MAGNORA ASA

Q2 and half-year 2024 REPORT

12 July 2024

CONTENT

SECOND QUARTER

In Brief

KEY HIGHLIGHTS

» Magnora's portfolio of renewable projects reached 9.4 GW during the quarter, excluding projects added by Helios.

» On 29 May 2024, an agreement was signed to sell all shares in Helios Nordic Energy AB (Helios) to the French industrial infrastructure company Vinci. The current owners of Helios will receive an upfront payment of approximately NOK 868 million (EUR 73 million). Magnora owned 40% of the company and receives approximately NOK 347 million before transaction costs. For five years following the closing, the sellers will receive payments from a potentially significant earnout[1] tied to Helios's portfolio of unsold projects. Reference is made to stock exchange notification on 29 May 2024.

» 1,070,854 shares were canceled during the quarter. The Board has approved extraordinary capital repayment to shareholders of NOK 4 in addition to the NOK 0,187 repayment per share already approved. This totals NOK 275.3 million to be paid to shareholders upon completion of the Helios sale.

» Magnora completed the demerger process for its legacy business (license revenue from the design of circular hulls). The Magnora shareholders received 70 percent of the shares in the demerged company, Hermana Holding ASA, which started trading on the main list of the Oslo Stock Exchange on 18 June.

» On 23 May 2024, Magnora received its first milestone payment from the sale of Evolar AB to First Solar Inc., which took place in 2023. Evolar AB achieved a set of technical milestones resulting in a payout of USD 5.7 million (NOK 60.9 million) to Magnora. Reaching the first milestone makes it more likely that remaining milestones will be achieved which can be up to another 18.7 MUSD.

» Magnora South Africa's project portfolio reached 3.5 GW and additional sales processes were initiated during the quarter.

» On 5 April 2024, Globeleq, the new owner of a Magnora developed project, became preferred bidder in South Africa's Energy Storage Independent Power Producer Procurement Programme. Globeleq will put forward the 153 MW/ 612 MWh Red Sands project developed by Magnora, and with this achievement, Magnora received its first milestone payment for this project. Final payment is conditional of financial close expected in H2 2024.

» Hafslund Magnora Sol AS has signed new land lease agreements during the quarter and made progress on grid applications, environmental impact assessments and consenting processes.

» Magnora Offshore Wind made changes to its management team appointing Emile Brackman as the new CEO. Haakon Alfstad has joined MOW's board of directors and will act as special advisor across the Magnora Group companies. Stein Bjørnstad has been appointed COO in Magnora ASA.

» On 19 June 2024, Magnora agreed to sell a project site to leading South African IPP, Red Rocket, a clean energy utility and a pioneer in the South African market. The financial close is expected to take place in Q3 2024.

KEY FIGURES

» Net cash generated from investment activities was NOK 27.6 million, mainly from earnout payments, reduced by investments in associated companies and working capital provided to Hermana Holding ASA as part of the demerger.

» At the end of Q2, cash and cash equivalents was NOK 311.3 million, an increase of NOK 3.3 million mainly affected by the proceeds from the Evolar earnout, offset by part of a demerger payable of NOK 25 million being settled in the listing process.

SUBSEQUENT EVENTS

» On 4 July 2024, Vinci Concessions received FDI approval from Swedish authorities, and closing of the deal to acquire Helios commenced (cf. Key Highlights).

[1] *The earnout part of the agreement could be worth up to NOK 3 billion if the total portfolio subject to earnout is realized in the most optimistic scenario, and Magnora receives 40 percent of earnout. The earnout is subject to several project related risks, such as obtaining permits, concession, grid, local acceptance, etc. to be able to build and operate the renewable energy power plants.*

On 11 July, the sellers' advisor received NOK 868 million and Vinci took possession of all shares. As of the report date, accounts are being settled for the transaction.

OUTLOOK

- Going forward, Magnora has, through various operating businesses, high and growing revenues from multiple jurisdictions in addition to ownerships and earnouts from disposals, a share in the future success of Helios Nordic Energy (Vinci Concessions), Evolar (First Solar), Hermana Holding (design royalties), Globeleq (Norfund/British International Investment) and Red Rocket (renewables in South Africa). Success in divestments to any of these businesses is likely to result in various payouts to Magnora and Magnora's shareholders.
- High origination activities in all onshore assets with approximately 350 qualified leads being pursued in South Africa, Nordic countries, and the UK. We see a high interest in projects across all jurisdictions. A new labour government in the UK seems to be very positive towards renewables and floating wind in particular which should be positive for Magnora Offshore Wind in particular.
- 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 successful developers.
- Magnora and group companies are in a series of farm-downs and sales discussions, and also in well advanced discussions for entry into new markets.

KEY

Portfolio Figures

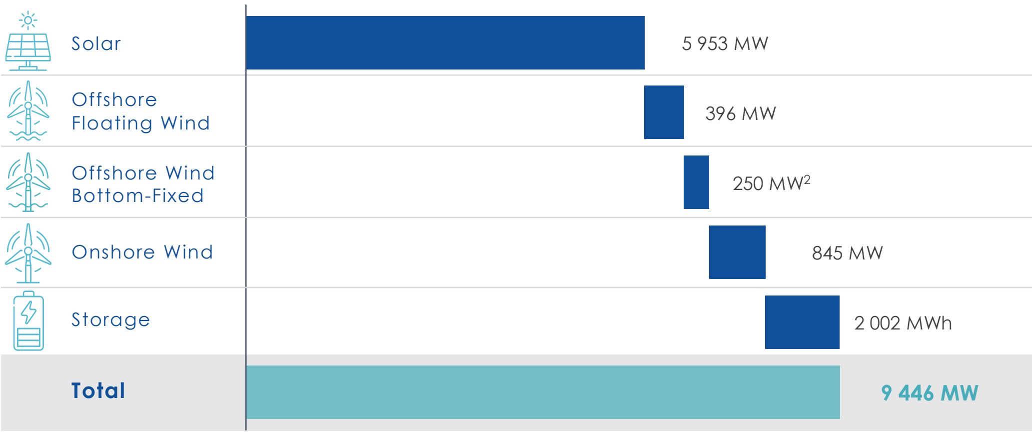
PORTFOLIO COMPANIES

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	3 217	278
MAGNORA PV UK	50		England	301	0
Hafslund Magnora Sol	48		Norway	440	0
kust vind	47.6		Sweden	250	0
Total				**8 782**	**664**
Total portfolio				**9 446**	

**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 MW	
Scotland	396 MW	
England	301 MW	
Norway	440 MW	
South Africa	3 495 MW	
Total	**9 446 MW**	

1) Total capacity in MW x Magnora ownership share = Net share
2) Economic interest, as of 30 June 2024 own 47.6% with option to increase to 50%

Market Cap*	Share Price*	Total Shares
MNOK 1 826	NOK 27.35	66 751 825

*As of market close 28 June 2024

DEVELOPMENTS DURING

The Quarter

FINANCIAL REVIEW

(Figures in brackets relate to first quarter 2024)

The figures are unaudited.

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.

SEGMENTS

The Group operates through two segments: Corporate and Projects. Each segment conducts business activities with separate tracking of revenues and expenses.

The corporate segment consists of the corporate staff and is responsible for overseeing the Group's strategic planning, financial management and administrative functions. This segment ensures operational efficiency and compliance across all areas of the group.

The licensing business associated with the Western Isles FPSO was previously reported as part of the corporate segment and has during the quarter been transferred to Western Isles Holding AS, a wholly owned subsidiary of Hermana Holding ASA, through a spin-off demerger. The previously reported revenues and expenses from this business are now classified as discontinued operations (see note 12).

The project segment consists of the portfolio companies, ongoing projects, and associated operational activities. Expenses related to development and mergers and acquisitions (M&A) activities are directly allocated to this segment, while costs linked to unsuccessful M&A transactions are allocated to the corporate segment.

REVENUE AND OTHER INCOME

Total operating revenue and other income in the second quarter amounted to NOK 61.7 million (NOK 15.2 million). This includes NOK 2.8 million from services provided to associated companies and NOK 58.9 million from divestments, earnout payments, and contingent revenues.

OPERATING EXPENSES

Operating expenses for the second quarter were a total of NOK 17.8 million (NOK 12 million) driven by higher costs from external services due to the restructuring process and annual accrual for bonuses (non-cash).

DEVELOPMENT AND M&A

Development and M&A costs were NOK 13.1 million (NOK 14.5 million). Development and M&A expenditure is dependent on the activity level and progress in the portfolio companies. The decrease of NOK 1.4 million reflects less use of third parties in projects under development.

OPERATING PROFIT

Operating profit for the quarter amounted to NOK 68.7 million (negative NOK 2 million), mainly driven by the Evolar earnout and positive result of NOK 37.9 million from associated companies.

NET PROFIT/LOSS

Net profit for the quarter was NOK 374.2 million (negative NOK 4.9 million), mainly due to a gain from the distribution of shares in Hermana Holding ASA to the shareholders. As this is a distribution of shares, it did not generate any cash.

CASH FLOW

As of 30 June 2024, cash and cash equivalents was NOK 311.3 million (NOK 308 million). Cash flow from operating activities was negative NOK 23.2 million (negative NOK 22.6 million), primarily due to development costs in Magnora UK, Magnora South Africa, and Magnora Offshore Wind. The Group received net NOK 61.2 million in proceeds from Evolar earnout, sale of projects in South Africa, and made net capital payments to Hermana Holding ASA of NOK 23.4 million and invested NOK 10.1 million in associated companies.

FINANCIAL POSITION

Total group equity for the quarter was NOK 519.6 million (NOK 541.1 million), representing an equity ratio of 77% (90%). The decrease is mainly due to the demerger of Magnora's legacy business finalised during the quarter, leaving a liability to Hermana Holding ASA.

The Group has loan facilities of NOK 150 million. As of 30 June 2024, there has not been a drawdown from the loan facility, leaving the full NOK 150 million loan facility available.

SEGMENT FINANCIALS

Operating revenue for the **corporate segment** in the second quarter was NOK 8.7 million (NOK 6.2 million). This included NOK 2.8 million from services provided to associates and NOK 5.9 million from services provided to subsidiaries. Operating expense in the corporate segment was NOK 17.8 million (NOK 12 million), due to higher costs from external services related to the restructuring process, and annual accrual for bonuses (non-cash). The segment's EBITDA was negative NOK 9 million (negative NOK 5.8 million).

Other income from divestments in the **project segment** amounted to NOK 58.9 million (NOK14.9 million), mainly due to the Evolar earnout and sale of projects in South Africa. The segment did not have operating expenditure incurred during the quarter, while development and M&A expenses amounted to NOK 19.1 million (NOK 20.4 million).

The segment's EBITDA was NOK 39.8 million (negative NOK 5.5 million), due to the positive contribution from divestments mentioned above.

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 aims to mitigate potential adverse effects on its financial performance arising from these uncertainties in the financial markets.

The Company strategically selects its portfolio projects and companies, focusing on diversification to mitigate the various inherent risks across various segments of the renewable energy production industry. While this approach doesn't eliminate individual risks entirely, it reduces the Group's susceptibility to their potential impacts.

The development of renewable energy plants involves inherent risks. Securing concessions from relevant authorities varies across countries, typically requiring local approval, with some countries granting veto rights to local municipalities. Public opinion and these veto rights can influence licensing decisions and have, in some cases, prompted changes in the political process governing regulatory frameworks for building and operating renewable energy plants. These uncertainties may lead to delays or denials of concession applications and could impact project economics, particularly if turbine sizes approved are not optimal for maximizing wind park efficiency. Additional risks include considerations related to military installations, training areas, and wildlife impacts.
As the Company's asset portfolio matures, the necessity to engage in a larger number of increasingly complex commercial contracts grows. This heightened involvement exposes the Group to greater risks associated with commercial disputes stemming from disagreements and uncertainties over contract interpretations.

The Group may fail to identify relevant issues related to investment and farm-down partners during its due diligence process and may as a result for some investments experience weaker than expected results. We might also experience that farm-down partners or companies who acquire our businesses change strategy and therefore stop funding and investing.

The 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.

Through the demerger of its legacy business, the Group has limited its exposure to the related risks based on its remaining 30 percent ownership in Hermana Holding ASA. The remaining legacy licensing agreement is with a customer with a strong financial basis. However, 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 risk, field development and reservoir risk in situations where the license fee is tied to the field development and production such as the Shell Penguins' license fee income paid in USD.

Competition in the renewable energy sector 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 that Magnora competes with are parts of larger groups, giving them 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. Changes in renewable energy policies, tax policies, or the regulatory environment could affect 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, one legacy agreement and its subsidiaries and associated companies. Consequently, any negative cash flow or underperformance from those companies directly impacts 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.

The Group faces liquidity and capital access risks due to its increased investment in capital-intensive projects. To manage this, it maintains close communication with financial institutions and implements a strict cash flow timeline that synchronizes investment payments with proceeds 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 the Group or a group company are unable to replace it with an alternative project.

THE MAGNORA SHARE

The board of directors initiated a new share buyback programme which was authorized during the annual general meeting ("AGM") held on 21 May 2019 and subsequently renewed during the AGM held on 23 April 2024. 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. The Board continues to see several organic growth opportunities in the short to mid-term in line with our original growth strategy.

Oslo, Norway, 12 July 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	Q2 2024	Q1 2024	YTD 2024	Q2 2023 (restated*)	YTD 2023 (restated*)	2023 (restated*)
Continued operations							
Operating revenue	5	2.8	0.3	3.1	0.6	11.6	12.1
Other income	4	58.9	14.9	73.8	229.6	229.6	249.2
Operating expense	2	-17.8	-12.0	-29.7	-8.0	-14.1	-25.9
Development and M&A expense	2	-13.1	-14.5	-27.6	-18.2	-35.7	-74.7
EBITDA		30.8	-11.3	19.5	204.0	191.4	160.7
Profit/loss from associated companies		37.9	9.3	47.2	-4.9	21.7	10.5
Operating profit/(loss)		68.7	-2.0	66.7	199.1	213.1	171.2
Financial income/(expense)		1.2	0.4	1.6	-1.4	-1.9	1.8
FX gain/(loss)		-4.3	-5.0	-9.3	5.1	-1.4	0.5
Net financial items		-3.1	-4.6	-7.7	3.7	-3.3	2.3
Profit/(loss) before tax		65.6	-6.6	59.0	202.8	209.8	173.6
Tax income/(expense)		-5.5	0.0	-5.5	0.0	0.1	0.1
Net profit/(loss) continued operations		60.1	-6.6	53.6	202.8	209.9	173.7
Discontinued operations							
Gain on distribution of Hermana ASA to shareholders	4	311.6	0.0	311.6	0.0	0.0	0.0
Net profit/ (loss) discontinued operations*	12	2.5	1.7	4.2	0.2	3.9	5.2
Total result		374.2	-4.9	369.3	203.1	213.8	178.9

**The legacy 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

NOK million	Note	Q2 2024	Q1 2024	YTD 2024	Q2 2023 (restated*)	YTD 2023 (restated*)	2023 (restated*)
Net profit/(loss)		374.2	-4.9	369.3	203.1	213.8	178.9
Foreign currency translation		1.7	3.5	5.3	-0.9	15.3	11.3
Total comprehensive income		376.0	-1.3	374.6	202.2	229.1	190.2
Profit/(loss) attributable to:							
Equity holders of the company		376.8	-1.3	375.5	206.5	221.2	192.5
Non-controlling interest		-2.6	-3.6	-6.2	-3.5	-7.4	-13.6
Total comprehensive income attributable to:							
Equity holders of the company		377.9	1.4	379.3	206.4	234.0	202.3
Non-controlling interest		-2.0	-2.7	-4.7	-4.2	-4.9	-12.1

Numbers are unaudited

EARNINGS PER SHARE

	Q2 2024	Q1 2024	YTD 2024	Q2 2023	2023
Earnings per share for profit/(loss) attributable to the equity holders of the company during the year (NOK per share):					
- Basic	5.73	-0.02	5.67	3.09	2.88
- Diluted	5.68	-0.02	5.62	3.08	2.86
Weighted average number of shares outstanding	65 751 825	66 822 679	66 287 252	66 822 679	66 822 679
Weighted average number of shares outstanding (diluted)	66 368 506	66 822 679	66 870 300	67 120 488	67 194 151

Numbers are unaudited

CONDENSED STATEMENT OF FINANCIAL POSITION

NOK million	Note	30.06.24	30.06.23	31.12.23
Deferred tax assets	3	2.7	15.1	15.1
Intangible assets		140.7	142.1	135.2
Goodwill		8.4	10.4	8.4
Right-of-use assets		0.7	0.0	1.1
Fixed assets		0.4	0.3	0.3
Loan to associates		28.1	13.9	19.5
Other non-current assets		12.6	2.0	3.4
Investment in associates		58.3	50.2	41.3
Total non-current assets		**251.8**	**233.9**	**224.3**
Trade and other receivables		16.6	9.8	7.3
Other current financial assets		25.4	25.8	25.4
Cash and cash equivalents		311.3	409.1	347.6
Assets held for sale	12	72.6	0.0	0.0
Total current assets		**425.9**	**444.7**	**380.3**
Total assets		**677.7**	**678.6**	**604.6**
Share capital		26.2	32.7	32.7
Treasury shares		0.0	-0.2	-0.5
Other reserves		12.3	11.6	8.6
Other equity		471.7	566.6	497.5
Total shareholders' equity		**510.3**	**610.7**	**538.3**
Non-controlling interest		9.3	21.6	14.0
Total equity		**519.6**	**632.3**	**552.3**
Deferred tax liability		0.4	0.4	0.4
Other non-current liabilities		0.0	0.0	0.9
Total non-current liabilities		**0.4**	**0.4**	**1.3**
Trade payables		10.5	0.0	6.3
Other current liabilities	10	147.2	45.8	44.7
Total current liabilities		**157.7**	**45.8**	**51.0**
Total liabilities		**158.1**	**46.3**	**52.3**
Total equity and liabilities		**677.7**	**678.6**	**604.6**

Numbers are unaudited

CONDENSED STATEMENT OF CHANGES IN EQUITY

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	497.6	8.6	14.0	552.4
Total comprehensive income for the period			375.5	3.7	-4.7	374.6
Acquired treasury shares	-0.5	0.5	0.0			0.0
Share based payments			3.8			3.8
Other capital movement	0.7	-0.1	-0.7			0.0
Dividend declared			-12.3			-12.3
Distribution of non-cash assets to owners	-6.7		-392.2			-398.9
Equity as of 30 June 2024	**26.2**	**0.0**	**471.7**	**12.3**	**9.3**	**519.6**

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	190.3
Acquired treasury shares		-0.5	-31.7			-32.2
Share based payments			8.4			8.4
Other capital movement			0.0			0.0
Dividend declared			-24.6			-24.6
Transactions with non-controlling interests			-1.7		-0.4	-2.1
Disposal of companies with non-controlling interests					-19.8	-19.8
Capital increase			0.6			0.6
Equity as of 31 December 2023	**32.7**	**-0.5**	**497.6**	**8.6**	**14.0**	**552.4**

Numbers are unaudited

CONDENSED STATEMENT OF CASH FLOW

NOK million	Q2 2024	Q1 2024	YTD 2024	Q2 2023	YTD 2023	2023
Cash flow from operating activities						
Cash from operations	-23.2	-22.6	-45.9	-18.0	24.0	3.0
Taxes paid/repaid	0.0	0.0	0.0	0.0	0.0	0.0
Net cash generated from operating activities	**-23.2**	**-22.6**	**-45.9**	**-18.0**	**24.0**	**3.0**
Cash flow from investment activities						
Investment in fixed assets	-0.1	0.0	-0.1	-1.7	-5.4	-5.5
Dividend received	0.0	0.0	0.0	24.1	24.1	24.1
Divestment of subsidiary net of cash acquired	0.0	0.0	0.0	299.1	3.8	326.0
Investments in associated companies	-10.1	-5.4	-15.5	-10.0	-21.5	-39.7
Net cash distributed as part of demerger	-23.4	0.0	-23.4	0.0	0.0	0.0
Proceeds from earnout on previous divestments	61.2	0.0	61.2	0.0	0.0	0.0
Net cash from investment activities	**27.6**	**-5.4**	**22.2**	**311.4**	**296.2**	**304.9**
Cash flow from financing activities						
Purchase of own shares	0.0	0.0	0.0	-5.3	-5.3	-32.2
Capital distribution/increase	0.0	0.0	0.0	0.0	0.0	0.0
Leasing payments	-0.2	-0.2	-0.4	0.4	-1.4	-2.2
Project Loan	0.0	0.0	0.0	0.0	0.0	3.1
Overdraft facility drawn*	-0.9	0.9	0.0	0.0	-76.3	-76.3
Dividend paid out	0.0	-12.3	-12.3	0.0	0.0	-24.6
Net cash from financing activities	**-1.1**	**-11.7**	**-12.7**	**-5.7**	**-83.0**	**-132.2**
Net cash flow from the period	**3.3**	**-39.6**	**-36.3**	**287.7**	**237.3**	**175.7**
Cash balance at beginning of period	308	347.6	347.6	121.4	171.9	171.9
Cash balance at end of period	**311.3**	**308.0**	**311.3**	**409.1**	**409.1**	**347.6**

** The total available overdraft facility is NOK 150 million as of 30 June 2024.*

SELECTED NOTES TO THE

Financial Statements

1 GENERAL INFORMATION AND ACCOUNTING POLICIES

Magnora ASA ('Magnora' or the 'Company') and its subsidiaries and investments in associated companies (the 'Group'), primarily engages in the industry, trade and business associated with energy, IT and commodities, and sectors directly or indirectly related to these. Additionally, the Group invests in and acquires businesses, securities, financial instruments and other assets, and participates in various enterprises connected directly or indirectly to these.

Magnora ASA is a public limited company, incorporated and domiciled in Norway, with its principal business office at Karenslyst Allé 6, 0278, Oslo, 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 fluctuating revenues as most projects are in early-phase development and not ready for divestment. 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		15.0	0.0	-11.9	3.1
Other income		0.0	73.8	0.0	73.8
Operating expense		-29.7	0.0	0.0	-29.7
Development and M&A expense		0.0	-39.5	11.9	27.6
EBITDA		**-14.8**	**34.3**	**0.0**	**19.5**
Profit/loss from associated companies		0.0	47.2	0.0	47.2
Operating profit/(loss)		**-14.8**	**81.5**	**0.0**	**66.7**

SEGMENT FINANCIALS Q2 2024:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		8.7	0.0	-6.0	2.8
Other income		0.0	58.9	0.0	58.9
Operating expense		-17.8	0.0	0.0	-17.8
Development and M&A expense		0.0	-19.1	6.0	-13.1
EBITDA		**-9.0**	**39.8**	**0.0**	**30.8**
Profit/loss from associated companies		0.0	37.9	0.0	37.9
Operating profit/(loss)		**-9.0**	**77.7**	**0.0**	**68.7**

SEGMENT FINANCIALS YTD 2023 (restated):

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		23.1	0.0	-11.4	11.6
Other income		0.0	229.6	0.0	229.6
Operating expense		-13.4	-0.7	0.0	-14.1
Development and M&A expense		0.0	-47.1	11.4	-35.7
EBITDA		**9.6**	**181.9**	**0.0**	**191.4**
Profit/loss from associated companies		0.0	21.7	0.0	21.7
Operating profit/(loss)		**9.6**	**203.5**	**0.0**	**213.1**

SEGMENT FINANCIALS Q2 2023 (restated):

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		6.9	0.0	-6.3	0.6
Other income		0.0	229.6	0.0	229.6
Operating expense		-7.8	-0.2	0.0	-8.0
Development and M&A expense		0.0	-24.5	6.3	-18.2
EBITDA		**-0.9**	**204.9**	**0.0**	**204.0**
Profit/loss from associated companies		0.0	-4.9	0.0	-4.9
Operating profit/(loss)		**-0.9**	**200.0**	**0.0**	**199.1**

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 billion.

4 JUDGEMENTS

Consolidation of portfolio companies

The Group has a portfolio of companies invested in and performs a quarterly evaluation of 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 established Hafslund Magnora Sol AS together with Hafslund Vekst AS and Helios Nordic Energy AB in October 2022 and has 40 percent ownership at the balance sheet date. Magnora has two out of six board members, and the other two owners have the remaining four members. Hafslund owns 40 percent and Helios owns 20 percent, thus Magnora has no operational influence on the company outside of board decisions. 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.

On 29 May 2024, the owners of Helios agreed to sell all shares to the leading French infrastructure company Vinci in return for an upfront payment of EUR 73 million / NOK 850 million upon completion and a substantial earnout that could be worth up to NOK 3 billion if the entire portfolio subject to earnout is realised. Magnora owned 40% of the company's shares prior to the transaction and receives approximately NOK 347 million before transaction costs.

The sale was contingent on FDI approval which was granted on 4 July 2024. The completion of the deal, the transfer of the shares and the upfront payment was expedited shortly after the FDI approval. The gain from the sale will be recognized with a date in Q3 2024 when the last steps of financial close has been completed. Up to 1 May 2024 the ownership was accounted for using the equity method as an associate company. After 1 May and as of 30 June 2024, the investment in Helios is classified as held for sale in the consolidated statement of financial position.

Divestments
Transactions involving loss of control of a subsidiary require the revenue from the transaction to be recognised in accordance with IFRS 10. IFRS 10 requires that the fair value of future payments is recorded. The Group has a conservative method for fair value valuation of its portfolio, which is also used for estimating the fair value of future payments due from earnouts and other types of milestone payments from divestments. The Group has evaluated the probability of the milestone payments that are part of the below transactions and has calculated a contingent revenue that is recorded each reporting period.

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. In Q2 2024 Evolar achieved the first set of technical milestones, and Magnora received a milestone payment. Magnora's share of this payout is NOK 60.4 million. Contingent income of NOK 3.0 million related to this milestone was recognized in Q2 2023 and deducted from the revenue recognised for this quarter, totaling NOK 57.4 million, which is classified as other income in the consolidated income statement. The Contingent considerations were reassessed as of 30 June 2024 for the remaining milestones, and the Group has recognised NOK 1.9 million for the quarter related to these specific milestones.

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 30 June 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 7.5 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 30 June 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.

Demerger of legacy business

In Q2 2024 Magnora completed the carve-out of its FPSO business into Hermana Holding ASA, which commenced trading on Oslo Stock Exchange 18 June 2024. In this process, 70% of Hermana Holding ASA was distributed to the shareholders of Magnora ASA, leaving Magnora with 30% ownership.

The demerger is accounted for in accordance with IFRIC 17 Distribution of Non-cash Assets to Owners. The liability to distribute non-cash assets is treated as a dividend to its owners. When settling the dividend payable, the Group has recognized the difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable in the profit or loss. The gain of distribution of 70% of Hermana Holding ASA to the Magnora ASA shareholders amounts to 311.6 MNOK. The same amount is recognized as a dividend in the statement of equity. This is distribution of shares and has no cash effect, except for NOK 25 million, which was provided as a cash contribution from Magnora ASA.

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 in 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	Q2 2024	Q1 2024	Q2 2023 (restated)	2023 (restated)
Operations				
Other revenue	2.8	0.3	0.6	12.1
Operating revenue	2.8	0.3	0.6	12.1

Magnora ASA has established agreements with its subsidiaries and associated companies to provide intercompany services at predetermined hourly rates. In the second quarter, operating revenues from these services amounted to NOK 2.8 million.

6 OPTIONS

Options have been awarded regularly since 2019 in accordance with the options program approved by the AGM in 2019. Both members of the board and members of management have been granted options during this period. The cost of these options with vesting over a 36 months' period following the grant date, is expensed monthly during the vesting period.

A total of 33 000 share options have been granted during the quarter and NOK 1.3 million in share option cost was recognized during the quarter in accordance with IFRS 2.

7 FINANCIAL ASSETS

As of 30 June 2024, the Group does not hold any marketable securities.

During the second quarter, the Group completed the cancellation of the previously held 1,070, 854 treasury shares, resulting in a total of nil treasury shares held as of 30 June 2024.

The Group has a receivable of approximately NOK 17.3 million through its subsidiary Magnora Offshore Wind which relates to a subscription contribution agreed upon during the subsidiary's establishment, and payable by TechnipFMC.

8 INVESTMENTS IN ASSOCIATES

As of 30 June 2024, Magnora has a 47.6 percent ownership in Kustvind AB and has the option to increase its ownership to 50 percent. Magnora does not have a controlling share and uses the equity method to account for its investment, adjusting the investment's value based on its proportional share of Kustvind's operating results for the period.

Similarly, as of 30 June 2024, Magnora owns 40 percent of Hafslund Magnora Sol AS and does not exercise control. Therefore, applies the equity method to account for its investment in Hafslund Magnora Sol AS, adjusting the investment's value based on its share of Hafslund Magnora Sol's operating results.

9 INVESTMENT OVERVIEW

Name of Entity	Type of investment	Registered Office	Shareholder interest	Accounting method
Magnora Holding AS	Subsidiary	Norway	100%	Consolidating
Magnora Offshore Wind AS	Subsidiary	Norway	80%	Consolidating
Magnora South Africa Projects AS	Subsidiary	Norway / South Africa	100%	Consolidating
Magnora South Africa Development AS (AGV)	Subsidiary	Norway / South Africa	100%	Consolidating
Magnora Utvikling AS	Subsidiary	Norway	100%	Consolidating
Magnora UK PV Holding AS	Joint venture	Norway / UK	50%	Equity Method
Hafslund Magnora Sol AS	Associated company	Norway	40%	Equity Method
Helios Nordic Energy AB*	Associated company	Sweden	40%	Equity Method
Kustvind AB	Associated company	Sweden	47.60%	Equity Method
Hermana Holding ASA	Associated company	Norway	30%	Equity Method

*Company sold with financial close after the quarter. Reported as held for sale.

10 CURRENT LIABILITIES

The Group's total current liabilities increased during the quarter by NOK 96.4 million to a total of NOK 157.7 million. The main drivers being debt owed to Hermana Holdings ASA (NOK 91 million) and NOK 33.9 million to TechnipFMC UK Ltd to cover its 20% ownership share of the ScotWind license fee.

11 LIQUIDITY

The Group manages short-term liquidity through loan facilities established with top-tier banks, with maturities ranging from one to three years.

For long-term liquidity, the Group utilizes a combination of loan facilities and share issues, particularly for investments requiring capital exceeding the loan facilities. As some projects enter phases with increasing funding needs, the Group will explore syndicated loans to be held until project exit. The current liquidity of the Group is robust, given the expected transactions and funding for our portfolio companies in the near future.

Additionally, the currency risk associated with the remaining USD 8.6 million in revenues from the Shell Penguin's contract has been hedged by selling USD and buying NOK. While the USD balance may lead to foreign exchange gains or losses, these fluctuations are non-cash effects, as the account balances will be settled once the currency revenues are received.

12 DISCONTINUED OPERATIONS

The Group has, through a demerger transferred its licensing business associated with the Western Isles FPSO to a newly established company, Hermana Holding ASA, which is now a company listed on the Oslo Stock Exchange. The revenues and expenses related to the licensing agreement associated with the Western Isles FPSO is therefore no longer included in the financial statements of Magnora ASA. Furthermore, 70% of the shares in Hermana Holding ASA has been distributed to the shareholders of Magnora ASA. Magnora still owns 30% of the shares in Hermana ASA, and this ownership is as of 17 June accounted for according to the equity method. As the licensing business represents a separate major line of Magnora Group, this is presented as discontinued operations.

The results from discontinued operations for Q2 2024 are shown as follows:

NOK million	Total operations	Discontinued operations	Continuing operations
Operations			
Operating revenue	4.9	2.1	2.8
Other income	58.9	0.0	58.9
Operating expense	-23.2	-5.4	-17.8
Development and M&A expense	-13.1	0.0	-13.1
EBITDA	27.5	-3.3	30.8
Profit/loss from associated companies	37.9	0.0	37.9
Operating profit/(loss)	65.4	-3.3	68.7
Financial income/(expense)	1.2	0.0	1.2
FX gain/(loss)	0.4	4.7	-4.3
Net financial items	1.6	4.7	-3.1
Profit/(loss) before tax	67.0	1.4	65.6
Tax income/(expense)	-4.4	1.1	-5.5
Net profit/(loss)	62.6	2.5	60.1

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

NOK million	Total operations	Discontinued operations	Continuing operations
Operations			
Operating revenue	8.4	5.3	3.1
Other income	73.8	0.0	73.8
Operating expense	-36.7	-6.9	-29.7
Development and M&A expense	-27.6	0.0	-27.6
EBITDA	17.9	-1.6	19.5
Profit/loss from associated companies	47.2	0.0	47.2
Operating profit/(loss)	65.1	-1.6	66.7
Financial income/(expense)	1.6	0.0	1.6
FX gain/(loss)	-4.5	4.7	-9.3
Net financial items	-2.9	4.7	-7.7
Profit/(loss) before tax	62.2	3.1	59.0
Tax income/(expense)	-4.4	1.1	-5.5
Net profit/(loss)	57.8	4.2	53.6

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

NOK million	Total operations	Discontinued operations	Continuing operations
Operations			
Operating revenue	18.7	7.1	11.6
Other income	229.6	0.0	229.6
Operating expense	-17.3	-3.2	-14.1
Development and M&A expense	-35.7	0.0	-35.7
EBITDA	-195.4	3.9	191.4
Profit/loss from associated companies	21.7	0.0	21.7
Operating profit/(loss)	217.1	3.9	213.1
Financial income/(expense)	-1.9	0.0	-1.9
FX gain/(loss)	-1.4	0.0	-1.4
Net financial items	-3.3	0.0	-3.3
Profit/(loss) before tax	213.7	3.9	209.8
Tax income/(expense)	0.1	0.0	0.1
Net profit/(loss)	213.8	3.9	209.9

The results from discontinued operations for Q2 2023 are shown as follows:

NOK million	Total operations	Discontinued operations	Continuing operations
Operations			
Operating revenue	2.3	1.7	0.6
Other income	229.6	0.0	229.6
Operating expense	-9.5	-1.5	-8.0
Development and M&A expense	-18.2	0.0	-18.2
EBITDA	204.3	0.2	204.0
Profit/loss from associated companies	-4.9	0.0	-4.9
Operating profit/(loss)	199.3	0.2	199.1
Financial income/(expense)	-1.4	0.0	-1.4
FX gain/(loss)	5.1	0.0	5.1
Net financial items	3.7	0.0	3.7
Profit/(loss) before tax	203.0	0.2	202.8
Tax income/(expense)	0.0	0.0	0.0
Net profit/(loss)	203.0	0.2	202.8

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	Q2 2024	YTD 2024	Q2 2023	2023
NOK				
Cash flow from operations related to discontinued operations	-4.2	-2.6	0.2	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	24.0	25.0	-0.2	-80.2

EARNINGS PER SHARE RELATED TO DISCONTINUED OPERATIONS

	Q2 2024	YTD 2024	Q2 2023	2023
Earnings per share for profit/(loss) attributable to the equity holders of the company during the year (NOK per share):				
- Basic	0.04	0.06	0.00	0.08
- Diluted	0.04	0.06	0.00	0.08
Weighted average number of shares outstanding	65 751 825	66 287 252	66 822 679	66 822 679
Weighted average number of shares outstanding (diluted)	66 368 506	66 870 300	67 120 488	67 194 151

13 ASSETS HELD FOR SALE

On 29 May 2024, Magnora signed a deal with the French industrial infrastructure company Vinci, to sell all its shares in Helios. At closing, Magnora will receive an estimated NOK 347 million before transaction costs. The income from the sale will be recognised when the shares have been transferred to the buyer. The closing and transfer of the shares have taken place in July 2024, and the income from this transaction will be recognized in Q3 2024. In addition to the upfront payment, there is a significant earnout component, which could be worth up to NOK 3 billion if the entire portfolio subject to earnout is realized. Magnora's possible share of this earnout is 40%.

14 SUBSEQUENT EVENTS

On 4 July, Vinci Concessions received FDI approval from Swedish authorities, and closing of the deal to acquire Helios commenced. Magnora owned 40% of the company's shares prior to the transaction and receives approximately NOK 347 million before transaction costs. For five years following the closing, the sellers will receive payments from an earnout tied to Helios's portfolio of unsold projects. The earnout part of the agreement could be worth up to NOK 3 billion if the total portfolio subject to earnout is realised. Magnora is entitled to 40% of the earnout payments. On 11 July, the sellers' advisor received NOK 868 million and Vinci took possession of all shares. As of the report date, accounts are being settled for the transaction.

RESPONSIBILITY

Statement

We confirm, to the best of our knowledge, that the interim consolidated financial statements for the period 1 January to 30 June 2024 have been prepared in accordance with IAS 34 - Interim Financial Reporting and give the true and fair view of the Group's assets, liabilities, financial position and profit and loss as a whole. We also confirm, to the best of our knowledge, that the Interim Financial Report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Oslo, Norway, 12 July 2024

The Board of Directors of Magnora ASA

Torstein Sanness
Chairman

Hilde Ådland
Board Member

John Hamilton
Board Member

Erik Sneve
CEO

MAGNORA ASA

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