Scatec

Fourth quarter

2022

Scatec in brief

As a leading renewable energy provider, Scatec is dedicated to accelerating access to reliable and affordable clean energy in emerging markets. In September 2022 we released our updated strategy that puts Scatec on a course to capture even more value in the green transition in the period towards 2027.

At the heart of this strategy is our role as a long-term player in the markets where we operate – developing, building, owning and operating renewable energy plants with 4.6 GW in operation and under construction across four continents.

Our close to 800 employees and network of partners work to fulfil our strategy, driven by a common vision of 'Improving our Future'. It's part of our Scatec DNA to continually seize new opportunities for growth. With our sharpened strategy, we now do so with greater focus and an even clearer intention to create value.

A consistent growth path towards 2027

With more than 15 years of experience from operating in emerging markets, we understand how to adapt amidst rapidly changing conditions. Our strategic approach takes this experience into account, coupled with our intention to achieve ambitious targets and access scale benefits in our markets.

Scatec remains a selective investor. We target to invest NOK 10 billion of equity into new power plants towards 2027 that generate long-term profitable returns of 1.2 times the cost of project equity. This investment target corresponds to an average gross new capacity of 1.5 GW annually and is expected to add approximately NOK 3 billion in annual Proportionate Power Production EBITDA.

We aim to build stronger and longer-term positions in selected emerging markets, where we see a clear green agenda and potential to build scale and apply our integrated business model. These markets are South Africa, The Philippines, Brazil, Poland, Egypt, and Hydro Africa. Beyond these focus markets, we will maintain our opportunistic approach, applying strict guidelines on potential projects in terms of size and value creation.

We have a history as a pioneer in the solar industry, but have expanded to also develop wind, hydro and storage projects. Further, we are now set on being a frontrunner in Green Hydrogen as well. Our goal is to build some of the first large-scale facilities in the world.

Scatec is well-positioned for growth with its solid financial platform. Our sharpened strategy is what guides us in consistently being at our strongest, driving results and remaining ready to seize emerging opportunities.

Our role on the pathway to net zero

This is a critical time for renewable energy companies. We have an important role to play in helping the world achieve its climate targets. Reducing greenhouse gas emissions to our atmosphere will require investment, innovation, technology, and a massive cultural shift. We have set ourselves a net zero climate target that is validated and approved by the Science Based Target Initiative (SBTi).

We believe that emerging markets are essential in this journey. At Scatec, we create opportunities for emerging markets through renewable energy – not only as they work towards the clean energy transition, but also to boost their economies, create jobs and meet growing energy needs.

We are passionate about what we do and the role we play in delivering clean and affordable energy, and across our globally dispersed teams we call ourselves 'changemakers'.

We know that with the right people and the right focus, we can improve the future. This work has already begun with our strategic actions towards 2027, and it's what will take us far beyond, into the net zero future.

Asset portfolio[1)]

	Technology	Capacity MW	Economic interest [2)]
In operation			
Philippines		642	50%
Laos		525	20%
South Africa		448	45%
Egypt		380	51%
Ukraine		336	89%
Uganda		255	28%
Malaysia		244	100%
Brazil		162	44%
Argentina		117	50%
Honduras		95	51%
Jordan		43	62%
Mozambique		40	53%
Vietnam		39	100%
Czech Republic		20	100%
Release		20	100%
Rwanda		9	54%
Total		3,375	52%
Under construction			
South Africa		540	51%
Brazil		531	33%
Pakistan		150	75%
Release		26	100%
Philippines		20	50%
Total		1,267	47%
Projects in backlog			
Tunisia		360	51%
South Africa		273	51%
Egypt	H_2	260	52%
Botswana (new)		60	100%
Total		953	54%
Grand total		5,595	51%
Projects in pipeline		15,712	

Segment overview

Development & Construction

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

Power Production

The power plants produce electricity for sale primarily under long term power purchase agreements (PPAs), with state owned utilities or corporate off-takers, or under government-based feed-in tariff schemes. The weighted average remaining PPA duration for power plants in operation is 16 years. The electricity produced from the power plants in the Philippines is sold on bilateral contracts and in the spot market under a renewable operating license, and as ancillary services.

Services

The Services segment comprises Operations & Maintenance (O&M) and Asset Management services provided to power plants where Scatec has economic interests. O&M revenues are generated on the basis of fixed service fees with additional profit-sharing arrangements. Asset Management services typically include financial reporting to sponsors and lenders, regulatory compliance, environmental and social management, as well as contract management on behalf of the power plant companies.

Corporate

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

1) Asset portfolio as per reporting date
2) Scatec's share of the total estimated economic return from its subsidiaries. For projects under development the economic interest may be subject to change

Optimising portfolio and preparing for further growth

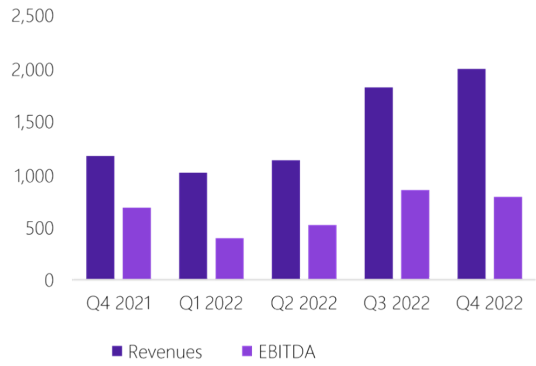
Highlights

- Proportionate power production EBITDA increased 7.6% to NOK 821 million (763) driven by the Philippines
- Signed PPAs for round 5 in South Africa
- A-listed by CDP on transparency and climate change performance
- Proposes dividends of NOK 1.94 per share for 2022 and adjusted dividend policy for 2023 and onwards
- Signed agreements to sell Upington in South Africa for a consideration of NOK 569 million[1]
- Refinanced USD 100 million of Bridge-to-Bond into term loan with core banks[1]

1) Refer to Note 11 Subsequent events for more details.

Proportionate revenues and EBITDA

NOK million



Key figures

NOK million	Q4 2022	Q3 2022	Q4 2021	FY 2022	FY 2021
Proportionate Financials [2]					
Revenues and other income	1,995	1,818	1,169	5,957	4,329
Power Production [4]	1,262	1,311	1,073	4,521	3,890
Services	85	82	66	312	260
Development & Construction	627	412	18	1,069	137
Corporate	20	13	11	56	42
EBITDA [2]	786	850	683	2,550	2,686
Power Production	821	907	763	2,835	2,949
Services	16	22	11	74	75
Development & Construction	-20	-45	-57	-221	-223
Corporate	-30	-34	-35	-138	-114
Operating profit (EBIT)	469	534	399	460	1,606
Power Production	515	616	511	917	1,977
Services	14	21	10	68	70
Development & Construction	-22	-63	-79	-358	-301
Corporate	-39	-40	-42	-167	-140
Net interest- bearing debt [2]	18,215	17,865	15,175	18,215	15,175
Scatec share of distribution from operation companies	402	156	346	1,231	1,603
Power Production (GWh)	979	1,135	1,047	3,898	3,823
Power Production (GWh) 100% [3]	2,243	2,712	2,588	9,381	9,729
Consolidated Financials					
Revenues and other income	993	1,163	1,039	3,751	3,803
EBITDA [2]	689	886	775	2,555	2,903
Operating profit (EBIT)	458	645	539	723	2,012
Profit/(loss)	-433	335	136	-1,228	456
Net interest- bearing debt [2]	19,578	19,218	14,949	19,578	14,949
Basic earnings per share	-2.26	1.60	0.92	-8.40	2.45

1) Amounts from same period last year in brackets
2) See Alternative Performance Measures appendix for definition
3) Production volume on a 100% basis from all entities, including JV companies
4) Revenue from power production for 2021 has been adjusted due to change in accounting policy as disclosed in Note 10

Comments to the Proportionate Financials

Please refer to Note 2 for details of the segment financials.

Power Production

Fourth quarter power production reached 979 GWh in the fourth quarter compared to 1,047 GWh in the same quarter last year and the estimated mid-point of 1,080 GWh, mainly explained by lower production in Laos due to lower water inflow, partly offset by higher production in the Philippines.

Revenues increased by NOK 189 million to NOK 1,262 million in the fourth quarter compared to the same quarter last year, mainly driven by significantly higher power sales at higher power prices in the Philippines, higher revenues from Ukraine, as described below, contribution from new Release assets in Cameroon, and positive foreign currency effects. These effects were partly offset by lower revenues in Laos as explained above.

In the Philippines, production for the quarter ended 19 percent above the same quarter last year explained by strong hydrology. Production volumes ended above the contracted sales volumes, as expected, and excess volumes were sold in the power market at high prices. Short term revenue optimisation in the Philippines creates variances between contract sales and actual production implying that power will be bought in the market even in periods when production exceeds contract sales volumes. This purchase of power is captured in costs of sales. Higher production and market optimisation thus increase both revenues and cost of sales and resulted in an increase in gross profit in the Philippines to NOK 361 million compared to NOK 310 million in the same quarter last year.

Total gross profit ended at NOK 1,032 million in the fourth quarter, an increase of NOK 65 million from the same period last year.

Ukraine contributed with an EBITDA of NOK 47 million in the quarter, driven by increased payment level and a catch-up payment of NOK 23 million of unrecognised revenue from previous periods. In 2022 42% of production was paid for in Ukraine.

Total EBITDA reached NOK 821 million, an increase of NOK 58 million compared to the same quarter last year driven by increased revenue and gross profit as explained above, partly offset by an increase in operating expenses of NOK 7 million.

Increased depreciation from new assets in operation and foreign exchange effects lead to a marginal increase in EBIT of NOK 4 million to NOK 515 million (511) compared to the same quarter last year.

For further details on financial results on a country-by-country basis please refer to Scatec's 'Q4 2022 historical financial information' published on Scatec's web page.

For the full year 2022, the increased revenues and cost of sales compared to 2021 is mainly explained by the Philippines as described above. The decrease in EBITDA compared to 2021 is mainly explained by the effects of the war in Ukraine and lower water inflow and production in Laos, partially offset by contributions from new plants and foreign currency effects. Additionally, the decreased EBIT compared to 2021 is mainly explained by an impairment charge of NOK 770 million in the first quarter 2022 triggered by the Russian invasion of Ukraine and new plants in operation.

Development & Construction (D&C)

D&C revenues reached NOK 627 million in the fourth quarter with a gross margin of 10%, generated from the projects under construction in South Africa, Brazil, and Pakistan.

In the fourth quarter, operating expenses comprised of approximately NOK 58 million (43) for early-stage project development and NOK 24 million (19) related to construction activities.

The increases in revenues, gross margin and operating expenses for the full year 2022 compared to 2021 is explained by higher development and construction activities.

Services

The increase in revenues and operating expenses in the segment compared to the same quarter last year is driven by an expansion of the operational portfolio. The profitability of the segment in the period reflects seasonal variations.

For the full year 2022, the development in revenues and operating expenses are explained by the above.

Corporate

Revenues in the corporate segment refers to management fees charged to other operating segments for corporate services rendered across the Group. The revenues in the fourth quarter 2022 increased compared to the same quarter last year reflecting the higher development and construction activities across the Group.

Fourth quarter operating expenses increased by NOK 6 million compared to the same quarter last year, reflecting the continued strengthening of corporate function with a growing asset portfolio and project pipeline, and higher construction activities.

For the full year 2022, the development in revenues and operating expenses are explained by the above.

Outlook

All figures related to estimated performance are based on the Company's current assumptions and are subject to change.

All figures related to Power Production, Services and Corporate are further based on assets in operations as per the end of 2022 and excludes any contribution from new projects starting operations during 2023.

Power Production

First quarter 2023 power production is estimated at 800-900 GWh on proportionate basis.

In the Philippines, EBITDA for the first quarter 2023 is estimated at NOK 60-100 million based on estimated power production of 90-130 GWh and power market prices broadly in line with the previous quarter.

The full year 2023 EBITDA estimate includes EBITDA contribution from Ukraine of approximately NOK 90 million, in line with underlying EBITDA in 2022 adjusted for a credit loss of NOK 87 million recognised in 2022. The estimate is further adjusted for maintenance of one generator in Laos during Q1 2023 and the contemplated sale of the Upington solar plant at the end of Q1 2023.

GWh	Q4 2022	Q1 2023E	2023E
Proportionate	979	800-900	3,500-3,900
100% basis	2,243	1,850-2,050	8,600-9,400

NOK million	2022	2023E
Proportionate EBITDA	2,835	2,700-3,000

EBITDA estimate is based on currency rates as of end of year 2022.

Development & Construction

D&C revenues and margins are dependent on progress on development and construction projects.

At the end of the fourth quarter 2022 the remaining not booked construction contract value was approximately NOK 7.8 billion related to the 150 MW Sukkur project in Pakistan, the 531 MW Mendubim project in Brazil and the 540 MW / 225MW/1,140MWh solar + battery project in South Africa. The reduction from the previous quarter is explained by D&C revenues recognised in the quarter and foreign currency effects. In line with previous communication, Scatec estimates to generate an average D&C gross margin of 10-12 percent for the three power plants currently under construction. For new projects starting construction, Scatec estimates to generate an average D&C gross margin of 8-10 percent.

Estimated construction time for the new power plants is 12 to 18 months and D&C revenues and margins are recognised on a "percentage of completion" basis with construction progress typically following an "S-curve". This implies less revenue recognition in the first and last phase of the construction period. In 2023, construction progress is estimated to accelerate resulting in higher revenue recognition than previous quarters.

More details on projects under construction and in backlog can be found on page 10-12 in the report.

Services & Corporate

2023 EBITDA for Services is estimated to be between NOK 80 million and NOK 90 million.

2023 EBITDA for Corporate is estimated to be between NOK -140 million and NOK -150 million.

1) EBITDA estimates are based on currency rates as of end of the fourth quarter 2022.

ESG performance

EU Taxonomy

All of Scatec's revenues, operating expenses and investments are derived from EU Taxonomy eligible activities. Since 2021, detailed third-party assessments were carried out to evaluate the Company's alignment to the criteria of the EU Taxonomy. During 2022, detailed site-specific climate risk assessments were undertaken and completed for all hydropower assets. All of Scatec's solar, wind and hydropower activities are fully aligned with the EU Taxonomy as at year-end 2022.

Refer to the Company's corporate website under "ESG resources" for more information and documentation.

Transparency Act

During first half 2022, a third party conducted a gap analysis against the requirements of the Transparency Act and the OECD Guidelines for Multinational Enterprises. The analysis confirmed that Scatec's human rights due diligence processes are on track to be aligned with the requirements by the June 2023 deadline.

Scatec is working to further improve and close minor gaps to ensure compliance and move towards best practice and will include details on key actions taken in the Company's annual reports. Resources related to the Transparency Act can be found on the Company's corporate website under "ESG resources".

Scatec placed on CDP A List

In fourth quarter 2022, Scatec was recognised for its leadership in corporate transparency and performance on climate change by the Carbon Disclosure Project (CDP), a global environmental non-profit organisation. Scatec is one of a small number of companies that achieved an 'A', top score – out of nearly 15,000 companies scored.

During 2022, Scatec focused on several important actions to raise its climate ambitions. The Company committed its climate targets to the Science Based Targets Initiative (SBTi), developed lifecycle emissions tools, explored pilot projects to reduce direct emissions, and continued focused engagements with key suppliers on their climate efforts and targets.

ESG reporting

Scatec reports on the Company's results and performance across material ESG topics on a quarterly basis.

	Indicator [1]	Unit	Q4 2022	Q4 2021	FY 2022	FY 2021	Targets 2022
E	Environmental and social assessments	% completed in new projects	100	100	100	100	100
	GHG emissions avoided[2]	mill tonnes CO2e	0.5	0.6	2.0	2.0	2.1
	Water consumption	mill litres (water-stressed[3] areas)	2.8	2.8	11.3	11.0	N/A
S	Lost Time Incident Frequency (LTIF)	per mill hours (12 months rolling)	0.7	1.9	0.7	1.9	≤ 2.1
	Hours worked	mill hours (12 months rolling)	4.5	2.5	4.5	2.5	N/A
	Female managers	% of females in mgmt. positions	29	27	29	27	32
G	Whistleblowing channel	number of incidents reported	2	0	8	7	N/A
	Corruption incidents	number of confirmed incidents	0	0	0	0	0
	Supplier E&S screening[4]	number of suppliers screened through EcoVadis	35	N/A	35	N/A	N/A

1) For a definition of each indicator in the table see ESG Performance Indicators under other definitions on page 41.
2) The figure includes the actual annual production for all renewable power projects where Scatec has operational control.
3) As per the WRI Aqueduct Water Risk Atlas, Scatec reports on water extraction for projects located within water-stressed areas in South Africa and Jordan.
4) Total contracted and potential suppliers of key procurement categories screened through the EcoVadis supplier management platform.

During fourth quarter 2022, Environmental and Social Impact Assessments (ESIAs) and due diligence or baseline studies were ongoing for projects located in various countries. Assessments are conducted in close dialogue with project and financing partners for all new projects under development.

The GHG emissions avoided from the renewable power projects where Scatec has operational control reached 0.5 mill tonnes, consistent with all quarters during 2022, as no new projects reached commercial operations date during fourth quarter 2022. The slight underperformance compared to the target of 2.1 mill tonnes is due to lower power production of certain solar and wind assets during the year. For all projects where Scatec has an ownership share, the GHG emissions avoided reached 4.7 mill tonnes in 2022.

Water consumption in fourth quarter 2022 amounted to 2.8 mill litres, in line with fourth quarter 2021. Scatec reports on water extraction for projects located within water-stressed areas in South Africa and Jordan.

The Company delivered more than 4.5 million working hours with no fatalities or serious injuries (12 months rolling). The increase in working hours compared to fourth quarter 2021 reflect project site activities commencing in Brazil, Pakistan and South Africa during second half 2022. The lost time incident frequency rate (LTIF) was 0.7 per million working hours. The improvement compared to fourth quarter 2021 is due to increased working hours and safe working conditions maintained with a limited number of lost time incidents observed.

The percentage of female employees in management positions globally reached 29% at the end of fourth quarter 2022. Even though Scatec did not reach the target of 32%, solid progress was made during 2022 where total new hires represented 37% female candidates and internal promotions 43% female employees. Gender diversity, along with equity, inclusion and belonging initiatives, will remain key focus areas for 2023.

Scatec continued to assess suppliers on four key sustainability areas including Environment, Labour and Human Rights, Ethics, and Sustainable Procurement via the EcoVadis supplier management platform. At the end of the fourth quarter 2022, 35 contracted and potential suppliers of key procurement categories were assessed, up from 32 in the previous quarter.

Throughout 2022, Scatec continued to collaborate with key stakeholders to address the alleged forced labour issues in the solar PV production industry in Xinjiang, China. Traceability continues to be a high priority for the Company and our suppliers and will be followed-up and monitored on a project specific level even after deliveries have concluded. During second half 2022, Scatec updated its Supplier Qualification procedure to include traceability mapping of all key suppliers based on the supplier's bills of material. The Company engages regularly on the matter with investors and other key stakeholders through weekly updates on progress and key initiatives.

The Company received two whistleblowing reports during fourth quarter 2022 with zero confirmed incidents of corruption. The whistleblowing reports relate to potential misconduct in the workplace, and both are in the process of being investigated. The Company continues to raise awareness regarding the Code of Conduct and its zero-tolerance policy for corruption through training, targeted workshops, and communication.

Russian war in Ukraine

On 24 February, Russia attacked Ukraine, and started a war that has now been going on for almost a year. We witness a country under siege and countless lives lost in defense of their homes. This situation has given rise to a major humanitarian and geopolitical crisis.

Scatec currently operates five solar power plants with a total capacity of 336 MW, located in the central and southern parts of the country. The situation is very challenging and highly uncertain, and Scatec's top priority is the safety of our Ukrainian employees. All of Scatec's employees are accounted for.

Approximately 95% of the power plants owned and operated by Scatec are intact and available, however power demand is down, and production is being curtailed by the grid operator on an ad hoc basis. On 28 March 2022 the Ministry of Energy of Ukraine issued an Order to reduce the amounts paid to the renewable power producers to 15% of the agreed tariff to cover for operating expenses for the duration of the martial law. On 29 June 2022 the Ministry of Energy issued a new order which increased the payment level from a minimum of 15% to a minimum of 18% after 2 July 2022. The unpaid amounts are postponed to a later period. Due to the uncertainty related to future settlement, Scatec has from 24 February 2022 only recognised revenues in accordance with actual paid amounts and expect to do so until the new regulation is lifted. The payments levels have increased during the year and reached 66% in the fourth quarter 2022. From 24 February 2022 until end of 2022, the average payment level from the off-taker has been 42%.
In the fourth quarter 2022, proportionate revenues and EBITDA in Ukraine amounted to NOK 64 million and NOK 49 million respectively.

The Russian invasion triggered an impairment assessment in the first quarter 2022 and Scatec recognised an impairment charge of NOK 770 million in the proportionate financials (NOK 816 million in the consolidated financials) related to tangible and intangible assets in Ukraine. On 31 December 2022 the impairment tests have been updated with new information on cash flow assumptions and discount rates, however no further impairments have been recognised. After the impairment recognised in the first quarter 2022, total fixed assets and intangible assets in Ukraine amounts to NOK 2,107 million in the consolidated financials as of 31 December 2022. Refer to Note 4 Impairment for details on the impairment of the plants.

Scatec recognised an expected credit loss provision in the first quarter 2022 with respect to trade and other receivables which amounted to NOK 87 million in the proportionate financials (NOK 98 million in the consolidated financials). In the period second to fourth quarter 2022 no further loss provisions have been made. The provision is included in other operating expenses in the full year 2022 figures. Total outstanding receivables in Ukraine has during the fourth quarter decreased from NOK 276 million to NOK 167 million in the consolidated financials, due to payments of accounts receivables from the period before the war and changes in other receivables. Refer to Note 2 Operating Segments for more details.

Scatec's power plant companies in Ukraine are not in compliance with covenants in the loan agreements for the non-recourse project debt at quarter-end. The situation is unchanged from the first quarter 2022, when NOK 603 million of the non-recourse financing was reclassified from non-current to current. As of 31 December 2022, all non-recourse financing in Ukraine, amounting to NOK 964 million, continues to be classified as current in the consolidated financials. Scatec has continuous and constructive dialogue with the lenders and the parties have agreed on a non-formalised "stand still".

Additionally in Ukraine, please refer to the first quarter report and the annual report 2021 for information related to the construction loan provided by PowerChina Guizhou Engineering Co ("PowerChina") to Scatec for the Progressovska power plant in Ukraine. Scatec and PowerChina has signed a revised payment plan for the construction loan where part of the loan was paid in August 2022 and of the remaining EUR 44 million, EUR 22 million will be paid at the end of 2023 and EUR 22 million by mid-2025. Scatec ASA has provided a corporate and bank guarantee to PowerChina in support of this obligation. In the third quarter 2022 the construction loan was reclassified from trade payables to other non-current interest-bearing liabilities. In the fourth quarter, EUR 22 million related to the instalment due in 2023 has been reclassified from non-current to current interest-bearing liabilities. Refer to Note 5 Financing for details.

Other matters

Dividend

Scatec received distributions from operating power plant companies of NOK 1,231 million in 2022. In line with the existing dividend policy, the Board of Directors have resolved to propose to the Annual General Meeting a dividend of NOK 1.94 per share, totaling NOK 308 million to be paid in May 2023. Going forward, to support Scatec's growth ambitions while retaining the Group's objective to pay shareholders dividends, the Board of Directors have further decided to pay 15% of cash distributions received from operating power plants (down from 25% previously). The dividend will be assessed annually by the board based on Scatec's capital situation.

Potential PPA changes and overdue receivables in Honduras

Scatec has over time experienced delayed payments from the state owned off-taker in Honduras (ENEE) and overdue receivables have accumulated to a varying degree since second quarter 2020. During 2022, the off taker has paid on average two thirds of total recognised revenues until December when additional NOK 214 million of outstanding receivables were paid. As a result, a large part of the accumulated overdue receivables in Honduras in the consolidated financials was settled and decreased from NOK 232 million at the end of the third quarter 2022 and NOK 172 million at the end of fourth quarter 2021 to NOK 66 million at the end of the fourth quarter 2022.

In May 2022, a new Energy law came into force as introduced by the new Government of Honduras. In accordance with the new law, the state owned off-taker has proposed certain changes to the existing PPAs for all renewable power plants in the country, including Scatec's solar plants Agua Fria and Los Prados.

Negotiations have continued and matured during the fourth quarter with proposed changes to the PPA and settlement of outstanding receivables. A new agreement can include changes to tariff level and PPA tenor. As described above, part of outstanding receivables is settled, and remaining amount is subject to the ongoing negotiations. The outcome of the negotiations is not concluded, and an unfavorable result may have negative impact on payment of outstanding receivables by ENEE and the future financial performance of the assets.

Covenants

Except for Ukraine, Scatec was in compliance with financial covenants for both the recourse and non-recourse debt on 31 December 2022. Refer to Note 5 Financing for more details.

For further information related to Scatec's policies and procedures to actively manage risks related to the various parts of the Company's operation, please refer to the 2021 Annual Report (the Board of Directors' report and Note 6).

COVID-19

Scatec has not experienced any material effects related to COVID-19 on its operations of power plants in the fourth quarter and full year 2022. The COVID-19 situation has however influenced the markets where Scatec develops projects and has been causing delays in government approvals for some of the development projects.

Overview of project portfolio[1)]

Project stage	Q4 2022 Capacity (MW)	Q3 2022 Capacity (MW)
In operation	3,375	3,375
Under construction	1,267	1,267
Project backlog[2)]	953	893
Project pipeline[2)]	15,712	15,043
Total	21,307	20,578

Total annual production from the 5,315 MW of solar, wind and hydro in operation, under construction and in backlog, is expected to reach about 14,100 GWh (on 100% basis).

Projects under construction and backlog[1)]

Project backlog is defined as projects with a secure off-take agreement and assessed to have more than 90% likelihood of reaching financial close. When financial close is obtained the project moves into construction generally with Scatec as the turn-key Engineering, Procurement & Construction (EPC) provider. Prior to financial close, environmental and social baseline studies or impact assessments (ESIAs) are conducted to identify potential environmental and social risks and impacts of the Company's activities. During construction Scatec is compensated for early-stage development expenditures and construction services through a Development & Construction (D&C) margin. The D&C margin is used as a funding source for Scatec's equity investment in the project company.

Total initial capex for the projects under construction amounts to approximately NOK 15.3 billion on a 100% basis. The capex will be financed by non-recourse project debt and equity from the sponsors with an expected average leverage of approximately 65%. Scatec is holding an average of 50% of the equity in the projects under construction equivalent to an initial equity investment of NOK 2.5 billion, of which NOK 1.7 billion were remaining as per the end of the fourth quarter[3)]. Scatec's remaining equity investment has been adjusted for paid-in equity of NOK 158 million during the quarter related to projects under construction. The remaining portion is well covered by expected D&C margins, cash flow from operations and free cash.

All figures in NOK have been updated based on currency rates per the end of the fourth quarter 2022.

For more information about the projects under construction and in backlog, refer to our website: scatec.com/investor.

1) Status per reporting date
2) See other definitions
3) For competitive reasons the capex amount for the BESS project in the Philippines has been excluded from the figures. The project is fully funded by non-recourse debt and have no impact on total remaining equity investment

Under construction

Sukkur, Pakistan 150 MW solar

Construction of the 150 MW Sukkur project in Pakistan has continued to progress during the fourth quarter 2022. Groundworks and road works have been carried out and piling and tracker installations have ramped up in the quarter. Most of the material and equipment have arrived on site, such as modules, trackers, inverters and cables. At reporting date there are more than 700 contractors and Scatec employees involved in construction work on site, and 250,000 safe manhours completed without lost time incidents.

Power from the solar power plant will be sold to Pakistan Authorities under a 25-year PPA. Capex for the project is approximately USD 110 million to be financed by approximately 70% non-recourse project finance debt and equity from the sponsors. The project capex increased during 2022 and Scatec is working on improving value creation of the project to a more attractive level.

Scatec owns 75% of the project and provide EPC services as well as Operation & Maintenance (O&M) and Asset Management (AM) services to the power plants.

Mendubim, Brazil 531 MW solar

Construction activities have progressed well during the quarter for the 531 MW Mendubim solar project, in partnership with Equinor and Hydro Rein. Key construction activities included drainage, foundations, levelling and road works, and clearance work for a transmission line. All purchase orders for main equipment have been placed. More than 500 contractors and Scatec employees are involved in the construction work on site.

The 20-year PPA signed with Alunorte, will cover approximately 60% of the power produced with the remaining volume to be sold in the Brazilian power market. The estimated total capital expenditure for the project is USD 430 million to be financed by a mix of non-recourse project debt and equity from partners.

All three partners have an equal economic interest of 33.3% in the power plant and will jointly provide EPC services. Scatec will further provide O&M as well as AM services to the power plants together with Equinor.

Kenhardt, South Africa, 540 MW solar with 225 MW/1,140 MWh battery storage

In July 2022 Scatec started construction of the RMIPPP project after reaching financial close. Construction activities have ramped-up for all disciplines during the fourth quarter 2022, including work on modules substructure foundations, grid connections and access roads. There are currently more than 500 Scatec employees and contractors working on site, with peak construction expected to be reached early in first quarter 2023. All site labour is sourced from the local community, and the project has established a dedicated community communication hub in Kenhardt.

Once operational the project will provide 150 MW of dispatchable power to the Kenhardt region under a 20-year Power Purchase Agreement with Eskom, the South African state-owned power utility.

The project has a total capex of about ZAR 16.4 billion (USD 962 million) to be financed by equity from the owners and non-recourse project debt. Equity will be paid in after final drawdown of the project debt. Lenders includes The Standard Bank Group as arranger and British International Investment.

Scatec will own 51% of the equity, and H1 Holdings, Scatec's local Black Economic Empowerment partner, will hold the remaining 49%. Scatec will be the EPC provider and provide O&M and AM services to the power plants together with H1.

Release

Release has a project portfolio of 26.5 MW under construction, of which the main project consists of 18 MW remaining under a 36 MW solar and 20 MWh battery project in Cameroon, with a contract with ENEO the main utility of Cameroon.

Philippines, 20 MW BESS

Construction of the 20 MW battery energy storage system (BESS) at the Magat hydropower plant is progressing well. The facility is Scatec's first BESS project connected to a hydropower plant, and has been developed by SN Aboitiz Power, a joint venture between Scatec and AboitizPower.

Hitachi Energy is providing engineering, procurement, and construction services for the project. The Bank of the Philippine Islands and China Banking Corporation have provided debt financing. The facility will be capable of dispatching energy to the grid at times of peak demand and is expected to be used primarily for ancillary services.

Backlog

Construction start of the backlog projects relies on final governmental approval processes, completion of project finance processes and component price development.

During the fourth quarter 2022 a 60 MW solar project in Botswana has been added to the backlog.

Grootfontein, South Africa, 273 MW solar

In October 2021, Scatec was awarded preferred bidder status on three solar projects totalling 273 MW by the Department of Mineral Resources and Energy in South Africa under the Renewable Energy Independent Power Producers Procurement Programme (REIPPPP). In December 2022, the power purchase and implementation agreements for the projects were signed.

The power will be sold under 20-year PPAs. Scatec will own 51% of the equity in the projects with H1 Holdings, our local Black Economic Empowerment partner owning 46.5% and a Community Trust holding 2.5%. Scatec will be the EPC provider and provide O&M as well as AM services to the power plants.

Tunisia portfolio, 360 MW solar

In December 2019, Scatec was awarded three solar projects in Tunisia totalling 360 MW. The three projects will hold 20-year PPAs with Société Tunisienne de l'Electricité et du Gaz (STEG).

Scatec has during the fourth quarter engaged with the Tunisian authorities to negotiate the PPA tariff in order to improve the economics of the projects. These discussions are ongoing.

Scatec will have an ownership share of 51% of the project and provide EPC, O&M and AM services to the project company.

Egypt, 100 MW green hydrogen facility

Scatec has partnered with, Fertiglobe, The Sovereign Fund of Egypt and Orascom Construction to develop, build, own and operate a 100 MW green hydrogen production facility in Ain Sokhna in Egypt. When the project is fully developed the facility will be powered by 260 MW of solar and wind capacity.

The partners have signed a term sheet with Fertiglobe for a 20-year offtake agreement for 100% of the volumes produced. The green hydrogen will be used as feedstock for production of green ammonia.

The estimated total capital expenditure for the project is USD 430 million to be financed by 75% non-recourse project debt and equity from partners.

Scatec will be the lead equity investor in the project with an ownership share of 52% and provide EPC services in collaboration with Orascom Construction. Scatec will further provide O&M and AM services for the project alongside key technology providers and project partners.

Botswana, 60 MW solar

In August 2022, Scatec signed a binding 25-year PPA with Botswana Power Corporation, a state-owned utility in Botswana, for a 60 MW solar power plant at Selebi-Phikwe. The solar project is the first of its kind in the country.

The estimated total capital expenditure for the project is BWP 640 million (USD 49 million) to be financed by 70% non-recourse project debt and equity from partners.

Scatec will own 100% of the project, and provide EPC services, as well as Asset Management and O&M services.

Pipeline

Location	Q4 2022 Capacity (MW)	Q3 2022 Capacity (MW)
Latin America	1,276	1,376
Africa and the Middle East	7,597	6,407
Europe & Central/South Asia	2,975	2,897
Southeast Asia	3,864	4,363
Total pipeline	**15,712**	15,043

In addition to the projects in backlog Scatec holds a solid pipeline of projects totalling 15,712 MW across technologies. During the quarter, we have assessed the pipeline and taken out less strategic projects and added capacity in core focus areas. This resulted in an increase of 669 MW compared to the previous quarter. Approximately 85% of the projects in the pipeline are located within our focus markets.

Solution	Q4 2022 Capacity (MW)	Q3 2022 Capacity (MW)
Solar	5,005	5,504
Wind	6,223	6,220
Hydro	2,684	2,519
Green Hydrogen[1)]	1,500	500
Release	300	300
Total	**15,712**	15,043

Historically, about 50% of projects in pipeline have been realised. The pipeline projects are in different stages of development and maturity, but they are all typically in markets with an established government framework for renewables and where project finance is available. The project sites and concessions have been secured and negotiations related to power sales and other project implementation agreements are in various stages of completion.

1) Renewable capacity for use in production of green hydrogen and green ammonia

Consolidated statement of profit and loss

Profit and loss

NOK million	Q4 2022	Q3 2022	Q4 2021	FY 2022	FY 2021
Revenues	773	784	762	3,002	3,038
Net income/(loss) from JVs and associated	220	379	276	749	765
EBITDA	689	886	775	2,555	2,903
Operating profit (EBIT)	458	645	539	723	2,012
Net financial items	-875	-268	-301	-1,818	-1,253
Profit before income tax	-417	377	238	-1,095	759
Profit/(loss) for the period	-433	335	136	-1,228	456
Profit/(loss) to Scatec	-359	255	146	-1,334	388
Profit/(loss) to non-controlling interests	-74	80	-11	106	68

Revenues

Revenues from power sales was NOK 773 million (762) in the fourth quarter 2022, broadly in line with same quarter last year.

Revenues for the financial year 2022 amounted to NOK 3,002 million (3,038) were broadly in line with the financial year of 2021.

Net income from joint venture investments (JVs) and associated companies was NOK 220 million (276) in the fourth quarter, a decrease of 56 million compared to the same quarter last year. The main driver for the decrease in net income is lower revenues in Laos due to lower water volumes. The decrease is also explained by unrealised currency-losses on working-capital items related to the Mendubim solar project in Brazil, partly offset by increased revenues in the Philippines and positive currency effects on translation of net income from the joint venture investments.

Net income from JVs and associated companies decreased by NOK 16 million in 2022 compared to 2021, mainly explained by lower net income from Laos and Brazil, partly offset by higher net income from Philippines and positive currency effects.

Operating profit

EBITDA was NOK 689 million (775) in the fourth quarter, a decrease of 87 million compared to the same quarter last year mainly caused by lower net income from JVs and associated companies and higher operating expenses related to construction activities and strengthening of corporate function with a growing asset portfolio and project pipeline.

For financial year 2022, EBITDA of NOK 2,555 million (2,903) was negatively impacted by a credit loss provision of NOK 98 million on accounts receivable in Ukraine, recognised in the first quarter, and higher operating expenses. Refer to Note 2 Operating segments for more details.

Consolidated operating expenses amounted to NOK 305 million (264) in the fourth quarter. The amount includes NOK 163 million (171) in cost for operation of existing power plants. Operating expenses also include NOK 90 million (54) for early-stage development of new projects and construction related expenses, with project pipeline development as the main cost driver. Corporate expenses amounted to NOK 51 million (34).

2022 consolidated operating expenses amounted to NOK 1,196 million (900). The amount includes NOK 680 million (519) in cost for operation of existing power plants. Operating expenses also include NOK 326 million (228) for early-stage development of new projects and construction related expenses. Corporate expenses amounted to NOK 193 million (152).

Depreciation, amortisation and impairment for the fourth quarter of NOK 231 million (236) have decreased compared to the same period last year primarily due to lower plant value to be depreciated in Ukraine after the impairment charge recognized in the first quarter of 2022.

In financial year 2022, depreciation, amortisation and impairment amounted to NOK 1,832 million (892). In the first quarter 2022 the Group recognised an impairment expense of NOK 932 million, of which 116 million related to discontinued development of projects in Mali, Bangladesh and India and NOK 816 million related to the solar power plants in Ukraine. In the third quarter 2022, the Group impaired NOK 16 million related to discontinued development of projects in Lesotho. Refer to Note 4 Impairment for further details.

Net financial expenses

NOK million	Q4 2022	Q3 2022	Q4 2021	FY 2022	FY 2021
Interest and other financial income	45	163	15	115	47
Interest and other financial expenses	-677	-405	-353	-1,666	-1,368
Net foreign exchange gain/(losses)	-244	-26	37	-268	69
Net financial expenses	-875	-268	-301	-1,818	-1,253

The net financial expenses for the quarter are impacted by significant currency movements and increased interest rates compared with the previous quarter and the same quarter last year.

Interest and other financial income of NOK 45 million (15) mainly relates to increased interest income on cash balances. The decrease with NOK 118 million during the fourth quarter is primarily related to a USD/ZAR currency hedging contract in RMIPPP which had an unrealised gain of 130 million in the third quarter.

Interest and other financial expenses of NOK 677 million (353) consist of interest expenses of NOK 414 million (NOK 331 million), an unrealised non-cash loss of NOK 221 million (-) on the USD/ZAR currency hedging contract related to RMIPPP, and other financial expenses of NOK 42 million (NOK 22 million). Scatec manages interest rate risk with a hedge ratio of approximately 80% for the non-recourse project level debt and approximately 20% for the corporate debt. The increase in interest expenses of NOK 55 million compared with previous quarter, and NOK 83 million compared with the same quarter last year is primarily explained by increase in interest rates on unhedged debt.

The foreign exchange losses of NOK 244 million (NOK 37 million gain) are primarily driven by significant movements of USD and EUR in countries where the group has USD and EUR as functional currencies. The losses for the quarter are mainly unrealized losses, primarily incurred in Egypt, Ukraine and Norway on translation of monetary assets and liabilities denominated in local currencies.

Profit before tax and net profit

The Group recognised a tax expense of NOK 16 million (102) in the fourth quarter, corresponding to an effective tax rate of 4% (43%). The difference between the Group's actual tax expense and a calculated tax expense based on the Norwegian tax rate of 22% is explained by different tax rates in the jurisdictions in which the companies operate, withholding taxes paid on dividends, movements in deferred tax balances, currency effects and effects from non-recognised tax losses. The profit/loss from JVs and associates are reported net after tax which also impacts the effective tax rate. For further details, refer to Note 7 Income tax expense. For financial year 2022 a tax expense of NOK 132 million (303) is recognised.

Net profit for the fourth quarter was negative NOK 433 million (136) while profit attributable to Scatec was negative NOK 359 million (146). The allocation of profits between NCI and Scatec is impacted by the fact that non-controlling interests (NCI) only represent shareholdings in the power plants that are fully consolidated, while Scatec also carries the cost of project development, construction, operation & maintenance and corporate functions. Profits allocated to NCI neither include net income from JVs and associated companies.

Impact of foreign currency movements in the quarter

During the fourth quarter, NOK depreciated against the key currencies USD, ZAR, MYR and BLR compared to the average rates of the third quarter but appreciated compared with the closing rates. On a net basis, the movement in average rates positively affected the consolidated revenues by approximately NOK 25 million, while the net impact on net profit was approximately negative NOK 13 million.

Following the movements of the closing rates, the Group has recognised a foreign currency translation loss of NOK 635 million (71) in other comprehensive income in the fourth quarter related to the conversion of the subsidiaries' statements of financial position from the respective functional currencies to the Group's presentation currency.

Consolidated statement of financial position

Assets

NOK million	31 December 2022	31 December 2021
Property, plant and equipment	17,310	15,885
Investments in JVs and associated companies	10,674	9,745
Other non-current assets	2,233	1,755
Total non-current assets	30,218	27,385
Other current assets	2,380	1,474
Cash and cash equivalents	4,132	4,171
Total current assets	6,512	5,645
Total assets	36,730	33,030

The increase in non-current assets is primarily driven by construction activities in South Africa, Release and Pakistan, in addition to currency translations from weakening of NOK against USD, EUR and MYR. The increase is partly offset by NOK 742 million impairment of the Ukrainian solar plants, impairment of development projects of NOK 132 million and yearly depreciation of NOK 864 million. See Note 3 Property, plant and equipment and Note 4 Impairment for more information.

The balance of investments in JVs and associated companies have increased due to appreciation of the functional currencies in the JVs. Net income from JVs and associated companies was NOK 749 million in the financial year 2022 and NOK 669 million was received as dividend. See Note 9 Investments in joint ventures and associated companies for full reconciliation.

The increase in current assets is primarily driven by working capital changes related to the construction of the RMIPPP project in South Africa. The cash balance is stable compared to 31 December 2021. Operating activities contribute positively with NOK 756 million in cash inflow for the financial year 2022. Cash outflows are mainly related to construction of plants and payment of non-recourse financing, dividends to NCI and payment of dividend to equity holders of the parent company. See the consolidated statement of cash flows for further details and Note 6 Cash, cash equivalents for a detailed breakdown of cash balances as well as an overview of movement of cash at the Recourse Group level.

Equity and liabilities

NOK million	31 December 2022	31 December 2021
Equity	8,803	9,919
Corporate financing	7,987	7,264
Non-current non-recourse project financing	13,297	10,708
Other non-current liabilities	2,604	2,225
Total non-current liabilities	23,888	20,197
Current non-recourse project financing	1,963	1,147
Other current liabilities	2,076	1,767
Total current liabilities	4,039	2,913
Total liabilities	27,927	23,110
Total equity and liabilities	36,730	33,030
Book equity ratio	24%	30%

Total equity decreased by NOK 1,117 million compared to 31 December 2021, driven by negative total comprehensive income for the period and dividend distributions to the equity holders of the parent company and NCI. Further details are in the consolidated statement of changes in equity.

Corporate financing consists of a listed green bond as well as financing secured in relation to the previous year's acquisition of SN Power. Changes in balance in 2022 is due to foreign currency translation. See Note 5 Financing for further details.

Total non-recourse financing increased as of 31 December 2022 mainly as a result of issuance of NOK 3 080 million in project debt to the RMIPPP project in South Africa. Down payments of NOK 1,175 million have decreased the balance in 2022. The non-current portion of the Ukrainian debt was reclassified to current during the first quarter 2022 due to breach of covenants. See section Russian War in Ukraine above and Note 5 Financing for further details.

Consolidated cash flow

NOK million	Q4 2022	Q3 2022	Q4 2021	FY 2022	FY 2021
Operating activities	-362	391	602	756	2,072
Investing activities	-605	-631	-42	-1,406	-8,081
Financing activities	-1	1,569	-719	221	2,413
Net increase/(decrease) in cash and cash equivalents	-968	1,328	-160	-428	-3,597

Net cash flow from consolidated operating activities amounted to negative NOK 362 million (602) in the fourth quarter 2022, compared to EBITDA of NOK 689 million (775). The difference is primarily explained by change in net income from JVs and associated companies and changes in other assets and liabilities. For the year 2022 net cash flow from consolidated operating activities amounted to NOK 756 million (2,072), compared to EBITDA of NOK 2,555 million (2,903).

Net cash flow from consolidated investing activities was negative NOK 605 million (-42) in the fourth quarter and negative NOK 1,406 million (-8,081) for the year of 2022, driven by investments in property, plant and equipment, partly offset by distributions from JVs.

Net cash flow from financing activities was negative NOK 1 million (-719) in the fourth quarter and positive NOK 221 million (2,413) for the year of 2022. The main financing activities in 2022 is issuance of new debt in South Africa, refinancing of the existing non-recourse debt in South Africa, payment of interests and repayment of non-recourse financing in project companies as well as payment of dividend to equity holders of the parent company and NCI.

Cash and cash equivalents at the end of the fourth quarter 2022 was NOK 4,132 million of which NOK 1,743 was free cash. Additionally, the Company had available undrawn credit facilities of NOK 1,827 million resulting in NOK 3,570 million in total available liquidity.

See the consolidated statement of cash flow and Note 6 for details related to cash movements.

Proportionate cash flow to equity

Scatec's "proportionate share of cash flow to equity" 1), is an alternative performance measure that seeks to estimate the Group's ability to generate funds for equity investments in new power plant projects and/or for shareholder dividends over time.

NOK million	Q4 2022	Q3 2022	Q4 2021	FY 2022	FY 2021
Power Production	357	469	330	1,487	1,640
Services	13	17	9	58	60
Development & Construction	-18	-34	-46	-149	-164
Corporate	-105	-91	-61	-347	-252
Total	246	361	234	1,050	1,284

1) See Alternative Performance Measures appendix for definition

The cash flow to equity in the Power Production segment has increased compared to the same quarter last year, primarily explained by significantly higher power sales at higher power prices in the Philippines and higher EBITDA in Uganda and

Forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Although Scatec believes that these assumptions were reasonable when made, the Group cannot assure that the future results, level of activity or performances will meet these expectations.

Ukraine.

For the full year 2022 the cash flow to equity decreased compared to last year, mainly explained by the decrease in EBITDA. Cash flow to equity in 2022 includes NOK 363 million from debt refinancing of assets in South Africa and Vietnam. The full year 2021 included NOK 397 million from debt refinancing of assets in the Philippines.

The cash flow to equity in Services slightly increased compared to the same quarter last year and was approximately at the same level compared to last year. The cash flow to equity in the D&C segment for the fourth quarter and full year 2022 was impacted by construction activity in addition to increased development and construction costs. The cash flow to equity for the Corporate segment for the fourth quarter and full year 2022 primarily relates to operating expenses and interest expenses on corporate funding.

The power plant companies have in the fourth quarter and full year 2022 distributed NOK 402 million and NOK 1,231 million to Scatec ASA. Scatec has not hedged the currency exposure on the expected cash distributions from the power plant companies.

Condensed interim financial information

Interim consolidated statement of profit and loss

NOK million	Notes	Q4 2022	Q4 2021	FY 2022	FY 2021
Revenues	2	773	762	3,002	3,038
Net income/(loss) from JVs and associated companies	9	220	276	749	765
Total revenues and other income		993	1,039	3,751	3,803
Personnel expenses	2	-136	-118	-528	-397
Other operating expenses	2	-168	-146	-668	-503
Depreciation, amortisation and impairment	2, 3, 4	-231	-236	-1,832	-892
Operating profit (EBIT)		458	539	723	2,012
Interest and other financial income		45	15	115	47
Interest and other financial expenses		-677	-353	-1,666	-1,368
Net foreign exchange gain/(losses)		-244	37	-268	69
Net financial expenses		-875	-301	-1,818	-1,253
Profit/(loss) before income tax		-417	238	-1,095	759
Income tax (expense)/benefit	7	-16	-102	-132	-303
Profit/(loss) for the period		-433	136	-1,228	456
Profit/(loss) attributable to:					
Equity holders of the parent		-359	146	-1,334	388
Non-controlling interest		-74	-11	106	68
Basic earnings per share (NOK) [1]		-2.26	0.92	-8.40	2.45
Diluted earnings per share (NOK) [1]		-2.26	0.91	-8.40	2.43

1) Based on average 158.9 million shares outstanding for the purpose of earnings per share in Q4 2022

Interim consolidated statement of comprehensive income

NOK million	Notes	Q4 2022	Q4 2021	FY 2022	FY 2021
Profit/(loss) for the period		-433	136	-1,228	456
Other comprehensive income:					
Items that may subsequently be reclassified to profit or loss					
Net movement of cash flow hedges		20	75	664	386
Income tax effect	7	-3	-30	-150	-108
Foreign currency translation differences		-635	71	472	40
Net other comprehensive income to be reclassified		-618	117	986	317
Total comprehensive income for the period net of tax		-1,052	252	-242	773
Attributable to:					
Equity holders of the parent		-946	279	-648	595
Non-controlling interest		-106	-26	406	178

Interim consolidated statement of financial position

NOK million	Notes	31 December 2022	31 December 2021
Assets			
Non-current assets			
Deferred tax assets	7	860	748
Property, plant and equipment	3, 4	17,310	15,885
Goodwill and intangible assets	4	758	797
Investments in JVs and associated companies	9	10,674	9,745
Other non-current assets		616	210
Total non-current assets		30,218	27,385
Current assets			
Trade and other receivables	2	497	740
Other current assets		1,883	734
Cash and cash equivalents	6	4,132	4,171
Total current assets		6,512	5,645
Total assets		36,730	33,030

Interim consolidated statement of financial position

NOK million	Notes	31 December 2022	31 December 2021
Equity and liabilities			
Equity			
Share capital		4	4
Share premium		9,819	9,775
Total paid in capital		9,823	9,779
Retained earnings		-2,231	-493
Other reserves		671	-16
Total other equity		-1,560	-508
Non-controlling interests		540	649
Total equity		8,803	9,919
Non-current liabilities			
Deferred tax liabilities	7	743	589
Corporate financing	5	7,987	7,264
Non-recourse project financing	5, 6	13,297	10,708
Other financial liabilities		12	249
Other interest-bearing liabilities		231	-
Other non-current liabilities		1,618	1,387
Total non-current liabilities		23,888	20,197
Current liabilities			
Non-recourse project financing	5	1,963	1,147
Income tax payable	7	37	24
Trade and other payables	5	594	812
Other financial liabilities		108	90
Other interest-bearing liabilities		231	-
Other current liabilities		1,106	841
Total current liabilities		4,039	2,913
Total liabilities		27,927	23,110
Total equity and liabilities		36,730	33,030

Oslo, 2 February 2023

The Board of Directors Scatec ASA

Interim consolidated statement of changes in equity

NOK million	Share capital	Share premium	Retained earnings	Other reserves: Foreign currency translation	Other reserves: Hedging reserves	Total	Non-controlling interests	Total equity
At 1 January 2021	4	9,720	-708	40	-261	8,794	673	9,467
Profit for the period	-	-	388	-	-	388	68	456
Other comprehensive income	-	-	1	55	150	207	110	317
Total comprehensive income	-	-	390	55	150	595	178	773
Share capital increase	-	42	-	-	-	42	-	42
Share-based payment	-	12	-	-	-	12	-	12
Dividend distribution	-	-	-173	-	-	-173	-217	-390
Capital increase from NCI	-	-	-	-	-	-	14	14
At 31 December 2021	4	9,775	-493	95	-111	9,271	649	9,919
At 1 January 2022	4	9,775	-493	95	-111	9,271	649	9,919
Profit for the period	-	-	-1,334	-	-	-1,334	106	-1,228
Other comprehensive income	-	-	-	377	309	686	300	986
Total comprehensive income	-	-	-1,334	377	309	-648	406	-242
Share capital increase	-	5	-	-	-	5	-	5
Share-based payment	-	39	-	-	-	39	-	39
Dividend distribution	-	-	-404	-	-	-404	-526	-929
Capital increase from NCI	-	-	-	-	-	-	11	11
At 31 December 2022	4	9,819	-2,231	472	199	8,263	540	8,803

Interim consolidated statement of cash flow

NOK million	Notes	Q4 2022	Q4 2021	FY 2022	FY 2021
Cash flow from operating activities					
Profit before taxes		-417	238	-1,095	759
Taxes paid	7	-115	-53	-170	-234
Depreciation and impairment	3, 4	231	236	1,832	892
Proceeds from disposal of fixed assets	3	27	5	45	9
Net income from JVs and associated companies	9	-220	-276	-749	-765
Interest and other financial income		-45	-15	-115	-47
Interest and other financial expenses		677	353	1,666	1,368
Unrealised foreign exchange (gain)/loss		244	-37	268	-69
Increase/(decrease) in other assets and liabilities		-743	151	-926	158
Net cash flow from operating activities		-362	602	756	2,072
Cash flow from investing activities					
Interest received		45	15	115	47
Consideration paid for SN Power, net of cash acquired [1)]		-	-288	-	-7,848
Investments in property, plant and equipment	3	-977	-10	-1,986	-967
Distributions from JV and associated companies	9	381	-	669	-
Investments in JV and associated companies	9	-55	242	-204	687
Net cash flow from investing activities		-605	-42	-1,406	-8,081
Cash flow from financing activities					
Proceeds from non-controlling interests		6	-2	18	-12
Distributions to non-controlling interests		-4	-	-8	-
Interest paid		-276	-401	-1,108	-1,180
Proceeds from non-recourse project financing	5	574	-	3,468	43
Repayment of non-recourse project financing	5	-241	-290	-1,175	-750
Payments of principal portion of lease liabilities		-6	-6	-26	-25
Interest paid on lease liabilities		-8	-4	-20	-15
Net proceeds from corporate financing [2)]	5	-	-	-	4,699
Share capital increase		-	-	-	42
Dividends paid to equity holders of the parent company and non-controlling interests		-45	-17	-929	-390
Net cash flow from financing activities		-1	-719	221	2,413
Net increase/(decrease) in cash and cash equivalents		-968	-160	-428	-3,597
Effect of exchange rate changes on cash and cash equivalents		-393	-1	389	-20
Cash and cash equivalents at beginning of the period		5,493	4,332	4,171	7,788
Cash and cash equivalents at end of the period	6	4,132	4,171	4,132	4,171

1) Consideration paid for SN Power was net of NOK 826 million of cash in acquired companies
2) Net proceeds from corporate financing include proceeds from issuance of EUR 250 million green bond, USD 400 million bridge to bond facility and USD 150 green term loan, as well as redemption of NOK 750 million green bond and partial repayment of the USD 400 million bridge to bond facility. See Note 5 Financing

Notes to the condensed interim consolidated financial statements

Note 1 Organisation and basis for preparation

Corporate information

Scatec ASA is incorporated and domiciled in Norway. The address of its registered office is Askekroken 11, NO-0277 Oslo, Norway. Scatec ASA was established on 2 February 2007.

Scatec ASA ("the Company"), its subsidiaries and investments in associated companies ("the Group" or "Scatec") is a leading renewable power producer, delivering affordable and clean energy worldwide. As a long-term player, Scatec develops, builds and operates renewable power plants and integrates technologies.

The condensed interim consolidated financial statements for the fourth quarter and the full year 2022 were authorised by the Board of Directors for issue on 2 February 2023.

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 2021, except for revenue recognition policy applied in the Philippines. Refer to Note 10 Change in accounting policy for further details.

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 presentation currency of the Group is Norwegian kroner (NOK). All amounts are presented in NOK million 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

In the preparation of the condensed interim consolidated financial statements in conformity with IFRS, management has made estimates and assumptions and applied judgements, that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

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 estimates are 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.

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

Consolidation of power plant companies

Scatec's value chain comprises all downstream activities such as project development, financing, construction and operations, as well as having an asset management role through ownership of the power plants. Normally Scatec enters into partnerships for the shareholding of the power plant companies. To be able to fully utilise the business model, Scatec normally seeks to obtain operational control of the power plant companies. Operational control is obtained through governing bodies, shareholder agreements and other contractual arrangements. Other contractual arrangements may include Scatec's role as the developer of the project, EPC provider (construction), operation and maintenance service provider and asset management service provider.

When assessing whether Scatec controls a power plant company, the Group's roles and activities are analysed in line with the requirements and definitions in IFRS 10. Refer to note 2 of the 2021 annual report for further information on judgements, including control assessments made in previous years.

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 impacted by external factors, such as seasonal variations and weather conditions.

Note 2 Operating segments

Operating segments align with internal management reporting to the Group's chief operating decision makers, defined as the Group management team. The operating segments are determined based on differences in the nature of their operations, products and services. Scatec manages its operations in four segments: Power Production (PP), Services, Development & Construction (D&C) and Corporate.

The segment financials are reported on proportionate basis. With proportionate financials Scatec reports its share of revenues, expenses, profits and cash flows from all its subsidiaries without eliminations based on Scatec's economic interest in the subsidiaries. The Group introduced proportionate financials as the Group is of the opinion that this method improves earnings visibility. Proportionate financials are further described in the APM section of this report

Q4 2022

	Proportionate financials								
NOK million	Power Production	Services	Development & Construction	Corporate	Total	Residual ownership for fully consolidated entities	Elimination of equity consolidated entities	Other eliminations	Consolidated financials
External revenues	1,258	8	1	2	1,268	278	-774	-	773
Internal revenues	4	77	627	19	727	122	-49	-800	-
Net income from JVs and associates [1]	-	-	-	-	-	-	220	-	220
Total revenues and other income	1,262	85	627	20	1,995	401	-603	-800	993
Cost of sales	-230	-	-565	1	-795	-90	266	620	-
Gross profit [2]	1,032	84	62	21	1,199	310	-337	-180	993
Personnel expenses	-39	-31	-50	-28	-149	-2	19	-3	-136
Other operating expenses	-172	-38	-32	-23	-265	-59	76	80	-168
EBITDA	821	16	-20	-30	786	249	-243	-104	689
Depreciation and impairment	-306	-2	-1	-9	-317	-96	148	35	-231
Operating profit (EBIT)	515	14	-22	-39	469	153	-96	-68	458

Q4 2021

	Proportionate financials								
NOK million	Power Production	Services	Development & Construction	Corporate	Total	Residual ownership for fully consolidated entities	Elimination of equity consolidated entities	Other eliminations	Consolidated financials
External revenues [3]	1,073	1	-	-2	1,072	299	-608	-	762
Internal revenues	-	65	18	14	97	13	-7	-103	-
Net income from JVs and associates [1]	-	-	-	-	-	-	276	-	276
Total revenues and other income	1,073	66	18	11	1,169	312	-339	-103	1,039
Cost of sales [3]	-104	-	-14	-	-118	-10	103	25	-
Gross profit [2]	968	66	4	11	1,051	302	-236	-78	1,039
Personnel expenses	-29	-27	-50	-26	-132	-2	15	-	-118
Other operating expenses	-176	-29	-11	-20	-237	-65	70	86	-146
EBITDA	763	11	-57	-35	683	235	-150	8	775
Depreciation and impairment	-252	-1	-22	-8	-283	-82	94	35	-236
Operating profit (EBIT)	511	10	-79	-42	399	153	-56	43	539

FY 2022

NOK million	Proportionate financials Power Production	Services	Development & Construction	Corporate	Total	Residual ownership for fully consolidated entities	Elimination of equity consolidated entities	Other eliminations	Consolidated financials
External revenues	4,513	18	5	7	4,542	1,120	-2,661	-	3,002
Internal revenues	8	294	1,064	49	1,415	188	-138	-1,465	-
Net income from JVs and associates [1]	-	-	-	-	-	-	749	-	749
Total revenues and other income	4,521	312	1,069	56	5,957	1,309	-2,050	-1,465	3,751
Cost of sales	-852	1	-962	1	-1,813	-145	914	1,044	-
Gross profit [2]	3,669	312	106	57	4,144	1,163	-1,136	-421	3,751
Personnel expenses	-125	-120	-215	-113	-574	-9	68	-12	-528
Other operating expenses	-709	-118	-112	-81	-1,020	-221	253	320	-668
EBITDA	2,835	74	-221	-138	2,550	933	-815	-113	2,555
Depreciation and impairment	-1,918	-6	-137	-29	-2,090	-414	510	162	-1,832
Operating profit (EBIT)	916	68	-358	-167	460	519	-306	49	723

In the first quarter 2022 the Group has recognised an impairment charge of NOK 770 million in the Power Production segment in the proportionate financials related to the solar power plants and intangible assets in Ukraine. In the consolidated financials the impairment charge amounts to NOK 816 million as disclosed in Note 4 Impairment.

The Group also recognised an impairment charge (in both consolidated and proportionate financials in the D&C segment) of NOK 16 million related to a discontinued development project in Lesotho in the third quarter 2022 and NOK 116 million in the first quarter 2022 related to discontinued development projects in Bangladesh, Mali and India.

From March the Group has recognised revenue from power production in Ukraine to the extent that Scatec believe it is probable to collect consideration. The recognised amount in the proportionate financials was NOK 64 million in the fourth quarter (NOK 73 million in the consolidated financials) and NOK 129 million in proportionate financials (NOK 146 million in the consolidated financials) in the period March to December, which is also in line with the paid amounts for the period. Total revenue from power production in Ukraine in the proportionate financials for the full year 2022 is NOK 153 million (NOK 175 million in the consolidated financials).

Scatec has further recognised an expected credit loss provision in the first quarter of 2022 with respect to trade and other receivables related to Ukraine which amount to NOK 87 million in the proportionate financials (NOK 98 million in the consolidated financials), which is included in other operating expenses. Total outstanding receivables on 31 December 2022 related to Ukraine following the provision is NOK 110 million.

FY 2021

NOK million	Proportionate financials Power Production	Services	Development & Construction	Corporate	Total	Residual ownership for fully consolidated entities	Elimination of equity consolidated entities	Other eliminations	Consolidated financials
External revenues [3]	3,889	5	3	6	3,903	1,162	-2,025	-1	3,038
Internal revenues	1	256	134	36	426	34	-22	-438	-
Net income from JVs and associates [1]	-	-	-	-	-	-	765	-	765
Total revenues and other income	3,890	260	137	42	4,329	1,196	-1,282	-439	3,803
Cost of sales [3]	-270	1	-120	-	-389	-10	274	126	-
Gross profit [2]	3,620	261	16	42	3,939	1,186	-1,009	-313	3,803
Personnel expenses	-99	-97	-162	-92	-449	-7	49	10	-397
Other operating expenses	-572	-90	-78	-65	-804	-208	208	302	-503
EBITDA	2,949	75	-223	-114	2,686	970	-752	-1	2,903
Depreciation and impairment	-972	-5	-78	-26	-1,081	-330	369	151	-892
Operating profit (EBIT)	1,977	70	-301	-140	1,606	640	-383	149	2,012

1) Refer to Note 9 – Investments in joint ventures and associated companies for details on Net income from JVs and associates

2) Equivalent to Net revenues

3) Refer to Note 10 – Change in accounting policy for details of the change in presentation of revenue and cost of sales for the electricity sold on bilateral contracts in the Philippines

Note 3 Property, plant and equipment

NOK million	Power plants	Power plants under development and construction	Other fixed assets	Total
Carrying value at 31 December 2021	**15,106**	**580**	**198**	**15,885**
Additions	141	1,783	62	**1,986**
Disposals	-	-45	-	**-45**
Transfer between asset classes	233	-233	-	**-**
Depreciation and amortisation	-818	-	-46	**-864**
Impairment losses	-742	-113	-19	**-872**
Effect of movements in foreign exchange rates	1,163	26	32	**1,220**
Carrying value at 31 December 2022	**15,083**	**1,997**	**229**	**17,310**
Estimated useful life (years)	20-25	N/A	3-5	

Transfer between asset classes

Transfer from power plants under construction to power plants mainly relates to completion of plants in Release.

Impairment losses

In the first quarter of 2022, Scatec recognised an impairment loss of NOK 858 million for Property, plant and equipment, of which NOK 742 million is related to the solar power plants in Ukraine and NOK 116 million related to discontinued development projects. In the third quarter, project development in Lesotho amounting NOK 16 million was impaired. Total impairments charges per 31 December 2021 was NOK 76 million.

Please refer to Note 4 Impairment for further details.

Note 4 Impairment

Accounting policy

The Group assesses property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The recoverable amount is the higher of the assets fair value less costs to sell and its value in use.

Impairment test

Tests for impairment have been performed for CGUs where impairment indicators have been identified. The recoverable amount for these units has been determined estimating the value in use of the assets and comparing against the carrying value of the CGUs.

Impairment indicators were identified during 2022 for Scatec's five solar power plants in Ukraine triggered by Russia's invasion on 24 February 2022. The situation in Ukraine at the end of the fourth quarter is still very challenging and highly uncertain, and Scatec's top priority is the safety of our Ukrainian employees. The outcome of the situation and the impact on Scatec's assets are highly uncertain.

Per 31 December 2022, approximately 95 percent of the power plants is intact and available, but power demand is down, and production is being curtailed by the grid operator on an ad hoc basis. For the months after the invasion the Ukrainian off-taker has paid approximately 42% of the revenues generated on the defined Feed-in-Tariff for Scatec's assets. The payments levels have increased during the year and the payment level in November and December were 83% and 69% respectively.

In the fourth quarter 2022, the impairment tests from the first quarter 2022 were updated with new information on cash flow assumptions and WACC. Three scenarios have been assessed and weighted to arrive at the value in use for the solar power plants. The main assumptions used in the impairment test for the fourth quarter were:

Future cash flows: The solar power plants in Ukraine operate under 10-years Feed-in-Tariffs (tariff) which all end in 2029. For the cash flow periods after 2029, the estimates are based on available power market data and Scatec's long-term power market outlook.

In a best-case scenario, we assume a continued reduction in government payment for the power produced with a 65% payment level in 2023 before the situation stabilises and return to normal level from the beginning of 2024. The revenues not paid for 2022 and 2023 are assumed to be deferred and paid in 2024 and 2025. In a mid-case scenario, it is assumed cash flow to be reduced also in 2024-2026 with a 65% payment level before we return to normal level of cash flows from the beginning of 2027. In a worst-case scenario, no future revenues are assumed. The three scenarios have been equally weighted to reflect the high uncertainty on the impact of Scatec's assets in Ukraine.

Discount rate: The value in use calculations include significant estimate uncertainty, which has been reflected in the future cash flow assumptions and estimates and not in the discount rate. The after-tax discount rate applied in on the cash flows was 8.7%.

The result of the analysis above equals an impairment assessment including pre-war cash flows discounted at a WACC approximately at 18.4%.

Sensitivity: The value in use calculation is sensitive to changes in discount rate. Sensitivity analysis shows that an increase in the discount rate of 1% would results in an increased impairment charge of NOK 170 million, assuming all other factors remain unchanged. The sensitivity analysis is for indicative purposes only.

Impairment: A total impairment charge of NOK 816 million was recognised in the first quarter, whereof NOK 742 million related to solar power plants and NOK 74 million related to intangible assets. Intangible assets in Ukraine relate to right to transmit electricity for the solar power plants. The recoverable amount for the solar power plants and intangible assets in Ukraine were NOK 2,107 million as per 31 December 2022.

In the fourth quarter 2022 the updated impairment tests did not show a significant change in the carrying value compared to the value in use, and therefore no further impairment was recognised in the fourth quarter.

NOK million	Power plants in Ukraine	Other Intangible assets in Ukraine	Total
Carrying value at 31 December 2022	2,681	242	2,923
Impairment charge	-742	-74	-816
Recoverable amount at 31 December 2022	1,939	168	2,107

Scatec has secured Political Violence Insurance (PVI) in Ukraine which covers physical damage of the power plants up to a predetermined amount as described in the Note 32 Subsequent event in Scatec's annual report of 2021. The insurance covers the replacement value for rebuilding the power plants as well as for business interruptions for 6-12 months. As communicated in the first quarter 2022 report, the Political Violence Insurance for Boguslav, Kamianka and Chigirin expired on 31 May 2022. Given the uncertainty in Ukraine, (international) insurance markets are no longer able to provide this cover going forward, hence Scatec has not been able to renew the Political Violence Insurance for these assets. This means that if Scatec suffered war related damages at these sites, this would no longer be covered by (PV) insurance.

For further details regarding Scatec's exposure in Ukraine please refer to Note 32 Subsequent event in Scatec's annual report of 2021. For changes in balances from year-end 2021 to year-end 2022 not resulting from normal changes in operating activities please refer to Note 2 Operating segment for information related to revenues and receivables, Note 5 Financing for financing commitments, covenants and guarantees and Note 6 Cash, cash equivalents for cash in this report.

Further, Scatec impaired NOK 16 million related to a discontinued development project in Lesotho in the third quarter 2022 and NOK 116 million related to discontinued development projects in Mali, Bangladesh and India in the first quarter 2022.

Note 5 Financing

Corporate financing

The table below gives an overview of the corporate financing carried out by the Group. The maturity date for the Bridge to Bond facility was extended to January 2024 in the third quarter of 2022. The listed Green Bond has 3M EURIBOR + 2.5 % margin interest rate terms. The USD 150 million Green Term Loan is amortised through semi-annual repayments of USD 7.5 million starting from Q1 2023.The book equity of the recourse group, as defined in the facility agreements, was NOK 10 598 million on 31 December 2022. Scatec was in compliance with financial covenants for recourse debt on quarter end.

	Currency	Denominated currency value (million)	Maturity	Carrying value 31 December 2022 (NOK million)	Carrying value 31 December 2021 (NOK million)
Green Bond (Ticker: SCATC03 NO0010931181)	EUR	250	Q3 2025	2,625	2,475
Total unsecured bonds				2,625	2,475
Green Term Loan	USD	150	Q1 2025	1,481	1,323
Bridge to Bond	USD	193	Q1 2024	1,906	1,702
Total secured acquisition financing				3,387	3,025
Vendor Financing (Norfund)	USD	200	Q1 2028	1,975	1,764
Total unsecured acquisition financing				1,975	1,764
Revolving credit facility	USD	180	Q1 2024	-	-
Overdraft facility	USD	5		-	-
Total secured back-stop bank facilities				-	-
Total				7,987	7,264
As of non current				7,987	7,264
As of current				-	-

Non-recourse financing

As a main rule, Scatec uses non-recourse financing for constructing and/or acquiring assets in power plant companies. 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.

The table below shows the non-current non-recourse debt and the current non-recourse debt due within 12 months including accrued interest. The maturity date for the loans ranges from 2028 to 2041.

NOK million	As of 31 December 2022	As of 31 December 2021
Non-current liabilities		
Non-recourse project financing	13,297	10,708
Current liabilities		
Non-recourse project financing	1,963	1,147

The current non-recourse debt as of 31 December 2022 includes NOK 964 million in non-recourse debt in Ukraine. NOK 603 million of the non-recourse financing was reclassified from non-current to current in Q1 2022. All of Scatec's power plant companies in Ukraine are not in compliance with several covenants in the loan agreements for the non-recourse project debt at Q4 2022. Scatec has continuous and constructive dialogue with the lenders and the parties have agreed on a non-formalised "stand still". In all other countries, Scatec was in compliance with financial covenants for non-recourse debt on 31 December 2022.

In the first quarter of 2022, Scatec refinanced the non-recourse debt facilities for the solar power plants Kalkbult, Dreunberg and Linde in South Africa with the existing lenders. Scatec's share of proceeds from the refinancing, based on its 45 per cent ownership in the power plants, amounts to ZAR 540 million (NOK 323 million). Key amended terms include increased debt amounts, reduced margins, increased tenors, and release of cash from debt reserve accounts, implying minor impact to expected future dividends from the power plants.

In the second quarter of 2022, Scatec refinanced the non-recourse debt facilities for the solar power plants in Egypt through the issuance of a 19-year USD 334.5 million non-recourse Green Project Bond. Key amended terms include increased debt amounts, reduced margins, increased tenors which will improve Scatec's and its project partner's future cash distributions from the power plants.

In the second quarter of 2022, Scatec refinanced the USD 37 million non-recourse debt facilities for the Dam Nai Wind power plant. The leverage is unchanged, but the debt is held by new lenders to better terms improving the cash return.

Refer to Note 9 Investments in joint venture and associated companies for details on non-recourse financing related to joint ventures and associated companies, including a non-recourse construction financing from Equinor related to the solar power plant in Argentina.

Other financing

Please refer to the Annual Report of 2021 for information related to the construction loan provided by PowerChina Guizhou Engineering Co ("PowerChina") to Scatec for the Progressovska power plant in Ukraine. Scatec and PowerChina have signed a revised payment plan for the construction loan where part of the loan was paid in August 2022 and the remaining EUR 22 million will be paid at the end of 2023 and EUR 22 million by mid-2025. Scatec ASA has provided a corporate and bank guarantee to PowerChina in support of this obligation. In the third quarter 2022 the construction loan was reclassified from trade payables to other non-current interest-bearing liabilities in the consolidated statement of financial position. In the fourth quarter, EUR 22 million related to the installment due in 2023 has been reclassified from non-current to current interest-bearing liabilities.

Scatec has no other recourse construction financing arrangements for other projects. Refer to Note 26 Guarantees and commitments and Note 32 Subsequent events in the 2021 Annual Report for further details.

Note 6 Cash, cash equivalents

NOK million	31 December 2022	31 December 2021
Cash in power plant companies in operation	2,057	1,711
Cash in power plant companies under development/construction	109	34
Other restricted cash	223	91
Free cash	1,743	2,335
Total cash and cash equivalents	4,132	4,171

Cash in power plant companies in operation includes restricted cash in proceed 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.

Cash in power plant companies under development and construction comprises shareholder financing and draw down on loan facilities to settle outstanding external EPC invoices.

Other restricted cash comprises restricted deposits for withholding tax, guarantees, VAT and rent, NCI's share of free cash as well as collateralised shareholder financing of power plant companies not yet distributed to the power plant companies. Net cash effect from Working Capital/Other is mainly related to ongoing construction projects.

As of 31 December 2022, NOK 144 million of the total cash is related to companies in Ukraine (of this is NOK 131 million cash in power plants).

Movement in free cash at group level (in recourse group as defined in bond & loan facilities)

NOK million	Q4 2022	Q4 2021	FY 2022	FY 2021
Distributions received by Scatec ASA from the power plant companies	402	346	1,231	1,603
Cash flow to equity D&C 1)	-18	-46	-149	-164
Cash flow to equity Services 1)	13	9	58	60
Cash flow to equity Corporate 1)	-105	-61	-347	-252
Working capital/other 2)	-1,379	-37	16	-556
Cash flow from operations	-1,088	211	809	691
Capitalised expenditures and Scatec's share of equity investments in projects under development	-152	-71	-454	-307
Scatec's share of equity investments in projects under construction	-158	-83	-543	-564
Net cash considerations from purchase of SNP	-	-44	-	-3,262
Cash flow from investments	-310	-198	-996	-4,132
Dividend distribution to Scatec ASA shareholders	-	-	-404	-173
Cash flow from financing	-	-	-404	-173
Change in cash and cash equivalents	-1,399	13	-592	-3,615
Free cash at beginning of period	3,143	2,321	2,335	5,949
Free cash at end of period	1,743	2,335	1,743	2,335
Available undrawn credit facilities	1,827	1,632	1,827	1,632
Total free cash and undrawn credit facilities at the end of period	3,570	3,967	3,570	3,967

1) Proportionate share of cash flow to equity is defined in Alternative Performance Measures Appendix. See note 3 in Scatec's Annual Report 2021 for revenue recognition policies

2) Working capital/other in Q4 2022 and FY 2022 is mainly explained by working-capital movements related to the RMIPPP construction-project in South Africa, payment to PowerChina in August 2022, foreign currency effects and other deviations between cashflow to equity and actual cashflow in the D&C, Corporate and Service segment.

Note 7 Income tax expense

Effective tax rate

NOK million	Q4 2022	Q4 2021	FY 2022	FY 2021
Profit before income tax	-417	238	-1,095	759
Income tax (expense)/benefit	-16	-102	-132	-303
Equivalent to a tax rate of (%)	4%	43%	12%	40%

Movement in deferred tax

NOK million	Q4 2022	Q4 2021	FY 2022	FY 2021
Net deferred tax asset at the beginning of the period	97	252	159	517
Recognised in the consolidated statement of profit or loss	21	-71	108	-232
Deferred tax on financial instruments recognised in OCI	-3	-30	-150	-108
Deferred tax on excess values from acquisition of SN Power	-	-	-	-19
Translation differences	2	9	-	2
Net deferred tax asset at the end of the period	117	159	117	159

The Group recognised tax expense of NOK 16 million (102) in the fourth quarter, corresponding to an effective tax rate of 4% (43%). For the full year 2022 the income tax expense was NOK 132 million (303). The difference between effective tax expense for the quarter and calculated tax expense based on the Norwegian tax rate of 22% is impacted by different tax rates in the jurisdictions in which the companies operate, withholding taxes paid on dividends, currency effects and effects from non-recognised tax losses. Further, the profit/loss from JVs and associates are reported net after tax which also impacts the effective tax rate. The difference between effective tax expense for the year 2022 and a calculated tax expense based on the Norwegian tax rate of 22% is also impacted by non-recognised deferred tax asset related to the impairment of the assets in Ukraine.

The underlying tax rates in the companies in operation are in the range of 0% to 33%. In some markets, Scatec receives special tax incentives intended to promote investments in renewable energy. The effective tax rate will be impacted by the volume of construction activities as the tax rate in the construction companies normally is higher than in the power plant companies. This means that the full tax expense on the internal profit will not be eliminated and hence increase the effective tax rate during construction. The opposite effect will occur when the eliminated internal profit is reversed through lower depreciation at the tax rate of the power plant company.

Note 8 Related parties

Related parties include affiliates, associates, joint ventures, and other companies where the Group have significant influence, as well as the Executive Management and the Board of Directors. All related party transactions have been carried out as part of the normal course of business and at arm's length terms.

Transactions with joint ventures and associates are primarily financing provided to the companies and dividends received from the companies.

In addition, Scatec has transactions and balances with Executive Management and Board of Directors. The Company has no significant agreements with companies in which a board member has a material interest. Note 30 in the annual report for 2021 provides details of transactions with related parties and the nature of these transactions.

For further information on project financing provided by co-investors, refer to Note 25 in the annual report for 2021.

Note 9 Investments in joint venture and associated companies

The consolidated financial statements include the Group's share of profit/loss from joint ventures and associated companies where the Group has joint control or significant influence, accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and subsequently adjusted for further investments, distributions and the Group's share of the net income from the investment.

The tables below show the material joint ventures and associated companies recognised in the Group and the reconciliation of the carrying amount.

Company	Registered office	31 December 2022	31 December 2021
Kube Energy AS	Oslo, Norway	25.00%	25.00%
Scatec Solar Brazil BV	Amsterdam, Netherlands	50.00%	50.00%
Apodi I Energia SPE S.A	Quixeré, Brazil	43.75%	43.75%
Apodi II Energia SPE S.A	Quixeré, Brazil	43.75%	43.75%
Apodi III Energia SPE S.A	Quixeré, Brazil	43.75%	43.75%
Apodi IV Energia SPE S.A	Quixeré, Brazil	43.75%	43.75%
Mendubim Holding B.V. [1]	Amsterdam, Netherlands	33.33%	50.00%
Mendubim Geração de Energia Ltda. [1]	Assu, Brazil	33.33%	50.00%
Mendubim (I-XIII) Energia Ltda. [1]	Assu, Brazil	33.33%	-
Mendubim Solar EPC Ltda. [1]	Assu, Brazil	33.33%	-
Scatec Solar Solutions Brazil B.V.	Amsterdam, Netherlands	50.00%	50.00%
Scatec Solar Brasil Servicos De Engenharia LTDA	Recife, Brazil	50.00%	50.00%
Scatec Equinor Solutions Argentina S.A	Buenos Aires, Argentina	50.00%	50.00%
Cordilleras Solar VIII S.A	Buenos Aires, Argentina	50.00%	50.00%
Theun-Hinboun Power Company	Vientiane, Laos	20.00%	20.00%
SN Aboitiz Power – Magat Inc	Manila, Phillippines	50.00%	50.00%
Manila-Oslo Reneweable Enterprise	Manila, Phillippines	16.70%	16.70%
SN Aboitiz Power – Benguet Inc	Manila, Phillippines	50.00%	50.00%
SN Aboitiz Power – RES Inc	Manila, Phillippines	50.00%	50.00%
SN Aboitiz Power – Generation Inc	Manila, Phillippines	50.00%	50.00%
SN Power Uganda Ltd.	Kampala, Uganda	51.00%	51.00%
Bujagali Energy Ltd.	Jinja, Uganda	28.28%	28.28%
Compagnie Générale D`Hydroelectricité de Volobé SA	Antananarivo, Madagascar	12.75%	12.75%
Ruzizi Holding Power Company Ltd	Kigali, Rwanda	20.40%	20.40%
Ruzizi Energy Ltd	Kigali, Rwanda	20.40%	20.40%
SN Power Africa Ltd	Nairobi, Kenya	51.00%	51.00%
SN Power Invest Netherlands B.V.	Amsterdam, Netherlands	51.00%	100.00%
SN Development B.V.	Amsterdam, Netherlands	51.00%	-

1) Mendubim project structure includes 13 SPVs, EPC and an operating company.

Country	Carrying value 31 December 2021	Additions/ disposals	Net income from JV and associated companies	Dividends	Net movement of cash flow hedges recognised in OCI	Foreign currency translations	Carrying value 31 December 2022
Philippines	6,366	-46	472	-402	-	144	6,535
Laos	1,632	1	79	-86	-	195	1,822
Uganda	1,101	-1	155	-182	85	134	1,292
Other [2]	646	251	42	-	-	87	1,026
Total	9,745	204	749	-669	85	560	10,674

2) Other includes Brazil, Argentina, Madagascar, Rwanda, Norway, Kenya and the Netherlands.

The joint ventures in the Philippines are subject to tax reviews by the local tax authorities on a regular basis, and one entity received a final assessment notice related to the year 2019 of NOK 178 million equivalent (at 31 December 2022) in March 2022. The matter is disputed, and the amount is not included in net income from JV and associated companies for the year. Under the Share Purchase Agreement with Norfund, Scatec has secured full indemnity against historical tax claims in the Philippines up until the SN Power acquisition closing.

Scatec has in Argentina a non-recourse construction financing from Equinor of NOK 614 million (at 31 December 2022) that has been extended after COD and is due in May 2023. The financing from Equinor is pledged in the shares of the project company. The sponsors are currently working on different alternatives for the project and expect to find a solution before due date of the financing.

Note 10 Change in accounting policy

Presentation of external revenues and cost of sales in the proportionate segment financials

The hydropower companies in the Philippines are presented in the condensed interim consolidated financial statements as investments in JVs and associated companies which are accounted for using the equity method. The companies were acquired as part of the business combination of 100% of the shares of SN Power AS, which effectively took place on 29 January 2021.

The Group has re-assessed its accounting policy for the presentation of external revenues and cost of sales in the proportionate financials. The power market settlement mechanism for bilateral contracts in the Philippines applies net settlement within the settlement period although all volumes are reported gross.

On 1 January 2022, the Group elected to voluntarily change the method of accounting for external revenues and cost of sales related to electricity sold on bilateral contracts in the proportionate financials.

The Group had previously accounted for such external revenues and cost of sales on a gross basis in accordance with the reported volumes. Going forward the Group will present the figures net in accordance with the financial settlement mechanism. The change has no impact on net revenues or EBITDA.

The Group believes that the net presentation provides more relevant information to the users of the proportionate financials as it will reduce the fluctuation in external revenues from the business in the Philippines and is more aligned to the practices adopted by its peers.

The Group applied the change retrospectively to the proportionate financials. The change is not applicable to the consolidated financials as the investment in JVs are accounted for using the equity method.

The voluntary change in accounting policies is applied retrospectively in 2021 as follows:

Q4 2021

Proportionate financials - NOK million	Reported Q4 2021	Adjustment	Adjusted Q4 2021
External revenues - Power Production	1,154	-81	1,073
Cost of sales - Power Production	-185	81	-104
EBITDA - Power Production	763	-	763

FY 2021

Proportionate financials - NOK million	Reported FY 2021	Adjustment	Adjusted FY 2021
External revenues - Power Production	4,176	-287	3,890
Cost of sales - Power Production	-556	287	-269
EBITDA - Power Production	2,949	-	2,949

Note 11 Subsequent events

Refinancing of USD 100 million of Bridge-to-Bond

On 2 February 2023, Scatec refinanced USD 100 million of the USD 193 million Bridge-to-Bond facility with a new USD 100 million term loan with maturity in the fourth quarter 2027 provided by DNB, Nordea and Swedbank. The new term loan is amortised through semi-annual repayments of USD 5 million starting from 2024. The existing USD 180 million Revolving Credit Facility, provided by the same banks and BNP Paribas, is further extended by 1.5 years with maturity in the third quarter of 2025.

Sale of Upington in South Africa

On 2 February 2023, Scatec signed an agreement with a subsidiary of STANLIB Infrastructure Fund II, managed by STANLIB Asset Management Proprietary Limited ("Stanlib"), to sell its 42% equity share in the 258 MW Upington solar power plant for a gross consideration of ZAR 979 million (NOK 569 million). The transaction is in line with Scatec's strategy to optimise the portfolio as presented at the Capital Markets Update in September 2022 and will release capital for new investments in renewable energy.

The solar plant in Upington reached COD in 2020 and were awarded in the fourth bidding round under the Renewable Energy Independent Power Producer Programme. The plant generates approximately one third of the proportionate power production EBITDA in South Africa for Scatec. Scatec will continue to provide Operations & Maintenance and Asset Management services to the Upington power plant. South Africa remains a focus market for Scatec, and the Company continues to build scale by investing into new projects, including the Kenhardt and Grootfontein projects.

The transaction is expected to generate a net accounting gain of approximately NOK 760 million on a consolidated basis and NOK 310 million on a proportionate basis. The difference is primarily explained by the D&C margin related to the projects which has been eliminated in the consolidated statement of financial positions. The final accounting effects will be determined on closing of the transaction. Norfund is also selling its 18% equity share to Stanlib as part of the same transaction. The transaction is subject to the customary consents and is expected to close in the first half of 2023.

Responsibility statement

We confirm to the best of our knowledge, that the condensed interim financial statement for the period 1 January to 31 December 2022 has been prepared in accordance with IFRS as adopted by EU, and that the information gives a true and fair view of the Group's assets, liabilities, financial position and result for the period. We also confirm that presented information provides a fair overview of important events that have occurred during the period and their impact on the financial statements, key risk and uncertainty factors that Scatec is facing during the next accounting period.

Oslo, 2 February 2023

The Board of Directors Scatec ASA

John Andersen Jr. (Chairman)

Espen Gundersen

Maria Moræus Hanssen

Jørgen Kildahl

Mette Krogsrud

Gisele Marchand

Jan Skogseth

Terje Pilskog (CEO)

Alternative Performance Measures

Scatec discloses alternative performance measures (APMs) in addition to those normally required by IFRS. This is based on the Group's experience that APMs are frequently used by analysts, investors and other parties for supplemental information.

The purpose of APMs is to provide an enhanced insight into the operations, financing and future prospect of the Group. Management also uses these measures internally to drive performance in terms of long-term target setting. APMs are adjusted IFRS measures that are defined, calculated and used in a consistent and transparent manner over the years and across the Group where relevant.

Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS. Disclosures of APMs are subject to established internal control procedures.

Definition of alternative performance measures used by the Group for enhanced financial information

Cash flow to equity: is a measure that seeks to estimate value creation in terms of the Group's ability to generate funds for equity investments in new power plant projects and/or for shareholder dividends over time. Management believes that the cash flow to equity measure provides increased understanding of the Group's ability to create funds from its investments. The measure is defined as EBITDA less net interest expense, normalised loan repayments and normalised income tax payments, plus any proceeds from refinancing. The definition excludes changes in net working capital, investing activities and fair value adjustment of first-time recognition of joint venture investments. Normalised loan repayments are calculated as the annual repayment divided by four quarters for each calendar year. However, loan repayments are normally made bi-annually. Loan repayments will vary from year to year as the payment plan is based on a sculpted annuity. Net interest expense is here defined as interest income less interest expenses, excluding shareholder loan interest expenses, non-recurring fees and accretion expenses on asset retirement obligations. Normalised income tax payment is calculated as operating profit (EBIT) less normalised net interest expense multiplied with the nominal tax rate of the jurisdiction where the profit is taxed

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

EBITDA margin: is defined as EBITDA divided by total revenues and other income.

EBITDA and EBITDA margin are used for providing consistent information of operating performance which is comparable to other companies and frequently used by other stakeholders.

Gross profit: is defined as total sales revenue including net gain/loss from sale of project assets and net gain/ loss from associates minus the cost of goods sold (COGS). Gross profit is used to measure project profitability in the D&C segment.

Net revenues: include energy sales revenues net of significant cost items directly linked to the energy sales volume (such as cost of energy purchase) in the PP segment. Refer to Note 2 Operating Segments for further details.

Gross interest-bearing debt: is defined as the Group's total debt obligations and consists of non-current and current external non-recourse financing, external corporate financing and other interest-bearing liabilities, irrespective of its maturity as well as bank overdraft.

Net interest-bearing debt (NIBD): is defined as gross interest-bearing debt, less cash and cash equivalents. NIBD does not include shareholder loans.

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

Proportionate Financials

The Group's segment financials are reported on a proportionate basis. The consolidated revenues and profits are mainly generated in the Power Production segment. Activities in Services and Development & Construction segments mainly reflect deliveries to other companies controlled by Scatec (with between 39% and 100% economic interest), for which revenues and profits are eliminated in the Consolidated Financial Statements. With proportionate financials Scatec reports its share of revenues, expenses, profits and cash flows from all its subsidiaries without eliminations based on Scatec's economic interest in the subsidiaries. The Group introduced Proportionate Financials as the Group is of the opinion that this method improves earnings visibility. The key differences between the proportionate and the consolidated IFRS financials are that;

- Internal gains are eliminated in the consolidated financials but are retained in the proportionate financials. These internal gains primarily relate to gross profit on D&C goods and services delivered to project companies which are eliminated as a reduced group value of the power plant compared to the stand-alone book value. Similarly, the consolidated financials have lower power plant depreciation charges than the proportionate financials since the proportionate depreciations are based on power plant values without elimination of internal gain. Internal gain eliminations also include profit on Services delivered to project companies.

- The consolidated financials are presented on a 100% basis, while the proportionate financials are presented based on Scatec's ownership percentage/economic interest.

- In the consolidated financials joint venture companies are equity consolidated and are presented with Scatec's share of the net profit on a single line in the statement of profit or loss. In the proportionate financials the joint venture companies are presented in the same way as other subsidiaries on a gross basis in each account in the statement of profit or loss.

In the fourth quarter of 2022 Scatec reports a proportionate operating profit of NOK 469 million compared with an operating profit of NOK 458 million in the consolidated financials. To arrive at the proportionate operating profit from the consolidated operating profit the Group has:

1. added back to the proportionate statement of profit or loss the internal gain on transactions between group companies with a positive amount of NOK 64 million,

2. removed the non-controlling interests share of the operating profit of NOK 153 million to only leave the portion corresponding to Scatec's ownership share,

3. replaced the consolidated net profit from joint venture companies of NOK 220 million with Scatec's share of the Operating profit from the joint venture companies with NOK 321 million.

See Note 2 for further information on the reporting of proportionate financial figures, including reconciliation of the proportionate financials against the consolidated financials.

A bridge from proportionate to consolidated key figures including APMs like gross interest-bearing debt, net interest-bearing debt and net-working capital is included in Scatec's Q4 historical financial information 2022 published on Scatec's web page.

Reconciliation of Alternative Performance Measures (consolidated figures)

NOK million	Q4 2022	Q4 2021	FY 2022	FY 2021
EBITDA				
Operating profit (EBIT)	458	539	723	2,012
Depreciation, amortisation and impairment	231	236	1,832	892
EBITDA	689	775	2,555	2,903
Total revenues and other income	993	1,039	3,751	3,803
EBITDA margin	69%	75%	68%	76%
Gross profit				
Total revenues and other income	993	1,039	3,751	3,803
Cost of sales	-	-	-	-
Gross profit	993	1,039	3,751	3,803
Gross interest-bearing debt				
Non-recourse project financing	13,297	10,708	13,297	10,708
Corporate financing	7,987	7,264	7,987	7,264
Non-recourse project financing - current	1,963	1,147	1,963	1,147
Other non-current interest-bearing liabilities	231	-	231	-
Other current interest-bearing liabilities	231	-	231	-
Gross interest-bearing debt	23,709	19,120	23,709	19,120
Net interest-bearing debt				
Gross interest-bearing debt	23,709	19,120	23,709	19,120
Cash and cash equivalents	4,132	4,171	4,132	4,171
Net interest-bearing debt	19,578	14,949	19,578	14,949
Net working capital				
Trade and other receivables	497	740	497	740
Other current assets [1]	1,863	734	1,863	734
Trade and other payable	-594	-812	-594	-812
Income tax payable	-37	-24	-37	-24
Other current liabilities	-1,106	-841	-1,106	-841
Non-recourse project financing-current	-1,963	-1,147	-1,963	-1,147
Other current interest-bearing liabilities	-231	-	-231	-
Net working capital	-1,571	-1,351	-1,571	-1,351

1) Excluding current portion of derivatives of NOK 20 million in Q4 2022

Break-down of proportionate cash flow to equity

Q4 2022

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	821	16	-20	-30	786
Net interest expenses	-193	-	-2	-107	-303
Normalised loan repayments	-237	-	-	-	-237
Proceeds from refinancing	-	-	-	-	-
Normalised income tax payment	-34	-3	4	32	-1
Cash flow to equity	357	13	-18	-105	246

Q3 2022

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	907	22	-45	-34	850
Net interest expenses	-185	-	-	-84	-272
Normalised loan repayments	-202	-	-	-	-202
Proceeds from refinancing		-	-	-	
Normalised income tax payment	-51	-5	13	27	-15
Cash flow to equity	469	17	-34	-91	361

Q4 2021

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	763	11	-57	-35	683
Net interest expenses	-203	-	-7	-46	-256
Normalised loan repayments	-197	-	-	-	-197
Proceeds from refinancing	-	-	-	-	
Normalised income tax payment	-33	-3	19	19	3
Cash flow to equity	330	9	-46	-61	234

FY 2022

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	2,835	74	-221	-138	2,550
Net interest expenses	-780	-1	-5	-316	-1,101
Normalised loan repayments	-815	-	-	-	-815
Proceeds from refinancing	363	-	-	-	363
Normalised income tax payment	-116	-15	78	106	53
Cash flow to equity	1,487	58	-149	-347	1,050

FY 2021

NOK million	Power Production	Services	Development & Construction	Corporate	Total
EBITDA	2,949	75	-223	-114	2,686
Net interest expenses	-776	1	-8	-217	-1,000
Normalised loan repayments	-790	-	-	-	-790
Proceeds from refinancing	397	-	-	-	397
Normalised income tax payment	-140	-16	68	78	-9
Cash flow to equity	1,640	60	-164	-252	1,284

Other definitions

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

Pipeline
Historically, about 50% of projects in pipeline have been realised. The pipeline projects are in different stages of development and maturity, but they are all typically in markets with an established government framework for renewables and for which project finance is available (from commercial banks or multilateral development banks). The project sites and concessions have been secured and negotiations related to power sales and other project implementation agreements are in various stages of completion.

Lost time injury (LTI)
An occurrence that results in a fatality, permanent disability or time lost from work of one day/shift or more.

Scatec's economic interest
Scatec's share of the total estimated economic return from its subsidiaries. For projects in development and construction the economic interest is subject to change from the development of the financial model.

Cash in power plant companies in operation
Comprise restricted cash in proceed 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 distribution as determined by shareholder and non-recourse financing agreements.

Cash in power plant companies under development/construction
Comprise shareholder financing and draw down on term loan facilities by power plant companies to settle outstanding external EPC invoices.

Project equity
Project equity comprise of equity and shareholder loans in power plant companies.

Recourse Group
Recourse Group means all entities in the Group, excluding renewable energy companies (each a recourse group company).

Definition of project milestones
Commercial Operation Date (COD): A scheduled date when certain formal key milestones have been 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. In the quarterly report grid connection is used as a synonym to COD.

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 power plant will normally be given directly thereafter. Projects in Scatec defined as "backlog" are classified as "under construction" upon achievement of financial close.

Start of Production (SOP): The first date on which the 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.

Take Over Date (TOD): The date on which the EPC contractor hands over the power plant to the power plant company. COD must have been reached, in addition to delivery of training and all technical documentation before TOD takes place. The responsibility for Operations & 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.

ESG Performance Indicators

E&S impact assessments (% completed in new projects): Environmental and Social Impact Assessments (ESIAs), due diligence or baseline studies to identify potential environmental and social risks and impacts of our activities (in accordance with the IFC Performance Standards and Equator Principles).

GHG emissions avoided (in mill tonnes of CO2): Actual annual production from renewable power projects where Scatec has operational control multiplied by the country and region-specific emissions factor (source IEA).

Water consumption (in mill liters within water-stressed areas): As per the WRI Aqueduct Water Risk Atlas, the Company reports on water withdrawal by source for projects located within water-stressed areas in South Africa and Jordan.

Lost Time Incident Frequency (per mill hours): The number of lost time incidents per million hours worked for all renewable power projects where Scatec has operational control.

Hours worked (mill hours - 12 months rolling): The total number of hours worked by employees and contractors for all renewable power projects where Scatec has operational control for the last 12 months.

Female management (% of females in mgmt. positions): The total number of female managers as a percentage of all managers.

Corruption incidents: The number of confirmed incidents of corruption received via Scatec's publicly available whistleblower function (on the Company's corporate website) managed by an independent third party.

Supplier E&S screening (number of suppliers): The number of contracted and potential suppliers of key procurement categories screened and rated through the EcoVadis supplier assessment platform.

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