MAGNORA ASA

Annual Report 2024

Contents

This is Magnora

Purpose

Magnora accelerates the shift to greener and more available energy through developing high-quality, profitable projects within wind, solar and battery energy storage.

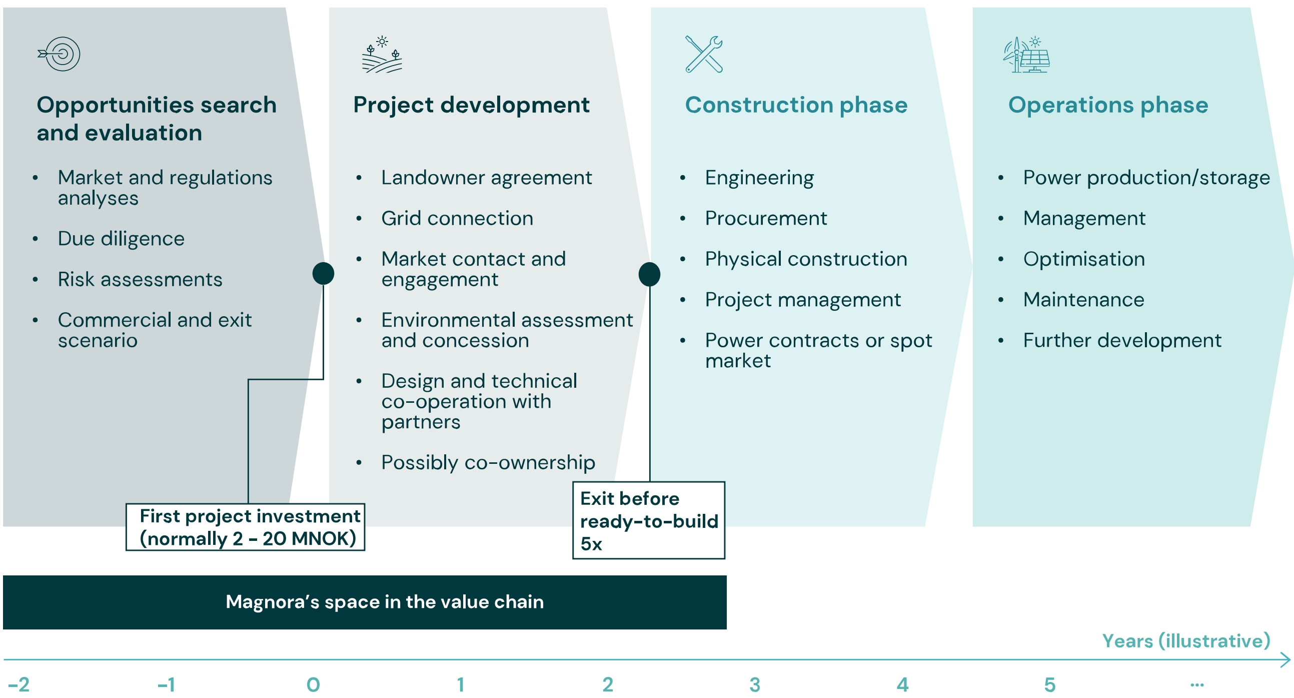
A faster energy transition benefits stakeholders, our planet and the company. Magnora aims to continue delivering successful projects, steady growth and high return on investment.

Business model and value creation

Magnora delivers on sustainability and profitability through systematically and consistently:

- bringing renewable energy projects from greenfield to ready-to-build,
- deploying local entrepreneurial teams with excellent operational skills,
- prioritising project quality, risk management and progress over volume,
- ensuring cost discipline and strict project management,
- staying asset light, bringing in new owners before construction phase of each project.

Magnora focuses on medium and large solar, battery and wind projects. We evaluate numerous opportunities before selecting or creating projects and typically develop the projects over multiple years and eventually exit when projects are ready-to-build or near that stage. Our portfolio is primarily built organically, with a pragmatic approach to growth.



Magnora's revenues are mainly from sales of projects and companies and not sales of electricity. Revenues will therefore vary, depending on conditions and timing - while value creation remain rather constant due to a large and growing land bank, grid applications and spend on environmental studies and applications. Based on its business model, team and results, the Magnora share has generated above 40 percent annual average return in the five-year period 2020-2024. Financial and sustainability performance is highly correlated, and Magnora aims to continue delivering on both.

Magnora's journey

After divesting most rights associated with Sevan Marine in 2018, Magnora transitioned into a company focused on renewable energy. Sevan Marine designed floating installations (FPSOs) for the offshore oil and gas industry. When the Sevan Marine business was sold to SembCorp Marine, two licence agreements were excluded from the transaction, but these remained with the seller and served to finance new business. From 2018 to 2022 Magnora financed its activity primarily through licencing revenues from one FPSO in operation and one FPSO being constructed, enabling investments in early-stage wind and solar energy. During the same period, Magnora built a team with expertise in planning, developing and investing in the renewables industry.

Magnora started building its portfolio of renewable companies and projects in 2020 with (a) Kustvind, a shallow water offshore wind project company, and (b) Evolar AB, a solar-power technology company.

In 2021 Magnora (a) established Magnora Offshore Wind, together with TechnipFMC, and was awarded a licence in ScotWind following a licence application tender process, (b) acquired a stake in the solar-energy developer Helios Nordic Energy, (c) entered the South African market through acquiring a South African developer within wind and solar project portfolio, and (d) increased its ownership in Evolar to 50 percent.

In 2022 Magnora (a) acquired African Green Venture (AGV), a company developing renewable projects in South Africa, (b) increased the ownership in Evolar to 63.5 percent, (c) partnered with an experienced local developer to enter the UK Solar PV and battery storage market, and (d) agreed with Hafslund and Helios to establish a solar PV development company, Hafslund Magnora Sol.

In 2023 Magnora (a) sold all its holdings in Evolar to First Solar for approximately USD 29 million (with additional earnouts of USD 18.7 million depending on milestone achievements), (b) sold its two first projects in South Africa, and (c) significantly increased its focus on battery energy storage systems.

In 2024 Magnora (a) sold all its holdings in Helios Nordic Energy AB to Vinci Concessions for approximately EUR 29 million (plus significant potential milestone payments), (b) achieved its first milestone payment of USD 5.7 million from the Evolar transaction, and (c) sold additional projects and reached milestone payments in South Africa.

During a few eventful years, Magnora has successfully and profitably transitioned into the business of green energy.

Our journey:
Profitable expansion to new countries, platforms and products supported by organic cashflow

2024 -

Scale, harvest and diversify towards 2030
- Hermana spin off
- Revenues and farm downs
- Among others - Vinci/Red Rocket
- Exit from Helios at up to 16x multiple before earnout
- Organic growth and return of capital
- Enters Germany and Italy

2023

"Go-to-market"
- Exit from Evolar at up to 10x multiple
- Sold 420 MW net: 3 to Globeleq + Hafslund, Commerz etc.
- Growth and return of capital
- Legacy contract extension

2022

Operational and financial excellence
- First dividend and first large project sales from portfolio company
- Hafslund becoming largest shareholder
- Scotwind lease award

2020 - 2021

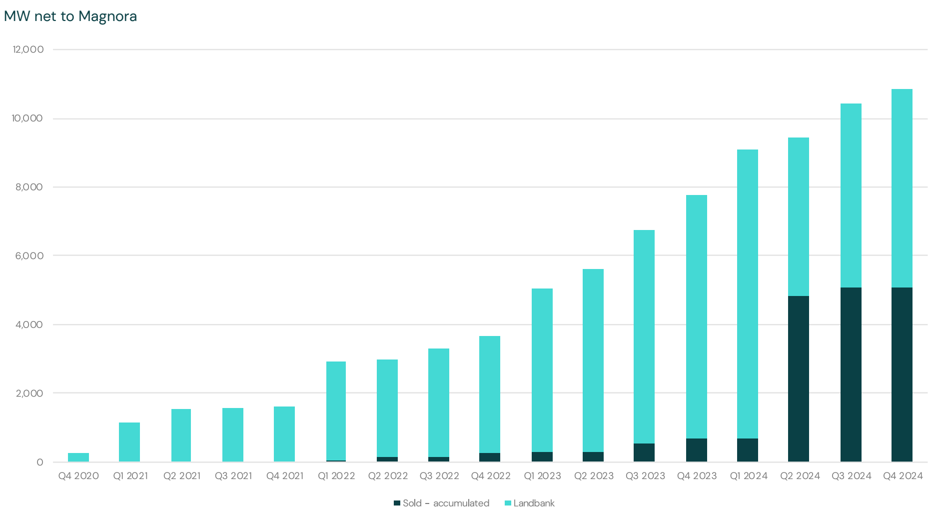
Building business
- Diversification to various segments
- Investments in Helios, South Africa
- ScotWind application
- Kustvind, Evolar

2018 - 2020

New strategy established
- Returned 517 MNOK to shareholders
- Four employees and 50 MNOK cash
- Focus on renewables with support from top shareholders

Pipeline above 10GW when sold projects are included

Landbank and sold* portfolio development



- Pipeline above 10GW when including our net share of the sold Helios portfolio and South Africa
- Fast and steady growth in the unsold onshore portfolio
- Increased emphasis on deliveries from the sold portfolio
- Origination effort started in Germany and Italy

* Most sales occur pre "ready-to-build" with significant advance payments and subsequent payments subject to milestones.

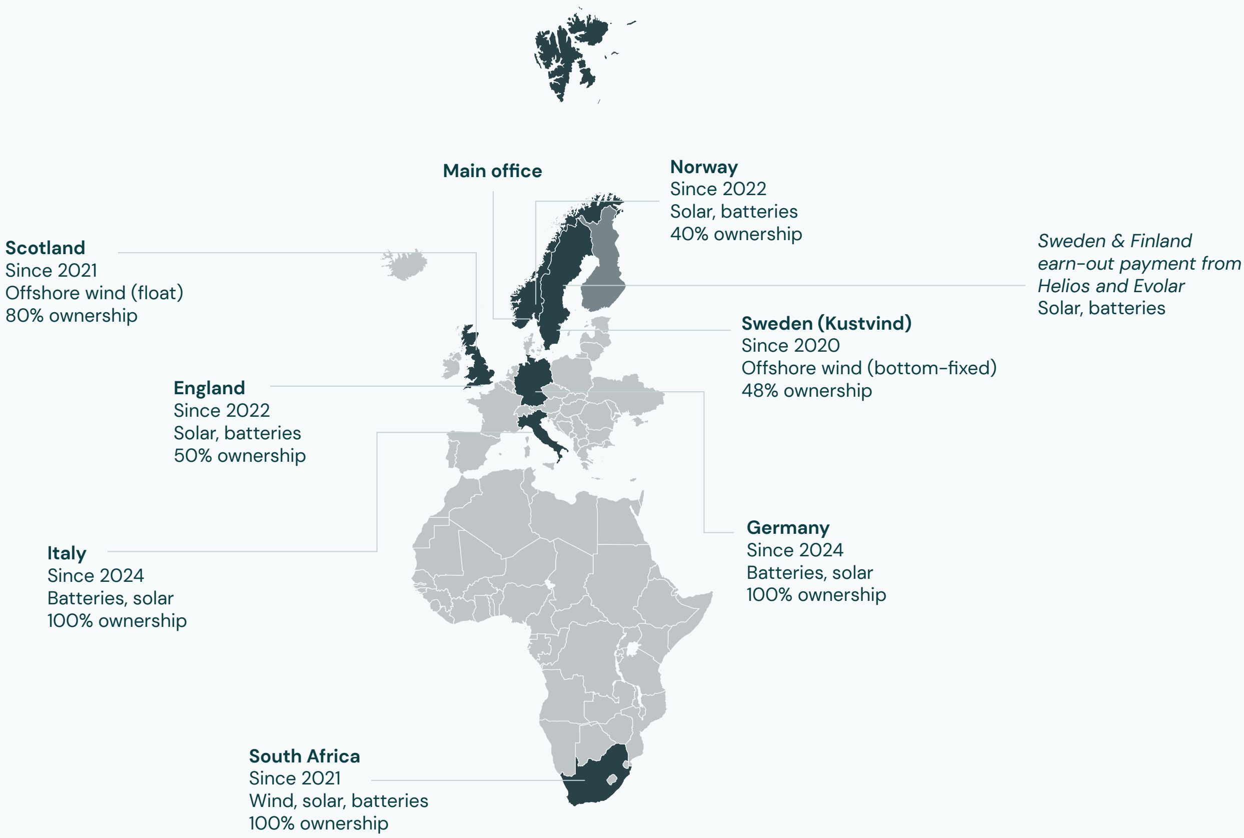
Activities and deliveries

Magnora develops projects mainly within four renewable technology segments:

- Onshore solar photovoltaic (PV) energy
- Onshore wind energy
- Battery energy storage systems (BESS)
- Offshore wind energy

The projects are normally in early phases, until the construction phase, but Magnora can also deliver subsequent project management and support. Magnora is pragmatic about technologies and will dynamically adapt the offering where its capabilities match with market opportunities. But the focus is on short lead time onshore projects.

Geographically diversified and expanding



Values

The spirit and values of a company is something that evolves and grows with the employees. In 2024, Magnora evaluated the organisation's values and their importance for culture and behaviour. This resulted in an updated set of corporate values, aligned in the organisation across different countries. Magnora's core values are integrity, velocity and innovation.

Integrity

We conduct our business with integrity and respect for the law and cultures everywhere we operate. We favour long-term partnerships and make thorough due diligence of business partners and suppliers. We build trust through fair and transparent behaviour.

Velocity

Climate change is an urgent issue, and we have a strong sense of urgency in bringing renewable energy projects forward. We have lean, effective teams, and short decision lines. We apply our experience to take projects fast and steadily to the next phase.

Innovation

We constantly improve the way projects are originated and brought to the market. We look for opportunities, adapt and change. We challenge ourselves, our colleagues and our business partners. We make a difference by standing out and thinking ahead.

Summary of 2024

The CEOs comments

Without doubt, 2024 was another eventful and profitable year for Magnora. Markets were challenging and a number of renewable companies were scaling down ambitions and investments, but Magnora deviated from that pattern. This prompts a few questions which I have strived to answer below. If you have other questions or reflections, please do not hesitate to contact me or my colleagues. We are open-minded and appreciate interactions with any individual or group, in order to share insight, ideas and views.

So, how to summarise the results for 2024?
Magnora delivered solid results. The company held NOK 254 million in cash and equivalents at the end of the year, and the net profit was NOK 579 million, which includes the accounting effects from the demerger of Hermana. The portfolio at year end consists of projects with a potential of 6.2 GW. Magnora had a successful exit in Helios and demerged the legacy business which became a separate listed company in June with Magnora holding a 30 per cent stake. Total shareholder return was 21 percent. The overall renewable market struggled in 2024, so I consider it a great year for Magnora. I would like to thank all employees, investors, communities, government agencies, advisors and business partners for their efforts and collaboration. I strongly believe we will continue to make a difference.

What was most rewarding and most difficult?
I think it is of particular interest to look at value creation in Helios Nordic Energy from our entry as an owner in Helios and the way the company is set to continue with Vinci in the lead. Helios has a competent team focusing on early access to land, early establishment of power contracts, staying ahead of the competition and having an open dialogue with its owners. As of 2024, we have a return on our investment at roughly 16

times before any milestone payments. If including our effort and costs during the three years as an owner, the return and multiple is still high.
On the other hand, if I should mention a difficulty Magnora observed during the year, I would point at the long timespan for commissions and grid connections in general, which is a shared challenge among the participants in this market. To us it also shows the importance of being geographically diversified so that regulatory variations are smoothened out. However, we see some examples of decision making in e.g. Italy (BESS), UK (sea grid) and South Africa (significant grid investments). Another industry challenge, for the climate and for the consumers, is that many large corporations and some smaller companies were scaling down their renewable-energy investments in 2024. For Magnora, these developments mean more opportunities, and maybe an even higher expected demand for our projects in a medium-term perspective when large corporations need to catch up on their renewable-energy ambitions.

How systematic is Magnora in its approach to sustainability?

During 2024 Magnora updated its sustainability framework including materiality assessment, stakeholder dialogues and goals. There is no doubt that the company has a sustainable purpose and business model, being a part of the solution and not the problem regarding climate change. But it is also important to ensure that we operate sustainably, practice transparency around ESG goals and impact, and continuously improve. The developments are reflected in this annual report. The reporting is based on the double materiality methodology used by the Corporate Sustainability Reporting Directive (CSRD) of the European Union.

Any good examples during the year of how Magnora operates sustainably?

Our portfolio companies regularly perform ecological and environmental surveys as a basis for concession applications. In 2024 Magnora Offshore Wind completed a two-year bird and mammal survey related to the offshore-wind project Talisk in Scotland. The ScotWind N3 area and a surrounding 4 km buffer was aerially monitored each month for two years. The results have been shared with Scottish environmental authorities and will together with the application provide a basis for informed and ecologically considerate decisions going forward.

Recognising substantial return of capital to shareholders during 2024, why not rather invest more and aim for higher growth?

At Magnora, profitability is more important than growth. Being shareholder friendly means keeping only the capital we need given the opportunities we see and have capacity to pursue. My top priority will always be effective management of our current portfolio and initiatives. Note that Magnora can expect to receive revenues in the form of milestone payments for sold companies and projects. We also started share buybacks again in 2024.

How is Magnora today compared to other investors and developers in renewables?

There are many skilled developers, and I'm glad so much competence and capital is allocated to the green transition. Magnora is different in mainly three ways: Firstly, we specialise in the early phase, and no management or project resources are spent on construction and power production, although we also understand production. Secondly, we have strong industrial competence in this early phase. Thirdly, we have dedicated and impatient teams relentlessly pushing for progress in our projects. In the absence of regular operating revenues, we need to consistently create great projects, so I think our efforts are bigger than most others'.

How do you view Magnora's results for 2024, and which are the key numbers?

A net profit of NOK 579 million means a return on book equity at 66 percent, which is good, especially given the market in 2024. A key number is Magnora's share of the amount of MW under development in the project portfolio. The expected value of each MW when a project is sold will vary depending on location, maturity (phase), market conditions and much more, but one could estimate the price per MW in earlier project sales and apply that to the current portfolio to get a picture of the situation and then add the expectations for future profitability and growth. Another key number is the return on invested capital generated in the last five years, compared to a reasonable cost of capital. Given our business model, it is more natural to look at several years rather than one single year.

What is the outlook for the business?

Magnora has a wide portfolio operating in multiple jurisdictions and expects revenues from future exits, a share in the future success of Helios Nordic Energy (Vinci Concessions), Evolar (First Solar), Hermana (design royalties), Globeleq (Norfund/ British International Investment) and Red Rocket (renewables in South Africa). We constantly keep looking for profitable onshore development activities.

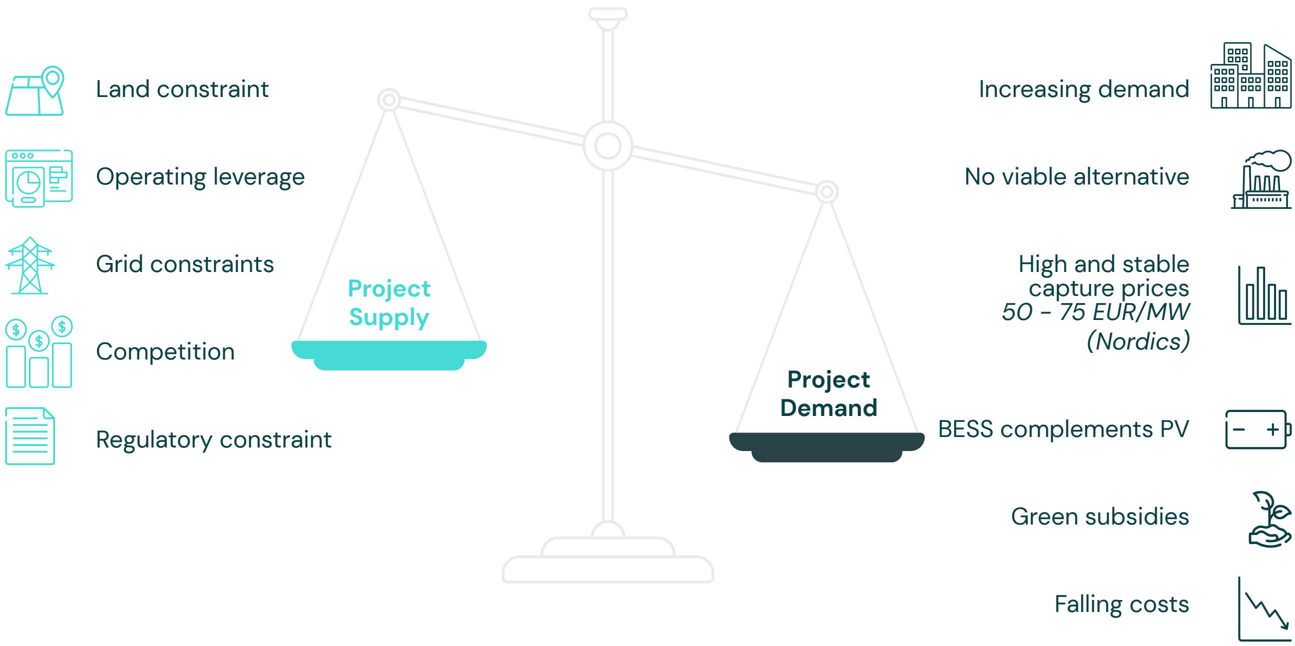
Our newly established subsidiaries in Germany and Italy are evaluating project opportunities backed by Magnora's experience and network. These countries are selected based on attractive market characteristics, and I expect steadily growing project portfolios and subsequent revenues from project sales.

Overall, I expect increasing demand for green electricity in several decades ahead due to CO2 neutrality goals and growth of artificial intelligence, while the costs for solar panels and batteries are declining rapidly. I expect increasing demand for ready-to-build projects from industrial companies, utilities and infrastructure investment funds. Magnora is well positioned in this market for the long term. Our service is fundamental: We provide a landbank, grid applications and the management of environmental studies and government approvals in order for our customers to get a head start. My expectation is that over the next decade and beyond, Magnora will continue to deliver decent profitability and growth.

Our customers and partners are market leaders with low risk and high potential for Magnora:

GLOBELEQ	**Globeleq**	Our first customer in South Africa – is owned by the Norwegian and UK governments and is an ambitious and respected developer
COMMERZ REAL	**Commerz Real AG**	A Helios customer and a leading European bank and infrastructure investor
Hafslund	**Hafslund**	Leading European utiliy Hafslund produces 21 TWh per year in green energy: a Helios customer and a partner in Hafslund Magnora Sol AS
Nordic Solar	**Nordic Solar**	Leading European Solar Independent power producers (IPP) and Helios customer
RED ROCKET	**Red Rocket**	South Africa's most ambitious IPP – home grown and determined to succeed
First Solar	**First Solar**	America's leading manufacturer of Solar PV, and the most valuable solar PV company anywhere, acquired Evolar AB from Magnora
VINCI	**Vinci**	A Euronext 50 company and infrastructure champion heading into renewables

Basic economics imply that Ready-to-Build projects will remain in high demand with limited new supply.



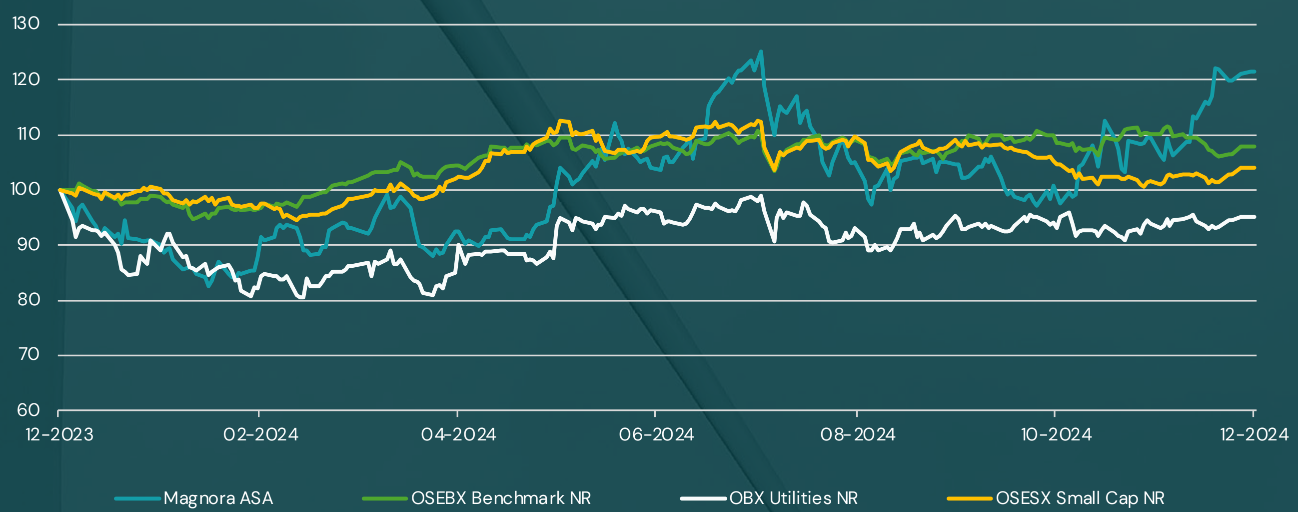
Key figures 2024

Magnora (consolidated, including subsidiaries)

Measure	2024	2023	2022
Projects/companies sold; capacity[1] (MW)	6,264	587	231
Projects/companies sold, proceeds[2] (NOK million)	395	240	1
Project portfolio potential capacity; production[1] (MW)	5,151	6,663	3,646
Project portfolio potential capacity; storage[1] (MWh)	1,114	1,102	50
Countries present (number)	8	6	5
Employees (full-time equivalents)	33	19	14
Share, female employees (%)	42	33	23
Sick leave (%)	0.6	0	1.2
Lost Time Incidents (frequency, per million hours of work)	0	0	0
Environmental impact assessments, ongoing/finalised (number)	13	10	7
Net cash flow from investment activities (NOK million)	352	305	-125
Net cash flow from operating activities (NOK million)	-105	3	-68
Net profit for the year (NOK million)	579	179	4
Book equity, year-end (NOK million)	402	552	432
Return on year-end book equity (%)	66	32	1
Cash and cash equivalents, year-end (NOK million)	254	348	172
Market value of equity, year-end (NOK million)	1,825	2,205	1,417
Share price, year-end (NOK)	27.8	33.0	21.2
Cash return per share (NOK)	4.56	0.38	0
Annual return for the Magnora share (%)	21	56	13

[1] Magnora's share
[2] Magnora's share, and excluding potential later milestone payments

Magnora ASA share and selected benchmarks (indexed), 2024



Significant events in 2024

Sale of Helios

Magnora sold its entire 40% stake in Helios Nordic Energy AB to the French industrial company Vinci, along with the other shareholders of Helios. The sale brought in NOK 331.6 million for Magnora after transaction costs. In addition, for five years following the closing, the sellers will receive payments from a potentially significant earnout tied to Helios' portfolio of unsold projects. The proceeds received this year represent a value multiple of 15.7 on Magnora's investment in Helios in 2021 before potential additional (earn-out) payments.

Milestone payment following the sale of Evolar

On 23 May 2024 Magnora received its first milestone payment following the sale of Evolar AB to First Solar Inc. in 2023. Evolar AB achieved a set of technical milestones resulting in a payout of USD 5.7 million (NOK 60.4 million) to Magnora. Reaching the first milestone made it more likely that remaining milestones will be achieved, which can be up to another USD 18.7 million.

Demerger and listing of legacy business Hermana ASA

Magnora completed the demerger process for its legacy business (license revenue from the design of circular hulls). The Magnora shareholders received 70 percent of the shares in the demerged company, Hermana Holding ASA, which started trading on the main list of the Oslo Stock Exchange on 18 June 2024. As of the date of issuing this annual report, Magnora still holds 30 percent of the Hermana shares.

Total dividends of NOK 300 million paid

Magnora paid dividends per share of NOK 0.187 in March, NOK 4.187 in August, and NOK 0.187 in October. The year's dividends amounted to NOK 4.561 per share, or NOK 300 million in total. Since 2018 Magnora has returned more than NOK 1 billion to its shareholders. In 2024, Magnora also cancelled 1,070,854 treasury shares, amounting to 1.6 percent of the total numbers of shares, and a new share buy-back programme was initiated.

Revision of Magnora's sustainability framework

Magnora revised its framework for sustainability in dialogue with stakeholders. The process included an assessment of material sustainability topics, and an analysis of impact, risk and opportunities related to specific issues. Further, Magnora decided on relevant sustainability goals, revised the company's core values, evaluated its internal guidelines.

Entry into Germany and Italy

Magnora established organisations in Germany and Italy, recruiting local and experienced management and establishing a corporate structure to support its initiatives in both countries. Both markets match well with Magnora's competence, experience and business model, and there are attractive opportunities for organic growth as well as acquisitions of early-phase projects.

Project sales and milestones in South Africa

In South Africa, Magnora received its second milestone payment from Globeleq for the Red Sands project developed by Magnora, as this 153 MW/ 612 MWh project was successful in the governmental procurement programme. Final payment is conditional of financial close expected in the near to mid future. Furthermore, Magnora sold three project sites to the leading South African power producer Red Rocket. With this, Magnora has sold more than 600 MW of projects during the past 15 months in South Africa with a further significant revenue potential from remaining milestone payments. In parallel, the South African project portfolio is steadily growing and maturing. As of 2024 year end, the portfolio of projects under development counts 4 GW.

High activity in Hafslund Magnora Sol

During the year, Hafslund Magnora Sol AS signed a series of new land lease agreements and progressed grid applications, environmental impact assessments and consenting work. The technical capacity of the portfolio was by year end 1.7 GW split between more than 40 projects.

The portfolio

Magnora provides business planning, governance, capital, management, and strategic support through various ownership services to its portfolio companies to assist their development and growth. We look for, and establish, companies with result-oriented and humble teams, with high integrity and a proven track record. Below is an overview of companies where Magnora has at least 30 percent of the shares.

Norway: Solar

Solar PV development in Norway

- 41 option agreements for land leases corresponding to a technical capacity of more than 1000 MW signed in 2024, making the total portfolio 1760 MW
- Permit applications for 3 projects submitted in 2024
- Environmental impact assessment completed for an additional 3 projects and commenced for 14 projects

Solar PV Storage

hafslundmagnorasol.no

Magnora established Hafslund Magnora Sol AS with Hafslund and Helios to develop large-scale solar PV farms in Norway. Magnora and Hafslund own 40 percent each, and Vinci Concessions holds the remaining 20 percent through Helios Nordic Energy AB. Hafslund is Norway's second largest power producer and wholly or partially owns more than 80 hydropower plants, producing approximately 18 TWh. Hafslund also owns half of Norway's largest grid company, Elvia, and invests in heating, cooling, carbon capture and offshore wind.

During 2024, Hafslund Magnora Sol continued screening and development activities for large scale solar PV and grew its portfolio significantly. The company has signed 41 option agreements with landowners, progressed dialogue with host municipalities and other stakeholders, carried out environmental surveys, permit processes and work to secure grid connections. The first 3 permit applications (49 MW in total) were submitted to the Norwegian Water Resources and Energy Directorate after positive outcome of municipal processes, environmental surveys, and grid connection activities.

The company aims to develop 1,000 MW of solar power in Norway up to a Ready-to-build stage. The company is based in Oslo, Norway.

More details are available on the company's website www.hafslundmagnorasol.no.

Scotland: Offshore wind

Offshore wind development in collaboration with TechnipFMC

- Developing 495 MW floating offshore wind capacity in Scotland, project Talisk (ScotWind, N3 area)
- Project Talisk is one of the earlier ScotWind projects to connect to grid (in 2030)
- 80 percent ownership

Offshore Floating Wind

magnoraoffshorewind.com

Magnora established Magnora Offshore Wind AS ("MOW") in partnership with TechnipFMC (which owns 20 percent), and the company submitted its application for license to develop a floating offshore wind farm in the ScotWind leasing round, in 2021.

In April 2022, MOW signed an Option Lease Agreement with the Crown Estate Scotland for area N3. The planned development will have a total capacity of 495 MW which is estimated to produce 2.4 TWh per year. The Project is named Talisk, and the project team is decentralised with part of the team in Oslo, Norway, and part of the team at various locations in Scotland and the UK. The partnership with TechnipFMC has already provided several synergies in the Talisk project. TechnipFMC has over 4,500 employees in England, Scotland, and Norway, with several of the key resources available locally.

Talisk is targeting consent in 2027, with commercial operation expected in 2031. The project is progressing according to plan and in early 2024 completed the two-year bird and mammal survey required for the Environmental Impact Assessment. Further, a metocean and LIDAR buoy was installed at the site in September 2024, which was a critical milestone for the consent application and to mature the design. Discussion with potential supply chain partners is currently ongoing, as well as evaluation of concept design to mature and de-risk the project. Finally, grid connection to the Western Isles was confirmed with connection date in 2030, making Talisk one of the earlier ScotWind projects to connect to grid. Updated grid connection agreement is expected to be signed H1 2025. Magnora is planning to bring in partners who will build, own and operate Talisk going forward.

England: Battery energy storage and solar

Storage and solar PV development in the UK

- Partnership for development of solar PV and battery storage projects with a local developer in the UK,
- Active portfolio of 545 MW at different stages of development
- 50 percent ownership

Solar PV Storage

Magnora and its UK partner established a 50/50 owned joint venture in 2022. The vehicle enabled Magnora to expand its solar PV and BESS development activities in the UK.

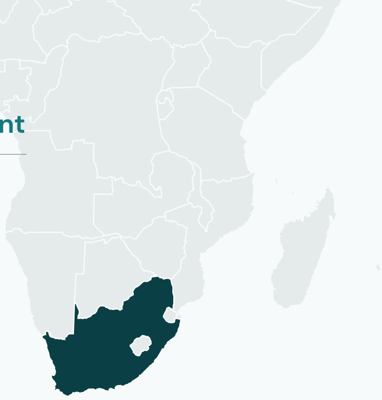
The UK market continues to present significant development opportunities with political consensus to attain Net Zero by 2050 and reduce UK's reliance on imported energy. The UK has set a target of 70 GW of solar PV to be achieved by 2035 and, with just 17.6 GW installed at end of 2024, successive UK governments have enacted policies to give impetus to more renewables being connected to the electricity grid. Installed BESS during 2024 was about 1.5 GW, bringing total installed BESS capacity in UK to 5 GW, with an estimated 24 GW targeted by 2030 (Rystad Energy).

Currently the pipeline consists of 545 MW of solar PV and BESS projects that are in various stages of development towards "ready to build" and with confirmed market interest. First project sales are expected during 2025.

South Africa: Solar, onshore wind and battery energy storage

Solar, onshore wind and battery energy storage project development

- Greenfield project portfolio of 4,500 MW
- More than 600 MW of projects sold*
- Office in Cape Town with 19 employees
- 100 percent ownership



Solar PV Storage Onshore Wind

africangreenventures.co.za

Magnora entered the South African market in 2021 and focuses on origination and development of solar PV, onshore wind and battery storage projects.

The Group's local development company, AGV, sold its first two projects in 2023, both to Globeleq which is a leading independent power producer (IPP) owned by British International Investment and Norfund. Globeleq was successful in April 2024 in South Africa's Energy Storage Capacity Independent Power Producer Procurement Programme (ESIPPPP) with the award of the 153 MW / 612 MWh Red Sands project, one of the projects sold in 2023, meaning the project is progressing towards financial close and the last milestone payment to Magnora, expected by H2 2025.

In 2024 the team was significantly strengthened, and significant progress was made on both sales and portfolio growth. Three BESS projects were sold to Red Rocket, another top-tier African IPP.

The project sales provided for upfront payments and additional significant potential milestone payments. With these sales, the sold portfolio counts to more than 600 MW for Magnora in South Africa.

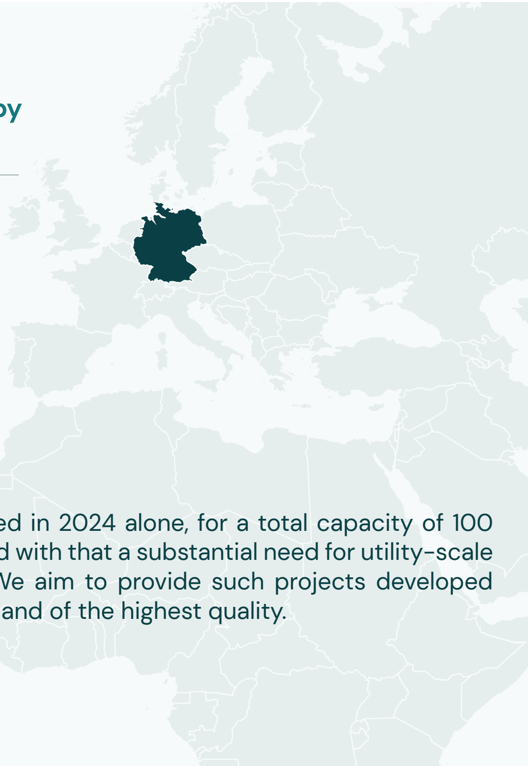
As of the end of 2024, the project portfolio under active development was 4,050 MW. The projects in the portfolio are in different stages of development, with the most mature having received Environmental Authorisation. The strategy for commercialisation of these projects includes both the public tender rounds ("REIPPP & BESIPPP") and potential C&I (Commercial & Industrial) power purchasing agreements (PPAs) through direct connection or wheeling arrangements.

* Further significant revenue potential from remaining milestone payments

Germany: Battery energy storage, solar

Renewables project development, established in 2024 by Magnora together with the local management team

- Local team
- Initial focus on large-scale BESS projects
- Projects capacity from 50 to 500 MW
- 100 percent ownership



Solar PV Storage

Germany is an attractive renewables market in terms of both policy and market fundamentals. Nuclear was phased out in 2023 and coal is planned phased out by 2030. This leads to large deployment ambitions for intermittent renewable energy sources – ambitions proven by the 16 GW of solar PV deployed in 2024 alone, for a total capacity of 100 GW, and with that a substantial need for utility-scale BESS. We aim to provide such projects developed rapidly and of the highest quality.

Italy: Battery energy storage, solar

Renewables project development, established in 2024 by Magnora together with the local management team

- Local team recruited
- Initial focus on large scale BESS projects
- Projects capacity from 50 to 150 MW
- 100 percent ownership

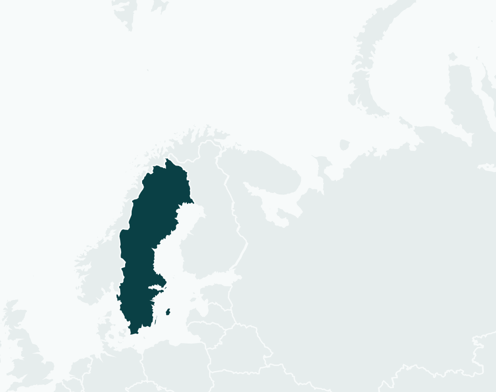
Solar PV **Storage**

With over 250 TWh of yearly power consumption, Italy is among the largest power markets in Europe. Italy has beneficial resources for onshore wind and solar PV, which are the main prerequisites for large-scale deployment of renewable energy. Over 30 GW of solar PV have already been installed, and the volume is expected to be more than doubled by 2030. To support this massive implementation, energy storage is expected to be a crucial part of the energy system, and public auctions are expected from mid-2025 onwards. Magnora expects the auction program to provide attractive fundamentals with long term, stable, revenue contracts, and award 50 GWh (10-15 GW) of battery energy storage projects over the coming years.

Sweden: Offshore wind

Shallow water offshore wind project of 500 MW located in southern Sweden

- 8–15 km from shore, with 25–30 meter water depth
- Project capacity 500 MW
- 48 percent ownership



Offshore Bottom-fixed Wind

kustvind.se

Kustvind is a shallow-water offshore wind project located in an area with attractive wind conditions off the southern coast of Sweden. Wind speed is 9.5 m/s at 170 meters height. The project is close to relevant infrastructure and in a region with attractive electricity prices. Environmental impact assessments for the wind farm and for the grid connection route are finalised without any red flags.

With 25–33 wind turbine generators, the projected wind farm has the potential to generate 500 MW and produce 2 TWh annually which would provide 250,000 homes with electricity.

The project team is decentralised, with project management and support functions located in Trelleborg, Sweden.

In November 2024 Sweden rejected applications to build 13 offshore wind farms, from the Åland Island to Öresund, citing security concerns. Kustvind was not among the applicants. Further work towards a potential application will await more clarity about the regulatory outlook.

More details are available on the project's website www.kustvind.se.

Other

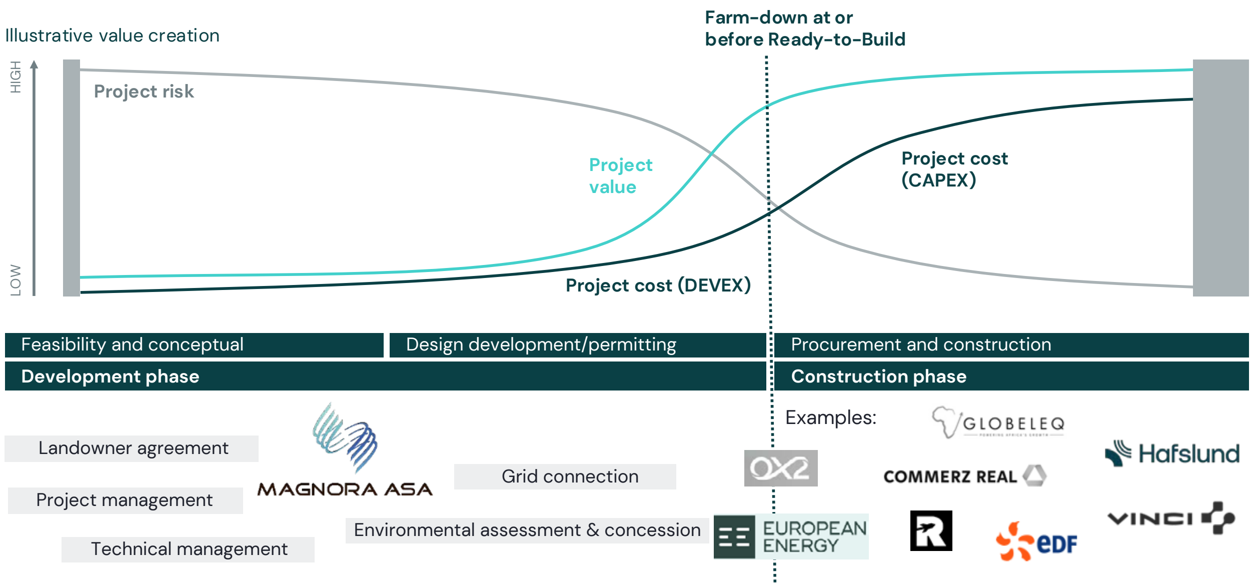
Magnora also has a financial ownership of 30 percent in the Norwegian company Hermana Holding ASA, listed on the Oslo Stock Exchange. Hermana is the legacy business of Magnora spun out in an IPO as a separate legal entity in 2024, as described under Significant events. Hermana is entitled to a performance-based license fee, 50 cent per barrel, from the Western Isles FPSO, planned to be redeployed at the Buchan Horst field with estimated production start in 2027/2028. Currently the FPSO is at a yard for adjustment of equipment. The agreement is expected to generate revenue for Hermana for two more decades. Hermana also holds a receivable from Magnora related to the Shell Penguins FPSO for which Magnora will collect and transfer remaining milestone payments of USD 8.6 million in total expected short to mid term. Magnora will continuously consider the best value creation route for our remaining share in Hermana (transformational transaction, bolt-on acquisitions or dividend).

Strategy

Corporate strategy

Magnora invests in selected niches and geographies of the renewable energy space. Current focus is on solar, wind and batteries. Magnora is pragmatic regarding technology in its projects. Magnora has chosen to specialise in the development phase, which is competence intensive and where the right teams make a difference and a decent profit if industrial size and diversified portfolio. Magnora sells before the physical construction of power- producing assets, which are capital intensive and with often lower return on capital than in the development space.

Developing projects to Ready-to-Build phase ("asset-light") with limited balance sheet risk



Attractive industry segments, technologies and geographies typically have features like:

- Growth market; demand for more climate-friendly, affordable, secure and/or stable energy
- Technology with low cost per energy unit
- Predictable regulations and effective concession processes
- New regulations and deregulation, and availability of customers and suppliers
- Sustainability; more positive impact opportunities than negative impact risks
- Match with Magnora's operational capabilities
- Upcoming auctions

Magnora's current portfolio reflects the corporate strategy. New markets, technologies and opportunities are regularly being evaluated.

Macro drivers are CO2 neutrality, business and consumer demand for cleaner technologies, and growth of capital-intensive industries like AI. Fossil fuels still comprise approximately 80 percent of the global energy mix. There will be a need for a project development company like ours for multiple decades if the world is to be provided with green electricity. The world is going electric.

Business strategy

Magnora seeks to operate differently from its industry peers by being (a) specialised on only early-stage project development, until ready-to-build, (b) extremely hands-on with small teams having strong industry and market competence, and (c) highly focused on cost, fast progress, value creation and return on investments. We also search for brilliant developers with high integrity and strong entrepreneurial drive. We share some of the upside with these entrepreneurs if successful.

To its customers, the project buyers, Magnora provides:

- High quality ready-to-build projects with thorough applications and risk assessments
- Diversified and large portfolio of projects to select from
- Clear project timeline and route to market
- Quality and compliant supplier choices

To potential and existing portfolio companies, Magnora provides:

- Capital
- Industry and market network
- Strategic insight and operational support
- Best practice for company governance and project development

Magnora strives to have the best possible processes for critical early-stage activities such as landowner agreements, grid connection, environmental assessments, concessions, technical management and project management. Beyond its early-phase focus, Magnora is flexible around assisting in later phases when needed, related to agreements and partnerships. Our business and conduct are built on the company's core values integrity, velocity, and innovation.

Financial strategy and dividend policy

Magnora has a strong focus on the quality, risk, upside, downside and financial returns of each project and for the Group in aggregate. Capital is allocated to areas the company expects a return well above the cost of capital. Exits are done when they contribute to maximising return for the Group, at the same time as the project buyer shall have an upside and preferably become a long-term partner if not already.

The capital structure of the Group is all equity based. There is no long-term debt. The Group has undrawn credit facilities of NOK 150 million in total with two leading Nordic banks. The Group expects to maintain a substantial amount of cash and cash equivalents for working capital. A solid financial position ensures that the Group has the necessary flexibility when considering and negotiating investments, obligations and divestments.

The Group's dividend policy is to pay out excess capital to the shareholders, annually or quarterly. The size and timing of the capital return will depend on the need for growth capital given prevailing market conditions and opportunities. Cash returns to shareholders are currently in the form of repayment of paid-in capital. Share buybacks with subsequent cancelling of shares can supplement cash return during periods where the share is considered favourably priced and/or as a way of capital return preferred by shareholders. In total, Magnora aims to give its shareholders competitive cash yield and total return compared to alternative investments.

Corporate governance

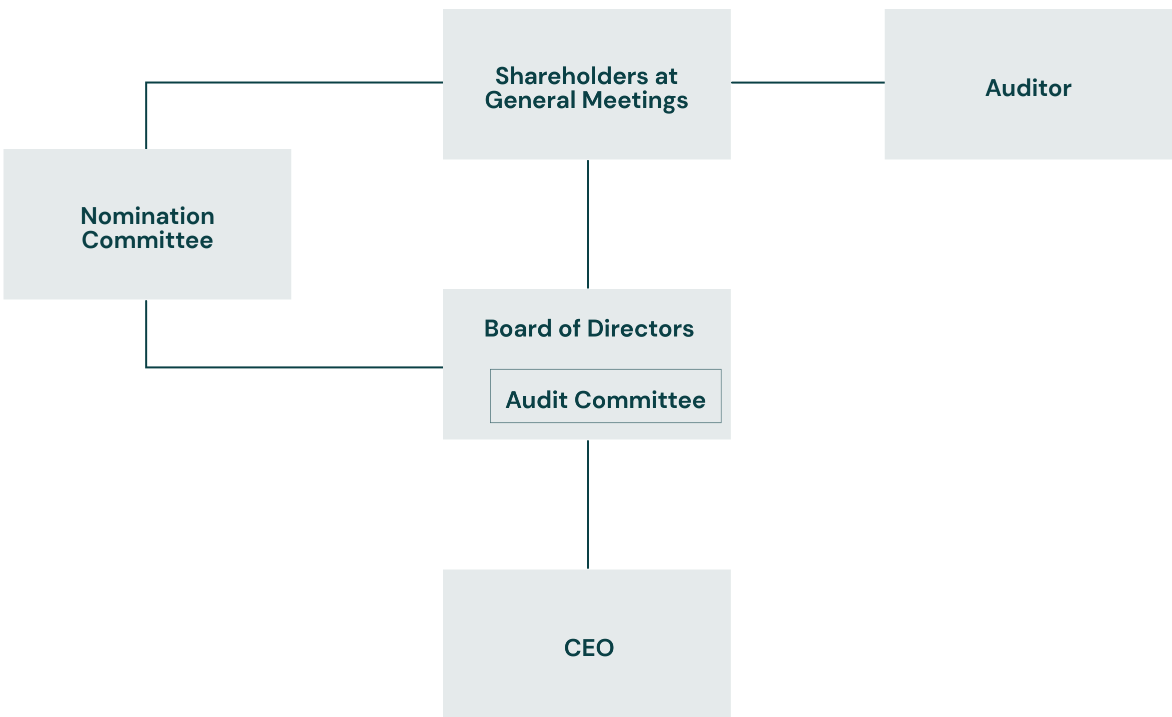
Framework

Magnora ASA is listed on the Oslo Stock Exchange (Oslo Børs). The Magnora Group ("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 employees and the organisation is maintained. Corporate social responsibility for the Group is integrated in the way the Group conducts its business.

The Group has established guidelines 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 Magnora ASA has a corporate governance structure as follows.



The Audit Committee is a part of the Board of Directors and currently has two members. In addition to financial statements, financial reporting processes and internal controls, this committee also follows up risk and sustainability. The Board is ultimately responsible, independently of any Board Committee's preparatory and advisory work. 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.

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 Magnora 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, IT and commodities, and sectors directly or indirectly related to these, in addition to investments in and acquisitions of businesses, securities, financial instruments and other assets, and participating in other businesses, directly or indirectly linked to these".

The Board has defined clear objectives, strategies and risk profiles for the Group's business activities such that the company creates value for shareholders in a sustainable manner – as described in the previous chapters of this annual report. 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, return of capital, 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. Excess capital is paid to the shareholders annually or quarterly. The capital structure shall normally be all equity based, and long-term debt is kept at a minimum. There shall normally be a substantial amount of cash and cash equivalents, and a solid financial position. The size and timing of dividends or other cash returns will depend on the need for growth capital given prevailing market conditions and opportunities, as well as expected cash flow. Cash returns to shareholders are currently in the form of repayment of paid-in capital. Share buybacks with subsequent cancelling of shares can supplement cash dividends during periods where the share is considered favourably priced and/or as a way of capital return preferred by shareholders.

The Code of Practice advises that the background to any proposal for the Board to be given a mandate to approve the distribution of dividends should be explained. Such authorisations have been granted, restricted to defined purposes and limited in time. The Board considers that there is a potential for better explaining the background for such proposals, which it intends to follow up going forward.

Authorisations granted to the Board to increase the Group's share capital are normally restricted to defined purposes and will in general be limited in time to no later than the date of the next Annual General Meeting. The Boards considers that there is a potential for a more detailed description of the purpose behind proposals of mandates to the Board for the Group's purchase of own shares – a potential which the Board intends to follow up going forward. The mandates given are limited in time to no later than the date of the next annual general meeting.

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 Company's shares, the Company 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 two days 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 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 of the Board.

The mandate described above is stated in the 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 proposing candidates for election to the Board of Directors. Such contact includes information about deadlines for proposing candidates. Its recommendations are explained. The Nomination Committee considers that there is a potential for a more detailed explanation per individual recommended to be elected Board member, which will be followed up.

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 consists of three members: Torstein Sanness (Chairperson), John Hamilton and Hilde Ådland. 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. All members are independent of the company's executive personnel and material business contacts, and of the company's 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 is set out in the Magnora remuneration report 2024. The Directors' expertise is described in the following chapter. Meeting attendance in 2024 was 100 percent for all Directors. All three Directors 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 its 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 matters of a material character in which the Chairman of the Board is, or has been, personally involved, such matters will be chaired by some other member of the Board.

The Board has an Audit Committee, which acts as a preparatory and advisory working committee regarding the Group's financials, risk and sustainability. The Audit Committee further assists the Board in various matters relating to the Group's financial statements, financial reporting processes and internal controls, and the qualifications, independence, and performance of the external auditor. The members of the Audit Committee receive remuneration as decided by the Annual General Meeting. Currently, the members of the Audit Committee are John Hamilton (committee chair) and Torstein Sanness.

The Board will consider appointing a Remuneration Committee to ensure thorough and independent preparation of matters relating to compensation paid to the executive team. Membership of such committee will be restricted to members of the Board who are independent of the Company's executive team.

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

The Board meets a minimum of six times a year and more frequently if required. The Board held 14 board meetings in 2024, of which 4 were physical board meetings and the rest were held online. The average participation level was 100 percent. 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 a variety of risks, including market risks, currency risks, financial risks, and operational risks. The Group's overall risk management programme 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. Part of the remuneration also reflects Magnora's emphasis on strong incentives – not only for the Executive Management and other employees, but also for the Board. The Group is more dependent on key persons' individual and team efforts than most other listed companies, which often are larger or have business models with recurring operating revenue.

Ahead of the Annual General Meeting of 23 April 2024, the Nomination Committee evaluated the Board's work since the Annual General Meeting of 2023. The Committee considered that the work performed by the Chairperson of the Board had been well beyond what could be reasonably expected in the role. On this background, the committee proposed an extraordinary remuneration of NOK 675 000 for the Chairperson of the Board in the mentioned period, which was adopted by the Annual General Meeting. The level was based on the experienced work performed compared to the expected work and the Chairperson's ordinary remuneration of NOK 450 000 per year. The Nomination Committee also proposed to continue the share option programme for the Chairperson of the Board – being aware of it not aligned with the Norwegian Code of Practice for Corporate Governance – due to the importance of, and the expected continued, Chairperson's extensive work beyond normal tasks. The details of this remuneration is described in note 25 to the Group's consolidated financial statements.

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 note 25 to the Group's consolidated financial statements for the year. Any remuneration in addition to normal Director's fee is also 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 annual general meeting and are described in the “Magnora Remuneration Report 2024” which is disclosed on page 94 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. The Group seeks to clearly communicate its purpose, strategy, value drivers, risk factors and performance. 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 governing 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 Audit Committee annually. The auditor participates regularly in meetings with the Audit Committee 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 in respect of the use of the auditor by the Company’s executive management including for services other than the audit.

The Company’s external auditor is Deloitte AS, elected in 2023.

Senior management and Board of Directors

Senior management

Erik Sneve
CEO

Mr. Sneve has considerable experience from various positions in the in the investment industry and renewable industry in Norway and abroad. Mr. Sneve has worked 25 years with investments and operationally in the VC industry, renewable industrial and in a family office in various positions and support services.

His experience from working as an analyst, consultant, COO and investment director is from EY, DNB Markets, Energy Future Invest (EFI – a Statkraft, Hafslund and Eidsiva Energi joint-venture) and Torstein Tvenge. He has extensive international experience. He was also responsible for the development and exit Solibro AB (a Swedish solar technology company) development and sale to Q-cells AG.In addition, he was responsible for the development and exits of Evolar and Helios developments sold to First Solar and Vinci Concessions, respectively.

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

Bård Olsen
CFO

Bård Olsen has several years of experience from various controller positions in the US. He has also 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.

Mr. Olsen has also worked at EY in a risk and internal control advisory role for banks and financial institutions in Oslo, Norway. Before joining Magnora, Mr. Olsen was Vice President of Global Compliance at MHWirth, a drilling equipment company within the Aker Group, and held various positions within the group during the nine years there, including Head of Internal Audit at Aker Solutions corporate. Mr. Olsen holds a B.Sc. in Finance and an MBA from Arizona State University.

Stein Bjørnstad
COO

Stein 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.

As a former Director at Deloitte, Stein is an experienced strategy advisor with an extensive portfolio 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. He has also held a part time associate professor position teaching scaling, innovation, and entrepreneurship at BI in cooperation with Massachusetts Institute of Technology (MIT).

Board of Directors

Torstein Sanness
Chairman of the Board

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

He served as Managing Director of Lundin Petroleum Norway from 2004 to April 2015, whereafter he was elected Chairman of the Board of the same company until March 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 also serves as a board member for Aquila Holdings ASA, Hermana Holding ASA, and Panoro Energy ASA.

Mr. Sanness holds a master's degree in engineering (geology, geophysics, and mining engineering) from the Norwegian Institute of Technology (now NTNU) in Trondheim.

Hilde Ådland
Board member

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

She has extensive experience from various technical, operational and leadership positions onshore and offshore in Kværner, Statoil, Gas de France/GDF SUEZ/Engie/Neptune and lately in Vår Energi. Mrs. Ådland is chairman of the board of NOFO (the Norwegian Clean Seas Association for Operating Companies) and board member of Hermana Holding ASA.

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's in chemical engineering and a Master in Process Engineering.

John Hamilton
Board member

Mr. Hamilton is the CEO of Panoro Energy ASA.

He has considerable experience from various positions in the international oil and gas industry. Most recently, he was CEO of UK AIM listed President Energy PLC, a Latin American focused exploration company, which opened a new onshore basin in Paraguay.

Before joining President, Mr. Hamilton was Managing Director of Levine Capital Management, an oil and gas investment fund. He was also Chief Financial Officer of UK FTSE 250 listed Imperial Energy PLC, until its sale for over US$ 2 billion in 2008.

He spent 15 years with ABN AMRO Bank in Europe, Africa, and the Middle East. Most of his time with ABN AMRO was spent in the energy group, with a principal focus on financing upstream oil and gas.

Mr. Hamilton has a BA from Hamilton College in New York, and an MBA from Rotterdam School of Management and New York University.

The Board of Directors' report

The Magnora group is a renewable energy project development corporation with a portfolio of companies in Norway, Sweden, United Kingdom (England, Scotland), Germany, Italy, and South Africa. The projects are mainly within wind power, solar power and battery energy storage. The Group deploys most of its resources in project development, without extensive research activities. Magnora is a Norwegian public limited liability company, listed on the Oslo Stock Exchange, and located in Oslo, Norway.

Main events in 2024

The Board considers 2024 as another great and eventful year for Magnora. The Group is developing fast and delivering solid results. The Board would like to highlight the cashflow from investment and operating activities of NOK 247 million for the year, and a book return on equity of 66 percent, meanwhile acknowledging that fiscal results also depend on the timing of project sales. A total return of capital of NOK 300 million, representing a cash yield to shareholders of 20 percent, reflects strong results and a solid financial position. An important structural change in 2024 was the carve-out of the Group's legacy business into a separate company, Hermana Holding ASA, which was listed on the Oslo Stock Exchange. The Board also wants to draw attention to the Group's internal work on sustainability during the year, reflected in the sustainability chapter in this annual report. When Magnora's renewable energy projects continue into the construction phase with new owners, it has a positive impact on Magnora's profitability and on the reduction of greenhouse gas emissions. A recent sale of projects, and a main event in 2024, was Magnora's sale of its 40 percent share of the solar-energy company Helios Nordic Energy AB to the French industrial infrastructure company Vinci Concessions, for NOK 331.6 million plus potential future milestone payments. A more comprehensive overview of the main events in 2024 is found on page 11.

Significant events subsequent to year-end

On 7 October 2024, Magnora South Africa signed two deals for the sale of new projects. The project sites have been developed from origination by African Green Ventures (AGV), the South African development arm of Magnora. Both projects received Exchange Control approval on 16 January 2025, which was the last closing condition for the sale, and the NOK 6.6 million purchase price was received by the Group on 22 January 2025.

Capital distribution of NOK 0.187 per share was approved by the Board to be paid in early March 2025.

Risk and uncertainty

The Group is exposed to risks in different phases and in various forms. Relevant risk categories include financial risk, market/technology risk, regulatory risk, operational risk, key personnel risk, climate risk and other sustainability risks. The Group continuously monitors and evaluates risk. This includes considering which risks are most relevant in various phases, technologies and countries, the interconnection between the risks (including scenarios where several risks materialise simultaneously), analysis of probabilities and consequences, efforts to mitigate risks, and preparedness for different events. The following is the Group's current considerations regarding the risks that seem most relevant.

The Group is exposed to market risk, electricity price risk, auction risk, cfd risk, indirect equipment price risk, project risk, regulatory risk, people risk renewable license risk, concession risk, currency risk, interest rate risk, inflation risk, grid agreement risk, curtailment risk, liquidity risk, climate risk, environmental risk (mammal, animal, birds other creatures) and other direct or indirect risks, such as FID risk. The Group's current risk management focuses on the most material uncertainties and seeks to minimise potential adverse effects on its performance.

The Group selects its portfolio projects and companies with emphasis on diversification to mitigate the various inherent risks in each segment of the renewable energy production industry. This does not reduce the individual risks below but makes the Group less vulnerable to the effects of those risks.

The project development process for renewable energy plants is also exposed to risks. The process for obtaining concession from relevant authorities can vary in different countries, but most countries have required local acceptance, and in some countries the local municipality has veto rights. The public opinion and local municipality veto rights can affect the licensing decisions and has in some countries caused changes to the political process determining the regulatory framework for obtaining concession for building and operating renewable energy plants. These uncertainties can cause delays and rejection of the concession applications, and it can cause the economics of the projects to be worsened as the approved size of turbines for instance may not be sufficient for a wind park to be profitable. There are also risks related to military installations and training areas in addition to wildlife risks.

The profitability and viability of projects can be influenced by outside factors, such as global transportation constraints, pandemics, wars and other factors. These types of events can have various effects on project costs, access to materials, transportation, and other goods and services relying on the same.

Market price of electricity can influence the profitability and value of the Group's investments. The price of electricity is influenced by government subsidies, supply and demand, weather conditions, availability of alternative energy sources (oil, coal, gas, nuclear, etc.), development cost and cost of equipment for power plants, and efficiency improvements within renewable energy plants (especially wind and solar). A significant influencing factor in electricity prices is the political developments pushing for renewable energy to replace fossil fuels and the shutting down of nuclear plants. The level and fluctuations of the electricity price is also dependent on energy storage capacity and then especially batteries, where price and delivery time is dependent on conditions in the supply chain.

Competition is significant as companies in other industries are trying to benefit from the positive policy support from governments pushing for reductions in CO2 emissions. Several of the Group's competitors are parts of larger groups, with possibly broader access to key personnel and funding.

The Covid-19 or similar virus could potentially affect the Group's operations and revenues for a short period. For instance, construction of solar and wind parks can be delayed if construction crew is affected by a virus similar to Covid-19.

The global average temperature is rising and there are more extreme weather conditions, impacting habitat. Governments and companies are now focusing on reaching a net zero world, which is aligned with the Group's strategy of investing in renewable energy projects and companies developed in a sustainable way. The Group has evaluated climate risk and concluded that the overall effect on the Group's financial results is positive as the value of assets increases with the increased demand for renewable energy.

Regulatory risks concern changes in the regulatory environment that have a material adverse effect on the Group's operations and financial performance. There could be changes in renewable energy policies, tax policies, or the regulatory environment that could affect the industries the Group operates in. Changes in the licensing regulations can for instance cause delays in development and construction of projects.

Across various markets and jurisdictions, business partnerships and relations with authorities represent a risk of failing to maintain a high standard for business conduct. Failure to comply with law, regulations and internal guidelines may harm society and the environment, jeopardise business relations, contracts, permits, concessions, employee loyalty, reputation, trust and future market access, and lead to legal processes. Although the probability of breach is considered low, due to limited exposure and internal procedures and attention, the consequence could be large. Magnora does not sign large contracts in connection with construction projects and therefore has limited exposure to corruption risk. The Group may still be exposed to the risk of kickbacks when selecting suppliers and the risk of facilitation payment when applying for a license, permit, or concession. Magnora 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 in the Group and its subsidiaries. The kickback risk is managed through a rigid supplier qualification process, where a minimum of two people are involved in the selection process, and where the Group CFO is consulted in the selection process. The facilitation-payment risk is managed through including more than one person in the process and through managing the process without outside service providers interacting with government personnel involved in the decision-making process. Further, relevant risks are included in the annual ethics and compliance training for all employees. Also, the supplier selection process screens new suppliers to identify red flags before suppliers are engaged by the Group. Magnora also has a Whistleblowing channel on its website.

The Group's cash flow comes from subsidiaries, associated companies and financial investments. Negative cash flow and lack of financial performance from those companies would affect the Group. The exposure is limited to the Group's invested amount in those companies and is closely linked to the companies' ability to execute its strategy and manage risk. Magnora is represented on all Boards of its subsidiaries and associated companies and mitigates risks through ordinary governance processes.

Liquidity and access to capital is a risk to the extent that the Group invests in projects that are capital intensive, short or medium term. This is managed through close dialogues with financial institutions and a strict timeline for cash flow that matches future investment payments with investment gains from farm-downs and exits. The Group has a total of NOK 150 million in loan facilities.

Loss of key personnel is a risk to the Group as it operates with a staff of highly specialised professionals that may take time to replace if needed. Mitigation of this risk is an ongoing process of identifying potential recruitment to cover the resource needs of the Group.

Long development times in certain markets and locations is a risk that can lead to the expiration of land-lease agreements, higher project costs, and changes in the demand for the selected solutions. Pushing impatiently for progress, and realistic planning, are the main risk-mitigating efforts. Sales of projects prior to the ready-to-build phase and final payments are typically closed when all permits, grid connections and/or equipment and long lead items are secured.

The full payment of a project sale might be at risk depending on the exact contract terms. Failure by the customer to pay results in the project returning to the Group. Lack of progress in a project can lead to cancellation of a project sale. In some cases it may be possible to replace a cancelled project with an alternative project. In many cases the Group receives milestone payments from sold projects depending on concessions granted, and passing milestones, which is also an uncertainty influencing profitability.

Overall, the Group is exposed to many risks, which it continuously monitors and seeks to mitigate on both project 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, employees, other stakeholders and society at large.

As a guiding basis for its conduct of 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 on page 19 of this annual report.

The members of the Board of Directors are presented on page 26 of this annual report and on the Group's website: www.magnoraasa.com.

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

Corporate social responsibility

Health, safety and environment

Sound health, safety and environment (HSE) principles contribute to the success of the Group and is regulated through the HSSE Policy and HSSE Procedure. The policy and procedure is implemented through each managing director introducing the documents to his or her team, and through annual compliance training. Due to the limited size of each portfolio company, implementation and follow up the effectiveness of the process is part of the daily interaction in each portfolio company.

The Group has identified the following risks related to health, safety, and environment:

- The Group has a high activity level compared to the number of employees and there is a risk of overloading the employees. This risk is managed by closely monitoring the situation, using outside support, and hiring more employees when sufficient work for an additional employee is reached.
- Employees occasionally travel to locations with higher safety risk than they are familiar with. All transportation at locations with higher safety risk is therefore managed by the local Magnora office or with assistance from local partners.
- As the Group's business model currently is limited to developing renewable projects during the early phases and divesting before the construction phase of the plants is started, the Group has not identified any activities that may have negative environmental impact. However, there may be potential environmental risks relevant to the Group in the future. One potential future risk is that changes in regulatory requirements could make it more difficult or impossible to develop some of the projects in the Group's portfolio. This could also be an opportunity if changes to regulatory requirements make it easier or more cost-effective to develop the projects.
- The Group is also exposed to potential future reputational risks related to the impact each plant may have on the local environment. If electric power production plants developed by the Group has a negative environmental impact not identified during the environmental impact assessment, this could cause negative media coverage and reputational damage to the Group.

The Group has the following KPIs to follow up these areas:

- Annual risk assessment involving all employees, where all relevant risks are discussed, and governance framework subsequently updated and communicated internally and externally.
- Annual ethics and compliance training for all employees where governance and significant risks areas are included.
- Monthly management reports with status updates for operations in each portfolio company and its projects.
- Valuation models for each portfolio company and its projects, with milestone and risk updates.

Sick leave was 0.6% (2023: 0%) for the Group for the year. No serious work incidents or accidents resulting in personal injuries or damage to materials or equipment occurred in 2024. There were no Lost Time Incidents (LTI) during 2024.

The Board and management continue to focus on equal opportunities for men and women. One of three Board members at year-end was 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 and includes this topic in the annual ethics and compliance training for all employees to meet the objective of the Discrimination Act and of the Anti-discrimination and Accessibility Act. More importantly, the Group's intention of increasing diversity is reflected in the hiring of new personnel.

Anti-corruption

The Group has implemented a code of conduct, anti-corruption policy, and business ethics policy to manage the risk of corruption in Magnora and its subsidiaries. The Group has limited exposure to corruption risks, but has identified the following two risks:

- Risk of kickbacks when selecting suppliers. This risk is managed through a rigid supplier qualification process, where a minimum of two people are involved in the selection process and the Group CFO is consulted in the selection process.
- Risk of facilitation payment to obtain a license, permit, or concession. This risk is managed through including more than one person in the process and through managing the process without outside service providers interacting with government personnel involved in the decision-making process.

The Group has the following KPIs to follow up these areas:

- Annual risk assessment involving all employees, where all relevant risks are discussed, and governance framework subsequently updated.
- Annual ethics and compliance training for all employees where these specific risks are discussed with illustrative cases.

Human rights

The Group has implemented a human rights policy and has implemented processes in its due diligence process for acquisitions and partnerships, as well as in its supplier management processes with related tools and procedures. The Group has limited exposure to human rights related risks, but has identified the following risks:

- Contractors or sub-contractors of the Group could be forcing its employees or contractors to perform work in forced situations with unsafe working conditions, indecent living quarters, or unfair low wages. For instance, the Group requires to manage the living quarters for personnel working on construction sites owned by the Group or managed for a customer of the Group. This was done at the Kungsåra project in Sweden.

The Group has the following KPIs to follow up these areas:

- Site visits to suppliers identified with potential exposure
- Annual risk assessment involving all employees, where all relevant risks are discussed, and governance framework subsequently updated.
- Annual ethics and compliance training for all employees where these specific risks are discussed with illustrative cases.

Sustainability

Purpose and business model

Magnora accelerates the shift to greener and more available energy through developing high quality and profitable projects within wind, solar and energy storage. The Group brings renewable-energy projects from greenfield to ready-to-build. A faster energy transition benefits stakeholders, our planet and the Group. Magnora's purpose is directly linked with the green transition. Every successful project provides clean, renewable energy to thousands of households. If we run our business effective and efficient, we provide more projects in shorter time for the numerous utilities and independent power producers that add wind power, solar PV and battery storage to the grids in Europe and South Africa.

Contribution to UN's Sustainable Development Goals

Magnora supports the UN Sustainable Development Goals (SDGs) and has identified three goals where we contribute:

Ensure access to affordable, reliable, sustainable and modern energy for all

According to the UN, an estimated 685 million people lacked electricity in 2022. Solutions for generating more electricity is viewed as important for developing better living conditions and better opportunities for a large group of people. Moreover, the need for renewable energy is of course important to lower global emissions. Magnora directly contributes through developing clean energy projects increasing power production, thus lowering the price and improving affordability.

Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation

Building new infrastructure for generation of renewable energy will enable existing industry to become more sustainable by replacing fossil and nuclear energy sources with renewable energy. Some of Magnora's projects are located close to consumers and critical part of the transmission grid, reducing dependency on the grid and improving stability of supply. Especially battery energy storage systems will often improve grid utilisation and prevent grid overload.

Take urgent action to combat climate change and its impacts

By investing in and developing renewable energy solutions that support the reduction of global emissions, Magnora makes a positive contribution to combat climate change. Magnora shares the sense of urgency and emphasises fast execution and progress in its projects.

How Magnora works with sustainability

First of all, Magnora has a sustainable purpose and business model, addressing the climate change challenge and being a part of the solution. Then, there is the question of how Magnora has organised its sustainability work and effectively contributes where the Group has or should have an impact. This involves the Board of Directors work, the Executive Management and the organisation, involvement of main stakeholder groups and selection of main sustainability matters with respective goals, efforts, policies, metrics and reporting.

The Board is ultimately responsible for Magnora's sustainability work, results and impacts. Sustainability is a regular topic in Board meetings, both in connection with specific projects and on a Group level. The Board annually reviews the Group's sustainability framework in order to evaluate how well it works and to consider improvements. In 2024, the Board approved an updated sustainability assessment of the Group's main stakeholders, material matters and goals. The sustainability framework of the Group includes a set of policies and guiding documents, internal control procedures and internal reporting.

In the Executive Management, the CFO leads a sustainability team which performs the daily work on a systems level and follows up the organisation regarding sustainability compliance and reporting. In practice, the sustainability work is fully integrated in the Group's business activities. The Group includes the subsidiaries, but sustainability is just as much a topic in the portfolio companies where Magnora owns less than 50 percent of the shares and thus are not formally consolidated.

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 Transparency Act
- Modern Slavery statement
- Due Diligence guidelines

With its current characteristics, Magnora is not obliged to follow a specific international sustainability reporting standard. On a voluntary basis, Magnora describes how it contributes in particular to three of UN's Sustainable Development Goals. Magnora has started adapting to the reporting requirements under the Corporate Sustainability Reporting Directive (CSRD) of the European Union. For a company of Magnora's characteristics, CSRD is expected to be compulsory from fiscal year 2026 (with option to postpone until 2028). In the preceding years Magnora is gradually adopting the CSRD framework.

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 employees is considered adequate efforts to mitigate the relevant risks. Further information about this is available on the Group's website: www.magnoraasa.com

Financials

Main financial results in 2024, with figures for 2023 in parentheses, are summarised below. Magnora's share of the financial results from each portfolio company is recognised in proportion to ownership share in accordance with IFRS. For subsidiaries, the full net profit/loss is recognised as these companies are consolidated into the Group's financial reports. The development costs are in general expense, reflecting the early development phase.

In 2024, the Group reports operating revenues and other income totaling NOK 360.9 million, up from NOK 261.3 million the year before. This growth was mainly driven by the gain on divestment of Helios and earnout income from the sales of Helios, Evolar and the Red Sands project in South Africa. Net profit for 2024 was NOK 579.4 million, compared to NOK 178.9 million in 2023. The significant increase in net profit is mainly attributed to gain from the carve-out of the legacy-revenue business in June 2024, now operating as Hermana Holding ASA. Earnings per share rose to NOK 9.00 (NOK 2.88).

The Group has accumulated tax loss carry forward of over NOK 3 billion, most of which are not recognised due to uncertainties regarding of future tax positions.

In 2024, net cash from operations was negative NOK 104.9 million mainly due to higher operating and development costs. Net cash from investment activities was NOK 352.1 million, while net cash from financing activities was negative NOK 340.2 million. The net positive cash flow from investments was mainly due to the divestment proceeds received.

As of year-end 2024, total assets amounted to NOK 575.3 million (NOK 604.6 million) whereof cash and cash equivalents amounted to NOK 254.1 million (NOK 347.6 million). Total equity as of 31 December 2024 amounted to NOK 402.2 million (NOK 552.3 million) and the equity ratio was 70 percent (91 percent).

The decrease in the equity ratio from the previous year is mainly due to the demerger payable to Hermana Holding ASA, which will be settled when the last milestone payment from Shell is received and paid to Hermana.

Distribution of cash return to shareholders was approved at the annual general meeting held on 23 April 2024. This was distributed as repayment of capital to shareholders of NOK 0.187 per share in March, NOK 4.187 in August and NOK 0.187 in October 2024, a total of NOK 300 million.

Magnora has approximately NOK 6.9 billion (NOK 159 per share) of paid-in capital in excess of par value available for distribution of equity back to its shareholders.

In 2024, Magnora renewed the share buy-back programme which was initiated in 2019. The programme is carried out by market purchases in accordance with the authorisation granted by the shareholders in general meetings, most recently in the annual general meeting on 23 April 2024. Buyback transactions are executed according to the market price on the Oslo Stock Exchange. Magnora may at any time without further notice close or suspend the programme. The maximum number of shares which may be purchased in any one day is limited to 50 percent of the average weighted daily volume of Magnora shares traded in the 20 trading days preceding the day of purchase. As of the balance sheet date, Magnora owns 1,773,088 shares or 2.7 percent of total shares.

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 company's strategic plans and financial prognosis.

Magnora ASA is the parent company of the Magnora group and supplies and performs services for the Group's other companies. In 2024, Magnora ASA delivered profit after tax of NOK 353.5 million (NOK 248.4 million). At year end, Magnora ASA had assets totaling NOK 730.8 million (NOK 692.5 million). The equity ratio was 84 percent (98 percent).

The Board of Directors has determined that Magnora 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 profit of NOK 353.5 million in the parent company Magnora ASA:

Transfer to other equity at end of year Balance Sheet 31 December 2024: NOK 353.5 million Total appropriation: NOK 353.5 million

The Board proposes to continue to pay an ordinary quarterly dividend of NOK 0.187 per share based on the 2024 financial year results.

Outlook

The Group continues to develop its portfolio as well as divesting assets approaching the ready-to-build phase. New markets and investments are evaluated continuously. The fast-moving market for utility-scale battery storage projects is a particular interest despite the profound variations and fluctuations in this emerging field in addition to solar PV and onshore wind in certain markets. Various segments involve unequal risks and rewards. In the markets for onshore renewables, speed and market adjustment is of the essence. Offshore renewables remain a political market with emphasis on careful planning and alliance building. It will take at least two decades to approach a carbon-neutral economy, and this will together with the growth of artificial intelligence drive demand for solar cells, wind turbines and battery storage projects to new heights. Buying and installing solar panels is currently the largest single category of investment in electricity generation. According to the International Energy Agency (IEA), power sector investment in solar photovoltaic technology was expected above USD 500 billion in 2024, surpassing all other generation sources combined. Magnora creates value through building landbank, grid applications and environmental studies across our projects in order to get all government approvals so that our customers will be able to start construction and installing their renewable equipment.

The strategy of building a robust portfolio across several segments and geographical areas has proven effective. We observe in many countries that both large power producers, industrial players and smaller developers have become more reluctant to invest in developing new projects. Magnora, demonstrating profitability in also such a market, views this situation as an opportunity to continue investing in organic growth and acquisitions, still with a focus on early-stage projects. As the need for renewable energy and flexibility in the energy systems steadily grows, a period of generally lower investments in the industry may be followed by even stronger demand in the following years. Magnora will seek to see through the cycles and exploit opportunities for low-cost entry in attractive projects, as well as exit in projects ready for their next phase. As we have seen historically, we expect also in the future a high appetite for our portfolio companies and projects from leading energy companies, private equity industry, independent power producers and infrastructure funds.

Oslo, Norway, 26 February 2025

The Board of Directors of Magnora ASA

Torstein Sanness	**Hilde Ådland**	**John Hamilton**	**Erik Sneve**
Chairman	Board Member	Board Member	CEO

Sustainability

In the Board of Directors' report, above, there is a description of Magnora's purpose and business model, the company's contribution to UN's sustainable development goals, and how the company works with sustainability. In the following we provide more information regarding important stakeholders, material matters, goals, and activities.

Stakeholder group	Main sustainability topics	Methods of engagement
Investors – current and potential	Sustainable business model Climate opportunities and risk ESG reporting incl. metrics Compliance and ethics	Annual General Meeting Quarterly reports and presentations Conferences, investor meetings
Employees	Purpose and business model Conduct and compliance Health and safety Diversity, equity and inclusion Working environment	Formal and informal internal dialogue Policies, routines and guiding documents Recruitment and retainment Work organisation and execution
Business partners – incl. grid owners, suppliers, co-owners, power producers, customers	Ethics and business conduct Value chain and circularity Biodiversity/pollution Sustainable business model Security, integrity, resilience	Meetings and other contact in projects Regular dialogue with long-term partners
Land-owners	Biodiversity Impact on agricultural activities Pollution (waste, visual, sound) Local community impact	Dialogue related to projects Public meetings and consultations
Local communities	Local community impact incl. job creation Access to renewable energy Pollution (waste, visual, sound) Ethics and business conduct	Meetings and correspondence with municipalities, local representatives and community groups
The civil society – incl. citizens, NGOs, politicians and public opinion	Climate change, opportunities and risk Security of supply and affordability of energy Business conduct, transparency Nature preservation	Ad hoc contact per project and topic Public meeting attendance and contributions Company website updates
Authorities, regulators	Biodiversity Climate change mitigation efforts Sustainable business conduct Compliance Security and infrastructure	Public consultations Environmental impact assessments and data sharing Tenders and concessions Formal reporting

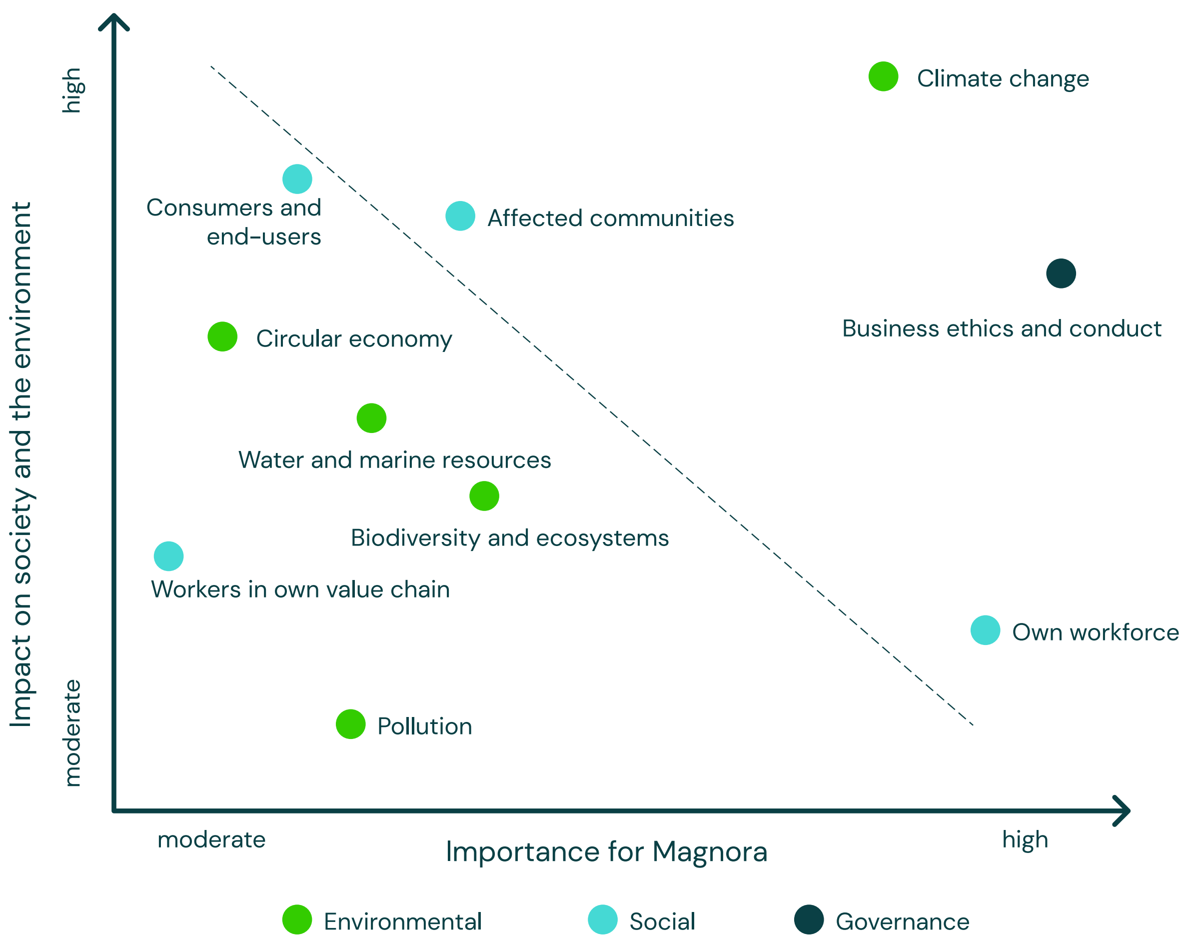
In addition to the regular methods of engagement, in 2024 Magnora reached out to some stakeholders in different groups to discuss which sustainability matters should be considered most material and how to follow up these matters.

Double materiality assessment

Magnora's materiality assessment includes both Magnora's impact on society and the environment, and which matters influence Magnora's development and results. Several matters have been evaluated with regard to these two dimensions. Many of these have been regarded as less material due to Magnora not being a power producer but only developing projects until ready-to-build. This means the Group is not directly responsible for large purchases of equipment or the construction of installations for wind or solar power or battery energy storage. However, we are conscious about how choices in early stages may influence the project execution and impacts in later stages when the project is owned and governed by others than Magnora.

The materiality assessment has been conducted in internal workshops and dialogue involving the Group's employees in various countries, as well as dialogue with selected stakeholders in different categories. There is a common understanding of the mapping being subjective and approximate, of the dynamic and evolutionary nature the analysis, and of that conditions are changing continuously. The need for an update of the assessment will be evaluated yearly, or more frequently if necessary.

The process in 2024 resulted in the double materiality matrix below for Magnora.



Compared to many other renewable energy companies, the matters in the left half of the matrix are so far left due to Magnora not being responsible for the construction and/or operation of assets for power production or storage.

Based on this mapping the following matters, further described below, are considered the most material: Climate change; Business conduct; Affected communities; Own workforce.

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

Climate change

Why material, impacts: Successful Magnora project reduce CO2 emissions and equivalents compared to fossil sources of energy – thus having a high positive impact in fighting climate change. The matter is also of high importance to Magnora, as the attention on climate change fuels the support and demand for Magnora's projects. Experienced climate change and natural disasters increase this attention, support and demand.

Opportunities and risks: More countries may want to speed up the energy transition and become more attractive markets for Magnora to develop wind, solar and batteries projects. Climate risk for Magnora is considered to be low; the business is overall not significantly exposed to physical nor transitional climate risk, both rather being opportunities for Magnora to contribute and to grow. The risk is however that the urgency and attention on the cause may lead to overcrowding, fierce competition and low profit margins.

Goal: Consistently develop high-volumes quality projects with good progress into the ready-to-build phase, of which a large share continue into construction and power production/storage.

Activities: Continue to perform and improve Magnora's business of project development.

Business ethics and conduct

Why material, impacts: Companies that fail to operate at a high ethical standard run the risk of both harming society and the environment, and jeopardising their business relations, contracts, permits, concessions, employee loyalty, reputation, trust and future market access, as well as risking a legal process. Although the probability of a breach is considered low, due to limited exposure and internal procedures and attention, the consequence could be very large – and so this matter is the one most far right in the materiality matrix.

Opportunities and risks: Magnora can continue being a positive force and build trust and long-term relationships based on its values integrity, velocity and innovation. Magnora does not sign large construction contracts and therefore has limited exposure to corruption risks but has identified the following two risks: (a) Risk of kickbacks when selecting suppliers. (b) Risk of facilitation payment to obtain a license, permit, or concession.

Goal: To have a high standard of ethical business conduct, trusted relationships with all stakeholders and a solid reputation. To have no unlawful incidents.

Activities: Magnora has zero tolerance for corruption, bribery, money laundering and other behaviour in breach of laws and regulations. The Group has implemented a code of conduct, anti-corruption policy, and business ethics policy to manage the risk of corruption in Magnora and its subsidiaries. The kickback risk is managed through a rigid supplier qualification process, where a minimum of two people is involved in the selection process and the Group CFO is consulted in the selection process. The facilitation payment risk is managed through including more than one person in the process and through managing the process without outside service providers interacting with government personnel involved in the decision-making process. There is high attention on logging information in data rooms, documentation of due diligence of potential markets, projects and partners, and internal transparency. Further, relevant risks are included and discussed in the Group's annual risk assessment involving all employees, and in the annual ethics and compliance training for all employees. Also, the supplier selection process screens new suppliers to identify red flags before suppliers are engaged by the Group. Magnora has a Whistleblowing channel on its website.

Affected communities

Why material, impacts: The projects Magnora develops are normally dependent on concessions and regulations, of which some are decided based on how local communities are affected by the project. In this way Magnora is also affected. The impact of the projects on local communities comes mainly in later phases than the one Magnora is involved in, and can be: temporary or permanent physical consequences of construction work; local employment and sourcing; revenues to the municipality; more available power locally; change in physical environment or sound from power plant.

Opportunities and risks: Although limited in the early phase the Group operates, there are opportunities to make considerate choices regarding the location of planned infrastructure and power production or storage. This can be achieved through dialogue with groups or representatives in relevant local communities. For Magnora the main risk is that a project is considered net negative for a community and that the necessary permissions are not granted by the municipality.

Goal: In all projects affecting local communities to have adequate due diligence, dialogue with main local stakeholders, and project and risk management.

Activities: High attention to choices early in the projects that have effects on local communities in later stages. Before and during projects, ensure adequate due diligence of impacts and dependencies on local communities, including dialogue with main local stakeholders.

Own workforce

Why material, impacts: Magnora is a people business, as the employees have a high impact on the Group's results. The conduct our employees shapes our activities and affect our stakeholders. Sound health, safety and security contribute to the employees' well-being, loyalty and results.

Opportunities and risks: The main opportunity is to maintain and develop a working environment where employees are healthy, safe and motivated – attracting and retaining a skilled workforce, which is Magnora's main competitive edge. One of the risks is that employees occasionally travel to locations with higher safety risk than they are familiar with, and all such travels are therefore managed by the local Magnora office or with assistance from local partners. Another risk is lack of inclusion, diversity and equal opportunities within the organisation. This risk is limited due to the Groups limited size and high degree of internal transparency. The risk of injuries is relatively low as work is mainly in an office environment. This is nevertheless an important risk to pay attention to due to the potential consequences.

Goal: To attract, retain and develop a skilled workforce. A healthy and engaging working environment with equal opportunities and no discrimination. No injuries, and sick leave at less than 2 percent. To employ at least 33 percent of each gender.

Activities: The work environment, equal opportunity and non-discrimination is managed through maintaining an inclusive culture, as well as the annual performance process and salary review where the Board also is involved. The Board and management continue to focus on equal opportunities for both genders. One of three Board members at year-end was 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 and includes this topic in the annual ethics and compliance training for all employees to meet the objective of the Discrimination Act and of the Anti-discrimination and Accessibility Act. More importantly, the Group's intention to increase diversity is reflected in the hiring of new personnel. Health, safety and environment is regulated through the HSSE policy and HSSE procedure, implemented by each managing director introducing the documents to his or her team, and through annual compliance training, as well as being part of the daily interaction in the Group including the portfolio companies. Serious work incidents or accidents resulting in personal injuries or damage to materials or equipment shall be reported internally. Further, there is an annual risk assessment involving all employees, where all relevant risks are discussed, and governance framework subsequently updated and communicated internally and externally. Significant risk areas are also included in the annual ethics and compliance training for all employees. The Group does not have regular employee- engagement surveys as the daily contact across the organisation is comprehensive and frequent and gives an impression of engagement and challenges, but such surveys will be considered going ahead.

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 calls for a description of how risk is managed. For these risk areas, Magnora manages risk as follows:

Human rights and working conditions for people outside the Group

This risk is discussed in the Board's annual risk assessments and managed with processes and controls in the policy framework of the Group. The risk for breach of human rights and lack of decent working conditions are considered relatively low.

Magnora has limited use of sub-suppliers, which is more substantial in the construction phase of projects, normally ocurring after the Group has sold the project. However, Magnora can be involved in choices influencing such matters on a later stage or supporting services in the construction phase. That could create exposure to the risk of suppliers potentially forcing its employees or contractors to perform work under forced situations and for unfair low wages. As set out in the Group's Modern Slavery Statement, processes are in place for managing human rights and labour conditions in the supply chain. This includes site visits in case suppliers are identified with potential exposure. The approach is the same across the Group and targets the selection, qualification, and follow-up of suppliers and partners invited to invest or work with the Group. Risks regarding human rights and working conditions are also a part of annual risk assessment involving all employees and of annual ethics and compliance training for all employees. The group has a Human Rights policy published on www.magnoraasa.com.

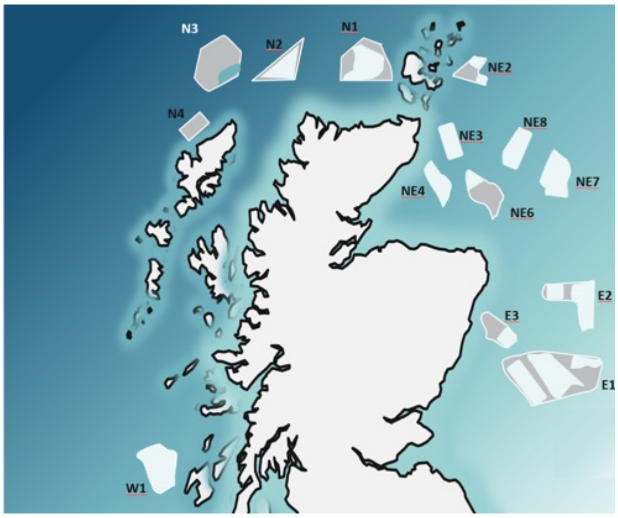
Case example: Environmental assessments in the Talisk project

Our portfolio companies regularly perform ecological assessments as a basis for concession applications. The main activity of Magnora's co-owned subsidiary Magnora Offshore Wind is the Talisk project of the Scotwind programme in north-western Scotland.

The project follows several steps to ensure that all key sensitive receptors that could be affected by the project during its construction, operation, maintenance and decommissioning are studied and understood. The first formal step includes providing a scoping report to Marine Directorate Scotland and the local authorities that will detail a proposed scope of the Environmental Impact Assessment (EIA) and key receptors and potential significant effects to be included within any subsequent report. The scoping reports (onshore and offshore) will be submitted by the end of January 2025. Several surveys will inform the EIA.

In 2024 Magnora Offshore Wind completed a two-year bird and sea-mammal survey where the ScotWind N3 area and a surrounding 4 km buffer were aerially monitored each month for two years. Such surveys are required to identify the species of birds and marine mammals that occur and to produce monthly and seasonal estimates of the abundance and distribution, as well as information on key behavioral attributes, including distinguishing birds in flight from birds on the sea surface (enabling abundance estimates to be calculated separately for these categories) and flight direction. The results have been shared with the Marine Directorate Scotland and NatureScot (Scottish environmental authorities) and will together with the application provide a basis for informed and ecologically considerate decisions going forward. It will inform assessments to be included in the EIA such as collision risk assessment, distributional responses, artificial lighting assessment, entanglement with mooring lines assessment, migratory collision risk (of mitigatory species), combined impact assessment and cumulative impact assessment.

In September 2024, Magnora Offshore Wind installed a metocean and LIDAR buoy at the Talisk site, which will collect data on weather and waves – key inputs for design and consenting activities.



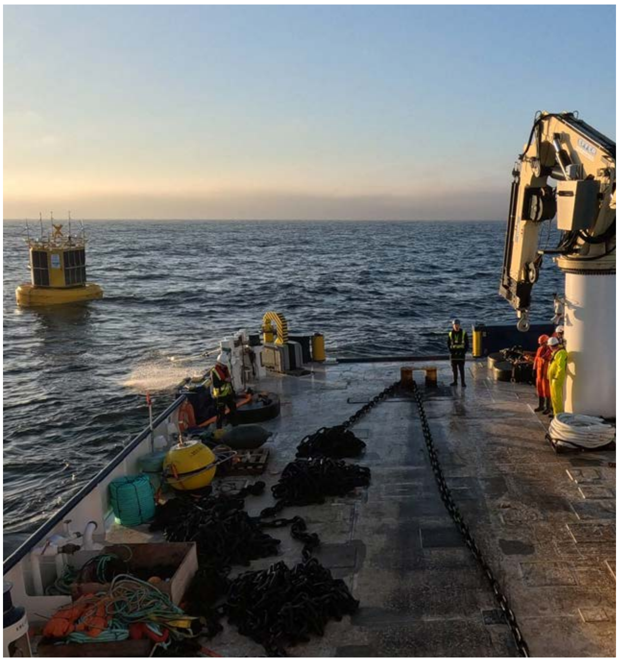
Surveys planned for 2025 are:

- Geophysical and benthic surveys of the project area and the export route corridor
- Bird surveys onshore to understand impact of the onshore infrastructure (onshore substation, cable)
- Intertidal surveys

In total, the offshore EIA is planned to cover the following topics:

- Marine and Coastal Processes
- Underwater Noise

- Benthic Subtidal and Intertidal Ecology
- Fish and Shellfish Ecology
- Marine Mammals and other Marine Megafauna
- Offshore Ornithology
- Commercial Fisheries
- Shipping and Navigation
- Archaeology and Cultural Heritage
- Military and Civil Aviation
- Socioeconomics, Tourism and Recreation
- Marine Users



Further work on sustainability and reporting

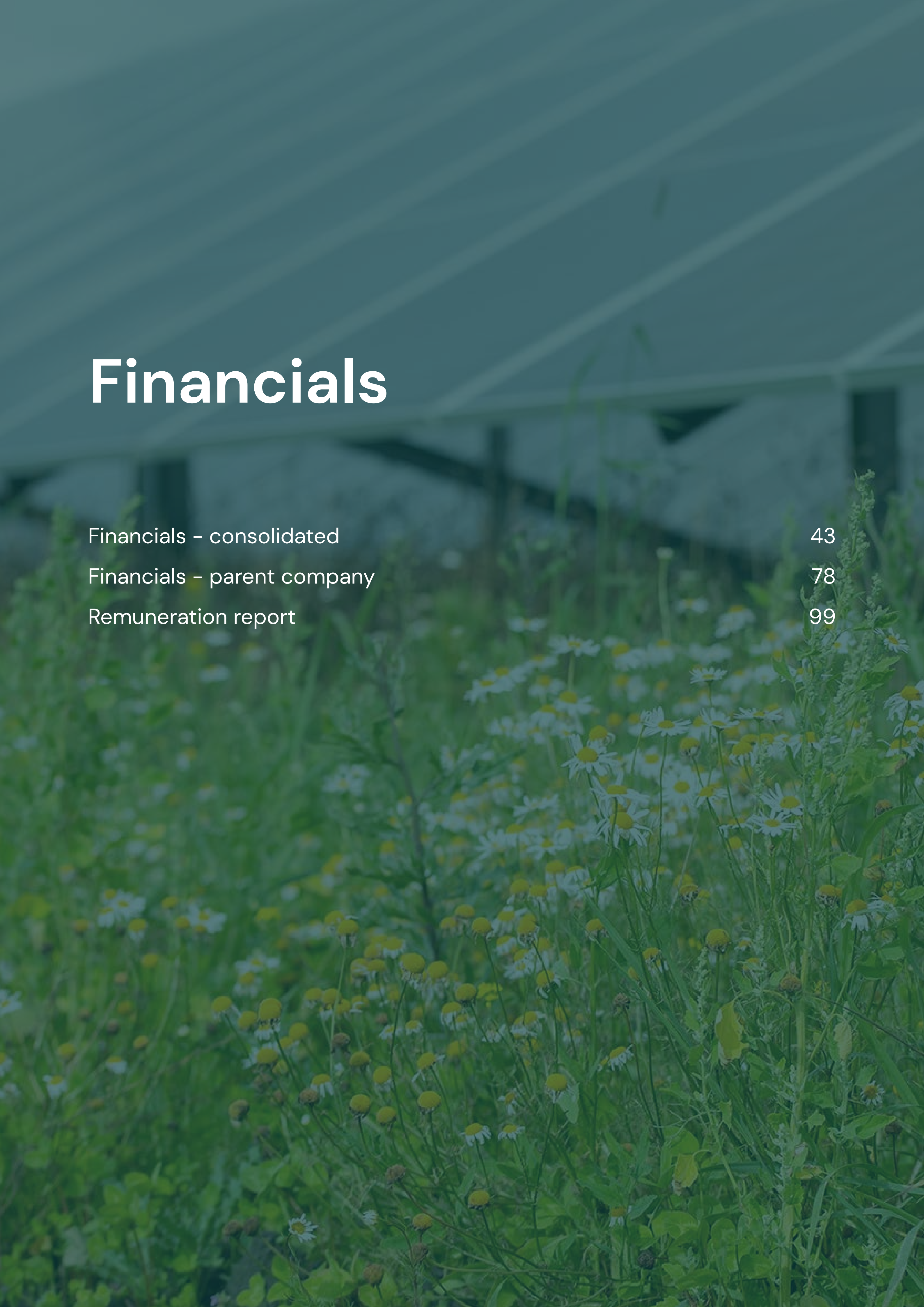
As mentioned, Magnora is gradually implementing reporting in line with CSRD. This is work in progress, and there is potential for more detailed explanations of how efforts related to each material issue correspond to the Groups overall strategy, and more specific measures and quantitative targets. The scope of this work is adapted to Magnora's business, impacts, organisational capacity and stakeholder expectations. CSRD is expected to be compulsory from fiscal year 2026 (with an option to postpone until 2028), and we expect each annual report to be a step towards fully compliant reporting from the year it is compulsory. These years will also be used to prepare for reporting according to EU taxonomy for sustainable activities, scheduled to be compulsory for Magnora from the same year as CRSD.

Alternative performance measures

The European Securities and Markets Authority (ESMA) issued guidelines on Alternative Performance Measures ("APMs") that came into force on 3 July 2016. Magnora has defined and explained the purpose of the following APMs:

Return on book equity as defined by Magnora, is the net income divided by the average total equity (beginning and ending of year total equity balance).

Cash yield to shareholders as defined by Magnora, is the total cash dividends distributed to shareholders per share divided by the average share price of Magnora.



Financials

Magnora Group consolidated statement of profit and loss

NOK million	Note	2024	2023 (restated)*
Continued operations			
Operating revenue	8	2.3	12.1
Other income	4, 9	358.6	249.2
Total revenue and other income		**360.9**	**261.3**
Depreciation and amortisation	14	-1.1	-1.9
Employee benefit expense	10	-51.2	-44.4
Other operating expenses	11	-70.5	-54.3
Total operating expenses		**-122.7**	**-100.6**
Profit/(loss) from associated companies	15	43.3	10.5
Operating profit/(loss)		**281.5**	**171.2**
Financial income	12	13.1	15.3
Financial expense	12	-13.5	-13.5
Foreign exchange gain/(loss)	12	-11.9	0.5
Net financial items		**-12.3**	**2.3**
Profit/(loss) before tax		**269.2**	**173.6**
Tax income/(expense)	13	-5.5	0.1
Net profit/(loss) from continuing operations		**263.7**	**173.7**
Discontinued operations			
Gain on distribution of Hermana ASA to shareholders	5	311.6	-
Net profit/ (loss) discontinued operations	5	4.2	5.2
Net profit/loss for the year		**579.4**	**178.9**
Net profit/(loss) attributable to:			
Equity holders of the parent		593.6	192.5
Non-controlling interests		-14.2	-13.6
Earnings per share for profit/(loss) attributable to the equity holders of the Company during the year (NOK per share):			
- Basic	23	9.00	2.88
- Diluted	23	8.90	2.86

*The legacy licensing business has been discontinued, resulting in restated figures for the prior year. See Note 5 Restructuring of business for further information.

Magnora Group consolidated statement of comprehensive income

NOK million	Notes	2024	2023*
Net profit/(loss)		579.4	178.9
Other comprehensive income			
Items which may be reclassified to profit/loss			
Foreign currency translation		7.2	11.3
Net other comprehensive income		7.2	11.3
Total comprehensive income		**586.6**	**190.2**
Total comprehensive income attributable to:			
Equity holders of the parent		599.0	202.3
Non-controlling interests		-12.3	-12.1

*The legacy licensing business has been discontinued, resulting in restated figures for the prior year. See Note 5 Restructuring of business for further information.

Magnora Group consolidated statement of financial position

NOK million	Notes	2024	2023
ASSETS			
Deferred tax assets	13	2.7	15.1
Goodwill	14	8.4	8.4
Intangible assets	14	148.5	135.2
Fixed assets		0.5	0.3
Right-of-use asset		1.2	1.1
Investment in associated companies	15	59.9	41.3
Loans to associates		31.6	19.5
Other non-current assets	16	39.5	3.4
Total non-current assets		292.3	224.3
Trade and other receivables	17	7.0	7.3
Other current financial assets	18	21.9	25.4
Cash and cash equivalents	19	254.1	347.6
Total current assets		283.0	380.3
Total assets		**575.3**	**604.6**
EQUITY AND LIABILITIES			
Share capital	20	26.2	32.7
Treasury shares	20	-0.7	-0.5
Other reserves		14.0	8.6
Other equity	5	361.0	497.5
Total equity attributable to owners of the parent		**400.5**	**538.3**
Non-controlling interest		1.7	14.0
Total equity		**402.2**	**552.3**
Deferred tax liability	13	0.4	0.4
Other non-current liabilities		-	0.9
Total non-current liabilities		0.4	1.3
Trade and other payables		4.7	6.3
Provisions	21	13.2	4.0
Lease liability		1.2	1.2
Other current liabilities	5, 22	153.5	39.5
Total current liabilities		172.6	51.0
Total liabilities		**173.1**	**52.3**
Total equity and liabilities		**575.3**	**604.6**

Oslo, Norway, 26 February 2025

The Board of Directors of Magnora ASA

Torstein Sanness Chairman	**Hilde Ådland** Board Member	**John Hamilton** Board Member	**Erik Sneve** CEO

Magnora Group consolidated statement of changes in equity

NOK million	Notes	Share capital	Treasury shares	Other equity	Currency translation reserve	Total	Non-controlling interest	Total equity
Equity as of 1 January 2023		**32.7**	**-**	**354.1**	**-1.3**	**385.5**	**46.3**	**431.8**
Net profit/loss		-	-	192.5	-	192.5	-13.6	178.9
Net other comprehensive income		-	-	-	9.9	9.9	1.5	11.3
Total comprehensive income for the period		-	-	192.5	9.9	202.3	-12.1	190.2
Capital increase		-	-	0.6	-	0.6	-	0.6
Transactions with non-controlling interest		-	-	-1.7	-	-1.7	-0.4	-2.1
Disposal of companies with non-controlling interest		-	-	-	-	-	-19.8	-19.8
Share-based payments	10	-	-	8.4	-	8.4	-	8.4
Acquired treasury shares		-	-0.5	-31.7	-	-32.2	-	-32.2
Dividends declared	24	-	-	-24.6	-	-24.6	-	-24.6
Equity as of 31 December 2023		**32.7**	**-0.5**	**497.5**	**8.6**	**538.3**	**14.0**	**552.3**
Equity as of 1 January 2024		**32.7**	**-0.5**	**497.5**	**8.6**	**538.3**	**14.0**	**552.3**
Net profit/loss		-	-	593.6	-	593.6	-14.2	579.4
Net other comprehensive income		-	-	-	5.4	5.4	1.9	7.2
Total comprehensive income for the period		-	-	593.6	5.4	599.0	-12.3	586.6
Share-based payments	10	-	-	3.8	-	3.8	-	3.8
Acquired treasury shares		-	-0.7	-41.4	-	-42.1	-	-42.1
Redemption of own shares		-0.5	0.5	-	-	-	-	-
Dividends declared	24	-	-	-299.8	-	-299.8	-	-299.8
Distribution of non-cash assets to owners	5	-6.7	-	-392.2	-	-398.9	-	-398.9
Increase in par value of outstanding shares		0.7	-	-0.7	-	-	-	-
Equity as of 31 December 2024		**26.2**	**-0.7**	**361.0**	**14.0**	**400.5**	**1.7**	**402.2**

Magnora Group consolidated statement of cash flow

NOK million	Notes	2024	2023
Cash flows from operating activities			
Profit/(loss) before tax from continuing operations		269.2	178.9
Profit/(loss) before tax from discontinued operations		315.8	-
Profit/(loss) from associated companies	15	-43.3	-10.5
Share-based payments	10	3.4	8.4
Depreciation and amortisation	14	1.1	1.9
Gains from divestments	4	-358.6	-249.2
Gains demerger non-cash	5	-311.6	-
Unrealised effects included in operating profit/(loss)		7.5	-0.2
Changes in trade and other receivables		4.1	78.4
Changes in trade and other payables		0.5	1.3
Changes in other current liabilities and provisions		7.1	3.7
Capitalisation of development costs		-	-9.7
Net cash flow from from operating activities		**-104.9**	**3.0**
Cash flows from investing activities			
Investment in associated companies	15	-22.2	-39.7
Investment in fixed assets		-0.1	-5.5
Proceeds from divestments	4	395.1	326.0
Net cash as part of distribution to owners	5	-23.4	-
Dividends received	15	2.6	24.1
Net cash flow from investing activities		**352.1**	**304.9**
Cash flows from financing activities			
Proceeds from project loan		3.4	3.1
Repayment of overdraft facility	22	-	-76.3
Payment for shares bought back	20	-42.7	-32.2
Lease payments		-1.1	-2.2
Dividends paid	24	-299.8	-24.6
Net cash flow from financing activities		**-340.2**	**-132.2**
Net change in cash and cash equivalents		-93.0	175.7
Effect of exchange rate changes on cash and cash equivalents		-0.5	-
Cash and cash equivalents at start of period		347.6	171.9
Cash and cash equivalents at end of period		**254.1**	**347.6**

Notes to Group consolidated financial statements

General

Note 1. General information

Magnora 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: MGN.

Magnora ASA (the 'Company) and its subsidiaries and investments in associated companies (the 'Group' or 'Magnora') is a renewable energy development Group, focusing on development of wind and Solar PV projects from early-phase greenfield to ready-to-build.

The Group focuses on medium-to-large industry-scale solar, wind and battery projects, evaluates numerous opportunities before selecting or creating projects, then develops the projects over a few years, and eventually exits when projects are ready-to-build or near that stage. The Group portfolio is primarily built organically, with a pragmatic approach to growth with the objective of generating further shareholder value.

Note 2. General accounting policies and principles

Basis of preparation
The 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.

The Group's consolidated financial statements have been prepared on a going concern basis.

These consolidated financial statements for the full year 2024 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.

The consolidated financial statements are presented in Norwegian Krone (NOK). Amounts are rounded to the nearest million, unless otherwise stated. As a result of rounding adjustments, amounts and percentages may not add up to the sum total of those columns.

The Group has developed from being a former oil and gas engineering company with license revenues and transformed into a renewable energy development company with several projects and investments in companies in its portfolio. As the Group has grown, it has implemented an updated operating model to manage its increasing portfolio. After the demerger of the Legacy FPSO business in 2024 management considers the business as one operating segment, which is development of renewable projects. The Group's operating profit comes from revenue and gains from developing renewable projects.

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.

Basis for 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.

Basis and principles for consolidation

The consolidated financial statements comprise the financial statements of the parent company Magnora ASA and its subsidiaries, see Note 26 List of subsidiaries and equity accounted companies.

Subsidiaries

Subsidiaries comprise all entities over which the Group has the power to control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting rights of an investee, the Group consider all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether it controls an investee and if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

A change in ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

The Group applies the acquisition method to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets transferred, equity instruments issued, and liabilities incurred assumed at the date of exchange. Acquisition- related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities incurred in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement immediately.

Intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Associates

The share of associates are companies where Magnora has considerable, but not controlling influence. Normally, considerable influence is defined as having ownership between 20% and 50% of the voting rights.

Ownership in associates are accounted for using the equity method of accounting.

Foreign currency translation

Functional and presentation currency

The functional currency of the companies in the Group is determined based on the nature of the primary economic environment in which the company operates. The functional currency of the parent company Magnora ASA and the presentation currency of the Group is Norwegian Krone (NOK).

Transactions and Balances

Foreign currency transactions are translated into the functional currency at the prevailing exchange rate on the transaction date. Foreign exchange gains and losses from the settlement of transactions and the revaluation of monetary assets and liabilities at the reporting date are recognised in profit or loss.

Group companies

When preparing consolidated financial statements, the functional currencies of foreign subsidiaries and associates are translated into NOK using the current exchange rate method. Under this method, balance sheet items are translated at the exchange rate prevailing at reporting date, whilst the statement of profit or loss is translated at the average exchange. The resulting currency translation adjustments are recognised in other comprehensive income are reclassified to the statement of profit or loss upon the disposal or loss of control over foreign investments.

Principles of cash flow statement

The cash flow statement has been prepared using the indirect method.

Operating activities:

The main types of cash flows are those related to the ongoing development of projects.

Investing activities:

The acquisition or divestment of shares encompasses the cash and cash equivalents of the investee, recognised or divested at the transaction date. These cash flows are presented net, along with the cash consideration paid or received. Additionally, cash received from loan repayments as part of share sale agreements, following the divestment of entities, is included with the cash received from the divestment of shares under business divestments in Investing Activities.

Financing activities:

Both the principal and interest portions of lease liabilities are included in financing activities as Lease payment.

Note 3. 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.

Key sources of estimation uncertainty and areas of significant judgement

Intangible asset valuation – Scotwind lease option

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

The value of the Scotwind lease option, acquired from The Crown Estate Scotland, is subject to impairment considerations due to external factors such as fluctuations in energy prices. A significant drop in energy prices could impair the project's viability, potentially requiring a write-down. The Group's valuation is based on market data and forecasts indicating growing demand for renewable energy.

Further, management exercises judgement in assessing indicators of impairment for the Scotwind lease option, considering the long-term energy forecasts and expected competing projects.

Contingent consideration – Future milestone payments

Contingent considerations, such as holdbacks or earnouts from divestments are measured at fair value, representing the present value of expected milestone payments. The Group estimates this value by considering factors such as project progress, milestone achievements, currency fluctuations, milestone and other micro and macro-economic conditions.

Determining the fair value of contingent consideration requires judgment regarding the probability of achieving specific project milestones. The Group adopts a conservative approach in estimating future payments, revisiting and adjusting these valuations as necessary. When the Group divests interests in subsidiaries or associates, it measures the fair value of the consideration

received to calculate any net gain or loss. Given the nature of Magnora's investments, a significant portion of the consideration often depends on future events, which require significant judgment to assess, especially for contingent payments like earnouts or milestone-based payments. The Group applies a conservative approach, evaluating each transaction's likelihood of future payments and recording this as contingent consideration within net gain/loss. See note 4 for further details.

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 book value of the deferred tax asset represents a minor part of the total accumulated tax losses of over NOK 3 billion.

Consolidation of portfolio companies

The Group has a portfolio of companies invested in and evaluates each quarter whether it has control in accordance with IFRS 10.

The Group invested in Kustvind AB in March 2020 through a share issue and holds a 48.1 percent ownership at the balance sheet date. Magnora holds the right to increase its ownership to 50 percent subject to a budget and milestone plan. The option to increase ownership is not currently exercisable, as any ownership increase must be initiated by the Kustvind board through a capital call, driven by the project's capital needs. The remaining shares are equally owned by Kustvind's three founders. Magnora has three out of five board members, and the founders have the remaining two members. The other shareholders have the right to elect a third board member at any time, and it is expected that they will do so. Magnora is a minority owner alongside three other owners and has significant influence of the company. As a result, its ownership is accounted for using the equity method, classifying Kustvind as an associated company.

The Group established Hafslund Magnora Sol AS together with Hafslund Vekst AS and Helios Nordic Energy AB in October 2022 and holds 40 percent ownership at the balance sheet date. Magnora has two out of six board members, and the other two owners have the remaining four members. Hafslund owns 40 percent and Helios owns 20 percent, thus Magnora has no operational influence on the company beyond its participation in board decisions. Hence its ownership is accounted for using the equity method, classifying Hafslund Magnora Sol as an associated company.

In Q2 2024 Magnora completed the carve-out of its FPSO business into Hermana Holding ASA, which commenced trading on Oslo Stock Exchange 18 June 2024. The Group holds 30 percent ownership at the balance sheet date and there are approximately 5,800 other shareholders. Hermana is listed on the Oslo Stock Exchange and is independent from Magnora with its own Board. The Group continuously assesses the control criteria in IFRS 10 and has concluded that its ownership in Hermana does not meet the control criteria as defined by IFRS 10, and therefore accounts for the ownership using the equity method, classifying Hermana Holding ASA an associated company.

Note 4. Divestments

Accounting principle

For transactions that result in the loss of control of a subsidiary or associate, the accounting standards (IFRS 10 and IAS 28) require measuring the fair value of the consideration received when determining the net gain/loss to be recognised. Based on the nature of Magnora's investments, a substantial portion of the consideration may depend on future payments tied to future events, necessitating significant judgement in the assessment. Any sales expenses incurred will reduce the gain/increase the loss. Accumulated translation differences related to the divested business will be recognized in the income statement as part of the gain/loss, with a corresponding contra entry in "Other items in Comprehensive Income".

Significant estimates and assumptions

The Group follows a conservative approach in valuing its portfolio, which is also applied when estimating the fair value of future payments, such as earnouts and other milestone payments from divestments. For each transaction, the Group assesses the probability of these payments and recognises the fair value of future considerations as part of the net gain/(loss). At the end of each reporting period, the Group reassesses the fair value of outstanding milestone payments, with any changes reflected as Other Income in the statement of profit or loss.

As of the balance sheet date, the total gross value of potential earn-out and milestone payments from divestments is up to NOK 620 million (2023: NOK 325.8 million). As of 31 December 2024, NOK 43.3 million (NOK 9.4 million) represents an estimated portion of future earn-out income that has not yet been received. Future and thus estimated proceeds are contingent on the achievement of relevant milestones subject to project-related risks, timing of achieving the milestones, as well as currency fluctuations and other factors. Some divested companies and projects may be subject to both technical and commercial milestones, such as the buyer of the project being awarded grid, auctions/CfD rates, etc. Future earnout payments are therefore subject to interest rates affecting the discounted cash flow, final investment decision from buyer or end-customer, achievement of technical milestones, and achieving acceptable sales prices. Further details are set out in the risk section. The timeframe for potential considerations are 1-4.5 years due to time limitations set in the divestment agreements.

Divestments in 2024

Sale of Helios Nordic AB

On 29 May 2024, the shareholders of Helios Nordic AB, in which Magnora holds a 40% interest, announced the sale of all their shares to Vinci Concessions. The transaction resulted in an upfront payment of NOK 331.6 million in cash. Additionally, the agreement includes a potential earn-out of up to NOK 360 million, contingent on the realisation of the portfolio. This estimate reflects market developments and the projected timeline for achieving ready-to-build (RtB) status. The transaction received Foreign Direct Investment approval, and financial close was reached in the third quarter of 2024.

After deducting the carrying value of the investment, Magnora recognised a net gain on the sale of NOK 254.9 million. In addition, contingent income recognised for the year amounted to NOK 32.7 million, recognised as other income in the statement of profit and loss.

Sale of South African projects

On 17 September 2024, financial close was reached for a solar project in South Africa. The transaction resulted in net proceeds of NOK 2.3 million in cash, with a net gain, after deducting the carrying value of the investment of NOK 0.2 million recognised upon closing. The sale of this project also includes potential additional milestones considerations as the project progresses towards ready-to-build (RTB) status. In line with our prudent approach to financial reporting, no contingent income has been recognized as of 31 December 2024, as the project is still in its early stages and subject to milestone achievements.

As of 31 December 2024, earn-out income related to previously divested projects amounts to NOK 68 million received in cash and NOK 2.7 million as contingent income for future receipt. The Group recognised a total of NOK 358.6 million in other income from divestments and earn-outs during 2024.

Divestments in 2023

Sale of Evolar AB

On 12 May 2023, Magnora sold all its holdings in Evolar to First Solar, Inc. The net gain of NOK 229.6 million was recognised as other income in the second quarter, of which NOK 4.9 million did not have a cash

effect as it is subject to certain future contingent events and reflects a best estimate as of 31 December 2023. The first potential milestone payment for the earnout was achieved in May 2024, and the remaining milestones must be achieved before 12 May 2029.
Sale of South African projects

On 12 July 2023, Magnora sold all its shares in one of its South African SPVs to Globeleq Africa Limited. The net gain of NOK 11.1 million was recognised as other income, of which NOK 2.9 million subject to certain future contingent events and reflected a best estimate as of 31 December 2023.

On 20 October 2023, Magnora sold all its shares in one of its South African SPVs to Globeleq Africa Limited. The net gain of NOK 7 million was recognised as other income, of which NOK 1.6 million subject to certain future contingent events and reflected a best estimate as of 31 December 2023.

Note 5. Restructuring of business

In January 2024 Magnora decided to establish a separate legal entity for the Legacy FPSO business. The restructuring was executed as a demerger and corresponding triangular merger. The new holding company for the legacy business is Hermana Holding ASA, which owns all the shares in Western Isles Holding AS. The new group has received NOK 25 million in working capital from Magnora ASA, along with a receivable of USD 8.6 million (NOK 97.9 million) from Magnora ASA, which will be paid upon receipt of the outstanding payments for the Penguin milestones. At reporting date, Magnora ASA has payable outstanding to the Hermana Group of USD 8.6 million.

Following the restructuring, 70% of the shares in Hermana ASA, were demerged from Magnora ASA to its existing shareholders of Magnora ASA on 17 June 2024. This completed the carve-out of the FPSO business into Hermana Holding ASA, which commenced trading on Oslo Stock Exchange 18 June 2024. After the demerger, Magnora holds 30% of the shares in Hermana Holding ASA, and this ownership at year end is accounted for using the equity method, with the investment recognised as an associate company. Please see further disclosure in Note 15 Investments in Associated Companies.

The demerger was accounted for in accordance with IFRIC 17 Distribution of Non-cash Assets to Owners. The liability to distribute non-cash assets was recognised as a dividend to the Group's owners. Upon settlement of the dividend payable, the Group recorded the difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable in profit or loss.

The total distribution amounted to NOK 398.9 million, less the carrying value of the investment distributed of NOK 87.3 million, resulting in a gain of NOK 311.6 million. The distribution of 70% of Hermana Holding ASA to Magnora ASA shareholders, was recognised as a dividend in the statement of equity. The distribution consisted of shares and had no cash effect, except for NOK 23.4 million in cash belonging to the subsidiaries that were distributed.

After the demerger, the revenues and expenses related to the licensing agreement associated with the Western Isles FPSO are no longer included in the financial statements of Magnora ASA. As the licensing business represents a separate major line of business for the Magnora Group, this divestment is presented as discontinued operations.

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

NOK million	Total operations	Discontinued operations	Continuing operations
Operating revenue	7.6	5.3	2.3
Other income	358.6	–	358.6
Total revenue and other income	**366.2**	**5.3**	**360.9**
Depreciation and amortisation	-1.1	–	-1.1
Employee benefit expense	-51.2	–	-51.2
Other operating expenses	-77.4	-6.9	-70.5
Total operating expenses	**-129.6**	**-6.9**	**-122.7**
Profit/(loss) from associated companies	43.3	–	43.3
Operating profit/(loss)	**279.9**	**-1.6**	**281.5**
Financial income	13.1	–	13.1
Financial expense	-13.5	–	-13.5
Foreign exchange gain/(loss)	-7.2	4.7	-11.9
Net financial items	**-7.6**	**4.7**	**-12.3**
Profit/(loss) before tax	**272.3**	**3.1**	**269.2**
Tax income/(expense)	-4.4	1.1	-5.5
Net profit/(loss)	**267.9**	**4.2**	**263.7**

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

NOK million	Total operations	Discontinued operations	Continuing operations
Operating revenue	24.6	12.5	12.1
Other income	249.2	–	249.2
Total revenue and other income	**273.8**	**12.5**	**261.3**
Depreciation and amortisation	-1.9	–	-1.9
Employee benefit expense	-44.4	–	-44.4
Other operating expenses	-61.5	-7.2	-54.3
Total operating expenses	**-107.8**	**-7.2**	**-100.6**
Profit/(loss) from associated companies	10.5	–	10.5
Operating profit/(loss)	**176.5**	**5.3**	**171.2**
Financial income	15.3	–	15.3
Financial expense	-13.5	–	-13.5
Foreign exchange gain/(loss)	0.4	-0.1	0.5
Net financial items	**2.2**	**-0.1**	**2.3**
Profit/(loss) before tax	**178.7**	**5.2**	**173.5**
Tax income/(expense)	0.1	–	0.1
Net profit/(loss)	**178.8**	**5.2**	**173.6**

NOK million	2024	2023
Cash flows related to discontinued operations		
Net cash flow from from operating activities	-2.6	80.2
Net cash flow from investing activities	-	-
Net cash flow from financing activities	**25.0**	**-80.2**

Earnings per share for profit/(loss) attributable to equity holders of the company:	**2024**	**2023**
- Basic (NOK per share)	0.06	0.08
- Diluted (NOK per share)	0.06	0.08
Weighted average number of shares outstanding (thousands)	66,287,252	66,822,679
Weighted diluted average number of shares outstanding (thousands)	66,870,300	67,194,151

Note 6. 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 impacts on its financial performance. This strategy focuses on identifying threats and opportunities, as well to manage the Group's overall exposure to financial and operational risks. Key risks are summarised below, with detailed descriptions of market and financial risks.

Market risks

Energy price risk

The Group divests its projects and portfolio companies, and the price achieved is dependent on the prevailing and expected future energy prices. A significant decline in the energy prices project attractiveness and internal rates of return.

Climate risk

While the Group has minimal physical assets at risk, climate change and policy shifts could impact project viability. However, increased climate action may enhance renewable energy investment appeal and access to capital. Group has limited physical assets, and other than IT and office equipment, only a few wind measurement masts at some of its project sites in South Africa. The masts are insured, and the value of the masts is not material. Future climate changes may change political decisions related to renewable energy priorities, which could have a negative or positive impact on some projects. The Group's portfolio is diversified across renewable technologies and geographical areas to limit this type of risk. Further, the Group's business of developing renewable-energy project is in itself climate-friendly and therefore considered to have lower climate risk, in general, than e.g. fossil energy businesses. Financial loss due to climate change is thus considered low. At the same time, an increase in climate change may increase the attractiveness of renewable investments and therefore improve the Group's access to capital and lower the cost of capital.

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 operates internationally and is exposed to foreign exchange risk arising from fluctuations in exchange rates between its functional currency (NOK) and other currencies. The risk arises primarily from the Group's investments, revenues, and operating expenses denominated in foreign currencies.

The group has investments in subsidiaries and operations located in Sweden, United Kingdom and South Africa. Changes in exchange rates for SEK, GBP and ZAR relative to NOK may impact the group's financial results.

A significant portion of the Group's revenue and other income is denominated in USD and SEK, therefore any material movements in the USD/NOK and SEK/NOK exchange rates may affect the value of the reported revenue and profitability.

The group manages its foreign exchange risk through holding deposits in local currency, as well as regular monitoring of currency exposures and, where deemed necessary, may consider hedging strategies to mitigate the impact of significant fluctuations. However, as of the reporting date, the Group has not entered into any specific hedging arrangements.

Sensitivity analysis

The table below illustrates the potential impact on profit before tax, cash and cash equivalents and debt.

NOK million	2024	2023
Changes in USD	**(10%)**	**(10%)**
Profit before tax	8.4	17.9
Changes in SEK	**(10%)**	**(10%)**
Profit before tax	33.4	-
Changes in GBP	**(10%)**	**(10%)**
Effect on cash and cash equivalents	1.3	0.5
Effect on outstanding debt	4.5	3.4
Changes in ZAR	**(10%)**	**(10%)**
Effect on cash and cash equivalents	0.8	0.3

Liquidity risk

The Group manages liquidity risk by maintaining adequate cash reserves to meet its obligations and support future investments. Cash flow forecasts are regularly updated to reflect changes in key assumptions, such as payment schedules and license milestones, allowing the Group to proactively identify and address potential liquidity challenges.

The Group's cash flow is primarily derived from the disposal of portfolio companies, projects, as well as dividends from subsidiaries and associates. Negative cash flow from portfolio companies may impact liquidity, however, the exposure is limited to the Group's invested capital and dependent on the performance of its associated companies. To mitigate this risk, Magnora actively engages in governance and oversight of its portfolio investments.

As the Group transitions into more capital-intensive projects, access to capital is a key risk. This is managed through close engagement with financial institutions and aligning cash flow timelines with investment needs.

As of the balance sheet date, the Group has financial liabilities amounting to NOK 159.4 million and retains a robust liquidity position, with a cash balance of NOK 254.1 million.

The following table below shows the maturity for nominal cash flows for the contractual obligations as per 31 December 2024:

NOK million	Carrying amount	Less than a year
Trade payables	4.7	4.7
Lease liability	1.2	1.2
Other current payables	153.5	153.5
Total financial liabilities	**159.4**	**159.4**

As at 31 December 2023:

NOK million	Carrying amount	Less than a year
Trade payables	6.3	6.3
Lease liability	1.2	1.2
Other current payables	39.5	39.5
Total financial liabilities	**47.0**	**47.0**

Credit risk

Credit risk arises from cash and cash equivalents, and 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 renewable energy operators and investment companies, oil companies, and global marine contractors 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.

These risks are monitored continuously, and risk management strategies are in place to support the Group's objectives and ensure financial stability.

Note 7. Financial Instruments

Accounting principle

Financial assets

The Group's trade receivables and other financial assets are measured at amortised cost. The interest income from these financial assets is included in finance income using the effective interest method.

The Group's cash and cash equivalents are measured at nominal value, which approximates the fair value due to their short-term nature. They consist of multicurrency accounts linked to actively traded foreign currencies.

For trade receivables, the Group applies the simplified approach as permitted in IFRS 9 to calculate the impairment losses as a separate line item in the statement of profit or loss.

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 statement of profit and loss.

Overdraft facility

The Group has a total available overdraft facility of NOK 150 million. As of 31 December 2024, none of the overdraft facility has been drawn. See Note 22 Other current liabilities for covenants related to the overdraft facility.

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

NOK		2024	2023
Category:	**Asset:**		
Financial asset at amortised cost	Accounts receivable	7.0	7.3
Financial asset at amortised cost	Other current financial assets	1.9	25.4
Financial asset -fair value through profit and loss	Other current financial assets	3.8	-
Financial asset -fair value through profit and loss	Other-non-current assets	39.5	-
Financial asset at amortised cost	Cash and cash equivalents	254.1	347.6
Total financial assets		**306.3**	**380.3**

NOK		2024	2023
Category:	**Liability:**		
Financial liabilities at amortised cost	Trade payables	4.7	6.3
Financial liabilities at amortised cost	Provisions	13.2	4.0
Financial liabilities at amortised cost	Lease liability	1.2	**1.2**
Financial liabilities at amortised cost	Other current liabilities	153.5	39.5
Total financial liabilities		**172.6**	**51.0**

Fair value measurement

- Contingent income linked to project milestones: the Group recognises short-term contingent income linked to project milestones at fair value through profit and loss The fair value of such income is measured using a risk-weighted approach, reflecting management's best estimates regarding milestone achievement and the associated cash flows. The valuation incorporates key factors such as project progress, contractual terms, historical performance, and external market conditions that may impact milestone outcomes. Due to the reliance on significant unobservable inputs and management assumptions, these valuations are classified within Level 3 of the fair value hierarchy. The fair value of contingent income is reassessed at each reporting date, with any changes reflected in the statement of profit or loss.

Note 8. Operating revenue

Accounting principle

Revenue from contracts with customers is recognised 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.

Revenue is recognised as follows:

- The Group provides administrative and project development services to associated companies on an hourly basis. Revenue is recognised as the work is performed.

Operating revenue in 2024 consisted mainly of revenue from services provided to associated companies. Revenue from services provided to associated companies accounted for 100% (2023: 100%) of total operating revenue.

Following the demerger, the FPSO-related legacy business is now classified as a discontinued operation. Additional details on the demerger can be found in Note 5: Restructure of business.

Total revenue is presented in the table below:

NOK million	2024	2023
Operating revnue		
Management services revenue	2.3	12.1
Total operating revenue	**2.3**	**12.1**

Total revenue by country:

NOK million	2024	2023
Norway	2.3	12.0
Sweden	–	0.2
Total operating revenue	**2.3**	**12.1**

Note 9. Other income

The Group recognised significant income from divestments and earnout income earned during the year from the sale of Helios, Evolar, AGV Projects and South African SPVs. Total gains on divestments amounted to NOK 358.6 million (2023: NOK 249.2 million). For further details please refer to Note 4 Divestments.

Note 10. Employee benefits and share-based payments

Accounting principle

The Group operates a share-based payment programme for management and employees, classified as equity-settled in accordance with IFRS 2. Equity-settled share-based payments are measured at fair value at the grant date, using the Black-Scholes valuation model, and expensed over the vesting period, adjusted for expected vesting based on non-market-based conditions. Bonus shares are awarded net after tax, with the Group withholding a portion of shares to cover the employee's statutory tax obligation and remitting the tax amount in cash to the tax authority. This net settlement feature does not affect the classification as equity-settled, provided the withheld amount does not exceed the employee's maximum statutory tax obligation.

Additionally, the Group recognises a cash-settled share-based payment liability for social security contributions arising from these programs. This liability is measured at fair value and remeasured at each reporting date until settlement.

The Group has an equity incentive plan for executive management and key employees through the issuance of share options. The valuation of these options is determined using the Black-Scholes model, with the risk-free rate based on the five-year treasury bond rate at grant date. The options' full term is aligned with their vesting period.

Employee benefits

The table below details the Group's employee expenses for the year, including salaries, social security tax, pensions costs, share-based payments and other benefits:

NOK million	2024	2023
Salaries and vacation pay	22.3	22.2
Employer's contribution tax	4.5	5.5
Pension costs	1.6	2.1
Bonus	14.3	9.0
Share based payments	5.4	8.4
Other employee benefit expense	1.8	1.3
Board remuneration[1]	1.3	1.4
Gross personnel expenses	**51.2**	**49.9**
Capitalised development costs	–	-5.4
Total employee benefit expense	**51.2**	**44.4**

[1]The operating expenses breakdown has been restated to show the board's remuneration as a distinct line item.

Pension scheme

The Group operates a defined contribution plan in compliance with legal requirements. Contributions are recognised as expenses in the period they are earned by employees, with no further obligations beyond the contributed amounts.

Pension costs recognised during the course of 2024 was NOK 1.6 million (2023: NOK 2.1 million). As of 31 December 2024, the defined contribution plan had 11 participants (2023: 8 participants).

Remuneration of Senior Management

The remuneration of the Executive Group Management consists of a fixed salary, including personal benefits such as telephone allowance and health insurance, a variable performance bonus, pension benefits, and a long-term share-based incentive programme.

The provision considers the incurred portion of the measurement period and shall be based on a 'best estimate' of the expected achievements of the key performance indicators as set out in the actual bonus programme.

There are no loans, pre-payments, or securities granted to the current Senior Management in 2024 or 2023.

2024 Remuneration of Senior Management

NOK thousand	Erik Sneve CEO	Bård Olsen CFO	Stein Bjørnstad COO	Total
Salary	3,694	1,812	1,792	7,298
Bonus	3,170	897	580	4,647
Retirement benefits	207	207	203	617
Other benefits	20	20	18	58
Total reportable benefits	**7,091**	**2,936**	**2,593**	**12,620**

2023 Remuneration of Senior Management

NOK thousand	Erik Sneve CEO	Bård Olsen CFO	Total
Salary	2,890	1,724	4,614
Bonus	4,189	937	5,126
Retirement benefits	194	194	388
Other benefits	18	18	36
Total reportable benefits	**7,291**	**2,873**	**10,164**

Below is a table showing the total shares owned or controlled by Senior Management:

FY 2024	Shares	Options
Erik Sneve, CEO	1,183,871	525,000
Bård Olsen, CFO	75,000	125,000
Stein Bjørnstad, COO	15,000	50,000
Total	**1,273,871**	**700,000**

FY 2023	Shares	Options
Erik Sneve, CEO	1,173,871	450,000
Bård Olsen, CFO	75,000	125,000
Total	**1,248,871**	**575,000**

Reference is made to the 'Magnora Remuneration Report 2024' for further details of remuneration of Senior Management.

Share-based payments

In accordance with the terms adopted by the General Meeting in 2019, the Board of Directors established a share-based payment program for senior management and key employees. The key conditions are as follows:

The equity incentive plan may cover up to 10% of the issued share capital in the company. Allocations are proposed by the Board of Directors and approved at the General Meeting. The exercise price is based on the fair value at the grant date. The options vests over three years and must be exercised within five years of vesting. The share-based payments are equity-settled and expensed over the vesting period. The employee granted options must remain in their position until the vesting date to exercise them.

As authorised by the Annual General Meeting of 25 April 2023 and 23 April 2024, the Board of Magnora issued 108,000 options during 2024 to provide long-term incentives to the chairman of the Board and CEO.

Share options for the year and movement	2024	2023
Outstanding at the beginning of the year	1,550,000	1,475,000
Granted during the year	108,000	375,000
Forefeited during the year	50,000	225,000
Exercised during the year	55,000	75,000
Outstanding at the end of the year	**1,553,000**	**1,550,000**
Exercisable at the end of the year	745,000	366,668

The following table shows the inputs to the models used for the plans for the years ended 31 December 2024 and 2023, respectively:

2024

NOK million	No. of options	Grant date	Expiry date	Weighted average remaining contractual life	Weighted average strike price	Vested options 31.12.2024	Share price (grant date)
Options Trench#1	33,000	23/04/2024	23/4/2032	5.1	18.84	-	23.47
Options Trench#2	75,000	11/07/2024	11/07/2032	5.1	18.84	-	23.80

2023

NOK million	No. of options	Grant date	Expiry date	Weighted average remaining contractual life	Weighted average strike price	Vested options 31.12.2023	Share price (grant date)
Options Trench#1	200,000	21/3/2023	21/3/2031	5.6	15.57	-	14.37
Options Trench#2	75,000	25/4/2023	25/4/2031	5.6	15.57	-	15.31
Options Trench#3	100,000	16/6/2023	16/6/2031	5.6	15.57	-	21.47

Note 11. Other operating expenses

NOK million	2024	2023
Continued operations		
Office costs	2.5	3.2
Auditor fees	3.1	1.6
Legal and tax fees	6.5	5.9
Consultancy	53.1	39.2
Travel expenses	1.6	1.0
Other expenses	3.7	3.4
Total other operating expenses - continued operations	**70.6**	**54.3**
Discontinued operations		
Consultancy - discontinued operations	6.9	7.1
Total other operating expenses - total operations	**77.4**	**61.4**

Expenses related to statutory and other auditor services is presented below:

NOK million	2024	2023
Statutory audit	2.5	1.5
Other certification services	0.5	0.1
Other assurance services	0.1	-
Total auditor fees	**3.1**	**1.6**

Note 12. Net financial items

Accounting principle

Net financial items are recognised in accordance with IFRS 9 – Financial Instruments. Financial income and expenses are recorded on an accrual basis and measured at amortised cost or fair value, depending on the nature of the financial instrument. Foreign exchange gains and losses on monetary items are recognised in profit or loss as they arise.

Financial income consists of interest earned on bank deposits and foreign exchange gains on internal debt and receivables. Financial expenses mainly comprise interest on foreign accounts and payables in foreign currency.

The table below shows the breakdown of the financial income and financial expense for the year ended 31 December and the comparative figures for 2023.

Financial income:

NOK million	2024	2023
Interest income	13.1	15.3
Total financial income	**13.1**	**15.3**

Financial expense:

NOK million	2024	2023
Interest expense	-13.5	-12.6
Net foreign exchange losses	-11.9	-
Losses from investments in marketable securities	-	-0.9
Total financial expense	**-25.4**	**-13.5**
Net financial items	**-12.3**	**1.8**

Note 13. Income Taxes

Accounting principle

The income tax expense for the period comprises both 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.

The current income tax charge is calculated based on the tax laws enacted or substantially enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income.

Deferred income tax is recognised, 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.

Deferred income tax is not recognised 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. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. 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 assets 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.

For 2024 a tax rate of 22% has been used when calculating the deferred tax assets and liabilities (2023: 22%).

The Group is not within the scope of Pillar 2.

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	685.5	768.8
Deferred tax liability to be reversed after more than 12 months	-0.4	-0.4
Net deferred tax assets/(liabilities)	**685.1**	**768.4**
Deferred tax assets not recognised in the balance sheet	-682.8	-753.7
Net deferred tax asset recognised in the balance sheet	**2.7**	**15.1**
Net deferred tax liabilities recognised in the balance sheet	**-0.4**	**-0.4**

Reconciliation of deferred tax assets:

NOK million	2024	2023
Book value 1 January	15.1	15.1
Transferred in demerger	-6.9	-
Income statement charge relating to deferred tax assets	-5.5	-
Book value 31 December	**2.7**	**15.1**

Reconciliation of deferred tax liabilities:

NOK million	2024	2023
Book value 1 January	-0.4	-4.9
Disposal of intangible assets	-	4.8
Currency translation	-	-0.4
Tax income related to depretiation of intangible assets	-	0.1
Book value 31 December	**-0.4**	**-0.4**

Specification of deferred tax assets/(liabilities) booked and not booked:

NOK million	2024	2023
Deferred tax assets:		
Investments and receivables	0.3	0.3
Current liabilities	0.8	-
Fixed assets	0.2	0.3
Intangible assets	-0.4	-0.4
Losses carried forward	684.2	768.2
Total deferred tax assets	**685.1**	**768.4**

At balance sheet date, the recognition criteria in IAS 12 were met. The deferred tax asset recognised is expected to be utilised within the next 5 years 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 accumulated tax losses. Reference is made to Note 3 for further information.

Specification of tax income/(expense):

NOK million	2024	2023
Derecognition of deferred tax asset	-5.5	-
Tax income related to depreciation of intangible assets	–	0.1
Net tax income/(expense)	**-5.5**	**0.1**

Reconciliation of nominal tax rate and effective tax rate:

NOK million	2024	2023
Profit/(loss) before tax:	**269.2**	**173.5**
Tax calculated (22%)	-59.2	-38.2
Effect on taxes of:		
Income not subject to tax	78.9	51.8
Expenses not deductible	-0.9	-0.1
Result from associated companies	9.5	2.3
Tax losses for which no deferred income tax was recognised	-33.8	-14.6
Tax income/(expense)	**-5.5**	**1.2**

Note 14. Intangible assets and goodwill

Accounting principle

The acquisition method of accounting applies to business combinations. Compensation is measured at fair value on the transaction date which is when risk and control is transferred and will normally coincide with the implementation date. An allocation of the acquisition price is based on fair value of assets and liabilities acquired. Additional value that cannot be allocated to identifiable assets and liabilities are allocated to goodwill. If fair value of identifiable assets and liabilities is higher than consideration given, the excess is charged to income. Investments in associates are accounted for using the equity method after initially being recognised at cost.

Intangible assets are recognised at cost and are tested for impairment indications annually. Except the Scotwind lease option the Group holds in Scotland, the Group does not currently hold intangible assets with a finite useful life, and no amortisation has been recorded for the period. The Scotwind lease option, which grants Magnora the exclusive right to perform environmental studies in the designated area, will be amortised once the lease period begins.
As of 31 December 2024, the Group's intangible assets consist of the Scotwind lease option (NOK 146.5 million) and land rights related to projects within the South African portfolio (NOK 2 million). Goodwill (NOK 8.4 million) recognised by the Group relates to the acquisition of its South African operations.

NOK million	Goodwill	Option lease	Total
Balance as of 1 January 2024	8.4	135.2	143.6
Currency translation effects	–	13.3	13.3
Balance as of 31 December 2024	**8.4**	**148.5**	**156.9**

NOK million	Goodwill	Option lease	Technology	Total
Balance as of 1 January 2023	34.1	124.1	46.8	205
Additions	-	-	10.8	10.8
Disposals - sale of subsidiary	-28	-	-62.4	-90.4
Amortisation	-	-	-0.4	-0.4
Currency translation effects	2.3	11.1	5.1	18.5
Balance as of 31 December 2023	**8.4**	**135.2**	**-**	**143.6**

Impairment testing

Intangible assets with indefinite useful lives are tested annually for impairment.

An impairment loss is recognised when the recoverable amount of the underlying asset is below its carrying amount. The recoverable amount is the higher of the fair value less cost of disposal and value in use.

Scotwind lease agreement

The ScotWind lease option signed by Magnora with The Crown Estate Scotland is considered to be an intangible asset in the statement of financial position. The agreement gives Magnora the exclusive right to perform environmental studies on the area awarded. When the requirements in the option lease agreement, including key project consent, are met, the land lease will commence. The intangible asset will start amortising when the lease commences and will be amortised over the duration of the land lease. There are no indications of impairment related to the option lease agreement as of 31 December 2024.

Goodwill and land lease option

Goodwill related to the South African operations relates, where the goodwill was attributed, to the expected synergies, market position and development opportunities within the region. The goodwill was recognised as part of the acquisition in 2022 associated with the project pipeline, local expertise and relationships crucial to the development of renewable energy projects in South Africa. The Group's impairment testing model for goodwill follows a value-in-use approach based on a discounted cash flow model, which reflects the long-term prospects of the South African renewable energy market.

In addition to the goodwill, the Group also holds land lease options related to a South African project, which are classified as intangible assets. The impairment test for these assets is similarly based on a value-in-use calculation, considering the projected future cash flows from the land lease, the timing of the expected concession grants, and the broader macroeconomic conditions influencing the renewable energy sector in South Africa.

The key assumptions for the impairment test include:

- Projected future cash flows based on local energy prices, anticipated demand for renewable energy, and market growth in the region.
- Timing of the expected development permits and concession grants for the land lease projects.

Given the favourable market conditions and growth potential within the South African renewable energy sector, and based on current project progress and expected milestones, the Group believes that no reasonable change in the key assumptions would cause the carrying value to exceed the recoverable amount of the goodwill or the land lease options.

As a result, no impairment loss has been recognised, as the recoverable amounts of both the goodwill and the land lease options exceed their carrying amounts.

Note 15. Investments in associated companies

Accounting principle

Investments in associates are normally those entities in which Magnora holds a significant, but not controlling influence. This applies for all investments where Magnora holds between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method, in accordance with IAS 28.

The table shows the summarized investments classified as associated companies as of 31 December 2024:

Name of entity	Place of business	FY 2024 Shareholder interest	FY 2023 Shareholder interest
Kustvind AB	Sweden	48%	46%
Hafslund Magnora Sol AS	Norway	40%	48%
Hermana Holding ASA	Norway	30%	0%
Helios Nordic AB	Sweden	0%	40%
Gamcap Magnora Development Company Limited	United Kingdom	50%	50%

Kustvind AB

The Group invested in Kustvind AB (Kustvind) in March 2020. Kustvind is a shallow-water offshore wind project located in an area with attractive wind conditions off the southern coast of Sweden. Magnora is a minority owner with three other owners of the project but at reporting date significant influence.

Hafslund Magnora Sol AS

The Group invested in Hafslund Magnora Sol AS, together with Hafslund Vekst AS and Helios Nordic Energy AB in October 2022, to develop large-scale solar PV farms in Norway. Magnora and Hafslund own 40 percent each, and Vinci Concessions holds the remaining 20 percent through Helios Nordic Energy AB.

Hermana Holdings ASA

The Group invested in Hermana Holdings ASA (Hermana) in June 2024. Hermana is the legacy business of Magnora spun out in an IPO as a separate legal entity in 2024. Hermana is entitled to a performance-based license fee, 50 cent per barrel, from the Western Isles FPSO, planned to be redeployed at the Buchan Horst field with estimated production start in 2027/2028. The investment made in Hermana as an associate is a non-cash transaction as part of the demerger, please see Note 5 Restructuring of business for further details.

Helios Nordic Energy AB

On 29 May 2024, the shareholders of Helios Nordic AB, in which Magnora holds a 40% interest, announced the sale of all their shares to Vinci Concessions. The transaction resulted in an upfront payment of NOK 331.6 million in cash. Additionally, the agreement includes a potential earn-out of up to NOK 360 million, contingent on the realisation of the portfolio. This estimate reflects market developments and the projected timeline for achieving ready-to-build (RtB) status. The transaction received Foreign Direct Investment approval, and financial close was reached in the third quarter of 2024.. See Note 4 Divestments and Note 9 Other income for further information related to the divestment.

The table below shows the summarised book values of the investment in associates:

2024

NOK million	Kustvind AB	Hafslund Magnora Sol AS	Helios Nordic Energy AB	Hermana Holding ASA	Mor Glas Wind Farm Limited	Gamcap Magnora Development Company Limited	Total
Book value at 1 January	19.6	0.4	19.6	–	1.5	0.1	**41.3**
Acquisition of associates	–	–	–	35.3	–	–	**35.3**
Additions of investment capital	2.3	6.2	–	–	–	–	**8.5**
Disposal of associates	–	–	-67.5	–	–	–	**-67.5**
Share of profit/loss for the year	-1.3	0.6	50.5	-0.8	-1.6	-4.1	**43.3**
Dividends received	–	–	-2.6	–	–	–	**-2.6**
Loss accounted for as part of net inmvestment	–	-2.9	–	–	–	4.1	**1.2**
Currency translation effects	0.4	–	–	–	0.1	-0.1	**0.4**
Book value at 31 December	**21.1**	**4.3**	**–**	**34.5**	**–**	**–**	**59.9**

2023

NOK million	Kustvind AB	Helios Nordic Energy AB	Hafslund Magnora Sol AS	Mor Glas Wind Farm Limited	Gamcap Magnora Development Company Limited	Total
Book value at 1 January	13.7	11.4	-0.7	1.9	–	**26.5**
Additions of investment capital	7.4	–	15.0	–	–	**22.4**
Share of profit/loss for the year	-2.6	30.6	-13.9	-0.5	-3.1	**10.5**
Dividends received	–	-24.1	–	–	–	**-24.1**
Loss accounted for as part of net inmvestment	–	–	–	–	3.0	**3.0**
Currency translation effects	1.1	1.7	–	–	0.1	**3.0**
Book value at 31 December	**19.6**	**19.6**	**0.4**	**1.5**	**0.1**	**41.3**

The table below shows the summarised financial information for the Group's significant investments in associated companies. The figures represent 100% of the companies' operations in accordance with IFRS 12.

FY2024

NOK million	Kustvind AB	Hafslund Magnora Sol AS	Hermana Holding ASA
Non-current assets	2.0	8.2	7.8
Current assets	0.3	7.6	114.6
Current liabilities	-	4.9	0.9
Net profit/loss for the period	-1.7	-5.6	1.7
Total equity	19.4	10.9	121.5

FY2023

NOK million	Kustvind AB	Helios Nordic Energy AB
Non-current assets	13.9	19.4
Current assets	1.0	76.1
Current liabilities	0.2	75.6
Net profit/loss for the period	-6.0	83.8
Total equity	14.7	19.9

Impairment of associated companies

The Group conducts an annual assessment of its investments in associates for potential impairment after the financial year-end. For the financial year 2024, no indicators of impairment were identified, as all associated companies remain in the early stages of development and are progressing in line with expectations.

Note 16. Other non-current assets

Accounting principle

Other non-current assets are recognised in accordance with IFRS 9 – Financial Instruments and are classified based on their nature and expected realisation period. Earnout contingent income is measured at fair value through profit or loss (FVTPL), as it represents a financial asset with variable future cash flows dependent on milestone achievements. The fair value is reassessed at each reporting date, with changes recognised in the statement of profit or loss

As of the financial year 2024, other non-current assets primarily comprise the long-term earnout from previous divestments. See note 4 for further details. This income relates to expected future payments subject to achievements of relevant milestones with related project risks, timing of achieving the milestones as well as currency fluctuations. The recognition of these assets reflects management's assessment of the likelihood and timing of receipt based on the underlying contractual agreements and available financial projections.

The table below shows the total other non-current assets as of 31 December 2024:

NOK million	**2024**	**2023**
Earn-out income asset	39.5	3.4
Total other non-current assets	**39.5**	**3.4**

Note 17. Trade and other receivables

Accounting principle

Trade and other receivables are recognised in accordance with IFRS 9 – Financial Instruments and are measured at amortised cost, as they represent financial assets with fixed or determinable payments that are not quoted in an active market. The Group assesses expected credit losses (ECL) at each reporting date, applying the simplified approach for trade receivables, recognising lifetime ECL where applicable.

As of 31 December 2024, the Group had trade and other receivables of NOK 3 million as receivable from associated companies Hafslund Magnora Sol AS and Hermana Holding ASA. These are related to the services provided by Magnora to the associated companies for the provision of management, technical and administrative support across the group and are due as at the end of the year. In addition, the Group has NOK 4 million from VAT receivable.

The table below shows the total trade and other receivables as of 31 December 2024:

NOK million	2024	2023
Trade receivables	3.0	3.5
VAT receivable	4.0	3.8
Total trade and other receivables	**7.0**	**7.3**

Note 18. Other current financial assets

As of 31 December 2024, trade receivables totaling NOK 2.5 million were past due (2023: NOK 3.4 million), while NOK 0.5 million remained current (2023: NOK 0.1 million). All trade receivables are denominated in NOK, consistent with the prior year.

The table below shows the total other current financial assets as of 31 December 2024:

NOK million	2024	2023
Earnout income (Note 4)	3.8	1.9
Project in-kind contribution	16.1	16.7
Prepaid expenses	2.0	6.8
Total other current financial assets	**21.9**	**25.4**

Note 19. Cash and cash equivalents

Accounting principle

Cash and cash equivalents include cash in hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less.

The table below shows the total cash and cash equivalents as of 31 December 2024:

NOK million	2024	2023
Cash at bank and in hand	253.1	346.3
Restricted short-term bank deposits	1.0	1.3
Total cash and cash equivalents	**254.1**	**347.6**

Note 20. Share capital and shareholder information

As of 31 December 2024, the total authorised number of ordinary shares was 65,781,825 (2023: 66,822,679) with a par value of NOK 0.40 (2023: NOK 0.49) per share. All issued shares were fully paid.

Share buy-back programme

As of the reporting date, Magnora held 1,773,088 treasury shares (2023: 1,070,854), representing 2.7% of the total outstanding shares (2023: 1.6 percent). The shares were acquired through the share buy-back programme approved by the Annual General Meeting held on 23 April 2024, which authorised the repurchase of up to 2,619,898 shares at up to a maximum of NOK 100 per share.

The table below shows the number of shares held and share capital as of 31 December 2024:

	Number of shares	Share capital	Total
1 January 2024	66,822,679	32.7	32.7
Cancellation of own shares	-1,070,854	-0.5	-0.5
Increase in par value of outstanding shares	-	0.7	0.7
Demerger legacy business (Note 5)	-	-6.7	-6.7
Shares issued	30,000	-	-
31 December 2024	**65,781,825**	**26.2**	**26.2**

	Number of shares	Share capital	Total
1 January 2023	66,822,679	32.7	32.7
31 December 2023	**66,822,679**	**32.7**	**32.7**

The table below shows the 20 largest shareholders of Magnora as of 31 December 2024:

Shareholder	Number of shares	Percent ownership
KING KONG INVEST AS	2,807,195	4.3%
GINNY INVEST AS	2,469,144	3.8%
ALDEN AS	1,963,200	3.0%
F1 FUNDS AS	1,821,870	2.8%
MAGNORA ASA	1,773,088	2.7%
F2 FUNDS AS	1,748,249	2.7%
DNB BANK AS	1,718,789	2.6%
PHILIP HOLDING AS	1,648,377	2.5%
CARE HOLDING AS	1,500,000	2.3%
FENDER EIENDOM AS	1,470,560	2.2%
JP MORGAN CHASE BANK	1,434,737	2.2%
MP PENSJON PK	1,242,732	1.9%
TIGERSTADEN AS	1,198,450	1.8%
ALTEA AS	1,154,944	1.8%
CLEARSTREAM BANKING S.A.	1,092,451	1.7%
AARSKOG, PHILIP GEORGE	1,000,000	1.5%
NORDNET LIVSFORSIKRING AS	978,896	1.5%
VALLELØKKEN AS	832,962	1.3%
TRAPESA AS	820,025	1.2%
VPF FIRST OPPORTUNITIES	810,800	1.2%
Total 20 largest shareholders	**29,486,469**	**44.8%**
Other shareholder accounts	36,295,356	55.2%
Total number of shares	**65,781,825**	**100.0%**
Foreign ownership	6,700,548	10.2%

Note 21. Provisions

Accounting policy

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, with the amount being reliably estimated. Provisions are measured at the best estimate of the expenditure required, discounted to present value where the effect is material. The provision is reviewed at each reporting date and adjusted to reflect current estimates. If the obligation no longer meets the criteria for recognition, the provision is reversed.

All provisions in 2024 and 2023 are current in nature.

NOK million	Payroll	Bonus	Total
January 1, 2024	2.1	1.9	4.0
Arising during the year	1.6	15.5	17.1
Reversed during the year	–	-7.9	-7.9
December 31, 2024	**3.7**	**9.5**	**13.2**

NOK million	Payroll	Bonus	Total
January 1, 2023	0.6	–	0.6
Arising during the year	1.5	1.9	3.4
Reversed during the year	–	–	–
December 31, 2023	**2.1**	**1.9**	**4.0**

Note 22. Other current liabilities

As of 31 December 2024, the Group's other current liabilities consist primarily of NOK 97.8 million payable arising from the Hermana demerger.

The table below shows the Group's other current liabilities, reflecting the Group's short-term obligations as of 31 December 2024:

NOK million	2024	2023
Payroll liabilities	2.3	2.1
Employer's contribution tax and other taxes	2.7	3.4
Other payables	148.5	34.9
Total other current liabilities	**153.5**	**40.4**

The Group has a total available overdraft facility of NOK 150 million, comprised of NOK 100 million and NOK 50 million with two top-tier Nordic banks. As of 31 December 2024, the facilities are undrawn. The facilities have the following financial covenants:

- Loan to value to be more than 35 percent
- Minimum book equity of NOK 100 million
- Minimum liquidity of NOK 25 million

The Group has not been in breach of its covenants as per 31 December 2024.

Note 23. Earnings per share

Basic earnings per share

Basic earnings per share are 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
Net profit/(loss) attributable to equity holders (NOK million)	593.6	192.5
Weighted avg. no. of ordinary shares on issue (thousands)	65,940	66,823
Basic earnings per share for total operations (NOK per share)	9.0	2.9
Basic earnings per share for continued operations (NOK per share)	4.2	2.8

Diluted earnings per share

	2024	2023
Net profit/(loss) attributable to equity holders (NOK million)	593.6	192.5
Weighted avg. no. of ordinary shares on issue (thousands)	66,722	67,194
Diluted earnings per share for total operations (NOK per share)	8.90	2.86
Diluted earnings per share for continued operations (NOK per share)	4.16	2.79

Note 24. Dividends and repayment of capital

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividend is approved by the Group's shareholders.

The Group's shareholders and the Board of Director's at the Annual General Meeting held on 23 April 2024 authorised a capital distribution of NOK 0.187 per share to be paid quarterly (NOK 0.75 annually). In addition, an extraordinary capital distribution of NOK 4 per share was approved and distributed. The total capital distribution in 2024 was NOK 4.56 per share, corresponding to NOK 299.8 million. In 2023, two capital distributions were made, totaling NOK 24.6 million.

Note 25. Related party transactions

Magnora ASA has established agreements with its subsidiaries and associated companies to provide intercompany services at predetermined hourly rates. These agreements ensure a transparent and consistent approach to the provision of management, technical and administrative support across the Group.

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation.

The table below shows the total operating revenue the Group generated through services provided to its associated companies during 2024:

NOK million	2024	2023
Operating revenue from associated companies	2.3	11.8
Total operating revenue	**2.3**	**11.8**

The Group's related parties include the Company, its subsidiaries and associated companies.

The table below shows the remuneration to the Board of Directors:

NOK thousand	Function	Member from	Member to	2024	2023
Torstein Sanness	Chairman of the Board	May 2017	-	1,188	1,210
Hilde Ådland	Board member	May 2018	-	290	310
John Hamilton	Board member	Dec 2018	-	340	370
Total remuneration paid				**1,818**	**1,890**

The table below shows the number and options owned or controlled by the Board of Directors:

FY2024	**Function**	**Shares**	**Options**
Torstein Sanness	Chairman of the Board	669,442	328,000
John Hamilton	Board member	33,837	40,000
Hilde Ådland	Board member	39,011	10,000
Total		**742,290**	**378,000**

FY2023	**Function**	**Shares**	**Options**
Torstein Sanness	Chairman of the Board	629,442	325,000
John Hamilton	Board member	33,837	40,000
Hilde Ådland	Board member	39,011	10,000
Total		**702,290**	**375,000**

The remuneration of the Board of Director's is approved by the General Meeting. Please refer to the Remuneration Report 2024 for a detailed overview of the remuneration received and remuneration that was granted/awarded but has not yet materialised as at reporting date.

Note 26. List of subsidiaries and equity accounted companies

The following overview of the group shows all companies held as subsidiaries (consolidated) or associated companies (accounted for using the equity accounting method) as per 31 December 2024:

Name of entity	Place of business	Ownership accounting method	Shareholding interest %
Magnora Renewable Holding AS	Norway	Consolidated	100%
Magnora Offshore Wind Holding AS	Norway	Consolidated	100%
Magnora Holding AS	Norway	Consolidated	100%
Magnora Utvikling AS	Norway	Consolidated	100%
Magnora Offshore Wind AS	Norway	Consolidated	80%
Magnora South Africa Projects AS	Norway	Consolidated	100%
Magnora South Development AS	Norway	Consolidated	100%
Magnora UK PV Holding AS	Norway	Consolidated	100%
Project Luminara 1 AS	Norway	Consolidated	100%
Project Luminara 2 AS	Norway	Consolidated	100%
Magnora Offshore Wind Holding Ltd	United Kingdom	Consolidated	80%
Magnora Offshore Wind N3 Ltd	United Kingdom	Consolidated	80%
Emernor GmbH	Germany	Consolidated	100%
Magnora Italy S.r.l.	Italy	Consolidated	100%
African Green Ventures (Pty) Ltd	South Africa	Consolidated	100%
Hafslund Magnora Sol AS	Norway	Equity method	40%
Hermana Holding ASA	Norway	Equity method	30%
Kustvind AB	Sweden	Equity method	48%
Gamcap Magnora Development Company Ltd	United Kingdom	Equity method	50%

For all entities listed, the shareholding interest is consistent with the voting rights held by the Group.

Note 27. Subsequent events

On 7 October 2024, Magnora South Africa signed two deals for the sale of new projects. The project sites have been developed from origination by African Green Ventures (AGV), the South African development arm of Magnora. Both projects received Exchange Control approval on 16 January 2025, which was the last closing condition for the sale.

Magnora Italy S.r.l has partnered with a co-developer and acquired three BESS projects totaling 250 MW in southern Italy.

Capital distribution of NOK 0.187 per share was approved by the Board to be paid on in early March 2025.

Magnora ASA parent company income statement

NOK million	Notes	2024	2023
Operating revenue	2	34.4	51.0
Total operating revenue		**34.4**	**51.0**
Employee benefit expense	3	44.5	40.2
Other operating expense	4	26.3	24.1
Total operating expense		**70.8**	**64.3**
Operating profit/(loss)		**-36.4**	**-13.3**
Financial income	6	417.8	270.1
Financial expense	6	-8.50	-10.2
Foreign exchange gain/(loss)	6	-13.9	1.8
Net financial items		395.4	261.7
Profit/(loss) before tax		**359.0**	**248.4**
Tax income/(expense)	7	-5.5	-
Annual net profit/(loss)		**353.5**	**248.4**
Attributable to:			
Equity holders of the company		353.5	248.4
Distribution of net profit/(loss):			
Transfer to equity		353.5	248.4
Annual net profit/(loss)		**353.5**	**248.4**

Magnora ASA parent company balance sheet

NOK million	Notes	2024	2023
ASSETS			
Deferred income tax asset	7	2.7	15.1
Investment in subsidiaries	8	15.0	10.5
Investment in associated companies	9	84.2	63.3
Loan to associated companies and subsidiaries	9	394.7	266.7
Other non-current assets		0.1	0.5
Total non-current assets		496.7	356.1
Trade and other receivables	10	5.1	7.5
Cash and cash equivalents	11	228.9	328.9
Total current assets		234.0	336.4
Total assets		**730.8**	**692.5**
EQUITY AND LIABILITIES			
Share capital	14	26.2	32.7
Treasury shares	14	-0.7	-0.5
Other equity	14	587.4	649.5
Total equity		612.9	681.7
Trade payables		1.7	1.3
Payroll liabilities		1.0	1.2
Provisions	12	13.2	4.0
Other current liabilities	13	101.9	4.3
Total current liabilities		117.9	10.8
Total liabilities		**117.9**	**10.8**
Total equity and liabilities		**730.8**	**692.5**

Oslo, Norway, 26 February 2025

The Board of Directors of Magnora ASA

Torstein Sanness
Chairman

Hilde Ådland
Board Member

John Hamilton
Board Member

Erik Sneve
CEO

Magnora ASA parent company cash flow statement

NOK million	Notes	2024	2023
Cash flows from operating activities			
Profit/(loss) before tax		359.0	248.4
Adjustment for:			
Employee share payment (non - cash)		3.4	8.2
Net gain sale subsidiary and associated companies	6	-368.9	-211.6
Trade and other receivables		0.6	78.3
Trade payables		0.3	-1.0
Other liabilities, provisions and changes		21.1	4.3
Net cash generated from operating activities		**15.5**	**126.6**
Cash flows from investing activities			
Acquisition of associated companies		-8.6	-27.4
Proceeds from sale of subsidiaries and associated companies	6	392.8	318.8
Loan to subsidiaries	9	-132.3	-125.1
Repayment of intercompany loans		–	2.0
Net cash generated from investing activities		**252.0**	**168.3**
Cash flows from financing activities			
Repayment of overdraft facility		–	-76.3
Demerger		-25.0	-
Capital increase/(distribution)	15, 19	-299.8	-24.6
Purchase of own shares	15	-42.7	-32.5
Net cash flow from financing activities		**-367.5**	**-133.4**
Net cash flows for the period		-100.0	161.6
Cash and cash equivalents at start of period		328.9	167.3
Cash and cash equivalents at end of period		**228.9**	**328.9**

Magnora ASA parent company: Notes to the financial statements

Note 1. General information

Magnora ASA's ('the Company') financial statements have been prepared in accordance with the Accounting Act and generally accepted accounting principles in Norway.

Magnora ASA is the parent company of the Magnora 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 10
Provisions	Note 12
Investments in subsidiaries and associated companies	Note 8
Cash and cash equivalents	Note 11
Pension	Note 3
Taxes	Note 7
Revenue recognition	Note 2
Operating lease	Note 5

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.

Fixed assets are valued at purchase cost. Fixed assets whose value will decline are depreciated on a straight-line basis over the asset's estimated useful life. Fixed assets are written down to net realisable value if a value reduction occurs that is expected to be permanent. Long-term liabilities are reflected in the balance sheet at nominal value on 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.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to use estimates and assumptions that impact the value of assets and liabilities as well as disclosure notes. Such estimates and assumptions may have a significant impact on reported revenue and cost for a specific reporting period. Actual amounts may therefore deviate from the estimates.

Contingent losses, which are likely to occur and quantifiable, are expensed when incurred.

Note 2. Operating revenue

Revenue comprises the fair value of the consideration receivable for the sale of goods and services in the ordinary course of business. Revenue is shown net of value-added tax and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured and in accordance with the underlying contracts.

Sales of services:	Service income is recognised in line with the underlying contracts and the amount of work executed.

NOK million	2024	2023
License fee	–	12.5
Other revenue	34.4	38.4
Total operating revenue	**34.4**	**51.0**

The Company previously had a license fee business, which has been transferred to Western Isles Holding AS, a company owned by Hermana Holding ASA. Hermana Holding ASA was demerged from Magnora ASA in 2024, and Magnora ASA now owns 30% of the company.

Operating revenue from a geographic perspective.

The revenue split, based on customer location was as follows:

NOK million	2024	2023
Norway	29.3	32.8
Sweden	0.8	1.8
South Africa	0.3	3.8
UK	4.0	12.5
Total operating revenue	**34.4**	**51.0**

Note 3. Employee benefit expense

Specification of employee expense:

NOK million	2024	2023
Salaries and vacation pay	16.8	16.2
Employer`s contribution tax	4.4	4.3
Pension costs	1.6	1.4
Bonus	14.3	9.0
Option cost	5.4	8.2
Other employee benefit expense	2.0	1.1
Total employee benefit expense	**44.5**	**40.2**
Average number of man-years	**9**	**8**

2024 Remuneration of Senior Management:

NOK thousand	Erik Sneve CEO	Bård Olsen CFO	Stein Bjørnstad COO	Total
Salary	3,694	1,812	1,792	7,298
Bonus	3,170	897	580	4,647
Retirement benefits	207	207	203	617
Other benefits	20	20	18	58
Total reportable benefits	**7,091**	**2,936**	**2,593**	**12,620**

2023 Remuneration of Senior Management:

NOK thousand	Erik Sneve CEO	Bård Olsen CFO	Total
Salary	2,890	1,724	4,614
Bonus	4,189	937	5,126
Retirement benefits	194	194	388
Other benefits	18	18	36
Total reportable benefits	**7,291**	**2,873**	**10,164**

Remuneration to members of the Board of Directors:

NOK thousand	Function	Member from	Member to	2024	2023
Torstein Sanness	Chairman of the board	May 2017	-	1,188	1,210
Hilde Ådland	Board member	May 2018	-	290	310
John Hamilton	Board member	Dec 2018	-	340	370
Total remuneration paid				**1,818**	**1,890**

No loans, prepayments or security were granted to a member of Management or any member of the Board of Directors in 2024 and 2023.

At the balance sheet date there were 1,553,000 options held by the Board of Directors and the employees (2023: 1,550,000 options). See note 18 for more information.

Reference is made to the 'Magnora Remuneration Report 2024' for further details of remuneration of Senior Management.

Pension scheme:

The Company is required to maintain a pension plan for its employees. As of year-end 2024 the Company operates a defined contribution plan. The plan is funded through payments to the pension company, and the Company has no further payment obligations once the contribution is paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Pension cost charged to the income statement in 2024 was NOK 1.6 million (2023: NOK 1.4 million). As of 31 December 2024 the defined contribution plan had 11 participants (2023: 8 participants).

Note 4. Other operating expense

NOK million	2024	2023
Office costs (rental etc)	3.2	3.3
Consultancy (audit, tax and legal)*	10.9	13.4
Travel expenses	1.0	0.9
Other expenses	11.2	6.5
Total other operating expense	**26.3**	**24.1**

*Expenses related to auditor fees are presented below:

NOK million	2024	2023
Statutory audit	1.3	1.4
Other assurance services	0.1	-
Other certification services	0.2	0.1
Total auditor fees	**1.6**	**1.5**

Note 5. Lease agreements

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

The Company has office rental agreements for its offices in Oslo as of 31 December 2024. The agreements are a total of NOK 1.2 million per year. The Company expensed NOK 1.3 million in lease and rental cost for 2024 (2023: NOK 1.1 million).

Note 6. Financial income and financial expense

Currency gains and losses relating to financing activities were presented as separate line items as a financial income/(expense) in the Income Statement.

Financial income:

NOK million	2024	2023
Interest income	45.6	33.9
Dividend received	2.6	24.1
Gain on sale of shares in subsidiaries and associated companies	369.6	212.1
Total financial income	**417.8**	**270.1**

Gain on sale of shares in subsidiaries and associated companies is related to the sale of Magnora's 40% share of Helios Nordic Energy AB, resulting in a gain of NOK 302 million, and earnout payments of NOK 60.4 million related to Evolar AB and NOK 7.2 million related to AGV Projects Ltd. Cash received from sales of subsidiaries and associated companies in 2024 amounts to NOK 392.8 million.

Gain from sale of shares in subsidiaries in 2023 are mainly related to the sale of Magnora's 63.5% of Evolar AB, resulting in a gain of NOK 203.3 million and the sale of AGV Projects, resulting in a gain of NOK 6.9 million. Cash received from sale of subsidiaries and associated companies in 2023 amounts to NOK 318.8 million.

Financial expense:

NOK million	2024	2023
Interest cost	-6.5	-9.7
Loss sale of shares in subsidiaries	-0.6	-0.5
Other financial expenses	-1.3	-
Foreign exchange losses	-13.9	1.8
Total financial expenses	**-22.4**	**-8.4**

Note 7. 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 0.5 billion. The change in deferred tax asset from the prior year is influenced by the demerger of the legacy business, where NOK 90.2 million in gross deferred tax assets and NOK 6.9 million in booked deferred tax assets were demerged.

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	109.6	198.1
Deferred tax liability to be reversed after more than 12 months	-	-
Net deferred tax assets/(liabilities)	**109.6**	**198.1**
Deferred tax assets not recognised in the balance sheet	-106.9	-183.0
Net deferred tax /(liabilities) recognised in the balance sheet	2.7	**15.1**

Specification of deferred tax assets/ (liabilities):

NOK million	2024	2023
Deferred tax assets:		
Investments and receivables	1.1	0.3
Fixed assets	0.2	0.2
Losses carried forward	108.3	197.6
Total deferred tax assets	**109.6**	**198.1**

Specification of tax income/(expense):

NOK million	2024	2023
Change in recognition of deferred tax asset	-5.5	-
Net tax income/(expense)	-5.5	**-**

Reconciliation of nominal tax rate and effective tax rate:

NOK million	2024	2023
Profit/(loss) before tax:	359.0	248.4
Tax calculated (22%)	-79.0	-54.6
Income not subject to tax	81.9	51.8
Expenses not deductible	-0.9	-0.1
Tax gains/(losses) for which no deferred income tax asset was recognised	-7.5	2.9
Tax income/(expense)	-5.5	**-**

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 5 years based on the company's contract portfolio and cost base as of today. The book value of the deferred tax asset represents a minor part of the total accumulated tax losses.

Note 8. Investments in subsidiaries

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.

Dividend is recognised as income in the year the provision is made in the subsidiary. If the dividend exceeds retained earnings, the excess represents repayment of invested capital, and dividend is deducted from the book value of the investment in the balance sheet.

Investment in subsidiaries as of 31 December 2024:

NOK million	Registered office	Cost price	No. of shares	Equity	Book value	Profit/ (loss)	Share-holder interest
Magnora Holding AS	Norway	2,099.8	10,000	-5.3	-	-0.3	100%
Magnora Utvikling AS	Norway	-	3,000	-3.7	-	-2.0	100%
Magnora Offshore Wind AS	Norway	0.1	1,000	6.5	0.1	6.8	80%
Magnora Offshore Wind Holding AS	Norway	-	1 .0	-4.5	-	-2.9	100%
Magnora Offshore Wind Holding Limited	Scotland	-	1,000	2.4	-	2.6	80%
Magnora Offshore Wind N3 Limited	Scotland	-	1,000	-129.0	-	-60.2	80%
Magnora Renewable Holding AS	Norway	-	1 .0	10.8	-	-10.9	100%
Magnora South Africa Projects AS	Norway	0.1	1,000	16.5	0.1	-13.3	100%
Magnora South Africa Development AS	Norway	0.1	1,000	13.9	14.6	-0.4	100%
Magnora UK PV Holding AS	Norway	-	30,000	-7.8	-	-3.6	100%
Project Luminara 1 AS	Norway	-	3,000	-2.7	0.1	-2.7	100%
Project Luminara 2 AS	Norway	-	3,000	-0.7	0.1	-0.7	100%
Total book value					**15.0**		

Investment in subsidiaries as of 31 December 2023:

NOK million	Registered office	Cost price	No. of shares	Equity	Book value	Profit/ (loss)	Share-holder interest
Magnora Holding AS	Norway	2,099.8	10,000	-5.0	-	-0.2	100%
Magnora Utvikling AS	Norway	-	3,000	-1.7	-	-1.7	100%
Magnora Offshore Wind AS	Norway	0.1	1,000	-0.3	0.1	-18.9	80%
Magnora Offshore Wind Holding Limited	Scotland	-	1,000	-0.2	-	-0.2	80%
Magnora Offshore Wind N3 Limited	Scotland	-	1,000	-86.9	-	-38.2	80%
Magnora South Africa Projects AS	Norway	0.1	1,000	-3.1	0.1	3.4	100%
Magnora South Africa Development AS	Norway	0.1	1,000	9.9	10.1	-0.2	100%
Magnora UK PV Holding AS	Norway	-	30,000	-4.2	-	-3.4	100%
Total book value*					**10.3**		

*Other subsidiaries with no operations have a total book value of NOK 0.2 MNOK

For sale of subsidiaries, see note 6.

Note 9. Related parties and related party transactions

Associated companies	Registered office	Cost price	No. of shares	Equity	Book Value 31.12.24	Book Value 31.12.23	Profit/ (loss)	Share-holder interest
Kustvind AB	Sweden	25.4	6,375	19.4	27.7	25.4	-1.6	48%
Helios Nordic Energy AB	Sweden	22.9	1,333,334	-	-	22.9	-	40%
Hermana Holding ASA	Norway	35.3	4,025,621	121.5	35.3	-	1.7	30%
Hafslund Magnora Sol AS	Norway	21.2	12,000	1.0	21.2	15.0	-5.6	40%
Total book value					**84.2**	**63.3**		

Magnora ASA has an agreement with all subsidiaries and associated companies that allows services to be provided between the companies at agreed upon hourly rates. Magnora had operating revenues from services provided to its subsidiaries and associated companies. The total operating revenues from subsidiaries and associated companies in 2024 was NOK 34.4 million (NOK 38.4 million) . The 2023 book value does not align with the total presented in the Magnora Annual Report 2023 due to the divestment of Helios Nordic Energy AB, which had a book value of NOK 22.9 million.

NOK million	2024	2023
Operating revenue from associated companies	6.9	13.7
Operating revenue from subsidiaries	27.5	24.7
Total operating revenue	**34.4**	**38.4**

NOK million	2024	2023
Operating expenses from subsidiaries	0.3	-
Total operating expenses	**0.3**	**-**

Receivables from companies in the Group:

NOK million	2024	2023
Receivable Magnora Offshore Wind AS	252.7	185.9
Receivable Magnora Holding AS	4.2	3.7
Receivalbe Magnora UK PV Holding AS	49.4	27.4
Receivable Magnora South Africa Projects AS	62.5	40.2
Receivalbe Evolar AB	-	-
Receivalbe AGV Projects Ltd	-	-
Receivable Kustvind AB	-	0.9
Receivable Hafslund Magnora Sol	2.6	2.5
Receivable Magnora Offshore WInd Holding AS	5.3	2.3
Receivable Hermana Holding ASA	0.4	1.2
Receivable Magnora Utvikling AS	3.9	1.8
Receivable Magnora SA Development AS	1.7	5.8
Receivable Magnora Renewable Holding AS	10.8	-
Receivable Project Luminara 1 AS (Italy)	2.8	-
Receivable Project Luminara 2 AS (Germany)	2.6	-
Receivables from related parties	**398.9**	**271.6**

*The receivables from companies in the Group are split into NOK 394.7 million (NOK 266.7 million) loan to related parties and NOK 4.2 million (NOK 4.9 million) accounts receivables.

Note 10. Trade and other receivables

Trade receivables and 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.

NOK million	2024	2023
Trade receivables	4.1	5.0
Accrued interest	-	1.9
Prepayment	1.0	0.6
Total trade and other receivables	**5.1**	**7.5**

Note 11. 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.

NOK million	2024	2023
Cash at bank and in hand	227.9	327.7
Restricted employees' tax deduction fund	1.0	1.2
Total cash and cash equivalents	**228.9**	**328.9**

As of December 31, 2024, NOK 1.0 million was restricted cash (2023: 1.2).

Note 12. Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation because of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount has been reliably estimated.

Provisions are not recognised for future operating losses. Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured as the present value of the expected expenditures required to settle the obligation using a pre-tax discount rate that accounts for time value of money and risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

NOK million	Payroll	Bonus	Total
January 1, 2024	**2.1**	**1.9**	**4.0**
Arising during the year	1.6	15.5	17.1
Reversed during the year	-	-7.9	-7.8
December 31, 2024	**3.7**	**9.5**	**13.2**

NOK million	Payroll	Bonus	Total
January 1, 2023	**0.6**	**-**	**0.6**
Arising during the year	1.5	1.9	3.4
Reversed during the year	-	-	-
December 31, 2023	**2.1**	**1.9**	**4.0**

Note 13. Other current liabilities

NOK million	2024	2023
Accrued holiday pay	2.2	2.0
Employer's contribution tax and other taxes	1.8	2.2
Current liability associated company	98.0	-
Other current liabilities	-	0.1
Total other current liabilities	**101.9**	**4.3**

Note 14. Equity

NOK million	Share Capital	Treasury Shares	Other Equity	Total Equity
Equity as at 1 January 2024	32.7	-0.5	649.5	681.7
Annual profit for the period	-	-	353.5	353.5
Share based payments	-	-	3.8	3.8
Dividend declared	-	-	-299.8	-299.8
Redemption of own shares	0.7	-	-0.7	-
Distribution of non-cash assets to owners**	-6.7	-	-77.7	-84.4
Repurchase of shares and deletion of own shares*	-0.5	-0.2	-41.4	-42.1
Equity as at 31 December 2024	**26.2**	**-0.7**	**587.4**	**612.9**

* As of 31 December 2024, Magnora owned 1,773,088 shares or 2.7 percent of total shares outstanding through the share buyback program. approved by.

** Demerger and distribution of 70% of the legacy business (Hermana Holding ASA) to Magnora ASA shareholders.

NOK million	Share Capital	Treasury Shares	Other Equity	Total Equity
Equity as at 1 January 2023	32.7	-	448.8	481.5
Annual profit for the period	-	-	248.4	248.4
Share based payments	-	-	8.1	8.1
Dividend declared	-	-	-24.6	-24.6
Repurchase of shares	-	-0.5	-31.7	-32.2
Capital increase	-	-	0.6	0.6
Equity as at 31 December 2023	**32.7**	**-0.5**	**649.5**	**681.7**

* As of 31 December 2023, Magnora owned 1,070,854 shares or 1.6 percent of total shares outstanding through the share buyback program approved by the annual general meeting.

Note 15. Shareholder information

Shareholders	Number of shares	Percent ownership
KING KONG INVEST AS	2,807,195	4.3%
GINNY INVEST AS	2,469,144	3.8%
ALDEN AS	1,963,200	3.0%
F1 FUNDS AS	1,821,870	2.8%
MAGNORA ASA	1,773,088	2.7%
F2 FUNDS AS	1,748,249	2.7%
DNB BANK AS	1,718,789	2.6%
PHILIP HOLDING AS	1,648,377	2.5%
CARE HOLDING AS	1,500,000	2.3%
FENDER EIENDOM AS	1,470,560	2.2%
JP MORGAN CHASE BANK	1,434,737	2.2%
MP PENSJON PK	1,242,732	1.9%
TIGERSTADEN AS	1,198,450	1.8%
ALTEA AS	1,154,944	1.8%
CLEARSTREAM BANKING S.A.	1,092,451	1.7%
AARSKOG, PHILIP GEORGE	1,000,000	1.5%
NORDNET LIVSFORSIKRING AS	978,896	1.5%
VALLELØKKEN AS	832,962	1.3%
TRAPESA AS	820,025	1.2%
VPF FIRST OPPORTUNITIES	810,800	1.2%
Total 20 largest shareholders	**29,486,469**	**44.8%**
Other shareholder accounts	36,295,356	55.2%
Total number of shares	**65,781,825**	**100.0%**
Foreign ownership	6,700,548	10.2%

Note 16. 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 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 various currency exposures, primarily with respect to 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. Most of the Company's revenue is in USD. To reduce the currency risk, the Company hedged the exposure through selling USD when rates were favorable.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers. 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 marketable securities, and the ability to close out market positions.

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 at minimum quarterly to be able to foresee potential adverse effects on the liquidity and implement necessary actions to rectify the situation.

Magnora ASA is in a solid liquidity position with a cash balance of NOK 228.9 million at the balance sheet date.

Note 17. Share-based payments

At balance sheet date there are 1,553,000 options (2023: 1,550,000).

In accordance with approval by the Annual General Meeting of April 23, 2024, the Board of Magnora has issued 108,000 options during 2024 to provide long-term incentives to the Board and the Management team.

Note 18. Shares and share options owned or controlled by the Board of Directors and Senior Management

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

	Function	Shares owned or controlled	Options owned or controlled
Torstein Sanness	Chairman of the board	669,442	295,000
John Hamilton	Board member	33,837	40,000
Hilde Ådland	Board member	39,011	10,000
Erik Sneve	CEO	1,183,871	525,000
Bård Olsen	CFO	75,000	125,000
Stein Bjørnstad	COO	15,000	50,000
Total		**2,016,161**	**1,045,000**

Reference is made to the 'Magnora Remuneration Report 2024' for further details of remuneration of Senior Management.

Note 19. Dividend and repayment of capital

There were three capital distributions totaling NOK 299.8 million in 2024. There were two capital distributions totaling NOK 24.6 million in 2023.

Note 20. Subsequent events

On 7 October 2024, Magnora South Africa signed two deals for the sale of new projects. The project sites have been developed from origination by African Green Ventures (AGV), the South African development arm of Magnora. Both projects received Exchange Control approval on 16 January 2025, which was the last closing condition for the sale, and the NOK 6.6 million purchase price was received by the Group on 22 January 2025.

Magnora Italy S.r.l has partnered with a co-developer and acquired three BESS projects totaling 250 MW in southern Italy.

Capital distribution of NOK 0.187 per share was approved by the board to be paid in early March 2025.

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To the General Meeting of Magnora ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company Magnora 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 Magnora 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 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 Audit Committee.

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 Magnora ASA for two years from the election by the general meeting of the shareholders on 27 April 2023 for the accounting year 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Earn-out from divestments

Description of the Key Audit Matter	**How the matter was addressed in the audit**
Refer to note 4 to the group financial statements for description of divestments and future potential milestone payments related to these divestments and description of judgements made. The total gain from recognized milestone payments which are contingent on future events amounts to NOK 43.3 million in 2024. The total value of potential earn-out and milestone payments from divestments is up to NOK 620 million as of 31 December 2024. As the future milestone payments are dependent on success in reaching certain development milestones, management judgement is involved when assessing the fair value of future milestone payments to be recognized. The recognition of contingent consideration from divestments of subsidiaries is considered a key audit matter in the audit due to the substantial effect of this year's net profit and due to the level of estimation uncertainty in determining the fair value of the future potential milestone payments.	We assessed Magnora's process for estimating the fair value of future potential milestone payments and tested the design and implementation of relevant key controls. We obtained the calculation for the fair value of milestone payments and; • Reconciled the potential milestone payments to the share purchase agreement. • Challenged the fair value of milestone payments that are recognized, including searching for contradicting evidences on public sources. • Obtained and assessed the appropriateness of management's valuation calculation for future potential milestone payments. • Understood and challenged the key assumptions used by management, especially the probability that development milestones will be met. • Assessed the completeness and accuracy of input to the calculation. We assessed the adequacy of the related disclosures in the financial statements.

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 statement 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 Audit Committee 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 Magnora 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 Magnoraasa-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

Magnora remuneration report 2024

Introduction

Background

This remuneration report (the "Report") is prepared by the Board of Directors of Magnora 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 to previous, present and future leading personnel of the Group for the financial year of 2024 in line with the applicable requirements. Stein Bjørnstad was appointed Chief Operating Officer (COO) on 1 July 2024, and there were no other changes in the Group's senior management team. The Group considers the CEO, CFO, and COO as its executive management team and to be comprised by the term leading personnel ("managers") under the Companies Act. There are no employees who are members of the Board of Directors of the Group or the corporate assembly of the Group. There were no changes to the Board during the year.

The Group's main priorities are delivering competitive shareholder returns, value creation through growing its portfolio and divesting when projects are mature, and maintaining a strict capital discipline.

Highlights summary

The Group continued growing its investment portfolio and hired additional key personnel during 2024. The following key events during 2024 relate to the goals of the executive management team:

- Disposal of all of the Group's shares in Helios Nordic Energy AB
- Disposal of SPV in South Africa, providing additional confirmations of the opportunities and price levels in that market
- Established Magnora companies in Germany and Italy and hired local teams
- Demerged and listed the legacy business with the Western Isles agreement through an IPO on Oslo Stock Exchange
- Expanded the Group's investor network through several road shows and presentations during the year
- Close follow-up of Evolar milestones and first Evolar milestone was achieved
- Further development of the projects and organisations in Magnora Offshore Wind, Hafslund Magnora Sol, and Magnora South Africa.

The CEO remuneration for 2024 was based on the following KPIs 1) manage and develop the organization, 2) financial performance of the Group, 3) manage and develop investment portfolio, 4) identify and close suitable acquisitions, and 5) share performance. The CFO remuneration was based on 1) development of finance function and support funding of Group, 2) follow-up of Group governance and internal control in the investment portfolio, 3) quality of financial reporting in the Group. The COO remuneration was based on 1) manage and develop the organization, 2) financial performance of the Group, 3) manage and develop investment portfolio, and 4) identify and close suitable acquisitions.

There was no deviation or derogation from the remuneration policy during the reported financial year.

Overview of the last Financial Year

The Group continued with significant growth and value creation in 2024.

On 12 May 2024, Evolar reached the first technical milestone in the share purchase agreement, which released the first earnout payment of approximately USD 5.7 million (NOK 62.1 million) to the Group.

On 29 May 2024, the shareholders of Helios Nordic AB, in which Magnora holds a 40% interest, announced the sale of all their shares to Vinci Concessions. The transaction resulted in an upfront payment of NOK 331.6 million in cash. Additionally, the agreement includes a potential earn-out of up to NOK 360 million, contingent on the realisation of the portfolio. This estimate reflects market developments and the projected timeline for achieving ready-to-build (RtB) status.

On 18 June 2024, Hermana Holding ASA had its first day trading on the main list of Oslo Stock Exchange. The newly formed group was demerged from Magnora ASA and consists of full ownership of the licensing agreement for the Western Isles FPSO, and the remaining milestone amounts from the licence agreement for the Shell Penguins FPSO.

The Group continued to develop its project portfolio in South Africa with additional land lease agreements for new projects signed, reaching 4,500 MW by the end of 2024. In addition, a project SPV was sold during the year, providing additional confirmation of the opportunities and price levels in that market, as well as confirming the effectiveness of the Group's subsidiary in South Africa.

The Group established new entities in Germany and Italy and hired local teams.

Hafslund Magnora Sol AS has progressed during 2024 in its work on preparing for large-scale solar parks in Norway and had at the end of the year a development team of six employees and a project portfolio of estimated 1,666 MW.

Remuneration of Board of Directors

The General Meeting approves the remuneration of the Board of Directors. The directors hold no assignments in the Group other than the Board directorship and membership of committees to the Board. 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 committee work as described in this document. The compensation is paid quarterly. 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 both employees and directors of the Board for claims related to their directorships in any Group company. There were no claims against any Board members in 2024. In accordance with the Public Limited Liability Companies Act, section 6-16 (b), the Company prepares this remuneration report to report on salary and other remuneration of its executive personnel. The report will be presented at the Annual General Meeting for approval. The general meeting in 2024 approved the following remuneration for the Board and the Audit Committee, respectively, for the period from the annual general meeting in 2024 to the annual general meeting in 2025:

Board chair: NOK 450,000

Board member: NOK 290,000

Audit Committee chair: NOK 50,000

Audit Committee member: NOK 30,000

In addition, the general meeting approved a fee of NOK 675,000 to the Board's chairman for extensive work done by him for the Company. The chairman was also granted 33,000 options. The tables below in this section contain an overview of the total remuneration received by the Board of Directors, as well as remuneration that was granted/awarded/due but not yet materialised, during the reported financial year and previous year.

NOK Thousand	Function	Member from	Member to	2024	2023
Torstein Sanness	Chairman of the Board	May 2017	-	1,188	1,210
Hilde Ådland	Board member	May 2018	-	290	310
John Hamilton	Board member	Dec 2018	-	340	370
Total remuneration paid				**1,818**	**1,890**

Remuneration of Executive Management

The tables below in this section contain an overview of the total remuneration received by the Executive Management, including options that were awarded during the reported financial year for each manager.

The managers have not received remuneration from other companies within the Group.

Fixed remuneration includes base salary, other benefits, and pension. Other benefits include a fixed compensation for mobile phone and broad band connection, and health insurance.

Variable remuneration includes bonus awarded and options awarded under the corporate share-based bonus scheme.

		Fixed remuneration			Variable remuneration				
NOK thousand	**Year**	**Salary**	**Other benefits**	**Pension**	**Options**	**Bonus**	**Total Remuneration**	**Proportion fixed**	**Proportion variable**
Erik Sneve, CEO	2024	3,694	20	207	75,000	3,170	7,091	55%	45%
	2023	2,890	18	194	100,000	4189	7,291	43%	57%
	2022	2,150	18	184	200,000	2290	4,642	51%	49%
	2021	2,027	17	176	100,000	2559	4,779	46%	54%
	2020	2,059	15	130	50,000	2775	4,979	44%	56%
	2019*	1,727	0	-	400,000	-	1,727	100%	0%
Bård Olsen, CFO	2024	1,812	20	207	-	897	2,936	69%	31%
	2023	1,724	18	194	-	937	2,873	67%	33%
	2022	1,652	17	184	50,000	147	2,000	93%	7%
	2021	1,538	17	168	50,000	284	2,007	86%	14%
	2020	1,250	15	129	50,000	216	1,610	87%	13%
	2019**	1,100	0	-	-	-	1,100	100%	0%
Stein Bjørnstad, COO	2024***	1,792	18	203	-	580	2,593	78%	22%

*Employment with Magnora ASA started 2 January 2019 as a consultant and assumed CEO role 16 April 2019. The actual salary amount was 1,295,000 and has been adjusted to reflect what it would have been for the full year.

**Employment with Magnora ASA started 22 May 2019 with a three-month transition period with the former CFO and the two employees in the Finance Department that also were leaving the Company 31 August 2019. Position was not a full- time position in 2019. The actual salary amount was 381,000 and has been adjusted to reflect what it would have been for the full year if engaged full-time.

***Appointed COO from 1 July 2024. Actual salary for the financial year reflected in the table.

Share-based remuneration

The tables below contain information on the number of shares granted or offered to Executive Management for the reported financial year and the prior years of employment for each manager. The tables include the main conditions for the exercise of the rights including the exercise price and dates conditions change.

The CEO received 75,000 options and the CFO and COO did not receive any options during 2024.

The main conditions of share options plans:

Name and position	Specification of plan	Performance period	Award date	Vesting date	End of holding period	Exercise period	Strike price of share
Erik Sneve, CEO	Magnora ASA Share Option Plan	7/11/2024-7/11/2027	7/11/2024	7/11/2027	7/11/2032	7/11/2027-7/11/2032	23.8
	Magnora ASA Share Option Plan	16/6/2023-16/6/2026	16/6/2023	16/6/2026	16/6/2031	16/6/2026-16/6/2031	14.0
	Magnora ASA Share Option Plan	27/11/2022-27/11/2025	27/11/2022	27/11/2025	27/11/2030	27/11/2025-27/11/2030	12.7
	Magnora ASA Share Option Plan	2/6/2021 - 2/6/2024	02/06/2021	2/6/2024	2/6/2029	2/6/2024-2/6/2029	14.7
	Magnora ASA Share Option Plan	1/4/2020 - 1/4/2023	1/4/2020	1/4/2023	1/4/2028	1/4/2023 - 1/4/2028	0.4
Bård Olsen, CFO	Magnora ASA Share Option Plan	27/12/2022-27/12/2025	27/12/2022	27/12/2025	27/12/2030	27/12/2025-27/12/2030	11.2
	Magnora ASA Share Option Plan	9/4/2021 - 9/4/2024	9/4/2021	9/4/2024	9/4/2029	9/4/2024-9/4/2029	15.5
	Magnora ASA Share Option Plan	1/4/2020 - 1/4/2023	25/8/2020	25/8/2023	25/8/2028	25/8/2023-25/8/2028	0.4
Stein Bjørnstad, COO	Magnora ASA Share Option Plan	21/3/2023 - 21/3/2026	21/3/2023	21/3/2026	21/3/2031	21/03/2026-21/3/2031	11.4

Information regarding the reported financial year

	Opening balance	During the year		Closing balance	
Name and position	Holding of awarded share options awarded at the beginning of year	Share options awarded	Share options vested	Share options subject to a performance condition	Share options awarded and vested
		75,000		75,000	
	100,000			100,000	
Erik Sneve, CEO	200,000			200,000	
	100,000		100,000		100,000
	50,000				50,000
	450,000	**75,000**	**100,000**	**375,000**	**150,000**
Bård Olsen, CFO	50,000			50,000	
	50,000		16,666		50,000
	25,000				25,000
	125,000	**-**	**16,666**	**50,000**	**75,000**
Stein Bjørnstad, COO	50,000			50,000	
	50,000	**-**	**-**	**50,000**	**-**

Shares and share options owned or controlled by the Board of Directors and Executive Management

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

	Function	Shares owned or controlled	Options owned or controlled
Torstein Sanness	Chairman of the board	669,442	328,000
John Hamilton	Board member	33,837	40,000
Hilde Ådland	Board member	39,011	10,000
Erik Sneve	CEO	1,183,871	525,000
Bård Olsen	CFO	75,000	125,000
Stein Bjørnstad	COO	15,000	50,000
Total		**2,016,161**	**1,078,000**

Any use of the right to reclaim variable remuneration

No variable remuneration was reclaimed during 2024.

Information on how the remuneration complies with the remuneration policy

The Group has grown during 2024 with the establishment of new projects, and further development of existing projects. The successful disposal of the Group's shares in Helios Nordic Energy AB in May 2024 was another key milestone confirming the value of the Group's portfolio. During the year, the Group also demerged and listed its legacy licensing business on the main list of Oslo Stock Exchange through an IPO.

As of the end of the year, the Group is fully a renewable company. In addition to further growth in South Africa, the Group expanded into Germany and Italy, with local offices and teams established.

Senior Management has made specific deliverables in these achievements that have been instrumental for the Group achieving its goals. The investments made since the Group changed from the Oil and Gas sector to the renewable energy sector have all been selected with an intent to form a diversified portfolio of companies and projects. Diversification has been a key selection criterion to secure long-term growth of the Group and reduce its sensitivity to the performance of each individual investment.

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

The table below in this section contains information on the annual change of remuneration of each individual manager, of the performance of the Group and average remuneration on a full-time equivalent basis of employees of the Company other than Directors since the Group was reorganised in 2019.

Comparative table of remuneration and company performance over the last five reported financial years (NOK thousand)

Annual remuneration change	**2020 vs 2019**	**2021 vs 2020**	**2022 vs 2021**	**2023 vs 2022**	**2024 vs 2023**	**Total remuneration the recent financial year (KNOK)**	**Number of shares**
							31.12.2024
Erik Sneve, CEO	188%	-4%	-3%	57%	-3%	7,091	1,183,871
Bård Olsen, CFO	46%	25%	-0.3%	44%	2%	2,936	75,000
Stein Bjørnstad, COO	N/A	N/A	N/A	N/A	N/A	2,593	15,000
Company performance	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	
Share price 31 December	7	27.4	18.78	21.2	33	27.75	
Net profit /(loss) after tax (NOK million)	20.2	28.5	-62.8	3.9	178.9	579.4	
Number of employees	2	2	4	10	10	12	
Average total remuneration of employees - full time equivalent	**2020 vs 2019**	**2021 vs 2020**	**2022 vs 2021**	**2023 vs 2022**	**2024 vs 2023**		
Average change in remuneration for employees excluding senior management	N/A*	N/A*	4.11%	16.09%	5.92%		
Other employees	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	
Number of employees (full year equivalent) excluding senior management	-	-	3	6	7	7	
Average total remuneration excluding senior management (KNOK)	N/A	N/A	1,327	1,382	1,604	1,699	

*No employees excluding senior management that stayed a full year.

Reconciliation against annual report 2024

Below is a reconciliation of total remuneration for executive management between this remuneration report and remuneration to management other than CEO in the Annual Report 2024.

NOK thousand	**2024**	**2023**
Board of Directors total remuneration	1,818	1,890
CEO fixed remuneration	3,694	2,890
CEO variable remuneration	3,170	4,189
CEO Share-based remuneration (number of options in thousand)	75	100
CEO Pension cost	207	194
CEO other remuneration	20	18
Management other than the CEO fixed remuneration	3,604	1,724
Managment other than the CEO variable remuneration	1,477	937
Management other than the CEO share-based remuneration (number of options in thousand)	-	50
Management other than the CEO pension costs	410	194
Management other than the CEO other remuneration	38	18
Total	**14,438**	**12,054**

Oslo, Norway, 26 February 2025

The Board of Directors of Magnora ASA

Torstein Sanness
Chairman

Hilde Ådland
Board Member

John Hamilton
Board Member

Erik Sneve
CEO

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To the General Meeting of Magnora 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 Magnora 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 Magnora 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 Magnora ASA

Torstein Sanness Chairman	**Hilde Ådland** Board Member	**John Hamilton** Board Member	**Erik Sneve** CEO

MAGNORA ASA

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