

Magnora ASA

Fourth quarter report

15 February 2021





CONTENTS

KEY HIGHLIGHTS FROM FOURTH QUARTER	3
EVENTS SUBSEQUENT TO THE QUARTER	3
KEY FIGURES	4
OPERATIONAL REVIEW	4
Portfolio companies	4
License agreements.....	5
FINANCIAL REVIEW	5
Results for the quarter	5
Full-year results 2020.....	5
Cash flow.....	6
Financial position.....	6
RISK AND UNCERTAINTY FACTORS.....	6
OUTLOOK AND STRATEGY	6
SHARE BUYBACK, CAPITAL REDUCTION AND DIVIDENDS	7
ABOUT MAGNORA	7
INTERIM FINANCIAL STATEMENTS (IFRS) (NUMBERS ARE UNAUDITED).....	8
Condensed consolidated income statement	8
Statement of comprehensive income	8
Condensed statement of financial position	9
Condensed statement of changes in equity	10
Condensed statement of cash flow	10
SELECTED NOTES TO THE QUARTERLY FINANCIAL STATEMENTS	11
1 General information and accounting policies.....	11
2 Accounting estimates.....	11
3 Judgements.....	11
4 Shareholder structure	12
5 Operating revenue	12
6 Options.....	12
7 Financial assets	13
8 Investment in associates	13
9 Related party transactions	13



KEY HIGHLIGHTS FROM FOURTH QUARTER

- Solid financial performance in the fourth quarter driven mainly by gains from investments, delivering a profit before tax of NOK 9.2 million* (down from NOK 9.4 million in Q3 2020), and an ending cash balance of NOK 44.8 million
- The Company participated in a share issue in November 2020 resulting in 28.44 percent ownership of Evolar AB. Evolar completed the acquisition of additional research equipment and facility leases needed during fourth quarter. Evolar's business plan is being implemented according to plan
- Vindr (Magnora owns 25%) continued to secure property rights in the fourth quarter for wind projects in industrial and cultivated land areas. Vindr is also considering growth opportunities outside its existing markets
- The Company has increased its ownership in Kustvind AB according to the milestone and payment plan. The licensing process including impact assessment for the wind project in Sweden is progressing as planned, with the Energy yield report completed, the park layout adjusted accordingly, and cooperation started with E.ON regarding the onshore grid connection concession process
- The Company continues to generate high deal-flow, and has several evaluation processes and discussions with potential partners, which could add a considerable amount of additional renewable power to our portfolio

*The Company has a deferred tax asset of over NOK 3.5 billion which offsets the taxes on operating profit instead of making ordinary income tax payments. See note 2.

EVENTS SUBSEQUENT TO THE QUARTER

- Peter Nygren has been appointed Executive Vice President Operations and part of the Magnora Management Team. Mr. Nygren was previously CEO and co-founder of Arise and has more than two decades of experience from global renewable energy markets in SCA and other industrial companies.
- The Company has participated in a share issue acquiring 25% of Helios Nordic Energy AB (Helios), a greenfield developer of large scale PV projects in the Nordics. The company has developed a project portfolio by signing options for land leases in well suited locations in southern Sweden, and has land lease agreements for 11 projects with a total of approximately 300 MW potential installed capacity. Magnora has an option of acquiring an additional 15% of Helios by mid-September 2021.
- Magnora has signed an agreement with an undisclosed global offshore energy technology and service company to establish a joint floating wind company called Magnora Floating Wind. Magnora Floating Wind is being established but has already commenced its operations and started work on the application for the ScotWind round in Scotland, UK. In addition, the company will participate in the first offshore wind application round in Norway, which will open in 2021. Magnora Floating Wind will also consider entering other markets.
- Magnora has signed an option agreement with RWE with the intention of investing in Odderheia and Bjelkeberg wind farm in Birkenes municipality in Agder county. The project will have an installed capacity of approx 98 MW when completed, of which Magnora will own a 34 percent share. The project owner has applied to the Ministry of Petroleum and Energy for postponed completion of the project until 31 December 2022. A decision on the matter is expected during 2021. Realising the project will mean local value creation in order to increase tax revenues and local synergies- such as employment. Magnora's share in the project will be approximately 33 MW, and the project is expected to be in the ready-to-build stage during 2021.
- On 3 February 2021, Magnora closed an equity private placement of 4,485,981 new shares with a subscription price per share of NOK 26.75 and a total offer size of NOK 120 million. The private placement was conducted through an accelerated book-building process, and was over-subscribed multiple times. The additional funding was pursued as part of the Company's strategy to capitalise on additional investment opportunities. Following issue of the new shares, the registered share capital of the Company will be NOK 27,965,613, divided into 57,072,679 shares.



KEY FIGURES

<i>Continued operation (NOK million)</i>	<i>Q4 2020</i>	<i>Q3 2020</i>	<i>2020</i>	<i>Q4 2019</i>	<i>2019</i>
Revenues	6.0	7.6	28.4	8.8	41.6
EBITDA	0.0	4.1	7.0	5.9	23.1
<i>Net Profit</i>	6.6	7.3	28.5	6.3	20.2
<i>EPS (NOK)</i>	0.13	0.14	0.54	0.12	0.38
<i>Cash</i>	44.8	62.6	44.8	58.3	58.3
<i>Equity ratio (%)</i>	95%	96%	95%	93%	93%
<i>Number of shares outstanding</i>	52.6	52.6	52.6	52.6	52.6

OPERATIONAL REVIEW

(Figures in brackets relate to third quarter 2020. The figures are unaudited.)

Magnora (or “the Company”) continued to add technical capability during the fourth quarter by engaging Kristin Gjertsen, who came from Aker Energy, to manage the offshore licensing processes. Ronald Hardersen also joined the team to assist with both wind and solar project development with his experience from project development and research experience from the University of Tromsø. Combined with the teams in Kustvind, Vindr, and Evolar, Magnora has an expanded team of 20 professionals with considerable experience from the wind project development market in Norway, Sweden, Germany, Poland, Scotland, England, Wales, USA, South Africa, and the Baltics.

Portfolio companies

Magnora invested NOK 15.4 million acquiring 28.44 percent of the shares in Evolar AB (Evolar) through a share issue in the fourth quarter. The acquisition was fully financed by Magnora’s existing cash holdings, and Magnora has options to increase its ownership in Evolar to 63.5 percent. Evolar is developing a unique perovskite-based PV power booster technology that adds 25 percent power to conventional silicon-based solar panels as the latter technology has stagnated performance wise over last decade. The company is based in Uppsala in Sweden and currently consists of five founding scientists with 20-40 years of experience with thin film solar cell development. The investment in Evolar gives Magnora instant access to a premium product in a growing solar cell market that is ripe for efficiency innovation. The Evolar team has achieved several world records within its niche such as a CIGS -solar cell with an efficiency of 24 percent and a thin film module record of 21 percent efficiency. The company has unique industrial size R&D prototype line equipment, which is fully operational in Evolar’s manufacturing facilities. This allows the team to quickly scale and test solar cells and modules and thereby shorten time-to-market. The Evolar team also plans to cooperate with several leading players to test and scale up the technology to rapidly capitalise on the USD multi-billion solar cell market.

Since Magnora acquired 25 percent of Vindr in March last year, the company has progressed according to its business plan, and has built an early phase pipeline of several hundred MW. In addition, approximately 1.200 MW of potential projects have been identified that meet the company’s defined project criteria. Vindr is a developer of small and medium sized onshore wind projects in areas with already cultivated land and is experiencing high demand for its business model. Along with building the pipeline, emphasis has been put on further developing the company’s methodology and tools to enable effective site identification and development. Vindr’s concept and business development is now ready to be tested outside its core focus areas in Scandinavia and the team is advancing market analysis regarding entry into new markets.

Magnora also acquired part of Kustvind AB last year. Kustvind is a 500 MW shallow water offshore wind project located in an area with very attractive wind conditions approximately 8 km offshore the southern coast of Sweden. The wind park will have a potential 2 TWh annual electricity production and can potentially serve 250.000 homes with electricity. The project is close to relevant infrastructure and an area of Sweden that has had very attractive electricity prices both historically and recently. The project continues to progress ahead of its original schedule and has entered the concession phase with significant studies and assessments required for the concession application. The impact assessment is progressing as planned, energy yield report has been completed and park layout adjusted accordingly, and cooperation started with E.ON regarding grid connection concession process.



License agreements

After selling its assets, rights, and intellectual property rights of cylinder vessel design to Sembcorp Marine Integrated Yard Pte. Ltd. (SMIY) in 2018, Magnora retained the financial benefits from the two licensing agreements detailed below.

Magnora is entitled to a license fee of USD 0.50 per barrel produced and offloaded from the Dana FPSO (the “FPSO”) for the lifetime of the vessel. The associated license income for the fourth quarter 2020 was NOK 5.5 million (NOK 6.8 million). The FPSO was completed in 2017 and production started in Q4 2017. The FPSO has a production capacity of 44,000 barrels per day. The FPSO is expected to have a design life of 20 to 25 years. Magnora’s right to payments is tied to the FPSO, irrespective of operating location and field. Any potential field tied-back to the FPSO or any redeployment, irrespective of location, will also be subject to the payment obligations under the agreement. The Dana agreement is expected to generate income for Magnora for several years. The vessel’s production depends on weather, maintenance, decline, timing of production drilling, discoveries and more.

Magnora is also entitled to license fees from a license agreement with Shell for the Shell Penguins FPSO. The remaining license income of the Penguins agreement is approximately USD 16 million and subject to milestone achievements. 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: 1) the completion and sail away of the Penguins FPSO from the construction yard, 2) the installation of the Penguins FPSO at the field and production started, 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 spring 2021 with further milestones achieved thereafter. The Penguins field is currently producing and is hooked up to the last of the remaining Brent platforms.

FINANCIAL REVIEW

Results for the quarter

Operating revenue in the fourth quarter 2020 was NOK 6.0 million, NOK 1.6 million lower than the previous quarter. As mentioned above, the license income from the agreement with Dana was NOK 5.5 million for the quarter, and the additional NOK 0.5 million is from consulting services provided to the portfolio companies. The decrease in operating revenue was mainly due to lower offloading and therefore lower license revenues from the Dana contract.

EBITDA was NOK 0 (NOK 4.1 million) due to the lower operating revenue and increased operating costs from the last quarter. The operating expense was NOK 6.0 million, mainly driven by a higher activity level with additional legal fees and assistance from external consultants related to evaluations of new investments and due diligence processes. The financial result of associated companies is also included in the operating expenses.

Net profit for the quarter was NOK 6.6 million, a decrease of NOK 0.7 million compared to the previous quarter (NOK 7.3 million). This decrease was mainly due to lower operating income and increase in operating expenses as explained above.

Full-year results 2020

For the full year 2020, operating revenues ended at NOK 28.4 million, down from NOK 41.6 million last year, due to lower revenues from Dana. Revenue streams from Dana will depend on timing of production drilling, currency rates, maintenance, uptime and more.

For the full year 2020, EBITDA ended at NOK 7.0 million, versus NOK 23.1 million last year. This year’s EBITDA result has been negatively affected by higher operating costs from a higher activity level with more external costs, higher personnel expenses, higher legal fees related to new investments, and external consultants assisting with the new strategy.

Net profit for the full year 2020 was NOK 28.5 million, a 41% improvement from last year.

Earnings per share was NOK 0.54 for the full year 2020, versus NOK 0.38 in 2019.



Cash flow

As of 31 December 2020, cash and cash equivalents amounted to NOK 44.8 million (NOK 62.6 million). The cash flow in the quarter was mainly affected by 1) Investment in Evolar, 2) purchase and sale of marketable securities for cash management purposes, and 3) ownership increase in Kustvind AB through acquisition of additional shares.

Financial position

The equity ratio was 95 percent as of 31 December 2020.

RISK AND UNCERTAINTY FACTORS

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

Magnora's remaining customers are two major companies 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 income and Shell Penguins license fee income paid in USD. The company also relies heavily on two customers, Dana Petroleum and Shell for most of its revenues over the next three to four years.

The project development process for wind parks is also exposed to risks. The process for obtaining concession from relevant authorities can vary in different countries, but most countries have required local acceptance, and in some countries the local municipality has veto rights. The public opinion has in some countries caused changes to the political process determining the regulatory framework for obtaining concession for building and operating wind parks. These uncertainties can cause delays and rejection of the concession applications, and it can cause the economics of the projects to be worsened as the approved size of turbines may not be sufficient for an optimized wind park.

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.

OUTLOOK AND STRATEGY

Magnora has successfully transitioned into a renewable energy investment company, and its initial investments in the wind energy segment are progressing according to plan. The initial focus area was set on development of wind projects in Scandinavia and abroad from early phase greenfield to ready-to-build, however, the Company is looking at various growth opportunities within the wind and solar space. Although significant focus has been set on the wind segment, the Company has during 2020 considered several alternative renewable segments and made its first investment in the solar segment during the fourth quarter with the investment in Evolar, and its second with the investment in Helios in February 2021.

All companies Magnora has invested in are implementing its business plans and so far, progressing according to plan. Further updates from the progress of the individual companies are released as separate press releases when milestones are achieved. In addition to the investments made in renewable companies, the Company has subsequent to the quarter entered into two agreements, as described above, that are expected to be a key part of the Company's onshore and offshore wind strategy.

We have a close dialogue with our shareholders and based on on-going discussions and progress with implementation of the new strategy, we have fine-tuned and updated our strategy and investment approach. The private share issue that took place on February 3, 2021, was oversubscribed several times, which confirms Management's alignment with the shareholders. The additional funding was needed to continue evaluating investment opportunities that the Company continues to receive. The



MAGNORA ASA

Company continues to evaluate and investigate a significant volume of deals introduced, where Magnora can both help develop the company's business case and assist with the financing.

SHARE BUYBACK, CAPITAL REDUCTION AND DIVIDENDS

The board of directors launched a new share buyback programme based on authorisation from the annual general meeting ("AGM") held on 21 May 2019, and as of the date of this report, Magnora owns 76,175 of its own shares. The authorisation was renewed by the AGM held on 26 May 2020.

Based on the acceleration of our investments and letters of intent as part of our new strategic direction, quarterly return was reduced to NOK 0.08, which was distributed to shareholders on 23 July 2020. The reduction was encouraged and supported by our largest shareholders to enable the acceleration of our investments and new strategic direction. The Company has now made a significant investment into Evolar AB, and Helios AB, and is further considering additional investments that are key to the Company's strategic development and that will require the use of additional working capital. Quarterly return to shareholders has therefore been halted.

ABOUT MAGNORA

After selling its assets, rights, and intellectual property rights of cylinder vessel design to Sembcorp Marine Integrated Yard Pte. Ltd. (SMIY) in 2018, Magnora retained the financial benefits from the Dana license agreement and the Shell Penguins license agreement. The Company is now a renewable energy investment company, and the initial focus area has been set on development of wind projects in Europe from early phase greenfield to ready-to-build.

At the general meeting held on 21 May 2019, it was approved 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 continuously considers potential organic growth and investment opportunities with the objective of generating further shareholder value.

Oslo, Norway, 15 February 2021

The Board of Directors of Magnora ASA

Torstein Sanness

Torstein Sanness
Chairman

Hilde Ådland

Hilde Ådland
Board member

John Hamilton

John Hamilton
Board member

Erik Snee

Erik Snee
CEO



INTERIM FINANCIAL STATEMENTS (IFRS) (NUMBERS ARE UNAUDITED)

Condensed consolidated income statement

NOK million	Note	Q4 2020	Q3 2020	2020	Q4 2019	2019
<i>Continued operations</i>						
Operating revenue	5	5.5	6.8	27.1	8.8	41.6
Other operating revenue	5	0.5	0.8	1.3	0.0	0.0
Operating expense		-6.0	-3.5	-21.4	-2.9	-18.5
<i>EBITDA</i>		0.0	4.1	7.0	5.9	23.1
<i>Operating Profit/(loss)</i>		0.0	4.1	7.0	5.9	23.1
Financial income/(loss)	7	8.7	5.0	19.3	-0.4	1.5
FX gain/(loss)		0.5	0.3	7.8	-0.6	-1.5
<i>Net financial items</i>		9.2	5.3	27.1	-1.0	0.0
<i>Profit/(loss) before tax</i>		9.2	9.4	34.1	4.9	23.1
Tax income/(expense)	2	-2.6	-2.1	-5.6	1.4	-2.9
<i>Net profit/(loss) continued operations</i>		6.6	7.3	28.5	6.3	20.2
<i>Net Profit/(loss)</i>		6.6	7.3	28.5	6.3	20.2

Statement of comprehensive income

NOK million	Q4 2020	Q3 2020	2020	Q4 2019	2019
Net profit/(loss)	6.6	7.3	28.5	6.3	20.2
<i>Total comprehensive income</i>	6.6	7.3	28.5	6.3	20.2

Condensed statement of financial position

<i>NOK million</i>	<i>Note</i>	<i>31.12.20</i>	<i>30.09.20</i>	<i>31.12.19</i>
<i>Deferred tax assets</i>	2	31.1	33.7	39.9
<i>Investment in associates</i>	3, 8	24.5	9.3	0.0
<i>Total non-current assets</i>		55.6	43.0	39.9
<i>Trade and other receivables</i>		4.0	1.8	2.5
<i>Other current financial assets</i>	7	19.6	8.7	12.5
<i>Cash and cash equivalents</i>		44.8	62.6	58.3
<i>Total current assets</i>		68.4	73.1	73.3
<i>Total assets</i>		124.1	116.1	113.2
<hr/>				
<i>Share capital</i>		25.8	25.8	25.8
<i>Treasury shares</i>		-0.1	-0.1	0.0
<i>Other equity</i>		92.4	85.4	79.8
<i>Total shareholders' equity</i>		118.1	111.1	105.6
<i>Total equity</i>		118.1	111.1	105.6
<i>Other non-current liabilities</i>		0.0	3.8	0.0
<i>Total non-current liabilities</i>		0.0	3.8	0.0
<i>Current liabilities</i>		6.0	1.1	7.6
<i>Total current liabilities</i>		6.0	1.1	7.6
<i>Total liabilities</i>		6.0	4.9	7.6
<i>Total equity and liabilities</i>		124.1	116.1	113.2

Condensed statement of changes in equity

<i>NOK million</i>	<i>Share capital</i>	<i>Treasury Shares</i>	<i>Other equity</i>	<i>Total equity</i>
<i>Equity as of 1 January 2020</i>	25.8	0.0	79.8	105.6
<i>Total comprehensive income for the period</i>			28.5	28.5
<i>Acquired treasury shares*</i>		-0.1	-0.5	-0.6
<i>Share based payments</i>			1.9	1.9
<i>Capital distribution</i>			-17.4	-17.4
<i>Equity as of 31 December 2020</i>	25.8	-0.1	92.4	118.1
<i>Equity as of 1 January 2019</i>	78.4	0.0	57.4	135.8
<i>Total comprehensive income for the period</i>			20.2	20.2
<i>Acquired treasury shares</i>		0.1		0.1
<i>Deletion of treasury shares</i>		-0.1		-0.1
<i>Share based payments</i>			2.3	2.3
<i>Capital reduction and distribution</i>	-52.6			-52.6
<i>Equity as of 31 December 2019</i>	25.8	0.0	79.8	105.6

* Through the share buyback program, Magnora owns 76,175 shares or 0.15 percent of total shares outstanding.

Condensed statement of cash flow

<i>NOK million</i>	<i>Q4 2020</i>	<i>Q3 2020</i>	<i>2020</i>	<i>Q4 2019</i>	<i>2019</i>
<i>Cash flow from operating activities</i>					
<i>Cash from operations</i>	1.5	5.7	18.5	3.7	25.5
<i>Taxes paid/repaid</i>	0.0	0.0	0.0	0.0	0.0
<i>Net cash generated from operating activities</i>	1.5	5.7	18.5	3.7	25.5
<i>Cash flow from investment activities</i>					
<i>Net purchase of marketable securities</i>	-19.3	15.4	-14.6	0.0	-14.1
<i>Loan to Arendal Brygge AS</i>	0.0	0.0	0.0	0.0	-0.9
<i>Net cash from investment activities</i>	-19.3	15.4	-14.6	0.0	-15.0
<i>Cash flow from financing activities</i>					
<i>Capital distribution</i>	0.0	-4.2	-17.3	0.0	0.0
<i>Capital reduction paid out</i>	0.0	0.0	0.0	0.0	-52.6
<i>Net cash from financing activities</i>	0.0	-4.2	-17.3	0.0	-52.6
<i>Net cash flow from the period</i>	-17.8	16.9	-13.5	3.7	-42.0
<i>Cash balance at beginning of period</i>	62.6	45.7	58.3	54.6	100.3
<i>Cash balance at end of period</i>	44.8	62.6	44.8	58.3	58.3



SELECTED NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

1 General information and accounting policies

Magnora ASA's objective 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.

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 2019.

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 31 December 2019.

The company implemented IFRS 16 as of 1 January 2019 and there have been no changes to the company's financial statements as a result.

2 Accounting estimates

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 company's 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 Judgements

The Company invested in Vindr AS in March 2020 through a share issue and owned 25 percent of the company as of 31 December 2020. Magnora has two out of five board members and does not exercise control over the activities of Vindr AS and accounts for its shareholding in Vindr using the equity method. At the balance sheet date, the book value of the investment has been adjusted for the Company's share of the negative operating results in the period.

The Company invested in Evolar AB in November 2020 through a share issue and owned 28.44 percent of the company as of 31 December 2020. Magnora has two out of five board members and does not exercise control over the activities of Evolar AB and accounts for its shareholding in Evolar using the equity method. At the balance sheet date, the book value of the investment has been adjusted for the Company's share of the positive operating results in the period.

4 Shareholder structure

<i>20 largest shareholder accounts 5 February 2021 (source: VPS)</i>	<i>Number of shares</i>	<i>Percent ownership</i>
DNB MARKETS AKSJEHANDEL/-ANALYSE*	10,908,191	20.74
KING KONG INVEST AS	2,343,795	4.46
GINNY INVEST AS	2,248,778	4.28
CARE HOLDING AS	2,000,000	3.80
PHILIP HOLDING AS	1,620,000	3.08
ANDENERGY AS	1,558,140	2.96
INTERACTIVE BROKERS LLC	1,406,307	2.67
MP PENSJON PK	1,378,148	2.62
ALDEN AS	1,363,529	2.59
DANSKE BANK AS	1,186,693	2.26
BEKKESTUA EIENDOM AS	1,159,595	2.21
F1 FUNDS AS	1,087,100	2.07
ALTEA PROPERTY DEVELOPMENT AS	1,004,944	1.91
AARSKOG, PHILLIP GEORGE	1,000,000	1.90
F2 FUNDS AS	761,000	1.45
BAKLIEN, ÅSMUND	700,000	1.33
SJØLUND, STIAN	556,000	1.06
NORDNET LIVSFORSIKRING AS	503,914	0.96
BILL INVEST AS	470,056	0.89
LANDGRAFF, ESPEN SAGVOLDEN	442,620	0.84
Total, 20 largest shareholders	33,698,810	64.08
<i>Other shareholder accounts</i>	18,887,888	35.92
Total number of shares	52,586,698	100.00
<i>Foreign ownership</i>	5,837,846	11.10

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

5 Operating revenue

<i>NOK million</i>	<i>Q4 2020</i>	<i>Q3 2020</i>	<i>2020</i>	<i>Q4 2019</i>	<i>2019</i>
<i>Continued operations</i>					
License revenue	5.5	6.8	27.1	8.8	40.0
Other revenue	0.5	0.8	1.3	0.0	1.6
<i>Operating revenue continued operations</i>	6.0	7.6	28.4	8.8	41.6

6 Options

An options programme was approved at the AGM in 2019, and the cost of options awarded in 2019 has now been fully recognized in accordance with IFRS 2.

Additional awards of options were made during Q2 2020 in accordance with the options programme approved by the AGM in 2019. The CEO and the investment director were granted 50,000 options each. The CFO and the head of business development and strategy were both granted 25,000 options each. Additional options were also awarded to the board by the AGM held on 26 May 2020. The chairman of the Board of Directors was granted 50,000 options, the Audit Committee chair was granted 20,000 options, and the remaining independent director was granted 5,000 options. The cost of the options is recorded over the first 36 months following the grant date of 1 April 2020 for most of the options, as they will be fully vested on 1 April 2023.

Additional awards of options were made during Q3 2020 in accordance with the options programme approved by the AGM in 2019. The investment director was granted 50,000 options. The CFO and the head of business development and strategy



were both granted 25,000 options each. The cost of the options is recorded over the first 36 months following the grant date for all options awarded during the quarter. The total cost of this batch of options was estimated to be NOK 1.3 million, mainly non-cash, and NOK 121,982 has been recognized for Q3 2020 in accordance with IFRS 2.

There were no options awarded during the fourth quarter 2020.

7 Financial assets

In accordance with authorisation from the Board of Directors, Magnora ASA both sold and purchased marketable securities during Q4 2020 with a net gain of NOK 8.7 million. The total value of other current financial assets held on the balance sheet is NOK 19.6 million at the end of the quarter. The company holds marketable securities as part of an effort to carefully increase the return on cash holdings. The shares are considered sufficiently liquid to allow Magnora ASA to sell the shares to meet short-term working capital needs.

The investment in Kustvind AB is also included in the balance sheet under Other Current Financial Assets. After investing an additional NOK 3.15 million in Kustvind during the fourth quarter, Magnora has approximately 15% ownership in Kustvind. Magnora has invested a total of NOK 5.5 million in Kustvind and has a right to acquire up to 50% of the company in a gradual milestone-based investment plan.

The financial assets are recognised in the Balance Sheet at fair value. Unrealised fair value changes are recognised in the profit and loss as financial income/(expense).

8 Investment in associates

The investment in associates represents the investment in Vindr Group and the investment in Evolar AB.

The Company has invested NOK 10 million in Vindr Group for 25% ownership and has a right to acquire up to 50 percent of the company. As of 31 December 2020, Magnora does not have a controlling share and does not exercise control in Vindr, the investment is accounted for using the equity method. The value is adjusted for the Company's share of Vindr's operating results for the period.

The Company has invested NOK 15.4 million in Evolar AB for 28.44% ownership and has a right to acquire up to 63.5 percent of the company. As of 31 December 2020, Magnora does not have a controlling share and does not exercise control in Evolar, the investment is accounted for using the equity method. The value is adjusted for the Company's share of Evolar's operating results for the period.

9 Related party transactions

Magnora ASA has an agreement with all subsidiaries and associated companies that allows services to be provided between the companies at agreed upon hourly rates. Magnora had both operating revenues and expenses from services provided between the companies that are considered to be related parties to Magnora. The total operating revenues from associated companies in the fourth quarter was NOK 0.5 million.