Results for Q1 2022

CEO CHRISTIAN RYNNING-TØNNESEN
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OSLO 11 MAY 2022

First quarter summary

	Safety	Underlying EBIT	Net profit	Climate action
Q1	TRI: 3.9 5 serious incidents	18.0 BNOK	11.4 BNOK	On track to meet strategic growth target

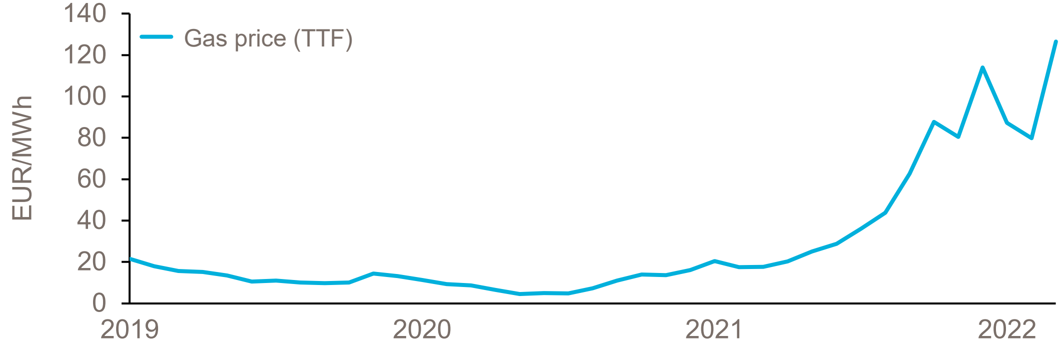
- **Fatal accident** in India in May
- The European **energy markets severely impacted** by the Russian invasion of Ukraine
- **Solid underlying EBIT** driven by
  - Very high Nordic power prices
  - Very strong results from market operations
- **Large pipeline of wind and solar projects**, supporting UN sustainable development goal 13 on climate action
- **High activity level** across markets

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

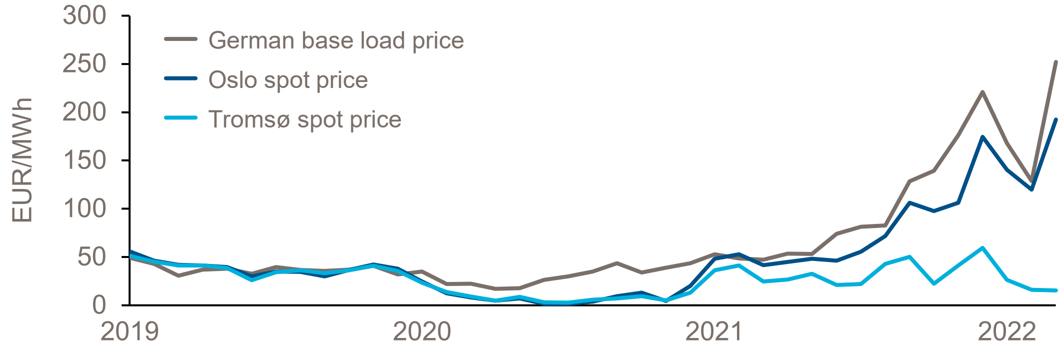
The extraordinary market situation continues

- An already extraordinary market situation further impacted by Russia's invasion of Ukraine
- High and volatile gas, coal and CO_2 prices driving European power prices
- Increasing price area differences in the Nordics with prices in Southern Norway close to German prices
- Challenging situation for many consumers
- Statkraft continues to ramp up construction of renewable energy capacity

Gas price (monthly average)



Power prices (monthly average)



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Merger of Agder Energi and Glitre Energi

- Will become the largest vertically integrated company in the Norwegian power sector
- Synergies: Increases efficiency, investment capacity and competence
- The merger has been approved by the Board of Directors in both companies
- Merger is subject to approval from the extraordinary general meetings in both companies in July
- Aim for the merger to be effective from 1 January 2023
- Statkraft will have a 33.3% ownership in the new company

High activity level - delivering on the growth strategy

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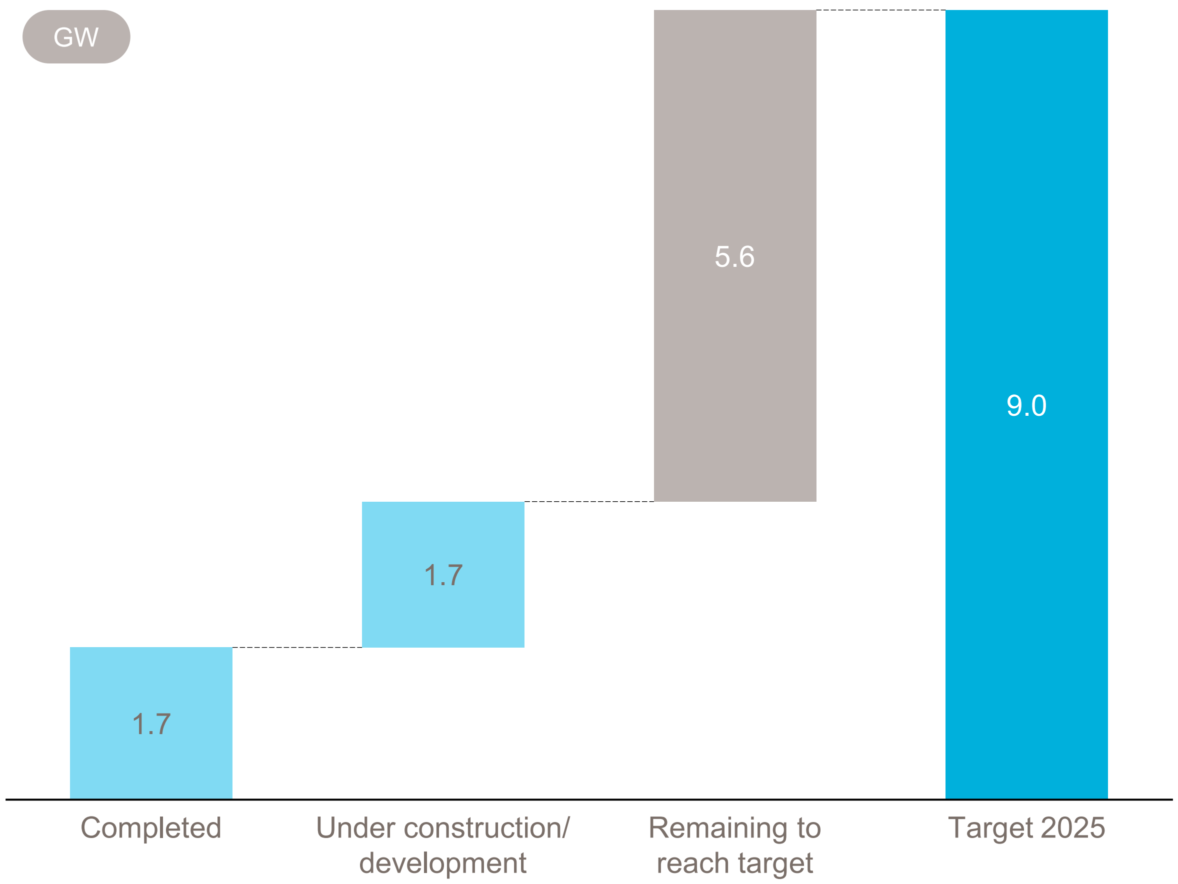
Well on track to deliver on the growth target

9 GW new capacity to be developed by 2025



- On track to meet the target to develop 9 GW by 2025
  - Probability weighted portfolio of more than 9 GW to cover the remaining 5.6 GW
- Status at the end of Q1
  - 1.7 GW completed
  - 1.7 GW under construction/development
- 0.6 GW of the new capacity has been divested
- Target an annual development rate of 2.5 – 3.0 GW by 2025

Green hydrogen to play a significant role in decarbonisation

REPowerEU gives further push for green hydrogen

Green hydrogen crucial in decarbonising the industry and the transport sector

Statkraft:

Awarded support to develop green hydrogen bunkering solution for the world's first zero-emission bulk carrier

Signed collaboration agreements to explore opportunities in India and Brazil

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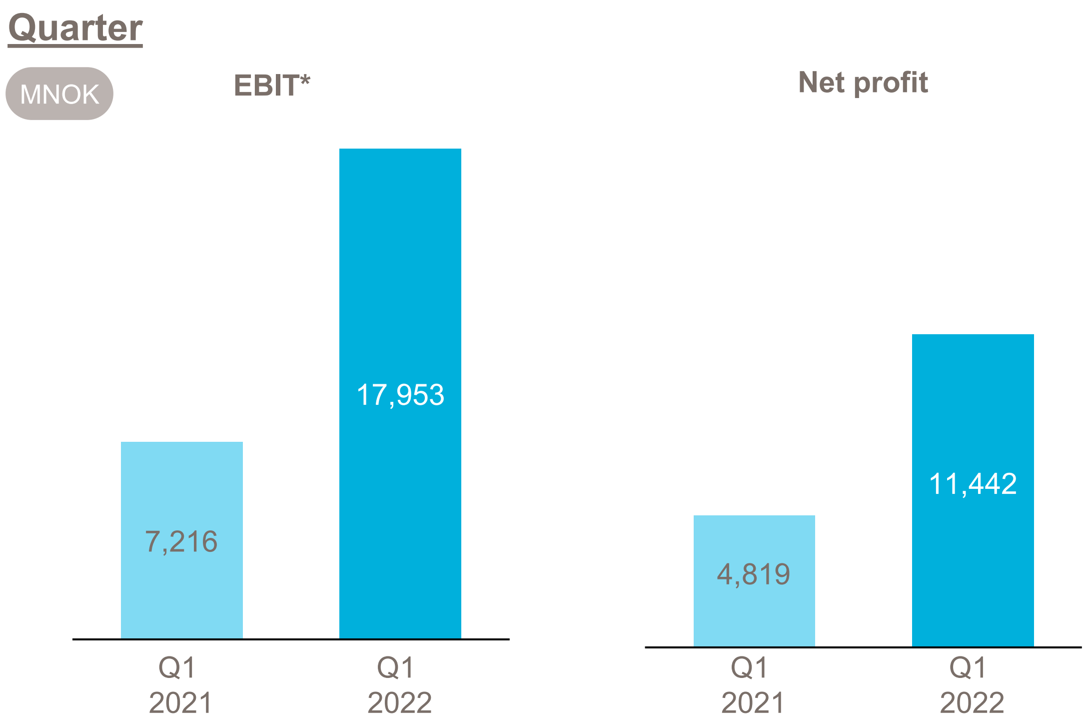
Statkraft's offshore wind engagement

- **Ireland: Maturing three projects**
  - North Irish Sea Array (NISA) I and II
    - Part of first round of auctions in Ireland
    - Estimated 500 MW in phase 1 and 200-340 MW in phase 2
  - Bore Array
    - Early phase development
    - Estimated 500 MW
- **Norway: Early phase development**
  - Sørlige Nordsjø II with BP and Aker
    - Phase one auction for 1500 MW
  - Utsira Nord with Aker and Ocean Winds
    - Estimated potential of 1500 MW

Statkraft: Uniquely positioned in the energy transition

- **Strong asset base**
- **Solid competence** highly motivated employees
- **Robust financial position** enables further growth
- **REPowerEU** increases need for renewable energy
- Continuous development and delivery of **renewable energy projects** to reach growth targets

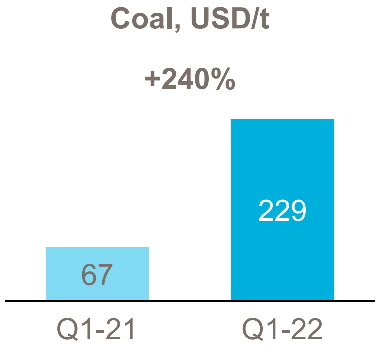
Key financial figures

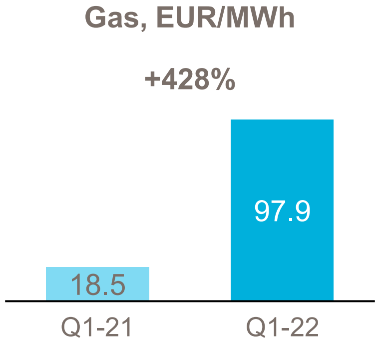


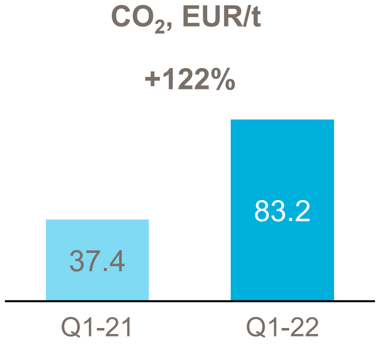
- **High EBIT* and net profit** driven by
  - Very high Nordic power prices and successful energy management
  - Significantly improved results from Market operations

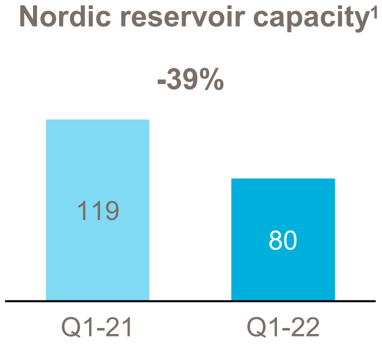
** Underlying figures, see definition in alternative performance measures in financial reports*

Volatile energy market with high prices



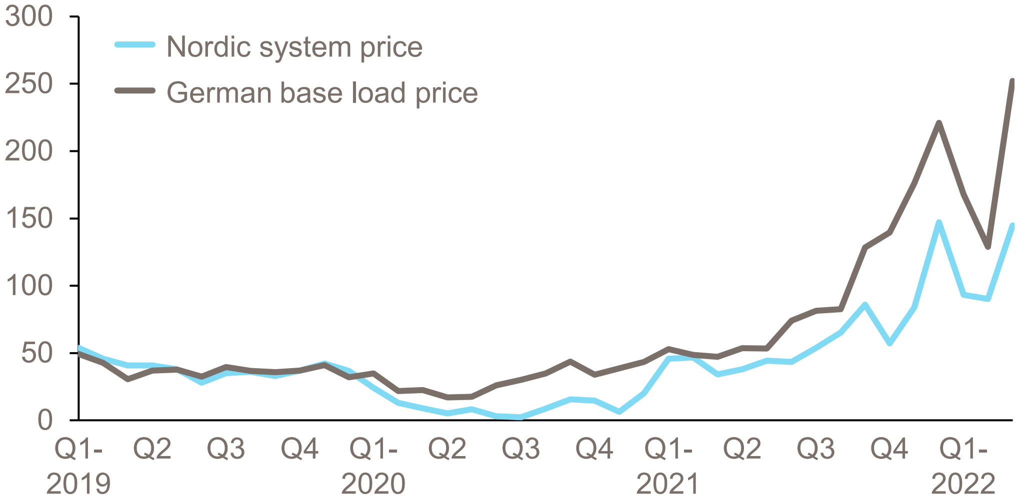






- Factors impacting power prices:
  - Russia's invasion of Ukraine
  - Gas, coal and CO_2 prices
  - Low reservoir level in the Nordics
  - Higher power demand across Europe

Average quarterly Nordic system price was 109 EUR/MWh, up 67 EUR/MWh Q-on-Q



[1] *Nordic reservoir capacity in percent of median.*

Sources: Nord Pool, European Energy Exchange.

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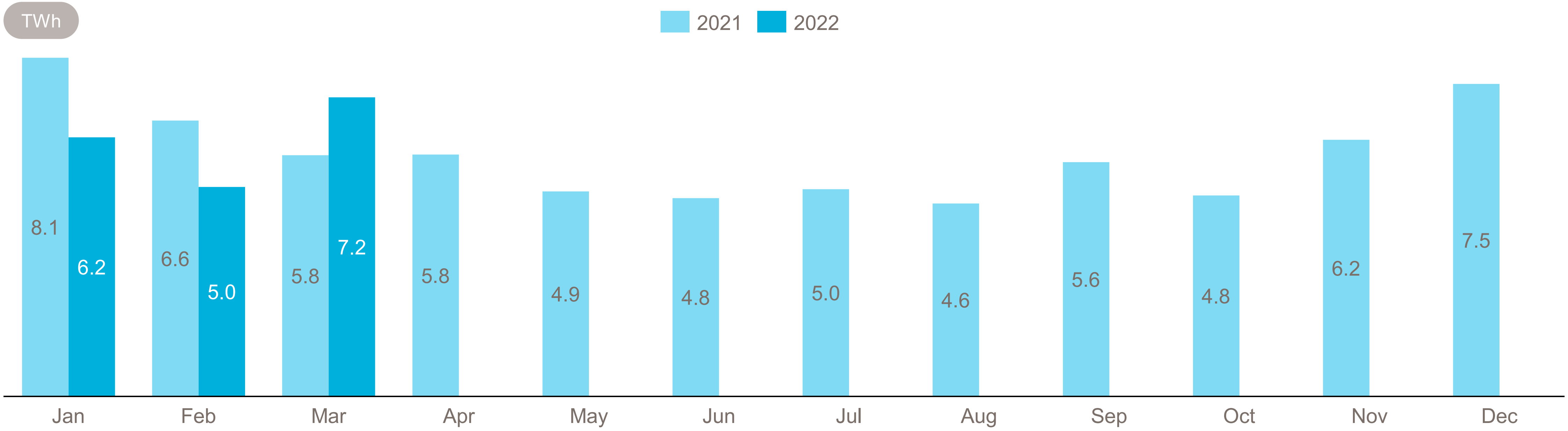
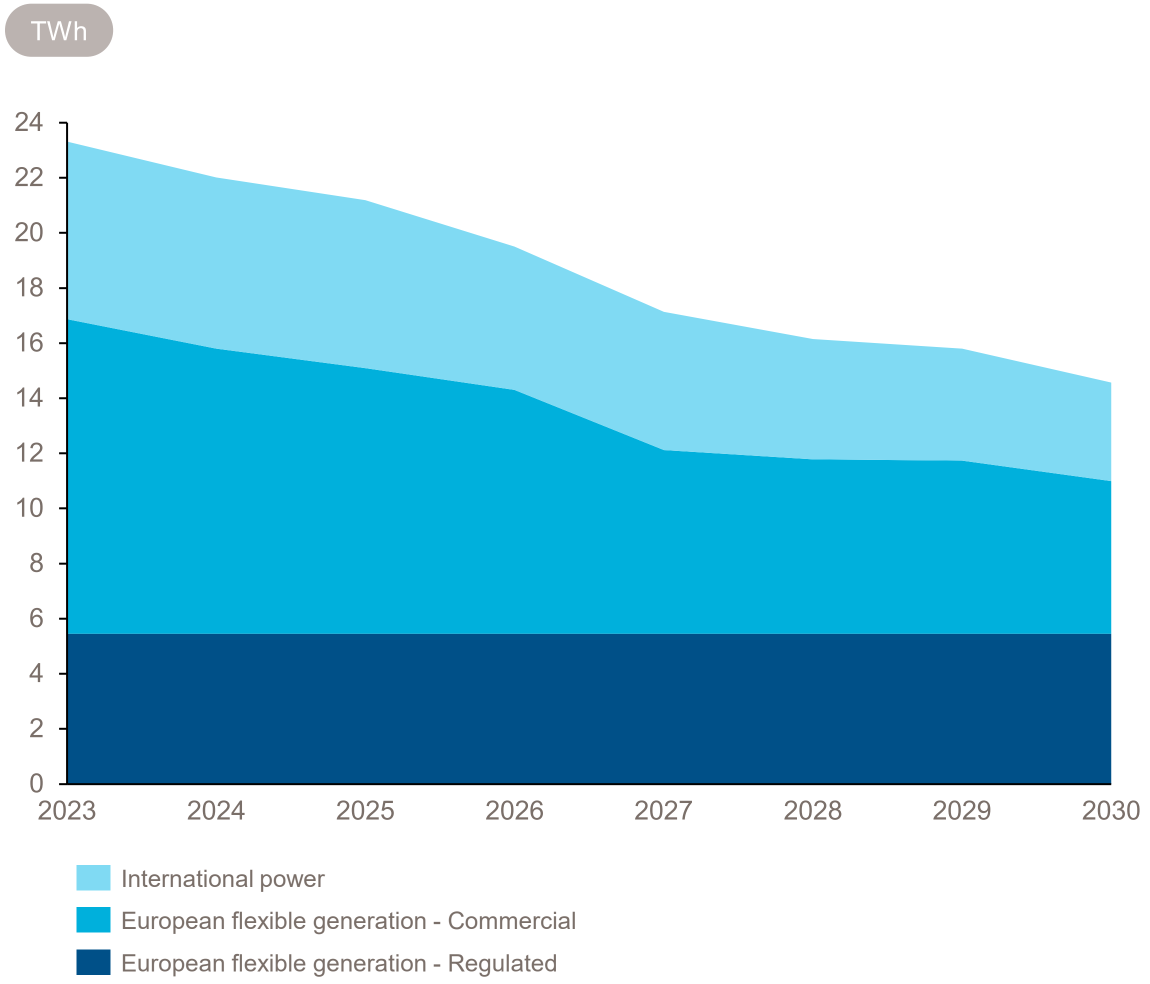
Generation



- Total power generation 18.5 TWh, down 10% from the high level in Q1 2021
  - Hydropower generation down 1.8 TWh to 16.5 TWh
  - Wind power generation up 0.4 TW to 1.5 TWh
  - Gas-fired power generation down 0.7 TWh to 0.4 TWh

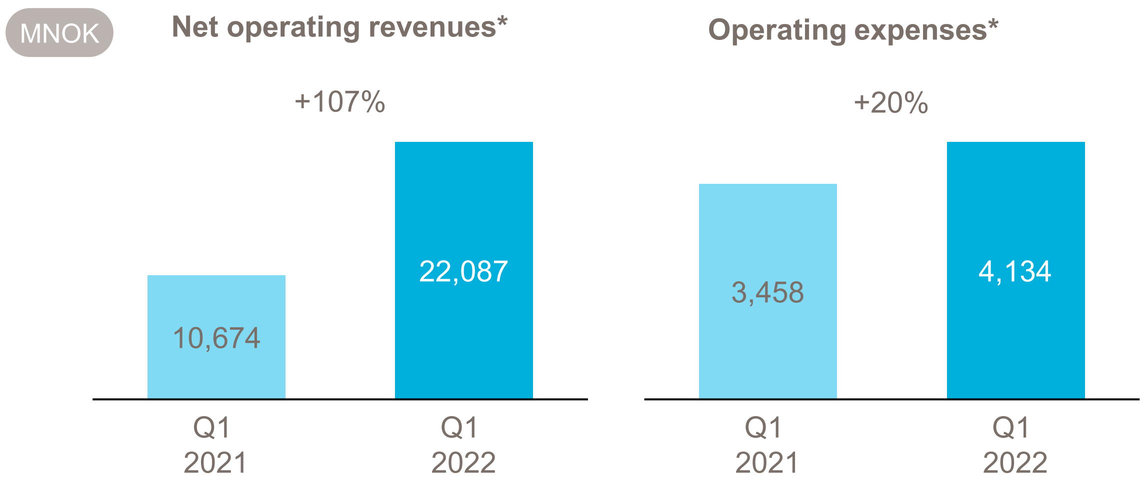
Hedging

- Approx. 1/3 of total generation is hedged for the next years.
- The estimated effect in Q1 of the long-term commercial contracts and financial hedging in European flexible generation was approximately -1.6 BNOK.



Revenues and cost development

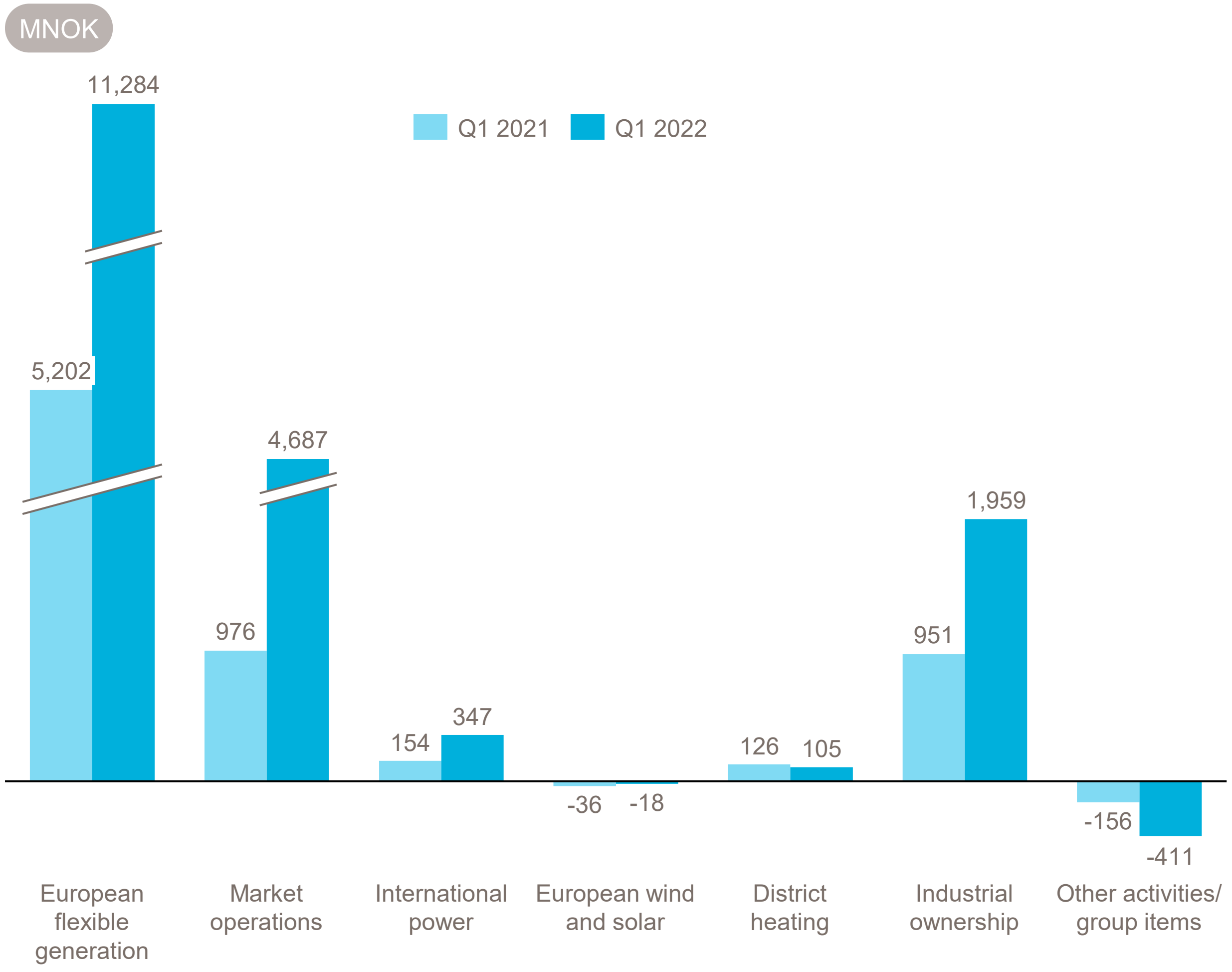
Quarter



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

- Net operating revenues increased
  - Very high Nordic power prices and good energy management
  - Solid contribution from Market operations
- Operating expenses increased
  - Higher performance-related bonuses due to the strong results in Market operations
  - Newly acquired businesses
  - Business development

Underlying EBIT - Segments



- High EBIT from European flexible generation and Industrial ownership
  - Very high Nordic spot prices
  - Good energy management
- High EBIT from Market operations
  - High volatility in the power and fuels markets
  - Main contribution from dynamic asset management and trading and origination
- Improved EBIT from International power
  - Higher achieved prices for Albanian hydropower
  - Higher hydropower generation in Turkey

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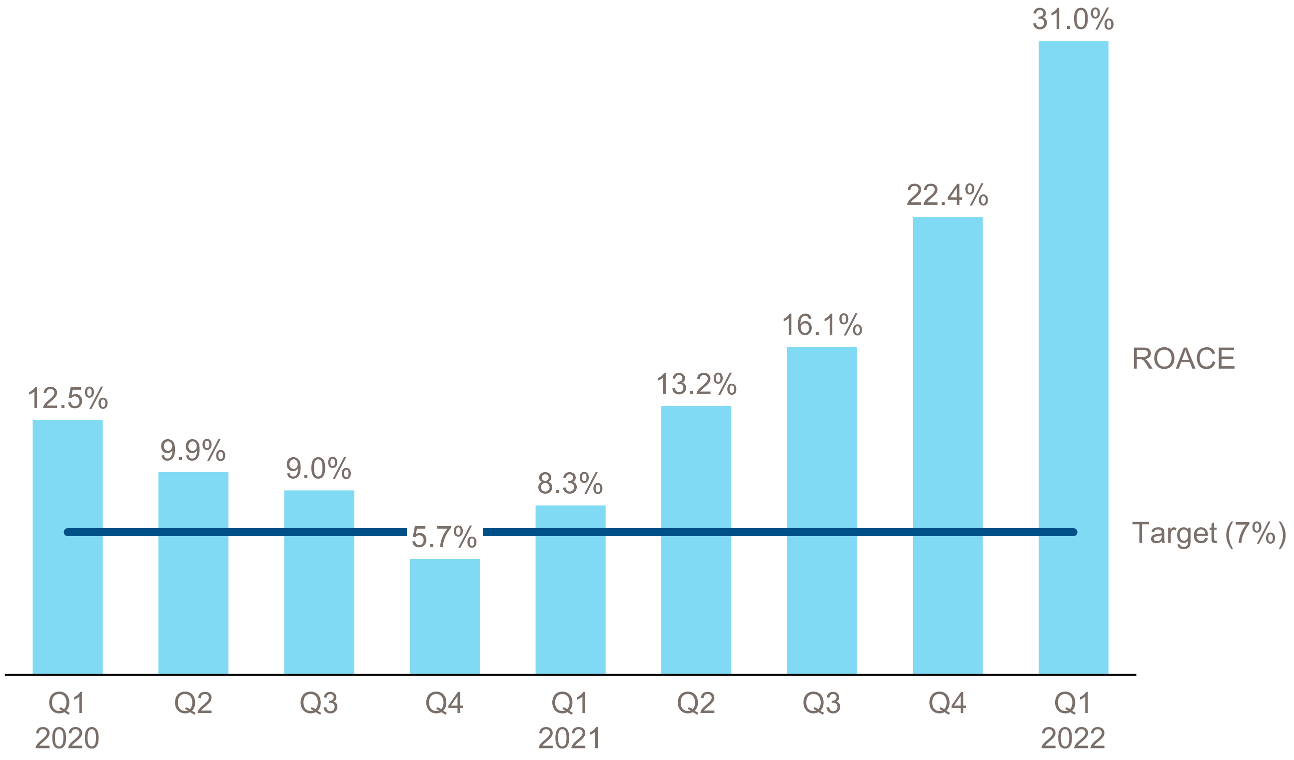
ROACE

- Rolling 12 months EBIT up following higher Nordic spot prices and improved results from market activities

- Average capital employed on par with previous periods



MNOK	Q2-2021	Q3-2021	Q4-2021	Q1-2022
EBIT, (12 months rolling)	15,529	19,038	26,792	37,530
Average capital employed	117,944	118,446	119,422	120,871

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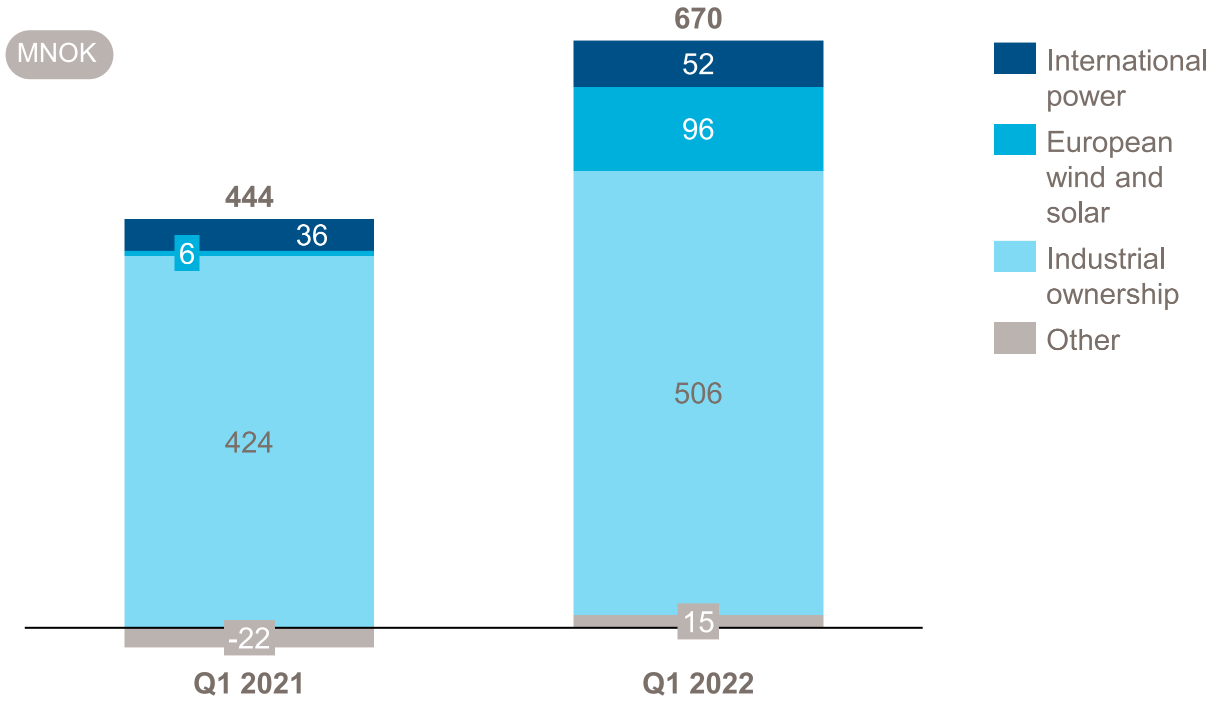
Share of profit in equity accounted investments

<u>Quarter</u>



- Increased contribution from all segments primarily due to higher power prices
  - Industrial ownership - Agder Energi
  - European wind and solar - UK
  - International power - India

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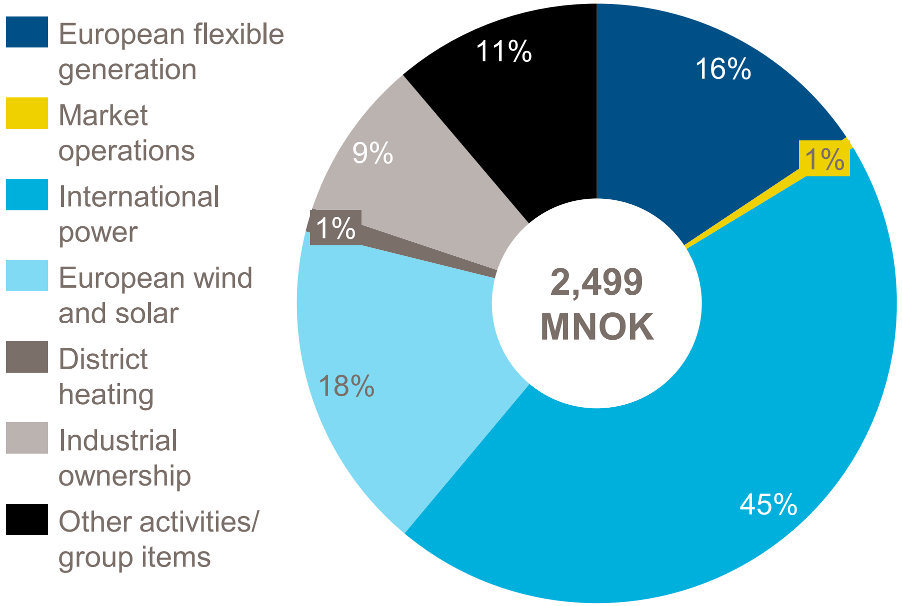
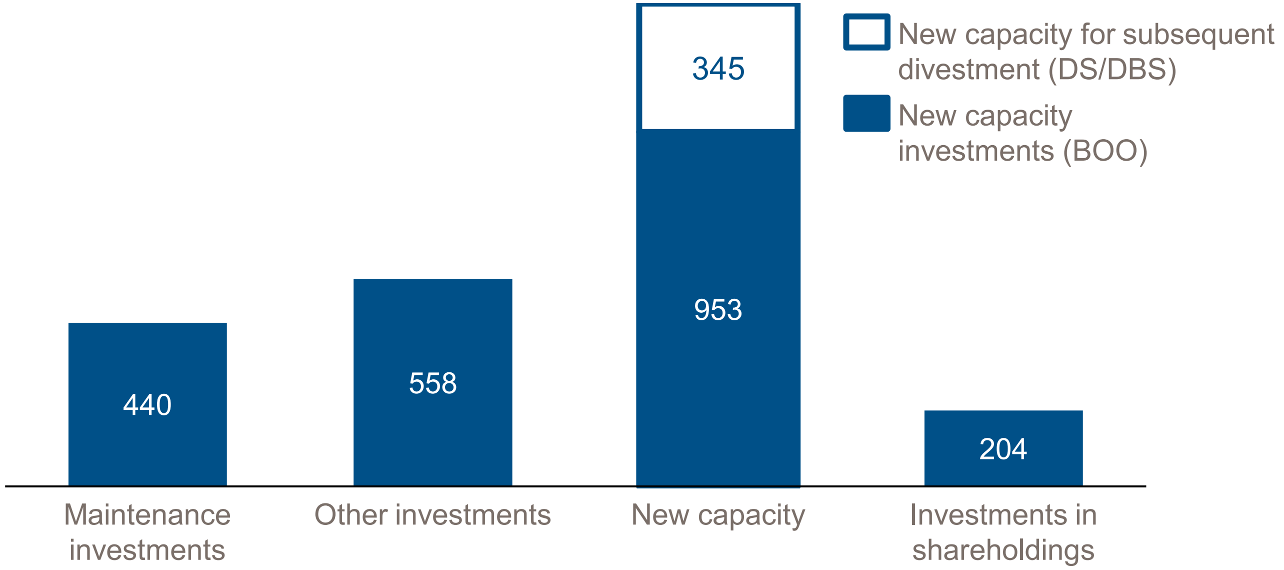
Investment program

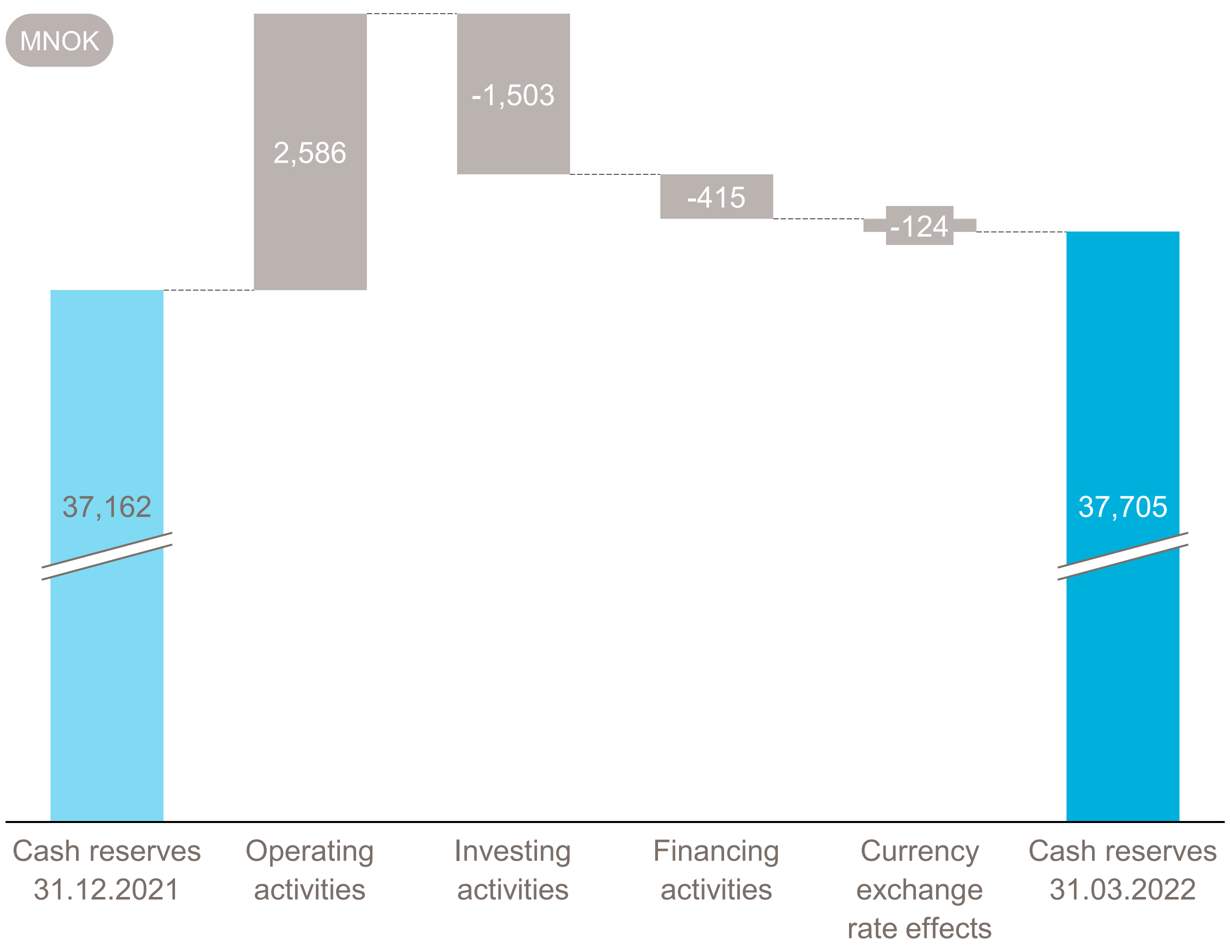




New capacity investments – Business models:
DS: Develop – Sell; DBS: Develop – Build – Sell; BOO: Build – Own – Operate

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

Cash flow



- Operating activities lower than EBIT due to
  - NOK 6.6 billion of non-cash unrealised effects included in EBIT
  - Negative working capital changes of NOK 8.5 billion related to market activities
- Investing activities related to:
  - maintenance investments
  - new capacity investments
  - partly offset by the divestment of solar parks
- Financing activities is the net effect of repayment of debt and new debt

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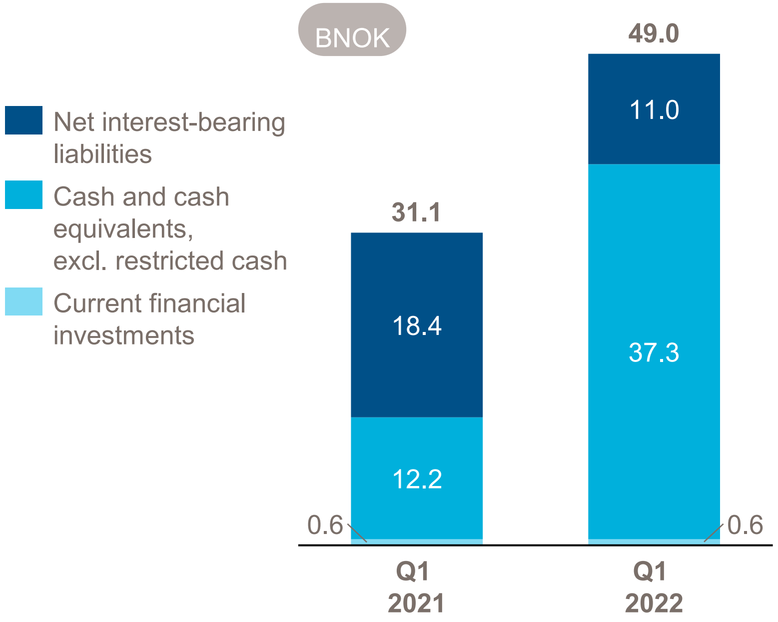
Rating, debt and maturity profile

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

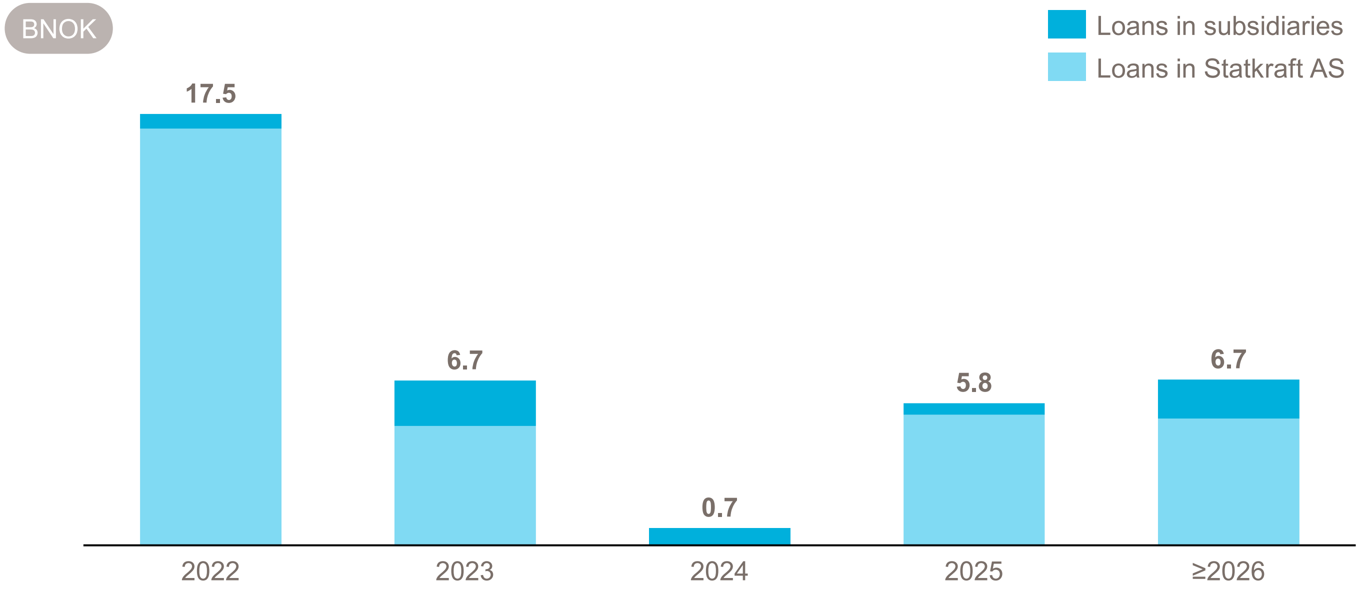
Fitch Ratings: **BBB+ (stable outlook)**

- Solid cash position
- Net interest-bearing debt-equity of 8.5%
- Current ratings provide a framework for investments

Gross debt



Long-term liabilities, debt redemption profile



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Summary

- Strong result due to very high Nordic power prices and solid results from Market operations
- Solid financials and increased future power prices lift our expected investment capacity
- Investment plan with large degree of flexibility
- Robust financial position and solid foundation for further growth

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