



A year of sustainable growth

2018 enters history as a year of growth and several record achievements for Scatec Solar. It was also the start of another highly ambitious period of growth with new targets of 3.5 GW in operation or under construction by the end of 2021.

Growth is not an objective, but an enabler to meet what we set out to achieve. To continuously keep Scatec Solar on track, I frequently remind myself of what Scatec Solar's mission is: To deliver competitive and sustainable solar energy globally, to protect our environment and to improve quality of life through innovative integration of reliable technology.

I firmly believe that we continued delivering in line with our mission in 2018.

Firstly, we grew our asset portfolio in operation by 262 MW to 584 MW in 2018, driven by new solar plants in commercial operation in Brazil, Honduras and Malaysia. The dedication and efforts of our teams to reach these important milestones were impressive. As was the continued support from our multitude of partners, including suppliers, investment partners, development financing institutions and – at the core of everything we do – our customers. Our partnerships are essential to Scatec Solar's business model and progress.

From an environmental perspective, our operating solar power plants avoided about 650,000 tons of greenhouse gas emissions in 2018, underlining the positive climate impact of our company.

Secondly, we secured strong conversion of new projects from pipeline and backlog into construction. At year-end, 1,071 MW of new projects were under construction in eight countries. Starting construction of new projects greatly benefits the local communities we operate within, not only through local job and value creation, but also through implementation of sustainability programmes that improve standards in local communities close to our project sites. It is important to us that each local community benefits from the solar power plant beyond the building and operations of the plant. I encourage you to read more about how we work with sustainability as an integrated part of our business in the 2018 Sustainability report.

Moreover, when operating in emerging markets, sustainability efforts are integral to achieve business success and financial growth. In 2018, we almost tripled our revenues from 2017, reaching proportionate revenues of NOK 4,725 million in 2018. EBITDA grew to NOK 961 million, up from 792 million in 2017.

The key asset to delivering such growth is our people. In 2018, we expanded our global team by 68 highly skilled employees to 246. However, numbers alone do not create success. Empowered employees from diverse backgrounds are key to innovation and growth. Their creativity and agility enable us to stay one step ahead of the competition. I was therefore highly encouraged by the results from the employee survey conducted in the autumn of 2018, where 87 percent of our employees believe Scatec Solar is a great place to work and 93 percent are proud to tell others they work here.

Such results make me proud to be CEO of Scatec Solar. They also give me reassurance that we are equipped to meet the highly ambitious future growth targets we defined in mid-2018. From today's 1,700 MW in operation and under construction, we have set a target to reach 3,500 MW by the end of 2021. With a solid pipeline and backlog of 4,700 MW at year-end 2018, we are on track to reach this target.

Our record achievements in 2018 within several areas give us a solid basis to further develop our business and continue growing sustainably in 2019 and beyond. The solar market is the fastest growing renewable energy source and we see significant opportunities to utilise our track record, business model and new technologies to realise new projects. As set out in the beginning of this letter, Scatec Solar's mission is clear, and we will constantly strive to improve our performance and simultaneously create positive spin-off effects to the communities we operate within and the planet we live on.



Raymond Carlsen (CEO)