Health, safety and environment

TRI-rate¹

- Health and safety
  - No serious injuries reported in the quarter

- Environment
  - No serious environmental incidents in the quarter

¹TRI rate (12 months rolling): Total recordable injuries per million hours worked
Highlights in Q3

- Underlying EBIT: NOK 2899 million, up NOK 219 million
  - Nordic system price down 31%
  - Increased contribution from market operations and gas assets
  - Negative unrealised currency effects
- Net profit amounting to NOK 656 million
- New long term power contract with a total volume of 0.6 TWh
- Acquisitions in Germany, Ireland, Brazil and Chile strengthens Statkraft’s position as a leading developer of renewable energy
New acquisitions strengthens the position as a leading developer of renewable energy

- **BRAZIL**: 664 MW wind Projects ~ Successful participation in wind auction
- **CHILE**: 102 MW wind projects
- **IRELAND**: 326 MW portfolio of solar projects
- **UK**: Wind developer Airvolution
- **GERMANY**: Electric vehicle charging company
- **IRELAND**: 326 MW portfolio of solar projects
- **UK**: Wind developer Airvolution
### Year to date performance

<table>
<thead>
<tr>
<th>NOK million</th>
<th>YTD 2019</th>
<th>YTD 2018</th>
<th>The year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit/loss (EBIT) underlying</td>
<td>11 948</td>
<td>10 069</td>
<td>14 953</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>12 418</td>
<td>16 752</td>
<td>20 649</td>
</tr>
<tr>
<td>Net profit</td>
<td>7 531</td>
<td>11 818</td>
<td>13 390</td>
</tr>
</tbody>
</table>

- Underlying EBIT improvement mainly driven by significantly higher contribution from the segment Market operations
- 2018 included substantial gains from transactions and positive currency effects
Financial performance

- 12 months rolling ROACE of 15.8%
  - Average capital employed up 5% compared with year-end 2018.
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 with new acquisitions and development projects

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

<table>
<thead>
<tr>
<th>NOK million</th>
<th>Q3 2019</th>
<th>Q3 2018</th>
<th>YTD 2019</th>
<th>YTD 2018</th>
<th>The year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating income underlying</td>
<td>5 942</td>
<td>5 656</td>
<td>20 677</td>
<td>18 817</td>
<td>26 925</td>
</tr>
<tr>
<td>Operating profit/loss (EBIT) underlying</td>
<td>2 899</td>
<td>2 679</td>
<td>11 948</td>
<td>10 069</td>
<td>14 953</td>
</tr>
<tr>
<td>Net profit</td>
<td>656</td>
<td>1 265</td>
<td>7 531</td>
<td>11 818</td>
<td>13 390</td>
</tr>
</tbody>
</table>

- Nordic prices measured in EUR down 31% Q-on-Q
- Overall generation up 14% Q-on-Q
- Underlying EBIT in Q3 2019 increased to NOK 2899 million
Q3 2019 vs. Q3 2018

- Coal price significantly down
- Gas price significantly down
- CO₂ price significantly up
- German power price (base) down 30% to 37.4 EUR/MWh
Nordic reservoir level

- Reservoir levels below normal throughout Q3
- Nordic reservoir level (total market) at 94% of median at the end of Q3
Nordic system price, monthly average

- Nordic power prices 34.7 EUR/MWh, down 31 Q3 2019 vs. Q3 2018
Energy management

Q3 generation up 14% Q-on-Q

<table>
<thead>
<tr>
<th>Technology</th>
<th>2018</th>
<th>Change in TWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydropower</td>
<td>12.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Wind power</td>
<td>0.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Gas power</td>
<td>2.0</td>
<td>1.5</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>14.9</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Björkhöjden wind farm, Sweden
NOK 2.9 billion in underlying EBIT

- Net operating income increased by NOK 286 million, mainly driven by improved contribution from market activities. This was partly offset by lower Nordic power prices.
- Operating expenses stable at NOK 3.0 billion.
- Underlying EBIT up NOK 219 million Q-on-Q.
Financial items

Breakdown Net financial items Q3 2019

NOK million

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (NOK million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>105</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>-145</td>
</tr>
<tr>
<td>Currency gains and losses</td>
<td>-912</td>
</tr>
<tr>
<td>Other financial items</td>
<td>51</td>
</tr>
<tr>
<td>Net financial items Q3 2019</td>
<td>-902</td>
</tr>
</tbody>
</table>

Statkraft
Q3 net profit breakdown

NOK million

2 899

Q3 2019 Operating profit/loss (EBIT) underlying

Unrealised value changes from energy derivatives

Gain/loss from divestments of business activities

Impairments

Share of profit/loss in equity accounted investments

Net financial items

Tax

Q3 2019 Net profit

73

902

1 046

656

0

133
## Reversal and impairments

<table>
<thead>
<tr>
<th>Consolidated operations</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Flexible Generation: Gas assets in Germany</td>
<td>1035 million (reversal of previous impairment)</td>
</tr>
<tr>
<td>European Wind and Solar: Wind assets in Sweden</td>
<td>- 385 million (impairment)</td>
</tr>
<tr>
<td>International Power: Hydro assets in Nepal and Chile</td>
<td>- 516 million (impairment)</td>
</tr>
<tr>
<td><strong>Sum consolidated operations</strong></td>
<td><strong>133 million</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity accounted investments</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Power: Hydro asset in India</td>
<td>- 115 million (impairment)</td>
</tr>
</tbody>
</table>
Q3 segment EBIT underlying

NOK million

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>European flexible generation</td>
<td>2,939</td>
<td>2,509</td>
</tr>
<tr>
<td>Market operations</td>
<td>-671</td>
<td>53</td>
</tr>
<tr>
<td>International power</td>
<td>190</td>
<td>315</td>
</tr>
<tr>
<td>European wind and solar</td>
<td>99</td>
<td>-17</td>
</tr>
<tr>
<td>District heating</td>
<td>-29</td>
<td>-33</td>
</tr>
<tr>
<td>Industrial ownership</td>
<td>301</td>
<td>200</td>
</tr>
</tbody>
</table>

Q3 2018

Q3 2019
Q3 2019 capital expenditure

Distribution of CAPEX in the quarter:
- 61% new capacity investments
- 30% maintenance/other investments
- 9% shareholdings

Maintenance primarily related to Nordic hydropower

Hydropower capacity under construction in Albania and India

Wind power capacity under construction at Fosen in Norway

1 Excluding loans to equity accounted investments
 Other includes District heating, Market operations and Other activities
NOK 13.8 billion in net interest-bearing debt (NOK 12.9 billion end of 2018)

Net interest-bearing debt-equity 12.5%

Current ratings provide a framework for our investments going forward
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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