

# Other definitions

## Backlog

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

## Pipeline

**Project pipeline** The pipeline projects are in different stages of development and maturity, but they are all typically in markets with an established government framework for renewables and for which project finance is available (from commercial bank or a multilateral development bank). The project sites have typically been secured and Scatec solar is in a position to participate in bilateral negotiations for a long-term power sales agreement with an off-taker, feed-in-tariff schemes, or tender processes.

## Lost time injury (LTI)

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

## Definition of project milestones

**Financial close (FC):** The date on which all conditions precedent for drawdown of debt funding has been achieved and equity funding has been subscribed for, including execution of all project agreements. Notice to proceed for commencement of construction of the solar power plant will normally be given directly thereafter. Projects in Scatec Solar defined as "backlog" are classified as "under construction" upon achievement of financial close.

**Start of Production (SOP):** 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 power plant company. COD must have been reached, in addition to delivery of training and all technical documentation before TOD takes place. The responsibility for Operations & Maintenance (O&M) of the plant is handed over from the EPC contractor to the O&M contractor at the TOD. This milestone will normally occur shortly after the COD date.

### Definitions of project finance terms

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

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

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

### Other Definitions

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**Cash in power plant companies in operation:** Is defined as restricted cash in proceed 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 distribution as determined by shareholder and non-recourse financing agreements.

**Cash in power plant companies under development/construction:** Comprise shareholder financing and draw down on term loan facilities by power plant companies to settle outstanding external EPC invoices.

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

**Net gain project sale:** Is defined as sales revenue less costs from sale of project assets.

**Project equity:** Project equity comprise of equity and shareholder loans in solar power plant companies.

**Recourse Group:** Recourse Group means all entities in the Group, excluding solar park companies (each a recourse group company).

**Scatec Solar's economic interest:** Scatec Solar's economic interest means Scatec Solar's share of the total estimated economic return from its subsidiaries. For projects in development and construction the economic interest is subject to change from the development of the financial model.

# Appendix

## 1 Stakeholder engagement

Key topics and concerns that have been raised through stakeholder engagement, including:

- How the organization has responded to those key topics and concerns, including through its reporting
- The stakeholder groups that raised each of the key topics and concerns

Stakeholder group	Engagement (102-43)	Key concerns (102-44 i)	Response (102-44 ii)
National governments and customers	Close dialogue with national governments is a natural part of our operations and our projects often involve regular dialogue. This dialogue is usually conducted by our project development team or community liaisons.	The main concern of governments in host countries, that will often also be our customers, is local impacts and value creation, which usually includes the economic value of the projects, increased access to energy, the potential for direct and indirect job creation.	Refer to chapter 3 in the sustainability report
Local government and communities	A social impact assessment is conducted as part of the planning of all projects and based on this a plan for stakeholder engagement is developed. Scatec Solar emphasizes continuous dialogue with local and regional communities in order to manage and meet expectations. A dedicated community liaison officer (CLO) is appointed to all our locations.	The main concern of local governments and communities is also local impacts and value creation, specifically job creation, local content and education/training.	Refer to chapter 3 in the sustainability report
Co-investors and partners	A detailed dialogue with regards to expectations is the starting point for all partnerships, and detailed in our agreements. Depending on the partnership we keep close dialogue with our partners.	Co-investors and partners are concerned that we are a trustworthy business partner that applies international best practice standards such as the IFC Performance Standards and the Equator Principles in order to manage environmental and social impacts. Investors with a specific impact investment focus are also concerned with the local value creation, and promotion of green energy. Some of our partners are also concerned with our ability to promote Norwegian exports.	Refer to chapter 2 and 3 in the sustainability report
Financing partners	Financing partners are mainly engaged prior to providing capital, and often have very specific requirements with regards to how environmental, social and governance factors are assessed and managed.	Financing partners also focus on our business conduct and efforts to ensure that we are a trustworthy business partner. Local financiers and financiers with an impact focus are also concerned with our local impact and value creation in terms of for example access to energy and job creation.	Refer to chapter 2 and 3 in the sustainability report
Shareholders	Existing and potential shareholders are engaged on a regular basis and often express their concerns and expectations directly with top management.	Shareholders are concerned with the ability to create value in the short and longer term and governance aspects such as anti-corruption and being a trustworthy business partner.	Refer to chapter 2 in the sustainability report
Employees	Our employees make up our company and who we are.	Many of our employees are proud of our social and environmental impact through promoting renewable energy and our ability to demonstrate local value creation. Employees are also concerned with own working conditions, health and safety, and opportunities to develop competencies and career path.	Refer to chapter 1, 2 and 3 in the sustainability report
Contractors	Contractors concerns are heard as part of project they are involved with and our contractors are considered as if they were our own employees when on our sites.	Contractors that work on our projects are concerned with their working conditions, fair wages, health and safety and opportunities to develop competencies.	Refer to chapter 2 in the sustainability report

Stakeholder group	Engagement (102-43)	Key concerns (102-44 i)	Response (102-44 ii)
Norwegian government and regulators	The Norwegian government is engaged through the various institutions that are interested in our efforts in Norway and in other countries.	The Norwegian government regulates our efforts and is also interested in supporting the positive impacts of our efforts in Norway and abroad.	Refer to chapter 1 and 3 in the sustainability report
Suppliers	Supplier visits are undertaken each year to monitor and establish a platform for good dialogue and feedback.	Our suppliers are concerned with fair pricing, working conditions, and health and safety.	Refer to chapter 2 in the sustainability report
NGO's	NGO's that represent local communities are engaged through each phase of the project. Environmental NGOs in Norway are engaged through collaboration with regards to promoting renewable energy.	NGOs in the local communities are concerned with our ability to create local value. Norwegian environmental NGOs support us in our efforts to promote renewable energy.	Refer to chapter 1 and 3 in the sustainability report

### 1.2 Our sustainability priorities

The material sustainability topics for our company were defined based on an assessment of key stakeholder expectations, the significance of social, economic and environmental impacts and the relevance to our strategy. The mapping of stakeholders' expectations was based on results of the ongoing stakeholder dialogue that is part of daily business on the ground when planning and executing projects, as well as at the corporate level with stakeholders such as investors,

regulators and financiers. This information was collected and structured through interviews with key internal stakeholders. The significance of social, economic and environmental impacts was based on an assessment of impacts through the value chain in the countries where we operate.

### 1.3 Our sustainability framework

Our sustainability framework illustrating the most material topics for our company:

