



MAGNORA ASA

Q4 and FY 2022 presentation

13 February 2023

magnoraasa.com

2022 highlights

- Doubled project portfolio to 3.6GW, an increase of +2GW
- De-risked and diversified across renewable technologies and geographies
- Transitioned from loss-making to cash-generating business, farm-downs to drive continued growth and cash generation
- Approaching potential exits, farm-downs, dividend, capital gains for some of the investments
- Strong cash position supported by legacy contracts
- Positioned as a driver of green transition with tailwinds from a favorable regulatory environment, increased demand, and decreasing LCOE
- Working on new compelling initiatives



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 share¹ 5,000 MW renewables capacity by 2025²



Financing from near-term cash flow from legacy 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

2) Under revision

3) Upper right picture from Västerås project



2000's

2010's

2018

2019

2020

2021

2022

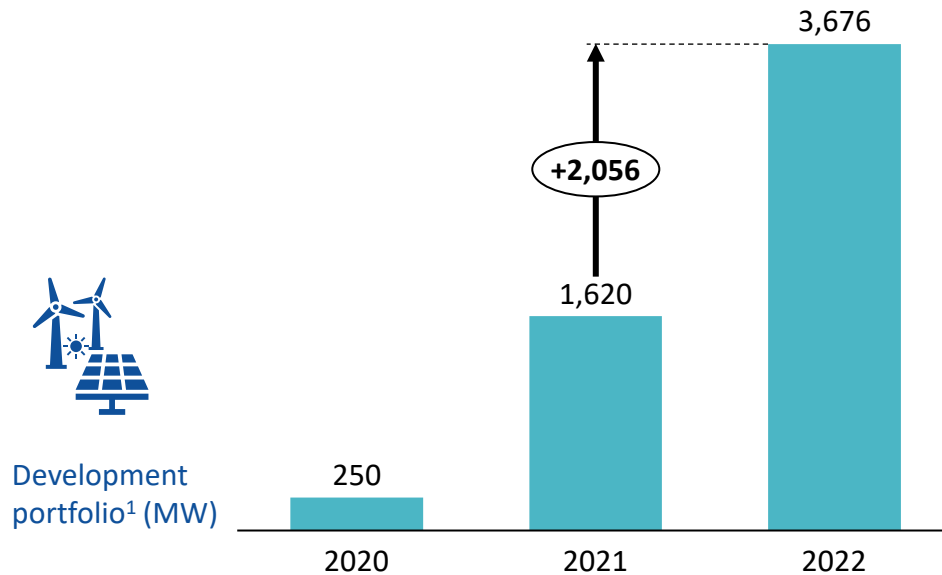
2023

A DRIVING FORCE IN
ENERGY PROJECT
DEVELOPMENT FOR
DECADES



Rapidly building a significant and profitable renewables portfolio – well financed for growth journey ahead

Significant growth strides made over the last years...













... positioning Magnora for new opportunities

- Started with two legacy royalty agreements, proceeds used towards profitable renewables investments
- Solid cash position to fund value accretive investments in the coming years
- Strong market drivers and major opportunities materializing in the coming years
- Progressing towards a “green” economy – long term profitable growth opportunities

1) Total capacity in MW x Magnora ownership share = Net share.

Diversified across technologies and regions

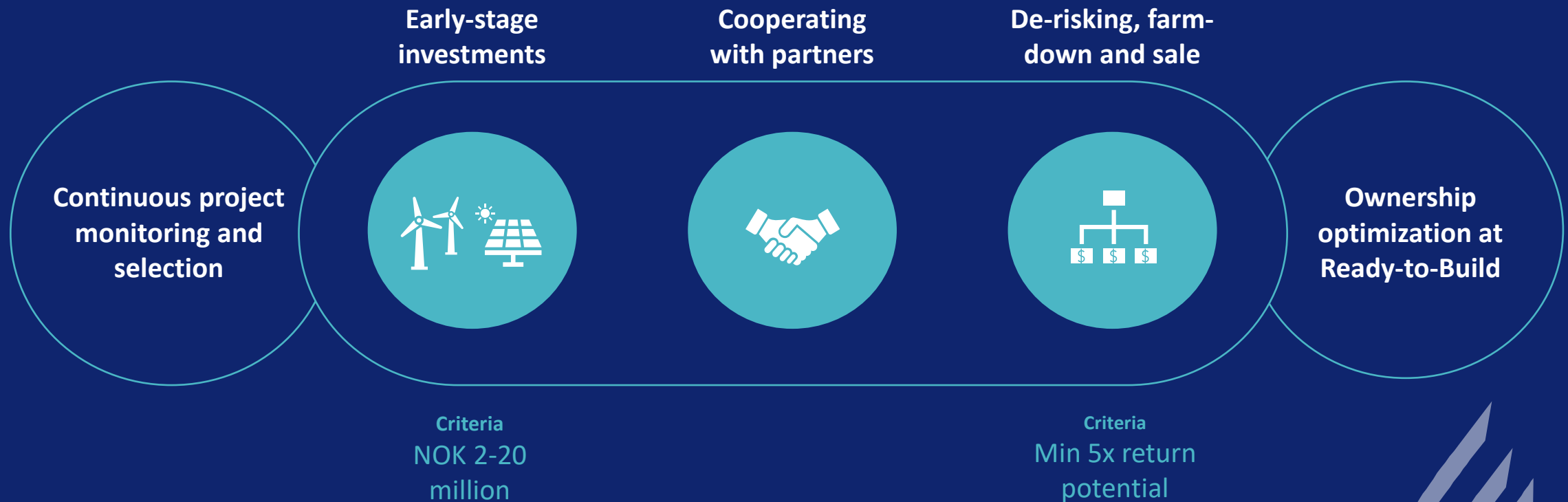
(per 31st January 2023)

	 Solar MW	 Offshore floating wind MW	 Offshore bottom-fixed MW	 Onshore wind MW	 Storage MWh	Under development
 Sweden ¹	920		250			1,170
 Scotland		396				396
 England	30				50	80
 Norway	30					30
 South Africa	1,200			800		2,000
Development portfolio	2,180	396	250	800	50	3,676

1) Includes Helios' portfolio in the Baltics.

2) Total capacity in MW x Magnora ownership share = Net share.

We are developing renewable 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



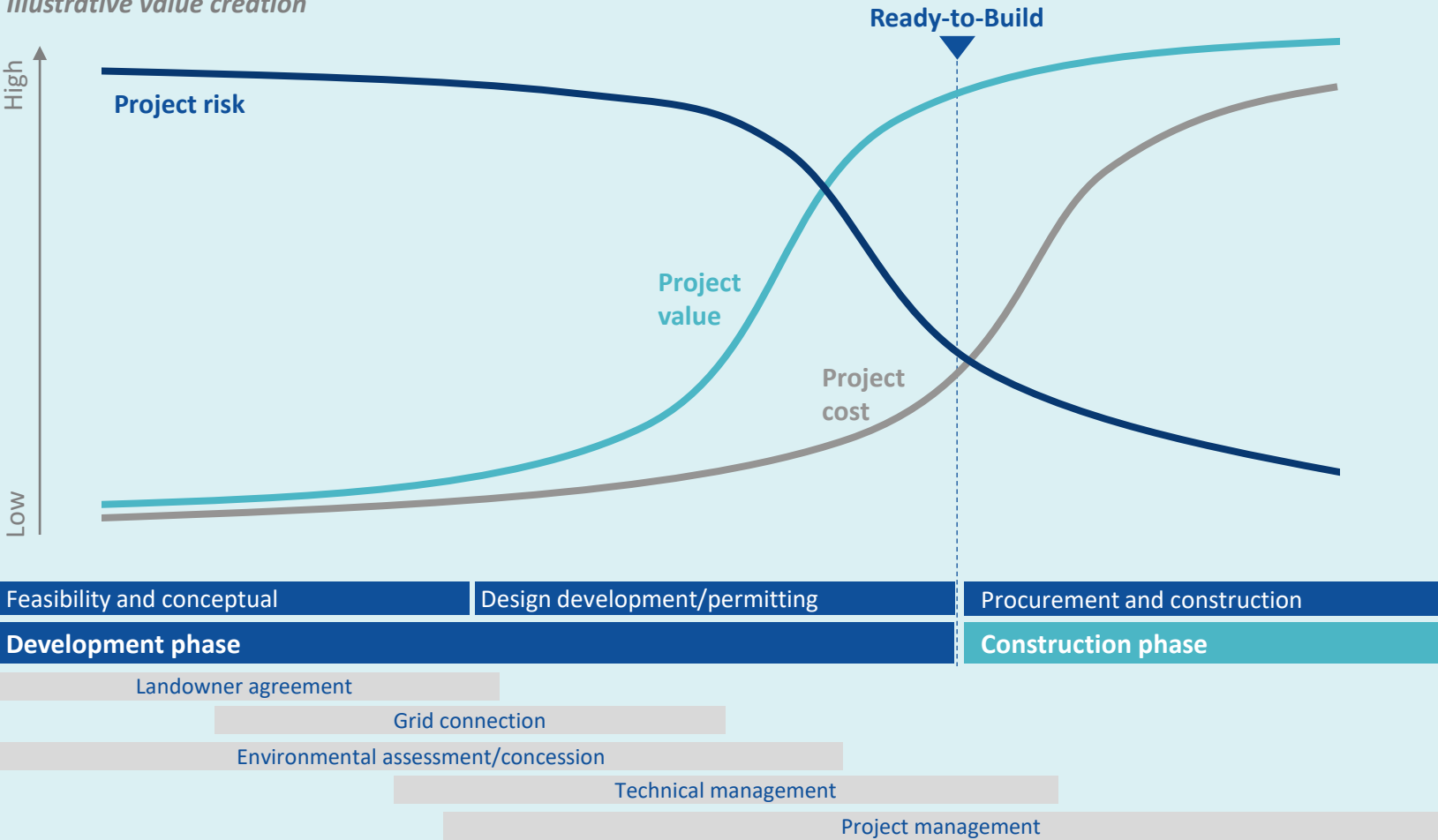
Reducing risk in development phase through high competence and experience

Strategic partnerships



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

Illustrative value creation



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



Stein Bjørnstad
Senior Advisor

- PhD in economics, Associate Professor in Innovation and Entrepreneurship (BI)
- Director, Strategy and M&A, Monitor Deloitte
- Extensive experience with analysis and business development



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

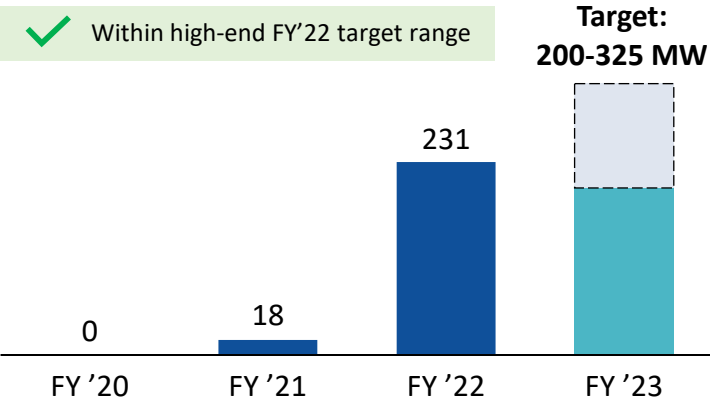
Proven model with clear opportunities for future growth

Projects sold & guidance

MW, net share of project capacity¹



Price range solar PV and onshore wind NOK 0.5 million per MW⁴ and upwards subject to risk factors such as unit economics, grid, permitting etc.

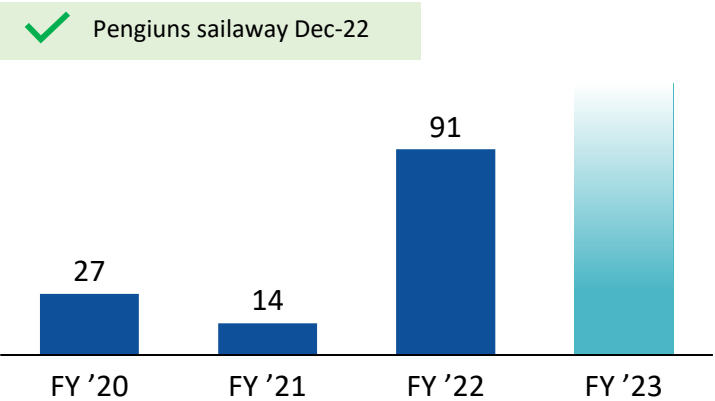


License & royalty income from legacy assets

Revenue, NOKm²



Two licensing agreements (Penguins & Western Isles³) after divesting O&G assets in 2018:

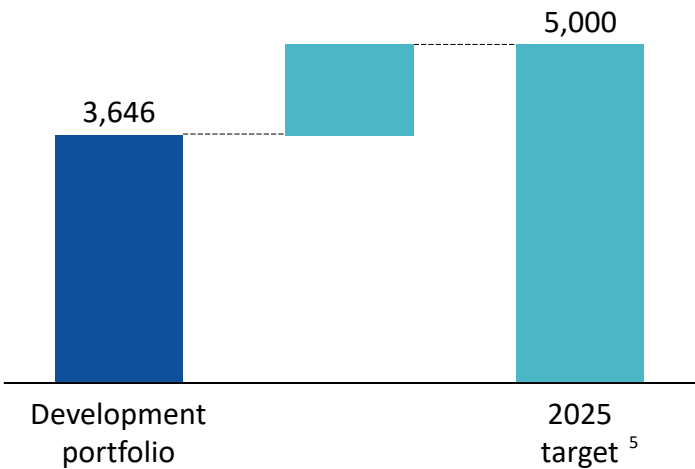


2025 ambition

MW, net share of project capacity¹



Rapidly approaching 2025 target, review to increase target



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. Remaining payments from Penguins contract, of which one could be delayed into 2024, and USD 0.5 per barrel from western isles based on Rystad Energy production forecast and a NOKUSD of 10.
4. Magnora expects to sell projects in the range of 200-325 MW in 2023. The price expected has previously been guided to be 500.000 NOK/MW - 1.500.000 NOK/MW in (excluding CMA and TCMA contracts.) Our new guidance does not have an upper limit of 1.500.000 NOK/MW, so the new guidance is from 500.000 NOK/MW to higher than 1.500.000 NOK/MW.
5. Final payment subject to all approvals from energy directorates, county and municipality, roads, and grid connection. We often sell pre Ready-to-Build. Significant up-front payments. Revenues recognized when permits in place and grid connection agreement signed. Often supported with Contract Management (procurement, project management etc.) and Technical Management Agreements

Financials



CONDENSED PROFIT AND LOSS

Q4 2022, NOK million

	Q4'22	Q3'22	Q4'21
Operating revenue	79.9	3.5	2.9
Other operating revenue	0.0	0.3	0.0
Operating expense (ex. non-cash)	-10.1	-6.4	-10.2
Adjusted EBITDA¹	72.6	-1.6	-6.3
Option expense (opex non-cash)	-2.9	-1.0	-1.0
Development and M&A expense	-4.3	-15.6	-7.2
EBITDA	65.5	-18.2	-14.4
Profit/loss from associated companies	-4.5	-2.3	-6.5
Operating profit/loss	61.0	-20.5	-20.9
Net financial items	1.6	2.1	-0.5
Profit/loss before tax	62.6	-18.4	-21.4

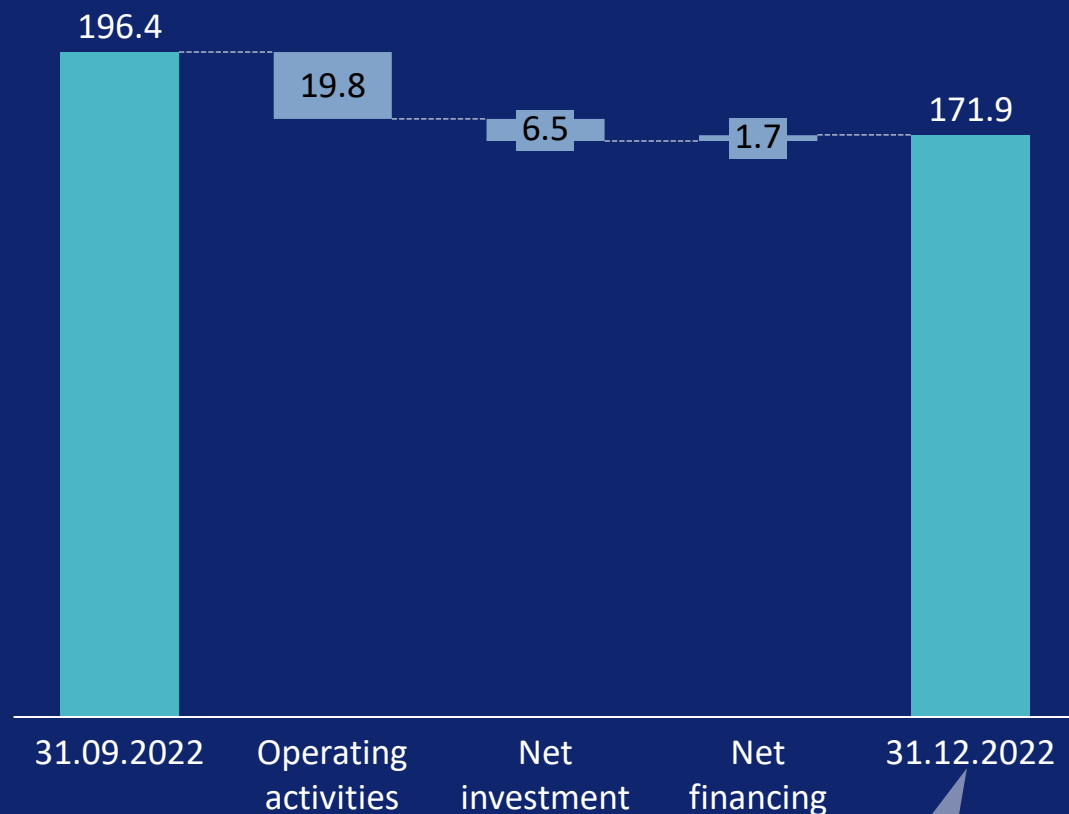
For further details see Q4 report 2022 (magnoraasa.com)

- Adj. EBITDA¹ of NOK 72.6m vs. NOK -1.6m in Q3'22
 - High revenues and EBITDA due to payments from legacy contracts
- EBITDA of NOK 65.5m vs. NOK -18.2m in Q3'22
 - All companies with ownership >50% are consolidated 100% in P&L
 - Lower development and M&A expenses compared with prior quarter
- Operating profit of NOK 61.0m vs. a loss of NOK 20.5m Q3'22
 - Profit/loss from associated companies was negative NOK 4.5m vs NOK 2.3m prior quarter
- Profit before tax of 62.6 vs a loss in of NOK 18.4m in Q3'22
- Tax not payable due to accumulated tax losses of over NOK 3.5 billion from legacy business

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

CASH FLOW

Q4 2022, NOK million



1) USD/NOK conversion rate of NOK 10.3.

2) Magnora estimate.

- **Operating activities negative NOK 19.8m**
 - Impacted by development costs in Evolar and Magnora Offshore Wind – due to consolidation
- **Investment activities negative NOK 6.5m**
 - Purchase of assets and associated companies
- **Financing activities of NOK 1.7 million**
 - Drawn from the loan facility of NOK 150 million, NOK 76.3 million has been drawn so far
- **Ending cash balance of NOK 171.9 million**
 - The Group's cash and available credit facilities was NOK 245.6 million as of 31 December 2022
- **Received Penguin cash payment equivalent to NOK 77 million² after hedging in February 2023**
- **Last two payments totaling USD 8.6 million from Penguins contract expected in the short to mid-term³**

1) USD/NOK conversion rate of NOK 10.3.

2) USD 7.5 million.

3) Magnora estimate.

Outlook



Outlook - Very promising for 2023 and beyond

2022

Development portfolio of 3676 MW
Farmed down 231 MW

Solid cash position of NOK 172m at the
end of year

Early-stage investment portfolio



2023

Development portfolio growth
Farm-down of ~200-325MW at
NOK 0.5m per MW and upwards

Expect another USD 8.5m from Penguins contract in addition to USD 7.5m received in February 2023
Continued payments from Western Isles contract

Recurring new sales, farm-downs, exits in addition to legacy payments
(Evolar, Helios, Magnora Offshore Wind, Magnora South Africa, Magnora UK)













Mid-term

2025 development portfolio target of
5,000 MW with potential upwards
revision

Appendix



Broad portfolio of attractive companies and projects (per 13th of February 2023)

Ownership:	40%	63.5%	100%	92%	80%	40% 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:	2,300 MW	3 joint development agreements	1,851 MW		495 MW	500 MW	200 MWh	60 MW	30 MW	Large-scale production
Location:	Sweden, Latvia and Lithuania	Sweden	South Africa		Scotland	Sweden	UK	UK	Norway	Norway

Reported financials

Condensed consolidated income statement

NOK million	Note	Q4 2022	Q3 2022	YTD 2022	Q4 2021	YTD 2021	2021
Operations							
Operating revenue	5	79,9	3,5	91,1	2,9	13,8	13,8
Other operating revenue		0,0	0,3	0,6	0,0	1,4	1,4
Operating expense		-10,1	-6,4	-31,8	-10,2	-30,8	-30,8
Development and M&A expense		-4,3	-15,6	-49,4	-7,2	-22,9	-22,9
EBITDA		65,5	-18,2	10,5	-14,4	-38,5	-38,5
Profit/loss from associated companies		-4,5	-2,3	-3,9	-6,5	-21,6	-21,6
Operating profit/(loss)		61,0	-20,5	6,7	-20,9	-60,1	-60,1
Financial income/(loss)	6	-1,2	-1,8	-2,1	-0,7	5,1	5,1
FX gain/(loss)		2,8	3,9	7,4	0,2	-0,1	-0,1
Net financial items		1,6	2,1	5,3	-0,5	5,0	5,0
Profit/(loss) before tax		62,6	-18,4	12,0	-21,4	-55,1	-55,1
Tax income/(expense)		-8,2	0,1	-8,1	-7,7	-7,7	-7,7
Net profit/(loss)		54,4	-18,4	3,9	-29,1	-62,8	-62,8

For further details and notes see Q4 report 2022 (magnoraasa.com)

Reported financials

Condensed statement of financial position

NOK million	Note	31.12.22	30.09.22	31.12.21
Deferred tax assets	2	15,1	23,4	23,4
Intangible assets		170,9	162,2	0,0
Right-of-use assets		9,0	0,0	0,0
Fixed assets		15,3	11,6	0,0
Goodwill		34,1	29,7	2,0
Investment in associates	7	26,4	34,3	61,4
Total non-current assets		270,9	261,2	86,9
Trade and other receivables		97,7	18,2	6,8
Other current financial assets		23,7	28,7	0,0
Cash and cash equivalents		171,9	196,4	96,7
Total current assets		293,3	243,3	105,6
Total assets		564,2	504,6	192,7
Share capital		32,7	32,7	27,9
Treasury shares		0,0	0,0	0,0
Other equity		353,3	298,3	143,8
Total shareholders' equity		386,0	331,0	171,8
Non-controlling interest		45,8	46,4	0,0
Total equity		431,8	377,4	171,8
Deferred tax liability		4,9	8,7	0,0
Non-current liabilities		5,2	0,0	0,0
Total non-current liabilities		10,1	8,7	0,0
Overdraft facility*		76,3	74,6	0,0
Current liabilities		46,0	43,9	20,9
Total current liabilities		122,3	118,5	20,9
Total liabilities		132,4	127,1	20,9
Total equity and liabilities		564,2	504,6	192,7

For further details and notes see Q4 report 2022 (magnoraasa.com)

Reported financials

Condensed statement of cash flow

NOK million	Q4 2022	Q3 2022	YTD 2022	Q4 2021	2021
Cash flow from operating activities					
Cash from operations	-19,8	-18,9	-51,8	-3,0	-23,7
Taxes paid/repaid	0	0,0	0	0,0	0,0
Net cash generated from operating activities	-19,8	-18,9	-51,8	-3,0	-23,7
Cash flow from investment activities					
Net purchase of marketable securities	0,0	0,0	0,0	0,0	18,9
Investment in fixed assets	-4,0	-0,8	-8,7	0,0	0,0
Dividend received	0,0	6,1	6,1	0,0	0,0
Investment in subsidiary net of cash acquired	0,0	0,0	5,1	-0,3	0,0
Net purchase of associated companies	-2,5	-5,1	-33,2	7,9	-58,6
ScotWind lease option fee	0,0	0,0	-94,6	0,0	0,0
Net cash from investment activities	-6,5	0,2	-125,3	7,6	-39,6
Cash flow from financing activities					
Capital distribution/increase	0,0	192,3	195,6	0,0	115,4
Overdraft facility drawn*	1,7	12,1	76,3	0,0	0,0
Net cash from financing activities	1,7	204,4	271,9	0,0	115,4
Net cash flow from the period	-24,6	185,7	94,8	4,6	52,1
Cash balance at beginning of period	196,4	10,7	96,9	92,3	44,8
Cash balance at end of period	171,9	196,4	191,7	96,9	96,9

For further details and notes see Q4 report 2022 (magnoraasa.com)

Shareholders

20 largest shareholders

20 largest shareholder accounts 3 February 2023

(source: VPS)	Number of shares	Percent ownership
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
BEKKESTUA EIENDOM AS	1,881,860	2.82
CARE HOLDING AS	1,750,000	2.62
ALDEN AS	1,729,829	2.59
PHILIP HOLDING AS	1,648,377	2.47
F2 FUNDS AS	1,585,000	2.37
F1 FUNDS AS	1,503,121	2.25
ANDENERGY AS	1,468,140	2.20
INTERACTIVE BROKERS LLC	1,371,482	2.05
MP PENSJON PK	1,327,138	1.99
CLEARSTREAM BANKING S.A.	1,319,078	1.97
NORDNET LIVSFORSIKRING AS	1,281,560	1.92
ALTEA AS	1,154,944	1.73
AARSKOG, PHILLIP GEORGE	1,000,000	1.50
DNB BANK ASA	878,137	1.31
DANSKE BANK AS	781,492	1.17
BALLISTA AS	760,372	1.14
BAKLIEN, ÅSMUND	756,100	1.13
Total, 20 largest shareholders	31,811,041	47.61

Other shareholder accounts	35,011,725	52.39
Total number of shares	66,822,766	100.00
Foreign ownership	9,926,510	14.86

For further details and notes see Q4 report 2022 (magnoraasa.com)

Board and Management exposure

Person		Number of shares	Number of options
Erik Sneve	CEO	1,173,871	350,000
Torstein Sanness	Chairman	594,442	250,000
Haakon Alfstad	CEO Magnora Offshore Wind	61,177	250,000
Hilde Ådland	Board Member	39,011	10,000
Bård Olsen	CFO	50,000	150,000
John Hamilton	Board Member	33,837	40,000
Espen Erdal	VP Business Development	17,174	75,000
Trond Gärtner	SVP Business Development	7,000	100,000
Emilie Brackman	VP Wind & Solar	2,600	25,000
Total		2,013,612	1,275,000
% of shares outstanding		3.01 %	

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