MAGNORA ASA

Q1 REPORT 2022

9 May 2022

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ABOUT MAGNORA

Magnora is a renewable energy development company focusing on projects and companies in early development phase. The Group is expanding its investments geographically and into Solar PV, battery storage, and both onshore and offshore wind energy projects, with focus on projects in greenfield to ready-to-build phase. The Group has also invested in a unique perovskite solar cell technology company.

Our portfolio companies have enjoyed the benefits of the green shift enabling high growth, and we are now in a phase where we can start to focus on harvesting from some of our investments through farm-downs, sale, or inviting partners in our companies and projects. In addition to creating a diversified portfolio of renewable energy companies, Magnora is building its core team of specialists while maintaining a lean overhead. Our strategy is to partner, invest and develop the right projects and companies to generate long term shareholder value.

FIRST QUARTER IN BRIEF

KEY HIGHLIGHTS FROM Q1 2022

Our portfolio companies continued to show positive progress in the first quarter, with award of a license option in the UK and increased investments put towards the South African market. We had a high volume of business development activities this quarter, resulting in additional investments added to our portfolio.

OPERATIONAL HIGHLIGHTS

- Our solar technology company, Evolar, is experiencing strong interest for its products and services from small and large industry players, and the business is developing according to plan. The company continues to mature its solar PV enhancing perovskite technology.
- Magnora Offshore Wind was offered the opportunity to enter into an Option Agreement for area N3 by the Crown Estate Scotland in the ScotWind leasing round. The planned development will have a total capacity of approximately 500 MW, with estimated production start in 2030.
- Magnora Offshore Wind entered into a cooperation agreement with Hiraeth Energy for the development of two floating offshore wind projects in the Celtic Sea with a total capacity of approximately 700 MW.
- Magnora has established Magnora UK PV Holding AS and Magnora UK PV Holding Limited as it enters the UK PV and battery storage market. The local development partner has a 10-year track record of developing energy projects in the UK, including PV and battery storage projects.
- Magnora acquired 92 percent of African Green Venture (AGV), a renewable project development company in South Africa. The local AGV team will continue developing Magnora's wind and solar PV projects in South Africa, as well as searching for new project sites.
- Nordic solar development company, Helios', project portfolio has reached 1.6 GW over 35 solar PV projects in the Nordics. Disposal processes for the projects in Helios' portfolio confirm the projects are attractive to operators and investors.
- The Penguins FPSO is, according to media articles, scheduled for sail-away in the third quarter which will release the three remaining license payments from Shell.

FINANCIAL HIGHLIGHTS

- Adjusted EBITDA* for first quarter 2022 was negative NOK 3.2 million. EBITDA was impacted by slightly higher costs and less offloading during the quarter.
- Operating expenses high largely due to high activity level, one-off bonus payments, audit fees, and option expenses (IFRS). Business development activities were also slightly higher due to due diligence associated with a few potential transactions in the first quarter of 2022.
- Ending cash balance as of 31 March was NOK 61.2 million.
- The NOK 50 million credit facility secured in the third quarter 2021 was increased to NOK 100 million in March 2022 and remains undrawn as of the end of the first quarter 2022.

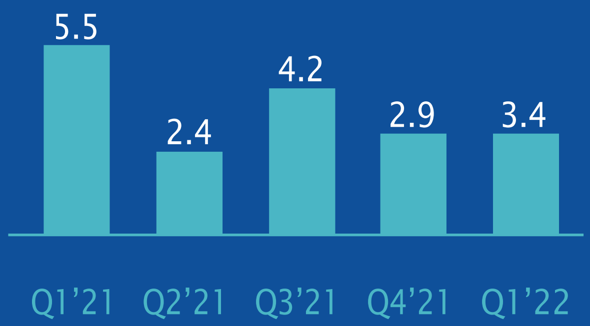
SUBSEQUENT EVENTS

- Magnora increased its ownership in Evolar AB to 63.5 percent according to business plan milestones. The increase represented the last of the three options in the original investment agreement.
- Magnora Offshore Wind signed the Option to Lease Agreement with the Crown Estate Scotland for the N3 site, securing exclusivity for project development on the site.
- Helios has developed two PV plants with a combined capacity of 69 MWp that have been purchased by a leading German renewable fund managed by Commerz Real. Helios has also entered into landowner agreements in Lithuania and Latvia, expanding its operations beyond the Nordics. Feasibility studies for the development of large-scale solar PV plants has started.

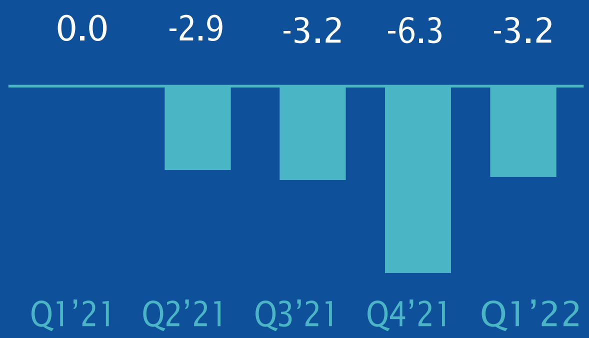
* See definition in note 1

KEY FIGURES

REVENUES
MNOK



ADJUSTED EBITDA*
MNOK



* See definition in note 1

NET CASH FROM OPERATING ACTIVITIES

-10.2 MNOK

-3.5 Q1 2021 (-3.0 Q4 2021)

CASH

61.2 MNOK

150.2 Q1 2021 (96.9 Q4 2021)

EQUITY RATIO %

94%

89% Q1 2021 (89% Q4 2021)

DEVELOPMENTS DURING THE QUARTER

OPERATIONAL REVIEW

The figures are unaudited.

Magnora maintained a high activity level throughout the first quarter, progressing development of its portfolio companies. Efficient collaboration in partnerships, increased ownerships in portfolio companies, and a new development agreement increased the use of development resources.

On 17 January 2022, Magnora Offshore Wind was awarded an option agreement in the ScotWind leasing round to develop approximately 500 MW of offshore wind capacity. The successful application was a result of the combined strong competencies of TechnipFMC and Magnora.

Magnora has continued to allocate resources to develop applications for additional offshore areas in the UK and in Norway, in collaboration with TechnipFMC. This includes the recently announced cooperation between Magnora Offshore Wind and Hiraeth Energy for the development of two floating offshore wind projects in the Celtic Sea with a total capacity of approximately 700 MW.

During the quarter, Magnora has worked to sharpen its focus in South Africa for the development of wind and solar PV projects. This resulted in Magnora acquiring 92 percent of African Green Ventures (AGV).

Adding to this, Magnora increased its ownership in Evolar to 63.5 percent subsequent to the first quarter. The transaction follows strong progress in Evolar, developing and commercialising its unique efficiency enhancing technology for conventional solar cells.

Prime Capital, Troms Kraft and Magnora are cooperating on development of a large-scale production facility for green hydrogen and further processing into green ammonia (NH3) and/ or liquid organic hydrogen carriers (LOHC). The project is now concluding on the pre-feasibility study started in 2021. The feasibility study focuses on the following work packages: market assessment, technical and financial feasibility, safety and access to grid. The project has signed a LOI with a potential significant off-taker.

To meet the increasing demand from activities in projects and portfolio companies, Magnora continuously strengthens its team adding new members bringing in valuable new and complementary competences. Magnora will continue to grow its team as the portfolio of investments matures.

Higher operating costs in the first quarter, was mainly due to high activity level, one-off bonus payments, audit fees, and option expenses (IFRS).

Note that Magnora recognises its share of the financial results from each of the portfolio companies according to its ownership share in accordance with IFRS. The development costs in these companies are expensed and not capitalised, as they are in an early development phase.

Portfolio companies

Magnora takes an active role in the development of its portfolio companies, and provides support within due diligence, bank and project finance, equity, environmental impact assessments, grid studies, procurement, governmental approval, energy yield assessments, construction, operations, farm-downs and exits.

We favor companies with high integrity, humbleness, and a result-oriented drive, and look for qualified teams with a proven track-record which in combination with our resources can create long-term value.

Evolar

Magnora initially acquired 28.44 percent of the shares in Evolar through a share issue in the fourth quarter of 2020 and has further increased its ownership to 63.5 percent subsequent to the first quarter of 2022.

Evolar is developing a unique perovskite-based PV power booster technology that has the potential to increase efficiency of conventional silicon-based solar panels at low cost. The investment in Evolar gives Magnora access to a unique technology in a growing solar cell market that is due for efficiency innovation. The Evolar team holds several world records within its niche such as a copper indium gallium selenide (CIGS) solar cell with an efficiency of 24 percent and a thin film module record of 21 percent efficiency. The company has unique industrial scale R&D prototype production line, which is fully operational in Evolar's manufacturing facilities in Uppsala, Sweden. This allows the team to quickly scale and test solar cells and modules and thereby shorten the time-to-market. Perovskite can have a transformational effect on the solar cell market as well as the green transition due to its potential disruptive performance compared with conventional solar cells.

The Evolar team is in discussions with several industry players across the value chain who are eager to investigate the use of the perovskite technology for potential cooperation, testing, and scale-up of the technology to capitalise on the USD multi-billion solar cell market.

Evolar's organisation is growing according to their strategy, with key personnel successfully hired during the first quarter. In addition, the Dean of Uppsala University, Anders Hagfeldt, has joined Evolar's Advisory Board. Hagfeldt is widely known as a leading expert within the global perovskite community.

More details are available on Evolar's home page: www.evolarab.se.

Helios

Magnora owns 40 percent of Helios Nordic Energy AB (Helios) as of end of the first quarter of 2022.

Helios is a greenfield developer of large-scale PV projects in the Nordics. The company has developed a project portfolio by signing options for land leases in well suited locations in southern Sweden and has land lease agreements for 35 projects with a total installed capacity potential of approximately 1.6 GW.

During 2021 Helios sold two projects totaling 45 MW to OX2 to be settled in milestone payments as the projects are progressing. Subsequent to the first quarter, Helios has sold an additional two projects of combined 69 MW. We note an increasing interest for several other projects in Helios' development pipeline and expect additional transactions to close during 2022. This is expected to generate positive financial results for the Group at the same time as it confirms the value of the Helios project portfolio.

More details are available on Helios' home page: www.heliosnordic.com.

Kustvind

Magnora increased its ownership in Kustvind AB (Kustvind) to 35 percent in the first quarter 2022 and has an option to acquire up to 50 percent of the company.

Kustvind is a 500 MW shallow water offshore wind project located in an area with very attractive wind conditions 8 - 15 km offshore the southern coast of Sweden. The wind park has a potential to produce 2 TWh annual green electricity and can potentially serve 250 000 homes with electricity.

The project is close to relevant infrastructure and in an area of Sweden that has had very attractive electricity prices both historically and recently. The project has entered the concession phase with significant studies and assessments required for the concession application. The impact assessment is progressing as planned, an energy yield report has been completed and park layout adjusted accordingly. Wildlife and marine environmental studies are ongoing. The local grid operator is investigating the capacity to determine alternative connection points to be proposed in the application for concession.

More details are available on the project's home page: www.kustvind.se.

Magnora South Africa

Magnora entered the South African market in 2021 by acquiring 100 percent of the shares in a South African company with a potential 850 MW greenfield renewable development portfolio consisting of approximately 550 MW wind and 300 MW solar PV. Magnora has further acquired 92 percent of African Green Ventures (AGV) during the first quarter 2022.

With the acquisition, Magnora has a total 1.7 GW development portfolio in South Africa and will together with the original founder of AGV continue to develop existing and future wind and solar PV projects as part of the Magnora team in South Africa. The projects in South Africa have progressed according to plan and meetings with potential buyers of projects, off-takers, and banks are on-going. The supply of electric power in South Africa is inadequate, and there is a particularly high demand for renewable electric energy. The country plans to develop 20-30 GW of renewable projects over the next decade.

South Africa has a very advanced and professional renewable market and Eskom, the public national grid and power generating company, is being de-bundled to create opportunities for the private sector. Magnora's South African company has commenced development of renewable projects with preparation for wind measurements and other early phase activities, such as business planning, meetings with industrial companies, equipment manufacturers, local and governmental banks, and potential investors. The renewable projects are expected to meet the criteria needed in public tender rounds (“REIPPP”), potential corporate power purchasing agreements (PPAs), and to serve local municipalities directly with electricity from renewable sources.

Magnora Offshore Wind

Magnora has 80 percent ownership in Magnora Offshore Wind, established in partnership with TechnipFMC holding the remaining 20 percent. The company submitted in July 2021 its first applications for licenses to develop offshore wind farms in the ScotWind leasing round and was in January 2022 offered the opportunity to enter into an Option Agreement for area N3 by the Crown Estate Scotland. The planned development will have a total capacity of approximately 500 MW which is estimated to produce 2.4 TWh per year.

During the first quarter, Magnora Offshore Wind further entered into a cooperation agreement with Hiraeth Energy for the development of two floating offshore wind projects in the Celtic Sea with a total capacity of approximately 700 MW.

In addition, the company will participate in the first offshore wind application round in Norway, and other markets are under consideration. TechnipFMC has played a key role in floating wind industry since inception and has participated in developments such as the Hywind projects. The partnership with TechnipFMC has already provided several synergies through the ScotWind projects. TechnipFMC has over 4,500 employees in England, Scotland, and Norway.

License agreements

After selling its assets, rights, and intellectual property rights of cylinder vessel design to Sembcorp Marine Integrated Yard Pte. Ltd. (SMIY) in 2018, Magnora retained the financial benefits from the two licensing agreements detailed below.

Magnora is entitled to a license fee of USD 0.50 per barrel produced and offloaded from the Dana FPSO (the “FPSO”) for the lifetime of the vessel.

The associated license income for the first quarter 2022 was NOK 3.4 million (NOK 2.9 million). The FPSO was completed in 2017 and production started in Q4 2017.

The FPSO has a production capacity of 44,000 barrels per day. The FPSO is expected to have a design life of 20 to 25 years. Magnora´s right to payments is tied to the FPSO, irrespective of operating location and field. Any potential field tied-back to the FPSO or any redeployment, irrespective of location, will also be subject to the payment obligations under the agreement. The Dana agreement is expected to generate income for Magnora for several years. The vessel’s production depends on weather, maintenance, decline, timing of production drilling, discoveries and more.

Dana is, according to media articles, drilling additional wells, which can potentially increase our legacy revenues modestly going forward once wells are drilled and completed.

Magnora is also entitled to license fees from a license agreement with Shell for the Shell Penguins FPSO. The remaining license income of the Penguins agreement is approximately USD 16 million and subject to milestone achievements. The final investment decision regarding the Shell Penguins Redevelopment project was taken in January 2018. Magnora received payment for the first milestone of USD 2.625 million (NOK 20.7 million) under the license agreement in Q1 2018. Further payments under the license agreement are subject to three milestones: 1) the completion and sail away of the Penguins FPSO from the construction yard, 2) the installation of the Penguins FPSO at the field and production started, and 3) the successful production, offloading and gas export of 4 million barrels which is estimated to be approximately 6 months after successful start-up. It is currently anticipated that the sail-away of the Penguins FPSO will take place in the third quarter of 2022 according to industry journals and with further milestones achieved thereafter. The Penguins field is currently producing and is hooked up to the last of the remaining Brent platforms.

FINANCIAL REVIEW

As the Group has grown, it has implemented an updated operating model to manage its increasing portfolio. As part of the new operating model, corporate and project related activities and expenses are followed up and reported separately in segments. Currently the Group operates with the two segments Corporate and Projects. Both segments engage in business activities with revenues and expenses.

The Group recognises the complexity for investors to assess the changes in the Group's asset values as its portfolio companies are developed and business models matured. The reporting of asset values is currently being considered to improve the financial reports for the investors.

Corporate

The corporate segment consists of the corporate staff and represents the cost base of the Group. All licensing revenues from legacy oil and gas contracts are managed and reported as part of the corporate segment.

Operating revenue for the corporate segment was NOK 3.8 million (NOK 3.4 million from license income and NOK 0.4 million operating income from sale of services to associated companies), and the operating expense was NOK 7.9 million in the first quarter. EBITDA in the corporate segment in Q1 was negative NOK 2.3 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, excluding M&A related expenses for acquisitions that have not materialised. These expenses are assigned to the corporate segment.

In the first quarter, there was as expected no operating revenue for the project segment. The operating expense was NOK 1.9 million, and the development and M&A expense was NOK 9.8 million. EBITDA in the segment was negative NOK 11.7 million.

Consolidated

Operating revenue in the first quarter 2022 was NOK 3.4 million, NOK 0.5 million higher than the previous quarter. The current operating revenue mainly reflects license income from the agreement with Dana, and the increase from the previous quarter was largely due to higher off-loading volumes. EBITDA was negative NOK 14 million (negative NOK 14.4 million) due to slightly higher operating revenues and slightly decreased operating costs compared to the previous quarter. EBITDA included NOK 1 million of non-cash option expenses for Q1 2022. See note 3 for further details.

Adjusted EBITDA was negative NOK 3.2 million.
The operating expense was NOK 7.9 million (NOK 1 million non-cash option expense). Development and M&A costs were NOK 9.8 million, mainly driven by development of the projects in South Africa, Magnora Offshore Wind, and business development activities for Solar PV and battery storage in UK.

Financial results from associated companies continued to be negative, as all associated companies are in the early phase of executing their business plans.

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 profit for the quarter was negative NOK 18.7 million, an increase of NOK 10.4 million compared to the previous quarter (NOK 29.1 million). This increase was mainly due to the reduction of the tax asset recognised in the previous quarter.

Cash flow

As of 31 March 2022, cash and cash equivalents amounted to NOK 61.2 million (NOK 96.9 million). The cash flow in the quarter was mainly affected by 1) the acquisition of African Green Ventures (AGV), (2 increased ownership in Kustvind AB, and 3) continued investments in projects in Magnora Offshore Wind and Magnora South Africa.

Financial position

The equity ratio was 94 percent as of 31 March 2022. The Group established a NOK 50 million credit facility in the third quarter 2021, and the facility was increased to NOK 100 million in March 2022 and remains undrawn as of the end of the first quarter 2022.

Financial reporting

The Group is evaluating its ability to present its financial results as an investment entity and whether it qualifies within IFRS rules to report its financial results in this format. Management believes that preparing the financial statements as an investment entity instead of consolidating the investments will provide more useful information to investors trying to determine the value of the Group's investments and the value creation that has taken place during the quarter since this is not reflected by an operating revenue amount.

RISK AND UNCERTAINTY FACTORS

Magnora is exposed to market risk, project risk, reservoir risk, credit risk, currency risk, renewable license risk, concession risk, interest rate risk, inflation risk, liquidity risk, climate risks, and regulatory risks. The Company'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 Company 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 optimised wind park. There is also risk related to military installations and training areas in addition to wildlife risks.

The profitability and viability of projects can be influenced by outside factors, such as the global transportation constraints we have been experiencing over the past months, and the war in Ukraine. These types of events can have various effects on projects in terms of both cost and 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, and 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 take over for the use of fossil fuels and the shutting down of nuclear plants.

Although Magnora's remaining 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 Company 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 three to four years.

Competition is significant as companies in other industries are trying to benefit from the positive policy support from governments as they try to push for improvements in CO_2 emissions, etc. Many of the companies Magnora competes with are parts of larger groups and therefore may have better access to skilled personnel and funding.

The recent Covid-19 virus could potentially affect revenues for a short period if the crew on the Western Isles FPSO is dismissed due to infection risk or similar. Magnora could then experience a period without revenues if the Dana FPSO halts production due to the Covid-19 virus. Furthermore, the virus could also delay the construction and commissioning of the Shell Penguins vessel currently being built in China, which would then delay the milestone payments from Shell.

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 Company is operating in. Changes in the licensing regulations can for instance cause delays in development and construction of projects.

The Group derive all its cash flow from financial investments, two legacy agreements and it 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 associated companies' ability to execute its strategy and manage risks it is exposed to. Magnora is represented on all the boards of its associated companies and mitigates risks through normal governance processes.

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 is operating 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.

OUTLOOK AND STRATEGY

Magnora continues to grow its portfolio of renewable energy companies and projects and has over the past year been able to expand into solar PV, offshore wind, onshore wind and solar PC enhancing technology market across the Nordics, UK and South Africa.

Energy policy in Europe seems to be moving away from 1700 TWh of Russian gas and towards European energy.

Through the establishment of Magnora Offshore Wind with TechnipFMC, already rewarded with an option agreement in the ScotWind leasing round, the group is continuing its focus to further develop other offshore wind projects which looks very promising. Magnora has received a lot of interest from the industry, banks and investors on back of the award. In Europe floating wind is currently a more attractive supply of green energy as there is significant local opposition against onshore wind in many countries.

As all associated companies are in the early phase of executing their business plans, there is interest from industrial and institutional investors to increasingly invest prior to Ready-to-Build phase. Helios has received good attention for multiple projects by institutional investors and larger companies that want to invest in a holding company structure with Magnora and the founders. We have also received interest from larger wind developers who are interested in investing in Helios at holding company level.

Evolar will continue to consider IPO options going forward, as well as other ways of creating value for Magnora's shareholders. Evolar is continuously working on industrial partnerships and development of a strategic customer base. The company has two joint development agreements in place; one with a global glass manufacturer and the other agreement with an Indian module manufacturer. The latter agreement is backed by government funding. Evolar has several on-going discussions with other players who are interested in perovskite on their products.

Magnora is increasingly focusing on near-term development opportunities which for the most part is located within solar and offshore wind (shorter time-to-market). Political resistance remains high within onshore wind in Norway and Sweden. However, the political landscape is changing quickly on the back of record high electricity prices in the region. The Group is following developments in the region closely.

The original strategy of building a robust portfolio across several segments and geographical areas has proven effective, as it reduces political and country-specific risks. However, we see an increasing appetite for our portfolio companies and projects from leading energy companies and infrastructure funds.

We also see interest from institutional investors and energy companies where Magnora originates various energy projects and manage their investments in a partnership. Magnora has established a deep and wide platform which can generate earnings beyond Penguins and the Western Isles revenues. Significant earnings from the Penguins (16 MUSD in three installments) and the Western Isles contract are expected in 2022 and 2023.

Going forward our focus will increasingly be opportunities with shorter development cycles such as solar projects and license rounds. There has been growing resistance for onshore wind projects in Norway and Sweden lately, but rising electricity prices might change policy or consumer sentiment quickly. The popularity of solar PV is increasing in the region on the back of rising and volatile electricity prices. We anticipate favorable developer margins for solar projects in the Nordpool area.

The Group continues to evaluate and investigate a significant volume of deals introduced, where Magnora can both help develop the companies' business case and assist with financing.

Helios' sale of two projects to OX2 and the ScotWind lease award to Magnora Offshore Wind show that our team is able to generate value on behalf of our shareholders with our lean operating model and our "joint venture" development philosophy. We continue to have a steady deal flow and expect to sign more new deals with compelling teams and companies in both the short term and the long term.

We believe 2022 will be a very exciting year for Magnora shareholders and expect positive developments within onshore and offshore wind, solar, as well as storage solutions within battery, green hydrogen and green ammonia.

SHARE BUYBACK, CAPITAL REDUCTION AND DIVIDENDS

The board of directors launched a share buyback programme in 2019 based on authorisation from the annual general meeting ("AGM") held on 21 May 2019, and as of the date of this report, Magnora owns 63,540 of its own shares. The authorisation was renewed by the AGM held on 26 April 2022. Quarterly dividends have been halted to conserve cash for investments needed as part of the Company's strategy in the short term.

Oslo, Norway, 9 May 2022
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 2022	Q4 2021	Q1 2021	2021
Operations					
Operating revenue	7	3.4	2.9	4.2	13.8
Other operating revenue	7, 11	0.4	0.0	1.3	1.4
Operating expense		-7.9	-10.2	-6.2	-30.8
Development and M&A expense	2	-9.8	-7.2	-4.4	-22.9
EBITDA		**-14.0**	**-14.4**	**-5.0**	**-38.5**
Profit/loss from associated companies		-4.7	-6.5	-6.6	-21.6
Operating profit/(loss)		**-18.7**	**-20.9**	**-11.6**	**-60.1**
Financial income/(loss)	9	0.6	-0.7	3.4	5.1
FX gain/(loss)		-0.6	0.2	0.1	-0.1
Net financial items		**0.0**	**-0.5**	**3.5**	**5.0**
Profit/(loss) before tax		**-18.7**	**-21.4**	**-8.1**	**-55.1**
Tax income/(expense)	4	0.0	-7.7	0.0	-7.7
Net profit/(loss) continued operations		**-18.7**	**-29.1**	**-8.1**	**-62.8**
Net profit/(loss)		**-18.7**	**-29.1**	**-8.1**	**-62.8**

Numbers are unaudited

STATEMENT OF COMPREHENSIVE INCOME

NOK million	Q1 2022	Q4 2021	Q1 2021	2021
Net profit/(loss)	-18.7	-29.1	-8.1	-62.8
Foreign currency translation	-2.2	-1.4	0.0	-2.3
Total comprehensive income	**-20.9**	**-30.5**	**-8.1**	**-65.1**
Profit/(loss) attributable to:				
Equity holders of the company	-18.1	-29.1	-8.1	-62.8
Non-controlling interest	-0.6	0.0	0.0	0.0
Total comprehensive income attributable to:				
Equity holders of the company	-20.3	-30.5	-8.1	-65.1
Non-controlling interest	-0.6	0.0	0.0	0.0

Numbers are unaudited

CONDENSED STATEMENT OF FINANCIAL POSITION

NOK million	Note	31.03.22	31.03.21	31.12.21
Deferred tax assets	4	23.4	31.1	23.4
Intangible assets	12	10.2	0.0	0.0
Goodwill		4.8	0.0	2.0
Investment in associates	5, 10	57.4	50.0	61.4
Total non-current assets		**95.8**	**81.1**	**86.8**
Trade and other receivables		9.4	5.0	6.8
Other current financial assets	9	25.0	17.9	2.1
Cash and cash equivalents		61.2	150.2	96.9
Total current assets		**73.7**	**173.1**	**105.8**
Total assets		**191.4**	**254.2**	**192.7**
Share capital		27.9	27.9	27.9
Treasury shares		0.0	0.0	0.0
Other equity		124.5	198.1	143.8
Total shareholders' equity		**152.4**	**226.1**	**171.8**
Non-controlling interest		27.1	0.0	0.0
Total equity		**179.5**	**226.1**	**171.8**
Deferred tax liability		2.8	0.0	0.0
Total non-current liabilities		**2.8**	**0.0**	**0.0**
Current liabilities		9.1	28.1	20.9
Total current liabilities		**9.1**	**28.1**	**20.9**
Total liabilities		**11.9**	**28.1**	**20.9**
Total equity and liabilities		**191.4**	**254.2**	**192.7**

Numbers are unaudited

CONDENSED STATEMENT OF CHANGES IN EQUITY

NOK million	Share capital	Treasury Shares	Other equity	Non-controlling interest	Total equity
Equity as of 1 January 2022	**28.0**	**-0.1**	**143.9**	**0.0**	**171.8**
Total comprehensive income for the period	0.0	0.0	-20.3	-0.6	-20.9
Share based payments	0.0	0.0	1.0	0.0	1.0
Capital increase	0.0	0.0	0.0	27.7	27.7
Equity as of 31 March 2022	**28.0**	**-0.1**	**124.6**	**27.1**	**179.6**
Equity as of 1 January 2021	**25.8**	**-0.1**	**92.4**	**0.0**	**118.1**
Total comprehensive income for the period	0.0	0.0	-65.1	0.0	-65.1
Acquired treasury shares*	0.0	0.0	0.0	0.0	0.0
Share based payments	0.0	0.0	3.4	0.0	3.4
Capital increase	2.2	0.0	113.2	0.0	115.4
Equity as of 31 December 2021	**28.0**	**-0.1**	**143.9**	**0.0**	**171.8**

* Through the share buyback program, Magnora owns 63,540 shares or 0.11 percent of total shares outstanding.

Numbers are unaudited

CONDENSED STATEMENT OF CASH FLOW

NOK million	Q1 2022	Q4 2021	Q1 2021	2021
Cash flow from operating activities				
Cash from operations	-10.2	-3.0	-3.5	-23.7
Taxes paid/repaid	0.0	0.0	0.0	0.0
Net cash generated from operating activities	-10.2	-3.0	**-3.5**	**-23.7**
Cash flow from investment activities				
Net purchase of marketable securities	0.0	-0.3	-12.2	18.9
Net purchase of associated companies	-25.5	7.9	5.6	-58.6
Net cash from investment activities	**-25.5**	**7.6**	**-6.6**	**-39.6**
Cash flow from financing activities				
Capital distribution/increase	0.0	0.0	115.4	115.4
Net cash from financing activities	**0.0**	**0.0**	**115.4**	**115.4**
Net cash flow from the period	**-35.7**	**4.6**	**105.3**	**52.1**
Cash balance at beginning of period	96.9	92.3	44.8	44.8
Cash balance at end of period	**61.2**	**96.9**	**150.2**	**96.9**

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 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 2021.

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, amortisation, and impairment loss.
>
> **Adjusted EBITDA**: Adjusted EBITDA is a measurement used in internal reporting to management and is considered to also be relevant for external stakeholders. Adjusted EBITDA shows the corporate activities and related expenses to operate the Group. This has been referred to as the Groups' cost base in previous reports. Adjusted EBITDA, as defined by Magnora, excludes development and M&A related expenses, and non-cash items and adjustments, such as options related expenses. Development and M&A related expenses are expenses related to investment transactions and development of projects.

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 2020.

2 SEGMENT FINANCIALS

The Group has developed from being a former oil and gas engineering company with license revenues and transformed into a renewable energy development company with several projects and investments in companies in its portfolio. As the Group has grown, it has implemented an updated operating model to manage its increasing portfolio. As part of the new 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 not earned any revenues yet as all projects are in early-phase development. All licensing revenues from legacy oil and gas contracts 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 materialise, are reported as an expense in the corporate segment, which is shown separately to show 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 Q1 2022:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue	7	3.4	0.0	0.0	3.4
Other operating revenue	7,11	2.2	0.0	-1.9	0.4
Operating expense	2	-7.9	-1.9	1.9	-7.9
Development and M&A expense	2	0.0	-9.8	0.0	-9.8
EBITDA		**-2.3**	**-11.7**	**0.0**	**-14.0**
Profit/loss from associated companies		0.0	-4.7	0.0	-4.7
Operating profit/(loss)		**-2.3**	**-16.4**	**0.0**	**-18.7**

Segment financials 2021:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue	7	13.8	0.0	0.0	13.8
Other operating revenue	7,11	4.9	0.0	-3.5	1.4
Operating expense	2	-30.8	-3.5	3.5	-30.8
Development and M&A expense	2	-0.5	-22.4	0.0	-22.9
EBITDA		**-12.5**	**-26.0**	**0.0**	**-38.5**
Profit/loss from associated companies		0.0	-21.6	0.0	-21.6
Operating profit/(loss)		**-12.5**	**-47.6**	**0.0**	**-60.1**

Segment financials Q1 2021:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue	7	4.2	0.0	0.0	4.2
Other operating revenue	7,11	1.3	0.0	0.0	1.3
Operating expense	2	-6.2	0.0	0.0	-6.2
Development and M&A expense	2	0.0	-4.4	0.0	-4.4
EBITDA		**-0.7**	**-4.4**	**0.0**	**-5.0**
Profit/loss from associated companies		0.0	-6.6	0.0	-6.6
Operating profit/(loss)		**-0.7**	**-10.9**	**0.0**	**-11.6**

3 ADJUSTED EBITDA

As noted in Note 1, adjusted EBITDA, as defined by Magnora, excludes M&A related expenses, expenses from consolidated entities, and non-cash items and adjustments, such as options related expenses. The purpose of this measure is to show the cost base of the Group for the reporting period.

NOK million	Note	Q1 2022	Q4 2021	Q1 2021	2021
Operations					
EBITDA		-14.0	-14.4	-5.0	-38.5
Development and M&A expense		9.8	7.2	4.4	22.9
Option expense (non-cash)		1.0	1.0	**0.7**	3.4
Adjusted EBITDA		**-3.2**	**-6.3**	0.0	**-12.2**

4 ACCOUNTING ESTIMATES

Deferred tax assets are recognised for unused tax losses only to the extent that it is probable that taxable profit will be available against which the losses can be utilised in the future. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the 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 upon 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.

5 JUDGEMENTS

The Group has a portfolio of companies it has 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 currently has 35 percent ownership. Magnora further has the right to increase its ownership to 50 percent 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 equal shares of the remaining shares in the company. Magnora has three out of five board members, and the founders have the remaining two members of the board. Magnora is a minority owner with significant influence on the company, and has accounted for its ownership using the equity method as an associated company.

The Group invested in Evolar AB in November 2020 through a share issue for 28.44 percent ownership, which was increased to 40.7 percent in June 2021, 50 percent in December 2021. The five founders of the company own equal shares of the remaining shares in the company. Magnora has two out of five board members, and the founders have the remaining three board members. The Group determines it does not have significant control but does have significant influence in Evolar as of 31 March 2022, and has accounted for its ownership 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, Helios operates fully independent of Magnora. Magnora has significant influence in the company and its ownership is accounted for using the equity method as an associated company.

The Group entered into an investment and shareholders agreement with TechnipFMC (TFMC) related to the investment into and operations of Magnora Offshore Wind, which includes future commitments for services to be provided by TFMC. These commitments are recorded as a receivable by the Group.

6 SHAREHOLDER STRUCTURE

20 largest shareholder accounts 5 May 2022 (source: VPS)	Number of shares	Percent ownership
GINNY INVEST AS	2,469,144	4.33
KING KONG INVEST AS	2,400,995	4.21
CARE HOLDING AS	2,000,000	3.50
BEKKESTUA EIENDOM AS	1,791,860	3.14
ALDEN AS	1,729,829	3.03
PHILIP HOLDING AS	1,648,377	2.89
ANDENERGY AS	1,558,140	2.73
F1 FUNDS AS	1,468,121	2.57
INTERACTIVE BROKERS LLC	1,406,307	2.46
F2 FUNDS AS	1,374,000	2.41
NORDNET LIVSFORSIKRING AS	1,361,092	2.38
MP PENSJON PK	1,127,138	1.97
ALTEA PROPERTY DEVELOPMENT AS	1,054,944	1.85
AARSKOG, PHILLIP GEORGE	1,000,000	1.75
BAKLIEN, ÅSMUND	756,100	1.32
CLEARSTREAM BANKING S.A.	726,634	1.27
BALLISTA AS	715,630	1.25
BILL INVEST AS	631,152	1.11
THE NORTHERN TRUST COMP, LONDON BR	592,260	1.04
DNB BANK ASA	560,000	0.98
Total, 20 largest shareholders	**26,371,723**	**46.21**
Other shareholder accounts	30,700,956	53.79
Total number of shares	**57,072,679**	**100.00**
Foreign ownership	7,594,276	13.31

7 OPERATING REVENUE

NOK million	Q1 2022	Q4 2021	Q1 2021	2021
Operations				
License revenue	3.4	2.9	4.2	13.8
Other revenue	0.4	0.0	1.3	1.4
Operating revenue operations	**3.8**	**2.9**	**5.5**	**15.2**

8 OPTIONS

Options have been awarded during 2020 and 2021 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 2020 and 2021, and the cost of the options is recorded over the first 36 months following the grant date.

No options were granted during Q1 2022 and NOK 1 million (NOK 1 million in Q4 2021) has been recognised for Q1 2022 in accordance with IFRS 2.

The CEO and board of Magnora ASA have exercised their vested options subsequent to the first quarter 2022. All options were awarded in 2019.

9 FINANCIAL ASSETS

In accordance with authorisation from the Board of Directors, Magnora ASA held and traded marketable securities during Q1 2022 with a net gain of NOK 0.6 million. The total value of other current financial assets held on the balance sheet is NOK 25 million at the end of the quarter. The increase is due to the receivable from TFMC as mentioned in Note 5 above. The Group holds marketable securities as part of an effort to carefully increase the return on cash holdings. The shares are considered sufficiently liquid to allow Magnora ASA to sell the shares to meet short-term working capital needs.

The financial assets are recognised in the Balance Sheet at fair value. Unrealised fair value changes are recognised in the profit and loss as financial income/(expense).

10 INVESTMENT IN ASSOCIATES

The investment in associates represents the investment in Kustvind AB, Evolar AB, and Helios AB.

The Group has 35 percent ownership in Kustvind AB and has a right to acquire up to 50 percent of the company. As of 31 March 2022, 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.

As of 31 March 2022, Magnora has 50 percent ownership in Evolar AB and does not have a controlling share and does not exercise control in Evolar, and the investment is accounted for using the equity method. The value is adjusted for the Group's share of Evolar's operating results for the period.

The Group has 40 percent ownership in Helios. As of 31 March 2022, 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.

11 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 were NOK 0.4 million in operating revenues from associated companies in the first quarter.

Magnora ASA has an agreement with TechnipFMC (TFMC) associated with Magnora Offshore Wind (MOW), where TFMC owns 20 percent and Magnora owns 80 percent. The agreement includes delivery of services from TFMC to MOW related to development of offshore wind projects.

12 ACQUISITION OF AFRICAN GREEN VENTURE

Magnora ASA acquired in January 2022 92 percent of the shares in the South African company African Green Venture (AGV). The company develops wind and solar PV projects in the region.

NOK million	
Cash flow regarding the acquisition	
Consideration paid	10.5
Cash and bank deposit in the company at acquisition date	0.0
Net cash flow regarding acquisition	10.5
Minority share	0.5
Total value of acquired company	**11.0**
Identified assets and liabilities on the balance sheet recognized from the acquisition	
Current assets	0.2
Property, plant and equipment	0.2
Current liabilities	0.6
Total net identifiable assets	**1.0**
Intangible assets	10.0
Deferred tax regarding intangible assets	-2.8
Goodwill	2.8
Total	**11.0**

Intangible assets relate to landowner right and wind measurement data. Goodwill is technical goodwill which equals the residual amount of the consideration paid and net of the identifiable assets acquired, and the liabilities assumed. The allocation of the purchase consideration is preliminary and may be changed within one year after the acquisition date.

Revenue and profit contribution from the acquired entity

The company's operating revenue for the period from 1 February to 31 March 2022 is NOK 0.4 million and loss after tax for the same period is negative NOK 0.2 million. If the acquisition had occurred on 1 January 2021, operating revenue would have been NOK 0.4 million and loss after tax negative NOK 0.4 million. These amounts have been calculated using the subsidiary's results and adjusting them for differences in the accounting policies between the group and the subsidiary.

13 SUBSEQUENT EVENTS

Magnora increased its ownership in Evolar AB to 63.5 percent according to business plan milestones. The increase represented the last of the three options in the original investment agreement.

Magnora Offshore Wind signed the Option to Lease Agreement with the Crown Estate Scotland for the N3 site, securing exclusivity for project development on the site.

Helios has developed two PV plants with a combined capacity of 69 MWp that have been purchased by a leading German renewable fund managed by Commerz Real. Helios has also entered into landowner agreements in Lithuania and Latvia, expanding its operations beyond the Nordics. Feasibility studies for the development of large-scale solar PV plants has started.

The CEO and board of Magnora ASA have exercised their vested options. All options were awarded in 2019.

MAGNORA ASA

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