MAGNORA ASA

2022
Q4 REPORT

13 February 2023

ELECTRIC

Future

Magnora creates, develops, and invests in clean energy companies and projects that benefit from our combination of executive management, funding and support for value creation. We invest across several geographic markets and segments.

Content

ABOUT

Magnora

Magnora has built a diversified portfolio of clean energy companies and projects across several segments and markets. The initial investments targeted projects in early-stage development. The portfolio also includes a company with a unique perovskite solar cell technology.

The accelerating green shift has enabled the Group to grow rapidly and generate opportunities for dividends and possible exits through IPO or share sale.

Magnora's small team of industry-leading specialists identify, select, and develop suitable investments. Our strategy is to invest and then provide support through our team, network, and active ownership. We aim to divest without investing extensively in fixed assets.

FOURTH QUARTER

In Brief

KEY HIGHLIGHTS FROM Q4 2022

Magnora is increasingly generating cash both from our legacy business and the renewable business. Magnora's Q4 EBITDA of NOK 65.5 million was mainly due to revenue recognised from the Shell legacy agreement.

As for renewables, the Company has guided within a price range of NOK 0.5 million to NOK 1.5 million per MW at divestment for 2022. For the year as whole average sales price on Group level was slightly below our mid-point guiding when we exclude future bonuses, construction management (CMA) and technical management (TCMA) fees.

The green shift and a corresponding political push continue to drive renewable investments, which again causes a strong interest in our portfolio companies. Our portfolio companies continue to secure land, permits and grid connections, and reaching ready-to-build (RTB) status for their projects. Some of the projects are now moving into the construction phase. For instance, in Vesterås, Sweden, Commerz Real is building a 21 MW project acquired from Helios, who will be responsible for construction management and technical management when the plant enters operation (see page 9).

Our Q2 2022 report set financial targets for 2022 and future years. We achieved a 231 MW net share of asset sales in the portfolio companies for the full year 2022. The Group has also been considering new opportunities, including solar PV and battery storage opportunities in new markets.

OPERATIONAL HIGHLIGHTS

» The Shell Penguins unit sailed in early December 2022, triggering the recognition of a USD 7.5 million milestone payment in the Group's Q4 revenue. The revenue is reflected as a receivable as of the end of the year and was received in February 2023. This is the second of four milestone payments, with the remaining expected in 2023 or early 2024.

» Evolar continues to deliver on its cell efficiency targets, while negotiating business opportunities with industrial partners and customers. Magnora has a convertible loan agreement with Evolar. Interest from external financial and industrial investors has allowed Evolar to consider various financial alternatives with a focus both on return for Magnora's shareholders and continued industrial progress.

» Helios closed its last transaction for the year in December, reaching 577 MW in total sold projects for 2022. Helios continued to grow its portfolio, which totalled 82 projects and 2.3 GW at the end of 2022. Potential new sales can be expected in the near term.

» Magnora South Africa continued development of its wind and solar PV projects. The team has grown to 8 full-time employees supported by Magnora executives and management in Norway.

» Magnora Offshore Wind is proceeding according to plans with the 495 MW "Talisk" project – a name given to the N3 area of the ScotWind initiative. In December 2022, the Office of Gas and Electricity Market published a proposal for a 1 link to Beaulyby 2030 that would greatly benefit Talisk.

» Neptun Tromsø AS has initiated the application process signed LOIs with Posten Bring (national postal company) and other potential customers for the green ammonia from the planned facility.

» Magnora added a 80MW/160MWh battery energy storage (BESS) project to its portfolio of solar and BESS projects in the UK during the fourth quarter. The partnership continues to explore new opportunities with some ready for sale in 2023.

FINANCIAL HIGHLIGHTS

» Adjusted EBITDA* for fourth quarter 2022 was NOK 72.6 million after adjusting for development and M&A expenses as well as option expenses. EBITDA was mainly impacted by the revenue from the legacy contract with Shell but continues to be impacted by development costs consolidated from Evolar, Magnora Offshore Wind, and Magnora South Africa.

» As of 31 December 2022, cash and cash equivalents amounted to NOK 171.9 million

** See definition in note 1*

SUBSEQUENT EVENTS

» Hafslund Magnora Sol AS has entered into multiple option agreements with landowners to develop solar PV parks in Norway.

DEVELOPMENTS DURING

The Quarter

OPERATIONAL REVIEW

The figures are unaudited.

Magnora maintained a high activity level throughout the fourth quarter, mainly driven by the Group's portfolio companies.

Helios closed its last transaction for the year in December, which put the total sold projects at 577 MW for 2022. Magnora's share of this is 231 MW. Helios continued to grow its portfolio, which totalled 82 projects and 2.3 GW at the end of 2022. Additional sales are expected in the near term. In addition to developing projects, the company delivers Engineering, Procurement and Construction (EPC) services as well as management and several after-market services. Revenue from these services will be reflected in the statements of Helios when the services have been delivered and invoiced. If electricity prices remain at current levels in the long term, there is an upside to developer margins.

Evolar is simultaneously reducing market and technology risk. The company continued to mature its solar PV enhancing perovskite technology in parallel with discussions with several new potential customers for its technology and production line. The company has reached key milestones related to durability, cost and efficiency. Evolar's technology can be used directly on the glass on the modules as well as directly on silicone solar cells. The company has received its first payments from customers that take part in development projects. Due to external interest, we are considering various financial and strategic alternatives for the company.

Magnora South Africa continued to develop its wind and solar PV projects, with two additional wind projects ready for wind measurement masts to be erected. Magnora South Africa continues to explore new expansion opportunities in the country and has engaged in several commercial discussions. Some projects are expected to be ready for sale by the second half of 2023. Interest from investors increase as the market opens further for private capital. Different strategies for Magnora South Africa are under consideration in order to further utilise the market potential.

Magnora Offshore Wind is progressing with its ScotWind project, named Talisk, and is already conducting bird and mammal aerial surveys and several flights have been completed since it started in the spring of 2022. The company is also working closely with the local community to investigate how local supply chain can be developed. A 1800MW HVDC transmission link between the Western Isles and National Grid at Beuly is included in OFGEM's (Office of Gas and Electricity Market) strategic plans for development of the Scottish high-voltage grid. The sub stations and the transmission cable are planned for delivery in 2030. Final decision will be taken by National Grid and is expected in Q1/Q2 2023.

Neptun Tromsø AS is continuing its development and has initiated dialogue with potential suppliers for the project, gaining significant interest. The project has signed several LOIs with potential off-takers, all representing significant volume. These are being matured, with expectation to sign binding off-take agreements during H1 2023.

Magnora added a 80MW/160MWh Battery Energy Storage System (BESS) project to its UK portfolio. The portfolio now consists of a 60 MW solar PV project, and two BESS projects totaling 200MWh. The 80MW/160MWh BESS project is located on brown field land in an industrial area. Terms have been agreed with the landowner, a grid connection offer has been received and grid deposit was paid October 2022. The first projects are expected to be at ready-to-build stage during 2023.

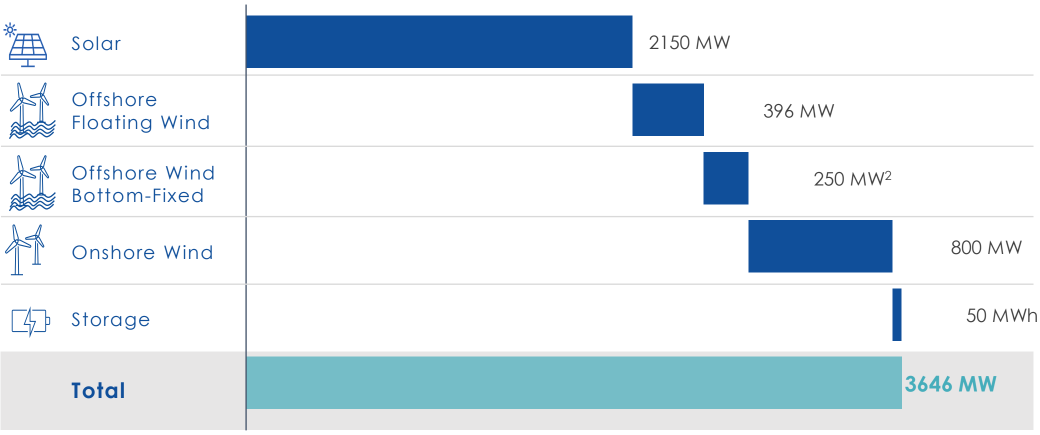
Partner discussions are on-going for both offshore wind and solar PV projects, and there is good interest from established industry players. We see a price range from NOK 0.5 million and upwards per MW depending on the size of the project, unit economics (grid connection, long term price outlook), soil conditions, the amount of risk we assume, and EPC offers.

KEY

Portfolio Figures

PORTFOLIO BY TECHNOLOGY

MW, net share of project capacity [1] for projects under development



MARKET PRESENCE

MW, net share of project capacity [1] for projects under development

Market		Net share of project capacity (MW)	Technology
	Sweden	1,170 MW	
	Scotland	396 MW	
	England	80 MW	
	Norway	30 MW [3]	
	South Africa	2,000 MW	

1) Total capacity in MW x Magnora ownership share = Net share
2) Economic interest, as of 31 December 2022 own 37.5% with option to increase to 50%
3) Option leases signed after 31 December 2022

Market Cap*	Share Price*	Total Shares
MNOK 1 417	NOK 21.20	66 822 679

*As of market close 30 December 2022

INVESTMENT

Portfolio

Magnora provides capital, management and strategic support to its portfolio companies to help them develop and grow. We look for companies with result-oriented and humble teams, with high integrity and a proven track-record.

FINANCIAL TARGETS

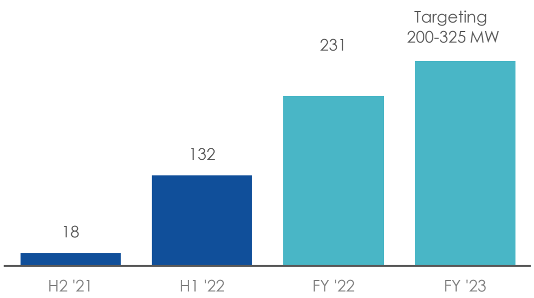
The Q2 2022 targets (below) on net share from the portfolio companies are due for revision in Q2 2023 following the strong growth achieved during 2022:

» 5 GW of development projects by 2025
» Asset sales of 150-250* MW in 2022 (231MW was achieved)
» Asset sales of 200-325* MW for the full year 2023
» Sales price of above NOK 0.5 million per MW for solar PV and onshore wind projects, subject to risk, unit economics and other factors
» Legacy revenues of minimum USD 10 million over the next 9-18 months from FPSOs
» The Group continues to see compelling investment opportunities and will call for dividend in portfolio companies with excess cash
» Magnora will suggest that excess cash is distributed as dividends if we are unable to find profitable growth opportunities and/or buy-backs.

*Sales to Earnings Per Share Conversion is subject to IFRS, size of upfront payment, grid connection, all permits in place etc. Sales targets are subject to potential delays due to high volumes and complex negotiations, which could affect timing of closing.

PROJECTS SOLD & GUIDANCE

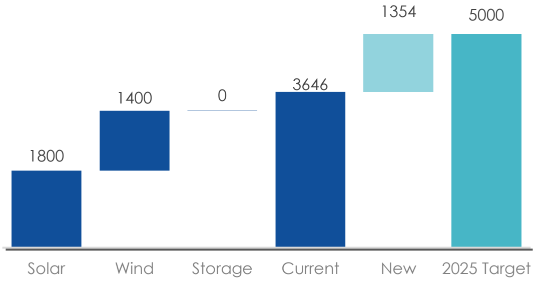
MW, net share of project capacity [1]



1) MW x Magnora Ownership = Net share

DEVELOPMENT PORTFOLIO AMBITION 2025

GW, net share of project capacity [1]

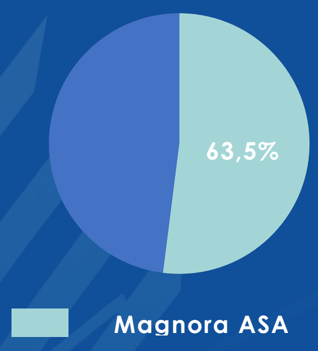


Evolar

Commercialising a disruptive turn-key solution that enhances efficiency in solar PV by way of perovskite technology

- As of January 2023, Perovskite is the only material that may increase outputs from PV in the short term
- Efficiency gains of +25% by adding a perovskite layer to conventional solar panels
- Commercializing equipment and processes for enhancing conventional solar panels
- Ambition to sell turn-key solutions to solar cell manufacturers
- 31 FTE

OWNERSHIP



www.evolarab.se

Magnora acquired 28.44 percent of the shares in Evolar through a share issue in the fourth quarter of 2020 and has since increased its ownership to 63.5 percent through additional share issues.

Evolar is developing a perovskite-based PV power booster technology with a potential to increase the efficiency of conventional silicon-based solar panels at low cost. The investment in Evolar gives Magnora access to a unique technology in a growing market. The Evolar team has led the world in developing thin film solutions such as a copper indium gallium selenide (CIGS) solar cell delivering an efficiency of 24 percent and a thin film module record of 21 percent efficiency. The Evolar team has previously developed multiple factories in Germany and China and sold solar cells directly in Europe through IKEA.

The company has a unique industrial scale R&D prototype production line, which is fully operational in Evolar's manufacturing facilities in Uppsala, Sweden. This allows the team to quickly scale and test solar cells and modules and thereby shorten the time-to-market. Perovskite can have a transformational effect on the solar cell market as well as the green transition due to its potential disruptive performance compared to conventional solar cells. Evolar's business model is to develop and sell design, hardware, software and consumables for solar cell manufacturers which want to implement Perovskite tandem technologies to their current offerings.

The Evolar team is in discussions with several industry players across the value chain who are eager to investigate the use of their perovskite technology for potential cooperation, testing, and scale-up of technology to capitalise on the USD multi-billion solar cell market.

Evolar's organisation is growing in line with its strategy, with key personnel successfully hired during the quarter. The company maintains an advisory board that includes the Dean of Uppsala University, Anders Hagfeldt, a recognized expert in the global perovskite community.

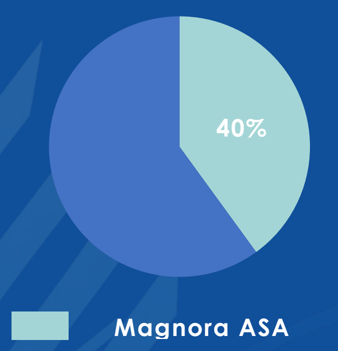
More details are available on Evolar's home page: www.evolarab.se.

Helios

Greenfield developer of large-scale solar PV projects in the Nordics and Baltics

- 82 ongoing projects with a total capacity of 2.3 GW
- 3,122 hectare land lease agreements
- ~80% of landbank with positive grid indication
- Projects sold more than 600 MW
- Growing revenue streams from a growing landbank with subsequent technical management services
- Strong risk management focus

OWNERSHIP



www.heliosnordic.com

Magnora participated in a share issue acquiring 25 percent of Helios Nordic Energy AB (Helios) in February 2021 and increased its ownership to 40 percent in the third quarter 2021.

Helios is a greenfield developer of large-scale PV projects in the Nordics and Baltics. The company has developed a project portfolio by signing options for land leases in well suited locations and subsequently obtained grid connection agreements and building permits to install utility scale PV plants. The company has land lease agreements for 82 projects with a total installed capacity potential of approximately 2.3 GW.

During the fourth quarter 2022, the company closed yet another transaction with Commerz Real for divestment of five projects. Helios has so far divested more than 600 MW to reputable takers such as OX2, Commerz Real, Nordic Solar, and Solgrid.

We note a significant interest in the marketplace for solar PV projects and expect several projects in.

More details are available on Helios' home page: www.heliosnordic.com.

Magnora South Africa

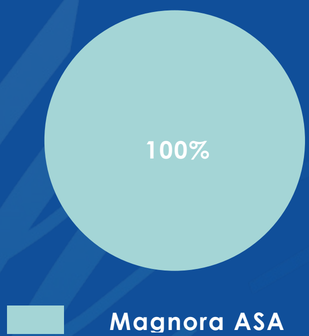
Magnora South Africa Projects AS - Solar and wind project company;

- Combined greenfield portfolio of 1,950 MW solar PV and onshore wind
- 63,700 hectares of land secured by leasing contracts
- 100 percent ownership

Magnora South Africa Development AS - Renewable development company; African Green Ventures (AGV)

- AGV project team of eight people in Cape Town specialized in renewable project development in South African market
- 92 percent ownership

OWNERSHIP



www.africangreenventures.co,za

Magnora entered the South African market in 2021, acquiring 100 percent of the shares in a South African company with a development portfolio consisting of approximately 450 MW wind power and 400 MW solar PV.

In Q1 2022, Magnora acquired 92 percent of African Green Ventures (AGV), a renewable energy development company. With the acquisition, Magnora has a local project development team in South Africa to develop existing projects and expand the portfolio of wind and solar PV projects in South Africa. The portfolio is at the end of 2022 at approximately 1950 MW.

South Africa plans to source minimum 20-30 GW of renewable projects over the next decade to decrease the current power shortage. The government has removed the previous 100 MW limit for corporate and industry (C&I) and is aiming to make the approval processes more efficient.

Magnora considers options for South Africa that are driven in part by interest from investors. Management is continuing commercial discussions with potential partners, investors and PPA customers.

In South Africa, grid is a significant constraint, which is continuously managed as part of the project risk management process. Several projects are applying for permits. One solar PV project was granted Environmental Authorisation in the second half of 2022. All projects under development are expected to meet the criteria needed in public tender rounds ("REIPPP") and potential C&I power purchasing agreements (PPAs).

Kustvind

Shallow water offshore wind project of 500 MW located in southern Sweden

» 8 – 15 km from shore

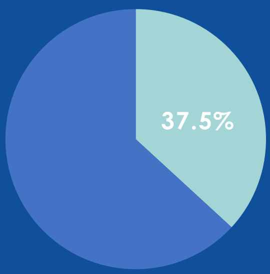
» 25 – 30 meter water depth

» Wind speed 9.5 m/s (170 m)

» 500 MW, 2 TWh/y

» 25 – 33 WTGs to be installed

OWNERSHIP



Magnora ASA
*Option to increase ownership to 50%

www.kustvind.se

Magnora holds 37.5 percent ownership in Kustvind AB (Kustvind) 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 attractive wind conditions 8 - 15 km offshore the southern coast of Sweden. The wind farm has a potential to produce 2 TWh annual green electricity and can potentially provide 250 000 homes with electricity.

The project is close to relevant infrastructure and in an area of Sweden with very attractive electricity prices both historically and recently. The project is about to finalise environmental impact assessments and technical design. The work is progressing as planned, with results from wildlife and marine environmental studies as expected so far and without red flags. Permit application is anticipated to be ready for submission in Q1 2023. Development work for the grid connection route is also progressing according to plan.

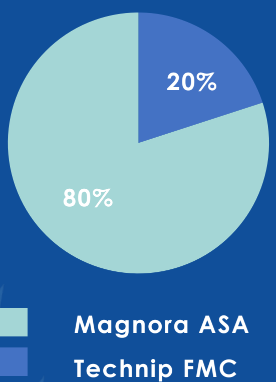
More details are available on the project's home page:
www.kustvind.se.

Magnora Offshore Wind

Offshore Wind development company in collaboration with TechnipFMC

- Developing 495 MW Offshore Wind capacity in Scotland (ScotWind, N3 area)
- Preparing for UK and Norwegian leasing rounds
- Exploring new markets for development of offshore wind

OWNERSHIP



www.magnoraoffshorewind.com

Magnora established Magnora Offshore Wind in partnership with TechnipFMC, and the company submitted its first applications for licenses to develop offshore wind farms in the ScotWind leasing round.

In April 2022, Magnora Offshore Wind signed an Option Lease Agreement with the Crown Estate Scotland for area N3. The planned development will have a total capacity of 495 MW which is estimated to produce 2.4 TWh per year. In Q4, this initiative was named *Talisk*.

Magnora Offshore Wind has also entered into a cooperation agreement with Hiraeth Energy for participation in the upcoming leasing round for floating offshore wind projects in the Celtic Sea, targeting exclusivity for a 1000 MW project.

The company plans to participate in the first offshore wind application round in Norway, and other markets are under consideration. TechnipFMC has already played a key role in the floating wind industry since inception and has participated in developments such as the Hywind projects.

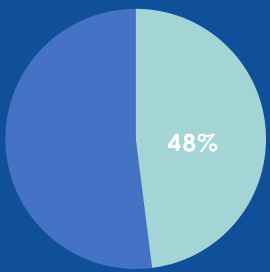
The partnership with TechnipFMC has already provided several synergies in the ScotWind project. TechnipFMC has over 4,500 employees in England, Scotland, and Norway, with several of the key resources available locally.

Hafslund Magnora Sol

Solar PV development company established in Norway

- Ambition to develop 1000 MW
- Dialogues with several landowners on-going and 3 option agreements signed totaling 70 MW
- Company and organisation established
- Recruiting for growth

OWNERSHIP



Magnora ASA

*Indirect ownership of 8% through Helios' 20% ownership

www.hafslundmagnorasol.no

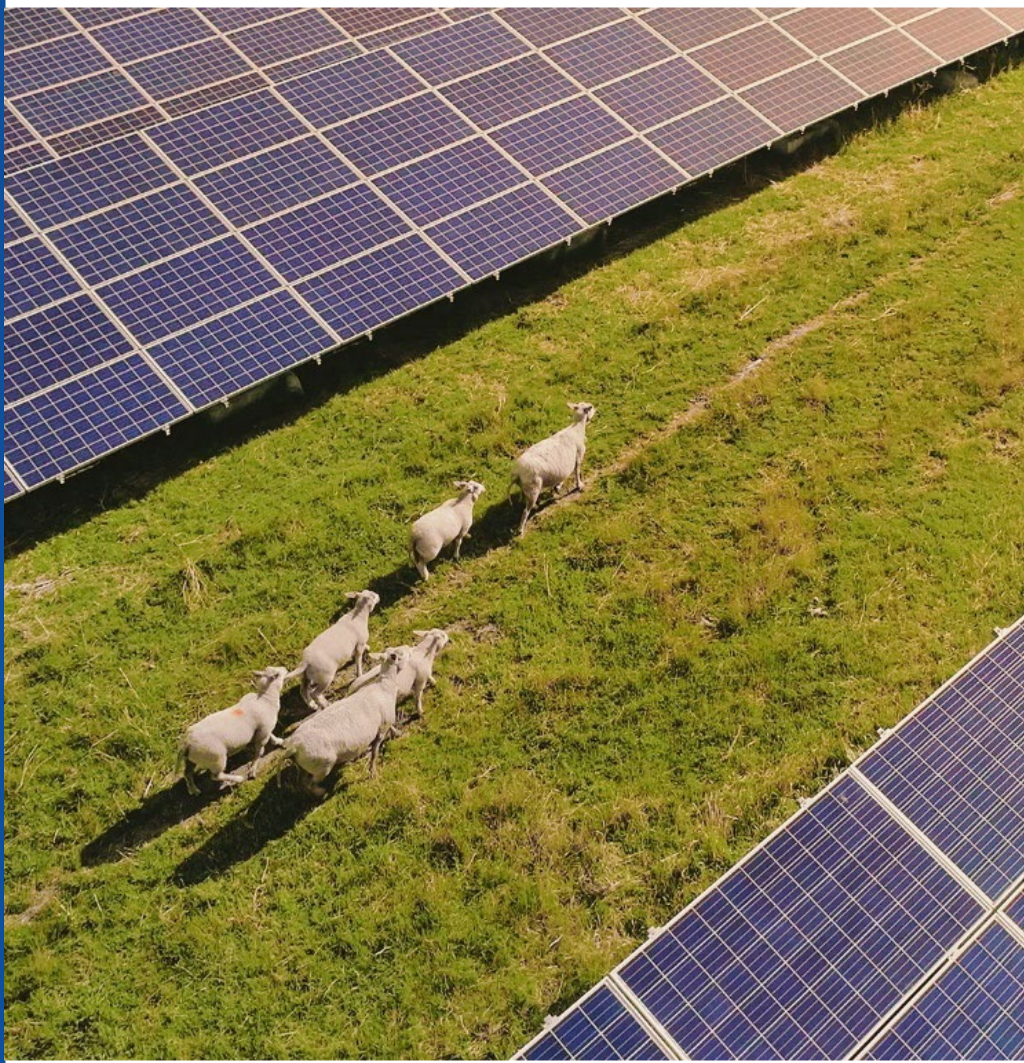
Magnora has established Hafslund Magnora Sol AS with Hafslund and Helios for development of large-scale solar parks in Norway. Magnora and Hafslund own 40 percent each, and Helios the remaining 20 percent.

The company aims to develop 1,000 MW of solar power in Norway and will develop projects from the start and until they are ready for construction, after which Hafslund will have a first right to buy the projects.

Hafslund is one of Europe's largest and Norway's second largest producer of renewable power, and wholly or partially owns more than 80 hydropower plants in Norway. The company's own power production is approx. 18 TWh and in total the group operates a production of over 21 TWh. Hafslund has more than 100 years of experience in hydropower, owns half of Norway's largest grid company, Elvia, and invests heavily in heating, cooling, carbon capture and offshore wind as well.

Subsequent to the quarter, the company has signed landowner agreements and kicked off three projects totaling 70 MW. The environmental surveys and permit processes is initiated on the projects.

The company is in the process of building up its own organization and has launched a recruiting process.



Neptun Tromsø

Large-scale production facility for green ammonia to be established in Tromsø, Norway.

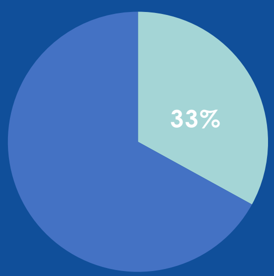
» Tromsø major Norwegian port and marine hub

» Local access to renewable and clean energy

» Electricity prices favorable

» Location suitable for exports

OWNERSHIP



Magnora ASA

www.neptuntromso.no

Magnora holds 33 percent ownership in Neptun Tromsø AS which develop a large-scale facility for production of green ammonia in Tromsø, Norway. The green ammonia will be supplied to the maritime industry as green fuel. We see the Neptun project as a significant effort towards the green shift.

The carbon-free ammonia is produced by capturing nitrogen from the air and combining it with green hydrogen. The energy used in the hydrogen (H2) and ammonia (NH3) production processes is supplied from regional hydro and wind power plants providing reliable renewable and clean energy.

Tromsø is an ideal location for the production of green maritime fuels, benefitting from a strong power surplus from local wind and hydropower plants which gives favorable electricity rates and green energy. It is also Northern Norway's main transport hub with 8,500 annual ship calls. Moreover, the port of Tromsø is Norway's largest fishing port, and has an increasing number of cruise ship calls.

The planned site for the facility is 10 kilometers from Tromsø city center and located along the main shipping lane into the port of Tromsø. Port of Tromsø (No: Tromsø Havn) has developed and owns the area, which is regulated for industry. The existing quay at the location offers deep-sea quay and logistic facilities, and it is therefore a natural location for the bunkering of green fuels. The green ammonia can be easily shipped from the production facility to locations in Norway and Europe or loaded on bunkering ships, either for maritime use or to chemical industry.

The project is currently planning for start of operation by 2026 for phase 1 of the project and has signed LOIs with Posten Bring (national postal service) and other potential off-takers for the green ammonia to be produced by the planned facility. These are being matured, with expectation to agree on off-take agreements during H1 2023. The project has also initiated dialogue with potential suppliers for the project, gaining significant interest.

OTHER ASSETS:

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.

Dana Petroleum – Western Isles FPSO

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 2022 was NOK 2.8 million (NOK 3.5 million). The FPSO was completed in 2017 and production started in Q4 2017.

The Western Isles FPSO has a production capacity of 44,000 barrels per day and 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.

As this is a long-term asset with a considerable value, the Group is considering various exit strategies to maximise value through a sale.

Shell – Penguins FPSO

Magnora is also entitled to license fees from a license agreement with Shell for the Shell Penguins FPSO. Magnora received payment for the first milestone of USD 2.625 million under the license agreement in Q1 2018. The second payment under the license agreement was subject to completion and sail away of the Penguins FPSO from the construction yard, which took place in December 2022. This milestone released USD 7.5 million, which was paid to Magnora by Shell in February 2023.

The remaining license income of the Penguins agreement is approximately USD 8.5 million and subject to milestone achievements. Further payments under the license agreement are subject to two milestones: 1) the installation of the Penguins FPSO at the field and production started, and 2), the successful production, offloading and gas export of 4 million barrels which is estimated to be approximately 6 months after successful start-up.

The Penguins field is currently producing and is hooked up to the last of the remaining Brent platforms

FINANCIAL REVIEW

The Group operates with the two segments Corporate and Projects. Both segments engage in business activities with revenues and expenses which are followed up separately.

Magnora recognises its share of the financial results from each of the portfolio companies according to its ownership share in accordance with IFRS. For subsidiaries, the full net profit/loss is recognised as these companies are consolidated into the Group's financial reports. The development costs in these companies are expensed and not capitalised, as they are in an early development phase.

CORPORATE

The corporate segment consists of the corporate staff and represents the cost base of the Group. All licensing revenues from legacy oil and gas contracts are managed and reported as part of the corporate segment.

Operating revenue for the corporate segment was NOK 81.8 million (NOK 79.9 million from license income and NOK 2 million from services tendered to subsidiaries and associated companies), and the operating expense was NOK 10.1 million in the fourth quarter. EBITDA in the corporate segment in Q4 was NOK 71.8 million.

The year-to-date operating revenues were NOK 102.6 million and operating expenses NOK 30.6 million in the corporate segment.

PROJECT

The project segment consists of the portfolio companies, projects, and all related activities. Development and M&A related expenses are assigned to the project segment, excluding M&A related expenses for acquisitions that have not materialised. These expenses are assigned to the corporate segment.

In the fourth quarter, there was no operating revenue and no operating expense from subsidiaries in the project segment. The development and M&A expense was NOK 6.3 million. EBITDA in the segment was negative NOK 6.3 million.

Year-to-date, there was NOK 0.3 million from subsidiaries in operating revenues in the project segment. Operating expense was NOK 1.2 million, and development and M&A expense was NOK 60.6 million in the project segment.

CONSOLIDATED

Operating revenue in the fourth quarter 2022 was NOK 79.9 million, NOK 76.1 million higher than the previous quarter. The operating revenue is mainly from the USD 7.5 million license income from the agreement with Shell and NOK 2.8 million from the license agreement with Dana. The license income from Dana was lower than the previous quarter due to lower off-loading volumes. EBITDA was NOK 65.5 million (negative NOK 18.2 million) mainly due to consolidating in Evolar, Magnora Offshore Wind, and Magnora South Africa with their respective operating and development costs. EBITDA included NOK 2.9 million of non-cash option expenses for Q4 2022. See note 3 for further details.

Adjusted EBITDA was NOK 72.6 million. The operating expense was NOK 10.1 million. Development and M&A costs were NOK 4.3 million for 2022. Development and M&A costs were also affected by the expenses from development of the projects in South Africa, and the ScotWind project in Magnora Offshore Wind.

With the exception of Evolar and Helios, financial results from subsidiaries and associated companies continued to be negative, as the companies are in early phase of executing their business plans. Helios has over the last months progressed significantly ahead of its business plan and sold several projects, which will be reflected in its financial reports when the projects reach ready-to-build (RTB) status.

As Magnora is increasing its ownership share in the portfolio companies, it is also recognising an increasing share of the negative financial results for the reporting periods. Portfolio companies are classified subsidiaries when the Group has more than 50 percent ownership and/or considers it has control of the entity as majority shareholder. For subsidiaries, the full net profit/loss is recognised and their balance sheet as these companies are consolidated into the Group's financial reports.

Financial results reflect the activity level and progress in the portfolio companies. Net profit for the quarter was NOK 54.4 million, an increase of NOK 72.7 million compared to the previous quarter (negative NOK 18.3 million). This increase was mainly due to higher license income as noted above. Evolar is consolidated in the Magnora financial statement, and its costs reflected in the Group unadjusted EBITDA.

The consolidated year-to-date operating revenues were NOK 91.7 million and operating expenses NOK 81.2 million.

CASH FLOW

As of 31 December 2022, cash and cash equivalents was NOK 171.9 (NOK 196.4 million). This does not include cash from Shell Penguins which was received in early 2023. Net cash generated from operating activities was negative NOK 19.8 million for the Group. The cash flow in the quarter was mainly affected by development costs in Evolar and Magnora Offshore Wind.

FINANCIAL POSITION

The equity ratio was 77 percent as of 31 December 2022. The Group closed an equity private placement of NOK 200 million during the third quarter and has loan facilities of NOK 150 million. As of 31 December 2022, NOK 76.3 million was drawn from the loan facility, leaving NOK 73.7 million of the total NOK 150 million loan facility.

RISK AND UNCERTAINTY FACTORS

Magnora is exposed to market risk, electricity price risk, in-direct equipment price risk, customer risk, project risk, reservoir risk, credit risk, currency risk, renewable license risk, concession risk, interest rate risk, inflation risk, liquidity risk, climate risks, regulatory risks, and other indirect risks. The Group's overall risk management programme focuses on the uncertainty of financial markets and seeks to minimise 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 Group 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 optimised wind park. There are also risks related to military installations and training areas in addition to wildlife risks.

The profitability and viability of projects can be influenced by outside factors, such as the global transportation constraints during the past months, and the war in Ukraine.

These types of events can have various effects on project costs, access to materials, transportation, and other goods and services relying on the same.

Market price of electricity can influence the profitability and value of Magnora's investments. 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.

Although Magnora's remaining legacy customers are two major companies with a strong financial basis, as with suppliers and customers in general, there is a risk that unforeseen financial difficulties on the counterparty's side may arise and cause material adverse effects on the financial condition, cash flows and/or prospects of Magnora.

The Group 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 operating revenues over the next two years.

Competition is significant as companies in other industries are trying to benefit from the positive policy support from governments pushing for improvements in CO2 emissions. Several companies Magnora competes with are parts of larger groups, with better access to key personnel and funding.
The recent Covid-19 virus could potentially affect revenues for a short period if the crew on the Western Isles FPSO is dismissed due to infection risk or similar. Magnora could then experience a period without revenues if the Dana FPSO halts production due to the Covid-19 virus. Furthermore, the virus could also delay the final preparation and hookup of the Shell Penguins vessel currently sailing from China, which would then delay the milestone payments from Shell.

The global climate appears to be changing, and the average temperature is predicted to rise globally, causing more extreme weather conditions, and impacting habitat. Governments are now focusing on reaching a net zero world, which is aligned with the Group's strategy of investing in renewable energy projects and companies developed in a sustainable way.

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 Group operates in. Changes in the licensing regulations can for instance cause delays in development and construction of projects.

The Group derive all its cash flow from financial investments, two legacy agreements and its subsidiaries and associated companies. Negative cash flow and lack of financial performance from those companies therefore affects the Group. The exposure is limited to the Group's invested amount in those companies and is closely linked to the companies' ability to execute its strategy and manage risk. Magnora is represented on all boards of its subsidiaries and associated companies and mitigates risks through normal governance processes.

Liquidity and access to capital is a risk now that the Group is investing in more capital-intensive projects. This is managed through close dialogues with financial institutions and a strict timeline for cash flow that matches future investment payments with investment gains from farm-downs and exits. As a mitigating measure, the Group has replaced a shorter-term overdraft facility with a NOK 100 million loan facility with longer term and has a total of NOK 150 million in loan facilities.

Loss of key personnel is a risk to the Group as it operates 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 Group.

Sales of projects prior to the ready-to-build phase and final payments are typically closed when all permits, grid connections and/or equipment and long lead items are secured. The full payment of a project sale might be at risk depending on the exact contract terms. Lack of progress in a project can lead to a project sale being cancelled if we or a group company are unable to replace it with an alternative project.

OUTLOOK AND STRATEGY

Magnora continues to grow its portfolio of renewable energy companies and projects and has expanded into solar PV, offshore wind, onshore wind and solar PV enhancing technology market across the Nordics, UK and South Africa.

The Group is experiencing strong interest in projects and portfolio companies and is considering various financial alternatives for our business. Our first dividend from our portfolio company Helios was paid out in early August. We also notice and experience industrial interest for our various platforms and Magnora ASA. Furthermore, we have good relationships with Nordic banks who have contributed with competitive loan facilities. The Board has also noticed high pricing for private renewable platforms in various transactions over the last few years. Magnora's Board will consider various financial alternatives for the group and our portfolio companies going forward. Magnora continues to see compelling business opportunities in our core markets due to energy prices, energy security, the green transition, high CO_2 prices, CO_2 footprint and many other factors. The price range per MW is NOK 0.5-1.5 million depending on the risk profile and unit economics in the project. In certain segments and private platform transactions we have seen prices above the levels indicated above.

As all subsidiaries and associated companies are in the early phase of executing their business plans, there is interest from industrial and institutional investors to invest prior to Ready-to-Build phase.

MAGNORA OFFSHORE WIND

The Group is considering several promising offshore wind projects to develop. The award of the ScotWind project has generated several interests from the industry, banks and investors. Floating wind is becoming increasingly attractive with cost improvements identified in the industry, combined with avoiding the local opposition experienced in many regions against onshore wind installations. The ScotWind lease award achieved by Magnora Offshore Wind demonstrates our ability to select the right investments and provide the needed support for development and growth, with our investment philosophy and lean operating model.

The ScotWind project, named Talisk, is already conducting bird and mammal aerial surveys and several flights have been completed since it started in the spring of 2022. Magnora Offshore Wind is also working closely with the local community to investigate how local supply chain can be developed. A 1800MW HVDC transmission link between the Western Isles and National Grid at Beuly is included in OFGEM's (Office of Gas and Electricity Market) strategic plans for development of the Scottish high-voltage grid. The sub stations and the transmission cable are planned for delivery in 2030. Final decision will be taken by National Grid and is expected in Q1/Q2 2023, which we see as a positive signal confirming OFGEM's commitment to provide the grid infrastructure needed for the planned offshore wind parks in the Western Isles area.

HELIOS

Helios has received positive feedback for several projects from institutional investors. Magnora has noticed an increasing interest for European solar platform companies.

EVOLAR

Evolar continues to explore its financial alternatives and IPO options, while developing industrial partnerships and a strategic customer base. The company has three joint development agreements in place. The company is working with several potential new customers and is experiencing high interest from external financial and industrial investors. Evolar is considering its financial alternatives. Magnora has provided a convertible loan to Evolar which will enable its further development.

PENGUINS FPSO

The Penguins FPSO was completed and sailed from the construction yard in December 2022. This released a payment of USD 7.5 million to Magnora from Shell. The two remaining license payments from Shell are USD 4.3 million at first oil and USD 4.3 million at 4 million barrels of oil offloaded, and both milestones are expected achieved this year.

MAGNORA GROUP

The Group has increased the number of projects with shorter development opportunities which is primarily within solar PV (shorter time-to-market) and expects to exit some investments already next year. Although political and public resistance remains high within onshore wind in Norway and Sweden, the sentiment is changing on the back of record high electricity prices in the region. The Group is following developments in the region closely.

The original strategy of building a robust portfolio across several segments and geographical areas has proven effective, with reduced exposure to political and country-specific risks. At the same time, we see an increasing appetite for our portfolio companies and projects from leading energy companies and infrastructure funds.

We also see increasing interests from investors and energy companies looking for construction management and operational management, as well as joint ownership structures. Magnora has established a wide platform which can generate earnings far beyond its license revenues.

Opportunities with shorter development cycles such as solar projects and license rounds will be prioritised going forward to maximise value creation in the Group. Solar PV is increasing in the region with less local resistance, as it appears to have less impact on wildlife and local citizens than onshore wind projects. We anticipate favorable developer margins for solar projects in the Nordpool area.

The Group continues to evaluate and investigate a significant volume of investment opportunities introduced, where assistance with funding and management support can help. We continue to receive a steady deal flow and expect to sign more new investments with compelling teams and companies in both the short and long term. We believe the last quarter of 2022 and 2023 will be a very exciting time for Magnora shareholders and expect positive developments within onshore and offshore wind, solar, as well as storage solutions within battery, green hydrogen and green ammonia. Magnora will continuously consider the best financial alternatives for the portfolio companies and the group.

SHARE BUYBACK, CAPITAL REDUCTION AND DIVIDENDS

The board of directors launched a new share buyback programme based on authorization from the annual general meeting ("AGM") held on 21 May 2019 and renewed by the AGM held on 26 April 2022. As of the date of this report, Magnora owns 21,866 of its own shares. Quarterly dividends have been halted to conserve cash for investments needed as part of the Company's strategy in the short term

Oslo, Norway, 13 February 2023
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	Q4 2022	Q3 2022	YTD 2022	Q4 2021	YTD 2021	2021
Operations							
Operating revenue	5	79,9	3,5	91,1	2,9	13,8	13,8
Other operating revenue		0,0	0,3	0,6	0,0	1,4	1,4
Operating expense		-10,1	-6,4	-31,8	-10,2	-30,8	-30,8
Development and M&A expense		-4,3	-15,6	-49,4	-7,2	-22,9	-22,9
EBITDA		65,5	-18,2	10,5	-14,4	-38,5	-38,5
Profit/loss from associated companies		-4,5	-2,3	-3,9	-6,5	-21,6	-21,6
Operating profit/(loss)		61,0	-20,5	6,7	-20,9	-60,1	-60,1
Financial income/(loss)	6	-1,2	-1,8	-2,1	-0,7	5,1	5,1
FX gain/(loss)		2,8	3,9	7,4	0,2	-0,1	-0,1
Net financial items		1,6	2,1	5,3	-0,5	5,0	5,0
Profit/(loss) before tax		62,6	-18,4	12,0	-21,4	-55,1	-55,1
Tax income/(expense)		-8,2	0,1	-8,1	-7,7	-7,7	-7,7
Net profit/(loss)		54,4	-18,4	3,9	-29,1	-62,8	-62,8

Numbers are unaudited

STATEMENT OF COMPREHENSIVE INCOME

Net profit/(loss)	54,4	-18,4	3,9	-29,1	-62,8	-62,8
Foreign currency translation	-3,5	-0,8	1,9	-1,4	-2,3	-2,3
Total comprehensive income	50,9	-19,2	5,8	-30,5	-65,1	-65,1
Profit/(loss) attributable to:						
Equity holders of the company	54,3	-19,9	12,5	-29,1	-62,8	-62,8
Non-controlling interest	0,1	-3,1	-8,6	0,0	0,0	0,0
Total comprehensive income attributable to:						
Equity holders of the company	51,5	-20,7	13,5	-30,5	-65,1	-65,1
Non-controlling interest	-0,6	-2,7	-7,7	0,0	0,0	0,0

Numbers are unaudited

CONDENSED STATEMENT OF FINANCIAL POSITION

NOK million	Note	31.12.22	30.09.22	31.12.21
Deferred tax assets	2	15,1	23,4	23,4
Intangible assets		170,9	162,2	0,0
Right-of-use assets		9,0	0,0	0,0
Fixed assets		15,3	11,6	0,0
Goodwill		34,1	29,7	2,0
Investment in associates	7	26,4	34,3	61,4
Total non-current assets		**270,9**	**261,2**	**86,9**
Trade and other receivables		97,7	18,2	6,8
Other current financial assets		23,7	28,7	0,0
Cash and cash equivalents		171,9	196,4	96,7
Total current assets		**293,3**	**243,3**	**105,6**
Total assets		**564,2**	**504,6**	**192,7**
Share capital		32,7	32,7	27,9
Treasury shares		0,0	0,0	0,0
Other equity		353,3	298,3	143,8
Total shareholders' equity		**386,0**	**331,0**	**171,8**
Non-controlling interest		45,8	46,4	0,0
Total equity		**431,8**	**377,4**	**171,8**
Deferred tax liability		4,9	8,7	0,0
Non-current liabilities		5,2	0,0	0,0
Total non-current liabilities		**10,1**	**8,7**	**0,0**
Overdraft facility*		76,3	74,6	0,0
Current liabilities		46,0	43,9	20,9
Total current liabilities		**122,3**	**118,5**	**20,9**
Total liabilities		**132,4**	**127,1**	**20,9**
Total equity and liabilities		**564,2**	**504,6**	**192,7**

* As of 31 December 2022, NOK 76.3 million was drawn from the loan facility, leaving NOK 73.7 million of the total NOK 150 million loan facility.

CONDENSED STATEMENT OF CHANGES IN EQUITY

NOK million	Share capital	Treasury Shares	Other equity	Non-controlling interest	Total equity
Equity as of 1 January 2022	28,0	-0,1	143,9	0,0	171,8
Total comprehensive income for the period	0,0	0,0	13,5	-7,7	5,8
Acquired treasury shares*	0,0	0,0	0,0	0,0	0,0
Share based payments	0,0	0,0	5,8	0,0	5,8
Capital increase**	4,4	0,4	189,7	0,0	194,5
Non-controlling interest***	0,0	0,0	0,0	26,3	26,3
Capital increase non-controlling interest in subsidiary****	0,0	0,0	0,0	27,7	27,7
Equity as of 31 December 2022	**32,4**	**0,3**	**352,9**	**46,3**	**431,9**
Equity as of 1 January 2021	**25,8**	**-0,1**	**92,4**	**0,0**	**118,1**
Total comprehensive income for the period	0	0,0	-65,1	0,0	-65,1
Acquired treasury shares*	0	0,0	0,0	0,0	0,0
Share based payments	0	0,0	3,4	0,0	3,4
Capital increase	2,2	0,0	113,2	0,0	115,4
Equity as of 31 December 2021	**28,0**	**-0,1**	**143,9**	**0,0**	**171,8**

** Through the share buyback program, Magnora owns 21 866 shares or 0.03 percent of total shares outstanding.*
***Capital increase due to board and management exercising options and share issue in September 2022.*
****Minority interest Evolar.*
*****Non-controlling interest Magnora Offshore Wind.*

Numbers are unaudited

CONDENSED STATEMENT OF CASH FLOW

NOK million	Q4 2022	Q3 2022	YTD 2022	Q4 2021	2021
Cash flow from operating activities					
Cash from operations	-19,8	-18,9	-51,8	-3,0	-23,7
Taxes paid/repaid	0	0,0	0	0,0	0,0
Net cash generated from operating activities	**-19,8**	**-18,9**	**-51,8**	**-3,0**	**-23,7**
Cash flow from investment activities					
Net purchase of marketable securities	0,0	0,0	0,0	0,0	18,9
Investment in fixed assets	-4,0	-0,8	-8,7	0,0	0,0
Dividend received	0,0	6,1	6,1	0,0	0,0
Investment in subsidiary net of cash acquired	0,0	0,0	5,1	-0,3	0,0
Net purchase of associated companies	-2,5	-5,1	-33,2	7,9	-58,6
ScotWind lease option fee	0.0	0.0	-94,6	0.0	0,0
Net cash from investment activities	**-6,5**	**0,2**	**-125,3**	**7,6**	**-39,6**
Cash flow from financing activities					
Capital distribution/increase	0,0	192,3	195,6	0,0	115,4
Overdraft facility drawn*	1,7	12,1	76,3	0,0	0,0
Net cash from financing activities	**1,7**	**204,4**	**271,9**	**0,0**	**115,4**
Net cash flow from the period	**-24,6**	**185,7**	**94,8**	**4,6**	**52,1**
Cash balance at beginning of period	196,4	10,7	96,9	92,3	44,8
Cash balance at end of period	**171,9**	**196,4**	**191,7**	**96,9**	**96,9**

** As of 31 December 2022, NOK 76.3 million was drawn from the loan facility, leaving NOK 73.7 million of the total NOK 150 million loan facility.*

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 subsidiaries and associated companies.

The Group 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 2021.

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

EBITDA: EBITDA, as defined by Magnora, includes total operating revenue, and excludes profit/loss from associated companies, depreciation, amortization, and impairment loss.

Adjusted EBITDA: Adjusted EBITDA is a measurement used in internal reporting to management and is considered to also be relevant for external stakeholders. Adjusted EBITDA shows the corporate activities and related expenses to operate the Group. This has been referred to as the Groups' cost base in previous reports. Adjusted EBITDA, as defined by Magnora, excludes development and M&A related expenses, and non-cash items and adjustments, such as options related expenses. Development and M&A related expenses are expenses related to investment transactions and development of projects.

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 2021.

2 SEGMENT FINANCIALS

The Group has developed from being a former oil and gas engineering company with license revenues and transformed into a renewable energy development company with several projects and investments in companies in its portfolio. As the Group has grown, it has implemented an updated operating model to manage its increasing portfolio of investments. As part of the new operating model, corporate and project related activities and expenses are followed up and reported separately. This is reflected in the tables below.

Both the project and corporate segments engage in business activities where it earns revenues and incur expenses. The project segment has not earned any revenues yet as all projects are in early-phase development. All licensing revenues from legacy oil and gas contracts are managed and reported as part of the corporate segment, and the renewable activities and investments are reported in the project segment. M&A related expenses for projects and transactions that do not materialise, are reported as an expense in the corporate segment, which is shown separately to show the cost base of the Group. Operating results of the segments are regularly reviewed by the entity's chief operating decision maker, which is the Magnora board, to make decisions about resources allocated to the segment and assess its performance. Segment performance is evaluated based on EBITDA and operating profit/ loss.

SEGMENT FINANCIALS YTD 2022:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		91,1	0,0	0,0	91,1
Other operating revenue		11,6	0,3	-11,2	0,6
Operating expense		-30,6	-1,2	0,0	-31,8
Development and M&A expense		0,0	-60,6	11,2	-49,4
EBITDA		**72,0**	**-61,5**	**0,0**	**10,5**
Profit/loss from associated companies		0,0	-3,9	0,0	-3,9
Operating profit/(loss)		**72,0**	**-65,4**	**0,0**	**6,7**

SEGMENT FINANCIALS Q4 2022:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		79,9	0,0	0,0	79,9
Other operating revenue		2,0	0,0	-2,0	0,0
Operating expense		-10,1	0,0	0,0	-10,1
Development and M&A expense		0,0	-6,3	2,0	-4,3
EBITDA		**71,8**	**-6,3**	**0,0**	**65,5**
Profit/loss from associated companies		0,0	-4,5	0,0	-4,5
Operating profit/(loss)		**71,8**	**-10,8**	**0,0**	**61,0**

SEGMENT FINANCIALS 2021:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		13,8	0,0	0,0	13,8
Other operating revenue		4,9	0,0	-3,5	1,4
Operating expense		-30,8	-3,5	3,5	-30,8
Development and M&A expense		-0,5	-22,4	0,0	-22,9
EBITDA		**-12,5**	**-26,0**	**0,0**	**-38,5**
Profit/loss from associated companies		0,0	-21,6	0,0	-21,6
Operating profit/(loss)		**-12,5**	**-47,6**	**0,0**	**-60,1**

SEGMENT FINANCIALS Q4 2021

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		2,9	0,0	0,0	2,9
Other operating revenue		1,8	0,0	-1,8	0,0
Operating expense		-10,2	-1,8	1,8	-10,2
Development and M&A expense		0,0	-7,2	0,0	-7,2
EBITDA		**-5,4**	**-9,0**	**0,0**	**-14,4**
Profit/loss from associated companies		0,0	-6,5	0,0	-6,5
Operating profit/(loss)		**-5,4**	**-15,5**	**0,0**	**-20,9**

3 ADJUSTED EBITDA

As noted in Note 1, adjusted EBITDA, as defined by Magnora, excludes M&A related expenses, expenses from consolidated entities, and non-cash items and adjustments, such as options related expenses. The purpose of this measure is to show the cost base of the Group for the reporting period.

NOK million	Note	Q4 2022	Q3 2022	2022	Q4 2021	2021
EBITDA		65.5	-18.2	10.5	-14.4	-38.5
Development and M&A expense		4.3	15.6	49.4	7.2	22.9
Option expense (non-cash)		2.9	1.0	5.8	1.0	3.4
Adjusted EBITDA		72.6	-1.6	66.7	-6.3	-12.2

4 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 recognised 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.

5 JUDGEMENTS

Consolidation of portfolio companies

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

The Group invested in Kustvind AB in March 2020 through a share issue and currently has 37.5 percent ownership. Magnora further has the right to increase its ownership to 50% according to a budget and milestone plan. The option to increase ownership is currently not exercisable, as the increase in ownership must come from a capital call from the Kustvind board due to a capital need in the project. The three founders of Kustvind own equal shares of the remaining shares in the company. Magnora has three out of five board members, and the founders have the remaining two members of the board. The other shareholders have the right to elect its third board member at any time, and it is expected that they will do so shortly. Magnora is a minority owner with three other owners and has significant influence of the company. Hence its ownership is accounted for using the equity method as an associated company.

The Group invested in Evolar AB in November 2020 through a share issue for 28.44 percent ownership, which was increased to 40.7 in June 2021, 50 percent in December 2021, and 63.5 percent in April 2022. The five founders of the company own equal shares of the remaining shares in the company. The Group determined it to have significant control in Evolar when the last ownership increase to 63.5 percent took place in April 2022. In the purchase price allocation as of April 2022, management has allocated 25 MSEK to goodwill and 24.5 MSEK to intangible assets. This allocation involves the use of judgement and best estimate. As of 31 December 2022, the ownership is unchanged and Evolar is therefore consolidated in the Group's financial statements.

The Group invested in Helios AB in February 2021 through a share issue and owns 40 percent of the company at the balance sheet date. The remaining ownership of Helios is divided between the three founders of the company and other early investors. Magnora has one out of five board members, and the founders and other shareholders have the remaining four members of the board. Although Magnora is a majority owner, it exerts no strategic or operational influence on this company, as Helios operates in a segment Magnora has not explored prior to this investment. This company operates fully independent of Magnora. For up to two years after the First Investment from Magnora, significant resolutions (e.g., Annual budgets, amendments in the business plan, any merger/demerger and so on) must be approved by the Board and supported by the director appointed by Magnora. Magnora has significant influence in the company and its ownership is accounted for using the equity method as an associated company.

Option lease agreement
The ScotWind lease option signed by Magnora with The Crown Estate Scotland is considered to be an intangible asset in the statement of financial position. The agreement gives Magnora exclusive right to perform environmental studies on the area awarded. When the requirements in the option lease agreement, including key project consent, are met, the land lease will commence. The intangible asset will start amortizing when the lease commences and will be amortized over the duration of the land lease.

6 SHAREHOLDER STRUCTURE

20 largest shareholder accounts 3 February 2023 (source: VPS)	Number of shares	Percent ownership
HAFSLUND VEKST AS	4,474,272	6.70
KING KONG INVEST AS	2,670,995	4.00
GINNY INVEST AS	2,469,144	3.70
BEKKESTUA EIENDOM AS	1,881,860	2.82
CARE HOLDING AS	1,750,000	2.62
ALDEN AS	1,729,829	2.59
PHILIP HOLDING AS	1,648,377	2.47
F2 FUNDS AS	1,585,000	2.37
F1 FUNDS AS	1,503,121	2.25
ANDENERGY AS	1,468,140	2.20
INTERACTIVE BROKERS LLC	1,371,482	2.05
MP PENSJON PK	1,327,138	1.99
CLEARSTREAM BANKING S.A.	1,319,078	1.97
NORDNET LIVSFORSIKRING AS	1,281,560	1.92
ALTEA AS	1,154,944	1.73
AARSKOG, PHILLIP GEORGE	1,000,000	1.50
DNB BANK ASA	878,137	1.31
DANSKE BANK AS	781,492	1.17
BALLISTA AS	760,372	1.14
BAKLIEN, ÅSMUND	756,100	1.13
Total, 20 largest shareholders	**31,811,041**	**47.61**
Other shareholder accounts	35,011,725	52.39
Total number of shares	**66,822,766**	**100.00**
Foreign ownership	9,926,510	14.86

7 OPERATING REVENUE

NOK million	Q4 2022	Q3 2022	2022	Q4 2021	2021
Operations					
License revenue	79.9	3.5	91.1	2.9	13.8
Other revenue	0.0	0.3	0.6	0.0	1.4
Operating revenue	79.8	3.8	91.7	2.9	15.2

8 OPTIONS

Options have been awarded during 2020 and 2021 in accordance with the options programme approved by the AGM in 2019. Both members of the board and members of management have been granted options during 2020 and 2021, and the cost of the options is recorded over the first 36 months following the grant date.

The CEO was granted 200,000 options, the CFO was granted 50,000 options, the SVP Business Development was granted 75,000 options, and the Magnora Offshore Wind CEO was granted 50,000 options during Q4 2022. NOK 2.9 million has been recognised for Q4 2022 and NOK 5.8 million year-to-date 2022 in accordance with IFRS 2.

9 FINANCIAL ASSETS

The Group has sold all shares and holds no marketable securities as of 31 December 2022.

The Group has a receivable of approximately NOK 21.7 million through its subsidiary Magnora Offshore Wind towards TechnipFMC for subscription contribution agreed to when Magnora Offshore Wind was established.

10 INVESTMENTS IN ASSOCIATES

The Group has 37.5 percent ownership in Kustvind AB and has a right to acquire up to 50 percent of the company. As of 31 December 2022, Magnora does not have a controlling share and does not exercise control in Kustvind, and the investment is accounted for using the equity method. The value is adjusted for the Group's share of Kustvind's operating results for the period.

The Group has 40 percent ownership in Helios. As of 31 December 2022, 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 Group's share of Helios's operating results for the period.

11 INVESTMENT OVERVIEW

Subsidiaries/ associated companies	Registered Office	Shareholder interest	Ownership account method
Magnora Holding AS	Norway	100%	Consolidating
Magnora Offshore Wind AS	Norway	80%	Consolidating
Magnora South Africa Projects AS	Norway / South Africa	100%	Consolidating
Magnora South Africa Development AS (AGV)	Norway / South Africa	92%*	Consolidating
Evolar AB	Sweden	63.5%	Consolidating
Hafslund Magnora Sol AS	Norway	48%**	Equity Method
Helios Nordic Energy AB	Sweden	40%	Equity Method
Kustvind AB	Sweden	37.5%	Equity Method
Neptun Tromsø AS	Norway	33.33%	Equity Method
Magnora UK PV Holding AS	Norway / UK	50%*	Equity Method
Arendal Brygge AS	Norway	50%	Equity Method

*Holding company in Norway is owned 100%

**Including indirect ownership through Helios Nordic Energy

12 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 has both operating revenues and expenses from services provided between the companies that are considered to be related parties to Magnora. There were NOK 2 million in operating revenues from subsidiaries and associated companies in the fourth quarter and NOK 11.6 million year-to-date. TechnipFMC UK Ltd. invoiced Magnora Offshore Wind NOK 1.0 million for services performed during the fourth quarter and has invoiced approximately NOK 8 million year-to-date.

13 CAPITAL MANAGEMENT

The Group manages short-term liquidity through loan facilities established with top tier banks. The existing loan facilities have a maturity of one to three years.

Long-term liquidity is managed through a combination of loan facilities and share issues. The Group performs share issues when there are specific investments requiring capital exceeding the loan facilities. As some projects are entering phases with increasing funding requirements, the Group will also consider syndicated loans that can be held until exit. The Group's current liquidity situation is considered solid given the transactions and funding to our portfolio companies we expect in the near term.

The currency risk related to the USD 16 million revenues from the Shell Penguins contract has been hedged by selling USD 14.5 million and buying NOK. Additional sales of USD are considered to cover the total currency exposure related to the Penguins contract.

14 SIGNIFICANT ACQUISITIONS

The Group acquired in April 2022 13.5% of the shares in Evolar AB, making the total Magnora ownership 63.5%. With this transaction the ownership is fully consolidated in Group financial statements. Until 31 March 2022 Evolar AB was accounted for as an associated company in the Group accounts.

The table below shows the allocation of the purchase price for the acquired assets and liabilities:

NOK million	2022
Consideration paid on 100 percent basis	75.3
Total value of new subsidiary	75.3

Identified assets and liabilities on the balance sheet recognised from the acquisition:	2022
Cash and bank deposits	20.2
Property, plant and equipment	25.1
Financial assets	2.1
Trade and other receivables	2.2
Trade and other payables	-10.5
Borrowings/lease liabilities	-8.4
Total net identifiable assets	**30.7**
Goodwill	25.0
Intangible assets	24.5
Deferred tax	-5.1
Total	**75.3**
Non-controlling interests	27.5
Majority interests	47.8
Book value of Magnora's share before transaction	43.9
Gain/loss related to realisation of the associated company	**3.9**

Magnora ASA acquired 92 percent of the shares in the South African company African Green Venture (AGV) in January 2022. The company develops wind and solar PV projects in the region.

NOK million	
Cash flow regarding the acquisition	
Consideration paid	10.5
Cash and bank deposit in the company at acquisition date	0.0
Net cash flow regarding acquisition	10.5
Minority share	0.5
Total value of acquired company	**11.0**

Identified assets and liabilities on the balance sheet recognized from the acquisition	
Current assets	0.3
Property, plant and equipment	0.2
Current liabilities	0.7
Borrowings	-0.2
Total net identifiable assets	**1.0**
Intangible assets	2.0
Deferred tax regarding intangible assets	-04
Goodwill	8.4
Total	**11.0**

Intangible assets relate to landowner right and wind measurement data. Goodwill is technical goodwill which equals the residual amount of the consideration paid and net of the identifiable assets acquired, and the liabilities assumed. The allocation of the purchase consideration is preliminary and may be changed within one year after the acquisition date.

15 SUBSEQUENT EVENTS

Hafslund Magnora Sol AS has entered into option agreement contracts with landowners to develop solar PV parks in Norway.

MAGNORA ASA

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