



Hermana Holding ASA

Third quarter 2025

HERMANA

The quarter in brief

- During the quarter, Hermana Holding ASA ("Hermana", "the Group") evaluated approximately 20 potential investments across various sectors, of which several are still relevant. Investment research and evaluation is performed in line with the company's communicated opportunity-driven and patient approach to capital allocation. Hermana maintains continuous contact with banks, investors, owners of growth companies, and others regarding attractive opportunities.
- Hermana's main income is still from royalty design rights related to two FPSOs (floating production, storage and offloading vessels). The timing of payments received is conditional on milestones and production. While a NOK 45 million payment related to the Shell Penguins FPSO was received in the second quarter of 2025, no FPSO-related payments were recorded in the third quarter.
- An extraordinary general meeting was held on 6 August 2025. Lars Ørving Eriksen and Hannah Høydal were elected new members of the Board of Directors. The meeting also approved a rights issue directed towards the Board's three members and observer, to further commit these, at a share price equal to the average price the last 90 days prior to the notice of the meeting plus a markup.
- On 13 August, the Board appointed Morten Strømgren as CEO and CFO of Hermana. He is hired in from Magnora ASA based on a management-services agreement. Strømgren has 25 years of experience from finance, investments, management and corporate development. He holds a MSc in Industrial economics from NTNU and an executive MBA in Finance from NHH.
- The Group earned NOK 0.3 million in operating revenue in the third quarter (NOK 0 in Q3 2024). Operating expenses were NOK 1.4 million (NOK 2.3 million in Q3 2024), mainly for management support services from Magnora ASA.
- As of 30 September 2025, cash and cash equivalents was NOK 60.3 million (NOK 18.8 million in Q3 2024). Cash generated from operating activities was negative NOK 3.2 million, and cash generated from financing was NOK 3.6 million. There were no cash flows from investing activities in the quarter.
- As of 30 September 2025, the equity ratio was 99.9% (99.6% as of Q3 2024). The Group has no debt and has total assets of NOK 112.1 million (NOK 117.4 million as of Q3 2024).

Subsequent events

- On 21 October, Hermana was informed that the Shell Penguins FPSO had produced its first 4 million barrels of oil and oil equivalents, triggering a payment of USD 4.3 million via Magnora ASA to Hermana.

Outlook

- Hermana expects to receive USD 4.3 million during the fourth quarter of 2025, as payment of a demerger receivable from Magnora ASA related to the Shell Penguins FPSO licence agreement.
- The FPSO design royalty rights related to the Western Isles vessel represent an expected larger and longer-term revenue. Hermana is entitled to USD 0.50 per barrel of oil equivalents produced and offloaded from the vessel for its lifetime, and its design life is 30–50 years. We observe an active

contracting market in 2025 including several FPSOs changing owner. However, there is not any new specific information about the timing of the redeployment of the Western Isles vessel. We anticipate in the short term more clarity around the UK windfall tax, relevant for potential deployment on the Buchan Field, and/or deployment on alternative fields or areas.

- Hermana continues to evaluate investment opportunities in accordance with its capital allocation strategy, with a focus on value-accretive deployment of available funds.

About Hermana Holding

Hermana is an investment and royalty company listed on the Oslo Stock Exchange since June 2024, having evolved from the legacy business of Sevan Marine ASA, renamed Magnora ASA in 2018. Sevan Marine ASA designed FPSOs (floating production, storage and offloading units) for the offshore oil and gas industry. Sevan Marine's business was sold to SembCorp Marine in 2018, but two licence agreements remained with Sevan Marine ASA alongside the company's deferred-tax assets.

The licence agreement for the Western Isles vessel does not currently generate revenues for Hermana, but future revenues from this FPSO are expected to last more than two decades. The agreement gives Hermana the right to USD 0.50 per barrel of oil equivalent produced and offloaded from the FPSO during its lifetime. It features a storage capacity of 400,000 barrels of oil (bbls), an oil production capacity of 44,000 barrels of oil per day (bopd), 17 riser slots and an offloading rate of 3,500 m³/hour. The vessel is versatile and can operate in harsh conditions.

In addition, Hermana has one remaining milestone payment to be received from Magnora ASA for the demerger receivable tied to the Shell Penguins FPSO licence agreement.

Hermana has a pragmatic and opportunity-driven approach to the capital allocation of the current funds and the proceeds from royalty agreements. The company has a structured process for evaluating opportunities with the objective of generating further shareholder value. The main capital-allocation options are equity investments in non-listed companies and/or a transformational deal with another company (e.g. a reverse takeover). Hermana will only invest where the expected return on capital is favourable. Any return of capital to shareholders will be in the form of repayment of paid-in capital.

Risk and uncertainty

Hermana Holding ASA with its subsidiary Western Isles Holding AS ("the Group"), is exposed to a broad range of risks, including but not limited to: climate risk (both physical and transitional), regulatory and political risk, contract risk, tax risk, inflation risk, currency risk, project execution risk, reservoir performance risk, counterparty risk, market and price volatility, liquidity and credit risk, key personnel risk, compliance risk, and operational risk related to asset integrity and performance.

The Group's risk management framework is designed to identify, assess, and mitigate material risks that could adversely impact financial performance or strategic objectives. While a comprehensive overview of risks and mitigation strategies is provided in the annual report, this quarterly update highlights the most relevant risks as of the reporting date.

Climate risk: Both physical and transitional climate risks are considered significant. Rising global temperatures, increased frequency of extreme weather events, and shifting environmental conditions may affect offshore operations. While the Western Isles vessel is designed to operate in harsh environments, physical climate risk could still impact uptime. Transitional climate risk includes evolving regulatory frameworks, such as changes in taxation, energy policy, and licensing regimes. A key mitigating factor is the mobility of the FPSO, which allows for relocation to more favourable jurisdictions or projects. The Western Isles vessel is also technically adaptable for future electrification.

Operational and project risk: The Group's revenue is directly linked to oil and gas production through a licence fee agreement. Project delays, reservoir underperformance, or operational disruptions may then impact income. Market risk is also relevant, encompassing fluctuations in commodity prices, demand, supply, and competitive positioning. These factors contribute to uncertainty around both timing and volume of future cash flows. At present, the timing of the redeployment of the Western Isles vessel is difficult to estimate based on the information available to the Group.

Counterparty risk: The Group is exposed to the financial and operational stability of the FPSO owner and operator. Broader counterparty risk also applies to customers and suppliers, where unforeseen financial distress could disrupt operations or cash flows.

Currency and inflation risk: Licence fees are in USD, exposing the Group to currency fluctuations relative to NOK. This represents both risk and opportunity and is actively monitored. Inflation risk is also relevant, particularly as the USD 0.50 per barrel licence fee is not indexed. High inflation could erode the real value of this income stream and influence discount rates used in valuation models. The Group seeks to mitigate this through cost discipline and potential investments in inflation-resilient assets.

Investment and liquidity risk: For any new investments, the Group faces the risk of returns falling below the cost of capital and potential liquidity constraints. These risks are addressed through rigorous investment analysis, disciplined capital allocation, and a strong balance sheet.

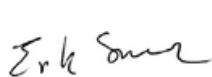
The Group continuously monitors its risk exposure at both the corporate and asset level. While risk-taking is necessary to generate returns, the Group avoids risks that do not offer commensurate rewards. The Group emphasises risk awareness and adherence to internal controls.

The Hermana share

The Group has 13,743,184 shares outstanding as of 30 September 2025. At this date, the share price was NOK 13.00. Market capitalisation was thus NOK 179 million. As of the date of this report, the Group does not own any of its own shares.

Oslo, Norway, 21 October 2025

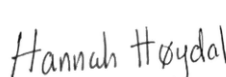
The Board of Directors of Hermana Holding ASA



Erik Sneve
Chairman of the Board



Lars Ørving Eriksen
Board member



Hannah Høydal
Board member



Morten Strømgren
CEO

Interim condensed consolidated financial statements

Interim consolidated statement of profit and loss

NOK million	Note	Q3 2025	Q3 2024	YTD 2025	YTD 2024	2024
Operating revenue	<u>3</u>	0.3	–	0.8	3.9	3.9
Other operating expense	<u>6,7</u>	–1.4	–2.3	–4.3	–10.4	–13.1
EBITDA		–1.1	–2.3	–3.5	–6.5	–9.2
Operating profit/(loss)		–1.1	–2.3	–3.5	–6.5	–9.2
Financial income/(expense)		0.1	–	0.1	0.0	–
Foreign exchange gain/(loss)		–0.5	–1.2	–10.0	2.9	10.2
Net financial items		–0.4	–1.2	–9.9	2.9	10.2
Profit/(loss) before tax		–1.5	–3.5	–13.3	–3.6	0.9
Tax income/(expense)		–	–1.0	–	0.9	0.9
Net profit/(loss)		–1.5	–4.5	–13.3	–2.7	1.7
Net profit/(loss) attributable to:						
Equity holders of the parent		–1.5	–4.5	–13.3	–2.7	1.7
Non-controlling interests		–	–	–	–	–

Earnings per share

	Q3 2025	Q3 2024	YTD 2025	YTD 2024	2024
Earnings per share (NOK):					
– Basic	–0.11	–0.05	–0.99	–0.03	0.13
– Diluted	–0.11	–0.05	–0.99	–0.03	0.13
Weighted avg. no. of ordinary shares outstanding	13,563,329	93,931,178	13,467,466	93,931,178	13,418,740
Weighted diluted avg. no. of ordinary shares outstanding	13,563,329.17	93,931,178	13,467,466	93,931,178	13,418,740

Interim consolidated statement of comprehensive income

NOK million	Q3 2025	Q2 2024	YTD 2025	YTD 2024	2024
Net profit/(loss)	–1.5	–4.5	–13.3	–2.7	1.7
Other comprehensive income					
<i>Items which may be reclassified to profit/(loss)</i>					
Foreign currency translation	–	–	–	–	–
Total comprehensive income	–1.5	–4.5	–13.3	–2.7	1.7
Total comprehensive income attributable to parent equity holders	–1.5	–4.5	–13.3	–2.7	1.7

Interim consolidated statement of financial position

NOK million	Note	30.09.2025	30.09.2024	31.12.2024
ASSETS				
Deferred tax assets	<u>2</u>	7.8	7.8	7.8
Total non-current assets		7.8	7.8	7.8
Trade and other receivables	<u>4</u>	44.0	90.7	98.0
Cash and cash equivalents		60.3	18.8	16.6
Total current assets		104.3	109.6	114.6
Total assets		112.1	117.4	122.4
EQUITY AND LIABILITIES				
Share capital	<u>7</u>	13.7	9.5	13.4
Share premium	<u>7</u>	3.3	-	-
Other equity		94.9	107.4	108.1
Total equity		111.9	116.9	121.5
Total non-current liabilities		-	-	-
Trade payables		0.0	0.4	0.3
Other current liabilities		0.1	0.1	0.6
Total current liabilities		0.1	0.5	0.9
Total liabilities		0.1	0.5	0.9
Total equity and liabilities		112.1	117.4	122.4

Interim consolidated statement of changes in equity

NOK million	Note	Share capital	Share premium	Other equity	Total equity
Equity as at 1 January 2025		13.4	-	108.1	121.5
Total comprehensive income for the period		-	-	-13.3	-13.3
Capital increase	<u>7</u>	0.3	3.3	-	3.6
Share-based payments	<u>7</u>	-	-	0.1	0.1
Equity as at 30 September 2025		13.7	3.3	94.9	111.9
Equity as at 1 January 2024		-	-	-	-
Total comprehensive income for the period		-	-	1.7	1.7
Capital increase		1.0	-	-	1.0
Contribution in kind ¹		2.9	-	32.4	35.3
Capital decrease		-1.0	-	-	-1.0
Capital increase demerger from Magnora ASA		6.7	-	77.7	84.4
Bonus issue ²		3.9	-	-3.9	0.0
Equity as at 31 December 2024		13.4	-	108.1	121.5

¹ 100% of the shares in Western Isles Holding AS were contributed by Magnora ASA as part of the demerger. See the 2024 Annual Report for further details.

² The Group's share capital was increased by NOK 3.9 million immediately after completion of the share consolidation by transfer of NOK 3.9 million from the Group's unrestricted equity to the Group's share capital.

Interim consolidated statement of cash flow

NOK million	Note	Q3 2025	Q3 2024	YTD 2025	YTD 2024	2024
Cash flows from operating activities						
Profit/(loss) before tax		-1.5	-3.5	-13.3	-3.6	0.9
Share- based payment - non cash to equity	<u>7</u>	0.1	-	0.1	-	-
Unrealised effects included in operating profit/(loss)	<u>5</u>	0.5	-	10.0	-	-10.2
Changes in net working capital		-2.3	-1.1	-1.7	-2.6	0.9
Net cash generated from operating activities		-3.2	-4.6	-4.9	-6.2	-8.4
Cash flows from investing activities						
Part settlement of demerger receivable		-	-	44.9	-	25.0
Net cash generated from investing activities		0.0	-	44.9	-	25.0
Cash flows from financing activities						
Capital distribution		-	-	-	-1.0	-1.0
Capital increase	<u>7</u>	3.6	-	3.6	1.0	-
Net contribution from parent		-	-	-	25.0	1.0
Net cash flow from financing activities		3.6	0.0	3.6	25.0	0.0
Net cash flows for the period		0.5	-4.6	43.7	18.8	16.6
Cash and cash equivalents at start of period		59.8	23.4	16.6	-	-
Cash and cash equivalents at end of period		60.3	18.8	60.3	18.8	16.6

Notes to the interim condensed consolidated financial statements

Note 1 General information and accounting policies

Hermana Holding ASA's objective is the conduct of industry, trade and business associated with energy, intellectual property rights and commodities, and sectors directly or indirectly related to these, including investing in licences, 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.

Hermana Holding 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.

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). The interim financial statements do not include the full information and disclosures as required in the annual financial statements and should therefore be read in conjunction with the Annual Financial Statements for the year ended 2024.

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

EBITDA

EBITDA, as defined by Hermana, includes total operating revenue and expenses, and excludes depreciation, amortisation, and impairment loss.

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 2024.

Note 2 Accounting estimates

Deferred tax assets are recognised for unused tax losses only to the extent it is probable a taxable profit will be available against future losses. Significant management judgement is required to determine the amount of deferred tax assets to be recognised, based upon the likely timing and 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 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 carried forward of NOK 416.5 million allocated to Hermana Group as part of the demerger from Magnora ASA.

Note 3 Operating Revenue

NOK million	Q3 2025	Q3 2024	YTD 2025	YTD 2024	2024
Licence fee	–	–	–	3.9	3.9
Management services	0.3	–	0.8	–	–
Total operating revenue	0.3	–	0.8	3.9	3.9

Note 4 Financial assets

The Group holds no marketable securities as of 30 September 2025.

As of 30 September 2025, the Group has a receivable from Magnora ASA representing the income related to the remaining milestone payment from Shell Penguins FPSO of a total of USD 4.3 million (approximately NOK 43.1 million).

Note 5 Liquidity

As part of the demerger completed in 2024, Western Isles Holding AS received a cash contribution of NOK 25 million from Magnora ASA, to provide the Group with adequate working capital. This contribution formed part of the demerger receivable from milestone payments in accordance with the Shell Penguins FPSO licence agreement with Shell UK Ltd. recognised by the Group. Further, in May 2025, the Group received NOK 44.9 million as part of the demerger receivable from Magnora. The remaining balance of USD 4.3 million of the receivable is expected to be received following the achievement of the second and final milestone, forecasted to be achieved within Q4 2025.

The Group is exposed to currency risk related to the remaining USD 4.3 million milestone payment from the Shell Penguins agreement, which is due from Magnora ASA. Fluctuations in the USD/NOK exchange rate may create unrealised foreign exchange gains or losses. These effects are non-cash in nature, as the receivable will be fully extinguished upon receipt of the next and last payment from Magnora related to this agreement.

Note 6 Other operating expenses

Other operating expenses for the quarter primarily comprise external management service costs, remuneration to the Board of Directors, share-based payment expenses (see Note 7 – Related party transactions), and other ancillary costs.

During the quarter, the Group recognised NOK 0.5 million in management services from Magnora ASA. Following Magnora's disposal of its remaining 30 percent shareholding in Hermana Holding ASA during the second quarter, these services are no longer classified as related-party transactions and are therefore presented as ordinary operating costs in the current period.

Note 7 Related party transactions

During the quarter ending 30 September 2025, Hermana Holding ASA issued 324,444 ordinary shares to the members and the observer of the Board of Directors.

The shares were issued at NOK 11.25 per share, for a total consideration of NOK 3.6 million.

The transaction was approved by the extraordinary general meeting held on 6 August 2025 and was conducted on arm's length terms.

The extraordinary general meeting in Hermana Holding ASA on 6 August 2025 approved a share option programme for employees. Also, the meeting granted 775,000 options to the members of the Board of Directors, where the options vest over three years and are exercisable at NOK 15.10 per share.

An expense of NOK 0.1 million related to the share options was recognised during the quarter in accordance with IFRS 2. An expense of NOK 0.1 million recognised in Other operating expenses, related to the share options was recognised during the quarter in accordance with IFRS 2.

Remuneration to the Board of Directors for the quarter amounted to NOK 0.2 million, which is included within Other operating expenses (see Note 6).

Magnora ASA ceased to be a related party following the disposal of its remaining 30 percent shareholding in Hermana Holding ASA during the second quarter of 2025. Accordingly, management service costs incurred in the current period are recognised as transactions with an external party and are presented as ordinary operating expenses (see Note 6 – Other operating expenses).

Note 8 Subsequent events

On 21 October, Hermana was informed that the Shell Penguins FPSO had produced its first 4 million barrels of oil and oil equivalents, triggering a payment of USD 4.3 million (approximately NOK 43.1 million) via Magnora ASA to Hermana. The payment will settle the remaining demerger receivable from Magnora ASA established in 2024.