MAGNORA ASA

First quarter 2025

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The quarter in brief

High growth and preparations for sales across all markets during 2025

Highlights

- Continued high growth for Magnora, seeing the project portfolio grow by 19% from 6.3 GW to 7.5 GW during the quarter, and by 66% since Q1 2024. The project portfolio is on track to reach our guiding of 10 GW by the end of 2025, enabling us to have a good and diversified portfolio to develop and sell from towards the 2030s.
- Record level of projects ready for marketing and sale. Commercial discussions with customers and potential partners in all of Magnora's regions and technologies (solar PV, battery storage, onshore and offshore wind). This corresponds to the global renewable-energy market growing by a record of 15.1% in 2024 and the continued improvement of public and regulatory support for renewables.
- Magnora's subsidiary in Germany, established last year, is picking up pace. The team has identified more than 50 projects (in total over 5,000 MW) with high grid potential. A strong demand for BESS (Battery Energy Storage Systems) offers partnering opportunities at early stages.
- In Italy, Magnora has partnered with a local co-developer and secured 250 MW of mid-stage BESS projects positioned for MACSE (Meccanismo di Approvvigionamento di Capacità di Stoccaggio Elettrico) auctions (capacity contracts with 15-year fixed revenues) coming up in 2025, 2026 and 2027. The first auction round is forecasted to start in September. Magnora Italy is expanding the local team, portfolio and partnerships.
- Magnora South Africa's project portfolio grew by roughly 1 GW and surpassed 5 GW. This includes 0.5 GW of new onshore wind (67% growth during the quarter). Based on high market interest, Magnora is running a structured process for the sale of an approx. 500 MW fully permitted hybrid project (50/50 wind and solar, possibly also battery storage). Onshore wind is in high demand due to an attractive production profile compared to solar PV and BESS (typically pays 3-4x times more than solar and BESS).
- Magnora Offshore Wind is reviewing details in the grid agreement for our project, and grid connection is expected – as before – late 2030. Also, the company submitted onshore and offshore scoping reports to the local authorities and Marine Directorate Scotland, being a key milestone towards environmental consent. As of Q1 2025, there are no environmental red flags.
- For Magnora's solar PV and BESS projects in the UK, grid-agreement dialogues have advanced. Magnora expects to go to market with 140 MW solar PV and BESS projects in the near term, contingent on grid access.
- Hafslund Magnora Sol AS submitted five new pre-application notifications totalling approximately 220 MW to The Norwegian Water Resources and Energy Directorate (NVE). The company continues to expand the landbank, carefully considering local community concerns and environmental factors, and now holds a project portfolio of approximately 2,000 MW (800 MW net to Magnora).

Key financial figures

- Net cash from operating activities was a negative NOK 15.4 million, an increase of NOK 7.2 million compared to Q1 2024, mainly due to lower operating and development spending and higher interest from operating cash balances.
- Net cash from investing activities was a positive NOK 6.5 million, an increase of NOK 11.9 million from Q1 2024, mainly due to proceeds from project sales in South Africa.
- As of end Q1 2025, Magnora's cash and cash equivalents balance was NOK 229.6 million. This was NOK 24.5 million lower than year-end, largely attributed to development expenses, buyback of own shares, and cash returned to shareholders.
- During the quarter, NOK 12.0 million of paid in capital was returned to shareholders and share buybacks was NOK 3.2 million.

Market observations

- Global renewable power capacity increased by 585 GW in 2024, a record of 15.1% annual growth, up from 14.3% growth in 2023. The increase marks a consistent trend of renewables breaking their own expansion records each year.
- We see an improving sentiment across Europe based on supportive regulations. More projects get firm grid access dates, the supply chain is developing, there are more power purchasing agreements (PPAs), contracts for difference (CfDs) reduce risk, "tolling" agreements become more common, and governments increase spending.
- High priority of energy security stimulates government support for locally produced renewable energy in Europe. In March 2025, the German government committed EUR 100 billion to its energy and climate fund ("KTF"). Italy is starting its auctions for battery capacity contracts later this year. GB Energy (state-owned energy and infrastructure company) in the UK has started operating this year.
- Pre-marketing in Q1 2025, revealed strong demand for BESS in Germany. The combination of "dunkelflaute" (periods of little wind and no sunshine), increased share of renewable energy and falling battery prices is driving the demand for BESS.
- Offshore wind in the UK has strong public and regulatory support. The government is backing the supply chain and works to attract investors. The state-owned GB Energy already has a GBP 8.5 billion guarantee. A potential shift in US policies has resulted in less pressure on the global supply chain for renewable-energy infrastructure.
- In South Africa, the overall portfolio continues to draw market attention. This may be reinforced by the expected substantial EU investments in the country's energy transition announced in March 2025. Also, the newly established Department of Electricity and Energy (DEE) has announced new ambitious priorities, involving the procurement of 20 GW of renewables capacity and the addition of 5,000 km of new powerlines.

- Corporate PPAs soared last year by 14% according to energy intelligence company Pexapark in Europe. Our view is that the uptick in corporate PPAs will trigger more renewable projects towards financial close.

Subsequent events

- On 4 February 2025, Shell UK Ltd. announced the restart of production at the Penguins field in the UK North Sea, utilising Magnora's legacy FPSO design. This triggered a payment of USD 4.3 million (NOK 48.4 million) to Magnora. The amount was received on 14 April 2025 and used to settle a liability of the same value owed to Hermana as part of the demerger payable (2024 IPO).
- In April, Magnora Germany secured exclusive rights to develop a 150 MW BESS project on industrial, municipality-owned land in Germany. Being close to a substation singled out for near-future upgrades, the site has high potential for grid connection in the short to-mid-term.
- On 24 April 2025, the Board decided on a quarterly dividend of NOK 0.187 per share, in the form of return of paid-in capital to shareholders. Further, the share buyback programme launched on 5 September 2024 was prolonged until the Annual General Meeting (AGM) to be held on 29 April 2025.
- In the notice to the AGM 2025, the Board has proposed that the AGM approve an authorisation for the Board to perform share buybacks up to 10% of the share capital, as well as an authorisation to approve cash return of capital to the shareholders.

Outlook

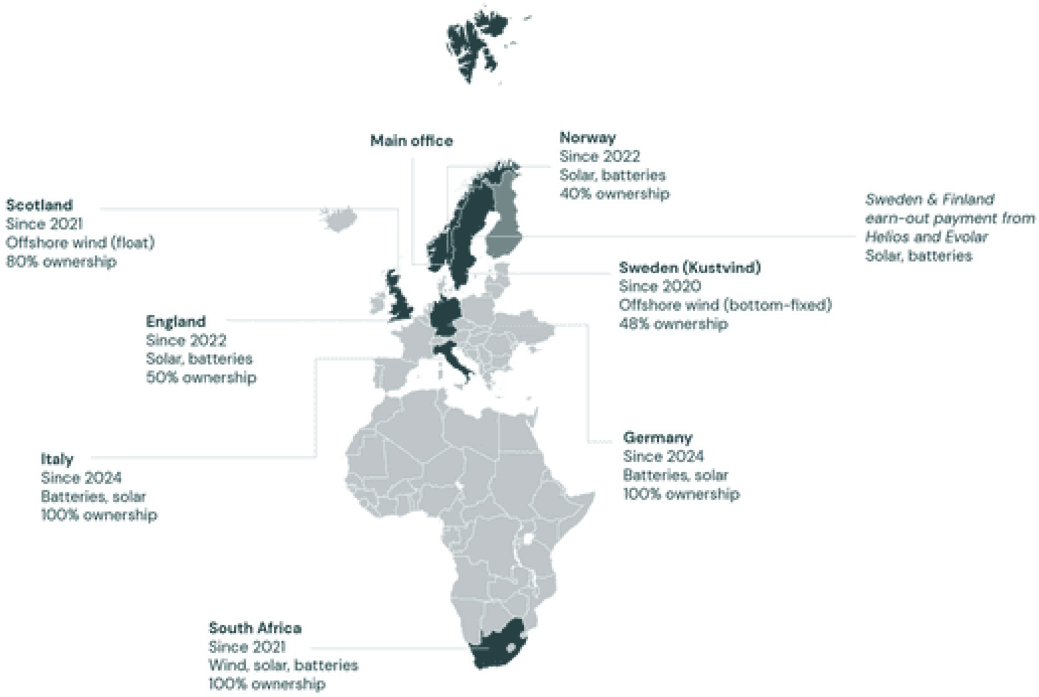
- Magnora continues to build a growing landbank with projects to sell every year towards the end of this decade and more to come. We consider that all our regions and technologies have sales potential in 2025.
- Magnora is in several farm-down and sales discussions while at the same time continuing to explore opportunities in new markets. We anticipate the sale or farm-down of 600-725 MW of projects in 2025 across multiple countries and technologies (wind, solar and battery).
- We experience strong interest to partner and co-invest in Germany, Italy and South Africa and there is also commercial interest for the whole platform. We consider that some of these discussions will advance during the next months.
- We see more interest in early-phase projects as opposed to fully permitted projects in 2025 compared with 2024, a shift favouring Magnora's development portfolio.
- Magnora also has maturing project portfolios in our other markets, e.g. South Africa and the UK. A series of projects across most geographies are in a position to be fully permitted with firm grid connection dates in 2025.
- Renewables developers are increasingly partnering with industrial consumers of power to combine production and offtake. Data centres are a case in point where bilateral arrangements and power

purchase agreements provide alternatives to a congested grid. Data centres and artificial intelligence are, independently of this, drivers of increased demand for green electricity in Europe. Some of our projects may fit to be part of or a hybrid data centre and renewable-power project.

- In Germany, we are satisfied with the timing of Magnora's entry last year and expect to supply projects that match well with the demand. Few projects have been available in the market in recent years, and the combination of falling capex, accelerated public infrastructure investments, and supply instabilities serve to fuel the market.
- Our South African business also expects other sales opportunities to materialise during the year. We also expect more earn-out payments to accrue during the spring and summer as a number of projects sold in 2023 and 2024 are approaching potential milestones or awards.
- Onwards, the Board will consider more active buyback of shares, especially in periods where the share is perceived as favourably priced relative to fundamentals. Contingent on AGM authorisation, there is a potential for prioritising buybacks in a range of up to NOK 100 million during the next four quarters, depending on the market.
- Earnouts, revenue sharing and milestone payments from divested companies and projects are also expected to provide Magnora with substantial income in the upcoming years towards 2029.

Magnora today and going forward

Over the past years, Magnora has successfully and profitably transitioned into the business of green energy, with a portfolio that has expanded across different countries, platforms and products supported by organic cashflow.



Share of project capacity[1] for projects under development, incl. sold and delivered as of 31 March 2025.

	Solar	Offshore floating wind	Offshore wind (bottom fixed)	Onshore wind	Battery energy storage systems	Total[1]
Sweden			250			250
Scotland		396				396
England	105				168	273
Norway	800					800
South Africa	3,666			1200	699	5,565
Italy					250	250
Germany[2]						
Mature portfolio	4,574	396	250	1,200	1,117	7,534

[1] Share = Total capacity in MW x Magnora ownership share.
[2]Magnora Germany has after the reporting date added 150 MW of BESS with high grid potential.

As of market close 31 March 2025:

Market cap	Share price	Total shares
MNOK 1 506	**NOK 22,90**	**65 781 825**

Financial review

(Numbers are unaudited)

Magnora recognises its share of the financial results in its portfolio companies based on ownership share in accordance with IFRS. Portfolio companies are classified as associates when the Group has less than 50 percent and more than 20 percent ownership and/or considers it does not have control of the entity. See note 6 Investment in associates for more details. Portfolio companies are classified as subsidiaries when the Group has more than 50 percent ownership and/or considers it has control of the entity as the majority shareholder. For subsidiaries, the full net profit/loss is recognised as these companies are consolidated in the Group's financial reports. Development costs in these companies are expensed and not capitalised, as they are in early development phase.

Operating revenue

Operating revenue amounted to NOK 49.7 million, up from NOK 0.3 million in the same quarter last year. This increase is due to revenue from services delivered to associated companies of NOK 1.3 million, and a milestone payment of USD 4.3 million (NOK 48.4 million) from Shell UK Ltd. related to Magnora's legacy FPSO design. The revenue was recognised as earned during the quarter, while the payment was received after the quarter and recorded as a subsequent event. The funds were reserved for transfer to Hermana Holding ASA as part of the settlement of the demerger payable established in 2024.
As the legacy business is no longer part of Magnora's core operations, no ongoing revenue is expected from this segment.

Other income

Other income for the quarter amounted to NOK 12.8 million compared to NOK 14.9 million in the same quarter last year. In both periods, the income relates to project divestments in South Africa. There were no earnout income from other previous exits during the quarter.

Operating expenses

Operating expenses for the quarter was NOK 9.9 million, compared to NOK 11.7 million in the same quarter last year. The decrease primarily reflects elevated costs in the previous year related to the restructuring activities undertaken in early 2024 to facilitate the carve-out of Magnora's legacy licensing business.

Development and M&A expenses

Development and M&A costs totalled NOK 11.5 million, compared to NOK 14.5 million in the same quarter last year. The slight decrease from same quarter last year is due to lower use of third-party service providers.

Operating profit

Operating profit for the quarter was NOK 36.9 million, compared to a loss of NOK 2.0 million in the same quarter last year. The improvement was primarily driven by milestone revenue recognised from the legacy licence agreement and gains from project divestments. These were partly offset by depreciation and a negative contribution of NOK 4.0 million from the Group's share of results from associated companies.

Net profit/loss

Net profit for the quarter amounted to NOK 38.6 million, compared to a net loss of NOK 4.9 million in the same quarter last year. The improvement was driven by the same reasons as mentioned in the above paragraph, as well as positive returns from interest income and favourable foreign exchange movements which together contributed NOK 1.7 million, compared to negative NOK 4.6 million in the same quarter the previous year.

Cash flow

As of 31 March 2025, cash and cash equivalents amounted to NOK 229.6 million, compared to NOK 254.1 million as of 31 December 2024.

Cash flow from operating activities was negative NOK 15.4 million, an improvement from the negative cash flow of NOK 22.6 million in the same quarter the previous year. This was primarily driven by reduced expenses related to development of the project portfolio, without the additional costs associated with the demerger of Hermana Holding ASA in 2024.

Cash flow from investing activities was NOK 6.5 million, in contrast to negative NOK 5.4 million in the same quarter the previous year. This inflow was mainly proceeds of NOK 6.7 million from the project divestments in South Africa. Additional significant cash inflows are expected upon achievement of future project awards and milestones. The inflow was partially offset by an investment of NOK 0.2 million in associated companies.

Cash flow from financing activities was a negative outflow of NOK 15.5 million, compared to a negative outflow of NOK 11.7 million in the same quarter last year. This included a capital distribution of NOK 12.0 million to shareholders and NOK 3.2 million spent on repurchase of own shares.

Financial position

Group equity by the end of the quarter was NOK 430.3 million (NOK 402.2 million at year end), representing an equity ratio of 73 percent (70 percent). The movement in the quarter compared is mainly due to the capital distribution to shareholders and the repurchase of own shares.
As of the report date, the Group has undrawn overdraft facilities of NOK 150 million.

Risk and uncertainty factors

The Group is exposed to various risks that are actively monitored and managed across all levels of the organisation. As of the end of first quarter 2025, there have been no material changes to the Group's risk exposure or assessment compared to those outlined in the 2024 annual report.

- The Group is directly or indirectly exposed to electricity price volatility, inflation, interest rate movements, and currency fluctuations, all of which can influence investment returns and valuations. These risk exposures are managed through monitoring forecasts and adjusting strategy and internal economic and valuation models based on these data.
- The Group faces liquidity and capital access risks due to its increased investment in capital-intensive projects. This is managed through proactive financial planning, close coordination with financing partners, and a staged investment approach aligned with project progress and divestments.
- Changes in renewable energy policies, tax policies, or regulatory frameworks can potentially impact project timelines and profitability. The Group monitors changes and signals from governments about changes that may come, so it can make appropriate adjustments to its plans and forecasts. Changes in licensing requirements, local municipal veto rights, and concession approvals remain relevant and are mitigated through early stakeholder engagement and diversified geographic exposure.
- Increasing geopolitical tension with tariff wars and the wars in Ukraine and Gaza is increasing the level of uncertainty in several different markets, affecting supply chains and contributing to increased global economic volatility. Sudden geopolitical developments can negatively influence markets, impacting regulatory environments, trade agreements, and geopolitical stability in regions critical to the Group. The Group monitors changes and continuously updates its plans and forecasts to mitigate for this risk.
- Project-specific risks, such as delays in permitting, grid access, or securing land rights, continue to be closely monitored. Global supply chain constraints, including access to key components, may also impact timelines and costs. The Group mitigates these risks through rigorous due diligence and flexible development timelines, in addition to diversification through selecting projects across different geographic locations and segments of the renewable energy sector.
- Environmental concerns—including biodiversity impact and habitat protection—can influence permitting processes and project design. At the same time, climate change and the global energy transition support long-term demand for renewable energy, supporting the Group's strategic positioning.
- The Group is exposed to fraud, corruption, and cyber related risks, and maintains strong internal control frameworks, including a code of conduct, anti-corruption policy, IT security, and supplier screening procedures. While exposure to fraud related risks is limited, the impacts can be detrimental, and the Group therefore remains focused on prevention through training, oversight, and reporting mechanisms.
- The Group's performance relies on a highly specialised team. Loss of key personnel is an ongoing risk mitigated by succession planning and active recruitment efforts. Increased competition in the renewable sector is managed through high-quality project selection and execution, cost discipline, and strong market orientation.
- Cash flow from subsidiaries and associated companies depend on operational execution and project milestone achievement. Payment structures tied to project progress introduce timing risk. These are

addressed through legal protections in customer agreements, active board participation, and diversified revenue streams.

Overall, the Group maintains a robust risk management framework and continues to focus on the most material uncertainties that could affect financial and operational performance. Risk exposures are reviewed regularly, and no new significant risks have been identified in first quarter 2025.

The Magnora share

By the end of the quarter, the share price was NOK 22.90 and market cap was NOK 1.51 billion. During the quarter, the Group repurchased own shares under the share buyback programme most recently approved by the Annual General Meeting in 2024. As of 31 March 2025, the Group owns 1,843,030 treasury shares. The Board of Directors will evaluate the cancellation of these shares in line with the Group's capital allocation strategy and will propose cancellation in the future. The Board continues to see several organic growth opportunities in the short to mid-term in line with the Group's growth strategy.

Oslo, Norway, 24 April 2025
The Board of Directors of Magnora ASA

Torstein Sanness Chairman	**Hilde Ådland** Board Member	**John Hamilton** Board Member	**Erik Sneve** CEO

Condensed interim consolidated financial statements

Interim consolidated statement of profit and loss

(Numbers are unaudited)

NOK million	Note	Q1 2025	Q1 2024	2024
Continued operations				
Operating revenue	3	49,7	0,3	2,3
Other income	4	12,8	14,9	358,6
Operating expense		-9,9	-11,7	-51,7
Development and M&A expense		-11,5	-14,5	-69,9
EBITDA		**41,1**	**-11,0**	**239,3**
Depreciation and amortisation		-0,3	-0,3	-1,1
Profit/loss from associated companies		-4,0	9,3	43,3
Operating profit/(loss)		**36,9**	**-2,0**	**281,5**
Financial income/(expense)		5,6	0,4	-0,4
FX gain/(loss)		-3,9	-5,0	-11,9
Net financial items		**1,7**	**-4,6**	**-12,3**
Profit/(loss) before tax		**38,6**	**-6,6**	**269,2**
Tax income/(expense)		-	-	-5,5
Net profit/(loss) continued operations		**38,6**	**-6,6**	**263,7**
Discontinued operations				
Gain from distribution of Hermana Holding ASA to shareholders		-	-	311,6
Net profit/(loss) discontinued operations		-	1,7	4,2
Net profit/(loss)		**38,6**	**-4,9**	**579,4**
Net profit/(loss) attributable to:				
Equity holders of the parent		40,9	-1,3	593,6
Non-controlling interest		-2,3	-3,6	-14,2

Interim consolidated statement of comprehensive income

(Numbers are unaudited)

NOK million	Note	Q1 2025	Q1 2024	2024
Net profit/(loss)		38,6	-4,9	579,4
Other comprehensive income				
Items which may be reclassified to profit/(loss)				
Foreign currency translation		4,0	3,5	7,2
Total comprehensive income		**42,6**	**-1,3**	**586,6**
Total comprehensive income attributable to:				
Equity holders of the parent		44,5	1,4	599,0
Non-controlling interest		-2,0	-2,7	-12,3

Earnings per share

(Numbers are unaudited)

	Q1 2025	Q1 2024	2024
Earnings per share (NOK):			
- Basic	0,62	-0,02	0,06
- Diluted	0,61	-0,02	0,06
Weighted avg. no. of shares outstanding	65 781 825	66 822 679	66 287 252
Weighted diluted avg. no. of shares outstanding	66 605 894	66 872 679	66 870 300

Interim consolidated statement of financial position

(Numbers are unaudited)

NOK million	Note	31.03.2025	31.12.2024
ASSETS			
Deferred tax assets	2	2,7	2,7
Goodwill		8,4	8,4
Intangible assets		142,7	148,5
Fixed assets		0,5	0,5
Right-of-use asset		1,0	1,2
Investment in associated companies	6	58,1	59,9
Loans to associates		28,3	31,6
Other non-current assets		39,8	39,5
Total non-current assets		**281,6**	**292,3**
Trade and other receivables	13	50,1	7,0
Other current financial assets	7	27,4	21,9
Cash and cash equivalents		229,6	254,1
Total current assets		**307,2**	**283,0**
Total assets		**588,8**	**575,2**
EQUITY AND LIABILITIES			
Share capital		26,2	26,2
Treasury shares		-0,7	-0,7
Other reserves		17,6	14,0
Other equity		387,5	361,0
Total equity attributable to owners of the parent		**430,6**	**400,5**
Non-controlling interest		-0,3	1,7
Total equity		**430,3**	**402,2**
Deferred tax liability		0,4	0,4
Other non-current liabilities		0,0	0,0
Total non-current liabilities		0,4	0,4
Trade and other payables		3,4	4,7
Provisions		11,8	13,2
Lease liability		1,0	1,2
Other current liabilities	11	141,8	153,5
Total current liabilities		158,0	172,6
Total liabilities		**158,4**	**173,1**
Total equity and liabilities		**588,8**	**575,3**

Interim consolidated statement of changes in equity

(Numbers are unaudited)

NOK million	Note	Share capital	Treasury shares	Other equity	Currency translation reserve	Total	Non-controlling interest	Total equity
Equity as of 1 January 2025		**26,2**	**-0,7**	**361,0**	**14,0**	**400,5**	**1,7**	**402,2**
Total comprehensive income for the period		–	–	40,9	3,6	44,5	-2,0	42,5
Share-based payments	8	–	–	0,7	–	0,7	–	0,7
Acquired treasury shares	10	–	–	-3,2	–	-3,2	–	-3,2
Dividends declared	9	–	–	-12,0	–	-12,0	–	-12,0
Equity as of 31 March 2025		**26,2**	**-0,7**	**387,5**	**17,6**	**430,5**	**-0,3**	**430,3**
Equity as of 1 January 2024		**32,7**	**-0,5**	**497,5**	**8,6**	**538,3**	**14,0**	**552,3**
Total comprehensive income		–	–	593,6	5,4	599,0	-12,3	586,6
Share-based payments		–	–	3,8	–	3,8	–	3,8
Acquired treasury shares		–	-0,7	-41,4	–	-42,1	–	-42,1
Redemption of own shares		-0,5	0,5	–	–	–	–	–
Dividends declared		–	–	-299,8	–	-299,8	–	-299,8
Distribution of non-cash assets to owners		-6,7	–	-392,2	–	-398,9	–	-398,9
Increase in par value of outstanding shares		0,7	-0,1	-0,7	–	–	–	–
Equity as of 31 December 2024		**26,2**	**-0,7**	**361,0**	**14,0**	**400,5**	**1,7**	**402,2**

Interim consolidated statement of cash flow

(Numbers are unaudited)

NOK million	Note	31.03.2025	31.03.2024	31.12.2024
Cash flows from operating activities				
Profit/(loss) before tax from continued operations		38,6	-6,6	269,2
Profit/(loss) before tax from discontinued operations		-	-1,7	315,8
Profit/(loss) from associated companies		4,0	-9,3	-43,3
Share-based payments	8	0,7	2,3	3,4
Depreciation and amortisation		0,3	0,3	1,1
Gains from divestments	4	-12,8	-14,9	-358,6
Gains demerger non-cash		-	-	-311,6
Unrealised effects included in operating profit/(loss)		5,3	-6,9	7,5
Changes in trade and other receivables		-42,5	0,6	4,1
Changes in trade and other payables		-1,5	-6,3	0,5
Changes in other current liabilities and provisions		-7,5	19,9	7,1
Net cash flow from from operating activities		**-15,4**	**-22,6**	**-104,9**
Cash flows from investing activities				
Investment in associated companies		-0,2	-5,4	-22,2
Investment in fixed assets		-	-	-0,1
Proceeds from divestments	4	6,7	-	395,1
Net cash as part of distribution to owners		-	-	-23,4
Dividends received		-	-	2,6
Net cash flow from investing activities		**6,5**	**-5,4**	**352,1**
Cash flows from financing activities				
Facility drawdown		-	0,9	-
Proceeds from project loan		-	-	3,4
Payment for shares bought back	10	-3,2	-	-42,7
Lease payments		-0,3	-0,2	-1,1
Dividends paid	9	-12,0	-12,3	-299,8
Net cash flow from financing activities		**-15,5**	**-11,7**	**-340,2**
Net change in cash and cash equivalents		**-24,4**	**-39,7**	-93,0
Effect of exchange rate changes on cash and cash equivalents		-	-	-0,5
Cash and cash equivalents at start of period		254,1	347,6	347,6
Cash and cash equivalents at end of period		**229,6**	**308,0**	**254,1**

Notes to the condensed interim consolidated financial statements

Note 1 General information and accounting policies

Corporate information

Magnora ASA ("the Company") is incorporated and domiciled in Norway. The address of its registered office is Karenslyst Allé 6, 0278 Oslo. The Company is listed on the Oslo Stock Exchange main list with the ticker MGN.

Magnora ASA and its subsidiaries and investments in associated companies (the "Group") is a renewable-energy development group, focusing on development of battery, solar PV, and wind projects from early-phase greenfield to ready-to-build.

The Group focuses on medium-to-large industry scale solar, wind and battery projects, evaluates numerous opportunities before selecting or creating projects, then develops the projects over a few years, and eventually exits when projects are ready-to-build or near that stage. The Group portfolio is primarily built organically, with a pragmatic approach to growth with the objective of generating further shareholder value.

Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU under the International Accounting Standard for Interim Financial Reporting (IAS 34). As the interim financial statements do not include the full information and disclosures required for a complete set of consolidated financial statements, they should be read in conjunction with the Group's annual consolidated financial statements. The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for 2024.

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

EBITDA

EBITDA, as defined by Magnora, includes operating revenue and other income and excludes profit/loss from associated companies, depreciation, amortisation, and impairment loss.

Accounting policies, judgements and estimates

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those followed in the preparation of the Annual Financial Statements for 2024.

Due to rounding adjustments, the figures in certain columns may not sum to the total of those columns.

Note 2 Material accounting judgements and estimates

Deferred tax asset recognition

Deferred tax assets are recognised for unused tax losses only to the extent it is probable a taxable profit will be available to be offset by the tax credit carry forward from previous losses. Significant management judgement is required to determine the amount of deferred tax assets to be recognised, based upon the likely timing and level of future taxable profits. The recognised deferred tax asset is most sensitive to expected future taxable profits.

The deferred tax asset recognised is expected to be utilised within the next 5 years based on the company's contract portfolio and cost base as of today. The book value of the deferred tax asset represents a minor part of the total accumulated tax losses of over NOK 3 billion.

Consolidation of portfolio companies

The Group has a portfolio of companies invested in and performs a quarterly evaluation of whether it has control in accordance with IFRS 10.

The Group invested in Kustvind AB in March 2020 through a share issue and holds a 48 percent ownership at the reporting date. Magnora holds the right to increase its ownership to 50 percent subject to a budget and milestone plan. The option to increase ownership is not currently exercisable, as any ownership increase must be initiated by the Kustvind board through a capital call, driven by the project's capital needs. The remaining shares are equally owned by Kustvind's three founders. Magnora has three out of five board members, and the founders have the remaining two members. The other shareholders have the right to elect a third board member at any time, and it is expected that they will do so. Magnora is a minority owner alongside three other owners and has significant influence of the company. As a result, its ownership is accounted for using the equity method, classifying Kustvind as an associated company.

The Group established Hafslund Magnora Sol AS together with Hafslund Vekst AS and Helios Nordic Energy AB in October 2022 and holds 40 percent ownership at the balance sheet date. Magnora has two out of six board members, and the other two owners have the remaining four members. Hafslund owns 40 percent and Helios owns 20 percent, thus Magnora has no operational influence on the company beyond its participation in board decisions. Hence its ownership is accounted for using the equity method, classifying Hafslund Magnora Sol as an associated company.

In second quarter 2024, Magnora completed the carve-out of its FPSO-royalties business into Hermana Holding ASA, which was listed on the Oslo Stock Exchange on 18 June 2024. As of the reporting date, the Group holds a 30 percent interest in Hermana, classified as an investment in an associate and accounted for using the equity method. Magnora continues to focus exclusively on renewable-energy development, with no operational overlap with Hermana.
For further details on the demerger, please see the Annual Report for 2024.

Divestments

For transactions resulting in the loss of control of a subsidiary or associate, IFRS 10 requires that the fair value of the consideration received be determined to calculate the net gain or loss to be recognised. Given the nature of the Group's investments, a significant portion of the consideration may be contingent upon future events, requiring considerable judgment in estimation. The Group follows a conservative approach in valuing its portfolio, including when estimating the fair value of future payments such as earnouts and milestone payments from divestments. The probability of these payments is assessed for each transaction, with contingent consideration included in the net gain or loss. At each reporting date, the Group evaluates changes in the fair value of these future payments, with any adjustments recognised as Other Income in the profit or loss statement. As of the balance sheet date, the total unrecognised value of potential earnouts and milestone payments from divestments is NOK 620 million, which is subject to the achievement of relevant technical and/or commercial milestones, project risks, timing, currency fluctuations, auction results, CfD (Contract for Difference) rates and other factors.

Note 3 Operating revenue

The Group's primary returns are generated through project divestments, with net gains recognised as other income. As a result, operating revenue is typically limited and not the main source of income.

During the quarter, the Group recognised revenue related to the legacy licensing agreement. On 4 February 2025, Shell UK Ltd. announced that production had restarted at the Penguins field in the UK North Sea using Magnora's legacy FPSO design. This triggered a USD 4.3 million (NOK 48.4 million) revenue payable to Magnora, for subsequent transfer to Hermana Holding ASA as part of the demerger receivable established in 2024.

Magnora ASA has also entered into service agreements with its subsidiaries and associated companies to provide intercompany support at predetermined hourly rates. These agreements promote transparency and consistency in the delivery of management, technical, and administrative services across the Group. During the first quarter, revenue from such intercompany services amounted to NOK 1.3 million, reflecting the ongoing contribution of Magnora's expertise to its affiliated entities.

NOK million	Q1 2025	Q1 2024	2024
Licence revenue	48,4	-	-
Management services revenue	1,3	0,3	2,3
Total operating revenue	**49,7**	**0,3**	**2,3**

Note 4 Divestments

On 28 January 2025, financial close was reached on divestment of two projects. The transaction resulted in total other income of NOK 12.8 million recognised during the quarter. Of this amount, NOK 6.7 million was received in cash. The associated project costs amounted to NOK 0.1 million, resulting in a net gain of NOK 6.6 million. The remaining NOK 6.2 million relates to milestone-based income expected to be earned as the projects progress towards ready-to-build (RTB) status, with significant cash inflows expected upon achievement of future project awards and milestones.

Note 5 Investment overview

Name of entity	Registered office	Accounting principle	Ownership
Magnora Renewable Holding AS	Norway	Consolidated	100 %
Magnora Offshore Wind Holding AS	Norway	Consolidated	100 %
Magnora Holding AS	Norway	Consolidated	100 %
Magnora Utvikling AS	Norway	Consolidated	100 %
Magnora Offshore Wind AS	Norway	Consolidated	80 %
Magnora South Africa Projects AS	Norway	Consolidated	100 %
Magnora South Africa Development AS	Norway	Consolidated	100 %
Magnora UK PV Holding AS	Norway	Consolidated	100 %
Project Luminara 1 AS	Norway	Consolidated	100 %
Project Luminara 2 AS	Norway	Consolidated	100 %
Magnora Offshore Wind Holding Ltd	United Kingdom	Consolidated	80 %
Magnora Offshore Wind N3 Ltd	United Kingdom	Consolidated	80 %
Magnora Germany GmbH	Germany	Consolidated	100 %
Magnora Italy S.r.l.	Italy	Consolidated	100 %
African Green Ventures (Pty) Ltd	South Africa	Consolidated	100 %
Hafslund Magnora Sol AS	Norway	Equity method	40 %
Hermana Holding ASA	Norway	Equity method	30 %
Kustvind AB	Sweden	Equity method	48 %
Gamcap Magnora Development Company Ltd	United Kingdom	Equity method	50 %

Note 6 Investments in associates

Kustvind AB

The Group invested in Kustvind AB (Kustvind), a shallow-water offshore wind project located off the southern coast of Sweden, in March 2020. As of 31 March 2025, Magnora has a 48 percent ownership in Kustvind AB and has the option to increase its ownership to 50 percent. As Magnora is a minority owner with three other owners of the project and does not have control, it accounts for this investment using the equity method, adjusting the investment's value based on its proportional share of Kustvind's net results for the period.

Hafslund Magnora Sol AS

The Group invested in Hafslund Magnora Sol AS (HMS), together with Hafslund Vekst AS and Helios Nordic Energy AB, to develop large-scale solar PV farms in Norway, in October 2022. As of 31 March 2025, Magnora owns 40 percent of HMS and does not have control. The Group therefore applies the equity method to account for its investment in HMS, adjusting the investment's value based on its share of HMS' net results.

Hermana Holding ASA

The Group invested in Hermana Holding ASA (Hermana) in June 2024. Hermana is the new holding company for the legacy FPSO business, emerging out of a carve-out completed in second quarter 2024. As of 31 March 2025, Magnora owns 30 percent of Hermana Holding ASA and does not exercise control.

The Group therefore applies the equity method to account for its investment in Hermana Holding ASA, adjusting the investment's value based on its share of Hermana's net results

Note 7 Other current financial assets

As of the end of the first quarter, the Group's other current financial assets amounted to NOK 27.4 million. This included NOK 13.6 million in receivables through its subsidiary, Magnora Offshore Wind, related to a subscription contribution agreed upon at the time of the subsidiary's establishment and payable by the project partner. Additionally, the balance comprised earnout income assets of NOK 10 million, accrued interest income of NOK 1.8 million, and prepayments totalling NOK 1.9 million.

Note 8 Share options

Share options have been awarded regularly in accordance with the Group's share incentive scheme as approved by Annual General Meetings since 2019. Throughout this period, both board members and members of management have been granted share options. The cost of these options is expensed monthly over a 36-month period from the grant date, in line with IFRS 2.

No new share options were granted during the quarter. However, 100,000 share options were exercised, leaving a total of 1,453,000 share options outstanding as of quarter-end. Share-based payment expenses for the quarter totalled NOK 0.7 million.

Note 9 Capital distribution

On 26 February 2025, Magnora's Board of Directors approved a capital return of NOK 0.187 per share. The payout took place on 10 March 2025, amounting to a total dividend of NOK 12.0 million. This cash distribution represents a capital repayment exceeding the par value of the Magnora share.

Note 10 Share buy-back programme

At the Annual General Meeting held on 23 April 2024, the Group initiated a share buyback programme allowing repurchase of up to 2,619,898 shares at a price of up to NOK 100 per share.

During the first quarter, the Group purchased 136,865 shares at a weighted average price of NOK 23.4419 per share. The total cost of these buybacks from initiation of the programme amounts to NOK 45.9 million. As of the reporting date, Magnora holds 1,843,030 of its own shares, representing 2.8 percent of the total outstanding shares.

Note 11 Other current liabilities

As of 31 March 2025, the Group's total other current liabilities amount to NOK 141.8 million. This includes the full NOK 91.0 million payable due to the ("Shell contract") Hermana demerger, NOK 45.2 million owed for the TFMC's offshore 20 percent ownership share of the ScotWind licence fee, and NOK 5.4 million for other liabilities.
For more information on the demerger payable to Hermana, please see note 13: Subsequent events.

Note 12 Liquidity

The Group has undrawn overdraft facilities of NOK 150 million.
For long-term liquidity planning, the Group utilises a combination of overdraft facilities and equity financing, particularly for capital intensive investments exceeding the scope of existing facilities. As certain projects progress into phases requiring increased funding, the Group will consider loan arrangements intended to be held through to project exit. Current liquidity remains strong, in line with anticipated transactions and capital requirements across the Group's portfolio companies.

Foreign exchange gains or losses may arise from foreign currency denominated balances, however, these are non-cash in nature, as the balances are expected to be settled upon receipt of corresponding currency revenues.

Note 13 Subsequent events

On 4 February 2025, Shell UK Ltd. announced the restart of production at the Penguins field in the UK North Sea, utilising Magnora's legacy FPSO design. This triggered a payment of USD 4.3 million (NOK 48.4 million) to Magnora. The amount was received on 14 April 2025 and used to settle a liability of the same value owed to Hermana as part of the demerger payable, resulting in the reduction of the other current financial liability outstanding amount.

On 24 April 2025, the Board of Directors decided a dividend of NOK 0.187 per share, to be distributed as a return of paid-in capital to shareholders.
As this decision occurred after the reporting period, it is not recognised as a liability as of 31 March 2025. The total dividend amount is expected to be NOK 12.0 million based on the number of shares outstanding at the date of declaration.