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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by. Welcome, and thank you for joining the Equinor Q4 analyst call. (Operator Instructions)

And I would now like to turn the conference over to Mr. Peter Hutton, Senior Vice President. Please go ahead.

Peter Hutton *- Equinor ASA - SVP of IR*

Thanks, Anna, and you're very welcome to the conference call for Equinor's Fourth Quarter and Full Year 2020 Results. Welcome those analysts and investors joining us either on the call or those watching on the webcast, and media also joining us on Zoom.

I'm delighted this morning to introduce Anders Opedal, Chief Executive Officer; and Svein Skeie, CFO. They will present the results outlook for around 20 minutes each, and then we will move into a Q&A session for analysts and investors, which we hope to finish around 11:30 Norwegian time. And at that point, the media will have an opportunity to move into their own Q&A session on Zoom.

So with that brief introduction, let me pass the word over to Anders. Thank you very much.

Anders Opedal - *Equinor ASA - President & CEO*

Thank you very much, Peter, and good morning to all of you. I hope you and your families are safe and well. We are all used to digital events by now, but I really hope progress on vaccination will allow us to meet sometime soon. Today, we are presenting our fourth quarter and full year results for 2020. We are also announcing the sale of our Bakken asset today. And I will revert to that too in my presentation.

In addition, we will take the opportunity to provide some direction on the strategy process leading towards the Capital Markets Day in June. This is the first time Svein and I present to you, as CFO and CEO, and we look forward to a good and open dialogue with you all.

2020 was a year like no other, and the pandemic continues to impact people and society across the world. For the global energy markets, the unprecedented volatility was illustrated by fluctuation in the Brent from almost $70 at the start of the year to even below $20 at the bottom in April. Now it's showing signs of recovery, but we should still be prepared for volatility.

It is in time so challenge that we see the true strength of the company and the quality of our people. Equinor kept operations running and responded forcefully. This was important not only to protect our financial resilience in 2020 and but also to be in a strong position for value creation going forward.

In addition to meeting and beating action plans to reduce cost and improve resilience near-term, we took significant steps to transform our company. We have set a clear ambition to be a net-zero energy company, and to create value as a leader in the energy transition.

Our first priority is to make sure all our people can return safely home from work every day. In 2020, we have implemented measures to keep our people safe and well during the pandemic. For many, this has been a tough year, and I'm impressed to see how colleagues have looked after and supported each other.

During the year, we experienced serious incidents in our operations. And with the fires at the onshore plants at Melkoeya and Tjeldbergodden, it is clear that we are not where we want to be. We will take learnings from investigations and avoid future incidents.

For 2020, as a whole, we had an increase from 10 to 11 hydrocarbon leaks. But we see from the reduction of serious incidents and personal injuries that we are moving in the right direction. In fact, with a serious incident frequency of 0.5 and a total recordable injury frank frequency of 2.3, we achieved our best safety results ever. This gives inspiration to improve further in close cooperation with authorities, partners, suppliers, safety delegates and union representatives.

Shortly after our Capital Markets update last year, the pandemic hit, and our established contingency plans proved their true value. We launched a $3 billion action plan to strengthen our financial resilience. Hard efforts throughout the entire organization succeeded, and we have delivered above and beyond our ambitions. In fact, we have achieved savings of more than $3.7 billion. We reduced the organic CapEx to $7.8 billion, almost all of it in our international portfolio. The temporary tax adjustment at the Norwegian continental shelf made it possible and profitable to maintain activity and progress projects. In addition, we realized improvements and reduced our operating cost with around $1 billion from original estimates, well above the $700 million target.

Still, our financial results were, of course, impacted by the low prices during the year. Our net income for 2020 ended at negative $5.5 billion, and the adjusted earnings came in just below $1 billion after tax. We will continue to take steps to strengthen our robustness towards periods with lower prices, particularly in our international business. And due to savings, and capital discipline, in 2020, we delivered a strong cash flow from operation at around $11 billion after tax and a positive net cash flow at an average oil price below $42 per barrel for the year.

Last year, we reduced our dividend from $0.27 per share in fourth quarter 2019 to $0.09 per share for the first quarter 2020. As a part of our forceful response to protect our financial resilience. Through the year, we have balanced capital discipline, investing in profitable portfolio and return of value to our shareholders. We continue with this balanced and cautious approach, and the Board proposed a modest increase in the quarterly cash dividend to the Annual General Meeting from $0.11 per share in third quarter to $0.12 per share for the fourth quarter.

We also continued to cut emissions and deliver on our low-carbon ambitions. We reduced our CO_2 intensity from 9.5 kilo per barrel in 2019 to 8 kilos in 2020, below half of the global industry average. We will experience variances from year-to-year, but the long-term direction towards lower emission intensity is clear.

At end of 2020, we had an equity installed capacity of 0.5 gigawatt renewable energy in production, and we are on track for profitable growth with 3.3 gigawatt in development projects.

Our agility in the market turmoil safeguarded our financial resilience last year. But even more important, we strengthened our competitiveness for strong value creation and cash flow in 2021 and the years to come. We have improved our unit production costs, achieving the 2021 ambition already in 2020 with a 5% reduction. Strict capital discipline and strong improvements have significantly reduced expected CapEx from the indications we have previously given.

For 2021, and 2022, we expect a CapEx level of $9 billion to $10 billion annually. Cost reductions and capital discipline will significantly improve our capacity to deliver strong free cash flow. In 2021, we expect to deliver a free cash flow of $6 billion, after tax and before capital distribution, at an oil price of $50. In addition, we will get the proceeds from the Bakken divestment. This demonstrates the true value of our improvements over the last year.

We have initiated a strategy process towards the Capital Markets Day in June. Our clear ambition is to continue creating long-term value as a leader in the energy transition and become a net-zero energy company by 2050. To us, this is a sound business strategy, creating long-term value for shareholders. We have a strong portfolio within oil and gas. And by optimizing it further, we will strengthen our competitiveness and value creation while reducing emissions. Building on our competitive advantage from oil and gas, we will accelerate profitable growth within renewables, leveraging our leading position in offshore wind. Our capabilities from oil and gas also position us for developing low carbon technologies and value chains.

Let me be a bit more specific on each of these areas. In 2020, we delivered an underlying production growth of more than 2%. Johan Sverdrup officially opened at the start of the year, and continues to deliver beyond high expectations. The field reached plateau production sooner than expected and at a higher level, capturing value from the use of new technology and digital solutions. In the middle of this year, we expect a third production increase taking the capacity to around 535,000 barrels a day, around 100,000 barrels above the estimate at start-up.

Johan Sverdrup Phase 1 investment was NOK 83 billion. Today,we can announce that for Equinor, this investment will be paid back after tax this month. Or to be precise, actually this week. That's 16 months after start-up. In my view, quite impressive.

Snorre expansion came on stream towards the end of last year, ahead of schedule and below cost estimates, adding 200 million barrels of recoverable oil reserves. Last year, we also established a new unit, focusing on improved value creation from late-life fields. In fourth quarter, this unit delivered solid production efficiency at 98% and updated the plans for Statfjord Øst, increasing the recovery rate from 56% to 62%. In the other end of the life cycle, we keep developing high-value projects and delivered development plan for Breidablikk, with a breakeven well below $25 per barrel.

Our international business is significant. But it's not sufficiently robust in low prices periods. It is clear that we have to improve our operations and our portfolio to increase resilience. This also means taking actions where we don't see the profitability and robustness we seek. This is the basis for the decision that led to the impairment of our assets in Tanzania. It is also the basis for the steps we are taking to shape our portfolio to be more robust and competitive.

We are today announcing the divestment of our Bakken asset. By doing this, we are focusing our effort and capital towards more competitive projects in our portfolio, enabling us to deliver higher value creation for our shareholders.

In the results we are presenting today, the Bakken asset is reclassified as held for sale, leading to an impairment of around $300 million for the quarter. The Bakken investments was done at the time with high and increasing oil prices. And based on price assumption, that proved to be way too optimistic. We have taken impairments, and we are realizing a significant loss.

But I would also like to thank the organization for impressive improvement efforts in recent years, making it possible for the Bakken asset to actually deliver positive cash flow in the period from 2016 to 2020, and to realize this transaction at a competitive terms in today's market.

Last summer, a temporary tax regime was put in place in Norway to maintain the activity level in the industry through a period with lower prices. Equinor has delivered on these ambitions, and we are on track with the projects to be sanctioned for the Norwegian continental shelf in 2021 and 2022. The temporary tax regime, combined with our improvement efforts, lowered the breakeven price for these projects with around $10.

We have reduced costs and improved our projects to be sanctioned in 2021 and 2022. For the total portfolio, in this period, the breakeven price is around $30. And the net present value is $3.9 billion at an oil price of $50 per barrel. This portfolio includes several electrification projects, reducing CO2 emissions from production and in total, making this project portfolio carbon-neutral in operations.

We kept progressing our renewable portfolio last year, with the final investment decision for Dogger Bank in the U.K. This is, in fact, now the largest project in our portfolio and the largest project development ongoing in the North Sea. For Dogger Bank A and B, we'll leverage the toolbox to increase equity returns with project financing and a farm down of 10% equity interest.

In the U.S., we have entered a strategic partnership with BP to create a platform for growth. In January, we were selected to provide New York state with offshore wind power from the Empire Wind II and Beacon Wind I project. In total, our capital gain from sales of renewable assets was around $1.2 billion. This gain will be booked in 2021 and is clearly demonstrating our ability to create value.

The construction of Hywind Tampen is ongoing, the world's largest floating wind farm to date. Floating wind farms will provide new market opportunities in deepwaters.

For 2020, the equity accounted net operating income from our renewable business was $163 million, and gross production of electricity was 1,662 gigawatt hours. Going forward, we see increased investments in profitable renewable assets. In 2020, we made investment decision for $3.2 billion with low-carbon projects with the gross CapEx of Dogger Bank as the biggest investment. Equinor will become the operator of Dogger Bank at production startup. And by the end of the year, we will start construction of the operations and maintenance base in U.K.

Our capabilities from oil and gas position us for developing low-carbon technologies and new value chains within handling of CO2. Northern Lights is a groundbreaking project to build new and commercial value chains to capture, transport and store CO2 from industrial sources in Europe. In May, we took the final investment decision together with our partner, Shell and Total, and with government support construction has started.

Let me end with our guiding. We expect an annual average production growth of around 3% from 2020 to 2026 from our highly competitive project portfolio within oil and gas. From 2021, we expect to deliver around 2% production growth. We are reducing expected exploration spend to around $0.9 billion. For 2021 and 2022, we expect organic CapEx levels at between $9 billion and $10 billion, significantly below our previous indications.

2020 was a year like no other, and the world is not yet back to normal. But we spent the year improving and with our strict capital discipline, we can deliver strong value creation and cash flow in 2021 and the years ahead.

With that, I leave the floor to you, Svein, to take us through the results, and we look forward to your questions afterwards.

Svein Skeie - *Equinor ASA - Acting Executive VP & CFO*

Thank you, Anders, and good morning, everyone. I must admit, it's a bit unusual for me to be on this side of the stage for the quarterly presentation. Normally, I'm at the back with my spreadsheets and the numbers, but this also feels good. We really appreciate you joining us today, and I look forward to the dialogue with all of you.

In this industry, we are used to the highest and the lows of the economic cycles and demand. But the disruption caused by COVID-19 is unprecedented. COVID-19 hit demand hard, and Equinor responded early and thoughtfully, also strengthening our position long term. The impact on value creation and cash flow this year and the next will be significant.

As Anders said, we have delivered above and beyond on the plan we launched in March. We said, we will deliver savings of $3 billion, and we have realized more than $3.7 billion. And in fact, more than $4 billion, if we use the same currency as we assumed in March. We have shown very tight capital discipline in 2020. Organic CapEx spending was strictly controlled. And for the year, we ended at $7.8 billion. And this is well below our initial guiding of $10 billion to $11 billion, and also below our updated guiding of $8.5 billion. This reflects reduced activity, especially onshore USA, and our decision to postpone sanctioning of projects to remain resilient.

We have continued to improve our projects. For example, Bacalhau in Brazil, and Askeladd Vest and and Kristin South on the NCS. We also reduced exploration activity and reduced investments on partner-operated fields internationally.

In addition, we deferred some scope to 2021 and 2022 due to the COVID situation. Last year, we said we would realize a 5% improvement of the unit production cost from 2019 to 2021. This we have already delivered 1 year ahead of schedule as supported by high production on Johan Sverdrup due to the strong regularity and the rapid ramp up. And the high production also contributed to the early payback of Johan Sverdrup Phase 1 despite the low prices in 2020.

We have also reduced operational costs in the different segments, capturing efficiency gains and we are benefiting from the full implementation of our integrated operations center for our NCS assets. We continue to deliver on our improvement program, realizing around $0.5 billion in 2020 from new digital and technical solution. The improvement program continues, and we must make sure to keep focus on implementation and realization.

Our rebased production growth was 2.4% in 2020, also supported by higher production from Johan Sverdrup, good regularity in the fourth quarter and high flex gas production as prices recovered in the fall. We expect annual CapEx at $9 billion to $10 billion for '21 and '22, well below indications given at our CMU last year, when we said $10 billion to $11 billion for '21 and around $12 billion for '22. Solid improvements and tax adjustments in Norway has enabled us to strengthen our highly competitive project portfolio even further.

For projects on the NCS, planned to be sanctioned in 2021 and 2022, we have reduced the average breakeven with around $10 per barrel. In total, for all the projects, we plan to sanction in '21 and '22. We have an expected breakeven of around $30 per barrel. The net present value of these projects net to Equinor is around $3.9 billion at a $50 oil price.

We have improved the portfolio since our last Capital Markets update. Some of the operated projects we expect to sanction in the next 2 years are Bacalhau in Brazil and several fields on the NCS. The projects on the NCS benefits from the temporary changes in the tax regime, such as Wisting, Krafla/Askja, and Oseberg Gas Compression Unit. And on the NCS, we also plan to sanction electrification projects, such as the Troll field electrification, but we will continue to mature and improve our projects.

The improved portfolio is more robust and enable us to deliver a strong cash flow going forward. At an oil price of $50 per barrel, we have the capacity to deliver a free cash flow of around $6 billion before capital distribution in 2021. And this is not including the proceeds from the Bakken divestment. Before Bakken, we are cash breakeven after tax and before capital distribution at $30 per barrel, clearly, demonstrating our robustness.

Now on to the financial results. The fourth quarter results reflect the lower commodity prices. Our average liquids price was down 28% from the same quarter last year. Average invoice gas prices in Europe and U.S. were down 5% and 11%, respectively. Despite the European gas price recovery, which we saw during the second half of 2020.

The IFRS net operating income is negative by $989 million. While adjusted earnings in the quarter is $756 million, down from [3.5 billon] the same period last year. IFRS net income is negative $2.4 billion, highly impacted by impairments. The organization delivered solid operational performance, taking group OpEx and SG&A costs down by 13% in the quarter. This reflects cost discipline throughout the organization. For the full year of 2020, we have realized cost savings of around $1 billion, significantly above the $700 million we set out to achieve in March. And we see improvements across the company in all segments.

On the production side, our financial results were impacted by production outages at Hammerfest LNG and Peregrino in Brazil. In addition, we are taking action to optimize our oil and gas portfolio, leading to impairments of Tanzania LNG and Bakken in the U.S. in the quarter. In addition, the transfer of exploration obligation in Russia had some impact.

On our refinery in Norway, we take an impairment of around $600 million, mainly driven by lower expected future margin and a somewhat higher cost base. The group adjusted tax rate in the quarter was 173% mainly due to write-downs in entities with no or low reported tax.

And then let me give some comments to each of the reporting segments. E&P Norway delivered adjusted earnings before tax of $1.8 billion. High production despite the Hammerfest LNG outage and improved production efficiency in several fields made a difference. In addition, we reduced underlying OpEx and SG&A by 11%, which includes positive development in the field cost.

The adjusted tax rate in the quarter was 61.6%, benefiting from the temporary tax change in Norway. The losses from our 2 international segments for the quarter and for the year demonstrates that they are not sufficiently robust towards lower prices, and we take steps to focus our portfolio towards countries and projects that can deliver long-term value for our shareholders. But for this quarter, the impact is negative.

E&P International delivered adjusted earnings before tax of negative $1.2 billion. The result is impacted by lower prices and the shutdown at the Peregrino field in Brazil. Leading to a negative result this quarter for our Brazilian business area. And the impairment of our Tanzania asset by around $1 billion had significant impact.

However, we see solid cost reduction in the segment, with OpEx and SG&A, down 18%, supporting positive cash flow from operations of around $400 million for the quarter. The low tax rate of 3.1% is due to the earnings composition.

Results from E&P USA are also impacted by the lower prices. CapEx and costs have been forcefully reduced as operated onshore drilling and completions was stopped early on in 2020.

In the quarter, underlying OpEx and SG&A is down 16%. Adjusted earnings before tax came in at negative $172 million, while net cash flow was positive with cash flow from operation of around $300 million.

Our MMP segment delivered strong results from European gas sales and trading, but offset by the shut-in at Hammerfest LNG and low refinery margin. The OpEx and SG&A are down 14% year-on-year mainly as a result of lower transportation costs. In total, MMP delivered adjusted earnings before tax of $352 million.

Fourth quarter is the last time we report activity on renewable energy projects and production in our other segments. And from the first quarter of 2021, our renewable business will be a separate reporting segment due to the strategic importance.

In the fourth quarter, we had high availability on our offshore wind farms. And our equity accounted investment delivered net income of $21 million. Overall, adjusted earnings were negative. But these results will be improved as we have been reimbursed for half of the project development costs related to Empire and Beacon in the U.S.

So let me then reflect some more on the production and the reserves. Our production in the quarter are stable, and we have not seen negative COVID-19 effects on production. The total equity production in the quarter came in at 2.043 million barrels per day. For the full year, we delivered 2.4% rebased production growth. We adhered to the production curtailments imposed during 2020. But we used the opportunity to perform modification and upgrades on certain fields and installation without further production impact. Ramp-ups and new wells put on stream contribute to the rebased production growth.

And we drilled more than 90 production wells last year with high-value creation. And a breakeven well below $10 per barrel. New technologies, such as automated drilling control, contributes to the lower breakevens for the wells.

In the quarter, Johan Sverdrup produced 95,000 barrels per day, more than the same period last year. We also increased our NCS flex gas production to capture additional value as the European gas prices continue to recover through the fourth quarter.

Our priority in 2020 was to strengthen financial resilience. The deferral of project sanctioning impacted our reserve replacement ratio for the year, which came in at minus 5%. The 3-year average for this was 95%, and the reserves to production ratio based on the SEC reserves, is 7.4 years. Based on all resources, it is 24 years.

Our renewable electricity production in the quarter has been high and in line with expectations for the season. From 2019 to 2020, we increased our full year rebased production. And in the fourth quarter, we continued to demonstrate that we can capture value in our renewable business. By taking in a strong partner at the right time.

We divested 10% of our Dogger Bank A and B to E&I, with a net gain of around $270 million, expected to be booked now in the first quarter. And in the U.S., we secured the largest ever U.S. offshore wind award for our Empire and Beacon Wind project. And in Poland, where Equinor has several offshore wind position. The government recently approved offshore wind legislation that will increase the probability of new developments going forward.

So summing up, 2020 has been a year of solid production as well as value creation and strategic progress within the renewables.

So to the cash flow. We deliver a strong net positive cash flow of $1.4 billion in the quarter, based on strict cost and capital discipline. We also deliver a positive net cash flow for the year, which is a true testament to our resilience and flexibility in a year when Brent averaged below $42 per barrel.

The net NCS tax payment in the fourth quarter was NOK 3.5 billion or slightly below $400 million. For the first half of 2021, we expect NCS taxes payable of around NOK 2 billion. We paid $550 million for the KGN acquisition in Russia. And we also received $500 million prepayment on the U.S. wind deal.

Our net debt ratio ended at 31.7%, fairly stable from 31.6% in the third quarter of 2020.

So let me then end with the outlook. Anders presented or guiding, but let me repeat the key messages. We expect around 2% production growth in 2021, 3% compound annual growth rate from 2020 to 2026. Exploration activity at $0.9 billion in 2021. And $9 billion to $10 billion annual CapEx level in 2021 and 2022. And with this, we have the capacity to deliver a free cash flow of around $6 billion before capital distribution in 2021 at an average oil price of $50. This represents a cash breakeven of just $30.

And with that, I hand it back to you, Peter. And I look forward to your question. Thank you very much for your attention.

Peter Hutton - *Equinor ASA - SVP of IR*

Thanks very much Svein. With that, I pass that over to the operator to open up for questions. Thanks very much.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

And the first question comes from the line of Biraj Borkhataria of RBC.

Biraj Borkhataria - *RBC Capital Markets, Research Division - Director, Co-Head of European Energy Research Team & Lead Analyst*

I just had a few on the free cash flow guidance. So I believe that's at $4 NBP for 2021. Are you able to provide a sensitivity on cash flow for European gas? I know you provided the earnings, but cash flow would be helpful.

Secondly, embedded in that guidance is an assumption on cash taxes for the full year. So can you say anything at this point on what you're assuming for the second half of the year?

And then just a quick final one. In that $6 billion free cash flow guidance, can you just confirm the Carcará unitization payment, which is due this year is already reflected in that number?

Anders Opedal - *Equinor ASA - President & CEO*

Thank you very much. Let me start with the Bacalhau question. And yes, this consideration is included into those numbers. And maybe you want to elaborate a little bit on the tax side?

Svein Skeie - *Equinor ASA - Acting Executive VP & CFO*

I can do that. For -- on NCS, it's so that we pay half of the tax the year to occur and half of the taxes the year after. So for the first half, we will pay NOK 2 billion in taxes for NCS. And that's based on the results that we generated in 2020. On the question regarding the prices that we have used for the $6 billion. That is $50 oil and $4 MMBTU for the gas prices.

Then looking into what will the payment in the second half be. Of course, that will depend very much on the prices and what we see now during the year. And how we do it is that when we come to June, then we will do a calculation based on what we have realized so far in the first months, and then an outlook of how it looks like for the remaining part of the year, then we will decide the taxes. So that depends on the market.

But also, the questions on the gas prices. In the presentation, there is a slide then -- which is then showing then the sensitivity on the gas prices, just both pre and post-tax for a $1 change in the gas price.

Biraj Borkhataria - *RBC Capital Markets, Research Division - Director, Co-Head of European Energy Research Team & Lead Analyst*

Just circling back on the gas price sensitivity. Are you able to say about the cash flow sensitivity? Because I know in the slide, it shows earnings.

Svein Skeie - *Equinor ASA - Acting Executive VP & CFO*

What it -- typically happens is the totality is that you see it's 2.1% pretax, XX0.8XX% after. And remember, then you have the half year defer. So half of it will happen this year, and then you will get half of the tax next year, on the Norwegian part of it. On the U.S. than -- there is no tax.

Operator

Your next question comes from the line of Oswald Clint with Bernstein.

Oswald C. Clint - *Sanford C. Bernstein & Co., LLC., Research Division - Senior Research Analyst*

Anders, I'd like to explore a little bit more what you mean by optimizing the upstream oil and gas portfolio and really looking out a little bit. Is this about long-term growth, but increasingly from a low-cost, low-carbon barrel? Or do you think there is an optimum size for the upstream going forward, and you'd have to bend the portfolio the other way? And I'm really thinking post 2026 and into the next decade, especially with your aim here to be a leader in the transition.

And then perhaps for Svein, [3.7] cost reduction last year. There was $1 billion of fixed costs within that number. Could you -- or it would be great if you could talk about what are those big cost buckets in that $1 billion? Which regions? And really just confirm that it won't rise back up, won't spring back up here now in 2021 with higher commodity prices.

Anders Opedal - *Equinor ASA - President & CEO*

Thank you very much for your question, Oswald. And we say we are optimizing oil and gas when you look at the future demand as we see it, it will gradually increase towards around 2030. And then we expect to see a slight reduction in demand over time. So we are building a portfolio now that we also are able to capture the growth in demand and building increased resilience in our portfolio. We will focus on value creation, and we will focus on robustness. And that's why you saw we took the actions with Tanzania and Bakken today. That enabled us to take the consideration from the Bakken and reinvest it in our more profitable portfolio with breakevens around [30].

And of course, we are also investing in low-carbon solutions and renewables to find a very good balance between optimized oil and gas accelerate growth in renewables and also build some more projects into the low-carbon solution in addition to the Northern Lights that we already sanctioned this year.

So both within oil and gas and with the renewables low carbon, we will focus on growing value going forward.

Svein Skeie - *Equinor ASA - Acting Executive VP & CFO*

To the improvements as well what is good to see is that when we set the ambition of 0.7, we focus on all segments in the portfolio. So we have been able then to see that there are positive cost developments from all business units. It's coming down from -- taking down, for example, activity that we did in U.S. with that one being taken down. That has contributed. But we are also focused on making sure that we are continuously looking into, can we do things smarter as we are moving along. And we're also seeing it utilizing, for example, technical solutions iin a new way], which are also then benefiting us in the totality.

So where we now focus is that we need to make sure that we are keeping these improvements, and continue to improve going forward as well. If you look at the fixed cost in totality, of course, when new fields are coming on stream, which is not in production today, they will add some costs related to it. But the main focus is then to maintaining and continue to focus on the improving as we move along.

Operator

Next question comes from the line of Thomas Adolf with Crédit Suisse.

Thomas Yoichi Adolff - *Crédit Suisse AG, Research Division - Head of European Oil & Gas Equity Research and Director*

A couple of questions, please. In offshore wind, you've done an excellent job unlocking value last year through some downs in the U.S. and also in Dogger Bank. As it relates to the 4- to 6-gigawatt medium-term target following these XXXXXXXXXXXXXX how do you feel about that target? Do you feel like we might need some shorter cycle solar to hit your target, that 4- to 6-gigawatt range?

And then secondly, you've talked about the optimization in upstream, and you've done Tanzania, you wrote it off and you sold Bakken. I wondered if there's anything else you're planning on doing near term in terms of asset sales? And maybe you can also comment on the fairly sharp cutting CapEx in 2022, and I'm assuming this cannot be all related to capital efficiency.

Anders Opedal - *Equinor ASA - President & CEO*

Okay. Thank you, Thomas. We -- thank you very much for the acknowledgment of the value creation in offshore wind. We see opportunities also going forward in these new areas coming with potential bid and auctions, like Svein mentioned in the presentation, like Poland and also in Asia. So our targets for 4 to 6 gigawatts in 2026 remains firm. We will, of course, always seek to move into those projects where we see we can use our capabilities, our experience and seeking the return of 6% to 10% that we also said last year at the Capital Market update. So we will continue working on growing our portfolio, and remain firm on the target.

When it comes to optimizing oil and gas. I mentioned Tanzania and Bakken today. But of course, the most important actions we are doing to optimize the oil and gas is to continue improving every project that we do have. We postponed the FID of Bacalhau some months to make sure that we could have fully improved that project. We are doing the same on all the projects in Norwegian continental shelf, ensuring that we can deliver this project with the lowest possible breakeven and maximum value creation.

And I'm not -- of course, BD is a part of our 2 books for value creation, but I cannot comment on any future potential BD deals.

Svein Skeie - *Equinor ASA - Acting Executive VP & CFO*

Maybe I can take some more on the 2022 CapEx, as you asked about XXXXXXXXXXXXXXX. What we have been doing there is then focusing and making and prioritize within the portfolio, on the overall context. For example, we have taken down activity in the U.S. and said that for example, on the operator, we stopped production and drilling. And those are, for example, some other measure that goes in. We also said earlier on that we postponed some, for example, on Bay du Nord, working further on that one, taking also in the results then from the exploration wells there, which has an impact on the totality. And as Anders said, on Bacalhau, then moving it a bit to in time, getting a slightly different profile, but getting an improved portfolio compared to where we were last year. That has an impact.

So it's a combination of then -- the focus that we are doing and the improvements that we are doing through our project, which then brings us into a situation where we have a portfolio that deliver $3.9 billion for -- based on investments that we're doing in '21 and '22, and a breakeven of $30.

Thomas Yoichi Adolff - *Crédit Suisse AG, Research Division - Head of European Oil & Gas Equity Research and Director*

And what does CapEx look like in 2023 then?

Svein Skeie - *Equinor ASA - Acting Executive VP & CFO*

That it's too early to say, but what we will continue optimizing the portfolio, and we'll guide that at a later stage.

Operator

(Operator Instructions)

Your next question comes from the line of Mehdi Ennebati with Bank of America.

Mehdi Ennebati - *BofA Securities, Research Division - Research Analyst*

Two questions, please. First one, a follow-up one, regarding the sensitivity that you provided. So yes, you provide sensitivity on the EBIT. You provide sensitivity on the net income related to the oil and gas prices variations. You did not provide any sensitivity on the cash flow from operation, as usual. But my question is very simple. So if we want to have an idea on the cash flow from operation sensitivity, would you say that we should look at the EBIT sensitivity given that you would pay very low tax amounts this year in Norway, or rather the net income sensitivity? That's the first question.

And the second question is about your guidance on the free cash flow. So you said this take into account the Bacalhau payment of around $600 million, if I am not mistaken. Can you just tell us what disposal per -- let's say, what M&A transactions did you take into account to get to that $6 billion free cash flow guidance? And if all those M&A are planning -- have a negative impact or a positive impact on your $6 billion or cash flow.

Anders Opedal - *Equinor ASA - President & CEO*

Well, let me first take the second question, and you continue on the sensitivity, Svein. So basically, the consideration that is in guidance is, as I mentioned, Bacalhau. Then it's the U.S. win with BP, and also the E&I on the Dogger Bank, and we have not included the Bakken transaction in (inaudible). So all known M&A are included in this guiding.

Svein Skeie - *Equinor ASA - Acting Executive VP & CFO*

Yes. And just to build further on that, Anders. Also remember that we have a prepayment of $500 million that we received, which is included in the 2020. So those has to be adjustable for the gross amount that we got. So that means that a net outstanding, approximately, yes, 700-ish on that one.

Then going then into the sensitivity. And if you should look at the EBIT or the net income, I would say, you have to look at both. So due to the fact that the EBIT is giving the sensitivity pretax then remember that in Norway, you will pay half of the tax this year and half of the tax the year after. So you will get a bit in between.

Then on our international portfolio, then there will be some other countries, we pay taxes. But while all those countries where we are not in a tax position, then it's the pretax. So sorry that for not being into the exact number there, but it's a combination due to the fact that the Norwegian taxes offset in June, and then we are paying them 3 installments in August, October and December.

Operator

The next question comes from the line of Teodor Nilsen with SP One Markets.

Teodor Sveen-Nilsen - *Sparebank 1 Markets AS, Research Division - Research Analyst*

Two questions from me, if I may. First one, a follow-up on the cash flow guidance of $6 billion this year. I just wonder how would that number look like without the NCS tax incentives in place? I guess that's a substantial positive impact on that number?

And my second question is on reserves. You report a reserve replacement ratio of minus 5%. And I understand, of course, that that's due to lower oil and gas price assumptions, partially. I just wonder which fields in particular did contribute to that low-reserve replacement ratio for 2020?

Anders Opedal - *Equinor ASA - President & CEO*

So let me start with the reserve replacement ratio, and you can prepare on the cash flow, Svein. So we used 2020 to deliberately postponed some project -- improve some projects to maintain our financial resilience, and that caused the kind of the annual RRR to be negative. But the 3 years average is 95%. We -- the next project that they are due for FID is the Bacalhau that will -- can considerably change this. We deliberately moved Bacalhau from FID in 2020 to 2021. So this is the biggest impact you will see.

Svein Skeie - *Equinor ASA - Acting Executive VP & CFO*

And on the cash flow, Teodor, what we are now doing is that we are focusing and prioritizing investments on the Norwegian continental shelf due to the tax incentives that are available there. So that means that we have a lot of projects and coming off for sanctioning. I mentioned the listing also by gas compression unit, for example, but also the electrification. And that means when keeping up the activity, and focusing there to benefit from where it is, then we also get the positive cash flow impact on it.

And for 2021, we estimate it to be around $2-ish billion in impact.

Anders Opedal - *Equinor ASA - President & CEO*

So we will also -- as we mentioned earlier today, we focused a lot of our activity in Norwegian continental shelf due to the tax package and increased profitability. We drilled more than 80 production wells in 2020, and we will continue with high number of production wells on the Norwegian continental shelf and also high exploration activity also for 2021.

Teodor Sveen-Nilsen - *Sparebank 1 Markets AS, Research Division - Research Analyst*

Okay. So then just to be clear, those $6 billion will be $4 billion as you may normalize tax regiments, yes?

Svein Skeie - *Equinor ASA - Acting Executive VP & CFO*

No. We are focusing on then capturing the value then from the tax incentives that are there. So the effect on the tax package in itself is around $2 billion, improved taxes for 2021, which is then benefiting and then taking down the breakevens in the portfolio with around $10. So it's then focusing on the NCS activity, which gives the benefit to us, and has an impact on around $2 billion.

Operator

Next question comes from the line of Lydia Rainforth with Barclays.

Lydia Rose Emma Rainforth - *Barclays Bank PLC, Research Division - Director & Equity Analyst*

Two questions, if I could. I'm just going back to the cash flow numbers, just to be explicit, what you expect to be the use of that free cash flow? And just in terms of the priorities, obviously, that probably is upside at the moment, if I look at where gas prices and oil prices are. So any excess free cash flow, what happens to that?

And perhaps just related to that, kind of -- is that what constraints the renewable side at this point that is it level of investment? Or is it opportunities?

And then just a final question on the safety element. Clearly, there were probably more incidents than you might have liked over the course of 2020. Can you just talk through what specific actions have been taken to try and address some of that going into next year?

Anders Opedal - *Equinor ASA - President & CEO*

Yes. Let's start on the safety. So we clearly see that we need to improve on safety. We still, with our best results in terms of serious incident frequency and total recordable frequency incident. We see that we have too many incidents, and too many people are getting hurt. Particular, will our focus be now to avoid major accidents. So we're putting in an additional focus on process safety. We will use external company also to see how we can improve even further. So that is the kind of the biggest steps we are doing.

We're also taking -- working together with the unions and safety delegates to improve how safety delegates are involved in the way we work on a daily basis. And then we are working now to -- and we have built during 2020, a solid financial framework. We will continue to make sure that we are solid in terms of both the net debt ratio, the financial flexibility. And we will look for opportunities in the market, both organically and inorganically, but we will have a value over volume focus on both on the oil and gas and on the renewables. And we will only pursue those opportunities that will create value for our shareholders. So maybe you will elaborate a little bit more as well, Svein.

Svein Skeie - *Equinor ASA - Acting Executive VP & CFO*

So that's a little bit and where we are in the current situation is that we are at a net debt ratio at 31.7%. It's is slightly above our long-term ambition, and we are comfortable with that one. But we also have a strong credit rating, which is in place there.

And then also building on what Anders is saying, we also have a very good portfolio ahead of us. As we said, the breakeven for the project expected and to be sanctioned, over the next year, at $30 clearly robust portfolio, adding a lot of value. So it's a kind of a combination of the totality within the financial framework that we are looking at and working on a regular basis.

Operator

Next question comes from the line of Jon Rigby with UBS.

Jonathon Rigby - *UBS Investment Bank, Research Division - MD, Head of Oil Research and Lead Analyst*

Two questions. The first is, you referenced a sort of cautious increase in the dividend at 4Q, sort of mindful that you wanted to indicate progress but not get ahead of yourself, which I think is sensible. But as we head into June, the corporation, the company has sort of expressed its desire to get the dividend or the payout back to pre-COVID levels. But obviously, with the cut, it gives you a degree of flexibility about how you think about that. So without sort of committing yourself ahead of June, I kind of wondered whether you could think about or discuss a little bit about your thoughts on that and the sort of ability to introduce some sort of shock absorbers into your distribution policy around volatility, et cetera.

The second question is on LNG. I mean you've written off Tanzania -- compared Tanzania. One of the things that's always sort of occurred to me or interested me about your portfolio is your strength in natural gas in Norway and your sort of integral position in the European space, but your sort of shortfall in your exposure to LNG, which is widely regarded as a transitional low-carbon source of energy for quite a long time to come. So without Tanzania, does this leave a sort of strategic gap in your portfolio? Is it one that you, all things equal, would like to fill? Or are you comfortable just leaving it as an absent piece?

Anders Opedal - *Equinor ASA - President & CEO*

Let me elaborate a little bit on the dividend first. So you're right, we took extraordinary measures in this unprecedented situation in first quarter of '20, from $0.27 to $0.09, a reduction of 67%. As you might recall, was a 3-point reference for long-term dividend level then. First, our dividend policy remains firm. So we will grow dividend in line with the long -- with our long-term underlying earnings. And our dividend level also needs to be competitive. And of course, the fourth quarter 2019 dividend level.

The speed of any return towards pre-corona level will depend on several factors. The Board of Directors will consider both the cash flow, CapEx plans, financial requirement and also the financial flexibility we need against the macro outlook. So the dividend level will be decided quarter-by-quarter. So we increased it last quarter from 9 to 11, and this went from 11 to 12. So this is how we're thinking around the dividend level.

Regarding gas. The decision around Tanzania must be seen as a more project-asset decision, not necessarily a wider thinking around our view of gas. This -- we haven't had any progress in developing this project, despite a lot of hard work. And we haven't seen any progress also in the regulatory framework, lately. And with no current plans to develop these assets, we took an impairment this quarter.

Having said that, we are increasingly more and more exposed to LNG prices in our portfolio. We see that when Asia has been spiking due to cold weather and LNG outage, other places in the world. We've seen also price increases in Europe due to LNG being more moved to Asia. We don't have to be in a physical LNG plant. We can also use contractual arrangement, and we are using that. So a combination of contractual arrangement, the gas prices in Europe exposed more and more to the LNG market, give us some exposure, so this is not changing any view on gas. And I would also like to refer to the gas market seminar. Now I can do the marketing here, on the 19th of February, where MMP and (inaudible) will give a more broader view on the gas outlook.

Operator

Next question comes from the line of Alastair Syme with Citi.

Alastair Roderick Syme - *Citigroup Inc. Exchange Research - Research Analyst*

And Anders, nice to meet you. I wish you the best in your role. As you look at the mandate, the Board has given you to accelerate Equinor's development as a broad energy company. Do you think the company has all the skills it needs or other areas of competency that you think you need to build?

And so secondly, the follow-up, the -- it struck me that the 60-month payback of Johan Sverdrup is totally outstanding. What sort of perspective does that give you around the shift to renewables? I presume there's nothing in renewables that even comes close to that level of payback, if you put aside the sort of the farm-down economics that you've been doing.

Anders Opedal - *Equinor ASA - President & CEO*

Yes. Thank you. I wish there were more Sverdrups. But Sverdrup is an outstanding asset, outstanding in terms of how we developed it and also so outstanding how we're operating it and how we're actually including new digital technology to take out more value. And I was not precise in my speech when I said we will have a breakeven this week, it's actually on Saturday. So this is outstanding work.

Of course, not all assets are at the same return as Johan Sverdrup. And the long -- in the long term, we see that beyond 2030, there will be a decline in demand for oil. And then we are building up a portfolio also to have cash flow capabilities beyond when we see the oil and gas going down. So that's why we will like to both optimize and invest in oil and gas. But at the same time, also invest in renewables, building future cash flow capabilities as well as we see oil and gas will come down.

Competence. We have been able to build up -- I see more and more analysts putting value to our renewable business. We have been able to build up this renewable business, using the competence and the ability to learn new technology and industrialize based on the technology. This is really the core skills of this company, being able to working in offshore, working in harsh environment, doing the engineering, be able to operate it. And that's what we have done with renewables. This is also what we have done in a low-carbon solution though with a Northern Lights, where we need the geologists, we need drilling engineers, we need the pipeline engineers, everything that we do have in order to work also in that space.

So as we have done in 49 years, we will continue to develop our competence, our skills, develop our technology, in particular, in the digital space. And at the same time, we will also attract talents outside the oil and gas that we have done now for several years, coming into our renewable business, into our oil and gas business and also into the low carbon solution business. So that is how we're going to develop these technologies and these value streams going forward.

Anything to add, Svein?

Svein Skeie - *Equinor ASA - Acting Executive VP & CFO*

I think you covered it well. And as you said, with this [bank lift] over the payback. But also remember, some of the good features with the renewables is also that we're also getting some fixed income stream into the portfolio, giving a different risk profile to the portfolio. And also there, we have by then taking position early. And then the farm loan, we have also seen pretty good payback on those as well. So it's not black and white. Of course, as you said, yes, we would like more Sverdrups in the portfolio, but it's about also then getting into projects, which has a different profile related to it as well.

Alastair Roderick Syme - *Citigroup Inc. Exchange Research - Research Analyst*

As a follow-up to the first piece, can I ask you think that the oil price forecast you're using, which I think is now 65 real 2020 money in the middle of this decade, is stringent enough to cause that rotation of capital that you really think you need?

Anders Opedal - *Equinor ASA - President & CEO*

I didn't have quite the question.

Svein Skeie - *Equinor ASA - Acting Executive VP & CFO*

Did you ask about our economic planning assumption?

Alastair Roderick Syme - *Citigroup Inc. Exchange Research - Research Analyst*

Well, yes, it's really -- if the core is to find projects with very good payback, do you think that the oil price criteria you're using -- because I think your fair value analysis is still based on 65 real 2020 money. Is that putting the right -- enough of the pressure on the organization to find really good projects?

Anders Opedal - *Equinor ASA - President & CEO*

Well, when we are deciding projects, we're, of course, using our planning assumption. But at the same time, we're adding robustness criteria to this, where we really also look into the sensitivity and make sure that we are -- in addition to maximizing the value of the project, are driving down the breakeven. So this is independent of the expected oil price going forward. We are seeking this robustness for every project, for every well we also are drilling. So here, it's a -- it is a combination.

Peter Hutton - *Equinor ASA - SVP of IR*

Can I just take this opportunity to ask people to be relatively tight in terms of the questions? We've got a few more to go and around 15 minutes left. So if we can keep it more towards 1 question, please. Thanks very much.

Operator

Your next question comes from the line of Christyan Malek with JPMorgan.

Christyan Fawzi Malek - *JPMorgan Chase & Co, Research Division - MD and Head of the EMEA Oil & Gas Equity Research*

First of all, congratulations, Anders and Svein, on these appointments, and the best of luck. Anders, in your first 100 days, I guess, the first question -- and I'm sorry, I had to make it, too, because I wasn't clear about the difference earlier that Jon asked. But the first is around track record and M&A. I mean when you've looked to the business, I mean, and see the sale of Bakken today with the write-down and just reviewed the strategy, the decisions made, what do you think needs to change in terms of the way the company operates, whether it's assumptions around the macro environment, where you should be thinking about the portfolio internationally? I just wondered to what extent do you think there is either an immediate or more urgent pressing need to sort of review sort of the decisions and track record of the businesses internationally to obviously match the very high bar that you've set within Sverdrup, which I now understand is exceptional.

The second question is dividend. I'm still not clear. You've got a yield on a lower sales in the sector with one of the best portfolios and growth outlooks. And I was slightly surprised by the dividend increase there. I thought it would be more, if I can be really honest. And I just wondered to what extent is there a more kind of sort of [ochers] of desire to raise the dividend commensurate with your growth outlook and the cash flows that you're generating through this year, particularly the macro environment is conducive. So apologies for that second follow-up.

Anders Opedal - *Equinor ASA - President & CEO*

Yes. Thank you very much. First of all, if I kind of reflect a little bit on, you say, the strategy and the urgency, I think we demonstrated today that we have a solid financial framework. We spent the 2020 well and also, the energy transition and the way we have built up also a portfolio of renewables that taken place over many, many years, credit to the previous CEO. So I think we are very well placed, both on the financial, taking advantage of increasing oil price and gas price. We have built up the capabilities to do and move into projects like Dogger Bank and the Empire Wind, competing for the kind of the big contracts in renewables and taking significant step into the low carbon solutions.

So this is a solid fundament that we will build on. We see, as I said earlier today, that we are not robust enough in the international oil and gas. We will continue working on that and enable further growth, both in oil and gas and also taking the new opportunities that we see, particular in other areas for offshore wind, both in Poland, Asia, et cetera. So this is not the kind of any need for any turnaround, is to build on the strength and continue to take steps such that we are a leader in the energy transition.

We have a history of being first out with some technology, first out with a lot of technology compressor at the subsea for oil and gas, floating wind parks for renewable and then also the Northern Lights and CCS storage for the low carbon solution. So that is the fundament we will build on in the strategy update. So you will see us continuously developing in the direction I've indicated.

Regarding the dividend, I -- same as I said to Jon, the dividend level will be based on those 3 points of reference that I mentioned. We will look at the cash flow, the CapEx plan, the financial requirements and also the financial flexibility we need in terms of the macro outlook we see. And we are solid. But there are also -- remind you that there are volatility. And what we learned in 2020 is that there are surprises. And that's why we're saying we will evaluate this quarter-by-quarter.

Operator

Your next question comes from the line of Yoann Charenton with Societe Generale.

Yoann Charenton - *Societe Generale Cross Asset Research - Equity Analyst*

My question will relate to the 2021 production guidance. If we adjust for the back-end asset sale, it looks like the guidance calls for a broadly flattish or very slightly rising production growth this year. Hence, would you be able to provide some color on the factors across your portfolio that offset Norway's production strife in 2021? I will be keen to really understand, for example, what is the implied decline rate in Angola and what sort of production profile is assumed in the Appalachian.

Anders Opedal - *Equinor ASA - President & CEO*

Yes. Thank you for your question. And as we said, it's -- they're around 2% growth from the 2020 to 2021. If you look at Bakken in itself in 2020, it had an average of around 70,000 barrels per day. But it was ending then towards the 60,000 barrels per day. And there are declines since we have stopped then drilling on new wells and then also the fracking there. So the expectations then for 2020, if it has been in our portfolio, it will then be lower than the exit rate that we had. So that is some of the consideration around that one.

If you look at the decline as a totality, I think it's for -- where we operate on, we need to comment on where we are operator, we see a 5% decline rates in the field. So that we have said earlier unless we say no. On the Angola one, there, we need -- also need to ask also questions towards the operator in those assets, but we also see that there have been some optimization in the COVID situation, taking measures there in that context.

So -- and on Appalachian, there are still rigs that has then been drilling wells there because we see that there are opportunity to continue then to deliver low-cost gas barrels into the market in U.S. So where we are partner, then there are rigs and drilling new wells as we speak and has also been done in the fourth quarter.

Operator

Next question comes from the line of John Olaisen with ABG.

John A. Schj. Olaisen - *ABG Sundal Collier Holding ASA, Research Division - Joint Global Head of Research*

Oh, sorry. I thought I removed myself from the queue. All my questions have been answered. Thank you.

Operator

Your next question comes from Peter Low with Redburn.

Peter James Low - *Redburn (Europe) Limited, Research Division - Research Analyst*

Just a quick one on your growth aspirations in offshore wind. Are you able to confirm whether you bid in the latest U.K. lease fund, the results of which were announced this week? And then perhaps more generally, are you seeing competition for new acreage increase? And how confident are you that you can remain competitive?

Anders Opedal - *Equinor ASA - President & CEO*

Thank you. we are not able to confirm if we participated or not. But generally speaking, we see an increasing competition in the offshore wind segment with new competitors coming in. We have 15 years of experience from offshore wind to build up the capabilities, both on -- from operation, project development. We've been able to bring down the cost quite substantially from the first project that we did on Sheringham Shoal to now Dogger Bank. So we have been in this improvement mode for many, many years and are confident that we will also be competitive in the areas where we select to compete.

We will select the areas where we see that we can utilize our experience, our competence, in particular, where we can utilize the offshore floating wind where we have a leading position with the biggest floating offshore wind park being developed at Hywind Tampen that will supply a 5-plus oil and gas platform with power. So that is how we're thinking about our competitive situation.

Operator

Next question comes from the line of Anders Holte with Kepler Cheuvreux.

Anders Torgrim Holte - *Kepler Cheuvreux, Research Division - Equity Research Analyst*

It's a question to the CFO. It goes more to the point of the spending levels that you have guided on for '21 and '22. Now obviously, what you're spending in '21 is going to be covered by the tax amendments currently in place in Norway. But my question is more precisely what -- on what percentage of the 50% spending level in Norway is going to be covered by this amended tax regime in 2022?

Svein Skeie - *Equinor ASA - Acting Executive VP & CFO*

In 2022, the exact numbers, that, we will need to come back to at a later stage, but we see that full benefit then in 2021 on the tax packages in Norway. What will then happen for the CapEx in '22 and onwards is that the things that we sanction now in '21 and '22 will then start and to have also the benefits as we move along. But normally, what you typically see is that you have a ramp-up of projects. So when you sanction it, you are not spending most of the money early on before you're up then to their running speed. So that means that you have less impact in the early days but more impact from the tax benefits in those projects when we are coming from '22 and '23 and onwards.

Operator

Next question is from the line of Martijn Rats with Morgan Stanley.

Martijn Rats - *Morgan Stanley, Research Division - MD and Head of Oil Research*

Hi. I had removed myself from the queue. All my questions have been answered. You covered an awful lot. So I'll -- in the interest of time and to do Peter a favor, I'll hand it back.

Peter Hutton - *Equinor ASA - SVP of IR*

Thanks, Martijn. I will always take a favor when it's offered, so I appreciate that one. Thank you to everybody for calling in. I'm pleased with finishing absolutely at 11:30 CET. So I'm very pleased about that one.

Can I thank -- take this opportunity to thank Anders and Svein? We will now close the equity part of this. Thank you, Anders, for the reminder of the gas seminar, later this month. You'll be getting invites to that one.

And of course, if there are any questions, any follow up, please don't hesitate to contact us in Investor Relations. So with that, as I said, we'll close the equity part. The media one will continue on Zoom. Thank you very much for joining.

Operator

Ladies and gentlemen, the conference has now concluded, and you may disconnect your telephone. Thanks for joining, and have a pleasant day. Goodbye.

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