

TRP Improvement Project

TREASURY RE-DESIGNED

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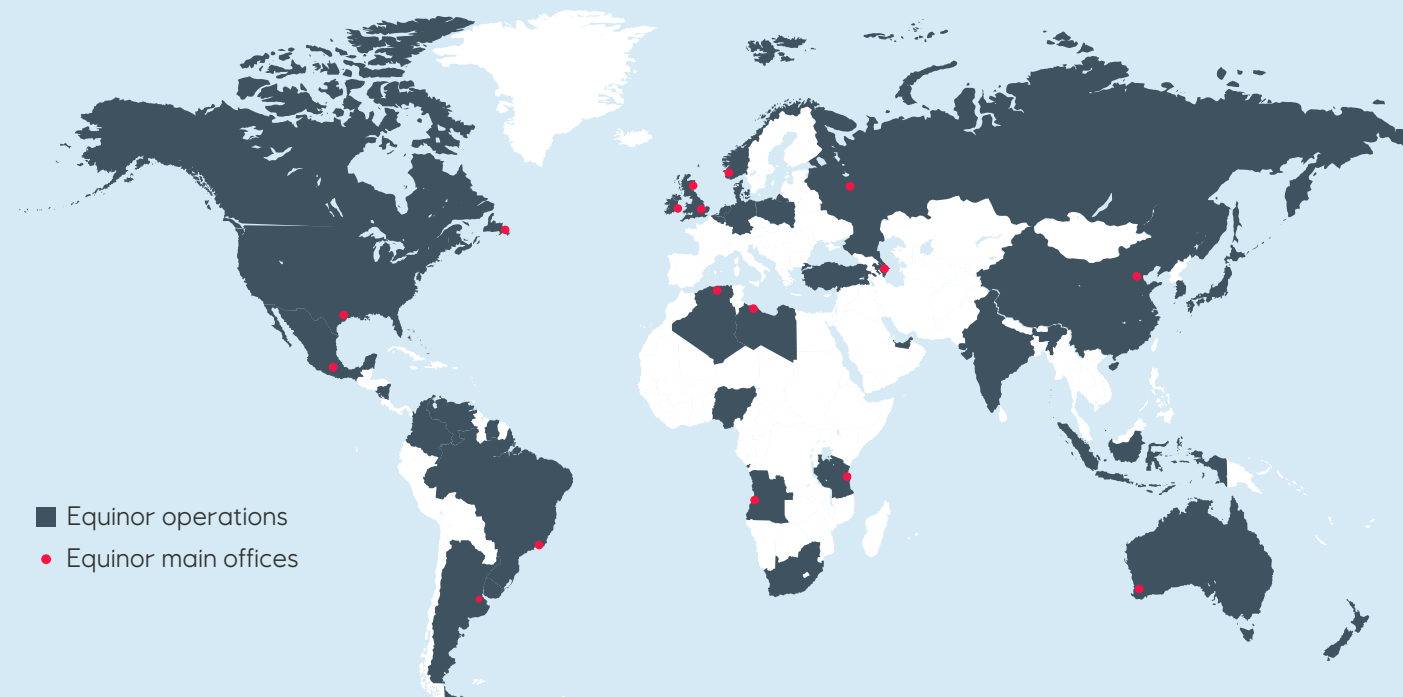
We are Equinor

Shaping the future of energy

Driven by purpose:
Turning natural resources
into energy for people and
progress for society

Inspired by vision:
Shaping the future of energy

Guided by values:
Open, collaborative,
courageous and caring



Key facts
and numbers:

250

Legal entities

5

Main CM Banks

1

SAP Inhouse-Cash

99,5%

Payments successful

650

Billion USD

700

Bank accounts

5000

Treasury deals

Pre-study

- Effective control of group cash
- High degree of compliance and security
- High level of operational understanding and process control



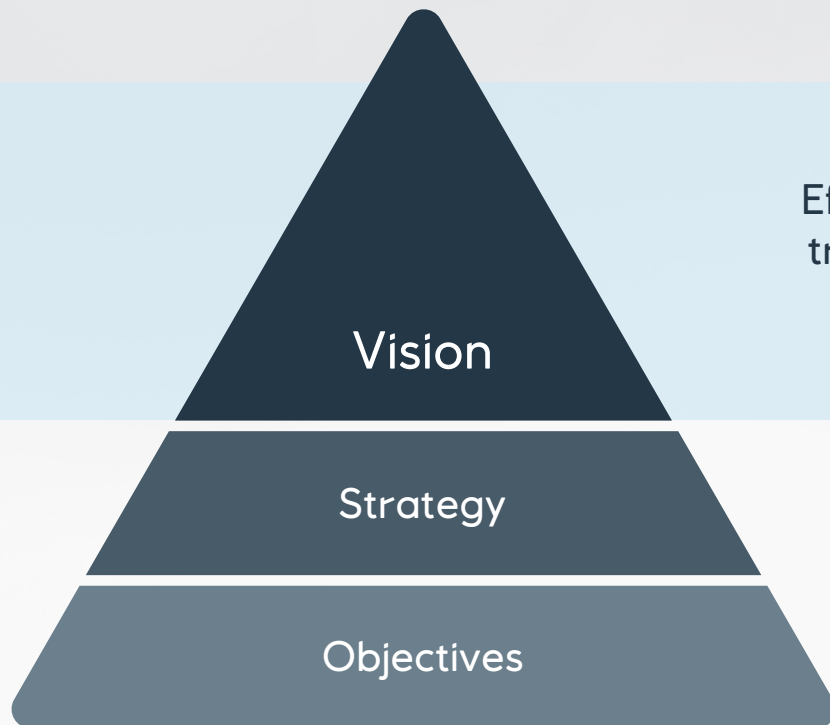
- Outdated tools with Equinor specific compensating fixes
- Lack of timely and automated decision information
- Best practice process gaps
- Complex internal communication



- High and increasing manual workload
- Higher transaction cost
- Higher maintenance cost
- Leading to reactive behaviour

IT Roadmap TRP
Equinor & Nasarius
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Treasury vision



Effective, efficient and future proof
treasury management supporting
Equinor's global needs





High level scope

- 1 Re-design of all treasury and payment processes including "on behalf of" solution for both payables and receivables
 - Virtual Accounts included
- 2 Move to latest SAP technology (S/4HANA) utilizing Fiori applications
- 3 Implement extensive level of automation

Re-design of all treasury and payment processes

53

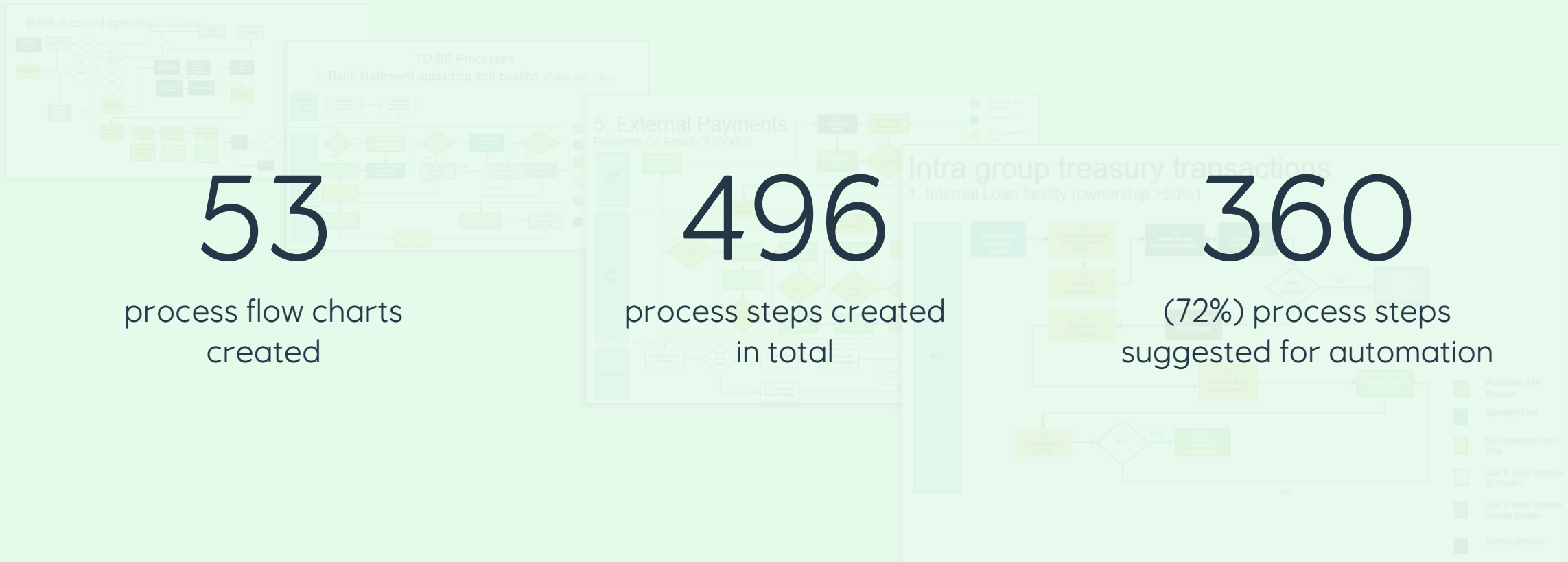
process flow charts
created

496

process steps created
in total

360

(72%) process steps
suggested for automation



Approach

Value added	Processes	System infrastructure	Organisation
• What are the customer needs? • Which products & services are offered?	• How can the customer needs be best provided?	• Which tools are needed to support the processes?	• Who can best provide the products and services? • Which organizational structure is best fit for purpose?

Project timeline

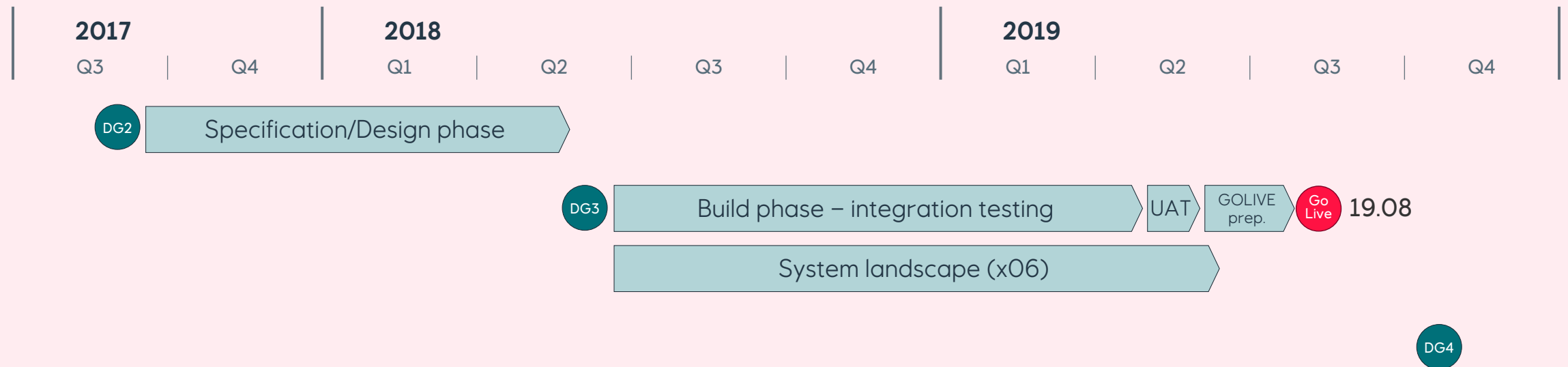
High level

Pre-study

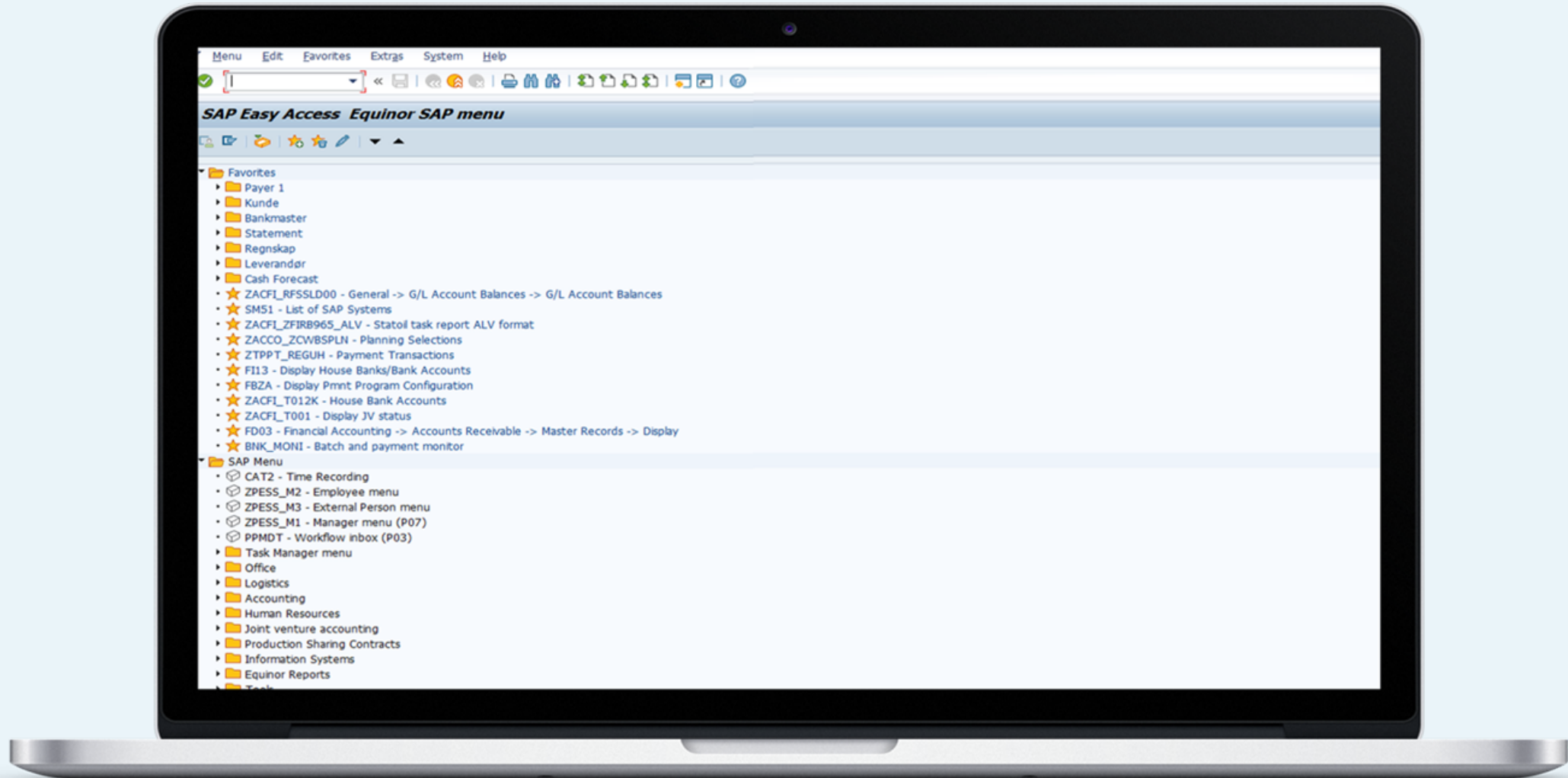
- Kick off - September 2016
- Presented - April 2017

Project

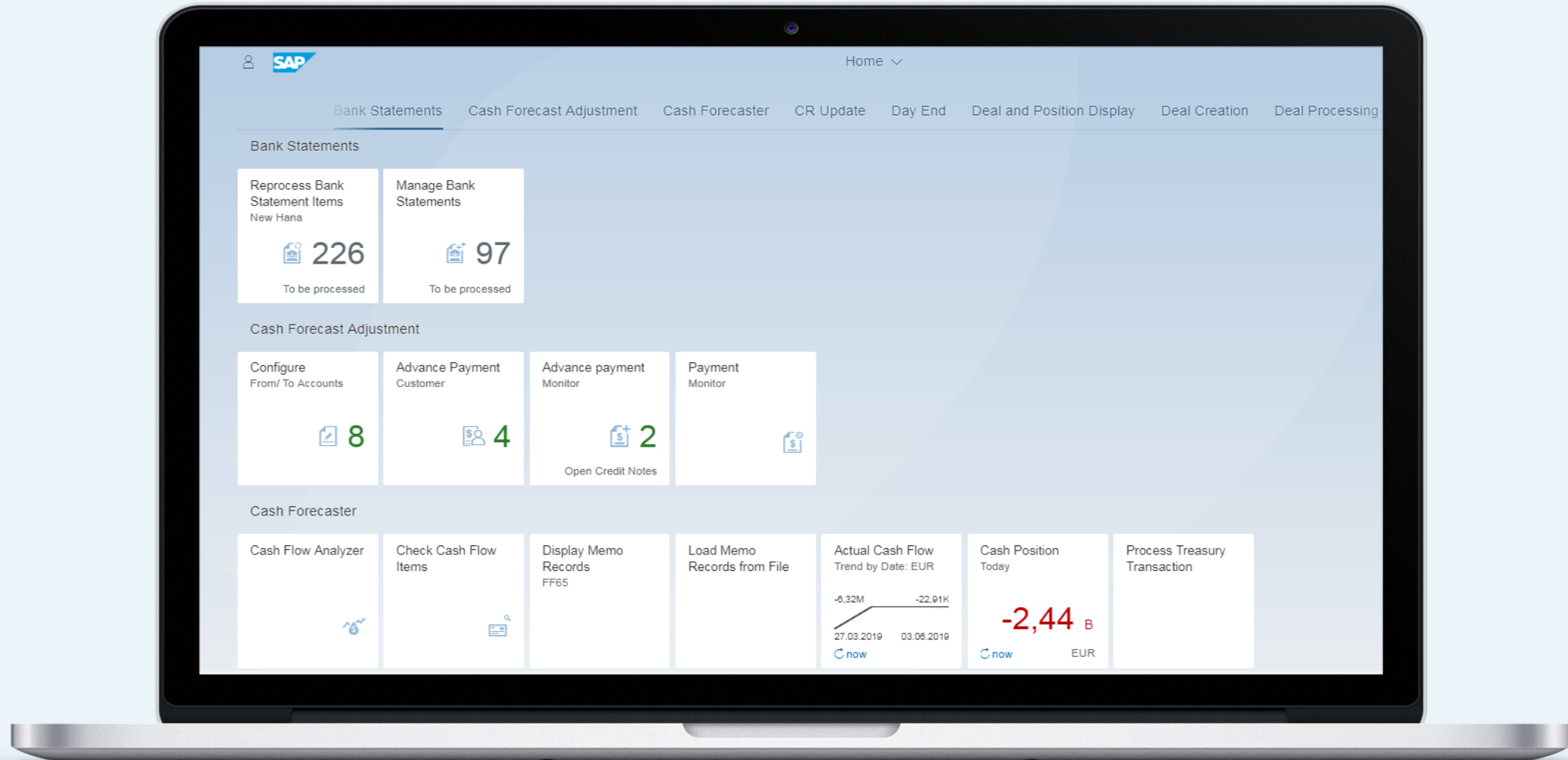
- Kick off - September 2017
- Go-live - August 2019
- Closed – January 2020



Old SAP user interface



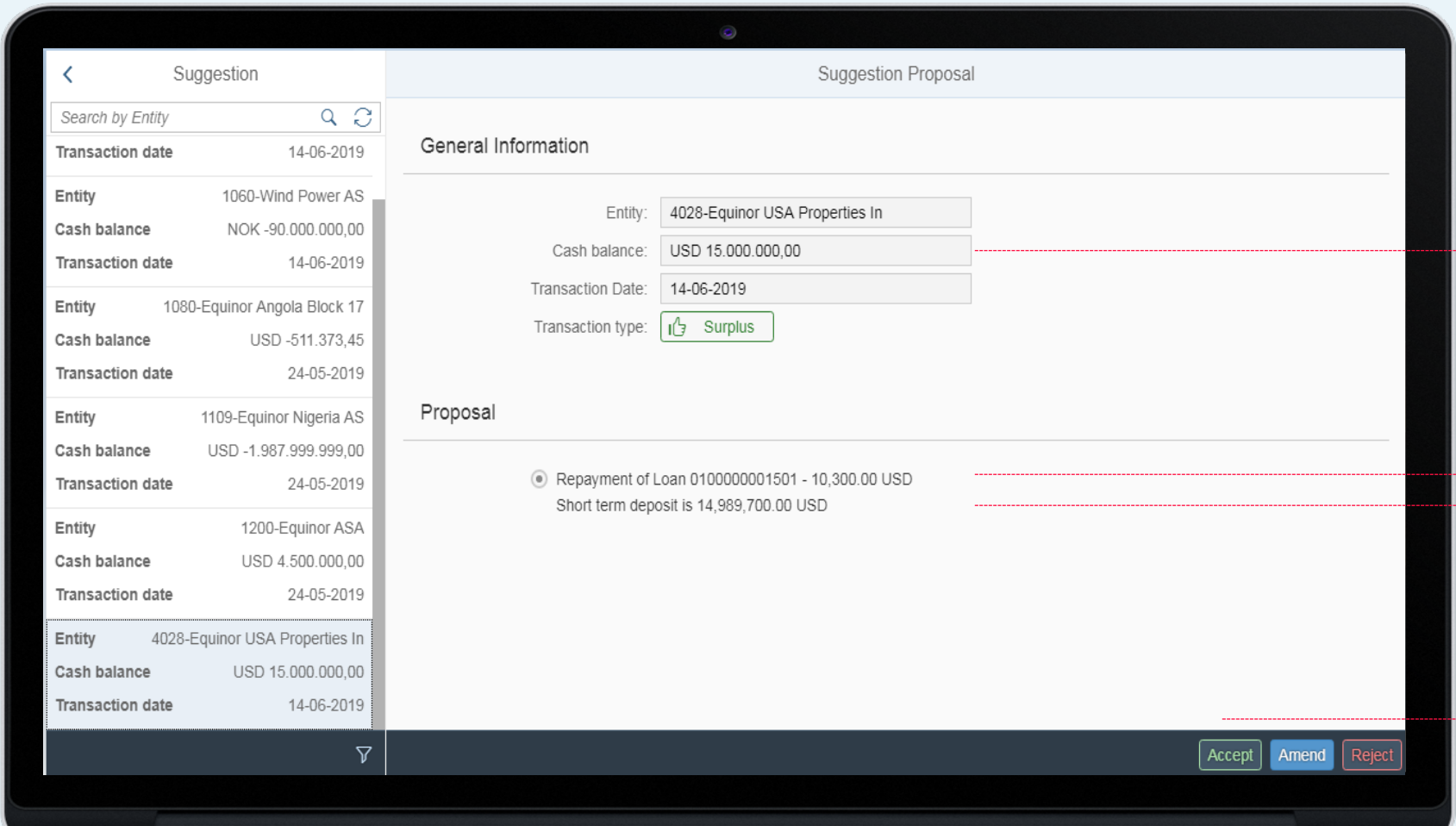
Fiori UX apps for user engagement with the process



Step 1: Automated derivation of standing bank balance per entity



Step 2: Suggestion presented to the user



Suggestion

Search by Entity	
Transaction date	14-06-2019
Entity	1060-Wind Power AS
Cash balance	NOK -90.000.000,00
Transaction date	14-06-2019
Entity	1080-Equinor Angola Block 17
Cash balance	USD -511.373,45
Transaction date	24-05-2019
Entity	1109-Equinor Nigeria AS
Cash balance	USD -1.987.999.999,00
Transaction date	24-05-2019
Entity	1200-Equinor ASA
Cash balance	USD 4.500.000,00
Transaction date	24-05-2019
Entity	4028-Equinor USA Properties In
Cash balance	USD 15.000.000,00
Transaction date	14-06-2019

Suggestion Proposal

General Information

Entity: 4028-Equinor USA Properties In

Cash balance: USD 15.000.000,00

Transaction Date: 14-06-2019

Transaction type: Surplus

Proposal

☒ Repayment of Loan 0100000001501 - 10,300.00 USD
Short term deposit is 14,989,700.00 USD

Annotations:

- Excess balance identified (points to Cash balance: USD 15.000.000,00)
- Existing loan can be repaid (points to Repayment of Loan 0100000001501 - 10,300.00 USD)
- After closing the existing loan, the remaining can be a short term deposit (points to Short term deposit is 14,989,700.00 USD)
- The user shall accept, reject or amend the suggestion (points to the bottom navigation bar)

Navigation Bar: Accept Amend Reject

Step 3: Automated deal creation for short term deposit in SAP

Deal Approval

Search by Entity

Entity	1200 - Equinor ASA
Partner	106100 - Equinor Iran as
Amount	USD 67.869,00

Entity	1200 - Equinor ASA
Partner	402800 - Equinor Energy Ireland Lt
Amount	USD 14.989.700,00

Deal Approval Details

Entity:	1200:Equinor ASA
Financial Instrument:	MMI:I/C ST Fixed Term Deposit-BOR: Straight Loan
Counter Party:	402800:Equinor Energy Ireland Lt

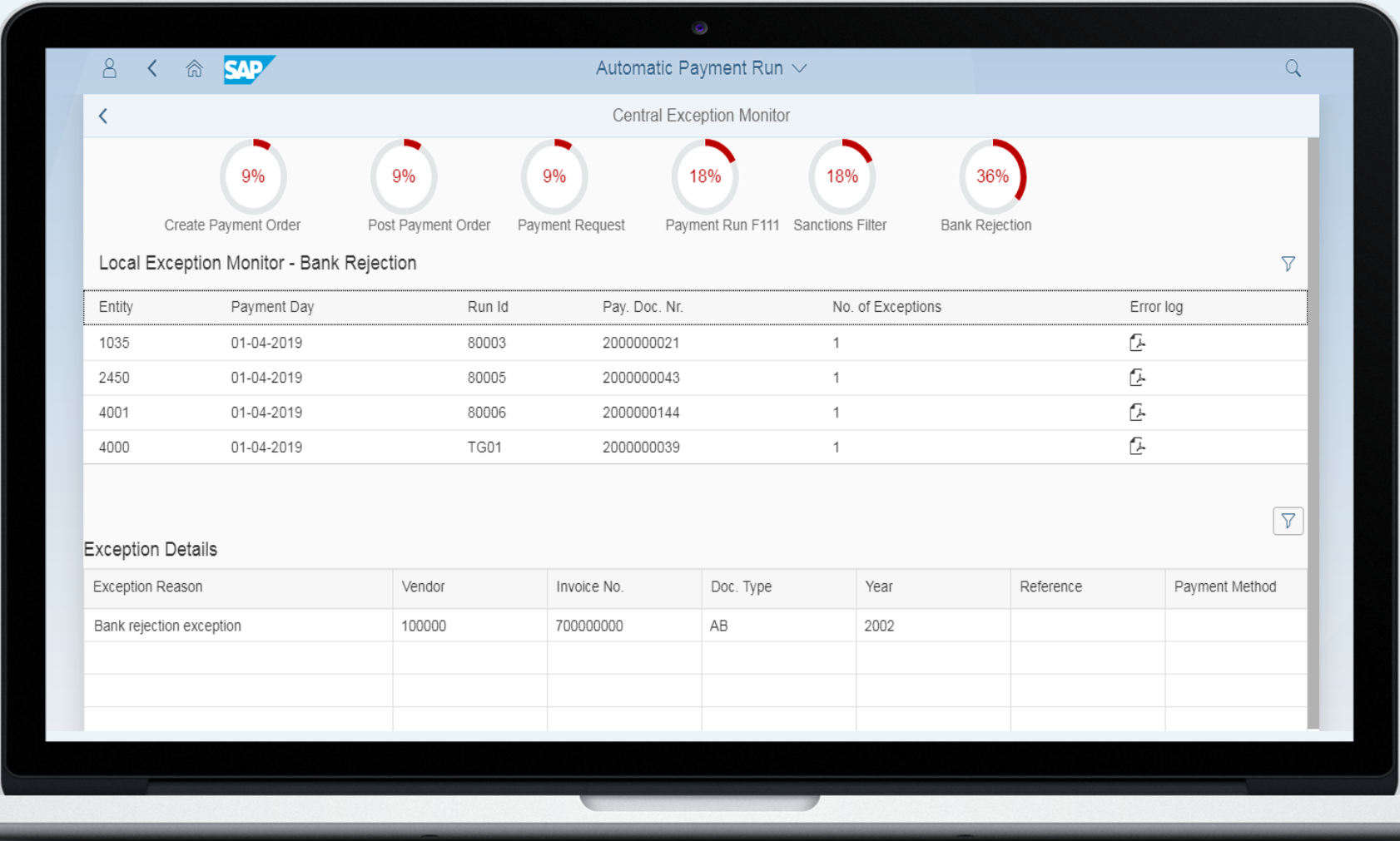


Deposit

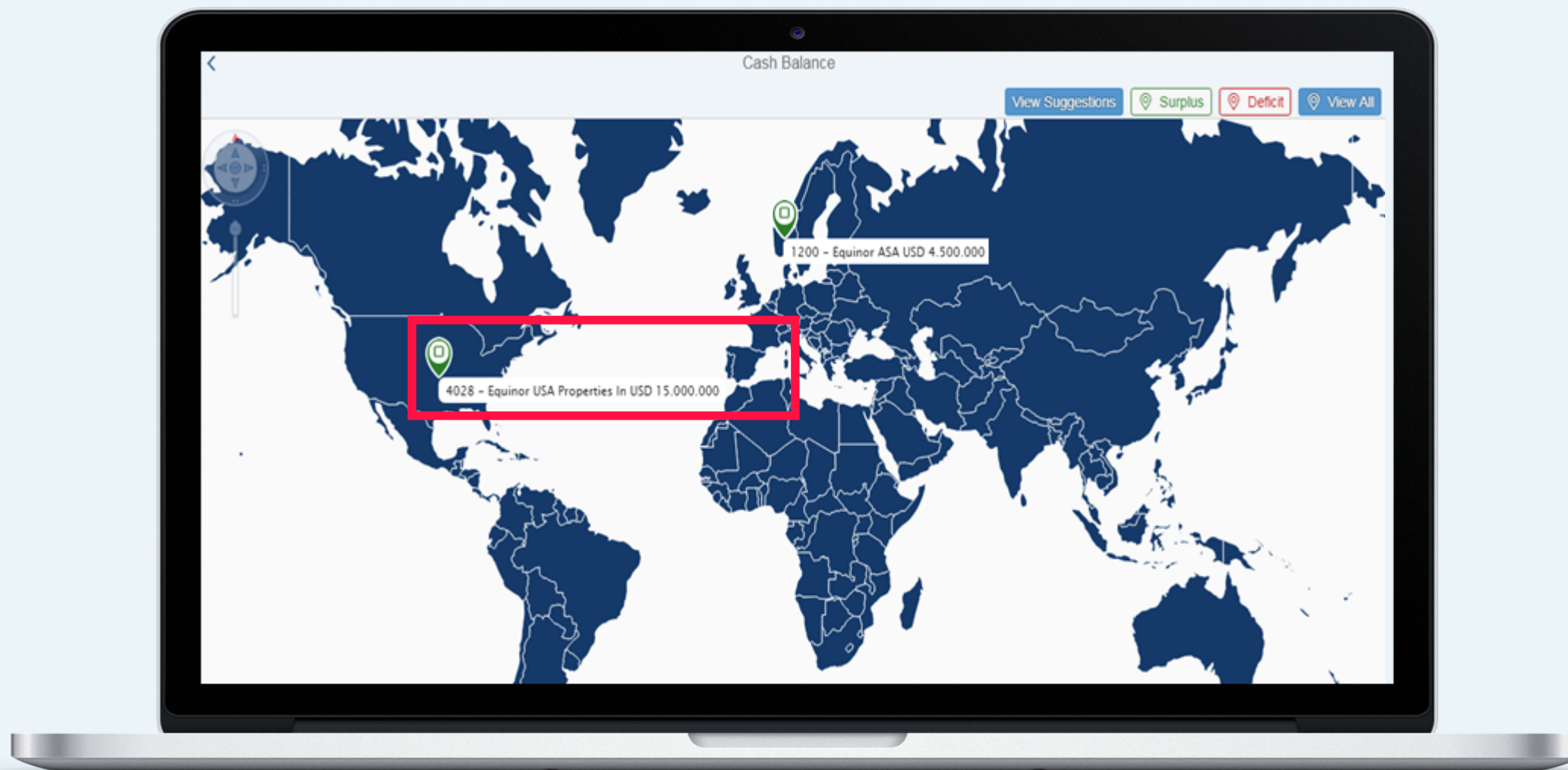
Currency:	USD	Interest eff from:	17-08-2019
Amount:	14.989.700,00	Every:	1-At End of Term
Start Date:	17-06-2019	Due date:	17-07-2019
End Date:	21-04-2022	Working DueDate:	0-No shift
Repayment Method:	1-Final Repayment	Int.calc.method:	1-360E/360
Working Days Repay:	0-No shift	Calculat. Date:	17-09-2019
Interest form:	1-Fixed	Working Days Calc:	0-No shift
Percentage Rate:	2.0000000	Portfolio:	SF-LOANS

Approve
Amend
Reject

Fully automated payment process ensures the transactions are paid and reconciled



Visualisation and automation – new user experience and efficient way of working



Learnings and recommendations

- Quality in detailed design is key for success.
- Ambitious scope increased complexity, but will also increase benefits
- Close interaction across business and IT is required when changing ERP system
- Allocate sufficient time, capacity and competence. Consider internal resources capacity for daily vs project deliveries
- Involve organization in the change journey requiring a mindset shift for all involved people. Change management is key.
- Automation should be based on optimized processes
- Adjust organization to be fit for purpose



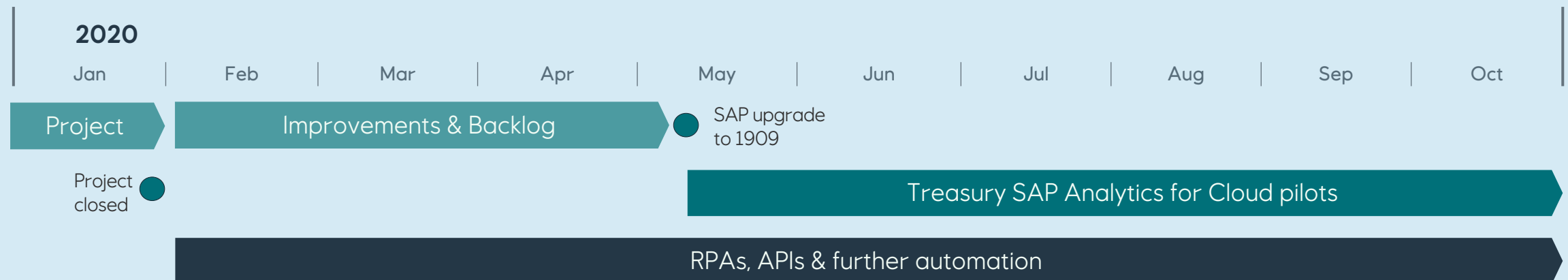
Way Forward

Focus

- Improvements and Backlog implementation
- SAP Analytics for Cloud for Treasury reporting
- RPAs, APIs and further automation
- New ways of working
- API/APP strategy
- Realizing the business case

Timeline

- Project closed in January 2020
- SAP upgraded to 1909 in May 2020
- Pilot SAP Analytics for Cloud (SAC) for non-Treasury reports & dashboards in 2020
- Roll out SAC for Treasury reporting and dashboards in 2021



TRP solutions team

- **Ambition:** enable value creation through technology
- **Purpose:** Support and evolve the TRP business by implementing effective, efficient and future proof solutions
- **Internal and external team members;**
 - Secure internal competence
 - Access to external perspectives
 - Scalability
- **Cross functional team**
 - F&C
 - IT
 - Solution architects
 - Programming

"Treasury and payments have never delivered functionality into the production environment this fast and with this high quality"



Digitalisation is not a one off effort,
it's an ongoing journey....

Thank you

Tor Stian Kjøllesdal

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