Results for Q2 2022

CEO CHRISTIAN RYNNING-TØNNESEN
CFO ANNE HARRIS

OSLO 21 JULY 2022

Second quarter summary

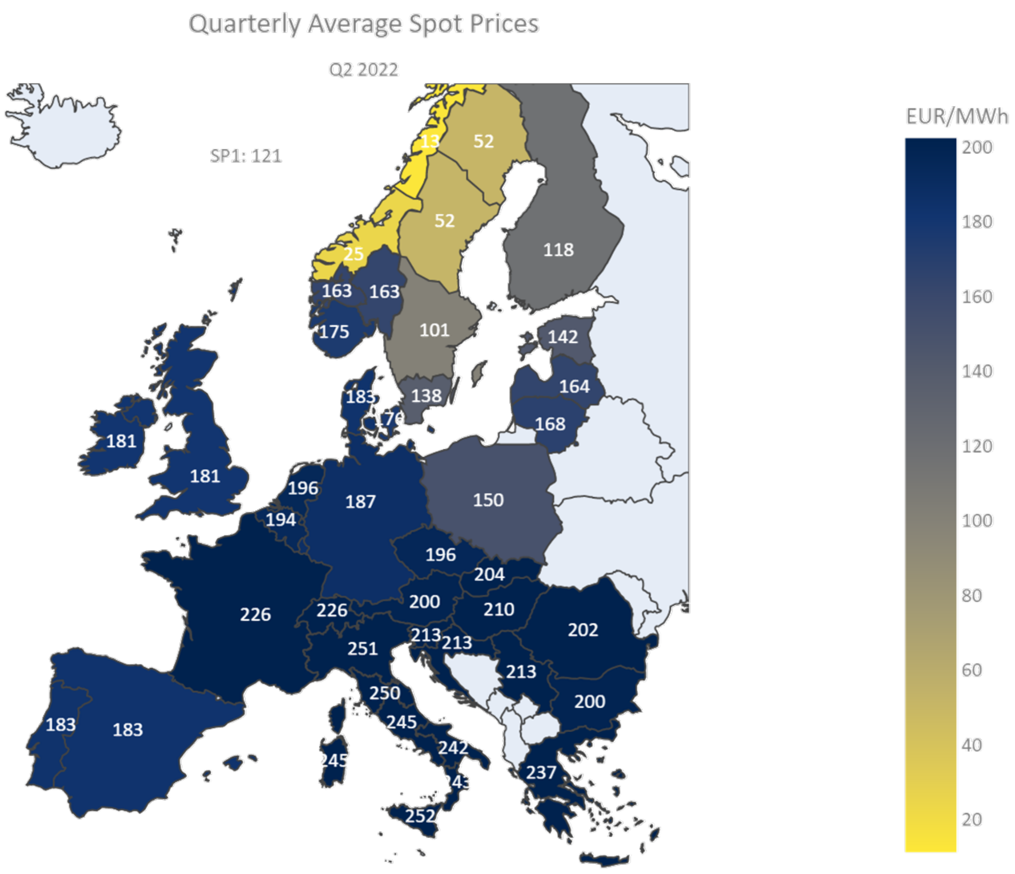
	Safety	Underlying EBIT	Net profit/loss	Climate action
Q2	TRI: 4.3 4 serious injuries	3.8 BNOK	-1.2 BNOK	Delivered 3.4 GW of the target of 9 GW by 2025
Year to date	TRI: 4.3 9 serious injuries	21.8 BNOK	10.2 BNOK	

- 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

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

Demanding market situation

- Low gas supply from Russia has accelerated the energy crisis in Europe
- Gas, coal and CO_2 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



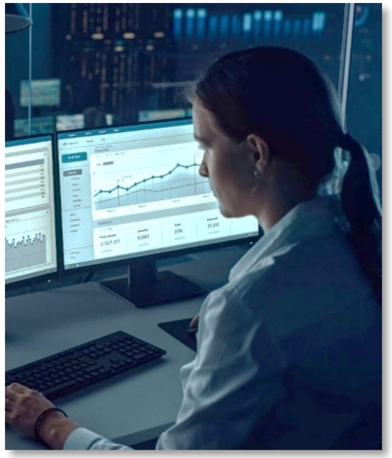
Statkraft

Market trends accelerated by strong green policies

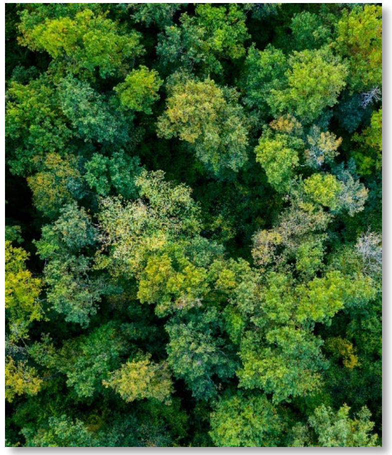
Massive growth in **wind and solar power**

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

Statkraft

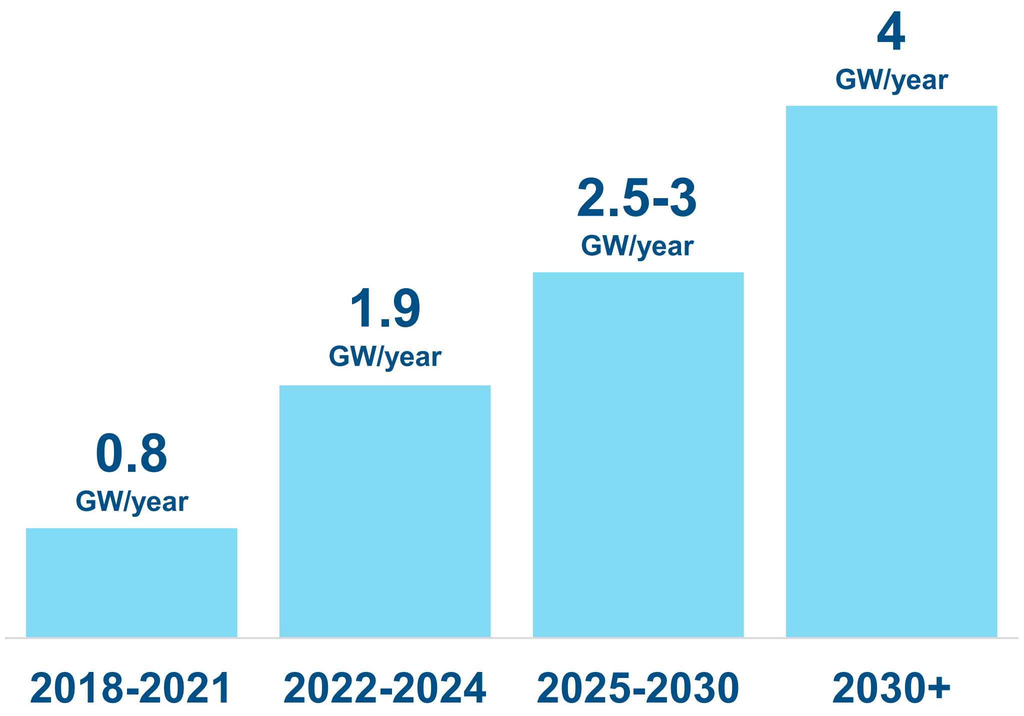
New opportunities and increased capacity for Norwegian and Swedish hydropower

- 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

Statkraft

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*

Statkraft

** Excluding district heating, biomass and biofuel*

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

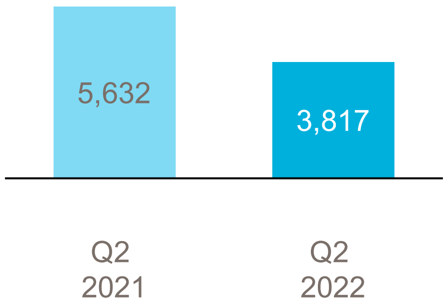
- **Solid competence and** highly motivated employees
- **Strong asset base**
- **Robust financial position** enables significantly increased growth targets
- **Updated strategy** to deliver high growth within renewable energy

Key financial figures

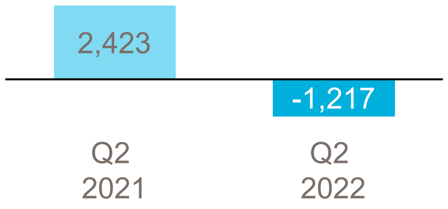
Quarter

MNOK

EBIT*



Net profit



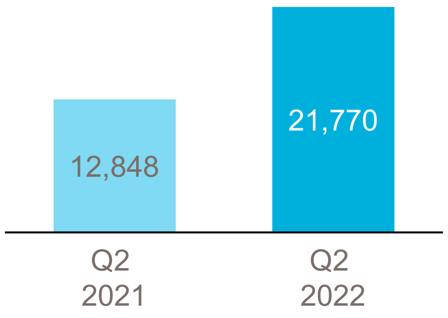
Quarterly performance driven by:

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

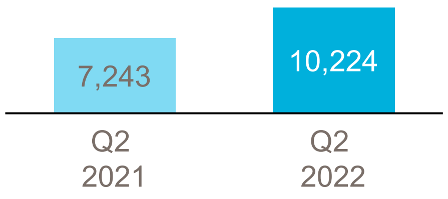
Year to date

MNOK

EBIT*



Net profit



YTD performance driven by:

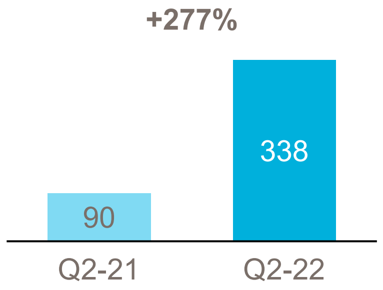
- Record-high Nordic power prices
- Significantly improved results from Market operations

Statkraft

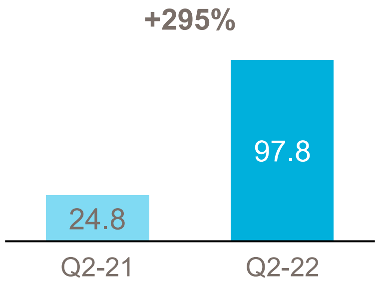
** Underlying figures, see definition in alternative performance measures in financial reports*

Volatile energy market with high prices

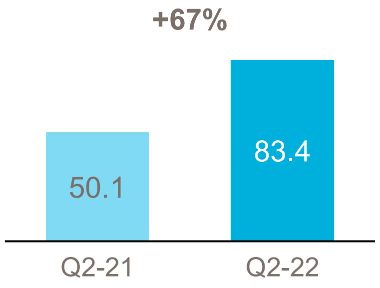
Coal, USD/t



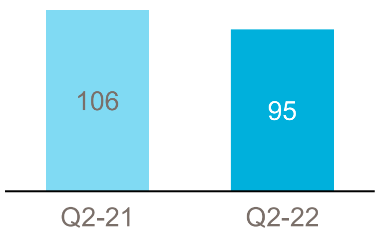
Gas, EUR/MWh



CO_2, EUR/t

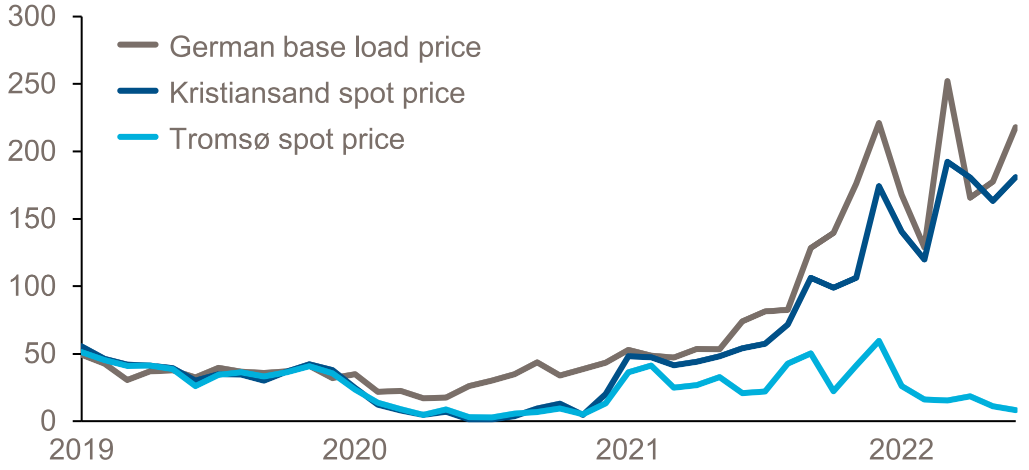


Nordic reservoir capacity[1]



- Factors impacting power prices:
  - Reduced Russian gas supply
  - Gas, coal and CO_2 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

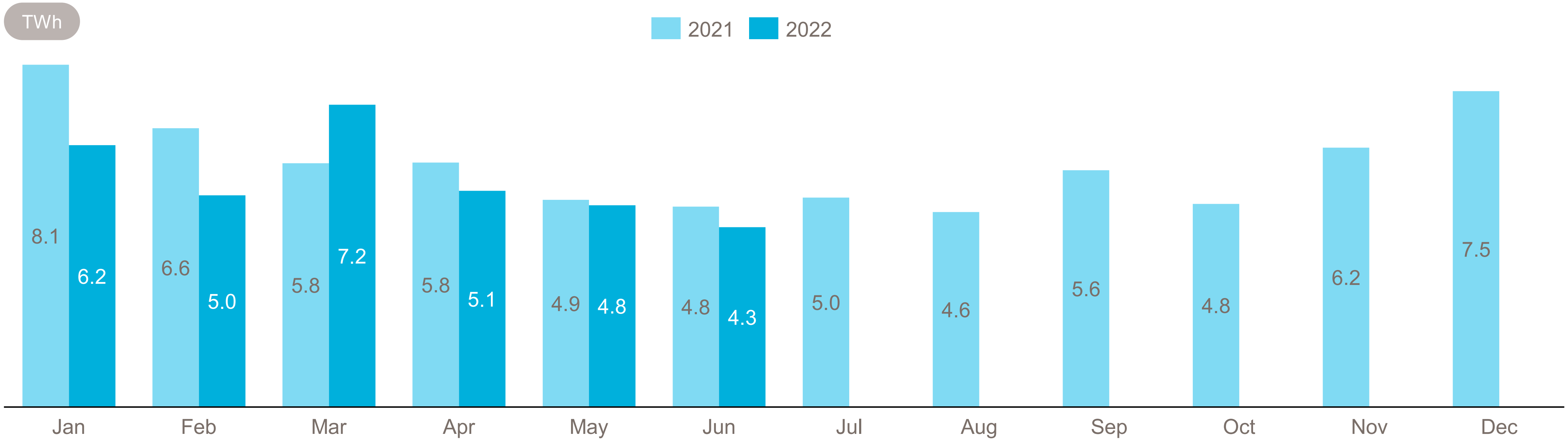


[1] *Nordic reservoir capacity in percent of median.*

Sources: Nord Pool, European Energy Exchange.

Statkraft

Generation

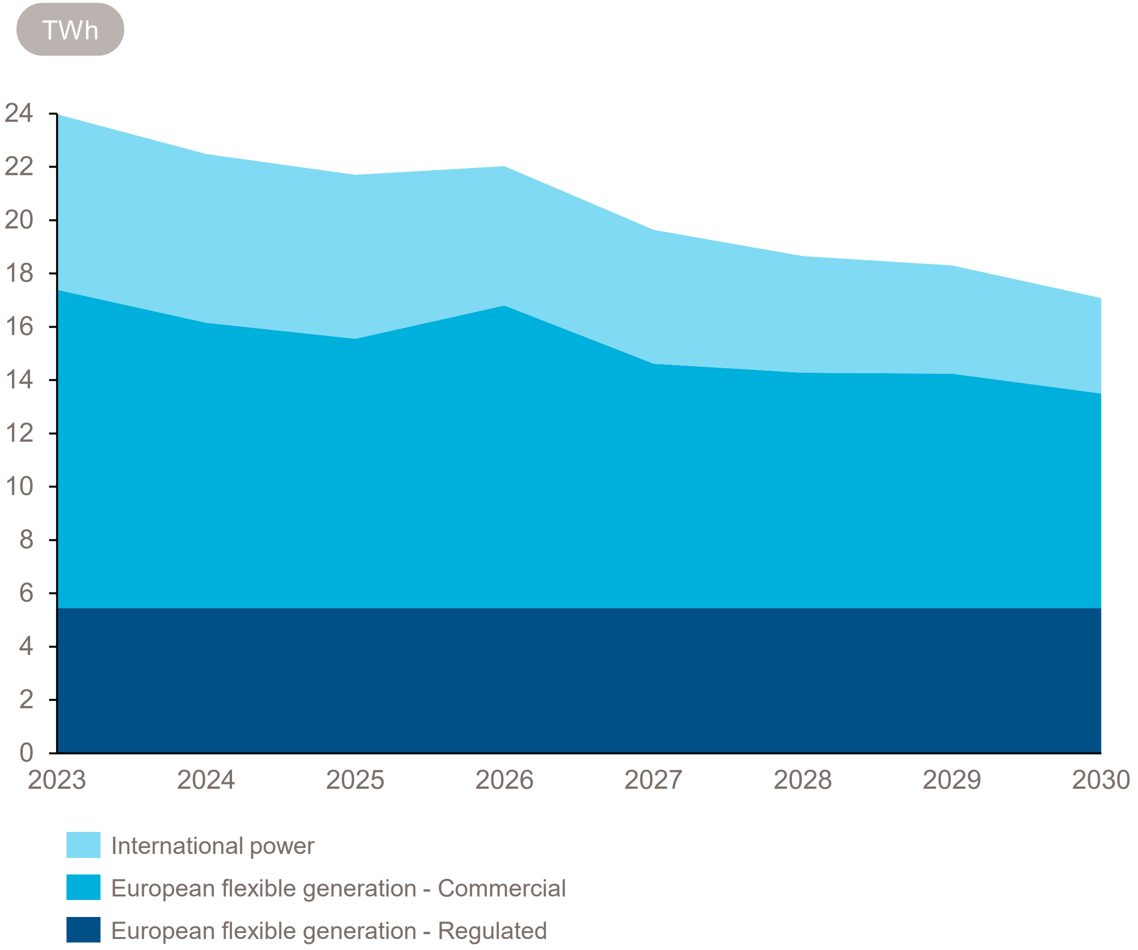


- Total power generation 14.2 TWh, down 8% from Q2 2021
  - Hydropower generation down 0.9 TWh to 13.1 TWh
  - Wind power generation up 0.1 TW to 0.8 TWh
  - Gas-fired power generation down 0.5 TWh to 0.3 TWh

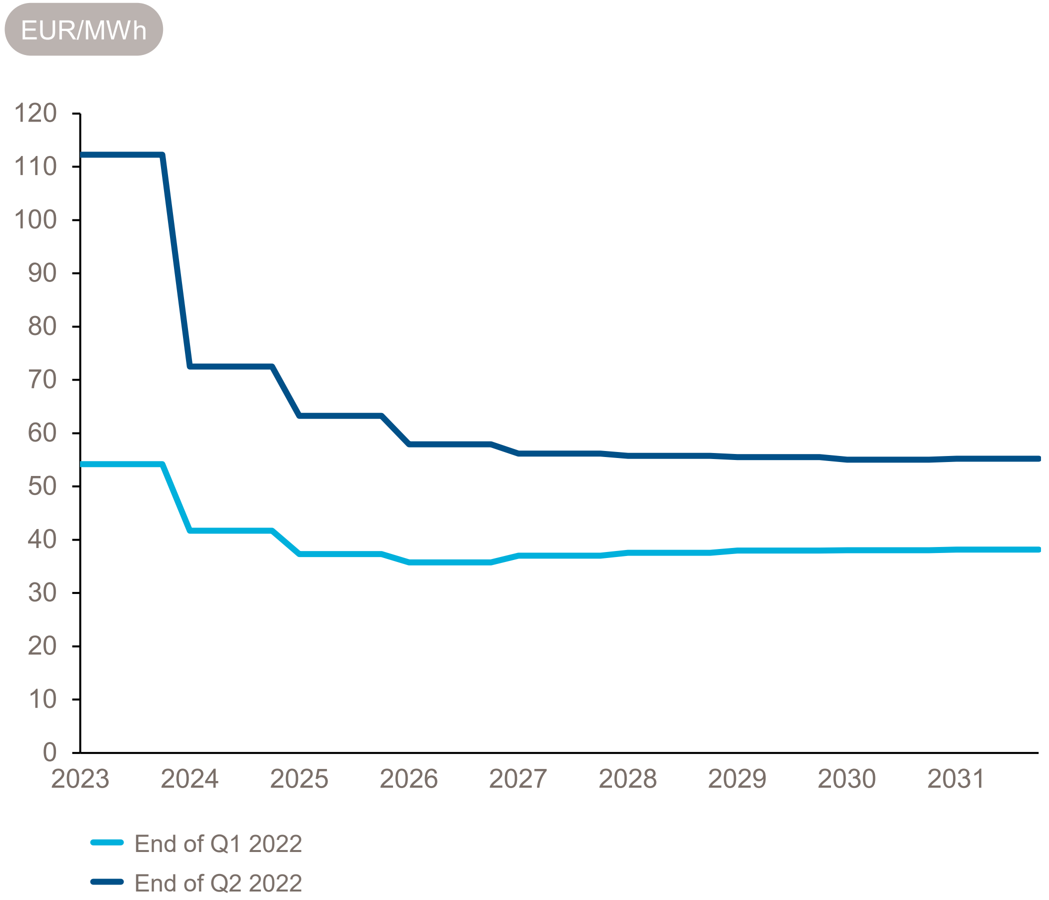
Hedging

Hedged volume 2023 – 2030

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



Nordic system future price curve

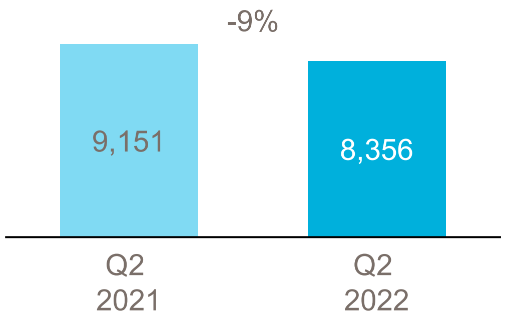


Revenues and cost development

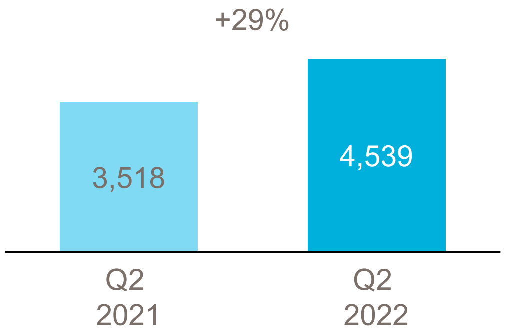
Quarter

MNOK

Net operating revenues*



Operating expenses*

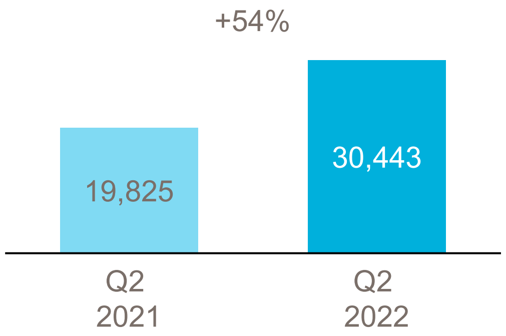


- Net operating revenues decreased
  - Revenues from generation significantly up
  - More than offset by hedging losses
- Operating expenses increased
  - Pension scheme changes in Norway
  - Increased business development activities
  - Newly acquired businesses
  - Higher performance-related bonuses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

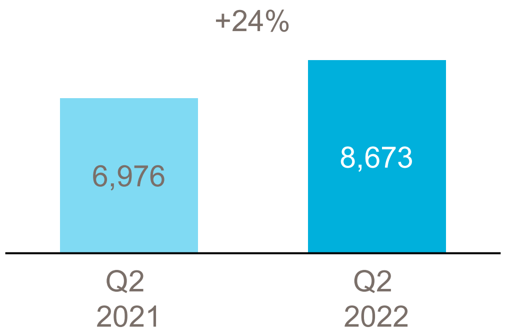
Year to date

MNOK

Net operating revenues*



Operating expenses*



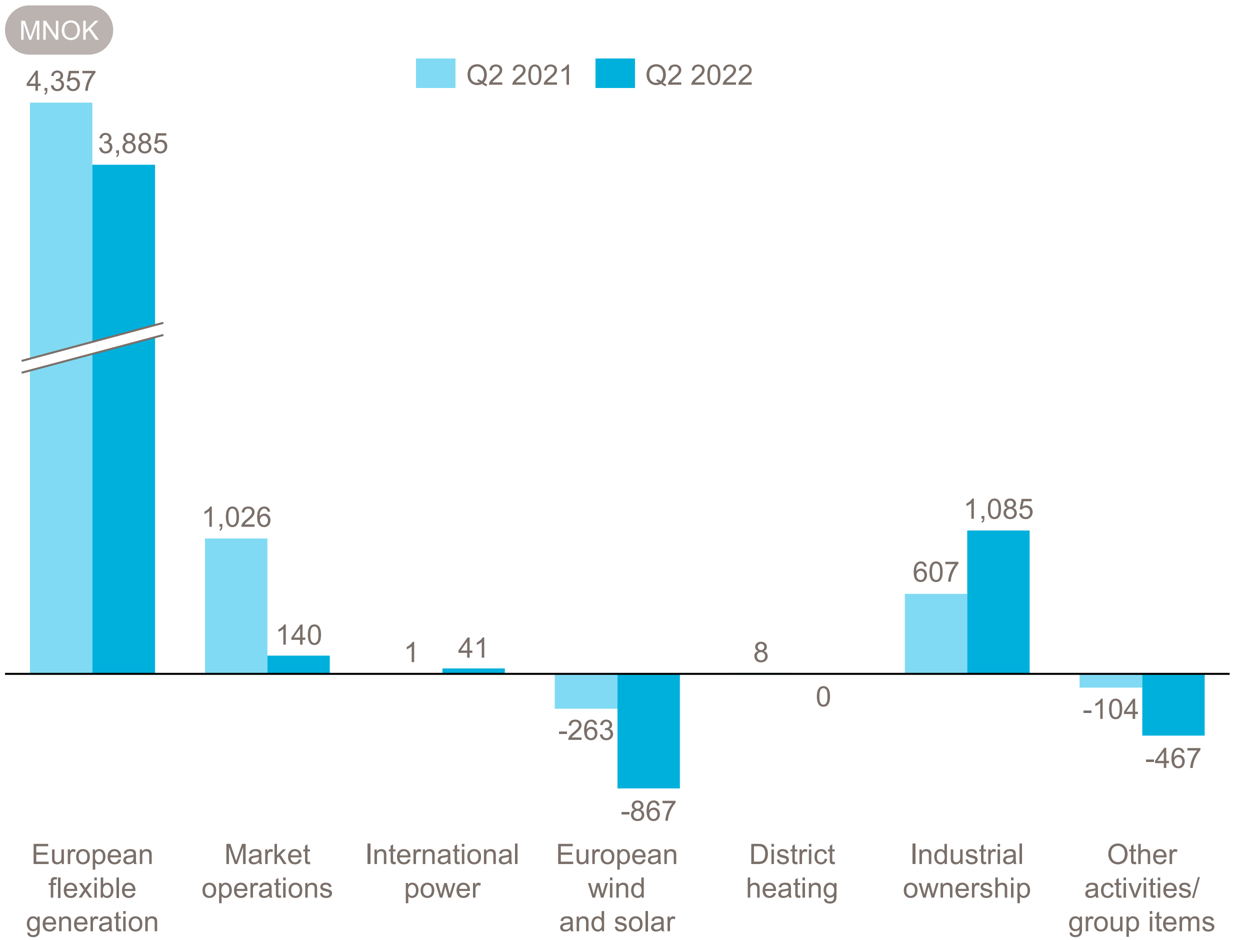
- Net operating revenues increased
  - Very high Nordic power prices
  - Solid contribution from Market operations
- Operating expenses increased
  - Mainly the same factors as for the Q2 increase

Statkraft

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

Underlying EBIT - Segments

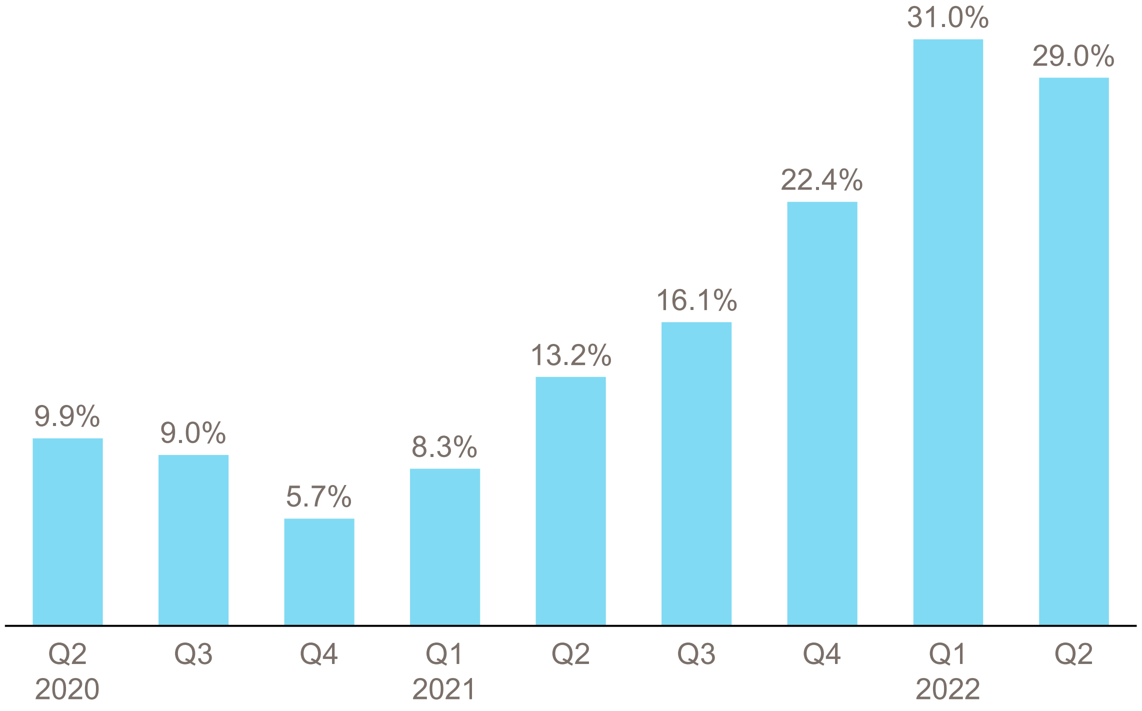
Quarter



- 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

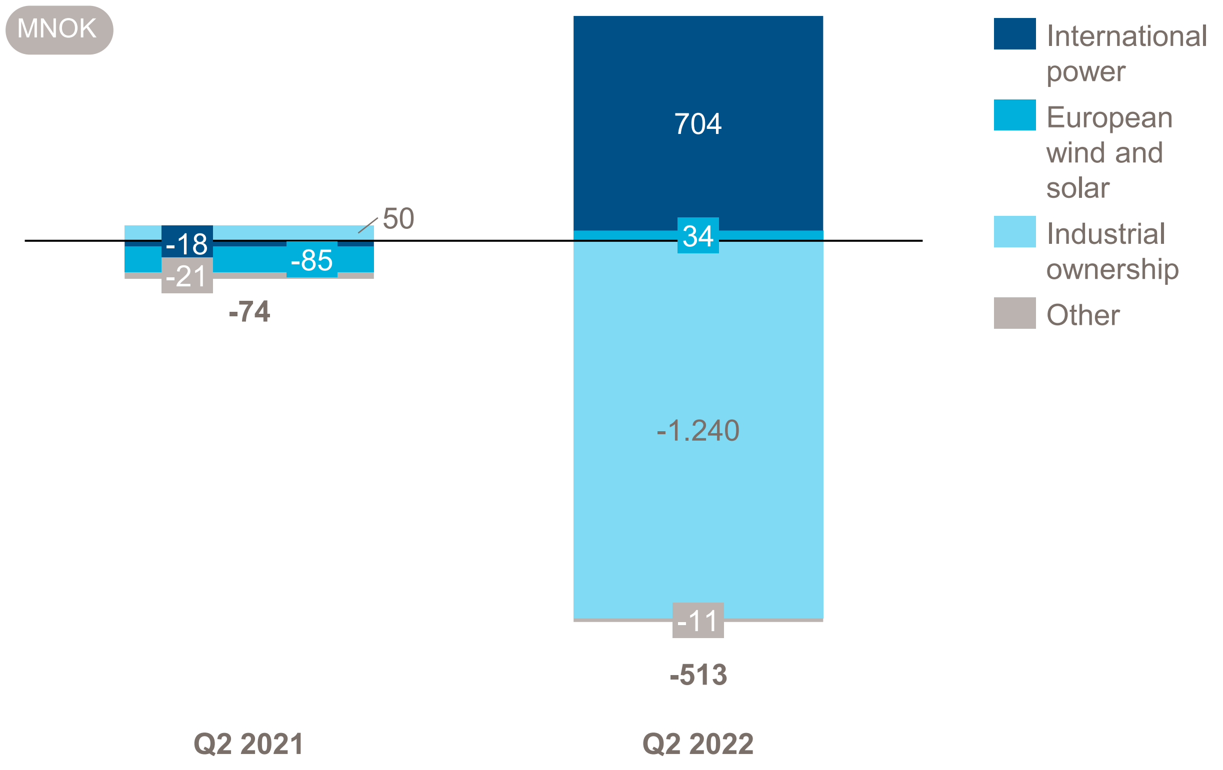


MNOK	Q3-2021	Q4-2021	Q1-2022	Q2-2022
EBIT, (12 months rolling)	19,038	26,792	37,530	35,714
Average capital employed	118,446	119,422	120,871	123,114

Statkraft

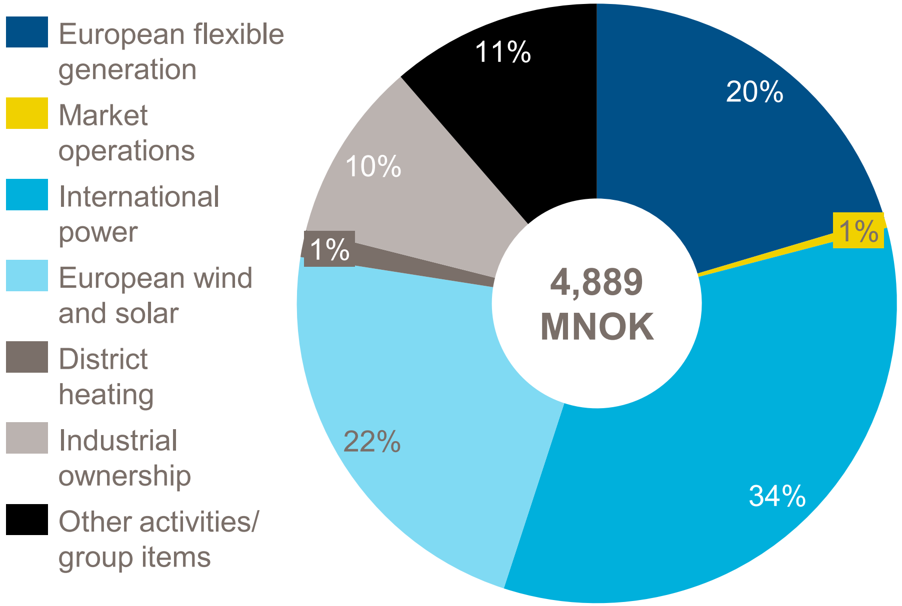
Share of profit in equity accounted investments

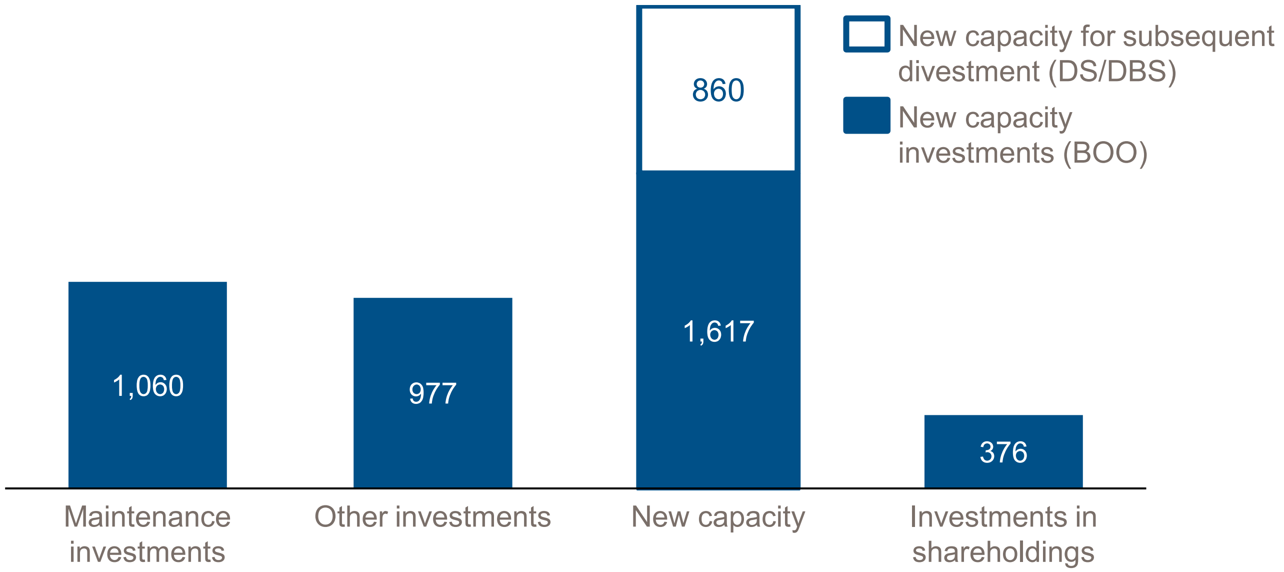
Quarter



- 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



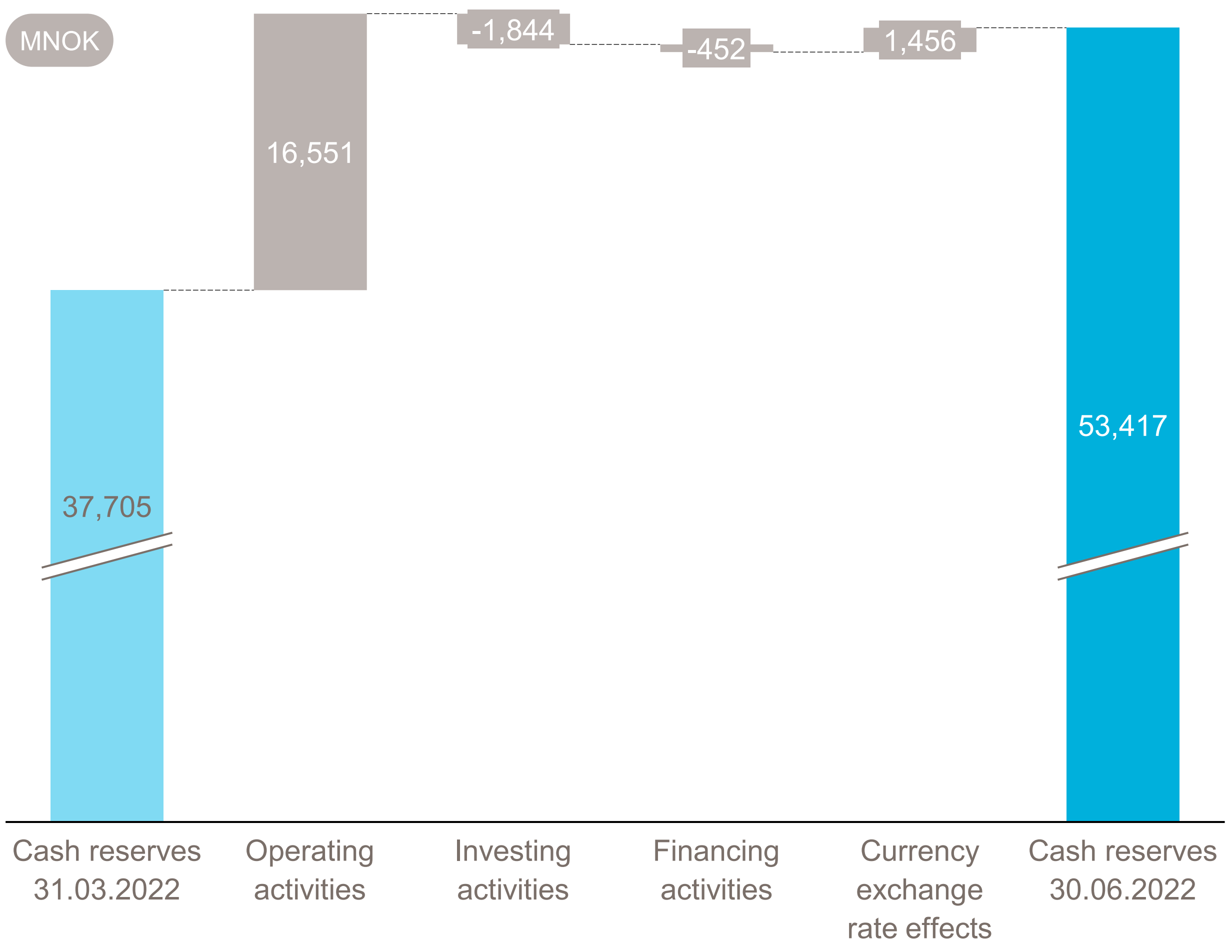


New capacity investments – Business models:
DS: Develop – Sell; DBS: Develop – Build – Sell; BOO: Build – Own – Operate

- 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

Statkraft

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

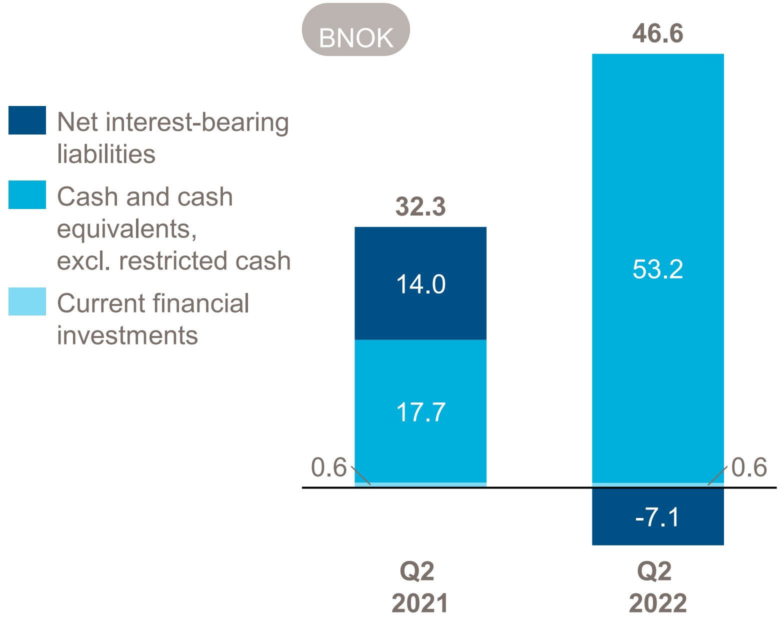
Rating, debt and maturity profile

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

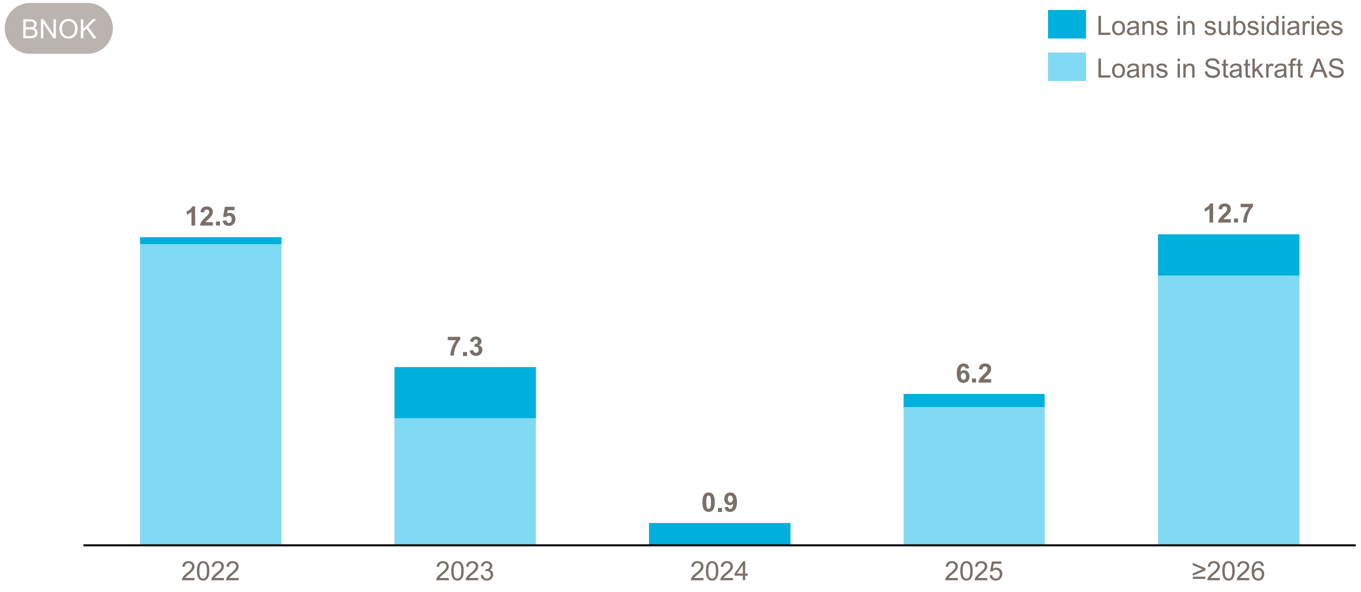
Fitch Ratings: **BBB+ (stable outlook)**

- 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



Statkraft

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

Investor contacts:

Debt Capital Markets

Senior Vice President Tron Ringstad
Phone: +47 992 93 670
E-mail: Tron.Ringstad@statkraft.com

Vice President Stephan Skaane
Phone: +47 905 13 652
E-mail: Stephan.Skaane@statkraft.com

Financial information

Vice President Bjørn Inge Nordang
Phone: +47 913 59 865
E-mail: Bjorn.Nordang@statkraft.com

Senior Financial Advisor Arild Ratikainen
Phone: +47 971 74 132
E-mail: Arild.Ratikainen@statkraft.com

Statkraft