



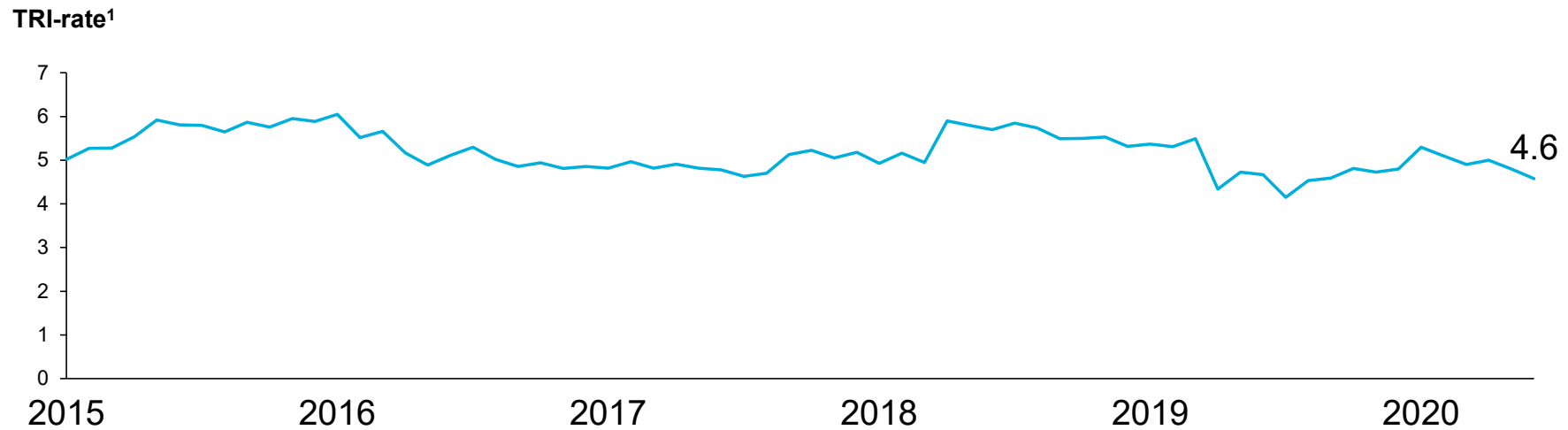
FINANCIAL RESULTS Q2 2020

CEO CHRISTIAN RYNNING-TØNNESEN

CFO ANNE HARRIS

17 JULY 2020

Health, safety and environment – Q2



- Health and safety
 - A fatal work-related accident in a joint venture in India
 - No other serious work-related injuries in the quarter
- Environment
 - No serious environmental incidents in the quarter

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

Covid-19 pandemic

- Reliable and safe generation at all operating plants
- Three construction projects, in the UK, Chile and India, that were temporarily halted due to the outbreak of the pandemic will gradually restart in accordance with respective national guidelines
- Reduced electricity demand has put pressure on power prices

Highlights in Q2



Devoll dam, Albania

- Very low power prices in the Nordics
- Negative underlying EBIT of NOK 100 million
- Net profit of NOK 491 million
- Opening of new hydropower plant in Albania

Opening of Moglicë hydropower plant in Albania



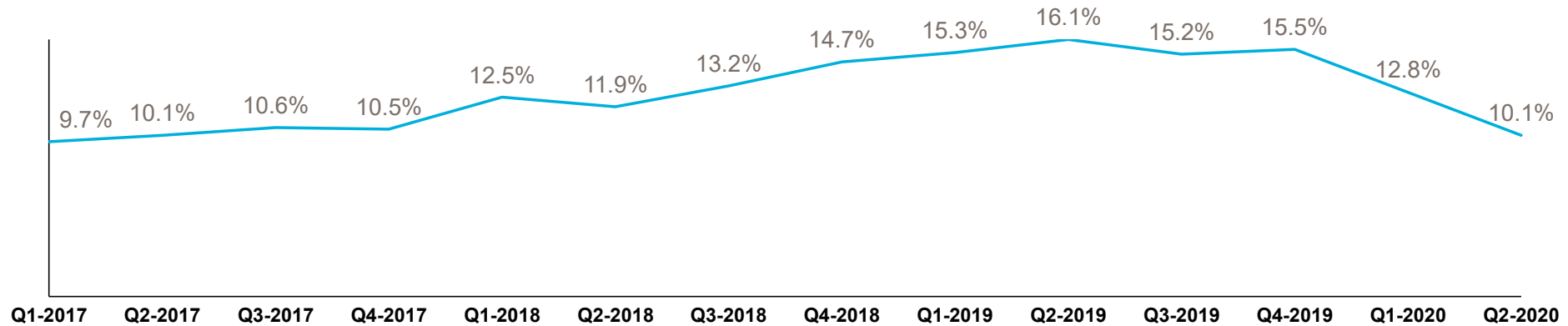
- Important milestone: Completion of Statkraft's second hydropower plant in Albania
- Annual generation approx. 450 GWh / year
- Bringing Statkraft's power generation in Albania to 700 GWh / year

Financial results

NOK million	Q2 2020	Q2 2019	Year to date 2020	Year to date 2019
Operating profit/loss (EBIT) underlying	-100	2 588	3 990	9 350
Profit before tax	366	3 414	-474	10 715
Net profit/loss	491	2 123	-1 397	6 874

- Underlying EBIT year to date down 57%
- Net loss year to date affected by impairments and currency effects

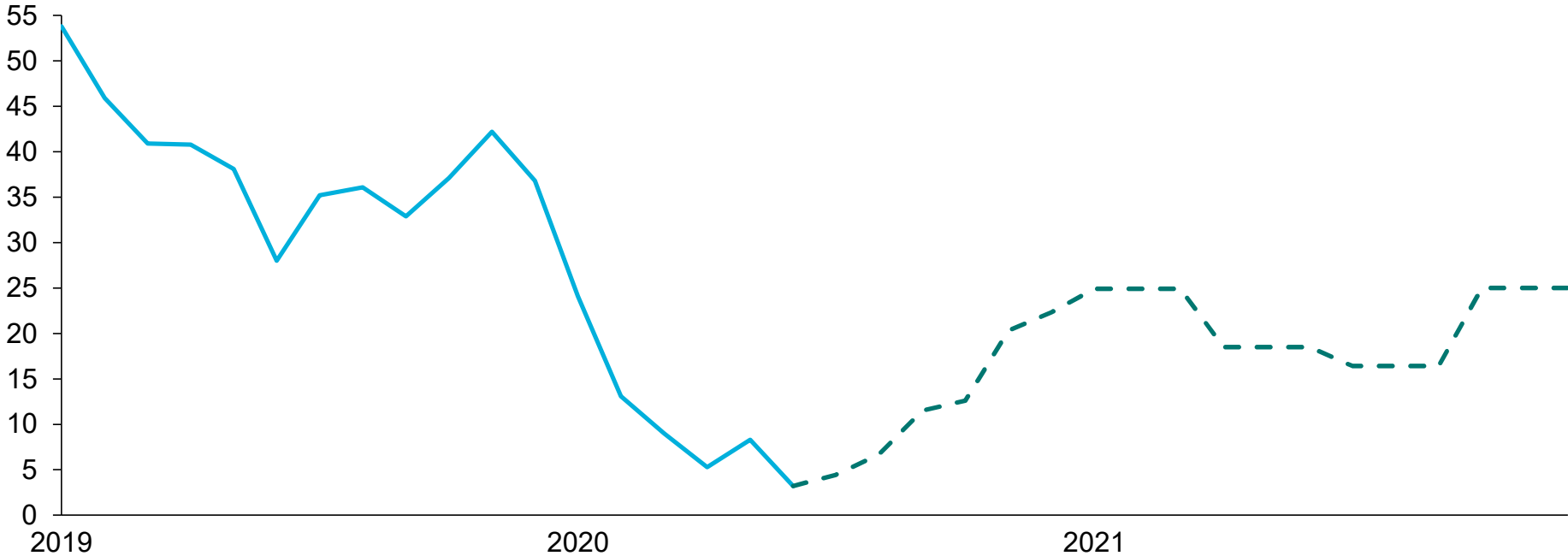
Financial performance



- 12 months rolling ROACE down, but still above target of 7%
- Decrease primarily due to a significantly lower underlying EBIT
- Average capital up 4% compared with year-end 2019

Development of Nordic power prices

NOK/EUR



- System price, average monthly price
- - Forward (Electricity Nordic ARFuture/Electricity Nordic Future), last traded price as of 15 July 2020

Strategy remains: To become one of the world's leading renewable energy companies

OPTIMISE AND EXPAND
HYDROPOWER PORTFOLIO



RAMP UP AS WIND AND SOLAR
DEVELOPER



GROW THE
CUSTOMER BUSINESS



DEVELOP NEW
BUSINESS INITIATIVES



On track in delivering on the four strategic pillars



Outlook



Roan Wind farm, Norway

Energy market

- ▶ Drop in energy demand in many markets following the pandemic
- ▶ Short-term Nordic power prices pushed down by hydrology

Unique assets

- ▶ Europe's largest reservoir capacity and flexible power plants
- ▶ Long-term revenue optimisation and replacing long-term bilateral contracts

Solid competitive position

- ▶ Solid financial position
- ▶ Strong cost position in European hydropower
- ▶ Flexible investment programme - more projects could be divested at completion

Strong organisational culture

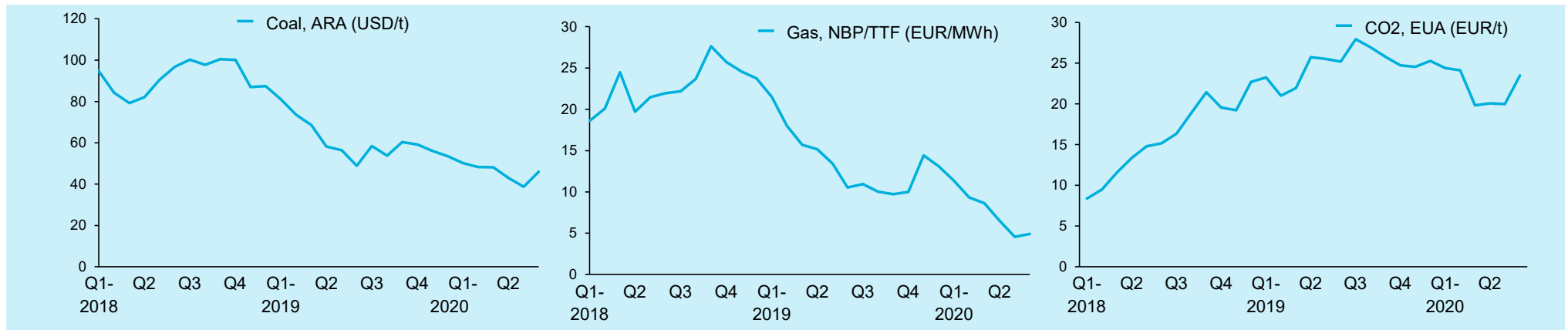
- Solid competence base and highly motivated employees
- Commitment to act in an ethical and socially responsible manner a foundation for all activities

Key figures

NOK million	Q2 2020	Q2 2019	The year 2019
Net operating revenues and other income underlying	3 207	5 358	29 318
Operating profit/loss (EBIT) underlying	-100	2 588	16 744
Net profit/loss	491	2 123	11 327

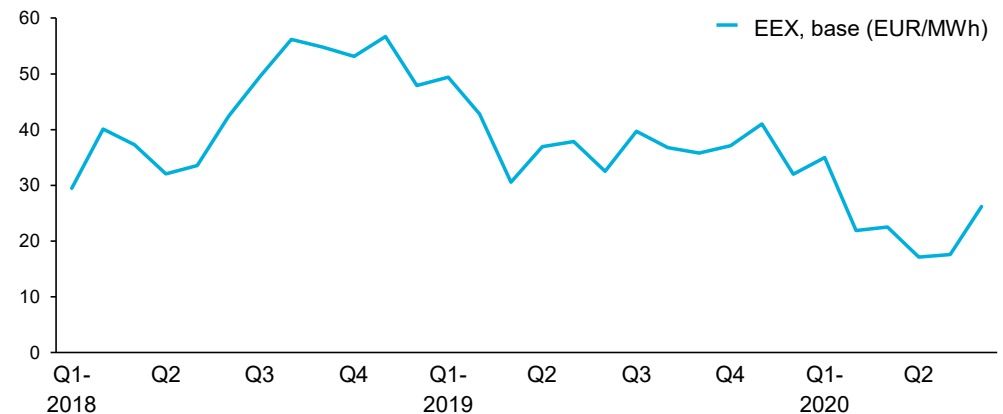
- ▶ Nordic prices measured in EUR down 84% Q-on-Q
- ▶ Overall generation up 29% Q-on-Q

Price drivers and the German power market

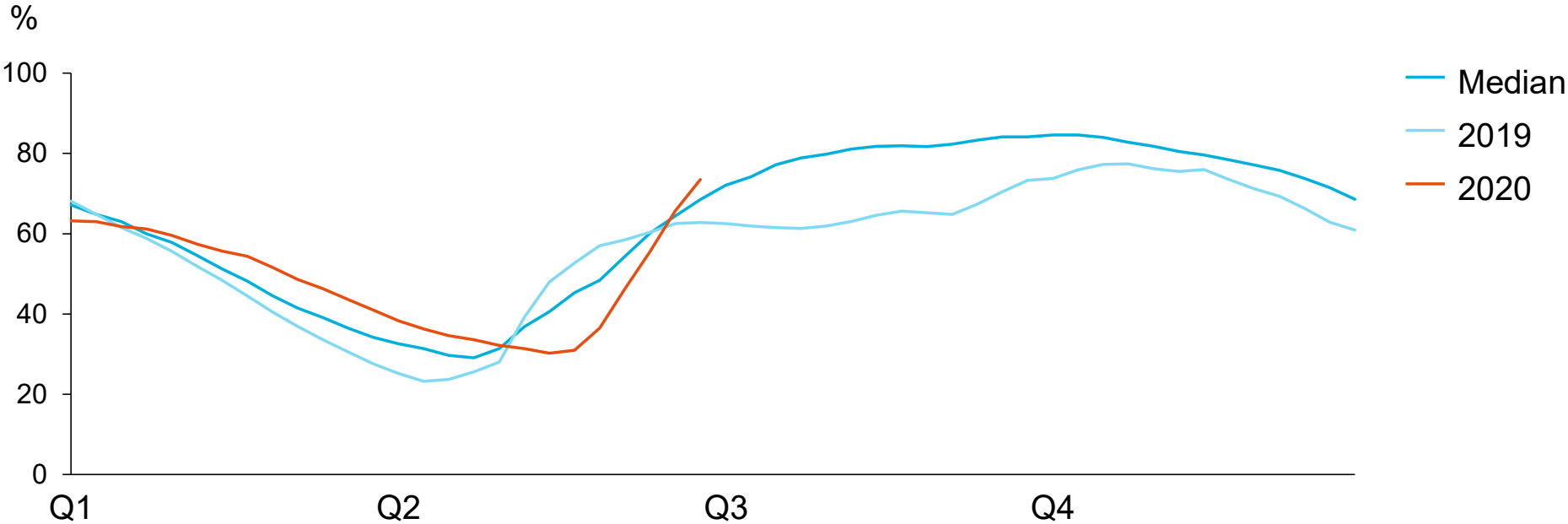


Q2 2020 vs. Q2 2019

- Coal price down
- Gas price down
- CO₂ price down
- German power price (base) down 43%



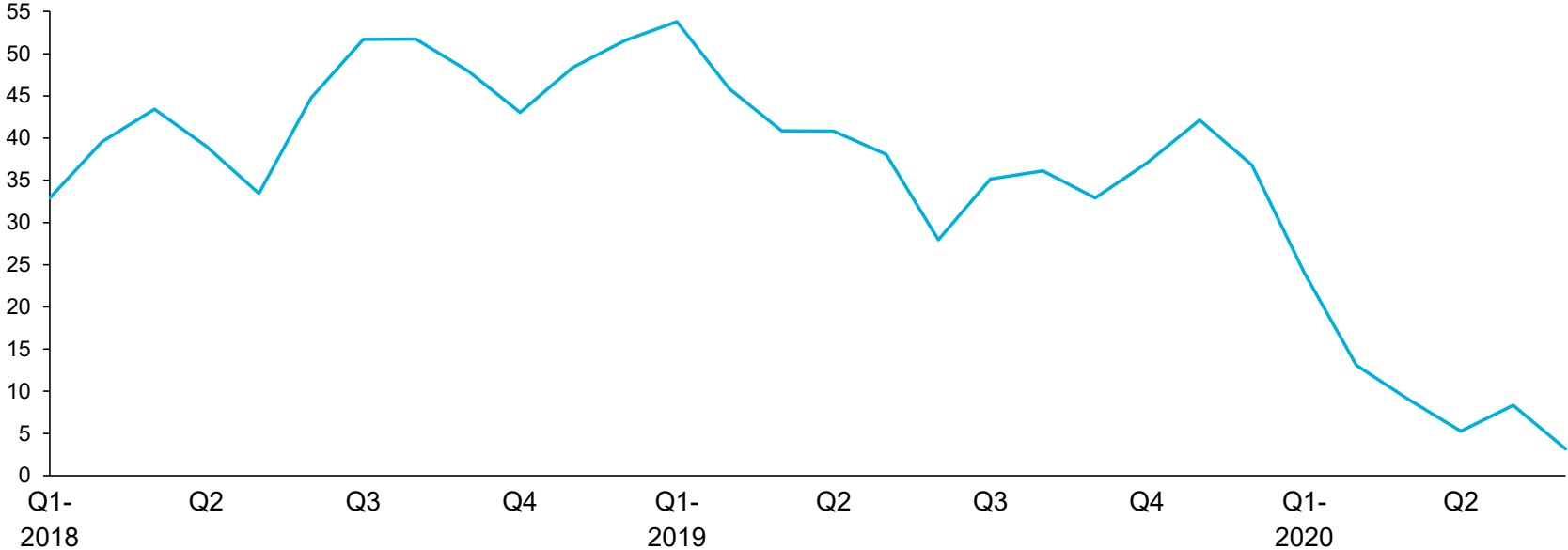
Nordic reservoir level



- Hydrological surplus in the Nordic market
- Nordic reservoir level (total market) at 107% of median at the end of June

Nordic system price, monthly average

EUR/MWh

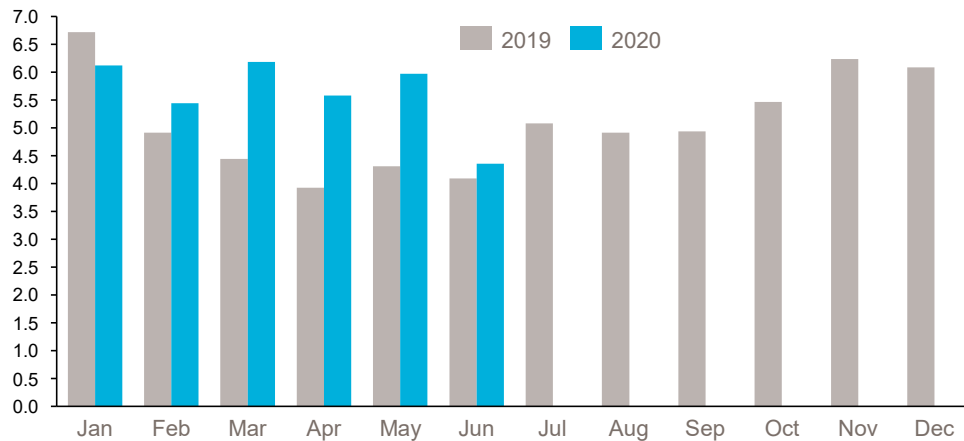


- Nordic power prices 5.6 EUR/MWh, down 84% Q2 2020 vs. Q2 2019

Energy management



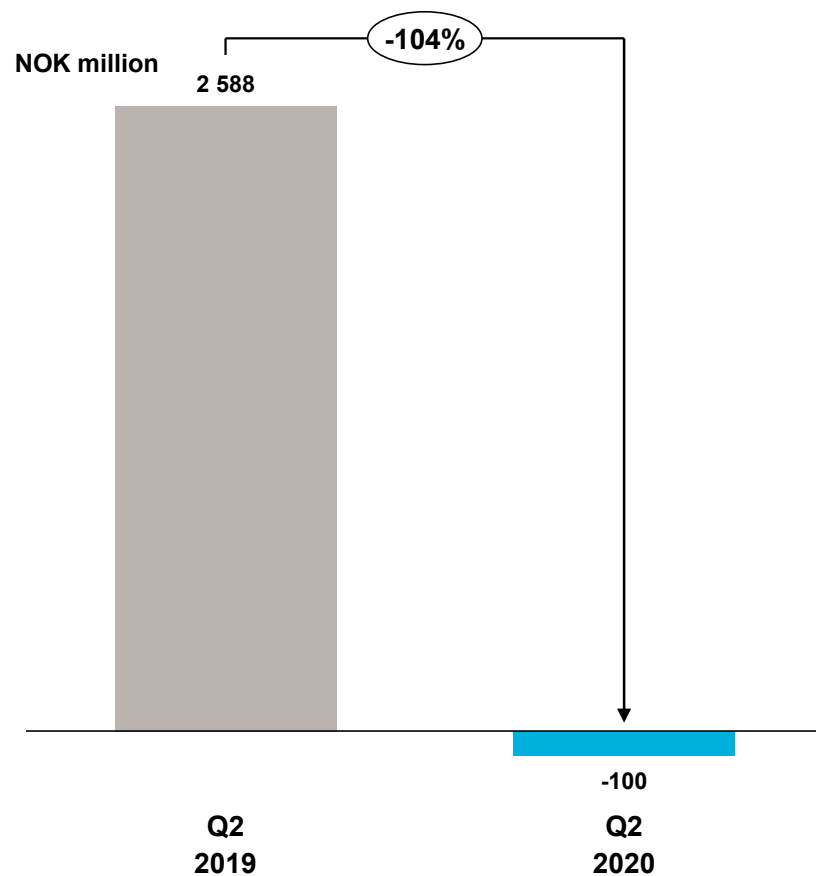
Stormyr bassin, Norway



Q2 generation up 29% Q-on-Q

Technology	TWh	Change in TWh
Hydropower	13.9	2.8
Wind power	0.8	0.2
Gas power	1.1	0.5
Bio and solar power	0.1	0.0
Total	15.9	3.6

Negative underlying EBIT

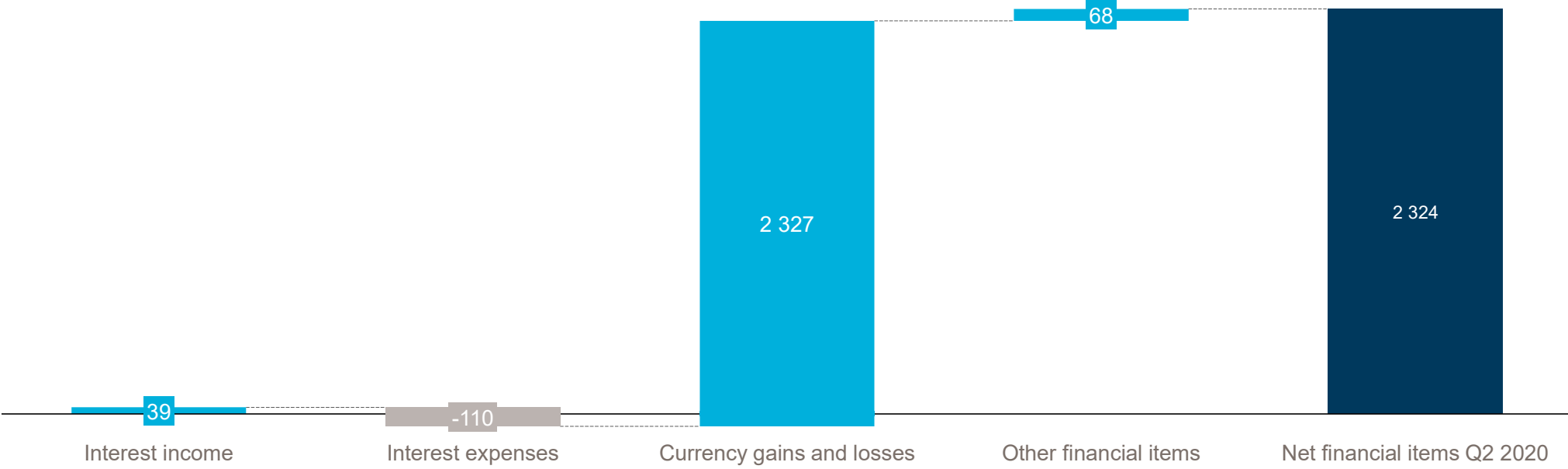


- Negative underlying EBIT
 - Net operating revenues and other income down NOK 2151 million
 - Operating expenses up NOK 538 million

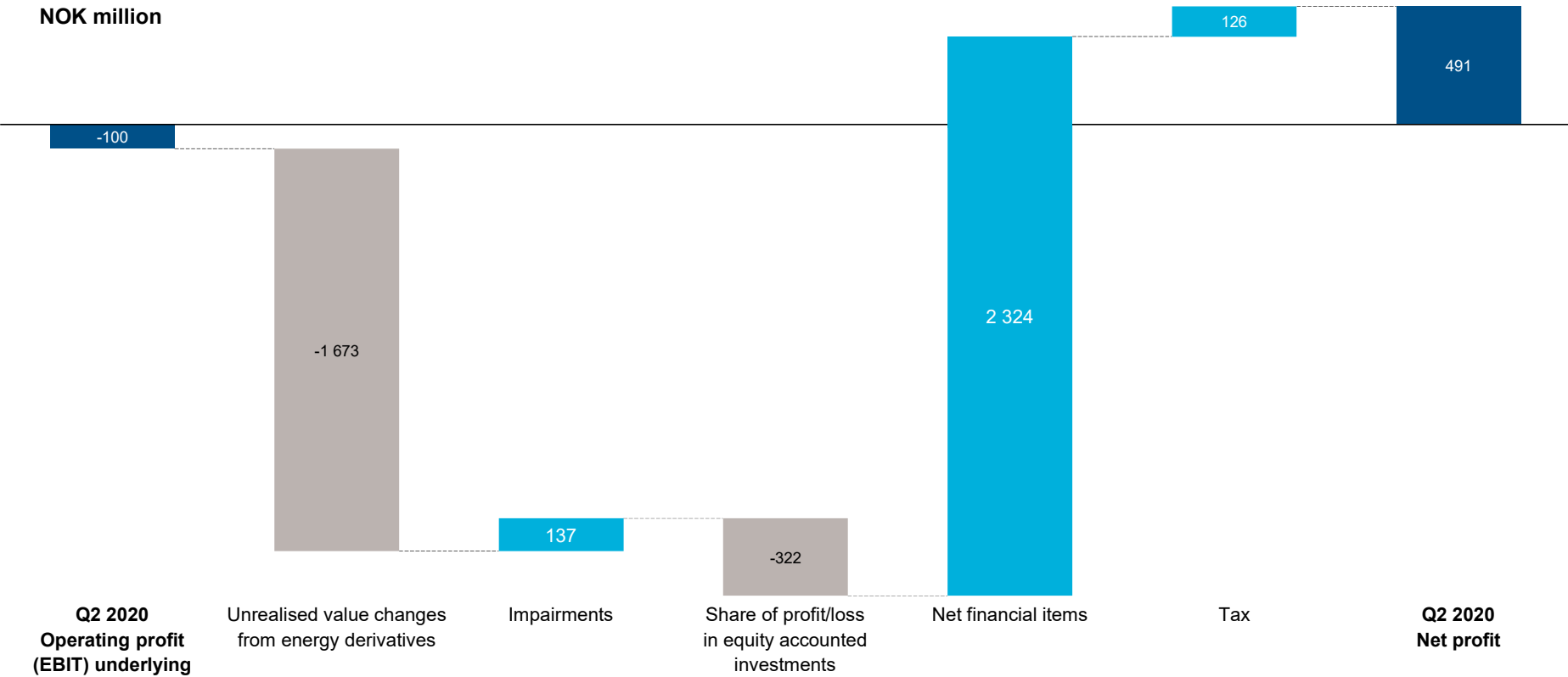
Financial items

Breakdown Net financial items Q2 2020

NOK million

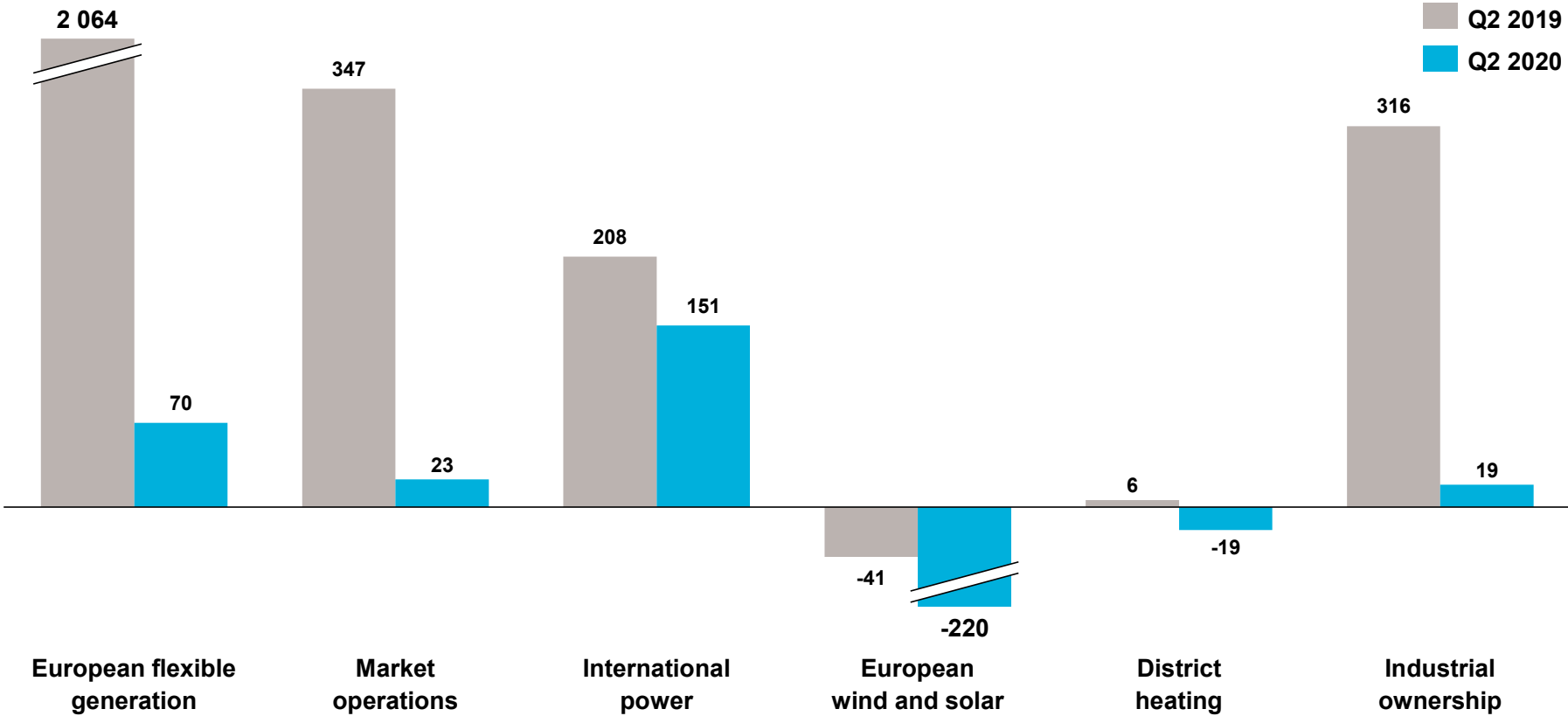


Q2 net profit breakdown

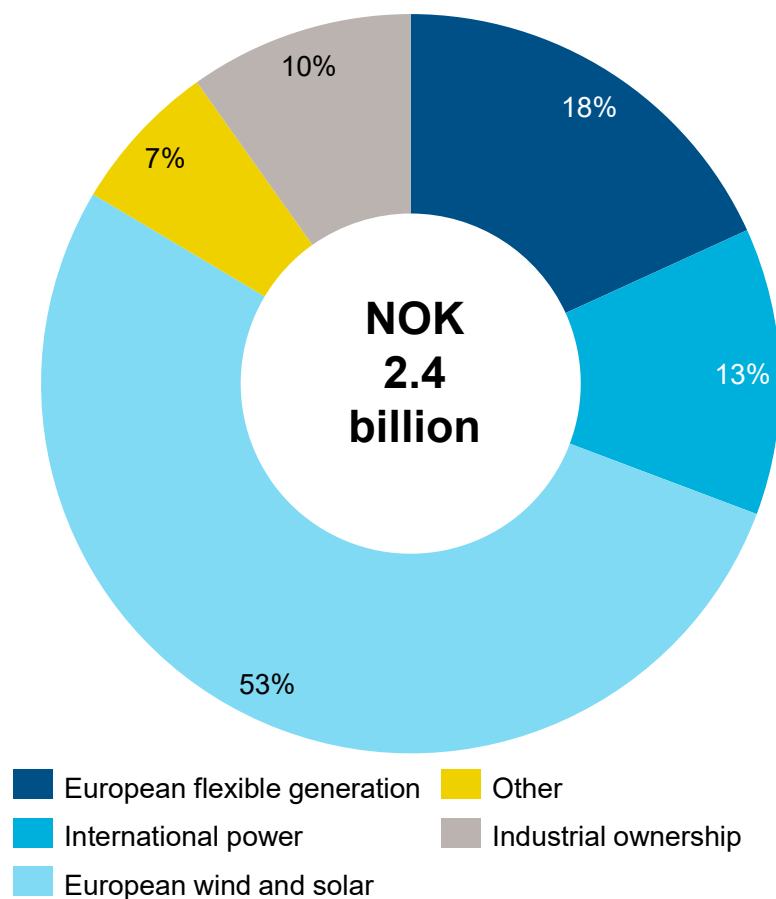


Q2 segment EBIT underlying

NOK million



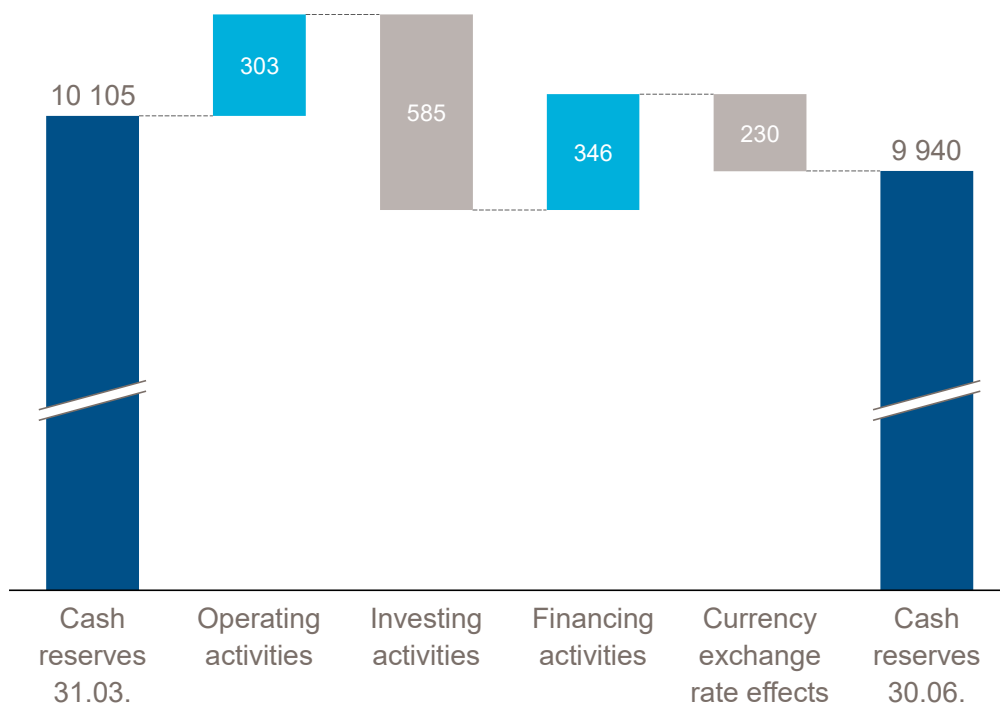
Q2 2020 capital expenditure¹



- Distribution of CAPEX in the quarter:
 - 56% new capacity investments
 - 28% maintenance/other investments
 - 16% shareholdings
- New hydropower capacity under construction in Albania
- Wind power in Norway
- Maintenance primarily related to Nordic hydropower
- Year to date investments of NOK 3.7 billion
 - 54% new capacity investments
 - 34% maintenance/other investments
 - 12% shareholdings

Cash flow and financial position

NOK million



- NOK 25 billion in net interest-bearing debt (NOK 16 billion end of 2019)
- Net interest-bearing debt-equity 21%
- Current ratings provide a framework for our investments going forward

Summary



Sylsjøen, Sweden

- 2020 result affected by very low power prices
- Robust financial position and solid foundation to face increased uncertainty
- Investment plan with large degree of flexibility that will be adapted to the market development



THANK YOU

Investor contacts:

Debt Capital Markets

Vice President Tron Ringstad

Phone: +47 992 93 670

E-mail: Tron.Ringstad@statkraft.com

Funding manager Stephan Skaane

+47 905 13 652

E-mail: Stephan.Skaane@statkraft.com

Financial information

Vice President Bjørn Inge Nordang

Phone: +47 913 59 865

E-mail: Bjorn.Nordang@statkraft.com

Senior Financial Advisor Arild Ratikainen Phone:

Phone: +47 971 74 132

E-mail: Arild.Ratikainen@statkraft.com



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