



Introduction to Release

Scatec Solar's Capital Markets Update 18 September
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Hans Olav Kvalvaag, SVP Release



Introducing Release – a new growth platform for Scatec Solar

- Release offers affordable, clean, reliable and flexible solar power for rent
- Targeting industrial customers in emerging markets with pre-assembled and re-deployable solar parks
- Large addressable market, including 600 GW in large scale diesel power plants
- Targeting annual installations of 300–500 MW from 2022 and onwards
- Equity partnership with Norfund and other partners



Release offers reliable, flexible and low cost solar power

Pre-assembled and containerised solar and battery equipment



Quickly installed - modular, scalable and redeployable



Limited upfront investment - flexible contract duration



Supporting corporates in making the shift

Key challenges in emerging markets:

- Replace or reduce diesel consumption
- Secure a reliable power source
- Get solar with shorter contract duration at competitive prices

Moving from expensive and polluting...



...to low cost and clean



Targeting a diverse customer group with plant capacity of 1-20 MW

Off-grid mining operations powered by diesel



- 23 GW only in Africa
- Rural locations with own land
- High, stable electricity consumption on diesel/HFO

UN and NGOs



- About 600 MUSD/year spent on diesel for power across UN
- UN target of operating carbon neutral by 2020

Small utilities with diesel or thermal generation



- Utilities seeks distributed power generation in addition to large scale power plants
- Leasing reduce balance sheet exposure

On-grid users with high cost/unreliable power



- Industrials suffers from black-outs and high power prices
- Self-consumption is more reliable

The first redeployable and containerised tracker solution

Movable equipment provides flexibility:

- Reduces the customer's financial liabilities
- Provides counter-party risk mitigation
- Leads to shorter preparation and installation time
- Using the customer's own site requires less permits and licenses

Our technical solution

- Cooperation agreement with Cambridge Energy Partners
- Certified by DNV GL and WSP*
- Offers 30-40% more production using bifacial modules and trackers compared to customary fixed tilt solutions
- Ready for ramp-up in large volume



Photo: Cambridge Energy partners

A customer case – substantial long term savings

Customer:

- Western listed mining company operating in Africa
- Relies on diesel – life of mine 5 - 20 years

Customer need:

- Power demand: 60 GWh/year - Solar to cover 28%
- Cost savings over 15 years: USD 24 million
- CO₂ emission reduction over 15 years: 160,000 tonnes

Release solution set up:

- Customer pays up front fee and issues bank guarantees for a certain period lease payment
- 4 year lease contract – extension with lower cost for customer



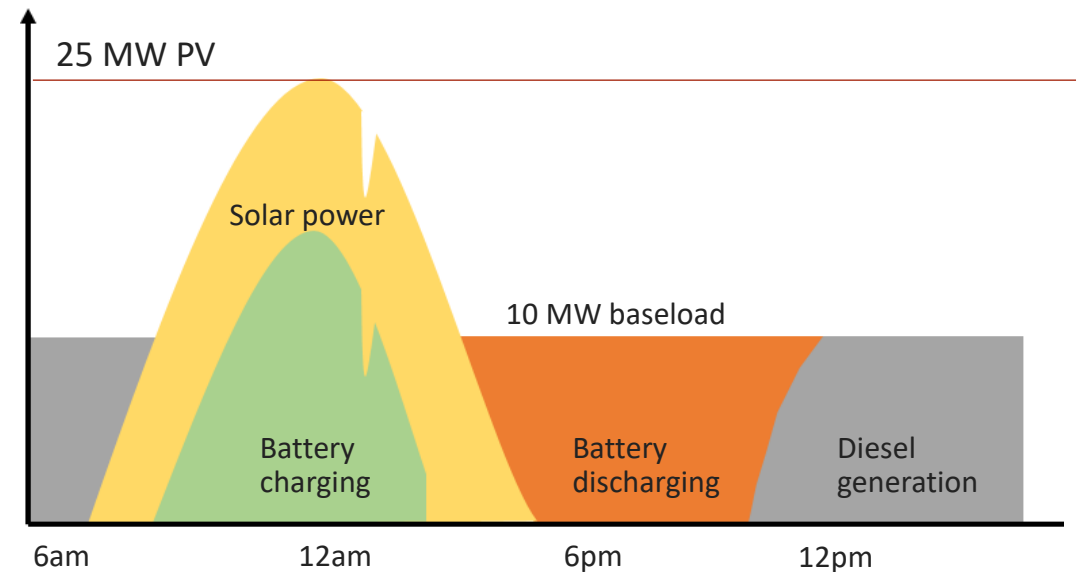
Storage is an integral part of the Release offering

A battery solution can add benefits in combination with solar for diesel integration - today:

- Up to **40%** solar penetration, batteries can be included to optimise diesel and solar uptake
- Above **40%** solar penetration, batteries can be used to shift load from day to night
- Cost reductions will enable wider use of batteries over the next 3-5 years
- Framework agreement with Tesla and DEIF for supply of batteries with an integrated solution

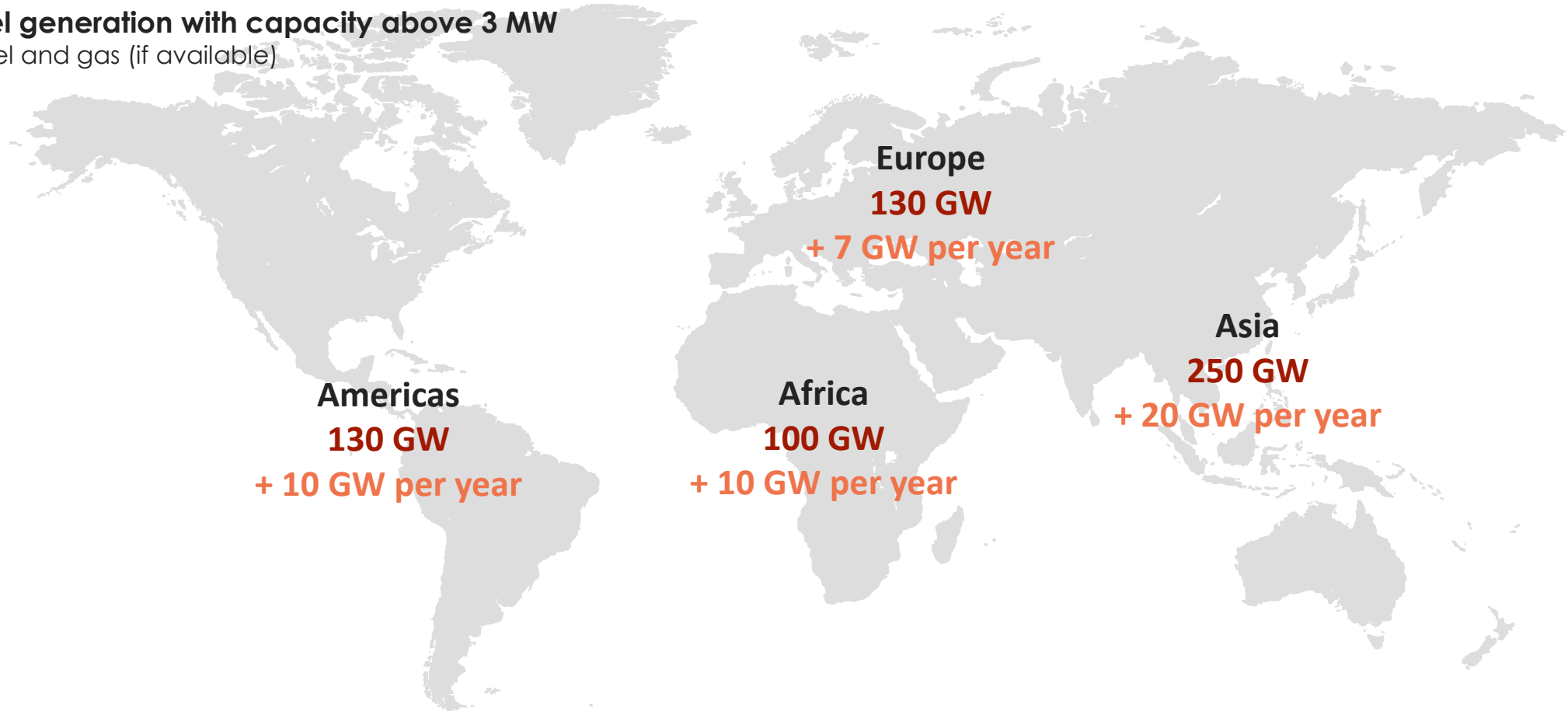
Illustrative example

Hybrid plant with 65 % solarisation and constant base load of 10 MW – average per day



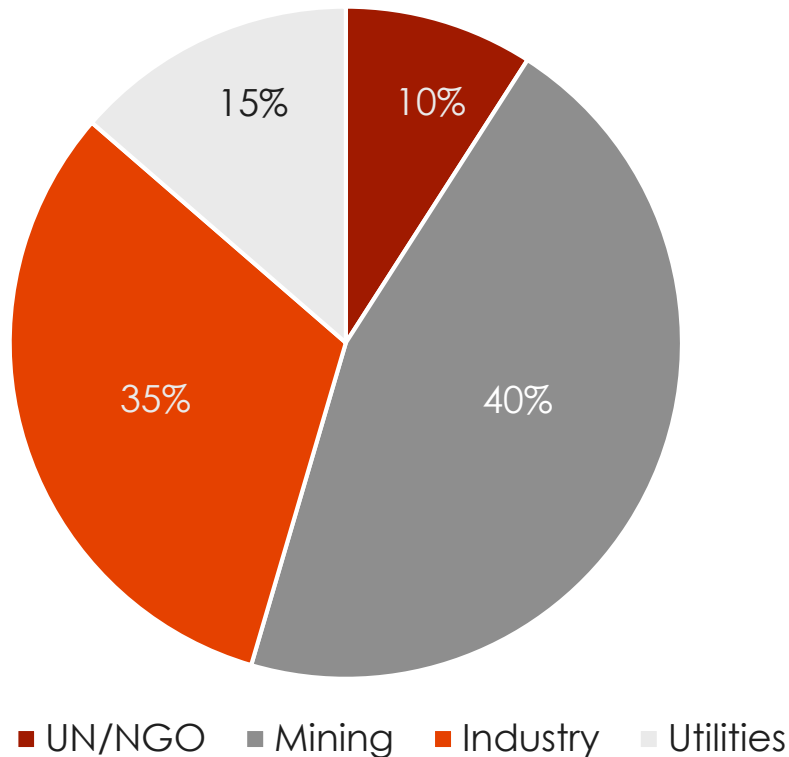
A significant market potential – 600 GW of large scale diesel/HFO installed globally

Fossil fuel generation with capacity above 3 MW
HFO, diesel and gas (if available)



Starting in Africa - a solid pipeline of projects under development

Current pipeline of 300 MW in Africa

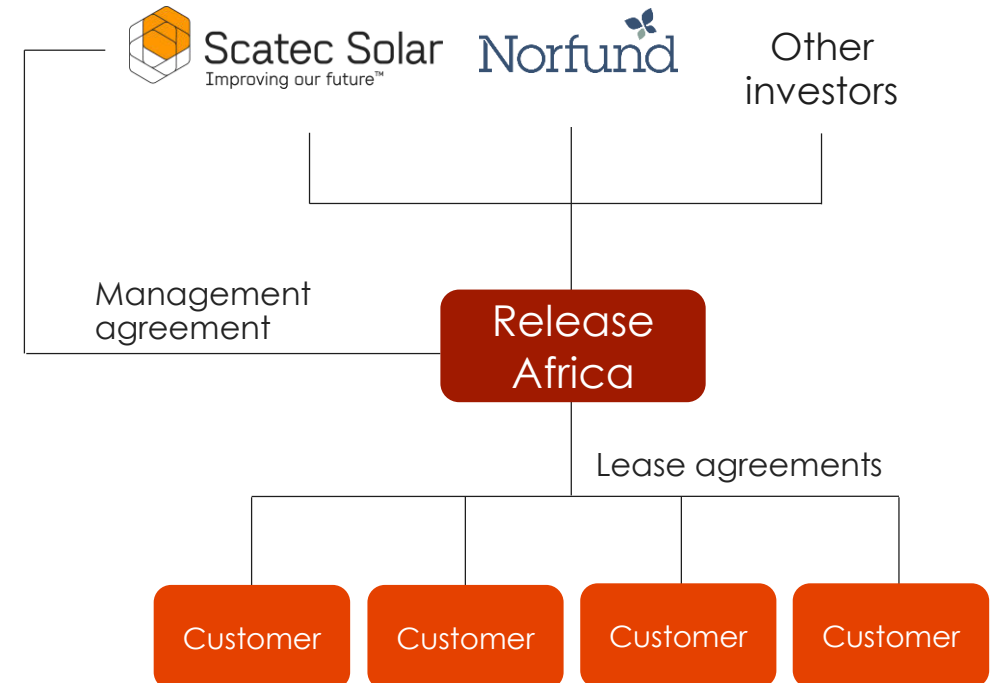


- Scatec Solar has been marketing the Release concept for the last six months
- Mainly targeting solid international companies with a footprint in emerging markets
- Signed contracts with UN on three projects in South-Sudan
- 7 MW contract with mining company Africa signed, subject to final self-production license
- Advanced discussions for additional 50 MW with international companies
- Opportunities also under development in Asia and Latin-America

Release Africa – established in partnership with Norfund

- Release Africa in partnership with Norfund
- Initial fleet financed by equity
- Release Africa expected to be self funded when asset fleet passes around 300 - 400 MW
 - Operating cash flow is used to increase asset base
 - Debt taken on after 2-3 years
- Ownership to be reassessed over time
- Scatec Solar will operate & manage Release Africa

Contemplated legal structure



Release has a significant long term potential

Targets for Release:

- Annual volumes of 300 - 500 MW from 2022 and onwards
- Above average returns compared to utility scale PPAs
- Starting with a focus on Africa
- Pipeline under the development in South East Asia and Latin America

