FINANCIAL RESULTS
Q1 2019

CEO Christian Rynning-Tønnesen
Acting CFO Thomas Geiran
9 May 2019
Health, safety and environment

- **Health and safety**
  - Three serious injuries reported in the quarter

- **Environment**
  - No serious environmental incidents in the quarter

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†**TRI rate (12 months rolling): Total recordable injuries per million hours worked**
Highlights in Q1

- Underlying EBIT of NOK 6430 million
- Net profit amounting to NOK 4752 million
- Europe’s leading provider of market access services for third parties
- Acquisition of share in German EV charging company
Europe’s leading provider of market access services for third parties

- Total portfolio: Approx. 22 000 MW worldwide
  - More than 18 000 MW in Europe, of which 12 000 MW in Germany
- Virtual power plants are used to market these renewable assets with maximum efficiency
- Virtual power plants are currently being rolled out in UK and France
Entering the German EV charging market

- Acquired 61 percent of Munich based eeMobility
- The company provides charging solutions for company fleets with full service offer
- In line with Statkraft’s ambition to take a position within EV charging in Northern Europe
Financial performance

- 12 months rolling ROACE of 14.9%
  - Strong development the last few years
    - Higher Nordic power prices and solid energy management
    - Market activities
    - Execution of Performance Improvement Programme
  - Average capital employed slightly up compared with year-end 2018

Return on average capital employed (ROACE): Underlying EBIT last 12 months / Average capital employed
Outlook

- Good underlying performance has led to robust earnings over time
  - Europe’s largest reservoir capacity and flexible power plants
  - Long term revenue optimisation and replacing long-term bilateral contracts

- Well positioned for growth in renewable energy
  - Solid financial position
  - Building scale in core markets

- Strong organisational culture
  - Strong competence base and highly motivated employees
  - Commitment to act in an ethical and socially responsible manner is a foundation for all activities
### Key figures

<table>
<thead>
<tr>
<th>NOK million</th>
<th>Q1 2019</th>
<th>Q1 2018</th>
<th>The year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating income underlying</td>
<td>9 347</td>
<td>8 884</td>
<td>26 925</td>
</tr>
<tr>
<td>Operating profit/loss (EBIT) underlying</td>
<td>6 430</td>
<td>5 962</td>
<td>14 953</td>
</tr>
<tr>
<td>Net profit</td>
<td>4 752</td>
<td>10 282</td>
<td>13 390</td>
</tr>
</tbody>
</table>

- Nordic prices measured in EUR up 21% Q-on-Q
- Overall generation down 24% Q-on-Q
Price drivers and the German power market

Q1 2019 vs. Q1 2018

- Coal and gas prices down
- CO₂ price significantly higher
- German power prices up 15% Q-on-Q
Reservoir levels below normal throughout Q1

Nordic reservoir level (total market) at 94% of median at the end of Q1
Nordic system price, monthly average

- Nordic power prices 46.8 EUR/MWh, up 21% Q1 2019 vs. Q1 2018
Energy management

Q1 generation down 24% Q-on-Q

<table>
<thead>
<tr>
<th>Technology</th>
<th>TWh</th>
<th>Change in TWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydropower</td>
<td>14.6</td>
<td>-5.4</td>
</tr>
<tr>
<td>Wind power</td>
<td>0.9</td>
<td>0.4</td>
</tr>
<tr>
<td>Gas power</td>
<td>0.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Bio and solar power</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16.1</strong></td>
<td><strong>-4.9</strong></td>
</tr>
</tbody>
</table>
Q1 net operating income underlying

<table>
<thead>
<tr>
<th>Category</th>
<th>Q1 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation</td>
<td>8 160</td>
<td>7 303</td>
</tr>
<tr>
<td>Customers</td>
<td>288</td>
<td>60</td>
</tr>
<tr>
<td>Grid and other</td>
<td>474</td>
<td>628</td>
</tr>
<tr>
<td>Gains/losses from market activities</td>
<td>243</td>
<td>1 770</td>
</tr>
<tr>
<td>Other operating income</td>
<td>267</td>
<td>219</td>
</tr>
<tr>
<td>Transmission costs</td>
<td>-548</td>
<td>-633</td>
</tr>
<tr>
<td>Total net operating income</td>
<td>8 884</td>
<td>9 347</td>
</tr>
</tbody>
</table>

Sales revenues less energy purchase

+5%
NOK 6.4 billion in underlying EBIT

- Underlying EBIT up NOK 469 million Q-on-Q
- Primarily driven by higher contribution from market activities, especially from trading and origination. Higher Nordic power prices and el-cert prices had a further positive effect, while lower Nordic hydropower generation had a negative impact.
Financial items

Breakdown Net financial items Q1 2019

NOK million

- Interest income: 126
- Interest expenses: 222
- Currency gains and losses: 688
- Other financial items: 42
- Net financial items Q1 2019: 550
Q1 net profit breakdown

<table>
<thead>
<tr>
<th>Q1 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying EBIT (EBIT) underlying</td>
<td>Underlying EBIT (EBIT) underlying</td>
</tr>
<tr>
<td>NOK million</td>
<td>NOK million</td>
</tr>
<tr>
<td>5,962</td>
<td>6,430</td>
</tr>
<tr>
<td>+8%</td>
<td></td>
</tr>
</tbody>
</table>

Net operating income | Operating expenses
463 | 6

Q1 2019 Operating profit/loss (EBIT) underlying

Unrealised value changes from energy derivatives
Gains/losses from divestments of business activities
Impairments
Share of profit/loss in equity accounted investments
Net financial items
Tax
Net profit

4,752

2,549

508

550

7

0

180

25,000

4,752
Q1 segment EBIT underlying

NOK million

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>European flexible generation</td>
<td>4,872</td>
<td>4,096</td>
</tr>
<tr>
<td>Market operations</td>
<td>1,205</td>
<td></td>
</tr>
<tr>
<td>International power</td>
<td>191</td>
<td>198</td>
</tr>
<tr>
<td>European wind and solar</td>
<td>80</td>
<td>291</td>
</tr>
<tr>
<td>District heating</td>
<td>131</td>
<td>137</td>
</tr>
<tr>
<td>Industrial ownership</td>
<td>614</td>
<td>613</td>
</tr>
</tbody>
</table>

Q1 2018
Q1 2019
Q1 2019 capital expenditure

- Distribution of CAPEX in the quarter:
  - 45% new capacity investments
  - 49% maintenance/other investments
  - 6% shareholdings
- New hydropower capacity under construction in Albania and India
- Wind power at Fosen in Norway
- Maintenance primarily related to Nordic hydropower

Excluding loans to equity accounted investments
Other includes District heating, Market operations and Other activities
Cash flow in Q1

NOK million

- Cash reserves 31.12: 23,175
- Operating activities: 3,891
- Investing activities: 925
- Financing activities: 1,607
- Currency exchange rate effects: 89
- Cash reserves 31.03: 24,445
Long-term debt repayment profile

- NOK 11.5 billion in net interest-bearing debt (NOK 12.9 billion end of 2018)
- Net interest-bearing debt-equity 10.2%
- Weighted average maturity: 4.6 years
Strong credit ratings

- Maintaining current ratings with S&P and Fitch
- Strong support from owner
- Rating impact assessment completed prior to new investment decisions
- Solid financial foundation for new investments
Summary

- Solid underlying performance in the quarter
- Robust financial position
- Solid foundation for growth phase
- Investment plan with large degree of flexibility
THANK YOU

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