



MAGNORA ASA

SpareBank 1 Markets 2025 Energy Conference

# Accelerating "the unstoppable" renewables deployment

CEO Erik Sneve, 25 February 2025

# Magnora: a pure play, asset-light, profitable renewable developer

## Company overview

- Founded in 2001 (as Sevan Marine ASA)
- Transformed into a renewable-energy company (Magnora ASA) in 2018-2019
- Accelerates the energy transition by developing high-quality, profitable projects within solar, wind and battery energy storage
- 6 GW project portfolio (Magnora share)
- Listed on the Oslo Stock Exchange, with ~7,000 shareholders

## Strategic & operational edge

-  Developing **asset-light portfolios** of renewable-energy projects with **strict capital discipline** in high-growth markets
-  Highly **experienced team** from investments and renewable-energy development
-  **Zero debt, low burn, solid cash position** and **cash flow** from project sales
-  Solid and increasing track-record of **successful developments and sales**

## Business areas & markets

Industry-scale projects within:



**Solar PV** **Storage** **Onshore wind** **Offshore bottom-fixed** **Offshore floating wind**

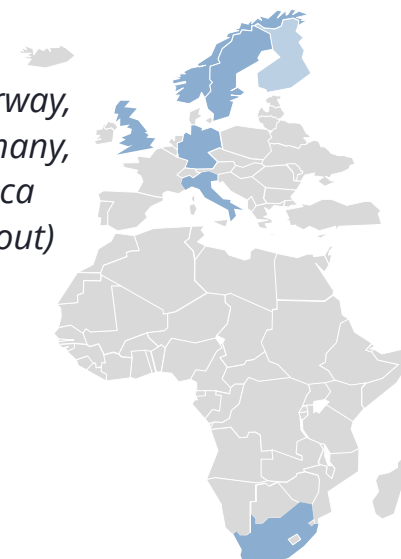
## Financials

- Market cap NOK 1.6 billion
- Capital returned to shareholders since 2018: > NOK 1 billion
- Net profit Q1-Q3 2024 (2023): NOK 294 million (NOK 192 million)
- ROE Q1-Q3 2024 (2023): 62% (33%)

### For the 5-year period 2020-2024

|  |                |
|--|----------------|
| Net profit <sup>1</sup> , annual average | NOK 68 million |
| ROE <sup>1</sup> , annual average        | 25 %           |
| Total shareholder return, aggregate      | 472 %          |
| Total shareholder return, annual average | 42 %           |

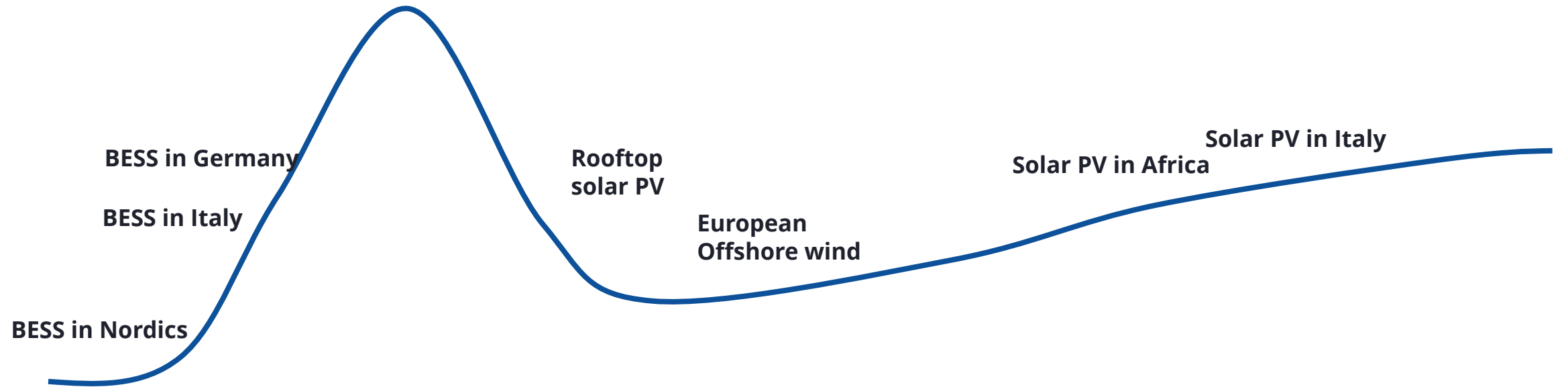
Operations in Norway, Sweden, UK, Germany, Italy, South Africa (& Finland earn-out)



<sup>1</sup> As of Q3 2024

# We take a long view through boom, bust and revival

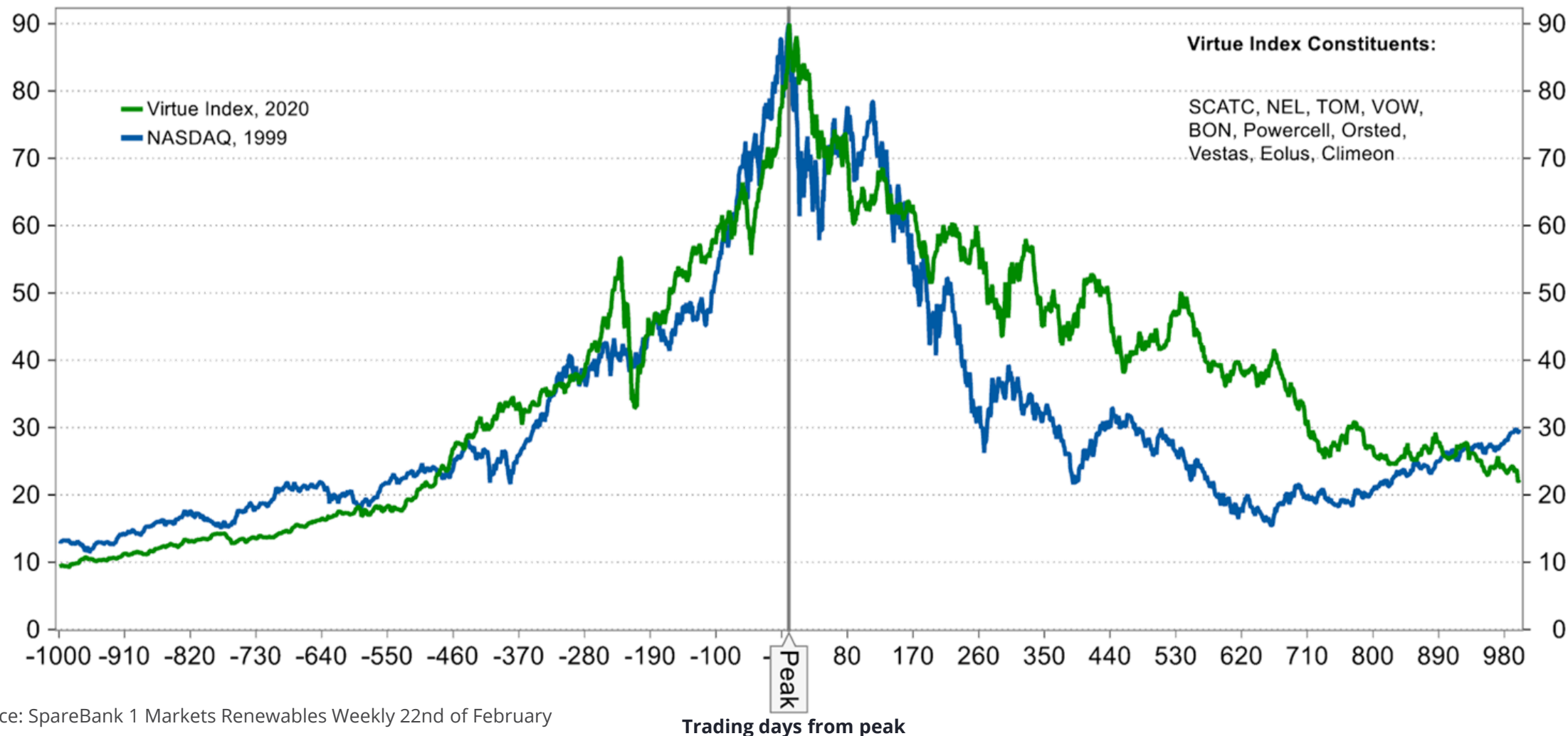
## The cycle nature of new industries



| Technology trigger   | Inflated expectations  | Through of disillusion   | Slope of enlightenment   | Mainstream adoption |
|--|--|--|--|---------------------|
| <ul style="list-style-type: none"> <li>• Surge of suppliers</li> <li>• High media attention</li> <li>• Buzzwords</li> <li>• Substantial capital inflow</li> <li>• High valuations</li> </ul> | <ul style="list-style-type: none"> <li>• Distressed players</li> <li>• Industry consolidation</li> <li>• Adverse media coverage</li> <li>• Questioning technology and potential</li> </ul> | <ul style="list-style-type: none"> <li>• Mature and proven technology</li> <li>• Adoption rises</li> </ul> | <ul style="list-style-type: none"> <li>• “No brainer”</li> <li>• Leveraging lower costs and risks</li> <li>• Expanding to new markets</li> </ul> |                     |

















# If history is a guide, renewables look posed for a revival

## Dot com and green boom around peak



Source: SpareBank 1 Markets Renewables Weekly 22nd of February

Big money took smart bets last year... expect more cases where public companies go private or consolidate

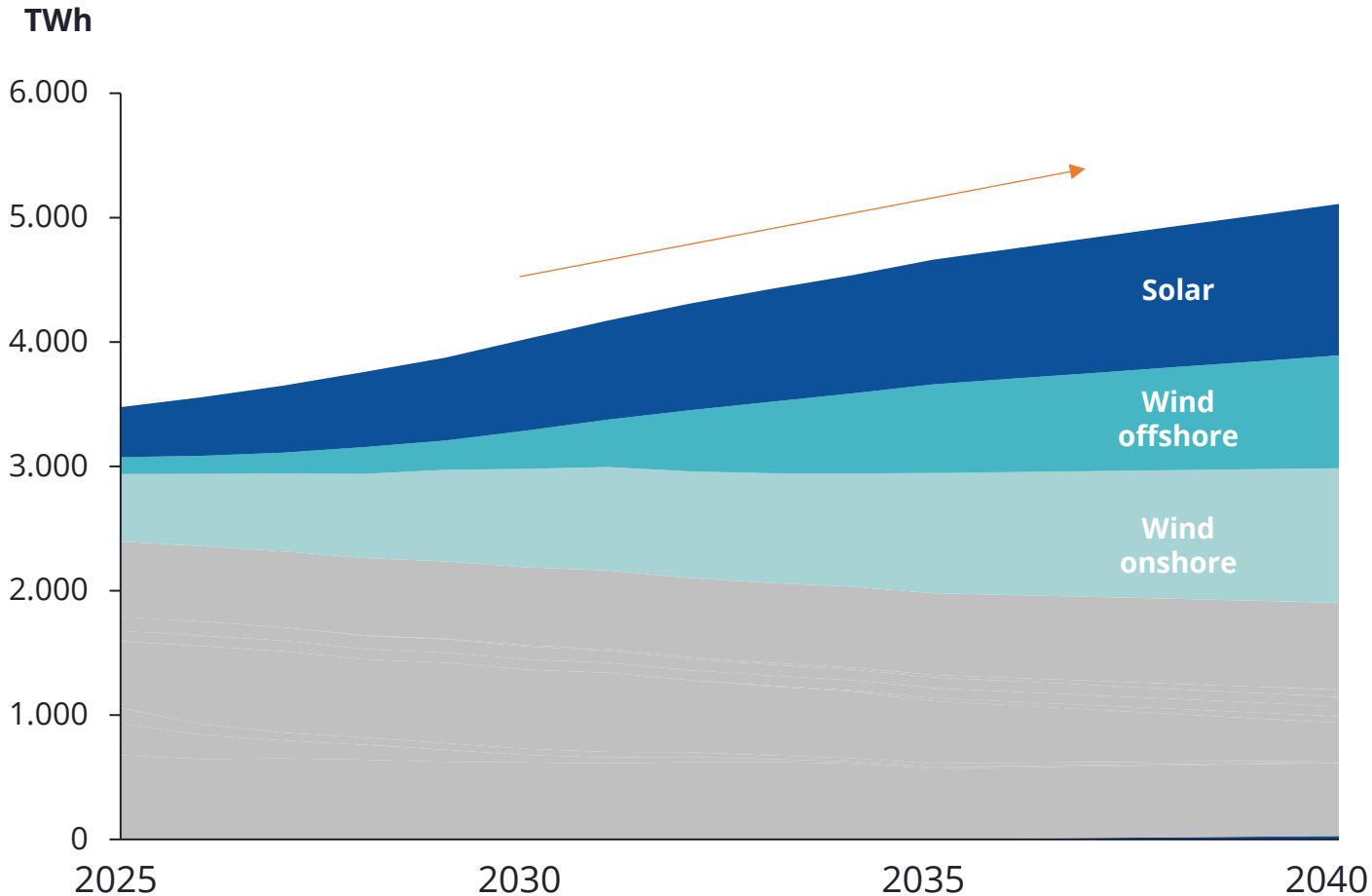
| BUYER   | SELLER/TARGET   |                                       |
|---|---|---------------------------------------|
|    | →    | 2024   EUR 4.7bn   <b>54% premium</b> |
|    | →    | 2024   SEK 16bn   <b>43% premium</b>  |
|    | →    | 2024   EUR 6.1bn   <b>27% premium</b> |
|       | →    | 2024   NOK 6.1bn   <b>51% premium</b> |
|   | →   | 2024   NOK 1.1bn   <b>53% premium</b> |
|    | →  | 2024   NOK 740m   <b>94% premium</b>  |
|   | →  | 2025   NOK 6.1bn                      |

LISTED PLAYERS

# Electricity is facing a long-term super cycle


## Outlook: Development in European power demand


European Generation Mix, TWh





Source: IEA, Thema


## Key drivers

- 

Data centres (AI)
- 

Electrification of transport (EVs)
- 

Population and economic growth
- 

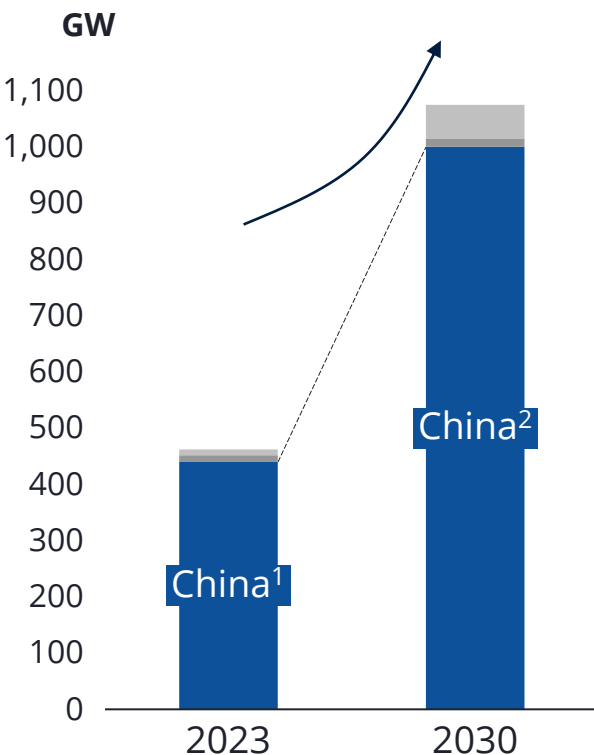
Electrification of heating and buildings
- 

Industrial electrification

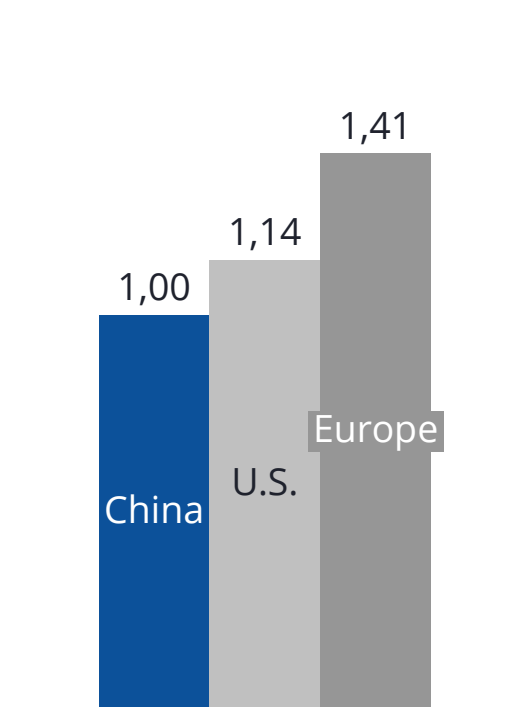
# Enhanced supply chains and lower costs boost renewables' competitiveness and demand, but China dependency increases...

## Solar

Solar PV modules manufacturing capacity, GW

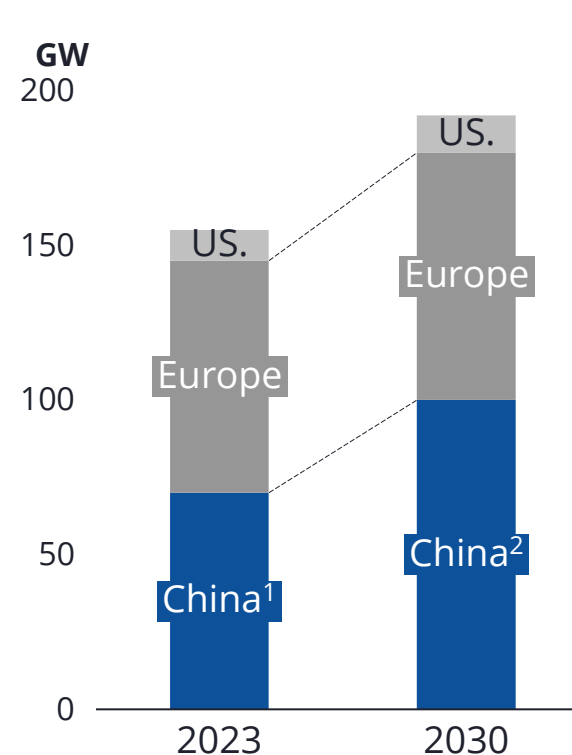


Cost of Solar PV modules vs. China

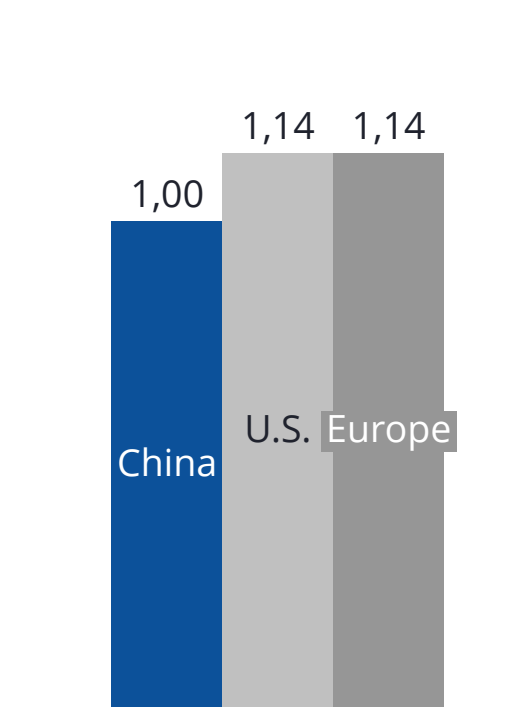


## Wind

Wind nacelles manufacturing capacity, GW



Cost of wind turbine nacelles vs. China



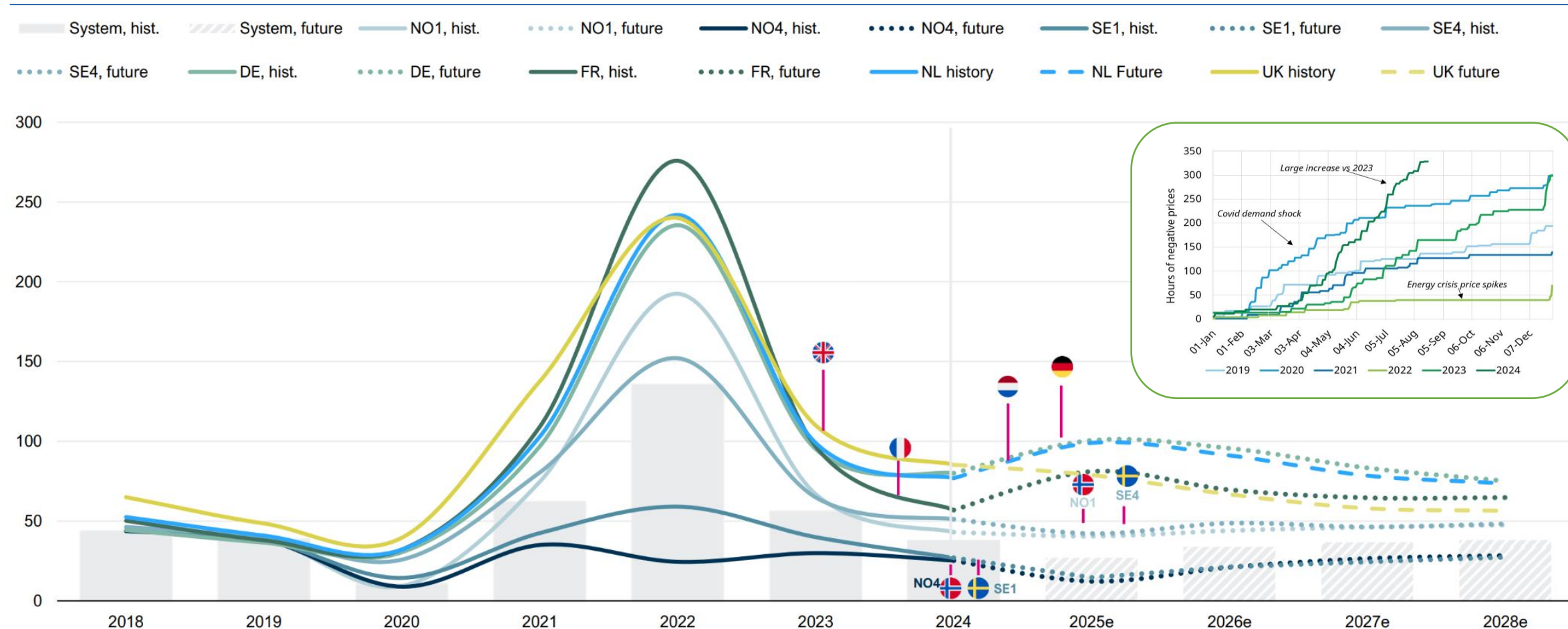
Source: IEA Advancing Clean Technology Manufacturing report 2024, Thema

<sup>1</sup> Existing capacity utilised at 85%, <sup>2</sup> Current utilised capacity and committed announcements



# Power prices remain above historical levels – a case for offering double digit return for IPPs?

## Historical power prices and power futures, EUR/MWh

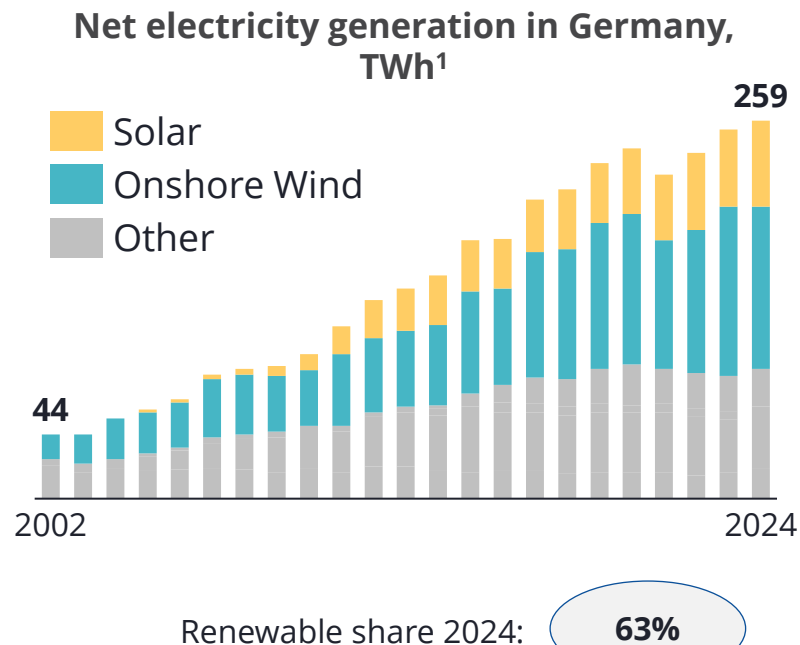




# Expect all European countries to become more like Germany, the current leader in renewable energy

## KEY DRIVERS FOR BATTERY ENERGY STORAGE SYSTEMS (BESS)

### Strong fundamentals underpinned by renewable growth

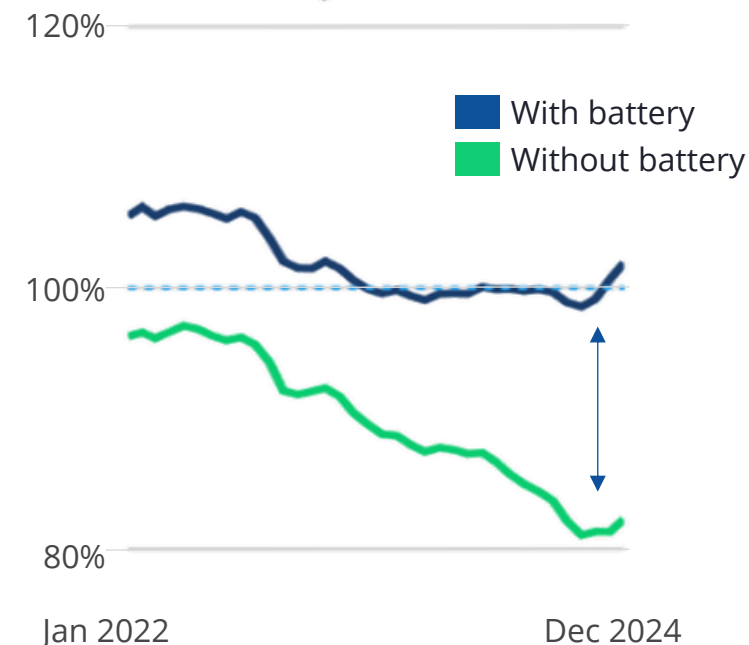


### One of the most attractive regulations and policies for BESS projects

- **Grid tariffs:** Exemptions of grid fees for storage projects has been extended to 2029
- **Capacity markets:** German government considering introduction of capacity markets in the coming years
- **Amendment to the Electricity Regulation Act:** Improved grid connection processes and regulatory clarity
- **Grid investments:** Ambitious plans to expand and improve electricity grid requiring investments of **650 billion EUR by 2045**

### Economic rationale is strengthening further

#### Price captures by a typical solar asset relative to the avg. price of electricity (%)<sup>2</sup>

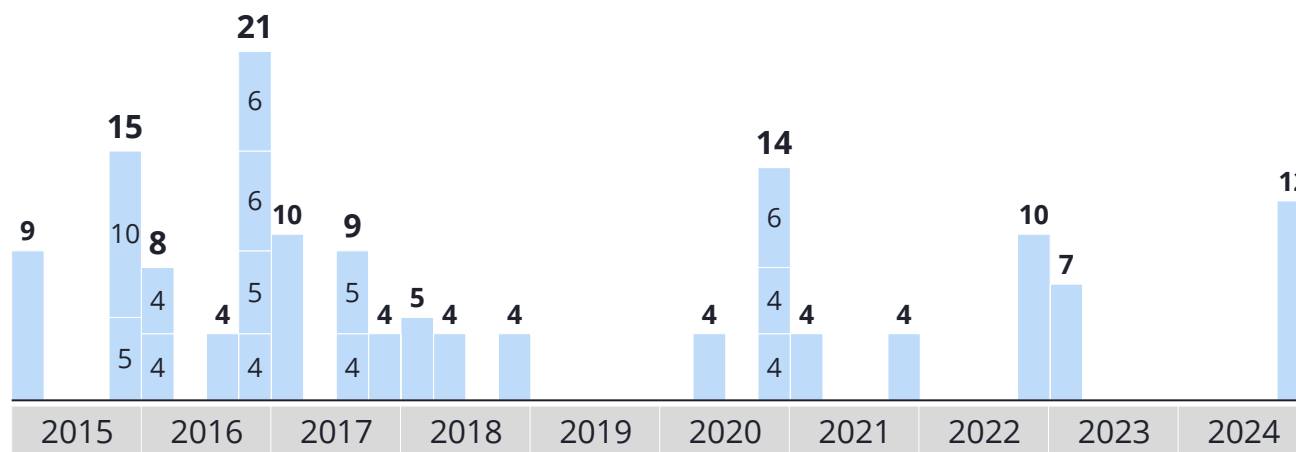


<sup>1</sup>Franhauffer ESE, <sup>2</sup>Ember

# “Dunkelflaute” (absence of both wind and sun) is unlikely to pause the growth of renewables

## Media panics during Dunkelflaute price hikes, but...

Periods of consecutive Dunkelflaute days where every day has combined wind & solar Capacity Factor < 10%, excluding periods less than four hours (Germany)



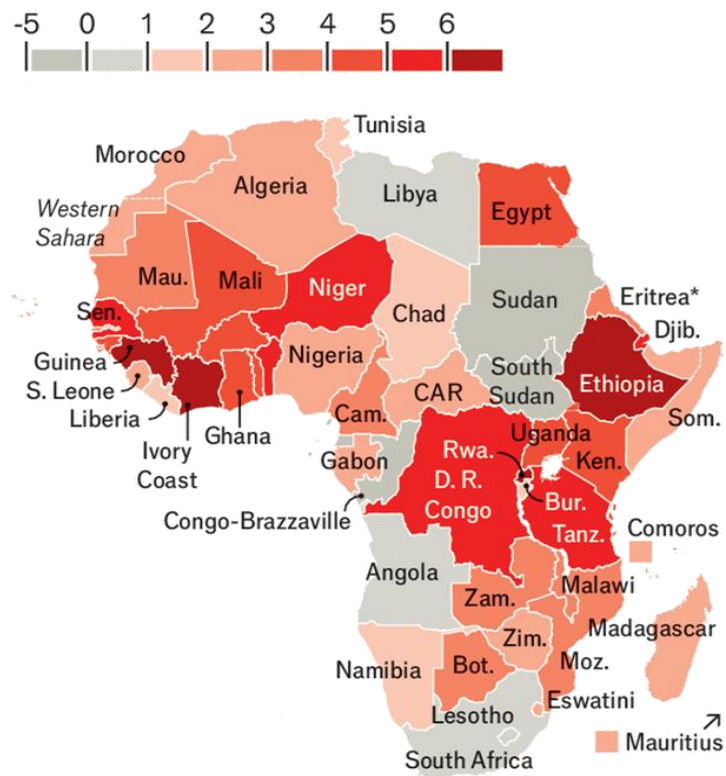
## In reality, the problem is manageable

- The number of days with capacity factor below 10% is not rare. Since 2015, around 16% met this definition
- However, the long-lasting periods occur seldom
- 26 occurrences since 2015, 146 hours in total over 10 years
- The number of occurrences is declining
- Energy storage systems, like BESS and gas power, or imported energy, provide reliability during Dunkelflaute occurrences

# We like to look for the next big thing. Bridgewater Associates think Africa may soon replicate the “Asian tigers”

## There is an economic gap between Africa and the Rest of the World – but significant developments are observed

GDP per capita, average annual % change, 2014-23



**Population Surge:** Sub-Saharan population is set to double by 2070

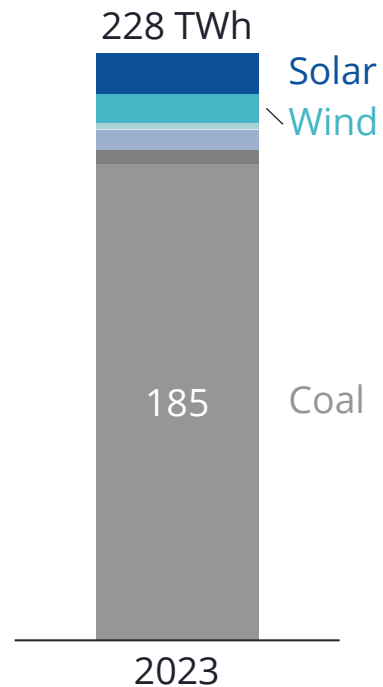
**Workforce Growth:** 50% of new labour force in the world will be from Africa in 2030

**Investments in infrastructure and energy** is crucial for shaping the region's future trajectory.

- Over 600 million people in Sub-Saharan Africa lack access to electricity
- 3% of global GDP, only 1% of private capital

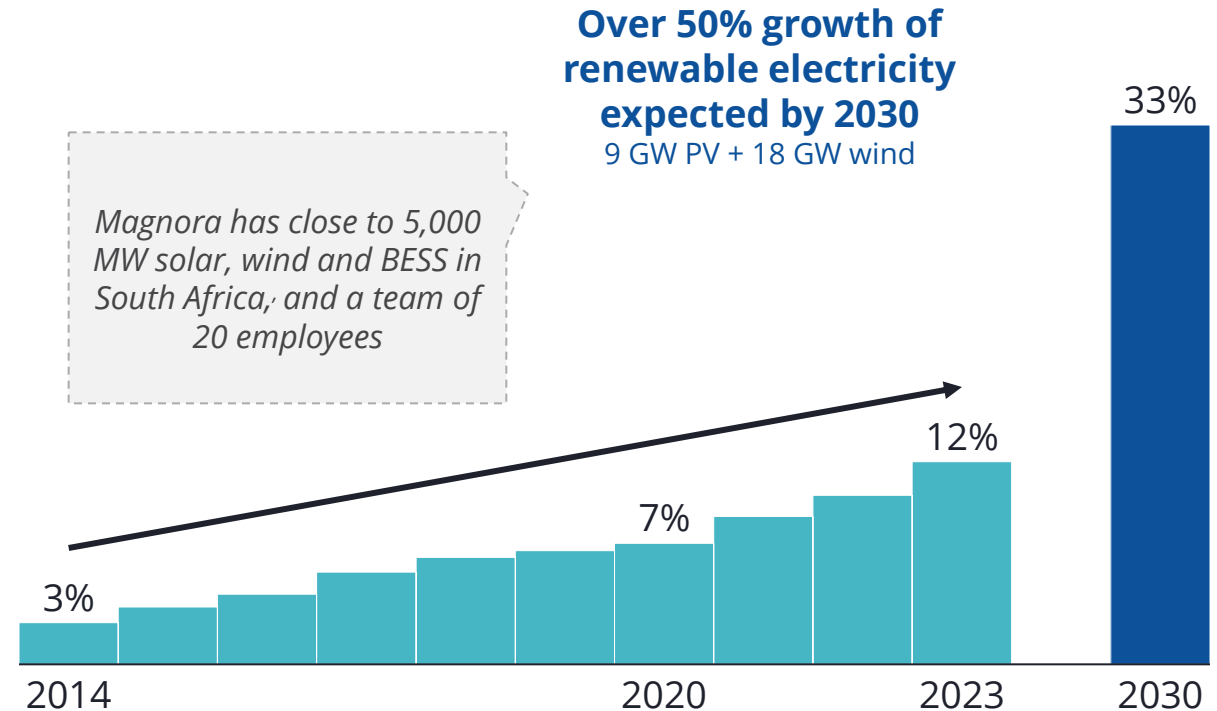
# South Africa shows the way – a huge shift from fossil to affordable renewables – and a country open to business

## Phase-out of coal combined with low prices of wind and solar creates a strong opportunity

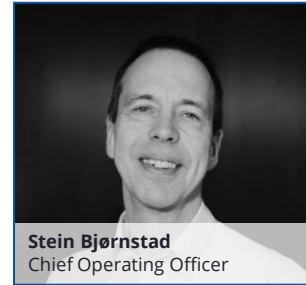
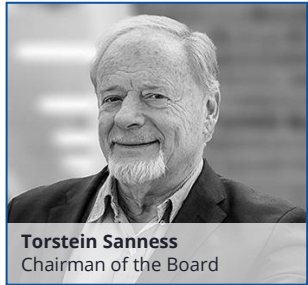


- ✓ **Large market**
- ✓ **Ongoing deregulation**
- ✓ **Great renewables resources**
- ✓ **Strong demand**  
E.g.: Anglo American partnering with EDF renewables to secure 100% renewable energy supply for South Africa operations, totalling 3-5 GW within 2030

## Share of electricity generated from solar and wind (%)



# Strong management supporting local teams with experience and entrepreneurial approach



- Co-founder of Lundin Petroleum Norway and DNO
- Held several executive positions during his 25 years at Saga Petroleum
- Chairman of Attica Exploration/Concedo, vice chair of Panoro Energy and board member for Aquila Holding, previously Chairman of Lundin Petroleum Norway
- Master's degree in Engineering (geology, geophysics and mining engineering) from NTH

- 25 years' experience from investment and renewables
- Worked with EY, DNB Markets, Energy Future Invest, Tore Tønne, Torstein Tvenge
- COO in an intl. software company and CEO in Magnora from 2019
- Worked in Norway, the US, UK, Sweden and Germany
- Done profitable exits from Swedish solar tech company Solibro (Evolar) to Qcells, then to First Solar and Helios Nordic Energy to Vinci Concessions
- B.Sc. in Finance from Arizona State University with Summa Cum Laude (Dean's list)



# 2025 outlook: We are seeing a good interest for our projects in all countries

## Norway



Portfolio of several permit-applied solar projects for ambitious developers

## Scotland



UK with the best regulatory regime for offshore wind in the world

## England (UK)



BESS and PV projects

## South Africa



Strong market demand for high-quality projects, supported by continued positive market sentiment

## Germany



Fast moving team with maturing projects

## Finland



Helios

Helios solar and BESS portfolio

## Italy



MACSE auctions in collaboration with sub developers. First auctions expected in 2025

## Sweden



Helios 





# Concluding remarks

- Big beautiful growing markets – multi decade opportunity
- Diversified portfolio in multiple countries
- High margins compared to IPPs
- Organic cash flow
- Strong cash conversion last years
- Zero debt, solid cash position
- Low fixed costs
- Team with track record

THANK YOU



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