



Results for Q3 2022

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OSLO 11 NOVEMBER 2022

Third quarter summary

	Safety	Underlying EBIT	Net profit/loss
Q3	TRI: 3.9 0 serious injuries	9.0 BNOK (+4.3 BNOK Q-on-Q)	3.8 BNOK (-1.1 BNOK Q-on-Q)
Year to date	TRI: 3.9 11 serious injuries	30.7 BNOK (13.3 BNOK Y-on-Y)	14.0 BNOK (+1.9 BNOK Y-on-Y)

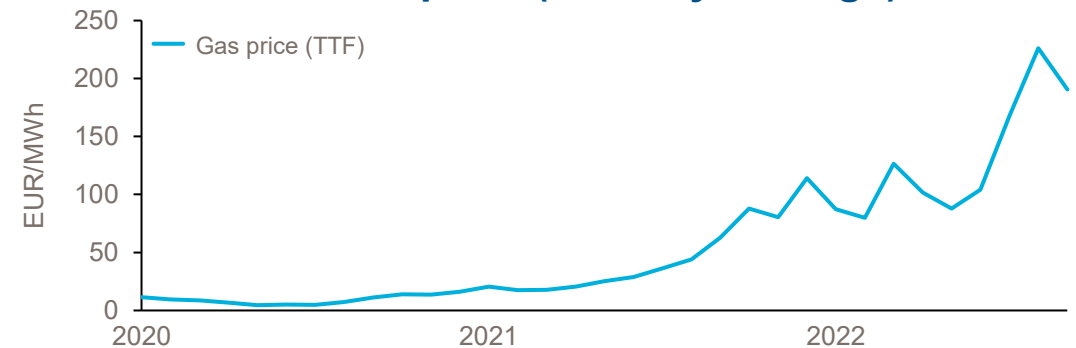
- The **European energy market** is still very volatile
- **Strong financial results**
 - Strong revenues driven by high energy prices and solid results from market activities
 - Low Norwegian hydropower generation
 - Steady operations and solid financial position
- Implementation of **new organisational structure**
- Continue to **invest in Nordic hydropower** and **signing long-term industry contracts**
- Proposed changes **increasing taxes going forward** for power producers in Norway

² TRI (Total recordable injuries rate): 12-months rolling

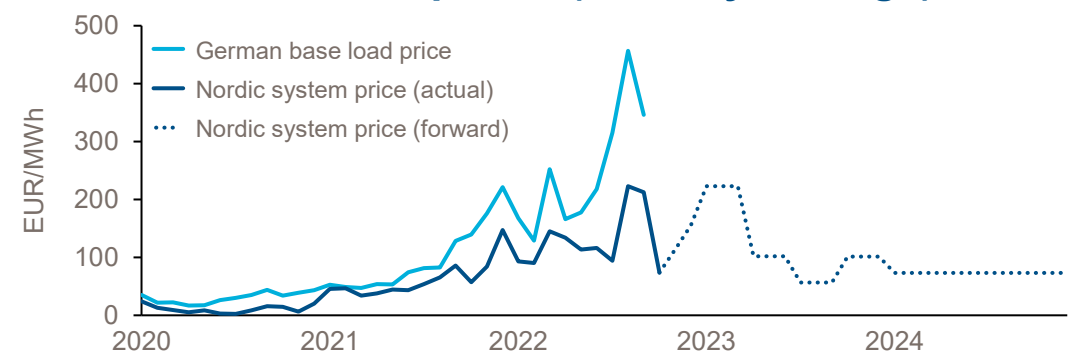
Energy crisis in Europe continues

- The energy crisis is creating a challenging situation for many consumers and businesses
- Power prices came down towards the end of the quarter, and the trend has continued in October
- Extreme price area differences in the Nordics with prices in Southern Norway at German level
- Nordic future prices has come down, but the market still expect high prices the coming winter
- Large degree of uncertainty going forward and volatility expected to continue

Gas price (monthly average)



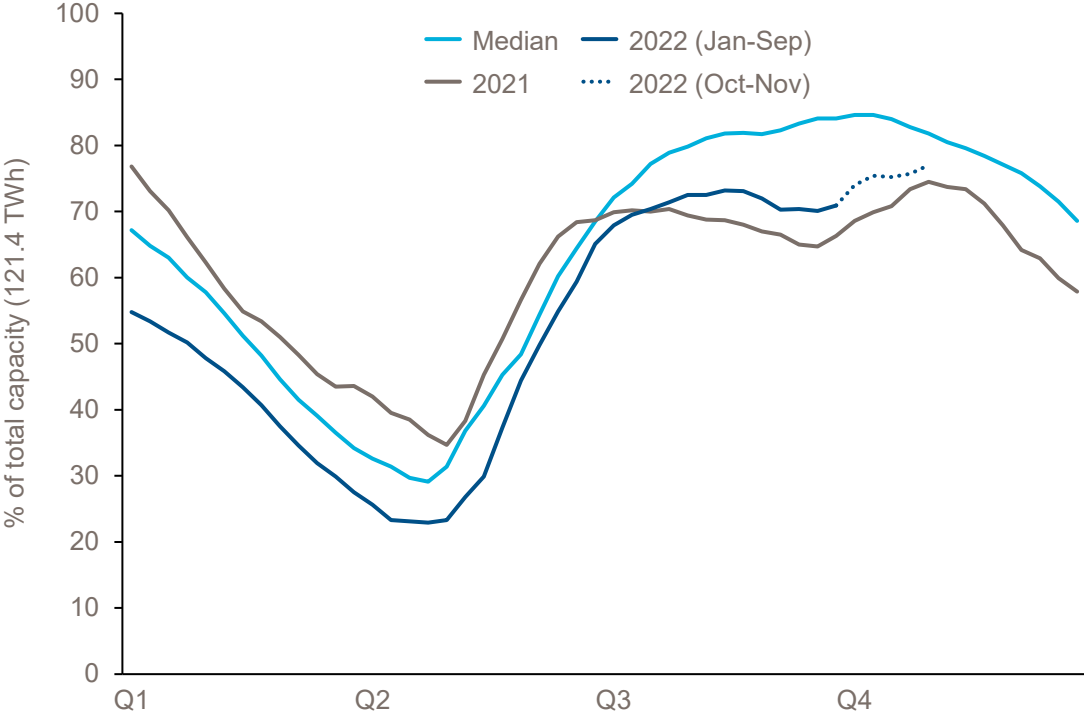
Power prices (monthly average)



Nordic reservoir situation

- Reservoir filling well below median
- However, hydro reservoir situation is improving:
 - For the Nordic as a whole
 - For the high price areas in Southern Norway
- Statkraft is storing water for the winter

Hydro reservoir filling in the Nordics



The global energy transition from today to 2050



Three main challenges:

- Energy security
- Reduce cost of energy
- Reduce emissions



Energy and climate crisis solution:

- More renewable energy
- Electrification
- Efficient use of energy

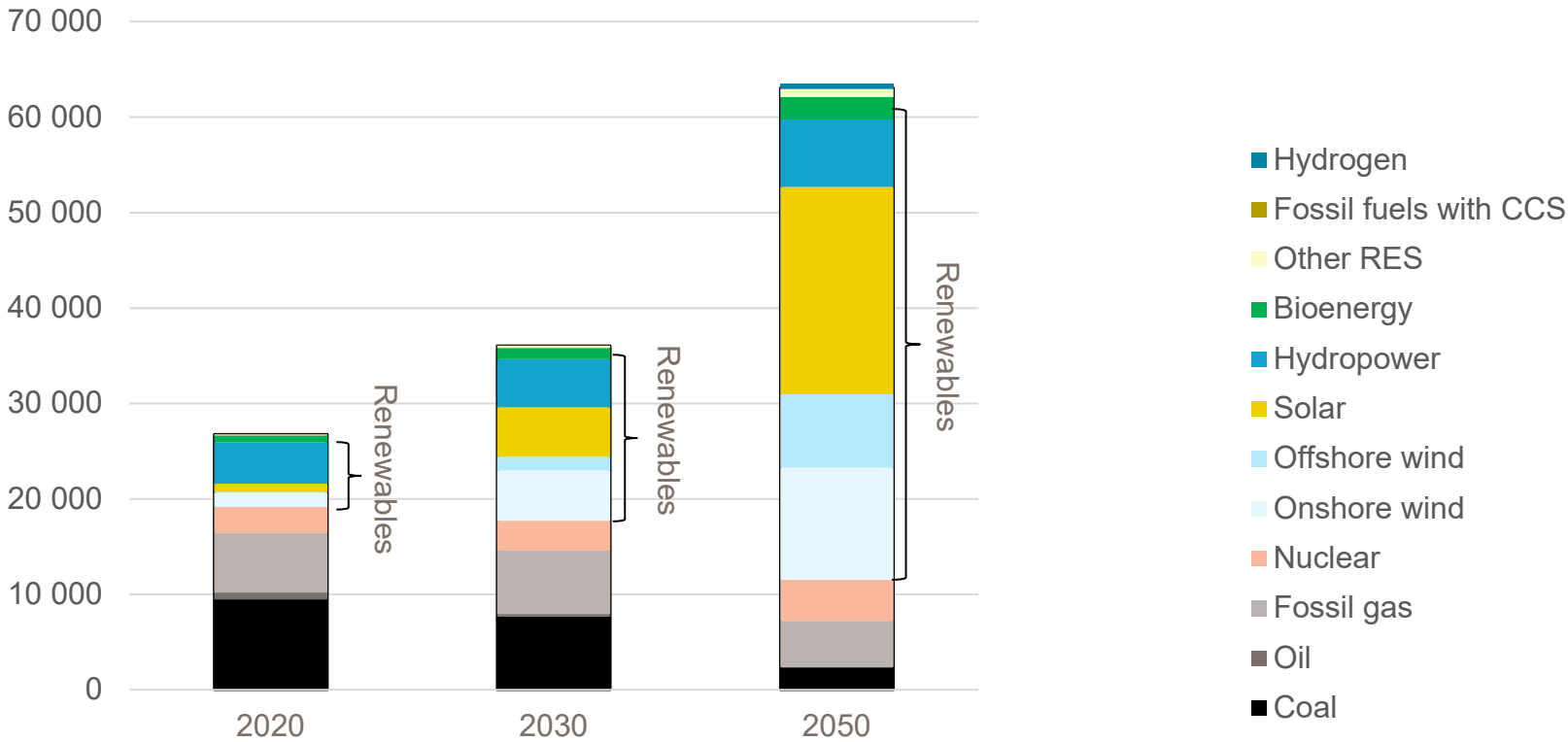


Our expectation:

- A sharp change of pace in Europe's energy transition

Significant growth in renewables is expected

Global power supply by energy source 2020-2050 (TWh)



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

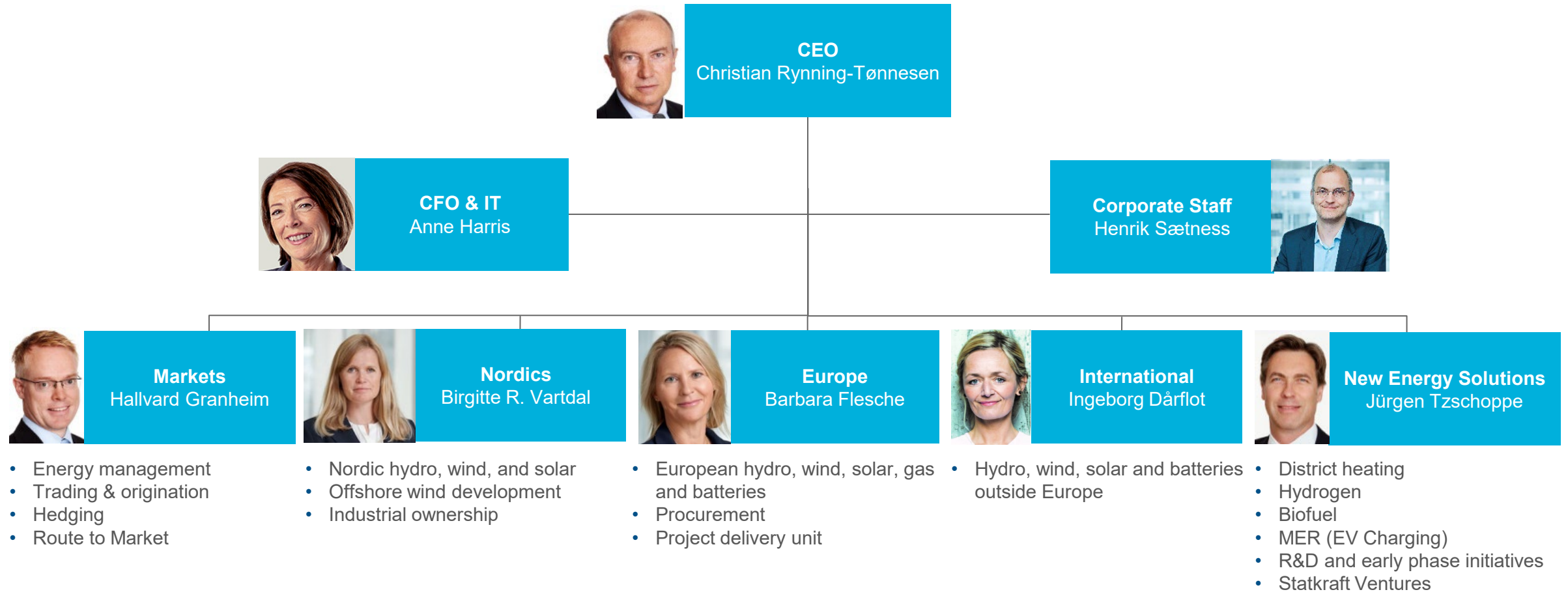
- **Top-tier provider of market solutions** in Europe with a significant global reach

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 organisational structure – Corporate Management



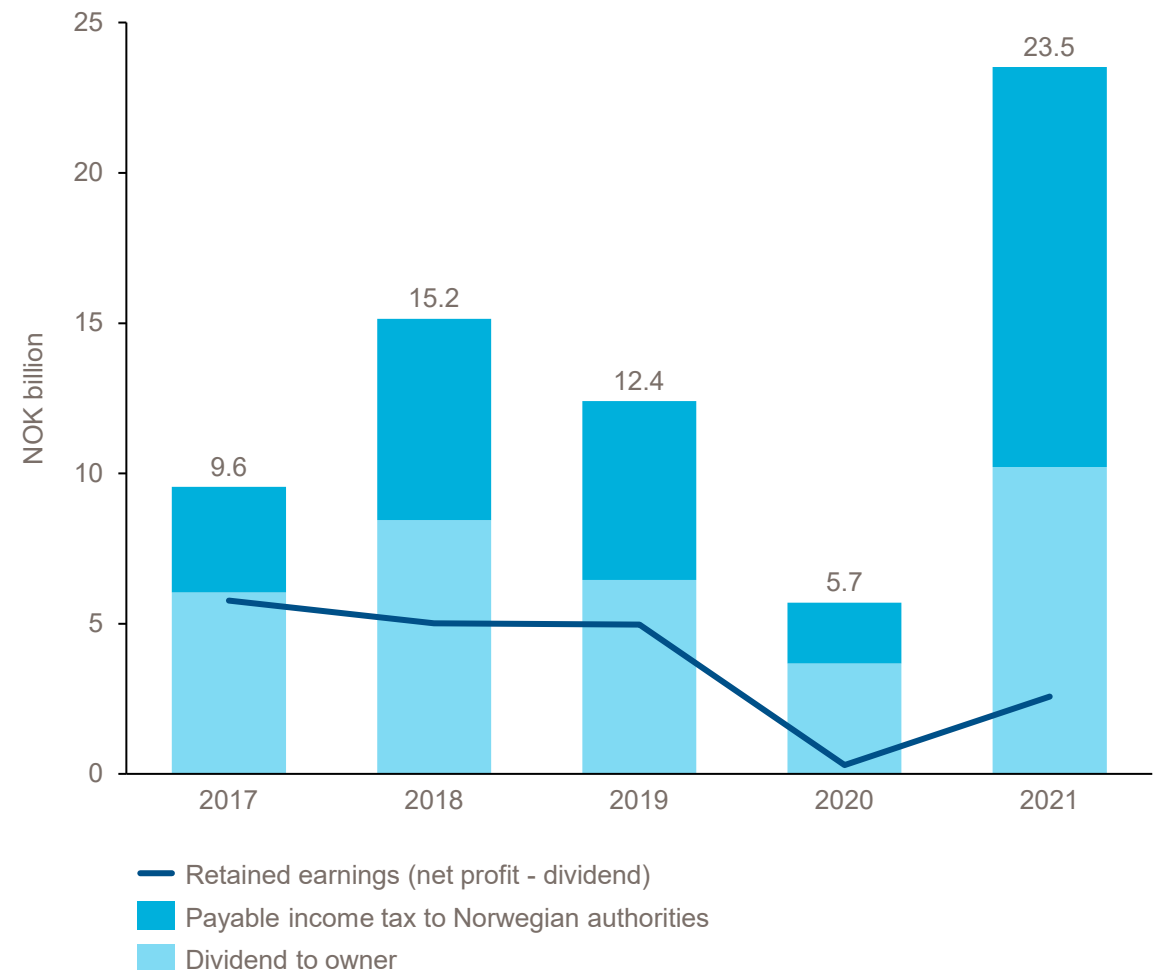
Third quarter highlights: Norway

- Investment decision for Kjela dams (Norway)
 - Erect new rock filled dams
 - The project scores high in terms of environment and encroachment on nature
 - Estimated investment of NOK 430 million
- Long-term power agreements
 - Extended agreement with Finnfjord (ferrosilicon company) from 2031 to 2044
 - Increased volume and extended agreement with Norske Skog (producer of publication paper)



Contribution to owners

- Significant contribution to the owners over time
- Previous five years*
 - 31.5 BNOK in taxes
 - 34.8 BNOK in dividend
 - 16.6 BNOK in retained earnings
- Retained earnings for reinvestments in profitable renewable energy projects



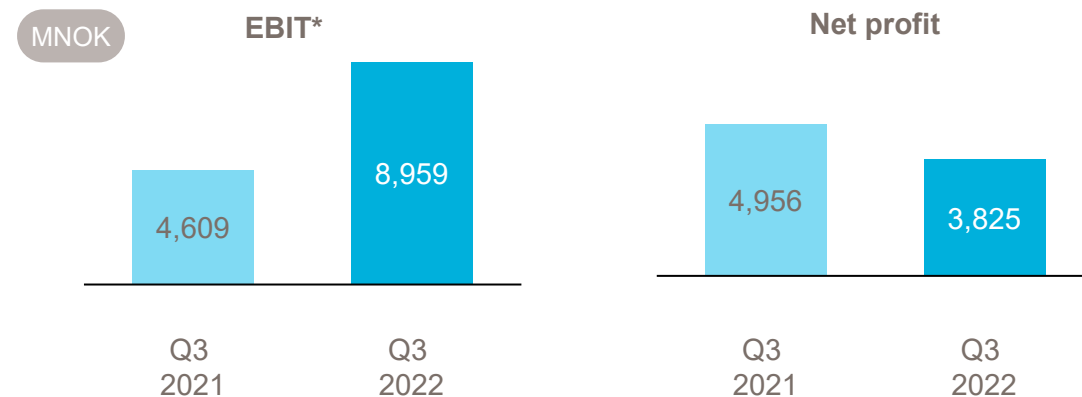
Ready to take a leading position in the energy transition

- **Highly competent and motivated employees**
- **Updated organisation structure** to support the updated growth strategy
- **Increased reservoir filling** and prepared for the winter
- **Robust financial position** enables significantly increased growth targets



Key financial figures

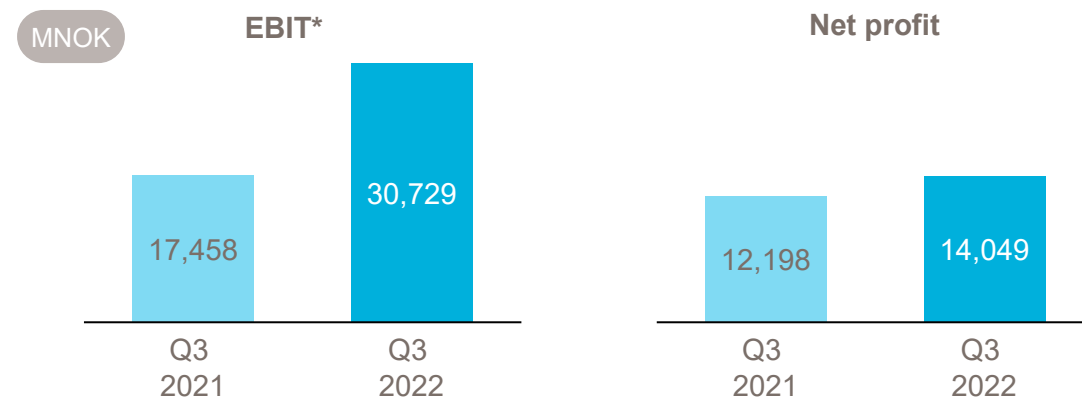
Quarter



Quarterly performance driven by:

- Strong results from the Market operations segment, particularly trading and origination
- Higher Nordic power prices offset by significantly lower Norwegian hydropower generation
- Operating expenses up 22%
- Net profit down due to large positive effects from reversal of impairments last year

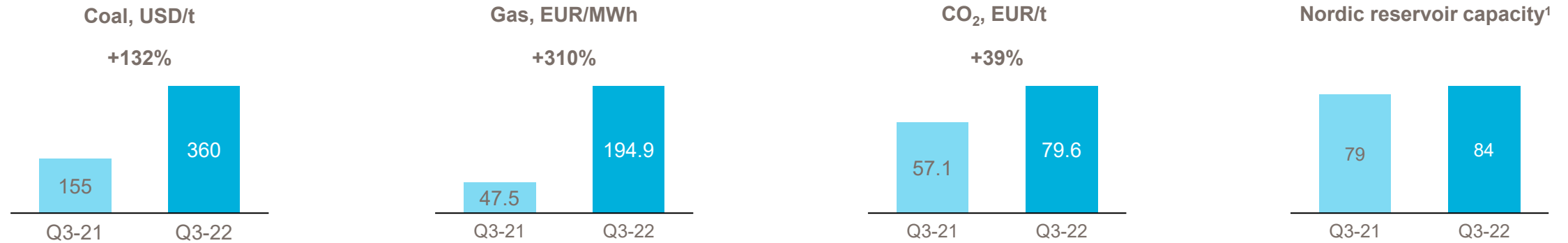
Year to date



YTD performance driven by:

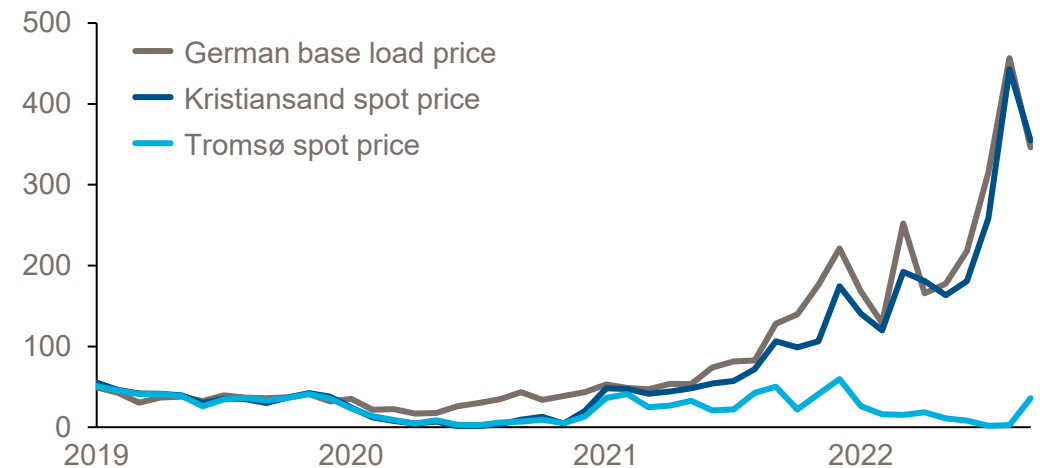
- Record-high Nordic power prices
- Significantly improved results from Market operations, particularly trading and origination
- Operating expenses up 24%
- Net profit 2 BNOK above last year

Volatile energy market with high prices



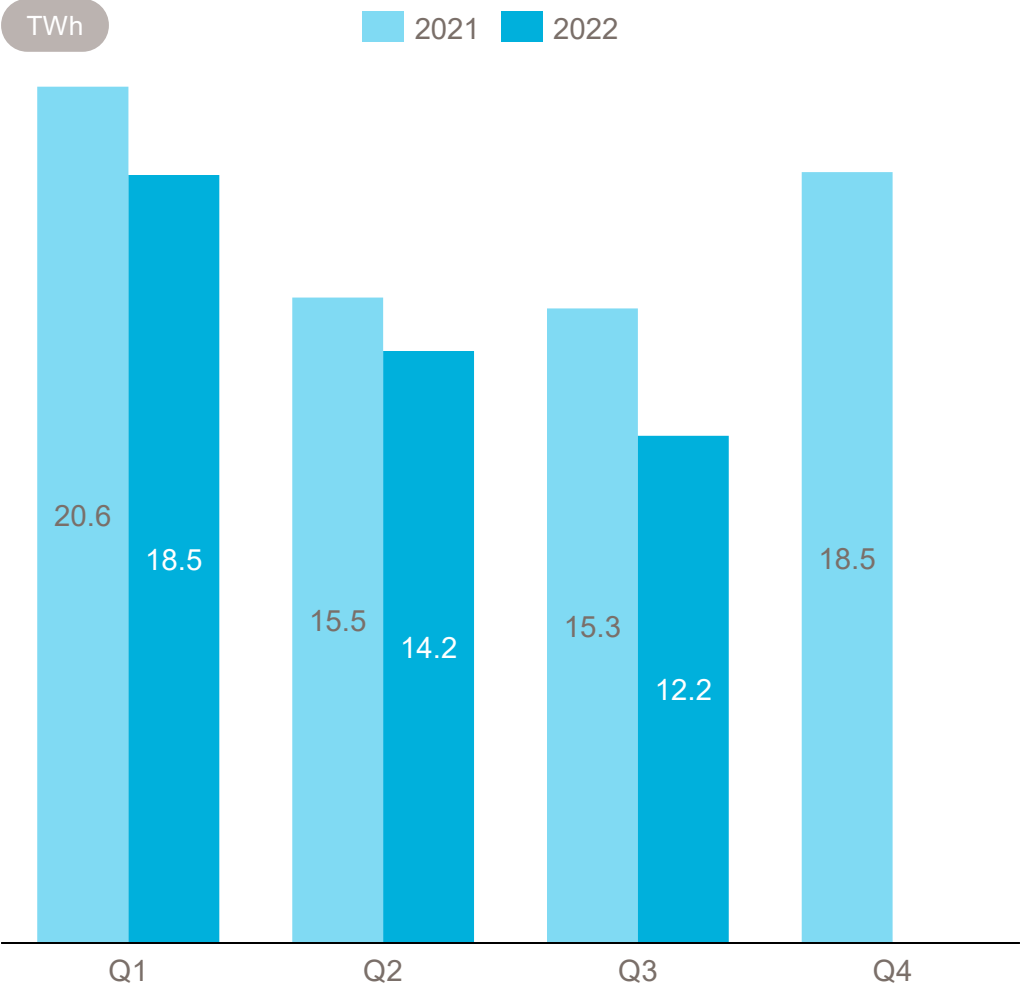
- Factors impacting power prices:
 - Gas, coal and CO₂ prices
 - Low reservoir levels in Southern Norway due to dry weather
 - Significant spread between price areas in the Nordics

Average quarterly Nordic system price was 176 EUR/MWh, up 108 EUR/MWh Q-on-Q



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

Generation



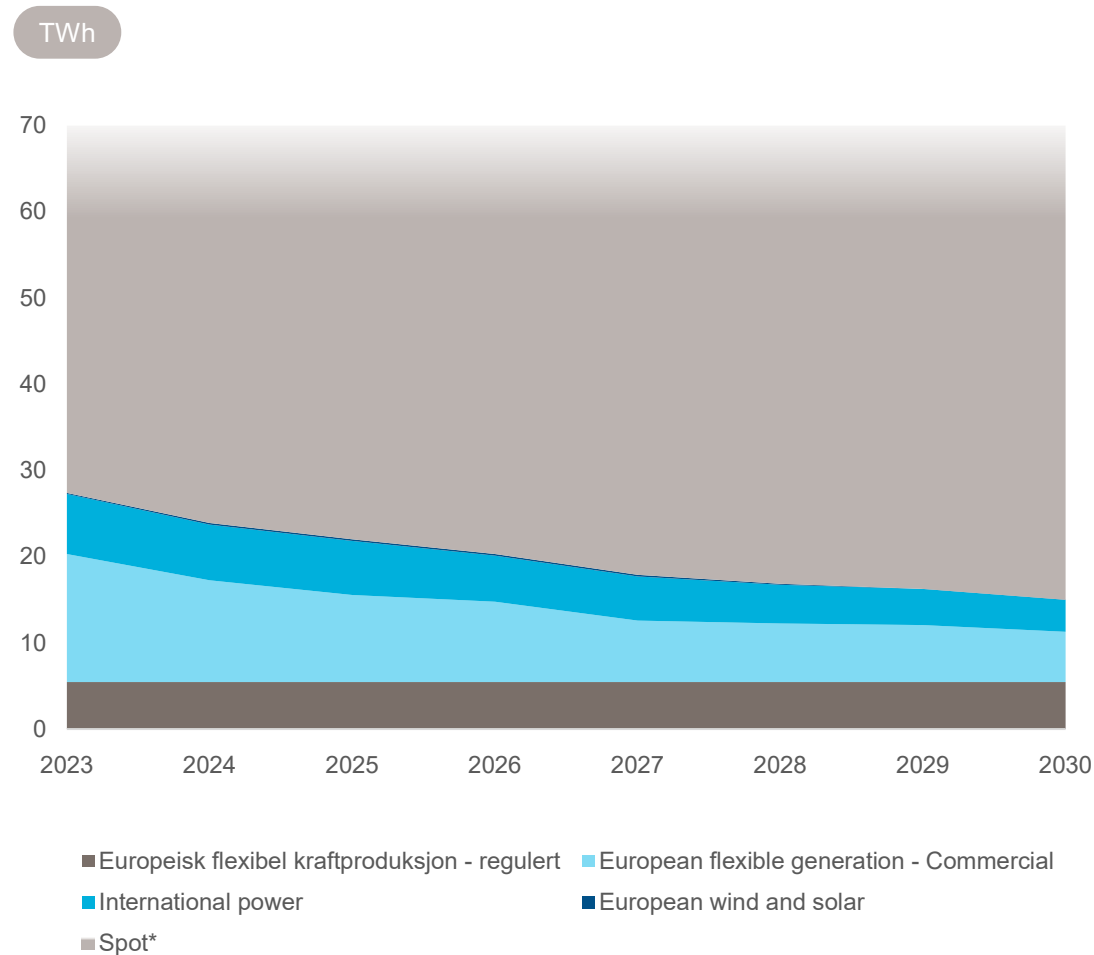
Total power generation down 20% from Q3 2021

- Norwegian hydropower generation down 3.2 TWh to 8.6 TWh
- Wind power generation on par with 0.8 TWh

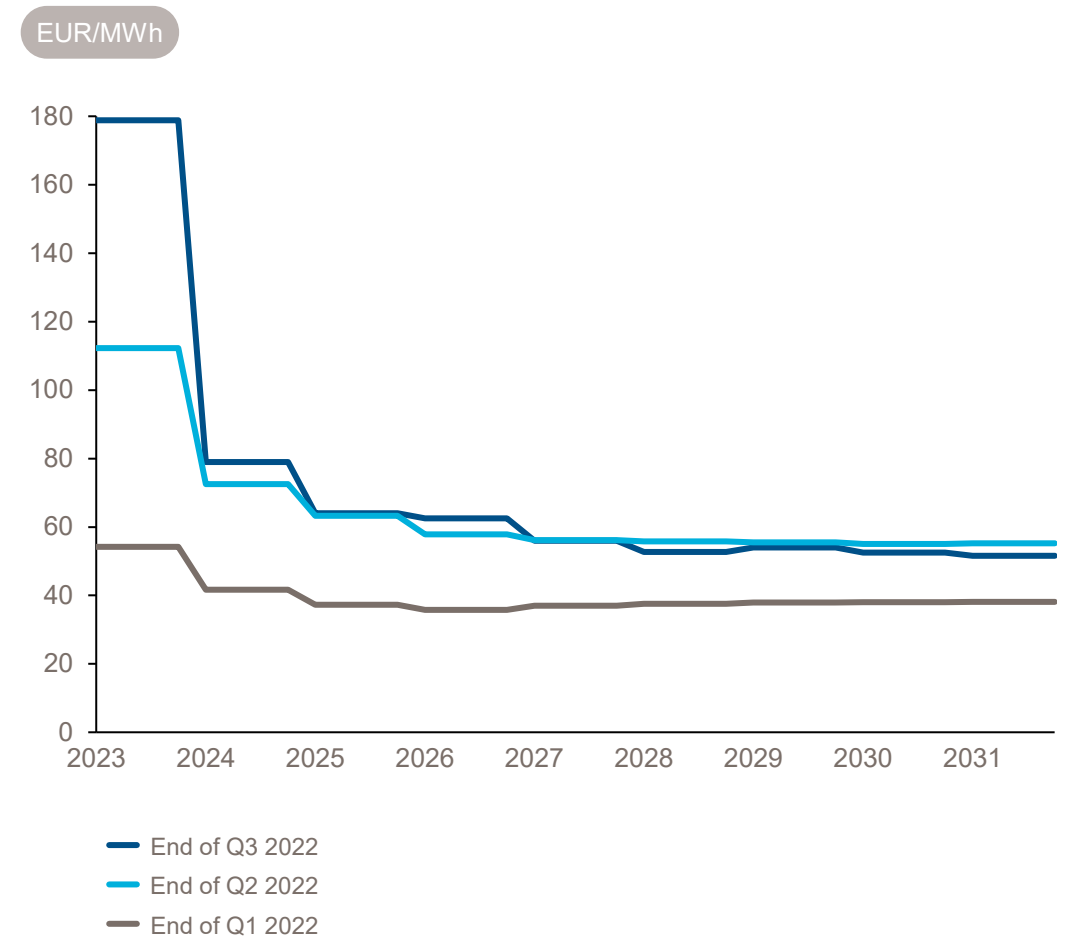
Hedging

Hedged volume 2023 – 2030

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



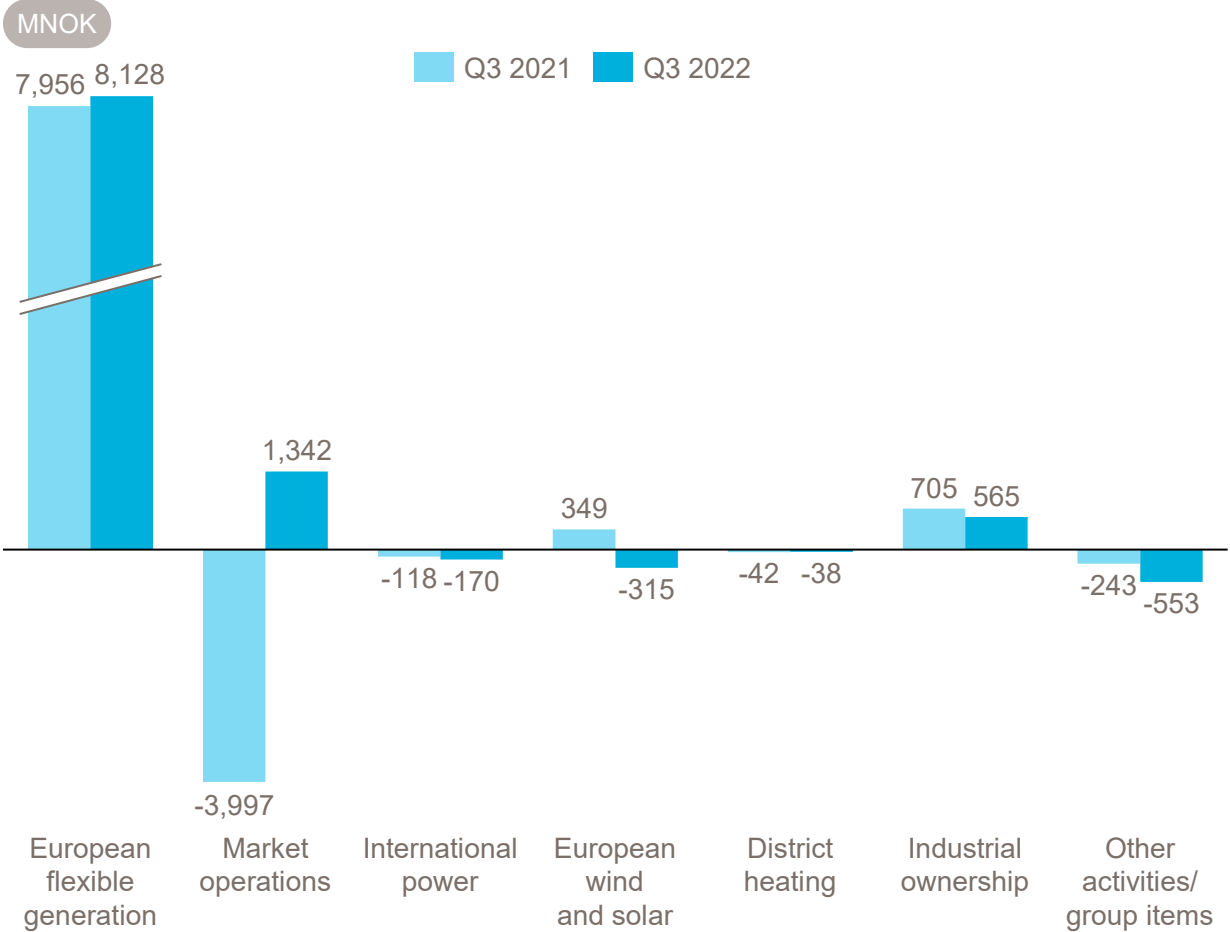
Nordic system future price curve



* Spot volume is based on an annual power generation of 65 TWh, which is the Groups average generation for the years 2019-2021

Underlying EBIT - Segments

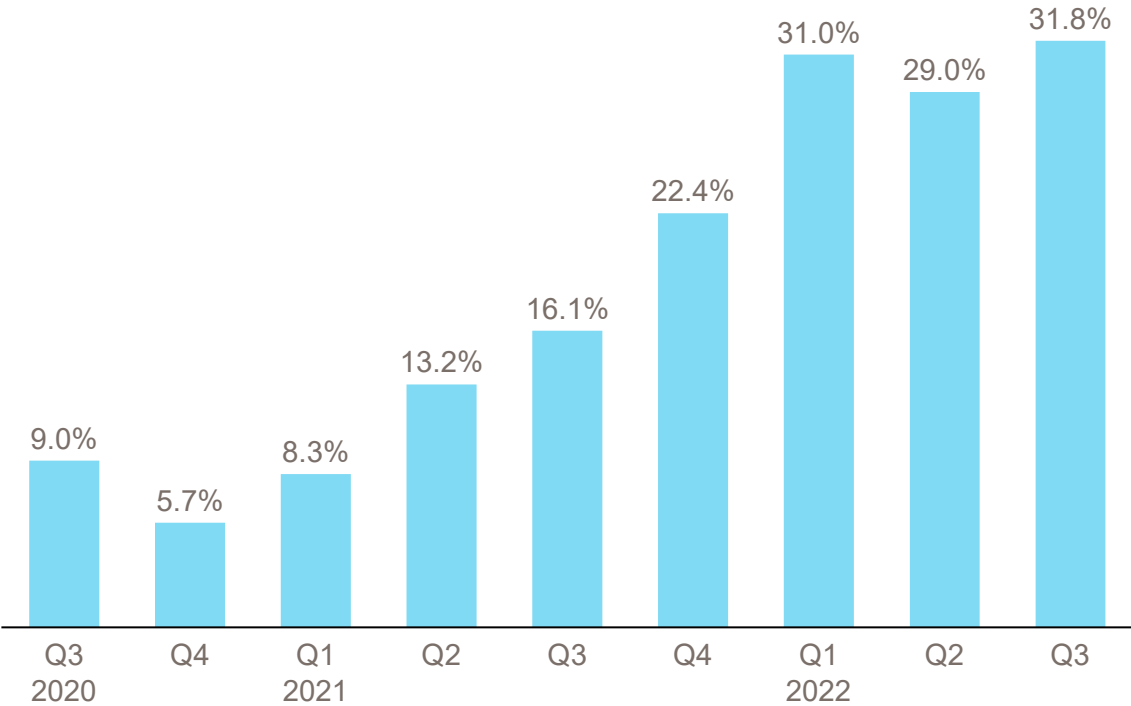
Quarter



- European flexible generation
 - Improved contribution from Baltic Cable
 - Norwegian hydropower lower due to low generation and hedging losses
- Market operations
 - Strong contribution from trading and origination
 - Dynamic asset management negative, but significant improvement
- European wind and solar
 - Lower power prices in NO3 and SE2 price area and hedging losses
 - Higher business development cost in line with growth strategy
 - 2021 included gains from divestments
- Industrial ownership
 - High power prices in the NO2 area more than offset by lower generation

ROACE

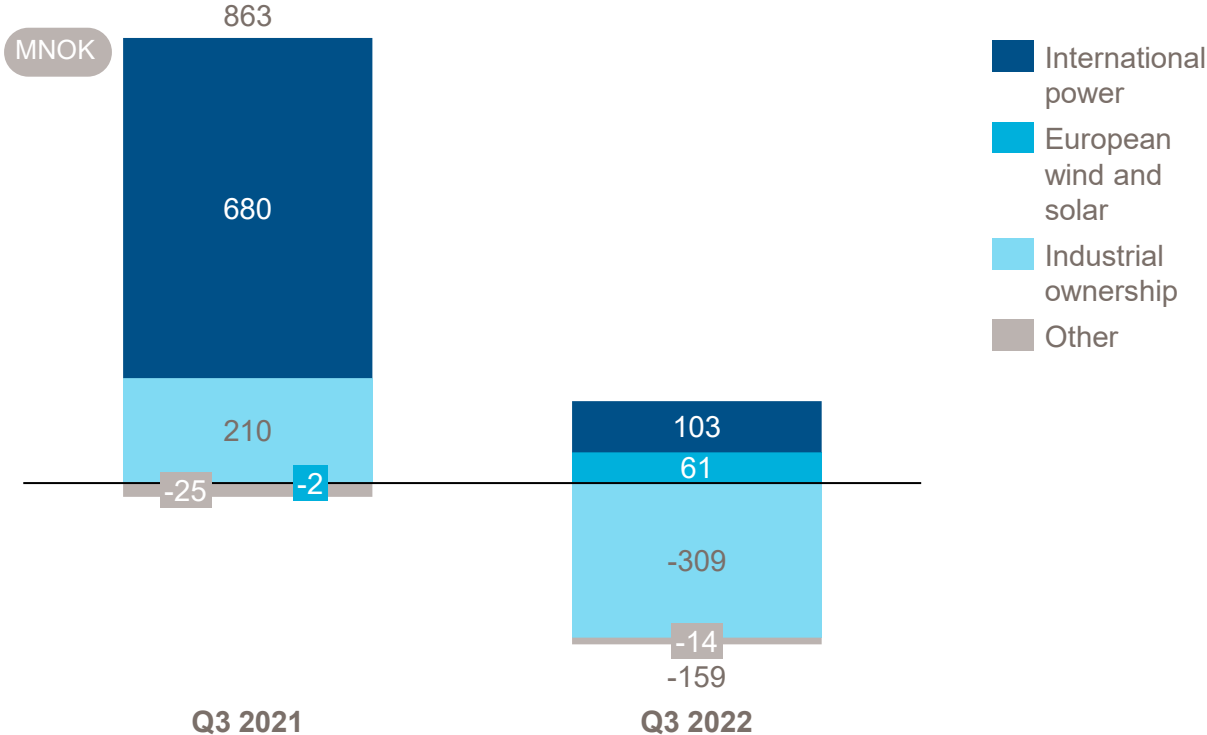
- Rolling 12 months well above target of 12%, driven by a solid EBIT
- Average capital employed on par with previous periods



MNOK	Q4-2021	Q1-2022	Q2-2022	Q3-2022
EBIT, (12 months rolling)	26,792	37,530	35,714	40,464
Average capital employed	119,422	120,871	123,114	125,988

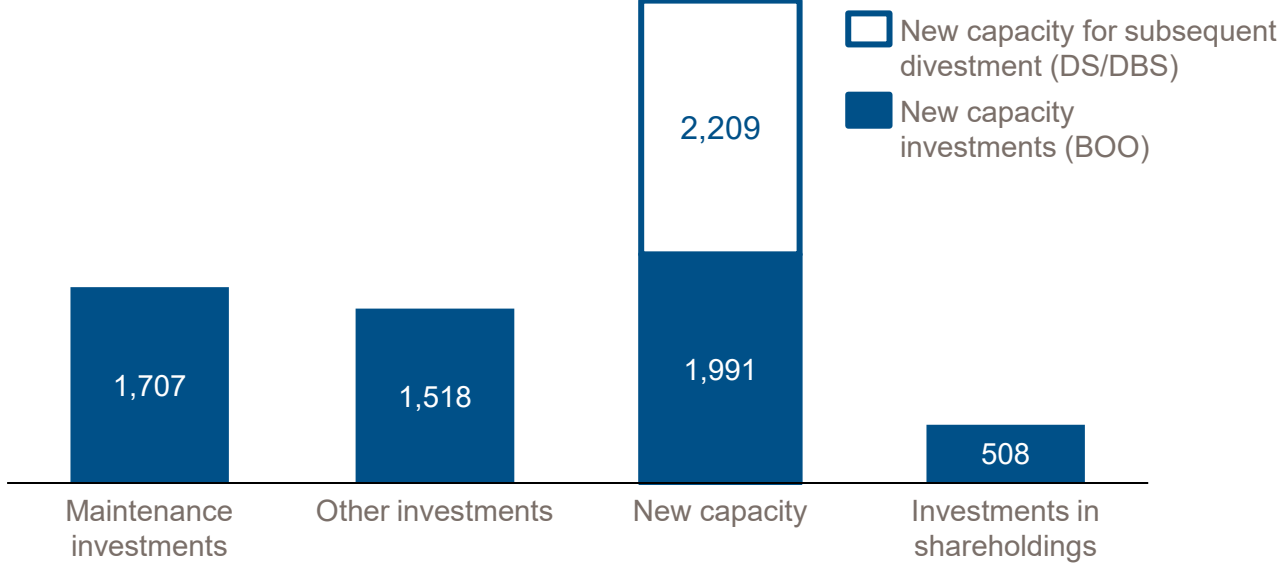
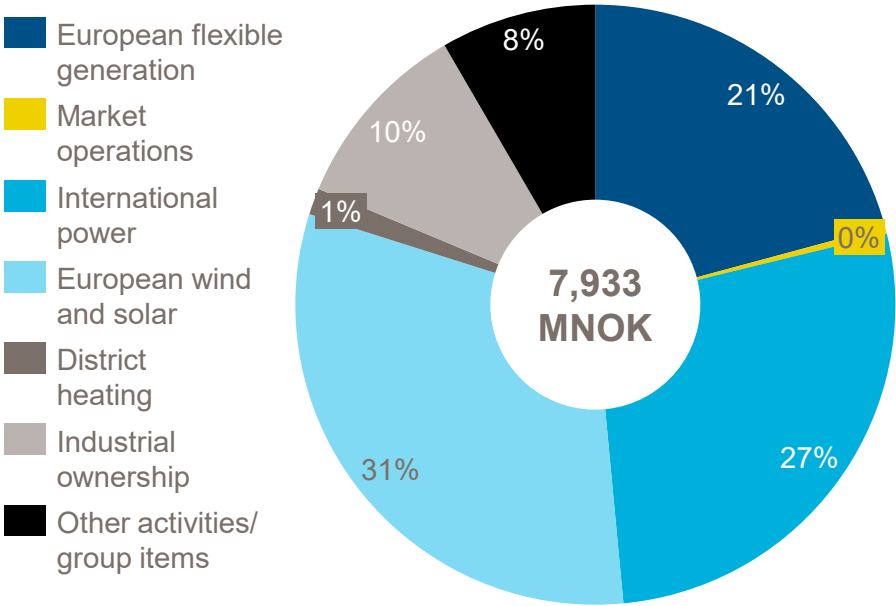
Share of profit in equity accounted investments

Quarter



- Lower contribution from International power
 - Reversal of impairments in India last year
- Losses from Industrial ownership
 - Negative hedging effects in Agder Energi

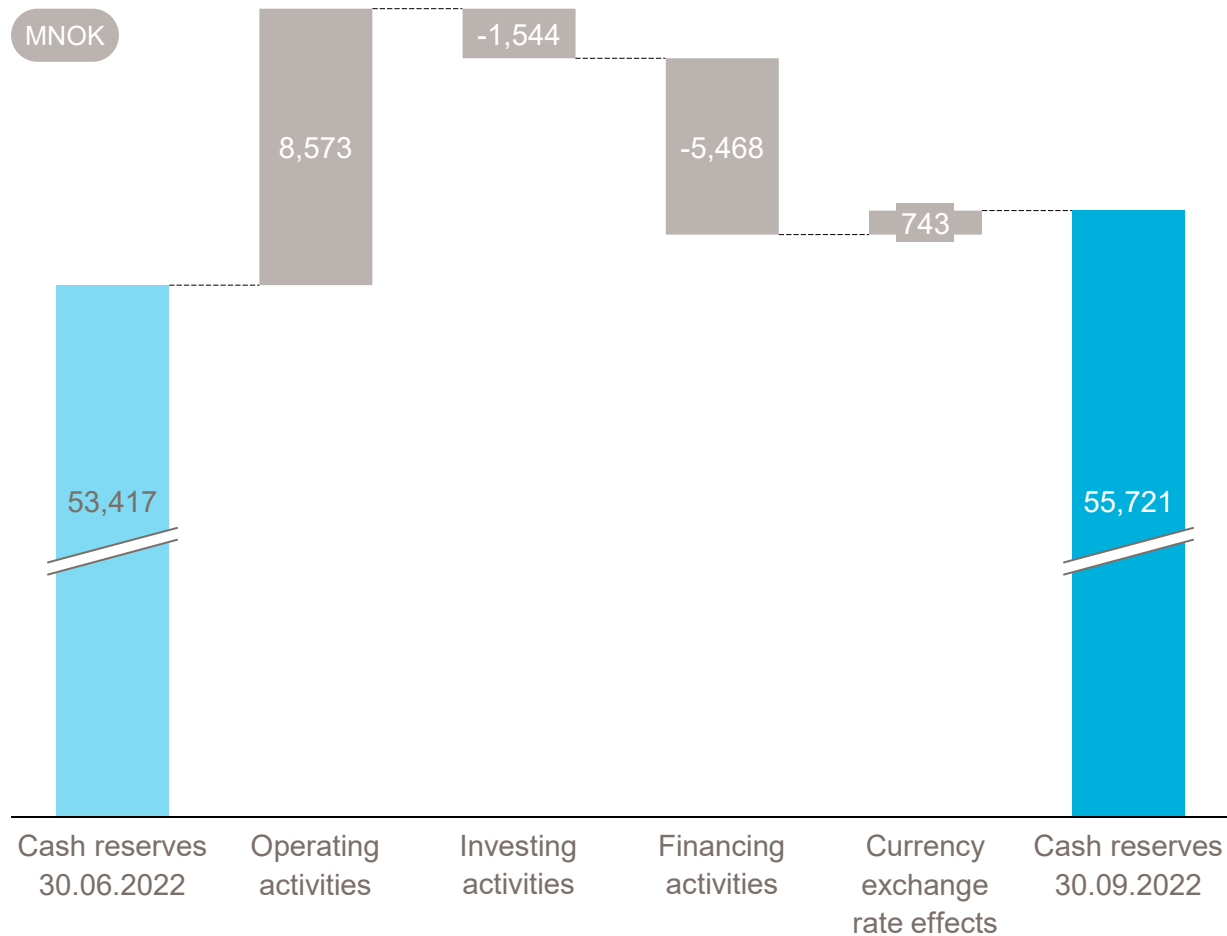
Investment program – Year to date



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



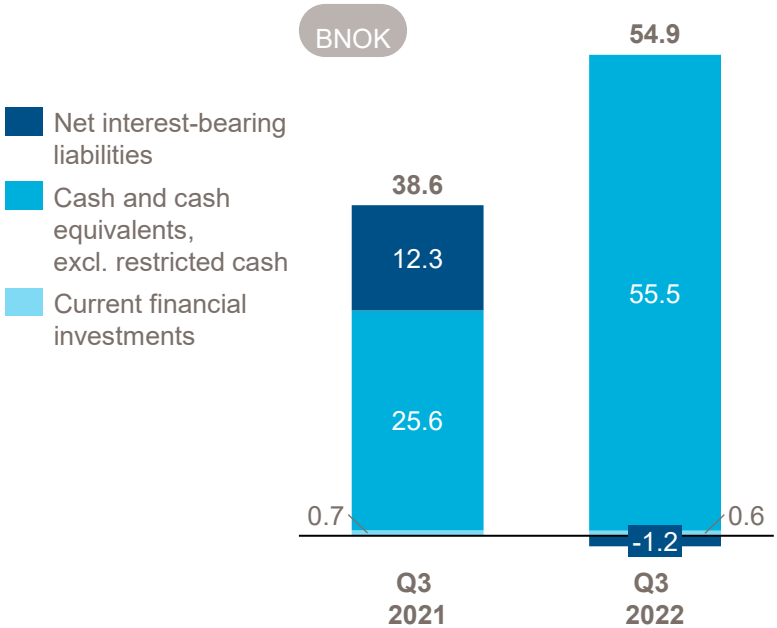
- Solid cash flow from operations
 - NOK 1.9 billion of unrealised positive effects included in EBIT
 - Net cash inflow from margin calls of NOK 2 billion
 - Cash outflow of investments in DBS projects of NOK 1.4 billion
- Financing activities
 - Paid dividend NOK 10.2 billion
 - Cash inflow of NOK 5 billion from green bond issue

Rating, debt and maturity profile

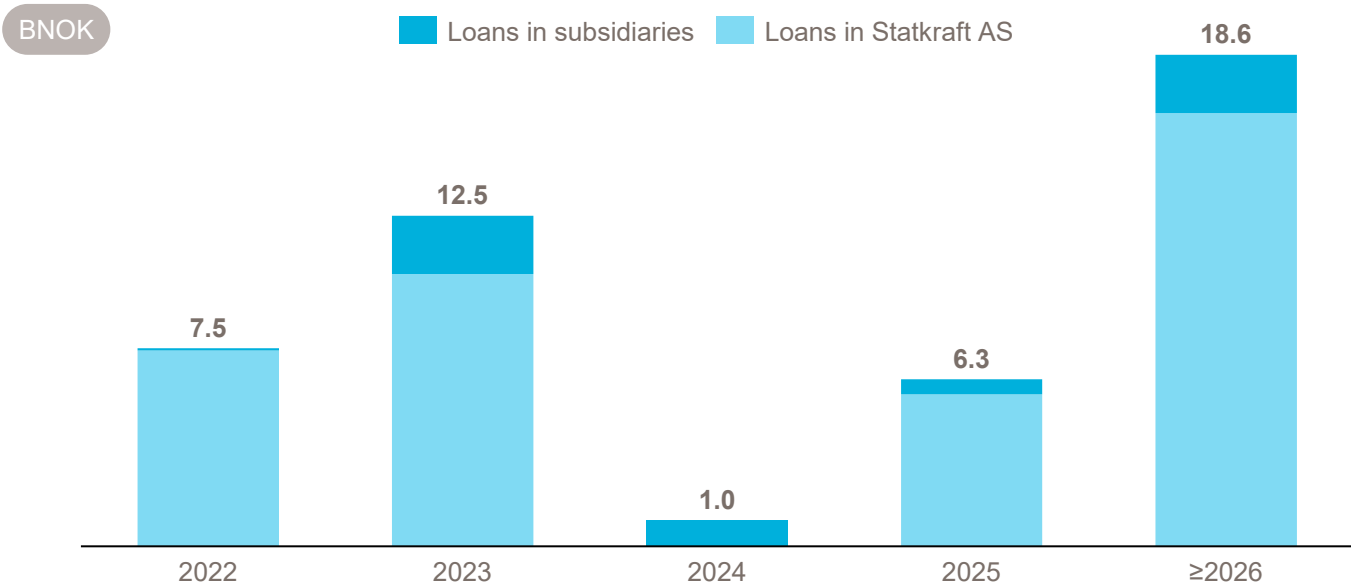
Standard & Poor's: **A (stable outlook)**
 Fitch Ratings: **BBB+ (stable outlook)**

- Very solid cash position
- Net cash position of NOK 1.2 billion
- Current ratings provide a framework for investments

Gross debt



Long-term liabilities, debt redemption profile



Summary

- Strong results so far this year
- Improved reservoir situation and expected high future power prices
- Robust financial position and solid foundation to meet growth targets





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