



# Capital markets update

# 2022

**Anders Opedal**

President and Chief Executive Officer



# Firm on our strategy

We are committed to turning natural resources into energy for people and progress for society



**Accelerating transition**  
with net-zero ambition  
backed by actions

**Growing**  
cash flow and returns

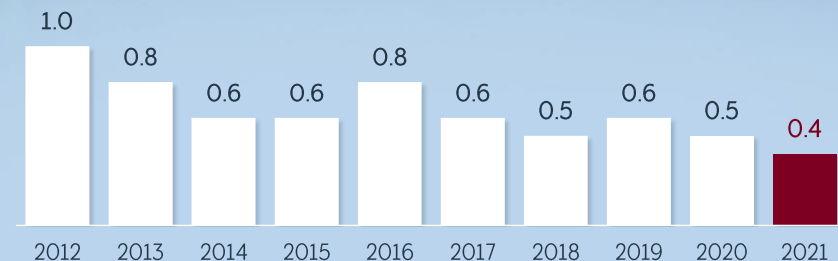
**Competitive**  
capital distribution

# 2021 Performance

## Always safe – taking action

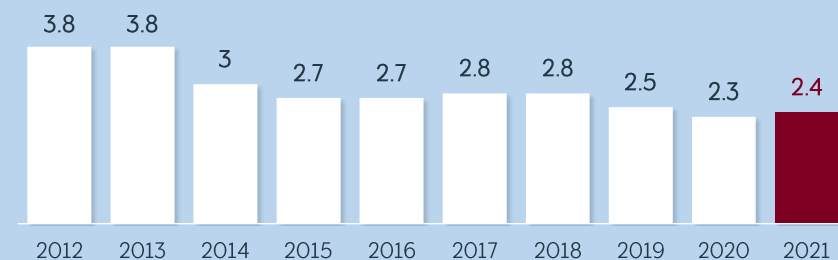
### Serious Incident Frequency – SIF

Serious incidents per million work-hours. Twelve months average.



### Total Recordable Injury Frequency – TRIF

Total incidents per million work-hours. Twelve months average.



**High value** – strong financial & operational performance

**25** bn USD

Net free cash flow

After capital distribution

**23%**

Return on capital employed (RoACE)

Adjusted

**3.2%**

Increased equity production

Rebased production growth compared to 2020

**Low carbon** – on track to a low carbon future

**7** kg/boe

CO<sub>2</sub> upstream intensity

Scope 1 CO<sub>2</sub> emissions, Equinor operated, 100% basis

**97%**

Production based availability

Operated wind assets

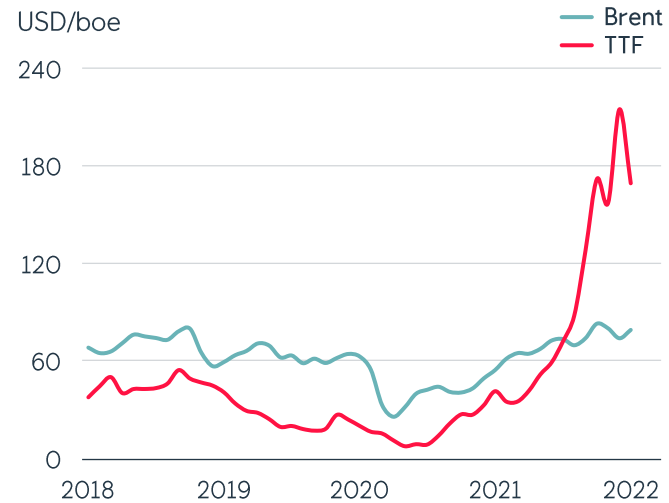
**1.4** bn USD

Capital gain renewable segment

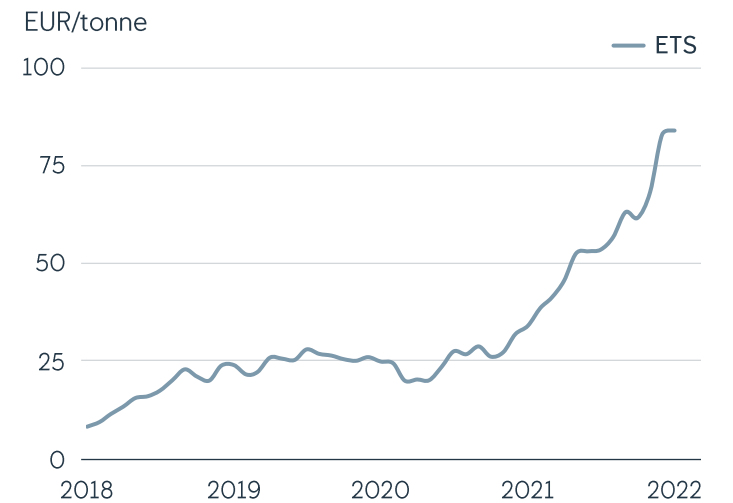
# Positioned for profitable growth in evolving markets



Oil & gas price development



EU ETS price development<sup>1</sup>



## Value creation and resilience through cycles

A safe and reliable energy provider – leveraging operational excellence, flexibility and optionality

- Increased gas production by more than 5% on NCS in 2021<sup>2</sup>
- Unplanned piped gas losses on NCS well below 1% in 2021

1. ETS – Emissions Trading System  
2. Equity production, compared to 2020

# Delivering on our strategy

## Optimised oil & gas portfolio

- Martin Linge and Troll Phase 3 on stream
- Bacalhau Phase 1 around 50% complete towards start-up in 2024

**> 40** bn USD  
Free cash flow  
oil & gas 2022-26

Based on 65 USD/bbl, see appendix for key assumptions



## High value growth in renewables

- Early mover in South Korea
- Dogger Bank A&B around 30% complete
- Hywind Tampen more than 70% complete

**4-8%**  
Real base project returns

Equivalent to 6-10% nominal returns. Excluding effects from farm downs and project financing



## New market opportunities in low carbon solutions

- Industry shaper with the UK East Coast Cluster
- Northern Lights around 30% complete and customers granted EU funding

**15-30** Mtonnes/annum  
CO<sub>2</sub> transport and storage capacity by 2035

Equinor share



Oil and gas - Carbon efficient production

Renewables - 12-16 GW capacity in 2030

LCS - 3-5 major hydrogen clusters by 2035

**Net zero**  
by 2050

# Growing returns with net-zero ambitions

## Growing cash flow and returns in the energy transition ...

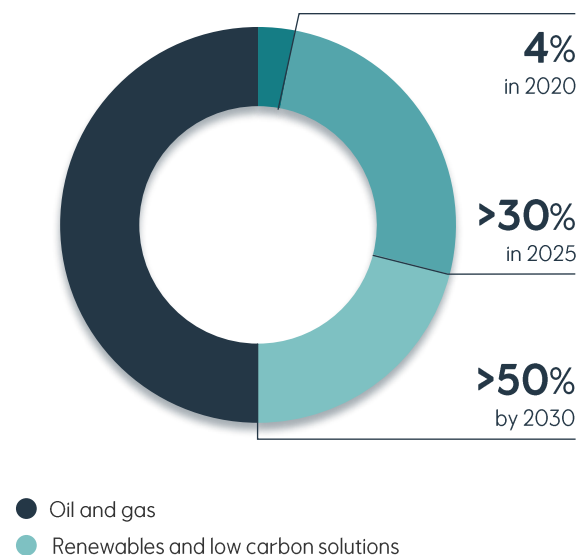
**~25** bn USD  
Free cash flow  
2022-26

Based on 65 USD/bbl

**>14%**  
Return on capital employed  
(RoACE) 2022-30

Based on 65 USD/bbl, nominal return

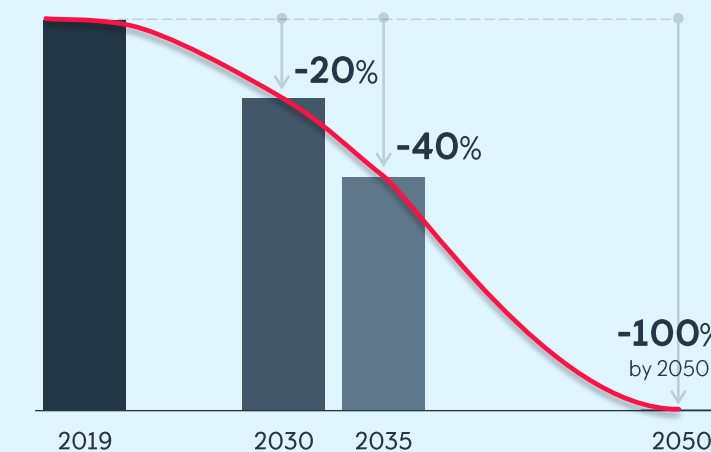
Share of Equinor gross capex<sup>1</sup>



1. Gross capex defined as capex before project financing

## ... with net-zero ambition backed by actions

Net carbon intensity for energy provided  
Scope 1, 2 & 3



— Illustrated ambition for the path to net zero by 2050

# Clear ambition to reduce own emissions

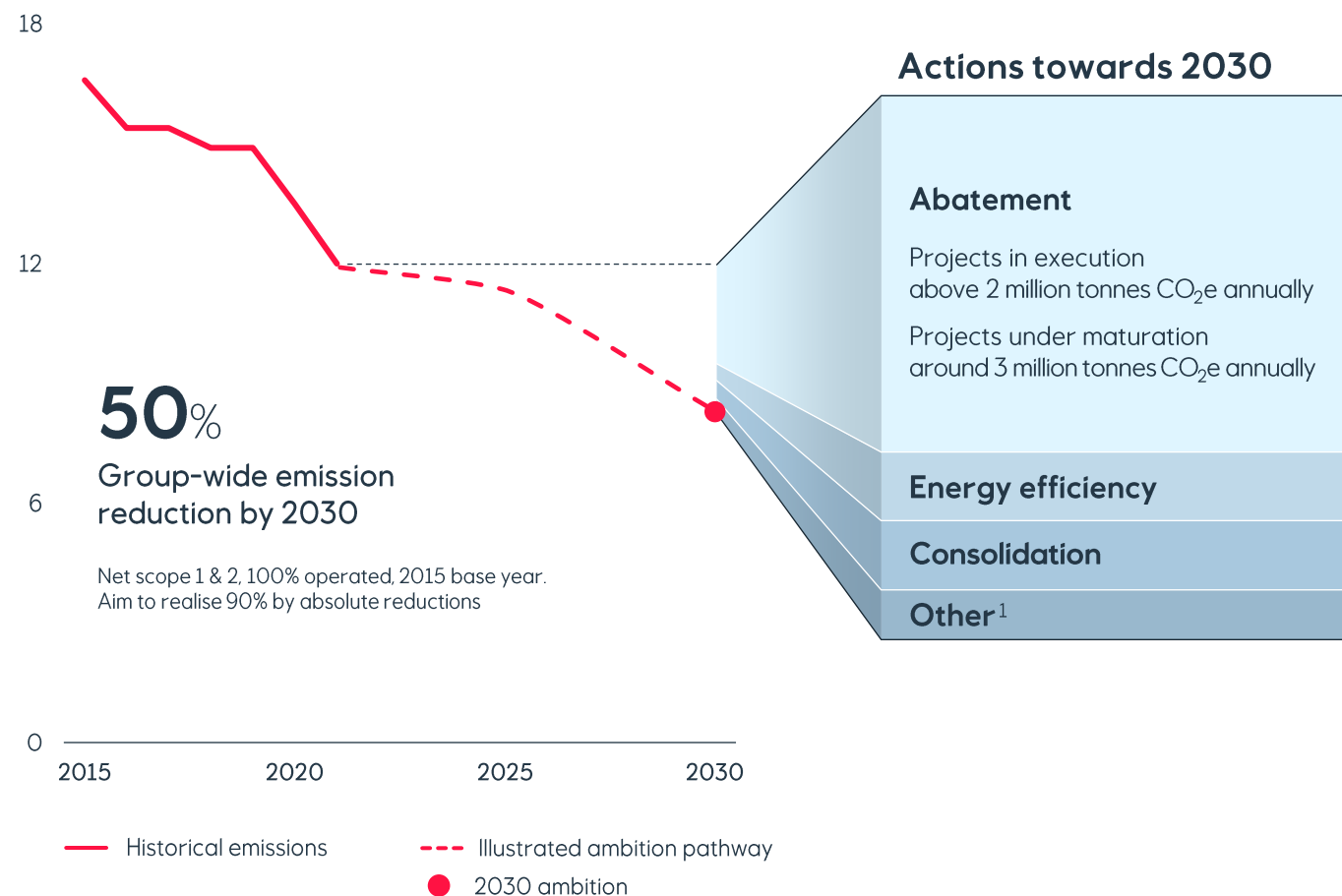
## Significant cut in emissions since 2015

- Energy efficiency measures
- Assets powered from shore
- Portfolio optimisation

## Ambition backed by actions

- Abatement plan: mature and executing electrification projects
- Improving energy efficiency offshore and onshore
- Strengthening resilience in portfolio, including consolidation

Equinor operated GHG emission  
Million tonnes CO<sub>2</sub>e



1. Including offsets

# Disciplined capital allocation

## Investing in an attractive portfolio

- Disciplined investments and cost focus
- Stable investments in highly profitable oil & gas portfolio
- High value growth in renewables and low carbon solutions
- Flexibility to optimise the project portfolio

## Maintaining a strong balance sheet

- Long-term ambition of net debt ratio 15-30%<sup>1</sup>

## Delivering competitive capital distribution

- Grow annual cash dividend per share in USD in line with long-term underlying earnings
- Share buy-back as part of the capital distribution

1. 20-35% including IFRS 16



**~10** bn USD  
Capex guiding  
for 2022-23

Annual average, organic, USD/NOK 9

**<35** USD/bbl  
Break-even, projects  
coming on stream by 2030

Volume weighted average

**4** bn USD  
Improvement ambition

Cash flow impact before tax 2020-25



# Delivering competitive capital distribution

## Continued growth in cash dividend

- 4Q 2021 cash dividend increased to 20 cents per share
- Ambition to grow the annual cash dividend, measured in USD per share, in line with long-term underlying earnings

## Share buy-back as part of the capital distribution

- Second tranche of 2021 share buy-back announced at 3Q 2021 increased from USD 0.3 billion to USD 1 billion<sup>1</sup>
- Increasing share buy-back programme from USD 1.2 billion up to USD 5 billion for 2022, first tranche announced today of USD 1 billion<sup>1</sup>
- Share buy-back subject to:
  - Brent oil prices in or above the range 50-60 USD/bbl
  - Net debt ratio expected within the guided ambition of 15-30%<sup>2</sup>
  - Commodity prices
  - Renewal of board authorisation at the Annual General Meetings in 2022 and onwards

## Extraordinary cash dividend

- An extraordinary quarterly cash dividend of 20 cents per share for 4Q 2021 to 3Q 2022, subject to AGM approval and authorisation

1. Including government share to be redeemed  
2. Excluding IFRS 16

**20** cents/share  
**4Q 2021 cash dividend**

The Board will propose to the AGM a cash dividend of 20 cents per share

**20** cents/share  
**Extraordinary cash dividend for 4Q 2021-3Q 2022**

The Board will propose to the AGM an extraordinary cash dividend for 4Q 2021 and authority to declare extraordinary cash dividend for 2Q 2022 and 3Q 2022

**5** bn USD  
**2022 annual share buy-back**

Including the government share, subject to all tranches executed

**10** bn USD  
**2022 total capital distribution**

Including the government share, subject to all tranches executed



# Delivering on our strategy



## Accelerating transition

- Building resilience with a 50% group-wide emission reduction ambition
- On the pathway to net zero by 2050 backed by actions
- More than 50% of gross capex to renewables and low carbon solutions by 2030

## Growing cash flow and returns

- Creating high returns in the long term with above 14% RoACE from 2022 to 2030
- Significant group free cash flow in 2022-26 with around USD 25 bn
- Above USD 40 bn in free cash flow from oil & gas in 2022-26

## Delivering competitive capital distribution

- Disciplined capital allocation and cost focus
- Quarterly cash dividend of 20 cents per share
- Share buy-back programme up to USD 5 billion for 2022
- Extraordinary quarterly cash dividend of 20 cents per share for four quarters

# Forward-looking statements

This presentation contains certain forward-looking statements that involve risks and uncertainties. In some cases, we use words such as "accelerate", "adjusted", "ambition", "bankable", "base return", "believe", "break-even", "capitalise", "capture value", "cash generation", "commercial discoveries", "competitive", "continue", "could", "demonstrate", "de-risk", "discipline", "dispatchable capacity", "driving value", "energy security", "enhance", "estimate", "equity return", "expect", "exposure", "flexible", "guidance", "intend", "internal rate of return", "high-grade value", "value creation", "likely", "may", "net debt ratio", "nominal return", "optimising", "optionality", "outlook", "plan", "priorities", "project return", "project portfolio", "promises", "risk", "robust", "significant", "strategy", "value", "will", "targets", "quality", "unleveraged return" and similar expressions to identify forward-looking statements. Forward-looking statements include all statements other than statements of historical fact, including, among others, statements regarding Equinor's plans, intentions, aims, ambitions and expectations; including those connected with Equinor's climate ambitions and energy transition, hereunder its ambition to develop as a broad energy company, the ambition to be a leader in the energy transition, its ambition to reduce net group-wide operated emissions by 50% by 2030, its net zero and net carbon intensity ambitions, carbon efficiency, internal carbon price on investment decisions, R&D and venture capital allocations, CO2 intensity per boe, 12-16GW 2030 installed renewables capacity ambition, 12-16% nominal equity return and 4-8% real base project return; future financial performance, including cash flow and liquidity; accounting policies; the ambition to grow cash flow and returns; plans to improve return on average capital employed (ROACE) and competitive capital distribution; expectations regarding returns from Equinor's oil and gas portfolio; break-even and pay-back time, plans to develop fields and increase gas exports; plans for renewables production capacity and investments in renewables; non-sanctioned portfolio, capacity evolution NEW, expectations regarding development of renewables projects, average NCS cash flow 2022-30, CCUS and hydrogen businesses; market outlook and future economic projections and assumptions, including commodity price assumptions; organic capital expenditures through 2025; estimates regarding production; the ambition to keep unit of production cost in the top quartile of our peer group; scheduled maintenance activity and the effects thereof on equity production; completion and results of acquisitions and disposals; expected amount and timing of dividend payments and the implementation of our share buy-back programme, including expectations regarding the timing and amount to be purchased and the redemption of the Norwegian State's shares; and provisions and contingent liabilities.

You should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including levels of industry product supply, demand and pricing, in particular in light of the uncertainty regarding demand created by the Covid-19 pandemic and oil price volatility triggered, among other things, by the changing dynamic among OPEC+ members; levels and calculations of reserves and material differences from

reserves estimates; natural disasters, adverse weather conditions, climate change, and other changes to business conditions; regulatory stability and access to attractive renewable opportunities; unsuccessful drilling; operational problems, in particular in light of quarantine rules and social distancing requirements triggered by the Covid-19 pandemic; health, safety and environmental risks; impact of the Covid-19 pandemic; the effects of climate change; regulations on hydraulic fracturing; security breaches, including breaches of our digital infrastructure (cybersecurity); ineffectiveness of crisis management systems; the actions of competitors; the development and use of new technology, particularly in the renewable energy sector; inability to meet strategic objectives; the difficulties involving transportation infrastructure; the availability of and access to low-carbon electricity supplies from shore; political and social stability and economic growth in relevant areas of the world; reputational damage; exercise of ownership by the Norwegian state; an inability to attract and retain personnel; risks related to implementing a new corporate structure; inadequate insurance coverage; changes or uncertainty in or non-compliance with laws and governmental regulations; the actions of the Norwegian state as majority shareholder; failure to meet our ethical and social standards; the political and economic policies of Norway and other oil-producing countries; non-compliance with international trade sanctions; the actions of field partners; adverse changes in tax regimes; exchange rate and interest rate fluctuations; factors relating to trading, supply and financial risk; general economic conditions; and other factors discussed elsewhere in this report. Additional information, including information on factors that may affect Equinor's business, is contained in Equinor's Annual Report on Form 20-F for the year ended December 31, 2020, filed with the U.S. Securities and Exchange Commission (including section 2.12 Risk review - Risk factors thereof). Equinor's 2020 Annual Report and Form 20-F is available at Equinor's website [www.equinor.com](http://www.equinor.com).

Prices used in this presentation material are given in real 2021 value, unless otherwise stated. Forward looking cash-flows are in nominal terms. Break-evens and NPV's are in real 2022 terms and are based on life cycle cash-flows from Final Investment Decision dates. We also confirm that we have obtained approval from independent Project Analysis (IPA), International Energy Agency (IEA), BloombergNEF and Wood Mackenzie to publish data referred to on slides in this presentation.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, we undertake no obligation to update any of these statements after the date of this report, either to make them conform to actual results or changes in our expectations.

We use certain terms in this document, such as "resource" and "resources" that the SEC's rules prohibit us from including in our filings with the SEC. U.S. investors are urged to closely consider the disclosures in our Form 20-F, SEC File No. 1-15200. This form is available on our website or by calling 1-800-SEC-0330 or logging on to [www.sec.gov](http://www.sec.gov).