MAGNORA ASA

Q1 REPORT

15 April 2024

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FIRST QUARTER

In Brief

KEY HIGHLIGHTS

- Magnora's portfolio of renewable projects reached 9.1 GW, all through organic growth.
- Helios's Swedish project pipeline grew to 10 GW. To date, Helios has divested approximately 1 GW of solar PV projects. The Group owns 40 percent of Helios.
- Particularly fast growth in Finland with Helios Nordic Energy Finland Oy building a portfolio of above 1.8 GW in Q1.
- On 23 February, Helios delivered the first large-scale pv project on Gotland to Nordic Solar AS: a 40 MW ready-to-build project with all necessary permits and a grid connection agreement.
- The South African operation continues growing its pipeline, growing to more than 3 GW during Q1. A total of 278 MW was sold during 2023, from where additional milestone payments are expected to be triggered during 2024. Further project sales are constantly being considered from the more mature parts of the portfolio.
- On 7 March 2024, 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.
- Hafslund Magnora Sol AS (Norway) signed a series of new land-lease agreements and progressed grid applications, environmental impact assessments and consenting work. The technical capacity of the portfolio is now above 900 MW split between more than 20 projects.
- Net cash generated from operating activities was negative NOK 22.6 million due to high activity in the quarter.
- At the end of Q1, cash and cash equivalents decreased NOK 39.6 million to NOK 308.0 million mostly due to the Group returning capital to shareholders, funding to Magnora Offshore Wind, Kustvind and Magnora UK PV.

SUBSEQUENT EVENTS

- A breakthrough in South Africa - On Friday 5 April, Globeleq accepted a preferred supplier offer from South Africa's Energy Storage Independent Power Producer Procurement Programme (ESIPPPP) with the award of the 153 MW / 612 MWh Red Sands project, a project developed by Magnora and sold to Globeleq. The award triggered a milestone payment for Magnora, with the final payment expected at financial close in the second half of 2024.

OUTLOOK

- High origination activities in all onshore assets with approximately 350 qualified leads being pursued in South Africa, Nordic countries, and the UK. We see strong interest in projects across all jurisdictions.
- Magnora remains committed to the program of capital distribution and share buyback in line with the stock market notification on 9 June 2023. Subject to AGM approval, the Group is planning to list the legacy license business on the Oslo Stock Exchange and distribute 70 percent of the shares to the Magnora shareholders.
- A sustained fall in the prices of PV modules and batteries as well as carbon neutral policies from central governments 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 which most likely will increase dividend from portfolio companies to Magnora ASA. These capital distributions will increase the likelihood of more return of capital to our shareholders. We are entering a period of more expected milestone payments and deliveries of projects which means higher cash conversion going forward.

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

KEY

Portfolio Figures

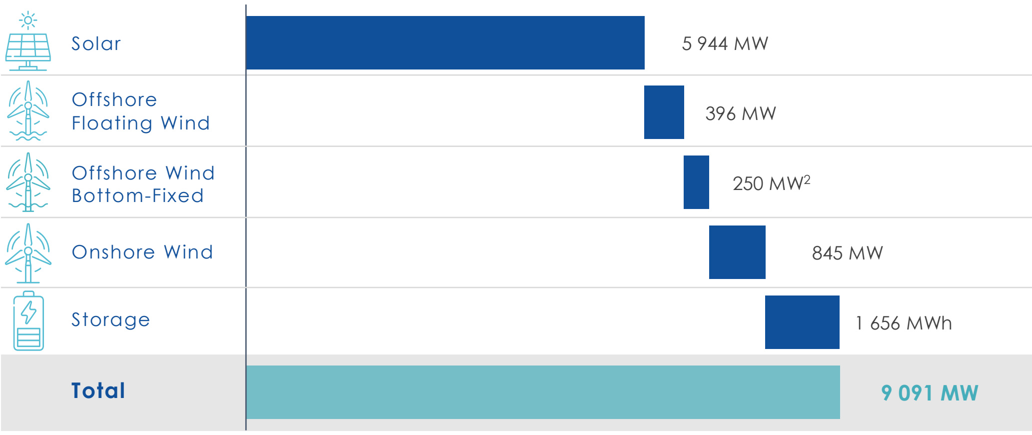
PORTFOLIO COMPANIES

Portfolio Company	Ownership %*	Technology	Location	Potential capacity (MW) in development*	Capacity (MW) sold**
Helios	40		Sweden/Finland	4 178	386
MAGNORA OFFSHORE WIND	80		Scotland	396	0
MAGNORA SOUTH AFRICA	100		South Africa	2 870	278
MAGNORA PV UK	50		England	301	0
Hafslund Magnora Sol	48		Norway	432	0
kustvind	47.6		Sweden	250	0
Total				**8 427**	**664**
Total portfolio				**9 091**	

**Figures are net to Magnora based on ownership rate and 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	4 122 MW	
Finland	692.5 MW	
Scotland	396 MW	
England	300,5 MW	
Norway	432 MW	
South Africa	3 148 MW	
Total	**9 091 MW**	

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

2) Economic interest, as of 31 March 2024 own 47.6% with option to increase to 50%

Market Cap*	Share Price*	Total Shares
MNOK 2 055	NOK 30.75	66 822 679

*As of market close 27 March 2024

DEVELOPMENTS DURING

The Quarter

FINANCIAL REVIEW

(Figures in brackets relate to fourth 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. The licensing business associated with the Western Isles FPSO and its revenues and expenses are reported as discontinued operations (see note 12).

Operating revenue for the corporate segment was NOK 6.2 million (NOK 4.3 million) in the first quarter. NOK 0.3 million was revenue from services delivered to associates, and NOK 5.9 million was from services delivered to subsidiaries. Operating expense in the corporate segment was NOK 12 million in the first quarter, driven by higher costs from external services related to the restructuring process. EBITDA was negative NOK 5.8 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 14.9 million and relates to the disposal of projects in South Africa. There was no operating expense in the project segment in the first quarter and development and M&A expenses were NOK 20.4 million. EBITDA in the segment was negative NOK 5.5 million.

CONSOLIDATED

Operating revenue and other income in the first quarter 2024 was in total NOK 15.2 million, NOK 5.6 million higher than the previous quarter. The operating revenue of NOK 0.3 million is revenue from providing services to associated companies. Other income amounted to NOK 14.9 million in the first quarter and is related to the gain from the divestment of two SPVs in South Africa. EBITDA was negative NOK 11.3 million (NOK -12.9 million) mainly driven by the gain from divested SPVs in South Africa reaching milestones 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 2.1 million of non-cash option expenses. See note 6 for further details.

In Q1, the operating expense was NOK 12 million. Development and M&A costs were NOK 14.5 million. Development and M&A costs include 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 had a net effect that was negative, as many of the companies and projects are in early phase of executing their business plans. Helios and Magnora South Africa have over the last months progressed significantly 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 6.6 million (net loss NOK 14.9 million). This decrease is a combination of increased revenue due to divestment of sale of SPV in South Africa, higher operating cost and a positive contribution from associated companies.

CASH FLOW

As of 31 March 2024, cash and cash equivalents was NOK 308.0 (NOK 347.6 million). Net cash generated from operating activities was negative NOK 22.6 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 milestone achieved, the cash flow in the quarter was mainly affected by capital payment to the shareholders, and development costs in Magnora UK, Magnora South Africa, and Magnora Offshore Wind.

FINANCIAL POSITION

The equity ratio was 90 percent as of 31 March 2024. The Group has loan facilities of NOK 150 million. As of 31 March 2024, 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. As of the date of this report, Magnora does not own any of its own shares, as all 1,070,854 shares have been canceled. 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, 15 April 2024
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	Q1 2024	Q4 2023 (restated*)	Q1 2023 (restated*)	2023 (restated*)
Operations					
Operating revenue	5	0.3	0.2	11.1	12.1
Other income	4	14.9	9.4	0.0	249.2
Operating expense	2	-12.0	-2.4	-6.2	-25.9
Development and M&A expense	2	-14.5	-20.2	-17.4	-74.7
EBITDA		-11.3	-12.9	-12.6	160.7
Profit/loss from associated companies		9.3	-3.0	26.6	10.5
Operating profit/(loss)		-2.0	-15.9	14.0	171.2
Financial income/(expense)		0.4	-0.2	-0.5	1.8
FX gain/(loss)		-5.0	1.3	-6.5	0.5
Net financial items		-4.6	1.1	-7.0	2.3
Profit/(loss) before tax		-6.6	-14.9	7.0	173.6
Tax income/(expense)		0.0	0.0	0.1	0.1
Net profit/(loss)		-6.6	-14.9	7.1	173.7
Net profit/ (loss) discontinued operations	12	1.7	-1.0	3.7	5.2
Total result		-4.9	-15.9	10.7	178.9

**The licensing business is presented as discontinued operations and previous quarters are restated. See note 12 for further information.*

Numbers are unaudited

STATEMENT OF COMPREHENSIVE INCOME

Net profit/(loss)	-4.9	-15.9	10.7	178.9
Foreign currency translation	3.5	1.5	16.1	11.3
Total comprehensive income	-1.3	-14.3	26.9	190.2
Profit/(loss) attributable to:				
Equity holders of the company	-1.3	-12.1	14.8	192.5
Non-controlling interest	-3.6	-3.8	-4.0	-13.6
Total comprehensive income attributable to:				
Equity holders of the company	1.4	-10.4	27.6	202.3
Non-controlling interest	-2.7	-3.9	-0.7	-12.1

Numbers are unaudited

EARNINGS PER SHARE

	Q1 2024	Q4 2023	Q1 2023	2023
Earnings per share for profit/(loss) attributable to the equity holders of the company during the year (NOK per share):				
- Basic	-0.02	-0.18	0.22	2.88
- Diluted	-0.02	-0.18	0.22	2.86
Weighted average number of shares outstanding	66 822 679	66 822 679	66 822 679	66 822 679
Weighted average number of shares outstanding (diluted)	66 822 679	66 822 679	67 024 873	67 194 151

Numbers are unaudited

CONDENSED STATEMENT OF FINANCIAL POSITION

NOK million	Note	31.03.24	31.03.23	31.12.23
Deferred tax assets	3	8.2	15.1	15.1
Intangible assets		141.5	193.7	135.2
Right-of-use assets		1.0	8.7	1.1
Fixed assets		0.3	19.8	0.3
Goodwill		8.4	35.7	8.4
Loan to associates		21.6	0.0	19.5
Other non-current assets		18.2	0.0	3.4
Investment in associates		53.5	86.0	41.3
Total non-current assets		**252.6**	**359.1**	**224.3**
Trade and other receivables		6.7	19.7	7.3
Other current financial assets		28.7	22.2	25.4
Cash and cash equivalents		308.0	121.4	347.6
Discontinued operations	12	6.9	0.0	0.0
Total current assets		**350.3**	**163.4**	**380.3**
Total assets		**603.0**	**522.4**	**604.6**
Share capital		33.4	32.7	32.7
Treasury shares		-0.5	0.0	-0.5
Other reserves		0.0	0.0	8.6
Other equity		496.9	382.6	497.5
Total shareholders' equity		**529.8**	**415.3**	**538.3**
Non-controlling interest		11.3	45.6	14.0
Total equity		**541.1**	**460.9**	**552.3**
Deferred tax liability		0.4	5.2	0.4
Non-current liabilities		0.1	5.9	0.9
Total non-current liabilities		**0.5**	**11.0**	**1.3**
Trade payables		0.0	0.0	6.3
Overdraft facility*		0.9	0.0	0.0
Provisions		0.0	0.0	4.0
Current liabilities	10	60.5	50.5	40.7
Total current liabilities		**61.3**	**50.5**	**51.0**
Total liabilities		**61.8**	**61.5**	**52.3**
Total equity and liabilities		**603.0**	**522.4**	**604.6**

** The total available overdraft facility is NOK 150 million. In the period 31 March 2024 and 15 April 2024, a NOK 0.9 million payment related to the overdraft facility was made.*

Numbers are unaudited

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 2024	32.7	-0.5	497.5	8.6	14.0	552.3
Total comprehensive income for the period			-1.3	2.7	-2.7	-1.3
Other capital movement	0.7		-0.7			0.0
Dividend declared			-12.3			-12.3
Share based payments			2.3			2.3
Equity as of 31 March 2024	**33.4**	**-0.5**	**485.5**	**11.3**	**11.3**	**541.0**

NOK million	Share capital	Treasury Shares	Other equity	Currency transl. reserve	Non-controlling interest	Total equity
Equity as of 1 January 2023	**32.7**	**0.0**	**354.1**	**-1.3**	**46.3**	**431.8**
Total comprehensive income for the period			192.5	9.9	-12.1	190.2
Disposal of companies with non-controlling interests					-19.8	-19.8
Transactions with non-controlling interests			-1.7		-0.4	-2.1
Acquired treasury shares*		-0.5	-31.7			-32.2
Dividend declared			-24.6			-24.6
Capital increase**			0.6			0.6
Share based payments			8.4			8.4
Equity as of 31 December 2023	**32.7**	**-0.5**	**497.5**	**8.6**	**14.0**	**552.3**

** As of 31 March 2024, 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*

Numbers are unaudited

CONDENSED STATEMENT OF CASH FLOW (Numbers are unaudited)

NOK million		Q1 2024	Q4 2023	Q1 2023	2023
Cash flow from operating activities					
Cash from operations		-22.6	2.8	42.0	3.0
Taxes paid/repaid		0.0	0.0	0.0	0.0
Net cash generated from operating activities		**-22.6**	**2.8**	**42.0**	**3.0**
Cash flow from investment activities					
Investment in fixed assets		0.0	0.0	-3.7	-5.5
Dividend received		0.0	0.0	0.0	24.1
Divestment of subsidiary net of cash acquired		0.0	18.0	0.0	326.0
Investments in associated companies	8	-5.4	-15.7	-11.5	-39.7
Net cash from investment activities		**-5.4**	**2.3**	**-15.2**	**304.9**
Cash flow from financing activities					
Purchase of own shares		0.0	0.0	0.0	-32.2
Capital distribution/increase		0.0	0.0	-1.0	0.0
Leasing payments		-0.2	-0.8	0.0	-2.2
Project Loan		0.0	1.6	0.0	3.1
Overdraft facility drawn*		0.9	0.0	-76.3	-76.3
Dividend paid out		-12.3	-12.3	0.0	-24.6
Net cash from financing activities		**-11.7**	**-11.5**	**-77.3**	**-132.2**
Net cash flow from the period		**-39.6**	**-6.5**	**-50.4**	**175.7**
Cash balance at beginning of period		347.6	354.1	171.9	171.9
Cash balance at end of period		**308.0**	**347.6**	**121.5**	**347.6**

** The total available overdraft facility is NOK 150 million. In the period 31 March 2024 and 15 April 2024, a NOK 0.9 million payment related to the overdraft facility was made.*

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 2023.

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 2023.

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. The corporate segment consists of the corporate staff and represents the cost base of the Group, 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 2024:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		6.2	0.0	-5.9	0.3
Other income			14.9	0.0	14.9
Operating expense		-12.0	0.0	0.0	-12.0
Development and M&A expense		0.0	-20.4	5.9	-14.5
EBITDA		**-5.8**	**-5.5**	**0.0**	**-11.3**
Profit/loss from associated companies		9.3	0.0	0.0	9.3
Operating profit/(loss)		**3.5**	**-5.5**	**0.0**	**-2.0**

SEGMENT FINANCIALS 2023 (restated):

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		32.4	0.0	-20.3	12.1
Other income		0.0	249.2	0.0	249.2
Operating expense		-25.2	-0.7	0.0	-25.9
Development and M&A expense		0.0	-95.0	20.3	-74.7
EBITDA		**7.2**	**153.5**	**0.0**	**160.7**
Profit/loss from associated companies		10.5	0.0	0.0	10.5
Operating profit/(loss)		**17.7**	**153.5**	**0.0**	**171.2**

SEGMENT FINANCIALS Q1 2023 (restated):

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		16.2	0.0	-5.1	11.1
Operating expense		-5.7	-0.5	0.0	-6.2
Development and M&A expense		0.0	-22.5	5.1	-17.4
EBITDA		**10.5**	**-23.1**	**0.0**	**-12.6**
Profit/loss from associated companies		26.6	0.0	0.0	26.6
Operating profit/(loss)		**37.1**	**-23.1**	**0.0**	**14.0**

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 47.6 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 261 million based on 10.88 USD/NOK rate). The scope of the divestment transaction includes Evolar reaching certain milestones developing its perovskite solar cell technology. The net gain of NOK 229.6 million was recognised as other income in the second quarter 2023, 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 31 March 2024, and the likelihood of reaching the contingent events remains unchanged from the 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 Contingent considerations were reassessed as of 31 March 2024, and the likelihood of reaching the contingent events has changed with the award given Globeleq by South Africa's Energy Storage Independent Power Producer Procurement Programme (ESIPPPP) at the end of the quarter, which Globeleq accepted on 5 April 2024. The Group therefore recorded NOK 7.5 million of revenue for the milestone payment to be received for the achieved milestone, and NOK 7.2 million in contingent revenue for the quarter, as the award milestone was achieved before the end of the quarter and thus changing the probability of receiving the next milestone.

On 13 October 2023, Magnora sold all its shares in one more South African SPV to Globeleq Africa Limited for approximately NOK 8.4 million, with additional milestone payments of up to NOK 75 million if both the BESS and the solar PV projects are realized, and as the projects progress towards ready-to-build (RTB) status. The Contingent considerations were reassessed as of 31 March 2024, and the likelihood of reaching the contingent events remains unchanged from the previous quarter, but a NOK 0.03 million adjustment was made to the contingent revenue to reflect the change in the currency rate.

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	Q1 2024	Q4 2023 (restated)	Q1 2023 (restated)	2023 (restated)
Operations				
Other revenue	0.3	0.2	11.1	12.1
Operating revenue	0.3	0.2	11.1	12.1

Other revenue consists mostly of intercompany revenues from services provided to associated companies.

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 Q1 2024, and NOK 2.1 million in option cost was recognised for Q1 2024 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 31 March 2024.

The Group has a receivable of approximately NOK 16.4 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 47.6 percent ownership in Kustvind AB and has the right to acquire up to 50 percent of the company. As of 31 March 2024, 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 31 March 2024, 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
Magnora Utvikling AS	Norway	100%	Consolidating
Hafslund Magnora Sol AS	Norway	48%*	Equity Method
Helios Nordic Energy AB	Sweden	40%	Equity Method
Kustvind AB	Sweden	47.6%	Equity Method
Magnora UK PV Holding AS	Norway / UK	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 6.2 million in operating revenues from subsidiaries and associated companies in the first quarter. TechnipFMC UK Ltd. invoiced Magnora Offshore Wind approximately NOK 0.7 million for services performed during the first quarter. TechnipFMC UK Ltd. also has a loan of approximately NOK 33.1 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 DISCONTINUED OPERATIONS

Magnora ASA is in the process of transferring the licensing business associated with the Western Isles FPSO to a wholly owned subsidiary by way of a demerger and a triangular merger. Once the demerger and the triangular merger enters into force, the licensing business associated with the Western Isles FPSO will be discontinued in Magnora ASA and be fully operated by Western Isles Holding AS. Western Isles Holding AS is in the process of being transferred and will be wholly owned by Hermana Holding ASA, at which time it will no longer be included in the financial statements of Magnora ASA. As the licensing business represents a separate major line of Magnora Group, and is in the process of being demerged from the Group, this is presented as discontinued operations.

The results from discontinued operations for Q1 2024 are shown as follows:

NOK million	Total operations	Discontinued operations	Continuing operations
Operations			
Operating revenue	3.5	3.2	0.3
Other income	14.9	0.0	14.9
Operating expense	-13.5	-1.5	-12.0
Development and M&A expense	-14.5	0.0	-14.5
EBITDA	-9.6	1.7	-11.3
Profit/loss from associated companies	9.3	0.0	9.3
Operating profit/(loss)	-0.3	1.7	-2.0
Financial income/(expense)	0.4	0.0	0.4
FX gain/(loss)	-5.0	0.0	-5.0
Net financial items	-4.6	0.0	-4.6
Profit/(loss) before tax	-4.9	1.7	-6.6
Tax income/(expense)	0.0	0.0	0.0
Net profit/(loss)	-4.9	1.7	-6.6

The results from discontinued operations for Q1 2023 are shown as follows:

NOK million	Total operations	Discontinued operations	Continuing operations
Operations			
Operating revenue	16.4	5.4	11.1
Other income	0.0	0.0	0.0
Operating expense	-7.9	-1.7	-6.2
Development and M&A expense	-17.4	0.0	-17.4
EBITDA	-8.9	3.7	-12.6
Profit/loss from associated companies	26.6	0.0	26.6
Operating profit/(loss)	17.7	3.7	14.0
Financial income/(expense)	-0.5	0.0	-0.5
FX gain/(loss)	-6.5	0.0	-6.5
Net financial items	-7.0	0.0	-7.0
Profit/(loss) before tax	10.7	3.7	7.0
Tax income/(expense)	0.1	0.0	0.1
Net profit/(loss)	10.7	3.7	7.0

The results from discontinued operations for Q4 2023 are shown as follows:

NOK million	Total operations	Discontinued operations	Continuing operations
Operations			
Operating revenue	1.9	1.7	0.2
Other income	9.4	0.0	9.4
Operating expense	-5.1	-2.7	-2.4
Development and M&A expense	-20.2	0.0	-20.2
EBITDA	-13.9	-1.0	-12.9
Profit/loss from associated companies	-3.0	0.0	-3.0
Operating profit/(loss)	-17.0	-1.0	-16.0
Financial income/(expense)	-0.2	0.0	-0.2
FX gain/(loss)	1.3	0.0	1.3
Net financial items	1.1	0.0	1.1
Profit/(loss) before tax	-15.9	-1.0	-14.9
Tax income/(expense)	0.0	0.0	0.0
Net profit/(loss)	-15.9	-1.0	-14.9

The results from discontinued operations for 2023 are shown as follows:

NOK million	Total operations	Discontinued operations	Continuing operations
Operations			
Operating revenue	24.6	12.5	12.1
Other income	249.2	0.0	249.2
Operating expense	-33.1	-7.2	-25.9
Development and M&A expense	-74.7	0.0	-74.7
EBITDA	166.1	5.4	160.7
Profit/loss from associated companies	10.5	0.0	10.5
Operating profit/(loss)	176.6	5.4	171.2
Financial income/(expense)	1.8	0.0	1.8
FX gain/(loss)	0.4	-0.1	0.5
Net financial items	2.2	-0.1	2.3
Profit/(loss) before tax	178.8	5.2	173.6
Tax income/(expense)	0.1	0.0	0.1
Net profit/(loss)	178.9	5.2	173.7

Cash flow related to discontinued operations	Q1 2024	Q4 2023	Q1 2023	2023
NOK				
Cash flow from operations related to discontinued operations	1.6	-1.0	80.4	80.2
Cash flow from investments related to discontinued operations	0.0	0.0	0.0	0.0
Cash flow from financing activities related to discontinued operations	0.0	1.0	-80.4	-80.2

EARNINGS PER SHARE RELATED TO DISCONTINUED OPERATIONS

	Q1 2024	Q4 2023	Q1 2023	2023
Earnings per share for profit/(loss) attributable to the equity holders of the company during the year (NOK per share):				
- Basic	0.03	-0.01	0.06	0.08
- Diluted	0.03	-0.01	0.06	0.08
Weighted average number of shares outstanding	66 822 679	66 822 679	66 822 679	66 822 679
Weighted average number of shares outstanding (diluted)	67 249 517	66 822 679	67 024 873	67 194 151

13 SUBSEQUENT EVENTS

On Friday 5 April, Globeleq accepted a preferred supplier offer from South Africa's Energy Storage Independent Power Producer Procurement Programme (ESIPPPP) with the award of the 153 MW / 612 MWh Red Sands project, a project developed by Magnora. The award triggered a milestone payment for Magnora, with the final payment expected at financial close in the second half of 2024.

MAGNORA ASA

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