MAGNORA ASA

2022
Q2/H1 REPORT

8 August 2022

ELECTRIC

Future

Magnora invests in clean energy companies and projects that can benefit from the combination of funding and support for development and growth. We invest across several geographic markets and renewable energy segments.

Content

ABOUT

Magnora

After selling its assets and intellectual property rights in 2018, the Group has focused on building a diversified investment portfolio of companies and projects within several renewable segments and markets. The initial investments have been projects in greenfield to ready-to-build phase. The Group also has a unique perovskite solar cell technology company in its portfolio.

The Group and its portfolio companies have benefited from the green shift enabling high growth, and some investments are already providing dividends, while others are approaching a possible exit through IPO or sale of our shares or companies.

Magnora's team of seasoned specialists enable us to identify, select, and develop suitable investments while maintaining a small corporate team. Our strategy is to invest in the right renewable energy projects and companies, and to provide support through our experienced team and strong networks.

SECOND QUARTER

In Brief

KEY HIGHLIGHTS FROM Q2 2022

The second quarter continued the positive momentum across our portfolio companies, with new investments identified and important milestones reached such as the first dividend payment from Helios. Soaring electricity prices, both spot and longer term, energy security as well as reduction of CO_2 footprint are all factors driving interest for our portfolio companies and their projects. We see stronger interest of doing business with our portfolio companies compared with previous quarters. We are also pleased to have started harvesting our first dividend from our Swedish solar project development company Helios and continue to look forward to the cash generation from the company. In addition, we are looking forward to entering new ventures within solar PV and battery storage in the UK. The energy sector is in the start of a complete transformation with solar, wind, hydrogen and storage technologies. Magnora is now providing financial targets for our renewable business for the first time after the sale of our legacy business in 2018 due to the significant contract backlog in our portfolio companies. Magnora expects its net share of asset sales in the portfolio companies to be 150-250 MW for the full year 2022. 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 even higher than this. In addition, exciting times are ahead for Evolar which soon will provide update on its technical progress. Magnora is also considering solar PV opportunities in other markets in Northern Europe and beyond.

OPERATIONAL HIGHLIGHTS

» Magnora increased its ownership in Evolar AB to 63.5 percent according to business plan milestones. The increase represented the last of three options in the original investment agreement.

» Evolar has reached several key technical milestones and established supply chain for its sub-contractors. Additional discussions have been initiated during the quarter with very interesting customers and potential partners.

» Helios closed additional sales of projects during the second quarter and has so far closed sales of 370 MW. The company also signed landowner agreements in Lithuania and Latvia, expanding its operations beyond Sweden.

» Magnora South Africa reached key milestones for several projects and are in close discussion with the National grid company about grid connection offers.

» Magnora Offshore Wind AS (Magnora ASA owns 80 percent) signed Option to Lease Agreement with the Crown Estate Scotland for the N3 site, securing exclusivity for project development on the site. The payment is secured by long-term financing from a leading Norwegian bank.

» Magnora Offshore Wind entered into a cooperation agreement with Hiraeth Energy in Wales.

» Kustvind has completed most of the wildlife and marine environmental studies and so far without red flags.

» Magnora entered the fast-growing UK Solar PV and battery storage market during the quarter through partnering with an experienced local developer. The Group now has 60 MW solar PV and 70 MW of battery storage under development in the UK in three different projects.

FINANCIAL HIGHLIGHTS

- Adjusted EBITDA* for second quarter 2022 was negative NOK 1.1 million. EBITDA was impacted by consolidating Evolar and higher development cost in Magnora Offshore Wind from the ScotWind project.

SUBSEQUENT EVENTS

- The Group secured NOK 100 million in longer term financing through a top tier bank. This replaces a facility of NOK 50 million, while the other loan facility of NOK 50 million is maintained. Total loan facility is now NOK 150 million. As of 30 June 2022, NOK 62.5 million was drawn from the loan facility, leaving NOK 87.5 million of the total NOK 150 million loan facility. The Group has NOK 85.4 million in cash and loan facility available as of 4 August 2022.

- Magnora Offshore Wind signed after the close of the quarter an Investment Shareholder Agreement (ISA) for the development of floating offshore wind projects in the Celtic Sea (Wales).

- Helios decided to distribute SEK 16 million to its owners in August 2022 in an extraordinary general meeting. This is the first dividend from Helios. The amount was limited to free equity in the company at 31.12.2021. Helios will pay out all excess cash to its shareholders going forward. Based on existing sales over the last months, Helios should be in a position to return hundreds of million SEK over the next years.

- The Penguins FPSO is, according to Shell's Q2 2022 report expected to leave the yard and start production in 2022/23. According to media articles, sail-away is scheduled in the second half of this year which will release the first of three remaining license payments from Shell. First payment is USD 7.5 million, and subsequent payments are USD 4.3 million at first oil and USD 4.3 million at 4 million barrels of oil offloaded.

OUTLOOK

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. The Group expects its net share of asset sales in the portfolio companies to be 150-250 MW for the full year 2022. Despite strong interest for projects, it is difficult to project sales volume for 2023 at this time. 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.

** See definition in notes*

DEVELOPMENTS DURING

The Quarter

OPERATIONAL REVIEW

The figures are unaudited.

Magnora maintained a high activity level throughout the second quarter, progressing development of its portfolio companies.

Magnora increased its ownership in Evolar to 63.5 percent in the second quarter and now consolidates Evolar in its financial statements as a subsidiary. The transaction follows continued strong progress in Evolar developing and commercializing its unique efficiency enhancing technology for conventional solar cells for both solar cells and solar module cover glass.

Evolar 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 several key milestones related to durability, cost and efficiency. The company will soon announce results from its technical progress. Evolar's technology can both be used directly on the cover glass and the modules as well as directly on silicone solar cells. The company has received its first payments from customers partnering in its development projects. We are considering various financial and strategic alternatives for the company.

Helios closed additional sales of projects during the second quarter. The company also signed landowner agreements in Lithuania and Latvia, expanding its operations beyond Sweden. Feasibility studies for development of large-scale solar PV plants has started. Subsequent to the quarter, Helios' General Meeting decided to distribute SEK 16 million to its owners. This dividend payment is the first of several payments expected to amount to hundreds of millions SEK over the next few years based on existing sales. The dividend was limited to free equity at year end 31 December 2021. Helios see a price range between SEK 0.5 to 1.5 million per MW depending on the size of the project, unit economics (grid connection, long term price outlook), soil conditions, the amount of risk Helios takes, and EPC offers. In addition, Helios delivers vital services such as company management of Engineering, Procurement and Construction (EPC) as well as several after-market services. The Helios team delivers integrated and highly sophisticated services for owners of solar parks. If current electricity prices stay at these levels longer term, there is upside risk to Helios' developer margins.

Following positive progress in the South African project portfolio, the Group has organised its activities into a development and a project management company. Important milestones were reached during the quarter such as grid offers. Additional important milestones have been reached in some projects, and some projects are expected to be ready for sale in 2022. The market is gaining increasing interest from investors as it further opens up for private capital and there is a growing interest for platform companies in the region. Evident by compelling transactions in the market. The South African government is continuously improving the framework and conditions for private developers.

Magnora Offshore Wind signed an option agreement with the Crown Estate of Scotland during the quarter and paid the GBP 10.3 million (Magnora paid 80 percent of the fee) option fee for the N3 area in the ScotWind leasing round to develop approximately 495 MW of offshore wind capacity. The payment was backed by bank financing the Group obtained from leading Nordic banks. The ScotWind project is already progressing with bird and mammal aerial surveys and several flights completed during the quarter. The company is also working closely with the local community to investigate how local supply chain can be developed.

Magnora Offshore Wind also signed a cooperation agreement and after close of the quarter an Investment Shareholder Agreement (ISA) with Hiraeth Energy to participate in the licensing round in the Celtic Sea for development of floating offshore wind projects with a total planned capacity of 4 GW.

There is good interest from established industry players to discuss and participate in our offshore wind projects.

The Group's feasibility study for green fuel to the maritime industry with Prime Capital and Troms Kraft was completed in April. The project continues to explore possibilities for a large-scale production facility of green hydrogen and green ammonia (NH3) and/or liquid organic hydrogen carriers (LOHC). The feasibility study has completed market assessment, technical and financial feasibility, safety and access to grid. The project has also signed several LOIs with potential off-takers.

Magnora entered the UK Solar PV and battery storage market during the quarter through partnering with an experienced local developer. Heads of Terms is already signed with landowners for a 60 MW solar PV and a 40 MW battery storage projects. Grid offer is already received for both projects and pre-application submission fee paid (EIAs). The first projects were initiated during the quarter and are expected to be at ready-to-build stage already next year. The developer margins in UK have historically been higher than what we currently see in the Nordics. During the first six months of 2022, the UK posted 80% growth in new solar PV installations compared with last year with 556 MW of capacity installed. The ground mounted market accounted for approximately 1/3 of new installed volumes during first half of 2022*

**Source: Solarpowerportal.co.uk*

INVESTMENT

Portfolio

Magnora provides 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 Group has the following financial targets for its net share from the portfolio companies:

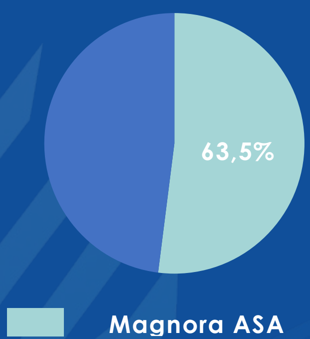
» Net 5 GW share of development projects from portfolio companies by 2025
» Net share of asset sales in the portfolio companies to be 150-250 MW for the full year 2022
» Price range solar PV and onshore wind from NOK 0.5-1.5 million per MW subject to risk, unit economics and other factors
» The Group continues to see compelling investment opportunities and will call for dividend in portfolio companies that have more cash than needed

Evolar

Commercialising disruptive solar PV efficiency enhancing perovskite technology through turn-key solution

- Perovskite is the only material with good prospect of increasing efficiency for PV market today
- 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
- 27 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 unique perovskite-based PV power booster technology with potential to increase efficiency of conventional silicon-based solar panels at low cost. The investment in Evolar gives Magnora access to a unique technology in a growing solar cell market due for efficiency innovation. The Evolar team holds several world records within its previous thin film niche such as a copper indium gallium selenide (CIGS) solar cell with several world records historically, 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 according to strategy, with key personnel successfully hired during the second quarter. The company maintains an advisory board, where one of the members is the Dean of Uppsala University, Anders Hagfeldt, a leading expert within 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

- 37 ongoing projects with a total capacity of 1.62 GW
- 2,100 hectare land lease agreements
- ~80% of landbank **with positive grid indication**
- Several projects sold
- Growing revenue streams from a growing landbank with subsequent technical management services
- Strong risk management focus

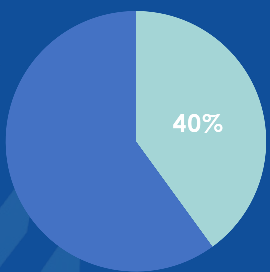
Magnora participated in a share issue acquiring 25 percent of Helios Nordic Energy AB (Helios) in February 2021 and increased its ownership to 40 percent in the third quarter 2021.

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 37 projects with a total installed capacity potential of approximately 1.6 GW.

Helios has sold almost a dozen projects totaling more than 370 MW to reputable companies such as OX2, Commerz Real, Nordic Solar, and Solgrid. The company has received good interest from potential buyers for several of the other projects in its project portfolio. We note a significant interest in the marketplace for solar PV projects and expect several projects in Helios' development pipeline to be sold during second half of 2022 as well.

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

OWNERSHIP



Magnora ASA

www.heliosnordic.com

Magnora South Africa

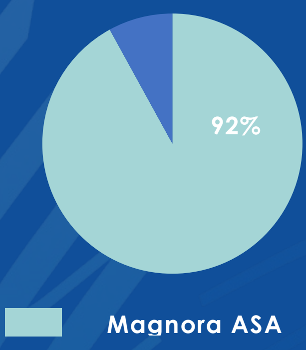
Magnora South Africa Projects AS - Solar and wind project company;

- Combined greenfield portfolio of 1,700 MW solar PV and onshore wind
- 61,932 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 six people in Cape Town specialized in renewable project development in South African market
- 92 percent ownership

OWNERSHIP



www.africangreenventures.com

Magnora entered the South African market in 2021 by acquiring 100 percent of the shares in a South African company with a potential 850 MW greenfield renewable development portfolio consisting of approximately 550 MW wind power and 300 MW solar PV.

In 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 projects in South Africa continued with good progress during the quarter, and positive developments were received from Eskom regarding grid connection for two projects.

South Africa plans to develop minimum 20-30 GW of renewable projects over the next decade to decrease the current power shortage. A public tender system (REIPPP) has been in place since August 2021 to open up for private investments and off take up to 100 MW.

In parallel with development of the wind and solar PV projects, the Group is meeting with investors and potential PPA customers to secure the commercial aspects of the projects.

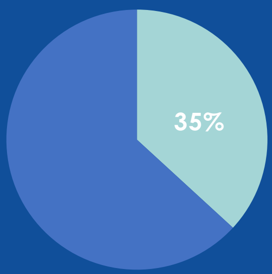
Some of the projects are well into wind measurement campaigns and some have progressed with positive grid connection offers from Eskom. Environmental permit application has been filed for the first project and feedback expected during H2 2022. All projects under development are expected to meet the criteria needed in public tender rounds ("REIPPP"), potential corporate power purchasing agreements (PPAs), and to serve local municipalities and businesses directly with electricity from renewable sources.

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 35 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 park has a potential to produce 2 TWh annual green electricity and can potentially serve 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 finalize 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. Submission of the permit application is planned for Q4 2022. Development work for the grid connection route is also progressing according to plan, in cooperation with the local grid operator.

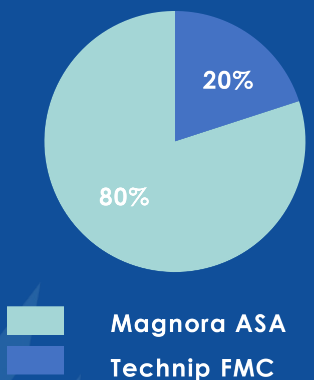
More details are available on the project's home page: www.kustvind.se.

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.

Magnora Offshore Wind has also entered into a cooperation agreement with Hiraeth Energy for the development of up to two floating offshore wind projects in the Celtic Sea with a total capacity of approximately 700 MW.

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.

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 second quarter 2022 was NOK 3.4 million (NOK 3.4 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. The remaining license income of the Penguins agreement is approximately USD 16 million and subject to milestone achievements.

Magnora received payment for the first milestone of USD 2.625 million (NOK 20.7million) under the license agreement in Q1 2018. Further payments under the license agreement are subject to three milestones: 1) the completion and sail away of the Penguins FPSO from the construction yard, 2) the installation of the Penguins FPSO at the field and production started, and 3) the successful production, offloading and gas export of 4 million barrels which is estimated to be approximately 6 months after successful start-up.

It is currently anticipated that the sail-away of the Penguins FPSO will take place in the third quarter of 2022 according to industry journals and with further milestones achieved thereafter. The Penguins field is currently producing and is hooked up to the last of the remaining Brent platforms.

FINANCIAL REVIEW

As the Group has grown, it has implemented an updated operating model to manage its growing portfolio. As part of the new operating model, corporate and project related activities and expenses are followed up and reported separately in segments. Currently the Group operates with the two segments Corporate and Projects. Both segments engage in business activities with revenues and expenses.

The Group recognises the complexity for investors to assess the changes in the Group's asset values as its portfolio companies are developed and business models matured. The reporting of asset values is currently being considered to improve the financial reports for the investors.

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 9.1 million (4.3 million NOK from license income and 4.8 million NOK from services tendered to subsidiaries and associated companies), and the operating expense was NOK 8 million in the second quarter. EBITDA in the corporate segment in Q2 was NOK 1.2 million. The year-to-date operating revenues were NOK 14.7 million and operating expenses NOK 15.9 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 second quarter, there was NOK 1.6 million from subsidiaries in operating revenue in the project segment. The operating expense was NOK 4.8 million, and the development and M&A expense was NOK 20.7 million. EBITDA in the segment was negative NOK 23.9 million.

Year-to-date, there was NOK 1.6 million from subsidiaries in operating revenues in the project segment. Operating expense was NOK 6.7 million, and development and M&A expense was NOK 31.4 million in the project segment.

CONSOLIDATED

Operating revenue in the second quarter 2022 was NOK 4.3 million, NOK 0.9 million higher than the previous quarter. The current operating revenue mainly reflects license income from the agreement with Dana, and the increase from the previous quarter was largely due to higher off-loading volumes. EBITDA was negative NOK 22.7 million (negative NOK 14.0 million) mainly due to consolidating in Evolar, Magnora Offshore Wind, and Magnora South Africa with their respective operating and development costs. EBITDA included NOK 1 million of non-cash option expenses for Q2 2022. See note 3 for further details.

Adjusted EBITDA was negative NOK 1.1 million. The operating expense was NOK 7.9 million. Development and M&A costs were NOK 20.7 million, mainly driven by consolidating in Evolar with its high development costs, development of the projects in South Africa, and the ScotWind project in Magnora Offshore Wind.

With the exception of 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 of the projects developed and part of its project portfolio.

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. 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 negative NOK 13.5 million, an improvement of NOK 5.2 million compared to the previous quarter (negative NOK 18.7 million). This increase was mainly due to a positive effect from derecognising Evolar as an associated company. The company is now fully consolidated in the Magnora financial statements.

CASH FLOW

As of 30 June 2022, cash and cash equivalents was NOK 10.8 (NOK 61.2 million). As of 4 August 2022, the Group's cash and total loan facility available was net NOK 85.4 million. The cash flow in the quarter was mainly affected by 1) NOK 15.2 million payment to increase ownership in Evolar, and 2) NOK 94.6 million payment of the lease option fee for the ScotWind project in Magnora Offshore Wind. Net cash generated from operating activities was negative NOK 22.8 million for the Group. Negative NOK 6.9 million was from the corporate segment and the remaining mainly from Evolar and Magnora Offshore Wind. As of 30 June 2022, NOK 62.5 million was drawn from the loan facility, leaving NOK 87.5 million of the total NOK 150 million loan facility.

FINANCIAL POSITION

The equity ratio was 64 percent as of 30 June 2022. The Group established a NOK 50 million credit facility in the third quarter 2021, which was increased to NOK 100 million in March 2022 and drawn upon to cover parts of the ScotWind option fee paid at the beginning of the second quarter 2022. Subsequent to the quarter, the Group secured NOK 100 million in longer term financing through a top tier bank. This replaces a facility of NOK 50 million, while the other loan facility of NOK 50 million is maintained. Total loan facility is now NOK 150 million. As of 30 June 2022, NOK 62.5 million was drawn from the loan facility, leaving NOK 87.5 million of the total NOK 150 million loan facility. As of 4 August 2022, the Group's cash and total loan facility available was net NOK 85.4 million.

FINANCIAL REPORTING

The Group continues to develop and has changed significantly since the legacy business was sold in 2018 and unwound in 2019. As of the end of the second quarter, the Group has determined it does not meet the IFRS requirements to present its financial results as an investment entity but continue to evaluate its processes. Management believes that preparing the financial statements as an investment entity instead of consolidating the investments will provide more useful information to investors trying to determine the value of the Group's investments and the value creation that has taken place during the quarter since this is not reflected by an operating revenue amount.

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 construction and commissioning of the Shell Penguins vessel currently being built in 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 the shorter-term overdraft facility with a NOK 100 million loan facility with longer term.

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.

OUTLOOK AND STRATEGY

Magnora continues to grow its portfolio of renewable energy companies and projects and has over the past year 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. The Group expects its net share of asset sales in the portfolio companies to be 150-250 MW for the full year 2022. Despite strong interest for projects, it is difficult to project sales volume for 2023 at this time. 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. Magnora expects its net share of asset sales in the portfolio companies to be 150-250 MW for the full year 2022. 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 installationsThe 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.

HELIOS

Helios has received positive feedback for several projects from institutional investors and larger companies that want to invest in a holding company structure with Magnora and the founders.

Helios' General Meeting decided to distribute SEK 16 million to its owners in August 2022. The initial dividend from Helios provides Magnora with a direct return of 28.4% on our investment in the company. Dividend capacity from 2H of 22, 2023 and 2024 is expected to be several hundred million SEK based on existing project sales. Helios will pay all excess cash to its shareholders.

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 with a global glass manufacturer and an Asian solar cell manufacturer.

PENGUINS FPSO

The Penguins FPSO is, according to Shell's Q2 quarterly report, scheduled for sail-away in the second half of 2022 which will release the three remaining license payments from Shell. First payment is USD 7.5 million, and subsequent payments are USD 4.3 million at first oil and USD 4.3 million at 4 million barrels of oil offloaded.

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 citisens 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 second half 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 as of the date of this report, Magnora owns 21,866 of its own shares. The authorization was renewed by the AGM held on 26 April 2022.

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

Oslo, Norway, 8 August 2022
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	Q2 2022	Q1 2022	YTD 2022	Q2 2021	YTD 2021	2021
Operations							
Operating revenue	7	4.3	3.4	7.7	2.4	6.6	13.8
Other operating revenue	7, 11	1.6	0.4	1.9	0.0	1.3	1.4
Operating expense		-8.0	-7.9	-15.9	-6.1	-12.3	-30.8
Development and M&A expense	2	-20.7	-9.8	-30.5	-5.4	-9.8	-22.9
EBITDA		-22.7	-14.0	-36.7	-9.1	-14.2	-38.5
Profit/loss from associated companies		7.6	-4.7	2.9	-2.9	-9.5	-21.6
Operating profit/(loss)		-15.1	-18.7	-33.8	-12.0	-23.6	-60.1
Financial income/(loss)	9	0.3	0.6	0.9	2.2	5.6	5.1
FX gain/(loss)		1.3	-0.6	0.7	-0.3	-0.2	-0.1
Net financial items		1.6	0.0	1.6	1.9	5.4	5.0
Profit/(loss) before tax		-13.5	-18.7	-32.2	-10.0	-18.1	-55.1
Tax income/(expense)	4	0.1	0.0	0.0	0.0	0.0	-7.7
Net profit/(loss) continued operations		-13.5	-18.7	-32.2	-10.0	-18.1	-62.8
Net profit/(loss)		-13.5	-18.7	-32.2	-10.0	-18.1	-62.8

Numbers are unaudited

STATEMENT OF COMPREHENSIVE INCOME

Net profit/(loss)	-13.5	-18.7	-32.2	-10.0	-18.1	-62.8
Foreign currency translation	8.5	-2.2	6.3	-0.4	-0.4	-2.3
Total comprehensive income	**-5.0**	**-20.9**	**-25.9**	**-10.4**	**-18.5**	**-65.1**
Profit/(loss) attributable to:						
Equity holders of the company	-8.4	-18.1	-26.5	-10.0	-18.1	-62.8
Non-controlling interest	-5.0	-0.6	-5.6	0.0	0.0	0.0
Total comprehensive income attributable to:						
Equity holders of the company	-1.2	-20.3	-21.5	-10.4	-18.5	-65.1
Non-controlling interest	-3.8	-0.6	-4.4	0.0	0.0	0.0

Numbers are unaudited

CONDENSED STATEMENT OF FINANCIAL POSITION

NOK million	Note	30.06.22	31.03.22	31.12.21
Deferred tax assets	4	23.4	23.4	23.4
Intangible assets	12	163.1	10.2	0.0
Fixed assets		10.8	0.0	0.0
Goodwill		29.5	4.8	2.0
Investment in associates	5, 10	36.0	57.4	61.4
Total non-current assets		**262.9**	**95.8**	**86.8**
Trade and other receivables		22.0	9.4	6.8
Other current financial assets	9	25.1	25.0	2.1
Cash and cash equivalents*		10.8	61.2	96.9
Total current assets		**58.0**	**95.6**	**105.8**
Total assets		**320.9**	**191.4**	**192.7**
Share capital		28.3	27.9	27.9
Treasury shares		0.0	0.0	0.0
Other equity		127.3	124.5	143.8
Total shareholders' equity		**155.6**	**152.4**	**171.8**
Non-controlling interest		**49.1**	**27.1**	**0.0**
Total equity		**204.7**	**179.5**	**171.8**
Deferred tax liability		8.7	2.8	0.0
Total non-current liabilities		**8.7**	**2.8**	**0.0**
Overdraft facility*		62.5	0.0	0.0
Current liabilities		45.0	9.1	20.9
Total current liabilities		**107.5**	**9.1**	**20.9**
Total liabilities		**116.3**	**11.9**	**20.9**
Total equity and liabilities		**320.9**	**191.4**	**192.7**

* As of 30 June 2022, NOK 62.5 million was drawn from the loan facility, leaving NOK 87.5 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	-21.5	-4.4	-25.9
Acquired treasury shares*	0.0	0.0	0.0	0.0	0.0
Share based payments	0.0	0.0	1.9	0.0	1.9
Capital increase**	0.0	0.4	2.9	0.0	3.3
Capital increase minority share subsidiary	0.0	0.0	0.0	53.5	53.5
Equity as of 30 June 2022	**28.0**	**0.3**	**127.3**	**49.1**	**204.7**
Equity as of 1 January 2021	**25.8**	**-0.1**	**92.4**	**0.0**	**118.1**
Total comprehensive income for the period	0.0	0.0	-65.1	0.0	-65.1
Acquired treasury shares*	0.0	0.0	0.0	0.0	0.0
Share based payments	0.0	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 0.04 percent of total shares outstanding.*
***Capital increase due to board and management exercising options.*

Numbers are unaudited

CONDENSED STATEMENT OF CASH FLOW

NOK million	Q2 2022	Q1 2022	YTD 2022	Q2 2021	YTD 2021	2021
Cash flow from operating activities						
Cash from operations	-22.8	-10.2	-32.9	-5.7	-9.2	-23.7
Taxes paid/repaid	0.0	0.0	0.0	0.0	0.0	0.0
Net cash generated from operating activities	**-22.8**	**-10.2**	**-32.9**	**-5.7**	**-9.2**	**-23.7**
Cash flow from investment activities						
Net purchase of marketable securities	1.3	0.0	1.3	13.6	19.2	18.9
Investment in fixed assets	-3.9	0.0	-3.9	0.0	0.0	0.0
Investment in subsidiary net of cash acquired	3.8	0.0	3.8	0.0	0.0	0.0
Net purchase of associated companies	0.0	-25.5	-25.5	-37.9	-50.1	-58.6
ScotWind lease option fee	-94.6	0.0	-94.6	0.0	0.0	0.0
Net cash from investment activities	**-93.4**	**-25.5**	**-119.0**	**-24.3**	**-30.9**	**-39.6**
Cash flow from financing activities						
Capital distribution/increase	3.3	0.0	3.3	0.0	115.4	115.4
Overdraft facility drawn*	62.5	0.0	62.5	0.0	0.0	0.0
Net cash from financing activities	**65.8**	**0.0**	**65.8**	**0.0**	**115.4**	**115.4**
Net cash flow from the period	**-50.4**	**-35.7**	**-86.1**	**-29.9**	**75.4**	**52.1**
Cash balance at beginning of period	61.2	96.9	96.9	150.2	44.8	44.8
Cash balance at end of period	**10.8**	**61.2**	**10.8**	**120.3**	**120.3**	**96.9**

** As of 30 June 2022, NOK 62.5 million was drawn from the loan facility, leaving NOK 87.5 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	7	7.7	0.0	0.0	7.7
Other operating revenue	7, 11	7.0	1.6	-6.7	1.9
Operating expense	2	-15.8	-6.7	6.7	-15.8
Development and M&A expense	2	0.0	-30.5	0.0	-30.5
EBITDA		**-1.1**	**-35.6**	**0.0**	**-36.7**
Profit/loss from associated companies		0.0	-2.9	0.0	-2.9
Operating profit/(loss)		**-1.1**	**-32.7**	**0.0**	**-33.8**

SEGMENT FINANCIALS Q2 2022:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue	7	4.3	0.0	0.0	4.3
Other operating revenue	7,11	4.8	1.6	-4.8	1.6
Operating expense	2	-7.9	-4.8	4.8	-7.9
Development and M&A expense	2	0.0	-20.7	0.0	-20.7
EBITDA		**1.2**	**-23.9**	**0.0**	**-22.7**
Profit/loss from associated companies		0.0	7.6	0.0	7.6
Operating profit/(loss)		**1.2**	**-16.3**	**0.0**	**-15.1**

SEGMENT FINANCIALS 2021:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue	7	13.8	0.0	0.0	13.8
Other operating revenue	7,11	4.9	0.0	-3.5	1.4
Operating expense	2	-30.8	-3.5	3.5	-30.8
Development and M&A expense	2	-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 Q2 2021

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue	7	2.4	0.0	0.0	2.4
Other operating revenue	7,11	1.0	0.0	-1.0	0.0
Operating expense	2	-6.1	-1.0	1.0	-6.1
Development and M&A expense	2	0.0	-5.4	0.0	-4.4
EBITDA		-2.7	-6.4	0.0	-9.1
Profit/loss from associated companies		0.0	-2.9	0.0	-2.9
Operating profit/(loss)		-2.7	-9.3	0.0	-12.0

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	Q2 2022	Q1 2022	Q2 2021	2021
EBITDA		-22.7	-14.0	-9.1	-38.5
Development and M&A expense		20.7	9.8	5.4	22.9
Option expense (non-cash)		1.0	1.0	0.8	3.4
Adjusted EBITDA		-1.1	-3.2	-2.9	-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

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 35 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. Magnora has two out of five board members, and the founders have the remaining three members of the board. Significant decisions (e.g., Issues of new shares, mergers or demergers, sale of all or substantially all the assets of a member of the group, amendments and revisions of the business plan) shall always require the consent and approval by the Board members nominated by Magnora.

The Group determines it does have significant control in Evolar as of 30 June 2022 with its 63.5 percent ownership and is therefore consolidating Evolar in its 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.

6 SHAREHOLDER STRUCTURE

20 largest shareholder accounts 22 July 2022 (source: VPS)	Number of shares	Percent ownership
GINNY INVEST AS	2,469,144	4.27
KING KONG INVEST AS	2,400,995	4.15
CARE HOLDING AS	2,000,000	3.46
BEKKESTUA EIENDOM AS	1,791,860	3.10
ALDEN AS	1,729,829	2.99
PHILIP HOLDING AS	1,648,377	2.85
ANDENERGY AS	1,558,140	2.69
F1 FUNDS AS	1,443,121	2.49
INTERACTIVE BROKERS LLC	1,406,307	2.43
F2 FUNDS AS	1,374,000	2.37
NORDNET LIVSFORSIKRING AS	1,315,665	2.27
MP PENSJON PK	1,127,138	1.95
ALTEA PROPERTY DEVELOPMENT AS	1,054,944	1.82
AARSKOG, PHILLIP GEORGE	1,000,000	1.73
BAKLIEN, ÅSMUND	756,100	1.31
BALLISTA AS	715,630	1.24
CLEARSTREAM BANKING S.A.	697,227	1.20
BILL INVEST AS	671,152	1.16
DNB Bank ASA	640,000	1.11
THE NORTHERN TRUST COMP, LONDON BR	564,360	0.89
Total, 20 largest shareholders	**26,363,989**	**45.56**
Other shareholder accounts	31,508,690	54.44
Total number of shares	**57,872,679**	**100.00**
Foreign ownership	7,892,760	13.64

7 OPERATING REVENUE

NOK million	Q2 2022	Q1 2022	Q2 2021	2021
Operations				
License revenue	4.3	3.4	2.4	13.8
Other revenue	1.6	0.4	0.0	1.4
Operating revenue	**5.9**	**3.8**	**2.4**	**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.

100 000 options were awarded the Chairman by the AGM during the quarter. No other options were granted during Q2 2022 and NOK 1 million has been recognised for Q2 2022 in accordance with IFRS 2.

9 FINANCIAL ASSETS

The Group has sold all shares and holds no marketable securities as of 30 June 2022.

The Group has a receivable of approximately NOK 22 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 35 percent ownership in Kustvind AB and has a right to acquire up to 50 percent of the company. As of 30 June 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 30 June 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 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 4.8 million in operating revenues from subsidiaries and associated companies in the second quarter. TechnipFMC UK Ltd. invoiced Magnora Offshore Wind NOK 1.6 million for services performed during the second quarter.

12 PURCHASE PRICE ALLOCATION FOR EVOLAR AB

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	7.4
Financial assets	2
Trade and other receivables	3.2
Trade and other payables	-6.9
Borrowings	-0.2
Total net identifiable assets	**25.7**
Goodwill	25.6
Intangible assets	30.2
Deferred tax	-6.2
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**

13 SUBSEQUENT EVENTS

The Group secured NOK 100 million in longer term financing through a top tier bank. This replaces a facility of NOK 50 million, while the other loan facility of NOK 50 million is maintained. Total loan facility is now NOK 150 million.

Magnora Offshore Wind signed after the close of the quarter an Investment Shareholder Agreement (ISA) for the development of two floating offshore wind projects in the Celtic Sea with a total capacity of approximately 700 MW.

Helios' General Meeting decided to distribute SEK 16 million to its owners in August 2022.

RESPONSIBILITY

Statement

We confirm, to the best of our knowledge, that the interim consolidated financial statements for the period 1 January to 30 June 2022 have been prepared in accordance with IAS 34 - Interim Financial Reporting and give the true and fair view of the Group's assets, liabilities, financial position and profit and loss as a whole. We also confirm, to the best of our knowledge, that the Interim Financial Report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Oslo, Norway, 8 August 2022

The Board of Directors of Magnora ASA

Torstein Sanness
Chairman

Hilde Ådland
Board Member

John Hamilton
Board Member

Erik Sneve
CEO

MAGNORA ASA

Magnora ASA Karenslyst Allé 2, 0277
Oslo, Norway
www.magnoraasa.com