



# Third Quarter 2022 Presentation

8 November, 2022



MAGNORA ASA

[magnoraasa.com](https://magnoraasa.com)

# Pure play renewables developer



Growing an asset-light development portfolio of renewable energy projects and a solar technology business



Highly experienced renewable energy investment and project team



Ambition to develop net share<sup>1</sup> 5,000 MW renewables capacity by 2025



Financing from near-term cash flow from legacy FPSO business and dividends from portfolio companies



Listed on main board Oslo Stock Exchange with approximately 8,300 shareholders

1) GW x Magnora ownership = Net share





2000's

2010's

2018

2019

2020

2021

2022

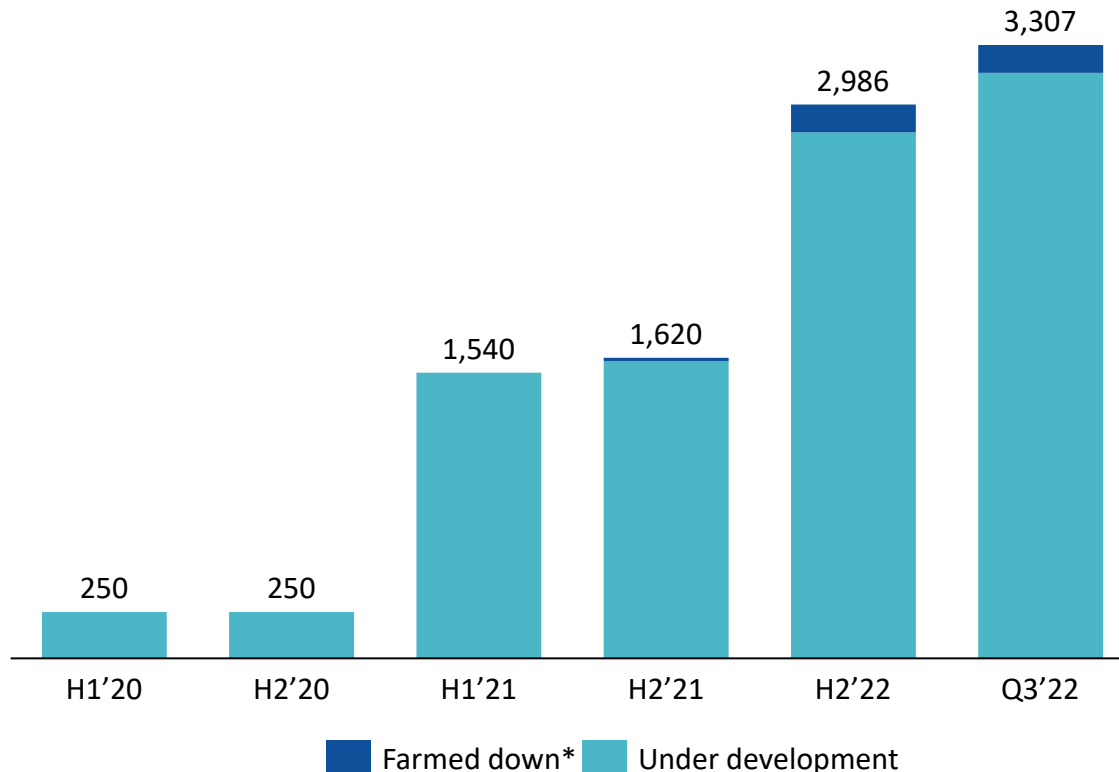
A DRIVING FORCE IN  
ENERGY PROJECT  
DEVELOPMENT FOR  
DECADES



# Strong portfolio growth since strategy launch March 2020, with only NOK 58 million cash on the balance sheet

## Development portfolio

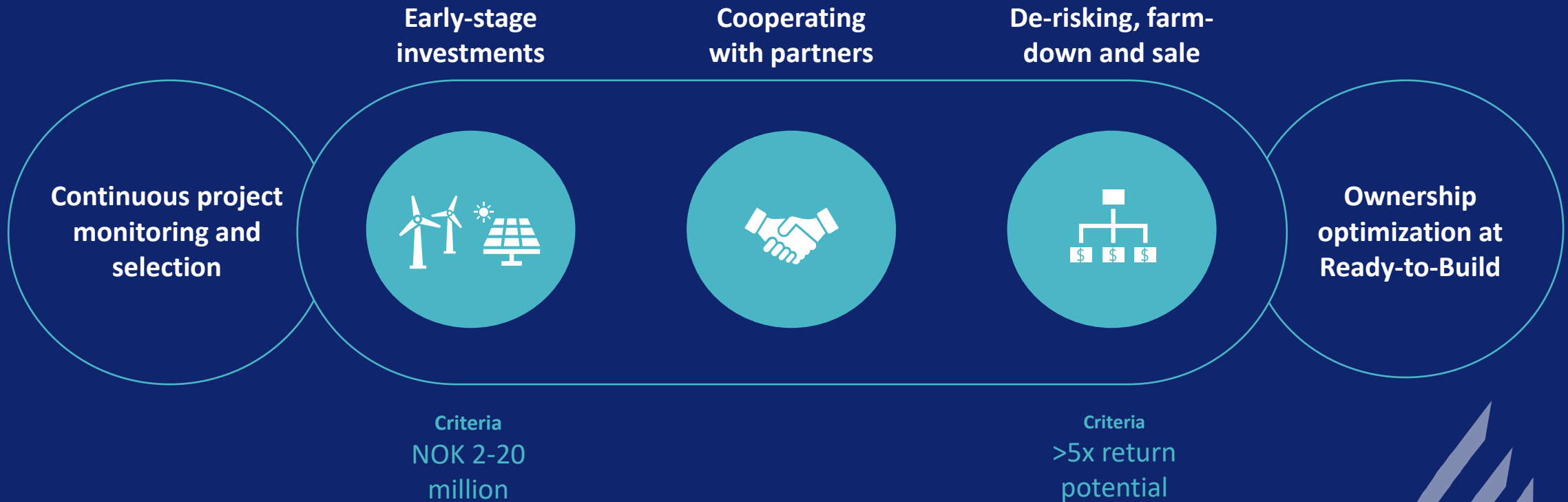
MW, net share of project capacity<sup>1</sup>



- Continued strong momentum across the 10 portfolio companies in the third quarter 2022
  - Reached a development portfolio to 3,307 MW net share
  - Established solar PV development company with Hafslund and Helios for Norwegian market
  - Evolar in discussion with new customers and secured vendors for production line and continues to reach its cell efficiency productivity milestones
  - Helios' portfolio passed 2,000 MW and engaged in multiple sales discussions for its projects
  - Magnora South Africa granted first environmental approval of 260 MW
  - Established Neptun Tromsø with Troms Kraft and Prime Capital to develop production facility for green ammonia
- First dividend from Helios received in Q3'22
- Raised NOK 200 million in private placement Q3'22
  - NOK 100 million pre-allocated to Hafslund
  - NOK 100 million oversubscribed seven times
  - Placed at NOK 22.35 per share
- Subsequent event:
  - UK 80 MW (net 40 MW) new Magnora battery storage project

1) MW x Magnora Ownership = Net share

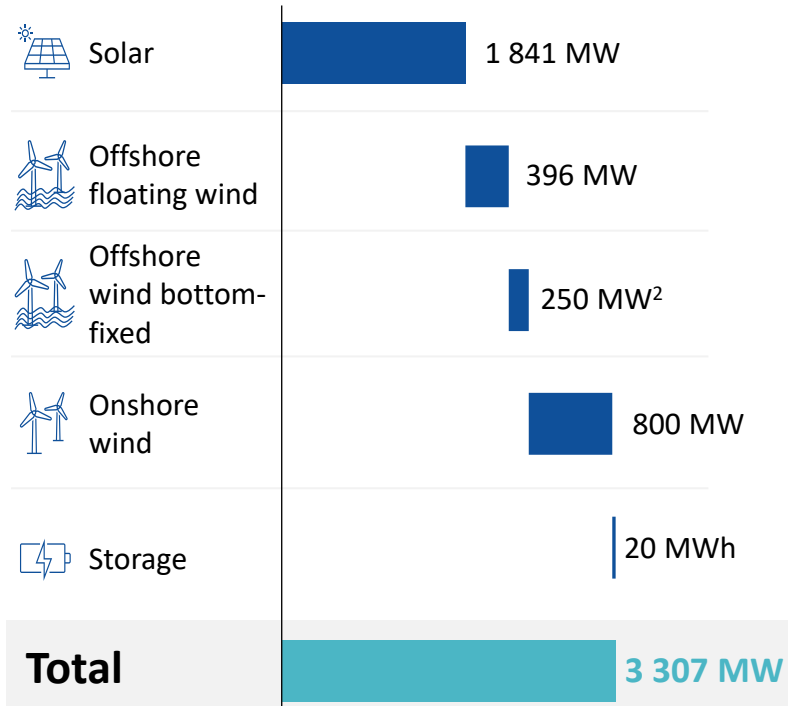
# Developing renewable projects to Ready-to-Build phase











# Portfolio of 3.3 GW spread across technologies and markets

## Portfolio by technology as of 30/9/2022

MW, net share of project capacity<sup>1</sup>



## Market presence

Market	Net share of project capacity (MW)	Technology
 Sweden	1,010 MW	 
 Scotland	396 MW	
 England	50 MW	 
 Norway	1,000 MW ambition	
 South Africa	1,851 MW	 

1) MW x Magnora Ownership = Net share

2) Economic interest, currently own 37.5% with option to increase to 50%

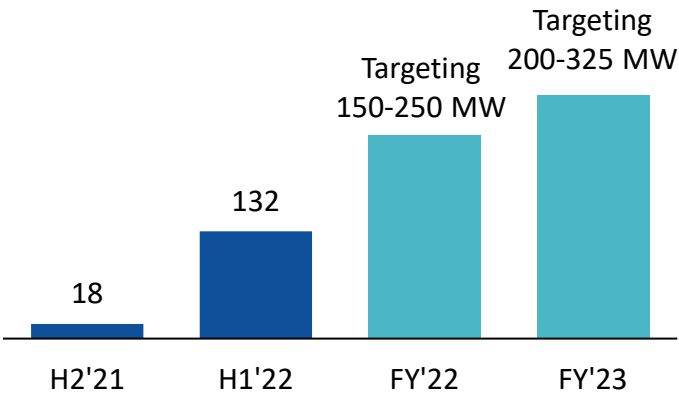
# Proven model with clear opportunities for future growth

## Projects sold & guidance

MW, net share of project capacity<sup>1</sup>



Price range solar PV and onshore wind from NOK 0.5-1.5 million per MW<sup>4</sup>) subject to risk, unit economics and other factors

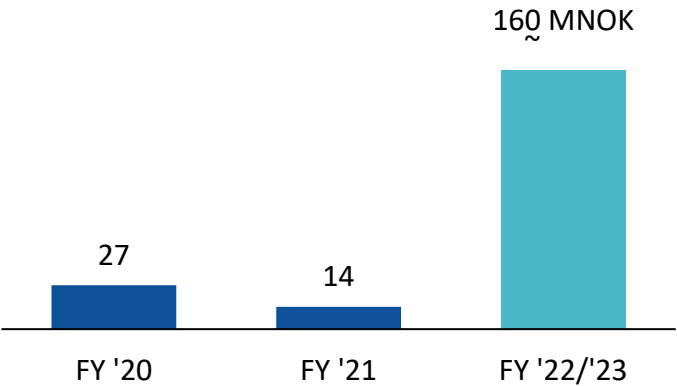


## License & royalty income from legacy assets

Revenue, NOKm<sup>2</sup>

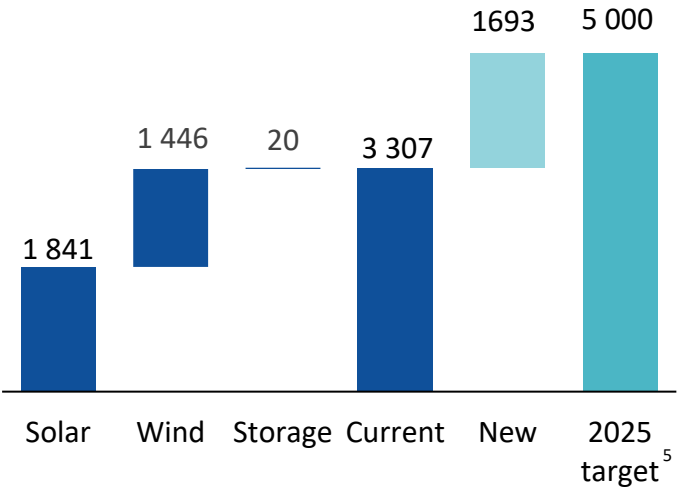


Two licensing agreements (Penguins & Western Isles<sup>3</sup>) after divesting O&G assets in 2018:



## Development portfolio ambition 2025

MW, net share of project capacity<sup>1</sup>



Cash flow from project sales and legacy assets used to fund new high-return investments

1. MW x Magnora Ownership = Net share

2. Conversion rate USD/NOK partially hedged at approximately 10.5

3. The FPSO was completed in 2017 and production started in Q4 2017. The FPSO has a production capacity of 44,000 barrels per day and a design life of 20 to 25 years. Revenues from Penguins is anticipated in 2022-23

4. Mid range of observed deals in the market

5. Final payment subject to all approvals from energy directorates, county and municipality, roads, and grid connection. We sell pre Ready-to-Build. Significant up-front payments



# Backed by extensive energy and renewables project track record



**Torstein Sanness**  
Executive Chairman

- Experience as CEO of Lundin Petroleum Norway and DNO
- Holds several board memberships in energy sector
- Broad international experience



**Erik Sneve**  
CEO

- Experience from investment industry and renewables Statkraft, Hafslund, DnB and EY
- Has worked as analyst, consultant, investment director and as COO in early-stage company



**Haakon Alfstad**  
CEO Magnora Offshore Wind

- Experience as SVP in Statkraft as leader of Onshore and Offshore wind
- Have held several Chairman and board positions in Norway and abroad



**Peter Nygren**  
Expert Advisor

- Experience from renewables and related industries inc. Vattenfall, SCA, and United Waters
- CEO and co-founder of Arise Windpower AB



**Hilde Ådland**  
Board Member

- VP Norwegian Sea Area at Vår Energi
- Experience from technical and operational roles in the energy sector



**Bård Olsen**  
CFO

- Experience as controller, external auditor, and internal auditor
- Aker group (MHWirth) and EY



**Bjørn Drangsholt**  
CEO Hafslund Magnora Sol AS

- Experience from various management positions at Norsk Hydro Naturkraft, Statoil & Statkraft
- Significant project experience in development, construction and operations phases



**Trond Gärtner**  
SVP Business development

- Experience from various management positions in Statkraft
- Development, engineering and technical due diligence



**John Hamilton**  
Board Member

- CEO of Panoro Energy
- Experience as MD and CFO in investment- and capital management firms, as well as in African ventures



**Gisle Grønlie**  
EVP Legal & M&A

- Experience as inhouse lawyer in various corporate businesses
- Served in several leadership teams and boards from TechnipFMC



**Emilie Brackman**  
VP Wind & Solar

- Experience from consulting in DNV
- Acted as technical adviser for several +100MW wind farms in Norway



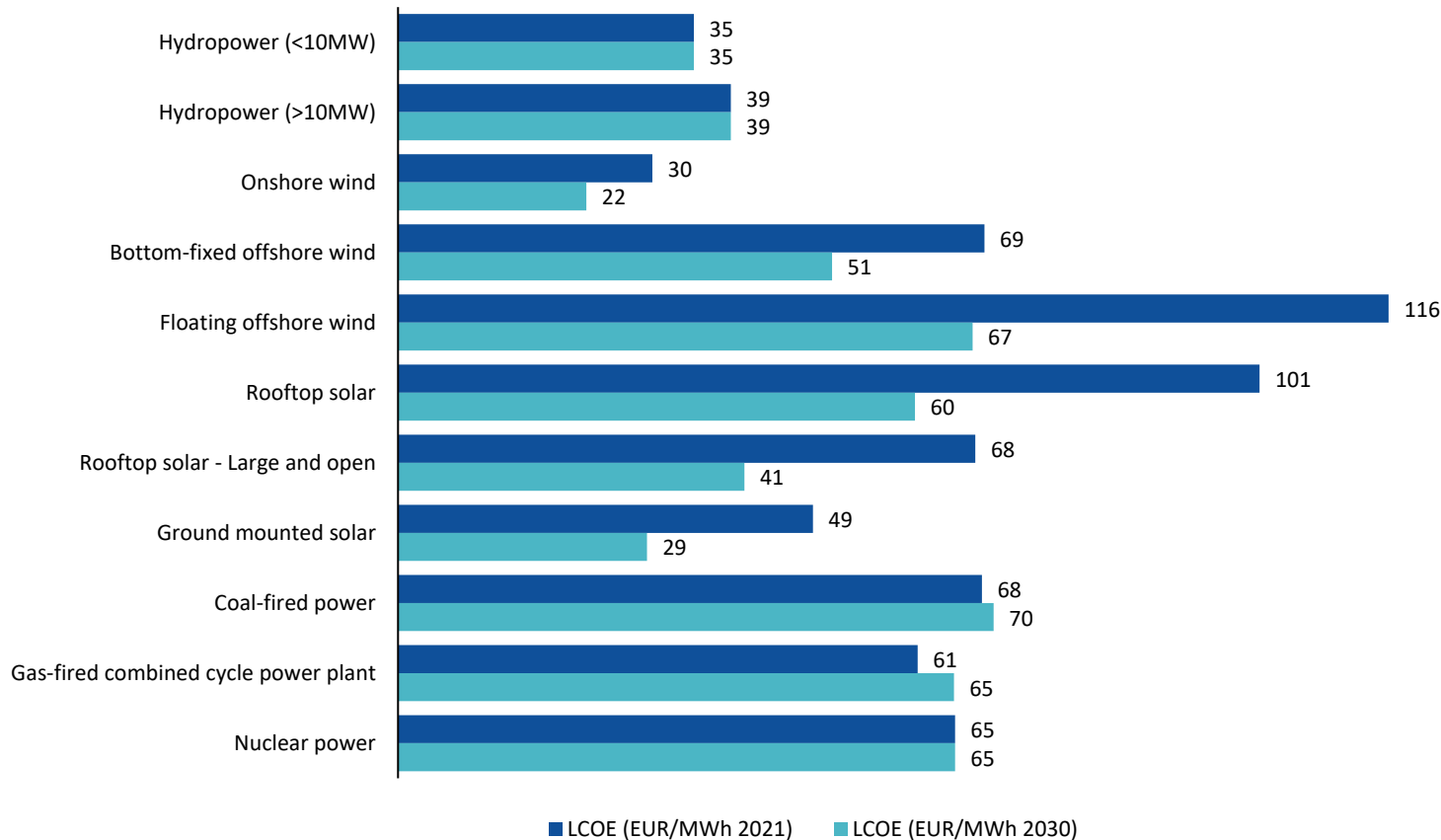
**Espen Erdal**  
VP Business development

- Experience from consulting in DNV and Dr Ing. Aas Jacobsen
- Due diligence of wind farm development, design and analysis



# Norwegian Water Resources and Energy Directorate LCOE outlook<sup>1</sup>

## LCOE (levelized cost of energy) for power production



- Ground mounted solar is expected to decrease from 49 EUR/MWh to 29 EUR/MWh in 2030
- Thus, this will be the cheapest renewable energy technology after onshore wind
- Floating wind largest drop in LCOE in percentage points

# Large and growing return potential in developing projects to Ready-to-Build phase



Collective drive towards green shift gives lower risk in early-stage development

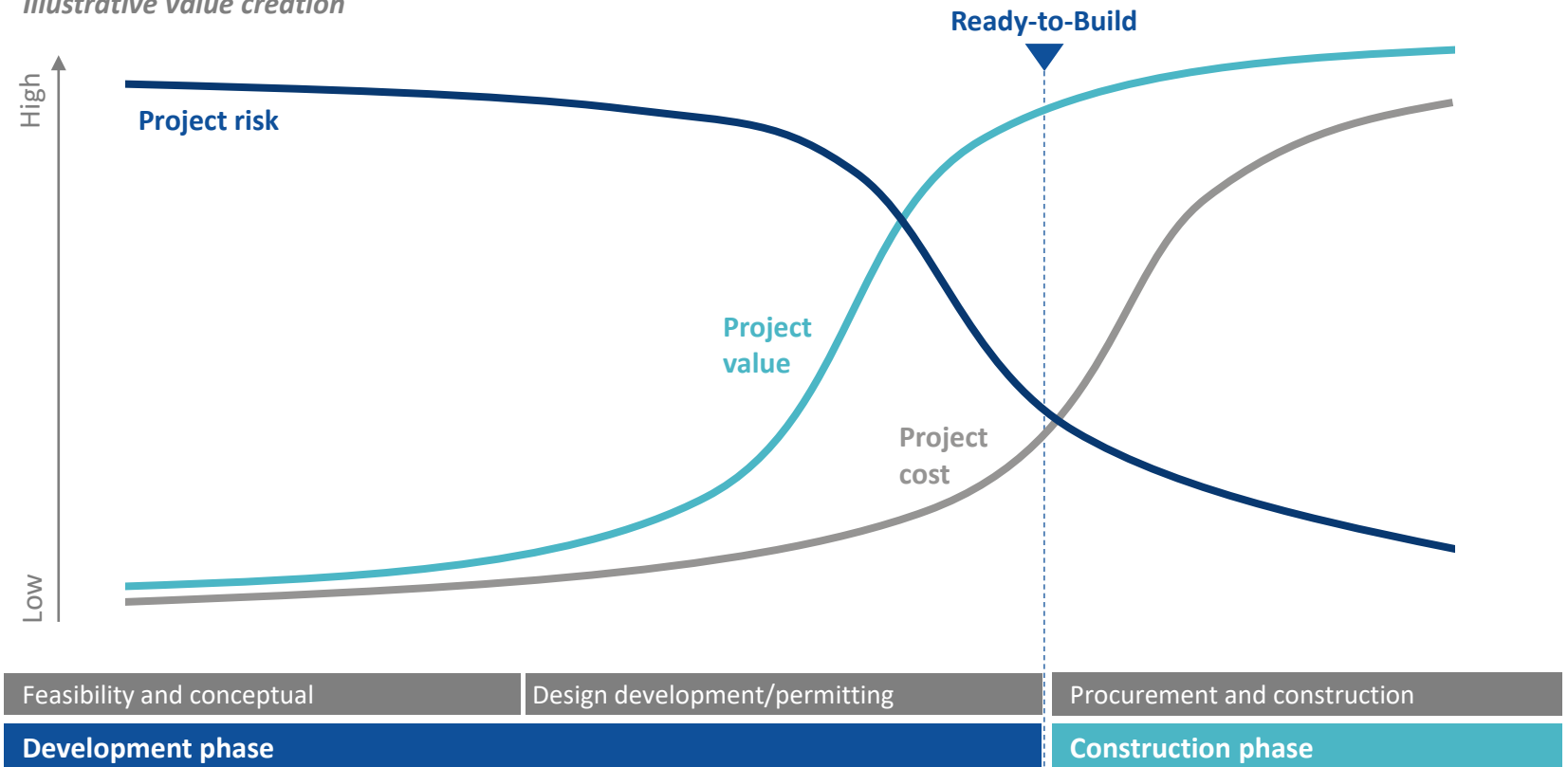


Value premium for early-stage project development with low operational costs



Reducing risk in development phase through high competence and experience

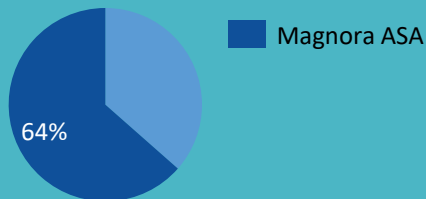
*Illustrative value creation*



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

- Good prospect of increasing efficiency for PV market
- Accelerated lifespan test of 2.000 hrs – equals 25 years in real life. +85 Celcius at 85% humidity in heat damp chamber
- 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

**Ownership**



# Significantly increased interest and progress in Evolar

## High pace toward commercialization ...

- ✓ Received first payments from customers partnering in Evolar's development projects
- ✓ Secured first- and second line vendors for its solutions and experiences increased interest in its solutions
- ✓ Design process of pilot plant for customer
- ✓ In discussions with several new potential customers
- ✓ Continued milestone beat in terms of cell efficiency, cost and durability

## ... with increased Magnora exposure

- Magnora has entered into a convertible loan agreement with Evolar to fund further development amid ongoing commercial and financial discussions.
- Currently considering various strategic and financial alternatives for the company due to external interest

# Financials

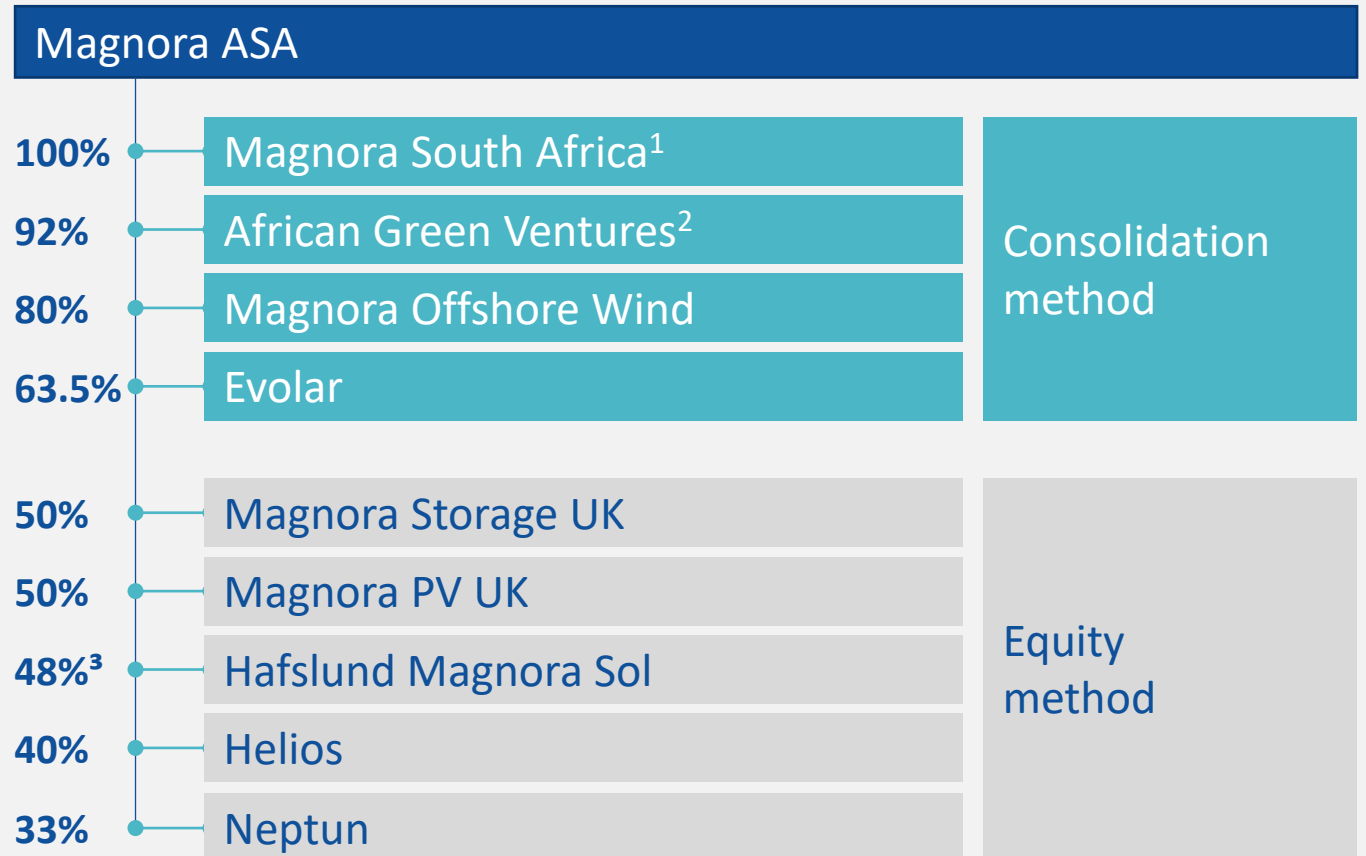
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# Consolidation of portfolio companies

- Companies with a shareholder interest of more than 50% are accounted by the consolidation method
  - The full net profit/loss is recognised
- Companies with a shareholder interest of less or equal to 50% and more than 20% are accounted by the equity method
  - The Group recognise its share of the financial results according to its ownership share



1) Through Magnora South Africa Projects AS 2) Through Magnora South Africa Development AS 3) 8 percent indirect ownership through Helios' ownership share

# CONDENCED PROFIT AND LOSS

Q3 2022, NOK million

	Q3'22	Q2'22	Q3'21
Operating revenue	3.5	4.3	4.2
Other operating revenue	0.3	1.6	0.1
Operating expense (ex. non-cash)	-5.4	-6.9	-7.5
<b>Adjusted EBITDA</b>	<b>-1.6</b>	<b>-1.0</b>	<b>-3.2</b>
Option expense (non-cash)	-1.0	-1.0	-0.9
Development and M&A expense	-15.6	-20.7	-5.9
<b>EBITDA</b>	<b>-18.2</b>	<b>-22.7</b>	<b>-10.0</b>
Profit/(loss) from associated companies	-2.3	7.6	-5.7
<b>Operating profit/(loss)</b>	<b>-20.5</b>	<b>-15.1</b>	<b>-15.6</b>
Net financial items	2.1	1.6	0.0
<b>Profit/(loss) before tax</b>	<b>-18.4</b>	<b>-13.5</b>	<b>-15.6</b>

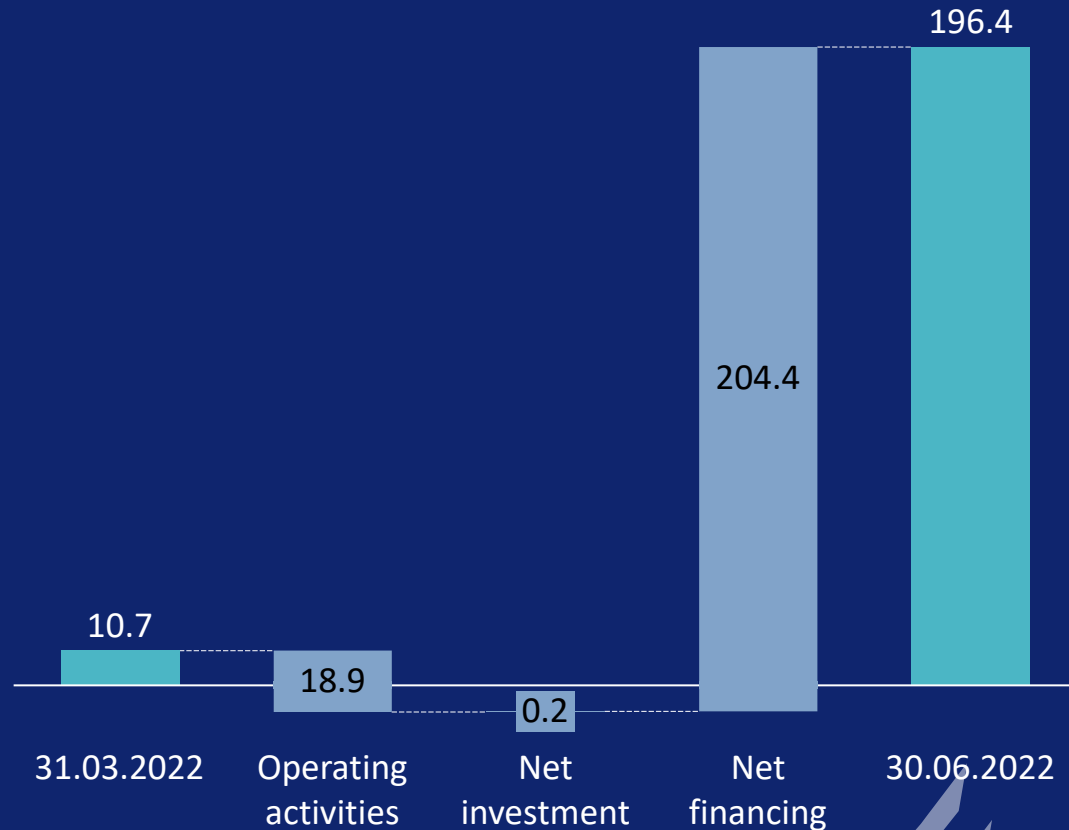
For further details see Q3 report 2022 (magnoraasa.com)

- **Adj. EBITDA<sup>1</sup> of NOK -1.6m vs. NOK -1.0m in Q2'22**
  - Lower operating revenue through lower off-loading volumes in Dana contract
  - Other operating revenue was lower as most of the revenues were from subsidiaries and therefore not included in consolidated numbers
- **EBITDA of NOK -18.2m vs. NOK -22.7m in Q2'22**
  - All companies with ownership >50% are consolidated 100% in P&L
  - Lower operating and development expenses compared with prior quarter
- **Operating loss of NOK 20.5m vs. NOK 15.1m Q2'22**
  - Profit/loss from associated companies was negative NOK 2.3m vs NOK 7.6m prior quarter
- **Loss before tax of NOK 18.4m**

1) Excludes development and M&A related expenses, and non-cash items and adjustments, such as options related expenses.

# CASH FLOW

Q3 2022, NOK million



- **Operating activities negative NOK 18.9m**
  - Impacted by development and M&A activities in Evolar, Magnora Offshore Wind and Magnora South Africa
- **Investment activities negative NOK 0.2m**
  - Purchase of associated companies offset by dividend received from Helios
- **Financing activities of NOK 204.4 million**
  - Private placement of NOK 200m at NOK 22.35 per share, of which NOK 100m pre-allocated to Hafslund and NOK 100m oversubscribed seven times
- **Ending cash balance of NOK 196.4 million**
  - The Group's cash and available credit facilities was NOK 271.8 million as of 30 September 2022

# Outlook

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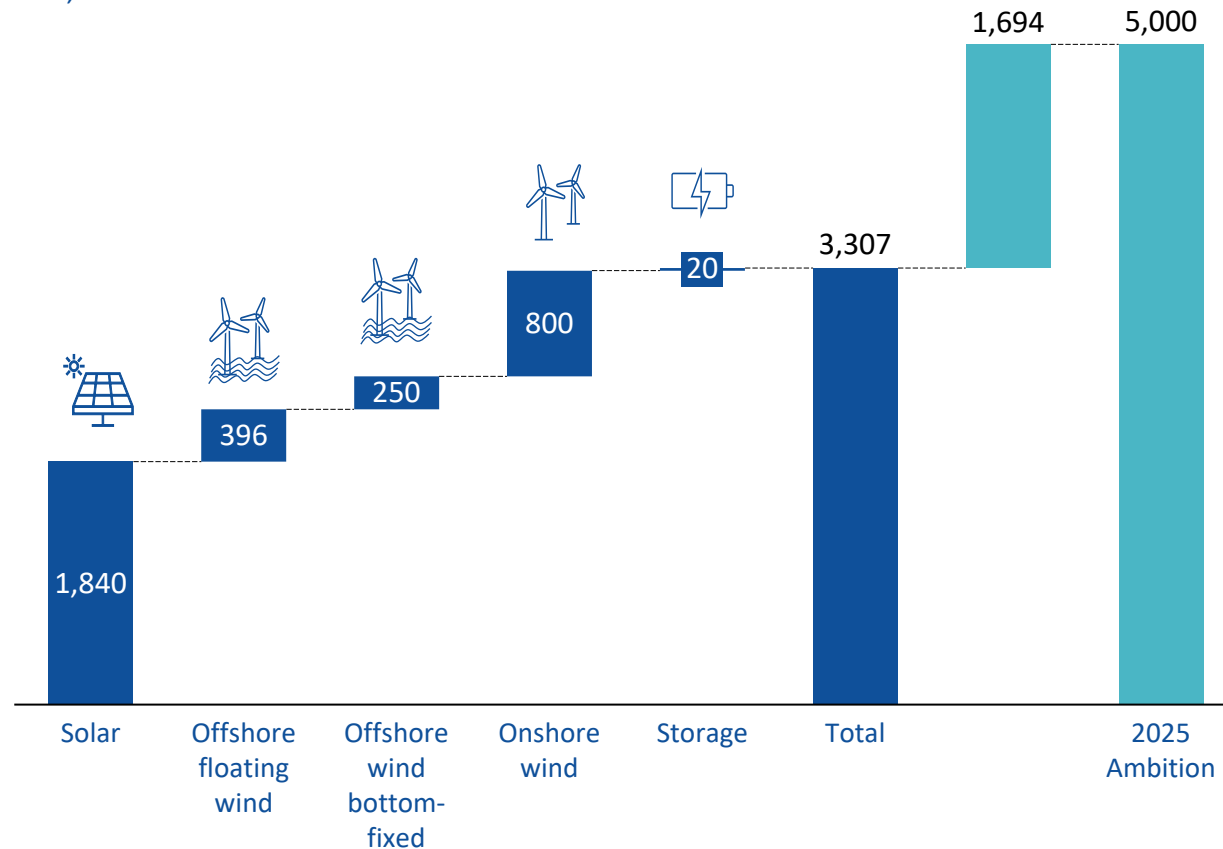




# High ambitions for future profitable growth

## Development portfolio and ambition

MW, Net share<sup>1</sup>

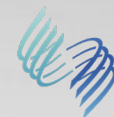


## Magnora net targets<sup>2</sup>

- 150 MW - 250 MW sale and/or farm down for FY'22
- 200 MW - 325 MW sale and/or farm down for FY'23
- Target price of NOK 0.5-1.5 million per MW
- Legacy revenues of 16 MUSD from Shell Penguins contract in est 2022-23
- Legacy revenues of est. 1-2 MUSD from Dana Western Isles contract in 2022-23
- Several portfolio companies considering expansion
- New attractive growth opportunities

1) GW x Magnora Ownership = Net share

2) Final payment subject to all approvals from energy directorates, county and municipality, roads, and grid connection. We sell pre Ready-to-Build. Significant up-front payments



MAGNORA ASA

Q&A











# Appendix I

## Portfolio companies

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# Accelerating organic growth at attractive cost

Ownership:	40%	63.5%	100%	92%	80%	35% Option to 50%	50%	50%	48%	33%
										
Segment:	Solar	Solar Tech	Onshore Wind and Solar		Offshore Wind	Offshore Wind Shallow Water	Energy Storage	Solar	Solar	Green Hydrogen and Ammonia
Capacity:	2,000 MW	3 joint development agreements	1,850 MW		495 MW	500 MW	40 MWh	60 MW	1,000 MW ambition	Large-scale production
Location:	Sweden, Latvia and Lithuania	Sweden	South Africa		Scotland	Sweden	UK	UK	Norway	Norway



# Appendix II

## Financials and shareholders

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# Reported financials

## Condensed consolidated income statement

NOK million	Q3 2022	Q2 2022	YTD 2022	Q3 2021	YTD 2021	2021
<b>Operations</b>						
Operating revenue	3.5	4.3	11.2	4.2	10.9	13.8
Other operating revenue	0.3	1.6	2.3	0.1	1.4	1.4
Operating expense	-6.4	-8.0	-22.3	-8.3	-12.3	-30.8
Development and M&A expense	-15.6	-20.7	-46.1	-5.9	-15.7	-22.9
<b>EBITDA</b>	-18.2	-22.7	-55.0	-10.0	-24.1	-38.5
Profit/loss from associated companies	-2.3	7.6	0.6	-5.7	-15.1	-21.6
<b>Operating profit/(loss)</b>	-20.5	-15.1	-54.3	-15.6	-39.2	-60.1
Financial income/(loss)	-1.8	0.3	-0.9	0.1	5.8	5.1
FX gain/(loss)	3.9	1.3	4.6	-0.1	-0.3	-0.1
<b>Net financial items</b>	2.1	1.6	3.7	0.0	5.5	5.0
<b>Profit/(loss) before tax</b>	-18.4	-13.5	-50.6	-15.6	-33.8	-55.1
Tax income/(expense)	0.1	0.1	0.2	0.0	0.0	-7.7
<b>Net profit/(loss) continued operations</b>	-18.3	-13.5	-50.4	-15.6	-33.8	-62.8
<b>Net profit/(loss)</b>	-18.3	-13.5	-50.4	-15.6	-33.8	-62.8

For further details and notes see Q3 report 2022 ([magnoraasa.com](https://magnoraasa.com))

# Reported financials

## Condensed statement of financial position

NOK million	30.09.22	30.06.22	31.12.21
Deferred tax assets	23.4	23.4	23.4
Intangible assets	162.2	163.1	0.0
Fixed assets	11.6	10.8	0.0
Goodwill	29.7	29.5	2.0
Investment in associates	34.3	36.0	61.4
<b>Total non-current assets</b>	<b>261.2</b>	<b>262.9</b>	<b>86.8</b>
Trade and other receivables	18.2	22.0	6.8
Other current financial assets	28.7	25.1	2.1
Cash and cash equivalents*	196.4	10.8	96.9
<b>Total current assets</b>	<b>243.3</b>	<b>58.0</b>	<b>105.8</b>
<b>Total assets</b>	<b>504.6</b>	<b>320.9</b>	<b>192.7</b>
Share capital	32.7	28.3	27.9
Treasury shares	0.0	0.0	0.0
Other equity	298.3	127.3	143.8
<b>Total shareholders' equity</b>	<b>331.0</b>	<b>155.6</b>	<b>171.8</b>
Non-controlling interest	46.4	49.1	0.0
<b>Total equity</b>	<b>377.4</b>	<b>204.7</b>	<b>171.8</b>
Deferred tax liability	8.7	8.7	0.0
<b>Total non-current liabilities</b>	<b>8.7</b>	<b>8.7</b>	<b>0.0</b>
Overdraft facility*	74.6	62.5	0.0
Current liabilities	43.9	45.0	20.9
<b>Total current liabilities</b>	<b>118.5</b>	<b>107.5</b>	<b>20.9</b>
<b>Total liabilities</b>	<b>127.1</b>	<b>116.3</b>	<b>20.9</b>
<b>Total equity and liabilities</b>	<b>504.6</b>	<b>320.9</b>	<b>192.7</b>

For further details and notes see Q3 report 2022 ([magnoraasa.com](https://magnoraasa.com))

# Reported financials

## Condensed statement of cash flow

NOK million	Q3 2022	Q2 2022	YTD 2022	Q3 2021	YTD 2021	2021
<b>Cash flow from operating activities</b>						
Cash from operations	-18.9	-22.8	-51.8	-11.6	-20.7	-23.7
Taxes paid/repaid	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash generated from operating activities</b>	<b>-18.9</b>	<b>-22.8</b>	<b>-51.8</b>	<b>-11.6</b>	<b>-20.7</b>	<b>-23.7</b>
<b>Cash flow from investment activities</b>						
Net purchase of marketable securities	0.0	1.3	1.3	0.0	19.2	18.9
Investment in fixed assets	-0.8	-3.9	-4.7	0.0	0.0	0.0
Dividend received	6.1	0.0	6.1	0.0	0.0	0.0
Investment in subsidiary net of cash acquired	0.0	3.8	3.8	0.0	0.0	0.0
Net purchase of associated companies	-5.1	0.0	-30.7	-16.4	-66.4	-58.6
ScotWind lease option fee	0.0	-94.6	-94.6	0.0	0.0	0.0
<b>Net cash from investment activities</b>	<b>0.2</b>	<b>-93.4</b>	<b>-118.8</b>	<b>-16.4</b>	<b>-47.2</b>	<b>-39.6</b>
<b>Cash flow from financing activities</b>						
Capital distribution/increase	192.3	3.3	195.6	0.0	115.4	115.4
Overdraft facility drawn*	12.1	62.5	74.6	0.0	0.0	0.0
<b>Net cash from financing activities</b>	<b>204.4</b>	<b>65.7</b>	<b>270.1</b>	<b>0.0</b>	<b>115.4</b>	<b>115.4</b>
<b>Net cash flow from the period</b>	<b>185.7</b>	<b>-50.5</b>	<b>99.6</b>	<b>-27.9</b>	<b>47.5</b>	<b>52.1</b>
Cash balance at beginning of period	10.7	61.2	96.9	120.3	44.8	44.8
<b>Cash balance at end of period</b>	<b>196.4</b>	<b>10.7</b>	<b>196.4</b>	<b>92.3</b>	<b>92.3</b>	<b>96.9</b>

For further details and notes see Q3 report 2022 ([magnoraasa.com](https://magnoraasa.com))



# Shareholders

## 20 largest shareholders

20 largest shareholder accounts 1 November 2022	Number of shares	Percent ownership
<b>(source: VPS)</b>		
HAFSLUND VEKST AS	4,474,272	6.70
KING KONG INVEST AS	2,670,995	4.00
GINNY INVEST AS	2,469,144	3.70
CARE HOLDING AS	2,000,000	2.99
BEKKESTUA EIENDOM AS	1,881,860	2.82
ALDEN AS	1,729,829	2.59
PHILIP HOLDING AS	1,648,377	2.47
ANDENERGY AS	1,558,140	2.33
F1 FUNDS AS	1,443,121	2.31
F2 FUNDS AS	1,465,000	2.19
INTERACTIVE BROKERS LLC	1,406,307	2.10
CLEARSTREAM BANKING S.A.	1,340,721	2.01
MP PENSJON PK	1,327,138	1.99
NORDNET LIVSFORSIKRING AS	1,277,870	1.91
ALTEA AS	1,154,944	1.73
AARSKOG, PHILLIP GEORGE	1,000,000	1.50
BALLISTA AS	760,372	1.14
BAKLIEN, ÅSMUND	756,100	1.13
DNB BANK ASA	750,000	1.12
VERDIPAPIRFONDET DNB SMB	694,576	1.04
<b>Total, 20 largest shareholders</b>	<b>31,908,766</b>	<b>47.75</b>
Other shareholder accounts	34,914,000	52.25
<b>Total number of shares</b>	<b>66,822,766</b>	<b>100.00</b>
Foreign ownership	9,949,250	14.89

For further details and notes see Q3 report 2022 ([magnoraasa.com](https://magnoraasa.com))

## Board and Management exposure

Person		Number of shares	Number of options
Erik Sneve	CEO	1,212,061	150,000
Torstein Sanness	Chairman	595,392	150,000
Haakon Alfstad	CEO Magnora Offshore Wind	61,177	200,000
Hilde Ådland	Board Member	59,848	10,000
Gisle Grønlie	EVP Legal & M&A	34,500	25,000
Bård Olsen	CFO	50,000	100,000
John Hamilton	Board Member	34,787	40,000
Espen Erdal	VP Business Development	17,174	75,000
Trond Gärtner	SVP Business Development	7,000	25,000
Emilie Brackman	VP Wind & Solar	2,600	25,000
<b>Total</b>		<b>2,074,539</b>	<b>800,000</b>
% of shares outstanding		3.11 %	

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