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Results for Q4 and the year 2021

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OSLO 17 FEBRUARY 2022

Fourth quarter and full-year summary

	Safety	Underlying EBIT	Net profit	Climate action
Q4	TRI: 3.6 1 serious incident	9.3 BNOK	3.9 BNOK	80 MW new renewable projects
The year	TRI: 3.6 7 serious incidents	26.8 BNOK	16.1 BNOK	727 MW new renewable projects

- **Solid underlying EBIT**
  - Driven by high Nordic power prices and Norwegian hydropower generation
  - Extraordinary market situation in the second half of 2021
- **High value creation** for society
- **New wind and solar projects**, supporting UN sustainable development goal 13 on climate action
- Significant **investments in Norwegian hydropower** continues to be prioritised

 TRI (Total recordable injuries rate): 12-months rolling

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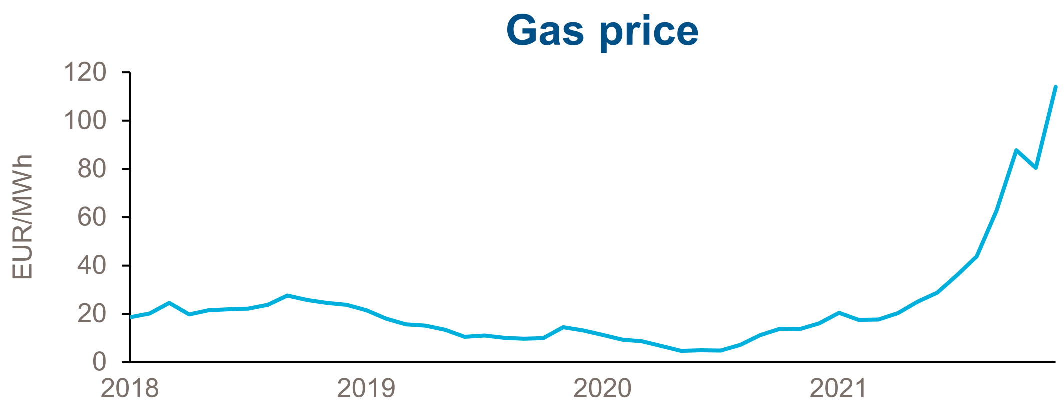
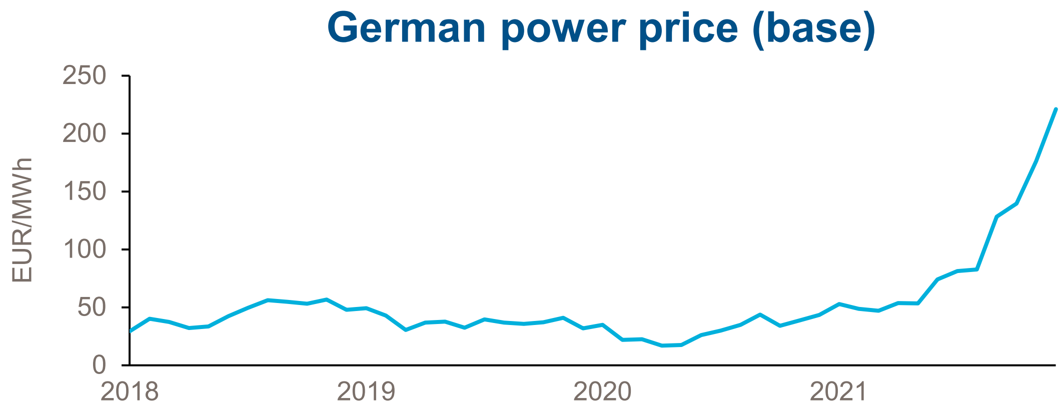
Extraordinary market situation

- Challenging situation for both households and industry
- Global electricity demand increased by 6% last 12 months
- Shortage on gas storage in Europe due to supply chain disruption
- Extreme increase in gas, coal and CO_2 prices in second half of 2021
- Increased energy prices has impacted Statkraft;
  - Significant contribution from flexible assets in Europe
  - Losses from dynamic asset management portfolios in Market operations





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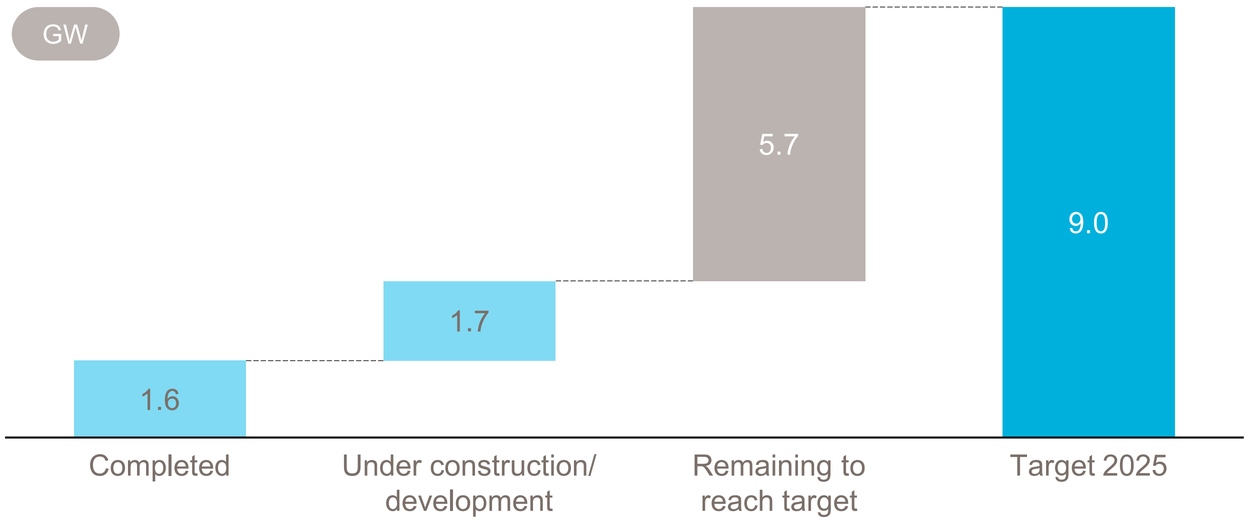
Growth target for new capacity – status 2021

- Investment decisions for 727 MW new wind and solar capacity in Spain, Netherlands, Ireland, Brazil, Chile and India
- Acquisition of a 346 MW wind portfolio in Germany and France
- Divested 544 MW wind and solar. Proceeds to be reinvested in new renewables.

9 GW new capacity to be developed by 2025



On track to meet the target to develop 9 GW by 2025 – followed by a development rate of 2.5 – 3.0 GW annually

Status at the end of 2021
- 1.6 GW completed
- 1.7 GW under construction/development

0.5 GW of the new capacity has been divested

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Statkraft delivered on the strategy in 2021

OPTIMISE & EXPAND HYDROPOWER PORTFOLIO

- Nordics: Continued hydropower investments of NOK 2 billion per year
- Nordics: Reinvestment and upgrading of hydropower fleet
- Progress on two major construction projects, Los Lagos and Tidong hydropower projects in Chile and India
- Won award for revegetation work at two dams in Norway

RAMP UP AS WIND AND SOLAR DEVELOPER

- Norway: Entered two different partnerships to develop offshore wind in the North Sea
- Germany & France: Acquisition of wind power portfolio
- Divestment of wind and solar parks
- Started construction of wind and solar farms in Spain, Brazil, Chile, India
- Auction wins in Brazil and Chile

GROW OUR CUSTOMER BUSINESS

- Norway: New power sales agreements with industry
- New power purchase agreements (PPAs) and market access agreements reached in Germany, France, the UK, Finland, Spain and India
- 167 new short-term fixed price PPAs signed in Germany in Q4
- Norway: Expansions of district heating pipelines and assets

DEVELOP NEW BUSINESS INITIATIVES

- Norway: Expansion of green hydrogen and ammonia business development. Biofuel pilot completed
- Mer launch and expansion in Norway, Sweden, UK and Germany
- Ireland: Kelwin-2 battery storage went operational
- Investments in start-ups via Statkraft Ventures

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Nordic hydropower at the core of our business

30 dam refurbishment projects planned for the period 2021 - 2029

2.0

BNOK/year investments in Nordic hydropower

Major investments in Kvilldal, Sima and Rana increasing capacity and improving efficiency and flexibility.

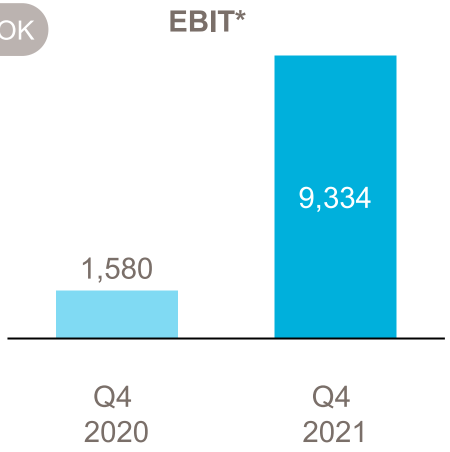
Statkraft is uniquely positioned in the energy transition

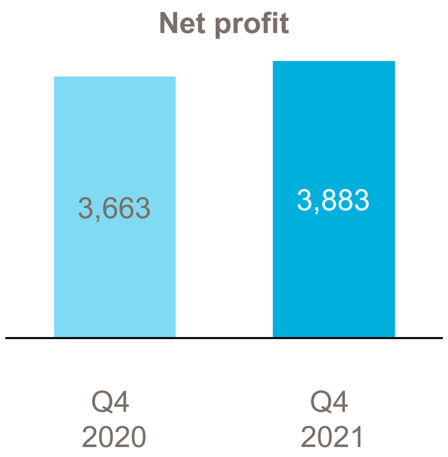
- **Strong asset base**
- **Solid competence** base and highly motivated employees
- Continues to **develop and deliver renewable energy projects** to reach growth targets
- **Robust financial position** enables further growth

Key financial figures

Quarter

MNOK

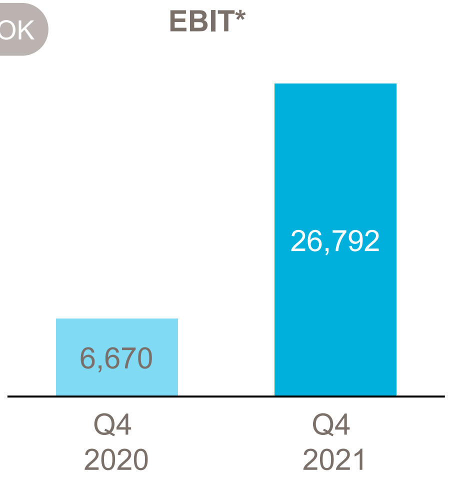


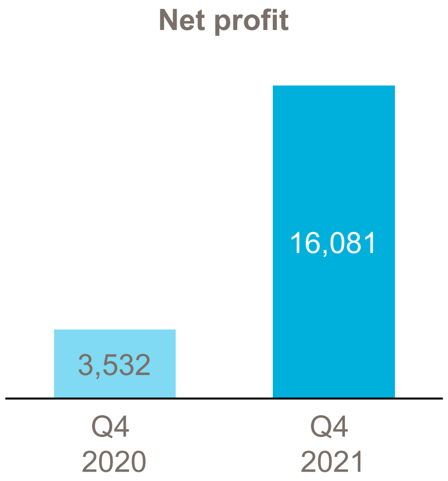


- **High EBIT*** driven by
  - Very high power prices
  - High Norwegian hydropower generation
- **Net profit** slightly up Q-on-Q

The year

MNOK





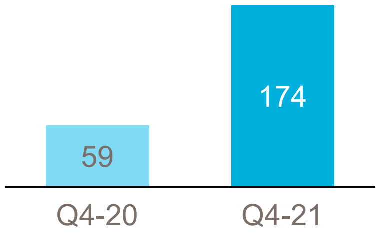
- **Strong EBIT*** driven by the same factors as for Q4
- **Solid net profit**
  - Reversal of impairments
  - Gains from divestments
  - High tax expense

** Underlying figures, see definition in alternative performance measures in financial reports*

Volatile energy market with high prices

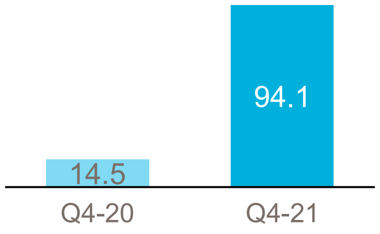
Coal, USD/t

+194%



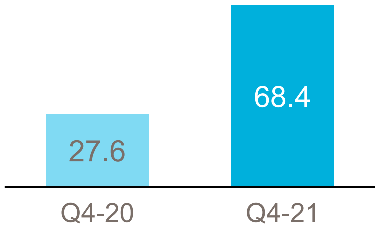
Gas, EUR/MWh

+547%



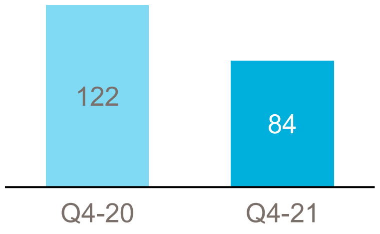
CO_2, EUR/t

+148%



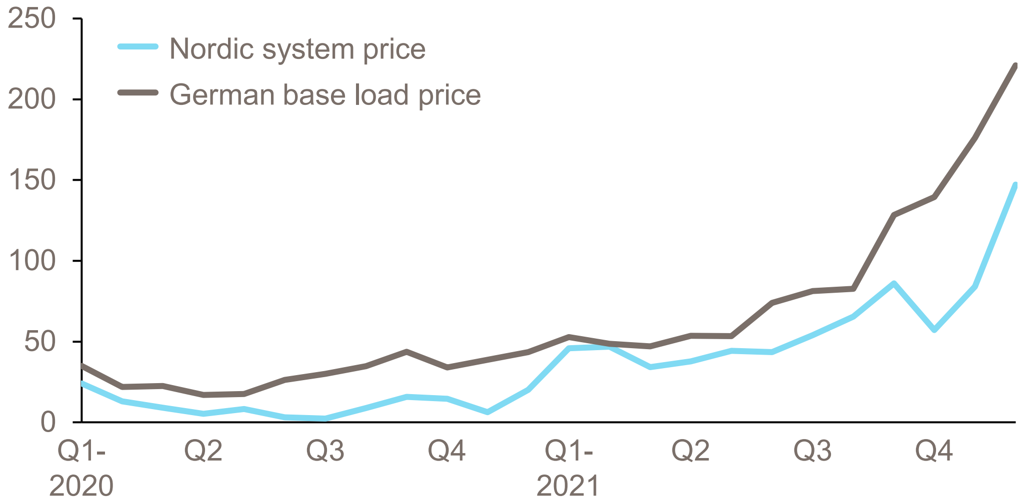
Nordic reservoir capacity[1]

-31%



- Factors impacting power prices:
  - Gas, coal and CO_2 prices
  - Low reservoir level in the Nordics
  - Higher power demand across Europe

Average quarterly Nordic system price was 96.1 EUR/MWh, up 82.4 EUR/MWh Q-on-Q



[1] Nordic reservoir capacity in percent of median.

Sources: Nord Pool, European Energy Exchange.

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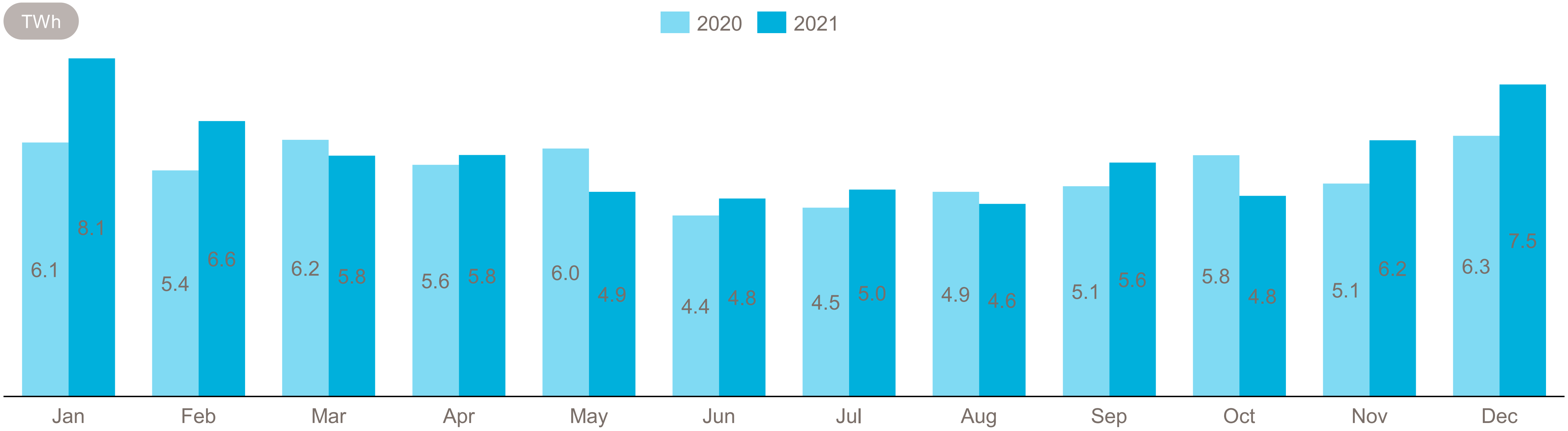
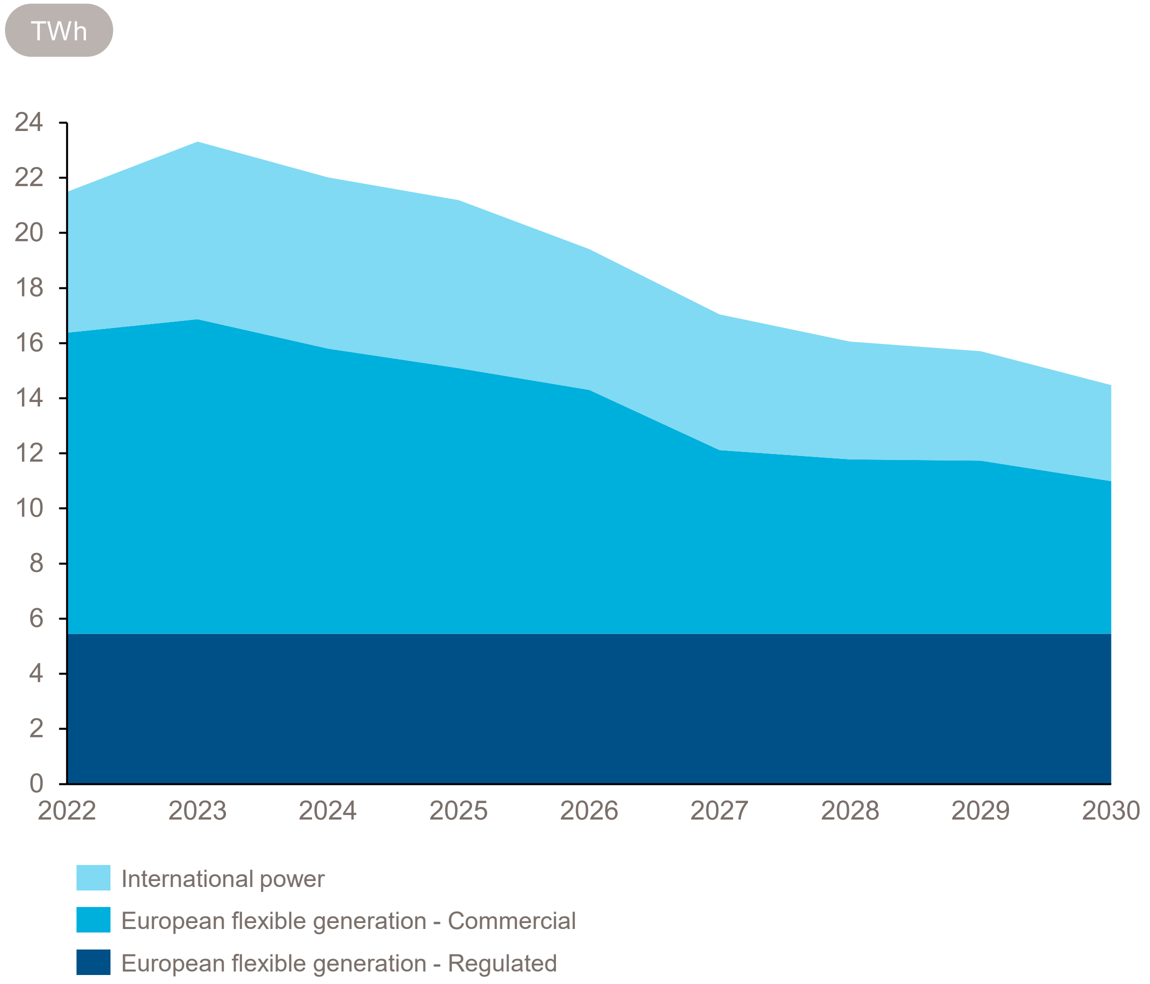
Generation



- Total power generation up 8% to 18.5 TWh
  - Hydropower generation up 1.7 TWh to 16.8 TWh
  - Wind power generation stable at 1.3 TWh
  - Gas-fired power generation down 0.4 TWh to 0.4 TWh

Hedging

- Includes several new long-term industry contracts in Norway.
- Approx. 1/3 of total generation is hedged for the next years.
- The estimated effect in Q4 of the long-term commercial contracts and financial hedging in European flexible generation was approximately -3.6 BNOK.



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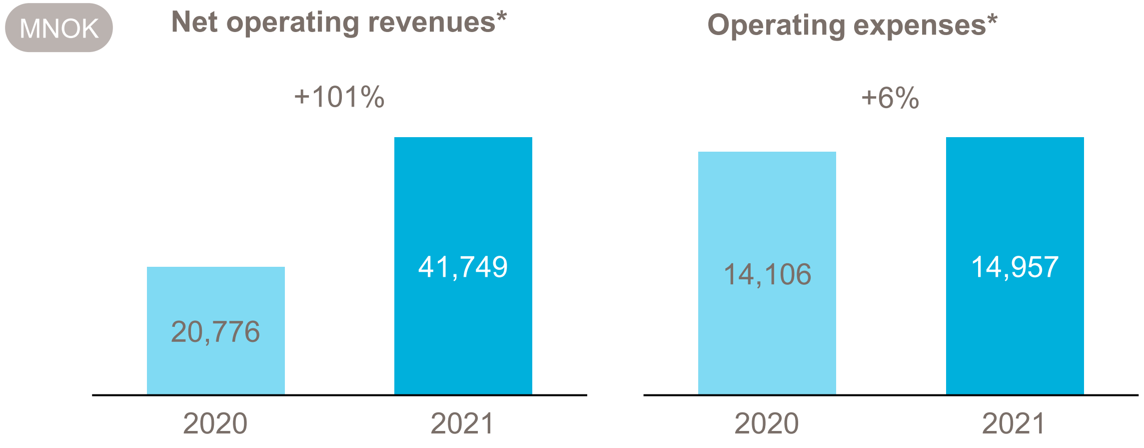
Revenues and cost development

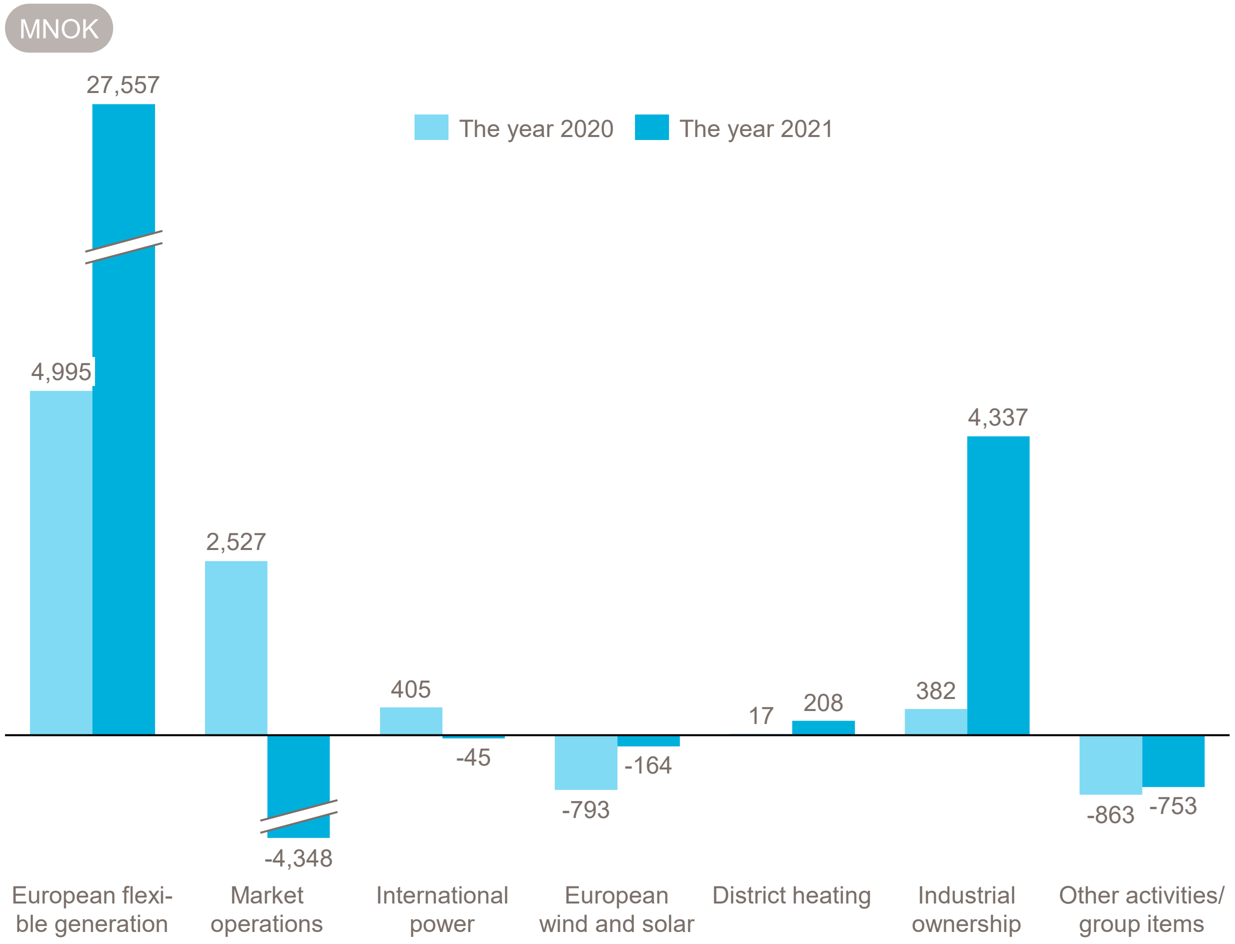
The year



- Net operating revenues increased driven by
  - Very high Nordic power prices
  - High Norwegian hydropower generation
- Operating expenses increased due to
  - Higher activity level and number of full-time equivalents
  - Acquisition of new businesses

** Underlying figures, see definition in alternative performance measures in financial reports*

Underlying EBIT 2021 - Segments

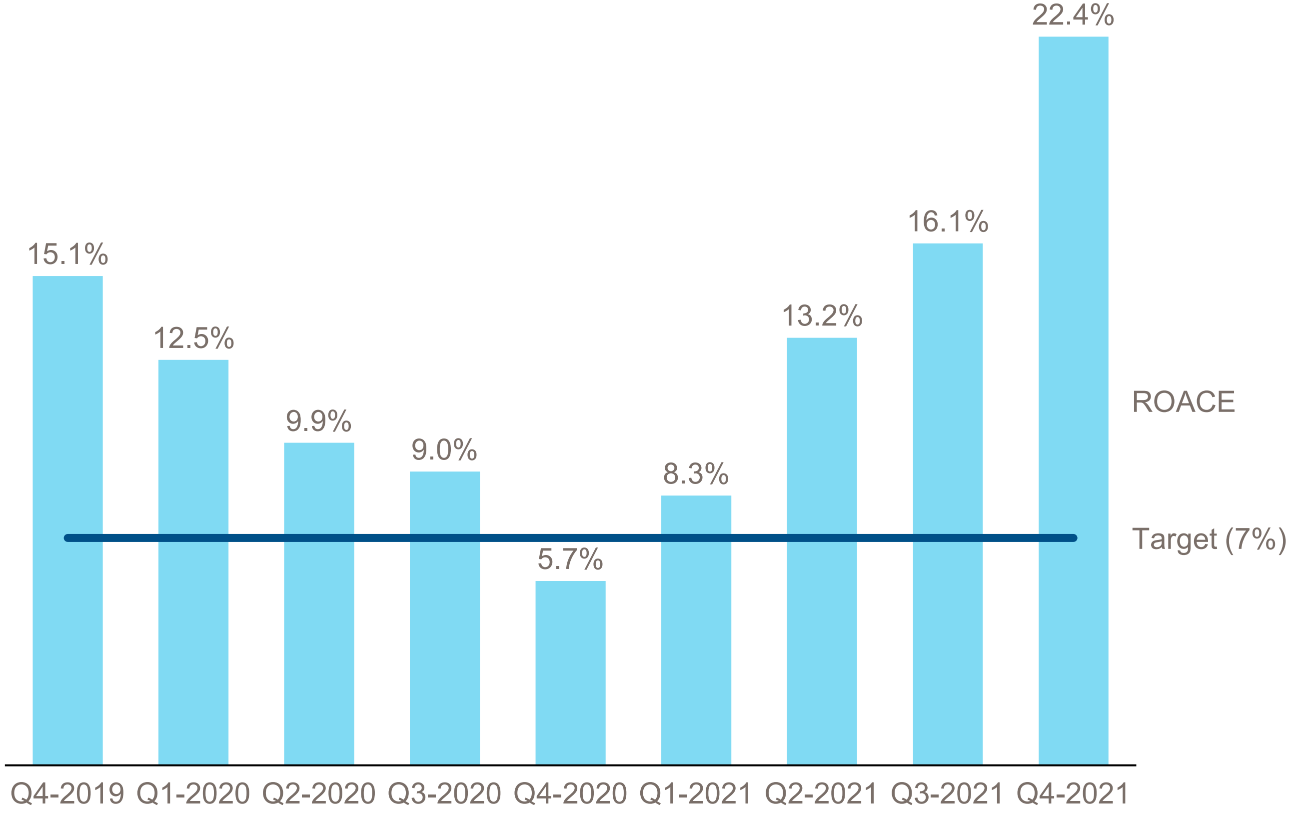


- Higher EBIT from European flexible generation and Industrial ownership driven by:
  - Very high Nordic spot prices
  - High Norwegian hydropower generation
- Negative EBIT from Market operations driven by:
  - Record-high prices for power and other power related commodities
  - High volatility in the forward markets
- Improved EBIT from European wind and solar driven by:
  - Higher Nordic spot prices
  - Gains from divestments

ROACE

- Rolling 12 months underlying EBIT up from previous quarter following higher Nordic spot prices and Norwegian hydropower generation

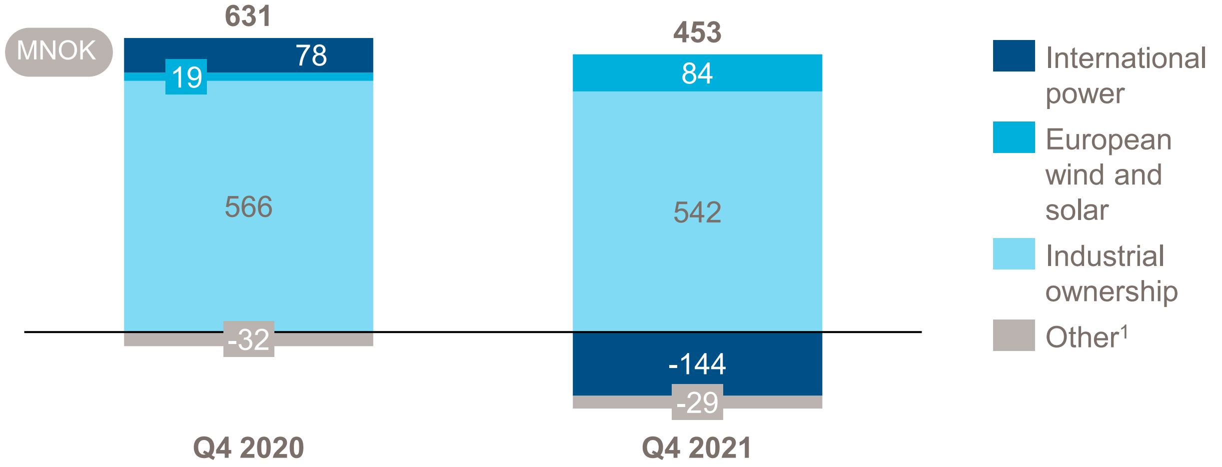
- Average capital employed on par with previous periods



MNOK	Q1-2021	Q2-2021	Q3-2021	Q4-2021
EBIT, (12 months rolling)	9,796	15,529	19,038	26,792
Average capital employed	117,926	117,944	118,446	119,422

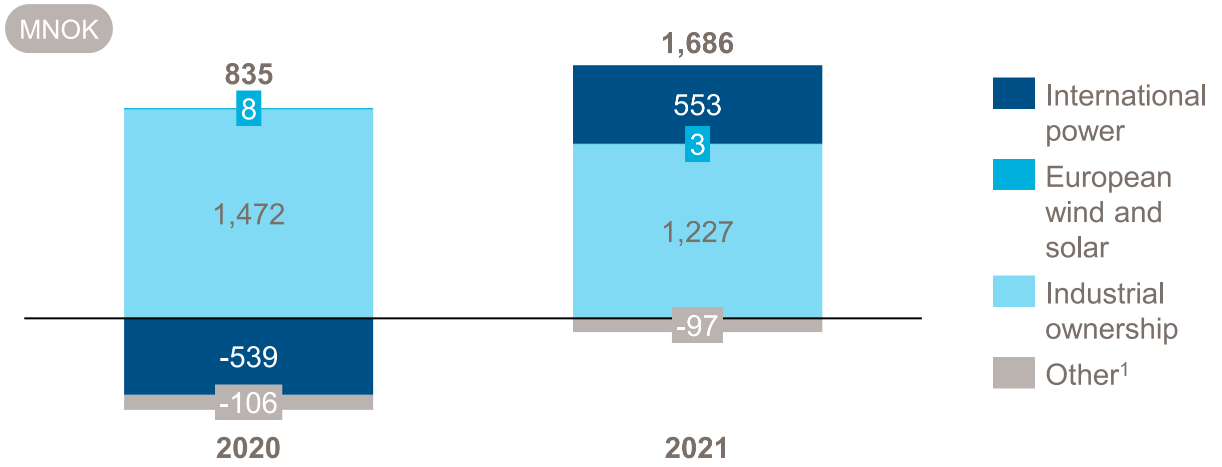
Share of profit in equity accounted investments

Quarter



- Main contribution from Industrial ownership (Eviny[2] and Agder Energi).
- Positive contribution from European wind and solar. Increase due to higher power prices.
- Negative contribution from International power due to an impairment.

The year



- Main contribution from Eviny and Agder Energi due to high power prices. Decrease due to gains from divestments in 2020.
- Significant contribution from International power due to reversal of impairments for hydropower assets in Asia. 2020 included impairments.

[1] Other includes the segments European flexible generation, Market operations and District heating as well as Other activities

[2] BKK has changed name to Eviny

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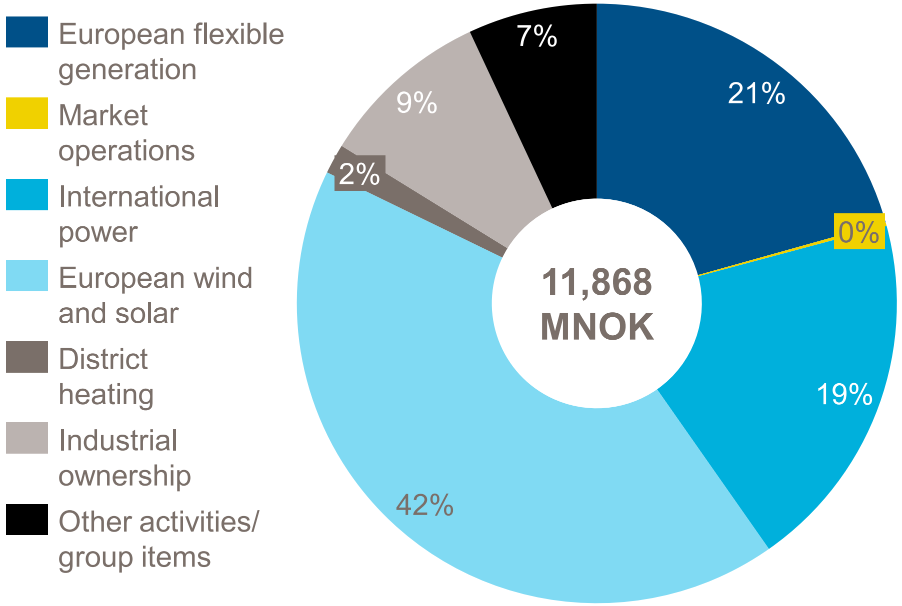
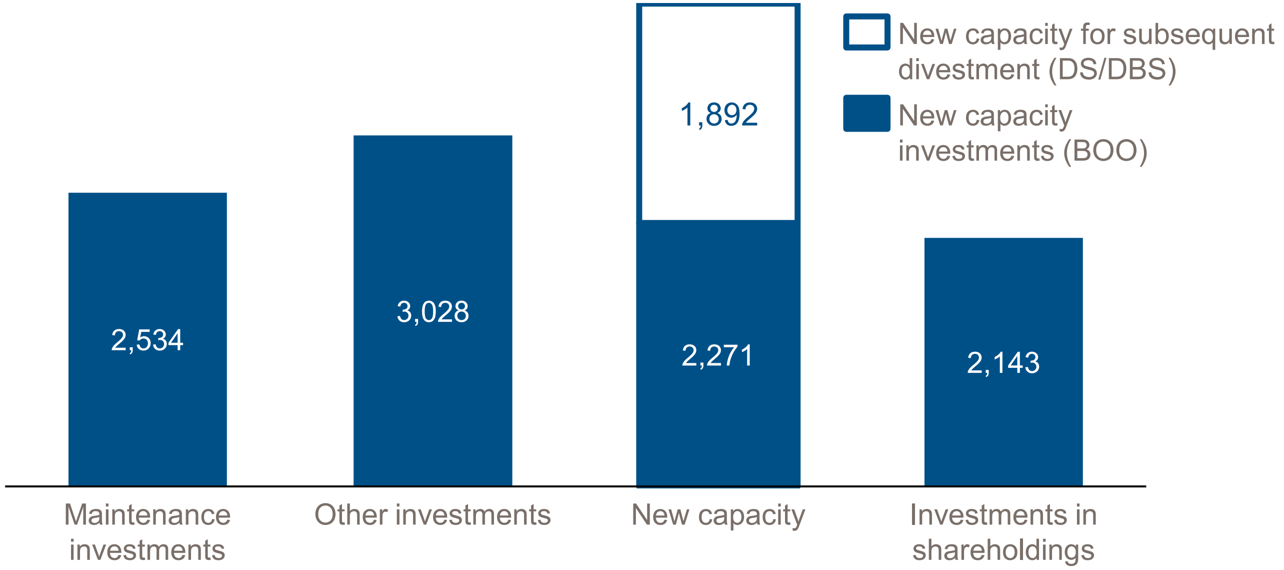
Investment program – 2021





New capacity investments – Business models:
DS: Develop – Sell; DBS: Develop – Build – Sell; BOO: Build – Own – Operate

- Investments of NOK 11.9 billion for 2021
- Maintenance investments primarily related to Nordic hydropower
- Other investments mainly related to grid, district heating, EV charging and battery projects
- New capacity:
  - DS/DBS investments mainly wind and solar projects in Ireland, Spain and the Netherlands.
  - BOO investments primarily hydropower plants in Chile and India as well as a wind farm in Brazil.
- Investments in shareholdings mainly related to the acquisition of wind farms in Germany and France

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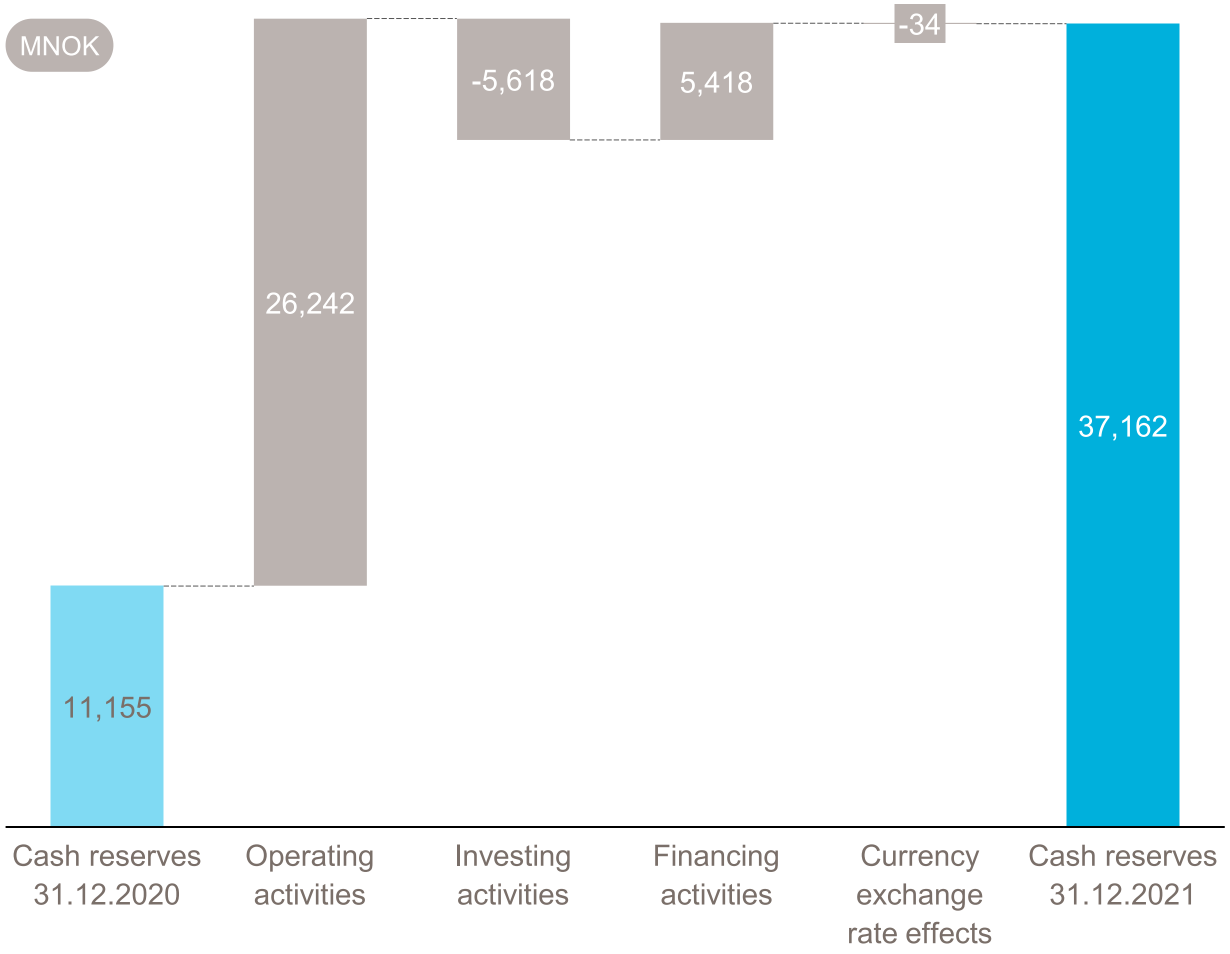
Cash flow 2021



- Operating activities reflect a strong EBIT for the full year
- Investing activities mainly related to:
  - new capacity investments
  - acquisition of wind farms in Germany and France
  - partly offset by the divestment of the Roan and Andershaw wind farms
- Financing activities primarily related to new debt, partly offset by dividend paid

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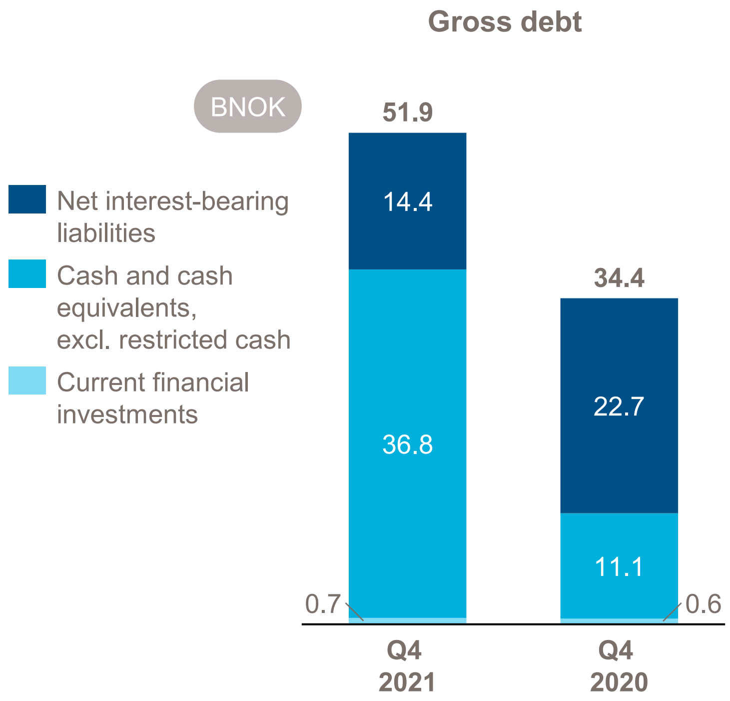
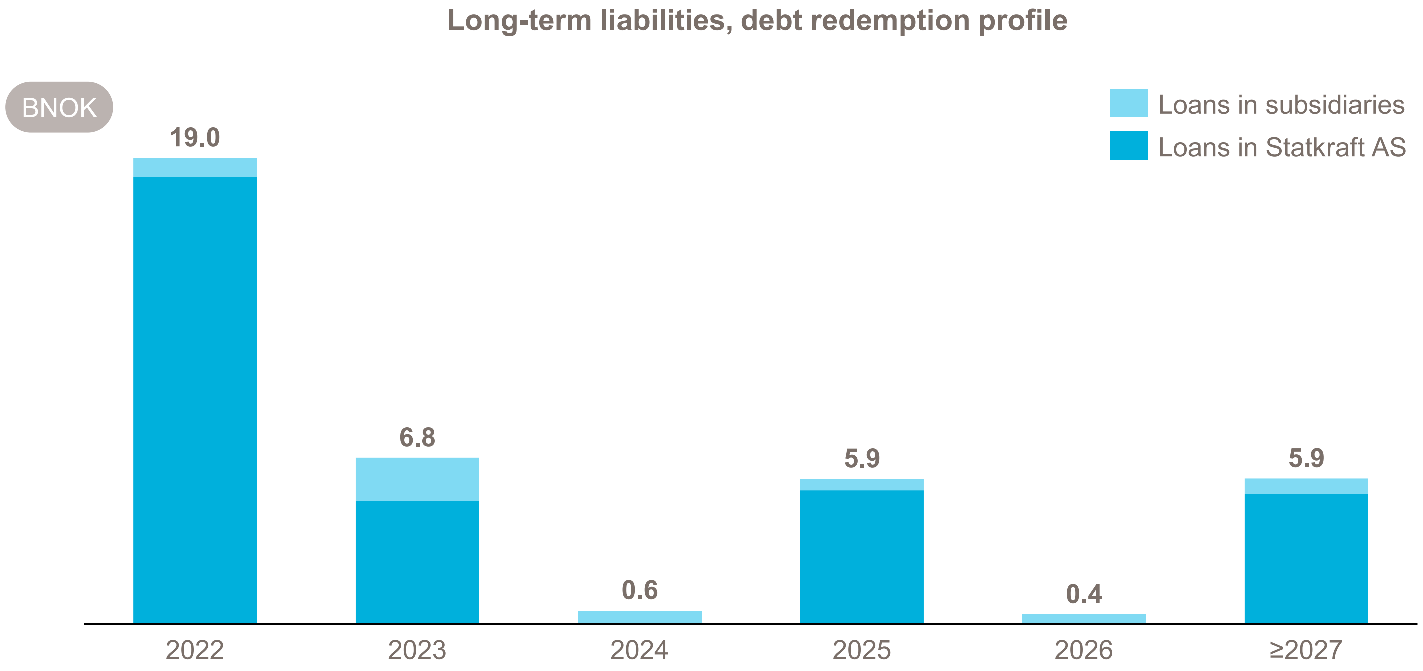
Rating, debt and maturity profile

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

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

- Solid cash position
- Net interest-bearing debt-equity of 11.8%
- Current ratings provide a framework for investments





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Summary

- Strong result due to very high Nordic power prices and Norwegian hydropower generation despite loss in Market operations
- Strong results and high 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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