

# Definitions

## Backlog

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

## Pipeline

**Project pipeline** Project pipeline is defined as projects assessed to have more than 50% likelihood of reaching financial close and subsequent realisation.

## Opportunities

**Project opportunities** Project opportunities are defined as projects that have not yet reached a 50% likelihood of reaching financial close and subsequent realisation. However, the company has verified feasibility and business cases for the projects.

## Lost time injury (LTI)

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

## Definition of project milestones

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

**Start of Production (SOP):** and equity funding has been subscribed for, including execution of all project agreements. Notice to proceed for commencement of construction of the solar power plant will normally be given directly thereafter. Projects in Scatec Solar defined as "backlog" are classified as "under construction" upon achievement of financial close.

**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.

**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.

## Definitions of project finance terms

**Debt Service Cover Ratio (DSCR):** The amount of cash flow available to meet annual interest and principal payments on debt.

**Loan Life Cover Ratio (LLCR):** A ratio used to estimate the ability of a borrowing company to repay an outstanding loan. It is calculated by dividing the net present value (NPV) of the money available for debt repayment by the amount of senior debt owed by the company.

**Project Life Cover Ratio (PLCR):** A ratio of the net present value (NPV) of the cash flow over the remaining full life of the project to the outstanding debt balance in the period.

## Other Definitions

**Full-Time Equivalent Employee (FTE):** An employee which have a contract with the company with no end date.