Invitation for Equinor consensus

Before the publication of the **Equinor 1Q results on 29 April 2021**, 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, Renewables 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 1Q 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 Q1 in the range of 56 to 58/bbl.
- No production from Snøhvit in the Q1 due to the fire at Melkøya. Expect around 100 MUSD booked as other income from insurance due to this incident in Q1.
- We remind you that Equinor has the option to use flexibility in gas production and move gas volumes out in time to capture higher value – impact of this is low in 1Q 2020 (Troll and Oseberg high gas production levels during Q1)
- No planned turnarounds in Q1
- 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. Impact of FX also on OPEX, as a significant share of the OPEX base has NOK exposure. The NOK has strengthened from lows earlier this year, with the effect of increasing cost levels reported in USD
- We expect an increased level for depreciation in underlying currency per barrel in 2021 compared to 2020
- 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. Equinor is not responsible for any NPD data, but you may find the data convenient. Historically, monthly production data for NCS has correlated well with Equinor production,

E&P International:

- Estimated realised liquids price for E&P International segment in 4Q in the range of 56.5 to 58.5 USD/bbl.
- Equity production level in 1Q compared to previous quarter reflects some production from KrasGeoNac (Russia), gas offtake at In Salah (Algeria) and some production at Murzuq (Libya), partially offset by natural decline. Expect gas/liquids ration to increase.
- The Peregrino field in Brazil is still shut down due to the riser rupture. Cost of repairs will impact 1Q results
- Note that one cargo was lifted from Agbami in Q1.

E&P USA:

- Estimated realised liquids price for the E&P USA segment in 1Q in the range of 49.4 to 51.4 USD/bbl
- There was higher gas production Appalachian Basin compared to last quarter. Expect gas/liquids ratio for EP USA to increase.
- Bakken is "held for sale", production and income will be included in the 1Q numbers.
- Expect a decrease in DDA (depreciation). Assets "held for sale" are not depreciated.
- Expect quarter specific opex items to add close to USD 100 million to the cost line. Nearly half of this is expensed exploration, capitalized earlier periods.

MMP:

- Average Brent for the quarter was 61.0 USD/bbl, an increase of 38% compared to last quarter.
- Our refineries are exposed to continued low refinery margins.
- The preliminary internal gas transfer price for 1Q has been published on our web page (also see our web page for historical prices)
- Equinor is selling mostly spot based gas sales. During 2020, we took an opportunity to hedge some volumes into the higher prices available summer 2021 and 2022. Recent strengthening in gas prices means that these sales are now reported as mark to market derivatives losses, impacting adjusted NOI. Note that higher gas price is a net positive for Equinor, with underlying prices reflected in EPN via the transfer price.
- Hammerfest LNG (Melkøya/Snøhvit) has been shut down since 28 September 2020
- The Tjeldbergodden methanol plant resumed production 20 February 2021.
- Investors are reminded that normal guidance range of $250-500m assumes fairly typical operating conditions and refinery margins. With weak refining margins, shutdowns as noted and losses on derivatives for gas forward sales, results should be expected to be below normal range

Renewables/REN (NES)

- This is the first time Equinor presents REN (formerly NES) as a reporting segment and hence this is the first time Equinor asks for consensus here.
- MD&A First quarter 2021 will review underlying production results and material divestments in the quarter, Net operating income reconciliation to adjusted earnings
- Segment note will present reclassified NES numbers in a column separate from (reclassified) Other segment. The IFRS NOI and adjusted earning segment information for the 4 quarters of 2020 is separately presented on our web page.

- The power generation from renewables first quarter 2021 is expected to be in line with the historical seasonal production pattern.
- Equinor introduces new principle for adjusted earnings with regards to gains / losses for NES to be applied with effect for the 1Q 2021 interim financial statements with comparable figures (where material) to be restated. Management considers presentation of the segment operations result including the presentation of the gain from divestments being reflective of the performance of the segment at this point of time. The gain on divestment for 1q is expected in the range of around USD 1.3 billion.

Exploration:

- Equinor had activity in 16 wells in 1Q20, 7 on NCS and 9 outside Norway. 5 wells were completed, all on NCS.
- Results of exploration wells in Norway are always announced by NPD and you will also find information on our web pages regarding discoveries.
- 2 wells capitalized in earlier years being expensed this quarter on US (approx. 40 MUSD)
- We estimate that over time, roughly 3/4 of exploration expenditure is expensed. The results for each individual quarter will however depend upon the outcome of the wells finalised as well as our share of the cost. In addition, expensed exploration depends upon results from wells from previous quarter(s). Well costs are activated (capitalised) as they are being drilled. In the event of a negative result, the entire cost will be expensed in the quarter when the well is completed. Note that our capex guiding includes an estimate for capitalised exploration.

Effective tax rate:

- Under the new tax regime in Norway, the range going forward can be expected to be lower in the near term, and more volatile (due to the higher effect of the uplift of 24% in one year). Indicative tax range for EPN: 50-75%
- Indicative tax range for EPI: 30-45%
- Indicative tax range EPUSA: 0% (short term)
- Indicative tax range MMP: 40-60%

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 75 million (NOK 0.67bn)
- Dividend payment of 290 million (0.11 cents per share)
- Bond redemption of USD 1.4bn
- USD 1.1 bn was received as payment for assets divested (Empire, Dogger, Bakken).

Next quarter (conditional):

- NCS petroleum taxes of USD 150 million (NOK 1.33bn)
- NCS CO2 tax of about USD 100 million
- Net divestment of assets and contingency payments (mostly Bakken and Bacalhau), USD 100-150m to be received.
- Dividend payment for 4Q 2020 of USD 390 million (0.12 cents per share)
- Loan to Dogger Bank, outflow of USD 125 million.

Changes to Accounting Policies:

Equinor will present Renewables as a reporting segment and, as stated above, the gains from sale of assets will be included in the adjusted number for this segment. This only impacts the "adjusted" numbers and has no relevance for IFRS.

Other information:

- Follow this link for reports, web-cast, presentations, and transcripts from previous quarters.
- The annual report and 20-F for 2020 contain relevant information in order to understand our business, reporting and numbers and can be found here: https://www.equinor.com/en/investors/annual-reports.html#downloads
- 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 USD 9-10 billion for 2021-2022
- Equinor estimates a total exploration activity level of around USD 0.9 billion for 2021, excluding signature bonuses, accruals and field development costs
- For the period 2020–2026, production growth is expected to come from new projects resulting in around 3% CAGR (Compound Annual Growth Rate) based on current forecast
- Scheduled turnaround activity is estimated to reduce equity production by around 50 mboe per day for the full year of 2021
- Production for 2021 is estimated to be around 2% above 2020 level (2070 mboed).
- The guiding of the financial result, excluding FX and derivatives, is around minus USD 150-200 million (assuming an approximately normal result for the financial investments). As stated above, "Financials" is not part of consensus and not part of the «adjusted numbers» Equinor presents

The 1Q results will be reported 29 April at 07:00 CET.
Please send the excel sheet with your consensus contribution **by eob 19 April**.

Note that we have a "quiet period" last two weeks before release with no/minimum interaction with analysts and investors.
We will make the aggregated, average consensus numbers available through our web-page and notify by e-mail once they are out.

Thank you very much for your contribution.

Kind regards,

Equinor IR