

Magnora ASA

First Quarter 2019

Main events in the quarter

(Figures in brackets relate to fourth quarter 2018. The figures are unaudited.)

- Following the sale of the Magnora's intellectual property and shares in HiLoad LNG AS to Sembcorp Marine Integrated Yard Pte Ltd, the company is now a profitable royalty company with two significant contracts with Shell and Dana Petroleum.
- The Western Isles agreement gives Magnora the right to USD 0.5 per barrel of oil produced and offloaded from the Western Isles FPSO (the "FPSO") during the lifetime of the FPSO. The Western Isles development is expected to have a field life of 15 years. The FPSO is expected to have a design life of 20 to 25 years, and thus could produce oil for longer than 15 years. Magnora's right to payments is tied to the FPSO, irrespective of operating location and field. Any potential oil field tied-back to the FPSO or any redeployment, irrespective of location, will also be subject to the payment obligations under the agreement. The Western Isles agreement is expected to generate income for Magnora in the years to come. The FPSO is owned and operated by Dana Petroleum and is currently producing at the Western Isles development in the UK sector of the North Sea. First oil was achieved in Q4 2017. The FPSO has a production capacity of 44,000 barrels per day. The related revenue for Q1 2019 was NOK 12.6 million (NOK 13.4 million) which was the equivalent of approximately 33 000 barrels per day on average for Q1 2019 compared with 33 550 on average for Q4 2018.
- The Penguins agreement gives Magnora the right to future license income of approximately USD 16 million from the Shell Penguins FPSO project. The Penguins FPSO is currently under construction in Asia. The payments of USD 16 million in total, are tied to three milestones. These three milestones are: 1) the completion and sail away of the FPSO from the construction yard 2) the installation of the FPSO at the field and achievement of first oil, and 3) the successful production, offloading and gas export of 4 million barrels which is estimated to be approximately 6 months after successful start-up. It is anticipated that the construction of the Penguins FPSO will be completed in Asia during mid 2021. Achievement of the further milestones will take place subsequently.
- Adjusted EBITDA, excluding one-off items, was NOK 9.8 million (NOK 10.8 million), a decrease of NOK 1.0 million versus the fourth quarter. The driver for the decrease is a reduction in income related to the Western Isles contract of NOK 0.8 million versus Q4.
- Operating costs, including one-off items, increased by NOK 3.8 million compared to the fourth quarter 2018. Excluding one-off items, operating costs in the quarter increased by NOK 0.2 million to NOK 3.4 million (NOK 3.2 million).
- Net profit decreased to NOK 7.9 million driven largely by the recognition of a deferred tax asset of NOK 42.8 million in the fourth quarter.
- At the extraordinary general meeting held on December 18, 2018, an authorisation was granted to the Board of Directors to initiate a share buyback program. The program was launched on January 16, 2019 and was terminated on April 24, 2019. As of the date of this report, Magnora owns 20 301 shares or 0.0004 percent of total shares outstanding. The board of directors intends to launch a new share buyback program based a new authorization from the Annual General Meeting ("AGM") to be held on May 21, 2019.
- The board of Magnora intends to carry-out further distributions of capital to shareholders in 2019, in the form of dividends and/or reductions in share capital. The board has recommended to the AGM a share capital reduction, including a payout of NOK 1 per share, as well as the granting of an authorization to pay interim dividends to shareholders at the Annual General Meeting ("AGM") to be held on May 21, 2019.
- Due to the sale of the cylindrical hull technology and related business activity to Sembcorp Marine last year, succeeded by a new strategic direction for the Company, Reese McNeel and the Board of Directors of Magnora agreed that Reese McNeel step down as CEO and CFO with effect from April 17, 2019. Reese McNeel is continuing as an advisor to the Board of Directors until the end of August 2019. Mr. Erik Sneve has been appointed the acting CEO effective from April 17, 2019, working closely with the Chairman Torstein Sanness.
- The company has initiated a process of evaluating potential investment opportunities with the objective of realizing the strategic potential of the company and to generate further shareholder value.

Key figures

NOK million	Q1 19	Q4 18	Q1 18	2018
<i>Continued operation</i>				
Revenues	13.2	14.0	27.5	70.4
EBITDA	9.8	14.3	21.4	42.1
Net Profit	7.9	57.5	22.6	87.2
EPS (NOK)	0.15	1.1	0.43	1.66
Operating cost, excluding one-off items *	-3.4	-3.2	-2.6	-13.9
Adjusted EBITDA *	9.8	10.8	24.9	56.6
Cash**	103.4	100.3	207.6	100.3
Equity ratio (%)	93 %	90 %	86 %	90 %
Number of shares outstanding	52.6	52.6	52.6	52.6
Number of employees ***	4	3	31	3

* See definition of Alternative Performance Measures in Note 1.

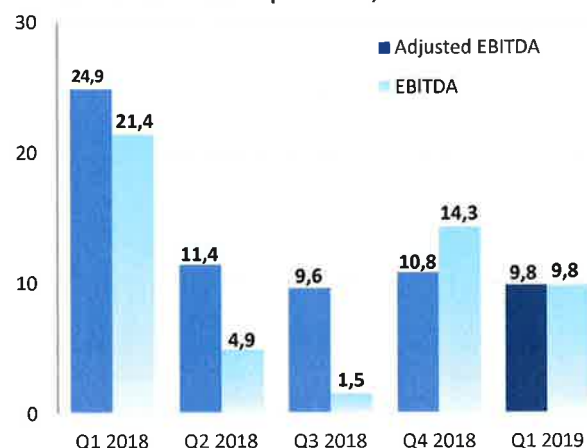
** Cash and cash equivalents includes NOK 4 million in restricted cash held by Magnora's two Asia subsidiaries; Sevan Asia Pte Ltd and Sevan Shanghai Co Ltd which is expected to be available upon completion of the solvent liquidation process by year end 2019

*** Three of the employees are supporting SMIY post the transaction with 50% of their cost covered by SMIY

Revenue continued operations, NOK million



EBITDA continued operations, NOK million



Operational review

License agreements

Magnora is entitled to a variable license fee of USD 0.50 per barrel produced and offloaded from the Dana Western Isles FPSO (the "FPSO"). The associated license income for the first quarter 2019 was NOK 12.6 million (NOK 13.4 million), which was the equivalent of approximately 33,000 barrels per day on average for Q1 2019 compared with 33 550 on average for Q4 2018.

The newly built FPSO was completed in 2017 and first oil was achieved in Q4 2017. The FPSO is owned and operated by Dana Petroleum and is producing at the Western Isles development in the UK sector of the North Sea. The FPSO has a production capacity of 44,000 barrels per day. The Western Isles development is expected to have a field life of 15 years. The FPSO is expected to have a design life of 20 to 25 years, and thus could produce oil for longer than 15 years. Magnora's right to payments is tied to the FPSO, irrespective of operating location and field. Any potential oil field tied-back to the FPSO or any redeployment, irrespective of location, will also be subject to the payment obligations under the agreement. The Western Isles agreement is expected to generate income for Magnora in the years to come.

Post the transaction with SMIY, the financial benefit of the Shell Penguins License agreement remains with Magnora. The final investment decision regarding the Shell Penguins Redevelopment project was taken in January 2018. Magnora received payment for the first milestone of USD 2.625 million (NOK 20.7 million) under the license agreement in Q1 2018. Further payments under the license agreement are subject to three milestones; the completion and sail away of the FPSO from the construction yard, the installation of the FPSO at the field and achievement of first oil, and the successful production, offloading and gas export of 4 million barrels which is estimated to be approximately 6 months after successful start-up. It is anticipated that the construction of the Penguins FPSO will be completed in Asia during mid 2021. Achievement of the further milestones will then take place subsequently.

Financial review

Results for the quarter

Operating revenue in the first quarter 2019 was NOK 13.2 million, NOK 0.8 million lower than the previous quarter. EBITDA was positive NOK 9.8 million (positive NOK 14.3 million) and net profit was NOK 7.9 million (profit of NOK 57.5 million).

The decrease in profit is mainly due to the recognition of a deferred tax asset of NOK 42.8 million in the fourth quarter (see Note 2 for further information), in addition to a decrease in income related to the Western Isles unit of NOK 0.8 million.

The net profit was negatively impacted by an increase in operating cost of NOK 3.8 million versus Q4 2018. The increase in operating cost was mainly driven by the reversal of accrual for payment of Logitel Offshore Pte Ltd's legal fee in Q4 2018, which led to a NOK 4.1 million non-cash gain in last quarter. Net profit was positively impacted by currency exchange effects of NOK 0.1 million related

to hedging of the USD license income from the Dana Western Isles project.

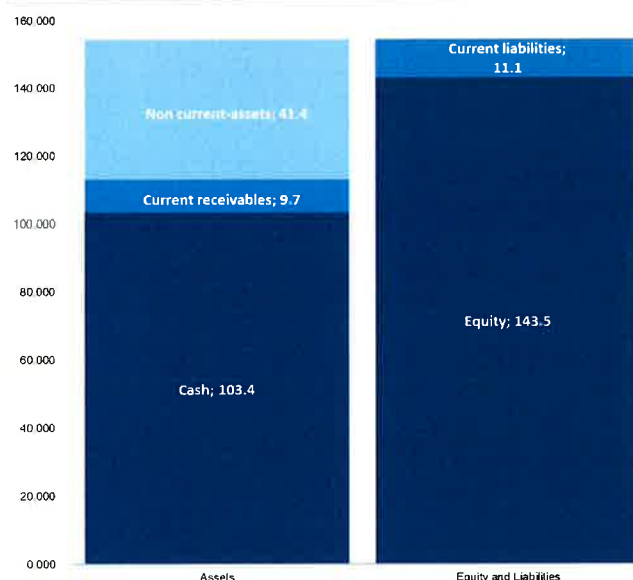
Cash flow

As of March 31, 2019, cash and cash equivalents amounted to NOK 103.4 million (NOK 100.3 million). The positive cash flow in the quarter of NOK 3.1 million was due to a net positive cash flow from operating activities.

Financial position

The equity ratio was 93 percent as of March 31, 2019.

Balance sheet composition March 31, 2019 (MNOK):



Risk and uncertainty factors

Magnora is exposed to market risk, credit risk, currency risk and liquidity risk. The company's overall risk management program focuses on the uncertainty of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

Magnora's major customers today are oil companies and global marine contractors with a strong financial basis, but, as with suppliers and customers in general, there is a risk that unforeseen financial difficulties on the counterparty's side may arise which could have material adverse effects on the financial condition, the cash flows and/or the prospects of Magnora.

The company is also subject to currency, field development and reservoir risk in situations where the license fee is tied to the field development and production such as the Dana Western Isles income and Shell Penguins license fee income and paid in USD. The company also relies heavily on one customer, Dana Petroleum, for substantially of its current income.

Outlook

Magnora's main business activity is now focused on managing the Dana Western Isles and Penguins agreements retained by the Company.

Magnora's corporate structure, following the completion of the SMIY transaction, is organized to be as efficient and cost effective as possible. Magnora currently has only 4 part time staff. Given the current structure of the Company, it is expected that total group operating costs will be in the range of NOK 10 to 12 million through 2019.

The Company has initiated a process of evaluating potential investment opportunities with the objective of realizing the strategic potential of the Company and to generate further shareholder value.

Magnora is listed on the Oslo Stock Exchange.

Share buyback, capital reduction and dividends

On January 16, 2019, Magnora initiated a share buyback program. The buyback program was carried out by market purchases in accordance with the authorization granted by the extraordinary

general meeting to the Board of directors on 18 December 2018. The program was terminated on April 24, 2019. As of the date of this report, Magnora owns 20 301 shares or 0.0004 percent of total shares outstanding. The board of directors intends to launch a new share buyback program based a new authorization from the Annual General Meeting ("AGM") to be held on May 21, 2019.

The board of Magnora intends to carry-out further distributions of capital to shareholders in 2019, in the form of dividends and/or reductions in share capital. The intention of the Board is to distribute the cash flow generated by the license agreements, in addition to any excess cash held by the Company, to the extent legally permitted, to shareholders. Magnora will at the same time seek to maintain an appropriate cash balance in the Company and will take this into consideration if proposing any dividends and/or distributions of capital. It is currently expected that a cash balance of approximately NOK 25-40 million will be retained by the Company.

In order to facilitate further distributions, the board has recommended to the AGM a share capital reduction, including a payout of NOK 1 per share, as well as the granting of an authorization to pay interim dividends to shareholders at the Annual General Meeting ("AGM") to be held on May 21, 2019.

About Magnora

With the sale to SMIY completed on September 04, 2018, Magnora has sold its intellectual property, shares in HiLoad LNG AS and certain other assets and obligations to SMIY.

Magnora retains its net cash position, the Dana Western Isles license agreement and the financial benefit of the Shell Penguins license agreement.

At the general meeting to be held on May 21, 2019, it is proposed to amend the objectives of the Company as set out in the Articles

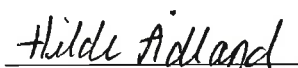
of Association to reflect that the objective of the Company is the conduct of industry, trade and business associated with energy, IT and commodities, and sectors directly or indirectly related to these, in addition to investments in and acquisitions of businesses, securities, financial instruments and other assets, and participating in other businesses, directly or indirectly linked to these. The Company will consider potential new investment opportunities with the objective of generating further shareholder value.

Oslo, May 20, 2019
The Board of Directors of Magnora ASA



Torstein Sanness

Chairman



Hilde Adland

Board Member



John Hamilton

Board Member



Erik Sneve

CEO

Interim financial statements (IFRS)

Condensed consolidated income statement

NOK million	Note	Q1 19	Q4 18	Q1 18	2018
Continued operations					
Operating revenue	5	13.2	14.0	27.5	70.4
Operating expense		-3.5	0.3	-6.0	-28.3
EBITDA		9.8	14.3	21.4	42.1
Depreciation, amortization and impairment		0.0	0.0	0.0	0.0
Operating profit/(loss)		9.8	14.3	21.4	42.1
Financial income/(expense)		0.3	0.6	0.8	3.0
FX gain/(loss)	7	0.1	-0.6	0.4	-1.1
Net financial items		0.4	0.1	1.2	1.9
Profit/(loss) before tax		10.1	14.4	22.6	44.1
Tax income/(expense)		-2.2	43.1	0.0	43.1
Net profit/(loss) continued operations		7.9	57.5	22.6	87.2
Discontinued operations					
Disposed group classified as held for sale	6	0.0	0.0	-9.8	310.7
Net profit/(loss) discontinued operations		0.0	0.0	-9.8	310.7
Net profit/(loss)		7.9	57.5	12.8	398.0

Statement of comprehensive income

NOK million	Q1 19	Q4 18	Q1 18	2018
Net profit/(loss)	7.9	57.5	12.8	398.0
Foreign currency translation	-0.1	0.8	-0.7	0.7
Other changes	0.0	0.0	-0.2	-0.2
Total comprehensive income	7.8	58.3	11.9	398.5

Condensed statement of financial position

NOK million	Note	31.03.19	31.03.18	31.12.18
Fixed assets		0.0	0.1	0.0
Intangible assets		0.0	3.9	0.0
Deferred tax assets	2	40.6	0.0	42.8
Investment in associates		0.3	0.0	0.3
Loan to associates	4	0.6	0.0	0.2
Other non-current assets		0.0	3.2	0.0
Total non-current assets		41.4	7.2	43.3
Trade and other receivables	4	9.7	11.8	6.6
Cash and cash equivalents		103.4	208.7	100.3
Total current assets		113.1	220.5	107.0
Total assets		154.6	227.7	150.2
Share capital	3	78.4	210.4	78.4
Treasury shares	3	0.0	0.0	0.0
Other equity		65.1	-14.5	57.4
Total shareholders' equity		143.5	196.0	135.8
Non-controlling interest		0.0	0.2	0.0
Total equity		143.5	196.2	135.8
Other non-current liabilities		0.0	2.2	0.0
Total non current liabilities		0.0	2.2	0.0
Current liabilities		11.1	29.3	14.4
Total current liabilities		11.1	29.3	14.4
Total liabilities		11.1	31.5	14.4
Total equity and liabilities		154.6	227.7	150.2

Condensed statement of changes in equity

NOK million	Share capital	Other equity	Treasury shares	Total equity
Equity as of January 1, 2019	78.4	57.4	0.0	135.8
Total comprehensive income for the period		7.8		7.8
Acquired treasury shares*		-0.1	0.0	-0.1
Paid dividend				0.0
Equity as of March 31, 2019	78.4	65.1	0.0	143.5

* Through the share buyback program, Magnora owns 20 301 shares or 0.0004 percent of total shares outstanding

NOK million	Share capital	Other equity	Non-controlling interest	Total equity
Equity as of January 1, 2018	210.4	-26.7	0.3	184.0
Share-based payments		0.4		0.4
Total comprehensive income for the period		398.8	-0.3	398.5
Capital reduction and distribution	-132.0	0.5		-131.5
Paid dividend		-315.6		-315.6
Equity as of December 31, 2018	78.4	57.4	0.0	135.8

Condensed statement of cash flow

NOK million	Q1 19	Q4 18	Q1 18	2018
Cash flows from operating activities				
Cash from operations	3.5	18.8	17.9	43.5
Taxes paid/repaid	0.0	0.3	0.0	0.3
Net cash generated from continued operating activities	3.5	19.2	17.9	43.8
Net cash generated from discontinued operating activities	0.0	0.0	-6.6	-20.5
Net cash generated from operating activities	3.5	19.2	11.2	23.3
Cash flows from investment activities				
Sale of business to Sembcorp	0.0	0.0	0.0	327.1
Purchase of shares Arendal Brygge AS	0.0	-0.3	0.0	-0.3
Loan to Arendal Brygge AS	-0.4	-0.2	0.0	-0.2
Net cash from continued investment activities	-0.4	-0.5	0.0	326.6
Net cash from discontinued investment activities	0.0	0.0	0.0	0.0
Net cash from investment activities	-0.4	-0.5	0.0	326.6
Cash flows from financing activities				
Dividends paid	0.0	-315.6	0.0	-315.6
Capital reduction paid out	0.0	-131.5	0.0	-131.5
Net cash from continued financing activities	0.0	-447.2	0.0	-447.2
Net cash from discontinued financing activities	0.0	0.0	0.0	0.0
Net cash from financing activities	0.0	-447.2	0.0	-447.2
Net cash flow for the period - continued activities	3.1	-428.4	17.9	-76.7
Net cash flow for the period - discontinued activities	0.0	0.0	-6.6	-20.5
Cash balance at beginning of period	100.3	528.8	197.5	197.5
Cash balance at end of period	103.4	100.3	208.7	100.3

Selected notes to the quarterly financial statements

1. General information and accounting policies

Magnora ASA's objective is to offer products and services to the energy; offshore and oil services industry, and sectors directly or indirectly related to these, in addition to investments in and acquisitions of businesses, securities, financial instruments and other assets, and participating in other businesses, directly or indirectly linked to these.

Magnora ASA is a public limited company, incorporated and domiciled in Norway. The condensed consolidated interim financial statements consist of the company and the company's interests in associated companies.

The company prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by EU and these financial statements have been prepared in accordance with the International Accounting Standard for Interim Financial Reporting (IAS 34). As the interim financial statements do not include the full information and disclosures as required in the annual financial statements, it should be read in connection with the Annual Financial Statements for 2018.

The European Securities and Markets Authority (ESMA) issued guidelines on Alternative Performance Measures ("APMs") that came into force on 3 July 2016. Magnora has defined and explained the purpose of the following APMs:

Operating cost, excluding one-off items: Management believes that "Operating cost, excluding one-off items" which excludes cost or cost reductions that arise from circumstances other than operation is a useful measure because it provides an indication of the company's operating cost base for the period without regard to significant historical and non-operational events that are expected to occur less frequently.

Adjusted EBITDA: Management believes that "Adjusted EBITDA" which excludes "one-off items" is a useful measure because it provides an indication of the profitability of the company's operating activities for the period without regard to significant historical and non-operational events that are expected to occur less frequently.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Annual Financial Statements for the year ended December 31, 2018.

The Company implemented IFRS 16 as of January 01, 2019 and there has been no changes to the Company's financial statements as a result.

Assets and liabilities held for sale and discontinued operations

The Group classifies assets and liabilities as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or liability is available for immediate sale in its present condition.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 6. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

In June 2017 Magnora ASA sold the remaining shares in KANFA AS to Technip Norge AS. The KANFA AS Group was the remaining part of Magnora's Topsides and Process Technology segment presented as discontinued operations.

On June 07, 2018 Magnora entered into an agreement to sell its intellectual property, employees, shares in HiLoad LNG AS and certain other assets and liabilities to SMIY. On September 04, 2018 the transaction was completed. The associated income and costs are reported as discontinued operations. Magnora retains its net cash position, the Dana Western Isles license agreement and the financial benefit of the Shell Penguins license agreement which are reported as continued operations.

2. Accounting estimates and judgements

Deferred tax assets are recognised for unused tax losses only to the extent that it is probable that taxable profit will be available against which the losses can be utilised in the future. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The recognised deferred tax asset is most sensitive to expected future taxable profits. The deferred tax asset recognized is expected to be utilised within the next 5 years based upon on the companys contract portfolio and cost base as of today. The book value of the deferred tax asset represents a minor part of the total accumulated tax losses of over NOK 3.5 billion.

3. Shareholder structure

20 largest shareholder accounts May 06, 2019 (source: VPS)	No. of shares	%-share
DNB Markets Aksjehandel/-analyse	8 063 668	15.33
SKANDINAVISKA ENSKILDA BANKEN AB	3 307 516	6.29
F2 FUNDS AS	3 253 745	6.19
MATHIAS HOLDING AS	3 187 561	6.06
HORTULAN AS	3 129 443	5.95
KING KONG INVEST AS	2 343 795	4.45
CARE HOLDING AS	2 300 000	4.37
SUNDT AS	2 142 202	4.07
PREDATOR CAPITAL MANAGEMENT AS	1 702 667	3.24
MP PENSJON PK	1 570 499	2.98
ANDENERGY AS	1 558 140	2.96
Patineer Management LLC	1 406 277	2.67
Invesco European Smaller Compan Fd	1 355 842	2.58
DANSKE BANK AS	1 193 229	2.27
BEKKESTUA EIENDOM AS	1 150 019	2.19
ALTEA PROPERTY DEVELOPMENT AS	950 967	1.81
SIX SIS AG	859 178	1.63
INVESCO FUNDS	742 025	1.41
BAKLIEN	700 000	1.33
SJØLUND	521 000	1.00
Total, 20 largest shareholders	41 437 773	78.78
Other shareholder accounts	11 169 226	21.22
Total no of shares	52 606 999	100
Foreign ownership	6 638 054	12.62

4. Transactions with related parties

NOK million	Q1 19	Q4 18	Q1 18	2018
Purchase from related parties				
Purchase from Arendal Brygge	0.0	0.0	1.3	3.8
Receivable from related parties				
Receivable from Arendal Brygge	0.2	0.3	4.6	0.3
Loan to related parties				
Loan to related parties	0.6	0.2	0.0	0.0

On October 2, 2018, Magnora purchased 15% of the shares in Arendal Brygge AS for NOK 300 000. Following this transaction, Magnora owns 50% of the shares in Arendal Brygge AS. Sparebanken Sør owns the other 50% of the shares. In 2018, Magnora ASA and Sparebanken Sør also agreed to each provide a NOK 150 000 shareholder loan (NOK 300 000 in total) to Arendal Brygge to support Arendal Brygge's liquidity. On March 19, 2019, Magnora and Sparebanken Sør agreed to provide an additional shareholder loan of NOK 550 000 each (NOK 1 100 000 in total) to Arendal Brygge. The funds will be used to support Arendal Brygge's liquidity needs and to repay the NOK 300 000 loan mentioned above as well as to finance amounts due in June 2019 to both Magnora and Sparebanken Sør of NOK 447 553.

5. Operating revenue

NOK million	Q1 19	Q4 18	Q1 18	2018
Continued operations				
License revenue	12.6	13.4	27.5	69.7
Other revenue	0.6	0.6	0.0	0.8
Operating revenue continued operations	13.2	14.0	27.5	70.4

6. Discontinued operations

On 8 June, 2018, Magnora publicly announced the decision of its Board of Directors to enter into an agreement to divest a substantial part of its business to SCM. On 6 July 2018, the shareholders of Magnora approved the transaction, and on September 04, 2018, the transaction was completed. The part of the business sold is classified as discontinued operation.

The results of the discontinued operation related to the sale to SembCorp Marine are presented below:

NOK million	Q1 19	Q4 18	Q1 18	2018
Operating revenue	0.0	0.0	3.4	20.8
Operating expense	0.0	0.0	-12.6	-37.4
EBITDA	0.0	0.0	-9.2	-16.6
Depreciation, amortization and impairment	0.0	0.0	-0.4	-1.1
Operating profit/(loss)	0.0	0.0	-9.6	-17.7
Financial income/(expense)	0.0	0.0	0.0	328.6
FX gain/(loss)	0.0	0.0	-0.1	-0.1
Net financial items	0.0	0.0	-0.1	328.5
Profit/(loss) before tax	0.0	0.0	-9.8	310.7
Tax income/(expense)	0.0	0.0	0.0	0.0
Net profit/(loss)	0.0	0.0	-9.8	310.7

7. Hedging

The Dana Western Isles royalty income is received in USD. To reduce the currency risk, Magnora has hedged a portion of the expected royalty income through December 2019. For the period April to December 2019, Magnora has hedged a total of USD 1.95 million at an average exchange rate of NOK/USD 8.34. The market-to-market value of the instruments recognized in the balance sheet at March 31, 2018 is NOK 0.7 million negative.

8. Subsequent events

Change in leadership

Due to the sale of the cylindrical hull technology and related business activity to Sembcorp Marine last year, succeeded by a new strategic direction for the Company, Reese McNeel and the Board of Directors of Magnora agreed that Reese McNeel step down as CEO and CFO with effect from April 17, 2019. Reese McNeel is continuing as an advisor to the Board of Directors with responsibilities related to various tasks within the group until the end of August 2019. Reese McNeel is entitled to a severance payment equal to 7 month's salary. He is also entitled to the one-time retention payment of NOK 0.7 million. Both the severance payment and the retention payment will be paid in the third quarter 2019.

Consultant agreement

Mr. Erik Sneve has been appointed the acting CEO effective from April 17, 2019 working under the consulting agreement referred to in the annual report for 2018. In accordance with the agreement the consultant will be employed on a 60% basis and will be entitled to an annual compensation of NOK 1 million. The consultant has no bonus agreement as of today. The agreement might be renegotiated to reflect the needs of the company in the future.

Capital reduction

The Board of Directors of Magnora will at the Annual General Meeting to be held on May 21, 2019, propose to carry out a capital reduction of NOK 30,248.49 by redemption of all treasury shares acquired by Magnora under the share buyback program. The Board will at the same time propose an additional capital reduction with repayment to shareholders of NOK 52,586,698 by reducing the par value of each share from NOK 1.49 to NOK 0.49, where the capital reduction of NOK 30,249.49 is assumed approved. Magnora will provide further information on the timeline for the share capital reduction and key date information (including ex-date) in connection with the expiry of the statutory creditor notice period.