Press release 27 October, 2023

Equinor third quarter 2023

Equinor delivered adjusted earnings* of USD 8.02 billion and USD 2.73 billion after tax in the third quarter of 2023. Net operating income was USD 7.45 billion, and net income was USD 2.50 billion.

Financial and operational performance

- Strong earnings and cash flow from operations
- High oil production. NCS gas production impacted by planned maintenance and extended turnarounds
- Strong results from sales and trading of oil and oil products

Strategic progress

- Dogger Bank A first power in the UK
- Negative decision on petition for US Northeast Coast offshore wind projects
- Breidablikk field onstream; approval of Snøhvit Future PDO
- Consent to develop the Rosebank field in the UK

Competitive capital distribution

- Third quarter ordinary cash dividend of USD 0.30 per share, continued extraordinary cash dividend of USD 0.60 per share and fourth tranche of share buy-back USD 1.67 billion

Anders Opedal, president and CEO of Equinor ASA: "Equinor delivered strong cash flow and earnings in a quarter with considerably lower gas prices than last year. Through strong operational performance, we delivered high oil production from Johan Sverdrup and our international portfolio. The gas production from the Norwegian continental shelf was impacted by planned maintenance and extended turnarounds. We continue with significant capital distribution and will deliver a total distribution of 17 billion dollars in 2023."

"We continue our transition, with first power from Dogger Bank in the UK - the world's largest offshore wind farm, further expanding in onshore renewables in Brazil and Poland, and investing in the Bayou Bend CCS project in the US. With the approved plan for electrification of Hammerfest LNG, and start-up of power from shore for Gina Krog, we continue to reduce our own emissions."

"We continue to contribute to energy security by developing profitable oil and gas projects with low emissions from production, through the development of the Rosebank field in the UK and the start-up of the Breidablikk field on the NCS."

	Quarters		Change	Financial information	First nine months		
Q3 2023	Q2 2023	Q3 2022	Q3 on Q3	(unaudited, in USD million)	2023	2022	Change
7,453	7,051	26,103	(71%)	**Net operating income/(loss)**	**27,022**	62,228	(57%)
8,024	7,543	24,472 1)	(67%)	Adjusted earnings*	**27,539**	59,907 1)	(54%)
2,501	1,829	9,371	(73%)	**Net income/(loss)**	**9,296**	20,847	(55%)
2,731	2,246	7,191 1)	(62%)	Adjusted earnings after tax*	**8,492**	17,961 1)	(53%)
5,236	1,857	6,578	(20%)	**Cash flows provided by operating activities**	**21,965**	30,869	(29%)
7,594	(356)	7,524	1%	Cash flow from operations after taxes paid*	**16,953**	32,952	(49%)
1,479	(10,758)	2,402	(38%)	Net cash flow*	**(5,079)**	21,719	N/A
				Operational information			
80.3	70.3	92.9	(14%)	Group average liquids price (USD/bbl) [1]	**74.8**	99.0	(24%)
2,007	1,994	2,021	(1%)	Total equity liquids and gas production (mboe per day) [4]	**2,043**	2,037	0%
883	947	491	80%	**Total power generation (GWh) Equinor share**	**2,993**	1,328	>100%
373	345	294	27%	Renewable power generation (GWh) Equinor share	**1,242**	1,131	10%

* 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.

Health, safety and the environment

	Twelve months average per Q3 2023	Full year 2022	
Serious incident frequency (SIF)	**0.3**	0.4	
	First nine months 2023	**Full year 2022**	
Upstream CO_2 intensity (kg CO_2/boe)	**6.9**	6.9	
	First nine months 2023	**First nine months 2022**	
Absolute scope 1+2 GHG emissions (million tonnes CO_2e)	**8.6**	8.4	
Net debt to capital employed adjusted*	**30 September 2023**	**31 December 2022**	**%-point change**
Net debt to capital employed adjusted*	**(22.9%)**	(23.9%)	1.0
Dividend (USD per share)	**Q3 2023**	**Q2 2023**	**Q3 2022**
Ordinary cash dividend per share	**0.30**	0.30	0.20
Extraordinary cash dividend per share	**0.60**	0.60	0.70

In the first nine months of 2023 Equinor settled shares in the market under the share buy-back programmes of USD 1.4 billion and USD 3.6 billion for the Norwegian government's share of the 2022 programme and the first tranche of the 2023 programme.

Strong oil production

Equinor delivered total equity production of 2,007 mboe per day in the third quarter, compared to 2,021 mboe per day in the same quarter of 2022. Liquids production grew 12% compared to the same quarter last year. This was mainly driven by strong operational performance and production from Johan Sverdrup on the NCS, the partner operated Vito field in the USA, the Peregrino field in Brazil and the addition of the Buzzard field in the UK to the portfolio. Gas production was impacted by planned maintenance and unplanned extended turnarounds on the Troll A-platform and the third-party operated Nyhamna gas processing facility. Following the unplanned losses year to date, estimated production in 2023 is now adjusted to be around 1.5 % above 2022-level.

Power production from renewable energy sources was 373 GWh in the quarter, up from 294 GWh in the same quarter last year. The increase was driven by higher production on UK wind farms and new production from onshore renewables in Poland, as well as the floating wind farm Hywind Tampen in full production. Including UK gas-to-power, total power production ended at 883 GWh for the quarter.

Strategic and industrial progress

Equinor continues to develop its renewables and low carbon solutions portfolio, while contributing to energy security by developing profitable oil and gas projects with low emissions from production.

In the UK, Dogger Bank A, the world's largest offshore wind farm, started production in October. It is expected to contribute to energy security and the decarbonisation of the UK's energy system. The Rosebank field received government approval to progress towards planned oil production in 2026-27. With total recoverable resources of around 245 million barrels, the field is expected to strengthen production and value creation on UK continental shelf and for Equinor.

On the NCS the Breidablikk field started production in October, ahead of schedule and with low costs and low emissions from production. In the quarter, the plan for electrification and onshore compression at Hammerfest LNG received government approval, enabling LNG exports with reduced emissions towards 2050. The plan for development of the Eirin field was also delivered, the field is expected to contribute with gas volumes from 2025. Eirin will be developed as a subsea tie-back to Gina Krog, which was powered from shore this quarter.

Offshore wind projects on the US Northeast Coast are negatively impacted by cost inflation and supply chain constraints. New York Public Service Commission rejected price increase petitions from Equinor and other companies and Equinor is assessing the implications for its projects.

In the quarter, Equinor acquired a stake in Bayou Bend CCS LLC, a company well positioned to develop one of the largest carbon capture and storage projects in the USA.

Equinor completed 5 exploration wells offshore with 2 commercial discoveries in the quarter. At the quarter end, 12 wells were ongoing.

Strong financial results

Equinor delivered strong adjusted earnings* of USD 8.02 billion and USD 2.73 billion after tax. This is lower than for the same quarter last year, mainly due to gas prices coming down from the extraordinary levels in 2022.

The Marketing, Midstream & Processing (MMP) segment delivered strong results with adjusted earnings* of USD 876 million, above the guided range for adjusted earnings*. The result was mostly driven by strong sales and trading of oil and oil products, optimisation of the shipping portfolio and high refining margins.

In the third quarter, Equinor recognised net impairments of USD 971 million, mainly consisting of impairments of assets on the NCS and in the MMP segment of USD 588 million and USD 346 million, respectively. In the Renewables segment, an impairment of USD 300 million was recognised. This was partially offset by a reversal of impairment of an asset in the US Gulf of Mexico of USD 290 million.

Cash flow provided by operating activities, before taxes paid and working capital items, amounted to USD 11.3 billion for the third quarter.

Equinor paid an NCS tax instalment of USD 3.67 billion based on expected 2023 earnings. In October an extra instalment of USD 930 million was paid, and two ordinary instalments of USD 3.75 billion (1), will be paid in the fourth quarter.

Organic capital expenditure* was USD 2.64 billion for the quarter, and total capital expenditures were USD 3.21 billion. After taxes, capital distribution to shareholders and investments, net cash flow* ended at USD 1.48 billion for the third quarter.

Equinor maintains a strong financial position with adjusted net debt to capital employed ratio* at negative 22.9% by the end of the third quarter, from negative 35.1% at the end of the second quarter of 2023.

Competitive capital distribution

The board of directors has decided an ordinary cash dividend of USD 0.30 per share, and to continue the extraordinary cash dividend of USD 0.60 per share for the third quarter of 2023, in line with communication at the Capital Markets Update in February. The Equinor shares will trade ex-dividend on Oslo Børs and New York Stock Exchange from and including 14 February 2023.

Total capital distribution for 2023 will be around USD 17 billion, including a share buy-back programme of USD 6 billion. The board of directors has decided to initiate a fourth and final tranche of the share buy-back programme for 2023 of USD 1.67 billion. The fourth tranche will commence on 30 October and end no later than 29 January 2024.

The third tranche of the share buy-back programme for 2023 was completed on 20 October 2023 with a total value of up to USD 1.67 billion.

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

(1) NOK 37.5 billion, USD estimate based on a USD/NOK exchange rate assumption of 10.

GROUP REVIEW

Q3 2023	Quarters Q2 2023	Q3 2022	Change Q3 on Q3	Financial information (unaudited, in USD million)	First nine months 2023	2022	Change
26,024	22,872	43,633	(40%)	**Total revenues and other income**	**78,120**	116,486	(33%)
25,735	23,133	43,509 [1)]	(41%)	Adjusted total revenues and other income*	**77,388**	116,390 [1)]	(34%)
(18,571)	(15,821)	(17,531)	6%	**Total operating expenses**	**(51,098)**	(54,258)	(6%)
(12,392)	(10,676)	(13,969)	(11%)	Adjusted purchases* [5]	**(34,331)**	(41,635)	(18%)
(2,703)	(2,752)	(2,657)	2%	Adjusted operating and administrative expenses*	**(8,305)**	(7,497)	11%
(2,426)	(2,232)	(2,118)	15%	Adjusted depreciation, amortisation and net impairments*	**(6,856)**	(6,600)	4%
(190)	71	(292)	(35%)	Adjusted exploration expenses*	**(357)**	(751)	(52%)
7,453	7,051	26,103	(71%)	**Net operating income/(loss)**	**27,022**	62,228	(57%)
8,024	7,543	24,472 [1)]	(67%)	Adjusted earnings*	**27,539**	59,907 [1)]	(54%)
2,652	2,842	2,053	29%	**Capital expenditures and Investments**	**7,545**	6,382	18%
5,236	1,857	6,578	(20%)	**Cash flows provided by operating activities**	**21,965**	30,869	(29%)
7,594	(356)	7,524	1%	Cash flows from operations after taxes paid*	**16,953**	32,952	(49%)

Q3 2023	Quarters Q2 2023	Q3 2022	Change Q3 on Q3	Operational information	First nine months 2023	2022	Change
2,007	1,994	2,021	(1%)	Total equity liquid and gas production (mboe/day)	**2,043**	2,037	0%
1,879	1,861	1,885	(0%)	Total entitlement liquid and gas production (mboe/day)	**1,917**	1,895	1%
883	947	491	80%	**Total Power generation (GWh) Equinor share**	**2,993**	1,328	>100%
373	345	294	27%	Renewable power generation (GWh) Equinor share	**1,242**	1,131	10%
86.8	78.4	100.9	(14%)	Average Brent oil price (USD/bbl)	**82.1**	105.4	(22%)
80.3	70.3	92.9	(14%)	Group average liquids price (USD/bbl)	**74.8**	99.0	(24%)
8.83	10.23	42.34	(79%)	E&P Norway average internal gas price (USD/mmbtu)	**12.48**	32.59	(62%)
1.08	1.41	7.01	(85%)	E&P USA average internal gas price (USD/mmbtu)	**1.78**	5.80	(69%)

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 and financial results

Equinor delivered strong financial results, despite the impact of lower gas prices, in the third quarter of 2023 through strong liquid production across the global portfolio which secured a 12% growth in liquid equity production. Gas equity production fell by 13% relative to the third quarter of 2022 impacted by maintenance and unplanned turnaround extensions primarily on the NCS.

Recent maturation of Equinor's global portfolio positively contributed to the delivery of liquid production growth for both the third quarter and year-to-date compared to the prior year. Peregrino resumed production in the second half of 2022, and Buzzard in the UK, contributing from July this year following the acquisition of Suncor UK; both made notable contributions to liquid production. Ramp up of the partner operated Vito field and technical improvements on Cesar Tonga also generated increased production in the USA for the period.

Johan Sverdrup on the NCS, including phase 2 which came on stream in December 2022, operated at plateau with high, efficient production during the third quarter continuing to be the primary driver for the increase in E&P Norway liquid production in the third quarter and year-to-date, offsetting the effects of divestments in Martin Linge and Ekofisk in the third quarter of 2022.

Turnarounds and unplanned losses continued to significantly impact gas production, which was 16% lower for E&P Norway in the third quarter and 10% lower for the year-to-date than the same period in the prior year. Extended maintenance on the Troll field and a postponed start-up from the second quarter turnaround at the third-party-operated Nyhamna facility notably reduced gas production in the third quarter of 2023. The year-to-date decrease in gas production relative to 2022 was exacerbated by shutdown of Hammerfest LNG during the second quarter, despite being partially mitigated by increased contributions from Snøhvit.

Steady production levels and high realised liquids prices drove strong revenue and results for Equinor in the third quarter of 2023. The change in production mix combined with markedly lower realised gas prices caused the reduction from the extraordinary year of 2022. The Marketing, Midstream and Processing segment contributed strong results in the third quarter, driven by liquids trading and optimisation, and efficient shipping portfolio utilisation. The reduction compared to the prior year is influenced by reduced market volatility in gas and power from extraordinary levels last year.

Operating and administrative expenses increased in the third quarter and first nine months of 2023 compared to the same periods last year due to higher production capacity, maintenance related to turnarounds, and increased liquid transportation costs reflecting increased liquid production. An increase in business development costs has further contributed to this rise. Reduced transportation tariffs, coupled with strengthening of the USD against the NOK, partially offset the increase and its visibility in the reported costs.

Increased depreciation primarily reflects portfolio developments on stream since the prior year.

Net impairments of USD 971 million in the quarter and USD 993 million for the first nine months of 2023 include the recognition of a USD 300 million impairment to Equinor's offshore wind projects on the US North East Coast following the rejection of petitions related to offtake agreements. The prior year's third quarter and year-to-date included impairment reversals of USD 1,086 million and USD 1,334 million respectively, contributing to the relative decrease in net operating income for 2023.

Taxes

The reported effective tax rate was 66.5% for the third quarter of 2023 (65.5% for the third quarter of 2022) and 67.4% for the first nine months of 2023 (67.5% for the first nine months of 2022). The movement in reported tax rates in the quarter and first nine months of the year has been influenced by lower share of income from the Norwegian continental shelf and currency effects in entities that are taxable in other currencies than the functional currency.

The effective tax rate on adjusted earnings* of 66.0% for the third quarter of 2023 and 69.2% for the first nine months decreased compared to 70.6% and 70.0% in 2022 due to lower share of adjusted earnings* from the Norwegian continental shelf in 2023 compared to 2022, partially offset by the recognition of the US deferred tax assets in the fourth quarter of 2022.

Cash flow, net debt and capital distribution

Strong results from the business during the third quarter of 2023 generated a cash flow provided by operating activities before taxes paid and working capital items of USD 11,336 million. This was a decrease of USD 13,162 million from the prior year due to the significant downward movement in commodity prices from unprecedented highs in the third quarter of 2022.

Taxes paid of USD 3,743 million in the quarter mainly reflect the first instalment of Norwegian corporate income tax relating to the 2023 results of USD 3,669 million. The reduction in payment compared to the same period in the prior year reflects the lower pricing environment of 2023 and an extraordinary tax payment in the third quarter last year.

A working capital increase of USD 2,357 million in the third quarter negatively impacts cash flow (increase of USD 946 million in the third quarter of 2022).

Net cash flow* increased by USD 12,237 million from the prior quarter to an inflow of USD 1,479 million, reflecting the reduced NCS tax instalments and also a reduction in share buy-back outflow following the annual payment to the Norwegian state in the second quarter. Net cash flow* for the first nine months was an outflow of USD 5,079 million compared to a high pricing environment driven inflow of USD 21,719 million for the first nine months of 2022.

A decrease in liquid assets and a reduction of equity in the quarter due to capital distributions caused an increase in the adjusted net debt to capital employed ratio* at the end of September 2023 from negative 35.1% to negative 22.9%.

The board of directors has decided an ordinary cash dividend of USD 0.30 per share, and to continue the extraordinary cash dividend of USD 0.60 per share for the third quarter of 2023, in line with communication at the Capital Markets Update in February. The Equinor Share will trade ex-dividend on Oslo Børs and New York Stock Exchange from and including 14 February 2023.

Expected total capital distribution for 2023 is around USD 17 billion, including a share buy-back programme of USD 6 billion. The board of directors has decided to initiate a fourth tranche of the share buy-back programme for 2023 of USD 1.67 billion. The fourth tranche will commence on 30 October and end no later than 29 January 2024. This fourth and final tranche will complete the announced share buy-back program of USD 6 billion for 2023.

The third tranche of the share buy-back programme for 2023 was completed on 20 October 2023 with a total value of up to USD 1.67 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 1.5% 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

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