HERMANA

Annual Report 2024

Contents

This is Hermana

History

Hermana Holding ASA is an investment and royalties company listed on the Oslo Stock Exchange since June 2024, having evolved from the legacy business of Sevan Marine ASA and Magnora ASA. Sevan Marine ASA ("Sevan Marine") designed floating installations (FPSO – floating production, storage and offloading) for the offshore oil and gas industry. Sevan Marine's business was sold to SembCorp Marine in 2018, but two license agreements remained with Sevan Marine alongside the company's deferred assets. The same year, 2018, Sevan Marine ASA changed name to Magnora ASA which in 2020 started to invest in renewable-energy projects – particularly wind power, solar PV power and battery energy storage systems with revenues from the license agreements. Magnora is today a well-established profitable renewables development company with a substantial project portfolio in eight countries . In 2023-2024 a strategic review led to the conclusion that the two different businesses of renewables and royalties, respectively, would be best developed separately: Magnora ASA as a pure-play renewables company and the new company Hermana Holding ASA as a royalty business based on the legacy business left behind from Sevan Marine. Hermana was carved out and demerged from Magnora during the second quarter of 2024 and listed on the Oslo Stock Exchange on 18 June 2024. Magnora's shareholders got 70 percent of the shares in Hermana Holding whereas Magnora retained 30 percent as a financial holding. Hermana's opening share price implied a market value of NOK 375.7 million.

Hermana's offices are in Oslo, Norway.

Current business

As a result of the restructuring and sale of assets in 2018, Hermana has the right to use the technology under an agreement for the Western Isles FPSO. An FPSO receives fluids from a subsea reservoir through risers, separates the fluids into crude oil, natural gas, water and impurities, stores the products and then offloads the products onto shuttle tankers to go to market or for further refining onshore. The FPSO is cylindrical with a hull diameter of 70 meters, a storage capacity of 400,000 bbls (barrels), oil production capacity of 44,000 bopd (barrels of oil per day).

For the Western Isles FPSO, the licence agreement entitles Hermana to USD 0.50 per barrel produced over the lifetime of the FPSO, irrespective of operating location and field. The FPSO has been operational since 2017. The associated license income for 2023 was NOK 10.3 million. At year-end 2024 the FPSO is at yard for equipment upgrade and maintenance, in preparation for redeployment at the Buchan Horst field operated by NEO Energy and two partners. Production start is according to analyst reports and media articles expected in 2027 or 2028, though uncertain as such projects are complex. Total recoverable volumes on the field are estimated at 79 mmboe (millions of barrels of oil equivalent) as a mid-case, with 124 mmboe as a high case. The Western Isles license agreement is expected to generate revenue for Hermana for two more decades. The Buchan partners have not yet made an FID (final investment decision).

Hermana also has outstanding payments to be received for the Shell Penguins FPSO, where there are two remaining payments according to the licence agreement with Shell UK Ltd., of which both are milestone payments. The agreement with Shell UK Ltd. is owned by Magnora ASA, and a demerger liability was therefore established as part of the demerger process. The settlement of the receivable will follow the cash flows Magnora will receive from Shell. The FPSO operates on blocks owned by Shell and NEO Energy (50/50) on the Penguins oil and gas field in the UK North Sea. The FPSO was constructed by China Offshore Oil Engineering Company in 2022, completed at Aibel's yard in Haugesund and towed to the field in 2024. The two milestones are (a) the installation of the FPSO at the field and achievement of first production, and (b) the successful production, offloading and export of 4 million barrels. Each of the two milestones triggers a payment of USD 4.3 million, in total USD 8.6 million. The payments are considered very likely and are fully accounted for as a NOK 97.9 million receivable (from Magnora) in Hermana's balance sheet.

Please note, Hermana does not have access to privileged information on the plans and progress of companies holding Hermana licenses. All information in this section is based on public sources.

Business model

Hermana has a pragmatic and opportunity- driven approach to capital allocation and aims to maximise return on equity. The company has a basis in the management of royalties and may seek growth with such a business model. There may be cases where equity investment in portfolio companies is preferred or cases where Hermana's shareholders are best served through a transformational deal. Finally, Hermana may restrict itself to the option of returning excess cash to the shareholders.

Hermana's current revenues come from royalties. Royalties are rights to a share of an asset's future revenue stream, acquired through an upfront investment. The use of royalties is most prominent in mining, oil & gas, pharmaceuticals, and cultural intellectual property (IP) rights, but the concept can be applied to other sectors as well. A similar concept is streams, which is a right to purchase a share of future production at an agreed-upon price.

Hermana's growth focus is on the Nordic region. The company will only grow where the expected return on capital is favourable. Hermana will always consider transformational accretive transactions when the right opportunity or bolt-on acquisitions depending on the growth prospects. Any return of capital to shareholders will currently be in the form of repayment of paid-in capital.

Hermana has low operating costs and will keep costs at a low level compared to revenues.

Summary of 2024

The CEOs comments

It’s a great pleasure to share the first annual report of Hermana Holding ASA as a listed company, and at the same time celebrate the first year for Hermana as a company.

In 2024 we built the foundations for growth. We keep assessing industries, revenue streams and specific cases in preparation for new investments and partnerships.

Net profit for the year was NOK 1.7 million. Revenues were NOK 3.9 million and operating costs NOK 13.1 million. The Group’s revenues for the year were licensing payments from the Western Isles FPSO, and we expect these revenues to become significant when the Western Isles FPSO starts production again, most likely in 2027 or 2028.

We are not content with the development in the share price, which has declined from 18 June when listed on the Oslo Stock Exchange. The decline may be related to UK government announcements, after the election in July 2024, of changes in the tax regime and resulting deferred expected production start for the Western Isles FPSO, as well as higher interest rates and possibly other factors. My ambition is that Hermana over time delivers results that give our shareholders a competitive total return. In the meantime, both our CFO and I have increased our holdings in the Hermana share through share purchases.

I consider the outlook as positive with the relatively predictable revenue streams from the current business as a platform. The group has an asset-light business model with low operating

costs, estimated at NOK 7.5-10 million per year, and flexibility to bring this down considerably if revenues are delayed and new business activity remains low. The settlement of the receivables from Magnora concerning the milestone payments related to the Shell Penguins FPSO, the cash assets, and the licensing revenues from the Western Isles FPSO allow for patient target search. Additional resources have been hired in order to implement Hermana’s business plan and build the foundations for dialogues and assessments of opportunities and new investments.

Going forward we will continue our efforts to develop Hermana and to generate attractive profitability and return on investment for our shareholders.

Key figures

Hermana (consolidated, including subsidiary)

Measure	2024
Revenue (NOK million)	3.9
Net profit (NOK million)	1.7
Book equity at year-end (NOK million)	121.5
Cash and cash equivalents, year-end (NOK million)	16.6
Market value of equity, year-end (NOK million)	153.0
Share price, year-end (NOK)	11.3
Dividend (cash returned) per share (NOK)	-

Significant events in 2024

Demerger of Hermana Holding ASA from Magnora ASA

The demerger from Magnora ASA was part of a restructuring process in Magnora, finalised during the second quarter of 2024. The legacy agreement with Dana Petroleum Ltd. for the Western Isles FPSO was transferred to Hermana as part of the demerger.

Stock exchange listing

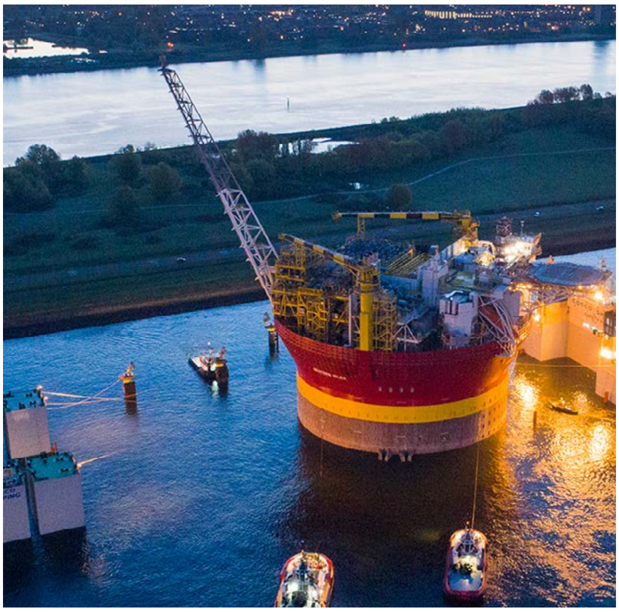
On 18 June 2024 Hermana Holding ASA had its first day trading on the main list of Oslo Stock Exchange under the ticker HERMA. Shareholders of Magnora ASA received one share in Hermana Holding ASA for each of their Magnora ASA shares.

Preparations for redeployment of the Western Isles FPSO

The Western Isles FPSO ceased production on the Harris and Barra oil fields in May 2024. The vessel arrived in Scapa Flow, Orkney Islands at the end of July 2024. It undergoes necessary preparations there before redeployment on the Buchan Horst field with NEO Energy as licence agreement counterpart. "First oil" production start has been estimated to happen in 2027 or 2028.

Shell Penguins FPSO licence agreement

Hermana has a receivable from Magnora amounting to USD 8.6 million, representing the cash to be received from the Shell Penguins licence agreement. The "first oil" milestone is anticipated to be reached in the first half of 2025. At that point, Magnora will receive USD 4.3 million and transfer it to Hermana as part-settlement for the demerger receivable.



Corporate governance

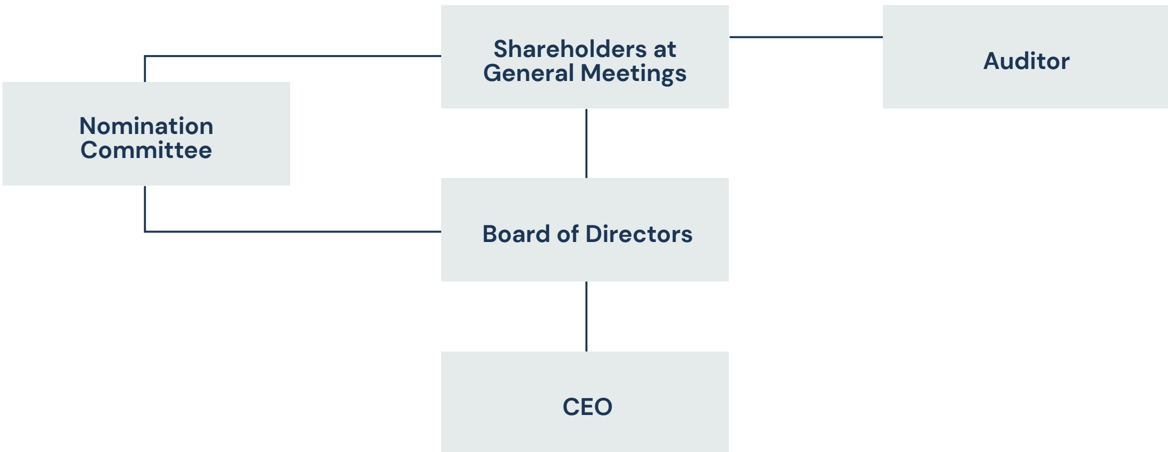
Framework

As Hermana Holding ASA is listed on the Oslo Stock Exchange (Oslo Børs), the Group aims to conduct its business in accordance with the recommendations in the Norwegian Code of Practice for Corporate Governance of 14 October 2021 (the "Code of Practice", see www.nues.no). The Group's principles of corporate governance are also based on relevant Norwegian laws such as the Norwegian Accounting Act and the Norwegian Public Limited Liability Companies Act.

The Group is committed to high ethical standards in its business dealings to ensure that the integrity of its organisation is maintained. Corporate social responsibility for the Group is integrated in the way the Group conducts its business.

The Group has established guidelines (see www.hermanaholding.com) aimed at ensuring openness, integrity, and equal treatment of its shareholders. Practicing good corporate governance, including appropriate division of roles between shareholders, the Board of Directors ("the Board") and Senior Management, will contribute to reduced business risk and better shareholder value over time.

The parent company Hermana Holding ASA has a corporate governance structure as follows.



The roles of each governing body are further explained later in this chapter.

In accordance with section 2-9 of the Norwegian Accounting Act, the Group shall in connection with its annual financial statements provide a statement on how the Group has implemented the principles of, and account for any deviations from, the recommendations in the Code of Practice.

Below is an outline of the Group's principles for corporate governance, in accordance with the 15 sections of the Code of Practice.

Please note that the Group had its first operational year in 2024 and was listed on the Oslo Stock Exchange in June 2024, which means it is still in an early phase.

Implementation and reporting on corporate governance

The Board ensures that the company implements sound corporate governance. The Board has considered the Code of Practice and in cases where the Group does not fully comply, the subsequent sections of this chapter include information about the selected solution and the reason for it.

Business

The Articles of Association clearly describe the business that the company shall operate. The Articles, available at the Group's website, state that the company's objective is "the conduct of industry, trade and business associated with energy, intellectual property rights and commodities, and sectors directly or indirectly related to these, including investing in licences, 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".

The Board has defined clear objectives, strategies and risk profiles for the Group's business activities. When carrying out this work, the Board takes into account financial, social and environmental considerations, and evaluates the objectives, strategies and risk profiles at least yearly.

Equity and dividends

The Group seeks to maintain a healthy financial structure which is appropriate to the Group's objective, strategy and risk profile.

The Group has established and disclosed a clear and predictable dividend policy. The Group seeks to maintain a healthy financial structure which is adjusted to its business and market fluctuations, as well as the duration of its contract portfolio. The Board continually reviews the capital situation in light of the Group's targets, strategies and risk profile. The Group aims to provide its shareholders with a competitive return on investment over time, and targets that the underlying values shall be reflected in the Group's share price. The Group shall aim to pay dividends to its shareholders on a regular basis to the extent prudent in the circumstances.

Equal treatment of shareholders

The Group has one class of shares only and each share entitles the holder to one vote at the Group's annual general meetings.

All shareholders shall be treated on an equal basis unless there is a just cause for treating them differently in accordance with applicable laws and regulations. In the event of an increase in share capital of the Company through issuance of new shares, a decision to waive the existing shareholders' pre-emptive rights to subscribe for shares shall be justified and be publicly disclosed including the reasons for the decision.

Transactions by the Group in the Group's own shares are carried out through Oslo Børs at prevailing stock exchange prices. If there is limited liquidity in the shares, the Group shall consider other ways to ensure equal treatment of shareholders.

Transactions with close associates shall be on arm's-length basis and in compliance with the Norwegian Public Limited Liability Companies Act. The Board will arrange for a valuation to be obtained from an independent third party unless the transaction, agreement or arrangement in question is immaterial or covered by the provisions of section 3-16 of the Norwegian Public Limited Liability Companies Act.

The Group may engage in business activities with or in cooperation with its shareholders. Such activities shall be handled at the board level, with a view of securing a foreseeable and consistent practice which prevents potential conflict of interest situations, arm's-length treatment, and sound governance.

Directors, the CEO, and other members of Senior Management shall notify the Board in advance if they have a significant interest in any agreement which may or is to be entered into by the Group.

Shares and negotiability

The Group's shares are listed on Oslo Børs and are freely negotiable. There are no limitations on any party's ability to own, trade or vote for shares in the company.

General meetings

The General Meeting is the Group's supreme corporate body. The Articles and the Norwegian Public Limited Liability Companies Act set out the authority and mandate of the Annual General Meeting. The General Meetings of the Group may be held in Oslo or Bærum, Norway.

All shareholders of the Group have the right to attend the General Meetings. Individual shareholders are entitled to have the documents sent to them free of charge, upon request to the Group. Attendance forms for a General Meeting may be sent to the Group up to the day before such a meeting to enable as many shareholders as possible to attend. Shareholders may attend by proxy, and the Group provides the shareholders with proxy forms which enable the shareholder to instruct its representative on each individual item on the agenda. The shareholders may decide between granting proxy to a representative of their own choice, or to the Chairperson of the Board.

The Board ensures that the General Meeting can elect an independent chairperson for the meeting. The Board also ensures that the resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting. Shareholders will normally be able to vote on each individual matter, including each individual candidate nominated for election to the Board, the Nomination Committee and any other corporate bodies to which members are elected by the General Meeting. The minutes from the General Meeting are published on the Group's website as soon as possible following the General Meeting.

The Annual General Meeting approves the Group's annual financial statements and elects the members of the Board of Directors and the Nomination Committee as well as the auditor. The meeting is also a forum for presentation and discussion of other issues of general interest to shareholders. The Board ensures that the members of the Board and the chairperson of the Nomination Committee attend the Annual General Meeting. The date of the Annual General Meeting is published in the Group's financial calendar for the year, which is also posted on the Group's website. Notice of Annual General Meetings, including documentation relating to the items on the agenda and the recommendation of the Group's Nomination Committee, is in accordance with the Articles published at the Group's website no later than 21 days before the Annual General Meeting is to be held.

The Group is not required to and does not have a Corporate Assembly.

Nomination committee

The Group has a Nomination Committee comprising of three members elected by the General Meeting, for terms up to two years. The current committee consists of: Stian Folker Larsen (Chair), Fredrik D. Sneve, and Gunerius Pettersen.

The General Meeting elects the Chairperson of the Nomination Committee. In connection with the elections of Directors and members to the Nomination Committee, the Nomination Committee shall provide a proposal for candidates to the notice for the General Meeting. The Nomination Committee shall also present a proposal for the remuneration to the Board.

The mandate described above is stated in Group's Articles of Association. In addition, the Committee proposes remuneration for the members of the Committee, in accordance with the Norwegian Code of Practice for Corporate Governance. There are guidelines for the Nomination Committee.

The members of the Committee are selected to take into account the interests of shareholders in general. The majority of the committee is independent of the Board and the executive personnel. The Committee does not include any executive personnel or any member of the Group's Board.

The Nomination Committee has contact with shareholders, the Board and the Group's executive team as part of its work. Such contact naturally includes information about any deadlines for proposing candidates. Its recommendations are explained. The Nomination Committee will in its material to Annual General Meetings give a detailed explanation per individual recommended to be elected Board member.

Information regarding the composition of the Nomination Committee, which members are up for election and how input and proposals can be submitted to the Nomination Committee is posted on the Group's website prior to the Annual General Meeting.

The Board of Directors

The Board is composed in a way that meets the Group's need for expertise, capacity, and diversity, and with the aim of ensuring that the Board can attend to the common interests of all shareholders and operate independently of any special interests and function effectively as a collegial body. The principles for diversification of the Board are set out in the Group's Equality and Diversity Policy.

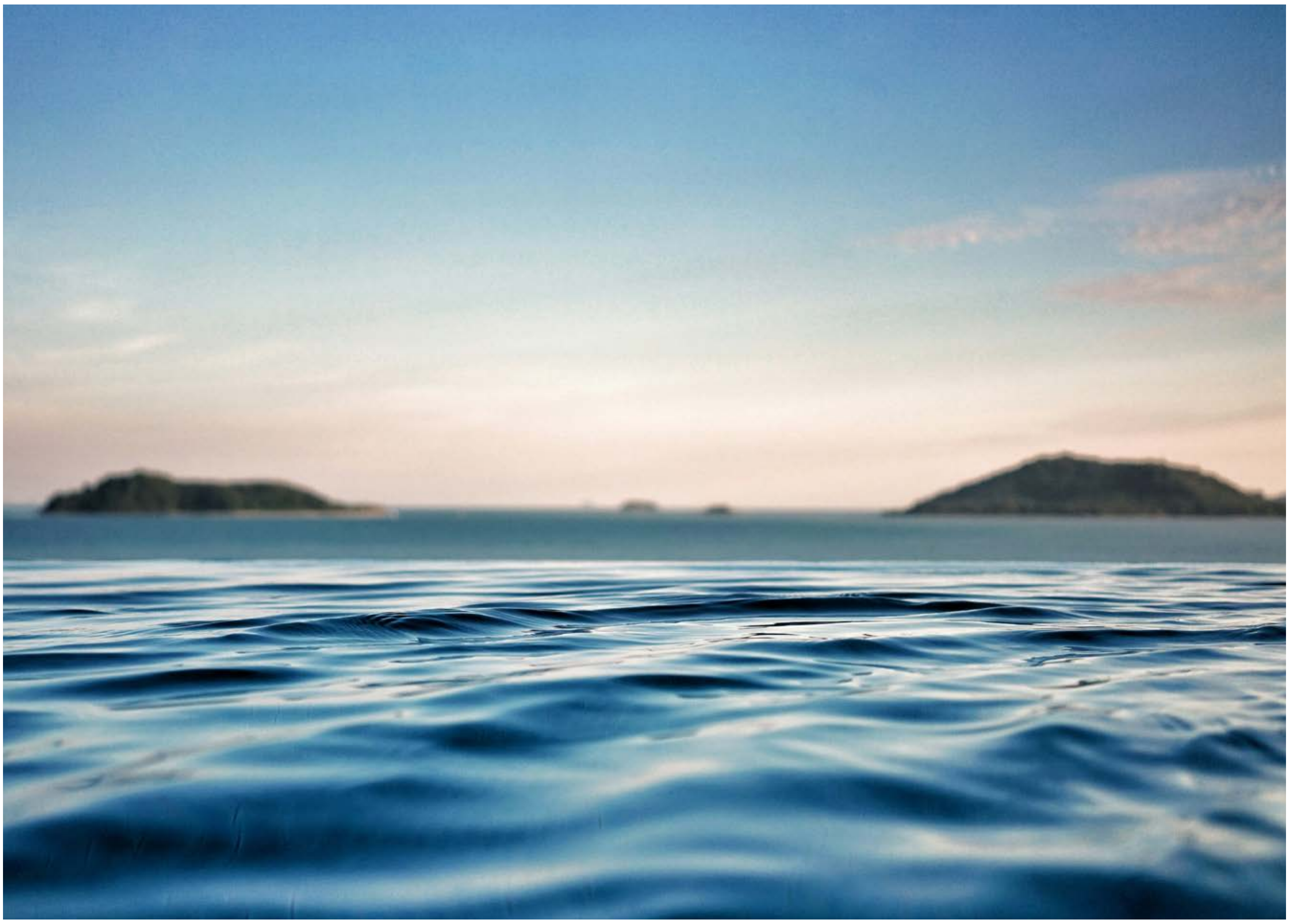
The Board shall pursuant to the Articles consist of three to seven members. All members shall be elected by the Annual General meeting. The Chairperson is elected by the annual general meeting. Members of the Board are elected for a period of up to two years, or such shorter period as decided by the General Meeting, and directors may be re-elected. The Board currently has five members: Erik D. Sneve (Chair), Torstein Sanness, Hilde Ådland, Lars Ørving Eriksen, and Nina Skage. Presentations of the Directors are available in a separate chapter in this Annual Report and on the Group's website.

The composition of the Board is such that it can operate independently of any special interests. The majority of the members is independent of the company's executive personnel and material business contacts. Two of the members (Lars Ørving Eriksen and Nina Skage) are independent of main shareholders. The Board does not include members of the executive team.

The members of the Board are encouraged to own shares in the Group. Information on the Directors' shareholdings in the Group, and information regarding board meeting attendance is detailed in note 8 of the Consolidated Financial Statements. These also state which members are considered independent.

The work of the Board of Directors

The Board is ultimately responsible for administering the Group's affairs and ensuring the Group's operations are organised in a satisfactory manner. Moreover, the Board is responsible for establishing supervisory systems and for overseeing that the business is run in accordance with the Group's core values and ethical guidelines. The Board prepares an annual plan for its work, with emphasis on objectives, strategies, and implementation. Furthermore, the Board approves the budget for the Group.



The Board has instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties. The instructions state how the Board and executive management shall handle agreements with related parties, including whether an independent valuation must be obtained. The Board should also present any such agreements in their annual Directors' report.

The Board ensures that members of the Board and executive personnel make the company aware of any material interests that they may have in items to be considered by the Board. In material matters where the Chairman of the Board is, or has been, personally involved, such matters will be chaired by some other member of the Board.

The Group is currently not required to have an Audit Committee. However, the Board has considered establishing an Audit Committee, and has concluded there is not a need for such a committee given the nature of the business. The same is currently the consideration regarding a possible Remuneration Committee.

The Group maintains a directors and officers liability insurance policy (D&O) for a maximum liability of USD 10 million.

The Board evaluates its performance and expertise annually.

Risk management and internal control

The Board ensures that the Group has sound internal control functions and appropriate systems for risk management tailored to the extent and nature of its operations and in accordance with the Group's core values, ethical guidelines and social responsibility policy. A review of the Group's most important risk areas and its internal control functions is conducted by the Board on an annual basis.

The Group is exposed to risks of various types, like climate risk, regulatory/political risk, inflation risk, currency risk, project risk, reservoir risk, counterparty risk, concentration risk, market risk, liquidity risk, credit risk, key-personnel risk, non-compliance risk, and asset-integrity risk. The Group's overall risk management seeks to minimise the potential adverse effects on the Group's performance likely to be caused by its exposure to such risk factors. The Group prepares and publishes quarterly and annual financial statements. The Group's consolidated financial statements are prepared in accordance with IFRS® and IFRIC interpretations as adopted by the EU.

Remuneration of the Board of Directors

The remuneration of the members of the Board reflects the Board's responsibilities, expertise, time commitment and the complexity of the Group's activities. The remuneration is determined on a yearly basis by the Annual General Meeting. The Directors are reimbursed for travelling, hotel and other expenses incurred by them in attending Board meetings or in connection with the business of the Group.

The remuneration of the Board is currently not linked to the company's performance. The Group has not granted share options to any member of the Board.

Members of the Board and/or companies with which they are associated will normally not take on specific assignments for the Group in addition to their appointment as a member of the Board. If they nonetheless do take on such assignments, this must be disclosed to the full Board. The remuneration for such additional duties shall be approved by the Board. Details of the remuneration to the Board are disclosed in the Group's remuneration report for the year. Any remuneration in addition to normal Director's fee will be specifically identified in the annual report.

Salary and other remuneration of executive personnel

The Board has established guidelines on salary and other remuneration of the members of Senior Management. These guidelines are presented to and approved by the General Meeting, most recently on 23 May 2024, and are described in the Hermana Remuneration Report which is disclosed on page 56 of this Annual Report. The guidelines are clear and easily understandable and they contribute to the Group's commercial strategy, long-term interests and financial viability.

The Group's arrangements in respect of salary and other remuneration shall help ensure the Senior Management and shareholders have aligned interests and are simple. The performance-related remuneration to executive personnel is subject to an absolute limit.

Information and communications

An important objective for the Group is to make sure the securities market is in possession of correct, clear and timely information about the Group's operations and condition at all times. This is essential for efficient pricing of the Group's shares and for the market's confidence in the Group.

The Board has established guidelines for the Group's reporting of financial and other information – and for any contact with shareholders beyond the scope of General Meetings – based on openness and equal treatment of all participants in the securities market. This includes timely and comprehensive reporting of the Group's interim results and publication of the annual and quarterly financial reports. Information of significance for assessing the Group's underlying value and prospects is reported through Oslo Børs and are made available on the Group's website. Further details, such as financial calendar, contact details, shareholder information, and general updates and news about the Group, are published on the Group's website. There shall be sufficient information on a timely basis to the market as the basis for a fair valuation of our shares.

The Group's CEO is responsible for investor relations.

Takeovers

The Board will handle any possible takeover in accordance with Norwegian corporate law and its fiduciary duties. Neither the Articles of Association nor any underlying steering document prevent or limit the opportunity for investors to acquire shares in the Group, nor do they impose restrictions relative to takeover attempts or authorise measures to be taken by the Board to interfere.

The Board will not seek to hinder or obstruct an offer for the Group's activities or shares unless there are strong reasons for this. In case of a takeover situation the Board will act in accordance with the provisions of the Norwegian Securities Trading Act and the Code, to ensure that the best interests of the Company and its shareholders are safeguarded.

Auditor

The Board makes sure the auditor submits the main features of the audit plan to the Board annually. The auditor participates in meetings with the Board throughout the year. In addition, the Board meets with the auditor, without any executive personnel of the Group being present, at least once a year to discuss the annual accounts. At meetings where the annual accounts are dealt with, the auditor shall report on any material changes in the Group's accounting principles and key aspects of the audit, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the Company.

As part of the annual audit, the auditor reviews the Group's internal control procedures and presents its findings to the board, including any identified weaknesses and with proposals for improvement to the Board.

In connection with the issue of the auditor's report, the auditor provides the Board with a declaration of independence and objectivity, and the auditor participates in the board meeting in which the annual financial statements are approved. The proposal for approval of the remuneration of the auditor provides a breakdown of remuneration relating to statutory audit tasks and other assignments and is reported to the Annual General Meeting.

The Board has established guidelines that cover the use of the auditor by the Company's executive management for services other than the audit.

The Company's external auditor is Deloitte AS, since 2023.

Senior management and Board of Directors

Senior management

Stein Bjørnstad
CEO

Mr. Bjørnstad has a broad background spanning research, advisory and communication. His background is mainly from consulting solving hard-to-generalise problems (strategy) for a variety of clients.

He is also, part time, associate professor teaching scaling, innovation, and entrepreneurship at BI in cooperation with Massachusetts Institute of Technology (MIT).

As a former Director at Deloitte, Mr. Bjørnstad is an experienced strategy advisor with an extensive track record of M&A and analytics assignments mainly with public sector and energy clients. He has helped run two technology driven start-ups and served as an advisor to a large number of early-stage companies.

Mr. Bjørnstad holds a PhD in Economics from BI Norwegian Business School.

Bård Olsen
CFO

Mr. Olsen has held the CFO role in Magnora ASA since 2019, and has several years of experience from various controller and audit positions in the US. He has worked as an external auditor at Henry & Horne, and internal auditor and responsible for regional SOX compliance at the NYSE listed dealership group Auto Nation.

He has also worked at EY in a risk and internal control advisory role for banks and financial institutions in Oslo, Norway. Before joining Magnora, he was Vice President of Global Compliance at MHWirth, a drilling equipment company within the Aker Group, and held various positions within the group during his nine year tenure, including Head of Internal Audit at Aker Solutions corporate.

Mr. Olsen holds a B.Sc. in Finance and an MBA from Arizona State University.

Board of Directors

Erik Sneve
Chairman

Mr. Sneve is the CEO of Magnora ASA, an international renewable-energy group. He has 25 years of experience with investments and operationally in the VC industry, renewable industrial and in a family office in various positions. This includes roles as analyst, consultant, COO and investment director, from EY, DNB Markets, Energy Future Invest (a Statkraft, Hafslund and Eidsiva Energi joint-venture) and Fram.

Mr. Sneve holds a B.Sc. in Finance from Arizona State University with Summa Cum Laude (Dean's List).

Torstein Sanness

Mr. Sanness is a Norwegian citizen with extensive experience and technical expertise in the oil and gas industry.

He was Managing Director of Lundin Petroleum Norway from 2004 to 2015, whereafter he was Chairman of the Board of the same company until 2017 when he moved to the Board of International Petroleum Corp., another Lundin Group company. Before joining Lundin, Mr. Sanness was Managing Director of Det Norske Oljeselskap AS. And from 1975 to 2000, he was at Saga Petroleum where he held executive positions in Norway and the US, including responsibility for Saga's international operations and entry into Libya, Angola, Namibia, and Indonesia.

He is chairman of the Board at Magnora ASA and a Board member at Aquila Holdings ASA, and Panoro Energy ASA.

Mr. Sanness holds a MSc in Engineering from the Norwegian University of Science and Technology.

Hilde Ådland

Mrs. Ådland is the Vice President of Facilities Excellence at the oil and gas company Vår Energi AS.

She has extensive experience from various technical, operational, and leadership positions onshore and offshore in Kværner, Statoil and Gas de France/GDF Suez/ Engie/ Neptune and lately in Vår Energi.

Mrs. Ådland serves as the chairman of the Board of NOFO (the Norwegian Clean Seas Association for Operating Companies). She has previously served as Board member of Panoro Energy ASA and as Chair of the Operation Committee in Norwegian Oil and Gas (Now Offshore Norge).

Mrs. Ådland holds a Bachelor in Chemical Engineering and a Master in Process Engineering.

Lars Ørving Eriksen

Mr. Eriksen is an individual investor and advisor operating through his wholly owned company, Lighthouse Reef AS.

He has extensive experience in advising and building both privately held and publicly traded companies in various sectors. Prior experience includes investment banking services at RS Platou Markets & Navis Finance with a particular focus on the maritime sectors and as an investment director at Middelborg with a focus on building small and medium sized companies primarily on the Oslo Stock Exchange.

Mr. Eriksen has held several board positions in Norwegian private companies and has an Msc in Finance from the Norwegian Business School (BI).

Nina Skage

Mrs. Skage has through her career held several leadership positions through marketing, communication and organizational development in both Norway and internationally, in addition to executive experience from academia. For the past years, she has been a consultant for several companies as well as having held directorship positions in listed companies, cultural institutions and various start-ups.

Nina Skage is also a Board member in Aquila Holdings AS, Podtown AS, Dyrket AS (chair), Eiendomskreditt AS, Cloud Communication Tool AS, Havila Shipping ASA, and Ninensoma Consulting AS (chair). Previous Board memberships include Bergen Music Festival, Axxis Geo Solutions AS, Grieghallen AS, and Fjåk Chocolate AS.

Mrs. Skage holds a MSc in business and economics from St. Cloud State University in Minnesota.

The Board of Directors' report

Hermana Holding ASA ("the Company") is a Norwegian public liability company demerged from Magnora ASA during the second quarter of 2024 and listed on the Oslo Stock Exchange since June 2024. The Group is located in Oslo, Norway, and its business activity consists mainly of holding, managing and operating an FPSO (floating production, storage and offloading units) license agreement transferred from Magnora ASA.

Main events in 2024

The Board considers 2024 as a transformative year for the Group.

The carve-out and demerger from Magnora ASA was finalised in the second quarter of 2024, including the transfer of the legacy agreement for the Western Isles FPSO to Hermana as well as the demerger receivables from Magnora ASA of approximately USD 8.6 million reflecting the two remaining milestone payments that Magnora will receive from the Shell Penguins FPSO.

On 18 June 2024 the Group had its first day trading on the main list of Oslo Stock Exchange, under the ticker HERMA. The shareholders of Magnora ASA received one share in Hermana Holding ASA for each of their Magnora ASA shares.

From the Summer of 2024, the Western Isles FPSO started preparations for redeployment on the Buchan Horst field with NEO Energy as licence agreement counterpart. When in operation, currently estimated from 2027/2028, Hermana will receive USD 0.50 per barrel of oil produced and offloaded from the FPSO.

By year-end, there are two remaining milestones to be reached for payments, via Magnora ASA, from the Shell Penguins FPSO licence agreement. The payments are USD 4.3 million each and are expected within few months.

Significant events subsequent to year-end

There have been no significant events after the reporting period that would materially affect the Group's financial position or operations.

Risk and uncertainty

Hermana Holding ASA with its subsidiary Western Isles Holding AS ("the Group") is exposed to various types of risks, such as climate risk, regulatory/ political risk, customer's tax risk, inflation risk, currency risk, project risk, reservoir risk, counterparty risk, concentration risk, market risk, liquidity risk, credit risk, key-personnel risk, compliance risk, and asset integrity risk. The Group's overall risk management programme focuses on the most material uncertainties and seeks to minimise potential adverse effects on the Group's performance.

Both physical and transitional **climate risk** is significant. The global climate is changing, and the average temperature is predicted to rise globally, causing more extreme weather conditions, and impacting habitat. The Group's income is today mainly from FPSOs, operating in the oil and gas industry. Physical climate risk concerns potential operational difficulties due to more harsh weather, although the FPSOs can operate in most expected conditions. Transitional climate risk is related to changes in the regulatory environment that affect the Group's operations and performance. Such **regulatory risk** can be potential changes in tax policies, energy policies or other industry-specific changes the regulatory environment that could affect royalty revenue from the Western Isles FPSO, and have other impacts on the Group. Changes in licensing and permissions practices can for instance cause delays in development and construction of projects. Government policies can potentially make production of oil and gas unprofitable. One risk-mitigating aspect of an FPSO compared to a bottom-fixed platform is that an FPSO can quite easily be towed to another location in case it should not be needed or profitable on its current location. Also, the Western Isles FPSO will, as stated by Jersey Oil, be modified to be electrification-ready.

Then there is **inflation risk**, mainly for revenues that are not inflation-adjusted, which is the case for the Group's current FPSO agreements. For the Western Isles FPSO, Hermana receives 0.50 USD per barrel of oil produced. Higher inflation will lower the attractiveness of such a cashflow relative to inflation-adjusted alternatives. High inflation may also cause high interest rates which would reduce the value of such a cash flow. A mitigating effort can be to prioritise that future contracts and investments are inflation-adjusted or in other ways resilient with regards to inflation.

Among the risks associated with the current portfolio and the possible future portfolio, and in particular with the current Western Isles FPSO contract, we find also the following: Licence fees paid in other currencies than NOK, like the FPSO licence fee paid in USD, represent **currency risk**. The exchange rate may go both ways and is just as much an opportunity for gain as a risk of loss. The Group is also exposed to **project and reservoir risk** as the FPSO licence fee is tied to actual oil and gas production, with uncertainty about both volume and timing. Recent estimates of production start of the redeployed Western Isles FPSO at the Buchan Horst field have varied from late 2027 to mid-2028. This is also related to regulatory uncertainty mentioned above. Progress can potentially depend on UK taxes and incentives for the oil and gas industry, which there was some uncertainty around during the autumn of 2024, but which late October became clearer, leading to some reassurances of the plans that NEO Energy, Jersey Petroleum and Serica Energy has for the Buchan Horst field. Another relevant risk is **counterparty risk**, although the Group's customer NEO Energy Ltd., and its partners Jersey Petroleum and Serica Energy, are companies with a strong financial basis. With suppliers and customers in general, there is a risk that unforeseen financial difficulties on the counterparty's side may arise which could have material adverse effects on the cash flows and the financial condition of the Group.

Since the Group currently has few contracts, the Western Isles FPSO agreement represents significant **concentration risk**, until additional investments are made. The planned mitigation of these risks is to diversify the investment portfolio. Both for the current portfolio and possible new business, market risk exists alongside market opportunities. The market risk concerns demand and supply, competitive landscape and competitiveness, price and cost levels, and resulting profitability. **Market risk** is also related to the regulatory risk and several other risk factors mentioned above. It demands thorough analyses of industries, market conditions and specific investments – both before investment decisions and continuously after investments are made. Adequate portfolio management includes frequent evaluations of market exposure and outlook, and to mitigate risk by e.g. adjusting the portfolio.

The Group is exposed to **liquidity risk** and variable access to capital. The Group is separated from Magnora and has a concentrated revenue stream. This is managed through dialogue with financial institutions and a strict timeline for cash flow that matches future investment payments with revenues. If the Group chooses debt as a source of financing, liquidity risk will become relevant and can affect the Group's liquidity if sufficient credit is not achieved if needed. So far, the business is all equity based, but debt will be evaluated going forward along with a growing portfolio and increasing revenues.

The Group is subject to **key-personnel risk** as it operates with a staff of specialised professionals, currently shared with Magnora ASA, that may take time to replace if needed. Mitigation of this risk is a management agreement securing adequate resources to the Group, and an ongoing process of identifying outsourcing alternatives and potential recruitment to cover the resource needs of the Group. Also related to personnel, the Covid-19 or similar virus could potentially affect the Group's operations and revenues for a short period. For instance, the crew on vessels involved in the use of our legacy design could be dismissed due to infection risk or similar, and construction of solar and wind parks can be affected of similar reasons.

In the category **non-compliance risk**, there is the possibility of failing to maintain high-standard and ethical business conduct. This concerns business partnerships and relations, for existing and new business. Failure to comply with laws, regulations and internal guidelines may harm society and the environment, jeopardise business relations, contracts, permits, employee loyalty, reputation, trust and future market access, and lead to legal processes. The probability of breach is considered low, but consequences could be large. Hermana has zero tolerance for corruption, bribery, money laundering and other behaviour not compliant with laws and regulations.

An increasing risk in general, and relevant for the Group as well, is **asset-integrity risk**. The FPSO's production of oil and gas, and thus revenues from the Group, can be influenced by outside factors concerning security and the vessel's ability to operate, such as conflicts, wars, sabotage, cyberattacks, global logistics challenges. Considerations around such risks, and a good understanding of geopolitical and technological developments, are important both before investments and in the management of the portfolio.

Overall, the Group is exposed to many risks, which it monitors and seeks to mitigate on both case and group level. To continue to grow and be profitable, the Group will selectively accept risks in order to realise rewards, but the risks which have no rewards shall be kept at a minimum. Each employee is expected to pay close attention to risks and risk management as part of their daily work.

Corporate governance

The Group aims at maintaining sound corporate governance routines that provide the basis for long-term value creation benefiting shareholders, other stakeholders and society at large.

As a guiding basis for its corporate governance, the Group uses the national Norwegian Code of Practice for Corporate Governance, of 14 October 2021. The status of corporate governance is addressed in the Corporate Governance section above.

The Company's shares are listed on Oslo Stock Exchange and are freely transferable. The Company's Articles of Association do not place any restrictions on owning, trading or voting for shares in the Company.

The members of the Board of Directors are presented in the Senior management and Board of Directors section above and on the Group's website www.hermanaholding.com.

The Group maintains a directors and officers liability insurance policy (D&O) for a maximum liability of USD 10 million.

Sustainability

Business model

The business model is to invest in and manage investments in equity and/or royalties. Growth focus is in Norway, but also internationally if favourable opportunities are found.

The Group's business per year-end 2024 is exposed to mainly oil and gas extraction. Further growth in equity investments and/or royalties may be in oil and gas, mining, other natural resources, pharmaceuticals, cultural intellectual property rights, technology, infrastructure, power and energy, consumer brands, food and beverage, and/or other industries.

A sustainability assessment of Hermana will naturally be based on the existing business as of today, but also with an eye on the growth strategy which implies a broader industry exposure over time.

How Hermana works with sustainability

The Group is gradually developing its sustainability framework and practices. Some parts are in place, while others need more work. The efforts involve the Board of Directors, the Senior Management and the organisation.

The Board is ultimately responsible for Hermana's sustainability work, results and impacts.

Sustainability is a regular topic in Board meetings. The Board will annually review the Group's sustainability framework, evaluate how well it works, and consider improvements. In 2024, the Board approved a sustainability framework, an assessment of material matters, and related priorities and goals. The sustainability framework of the Group includes a set of policies and guiding documents, internal control procedures and internal reporting.

In the Senior Management group, the CFO leads a sustainability team which performs work on both a systems and case level as well as reporting. In practice, sustainability is fully integrated in the Group's strategy and business activities.

The following policy documents are established and applied, in order to support quality and compliance as well as reduce risk:

- Code of Conduct
- Corporate Governance document
- Anti-corruption policy
- Equality & Diversity policy
- Health, Safety, Security and Environment policy
- Human Rights policy
- Remuneration policy for Senior Management

- Compliance with the Transparency Act
- Modern Slavery statement
- Due Diligence guidelines

With its current characteristics, Hermana is not obliged to follow a specific international sustainability reporting standard. For a company of Hermana's characteristics, CSRD is expected to be compulsory from fiscal year 2026 (with option to postpone until 2028). The Company has started to prepare for this implementation and the report represent current stage of this preparation.

Main stakeholders and topics
Hermana's most relevant stakeholder groups and corresponding sustainability topics are identified based on which are the main current and potential industries in which Hermana has or aims to invest in equity or royalty agreements. The stakeholder groups and topics are considered to be the following.

Stakeholder group	Main sustainability topics	Methods of engagement
Investors – current and potential	Sustainable business model Climate risk ESG reporting incl. metrics Compliance and ethics	Annual General Meeting Quarterly reports and presentations Conferences, investor meetings
Supplier (mainly Magnora providing services)	Conduct and compliance Health and safety Diversity, equity and inclusion Working environment	Formal/informal internal dialogue Policies, routines, guiding documents Recruitment and retainment Work organisation and execution
Portfolio companies and customers (incl. current FPSO operators)	Ethics and business conduct Value chain and circularity Asset integrity and resilience	Meetings and other contact Due diligence
Authorities, regulators	Climate change mitigation efforts Business conduct, compliance and transparency Energy security of supply and affordability	Public hearings Formal reporting
The civil society – incl. citizens, NGOs, and public opinion	Climate change, GHG emissions Physical and transitional climate risk	Ad hoc contact Public meeting attendance and contributions Company website updates

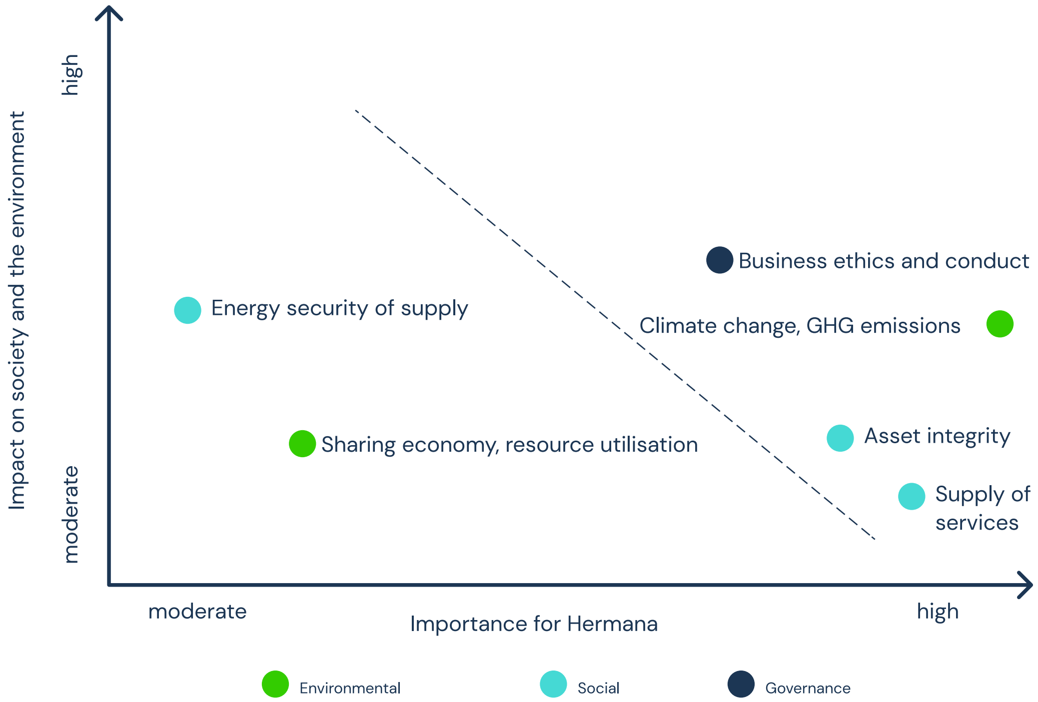
The Group has not yet initiated systematic stakeholder dialogues about sustainability, so that is on the agenda going forward.

Double materiality assessment
The materiality assessment includes both Hermana's impact on society and the environment, and which matters influence Hermana's development and results.

A number of matters have been evaluated with regard to these two dimensions. Many matters are considered less material due to Hermana's limited scope and impact in terms of purchases, physical production and deliveries. However, certain matters clearly affect the Group's performance, e.g. those who determine whether a royalty-generating FPSO is in operation or not.

The materiality assessment has been conducted by the Group's sustainability team in dialogue with the Senior Management and the Board of Directors. It is acknowledged that the mapping is subjective and approximate, and that it will naturally change over time and will need regular updates.

The process resulted in the following double materiality matrix for Hermana.



No matters are found in the top layer of the matrix, since the current role of managing a royalty agreement gives Hermana little operational influence on the asset the royalty is tied to. Royalty agreements regulate who can use a right, e.g. a patent, but normally not operational choices regarding sourcing, efforts to reduce emissions, waste management, etc. That said, it is possible that royalty agreements can include also sustainability matters. In certain industries, like mining, there can be strong dependencies between sustainability and asset integrity/ operations.

Based on this mapping the following matters, further described below, are considered the most material: Climate change; Business ethics and conduct; Asset integrity; Own workforce

Most material matters:
impacts, opportunities, risks, goals, activities

Climate change
Why material, impacts: Hermana's current main source of revenue is the royalty payments from an FPSO used for production of oil and gas. These fossil fuels generate greenhouse gas emissions – not as much per unit as coal which in many markets is an alternative, but clearly more than renewable energy sources like hydropower, wind and solar. Climate change impacts policies concerning oil and gas production, which may impact Hermana's revenues from the FPSO contracts.

Opportunities and risks: Physical climate risk is considered very low, while transitional climate risk is moderately low. The FPSOs could experience change in regulations, tax levels, etc. which combined with market prices could lead to production becoming not profitable. A cease in production would stop the revenues from the FPSO licence agreements. Hermana considers that the probability is low and the consequences severe.

Goal: Conscient choice of portfolio regarding the benefit of specialisation versus the benefits of spreading exposure across companies and industries where climate risk is lower than in oil and gas production.

Activities: When evaluating growth opportunities actively consider industries and set-ups with different exposure to oil and gas production. Maintain understanding and dialogue with operators of assets when relevant. As an example, Jersey Oil has stated that the Western Isles FPSO will be modified to be electrification-ready so it can be connected to anticipated floating wind power.

Business ethics and conduct
Why material, impacts: Companies that fail to operate at a high ethical standard run the risk of harming the society and the environment, legal processes, and jeopardising their business relations, contracts, employee loyalty, reputation, trust and future market access. The probability of a breach is considered low, and the consequences large.

Opportunities and risks: Hermana's growth will depend on trust and reputation, in addition to commercial, industrial and legal competence. There is in both equity and royalty investments a possibility of situations related to money-laundering, tax avoidance, doubt around property rights or other legal and ethical matters.

Goal: To have a high standard of ethical business conduct, be widely trusted and have a solid reputation. To have no unlawful incidents.

Activities: Hermana has zero tolerance for corruption, bribery, money laundering and other behaviour not compliant with laws and regulations. The Group has implemented a code of conduct, anti-corruption policy, and business ethics policy to manage the risk of corruption.

Asset integrity
Why material, impacts: Similar to the description under "Climate change, GHG emissions" above, any production halts at the licence agreement FPSOs can delay or reduce Hermana's revenues.

Opportunities and risks: Threats to the integrity of the FPSOs can be: War, sabotage, climate-motivated activism, global logistics problems, workforce shortages due to a pandemic etc., strike among workers, cyber-attacks, technical problems in the well or onboard, accidents, natural disasters, etc. Some of these risks are related to the public opinion about assets' impact on society and the environment.

Goal: To have a good understanding of asset-integrity risk in Hermana's portfolio, and to discuss risks and possible efforts with the licence agreement counterpart when adequate or necessary.

Activities: Thorough due diligence before entering into investments in equity or new licence agreements. Surveillance of current portfolio with regards to asset integrity.

Supply of services
Why material, impacts: Hermana purchases management services from Magnora instead of having a number of staff on its payroll. Thus, Magnora is a supplier of workforce/employees. As Hermana is a people business, these employees have a high impact on the Group's results. The employees' actions add up to the company's activities. Sound health, safety and security contribute to the employees' wellbeing, loyalty and results. Although formally a purchaser of management services, Hermana considers to be responsible for the engaged human resources as part of the Group.

Opportunities and risks: The main opportunity is to maintain and develop an environment where the workforce is healthy, safe and motivated. There is risk of not succeeding in this, as well as lack of inclusion, diversity and equal opportunities within the organisation.

Goal: To attract, retain and develop a skilled workforce and a productive relationship to Magnora as a supplier of management services. A healthy and engaging working environment with equal opportunities and no discrimination.

Activities: The working environment, equal opportunity and non-discrimination are managed through maintaining an inclusive culture and involvement by the Board and the management. Two out of five Board members are female. The Group strives to ensure that there is no discrimination due to gender, ethnicity, national origin, descent, race, religion or functional disability. The Group has implemented an equality and diversity policy. Health, safety, safety and environment is regulated through the HSSE policy and procedure. Serious work incidents or accidents resulting in personal injuries or damage to materials or equipment shall be reported internally.

Other sustainability reporting according to regulatory requirements

Certain risk areas related to sustainability are not described above, as they were not among the ones considered among the most material matters, but for which regulatory requirements for corporate responsibility call for a description of how risk is managed. For these risk areas, Hermana manages risk as follows:

Work environment
Hermana purchases management services from Magnora ASA and has not an own workforce. Thus, there are no recorded sick leave in 2024. Neither are there any recorded injuries or lost time incidents in 2024 related to work done for Hermana. This is followed up toward the Group's suppliers, and in particular Magnora ASA. The work environment at Magnora and the other suppliers of the Group is considered to be good.

Environmental matters apart from climate change
As a manager of royalty rights, Hermana has limited direct impact on the environment. The most relevant today is considered to be the exposure to FPSOs involved in oil and gas production leading to GHG emissions. Hermana expects in a medium to long term perspective

to have exposure to other industries and will evaluate environmental impacts when looking at investment opportunities. Relevant environmental matters will depend on industry, but a few examples are: biodiversity/ ecosystems (mining, aquaculture, forestry, oil and gas, etc.), circularity and waste management (construction, infrastructure, energy, retail, hospitality, food and beverage, etc.), pollution (transport, process industry, mechanical industry, agriculture, etc.), nature conservation (power generation, infrastructure, tourism, etc.). Apart from the industry impacts, it will be important for Hermana to evaluate how the specific cases it invests in may have a negative or positive impact on the environment.

Human rights and working conditions for people outside the Group
As currently a manager of a royalty right, Hermana has limited exposure to such matters and the related risks. When relevant, these risks are considered in relation to the Board's annual risk assessments and managed with processes and controls in the policy framework of the Group. The group has a Human Rights policy published on www.hermanaholding.com.

Further work on sustainability and reporting

As mentioned, Hermana is gradually implementing reporting in line with CSRD. This is work in progress, and there is potential for e.g. more detailed explanations of how efforts related to each material issue correspond to the Groups overall strategy, more specific measures and targets, and annual results per measure. CSRD is expected to be compulsory from fiscal year 2026, with an option to postpone until 2028. We expect each annual report to be a step towards fully compliant reporting from the year it's compulsory. These years will also be used to prepare for reporting according to EU taxonomy for sustainable activities, scheduled to be compulsory for Hermana from the same year as CRSD.

The Norwegian transparency act

The Group is obliged to carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises, and to inform publicly about the Group's organisation of its activities, areas of operation, guidelines, and routines to follow up actual and potential consequences for basic human rights and decent working conditions. Due diligence during the year has not identified material negative human-rights or working-conditions consequences of the Group's activities. The related risk is discussed in the Sustainability chapter. The Group has implemented guidelines, procedures, standards, and routines for due diligence as required by the OECD Guidelines. This together with a high level of awareness among the Group's hired-in management team is considered adequate efforts to mitigate the relevant risks. Further information about this is available on the Group's website: www.hermanaholding.com

Financials

Operating revenue and other income for the year was NOK 3.9 million. Operating costs were NOK 13.1 million. Operating costs consist mainly of management services delivered to the Group by Magnora ASA and legal costs associated with the listing process this year. The Group does not have significant activities or costs related to research and development. Profit before tax was NOK 0.9 million, and net profit was NOK 1.7 million. Earnings per share was NOK 0.13. There was no return of cash to shareholders during the year.

The Group has accumulated tax loss carry-forward of NOK 409 million, most of it not recognised due to uncertainty of future taxable profit.

During 2024 net cashflow from operations was negative NOK 8.4 million. Net cashflow from investment activities was NOK 25.0 million, and net cashflow from financing activities was NOK 0 million.

As of year-end 2024, total assets amounted to NOK 122.4 million whereof cash and cash equivalents amounted to NOK 16.6 million. Total equity as of 31 December 2024 amounted to NOK 121.5 million and the equity ratio was 99.3 percent. As of year end, the Group does not have interest-bearing debt.

The Group has approximately NOK 1.7 billion (NOK 126.7 per share) of paid-in capital in excess of par value available for distribution of equity back to its shareholders.

In accordance with section 2-2 of the Norwegian Accounting Act, the Board confirms that the annual accounts have been prepared on a going concern assumption, which the Board believes is appropriate based on the Group's financial prognosis and strategic plans.

Hermana Holding ASA is the parent company in the Group. In 2024, Hermana Holding ASA delivered an after-tax loss of NOK 14.9 million. At year end, Hermana Holding ASA had assets totaling NOK 105.7 million, and the equity ratio was 99.1%.

The Board of Directors has determined that Hermana Holding ASA had adequate equity and liquidity at the end of 2024. The Board has also considered the financial position overall, the results, the outlook for 2025 and the dividend policy.

On this basis, the Board has the following appropriation of the annual loss of NOK 14.9 million in the parent company Hermana Holding ASA:

- Transfer to other equity at end of year Balance Sheet 31 December 2024: negative NOK 14.9 million
- Total appropriation: negative NOK 14.9 million

Outlook

The Group has a solid basis of high-probability future revenue although uncertainty around start date for the Western Isles FPSO revenue stream, expected from 2027 or 2028. Further, the Board has confidence in the efforts to build additional portfolio of investments and/or royalties, with emphasis on patience, high-quality assessments and low operating cost. The Board recognises that the strategy of building a profitable and robust portfolio has proven effective in Magnora, and the Board now sees Hermana in a similar position and with several of the same investment and development resources deployed. The Board is positive and fully dedicated to the journey ahead.

Oslo, Norway, 26 February 2025
The Board of Directors of Hermana Holding ASA

Erik Sneve
Chairman

Hilde Ådland
Board Member

Torstein Sanness
Board Member

Nina Skage
Board Member

Lars Ørving Eriksen
Board Member

Stein Bjørnstad
CEO

Financials

Consolidated statement of profit or loss

NOK million	Notes	2024	2023[1]
Operating revenue	7	3.9	10.3
Total revenue		3.9	10.3
Other operating expense	8, 9	-13.1	-7.2
EBITDA		-9.2	3.1
Operating profit/(loss)		-9.2	3.1
Foreign exchange gain	10	10.2	3.1
Net financial items		10.2	3.1
Profit/(loss) before tax		0.9	6.2
Tax income/(expense)	11	0.9	-1.4
Annual net profit/(loss)		1.7	4.8
Net profit/(loss) attributable to:			
Equity holders of the parent		1.7	4.8
Non-controlling interests		-	-
Earnings per share (NOK):			
- Basic	17	0.13	0.36
- Diluted	17	0.13	0.36

1) 2023 are carve-out financial statements. See note 2, Basis of preparation section for further information.

Consolidated statement of comprehensive income

NOK million	Notes	2024	2023[1]
Annual net profit/(loss)		1.7	4.8
Other comprehensive income			
Items which may be reclassified to profit/loss			
Foreign currency translation		–	–
Total comprehensive income		1.7	4.8
Total comprehensive income attributable to parent equity holders		1.7	4.8

1) 2023 are carve-out financial statements. See note 2, Basis of preparation section for further information.

Consolidated statement of financial position

NOK million	Notes	2024	2023[1]
ASSETS			
Deferred tax assets	11	7.8	–
Total non-current assets		7.8	–
Trade and other receivables	6, 14	98.0	–
Cash and cash equivalents	6, 13	16.6	–
Total current assets		114.6	–
Total assets		**122.4**	**–**
EQUITY AND LIABILITIES			
Share capital	15	13.4	–
Other equity		108.1	–
Total equity		121.5	–
Total non-current liabilities		–	–
Trade payables	6, 16	0.3	–
Other current liabilities	6, 16	0.6	–
Total current liabilities		0.9	–
Total liabilities		0.9	–
Total equity and liabilities		**122.4**	**–**

1) 2023 are carve-out financial statements. See note 2, Basis of preparation section for further information.

Oslo, Norway, 26 February 2025
The Board of Directors of Hermana Holding ASA

Erik Sneve
Chairman

Hilde Ådland
Board Member

Torstein Sanness
Board Member

Nina Skage
Board Member

Lars Ørving Eriksen
Board Member

Stein Bjørnstad
CEO

Consolidated statement of changes in equity

NOK million	Notes	Share capital	Other equity	Total equity
Equity as at 1 January 2024		**-**	**-**	**-**
Total comprehensive income for the period		-	1.7	1.7
Capital increase		1.0	-	1.0
Contribution in kind[2]	15	2.9	32.4	35.3
Capital decrease		-1.0	-	-1.0
Capital increase demerger from Magnora ASA	3, 15	6.7	77.7	84.4
Bonus issue[4]	15	3.9	-3.9	-
Total changes in equity		13.4	108.1	121.5
Equity as at 31 December 2024		**13.4**	**108.1**	**121.5**
Equity as at 1 January 2023		**-**	**73.9**	**73.9**
Total comprehensive income for the period		-	4.8	4.8
Changes in parent's investment[3]	18	-	-78.7	-78.7
Total changes in equity		-	-73.9	-73.9
Equity as at 31 December 2023[1]		**-**	**-**	**-**

1) Hermana Holding ASA was incorporated on 23 August 2023 with a share capital of NOK 30 000. The table shows equity at the beginning of the period from the carve-out financial statements, see Note 1 General information and Note 2 Basis of preparation for further information.

2) 100% of the shares in Western Isles Holding AS are contributed by Magnora ASA as part of the demerger. See Note 3 Demerger.

3) Carve-out adjustments recognized during the period reflect contributions to and from Magnora ASA (parent at the time) which are not settled and do not generate intercompany positions between the companies. These positions are recognized in equity as contributions to and from the parent and are presented as changes in parent's investment. See note 2 Basis of preparation for further information about carve-out adjustments and note 18 for specification of components of the net transfers.

4) The Group's share capital was increased by NOK 3.9 million immediately after completion of the share consolidation by transfer of NOK 3.9 million from the Group's unrestricted equity to the Group's share capital.

Consolidated statement of cash flow

NOK million	Notes	2024	2023[1]
Cash flows from operating activities			
Profit/(loss) before tax	11	0.9	6.2
Unrealised effects included in operating profit/(loss)		-10.2	–
Changes in net working capital		0.9	73.9
Net cash generated from operating activities		**-8.4**	**80.1**
Cash flows from investing activities			
Part settlement of demerger receivable	2, 3	25.0	–
Net cash generated from investing activities		**25.0**	**–**
Cash flows from financing activities			
Capital distribution		-1.0	–
Net contribution from parent	18	1.0	-80.1
Net cash flow from financing activities		**–**	**-80.1**
Net cash flows for the period		16.6	–
Cash and cash equivalents at start of period		–	–
Cash and cash equivalents at end of period		**16.6**	**–**

1) 2023 are carve-out financial statements. See note 2, Basis of preparation section for further information.

Notes to group consolidated financial statements

General

Note 1. General Information

Hermana Holding ASA, "the Company" is a limited liability company incorporated and domiciled in Norway. The address of its registered office is Karenslyst Allé 6, 0278 Oslo. The Company is listed on the Oslo Stock Exchange main list, ticker: HERMA.

Hermana Holding ASA (the 'Company') and its subsidiary (the 'Group' or 'Hermana') is a company with investments in royalties, and with a focus on growth within equity and/or royalty investments in Norway but also internationally.

The Group has a licensing agreement for the Western Isles FPSO and is evaluating other investments. The Group portfolio is primarily built organically, with a pragmatic approach to growth with the objective of generating further shareholder value.

Hermana Holding ASA (previously named Project Tripartite 3 AS and Magnora Legacy Holding AS) was incorporated 23 August 2023 as a subsidiary of Magnora ASA and became the parent of the consolidated group through an internal reorganization in Magnora ASA in June 2024 (see Note 2 section Basis of preparation for further information).

The demerger steps, as described below in note 3, were completed during the first half of 2024, and ended with the listing of the Group on the Oslo Stock Exchange on 18 June 2024. Through the steps described in note 3, Magnora ASA transferred its licensing business to the Group through a demerger and contribution in kind.

These consolidated financial statements have been approved for issuance by the Board of Directors on 26 February 2025 and are subject to approval by the Annual General meeting on 29 April 2025.

Note 2. General Accounting Policies and Principles

Basis of Preparation

First-time consolidated financial statements and statement of compliance

These first-time consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union (EU) and valid as of 31 December 2024.

Special purpose carve-out financial statements were prepared for the Hermana business in line with International Financial Reporting Standards as adopted by the European Union (IFRS) for the years ended 31 December 2023, 2022 and 2021.

The formation of the Group was completed on 17 June 2024. Until the formation of the Group, the accounting policies, principles of carve-out, and allocation as described in the carve-out financial statements were applied.

Upon the legal formation of the Hermana Group, Magnora ASA has controlled the net assets transferred within the meaning of IFRS 10, Consolidated Financial Statements. Therefore, first-time consolidated financial statements have been prepared in accordance with IFRS 1, First-Time Adoption of International Financial Reporting Standards, for the reporting period ended 31 December 2024. As consolidated financial statements previously were not prepared for the carved-out Hermana business, no reconciliation for consolidated equity and for consolidated total comprehensive income is required pursuant to IFRS 1.

For Hermana Holding ASA, as the acquirer, the restructuring is not a business combination and, consequently, it is not a reverse acquisition as defined in IFRS 3. The demerger is therefore accounted for as a ‘capital restructuring’, with analogy of the guidance in IFRS 3 on reverse acquisition. The transferred interests, assets, and liabilities have therefore been accounted for at their historical carrying amounts recognised in Magnora ASA Group, as if the reorganisation occurred at the beginning of the earliest period presented. In addition, prior-periods comparative information has been presented as if the legal structure of Hermana Holding ASA, after taking into account the legal transfers of the business activities, had already existed in the past. Accordingly, disclosures in the carve-out financial statements published as part of the prospectus dated 17 June 2024 for listing of the shares of Hermana Holding ASA on Oslo Børs can be consulted for comparative information. The comparative information in these financial statements prior to the legal formation of the Hermana group on 17 June 2024 is labelled as “carve-out” and derived from the carve-out financial statements up to and including 31 December 2023, and from Magnora ASA’s internal consolidation system for the period 1 January to 17 June 2024.

Background and formation for the carve-out and consolidated financial statements

See note 3 for background for formation of the group.

Principles used in the consolidated financial statements relating to carve-out comparatives

IFRS 10 requires the parent company, Hermana Holding ASA, to control its subsidiary at the end of the reporting period to prepare consolidated financial statements. Hermana Holding ASA did not obtain such control until June 2024, and IFRS 10 has therefore not been applied for the carve-out comparative figures. IFRS provides no guidance for the preparation of carve-out financial statements. Following IAS 8.12 and industry practice, the predecessor accounting approach has been applied in the carve-out financial statements. The carve-out financial statements of Hermana Holding Group reflect the Magnora ASA licence business included in the IFRS consolidated financial statement of Magnora ASA Group. Hermana Holding Group applies the same accounting policies and measurement principles in preparing the carve-out financial statements as used by the Magnora ASA Group.

Consequently, it is not meaningful to show share capital or an analysis of other reserves for the carved-out entity prior to the legal formation of the Hermana Group. However, within the statement of changes in equity for comparative period, Hermana Holding ASA has presented “Contributed capital and retained earnings” which includes an analysis of the net equity impact of transactions with Magnora ASA Group including allocations made in preparing the carve-out financial statements. For further details see note 17.

Earnings per share

Pro-forma earnings per share information have been presented reflecting the number of shares of Hermana Holding ASA at the date of the listing on the Oslo Stock Exchange in 2024. The pro-forma comparable figures have been adjusted to reflect the merger of the shares that took place in November 2024.

Basis for Allocation for the carve-out comparative figures

The carve-out comparative figures has required certain allocations of expenses and related balance sheet items that Magnora ASA Group had previously not charged or allocated to the licensing business as this was directly owned by Magnora ASA and reported as part of the corporate segment. The principles and reasons for these allocations are described below. The historical results of operations, financial position, and cash flows of the Hermana Holding Group may not be indicative of what they would have been had the carve-out Hermana Holding Group been a separate independent stand-alone group. Management believes the principles used in preparing the carve-out comparative figures are reasonable. As a separately listed entity, Hermana Holding ASA will incur additional administrative expenses in the future. The carve-out comparative figures may not be indicative of future performance.

Income

The licensing income from the two licensing agreements have been allocated in accordance with actual revenues recognised from both licensing agreements during the period up until 31 December 2023. After 31 December 2023, only the revenues from the Dana Petroleum agreement have been recognised by the Group. Only the Dana Petroleum agreement was transferred to the Hermana Holding Group through the steps described in note 3 below, as the other licensing agreement with Shell Penguins is owned by Magnora ASA and will soon be completed.

General administrative and overhead costs

Magnora ASA provides management services to the Group through a service level agreement, where the services provided have been charged per hour based on timesheets from the time-keeping system. Prior to the decision of restructuring the Magnora Group and establishing the legal entity Hermana Holding ASA, there was no separate time code for hours spent on securities investment activities and activities related to license agreements or other oil and gas related topics. The cost allocation for remuneration-related expenses is therefore based on an estimate made by the CEO and CFO for how much time they have spent on licence agreements and securities investments activities.

The investment-related activities include creating a daily portfolio report with updated values for all shares held based on the share prices at the close of the markets the prior day. The investment-related activities also involve daily research activities on various shares to identify undervalued shares to add to the portfolio.

The follow-up activities from the licence business, include keeping in contact with Dana Petroleum to understand the development plans for the current oil field in order to have accurate revenue forecasts, verify production and offloading amounts with the UK Oil & Gas Authority to ensure the revenues received are accurate, following up with Dana when production and/or offloading numbers are reported lower than expected, renegotiate the licensing agreement for the Western Isles to be moved to a new oil field and change of ownership of the vessel, deal with disposal of interests in offshore installations that were entered into by Magnora ASA during its time as an Oil & Gas company, apply for tax exemption certificate and changes to existing ones when needed, follow up old tax cases from old projects or disposed vessels, and close down foreign subsidiaries used for FPSO construction projects.

Other general administrative and overhead costs related to Magnora ASA Group's corporate office have in the carve-out financial statements been allocated based on this same estimated percentage share. The percentage has been estimated at 30% of the remuneration expenses for the CEO and CFO. Stock exchange listing expenses have also been based on this same estimate. Insurance related costs consists of a professional indemnity insurance held for the licensing business liability exposures which is 100% allocated to Hermana Holding ASA, and a Directors and Officers Liability insurance, which is allocated to Hermana Holding ASA based on the same 30% estimate. Expenses directly related to the Group is procured directly and paid for by the Group.

Cash and cash equivalents
Magnora ASA transferred NOK 25 million to the Group as part of the demerger transaction in 2024 to ensure adequate working capital. There was no cash balance as of 31 December 2023.

Trade and other receivables
Trade and other receivables as of each year end consists of receivable licence payments from Dana Petroleum and Shell Penguins.

Income taxes
Tax expenses in the comparative carve-out figures comprise the tax expenses that would have been charged to the Group based on effective tax rate and the financial results of the Group during the reporting period. As Magnora had significant losses carried forward and deductible costs from the renewable business in Magnora, meaning there are no taxes paid, the allocation of tax expense is posted against equity.

Hermana Holding ASA, as part of the demerger in 2024, received a pro-rata share of losses carried forward based on the relative fair value of the business transferred. As these do not directly derive from the carve-out business, these losses were not allocated in the carve-out financial statements. Magnora ASA had approximately NOK 900 million in deferred taxes as of 31 December 2023, of which NOK 409 million was allocated to Hermana Group after the completion of the demerger in 2024.

Statement of cash flows
The statement of cash flow is prepared according to the indirect method. In the comparative carve-out figures cash and cash equivalents were zero because there existed no legal entities during the reporting periods.

Foreign exchange gain/(loss)
Foreign exchange gain/ (loss) are based on actual figures from the transactions in foreign currency related to the Group.

Material accounting policies
The accounting policies applied to the consolidated financial statements as a whole are described below, while the remaining accounting policies are described in the notes to which they relate. For the comparative carve-out figures the policy is stated above.

Basis of Measurement
The consolidated financial statements have been prepared on a historical cost basis. Historical cost is generally based on fair value of the consideration transferred when acquiring assets and services.

Amounts are rounded to the nearest million, unless otherwise stated. As a result of rounding adjustments, amounts and percentages in certain columns may not round up to the sum of those columns.

Going concern
The consolidated financial statements have been prepared on the going concern basis.

Basis And Principles for Consolidation
The consolidated financial statements comprise the financial statements of the parent company Hermana Holding ASA and its subsidiary Western Isles Holding AS.

Foreign Currency Translation
Functional and Presentation Currency
Amounts are presented in Norwegian Kroner (NOK), which is Hermana Holding ASA's functional currency, since it is the currency of the primary economic environment in which it operates. The headquarter is in Norway and all costs are in NOK. The revenues have historically been in dollar, but more of the revenues are expected to come from NOK and other currencies in the future. Transactions in currencies other than the entity's functional currency are recognized by applying the exchange rate at the date of transaction. Monetary items denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re- translated.

Principles of Cash Flow Statement
The cash flow statement has been prepared using the indirect method.

Change in Accounting Policies
The IASB has also adopted several minor changes and clarifications in several different standards. It is not expected that any of these changes will have considerable effect for the Group. The Group has not chosen to adopt early any standards, interpretations or amendments that have been issued but are not yet effective.

Future Changes in Standards
The Group is not aware of any future IFRS changes that could affect the consolidated financial statements.

Note 3. Demerger

Hermana Holding ASA (previously named Project Tripartite 3 AS and Magnora Legacy Holding AS) was incorporated 23 August 2023 as a subsidiary of Magnora ASA. Prior to the process of listing the company on the Oslo Stock Exchange, it was converted into a public liability company and renamed Hermana Holding ASA as the holding company of the Hermana Holding group.

The Group's business activities consist of holding, managing and operating a licence agreement transferred from Magnora ASA, which was established during the period Magnora ASA operated in the oil and gas industry. In addition, the Group will invest available funds from its cash assets and revenues from the licensing business. The investments will be focused on royalties and revenue streams.

The historical background of the Magnora Group's original business consisted of the design and construction of cylindrical vessels known as floating production, storage and offloading units (FPSOs) and drilling vessels. In 2018, Magnora sold its patents and related technology rights linked to the FPSO business but retained the right to use the technology under two existing agreements for two FPSOs, 1) Western Isles FPSO and 2) Shell Penguins FPSO, one of which was already in operation and another under construction. The amount of royalty payments varies depending on the level of production and offloading of the Western Isles FPSO owned and used by the licence holder.

Magnora carved out the licensing business, transferring the licence agreement with Dana Petroleum into an existing and wholly owned subsidiary, Western Isles Holding AS. The carve-out was implemented by means of a demerger of Magnora, where the licensing business was transferred to a wholly owned subsidiary of Magnora. As part of the demerger, Western Isles Holding AS received demerger receivables of NOK 25 000 000 and USD 8 625 000. Magnora ASA settled the receivables of NOK 25 000 000 before the listing took place.

The purpose of carving out the licence business into another entity was to separate the income related to oil production into a stand-alone business model, making Magnora more attractive for investors whose investment mandates are limited to renewable energy companies.

As a result of the spin-off demerger, the share capital in Magnora was reduced, and the shareholders in Magnora received 70% of the total number of shares in Hermana Holding ASA on completion of the spin-off demerger.

The demerger (reorganization) was carried out with tax continuity for Norwegian tax purposes pursuant to the provisions in Chapter 11 of the Norwegian Taxation Act. The demerger was also carried out with accounting continuity, so that book values of Magnora's assets and rights and obligations relating to the licence business and transferred to Hermana Holding ASA are continued without any other changes than the transfer of ownership.

The demerger of Hermana Holding ASA from Magnora ASA achieved the following:

(i) Hermana ceased to be a wholly owned subsidiary of Magnora,

(ii) is owned 70% by the current shareholders of Magnora ASA and 30% directly by Magnora ASA,

(iii) has become the parent company of the Hermana Group

(iv) has become the sole owner of the shares in Western Isles Holding AS, which holds the licence business including the license agreement with Dana Petroleum (E&P) Limited and NEO Energy.

Magnora and Hermana Group structures

Group Structure

Legal Entity	Shareholding	Voting Rights	Country of Incorporation	Description
Hermana Holding ASA			Norway	Parent Company
Western Isles Holding ASA	100%	100%	Norway	Owner and operator of the Licence Business

Note 4. Key Accounting Estimates and Judgements

In preparing the Group's consolidated financial statements, management has made assumptions and estimates about future events and applied judgements that affect the reported values of assets, liabilities, revenues, expenses and related disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of assets or liabilities affected in future periods. The assumptions and estimates are based on historical experience, current trends and other relevant factors available when the consolidated financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes beyond the control of the Group. Such changes are reflected in the financial statements when the changes in assumptions occur.

The carve-out financial statements include estimates for cost allocations and taxes as set out in Note 2.

Key sources of estimation uncertainty and areas of significant judgement

Deferred tax asset recognition

Deferred tax assets are recognised for unused tax losses only to the extent it is probable a taxable profit will be available to be offset by the tax credit carry-forward from previous 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 5-10 years based on the company's expected operating income and cost base as of the reporting date. The book value of the deferred tax asset represents a minor part of the total accumulated tax losses of over NOK 409 million

Note 5. Key Risk Factors

Through its business activities, the Group is exposed to various risks. The Group's overall risk management is designed to leverage the Group's financial strength, development strategies and expertise to minimise potential adverse effects on its financial performance. Risk management focuses on identifying threats and opportunities, as well as managing the Group's overall exposure to financial and operational risks. Key risks are summarised below, with detailed descriptions of market and financial risks.

Market Risk

Oil Price

The Group has a licensing agreement for the Western Isles FPSO, and the activity level on the oil field is dependent on the prevailing and expected future oil prices. A significant decline in the oil price can cause the operators of the FPSO to decrease or halt production, which directly impacts the Group's revenues from the licensing agreement.

Climate Risk

While the Group has no physical assets at risk, future climate policy shifts could impact its revenues from the royalty agreement. The Group seeks to mitigate this risk by diversifying investments across industry segments and regions. Climate change may lead to political decisions related to oil exploration which could have a negative or positive impact on the exploration project the Western Isles is operating at.

Financial Risks

Interest rate risk

With minimal debt at the balance sheet date, the Group has limited exposure to interest rate fluctuations, though future financing may increase sensitivity to interest rate changes.

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the USD as the Group has revenues and a receivable in that currency. Foreign exchange risk arises from future commercial transactions, recognised assets or liabilities, and net investments in foreign operations when such transactions, assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's revenue. Any annualised increase or decrease in the USD/NOK foreign exchange by 10 percent would have increased or decreased the Group's 2024 profit before tax by NOK 0.39 million (2023: NOK 1.03 million).

Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash to meet its obligations. Cash flow forecasts are regularly updated to reflect changes in assumptions, such as payment schedules and licence milestones, allowing the Group to anticipate and address potential liquidity challenges.

As of balance sheet date, the Group has no borrowings. Trade receivables and payables are current and due within 30 days, except for the demerger-related receivable from Magnora ASA. Hermana maintains a strong liquidity position relative to its activity level, with a cash balance of NOK 16.6 million.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as loans and credit exposures to customers. The Group has one main banking relationship with a financial institution that is currently rated AA-.

The Group's major customers are oil companies with a strong financial basis, but, as with suppliers and customers in general, there is a risk that unforeseen financial difficulties on the counterparty's side may arise which could have material adverse effects on the financial condition, the cash flows and/or the prospects of the Group.

Note 6. Financial instruments

Financial assets

The Group's cash and cash equivalents are measured at fair value. Trade receivables and other financial assets are measured at transaction price.

Financial liabilities

The Group's financial liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. Interest incurred on these financial liabilities is recognised as finance expenses in the income statement.

The carrying amount for financial assets and financial liabilities measured at amortised cost is believed to approximate their fair value.

Below is a table that shows the Group's financial instruments with their carrying amounts recognised on 31 December 2024:

NOK million		2024	2023
Category:	**Asset:**		
Financial assets at amortised cost	Trade and other receivables	98.0	-
Fair value through profit and loss	Cash and cash equivalents	16.6	-
Total financial assets		**114.6**	**-**

NOK million		2024	2023
Category:	**Liability:**		
Financial liability at amortised cost	Trade payables	0.3	-
Financial liability at amortised cost	Other current liabilities	0.6	-
Total financial liabilities		**0.9**	**-**

Note 7. Operating revenue

The Group only has one reporting segment, as all its activities is related to the licencing business in Western Isles Holding AS. Royalty from the Dana Western Isles FPSO constitutes 100% (2023: 51 percent) of total operating revenue. Revenue from contracts with customers is recognised, at a point in time, when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group receives royalty income in exchange for the licence of intellectual property (design fees). The royalty received is recognised when the sale or usage occurs and the performance obligation related to the royalty payment has been satisfied. The royalty received from the Western Isles agreement is based on production and offloading of oil barrels and the revenue is recognised as the offloading occurs.

Operating revenue in 2024 consisted of revenue from royalty income from the Western Isles FPSO.

NOK million	2024	2023
Licence fee	3.9	10.3
Total operating revenue	**3.9**	**10.3**

Revenue by country:

NOK million	2024	2023
United Kingdom	3.9	10.3
Total operating revenue	**3.9**	**10.3**

Note 8. Board remuneration

The Group has no employees as of the end of the year and therefore no employee benefit expenses for 2024.

Remuneration of the Board of Directors:

NOK thousand	Function	Member from	Member to	2024	2023
Erik Sneve	Chairman of the board	March 2024	-	-	-
Torstein Sanness	Board member	March 2024	-	-	-
Hilde Ådland	Board member	March 2024	-	-	-
Nina Skage	Board member	May 2024	-	150.0	-
Lars Ørving Eriksen	Board member	May 2024	-	150.0	-
Total remuneration paid				**300.0**	**-**

All board members attended 100 percent of the board meetings held during 2024.

As of 31 December 2024, the Board members and hired-in Senior Management owned or controlled the following shares in the Company:

	Function	Shares owned or controlled
Erik Sneve	Chairman of the board	167,692
Torstein Sanness	Board member	89,920
Hilde Ådland	Board member	5,572
Nina Skage	Board member	-
Lars Ørving Eriksen	Board member	-
Stein Bjørnstad	CEO	14,286
Bård Olsen	CFO	23,270
Total shares		**300,740**

Reference is made to the 'Hermana Holding Remuneration Report 2024' for further details of remuneration of the board.

Note 9. Other operating expense

NOK million	2024	2023
Legal fees	3.5	1.0
Consulting fees	3.2	0.2
Management fees	2.6	-
Auditor fees	1.9	0.2
Other expenses	1.6	0.5
Board remuneration	0.3	-
Office costs	-	0.2
Employee benefit expense	-	5.1
Total other operating expenses	**13.1**	**7.2**

Expenses related to auditor fees are presented below:

NOK million	2024	2023
Statutory audit	1.5	-
Other certification services	0.4	-
Total auditor fees	**1.9**	**-**

Note 10. Foreign exchange gains

NOK million	2024	2023
Exchange rate gains	10.2	3.1
Total foreign exchange gain	**10.2**	**3.1**

Exchange gains for the year are related to the demerger receivable, which is denominated in USD and amounts to USD 8.6 million.

Note 11. Income taxes

The tax expense for the period comprises current and changes in deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss. Deferred income tax is determined using tax rates (and legislation) that have been enacted or substantially enacted by balance sheet date and are expected to apply when the deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. 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 tax base included in the calculation of deferred income tax is calculated in local currency and translated into NOK at foreign exchange rates prevailing at balance sheet date. Deferred income tax asset and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities related to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets and liabilities are offset when a legally enforceable right to offset current tax assets against current tax liabilities exists. For 2024 a tax rate of 22% has been used when calculating the deferred tax assets and liabilities (2023: 22%). The Group is not affected by Pillar 2.

Deferred income tax assets are recognised for tax losses carried forward and deductible temporary differences to the extent that the realisation of the tax benefit through future taxable profits is probable. 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.

At balance sheet date, the recognition criteria in IAS 12 were met. The deferred tax asset recognised is expected to be utilised in the future based upon on the Group’s contract portfolio and cost base as of today. The book value of the deferred tax asset represents a minor part of the total of NOK 409 million losses carried forward. Reference is made to the Deferred tax asset recognition section of note 4 for further information.

For 2024 a tax rate of 22% has been used when calculating the tax income/(expense), (2023: 22%).

Specification of booked deferred tax assets/(liabilities):

NOK million	2024	2023
Specification net deferred tax assets /(liabilities):		
Deferred tax asset to be reversed after more than 12 months	90.0	-
Deferred tax liability to be reversed after more than 12 months	-	-
Net deferred tax assets/(liabilities)	**90.0**	**-**
Deferred tax assets not recognised in the balance sheet	82.2	-
Net deferred tax /(liabilities) recognised in the balance sheet	**7.8**	**-**

Reconciliation of deferred tax assets:

NOK million	2024	2023
Transferred in demerger	6.9	0.2
Income statement charge relating to deferred tax assets	0.9	-
Book value 31 December	**7.8**	**0.2**

Reconciliation of nominal tax rate and effective tax rate:

NOK million	2024	2023
Profit/(loss) before tax:	0.9	6.2
Nominal tax rate	22%	22%
Expected tax expense	-0.2	-1.4
Effect on taxes of:		
Permanent differences	-	-
Change in recognised tax assets	1.1	-
Tax income/(expense)	**0.9**	**-1.4**

Note 12. Investments in subsidiary

In the parent company's accounts, investments in subsidiaries and associated companies are recorded under the cost method. Investments are written down to fair value when a reduction in value is expected to be permanent.

Investment in subsidiaries as of 31 December 2024 (NOK million):

Name of entity	Registered office	Cost price	No. of shares	Equity	Book value	Profit/ (loss)	Share-holder interest
Western Isles Holding AS	Norway	92.7	100	92.7	92.7	-4.5	100%

Hermana did not have any investment in subsidiaries as of 31 December 2023.

Note 13. Cash and cash equivalents

The consolidated statement of cash flow, cash and cash equivalents consists of bank deposits.

Specification of cash and cash equivalents:

NOK million	2024	2023
Cash at bank and in hand	16.6	-
Total cash and cash equivalents	**16.6**	**-**

Note 14. Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at transaction price according to IFRS 15 and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Group recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss (e.g., trade receivables). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The provision for impairment of trade receivables is recognised in the income statement as 'other operating expense'. Hedge accounting has not been applied in 2024 or 2023. The Group's financial assets at amortised cost include trade receivables and other short-term receivables. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customer.

Specification of trade and other receivables:

NOK million	2024	2023
Accrued income	0.1	-
Other receivables*	97.9	-
Total trade and other receivables	**98.0**	**-**

*Demerger receivable from Magnora ASA, 8,625,000 USD.

Note 15. Share capital

The Group has one class of shares, ordinary shares with equal rights for all shares, classified as equity. The holders of ordinary shares are entitled to receive dividends and entitled to one vote per share at General Meetings. Incremental costs directly attributable to the issue of new shares is shown in equity as a deduction, net of tax, from the proceeds. The Group holds no treasury shares.

The total authorised number of ordinary shares was 13,418,740 (2023: 0) with a par value of NOK 1 (2023: N/A) per share. All issued shares were fully paid at the balance sheet date. All shares were issued as part of the demerger from Magnora ASA in the second quarter of 2024. A share consolidation was performed in the fourth quarter 2024 in accordance with the resolution from an extraordinary general meeting held on 29 October 2024.

NOK million	Number of shares	Share capital	Share premium	Total
1 January 2024	1	-	-	-
Demerger	65,751,825	6.7	-	6.7
Contribution in kind	28,179,352	2.9	32.4	35.3
Share consolidation*	-80,512,438	-	-	-
Bonus issue**		3.9	-	3.9
31 December 2024	**13,418,740**	**13.4**	**32.4**	**45.8**

NOK million	Number of shares	Share capital	Share premium	Total
23 August 2023	1	-	-	-
31 December 2023	**1**	**-**	**-**	**-**

* A share consolidation in the ratio of 7:1 was performed on 21 November 2024, reducing the number of outstanding shares from 93,931,178 shares to 13,418,740 shares.

** The Group's share capital was increased by NOK 3.9 million immediately after completion of the share consolidation by transfer of NOK 3.9 million from the Group's unrestricted equity to the Group's share capital.

Shareholders	Number of shares	Percent ownership
MAGNORA ASA	4,025,621	30.0%
HAFSLUND VEKST AS	639,181	4.8%
KING KONG INVEST AS	381,570	2.8%
GINNY INVEST AS	352,734	2.6%
F2 FUNDS AS	326,892	2.4%
ALDEN AS	316,832	2.4%
F1 FUNDS AS	258,838	1.9%
PHILIP HOLDING AS	235,482	1.8%
CARE HOLDING AS	214,285	1.6%
DNB BANK AS	210,100	1.6%
JP MORGAN CHASE BANK	204,961	1.5%
NORDNET LIVSFORSIKRING AS	196,706	1.5%
ALTEA AS	164,992	1.2%
MP PENSJON PK	163,247	1.2%
AARSKOG, PHILIP GEORGE	142,857	1.1%
MORGAN STANLEY & CO INT. PLC.	123,384	0.9%
BALLISTA AS	108,623	0.8%
BAKLIEN, ÅSMUND	108,014	0.8%
BILL INVEST AS	103,021	0.8%
TORSTEIN SANNESS	89,920	0.7%
Total 20 largest shareholders	**8,367,260**	**62.4%**
Other shareholder accounts	5,051,480	37.6%
Total number of shares	**13,418,740**	**100.0%**
Foreign ownership	933,025	7.0%

Note 16. Current liabilities

Trade Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Specification of trade payables and other current liabilities:

NOK million	2024	2023
Trade payables	0.3	-
Other current liabilities	0.6	-
Total current liabilities	**0.9**	**-**

Note 17. Earnings per share

Basic earnings per share were calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares on issue during the year.

	2024	2023[1]
Basic earnings per share (NOK)	0.13	0.36
Diluted earnings per share (NOK)	0.13	0.36
Weighted avg. no. of ordinary shares outstanding (thousands)	13,419	13,419
Weighted diluted avg. no. of ordinary shares outstanding (thousands)	13,419	13,419

1) Pro-forma earnings per share reflecting the actual number of shares of Hermana Holding ASA after of the listing on the Oslo Stock Exchange on 18 June 2024, and subsequently consolidating its shares on 21 November 2024.

Note 18. Related party transactions

From 2024, Hermana Holding ASA has an agreement with Magnora ASA that allows services to be provided by Magnora ASA at agreed hourly rates. The total operating expenses from Magnora ASA in 2024 was NOK 2.6 million (2023: NOK nil).

See note 2 for details regarding cost allocation for the carve-out 2023 comparatives. Intercompany transactions between Hermana Holding Group and Magnora ASA have been included in these carve-out comparative figures and are forgiven at the time the transaction is recorded. The total net effect of the settlement of these intercompany transactions is reflected in the statement of cash flows as financing activity and in the balance sheet as parent's investment. The components of the net transfer to and from Magnora ASA as of 31 December 2023 are as follows:

NOK million	2024	2023*
Employee benefit expenses	–	5.1
Other operating expenses	–	2.1
Net finance loss/(gain)	–	-3.1
Distribution of operating revenue	–	-84.2
Management services from Magnora ASA	2.6	-
Net contribution from parent	**2.6**	**-80.2**
Income tax expense	–	1.4
Net decrease in Parent company investment	–	-78.7

*There are no related party transactions during 2023, but the management agreement between Magnora ASA and Hermana Holding ASA established in 2024 created related party transactions between the two entities during 2024. The amounts for 2023 are the details regarding cost allocations between Hermana Holding ASA and Magnora ASA in the carve-out financial statements prepared as part of the demerger process.

Note 19. Events after balance sheet date

There have been no significant events after the reporting period that would materially affect the Group's financial position or operations.

Income statement – parent company

NOK million	Notes	2024	2023
Other operating expense	3, 4	-12.8	–
EBITDA		-12.8	–
Operating profit/(loss)		-12.8	–
Financial income		–	–
Financial expense		–	–
Foreign exchange gain/(loss) related to financing & operating revenue		–	–
Net financial items		–	–
Profit/(loss) before tax		-12.8	–
Tax income/(expense)	5	-2.1	–
Annual net profit/(loss)		-14.9	–
Net profit/(loss) attributable to Equity holder of the Company			
Transfer from other equity		-14.9	–
Total allocation of profit/(loss) for the year		-14.9	–

Balance sheet – parent company

NOK million	Notes	2024	2023
ASSETS			
Investment in subsidiaries	6	92.7	–
Total non-current assets		92.7	–
Trade and other receivables	8	0.1	–
Cash and cash equivalents	9	12.9	–
Total current assets		13.0	–
Total assets		**105.7**	**–**
EQUITY & LIABILITIES			
Share capital	11	13.4	–
Other equity		91.4	–
Total equity		104.8	–
Trade payables		0.3	
Other current liabilities	10	0.6	–
Total current liabilities		0.9	–
Total liabilities		0.9	
Total equity and liabilities		**105.7**	**–**

Oslo, Norway, 26 February 2025
The Board of Directors of Hermana Holding ASA

Erik Sneve
Chairman

Hilde Ådland
Board Member

Torstein Sanness
Board Member

Nina Skage
Board Member

Lars Ørving Eriksen
Board Member

Stein Bjørnstad
CEO

Cash flow statement – parent company

NOK million	Notes	2024	2023
Cash flows from operating activities			
Profit/(loss) before tax	5	-12.8	-
Adjustment for:			
Trade and other receivables		-0.1	-
Trade and other payables		0.8	-
Net cash generated from operating activities		**-12.0**	**-**
Cash flows from investing activities			
Dividends received		**25.0**	**-**
Net cash generated from investing activities		**25.0**	**-**
Cash flows from financing activities			
Proceeds from issuance of shares	11	1.0	-
Capital decrease	11	-1.0	-
Net cash flow from financing activities		**-**	**-**
Net cash flows for the period		12.8	-
Cash and cash equivalents at start of period		**-**	**-**
Cash and cash equivalents at end of period		**12.8**	**-**

Notes to the financial statements – parent company

Note 1. General Information

Hermana Holding ASA, "the Company" is incorporated and domiciled in Norway. The address of its registered office is Karenslyst Allé 6, 0278 Oslo. The Company is listed on the Oslo Stock Exchange main list, ticker: HERMA.

Hermana Holding ASA (the 'Company') and its subsidiary (the 'Group' or 'Hermana') is a company with investments in royalties, and with a focus on growth within equity and/or royalty investments in Norway but also internationally.

Note 2. Accounting policies

Hermana Holding ASA's ('the Company') financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and Norwegian Generally Accepted Accounting Principles (NGAAP).

Hermana Holding ASA is the parent company of the Hermana Group ('the Group').

The Company's functional currency is NOK. All numbers in the financial statements are in NOK 1,000,000 unless otherwise stated.
The descriptions of accounting policies in the statements and notes form part of the overall description of accounting policies:

Trade and other receivables	Note 9
Cash and cash equivalents	Note 10
Taxes	Note 5
Earnings per share	Note 6

Principal Rule for Evaluation and Classification of Assets and Liabilities
Assets intended for long term ownership or use are classified as fixed assets. Assets relating to the operating cycle are classified as current assets. Receivables are classified as current assets if they are to be repaid within one year after the balance sheet date. Equivalent criteria apply to liabilities.

Current assets are valued at the lower of purchase cost and net realisable value. Current liabilities are reflected in the balance sheet at nominal value at the establishment date.

Trade payables
Trade Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Currency
Cash and bank deposits, current assets, and current liabilities nominated in foreign currencies are converted to exchange rates prevailing at balance sheet date. Realised and unrealised exchange gains and losses on assets and liabilities in foreign currencies are included as financial items in the income statement.

Cash Flow Statement
The cash flow statement is prepared in accordance with the indirect method.

Note 3. Board remuneration

Remuneration of the Board of Directors:

NOK thousand	Member from	Member to	2024	2023
Erik Sneve, Chairman	March 2024	–	–	–
Torstein Sanness, Board member	March 2024	–	–	–
Hilde Ådland, Board Member	March 2024	–	–	–
Nina Skage, Board Member	May 2024	–	150.0	–
Lars Ørving Eriksen, Board Member	May 2024	–	150.0	–
Total remuneration paid			**300.0**	**-**

Reference is made to the 'Hermana Remuneration Report 2024' for details of remuneration in 2024.

The Company does not have employees and is therefore not required to maintain a pension plan.

Note 4. Other operating expenses

NOK million	2024	2023
Auditor fees	1.8	–
Board remuneration	0.3	–
Legal and other fees	0.4	–
Other expenses	10.3	–
Total other operating expenses	**12.8**	**-**

Expenses related to auditor fees are presented below:

NOK million	2024	2023
Statutory audit	1.5	–
Other certification services	0.3	–
Total auditor fees	**1.8**	**-**

Note 5. Taxes

Deferred income taxes is provided using the liability method on temporary difference at balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purpose. Tax- reducing temporary differences and losses carried forward are offset against tax-increasing temporary differences that are reversed in the same time intervals. Taxes consist of taxes payable (taxes on current year taxable income) and change in net deferred taxes.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The book value of the deferred tax asset represents a minor part of the total accumulated tax losses of approximately NOK 0.1 billion.

Specification of booked deferred tax assets/(liabilities):

NOK million	**2024**	**2023**
Specification net deferred tax assets /(liabilities):		
Deferred tax asset to be reversed after more than 12 months	29.7	-
Deferred tax liability to be reversed after more than 12 months	-	-
Net deferred tax assets/(liabilities)	**29.7**	**-**
Deferred tax assets not recognised in the balance sheet	-29.7	-
Net deferred tax /(liabilities) recognised in the balance sheet	**-**	**-**

Reconciliation of deferred tax assets:

NOK million	**2024**	**2023**
Transferred in demerger	2.1	-
Income statement charge relating to deferred tax assets	-2.1	-
Book value 31 December	**-**	**-**

Reconciliation of nominal tax rate and effective tax rate:

NOK million	**2024**	**2023**
Profit/(loss) before tax:	-12.8	-
Nominal tax rate:	22%	-
Expected tax expense	2.8	-
Permanent differences	-	-
Change in deferred tax assets not recognised	-2.8	-
Change in recognised tax assets	-2.1	-
Tax income/(expense)	**-2.1**	**-**

Deferred tax assets are recognised for unused tax losses only to the extent it is probable 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 next 5-10 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.

Note 6. Investments in subsidiary

In the parent company's accounts, investments in subsidiaries and associated companies are recorded under the cost method. Investments are written down to fair value when a reduction in value is expected to be permanent.

Investment in subsidiaries as of 31 December 2024 (NOK million):

Name of entity	Registered office	Cost price	No. of shares	Equity	Book value	Profit/ (loss)	Share-holder interest
Western Isles Holding AS	Norway	92.7	100	92.7	92.7	-4.5	100%

Hermana did not have any investment in subsidiaries as of 31 December 2023.

Note 7. Related parties and related party transactions

Hermana Holding ASA has an agreement with Magnora ASA that allows management services to be provided by Magnora at agreed hourly rates. The total operating expenses invoiced from Magnora in 2024 was NOK 2.3 million (NOK nil).

NOK million	2024	2023
Management services from Magnora ASA	2.3	-
Total operating expenses from related parties	**2.3**	**-**

Note 8. Trade and other receivables

Other receivables are reflected in the balance sheet at nominal value less provision for estimated losses. Estimated losses are provided for based on an individual assessment of each debtor.

Specification of trade and other receivables:

NOK million	2024	2023
Other receivables	0.1	-
Total trade and other receivables	**0.1**	**-**

Note 9. Cash and cash equivalents

Cash and bank deposits include cash in hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less. The Company received NOK 25 million in working capital from Magnora ASA as part of the demerger in the second quarter of 2024.

Specification of cash and cash equivalents:

NOK million	**2024**	**2023**
Cash at bank in hand	12.9	-
Total cash and cash equivalents	12.9	**-**

Note 10. Current liabilities

Specification of trade payables and other current liabilities:

NOK million	**2024**	**2023**
Trade payables	0.3	-
Other current liabilities	0.6	-
Total current liabilities	**0.9**	**-**

Note 11. Equity

NOK million	**Share Capital**	**Other Equity**	**Total Equity**
Equity as at 1 January 2024	-	-	-
Total comprehensive income for the period	-	-14.9	-14.9
Demerger	6.7	77.7	84.4
Contribution in kind*	2.9	32.4	35.3
Capital increase in March 2024	1.0	-	1.0
Capital decrease in June 2024	-1.0	-	-1.0
Sale fraction shares	0.0	0.0	0.0
Bonus issue**	3.9	-3.9	0.0
Total changes in equity	13.4	91.4	104.8
Equity as at 31 December 2024	**13.4**	**91.4**	**104.8**

NOK million	**Share Capital**	**Other Equity**	**Total Equity**
Equity as of 1 January 2023	-	-	-
Annual profit for the period	-	-	-
Equity as of 31 December 2023* **	**-**	**-**	**-**

*Magnora ASA contributed 70 percent of the shares in Western Isles Holding AS as contribution in kind as part of the demerger.

** The Group's share capital was increased by NOK 3.9 million immediately after completion of the share consolidation by transfer of NOK 3.9 million from the Group's unrestricted equity to the Group's share capital.

*** Equity as of 31 December 2023 was NOK 30,000 , which was distributed to the shareholders in 2024.

Note 12. Shareholder information

Shareholders	Number of shares	Percent ownership
MAGNORA ASA	4,025,621	30.0%
HAFSLUND VEKST AS	639,181	4.8%
KING KONG INVEST AS	381,570	2.8%
GINNY INVEST AS	352,734	2.6%
F2 FUNDS AS	326,892	2.4%
ALDEN AS	316,832	2.4%
F1 FUNDS AS	258,838	1.9%
PHILIP HOLDING AS	235,482	1.8%
CARE HOLDING AS	214,285	1.6%
DNB BANK AS	210,100	1.6%
JP MORGAN CHASE BANK	204,961	1.5%
NORDNET LIVSFORSIKRING AS	196,706	1.5%
ALTEA AS	164,992	1.2%
MP PENSJON PK	163,247	1.2%
AARSKOG, PHILIP GEORGE	142,857	1.1%
MORGAN STANLEY & CO INT. PLC.	123,384	0.9%
BALLISTA AS	108,623	0.8%
BAKLIEN, ÅSMUND	108,014	0.8%
BILL INVEST AS	103,021	0.8%
TORSTEIN SANNESS	89,920	0.7%
Total 20 largest shareholders	**8,367,260**	**62.4%**
Other shareholder accounts	5,051,480	37.6%
Total number of shares	**13,418,740**	**100.0%**
Foreign ownership	933,025	7.0%

Note 13. Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Market risk

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from exposure to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets or liabilities, and net investments in foreign operations when such transactions, assets or liabilities are denominated in a currency that is not the entity's functional currency. Currently, all of the Company's revenues is in USD.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. The Company has one main banking relationship with a financial institution that is currently rated AA-, and one customer currently rated at AA-.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and ability to obtain funding from banks when needed.

The Company has implemented routines to continuously update its cash flow forecast, and the forecast is distributed and reviewed by the Board and Senior Management.

Note 14. Shares owned or controlled by the Board of Directors and hired-in senior management

Shares owned or controlled by the Board of Directors and hired-in senior management

	Function	Shares owned or controlled
Erik Sneve	Chairman of the baord	167,692
Torstein Sanness	Board member	89,920
Hilde Ådland	Board member	5,572
Nina Skage	Board member	-
Lars Ørving Eriksen	Board member	-
Stein Bjørnstad	CEO	14,286
Bård Olsen	CFO	23,270
Total shares		**300,740**

Reference is made to the 'Hermana Holding Remuneration Report 2024' for details of remuneration of the board.

Note 15. Subsequent events

There have been no significant events after the reporting period that would materially affect the Company's financial position or operations.

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To the General Meeting of Hermana Holding ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hermana Holding ASA, which comprise:

- The financial statements of the parent company Hermana Holding ASA (the Company), which comprise the balance sheet as at 31 December 2024, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- The consolidated financial statements of Hermana Holding ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the group consolidated financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Hermana Holding ASA for two years from the election at incorporation of the Company on 23 August 2023 for the accounting year 2023.

Emphasis of Matter – Basis of Preparation
Comparable figures are based on a carve-out financial statements that were prepared to meet the requirements in connection with Hermana Holding ASA' listing of shares on Oslo Stock Exchange, including the prospectus prepared in connection therewith. We draw attention to Note 2 to the consolidated financial statements, which describes their basis of preparation. As the Hermana Holding ASA business has not operated as a separate entity, these carve-out financial statements are therefore not necessarily indicative of results that would have occurred if the business had been a separate standalone entity during the years presented or of future results of the business. Our opinion is not modified in respect of this matter.

Key Audit Matters
We have determined that there are no key audit matters to communicate in our report.

Other Information
The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Hermana Holding ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Hermanaasa-2024-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 26 February 2025
Deloitte AS

Lars Atle Lauvsnes

Lars Atle Lauvsnes
State Authorised Public Accountant

Remuneration report 2024

Introduction

Background
This remuneration report (the "Report") is prepared by the Board of Directors of Hermana Holding ASA (the "Group") in accordance with the Norwegian Public Limited Liability Companies Act (the "Companies Act") Section 6-16 b with regulations. The Report contains information regarding remuneration of the Group's board for the financial year of 2024 in line with the applicable requirements. The Group has a management agreement with Magnora ASA that covers its executive management team and compensation of those individuals can therefore be found in the Magnora ASA remuneration report for 2024. There are no employees in the Group.

Highlights summary
The Group was demerged from Magnora ASA during 2024 and had the following key events during 2024:

- As part of the demerger, the agreement for the Western Isles FPSO was transferred from Magnora to the Group
- As part of the demerger, a receivable was setup for the Group to receive the funds from the remaining milestone payments for the Shell Penguins FPSO
- On 18 June 2024, Hermana Holding ASA had its first day trading on the main list of Oslo Stock Exchange
- In accordance with Stock Exchange requirements, a 7:1 share consolidation was performed during the fourth quarter

Remuneration of Board of Directors

The General Meeting approves the remuneration of the Board of Directors. The directors hold no assignment in the Group other than the Board directorship. The Board of Directors are not entitled to performance-related compensation. The Board members did not receive any compensation from the Group other than the remuneration for the directorship and remuneration for the Board work as described in this document. The compensation is paid annually. The remuneration of the Board consists of a fixed annual fee, and reimbursement of travel expenses. The Group also holds and covers the expense of directors' and officers' (D&O) insurance covering the directors of the board for claims related to their directorships in any Group company. There were no claims against any board member in 2024.

The following remuneration for the board members was approved in an extraordinary general meeting on 29 October 2024 for the period from 23 May 2024 until the ordinary general meeting in 2025:

Board's Chairman: -

Independent Board members (Lars Ørving Eriksen and Nina Skage): NOK 150,000 each

The table below in this section contain an overview of the total remuneration received by the Board of Directors during the reported financial year and previous year.

NOK thousand	Function	Member from	Member to	2024	2023
Erik Sneve	Chairman of the board	March 2024	-	-	-
Torstein Sanness	Board member	March 2024	-	-	-
Hilde Ådland	Board member	March 2024	-	-	-
Nina Skage	Board member	May 2024	-	150.0	-
Lars Ørving Eriksen	Board member	May 2024	-	150.0	-
Total remuneration paid				**300.0**	**-**

Board members and Executive Management ownership in the Company as of 31 December 2024:

Shares owned or controlled by the Board of Directors and senior management

	Function	Shares owned or controlled
Erik Sneve	Chairman of the board	167,692
Torstein Sanness	Board member	89,920
Hilde Ådland	Board member	5,572
Nina Skage	Board member	-
Lars Ørving Eriksen	Board member	-
Stein Bjørnstad*	CEO	14,286
Bård Olsen*	CFO	23,270
Total shares		**300,740**

*Employed by Magnora ASA

Any use of the right to reclaim variable remuneration

No variable remuneration was paid during 2024 and therefore none reclaimed.

Information on how the remuneration complies with the remuneration policy

As there were no employees in the Group during 2024, the only remuneration was for two of the members of the board. The remuneration for the two members was set by the General Meeting on 29 October 2024.

Derogations and deviations from the remuneration policy from the procedure for its implementation

No deviations from the remuneration policy or the procedure for the implementation of the remuneration policy has been applied during 2024.

Comparative information on the change of remuneration and company performance

There were no employees and therefore no remuneration tied to the performance of the company during 2024.

Oslo, Norway, 26 February 2025

The Board of Directors of Hermana Holding ASA

Erik Sneve Chairman	**Hilde Ådland** Board Member	**Torstein Sanness** Board Member
Nina Skage Board Member	**Lars Ørving Eriksen** Board Member	**Stein Bjørnstad** CEO

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To the General Meeting of Hermana Holding ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REPORT ON SALARY AND OTHER REMUNERATION TO DIRECTORS

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Hermana Holding ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2024 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 26 February 2025
Deloitte AS

Lars Atle Lauvsnes

Lars Atle Lauvsnes
State Authorised Public Accountant

Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period January 1 to December 31, 2024, have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit and loss of Hermana Holding ASA as well as the consolidated group.

We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties facing the Company and the Group.

Oslo, Norway, 26 February 2025
The Board of Directors of Hermana Holding ASA

Erik Sneve
Chairman

Hilde Ådland
Board Member

Torstein Sanness
Board Member

Nina Skage
Board Member

Lars Ørving Eriksen
Board Member

Stein Bjørnstad
CEO

HERMANA

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