

Before the publication of the **Equinor 2Q results on 28 July 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 2Q 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 2Q in the range of 63.3 to 65.3 USD/bbl.
- No production from Snøhvit in 2Q due to the fire at Melkøya in 2020. Expect 120 MUSD booked as other income from insurance in 2Q due to this incident. Note that about 2/3 is self-insured and there will hence be a charge of about USD 80 million to "Other".
- 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 2Q 2021 (Troll and Oseberg high gas production levels during 2Q)
- Impact on production from turnarounds in 2Q estimated at 100 kboe/d.
- 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. The currency effect is significant when compared to 2Q 2020.
- 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.
- Six wells expensed earlier years were reactivated this quarter, approx. ~95 MUSD.
- Equinor had activity on NCS on 6 wells in 2Q 2021, out of this 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 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.

E&P International:

- Estimated realised liquids price for E&P International segment in 2Q in the range of 64.5 to 66 USD/bbl.
- Production impacted by planned turnaround.
- The Peregrino field in Brazil is still shut down due to the riser rupture. Cost of repairs will impact 2Q results
- Depreciation per boe is expected to increase relative to 1Q, partly due to changes in ARO calculations.
- Opex is expected to increase relative to 1Q, partly due to royalties and special taxes included as opex.
- Note that one cargo was lifted from Agbami in Q2.
- Activity in 10 wells in 2Q21 with 1 well completed.

E&P USA:

- Estimated realised liquids price for the E&P USA segment in 2Q in the range of 56.5 to 58.5 USD/bbl.
- Note that we get local prices for gas sold and this has a discount to Henry Hub.
- Bakken divestment was closed 26 April.

MMP:

- Average Brent for the quarter was 68.9 USD/bbl, price increase of 13% compared to last quarter.
- Our refineries are exposed to continued low refinery margins.
- The preliminary internal gas transfer price for 2Q has been published on our [web page](#) (also see our web page for historical prices)
- Equinor's gas sales are mostly spot based. During 2020, we took an opportunity to hedge some volumes into the higher prices available summer 2021 and 2022. With continued strengthening in gas prices, these sales are reported as mark to market derivatives losses. In 2Q this effect is partly offset by derivative gains on hedges that will be reversed in later quarters when the underlying sales is realized. 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, revised startup date is 31 March 2022.
- Investors are reminded that the normal guidance range of adjusted earnings of \$250-500m assumes fairly typical operating conditions and refinery margins. With continued weak refining margins, Hammerfest LNG shutdown and losses on derivatives for gas forward sales, results in 2Q should be expected to be lower than the guided range but slightly better than 1Q21.

Renewables/REN

- The power generation from renewables second quarter 2021 is expected to be in line with the historical seasonal production pattern.

- We remind you that assets in operation are all equity accounted and Equinor's share of P&L is posted as income. The main rule is that cash dividends paid by the JV or associate are not booked to PL but credited to BS Investments. An exceptional case is Dudgeon Holding Ltd. where the dividends are booked to the income statement according to current accounting policy and will impact 2Q Adjusted earnings by about USD 24 million.
- With reference to previous quarters, earnings from REN might be expected to be negative in quarters where no divestment is included. This includes quarters when dividend from Dudgeon has been included. The main reason for this is the equity accounting method mentioned above, and the growth mode of our REN activities which continues to be charged as opex for REN.
- No material divestments in the quarter.
- Equinor acquired 100% of the shares in Polish onshore renewables developer Wento in the quarter. This is included in the 2Q numbers (full consolidation) but has immaterial impact on Adjusted earnings. The acquisition will impact reported capex addition for the quarter.

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 150 million (NOK 1.33bn)
- NCS CO2 tax of about USD 100 million
- Net divestment of assets, contingency payments and redetermination (mostly Bakken, Wento and Agbami), USD 200-250m net payments.
- Dividend payment for 4Q 2020 of USD 390 million (0.12 cents per share)
- Loan to Dogger Bank, outflow of USD 125 million.

Next quarter (conditional):

- NCS Petroleum taxes of USD 1.4 bn.
- Dividend payment for 1Q 2021 of USD 490 million (0.15 cents per share)
- Expect to announce first tranche of share buyback programme of USD 300m of which USD 100m will be in the market
- Contingency payment of around USD 600 million (Brazil).

Changes to Accounting Policies:

No changes to accounting policies in 2Q.

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, and around USD 12 billion annual average for 2023-2024
- 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 (2020 production rebased for portfolio measures).
- 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 2Q results will be reported 28 July at 07:00 CET.