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Making subsidy free projects work

January 2019

Solarcentury - a leader in solar for 20 years

One of the few pure-play solar companies to survive the nascent phase, driven by:

Wide range of solar activity

- not dependent on any one country or market segment
- four continents; utility through to residential
- geographic focus on Europe since 1998; Latam and Africa since 2012
- 2012: moved into development
- 2017: moved downstream to invest in and own solar assets

Investment in platforms that bring us to scale

- development: platform with Encavis; 1GWp to 2020
- technology: storage and highly-complex hybrid systems
- consumer: IT, including web-based customer engagement

A strong sense of purpose

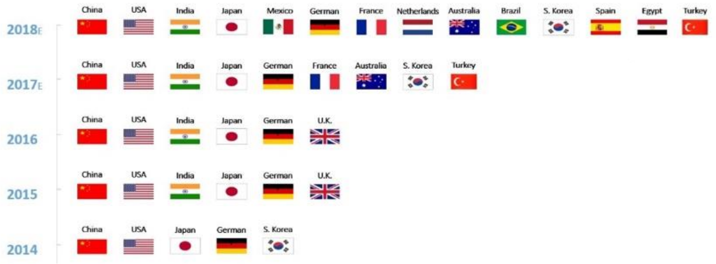
- our mission is to make a meaningful difference in the fight against climate change

Over 1GWp built and more than 3GWp in the pipeline

SC strategy is aligned with solar's inevitable growth

Markets

Solar's Gigawatt-Scale Markets



Multi-polar sources of demand for solar are emerging

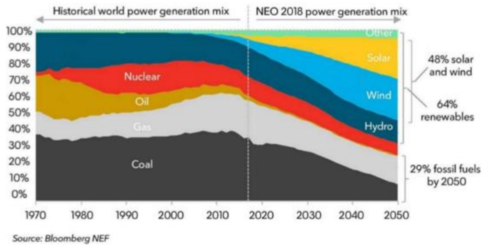
Technology

Storage in same dramatic cost down and offer proliferation as PV 5 years ago

SC strategy

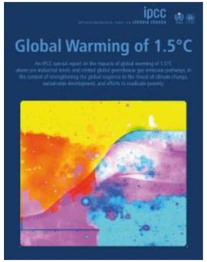
- Capture full value of solar growth from greenfield development through to selling power via an integrated model
- Embrace new markets and subsidy-free opportunities
- Invest in storage and hybrid know-how
- Work with select committed partners who share our mission

Business model



Cost down driving explosive growth

Mission



IPCC driving behaviour at corporate, government and individual levels

What we do

Opportunity / customer

Utility

Corporate

Residential

Project funding framework (development, bonding, asset ownership)

Development
Acct mgmt
B2C sales

Engineering
Procurement
Construction

Asset
Management
(inc O&M)

IPP

PPA/power trading

Grid services

Key

- Capability in place
- Actively building capability
- Future potential

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Leadership

International growth:
3GWp pipeline cross 7 countries including the 2 of the largest systems in Spain

Technical know how:
Including complex storage systems integrated with hydro and diesel

Innovation:
World's largest solar bridge

Firsts:
Largest solar farms built in Kenya, Netherlands, UK and Panama

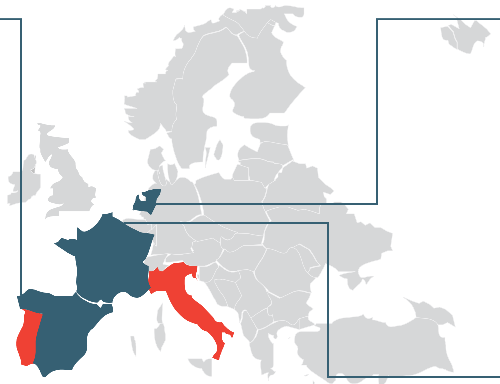
Customer focused:
Net Promoter Scores of >60 for IKEA's customers cross Europe

Purchasing power:
Over 3m modules in five years

Portfolio overview – Europe

High-quality solar portfolio of 1.5 GW in three markets with additional opportunities in Portugal and Italy.

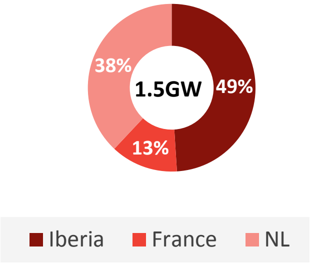
SPAIN (4 projects)	
Late-stage development	483 MW
Mid-stage development	249 MW
Early Stage	150 MW
Total pipeline	**881.5 MW**



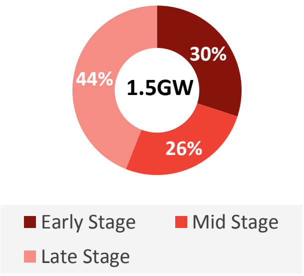
NETHERLANDS (14 projects)	
Late-stage development	110 MW
Mid-stage development	86 MW
Early Stage	249 MW
Total pipeline	**445 MW**

FRANCE (11 projects)	
Late-stage development	17 MW
Mid-stage development	34 MW
Early Stage	167 MW
Total pipeline	**218.5 MW**

Gross pipeline – by country



Gross pipeline – by development stage



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Subsidy-free renewables drivers

Four trends are driving the growth of subsidy-free renewables around the globe

REDUCING COSTS

Wind LCOE down by c.40% solar PV LCOE down by c.80% since 2010

BNEF

RISE OF AUCTIONS

Globally, 180GW of renewables capacity auctioned in 2018 vs 4GW in 2010

BNEF

GROWING CORPORATE DEMAND

RE100 demand > 150TWh/yr, with an estimated 100TWh/yr left to procure (c. €45bn of renewable investment)

BNEF

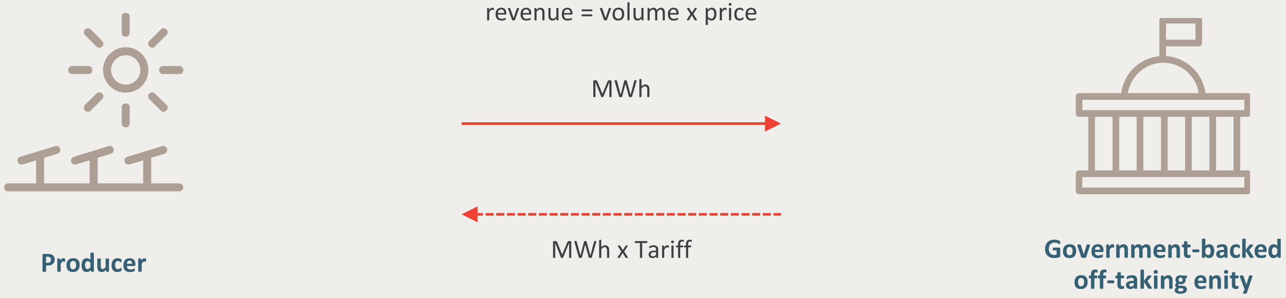
INVESTOR APPETITE

$343bn invested in renewables in 2017 (24% increases vs. 2010), with many global investors looking to increase reneables allocation

Preqin

The old world

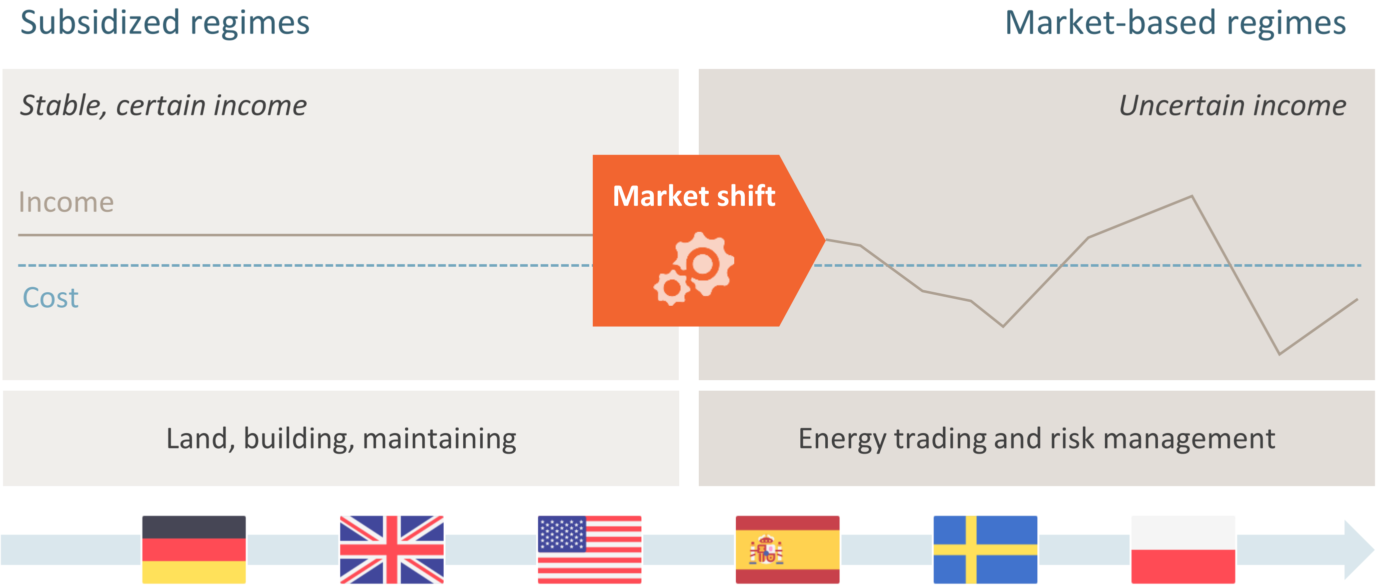
Government subsidies mitigate price risks



Focus on managing production risk rather than price risk

The new world

Renewable investments increasingly exposed to market



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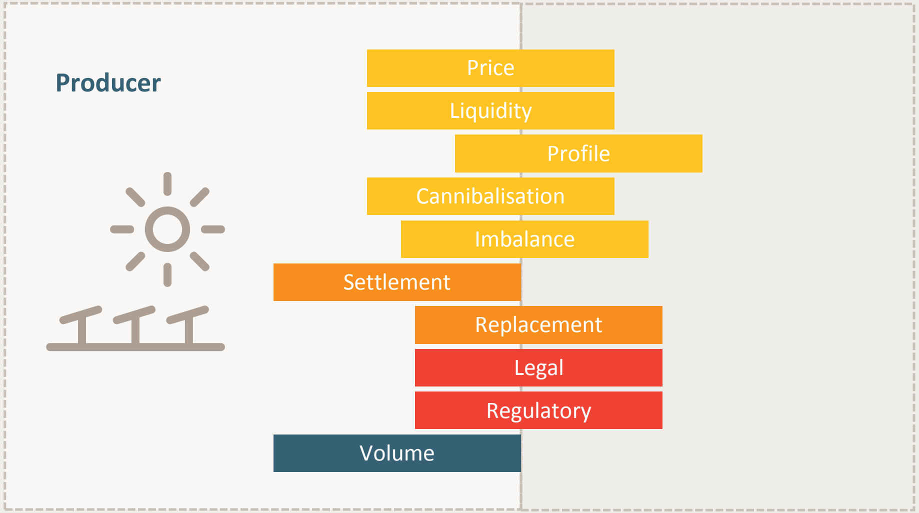
Risk allocation without a sales contract

Risks borne by the producer/Equity

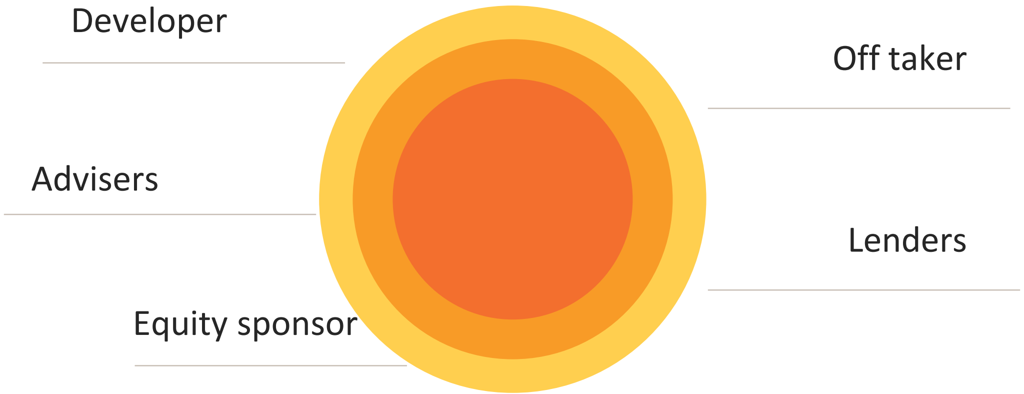
Risk allocation in a typical PPA market



The producer is exposed to several, complex risks

Subsidy-free partnerships

Delivering subsidy-free requires deep collaboration



Development challenges

SPAIN

- Slow permitting
- Limited grid capacity
- Cost of land and cost of grid connection
- Variable local tax rates

PORTUGAL

- Lack of transparency for grid capacity auctions
- Grid connection guarantees
- No shortage of projects, but few with permits

NETHERLANDS

- Disconnect between ambitious national government and local government/communities
- Slow time to permit: 1-2 years
- Grid congestion
- Requirement for local community participation

Development challenges, cont

UK

- Lack of political support
- Availability and cost of land
- Cost of grid and grid capacity
- Planning process and costs for large systems
- Finding PPA offtakers

GERMANY

- Limited to follow-up financings
- Competition with tender-projects/equity
- Priority Dispatch

FRANCE

- Administrative and lengthy process (3-5 years)
- Costs and time to connect to the grid
- Intense competition for land
- Auction requirements drive up capex
- No PPA model as yet

Development challenges, cont

ITALY

- Availability and cost of land
- Long timeline for obtaining approvals
- Lack of bankable off-taker/debt