

Building a global leader in renewable energy

In a year otherwise characterised by global crisis caused by COVID-19, we have expanded our strategy and made the greatest acquisition since our establishment. Our ambition is to become a global player in solar, hydro, wind and storage solutions, and an integrator of high-value infrastructure solutions.

We expect the world to be powered by renewable energy in 2050. The Bloomberg New Energy Outlook estimates a 60 percent increase in global electricity demand, with 91 percent of the growth taking place in non-OECD countries. 75 percent of the demand will be covered by renewables. At the same time, the market share of fossil energy sources will decline from 64 percent, to 20 percent. This snapshot of the future forms the backdrop for what we aim to achieve going forward: becoming a global player in renewable energy, with a focus on growth economies.

2020 was a transformational year for Scatec. We went from mainly being a large-scale solar player to building a global leader in renewables. We broadened our growth strategy and acquired major hydropower player SN Power from Norfund. Our role in contributing to a more sustainable future grows with our expansion - and I am impatient. Impatient because the world is in urgent need of clean energy to reach the goals set in the Paris Agreement in order to improve our future and to combat climate change.

Building a global leader in challenging times

Renewable markets have shown a remarkable resilience to the crisis caused by COVID-19. In contrast to all other energy sources, renewables experienced growth in 2020, according to the IEA. For Scatec, the pandemic has had limited impact on our operations and ability to deliver power to our customers. And although some might say that a global crisis is the time to sit still and not rock the boat, I believe that there is no better time than right now to set ambitious targets and immediately follow up with actions.

Despite challenging circumstances, we grew our project pipeline from 5.2 GW to almost 10 GW during 2020,

whereof 2.5 GW was added from SN Power. We completed our first solar hybrid plants for two UN organisations in South Sudan, we started commercial operation of the 54 MW Boguslav project in Ukraine and completed the 258 MW Uppington solar power complex in South Africa. With SN Power integrated, we will significantly increase scale and cash flow from operating plants and in the first half of 2021 we now have a total of 3.3 GW in operation in 14 countries.

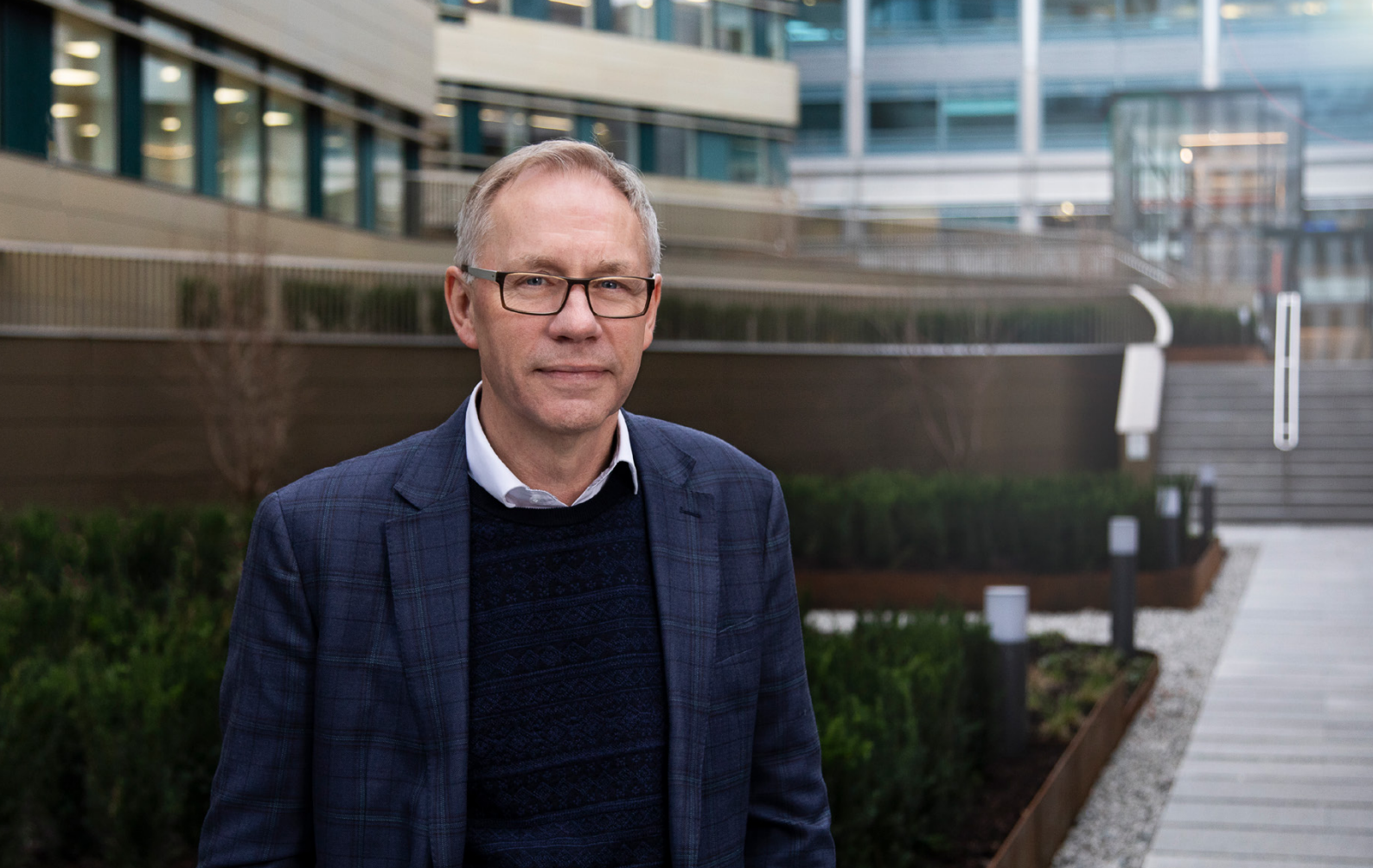
We maintain a solid financial position with available liquidity of NOK 3.9 billion post the SN Power transaction. In 2020, we completed two successful private placements and refinanced our credit facilities at attractive terms, including a new USD 180 million ESG-linked facility. The latter reflects how sustainability and finance are becoming ever more intertwined. Our revenues saw a decrease of 55% in 2020 due to much lower construction activity, while the EBITDA margin increased to 46% due to significantly higher contributions from power production.

A NOK 100 billion business plan towards 2025

We have strong confidence in our operations and broadened growth strategy, and we confirmed our current 4.5 GW capacity target for 2021 and raised our target to 15 GW by the end of 2025 at our Capital Markets Update in March 2021. The business plan is supported by our track record of strong growth and a solid project pipeline across solar, wind, hydro and storage in high-growth markets globally.

Sustainability at the core our operations

In 2020, ESG investments skyrocketed, showing an immense faith in the capability of green technology to solve climate change. As a renewables company, we are inherently a part of the solution to climate change, while we at the same time provide jobs and secure livelihoods



in the communities where we operate. However, that does not absolve us from our responsibility to operate in a truly sustainable manner. We are proud to share that our integrated and systematic sustainability efforts are yielding results.

We were recognised for our sustainability work in 2020 by, for instance, achieving top scores from international ESG rating agencies such as MSCI and Sustainalytics. Moreover, we were recognised for our leadership in corporate sustainability by the Carbon Disclosure Project by securing a place on the prestigious 'A' List for tackling climate change.

I encourage you to read more in our sustainability report at <http://sustainabilityreport2020.scatec.com>.

People power our success

I would like to take the opportunity to thank our partners, stakeholders and friends of Scatec. We rely heavily on our suppliers and contractors to support delivering on our goals, and we appreciate their efforts knowing that this has been a challenging year for many of them, too.

At Scatec, we have always recognised that people are a key asset, and this past year further underlines the

importance of our people. Our achievements during 2020 can largely be attributed to each individual employee's effort and I am both impressed by my colleagues and grateful to be part of such an amazing team.

Late January, we welcomed our new colleagues from SN Power who adds solid experience within hydropower and other solutions such as floating solar. We are building a stronger, broader and even more diverse team across renewable energy technologies and bringing the best from both companies to fully integrate into a leading renewable player.

Although we are still in the midst of a pandemic, we are optimistic about the future and even more so about the outlook for renewables. We can promise that Scatec will do its utmost to improve our future as we grow as a global leader in renewable energy.

Raymond Carlsen, CEO