Press release 4 May, 2023

Equinor first quarter 2023

Equinor delivered adjusted earnings* of USD 12.0 billion and USD 3.51 billion after tax in the first quarter of 2023. Net operating income was USD 12.5 billion, and net income was USD 4.97 billion.

The first quarter was characterised by:

- Strong earnings and cash flow across the business
- Solid operational performance and production growth
  - Continued high gas production from NCS to Europe
- High value creation from marketing and trading
- Maintaining cost and capital discipline
- Ordinary cash dividend of USD 0.30 per share, extraordinary cash dividend of USD 0.60 per share and commencement of second tranche of share buy-back of USD 1.67 billion. Expected total capital distribution in 2023 is USD 17 billion.

Anders Opedal, president and CEO of Equinor ASA:
"Equinor delivered strong earnings and cash flow across the business and remains a safe and reliable provider of energy to Europe. We continue to deliver competitive capital distribution to shareholders and invest in a profitable portfolio in oil and gas, renewables, and low-carbon solutions."

"We progressed on our strategy, optimising our oil and gas portfolio by acquiring Suncor Energy in the UK and continuing with focused exploration. We developed our portfolio within renewables and low-carbon solutions by acquiring the solar project developer BeGreen and collaborating with industry partners, aiming to build large-scale value chains for decarbonisation."

Financial information (unaudited, in USD million)	Q1 2023	Quarter Q4 2022	Q1 2022	Change Q1 on Q1
Net operating income/(loss)	**12,517**	16,584	18,392	(32%)
Adjusted earnings*1)	**11,973**	17,014	17,869	(33%)
Net income/(loss)	**4,966**	7,897	4,714	5%
Adjusted earnings after tax*1)	**3,514**	4,719	5,487	(36%)
Cash flows provided by operating activities	**14,871**	4,267	15,771	(6%)
Cash flow from operations after taxes paid*	**9,716**	6,800	15,748	(38%)
Net cash flow*	**4,201**	1,669	12,689	(67%)

Operational data	Q1 2023	Q4 2022	Q1 2022	Q1 on Q1
Group average liquids price (USD/bbl) [1]	**73.8**	80.4	97.1	(24%)
Total equity liquids and gas production (mboe per day) [4]	**2,130**	2,046	2,106	1%
Total power generation (Gwh) Equinor share	**1,163**	1,332	511	>100%
Renewable power generation (GWh) Equinor share	**524**	517	511	3%

Health, safety and the environment	Twelve months average per Q1 2023	Full year 2022
Serious incident frequency (SIF)	**0.4**	0.4

Health, safety and the environment	First quarter 2023	First quarter 2022
Upstream CO_2 intensity (kg CO_2/boe)	**6.6**	6.7
Absolute scope 1+2 GHG emissions (million tonnes CO_2e)	**2.9**	2.8

Net debt to capital employed adjusted*	31 March 2023	31 December 2022	%-point change
Net debt to capital employed adjusted*	**(52.3%)**	(23.9%)	(28.4)

Dividend (USD per share)	Q1 2023	Q4 2022	Q1 2022
Ordinary cash dividend per share	**0.30**	0.30	0.20
Extraordinary cash dividend per share	**0.60**	0.60	0.20

In the first three months of 2023 Equinor settled shares in the market under the 2022 and 2023 share buy-back programmes of USD 461 million.

* For items marked with an asterisk throughout this report, see Use and reconciliation of non-GAAP financial measures in the Supplementary disclosures
1) Restated. For more information, see Amended principles for Adjusted earnings in the section 'Use and reconciliation of non-GAAP financial measures' in the Supplementary disclosures.

Strong production and continued high deliveries of energy to Europe
Equinor delivered a total equity production of 2,130 mboe per day for the first quarter, up from 2,106 mboe per day in the same quarter of 2022. The growth was driven by the ramp-up of new fields and wells, and fields back in production, such as Johan Sverdrup phase 2 and Snøhvit in Norway and Peregrino in Brazil. Short-term operational issues at Johan Sverdrup early in the quarter impacted the increase.

Gas production on the Norwegian continental shelf (NCS) remained high and stable, contributing to European energy security.

Production from renewable energy sources was 524 GWh in the quarter, slightly up from the same quarter last year, driven by good availability for the offshore wind farms and production from the floating wind farm Hywind Tampen on the NCS. Including gas-to-power production in the UK, total power production for the quarter ended at 1,163 GWh.

Continued strategic and industrial progress
Since the start of the year, Equinor has brought the satellite field Bauge on stream in the Norwegian Sea. The partner-operated Vito field was put on stream in the US Gulf of Mexico.

Equinor continued to optimise the oil and gas portfolio, deepening in core areas by entering into an agreement to acquire Suncor Energy UK. An interest in the Statfjord area on the NCS was divested in the quarter.

Equinor completed nine exploration wells offshore with three commercial discoveries in the quarter, and three wells were ongoing at the quarter end. Two of the discoveries were in the Troll area in the North Sea, where Equinor also agreed to acquire a further equity interest in five discoveries. Equinor was awarded 26 new production licences on the NCS.

In the UK, the Dogger Bank offshore wind farm is progressing towards first power this summer. Together with SSE, Equinor is exploring the option of developing a fourth phase, Dogger Bank D.

In the quarter, Equinor closed the acquisition of BeGreen, a leading solar project developer in Northwest Europe, with a project pipeline of over 6 GW in the early to medium stages of maturity.

Equinor continued to develop low-carbon value chains in collaboration with industrial partners and entered into a partnership with the German energy company RWE aiming to develop large-scale value chains for low-carbon hydrogen.

Strong financial results and cash flow
Equinor realised a price for piped gas to Europe of USD 18.8 per mmbtu and realised liquids prices were USD 73.8 per bbl, down by 37% and 24%, respectively, compared to the first quarter 2022.

Equinor delivers strong adjusted earnings at USD 12.0 billion and USD 3.51 billion after tax. This is down from the same quarter last year due to lower prices for liquids and gas but partly offset by production growth. The Marketing, Midstream & Processing (MMP) segment contributed with earnings, well above the new and increased guided range, mainly driven by crude, products, and liquids trading.

Cash flow provided by operating activities before taxes paid and working capital items amounted to USD 15.3 billion for the first quarter and, cash flow from operations after taxes paid* was USD 9.72 billion. Equinor paid the first of three equal NCS tax instalments of USD 5.42 billion in the quarter and will pay the next two in the second quarter. Organic capital expenditure* was USD 2.31 billion for the quarter, and total capital expenditures were USD 3.18 billion. After taxes, capital distribution to shareholders and investments, net cash flow* ended at USD 4.20 billion for the first quarter.

Strong cash flow, a reduction in working capital and a reduction in collateral deposits resulted in a further strengthening of the financial position. Adjusted net debt to capital employed ratio* was negative 52.3% at the end of the first quarter, from negative 23.9% at the end of the fourth quarter of 2022.

Competitive capital distribution
The board of directors has decided an ordinary cash dividend of USD 0.30 per share and an extraordinary cash dividend of USD 0.60 per share for the first quarter of 2023, in line with communication at the Capital Markets Update in February.

Expected total capital distribution for 2023 is USD 17 billion, including a share buy-back programme of USD 6 billion. The board has decided to initiate a second tranche of the share buy-back programme of USD 1.67 billion. The second tranche will commence on 11 May, end no later than 25 July 2023 and is subject to authorisation from the annual general meeting on 10 May 2023.

The first tranche of the share buy-back programme for 2023 was completed on 20 March 2023 with a total value of USD 1 billion.

All share buy-back amounts include shares to be redeemed by the Norwegian State.

GROUP REVIEW

Financial information (unaudited, in USD million)	Q1 2023	Quarters Q4 2022	Q1 2022	Change Q1 on Q1
Total revenues and other income	**29,224**	34,321	36,393	(20%)
Adjusted total revenues and other income*1)	**28,520**	35,501	36,590	(22%)
Total operating expenses	**(16,707)**	(17,737)	(18,001)	(7%)
Adjusted purchases* [5]	**(11,262)**	(12,781)	(13,781)	(18%)
Adjusted operating and administrative expenses*	**(2,849)**	(3,032)	(2,450)	16%
Adjusted depreciation, amortisation and net impairments*	**(2,198)**	(2,279)	(2,333)	(6%)
Adjusted exploration expenses*	**(238)**	(396)	(157)	52%
Net operating income/(loss)	**12,517**	16,584	18,392	(32%)
Adjusted earnings*1)	**11,973**	17,014	17,869	(33%)
Capital expenditures and Investments	**2,303**	2,376	2,616	(12%)
Cash flows provided by operating activities	**14,871**	4,267	15,771	(6%)
Cash flows from operations after taxes paid*	**9,716**	6,800	15,748	(38%)

Operational information	Q1 2023	Quarters Q4 2022	Q1 2022	Change Q1 on Q1
Total equity liquid and gas production (mboe/day)	**2,130**	2,046	2,106	1%
Total entitlement liquid and gas production (mboe/day)	**2,011**	1,919	1,958	3%
Total Power generation (GWh) Equinor share	**1,163**	1,332	511	>100%
Renewable power generation (GWh) Equinor share	**524**	517	511	3%
Average Brent oil price (USD/bbl)	**81.3**	88.7	101.4	(20%)
Group average liquids price (USD/bbl)	**73.8**	80.4	97.1	(24%)
E&P Norway average internal gas price (USD/mmbtu)	**17.36**	27.22	29.77	(42%)
E&P USA average internal gas price (USD/mmbtu)	**2.80**	4.73	4.18	(33%)

1) Restated. For more information, see Amended principles for Adjusted earnings in the section 'Use and reconciliation of non-GAAP financial measures' in the Supplementary disclosures.

For the items impacting net operating income/(loss), see Use and reconciliation of non-GAAP financial measures in Supplementary disclosures.

Operations

Solid operational performance and production growth in the first quarter of 2023 provides strong results despite a lower price environment compared to 2022.

Snøhvit, which restarted in June 2022, and Johan Sverdrup phase two, which came on stream in December 2022, were the main drivers for increased production on the NCS relative to the same quarter last year. Peregrino in Brazil contributed significantly towards increased production from the international portfolio. Improved levels from Caesar Tonga in the USA following technical improvements, and a reduction in downtime compared to the prior year also added to the improvement in production.

Secure gas production to Europe remains a continued focus in 2023, representing 55% of NCS production for the quarter.

The overall production growth was impacted by short term operational challenges in the quarter for Johan Sverdrup and turnaround activity in Angola and Brazil. 2022 events relating to the exit from Russia, Ekofisk area divestment and Martin Linge ownership share reduction also partly offset the increase in production relative to the first quarter of 2022.

Price realisation in the quarter was lower than the extraordinary highs witnessed in the prior year. This is evident through reduced margins even with a stable production level. Additionally, there was a strong contribution to the overall business results from the Midstream, Marketing and Processing segment for the first quarter of 2023. Strong physical crude and products margins and solid results from LNG and piped gas trading positively contributed to the first quarter results.

Increased operational capacity and activity in the quarter have contributed to an increased cost base. In addition, rising environmental costs together with inflationary pressures were evidenced by an increase in upstream operating expenditure compared to the prior year. An increase in proved reserves during the year 2022 contributed towards a downward trend in depreciation, partially offsetting the increase in operating expenditure. The strengthening of the USD against the NOK impacts the visibility of these increases in the reported costs.

In the first quarter of 2022, total operating expenses were negatively impacted by impairments of USD 1,080 million related to Equinor's exit from Russia.

Taxes

The decrease in reported effective tax rate from 72.6% in the first quarter of 2022 to 63.8% in 2023 was mainly caused by a lower relative share of income from the NCS. Net foreign currency exchange gains with a low tax rate also contributed to this decrease in effective tax rate for the quarter.

The effective tax rate on adjusted earnings* of 70.6% for the first quarter of 2023 increased compared to 69.3% in 2022 due to the recognition of the US deferred tax assets in the fourth quarter of 2022.

Cash flow, net debt and capital distribution

A strong cashflow provided by operating activities before taxes paid and working capital items of USD 15,305 million was achieved despite lower income before tax which resulted from lower commodity prices in the first quarter of 2023.

Tax outflow of USD 5,589 million reduced by USD 8,599 million from the fourth quarter of 2022, resulting in a cash flow from operations after taxes paid* of USD 9,716 million (2022: USD 6,800 million in the prior quarter). The first of three equal instalments of Norwegian corporate income tax were paid in the first quarter of 2023, whereas two instalments were made in the prior quarter.

Due to reduced prices working capital decreased by USD 5,155 million in the first quarter (USD 23 million in the first quarter of 2022) positively contributing to a strong cashflow.

Net cash flow* of USD 4,201 million increased by USD 2,532 million compared to the prior quarter despite the lower price environment and continued increased dividend cash outflows (USD 2,861 million compared to USD 582 million).

Continued strong results have led to an increase in short term liquid assets in addition to a reduction in net collateral deposits, further strengthening the adjusted net debt to capital employed ratio* from negative 23.9% at the end of December 2022 to negative 52.3% at the end of March 2023.

Subject to approval at the AGM in May, the cash outflow to the Norwegian state in relation to the second, third, fourth tranche of the 2022, and first tranche of the 2023 share buy-back programme is expected to occur in the second quarter of 2023, in addition to two instalments of Norwegian corporate income tax.

The board of directors has decided an ordinary cash dividend of USD 0.30 per share, and an extraordinary cash dividend of USD 0.60 per share for the first quarter of 2023, in line with communication at the Capital Markets Update in February.

Expected total capital distribution for 2023 is USD 17 billion, including a share buy-back programme of USD 6 billion. The board has decided to initiate a second tranche of the share buy-back programme of USD 1.67 billion. The second tranche will commence on 11 May, end no later than 25 July 2023 and is subject to authorisation from the annual general meeting on 10 May 2023.

The first tranche of the share buy-back programme for 2023 was completed on 20 March 2023 with a total value of USD 1 billion.

All share buy-back amounts include shares to be redeemed by the Norwegian State.

OUTLOOK

- **Organic capital expenditures*** are estimated at USD 10-11 billion for 2023, and at an annual average of around USD 13 billion for 2024-2026[1].
- **Production** for 2023 is estimated to be around 3% above 2022 level [6].
- Equinor's ambition is to keep the **unit of production cost** in the top quartile of its peer group.
- **Scheduled maintenance activity** is estimated to reduce equity production by around 45 mboe per day for the full year of 2023.

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. Deferral of production to create future value, gas off-take, timing of new capacity coming on stream and operational regularity and levels of industry product supply, demand and pricing represent the most significant risks related to the foregoing production guidance. Our future financial performance, including cash flow and liquidity, will be affected by the extent and duration of the current market conditions, the development in realised prices, including price differentials and other factors discussed elsewhere in the report. For further information, see section Forward-looking statements.

References

To see end notes referenced in main table and text please download our complete report from our website - https://www.equinor.com/quarterlyreports

Further information from:

Investor relations
Bård Glad Pedersen, Senior vice president Investor relations, +47 918 01 791 (mobile)

Press
Sissel Rinde, vice president Media relations, +47 412 60 584 (mobile)

[1] USD/NOK exchange rate assumption of 10.