



Results for Q4 2022

CEO CHRISTIAN RYNNING-TØNNESEN
CFO ANNE HARRIS

OSLO 2 MARCH 2023

Fourth quarter summary

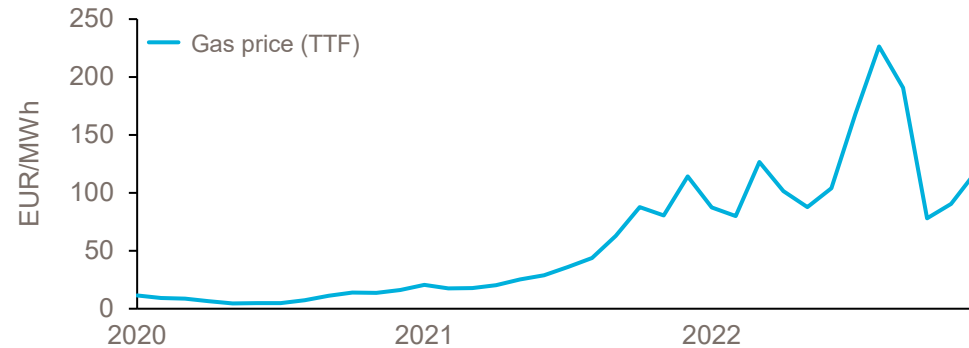
	Safety	Underlying EBIT	Net profit
Q4	TRI: 4.1 1 serious injury	23.7 BNOK (+14.4 BNOK Q-on-Q)	14.5 BNOK (+10.7 BNOK Q-on-Q)
Full year	TRI: 4.1 12 serious injuries	54.4 BNOK (+27.6 BNOK Y-on-Y)	28.6 BNOK (+12.5 BNOK Y-on-Y)

- Extraordinary high and volatile **European energy prices**
- **Record high revenues and financial results** driven by
 - Very high power prices and Statkraft well positioned
 - Extraordinary strong results from market activities
- **Record high taxes and dividend**
 - Tax expense NOK 30.2 billion, of which NOK 27.3 billion in Norway
 - Dividend NOK 17.2 billion

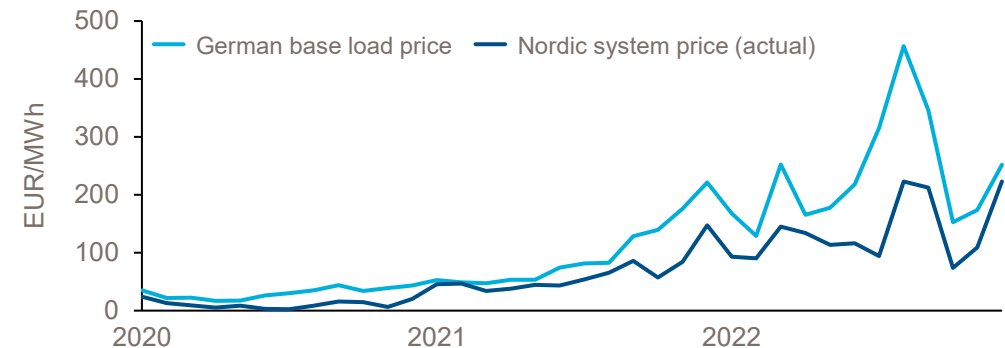
² TRI (Total recordable injuries rate): 12-months rolling

High and volatile European energy prices

Gas price (monthly average)



Power prices (monthly average)

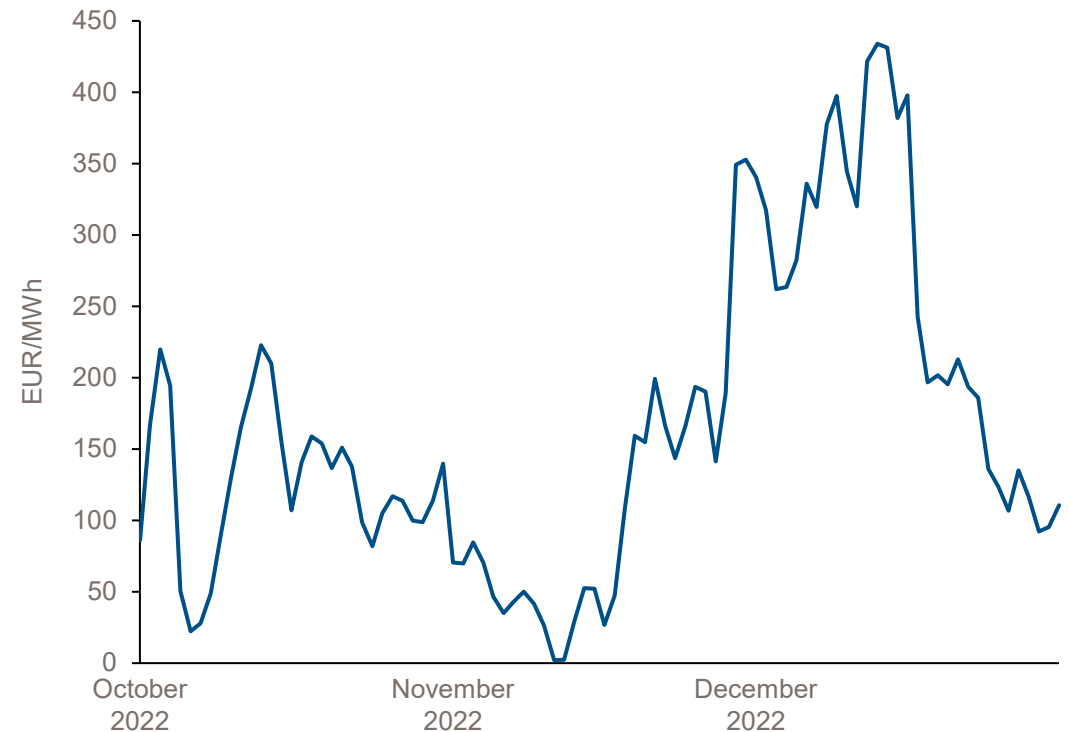


- The energy crisis is creating a challenging situation for many consumers and businesses
- Power prices continue at high levels with extreme volatility
- Improved Nordic reservoir situation
- Large degree of uncertainty going forward and volatility expected to continue

Extremely volatile power prices

- Power prices extremely volatile
- Average daily prices in southern-Norway varied from 1.9 EUR/MWh to 434 EUR/MWh in the quarter
- Volatility lead to demanding market conditions

Kristiansand (NO2) prices (daily average)



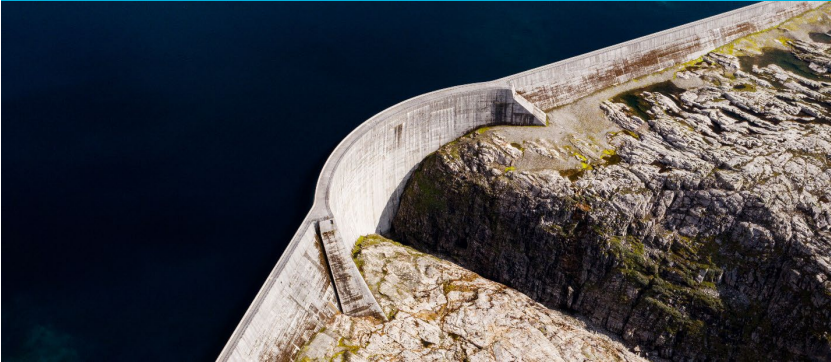
Exceptional performance in Markets in 2022

- Statkraft has built a leading international market operations team, managing risks and generating profits
- Secured liquidity and funding to navigate robustly through the crises – and thus increase our activities despite market turmoil
- Successful trading both in rising and falling energy markets
- Very strong performance and record value creation in 2022: EBIT NOK 10.4 billion



Strategy - enabling a net-zero future

Provide clean flexibility
– leveraging hydropower



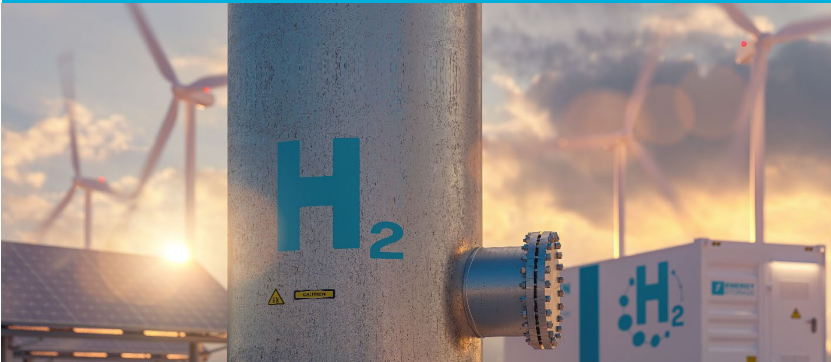
Accelerate solar, wind
and battery storage



Deliver green market solutions
to customers

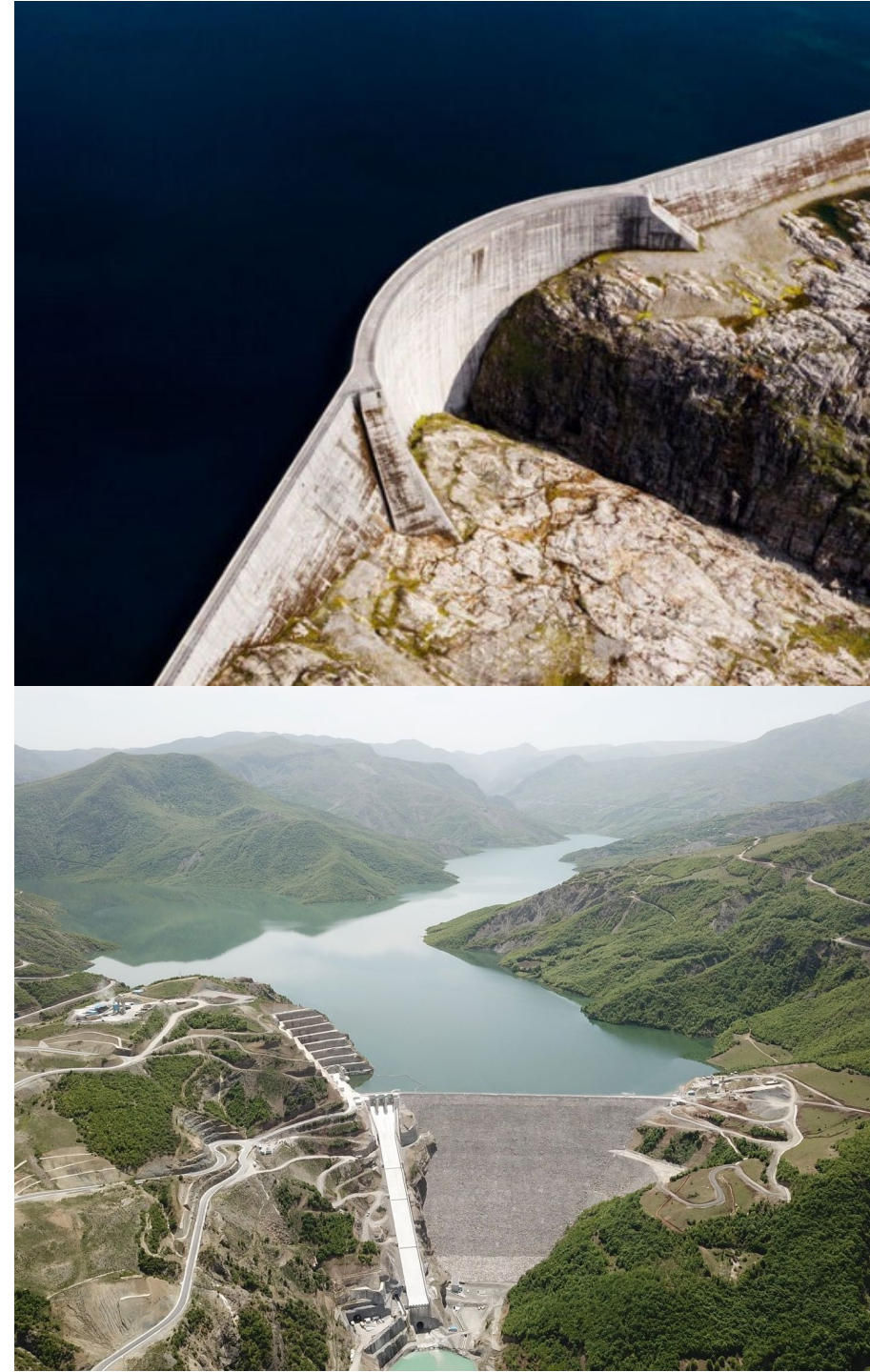


Scale new green energy technologies



Provide clean flexibility – leveraging hydropower

- Significant reinvestments in the Nordic fleet to expand lifetime and retain competitiveness
- Licence application for a major modernisation of Folgefonn in Norway requesting to increase capacity from 250 MW to 880 MW
- Opened two new small-scale hydropower plants in Norway
- Two large hydropower plants under construction Los Lagos (Chile) and Tidong (India)



Accelerate solar, onshore and offshore wind and battery storage

- Secured route to market for six solar parks and four wind farms in Ireland and five grid parks in the UK with a total capacity of 2110 MW
- Completed Statkraft's first large-scale solar park in India
- Acquired two renewable projects in Peru (630 MW)
- Significant pipeline of 500+ projects
- Bidding process for development of offshore wind in Norway



Deliver green market solutions to customers

- A leading trader in international energy markets
- Service provider to more than 1300 renewable power plants in Europe
- Signed eight new long-term contracts with power-intensive industry totalling around 25 TWh
- First mover and competitive supplier of fixed-price contracts to businesses in Norway
- New power purchase agreements (PPAs) and market access agreements



Scale new green energy technologies

- Expansions of district heating pipelines and assets
- EV charging: Developing Mer into a leading Northern European player
- Developing green hydrogen together with partners
- Biofuel: Pilot in operation at Tofte and full-scale production under planning

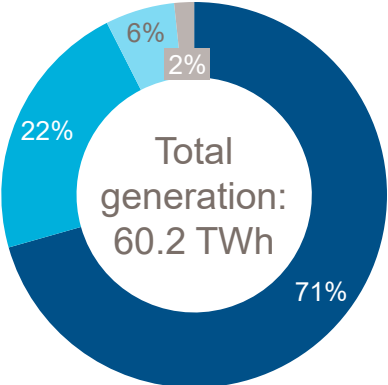


We renew the way the world is powered

- The value of Statkraft **has doubled** since 2018, from 145 BNOK to more than 300 BNOK
- **Industrializing and scaling up** the development of renewable power plants
- Highly **competent and motivated** employees, **strong pipeline** of 500+ projects and **robust financial position** enables ambitious growth targets
- Targeting **2500-3000 MW per year** by 2025 - equal to one new power plant every nine days



Strong performance in an extraordinary market



- Net physical spot sales
- Long-term commercial contracts
- Concessionary sales at statutory prices
- Other statutory bilateral contracts

Large open position benefitting from high prices



Extraordinary strong results from market activities

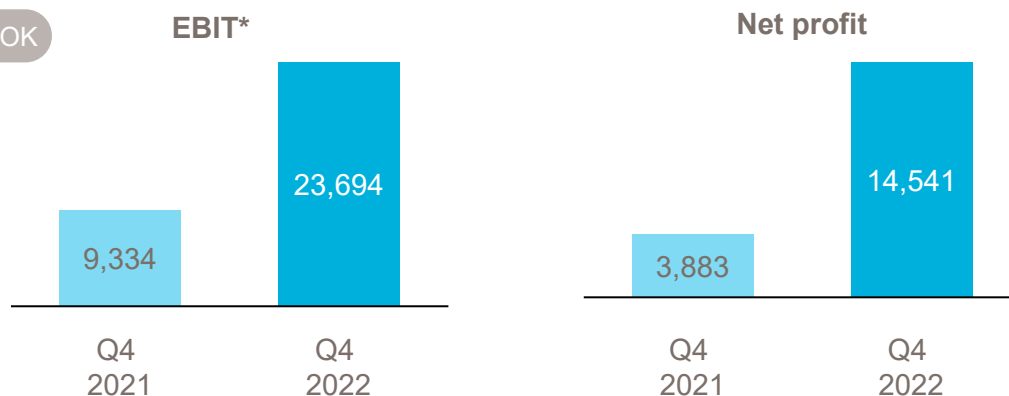


Good energy management in a challenging market

Key financial figures

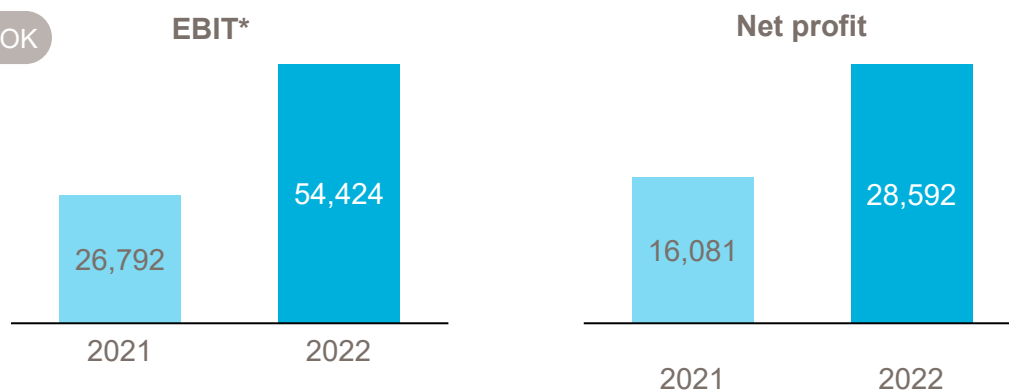
Quarter

MNOK



Full year

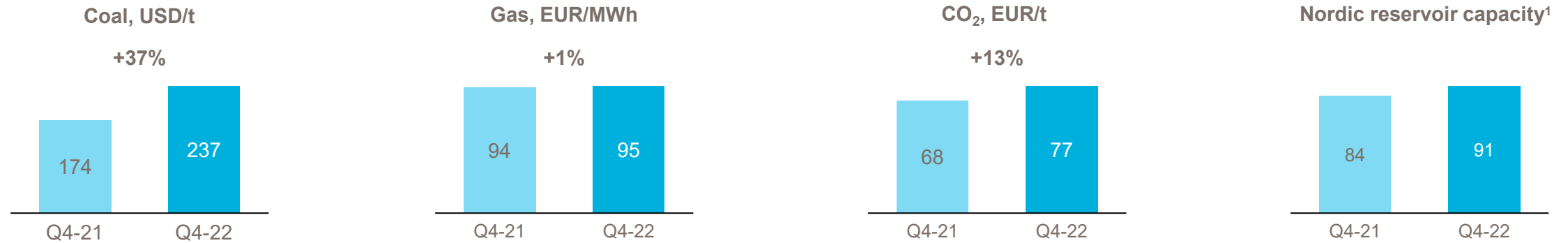
MNOK



Record-high results driven by:

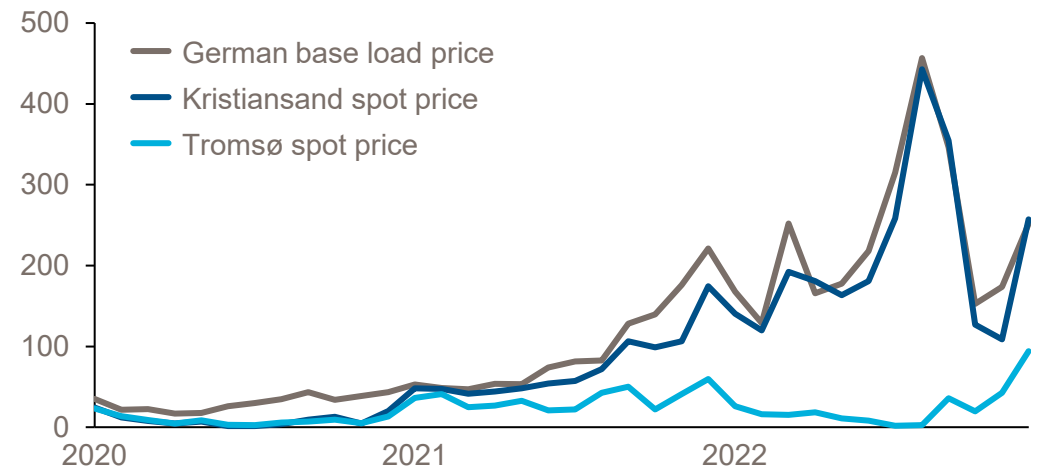
- High Nordic power prices
- Very strong results from trading and origination
- Significantly improved contribution from dynamic asset management
- Operating expenses increased due to:
 - High-price contribution on Norwegian power generation
 - Business development in line with the growth strategy
 - Performance-related remuneration due to the very strong results from market activities
- Non-cash gain related to Å Energi merger

Volatile energy market with high prices



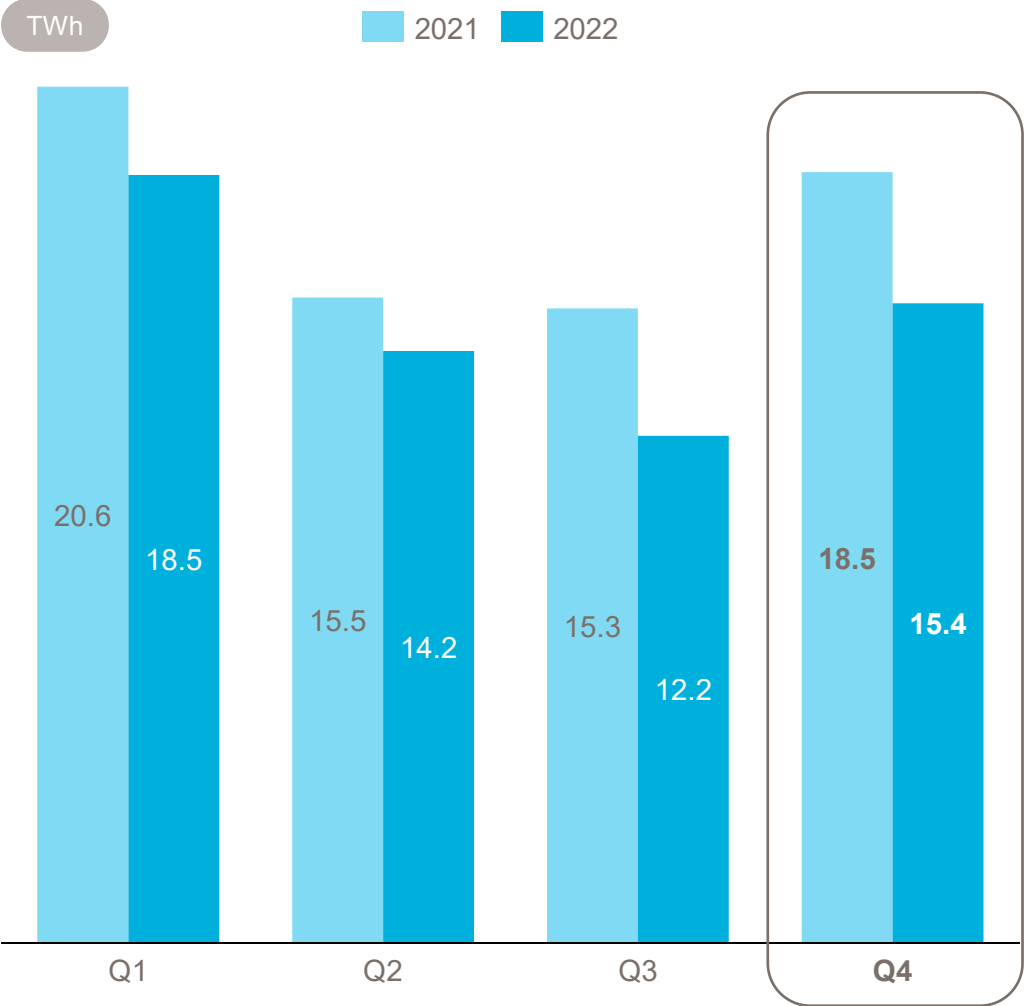
- Factors impacting power prices:
 - Gas, coal and CO₂ prices
 - Improved reservoir situation
- Significant spread between price areas in the Nordics

Average quarterly Nordic system price was 135 EUR/MWh, up 39 EUR/MWh Q-on-Q



¹ Nordic reservoir capacity in percent of median.
 14 Sources: Nord Pool, European Energy Exchange.

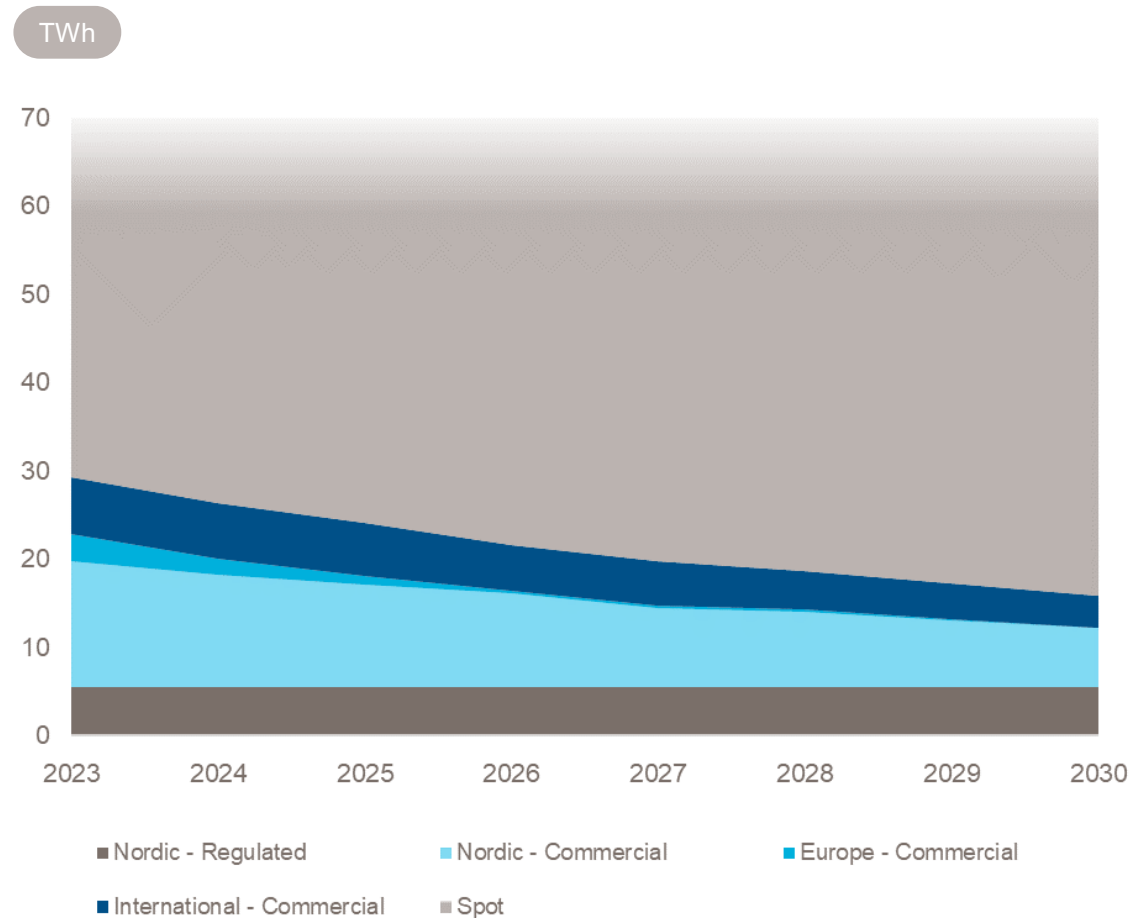
Generation



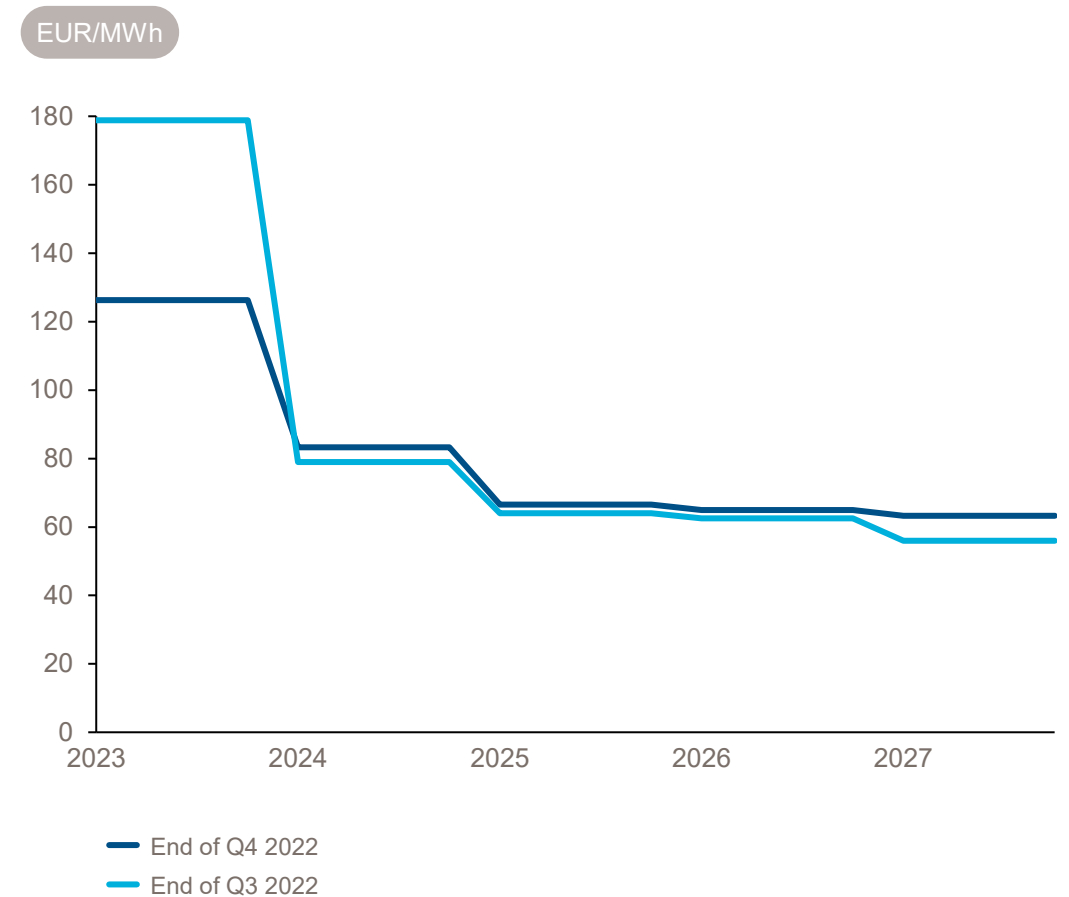
- Total power generation
 - Down 17% from Q4 2021
 - Down 14% year-on-year
- Decrease driven by lower Norwegian hydropower generation

Hedging

Hedged volume 2023 – 2030

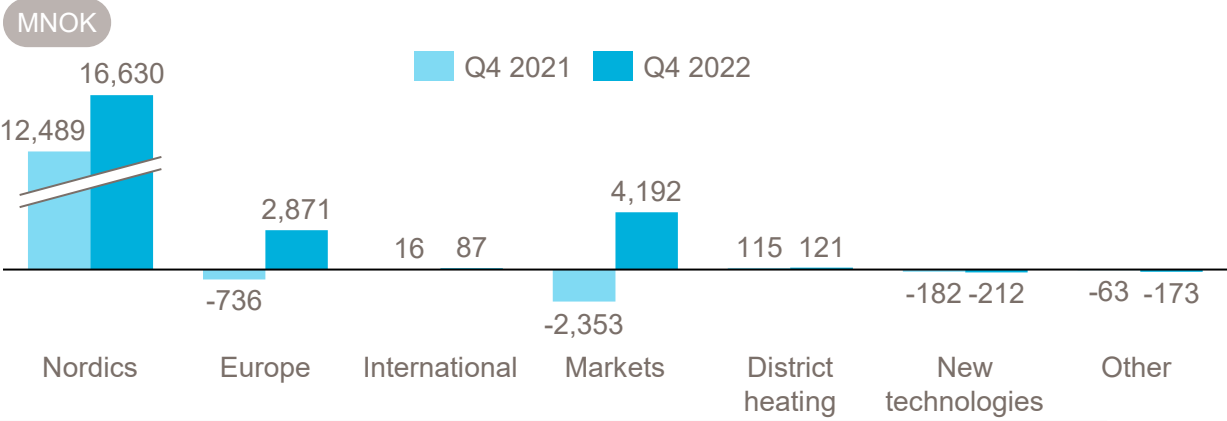


Nordic system future price curve

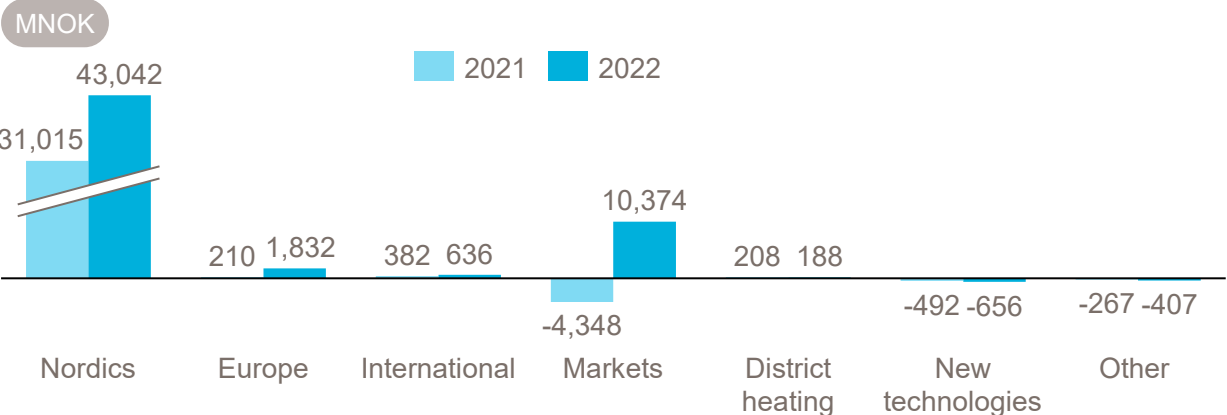


Underlying EBIT - Segments

Quarter



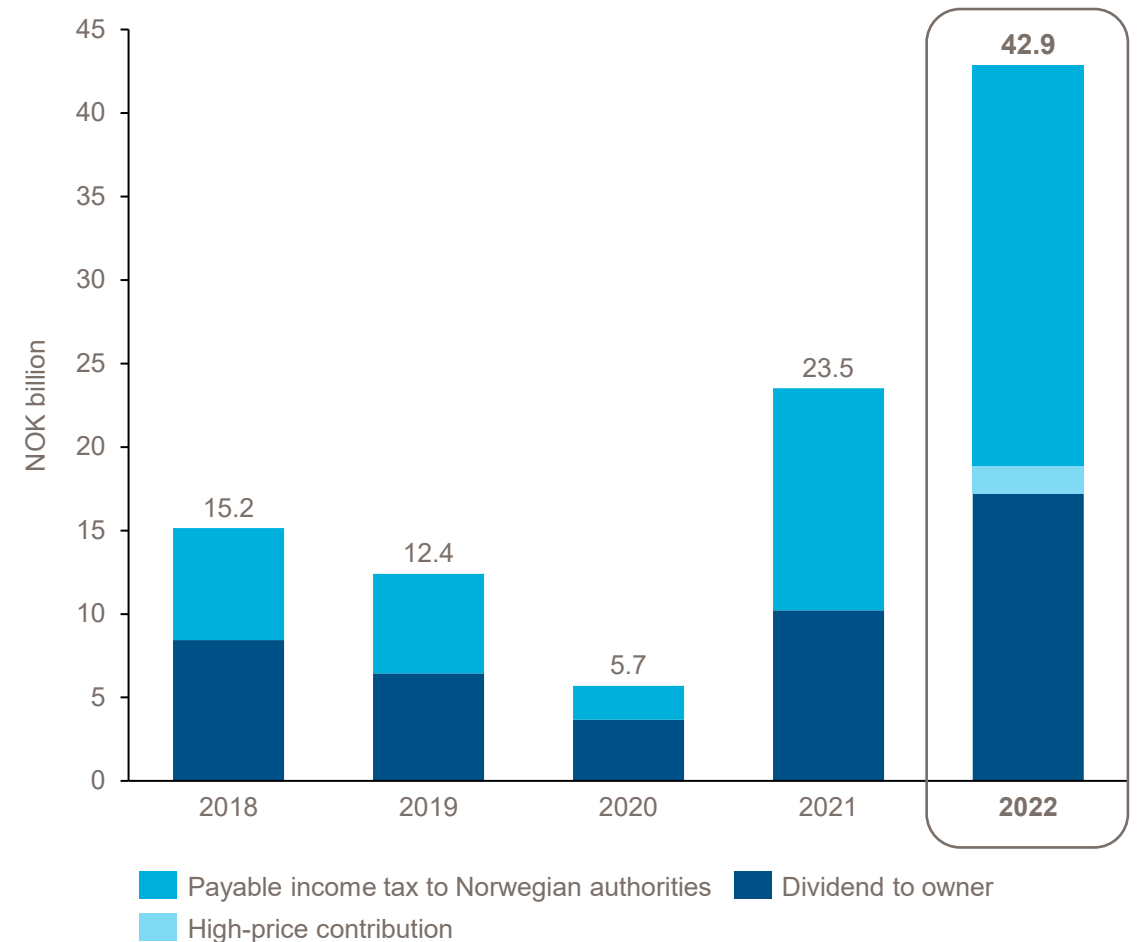
Full year



- **Nordics**
 - Significantly higher Nordic power prices
 - Hedging gains in Q4, losses for the year
- **Europe**
 - Higher power prices and gas-fired power generation
 - Significant hedging gains in the quarter
- **International**
 - Improved contribution from South America
- **Markets**
 - Strong results from trading and origination
 - Significant improvement for dynamic asset management
 - Strong results led to a substantial increase in performance related remuneration

Record high contribution to owner of BNOK 42.9*

- Proposed dividend of 17.2 BNOK for 2022
- Payable income tax of 24.0 BNOK
- High-price contribution of 1.7 BNOK**
- Solid return on capital over time
 - ROACE of 42% in 2022
- Retained earnings of 11.6 BNOK***
 - To be reinvested in profitable renewable energy projects



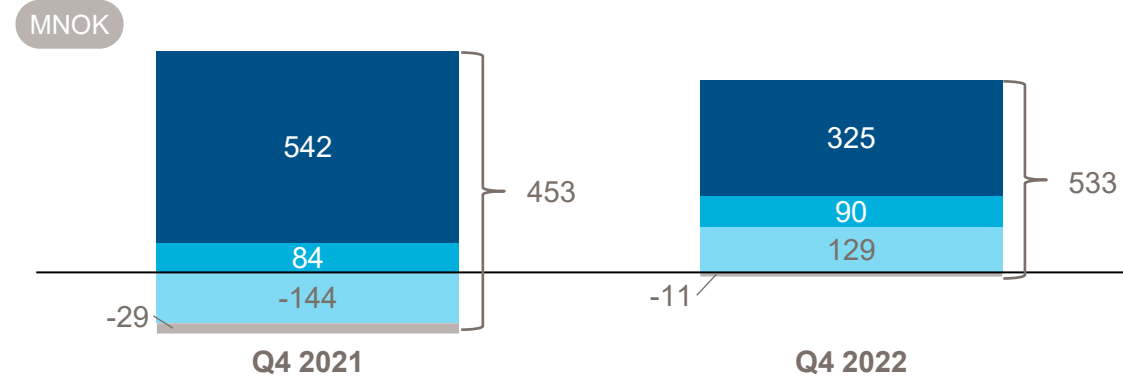
* Statkraft SF figures

18 ** Introduced from 28 September 2022

*** Net profit for Statkraft SF Group - Dividend

Share of profit in equity accounted investments

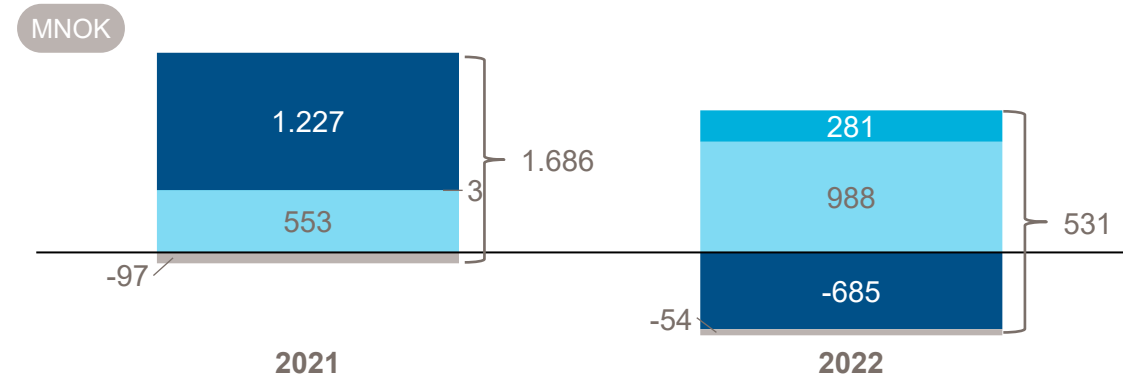
Quarter



• Q4

- Nordics - Increase in resource rent tax and introduction of high-price contribution
- International - Improved hydrology in Chile and higher power prices in India

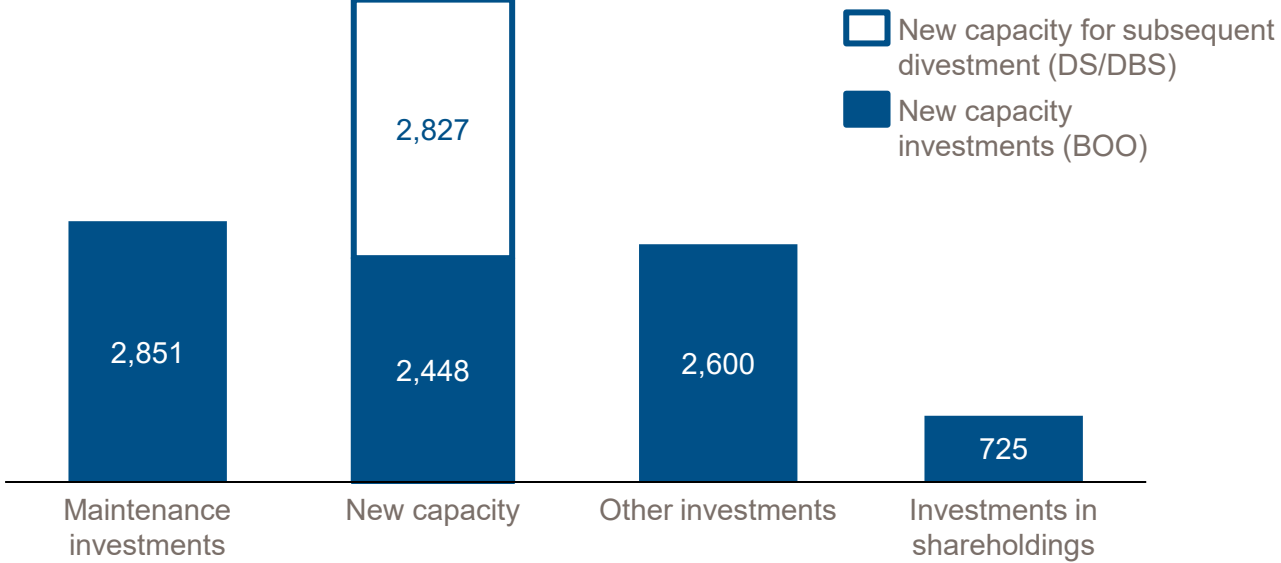
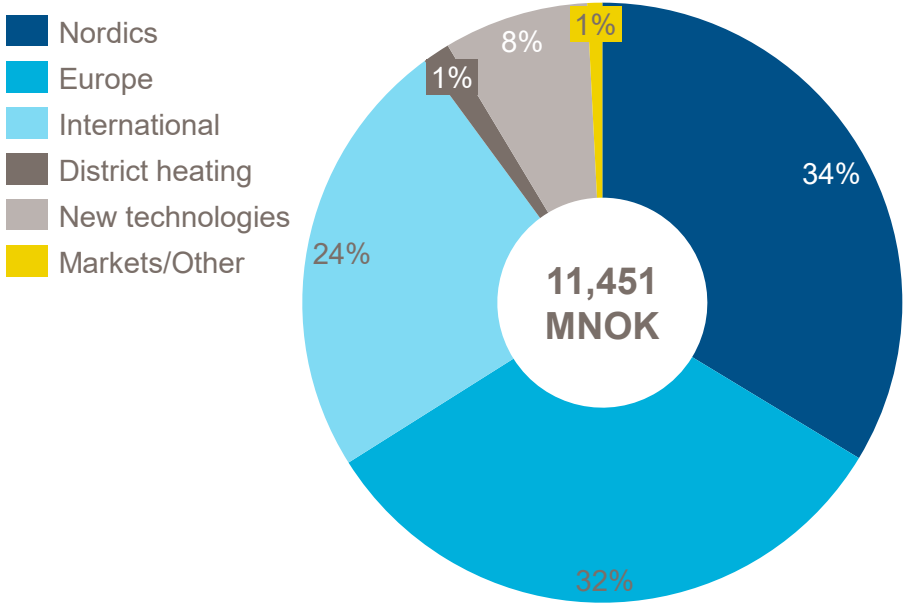
Full year



• Full Year

- Nordics – Higher prices, but increase in resource rent tax and losses from financial hedging
- Europe - Higher power prices and generation in the UK

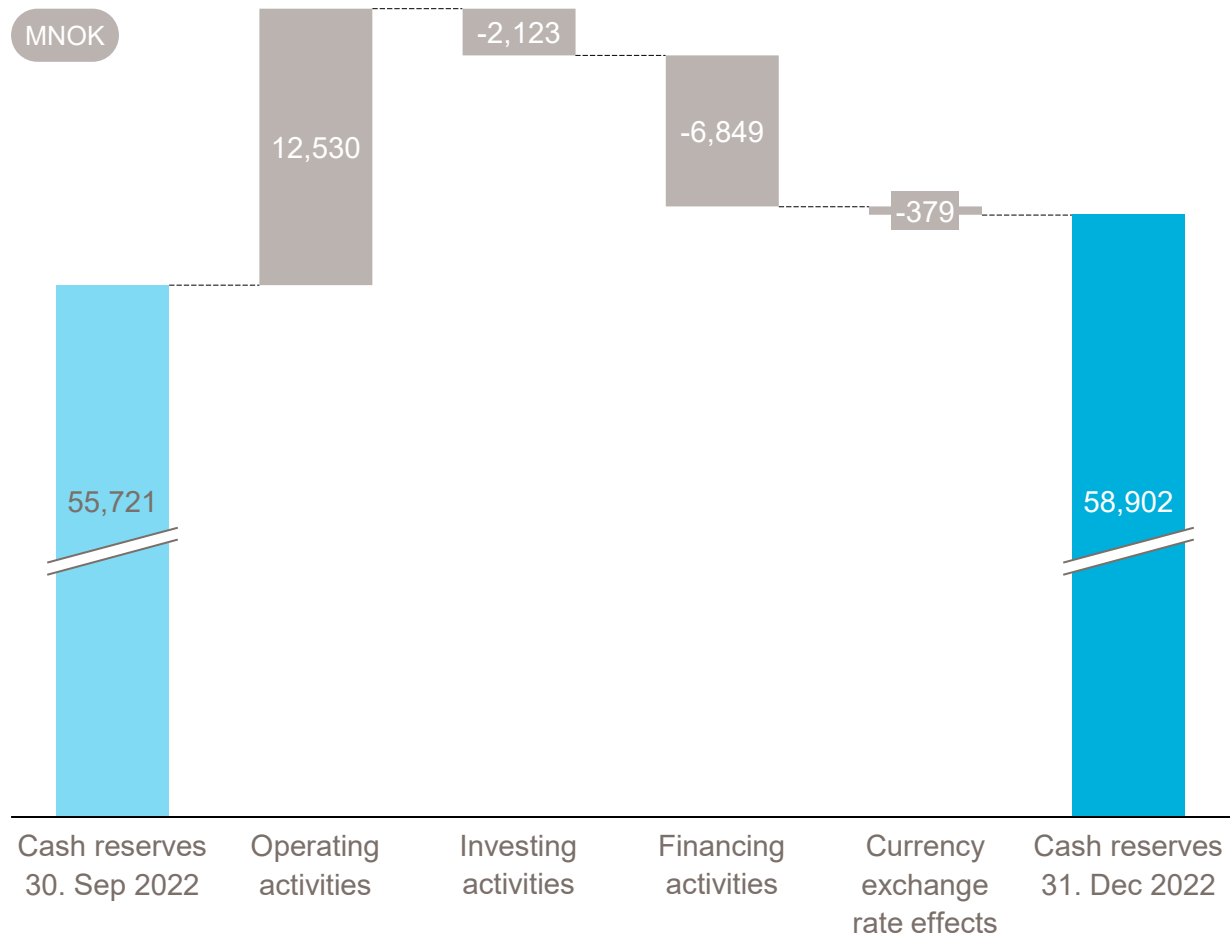
Investment program – Year to date



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

- Maintenance investments primarily related to Nordic hydropower
- New capacity:
 - DS/DBS investments – primarily wind and solar projects in Ireland
 - BOO investments - hydropower plants in India and Chile as well as wind farms in Brazil and Chile
- Other investments related to grid, district heating and EV charging
- Investments in shareholdings mainly related to investments within EV charging

Cash flow in the quarter



- **Solid cash flow from operations**

- Taxes paid NOK 12 billion
- Unrealised positive effects included in EBIT NOK 1.5 billion

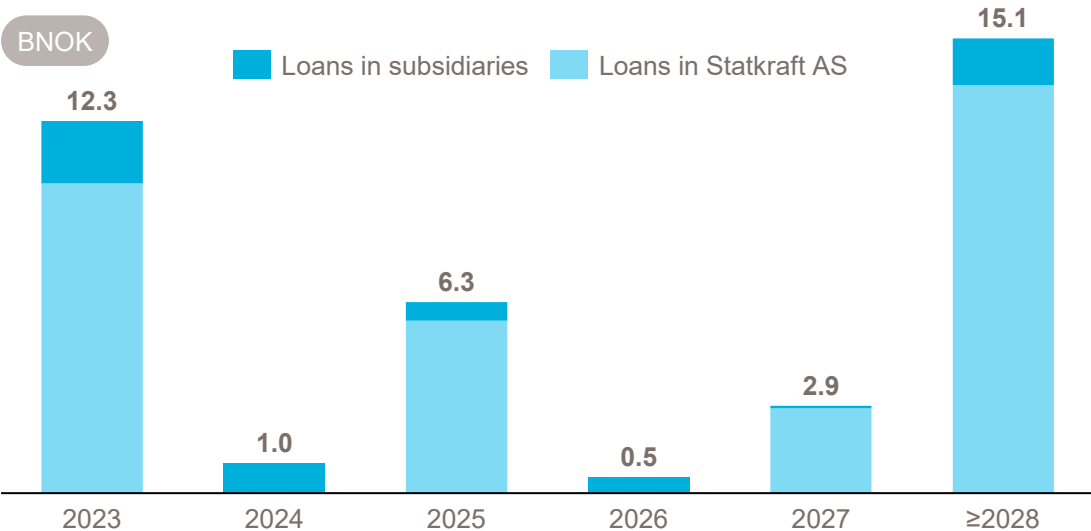
- **Financing activities**

- Repayment of matured bond

Rating, debt and maturity profile

- Very solid cash position
- Net cash position of NOK 16.1 billion
- Rating upgrade from Fitch
- Current ratings provide a framework for investments

Long-term liabilities, debt redemption profile



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

Summary

- Very strong financial results in 2022
- Volatility in the energy markets expected to continue in the short and medium term
- Power prices expected to continue at relatively high levels compared with levels before 2021
- Robust financial position and solid foundation to meet growth targets





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