Third quarter
2014

Scatec Solar
Improving our future™

About Scatec Solar

Scatec Solar is an integrated independent solar power producer, aiming to make solar power a sustainable and affordable source of energy worldwide. Scatec Solar develops, builds, owns and operates solar power plants, and has an installation track record of close to 400 MW.

The company is growing rapidly, and will by the end of 2014 deliver power from 220 MW of solar power plants in the Czech Republic, South Africa and Rwanda.

The company has a global presence with a solid backlog and pipeline of projects under development in Africa, North America, Asia, Middle East and Europe. Scatec Solar is headquartered in Oslo, Norway and listed on the Oslo Stock Exchange under the ticker symbol 'SSO'.

To learn more, visit www.scatecsolar.com

Scatec Solar's positioning in the value chain

Scatec Solar

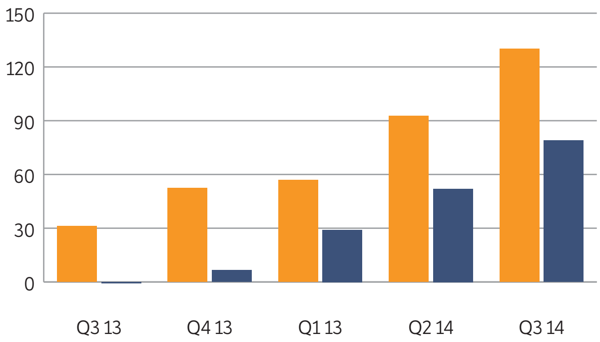
DEVELOPMENT & CONSTRUCTION | OPERATION & MAINTENANCE | POWER PRODUCTION

PV equipment manufacturing	Project development	Financing	Construction	Operations	IPP
					
• Chemical processing & assembly • Rapid technology development • Cost reductions	• Site development • System design • Business case • Permitting • Grid connection • PPA negotiation / tender / FiT secured	• Detailed design & engineering • Component tendering • Debt / Equity structuring • Due Diligence	• Project management • Supplier and construction monitoring • Quality assurance • Funding and cash flow management	• Maximize performance and availability • Maintenance and repair	• Asset management • Financial and operational optimization

Highlights

- Strong growth in power production - third quarter consolidated revenues of NOK 130 million (31)[1], operating profit of NOK 51 million (-24) and net profit of NOK 7 million (-30)
- Installed production capacity almost doubled to gross 220 MW through grid connection of the Linde (40 MW), Dreunberg (75 MW) and ASYV (9 MW) solar power plants
- Scatec Solar's proportionate share of cash flow to equity[2] was NOK 30 million (127) in the quarter and NOK 196 million (264) the first nine months of the year
- Project backlog increased by 92 MW to 214 MW with expected execution over the next 12 months
- Raised gross NOK 500 million through an Initial Public Offering with first day of trading on Oslo Stock Exchange 2 October 2014

CONSOLIDATED REVENUES AND EBITDA
NOK MILLION



KEY FIGURES

NOK MILLION	Q3 2014	Q2 2014	Q3 2013	YTD 2014	YTD 2013
Total revenues and other income	**130.2**	92.7	31.1	279.9	76.6
EBITDA [2]	**78.8**	52.0	-0.6	159.9	-23.4
Operating profit (EBIT)	**51.4**	35.3	-23.6	96.7	-59.1
Profit before income tax	**12.9**	31.3	-33.0	53.5	20.7
Profit (loss) for the period	**7.4**	26.4	-29.9	43.7	-4.6
Profit / (loss) to Scatec Solar	**-5.4**	**8.2**	**-19.3**	**-6.9**	**-37.9**
Profit / (loss) to non-controlling interests	**12.8**	18.3	-10.5	50.6	-33.3
Total Assets	**4 063.1**	4 173.3	2 953.4	4 063.1	2 953.4
Equity (%) [3]	**14%**	11%	14%	14%	14%
Net interest bearing debt [2]	**2 429.1**	2 022.0	1 133.5	2 429.1	1 133.5
SSO proportionate share of cash flow to equity [2]:					
Power Production	**25.9**	23.1	10.2	63.8	12.3
Operation & Maintenance	**3.4**	2.3	0.2	5.8	0.9
Development & Construction	**11.6**	79.1	119.1	147.0	263.5
Corporate	**-11.3**	-3.8	-2.9	-20.9	-12.5
Total	**29.6**	**100.7**	**126.5**	**195.8**	**264.2**

Consolidated revenues and profits are mainly generated in the Power Production segment. Activities in Operation & Maintenance and Development & Construction mainly reflect deliveries to other companies controlled by Scatec Solar (with from 39% to 100% ownership), for which revenues and profits are eliminated in the Consolidated Financial Statements.

1 Numbers in brackets refer to comparable information for the corresponding period last year.
2 Refer to appendix for definition of this measure.
3 The book value of consolidated assets reflect eliminations of internal margins generated through project development, construction and operation and maintenance, whereas the consolidated debt includes non-recourse debt in project companies at full amount. This negatively affects the consolidated equity and equity ratio.

Financial review

SEGMENT REVIEW

Scatec Solar is an integrated independent solar power producer; developing, constructing, operating, maintaining and owning solar power plants.

Scatec Solar reports on three operating business segments; Power Production (PP), Operation & Maintenance (O&M), and Development & Construction (D&C), as well as on Corporate and Eliminations.

Revenues and costs related to deliveries of development and construction and operation and maintenance services to companies deemed to be controlled by Scatec Solar are eliminated in the Consolidated Group Financial Statements. The underlying value creation in each segment is hence reflected only in the segment reporting.

Power Production (PP)

The PP segment currently comprises the Kalkbult (75 MW), Linde (40 MW), Dreunberg (75 MW) plants in South Africa, the ASYV (9 MW) plant in Rwanda, and four plants in the Czech Republic (20 MW). The plants produce electricity for sale under 20-25 year power purchase agreements (PPA) or feed-in tariff (FiT) schemes.

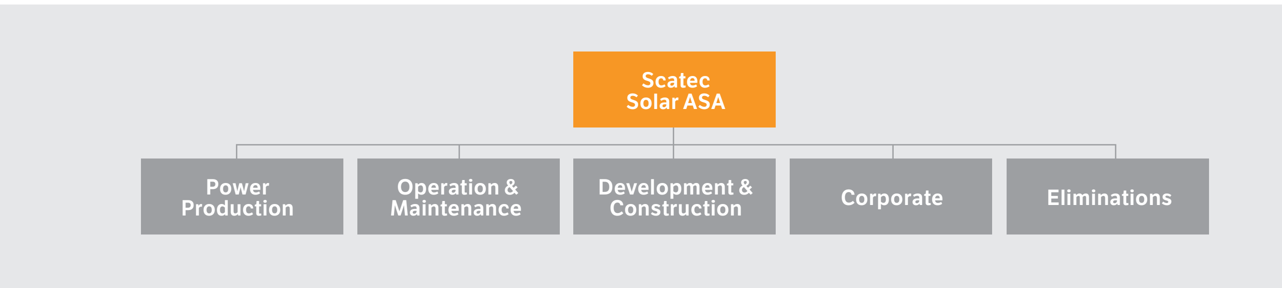
Operation & Maintenance (O&M)

The O&M segment comprises services provided both to solar power plants controlled by Scatec Solar and to third-party owned solar power plants designed and constructed by Scatec Solar. Revenues and profits are typically generated on the basis of fixed service fees with additional profit-sharing arrangements based on plant performance.

Development & Construction (D&C)

The D&C segment comprises development activities in a number of projects globally as well as construction of solar power plants developed by the company. Revenues and profits are recognised based on percentage-of-completion of the construction contracts.

The backlog of projects with secured offtake of future power production is currently 214 MW, while the project pipeline consists of several projects with a combined capacity of close to 700 MW.



	Power Production	Operation & Maintenance	Development & Construction	Corporate	Eliminations
Main activities	• Ownership and management of power producing assets	• Technical and operational services	• Project development • Engineering and Procurement • Construction management • Quality assurance	• Corporate services • Management • Group finance	• Elimination of revenue and profits from internal transactions
Assets / projects with revenues recognized	South Africa (39%): • Kalkbult, 75 MW • Linde, 40 MW • Dreunberg, 75 MW Rwanda (43%) : • ASYV, 9 MW Czech Republic (100%): • Sulkov, 10 MW • Svitavy, 4 MW • Hrusovany, 3 MW • Mramotice, 3 MW	South Africa: • Kalkbult, 75 MW • Linde, 40 MW Czech Republic: • Sulkov, 10 MW • Svitavy, 4 MW • Hrusovany, 3 MW • Mramotice, 3 MW Third-party owned: • 32 MW	South Africa: • Linde, 40 MW • Dreunberg, 75 MW Rwanda: • ASYV, 9 MW Backlog ~ 214 MW Pipeline ~ 680 MW		

Segment financials

SEGMENT FINANCIALS Q3 2014

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	129.0	1.6	1.6	0.0	0.0	**132.2**
Internal revenues	0.0	7.7	129.0	2.5	-139.2	**0.0**
Net income/(loss) from associates	0.0	0.0	-1.9	0.0	0.0	**-1.9**
Total revenues and other income	129.0	9.3	128.7	2.5	-139.2	**130.2**
Cost of sales	0.0	0.0	-90.7	0.0	89.3	**-1.4**
Gross profit	129.0	9.3	38.0	2.5	-49.9	**128.8**
Operating expenses	-15.4	-4.7	-22.2	-18.0	10.2	**-50.0**
EBITDA	113.5	4.6	15.8	-15.5	-39.7	**78.8**
Depreciation, amortisation and impairment	-33.8	-0.3	-3.4	-0.1	10.1	**-27.4**
Operating profit (EBIT)	79.8	4.3	12.4	-15.5	-29.6	**51.4**

SEGMENT FINANCIALS YTD 2014

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	274.3	5.7	2.1	0.0	0.0	**282.1**
Internal revenues	11.4	13.4	851.2	6.8	-882.8	**0.0**
Net income/(loss) from associates	0.0	0.0	-2.2	0.0	0.0	**-2.2**
Total revenues and other income	285.7	19.0	851.2	6.8	-882.8	**279.9**
Cost of sales	0.0	0.0	-587.6	0.0	584.6	**-3.0**
Gross profit	285.7	19.0	263.6	6.8	-298.1	**276.9**
Operating expenses	-28.0	-11.2	-62.4	-35.5	20.1	**-117.0**
EBITDA	257.7	7.8	201.1	-28.7	-278.0	**159.9**
Depreciation, amortisation and impairment	-78.4	-0.9	-7.9	-0.4	24.3	**-63.2**
Operating profit (EBIT)	179.3	6.9	193.3	-29.1	-253.7	**96.7**

SEGMENT FINANCIALS Q3 2013

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	25.7	2.8	2.7	0.0	0.0	**31.3**
Internal revenues	0.0	0.8	485.3	2.4	-488.5	**0.0**
Net income/(loss) from associates	0.0	0.0	-0.1	0.0	0.0	**-0.1**
Total revenues and other income	25.7	3.6	487.9	2.4	-488.5	**31.1**
Cost of sales	0.0	0.0	-309.0	0.0	308.8	**-0.2**
Gross profit	25.7	3.6	178.9	2.4	-179.7	**31.0**
Operating expenses	4.9	-3.3	-20.0	-6.5	3.2	**-31.5**
EBITDA	20.8	0.3	158.9	-4.0	-176.5	**-0.6**
Depreciation, amortisation and impairment	7.8	0.1	-16.7	0.0	1.5	**-23.0**
Operating profit (EBIT)	13.0	0.2	142.2	-4.0	-175.0	**-23.6**

SEGMENT FINANCIALS YTD 2013

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	53.7	7.3	16.2	0.0	0.0	**77.2**
Internal revenues	0.0	2.3	933.7	3.2	-941.6	**0.0**
Net income/(loss) from associates	0.0	0.0	-0.6	0.0	0.0	**-0,6**
Total revenues and other income	53.7	9.6	949.3	3.2	-941.6	**76.6**
Cost of sales	0.0	0.0	-537.9	0.0	525.7	**-12.3**
Gross profit	53.7	9.6	411.4	3.2	-416.0	**64.3**
Operating expenses	-12.4	-8.3	-52.2	-22.7	7.9	**-87.7**
EBITDA	41.2	1.3	359.2	-17.1	-408.0	**-23.4**
Depreciation, amortisation and impairment	-22.8	-0.1	-17.3	0.0	4.5	**-35.7**
Operating profit (EBIT)	18.4	1.2	341.9	-17.1	-403.5	**-59.1**

Power Production

Operating revenues in Power Production were NOK 129 million (26) in the third quarter with the increase mainly reflecting increased power production.

Power production totalled 73 736 MWh in the quarter, up from 9 645 MWh in the same period last year and up 66 % from the previous quarter.

The quarter on quarter production growth is driven by start of production of the 40 MW Linde plant, the 8.5 MW ASYV plant and of start-up of 75 MW at Dreunberg plant at the end of August.

All solar plants have performed well with plant availability and performance above expectations. However, production was negatively affected by lower than seasonally normal irradiation levels (i.e. sun hours) in August and September. With seasonally normal irradiation.

The 75 MW Dreunberg plant is generating "early revenues" until end of 2014. The plant is ramping up production and is expected to operate at full capacity from late November. "Early revenues" generated from the plant until end of 2014 is based on 60% of the agreed tariff. Full revenues for the Dreunberg plant will hence be recognised from the agreed Commercial Operation Date (COD[4]) on 31 December 2014.

Operating expenses in the segment amounted to NOK 15 million (5) in the third quarter. Costs increased with the commencement of the O&M contracts for the 75 MW Kalkbult plant with effect from the Taking Over Date (TOD[4]) on 26 April, and the 40 MW Linde plant on 5 September.

Depreciation and amortisation increased to NOK 34 million (8), with the increase related to new plants in operation.

EBITDA improved to NOK 114 million (21) in the third quarter, with the EBITDA margin increasing to 88% (81%).

For the first nine months, revenues amounted to NOK 286 million (54). This includes internal revenue of NOK 11 million from the Development & Construction segment as compensation for a slightly delayed COD for Kalkbult.

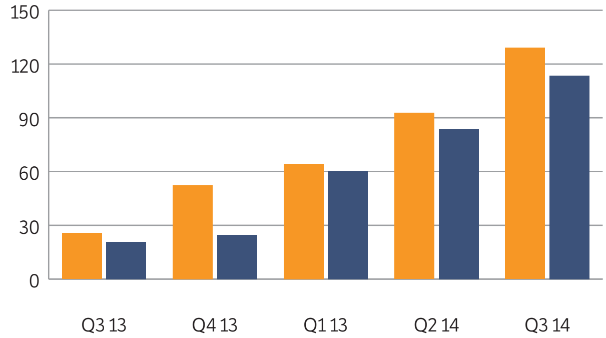
EBITDA amounted to NOK 258 million (41) for the first nine months, and EBIT to NOK 179 million (18).

Scatec Solar's proportionate share of revenues and EBITDA in the third quarter was NOK 65 million and NOK 57 million respectively.

See separate tables for financials for each individual project company.

POWER PRODUCTION – REVENUES AND EBITDA BY QUARTER

NOK MILLION



POWER PRODUCTION – KEY FIGURES

NOK MILLION	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
External revenues	25.7	52.4	54.2	91.2	129.0
Internal revenues	0.0	0.0	9.9	1.5	0.0
Total revenues and other income	**25.7**	**52.4**	**64.1**	**92.7**	**129.0**
Operating expenses	-4.9	-27.6	-3.6	-9.0	-15.4
EBITDA	**20.8**	**24.7**	**60.5**	**83.6**	**113.6**
D&A and impairment	-7.8	-22.7	-21.6	-23.1	-33.8
EBIT	**13.0**	**2.0**	**39.0**	**60.5**	**79.8**
EBITDA margin	81%	47%	94%	90%	88%
EBIT margin	50%	4%	61%	65%	62%

PRODUCTION (MWH)

	MW	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
Czech portfolio	20	8 057	2 634	3 701	8 130	7 045
Kalkbult	75	1 588	42 051	38 240	35 341	36 453
Dreunberg	75					9 610
Linde	40				867	19 024
ASYV	9					1 604
MWh produced	219	9 645	44 686	41 941	44 338	73 736
-net to Scatec Solar		8 677	19 034	18 997	22 251	33 119

Scatec Solar directly and/or indirectly owns 100% of the Czech portfolio of solar power plants, 43% of ASYV in Rwanda and 39% of Kalkbult, Linde and Dreunberg in South Africa.

4 Refer to appendix for definition of project milestones.

PROJECT COMPANIES – KEY FINANCIALS Q3 2014

NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	OTHER	TOTAL SEGMENT	SSO PROP. SHARE
Revenues	24.3	64.7	28.8	8.9	1.7	0.5	129.0	65.4
OPEX	-2.8	-9.2	-1.4	-0.3	-0.2	-1.4	-15.4	-8.6
EBITDA	21.6	55.5	27.3	8.6	1.4	-0.9	113.6	56.9
EBITDA margin	88%	86%	95%	96%	85%	-176%	88%	87%
Interest expenses	-4.3	-22.9	-13.3	-6.0	-2.1	-	-48.7	-21.7
Cash flow to equity [5]	11.0	25.3	12.3	2.5	-0.5	-0.5	50.2	25.9
SSO shareholding	100%	39%	39%	39%	43%			

PROJECT COMPANIES – KEY FINANCIALS YTD 2014

NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	OTHER	TOTAL SEGMENT	SSO PROP. SHARE
Revenues	68.8	175.5	29.6	8.9	1.7	1.2	285.7	154.0
OPEX	-7.5	-16.7	-1.6	-0.3	-0.2	-1.6	-28.0	-16.5
EBITDA	61.3	158.7	28.0	8.6	1.4	-0.4	257.7	137.5
EBITDA margin	89%	90%	94%	96%	85%	-32%	90%	89%
Interest expenses	-14.8	-68.0	-13.3	-6.0	-2.1	-	-104.2	-49.7
Cash flow to equity [5]	29.0	75.1	12.9	2.5	-0.5	-0.0	119.0	63.8
SSO Shareholding	100%	39%	39%	39%	43%			

PROJECT COMPANIES – FINANCIAL POSITION AND WORKING CAPITAL BREAK-DOWN AS OF 30 SEPT 2014

	POWER PRODUCTION						
NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	D&C, O&M, CORPORATE & ELIMINATIONS [6]	CONSOLIDATED
Project equity [5]	177.9	303.9	168.3	181.6	16.3	-287.6	**560.4**
Total assets	582.0	1381.5	765.9	1 299.4	175.7	-141.6	**4 063.1**
PP&E	484.0	1 136.2	613.0	1 180.9	136.9	-940.1	**2 611.1**
Cash [7]	50.0	193.2	80.3	40.2	17.6	284.5	**666.1**
Gross debt	371.0	961.2	551.9	1 016.9	151.8	43.4	**3 096.1**
Net debt	320.9	768.0	471.6	976.5	134.2	-241.7	**2 429.4**
Net working capital [8]	-9.1	4.5	-1.8	-56.3	-11.8	-10.2	**-98.6**

5 Refer to appendix for definition of this measure.

6 The amount of NOK 952.7 million includes development projects that have not yet reached construction phase of NOK 60.2 million. The amount of NOK 284.5 million includes NOK 94.7 million of collateralised shareholders financing.

7 Cash in project companies includes restricted cash in proceeds accounts, debt service reserve accounts and similar. Cash in D&C, O&M and Corporate include NOK 173 million of restricted cash related to collateralised shareholder financing of project companies not yet distributed as well as restricted deposits for withholding tax, guarantees, VAT and rent.

8 Net working capital includes trade and other receivables, other current assets, trade and other payables, income tax payable, other current liabilities and intercompany receivables and payables.

Operation & Maintenance

Revenues in the Operation & Maintenance segment were NOK 9 million (4) in the third quarter.

O&M service to Scatec Solar's power plants is in a start up phase. The organization is in place to serve all solar power plants, while in the third quarter revenues were recognized for only 95 MW of 220 MW.

Compared with the second quarter, O&M revenues increased by NOK 3 million mainly reflecting the O&M contract for Kalkbult (effective May 2014), as well as the Linde O&M contract (effective early September 2014). O&M revenues from the ASYV and Dreunberg plants will be recognised from fourth quarter 2014 and first quarter 2015 respectively.

Accrued performance bonuses related to the Kalkbult and Linde power plants represented revenues of NOK 4 million in the quarter.

Operating expenses amounted to NOK 5 million (3), with the increase mainly reflecting the increased activity level in the segment.

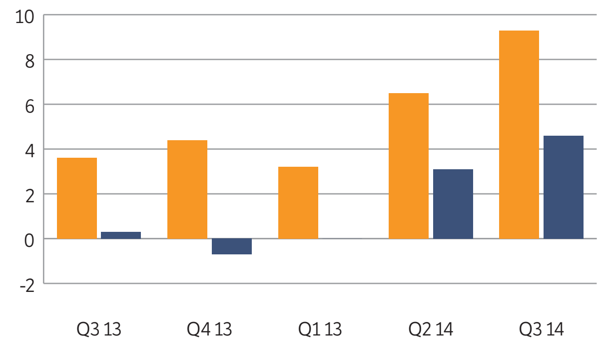
EBITDA increased to NOK 5 million (0) in the third quarter, corresponding to an EBITDA-margin of 50% (7%).

Depreciation and amortisation in the quarter amounted to NOK 0.3 million (0.1), and EBIT was NOK 4 million (0).

For the first nine months, revenues increased to NOK 19 million (10), while operating expenses increased to NOK 11 million (8). EBITDA amounted to NOK 8 million (1) for the first nine months, and EBIT to NOK 7 million (1).

O&M contracts for third parties are considered non-core for Scatec Solar and some of these contracts will be terminated over the next quarters. At the end of third quarter, the company had O&M contracts for 32 MW of third party assets. This is expected to be reduced to 24 MW towards the end of the year.

OPERATION & MAINTENANCE – REVENUES AND EBITDA BY QUARTER



OPERATION & MAINTENANCE – KEY FIGURES

NOK MILLION	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
External revenues	2.8	2.6	2.5	1.6	1.6
Internal revenues	0.8	1.8	0.7	5.0	7.7
Total revenues and other income	**3.6**	**4.4**	**3.2**	**6.5**	**9.3**
Operating expenses	-3.3	-5.1	-3.1	-3.4	-4.6
EBITDA	**0.3**	**-0.7**	**0.0**	**3.1**	**4.6**
D&A and impairment	0.1	-0.1	-0.3	-0.3	-0.3
EBIT	**0.2**	**-0.8**	**-0.2**	**2.8**	**4.3**
EBITDA margin	7%	-16%	0%	47%	50%
EBIT margin	6%	-18%	-7%	43%	47%

PORTFOLIO OVERVIEW – MW AT END OF PERIOD

MW	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
Portfolio (MW)	71	71	71	146	167
Of which third-party	51	51	51	51	32

O&M-contracts are included at Taking Over Date (TOD) [9].

9 Refer to appendix for definition of project milestones.

Development & Construction

Revenues in the Development & Construction (D&C) segment was NOK 129 million (488) in the third quarter, mainly reflecting sales of construction services to project companies managed and controlled by Scatec Solar.

Construction of the Linde, Dreunberg and ASYV plants came to completion and commenced production in the quarter. Some minor activities remain before the plants are transferred to the project company.

Construction revenues are recognised on a percentage-of-completion (PoC) basis, defined as cost incurred over total expected cost. At the end of the third quarter PoC for Linde was 99%, for Dreunberg 97% and for ASYV 99%.

Cost of sales amounted to NOK 91 million (309) in the third quarter, generating a gross margin of 30% (37%).

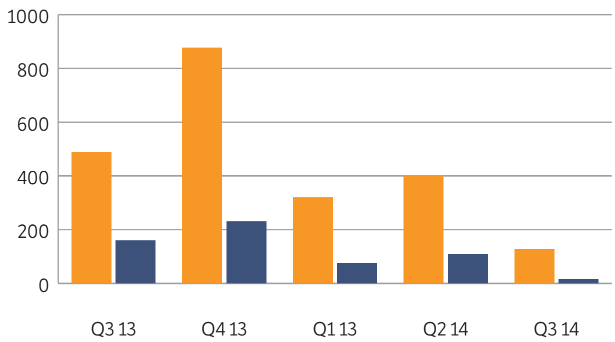
Operating expenses were NOK 22 million (20) in the third quarter. Operating expenses related to construction was NOK 10 million while operating expenses related to early stage project development was NOK 12 million.

Segment EBITDA declined to NOK 16 million (159) in the third quarter. Depreciation, amortisation and impairment amounted to NOK 3 million (17), and EBIT was NOK 12 million (142). This includes impairment losses of NOK 3 million (17) related to development projects.

For the first nine months, revenues amounted to NOK 851 million (949), with a gross margin of 31% (43%). Operating expenses increased to NOK 62 million (52). EBITDA was NOK 201 million (359) and EBIT NOK 193 million (342).

Revenue and profit development going forward will depend on timing for commencement and pace of execution of the project backlog and pipeline. See also the 'Outlook' section below.

DEVELOPMENT & CONSTRUCTION – REVENUES AND EBITDA BY QUARTER



DEVELOPMENT & CONSTRUCTION – KEY FIGURES

NOK MILLION	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
External revenues	2.7	0.0	0.4	0.1	1.6
Internal revenues	485.3	878.5	319.6	402.6	129.0
Net income associated	-0.1	-2.6	-0.1	-0.1	-1.9
Total revenues and other income	**487.9**	**875.9**	**319.9**	**402.6**	**128.7**
Cost of sales	-309.0	-615.6	-230.4	-266.5	-90.7
Gross profit	178.9	260.3	89.5	136.1	38.0
Operating expenses	-20.0	-30.4	-13.6	-26.6	-22.2
EBITDA	**158.9**	**229.9**	**75.8**	**109.4**	**15.8**
D&A and impairment	-16.7	-6.1	-3.4	-1.1	-3.4
EBIT	**142.2**	**223.8**	**72.4**	**108.3**	**12.4**
Gross margin	37%	30%	28%	34%	30%
EBITDA margin	33%	26%	24%	27%	12%
EBIT margin	29%	26%	23%	27%	10%

CONSTRUCTION PROJECTS – MILESTONES [10]

	CAPACITY	Q3'14	Q4'14	Q1'15	Q2'15
Linde	40 MW	TOD			
Dreunberg	75 MW	SOP	COD	TOD	
ASYV	9 MW	SOP/COD	TOD		

10 See "Definitions" for definition of project milestone.

Corporate & Eliminations

Corporate activities mainly relate to corporate services, management and group finance. The segment reported an operating loss of NOK -16 million (-4) in the third quarter 2014.

CORPORATE - KEY FIGURES

NOK MILLION	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
Total revenues	2.4	2.4	1.2	3.1	**2.5**
Operating expenses	-6.5	-8.6	-9.0	-8.5	**-18.0**
D&A and impairment	-0.0	0.0	0.0	-0.3	**0.1**
EBIT	-4.0	-6.2	-7.8	-5.7	**-15.5**

Corporate expensed NOK 7 million of IPO costs in the third quarter 2014. Further, the corporate segment is charged NOK 3 million relating to the share incentive plan, which was introduced in third quarter 2014, in addition another NOK 3 million is charged to the Power Production and Development & Construction segment.

For the first nine months, the operating loss amounted to NOK -29 million (-17).

ELIMINATIONS - KEY FIGURES

NOK MILLION	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
Revenues	-488.5	-882.7	-331.3	-412.2	**-139.2**
Cost of sales	308.8	615.5	230.0	265.3	**89.4**
Operating expenses	3.2	25.9	1.9	8.0	**10.2**
EBITDA	-176.5	-241.2	-99.5	-138.8	**-39.7**
D&A and impairment	1.5	6.7	6.2	8.0	**10.1**
EBIT	-175.0	-234.5	-93.3	-130.8	**-29.6**

Profits (i.e. revenues and expenses) generated in the D&C segment are eliminated in the consolidated income statement and reduces the consolidated book value of the solar power plants. The profits generated through project development and plant construction is hence improving the consolidated operating profit through lower depreciation charges over the economic life of the solar power plants. In the third quarter this effect amounted to NOK 10 million (2), and for the first nine months NOK 24 million (5).

The internal revenues generated in the Corporate and O&M segments are eliminated in the consolidated income statement with corresponding elimination of operating expenses, amounting to NOK 10 million (8) in the third quarter.

CONSOLIDATED INCOME STATEMENT

Revenues

Scatec Solar reported consolidated revenues of NOK 130 million in the third quarter 2014, up from NOK 31 million in the same period last year, with the growth mainly reflecting sales of electricity from new solar power plants in South Africa and Rwanda. Revenues in the third quarter 2014 were negatively affected by lower than normal solar irradiation. Net revenues included NOK -1.9 million (-0.1) in income from associated companies in the third quarter.

For the first nine months, revenues amounted to NOK 280 million (77).

Operating expenses

Consolidated operating expenses amounted to NOK 50 million (32) in the third quarter. This comprised of approximately NOK 12 million related to operation of existing power plants, NOK 8 million of corporate expenses, NOK 12 million related to development of new projects, NOK 10 million related to construction of power plants, and NOK 7 million in non-recurring, special items (IPO costs). Operating expenses also include NOK 6 million related to share-based payment. See note 10 for further information on the plan.

Personnel expenses accounted for NOK 20 million (13) and other operating expenses for NOK 30 million (19).

For the first nine months, consolidated operating expenses amounted to NOK 117 million (88). The increase in operating expenses primarily reflects commencement of operations of new solar power plants in South Africa and in Rwanda, increased spending on development and construction activities as well as increased capacity and activity at the corporate level.

Operating profit

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to NOK 79 million (-1) in the third quarter, and NOK 160 million (-23) for the first nine months. The increase primarily reflects commencement of production at the Kalkbult, Linde, Dreunberg and ASYV power plants.

Depreciation, amortisation and impairment amounted to NOK 27 million (23) in the third quarter and NOK 63 million (36) in the first nine months. The increases are mainly explained by commencement of asset depreciation of Kalkbult, Linde, Dreunberg and ASYV, NOK 3 million impairment of development projects in South Africa in the first quarter, NOK 1 million impairment related to restructuring of the German operations in the second quarter and NOK 3 million of impairment of a development project in France in the third quarter.

Operating profit (EBIT) was NOK 51 million (-24) in the third quarter, and NOK 97 million (-59) in the first nine months of 2014.

Net financial items

Net financial items amounted to NOK -39 million (-9) in the third quarter, and NOK -43 million (80) in the first nine months. The increase mainly reflects debt financing of the growing asset base.

Financial income amounted to NOK 8 million (11) in the third quarter and NOK 40 million (122) in the first nine months, including interest income on collateralised equity commitments for projects under construction. The first nine months 2013 include gains on mark-to-market revaluations of open EUR and USD forward exchange contracts of NOK 108 million. The foreign exchange contracts are carried at fair value and will fluctuate with changes in the exchange rates throughout the contract period.

Financial expenses amounted to NOK 65 million (20) in the third quarter and NOK 159 million (43) in the first nine months. Interest expenses on the Kalkbult, Linde, Dreunberg and ASYV plants amounted to NOK 49 million in the third quarter. The increase in financial expenses is also reflecting partial reversal of the mark-to-market gains on forward exchange contracts recognised in previous periods.

Foreign exchange gains amounted to NOK 18 million (-1) in the third quarter and NOK 75 million (1) in the first nine months, primarily reflecting gains on realised forward exchange contracts.

Profit before tax and net profit

Profit before income tax was NOK 13 million (-33) in the third quarter and NOK 54 million (21) in the first nine months.

Income tax expense was NOK 5 million (-3) in the third quarter and NOK 10 million (25) in the first nine months, including a withholding tax benefit related to dividends from a South African subsidiary in the first quarter. The underlying tax rates in the countries of operation are in the range of 19%-35%. Net profit was NOK 7 million (-30) in the third quarter and NOK 44 million (-5) in the first nine months.

A profit of NOK -5 million (-19) was attributable to the equity holders of Scatec Solar for the third quarter and NOK -7 million (-38) for the first nine months. A profit of NOK 13 million (-11) was attributable to non-controlling interests in the third quarter and NOK 51 million (33) for the first nine months.

Non-controlling interests (NCI) represent financial investors in the individual solar power plants, and potential partners in development projects. The allocation of profits between NCI and Scatec Solar is generally affected by the fact that NCI only have shareholdings in solar power plants, while Scatec Solar also carries the cost of project development and corporate functions.

CONSOLIDATED CASH FLOW

Net negative cash flow from consolidated operating activities amounted to NOK -258 million (-90) in the third quarter 2014, mainly reflecting repayment of trade payables of NOK 283 million related to trade financing arrangements for the Linde, Dreunberg and ASYV construction contracts.

Net negative cash flow from consolidated investing activities was NOK -123 million (-354), driven mainly by property, plant and equipment investments in the Linde, Dreunberg and ASYV solar power plants.

Net cash flow from financing activities was NOK 147 million (502), including proceeds of NOK 160 million (542) from non-recourse project financing, and NOK 43 million (0) from drawdown of a corporate overdraft facility. Furthermore, in July 2014 dividends amounting to NOK 42 million (0) was paid to the equity holders of the company in accordance with the resolution of the Annual General Meeting in April.

In the first nine months, net negative cash flow from consolidated operating activities was NOK -138 million (106), while the net negative cash flow from consolidated investing activities was NOK -778 million (-877). Net cash flow from consolidated financing activities amounted to NOK 574 million (1 334), including proceeds of NOK 639 million (1 262) from non-recourse project financing.

Refer to note 6 for a detailed cash overview.

On 14 July 2014, Scatec Solar entered into an overdraft facility of NOK 100 million with a tenor of 1 year and a guarantee facility of NOK 150 million with a tenor of 3 years, both with Nordea Bank Norge ASA. Both facilities have a covenant requiring Scatec Solar's equity ratio to be above 30% (calculated excluding assets and debt related to non-recourse financing). The interest rate on the facility is NIBOR 7 days plus 2.5% per year. As of 30 September 2014, the Group had drawn NOK 43 million on this facility.

S0CATEC SOLAR PROPORTIONATE SHARE OF CASH FLOW TO EQUITY

"Scatec Solar proportionate share of cash flow to equity" defined as EBITDA minus interest expenses, debt instalments and tax (i.e. before changes in Net Working Capital), is a non-GAAP measure that seeks to estimate the company's ability to generate funds for equity investments in new solar power plant projects and/or for shareholder dividends over time.

NOK MILLION	Q3 2014	YTD 2014	YTD2013
Power Production	25.9	63.8	12.3
Operation & Maintenance	3.4	5.8	0.9
Development & Construction	11.6	147.0	263.5
Corporate	-11.3	-20.9	-12.5
Total	**29.6**	**195.8**	**264.2**
SSO project equity investments	0	8.8	0
Dividends to corporate shareholders	42.2	42.2	0

"Scatec Solar proportionate share of cash flow to equity" was NOK 30 million in the third quarter and NOK 196 million for the first nine months.

Scatec Solar did not invest equity in project companies in the third quarter, NOK 9 million was invested in Rwanda in the first quarter.

Scatec Solar paid dividends to corporate shareholder of NOK 42 million in the third quarter.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In the consolidated statement of financial position, the solar power plant assets are valued at the Group's cost reflecting elimination of margins generated through the project development and construction phase. At the same time, the ring-fenced non-recourse debt held in the entities owning the power producing assets, is consolidated at full value. These accounting principles negatively affect the consolidated equity ratio.

Total equity was NOK 560 million (399) as of 30 September 2014, representing an increase of NOK 95 million during the third quarter and an increase of NOK 162 million during the first nine months. The increase is mainly due to capital increase from non-controlling interests during third quarter. The equity was negatively affected by the General Meeting's approval of a dividend of NOK 42 million in second quarter 2014.

The book equity ratio increased to 13.8% from 11.2% at the end of the second quarter and 11.3% at the end of 2013. Adjusted for assets and debt related to the solar power project companies, the equity ratio was approximately 70% at the end of September 2014.

Total assets amounted to NOK 4 063 million (3 524) as of 30 September 2014, which was a decrease of NOK 110 million during the third quarter and an increase of NOK 539 million during the first nine months. The increase primarily reflects non-current assets, which in turn mainly reflects investments related to the South African and Rwandan projects.

Non-current assets overall amounted to NOK 3 202 million (2 318) as of 30 September 2014, an increase of NOK 121 million during the third quarter and NOK 884 million during the first nine months. PP&E in project companies accounted for 85% of the increase.

Current assets amounted to NOK 862 million (1 206), which was a decrease of NOK 232 million during the third quarter and NOK 345 million during the first nine months – mainly reflecting reduced cash and cash equivalents.

Cash and cash equivalents was NOK 666 million, compared with NOK 919 million at the end of the second quarter and NOK 1 025 million at year-end 2013.

Of the total cash and cash equivalent of NOK 666 million, NOK 382 million was cash in project companies that includes restricted cash in proceeds accounts, debt service reserve accounts and similar. This cash is only available to the Group through distributions as determined by shareholder and non-recourse financing agreements; NOK 173 million was other restricted cash, mainly collateralised shareholder financing of project companies not yet distributed; NOK 111 million was free cash.

Financial assets in the balance sheet primarily comprise currency and interest rate derivatives in the South African project companies.

Total liabilities decreased to NOK 3 503 million from NOK 3 708 million at the end of the second quarter and NOK 3 126 million at the end of 2013.

Total non-current liabilities amounted to NOK 3 071 million at the end of the first nine months of 2014, compared with NOK 2 596 million at the end of the second quarter and NOK 2 462 million at year-end 2013. NOK 2 975 million of this was non-recourse project financing pledged only to the assets and performance of each individual project, compared with NOK 2 494 million at the end of the second quarter and NOK 2 377 million at the end of 2013.

Total current liabilities decreased to NOK 431 million, from NOK 1 112 million at the end of the second quarter and NOK 664 million at the end of 2013. The decrease mainly reflects settlement of trade payables in the D&C segment as well as correction to the current/non-current split of non-recourse project financing. Refer to notes 4 and 6 for further details.

As a subsequent event, the shares of Scatec Solar ASA were listed on the Oslo Stock Exchange 2 October 2014. The Company issued new shares, raising gross proceeds of NOK 500 million.

BACKLOG AND PIPELINE

Scatec Solar's project backlog and pipeline span a variety of markets in North America, Europe, Middle East, Asia, Africa and Latin America.

Refer to the appendix for a description of the criteria for inclusion of projects to the backlog and pipeline.

Backlog

Scatec Solar currently holds a project backlog of 214 MW, up from 122 MW at the end of the second quarter. The backlog consists of the Oryx (10 MW, 70% Scatec Solar ownership at completion) and the EJRE/GLAE (33 MW, 40%) projects in Jordan, the Red Hills (104 MW, 100%) project in Utah and the smaller Waihonu (8 MW, 49%) project on Hawaii. Furthermore in November a project in Honduras (59 MW, 40%) was added to the project backlog.

Total gross investment required to realise the 214 MW is estimated to USD 480 million, while Scatec Solar equity investments is expected to be approximately USD 45 million.

Oryx, Jordan, 10 MW

The 10 MW Oryx solar power plant in Jordan is a project developed by Scatec Solar and a local developer. A fixed price 20-year PPA was signed with the National Electric Power Company (Nepco) in March 2014.

Total gross investment in the plant is expected to be approximately USD 34 million. The plant is expected to generate 25 000 MWh per year with revenues of about USD 4 million per year.

Scatec Solar will own 70% of the project company, with the name of the co-owner(s) yet to be announced.

EJRE/GLAE, Jordan, 33 MW

The 11 MW GLAE and the 22 MW EJRE solar power plants are developed by Greenland Alternative Energy and European Jordanian Renewable Energy respectively. Fixed price 20-year PPAs were signed with the National Electric Power Company (Nepco) in March 2014.

Total gross investments in the plants are expected to be approximately USD 100 million. The plants are expected to generate a combined 78 500 MWh per year with revenues of about USD 13 million per year.

Scatec Solar will own 40% of the project companies (with an option to increase to 50.1%), with Greenland Alternative Energy and European Jordanian Renewable Energy holding 60% of the project combined.

Scatec Solar will provide EPC services for the three projects in Jordan. In addition, Scatec Solar will provide Operations and Maintenance services to the plants.

All three projects in Jordan are in the final preparations for financial close and execution planning is ongoing. European Bank for Reconstruction & Development (EBRD) and Proparco are expected to provide the debt financing to all three projects with a debt ratio of about 75 %. Financial close is expected in Q4 2014 for all three projects.

Red Hills, USA, 104 MW

Scatec Solar has developed and owns 100% of the 104 MW Red Hills solar power project in Utah, USA. The Utah Public Service Commission approved a 20-year PPA with PacifiCorp in March 2014.

The total gross investment in the plant is expected to be approximately USD 180 million. The plant is expected to generate about 210 000 MWh per year with revenues of about USD 14 million per year

Work to secure financing is in its final stage with a combination of a tax equity investment of approximately USD 83 million a term loan of approximately USD 79 million. The project will be eligible for a US investment tax credit representing 30% of the total investment. The tax equity structure implies that Scatec Solar's ultimate equity investment, net of the development premium realised in the transaction, will be representing 10% of the required equity. At the same time, Scatec Solar will expect to receive more than half of the net cash flow generated after debt service. Financial close is targeted for the fourth quarter 2014.

Scatec Solar is finalising the execution strategy for this project and is expected to retain 100% non-tax equity ownership.

Scatec Solar is not likely to take the role as main EPC contractor, but is selecting and ensuring appropriate quality control of key components to the project. A development margin will be realised in the D&C segment from the project.

Waihonu, USA, 8 MW

The 8 MW Waihonu solar power project in Hawaii, USA is developed and owned jointly by Scatec Solar (49%) and the solar project developer Meridian (51%). Sale of power will be formalised in a PPA with the local utility Hawaiian Electric Company (HECO), based on the Feed in Tariff secured for the projects.

The total gross investment in the plant is expected to be approximately USD 34 million. The plant is expected to generate 12 700 MWh per year with revenues of about USD 3 million per year. Scatec Solar will not take the role as EPC contractor.

The process to secure financing will be initiated shortly. Financial close is targeted for the first quarter 2015.

Honduras, 59 MW

Scatec Solar has together with Norfund secured participation in a 59 MW project in Honduras. The project has been developed by a local developer and Scatec Solar, and Norfund has been invited into the project to finance and construct the project.

The project, which has a PPA with the local utility Empresa Nacional de Energia Electrica (ENEE), will generate approximately 110 000 MWh annually with revenues of about USD 20 million per year.

The total gross investment in the project is anticipated to be approximately USD 120 million. The project is expected to be financed with 70% debt. Scatec Solar will retain a 40% ownership stake in the project, while Norfund will take a 30% ownership stake.

Financial close is expected in fourth quarter 2014.

BACKLOG - TARGETED START OF CONSTRUCTION

	CAPACITY (MW)	2014E	2015E	2016/17E
Oryx, Jordan	10	-	10	
EJRE/GLAE, Jordan	33	-	33	-
Utah, USA	104	104	-	-
Hawaii, USA	8	-	8	-
Honduras	59	59	-	-
Total backlog	**214**	**163**	**51**	**-**

Pipeline

Scatec Solar currently has a project pipeline of about 20 projects with a gross capacity of close to 700 MW. Furthermore, the company has verified feasibility and business cases for additionally 700 MW.

PIPELINE - TARGETED START OF CONSTRUCTION

	CAPACITY (MW)	2015E	2016/17E
UK	38	38	-
West Africa	100	70	30
USA	220	220	-
Japan	64	-	64
South Africa	258	-	258
Total pipeline	**680**	**328**	**352**

In the UK, the pipeline consists of four projects that are currently in the permitting process, totalling 38 MW. Permitting decision is expected to be reached for these projects within the next six months. The projects can be realised under alternative incentive schemes in the UK, including ROCs, FiT and Contract for Differences. The strategy for realising these projects will depend on the timing of permit approvals and the size of the projects.

In South Africa, Scatec Solar has submitted three projects of 86 MW each in the fourth award round under the REIPPP (Renewable Independent Power Produce Programme). The preferred bidder's list of the REIPPP is expected to be announced in November 2014.

In Africa outside South Africa, the pipeline consists of projects across Namibia, Burkina Faso, Ghana, Mali and the Ivory Coast.

The pipeline in the USA has been stable since second quarter and the Company is continuing its work to secure off-take agreements for these projects.

The Japanese solar market is facing some uncertainty by the introduction of the Utility moratorium on Renewable Energy, now announced in 6 out of 10 Utility regions. Scatec Solar is currently working with its partners to assess the situation and the potential impact this would have on our pipeline in Japan.

The company has a target of growing its base of producing assets to gross 750 MW by the end of 2016.

See also the 'Outlook'-section.

OUTLOOK

Revenues and profits in the Consolidated Income Statement reflect the activity in the Power Production segment, as well as corporate and administrative costs and costs related to development of new projects.

Power Production (PP)

Electricity production, revenues, EBITDA and operating profit in Power Production is expected to continue to grow from the third quarter to the fourth quarter 2014. The main reason for the growth is that electricity production at Dreunberg (75 MW) will increase as the last phase of the plant is grid connected.

Total power production is expected to increase from 73 736 MWh in the third quarter to approximately 120 000 MWh in the fourth quarter.

Operation and Maintenance (O&M)

O&M revenues are expected to be fairly stable from the third quarter to the fourth quarter 2014. The O&M contracts on Linde took effect in the third quarter. While the O&M contracts on ASYV and Dreunberg are expected to take effect in the fourth quarter 2014 and first quarter 2015 respectively.

The contracts for third party controlled plants are considered non-core and some of these contracts will be terminated during second half 2014.

The majority of the O&M contracts include performance bonus provisions, securing the company up to 50% of revenues generated above pre-defined performance levels.

From early 2015 Scatec Solar expects annual O&M revenues of NOK 50-55 million based on current plant performance.

Development & Construction (D&C)

D&C revenues and margins are dependent on timing of commencement and pace of execution of the company's project backlog and pipeline.

Of the projects in the backlog, all but one is expected to reach financial close within the end of the year. However, D&C-activities on these projects will be limited short term.

Corporate & Eliminations

Recurring corporate costs are expected to remain fairly stable.

Eliminations will continue to reflect D&C and O&M revenues and costs related to internal deliveries to project companies managed and consolidated by Scatec Solar.

SHAREHOLDER MATTERS

As of end of September 2014, there were 67.5 million shares outstanding.

On 2 October 2014, the shares of Scatec Solar ASA were listed on the Oslo Stock Exchange under the ticker "SSO". The offering comprised 36.3 million shares, of which 26.3 million were new shares. Subsequent to the share issue Scatec Solar has 93.8 million shares outstanding.

Gross proceeds from the shares offering was NOK 500 million. After completion of the offering Scatec Solar had approximately 650 shareholders. A list of the Company's 20 largest shareholders is available on www.scatecsolar.com.

RISK

Scatec Solar has entered into long-term fixed price contracts for sale of electricity from all its current solar power plants, and the entry into such contracts is a prerequisite for financing and construction of the projects in the backlog and pipeline. All existing electricity sales contracts are entered into with state-owned utilities typically under regulation of various state programs to promote renewable energy. As a consequence, Scatec Solar is to a certain degree subject to political risk in the countries it operates.

The main risks related to financial performance going forward relate to operational performance of existing power plants, timely completion of solar plants under construction and progress in the transitioning of projects in backlog through financial close and into construction.

Scatec Solar has established a solid project backlog and pipeline, but further growth of the company will depend on a number of factors such as project availability, access to financing, component availability and pricing, price development for alternative sources of energy and the regulatory framework in the relevant markets.

In terms of specific financial risks, Scatec Solar is mainly exposed to currency risk and credit risk and to some extent interest rate risk and liquidity risks. All risks are sought mitigated through comprehensive risk management systems.

For further information refer to the Annual Report 2013.

RELATED PARTIES

Note 19 in the annual report for 2013 provides details of transactions with related parties. No significant changes occurred in the nature or presentation of related party transactions during the first nine months of 2014.

FORWARD LOOKING STATEMENTS

This condensed interim report contains forward-looking statements based upon various assumptions. These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risk and uncertainties because they relate to events and depend on circumstances that will occur in the future. Although Scatec Solar believes that these assumptions were reasonable when made, the Company cannot assure that the future results, level of activity or performances will meet these expectations.

Condensed interim financial information

Interim consolidated statement of profit or loss

NOK THOUSAND	NOTES	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FULL YEAR 2013
Revenues	2	132 156	31 261	282 139	77 173	132 163
Net income/(loss) from associated companies	2	-1 944	-118	-2 193	-599	-3 191
Total revenues and other income		130 212	31 144	279 945	76 574	128 972
Cost of sales	2	-1 363	-193	-3 003	-12 280	-12 331
Gross profit		128 849	30 951	276 943	64 294	116 641
Personnel expenses	2,10	-20 078	-12 627	-50 354	-35 219	-50 886
Other operating expenses	2,8,11,14	-29 933	-18 897	-66 670	-52 503	-82 607
Depreciation, amortisation and impairment	2,3	-27 417	-23 010	-63 172	-35 701	-57 836
Operating profit		51 421	-23 584	96 747	-59 129	-74 688
Interest and other financial income	4,5	8 341	11 297	40 166	121 690	129 755
Interest and other financial expenses	4,5	-65 293	-19 532	-158 565	-42 512	-101 258
Net foreign exchange gain/(losses)	4,5	18 411	-1 169	75 152	619	64 242
Net financial expenses		-38 542	-9 405	-43 247	79 798	92 739
Profit before income tax		12 879	-32 989	53 500	20 669	18 052
Income tax (expense)/benefit	7	-5 441	3 139	-9 838	-25 270	-25 603
Profit/(loss) for the period		7 438	-29 850	43 661	-4 601	-7 551
Profit/(loss) attributable to:						
Equity holders of the parent		-5 375	-19 301	-6 930	-37 886	-34 678
Non-controlling interests		12 814	-10 549	50 591	33 285	27 127
		7 438	-29 850	43 661	-4 601	-7 551
Basic and diluted earnings per share (NOK)	12	-0.08	-0.30	-0.11	-0.58	-0.53
Weighted average no of shares (in thousand)	12	67 491	64 960	65 804	64 960	64 960

The interim financial information has not been subject to audit.

Interim consolidated statement of comprehensive income

NOK THOUSAND	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FULL YEAR 2013
Profit/(loss) for the period	7 438	-29 850	43 661	-4 601	-7 551
Other comprehensive income:					
Items that may subsequently be reclassified to profit or loss					
Net movement of cash flow hedges	-5 733	-9 473	-37 391	119 113	125 280
Income tax effect	1 602	2 652	10 476	-33 352	-35 079
Foreign currency translation differences	-10 509	2 002	51 546	-17 837	-53 560
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	-14 640	-4 819	24 631	67 924	36 642
Total comprehensive income for the period net of tax	-7 202	-34 669	68 292	63 323	29 091
Attributable to:					
Equity holders of the parent	-17 435	-20 490	29 728	-28 639	-48 029
Non-controlling interests	10 233	-14 179	38 564	91 962	77 120
	-7 202	-34 669	68 292	63 323	29 091

The interim financial information has not been subject to audit.

Interim consolidated statement of financial position

NOK THOUSAND	NOTES	AS OF 30 SEPTEMBER 2014	AS OF 31 DECEMBER 2013
ASSETS			
Non-current assets			
Deferred tax assets	7	363 621	313 644
Property, plant and equipment – in solar projects	3	2 611 051	1 857 294
Property, plant and equipment – other	3	10 199	8 715
Goodwill		19 918	20 566
Financial assets	4,5	48 662	79 921
Investments in associated companies		18 414	6 321
Other non-current assets	13	129 652	31 397
Total non-current assets		3 201 518	2 317 859
Current assets			
Trade and other receivables		84 747	25 472
Other current assets		105 358	105 237
Financial assets	4,5	5 353	50 552
Cash and cash equivalents	6	666 098	1 025 362
Total current assets		861 555	1 206 623
TOTAL ASSETS		4 063 073	3 524 482

The interim financial information has not been subject to audit.

Interim consolidated statement of financial position

NOK THOUSAND	NOTE	AS OF 30 SEPTEMBER 2014	AS OF 31 DECEMBER 2013
EQUITY AND LIABILITIES			
Equity			
Share capital		1 688	1 624
Share premium		307 381	301 286
Total paid in capital		309 068	302 910
Retained earnings		-196 234	-147 074
Other reserves		-15 201	-51 860
Total other equity		-211 435	-198 934
Non-controlling interests		462 730	294 640
Total equity	9,10	560 363	398 616
Non-current liabilities			
Deferred tax liabilities	7	92 490	80 894
Non-recourse project financing	4	2 974 602	2 376 968
Financial liabilities	4	4 131	-
Other non-current liabilities		40	3 608
Total non-current liabilities		3 071 623	2 461 470
Current liabilities			
Trade and other payables		71 073	441 811
Income tax payable	7	92 306	91 881
Non-recourse project financing	4	77 550	21 572
Financial liabilities	4,6	65 183	16 298
Other current liabilities		125 334	92 834
Total current liabilities		431 447	664 396
Total liabilities		3 502 710	3 125 866
TOTAL EQUITY AND LIABILITIES		4 063 074	3 524 482

The interim financial information has not been subject to audit.

Oslo, 5 November 2014

The Board of Directors of Scatec Solar ASA

Interim consolidated statement of changes in equity

NOK THOUSAND	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	OTHER RESERVES: FOREIGN CURRENCY TRANSLATION	OTHER RESERVES: HEDGING RESERVES	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
At 1 January 2013	1 624	301 286	-112 396	-21 044	-17 465	152 005	10 517	162 522
Profit for the period	-	-	-37 886	-	-	-37 886	33 285	-4 601
Other comprehensive income	-	-	-	-24 199	33 447	9 248	58 676	67 924
Total comprehensive income	-	-	-37 886	-24 199	33 447	-28 638	91 961	63 323
Dividend to equity holders of the company	-	-	-	-	-	-	-800	-800
Capital increase from NCI	-	-	-	-	-	-	199 676	199 676
At 30 September 2013	1 624	301 286	-150 282	-45 243	15 982	123 366	301 355	424 721
At 1 October 2013	1 624	301 286	-150 282	-45 243	15 982	123 366	301 355	424 721
Profit for the period	-	-	3 208	-	-	3 208	-6 159	-2 951
Other comprehensive income	-	-	-	-24 355	1 758	-22 597	-8 684	-31 281
Total comprehensive income	-	-	3 208	-24 355	1 758	-19 389	-14 843	-34 231
Dividend to equity holders of the company	-	-	-	-	-	-	-	-
Capital increase from NCI	-	-	-	-	-	-	8 127	8 127
At 31 December 2013	1 624	301 286	-147 074	-69 598	17 738	103 976	294 640	398 616
At 1 January 2014	1 624	301 286	-147 074	-69 598	17 738	103 976	294 640	398 616
Profit for the period	-	-	-6 930	-	-	-6 930	50 591	43 661
Other comprehensive income	-	-	-	47 155	-10 497	36 658	-12 028	24 631
Total comprehensive income	-	-	-6 930	47 155	-10 497	29 728	38 564	68292
Share capital increase	64	-	-	-	-	64	-	64
Share-based payment	-	6 095	-	-	-	6 095	-	6 095
Dividend to equity holders of the company	-	-	-42 230	-	-	-42 230	-	-42 230
Capital increase from NCI	-	-	-	-	-	-	129 527	129 527
At 30 September 2014	1 688	307 381	-196 234	-22 443	7 241	97 633	462 730	560 363

The interim financial information has not been subject to audit.

Interim consolidated statement of cash flow

NOK THOUSAND	NOTES	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FULL YEAR 2013
Cash flow from operating activities						
Profit before taxes		12 879	-32 989	53 500	20 669	18 052
Taxes paid	7	-2 910	-37 460	-32 582	-130 792	-133 116
Depreciation and impairment	3	27 417	23 010	63 172	35 700	57 835
Net income from associated companies		1 945	118	2 193	599	3 191
Interest and other financial income	4	-8 341	-11 297	-40 166	-121 690	-90 613
Interest and other financial expenses	4	65 292	19 532	158 565	42 512	62 116
Foreign exchange (gain)/loss	4	-17 771	1 169	-9 159	-619	-64 242
(Increase)/decrease in trade and other receivables		-25 929	498	-59 275	-8 807	-2 807
(Increase)/decrease in other current assets		-8 153	-167 608	-120	-153 964	-11 610
Increase/(decrease) in trade and other payables		-283 431	56 489	-370 738	439 742	414 411
Increase/(decrease) in current liabilities		-5 915	107 556	62 709	60 113	38 921
Increase/(decrease) in financial assets and other changes		-13 475	-49 337	34 297	-77 162	8 942
Net cash flow from operating activities		-258 390	-90 318	-137 604	106 300	301 080
Cash flow from investing activities						
Interest received	4	7 100	3 461	20 468	10 384	13 845
Investments in property, plant and equipment	3	-129 210	-357 443	-786 369	-881 753	-1 313 765
Investments in associated companies		-465	-	-11 680	-5 792	-6 497
Net cash flow from investing activities		-122 575	-353 982	-777 581	-877 161	-1 306 417
Cash flow from financing activities						
Proceeds shareholder loan from non-controlling interests	4	34 911	56 781	68 784	199 676	207 804
Interest paid	4	-3 200	-11 200	-52 247	-33 599	-44 798
Proceeds from non-recourse project financing	4	160 492	541 704	639 452	1 261 694	1 803 047
Repayment of non-recourse project financing	4	-46 583	-4 001	-82 871	-12 002	-16 003
Proceeds of corporate overdraft facility	4	43 355	-	43 355	-	-
Repayment of corporate overdraft facility	4	-	-80 964	-	-80 964	-80 964
Dividends paid to equity holders of the parent company	9	-42 230	-	-42 230	-	-
Dividends paid to non-controlling interests		-	-800	-	-800	-800
Net cash flow from financing activities		146 745	501 522	574 243	1 334 005	1 868 286
Net increase/(decrease in cash and cash equivalents		-234 220	57 222	-340 942	563 144	862 948
Effect of exchange rate changes on cash and cash equivalents		-19 011	17 829	-18 322	-8 715	-10 795
Cash and cash equivalents at beginning of the period	6	919 329	652 589	1 025 362	173 209	173 209
Cash and cash equivalents at end of the period	6	666 098	727 638	666 098	727 638	1 025 362

The interim financial information has not been subject to audit.

Notes to the condensed interim consolidated financial statements

Note 1 Organisation and basis for preparation

Corporate information

Scatec Solar ASA is incorporated and domiciled in Norway. The address of its registered office is Karenslyst Allé 49, NO-0279 Oslo, Norway. Scatec Solar was established on 2 February 2007.

Scatec Solar ASA ("the Company"), its subsidiaries and investments in associated companies ("the Group" or "Scatec Solar") is one of the world's leading independent solar power producers. The Company is pursuing an integrated business model across the complete life cycle of utility-scale solar photovoltaic (PV) power plants including project development and design, financing, engineering, procurement, construction management, operation and maintenance, and asset management.

The condensed interim consolidated financial statements were authorised for issue by the Board of Directors on 5 November 2014.

The interim financial information has not been subject to audit.

Basis of preparation

These condensed interim consolidated financial statements are prepared in accordance with recognition, measurement and presentation principles consistent with International Financing Reporting Standards as adopted by the European Union ("IFRS") for interim reporting under International Accounting Standard ("IAS") 34 Interim Financial Reporting. These condensed interim consolidated financial statements are unaudited.

These condensed interim consolidated financial statements are condensed and do not include all of the information and notes required by IFRS for a complete set of consolidated financial statements. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements.

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013. Standards and interpretations mentioned in note 2 of the Group's annual report 2013 with effective date from financial year 2014, do not have a significant impact on the Group's condensed interim consolidated financial statements.

The functional currency of the companies in the Group is determined based on the nature of the primary economic environment in which each company operates. The functional currency of the parent company Scatec Solar ASA and the presentation currency of the Group is Norwegian kroner (NOK). All amounts are presented in NOK thousands unless otherwise stated.

As a result of rounding adjustments, the figures in some columns may not add up to the total of that column.

Significant estimates and judgements

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the condensed interim financial statements:

Consolidation of project company in Rwanda

During first quarter 2014 the construction of the ASYV solar power plant commenced. Throughout the construction phase Scatec Solar has a shareholding of 43% in the project company. One year subsequent to the commercial operation date Scatec Solar's shareholding will increase to 57% as part of a shareholders agreement. However, based on Scatec Solar's ability to direct the relevant activities in the project company, the Group concluded that the project company is under the control of Scatec Solar as defined by IFRS 10. Consequently, the project company is consolidated with a non-controlling interest of 57%.

Estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis, considering the current and expected future market conditions. Changes in accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Seasonality in operations

Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. The Group's operating results are affected by external factors, such as weather conditions. The power production at the PV solar parks is directly affected by seasonal changes in solar irradiance which is normally at its highest during the summer months. This effect is to a certain degree offset in the consolidated revenues due to the fact that the Group operates PV solar parks on both the northern and southern hemisphere.

Note 2 Operating segments

Operating segments align with internal management reporting to the Group's chief operating decision maker, defined as the Group management team. The operating segments are determined based on differences in the nature of their operations, products and services. Scatec Solar manages its operations in three segments; Power Production (PP), Operation and Maintenance (O&M) and Development and Construction (D&C).

Financing and operation of solar power plants is ring-fenced in project companies with a non-recourse project finance structure - where Scatec Solar contributes the required equity, either alone or together with co-investors. For companies where Scatec Solar is deemed to have a controlling interest in accordance with IFRS 10, revenues, expenses, assets and liabilities are included on a 100% basis in the condensed interim Financial Statements and presented correspondingly in the Power Production segment reporting.

Power Production

The Power Production segment manages the Group's power producing assets, and derives its revenue from the production and sale of solar generated electricity based on long-term Power Purchase Agreements or Feed-in-Tariffs. Finance and operation of the plants is ring-fenced in project companies with a non-recourse finance structure. This implies that the project debt is only secured and serviced by project assets and the cash flows generated by the project, and that there is no obligation for project equity investors to contribute additional funding in the event of a default. Free cash flows after debt service are distributed from these project companies to Scatec Solar, and any other project equity investors in accordance with the shareholding and the terms of the finance documents.

Operation and Maintenance

The Operation and Maintenance segment delivers services to ensure optimised operations of the Group's solar power producing assets through a complete and comprehensive range of services for technical and operational management. Revenues are based on service agreements with a periodic base fee as well as a potential performance bonus.

Development and Construction

The Development and Construction segment derives its revenue from the sale of development rights and construction services to project companies set up to operate the Group's solar power plants. These transactions are primarily made with companies that are under the control of the Group and hence are being consolidated. Revenues from transfer of development rights are recognised upon the transfer of title. Revenues from construction services are based on fixed price contracts and are accounted for using the percentage of completion method.

Corporate

Corporate consists of the activities of corporate services, management and group finance.

No segments have been aggregated to form these reporting segments. Revenues from transactions between the D&C, O&M and PP segments, where Scatec Solar is deemed to hold a controlling interest, are presented as Internal Revenues in the segment reporting and eliminated in the consolidated statement of profit or loss. These transactions are based on international contract standards and terms negotiated at arm's length with lenders and co-investors in each project company.

The management team assesses the performance of the operating segments based on a measure of gross profit and operating profit. The measurement basis for the segment data follows the accounting policies used in the consolidated financial statement for 2013 as described in Note 2 Summary of significant accounting policies.

Q3 2014

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	128 977	1 574	1 606	-	-	**132 156**
Internal revenues	-	7 724	129 020	2 474	-139 218	**-**
Net income/(loss) from associates	-	-	-1 944	-	-	**-1 944**
Total revenues and other income	128 977	9 298	128 681	2 474	-139 218	**130 212**
Cost of sales	-	-	-90 679	-	89 314	**-1 363**
Gross profit	128 977	9 298	38 003	2 474	-49 903	**128 849**
Personnel expenses	-1 515	-1 677	-9 267	-7 618	-	**-20 078**
Other operating expenses	-13 892	-2 977	-12 924	-10 338	10 198	**-29 933**
Depreciation and impairment	-33 811	-311	-3 370	-55	10 130	**-27 417**
Operating profit	79 759	4 334	12 442	-15 537	-29 575	**51 421**

Q3 2013

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	25 710	2 816	2 735	-	-	**31 261**
Internal revenues	-	785	485 274	2 412	-488 471	**-**
Net income/(loss) from associates	-	-	-118	-	-	**-118**
Total revenues and other income	25 710	3 601	487 891	2 412	-488 471	**31 144**
Cost of sales	-	-	-308 967	-	308 774	**-193**
Gross profit	25 710	3 601	178 924	2 412	-179 697	**30 951**
Personnel expenses	-1 303	-729	-7 781	-2 814	-	**-12 627**
Other operating expenses	-3 607	-2 602	-12 239	-3 646	3 197	**-18 897**
Depreciation and impairment	-7 841	-37	-16 676	-	1 544	**-23 010**
Operating profit	12 959	233	142 228	-4 048	-174 956	**-23 584**

YTD 2014

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	274 344	5 654	2 142	-	-	**282 139**
Internal revenues	11 386	13 386	851 233	6 758	-882 762	**-**
Net income/(loss) from associates	-	-	-2 193	-	-	**-2 193**
Total revenues and other income	285 730	19 040	851 181	6 758	-882 762	**279 945**
Cost of sales	-	-	-587 627	-	584 624	**-3 003**
Gross profit	285 730	19 040	263 554	6 758	-298 139	**276 943**
Personnel expenses	-2 409	-4 759	-27 934	-15 252	-	**-50 354**
Other operating expenses	-25 634	-6 480	-34 484	-20 215	20 144	**-66 670**
Depreciation and impairment	-78 426	-866	-7 855	-364	24 340	**-63 172**
Operating profit	179 260	6 934	193 281	-29 073	-253 655	**96 747**

YTD 2013

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	53 666	7 272	16 235	-	-	**77 173**
Internal revenues	-	2 290	933 692	5 628	-941 610	**-**
Net income/(loss) from associates	-	-	-599	-	-	**-599**
Total revenues and other income	53 666	9 562	949 328	5 628	-941 610	**76 574**
Cost of sales	-	-	-537 940	-	525 660	**-12 280**
Gross profit	53 666	9 562	411 388	5 628	-415 950	**64 294**
Personnel expenses	-3 619	-1 784	-21 477	-8 339	-	**-35 219**
Other operating expenses	-8 819	-6 526	-30 684	-14 392	7 918	**-52 503**
Depreciation and impairment	-22 827	-94	-17 321	-	4 542	**-35 701**
Operating profit	18 401	1 158	341 906	-17 103	-403 490	**-59 129**

Full year 2013

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	106 040	9 888	16 235	-	-	**132 163**
Internal revenues	-	4 057	1 812 187	8 040	1 824 284	**-**
Net income/(loss) from associates	-	-	-3 191	-	-	**-3 191**
Total revenues and other income	106 040	13 945	1 825 232	8 040	1 824 284	**128 973**
Cost of sales	-	-	-1 153 521	-	1 141 190	**-12 331**
Gross profit	106 040	13 945	671 711	8 040	-683 094	**116 642**
Personnel expenses	-5 309	-2 742	-30 970	-11 865	-	**-50 886**
Other operating expenses	-34 754	-10 634	-51 571	-19 482	33 835	**-82 607**
Depreciation and impairment	-45 538	-161	-23 416	-	11 279	**-57 836**
Operating profit	20 439	408	565 753	-23 308	-637 980	**-74 688**

Note 3 Property, plant and equipment

The Group operates solar power plants in Europe, Africa and North America. During 2014, three solar power plants were under construction (Linde and Dreunberg in South Africa and ASYV in Rwanda). The Linde solar power plant reached COD 30 June 2014. The Dreunberg solar power plant has scheduled COD at year end 2014, however, production has commenced in phases. Component 1 (32.3 MW) started production 29 August 2014. The ASYV power plant reached COD 26 July 2014. The power plants, which are in production at period end, are transferred from solar power plants under construction to solar power plants in the table below.

The carrying value of development projects that have not yet reached the construction phase was NOK 60 178 thousand at 30 September 2014 (31 December 2013: NOK 37 335 thousand).

During first quarter 2014, the Group incurred impairment losses of NOK 3 201 thousand. The impairment losses are recognised in the Development and Construction segment and relates to two development projects in South Africa. There were no impairment losses in first quarter 2013. During second quarter 2014 the Group incurred impairment losses of NOK 748 thousand related to the close-down of the German operations, see note 8 for further information. There were no impairment losses in second quarter 2013. During third quarter 2014, the Group incurred impairment losses of NOK 3 009 thousand. The impairment losses are recognised in the Development and Construction segment and relates to a development project in France. During third quarter 2013 the Group decided to abandon a solar power project in Italy and incurred an impairment loss of NOK 16 507 thousand.

NOK THOUSAND	SOLAR POWER PLANTS	SOLAR POWER PLANTS UNDER CONSTRUCTION	MACHINERY AND EQUIPMENT	TOTAL
Carrying value at 31 December 2013	1 174 726	682 568	8 715	**1 866 009**
Additions	21 219	833 517	4 297	**859 033**
Transfers	962 314	-962 314	-	**-**
Depreciation	-54 414	-	-1 800	**-56 214**
Impairment losses	-	-6 210	-748	**-6 958**
Effect of foreign exchange currency translation adjustments	-36 245	-4 110	-265	**-40 620**
Carrying value at 30 September 2014	2 067 600	543 451	10 199	**2 621 250**
Estimated useful life (years)	20-25	N/A	3-5	

Note 4 Net financial expenses and liabilities

Scatec Solar uses non-recourse financing for constructing and/or acquiring assets, exclusively using as guarantee the assets and cash flows of the project company 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 financed. For four of the five companies operating in the Czech Republic, the non-recourse financing agreements include a cross default clause within the Czech group.

The project companies' assets are pledged as security for the non-recourse financing. The maturity date for the loans ranges from 2019 to 2030, with the majority of the facilities maturing from December 2028 to October 2030. NOK 78 million of the Group's total non-recourse debt is due within 12 months and is presented as current in the statement of financial position.

During first nine months 2014, the Group drew down approximately NOK 639 million of non-recourse debt as part of the construction of the solar power plants in South Africa and Rwanda. In addition, the Group entered in July 2014 into an overdraft facility of NOK 100 million of which NOK 43 million has been drawn down as per end of third quarter.

NOK THOUSAND	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FULL YEAR 2013
Interest income	7 100	4 222	20 469	6 228	13 845
Forward exchange contracts	-	-	-	108 387	108 387
Other financial income	1 241	7 075	19 698	7 075	7 523
Financial income	8 341	11 297	40 166	121 690	129 755
Interest expenses	-49 040	-6 797	-104 151	-17 798	-44 798
Forward exchange contracts	-10 729	-7 704	-45 989	-7 704	-32 297
Other financial expenses	-5 524	-5 032	-8 425	-17 010	-24 163
Financial expenses	-65 293	-19 532	-158 565	-42 512	-101 258
Foreign exchange gains/(losses)	18 411	-1 169	75 152	619	64 242
Net financial expenses	-38 542	-9 405	-43 247	79 798	92 739

Note 5 Significant fair value measurements

Derivative financial instruments (including interest rate swaps and forward exchange contracts) are valued at fair value on Level 2 of the fair value hierarchy, in which the fair value is calculated by comparing the terms agreed under each derivative contract to the market terms for a similar contract on the valuation date. Note 23 in the annual report for 2013 provides details for each class of financial assets and financial liabilities, and how these assets and liabilities are grouped.

There are no significant changes for the presentation of these categories in the period, and there are no significant differences between total carrying value and fair value at reporting date. The presented table below summarises each class of financial instruments recognised in the condensed consolidated statement of financial position, split by the Group's basis for fair value measurement.

NOK THOUSAND	NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSET)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITY)	TOTAL FAIR VALUE
Fair value based on prices quoted in an active market (Level 1)	-	-	-	-
Fair value based on price inputs other than quoted prices (Level 2)	-	54 015	-25 960	28 055
Fair value based on unobservable inputs (Level 3)	2 535	-	-	2 535
Total fair value at 30 September 2014	2 535	54 015	-25 960	30 590

NOK THOUSAND	NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSET)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITY)	TOTAL FAIR VALUE
Fair value based on prices quoted in an active market (Level 1)	-	-	-	-
Fair value based on price inputs other than quoted prices (Level 2)	-	130 427	-16 298	114 174
Fair value based on unobservable inputs (Level 3)	2 529	-	-	2 529
Total fair value at 31 December 2013	2 529	130 427	-16 298	116 703

Note 6 Cash and cash equivalents

NOK THOUSAND	30 SEPTEMBER 2014	31 DECEMBER 2013
Cash in project companies	381 626	380 935
Other restricted cash	173 145	347 917
Free cash	111 327	296 509
Total cash and cash equivalents	666 098	1 025 362

Cash in project companies includes restricted cash in proceeds accounts, debt service reserve accounts, disbursements accounts, maintenance and insurance reserve accounts and similar. These cash and cash equivalents are only available to the Group through distributions as determined by shareholder and non-recourse financing agreements.

Other restricted cash is mainly collateralised shareholder financing of project companies not yet distributed to the project companies (NOK 94 725 thousand and NOK 225 532 thousand at 30 September 2014 and 31 December 2013 respectively) as well as restricted deposits for withholding tax, guarantees, VAT and rent.

Reconciliation of movement in free cash

NOK THOUSAND	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FULL YEAR 2013
Free cash at beginning of period	131 964	133 185	296 510	94 452	94 452
Net free cash flow from operations outside non-recourse financed companies	-30 734	-26 045	-190 470	258 098	499 499
Equity contributions/collateralised for equity commitments in project companies	-	-59 729	-8 847	-305 139	-320 367
Distributions from project companies	10 097	-	14 134	-	22 926
Free cash at end of the period	111 327	47 411	111 327	47 411	296 510

Note 7 Income tax expense

For the third quarter and nine months ended 30 September 2014, the effective income tax rate was primarily influenced by inter-company transactions subject to different statutory tax rates as well as valuation allowances related to tax losses carried forward in France and Japan. In addition, the nine months ended 30 September 2014 is affected by refund of withholding tax related to dividends received from a subsidiary in 2012.

For the year ended 31 December 2013, the income tax rate was mainly influenced by valuation allowances, permanent differences, tax in previous years and use of previously unrecognised losses carried forward.

NOK THOUSAND	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FULL YEAR 2013
Profit before income tax	12 879	-32 989	53 500	20 669	18 052
Income tax (expense)/benefit	-5 441	3 139	-9 838	-25 270	-25 603
Equivalent to a tax rate of (%)	42.2	9.5	18.4	122.2	141.8

Movement in deferred tax

NOK THOUSAND	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FULL YEAR 2013
Deferred tax at beginning of period	263 011	97 686	232 750	126 990	126 990
Recognised in the consolidated statement of profit or loss	2 230	84 240	23 168	91 841	144 484
Deferred tax on financial instruments recognised in OCI	1 602	2 652	10 476	-33 352	-35 079
Recognised in the consolidated statement of changes in equity	2 121	-	4 205	-	-
Translation differences	2 168	-701	533	-1 602	-3 645
Deferred tax at end of period	271 131	183 877	271 131	183 877	232 750

Note 8 Restructuring provision

A decision was made in April 2014 to close down the Group's subsidiary located in Regensburg, Germany. The termination of the German activities will occur gradually and is expected to be completed within the fiscal year 2014. A provision of NOK 6 967 thousand related to severance pay, onerous contracts, legal fees and impairments was made in the second quarter.

Note 9 Dividend

For 2013, the Board of Directors proposed a dividend of NOK 3 per share, totalling NOK 42 230 thousand. Distribution of dividends is resolved by a majority vote of the Annual General Meeting of the shareholders of the Company, and on the basis of a proposal from the Board of Directors. The Annual General Meeting has the power to reduce, but cannot increase the dividend proposed by the Board of Directors. The proposed dividend was approved by the Annual General Meeting 25 April 2014 and paid to the shareholders in July 2014.

Note 10 Retention and share incentive plan

The General Meeting adopted in July 2014 a retention and share incentive plan. Certain key employees were invited to participate in the one-time plan and were awarded the right to subscribe to a specific number of shares at their nominal value. The shares issued are subject to a lock-up period of approximately two years. The plan meets the definition of an equity settled share based payment transaction and is accounted for in accordance with IFRS 2. The total fair value of the plan is NOK 36 304 thousand (including social security tax) and will be expensed over the vesting period. During the third quarter 2014 the Group expensed NOK 6 095 thousand as a personnel expense. Estimated quarterly expense until third quarter 2016 is NOK 3 776 thousand.

Note 11 Arbitral verdict

The arbitral proceedings with the insolvency administrator of the assets of a sub-contractor, as further described in note 20 in the annual report, was concluded in July 2014. All claims from the claimant were dismissed by the tribunal and Scatec Solar was awarded a compensation of approximately NOK 975 thousand to cover its expenses.

Note 12 Earnings per share (EPS)

On 13 August 2014, an extraordinary General Meeting was held to convert Scatec Solar AS from a private limited liability company to a public limited liability company. The General Meeting also adopted a share split in the ratio of 1:40 by reducing the nominal value from NOK 1 to NOK 0.025. The earnings per share calculations for prior period financial statements are restated and based on the current number of shares. Further, the issuance of 2.531 new shares in relation to the retention and share incentive plan adopted in July 2014 is considered in the calculation of the weighted average number of shares in the EPS denominator.

Note 13 Non-current receivables on related parties

As of 30 September 2014, Scatec Solar has receivables on non-controlling interests of NOK 78 326 thousand (0). The receivables relates to committed but not paid shareholder loans in project companies. Further included in other non-current liabilities are loans provided to the equity consolidated SSO GE ltd (UK) of NOK 13 320 thousand (0).

Note 14 Subsequent events

Initial Public Offering (IPO)
On 2 October 2014, the shares of Scatec Solar ASA were listed on the Oslo Stock Exchange under the ticker "SSO". The offering comprised 36.3 million shares, of which 26.3 million new shares. Gross proceeds from the new shares is NOK 500 000 thousand. After completion of the offering Scatec Solar had approximately 650 shareholders.
A list of the Company's 20 largest shareholders is available on www.scatecsolar.com.

The total transaction costs for the IPO and share issuance amounted to approximately NOK 28 million, of which NOK 12 million will be recognised in equity, net after tax.

Definitions

Backlog
Project backlog is defined as projects with a secure off-take agreement assessed to have more than 90% likelihood of reaching financial close and subsequent realisation.

Pipeline
Project pipeline is defined as projects assessed to have more than 50% likelihood of reaching financial close and subsequent realisation.

Definition of project milestones
Financial close (FC): The date on which all conditions precedent for drawdown of debt funding has been achieved and equity funding has been subscribed for, including execution of all project agreements. Notice to proceed for commencement of construction of the solar power plant will normally be given directly thereafter. Projects in Scatec Solar "backlog" are classified as "under construction" upon achievement of financial close.

Start of Production (SOP): The first date on which the solar power plant generates revenues through sale of power under the off-take agreement. Production volumes and/or the price of the power may be lower than when commercial operation date (COD) is reached. This milestone is regulated by the off-take agreement with the power off-taker. This milestone may be reached prior to COD if the construction of a power plant is completed earlier than anticipated in the off-take agreement.

Commercial Operation Date (COD): A scheduled date when certain formal key milestones have be reached, typically including grid compliance, approval of metering systems and technical approval of plant by independent engineers. Production volumes have reached normalised levels sold at the agreed off-taker agreement price. This milestone is regulated by the off-taker agreement with the power off-taker.

Take Over Date (TOD): The date on which the EPC contractor hands over the power plant to the project company. COD must have been reached, in addition to delivery of training and all technical documentation before TOD takes place. The responsibility for Operation & Maintenance (O&M) of the plant is handed over from the EPC contractor to the O&M contractor at the TOD. This milestone will normally occur shortly after the COD date.

Definition of Non-IFRS financial measures
Net interest bearing debt (NIBD): is defined as total interest bearing debt, less cash and cash equivalents.

EBITDA: is defined as operating profit adjusted for depreciation, amortisation and impairments.

Adjusted equity ratio: is an approximation to the Group's equity ratio excluding assets, liabilities and equity pertaining to non-recourse financing of the solar power project companies.

SSO prop. share: is defined as the equity holders of the parent company's proportionate share of consolidated revenues, expenses, profits and cash flows.

Cash flow to equity: is EBITDA less normalised (i.e. average quarterly) loan and interest repayments, less normalised income tax payments.

Scatec Solar proportionate share of cash flow to equity: is defined as the Company's proportionate share of EBITDA less normalised (i.e. average quarterly) loan repayments and interest payments, less normalised income tax payments for Power Production. For D&C, O&M and Corporate it is defined as EBITDA less normalised income tax. The definition implies changes in net working capital and investing activities are excluded from the figure.

Project equity: is defined as equity and shareholder loans.

NOTES

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