Press release 27 July, 2022

Equinor second quarter 2022

Equinor delivered adjusted earnings* of USD 17.6 billion and USD 5.00 billion after tax in the second quarter of 2022. Net operating income was USD 17.7 billion and the net income was reported at USD 6.76 billion.

Strategic and industrial developments:
- Further optimisation of the oil and gas portfolio
- Assets in Russia exited
- Continued progress in building new value chains in low carbon with investments in battery storage and power
- Progressing a strong portfolio of projects in execution

Operational performance:
- Continued high production performance
- High gas production from E&P Norway to support European energy security
- Safe startup of Hammerfest LNG

Financial performance:
- Continuing to generate strong earnings and cash flow from operations, partially offset by increased costs
- Balance sheet further strengthened with net debt ratio* reduced to negative 38.6%
- Significant step-up in capital distribution with cash dividend of USD 0.20 per share, increased extraordinary cash dividend to USD 0.50 per share for the second and third quarter, and increased share buy-back programme to up to USD 6.00 billion for 2022, with a third tranche of around USD 1.83 billion

Anders Opedal, president and CEO of Equinor ASA:
"Russia's invasion of Ukraine impacted already tight energy markets and has created an energy crisis with high prices affecting people and all sectors of society. Equinor puts its best effort into securing safe and reliable deliveries of energy to Europe, whilst continuing to invest in the energy transition."

"Equinor continues to provide high gas production from the NCS, including volumes from Hammerfest LNG, now safely back in production. Solid operational performance and high production combined with high prices resulted in strong financial results with adjusted earnings of more than 17 billion dollars before tax"

"We have taken important steps within our low carbon portfolio to help our customers decarbonise. Investments in the UK power company Triton Power and the battery storage developer East Point Energy in the US will expand our energy offerings and be important building blocks in new value chains."

Q2 2022	Quarter Q1 2022	Q2 2021	Change Q2 on Q2	Financial information (unaudited, in USD million)	2022	First half 2021	Change
17,733	18,392	5,298	>100%	**Net operating income/(loss)**	**36,125**	10,518	>100%
17,590	17,991	4,641	>100%	Adjusted earnings*	**35,581**	8,726	>100%
6,762	4,714	1,943	>100%	**Net income/(loss)**	**11,476**	3,797	>100%
5,000	5,179	1,578	>100%	Adjusted earnings after tax*	**10,180**	2,867	>100%
8,520	15,771	6,643	28%	**Cash flows provided by operating activities**	**24,291**	12,627	92%
6,964	12,689	4,511	54%	Free cash flow*	**19,653**	9,681	>100%

Q2 2022	Quarter Q1 2022	Q2 2021	Change Q2 on Q2	Operational data	2022	First half 2021	Change
106.9	97.1	63.7	68%	Group average liquids price (USD/bbl) [1]	**102.0**	60.0	70%
1,984	2,106	1,997	(1%)	Total equity liquids and gas production (mboe per day) [4]	**2,045**	2,082	(2%)
325	511	283	15%	Power generation (GWh) Equinor share	**837**	733	14%

Health, safety and the environment	Q2 | First half Q2 2022	Full year 2021
Serious incident frequency (SIF) Twelve-month average as at Q2 2022	**0.5**	0.4
Upstream CO_2 intensity (kg CO_2/boe) as at first half 2022	**6.8**	7.0

Net debt to capital employed adjusted*	30 June 2022	31 December 2021	%-point change
Net debt to capital employed adjusted*	**(38.6%)**	(0.8%)	(37.8)

Dividend (USD per share)	Q2 2022	Q1 2022	Q2 2021
Announced dividend per share	**0.20**	0.20	0.18
Extraordinary dividend per share	**0.50**	0.20	

In the first half of 2022 Equinor has acquired and settled shares in the market under the share buy-back programmes, of USD 742 million.

* For items marked with an asterisk in this press release, see Use and reconciliation of non-GAAP financial measures in Supplementary disclosures of the report.

Progressing on strategy for the energy transition
Equinor enhanced the value creation with continued optimisation of its oil and gas portfolio with the announced sale of assets in the Ekofisk area, and a share in the Martin Linge field on the NCS. In the US, Equinor's transactions in the North Platte project resulted in an increased interest in the project as well as a proceed. The group entered into a long-term LNG purchase agreement which will add new volumes to the portfolio from 2026.

Further, progress was made in developing value chains within low carbon. In the UK, Equinor is investing in the power company Triton Power and will prepare for future use of hydrogen in the Saltend power station. In the US, Equinor acquired the battery storage developer East Point Energy to further broaden the group's energy offerings.

Equinor is executing a full portfolio of 23 projects with overall good progress, despite impact from global supply chain disruptions and the pandemic. On the NCS, Johan Sverdrup phase 2 and Njord future are expected on stream the fourth quarter, while the floating wind farm Hywind Tampen is expected to be completed next spring. In Brazil, Peregrino phase 2 is on track for start-up in third quarter. The wind farm Dogger Bank in UK is on track for the first phase to come into operation in 2023.

Equinor previously announced that it will exit all joint ventures in Russia and halt all investments in the country. This was completed in the quarter and the company was released from all future commitments and obligations.

High production impacted by seasonal turnarounds contributed to energy security
Solid operational performance as well as optimised production to deliver more gas to Europe, resulted in high production, with less impact from the seasonal turnaround than for the same quarter last year. E&P Norway delivered a 18% increase in production of gas and a 7% increase in overall production, compared to the same quarter last year. In Brazil, the Peregrino field came back on stream in July and will contribute with valuable volumes going forward.

The Renewables segment delivered 15% higher power generation compared to the same quarter last year, mainly due to the production from the Guanizuil IIA solar plant in Argentina.

In the second quarter Equinor completed 9 exploration wells offshore and 3 wells were ongoing at quarter end. Equinor made 3 commercial discoveries in the quarter, all close to infrastructure on the NCS.

Strong financial results capturing high prices
Energy prices remained high in the quarter. Compared to last quarter Equinor realised higher prices for liquids, while the averaged invoiced gas price in Europe eased off slightly.

Adjusted earnings* for the quarter was USD 17.6 billion, up from USD 4.64 billion in the same quarter last year. Adjusted earnings after tax* was USD 5.00 billion, up from USD 1.58 billion in the same period last year. In the quarter the operational and administrative costs increased due to higher environmental costs, electricity prices and field cost, partially offset by currency effects.

The MMP segment contributed with strong results, particularly from European gas and power optimisation and trading.

Equinor reported net operating income of USD 17.7 billion in the quarter, up from USD 5.30 billion in the same period in 2021. Net income was USD 6.76 billion in the quarter, compared to USD 1.94 billion in the second quarter of 2021.

Continued strong cash flow and capital discipline further strengthening the balance sheet
Cash flows provided by operating activities before taxes and changes in working capital amounted to USD 18.1 billion for the second quarter, compared to USD 6.54 billion for the same period in 2021. Organic capital expenditure* was USD 1.99 billion for the quarter. Free cash flow* was USD 6.96 billion for the second quarter, impacted by the two last NCS tax instalments for 2021 and the increased capital distribution from the fourth quarter in 2021. From the third quarter, the NCS tax instalments will be based on 2022 results and are expected at around NOK 70 billion for third quarter.

Strong cash flow and capital discipline resulted in a further reduction of adjusted net debt to capital employed* to negative 38.6% at the end of the quarter. This is improved from negative 22.2% in the first quarter of 2022.

Competitive capital distribution
The board of directors has decided a cash dividend of USD 0.20 per share for the second quarter. Based on continued strong earnings in the quarter the board of directors has decided an increase in extraordinary cash dividend from USD 0.20 to USD 0.50 per share for second and third quarter of 2022. Furthermore, based on the strength of the brent price, balance sheet and commodity prices, the board of directors has decided to initiate a third tranche of share buy-back of USD 1.83 billion and increase the share buy-back programme for 2022 from previously communicated up to USD 5.00 billion to up to USD 6.00 billion. The third tranche will commence on 28 July and will end no later than 26 October 2022.

Emissions and serious incident frequency
Average CO_2-emissions from Equinor's operated upstream production, on a 100% basis, were 6.8 kg per boe for the first half of 2022, expected to increase somewhat with fields back on stream. The twelve-month average serious incident frequency (SIF) for the period ending 30 June 2022 was 0.5.

GROUP REVIEW

Q2 2022	Quarters Q1 2022	Q2 2021	Change Q2 on Q2	Financial information (unaudited, in USD million)	First half 2022	2021	Change
36,459	36,393	17,462	>100%	**Total revenues and other income**	**72,852**	35,052	>100%
36,315	36,712	17,173	>100%	Adjusted total revenues and other income*	**73,027**	33,118	>100%
(18,727)	(18,001)	(12,164)	54%	**Total operating expenses**	**(36,727)**	(24,534)	50%
(13,885)	(13,781)	(7,531)	84%	Adjusted purchases*	**(27,666)**	(14,602)	89%
(2,390)	(2,450)	(2,287)	4%	Adjusted operating and administrative expenses*	**(4,840)**	(4,461)	8%
(2,149)	(2,333)	(2,500)	(14%)	Adjusted depreciation, amortisation and net impairments*	**(4,482)**	(4,886)	(8%)
(301)	(157)	(212)	42%	Adjusted exploration expenses*	**(458)**	(443)	3%
17,733	18,392	5,298	>100%	**Net operating income/(loss)**	**36,125**	10,518	>100%
17,590	17,991	4,641	>100%	Adjusted earnings*	**35,581**	8,726	>100%
1,713	2,182	1,747	(2%)	**Capital expenditures and Investments**	**3,895**	3,897	(0%)
8,520	15,771	6,643	28%	**Cash flows provided by operating activities**	**24,291**	12,627	92%

Q2 2022	Quarters Q1 2022	Q2 2021	Change Q2 on Q2	Operational information	First half 2022	2021	Change
1,984	2,106	1,997	(1%)	Total equity liquid and gas production (mboe/day)	**2,045**	2,082	(2%)
1,842	1,958	1,845	(0%)	Total entitlement liquid and gas production (mboe/day)	**1,900**	1,929	(2%)
325	511	283	15%	Power generation (GWh) Equinor share	**837**	733	14%
113.8	101.4	68.8	65%	Average Brent oil price (USD/bbl)	**107.6**	64.9	66%
106.9	97.1	63.7	68%	Group average liquids price (USD/bbl)	**102.0**	60.0	70%
25.53	29.77	7.08	>100%	E&P Norway average internal gas price (USD/mmbtu)	**27.68**	6.23	>100%
6.25	4.18	1.82	>100%	E&P USA average internal gas price (USD/mmbtu)	**5.21**	1.99	>100%

For items impacting net operating income/(loss), see Use and reconciliation of non-GAAP financial measures in Supplementary disclosures.

Operations
Total equity liquids and gas production for the second quarter of 2022 has remained stable compared to the same period last year. Positive contributions from the new field Martin Linge on the NCS, and less impact from maintenance and turnaround activities compared to the same quarter last year, supported further increased production levels of gas for the quarter from E&P Norway, up 18% compared to same quarter last year, as focus on energy security and supply of gas to Europe continues. E&P International and E&P USA production decreased in the second quarter relative to the second quarter of 2021, impacted by Equinor's exit from Russia in the first quarter of 2022 and the divestment of a US onshore asset in the second quarter of 2021.

Significantly higher realised prices for the period relative to 2021 contributed to the increase in net operating income and adjusted earnings* in the second quarter and the first half of 2022 compared to the same periods last year. Strong results were recorded from European gas and power optimisation and trading, Danske Commodities as well as high refining margins in the quarter resulted in a significant increase in net operating income for the Marketing, Midstream and Processing segment, positively contributing to the overall business results in the quarter and first half of 2022 relative to the same periods in the prior year.

Operating cost increased compared to the second quarter of 2021, impacted by the ramp-up of new fields, increased field costs, high electricity prices and environmental taxes offset by significant currency effects due to the strengthening of the USD against the NOK and the EUR.

Taxes
The consistently high share of earnings from the NCS and lower effect of uplift deduction, increased the effective reported income tax for the second quarter and first half of 2022 relative to the corresponding periods in 2021. The effective reported tax rate was 65.8% for the second quarter of 2022 (60.4% for the second quarter of 2021), and 69.0% for first half of 2022 (59.7% first half of 2021).

The effective tax rate on adjusted earnings* of 71.5% for the second quarter of 2022 and 71.4% for the first half of 2022 also increased compared to 66.0% and 67.1% in 2021 due to the high share of NCS earnings and lower effect of uplift deduction.

Retrospective application of the Norwegian Petroleum Tax Act and Tax Payment Act amendments adopted on 17 June 2022, effective from 1 January 2022, had an immaterial cumulative impact to the financial statement in the second quarter of 2022.

Cash flow, net debt and capital distribution

Cash flow provided by operating activities before taxes paid and working capital items improved by USD 11,523 million to USD 18,066 million from the second quarter of 2021 and by 24,961 million to USD 38,122 million from the first half of 2021. This improvement was impacted by strong financial results due to high production and increased commodity prices across both the NCS and our international businesses.

Taxes paid of USD 8,050 million in the second quarter of 2022 increased relative to the prior quarter primarily due to the two payments of NCS taxes, totalling USD 7,750 million. One instalment was paid in the first quarter.

Free cash flow* remained strong, at USD 19,653 million for the first half of 2022 compared to USD 9,681 million in the same period of 2021, despite the significant increase in tax payments, increased dividend payments and the share buy-back programme.

The board of directors has decided a cash dividend of USD 0.20 per share for the second quarter. Based on continued strong earnings in the quarter the board of directors has decided an increase in extraordinary cash dividend from USD 0.20 to USD 0.50 per share for second and third quarter of 2022. Furthermore, based on the strength of the brent price, balance sheet and commodity prices, the board of directors has decided to initiate a third tranche of share buy-back of USD 1.83 billion and increase the share buy-back programme for 2022 from previously communicated up to USD 5.00 billion to up to USD 6.00 billion. The third tranche will commence on 28 July and will end no later than 26 October 2022.

OUTLOOK

- **Organic capital expenditures*** 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[1].
- **Production** for 2022 is estimated to be around 2% above 2021 level [6].
- Equinor's ambition is to keep the **unit of production cost** in the top quartile of its peer group.
- **Scheduled maintenance activity** is estimated to reduce equity production by around 40 mboe per day for the full year of 2022.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Deferral of production to create future value, gas off-take, timing of new capacity coming on stream, operational regularity and the ongoing impact of Covid-19 represent the most significant risks related to the foregoing production guidance. Our future financial performance, including cash flow and liquidity, will be affected by the extent and duration of the current market conditions, the development in realised prices, including price differentials and other factors discussed elsewhere in the report. For further information, see section Forward-looking statements.

References

To see end notes referenced in main table and text please download our complete report from our website - https://www.equinor.com/quarterlyreports

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[1] USD/NOK exchange rate assumption of 9.