Fourth quarter
2015

Scatec Solar
Improving our future™

About Scatec Solar

Scatec Solar is an integrated independent solar power producer, delivering affordable, rapidly deployable and sustainable source of clean energy worldwide. A long term player, Scatec Solar develops, builds, owns, operates and maintains solar power plants, and already has an installation track record of close to 600 MW.

The company is producing electricity from 383 MW of solar power plants in the Czech Republic, South Africa, Rwanda, Honduras and the United States. Construction of an additional 43 MW solar power plants in Jordan is under way.

With an established global presence, the company is growing strongly with a project backlog and pipeline of close to 1.5 GW under development in the Americas, Africa, Asia and the Middle East. Scatec Solar is headquartered in Oslo, Norway and listed on the Oslo Stock Exchange under the ticker symbol 'SSO'.

To learn more, visit www.scatecsolar.com

SCATEC SOLAR'S VALUE CHAIN

Project development

- Site development
- System design
- Permitting
- Grid connection
- PPA negotiation / tender / FiT

Financing

- Detailed design & engineering
- Component tendering
- Debt / Equity structuring
- Due Diligence

Construction

- Project management
- Supplier and construction monitoring
- Quality assurance
- Funding and cash flow management

Operations

- Maximize performance and availability
- Maintenance and repair

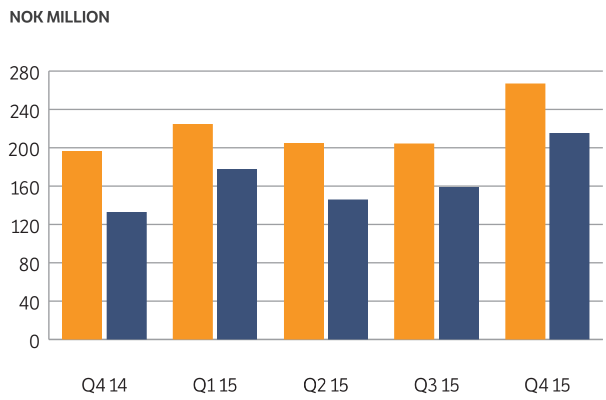
Ownership

- Asset management
- Financial and operational optimization

Q4'15 Highlights

- Revenues of NOK 267 million (194)1, EBITDA of NOK 215 million (133) and net profit of NOK 59 million (5)
- Scatec Solar's share of cash flow to equity[2] reached NOK 58 million (44) – continued growth in cash flow from Power Production
- Executing the growth strategy – power production of 151 GWh up 33 percent year on year
- 104 MW Utah Red Hills plant grid connected at the end of 2015 – 383 MW in operation up from 219 MW at the end of 2014
- Issued a three year NOK 500 million senior unsecured green bond
- Established a new growth target; 1,400 – 1,600 MW in operation and under construction by year end 2018

CONSOLIDATED REVENUES AND EBITDA



KEY FIGURES

NOK MILLION	Q4 2015	Q3 2015	Q4 2014	FULL YEAR 2015	FULL YEAR 2014
Total revenues and other income	**267**	204	194	881	471
EBITDA [2]	**215**	159	133	698	293
Operating profit (EBIT)	**163**	113	94	523	191
Profit before income tax	**91**	26	6	220	60
Profit/(loss) for the period	**59**	8	5	136	49
Profit/(loss) to Scatec Solar	**26**	**3**	**-11**	**68**	**-18**
Profit/(loss) to non-controlling interests	**33**	5	16	68	66
Total Assets	**7,984**	7,205	5,012	7,984	5,012
Equity (%) [3]	**18 %**	20%	23%	18 %	23%
Net interest bearing debt [2]	**4,085**	4,091	2,401	4,085	2,401
SSO proportionate share of cash flow to equity [2]:					
Power Production	**39**	32	23	131	87
Operation & Maintenance	**3**	9	4	24	10
Development & Construction	**20**	4	31	76	179
Corporate	**-3**	-7	-14	-22	-35
Total	**58**	**37**	**44**	**208**	**240**

Consolidated revenues and profits are mainly generated in the Power Production segment. Activities in Operation & Maintenance and Development & Construction mainly reflect deliveries to other companies controlled by Scatec Solar (with from 39% to 100% ownership), for which revenues and profits are eliminated in the Consolidated Financial Statements.

1 Numbers in brackets refer to comparable information for the corresponding period last year.

2 See appendix for definition of this measure.

3 The book value of consolidated assets reflects eliminations of internal margins generated through project development and construction, operation and maintenance, whereas the consolidated debt includes non-recourse debt in project companies at full amount. This reduces the consolidated equity and equity ratio.

Financial review

SEGMENT REVIEW

Scatec Solar is an integrated independent solar power producer; develops, builds, owns and operates large scale solar power plants.

Scatec Solar reports on three operating business segments; Power Production (PP), Operation & Maintenance (O&M), and Development & Construction (D&C), as well as on Corporate and Eliminations.

Revenues and gross margins related to deliveries of development and construction, and operation and maintenance services to project companies deemed to be controlled by Scatec Solar are eliminated in the Consolidated Group Financial Statements. The underlying value creation in each segment is hence reflected only in the segment reporting.

Power Production (PP)

As per the end of fourth quarter 2015 the PP segment comprised the Kalkbult (75 MW), Linde (40 MW), and Dreunberg (75 MW) plants in South Africa, the ASYV (9 MW) plant in Rwanda, four plants in the Czech Republic (20 MW), Agua Fria (60 MW) in Honduras, and Utah Red Hills (104 MW) in the US. The plants produce electricity for sale under 20-25 year fixed priced power purchase agreements (PPA) or feed-in tariff (FiT) schemes.

Operation & Maintenance (O&M)

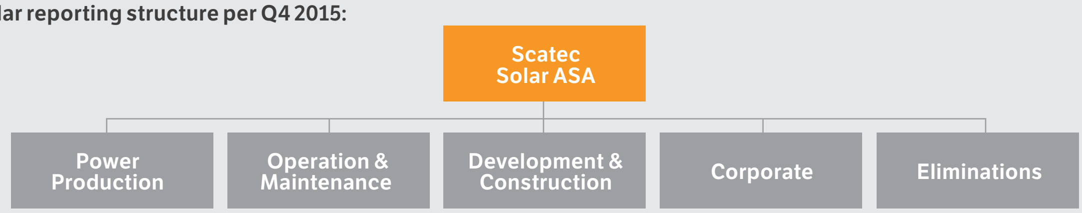
The O&M segment comprises primarily services provided to solar power plants controlled by Scatec Solar. Revenues and profits are typically generated on the basis of fixed service fees with additional profit-sharing arrangements based on plant performance.

Development & Construction (D&C)

The D&C segment comprises development activities in a number of projects globally as well as construction of solar power plants developed by the company. Revenues and profits are recognised based on percentage-of-completion of the construction contracts.

The company commenced construction of 207 MW in the first half of 2015, of which the 60 MW Agua Fria plant in Honduras was completed in the third quarter. The backlog of projects with secured offtake of future power production is currently at 344 MW, while the project pipeline consists of several projects with a combined capacity of 1,174 MW.

Scatec Solar reporting structure per Q4 2015:



	Power Production	Operation & Maintenance	Development & Construction	Corporate	Eliminations
Main activities	• Ownership and management of power producing assets	• Technical and operational services	• Project development • Engineering and Procurement • Construction management • Quality assurance	• Corporate services • Management • Group finance	• Elimination of revenue and profits from internal transactions
Assets / projects with revenues recognized	South Africa (39%): • Kalkbult, 75 MW • Linde, 40 MW • Dreunberg, 75 MW Rwanda (43%): • ASYV, 9 MW Czech Republic (100%): • Sulkov, 10 MW • Svitavy, 4 MW • Hrusovany, 3 MW • Mramotice, 3 MW Honduras: • Agua Fria, 60 MW USA: • Utah Red Hills, 104 MW	South Africa: • Kalkbult, 75 MW • Linde, 40 MW • Dreunberg, 75 MW Rwanda: • ASYV, 9 MW Czech Republic: • Sulkov, 10 MW • Svitavy, 4 MW • Hrusovany, 3 MW • Mramotice, 3 MW Third-party owned: • 17 MW	Jordan: • Oryx, 10 MW • EJRE / GLAE, 33 MW Backlog 344 MW Pipeline ~ 1,174 MW		

Segment financials

SEGMENT FINANCIALS Q4 2015

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	253.6	1.5	-	-	-	**255.1**
Internal revenues	-	9.7	188.6	2.7	-201.1	**-**
Net gain/(loss) from sale of project assets	-	-	11.5	-	-	**11.5**
Net income/(loss) from associates	-	-	-	-	-	**-**
Total revenues and other income	253.6	11.3	200.1	2.7	-201.1	**266.6**
Cost of sales	-	-	-156.1	-	156.1	**-**
Gross profit	253.6	11.3	44.0	2.7	-44.9	**266.6**
Operating expenses	-24.7	-7.2	-18.3	-13.7	12.5	**-51.4**
EBITDA	228.9	4.0	25.7	-10.9	-32.5	**215.3**
Depreciation, amortisation and impairment	-62.4	-0.9	-3.0	-0.2	13.9	**-52.5**
Operating profit (EBIT)	166.5	3.2	22.8	-11.1	-18.5	**162.8**

SEGMENT FINANCIALS Q4 2014

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	173.7	1.4	-	-	-	**175.1**
Internal revenues	-	8.2	98.3	-0.6	-106.0	**-**
Net gain/(loss) from sale of project assets	-	-	18.3	-	-	**18.3**
Net income/(loss) from associates	-	-	1.0	-	-	**1.0**
Total revenues and other income	173.7	9.6	117.5	-0.6	-106.0	**194.4**
Cost of sales	-	-	-49.8	-	49.8	**-**
Gross profit	173.7	9.6	67.7	-0.6	-56.2	**194.4**
Operating expenses	-19.2	-4.5	-27.0	-18.3	7.7	**-61.4**
EBITDA	154.5	5.1	40.7	-18.9	-48.5	**133.0**
Depreciation, amortisation and impairment	-44.5	-0.3	-7.6	-0.1	13.7	**-38.7**
Operating profit (EBIT)	110.0	4.8	33.2	-18.9	-34.7	**94.3**

SEGMENT FINANCIALS FULL YEAR 2015

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	863.0	4.1	0.7	-	-	**867.7**
Internal revenues	-	51.4	1,146.6	7.5	-1,205.5	**-**
Net gain/(loss) from sale of project assets	-	-	14.1	-	-	**14.1**
Net income/(loss) from associates	-	-	-0.9	-	-	**-0.9**
Total revenues and other income	863.0	55.4	1,160.5	7.5	-1,205.5	**881.0**
Cost of sales	-	-	-989.7	-	989.7	**-**
Gross profit	863.0	55.4	170.8	7.5	-215.8	**881.0**
Operating expenses	-102.9	-24.0	-69.7	-44.8	58.8	**-182.6**
EBITDA	760.1	31.4	101.2	-37.3	-156.9	**698.4**
Depreciation, amortisation and impairment	-227.6	-2.6	-6.5	-0.5	61.6	**-175.6**
Operating profit (EBIT)	532.5	28.8	94.6	-37.8	-95.4	**522.8**

SEGMENT FINANCIALS FULL YEAR 2014

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	448.1	7.0	-	-	-	**455.1**
Internal revenues	11.4	21.6	949.5	6.2	-988.7	**-**
Net gain/(loss) from sale of project assets	-	-	17.4	-	-	**17.4**
Net income/(loss) from associates	-	-	-1.2	-	-	**-1.2**
Total revenues and other income	459.5	28.7	965.7	6.2	-988.7	**471.3**
Cost of sales	-	-	-634.4	-	634.4	**-**
Gross profit	459.5	28.7	331.3	6.2	-354.3	**471.3**
Operating expenses	-47.2	-15.8	-89.4	-53.8	27.8	**-178.4**
EBITDA	412.2	12.9	241.9	-47.6	-326.5	**292.9**
Depreciation, amortisation and impairment	-122.9	-1.2	-15.4	-0.4	38.1	**-101.9**
Operating profit (EBIT)	289.3	11.7	226.4	-48.0	-288.4	**191.0**

Power Production

Revenues in Power Production reached NOK 254 million (174) in the fourth quarter.

Power production totalled 151,575 MWh in the quarter, up from 113,812 MWh in the same period last year, and up from 107,152 MWh in the previous quarter. Irradiation levels for the African projects normalised in the period, while the Agua Fria plant in Honduras experienced higher irradiation than expected and outperformed production forecast. The 104 MW Utah Red Hills project was successfully commissioned in late December 2015, and revenues will be recognized from January 1, 2016.

The quarter on quarter increase in production volumes and revenues is explained by seasonal effects in South Africa and a full quarter of production at the 60 MW Agua Fria plant. Until receiving final confirmation from the Honduran state owned utility on the eligibility for the additional incentive tariff, the reported revenues only include the base tariff for this plant.

Operating expenses in the segment amounted to NOK 25 million (19) in the fourth quarter, down from NOK 30 million in the previous quarter.

EBITDA reached NOK 229 million (155) in the fourth quarter, with an EBITDA margin of 90%.

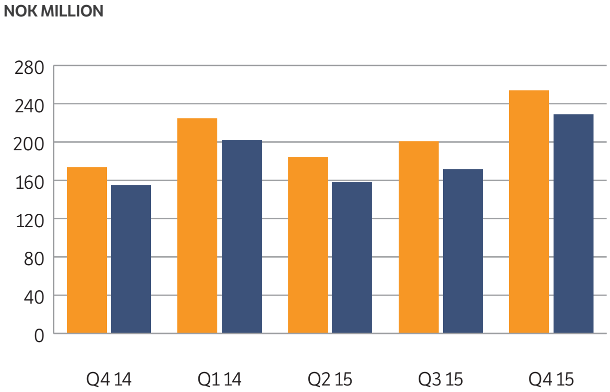
Depreciation and amortisation amounted to NOK 62 million (45), up from NOK 60 million the third quarter.

Scatec Solar's proportionate share of cash flow to equity[4] from Power Production was NOK 39 million (23) in the fourth quarter.

For the full year, revenues amounted to NOK 863 million (460), while operating expenses increased to NOK 103 million (47). EBITDA amounted to NOK 760 million (412) for the full year, and EBIT to NOK 533 million (289). Scatec Solar's proportionate share of cash flow to equity was NOK 131 million (87).

See separate tables for financials for each individual project company.

POWER PRODUCTION
– REVENUES AND EBITDA BY QUARTER



POWER PRODUCTION – KEY FIGURES

NOK MILLION	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
External revenues	173.7	224.4	183.6	201.5	**253.6**
Internal revenues	-	-	0.7	-0.7	**-**
Total revenues and other income	**173.7**	**224.4**	**184.3**	**200.7**	**253.6**
Operating expenses	-19.2	-22.5	-26.2	-29.5	**-24.7**
EBITDA	**154.5**	**201.9**	**158.1**	**171.2**	**228.9**
D&A and impairment	-44.5	-53.1	-52.2	-59.8	**-62.4**
EBIT	**110.0**	**148.7**	**105.9**	**111.4**	**166.5**

POWER PRODUCTION – KEY RATIOS (%)

	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
EBITDA margin	89%	90%	86%	85%	**90%**
EBIT margin	63%	66%	57%	56%	**66%**

PRODUCTION (MWH)

	MW	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
Czech portfolio	20	1,810	3,628	8,257	7,962	**2,517**
Kalkbult	75	40,494	38,708	33,172	32,436	**39,472**
Dreunberg	75	39,570	46,052	28,719	31,028	**51,909**
Linde	40	28,523	25,943	16,341	16,424	**28,846**
ASYV	8.5	3,415	3,534	3,197	3,878	**3,208**
Agua Fria	60	-	-	-	15,424	**25,623**
MWh produced	279	113,812	117,865	89,686	107,152	**151,575**
- net to SSO		45,627	48,322	40,110	46,954	**61,034**

Scatec Solar directly and/or indirectly owns 100% of the Czech portfolio of solar power plants, 43% of ASYV in Rwanda, 39% of Kalkbult, Linde and Dreunberg in South Africa and 40% of Agua Fria in Honduras.

4 Refer to appendix for definition of project milestones.

PROJECT COMPANIES - KEY FINANCIALS Q4 2015

NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	AGUA FRIA	SEGMENT OVERHEAD	TOTAL SEGMENT	SSO PROP. SHARE [5]
Revenues	10.9	75.2	45.7	84.5	7.0	30.1	0.2	253.6	106.2
OPEX	-2.7	-6.7	-3.7	-5.3	-1.2	-2.4	-2.7	-24.7	-13.1
EBITDA	8.1	68.6	42.1	79.2	5.8	27.7	-2.6	228.9	93.1
EBITDA margin	75 %	91 %	92 %	94 %	83 %	92 %	N/A	90 %	88 %
Net Interest expenses [5]	-5.4	-28.5	-13.7	-28.1	-3.3	-7.4	0.6	-85.8	-36.6
Normalised loan repayments [5]	-5.6	-3.0	-5.2	-3.6	-2.0	-	-	-19.3	-11.0
Cash flow to equity [5]	-1.7	30.3	17.5	37.7	0.4	20.4	-1.3	103.2	38.6
SSO shareholding	100 %	39 %	39 %	39 %	43 %	40 %	-	-	-

PROJECT COMPANIES - KEY FINANCIALS FULL YEAR 2015

NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	AGUA FRIA	SEGMENT OVERHEAD	TOTAL SEGMENT	SSO PROP. SHARE [5]
Revenues	87.1	283.9	145.4	268.8	28.6	47.7	1.4	863.0	391.9
OPEX	-9.5	-32.1	-16.8	-25.6	-4.6	-3.9	-10.4	-102.9	-52.4
EBITDA	77.7	251.8	128.6	243.2	24.0	43.8	-9.0	760.1	339.5
EBITDA margin	89 %	89 %	88 %	90 %	84 %	92 %	N/A	88 %	87 %
Net Interest expenses [5]	-20.8	-117.9	-57.7	-119.2	-13.5	-12.1	3.1	-338.1	-143.3
Normalised loan repayments [5]	-20.6	-14.0	-24.4	-16.8	-7.2	-	-	-83.0	-45.2
Cash flow to equity [5]	31.7	101.1	36.4	91.1	2.7	31.6	-3.8	290.8	130.6
SSO shareholding	100 %	39 %	39 %	39 %	43 %	40 %	-	-	-

PROJECT COMPANIES – FINANCIAL POSITION AND WORKING CAPITAL BREAK-DOWN

AS OF 31 DECEMBER 2015

	IN OPERATION							UNDER CONSTRUCTION			
NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	AGUA FRIA	RED HILLS	ORYX	EJRE/ GLAE	D&C, O&M, CORPORATE & ELIMINATIONS [6]	CONSOLI- DATED
Project equity [5]	179.6	300.2	176.8	391.2	28.8	345.2	268.1	61.6	170.6	-496.7	1,425.4
Total assets	634.3	1,277.1	722.6	1,465.3	209.0	1,194.1	1,270.2	252.1	815.8	143.2	7,983.6
PP&E [6]	539.6	1,054.2	576.0	1,138.0	177.5	957.3	1,189.4	175.0	324.2	-935.0	5,196.3
Cash [7]	37.2	137.8	52.1	131.6	25.5	179.6	79.6	10.4	159.5	825.7	1,639.0
Gross debt [9]	414.5	916.0	511.8	1,021.4	173.3	651.5	863.6	156.1	518.5	497.8	5,724.6
Net interest bearing debt [5]	372.5	778.2	459.7	889.8	139.7	436.0	784.0	142.8	354.5	-271.6	4,085.6
Net working capital [8]	-24.3	-20.6	-8.6	-22.6	-18.2	-173.7	-41.1	36.7	283.5	222.7	233.8

5 Refer to appendix for definition of this measure.

6 The amount of NOK 935 million includes capitalised development spending on projects that have not yet reached construction phase of NOK 141 million.

7 Cash in project companies includes cash in proceeds accounts, debt service reserve accounts and cash available for redistribution to project company shareholders. Cash in D&C, O&M and Corporate include NOK 174 million of restricted cash related to deposits for withholding tax, guarantees, VAT and rent as well as collateralised shareholders financing.

8 Net working capital includes trade and other receivables, other current assets, trade and other payables, income tax payable, other current liabilities and intercompany receivables and payables.

9 Gross debt consist of non-current and current external non-recourse financing and external corporate financing.

Operation & Maintenance

Revenues in the Operation & Maintenance segment reached NOK 11 million (10) in the fourth quarter.

The fourth quarter revenues were recognised based on O&M contracts totalling 236 MW. The O&M agreement on the 60 MW Agua Fria plant in Honduras commenced 1 January 2016.

Operating expenses reached NOK 7 million (5), up from NOK 6 million in the previous quarter. The increase is primarily related to preparations for new contracts.

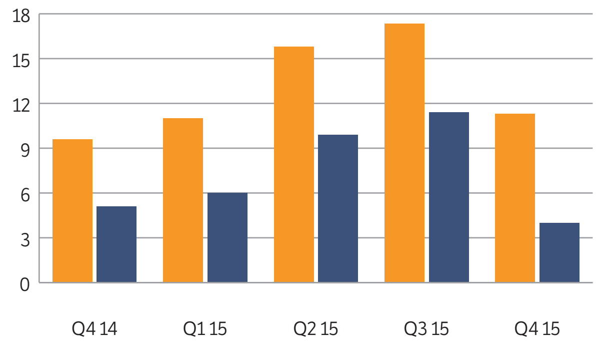
The EBITDA decreased to NOK 4 million (5) in the fourth quarter, corresponding to an EBITDA-margin of 36% (53%).

The decrease in revenues and EBITDA is mainly due to lower performance bonus reflecting seasonally lower performance ratio. The majority of the O&M contracts include performance bonus provisions, securing the company up to 50% of revenues generated above pre-defined performance levels (irrespective of irradiation levels).

Depreciation and amortisation in the quarter amounted to NOK 0.9 million (0.3), and EBIT was NOK 3 million (5). Scatec Solar's proportionate share of cash flow to equity from Operation & Maintenance was NOK 3 million (4).

For the full year, revenues increased to NOK 55 million (29), while operating expenses increased to NOK 24 million (16). EBITDA amounted to NOK 31 million (13) and EBIT to NOK 29 million (12). Scatec Solar's proportionate share of cash flow to equity from Operation & Maintenance reached NOK 24 million (10).

OPERATION & MAINTENANCE – REVENUES AND EBITDA BY QUARTER



OPERATION & MAINTENANCE – KEY FIGURES

NOK MILLION	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
External revenues	1.4	0.9	0.9	0.8	1.5
Internal revenues	8.2	10.1	14.9	16.6	9.7
Total revenues and other income	9.6	11.0	15.8	17.4	11.3
Operating expenses	-4.5	-5.0	-5.8	-6.0	-7.2
EBITDA	5.1	6.0	9.9	11.4	4.0
D&A and impairment	-0.3	-0.4	-0.5	-0.7	-0.9
EBIT	4.8	5.6	9.4	10.6	3.2

OPERATION & MAINTENANCE – KEY RATIOS (%)

	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
EBITDA margin	53%	55%	63%	65 %	36 %
EBIT margin	50%	51%	60%	61 %	28 %

PORTFOLIO OVERVIEW – MW AT END OF PERIOD

MW	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
Portfolio (MW)	152	236	236	236	236
Of which third-party	17	17	17	17	17

O&M-contracts are included at Taking Over Date (TOD).
Refer to appendix for definition of project milestones.

Development & Construction

Revenues in the Development & Construction (D&C) segment amounted to NOK 200 million (120) in the fourth quarter.

The 8 MW Waihonu solar power project in Hawaii, USA was sold in the fourth quarter adding a net gain of NOK 11.5 million.

Construction revenues are recognised on a percentage-of-completion (PoC) basis, and defined as cost incurred over total expected cost. At the end of the fourth quarter PoC for Agua Fria was 100%, Oryx 66%, EJRE 24% and GLAE 33%.

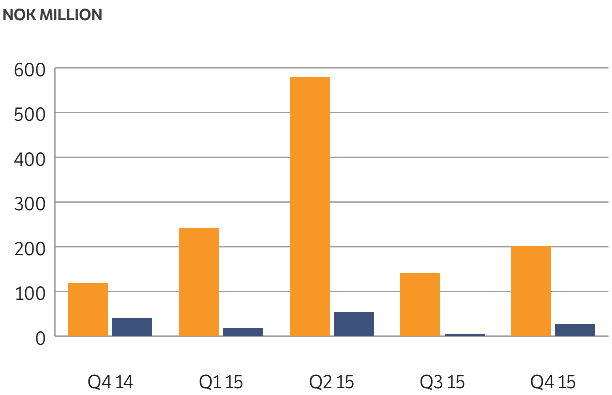
Cost of sales related to Development and Construction amounted to NOK 156 million (50) in the fourth quarter, generating a gross margin of 22% (58%). The underlying gross margin is in line with earlier guidance but will normally vary somewhat from quarter to quarter.

Operating expenses were NOK 18 million (27) in the fourth quarter. This comprised of approximately NOK 13 million for early stage development of new projects and NOK 5 million related to construction projects.

EBITDA was NOK 26 million (41) in the fourth quarter. Depreciation, amortisation and impairment amounted to NOK 3 million (8), and EBIT was NOK 23 million (33). Scatec Solar's proportionate share of cash flow to equity from Development & Construction was NOK 20 million (31) in the fourth quarter.

For the full year, revenues amounted to NOK 1,161 (971), with a gross margin of 15% (34%). Operating expenses decreased to NOK 70 million (89). EBITDA was NOK 101 million (242) and EBIT NOK 95 million (226). Scatec Solar's proportionate share of cash flow to equity was NOK 76 million (179).

DEVELOPMENT & CONSTRUCTION
– REVENUES AND EBITDA BY QUARTER



DEVELOPMENT & CONSTRUCTION – KEY FIGURES

NOK MILLION	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
External revenues	-	0.1	0.6	0.1	-
Internal revenues	98.3	242.2	576.0	139.8	188.6
Net gain project sale	18.3	-	2.6	-	11.5
Net income associated	1.0	-0.6	-0.2	-0.1	-
Total revenue and other income	**117.5**	**241.7**	**579.0**	**139.8**	**200.1**
Cost of sales	-49.8	-203.6	-508.1	-122.0	-156.1
Gross profit	**67.7**	**38.1**	**70.9**	**17.8**	**44.0**
Operating expenses	-27.0	-20.3	-17.5	-13.6	-18.3
EBITDA	**40.7**	**17.8**	**53.4**	**4.2**	**25.7**
D&A and impairment	-7.6	-1.0	-0.9	-1.7	-3.0
EBIT	**33.2**	**16.8**	**52.5**	**2.5**	**22.8**

KEY RATIOS (%)

	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
Gross margin	58%	16%	12%	13%	22%
EBITDA margin	35%	7%	9%	3%	13%
EBIT margin	28%	7%	9%	2%	11%

CONSTRUCTION PROJECTS – MILESTONES [10]

	CAPACITY	1H'16
Oryx	10 MW	SOP
EJRE/GLAE	33 MW	SOP

10 Refer to appendix for definition of project milestone.

Corporate & Eliminations

Corporate activities include corporate services, management and group finance. The net corporate costs amounted to NOK 11 million (19) in the fourth quarter 2015.

CORPORATE – KEY FIGURES

NOK MILLION	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
Total revenues	-0.6	1.5	1.5	1.7	**2.7**
Operating expenses	-18.3	-10.9	-8.6	-11.6	**-13.7**
D&A and impairment	0.1	-0.1	-0.1	-0.1	**-0.2**
EBIT	-18.9	-9.5	-7.2	-10.0	**-11.1**

In the fourth quarter the corporate segment was charged NOK 2 million relating to management's share incentive plan, which was introduced in the third quarter 2014. In addition another NOK 2 million of the share incentive plan was charged to the Power Production and Development & Construction segments.

For the full year, the net corporate costs amounted to NOK 38 million (48).

ELIMINATIONS – KEY FIGURES

NOK MILLION	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
Revenues	-106.0	-253.8	-593.1	-157.4	**-201.1**
Cost of sales	49.8	203.6	508.0	122.0	**156.1**
Operating expenses	7.7	11.6	17.1	17.6	**12.5**
EBITDA	-48.5	-38.6	-68.0	-17.8	**-32.5**
D&A	13.7	15.7	15.6	16.3	**13.9**
EBIT	-34.7	-22.9	-52.4	-1.5	**-18.5**

Gross profits (i.e. revenues and expenses) generated in the D&C segment are eliminated in the consolidated income statement and reduces the consolidated book value of the solar power plants. The profits generated through project development and plant construction is hence improving the consolidated operating profit through lower depreciation charges over the economic life of the solar power plants. In the fourth quarter this effect amounted to NOK 14 million (14) and for the full year NOK 62 million (38).

The internal revenues generated in the Corporate and O&M segments are eliminated in the consolidated income statement with corresponding elimination of operating expenses, amounting to NOK 12 million (8) in the fourth quarter.

CONSOLIDATED INCOME STATEMENT

Revenues

Scatec Solar reported consolidated revenues of NOK 267 million in the fourth quarter 2015, up from NOK 194 million in the same period last year, with the growth reflecting sales of electricity from the solar power plants Dreunberg (reaching full production fourth quarter 2014) and Agua Fria (start of production end of July 2015).

For the full year, revenues amounted to NOK 881 million (476). Net revenues included NOK 14 million (17) of gain from sales of project assets as well as NOK -1 million (-1) of income from associated companies.

Operating expenses

Consolidated operating expenses amounted to NOK 51 million (61) in the fourth quarter. This comprised of approximately NOK 22 million for operation of existing power plants, NOK 13 million for early stage development of new projects, NOK 5 million related to construction of power plants and NOK 11 million of corporate expenses (excluding eliminated intersegment charges).

Included in operating expenses is NOK 4 million related to share-based payment. See note 23 in the annual report and note 12 in the quarterly report for information on the plans.

Personnel expenses amounted to NOK 19 million (19) and other operating expenses to NOK 32 million (42). Fourth quarter 2014 was impacted by NOK 10 million of write down of receivables and restructuring provisions as well as NOK 8 million of IPO expenses.

For the full year, consolidated operating expenses amounted to NOK 183 million (178). The underlying increase in operating expenses is somewhat higher than the NOK 4 million due to non-recurring items in 2014 and is primarily reflecting commencement of operations of new solar power plants in South Africa, Rwanda and Honduras as well as increased project development spending.

Operating profit

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to NOK 215 million (133) in the fourth quarter, and NOK 698 million (293) for the full year. The increase primarily reflects commencement of production of new solar power plants.

Depreciation, amortisation and impairment amounted to NOK 52 million (39) in the fourth quarter and NOK 176 million (102) for the full year. The increase is mainly explained by commencement of asset depreciation of new solar power plants.

Operating profit (EBIT) was NOK 163 million (94) in the fourth quarter and NOK 523 million (191) for the full year.

Net financial items

NET FINANCIAL ITEMS – KEY FIGURES

NOK MILLION	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
Interest income	13.5	12.7	15.8	18.2	**17.2**
Forward exchange contracts	-	-	-	-	**-**
Other financial income	1.1	0.2	-	0.3	**-**
Financial income	14.6	13.0	15.8	18.5	**17.2**
Interest expenses	-86.7	-95.8	-94.3	-98.4	**-107.0**
Forward exchange contracts	-0.8	-3.0	-	-	**-**
Other financial expenses	-2.6	-2.4	-1.0	-2.1	**-4.1**
Financial expenses	-90.0	-101.1	-95.3	100.5	**-111.1**
Foreign exchange gains/(losses)	-12.8	22.2	1.0	-4.9	**22.2**
Net financial expenses	-88.2	-66.0	-78.5	-86.9	**-71.7**

Net financial items amounted to NOK -72 million (-88) in the fourth quarter and NOK -303 million (-131) for the full year. The underlying increase mainly reflects debt financing of the growing asset base. However, this is partly offset by non-cash foreign exchange gains mainly related to intercompany balances in the fourth quarter.

Financial income amounted to NOK 17 million (15) in the fourth quarter and NOK 64 million (55) for the full year.

Financial expenses amounted to NOK 111 million (90) in the fourth quarter and NOK 408 million (249) for the full year. Interest expenses on the operating solar power plants amounted to NOK 102 million (77) in the fourth quarter and NOK 388 million (181) for the full year.

Foreign exchange gains amounted to NOK 22 million (-13) in the fourth quarter and NOK 41 million (62) for the full year. These are mainly non-cash and related to intercompany balances.

Profit before tax and net profit

Profit before income tax was NOK 91 million (6) in the fourth quarter and NOK 220 million (60) for the full year.

Income tax expense was NOK 32 million (1) in the fourth quarter, corresponding to an effective tax rate of 35.3%. For the full year, income tax expense was NOK 84 (11), corresponding to an effective tax rate of 38.2%. The underlying tax rates in the companies in operation are in the range of 0%-35%. The effective tax rate is primarily influenced by intercompany transactions subject to different statutory tax rates as well as valuation allowance related to tax losses carried forward. Further, the Group incurred a withholding tax expense of NOK 11 million related to intercompany dividends in third quarter 2015. Net profit was NOK 59 million (5) in the fourth quarter and NOK 136 million (49) for the full year.

A profit of NOK 26 million (-11) was attributable to the equity holders of Scatec Solar for the fourth quarter and NOK 68 (-18) for the full year. A profit of NOK 33 million (16) was attributable to non-controlling interests in the fourth quarter and NOK 68 (66) for the full year.

Non-controlling interests (NCI) represent financial investors in the individual solar power plants, and partners in some development projects. The allocation of profits between NCI and Scatec Solar is generally affected by the fact that NCI only have shareholdings in solar power plants, while Scatec Solar also carries the cost of project development and corporate functions.

CONSOLIDATED CASH FLOW

Net cash flow from consolidated operating activities amounted to NOK -79 million in the fourth quarter 2015 (48). Compared to the EBITDA of NOK 215 million, the cash flow is primarily affected by payment of trade payables related to the Agua Fria construction project and prepayments related to the construction of the Jordanian projects. In addition new capacity and seasonality in the power production segment negatively impacts the working capital through buildup of trade receivables.

Net cash flow from consolidated investing activities was NOK -387 million (-132), mainly driven by investments in the Red Hills, Agua Fria, Oryx, and EJRE/GLAE solar power plants.

Net cash flow from financing activities was NOK 1,184 million (391), including net proceeds of NOK 868 million (56) from non-recourse financing and net proceeds from the bond issue of NOK 493 million. Furthermore NOK 63 million (37) was received in shareholder financing from non-controlling interest. During the fourth quarter dividends of NOK 42 million were paid to non-controlling interests.

For the full year, net cash flow from consolidated operating activities was NOK 505 million (-96), while the net cash flow from consolidated investing activities was NOK -2,409 million (-910). Net cash flow from consolidated financing activities amounted to NOK 2,535 million (972), including net proceeds of NOK 2,324 million (682) from non-recourse project financing and net proceeds from the bond issue of NOK 493 million.

Refer to note 6 for a detailed cash overview.

SCATEC SOLAR PROPORTIONATE SHARE OF CASH FLOW TO EQUITY

"Scatec Solar proportionate share of cash flow to equity", defined as EBITDA minus interest expenses, normalised debt instalments and tax (i.e. before changes in Net Working Capital), is a non-GAAP measure that seeks to estimate the company's ability to generate funds for equity investments in new solar power plant projects and/or for shareholder dividends over time.

NOK MILLION	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Power Production	22.8	30.8	29.2	31.7	**38.6**
Operation & Maintenance	3.8	4.5	7.4	8.5	**3.2**
Development & Construction	31.4	13.3	39.2	3.6	**19.6**
Corporate	-13.8	-6.9	-5.1	-7.2	**-2.9**
Total	**44.3**	**41.7**	**70.6**	**36.6**	**58.4**
SSO project equity investments	-26.2	-262.0	-202.8	-13.5	**-102.1**
Distributions to SSO from project companies	6.2	8.7	48.9	34.2	**32.0**
Dividends to corporate shareholders	-	-	-25.3	-	**-**

"Scatec Solar proportionate share of cash flow to equity" was NOK 58 million (44) in the fourth quarter and NOK 208 million (240) for the year ended 31 December 2015. The increase compared to the third quarter is explained by seasonality and a full quarter production at the Agua Fria plant in Power Production and construction progress in the Development & Construction segment.

Scatec Solar invested NOK 102 million of equity in Jordan, Honduras and the US in the fourth quarter. Total equity investments for the year is NOK 580 million related to the solar power plants in US, Honduras and Jordan.

During the fourth quarter contributions of NOK 32 million was paid from the project entities in the Czech Republic and the Linde power plant. For the full year 2015 NOK 124 million has been distributed from the project entities.

As previously communicated, from 2015 the company intends to allocate 50% of free cash received from the project entities to dividends to corporate shareholders.

In June 2015 a dividend of NOK 25 million was distributed to the equity holders of Scatec Solar ASA.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In the consolidated statement of financial position, the solar power plant assets are valued at the Group's cost, reflecting elimination of gross margins generated through the project development and construction phase. At the same time, the ring-fenced non-recourse debt held in the entities owning the power producing assets is consolidated at full value. These accounting principles reduce the consolidated equity ratio.

Total equity was NOK 1,425 million (1,430) as of 31 December 2015, representing a decrease of NOK 5 million during fourth quarter and an increase NOK 249 million during the full year. The increase year to date is mainly due to capital increase from non-controlling interests in project companies in Jordan and Honduras of NOK 135 million as well as profit and foreign currency translation differences for the period. Dividends to corporate shareholders and non-controlling interests totalling NOK 183 million are partly offsetting the above effects.

As a result of the construction activities in the US, Honduras and Jordan and hence increased total assets, the book equity ratio decreased to 17.9% from 19.8% at the end of the fourth quarter.

Total assets amounted to NOK 7,984 million (7,205) as of 31 December 2015, an increase of NOK 779 million during the fourth quarter and NOK 2,972 million during the full year. The increase is mainly related to non-current assets, which reflects investments in the US, Honduran and Jordanian projects.

Non-current assets amounted to NOK 5,844 million (5,936) as of 31 December 2015, a decrease of NOK 92 million during fourth quarter and an increase of NOK 2,093 during the year. A government grant received as part the construction of the Red Hills plant in the US is main reason for the quarter on quarter net decrease.

Current assets amounted to NOK 2,140 million (1,269), which was an increase of NOK 871 million during fourth quarter and NOK 879 million during the year – mainly explained by the NOK 500 million bond issue during fourth quarter.

Of the total cash and cash equivalents of NOK 1,639 million, NOK 643 million was cash in project companies in operation, and NOK 170 million was cash in project companies under construction. Other restricted cash amounted to NOK 174 million and NOK 651 million was free cash at the group level. Per 31 December 2015, the Group had drawn NOK 0.5 million on the corporate overdraft facility. Refer to Note 6 for definition of cash terms.

Financial assets in the balance sheet primarily comprise interest rate derivatives in the South African project companies.

Total liabilities increased to NOK 6,558 million from NOK 5,775 million at the end of the third quarter.

Total non-current liabilities amounted to NOK 6,010 million at the end of fourth quarter 2015, compared to NOK 5,019 million at the end of third quarter. NOK 5,060 million of this was non-recourse project financing pledged only to the assets and performance of each individual project, compared to NOK 4,847 million at the end of third quarter. Bonds issued in the fourth quarter account for NOK 493 million of the increased non-current liabilities.

Total current liabilities decreased to NOK 548 million, from NOK 756 million at the end of the third quarter. The decrease mainly reflects reduced trade payables related to construction projects in the US, Jordan and Honduras as well as an increase in the fair value of the Group's interest rate swaps.

OUTLOOK

The following targets have been set for Scatec Solar:

- By year end 2016: 750 – 900 MW in operation and under construction, of which 550-600 MW in operation.
- By year end 2018: 1,400 - 1,600 MW in operation and under construction.
- Investments in new solar power plants are expected to yield average equity IRR of 15% nominal after tax. 10% is set as a minimum threshold for new investments.
- Project development & construction (D&C) gross margins of about 15%.
- 2016 cash flow to Scatec Solar equity expected to reach NOK 180-200 million from Power Production and Operation & Maintenance based on currency exchange rates as of mid-January 2016.

Scatec Solar has not hedged the currency exposure on the expected cash distributions from the project companies.

PROJECT BACKLOG, PIPELINE AND OPPORTUNITIES

Refer to the appendix for a description of the criteria for inclusion of projects to the backlog, pipeline and opportunities.

PROJECT STAGE (IN MW)	Q3 2015*	Q4 2015*
In operation	279	383
Under construction	147	43
Project backlog	344	344
Project pipeline	1,287	1,174
Project opportunities	2,300	2,500

*Status per reporting date.

Since Q3 2015 reporting the 104 MW Utah Red Hills project has been grid connected, and the project is hence moved from "Under Construction" to "In operation" in the table above.

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.

Los Prados, Honduras, 53 MW

In October 2015, Scatec Solar and Norfund signed a share purchase agreement to acquire the 53 MW Los Prados solar project in Honduras. The project have secured 20-year Power Purchase Agreement (PPA) with Empresa nacional de Energía Eléctrica (ENEE), the government-owned utility. Please refer to previous quarterly reports for further project details.

Scatec Solar will build, own and operate the solar power plants with a 70 percent shareholding. Norfund will hold the remaining 30 percent of the equity.

Project financing will be provided by the Central American Bank of Economic Integration (CABEI) and Export Credit Norway with guarantee from the Norwegian Export Credit Guarantee Institute. Financial close and construction start is expected in Q1 2016 and grid connection in 2H 2016.

Segou, Mali, 33 MW
In July 2015, Scatec Solar ASA together with its partners International Finance Corporation (IFC) and Power Africa 1, signed a Power Purchase Agreement (PPA) with Electricité du Mali (EDM), the utility of Mali for delivery of solar power over the next 25 years from a 33 MW solar power plant. Refer to previous quarterly reports for further project details.

The project finance process with IFC and preparations for construction are well under way, and the security situation in Mali is closely monitored. Financial close and construction start is expected by mid 2016.

Upington, South Africa, 258 MW
In April 2015, Scatec Solar was awarded preferred bidder status for three projects with a combined capacity of 258 MW in the fourth bidding round under the REIPPP programme (Renewable Independent Power Producer Programme) in South Africa. Please refer to previous quarterly reports for further project details.

Scatec Solar is awaiting further information from the government on the timing for financial close, but it is expected to happen later in 2016. Construction start of the Upington projects is expected in 2017 to align with the timeline of required grid construction activities in the area.

Pipeline

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

Scatec Solar currently has a project pipeline of a number of projects with a gross capacity of 1,174 MW.

PIPELINE – TARGETED START OF CONSTRUCTION

	CAPACITY (MW)	2016	2017	2018
South Africa	430			430
East Africa	88	88		
West Africa	57		57	
Egypt	341	341		
Pakistan	150	150		
Americas	108		108	
Total pipeline	**1,174**	**579**	**165**	**430**

In South Africa, Scatec Solar bid the projects in the pipeline in the expedited bidding round under the REIPPP programme on November 11, 2015. Award of preferred bidder status for this tender round is expected in 1H 2016.

In East and West Africa the pipeline consists of projects across Burkina Faso, Ghana, Ivory Coast, Kenya and Mozambique.

Development is progressing well, especially for the 48 MW in Kenya and the 40 MW in Mozambique. In Mozambique, the negotiation of the power purchase agreement with the utility is nearing completion and the financing process is on track with IFC as mandated lead bank.

Scatec Solar has secured participation in five projects in Egypt, each 50 MW (AC) in the FiT program that are all included in the pipeline. Based on current planning, these projects would be built out with a total installed capacity of 341 MWp (DC). One project has been secured with Scatec Solar as lead developer, while Scatec Solar has secured agreements with other developers to participate as equity investor, EPC and O&M contractor and asset manager in the four other projects.

Three of the projects are located in the Ben Ban area, while the two other projects are located in the Zafarana area. Agreements have been signed and down payments made by all developers for the establishment of shared grid connection and infrastructure for the Ben Ban area. Power purchase agreements are expected to be finalized shortly. The project agreements for the Zafarana area are expected to follow closely after the agreements for the Ben Ban area are finalized. The project finance process is moving forward with due diligence and the European Bank for Reconstruction and Development (EBRD) has been mandated as lead bank for the Scatec Solar projects.

In Pakistan, Scatec Solar has signed a joint development agreement with Nizam Energy for the development of 300 MW solar power plants. The first 150 MW under this agreement is in the state of Sindh and is included in pipeline. A new feed-in tariff has been announced for 2016 and the project is well positioned to secure this new tariff in the first half of 2016.

In Brazil, Scatec Solar is currently finalizing negotiations to acquire a majority share in two solar projects totaling 78 MW in Brazil. The projects were bid and won in the auction process held by the ANEEL, the Brazilian Electricity Regulatory Agency in August 2015.

In Mexico (Americas), Scatec Solar has a development agreement with a local project developer. This development agreement includes a 30 MW project in Baja California which is included in the project pipeline. The project is waiting for clarification of local grid capacity from the national grid authority.

200 MW in the US (Americas), consisting of one project in Utah and one in Georgia, were sold 27 January 2016 and are removed from the project pipeline.

Project opportunities
Project opportunities are defined as projects where a feasibility study and a business case evaluation have been made.

Scatec Solar currently holds project opportunities with a combined capacity of 2,500 MW across Americas, Africa and MENA.

2016 AND Q1 2016 GUIDANCE

Power Production (PP)

2016 power production is expected to reach 815,000 MWh, up from 466,275 MWh in 2015. The increase is driven by grid connection of new plants and full year production of plants grid connected in 2015.

Q1 2016 power production is expected to reach 170,000 MWh, up from 151,575 MWh in Q4 2015. The increase is reflecting the grid connection of the 104 MW Red Hills plant in the US, partly offset by seasonal lower production at the South Africa plants.

The 104 MW Red Hills plant in the US is expected to generate 210,000 MWh annually and will sell power into the merchant market in 2016. The plant is hence expected to deliver a neutral cash margin in 2016. The higher PPA tariff will be effective from January 1, 2017.

Operation and Maintenance (O&M)

O&M revenues are expected to increase from 2015 to 2016 as O&M contracts for new power plants comes into effect.

O&M revenues in 2016 are estimated to NOK 60-65 million with an EBITDA margin of 40-50%.

Development & Construction (D&C)

D&C revenues and margins are dependent on timing of commencement and pace of execution of the company's project backlog and pipeline.

D&C revenues are expected to increase from 2015 to 2016 as construction of new power plants commences.

In the fourth quarter Scatec Solar entered into an EPC contract for construction of a 5 MW expansion of the Agua Fria plant.

Total remaining contract value for the projects currently under construction in Jordan is approximately USD 70 million.

Corporate & Eliminations

Corporate costs are expected to increase from 2015 to 2016 as corporate functions are strengthened to support the company's growth plans.

Elimination will continue to reflect D&C and O&M revenues and costs related to internal deliveries to project companies managed and consolidated by Scatec Solar.

DIVIDEND POLICY

The company's objective is to pay shareholders consistent and growing cash dividends. As previously communicated, from 2015 the company intends to allocate 50% of free cash received from the project companies to dividends. For the full year 2015, NOK 124 million has been distributed from the project companies.

There can be no assurances that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the above. In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, the Group's capital requirements and financial condition, general business conditions, any restrictions that borrowing arrangements or other contractual arrangements may place on the Company's ability to pay dividends and the maintaining of appropriate financial flexibility.

RISK

Scatec Solar has entered into long-term fixed price contracts for the sale of electricity from all its current solar power plants and the entry into such contracts is a prerequisite for financing and construction of the projects in the backlog and pipeline. All existing electricity sales contracts are entered into with state-owned utilities typically under regulation of various state programs to promote renewable energy. As a consequence, Scatec Solar is to a certain degree subject to political risk in the countries it operates.

The main economic risk going forward relate to operational performance of existing power plants, timely completion of solar plants under construction and progress in the transitioning of projects in backlog through financial close and into construction.

Scatec Solar has established a solid project pipeline, but further growth of the company will depend on a number of factors such as project availability, access to financing, component availability and pricing, price development for alternative sources of energy and the regulatory framework in the relevant markets.

In terms of specific financial risks, Scatec Solar is mainly exposed to currency risk, credit risk, liquidity risk and to some extent interest rate risk. All risks are sought to be mitigated through risk management systems.

For further information refer to the Annual Report 2014.

RELATED PARTIES

Note 24 in the annual report for 2014 provides details of transactions with related parties and the nature of these transactions. Additionally, during 2015 the Scatec Solar Group has been involved in transactions with related parties regarding shareholder financing of project companies, sub-EPC, equity partner financing and dividends. Refer to note 9 for further information on related party transactions.

FORWARD LOOKING STATEMENTS

This condensed interim report contains forward-looking statements based upon various assumptions. These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risk and uncertainties because they relate to events and depend on circumstances that will occur in the future. Although Scatec Solar believes that these assumptions were reasonable when made, the Company cannot assure that the future results, level of activity or performances will meet these expectations.

Condensed interim financial information

Interim consolidated statement of profit or loss

NOK THOUSAND	NOTES	Q4 2015	Q4 2014	FULL YEAR 2015	FULL YEAR 2014
Revenues	2,3	255,100	175,101	867,714	455,098
Net gain/(loss) from sale of project assets	2,3	11,543	18,254	14,112	17,393
Net income/(loss) from associated companies	2	-	1,010	-865	-1,183
Total revenues and other income		266,643	196,480	880,961	471,308
Personnel expenses	2	-18,970	-19,331	-70,543	-69,686
Other operating expenses	2	-32,411	-42,067	-112,027	-108,736
Depreciation, amortisation and impairment	2,3	-52,463	-38,687	-175,609	-101,859
Operating profit		162,799	94,280	522,782	191,027
Interest and other financial income	4,5	17,216	14,633	64,402	54,799
Interest and other financial expenses	4,5	-111,093	-89,992	-408,054	-248,557
Net foreign exchange gain/(losses)	4,5	22,185	-12,842	40,514	62,310
Net financial expenses		-71,692	-88,200	-303,138	-131,448
Profit,before income tax		91,107	6,079	219,644	59,579
Income tax (expense)/benefit	7	-32,138	-1,224	-83,970	-11,062
Profit/(loss) for the period		58,969	4,856	135,674	48,517
Profit/(loss) attributable to:					
Equity holders of the parent		26,313	-10,993	67,651	-17,923
Non-controlling interests		32,656	15,849	68,023	66,440
Basic and diluted earnings per share (NOK)		0.28	-0.12	0.72	-0.25
Weighted average no of shares (in thousand)		93,816	93,816	93,816	72,807

The interim financial information has not been subject to audit.

Interim consolidated statement of comprehensive income

NOK THOUSAND	Q4 2015	Q4 2014	FULL YEAR 2015	FULL YEAR 2014
Profit/(loss) for the period	58,969	4,856	135,674	48,517
Other comprehensive income:				
Items that may subsequently be reclassified to profit or loss				
Net movement of cash flow hedges	107,576	-49,606	142,713	-86,997
Income tax effect	-30,123	13,884	-39,959	24,359
Foreign currency translation differences	-14,618	66,203	44,576	117,750
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	62,835	30,481	147,330	55,112
Total comprehensive income for the period net of tax	121,804	35,337	283,004	103,629
Attributable to:				
Equity holders of the parent	73,607	44,720	188,941	74,449
Non-controlling interests	48,197	-9,834	94,063	29,180

The interim financial information has not been subject to audit.

Interim consolidated statement of financial position

NOK THOUSAND	NOTES	AS OF 31 DECEMBER 2015	AS OF 31 DECEMBER 2014
ASSETS			
Non-current assets			
Deferred tax assets	7	340,670	402,011
Property, plant and equipment – in solar projects	3	5,196,298	3,049,193
Property, plant and equipment – other	3	19,891	13,231
Goodwill		23,595	22,169
Financial assets	4,5	126,810	23,868
Investments in associated companies	11	-	25,841
Other non-current assets	9	136,543	214,401
Total non-current assets		5,843,807	3,750,715
Current assets			
Trade and other receivables		221,382	126,122
Other current assets	9	251,892	82,897
Financial assets	4,5	1,086	2,946
Cash and cash equivalents	6	1,639,029	1,049,106
Non-current assets held for sale	11,14	26,427	-
Total current assets		2,139,816	1,261,071
TOTAL ASSETS		7,983,623	5,011,785

The interim financial information has not been subject to audit.

Interim consolidated statement of financial position

NOK THOUSAND	NOTES	AS OF 31 DECEMBER 2015	AS OF 31 DECEMBER 2014
EQUITY AND LIABILITIES			
Equity			
Share capital		2,345	2,345
Share premium		807,903	794,142
Total paid in capital		810,248	796,487
Retained earnings		-164,909	-207,227
Other reserves		161,803	40,511
Total other equity		-3,106	-166,716
Non-controlling interests		618,255	546,811
Total equity	8	1,425,397	1,176,582
Non-current liabilities			
Deferred tax liabilities	7	203,436	82,640
Non-recourse project financing	4	5,060,328	3,337,265
Bonds	13	492,917	-
Financial liabilities	4,5	-	14,886
Other non-current liabilities	9	253,399	4,646
Total non-current liabilities		6,010,080	3,439,437
Current liabilities			
Trade and other payables	10	154,154	69,947
Income tax payable	7	23,508	41,543
Non-recourse project financing	4	171,364	112,786
Financial liabilities	4,5,6	6,184	25,773
Other current liabilities	9	192,936	145,717
Total current liabilities		548,146	395,766
Total liabilities		6,558,226	3,835,203
TOTAL EQUITY AND LIABILITIES		7,983,623	5,011,785

The interim financial information has not been subject to audit.

Oslo, 28 January 2016

The Board of Directors of Scatec Solar ASA

Interim consolidated statement of changes in equity

				OTHER RESERVES				
NOK THOUSAND	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	HEDGING RESERVES	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
At 1 January 2014	1,624	301,286	-147,074	-71,602	19,742	**103,976**	294,640	**398,616**
Profit for the period	-	-	-17,923	-	-	**17,923**	66,440	**48,517**
Other comprehensive income	-	-	-	116,801	-24,429	**92,372**	37,260	**55,112**
Total comprehensive income	-	-	-17,923	116,801	-24,429	**74,449**	29,180	**103,629**
Share capital increase	721	498,480	-	-	-	**499,201**	-	**499,201**
Transaction cost, net after tax	-	-14,607	-	-	-	**-14,607**	-	**-14,607**
Shareba sed payment	-	8,982	-	-	-	**8,982**	-	**8,982**
Dividend to equity holders of the company	-	-	-42,230	-	-	**-42,230**	-	**-42,230**
Capital increase from NCI*	-	-	-	-	-	**-**	222,991	**222,991**
At 31 December ber 2014	2,345	794,142	-207,227	45,199	-4,688	**629,771**	546,811	**1,176,582**
At 1 January 2015	2,345	794,142	-207,227	45,199	-4,688	**629,771**	546,811	**1,176,582**
Profit for the period	-	-	67,651	-	-	**67,651**	68,023	**135,674**
Other comprehensive income	-	-	-	82,261	39,031	**121,290**	26,040	**147,330**
Total comprehensive income	-	-	67,651	82,261	39,031	**188,941**	94,063	**283,004**
Share-based payment	-	13,761		-	-	**13,761**		**13,761**
Dividend to equity holders of the company	-	-	-25,331	-	-	**-25,331**	-157,740	**-183,071**
Capital increase from NCI*	-	-		-	-	**-**	135,120	**135,120**
At 31 December 2015	2,345	807,903	-164,909	127,460	34,343	**807,142**	618,255	**1,425,397**

The interim financial information has not been subject to audit.

* Non-controlling interests.

Interim consolidated statement of cash flow

NOK THOUSAND	NOTES	Q4 2015	Q4 2014	FULL YEAR 2015	FULL YEAR 2014
Cash flow from operating activities					
Profit before taxes		91,107	6,079	219,644	59,579
Taxes paid	7	-13,636	-67,967	-47,639	-100,549
Depreciation and impairment	3	52,463	38,687	175,609	101,859
Net income associated companies/sale of project assets		-12,382	-1,010	-13,247	1,183
Interest and other financial income	4	-17,216	-14,633	-64,403	-54,799
Interest and other financial expenses	4	114,040	89,992	408,054	248,557
Unrealised foreign exchange (gain)/loss	4	-71,846	34,145	-134,272	24,986
(Increase)/decrease in trade and other receivables		-94,900	-41,375	-95,260	-100,650
(Increase)/decrease in other current/non-current assets		-85,884	22,460	-96,347	22,340
Increase/(decrease) in trade and other payables	10	-78,013	-1,125	84,207	-371,864
Increase/(decrease) in current liabilities		40,024	20,382	46,374	83,091
Increase/(decrease) in financial assets and other changes	5,9	-3,210	-37,525	22,107	-10,200
Net cash flow from operating activities		-79,453	48,110	504,827	-96,467
Cash flow from investing activities					
Interest received	4	17,216	13,544	64,403	34,012
Investments in property, plant and equipment	3	-475,371	-136,946	-2,512,284	-923,315
Investments in associated companies		71,195	-8,809	39,106	-20,489
Net cash flow from investing activities		-386,960	-132,212	-2,408,775	-909,792
Cash flow from financing activities					
Proceeds from NCI shareholder financing*		63,099	36,616	279,840	105,100
Proceeds from share capital increase		-	484,595	-	484,595
Interest paid	4	-188,660	-142,397	-379,676	-257,579
Proceeds from non-recourse project financing	4	1,366,199	62,430	2,874,104	701,882
Repayment of non-recourse project financing	4	-498,200	-6,817	-549,385	-19,780
Proceeds of corporate overdraft facility	4	-	-	425	43,355
Repayment of corporate overdraft facility	4	-76,264	-43,355	-	-43,355
Proceeds from bond issue	13	492,917	-	492,917	
Equity financing of co-investors	9	65,848	-	-	-
Dividends paid to equity holders of the parent company	8	-	-	-25,331	-42,230
Dividends paid to non-controlling interest		-41,572	-	-157,740	-
Net cash flow from financing activities		1,183,367	390,772	2,535,154	971,988
Net increase/(decrease in cash and cash equivalents		716,954	306,608	631,206	-34,271
Effect of exchange rate changes on cash and cash equivalents		-40,947	76,337	-41,283	58,016
Cash and cash equivalents at beginning of the period	6	963,022	666,098	1,049,106	1,025,362
Cash and cash equivalents at end of the period	6	1,639,029	1,049,106	1,639,029	1,049,106
Cash in project companies in operation	6	643,495	527,980	643,495	527,980
Cash in project companies under construction	6	169,934	1,933	169,934	1,933
Other restricted cash	6	174,241	115,540	174,241	115,540
Free cash	6	651,359	403,653	651,359	403,653
Total cash and cash equivalents	6	1,639,029	1,049,106	1,639,029	1,049,106

The interim financial information has not been subject to audit.

* Proceeds from non-controlling interest shareholder financing include both equity contributions and shareholder loans.

.

Notes to the condensed interim consolidated financial statements

Note 1 Organisation and basis for preparation

Corporate information

Scatec Solar ASA is incorporated and domiciled in Norway. The address of its registered office is Karenslyst Allé 49, NO-0279 Oslo, Norway. Scatec Solar was established on 2 February 2007.

Scatec Solar ASA ("the Company"), its subsidiaries and investments in associated companies ("the Group" or "Scatec Solar") is one of the world's leading independent solar power producers. The Company is pursuing an integrated business model across the complete life cycle of utility-scale solar photovoltaic (PV) power plants including project development and design, financing, engineering, procurement, construction management, operation and maintenance, and asset management.

The condensed interim consolidated financial statements were authorised for issue by the Board of Directors on 28 January 2016.

Basis of preparation

These condensed interim consolidated financial statements are prepared in accordance with recognition, measurement and presentation principles consistent with International Financing Reporting Standards as adopted by the European Union ("IFRS") for interim reporting under International Accounting Standard ("IAS") 34 Interim Financial Reporting. These condensed interim consolidated financial statements are unaudited.

These condensed interim consolidated financial statements are condensed and do not include all of the information and notes required by IFRS for a complete set of consolidated financial statements. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements.

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014. Standards and interpretations mentioned in note 27 of the Group's annual report 2014 with effective date from financial year 2015, do not have a significant impact on the Group's condensed interim consolidated financial statements.

The functional currency of the companies in the Group is determined based on the nature of the primary economic environment in which each company operates. The functional currency of the parent company Scatec Solar ASA and the presentation currency of the Group is Norwegian kroner (NOK). All amounts are presented in NOK thousands unless otherwise stated.

As a result of rounding adjustments, the figures in some columns may not add up to the total of that column.

Significant estimates and judgements

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the condensed interim financial statements:

Consolidation of new project companies

Scatec Solar's value chain comprises all downstream activities such as project development, financing, construction and operations, as well as having an asset management role through ownership of the solar power plants. Normally Scatec Solar enters into partnerships for the shareholding of the project companies owning the power plants. To be able to utilise the business model fully, Scatec Solar seeks to obtain operational control of the project companies. Operational control is obtained through governing bodies, shareholder agreements and other contractual arrangements. Other contractual arrangements may include Scatec Solar's role as the developer of the project, EPC provider (construction), operation and maintenance service provider and asset management service provider.

Scatec Solar would normally seek to undertake the following distinct roles in its projects:

- As the largest shareholder providing equity financing to the project
- As (joint) developer, including obtaining project rights, land permits, off-take agreements and other local approvals
- As EPC supplier, responsible for the construction of the project
- As provider of operation and maintenance services to the projects, responsible for the day-to-day operations of the plant
- As provider of management services to the project companies

During first quarter 2015 the construction of the Agua Fria (Honduras), Oryx (Jordan) and Red Hills (USA) solar power plants commenced. Scatec Solar has a shareholding of 40%, 90% and 100% in the respective project companies. During second quarter 2015 the construction of the EJRE and GLAE (both Jordan) solar power plants commenced. Even though none of the projects Scatec Solar is involved with are identically structured, the five roles/activities described above constitute the main and relevant activities which affect the variable return. When assessing whether Scatec Solar controls a project company as defined by IFRS 10 Consolidated Financial Statements, all of the above agreements are analysed. For the five project companies referred to above, Scatec Solar has concluded that it through its involvement has the power to control the entities. Furthermore, Scatec Solar is exposed to variable returns and has the ability to affect those returns through its power over the companies.

During fourth quarter Google entered as tax equity investor in the Red Hills project. Based on the characteristics of this instrument Scatec Solar has assessed that Google's investment is to be considered as a financial liability according to IFRS. Consequently, Google's return on its tax equity investment is presented as a financial expense in the consolidated statement of profit or loss.

The Red Hills project has been granted an investment tax credit (ITC). Based on an analysis of facts and circumstances related to the ITC Scatec Solar has concluded that it should be recognized based on IAS 20 Government Grants. Hence, the value of the ITC is presented as a reduction to the cost of the plant.

Refer to note 2 of the 2014 annual report for information on other judgements.

Estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis, considering the current and expected future market conditions. Changes in accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Seasonality in operations

Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. The Group's operating results are affected by external factors, such as weather conditions. The power production at the PV solar parks is directly affected by seasonal changes in solar irradiance which is normally at its highest during the summer months. This effect is to a certain degree offset in the consolidated revenues due to the fact that the Group operates PV solar parks on both the northern and southern hemisphere.

Presentation of gain/loss from sale of project assets

The company is presenting net gain or loss from sale of project assets as a separate line item within total revenues and other income. The changed presentation is applied consistently on comparative figures.

Note 2 Operating segments

Operating segments align with internal management reporting to the Group's chief operating decision maker, defined as the Group management team. The operating segments are determined based on differences in the nature of their operations, products and services. Scatec Solar manages its operations in three segments; Power Production (PP), Operation and Maintenance (O&M) and Development and Construction (D&C).

Financing and operation of solar power plants is ring-fenced in project companies with a non-recourse project finance structure - where Scatec Solar contributes with the required equity, either alone or together with co-investors. For companies where Scatec Solar is deemed to have a controlling interest in accordance with IFRS 10, revenues, expenses, assets and liabilities are included on a 100% basis in the condensed interim Financial Statements and presented correspondingly in the Power Production segment reporting.

Power Production

The Power Production segment manages the Group's power producing assets, and derives its revenue from the production and sale of solar generated electricity based on long-term Power Purchase Agreements or Feed-in-Tariffs. Finance and operation of the plants is ring-fenced in project companies with a non-recourse finance structure. This implies that the project debt is only secured and serviced by project assets and the cash flows generated by the project, and that there is no obligation for project equity investors to contribute additional funding in the event of a default. Free cash flows after debt service are distributed from these project companies to Scatec Solar, and any other project equity investors in accordance with the shareholding and the terms of the finance documents.

Operation and Maintenance

The Operation and Maintenance segment delivers services to ensure optimised operations of the Group's solar power producing assets through a complete and comprehensive range of services for technical and operational management. Revenues are based on service agreements with a periodic base fee as well as a potential performance bonus.

Development and Construction

The Development and Construction segment derives its revenue from the sale of development rights and construction services to project companies set up to operate the Group's solar power plants. These transactions are primarily made with companies that are under the control of the Group and hence are being consolidated. Revenues from transfer of development rights are recognised upon the transfer of title.

Revenues from construction services are based on fixed price contracts and are accounted for using the percentage of completion method.

Corporate

Corporate consists of the activities of corporate services, management and group finance.

No segments have been aggregated to form these reporting segments. Revenues from transactions between the D&C, O&M and PP segments, where Scatec Solar is deemed to hold a controlling interest, are presented as Internal Revenues in the segment reporting and eliminated in the consolidated statement of profit or loss.

These transactions are based on international contract standards and terms negotiated at arm's length with lenders and co-investors in each project company.

The management team assesses the performance of the operating segments based on a measure of gross profit and operating profit. The measurement basis for the segment data follows the accounting policies used in the consolidated financial statement for 2014 as described in Note 27 Summary of significant accounting policies.

Q4 2015

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	253,594	1,507	-	-	-	**255,100**
Internal revenues	-	9,749	188,612	2,735	-201,096	**-**
Net gain/(loss) from sale of project assets	-	-	11,543	-	-	**11,543**
Net income/(loss) from associates	-	-	-	-	-	**-**
Total revenues and other income	253,594	11,256	200,138	2,735	-201,096	**266,627**
Cost of sales	-	-	-156,147	-	156,147	**-**
Gross profit	253,594	11,256	44,007	2,735	-44,949	**266,643**
Personnel expenses	-2,745	-2,826	-6,559	-6,840	-	**-18,970**
Other operating expenses	-21,969	-4,405	-11,710	-6,811	12,484	**-32,411**
Depreciation and impairment	-62,414	-855	-2,977	-150	13,933	**-52,463**
Operating profit	166,466	3,170	22,761	-11,066	-18,532	**162,799**

Q4 2014

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	173,720	1,371	-	9	-	**175,100**
Internal revenues	-	8,243	98,257	-550	-105,951	**-**
Net gain/(loss) from sale of project assets	-	-	18,254	-	-	**18,254**
Net income/(loss) from associates	-	-	1,010	-	-	**1,010**
Total revenues and other income	173,720	9,614	117,521	-541	-105,951	**194,364**
Cost of sales	-	-	-49,781	-	49,783	**-**
Gross profit	173,720	9,614	67,740	-541	-56,168	**194,366**
Personnel expenses	-2,584	-1,831	-9,689	-5,228	-	**-19,331**
Other operating expenses	-16,623	-2,709	-17,313	-13,115	7,693	**-42,067**
Depreciation and impairment	-44,475	-313	-7,576	-66	13,741	**-38,687**
Operating profit	110,039	4,762	33,162	-18,949	-34,733	**94,280**

FULL YEAR 2015

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	862,982	4,074	658	-	-	**867,714**
Internal revenues	-	51,359	1,146,639	7,462	-1,205,460	**-**
Net gain/(loss) from sale of project assets	-	-	14,112	-	-	**14,112**
Net income/(loss) from associates	-	-	-865	-	-	**-865**
Total revenues and other income	862,982	55,433	1,160,544	7,462	-1,205,460	**880,961**
Cost of sales	-	-	-989,710	-	989,710	**-**
Gross profit	862,982	55,433	170,834	7,462	-215,750	**880,961**
Personnel expenses	-9,904	-9,879	-27,120	-23,640	-	**-70,543**
Other operating expenses	-92,993	-14,169	-42,544	-21,142	58,821	**-112,027**
Depreciation and impairment	-227,570	-2,555	-6,548	-495	61,559	**-175,609**
Operating profit	532,515	28,830	94,622	-37,815	-95,370	**522,782**

FULL YEAR 2014

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	448,064	7,025	-	9	-	**455,098**
Internal revenues	11,386	21,630	949,490	6,208	-988,713	**-**
Net gain/(loss) from sale of project assets	-	-	17,393	-	-	**17,393**
Net income/(loss) from associates	-	-	-1,183	-	-	**-1,183**
Total revenues and other income	459,450	28,654	965,700	6,217	-988,713	**471,308**
Cost of sales	-	-	-634,406	-	634,406	**-**
Gross profit	459,450	28,654	331,294	6,217	-354,307	**471,309**
Personnel expenses	-4,993	-6,590	-37,623	-20,480	-	**-69,686**
Other operating expenses	-42,257	-9,189	-51,798	-33,330	27,838	**-108,736**
Depreciation and impairment	-122,901	-1,180	-15,430	-429	38,081	**-101,859**
Operating profit	289,299	11,695	226,443	-48,022	-288,388	**191,027**

Note 3 Property, plant and equipment

The Group operates solar power plants in Europe, Africa as well as in North and South America. During 2015, five solar power plants have been under construction (Agua Fria in Honduras, Oryx, EJRE and GLAE in Jordan as well as Red Hills in the US). Power plants which are constructed within one fiscal year are presented as additions to "solar power plants" in the table below. If construction is carried out in two fiscal years, the carrying value of the completed plant is transferred from 'solar power plants under construction' to "solar power plants".

The carrying value of development projects that have not yet reached the construction phase was NOK 141,302 thousand at 31 December 2015 (31 December 2014: NOK 50,666 thousand).

There were no significant impairment losses during first half year 2015. In the third quarter 2015, the Group recognised an impairment loss of NOK 1,443 thousand related to a development project in South Africa. In the fourth quarter 2015, the Group incurred an impairment loss of NOK 2,596 thousand related to two US development projects. The projects were sold during first quarter 2016 and is presented as held for sale assets at 31 December 2015.

During first quarter 2014, the Group incurred impairment losses of NOK 3,201 thousand. The impairment losses relate to two development projects in South Africa. During second quarter 2014, the Group incurred impairment losses of NOK 748 thousand related to the close-down of the German operations. In third quarter 2014, the Group recognized impairment losses of NOK 3,009 thousand related to a development project in France. In the fourth quarter 2014, the Group decided to restructure the operations in Japan and incurred an impairment loss of NOK 6,760 thousand on development projects.

All impairment losses are recognized in the Development & Construction segment.

During second quarter 2015 the Group sold its portfolio of projects in the UK. Total consideration received was NOK 20,094 thousand, cost of sales was NOK 17,509 thousand and the net gain was NOK 2,585 thousand. The transaction was recorded in the Development & Construction segment.

NOK THOUSAND	SOLAR POWER PLANTS	SOLAR POWER PLANTS UNDER CONSTRUCTION	MACHINERY AND EQUIPMENT	TOTAL
Carrying value at 31 December 2014	2,870,939	178,254	13,231	**3,062,424**
Additions*	1,761,249	493,328	10,469	**2,265,046**
Disposals	-	-17,509	-381	**-17,890**
Transfers between asset classes and to held for sale	-1,601	-26,427	1,601	**-26,427**
Depreciation	-165,848	-	-4,947	**-170,795**
Impairment losses	0	-4,457	-357	**-4,814**
Effect of foreign exchange currency translation adjustments	80,934	27,436	274	**108,644**
Carrying value at 31 December 2015	4,545,673	650,625	19,891	**5,216,189**
Estimated useful life (years)	20-25	N/A	3-5	

* A government grant of NOK 382,702 thousand, provided as part of the construction of the Red Hills power plant, is included in net additions.

Note 4 Net financial expenses and liabilities

Scatec Solar uses non-recourse financing for constructing and/or acquiring assets, exclusively using as guarantee the assets and cash flows of the special purpose vehicle carrying out the activities financed. Compared to corporate financing, non-recourse financing has certain key advantages, including a clearly defined and limited risk profile. In this respect, the banks recover the financing solely through the cash flows generated by the projects financed. For four of the five companies operating in the Czech Republic, the non-recourse financing agreements include a cross default clause within the Czech group.

The project companies' assets are pledged as security for the non-recourse financing. The repayment plan for the debt is a sculpted annuity; hence the sum of loan and interest repayments are not stable from year to year. Repayments are normally made twice a year. Refer to note 5 in the 2014 Annual Report for more information. The maturity date for the loans ranges from 2028 to 2036. NOK 171,364 thousand of the, Group's total non-recourse debt is due within 12 months and is presented as current in the statement of financial position.

During 2015, the Group drew down net NOK 2,324,719 thousand of non-recourse debt as part of the construction of the solar power plants in the US, Honduras and Jordan. Included in the net amount is a repayment of NOK 464,736 thousand which was paid to external lenders in the fourth quarter when the tax equity investor in the Red Hills project made its project capital contribution.

NOK THOUSAND	Q4 2015	Q4 2014	FULL YEAR 2015	FULL YEAR 2014
Interest income	17,207	13,544	63,868	34,013
Other financial income	9	1,089	534	20,786
Financial income	17,216	14,633	64,402	54,799
Interest expenses	-107,024	-86,651	-395,541	-190, 802
Forward exchange contracts	-	-755	-2,954	-46,744
Other financial expenses	-4,069	-2,585	-9,559	-11,011
Financial expenses	-111,093	-89,991	-408,054	-248,557
Foreign exchange gains/(losses)	22,185	-12,842	40,514	62,310
Net financial expenses	-71,692	-88,200	-303,138	-131,448

Note 5 Significant fair value measurements

Derivative financial instruments (including interest rate swaps and forward exchange contracts) are valued at fair value on Level 2 of the fair value hierarchy, in which the fair value is calculated by comparing the terms agreed under each derivative contract to the market terms for a similar contract on the valuation date. Note 10 in the annual report for 2014 provides details for each class of financial assets and financial liabilities, and how these assets and liabilities are grouped.

There are no significant changes for the presentation of these categories in the period, and there are no significant differences between total carrying value and fair value at reporting date. The presented table below summarises each class of financial instruments recognised in the condensed consolidated statement of financial position, split by the Group's basis for fair value measurement.

31 December 2015 NOK THOUSAND	NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)	TOTAL FAIR VALUE
Fair value based on prices quoted in an active market (Level 1)	-	-	-	-
Fair value based on price inputs other than quoted prices (Level 2)	-	127,896	-5,759	122,137
Fair value based on unobservable inputs (Level 3)	72	-	-	72
Total fair value at 31 December 2015	72	127,896	-5,759	122,209

31 December 2014 NOK THOUSAND	NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)	TOTAL FAIR VALUE
Fair value based on prices quoted in an active market (Level 1)	-	-	-	**-**
Fair value based on price inputs other than quoted prices (Level 2)	-	26,814	-40,659	**-13,845**
Fair value based on unobservable inputs (Level 3)	3,120	-	-	**3,120**
Total fair value at 31 December 2014	3,120	26,814	-40,659	**10,725**

Note 6 Cash and cash equivalents

NOK THOUSAND	31 DECEMBER 2015	31 DECEMBER 2014
Cash in project companies in operation	**643,495**	527,980
Cash in project companies under construction	**169,934**	1,933
Other restricted cash	**174,241**	115,540
Free cash	**651,359**	403,653
Total cash and cash equivalents	**1,639,029**	1,049,106

Cash in project companies in operation includes restricted cash in proceeds accounts, debt service reserve accounts, disbursements accounts, maintenance and insurance reserve accounts and similar. These cash and cash equivalents are only available to the Group through distributions as determined by shareholder and non-recourse financing agreements.

Cash in project companies under construction comprise shareholder financing and draw down on term loan facilities by project companies to settle outstanding external EPC invoices.

Other restricted cash comprises restricted deposits for withholding tax, guarantees, VAT and rent as well as collateralised shareholder financing of project companies not yet distributed to the project companies.

Reconciliation of movement in free cash

NOK THOUSAND	Q4 2015	Q4 2014	FULL YEAR 2015	FULL YEAR 2014
Free cash at beginning of period	**212,808**	111,327	**403,653**	296,510
Net free cash flow from operations outside non-recourse financed companies	**508,766**	326,685	**704,526**	121,916
Equity contributions/collateralised for equity commitments in project companies	**-102,132**	-26,243	**-580,518**	-35,090
Distributions from project companies	**31,907**	6,183	**123,698**	20,317
Free cash at end of the period	**651,359**	405,586	**651,359**	403,653

In the second quarter of 2014, Scatec Solar entered into an overdraft facility of NOK 100 million with a tenor of 1 year (and rolled forward one year at the time) and a guarantee facility of NOK 150 million with a tenor of 3 years, both with Nordea Bank Norge ASA. Both facilities have a covenant requiring Scatec Solar's equity ratio to be above 30% - where the equity ratio is calculated excluding assets and debt related to non-recourse project company financing.

The term of the facility is NIBOR 7 days plus 2.5% per year. Per 31 December 2015, the Group has drawn NOK 425 thousand on the facility.

The proceeds from the IPO fourth quarter 2014 and bond issue fourth quarter 2015 is included in the table above as net free cash flow from operations outside non-recourse financed companies. See note 13 for further information on the bonds.

Note 7 Income tax expense

FFor the fourth quarter and full year ended 31 December 2015, the effective income tax rate was primarily influenced by intercompany transactions subject to different tax rates. Additionally the statutory tax rate in Norway is reduced from 27% to 25%, leading to a tax expense of NOK 1,207 thousand. The full year is additionally influenced by withholding taxes on intercompany dividends of NOK 11,306 thousand.

Effective tax rate

NOK THOUSAND	Q4 2015	Q4 2014	FULL YEAR 2015	FULL YEAR 2015
Profit before income tax	91,107	6,080	219,644	59,579
Income tax (expense)/benefit	-32,138	-1,224	-83,970	-11,062
Equivalent to a tax rate of (%)	35.3	20.1	38.2	18.6

Movement in deferred tax

NOK THOUSAND	Q4 2015	Q4 2014	FULL YEAR 2015	FULL YEAR 2014
Net deferred tax asset at beginning of period	281,363	271,131	319,371	232,750
Recognised in the consolidated statement of profit or loss	-14,060	6,908	-44,807	30,076
Deferred tax on financial instruments recognised in OCI	-29,917	13,884	-39,754	24,359
Recognised in the consolidated statement of changes in equity	1,757	8,646	8,567	12,851
Tax effect of ITC treated as government grant*	-80,293	-	-80,293	-
Distributed taxes to tax equity partners*	-8,342	-	-8,342	-
Witholding taxes carried forward	59	726	1,008	726
Translation differences	-13,333	18,077	-18,516	18,609
Net deferred tax asset at end of period	137,234	319,371	137,234	319,371

* During the fourth quarter the Red Hills project received an investment tax credit (ITC) which is recognized as a government grant (see note 1). A part of this grant reduces the tax base for future depreciations, and is therefore treated as a deferred tax liability. Further the Red Hills project is structured as a tax equity partnership, and tax profits are distributed between the partners at a pre-determined ratio. The tax equity partner's contribution is treated as debt, hence all distributions are considered repayment of debt.

Note 8 Dividend

For 2014, the Board of Directors proposed a dividend of NOK 0.27 per share, totalling NOK 25,330 thousand. Distribution of dividends is resolved by a majority vote of the Annual General Meeting of the shareholders of the Company, and on the basis of a proposal from the Board of Directors. The Annual General Meeting has the power to reduce, but cannot increase the dividend proposed by the Board of Directors. The share was trading excluding dividend rights (ex-date) on the day following the Annual General Meeting held 7 May 2015. The dividend was paid 15 June 2015.

Note 9 Non-current receivables/liabilities - related parties

As of 31 December 2015, Scatec Solar has receivables on non-controlling interests of NOK 155,294 thousand (124,742). NOK 97,705 thousand (104,313) of the receivables relates to committed but not paid equity in project companies in South Africa. Further included in other non-current receivables are loans provided to the equity consolidated company Scatec Energy (US) of NOK 21,044 thousand (17,217). In addition the Group has receivables of NOK 22,909 thousand (12,007) on co-investors related to equity financing of project companies in Jordan and Honduras.

As part of the shareholder financing of the Agua Fria project company and the Jordanian project companies, the shareholders have issued both equity and shareholder loans.

The total shareholder loans from non-controlling interests amounts to NOK 253,128 thousand as of 31 December 2015, of which NOK 137,747 thousand relates to the Agua Fria project and NOK 115,380 thousand relates to Oryx and EJRE/GLAE projects. The shareholder loans from non-controlling interests are presented as other non-current liabilities.

Scatec Solar has short term liabilities to related parties of NOK 72,978 thousand consisting of project development fee payables to one of the equity partners in Jordan (NOK 46,081) and dividends to non-controlling interest (NOK 18,093 thousand).

Note 10 Trade and other payables

The consolidated trade and other payables of NOK 154,154 thousand are mainly related to construction related supplier credits. Consequently, the balance is affected by the activity level in the Development & Construction segment. The increased payables at 31 December 2015 compared to 31 December 2014, reflects the activity currently ongoing as part of the construction of the Red Hills, Agua Fria, Oryx, and EJRE/GLAE projects.

Note 11 Non-current assets held for sale

The 200 MW AREP and Three Peaks solar power projects in the US which was developed by Scatec Solar were sold at carrying value in the first quarter 2016 and are presented as held for sale assets at 31 December 2015.

In October, Scatec Solar concluded the sale of the 8 MW Waihonu project in the US. The project was developed and owned jointly by Scatec Solar (49%) and Meridian (51%). Total cash consideration was NOK 87,430 thousand and Scatec Solar's share of the net development margin was NOK 11,527 thousand.

Note 12 Share based payment

In September 2015 certain key employees were invited to participate in a one-time personal award program, whereby such key employees were granted 80 thousand synthetic Scatec Solar shares. In addition, the participants will earn a multiplier of between 1 and 2 times the awarded number of synthetic shares, making the total size of the program 160 thousand synthetic shares. The vesting of the shares is conditional upon the participants being employed with the company at year-end 2016/2018. Further, the second tranche of shares is linked to performance conditions that must be satisfied. The value of the synthetic shares will be paid to the participants 28 February 2017/2019 based on the share price on the last day of trading in 2016/2018. The program meets the definition of a cash settled share based payment transaction and is accounted for in accordance with IFRS 2. The estimated total fair value of the plan at grant date was NOK 8,383 thousand and an accrual of NOK 997 thousand has been recognized per 31 December 2015.

The retention and share incentive plan introduced in the second quarter 2014 is not affected by the new program.

Note 13 Bonds

During fourth quarter 2015 Scatec Solar successfully completed a NOK 500 million senior unsecured green bond issue with maturity in November 2018. The bonds were listed on Oslo Børs in December. The bonds carry an interest of 3 month NIBOR + 6.5%, to be settled on a quarterly basis. During fourth quarter, an interest amounting to NOK 4,574 thousand was expensed. During the term of the bonds, Scatec Solar shall comply with the following financial covenants at all times:

a) Minimum liquidity: Scatec Solar shall maintain free cash of minimum NOK 30 million
b) Maximum debt to capitalization ratio: Scatec Solar shall maintain a debt to capitalization ratio of maximum 55%
c) Maximum cash flow coverage ratio: Scatec Solar shall maintain a cash flow coverage ratio of maximum:
   a. 7x from 11 November 2015 to 10 November 2016;
   b. 6x from 11 November 2016 to 10 November 2017; and
   c. 5x from 11 November 2017 to 10 November 2018

Per 31 December 2015, Scatec Solar was in compliance with all bond covenants. The book equity of the recourse group, as defined in the loan agreement, was NOK 1,486,343 thousand per year end. Refer to loan agreement available on www.scatecsolar.com/investor/debt for further information and definitions.

Note 14 Subsequent events

No events have occurred after the balance sheet date with significant impact on the interim financial statements for the fourth quarter of 2015.

Responsibility statement

We confirm to the best of our knowledge, that the condensed interim financial statements for the period 1 January 2015 to 31 December 2015 has been prepared in accordance with IFRS as adopted by EU, and that the information gives a true and fair view of the Group's assets, liabilities, financial position and result for the period. We also confirm that presented information provides a fair overview of important events that have occurred during the period and their impact on the financial statements, key risk and uncertainty factors that Scatec Solar is facing during the next accounting period.

Oslo, 28 January 2016
The Board of Directors of Scatec Solar ASA

John Andersen jr. (Chairman)	Alf Bjørseth Board member	Yuji Tachikawa Board member
Cecilie Amdahl Board member	Mari Thjømøe Board member	Raymond Carlsen (CEO)

Definitions

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

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.

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): The first date on which the solar power plant generates revenues through sale of power under the off-take agreement. Production volumes and/or the price of the power may be lower than when commercial operation date (COD) is reached. This milestone is regulated by the off-take agreement with the power off-taker. This milestone may be reached prior to COD if the construction of a power plant is completed earlier than anticipated in the off-take agreement.

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 project 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.

Definition of Non-IFRS financial measures
Net interest bearing debt (NIBD): is defined as total interest bearing debt, less cash and cash equivalents. NIBD does not include shareholder loans to project companies.

EBITDA: is defined as operating profit adjusted for depreciation, amortisation and impairments.

SSO prop. share: is defined as the equity holders of the parent company’s proportionate share of consolidated revenues, expenses, profits and cash flows.

Cash flow to equity: is EBITDA less normalised (i.e. average quarterly) loan and interest repayments, less normalised income tax payments.

Scatec Solar proportionate share of cash flow to equity: is defined as the Company’s proportionate share of EBITDA less normalised (i.e. normalised over each calendar year) loan repayments and interest payments, less normalised income tax payments for Power Production. For D&C, O&M and Corporate it is defined as EBITDA less normalised income tax. The definition implies changes in net working capital and investing activities are excluded from the figure.

Project equity: is defined as equity and shareholder loans.

Net interest expense: is defined as interest income less interest expenses, excluding shareholder loan interest expenses.

Normalised loan repayments: are calculated as the annual repayment divided by four quarters for each calendar year. However, loan repayments are normally made bi-annually. Loan repayments will vary from year to year as the payment plan is based on a sculpted annuity.

Scatec Solar ASA

Karenslyst Allé 49, 0279 Oslo, Norway
www.scatecsolar.com
Phone: +47 48 08 55 00
Email: post@scatecsolar.com

Scatec Solar
Improving our future™

www.scatecsolar.com