



MAGNORA ASA

# Fourth quarter 2021

February 15, 2021



2000's

2010's

2018

2019

2020

2021

A DRIVING FORCE IN  
ENERGY PROJECT  
DEVELOPMENT FOR  
DECADES





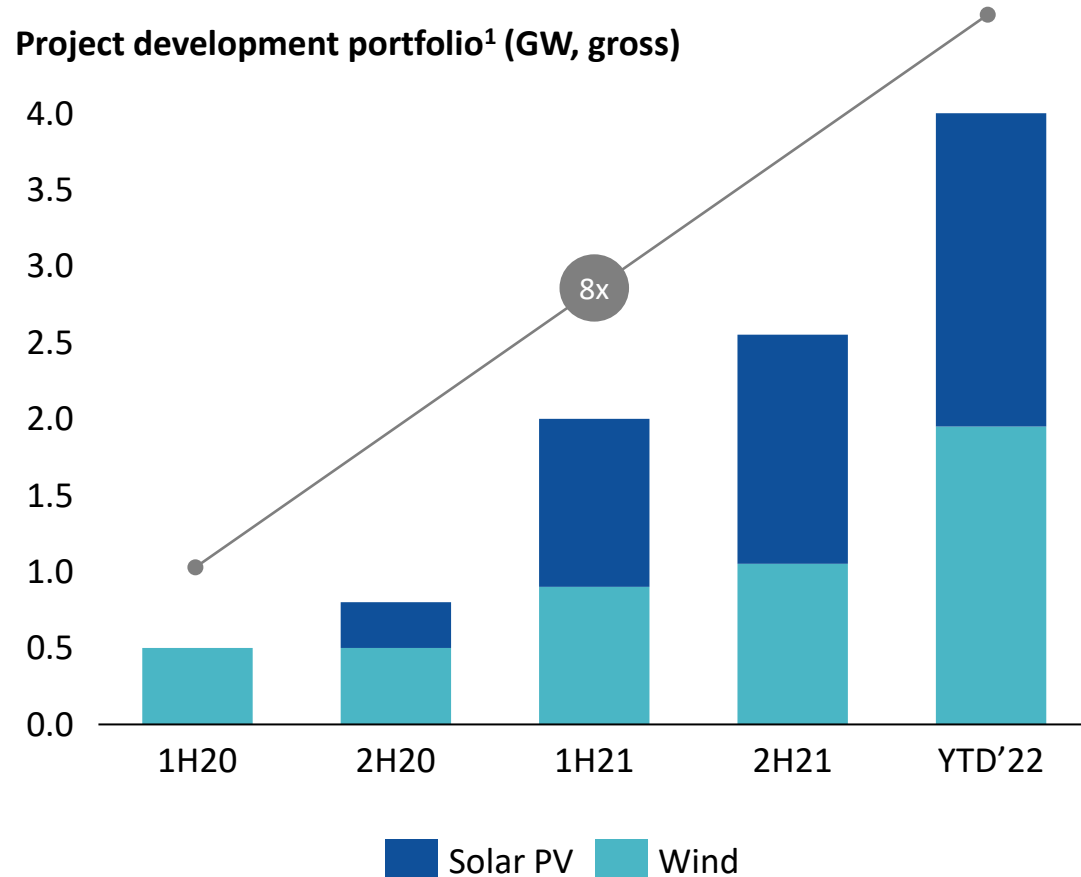


MAGNORA ASA

## ELECTRIC FUTURE

We are investing in companies and projects to be a part of the development of the renewable energy solutions that will deliver clean energy to industries and consumers. Our aim is to be a leading international developer of renewable energy.

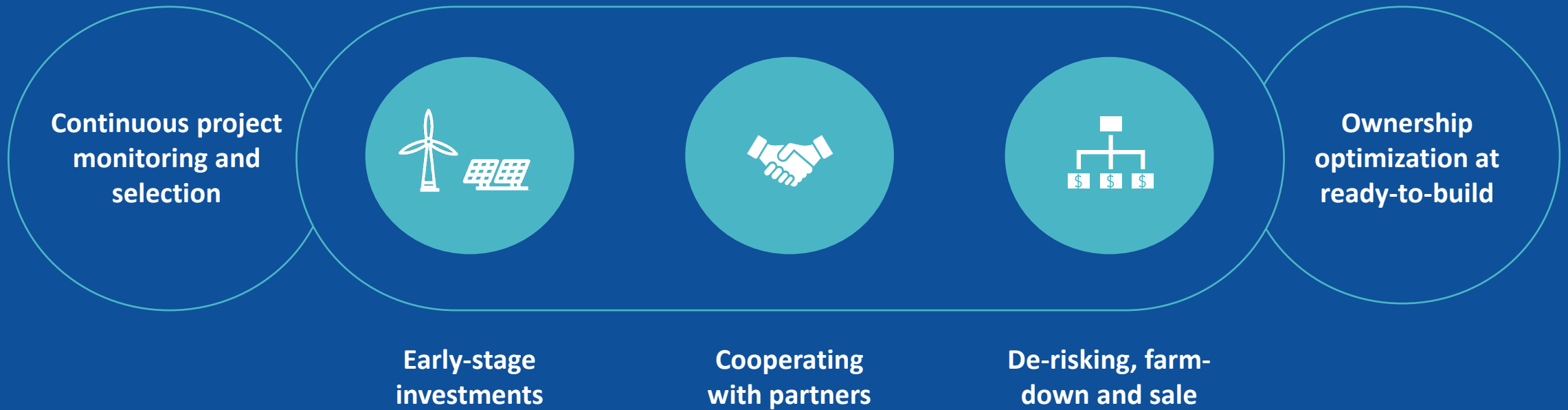
# Growing an asset-light wind and solar development portfolio



- Magnora have maintained a high activity, progressing development of portfolio companies, e.g. Scotland and South Africa.
- Development portfolio have grown sixfold net in the last two years to 4.0 GW combined solar and wind gross capacity YTD'22
  - Equity share of capacity of 2.8 GW
- Solar PV enhancing technology company Evolar AB adds to the development portfolio
- In addition, Magnora is developing green maritime fuel production facility in Tromsø with Prime Capital and Troms Kraft and RWE Renewables in Norway
- Development activities supported by FPSO royalty income

1) Include projects which have signed landlease contracts or received leasing award

# Developing renewable projects to ready-to-build phase



# Progressing towards project milestones

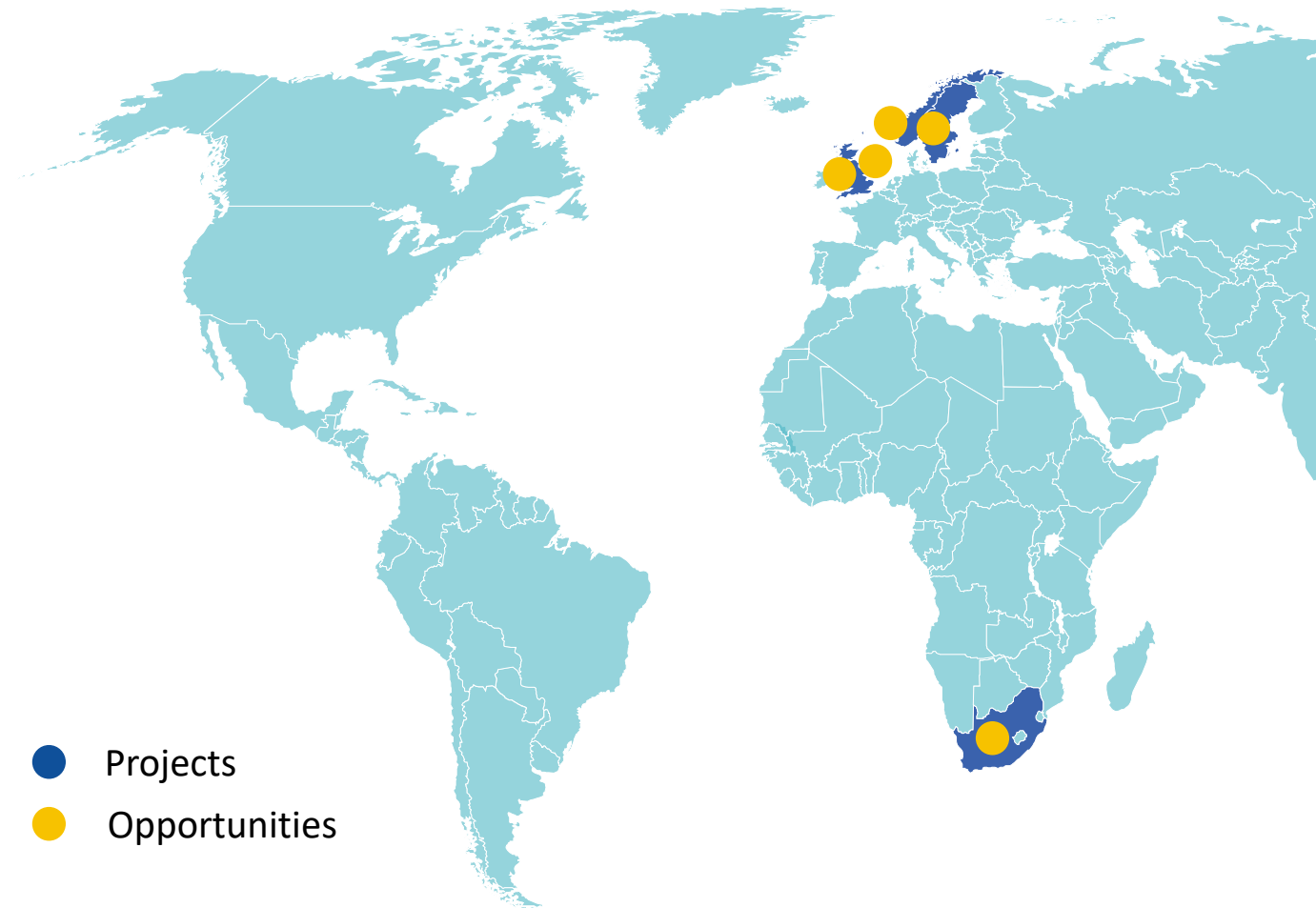


Company description	<ul style="list-style-type: none"> <li>Offshore Wind development company in <b>collaboration with TechnipFMC</b></li> <li>Awarded option agreement to develop approx. <b>500 MW in ScotWind licensing round in January 2022</b></li> </ul>	<ul style="list-style-type: none"> <li>Shallow water offshore wind project, with <b>30% ownership and option to increase to 50%</b></li> <li><b>500 MW offshore wind</b> located 8 – 15 kilometers off the coast of southern Sweden</li> </ul>	<ul style="list-style-type: none"> <li><b>Solar and wind development company in South Africa</b>, with African Green Ventures (AGV)</li> <li>Greenfield development portfolio of ca <b>1.700 MW wind and solar PV with growth potential within land lease</b></li> </ul>	<ul style="list-style-type: none"> <li>Greenfield developer of <b>large-scale solar PV</b> projects in the Nordics, with <b>40% ownership</b></li> <li>Land-lease agreements for 29 projects with a <b>total capacity of approx. 1.3 GW</b></li> <li><b>Recurring revenue model of solar and storage projects</b></li> </ul>	<ul style="list-style-type: none"> <li>Disruptive solar PV efficiency enhancing perovskite technology to be commercialized.</li> <li>Own 50% - Option up to 63.5%</li> <li><b>Efficiency gain of up to 75%</b> compared to traditional cells over the next decade</li> </ul>
Next milestones	<ul style="list-style-type: none"> <li>Applications for <b>licensing rounds in Norway and UK</b>, including 700 MW in the Celtic Sea in collaboration with Hiraeth Energy</li> <li>New Business Development</li> </ul>	<ul style="list-style-type: none"> <li>Finalization of impact assessment, wildlife studies and marine environmental studies</li> </ul>	<ul style="list-style-type: none"> <li>Peter Nygren joins AGV</li> <li>Landlease agreements</li> <li>Clearance on grid</li> <li>Permits in place</li> <li>PPAs</li> <li>Wind measurement</li> <li>Start sales process of first projects</li> </ul>	<ul style="list-style-type: none"> <li>Sale of new of projects to long-term owners and operators</li> <li>Expansion into new countries</li> <li>Battery/storage in projects</li> <li>3 GW pipe in Sweden at YE'23</li> <li>Sell 200 &amp; 600 MW in '22 &amp; '23</li> <li>IPO</li> </ul>	<ul style="list-style-type: none"> <li>Commercial testing, and scale-up of the technology</li> <li>Prototype production in Uppsala 1MW per year</li> <li>New Joint Development Agreements</li> <li>IPO</li> </ul>



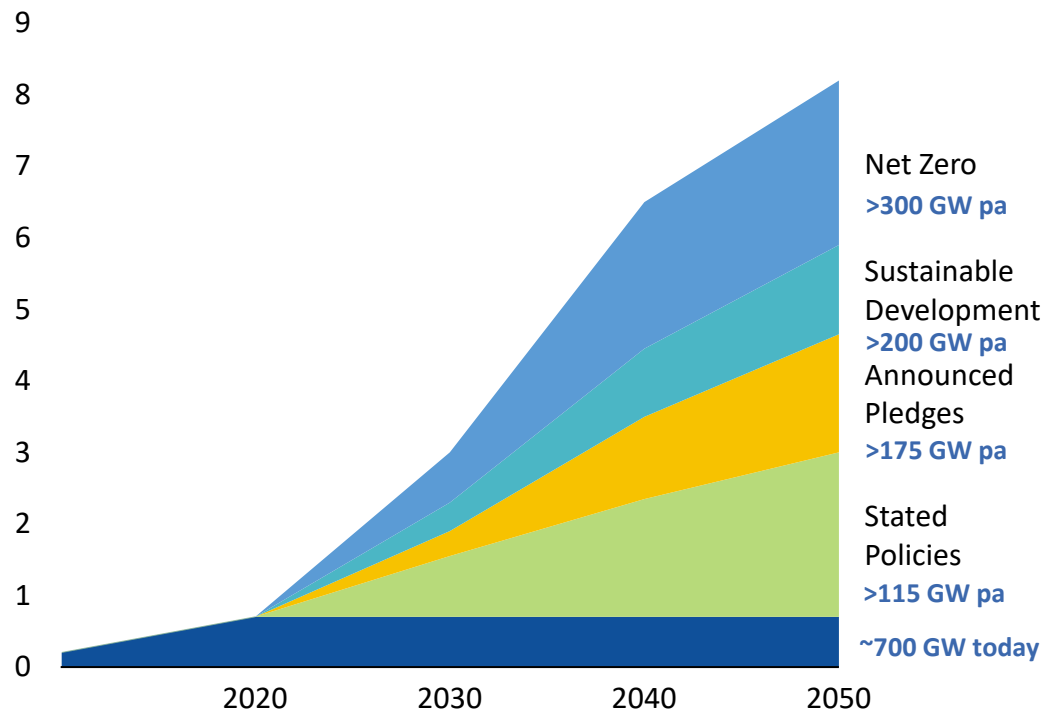
# Continuous screening of new opportunities in solar and wind

- Continuous screening of new early-stage renewables projects, and expansion of portfolio companies
- Also looking at expansion possibilities within current land lease agreements
- Added team capabilities brings in valuable knowledge and local know-how
- Continued strong momentum in electricity prices shows great potential for value-creation in current project portfolio and new opportunities



# Established a strong position in the global offshore wind market

## Global wind generation capacity scenarios (TW)



Source: Vestas

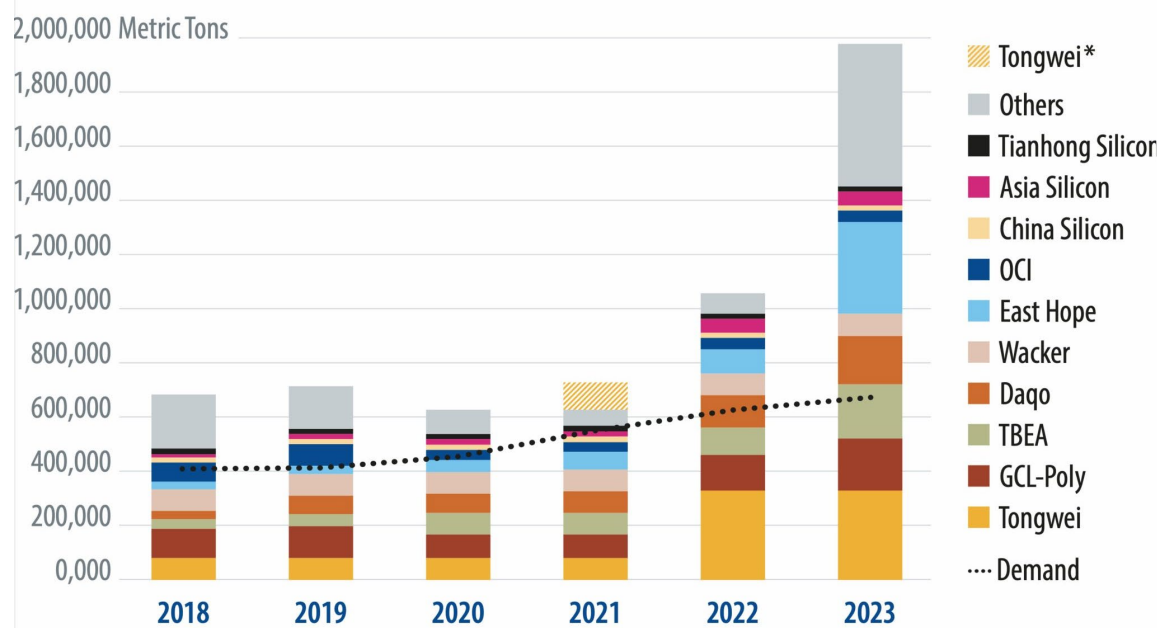
## Pursuing next generation market within renewables

- >300 GW annual wind installations needed to get to Net Zero
- Floating wind LCOE on track towards less than 50 Euro per MWh expected by end of this decade
  - Driven by maturing technology, scale, size, sites and more
- Looking for joint development with strong (local) partners
  - OEMs and infrastructure funds looking into taking development risk in emerging/frontier markets
- Magnora have vast experience from North Sea within oil & gas and offshore wind
  - Concepts, development, fatigue, motions, construction, finance and operations
- But also multiple GW experience from onshore wind in Norway, Sweden, Scotland, Wales as well as in multiple countries from gas, oil, hydro power and solar.



# Continuing to develop utility-scale solar PV and enhancing technologies

## Polysilicon 2021 year-end capacity and global demand

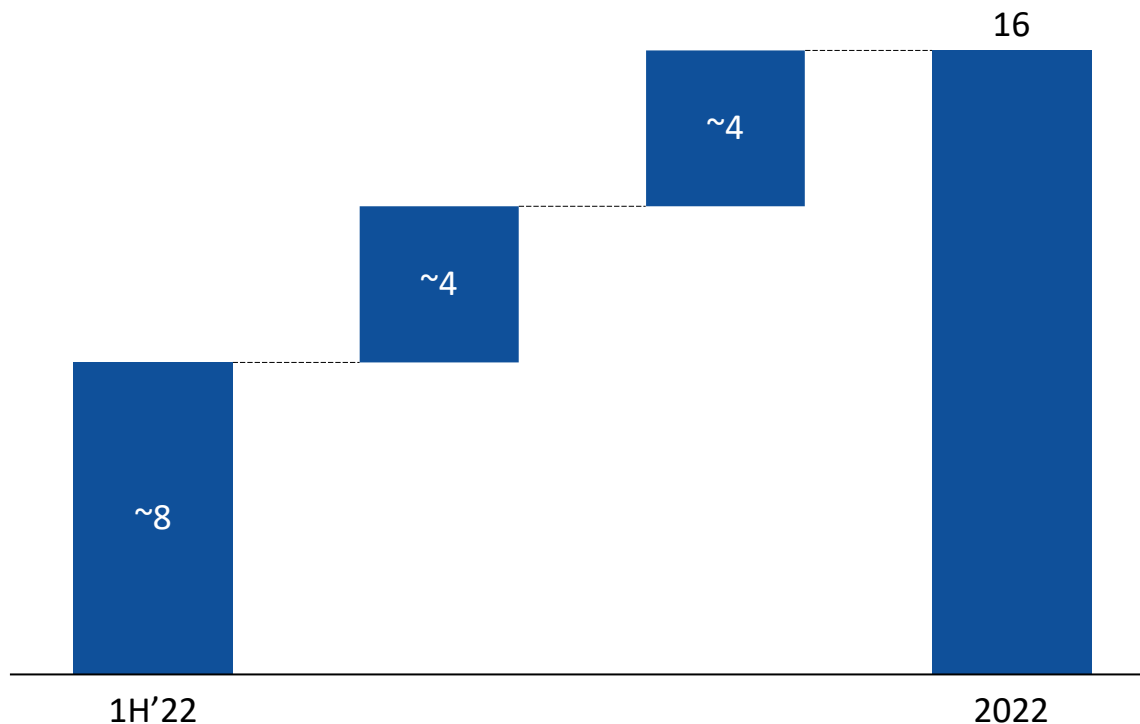


Source: Exawatt

- USD 160bn market in 2020 after 90% drop in capex from 2010
- Market is set to triple according to capacity increase by polysilicon suppliers from 2021-2023.
- Fastest growing renewable electricity source, expected to double by 2024 according to polysilicon producers
  - 42 countries reached at least 1 GW in 2020
- Conventional solar cells have stalled after 60 years of development at ca 20% cell efficiency
- Disruptive tandem technology enabled by Evolar (perovskite) can bring performance to 35% by 2030s
- Large addressable markets where Magnora or portfolio companies are present

# Development supported by cash flow from legacy FPSO assets

**License from Penguins FPSO in 2022**  
USD million

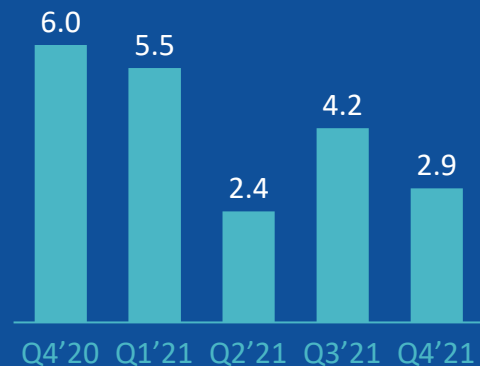


- Financial benefits from two licensing agreements after divesting Oil and Gas assets in 2018
- Royalty income of USD 0.5 for each barrel produced and offloaded from the Western Isles FPSO, owned and operated by Dana Petroleum, throughout lifetime of the asset
- License income of approximately USD ~16 million from Shell's Penguins FPSO project in 2022
  - USD ~8 million: Sail-away from yard
  - USD ~4 million: First production
  - USD ~4 million: Production of first 4 Mmboe

## Key financials

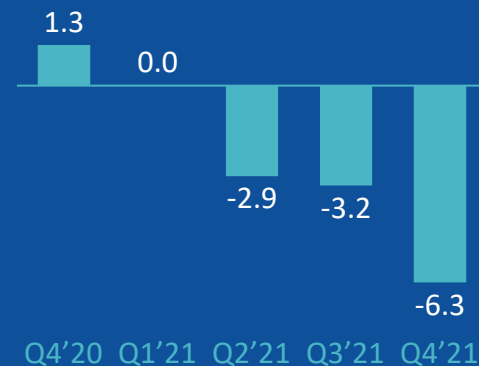
### REVENUES

NOK million



### ADJUSTED EBITDA<sup>1</sup>

NOK million



### NET CASH FROM OPERATING ACTIVITIES

**-3.0** NOK million

-1.5 Q4'20 (-11.6 Q3'21)

### CASH

**96.9** NOK million

44.8 Q4'20 (92.3 Q3'21)

### EQUITY RATIO

**89%**

95% Q4'20 (95% Q3'21)

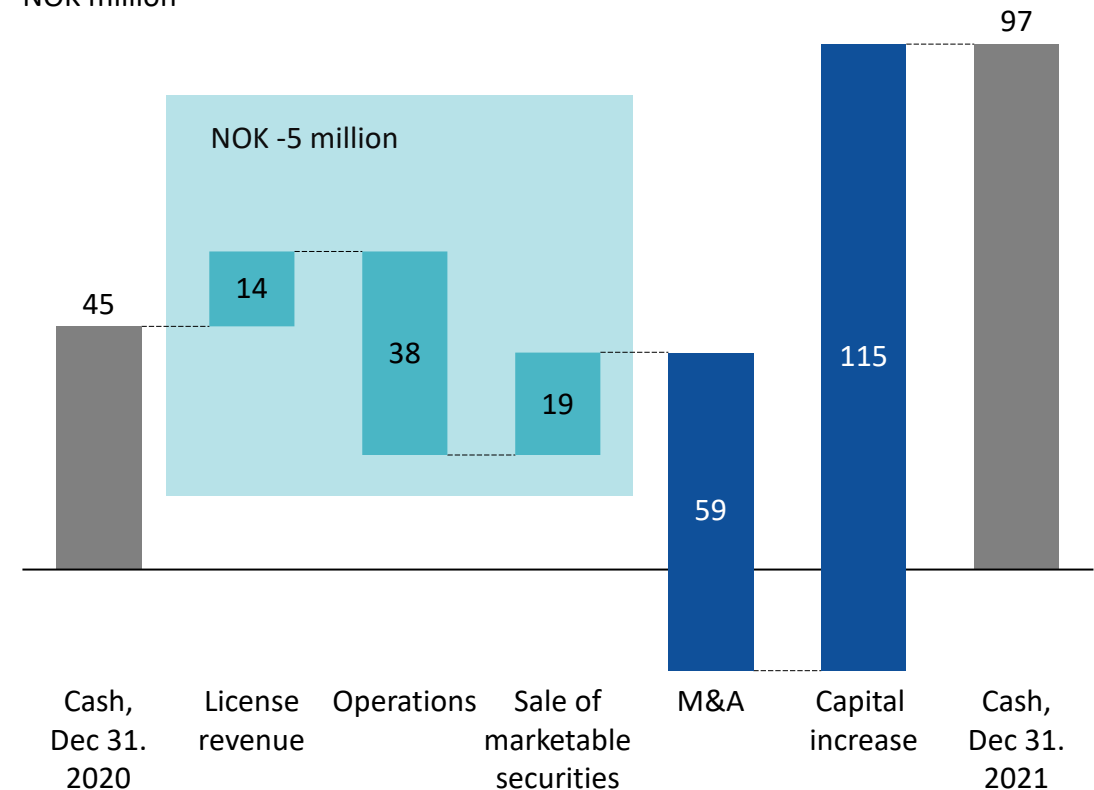
- Revenues mainly reflect license income from agreement with Dana
  - Decrease reflecting less offloading than normal
- Higher operating costs from business and development activities audit, bonus, IFRS/option costs
- Cash flow affected by
  - Increased ownership in Evolar AB
  - Investments in Magnora Offshore Wind (MOW) and Magnora South Africa (MSA)
  - Reversal of the establishment of Vindr Group
- Maintaining a high equity ratio, with NOK 50 million credit facility undrawn with Tier 1 bank
- Third-party value assessment to be disclosed quarterly, starting Q2'22

# Maintaining a robust capital discipline going forward

## Eventful year ending with NOK 97 million cash balance

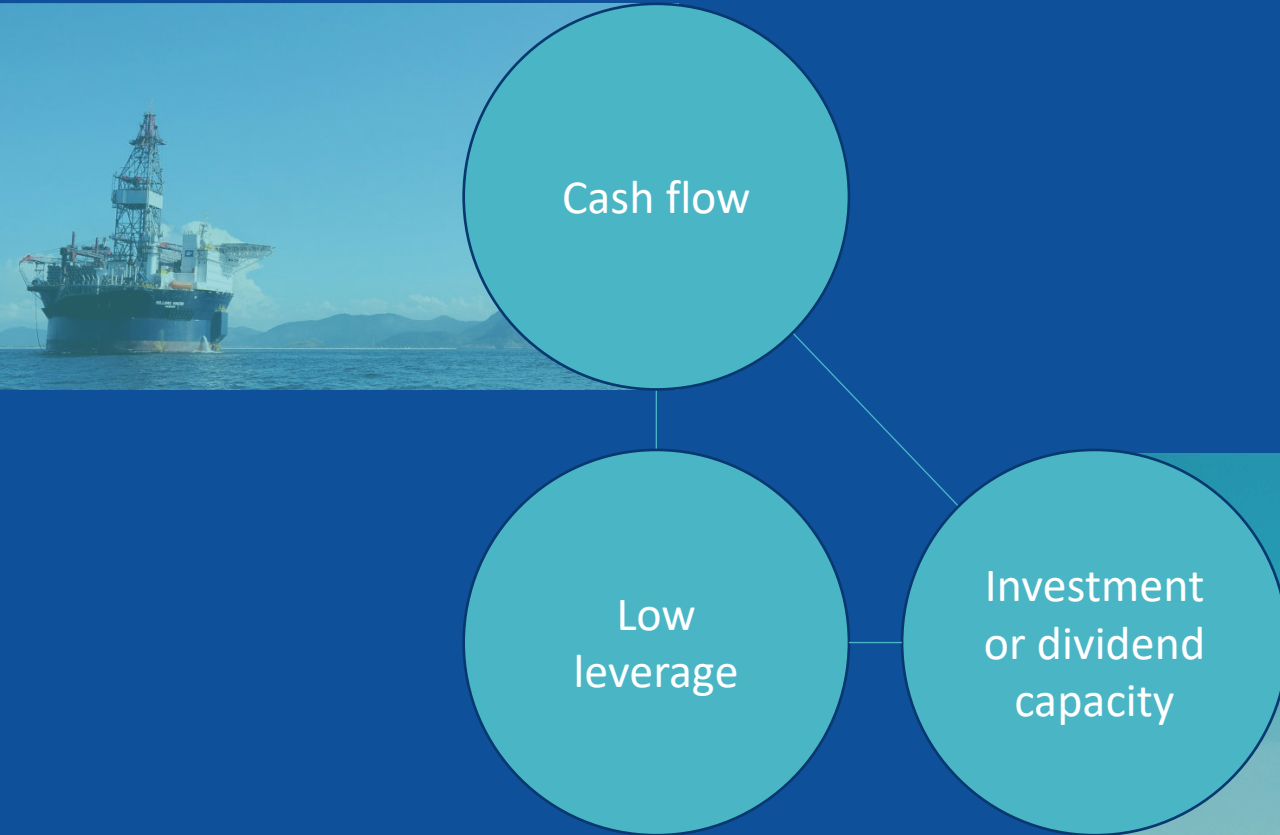
- Total license revenue of NOK 14 million in 2021 from Dana
- Other operational cash flow of negative NOK 38 million
- Sale of marketable securities of NOK 19 million
- NOK 59 million used in M&A activities
- Capital increase of NOK 115 million through private placement in February 2021
- Expected USD ~16 million contribution from Penguins FPSO in 2022

## 2021 cash flow NOK million





# In position to invest in new opportunities and ongoing projects

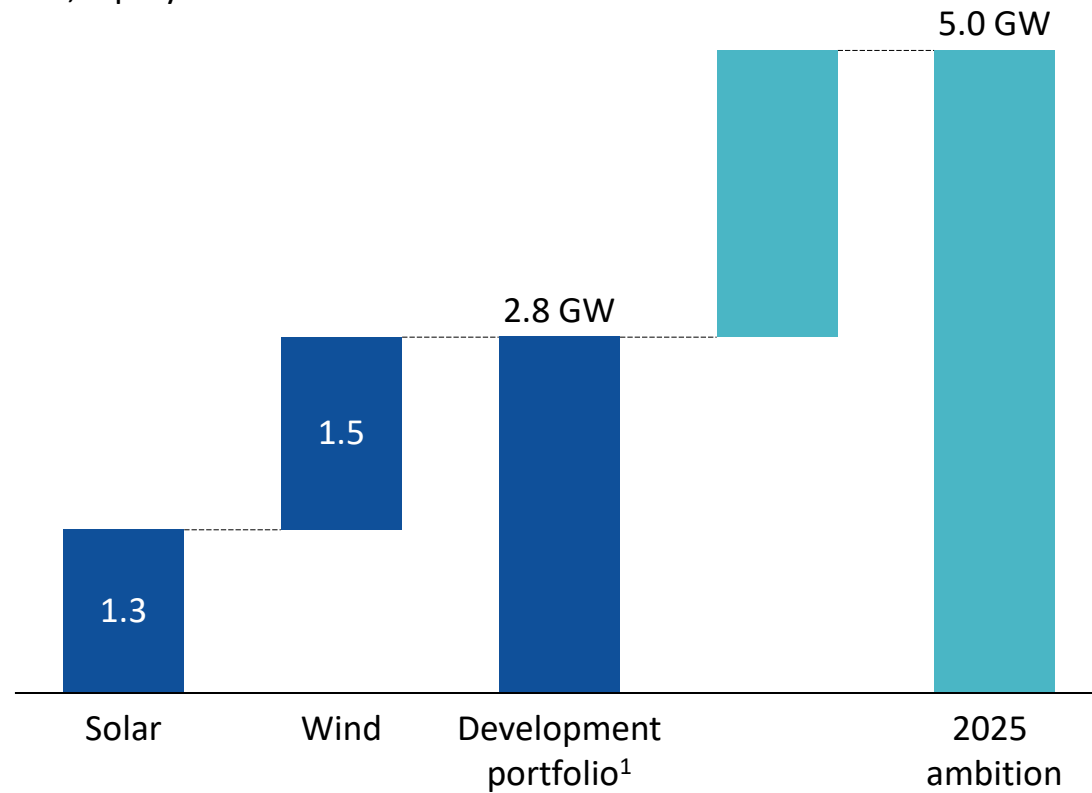


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# High ambitions for future growth

**Development portfolio ambition by 2025**  
GW, Equity share



- Large potential in growing global offshore wind market, with proven capabilities in Magnora Offshore Wind and KustVind. Origination at attractive cost and very competitive operating model with competent team
- Solar PV is the fastest growing renewable source, and solar PV enhancing technology set to play an important role in the renewables shift



# Q&A

# Appendix

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# Reported financials

## Condensed consolidated income statement

	NOK million	Note <sup>1</sup>	Q42021	Q3 2021	2021	Q42020	2020*
<b>Operations</b>							
Operating revenue	7		2.9	4.2	13.8	5.5	27.1
Other operating revenue	7, 11		0.0	0.1	1.4	0.5	1.3
Operating expense			-10.2	-8.3	-30.8	-3.4	-17.8
Development and M&A expense	2		-7.2	-5.9	-22.9	-1.7	-3.6
<b>EBITDA</b>			<b>-14.4</b>	<b>-10.0</b>	<b>-38.5</b>	<b>0.9</b>	<b>7.0</b>
Profit/loss from associated companies			-6.5	-5.7	-21.6	-0.9	-0.9
<b>Operating profit/(loss)</b>			<b>-20.9</b>	<b>-15.6</b>	<b>-60.1</b>	<b>0.0</b>	<b>6.1</b>
Financial income/(loss)	9		-0.7	0.1	5.1	8.7	20.2
FX gain/(loss)			0.2	-0.1	-0.1	0.5	7.8
<b>Net financial items</b>			<b>-0.5</b>	<b>0.0</b>	<b>5.0</b>	<b>9.2</b>	<b>28.0</b>
<b>Profit/(loss) before tax</b>			<b>-21.4</b>	<b>-15.6</b>	<b>-55.1</b>	<b>9.2</b>	<b>34.1</b>
Tax income/(expense)	4		-7.7	0.0	-7.7	-2.6	-5.6
<b>Net profit/(loss) continued operations</b>			<b>-29.1</b>	<b>-15.6</b>	<b>-62.8</b>	<b>6.6</b>	<b>28.5</b>
<b>Net profit/(loss)</b>			<b>-29.1</b>	<b>-15.6</b>	<b>-62.8</b>	<b>6.6</b>	<b>28.5</b>

1) For further details and notes see Q4 report 2021 (magnoraasa.com)

# Reported financials

## Condensed statement of financial position

NOK million	Note <sup>1</sup>	31.12.21	30.09.21	31.12.20
Deferred tax assets	4	23.4	31.1	31.1
Goodwill		2.0	2.0	0.0
Investment in associates	5, 10	61.4	77.2	24.5
<b>Total non-current assets</b>		<b>86.8</b>	<b>110.3</b>	<b>55.6</b>
Trade and other receivables		6.8	7.4	4.0
Other current financial assets	9	2.1	2.7	19.6
Cash and cash equivalents		96.9	92.3	44.8
<b>Total current assets</b>		<b>105.8</b>	<b>102.4</b>	<b>68.4</b>
<b>Total assets</b>		<b>192.7</b>	<b>212.7</b>	<b>124.1</b>
Share capital		27.9	27.9	25.8
Treasury shares		0.0	0.0	0.0
Other equity		143.8	173.4	92.4
<b>Total shareholders' equity</b>		<b>171.8</b>	<b>201.4</b>	<b>118.1</b>
<b>Total equity</b>		<b>171.8</b>	<b>201.4</b>	<b>118.1</b>
Current liabilities		20.9	11.3	6.0
<b>Total current liabilities</b>		<b>20.9</b>	<b>11.3</b>	<b>6.0</b>
<b>Total liabilities</b>		<b>20.9</b>	<b>11.3</b>	<b>6.0</b>
<b>Total equity and liabilities</b>		<b>192.7</b>	<b>212.7</b>	<b>124.1</b>

1) For further details and notes see Q4 report 2021 (magnoraasa.com)

# Reported financials

## Condensed consolidated statement of cash flow

NOK million	Q42021	Q32021	2021	Q42020	2020
<b>Cash flow from operating activities</b>					
Cash from operations	-3.0	-11.6	-23.7	1.5	18.5
Taxes paid/repaid	0.0	0.0	0.0	0.0	0.0
<b>Net cash generated from operating activities</b>	<b>-3.0</b>	<b>-11.6</b>	<b>-23.7</b>	<b>1.5</b>	<b>18.5</b>
<b>Cash flow from investment activities</b>					
Net purchase of marketable securities	-0.3	0.0	18.9	0.0	16.3
Net purchase of associated companies	7.9	-16.4	-58.6	-19.3	-30.9
<b>Net cash from investment activities</b>	<b>7.6</b>	<b>-16.4</b>	<b>-39.6</b>	<b>-19.3</b>	<b>-14.6</b>
<b>Cash flow from financing activities</b>					
Capital distribution/increase	0.0	0.0	115.4	0.0	-17.3
<b>Net cash from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>115.4</b>	<b>0.0</b>	<b>-17.3</b>
<b>Net cash flow from the period</b>	<b>4.6</b>	<b>-27.9</b>	<b>52.1</b>	<b>-17.8</b>	<b>-13.5</b>
Cash balance at beginning of period	92.3	120.3	44.8	62.6	58.3
<b>Cash balance at end of period</b>	<b>96.9</b>	<b>92.3</b>	<b>96.9</b>	<b>44.8</b>	<b>44.8</b>

For further details and notes see Q4 report 2021 ([magnoraasa.com](https://magnoraasa.com))

# Shareholders

## 20 largest shareholders

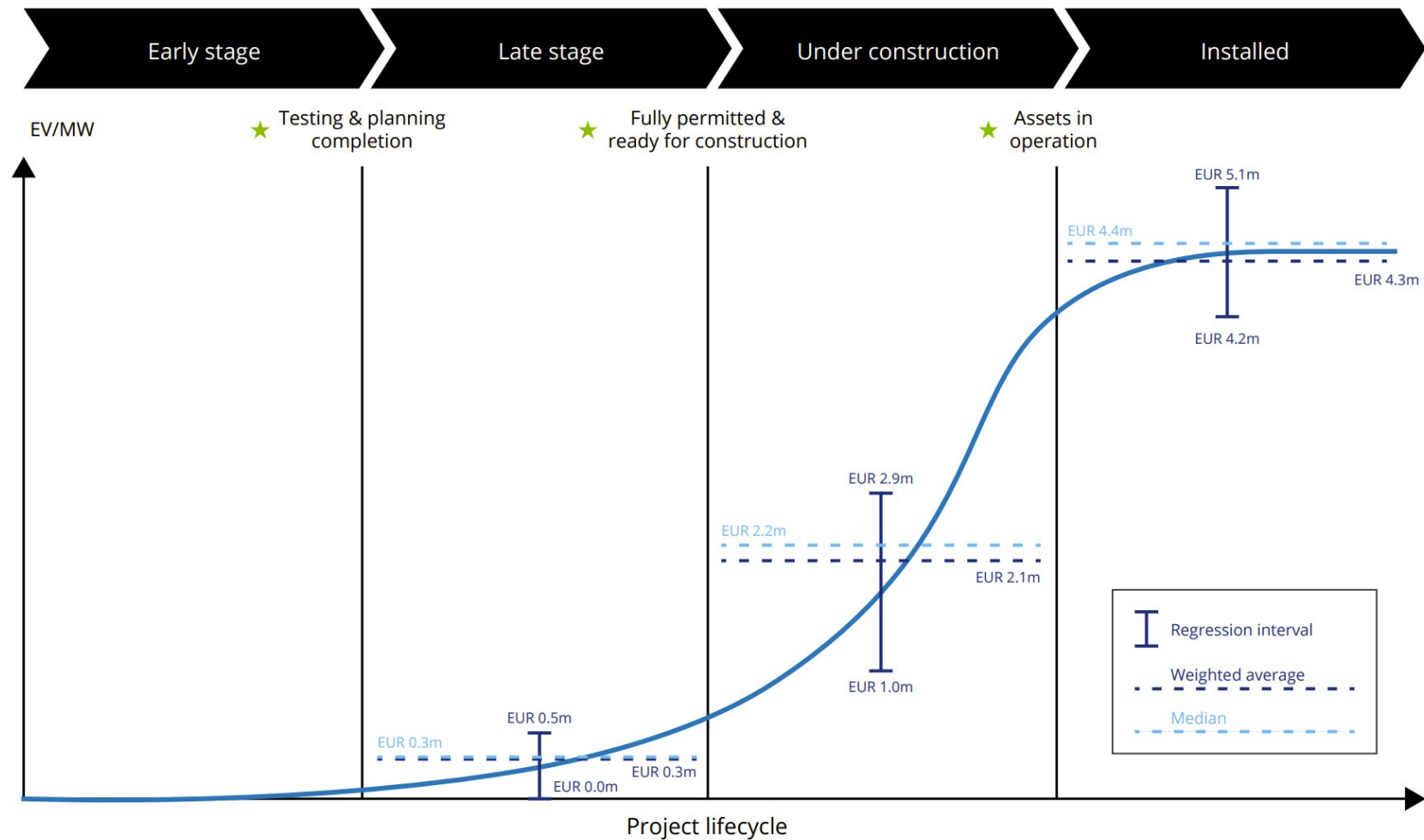
20 largest shareholder accounts 27 January 2022  
(source: VPS)

	Number of shares	Percent ownership
GINNY INVEST AS	2,469,144	4.33
KINGKONG INVEST AS	2,400,995	4.21
CARE HOLDING AS	2,000,000	3.50
BEKKESTUA EIENDOM AS	1,791,860	3.14
ALDEN AS	1,729,829	3.03
PHILIP HOLDING AS	1,648,377	2.89
ANDENERGY AS	1,558,140	2.73
F1 FUNDS AS	1,468,121	2.57
INTERACTIVE BROKERS LLC	1,406,307	2.46
NORDNET LIVSFORSIKRING AS	1,397,289	2.45
F2 FUNDS AS	1,374,000	2.41
DANSKE BANK AS	1,280,700	2.24
ALTEA PROPERTY DEVELOPMENT AS	1,054,944	1.85
AARSKOG, PHILLIP GEORGE	1,000,000	1.75
MP PENSJON PK	845,038	1.48
BAKLIEN, ÅSMUND	756,100	1.32
CLEARSTREAM BANKING S.A.	713,576	1.25
BILL INVEST AS	551,152	0.97
SJØLUND STIAN	551,000	0.97
THE NORTHERN TRUST COMP, LONDON BR	505,319	0.89
<b>Total, 20 largest shareholders</b>	<b>26,501,891</b>	<b>46.44</b>
Other shareholder accounts	30,570,788	53.56
<b>Total number of shares</b>	<b>57,072,679</b>	<b>100.00</b>
Foreign ownership	8,684,808	15.22

For further details and notes see Q4 report 2021 ([magnoraasa.com](https://magnoraasa.com))



# Value Creation Journey Offshore Wind from Deloitte



Source: Deloitte analysis

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