

FINANCIAL RESULTS

Q4 2019

CEO Christian Rynning-Tønnesen

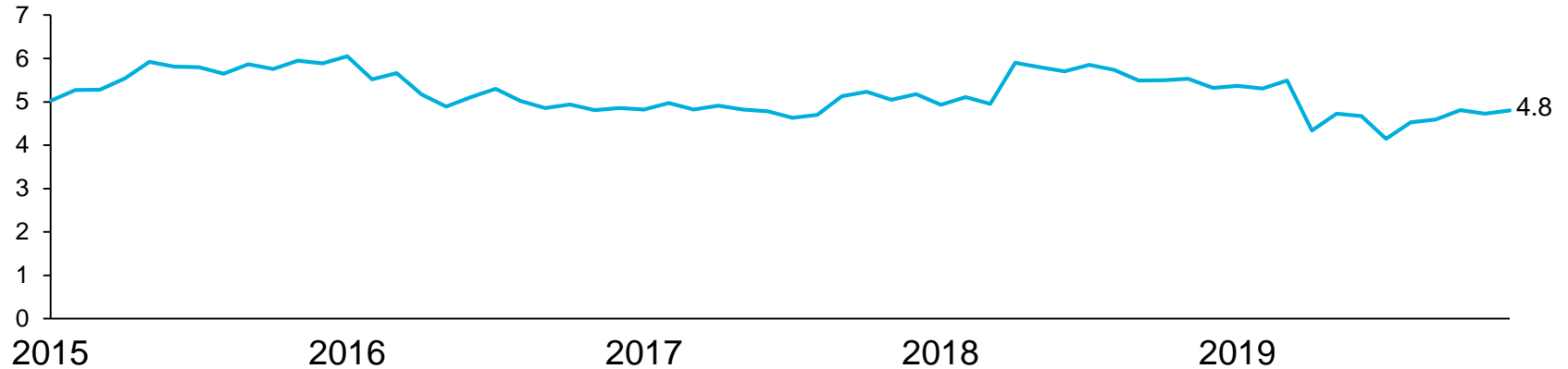
CFO Anne Harris

13 February 2020



Health, safety and environment

TRI-rate¹



- ▶ Health and safety
 - One fatal accident in January 2020
 - No serious injuries reported in the quarter
- ▶ Environment
 - No serious environmental incidents in the quarter

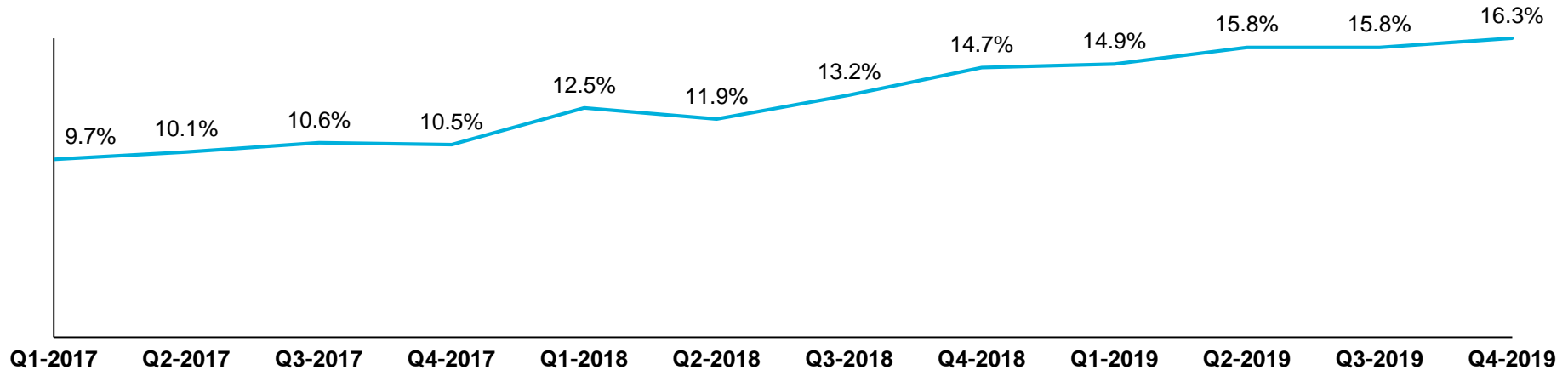
¹TRI rate (12 months rolling): Total recordable injuries per million hours worked

Key figures

NOK million	Q4 2019	Q4 2018	The year 2019	The year 2018
Operating profit/loss (EBIT) underlying	5 640	4 884	17 587	14 953
Net profit	3 796	1 572	11 327	13 390

- ▶ All-time high underlying EBIT in 2019
- ▶ Net profit of NOK 3.8 billion
- ▶ NOK ~ 6.5 billion in proposed dividend

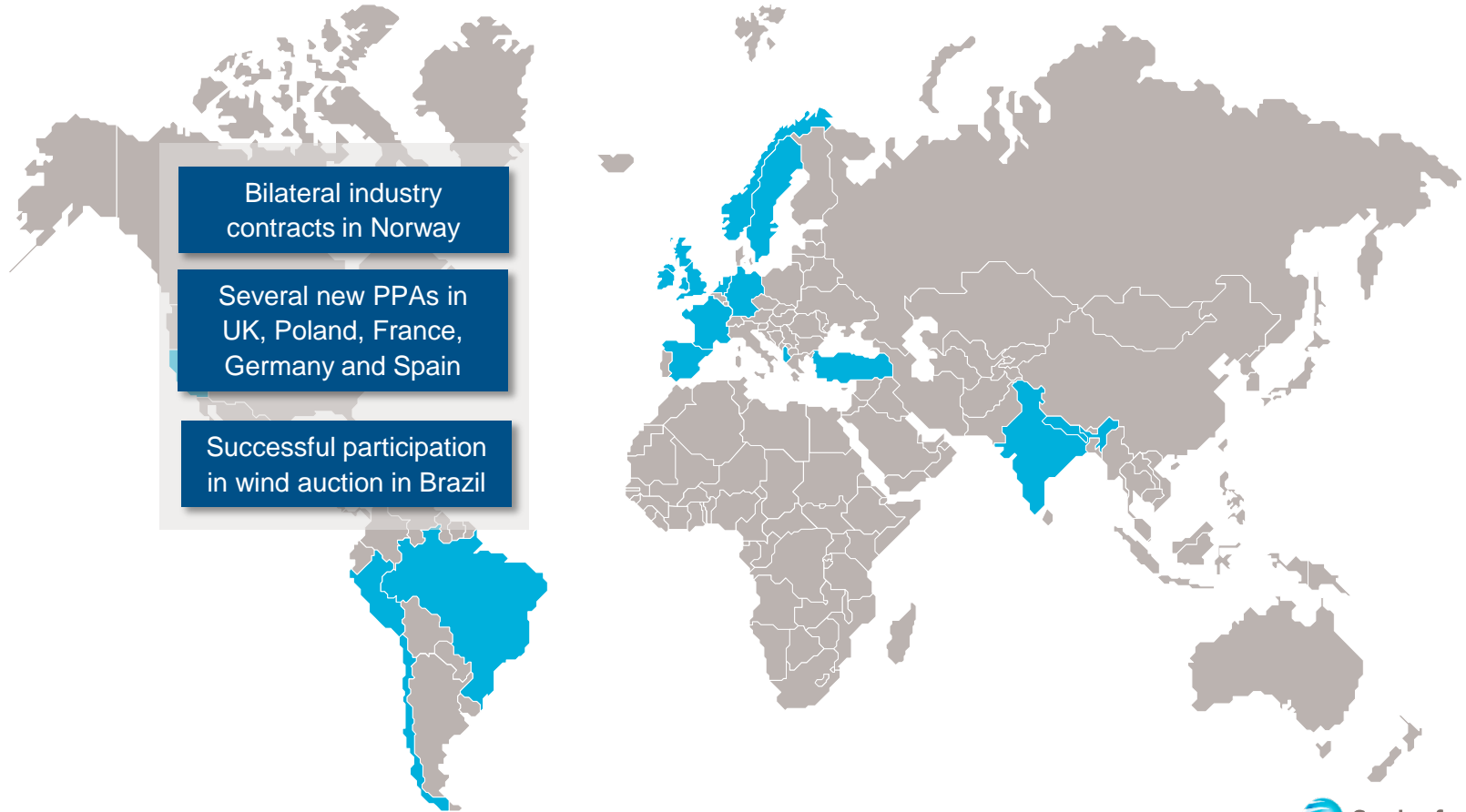
Financial performance



- ▶ 12 months rolling ROACE of 16.3%
 - Average capital employed up 6% compared with year-end 2018.

Growth in PPA portfolio

Revenues secured through long term industry contracts and auction



Delivering on our strategy

OPTIMISE AND EXPAND HYDROPOWER PORTFOLIO



- NOK 2 billion of annual reinvestments in Nordic hydropower and grid
- Decided to construct Los Lagos hydropower plant in Chile
- Completed the Moglice dam in Albania

RAMP UP AS WIND AND SOLAR DEVELOPER



- Two new wind farms in the Fosen project in full production
- Completing Kilathmoy wind farm and battery project
- Acquisition of 326 MW solar power portfolio in Ireland
- Acquisition of wind power projects in Chile
- Acquisition of 664 MW wind power portfolio in Brazil and successful participation in wind auction

GROW THE CUSTOMER BUSINESS



- Virtual power plant in the UK opened
- New long term power agreement with Alcoa, Borregård and Wacker Chemicals in Norway
- New PPAs in several European countries
- Acquisition of EV charging companies in Germany and Norway

DEVELOP NEW BUSINESS INITIATIVES



- Development of pilot plant for advanced biofuels in Norway
- Several venture investments
- Business development within hydrogen solutions
- Facilitating for Google data centre in Norway

Outlook



Songavatn, Norway

Unique assets

- ▶ Europe's largest reservoir capacity and flexible power plants
- ▶ Long term revenue optimisation and replacing long-term bilateral contracts

Solid competitive position

- ▶ Solid financial position
- ▶ Strong cost position in European hydropower
- ▶ Building scale in core markets

Strong organisational culture

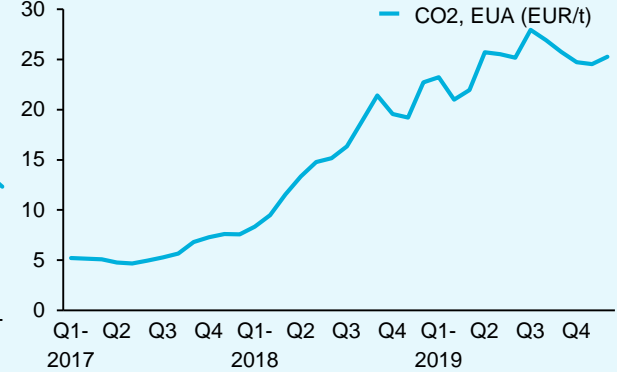
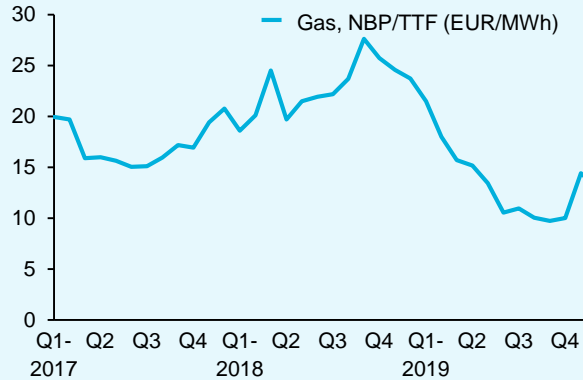
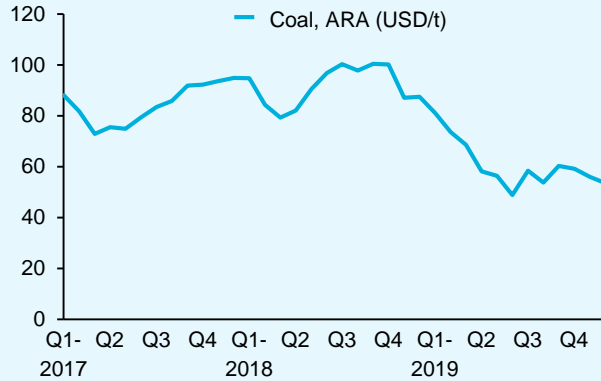
- ▶ Solid competence base and highly motivated employees
- ▶ Commitment to act in an ethical and socially responsible manner a foundation for all activities

Key figures

NOK million	Q4 2019	Q4 2018	The year 2019	The year 2018
Net operating income underlying	9 484	8 108	30 161	26 925
Operating profit/loss (EBIT) underlying	5 640	4 884	17 587	14 953
Net profit	3 796	1 572	11 327	13 390

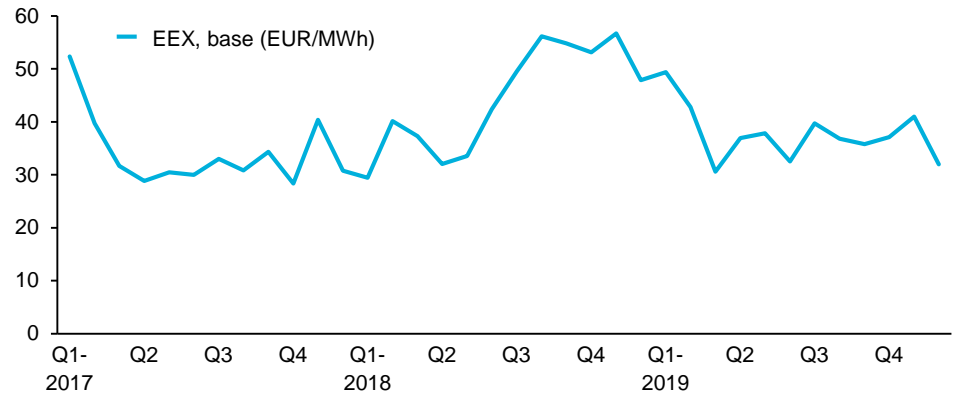
- ▶ Nordic prices measured in EUR down 19% Q-on-Q
- ▶ Overall generation up 11% Q-on-Q
- ▶ Underlying EBIT in Q4 2019 increase to NOK 5640 million

Price drivers and the German power market

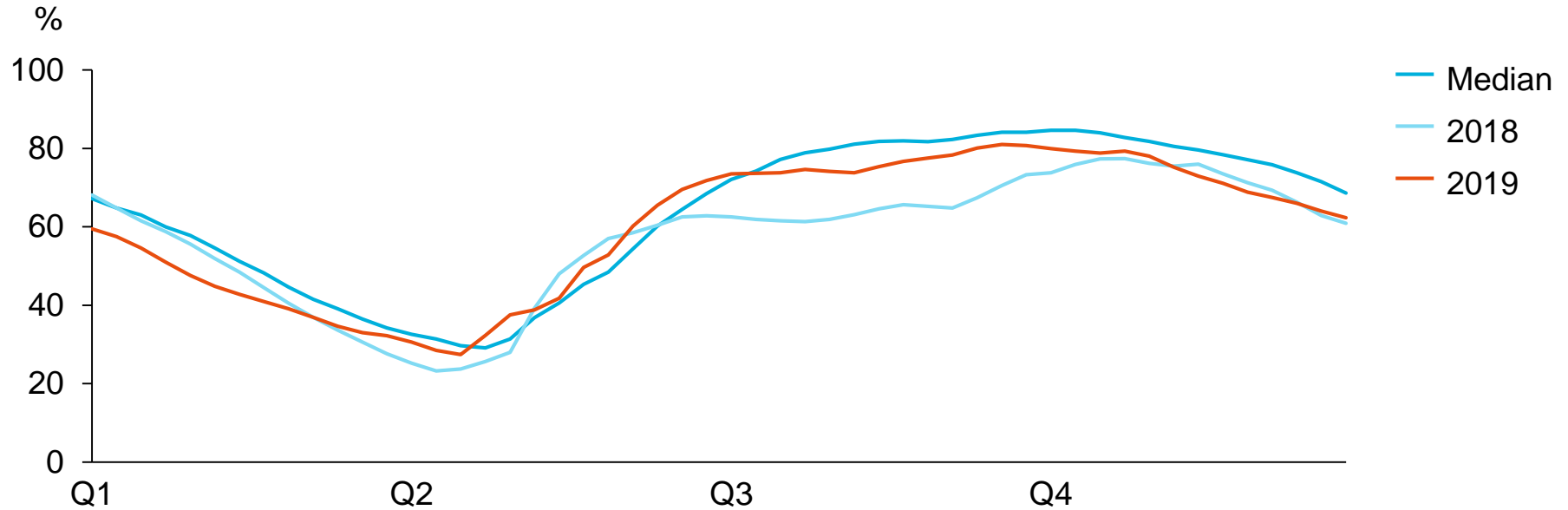


Q4 2019 vs. Q4 2018

- ▶ Coal price significantly down
- ▶ Gas price significantly down
- ▶ CO₂ price significantly up
- ▶ German power price (base) down 30%



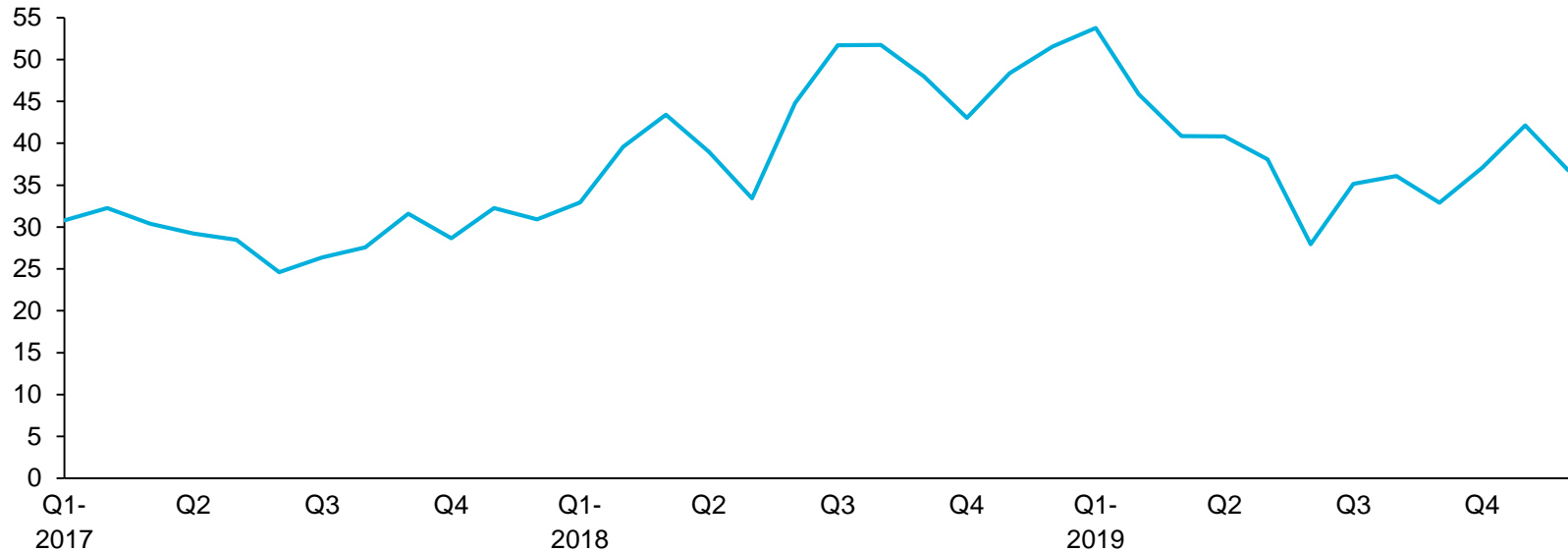
Nordic reservoir level



- ▶ Reservoir levels below normal throughout Q4
- ▶ Nordic reservoir level (total market) at 91% of median at the end of 2019

Nordic system price, monthly average

EUR/MWh

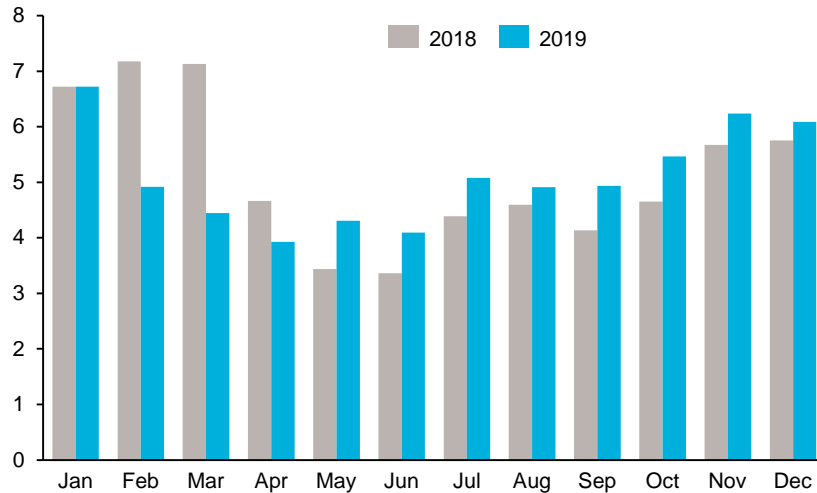


- ▶ Nordic power prices 38.7 EUR/MWh, down 19% Q4 2019 vs. Q4 2018

Energy management

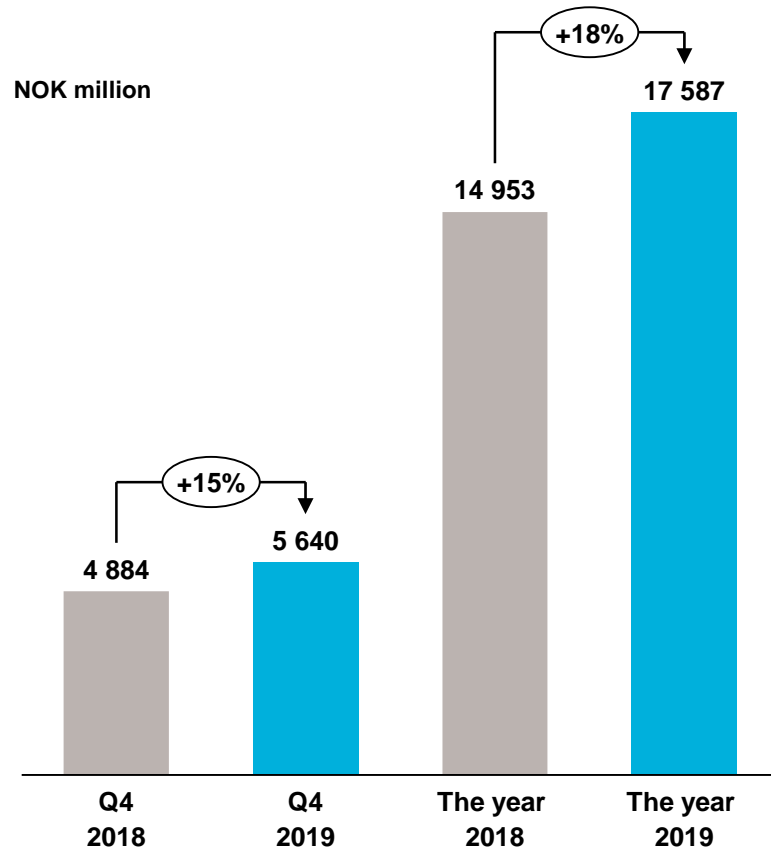


Dörverden hydropower plant, Germany



Generation volumes per technology					
	Q4			2019	
	2019	2018	Δ	2019	2018
Hydropower	15.5	14.5	1.0	53.4	57.2
Wind power	0.9	0.9	0.0	3.0	2.7
Gas power	1.4	0.7	0.7	4.5	1.5
Other	0.1	0.1	0.0	0.3	0.3
Total	17.8	16.1	1.7	61.1	61.7

NOK 5.6 billion in underlying EBIT



- ▶ Underlying EBIT up NOK 756 million Q-on-Q
 - Net operating income up NOK 1376 million
 - Operating expenses up NOK 620 million

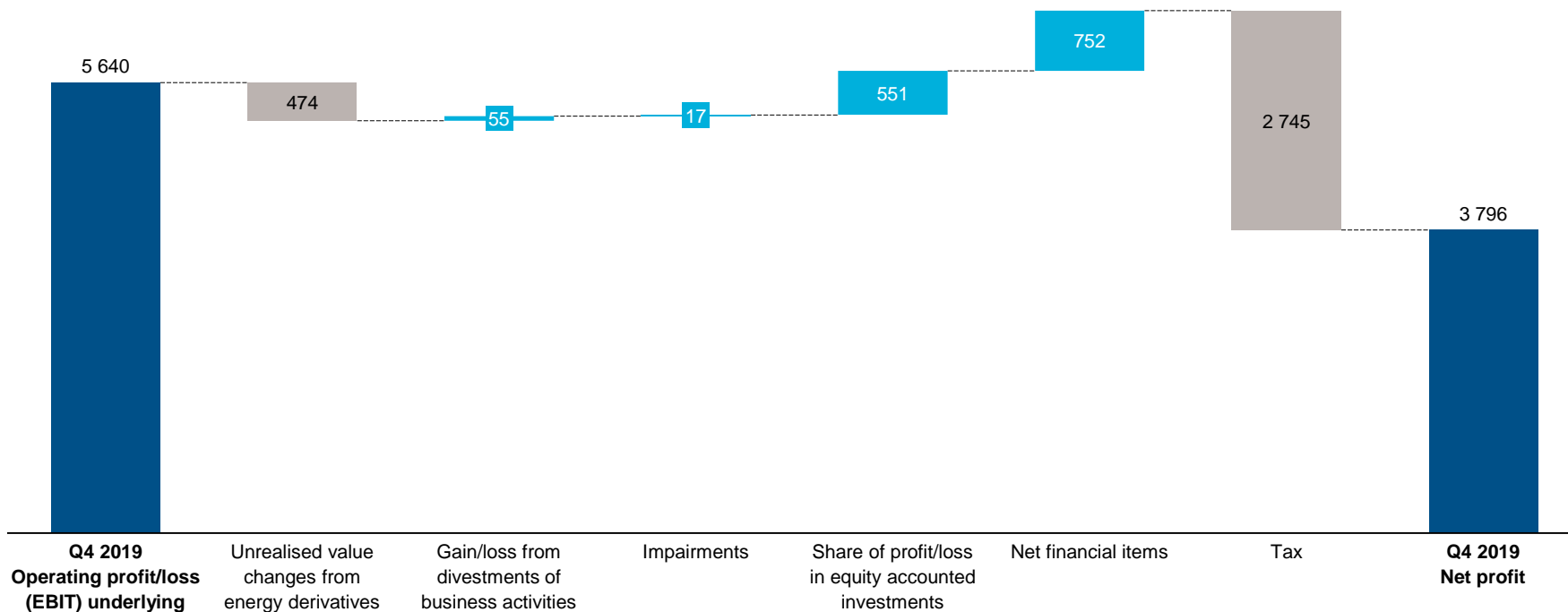
- ▶ Underlying EBIT up NOK 2 635 million Y-on-Y
 - Net operating income up NOK 3236 million
 - Operating expenses up NOK 601 million

Financial items

Financial items					
	Quarter			Full year	
NOK million	2019	2018	Δ	2019	2018
Interest income	92	112	-20	440	404
Interest expenses	-145	-240	94	-669	-905
Net currency effects	156	-1 753	1 909	132	-464
Other financial items	650	-5	655	829	5 377
Net financial items	752	-1 885	2 637	733	4 412

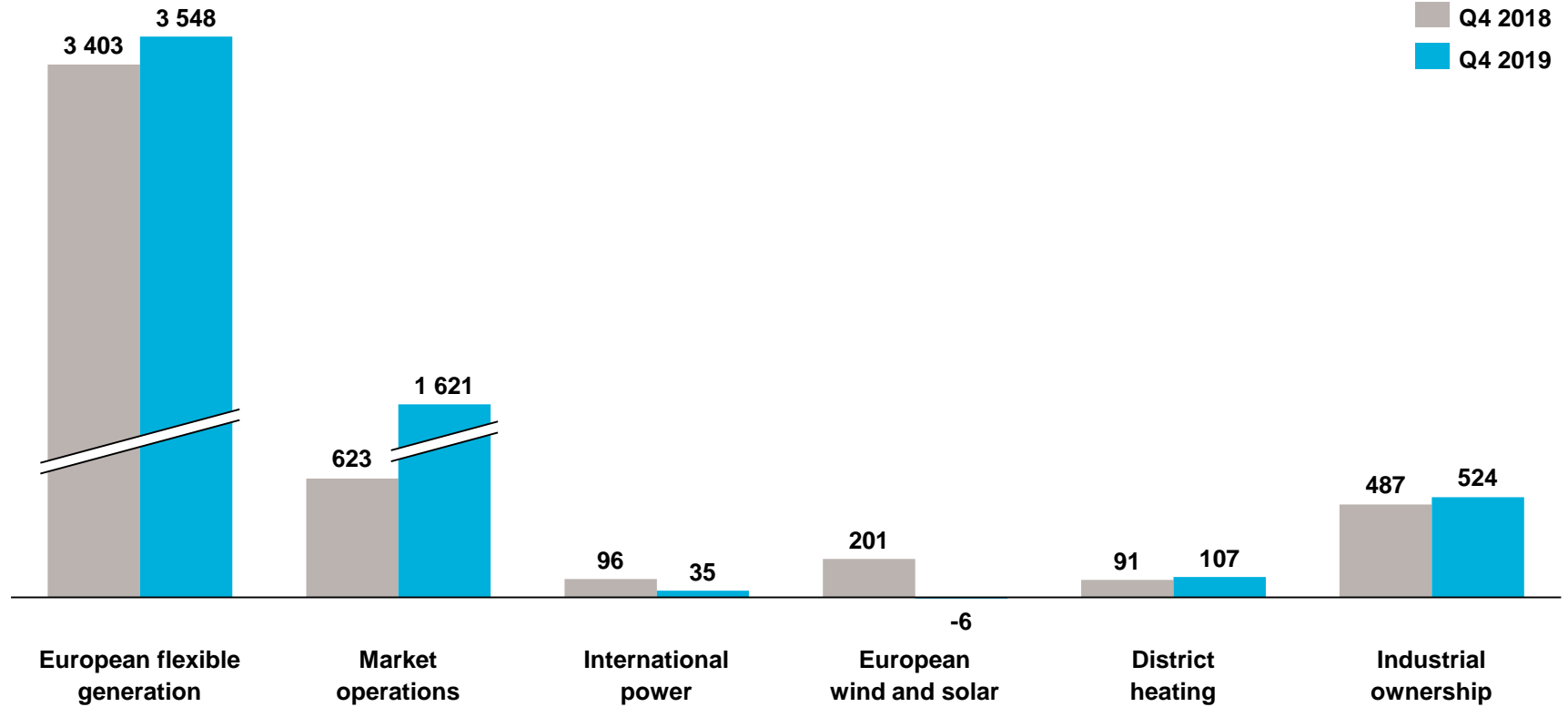
Q4 net profit breakdown

NOK million

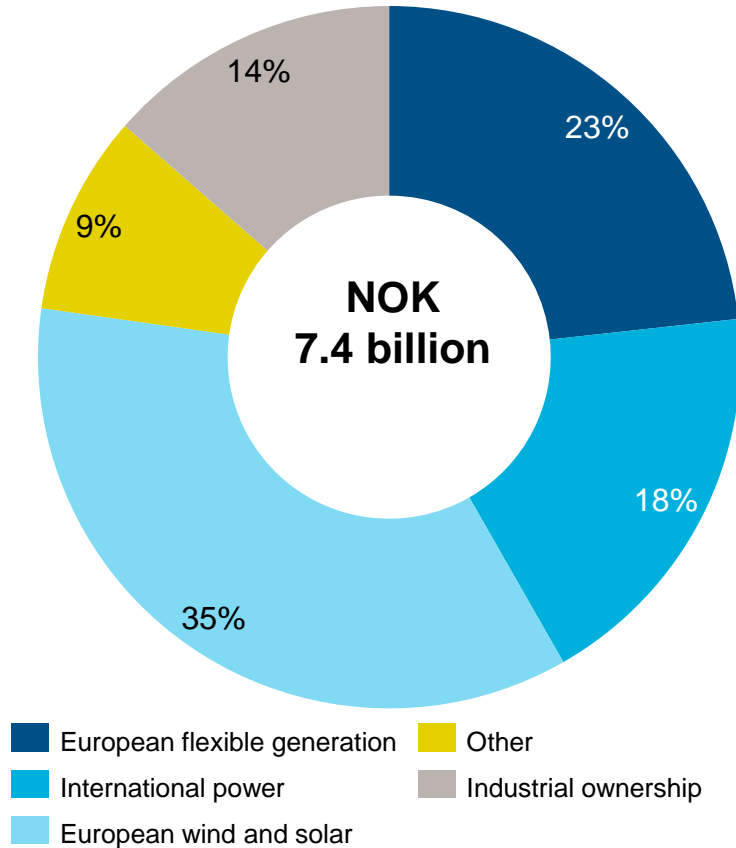


Q4 segment EBIT underlying

NOK million



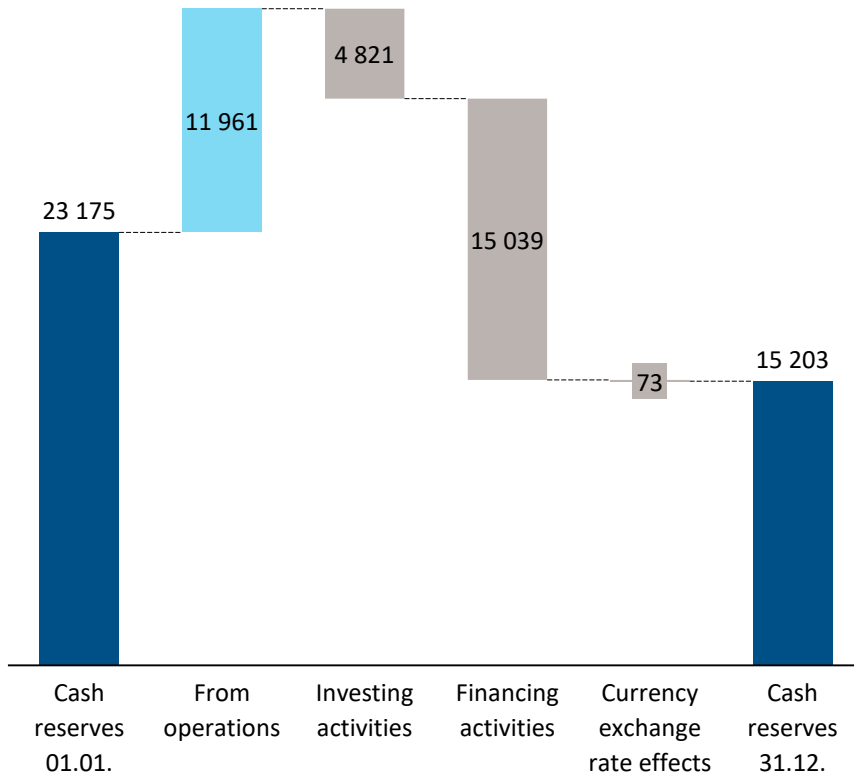
2019 capital expenditure¹



- ▶ Distribution of CAPEX in the quarter:
 - 50% new capacity investments
 - 37% maintenance/other investments
 - 13% shareholdings
- ▶ New hydropower capacity under construction in Albania and India
- ▶ Wind power at Fosen in Norway
- ▶ Maintenance primarily related to Nordic hydropower
- ▶ Shareholdings primarily related to a wind project portfolio in Brazil, EV-charging companies and companies within wind and solar

2019 Cash flow and financial position

NOK million



- ▶ NOK 16 billion in net interest-bearing debt (NOK 13 billion end of 2018)
- ▶ Net interest-bearing debt-equity 13.7%
- ▶ Current ratings provide a framework for our investments going forward

Summary



Smøla wind farm, Norway

- ▶ Solid underlying performance
- ▶ Robust financial position
- ▶ Solid foundation for growth phase
- ▶ Investment plan with large degree of flexibility

THANK YOU

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