Scatec Solar
Improving our future™

First quarter 2016

Raymond Carlsen, CEO

Mikkel Tørud, CFO

Oslo, April 22, 2016

Our values
Predictable
Driving results
Changemakers
Working together

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Operational review

Strong growth in power production

- Production up 20% quarter on quarter and 55% year on year
- Utah plant in full production, but merchant pricing resulted in a net loss. The higher 20-year PPA price effective from January 2017
- ZAR/NOK depreciation reduced revenues, but had limited impact on net profit and cash flow
- The 10 MW Oryx plant in Jordan mechanically complete with expected COD in May 2016
- Investments of NOK 422 million in new plants and further development of project backlog and pipeline
- Norwegian Government to buy UN Certified carbon credits from three solar power plants in West Africa

Key figures (NOKm)	Q1 16	Q4 15	Q1 15
Revenues	**228**	**267**	**225**
EBITDA	165	215	178
Net profit	**-23**	**59**	**47**
Cash flow to SSO equity	22	58	42
Power production (GWh)	182	152	118

Financial highlights

Cash flow to Scatec Solar's equity

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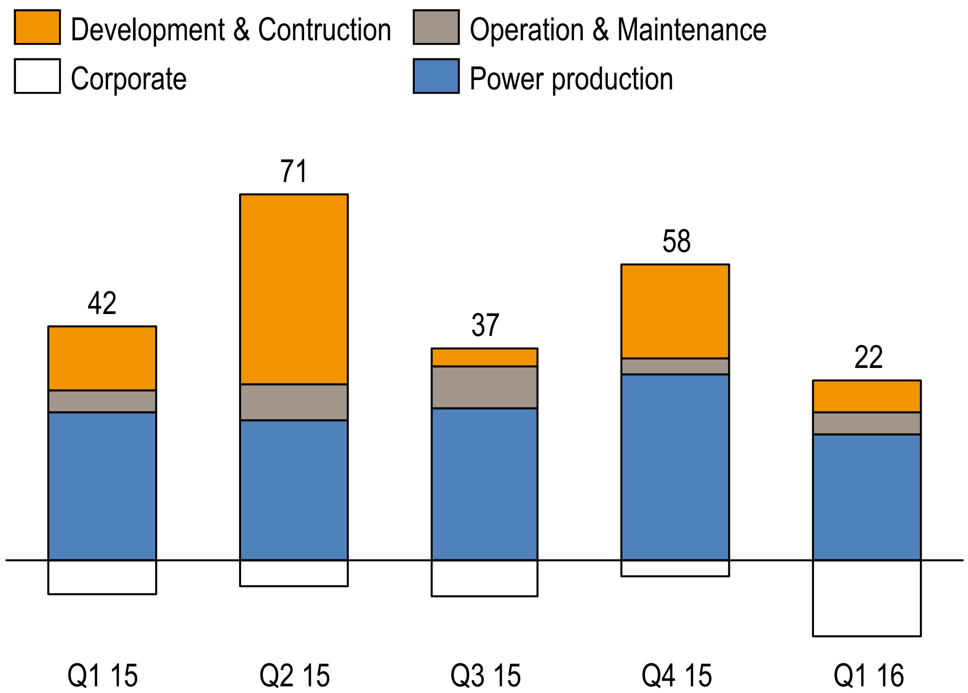
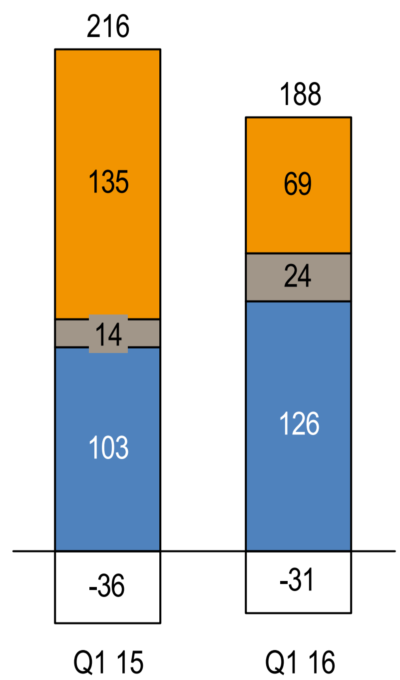
SSO proportionate share of cash flow to equity*



Last twelve months rolling (NOKm)



- Power Production cash flow reduced mainly due to seasonally lower production in South Africa - Utah cash neutral
- Moderate D&C cash flow with Jordan construction progress only contributor
- Corporate cost includes interest expenses on NOK 500 million senior bond

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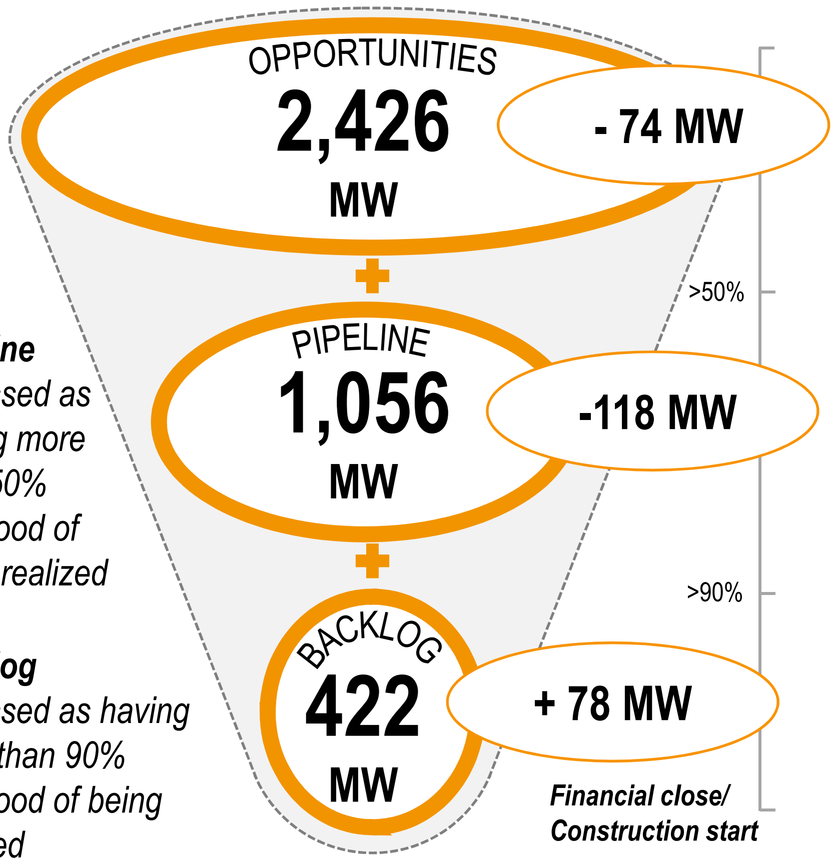
(*) Cash flow to equity is defined as EBITDA less normalised (i.e. average over each calendar year) loan and net interest repayments, less normalised income tax payments. The definition implies changes in net working capital and investing activities are excluded from the figure.

Project development

A solid project funnel – supporting growth



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

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

Regions

Americas, Africa, MENA

Regions

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

Regions

South Africa, Mali, Honduras, Brazil

IN OPERATION / UNDER CONSTRUCTION

426 MW

78 MW added to backlog since Q4'15 reporting

Project	Capacity	Target construction start	SSO ownership	Status
Los Prados, Honduras	53 MW	Q2 2016	70%	Project finance progressing well – awaiting final grid permit - some construction activities started.
Segou, Mali	33 MW	Q3 2016	50%	Project finance process with IFC. Construction preparations continue.
Piaui, Brazil	78 MW	Q4 2016	70%	Project finance process started.
Upington, South Africa	258 MW	Q1 2017	42%*	Project finance and EPC preparations ongoing – construction start as originally planned.
Total	**422 MW**			

(*) Local Trust to own 40% - Trust to be funded by SSO and Norfund

High project development activity across the pipeline

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Project	Capacity	Target construction start	Status
Egypt	341 MW	2016	Programme moving forward. Project finance due diligence and EPC preparations ongoing. Shared infrastructure under construction.
East & West Africa	105 MW	2016	PPAs for 40 MW in Mozambique and 48 MW in Kenya with governments for approval.
Pakistan	150 MW	2017	Well positioned to secure the 2016 tariff. Government grid studies now completed. Project finance available.
Americas	30 MW	2017	30 MW in Mexico awaiting grid capacity feedback.
South Africa	430 MW	2018	SSO bid the projects in November 2015. Award of preferred bidder status is delayed and expected after financial close of Round 4 projects.
Total	**1,056 MW**		

Project development

Ben Ban & Zafarana, Egypt

A renewable program similar to South Africa

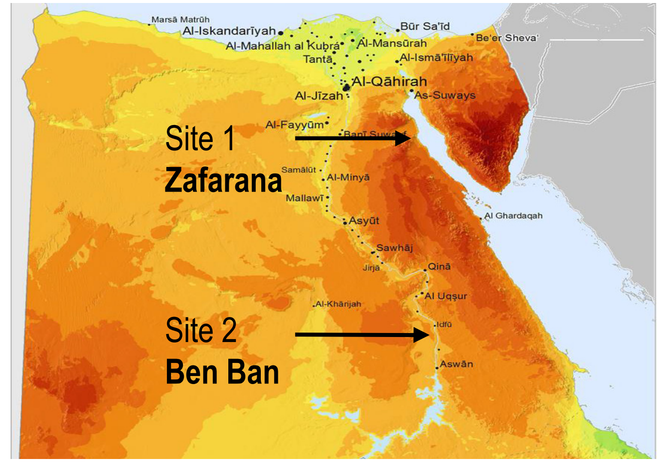
- Current program includes 4,300 MW of solar and wind
- Great interest from developers, investors and development banks

SSO development activities:

- Securing debt and equity financing for a 650 MUSD investment – lenders due diligence in progress
- EPC – technical evaluations, engineering, equipment selection and construction planning well under way
- SSO takes lead on certain overall coordination activities on site

Government activities:

- Government and project finance lenders in final discussions on terms for the common Power Purchase Agreement
- Construction of the grid infrastructure – funded through the authorities by the developers/sponsors (cost sharing agreement)

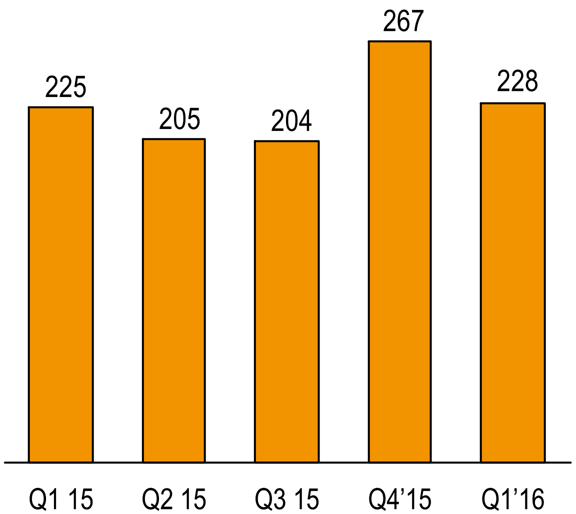


1 of 4 220 kV substations under construction at Ben Ban site

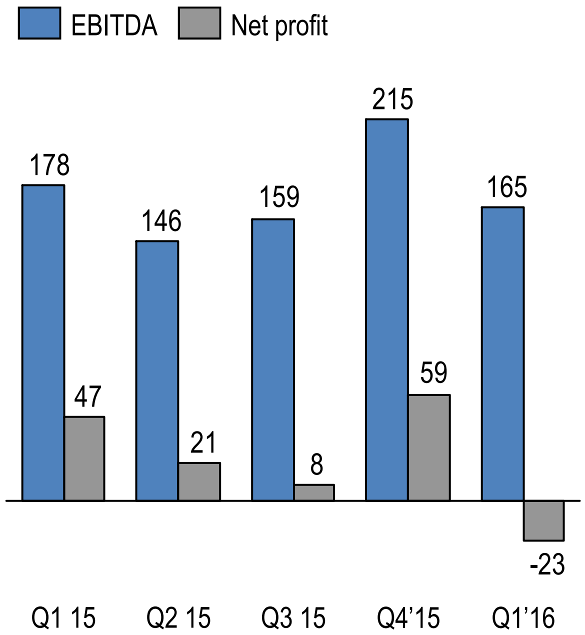
Financial review

Consolidated financials

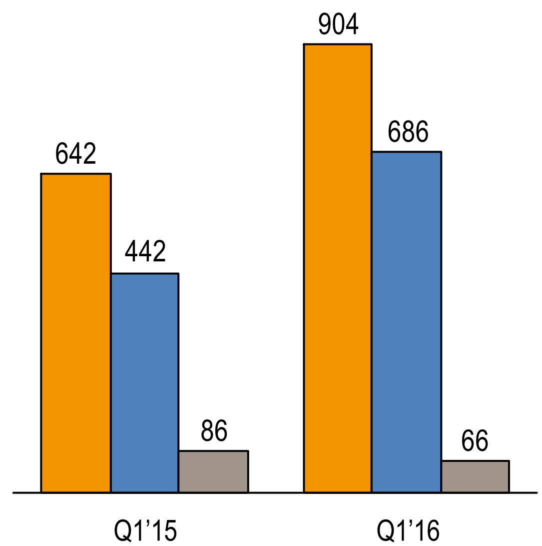
Revenues (NOK million)



EBITDA and Net profit (NOK million)



Last twelve months rolling (NOK million)



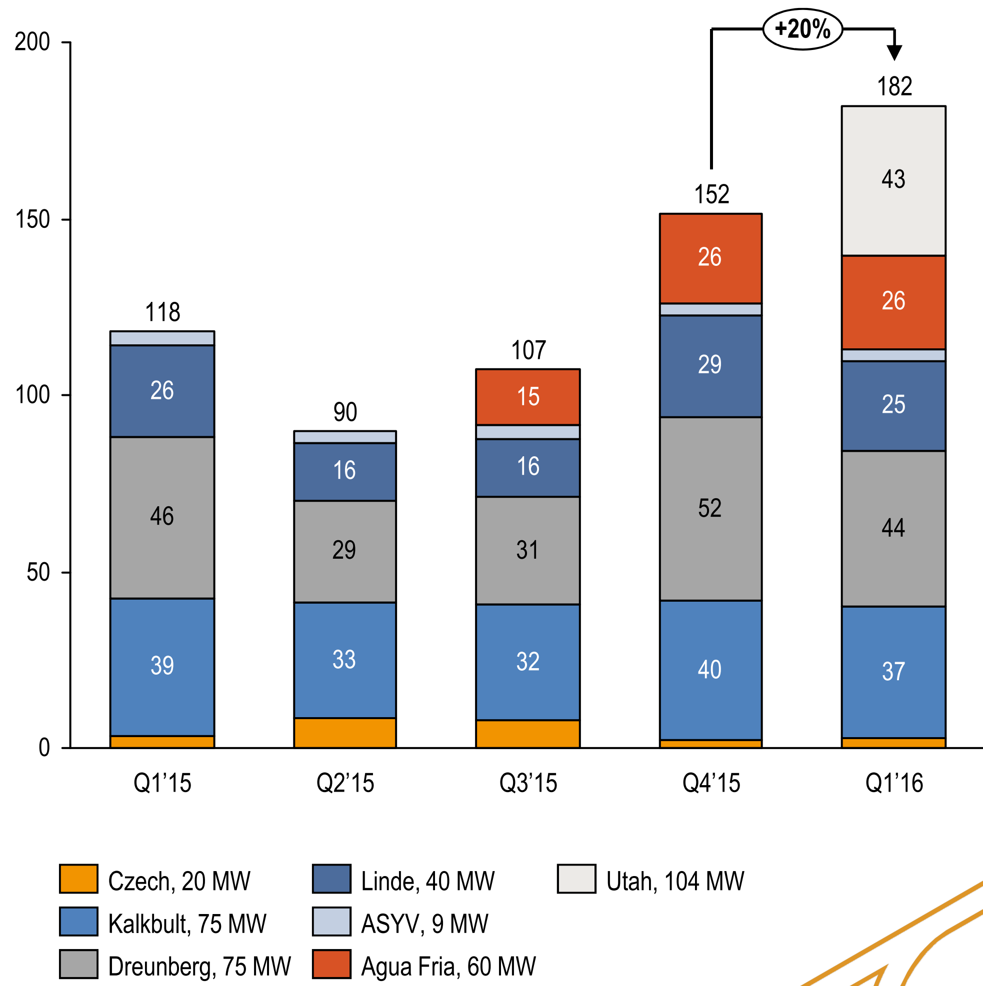
- Quarter on quarter revenue decline reflecting seasonality in South African production and weaker ZAR, partially offset by revenues from the Utah plant
- Net profit affected by loss on the Utah plant and non-cash currency loss on intercompany loans

The 104 MW Utah plant in full production

Quarter on quarter development:

- The new 104 MW Utah plant produced 43 GWh – the main driver of the quarter on quarter growth
- Production across the existing plants declined 8% as normal for the season

Power production (GWh)



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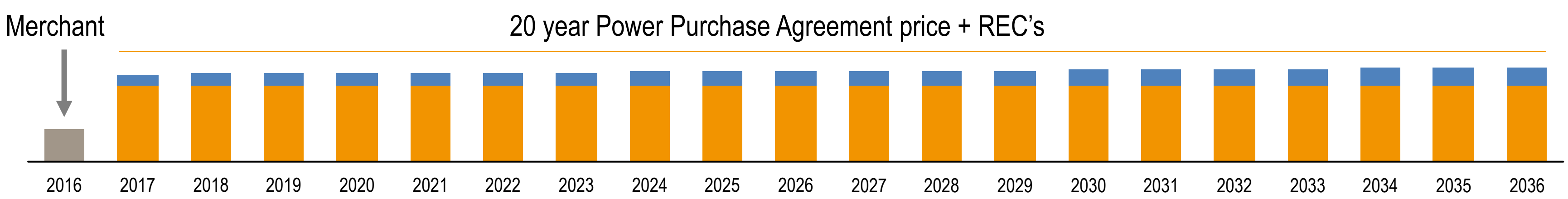
The Utah Plant:

A 20 year PPA with fixed power price from 2017

- The 104 MW Utah Red Hills plant is entering into the 20-year fixed PPA price from 2017 - selling power in merchant market in 2016
- Merchant price Q1'16: 16 USD/MWh
- PPA price from 2017: 59 USD/MWh
- Eligible for Renewable Energy Credits (REC's) and Production Tax Credits (PTC's) – representing additional revenue streams
- Low revenues and cash flow neutral through 2016

The 104 MW Utah Red Hills solar power plant in the US

Power price Utah Red Hills plant



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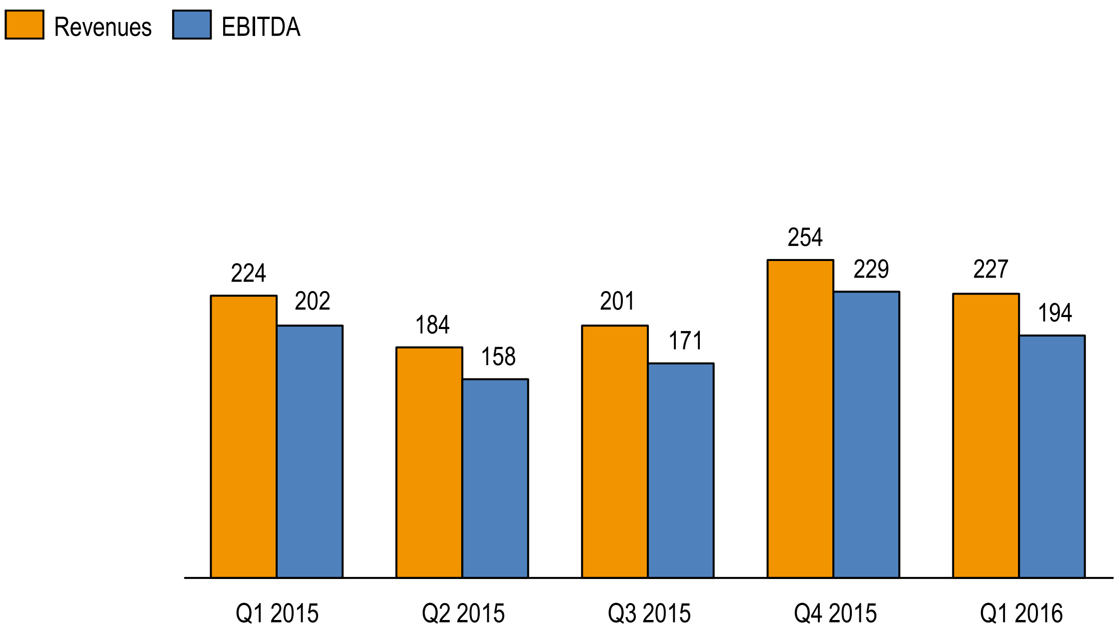
Power Production

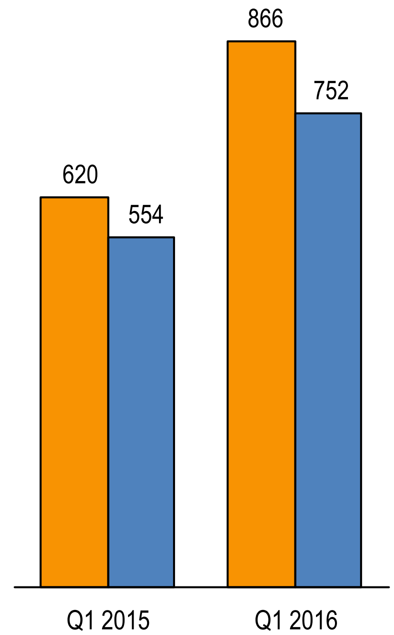
Utah and seasonality impact financials

Revenues & EBITDA (NOKm)



EBITDA	90%	86%	85%	90%	85%

Last twelve months rolling (NOKm)

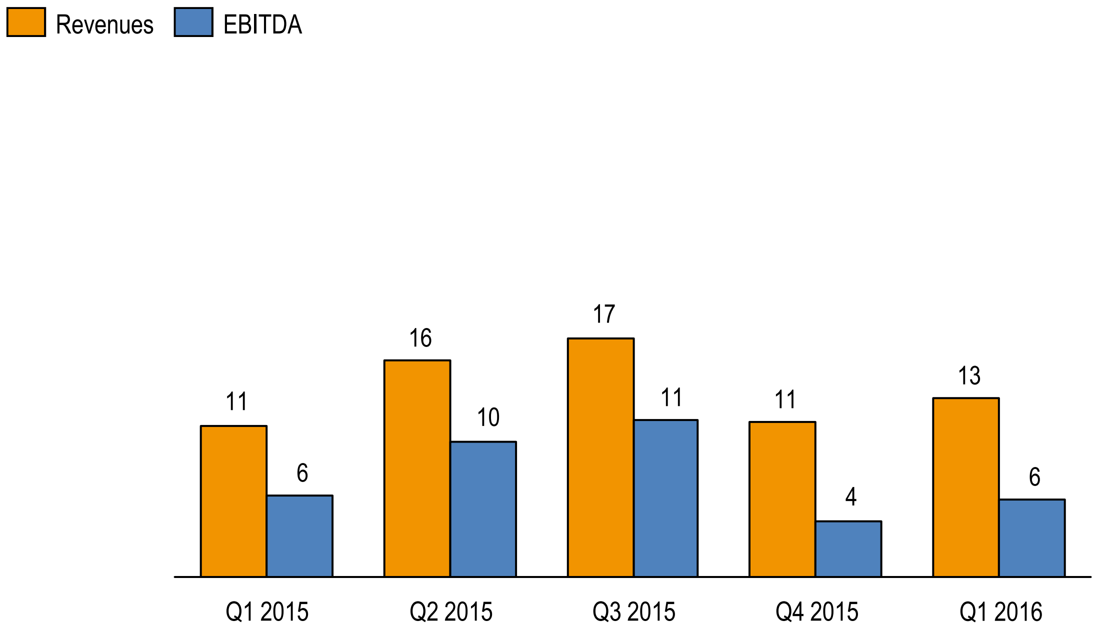


89%	87%

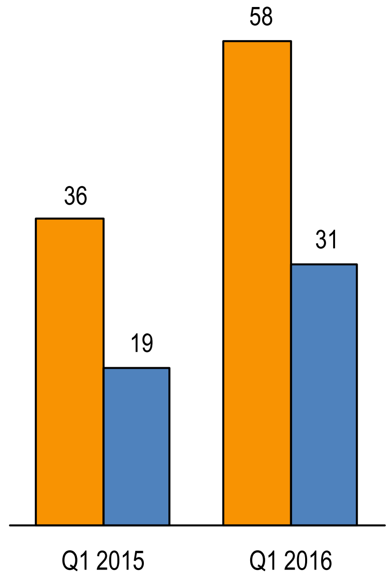
- Quarter on quarter revenue reduction from existing plants of NOK 35 million
  - 8% lower production as expected for the season and 9% weaker ZAR against NOK
- The new Utah Red Hills plant generated revenues of only NOK 8 million in the merchant market

The O&M business grows as asset base expands

Revenues & EBITDA (NOKm)



Last twelve months rolling (NOKm)

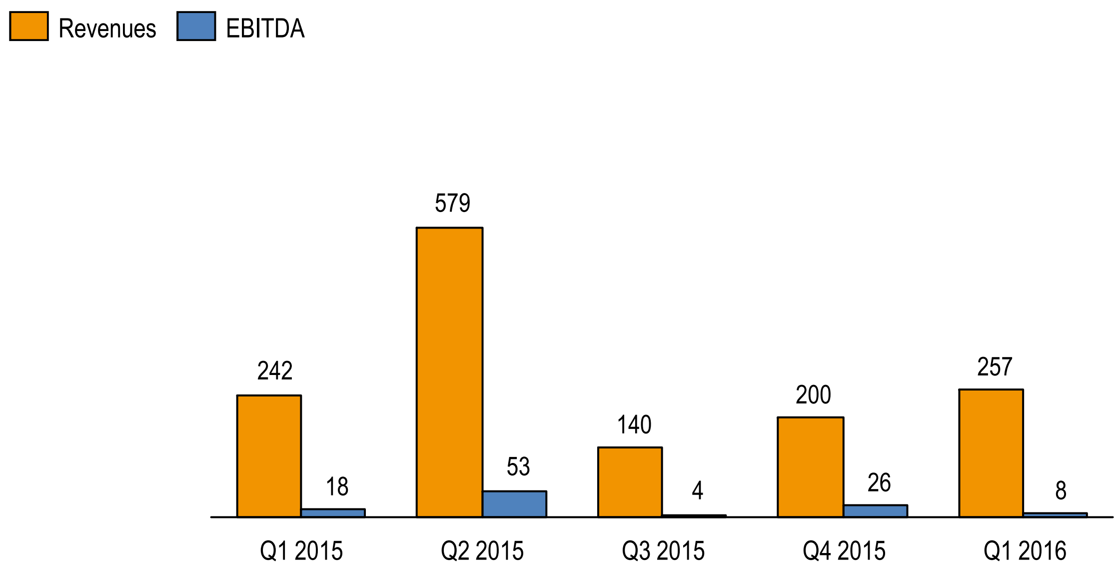


	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	LTM Q1 2015	LTM Q1 2016
EBITDA	55%	63%	65%	36%	44%	53%	53%

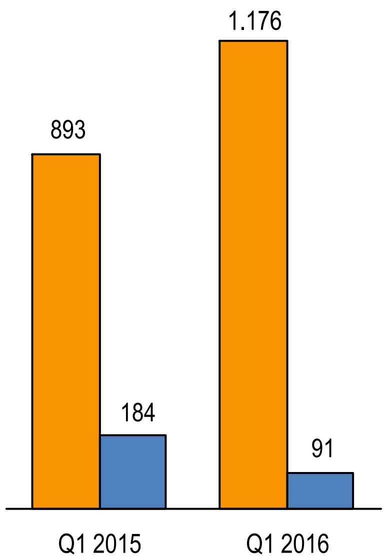
- The O&M contract for the 60 MW Agua Fria plant in Honduras effective from January 2016
- Revenues and EBITDA affected by a lower performance bonus accrual

Construction of 43 MW in Jordan progressing

Revenues & EBITDA (NOKm)



Last twelve months rolling (NOKm)



	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	LTM Q1 2015	LTM Q1 2016
Gross Margin	16%	12%	13%	22%	12%	31%	14%
EBITDA	7%	9%	3%	13%	3%	21%	8%

- The Oryx plant is now mechanically complete and expected to earn revenues from May
- Construction progresses well on the 33 MW EJRE/GLAE plant
- Non-recurring opex of about NOK 4 million related to close down in the US

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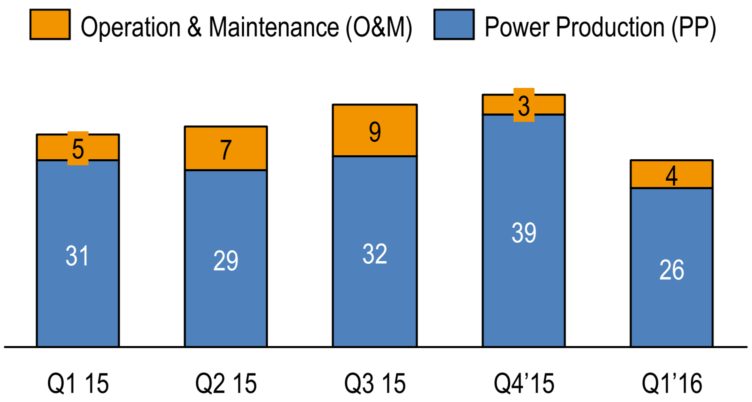
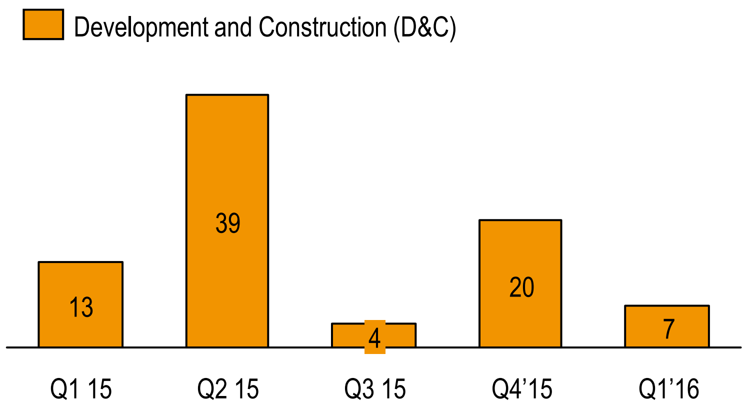
Cash generation to Scatec Solar's equity

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



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



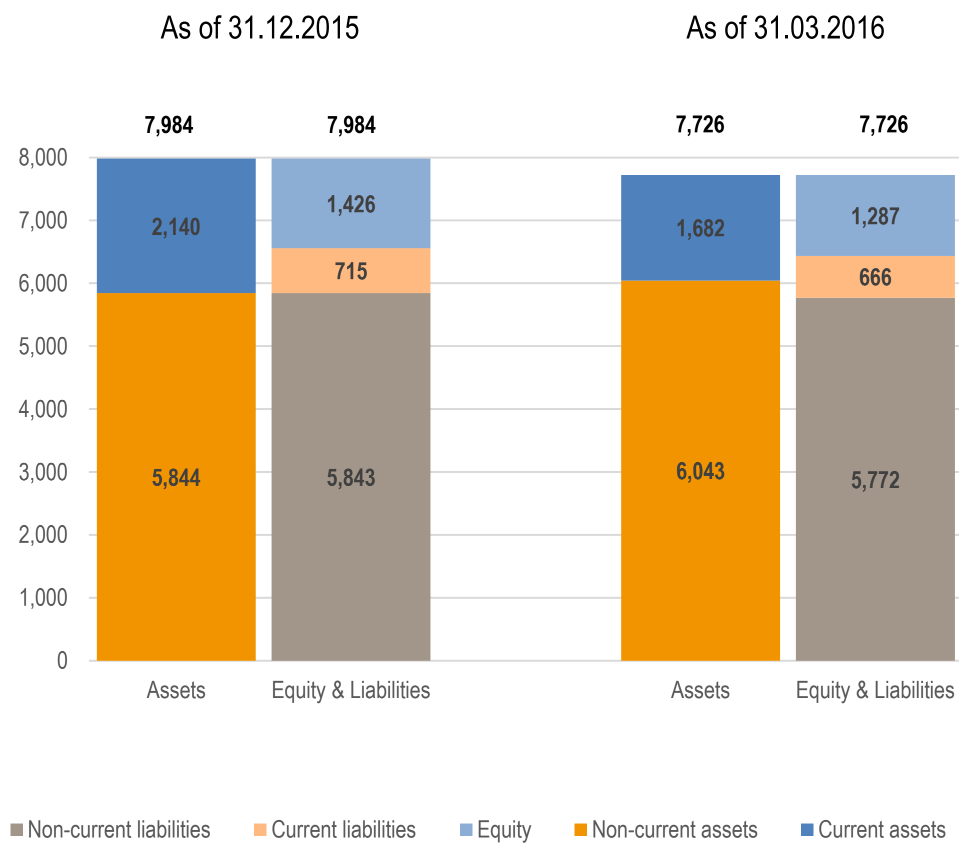
Q1'16 - NOK million	Power Production	O&M	D&C	Corporate	Total	Elim.	Consolidated
Revenues	227.3	13.1	257.4	2.4	500.2	-272.3	227.9
EBITDA	193.7	5.7	7.5	-11.6	195.3	-30.2	165.2
Net interest & loan repayments	-121,7		0.4	-9.1	-130.4		
Total cash flow to equity*:	68.1	4,4	6.5	-15,5	63.5		
SSO share of CF to equity*:	**26.4**	**4.4**	**6.5**	**-15.5**	**21.9**		

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

Investing for further growth

- Cash position of NOK 1,217 million of which NOK 277 million free cash available outside project companies
- Invested NOK 422 million in new plants and in maturing backlog and pipeline
- Total interest bearing liabilities* of NOK 5.4 billion of which NOK 4.9 billion non-recourse project financing

Financial position (NOKm)



*) Total interest bearing liabilities does not include shareholder loans to project companies.

The 10 MW Oryx solar power plant in Jordan

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Outlook

Outlook

- Emerging market growth in renewables
- Targeting 1,400 – 1,600 MW in operation and under construction by year end 2018
- 15% gross margin from Development and Construction
- Target average equity IRR of 15% nominal after tax on power plant investments
- Target 2016 cash flow to SSO equity of NOK 180-200 million (PP and O&M)
- Q2'16 production target of 185,000 MWh

The 60 MW Agua Fria solar power plant in Honduras

Upcoming events

Launch of 2015 Sustainability report

- Time: May 3, 07.30 – 09.30
- Venue: Fram, Karenslyst Alle 2, Skøyen

Annual General Meeting

- Time: May 4, 10.00 – 12.00
- Venue: Høyres Hus, Oslo

Capital Markets day

- Time: June 1, 09.00 – 13.00
- Venue: Hotel Continental, Oslo

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Thank you

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Change makers
Working together

Consolidated profit & loss

(NOK million)	Q1 16	Q4 15	Q1 15	FY 2015	FY 2014
Total revenues	**227.9**	**266.6**	**224.8**	**881.0**	**471.3**
Gross profit	227.9	266.6	224.8	881.0	471.3
EBITDA	**165.2**	**215.3**	**177.7**	**698.4**	**292.9**
Depreciation, amortization and impairment	-58.6	-52.5	-38.9	-175.6	-101.9
Operating profit	**106.6**	**162.8**	**138.8**	**522.8**	**191.0**
Interest, other financial income	12.1	17.2	12.9	64.4	54.8
Interest, other financial expenses	-118.7	-111.1	-101.1	-408.1	-248.6
Foreign exchange gain/(loss)	-34.5	22.2	22.2	40.5	62.3
Net financial expenses	**-141.1**	**-71.7**	**-66.0**	**-303.1**	**-131.5**
Profit before income tax	**-34.6**	**91.1**	**72.8**	**219.6**	**59.6**
Income tax (expense)/benefit	11.6	-32.1	-25.8	-84.0	-11.1
Profit/(loss) for the period	**-22.9**	**59.0**	**47.0**	**135.7**	**48.5**
Profit/(loss) attributable to:					
Equity holders of the parent	-46.2	26.3	19.5	67.7	-17.9
Non-controlling interests	23.2	32.7	27.5	68.0	66.4
Basic and diluted EPS (NOK)	**-0.49**	**0.28**	**0.21**	**0.72**	**-0.25**

Consolidated cash flow statement

(NOK million)	Q1 16	Q4 15	Q1 15	FY 2015	FY 2014
Net cash flow from operations	9.4	-79.5	456.5	504.8	-96.5
Net cash flow from investments	-409.5	-387.0	-685.2	-2,408.8	-909.8
Net cash flow from financing	26.7	1,183.4	453.2	2,535.2	972.0
Net increase/(decrease) in cash and cash equivalents	-373.3	717.0	224.5	631.2	-34.3
Effect of exchange rate changes on cash and cash equivalents	-48.5	-40.9	20.5	-41.3	58.0
Cash and cash equivalents at beginning of the period	1,639.0	963.0	1,049.1	1,049.1	1,025.4
Cash and cash equivalents at end of the period	**1,217.2**	**1,639.0**	**1,294.1**	**1,639.0**	**1,049.1**

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Segment results – Q1’16

(NOK million)	Power Production	Operation & Maintenance	Development & Construction	Corporate	Eliminations	Total
External revenues	227.3	0.9	-	-	-	**228.2**
Internal revenues	-	12.2	257.8	2.4	-272.3	**-**
Net gain/(loss) from sale of project assets	-	-	0.2	-	-	**0.2**
Net income / (loss) from associates	-	-	-0.6	-	-	**-0.6**
Total revenues and other income	**227.3**	**13.1**	**257.4**	**2.4**	**-272.3**	**227.9**
Cost of sales	-	-	-227.6	-	227.6	**-**
Gross profit	**227.3**	**13.1**	**29.8**	**2.4**	**-44.7**	**227.9**
Operating expenses	-33.6	-7.3	-22.3	-14.0	14.5	**-62.7**
EBITDA	**193.7**	**5.7**	**7.5**	**-11.6**	**-30.2**	**165.2**
Depreciation, amortisation and impairment	-71.2	-0.5	-2.4	-0.2	15.7	**-58.6**
Operating profit (EBIT)	**122.6**	**5.2**	**5.1**	**-11.8**	**-14.5**	**106.6**

Segment results – Full year 2015

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

SSO's profit normally impacted by growth investments

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- Scatec Solar is investing early phase project development and construction as well as corporate functions that impacts SSO's share of net profit
- These investments pays off through access to attractive projects and significant cash generation

First quarter (NOKm)	Consolidated	SSO prop. share	%
Total revenues	227.9	111.8	49 %
Cost of sales & opex	-62.7	-55.2	88 %
EBITDA	165.2	56.6	34 %
D&A & Impairments	-58.6	-31.2	53 %
EBIT	106.6	25.4	24 %
Net financials & tax	-129.6	-70.6	65 %
Net profit	**-23.0**	**-45.2**	**197 %**

Project companies' financials – Q1'16

(NOK million)	Czech Republic	Kalkbult	Linde	Dreunberg	ASYV	Agua Fria	Utah Red Hills	Segment overhead	Total segment	SSO prop. share
SSO shareholding	100%	39%	39%	39%	43%	40%	100%	-	-	**-**
Revenues	13.5	64.1	36.5	65.4	7.6	32.1	8.0	0.1	227.3	**102.5**
OPEX	-1.8	-7.4	-3.2	-4.9	-1.1	-4.3	-7.2	-3.8	-33.6	**-21.0**
EBITDA	11.7	56.7	33.3	60.5	6.5	27.8	0.9	-3.7	193.7	**81.5**
Net interest expenses	-5.4	-24.8	-11.8	-24.1	-3.5	-10.6	-10.5	0.7	-90.0	**-44.7**
Normalised loan repayments	-5.3	-4.6	-6.4	-8.8	-3.0	-3.6	-	-	-31.7	**-15.6**
Cash flow to equity*	1.6	22.4	11.2	21.4	-0.2	13.7	-	-2.0	68.1	**26.4**

* Cash flow to equity: is EBITDA less normalised (i.e. average over the calendar year) loan and interest repayments, less normalised income tax payments.

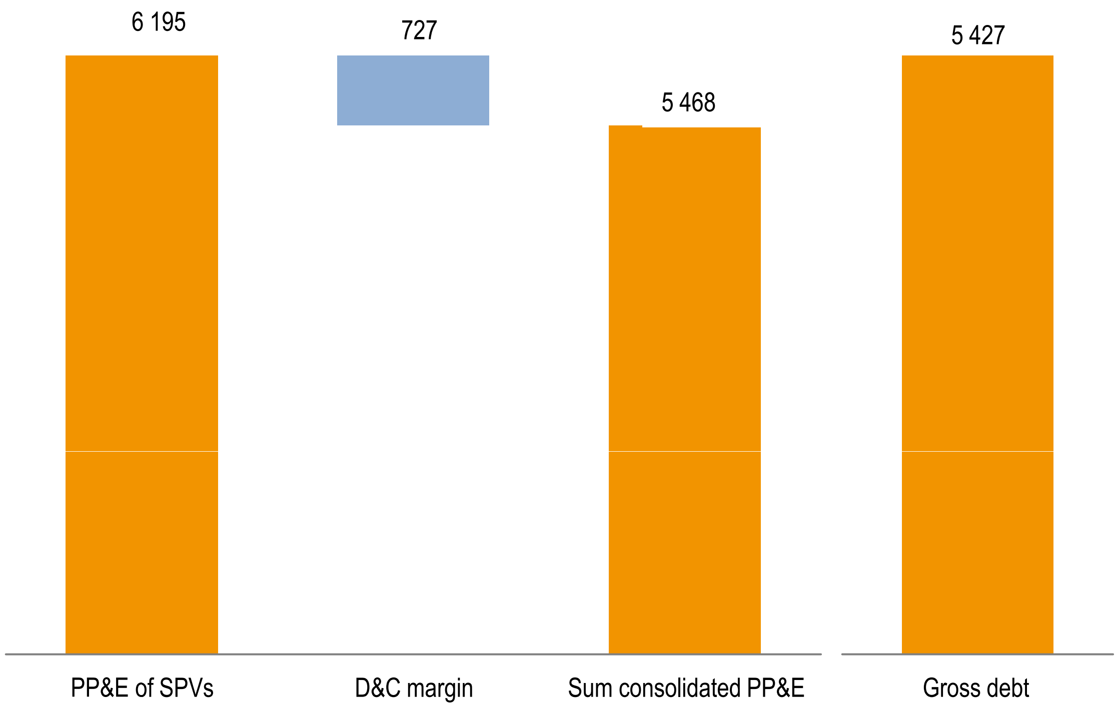
D&C margins reduce consolidated PP&E

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

Leads to:

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

Build up of PP&E as per 31.03.2016 NOKm



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