

**Scatec**

# Investor presentation

May 2022





## Disclaimer

The following presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated ('relevant persons'). Any person who is not a relevant person should not rely, act or make assessment on the basis of this presentation or anything included therein.

The following presentation may include information related to investments made and key commercial terms thereof, including future returns. Such information cannot be relied upon as a guide to the future performance of such investments. The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about, and observe, such restrictions. This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Scatec ASA or any company within the Scatec Group. This presentation contains statements regarding the future in connection with the Scatec Group's growth initiatives, profit figures, outlook, strategies and objectives as well as forward looking statements and any such information or forward-looking statements regarding the future and/or the Scatec Group's expectations are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

Alternative performance measures (APM) used in this presentation are described and presented in the first quarter 2022 report for the group.





# Contents

1. Scatec in brief
2. Our business model
3. Financials
4. Outlook





01

# Scatec in brief

 **Scatec**



## Key investment highlights

A leading renewable power producer with 3.5 GW in operation and under construction

Solid and predictable cash flow generation supported by 17+ years PPAs

A track record of growth with a 14.5 GW project pipeline across high growth markets

A business model to develop, build, own and operate renewable power plants across multiple technologies

Strong focus on ESG with top rating from independent rating agencies





# Scatec provides renewable energy solutions in high growth markets

- 3.5 GW of solar, wind and hydro in operation and under construction

## Scatec in brief



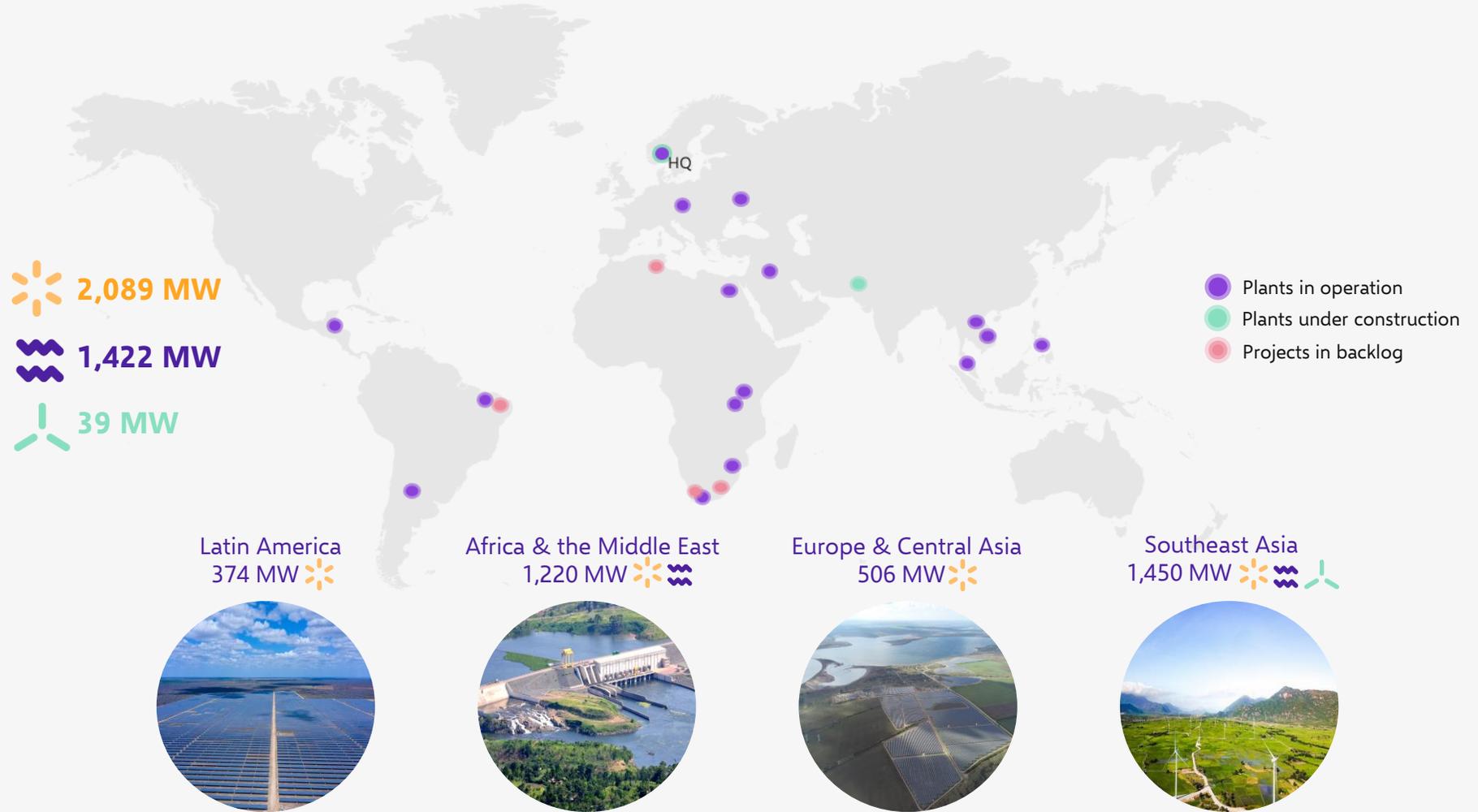
Develop, build, own and operate renewable energy



3.5 GW in operation and under construction



More than 600 employees in 27 countries





# Power production Key figures



4.1  
TWh<sup>2</sup>

Power  
production



3,954  
MNOK

Q1'22 LTM  
revenues<sup>3</sup>



2,736  
MNOK

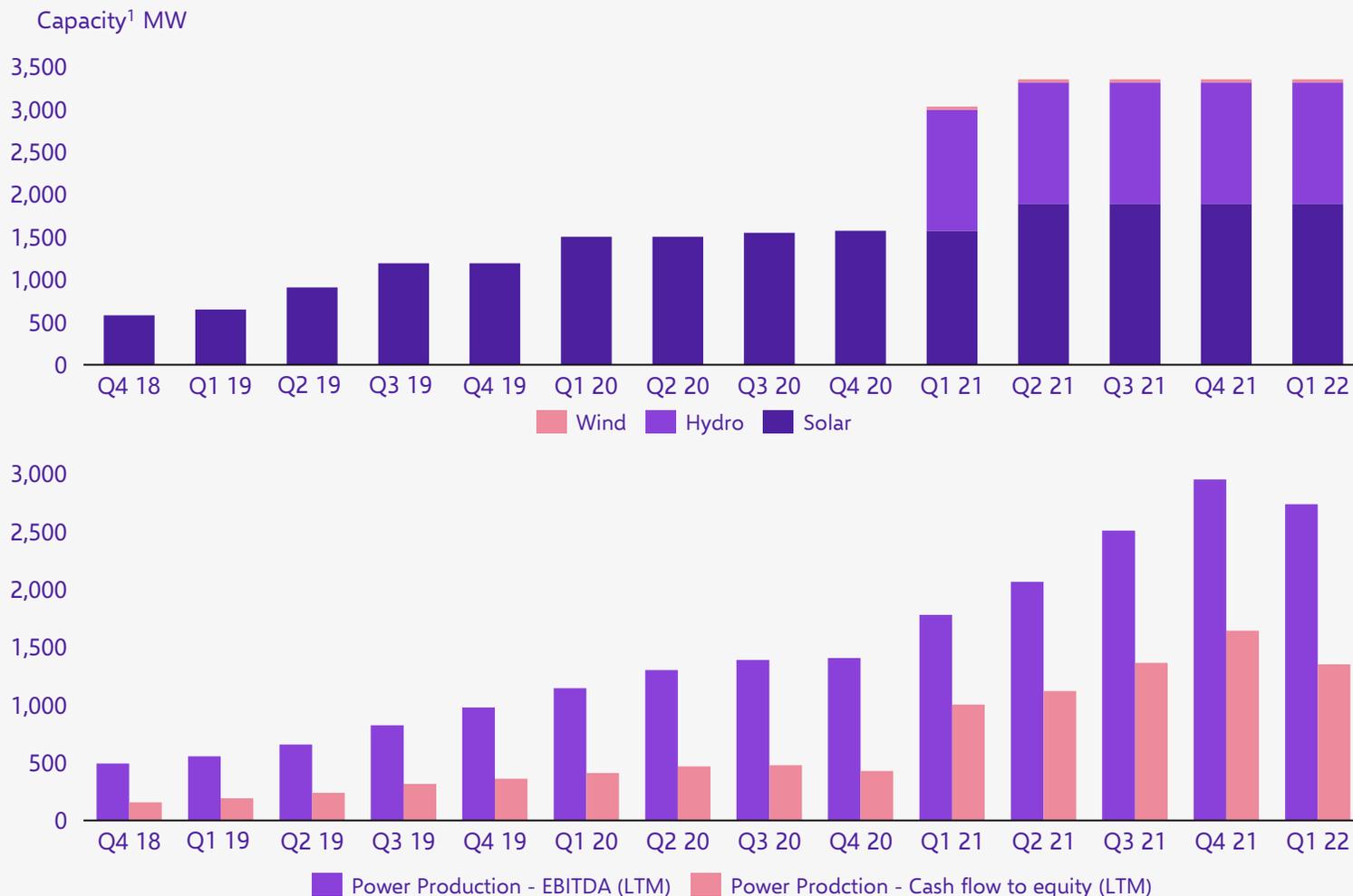
Q1'22 LTM  
EBITDA<sup>3</sup>



1,350  
MNOK

Q1'22 LTM  
Cash flow to  
Equity<sup>3</sup>

## A growing portfolio of renewable assets



(1) In operation. Gross capacity. Average Economic Interest of 52%

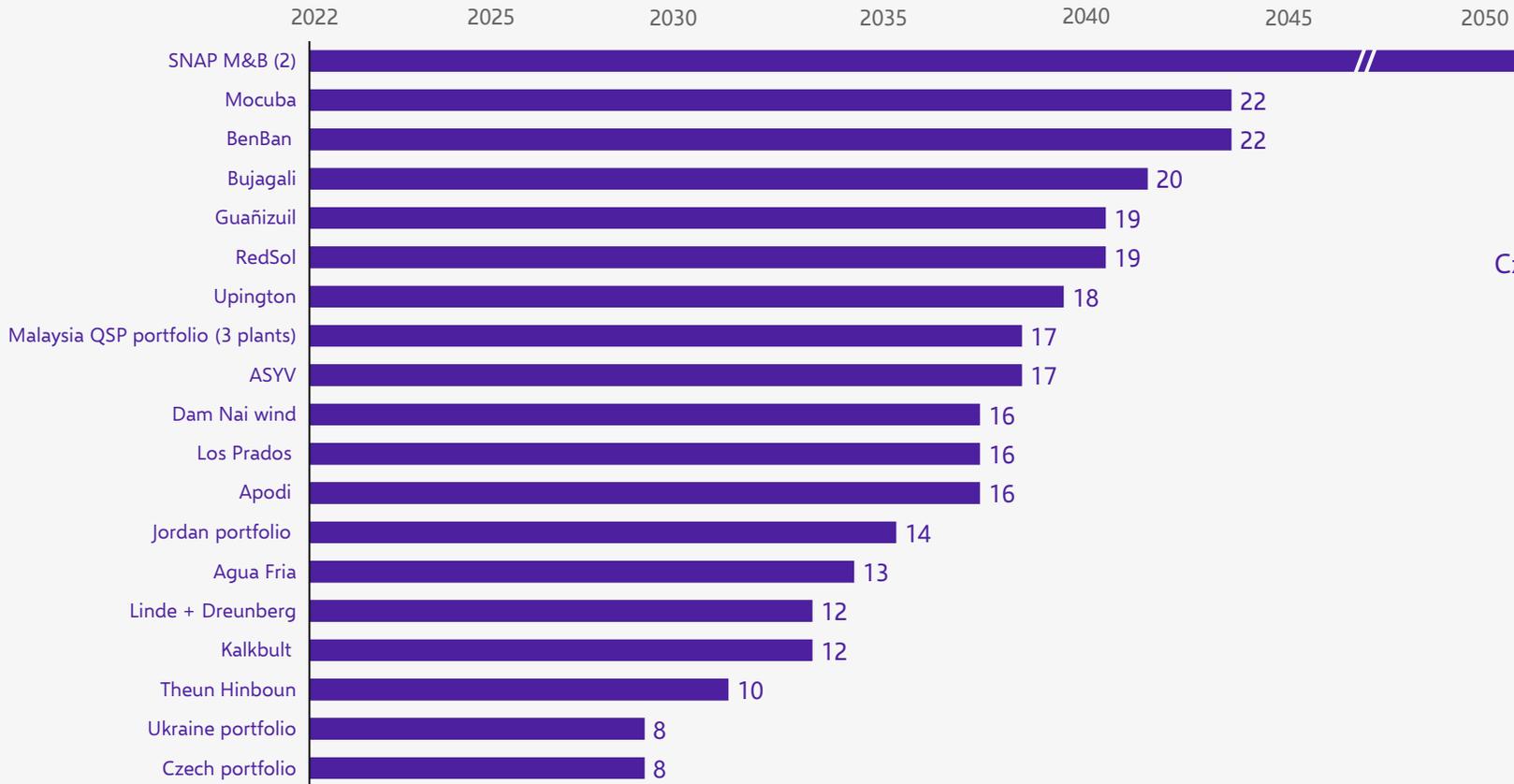
(2) Median annual net production.

(3) Proportionate Financials



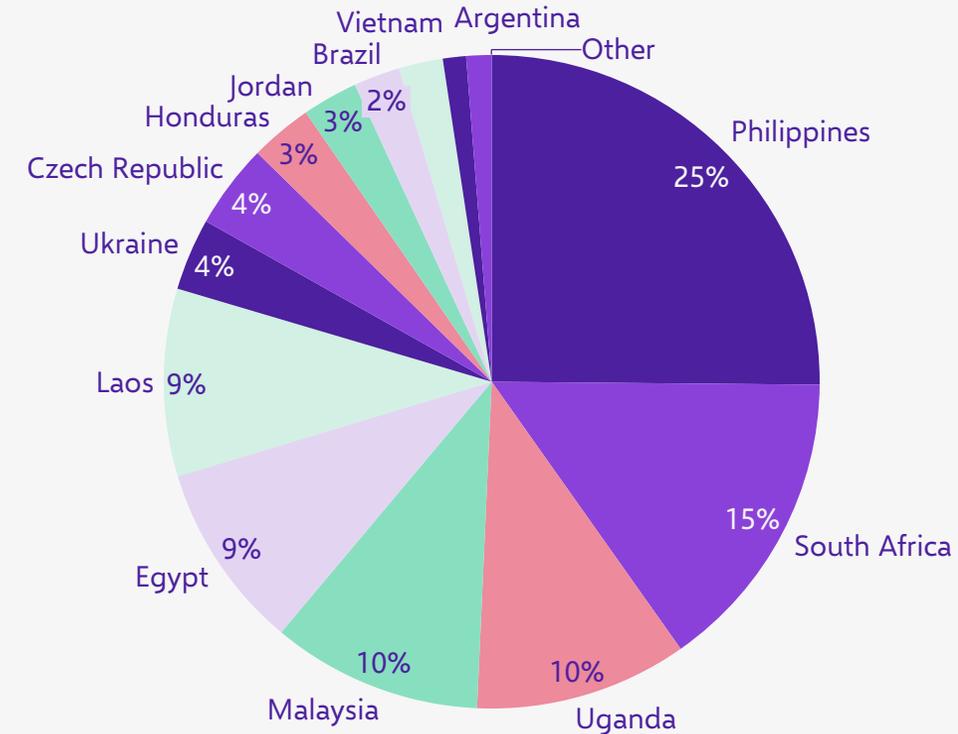
# Predictable and diversified long-term cash flows

Long-term PPA's with weighted average remaining tenor of 17 years<sup>1</sup>



Diversified asset portfolio

Power Production EBITDA distribution Q1'22 LTM



(1) Assets in operation as per december 2021, weighted average tenor based on PPA portfolio for operating assets  
 (2) Illustrating operating license for assets in the Philippines. Power sold under short term bilateral contracts and in the spot market.



02

# Our business model

 **Scatec**



## Scatec's integrated business model

- Develop, build, own & operate
- An agile and proven approach
- Focus on markets with excellent conditions for renewables
- Value creation from multiple sources
- Risk management integrated in Scatec operating system

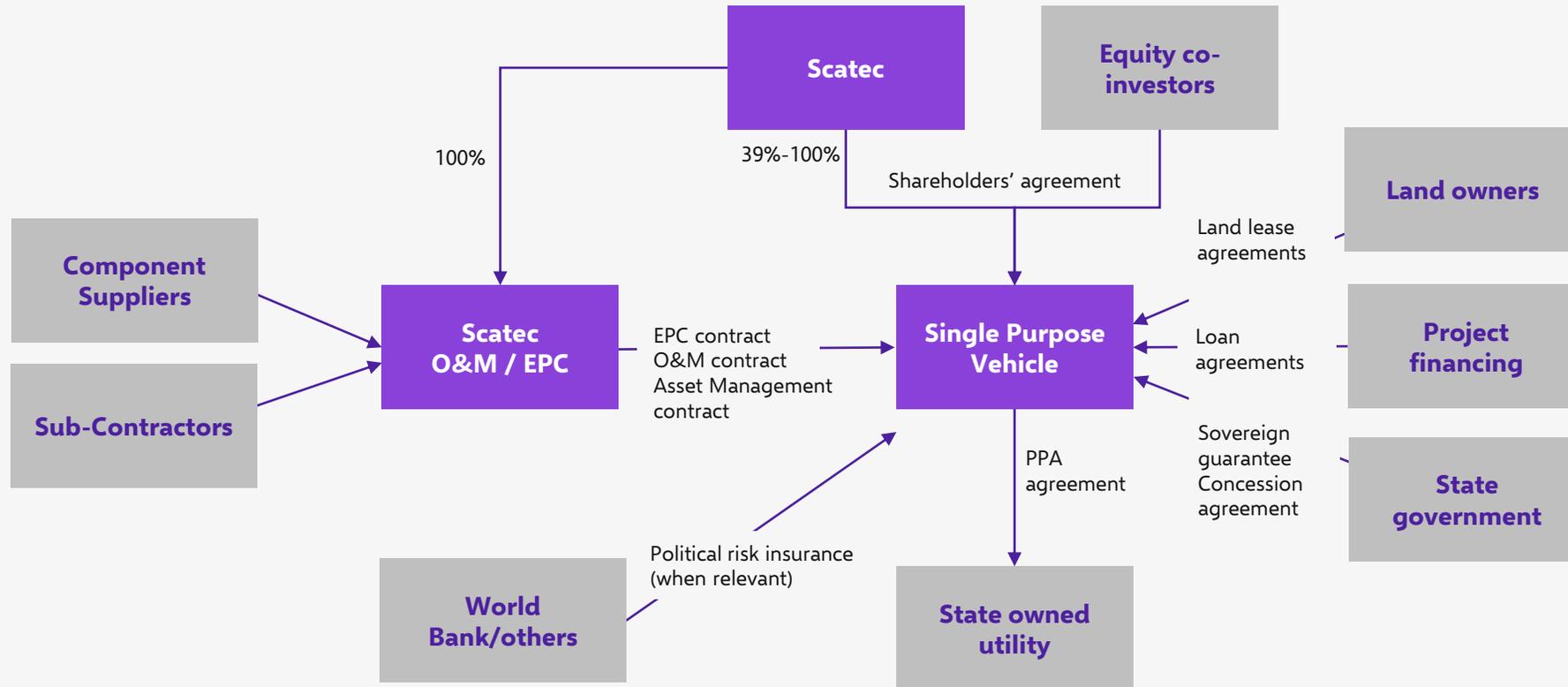
## Scatec's business model and strategic approach





# A typical project structure

Illustration of company structure and main contracts

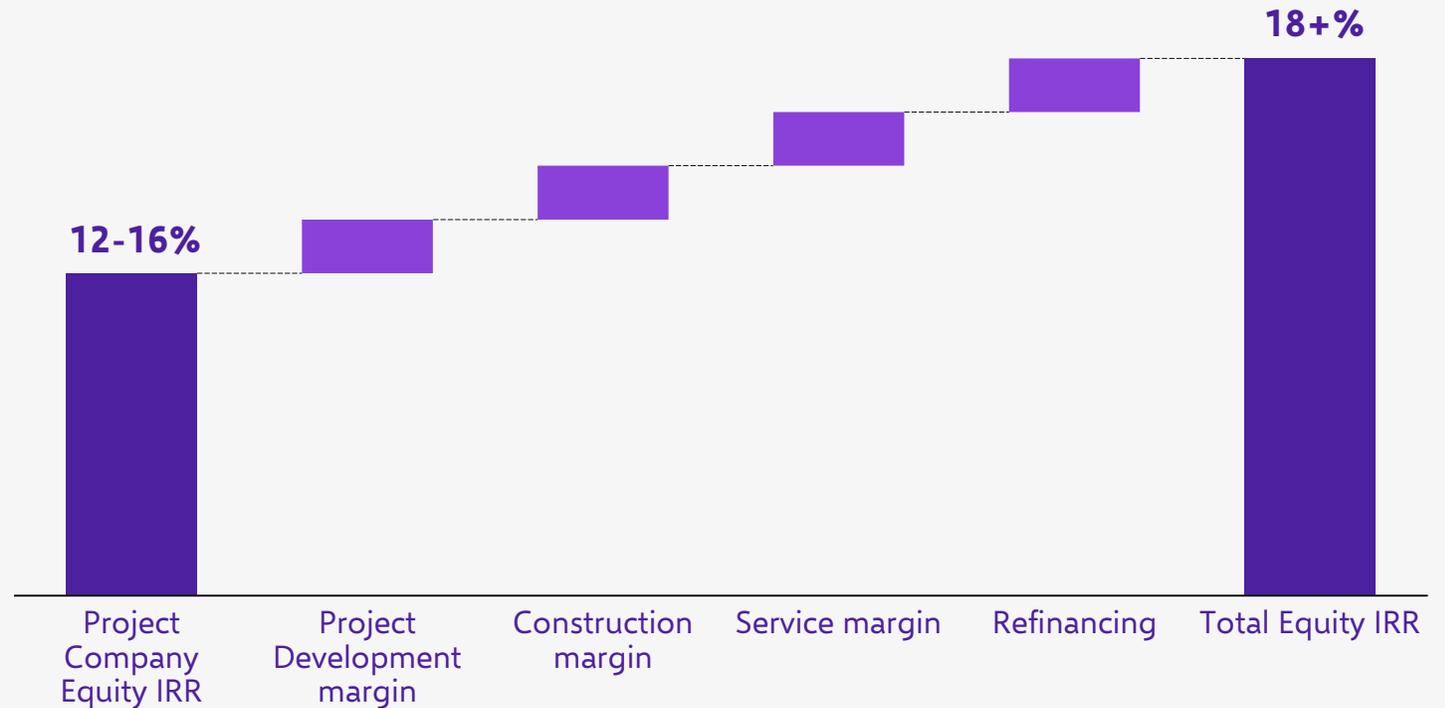




# Value creation in Scatec's integrated business model

- The integrated business model yields multiple sources of value
- Project cost of equity defined based on e.g. leverage, currency and country risk premium
- **Scatec guidance:**
  - Avg project Equity IRR of 12-16%
  - D&C gross margins of 10-12%
- Cost inflation with some impact on Development & Construction margin for project backlog

## Illustration of Equity IRR build up:





# Partnering with Development Banks for project finance and risk mitigation



Multilateral development banks (DFIs) are providing **equity and debt to infrastructure projects** in emerging markets



DFIs are often advising governments on design of renewable programmes to promote **private/public partnerships**

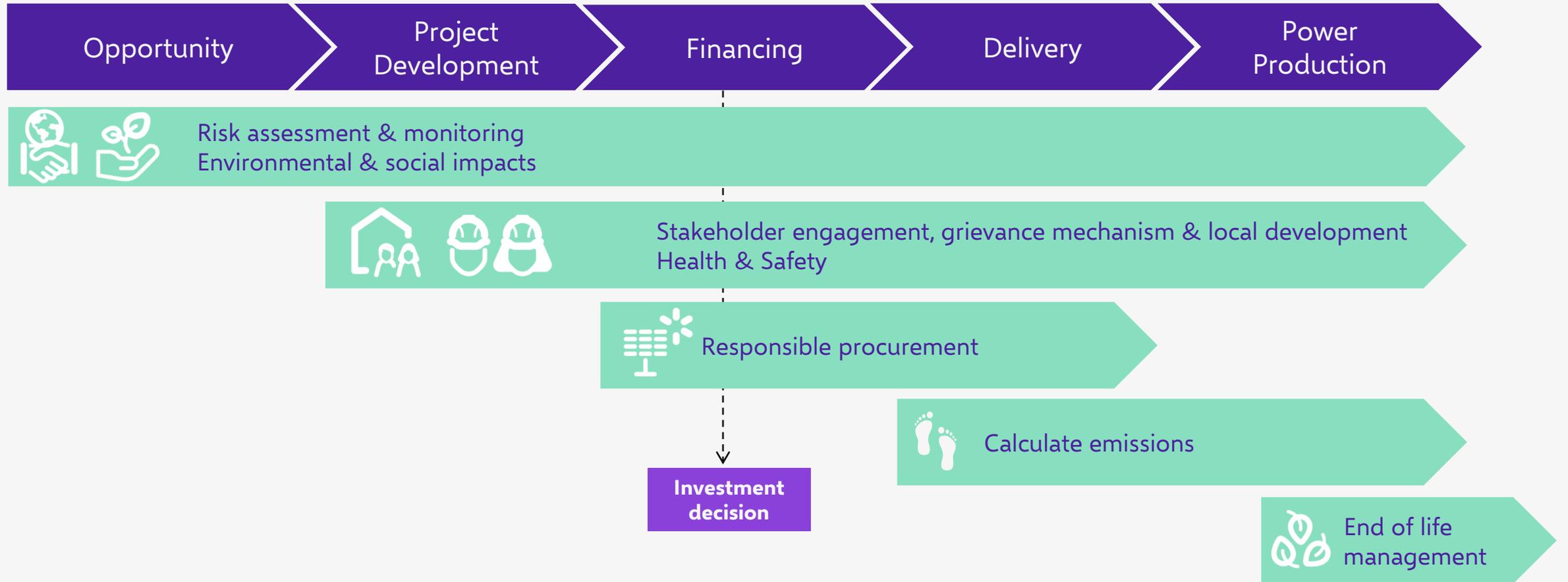


Project insurance/guarantee arrangements through MIGA to protect investments against **non-commercial risks**





# Environmental, Social & Governance aspects are integrated in our operating model





# Top rating from independent rating agencies

How we work with ESG	A competitive advantage
<ul style="list-style-type: none"> <li>• ESG is an integrated part of our business</li> <li>• Dedicated E&amp;S resources for long term approach and impact</li> <li>• Solid Environmental and Social Management System covering all projects</li> </ul>	<ul style="list-style-type: none"> <li>• Attracts projects and business partners</li> <li>• Reduces risks and strengthens probability of successful completion of projects</li> <li>• Becoming imperative to qualify for and win new projects</li> </ul>

All our projects must adhere to the IFC PS and Equator Principles



**Rating summary: Low risk**  
 #1 of 450 – Utilities  
 #1 of 48 – Renewable power producers



**Rating: A- (excellent)**  
 Status: Prime  
 Prime threshold: C+



**Rating: AAA (top rating)**  
 Highest scoring range relative to global peers



**Rating: A**  
 Carbon Disclosure Project  
 Top score



**Rating: A+**  
 #1 in ESG reporting among the 100 largest companies on Oslo Stock Exchange



03

# Financials

 **Scatec**



# Proportionate financials

NOK million

Revenues	Q1'22	Q4'21	Q1'21	2021
Power Production	933	1,073	868	3,889
Services	66	66	56	260
Development & Construction	5	18	24	137
Corporate	10	11	6	42
<b>Total</b>	<b>1,014</b>	<b>1,169</b>	<b>954</b>	<b>4,328</b>
EBITDA				
Power Production	490	763	704	2,949
Services	16	11	17	75
Development & Construction	-75	-57	-60	-223
Corporate	-34	-35	-25	-114
<b>Total</b>	<b>398</b>	<b>683</b>	<b>636</b>	<b>2,686</b>
EBIT				
Power Production	-554	511	483	1,977
Services	15	10	16	70
Development & Construction	-193	-79	-62	-301
Corporate	-40	-42	-31	-140
<b>Total</b>	<b>-772</b>	<b>399</b>	<b>406</b>	<b>1,606</b>

## Q1'22 vs Q1'21

- Increased production in solar & wind
- Hydropower production impacted by seasonality
- Power Production EBITDA down:
  - Increased purchase of power of NOK 181 million in the Philippines
  - NOK 87 million credit loss provision in Ukraine
- D&C revenues in line with guidance
- EBIT impacted by impairments:
  - Assets in Ukraine - NOK 770 million
  - Discontinued project development in Mali, India and Bangladesh - NOK 116 million



## Power Production – Philippines Short-term impact by seasonality - long-term asset values increasing

- Q1'22 production 25% below 5-year average as expected – power purchased at high prices in the market
- Production profile tilted toward second half of year and normal hydrology variations of +/- 25%
- ~80% of annual production year ahead is sold on bilateral contracts – stabilising earnings
- Continued high spot prices is expected to generate extra revenues in periods with strong hydrology
- Long-term asset values increasing – capturing higher energy prices over time with a premium for flexibility

### Quarterly power production – GWh (100%)





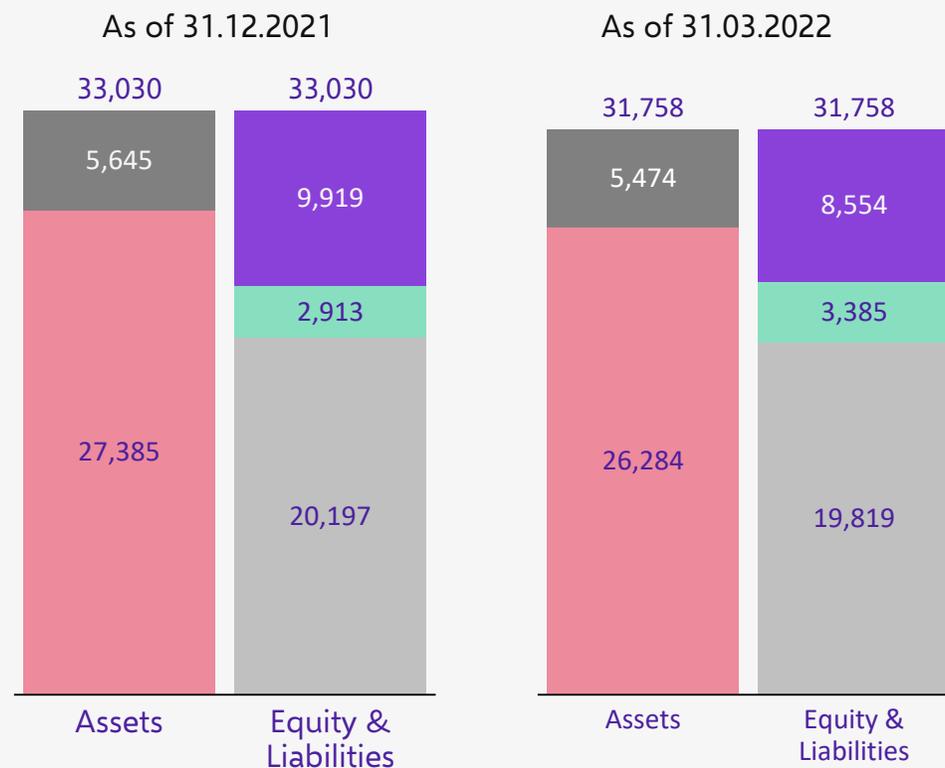
# A solid financial position

- Group free cash of NOK 2,550 million
- Available undrawn credit facilities NOK 1,612 million
- Group\* book equity of NOK 10,381 million

(NOK million)	Consolidated	Project level	Group level*	Total prop.
<b>Cash</b>	4,186	1,613	2,550	4,163
<b>Debt</b>	-19,471	-12,097	-7,128	-19,225
<b>Net debt</b>	-15,285	-10,484	-4,578	-15,062

(\* Defined as 'recourse group' in the corporate bond and loan agreements, where restricted cash is excluded.

## Consolidated financial position (NOK million)



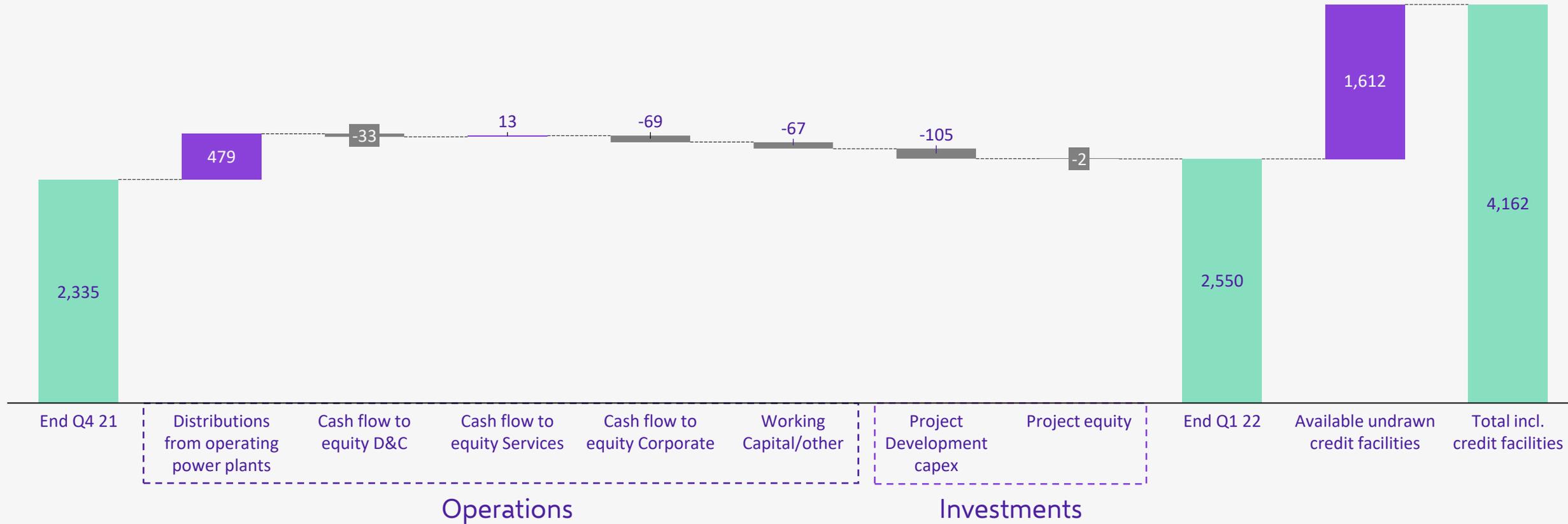
Current assets
  Equity
  Non-current liabilities

Non-current assets
  Current liabilities



# Q1'22 movement of the Group's free cash

NOK million





04

# Outlook

 **Scatec**



## Project backlog progressing with returns in line with guidance



**Pakistan, 150 MW**



**Brazil, 530 MW**



**South Africa, 540 MW\***



**South Africa, 273 MW**



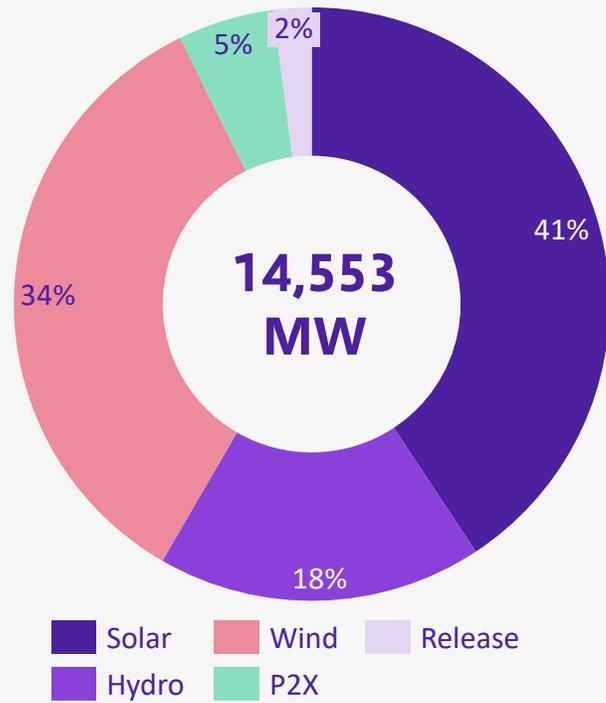
**Tunisia, 360 MW**

**Construction start for 1.7 GW in backlog with total capex of NOK 18 billion expected in 2022**



# Developing a large pipeline across technologies to assure future growth

## Scatec's project pipeline Q1'22





## Power-to-X

# Building strategic position within green ammonia and green hydrogen

- Partnership with Acme for green ammonia facility in Oman
  - First phase 100,000 MT – second phase up to 1.2 million MT
- Partnership with Fertiglobe, Orascom and Sovereign Fund of Egypt for green hydrogen facility in Egypt
  - 100 MW electrolyser capacity
- Partnership with Egyptian authorities for green ammonia facility
  - Production volumes of 1-3 million MT





## 2022 guidance

Power Production <sup>1</sup>	Q1'22	Q2'22	FY2022
Production - GWh	868	860-960	3,850 – 4,150
EBITDA - NOK million			2,300 – 2,600

- EBITDA guidance down NOK 400 million to reflect Ukraine - write down of receivables in Q1 and zero underlying EBITDA in 2022
- In the Philippines production in Q2 2022 is forecasted about 20% higher than 5-year average

### Services & Corporate

Services 2022 EBITDA is expected slightly **above** 2021.

Corporate 2022 EBITDA is expected slightly **below** 2021

(1) Proportionate production volume based on production from plants in operations at the end of Q1'22. EBITDA based on currency rates as per year end of Q1'22.





# A renewable solution provider well positioned for further growth



Building a **global leader** across renewable energy technologies



Focus on **high growth markets** where our track record can be leveraged



Continue to **apply our business model** to a changing market

The logo for Scatec features the word "Scatec" in a bold, purple, sans-serif font. The letter "S" is stylized with three short, upward-pointing lines above it, resembling a hand or a sunburst. Below "Scatec" is the tagline "improving our future" in a smaller, lowercase, purple, sans-serif font. The entire logo is centered on a white background, with a large, semi-circular graphic on the right side that transitions from a light pink at the top to a dark purple at the bottom.

**Scatec**  
improving our future



# Our asset portfolio

## Plants in operation

	Capacity MW	Economic interest
Theun Hinboun, Laos	525	20%
Magat, Philippines	388	50%
Benban, Egypt	380	51%
Upington, South Africa	258	46%
Bujagali, Uganda	255	28%
Quantum Solar Park, Malaysia	197	100%
Apodi, Brazil	162	44%
Progressovka, Ukraine	148	100%
Binga, Philippines	140	50%
Guanizuil IIA, Argentina	117	50%
Ambuklao, Philippines	105	50%
Kalkbult, South Africa	75	45%
Dreunberg, South Africa	75	45%
Agua Fria, Honduras	60	40%
Chigirin, Ukraine	55	100%
Boguslav, Ukraine	54	100%
Rengy, Ukraine	47	51%
Redsol, Malaysia	47	100%
Jordan, Jordan	43	62%
Linde, South Africa	40	45%
Mocuba, Mozambique	40	53%
Dam Nai, Vietnam	39	100%
Los Prados, Honduras	35	70%
Kamianka, Ukraine	32	61%
Czech, Czech Republic	20	100%
Maris Hydro, Philippines	9	50%
Asyv, Rwanda	9	54%
<b>Total</b>	<b>3,355</b>	<b>52%</b>

## Under construction

	Capacity MW	Economic interest
Sukkur, Pakistan	150	75%
Release	45	100%
<b>Total</b>	<b>195</b>	<b>61%</b>

## Project backlog

	Capacity MW	Economic interest
South Africa	813	51%
Brazil	530	33%
Tunisia	360	55%
Lesotho	20	48%
<b>Total</b>	<b>1,723</b>	<b>46%</b>

## Project pipeline

	Capacity MW	Share in %
Solar	5,924	41%
Wind	5,000	34%
Hydro	2,569	18%
P2X	760	5%
Release	300	2%
<b>Total</b>	<b>14,553</b>	<b>100%</b>