

Before the publication of the **Equinor 1Q results on 4 May 2022**, we invite you to provide your input to the analyst consensus estimates by filling in the attached spreadsheet and resend to Equinor IR.

Consensus will be established around the following items:

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

We invite you to provide tax on adjusted earnings per reporting segment, so that total tax on adjusted earnings will just be a formula adding the individual tax amounts from EPN, EPI, EPUSA, MMP, REN and Other. We also remind you that the result for Financials is not included in the adjusted numbers and we will therefore ask you **NOT** to consider this in the input above.

For your convenience, we hereby remind you of some factors relevant for our 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 1Q was approximately USD 100/bbl
- The preliminary internal gas transfer price for 1Q is published on our [web page](#) (also see our web page for historical prices)
- The Norwegian Petroleum Directorate publishes [monthly production figures](#), normally issued 10-15 days into a month, giving preliminary figures for the previous month and more detailed information for earlier months. Data from NPD per field can be found [here](#). 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.
- Turnaround on Statfjord B in 1Q 2022. No turnarounds in 1Q 2021.
- Gina Krog: gas export instead of re-injection from early October.
- Production at Johan Sverdrup in 1Q 2022 was impacted by planned installation activities related to Johan Sverdrup phase 2 (~10 kboe/d impact on Q1)
- No production from Snøhvit in 1Q due to the fire at Melkøya in 2020 and this will impact EPN cost and revenues.
- We remind you that Equinor has the option to use flexibility in gas production and move gas volumes to capture higher value. Troll had higher gas production compared to 1Q 2021. Total NCS gas production expected to increase compared to 1Q 2021.
- We remind you that the assets on the NCS have NOK as functional currency, i.e. the accounts are recorded in NOK. Currency movements will hence impact depreciation (assets to be depreciated are recorded in NOK) as this is translated into USD as the reporting currency. Impact of currency also on OPEX, as a significant share of the OPEX base has NOK exposure. The currency effect contributes to a decrease when compared to 1Q 2021.
- OPEX in 1Q is positively impacted by credit Gassled removal obligation of about 115 MUSD (due to changes to discount rate, no cash effect).
- We expect an increased level for depreciation in underlying currency per barrel in 2022 compared to 2021, this in line with previous communication.

- Equinor had activity on NCS on 7 wells in 1Q 2022, out of these 4 wells were completed.
- Results of exploration wells in Norway are always announced by NPD and you will also find information on our web pages regarding discoveries. We estimate that over time, roughly 3/4 of exploration expenditure is expensed. The results for each individual quarter will 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.

#### **E&P International:**

- Estimated realised liquids price in the range of 97 to 99 USD/bbl.
- Production is expected slightly lower than last quarter.
- Expecting similar level gas/liquids share as last quarter
- The Peregrino field in Brazil remains shut down due to the riser rupture.
- Note that one cargo was lifted from Agbami in Q1 (in March).
- Depreciation expected to be lower than last quarter.
- Corrib is classified as “held for sale”.
- Equinor has announced its intention to exit assets (joint ventures) in Russia; [press release](#)
- Activity in 7 exploration wells in 1Q22

#### **E&P USA:**

- Estimated realised liquids price in the range of 83 to 85 USD/bbl.
- Note that we realize local prices for gas sold, which normally price is at a discount to Henry Hub.
- Production expected to be slightly lower than last quarter (both offshore and onshore).
- Expecting similar level gas/liquids share as last quarter
- DDA expected to be lower than last quarter.
- Activity in 1 exploration well in 1Q22.

#### **MMP:**

- Average Brent for the quarter was 101.3 USD/bbl, a price increase of 27% compared to last quarter.
- The preliminary internal gas transfer price for 1Q is published on our web page (USD 29.77 MMBTU, also see our web page for historical prices)
- Hammerfest LNG (Melkøya/Snøhvit) has been shut down since 28 September 2020, planned startup date is 17 May 2022.
- Equinor uses derivatives to trade and change price exposure in all trading segments. Derivatives are valued mark to market in our accounts every quarter. The high volatility and price increase in European gas markets in 1Q have resulted in larger than expected mark to market results for our European gas and LNG business. As previously explained, increasing prices give a positive value from the derivatives applied to price risk manage our bilateral gas contracts. This effect is offset by negative value from delivery of gas under the bilateral contracts during the quarter and negative mark to market results from derivatives applied to lock in value on future LNG deliveries and geographical optimization of our piped gas flows. The net impact of these components is expected to be in the range of negative 400-500 MUSD in 1Q 2022.

- The normal guidance range of adjusted earnings of 250-500 MUSD assumes fairly typical operating and market conditions. Volatility has been higher than normal in 1Q22. Market prices in 1Q 22 means that MMP is taking mark to market losses on a small volume of deferred gas sales, losses on methanol production from natural gas at Tjeldbergodden and loss on an oil linked contract.

**REN:**

- The power generation from renewables first quarter 2022 is expected to be in line with the historical seasonal production pattern.
- Limited exposure to price volatility, high power prices are not expected to impact the reported results significantly.
- With reference to previous quarters, earnings from REN might be expected to be negative due to growth mode of our REN business and project activities which continue to be expensed.
- Divestment of 10% share in Dogger Bank C was closed in the quarter with cash flow effect, gain will be adjusted out in Adjusted earnings.
- Most of our activity is equity accounted where Equinor's share of P&L is presented net as "gains/losses from equity accounted investments".

**Effective tax:**

- Indicative tax range for EPN: 70-77%. The tax rate for EPN is influenced by the effect of uplift deduction. In periods with high oil and gas prices and high adjusted earnings, the effect of uplift is lower, and the tax rate is expected to be in the upper end of the indicative range. We remind you that the tax rate for 4Q21 was 76.4%.
- Indicative tax range for EPI: 30-45%. The tax rate is depended on earnings composition between higher taxed countries and lower taxed countries including effect of uplift and investment allowances. We remind you that the tax rate for 4Q21 was 26.2%.
- Indicative tax range EPUSA: 0% (short term)
- Indicative tax range MMP: 40-60%. The tax rate is dependent on the earnings composition of adjusted earnings from NCS and lower taxed adjusted earnings outside NCS. Reversal of gains on derivatives taxed in the Norwegian offshore tax system will impact the effective tax rate. In periods with relatively high share of adjusted earnings from NCS the tax rate may be above the indicative range and in periods with relatively low share of adjusted earnings from NCS, the tax rate may be below the indicative range. We remind you that the tax rate for 4Q21 was 90.5%.

**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):

- 1Q 2022 Share buy-back programme (2021) 2nd tranche, ca. USD 100 million
- Proceeds from sales (including Dogger C and Kalundborg) about USD 480 million.
- Dividend payment, USD 586 million (0.18 per share)
- Share buy-back program (2022) 1st tranche, USD 330 million (market execution only)
- NCS petroleum taxes, USD 4.1 billion (NOK 36.6 billion)
- Bacalhau contingency payment (cash outflow), USD 525 million

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

Next quarter (conditional):

- NCS petroleum taxes, USD 8.4 billion (NOK 73.2 billion, two installments)
- CO2 tax, USD 91 million (NOK 2 billion – Equinor share 40% -> NOK 800 million)
- Dividend payment, USD 1.3 billion (0.40 per share)
- Share buy-back program (2022) 2nd tranche, TBD\*

\*At the CMU in February 2022, Equinor stated that the share buy-back program for 2022 would be up to USD 5 billion (incl State share). The remaining tranches for this year will be subject to BoD and AGM approvals.

**Other information:**

- Follow [this link](#) for reports, web-cast, presentations, and transcripts from previous quarters.
- The annual report and 20-F for 2021 contain relevant information in order to understand our business, reporting and numbers and can be downloaded from this page: [Annual Reports - equinor.com](#)
- For more information please visit our [web-page](#). You may find useful historic information under the heading "[Information for analysts](#)"

**Guiding:**

- Organic capital expenditures (i.e. excluding acquisitions, capital leases and other investments with significant different cashflow pattern) are estimated at an annual average of around USD 10 billion for 2022-2023 and at an annual average of around USD 12 billion for 2024-2025.
- Scheduled turnaround activity is estimated to reduce equity production by around 40 mboe per day for the full year of 2022.
- Production for 2022 is estimated to be around 2% above 2021 level (2021 production rebased for portfolio measures).

**The 1Q results will be reported 4 May at 07:00 CET.**

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