

Before the publication of the **Equinor 4Q results on 8 February 2023**, we invite you to provide your input to the analyst consensus estimates by filling in the attached spreadsheet and resend to Equinor IR. Consensus will be established around the following items:

- Adjusted earnings per reporting segment and tax on adjusted earnings per segment
- Adjusted exploration expense for EPN, EPI and EPUSA
- Equity production (split between liquids and gas, NCS, US and international fields)
- Impact from PSA and US royalty barrels (to reach your estimated entitlement production)
- Liquids price in the quarter (separate lines for EPN, EPI, EPUSA), see below for estimated prices per segment

We remind you that the result for Financials is not included in the adjusted numbers and we will therefore ask you **NOT** to consider this in the input above.

For your convenience, we hereby remind you of some factors relevant for our 4Q results as well as other information that might be useful:

E&P Norway:

- Estimated realised liquids price for E&P Norway segment in 4Q is estimated in the range USD 83.1 – 85.1 USD/bbl.
- The preliminary internal gas transfer price for 4Q (at USD 27.22/MMBTU) is published on our [WEB page](#).
- The Norwegian Petroleum Directorate publishes monthly production figures, normally issued 10-15 days into a month, giving preliminary figures for the previous month and more detailed information for earlier months.
- One turnaround in 4Q 2022. There were no turnarounds in 4Q 2021.
- Gina Krog: continuation of gas export instead of re-injection.
- Start-up of Johan Sverdrup phase 2 December 15th
- Production of Njord was resumed December 27th
- We remind you that in 4Q 2022 Martin Linge production volumes will reflect the new ownership share of 51%. In addition, the Ekofisk area (Ekofisk and Tor II) is divested and no longer part of the results.
- We remind you that Equinor has the option to use flexibility in gas production and move gas volumes to capture higher value. Total NCS gas production is expected to be lower compared to 4Q 2021.
- We remind you that the assets on the NCS have NOK as functional currency, i.e. the accounts are recorded in NOK. Currency movements will hence impact depreciation (assets to be depreciated are recorded in NOK) as this is translated into USD as the reporting currency.
- Equinor had activity on NCS on 6 wells in 4Q 2022, out of these 2 wells were completed. Results of exploration wells in Norway are always announced by NPD and you will also find information on our web pages regarding discoveries.

E&P International:

- Estimated realised liquids price in the range of 77.4-79.4 USD/bbl.
- Start-up of Peregrino phase 2 in October impacts production positively
- Increased in gas/liquids share compared to previous quarter due to higher production from In Salah.
- Corrib is still held for sale

- Exploration activity in 2 wells in 4Q 2022 as in 3Q, but in addition exploration expenses (approx. 100 MUSD) for previously capitalized wells

E&P USA:

- Estimated realised liquids price in the range of 68.6-70.6 USD/bbl.
- Equity production is down compared to last quarter mainly due to turnaround at Caesar Tonga
- Lower liquids share compared to last quarter
- Note that we realize local prices for gas sold, which normally is at a discount to Henry Hub. Lower realized gas prices for 4Q vs 3Q.

MMP:

- Average Brent for the quarter was 88.7 USD/bbl, a decrease of 12% compared to last quarter.
- The preliminary internal gas transfer price for 4Q is published on our web-page (also see our web page for historical prices).
- Equinor uses derivatives to trade and change price exposure in all trading segments. As previously explained, derivatives are valued mark to market in our accounts every quarter, while corresponding sales are valued at delivery. Driven by decrease in forward gas prices, the net impact of derivatives in 4Q 22 applied to price risk manage bilateral gas contracts, future LNG sales and geographical optimization of piped gas flows is expected in the range of negative 2,1 – 2,5 Bn USD. Please be advised that these are partly a reversal of previously reported positive timing effects and partly timing effects which will be followed by later gains when volumes are delivered. The majority of this is taxed under the Norwegian petroleum tax system at 78%.
- The normal guidance range of adjusted earnings of 250-500 MUSD assumes fairly typical operating and market conditions. Excluding the impact of the derivative effects described above, high price volatility and spreads within the European gas and power markets, high refining margins and spark spreads will take the MMP result significantly above the guided range.

REN:

- The power generation from renewables in 4Q 2022 is expected to be in line with the historical seasonal production pattern.
- High power prices are not expected to impact the reported results significantly.
- With reference to previous quarters, earnings from REN might be expected to be negative due to growth mode of our REN business and project development activities which continue to be expensed.
- Most of our activity is equity accounted where Equinor's share of P&L is presented net as "gains/losses from equity accounted investments".
- Acquisition of Danish solar developer BeGreen will be closed in 2023, no impact in 2022 accounts.

Effective tax:

Equinor will in the quarter recognize previously unrecognized deferred tax assets related to remaining historical losses on Equinor operations in the US of around USD 2.5 billion. The recognition of the deferred tax asset will result in a reduced IFRS tax expense for the quarter (will not impact adjusted earnings or the adjusted tax rate) and mainly impact the E&P USA reporting segment.

Indicative tax rates:

- Indicative tax range for EPN: 75-78%. In June, the NCS tax regime was amended to a cashflow tax regime. This means that uplift has been abolished on 2022 investments (still uplift on investments eligible for the temporary tax regime). The tax rate for EPN is still influenced by the effect of uplift deduction, but the effect is lower than in prior periods. In periods with high oil and gas prices and high adjusted earnings, the effect of uplift is lower, and the tax rate is expected to be in the upper end of the indicative range (close to 78%). We remind you that the tax rate for 3Q22 was 77.6%.
- Indicative tax range for EPI: 30-45%. The tax rate is dependent on earnings composition between higher taxed countries and lower taxed countries including effect of uplift and investment allowances. We remind you that the tax rate for 3Q22 was 31.9%.
- Indicative tax range EPUSA: 0% for 4Q22
- Indicative tax range MMP: 40-60%. MMP's tax rate depends on the adjusted earnings composition, i.e. earnings from NCS versus lower taxed regimes. The losses on derivatives within NCS is taxed at 78%. Due to this the indicative tax rate is not applicable this quarter. We remind you that the tax rate for 3Q22 was 64.0%.

Cash flow movements:

Cash Flow is not part of Equinor consensus. For your convenience we will nevertheless remind you of some movements (not a comprehensive list):

- NCS petroleum taxes, of USD 13.6 billion (NOK 70 billion x 2), the second and third instalment for the financial year 2022, were paid in October and December.
- Dividend payment, USD 2.2 billion (0.70 per share); USD 0.20 per share in base dividend and USD 0.50 per share in extraordinary dividend (dividend for 2Q 2022)
- Share buy-back program, USD 576 million, 3rd and 4th tranche of the 2022 program.
- Bond redemption of USD 250 million

We also remind you that for the cashflow, there is normally a 30 days payment delay on the sales we make.

Next quarter (conditional):

- One tax installment based on financial year 2022 (exact amount to be calculated).
- Share buy-back program
 - USD 130 million (estimated), which is the remaining part of market share of the 4th tranche of the 2022 program
- Dividend payment, USD 2.9 billion (0.90 per share) USD 0.20 per share in base dividend and USD 0.70 per share in extraordinary dividend (dividend for 3Q 2022)
- Bond redemption of USD 2.1 billion
- M&A activity resulting in net cash outflow of USD 385 million

Other information:

- We note that we expect reversal of impairments for assets in EPI (Mariner) and EPUS. This will not impact the adjusted numbers.

- For more information please visit our [web-page](#). You may find useful historic information under the heading “[Information for analysts](#)”

Guiding:

- Organic capital expenditures (i.e. excluding acquisitions, capital leases and other investments with significant different cashflow pattern) are estimated at around USD 8.5 billion for 2022, at an annual average of around USD 10 billion for 2022-2023 and at an annual average of around USD 12 billion for 2024-2025.
- Scheduled turnaround activity is estimated to reduce equity production by around 40 mboe per day for the full year of 2022.
- Production for 2022 is estimated to be around 1% above 2021 level (rebased for portfolio measures).

The 4Q results will be reported 8 February at 07:00 CET.

Note that Equinor will present a Capital Markets Update same day. The CMU material will be made available at the same time as 4Q-results.

We will make the aggregated, average consensus numbers available through the Equinor web page a week prior to the result day.