

HERMANA

Second quarter and half-year 2025

Hermana Holding ASA

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The quarter in brief

Highlights

- On 2 May 2025, Hermana Holding ASA ("Hermana", "the Group") received a payment of NOK 44.9 million from Magnora ASA settling approximately half of the demerger receivable established in 2024 tied to licensing rights. The license fees are from a license agreement with Shell for the Shell Penguins FPSO, and the payment was received by Magnora as the milestone "first oil" was achieved. Hermana is entitled to another payment of USD 4.3 million from Magnora when the Shell Penguins FPSO has produced its first 4 million barrels of oil.
- Hermana is also entitled to USD 0.50 per barrel produced and offloaded from the Western Isles FPSO for the lifetime of the vessel, which is currently at yard awaiting redeployment. There is no new confirmed information regarding the vessel during the quarter. The latest information available in the media indicates that the owners are considering alternatives due to regulatory uncertainty in the UK. Based on comments from analysts and available information in the media, we expect the UK windfall tax to be determined this fall and that it may be in an acceptable range for UK oil and gas operators to prioritise continued and new investments.
- During the first half of 2025, Hermana has established a structured investment process and evaluated a number of possible investments of which several are of interest. Hermana maintains continuous contact with banks, other investors, business owners, and other parties that are sources and discussion partners regarding opportunities that may meet Hermana's investment criteria.
- The Group had NOK 0.4 million in operating revenue during the second quarter 2025 (NOK 1.3 million in Q2 2024). Operating expenses for the quarter were NOK 1.6 million (NOK 6.6 million in Q2 2024), mainly consisting of support services from Magnora ASA. Annual operating expenses have been forecasted at NOK 7.5–10 million and may be reduced if revenues are delayed or activity level is low.
- As of 30 June 2025, cash and cash equivalents was NOK 59.8 million (NOK 23.4 million in Q2 2024). Cash generated from operating activities was a positive NOK 0.4 million. Cash generated from investing activities was a positive NOK 44.9 million. There was no new financing during the quarter.
- As of 30 June 2025, the equity ratio was 98% (98% same date last year). The Group has no debt and total assets are NOK 111.9 million (NOK 125.2 million same date last year).

Subsequent events

- Following dialogue with shareholders, an extraordinary general meeting was held on 6 August 2025. Lars Ørving Eriksen and Hannah Høydal were elected new members of the Board of Directors. The meeting also approved, inter alia, a rights issue directed towards the chair, other members and observer of the Board. These will subsequently subscribe for shares at a price equal to the volume-weighted average share price for the last 90 days prior to the date of the notice of the extraordinary general meeting, plus a markup.

- On 13 August 2025 the Board of Directors appointed Morten Strømgren as CEO and CFO of Hermana Holding ASA. Strømgren is hired in from Magnora ASA based on a management-services agreement. He brings to Hermana broad experience from asset management, finance and corporate development.

Outlook

- The Group expects to receive the remaining USD 4.3 million demerger receivable from Magnora ASA after the Shell Penguins FPSO has produced its first 4 million barrels of oil, a milestone forecasted to be reached in Q4 2025.
- The design royalty rights related to the Western Isles FPSO represent an expected larger and longer-term revenue for the Group. The FPSO has a design life of 30–50 years. The FPSO remains a very versatile asset, as it also can operate in harsh weather environments and can use electric power sources due to its circular shape.
- Management continues to evaluate investment opportunities in accordance with the Group's capital allocation strategy, with a focus on value-accretive deployment of available funds.

About Hermana Holding

Hermana is an investment and royalty company listed on the Oslo Stock Exchange since June 2024, having evolved from the legacy business of Sevan Marine ASA, renamed Magnora ASA in 2018. Sevan Marine ASA designed FPSOs – floating production, storage and offloading units – for the offshore oil and gas industry. Sevan Marine's business was sold to SembCorp Marine in 2018, but two licence agreements remained with Sevan Marine ASA alongside the company's deferred tax assets.

The licence agreement for the Western Isles FPSO does not currently generate revenues for Hermana, but such future revenues are expected to last more than two decades. The agreement gives Hermana the right to USD 0.5 per barrel of oil produced and offloaded from the FPSO during its lifetime. The FPSO features a storage capacity of 400,000 barrels of oil (bbls), an oil production capacity of 44,000 barrels of oil per day (bopd), 17 riser slots and an offloading rate of 3,500m³/hour. Due to good motion characteristics, the vessel experiences limited fatigue and has long life expectancy compared with ship-shaped FPSOs. The FPSO provides significant savings in capex and operating cost as it is geostationary. This eliminates the need for diesel powered weather vaning (turret and swivel system) and allows for flexibility in future tie-ins.

In addition to this licence agreement, Hermana also has outstanding payments to be received from Magnora ASA for the demerger receivable tied to the Shell Penguins FPSO agreement, where there is one remaining milestone payment.

Hermana has a pragmatic and opportunity driven approach to the capital allocation of the current funds and the proceeds from the royalty agreement. The company has a structured process for evaluating opportunities with the objective of generating further shareholder value. The main capital-allocation options are equity investments in non-listed companies and/or a transformational deal with another company (e.g. a reverse takeover). Hermana will only invest where the expected return on capital is favourable. Any return of capital to shareholders will be in the form of repayment of paid-in capital.

Risk and uncertainty

Hermana Holding ASA with its subsidiary Western Isles Holding AS (“the Group”), is exposed to a broad range of risks, including but not limited to: climate risk (both physical and transitional), regulatory and political risk, tax risk, inflation risk, currency risk, project execution risk, reservoir performance risk, contract and counterparty risk, market and price volatility, liquidity and credit risk, key personnel risk, compliance risk, and operational risk related to asset performance.

The Group’s risk management framework is designed to identify, assess, and mitigate material risks that could adversely impact financial performance or strategic objectives. While a comprehensive overview of risks and mitigation strategies is provided in the annual report, this quarterly update highlights the most relevant risks as of the reporting date.

Climate risk

Both physical and transitional climate risks are considered significant. Rising global temperatures, increased frequency of extreme weather events, and shifting environmental conditions may affect offshore operations. While the Western Isles FPSO is designed to operate in harsh environments, physical climate risk could still impact uptime and maintenance schedules. Transitional climate risk includes evolving regulatory frameworks, such as changes in taxation, energy policy, and licensing regimes, which may affect the Group’s financial outlook. A key mitigating factor is the mobility of the FPSO, which allows for relocation to more favourable jurisdictions or projects. The Western Isles FPSO is also technically adaptable for future electrification.

Operational and project risk

The Group’s revenue is directly linked to oil and gas production volumes through a licence fee arrangement. As such, project delays, reservoir underperformance, or operational disruptions may materially impact income. Market risk is also relevant, encompassing fluctuations in commodity prices, demand and supply dynamics, and competitive positioning. These factors contribute to uncertainty around both timing and volume of future cash flows. At present, the timing of “first oil” from the Western Isles FPSO is difficult to estimate based on the information available to the Group.

Counterparty risk

The Group is exposed to the financial and operational stability of the FPSO owner and operator. Broader counterparty risk also applies to customers and suppliers, where unforeseen financial distress could disrupt operations or cash flows.

Currency and inflation risk

Licence fees are denominated in USD, exposing the Group to currency fluctuations relative to NOK. While this presents both risk and opportunity, it is actively monitored. Inflation risk is also relevant, particularly as the USD 0.5 per barrel licence fee is not indexed. Persistent inflation could erode the real value of this income stream and influence discount rates used in valuation models. The Group seeks to mitigate this through cost discipline and potential investments in inflation-resilient assets.

Investment and liquidity risk

For new investments, the Group faces the risk of returns falling below the cost of capital and potential liquidity constraints. These risks are addressed through rigorous investment analysis, disciplined capital allocation, and a strong balance sheet.


The Group continuously monitors its risk exposure at both the corporate and asset level. While risk-taking is necessary to generate returns, the Group avoids risks that do not offer commensurate rewards. A strong risk culture is embedded across the organization, with each team member expected to contribute to risk awareness and adherence to internal controls.

The Hermana share

The Group has 13,418,740 shares outstanding as of 30 June 2025. At this date, the share price was NOK 13.80. As of the date of this report, the Group does not own any of its own shares.

Oslo, Norway, 19 August 2025

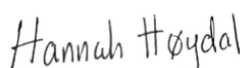
The Board of Directors of Hermana Holding ASA



Erik Sneve
Chairman



Lars Ørving Eriksen
Board member



Hannah Høydal
Board member



Morten Strømgren
CEO



Interim condensed consolidated financial statements

Interim consolidated statement of profit and loss

NOK million	Note	Q2 2025	YTD 2025	Q2 2024	YTD 2024	2024
Operating revenue	<u>3</u>	0.4	0.6	1.3	4.5	3.9
Other operating expense	<u>6</u>	-1.6	-2.9	-6.6	-8.1	-13.1
EBITDA		-1.2	-2.3	-5.3	-3.6	-9.2
Operating profit/(loss)		-1.2	-2.3	-5.3	-3.6	-9.2
Financial income/(expense)		0.0	0.0	-	0.0	-
Foreign exchange gain/(loss)		-2.6	-9.5	4.1	4.1	10.2
Net financial items		-2.6	-9.5	4.1	4.1	10.2
Profit/(loss) before tax		-3.8	-11.8	-1.2	0.5	0.9
Tax income/(expense)		-	-	1.9	1.9	0.9
Net profit/(loss)		-3.8	-11.8	0.7	2.4	1.7
Net profit/(loss) attributable to:						
Equity holders of the parent		-3.8	-11.8	0.7	2.4	1.7
Non-controlling interests		-	-	-	-	-

Earnings per share

	Q2 2025	YTD 2025	Q2 2024	YTD 2024	2024
Earnings per share (NOK):					
- Basic	-0.28	-0.88	0.01	0.03	0.13
- Diluted	-0.28	-0.88	0.01	0.03	0.13
Weighted avg. no. of ordinary shares outstanding	13,418,740	13,418,740	93,931,178	93,931,178	13,418,740
Weighted diluted avg. no. of ordinary shares outstanding	13,418,740	13,418,740	93,931,178	93,931,178	13,418,740

Interim consolidated statement of comprehensive income

NOK million	Q2 2025	YTD 2025	Q2 2024	YTD 2024	2024
Net profit/(loss)	-3.8	-11.8	0.7	2.4	1.7
Other comprehensive income					
<i>Items which may be reclassified to profit/(loss)</i>					
Foreign currency translation	-	-	-	-	-
Total comprehensive income	-3.8	-11.8	0.7	2.4	1.7
Total comprehensive income attributable to parent equity holders	-3.8	-11.8	0.7	2.4	0.0

Interim consolidated statement of financial position

NOK million	Note	30.06.2025	30.06.2024	31.12.2024
ASSETS				
Deferred tax assets	<u>2</u>	7.8	8.8	7.8
Total non-current assets		7.8	8.8	7.8
Trade and other receivables	<u>4, 5</u>	44.3	93.0	98.0
Cash and cash equivalents	<u>5</u>	59.8	23.4	16.6
Total current assets		104.1	116.4	114.6
Total assets		111.9	125.2	122.4
EQUITY AND LIABILITIES				
Share capital		13.4	9.5	13.4
Other equity		96.3	112.6	108.1
Total equity		109.7	122.1	121.5
Total non-current liabilities		-	-	-
Trade payables		2.2	2.7	0.3
Other current liabilities		0.0	0.4	0.6
Total current liabilities		2.2	3.1	0.9
Total liabilities		2.2	3.1	0.9
Total equity and liabilities		111.9	125.2	122.4

Interim consolidated statement of changes in equity

NOK million	Note	Share capital	Other equity	Total equity
Equity as at 1 January 2025				
Total comprehensive income for the period		-	-11.8	-11.8
Equity as at 30 June 2025		13.4	96.3	109.7
Equity as at 1 January 2024				
Total comprehensive income for the period		-	1.7	1.7
Capital increase		1.0	-	1.0
Contribution in kind ¹		2.9	32.4	35.3
Capital decrease		-1.0	-	-1.0
Capital increase demerger from Magnora ASA		6.7	77.7	84.4
Bonus issue ²		3.9	-3.9	-
Equity as at 31 December 2024		13.4	108.1	121.5

¹ 100% of the shares in Western Isles Holding AS were contributed by Magnora ASA as part of the demerger. See the 2024 Annual Report for further details.

² The Group's share capital was increased by NOK 3.9 million immediately after completion of the share consolidation by transfer of NOK 3.9 million from the Group's unrestricted equity to the Group's share capital.

Interim consolidated statement of cash flow

NOK million	Note	Q2 2025	YTD 2025	Q2 2024	YTD 2024	2024
Cash flows from operating activities						
Profit/(loss) before tax		-3.8	-11.8	-1.2	0.5	0.9
Unrealised effects included in operating profit/(loss)		2.6	9.5	-	0,0	-10.2
Changes in net working capital		1.6	0.6	-2.0	-2.1	0.9
Net cash generated from operating activities		0.4	-1.7	-3.2	-1.6	-8.4
Cash flows from investing activities						
Part settlement of demerger receivable		44.9	44.9	-	-	25.0
Net cash generated from investing activities		44.9	44.9	-	-	25.0
Cash flows from financing activities						
Capital distribution		-	-	-1.0	-1.0	-1.0
Capital increase		-	-	-	1.0	-
Net contribution from parent		-	-	25.0	25.0	1.0
Net cash flow from financing activities		-	-	24.0	25.0	0,0
Net cash flows for the period		45.3	43.2	20.8	23.4	16.6
Cash and cash equivalents at start of period		14.5	16.6	2.6	-	-
Cash and cash equivalents at end of period		59.8	59.8	23.4	23.4	16.6

Notes to the interim condensed consolidated financial statements

Note 1 General information and accounting policies

Hermana Holding ASA's objective is the conduct of industry, trade and business associated with energy, intellectual property rights and commodities, and sectors directly or indirectly related to these, including investing in licences, in addition to investments in and acquisitions of businesses, securities, financial instruments and other assets, and participating in other businesses, directly or indirectly linked to these.

Hermana Holding ASA is a public limited company, incorporated and domiciled in Norway. The condensed consolidated interim financial statements consist of the company and the company's interests in subsidiaries.

The Group prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by EU and these financial statements have been prepared in accordance with the International Accounting Standard for Interim Financial Reporting (IAS 34). The interim financial statements do not include the full information and disclosures as required in the annual financial statements and should therefore be read in conjunction with the Annual Financial Statements for the year ended 2024.

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

EBITDA

EBITDA, as defined by Hermana, includes total operating revenue and expense, and excludes, depreciation, amortisation, and impairment loss.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Annual Financial Statements for the year ended 31 December 2024.

Note 2 Accounting estimates

Deferred tax assets are recognised for unused tax losses only to the extent it is probable a taxable profit will be available against future losses. Significant management judgement is required to determine the amount of deferred tax assets to be recognised, based upon the likely timing and level of future taxable profits. The recognised deferred tax asset is most sensitive to expected future taxable profits.

The deferred tax asset recognised is expected to be utilised within the next 5 years based on the company's contract portfolio and cost base as of today. The book value of the deferred tax asset represents a minor part of the total accumulated tax losses carried forward of NOK 416.5 million allocated to Hermana Group as part of the demerger from Magnora ASA.

Note 3 Operating Revenue

NOK million	Q2 2025	YTD 2025	Q2 2024	YTD 2024	2024
Licence fee	0,0	0,0	1.3	4.5	3.2
Management services	0.4	0.6	–	–	–
Total operating revenue	0.4	0.6	1.3	4.5	3.2

Note 4 Financial assets

The Group holds no marketable securities as of 30 June 2025.

As of 30 June 2025, the Group has a receivable from Magnora ASA representing the income related to one remaining milestone payment from Shell Penguins FPSO of a total of USD 4.3 million (approximately NOK 44 million).

Note 5 Liquidity

As part of the demerger completed in 2024, Western Isles Holding AS received a cash contribution of NOK 25 million from Magnora ASA, to provide the Group with adequate working capital. This contribution formed part of the demerger receivable from milestone payments in accordance with the licence agreement with Shell UK Ltd. recognised by the Group. Further, the Group received in May 2025 NOK 44.9 million as part of the demerger receivable from Magnora. The remaining balance of USD 4.3 million of the receivable is expected to be paid to the Group within the next 12 months and is classified as a current asset.

The Group is exposed to currency risk related to the remaining USD 4.3 million revenues from the Shell Penguins agreement, which is due from Magnora ASA. Fluctuations in the USD exchange rate may give rise to unrealised foreign exchange gains or losses. These effects are non-cash in nature, as the receivable will be fully extinguished upon receipt of the next and last payment from Magnora related to this agreement.

Note 6 Related party transactions

The Group has a support service agreement with Magnora ASA for administration, back office, and support functions within finance, accounting, treasury, tax, and insurance services to be provided by Magnora at agreed-upon hourly rates. The Group also has an agreement with Magnora ASA to provide market analysis, business development, and transaction support services. Through these agreements the Group will have operating revenues and expenses from services provided between the companies that are related parties to the Group. During the quarter, the Group incurred operating expenses of NOK 1.6 million related to support services provided by Magnora ASA. Apart from the remaining demerger receivable of USD 4.3 million due from Magnora ASA, there are no outstanding liabilities between the Group and Magnora ASA as of the reporting date.

Note 7 Subsequent events

Following dialogue with shareholders, an extraordinary general meeting was held on 6 August 2025. Lars Ørving Eriksen and Hannah Høydal were elected new members of the Board of Directors, replacing Torstein Sanness and Hilde Ådland. Sanness was elected observer in the Board. The meeting also approved, inter alia, a rights issue directed towards the chair, other members and observer of the Board and these will subsequently subscribe for shares at a price equal to the volume-weighted average share price for the last 90 days prior to the date of the notice of the extraordinary general meeting, plus a markup. The minutes of the meeting are available on Hermana's website.

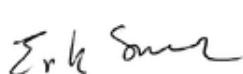
On 13 August 2025 the Board of Directors appointed Morten Strømgren as CEO and CFO of Hermana Holding ASA. Strømgren is hired in from Magnora ASA based on a management-services agreement. He brings to Hermana broad experience from asset management, finance and corporate development.

Responsibility statement

We confirm, to the best of our knowledge, that the interim consolidated financial statements for the period 1 January to 30 June 2025 have been prepared in accordance with IAS 34 – Interim Financial Reporting and give the true and fair view of the Group’s assets, liabilities, financial position and profit and loss as a whole. We also confirm, to the best of our knowledge, that the Interim Financial Report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties’ transactions.

Oslo, Norway, 19 August 2025

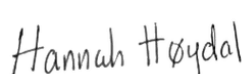
The Board of Directors of Hermana Holding ASA



Erik Sneve
Chairman



Lars Ørving Eriksen
Board member



Hannah Høydal
Board member



Morten Strømgren
CEO

