

FINANCIAL RESULTS

Q4 2020

CEO Christian Rynning-Tønnesen

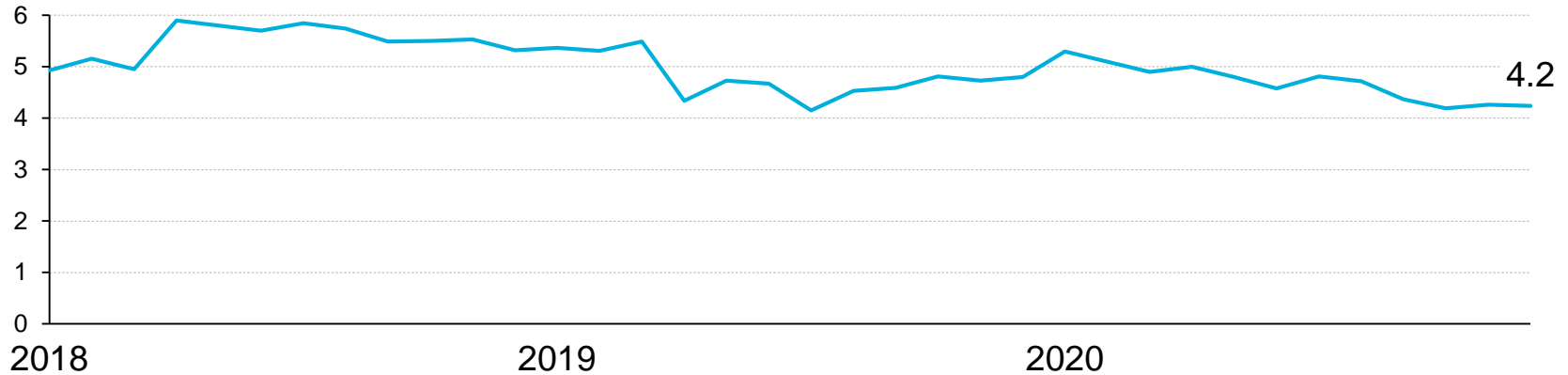
CFO Anne Harris

18 February 2021



Health, safety and environment

TRI-rate¹



- ▶ Health and safety
 - One incident resulting in two serious work-related injuries in the quarter
- ▶ Environment
 - No serious environmental incidents in the quarter

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

Covid-19 pandemic

▶ Main priorities

- Safety and well-being of Statkraft's employees and contractors
- Delivering a reliable supply of power and heat

▶ Impact on Statkraft

- Direct financial effect limited, but increased market and credit risk
- Effects on financial statements going forward will depend largely on the economic development in relevant regions
- Extensive use of remote working arrangements

▶ Monitoring the development and evaluating the longer-term consequences

Key events in Q4



Reservoir at Jostedalsbreen, Norway

- ▶ Nordic power prices at a very low level in the quarter
- ▶ Underlying EBIT of NOK 1580 million and net profit of NOK 3663 million
- ▶ New long-term power agreements
- ▶ Acquisition of Solarcentury, a global solar developer

Financial results

NOK million	Q4 2020	Q4 2019	Year to date 2020	Year to date 2019
Operating profit/loss (EBIT) underlying	1 580	5 424	6 670	16 744
Profit before tax	3 723	6 541	4 953	18 959
Net profit	3 663	3 796	3 532	11 327

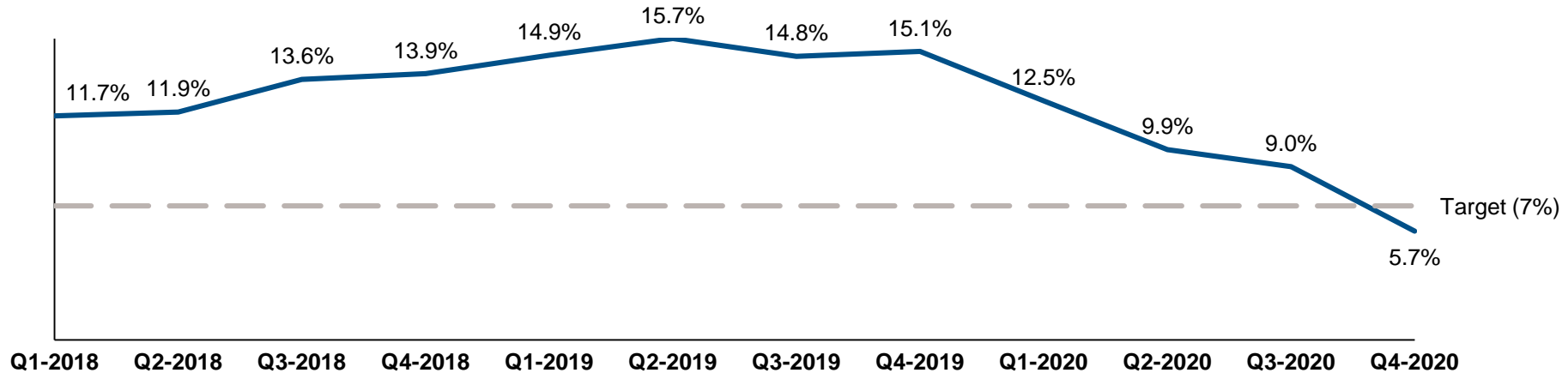
▶ Q4:

- Underlying EBIT affected by low Nordic power prices
- Net profit positively affected by positive currency effects

▶ The year:

- Underlying EBIT for the year down 60%, primarily due to very low Nordic power prices
- Net profit for the year also negatively affected by impairments and currency effects

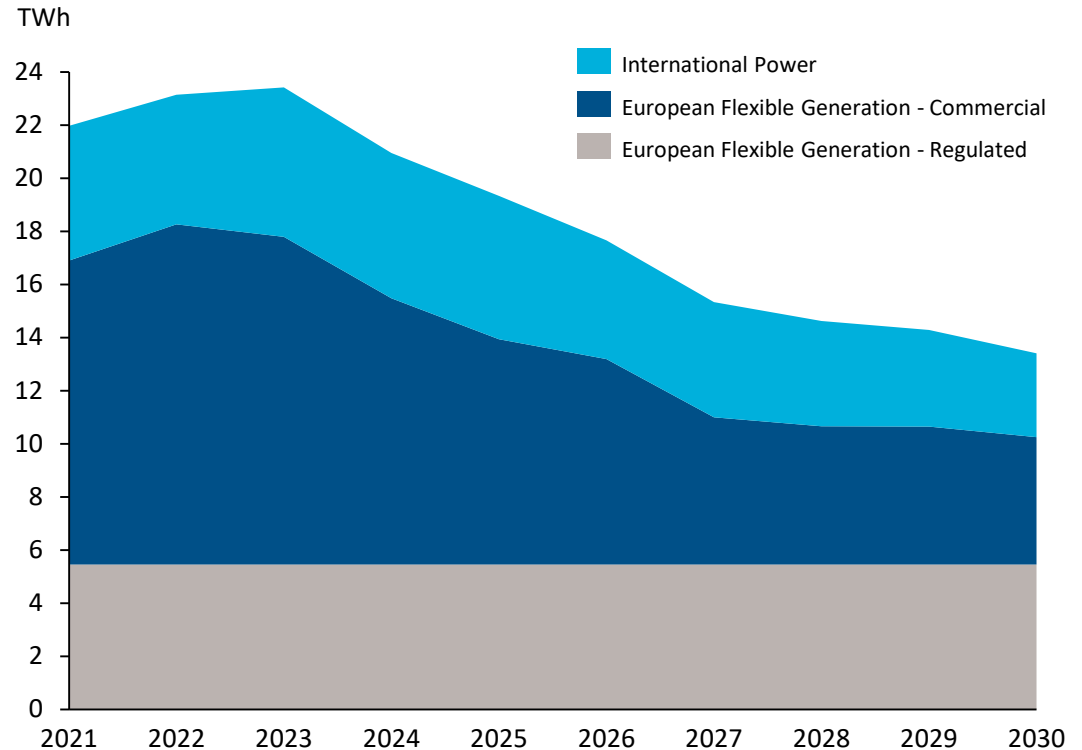
Return on average capital employed



- ▶ ROACE at Q4 below target
 - primarily due to the very low Nordic power prices
- ▶ Average capital increased 6% compared with year-end 2019

Long-term hedging

- ▶ New 15-year financial hedging contract in Q4
- ▶ New PPAs in Albania and Brazil
- ▶ Hedged volume of more 22 TWh annually the next years
- ▶ Hedged volume has a stabilising effect on earnings



Statkraft delivers on strategy

OPTIMISE AND EXPAND HYDROPOWER PORTFOLIO



Norway/Sweden: Many refurbishment and upgrade projects

Albania: Moglice completed and in operation (184 MW)

India: Construction of Tidong

Chile: Construction of Los Lagos

RAMP UP AS WIND AND SOLAR DEVELOPER



Norway: Completed Fosen wind project and signed a cooperation agreement with Aker for exploration of offshore wind in North sea

Ireland: Acquired five new solar projects, completed first battery project, won contracts for four new projects and decided to build two new wind farms

Brazil: Ready to start construction of 519 MW wind farm

Acquired Solarcentury

GROW THE CUSTOMER BUSINESS



UK: Rotating stabiliser innovation with GE

Several new contracts and growth in market operations

DEVELOP NEW BUSINESS INITIATIVES



Development of pilot plant for advanced biofuels in Norway

Investment in energy entrepreneurs through Statkraft Ventures

Business development within hydrogen solutions

Developing data centre sites

Acquisition of Solarcentury

**Joining
forces**

to accelerate
growth in solar



Statkraft



solarcentury



1 200 MWp

solar power
developed



+40

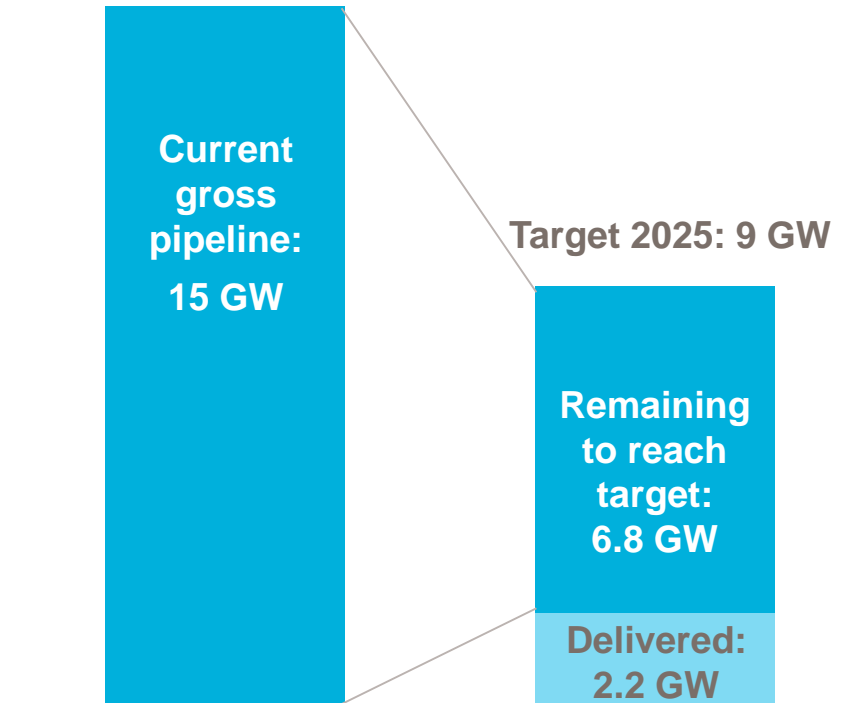
utility-scale solar projects
completed



8 000 MWp

combined solar pipeline
in Europe and South America

On track to meet growth target for 2025



- ▶ Target will be reached through
 - Large pipeline in wind and solar
 - Strong project execution capabilities
 - Financial solidity
- ▶ Investment programme
 - Approx. NOK 10 billion annually
 - Large degree of flexibility
 - Several projects will be divested after completion
 - Will be adapted to financial capacity, rating target and market opportunities

Partnership on green hydrogen project in Norway



Yara, Aker Horizons and Statkraft aim to establish large-scale green ammonia project in Norway



Green hydrogen will make Yara's ammonia facility at Herøya emissions-free and cut **800,000 tons of CO2**



Production of green ammonia at Herøya will supply emissions-free energy to the **maritime sector** and other industries



Outlook



Øvre Bersåvatn, Norway

Energy market

- ▶ Hydro reservoir filling in the Nordics normalised early 2021
- ▶ Market has recovered
- ▶ Medium- to long-term effects of Covid-19 remain uncertain

Unique assets

- ▶ Europe's largest reservoir capacity and flexible power plants enabling revenue optimisation
- ▶ Large share of hedging contracts

Solid competitive position

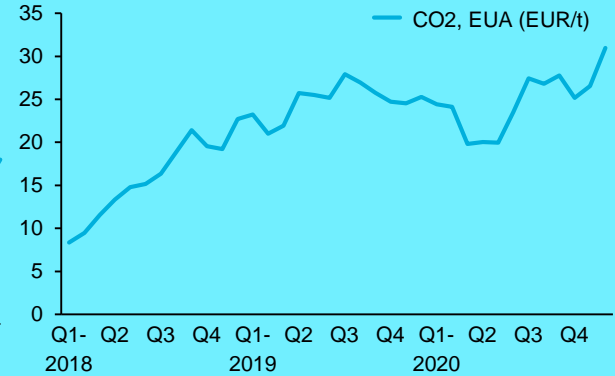
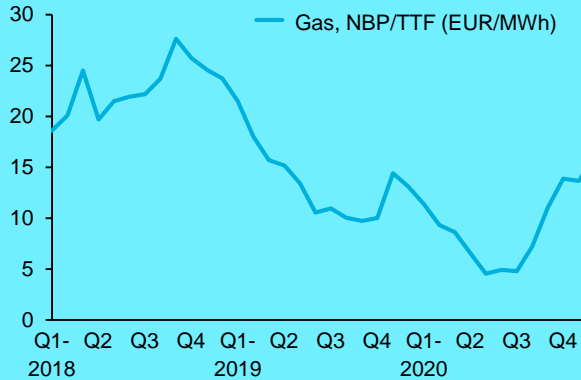
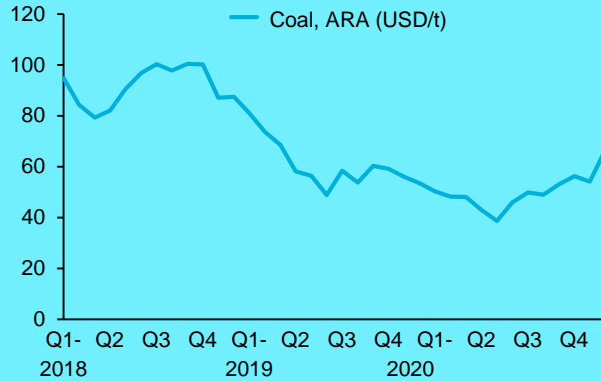
- ▶ Low cost hydropower in Europe
- ▶ Strong development pipeline
- ▶ Solid financial position
- ▶ Flexible investment programme aligned with financial capacity

Key figures

NOK million	Q4 2020	Q4 2019	The year 2020	The year 2019
Net operating income underlying	5 660	9 269	20 960	29 318
Operating profit/loss (EBIT) underlying	1 580	5 424	6 670	16 744
Net financial items	2 736	752	-1 631	733
Tax	60	2745	1421	7632
Net profit	3 663	3 796	3 532	11 327

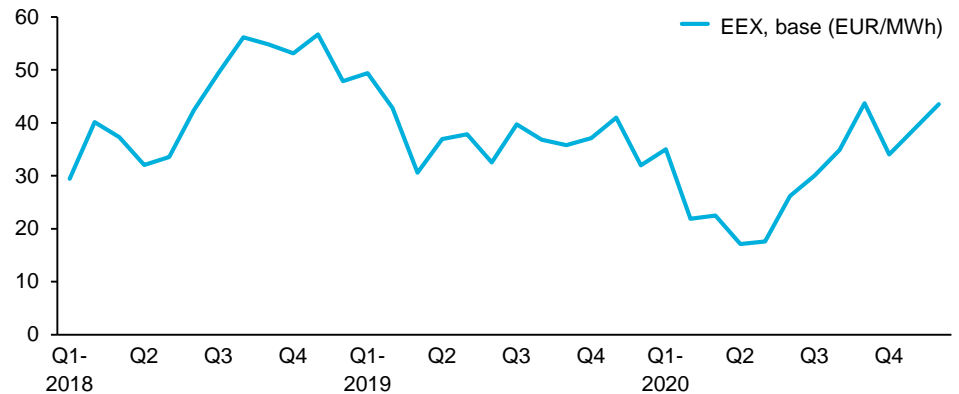
- ▶ Nordic prices measured in EUR down 65% and generation down 3% Q-on-Q
- ▶ Large positive currency effects

Price drivers and the German power market

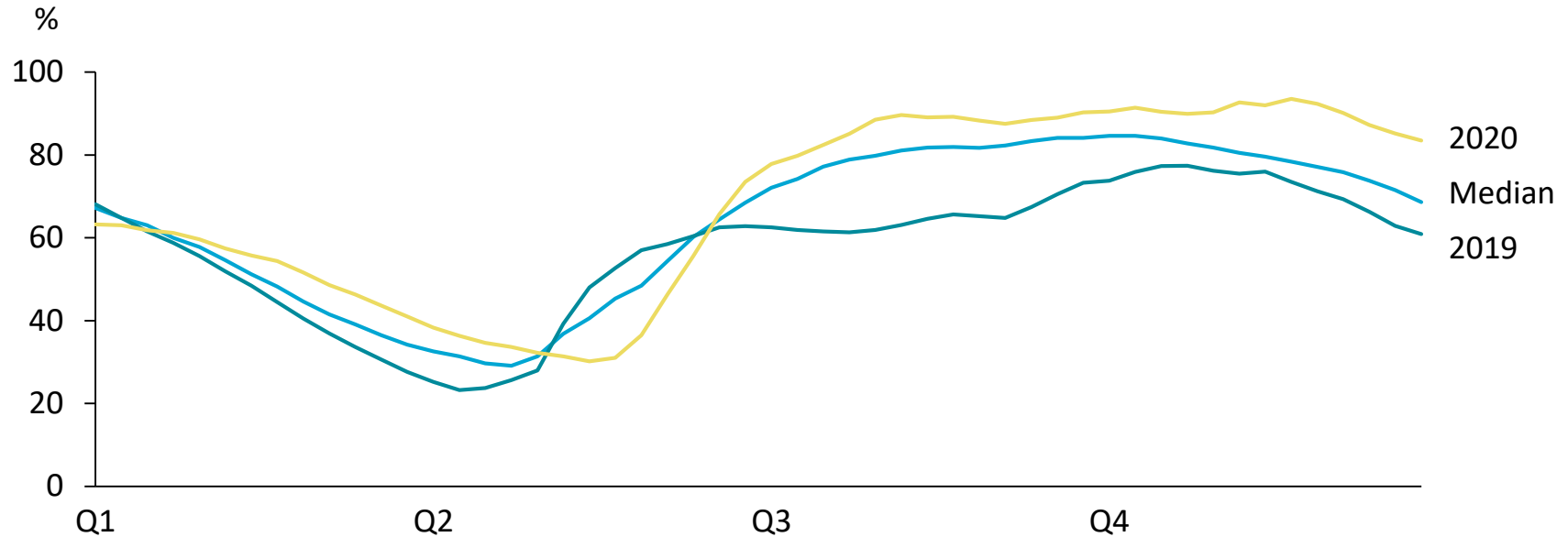


Q4 2020 vs. Q4 2019

- ▶ Coal price up
- ▶ Gas price up
- ▶ CO₂ price up
- ▶ German power price (base) up 6%



Nordic reservoir level



- ▶ Hydrological surplus in the Nordic market
- ▶ Nordic reservoir level (total market) at 122% of median at the end of 2020
- ▶ The reservoir filling has normalised at the start of 2021

Nordic system price, monthly average

EUR/MWh

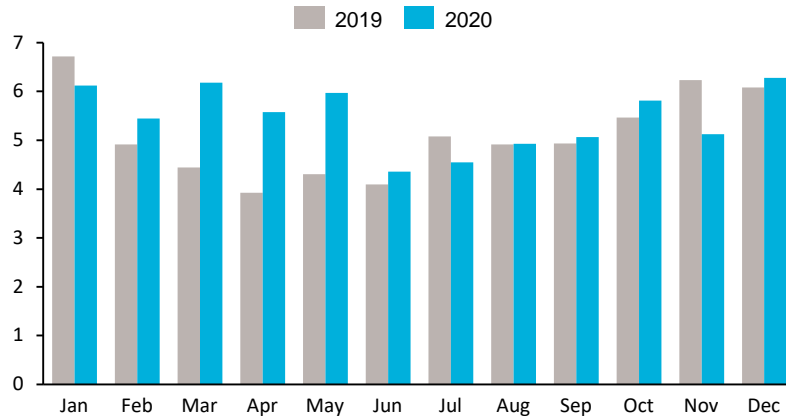


- ▶ Nordic power prices 13.7 EUR/MWh, down 65% Q4 2020 vs. Q4 2019

Energy management



Stamåsen wind farm, Sweden

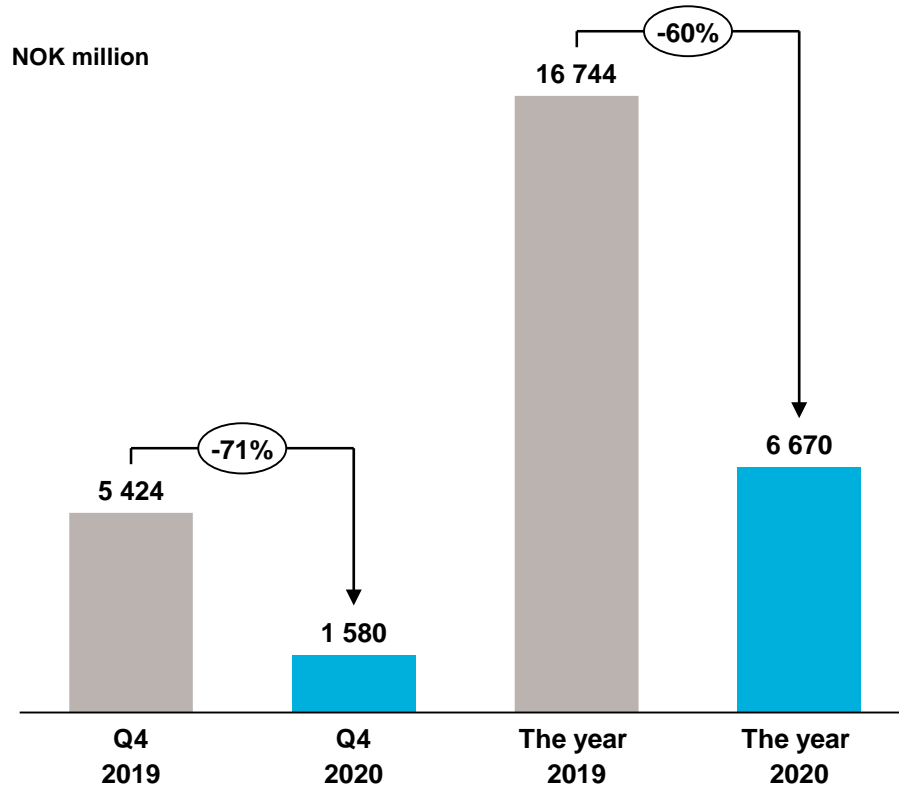


Total production in 2020 was 65.4 TWh

Q4 generation down 3% Q-on-Q

Technology	TWh	Change in TWh
Hydropower	15.1	-0.4
Wind power	1.2	0.3
Gas power	0.9	-0.5
Bio and solar power	0.1	0.0
Total	17.2	-0.6

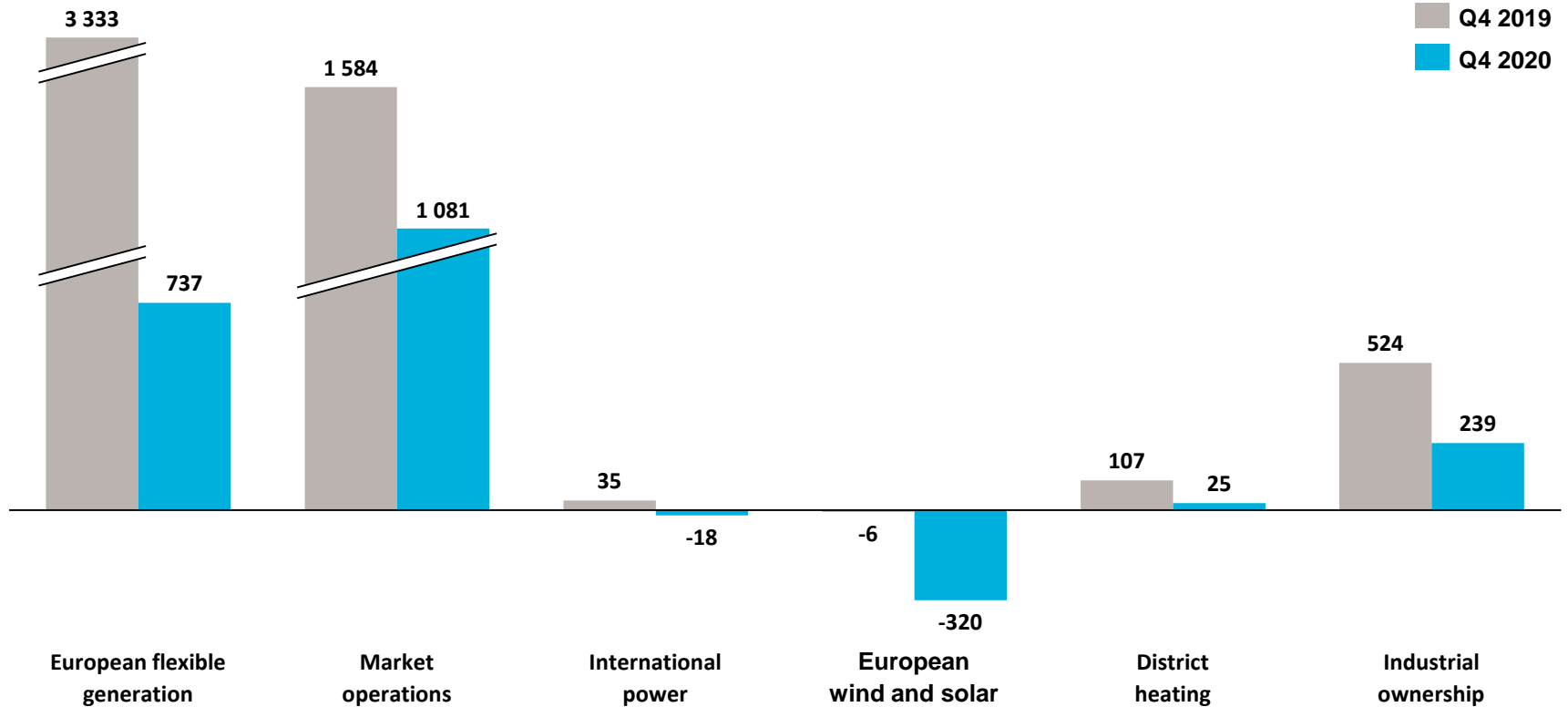
Lower underlying EBIT



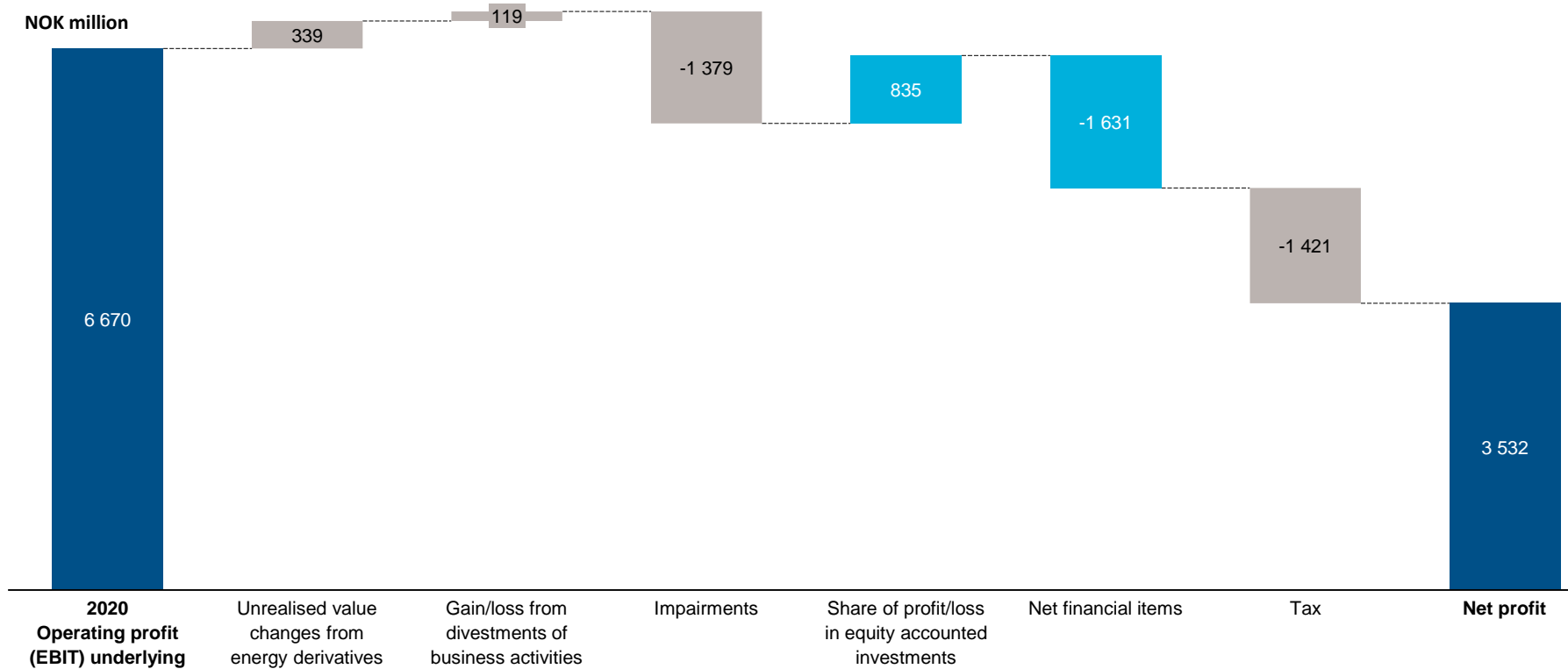
- ▶ Underlying EBIT down NOK 3 844 million Q-on-Q
 - Net operating revenues and other income down NOK 3 609 million
 - Operating expenses up NOK 236 million
- ▶ Underlying EBIT down NOK 10 074 million Y-on-Y
 - Net operating revenues and other income down NOK 8 358 million
 - Operating expenses up NOK 1 716 million

Q4 segment EBIT underlying

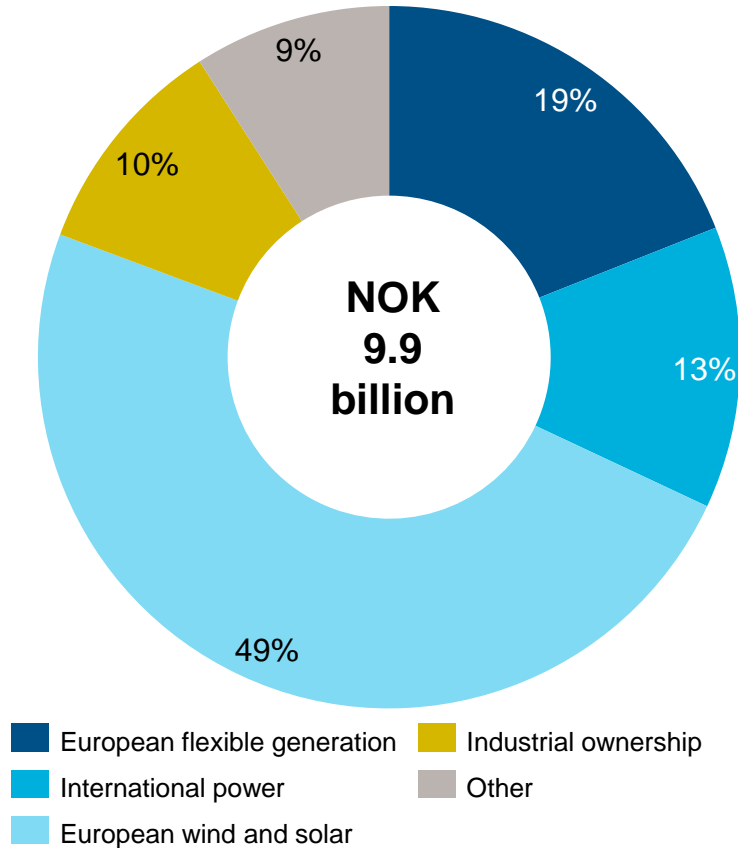
NOK million



Full year 2020 - Net profit breakdown



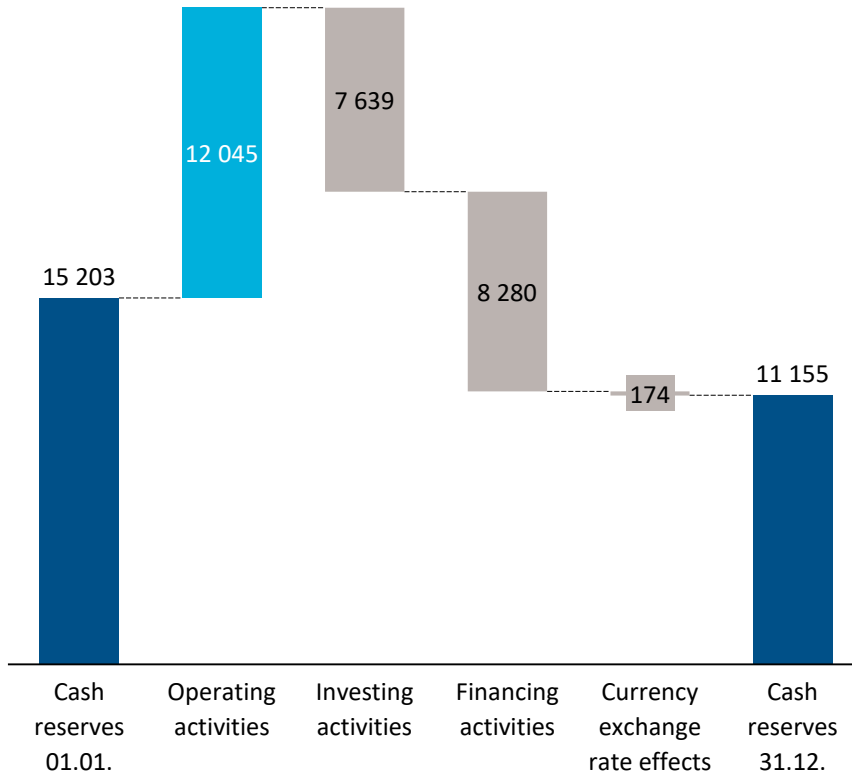
2020 capital expenditure¹



- ▶ Distribution of CAPEX in 2020:
 - 46% new capacity investments
 - 30% maintenance/other investments
 - 24% shareholdings
- ▶ Substantial investments in Europe, incl the acquisition of Solarcentury and several onshore wind projects in Norway, the UK and Ireland
- ▶ Maintenance primarily related to Nordic hydropower
- ▶ New hydropower capacity in Albania, India and Chile

Cash flow and financial position

NOK million



- ▶ NOK 27 billion in net interest-bearing debt (NOK 16 billion end of 2019)
- ▶ Net interest-bearing debt-equity 22% (14%)
- ▶ Current ratings provide a framework for our investments going forward

Summary



- ▶ 2020 result affected by the very low power prices
- ▶ Robust financial position and solid foundation to face increased uncertainty
- ▶ Investment plan with large degree of flexibility

THANK YOU

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