



**MAGNORA ASA**

SEB Growth Seminar  
May 20th, 2021



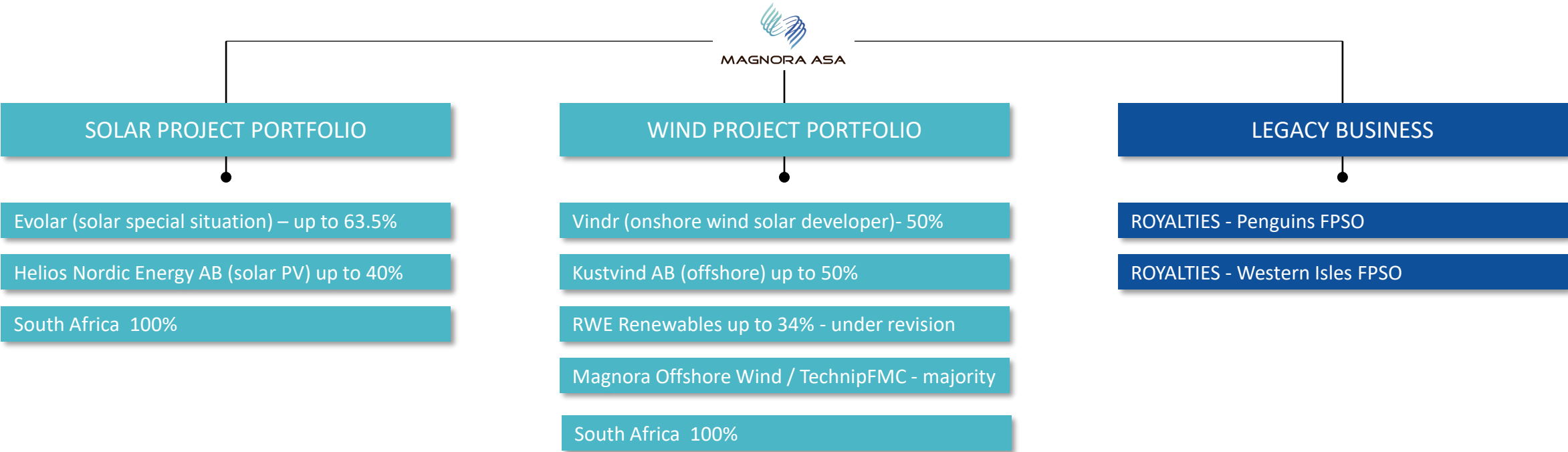
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# MAGNORA IN BRIEF



## Strategy to Build a Diversified Portfolio of Asset Light Renewable Energy Projects

Listed on OSE (MGN NO) Approx. 8,300 shareholders Nº of shares outstanding: 57,08 mil 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, South Africa and UK
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GROWING A DIVERSIFIED PORTFOLIO OF PROJECTS ACROSS WIND AND PV WITH GREAT TEAMS AND STRICT FINANCIAL DISCIPLINE  
CROSS-BORDER IN ORDER TO REDUCE VARIOUS BUSINESS RISK WITH CURRENT CASH AND FUTURE CASH-FLOW

# HIGHLIGHTS – 2021

Further strengthened portfolio with numerous strategic business development activities throughout the quarter

Revenues  
MNOK 5.5

Operating Cashflow  
MNOK -3.5

Adjusted EBITDA  
MNOK -5.0

Cash balance<sup>1</sup>  
MNOK 150.2

## Key developments

- Strategic **entry into Nordic solar PV market** through acquiring 25% of **Helios Nordic Energy AB**. Option to buy further 15% more by September 21 at initial price.
- Agreement with **TechnipFMC** to establish joint **floating wind company Magnora Offshore Wind**. **Advanced with ScotWind and other opportunities**.
- Established new **Vindr Group**: Vindr merged with South African wind and solar PV consultancy and project developer. 1.200 MW wind and 200 MW solar
- **Entered South African market** through acquiring 100% of shares in a South African company with an 850 MW greenfield renewable development portfolio of ~550 MW wind and 330 MW solar PV.
- **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** appointed **Executive Vice President Operations** and entered executive management team. Former founder CEO of Arise (Swedish wind developer).
- 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**, incl. Helios, Magnora Offshore Wind, Vindr Group and entry into the South African market, **as part of our 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.
- Continue to meet industrial companies and teams with compelling **new energy projects in various countries**.
- Added **new team members** in order to reduce the need for external resources (consultants/advisers).
- **New projects in Q121 can potentially be monetized in 2021 and 2022**
- **16 MUSD from Shell due in 2021/2022 from three payments from Legacy Business**

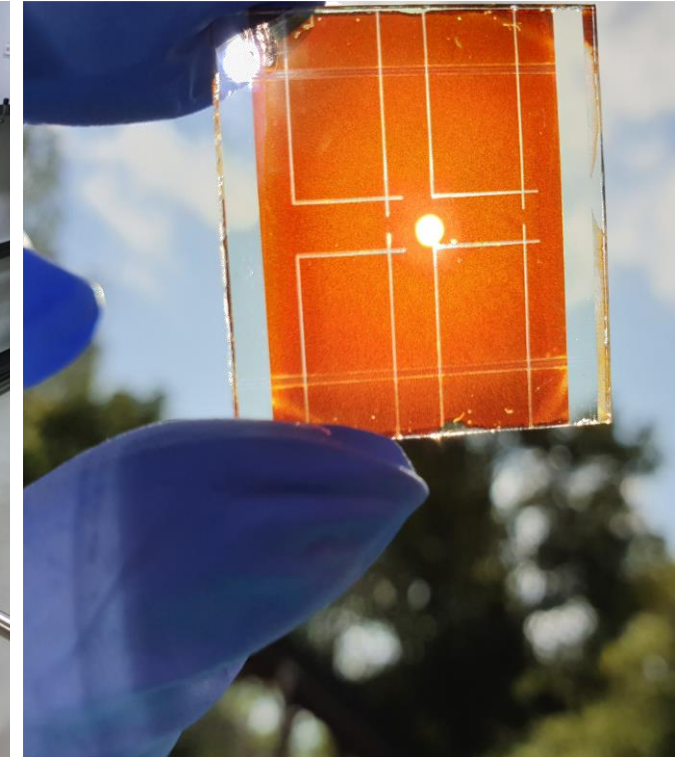


# EVOLAR AB – COMPLIMENTARY PRODUCT TO CONVENTIONAL MODULES

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

## Evolar AB in brief

- Check out Evolar at Vimeo: <https://vimeo.com/534788475>
- Strong team of 12 employees in place
- Team was part of Statkraft/Hafslund/Eidsiva in 84 MEUR exit in 2007 (Solibro).
- Several world records: 18.7% CIGS Panel and 24% single CIGS cell. Perovskite CIGS 23.7% (internal results). 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
- All milestones from investment achieved to date
- First full-size Prototypes already manufactured



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



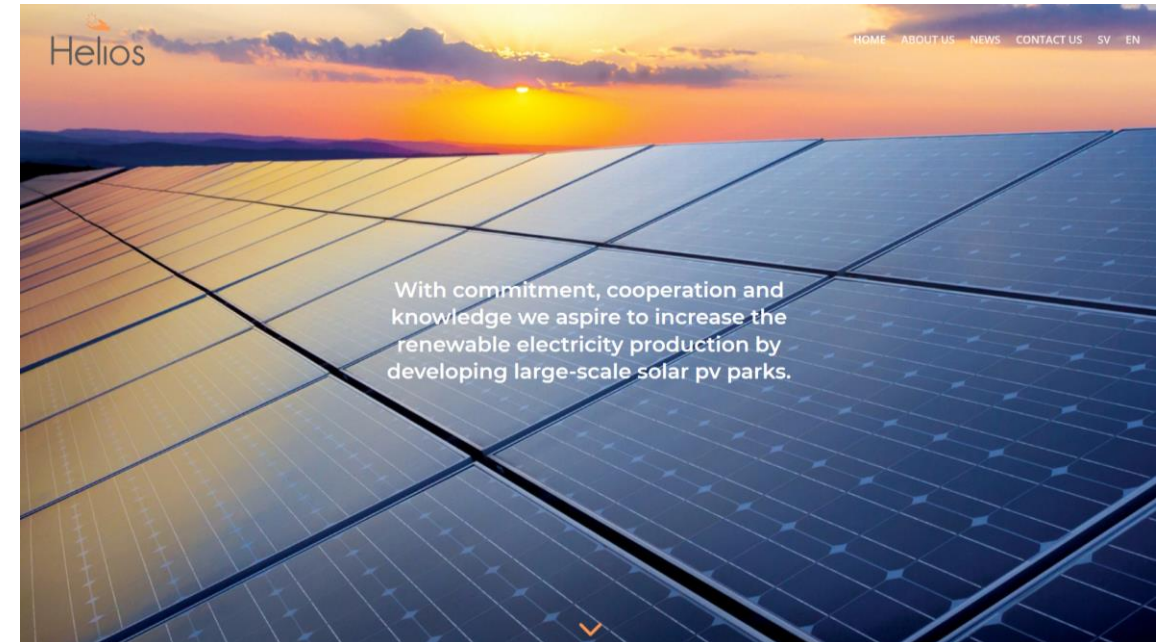
## Evolar and Magnora

- 28,44% ownership with options to increase share to further 63.5% prior to IPO/exit
- Considering increasing ownership these days
- 25 MUSD in invested capital equipment and facilities in Evolar facilities – a unique prototyping production line
- Deal fully financed by Magnora – working capital. Five founders and Magnora as shareholders
- Business model: Asset light (design, engineering, software, procurement, control systems, patents/royalties)
- A fractional cost increase for potentially vast performance boost.
- Small increase in cost compared to huge pricing power for cell, module or glass manufacturers
- Magnora goal for shareholders to be preferred in IPO (dividend and/or in subscription)

## 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. 500 MW land lease agreements secured. Goal 1GW plus/+
- Magnora ASA has entered into an agreement to acquire a 25% 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 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
- Erik Sneve and Peter Nygren Board Members
- Considers various growth opportunities outside core market.
- Engaged EY to organize project buyer interest





# VINDR GROUP AND MAGNORA SOUTH AFRICA

## Targeting large-scale PV and onshore wind industry in South Africa

### Vindr Group and South Africa

- Sweden, Norway and South Africa based solar onshore wind and solar PV company focusing on large-scale greenfield projects in South Africa and small scale and industrial wind in Sweden/(Norway)
- Highly experienced technical and commercial team – Magnora's management and board have wide experience from South Africa, Africa and international energy projects
- Magnora ASA has entered into an agreement to acquire a 50% of the combined group. Peter Nygren, Executive Chairman of the Group
- Magnora has also acquired SPV in South Africa with option land lease agreements for solar estimated solar PV and onshore wind of approximately 800 MW. Torstein Sanness, Peter Nygren and Erik Sneve will join the board of the SPV
- Vindr Group has approximately 400 MW of own solar PV and onshore wind projects in South Africa beyond Magnora's SPV
- Eskom will become de-bundled, municipalities will be able to become direct buyers of power, continuous curtailments of power supply in South Africa.
- Corporate PPAs
- Ambition to grow renewable energy projects by 30.000 MW before 2030
  - 20-year PPAs



# MAGNORA OFFSHORE WIND – TECHNOLOGY AGNOSTIC

## Targeting high growth international floating wind market

### Magnora Offshore Wind in brief

- Signed agreement in January 2021 with **TechnipFMC** global offshore energy technology and service company to establish a joint floating wind company called Magnora Floating Wind
- TechnipFMC 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
- Preparing business plan for international markets
- **Technip has several thousand employees in Norway and Scotland** with yard capacity and mass fabrication experience
- **Participated in Hywind Demo, Hywind Scotland and Hywind Norway with Equinor**





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



**Erik Sneve**  
CEO

- 24 years experience from VC industry/investments markets EY, DNB Markets, Tore Tønne and Torstein Tvenge
- (Statkraft, Eidsiva and Hafslund JV), Investment Director
- Chairman Evolar
- COO of 3D Mobile & Healthcare Software
- B.Sc. in Finance from Arizona State University w/ 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 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, and 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 & mining engineering) from NTH



**Peter Nygren**  
EVP Operations Executive Chairman Vindr

- 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



**Espen Erdal**  
Asset Manager

- Close to 10 years of experience from renewable energy and structural engineering, with previous employment at DNV GL and Dr. Ing. A. Aas Jakobsen
- Supporting project transactions (due diligence), development and construction of 10+ utility scale onshore wind projects in the Nordics
- Master's degree in Engineering (renewables and structural engineering) from NTNU, Norway and University of Berkeley, California (US)

# SUMMARY – HOW WE ARE REALIZING RENEWABLE PROJECTS?

Working with more late stage pre-ready-to-build in the Nordic region, as well as greenfield in the Nordics/Baltic/Poland

Developing projects to be harvested in 2022 and 2023. Pipeline of projects towards 2025.  
Organic cash-flow from farm-down, sale of projects, ownership of shares, in addition to Legacy Business

Magnora and portfolio companies expected to be more visible in the market (industry fair, social media, partnering etc.)

More deals going forward within portfolio companies forward with Evolar, South Africa, Helios, License rounds and TechnipFMC going forward. Looking at other ways to monetize projects as well. Late stage development, repowering.

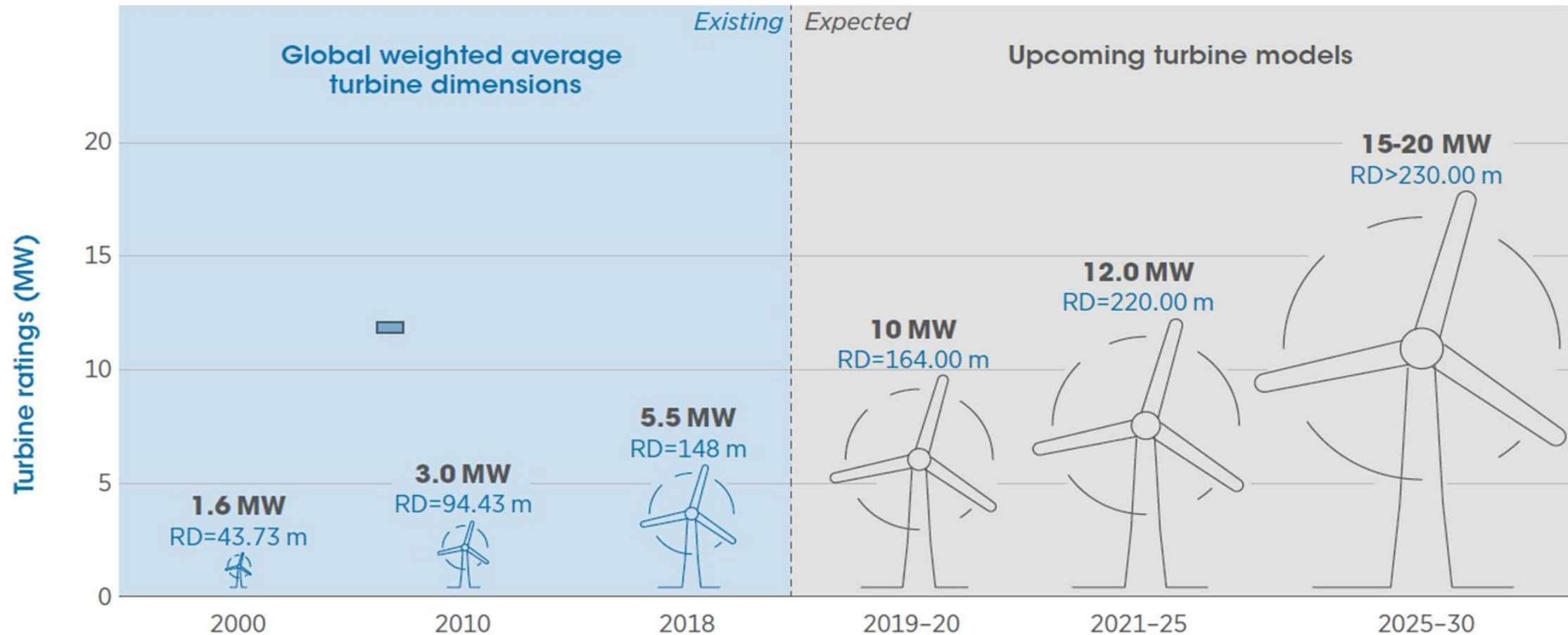
Considering various growth opportunities on behalf of third parties.

High green electricity prices (coal, nuclear, CO2, EU, climate, cables)

Partnerships creates operating leverage. Management and Executive Chairman are shareholders.

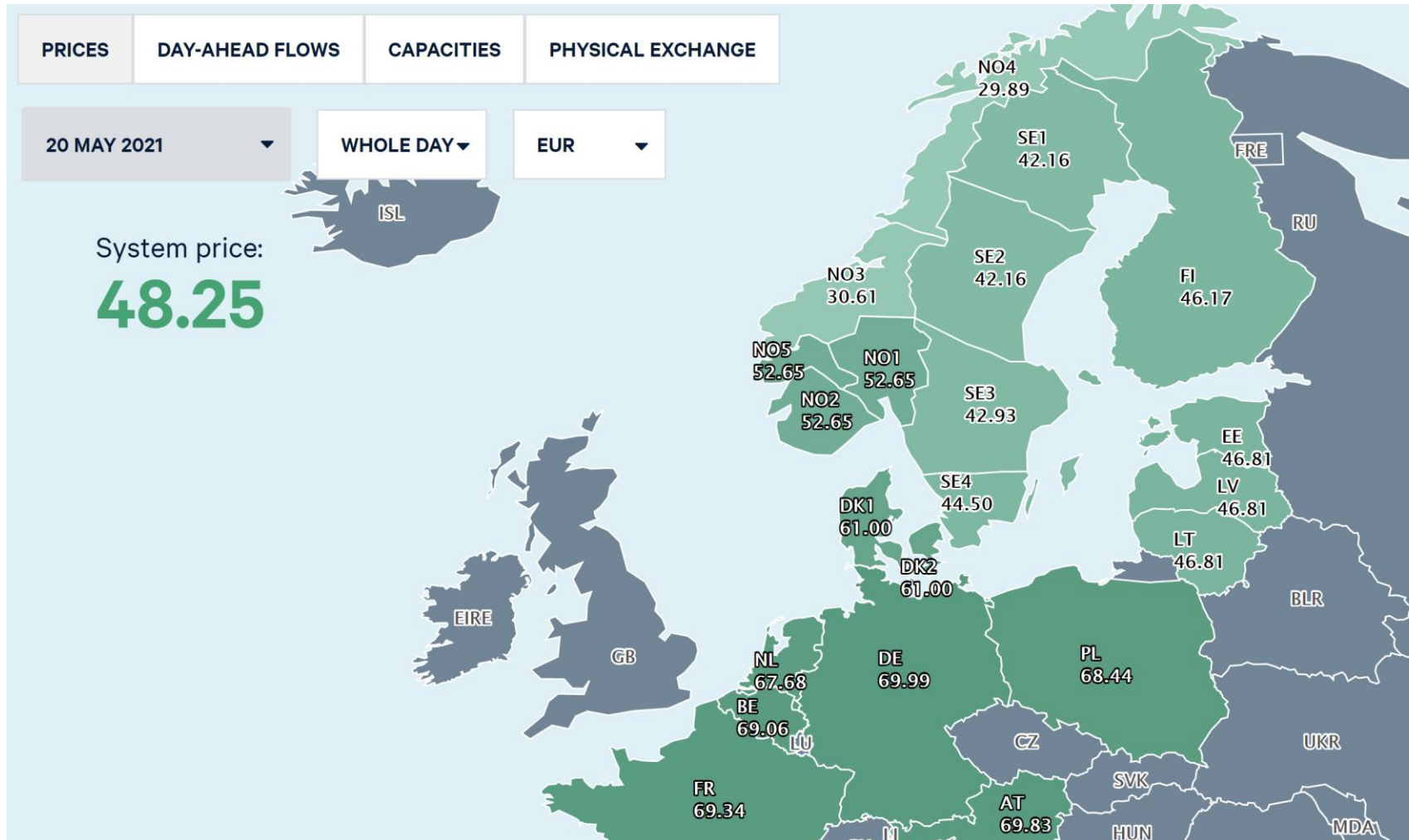
More talent joins Magnora  
i.e. Advisors Bjørn Drangsholt former Statkraft UK Country Manager (Shearingham Shoal and more, Kristin Gjertsen Aker BP (license specialist North Sea), Bjørn Gisle Grønlie General Counsel EVP M&A (TechnipFMC)

# WIND TURBINE DEVELOPMENT





# CURRENT PRICES FROM NORDPOOL.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

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- 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 specialized 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.



**MAGNORA ASA**

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