

Results for Q2 2022

CEO CHRISTIAN RYNNING-TØNNESEN
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OSLO 21 JULY 2022

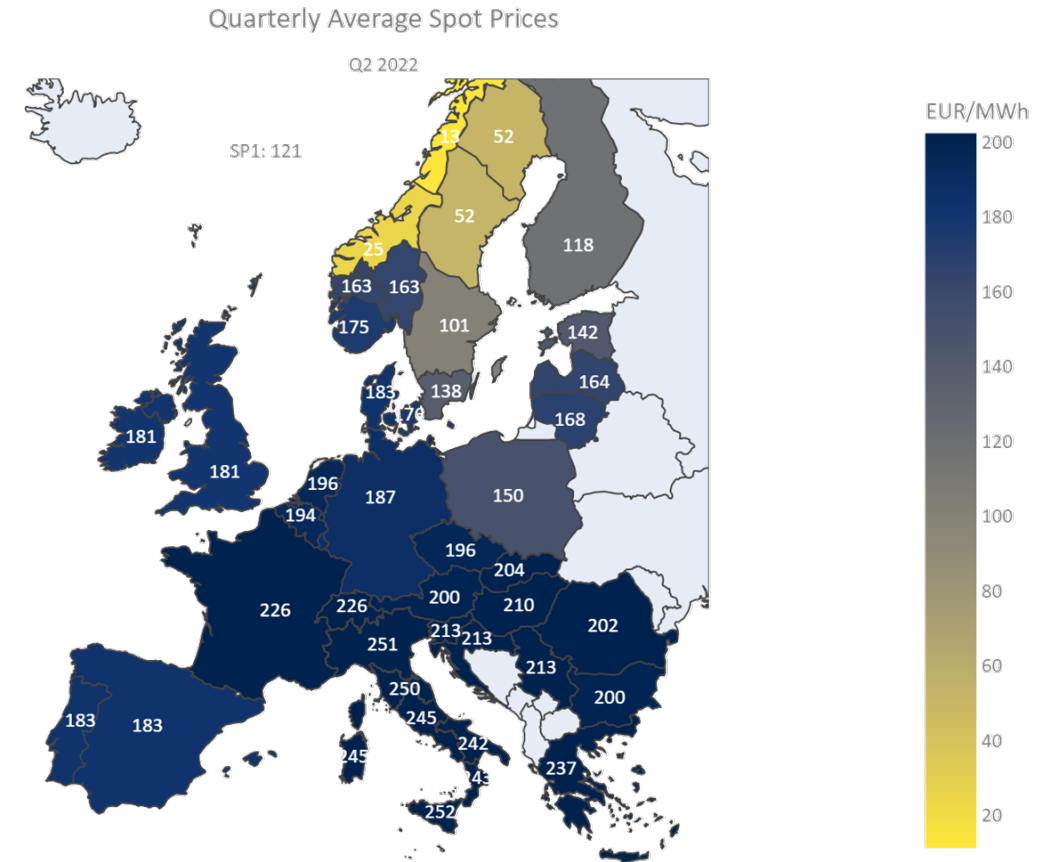
Second quarter summary

	Safety	Underlying EBIT	Net profit/loss	Climate action
Q2	TRI: 4.3 4 serious injuries	3.8 BNOK	-1.2 BNOK	Delivered 3.4 GW of the target of 9 GW by 2025
Year to date	TRI: 4.3 9 serious injuries	21.8 BNOK	10.2 BNOK	

- The **European energy crisis has accelerated** due to a shortage of gas supplies from Russia
- EBIT affected by the **extraordinary situation** in the energy markets
 - Significant revenues from spot generation
 - Offset by negative effects from hedging of future generation
- **Updated strategy and organisational changes** to meet increasing need for energy
 - New **hydropower plants** completed and application for **large hydropower upgrade** in Norway
 - Secured contracts for **wind and solar projects in Ireland**
 - Statkraft's first large-scale **solar park in India** completed

Demanding market situation

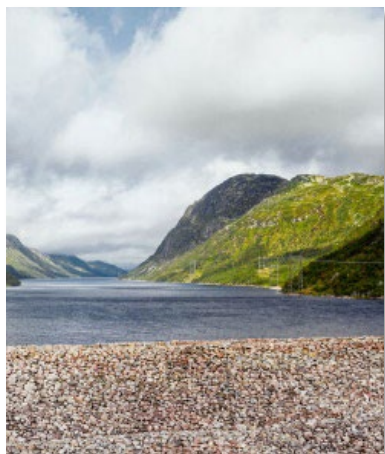
- Low gas supply from Russia has accelerated the energy crisis in Europe
- Gas, coal and CO₂ prices are volatile and still at high levels - driving European power prices
- Significant price area differences in the Nordics
- Low reservoir levels in South Norway
- Statkraft are taking measures to secure power supply for the winter



Market trends accelerated by strong green policies



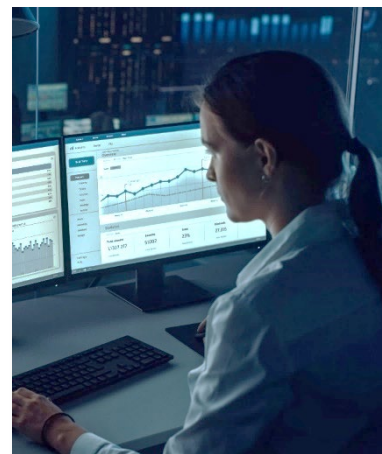
Massive growth
in **wind and
solar power**



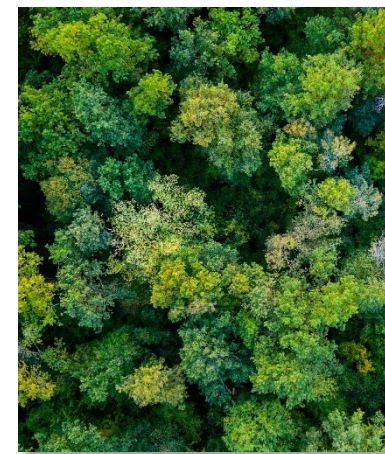
Increased need
for **flexible-
power supply
and demand**



Decarbonization
leads to demand
for **new
technologies**



Increased market
complexity and
high market
uncertainty



Strengthened
and broadened
**sustainability
agenda**

Updated strategy - enabling a net-zero future

Provide clean flexibility – leveraging hydropower

- **Largest hydropower company** in Europe, and a **significant player** in South America and India – investing in at least 5 larger projects in Norway by 2030

Accelerate solar, wind and battery storage

- **Major developer** of solar, onshore wind, and battery storage
- Annual delivery rate of **2.5-3 GW** in 2025 and **4 GW** by 2030
- **Industrial offshore wind player** in the North Sea and Ireland

Deliver green market solutions to customers

- **Top-tier provider of market solutions** in Europe with a significant global reach

Scale new green energy technologies

- Leading developer of **green hydrogen, biofuel, EV charging** and other green technologies – developing 2 GW green hydrogen by 2030
- **Top 3 customer friendly and profitable district heating player** in Norway and Sweden

Sustainable, ethical and safe operations

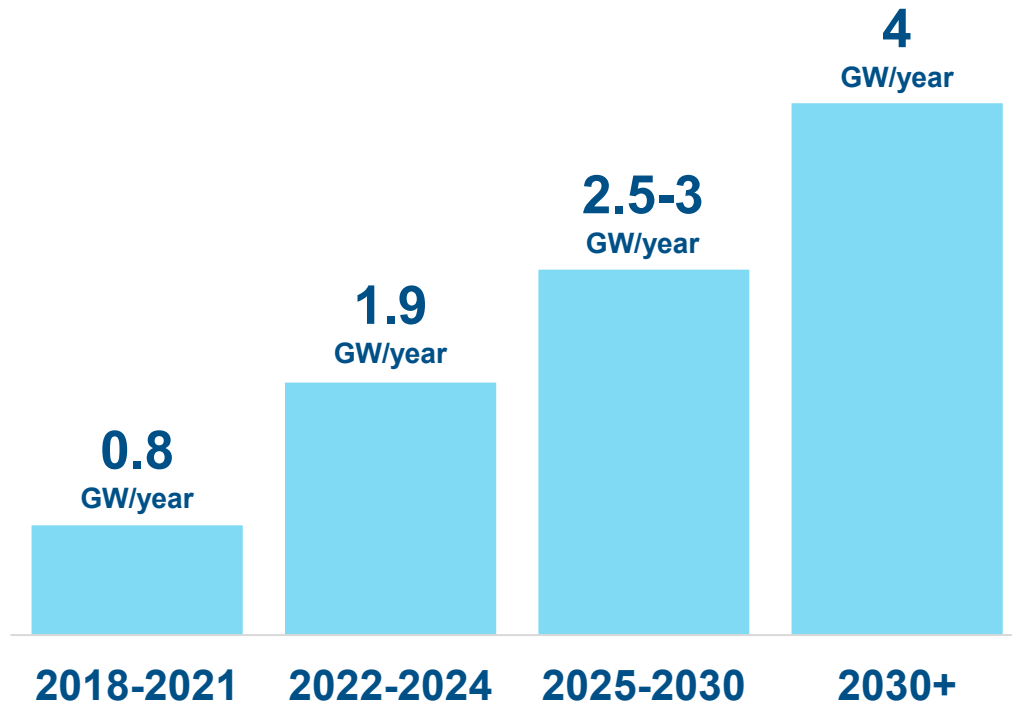
New opportunities and increased capacity for Norwegian and Swedish hydropower

- License application of the Folgefonn hydropower scheme in Norway sent
- Vesle Kjela and Storlia – two new hydropower plants in Norway – completed in 2022
- Significant reinvestments in Nordic hydropower portfolio with record-high activity level



Accelerated growth rate in solar, wind and battery storage

Annual growth rate



- Developed 1.2 GW of new capacity in 2021
- On track to deliver 2.5-3 GW annually by 2025
- Further strengthen growth ambitions – delivering 4 GW annually by 2030



Annual power generation can reach >100 TWh by 2030*

Secured contracts in Irish auction

- Secured four state contracts in Irish renewable energy auction
- One wind and three solar projects with at total capacity of 360 MW
- Statkraft has had significant growth in Ireland since 2018





Solar park in India completed

- Nellai solar park (76 MWp) is Statkraft's first large-scale solar park in India
- Will generate renewable energy equal to the annual consumption of more than 500,000 Indian homes
- Statkraft will ramp up as a solar and wind power developer in India

High ambitions across technologies in Norway

Statkraft will drive the Norwegian energy transition through



Develop and deliver green power generation



Develop and deliver flexible supply (and demand)



Engage in value chains that enable decarbonization

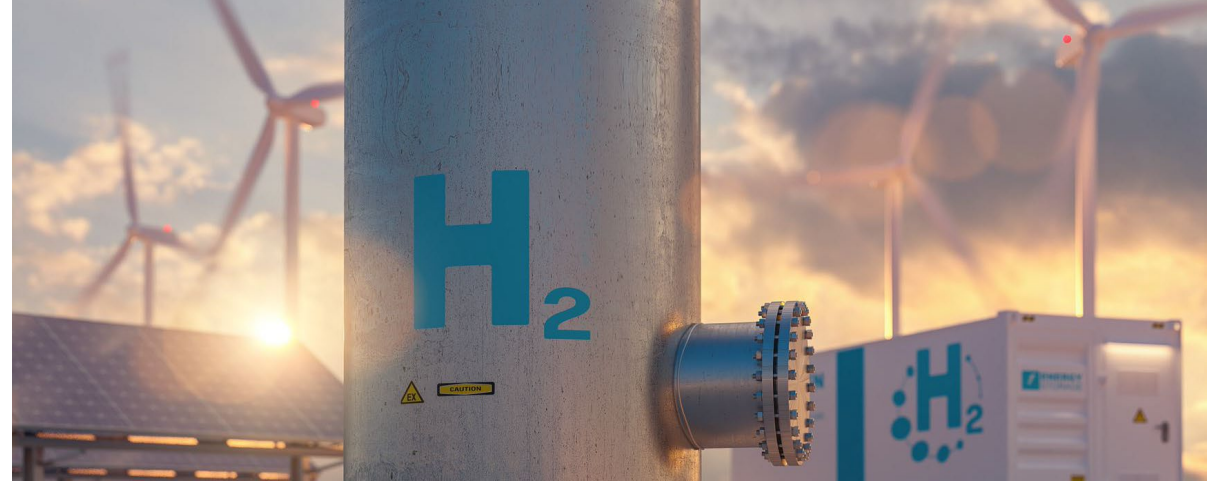


Facilitate sustainable industries



Statkraft: Uniquely positioned in the energy transition

- **Solid competence and** highly motivated employees
- **Strong asset base**
- **Robust financial position** enables significantly increased growth targets
- **Updated strategy** to deliver high growth within renewable energy



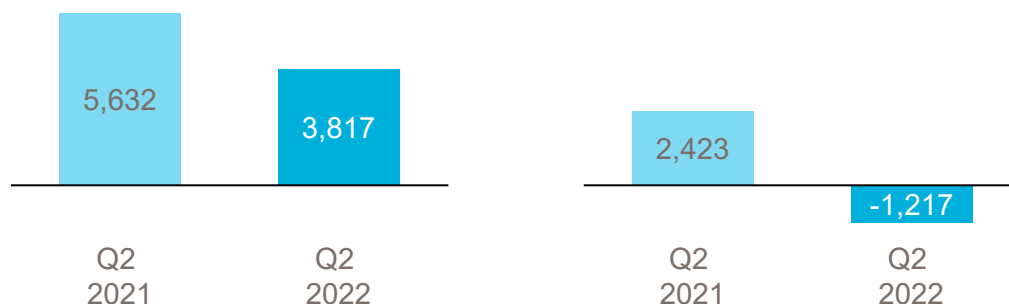
Key financial figures

Quarter

MNOK

EBIT*

Net profit



Quarterly performance driven by:

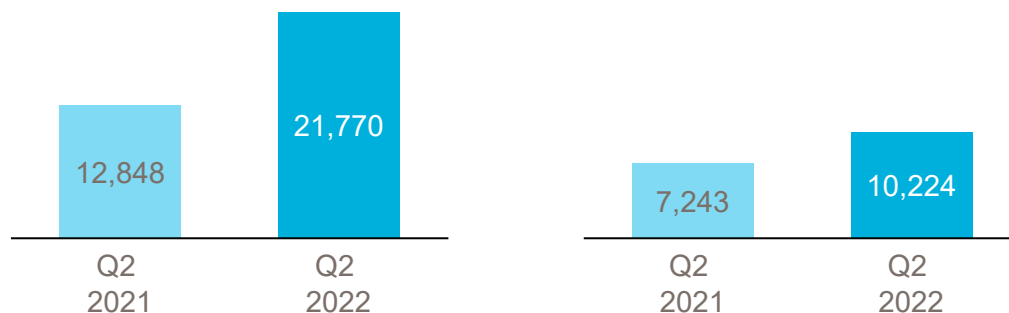
- Record-high Nordic power prices
- Lower generation volume in Norway
- Unrealised losses from hedging of future revenues

Year to date

MNOK

EBIT*

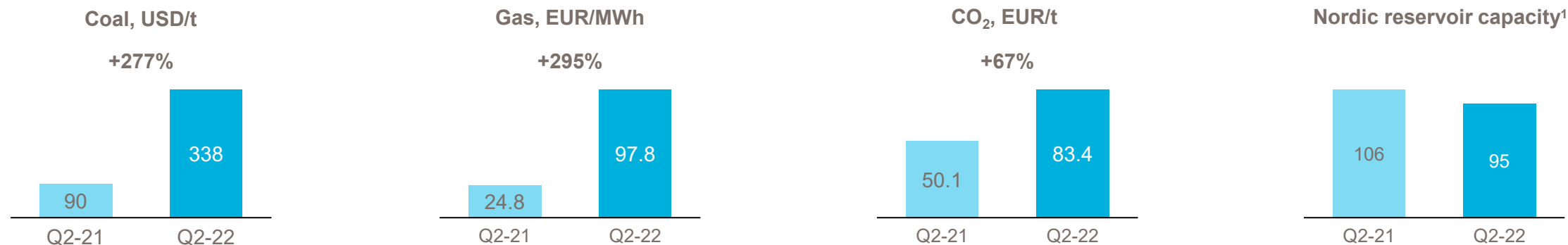
Net profit



YTD performance driven by:

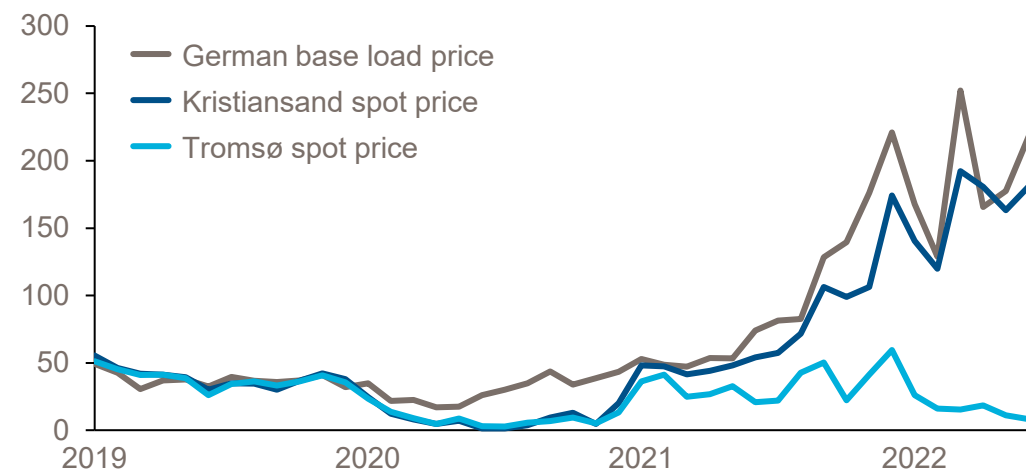
- Record-high Nordic power prices
- Significantly improved results from Market operations

Volatile energy market with high prices



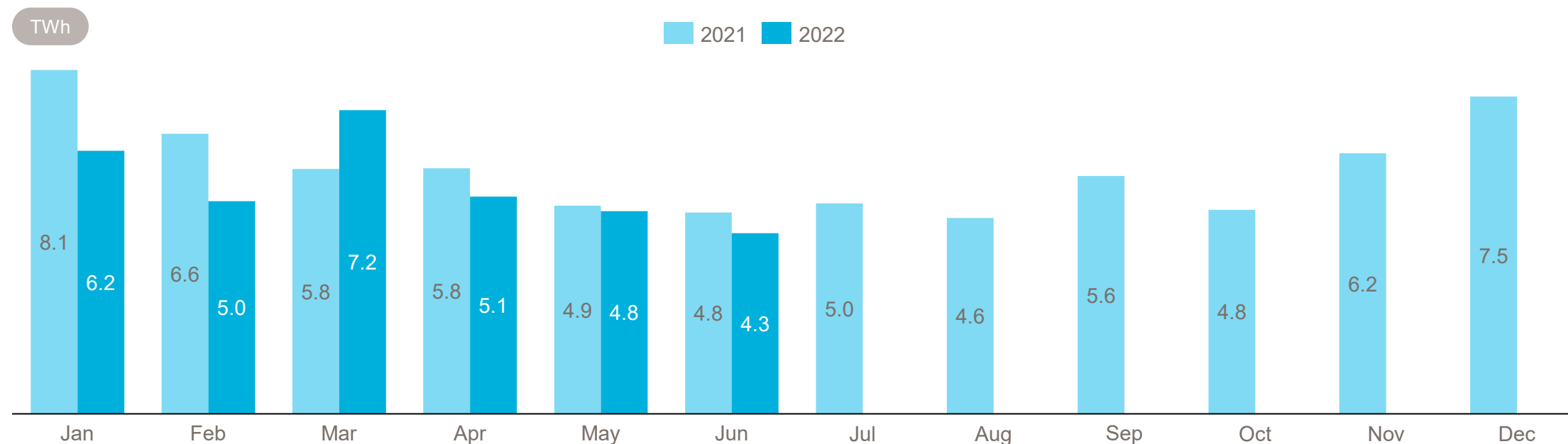
- Factors impacting power prices:
 - Reduced Russian gas supply
 - Gas, coal and CO₂ prices
 - Low reservoir level in the Nordics – particularly in the southern parts of Norway
 - Significant spread between price areas in Norway

Average quarterly Nordic system price was 121 EUR/MWh, up 79 EUR/MWh Q-on-Q



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

Generation

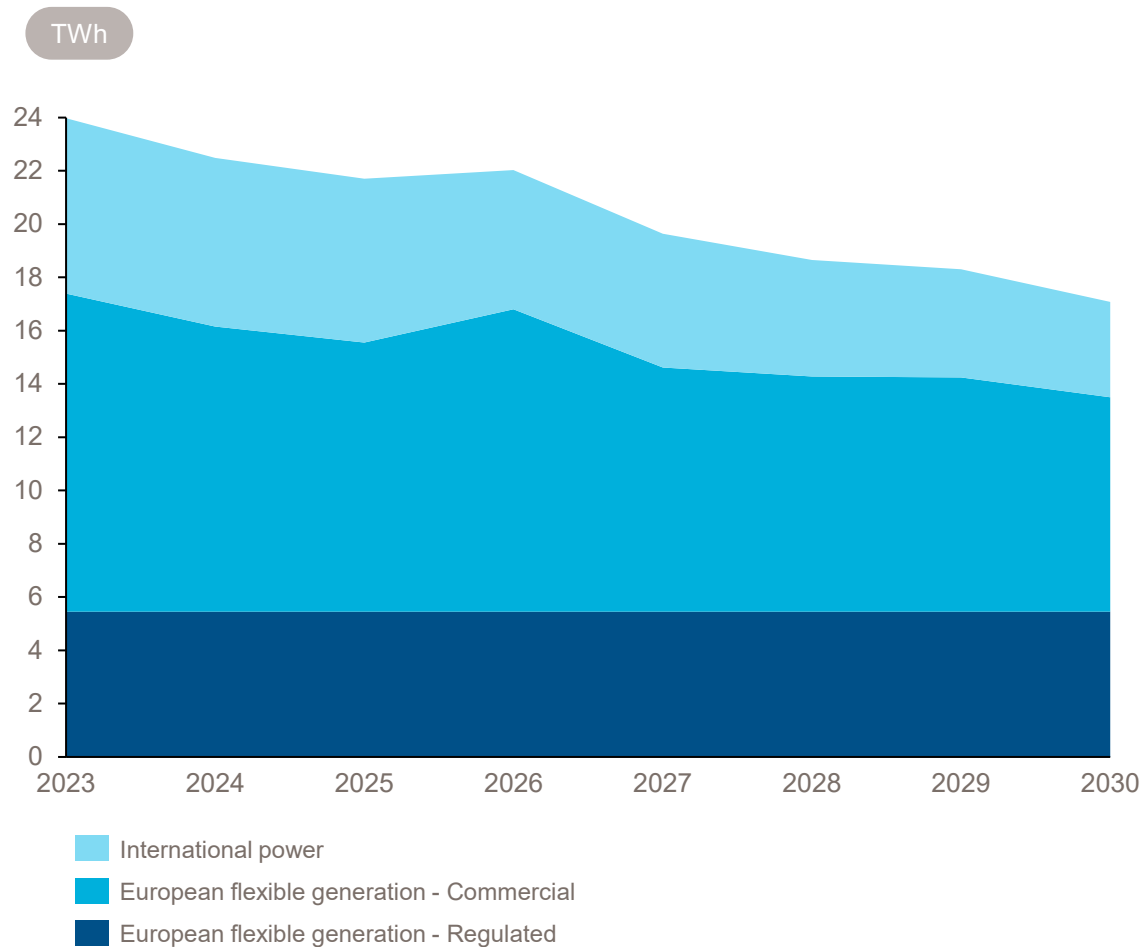


- Total power generation 14.2 TWh, down 8% from Q2 2021
 - Hydropower generation down 0.9 TWh to 13.1 TWh
 - Wind power generation up 0.1 TW to 0.8 TWh
 - Gas-fired power generation down 0.5 TWh to 0.3 TWh

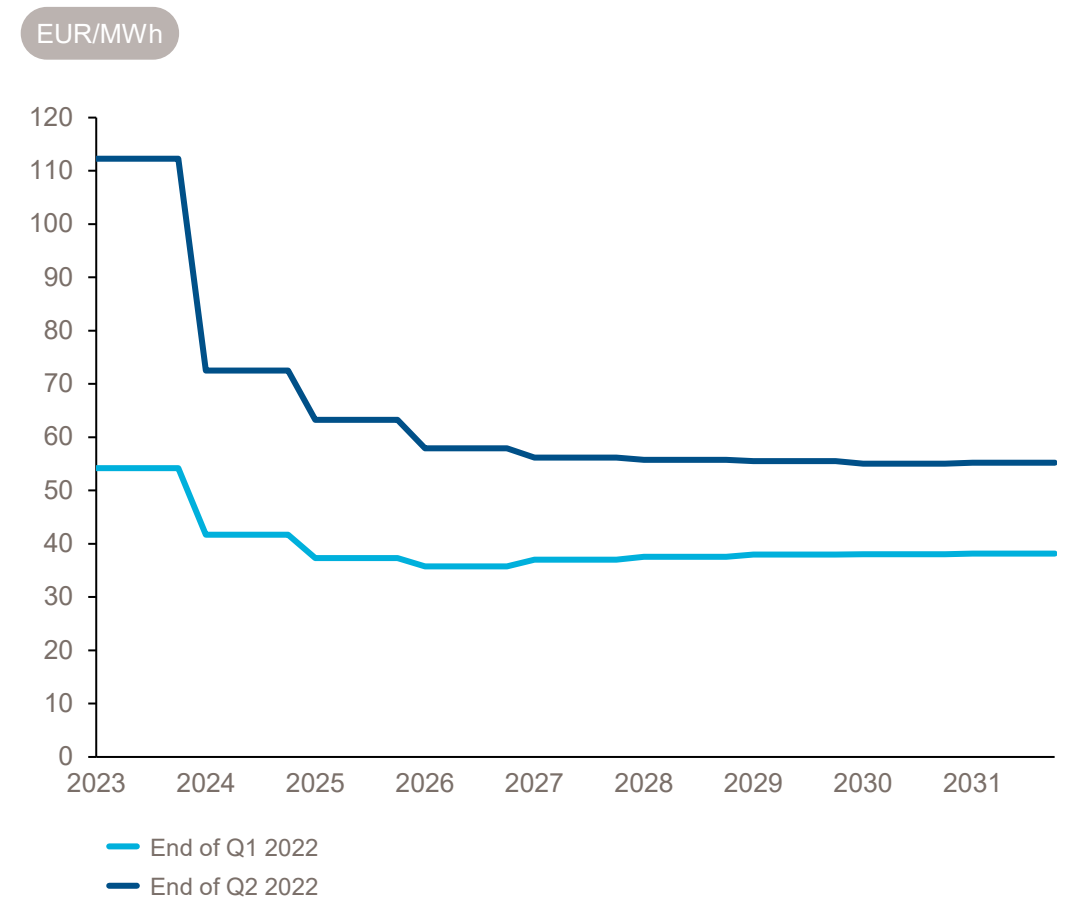
Hedging

Hedged volume 2023 – 2030

Approx. 1/3 of total generation hedged for the next years



Nordic system future price curve

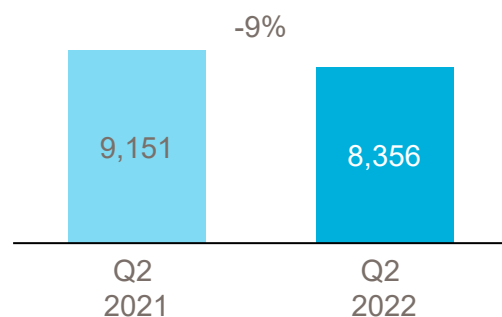


Revenues and cost development

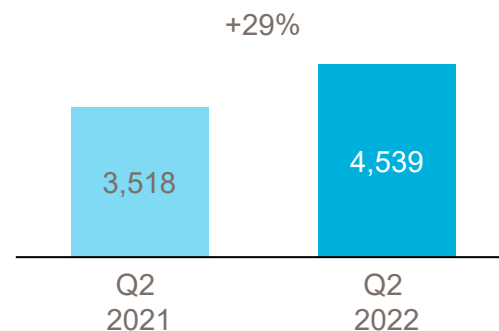
Quarter

MNOK

Net operating revenues*



Operating expenses*

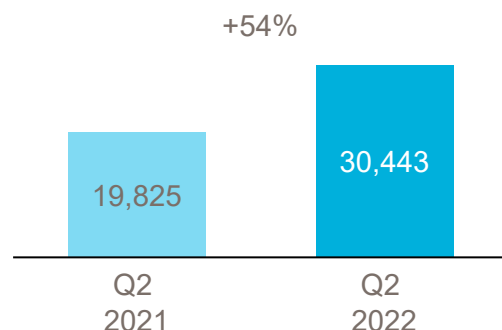


- Net operating revenues decreased
 - Revenues from generation significantly up
 - More than offset by hedging losses
- Operating expenses increased
 - Pension scheme changes in Norway
 - Increased business development activities
 - Newly acquired businesses
 - Higher performance-related bonuses in Market operations

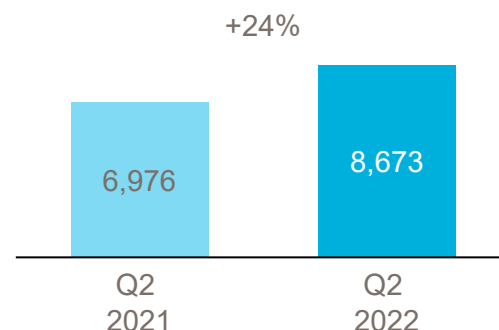
Year to date

MNOK

Net operating revenues*



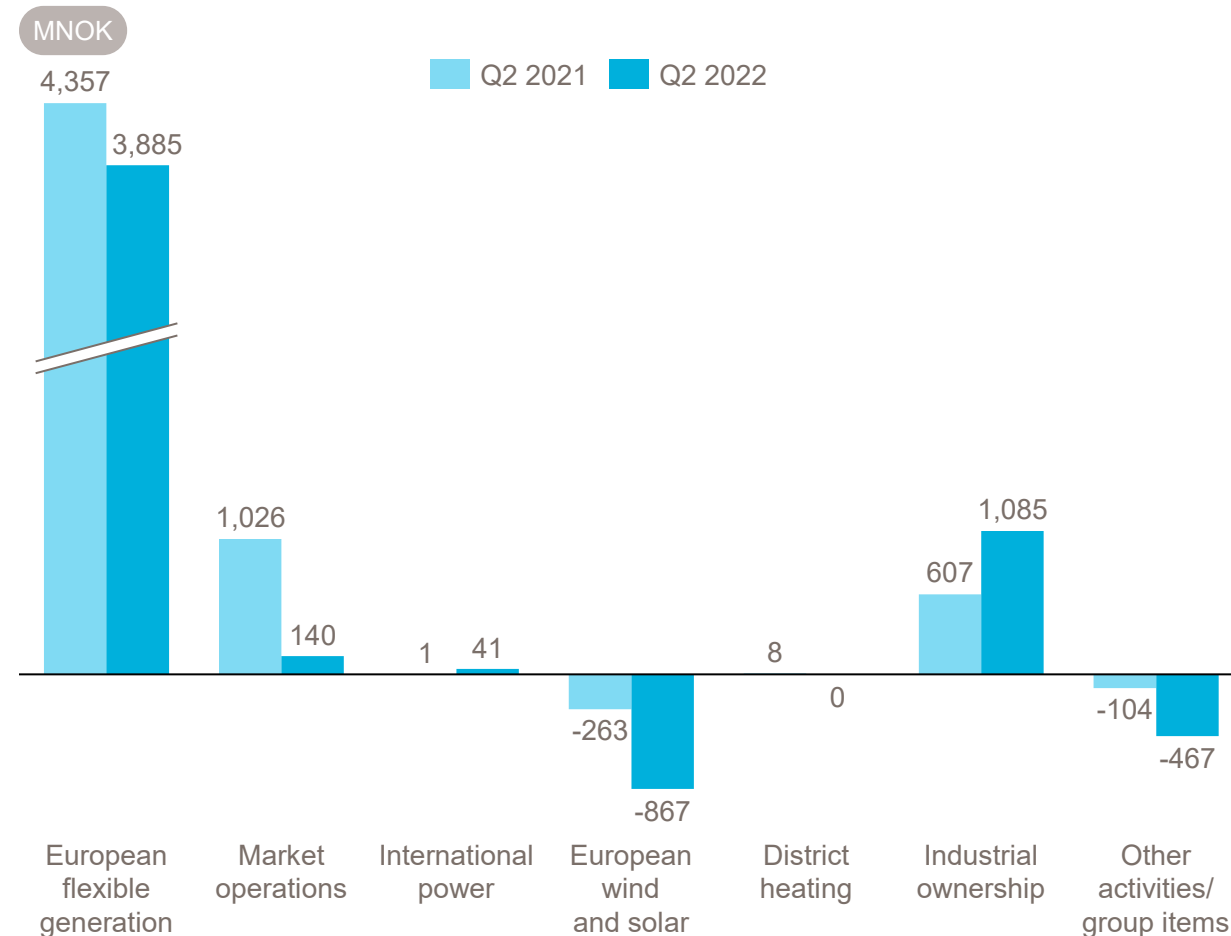
Operating expenses*



- Net operating revenues increased
 - Very high Nordic power prices
 - Solid contribution from Market operations
- Operating expenses increased
 - Mainly the same factors as for the Q2 increase

Underlying EBIT - Segments

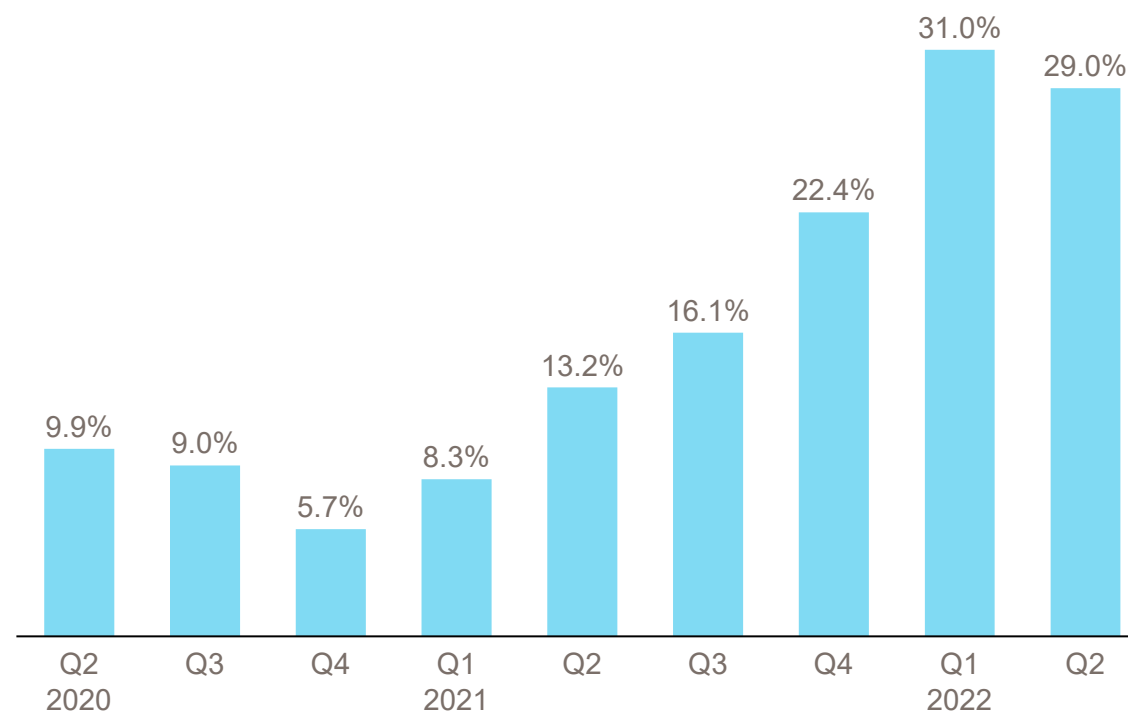
Quarter



- European flexible generation
 - Positive effect from high power prices partly offset by lower generation
 - Hedging losses for Nordic and continental assets
- Market operations
 - Strong contribution from Trading & Origination
 - High volatility in the power and fuels markets leading to losses for Nordic DAMP
- European wind and solar
 - Generation revenues up
 - Hedging losses for wind farms in Germany and France
- Industrial ownership
 - High power prices in the NO2 area, partly offset by lower generation

ROACE

- Rolling 12 months remains at a very solid level
- Average capital employed on par with previous periods

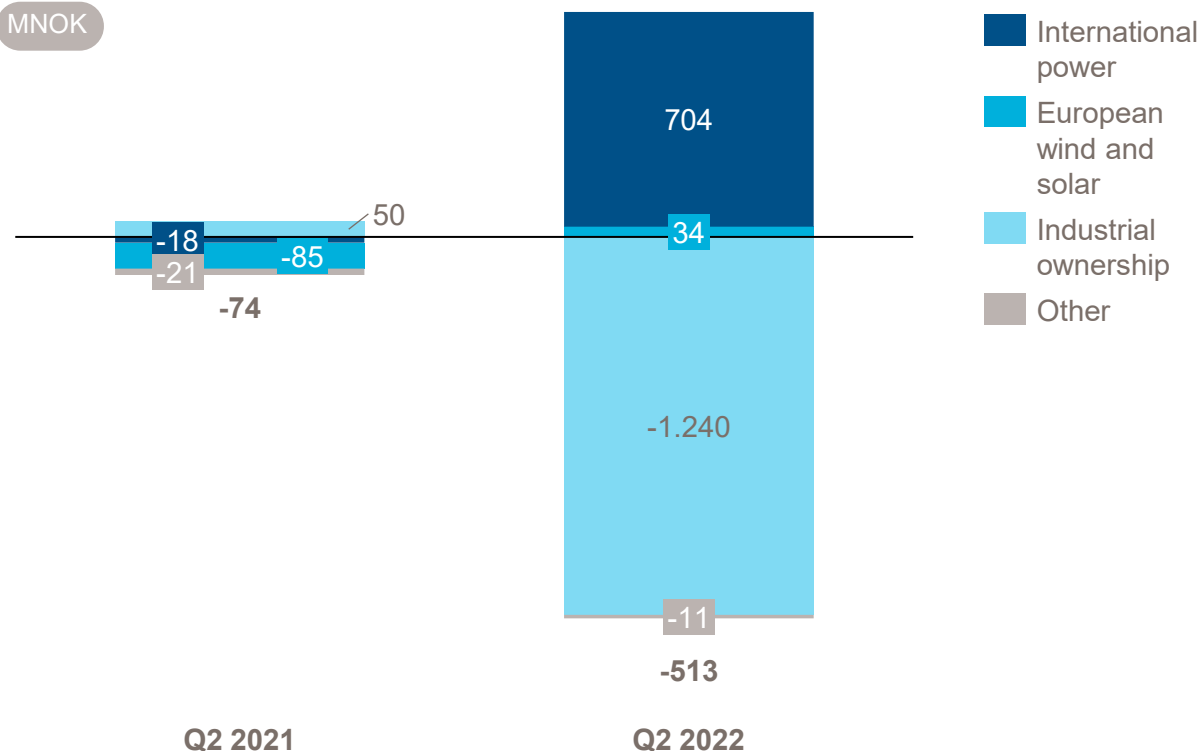


MNOK	Q3-2021	Q4-2021	Q1-2022	Q2-2022
EBIT, (12 months rolling)	19,038	26,792	37,530	35,714
Average capital employed	118,446	119,422	120,871	123,114

Share of profit in equity accounted investments

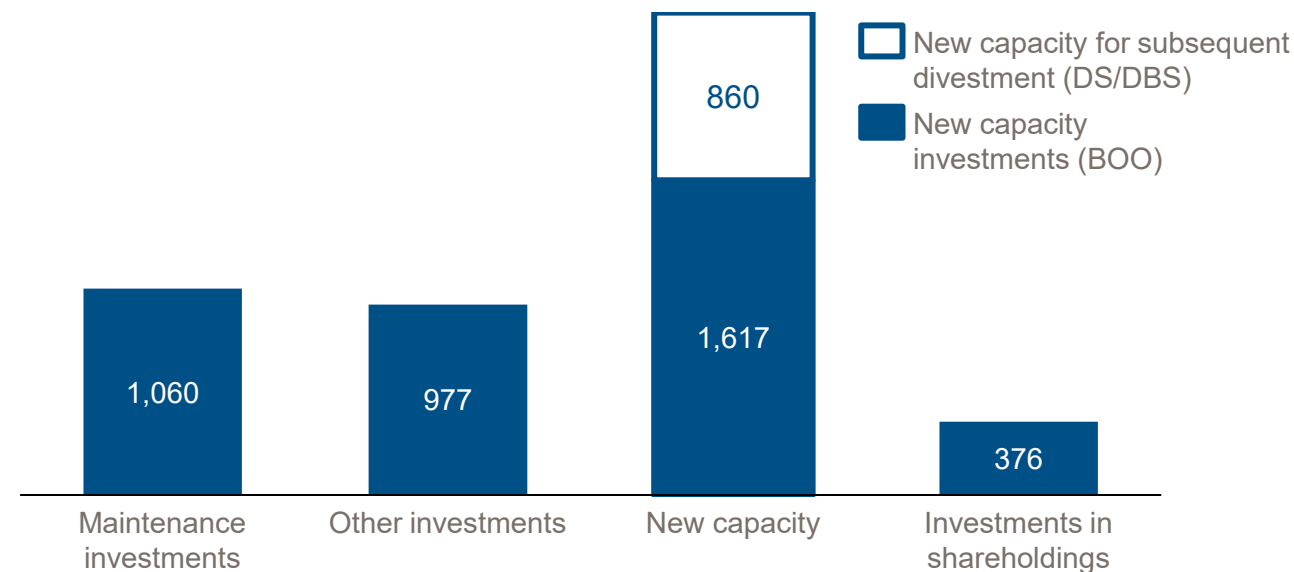
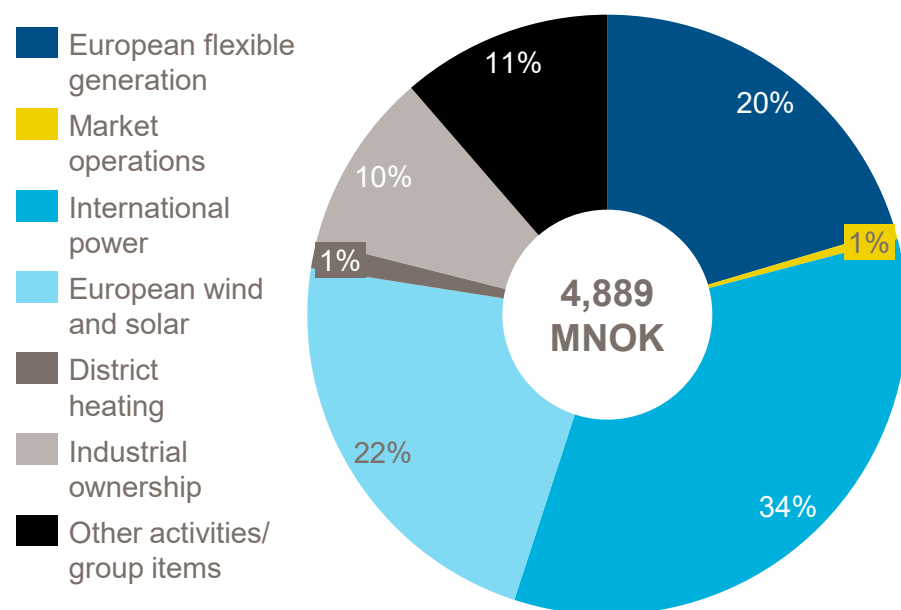
Quarter

MNOK



- Higher contribution from International power
 - Reversal of impairments in Chile and India
- Reduced contribution from Industrial ownership
 - Negative hedging effects in Agder Energi and Eviny

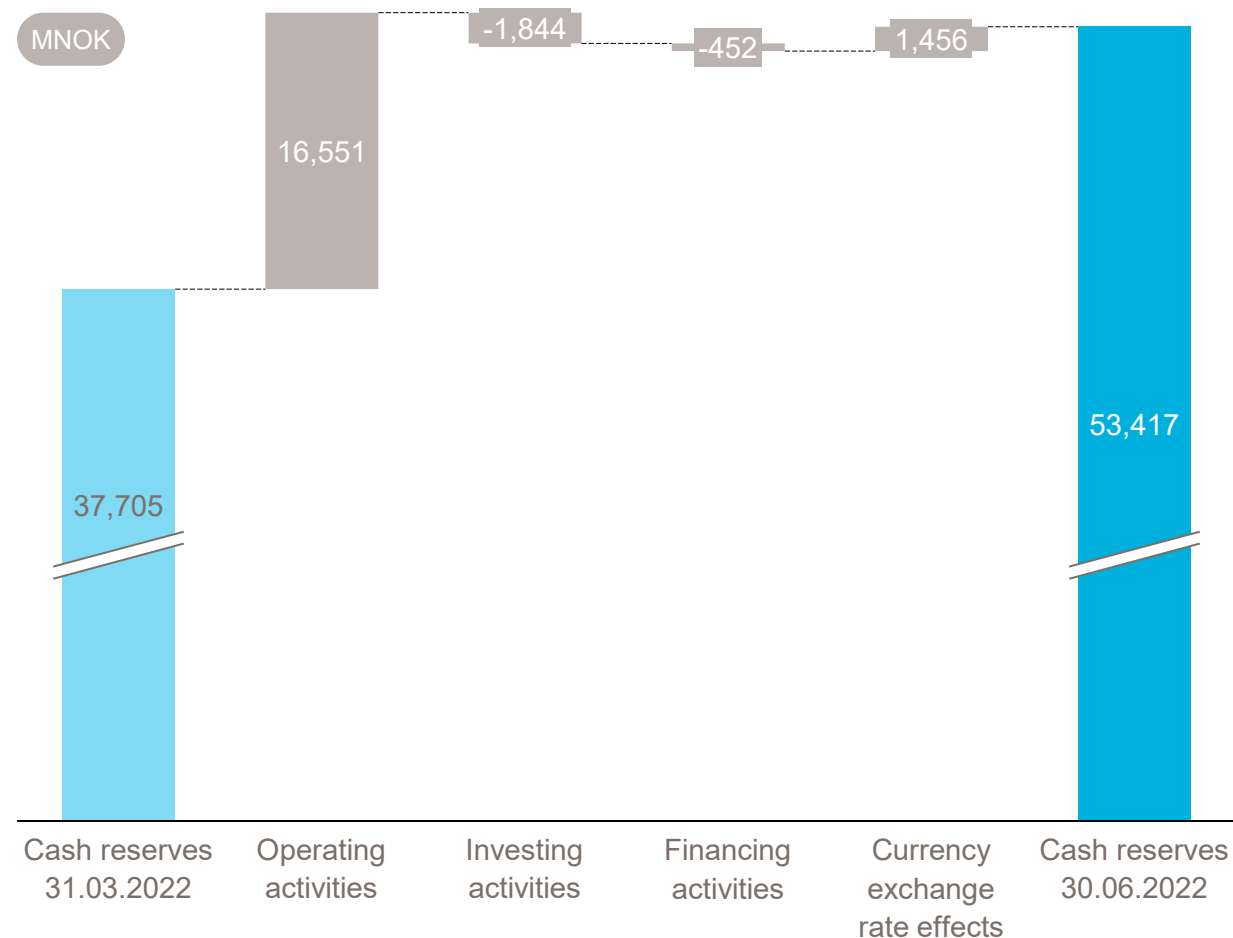
Investment program – Year to date



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 – primarily wind and solar projects in Ireland.
 - BOO investments - solar park in India, wind farms in Chile and Brazil as well as a hydropower plants in Chile and India.
- Investments in shareholdings mainly related to investments within EV-charging

Cash flow in the quarter



- Solid cash flow from operations
 - NOK 8.1 billion of non-cash unrealised effects included in EBIT
 - Positive working capital changes of NOK 5.2 billion
- Investing activities related to:
 - maintenance investments
 - new capacity investments
 - partly offset by the divestment of a wind farm
- Financing activities
 - Net of repayment of debt and new debt

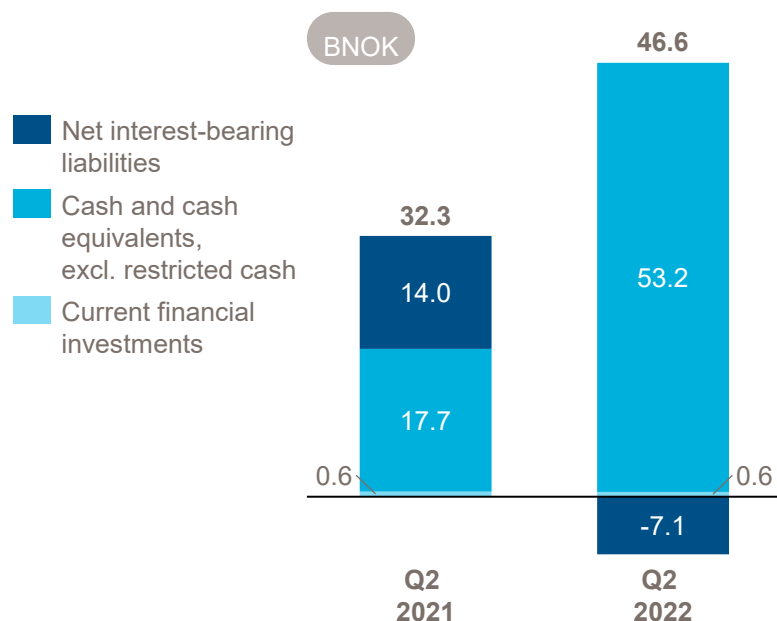
Rating, debt and maturity profile

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

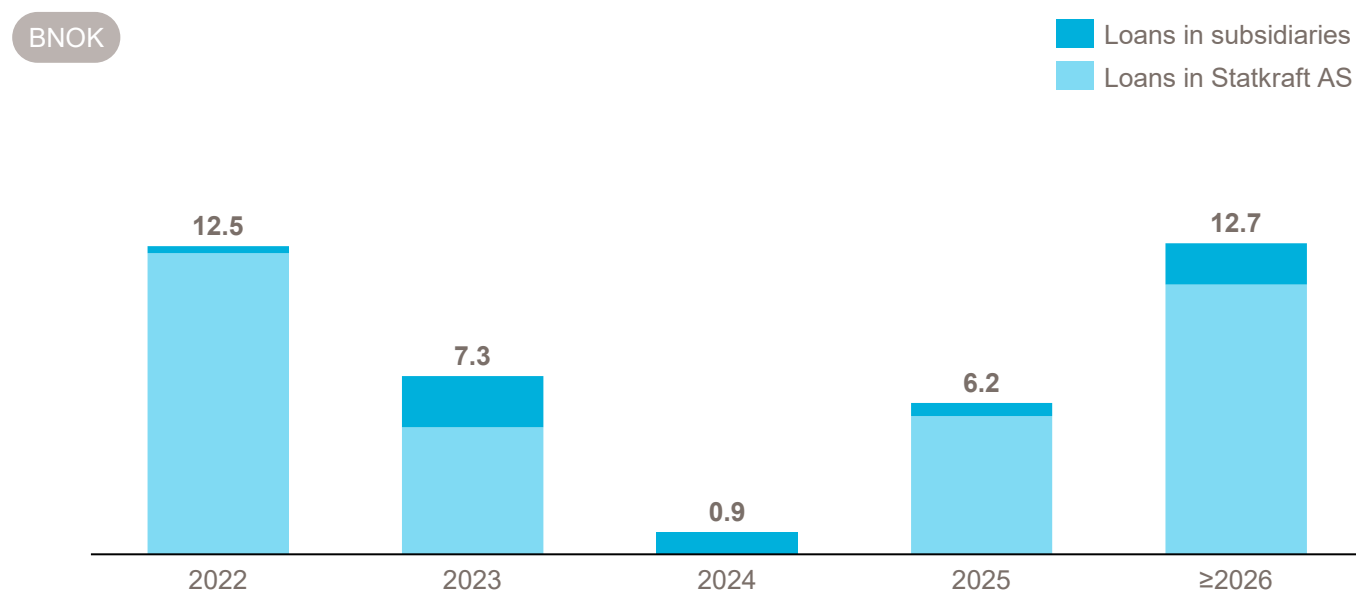
Fitch Ratings: **BBB+ (stable outlook)**

- Rating upgrade from S&P
- Very solid cash position
- Net cash position of NOK 7.1 billion
- Current ratings provide a framework for investments

Gross debt



Long-term liabilities, debt redemption profile



Summary

- The increased revenues from higher spot prices were offset by unrealised hedging losses
- Strong results year to date and high future power prices lift our expected investment capacity
- Investment plan with large degree of flexibility
- Robust financial position and solid foundation to meet growth targets in updated strategy





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