

Norfund sells SN Power to Scatec Solar:

- More than a billion dollars mobilised for new investments in developing countries

After building SN Power into a leading hydropower company in developing countries, Norfund sells all the shares to Norwegian energy developer Scatec Solar for USD 1,17 billion. – *The deal opens new opportunities for us to reinvest capital in projects that are crucial to fight poverty and avoid carbon emissions, says Tellef Thorleifsson, CEO of Norfund.*

Norfund (Norway's development finance institution) has, as owner of SN Power, been instrumental in building a leading hydropower company in developing countries. Each year, SN Power plants produce power equivalent to the electricity consumption of 7 million people and help avoid 3 million tonnes of carbon emissions.

- The team in SN Power and Norfund has done a fantastic job. Our investment in SN Power has yielded an annual return (IRR) of 19 % in NOK (12% in USD)¹. We have thus delivered profits and enabled significant social and economic development, says Thorleifsson.

The deal

With the sale of SN Power all shares and employees in the company will be incorporated into Scatec Solar. Norfund receives USD 966 million of the settlement in cash and USD 200 million as a seller credit. Completion of the transaction is subject to approvals from relevant competition authorities, partners and lenders. SN Power's facilities in Zambia and Panama will remain owned by Norfund. The parties will collaborate on SN Power's projects in Africa, where Norfund retains a 49% stake. The current collaboration in solar energy will also continue.

- Hydropower and solar PV are complementary, resulting in new project opportunities, for instance floating solar on hydro reservoirs. With this transaction we see great potential in broader project origination and expansion into growth markets, says Raymond Carlsen, CEO of Scatec Solar

Large scale investments crucial to address climate crisis and COVID

Access to renewable energy is crucial for developing countries to grow out of poverty without exacerbating the climate crisis, and [the World Bank has estimated](#) a need for USD900 billion in renewable energy investments by 2025 to meet developing countries' energy needs. COVID-19 has also hit developing countries hard, with a slowdown in growth and rapidly rising unemployment.

- This deal means that we can quickly reinvest our capital. Teaming up with existing and new partners, we will capture opportunities in renewable energy that we so far have had to turn down, says Thorleifsson.

A structured international sales process

Norfund has been investing in hydro power since 20020 and SN Power was established in 2013. In 2019, Norfund initiated a structured sales process of SN Power aimed at international financial and industrial players. Norfund's board decided on 3 July to enter exclusive negotiations with Scatec Solar, and today an agreement has been signed.

- Our goal was to land the best deal to deliver on Norfund's mandate. Here, Scatec Solar came with the best offer, and we are pleased to contribute to a Norwegian company becoming a leader in both hydro and solar power. This is a strong foundation for our continued collaboration, says Thorleifsson.

¹ Estimated, NOK/USD rate 9,35

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About Norfund:

Norfund is the Norwegian Investment Fund for developing countries. Our mission is to create jobs and to improve lives by investing in businesses that drive sustainable development. Norfund is owned and funded by the Norwegian Government and is the Government's most important tool for strengthening the private sector in developing countries, and for reducing poverty. Norfund's committed portfolio totals 2,8 billion USD with direct and indirect investments in more than 1,000 companies in Sub-Saharan Africa, South East Asia and Central America. Norfund has four investment areas: Clean Energy, Financial Institutions, Scalable Enterprises and Green Infrastructure. Investments in Clean Energy account for about 50% of the portfolio and 50% of the portfolio is in Sub-Saharan Africa. For more information, visit www.norfund.no.

About Scatec Solar:

Scatec Solar is an integrated independent renewable power producer, delivering affordable, rapidly deployable and sustainable clean energy worldwide. A long-term player, Scatec Solar develops, builds, owns, operates and maintains power plants and has an installation track record of more than 1.6 GW. The company has a total of 1.9 GW in operation and under construction on four continents.

With an established global presence and a significant project pipeline, the company is targeting a capacity of 4.5 GW in operation and under construction by end of 2021. 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. For images, see www.scatecsolar.com/image-gallery/

About SN Power:

SN Power invests in clean, renewable energy on commercial basis in emerging markets. The focus of the company is to acquire, develop, construct and operate hydropower assets. The company has since 2017 until today been fully owned by Norfund and has operations in Asia, Africa and Latin America. SN Power has a multinational team of people employed globally in its operations and projects and is head-quartered in Oslo, Norway. For more information, visit www.snpower.com.