



Powering a green future

Investor Update

SEPTEMBER 2022

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Agenda

- **Statkraft overview**
- Sustainability
- Green bonds
- Strategy and investment ambition
- Financial update, funding and liquidity



Statkraft at a glance



Investments in 2021
11.9 NOK
billion

96%
Renewable energy

Rating
S&P A and Fitch BBB+

4 800
employees in
19 countries

More than
370
power plants
around the world



100%
Norwegian
state-owned

Key figures 2021

Power generation

70 TWh

Installed capacity

18 653 MW

Gross op. revenues *

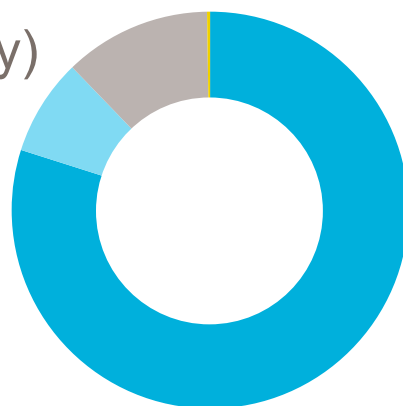
82.9 NOK
bn

Net profit

16.1 NOK
bn

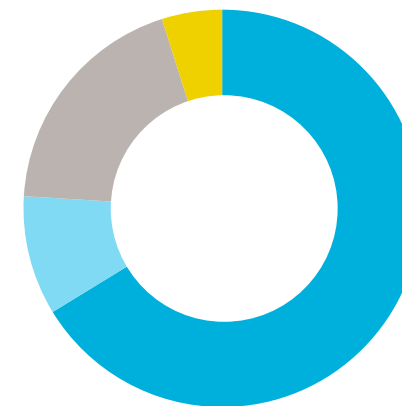
Technology (capacity)

- Hydropower 77 %
- Wind power 10 %
- Gas power 13 %
- Solar and bio 0,3%



Geography (capacity)

- Norway 66 %
- Nordic region ex. Norway 10 %
- Europe ex. Nordic region 19 %
- The rest of the world 5%



Key credit strengths

OWNED BY THE NORWEGIAN STATE (AAA/Aaa)



Historically strong support from owner

STRONG MARKET POSITION



Low-cost and flexible generator of renewable energy

ADEQUATE HEDGING OF GENERATION



Long-term contracts stabilize cash flow

BALANCE SHEET FLEXIBILITY



Investments adapted to financial capacity

Ownership support Statkraft's corporate credit ratings

Uplift from both S&P and Fitch

SEGMENTS

EUROPEAN FLEXIBLE GENERATION



Production assets with **low marginal cost**, high flexibility, high longevity and almost zero carbon emissions

245 hydropower plants and 5 gas fired plants in operation

30 dam refurbishments planned 2021-2029 increasing capacity, improving efficiency and flexibility

Unique optimizations skills

MARKET OPERATIONS



Dynamic asset management

Trading of standard energy and energy-related products

Origination and **hedging** services

Provide **market access** to third party renewable power producers

Activities in several countries in Europe and is also active in Brazil, India and the U.S.

INTERNATIONAL POWER



Asset ownership and operations of renewable assets in **emerging markets**

Operates in **growth markets**

27 hydropower plants and 4 wind farms

Operations in Brazil, Chile, Peru, India, Nepal, Albania and Turkey

EUROPEAN WIND AND SOLAR



Development and construction of **onshore wind and solar power** plants with the intention to divest the plants

Asset ownership and operation of wind farms

Development and construction of **grid service** assets

59 wind farms in operation and present in 10 European countries

DISTRICT HEATING

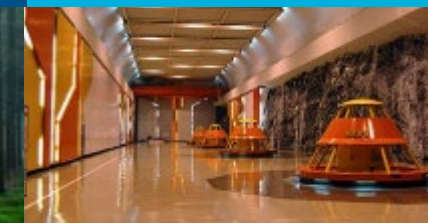


Statkraft **owns and operates** 13 facilities and concessions divided in two sub-areas

District heating has a distribution grid of approximately 500 km, 40 000 end-users

Waste, biomass, bio oil, electricity and gas constitute the energy sources in the production

INDUSTRIAL OWNERSHIP



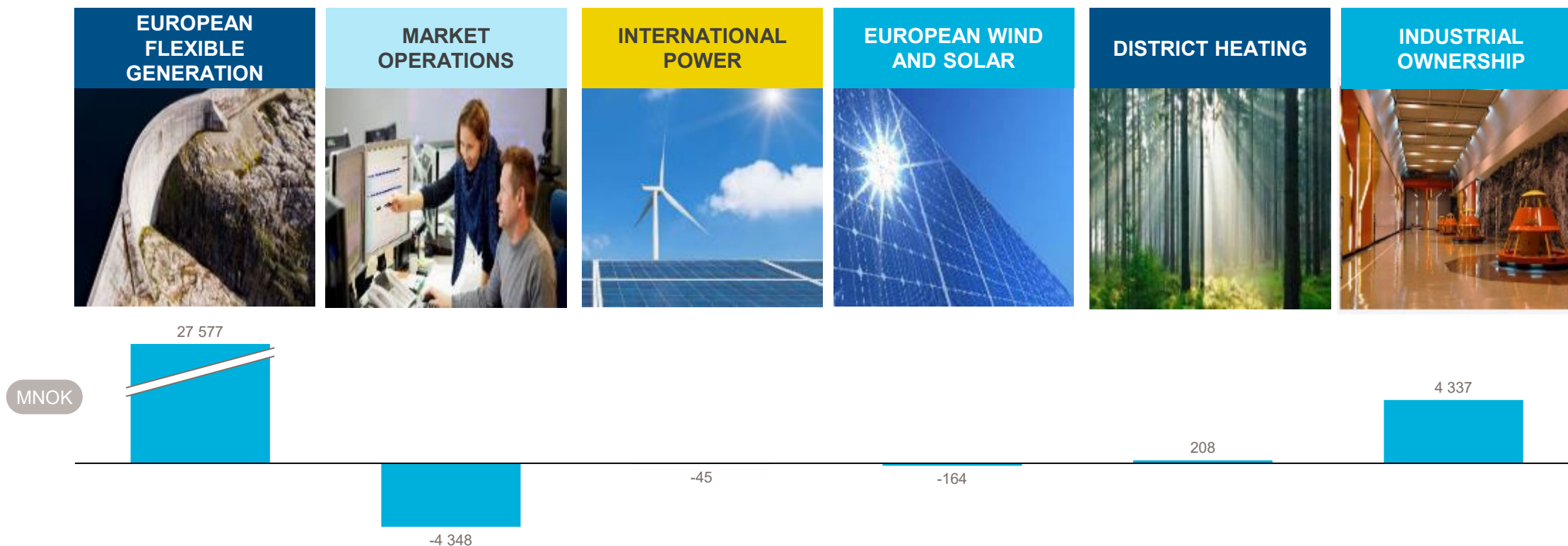
Includes **management and development** of Norwegian shareholdings within the Group's core business

Shareholdings in Skagerak Energi, Eviny (formerly named BKK) and Agder Energi

Hydropower generation is the main activity for the companies in Industrial ownership

Primarily a Nordic hydropower company

Segments and underlying EBIT* contribution 2021



Low-cost hydropower with high flexibility

- Production assets with **low marginal cost, high flexibility**, high longevity and almost zero carbon emissions
- **Unique optimizations skills** leading to a premium price capture through an integrated business model
- Gas-fired power plants in Germany

European flexible generation

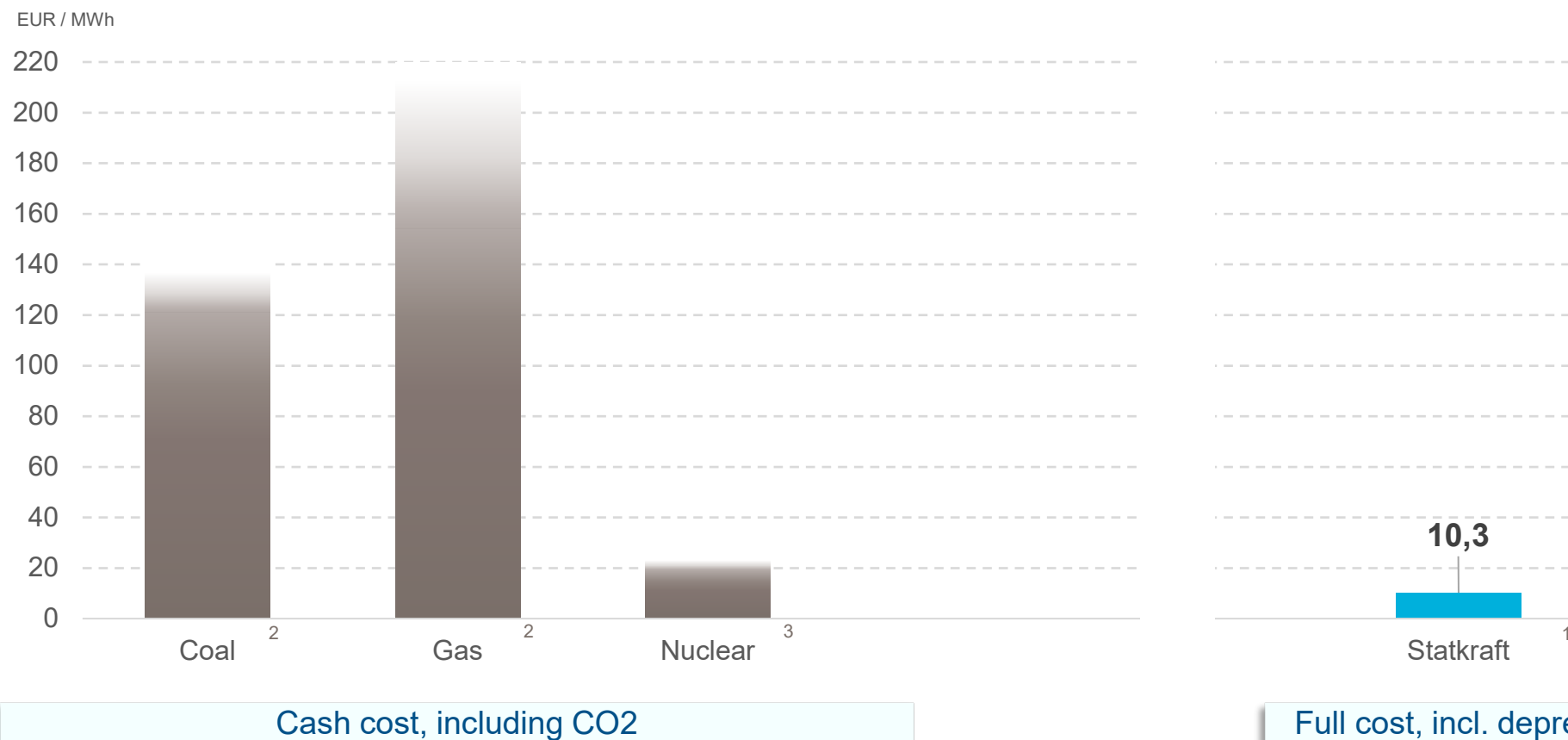
Europe's largest portfolio of flexible hydropower plants and reservoir capacity

245 hydropower plants with 13 270 MW capacity and 5 gas fired power plants with 2 390 MW capacity

~25% of Europe's reservoir capacity



Statkraft has a unique cost position



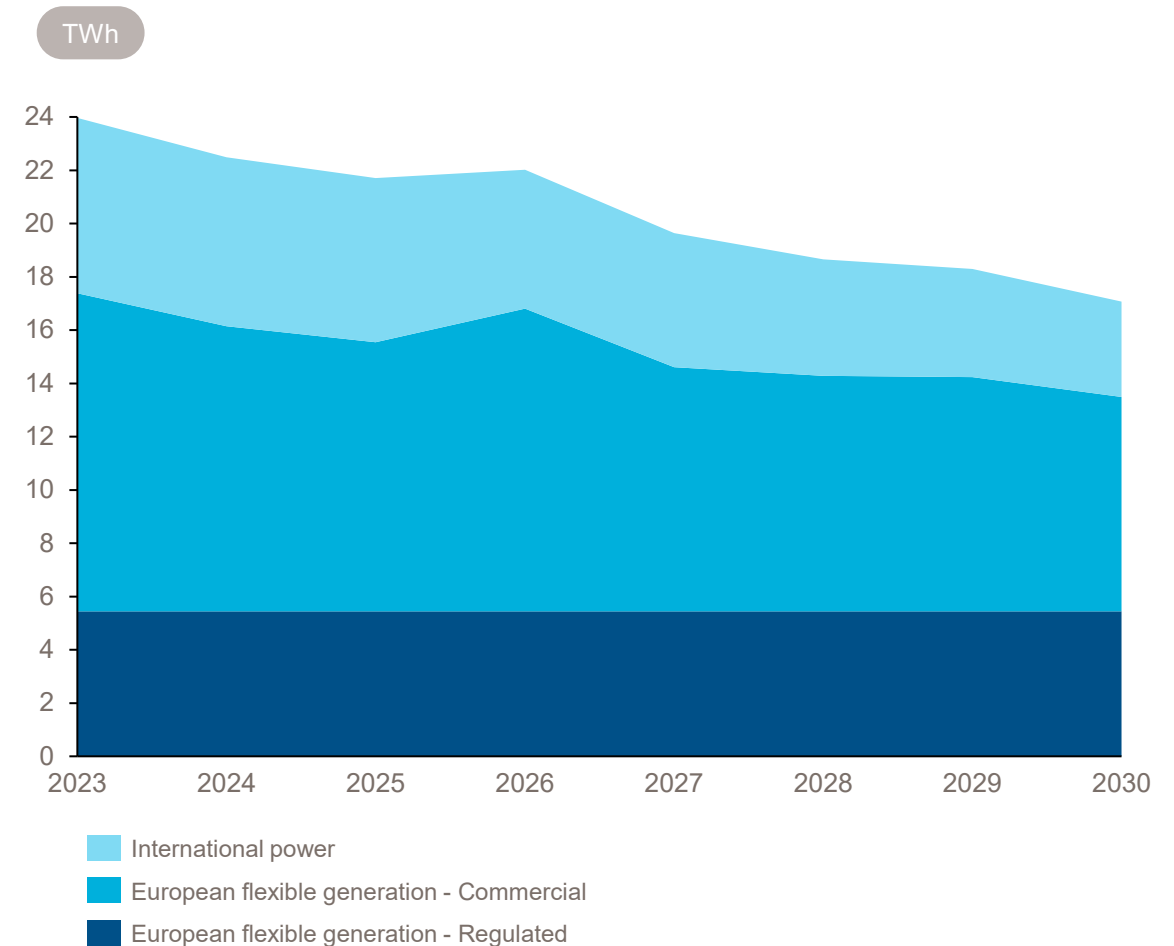
¹ Cost of operations, Nordic hydropower generation (EUR/MWh). Total operating expenses for these assets are divided by the seven-year average output from Nordic hydropower plants under own management in the segment.

² Last year average cash costs for coal and gas including CO2.

³ Estimates for modern nuclear plants in Europe

Long-term hedging

- Approx. 1/3 of total generation is hedged for the next years.
- Hedged volume has a stabilising effect on earnings
- **More than two thirds** of the generation is hedged in International Power until 2025



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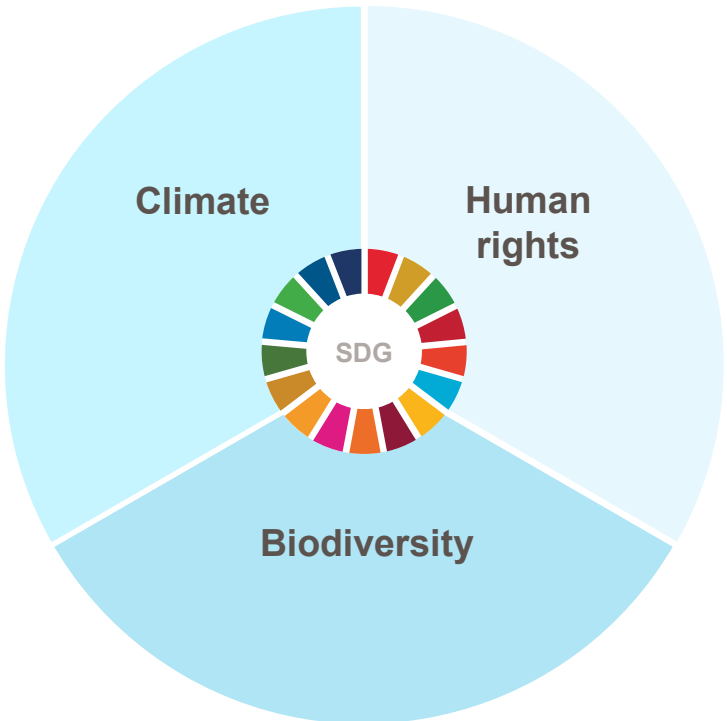
Statkraft's sustainability strategy



Statkraft commits to a power sector pathway compatible with a **1.5°C global warming target** and aims to be carbon neutral by 2040.



Statkraft has seven focus **SDG's**, with the overarching ambition to contribute to **combatting climate change (SDG 13)**.



Statkraft is committed to respect **human rights**. Statkraft guarantees a living wage for all employees and will require the same for site-based workers.



Statkraft is committed to mitigating our impact on **biodiversity** in a responsible way, to continuously improve the understanding of our impact and reporting this transparently.

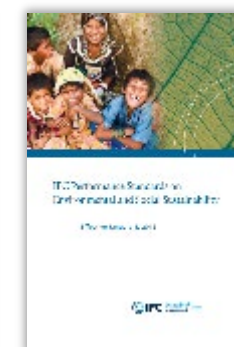
Sustainability commitments

- Sustainability requirements and guidance are **embedded into business through our management system**, including our Code of Conduct and Supplier Code of Conduct, and are aligned with international frameworks and guidelines
- **Group KPIs are regularly reviewed** by Corporate Management (CM) and the Board of Directors (BoD) as part of the quarterly corporate performance reporting process
- CM and BoD are updated biannually on the status of the sustainability strategy, including progression of key targets
- ESG performance influences the compensation of top management
- A dedicated system is in place for **non-compliance reporting** for employees and external stakeholders
- **Regular materiality analyses** for the group are conducted

External commitments



International frameworks and guidelines

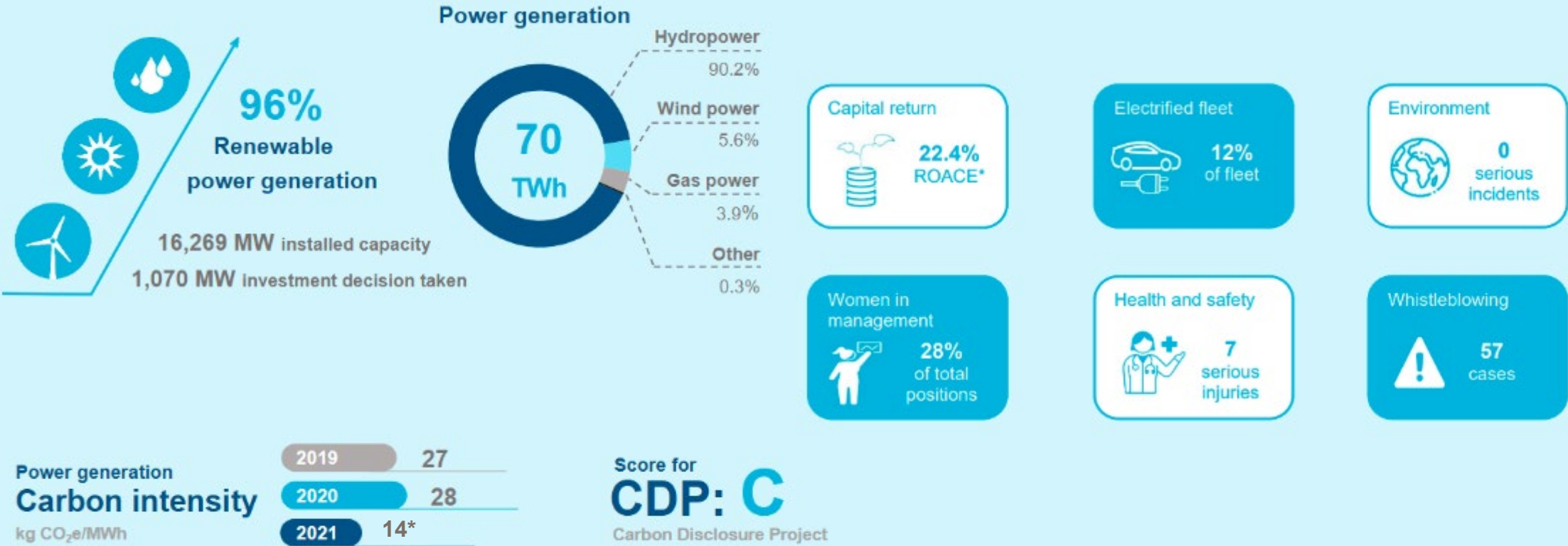


Sustainability reporting

- Sustainability is an integral part of the annual report
- Reporting is based on the **GRI standard**
- Limited level of assurance by Deloitte
- Statkraft reports to **CDP** (Carbon Disclosure Project)
- The reporting related to climate topics is aligned with the **TCFD (Task Force on Climate-Related Financial Disclosures)** recommendations
- Continuous work to align with emerging regulations, standards and frameworks, such as the **EU taxonomy and the Corporate Sustainability Reporting Directive (CSRD)**
- Follow development of and make preparations to implement relevant national legislation, including the new **Norwegian Transparency Act**



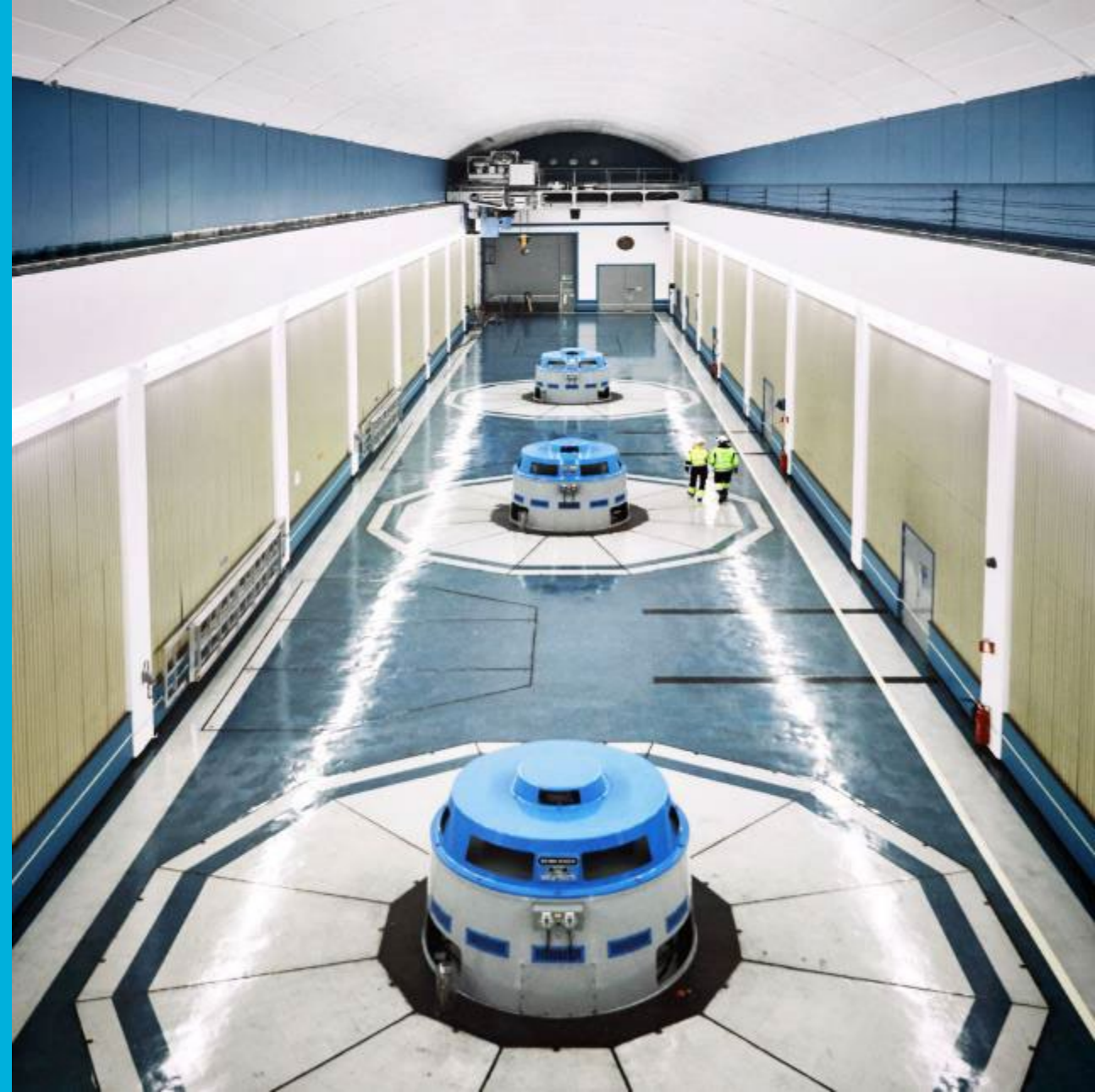
Sustainability at a glance



* The 2021 carbon intensity presented in the Annual Report 2021 was preliminary, whilst 14 kg CO₂e/MWh is the final figure (which is reported to the German authorities).

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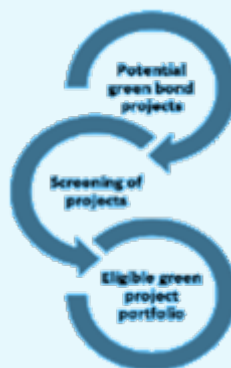
Green finance framework

Use of Proceeds



- ▶ Renewable energy and related infrastructure
- ▶ Clean transportation

Process for Project Evaluation and Selection



- ▶ Projects approved by Treasury and the Corporate Sustainability unit

Management of Proceeds



(Green Financing Register)

- ▶ Managed by the Treasury department
- ▶ Keeping a register of Eligible Projects and bond issuances
- ▶ Proceeds yet to be allocated will be held in accordance with the Treasury's liquidity management policy

Reporting and Transparency



- ▶ Annual Green Finance Report detailing allocation and impact
- ▶ Assurance report by external auditor

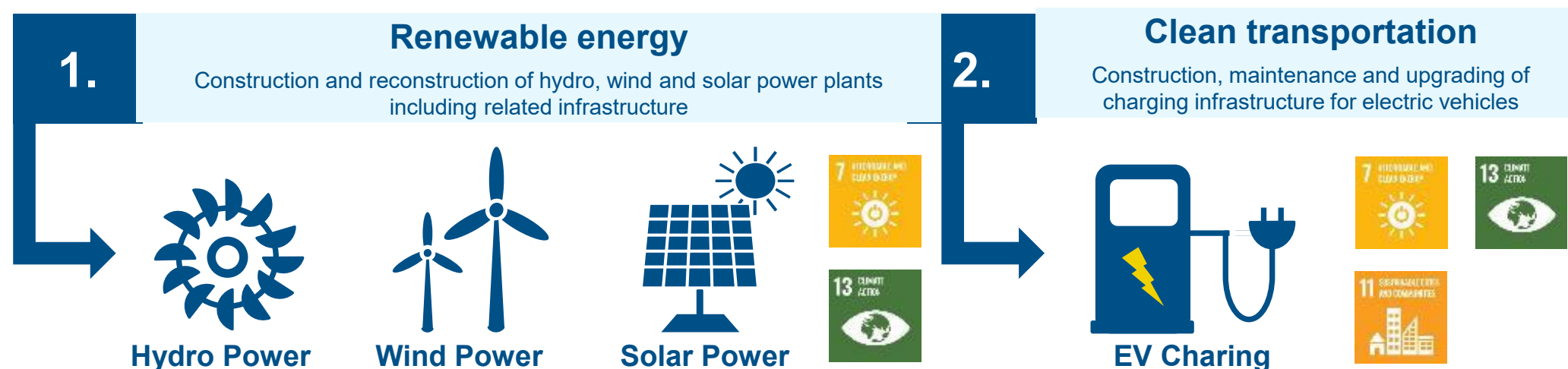
Verification from Third Party



- ▶ Framework reviewed by CICERO
- ▶ Dark Green and Excellent score

Use of proceeds

- Through ambitious growth strategy and safe, ethical and responsible operations, our aim is to become one of the world's leading renewable energy companies
- The vast majority of planned investments falls within Statkraft's Green Financing
- The financing of new Eligible Projects will have a 3-year look back period
- Framework
- Categories and Eligible Projects:



Reporting and Transparency

To enable investors to follow the development and provide insight into prioritized areas, Statkraft will provide an annual Green Finance Impact Report to investors including:

- Division of the allocation of Green Finance proceeds between new projects and refinancing, as well as the split between Green Loan and Green Bond issuance
- Division of the allocation of Green Finance Proceeds between the eligible project categories
- When possible and relevant, further information on the Eligible Projects
- Balance of the Green Finance Register



EU Taxonomy Alignment

Statkraft will report on the proportion of Green Financing raised that is aligned with the prevailing relevant EU Taxonomy for Sustainable Activities criteria at the time of the Green Finance Impact Report.

- Renewable power generation is generally deemed to make a substantial contribution to the mitigation of climate change
- Statkraft has an ongoing process for assessing and reviewing the economic activities for the “Do No Significant Harm (DNSH) criteria

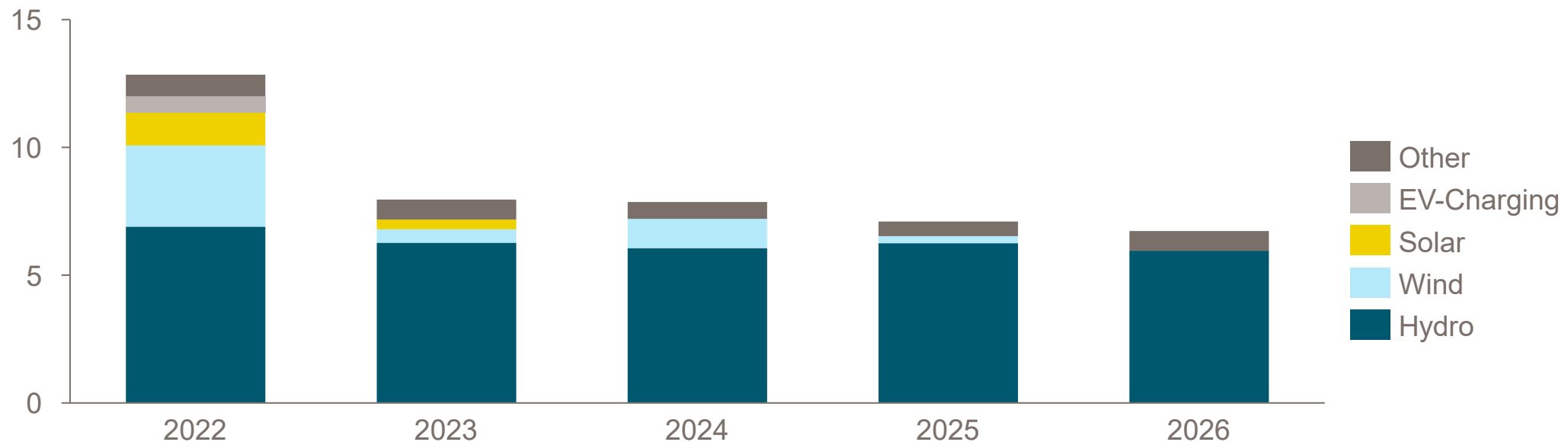
Second opinion of green finance framework

- CICERO is Norway's foremost institute for interdisciplinary climate research
- CICERO Green second opinions are graded dark green, medium green or light green, reflecting a broad, qualitative review of the climate and environmental risks and ambitions
- CICERO Shades of Green rates Statkraft's green finance framework **CICERO Dark Green**
- CICERO Shades of Green finds the governance procedures in Statkraft's framework to be **Excellent**
- CICERO Shades of Green finds it a strength that the framework exclusively focus on low-carbon solutions, supported by Statkraft's overall focus on renewables growth
- CICERO Shares of Green finds no material weakness in Statkraft's green financial framework



Significant volume of eligible projects

- Gross committed investments in 2022 – 2026 of NOK 42 bn
- In addition to already committed projects, there is a significant pipeline, predominantly within wind and solar power



Examples of projects

Hydropower

- A substantial part of our plants are due for reinvestments and major dam rehabilitation work with annual investments of around NOK 2 billion. Such reinvestments and maintenance can ensure flexible, climate friendly production with negligible environmental impact
- New turbine and generator refurbishment: Kvilldal and Trollheim (Norway)
- License application of the Folgefonn hydropower modernisation has been sent (Norway)
- Construction projects: Tidong (India, 150 MW), Storlia and Vesle kjela (Norway, 17 MW)

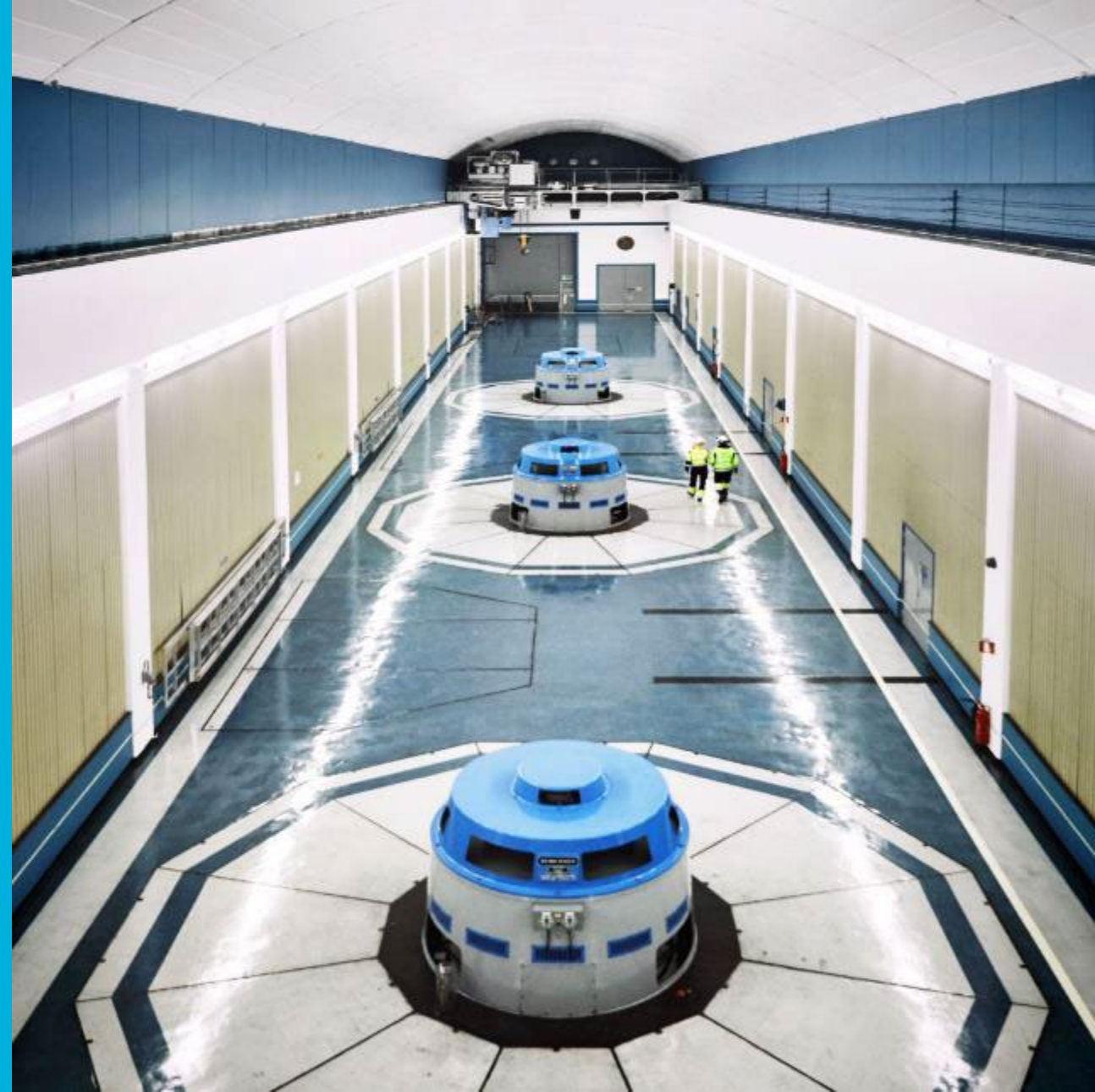
Wind and solar power

- Major developer of solar and wind by 2030
- Keep more ownership of wind and solar assets in UK, Ireland and some additional European markets
- In 2021 acquired 43 wind farms in Germany and France (346 MW)
- First solar park in India completed: Nellai (India, 55 MW)
- Construction projects: Ventos de Santa Eugenia (Brazil, 519 MW), Morro de Cruzeiro (80 MW) and Torsa (Chile, 108 MW)



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Target picture 2030: A leading international renewable energy company

Provide clean flexibility – leveraging hydropower

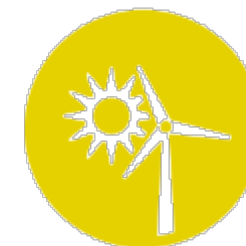
Largest hydropower company in Europe, and a **significant player** in South America and India – investing in at least 5 larger projects in Norway by 2030



Accelerate solar, wind and battery storage

Major developer of solar, onshore wind, and battery storage with an annual delivery rate of 2.5-3 GW in 2025 and 4 GW by 2030

Industrial offshore wind player in the North Sea and Ireland



Deliver green market solutions to customers

Top-tier provider of market solutions in Europe with a significant global reach



Scale new green energy technologies

Leading developer of **green hydrogen, biofuel, EV charging** and other green technologies – developing 2 GW green hydrogen by 2030

Top 3 customer friendly and profitable district heating player in Norway and Sweden



Sustainable, ethical and safe operations

Six key changes from previous strategy

- 1 Accelerate our growth rate in **solar, onshore wind, and battery storage**
- 2 **Increase ownership** in onshore wind and solar in Europe
- 3 Pursue an industrial role in **offshore wind**
- 4 Become a leading developer of **green hydrogen**
- 5 Strengthen our position as a **flexibility** provider
- 6 Increase activity level across technologies in **Norway**

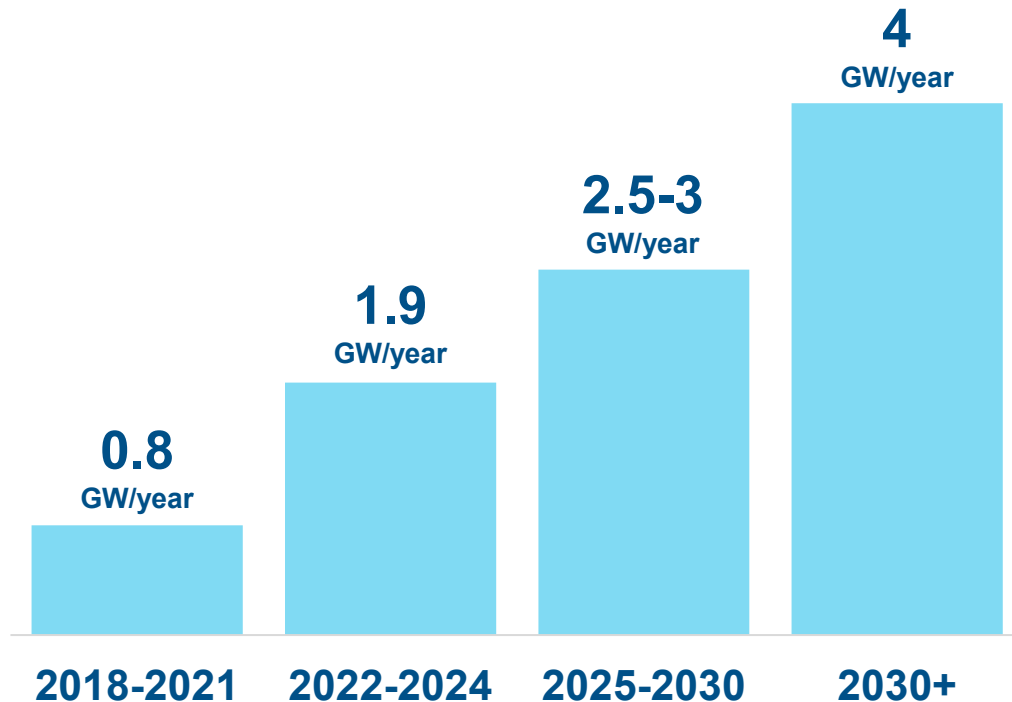


Towards 2030, we are significantly strengthening the growth agenda across our activities and geographies



Accelerated growth rate in solar, wind and battery storage

Annual growth rate



- Developed 1.2 GW of new capacity in 2021
- On track to deliver 2.5-3 GW annually by 2025
- Further strengthen growth ambitions – delivering 4 GW annually by 2030

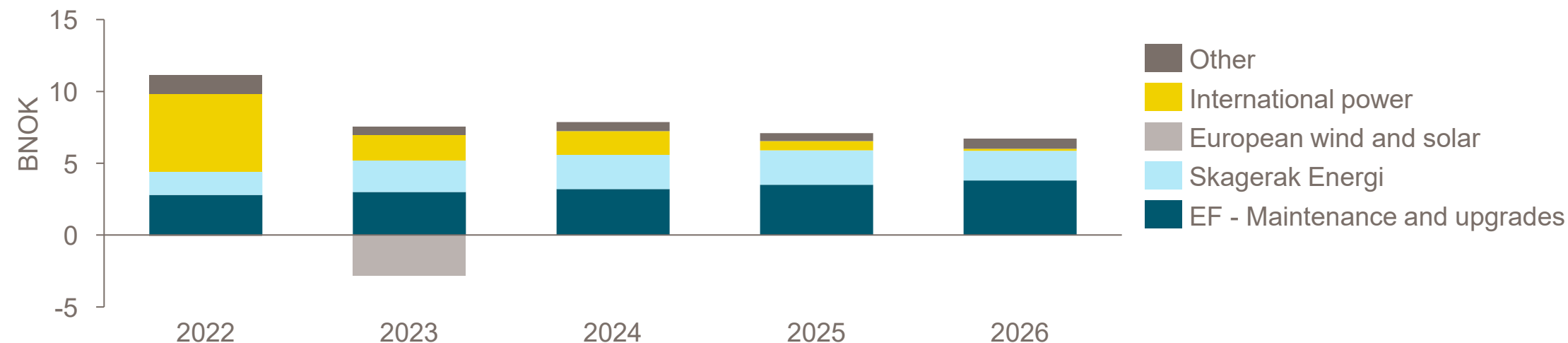


Annual power generation can reach >100 TWh by 2030

Net committed investments 2022-2026

- Investment ambition subject to financial capacity:
 - Total committed net investments 2022 – 2026 of NOK 37 bn (gross NOK 42 bn)
 - Statkraft has a significant project pipeline in addition to already committed investments
 - Rating target of A- from S&P and BBB+ from Fitch

Net committed investments



Agenda

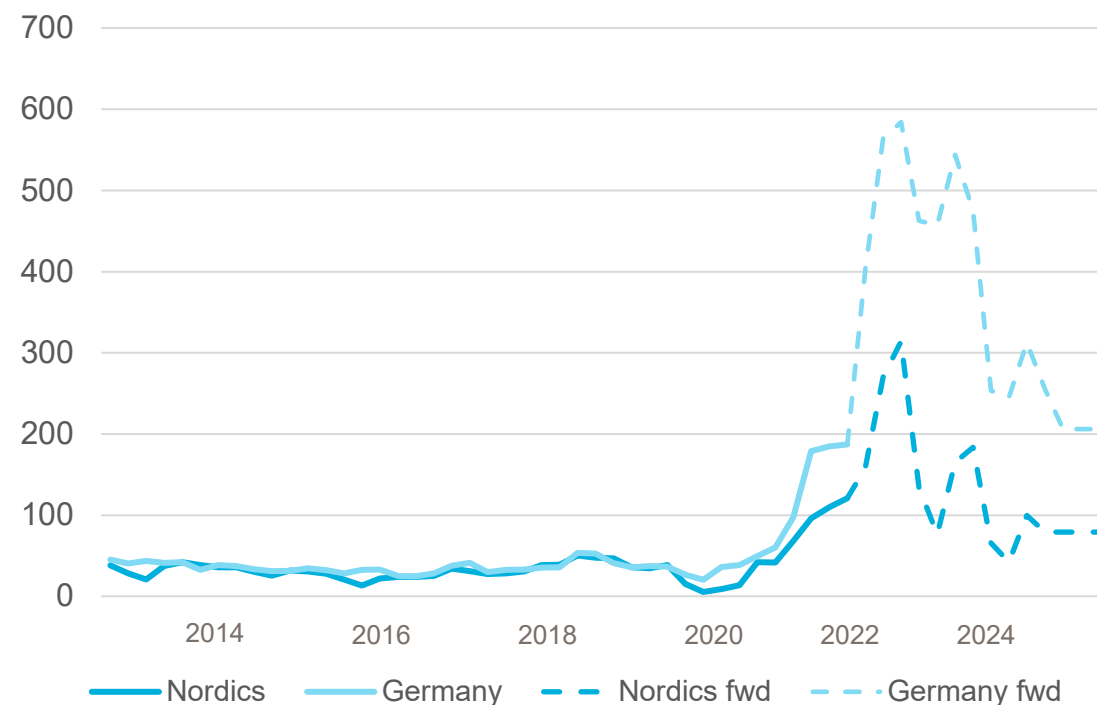
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High power prices driving EBIT

Quarterly average electricity prices

EUR / MWh

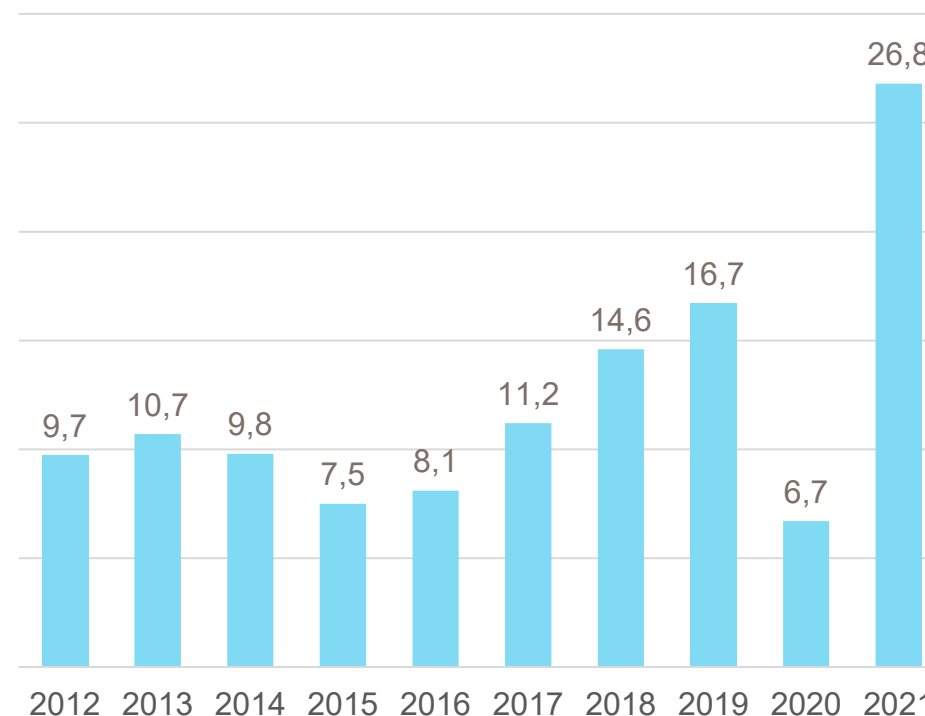


Electricity prices updated as 17.08.2022

Source: NordPool Spot, Epex, Nasdaq and EEX

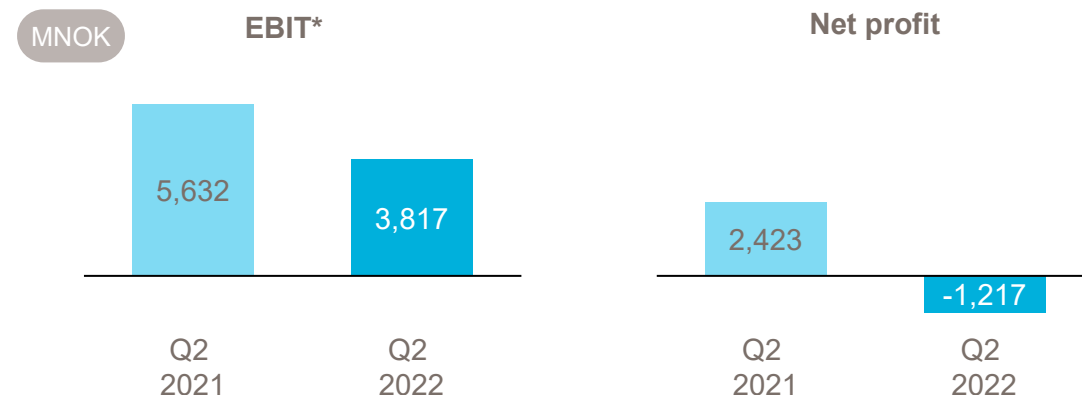
Underlying EBIT

Billion NOK



Key financial figures

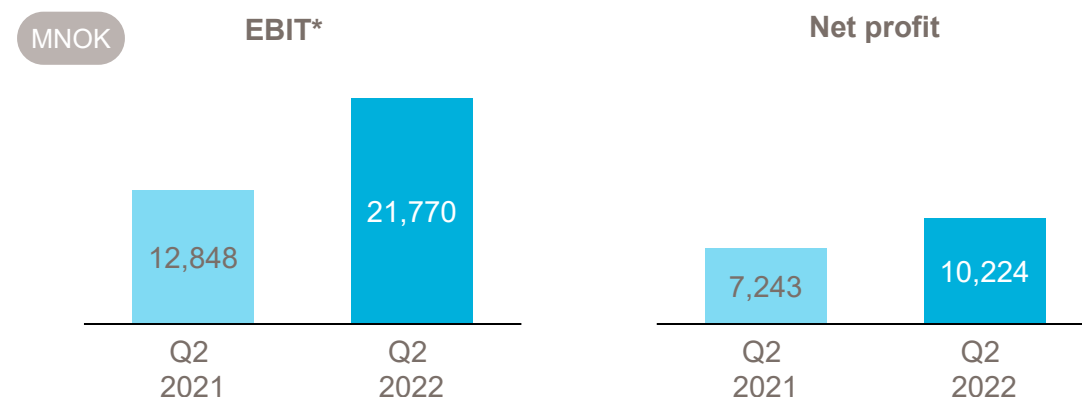
Quarter



Quarterly performance driven by:

- Record-high Nordic power prices
- Lower generation volume in Norway
- Unrealised losses from hedging of future revenues

Year to date



YTD performance driven by:

- Record-high Nordic power prices
- Significantly improved results from Market operations

Statkraft's funding strategy



Rating
upgrade from
S&P

**Centralized
Diversification
Back-stop facilities**



Rating target of
A- from S&P and
BBB+ from Fitch



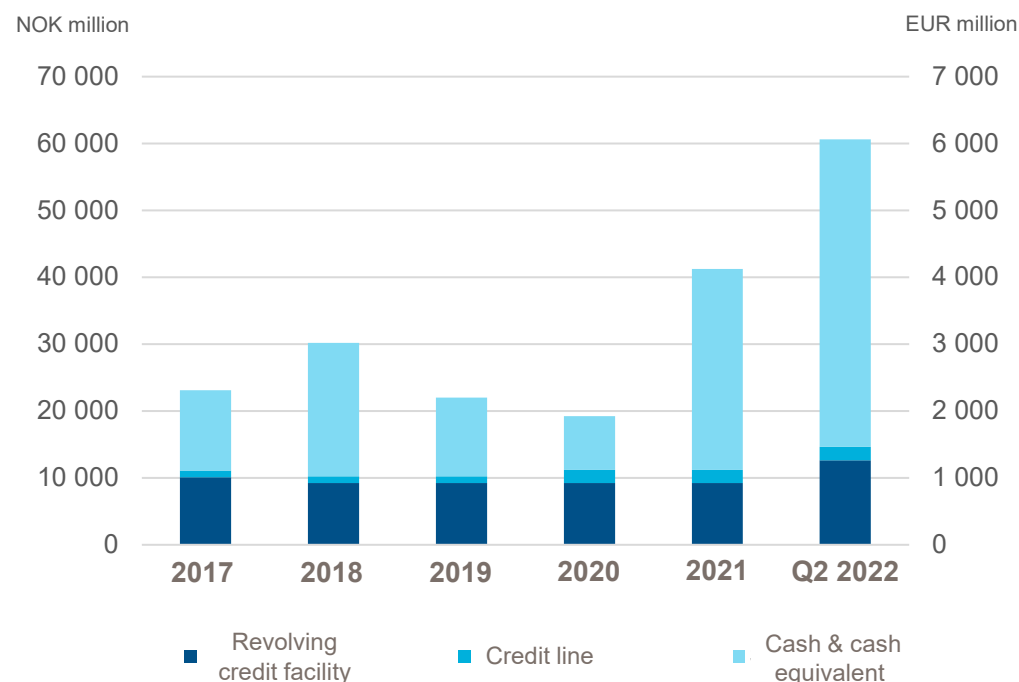
Currency debt
- hedging of future
revenues in
foreign currency

- Very solid cash position
- High cash flows from operation
- 7,000 MNOK bond maturity in Q4 2022
- Dividend policy was re-confirmed in 2021



Liquidity position

Available liquidity and target



Liquidity capacity target¹: >1.5x projected payments over next six months

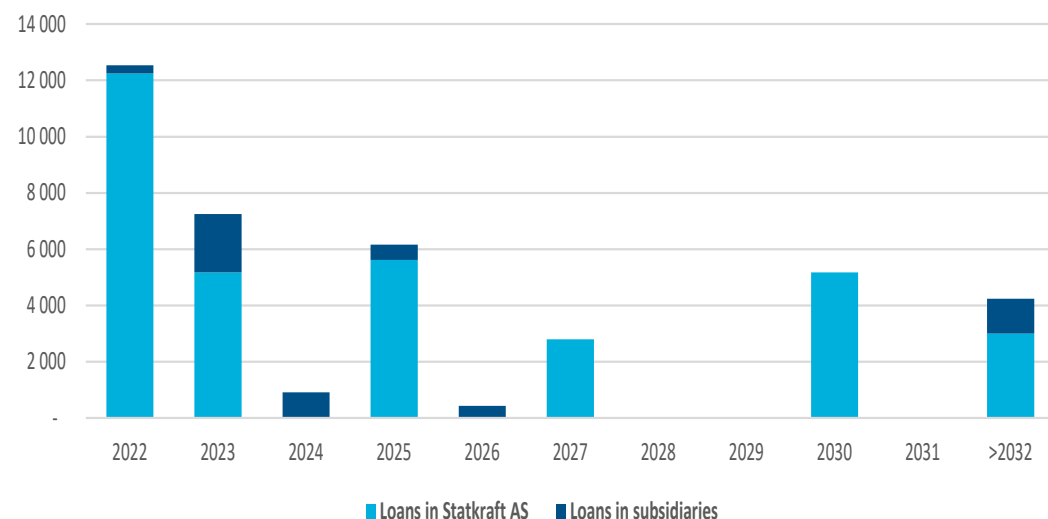
Liquidity and market access

- Liquidity risk is managed through cash flow forecasting, stress tests, committed credit facilities, access to several funding sources/markets, ensuring evenly distributed debt maturity profile and maintaining a sufficient liquidity buffer;
 - EUR 1.3 bn. Sustainability-linked Revolving Credit Facility with 11 core banks maturing 2027
 - EMTN Programme EUR 6.0 bn. of which EUR 3.0 bn. available under current programme
 - NOK 2 bn. in committed credit line renewed on a yearly basis
 - Strong bank group with ability and willingness to use their balance sheet
 - NOK 5 bn. commercial papers outstanding

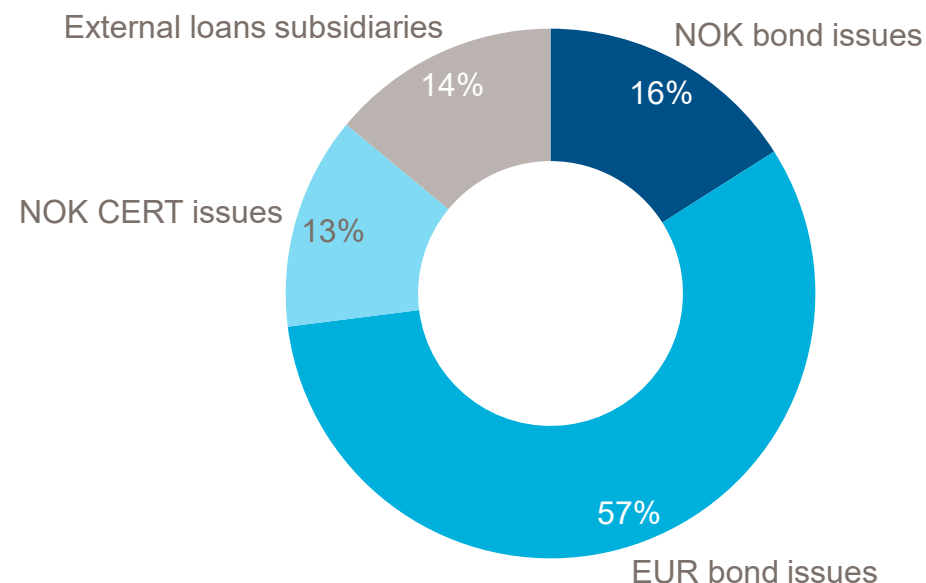
Balanced debt maturity and mixed funding sources

Debt maturity profile 30.06.2022

NOK million



Distribution of funding sources



Q&A

Investor relations contacts:

VP Group Treasury, Stephan Skaane

Phone: +47 905 13 652

E-mail: Stephan.Skaane@statkraft.com

SVP Group Treasury, Tron Ringstad

Phone: +47 992 93 670

E-mail: Tron.Ringstad@statkraft.com

Funding Manager, André Halle Julin

Phone: +47 992 54 205

E-mail: AndreHalle.Julin@statkraft.com

