

# Consolidated financial statements Group



Consolidated statement of profit or loss	102
Consolidated statement of comprehensive income	103
Consolidated statement of financial position	104
Consolidated statement of changes in equity	106
Consolidated statement of cash flow	107
Notes to the Consolidated financial statements Group	108
Note 1 Corporate information	108
Note 2 Key sources of estimation uncertainty, judgements and assumptions	108
Note 3 Operating segments	112
Note 4 Financial risk management	116
Note 5 Bonds	119
Note 6 Non-recourse financing	119
Note 7 Cash	123
Note 8 Guarantees and commitments	124
Note 9 Derivative financial instruments	126
Note 10 Financial instruments by category	127
Note 11 Financial instruments: measurement and market risk sensitivities	128
Note 12 Property, plant and equipment	131
Note 13 Impairment testing goodwill	133
Note 14 Tax	134
Note 15 Trade receivables	136
Note 16 Trade and other payables	137
Note 17 Other non-current and current liabilities	137
Note 18 Other non-current and current assets	138
Note 19 Other operating expenses	138
Note 20 Financial income and expenses	139
Note 21 Investments in JVs and associated companies	140
Note 22 Earnings per share	142
Note 23 Share capital, shareholder information and dividend	142
Note 24 Non-controlling interests	144
Note 25 Project equity financing provided by co-investors	149
Note 26 Employee benefits	151
Note 27 Transactions with related parties	152
Note 28 Asset retirement obligations	153
Note 29 Net gain/(loss) from sale of project assets	154
Note 30 Consolidated subsidiaries	155
Note 31 Subsequent events	156
Note 32 Summary of significant accounting policies	157

# Consolidated statement of profit or loss

1 January – 31 December

NOK THOUSAND	NOTE	2017	2016
Revenues	3	1,121,052	1,012,938
Net gain/(loss) from sale of project assets	3, 12, 21	377,821	75,405
Net income/(loss) from JVs and associated companies	3, 21	-7,371	-3,394
Total revenues and other income		1,491,502	1,084,942
Personnel expenses	26	-94,673	-86,199
Other operating expenses	19	-155,539	-165,713
Depreciation, amortization and impairment	12, 13	-248,058	-270,083
Operating profit		993,232	562,954
Interest and other financial income	20	51,224	50,796
Interest and other financial expenses	20	-523,761	-504,801
Net foreign exchange gain/(loss)	4, 20	-59,810	-10,052
Net financial expenses		-532,347	-464,057
Profit before income tax		460,885	98,897
Income tax (expense)/benefit	14	-22,975	-28,410
Profit/(loss) for the period		437,910	70,487
<b>Profit/(loss) attributable to:</b>			
Equity holders of the parent		339,096	3,502
Non-controlling interests	24	98,814	66,985
Basic earnings per share (NOK)	22	3.36	0.04
Diluted earnings per share (NOK)	22	3.35	0.04

# Consolidated statement of comprehensive income

1 January – 31 December

NOK THOUSAND	NOTE	2017	2016
Profit/(loss) for the period		437,910	70,487
<b>Other comprehensive income:</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
Net movement of cash flow hedges	9	-61,780	-114,582
Income tax effect	14	16,858	32,084
Foreign currency translation differences	29	30,760	5,341
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-14,162	-77,157
Total comprehensive income for the year, net of tax		423,748	-6,670
<b>Attributable to:</b>			
Equity holders of the parent		336,050	-69,115
Non-controlling interests		87,698	62,446

## Consolidated statement of financial position


NOK THOUSAND	NOTE	AS OF 31 DECEMBER 2017	AS OF 31 DECEMBER 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deferred tax assets	14	401,901	327,456
Property, plant and equipment - in solar projects	12	5,580,404	5,059,802
Property, plant and equipment - other	12	37,926	21,465
Goodwill	13	24,138	22,289
Financial assets	9	176	18,237
Investments in JVs and associated companies	21	415,149	-
Other non-current assets	27	120,095	141,789
<b>Total non-current assets</b>		<b>6,579,789</b>	<b>5,591,038</b>
<b>Current assets</b>			
Trade and other receivables	15	238,789	231,484
Other current assets	18, 27	558,526	114,104
Financial assets	9	157	1,289
Cash and cash equivalents	7	2,863,091	1,137,224
<b>Total current assets</b>		<b>3,660,563</b>	<b>1,484,101</b>
<b>TOTAL ASSETS</b>		<b>10,240,352</b>	<b>7,075,139</b>

## Consolidated statement of financial position

NOK THOUSAND	NOTE	AS OF 31 DECEMBER 2017	AS OF 31 DECEMBER 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid in capital</b>			
Share capital	23	2,580	2,345
Share premium		1,194,660	819,053
Total paid in capital		1,197,240	821,398
<b>Other equity</b>			
Retained earnings		31,024	-221,977
Other reserves		81,659	85,309
Total other equity		112,683	-136,668
Non-controlling interests	24	577,305	628,009
Total equity		1,887,228	1,312,739
<b>Non-current liabilities</b>			
Deferred tax liabilities	14	184,948	127,508
Non-recourse project financing	6	6,163,851	4,304,098
Bonds	5	740,799	495,417
Financial liabilities	9	28,657	7,330
Other non-current liabilities	17, 27, 28	299,436	318,798
Total non-current liabilities		7,417,691	5,253,151
<b>Current liabilities</b>			
Trade and other payables	16	216,339	29,346
Income tax payable	14	19,400	10,680
Non-recourse project financing	6	316,645	279,473
Financial liabilities	9	26,576	6,584
Other current liabilities	17, 27	356,473	183,166
Total current liabilities		935,433	509,249
Total liabilities		8,353,124	5,762,400
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,240,352</b>	<b>7,075,139</b>

Oslo, 15 March 2018

The Board of Directors of Scatec Solar ASA

  
John Andersen jr. (Chairman)

  
Alf Bjørseth

  
Mari Thjømøe

  
Jan Skogseth

  
Gisele Marchand

  
Raymond Carlsen (CEO)

## Consolidated statement of changes in equity

NOK THOUSAND	OTHER RESERVES						TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	HEDGING RESERVES				
At 1 January 2016	2,345	807,903	-164,909	127,460	34,343	807,142	618,255	1,425,397	
Profit for the period	-	-	3,502	-	-	3,502	66,986	70,487	
Other comprehensive income	-	175	3,703	-43,749	-32,745	-72,616	-4,541	-77,158	
Total comprehensive income	-	175	7,205	-43,749	-32,745	-69,114	62,445	-6,670	
Share-based payment	-	10,975	-	-	-	10,975	-	10,975	
Dividend distribution	-	-	-61,196	-	-	-61,196	-173,698	-234,892	
Capital increase from non-controlling interests <sup>1), 2)</sup>	-	-	-13,381	-	-	-13,381	121,007	107,626	
Distribution to non-controlling interests loan	-	-	10,304	-	-	10,304	-	10,304	
At 31 December 2016	2,345	819,053	-221,977	83,711	1,598	684,730	628,009	1,312,739	
Profit for the period	-	-	339,096	-	-	339,096	98,814	437,910	
Other comprehensive income	-	-	605	20,789	-24,439	-3,045	-11,117	-14,162	
Total comprehensive income	-	-	339,701	20,789	-24,439	336,051	87,697	423,748	
Share-based payment	-	2,879	-	-	-	2,879	-	2,879	
Share capital increase	235	379,655	-	-	-	379,890	-	379,890	
Transaction cost, net after tax	-	-6,927	-	-	-	-6,927	-	-6,927	
Dividend distribution	-	-	-73,269	-	-	-73,269	-185,288	-258,557	
Capital increase from non-controlling interests <sup>1)</sup>	-	-	-	-	-	-	33,456	33,456	
Step-by-step acquisition	-	-	-13,431	-	-	-13,431	13,431	-	
At 31 December 2017	2,580	1,194,660	31,024	104,500	-22,841	1,309,923	577,305	1,887,228	

1) The total capital increase from non-controlling interests to project entities consists of shareholder loans and equity. The amount of shareholder loans is NOK 2,475 thousand (2016: NOK 4,438 thousand). All payments related to these loans are at the discretion of the project companies. Accordingly, as the loans do not contain any contractual obligation to pay cash or other financial assets, the shareholder loans are presented as equity in the financial statements of the Group.

2) Included in this line item is a reclassification from non-current liabilities to the non-controlling interests' share of equity of NOK 105,461 related to shareholder loans granted to the project companies in Jordan.

### Nature and purpose of reserves included in total equity

#### Share premium

Share premium includes net share premium paid as part of capital increases, as well as a share-based payment transaction reserve used to recognise the value of equity-settled and share-based payment transactions provided to employees, including key management personnel, as part of their remuneration.

#### Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

#### Hedging reserve

The hedging reserve includes mark-to-market revaluation reserve on derivatives used in the Group's cash flow hedging.

## Consolidated statement of cash flow

NOK THOUSAND	NOTE	2017	2016
<b>Cash flow from operating activities</b>			
Profit before taxes		460,885	98,899
Taxes paid	14	-17,392	-29,143
Carry-back tax payment received	14	8,481	
Depreciation and impairment	12,13	248,058	270,083
Net income from associated companies/sale of project assets	21	-370,649	-72,011
Interest and other financial income	20	-51,224	-50,796
Interest and other financial expenses	20	523,761	504,801
Unrealised foreign exchange (gain)/loss	20	-55,745	29,036
(Increase)/decrease in trade and other receivables	15	-7,305	-10,102
(Increase)/decrease in other current/non-current assets	18	-420,901	148,448
Increase/(decrease) in trade and other payables	16	186,993	-87,951
Increase/(decrease) in current liabilities	17	153,945	-176,228
Increase/(decrease) in financial assets/liabilities and other changes		185,213	106,935
<b>Net cash flow from operating activities</b>		<b>844,120</b>	<b>731,971</b>
<b>Cash flows from investing activities</b>			
Interest received		51,224	50,797
Investments in property, plant and equipment	12	-673,092	-883,634
Proceeds from sale of project assets, net of cash disposed		-	250,840
Net investments in associated companies	21	-252,275	-
<b>Net cash flow used in investing activities</b>		<b>-874,143</b>	<b>-581,997</b>
<b>Cash flow from financing activities</b>			
Proceeds from non-controlling interest shareholder financing, include both equity contributions and shareholder loans		31,436	-
Interest paid		-475,896	-509,047
Proceeds from non-recourse project financing	6,10	1,973,828	241,337
Repayment of non-recourse project financing	6,10	-230,633	-156,706
Share capital increase	23	372,963	-
Proceeds from corporate bond issue	5,10	750,000	-
Repayment of corporate bond	10	-523,314	-
Dividends paid to equity holders of the parent company	23	-73,269	-61,918
Dividends and other distributions paid to non-controlling interest	23	-185,287	-173,699
<b>Net cash flow from financing activities</b>		<b>1,639,828</b>	<b>-660,033</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,609,805</b>	<b>-510,059</b>
Effect of exchange rate changes on cash and cash equivalents		116,062	8,679
Cash and cash equivalents at beginning of the period		1,137,224	1,638,604
Cash and cash equivalents at end of the period	7	2,863,091	1,137,224
Cash in power plant companies in operation	7	793,264	708,466
Cash in power plant companies under development/construction	7	1,323,938	7,000
Other restricted cash	7	57,833	117,840
Free cash	7	688,056	303,918
<b>Total cash and cash equivalents</b>		<b>2,863,091</b>	<b>1,137,224</b>
Hereof presented as:			
Cash and cash equivalents		2,863,091	1,137,224