



# Quarterly results Q3-2021

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OSLO 4 NOVEMBER 2021

# Third quarter summary



- **Solid underlying EBIT**
  - Driven by high Nordic power prices and Norwegian hydropower generation
  - Partly offset by negative result from Market operations
- **Acquisition of wind power portfolio** strengthening Statkraft's position as a key renewables player in Europe
- **Divestment of wind farm and solar parks** demonstrating ability to create value
- **New solar projects** of 156 MW, supporting UN sustainable development goal 13 on climate action

# Nordic hydropower at the core of our business



15 dam refurbishment projects planned for the period 2021-2029



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



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

# Ruling on Fosen

- The concessions and expropriation permits for the Storheia and Roan wind farms violate the Sami reindeer herders right to cultural practice
- The Ministry of Petroleum and Energy has confirmed that no immediate measures will be taken in relation to the concession
- An application for a renewed concession and expropriation permit will be submitted, including updated impact assessments and new measures ensuring that the human rights of the Sami groups are respected
- Fosen Vind and Roan Vind has initiated dialogues with the Ministry of Petroleum and Energy and with the Sami people following the ruling
- The final implications of the Supreme Court decision are at this stage highly uncertain



# Power contract with Boliden in Norway

- Signed a new, extended power contract securing competitive power to Boliden's sink smelter in Odda, Norway
- The contract increases the annual volume with 0.7 TWh to 1.6 TWh
- Duration of 15 years from the upgraded smelter starts operations in 2024
- Confirms Statkraft's position as the main supplier of electricity to power-intensive industry in Norway



# Divestment of wind farm and solar parks

- Divested the Andershaw wind farm (36 MW) located south of Glasgow, Scotland
- Agreed to divest a portfolio of four solar parks (234 MWp) in Cádiz, Spain
- Signed a put/call option agreement to divest four solar parks (200 MWp) in Ballymacarney outside Dublin, Ireland



# Acquisition of wind farms in Germany and France

- 39 wind farms across Germany with a total installed capacity of 311 MW
- 4 wind farms in France with a total installed capacity of 35 MW
- This strengthens Statkraft's position as a key renewables player in Europe



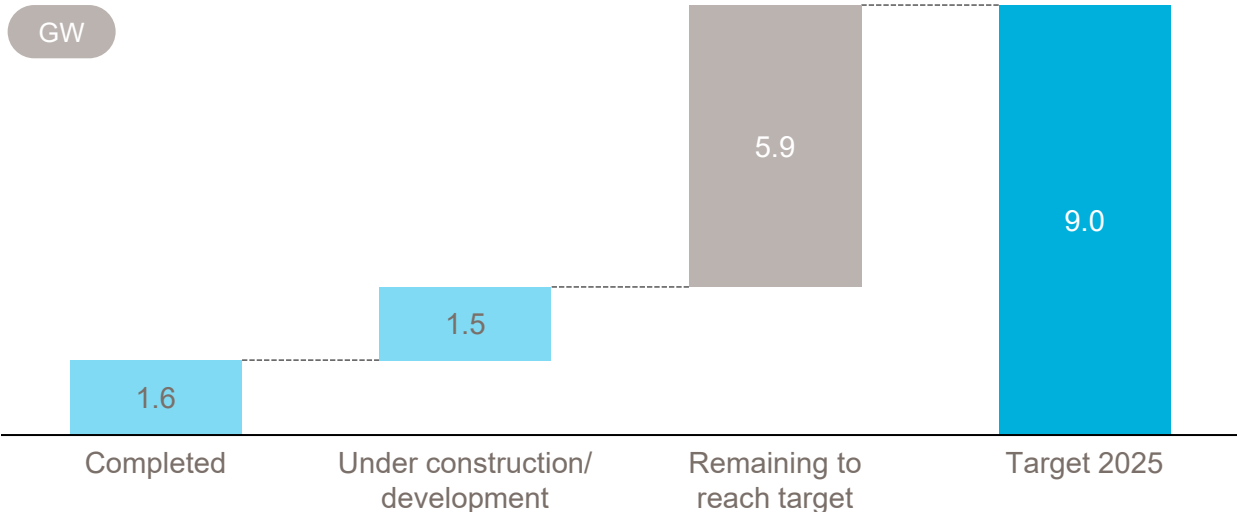
# Growth target for new capacity

## New committed projects in the quarter

Country	Project	Technology	MW	Ownership share	Planned completion	Business model <sup>1</sup>
Ireland	South Meath	Solar	80	100%	Q2 2023	DBS
India	Nellai	Solar	76	100%	Q4 2022	BOO

<sup>1</sup> Business models: DBS: Develop – Build – Sell; BOO: Build – Own – Operate

## 9 GW new capacity to be developed by 2025



The target is to develop 9 GW by 2025 followed by an annual development rate of 2.5 – 3.0 GW

Status at the end of the Q3 2021

- 1.6 GW completed
- 1.5 GW under construction/development

1 GW of the new capacity has been divested



# Building new green industries in Norway

## Hydrogen

**Important part of energy mix towards 2050** – aim to be a leading producer of green hydrogen

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## Biofuels

**Currently constructing large demo plant for advanced biofuels** – aim to be a frontrunner in advanced biofuel technology and production

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## EV Charging

**Mer** – aim to be a leading EV charging player in Northern Europe by 2030

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## New industries

**Facilitating the development of data centres** – aim to create more jobs, activity and more green growth in Norway

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# Statkraft is uniquely positioned in the energy transition

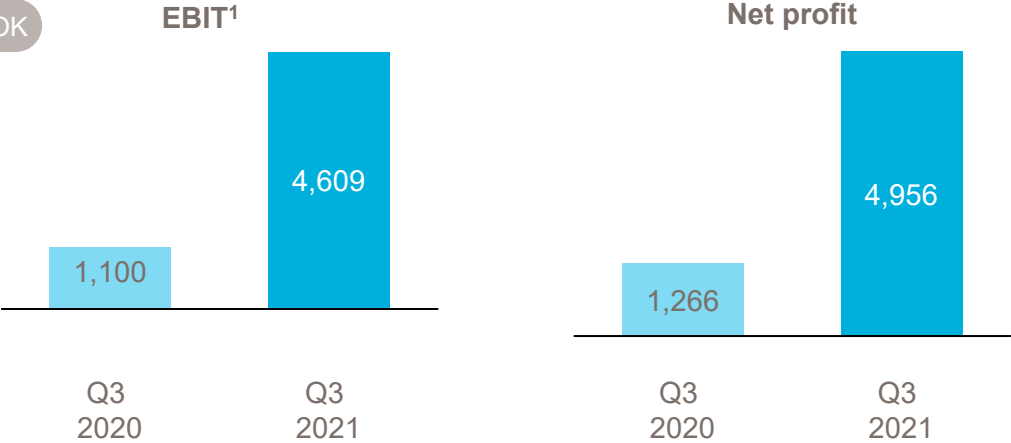
- **Strong asset base and expertise**
- **Continues to develop and deliver renewable energy projects** to reach growth targets
- **Solid financial position** enables further growth



# Key financial figures

## Quarter

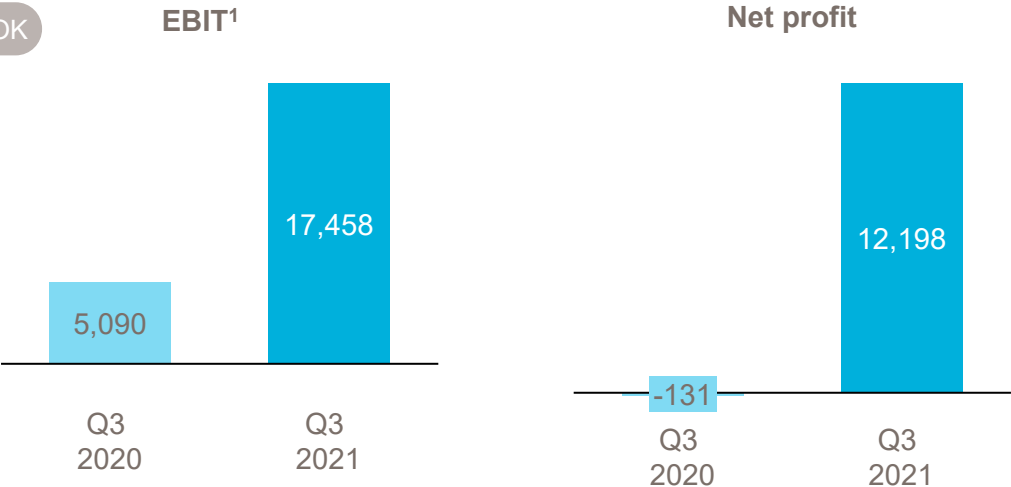
MNOK



- **Strong EBIT<sup>1</sup>** both for a third quarter and year to date driven by
  - Significantly higher power prices
  - High Norwegian hydropower generation

## Year to date

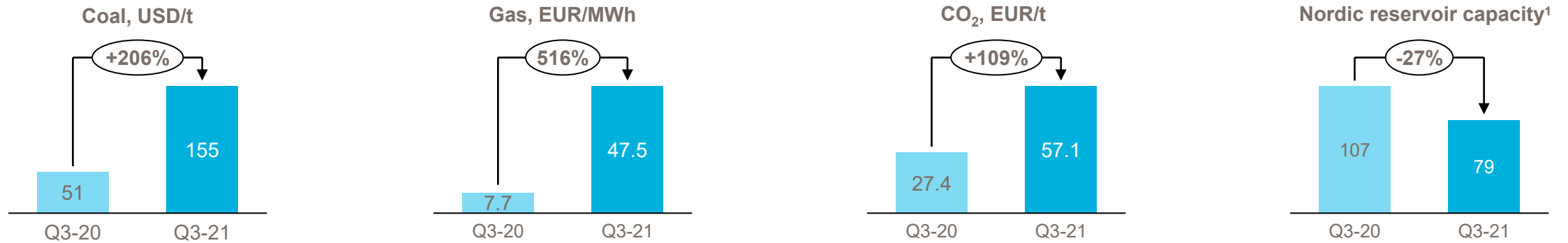
MNOK



- **Solid net profit** both in the quarter and year to date. Positively affected by
  - Gains from divestments
  - Reversal of impairments

<sup>1</sup> Underlying figures, see definition in alternative performance measures in financial reports

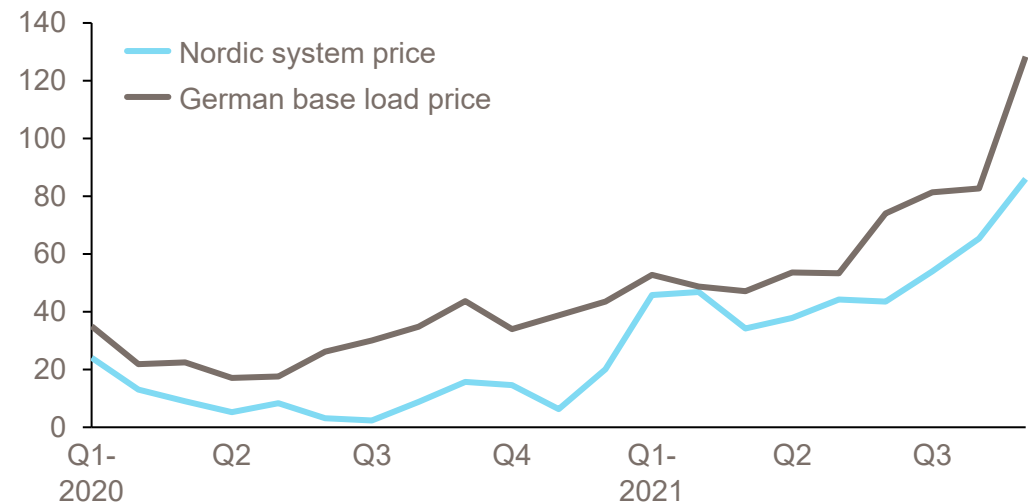
# Volatile energy market



- Other factors impacting power prices

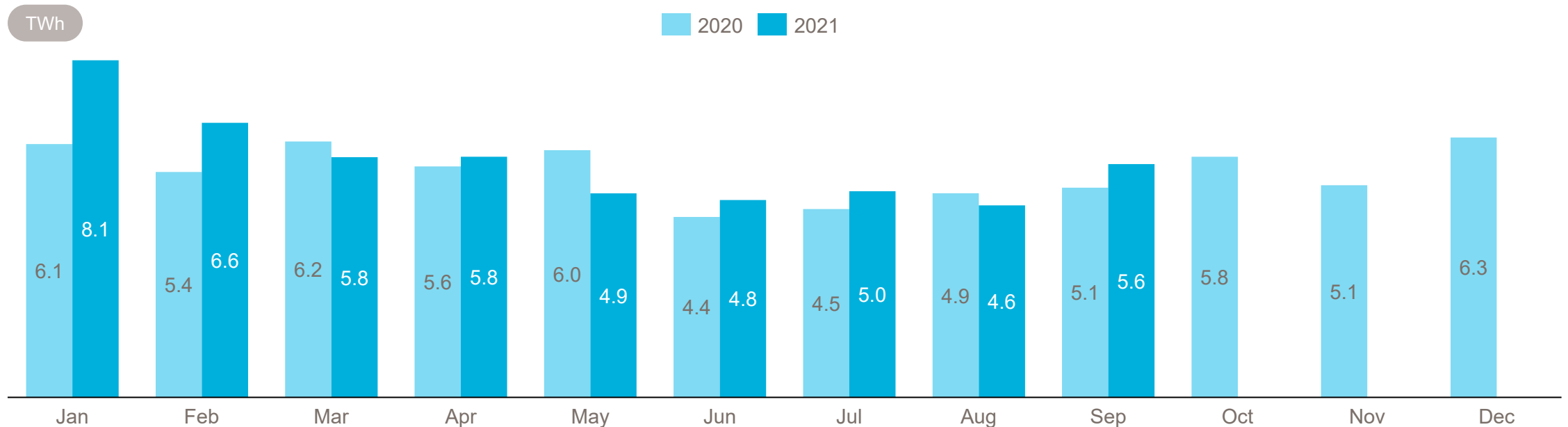
- Low precipitation level
- Low wind speeds
- Higher power demand across Europe

**Average quarterly Nordic system price was 68.5 EUR/MWh, up 59.5 EUR/MWh Q-on-Q**



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

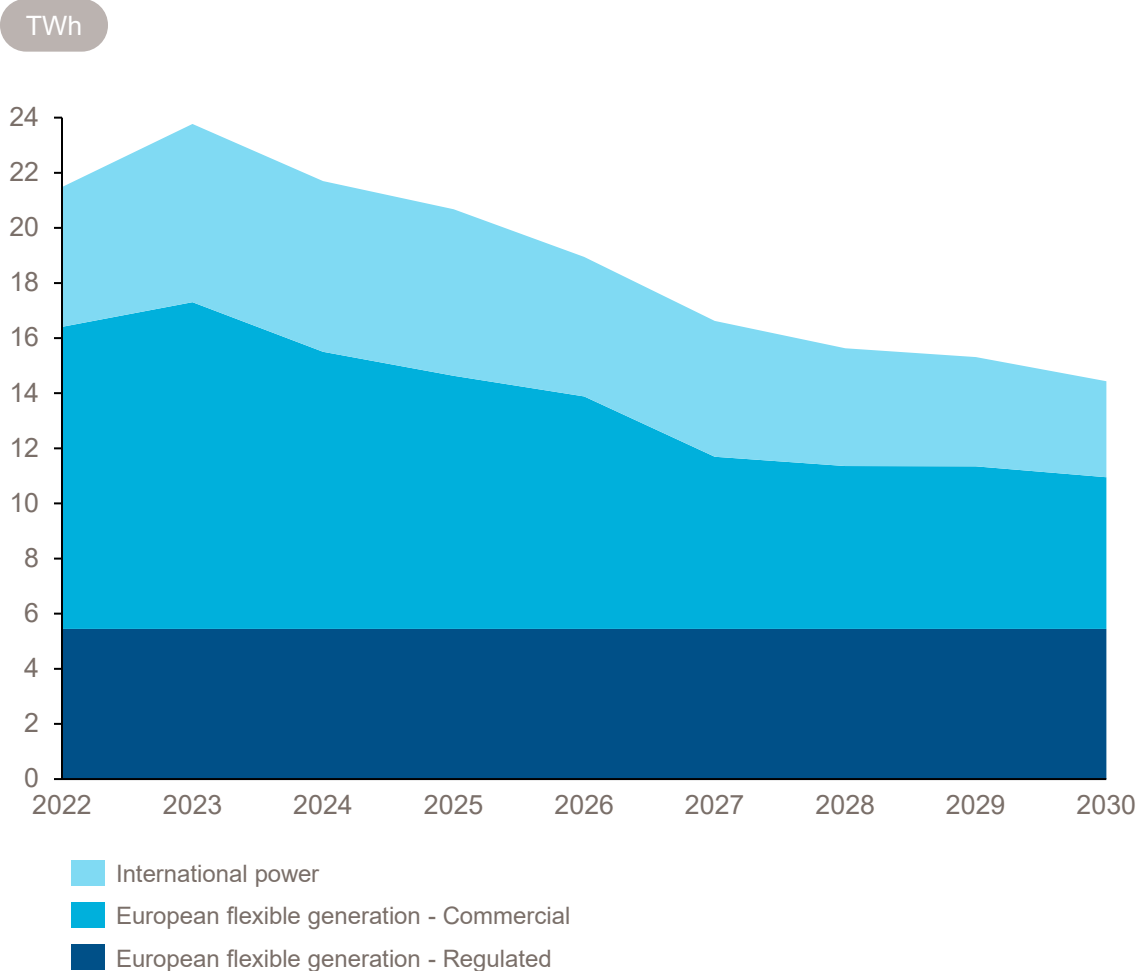
# Generation



- Total power generation up 5% to 15.3 TW from Q3 last year
  - Hydropower generation up 2.8 TWh to 13.9 TWh
  - Wind power generation down 0.1 TWh to 0.8 TWh
  - Gas-fired power generation down 2.0 TWh to 0.5 TWh

# Hedging

- Includes new extended Boliden contract.
- Approx. 1/3 of total generation is hedged for the next years.
- The estimated effect in Q3 of the commercial contracts in European flexible generation was approximately -100 MNOK.

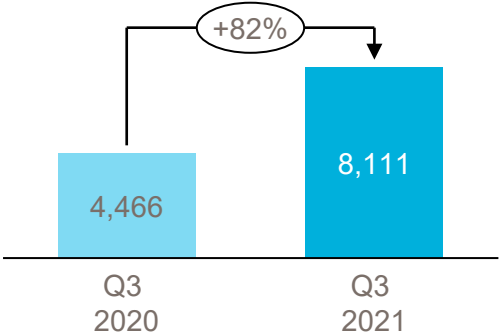


# Revenues and cost development

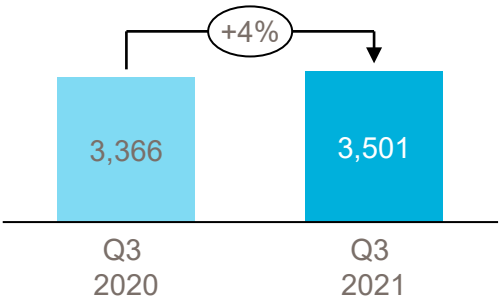
## Quarter

MNOK

Net operating revenues<sup>1</sup>



Operating expenses<sup>1</sup>

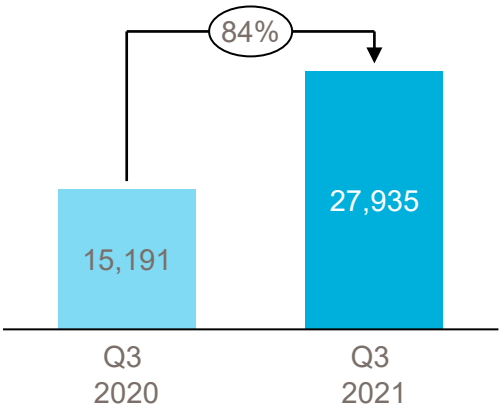


- Net operating revenues increased driven by
  - significantly higher Nordic power prices
  - high Norwegian hydropower generation
- Operating expenses increased moderately due to a higher number of full-time equivalents and an increased activity level.

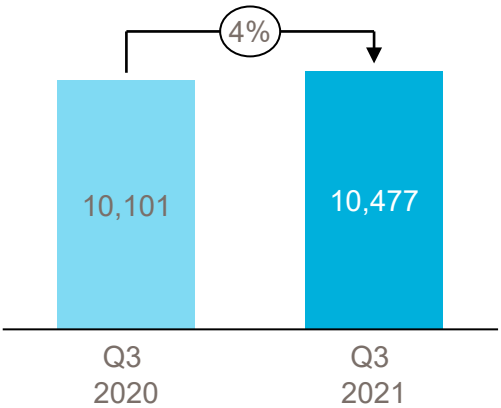
## Year to date

MNOK

Net operating revenues<sup>1</sup>



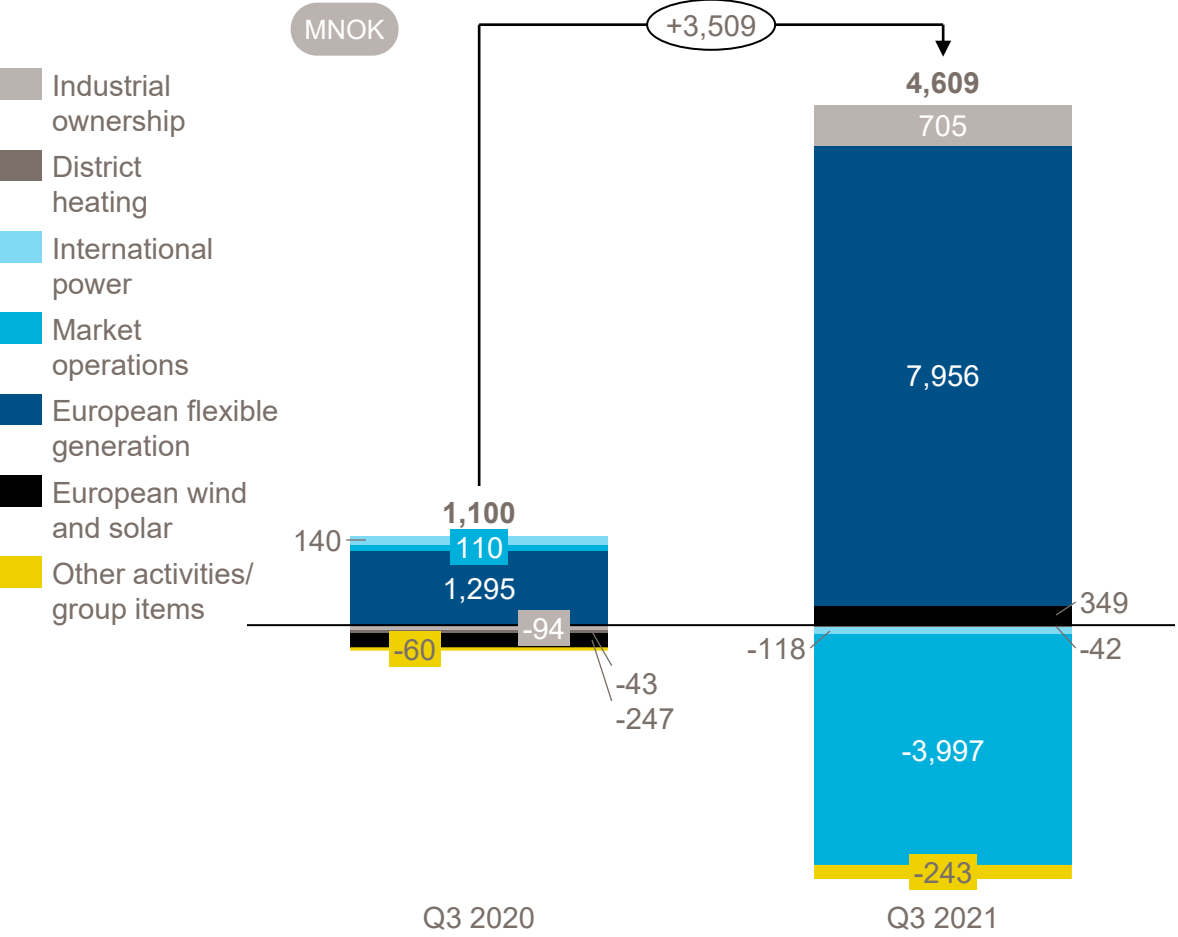
Operating expenses<sup>1</sup>



- The increase year to date were due to the same factors as for the quarter.

<sup>1</sup> Underlying figures, see definition in alternative performance measures in financial reports

# Underlying EBIT in the quarter



- Higher EBIT from European flexible generation and Industrial ownership driven by
  - higher Nordic spot prices
  - high Norwegian hydropower generation
- Higher EBIT from European wind and solar driven by:
  - Divestment of solar farms in Spain
  - Higher Nordic spot prices
- Negative EBIT from Market operations driven by
  - record-high prices for power and other power related commodities
  - high volatility in the forward markets



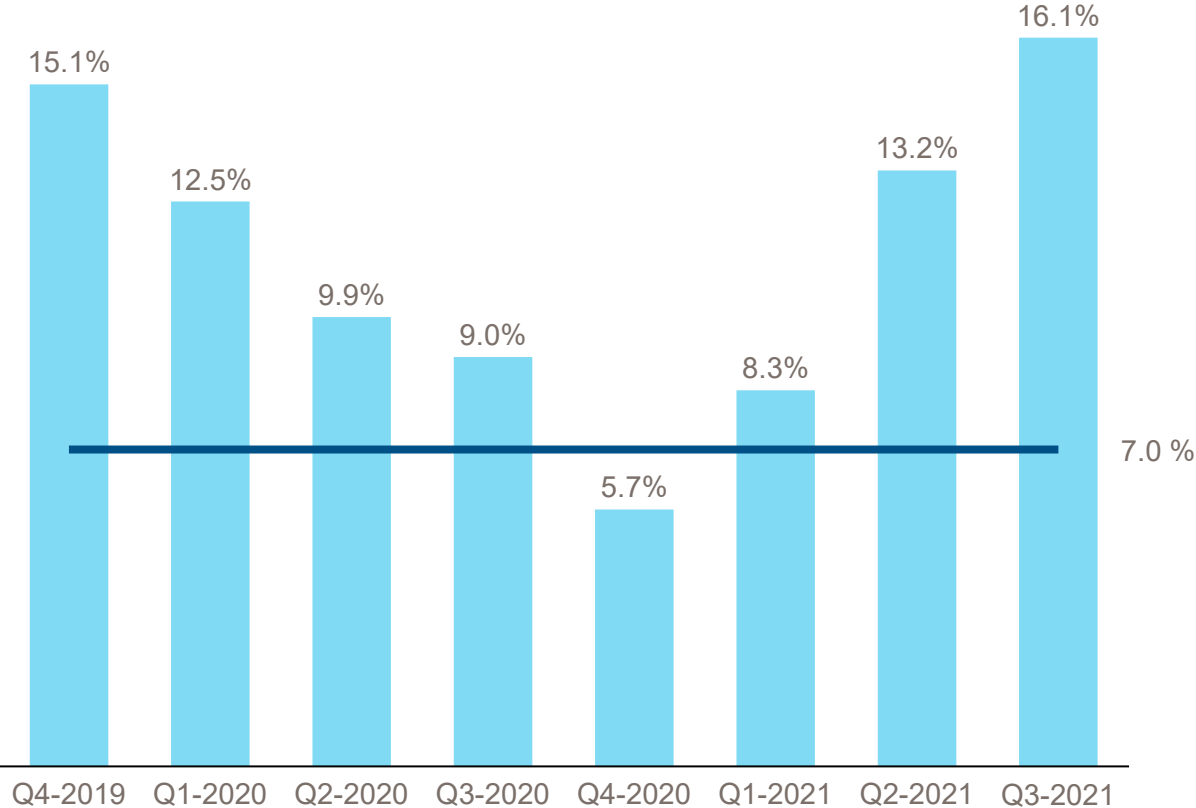
# Net reversal of impairments in the quarter

<b>Consolidated operations</b>	<b>MNOK</b>
European flexible generation: Gas-fired power assets in Germany	1 020
European wind and solar: Wind assets in Sweden and Norway	2 137
International power: Hydropower asset in Brazil	-48
Other	-17
<b>Sum consolidated operations</b>	<b>3 092</b>

<b>Equity accounted investments</b>	<b>MNOK</b>
International power: Hydropower assets in India	617

# ROACE<sup>1</sup>

- Rolling 12 months EBIT<sup>2</sup> up from previous quarter following higher Nordic spot prices and Norwegian hydropower generation
- Average capital employed on par with previous periods

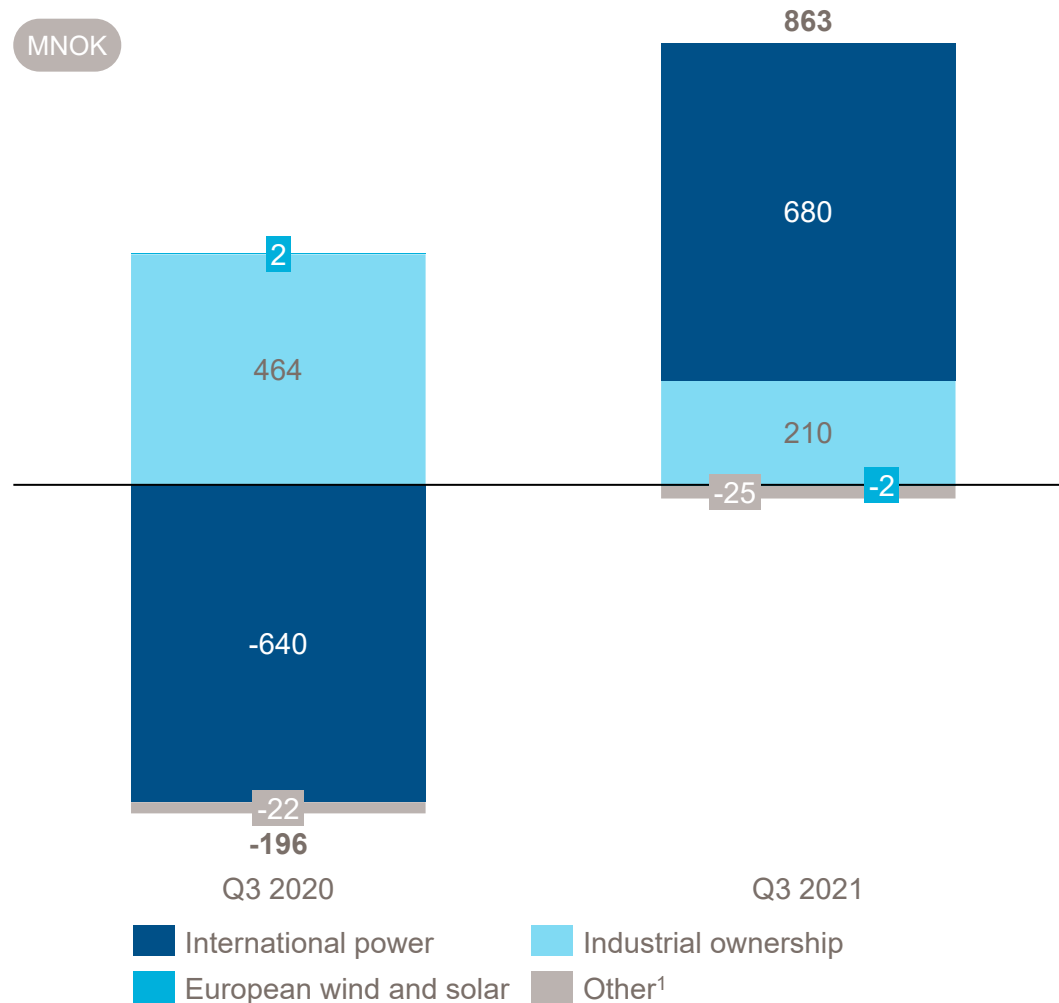


MNOK	Q4-2020	Q1-2021	Q2-2021	Q3-2021
EBIT <sup>2</sup> , (12 months rolling)	6,670	9,796	15,529	19,038
Average capital employed	117,531	117,926	117,962	118,446

<sup>1</sup> 12 months rolling, see definition in alternative performance measures in financial reports

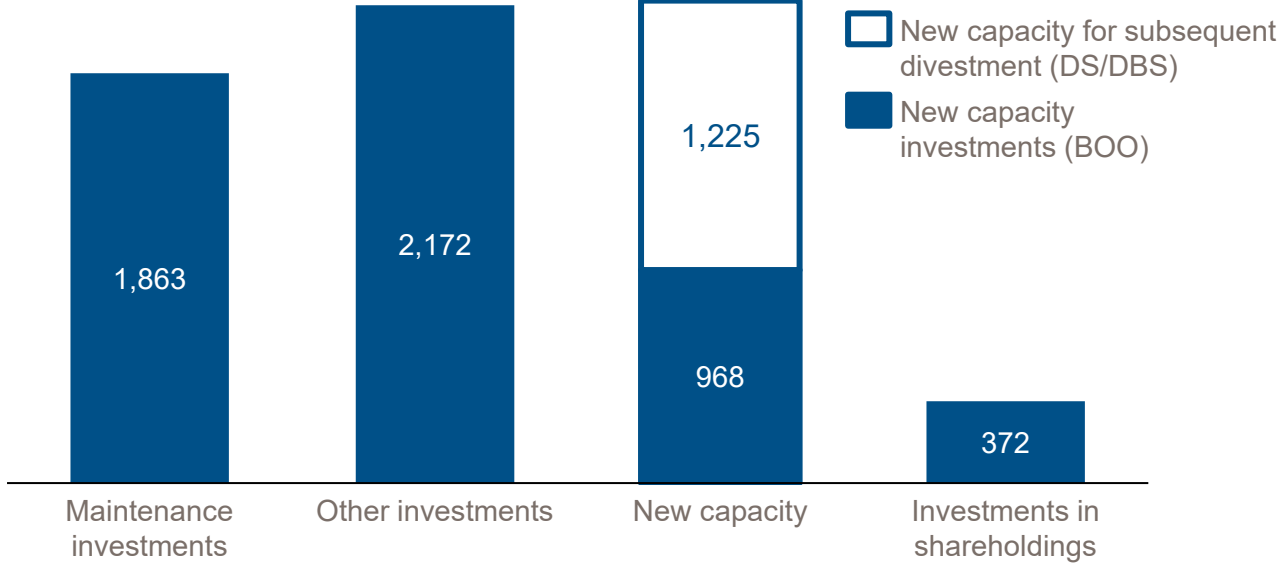
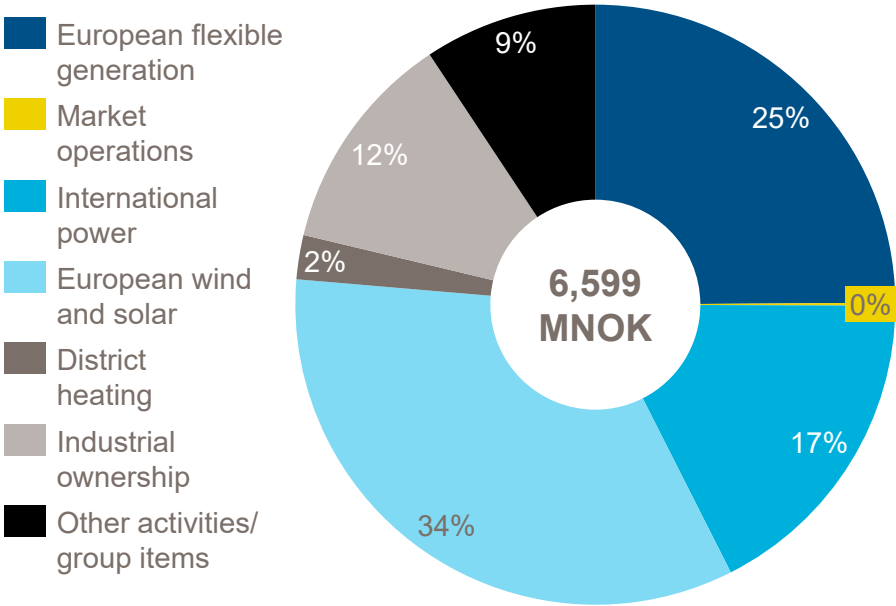
<sup>2</sup> Underlying figures, see definition in alternative performance measures in financial reports

# Share of profit in equity accounted investments



- Main contribution from segment International power due to reversal of impairments
- Positive contribution from Industrial ownership, but down from last year due to gains from sale of shares

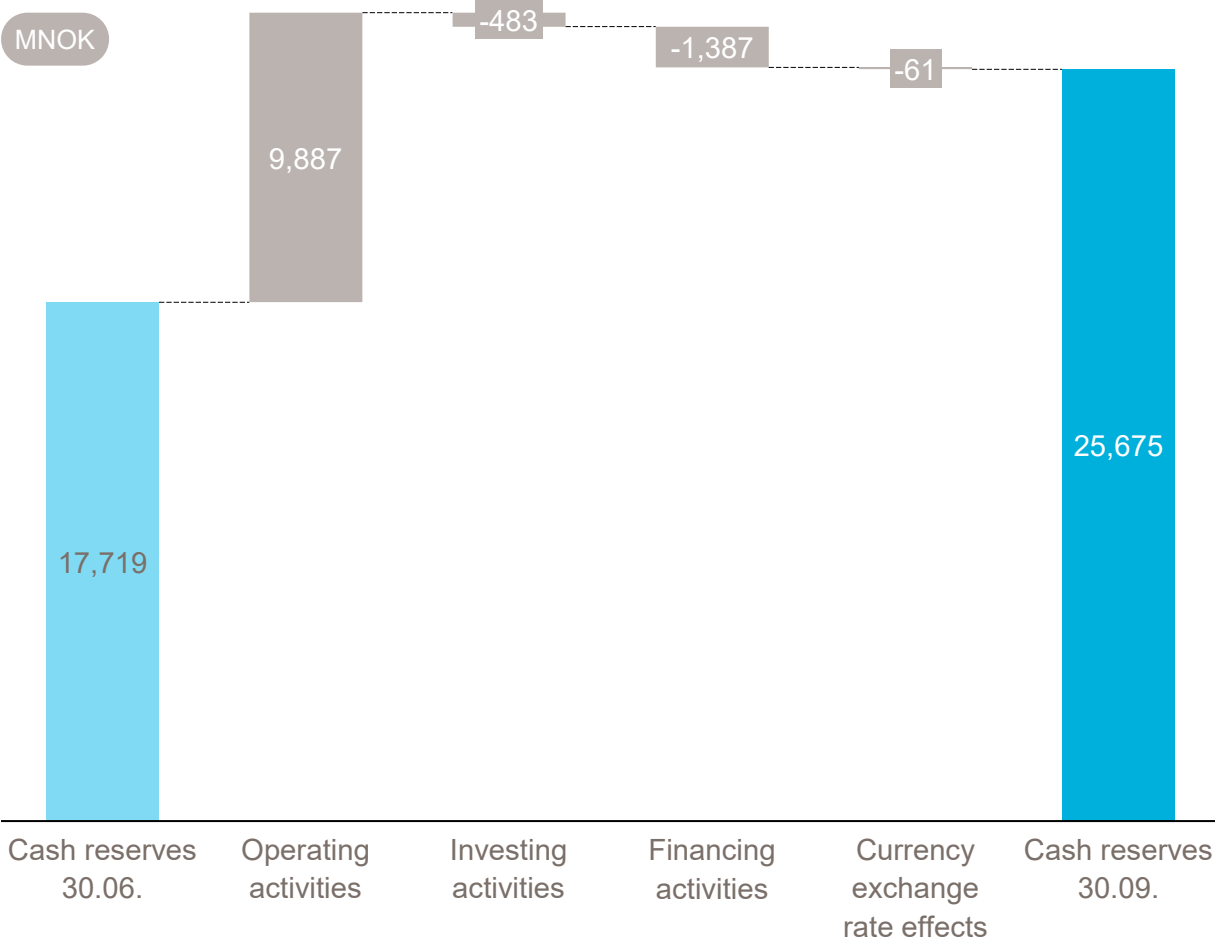
# Investment program – Year to date



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

- Q3 investments of NOK 2.7 billion
- 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 onshore wind farms in the UK and Ireland and solar farms in Ireland and the Netherlands.
  - New capacity investments primarily hydropower plants in Chile and India.

# Cash flow



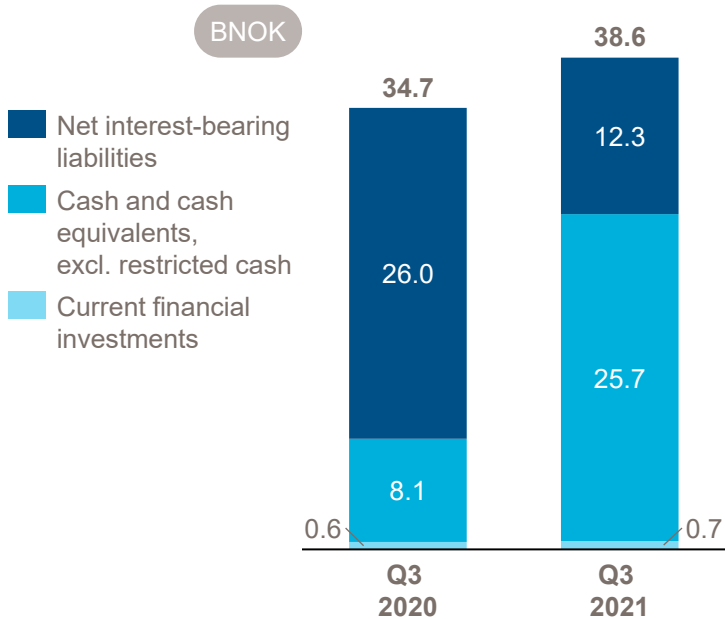
- Operating activities reflect strong EBIT in the quarter
- Investing activities mainly related to property, plant and equipment, partly offset by the divestment of Andershaw wind farm
- Financing activities primarily related to dividend paid, partly offset by new debt

# Rating, debt and maturity profile

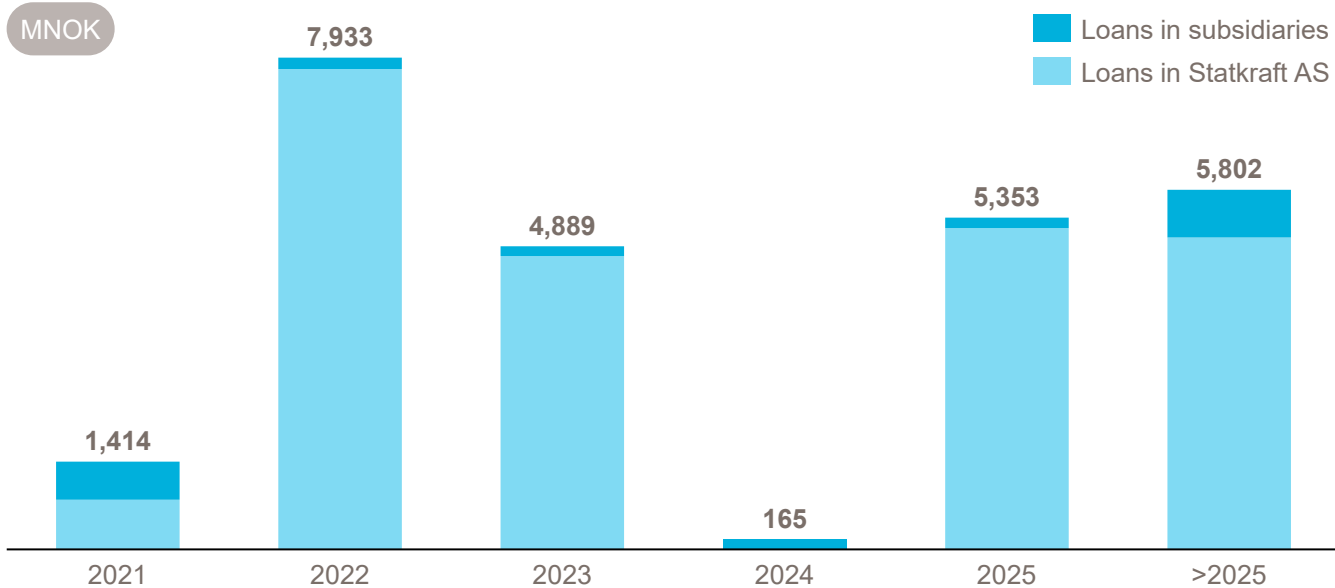
Standard & Poor's: **A-** (stable outlook)  
 Fitch Ratings: **BBB+** (stable outlook)

- Solid cash position
- Net interest-bearing debt-equity of 10.4%
- Current ratings provide a framework for investments

Gross debt



Long-term liabilities, debt redemption profile



# Summary

- Strong result in Q3 and year to date due to high Nordic power prices and very high Norwegian hydropower generation
- 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





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