



Quarterly results Q2-2021

CEO CHRISTIAN RYNNING-TØNNESEN
CFO ANNE HARRIS

OSLO 22 JULY 2021

Second quarter summary

Safety

TRI: 3.6
Two serious incidents

Underlying EBIT

5,632
MNOK

Net profit

2,423
MNOK

Climate action

Decided 234 MW
renewable capacity

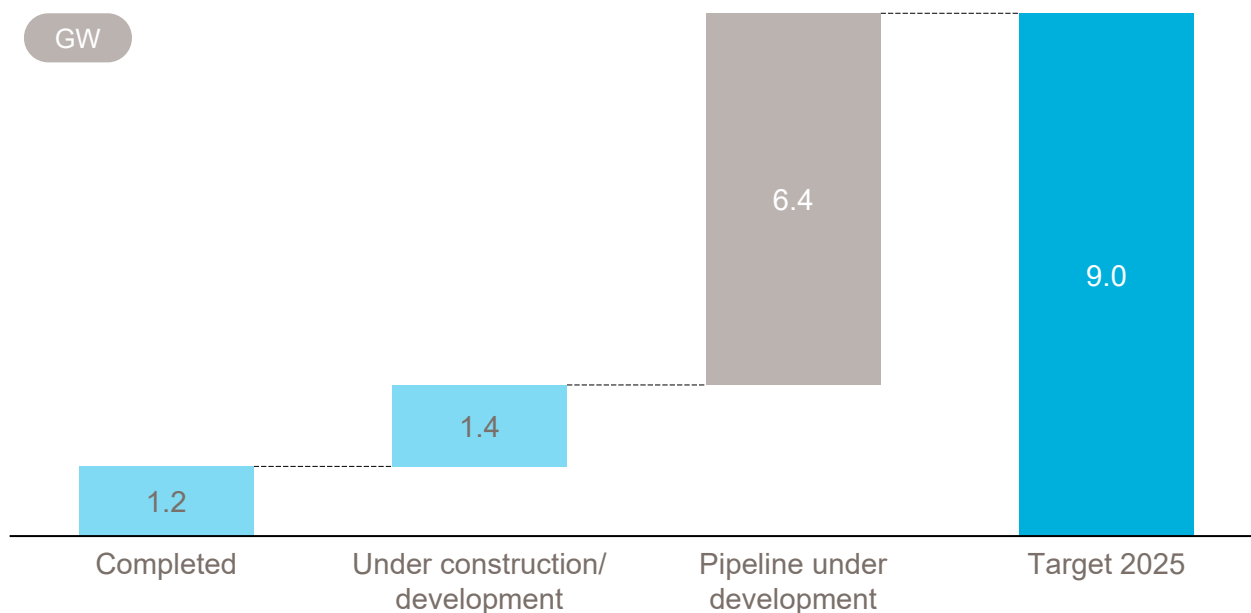
- **Record high underlying EBIT** and solid net profit driven by significantly higher Nordic power prices and successful market activities
- **New solar project** of 234 MW, supporting UN sustainable development goal 13 on climate action
- Started construction of **Ireland's largest solar farm**
- All **Fosen wind farms completed** and in operation
- Integration of **Solarcentury** completed
- bp joined Statkraft and Aker Offshore Wind in a consortium bidding to develop **offshore wind** in Norway

Growth target for new capacity

New committed projects in the quarter

Country	Project	Technology	MW	Ownership share	Planned completion	Business model ¹
Spain	Cadiz	Solar	234	100%	Q4 2022	DBS

¹ Business models: BOO; Build – Own – Operate, DBS; Develop – Build – Sell



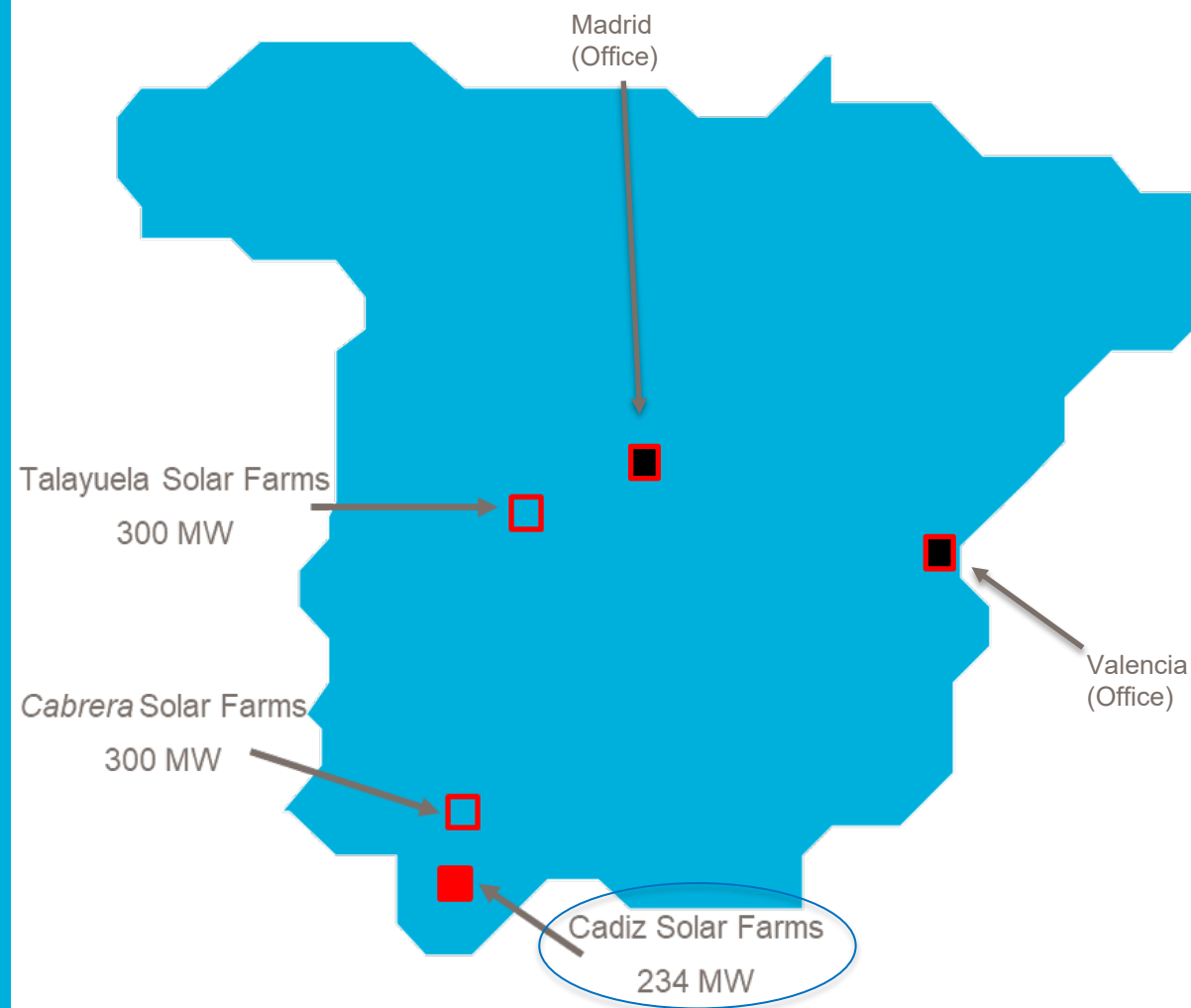
The target is to develop 9 GW by 2025 followed by an annual development rate of 2.5 – 3.0 GW

Status at the end of the Q2 2021

- 1.2 GW completed
- 1.4 GW under construction/development

Four new solar plants in Spain

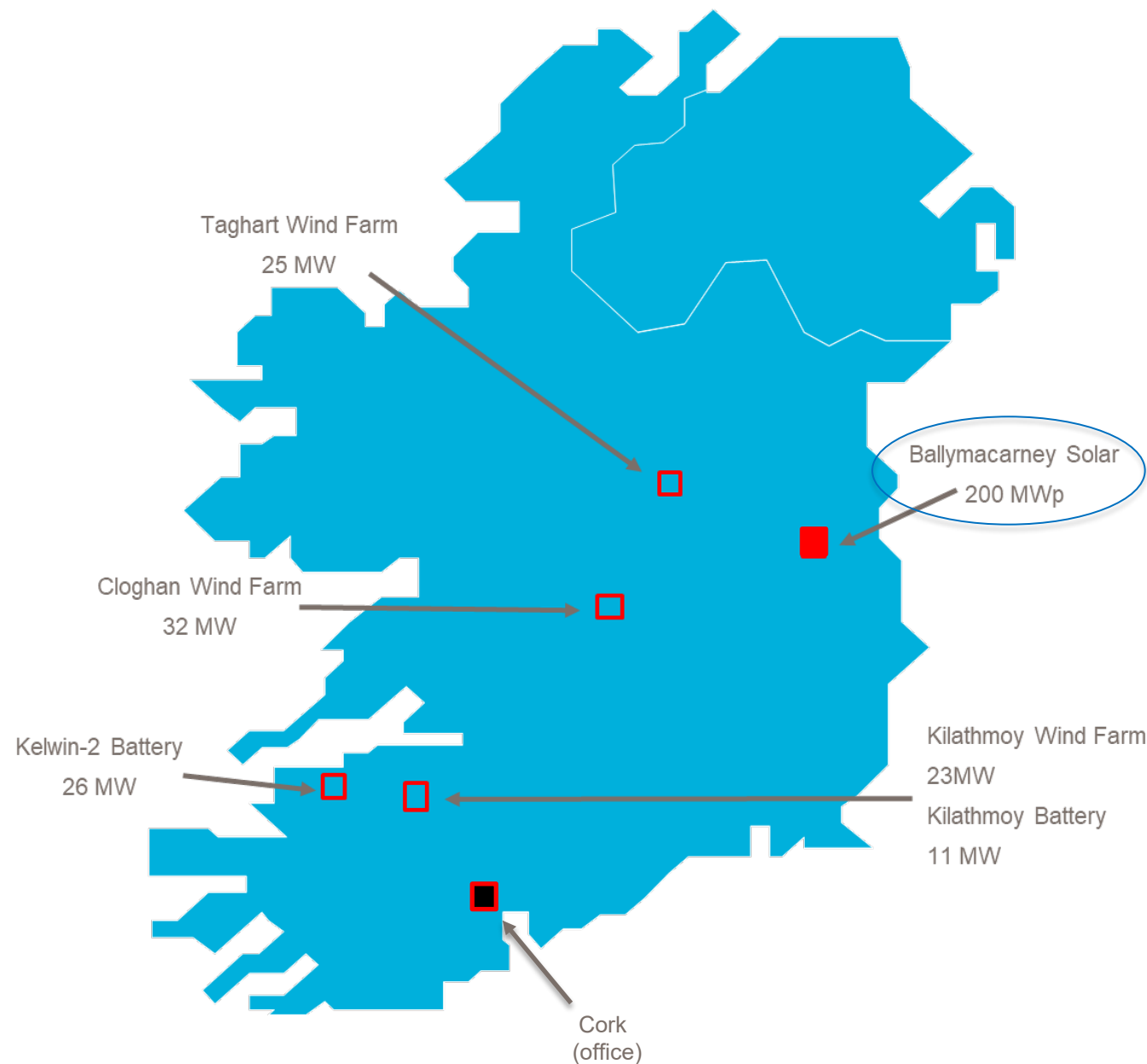
- Decided to construct four new solar plants in Cadiz in southern Spain
- Total capacity of 234 MWp
- This further strengthens Statkraft's position in Spain



Assets in Spain in operation/under construction.

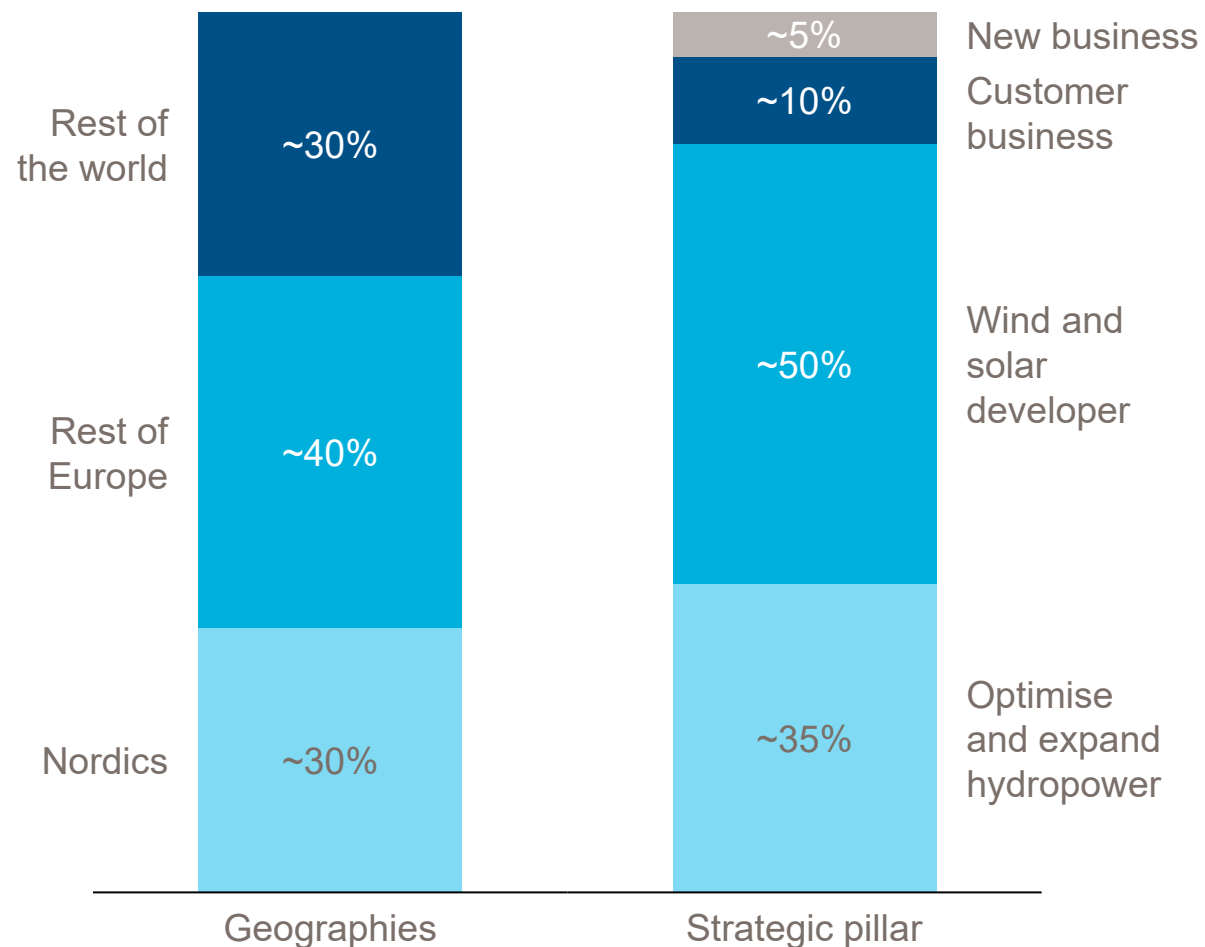
Ireland's largest solar farm

- Begun construction on Ireland's largest solar farm in Ballymacarney
- 200 MWp capacity
- Generation enough to power more than 40,000 homes
- Strengthens Statkraft's presence and diversifies the renewable energy sources in Ireland



Assets in Ireland in operation/under construction.

Capital allocation



- Planning net investments up to 13 billion annually
- The pace and total amount will be adapted to Statkraft's financial capacity and rating target and will depend on market development

Statkraft in 2025

- **Largest hydropower company** in Europe and a **significant player** in South America and India
- **A major wind and solar developer** with an annual development rate of ~2.5-3 GW
- **Leading provider of market solutions**
- **Develop new businesses from the green transition** by having an industrial position in **green hydrogen**, continuing to grow Mer's **EV charging business** and **maturing additional initiatives**
- **One of top three in district heating** in Norway and Sweden

Sustainable, ethical and safe operations



Statkraft is uniquely positioned in the energy transition

- **Strong asset base and expertise**
- **Solid financial position** enables further growth
- Continues to **develop and deliver renewable energy projects** to reach growth targets

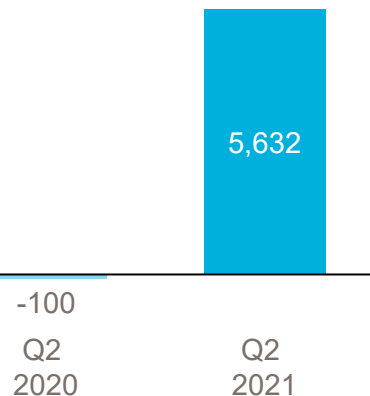


Key financial figures

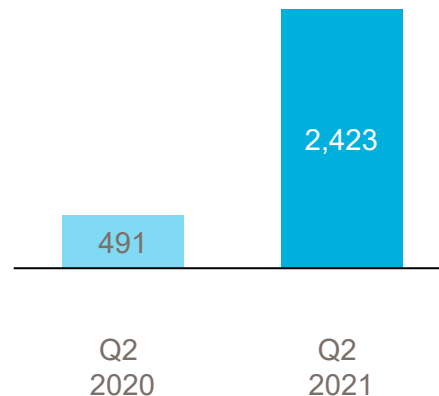
Quarter

MNOK

EBIT¹



Net profit

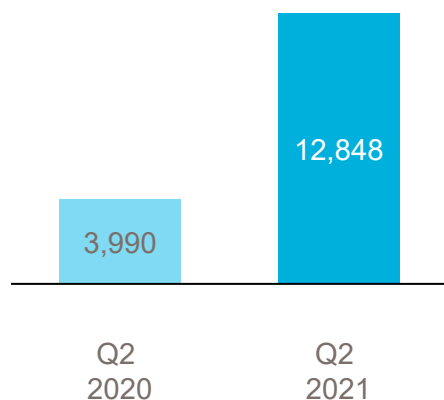


- **Record high** underlying EBIT for a **second quarter** driven by
 - Significant recovery of Nordic power prices
 - Successful energy management
 - Solid contribution from market activities

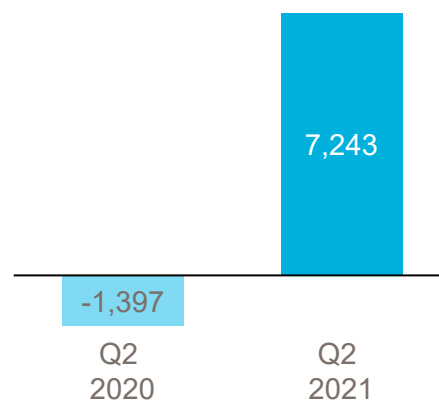
Year to date

MNOK

EBIT¹

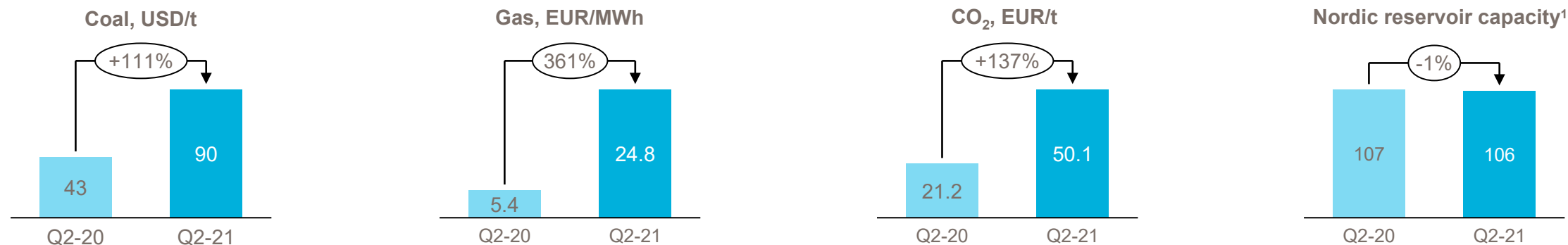


Net profit



- **High** underlying EBIT for a **first half year** driven by same factors as above

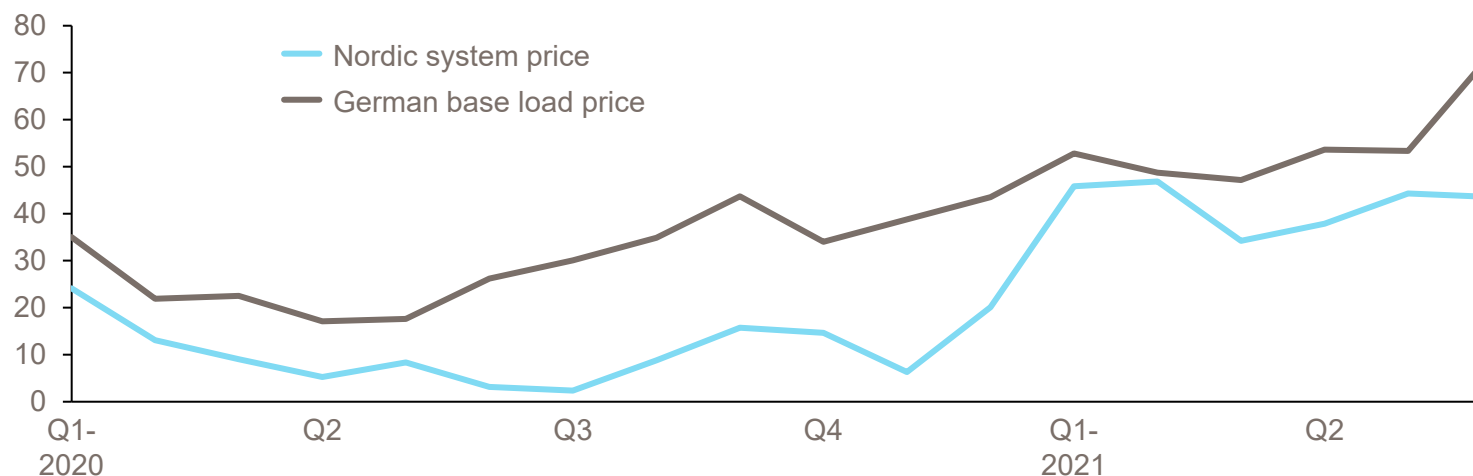
Power prices and price drivers



- Other factors impacting prices

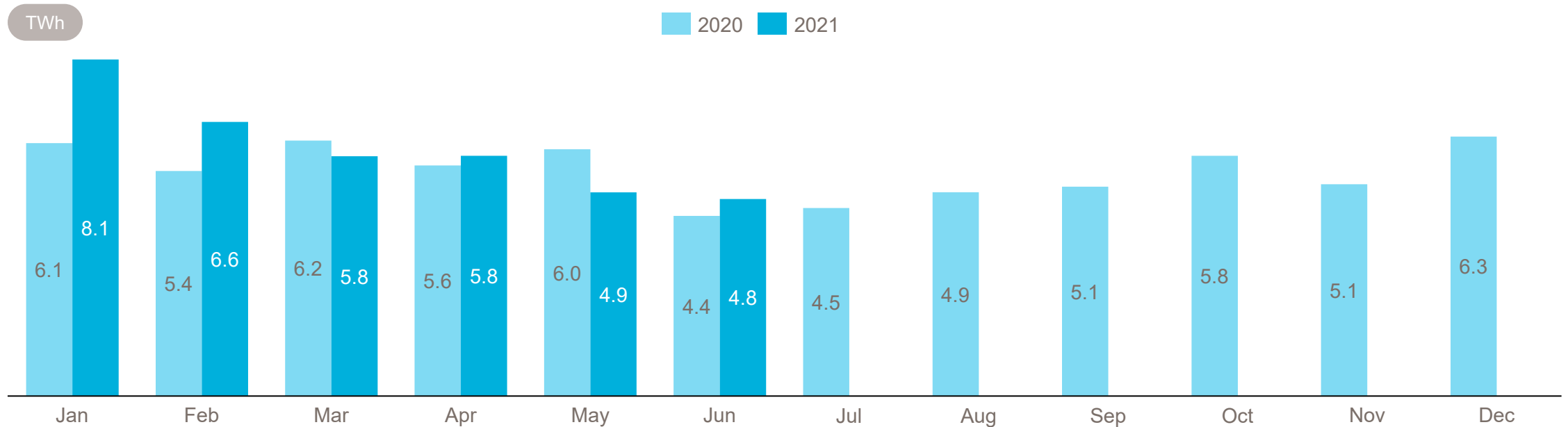
- Low precipitation level
- Low wind speeds
- Higher power demand across Europe

Average quarterly Nordic system price was 41.9 EUR/MWh, up 36.3 EUR/MWh Q-on-Q



¹ Nordic reservoir capacity in percent of median.
Sources: Nord Pool, European Energy Exchange.

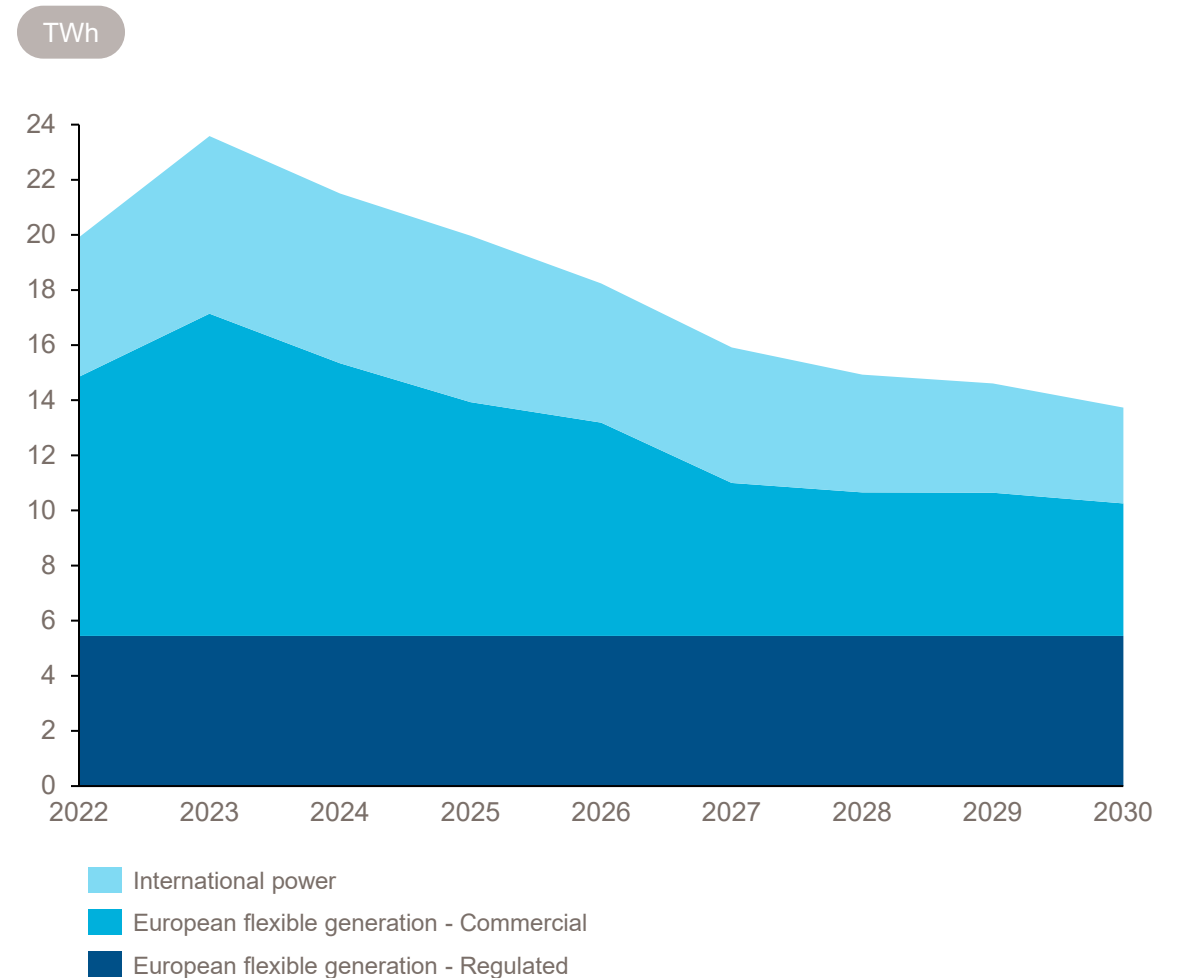
Generation



- Total power generation down 3% to 15.5 TW from the high Q2-level last year
 - Hydropower generation up 0.1 TWh to 14.0 TWh
 - Wind power generation down 0.1 TWh to 0.7 TWh
 - Gas-fired power generation down 0.4 TWh to 0.8 TWh

Hedging

- Approx. 1/3 of total generation is hedged for the next years.
- The estimated effect in Q2 of the commercial contracts in European flexible generation was approximately 10 MNOK.

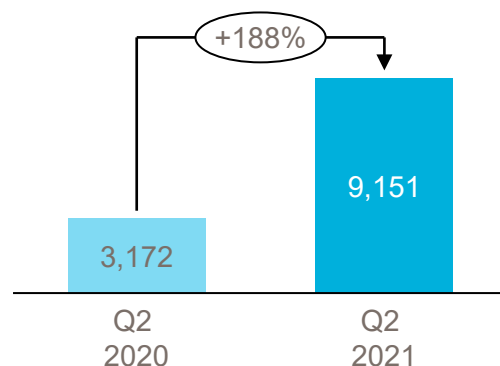


Revenues and cost development

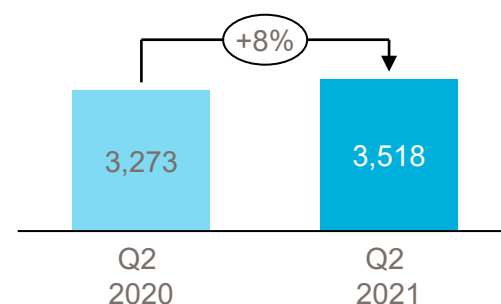
Quarter

MNOK

Net operating revenues¹



Operating expenses¹

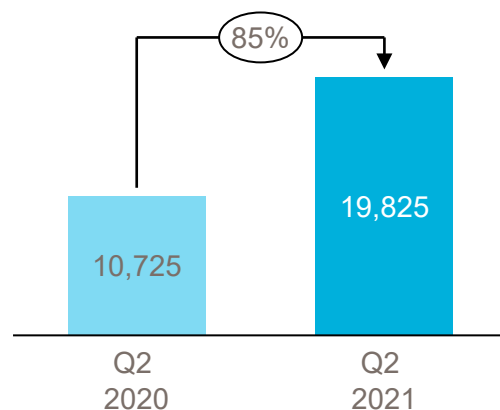


- Net operating revenues increased driven by
 - significantly higher Nordic power prices
 - high Norwegian hydropower generation
 - higher contribution from market activities
- Operating expenses higher following the planned growth

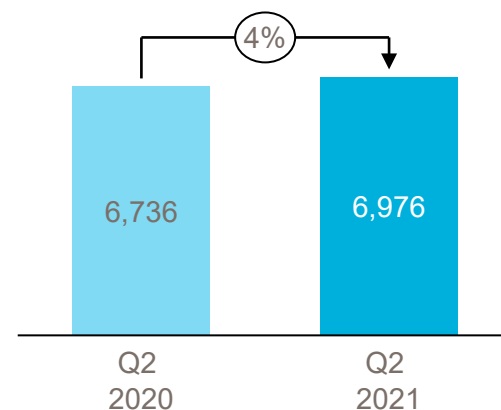
Year to date

MNOK

Net operating revenues¹



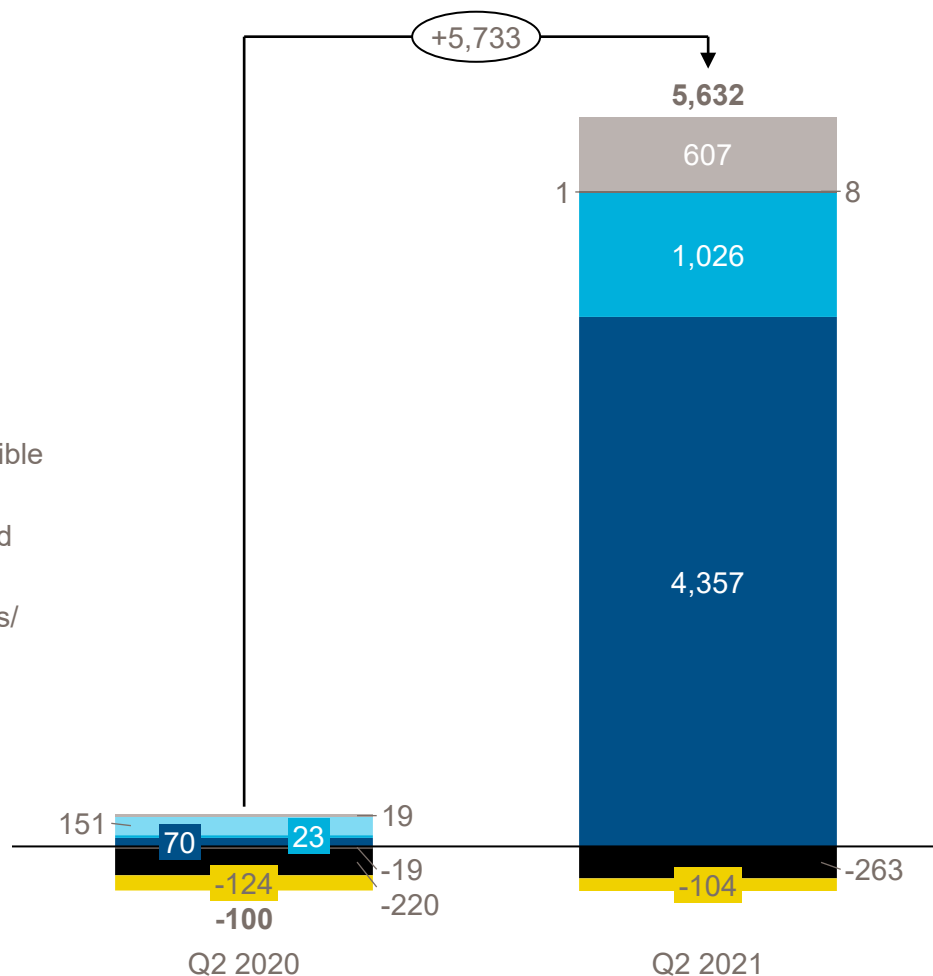
Operating expenses¹



- Net operating revenues increased driven by
 - significantly higher Nordic power prices
 - higher Norwegian hydropower generation
- Modest increase in operating expenses

Underlying EBIT in the quarter

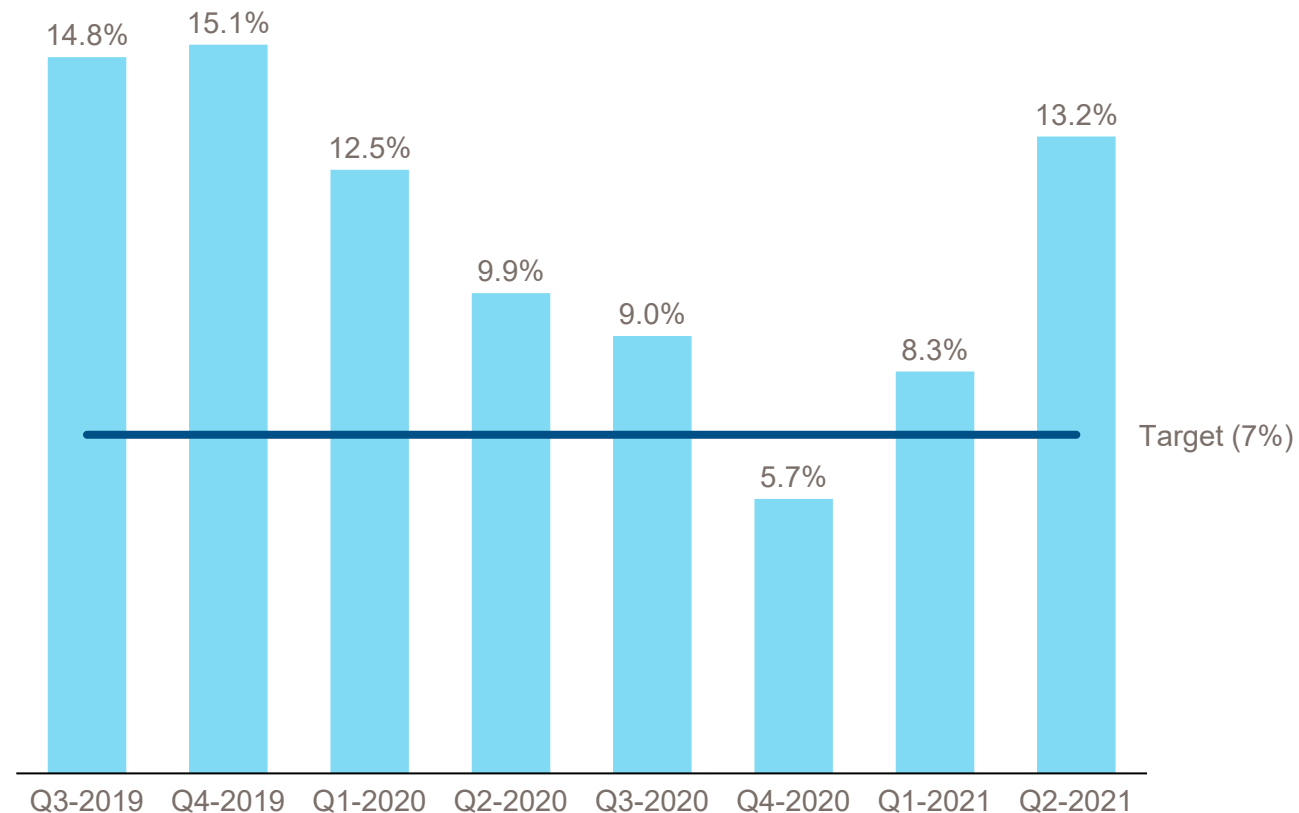
MNOK



- Higher EBIT from European flexible generation and Industrial ownership driven by
 - higher Nordic spot prices
 - high Norwegian hydropower generation
- Higher EBIT from Market operations driven by
 - higher contribution from long-term contracts in Brazil, dynamic asset management portfolio, and trading activities

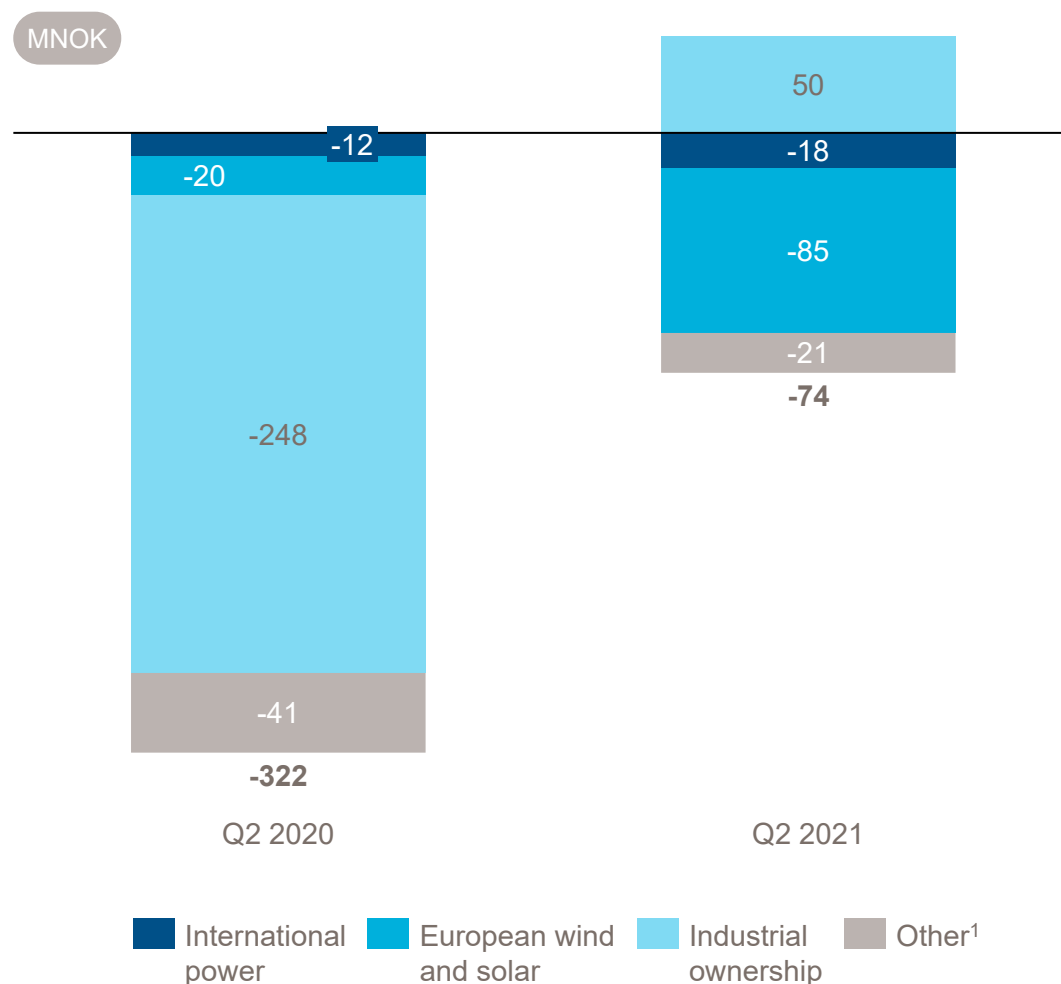
ROACE¹

- Rolling 12 months underlying EBIT up from previous quarter following higher Nordic spot prices and improved contribution from market activities
- Average capital employed on par with previous periods



MNOK	Q3-2020	Q4-2020	Q1-2021	Q2-2021
EBIT, underlying (12 months)	10,515	6,670	9,796	15,529
Average capital employed	116,286	117,531	117,926	117,962

Share of profit in equity accounted investments



- Main contribution from segment Industrial ownership
- Negative contribution from the segment European wind and solar due to a statutory tax rate change in UK

Financial items

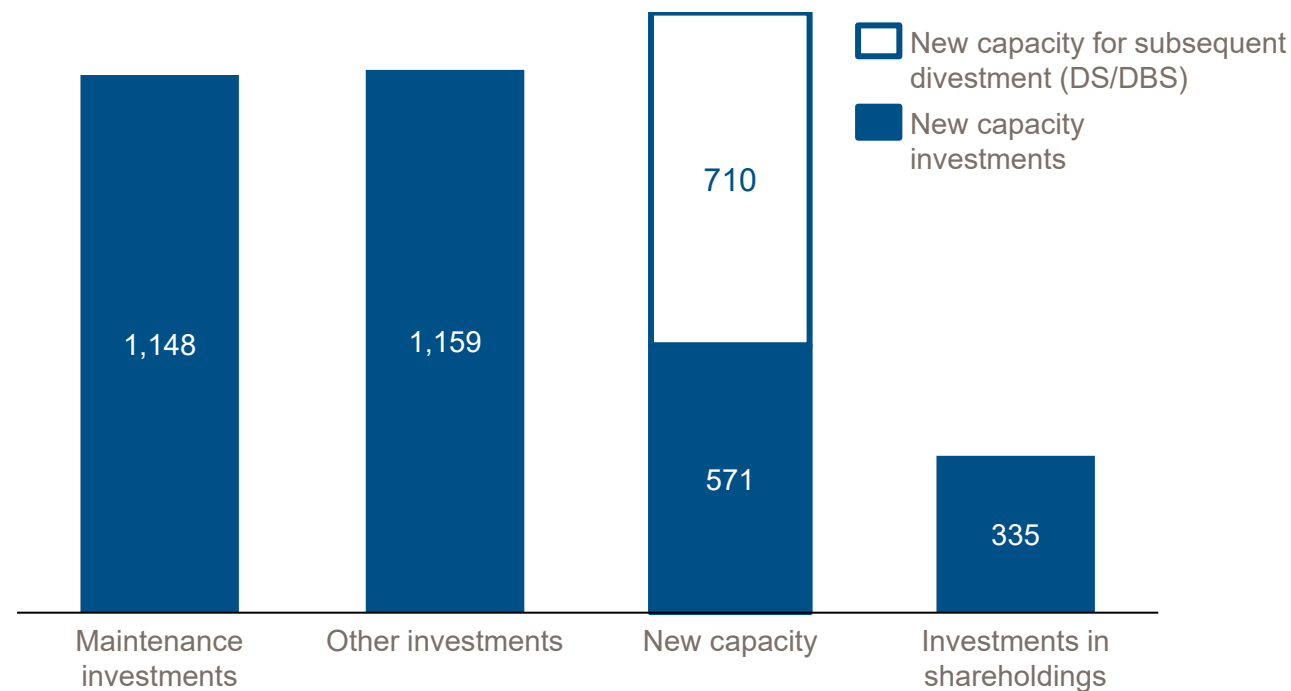
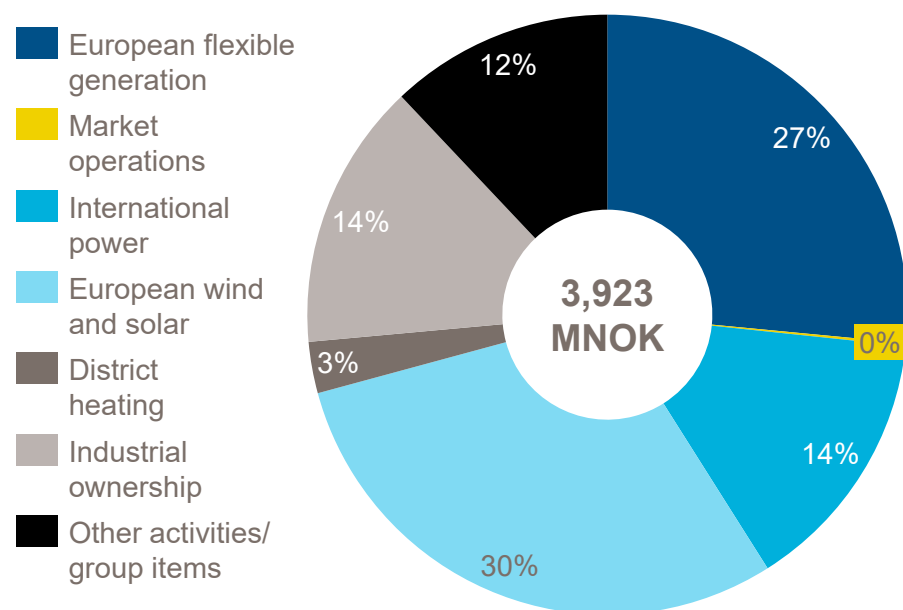
Closing rates	Q2-21	Q1-20
NOK/EUR	10.17	10.91
NOK/USD	8.56	9.74

- Weakening of NOK vs. EUR led to negative currency effects primarily related to external debt

MNOK	Q2-21	Q2-20	YTD-21	YTD-20
Net interest cost	-76	-71	-128	-138
Net currency effects	-545	2,327	816	-3,388
Other financial items	-1	68	202	-96
Net financial items	-621	2,324	890	-3,623

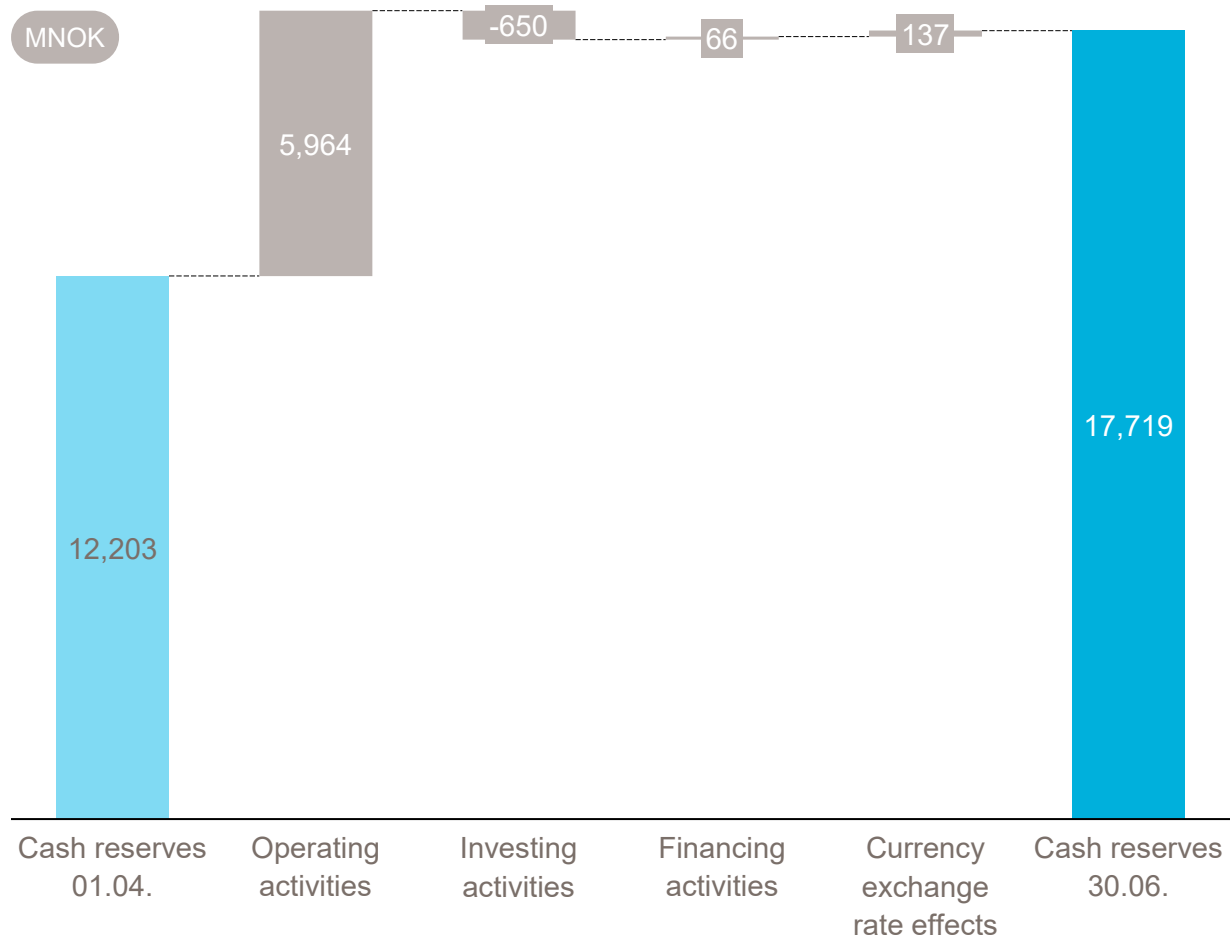
Average interest rate on debt: 1.50%

Investment program – Year to date



- Q2 investments of NOK 2.4 billion
- Maintenance investments primarily related to Nordic hydropower
- Other investments mainly related to grid, district heating, EV charging and battery projects
- New capacity primarily hydropower plants in Chile and India
- DS/DBS investments mainly onshore wind farms in the UK and Ireland and solar farms in Ireland and the Netherlands

Cash flow



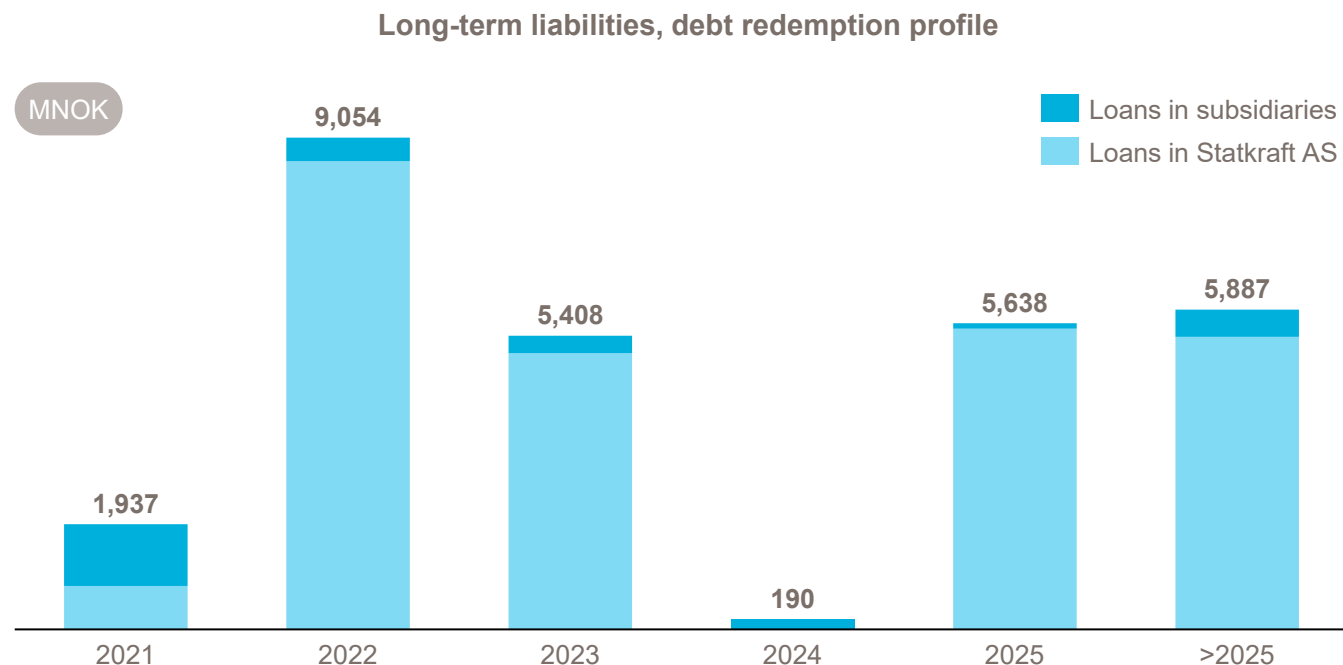
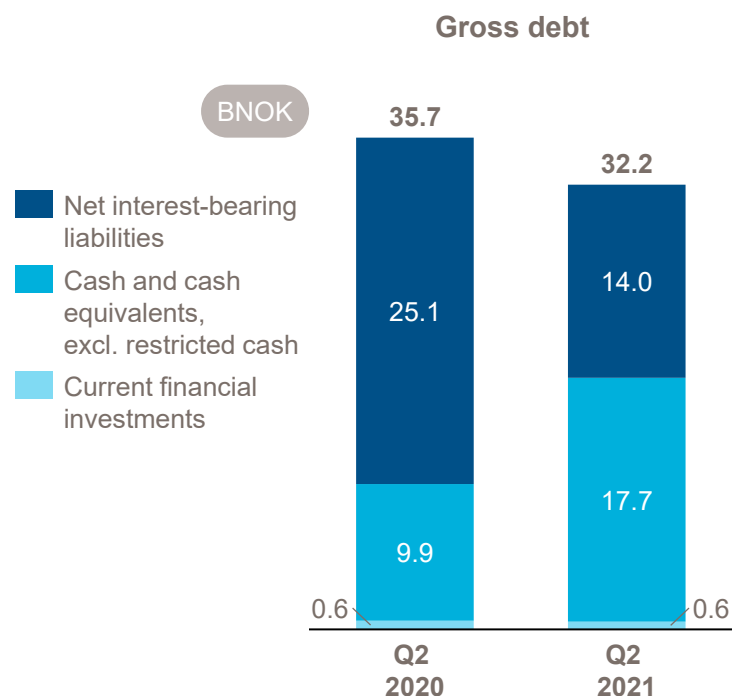
- Operating activities reflect strong EBIT in the quarter
- Investing activities mainly related to property, plant and equipment, partly offset by the divestment of Roan Vind

Rating, debt and maturity profile

Standard & Poor's: **A-** (stable outlook)

Fitch Ratings: **BBB+** (stable outlook)

- Solid cash position
- Net interest-bearing debt-equity of 12.2%
- Current ratings provide a framework for investments



Summary

- Strong result in Q2 and year to date due to high Nordic power prices and solid results from market activities
- Strong results in H1 2021 and higher future power prices have a positive effect on expected investment capacity
- Investment plan with large degree of flexibility
- Robust financial position and solid foundation for further growth





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