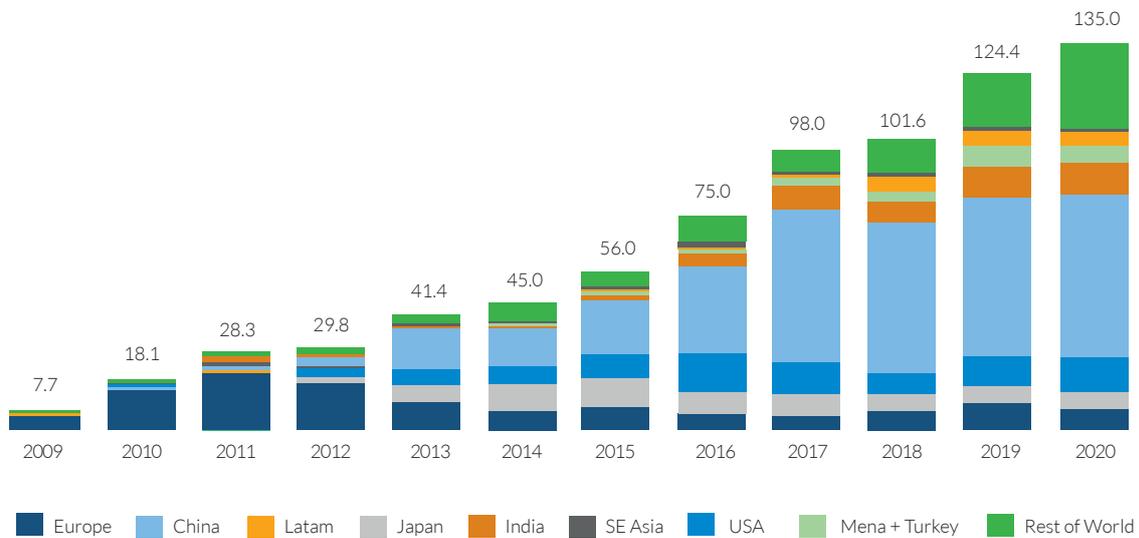


Market development

The solar industry continues to develop rapidly and with further technology improvements and cost reductions industry analysts are expecting significant market growth in the years to come.

PV Market Outlook

GW



Source: Bloomberg New Energy Finance, Q1 2018 PV Market Outlook

According to Bloomberg New Energy Finance (BNEF) it was installed 98 GW of solar globally in 2017. This reflects a total investment of USD 161 billion representing about half of the total investments in renewable energy.

BNEF expects global power demand to grow by 58% from 2017 to 2040 representing investments of about USD 10 trillion in new power generation. Wind and solar is forecasted to account for 48% of total installed capacity by 2040, compared to 12% today.

In the short term, the solar market volume is expected to grow about 38% from 2017 to 2020, while capex per MW installed is expected to drop by 25% in the same time period.

The growth will primarily be driven by new markets in Latin America, the Middle East and Southeast Asia.

As the cost of solar continues to decline, policy makers around the world are looking to solar to cover their power needs and grow their economies. Governments in emerging economies sees private/public partnerships as an attractive implementation model where multilateral development banks and private players provide funding and kick-starts the solar market. The development banks have long-standing presence and experience in the country can provide non-recourse project finance. These markets represent very interesting opportunities for Scatec Solar and a strong basis for growth in the years to come.



Annual solar installations are expected to reach **135 GW by 2020**