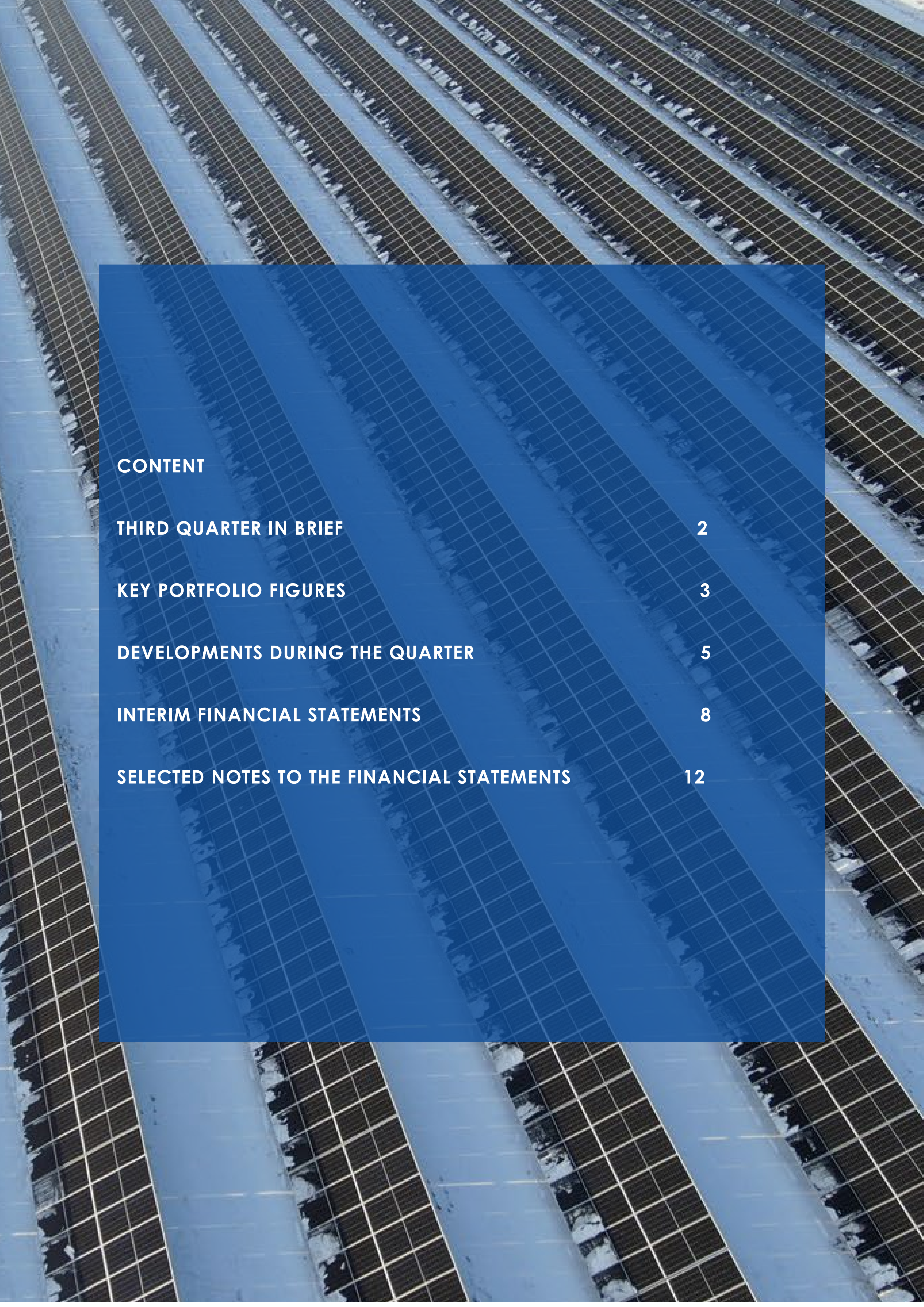
MAGNORA ASA

Q3 REPORT

20 October 2023



CONTENT

THIRD QUARTER

In Brief

KEY HIGHLIGHTS

» Sales in Q3 totaled 254 MW net to Magnora.

» On 26 July 2023, Helios divested seven projects with combined capacity of 252 MWp to Hafslund. This transaction is Helios's seventh and largest in terms of size and value to date, and the price per MW for the projects sold is in the high end of Magnora's price guiding.

» Magnora sold its first project in South Africa to Globeleq*. Globeleq is one of the leading independent power producers in Africa owned by Norfund and British International Investment.

» Magnora's portfolio of renewable projects reached 6.7 GW, all through organic growth.

» Particularly fast growth in Finland with Helios Nordic Energy Finland Oy building a portfolio of above 500 MW in Q3.

» Helios's project pipeline grew to more than 7GW. To date, Helios has divested approximately 1 GW of solar PV projects.

» Magnora continued buying back its own shares and currently holds 1,070,854 treasury shares. The maximum consideration to be paid for shares acquired under the buyback program is NOK 45 per share and NOK 50 million in aggregate.

» On 23 August, Magnora made a capital distribution of NOK 0.187 per share. Technically, Magnora repays paid-in capital in excess of the share's par value, which can offer a tax advantage for some shareholders in certain jurisdictions.

» On 28 August, Magnora issued a press release regarding evaluation of corporate structure and the hiring of Pareto Securities to assist in the process of enhancing shareholder value.

» Net cash generated from operating activities was negative NOK 10.3 million and in line with previous quarters.

» At the end of Q3, cash and cash equivalents had decreased NOK 41.5 million to NOK 367.6 million mostly due to the Group buying back shares and returning capital to shareholders.

SUBSEQUENT EVENTS

» Hafslund Magnora Sol has signed a series of land-lease agreements during October, increasing its portfolio of Solar PV projects to some 784 MW.

» Magnora closed a second sale in South Africa, 90 MW to Globeleq aimed at the C&I market.

OUTLOOK

» High origination activities in all onshore assets with approximately 350 qualified leads being subject to dialogue in South Africa, Nordic countries, and the UK.

» Magnora remain committed to the program of capital distribution and share buyback in line with the stock market notification on 9 June 2023.

» A sustained fall in the prices of PV modules and batteries is driving demand for projects globally and helps maintain the pricing power of developers.

» Magnora and group companies are in a series of farm-down and sales discussions expected to close in the short- to mid-term.

*) The Globeleq deal includes an upfront payment. Globeleq aims to build 153 MW of battery storage and possibly add solar PV. A successful battery project will trigger additional milestone payments. Adding solar PV or wind development to the site will also trigger additional payments.

Solar PV plant in Västerås Sweden opening 25 October 2023. Plant owned by Commerz Real. Development and technical management by Helios Nordic Energy AB

KEY

Portfolio Figures

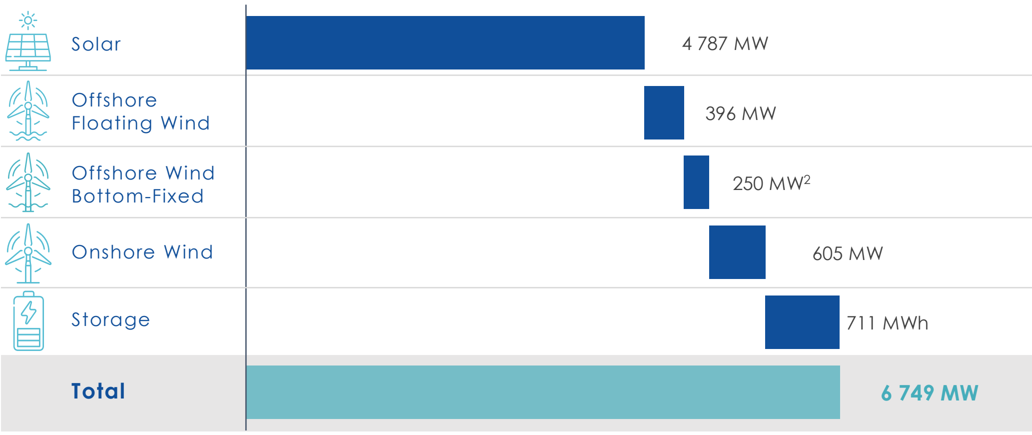
PORTFOLIO COMPANIES

Portfolio Company	Ownership %*	Technology	Location	Potential capacity (MW) in development*	Capacity (MW) sold**
Helios	40		Sweden	2904	382
Magnora Offshore Wind	80		Scotland	396	0
Magnora South Africa	100		South Africa	2070	153
Magnora PV UK	50		England	218	0
Hafslund Magnora Sol	48		Norway	376	0
Kustvind	45		Sweden	250	0
Neptun	33.3		Norway	N/A	N/A
Total				**6214**	**535**
Total portfolio				**6749**	

**Figures are net to Magnora based on ownership rate and as of report date, except for Helios, which is as of balance sheet date.*
*** Projects sold to external investors with significant future revenue potential through milestone payments*

PORTFOLIO BY TECHNOLOGY

MW, net share of project capacity[1] for projects under development, incl. sold and delivered



MARKET PRESENCE

MW, net share of project capacity[1] for projects under development, incl. sold and delivered

Market	Net share of project capacity (MW)	Technology
Sweden	3 536 MW	
Scotland	396 MW	
England	218 MW	
Norway	376 MW	
South Africa	2 223 MW	
Total	**6 749 MW**	

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

2) Economic interest, as of 30 September 2023 own 45% with option to increase to 50%

Market Cap*	Share Price*	Total Shares
MNOK 2 426	NOK 36.30	66 822 679

*As of market close 29 September 2023

DEVELOPMENTS DURING

The Quarter

FINANCIAL REVIEW

(Figures in brackets relate to second quarter 2023)

The figures are unaudited.

The Group operates with the two segments Corporate and Projects. Both segments engage in business activities with revenues and expenses followed up separately.

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 subsidiaries when the Group has more than 50 percent ownership and/or considers it has control of the entity as majority shareholder. For subsidiaries, the full net profit/loss is recognised as these companies are consolidated into the Group's financial reports. Development costs in these companies are expensed and not capitalised, as they are in 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 contracts are managed and reported as part of the corporate segment.

Operating revenue for the corporate segment was NOK 8.7 million (NOK 8.6 million). NOK 3.7 million was from license income, and NOK 5 million from services tendered to subsidiaries and associated companies, Operating expense in the corporate segment was NOK 10.7 million in the third quarter, driven by higher costs from external services related to the restructuring assessment. EBITDA was negative NOK 2 million.

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. However, M&A related expenses for unsuccessful transactions are assigned to the corporate segment.

Net gain from divestments in the project segment amounts to NOK 10.2 million and relates to the disposal of projects in South Africa. There was no operating expense in the project segment in the third quarter and development and M&A expenses were NOK 23.6 million. EBITDA in the segment was negative NOK 13.4 million.

CONSOLIDATED

Operating revenue and other income in the third quarter 2023 was in total NOK 14.2 million, NOK 217.7 million lower than the previous quarter. The operating revenue of NOK 3.9 million is mainly license revenue from the agreement with Dana, and revenue from providing services to associated companies. The license income from Dana was NOK 2 million higher than the previous quarter due to higher offloading. Other income amounted to 10.2 MNOK in the third quarter and is related to the gain from the divestment of a SPV in South Africa. EBITDA was negative NOK 15.3 million (NOK 204.3 million mainly driven by Evolar divestment) mainly driven by the gain from divestment of SPV in South Africa and higher costs. The main costs originated with operating and development costs in Magnora Offshore Wind, Magnora UK PV, and Magnora South Africa. EBITDA also included NOK 1.4 million of non-cash option expenses. See note 6 for further details.

In Q3, the operating expense was NOK 10.7 million. Development and M&A costs were NOK 18.8 million for third quarter 2023. Development and M&A costs include closing costs in the divestment of the SPV in South Africa, development of projects in UK and South Africa, and development of the Talisk project in Magnora Offshore Wind.

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 projects, which will be fully reflected when the projects reach ready-to-build (RTB) status.

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.

Financial results reflect the activity level and progress in the portfolio companies. Net loss for the quarter was negative NOK 19 million (net profit NOK 203.0 million). This decrease was mainly due to the high net profit in the prior quarter from the divestment of Evolar. See note 4 for further details regarding the divestment impacts of the Evolar transaction.

CASH FLOW

As of 30 September 2023, cash and cash equivalents was NOK 367.6 (NOK 409.1 million). Net cash generated from operating activities was negative NOK 10.3 million for the Group driven by development costs in Magnora UK, Magnora South Africa, and Magnora Offshore Wind. Cash from operating activities is not affected by the South African SPV divestment as this is reflected under cash generated from investment activities. Apart from the SPV divestment, the cash flow in the quarter was mainly affected by the Group purchasing its own shares, capital payment to the shareholders, and development costs in Magnora UK, Magnora South Africa, and Magnora Offshore Wind.

FINANCIAL POSITION

The equity ratio was 92 percent as of 30 September 2023. The Group has loan facilities of NOK 150 million. As of 30 September 2023, there was no draw from the loan facility, leaving the full NOK 150 million loan facility available.

RISK AND UNCERTAINTY FACTORS

Magnora is exposed to market risk, electricity price risk, indirect equipment price risk, customer risk, project and contractual risk, land lease 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 risk factors, all as described further below. 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 optimized wind park. There are also risks related to military installations and training areas in addition to wildlife risks. Also, as the Company's asset portfolio matures, the need to enter into a larger number and continuously more complex commercial contracts increases, which means that the Group becomes more subject to risks relating to commercial disputes due to disagreements and uncertainties concerning interpretation of contracts.

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 replace fossil fuels and 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 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 derives 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.

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.

Sales of projects prior to the ready-to-build phase and final payments are typically closed when all permits, grid connections and/or equipment and long lead items are secured. The full payment of a project sale might be at risk depending on the exact contract terms. Lack of progress in a project can lead to a project sale being cancelled if we or a group company are unable to replace it with an alternative project.

THE MAGNORA SHARE

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 renewed by the AGM held on 25 April 2023. The Group has repurchased its own shares during the quarter, and as of the date of this report, Magnora owns 1,070,854 of its own shares. After a period of halt in dividends, the Board has approved to start distribution of capital, which has been paused due to capital need for investments. The Board continues to see several organic growth opportunities in the short to mid-term in line with our original growth strategy.

Oslo, Norway, 20 October 2023
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	Q3 2023	Q2 2023	YTD 2023	Q3 2022	YTD 2022	2022
Operations							
Operating revenue	5	3.9	2.3	22.7	3.8	13.5	91.7
Other income	4	10.2	229.6	239.8	0.0	0.0	0.0
Operating expense	2	-10.7	-9.5	-28.0	-6.4	-22.3	-31.8
Development and M&A expense	2	-18.8	-18.2	-54.5	-15.6	-46.1	-49.4
EBITDA		-15.3	204.3	180.0	-18.2	-55.0	10.5
Profit/loss from associated companies		-8.1	-4.9	13.6	-2.3	0.6	-3.9
Operating profit/(loss)		-23.5	199.3	193.6	-20.5	-54.3	6.6
Financial income/(expense)		4.0	-1.4	2.0	-1.8	-0.9	-2.1
FX gain/(loss)		0.5	5.1	-0.9	3.9	4.6	7.4
Net financial items		4.5	3.7	1.1	2.1	3.7	5.4
Profit/(loss) before tax		-19.0	203.0	194.7	-18.4	-50.6	12.0
Tax income/(expense)		0.0	0.0	0.1	0.1	0.2	-8.1
Net profit/(loss)		-19.0	203.1	194.8	-18.3	-50.4	3.9

Numbers are unaudited

STATEMENT OF COMPREHENSIVE INCOME

Net profit/(loss)	-19.0	203.1	194.8	-18.3	-50.4	3.9
Foreign currency translation	-5.5	-0.9	9.8	-1.1	5.1	1.9
Total comprehensive income	-24.5	202.1	204.5	-19.4	-45.3	5.8
Profit/(loss) attributable to:						
Equity holders of the company	-16.7	206.5	204.6	-15.2	-41.7	12.5
Non-controlling interest	-2.4	-3.5	-9.8	-3.1	-8.7	-8.6
Total comprehensive income attributable to:						
Equity holders of the company	-21.2	206.4	212.8	-16.8	-38.3	13.5
Non-controlling interest	-3.3	-4.2	-8.2	-2.7	-7.1	-7.7

Numbers are unaudited

EARNINGS PER SHARE

	Q3 2023	Q2 2023	Q3 2022	2022
Earnings per share for profit/(loss) attributable to the equity holders of the company during the year (NOK per share):				
- Basic	-0.25	3.09	-0.26	0.21
- Diluted	-0.25	3.08	-0.26	0.21
Weighted average number of shares outstanding	66,822,679	66,822,679	58,434,882	59 510 179
Weighted average number of shares outstanding (diluted)	66,822,679	67,120,488	58,434,882	59 695 017

Numbers are unaudited

CONDENSED STATEMENT OF FINANCIAL POSITION

NOK million	Note	30.09.23	30.06.23	31.12.22
Deferred tax assets		15.1	15.1	15.1
Intangible assets		136.1	142.1	170.9
Right-of-use assets		0.0	0.0	9.0
Fixed assets		0.5	0.3	15.3
Goodwill		8.4	10.4	34.1
Other non-current assets		2.0	2.0	0.0
Investment in associates		41.9	50.2	26.4
Total non-current assets		**203.9**	**220.0**	**270.9**
Trade and other receivables		26.8	23.7	97.7
Other current financial assets		24.8	25.8	23.7
Cash and cash equivalents		367.6	409.1	171.9
Total current assets		**419.2**	**458.5**	**293.3**
Total assets		**623.2**	**678.5**	**564.2**
Share capital		32.7	32.7	32.7
Treasury shares		-0.5	-0.2	0.0
Other equity		525.0	578.2	353.3
Total shareholders' equity		**557.2**	**610.7**	**386.0**
Non-controlling interest		18.3	21.6	45.8
Total equity		**575.5**	**632.3**	**431.8**
Deferred tax liability		0.4	0.4	4.9
Non-current liabilities		0.0	0.0	5.2
Total non-current liabilities		**0.4**	**0.4**	**10.1**
Overdraft facility*		0.0	0.0	76.3
Current liabilities		47.2	45.8	46.0
Total current liabilities		**47.2**	**45.8**	**122.3**
Total liabilities		**47.6**	**46.3**	**132.4**
Total equity and liabilities		**623.2**	**678.5**	**564.2**

** As of 30 September 2023, there was no draw on the loan facility, leaving the full NOK 150 million loan facility available.*

CONDENSED STATEMENT OF CHANGES IN EQUITY (Numbers are unaudited)

NOK million	Share capital	Treasury Shares	Other equity	Currency transl. reserve	Non-controlling interest	Total equity
Equity as of 1 January 2023	32.8	-0.1	354.1	-1.2	46.3	431.9
Total comprehensive income for the period	0.0	0.0	204.6	8.2	-8.2	204.5
Acquired treasury shares*	-0.1	-0.5	-31.7	0.0	0.0	-32.2
Share based payments	0.0	0.0	5.0	0.0	0.0	4.9
Disposal of companies with non-controlling interests	0.0	0.0	0.0	0.0	-19.8	-19.8
Dividend declared	0.0	0.0	-14.4	0.0	0.0	-14.4
Capital increase****	0.0	0.0	0.6	0.0	0.0	0.6
Equity as of 30 September 2023	**32.7**	**-0.6**	**518.1**	**7.0**	**18.3**	**575.5**
Equity as of 1 January 2022	**28.0**	**-0.1**	**146.2**	**-2.3**	**0.0**	**171.8**
Total comprehensive income for the period	0.0	0.0	12.5	1.0	-7.7	5.8
Acquired treasury shares*	0.0	0.0	0.0	0.0	0.0	0.0
Capital increase non-controlling interest***	0.0	0.0	0.0	0.0	54.0	54.0
Share based payments	0.0	0.0	5.8	0.0	0.0	5.8
Capital increase**	4.8	0.0	189.7	0.0	0.0	194.4
Equity as of 31 December 2022	**32.8**	**-0.1***	**354.1**	**-1.3**	**46.3**	**431.8**

** As of 30 September 2023, Magnora owned 1,070,854 shares or 1.6 percent of total shares outstanding through the share buyback programme*
*** Capital increase due to board and management exercising options and share issue in September 2022.*
**** Non-controlling interest Magnora Offshore Wind.*
***** Capital increase due to board and management exercising options*

Numbers are unaudited

CONDENSED STATEMENT OF CASH FLOW (Numbers are unaudited)

NOK million	Q3 2023	Q2 2023	YTD 2023	Q3 2022	YTD 2022	2022
Cash flow from operating activities						
Cash from operations	-10.3	-18.0	13.8	-18.9	-51.8	-67.7
Taxes paid/repaid	0.0	0.0	0.0	0.0	0.0	0.0
Net cash generated from operating activities	**-10.3**	**-18.0**	**13.8**	**-18.9**	**-51.8**	**-67.7**
Cash flow from investment activities						
Net purchase of marketable securities	0.0	0.0	0.0	0.0	1.3	0.0
Investment in fixed assets	-0.1	-1.7	-5.5	-0.8	-4.7	-8.7
Dividend received	0.0	24.1	24.1	6.1	6.1	6.1
Divestment of subsidiary net of cash acquired	8.9	299.1	308.0	0.0	3.8	-6.7
Net purchase of associated companies	-2.5	-10.0	-24.0	-5.1	-30.7	-21.4
ScotWind lease option fee	0.0	0.0	0.0	0.0	-94.6	-118.3
Received loan related to ScotWind lease option	0.0	0.0	0.0	0.0	0.0	23.7
Net cash from investment activities	**6.3**	**311.4**	**302.6**	**0.2**	**-118.8**	**-125.3**
Cash flow from financing activities						
Purchase of own shares	-26.9	-5.3	-32.2	0.0	0.0	0.0
Capital distribution/increase	0.0	0.0	0.0	192.3	195.6	194.4
Leasing payments	0.0	-0.4	-1.4	0.0	0.0	-2.7
Project Loan	1.6	0.0	1.6	0.0	0.0	0.0
Overdraft facility drawn*	0.0	0.0	-76.3	12.1	74.6	76.3
Capital reduction paid out	-12.3	0.0	-12.3	0.0	0.0	0.0
Net cash from financing activities	**-37.6**	**-5.7**	**-120.6**	**204.4**	**270.1**	**268.0**
Net cash flow from the period	**-41.5**	**287.7**	**195.7**	**185.7**	**99.6**	**75.0**
Cash balance at beginning of period	409.1	121.5	171.9	10.7	96.9	96.9
Cash balance at end of period	**367.6**	**409.1**	**367.6**	**196.4**	**196.4**	**171.9**

** As of 30 September 2023, there was no draw on the loan facility, leaving the full NOK 150 million loan facility available.*

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 2022.

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.

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 2022.

2 SEGMENT FINANCIALS

The Group has developed a portfolio of several projects and companies within renewable energy. As the Group has grown, it has implemented an operating model to manage its increasing portfolio of investments. As part of the 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 limited revenues as all projects are in early-phase development. All licensing revenues from legacy license agreements 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 materialize are reported as an expense in the corporate segment, shown separately to reflect 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 2023:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		38.9	0.0	-16.2	22.7
Other income		0.0	239.8	0.0	239.8
Operating expense		-27.3	-0.7	0.0	-28.0
Development and M&A expense		0.0	-70.7	16.2	-54.5
EBITDA		**11.5**	**168.5**	**0.0**	**180.0**
Profit/loss from associated companies		13.6	0.0	0.0	13.6
Operating profit/(loss)		**25.1**	**168.5**	**0.0**	**193.6**

SEGMENT FINANCIALS Q3 2023:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		8.7	0.0	-4.8	3.9
Other income		0.0	10.2	0.0	10.2
Operating expense		-10.7	0.0	0.0	-10.7
Development and M&A expense		0.0	-23.6	4.8	-18.8
EBITDA		**-2.0**	**-13.4**	**0.0**	**-15.3**
Profit/loss from associated companies		-8.1	0.0	0.0	-8.1
Operating profit/(loss)		**-10.1**	**-13.4**	**0.0**	**-23.5**

SEGMENT FINANCIALS 2022:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		102.6	0.3	-11.2	91.7
Operating expense		-30.6	-1.2	0.0	-31.8
Development and M&A expense		0.0	-60.6	11.2	-49.4
EBITDA		**72.0**	**-61.5**	**0.0**	**10.5**
Profit/loss from associated companies		0.0	-3.9	0.0	-3.9
Operating profit/(loss)		**72.0**	**-65.4**	**0.0**	**6.6**

SEGMENT FINANCIALS Q3 2022:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		3.5	0.0	0.0	3.5
Other operating revenue		2.6	0.3	-2.6	0.3
Operating expense		-6.4	-2.6	2.6	-6.4
Development and M&A expense		0.0	-15.6	0.0	-15.6
EBITDA		**-0.4**	**-17.9**	**0.0**	**-18.2**
Profit/loss from associated companies		0.0	-2.3	0.0	-2.3
Operating profit/(loss)		**-0.4**	**-20.2**	**0.0**	**-20.5**

3 ACCOUNTING ESTIMATES

Deferred tax assets are recognised for unused tax losses only to the extent it is probable a taxable profit will be available against future 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 3.5 billion.

4 JUDGEMENTS

Consolidation of portfolio companies

The Group has a portfolio of companies 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 has 45 percent ownership at the balance sheet date. Magnora 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 an equal number of the remaining shares in the company. Magnora has three out of five board members, and the founders have the remaining two members. The other shareholders have the right to elect its third board member at any time, and it is expected that they will do so. 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 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.

Divestments

On 12 May 2023, Magnora sold all its holdings in Evolar to First Solar, Inc. for approximately USD 29 million (NOK 310 million) and additional milestone payments of up to USD 24 million (NOK 265 million). The profit and loss effects of the Evolar ownership is reflected in the Group's financial results up until 30 April 2023. The scope of the divestment transaction includes Evolar reaching certain milestones developing its perovskite solar cell technology. The gain of NOK 310 million from the sale of Evolar AB is netted against the initial investment and subsequent loans issued to fund Evolar, as well as any intercompany balances and other closing related costs that were covered by Magnora as part of the sales agreement with First Solar, Inc. The net gain of NOK 229.6 million was recognised as other income in the second quarter, of which NOK 4.9 million did not have a cash effect as it is subject to certain future contingent events and reflects a best estimate at the transaction date. The Contingent considerations were reassessed as of quarter-end. The likelihood of reaching the contingent events remains unchanged from previous quarter.

On 12 July 2023, Magnora sold all its shares in one of its South African SPVs to Globeleq Africa Limited for approximately NOK 8.9 million, with additional milestone payments of up to NOK 51 million as the project progresses towards ready-to-build (RTB) status. The profit and loss effects of the SPV ownership is reflected in the Group's financial results up until 30 June 2023. The scope of the divestment transaction includes Globeleq reaching certain milestones developing the project of the SPV. The gain from the sale of the SPV is netted against the initial investment and subsequent loans issued to fund the SPV, as well as any intercompany balances and other closing related costs that were covered by Magnora as part of the sales agreement with Globeleq. The net gain of NOK 10.2 million is recognised as other income, of which NOK 2.5 million is subject to certain future contingent events and reflects a best estimate at the transaction date.

Option lease agreement

The ScotWind lease option signed by Magnora with The Crown Estate Scotland is considered to be an intangible asset in the statement of financial position. The agreement gives Magnora the exclusive right to perform environmental studies on the area awarded. When the requirements in the option lease agreement, including key project consent, are met, the land lease will commence. The intangible asset will start amortizing when the lease commences and will be amortized over the duration of the land lease.

5 OPERATING REVENUE

NOK million	Q3 2023	Q2 2023	Q3 2022	2022
Operations				
License revenue	3.7	1.7	3.5	91.1
Other revenue	0.2	0.6	0.3	0.6
Operating revenue	3.9	2.3	3.8	91.7

Other revenue consists mostly of intercompany revenues from services provided to associated companies, as well as revenue from portfolio companies and project SPVs.

6 OPTIONS

Options have been awarded regularly since 2019 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 this period, and the cost of the options is recorded over the first 36 months following the grant date.

No options were granted during Q3 2023, and NOK 1.4 million in option cost was recognised for Q3 2023 in accordance with IFRS 2.

7 FINANCIAL ASSETS

The Group holds no marketable securities other than 1,070,854 of its own shares as of 30 September 2023.

The Group has a receivable of approximately NOK 19.2 million through its subsidiary Magnora Offshore Wind towards TechnipFMC for subscription contribution agreed to when Magnora Offshore Wind was established.

8 INVESTMENTS IN ASSOCIATES

The Group has 45 percent ownership in Kustvind AB and has the right to acquire up to 50 percent of the company. As of 30 September 2023, 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 September 2023, 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.

9 INVESTMENT OVERVIEW

Subsidiaries/ associated companies	Registered Office	Shareholder interest	Ownership account method
Magnora Holding AS	Norway	100%	Consolidating
Magnora Offshore Wind AS	Norway	80%	Consolidating
Magnora South Africa Projects AS	Norway / South Africa	100%	Consolidating
Magnora South Africa Development AS (AGV)	Norway / South Africa	100%	Consolidating
Hafslund Magnora Sol AS	Norway	48%*	Equity Method
Helios Nordic Energy AB	Sweden	40%	Equity Method
Kustvind AB	Sweden	45%	Equity Method
Neptun Tromsø AS	Norway	33.33%	Equity Method
Magnora UK PV Holding AS	Norway / UK	50%	Equity Method
Arendal Brygge AS	Norway	50%	Equity Method

*Including indirect ownership through Helios Nordic Energy

10 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 was NOK 4.8 million in operating revenues from subsidiaries and associated companies in the third quarter. TechnipFMC UK Ltd. invoiced Magnora Offshore Wind approximately NOK 1.3 million for services performed during the third quarter. TechnipFMC UK Ltd. also has a loan of approximately NOK 26 million to Magnora Offshore Wind to cover its 20% ownership share of the ScotWind license fee.

11 CAPITAL MANAGEMENT

The Group manages short-term liquidity through loan facilities established with top-tier banks. The existing loan facilities have a maturity of one to three years.

Long-term liquidity is managed through a combination of loan facilities and share issues. The Group performs share issues when there are specific investments requiring capital exceeding the loan facilities. As some projects are entering phases with increasing funding requirements, the Group will also consider syndicated loans that can be held until exit.

The Group's current liquidity situation is considered solid given the transactions and funding to our portfolio companies we expect in the near term.

The currency risk related to the remaining USD 8.6 million revenues from the Shell Penguins contract has been hedged by selling USD and buying NOK. Note that the USD balance can result in FX losses or gains, but these gains and losses are non-cash effects as the account balances will be zero once the currency revenues are received.

12 SUBSEQUENT EVENTS

Hafslund Magnora Sol has signed a series of land-lease agreements during October, increasing its portfolio of Solar PV projects to some 784 MW.

Magnora closed a second sale in South Africa, 90 MW to Globeleq aimed at the C&I market.

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