



**MAGNORA ASA**

COMPANY PRESENTATION

3 February 2021



[www.magnoraasa.com](http://www.magnoraasa.com)

- **Magnora's remaining customers** are two major companies with a strong financial basis, but there is a risk that unforeseen financial difficulties may arise with adverse effects on the customer's ability to make payments
- **Field development and reservoir risk** related to the license fee tied to the field development and production such as the Dana and Shell Penguins license fees
- **The project development process** for renewable energy plants is exposed to risks in concession process, where public opinion or local municipality veto rights can affect the licensing decisions
- **Market price of electricity** can influence the profitability and value of Magnora's investments, and the price of electricity is influenced by government subsidies, supply and demand, availability of alternative energy sources (oil, coal, natural gas, nuclear plants, etc.), development cost and cost of equipment for power plants, and efficiency improvements within renewable energy plants (wind and solar for Magnora). One significant influencing factor in electricity prices is the political developments pushing for renewable energy to take over for the use of fossil fuels and the shutting down of nuclear plants.
- **Competition** is significant with competitors coming from several directions as companies in other industries are trying to benefit from the positive policy support from governments as they try to push for improvements in CO2 emissions, etc. Many of the companies Magnora competes with are parts of larger groups and therefore may have better access to skilled personnel and funding.

- **The recent Covid-19 virus** could potentially affect revenues for a short period if the FPSO crew is dismissed due to infection risk or similar. Magnora could experience a period without revenues because of the Dana FPSO halting production due to the Covid-19 virus. Furthermore, the virus could also delay the construction and commissioning of the Shell Penguins vessel currently being built in China, which would then delay the milestone payments from Shell.
- Magnora has **changed to new industry** which means there is limited past to draw conclusions from regarding negative risks and events that can affect Magnora's financial performance and share price.
- **Regulatory risks** can be changes in the regulatory environment that have a material adverse effect on Magnora's operations and financial performance. This could be changes in renewable energy policies, tax policies, or the regulatory environment that could affect the industries the Company is operating in. Changes in the licensing regulations can for instance cause delays in development and construction of projects.
- **Interest rate volatility** could impact Magnora if seeking financing for investments in renewable energy plants, or other assets.
- **Currency rate fluctuations** affect Magnora as most of its current operating revenues is from licensing agreements denominated in USD.
- **Capital market environment** may be unfavorable when Magnora needs additional equity at a later point in its development

# RISK FACTORS – OPERATIONS

---

- The company derive all its cash flow from financial investments, two legacy agreements and its associated companies. **Negative cash flow** and lack of financial performance from those companies therefore affects the Company. The exposure is limited to the Company's invested amount in those companies and is closely linked to the associated companies' ability to execute its strategy and manage risks it is exposed to.
- **Increases in operating expenses** includes cost overruns in development of renewable power plants, or other unanticipated costs that has an adverse affect on the financial performance of the Company.
- **Disputes or legal proceedings** could arise through situations where the company is a party. This could cause additional expenses and take away from management focus.
- The company has experienced disputes with tax authorities in the past, and changes in tax policies could have an adverse affect on financial results of the company or the viability of a project the company is developing.
- **Loss of key personnel** is a risk to the Company as it is operating with a staff of highly specialised professionals that may take some time to replace if needed.
- **Fraud, corruption, or unethical behavior** is a risk for Magnora as with all other companies.



# Q3 HIGHLIGHTS

Growing deal-flow and solid financials in Q4 and asset light business model

## Financial results Q4 2020 / FY 2020

### REVENUES

MNOK 6.0 / MNOK 28.4

### ADJUSTED EBITDA\*

MNOK 0.0 / MNOK 7.0

### NET PROFIT

MNOK 7.3 / MNOK 29.2

### CASH BALANCE PER 31.12.2020

NOK 44.8 million

## Operational developments in Q4 2020

- Vindr identified 1.200 MW projects in core market.
- Vindr identifies opportunities beyond Nordic for franchise model
- Makes entry into Evolar solar Perovskite Technology company in Uppsala, Sweden.
- Engages Tor Ottar Karlsen former Chairman Vardar Energi and founding investor Nelja Energia for potential Baltics, Poland initiatives.
- Establishes relationship with RWE Renewables

## Events subsequent to year-end

- Entered into agreement with undisclosed global offshore energy technology and service company to establish a joint floating wind company called Magnora Floating Wind ref ScotWind and Norwegian license round. Soon to be announced joint press release.
- Signed option agreement with RWE Renewables with the intention of developing the Oddeheia and Bjelkeberg wind farm in South Norway (98 MW) – Soon Ready-to-build. Pending government approval.
- Acquired 25 percent ownership share in Helios Nordic Energy AB, a Swedish solar PV company focusing on large-scale greenfield projects in the Nordics. Option to buy further 15%. 300 MW signed landowner agreements
- Several growth initiatives ongoing. New countries and teams

\*See definition of Alternative Performance Measures in Note 1 of the Q3 2020 Report

## Strategy to build a diversified portfolio of asset light renewable energy projects

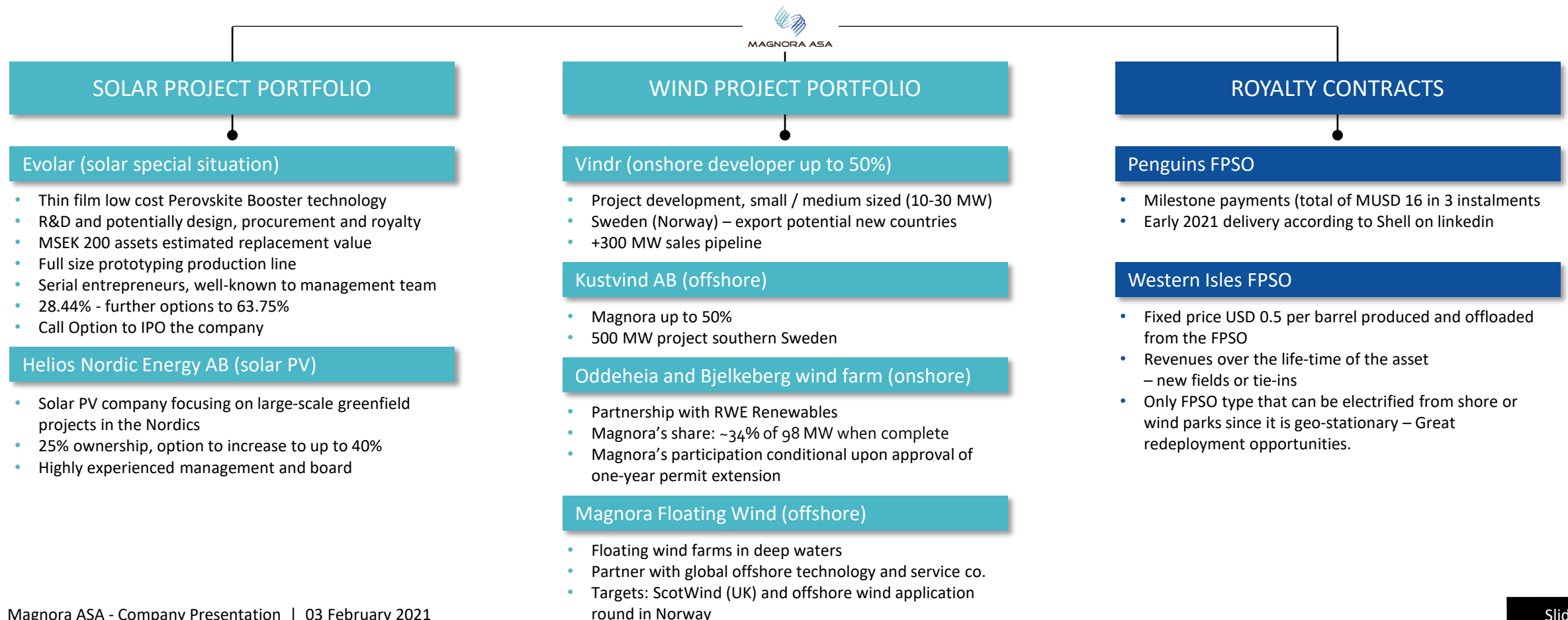
Listed on OSE (MGN NO)  
Approx. 6,200 shareholders  
Nº of shares outstanding: 52.6 mil.

Strategy launched February 2020  
"The Future is Electric". A Broad  
Renewable Mandate

Industrialized portfolio approach developing  
renewable projects  
Leading in-house due diligence competence team

Highly experienced core wind power  
investment/project development  
Team of 25 people in portfolio comp

Presence in  
Norway,  
Sweden and UK



# STRONG FINANCIAL POSITION – SHAREHOLDER FOCUS



Growing deal flow across Nordic, Baltics, Poland, UK and Europe

517 MNOK

Returned to shareholders over past 24 months

0.5 USD + 16 MUSD

Fixed price per barrel produced and offloaded from the Western Isles FPSO royalty contract

Shell Penguins FPSO



EU Taxonomy – almost all opex and devex spent on green initiatives

8.4 BNOK

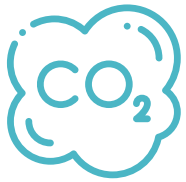
Paid-in capital availability for distribution

3.6 BNOK

Deferred tax assets of which 2.5 BNOK in Magnora Holding AS

# RENEWABLES INVESTMENTS ON THE RISE

Strong trends creating attractive opportunity for investments in renewables



Air emissions



The Paris Agreement/EU Green Deal/EU Taxonomy



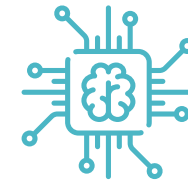
Business and consumer demand sustainable products/services



Electrification



Coal / Nuclear



Technology



# BUSINESS PLAN – MARKET OPPORTUNITY RENEWABLES

EU Green Deal, EU Taxonomy, Coal and Nuclear Shutdowns, CO<sub>2</sub>, Green Hydrogen and Offshore

## MAGNORA WIND AND SOLAR BUSINESS POSSIBILITIES Preferably Joint ventures - 2021

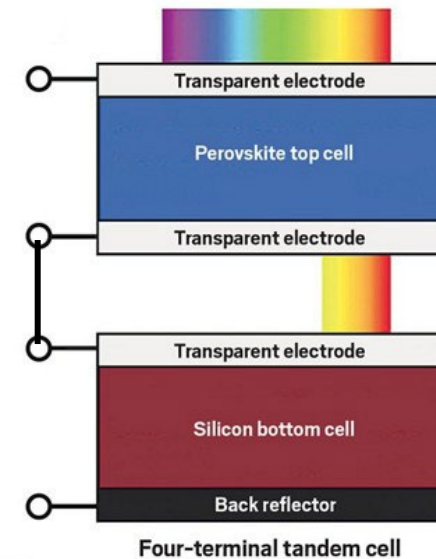
Segment	Vehicle	Geography
Small-scale wind < 30 MW	Vindr Group	Sweden, (Norway), considering two new countries in 2021 in JV or franchise
Onshore wind > 30 MW	JVs with utilities, project developers, energy companies. Oddeheia and Bjelkeberg (RWE).	Sweden, Norway, Finland, Baltics, Poland and UK South Norway
Offshore wind	Kustvind AB Magnora Floating Wind: Norwegian Licensing Round 2021, ScotWin	Sweden Norway, UK, Baltics and others
Solar	Evolar AB Helios Nordic Energy AB	Globally The Nordics

### Highlights Business Opportunity

- Attract top talent
- JV preferred operating model.
- Small scale wind in cultivated land
- Greenfield, pre-Ready-to-Build projects (re-applications (larger turbines), Ready-to-Build, Re-powering
- M&A opportunities with other small private developers
- Grow Vindr beyond core market – international expansion.
- Norwegian licensing round **4,500 MW** in 2021 (3,000 MW + 1,500 MW)
- ScotWind licensing round **10,000 MW** in 2021
- Sweden to build **80 TWh** (20,000 MW) of wind power next decade alone
- Finland < **40%** renewable today
- Technology – wind turbines getting bigger and bigger

## Special situation, potential IPO – from CIGS thin film to Perovskite performance booster for all solar cells (thin film)

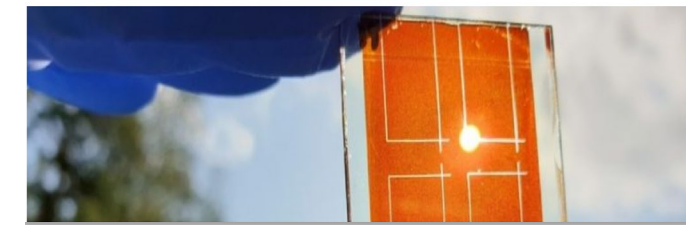
- Approached Magnora in Summer of 2020 – 4-month DD. Assisted in buy-out from district court, legal analysis, employment contracts and more. Ability to fast-track Perovskite on silicone based solar cells with new owner
- Team was part of Statkraft/Hafslund/Eidsiva in 84 MEUR exit in 2007 (Solibro) – Several world records of team: 18.7% CIGS Panel and 24% single CIGS cell. Perovskite CIGS 23.7% (internal results). Been involved in 10 CIGS panel factories globally last decade
- Same technology, platform and team, but new material: Perovskite – a recent discovery late 2000's in Japan
- Conventional solar cells have stagnated last 10 years performance wise
- Perovskite on cover glass low-cost high yield opportunity
- 200 MSEK in invested capital equipment and facilities in Evolar facilities. A unique prototyping production line
- Deal fully financed by Magnora's existing cash
- Business model: Asset light (design, engineering, software, procurement, control systems, patents/royalties)
- A fractional cost increase for potentially vast performance boost
- Magnora shareholders can potentially receive dividend shares if IPO



### Solar perovskite start-up Evolar bags new investment to target rapid commercialisation

By Liam Stoker | Nov 17, 2020 10:32 AM GMT

Share f in t w



# MAGNORA FLOATING WIND

Targeting high growth international floating wind market

## MAGNORA FLOATING WIND IN BRIEF

- Signed agreement in January 2021 with undisclosed global offshore energy technology and service company to establish a joint floating wind company called Magnora Floating Wind
- Magnora's strategic partner has vast experience in all basins and water depths. Broad experience from technology, local procurement and content, mass fabrication, project management, construction and installation processes. Experienced within hydrogen, E&P and floating wind market
- Already commenced its operations and started work on the application for the ScotWind round in Scotland, UK.
- Will participate in the first offshore wind application round in Norway, which will open in 2021
- Will consider entering new international markets

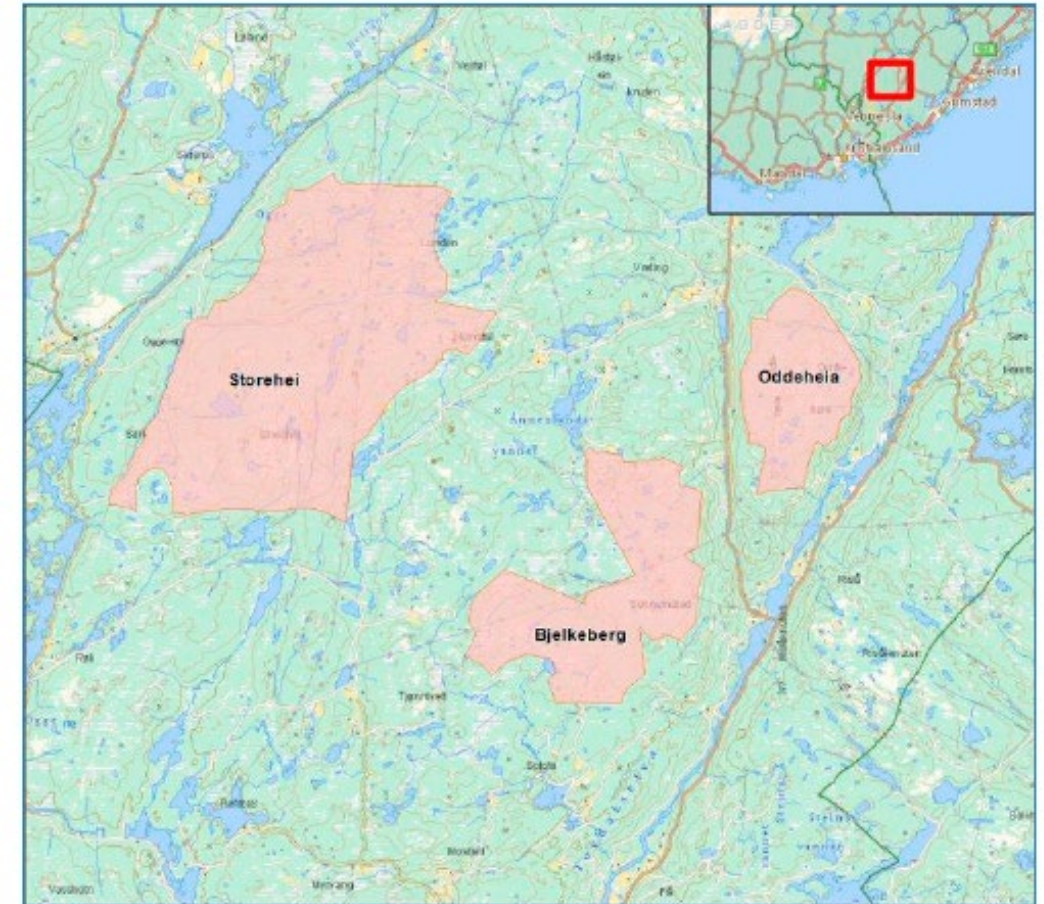


# ODDEHEIA AND BJELKEBERG ONSHORE WIND FARM

Located in Birkenes municipality, Agder county, South Norway

## ODDEHEIA AND BJELKEBERG WIND FARM IN BRIEF

- Partnership with RWE Renewables
- Installed capacity of up to 98 MW when completed
- Magnora's share in project: approximately 34 percent.
- The project will, according to plan, be ready-to-build in 2021 and operational in 2022
- RWE Renewables has applied to the Ministry of Petroleum and Energy for a one-year permit extension. This would mean that the wind farm must be in operation by 31st December 2022.
- Magnora's participation in the project is conditional upon approval of permit extension
- Magnora contributes with local knowledge and experienced team



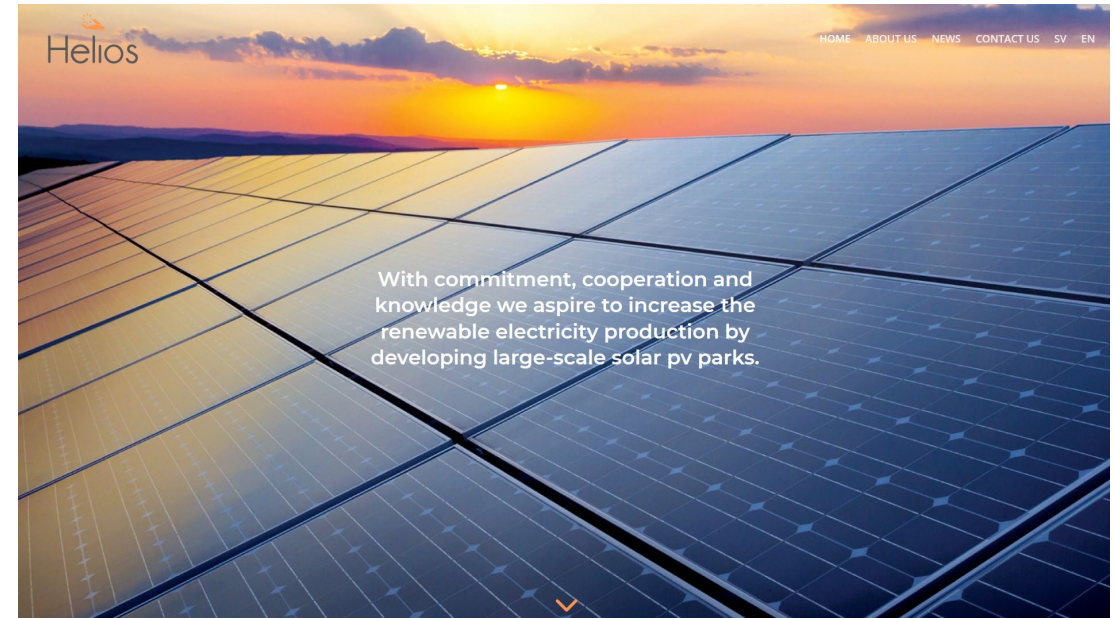
Location of planning areas for Storehei, Oddeheia and Bjelkeberg wind farms in Birkenes, Agder (Map: Sweco)



## Targeting Nordic large-scale PV industry

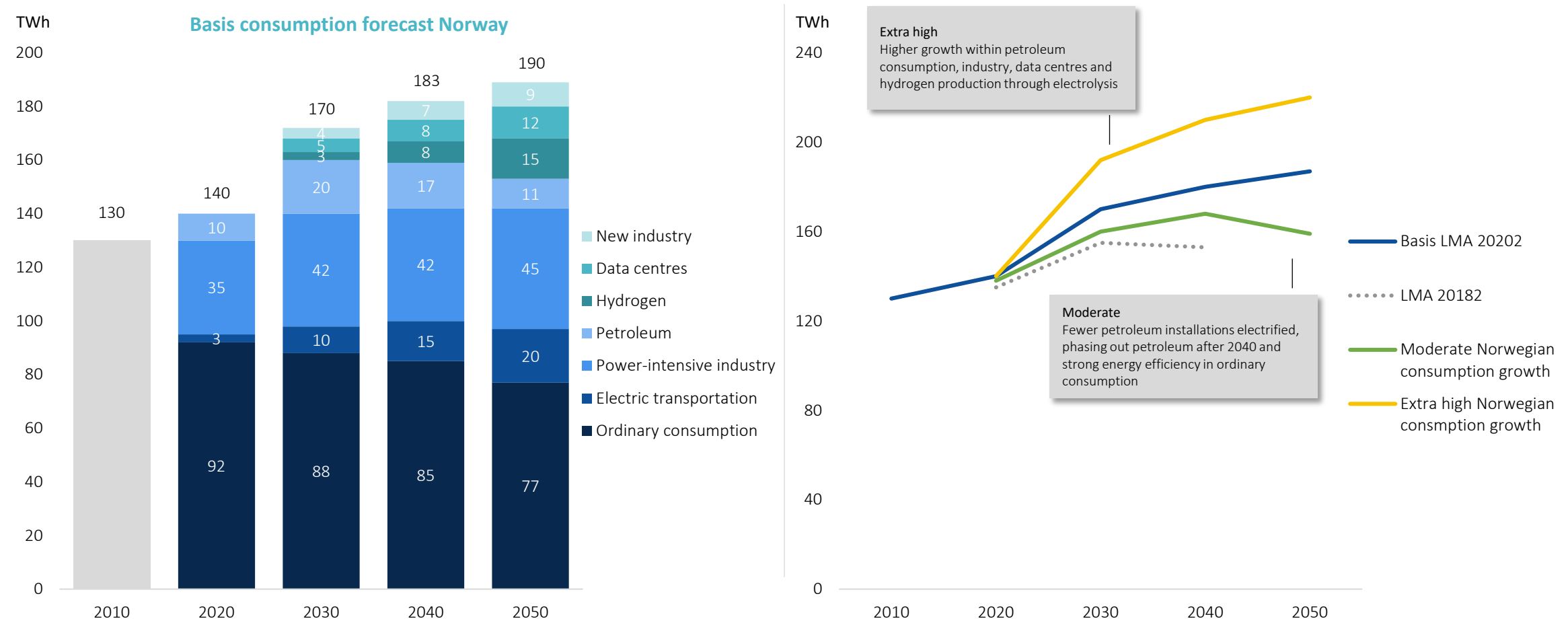
### HELIOS NORDIC ENERGY IN BRIEF

- Sweden-based Solar PV company focusing on large-scale greenfield projects in the Nordics
- Magnora ASA has entered into an agreement to acquire a 25 percent ownership share
- Option to increase ownership share with additional 15 percentage points (total 40 percent) by 15 September 2021.
- Highly experienced management and board
- Helios has already developed a project portfolio that currently consists of 11 projects with a total of approximately 300 MW installed capacity
- Helios manages all the steps in the development process including site selection, environmental approvals, grid connection approvals, preliminary design, and procurement, plus financing of projects in collaboration with reputable, long-term investors
- Magnora CEO Erik Sneve joins Helios' board of directors



# EXAMPLE NORWAY: INCREASED DEMAND FOR POWER

Long-term analysis show increase in offshore electrification, transport, industry and hydrogen





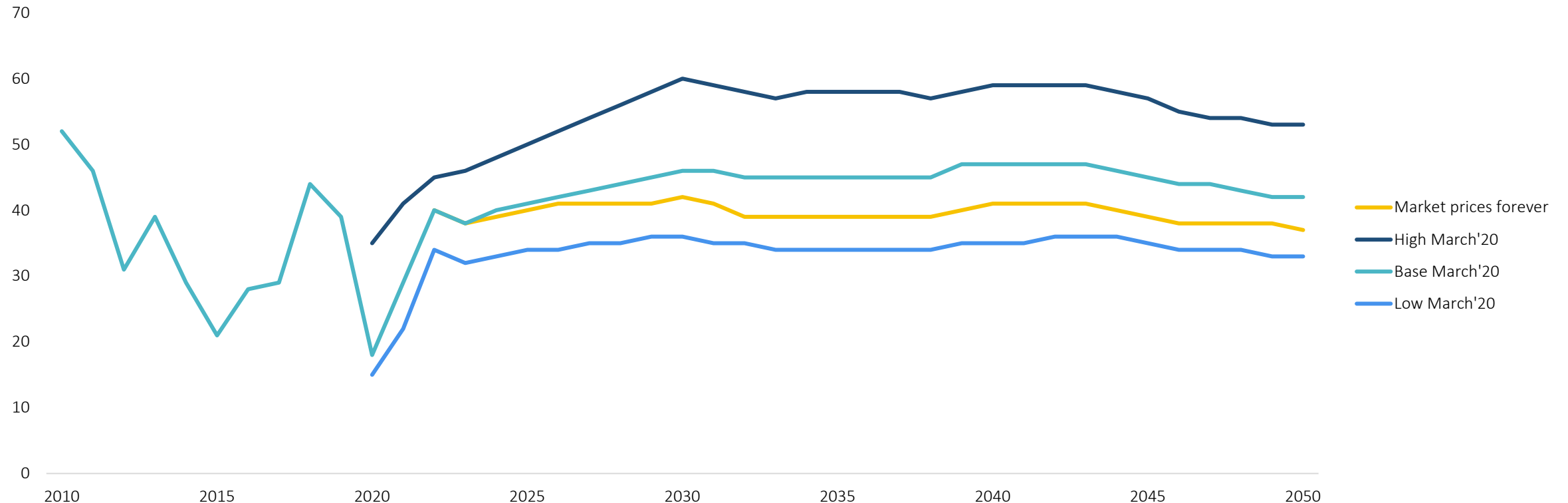
# WATTSIGHT ESTIMATES ELECTRICITY PRICES

EU Green Deal: Three decades of top line growth for utilities and green power producers in the Nordics

## Wind better than small hydro power due to seasonality in production

Forecasted Nordic spot price of base load power, in real 2020 euros

€ (2020) MWh



## Extensive renewables project track record, leading Magnora's green transition



### Erik Sneve CEO

- +23 years experience from VC industry/investments markets EY, DNB Markets, Tore Tønne and Torstein Tvenge (Statkraft, Eidsiva and Hafslund JV), Investment Director
- COO of 3D Mobile & Healthcare Software
- B.Sc. In Finance from Arizona State University with Summa Cum Laude (Dean's list)



### Bård Olsen CFO

- Prev. VP of Global Compliance in MHWirth
- 9 years in total with Aker Group companies, incl. Head of Internal Audit at Aker Solutions, prev. with EY
- Auto Industry in the US
- M.Sc. In Finance and MBA from Arizona State University



### Haakon Alfstad Investment Director, Executive Chairman in VINDR and Kustvind

- With Statkraft since 1987 (SVP for Wind Power on-/offshore 2008-17)
- Responsible for construction phase of all Statkraft's hydro, onshore wind and solar power projects 2017-19
- Responsible for wind power developments of >1 GW installed capacity and large scale M&A projects
- Master's Degree in Mechanical Engineering from NTH and Business Candidate from BI



### Torstein Sanness Executive Chairman

- Experience as MD of Lundin Petroleum Norway and DNO, and from several executive positions during his 25 years at Saga Petroleum
- Board member Lundin Energy, IPC, Panoro Energy, Dr. Techn. Olav Olsen, TGS, previously Chairman of Lundin Petroleum Norway
- Master's degree in Engineering (geology, geophysics and mining engineering) from NTH



### Peter Nygren EVP Operations

- CEO and co-founder of Arise
- More than 30 years of experience from renewable energy and companies in related industries, with previous employment at Vattenfall AB, SCA AB, and United Waters AG
- MBA Uppsala University

# NORWAY AFTER THE OIL – LARGE ADDITIONAL POWER NEED

E24 AKSJELIVE BØRS E24+ TIPS OSS

NYTT FRA BØRSSKAPENE

## Storsatsing på batterimaterialer: Elkem skal bygge ny fabrikk i Porsgrunn

Industrielskapet Elkem skal bygge en fabrikk i Porsgrunn for å lage batterimaterialer til bilbransjen. Ifølge selskapet kan investeringen potensielt bli på flere milliarder kroner.



Industrikonsernet Elkem planlegger å bygge en fabrikk i Porsgrunn for å produsere batterimaterialer til blant annet bilbransjen. Foto: Elkem

HYDROGEN

## Vil bruke hydrogen til å varme stål og lage metanol i Mo i Rana

– Dette er midt i det EUs hydrogenstrategi legger opp til.



E24 AKSJELIVE BØRS E24+ TIPS OSS

## Google har kjøpt kjempetomt i Skien

Google har kjøpt en stor tomt i Skien, i tilfelle teknologigiganten får behov for flere nye datasentre i Europa.



Nå har selskapet kjøpt en tomt i Skien, som selskapet skal ha i bakhånd i tilfelle det trenger flere datasentre... vis mer

## Vil bygge batterifabrikk til over fem milliarder kroner

Investor Bjørn Rune Gjelsten og Agder Energi vil utvikle miljøvennlig storindustri på Sørlandet. Et av målene er å bli mindre avhengige av Asia.



**Morten Klaussen**  
Journalist

**Zhilwan Manbari**  
Journalist

**Svein Sundsdal**  
Journalist

Publisert 20. mai kl. 09:41  
Oppdatert 20. mai kl. 13:40

Bjørn Rune Gjelsten vil utvikle litium-svovellbatterier i en stor fabrikk på Sørlandet. FOTO: STIG JAARVIK / NRK

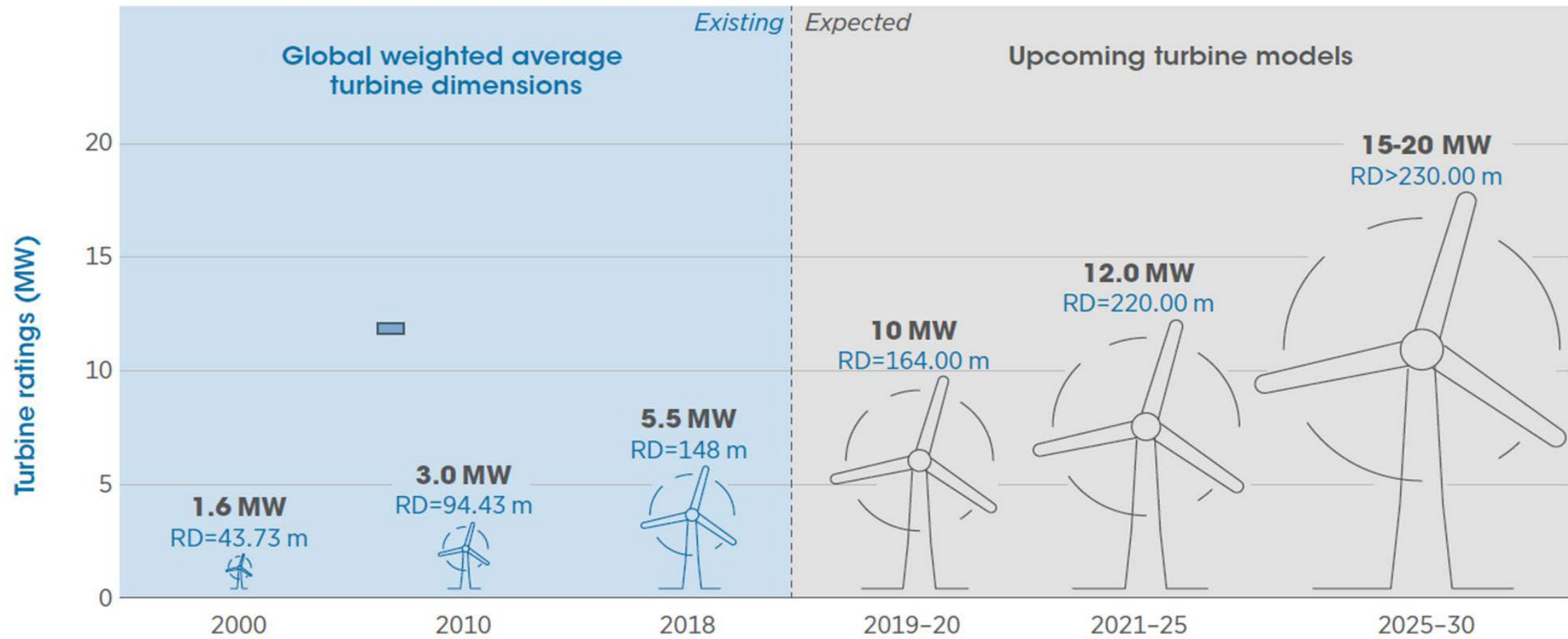
## Her vil Green Mountain bygge sitt fjerde datasenter i Norge for kunde som trenger 20.000 kvadratmeter



På området under utsiktspunktet Sandskallen - med Kvernaland og Føylandsvatnet i bakgrunnen - bygger Statnett nå et av de største knutepunktene for strøm i Norge. Det har resultert i at et område rundt, stort som 855 fotballbaner, blir vurdert regulert som næringsområde for datasenter og kraftintensiv industri. Foto: Geir Sveen

Fjellet under Rennesøy har ikke plass til nye store kunder. Nå vil Smedvig-eide Green Mountain bygge sitt fjerde datasenter i Norge, på Kalberg i Time.

# WIND TURBINE DEVELOPMENT





# TOP 20 SHAREHOLDERS

20 largest shareholder accounts 29 January 2021 (source: VPS)	Number of shares	Percent ownership
DNB Markets Aksjehandel/-analyse	10 874 980	20.68
KING KONG INVEST AS	2 343 795	4.46
GINNY INVEST AS	2 248 778	4.28
CARE HOLDING AS	2 100 000	3.99
PHILIP HOLDING AS	1 620 000	3.08
ANDENERGY AS	1 558 140	2.96
MP PENSJON PK	1 502 638	2.86
Interactive Brokers LLC	1 406 307	2.67
ALDEN AS	1 363 529	2.59
BEKKESTUA EIENDOM AS	1 159 595	2.21
DANSKE BANK AS	1 153 074	2.19
F1 FUNDS AS	1 087 100	2.07
ALTEA PROPERTY DEVELOPMENT AS	1 004 944	1.91
AARSKOG	1 000 000	1.90
F2 FUNDS AS	761 000	1.45
BAKLIEN	700 000	1.33
SJØLUND	546 500	1.04
NORDNET LIVSFORSIKRING AS	532 867	1.01
HANDELSBANKEN CAPITAL MARKETS DMA	528 783	1.01
BILL INVEST AS	470 056	0.89
<b>Total, 20 largest shareholders</b>	<b>33 962 086</b>	<b>64.58</b>
Other shareholder accounts	18 624 612	35.42
<b>Total number of shares</b>	<b>52 586 698</b>	<b>100.00</b>
<i>Foreign ownership</i>	5 768 186	10.97

\*Magnora's largest shareholder is Kistefos AS who owns shares held by DNB Markets Aksjehandel/-analyse and SB1 Markets. In total, Kistefos AS holds 10,942,314 shares in the company equal to 20.8% of shares outstanding



**MAGNORA ASA**

## CONTACT US

### Visiting address:

Karenslyst Allé 2  
0277 Oslo  
Norway

### Postal address

C/O Advokatfirmaet Schjødt AS  
P.O. Box 2444 Solli, 0201 Oslo  
Norway

[www.magnoraasa.com](http://www.magnoraasa.com)





# DISCLAIMER AND IMPORTANT INFORMATION

This company presentation (the "Presentation") has been prepared solely for information purposes in connection with a presentation to potential investors held in respect of a contemplated private placement (the "Private Placement") of new shares in Magnora ASA ("Magnora" or the "Company", and together with its subsidiaries, the "Group, as further discussed herein and described in a term sheet (the "Term Sheet") and an agreement governing applications to participate in the Private Placement (the "Application Agreement", and together with the Term Sheet and this Presentation, the "Investor Documentation"). The Company has appointed Fearnley Securities AS as sole manager and bookrunner for the Private Placement (the "Manager").

This Presentation is furnished by the Company for information purposes only, and it is expressly noted that no representation or warranty, expressed or implied, as to the accuracy or completeness of any information included herein is given by the Company or the Manager and that no information, including projections, estimates, targets and opinions, contained in this Presentation is or can be relied upon as a promise or representation by the Company or the Manager.

The Manager has not engaged any other external legal, financial or other advisers, in order to conduct a due diligence investigation of the Group and its business. By relying on this Presentation you accept the risk that the Presentation might not cover matters that would have been disclosed, had such latter due diligence investigations been conducted and that the Presentation is prepared on the basis as outlined above. The Manager and the Company make no undertaking, representation or warranty, expressed or implied, regarding the accuracy or completeness of the information described herein, and the Manager and the Company expressly disclaims any liability whatsoever towards the investors in connection with the matters described herein. This Presentation contains information obtained from third parties. Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information to be inaccurate or misleading.

This Presentation contains certain forward-looking statements relating to the business, financial performance and results of the Group and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. Neither the Company, its subsidiary undertakings nor any of such person's officers or employees, nor any of the Company's advisors provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor do any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

An investment in the Company and its shares should be considered as a high-risk investment. An investment in the Company is only suitable if you have sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision relating to the Company's shares, and if you are able to bear the economic risk, and to withstand a complete loss of your investment. Several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by information in this Presentation. Certain risk factors relating to the Company and the Group are included under the caption "Risk Factors".

By receiving or reading this Presentation you acknowledge that you will be solely responsible for your own assessment of the Group and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Group's business. The contents of this Presentation shall not be construed as financial, legal, business, investment, tax or other professional advice. You should consult your own professional advisers for any such matter and advice.

The distribution of this Presentation and the offering, application, purchase or sale of shares issued by the Company in certain jurisdictions is restricted by law. This Presentation does not constitute an offer of, or an invitation to purchase, any of the shares in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering of shares to occur in any jurisdiction. Accordingly, neither this Presentation nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

Neither this Presentation nor any copy of it may be taken, transmitted or distributed, directly or indirectly, in or into the United States, Canada, Australia or Japan, except as permitted under applicable securities law. Any failure to comply with this restriction may constitute a violation of the United States, Canadian, Australian or Japanese securities laws. The Presentation is also not for publication, release or distribution in any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction nor should it be taken or transmitted into such jurisdiction and persons into whose possession this Presentation comes should inform themselves about and observe any such relevant laws.

This Presentation speaks as of the date set out on its cover. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or the Group since such date.

This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norway with Oslo as legal venue.

The Manager and/or its employees may hold shares, options or other securities of the Company and may, as principal or agent, buy or sell such securities. The Manager may have other financial interests in transactions involving these securities.