



MAGNORA ASA

Q1 REPORT 2021

18 May 2021



CONTENTS

About Magnora	03
First Quarter in Brief	04
Key Figures	05
Developments During the Quarter	06
Interim Financial Statements (IFRS)	11
Selected Notes to the Financial Statements	14

ABOUT MAGNORA

After two decades in the oil and gas industry, the Company sold all its assets and intellectual property rights and restarted as a renewable energy development company. The focus has been on building a diversified company with activities within a wide spectrum of renewable segments and markets. The Company is now developing both onshore and offshore wind energy plants, as well as solar PV energy plants, and has concentrated on projects in greenfield to ready-to-build phase. Additionally, the Company has added to its portfolio a solar cell technology company working on development of thin film perovskite technology that yields a significant higher energy production than the traditional solar cells.

In addition to creating a diversified portfolio of renewable energy companies, the Company is building its core team of specialists while maintaining a lean overhead. Our strategy is to invest in and develop the right projects and companies in order to generate long term shareholder value.



FIRST QUARTER IN BRIEF

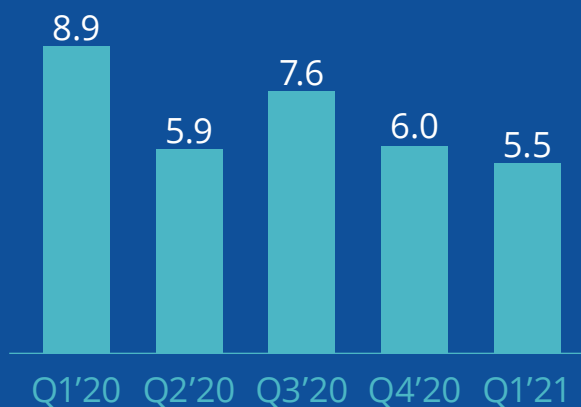
KEY HIGHLIGHTS FROM Q1 2021

- » Strategic entry into the Nordic solar PV market through acquiring 25 percent of Helios Nordic Energy AB (Helios), a greenfield developer of large-scale PV projects in the Nordics.
- » Agreement with TechnipFMC to establish a joint floating wind company called Magnora Offshore Wind.
- » Established the new Vindr Group where Vindr merged with a South African wind and solar PV consultancy and project developer.
- » Separately from the Vindr merger, Magnora entered the South African market through acquiring 100 percent of the shares in a South African company with a potential 850 MW greenfield renewable development portfolio consisting of approximately 550 MW wind and 300 MW solar PV.
- » 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.
- » Peter Nygren was appointed Executive Vice President Operations and part of Magnora's executive management team.
- » Announced a cooperation with RWE Renewables on 1 February 2021 in an onshore wind project in Agder County, Norway. Magnora and RWE are working on a revised agreement where Magnora is taking a more active role in the project going forward.
- » Financial results in the quarter impacted by higher than usual operating costs connected to numerous business development activities and transactions in the quarter, including Helios, Magnora Offshore Wind, the new Vindr Group and entry into the South African market, as part of Magnora's strategy to build a diverse and attractive portfolio of renewable projects and assets. Some of the operating expenses did not affect cash, and net cash generated from operating activities was negative NOK 3.5 million for the quarter.

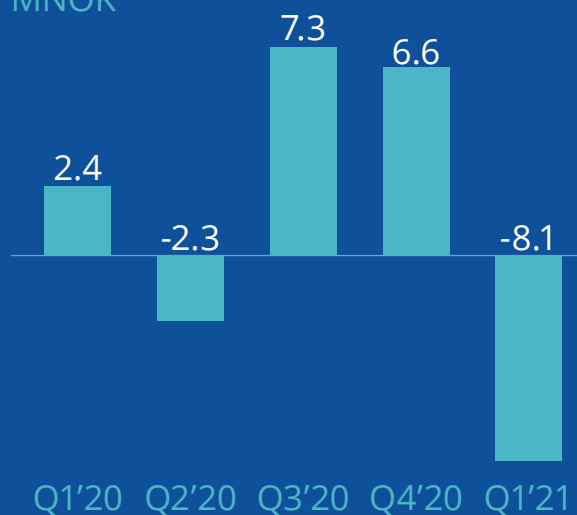


KEY FIGURES

REVENUES MNOK



NET PROFIT MNOK



NET CASH FROM OPERATING ACTIVITIES

-3.5 MNOK

12.9 Q1 2020 (1.5 Q4 2020)



CASH

150.2 MNOK

54.8 Q1 2020 (44.8 Q4 2020)



EQUITY RATIO %

89%

84% Q1 2020 (95% Q4 2020)



DEVELOPMENTS DURING THE QUARTER

OPERATIONAL REVIEW

Figures in brackets relate to fourth quarter 2020.
The figures are unaudited.

The first quarter of 2021 made good progress in several areas, and Magnora closed an equity private placement to secure additional funding for activities and investments in the coming months. The offer size was NOK 120 million and 4,485,981 new shares with a subscription price per share of NOK 26.75 were issued. The private placement was conducted through an accelerated book-building process and was oversubscribed multiple times. Following issue of the new shares, the registered share capital of the Company is NOK 27,965,613, divided into 57,072,679 shares.

During the first quarter, Magnora announced a cooperation with RWE Renewables in an onshore wind project in Agder County. Magnora's participation in the project is conditional upon i) approval of permit extension by OED in Norway, ii) a revised National budget which will secure a higher proportion of local tax revenues in the host municipality and iii) a revised agreement with RWE based on a delay in the process with the local and national government. Magnora intends to take a more active role in the project going forward after a request from RWE. The parties are working on a revised agreement to be announced in June 2021.

The investments in portfolio companies increased during the first quarter, as described below with an individual section for each portfolio company. The Company acquired 25 percent of Helios Nordic Energy AB, and established the new Vindr Group, where the Company will have 50 percent ownership.

The Management Team was strengthened with the engagement of Peter Nygren, as noted above, and with the hiring of Gisle Grønlie as the new EVP Legal and M&A. Bjørn Drangsholt who has previously worked at Statkraft, Norsk Hydro, and Equinor, has also joined Magnora to assist in the ScotWind project. Building the right team will remain a priority while the Company is growing and have positions planned to be filled in the short term. An additional 2-3 permanent resources will likely be added during the next quarter to secure sufficient long-term managers to coordinate projects and investments with our partners and their teams. This approach supports the Company's overall strategy of maintaining a lean and agile organisation and as part of the Company's focus on costs. With the hiring of key employees, we are adding internal capacity and reducing the need for external and more costly advisors.

The ScotWind application process has required significant resources, which has been resolved with specialists assisting from DNV GL and others. The Company maintains a high reliance on partners and service providers in all areas where resource needs are temporary due to concession applications or license applications and puts in place permanent resources when a project is established, or a supporting corporate role required.

Operating costs in Q1 was impacted by higher than usual operating costs connected to numerous business development activities and transactions in the quarter, including Helios, Magnora Offshore Wind, the new Vindr Group and entry into the South African market, as part of Magnora's strategy to build a diverse and attractive portfolio of renewable projects and assets. Some of the operating expenses did not affect cash, and net cash generated from operating activities was negative NOK 3.5 million for the quarter.

Portfolio companies

Magnora is an active owner of its portfolio companies. We practice active ownership to develop the businesses with competencies within due diligence, bank and project finance, equity, environmental impact assessments, grid studies, procurement, governmental approval, energy yield assessments, construction, operations, farm-down and exits. We favour companies with teams who cherish integrity, humbleness, drive, honesty, result-orientation, and fun. We also look for teams with a proven track-record.

Evolar

Magnora acquired 28.44 percent of the shares in Evolar AB (Evolar) through a share issue in the fourth quarter 2020. Magnora has options to increase its ownership in Evolar to 63.5 percent. Due to good results and key milestones being achieved, Magnora is considering an increase of its stake in Evolar during the second quarter. Evolar is developing a unique perovskite-based PV power booster technology that can add power to conventional silicon-based solar panels at a very low cost. 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 is in discussions with industry players across the value chain who are all eager to investigate the use of Perovskite

technology to cooperate, test, and scale up the technology to rapidly capitalise on the USD multi-billion solar cell market. The organisation is also steadily growing according to the strategy with key personnel successfully hired during the quarter. In addition, the Dean of Uppsala University, Anders Hagfeldt, has joined Evolar's Advisory Board. More details are available on Evolar's home page <https://www.evolarab.se/>.

Helios

Magnora participated in a share issue acquiring 25 percent 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 16 projects with a total of approximately 500 MW potential installed capacity. Magnora has an option of acquiring an additional 15 percent of Helios by mid-September 2021. More details are available on Helios' home page <https://www.heliosnordic.com/>.

Vindr

Since Magnora acquired 25 percent of Vindr in March 2020, the company has progressed according to its business plan, and has built an early phase pipeline in Sweden and South Africa. Vindr is a developer of small and medium sized onshore wind and solar PV. 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. In February 2021, Vindr merged with a South African wind and solar PV consultancy and project developer, and the Company will own 50 percent of the newly established group. More details are available on Vindr's home page <https://www.vindr.no/>.

Kustvind

Magnora has acquired 15 percent of Kustvind AB in 2020 and has an option to acquire up to 50 percent of the company. 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 in 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

Evolar AB

Ownership	28.44 %
Ownership option	63.50%
Output	Development of perovskite technology for solar cells

Helios Nordic Energy AB

Ownership	25.00 %
Ownership option	40.00%
Output	500 MW solar PV pipeline

Vindr Group AS

Ownership	50.00 %
Output	1 200 MW onshore wind / 200 MW solar PV

Kustvind AB

Ownership	15.00 %
Ownership option	50.00%
Output	500 MW offshore wind

South Africa

Ownership	100.00 %
Output	550 MW onshore wind / 300 MW solar PV

started with E.ON regarding grid connection concession process. More details regarding the project are available in local language on the project's home page <https://www.kustvind.se/>.

South Africa

Magnora has entered the South African market by acquiring 100 percent of the shares in a South African company with a potential 850 MW greenfield renewable development portfolio consisting of approximately 550 MW wind and 300 MW solar PV. Magnora is integrating the company into Magnora's operations and working with Vindr's subsidiary in South Africa to develop the renewable projects in this company. South Africa is in dire need of more energy and the country plans to develop 10.000s of MW of renewable projects over the next decade. South Africa has a very advanced and professional renewable market and Eskom, the public national grid and power generating company is being de-bundled creating opportunities for the private sector. Magnora's South African company has commenced development of the renewable projects with preparation for wind measurements and other early phase activities, business planning, meetings with industrial companies, equipment manufacturers, local and governmental banks, and potential investors. The renewable projects are expected to meet the criteria needed in REEAP rounds, potential corporate power purchasing agreements (PPAs), and to serve local municipalities directly. Torstein Sanness is the Chairman in the South African company.

Magnora Offshore Wind

Magnora signed an agreement with TechnipFMC to establish a joint floating wind company called Magnora Offshore Wind. Magnora Offshore Wind is being established but has already commenced its operations and started work on the application for the ScotWind licensing 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 Offshore Wind will also consider entering other markets in 2021. TechnipFMC has played a key role within floating wind since the birth of the industry by being a contractor in the Hywind projects. In addition, TechnipFMC is a global leader within concept development, engineering, local supply chain and content, installation, and marine operations. TechnipFMC has over 2.000 employees in England, Scotland, and Norway.

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 first quarter 2021 was NOK 4.2 million (NOK 5.5 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 first quarter 2021 was NOK 5.5 million, NOK 0.5 million lower than the previous quarter. As mentioned above, the license income from the agreement with Dana was NOK 4.2 million for the quarter, and the additional NOK 1.3 million is from management support services provided to the portfolio companies. The decrease in operating revenue was mainly due to lower production and off-loading by the Western Isles FPSO which resulted in lower license revenues from the Dana contract.

EBITDA was negative NOK 11.6 million (NOK 0) due to the lower operating revenue and increased operating costs from the previous quarter. The operating expense was NOK 10.6 million, mainly driven by legal fees and assistance from external consultants related to evaluations and closing of several new investments in the quarter, as well as the ScotWind license application process.

Financial results from associated companies were affected by the Vindr transaction, as the shares from the original investment were used as part of the investment to achieve 50 percent ownership in the group of companies, which also includes a subsidiary in South Africa. The total effect of the transaction was an additional NOK 5 million loss, which is an entry that does not affect cash. The Vindr transaction has provided Magnora with a project company in South Africa that holds agreements with landowners in favourable areas for both wind and solar PV energy plants.

Net profit for the quarter was negative NOK 8.1 million, a decrease of NOK 14.7 million compared to the previous quarter (NOK 6.6 million). This decrease was mainly due to the increase in operating expenses as explained above, as well as the Company's share of losses from associated companies.

Cash flow

As of 31 March 2021, cash and cash equivalents amounted to NOK 150.2 million (NOK 44.8 million). The cash flow in the quarter was mainly affected by 1) the equity private placement, 2) investment in Helios, and 3) divestment of marketable securities.

Financial position

The equity ratio was 89 percent as of 31 March 2021. The decrease in the ratio is mainly due to the NOK 20 million outstanding payment to be made related to the Vindr transaction, which is reflected in current liabilities.

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. The Company selects its portfolio projects and companies with emphasis on diversification to mitigate the various inherent risks in each segment of the renewable energy production industry. This does not reduce the individual risks below but makes the Company less vulnerable to the effects of those risks.

The project development process for renewable energy plants 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 and local municipality veto rights can affect the licensing decisions and has in some countries caused changes to the political process determining the regulatory framework for obtaining concession for building and operating renewable energy plants. 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.

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.

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.

Competition is significant 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.

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.

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. Magnora is represented on all the boards of its associated companies and mitigates risks through normal governance processes.

Loss of key personnel is a risk to the Company as it is operating with a staff of highly specialised professionals that may take time to replace if needed. Mitigation of this risk is an ongoing process of identifying outsourcing alternatives and potential recruitment to cover the resource needs of the Company.

OUTLOOK AND STRATEGY

Magnora continues to grow its portfolio of renewable energy companies and projects and has over the past months been able to expand into the Solar PV segment and the South African renewable market. Through establishing Magnora Offshore Wind together with TechnipFMC, the Company has also moved into the

offshore wind segment and is on schedule to submit a competitive licensing application in the ScotWind licensing process in Scotland.

The portfolio companies are implementing their business plans and progressing according to plan. Further updates from the progress of the individual companies are released as separate stock exchange announcements when milestones are achieved. The original strategy of building a robust portfolio across several segments and geographical areas has proven effective, as it reduces political and country-specific risks.

Over the past year, the Company has doubled the number of shareholders. Management maintains close dialogue with the largest shareholders regarding progress and fine-tuning of the Company's strategy. The private share issue performed during the quarter 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 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 27 April 2021.

Quarterly dividends have been halted to conserve cash for investments needed as part of the Company's strategy.

Oslo, Norway, 18 May 2021
The Board of Directors of Magnora ASA



Torstein Sanness
Chairman



Hilde Ådland
Board Member



John Hamilton
Board Member



Erik Sneve
CEO

INTERIM FINANCIAL STATEMENTS

Numbers are unaudited

CONDENSED CONSOLIDATED INCOME STATEMENT

NOK million	Note	Q1 2021	Q4 2020	Q1 2020	2020
Continued operations					
Operating revenue	5	4.2	5.5	8.9	27.1
Other operating revenue	5,9	1.3	0.5	0.0	1.3
Profit/loss from associated companies		-6.6	-0.2	0.0	-0.9
Operating expense		-10.6	-5.8	-3.8	-21.4
EBITDA		-11.6	0.0	5.1	6.1
Operating profit/(loss)		-11.6	0.0	5.1	6.1
Financial income/(loss)	7	3.4	8.7	-8.6	20.2
FX gain/(loss)		0.1	0.5	6.5	7.8
Net financial items		3.5	9.2	-2.0	28.0
Profit/(loss) before tax		-8.1	9.2	3.1	34.1
Tax income/(expense)	2	0.0	-2.6	-0.7	-5.6
Net profit/(loss) continued operations		-8.1	6.6	2.4	28.5
Net profit/(loss)		-8.1	6.6	2.4	28.5

Numbers are unaudited

STATEMENT OF COMPREHENSIVE INCOME

NOK million	Q1 2021	Q4 2020	Q1 2020	2020
Net profit/(loss)	-8.1	6.6	2.4	28.5
Total comprehensive income	-8.1	6.6	2.4	28.5

Numbers are unaudited

CONDENSED STATEMENT OF FINANCIAL POSITION

NOK million	Note	31.03.21	31.03.20	31.12.20
Deferred tax assets	2	31.1	39.2	31.1
Investment in associates	3, 8	50.0	10.0	24.5
Total non-current assets		81.1	49.3	55.6
Trade and other receivables		5.0	2.4	4.0
Other current financial assets	7	17.9	7.5	19.6
Cash and cash equivalents		150.2	54.8	44.8
Total current assets		173.1	64.7	68.4
Total assets		254.2	114.0	124.1
Share capital		28.0	25.8	25.8
Treasury shares		-0.1	0.0	-0.1
Other equity		198.2	70.0	92.4
Total shareholders' equity		226.1	95.8	118.1
Total equity		226.1	95.8	118.1
Other non-current liabilities		0.0	7.0	0.0
Total non-current liabilities		0.0	7.0	0.0
Current liabilities		28.1	11.2	6.0
Total current liabilities		28.1	11.2	6.0
Total liabilities		28.1	18.2	6.0
Total equity and liabilities		254.2	114.0	124.1

Numbers are unaudited

CONDENSED STATEMENT OF CHANGES IN EQUITY

NOK million	Share capital	Treasury Shares	Other equity	Total equity
Equity as of 1 January 2021	25.8	-0.1	92.4	118.1
Total comprehensive income for the period			-8.1	-8.1
Share based payments			0.7	0.7
Capital increase	2.2		113.2	115.4
Equity as of 31 March 2021	28.0	-0.1	198.2	226.1
Equity as of 1 January 2020	25.8	0.0	79.8	105.6
Total comprehensive income for the period			28.5	28.5
Acquired treasury shares*		-0.1	-0.5	-0.6
Share based payments			1.9	1.9
Capital reduction and distribution			-17.4	-17.4
Equity as of 31 December 2020	25.8	-0.1	92.4	118.1

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

Numbers are unaudited

CONDENSED STATEMENT OF CASH FLOW

NOK million	Q1 2021	Q4 2020	Q1 2020	2020
Cash flow from operating activities				
Cash from operations	-3.5	1.5	12.9	18.5
Taxes paid/repaid	0.0	0.0	0.0	0.0
Net cash generated from operating activities	-3.5	1.5	12.9	18.5
Cash flow from investment activities				
Net purchase of marketable securities	5.6	-3.9	-2.8	16.3
Net purchase of associated companies	-12.2	-15.4	-0.5	-30.9
Net cash from investment activities	-6.6	-19.3	-3.3	-14.6
Cash flow from financing activities				
Capital distribution/increase	115.4	0.0	-13.1	-17.3
Capital reduction paid out	0.0	0.0	0.0	0.0
Net cash from financing activities	115.4	0.0	-13.1	-17.3
Net cash flow from the period	105.3	-17.8	-3.5	-13.5
Cash balance at beginning of period	44.8	62.6	58.3	58.3
Cash balance at end of period	150.2	44.8	54.8	44.8

SELECTED NOTES TO THE 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 2020.

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 2020.

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 has a portfolio of companies it has invested in and evaluates each quarter whether it has control in accordance with IFRS 10.

The Company invested in Vindr AS in March 2020 through a share issue for 25 percent ownership. In February 2021, the Company established the Vindr Group and increased its ownership in Vindr to 50 percent. Magnora continues to have two out of five board members. The remaining part of the company ownership is divided between the five founders of the company. The five founders also have two out of five board members, and the founders have selected the independent board member that holds the last seat on the board. Magnora is not involved in the daily business and is only participating through its appointed directors on the board. The Company therefore does not exercise control over the activities of Vindr Group AS and accounts for its shareholding in Vindr using the equity method. At the balance sheet date, the book value of the investment is NOK 24 million after adjustment 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 at the balance sheet date. The five founders of the company own equal shares of the remaining shares in the company. Magnora has two out of five board members and the founders have the remaining three members of the board. Evolar is operating separately from Magnora and Magnora is not involved in any of the daily operations and decisions. The Company therefore 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 negative operating results in the period.

The Company invested in Helios AB in February 2021 through a share issue and owned 25 percent of the company at the balance sheet date. The remaining ownership of Helios is divided between the ten founders of the company. Magnora has one out of five board members and the founders have the remaining four members of the board. Helios is operating separately from Magnora and Magnora is not involved in any of the daily operations and decisions. The Company therefore does not exercise control over the activities of Helios AB and accounts for its shareholding in Helios 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.

4 SHAREHOLDER STRUCTURE

20 largest shareholder accounts 5 February 2021 (source: VPS)	Number of shares	Percent ownership
DNB MARKETS AKSJEHANDEL/-ANALYSE*	3,850,833	6.75
GINNY INVEST AS	2,508,778	4.40
KING KONG INVEST AS	2,400,995	4.21
J.P. MORGAN SECURITIES PLC	2,035,902	3.57
CARE HOLDING AS	2,000,000	3.50
PHILIP HOLDING AS	1,690,000	2.96
BEKKESTUA EIENDOM AS	1,641,860	2.88
ANDENERGY AS	1,558,140	2.73
ALDEN AS	1,479,829	2.59
VERDIPAPIRFONDET DNB SMB	1,426,821	2.50
INTERACTIVE BROKERS LLC	1,406,307	2.46
SPAREBANK 1 MARKETS AS	1,384,798	2.43
MP PENSJON PK	1,327,138	2.33
F1 FUNDS AS	1,249,300	2.19
DANSKE BANK AS	1,200,744	2.10
THE BANK OF NEW YORK MELLON SA/NV	1,118,191	1.96
ALTEA PROPERTY DEVELOPMENT AS	1,004,944	1.76
AARSKOG, PHILLIP GEORGE	1,000,000	1.75
F2 FUNDS AS	781,000	1.37
BAKLIEN, ÅSMUND	700,000	1.23
Total, 20 largest shareholders	31,765,580	55.66
Other shareholder accounts	25,307,099	44.34
Total number of shares	57,072,679	100.00
Foreign ownership	9,590,363	16.80

*Magnora's largest shareholder is Kistefos AS who owns shares held by DNB Markets Aksjehandel/-analyse and SB1 Markets. In total, Kistefos AS holds 5,557,431 shares in the company equal to 9.74% of shares outstanding.

5 OPERATING REVENUE

NOK million	Q1 2021	Q4 2020	Q1 2020	2020
Continued operations				
License revenue	4.2	5.5	8.9	27.1
Other revenue	1.3	0.5	0.0	1.3
Operating revenue continued operations	5.5	6.0	8.9	28.4

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 2020 in accordance with the options programme approved by the AGM in 2019. Both members of the board and members of management were granted options during 2020. The cost of the options is recorded over the first 36 months following the grant date.

Additional awards of options were made during Q1 2021 in accordance with the options programme approved by the AGM in 2019. The EVP Operations was granted 100,000 options, and the asset manager was granted 25,000 options. The cost of the options is recorded over the first 36 months following the grant date. NOK 0.8 million has been recognized for Q1 2021 in accordance with IFRS 2.

7 FINANCIAL ASSETS

In accordance with authorisation from the Board of Directors, Magnora ASA both sold and purchased marketable securities during Q1 2021 with a net gain of NOK 3.4 million. The total value of other current financial assets held on the balance sheet is NOK 17.9 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, Evolar AB, and Helios AB.

The Company established the Vindr Group and increased its ownership in Vindr to 50 percent in February 2021. The initial investment was NOK 10 million in Vindr Group for 25 percent ownership and took place in March 2020. As noted in section three above, Magnora does not have a controlling share and does not exercise control in Vindr, and 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. Current book value of the Vindr investment is NOK 24 million.

The Company has invested NOK 15.4 million in Evolar AB for 28.44 percent ownership and has a right to acquire up to 63.5 percent of the company. As of 31 March 2021, Magnora does not have a controlling share and does not exercise control in Evolar, and 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.

The Company invested NOK 10.2 million in Helios AB for 25 percent ownership in February 2021 and has a right

to acquire up to 40 percent of the company. As of 31 March 2021, Magnora does not have a controlling share and does not exercise control in Helios, and the investment is accounted for using the equity method. The value is adjusted for the Company's share of Helios'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 first quarter was NOK 1.3 million.



MAGNORA ASA

Magnora ASA
C/O Advokatfirmaet Schjødt AS
P.O. Box 2444 Solli
0201 OSLO
www.magnoraasa.com