



# Results for Q4 and the year 2021

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CEO CHRISTIAN RYNNING-TØNNESEN  
CFO ANNE HARRIS

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# Fourth quarter and full-year summary

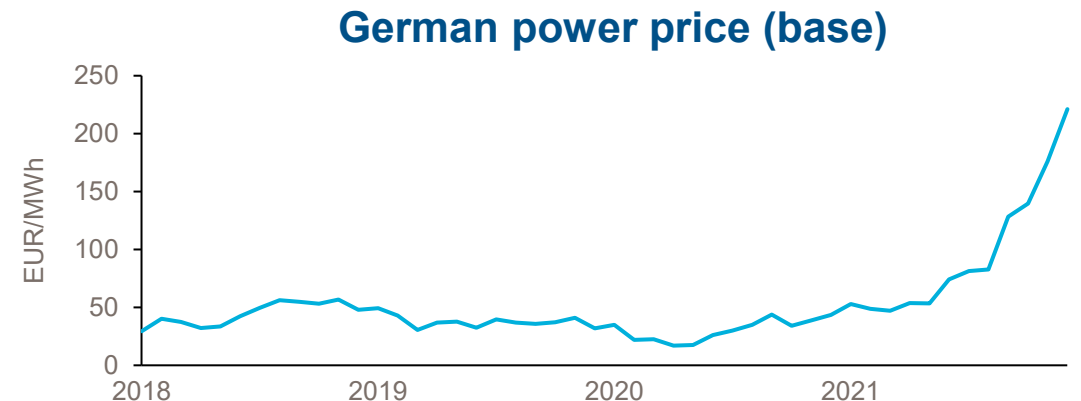
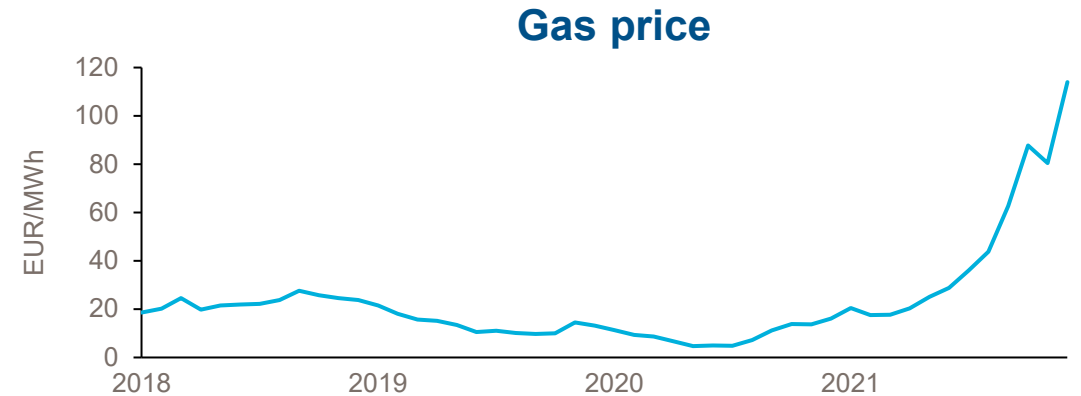
	Safety	Underlying EBIT	Net profit	Climate action
Q4	TRI: 3.6 1 serious incident	9.3 BNOK	3.9 BNOK	80 MW new renewable projects
The year	TRI: 3.6 7 serious incidents	26.8 BNOK	16.1 BNOK	727 MW new renewable projects

- **Solid underlying EBIT**
  - Driven by high Nordic power prices and Norwegian hydropower generation
  - Extraordinary market situation in the second half of 2021
- **High value creation** for society
- **New wind and solar projects**, supporting UN sustainable development goal 13 on climate action
- Significant **investments in Norwegian hydropower** continues to be prioritised

<sup>2</sup> TRI (Total recordable injuries rate): 12-months rolling

# Extraordinary market situation

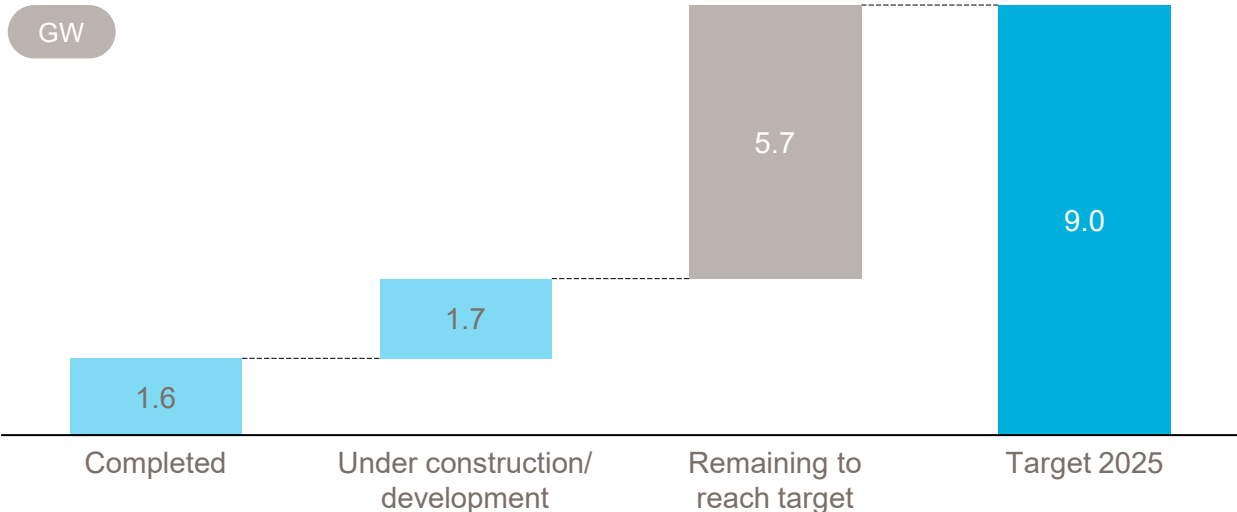
- Challenging situation for both households and industry
- Global electricity demand increased by 6% last 12 months
- Shortage on gas storage in Europe due to supply chain disruption
- Extreme increase in gas, coal and CO<sub>2</sub> prices in second half of 2021
- Increased energy prices has impacted Statkraft;
  - Significant contribution from flexible assets in Europe
  - Losses from dynamic asset management portfolios in Market operations



# Growth target for new capacity – status 2021

- Investment decisions for 727 MW new wind and solar capacity in Spain, Netherlands, Ireland, Brazil, Chile and India
- Acquisition of a 346 MW wind portfolio in Germany and France
- Divested 544 MW wind and solar. Proceeds to be reinvested in new renewables.

## 9 GW new capacity to be developed by 2025



On track to meet the target to develop 9 GW by 2025 – followed by a development rate of 2.5 – 3.0 GW annually

Status at the end of 2021

- 1.6 GW completed
- 1.7 GW under construction/development

0.5 GW of the new capacity has been divested

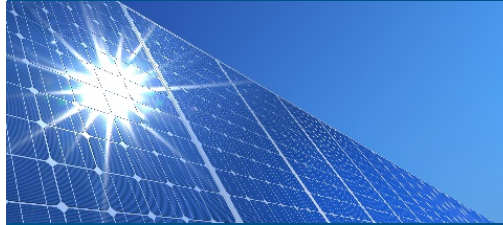
# Statkraft delivered on the strategy in 2021

## OPTIMISE & EXPAND HYDROPOWER PORTFOLIO



- Nordics: Continued hydropower investments of NOK 2 billion per year
- Nordics: Reinvestment and upgrading of hydropower fleet
- Progress on two major construction projects, Los Lagos and Tidong hydropower projects in Chile and India
- Won award for revegetation work at two dams in Norway

## RAMP UP AS WIND AND SOLAR DEVELOPER



- Norway: Entered two different partnerships to develop offshore wind in the North Sea
- Germany & France: Acquisition of wind power portfolio
- Divestment of wind and solar parks
- Started construction of wind and solar farms in Spain, Brazil, Chile, India
- Auction wins in Brazil and Chile

## GROW OUR CUSTOMER BUSINESS



- Norway: New power sales agreements with industry
- New power purchase agreements (PPAs) and market access agreements reached in Germany, France, the UK, Finland, Spain and India
- 167 new short-term fixed price PPAs signed in Germany in Q4
- Norway: Expansions of district heating pipelines and assets

## DEVELOP NEW BUSINESS INITIATIVES



- Norway: Expansion of green hydrogen and ammonia business development. Biofuel pilot completed
- Mer launch and expansion in Norway, Sweden, UK and Germany
- Ireland: Kelwin-2 battery storage went operational
- Investments in start-ups via Statkraft Ventures

# Nordic hydropower at the core of our business



30 dam refurbishment projects  
planned for the period 2021 - 2029

**2.0**  
BNOK/year  
investments in  
Nordic hydropower



Major investments in Kvilldal, Sima and  
Rana increasing capacity and improving  
efficiency and flexibility.

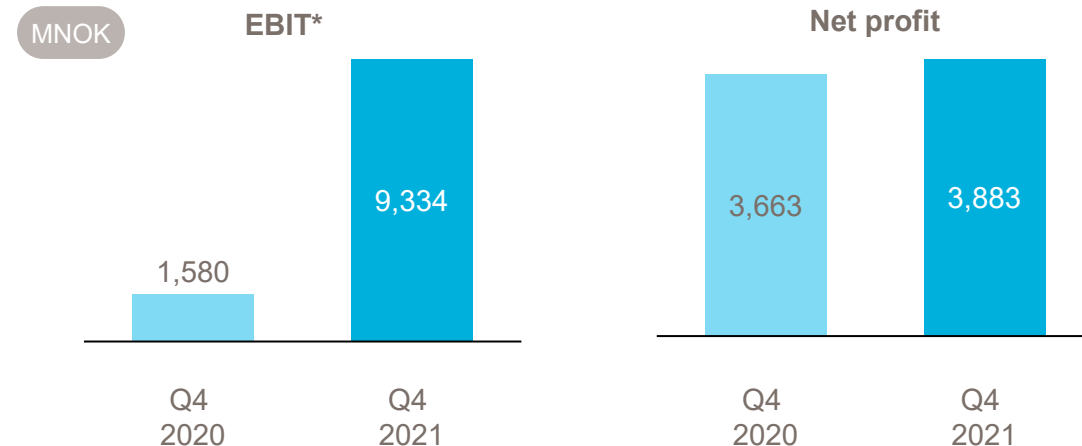
# Statkraft is uniquely positioned in the energy transition

- **Strong asset base**
- **Solid competence base** and highly motivated employees
- Continues to **develop and deliver renewable energy projects** to reach growth targets
- **Robust financial position** enables further growth



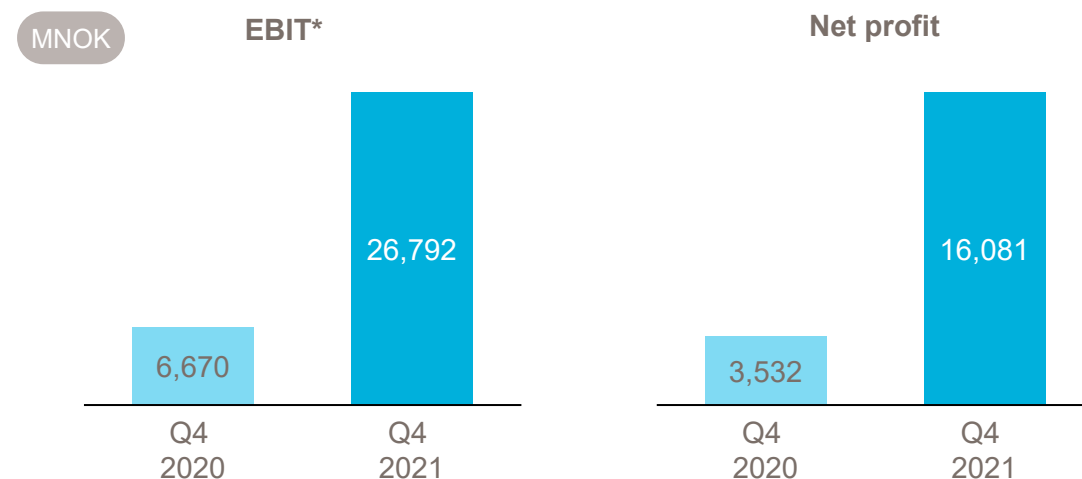
# Key financial figures

## Quarter



- **High EBIT\*** driven by
  - Very high power prices
  - High Norwegian hydropower generation
- **Net profit** slightly up Q-on-Q

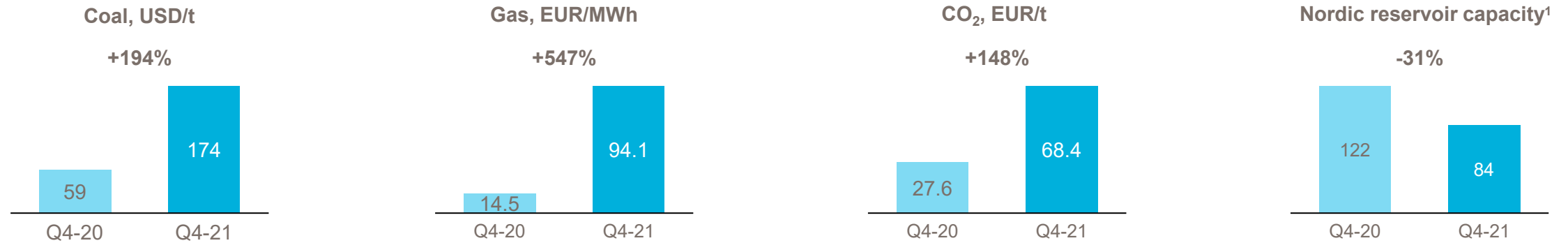
## The year



- **Strong EBIT\*** driven by the same factors as for Q4
- **Solid net profit**
  - Reversal of impairments
  - Gains from divestments
  - High tax expense

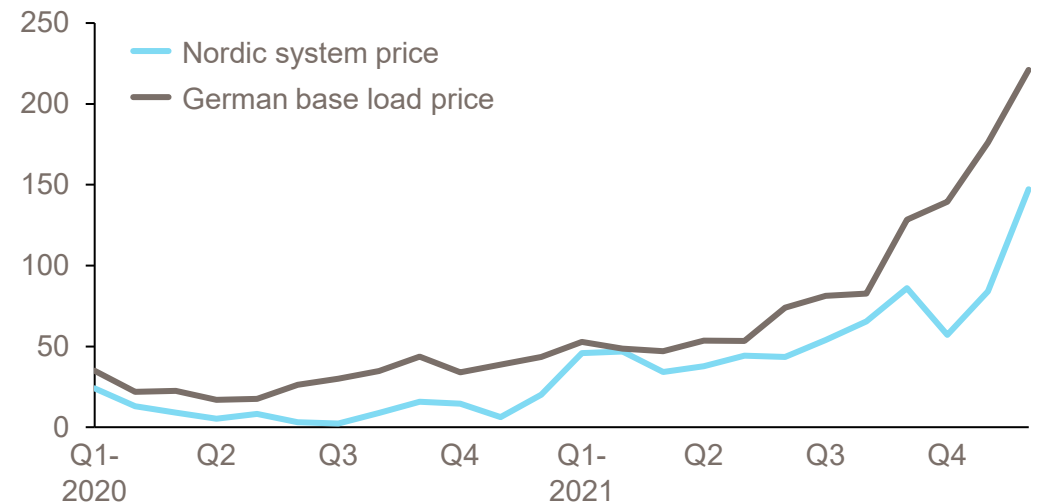


# Volatile energy market with high prices



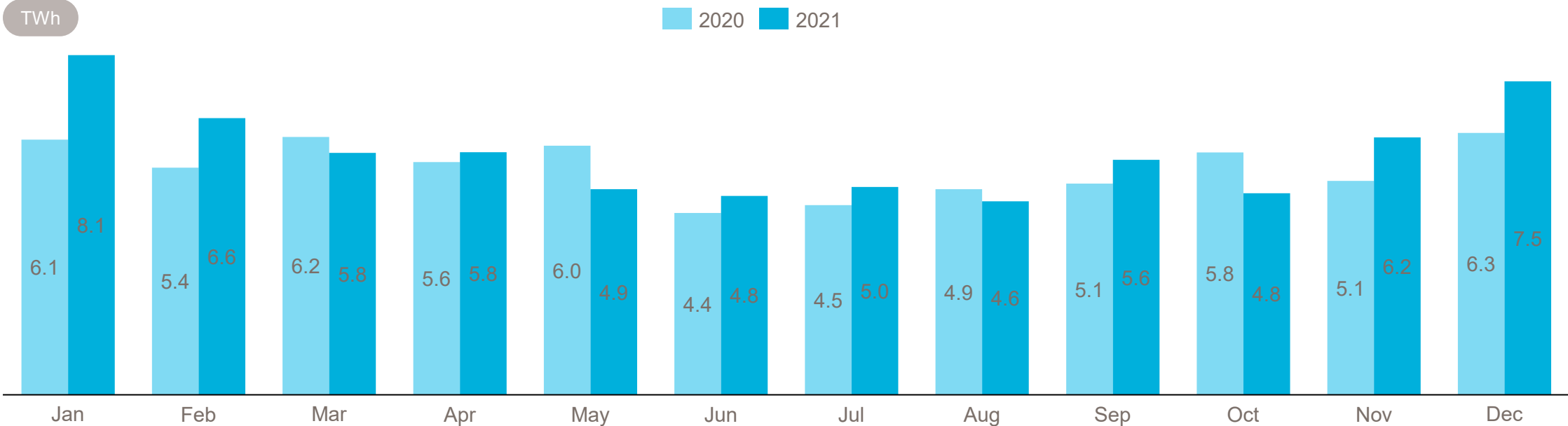
- Factors impacting power prices:
  - Gas, coal and CO<sub>2</sub> prices
  - Low reservoir level in the Nordics
  - Higher power demand across Europe

**Average quarterly Nordic system price was 96.1 EUR/MWh, up 82.4 EUR/MWh Q-on-Q**



<sup>9</sup> <sup>1</sup> Nordic reservoir capacity in percent of median.  
Sources: Nord Pool, European Energy Exchange.

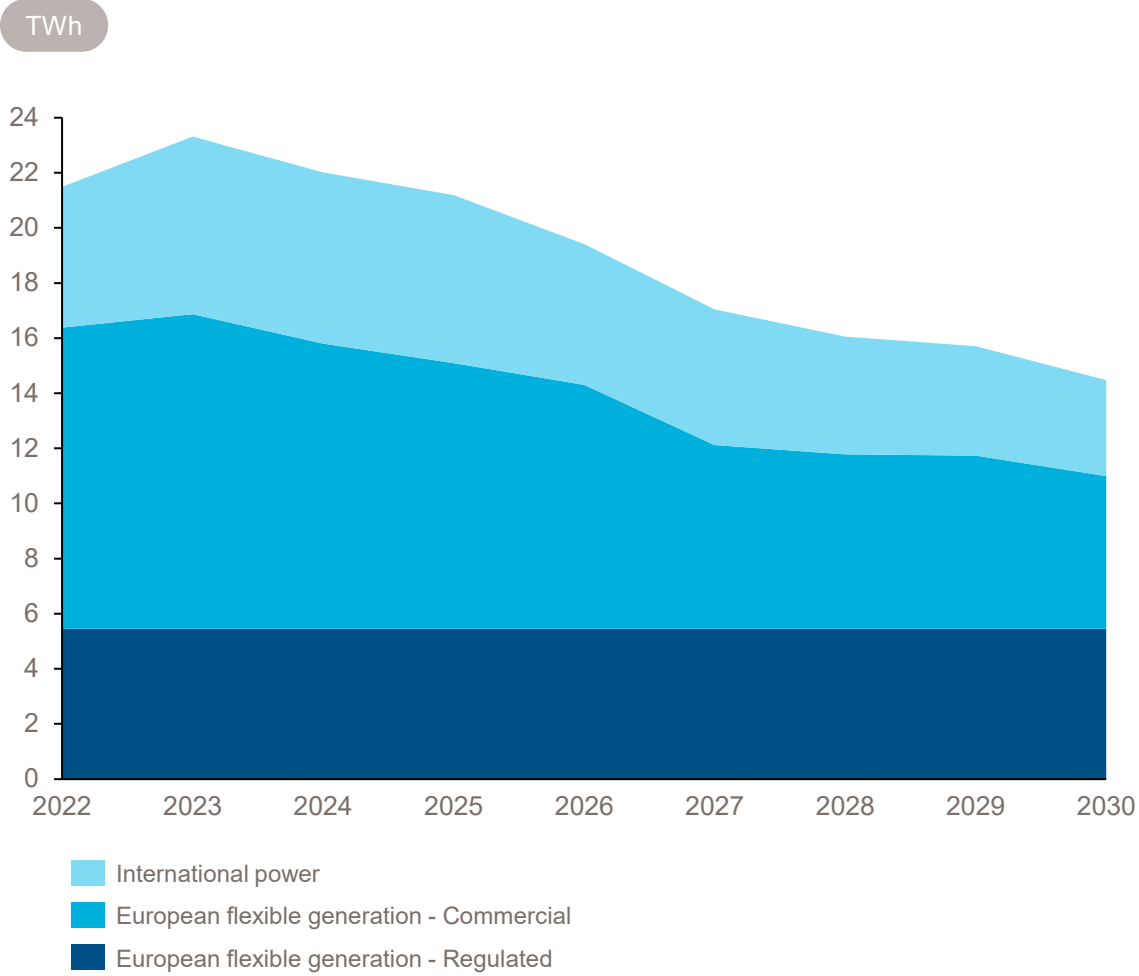
# Generation



- Total power generation up 8% to 18.5 TWh
  - Hydropower generation up 1.7 TWh to 16.8 TWh
  - Wind power generation stable at 1.3 TWh
  - Gas-fired power generation down 0.4 TWh to 0.4 TWh

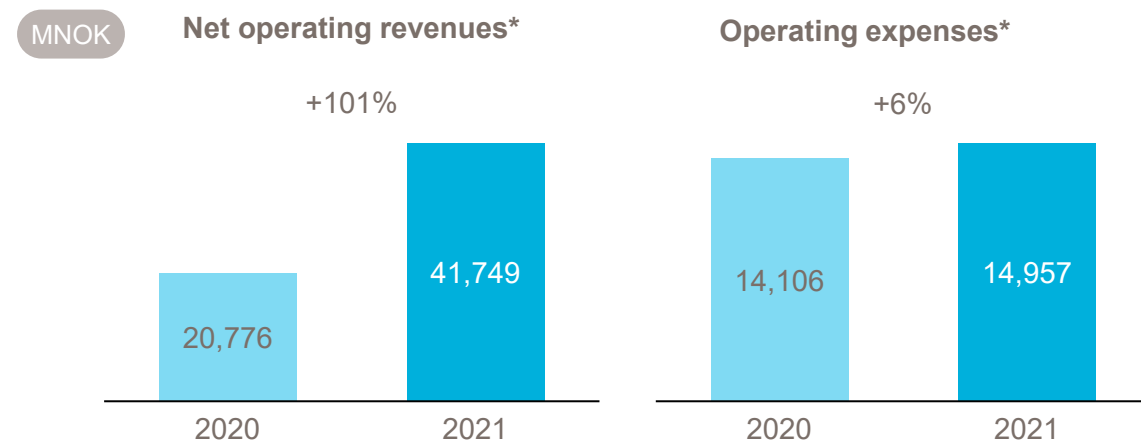
# Hedging

- Includes several new long-term industry contracts in Norway.
- Approx. 1/3 of total generation is hedged for the next years.
- The estimated effect in Q4 of the long-term commercial contracts and financial hedging in European flexible generation was approximately -3.6 BNOK.



# Revenues and cost development

## The year

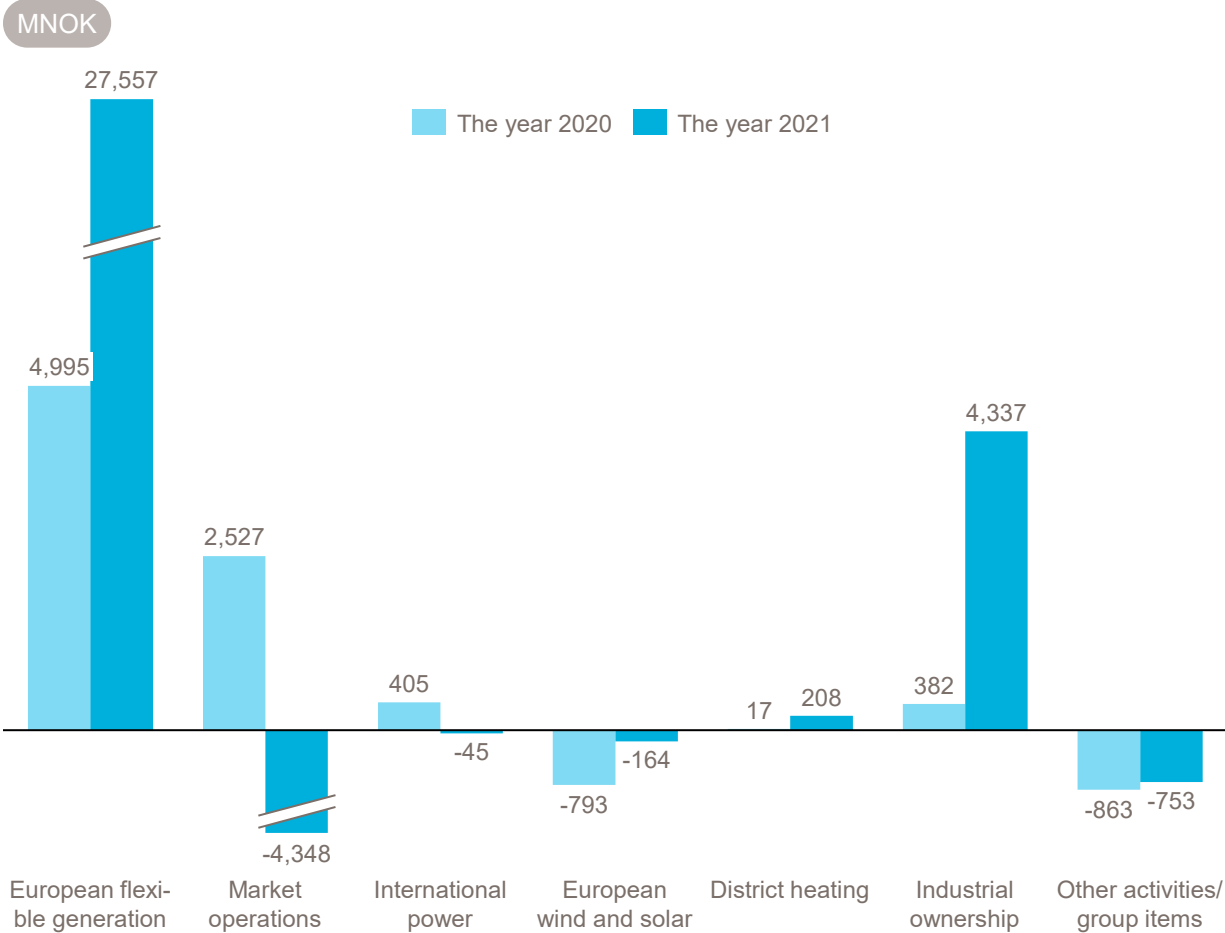


- Net operating revenues increased driven by
  - Very high Nordic power prices
  - High Norwegian hydropower generation
- Operating expenses increased due to
  - Higher activity level and number of full-time equivalents
  - Acquisition of new businesses

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

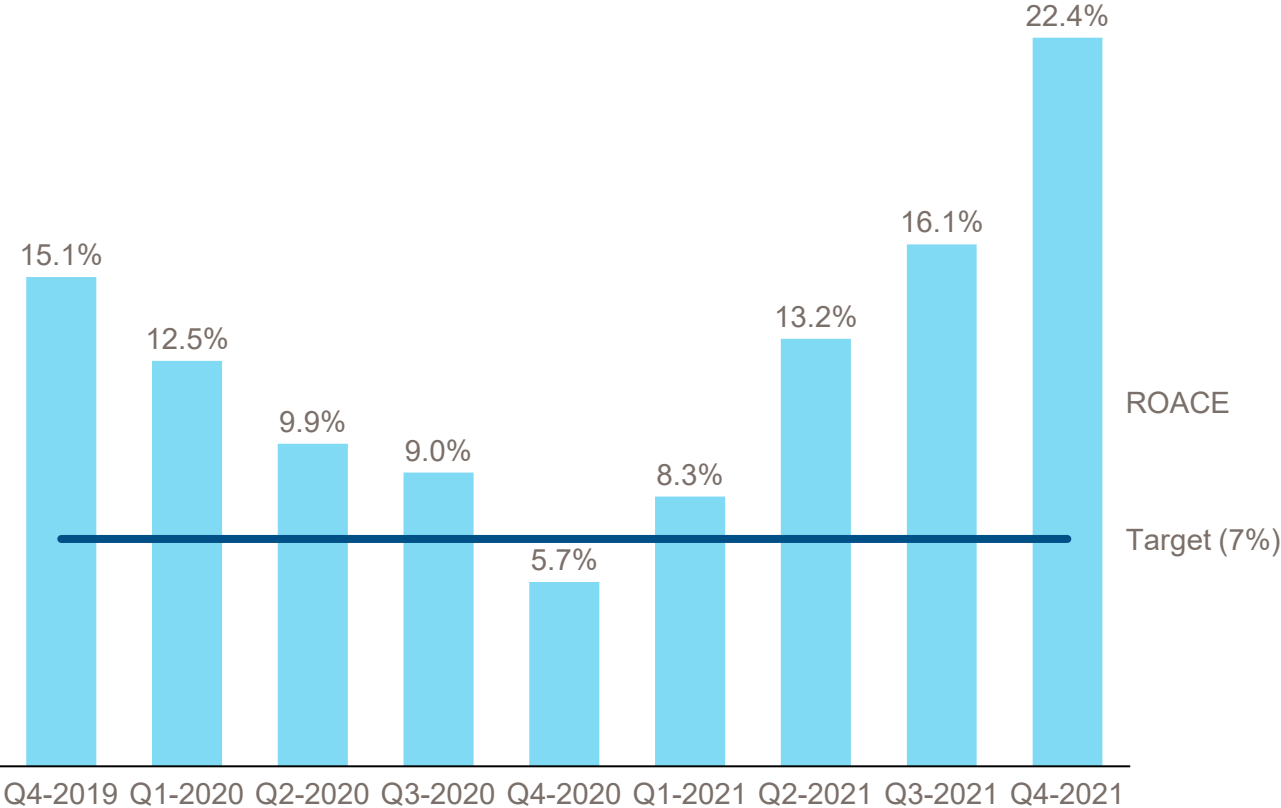
# Underlying EBIT 2021 - Segments



- Higher EBIT from European flexible generation and Industrial ownership driven by:
  - Very high Nordic spot prices
  - High Norwegian hydropower generation
- Negative EBIT from Market operations driven by:
  - Record-high prices for power and other power related commodities
  - High volatility in the forward markets
- Improved EBIT from European wind and solar driven by:
  - Higher Nordic spot prices
  - Gains from divestments

# ROACE

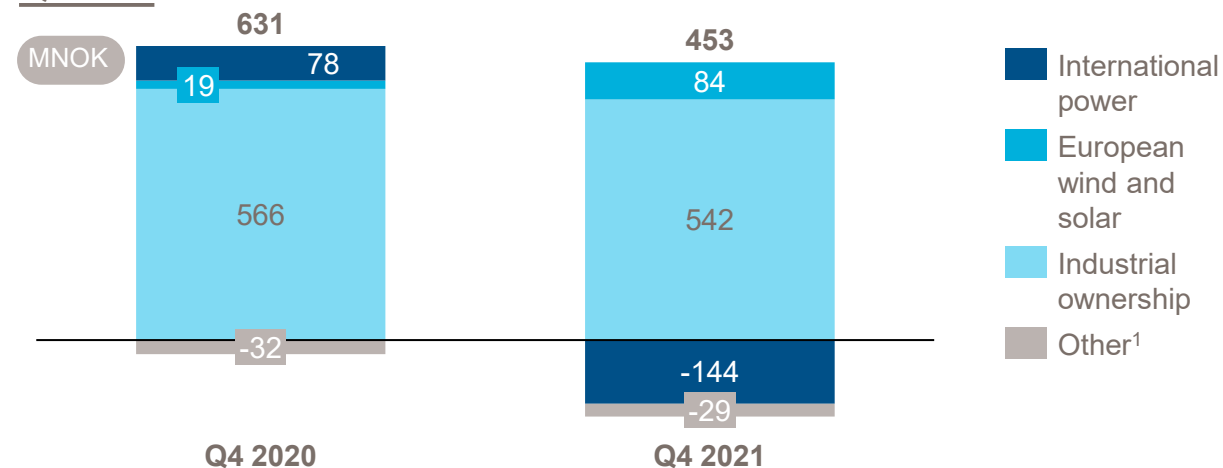
- Rolling 12 months underlying EBIT up from previous quarter following higher Nordic spot prices and Norwegian hydropower generation
- Average capital employed on par with previous periods



MNOK	Q1-2021	Q2-2021	Q3-2021	Q4-2021
EBIT, (12 months rolling)	9,796	15,529	19,038	26,792
Average capital employed	117,926	117,944	118,446	119,422

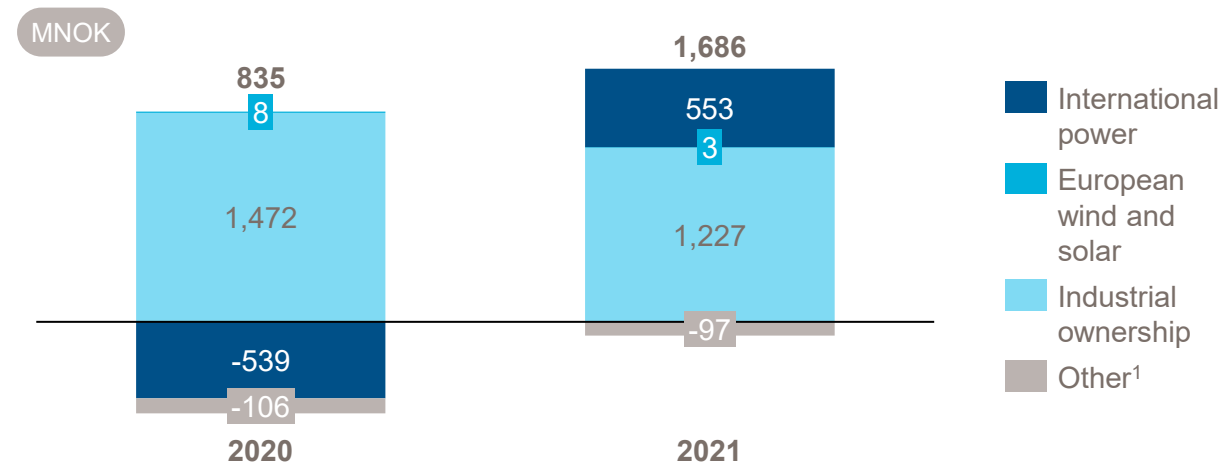
# Share of profit in equity accounted investments

## Quarter



- Main contribution from Industrial ownership (Eviny<sup>2</sup> and Agder Energi).
- Positive contribution from European wind and solar. Increase due to higher power prices.
- Negative contribution from International power due to an impairment.

## The year

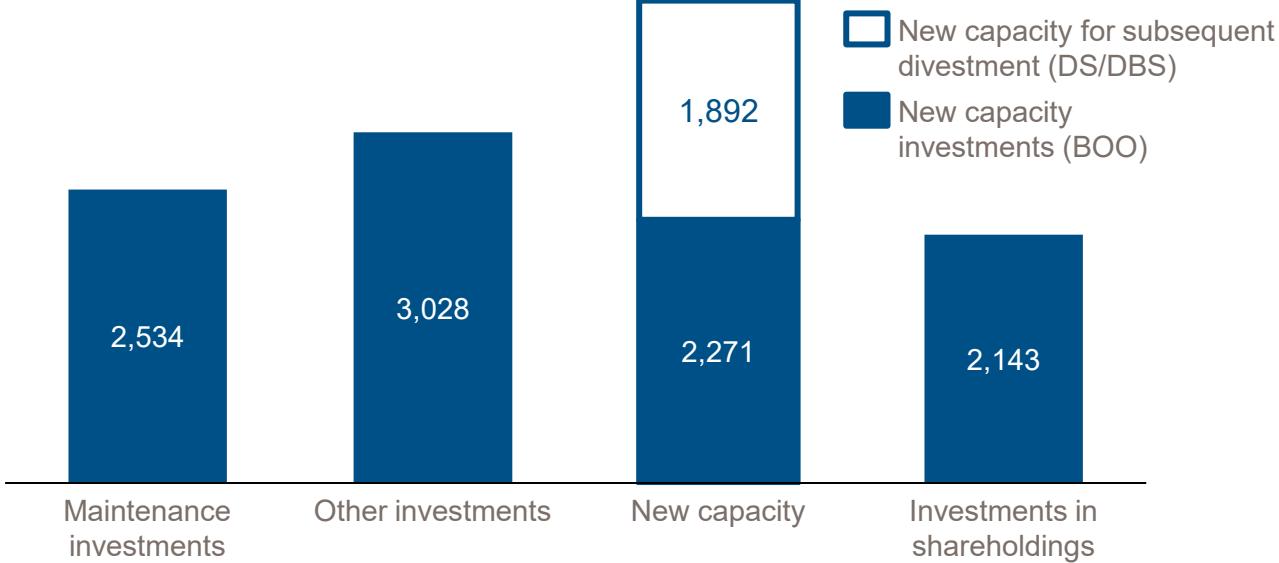
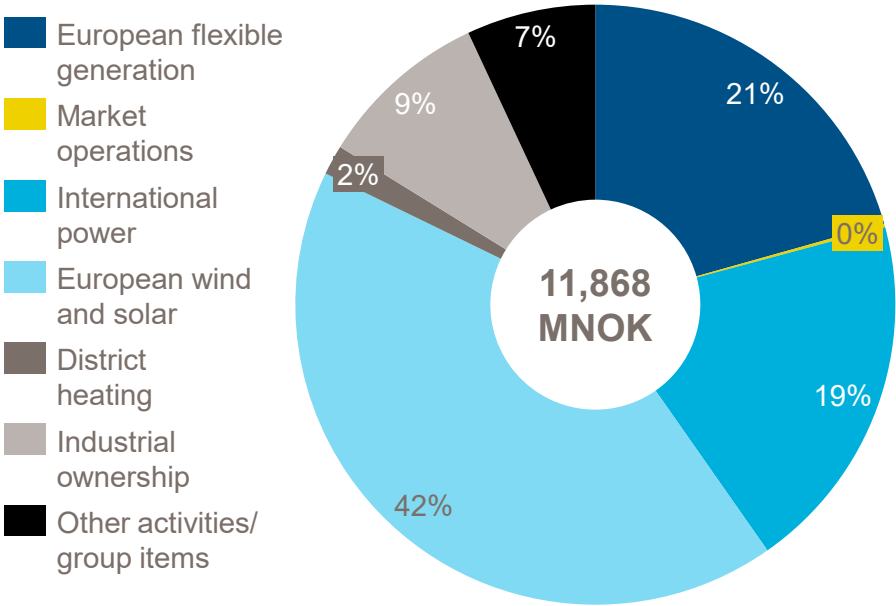


- Main contribution from Eviny and Agder Energi due to high power prices. Decrease due to gains from divestments in 2020.
- Significant contribution from International power due to reversal of impairments for hydropower assets in Asia. 2020 included impairments.

<sup>1</sup> Other includes the segments European flexible generation, Market operations and District heating as well as Other activities

<sup>2</sup> BKK has changed name to Eviny

# Investment program – 2021

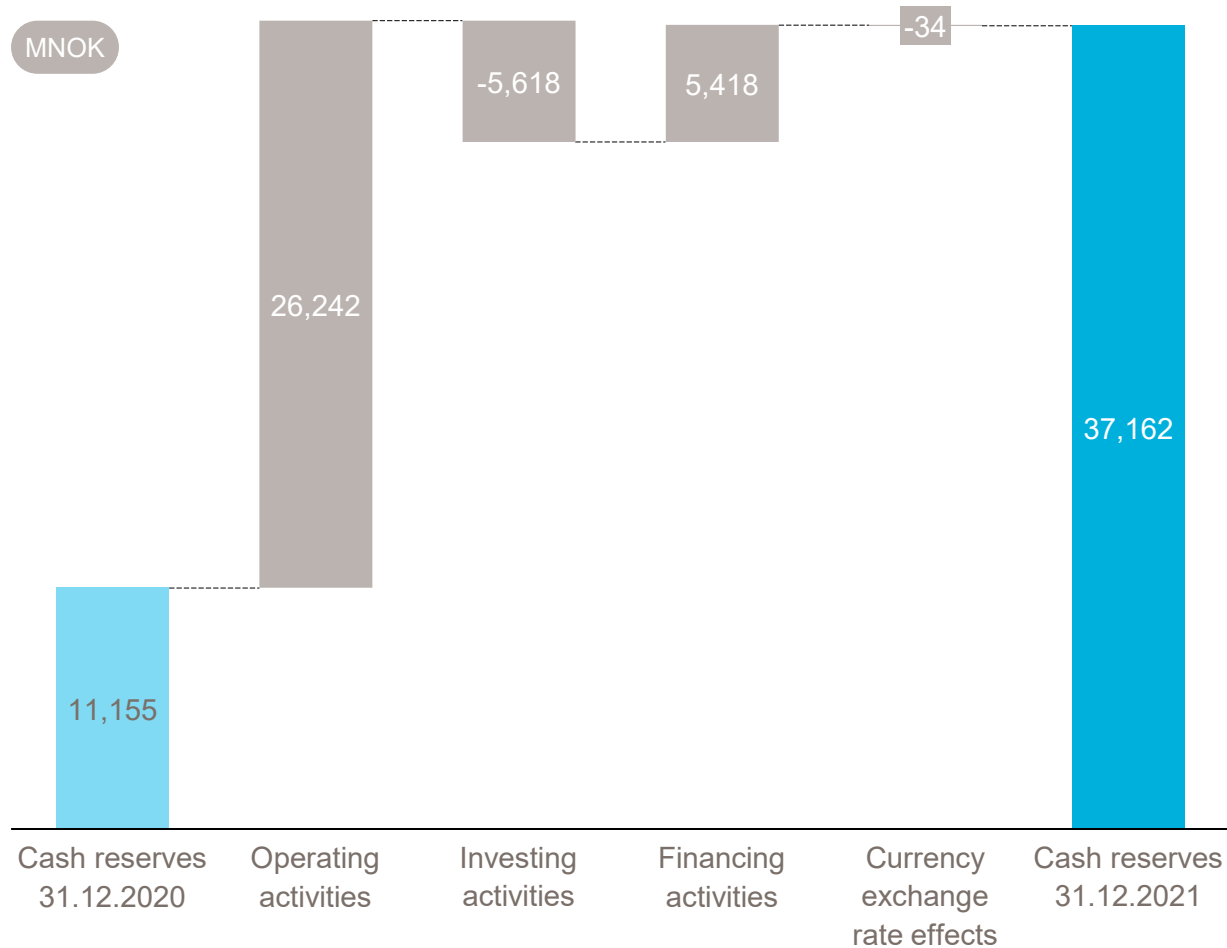


New capacity investments – Business models:  
 DS: Develop – Sell; DBS: Develop – Build – Sell; BOO: Build – Own – Operate

- Investments of NOK 11.9 billion for 2021
- Maintenance investments primarily related to Nordic hydropower
- Other investments mainly related to grid, district heating, EV charging and battery projects
- New capacity:
  - DS/DBS investments mainly wind and solar projects in Ireland, Spain and the Netherlands.
  - BOO investments primarily hydropower plants in Chile and India as well as a wind farm in Brazil.
- Investments in shareholdings mainly related to the acquisition of wind farms in Germany and France



# Cash flow 2021



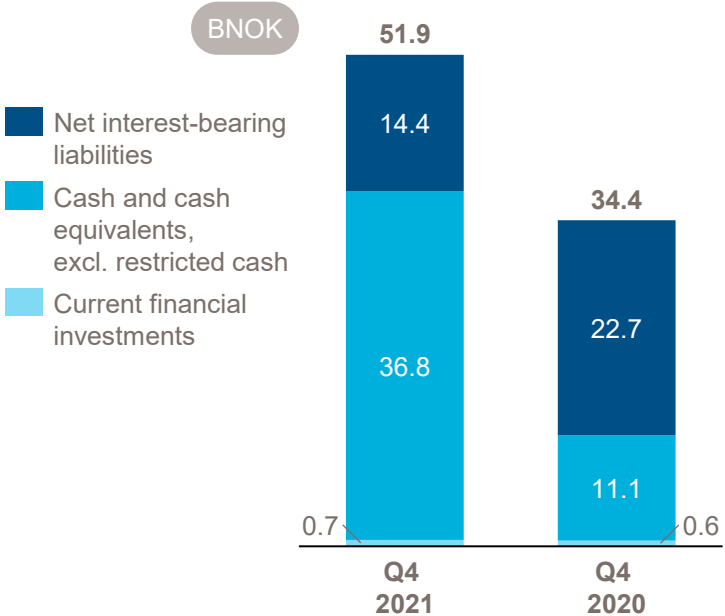
- Operating activities reflect a strong EBIT for the full year
- Investing activities mainly related to:
  - new capacity investments
  - acquisition of wind farms in Germany and France
  - partly offset by the divestment of the Roan and Andershaw wind farms
- Financing activities primarily related to new debt, partly offset by dividend paid

# Rating, debt and maturity profile

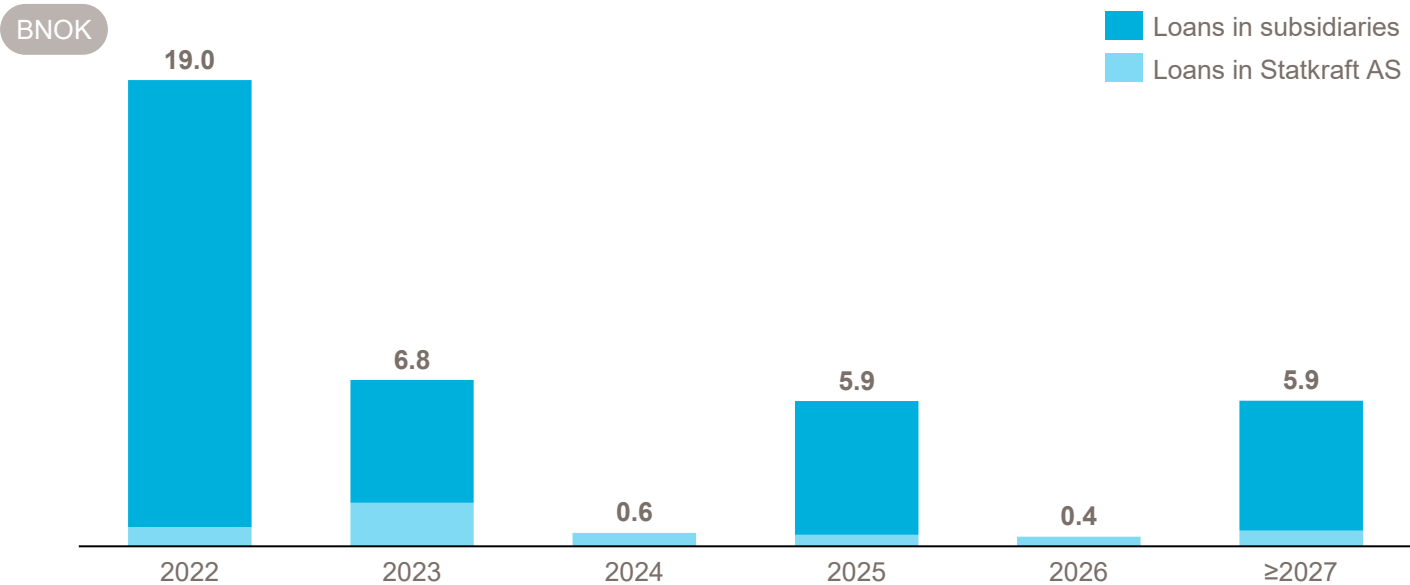
Standard & Poor's: **A-** (stable outlook)  
 Fitch Ratings: **BBB+** (stable outlook)

- Solid cash position
- Net interest-bearing debt-equity of 11.8%
- Current ratings provide a framework for investments

Gross debt



Long-term liabilities, debt redemption profile



# Summary

- Strong result due to very high Nordic power prices and Norwegian hydropower generation despite loss in Market operations
- Strong results and high future power prices have a positive effect on expected investment capacity
- Investment plan with large degree of flexibility
- Robust financial position and solid foundation for further growth





## Investor contacts:

### Debt Capital Markets

**Vice President Tron Ringstad**

Phone: +47 992 93 670

E-mail: [Tron.Ringstad@statkraft.com](mailto:Tron.Ringstad@statkraft.com)

**Funding manager Stephan Skaane**

Phone: +47 905 13 652

E-mail: [Stephan.Skaane@statkraft.com](mailto:Stephan.Skaane@statkraft.com)

### Financial information

**Vice President Bjørn Inge Nordang**

Phone: +47 913 59 865

E-mail: [Bjorn.Nordang@statkraft.com](mailto:Bjorn.Nordang@statkraft.com)

**Senior Financial Advisor Arild Ratikainen**

Phone: +47 971 74 132

E-mail: [Arild.Ratikainen@statkraft.com](mailto:Arild.Ratikainen@statkraft.com)