

Before the publication of the **Equinor 3Q results on 28 October 2022**, 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 invite you to provide tax on adjusted earnings per reporting segment, so that total tax on adjusted earnings will just be a formula adding the individual tax amounts from EPN, EPI, EPUSA, MMP, REN and Other. We also 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 3Q results as well as other information that might be useful. Some of these items are preliminary and could change as we get more information before the release of results:

#### **E&P Norway:**

- Estimated realised liquids price for E&P Norway segment in 3Q is estimated in the range USD 95,5 – 97,5 USD/bbl.
- The preliminary internal gas transfer price for 3Q is published on our [web page](#) (also see our web page for historical prices)
- 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. Data from NPD per field can be found [here](#).
- Six turnarounds in 3Q 2022). Total production loss due to turnarounds is expected to be higher in 3Q22 than in 3Q21 due to larger turnaround scope (*Oseberg, Johan Sverdrup*).
- Gina Krog: continuation of gas export instead of re-injection.
- Good and stable production from Snøhvit in 3Q 2022.
- We remind you that Equinor has the option to use flexibility in gas production and move gas volumes to capture higher value – no significant holdback due to price optimization in 3Q 2022. Troll had higher gas production compared to 3Q 2021, though max production level was lower during Kollsnes and Troll maintenance period. Total NCS gas production is expected to increase compared to 3Q 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 exploration activity on NCS on 5 wells in 3Q 2022, out of these 4 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 94.6-96.6 USD/bbl.
- Peregrino was back in production in July and adds to equity production.

- Decreased in gas/liquids share compared to previous quarter due to Peregrino back in production in July 2022 and lower gas production from Africa.
- Equinor has started to book regular over-underlift on Agbami from 01.08.2022. Therefore, number of lifted cargos on Agbami do not have an impact on the quarterly financials the same way as before.
- Corrib is still classified as “held for sale”.
- Exploration activity in 2 wells in 3Q 2022.

**E&P USA:**

- Estimated realised liquids price of 75-79 USD/bbl.
- Note that we realize local prices for gas sold, which normally price is at a discount to Henry Hub.
- Equity production expected to be consistent with last quarter
- Lower liquids share compared to last quarter

**MMP:**

- Average Brent for the quarter was 100.9 USD/bbl, a decrease of 11% compared to last quarter.
- The preliminary internal gas transfer price for 3Q is published on our web-page (also see our web page for historical prices).
- The normal guidance range of adjusted earnings of 250-500 MUSD assumes fairly typical operating and market conditions. Market prices in 3Q 22 means that MMP continues to have losses on methanol production from natural gas at Tjeldbergodden and an oil linked gas contract. The result is positively impacted by Hammerfest LNG back on stream. In 3Q 22 price volatility and spreads within the European gas and power markets have been historically high and MMP expects results well above the high end of the guided range.
- 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. In 3Q 22 the net impact of derivatives applied to price risk manage our bilateral gas contracts, geographical optimization of piped gas flows and LNG sales is expected in the range of positive 200-500 MUSD. The derivative effect comes on top of the expectation described in the previous section.

**REN:**

- The power generation from renewables third quarter 2022 is expected to be in line with the historical seasonal production pattern.
- Limited exposure to price volatility, 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”.

- Equinor has acquired 100% of the shares in the US based battery storage developer East Point Energy LLC, the transaction is closed and has been accounted for in the quarter. No significant impact on Adjusted earnings or balance sheet.

#### **Effective tax:**

- 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 2Q22 was 77.6%.
- Indicative tax range for EPI: 30-45%. The tax rate is depended 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 2Q22 was 36.5%.
- Indicative tax range EPUSA: 0% (short term)
- Indicative tax range MMP: 40-60%. The tax rate is dependent on the earnings composition of adjusted earnings from NCS and lower taxed adjusted earnings outside NCS. Gains on derivatives taxed in the Norwegian offshore tax system will impact the effective tax rate.
- In periods with relatively high share of adjusted earnings from NCS the tax rate may be above the indicative range and in periods with relatively low share of adjusted earnings from NCS, the tax rate may be below the indicative range. We remind you that the tax rate for 2Q22 was 80.2%.

#### **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 NOK 70 billion, the first instalment for the financial year 2022, was paid in august.
- Note that an additional/extraordinary tax payment of NOK 105 billion was paid late September, hence impacting 3Q cash flow. This payment is based on the financial year 2022, but comes in addition to the six ordinary installments (of NOK 70 billion).
- Dividend payment, USD 1.3 billion (0.40 per share) - USD 0.20 per share in base dividend and USD 0.20 per share in extraordinary dividend (dividend for 1Q 2022)
- Share buy-back program, USD 620 million, 2<sup>nd</sup> and 3<sup>rd</sup> tranche of the 2022 program. In addition, the Norwegian state share of the share buy-back program, USD 1.4 bn (NOK 13.5) was paid in July.
- M&A activity resulting in net cash outflow of about USD 54 million
- Settlement of legal case, resulting in cash inflow of USD 170 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):

- NCS petroleum taxes, estimated to a total of USD 13,8 billion in two installments (NOK 70 billion x 2) for the financial year 2022
- Share buy-back program
  - USD 85 million (estimated), 3<sup>rd</sup> tranche of 2022 program
- 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)
- Bond redemption of USD 250 million

**Other information:**

- Follow [this link](#) for reports, web-cast, presentations, and transcripts from previous quarters.
- The annual report and 20-F for 2021 contain relevant information in order to understand our business, reporting and numbers and can be downloaded from this page: [Annual Reports - equinor.com](#)
- 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 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 2% above 2021 level (rebased for portfolio measures).

**The 3Q results will be reported 28 October at 07:00 CET.**

We will make the aggregated, average consensus numbers available through [our web-page](#) a week prior to the result day.