table below:

	NOK million
Cash in power plant companies in operation	1,995
Cash in power plant companies under development / construction	38
Other restricted cash	84
Free cash	1,885
Total cash and cash equivalents	**4,002**

Note 2
Scatec Solar Group's current interest-bearing receivables of NOK 1 million.

Note 3
Scatec Solar Group had no current financial debt as at 30 September 2020.

Note 4
Scatec Solar Group's current portion of non-current financial debt comprises non-recourse project financing of NOK 1,545 million and lease liabilities of NOK 8 million.

Note 5
Scatec Solar Group's non-current financial debt (excluding current portion of debt instruments) comprises non-recourse project financing of NOK 11,455 million, Shareholder loan of NOK 904 million and lease liabilities of NOK 264 million.

Note 6
Scatec Solar Group's debt instruments represents a NOK 750 million bond due November 2021, net of unamortised fees of NOK 3 million.

Note 7
Adjustments related to Transaction represent SN Power Group's cash balance to be acquired of NOK 288 million, current financial debt of NOK 117 million and other current liabilities of NOK 18 million.

These balances to be acquired are based on the SN Power Group consolidated Statement of Financial Position as at 31 December 2019 as adjusted to reflect the effects of the SN Power Group Reorganisation as described in Note 1 "SN Power Group reorganisation" to the pro forma financial information in Section 9 and applying foreign exchange rate as at 30 September 2020. The following table reconciles the balances in the adjustments related to the transaction to the unaudited pro forma Statement of Financial Position.

Reconciliation of adjustments related to Transaction to pro forma Statement of Financial Position

	SN Power Group Historical financial information 2019 IFRS reclassified and in NOK million	**SN Power Group reorganisation pro forma adjustments Unaudited (refer section 9.6 Note 1)**	**SN Power Group balances to be acquired in NOK million applying USD:NOK exchange rate as at 31 December 2019**	**SN Power Group balances to be acquired in NOK million applying USD:NOK exchange rate as at 30 September 2020**
Cash and cash equivalents	**388**	**- 119**	**269**	**288**
Financial liabilities	58	- 43	15	16
Other non-current liabilities	309	- 307	2	2
Trade and other payables	22	70	92	99
Current financial debt	**389**	**- 280**	**109**	**117**
Other current liabilities	**101**	**- 84**	**17**	**18**

Note 8

The adjustment related to Transaction financing of NOK 1,013 million represents the cash proceeds from the Private Placement, Acquisition Financing and Term Loan Facility totaling NOK 10,105 million less the cash consideration payable of NOK 9,092 million, applying foreign exchange rate as at 30 September 2020.

Note 9

The adjustment relating to the Transaction financing of NOK 7,018 million reflects the Acquisition Financing of USD 400 million, the non-current Term Loan Facility of USD 150 million and Vendor Finance of USD 200 million, net of fees and translated to NOK at the 30 September 2020 exchange rate of 9.4091.

10.4 Working capital statement

The Company is of the opinion that the working capital available is sufficient for the Scatec Solar Group's present requirements for the period covering at least 12 months from the date of the Prospectus.

10.5 Contingent and indirect losses

As at 30 September 2020 and as at the date of this Prospectus, the Scatec Solar Group did not have any contingent or indirect indebtedness.

11. BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

11.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Scatec Solar Group is vested in the Board of Directors and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Scatec Solar Group's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Scatec Solar Group's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Scatec Solar Group's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Scatec Solar Group's chief executive officer, or CEO, is responsible for keeping the Scatec Solar Group's accounts in accordance with applicable law and for managing the Scatec Solar Group's assets in a responsible manner. In addition, the CEO must according to Norwegian law brief the Board of Directors about the Scatec Solar Group's activities, financial position and operating results at a minimum of one time per month.

11.2 Board of Directors

11.2.1 *Overview*

The Articles of Association provide that the Board of Directors shall consist of three to seven members.

As at the date of this Prospectus, the Company's Board of Directors consists of the following:

Name of director	**Director since**	**Current term expires**
John Andersen Jr., Chairman	2013	2022
Jan Skogseth	2016	2022
Gisele Marchand	2018	2021
John Giverholt	2018	2021
Maria Moræus Hanssen	2020	2022

The Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance dated 17 October 2018 (the "**Corporate Governance Code**", see also www.nues.no), meaning that (i) the majority of the shareholder-elected members of the Board of Directors are independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected members of the Board of Directors are independent of the Company's main shareholders, and (iii) no members of the Company's executive management are on the Board of Directors.

All members of the Board of Directors are independent of the Company's significant business relations. Mr Andersen have relations towards one of the Company's large shareholders (shareholders holding more than 10% of the Shares in the Company), Scatec AS. All of the members of the Board of Directors are independent of the Management.

The Company's registered office, Askekroken 11, 0277 Oslo, Norway, serves as the business address for the members of the Board of Directors in relation to their directorships of the Company.

11.2.2 *Brief biographies of the members of the Board of Directors*

Set out below are brief biographies of the members of the Board of Directors, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Board of Directors is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and management positions in subsidiaries of the Company).

In the following, for directorships the denominations "C" and "BM" states the position as chairman of the Board of Directors ("C"), ordinary board member ("BM"), and deputy board member ("deputy BM") respectively, and "CEO", "CFO", "COO" and "EVP" state the position as Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Executive Vice President respectively in the relevant companies.

John Andersen Jr. (born 1967), Chairman
Mr Andersen holds a Master of Business and Economics (Finance) from BI Norwegian Business School, where he after graduating continued for one year as an academic research fellow. Mr Andersen started his professional career as a Project Manager in Energipartner AS, subsequent to which he held positions as Senior Project Manager of Business Development in Borregaard ASA and Sales and Marketing Manager in Borregaard Italia S.pA.

In 2001, Mr Andersen joined Renewable Energy Corporation ASA (REC), where he in the period from 2001 to 2012 held various executive positions including Vice President of Business Development, Executive Vice President REC Wafer, Executive Vice President REC Solar, Executive Vice President Wafers, Cells and Modules and Group COO. From 2012 to 2013 Mr Andersen was an Executive Vice President and Special Advisor in REC ASA, reporting to the President and CEO of the company.

As from 2013, Mr Andersen is CEO of Scatec AS, and has served as the chairman of the Board of Directors of Scatec Solar since spring 2014.

Current directorships and management positions	Nti Holding AS (C), Hiptec AS (C), Halo Solar Holding AS (C), Thor Medical AS (C), Scatec Invest III AS (C), Tegma AS (C), Keep-It Technologies AS (C), Norsun AS (C), Scatec Invest AS (C), Scatec Sunrise AS (C), Scatec Invest II AS (C), Scatec Solar ASA (C), Thor Energy AS (C), Reetec AS (C), Scatec Adventure AS (C), Norsk Titanium AS (BM), Scatec Power AS (BM), TBA Holding AS (deputy BM), Dumas Capital AS (deputy BM), Aramis Capital AS (deputy BM), Athos Capital AS (deputy BM), Porthos Capital AS (deputy BM), Scatec AS (CEO), Scatec Invest AS (CEO), Alchemia Capital AS (CEO) and Alchemia Invest AS (CEO).
Previous directorships and management positions last five years	Thor Corporation AS (C), RMP AS (C), TBA Invest AS (C)

Gisele Marchand (born 1958), Board member
Gisele Marchand holds a Bachelor's degree in Business from Copenhagen Business School.

Mrs Marchand has extensive top management experience from positions in financial institutions like DNB ASA (VP in charge of corporate and retail banking), the Government Pension Fund (CEO), Eksportfinans ASA (CEO) as well as the law firm Haavind AS (CEO). She has also extensive board experience form the last 20 years in different quoted and non-quoted companies and was former vice chair on the Norwegian Stock Exchange.

As from 2018, Mrs Marchand has worked as full time non-executive board member and advisor, including her position as board member in Scatec Solar.

Current directorships and management positions	Gjensidige Insurance ASA (C), Norgesgruppen Finans Holding AS (C), Boligbygg Oslo KF (C), Scatec Solar ASA (BM), Norgesgruppen ASA (BM), Selvaag Bolig ASA (BM), Eiendomsspar AS (BM) and Victoria Eiendom AS (BM).
Previous directorships and management positions last five years	Advokatfirmaet Haavind AS (CEO)

John Giverholt (born 1952), Board member
Mr. Giverholt holds a B.Sc. from the University of Manchester and is a state authorised public accountant from the Norwegian School of Economics (NHH).

Until 2017 Mr. Giverholt served as CEO and Member of Group Executive Board of Ferd AS. Before that he was CFO of FERD AS and he is now a member of the Advisory Board of Ferd Holding AS. He has extensive experience from leading positions in Norsk Hydro, Arthur Andersen & Co, Orkla ASA and DNB ASA.

Mr. Giverholt has been a board member in Scatec Solar from 2018.

Current directorships and management positions	Gammel Nok Holding AS (C), Ortomedic AS (C), Formica Capital AB (C), Scatec Solar ASA (BM), Carucel Holding AS (BM), Fredensborg AS (BM), Awilhelmsen AS (BM), Fredensborg 1994 AS (BM), Aars AS (BM) and Ferd Sosiale Entreprenører AS (BM), Heimstaden AB (BM), Heimstaden Bostad AB (BM)
Previous directorships and management positions last five years	Ferd AS (CEO), Elopak AS (C), Aktuarfirmaet Lillevold og Partners AS (C), Ferd AS (BM), Gjensidige Forsikring ASA (BM),

Jan Skogseth (born 1955), Board member
Board member Jan Skogseth holds a Master of Science Mechanical Engineering from South Dakota School of Mines and Technology.

Mr. Skogseth has more than 35 years' experience from the Oil, Gas and Renewable industries ranging grom oil companies to supplier industries, both in Norway and internationally. He was President and CEO for Aibel from 2008 to 2017 and played a key role in establishing new presence and business for the company on several continents.

As from 2016 Mr. Skogseth has been a member of the Board of Scatec Solar.

Current directorships and management positions	Gassco AS (C), Sparebank 1 SR Bank ASA (BM), Scatec Solar ASA (BM) and PSW Technology AS (BM).
Previous directorships and management positions last five years	Harding Safety AS (BM), Aibel AS (CEO)

Maria Moræus Hanssen (born 1965), Board member
Board member Mrs Hanssen holds a Master of Petroleum Engineering from Norwegian University of Science and Technology and Master of Petroleums Economics from IFP School.

Mrs. Hanssen has extensive experience from the international oil & gas industry, including 4 years as CEO of DEA AG (Hamburg) and ENGIE E&P International SA (Paris). She previously held executive positions in Norsk Hydro, Statoil (Equinor), Aker ASA and served as Deputy CEO and COO for newly merged Wintershall DEA until end of 2019.

Mrs. Hanssen became a member of the Board of Directors of Scatec Solar in 2020.

Current directorships and management positions	Watefront AS (C), Oslobygg Kf (C), Scatec Solar ASA (BM), MMH Nysteen Invest AS (BM).
Previous directorships and management positions last five years	Alfa Laval AB (BM), Yara ASA (Deputy C), Wintershall Dea Norge AS (C), ENGIE E&P Norge AS (C), ENGIE E&P International AS (CEO), DEA (CEO), Wintershall DEA (COO and deputy CEO)

11.2.3 *Shares and options held by members of the Board of Directors*

As at the date of this Prospectus, the members of the Board of Directors have the following shareholdings in the Company:

Name	Position	Number of Shares
John Andersen Jr.	Chairman	0*
Jan Skogseth	Board member	23,000
Gisele Marchand	Board member	2,586
John Giverholt	Board member	4,000
Maria Moræus Hanssen	Board member	2,760

*Related parties' control 19,482,339 shares through Scatec AS.

As at the date of this Prospectus, none of the members of the Board of Directors holds any options for Shares in the Company.

11.3 Management

11.3.1 *Overview*

The Management of the Company consists of eight individuals. The names of the members of the Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Position	Served since
Raymond Carlsen	Chief Executive Officer	2009
Mikkel Tørud	Chief Financial Officer	2014
Terje Pilskog	EVP Project Development & Project Finance	2012
Roar Haugland	EVP Sustainable Business & HSSE	2010
Toril Haaland	EVP People & Organisation	2018
Torstein Berntsen	EVP Power Production	2014
Snorre Valdimarsson	EVP General Counsel	2009
Pål Helsing	EVP Solutions	2015

All members of the Management are employed by Scatec Solar ASA.

The Company's registered office, Askekroken 11, 0277 Oslo, Norway, serves as the business address for the members of management in relation to their positions in the Company.

11.3.2 *Brief biographies of the members of the Management*

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and management positions in subsidiaries of the Company).

Raymond Carlsen, Chief Executive Officer

Mr. Carlsen earned his M.Sc. at Florida Institute of Technology, USA in 1981. He has held various top management positions within the Aker Group and former Kvaerner ASA since he joined the enterprise in 1989 as managing director for Kvaerner Process Systems. Before joining the Company, Mr. Carlsen was Partner and responsible for developing Aker ASA's portfolio of energy related businesses. Prior to becoming a partner of Aker ASA, he was Executive Vice President and member of the Aker Solutions ASA management team as well as responsible for Aker Solutions Subsea business with operations in more than 15 countries and more than USD 2 billion in revenue.

Current directorships and management positions	Scatec Solar ASA (CEO) Agility Group AS (BM)
Previous directorships and management positions last five years	Agility Subsea Fabrication (BM), Align AS (BM)

Mikkel Tørud, Chief Financial Officer

Mr. Tørud joined the Company in 2014 from the position as SVP Investor Relations and Business Development and member of Group Management in REC. He has extensive experience from finance, investor relations, corporate communications and business development in REC. Prior to joining REC he was commercial advisor in BP and management consultant in PA Consulting Group.

Mr. Tørud has a Master of Science degree in Industrial Economics and Technology Management from the Norwegian University of Science and Technology.

Current directorships and management positions	Scatec Solar ASA (CFO)
Previous directorships and management positions last five years	None

Terje Pilskog, EVP Project Development & Project Finance

Mr. Pilskog joined the Company from the position as Senior Vice President of REC Systems and Business Development based in München, where he was responsible for REC's downstream activities, developing, constructing and financing projects. He also served as board member for Sovello AG, a joint venture between REC, Q-Cells and Evergreen, as well as Mainstream Energy Corporation where REC held a 20% stake.

Earlier, Mr. Pilskog was a member of the REC Wafer/Solar management team, leading the REC Wafer/Solar's Business Development team with responsibilities including strategic initiatives and general solar market analysis. Mr. Pilskog joined REC in 2006 to support the IPO of REC that same year. Prior to joining REC, he was Associated Partner at the management consulting company McKinsey & Co. Mr. Pilskog has a Master of Science in business administration with specialisation in finance from the Norwegian School of Management.

Current directorships and management positions	Scatec Solar ASA (EVP) Océmar AS (C) Océmar AS (CEO)
Previous directorships and management positions last five years	None

Roar Haugland, EVP Sustainable Business & HSSE

Mr Haugland is EVP in the Company and responsible for Sustainable Business & HSSE. Mr Haugland holds a Master Degree in Mechanical Engineering from the Norwegian University of Science and Technology from 1984. His professional experience is from the information technology industry with international leaders like HP and IBM. Haugland has held leading positions in Business Development, Sales and Management in Norway and internationally for more than 20 years.

Current directorships and management positions	Scatec Solar ASA (EVP) Buzz Aldrin AS (C) Sweetdreams AS (C)
Previous directorships and management positions last five years	None

Toril Haaland, EVP People & Organisation

Mrs. Haaland is EVP in the Company and responsible for People & Organisation. She has been with the Company since 2018. She has more than 20 years' experience of leading HR from major international companies, latest General Electric Company (GE). Prior to GE she served eight years with Hewlett Packard.

Haaland holds degrees in Leadership, Business and HR from BI Norwegian Business School.

Current directorships and management positions	Scatec Solar ASA (EVP)
Previous directorships and management positions last five years	GE Healthcare (HR Director Norway, HR Business Partner Europe)

Torstein Berntsen, EVP Power Production

Mr Berntsen is EVP in the Company and responsible for Power Production and asset management for plants in operation as well as structuring and project financing of new projects. Mr Berntsen joined the Company in 2010 from the position as CFO in the parent company Scatec AS. Before joining Scatec AS, he had more than 10 year of experience within auditing and business advisory services from Arthur Andersen and later Ernst & Young, where he served a number of Norwegian and international clients in various industries, including some of the major listed companies in Norway.

Mr. Berntsen holds a Master of Science in Business Administration and is a state authorised public accountant from the Norwegian School of Economics and Business Administration (NHH) in Bergen, Norway.

Current directorships and management positions	Scatec Solar ASA (EVP) Belito AS (C) Belito AS (CEO)
Previous directorships and management positions last five years	None

Snorre Valdimarsson, EVP General Counsel
Mr Valdimarsson is responsible for all legal aspects of the Scatec Solar Group. Prior to joining the Company, he worked at the Norwegian law firm Selmer, focusing on M&A, banking, finance and financial issues of complex transactions and company structures.

Mr Valdimarsson has a Master of law from the University of Bergen, Norway.

Current directorships and management positions	Scatec Solar ASA (EVP)
Previous directorships and management positions last five years	None

Pål Helsing, EVP Solutions
Mr. Helsing became EVP of Solutions of Scatec Solar in 2015. Helsing was previously 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. Helsing holds a Bachelor of Science Civil from Glasgow University and a Business Economics degree from BI Norwegian Business School.

Current directorships and management positions	Scatec Solar ASA (EVP)
Previous directorships and management positions last five years	Norwegian Energy Partners (C)

11.4 Bonus and share incentive programmes

11.4.1 *Bonus program*

The Company has had an incentive and retention plan in effect from 2016, and as a part of this plan the Executive Management is part of a bonus arrangement based on key performance indicators both on the Company's overall and financial performance as well as the individual's performance. The bonus shall not exceed 50% of the annual base salary.

11.4.2 *Employee incentive schemes*

In line with the terms adopted by the annual General Meeting of Scatec Solar ASA on 4 May 2016, and prolonged on 30 April 2019, the Board of Directors has established an option program for leading employees of the Company. In line with the terms adopted by the annual General Meeting of Scatec Solar ASA on 30 April 2019, the Board of Directors continued to implement a share-based incentive programme for leading employees of the Company. The first award under the programme, granted in January 2020, was 595 thousand options, which is divided into three tranches whereby 1/3 vests each year over three years with the first tranche vesting 1 January 2021. The strike price of the option was set to NOK 114.83 per share based on the volume weighted average share price over the ten last trading days preceding the grant date. The current grant is the first of three contemplated annual grants of share options in accordance with Scatec Solar's incentive programme. A total of 39 employees were awarded options. During 2019, 341 thousand options were exercised, and at the end of the year the total number of outstanding options are 1,185 thousand.

The three previously awards, under the incentive programme and terms adopted in 2016, was granted October 2016, January 2018 and January 2019. The first award under this program was 757 thousand options, which vested 1/3 1 January 2018, 1/3 1 January 2019 and the final 1/3 1 January 2020. A total of 15 employees were awarded options of which three have subsequently left the Company. The second award under the program was 490 thousand options, which vest 1/3 1 January 2019, 1/3 1 January 2020 and the final 1/3 1 January 2021. A total of 15 employees were awarded options of which one has subsequently left the Company. The third award was 495 thousand options, which vest 1/3 1 January 2020, 1/3 1 January 2021 and the final 1/3 1 January 2022. A total of 24 employees were awarded options of which none have subsequently left the company. The strike price is equivalent to the volume weighted average price of the shares the 10 preceding trading days of the grant, and the strike price for the three awards are NOK 28.08, NOK 47.65 and NOK 72.03 respectively. During 2018 216 thousand options were exercised, and by end of 2018 the total number of outstanding options were 1,031 thousand.

The award of options meets the definition of an equity-settled share-based payment transaction (IFRS 2 app. A). To calculate the fair value of the options, the Black-Scholes-Merton option-pricing model is applied on each tranche. Share price (spot), exercise price, expected option lifetime, expected volatility, expected dividend and risk-free interest rate are the input parameters in the model. Expected volatility is calculated on the historical volatility based on the Company's own share prices. The fair value of the awards is expensed as the options vests. For the previously granted awards the fair value of the equity instruments was also measured at grant date, which was 6 October 2016 for the first award, 1 January 2018 for the second grant and 1 January 2019 for the third award, respectively. At grant date the fair value of the first award (excluding social security tax) was estimated to NOK 7 million, the fair value of the second award (excluding social security tax) was estimated to NOK 6 million and the fair value of the third award (excluding social security tax) was NOK 8 million.

11.4.3 *Shares and options held by members of the Management*

As of the date of this Prospectus, the members of the Management have the following shareholdings and options in the Company (including direct and indirect ownership):

Name	Position	Number of Shares	Number of options
Raymond Carlsen	Chief Executive Officer	3,105,290[1]	108,638
Mikkel Tørud	Chief Financial Officer	223,817	79,876
Terje Pilskog	EVP Project Development & Project Finance	510,877[2]	70,930
Roar Haugland	EVP Sustainable Business & HSSE	186,639[3]	62,1140
Torstein Berntsen	EVP Power Production & Asset Management	695,486[4]	65,940
Snorre Valdimarsson	EVP General Counsel	12,000	64,073
Pål Helsing	EVP Solutions	4,877	51,161
Toril Haaland	EVP People & Organisation	3.577	43,450

1) including shares held through the controlled company Argentos AS, whereof 59,674 shares are held by Raymond Carlsen directly
2) including shares held through the controlled company Océmar AS, whereof 877 shares are held by Terje Pilskog directly
3) including shares held through the controlled company Buzz Aldrin AS, whereof 877 shares are held by Roar Haugland directly
4) including shares held through the controlled company Belito AS, whereof 17,877 shares are held by Torstein Berntsen directly. In addition, 895 shares are held by Torstein Berntsen's spouse. These are not included in the total presented in the table above.

11.5 Conflicts of interests

None of the members of the Board of Directors or the Management have during the last five years preceding the date of this Prospectus:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation or companies put into administration in his/her capacity as a founder, director or senior manager of a company or partner of a limited partnership.

There are no actual or potential conflicts of interest between the private interests or other duties of any of the members of Management and the Board of Directors and their duties towards the Company, including any family relationships between such persons.

12. CORPORATE INFORMATION AND CERTAIN ASPECTS OF NORWEGIAN LAW

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as at the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association and applicable law.

12.1 Company corporate information

The Company, having Scatec Solar ASA as its registered name and Scatec Solar as its commercial name, is a Norwegian incorporated public limited liability company organised and existing under the laws of Norway, pursuant to the Norwegian Public Limited Companies Act. The legal entity identifier ("**LEI**") of the Company is 5967007LIEEXZXIARK36. The Company's registered office is in the municipality of Oslo, with address Askekroken 11, 0277 Oslo, Norway, telephone +47 48 08 55 00. The Company was incorporated 28 February 2007 and was registered converted into a public limited liability company on 25 August 2014. The Company is registered with the Norwegian Register of Business Enterprises with registration number 990 918 546.

The Scatec Solar Group's website can be found at www.scatecsolar.

The financial reports incorporated by reference in this Prospectus, see Section 16.3 "Documents incorporated by reference" is referred to by a link to this web page. Beyond the content of these financial reports, the content of www.scatecsolar.com is not incorporated by reference into and does not otherwise form part of this Prospectus.

The current share capital of the Company is NOK 3,442,079.725 divided onto 137,683,189 Shares fully paid with a par value of NOK 0.025 each and issued in accordance with Norwegian law. The Shares are registered in the VPS register with ISIN NO 001 0715139. The Company's register of shareholders with the VPS is administrated by Nordea Bank Abp, filial i Norge, address: Essendrops gate 7, 0368 Oslo, Norway.

The Shares are equal in all respects and there are no different voting rights or classes of shares. Each Share carries one vote at the General Meeting.

12.2 Major shareholders

As at the date of this Prospectus, the Company has the following 20 shareholders, holding in aggregate 56.73% of the issued and outstanding Shares:

Shareholder	Number of Shares	Percentage
Equinor ASA	20,776,200	13.72%
Folketrygdfondet	16,620,979	10.97%
Scatec AS*	12,598,141	8.32%
State Street Bank and Trust Comp	4,062,554	2.68%
State Street Bank and Trust Comp	3,897,889	2.57%
The Bank of New York Mellon	3,847,694	2.54%
State Street Bank and Trust Comp	3,373,312	2.23%
Argentos AS**	3,045,616	2.01%
UBS AG	2,340,337	1.55%
Handelsbanken Hallbar Energi	2,121,109	1.40%
Vanguard Total International Stock	1,788,653	1.18%
UBS Securities LLC	1,674,753	1.11%
Storebrand Norge I Verdipapirfond	1,530,153	1.01%
Clearstream Banking S.A.	1,461,241	0.96%
Caceis Bank	1,425,374	0.94%
Verdipapirfondet Alfred Berg Gamba	1,195,190	0.79%

KLP Aksjenorge Indeks	1,119,378	0.74%
Electron Infrastruct Mast FND LP	1,034,388	0.68%
JP Morgan Chase Bank, N.A. London	1,028,204	0.68%
VPF DNB AM Norske Aksjer	984,196	0.65%
Total	85,925,361	56.73%

*According to a share lending agreement between Scatec AS and the Managers, 6,884,198 shares in the Company will be redelivered to Scatec AS after the issuance of shares according to the resolution by the General Meeting on 12 November 2020. After this Scatec AS will hold an amount of 19,482,339 shares in the Company, corresponding to 12.3% of the outstanding shares in the Company.
**Controlled by Raymond Carlsen, the CEO of the Company

There are no differences in voting rights between the shareholders. Each of the Shares carries one vote.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The table below shows the ownership percentage held by such notifiable shareholders.

#	Shareholder name	No. of shares	Percentage (%)*
1	Equinor ASA	20,776,200	13.12%
2	Scatec AS**	19,482,339	12.30%
3	Folketrygdfondet	16,620,979	10.50
4	BlackRock, Inc.***		>5%

*Percentages assuming registration of 6,884,198 shares resolved issued by the General Meeting on 12 November 2020.
**According to a share lending agreement between Scatec AS and the Managers, 6,884,198 shares in the Company will be redelivered to Scatec AS after the issuance of shares according to the resolution by the General Meeting on 12 November 2020. After this Scatec AS will hold an amount of 19,482,339 shares in the Company, corresponding to 12.3% of the outstanding shares in the Company.
***BlackRock Inc. issued a disclosure of significant shareholding on 16 September 2020, stating that it holds 6,890,153 shares in the Company through a chain of controlling companies that at the time was corresponding to 5% of the shares and voting rights in the Company. No notification of falling below the notification threshold of 5% or passing of any higher threshold has subsequently been disclosed for BlackRock, Inc.

See Section 13.8 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act. To the extent known to the Company, there are no other persons or entities that, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Company's Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

12.3 Authorisation to increase the share capital and to issue shares

At the Company's extraordinary General Meeting held on 25 June 2020, the Board of Directors was granted an authorisation to increase the share capital by up to NOK 344,207, corresponding to approx. 10% of the Company's share capital at the date of the extraordinary General Meeting through issuance of new shares in connection with necessary strengthening of the Company's equity and issuing of shares as consideration shares in connection with acquisition of businesses within the Company's purpose. This authorisation has been used to issue 13,768,280 of the Private Placement Shares.

Further, at the Company's extraordinary General Meeting held on 12 November 2020, the Board of Directors was granted an authorisation to increase the share capital by up to NOK 395,839, corresponding to approx. 10% of the Company's current share capital through issuance of new shares in connection with necessary strengthening of the Company's equity and issuing of shares as consideration shares in connection with acquisition of businesses within the Company's purpose. The authorisation is valid until the annual General Meeting of the Company in 2021, however no later than 30 June 2021. The preferential rights of the existing shareholders to subscribe for the new shares pursuant to section 10-4 of the Norwegian Public Limited Companies Act may be set aside.

Further, at the Company's annual General Meeting held on 28 April 2020, the Board of Directors was granted an authorisation to increase the share capital by up to NOK 20,750 through issuance of new shares in connection with the Company's incentive programmes for employees. The authorisation is valid until the annual General Meeting of the Company in 2021, however no later than 30 June 2021. The preferential rights of the existing shareholders to subscribe for the new shares pursuant to section 10-4 of the Norwegian Public Limited Companies Act may be set aside.

At the Company's annual General Meeting held on 28 April 2020, the Board of Directors was granted three separate authorisations to repurchase the Company's own Shares:

1. Authorisation to the Board of Directors to purchase treasury shares in connection with acquisitions, mergers, de-mergers or other transactions. The authorisation authorises the Board to acquire and pledge own shares in the Company on one or several occasions with an aggregate nominal value of up to NOK 314,207. The highest and lowest purchase price for each share shall be NOK 300 and NOK 1, respectively. The authorisation is valid until the annual General Meeting in 2021, however no later than 30 June 2021.
2. Authorisation to the Board of Directors to purchase treasury shares in connection with the Company's share- and incentive programmes for employees. This authorisation authorises the Board to acquire and pledge up to 830,000 treasury shares with an aggregate nominal value of NOK 20,750. The highest and lowest purchase price for each share shall be NOK 300 and NOK 1, respectively. The authorisation is valid until the annual General Meeting in 2021, however no later than 30 June 2021.
3. Authorisation to the Board of Directors to purchase treasury shares for the purpose of investment or for subsequent sale or deletion of such shares. The authorisation gives the Board of Directors right to acquire and pledge own shares in the Company on one or several occasions with an aggregate nominal value of up to NOK 314,207. The highest and lowest purchase price for each share shall be NOK 300 and NOK 1, respectively. The authorisation is valid until the annual General Meeting in 2021, however no later than 30 June 2021.

12.4 Share options and other financial instruments

Except as described under Section 11.2.3 "Shares and options held by members of the Board of Directors" "11.4.2" Employee incentive schemes" 11.4.3 "Shares and options held by members of the Management", neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares in the Company or its subsidiaries. Furthermore, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company.

12.5 Shareholder rights

The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote. Certain rights attaching to the Shares are described in 12.11 "Dividend and dividend policy".

12.6 Lock-up undertakings

During a period of 60 days after 23 October 2020 (the "**Lock-up Period**"), the Company has undertaken not to issue or undertake to issue any new shares. The foregoing shall not apply to (i) the issue of the Private Placement Shares, including the issue of the shares by the extraordinary General Meeting to be used to re-deliver borrowed shares to Scatec AS, or (ii) the issuance by the Company of shares under the Company's share option programmes from time to time or (iii) any agreement or undertaking to deliver consideration shares under which delivery is set after the expiration of the Lock-up Period.

12.7 Shareholder agreements

The Company is not aware of any agreements between its shareholders relating to the Shares of the Company that will be in force at the time of Listing.

12.8 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus shares (i.e. new Shares issued by a transfer from funds that the Company is allowed to use to distribute dividend), the Company's articles of association must be amended, which requires the support of at least (i) two thirds of the votes cast and (ii) two thirds of the share capital represented at the relevant General Meeting.

In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for the new Shares on a pro rata basis in accordance with their then-current shareholdings in the Company. Preferential rights may be set aside by resolution in a general meeting of shareholders passed by the same vote required to approve amendments of the Articles of Association. Setting aside the shareholders' preferential rights in respect of bonus issues requires the approval of the holders of all outstanding Shares.

The General Meeting of the Company may, in a resolution supported by at least (i) two thirds of the votes cast and (ii) two thirds of the share capital represented at the relevant General Meeting, authorise the Board to issue new Shares. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the nominal share capital at the time the authorisation is registered with the Norwegian Register of Business Enterprises. The shareholders' preferential right to subscribe for Shares issued against consideration in cash may be set aside by the Board only if the authorisation includes the power for the Board to do so.

Any issue of Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United Stated under U.S. securities law. If the Company decides not to file a registration statement, these shareholders may not be able to exercise their preferential rights.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval and provided, amongst other requirements, that the transfer is made from funds that the Company is allowed to use to distribute dividend. Any bonus issues may be effectuated either by issuing Shares or by increasing the nominal value of the Shares outstanding. If the increase in share capital is to take place by new Shares being issued, these new Shares must be allocated to the shareholders of the Company in proportion to their current shareholdings in the Company.

12.9 Distribution of assets on liquidation

Under Norwegian law, a company may be liquidated by a resolution of the company's shareholders in a general meeting passed by the same vote as required with respect to amendments to the articles of association. The shares rank equally in the event of a return on capital by the company upon liquidation or otherwise.

12.10 Rights of redemption and repurchase of shares

The Company has not issued redeemable shares (i.e. shares redeemable without the shareholder's consent).

The Company's share capital may be reduced by reducing the nominal value of the Shares. According to the Norwegian Public Limited Liability Companies Act, such decision requires the approval of at least two-thirds of the votes cast and share capital represented at a General Meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares if an authorisation to the Board to do so has been given by the shareholders at a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and share capital represented. The aggregate nominal value of treasury Shares so acquired may not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the shareholders at the General Meeting cannot be given for a period exceeding 18 months. A Norwegian public limited liability company may not subscribe for its own shares.

12.11 Dividend and dividend policy

12.11.1 *Dividend policy*

All Shares in the Company have equal rights to dividends.

The Company's objective is to pay its shareholders consistent and growing cash dividends. A share of free cash distributed from the project companies holding our power producing assets will be used to pay regular cash dividends that are sustainable on a long term basis. It is the intention that dividend will grow in line with the growth in the Company's producing asset base. From 2015 the Company's intention has been to allocate 50% of free cash received from the project companies holding the Company's power producing assets to dividends.

There can be no assurances that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the above. In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, the Scatec Solar Group's capital requirements and financial condition, general business conditions, any restrictions that borrowing arrangements or other contractual arrangements may place on the Company's ability to pay dividends and the maintaining of appropriate financial flexibility.

The table below shows the amount of dividend distributed per Share in 2019 and as at the date of this Prospectus in 2020.

NOK	2020 (as at the date of this Prospectus)	2019
Amount of dividend per Share	0.95	0.95

12.11.2 *Legal constraints on the distribution of dividends*

Dividends may be paid in cash, or in some instances, in kind. The Norwegian Public Limited Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution cover (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealised gains. The amount of any receivable held by the Company which is secured by a pledge over Shares in the Company, as well as the aggregate amount of credit and security which, pursuant to Section 8-7 to Section 8-10 of the Norwegian Public Limited Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

  The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividends, shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 14.1 "Taxation of dividend".

12.11.3 *Other constraints on the distribution of dividends*

The Term Loan Facility and the Acquisition Financing, as described in Section 6.7, both have covenants restricting the payment of dividends by the Company. The Company shall not be permitted to pay out any dividends or distributions until the Acquisition Financing has been repaid and cancelled in full. Following repayment and cancellation of the Acquisition Financing, dividends and distributions from the Company in any financial year shall, for the term of the Term Loan Facility, be limited to fifty per cent of any dividends and distributions received from any Renewable Energy Company (defined below) the preceding financial year. Further, any payment of dividends or distribution must (i) not lead to an event of default, (ii) be in compliance with applicable financial covenants, and (iii) be subject to a pro forma maximum debt of forty-five per cent.

For purposes of calculating the allowed dividend under the covenants described, Renewable Energy Company means:

a) any company being the direct owner of any power-producing assets in which the Borrower is a direct or indirect owner by virtue of ordinary shares or preference shares; or

b) any holding company which sole purpose is to own one or more Renewable Energy Companies, which, in whole or part, is financed or forms part of the security for the financing which is on nonrecourse basis towards the Borrower.

12.11.4 *Manner of payment of dividends*

Any future payments of dividends on the Shares will be denominated in NOK, and will be paid to the shareholders through the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account or linked a local cash account and swift address to their local bank, will however receive dividends by cheque in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of Nordea Bank Abp, filial I Norge, being the Company's VPS registrar, to issue a cheque in a local currency, a cheque will be issued in USD. The issuing and mailing of cheques will be executed in accordance with the standard procedures of Nordea Bank Abp, filial I Norge. The exchange rate(s) that is applied will be Nordea Bank Abp's exchange rate on the date and time of day for execution of the exchange for the issuance of cheque. Dividends will be credited automatically to the VPS registered shareholders' NOK accounts, or in lieu of such registered NOK account, by cheque, without the need for shareholders to present documentation proving their ownership of the Shares.

12.12 Regulatory disclosures

Mandatory notification of trade		
Date	Title	Description
20 December 2019	Disclosure of significant shareholding	Equinor ASA purchased 6,500,000 shares in Scatec Solar ASA on 19 December 2019. Following the transaction, Equinor holds 18,965,400 shares in Scatec Solar ASA, corresponding to 15.16 percent of the shares and votes in Scatec Solar ASA.

2 January 2020	Scatec Solar ASA: Long term incentive programme	In line with the terms adopted by the Annual General Meeting of Scatec Solar ASA in 2019, a total of 595,140 share options were granted to leading employees, including primary insiders.
30 January 2020	Scatec Solar ASA – Exercise of employee share options and share capital increase	The Board of Directors of Scatec Solar ASA has resolved to issue 554,517 shares to key employees following exercise of employee share options, pursuant to the Company's share option programme established in 2016.
30 January 2020	Scatec Solar ASA – Exercise of employee share options	Upon option exercise, the primary insiders have realised the subscribed shares.
6 February 2020	Scatec Solar ASA: Primary insider trading	Primary insider CFO Mikkel Tørud, has today sold 75,000 shares in Scatec Solar ASA, at an average price per share of NOK 164,5084.
7 February 2020	Notification – Major shareholdings	Incentive AS, in its capacity as discretionary investment manager of several funds and separately managed accounts, today (7 February 2020) sold 150,000 shares of Scatec Solar ASA, ISIN NO0010715139, (the "Company") at a price of NOK 164.50 per share (the "Transaction") in an ordinary transaction on the Oslo Stock Exchange. As a consequence of the Transaction, funds and separate accounts managed by Incentive AS now own less than 5 per cent of the voting rights and outstanding shares in the Company.
11 May 2020	Scatec Solar ASA: Primary insider trading	MMH Nysteen Invest AS, a company controlled by Board member Maria Moræus Hanssen and related parties, has on 8 May 2020 bought 1,500 shares in Scatec Solar ASA at an average price per share of NOK 166.80. After the transaction and as of the date hereof, Maria Moræus Hanssen and related parties own 1,500 shares in Scatec Solar ASA.
11 May 2020	Scatec Solar ASA: Primary insider trading	Primary insider Toril Haaland, EVP People & Organisation, has on 11 May 2020 bought 1,700 shares in Scatec Solar ASA at an average price per share of NOK 174.00. After the transaction and as of the date hereof, Toril Haaland owns 2,577 shares in Scatec Solar ASA.
19 May 2020	Scatec Solar ASA: Participation of primary insider in private placement	Reference is made to the stock exchange announcement published by Scatec Solar ASA ("SSO" or the "Company", ticker code "SSO") on 18 May 2020 regarding a private placement of the Company's shares (the "Private Placement"). Argentos AS, a company owned 100% by Raymond Carlsen, CEO of Scatec Solar, was allocated 30,487 shares. Total holding for Raymond Carlsen (directly and through Argentos AS) after the transaction is 3,018,334 shares and 108,637 share options.
20 May 2020	Scatec Solar ASA: Mandatory notification of trade – Share Purchase Programme	Nordea Markets has on 20 May 2020, on behalf of Scatec Solar ASA, purchased 26,889 Scatec Solar ASA shares at an average price of NOK 164.7578 per share. The shares were bought in connection with the Company's Share Purchase Programme for employees. Following the transaction, Scatec Solar ASA holds a total of 26,889 own shares.

27 May 2020	Scatec Solar ASA: Mandatory notification of trade – Share Purchase Programme	Nordea Markets has on 27 May 2020, on behalf of Scatec Solar ASA, purchased 1,248 Scatec Solar ASA shares at an average price of NOK 171.3436 per share. The shares were bought in connection with the Company's Share Purchase Programme for employees. Following the transaction, Scatec Solar ASA holds a total of 28,137 own shares.
16 September 2020	Disclosure of Significant Shareholding under the Norwegian Securities Trading Act	On 15th September 2020 BlackRock, Inc acquired 14,419 shares and voting rights in Scatec Solar ASA, resulting in a shareholding of 6,890,153 (5.00%) shares and voting rights.

Total number of voting rights and capital		
Date	Title	Description
31 January 2020	Scatec Solar ASA – Share capital increase registered	The issuance of 554,517 new shares has been registered with the Norwegian Register of Business Enterprises. Following registration, the share capital of Scatec Solar is NOK 3,142,079.725 divided on 125,683,189 shares, each with a nominal value of NOK 0.025. Each share represents one vote in the Company's General Meeting.
18 May 2020	Scatec Solar ASA: Contemplated private placement	Scatec Solar ASA ("SSO" or the "Company", ticker code "SSO") has retained BNP Paribas, Carnegie AS, J.P. Morgan Securities PLC, Nordea Bank Abp, filial i Norge, SpareBank 1 Markets AS and Swedbank Norge, branch of Swedbank AB (publ) (in cooperation with Kepler Cheuvreux S.A.) as joint bookrunners (the "Joint Bookrunners") to advise on and effect a private placement of new shares directed towards Norwegian and international investors after the close of Oslo Stock Exchange today 18 May 2020 (the "Private Placement"). In the Private Placement, the Company is offering up to 12 million new shares, representing approximately up to 9.5% of the outstanding capital of the Company. The Company intends to use the net proceeds from the Private Placement to fund further investments in renewable power plants.
19 May 2020	Scatec Solar ASA: Private placement completed	The Company is pleased to announce that the Private Placement has been successfully completed, raising NOK 1,968 million in gross proceeds through the allocation of 12,000,000 new shares (the "Private Placement Shares") at a subscription price of NOK 164 per share, which represents a 1.0% discount to the 10-day volume weighted average price and a 7.1% discount to the last closing price. The Private Placement was significantly oversubscribed. The Company has not planned to execute any subsequent share issue directed to shareholders not participating in the Private Placement.
26 May 2020	Scatec Solar ASA: Share capital increase registered with the Norwegian Register of Business Enterprises	On 26 May 2020, the Company has issued 12,000,000 new shares (the "Private Placement Shares"), which were allocated in the private placement. The Private Placement Shares have been issued on the Company's existing ISIN NO 001 0715139 and admitted to trading on Oslo Stock Exchange as of today. The share capital increase has also been registered with the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret). As a

result of the share capital increase, the Company has 137,683,189 shares in issue, each with a par value of NOK 0.025.

Additional disclosed information		
Date	Title	Description
23 October 2019	Scatec Solar ASA: Minutes of Extraordinary General Meeting	The Extraordinary General Meeting of Scatec Solar ASA resolved to authorise the Board to increase the share capital of the Company in order to strengthen the Company's equity and issue of consideration shares in connection with acquisitions of businesses within the Company's purpose.
19 December 2019	Flagging Scatec Solar ASA	Ferd AS sold 6,500,000 shares in Scatec Solar ASA. After this, Ferd AS owns 724,746 shares in Scatec Solar ASA.
17 December 2019	Scatec Solar awarded projects totaling 360 MW in Tunisia	Scatec Solar has been awarded three solar power plant projects in Tunisia totaling approximately 360 MW, following an international tender launched by the Tunisian Ministry of Industry and SMEs earlier this year.
24 January 2020	Key information relating to the cash dividend proposed to be paid by Scatec Solar ASA	In line with the dividend policy, the Board of Directors have resolved to propose to the Annual General Meeting of Scatec Solar, that a dividend of NOK 1.05 should be paid for 2019.
18 February 2020	First phase of Scatec Solar's 258 MW solar plant in South Africa in commercial operation	Scatec Solar and partners have grid connected and reached commercial operation for 86 MW of the 258 MW solar power complex in Upington, South Africa. The 86 MW facility, known as Sirius, is expected to produce 217 GWh and will lead to the abatement of more than 180,000 tonnes of CO(2) emissions annually.
25 February 2020	Another 86 MW of Scatec Solar's 258 MW solar power complex in South Africa in commercial operation	Scatec Solar and partners have grid connected and started early commercial operation for another 86 MW, the second of three, of the 258 MW solar power complex in Upington, South Africa. The 86 MW facility, known as Dyason's Klip 1, is expected to produce 217 GWh and deliver clean energy to around 40,000 households annually.
25 March 2020	Scatec Solar experiences limited impact on operating solar plants from the COVID-19 outbreak	Scatec Solar is closely monitoring developments and is following the respective national authorities' advice and recommendations regarding the coronavirus disease (COVID-19). The Company is taking precautionary measures at all locations to limit the spread of the virus, keep people safe, and ensure continued stable operations of our power plants. The Company has to date not experienced any impact of COVID-19 on operating assets or on delivery of power to our customers and consider the risk to be low. First quarter 2020 production is expected in line with guidance earlier provided.
6 April 2020	Scatec Solar's 258 MW Upington project in South Africa completed	Scatec Solar and partners have grid connected and started commercial operation of the third 86 MW solar plant in Upington, South Africa, completing the 258 MW solar power complex. The

		86 MW facility, known as Dyason's Klip 2, is expected to produce 217 GWh annually.
28 April 2020	Scatec Solar ASA: Minutes of Annual General Meeting	The Company announced that it had carried out the Annual General Meeting and that all proposals were resolved as presented in the notice convening the General Meeting.
28 April 2020	Scatec Solar ASA: Employee Share Purchase Programme 2020	The Company is continuing its employee share purchase programme established in 2019.
7 May 2020	Scatec Solar starts commercial operation of 54 MW in Ukraine	Scatec Solar and partners have grid connected and started commercial operations of the 54 MW Boguslav project in the Kyiv region, Ukraine.
16 July 2020	Scatec Solar ASA: Key information relating to the cash dividend of NOK 0.95 per share approved by the Board of Directors	The Board of Directors has in line with the Company's dividend policy and pursuant to the authorisation granted by the Annual General Meeting 28 April 2020 to approve the payment of dividend, resolved to approve a dividend of NOK 131 million, equivalent to NOK 0.95 per share for 2019. The board authorisation replaced the proposed resolution to the Annual General Meeting as of 24 January 2020 to pay a dividend of NOK 1.05 per share for 2019
25 June 2020	Scatec Solar ASA: Minutes of Extraordinary General Meeting	The Extraordinary General Meeting of the Company resolved to amend the Company's Articles of Association.

Financial Information		
Date	Title	Description
24 January 2020	Fourth quarter 2019–- Continued strong growth and new contract awards	Scatec Solar delivered continued strong growth in fourth quarter 2019 with proportionate revenues of NOK 1,642 million (1,666), and EBITDA of NOK 434 million (329). Power production reached 298 GWh on proportionate basis, up almost threefold from the same period last year, adding to existing predictable and long-term cash flows.
27 March 2020	Scatec Solar publishes Annual Report and Sustainability Report for 2019	The Board of Directors of Scatec Solar ASA has approved the annual accounts for 2019. Compared with the fourth quarter report 2019 published 21 January 2020, minor technical reclassifications have been made in the balance sheet. There are no changes to the consolidated statement of profit or loss, nor to the proportionate segment financials.
8 May 2020	Scatec Solar ASA: Record high power production – robust operations in turbulent times	Presentation of Scatec Solar's results for first quarter 2020

17 July 2020	Scatec Solar ASA: Power production doubled–- progressing large project opportunities	Scatec Solar's second quarter 2020 proportionate revenues reached NOK 925 million (1,648) with an EBITDA of NOK 417 million (388) and associated EBITDA margin of 45%. Power production reached 406 GWh on proportionate basis, a doubling of electricity production from the same quarter last year.

13. SECURITIES TRADING IN NORWAY

This Section 11.4.3 includes certain aspects of rules pertaining to securities trading in Norway in a Norwegian incorporated company pursuant to Norwegian legislation, but is however not a full or complete description of the matters described herein. The following summary does not purport to be a comprehensive description of all the legal considerations that may be relevant to a decision to purchase, own or dispose of Shares. Investors are advised to consult their own legal advisors concerning the overall legal consequences of their ownership of Shares. Prior to the Private Placement, the Shares have not been listed or traded on any stock exchange or regulated market.

13.1 Introduction

Oslo Børs was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. Oslo Børs is operated by Oslo Børs ASA, which also operates the regulated marketplace Oslo Axes and the multilateral trading facility Merkur Market.

Oslo Børs has entered into a strategic cooperation with the London Stock Exchange group with regards to, *inter alia*, trading systems for equities, fixed income and derivatives.

13.2 Market value of the Shares

The market value of all shares on the Oslo Stock Exchange, including the Shares, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on the Oslo Stock Exchange will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

13.3 Trading and settlement

Trading of equities on Oslo Børs is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on Oslo Børs takes place between 09:00 hours CEST and 16:20 hours CEST each trading day, with pre-trade period between 08:15 hours CEST and 09:00 hours CEST, closing auction from 16:20 hours CEST to 16:25 hours CEST and a post-trade period from 16:25 hours CEST to 17:30 hours CEST. Reporting of after exchange trades can be done until 17:30 hours CEST.

The settlement period for trading on Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the sellers will receive payment after two days.

SIX x-clear Ltd has a license from the Norwegian Ministry of Finance to act as a central counterparty and provide clearing services in Norway, and has since 2010 (until 2014 through the subsidiary Oslo Clearing ASA) offered clearing and counterparty services for equity trading on Oslo Børs.

Investment services in Norway may only be provided by Norwegian investment firms holding a licence under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licenced to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a licenced to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a licenced to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or Oslo Børs except for the general obligation of investment firms that are members of Oslo Børs to report all trades in stock exchange listed securities.

13.4 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

13.5 The VPS and transfer of Shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and Oslo Børs are currently both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

13.6 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration, and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the issuer and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote on shares at general meetings on behalf of the beneficial owners.

13.7 Foreign investment in Norwegian shares

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign.

13.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in an issuer with its shares listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that issuer, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the Company's share capital.

13.9 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

13.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

13.11 Compulsory acquisition

Pursuant to the Norwegian Public Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the issuer has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing 90% or more of the total number of issued shares, as well 90% or more of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired 90% or more of the voting shares of an issuer and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to section 4-25 of the Norwegian Public Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory and/or voluntary offer unless specific reasons indicate that another price is the fair price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price, or any other objection to the price being offered in a compulsory acquisition, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline for raising objections to the price offered in the compulsory acquisition.

13.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

14. TAXATION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Scatec Solar Group. The summary regarding Norwegian taxation is based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Scatec Solar Group. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

14.1 Taxation of dividend

Norwegian Personal Shareholders
Dividends received by shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income in Norway, adjusted with a factor of 1.44. Ordinary income is taxable at a rate of 22%, giving an effective tax rate of 31.68% (22% x 1.44). However, this will only apply to dividends exceeding a calculated risk-free return on the investment (tax-free allowance), which itself is tax exempt.

The tax-free allowance is calculated annually on a share-by-share basis and pertains to the owner of the share at the expiration of the relevant calendar year. The tax-free allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate based on the effective rate after tax of interest on treasury bills (Nw.: statskasseveksler) with three months maturity, with an addition of 0.5%.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of transfer.

Any part of the calculated allowance one year exceeding the dividend distributed on the share ("**Excess Allowance**") may be carried forward and set off against future dividends received on, or gains upon realisation of, the same share, and will be added to the basis for the allowance calculation. Excess Allowance cannot result in a deductible loss.

Norwegian Personal Shareholders may hold their shares through a share savings account (Nw.: "aksjesparekonto"). If the shares are held on a share savings account dividends and gains are not taxed until withdrawn from the account. The rules for tax exempt allowance also applies to share savings accounts as such and not to the individual share.

Norwegian Corporate Shareholders
Dividends distributed from the Scatec Solar Group to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at a rate of 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 22%).

Non-Norwegian Personal Shareholders
Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. It is the Non-Norwegian Personal Shareholder which is responsible for the registration of tax residency. The registration will be the basis for the calculation of withholding tax on dividends according to the applicable tax treaty. The withholding obligation lies with the company distributing the dividends and the Scatec Solar Group assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see Section 14.1 "Taxation of dividend"). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will generally be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Corporate Shareholders
Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident, provided that the shareholder is the beneficial owner of the share. It is the Non-Norwegian Corporate Shareholder which is responsible for the registration of tax residency. The registration will be the basis for the calculation of withholding tax on dividends according to the applicable tax treaty.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will generally be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who are exempt from withholding tax or have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian tax authorities for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to submit a confirmation to the Norwegian tax authorities that the nominee upon request from the Norwegian tax authorities will produce documentation on all the beneficial owners that are subject to withholding tax at a reduced rate to the tax authorities .

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Scatec Solar Group assumes this obligation.

14.2 Taxation of capital gains on realisation of shares

Norwegian Personal Shareholders
Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a rate of 22%. As for dividends, the ordinary income is adjusted with a factor of 1.44, giving an effective tax rate of 31.68% (22% x 1.44).

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the Norwegian Personal Shareholder's percentage interest in the Scatec Solar Group prior to the disposal.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated tax-free allowance provided that such tax-free allowance has not already been used to reduce taxable dividend income. Please refer to Section 14.1 "Taxation of dividend" above for a description of the calculation of the tax-free allowance. The tax-free allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Personal Shareholders may hold their shares through a share savings account (NO: aksjesparekonto). If the shares are hold on a share savings account gains are not taxed until profits are withdrawn from the share savings account. Losses are first deductible upon closing of the share savings account. The rules for tax-free allowance also applies to share savings accounts as a whole.

Norwegian Corporate Shareholders
Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of shares qualifying for participation exemption, including shares in the Scatec Solar Group. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Non-Norwegian Personal Shareholders
Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway or, on specific conditions, when the shares are held by a Non-Norwegian Personal Shareholder who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the shares at the time of cessation as Norwegian tax resident.

Non-Norwegian Corporate Shareholders
Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are generally not subject to taxation in Norway.

14.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to the listed value as of 1 January in the year of assessment, reduced by 25% (i.e. the year following the relevant fiscal year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

14.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

14.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway. However, the heir acquires the donor's tax input value based on principles of continuity. Thus, the heir will be taxable for any increase in value in the donor's ownership, at the time of the heir's realization.

14.6 Taxation of subscription rights

Norwegian Personal Shareholders
A Norwegian Personal Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares, including the purchase price for any purchased subscription rights, will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholders through a realisation of subscription rights is taxable or tax deductible in Norway and subject to the same taxation as a capital gain or loss generated through realisation of shares, please refer "Taxation of capital gains on realisation of shares — Norwegian Personal Shareholders" above. Please note that capital gains related to subscription rights will not be comprised by the Norwegian share saving account as described in Section 14.2 "Taxation of capital gains on realisation of shares"–- "Norwegian Personal Shareholders" above.

Norwegian Corporate shareholders
A Norwegian Corporate Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered a realisation for Norwegian tax purposes. Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of subscription rights qualifying for the Norwegian participation exemption. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such subscription rights are not deductible for tax purposes.

Non-Norwegian Shareholders
A Non-Norwegian (Personal or Corporate) Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway.

Capital gains derived by the sale or other transfer of subscription rights by Non-Norwegian Shareholders are not subject to taxation in Norway unless the Non-Norwegian Shareholder holds the subscription rights in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

Please note that capital gains related to subscription rights are not comprised by the Norwegian Government's proposal with respect to the availability of the Norwegian share saving account scheme for Non-Norwegian Personal Shareholders resident within the EEA as further described above in Section 14.1 "Taxation of dividend" – "Non-Norwegian Personal Shareholders".

14.7 Taxation of employees

Special tax rules may apply for employees of a group company upon subscription or purchase of shares.

Generally, any economic benefit derived by an employee from the subscription or purchase of shares, e.g. subscription or purchase at a price lower than the fair market value of the shares, will constitute a taxable benefit for the employee. The taxable benefit is calculated to be the difference between the market value of the share at the time of subscription or acquisition, and the price paid for the share.

For employee share purchase programs offered as a general scheme to all employees, a benefit of up to 20% and maximum NOK 3,000 per employee per year is tax free. Thus, such part of the discount offered under the employee offering will not trigger taxation of the employees.

Any benefit in excess of the 20% / NOK 3,000 tax free amount will be taxed as if the employee received salary. The benefit is taxed in the income year of which the shares are received.

The input value of share subscribed or purchased by Employees under the employee offering is equal to the employee's cost price, but added the discount of maximum NOK 3,000. If the employee has been given an additional discount (e.g. underprice) which is taxable, the discount will be added to the cost price.

15. THE COMPLETED PRIVATE PLACEMENT

15.1 Overview

On 21 October 2020, the Company announced the placement of the Private Placement, comprising a total of 20,652,478 shares in the Company, each with a par value of NOK 0.025, at a subscription price of NOK 230 per new share (the "**Private Placement Shares**"), resulting in gross proceeds to the Company of approximately NOK 4,750 million. The Company will bear the costs, fees and expenses related to the Private Placement, which are estimated to amount to approximately NOK 105 million. Hence, the total net proceeds from the Private Placement are estimated to be approximately NOK 4,645.

The Private Placement consists of an issuance of approximately 15% of the Shares currently outstanding and directed towards certain shareholders and new investors. The Shares were delivered to the investors on 23 October 2020. 13,768,280 shares in the Private Placement have been settled towards investors by issuing new Shares, pursuant to an authorisation granted to the Board of Directors by the extraordinary General Meeting 25 June 2020 (the "**New Shares**"). The New Shares were registered with the NRBE on 21 October 2020.

6,884,198 shares, corresponding to approximately 5% of the Private Placement have been settled towards investors by delivery of borrowed shares pursuant to a share lending agreement with Scatec AS (the "**Borrowed Shares**"). Redelivery of the Borrowed Shares will be made after the registration of a share capital increase resolved by the General Meeting on 12 November 2020. Registration of the share capital increase for redelivery of the Borrowed Shares to Scatec AS is expected to be registered with the NRBE on 13 November 2020 and the shares will be issued on the same date. The shares to be issued in the share capital increase resolved for issuance of the Borrowed Shares by the General Meeting on 12 November 2020 were subscribed for by Nordea (on behalf of the Managers for the Private Placement), who will thereafter redeliver the shares to Scatec AS.

References in the Prospectus to the "Private Placement Shares" includes both the New Shares, and the Borrowed Shares to be issued according to the resolution by the General Meeting on 12 November 2020.

The subscription price in the Private Placement was determined through an accelerated bookbuilding process and was set at NOK 230 per Share in the Private Placement. The Board of Directors resolved to issue the Shares in the Private Placement on 20 October 2020. The Shares issued in the Private Placement are freely transferable.

The minimum subscription and allocation amount in the Private Placement was set to the NOK equivalent of EUR 100,000, provided, however, that the Company reserved the right to allocate an amount below EUR 100,000 to the extent applicable exemptions from the prospectus requirement pursuant to the Norwegian Securities Trading Act and ancillary regulations, or similar legislation in other jurisdictions, were available.

The share issue was carried out as a private placement in order to put the Company in a position to raise capital in an efficient manner in the prevailing volatile capital market, with a lower discount to the current trading price and with significantly lower completion risks compared to a rights issue. As a consequence of the private placement structure, the shareholders' preferential right to subscribe for new Shares was deviated from by the Board of Directors in favour of the shareholders allocated shares in the Private Placement.

The Private Placement Shares were placed to selected investors following an accelerated book-building process after close of market on 20 October 2020.

The successful placement of the Private Placement was announced through an announcement made by the Company close after midnight on 21 October 2020.

15.2 Use of proceeds

The expected net proceeds from the Private Placement, will mainly be used in the following order of priority:

(i) finance USD 300 million of the acquisition of SN Power; and

(ii) the remaining amount for growth and general corporate purposes.

15.3 Resolutions regarding the Private Placement Shares

The New Shares, corresponding to 10% of the shares in the Private Placement were issued pursuant to an authorisation granted to the Board of Directors by the extraordinary General Meeting 25 June 2020. On 20 October 2020, the Board of Directors made the following resolution to increase the Company's share capital by NOK 344,207 by issuance of the New Shares allocated in the Private Placement (translated from Norwegian):

"The Company's share capital is increased pursuant to the Norwegian Public Limited Liability Companies Act section 10-17, cf. Section 10-1 on the following terms:

1. *The Company's share capital is increased with NOK 344,207 by an issue of 13,768,280 new shares.*
2. *The par value of the shares is NOK 0.025.*
3. *An amount of NOK 230 shall be paid for each share.*
4. *The new shares may be subscribed for by the Managers (on behalf of investors who have been allocated shares in the Private Placement) in accordance with the distribution as set out in the list attached hereto as annex 1. The pre-emptive right for subscription of shares for existing shareholders pursuant to the Norwegian Public Limited Liability Companies Act § 10-4 is set aside, cf. § 10-5.*
5. *Subscription of shares shall be made in a separate subscription form within 21 October 2020.*
6. *The share consideration shall be paid within 6 November 2020 by cash payment directly to the Company's special share placement account with account number 6026.06.30701.*
7. *The new shares carry full shareholder rights, including a right to dividends, from the time of the registration of the share capital increase in the Norwegian Register of Business Enterprises.*
8. *Anticipated expenses in connection with the share capital increase is approximately NOK 95 million.*
9. *The Company's articles of association Section 6 is amended to read: "The share capital is NOK 3,786,286.725 fully paid up and divided on 151,451,469 shares, each with a nominal value of NOK 0.0252"."*

On 12 November 2020, the General Meeting made the following resolution to increase the Company's share capital by NOK 172,104.95 by issuance of Shares allocated in the Private Placement, that will be used for redelivery of the Borrowed Shares to Scatec AS (translated from Norwegian):

"The Company's share capital is increased pursuant to the Norwegian Public Limited Liability Companies Act section 10-1 on the following terms:

1. *The Company's share capital is increased with NOK 172,104.95 by an issue of 6,884,198 new shares.*
2. *The par value of the shares is NOK 0.025.*
3. *An amount of NOK 230 shall be paid for each share.*
4. *The new shares may be subscribed for by Nordea (on behalf of the Managers) for redelivery of borrowed shares to Scatec AS. The pre-emptive right for subscription of shares for existing shareholders pursuant to the Norwegian Public Limited Liability Companies Act § 10-4 is set aside, cf. § 10-5.*
5. *Subscription of shares shall be made in a separate subscription form within 27 November 2020.*
6. *The share consideration shall be paid within 27 November 2020 by cash payment directly to the Company's special share placement account with account number 6026.06.30701.*

7. *The new shares carry full shareholder rights, including a right to dividends, from the time of the registration of the share capital increase in the Norwegian Register of Business Enterprises.*

8. *Anticipated expenses in connection with the share capital increase is approximately NOK 0.5 million.*

9. *The Company's articles of association Section 6 is amended to read: "The share capital is NOK 3,958,391.675 fully paid up and divided on 158,335,667 shares, each with a nominal value of NOK 0.025"."*

15.4 Delivery and listing of the Shares in the Private Placement

The Shares in the Private Placement was delivered to the investors on 23 October 2020.

The Private Placement Shares are listed on the Oslo Stock Exchange under ISIN NO 001 0715139 and ticker code "SSO". The Company's registrar in the VPS is Nordea Bank Abp, filial i Norge, Essendrops gate 7, 0368 Oslo, Norway.

15.5 The rights conferred by the Private Placement Shares

The Private Placement Shares are created under the Norwegian Public Limited Companies Act.
The Private Placement Shares carry full shareholder rights equal to the existing Shares of the Company. For a description of rights attaching to Shares in the Company, see Section 12.5.

15.6 Dilution

The Company's total assets (non-current assets and current assets taken together) and liabilities (non-current liabilities and current liabilities taken together) as at 30 September 2020 and as set out in the Company's Q3 financial presentation as at that date were NOK 23,919 million and NOK 18,434 million, respectively, which translates to approximately NOK 39.84 in net asset value per Share at that date. The Subscription Price is NOK 230.

The percentage of immediate dilution resulting from the Private Placement for the Company's shareholders was approximately 13.04%.

The following table shows a comparison of participation in the Company's share capital and voting rights for existing shareholders before and after the Private Placement:

	Number of shares and percentage
Number of Shares prior to the Private Placement	137,683,189
Private Placement	20,652,478
Total number of Shares each with a par value of NOK 0.025	158,335,667
% dilution	13.04%

15.7 Governing law and jurisdiction

This Prospectus shall be governed by, and construed in accordance with, Norwegian law. Any dispute arising out of, or in connection with, this Prospectus shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo district court as legal venue.

16. ADDITIONAL INFORMATION

16.1 Independent Auditor and advisors

The Company's auditor is Ernst & Young AS, with registration number 976 389 387 and business address at Dronning Eufemias gate 6, 0191 Oslo. Ernst & Young AS is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants).

DNB Markets, a part of DNB Bank ASA, Nordea Bank Abp, Swedbank AB (publ) and SpareBank1 Markets AS are acting as Managers for the Private Placement.

Advokatfirmaet Selmer AS (Tjuvholmen allé 1, N-0112 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

16.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Askekroken 11, 0277 Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays) and on the Company's website www.scatecsolar.com for a period of twelve months from the date of this Prospectus.

- The Articles of Association and Certificate of Incorporation.
- The Scatec Solar Group's audited consolidated annual financial statements for the year ended 31 December 2019.
- The Scatec Solar Group's unaudited condensed interim consolidated financial statements for the three months period ended 30 September 2020.
- SN Power Group's audited consolidated financial statements for the year ended 31 December 2019.
- This Prospectus.
- Independent assurance report on pro forma financial information.

16.3 Documents incorporated by reference

Section in Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page (P) in reference document
Section 4.3	Annex 3, item 11.1	**Interim Financial Statement for three months ended 30 September 2020** https://scatecsolar.com/wp-content/uploads/sites/2/2020/10/Scatec-solar-q3-2020-report.pdf	p. 19-35
Section 4.3	Annex 3, item 11.1	**Interim Financial Statement for six months ended 30 June 2020** https://scatecsolar.com/wp-content/uploads/sites/2/2020/07/Scatec-Solar-Q2-2020-Report.pdf	p. 17-33
Section 4.3	Annex 3, item 11.1	**The Annual Accounts for the year ended 31 December 2019:** https://annualreport2019.scatecsolar.com/	p. 36-110
Section 4.3	Annex 3, item 11.2.1	**Auditor's report for the year ended 31 December 2019:** https://annualreport2019.scatecsolar.com/	p. 140-143
Section 12.2	Annex 3, item 9.1	**Stock exchange announcement as of 16 September 2020** https://newsweb.oslobors.no/message/513657	N/A

17. DEFINITIONS AND GLOSSARY

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus.

Anti-Money Laundering Legislation	The Norwegian Money Laundering Act No. 11 of 6 March 2009 and the Norwegian Money Laundering Regulations No. 302 of 13 March 2009.
Appropriate Channels for Distribution	All distribution channels as are permitted by MiFID II
Articles of Association	The articles of association of the Company.
Board of Directors or Board	The board of directors of the Company.
COD	Commercial operation date
Combined Group	The Scatec Solar Group and the SN Power Group collectively after the transaction
Company	Scatec Solar ASA.
Completion	Completion of the Transaction, expected to take place during the first quarter of 2021
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance dated 23 October 2012.
Corporations Act	The Corporations Act 2001 (Cwth) of Australia
CPI	Consumer price index
Due Diligence Investigations	Certain information received about SN Power, including certain vendor due diligence reports, access to and Q&A with current management and the Seller
EEA	The European Economic Area.
EPC Contract	Contract regarding engineering, procurement and construction
EPC Contractor	Contractor in an EPC Contract
EPIRA	Electric Power Industry Reform Act of 2001
ESMA	European Securities and Markets Authority
EU	The European Union.
EU Prospective Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
Excess Allowance	Any part of the calculated allowance one year exceeding the dividend distributed on the share
Existing Shareholder	Shareholder of the Company as of 20 October (and being registered as such in the Norwegian Central Securities Depository (the "**VPS**") on 22 October pursuant to the two days' settlement procedure (the "**Record Date**")
EY	Ernst & Young AS

Financial Information	The Financial Statements and the Interim Financial Statements
Financial Statements	The Company's financial statements for the year ended 31 December 2019
FiT	Feed-in Tariff: A policy mechanism designed to accelerate investment in renewable energy technologies, by offering long-term contracts to renewable energy producers, typically based on the cost of generation of each technology, offering cost-based.
Forward-looking statements	Statements made that are not historic and thereby predictive as defined in Section 3.5.
FSMA	The UK Financial Services and Markets Act 2000
General Meeting	The Company's general meeting of shareholders.
GLEIF	The Global Legal Identifier Foundation
IAS	International Accounting Standard.
IEA	International Energy Agency
IFRS	International Financial Reporting Standards as adopted by the EU.
Ineligible Shareholders	Shareholders located in the United States who are not a QIB
Interim Financial Statements	Unaudited financial statements as of, and for the three month period ended 30 September 2020
ISIN	Securities number in the Norwegian Registry of Securities (VPS).
LEI	Legal Entity Identifier
Listing	The listing of the Shares on Oslo Børs.
Lock-up Period	The period of 60 days after 23 October 2020
LOUs	Local Operating Units
Management	The Group's senior management team.
Managers	DNB Markets, a part of DNB Bank ASA, Nordea Bank Abp, Swedbank AB (publ) and SpareBank1 Markets AS
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended
Negative Target Market	Investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile
NOK	Norwegian Kroner, the lawful currency of Norway.
Non-Norwegian Personal Shareholders	Shareholders who are individuals not resident in Norway for tax purposes
Non-Norwegian Shareholders	Shareholders who are not resident in Norway for tax purposes.
Norwegian FSA	The Financial Supervisory Authority of Norway (Nw.: Finanstilsynet).

Norwegian Corporate Shareholders	Shareholders who are limited liability companies and certain similar corporate entities resident in Norway for tax purposes.
Norwegian Personal Shareholders	Personal shareholders resident in Norway for tax purposes.
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (Nw.: verdipapirhandelloven).
O&M	Operations & Maintenance
Off-take agreement	A power purchase agreement entered into with the purchaser (being the off-taker) of the power generated by the power plants.
Order	Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
Oslo Børs	Oslo Børs ASA or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
PPA	Power purchase agreement
QIBs	Qualified institutional buyers, as defined in Rule 144A under the U.S. Securities Act.
Payment Date	2 December
Positive Target Market	An end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II
Private Placement	The issue of 20,652,478 new Shares in a private placement at a subscription price of NOK 230, each with a nominal value of NOK 0,025, issued on 23 October 2020.
Private Placement Shares	The 20,652,478 new Shares in the Company, each with a nominal value of NOK 0.025, issued at a subscription price of NOK 230 per Private Placement Share in connection with the Private Placement.
Product Governance Requirements	Collectively the (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures
Prospectus	This Prospectus dated 12 2020, prepared in connection with the Listing.
Record Date	22 October 2020
Relevant Member State	Each Member State of the EEA which has implemented the EU Prospectus Regulation.
Relevant Persons	Persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Scatec Solar	Scatec Solar ASA
Scatec Solar Group	Scatec Solar and its consolidated subsidiaries
Seller	Norfund AS
Share(s)	Shares in the share capital of the Company, each with a nominal value of NOK 0.025 or any one of them.
SNAP	SN Aboitiz Power

SN Power	SN Power AS
SN Power Group	SN Power AS together with its consolidated subsidiaries
SPA	The share purchase agreement entered into between Norfund AS and Scatec Solar regarding the acquisition of SN Power
Subscription Price	The subscription price for the Private Placement Shares, being NOK 230
Target Market Assessment	The Positive Target Market together with the Negative Target Market
UK	The United Kingdom
USD	United States Dollar, the lawful currency of the United States of America.
U.S Exchange Act	The U.S. Securities Exchange Act of 1934, as amended.
U.S. Securities Act	The United States Securities Act of 1933, as amended
Vendor Finance	A subordinated 7-year vendor finance provided by Norfund for USD 200,000,000 (the "**Vendor Finance**
VPS	The Norwegian Central Securities Depository (*Nw.: Verdipapirsentralen*).
VPS Registrar	Nordea Bank Abp, filial i Norge, address: Essendrops gate, 0368 OSLO

APPENDIX A

Articles of association for Scatec ASA - 12 November 2020

	These articles have been prepared in both Norwegian and English. In case of any discrepancies between the versions, the Norwegian version shall prevail.
Vedtekter **for** **Scatec ASA** (sist endret 12. november 2020) § 1 Selskapets navn er Scatec ASA. Selskapet er et allmennaksjeselskap. § 2 Selskapets forretningskontor er i Oslo kommune. § 3 Selskapets formål er etablering og drift av virksomhet innen fornybar energi, herunder investering i selskaper med slik virksomhet. § 4 Selskapets firma tegnes av styrets leder. § 5 Styret kan tildele prokura. § 6 Aksjekapitalen er NOK 3 958 391,675 fullt innbetalt og fordelt på 158 335 667 aksjer, hver med pålydende NOK 0,025. § 7 Selskapets styre skal ha fra tre til syv medlemmer etter generalforsamlingens nærmere beslutning. § 8 Selskapet skal ha en valgkomité. Valgkomiteen skal avgi innstillinger til generalforsamlingen om valg av aksjeeiervalgte medlemmer til styret, godtgjørelse til styrets	**Articles of association** **for** **Scatec ASA** (last amended on 12 November 2020) § 1 The company's name is Scatec ASA. The company is a public limited company. § 2 The company's registered office is in the municipality of Oslo. § 3 The company's business is establishment and operation of business within renewable energy, hereunder investment in companies operating such business. § 4 The chairman of the board alone shall have the authority to sign for the company. § 5 The board may grant power of procuration. § 6 The share capital is NOK 3,958,391.675 fully paid up and divided on 158,335,667 shares, each with a nominal value of NOK 0.025. § 7 The company's board of directors shall consist of three to seven members. § 8 The company shall have a Nomination Committee. The Nomination Committee shall make recommendations to the General Meeting regarding election of shareholder-elected members of the Board of Directors, remuneration to

medlemmer, valg av medlemmer til valgkomiteen og godtgjørelse til valgkomiteens medlemmer.	the members of the Board of Directors, election of members to the Nomination Committee and remuneration to the members of the Nomination Committee.
Valgkomiteen skal bestå av to til tre medlemmer som skal være aksjeeiere eller representanter for aksjeeiere. Valgkomiteens medlemmer, herunder valgkomiteens leder, velges av generalforsamlingen for en periode på ett eller to år. Valgkomiteens medlemmer kan gjenvelges. Godtgjørelse til valgkomiteens medlemmer fastsettes av generalforsamlingen.	The Nomination Committee shall consist of two to three members who shall be shareholders or representatives of shareholders. The members of the Nomination Committee, including the Chair of the Nomination Committee, are elected by the General Meeting for a term of one or two years. The members of the Nomination Committee can be reelected. Remuneration to the members of the Nomination Committee is determined by the General Meeting.
§ 9	§ 9
Aksjeeiere som vil delta på generalforsamlingen skal meddele dette til selskapet innen fem dager før generalforsamlingen.	Shareholders who want to participate at the general meeting shall notify the company thereof within five days prior to the general meeting.
Ved erverv av aksjer kan retten til å delta og stemme på generalforsamlingen bare utøves når ervervet er innført i aksjeeierregisteret den femte virkedagen før generalforsamlingen.	Upon acquisition of shares, the right to participate and vote at the general meeting may only be exercised if the acquisition is recorded in the shareholder registry the fifth business day prior to the general meeting.
Dokumenter som gjelder saker som skal behandles på generalforsamlingen trenger ikke sendes til aksjeeierne dersom dokumentene er gjort tilgjengelige for aksjeeierne på selskapets internettsider. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen.	Documents relating to matters which shall be considered at the general meeting need not be sent to the shareholders if the documents are made available to the shareholders on the company's websites. This also applies for documents which according to law shall be included in or attached to the notice to the general meeting.
Styret kan bestemme at aksjeeierne skal kunne avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen.	The board of directors may decide that shareholders may submit their votes in writing, including by use of electronic communication, in a period prior to the general meeting.
§ 10	§ 10
Den ordinære generalforsamling skal behandle: 1) Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte 2) Andre saker som etter loven eller vedtektene hører under generalforsamlingen.	The company's ordinary general meeting shall consider the following: 1) Approval of the annual accounts and annual report, including distribution of dividend. 2) Other matters which according to law or articles of association shall be dealt with by the general meeting.

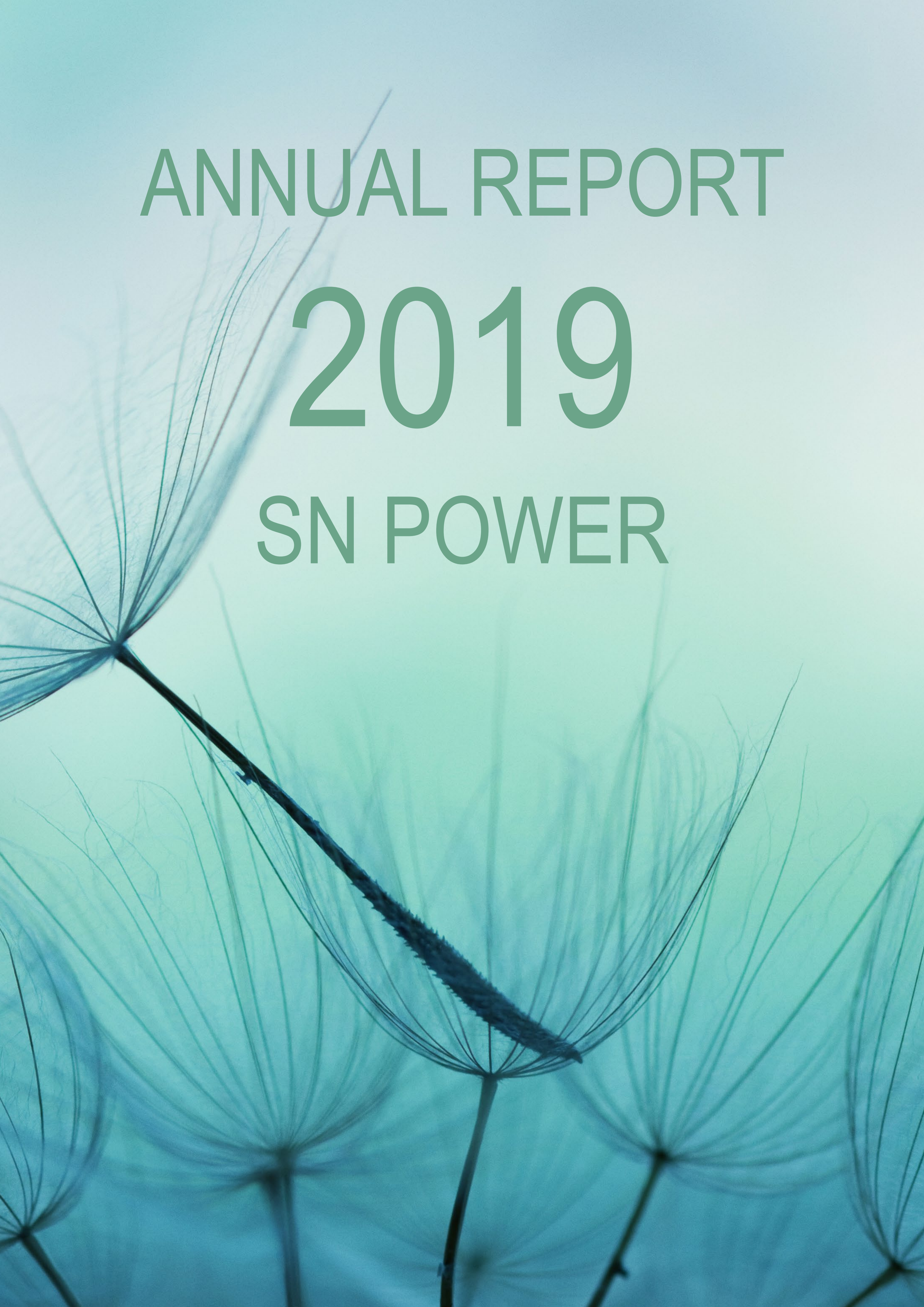
APPENDIX B

Audited, Consolidated Financial Statements for SN Power for 2019

ANNUAL REPORT

2019

SN POWER



CONTENT

AT A GLANCE

VISION

Powering development through renewable energy.

MISSION

To become a leading hydropower company in emerging markets, contributing to economic growth and sustainable development.

CORE VALUES

COMPETENCE

Using knowledge and experience to achieve ambitious goals and be recognized as a leader.

RESPONSIBILITY

Creating value while showing respect for employees, customers and society.

INNOVATIVE

Thinking creatively, identifying opportunities and developing effective solutions.

ABOUT SN POWER

WE ARE PROUD TO BE

133

EMPLOYEES

of 28

NATIONALITIES

in 10

COUNTRIES

at 4

CONTINENTS

ABOUT THE COMPANY

SN Power is a global company, with an objective to develop, construct, acquire, own and manage renewable energy plants in Africa, Asia and Latin America, either alone, in cooperation with or through ownership in other companies. The company is focusing on hydropower projects.

The company has a long-term investment perspective and emphasizes strong compliance with international standards and guidelines within the areas of Environment, Social, Compliance and Governance. SN Power is member a of the UN Global Compact program and Transparency International and complies with World Bank and IFC Performance Standards.

SN Power was established in 2002, as a partnership between the two Norwegian companies Norfund and Statkraft. The company's mission, then and now, is to become a leading hydropower company in emerging markets, contributing to economic growth and sustainable development.

SN Power's technical expertise is based on more than 100 years of hydropower development in the Norwegian market and through international experience.

In 2017 Norfund acquired Statkraft's share in SN Power and the company is now owned 100% by Norfund.

Norfund is owned by the Norwegian Government through the Ministry of Foreign Affairs. Norfund invests risk capital in profitable private enterprises in Africa, Asia and Central America.

Through Norfund, SN Power has access to significant expertise and experience investing in developing markets.

SN Power is currently operating hydropower projects, through joint ventures, in the Philippines, Laos, Uganda, Zambia and Panama.

The company has a multinational team of professionals in 10 countries on four continents, with head office functions located in Oslo, Norway and Amsterdam, the Netherlands.

STRATEGY & OUTLOOK

SN Power has clear core competencies in hydropower. We have a wide network, the knowledge and the financial capacity to actively seek out opportunities in high potential, yet often challenging markets, alongside a proven ability to optimize returns from existing assets.

SN Power currently holds nine producing assets totaling 1,531 MW of which 648 MW is equity MW holding.

In August 2019, the Board of Directors approved a new strategy for SN Power. The new strategy is focused on growth and efficiency. It was agreed to target an average growth of 150 equity MW annually over the next 10 years.

The new strategy focuses on optimizing the existing projects and assets and a geographic expansion in our core markets. SN Power will also consider new technologies where it complements the existing market position as an enhanced service offering.

SN Power will continue to capitalize on Norwegian and international hydropower competence and expertise, but the focus moving forward is to improve the expertise and capabilities. SN Power aims to build up competence and strengthen the organization in the regions.

The ambitious goals clearly demand a pro-active organization with the ability to face challenges and transform them into business opportunities.

The growth will be based on funding from own dividends in addition to equity injections from our owner. We aim to secure sustainable economic development in the markets we enter as well as attractive return for our owner.

ENABLING ECONOMIC GROWTH IN DEVELOPING COUNTRIES

Erik Knive, Group Chief Executive Officer

> "Our overall goals continue to be to secure an attractive return for our owner and to power sustainable economic development in the markets we operate.

2019 proved to be a good year for SN Power and we started seeing the results of the revised growth strategy and new business plan. 2020 becomes the year to deliver on the projects that have been developed and to reinvigorate our successful history.

Our experience has shown that the supply of energy is the single most important driver for economic development in most developing countries. This energy needs to be clean, stable, affordable, financeable, and domestic. Norway's development was based on energy from hydropower. The energy came first, then the industry. This could also be a strategy for several developing countries.

Our job is to enable economic growth in developing countries, as we have for the past 18 years. Few, if any, companies have successfully built or rehabilitated as many (over 19 to date) new and old hydropower stations as SN Power has during the last almost two decades.

Through our extensive projects we have learned some valuable lessons, some very expensive both in terms of lives lost and costs overruns. We have also gained a wealth of experience and built a culture that can only be assembled though lessons and hard work. Our culture and experience are the backdrop and prerequisite for our reinvigorated organization.

SN Power has gone through a reorganization including establishment of a new management team and reorganized corporate structure including regional focus on Asia, Africa, and Latin America.

In addition, new divisions for Accounting & Financing, Special Projects, Shared Services, and Technical Operations have been established.

We will concentrate on the geographic regions with more autonomous, performance focused, locally based management teams for the years to come. The new strategy is focused on growth with a target of growing our portfolio with an average 150 equity MW annually over the next 10 years.

We know that hydropower will continue to be an important part of the energy mix in the future. This is especially true given the need to transition from high-carbon to low-carbon based energy sources. In order to achieve this, studies project that the share of renewable[1] energy needs to increase from about 25% at present to 65% by 2050. In such a scenario, fossil fuel use will be 1/3 of today's base, with coal declining the most, and oil utilization at about 45% of current levels.

1 Includes bioenergy, geothermal, hydropower, ocean, solar and wind

Renewables will assume a dominant role in power generation, which will require skillful integration of variable renewables such as solar and wind into the grid.

In such a scenario, the role of hydropower which can regulate the grid, will be of critical importance. Projections show the need for an additional 500-600 GW hydropower generation by 2050 to fully utilize other renewable energy sources. The current global hydropower installed capacity is approximately 1,292 GW.

SN Power currently holds nine significant producing assets across our operations in Asia, Africa, and Latin America.

In addition, we have a significant development pipeline including three large hydropower projects in late stage development or pre-construction in Rwanda/DRC/Burundi, Madagascar, Philippines as well as three additional projects in late feasibility stages in Myanmar, Malawi, Philippines and several projects under advanced development. This year we also expect to be making our first investments into floating solar and utility scale battery systems.

Our overall goals continue to be to secure an attractive return for our owner and to power sustainable economic development in the markets we operate.

Erik Knive
Group Chief Executive Officer

ACCOUNTING, FINANCE & INVESTMENTS

Tor Inge Stokke, Executive Vice President, Accounting, Finance & Investments

SN Power has a strong financial situation with a steady yearly dividend around MUSD 100. There is currently no debt in any of the holding companies, but we are evaluating to establish a revolving credit facility that can be utilized for acquisitions.

The financial performance of SN Power depends to a large extent on hydrology and price level. In Bujagali, Uganda the revenues are secured through a sovereign-guaranteed long-term capacity-based Power Purchase Agreement (PPA), while the PPA in THPC, Laos is a fixed price take or pay contract with EGAT of Thailand. Our business in the Philippines is more volatile and dependent on spot prices, although the revenue line to some degree is secured through PPAs. The same goes for Panama where we also have merchant exposure, but a larger portion is secured through PPAs. Zambia is a challenge due to very late payments from the sole off taker Zesco.

Most of the costs in the holding companies are related to several business development projects. They are in different stages, from pre-feasibility up to pre-construction.

Through the maximization of dividends and refinancing of the operative project companies, the capital structure is optimized to maximize the Group's value and reinvestment capability. SN Power will be able to provide most of the required equity in its growth strategy from internally generated funds. Norfund will be asked for financial support and new equity when needed.

The Group relies on project financing in which lenders are not entitled to recourse against the parent or sister companies. In some cases, capped parent company guarantees will still have to be issued to cover risks that cannot be allocated to lenders, typically construction related risks.

The overall purpose of the controlling functions and activities in SN Power is to contribute to the shareholder achieving a secure, long-term return on its investments by providing financial management support for the group entities, and ensuring effective and proactive cost control across the asset portfolio of the group (operations and projects).

Risk Management in SN Power is based on the principle that risk identification and evaluation is an integral part of all business activities (control disciplines) and a central element of good corporate governance.

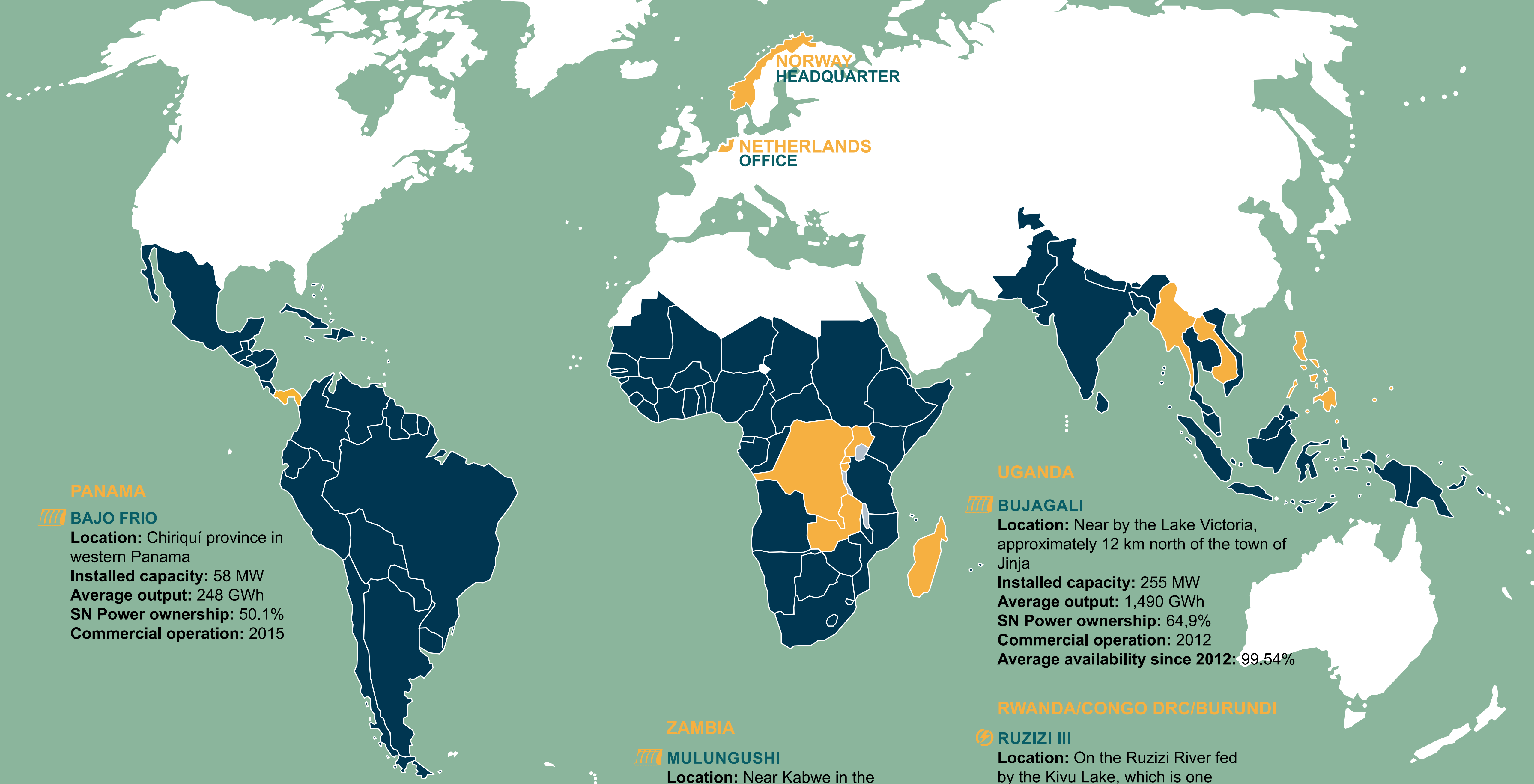
KEY FIGURES

	UNIT	2019	2018
GROSS POWER PORTFOLIO			
SN Power share of installed capacity	MW	649	648
Gross production, actual	GWh	5,424	6,248
Net production (SN Power share)	GWh	2,251	2,231
FINANCIALS			
Gross operating revenue	MUSD	46	54
Income from associated companies / JVs	MUSD	84	90
EBITDA 1)	MUSD	4	24
Net Earnings after tax	MUSD	54	88
Cash Flow from operational activities	MUSD	83	97
Cash and cash equivalents	MUSD	44	67
Equity	MUSD	1,045	1,073
Equity investments from SN Power	MUSD	0	282
Repaid capital on investments to SN Power	MUSD	-	-
New equity	MUSD	-	-
Interest bearing debt\equity ratio 2)	%	11%	12%
Equity ratio 3)	%	82%	82%
HUMAN CAPITAL			
Employees	Number	133	133
Sickness absence	%	2.4 %	1.6 %
Total recordable injury rate - Operations		2.5	0.7
Total recordable injury rate - Projects		-	-
ENVIRONMENT			
Environmental fines	MUSD	-	-

1) Consolidated numbers, excluding income from associated companies/ joint ventures.

2) Long-term and short term liabilities to financial institutions / Total equity

3) Equity / Assets



PANAMA

BAJO FRIO
Location: Chiriquí province in western Panama
Installed capacity: 58 MW
Average output: 248 GWh
SN Power ownership: 50.1%
Commercial operation: 2015

ZAMBIA

MULUNGUSHI
Location: Near Kabwe in the Central Province
Installed capacity: 32 MW
Average output: 253.9 GWh
SN Power ownership: 51%
Commercial operation: 1925

LUNSEMFWA
Location: Near Kabwe in the Central Province
Installed capacity: 24 MW
Average output: 149 GWh
SN Power ownership: 51%
Commercial operation: 1945

UGANDA

BUJAGALI
Location: Near by the Lake Victoria, approximately 12 km north of the town of Jinja
Installed capacity: 255 MW
Average output: 1,490 GWh
SN Power ownership: 64,9%
Commercial operation: 2012
Average availability since 2012: 99.54%

RWANDA/CONGO DRC/BURUNDI

RUZIZI III
Location: On the Ruzizi River fed by the Kivu Lake, which is one of the African Great Lakes, lying between the Democratic Republic of the Congo and Rwanda
Installed capacity: 147 MW
Average output: 675 GWh
SN Power ownership: 40%

MADAGASCAR

VOLOBE
Location: On the Ivondro River in Atsinanana region, 30km close the port of Tamatave
Installed capacity: 121 MW
Average output: 745 GWh
SN Power ownership: 25%

LAOS

THEUN HINBOUN
Location: Bolikhamxay and Khammouane provinces of Southeast Laos
Installed capacity: 520 MW
Average output: 3,292 GWh
SN Power Ownership: 20%
Commercial operation: 210 MW in 1998 and 290 MW in 2012

MYANMAR

MIDDLE YEYWA
Location: On the Myitnge river, in the Naung Hkio Township, in the Shan State
Installed capacity: 735 MW
Average output: 3,427 GWh
SN Power Ownership: 50%

THE PHILIPPINES

MAGAT
Location: Ifugao and Isabel Provinces, Luzon
Installed capacity: 380 MW
Average output: 929 GWh
SN Power Ownership: 50%
Commercial operation: 1983

AMBUKLAO
Location: Benguet Province, Luzon
Installed capacity: 105 MW
Average output: 332 GWh
SN Power Ownership: 50%
Commercial Operation: 1956

BINGA
Location: Benguet Province, Luzon
Installed capacity: 140 MW
Average output: 430 GWh
SN Power Ownership: 50%
Commercial operation: 1960

MARIS CANAL
Location: Ifugao and Isabel Provinces, Luzon
Installed capacity: 8.5 MW
Average output: 40 GWh
SN Power Ownership: 50%
Commercial operation: 2017

ALIMIT
Location: Ifugao Province, Luzon
Installed capacity: 140 MW
Average output: 450 GWh
SN Power Ownership: 50%

PROJECT DEVELOPMENT & OPERATIONS AFRICA AND LATIN AMERICA

> In 2019 we have made significant strides in our greenfield development endeavors in Africa with our role as co-developer in the 350MW Mpatamanga project, the signing of the project agreements for the 147MW Ruzizi III project, and our formal entry as owners to the 120MW Volobe project.

Eliseo Ana Jr. (Andy), Executive Vice President, Head of Africa and Latin America

As part of the new strategy, SN Power (SNP) has been re-structured with a regional focus, in which Africa and Latin America is a new business unit in charge for both operations and growth in the region. The main idea is to utilize our existing operations in the region as launchpads for growth and to have a seamless interface between business development, projects implementation and operations.

On the growth side, we have made significant strides in 2019 in our greenfield development endeavors in Africa, and we look forward to keeping the momentum in 2020, and opening opportunities in Latin America. On the asset management side, we had a very good year in Uganda while experiencing challenges in both Panama and Zambia mainly due to drought. We are looking forward to 2020 for safe and profitable operations in our existing assets.

KEY ACHIEVEMENTS IN 2019

- **Malawi**
  We opened 2019 in SN Power by signing a development agreement with IFC to co-develop and bring the 350 MW Mpatamanga hydropower project to bankable state. In return for its role, SN Power has secured subscription right to at least 15% shareholding of the project, while at the same time being allowed to bid for larger shareholding as the project's Strategic Sponsor through a Public Private Partnership (PPP) tender.
- **Burundi, DRC & Rwanda**
  In July 2019, the project agreements for the 147 MW Ruzizi III hydropower project was finally signed. This after a series of re-negotiations in the previous years with the contracting states, namely, Burundi, DRC and Rwanda, and the off takers. The signing of the agreements paved the way for the mobilization of the Ruzizi III project team for the updating of the technical and E&S studies with a view of achieving financial close in 2021-2022.
- **Madagascar**
  In October 2019, SN Power formally entered as owner of the 120 MW Upper Volobe hydropower project with the signing of shareholding agreements. The Volobe project team thereafter became busy primarily negotiating with Malagasy government and its off taker, Jirama, for the concession and power purchase agreements. The agreements are targeted for signing early 2020, which, when done, will allow us to move into pre-construction and financing phase of the project with the objective of achieving financial close by 2021.

OUTLOOK FOR 2020

In the year 2020, the key focus under business development and projects is to safeguard the successful further development of Ruzizi III and Volobe, and to win the Strategic Sponsor role for Mpatamanga and bring them closer to financial close and construction. In addition, we are going to expand our area of coverage and build a portfolio of projects not only in sub-Sahara Africa but also in Latin America to feed into the corporate target of 150 MW additional equity capacity per year for the next 10 years. The target for the Africa & Latin America unit is to appraise and put in the pipeline about three to four projects with the aim of bringing at least one of these projects (e.g. 150-200 MW) into mature stage to achieve financial close in 2022.

On asset management, we target to sustain the high reliability of our plants and improve on operational safety. We aim to maintain our robust revenues in Bujagali, Uganda and seek profitable operation in both Panama and Zambia although there is continued risk on hydrology.

PROJECTS & OPERATIONS

MALAWI

SN Power entered Malawi by signing a development agreement with IFC as an industrial partner, assuming the role as Specialist Developer for the 350 MW Mpatamanga hydropower project. Malawi is among the world's least-developed countries and given its relatively small land-mass, large and growing population and the heavy dependence on fuel wood, Malawi is an increasingly energy-stressed country. Less than 7% of the 14 million people are connected to the national grid, and the Mpatamanga project can contribute with renewable energy production, economic growth and reduced carbon emissions.

MPATAMANGA - 350 MW

Mpatamanga is a reservoir-type hydropower project located on Shire River in Malawi, which when built will almost double the generation capacity of the country. The project is being developed by the Government of Malawi (GoM) supported by the World Bank and IFC. The World Bank financed the project's feasibility study and GoM has agreed to structure Mpatamanga as a PPP project. GoM engaged the IFC as co-developer overseeing the development stage of the project with the aim of bringing it to market through competitive PPP tender process.

IFC sought out, through a competitive bidding process, an industrial partner to assume the role of Specialist Developer (SD) to co-develop the Project and lead the early-stage development efforts specifically on the technical, environmental and social (E&S), and commercial workstreams and bring the project to a bankable state. The SD role is a new concept that IFC is trying out with the aim of increasing the chances of success in developing hydropower power by bringing in at an early development stage a private developer to provide private sector perspectives and knowledge. SN Power was selected for the SD role in competition with a number of developers.

The project presents a good opportunity for SNP to gain a foothold in Malawi with what appears to be a technically strong project. The ultimate objective of SNP is to win the PPP tender for the Strategic Sponsor role of the project.

BURUNDI, DRC & RWANDA

In July 2019, SN Power signed the project agreements for the 147 MW Ruzizi III hydropower project. The project is considered a key development project and it will be one of the largest infrastructure projects in this region. Burundi, DRC, and Rwanda have severe power generation deficits and where electricity supply exists, this is largely supplied by expensive diesel generation.

The project is targeting achieving financial close in 2021-2022.

RUZIZI III - 147 MW

The Ruzizi III hydropower is a greenfield project located on the Ruzizi river, downstream of the existing Ruzizi I and Ruzizi II hydropower plants. The Ruzizi River flows from Lake Kivu to Lake Tanganyika and forms the border between the Democratic Republic of Congo (DRC) and Rwanda.

Ruzizi III is being undertaken as a PPP project together with Burundi, DRC and Rwanda. At financial close, the project company will be owned by SN Power and IPS as private developers with combined 70% shareholding in the project company, and a 10% shareholding for each of the contracting states. The Energie des Grands Lacs (EGL) was given special mandate by the Economic Community of the States of the Great Lakes Countries (CEPGL) for the implementation of the Ruzizi III hydroelectric project. EGL serves as the agent of the contracting states for the implementation of the project.

MADAGASCAR

Madagascar has abundant water resources, of which only a very small part is commercially exploited. Most electricity is produced by thermal power plants (65%). Hydroelectric power plants account for 35% of production. A major new hydroelectric development is expected to reduce the country's energy deficit in an affordable fashion.

SN Power formally entered as owner of the 120 MW Upper Volobe hydropower project with the signing of shareholding agreements in 2019.

The purpose of the Volobe hydroelectric project on the Ivondro River in Atsinanana region, 30km close the port of Tamatave is to generate electricity for the country of Madagascar.

The concession and power purchase agreements are targeted for signing early 2020

VOLOBE - 120 MW

Compagnie Génerale d'Hydroélectricité de Volobe (CGHV) was established in 2016 with the purpose of developing the Upper Volobe River Hydropower Project (Volobe). The initial shareholders to whom the development license was awarded following public tender are Jovena (a subsidiary of the Malagasy Axian Group) and Colas (subsidiary of the French Bouygues Group). SN Power and Africa 50 entered as owners of CGHV after signing Share Purchase Agreement (SPA) and a Shareholder Agreement (SHA) on the 4th October 2019 whereby the two new shareholders would each acquire 30% of the shareholding. Jovena will remain as 40% owner, with Colas exiting the project at financial close.

The Volobe project is situated on the Ivondro river approximately 20 km from Tamatave, Madagascar's second largest city and the country's main port. The project will deliver its generation to Jirama, Madagascar's utility, as off taker. The Volobe hydro project is first in the list of the near-term major hydro projects called for in the "Least-Cost Development Plan" for development of Madagascar power sector.

ZAMBIA

SN Power has a 51% shareholding and Wanda Gorge Investments has a 49% shareholding in Lunsemfwa Hydro Power Company (LHPC). The company has two hydropower facilities, namely, Lunsemfwa (24 MW) and Mulungushi (32 MW) for a total capacity of 56 MW. The hydropower plants are located near Kabwe in the Central Province. Both plants have long-term power purchase agreements with the Zambian utility, ZESCO.

LUNSEMFWA - 24 MW

The Lunsemfwa power station comprises a reservoir, a canal, and penstocks to a surface powerhouse. The power station was constructed in 1945 with two 6 MW units. The power plant was operated as a run-of-river scheme until 1958 when the Mita Hills dam was built. A third 6 MW unit was installed in 1961. With a fourth unit installed in 2012, Lunsemfwa hydropower project today has the capacity of 24 MW.

MULUNGUSHI - 32 MW

The Mulungushi power station comprises a reservoir, a canal and penstocks to a surface powerhouse and has a capacity of 32 MW. The power station was initially constructed in 1925 and has been upgraded in 2009 from 21.5 MW to its current capacity of 32 MW.

UGANDA

SN Power and its partner Industrial Promotion Services (IPS) own, on a 65/35-basis economic interest, the 255 MW run-of-river Bujagali Energy Ltd (BEL) hydropower plant. SN Power acquired its shareholding in BEL in 2018. The project which has been in operation since 2012 is structured as Build-Own-Operate-Transfer (BOOT) with a 30 years concession. The plant has a sovereign guaranteed long-term PPA with the Ugandan utility, UETCL.

The past year saw Bujagali operating at 99.9% availability, well-above the 96% availability required in the PPA, thus securing full capacity payment for the plant.

BUJAGALI - 255 MW

The Bujagali hydropower plant is located near Lake Victoria, approximately 12 km north of the town of Jinja and 8 km downstream from the much older Nalubaale (180 MW) and Kiira (200 MW) hydropower plants. It utilizes the water released from Lake Victoria through Nalubaale and Kiira plants for energy generation. Subsequently, the water released from Bujagali plant is utilized for further power generation at the downstream Isimba power plant (180 MW).

At the time of its commissioning in 2012, Bujagali was the largest hydropower generation facility in Uganda. It nearly doubled the peak electricity capacity of Uganda at that time, eliminating load-shedding in Kampala and providing a reliable power supply to meet increasing power demand in Uganda.

PANAMA

SN Power has been active in Panama since 2010 through a 50.1% - 49.9% joint venture with Credicorp Group in Fountain Hydro Power Corporation (FHPC). The company owns the Bajo Frio project which consists of two run-of-river hydropower plants in cascade with a total capacity of 58 MW. Bajo Frio sells its production through power purchase agreements with Panama utility, ETESA, and by trading at the Panama spot market.

In 2019, the two plants operated with availability of about 99%. However, revenue was heavily weighed down by the El Niño weather phenomenon, which resulted in the 2019 generation coming in at only 173 GWh, well below the budget of 248 GWh.

BAJO FRIO - 58 MW

Bajo Frio is a run-of river hydropower scheme with two powerhouses, connected with a canal and a dam. The first plant is La Potra (30 MW) and the second plant is Salsipuedes (28 MW), which utilizes La Potra's discharge water. Bajo Frio is located in the lower part of the Chiriquí Viejo River in the Chiriquí province in western Panama, close to the border of Costa Rica. The project is a one-hour drive from David, the second largest city in the country. Bajo Frio started production in 2015.

PROJECT DEVELOPMENT AND OPERATIONS - ASIA

Torbjørn Elliot Kirkeby-Garstad, Executive Vice President Asia

> "Asian markets are attractive as several of the economies in the region need more electricity to sustain economic growth

As part of the new strategy, SN Power has been re-structured with a regional focus in which Asia is a new business unit in charge of all operations and growth in the region. The main idea is to utilize our existing operations in the region as launchpads for growth and to have a seamless interface between business development, projects implementation and operations.

We will grow the regional business unit building on our existing investment platforms in Laos and in the Philippines as part of our activities in 2020. We have the capital and the resources to pursue new business opportunities throughout the whole of Asia. With the huge potential in the region, a significant part of the company's overall growth target is envisioned to be delivered through growth in the Asian region.

KEY ACHIEVEMENTS 2019

- **Alimit framework agreement signing**
  In June, a framework agreement for the proposed Alimit project was signed with the municipal government of Lamut, the last of the four Local Government Units (LGUs) to approve Ifugao's first large-scale hydropower facility. Other municipalities are Aguinaldo, Lagawe and Mayoyao. The agreement outlines the cooperation and obligations between and among SN Aboitiz Power as project sponsor and the municipalities as hosts during the development, construction, and operation phase of the project.
- **SN Power's prime cash generating country**
  The Philippines is SN Power's prime cash generating country with revenues in excess of 200 MUSD. Production in the last years has been between 1.1 -1.8 TWh and we are a substantial provider of ancillary services.
- **Magat Floating Solar Project**
  The Magat Floating Solar project is a 200 KW pilot project in Ramon, Isabela in the Philippines. SNAP-Magat invested nearly 24 million pesos (0.5 MUSD) for the facility which is placed over a 2,500 m^2 area in the Magat reservoir. The switch-on ceremony was held on the 27th of June 2019.
- **Magat Battery Energy Storage system (BESS)**
  Our joint-venture company SN Aboitiz Power (SNAP) plans to construct a Battery Energy Storage System (BESS) at its Magat hydroelectric power plant. The facility will be used to boost the company's ancillary services and standby power supply.

OUTLOOK 2020

FURTHER GROWTH IN ASIA

As a result of the new strategy of SN Power we will increase our efforts to identify new opportunities in the whole of Asia in order to build our pipeline of potential projects. Hydropower will be the platform for growth and will be complemented with other forms of renewable technologies (i.e. batteries, wind, floating solar, hybrid).

We will continue to focus on our existing countries as well as explore opportunities in new geographical areas within Asia where SN Power can play a significant role. Our main focus will be where we have a competitive advantage as a long-term industrial investor and where we can find a good local partner.

Other complementary renewable sources such as floating solar, solar and wind in combination with our hydropower projects will be investigated as part of our business development initiatives in 2020.

SN Power is well placed to take part in filling the energy gap by investing in renewable sources which will be key to sustainable development. We have a presence in the region, a solid capital base and significant experience from Norwegian and international hydropower development to bring to the table.

PROJECTS & OPERATIONS

THE PHILIPPINES

SN Power entered the Philippine market in 2005 through a joint venture with Aboitiz Power. Today, SN Aboitiz Power (SNAP) is the largest private hydropower company in the country.

The Philippines is an emerging market and a newly industrialized country, which has an economy transitioning from being based on agriculture to one based more on services and manufacturing.

In the Philippines we own four hydropower facilities through SNAP.

MAGAT – 380 MW
Magat is designed as a peaking plant and each generating unit has the capability to be on-line and deliver electricity to the system in less than two minutes. The units are started/stopped approximately 300 times a year. During the wet season, energy is delivered outside peaking hours.

Magat is served by a reservoir with a usable storage capacity of 690 million m³, the equivalent of about two months' production. The reservoir and dam, including the intake gates, are owned and operated by the National Irrigation Administration (NIA), who also dictates the water level in Magat's reservoir through a rule curve. A re-regulating pond is constructed downstream of the Magat power plant and is also owned and operated by NIA. This re-regulating pond facilitates peak hour power generation while water for irrigation goes into two irrigation canals.

Magat's main purpose is irrigation as the water source for almost 85,000 hectares of rice fields downstream.

The Magat project was initiated in 1975 and construction work started in 1980 and the plant went into commercial operation in 1983.

Magat forms an important backbone in the local community both from an employment and a local revenue perspective.

MARIS – 8,5 MW
The Maris hydro project was proposed by SNAP-Magat's operations and maintenance team under the company's business creativity and innovation program. It was then developed and implemented by the business development group and later turned over to SNAP-Magat for operation.

Construction of the run-of-river hydro power plant located in Barangay, Ambatali in Ramon, Isabela, took about two years. The plant utilizes the water coming from Magat that goes into the Maris re-regulating dam located downstream of Magat, before flowing into the Maris Main (South) Irrigation Canal.

The project was made possible with the cooperation of key stakeholders, primarily the NIA, Department of Energy (DOE), host communities, and local government units.

AMBUKLAO – 105 MW
Ambuklao is located in the province of Benguet and was commissioned in 1956 with a capacity of 75 MW. Ambuklao is one of the oldest hydropower plants in the Philippines. The plant was shut down following an earthquake in 1990. In 2008 SNAP bought the plant and it has since then gone through major rehabilitation that was completed in 2011 with a new installed capacity of 105 MW. A new intake has been built and all major power components, such as turbines and generators, have been replaced. The fully rehabilitated plant has three turbines of 35 MW each with a combined average annual production of about 335 GWh.

BINGA – 140 MW
Binga is built a few kilometers downstream of the Ambuklao hydropower station. The plant was commissioned in 1960 with a capacity of 100 MW.

A new intake has been built to address the increased level of siltation in the Binga reservoir and the usable storage capacity of about 13 million m³ corresponds to about 10 operating days at five peak hours.

All major power components have been replaced or gone through a major overhaul. The overhaul and upgrade were completed in July 2013. The rehabilitated plant has four turbines of 33 MW each with a combined average annual production of about 430 GWh.

SNAP has established a Corporate Social Responsibility fund to enable strategic development projects in Magat's, Maris', Ambuklao's and Binga's host communities. The fund focuses on supporting self-sustainable and long-term projects within environmental management, eco-tourism, healthcare, education, and social Infrastructure. Watershed management programs are currently being implemented to help protect the forests and other areas within the impact area of the plant.

The electricity generated at Magat, Ambuklao and Binga is traded at the Wholesale Electricity Spot Market and sold to open access customers. These assets are also providing ancillary services to the system operator, National Grid Corporation of the Philippines.

ALIMIT HYDROPOWER COMPLEX - 140 MW
Our latest growth initiative in the Philippines is SNAP's Alimit Hydropower Complex. The Alimit project consists of the 20 MW Ollilicon and the 120 MW Alimit hydroelectric power plants. The project aims to combine the waters of the Alimit River and Ibulao River to generate electricity. The complex encompasses four ancestral domains in the municipalities of Aguinaldo, Lagawe, Lamut and Mayoyao, with 81 host barangays under these domains.

Last June, a framework agreement for the proposed Alimit project was signed with the municipal government of Lamut, the last of the four Local Government Units (LGUs) to approve Ifugao's first large-scale hydropower facility. The agreement outlines the cooperation and obligations between and among SNAP as project proponent and the municipalities as hosts during the development, construction, and operation phase of the project.

PROJECT DEVELOPMENT & OPERATIONS - ASIA

LAOS
In 2014, SN Power took over Statkraft's 20% shareholding in the 520 MW Theun-Hinboun Power Company (THPC) in Laos.

Laos' ambitious strategies for development are based on generating electricity from its rivers and selling the power to its neighboring countries. Laos plan to become a "land-linked" nation, shown by the planning of four new railways connecting Laos to those same countries.

THEUN HINBOUN POWER COMPANY - 520 MW
Theun Hinboun Power Company (THPC) is SN Power's third largest cash generating unit with a revenue capacity of up to 170 MUSD (3.0-3.2 TWh production).

The Theun Hinboun project, situated 200 km east of Vientiane on the Nam Theun river, has been running for more than 20 years.

The project was developed in two phases. Production from the first 210 MW project started in 1998. The project was expanded with an additional 290 MW that went into operations in 2012. In 2016-17 the turbines in the original TH Units were replaced with a new and more efficient turbines, bringing the total combined generating capacity of THPC to 520 MW, with much of the water from the new reservoir being used to generate power twice.

THPC was the first privately developed hydropower project in Laos and has served as a model for how Laos can utilize its hydropower potential in a sustainable way. Laos have the ambition to be the "battery of the East" and plan to use the proceeds from hydropower sales to pull the country out of the least developed nation category by 2020.

THPC has won several international awards for its development, not least for its financing and is frequently used as a model for social and environmental work in sustainable hydropower development.

SN Power hold a minority share, the other owners are EdL Generation Public Company in Laos with 60% shareholding and GMS Power Public Company Limited in Thailand with a 20% shareholding.

THPC is exploring new opportunities for THPC to expand into other projects in Laos.

Running an Asian power company offers a diverse array of challenges. 2019 challenged us with one of the driest years on record in Laos. The drought severely affected our power production and led to the lowest reservoir level at the start of a dry season (Nov 2019) since the start of the project.

MYANMAR
Myanmar needs electricity and in particular dispatchable renewable energy which can be used during peak hours and throughout the year.

MIDDLE YEYWA HYDROPOWER PROJECT -735 MW
In 2014 SN Power signed a Memorandum of Understanding with the Government of Myanmar where we were given the right to develop the 735 MW Middle Yeywa Hydropower project. The Middle Yeywa hydropower project is located on the Myitnge river, in the Naung Hkio Township, in the Shan State. The Myitnge River Basin is a tributary to the Ayeyarwady River entering just downstream of Mandalay.

SN Power has carried out a technical feasibility study and an environmental impact assessment (EIA) for Middle Yeywa in accordance with national requirements and international guidelines. In SN Power we follow the IFC Performance Standards in all of our developments. The studies indicate that the Middle Yeywa Project is technically and financially viable and with relatively low environmental impacts based on the proposed design, area of influence and mitigation measures. The documents have been submitted to the Myanmar Government for assessment and approval.

The Strategic Environmental Assessment of the Myanmar Hydropower Sector carried out by the Government of Myanmar in 2018, with support from IFC, recommends that further hydropower development in Myanmar should be prioritized in sub-basins with existing hydropower projects, which is the case for Myitnge River/Basin. The Yeywa hydropower project (790 MW) located downstream of Middle Yeywa was constructed by the Myanmar Government in 2010 and is in operation today. The 280 MW Upper Yeywa hydropower project located upstream of Middle Yeywa, is currently under construction, and is expected to be completed within the next two years. The Upper Yeywa, is being developed by the Government of Myanmar.

INDONESIA
SN Power is currently developing it's Lariang project together with Astra and Aboitiz Power. We are also looking into additional growth opportunities with local players.

THE QUEST FOR LOCAL DEVELOPMENT

Elsbeth Tronstad, Executive Vice President, Shared Services

Hydropower draws on natural resources and makes an impact on the human and natural environment where projects are developed.

Environmental and Social Governance (ESG) has always been high on the agenda in SN Power and we follow the IFC Performance Standards in the environmental and social work related to all our projects. The high focus on ESG is a natural demand in our own organization, but it is also expected by the countries we are in, by the markets we serve and by our owner.

During the investigation phases (pre-feasibility and feasibility) like the Volobe Hydropower Project in Madagascar, Ruzizi III in Rwanda and Middle Yeywa in Myanmar we undertake Environmental and Social Impact Assessments (ESIA) in parallel with technical and economical project studies in order to incorporate environmental and social aspects into the technical planning. This way we reduce environmental and social impacts already at the design stage and optimize project benefits such as the introduction of a regulation pond downstream of the proposed Volobe HPP. For project opportunities which have already completed the design stage we always carry out an environmental and social due diligence to make sure that the project complies with IFC Performance Standards. Projects where the ESIA indicates that they will be deemed environmentally or social unmanageable, will not be put forward for investment decision to SN Power's Board of Directors.

SN Power fully acknowledge that hydropower projects may have residual impacts in some areas which cannot be fully mitigated. In these cases, we strive to identify environmental offset areas, such as to compensate for the environmental loss caused by the project and to make sure that a project has no net loss or impact on the environment. Enhancement of existing or establishment of new conservation areas are examples of offset mitigation measures which were implemented in conjunction with the Theun Hinboun Expansion Project in Lao PDR.

We recognize that our activities impact the societies where we operate, and we have a long tradition of conducting dialogues with the relevant parties affected. SN Power's corporate social responsibility (CSR) is built on the basis of making a positive difference by strengthening our business partners and the local communities in our operating countries. To do this, we target the fundamental drivers of long-term development. For direct impacts to affected households and communities we follow IFC Performance Standards with regards to compensation practices for loss of infrastructure and land. Our key approach is to compensate land for land as this is considered the most viable alternative in the long run.

SN Power support the UN Sustainable Goals

Tailormade support and monitoring schemes are developed together with the affected parties to make sure that the resettlement and establishment of new livelihoods are done in a sustainable way and that the affected families are better off than before.

In addition to compulsory compensation, SN Power is committed to further enhance project benefits in the communities, often labeled Benefit Sharing. This is done through direct community support or more indirectly through other enhancement measures. Direct measures may include, electricity connections, support to health and education services and small business development. Indirect enhancement measures might be flood control, improved infrastructure and watershed management to mention some. Identification and prioritization of enhancement measures are carried out in a tight dialogue with host communities.

Extensive monitoring schemes are a part of all SN Power operations to verify that mitigation measures are effective or if corrective actions are needed. In all our projects we have set up a system for grievance mechanisms to protect the rights of individuals and groups affected by our operations.

Taking the social- and environmental issues as seriously as we do is also one of the reasons why our brand is strong.

IFC PERFORMANCE STANDARDS

IFC's Environmental and Social Performance Standards define IFC clients' responsibilities for managing their environmental and social risks.

INNOVATIVE ENTREPRENEURS

Øyvind Engelstad, Executive Vice President, Technical Operations

> SN Power is a firm believer in utilizing the latest technology and digitization in the planning, execution and operation of the plants.

The Technical Operations has the responsibility for supporting and reviewing the technical and project management related issues across SN Power's project portfolio for development and implementation, as well as assisting in the Operation & Maintenance (O&M) of the operating assets.

SN POWER'S KNOW HOW IN PROJECT DEVELOPMENT AND EXECUTION

SN Power has since the onset in 2002 gained considerable experience in developing and executing hydropower projects in challenging areas. The approach to the projects is based on more than 100 years of hydropower development in the Norwegian market and through international experience adopting to country and project specific challenges and opportunities. Development of hydropower and other renewable energy projects involve a wide range of disciplines that need to work in alignment to arrive at a sustainable solution balancing impact, cost, risk, revenue etc.

The development of a project in SN Power is governed by our Integrated Project Management system called PROMAS, and passes through several Decision Gates (DG) along the way from Screening, through Pre-Feasibility, Feasibility, Project Framing, Pre-Construction and Construction prior to finally going into Commercial Operation.

The system is based on a stepwise reduction of risk, and clear requirements on maturity that needs to be reached to pass a Decision Gate.

Although the objectives of each of the phases are clear there is a need for flexibility in the approach to adopt to the specifics of the project and the framework under which it is developed. PROMAS acts as guidance for the project team through the development and is constantly improved based on lessons learned.

Depending on the maturity of the project and how SN Power enters the development phase, early alignment with PROMAS will secure that the structural competence of the company and the lessons learned are made available to the project participants.

SN Power always work with partners when developing a project, and the ability to adopt and learn from each other is essential.

PROJECT PLANNING AND CONTROL

SN Power is implementing Project Online as the Portfolio Management system. Scheduling, resource allocation, budgeting, progress reporting and earned value management will on a project level be executed in the system and will be aggregated up for portfolio management.

RISK MANAGEMENT AT THE CORE OF PROJECT EXECUTION

For risk assessment, analysis and management SN Power utilize Easy Risk from DNV GL. Throughout the process we keep the project risk register updated and integrate this with the Qualitative Risk Assessment (QRA) performed on schedule and cost estimates. The risk assessment and management are at the core of the project management and decision-making process in SN Power. Even though the tools are important, it is the collective know-how and experience that is harvested and analyzed through these processes which provides better understanding and quality in the output.

VIRTUAL DESIGN AND CONSTRUCTION (VDC)

Although we are working in areas with limited and challenging infrastructure, SN Power is a firm believer in utilizing the latest technology and digitalization in the planning, execution, and operation of the plants. We are thus utilizing a so-called VDC approach when planning and designing the facilities. At the core of the VDC approach lies the Building Information Model (BIM). BIM is not just a 3D model for illustration, but acts as the Digital Twin of the final plant and contains all essential information necessary to understand and coordinate interfaces and build the facility. The BIM-model is established as early as possible in the project development and accuracy and content increases as the project matures.

CONTRACTING

SN Power does not operate with a one-approach-fits-all strategy when it comes to contracting for construction and installation. The Contracting Strategy is developed to build up under the project objectives. We believe that the employer should be positioned at the core of the project execution and we believe that split contracting in many cases is the best approach to reduce cost and approve performance. Based on experience from our projects and the competence of the staff we are well positioned to handle interface coordination and management. As constructability is essential for reducing risk, improving cost, and reducing time. We are exploring new ways of cooperating with the contractors and suppliers through early contractor involvement and if the project is suited for it even partnering agreements. Sharing of risks and rewards is essential to the dynamics of a more cooperative approach.

As the projects need to be bankable and the parties involved need to know their role and responsibility related to risks, we believe in an open and transparent risk sharing mechanism based on the different parties ability to handle, reduce, and mitigate the different risks. The risks involved must be identified as early as possible and responsibility must be clearly allocated in the contracts as well as during execution.

OPERATIONS & MAINTENANCE (O&M)

SN Power has a central system with requirements and guidelines for O&M called POWERMAS. The day to day operation of our existing assets is however mainly handled by the project companies. A corporate O&M function as well as Frame Agreements with Regional Power Utilities in Norway and other O&M Service Providers are however set up to support the decentralized O&M organizations.

SN Power is working on optimizing the O&M by utilization of technology offered through the recent development of "Industrial Internet of Things" (IIoT). This includes implementation of remote monitoring and control as well as condition monitoring with state-of-the-art sensor technology.

HYBRIDIZATION OF HYDRO, SOLAR AND BATTERIES

FLOATING SOLAR AND BESS, PHILIPPINES

Hydropower with storage offers the ability to provide power and energy in line with the changing demand over the day. Further, hydropower units can provide Ancillary Services (AS) such as frequency response, back-up power, and regulation to stabilize the power system (transmission and distribution grid). Solar PV offers in many regions an attractive Levelized Cost of Energy (LCOE). The challenge is, however, that these plants provide unregulated production and pose challenges both to the reliability of supply and the frequency in the grid.

SN Power is exploring the opportunity of hybridization based on hydropower, solar and batteries to secure a stable and reliable supply. The utilization of our reservoirs by installation of Floating PV (FPV) together with Battery Energy Storing System (BESS) connected at the switchyard to the hydropower plant can enable cost efficient and reliable solutions with minimal operation cost (utilizing the existing O&M organizations).

MAGAT BATTERY ENERGY STORAGE SYSTEM - BESS, PHILIPPINES

Our joint-venture company SN Aboitiz Power (SNAP) plans to construct a battery energy storage system (BESS) at its Magat hydroelectric power plant.

SNAP has carried out a feasibility study in 2019 for BESS in Magat and are now in the midst of pre-construction with commercial operations expected to start once the National Grid Corporation of the Philippines (NGCP) approves the facility's ancillary services procurement agreement (ASPA).

Ancillary services are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice and the grid code.

Ancillary Services are system requirements to ensure grid system reliability, security and affordability of the supply. The Energy Regulatory Commission classified BESS as a new source of frequency control ancillary services.

The company has included BESS in its scope because of the rise of variable renewable energy in the country, increasing frequency variability to the grid, which requires more balancing power supply in the system. SNAP will continue to provide NGCP with ancillary services from its impounding hydropower plants.

BESS Plant planned in Magat

Pilot floating solar project, Magat

MAGAT FLOATING SOLAR PROJECT, PHILIPPINES

The Magat Floating Solar project is a 200 KW pilot project in Ramon, Isabela in the Philippines. SNAP-Magat invested nearly 24 million pesos (0.5 MUSD) for the facility which is placed over a 2,500 m² area in the Magat reservoir. The circular installation—whose design is inspired by the Amazon water lily, is made up of 720 solar panels held in place by four mooring systems.

This is the first non-hydro renewable energy project of SN Aboitiz Power (SNAP), which is looking at other renewables and complementary technologies to expand its portfolio. At present, the project will provide power to SNAP's facilities in the area. A stress test is presently ongoing on the pilot project to ensure that the facility can withstand massive inflows and strong typhoons.

If successful, SNAP will look into scaling up the project so that the power generated may contribute to its renewable energy capacity and to the country's energy security.

Other than not competing for land space, floating solar facilities have a number of other benefits according to studies. They safeguard the water levels in dams and reservoirs by reducing evaporation which is critical during times of drought and El Niño.

When scaled, floating solar installations can provide shade that can inhibit the growth of harmful algae while providing sanctuary for marine life that cannot survive in very hot temperatures.

For this pilot project, SNAP partnered with Ocean Sun, a Norwegian floating solar technology provider. Ocean Sun's method of installation of solar panels on floating membranes enables low cost and high performance and has proven to withstand strong winds successfully while maintaining good seaworthiness.

SPECIAL PROJECTS

Halvor Fossum Lauritzsen, Executive Vice President, Special Projects

The business environments in which SN Power operate are becoming increasingly more complex, with expansion into new countries. Changes in political climate and security risks often occur in rapidly changing situations. With the new Special Projects Unit, SN Power increases its focus and attention to risk, security, and safety.

The Special Project Unit was established in order to secure new and ongoing businesses in difficult areas, with a special attention on external risks, security and safety. SN Power operates in countries where crime and criminal activities are well above average according to UN and EU indices on crime and criminal activity. For SN Power it is of upmost importance to handle these risks in a proactive professional way. The objective of SN Power is to base its security and safety policy on prevention, detection, and protection, in order to achieve zero related security incidents.

OUTLOOK 2020

As a part of the important work undertaken by the Special Project Unit, the focus moving forward is to be a problem solver with focus on external risks, through preventive and protective actions to move projects forward.

When entering new countries and new markets it is important to understand or increase the understanding of local stakeholders' dynamics and act in a national or local context. SN Power's strategy has always been to establish cooperation with local partners with complementary skills and values and with in-dept knowledge of local requirements and legal and regulatory framework.

SN Power has since its establishment had a special focus on promoting Health and Safety and this is anchored in our Business Principles. When entering new markets and projects, Health, Safety and Environment is one of the main priorities to ensure a stable and safe working environment, through minimum requirements for security, health, and safety.

By risk management and mitigation, we can significantly reduce cost overruns and delays in complex and unpredictable business environments.

SN Power and its employees are committed to act responsibly and be transparent in all parts of our business to ensure a zero tolerance for corruption and a corruptive practice. We expect the same from all those with whom we do business.

PRORATA INCOME STATEMENT

Figures in USD 1,000	Consolidated	Non-Controlling interests	Associated companies and joint ventures	Adjustments	Prorata
	2019	2019	2019	2019	2019
OPERATING REVENUES AND EXPENSES					
Sales revenues	46	-21	243		268
Energy purchase and other costs related to power sales	-7	3	-30		-34
Salary and personnel costs	-12	2	-5		-15
Depreciation, amortization and impairment	-9	4	-50		-55
Other operating costs	-23	5	-17		-35
Income from investments in associated companies and joint ventures	84			-84	-
Earnings before financial items and tax	**79**	**-7**	**141**	**-84**	**129**
FINANCIAL INCOME AND EXPENSES					
Financial income	4	-1	-10		-7
Financial expenses	-14	7	-36		-43
Net financial items	**-9**	**6**	**-46**	**-**	**-50**
Profit before tax	**70**	**-1**	**92**	**-84**	**77**
This year's tax expense	-16	1	-8		-23
NET PROFIT FOR THE YEAR	**54**	**-0**	**84**	**-84**	**54**
Attributable to:					
Equity holders of the parent	54				
Non-controlling interests	-0				
NET PROFIT FOR THE YEAR	**54**				

CORPORATE GOVERNANCE

SN Power AS (SNP) complies with international corporate governance practices and its principles are based on the Norwegian Code of Practice for Corporate Governance (NUES). Non-compliances are attributable to the fact that SNP is not a publicly listed company as it is owned by Norfund, and restrictions contained in the Articles of Association.

A statement concerning follow-up of the items in the Norwegian Code of Practice for Corporate Governance is given below.

1. Corporate governance statement
The basis for the board of SNP's corporate governance work is the Norwegian Code of Practice for Corporate Governance.

The code has been applied to the extent permitted by the company's organization and ownership. Non-compliances are attributable to the fact that SNP is not a publicly listed company, that it is owned by Norfund, as well as restrictions contained in the Articles of Association. The non-compliances relate to equal treatment of shareholders, shares and negotiability, the annual general meeting, nomination committee, and take-overs.

SNP's policy for corporate governance establishes the relationship between the company's owner, board of directors, and management.

2. Business
SNP's Articles of Association state that: "The company's objectives are, alone, in cooperation with or through ownership in other companies, to develop, construct, acquire, own and manage renewable energy plants in Asia, Sub-Sahara Africa and Latin America, with focus on hydro power projects and other naturally related activities, including financial and physical power trading".

SNP is registered in Norway and its management structure is based on Norwegian company law and the Limited Companies Act. In addition, the company's Articles of Association, vision, values, code of conduct, corporate governance policies and ethical guidelines are guiding for the company's business.

A summary of the vision, values, and code of conduct can be viewed at www.snpower.com.

3. Equity and dividends
SNP's share capital is NOK 5,176,315.60 divided on 51,763,156 shares, with a nominal value of NOK 0.10 each. The legal share capital in NOK corresponds to booked share capital of USD 852,643.43 due to the fact that SNP's functional currency is USD.

It is the intention and purpose of the shareholder that SNP shall be a going concern and shall be independently viable in all possible aspects. The shareholder shall exert its individual best efforts to make the company viable and profitable.

The company shall maximize dividends to its shareholder. Available liquidity, adjusted for required statutory or contractual liquidity obligations as well as funds covering six months of business expenses net of any budgeted cash from investments, shall be distributed on a quarterly basis to the shareholder. A minimum liquidity reserve shall be defined by the board.

4. Equal treatment of shareholders and transactions with close associates
100% of the shares in SNP are owned by Norfund, the Norwegian investment fund for developing countries.

5. Shares and negotiability
Shares are not traded in the open market.

6. General meetings
The shareholder exercises supreme authority over SNP through the annual general meeting. In accordance with the Articles of Association the annual general meeting shall be held annually before the end of June.

The company's annual accounts and the auditor's statement must be presented at the general meeting, and the following items must be discussed and resolved:

1. Approval of profit and loss accounts and balance sheet, including distribution of annual profit or coverage of loss.
2. Approval of group profit and loss accounts and group balance sheet.
3. Other matters that according to law or the articles of association fall within the scope of the general meeting.

7. Nomination committee
There is no nomination committee.

8. Board of directors: composition and independence
SNP's board of directors l has 2 – 8 members. The chair of the board and one director or the CEO are jointly authorized to sign for the company.

The board members are evaluated based on their expertise and independence. The board shall furthermore be independent of the company's executive employees. The current challenges facing the company are taken into consideration in establishing the composition of the board.

9. The work of the board of directors
The board has established rules of procedure for the board of SNP that lay down guidelines for the board's work and decision-making procedures. The board's tasks are described in general by Norwegian company law and the company's Articles of Association. The rules of procedure also define the tasks and obligations of the chair and CEO in relation to the board.

Due to its size and that SNP is not publicly listed, it does not have an audit committee nor a compensation committee. The board will undertake an annual evaluation of its own performance. The purpose of the evaluation is to improve board effectiveness. The chair will act on the results of the performance evaluation by recognizing the strengths and addressing the weaknesses of the board. The annual general meeting determines the remuneration of the board members.

See Report from the Board of Directors for more information about the work of the board of directors.

10. Risk management and internal control
SN Power's investments are made in emerging markets in Asia, Sub Sahara Africa and Latin America and are exposed to high level of risk in terms of their future return. SN Power is continuously working to improve its methods for risk management to measure, mitigate, and manage this risk exposure.

Comprehensive risk analysis techniques covering financial, economic, social, environmental, and political factors have been established in the company's project management system. The methods identify risk at an early phase in valuation process and implement appropriate mitigation plans which are monitored through the projects.

SN Power's internal audit is linked to the SN Power risk management process. Through this process, management defines risks that the board might want to look further into. A list of these risks is presented to the board in the December board meeting. Based on the list, the board decides which risks, if any, they want internal audit to investigate. The choice of Internal Auditor is done on a case by case basis.

11. Remuneration of the board of directors
The board's remuneration is not related to the company's results, and the company does not grant share options.

12. Remuneration of executive personnel
The salary and other remuneration of the CEO are decided by a convened meeting of the board. The remuneration of other executive management is decided by the CEO, based on a structure agreed by the board to enhance value creation by the company through shared goals.

The board reviews the CEO's performance in meeting agreed goals and objectives on an annual basis.

13. Information and communications
SNP emphasizes open and honest communications with all its stakeholders and places the greatest focus on the stakeholders who are directly affected by SN Power's business. The information the company provides to its owner, lenders and the financial markets in general shall permit an evaluation of the company's underlying values and risk exposure. To ensure predictability, the owner and the financial markets shall be treated equally, and information shall be communicated in a timely manner. SNP's financial reports shall be transparent, and provide the reader with a broad, relevant and reliable overview of its strategies, targets and results, as well as its consolidated financial performance.

14. Take-overs
Shares are not traded.

15. Auditor
The annual general meeting appoints the auditor based on the board's proposal and approves the auditor's fees. The auditor serves until a new auditor is appointed. The external auditing contract is normally put out to tender at regular intervals.

The board has meetings with the external auditor to review the annual financial statements and otherwise as required. The board evaluates the external auditor's independence, and in accordance with the requirement to maintain the auditor's independence, SNP will only make limited use of the external auditor for tasks other than statutory financial audits.

BOARD OF DIRECTORS' REPORT & FINANCIAL STATEMENTS

BOARD OF DIRECTORS SN POWER AS

ØYSTEIN ØYEHAUG

Øystein has a financial and management background as Managing Director of Umoe Solar and a partner in ABG Sundal Collier.

He co-founded ABG in 1997. Most recently he has been advisor to energy companies on restructuring, mergers and acquisitions.

KARI MERCEDES FREMME

Kari M. Fremme is the owner of Kariatide AS. Over the course of 35 years she has worked globally with both public and private owners in the energy, manufacturing and telecommunications sectors.
Her key achievements in the renewable energy field include the successful construction of large- scale solar power plants in various continents while working for independent power producers.

ORLI ARAV

Orli Arav is development finance and impact investing specialist with over 20 years of experience. She spent most of her carrier working in Emerging markets with a focus on Africa. Orli is the Founder and MD of EMFin Advisory an Emerging Markets and Infrastructure Finance Advisory Company. Orli Holds a number of non-executive positions appointed by KFW, Norfund and BuleOrchard.

Prior to founding EMFin Advisory, Orli held senior management roles at Soros Economic Development Fund, Impala Energy and Emerging Africa Infrastructure Fund.

MARK DAVIS

Mark has led Norfund's energy portfolio since joining the organization in 2006 and is a member of Norfund's management team and investment committee.

He has held various directorships in power companies operating in emerging markets. Prior to joining Norfund, Mark worked as a consultant focused on the energy sector. He holds a D.Phil from the University of Sussex.

BOARD OF DIRECTORS' REPORT

SN Power (SNP) is a leading hydropower company contributing to economic growth and sustainable development in developing countries. Our mission is to develop, build, own and operate commercial renewable energy projects through joint ventures in developing countries. These geographies are very attractive to us in terms of expected long-term economic growth, increased need for environmentally sustainable energy, and substantial potential for hydropower development.

Our operating assets are located in Africa, Asia and Latin America. During the year we have deepened our presence in Africa through the signing of the project agreements for the Ruzizi III hydropower project in Rwanda, Burundi and DRC, entered the Volobe project in Madagascar, and co-developed the 350MW Mpatamanga project in Malawi jointly with International Finance Corporation (IFC) and the Government of Malawi.

In Asia, we have meaningfully progressed the Middle Yeywa project in Myanmar, initiated tests for floating solar projects and developed storage solutions with our partners, Aboitiz Power.

2019 – STRENGTHENING OUR CAPACITY, MATURING PROJECTS AND INCREASING THE PIPELINE

2019 has been an active year. Besides optimizing the operation of the existing more than 1,500 MW of assets, we have appointed a new CEO and reorganized the management team. Specialist competence and additional business development capacity have been recruited to enable us to meet a growth target of adding 150 equity MW per year. Continuing the efforts of earlier years, we have achieved several milestones:

- **Signed project and security agreements with the contracting states for the Ruzizi III project (147 MW).**
- **Signed the shareholders' agreement on the Volobe project in Madagascar (120 MW).**
- **Been appointed by IFC as specialist developer for the Mpatamanga project in Malawi (350 MW).**
- **Introduced Aboitiz Power as partners for the Middle Yeywa project in Myanmar (735 MW).**
- **Completed the FPIC consultation process for the Alimit project in the Philippines (140MW).**
- **Appointed Erik Knive as new Chief Executive Officer from 1 July 2019. The organization has been restructured and improved through recruitment of key competence and capacity for continuing growth.**

MARKET AND REGULATORY UPDATE

Electricity prices have in general been subdued in 2019. Global fuel prices depreciated slightly and the massive introduction of wind and solar exerts pressure on energy tariffs.

In the Philippines, the spot prices have come down during the last few years due to significant investments in conventional coal fired power plants, and SN Aboitiz Power have adjusted their spot exposure accordingly by developing a sound contract portfolio of medium term contracts with favorable prices.

In 2019, average spot prices in Panama have increased to close to 80 USD/MWh due to a tighter power balance. The regulatory framework for price determination remains at times unfavorable and unpredictable to hydro generators, resulting in periods of low price days for hydro producers. The situation has however improved.

Against this backdrop, SNP's strategy is still, in most cases, to invest in power plants backed by medium to long-term power purchase agreements rather than merchant plants.

In grids with a high component of intermittent renewables such as wind and solar, a market for ancillary services is emerging for hydro power plants. The specific mechanisms to be implemented are not yet standardized, so we are following this trend closely, as it may help monetize the value of the flexibility provided by hydropower.

The year was characterized by low hydrology in many of our markets.

PROJECTS AND OPERATIONS 2019

THE PHILIPPINES

SNP and its partner Aboitiz Power, own on a 50/50-basis four hydropower plants in the Philippines with a total capacity of 642 MW. The financial performance in 2019 was strong due to high spot prices compensating for slightly lower precipitation and deliveries of ancillary services. The three plants Magat, Ambuklao and Binga provide ancillary services to the Luzon grid.

The annual demand growth in the Luzon grid in 2019 is estimated at 5%. Generation capacity, mainly coal, and some renewables, have increased, however, due to lower inflow and higher outage than expected the spot price came out slightly higher than in 2018.

Alimit

We have concluded the consultation process for Free and Prior Informed Consent (FPIC) by indigenous peoples as well as completed the technical optimisation process for the Alimit hydropower project, and an investment decision is expected in 2020.

UGANDA

SNP owns 64.89% of the non-voting class B shares and 49.75% of the class A voting shares in Bujagali Energy Limited (BEL) together with its partner Industrial Promotion Services (IPS). Bujagali is a 255 MW run-of-river hydropower plant downstream of Nalubaale (previously Owen Falls) and Kiira hydropower stations. BEL has a capacity based pass-through supply agreement with Uganda Electricity Transmission Company Ltd (UETCL) expiring in 2042. The plant's availability has been 99.99% (as defined by the supply agreement).

LAOS

SNP has a 20% shareholding in Theun-Hinboun Power Company (THPC) in Laos. THPC has a capacity of 520 MW and the power is sold on long-term contracts to Thailand (approx. 90%) and Laos (approx. 10%). THPC' other shareholders are EDL Generation from Laos with 60% and GMS Power International, part of the GMS Power group based in Thailand, with 20%. Due to lower than normal water levels at the start of the year and lower than expected inflow during the 2019 rainy season, the generation and sales have been lower than in 2018.

MYANMAR

SNP has a Memorandum of Understanding with the Government of Myanmar for the development of the large-scale 735 MW Middle Yeywa hydropower project on the Myitnge river. In 2019 Aboitiz Power joined the project on a 50/50 basis.

MADAGASCAR

In October, SNP signed the shareholders' agreement with Jovena, Colas and Africa50 for the development of the 120 MW Volobe hydropower project. Financial close for the project is targeted for mid 2021.

ZAMBIA

SNP's subsidiary Agua Imara owns a 51% share in Lunsemfwa Hydro Power Company (LHPC) in Zambia. LHPC owns and operates two hydropower plants with a combined capacity of 56 MW. Due to exceptionally dry conditions during the 2018/2019 rainy season both plants stopped production in July 2019 due to lack of water.

The national generation and distribution company of Zambia is in financial distress. As a consequence, the off-taker has not been able to pay for all of the electricity delivered by LHPC. As of 31 December 2019 the total outstanding balance amounted to USD 52 million. Significant effort and resources are being dedicated to recover these arrears.

LHPC also owns Muchinga Power Company (MPC) in Zambia. MPC has a study license to develop a hydropower plant with a potential capacity of 150-250 MW, downstream of the existing Lunsemfwa power plant.

PANAMA

SNP through Agua Imara participates in two joint ventures in Panama, Fountain Hydro Power Corporation (FHPC) and Hidro Burica SA (Burica). Agua Imara holds a 50.1% ownership share in both companies.

Commercial availability of the FHPC operating plant was 99.5 % in 2019. 94% of production is sold through long and medium term PPAs for 2019. The average spot price achieved in the market has been higher than the previous four years, mainly due to dry conditions in the first half of 2019.

SNP, through Burica, is developing a 63 MW run of river hydropower plant immediately downstream of Bajo Frio. The approval was given in June 2016 and the project is currently being reviewed and cost optimized for construction. SN Power is now valuing the project at USD 16 million given uncertainties on the timing of the next long term PPA auction in Panama, and consequently an impairment of USD 9.5 million (SN Power share) has been recognized.

RWANDA/BURUNDI/DRC

In 2017 SNP agreed with IPS to become technical partner with a 40% share in the 147 MW Ruzizi III hydropower project company. The plant will be located on the river bordering the Democratic Republic of the Congo (DRC), Burundi and Rwanda.

The project agreements were signed in July 2019 and the security agreements in October. Financial close of the project is planned for late 2021.

INDONESIA

SNP has together with our partners Aboitiz Power and Energia Prima Nusantara (part of the Indonesian Industrial group Astra) conducted a study, and filed for the electricity supply business plan (RUPTL) for the Lariang 4 project in Central Sulawesi.

MALAWI

SNP signed a development outsourcing agreement in April 2019 with IFC to co-develop the Mpatamanga project in Malawi, i.e. bring the project to bankable state. In return for its role, SNP has an option to at least 15% equity in the project. SNP is also eligible to bid for an equity stake under the strategic sponsor role.

OTHER NEW MARKETS

In Africa SNP is currently looking to find opportunities for investment in West and Central Africa. In the Americas, opportunities outside Panama such as in Colombia, Costa Rica and Peru are being explored. Opportunities in Asia are also actively pursued.

THE FINANCIAL STATEMENTS

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. SN Power Group's presentation currency is USD.

AUDITORS

The appointed auditors are Deloitte AS, who have examined and vetted the financial statements.

SN POWER GROUP

Net profit for the year includes USD 9.4 million impairment of the Burica project (Income from investments in joint ventures) and USD 4.9 million impairment of receivables (Operating Expenses). Without these one-off items the Net profit for 2019 is USD 68.3 million.

Figures in USD million

Consolidated statement of profit or loss and other comprehensive income for the year	2019	2018	Comments
Revenue	46.3	54.0	1
Earnings before interest, taxes, amortization and depreciation	88.0	113.5	1
Income from investments in joint ventures	83.9	89.7	2
Operating Expenses	-50.9	-39.1	3
Net Financial Items	-9.2	-5.0	
NET PROFIT FOR THE YEAR	**54.1**	**87.9**	
Consolidated statement of cash flows for the year ended 31 December	**2019**	**2018**	**Comments**
Cash and cash equivalents	44.1	67.3	4
Net cash flow from operating activities	83.5	96.9	4
Net cash flow to investing activities	-4.8	-315.3	4
Net cash flow to financing activities	-102.2	-8.5	5
Balance Sheet at December 31	**2019**	**2018**	**Comments**
Total assets	1,277.1	1,301.9	
Equity as a percentage of total debt and equity	81.8%	82.4%	

1. *Weak hydrology had a negative impact on earnings in 2019, and the group saw a reduction of earnings for the first time in four years. Revenues from the two consolidated entities in Zambia and Panama were slightly below the previous year.*
2. *The negative development in income from investments in joint ventures reflects mainly the lower income from Laos which had lower than expected inflow during the 2018 and the 2019 rainy seasons, and the impairment of the Burica project, partly offset by the full-year effect of Bujagali in Uganda which was acquired in July 2018.*
3. *The increase in operating expenses in 2019 is mainly due to the impairment of receivables, the significantly higher project activity and certain one-off items. The asset management organization and related costs are on level with last year.*
4. *Net cash flow to investing activities in 2018 is mostly related to the investment in Bujagali Energy Limited and the acquisition of non-controlling interests in Agua Imara AS. There were no significant investing activities in 2019.*
5. *The increase in net cash flow to financing activities in 2019 is mainly related to payment of dividends to shareholders.*

SN POWER AS

Figures in USD million

Statement of profit or loss and other comprehensive income for the year	2019	2018	Comments
Operating Profit	-13.1	-9.4	1
Net Financial Items	108.0	15.3	2
Operating Expenses	-13.8	-9.6	1
NET PROFIT FOR THE YEAR	**94.8**	**5.9**	
Cash flow statement	**2019**	**2018**	**Comments**
Cash and cash equivalents	11.9	9.1	
Net cash flow from operating activities	95.8	6.5	2
Net cash flow to investing activities	-0.1	-188.9	3
Net cash flow to financing activities	-93.0	-	4
Balance Sheet at 31 December	**2019**	**2018**	**Comments**
Total assets	951.6	949.4	
Equity as a percentage of total debt and equity	99.6%	99.6%	

1. *The increase in the company's operational expenses for 2019 mainly comes from higher other operating expenses due to one-off items and the increased project development activity in 2019.*
2. *The positive increase in net financial items is mainly due to higher dividends received in 2019. That is also the reason for increased net cash flow from operating activities.*
3. *Net cash flow to investments activities in 2018 is mostly related to the investment in SN Power Invest Netherlands in connection with the acquisition of Bujagali Energy Limited. There were no significant investment activities in 2019.*
4. *Net cash flow to financing activities in 2019 is related to payment of dividends to shareholders.*

ALLOCATION OF THIS YEAR'S NET PROFIT AND CONTINUED OPERATIONS

SN Power AS' Board of Directors has suggested that this year's net profit is allocated as follows:

The Board confirms that the company is in a situation of going concern.

It is the Board's opinion that the annual accounts give a

Net profit 2019	USD 94.8. MILLION
Transfer to other equity	USD 94.8. MILLION

true and fair view of SN Power Group's financial results in 2019 and the Group's financial situation as of 31 December 2019. According to the Norwegian Accounting Act, the Board confirms that the Annual Accounts have been prepared based on the Group as a going concern.

ORGANIZATION

EMPLOYEES 2019 (2018)

SNP's consolidated companies had 133 employees at the end of 2019 (133). Of these, 27 (20) worked at the company's headquarters in Oslo. In addition to this there are 7 (8) in the Philippines, 6 (6) in the Netherlands, 60 (62) in Zambia, 5 (5) in Thailand, 1 (1) in Uganda and 27 (31) in Panama. Including joint ventures, the total number of employees at the end of 2019 was 526 (539). Of the employees in joint ventures, 186 (181) worked in the Philippines (SN Aboitiz Power (SNAP)/Manila Oslo Renewable Energy (MORE)), 196 (214) in Laos (Theun-Hinboun Power Company) and 11 (11) in Uganda (Bujagali Energy). Among the consolidated entities, the total of 135 employees represent a diversity of 28 different nationalities.

In 2019, sick leave in SNP was 736 days, equivalent to 2.35% of the total number of working days. SN Power AS had 30 (81) sick leave days, equivalent to 0.44% (1.61%) of the total number of working days.

Erik Knive took over the role as CEO as of 1 July 2019 and restructured the organization by increasing the focus on the regional units, in addition to reorganizing the management team. This resulted in the increase and substantial change of key personnel on a general level for the group.

At the end of the year, two of the four (50%) board members in SN Power AS were female, with one woman in the top management (14%). 30% of SN Power AS' workforce is female. To ensure that SNP does not discriminate on grounds of gender, religion, ethnic background, physical challenges or otherwise, appropriate procedures are in place concerning selection to jobs, promotions to higher positions, transfers and redundancies. Procedures entail transparent recruitment processes whereby job opportunities normally are advertised internally as a minimum, but in general also made available to the public through advertisements. Employment decisions are made in cooperation between at least two managers and the HR function to ensure compliance with statutory regulations and SNP's internal guidelines.

HEALTH AND SAFETY

SNP has established a uniform and comprehensive set of HSE standards, which are monitored by its regional organizations and representatives in the Boards, the SNP management team, and through HSE audits. Serious injuries are subject to independent accident investigations.

The Total Recordable Incident Rate (TRIR) for operations in 2019 was 2.5 (0.7), which is below the target (TRIR ≤ 3) but an increase from previous years. In our operations, there were 4 recordable injuries in 2019 (1 in 2018). In projects under development, there were three recordable injuries in 2019 (0 in 2018).

COMPLIANCE

Compliance to policies and procedures is a priority in the organization. During the period there has been one report of employee misconduct, and appropriate actions have been taken.

ENVIRONMENTAL AND SOCIAL GOVERNANCE

SNP complies with international environmental and social performance standards set by the IFC. The standards are integrated into the Company's policies, procedures and management tools.

SNP keeps a strong focus on anti-corruption. The Company's policy on reporting of concerns is focusing on a transparent, open line to report possible irregularities, and at the same time protecting the integrity of the whistleblower (reporter). The same policy and system have been introduced to SNP's joint ventures and subsidiaries. In 2019 we included a web based solution for reporting of concerns which will be found on the SNP web pages from the beginning of 2020.

In 2019 SNP employed a Director of Social and Environmental Governance. As the project portfolio grows we have seen a need for this position full time.

During 2019, there were no records of violations of SNP's environmental standards for emission or other serious environmental risks.

The Company's operations have not resulted in any pollution or spillage harmful to the environment.

RISK MANAGEMENT

Important risk exposures for SNP are related to climate, hydrology, market, political and regulatory environment, construction, health and safety, finance markets, and corruption. We are satisfied that the company's risk review process identifies the necessary mitigation actions for our assets and projects.

In some countries in which SNP operates, exposure to political and regulatory risk is considered higher than normal. All markets are particularly closely monitored in this regard and mitigation measures such as political risk insurance is evaluated and acquired if necessary.

The company manages the financial risks associated with foreign currencies, interest rates and liquidity primarily by using currency forward contracts and interest rate swap agreements.

Through the maximization of dividends, repayment of previously contributed capital, share issues and refinancing operations of the operative project companies, the capital structure is optimized to maximize the Group's value and reinvestment capability. The Group relies on project financing in which lenders are not entitled to recourse against the parent or sister companies. In some cases, capped parent company guarantees will still have to be issued in order to cover risks that cannot be allocated to lenders, typically construction related risks.

2020 – A YEAR OF CONTINUED EXCELLENCE AND GROWTH

As a company we will continue to optimize our existing assets to achieve long term financial performance, HSE targets and people development. We are dedicating resources to further understand the markets in which we operate and the possibilities which batteries, floating solar and sale of ancillary services represent in our plants.

From a business development perspective we are committed to use our strengths and partnerships to increase our pipeline in general and specifically:

AFRICA

Concentrate our main efforts on further developing the Ruzizi III project, securing and progressing the financial close of the Volobe project in Madagascar, and winning the strategic sponsor role for the Mpatamanga project in Malawi. In addition, we are also concentrating efforts to secure opportunities in West and Central Africa.

ASIA

Establish a public-private partnership for the Middle Yeywa project in Myanmar; prepare the Alimit project in the Philippines for investment decision; and develop solar and storage solution opportunities.

LATIN AMERICA

Explore investment possibilities of new projects in Colombia, a neighboring and much aligned market of Panama. Prepare the Burica project for participating in the next power auction.

Recognizing that hydropower delivers a different product than intermittent renewables, SN Power will continue to search for opportunities where hydropower's benefits are recognized, where the projects can be profitable with sustainable tariffs, and will consider other technologies where they complement our existing market position.

Oslo, 5 March 2020

Orli Arav	Øystein Øyehaug	Kari Mercedes Fremme
Director	*Chair*	*Director*
Erik Knive		Mark John Davis
Chief Executive Officer		*Director*

FINANCIAL STATEMENT SN POWER GROUP 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME FOR THE YEAR

Figures in USD 1,000	NOTE	2019	2018
OPERATING REVENUES AND EXPENSES			
Sales revenues	9	46,254	54,035
Energy purchase and other costs related to power sales	9	-6,646	-3,475
Salary and personnel costs	10	-12,120	-12,138
Depreciation, amortization and impairment	13, 14	-8,779	-8,813
Other operating costs	11	-23,377	-14,632
Income from investments in associated companies and joint ventures	8	83,926	89,734
Earnings before financial items and tax		**79,258**	**104,711**
FINANCIAL INCOME AND EXPENSES			
Financial income	12	4,445	8,786
Financial expenses	12	-13,658	-13,765
Net financial items		**-9,213**	**-4,979**
Profit before tax		**70,046**	**99,732**
This year's tax expense	21	-15,897	-11,827
NET PROFIT FOR THE YEAR		**54,149**	**87,905**
Attributable to:			
Equity holders of the parent		54,436	84,659
Non-controlling interests		-287	3,246
NET PROFIT FOR THE YEAR		**54,149**	**87,905**
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX			
Items that may be reclassified subsequently to profit or loss			
Net gain (loss) on hedging instruments	16	-3,769	2,169
Net gain (loss) on cash flow hedges in associated companies and joint ventures	8	-1,610	-637
Currency translation differences		16,268	-23,112
Total items that may be reclassified subsequently to profit or loss		**10,889**	**-21,580**
Items that will not be reclassified to profit or loss			
Pensions	20	60	41
Reclassification from hedging reserves	8	-	1,787
Total items that will not be reclassified to profit or loss		**60**	**1,828**
Other comprehensive income for the year, net of tax		**10,949**	**-19,752**
Total comprehensive income for the year, net of tax		**65,097**	**68,153**
Attributable to:			
Equity holders of the parent		67,265	63,825
Non-controlling interests		-2,168	4,328
Total comprehensive income for the year, net of tax		**65,097**	**68,153**

BALANCE SHEET
AT 31 DECEMBER

Figures in USD 1,000	NOTE	2019	2018
ASSETS			
Deferred tax asset	21	1,139	581
Intangible assets	14	5,628	5,628
Property, plant and equipment	13	342,362	350,307
Investment in associated companies and joint ventures	8	807,896	824,582
Financial assets	18	10,912	7,199
Total non-current assets		**1,167,937**	**1,188,297**
Spare parts		204	180
Receivables	19	64,861	46,120
Bank deposits, cash and cash equivalents	24	44,128	67,274
Total current assets		**109,193**	**113,574**
TOTAL ASSETS		**1,277,130**	**1,301,871**
EQUITY AND LIABILITIES			
Paid-in capital	25	852,643	852,643
Other equity		117,748	143,485
Non-controlling interests		74,796	76,962
Total Equity		**1,045,187**	**1,073,090**
Pension commitments	20	1,742	1,624
Deferred tax	21	39,569	41,712
Non-current financial instruments (derivatives)	16	4,871	1,102
Non-current liabilities	22	35,116	-
Interest-bearing long term debt	22	108,334	118,884
Total long-term liabilities		**189,632**	**163,322**
Current portion long term debt	22	10,550	9,227
Tax payable		11,550	7,615
Other current liabilities	22,23	20,211	48,617
Total current liabilities		**42,311**	**65,459**
TOTAL EQUITY AND LIABILITIES		**1,277,130**	**1,301,871**

Oslo, 5 March 2020

Orli Arav
Director

Øystein Øyehaug
Chair

Kari Mercedes Fremme
Director

Erik Knive
Chief Executive Officer

Mark John Davis
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER

	Attributable to equity holders of the parent					Non-controlling interests	Total equity
	Paid-in capital		Other equity				
Figures in USD 1,000	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve		
At 1 January 2018	**852,643**	**-**	**132,236**	**-66,616**	**4,359**	**116,011**	**1,038,633**
Transactions with shareholders							
Acquisition of non-controlling interests (note 5)	-	-	9,643	-5	41	-43,375	-33,696
Transactions with shareholders	**-**	**-**	**9,643**	**-5**	**41**	**-43,375**	**-33,696**
Other comprehensive income for the year, net of tax							
Net gain/losses on hedging instruments	-	-	-	-	1,087	1,082	2,169
Net gain/losses on cash flow hedges in associated companies	-	-	1,787	-	-637	-	1,150
Currency translation differences	-	-	-	-23,112	-	-	-23,112
Pensions	-	-	41	-	-	-	41
Other adjustments	-	-	-	-			
Other comprehensive income for the year, net of tax	**-**	**-**	**1,828**	**-23,112**	**450**	**1,082**	**-19,752**
Recognized through Profit and Loss							
Profit for the year	-	-	84,659	-	-	3,246	87,905
Recognized through Profit and Loss	**-**	**-**	**84,659**	**-**	**-**	**3,246**	**87,905**
Total comprehensive income for the year, net of tax	**-**	**-**	**86,487**	**-23,112**	**450**	**4,328**	**68,153**
At 31 December 2018	**852,643**	**-**	**228,366**	**-89,731**	**4,850**	**76,962**	**1,073,090**
Transactions with shareholders							
Reduction of share capital (Note 25)	-851,791	851,791	-	-	-	-	-
Dividends			-93,000				-93,000
Transactions with shareholders	**851,791**	**851,791**	**-93,000**	**-**	**-**	**-**	**-93,000**
Other comprehensive income for the year, net of tax							
Net gain/losses on hedging instruments	-	-	-	-	-1,888	-1,881	-3,769
Net gain/losses on cash flow hedges in associated companies	-	-	-	-	-1,610	-	-1,610
Currency translation differences	-	-	-	16,268	-	-	16,268
Pensions	-	-	60	-	-	-	60
Other comprehensive income for the year, net of tax	**-**	**-**	**60**	**16,268**	**-3,498**	**-1,881**	**10,949**
Recognized through Profit and Loss							
Profit for the year	-	-	54,436	-	-	-287	54,149
Recognized through Profit and Loss	**-**	**-**	**54,436**	**-**	**-**	**-287**	**54,149**
Total comprehensive income for the year, net of tax	**-**	**-**	**54,496**	**16,267**	**-3,498**	**-2,168**	**65,097**
At 31 December 2019	**853**	**851,791**	**189,862**	**-73,466**	**1,352**	**74,796**	**1,045,187**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

Figures in USD 1,000	NOTE	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		70,046	99,732
Tax paid		-13,665	-3,475
Depreciation, amortization and impairment	13, 14	8,776	8,494
Loss(+)/Gain (-) on disposal of fixed assets		3	298
Difference between this year's pension expense and pension premium		191	115
Income from investments in associated companies and joint ventures	8	-83,926	-89,734
Dividends from associated companies and joint ventures	8	113,053	102,020
Effect of exchange rate changes (agio/disagio)		1,056	-2,513
Change in spare parts		-24	-6
Change in receivables and other current liabilities		-12,032	-18,080
Net cash flow from operating activities		**83,478**	**96,851**
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in tangible and intangible fixed assets	13, 14	-920	-678
Proceeds from sale of fixed assets		17	30
Investment in associated companies and joint ventures	8	-165	-282,031
Acquisition of non-controlling interest	5	-	-33,696
Change in non-current financial assets		-3,713	1,072
Net cash flow to investing activities		**-4,781**	**-315,303**
CASH FLOW FROM FINANCING ACTIVITIES			
Paid installments long-term debt	22	-9,227	-8,471
Payment of dividend	EQ	-93,000	-
Net cash flow to financing activities		**-102,227**	**-8,471**
Effect of exchange rate changes on cash and cash equivalents		**385**	**-1,613**
Net change in cash and cash equivalents		-23,146	-228,536
Cash and cash equivalents at 1 January		67,274	295,810
Cash and cash equivalents at 31 December		**44,128**	**67,274**

Interest expense of USD 11.5 million (USD 12.3 million) is included in profit before tax and therefore presented as cash flow from operating activities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER

NOTE 1
GENERAL INFORMATION

SN Power AS, including subsidiaries (SN Power or the Group), is an international renewable energy company with projects and operations in Asia, Sub-Sahara Africa and Latin America. The company invests on commercial terms and is committed to social and environmental sustainability throughout the business. The Company's headquarter is in Oslo.

The consolidated financial statements of SN Power for the year 2019 were authorized for issue in accordance with a resolution of the Board of Directors on 5 March 2020.

The principle activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in note 9.

The financial statements are presented in USD and are rounded to nearest thousand, unless otherwise stated. Foreign operations are included in accordance with the policies set out in note 3.

Capital management
The primary objective of the Group's capital management is to optimize the use of equity to maximize shareholder value. The Group manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust debt exposure, dividend payments to shareholders, return capital to shareholders or issue new shares. The Group's policy is to use project financing in all investments and in the long run to keep the gearing ratio in operating companies above 50 %. The gearing ratio is defined as interest bearing debt divided by Total equity and liabilities:

	2019	2018
Total Interest-bearing debt	125,284	161,374
Total equity and liabilities	1,277,130	1,301,871
Gearing ratio	9,8%	12,4%

NOTE 2
ADAPTION OF NEW AND REVISED STANDARDS

The following new and revised or amended Standards and Interpretations have also been adopted in these financial statements.

Standard/ Interpretation	Title	Date of issue	Applicable to accounting periods commencing on or after
IFRS 16	Leases	January 2016	1 January 2019
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures	October 2017	1 January 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs	December 2017	1 January 2019
Amendments to IAS 19 Employee Benefits	Plan Amendment, Curtailment or Settlement	February 2018	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	June 2017	1 January 2019

The nature and impact of the change from each new standard is discussed below:

NOTE 2
ADAPTION OF NEW AND REVISED STANDARDS

IFRS 16: Leases
This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model whereby a lessee, at the commencement of a lease, will recognize a liability to make lease payments as well as an asset representing the right to use the underlying asset during the lease term. The standard includes two recognition exemptions for lessees – leases of low value assets and short-term leases. The Group has performed a detailed review of its lease contracts in 2019 and has concluded that whilst most of them fall with the recognition exemption mentioned above, IFRs 16 will change how the Group accounts for leases previously classified as operating leases under IAS 17 which were off-balance which for the group is related to the accounting for lease contracts for the rental of office space.

As at 31 December 2019, the Group has non-cancellable operating lease commitment of USD 1.2 million (1.5 in 2018) which is 0.1 % of the Group's balance sheet as at 31.12.2019. Management has therefore concluded that recognition of lease liabilities and lease asset and presentation of lease expenses as interest and depreciation will is not material for to the primary users of the consolidated financial statements. The group have therefore elected to disclose the amount of lease commitments in the note 11.

Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures
The amendment clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The new amendments did not have an impact on the Group's consolidated financial statements.

Annual Improvements to IFRS Standards 2015–2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs
The Annual Improvements include amendments to four Standards.

IAS 12 Income Taxes
The amendments clarify that an entity should recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

The new amendments did not have an impact on the Group's consolidated financial statements as this has been the practice in SN Power Group.

IAS 23 Borrowing Costs
The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

The new amendments did not have an impact on the Group's consolidated financial statements.

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements
The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its PHI in the joint operation.

The new amendments did not have an impact on the Group's consolidated financial statements.

Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement
The amendments in Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) are:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.
- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The new amendments did not have an impact on the Group's consolidated financial statements as anticipated.

IFRIC 23 Uncertainty over Income Tax Treatments
IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

NOTE 2
ADAPTION OF NEW AND REVISED STANDARDS

  - If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
  - If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The new amendments did not have an impact on the Group's consolidated financial statements as anticipated.

New and revised IFRS Standards in issue but not yet effective
At the time of preparing these financial statements, the following standards and interpretations have been issued by IASB but are only applicable for accounting periods commencing on or after 1 January 2020 and are not expected to be adopted early by Management. Standards and interpretations that are neither material nor relevant for the Group's financial statements have not been included in the table below.

Standard/interpretation	Title	Date of issue	Applicable to accounting periods commencing on or after
Amendment to IFRS 3	Business Combinations	October 2018	1 January 2020*
Amendments to IAS 1 and IAS 8	Presentation of Financial Statements/ Accounting Policies, Changes in Accounting Estimates and Errors	October 2018	1 January 2020
Amendments to IFRS 9 and IFRS 7	Financial Instruments	September 2019	1 January 2020
Amendments to IAS 1	Presentation of Financial Statements	January 2020	1 January 2022*

**Not yet endorsed for use in the EU.*

Amendments to IFRS 3 Definition of Business
The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Amendments to IAS 1 and IAS 8 Definition of Material
The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

Management do not anticipate that the application of the amendments in the future will have an impact on the Group's consolidated financial statements.

Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform
The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

Amendments to IAS 1 Classification of Liabilities as Current or Non-Current
The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Management has assessed the potential effect of these new standards and expects that their impact on the Group financial statements will not be material.

NOTE 3
SIGNIFICANT ACCOUNTING POLICIES

Basis for accounting
The consolidated financial statements for the Group have been prepared in accordance with the International Financial Reporting Standard (IFRS) as adopted by the European Union.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for value in use in IAS 36 Impairment of Assets.

The principal accounting policies adopted are set out below. These policies have been applied consistently to all reporting, unless otherwise stated.

Basis for consolidation
The consolidated financial statements comprise the financial statements of the parent company SN Power AS (the Company) and its controlling interests in other companies as of 31 December 2019.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December 2019. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries
Subsidiaries are all entities controlled by the Group. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Business combinations
The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. The amount of the consideration which exceeds the fair value of net identifiable assets is recorded as goodwill and tested annually for impairment. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Non-controlling interest
Non-controlling interest is the share of profit and equity that is not held by the majority owners. Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Investments in associated companies and joint ventures
Shares in companies where the Group exercises a significant, but not controlling influence, and shares in companies with joint control are accounted for under the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

NOTE 3
SIGNIFICANT ACCOUNTING POLICIES

The Group's share of the companies' net post-tax total comprehensive income adjusted for the amortization of any excess fair value is shown on a separate line in the consolidated income statement.

The investments are shown in the consolidated balance sheet as non-current assets, recognized initially at the value which equals the historical cost price including directly attributable transaction costs and adjusted thereafter for the accumulated share of post-tax total comprehensive income adjusted for the amortization of any excess fair values, for dividends received and for possible exchange rate adjustments during the period of ownership. Any conversion differences are recorded directly against equity.

The consolidated financial statement includes the Group's share of profit or loss from the date on which significant influence is attained and until such influence ceases. If the Group's share of losses of an associate or a joint venture equals or exceeds the interest in the associate or joint venture, the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The interest in an associate or a joint venture is the carrying amount of the investment under the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture. Such items may include long-term shareholder loans that are subordinated and unsecured.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealized income and expenses resulting from intra-group transactions, are eliminated. Unrealized gains arising from transactions with associated companies and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Foreign operations
Each entity in the Group determines its own functional currency based on local operations, and items included in the financial statements of each entity are measured using that functional currency. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Group's presentation currency (USD) at the exchange rate at the reporting date. The income and expenses of foreign operations are translated to USD at the average of monthly rates for the reporting year.

Foreign exchange differences are recognized in other comprehensive income and accumulated in the translation reserve, except to the extent to the extent that the translation difference is allocated to non-controlling interest.

Revenue recognition
Revenue is recognized when the company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset. Goods and services are assets when they are received and used by the customer. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. When a performance obligation is satisfied, revenue is recognized with the amount of the transaction price that is allocated that performance obligation. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, value added tax). Revenue arising from contracts with group companies (consolidated entities are eliminated in line with the consolidation policy of the group.

The Group recognizes revenue from the following major sources:

(a) Power sales
Revenues from power sales and transmission are recognized as income on the basis of actual units of electricity sold and the applicable tariff rates under the terms of the power purchase agreements.

(b) Rendering of services
Revenue from transfer of services to a customer is recognized in the profit and loss statement when the customer receives the service.

(c) Dividend income
Dividend income is recognized when the shareholder's right to receive payment has been established, normally when approved by the General Meeting.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in the income statement in the period in which they are incurred.

Government grants
Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

NOTE 3
SIGNIFICANT ACCOUNTING POLICIES

Government grants related to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants related to projects recognized in the balance sheet are presented as deferred income and recognized as income along with the depreciation of the corresponding asset.

Emission rights
The Group will in some cases receive emission rights through the production of environmentally friendly energy and sell these rights to a third party. Such rights are considered grants and are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and that the rights will be received. This is generally achieved once energy is produced. Emission rights are recognized as intangible assets. They are recognized at cost if separately acquired and if received free of charge from the government, they are recognized at cost (nil) as allowed by IAS 20.23.

Financial instruments
Generally
Financial assets and liabilities are recognized in the Group's statements of financial position when the Group becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Principles for designation of financial instruments to different categories of instruments
Below is a description of the guidelines applied by the Group for the designation of financial instruments to different categories of financial instruments in cases where an instrument can qualify for recognition under more than one category.

- *Instruments at fair value through profit or loss*
  Derivatives must always be assessed under the category "fair value through profit or loss". Financial contracts regarding purchase or sale of energy should always be considered as derivative financial instruments. Physical contracts regarding purchase and sale of energy entered into as authorized by trading or settled financially are considered as if they were financial instruments and have to be measured at fair value. Physical contracts regarding purchase and sale of energy entered into according to authorization related to own requirements or provision for own production, are normally not covered by IFRS 9 as long as the contracts do not contain written options in terms of volume flexibility.

- Financial instruments included in hedge accounting
  Identification of financial instruments designated as a hedge instrument or a hedge object in a hedge account is based on the intention of the acquisition of the financial instrument. If financial instruments are acquired with the intention to obtain an economic hedge effect, a closer consideration of the possibilities to document a hedge account will be made.

- *Presentation of derivatives in profit and loss and in the balance sheet*
  Derivatives not related to hedging are presented on separate lines in the balance sheet under assets and liabilities, respectively. Derivatives with positive and negative fair value, respectively, are presented gross in the balance sheet as long as no legal rights to set off different contracts exist, and such rights to offset will be applied in the current cash settlement following the contracts. In the latter case, the particular contract will be presented net in the balance sheet. In the income statement, changes in fair value of derivatives not classified as hedge accounting are classified as financial items. Value changes in energy derivatives are presented under revenue, while value changes in financial derivatives are presented under financial items.

Financial Assets
All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

By default, all other financial assets are measured subsequently at fair value through profit or loss.

SN Power Group has the following financial assets see note 15 of the financial statements.

Loans and receivables
Loans and receivables are initially recognized at fair value including any directly attributable transaction costs. In subsequent periods, loans and receivables are measured at amortized cost using the effective interest method, so that the effective interest rate is equalized over the term of the instrument.

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated

NOTE 3
SIGNIFICANT ACCOUNTING POLICIES

at the spot rate at the end of each reporting period.

Impairment of financial assets
The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at fair value through OCI, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix based on the individual company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Significant increase in credit risk
The following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Financial liabilities
Financial liabilities are initially recognized at fair value including transaction costs. In subsequent periods, financial liabilities are measured at amortized cost using the effective interest method so that the effective interest rate is equalized over the term of the instrument.

SN Power Group has the financial liabilities listed in note 22 and 23 as at the end of December 2019.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'other gains and losses' line item in profit or loss (note 12) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognized in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit and loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

NOTE 3
SIGNIFICANT ACCOUNTING POLICIES

Derecognition of financial liabilities
The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Income tax
Income tax expenses comprises current and deferred tax. It is recognized in the profit and loss except to the extent that it related to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax
Current tax comprises the expected tax payable or receivable on the taxable income of loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of tax payable or receivables is the best estimate of the tax amount expected to be paid to or received from the tax authorities in each country. The tax rates and laws used to compute the amount are those that are enacted or substantially enacted by the reporting date. Current tax also includes any withholding or other taxes arising from dividends.

Deferred tax
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the date of the reporting date. Deferred tax assets and deferred tax liabilities are offset within the same legal tax subject and jurisdiction.

Current/non-current
An asset or liability is classified as current when it is expected to be realized or settled, is intended for sale or consumption within the Group's normal operating cycle, is held primarily for the purpose of being traded, or is expected to be realized or settled within twelve months after the balance sheet date.

The presentation of financial instruments in current and non-current items respectively, is made according to general guidelines for such classification. For long-term debt, the first-year installment is classified as a short-term item.

Intangible assets
Goodwill
Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is not amortized.

Road and land rights
Road and land rights are recognized at historic cost less accumulated amortization and any accumulated impairment losses.

Development costs relating to construction projects
Development costs are capitalized only if the expenditure can be measured reliably, the project is technically and commercially feasible, future economic benefits from the development of the construction project are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Development costs will often be capitalized when a construction project is more likely to happen than not. This may occur before the formal investment decision has been made.

Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Property, plant and equipment
Items of property, plant and equipment are measured at cost, including expenses incurred in completing the asset for use, less accumulated depreciation and any accumulated impairments. Borrowing costs for significant investments are capitalized. Expenses accrued after the asset has been taken into use, such as maintenance costs, are taken to profit or loss, while other expenses expected to generate economic benefits are recognized in the balance sheet.

Water rights are not depreciated if no right of reversion exists and if the value is deemed to be perpetual. Time limited rights are depreciated over the license period. Water rights acquired in a separate transaction are measured initially at cost. Water rights acquired in a business combination are measured at fair value based on the estimated excess earnings of the acquired power plant. The excess earnings are the difference between the after-tax operating cash flow and the required cost of invested capital on all other assets used to generate those cash flows. These contributory assets include property, plant and equipment, other identifiable intangible assets and

NOTE 3
SIGNIFICANT ACCOUNTING POLICIES

net working capital for the power plant. The allowance made for the cost of such capital is based on the value of such assets and a required rate of return reflecting the risks of the particular assets.

Depreciation is made on a straight-line basis over the useful life of the asset. Useful life is assessed on an individual basis and there might be variations within the group based on given local conditions or license periods. The normal useful lives for different groups of assets are presented in the table below:

Land	**Eternal**
Water rights	**License period**
Plants and machinery	
Rock-fill dams, concrete dams	75
Tunnel systems	75
Rock rooms/chambers	75
Mechanical machine installations	40
Remaining technical machine parts	15
Generator	40
Transformer	40
Switchgear (high voltage)	35
Control gear	15
Electro technical auxiliary gear	15
System control center	15
Telecommunication circuit	10
Administration building	50
Power plant - Building structure	75
Other buildings related to operation	50
Buildings: Technical installations	30
Buildings: Tele- and automatics	10-20
Fixtures and fittings, vehicles, other equipment	
Office- and computer equipment	3
Furniture and fixtures	5
Means of transport	10

Each part of a fixed asset that is significant to the total cost of the item will be depreciated separately. Residual value is taken into account when calculating the annual depreciation. Land is not subject to depreciation. Periodic maintenance is capitalized with depreciation over the time period until the next maintenance is expected to be carried out. Estimated useful life, depreciation method and remaining value are reviewed annually.

When assets are sold or disposed of, the capitalized value is derecognized, and any loss or gain is taken to profit or loss. If new components are capitalized, the components that were replaced are removed and any remaining recognized value is recorded as a loss.

Leases
A lease is classified as a financial lease if it transfers substantially all the risks and rewards incidental to ownership. With financial lease agreements, the asset is recognized in the balance sheet at an amount equal to the lower of its fair value and the present value of the minimum lease payments and depreciated over the useful life applicable to that category of assets, or lease term if shorter.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Payments made under operating leases are charged to the income statement on a straight-line basis over the leasing period.

Impairment of non-financial assets
The carrying amount of property, plants and equipment and intangible assets are reviewed on a quarterly basis to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets with indefinite useful life and goodwill are not amortized but tested for impairment at each reporting period.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use and that are largely independent of the cash inflows of other assets or cash flow generating units.

NOTE 3
SIGNIFICANT ACCOUNTING POLICIES

The recoverable amount of an asset or cash generating unit is the greater of its fair value less costs to sell. Value in use is based on the estimated future cash flow, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash flow generating unit.

An impairment loss is recognized if the carrying amount of an asset or cash flow generating unit exceeds its recoverable amount. Impairment losses are recognized in profit and loss. They are allocated first to reduce the carrying amounts of goodwill allocated to the cash flow generating unit, and then to reduce the carrying amount of the other assets in the cash flow generating unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciations or amortization, if no impairment loss had been recognized. Such reversal is recognized in profit or loss.

Investments in associated companies and joint ventures are tested for impairment when there are indicators of possible loss in value. An impairment loss is recognized if the recoverable amount, estimated as the higher of the fair value less cost to sell or value in use, is below the carrying amount.

Trade and other receivables
Trade receivables are initially recognized at transaction price in accordance with IFRS9. Subsequent measurement of the asset is performed as described in Note 19. Any differences between the transaction cost and the subsequent measured amount is recognized as an impairment loss.

Cash and cash equivalents
Cash and cash equivalents include bank deposits, other short-term liquid investments and bank overdrafts. Cash and cash equivalents are recognized at current values. Restricted deposits, which include tax deductions from employee payroll, are included in cash and cash equivalents.

Equity
Share capital is stated at the nominal value of the shares that have been issued.

Retained earnings and the hedging reserve include current and prior period results as disclosed in the income statement and consolidated statement of other comprehensive income.
The effects of foreign currency translation are included as a separate component of equity.
Dividends are reclassified to short term liabilities when approved by the General Meeting. A corresponding amount is recognized directly to equity.

Provisions, contingent assets and liabilities
Provisions are recognized when the Group has a present obligation (legal or self-imposed) as a result of a past event, it is probable that the obligation has to be settled and that a reliable estimate of the obligation can be made.

Provisions are recognized using the best estimate of the expenses required to settle the existing obligation at the balance sheet date. If significant, the time value of money is taken into account when calculating the size of the provision.

Contingent assets and liabilities are not recorded in the financial statements.

Pensions
Defined contribution plans
A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity without further obligations after the contribution has been made. Expenses related to defined contribution plans are classified as salary and personnel costs.

Defined benefit plans
A defined benefit plan is a pension plan that defines an amount of pension that an employee will receive upon retirement, normally set as a share of the employee's salary.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for previously unrecognized actuarial gains or losses and past service costs. The present value of the defined benefit obligation at the balance sheet date is determined by discounting the estimated future cash outflow using a risk-free interest rate. The obligation is calculated annually by an independent actuary using the linear accrual method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Changes in the defined benefit obligations due to changes in pension plans are taken directly through income statement over the vesting period.

NOTE 3
SIGNIFICANT ACCOUNTING POLICIES

Net pension assets for over-funded plans are recognized at fair value and classified as long-term assets. Net pension obligations for under-funded plans and non-funded plans covered by operations are classified as long-term liabilities.

Net pension costs for the period are included in salary and personnel costs and consist of the sum of accrued pension cost for the period, including social security costs and interest costs on the estimated obligation less the estimated return on the pension's fund.

Cash Flow Statement
The cash flow statement is prepared using the indirect method which reconciles the change in cash and cash equivalents to the profit before tax for the year. Cash flows are divided into cash flows from operating, investing and financing activities.

Dividends paid to shareholders and non-controlling interests are presented under financing activities.

NOTE 4
CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3 above, management is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period. If the revision affects both current and future periods, the effect is recognized in both current and future periods.

Critical judgements in applying the Group's accounting policies
The following are the critical judgements that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Price forecast for power
A key assumption used by management in making business decisions is management's price forecasts for power and the related market developments. In addition, these assumptions are critical input for management related to financial statement processes such as:

- Allocation of fair value in business combinations
- Valuation of contracts related to purchase and sale of energy
- Impairment testing of property, plant and equipment, intangible assets and equity accounted investments

The Group performs an update of its price forecasts and the related expected market developments in the geographical areas where it operates, annually. The update provides basis for both strategic decisions as well as the management's expectation for future prices and revenue streams associated with the assets. The annual update is the output of a continuous process of monitoring, interpreting and analyzing global as well as local trends, market fluctuations and drivers that ultimately could affect future markets and revenues. A fundamental approach is applied to analyze the markets. Such analysis includes among others;

- Cost levels of competing technologies and fuels
- Future energy balances
- Political regulations
- Technological developments to reduce emissions of climate gases

The process is headed and run by a team of experts across the organization. The main results are benchmarked to external references and major deviations are explained. The process aims to ensure consistency and arrive at a balanced view of both the markets and the future power prices.

Useful life of tangible and intangible fixed assets
Depreciation is based on management estimates of the useful lives of the assets and their residual values. Estimates may change due to changes in scrap value, technological development, environmental and other conditions. Management reviews the future useful lives of each component and the residual value annually, taking into account the above-mentioned factors.

Provisions and contingent liabilities
IAS 37 defines when to recognize a provision in the financial statements. Management must make estimates and use judgment in determining the expected probability of an outflow of resources and a reliable estimate of the amount.

NOTE 4
CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Contracts related to purchase and sale of energy
Contracts related to purchase and sale of energy that meets the definition of financial instruments, are valued at fair value through profit and loss. The calculation of fair value on such contracts imply in most cases use of a wide range of estimates, of which the determination of future price curves in the market are the most significant.

Significant increase in credit risk
As explained in note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key sources of estimation uncertainty
Impairment testing
SN Power has significant investments in fixed assets, associated companies and joint ventures. These assets are tested for possible impairment where indications of loss of value are present. Such indicators might be changes in market prices on energy or capital, shift in production capacity or climatic factors or other economic and legal circumstances. In the short-term SN Power is exposed to energy market prices in the Philippines and Panama, whereas in the other markets the full capacity is sold on long-term fixed price contracts, most of which follow the remaining concession periods. Calculating the recoverable amount requires a series of estimates concerning future cash flows, of which price curves, hydrology and discount rates are the most significant. Refer to Note 13 for impairment assessment.

Calculation of loss allowance
When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Development costs
Development costs are recognized in the balance sheet when it is probable that these will result in future economic benefits. Establishing such probability involves extensive use of judgement based on previous results and experience.

NOTE 5
BUSINESS COMBINATIONS

SN Power was not involved in business combinations in 2019.

Acquisition of non-controlling interest in Agua Imara AS, Norway in 2018
SN Power AS purchased the remaining non-controlling interest of 35.1% in Agua Imara AS on 15th February 2018 for a total cost of USD 33,696 thousand. This was settled by bank transfer on 16th February 2018. The transaction is treated as an equity transaction in accordance with IFRS 10.23 and IFRS 10.B96. For accounting purposes, the effective date of the acquisition was 1st January 2018. If the acquisition had been accounted for on 15th February 2018, the SN Power Group consolidated net profit for 2018 would have been USD 92 thousand higher.

NOTE 6
MARKET RISK, CREDIT RISK AND LIQUIDITY RISK

SN Power's strategic goals and ambitions as well as the geographical and cultural diversity in the countries of operation, makes it important to continuously evaluate risk factors at all levels. SN Power's core business is in regions that are, or have been, politically and financially unstable. The company has a risk management framework in place, including policy, structure, methodology, skills, knowledge, culture and tools/system support. This framework is applied to projects in all life cycles; to new developments, projects under construction and acquisitions, as well as for operating entities.

Market risk
Market risk is defined as the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. SN Power is mainly exposed to market risk on financial instruments related to currency, interest rate and energy prices.

Currency risk
SN Power's presentation currency is US dollars (USD), and the functional currency of each subsidiary is determined on the basis of an evaluation of it's primary economic environment. The functional currency of each group company is:

NOTE 6
MARKET RISK, CREDIT RISK AND LIQUIDITY RISK

- USD: Panama, Norway, Zambia (operating company), The Netherlands and Laos
- ZMW: Zambia (holding company)
- PHP: The Philippines
- THB: Thailand

SN Power is exposed to currency risk mainly from investments in and dividends from subsidiaries, associated companies and joint ventures. Companies with USD as functional currency are in many cases exposed to currency risk from local currency since a portion of the operating costs typically will be denominated in local currency. Currency risk will materialize when group companies with different functional currencies are converted to USD, like The Philippines.

SN Power makes use of currency swaps and forward contracts to hedge all or part of the currency exposure related to new investments and other significant cash flows in foreign currency. Dividends are usually not hedged due to the short time from declaration to payment relative to the time horizon of the investment. The management and monitoring of foreign exchange exposure is regulated by the Group Treasury Policy, and the entity with foreign currency risk is responsible for compliance.

The following table shows the sensitivity of financial instruments to a reasonable possible change in material currencies for the Group, with all other variables held constant:

Currency risk	Currency	Increase/ decrease in currency rate	Effect on profit before tax (TUSD)
2019	NOK	10%	+ 385
	NOK	-10%	- 385
2019	PHP	10%	- 403
	PHP	-10%	+ 403
2019	THB	10%	- 2,241
	THB	-10%	+ 2,241
2019	UGX	10%	+ 242
	UGX	-10%	- 198
2018	NOK	10%	+ 435
	NOK	-10%	- 435
2018	PHP	10%	- 617
	PHP	-10%	+ 754
2018	THB	10%	- 2,249
	THB	-10%	+ 2,249
2018	UGX	10%	+ 242
	UGX	-10%	- 198

The analysis also includes associated companies which are accounted for using the equity method. The amount reflected is SN Power's share after tax.

Interest rate risk
SN Power is exposed to interest rate risk through external debt financing in subsidiaries, associated companies and joint ventures. In addition, there is an indirect interest rate exposure through inputs in valuations. Interest rate exposure related to the subsidiaries, associated companies and joint venture's debt financing is secured through interest rate swaps for a significant period of the loans. SN Power's ambition for the Group's interest risk is to minimize interest expenses, reduce fluctuations, and limit changes in the value of the Group's net debt. The Group's total debt exposed to floating interest rates, amounts to USD 68 million.

The following table shows the sensitivity of financial instruments to a reasonable possible change in interest rate for the Group, with all other variables held constant:

Interest rate risk exposure	Increase/ decrease in interest rate	Effect on profit before tax (TUSD)
2019	+1%	+ 1,188
	-1%	- 1,194
2018	+1%	- 1,792
	-1%	+ 1,788

The analysis also includes associated companies which are accounted for using the equity method. The amount reflected is SN Power's share after tax.

NOTE 6
MARKET RISK, CREDIT RISK AND LIQUIDITY RISK

Credit risk
Credit risk is defined as the risk of a party to a financial instrument inflicting a financial loss on SN Power by not fulfilling its obligation. Maximum credit risk exposure is:

		2019	2018
Short and long-term receivables from associated companies and joint ventures	Michael McWilliams	7,463	7,199
Cash and cash equivalents		44,128	67,049
Short term receivables		64,861	46,120
Total		**116,452**	**120,368**

Credit risk related to account receivables and other receivables in SN Power is limited by the fact that customers and counterparts are in different markets and in many cases are governmental institutions. On the other hand, customers are few and large and the Group operates in emerging markets where counterparty risk might be assessed to be high. Handling of potential credit risk on receivables is primarily made through credit checks, the establishment of bank guarantees and parent company guarantees in addition to the ongoing monitoring of counterparts.

To mitigate credit risk related to cash and cash equivalents, SN Power has a finance policy that regulates the maximum exposure per counterpart. The ageing of account receivables is presented below, with provision made for losses on receivables. Refer to Note 19 more details on receivables and for assessment of provision for impaired accounts receivables.

	Current receivables	1-30 days	31-60 days	61-90 days	>90 days	Impaired*	Total receivables
Accounts receivable balance at 31.12	3,905	1,617	201	216	51,940	-6,045	51,835
Net accounts receivable balance at 31 December	**3,905**	**1,617**	**201**	**216**	**51,940**	**-6,045**	**51,835**

Liquidity risk
Liquidity risk is defined as the risk that SN Power will encounter difficulties in meeting obligations associated with financial liabilities. SN Power had USD 83.5 million in positive cash flow from operations mainly due to received dividends in 2019.

SN Power AS's financing is based on equity. Both construction projects and operational activities in the Group are financed on the basis of non-recourse project financing. SN Power extends limited and capped guarantees primarily during project construction phase.

The following table sets out the installment profile by maturity of the Group's financial commitments. Under the current circumstances the financial commitments are expected to be covered by the cash flow from operations:

	2020	2021	2022	2023	2024	After 2024	Total
Instalments related to fixed interest rate loans*							
External loans in subsidiaries	6,218	6,218	5,888	6,483	7,012	43,233	75,052
Instalments related to floating interest rate loans**							
External loans in subsidiaries	4,332	4,332	4,190	4,445	4,672	21,863	43,832
Interest payments							
Calculated interest payments	8,599	7,187	6,434	5,626	5,475	5,599	38,920
Total liabilities	**19,149**	**17,737**	**16,512**	**16,554**	**17,158**	**70,695**	**157,804**
Credit risk exposure							
Restricted cash	211						211
Bank deposits, cash and cash equivalents	43,917						43,917
Receivables	64,861						64,861
Financial assets	10,912						10,912
Total assets	**119,901**	**-**	**-**	**-**	**-**	**-**	**119,901**
Net	**100,752**	**-17,737**	**-16,512**	**-16,554**	**-17,158**	**-70,695**	**-37,903**

** Including the parts of the floating interest rate loans that are swapped to fixed interest*
*** The group also has a shortterm credit facility which is a shortterm floating interest loan. As at 31.12.2019 the balance of overdraft is USD 6.4 million. Please refer to Note 22 information about Borrowings*

NOTE 7
SUBSIDIARIES

The following subsidiaries are included in the consolidated financial statements:

Company	Date of establ./ acquisition	Business office	Parent company	Voting share	Owner share
SN Power AS	5 December 2013	Oslo, Norway			
Agua Imara AS	6 June 2014	Oslo, Norway	SN Power AS	100.0%	100.0%
SN Power Invest Netherlands BV	6 June 2014	Amsterdam, Netherlands	SN Power AS	100.0%	100.0%
Nordic Hydropower AB	24 September 2014	Amsterdam, Netherlands	SN Power AS	100.0%	100.0%
SN Power Philippines Inc	6 June 2014	Manila, Philippines	SN Power Invest Netherlands BV	100.0%	100.0%
Agua Imara ACA Pte. Ltd.	6 June 2014	Amsterdam, Netherlands	Agua Imara AS	100.0%	100.0%
SN Power ACA (Zambia) Ltd.	19 August 2015	Lusaka, Zambia	Agua Imara ACA Pte. Ltd.	100.0%	100.0%
SN Power Panama SA	19 February 2015	Panama City, Panama	Agua Imara ACA Pte. Ltd.	100.0%	100.0%
Nordic Power (Asia) Ltd.	1 December 2015	Bangkok, Thailand	Nordic Hydropower AB	100.0%	100.0%
Fountain Intertrade Corporation	6 June 2014	Panama City, Panama	Agua Imara ACA Pte. Ltd.	50.1%	50.1%
Lunsemfwa Hydro Power Company Ltd.	6 June 2014	Kabwe, Zambia	Agua Imara ACA Pte. Ltd.	51.0%	51.0%
Muchinga Power Company Ltd.	6 June 2014	Kabwe, Zambia	Lunsemfwa Hydro Power Company Ltd.	100.0%	100.0%
SN Power White Nile Ltd.	Wednesday, May 18, 2016	Kampala, Uganda	SN Power AS	100.0%	100.0%
SN Power Uganda Ltd.	Wednesday, May 18, 2016	Kampala, Uganda	SN Power AS	100.0%	100.0%
SN Power Bujagali Ltd	Friday, May 27, 2016	Kampala, Uganda	SN Power Uganda Ltd./ SN Power White Nile Ltd.	100.0%	100.0%

NOTE 8
ASSOCIATED COMPANIES AND JOINT VENTURES

The following associated companies and joint ventures are included in the consolidated financial statements:

Company	Date of establ./ acquisition	Business office	Owning company	Voting share	Owner share
Manila-Oslo Renewable Enterprise Inc 2)	6 June 2014	Manila, Philippines	SN Power Philippines Inc	16.70%	16.70%
SN Aboitiz Power - Magat Inc	6 June 2014	Manila, Philippines	SN Power Philippines Inc	40.00%	40.00%
SN Aboitiz Power - Benguet Inc	6 June 2014	Manila, Philippines	SN Power Philippines Inc	40.00%	40.00%
SN Aboitiz Power - RES Inc	6 June 2014	Manila, Philippines	SN Power Philippines Inc	40.00%	40.00%
SN Aboitiz Power - Generation Inc	6 June 2014	Manila, Philippines	SN Power Philippines Inc	40.00%	40.00%
SN Aboitiz Power - Hydro Inc 1)	6 June 2014	Manila, Philippines	SN Power Philippines Inc	40.00%	40.00%
Neptune Hydro Inc 1)	6 June 2014	Manila, Philippines	SN Power Philippines Inc	40.00%	40.00%
SN Aboitiz Power - Ifugao Inc 1)	6 June 2014	Manila, Philippines	SN Power Philippines Inc	40.00%	40.00%
SN Aboitiz Power - Cordillera Inc 1)	6 June 2014	Manila, Philippines	SN Power Philippines Inc	40.00%	40.00%
SN Aboitiz Power - Projects Inc 1)	6 June 2014	Manila, Philippines	SN Power Philippines Inc	40.00%	40.00%
SN Aboitiz Power - Renewables Inc 1)	6 June 2014	Manila, Philippines	SN Power Philippines Inc	40.00%	40.00%
SN Aboitiz Power - Greenfield Inc 1)	6 June 2014	Manila, Philippines	SN Power Philippines Inc	40.00%	40.00%
SN Aboitiz Power - Energy Inc 1)	6 June 2014	Manila, Philippines	SN Power Philippines Inc	40.00%	40.00%
Hidro Burica SA	6 June 2014	Panama City, Panama	Agua Imara ACA Pte. Ltd.	50.00%	50.10%
Theun-Hinboun Power Company Ltd.	24 September 2014	Vientiane, Laos	Nordic Hydropower AB	20.00%	20.00%
Bujagali Energy Ltd 3)	Tuesday, July 24, 2018	Jinja, Uganda	SN Power Invest Nether-lands BV	49.8%	64.9%
Ruzizi III Holding Power Company Ltd	Friday, November 01, 2019	Kigali, Rwanda	SN Power Invest Nether-lands BV	40.0%	40.0%
Ruzizi III Energy Ltd	Tuesday, March 14, 2017	Kigali, Rwanda	Ruzizi III Holding Power Company Ltd	100.0%	100.0%

1) Companies without activity or with insignificant activity.
2) Manila-Oslo Renewable Enterprise Inc has a 60% owner share in SN Aboitiz Power - Magat Inc, SN Aboitiz Power - Benguet Inc , SN Aboitiz Power - RES Inc, SN Aboitiz Power - Generation Inc, SN Aboitiz Power - Hydro Inc, Neptune Hydro Inc , SN Aboitiz Power - Ifugao Inc, SN Aboitiz Power - Cordillera Inc, SN Aboitiz Power - Projects Inc , SN Aboitiz Power - Renewables Inc, SN Aboitiz Power - Greenfield Inc and SN Aboitiz Power - Energy Inc.
3) On December 9, 2019 SN Power Invest Netherlands BV signed a share purchase agreement to sell down its B shares in Bujagali Energy Limited from 65.78% to 55.78% subject to certain conditions. The transaction has not been closed as of 31 December 2019.

NOTE 8
ASSOCIATED COMPANIES AND JOINT VENTURES

Book value of associated companies and joint ventures

Company	Book value 31 Dec 2018	Additions/ disposals	Share of profit/ loss	Dividends	Foreign currency translation difference	Gain/Loss on Cash Flow hedges Associates	Book value 31 Dec 2019
SN Aboitiz Power - Magat Inc	195,476	-	28,104	-32,381	6,575	-	197,774
Manila-Oslo Renewable Enterprise Inc.	85,325	-	-102	-	3,122	-	88,345
SN Aboitiz Power - Benguet Inc	98,009	-	25,800	-24,648	4,074	-1,610	101,625
SN Aboitiz Power - Generation Inc	-268	-	-301	-	-15	-	-584
SN Aboitiz Power - RES Inc	2,132	-	3,845	-1,450	129	-	4,656
Burica Hydropower SA	17,467	165	-9,422	-	-	-	8,211
Theun-Hinboun Power Company Ltd	154,202	-	3,147	-7,854	-	-	149,495
Bujagali Energy Ltd	272,239	-	32,855	-46,720	-	-	258,374
Total	824,582	165	83,926	-113,053	13,885	-1,610	807,896

1) The difference between amount in this table and the table with financial information from associated companies and joint ventures is related to Group effects which are not included in the table below. Group effects consist of excess values and amortization of these.

2) SN Power Invest Netherlands BV applied for exemption from withholding tax on dividends from the Philippines under Philippine domestic tax law in 2018. The exemption was denied by the Philippine government. SN Power is still under the assumption that SN Power Invest Netherlands BV meets the criteria for such exemption and have appealed the decision to the Court of Tax Appeal in the Philippines. However, SN Power has as a result of the ruling reported and paid withholding taxes for dividends received from Philippines in 2018 and 2019 and recognized this as tax expensed in 2019. No provisions have been made for late interest and penalties resulting late payment of WHT on dividends received in 2018 due to the expectation that an exemption will be granted from payment of such.

SN Power and Aboitiz Equity Ventures have joint control of the Philippine companies with a 50% shareholding each. SN Power's prorata share of reported net profit (before group effects) from The Philippines operations amounted to USD 60 million (USD 65 million in 2018).

Theun-Hinboun Power Company Ltd. (THPC) is a 520 MW hydropower plant based in Laos. THPC was acquired from Statkraft SF through the purchase of 100% of the shares in Nordic Hydropower AB with effect from 24 September 2014. Nordic Hydropower AB owns 20% of the shares in THPC.

Bujagali Energy Ltd (BEL) owns and operates the Bujagali hydropower plant, commissioned in 2012. Bujagali hydropower plant is a 255 MW run-of-river hydropower plant located on the Victoria Nile in the Republic of Uganda. SN Power acquired 49.75% of the Class A shares and 65.78% of the Class B shares of BEL on July 24 2018, of which the Class A shares have voting rights. Net profits from BEL are included in SN Power Group accounts from 1 August 2018. Of the total purchase price of USD 281.9 million, USD 5.3 million is related to acquisition costs and USD 93.5 million is excess value which is amortized for the remaining concession period from 1 Aug 2018 to 31 Jul 2042, a total of 24 years.

Impairment of Hidro Burica SA (Burica)
Agua Imara AS, through its subsidiary Agua Imara ACA Pte. Ltd., in February 2012 entered into Hidro Burica S.A. with a shareholding of 50.1% alongside its Panamanian partner Credicorp/Regency Group. The purpose of the company is to develop the 63 MW Burica hydropower plant. The project is in early construction phase and was temporarily put on hold due to licencing issues in 2015/16. These issues have since been solved. The investment decision is currently pending due to the lack of public auctions for long term Power Purchase Agreements (PPAs). SN Power currently values the Burica project at USD 16.2 million (the SN Power / Agua Imara share thus being USD 8.1 million), and consequently an impairment of USD 9.4 million (SN Power share) has been recognized. This is assuming that it is not foreseeable when the authorities in Panama may announce their next long term PPA auction, and there thus is a need to explore alternatives to developing this project.

NOTE 8
ASSOCIATED COMPANIES AND JOINT VENTURES

Financial information from associated companies and joint ventures (100% basis)

Company	Country	Assets	Liabilities	Revenue	Net profit
SN Aboitiz Power - Magat Inc	Philippines*	493,067	328,537	127,715	57,823
Manila-Oslo Renewable Enterprise Inc.	Philippines*	164,600	13,438	3,840	-611
SN Aboitiz Power Benguet Inc	Philippines*	549,179	322,291	117,132	55,844
SN Aboitiz Power - Generation Inc	Philippines*	12,943	14,448	-	-603
SN Aboitiz Power - RES Inc	Philippines*	16,971	7,443	25,770	7,690
Burica Hydropower SA	Panama	35,138	282	-	-102
Theun-Hinboun Power Company	Laos	594,581	350,835	123,194	40,923
Bujagali Energy Ltd	Uganda	908,614	642,026	126,499	57,445

*Assets and liabilities are converted to USD using the closing balance rate per 31 December 2019. Revenue and Net Profit are converted using the average of monthly rates for 2019. The financial information given above does not include group adjustments.

NOTE 9
SALES REVENUES AND COST OF SALES

By business area	2019	2018
Power sales	41,214	52,052
Services	5,040	1,961
Gain on disposal of assets	-	22
Total	**46,254**	**54,035**

By geographical market	2019	2018
Europe	4,238	1,862
Latin America	27,100	27,139
Asia	92	11
Africa	14,825	25,024
Total	**46,254**	**54,035**

Cost of sales	2019	2018
Purchase of electric power	5,164	2,082
Transmission costs	1,482	1,393
Total	**6,646**	**3,475**

NOTE 10
EMPLOYEE BENEFIT EXPENSES, MANAGEMENT REMUNERATION AND AUDIT FEE

Salary and personnel costs	2019	2018
Salary expenses	10,028	9,846
Social security costs	1,010	989
Pension costs (note 20)	723	721
Other personnel costs	359	582
Total salary and personnel costs	**12,120**	**12,138**

The average number of man-years	2019	2018
SN Power consolidated companies	133	133
SN Power associated companies and joint ventures (100% basis)	393	406
Total	**526**	**539**

Statement on the setting of salaries and other remuneration for senior employees
SN Power complies with the government guidelines laid down on 13 February 2015 with respect to the setting of salaries and other remuneration for senior employees. These are based on changes published in Storting Report no. 27 (2013-2014) A diverse and value-creating ownership.

Guidelines for SN Power on the fixing of salaries and other remuneration in 2020
The following guidelines apply to the setting of salaries for senior SN Power employees up until the ordinary General Assembly in 2021. The salary system is designed to attract and retain competent personnel. In setting salaries, emphasis is placed on the individual's contribution to fulfilling SN Power's vision, mission and core values.

SN Power wishes to promote moderation in executive salaries. The aim in setting salaries is that senior SN Power employees should have pay conditions that are competitive, but not at the top end of the scale.

SN Power's pay conditions for senior employees consist of a fixed base salary supplemented by bonus, car compensation scheme, pension- and insurance schemes, and other benefits like newspaper and electronic communication. The Board sets the salary and bonus of the CEO, and the CEO sets the salaries of the management team who report to him.

The fixed base salary is subject to regulation in line with the point of departure for wage developments in the financial and energy sectors, and an assessment of the individual's performance and goal achievement for the year. Annual goals for the individual senior employee are fixed by the CEO in the case of the management team, and by the Board in the case of the overall company goals (i.e. the CEO).

Pay policy in the 2019 accounting year shadowed the market, and closely compares to similar participants in the energy industry, including SN Power's owner. As the new CEO joined the company on 1 July 2019 there was no adjustment of the CEO's salary. The increase for the rest of the management team was 3.24% in 2019. Percentagewise, the senior employees received a lower salary increase than younger employees.

SN Power has a moderate bonus scheme that covers all company employees. Bonuses are awarded annually based on company performance and limited up to 10% of gross base salary per employee. From 2020 up to half of the 10% may be paid upon certain achievements. Senior employees, including CEO, may be awarded an additional individual bonus limited to 10% of gross base salary, based on individual performance. Individual bonuses are in keeping with the requirements in the guidelines regarding variable pay.

In 2020 SN Power will have the following pension and insurance conditions, applying to all company employees, and unchanged from 2019.

SN Power has a defined contribution plan for employees in Norway that consists of disability and spouse pension provisions, 6% of salaries between 0G and 12G, and 12% of salaries between 7.1G and 12G. This scheme satisfies the requirements of the Act on Mandatory Occupational Pensions. Members of the management team who took up their positions before 2012 additionally have a top-hat plan that entitles them to a defined benefit pension for salaries between 12G and 20G in addition to disability insurance. This scheme was closed to new members in 2012.

Senior SN Power employees are covered by insurance schemes that apply to all SN Power employees, as an inclusive travel, group life and medical insurance.

Senior employees have a 3-month notice period, and after 2 years of employment a 6-month notice period applies unilaterally. SN Power has no scheme for pay after termination of employment.

NOTE 10
EMPLOYEE BENEFIT EXPENSES, MANAGEMENT REMUNERATION AND AUDIT FEE

Pay for senior employees in 2019

Employed in:	Name	Basic salary	Bonus	Pension	Others	SUM USD	SUM NOK
SN Power AS 1)	Torger Lien	143	33	26	16	**219**	**1,927**
SN Power AS 1)	Erik Knive	138		8	10	**156**	**1,372**
SN Power AS 2)	Christian Knoph	132	19	12	16	**179**	**1,574**
SN Power AS 2)	Kristian Haneberg	163	20	12	22	**217**	**1,913**
Statkraft AS 2)	Tore Haga	145	24	26	15	**209**	**1,838**
SN Power AS	Øyvind Engelstad	191	9	16	15	**230**	**2,028**
SN Power AS	Tor I Stokke	240	25	87	10	**362**	**3,184**
Nordic Hydropower AB	Eliseo Ana Jr	204	16	16	14	**250**	**2,204**
SN Power AS 3)	Halvor F Lauritzsen	43	11	4	6	**64**	**561**
SN Power AS 3)	Elsbeth Tronstad	49		11	6	**66**	**581**
SN Power Philippines Inc 3)	Torbjørn K-Garstad	54		4	17	**76**	**667**
						2,027	**17,849**

1) Torger Lien was CEO of SN Power until 1 July 2019, when Erik Knive succeeded him as CEO. The figures in the table above represent remuneration during their tenure as CEO.

2) These were members of the management team until 30 September 2019. The figures in the table above represent remuneration during the 9 months they served as members of the management team in 2019.

3) These were appointed as members of the management team from 1 October 2019. The figures in the table above represent remuneration during the 3 months they served as members of the management team in 2019.

Directors' fees in SN Power in 2019
The Board of Directors of SN Power consists of four members. The Directors received a total remuneration of NOK 464 thousand in 2019 (NOK 322 thousand in 2018).

Audit fee, SN Power Group	2019	2018
Statutory audit	146	91
Tax services	294	139
Due diligence services	-	49
Other assurance services	13	6
Other services	170	19
Total fees to auditors	**622**	**303**

Deloitte is the auditor of the SN Power Group, and audit fees presented in the table above cover only what is paid to Deloitte. Total fees related to consolidated companies not audited by Deloitte amounts to USD 121 thousand (USD 305 thousand in 2018), whereof USD 77 thousand (USD 152 thousand in 2018) for statutory audit, USD 30 thousand (USD 84 thousand in 2018) for tax services and USD 14 thousand (USD 69 thousand in 2018) for non-audit services provided.

NOTE 11
OTHER OPERATING EXPENSES

	2019	2018
External services providers 2)	10,028	5,260
Repairs and maintenance	541	1,698
Insurance expenses	2,163	1,024
Fees, licenses, etc.	1,014	851
Travel expenses	1,295	1,042
Leasing of premises, office equipment and company cars 1)	739	818
Office expenses	449	342
Impairment of receivables	4,883	929
Other expenses	2,265	2,668
Total other operating expenses	**23,377**	**14,632**

1) SN Power AS has a total of 1.2 million USD in minimum lease payments due on non-cancellable operating leases expiring after 31 December 2019. TUSD 546 is due within 1 year from the balance sheet date.
2) Technical services from external service providers related to project development and external tax services, legal services, accounting services and other administrative services. 2019 includes certain one-off expenses.

NOTE 12
FINANCIAL INCOME AND EXPENSES

Financial income	IFRS 9 category	2019	2018
Interest income bank	Amortized cost	3,125	4,206
Realized currency gain	Fair value through profit or loss	141	149
Unrealized currency gain	Fair value through profit or loss	1,152	3,974
Other financial income	Amortized cost	27	457
Financial income		**4,445**	**8,786**
Financial expenses		**2019**	**2018**
Interest expenses loans	Amortized cost	-11,486	-12,295
Realized currency loss	Fair value through profit or loss	-106	-303
Unrealized currency loss	Fair value through profit or loss	-1,823	-972
Other financial expenses	Amortized cost	-243	-195
Financial expenses		**-13,658**	**-13,765**
Net financial items		**-9,213**	**-4,979**

NOTE 13
PROPERTY, PLANT AND EQUIPMENT

	Land	Water rights	Plants and machinery	PP&E under construction	Fixtures and fittings, vehicles, other equipment	Total
Book value 1 January 2018	**6,909**	**89,830**	**260,791**	**-**	**1,355**	**358,884**
Additions	-	-	16	4	658	678
Reclassification	-	-	-2,062	1,543	-7	-526
Disposals at book value	-	-	-	-	-328	-328
Depreciation for the year	-	-	-7,937	-	-461	-8,398
Exchange differences for the year	-	-	-	-	-4	-4
Book value 31 December 2018	**6,909**	**89,830**	**250,808**	**1,547**	**1,213**	**350,307**
Acquisition cost 31 December 2018	**6,909**	**129,801**	**306,754**	**1,547**	**3,743**	**448,754**
Accumulated depreciation	-	-1,202	-38,422	-	-2,530	-42,154
Accumulated impairment losses	-	-38,769	-17,524	-	-	-56,293
Book value 31 December 2018	**6,909**	**89,830**	**250,808**	**1,547**	**1,213**	**350,307**
Book value 1 January 2019	**6,909**	**89,830**	**250,808**	**1,547**	**1,213**	**350,307**
Additions	-	-	463	-	457	920
Reclassification	-	-	1	-94	16	-78
Disposals at book value	-	-	-	-	-20	-20
Depreciation for the year	-	-	-7,984	-	-355	-8,339
Exchange differences for the year	-	-	-	-	9	9
Book value 31 December 2019	**6,909**	**89,830**	**243,288**	**1,016**	**1,320**	**342,362**
Acquisition cost 31 December 2019	**6,909**	**129,801**	**307,218**	**1,547**	**3,777**	**449,252**
Accumulated depreciation	-	-1,203	-46,403	-94	-2,458	-50,158
Accumulated impairment losses	-	-38,769	-17,524	-437	1	-56,729
Book value 31 December 2019	**6,909**	**89,830**	**243,288**	**1,016**	**1,319**	**342,362**

Assessment of impairment of tangible and intangible assets
The carrying amount of water rights relates to LHPC which became part of the group in 2014. The water rights are granted for an indefinite period of time and as such not depreciated. SN Power assesses the risk of impairment of the water rights regularly and tests the value in use on an annual basis. The valuation includes normalized hydrology based on historical average and prices in accordance with the current power purchase agreement which has a term of 15 years.

Please refer to Note 19 below for assessment of impairment of receivables.

NOTE 14
INTANGIBLE ASSETS

	Goodwill	Project development	Power Purchase Contracts	Total
Book value 1 January 2018	**5,105**	**96**	**-**	**5,201**
Book value 31 December 2018	**5,105**	**523**	**-**	**5,628**
Acquisition cost 31 December 2018	**5,105**	**9,634**	**4,643**	**19,382**
Accumulated amortization	-	-9,111	-3,908	-13,019
Book value 31 December 2018	**5,105**	**523**	**-**	**5,628**
Book value 1 January 2019	**5,105**	**523**	**-**	**5,628**
Book value 31 December 2019	**5,105**	**523**	**-**	**5,628**
Acquisition cost 31 December 2019	**5,105**	**9,634**	**4,643**	**19,382**
Reclassification	-	-	-735	-735
Accumulated amortization	-	-9,111	-3,908	-13,019
Book value 31 December 2019	**5,105**	**523**	**-**	**5,628**

Refer to Note 13 above for assessment of impairment of goodwill as this is also related to LHPC.

Project development
Project development costs are capitalized only if future economic benefits from the development of an intangible asset is probable. Development costs will be capitalized as part of the construction cost of the plant and depreciation will start when the asset is put into operation.

Muchinga Power Company (MPC) in Zambia was completely written down in 2016 due to uncertainties related to water rights.

NOTE 15
CONTRACTUAL COMMITMENTS

Off balance sheet guarantees and obligations at 31 December	**2019**	**2018**
Parent company guarantees	11,314	12,200
Legal recourse guarantees	17,184	16,870
Total	**28,499**	**29,070**

NOTE 16
DERIVATIVES

	2019	**2018**
Derivatives - non current liabilities		
Interest rate derivatives	4,871	1,102
Total non-current derivatives	**4,871**	**1,102**
Net Interest rate derivatives	-4,871	-1,102
Total net derivatives	**-4,871**	**-1,102**

Fair value of derivatives
The estimated fair value of financial instruments has been determined using relevant market information and valuation methods. The fair value of interest rate swaps and currency swaps is determined by discounting expected future cash flows to present values using observed market interest rates and exchange rates, while the valuation of forward exchange contracts is based on the observed exchange rates, of which forward exchange rates are derived. Estimated present values are tested for reasonableness against calculations made by the counterparties in the contracts (market-to-market).

Market interest rate curves are assumed for discounting derivatives. Market interest rate curves are calculated based on the published swap rates from major financial institutions and credit spreads are added to the market yield curve in cases where credit risk is relevant. Fair value measurements can be classified by using a fair value hierarchy that reflects the significance of the inputs used in the preparation of the measurements.

NOTE 16
DERIVATIVES

The fair value hierarchy has the following levels:

Level 1: Non-adjusted quoted prices in active markets for identical assets or liabilities.
Level 2: Other than the quoted prices included in Level 1 that are observable for the asset or liability either directly as prices, or indirectly derived from prices.
Level 3: Data for the asset or liability is not based on observable market data.

The fair value hierarchy and fair value changes in financial derivatives are presented below. Further analysis of market risk is discussed in note 6.

	Interest derivatives Level 2	TOTAL
Derivatives 1 January 2019	-1,102	-1,102
Derivatives 31 December 2019	-4,871	-4,871
Change in fair value for derivatives	**-3,769**	**-3,769**
Changes in fair value recognized in other equity	-3,769	-3,769
Change in fair value for derivatives	**-3,769**	**-3,769**
Changes in fair value recognized in other equity	-3,769	-3,769
Recognized in other equity	**-3,769**	**-3,769**

Hedge accounting
SN Power has entered into interest rate swaps in Fountain Intertrade Corporation. All contracts qualify for hedge accounting of future cash flows, and changes in fair value are recorded against equity until the payment is settled. Other hedging instruments that do not meet hedge accounting requirements are recorded at fair value over profit and loss statement. Per 31 December 2019, a total of USD 4.9 million of the Group's hedging instruments qualified for hedge accounting.

NOTE 17
FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments
The estimated fair value of financial instruments has been determined using the relevant market information and valuation methods. There are no identified financial instruments where the carrying value differs significantly from fair value. The carrying value of cash and cash equivalents is the best estimate of fair value. Loans are valued at amortized cost.

Financial assets valued at amortized cost	**Book value**	**Fair value**
Loan to associated companies and joint ventures	7,463	7,463
Investment in shares	3,449	3,449
Short term receivables	64,861	64,861
Cash and cash equivalents (note 24)	44,128	44,128
Total financial assets at amoritized cost	**119,901**	**119,901**
Financial liabilities valued at amortized cost		
Interest-bearing long term debt	108,334	108,334
Current portion long term debt	10,550	10,550
Other current liabilities	17,692	17,692
Accounts payable	2,519	2,519
Income taxes payable	11,550	11,550
Total financial liabilities valued at amortized cost	**150,645**	**150,645**

NOTE 18
FINANCIAL ASSETS

	2019	2018
Loan to associated companies and joint ventures	7,463	7,199
Investments in shares	3,449	-
Total other financial assets	**10,912**	**7,199**

NOTE 19
RECEIVABLES

	2019	2018
Accounts receivable	57,880	41,957
Earned but not invoiced operating income	39	1,777
VAT Receivable	298	357
Short-term receivables from associated companies and joint ventures	8,920	376
Prepaid rent	1,838	1,100
Provisions for impaired receivables (in accordance with IFRS 9) 1)	-6,045	-1,102
Other current receivables	1,931	1,655
Total receivables	**64,861**	**46,120**

Provisions for loss on receivables
The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated taking into account the following factors; past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

1) Overdue accounts receivables in Lunsemfwa Hydropower Company Ltd. (LHPC)
In the years 2015-2017, a period with severe drought, Zambia imported electricity from neighbouring countries at high prices without passing on the increased cost of power purchases to the end-users. This has led the off-taker into financial distress and as a consequence the customer has only been able to pay for part of the electricity delivered. As of 31 December 2019 the total outstanding balance amounted to USD 52 million. The Zambian government has continued its efforts on finding a solution for the country's economic situation and SN Power is still of the opinion that the outstanding nominal balance and any future energy sales will be settled in full. However, due to accounting requirements to assess impairment of receivables based on the principles in IFRS 9, an impairment of approximately USD 6 million has been recognized as of 31 December 2019 (USD 1 million of this was recognized in 2018) to account for the expected loss on receivables which is mostly linked to the time value of money.

NOTE 20
PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFITS

SN Power AS has pension schemes that cover a total of 22 staff members, and that comply with Norwegian regulations on mandatory pension. The contributions are 6% of the pensionable salary up to 7.1 times the Norwegian Public Pension Base Rate ("G"), and 18% of the pensionable salary between 7.1G and 12G. In addition to retirement pensions, the contribution scheme also entails risk coverage.

Expenses related to the defined contribution plan in SN Power AS in 2019 were USD 526 thousand (USD 512 thousand in 2018).

In addition to the defined contribution scheme, four people including two members of the Management team have a supplementary plan. This plan confers the right to a pension of 66% of the salary up to 20G from the age of 65 years. The plan requires 30 years vesting period and is funded by the company. This agreement is closed, and existing members who leave before pensionable age receive a deferred pension entitlement for the scheme above 12G, based on the accrued share.

There is also a closed plan for one employee in the Norwegian Public Service Pension Fund (SPK). SN Power is responsible for the financing of the scheme, and pension benefits from the SPK are guaranteed by the Norwegian state.

Assumptions
The following assumptions were used in calculating the current year's pension costs and liabilities:

FINANCIAL STATEMENTS SN POWER GROUP - NOTES

NOTE 20
PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFITS

	2019	2018
Discount rate	1.80 %	2.60 %
Expected rate of return, SPK	2.00 %	2.60 %
Regulation of salary	2.25 %	2.75 %
Regulation of pension, Nordea	0.70 %	0.80 %
Regulation of pension, SPK	1.25 %	1.75 %
Regulation of base rate	2.00 %	2.50 %
Turnover	0.00 %	4.00 %

Pensions expenses	**SPK**	**Unfunded**	**2019**	**2018**
Net present value of the current year's pension earnings	0	136	136	154
Interest rate and administrative costs	12	41	54	45
Gross pension costs	12	177	190	199
Return on pension plan assets	-12	-	-12	-12
Accrued social security cost	-	19	19	22
Net pension costs	**1**	**196**	**197**	**209**

Pension liabilities			**2019**	**2018**
Pension liabilities	487	1,496	1,983	1,903
Pension plan assets	456	-	456	479
Calculated pension liabilities	31	1,496	1,527	1,423
Social security expenses	4	211	215	201
Net pension liabilities	**35**	**1,707**	**1,742**	**1,624**

Movement in actuarial gains/losses recognized directly in equity			**2019**	**2018**
Accumulated amount recognized directly in equity before tax 1 January	134	44	178	137
Currency effects	-1	-0	-2	-8
Recognized in the period	-13	75	62	49
Accumulated amount recognized directly in equity before tax 31 December	**119**	**118**	**238**	**178**

NOTE 21
TAX

Tax expense	**2019**	**2018**
Taxes payable	17,605	7,434
Change in deferred tax	-1,708	4,393
Tax expense	**15,897**	**11,827**

Tax expensed is related to foreign subsidiaries. USD 9.2 million of the tax expensed in 2019 is related to withholding tax on dividends recognized as income in 2018. Please refer to Note 8 for more details about the withholding tax application in the Philippines.

NOTE 21
TAX

Tax expense	**2019**	**2018**
Profit before tax	70,046	99,732
Expected tax expense at 22% (2018: 23%), the nominal rate of tax in Norway	15,410	22,938
Effect on taxes of:		
Different tax rates for subsidiaries operating in other tax jurisdictions	-645	2,559
Income from associated companies	-18,464	-20,639
Withholding tax paid on dividends received	13,293	1,174
Changes in temporary differences and unused tax losses not recognised as deferred taxes	5,562	2,627
Permanent differences caused by the functional currency being different from the tax currency	2,791	1,779
Other permanent differences, net	-2,052	1,388
This year's tax expense	**15,897**	**11,827**
Tax rate	22.7%	11.9 %

A large part of the Group's result is generated by its associated companies with operations in countries which are subject to standard rates of tax that range from 15% to 30%. For accounting purposes, the post-tax share of the result from these associated companies is presented in the Group's income statement in the line "Income from investments in associated companies and joint ventures". In addition to this underlying tax, the Group also pays withholding tax on dividends received from certain countries. To the extent that the withholding tax paid is not recoverable, it will be accounted for and disclosed as a tax expense for the Group. The contrast between income and taxes on dividends helps to explain both why the average rate of tax is significantly lower the nominal rate of tax in Norway in 2018. In 2019 however, SN Power group has a significantly higher tax expense compared to prior years due to payment of withholding tax on dividends received from Philippines and recognized as income in 2018 while the tax was reported and paid in 2019. This is the main explanation for the effective tax rate which is slightly higher than nominal rate of tax in Norway in 2019. Please refer to Note 8 for more details about the withholding tax application in the Philippines.

Specification of the tax effects of temporary differences	**1 January 2019**	**Recognized in profit and loss**	**Recognized in equity**	**Company acquisitions/ sales**	**Translation differences**	**31 December 2019**
Property, plant and equipment	-40,104	1,794			993	-37,317
Pension liabilities	-1,608	-630			-0	-2,238
Tax losses carried forward	581	544			0	1,125
Total net deferred tax liability/(asset)	**-41,131**	**1,708**	**-**	**-**	**993**	**-38,430**
Deferred tax asset	581					1,139
Deferred tax	-41,712					-39,569
Total deferred tax in balance sheet	**-41,131**					**-38,430**

Temporary differences including tax loss carried forward for which no deferred tax asset is recognized in the balance sheet	**2019**	**2018**
Property, plant and equipment	4,162	5,585
Pension liabilities	1,752	1,647
Other long-term items	376	50
Tax losses carried forward/compensation	77,665	62,336
Temporary differences including tax loss carried forward for which no deferred tax asset is recognized in the balance sheet	**83,955**	**69,618**

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profits will be available in the same tax jurisdictions as these items and against which the Group can use these benefits.

NOTE 22
BORROWINGS

Secured borrowing at amortised cost	2019	2018
Regular loans in subsidiaries	118,884	128,111
Total debt	**118,884**	**128,110**
First year's installment long term debt	-10,550	-9,227
Interest-bearing long term debt	**108,334**	**118,884**
Average interest rate	**7.2%**	**7.0%**
Shortterm credit facility	6,400	6,000
Total secured borrowings	**125,284**	**134,110**

	2019	2018
Long term loans from shareholders	**35,116**	**-**

Pledged as security and restricted funds
SN Power uses non-recourse debt in the project companies to fund investments and capital expenditures for the construction and acquisition of power plants. This debt is secured by the shares in the project company, the physical assets, the contracts, and the cash flows of the related project company. The risk is limited to the respective project company and is without recourse to the parent companies.

The terms and conditions of the non-recourse debt within the SN Power Group include certain financial and non-financial covenants. These covenants are limited to the activities in the project companies and vary among the companies. The covenants may include, but are not limited to, the maintenance of certain reserves, minimum levels of working capital, limitations on incurring additional debt and share retention.

The book value of pledged assets/shares in the Group amounts to USD 271 million and the underlying commitment amounts to USD 125 million.

NOTE 23
SPECIFICATION OF OTHER CURRENT LIABILITIES

	2019	2018
Payables to shareholders	3,180	33,263
Current interest-bearing debt	6,400	6,000
Accounts payable	2,519	2,167
Public taxes payable	2,207	2,079
Accrued interest	2,386	2,613
Accrued salary and vacation expense	1,620	1,593
Accrued costs and deferred revenue	1,899	895
Other current liabilities	-	7
Total other current liabilities	**20,211**	**48,617**

Accounts payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.
Management consider that the carrying amount of trade payables approximates to their fair value.

NOTE 24
BANK DEPOSITS, CASH AND CASH EQUIVALENTS

	2019	2018
Bank deposits, cash and cash equivalents	43,917	67,049
Bank deposits - tax restricted	211	225
Total bank deposits, cash and cash equivalents	**44,128**	**67,274**

NOTE 25
SHARE CAPITAL, SHAREHOLDER INFORMATION AND DIVIDEND

	Share Capital	Share Premium	Paid in capital
Paid-in equity 1 January 2019	852,643	-	852,643
Reduction of share capital	-851,791	851,791	-
Paid-in equity 31 December 2019	**853**	**851,791**	**852,643**

Shareholders in SN Power AS as at 31 December 2019	Share capital NOK	Number of shares	Owner and voting share
Norfund	5,176,316	51,763,156	100%
Total	**5,176,316**	**51,763,156**	**100%**

The nominal value of share capital of SN Power AS was reduced from NOK 100 per share to NOK 0.10 per share on 13 December 2019 in a extraordinary General Assembly. The reduction of share capital is not registered in Register of Company (Brønnøysund) as at December 2019 due to the formal creditor notification period. All issued shares have equal voting rights and are equally entitled to dividend. A total of USD 93 million in dividends are paid out for 2019 from SN Power AS to its shareholder Norfund.

NOTE 26
TRANSACTIONS WITH RELATED PARTIES

All subsidiaries, associated companies and joint ventures listed in Note 7 and Note 8 are related parties of SN Power. Balances and transactions between consolidated companies are eliminated in the consolidated accounts and are not shown in this note.

SN Power's Management Team and the Board of Directors of SN Power AS are also related parties of SN Power. SN Power is indirectly owned by the Norwegian government. There are no identified significant transactions and balances with the Norwegian government or companies controlled by the Norwegian government, other than the ones listed in this Note and Note 5.

All transactions with related parties have been carried out as part of the ordinary operations and at arm's length prices. There are no identified significant transactions and balances with related parties other than the ones listed in this Note.

The profit & loss sheet includes the following amounts resulting from transactions with related parties

Transaction type	Related party	2019	2018
Sales revenue	Burica Hydropower SA	-	28
Sales revenue	Theun-Hinboun Power Company Ltd.	1,200	1,200
Sales revenue	**Total**	**1,200**	**1,228**

The balance sheet includes the following amounts resulting from transactions with related parties		2019	2018
Receivables	SN Aboitiz Power - Magat Inc	6	8
Receivables	Manilla - Oslo Renewable Enterprise, Inc	415	415
Receivables	SN Aboitiz Power - Benguet Inc	6,867	15
Receivables	SN Aboitiz Power - Generation Inc	6,785	6,786
Receivables	Hidro Burica SA	1	51
Receivables	Theun-Hinboun Power Company Ltd.	-	300
Receivables	**Total**	**14,072**	**7,575**
Other current liabilities	Hidro Burica SA	0	7
Other current liabilities	**Total**	**0**	**7**

SN Power has assumed a guarantee obligation on behalf of Norfund related to specific revenue items in the Bajo Frio project. SN Power is entitled to recourse on commercial terms. The guarantee is effective from the commercial completion date of the Bajo Frio plant.

NOTE 27
EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events after the balance sheet date

FINANCIAL STATEMENTS SN POWER AS

NOTES TO THE FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE YEAR

Figures in USD 1,000	NOTE	2019	2018
OPERATING REVENUES AND EXPENSES			
Sales revenues	2	626	161
Salary and personnel costs	3	-5,346	-5,177
Amortization	6	-88	-164
Loss on disposal of assets	6	-	-319
Other operating costs	4	-8,341	-3,892
Earnings before financial items and tax		**-13,149**	**-9,391**
FINANCIAL INCOME AND EXPENSES			
Financial income	5	108,441	16,212
Financial expenses	5	-444	-900
Net financial items		**107,997**	**15,312**
Profit before tax		**94,848**	**5,921**
This year's tax expense	8	-	-
NET PROFIT FOR THE YEAR		**94,848**	**5,921**
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX			
Items that will not be reclassified to profit or loss			
Pensions	7	60	41
Total items that will not be reclassified to profit or loss		**60**	**41**
Other comprehensive income for the year, net of tax		**94,908**	**5,962**
Total comprehensive income for the year, net of tax		**94,908**	**5,962**

BALANCE SHEET

AT 31 DECEMBER

Figures in USD 1,000	NOTE	2019	2018
ASSETS			
Intangible assets	6	41	87
Tangible assets	6	169	157
Investment in subsidiaries	9	937,644	937,644
Total non-current assets		**937,855**	**937,888**
Receivables	12,14	1,860	2,330
Cash and cash equivalents	10	11,931	9,144
Total current assets		**13,791**	**11,474**
TOTAL ASSETS		**951,646**	**949,362**
EQUITY AND LIABILITIES			
Share capital	11	853	852,643
Share premium	11	851,791	-
Other equity	11	95,141	93,233
Total equity		**947,784**	**945,876**
Pension commitments	7	1,742	1,624
Total long-term liabilities		**1,742**	**1,624**
Current liabilities	13,14	2,120	1,862
Total current liabilities		**2,120**	**1,862**
TOTAL EQUITY AND LIABILITIES		**951,646**	**949,362**

Oslo, 5 March 2020

Orli Arav
Director

Øystein Øyehaug
Chair

Kari Mercedes Fremme
Director

Erik Knive
Chief Executive Officer

Mark John Davis
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER

Figures in USD 1,000	NOTE	Share capital	Share premium	Other equity	Total equity
At 1 January 2018		**852,643**	**-**	**87,271**	**939,914**
Other comprehensive income for the year, net of tax					
Pensions		-	-	41	41
Other comprehensive income for the year, net of tax		**-**	**-**	**41**	**41**
Recognized through Profit and Loss					
Profit for the year		-	-	5,921	5,921
Recognized through Profit and Loss		**-**	**-**	**5,921**	**5,921**
Total comprehensive income for the year, net of tax		**-**	**-**	**5,962**	**5,962**
At 31 December 2018		**852,643**	**-**	**93,233**	**945,876**
Transactions with shareholders					
Reduction of share capital	11	-851,791	851,791		-
Dividends	11		-	-93,000	-93,000
Transactions with shareholders		**-851,791**	**851,791**	**-93,000**	**-93,000**
Other comprehensive income for the year, net of tax					
Pensions		-	-	60	60
Other comprehensive income for the year, net of tax		**-**	**-**	**60**	**60**
Recognized through Profit and Loss					
Profit for the year		-	-	94,848	94,848
Recognized through Profit and Loss		**-**	**-**	**94,848**	**94,848**
Total comprehensive income for the year, net of tax		**-**	**-**	**94,908**	**94,908**
At 31 December 2019		**853**	**851,791**	**95,141**	**947,784**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER

Figures in USD 1,000	NOTE	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		94,848	5,921
Amortization	6	88	164
Net book value of disposed asset	6	-	319
Change in intra-group accounts	12, 13	-92	461
Change in other current assets and liabilities	12, 13	939	-410
Net cash flow from operational activities		**95,783**	**6,455**
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in tangible and intangible fixed assets	6	-55	-177
Investments in subsidiaries	9	-	-188,696
Net cash flow to investment activities		**-55**	**-188,873**
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid to shareholders	11	-93,000	-
Net cash flow from financing activities		**-93,000**	**-**
Effect of exchange rate changes on cash and cash equivalents		**59**	**41**
Net change in cash and cash equivalents		2,788	-182,377
Cash and cash equivalents at 1 January		9,144	191,521
Cash and cash equivalents at 31 December	10	**11,931**	**9,144**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Summary of significant accounting policies
The financial statements have been presented in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act § 3-9. The financial statements consist of the statement of income and other comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements.

The financial statements give a true and fair view of the financial position, the financial performance and the cash flows for the year.

Classification
Assets and liabilities related to the normal operating cycle are classified as current assets and current liabilities. Receivables and liabilities not related to the normal operating cycle are classified as current if they are of a short-term nature, normally due within one year. Shares and other investments not intended for continued use or ownership are classified as current assets. Other assets are classified as fixed assets and other liabilities as long-term liabilities.

Revenue recognition
Sales of services are recognized as income when rendered. Other operating revenues are recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Foreign currency
Functional currency for the company is USD. Foreign currency monetary items are translated at the closing rate at the date of the balance sheet. Foreign currency gains and losses are reported in the income statement under the line items financial income or financial expenses.

Investments
Investments in subsidiaries are accounted for using the cost method. The investments are initially measured at the acquisition price of the shares. When it is assumed that the fair value of investments is lower than its carrying amount, the asset is written down to the recoverable amount. Previously recognized impairment loss is reversed only if there have been changes in the estimates used to determine the recoverable amount. Dividend income is recognized when the shareholder’s right to receive payment has been established, normally when approved by the General Meeting.

If an appropriation exceeds the proportion of retained profit after acquisition, the excess amount represents a repayment of invested capital, and the appropriation is deducted from the value of the investment in the balance sheet.

Tangible fixed assets and intangible assets
Tangible fixed assets and intangible assets are measured at cost less accumulated depreciation and impairment. Tangible fixed assets and intangible assets with limited useful lives are depreciated over the expected useful life of the assets. Tangible fixed assets and intangible assets are impaired if the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and the value in use. Impairment is reversed if the basis for the impairment is no longer present.

Research costs are expensed as incurred. Development costs are capitalized only if the expenditure can be measured reliably, the project is technically and commercially feasible, future economic benefits from the development of the construction project are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Development costs will often be capitalized when a construction project is more likely to happen than not. This may occur before the formal investment decision has been made.

Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Leasing
A lease is classified as a financial lease if it transfers substantially all the risks and rewards incidental to ownership. With financial lease agreements, the asset is recognized in the balance sheet at an amount equal to the lower of its fair value and the present value of the minimum lease payments and depreciated over the useful life applicable to that category of assets, or lease term if shorter.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Payments made under operating leases are charged to the income statement on a straight-line basis over the leasing period.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Trade receivables
Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement.

Income taxes
Income tax expenses comprises current and deferred tax. It is recognized in the profit and loss except to the extent that it related to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax
Current tax comprises the expected tax payable or receivable on the taxable income of loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of tax payable or receivables is the best estimate of the tax amount expected to be paid to or received from the tax authorities in each country. The tax rates and laws used to compute the amount are those that are enacted or substantially enacted by the reporting date. Current tax also includes any withholding or other taxes arising from dividends.

According to an interpretation from the Ministry of Finance, the taxable income is calculated in NOK as functional currency as opposed to USD in the financial statements.

Deferred tax
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the date of the reporting date. Deferred tax assets and deferred tax liabilities are offset within the same legal tax subject and jurisdiction.

Pension cost
Defined contribution plans
A defined contribution plan is a pension plan under which a company pays fixed contributions into a separate entity without further obligations after the contribution has been made. Expenses related to defined contribution plans are classified as salary and personnel costs.

Defined benefit plans
A defined benefit plan is a pension plan that defines an amount of pension that an employee will receive upon retirement, normally set as a share of the employee's salary.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for previously unrecognized actuarial gains or losses and past service costs. The present value of the defined benefit obligation at the balance sheet date is determined by discounting the estimated future cash outflow using a risk-free interest rate. The obligation is calculated annually by an independent actuary using the linear accrual method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Changes in the defined benefit obligations due to changes in pension plans are taken directly through income statement over the vesting period.

Net pension assets for over-funded plans are recognized at fair value and classified as long-term assets. Net pension obligations for under-funded plans and non-funded plans covered by operations are classified as long-term liabilities.

Net pension costs for the period are included in salary and personnel costs and consist of the sum of accrued pension cost for the period, including social security costs and interest costs on the estimated obligation less the estimated return on the pension's fund.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Cash flow statement
The cash flow statement is prepared using the indirect method which reconciles the change in cash and cash equivalents to the profit before tax for the year. Cash flows are divided into cash flows from operating, investing and financing activities.

Cash and cash equivalents include bank deposits, other short-term liquid investments and bank overdrafts. Cash and cash equivalents are recognized at current values. Restricted deposits, which include tax deductions from employee payroll, are included in cash and cash equivalents.

NOTE 2
SALES REVENUES

Specification of revenue	**2019**	**2018**
Intercompany Income	116	-
Other Operating Income	510	161
Total	**626**	**161**

NOTE 3
EMPLOYEE BENEFIT EXPENSES, MANAGEMENT REMUNERATION AND AUDIT FEE

Salary and personnel expenses	**2019**	**2018**
Salary expenses	-4,015	-3,792
Social security expenses	-636	-642
Pension expenses (note 7)	-500	-503
Other personnel expenses	-195	-240
Total salary and personnel expenses	**-5,346**	**-5,177**

The average number of man-years	**2019**	**2018**
SN Power AS	27	19

Remuneration to the Chief Executive Officer (CEO), the Management Team and the Board of Directors of SN Power AS are disclosed in note 10 in the Group Financial Statements.

Auditor	**2019**	**2018**
Statutory audit	-80	-64
Other assurance services	-13	-6
Tax services	-266	-111
Other services	-151	-51
Total fees to auditors	**-511**	**-233**

NOTE 4
OTHER OPERATING EXPENSES

Other operating expenses	**2019**	**2018**
External services related to project development and other outside services 2)	-6,460	-1,753
Travel expenses	-610	-583
Leasing of premises and office equipment 1)	-287	-354
Office expenses	-191	-90
Insurance expenses	-29	-40
Other expenses	-764	-1,072
Total other operating expenses	**-8,341**	**-3,892**

1) SN Power AS has a total of 1 million USD in minimum lease payments due on non-cancellable operating leases expiring after 31 December 2019. TUSD 235 is due within 1 year from the balance sheet date.
2) Technical services from external service providers related to project development and external tax services, legal services, accounting services and other administrative services. 2019 includes certain one-off expenses.

NOTE 5
FINANCIAL ITEMS

Financial income	IFRS 9 category	2019	2018
Interest income	Amortized cost	139	1,261
Realized currency gain	Fair value through profit and loss	58	39
Unrealized currency gain	Fair value through profit and loss	313	478
Dividend from subsidiaries	Amortized cost	107,784	14,263
Other financial income	Amortized cost	147	171
Financial income		**108,441**	**16,212**

Financial expenses		2019	2018
Other interest expenses	Amortized cost	-	-120
Realized currency loss	Fair value through profit and loss	-136	-86
Unrealized currency loss	Fair value through profit and loss	-261	-657
Other financial expenses	Amortized cost	-47	-37
Financial expenses		**-444**	**-900**
Net financial items		**107,997**	**15,312**

NOTE 6
FIXED ASSETS

Intangible assets	Software	Total
Acquisition cost 1 January 2019	**366**	**366**
Acquisition cost 31 December 2019	**366**	**366**
Accumulated amortization at 31 December 2019	-324	**-324**
Book value 31 December 2019	**41**	**41**
Amortization for the year	-43	**-43**
Estimated economic life	3-10 yrs	
Amortization method	linear	

Tangible assets	Furnitures, office fixtures and office equipment	Total
Acquisition cost 1 January 2019	**221**	**221**
Additions	55	**55**
Acquisition cost 31 December 2019	**276**	**276**
Accumulated depreciation at 31 December 2019	-107	**-107**
Book value 31 December 2019	**169**	**169**
Depreciation for the year	-45	**-45**
Estimated economic life	3-10 yrs	
Depreciation method	linear	

NOTE 7
PENSIONS

SN Power AS has pension schemes that cover a total of 22 staff members, and that comply with Norwegian regulations on mandatory pension. The contributions are 6% of the pensionable salary up to 7.1 times the Norwegian Public Pension Base Rate ("G"), and 18% of the pensionable salary between 7.1G and 12G. In addition to retirement pensions, the contribution scheme also entails risk coverage.

Expenses related to the defined contribution plan in SN Power AS in 2019 were USD 303 thousand (USD 294 thousand in 2018).

In addition to the defined contribution scheme, four people including the former CEO have a supplementary plan. This plan confers the right to a pension of 66% of the salary up to 20G from the age of 65 years. The plan requires 30 years vesting period and is funded by the company. This agreement is closed, and existing members who leave before pensionable age receive a deferred pension entitlement for the scheme above 12G, based on the accrued share.

There is also a closed plan for one employee in the Norwegian Public Service Pension Fund (SPK). SN Power is responsible for the financing of the scheme, and pension benefits from the SPK are guaranteed by the Norwegian state.

Assumptions
The following assumptions were used in calculating the current year's pension expenses and liabilities:

	2019	2018
Discount rate	1.80 %	2.60 %
Expected rate of return, SPK	2.00 %	2.60 %
Regulation of salary	2.25 %	2.75 %
Regulation of pension, Nordea	0.70 %	0.80 %
Regulation of pension, SPK	1.25 %	1.75 %
Regulation of base rate	2.00 %	2.50 %
Turnover	0.00 %	3.50 %

Pensions expenses	SPK	Unfunded	2019	2018
Net present value of the current year's pension earnings	0	136	136	154
Interest rate and administrative expenses	12	41	54	45
Gross pension expenses	12	177	190	199
Return on pension plan assets	-12	-	-12	-12
Accrued social security cost	-	19	19	22
Net pension expenses	1	196	197	209

Pension liabilities			2019	2018
Pension liabilities	487	1,496	1,983	1,903
Pension plan assets	456	-	456	479
Calculated pension liabilities	31	1,496	1,527	1,423
Social security cost	4	211	215	201
Net pension liabilities	**35**	**1,707**	**1,742**	**1,624**

Movement in actuarial gains/losses recognized directly in equity			2019	2018
Accumulated amount recognised directly in equity before tax 1 January	134	44	178	137
Currency effects	-1	-0	-2	-8
Recognised in the period	-13	75	62	49
Accumulated amount recognised directly in equity before tax 31 December	**119**	**118**	**238**	**178**

FINANCIAL STATEMENTS SN POWER AS - NOTES

NOTE 8
TAX

Tax expense	2019	2018
Taxes payable	-	-
Change in deferred tax	-	-
Tax expense	**-**	**-**

	2019	2018
Profit before tax	94,848	5,921
Expected tax expense at the nominal rate of 22 % (2018: 23%), the nominal rate of tax in Norway	20,866	1,362
Effect on taxes of:		
Permanent differences related to investments (the exemption method, in accordance with Norwegian taxation act § 2-38)	-24,057	-3,479
Changes in temporary differences and unused tax losses not recognized as deferred taxes	3,190	1,796
Permanent differences caused by the functional currency being different from the tax currency	-	330
Other permanent differences, net	-	-9
This year's tax expense	**-**	**-**
Tax rate	0%	-0%

Temporary differences including tax loss carried forward for which no deferred tax asset is recognized in the balance sheet	2019	2018
Property, plant and equipment	18	-
Other current liabilities	325	-
Pension liabilities	1,742	1,624
Tax losses carried forward	45,070	31,340
Total	**47,156**	**32,964**

Deferred tax assets (DTA) not recognized in the balance sheet are related to tax losses carried forward and temporary differences. DTA is recognized on the basis of an expectation of a future taxable profit. The nature of SN Power AS's operations imply that future profits will not primarily be taxable. The benefits of deferred tax accordingly cannot be justified in the foreseeable future and have not been recognized in the company's balance sheet.

NOTE 9
SUBSIDIARIES

Company	Date of establ.	Business office	Country of registration	Main operations	Parent company	Voting share	Ownership share
SN Power Invest Netherlands BV	6 June 2014	Amsterdam	Netherlands	Investment	SN Power AS	100.0 %	100.0 %
Agua Imara AS	13 January 2009	Oslo	Norway	Investment	SN Power AS	100.0 %	100.0 %
Nordic Hydropower AB	24 September 2014	Amsterdam	Sweden	Investment	SN Power AS	100.0 %	100.0 %

Shares in subsidiaries are recorded in the balance sheet of SN Power AS according to the cost method.

Company	Paid-in capital NOK	Paid-in capital USD	Book value
SN Power Invest Netherlands BV	N/A	673,473	673,473
Agua Imara AS	1,398,312	219,610	98,044
Nordic Hydropower AB	N/A	17	166,127
Total		**893,100**	**937,644**

SN Power AS received total dividends of USD 108 million from its subsidiaries in 2019.

NOTE 10
GUARANTEES, CASH AND CASH EQUIVALENTS

Guarantees:
SN Power AS has issued guarantees on behalf of associates and subsidiaries for a total amount of USD 28 million as at 31.12.2019

Cash and cash equivalents:

Specification of cash and cash equivalents:	2019	2018
Cash and bank deposits	11,721	8,951
Restricted bank deposits - witholding tax employees	211	193
Total cash and cash equivalents	**11,931**	**9,144**

NOTE 11
SHARE CAPITAL, SHAREHOLDER INFORMATION AND DIVIDEND

	Share Capital	Share Premium	Paid in capital
Paid-in equity 1 January 2019	852,643	-	852,643
Reduction of share capital	-851,791	851,791	-
Paid-in equity 31 December 2019	**853**	**851,791**	**852,643**

The nominal value of share capital of SN Power AS was reduced from NOK 100 per share to NOK 0.10 per share on December 13 2019 in a extraordinary General Assembly. The reduction of share capital is not registered in Register of Company (Brønnøysund) as at December 2019 due to the formal creditor notification period. All issued shares have equal voting rights and are equally entitled to dividend. A total of USD 93 million in dividends are paid out for 2019 from SN Power AS to its shareholder Norfund.

Shareholders in SN Power AS as at 31 December 2019	Share capital NOK	Number of shares	Owner and voting share
Norfund	5,176,316	51,763,156	100%
Total	**5,176,316**	**51,763,156**	**100%**

NOTE 12
RECEIVABLES

	2019	2018
Intra-group receivables	**644**	**1,055**
Prepayments to suppliers	**174**	**294**
VAT receivable	**114**	**150**
Other current receivables	**928**	**831**
Total receivables	**1,860**	**2,330**

NOTE 13
OTHER CURRENT LIABILITIES

	2019	2018
Accrued salary and vacation expense	487	459
Public taxes payable	439	382
Accounts payable	395	382
Intra-group payables	-	503
Accrued expenses and deferred revenue	799	136
Total other current liabilities	**2,120**	**1,862**

NOTE 14
TRANSACTIONS WITH RELATED PARTIES

All subsidiaries, associated companies and joint ventures are related parties of SN Power AS, as referred to in note 26 of the SN Power Group financial statements. SN Power's Management Team and Board of Directors are also related parties of SN Power. SN Power is indirectly owned by the Norwegian government. There are no identified significant transactions and balances with the Norwegian government or companies controlled by the Norwegian government, other than the ones listed in this note and note 3.

All transactions with related parties have been carried out as part of the ordinary operations and at arm's length prices. There are no identified significant transactions with related parties other than the ones listed in this note.

The profit & loss sheet includes the following amounts resulting from transactions with related parties

Transaction type	Related party	2019	2018
Sales revenue	SN Power Invest Netherlands BV	-116	-
Sales revenue	**Total**	**-116**	**-**
Financial Income	Fountain Intertrade Corporation	147	166
Financial Income	**Total**	**147**	**166**

The balance sheet includes the following amounts resulting from transactions with related parties		**2019**	**2018**
Receivables	Agua Imara ACA Pte Ltd	5	-
Receivables	SN Power Invest Netherlands BV	22	711
Receivables	SN Power White Nile Ltd	24	24
Receivables	SN Power Uganda Ltd	420	148
Receivables	SN Power Bujagali Ltd	58	58
Receivables	Lunsemfwa Hydro Power Company Ltd.	116	115
Receivables	**Total**	**644**	**1,055**
Other current liabilities	SN Power Invest Netherlands BV	-	503
Other current liabilities	**Total**	**-**	**503**

SN Power has assumed a guarantee obligation on behalf of Norfund related to specific revenue items in the Bajo Frio project. SN Power is entitled to recourse on commercial terms. The guarantee was effective from commercial completion date of the Bajo Frio plant.

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To the General Meeting of SN Power AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SN Power AS, which comprise:

- The financial statements of the parent company SN Power AS (the Company), which comprise the balance sheet as at 31 December 2019, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of SN Power AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2019, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the Company in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report , the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 5 March 2020
Deloitte AS

Stian Jilg-Scherven
State Authorised Public Accountant (Norway)

DESIGN:
Snefrid Borgsø, SN Power

PHOTO:
iStock.com; Jasmina007/ranplett/yoh4nn

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APPENDIX C
Independent assurance report on pro forma financial information

Building a better
working world

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To the Board of Directors of Scatec Solar ASA

Independent Practitioners' Assurance Report on the compilation of pro forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Scatec Solar ASA (the "Company") by the Board of Directors and Management of the Company. The pro forma financial information consists of the unaudited pro forma statement of financial position as at 31 December 2019 and unaudited pro forma statement of profit or loss for the year ended 31 December 2019 and related notes as set out in section 9 of the prospectus issued by the Company (the "Prospectus"). The applicable criteria on the basis of which the Board of Directors and Management of the Company has compiled the pro forma financial information are specified in Regulation (EU) no. 2017/1129 as incorporated in the Securities Trading Act section 7-1 and described in section 9 of the Prospectus (the "applicable criteria").

The pro forma financial information has been compiled by the Board of Directors and Management of the Company to illustrate the impact of the acquisition of all of the shares in SN Power AS (the "Transaction") and its financing (the "Financing of the Transaction") set out in section 9 of the Prospectus on the Company's consolidated financial position and its consolidated financial performance for the year ended 31 December 2019 as if the Transaction and the Financing of the Transaction had taken place at 31 December 2019 and 1 January 2019. As part of this process, information about the Company's and the acquired entity's financial position and financial performance has been extracted by the Board of Directors and Management from the Company's and the acquired entity's financial statements for the year ended 31 December 2019. The auditor's report on the Company's financial statements for the year ended 31 December 2019 has been incorporated by reference as set out in Section 17.3 of the Prospectus. The auditor's report on the acquired entity's financial statements for the year ended 31 December 2019 has been included in Section 17.2 to the Prospectus (Documents on display).

The Board of Directors and Management's responsibility for the Pro Forma Financial Information

The Board of Directors and Management of the Company is responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

Our responsibility is to express an opinion, as required by Regulation (EU) no. 2017/1129 about whether the pro forma financial information has been compiled by the Board of Directors and Management of the Company on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether the Board of Directors and Management of the Company have compiled the pro forma financial information on the basis of the applicable criteria and whether this basis is consistent with the accounting policies of the Company. Our work primarily consisted of comparing the unadjusted financial information with the source documents as described in section 9 of the Prospectus, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with Management of the Company.

The aforementioned opinion does not require an audit of historical unadjusted financial information, the adjustments to conform the accounting policies of the acquired entity to the accounting policies of the Company, or the assumptions summarized in section 9 of the Prospectus. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of the Transaction and the Financing of the Transaction on unadjusted financial information of the Company as if the Acquisition occurred or had been undertaken at an earlier date selected for purposes of the illustration. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or performance. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition for the year ended 31 December 2019 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled on the basis stated involves performing procedures to assess whether the applicable criteria used by the Board of Directors and Management of the Company in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria;
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information; and
- The pro forma financial information has been compiled on a basis consistent with the accounting policies of the Company.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

a) the pro forma financial information has been properly compiled on the basis stated in section 9 of the Prospectus; and
b) that basis is consistent with the accounting policies of the Company

This report is issued for the sole purpose of offering of shares in Norway and the admission of shares on Oslo Stock Exchange, and other regulated markets in the European Union or European Economic Area as set out in the Prospectus approved by the Financial Supervisory Authority of Norway. Our work has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted in the United States and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the listing of shares of the Company on the Oslo Stock Exchange described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction, including the sale of securities other than the listing of the shares on Oslo Stock Exchange and other regulated markets in the European Union or European Economic Area, as set out in the Prospectus approved by the Financial Supervisory Authority of Norway.

Oslo, 12 November 2020
ERNST & YOUNG AS

The report is signed electronically

Petter Frode Larsen
State Authorized Public Accountant (Norway)

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