

Promoting and financing solar energy

Our policy

The growth of renewable energy production continues to be driven by political determination to create a low carbon economy and increase access to energy. We have knowledge and experience that is valuable in shaping and driving this agenda.

Our policy is to:

- Promote and contribute to the reduction of greenhouse gas emissions
- Share knowledge and experiences of the benefits of renewable energy in dialogue with policy makers, local authorities, investors and other partners
- Leverage carbon and climate finance
- Ensure that our efforts to promote renewable energy are done in a balanced manner and with integrity

The majority of our target markets experience energy shortages. This combined with ambitious government targets to increase renewable energy in the total energy mix provide huge potential for solar energy expansion. Innovative ways to raise capital is also opening up new possibilities for financing projects in many of our key markets.

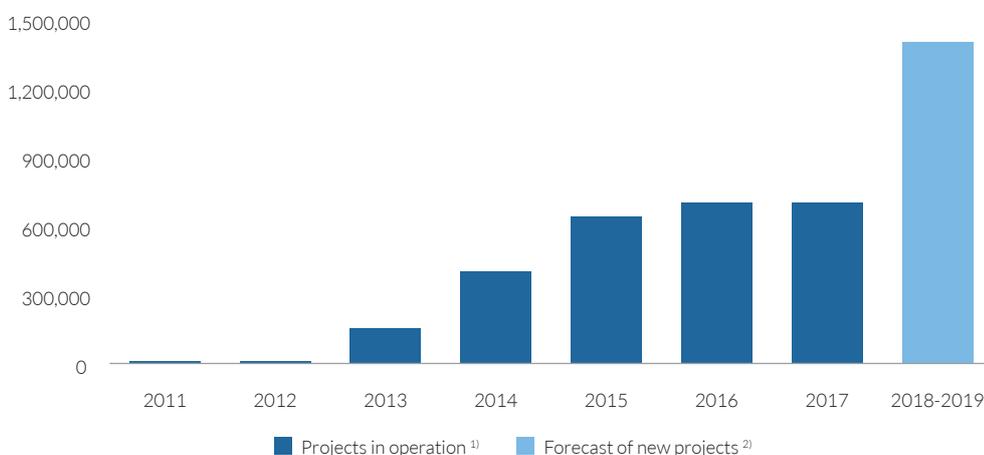
Our achievements and results in 2017

Scatec Solar's solar power plants in operation resulted in avoiding more than 700,000 tons of greenhouse gas emissions in 2017. This number is based on company estimates and certified emission volumes for projects registered under country-specific programmes. To estimate the emission reduction in tons for projects under development we use the predicted annual production multiplied by a grid emission factor. When projects are in operation we follow the methodology under the United Nations Framework Convention on Climate Change (UNFCCC) through the Clean Development Mechanism (CDM).

Clean Development Mechanism (CDM):

Under the Clean Development Mechanism emission-reduction projects in developing countries can earn certified emission reduction credits (CERs).

Accumulated greenhouse gas emissions avoided per year in tons of CO₂



1) This includes the 104 MW Utah Red Hills project, which was sold during fourth quarter 2016

2) Projects include Malaysia, Brazil, Egypt and Honduras



Global networks

Scatec Solar has many different stakeholders in various markets on a global scale. To facilitate networking and the sharing of knowledge on solar energy, we continue with active participation at several industry conferences and events worldwide. Some of the key events we participated in during 2017 are outlined below.

We also organised our second Sustainability Seminar in Oslo in collaboration with Sustainability Hub and several other companies including Storebrand, Statkraft and Aker BioMarine. Through our event participation we increase our company’s partner network and enhance existing and foster new relations.

EVENTS	LOCATION
Africa Energy Forum	Copenhagen
Egypt CSR Forum	Cairo
Renewables in the Electrification of Mozambique	Maputo
ZERO conference	Oslo
MENA New Energy Forum	Dubai
BSG Solar Summit	Tunis

Exploring financial innovation

Our company is continuously exploring innovative ways to raise capital, among these our first Islamic Green Bond and climate finance. This has in total enabled the company to launch 758 MW of clean energy projects on three continents - Asia, Africa and South America. Our approach to project financing differs, with uniquely designed solutions appropriate for the specific local conditions in Malaysia, Brazil and Egypt.

Our strong and long-standing financial partnerships with Development Finance Institutions (DFIs) and multilateral financial institutions enable the successful raising of capital.

In addition, Norway's export credit agency, GIEK, which is mandated by the Norwegian Government to facilitate export financing to mitigate host country political and economic risks, has provided support through guarantees across Scatec Solar's project portfolio.

- Financial innovation enables Scatec Solar to launch projects worth nearly USD one billion -

Malaysia - 197 MW

- The world's largest Islamic Green (Sukuk) Bond of USD 237 million
- Complies with Islamic religious law
- Providing 80% of the capital expenditure
- AA rating by the Malaysian Rating Corporation Berhad
- Dark green rating from CICERO (The Center for International Climate and Environmental Research in Oslo)

Egypt - 400 MW

- Debt package of USD 335 million provided by:
 - The European Bank of Reconstruction & Development (EBRD)
 - The Dutch development bank FMO
 - The Islamic Development Bank
 - The Islamic Corporation for the Development of the Private Sector
- Includes USD 48 million from the UN's Green Climate Fund



«We want to explore and utilize financial structures that are optimal for each situation»

Mikkel Tørud, CFO

Our ambitions and goals

Scatec Solar shall continue to take a lead role in promoting solar energy and leveraging carbon and climate finance to accelerate deployment of large-scale PV in developing countries.

We estimate the emission reductions from Scatec Solar projects to increase significantly in 2018 and 2019 with the additions of close to 400 MW currently under construction and a project backlog of close to 790 MW. When realised and in full operation, it is estimated that the emission reductions

from our projects in Brazil, Malaysia and Egypt alone will amount to almost 700,000 tons of greenhouse gas emissions per year. This will more than double the amount of emissions avoided from our current operations.



«Getting cost efficient capital is essential to deploy renewable energy to meet climate goals. I am very proud of our organization's ability to innovate and deliver high value projects in new and different markets»

Raymond Carlsen, CEO

