

Magnora ASA

Third Quarter 2018

Main events in the quarter

(Figures in brackets relate to second quarter 2018. The figures are unaudited.)

- On June 07, 2018 Magnora ASA (former Sevan Marine ASA) (the "Company" or "Magnora") entered into an agreement to sell its intellectual property, shares in HiLoad LNG AS and to transfer certain other assets and obligations, including employees, to Sembcorp Marine Integrated Yard Pte Ltd ("SCM"). The transaction was completed on September 4, 2018, and the Company received the agreed cash consideration of USD 39 million. The Company retains its net cash position, the Dana Western Isles license agreement and the financial benefit of the Shell Penguins license agreement.
- Following the transaction with SCM, the shareholders approved at the extraordinary general meeting held on October 12, 2018 to change the Company's name from Sevan Marine ASA to Magnora ASA.
- In accordance with IFRS accounting standards, the remaining Magnora business is reported as continued operations while the disposed business is reported as discontinued operations in this report.
- Adjusted EBITDA from continued operations, excluding one-off items, was NOK 9.6 million (NOK 11.4 million), a decrease of NOK 1.8 million versus the second quarter. The main driver for the decrease was a reduction in the Dana royalty revenue of NOK 1.2 million.
- Magnora is entitled to USD 0.5 per barrel produced and offloaded from the Dana Western Isles FPSO. The related revenue for Q3 2018 was NOK 13.8 million (NOK 15.0 million) in continued operations.
- Operating costs from continued operation, including one-off items, increased by NOK 2.5 million compared to the second quarter 2018 to NOK 12.5 million. The main driver for the increase was related to the termination of the Share Incentive Program, reported as a one-off item. Excluding one-off items, operating costs in the quarter increased by NOK 0.8 million to NOK 4.5 million (NOK 3.6 million). The increase was mainly due to costs related to the liquidation of Magnora's two Asia subsidiaries, Sevan Asia Pte Ltd and Sevan Shanghai Co Ltd.
- On July 06, 2018, Teekay and a group of shareholders entered into an agreement whereby Teekay agreed to offer its 43.5 percent shareholding in Magnora to all other shareholders in Magnora on a pro rata basis for a price of NOK 10 per share, subject to adjustment for any distributions from Magnora until completion of the offer (the "Teekay Offer"). The Company agreed with Teekay to defer all distributions to its shareholders until the earlier of (i) 1 December 2018 or (ii) the completion of the Teekay Offer. Upon completion of the Teekay Offer, Magnora has agreed to withdraw the lawsuit against Logitel Offshore Pte Ltd. and the parties have agreed not to bring or pursue any other claims against each other and their affiliates in relation to activities prior to July 06, 2018. The completion of the Teekay Offer was subject to the following key conditions: (i) required corporate approvals; (ii) closing of the SCM transaction; (iii) the subscription of all Teekay's shares in Magnora; and (iv) regulatory approvals.
- The Teekay Offer expired on November 9, 2018 and the Teekay Offer was completed on 12 November 2018. Settlement and delivery of the shares was completed on November 19, 2018.
- At the annual general meeting held on May 24, 2018, shareholders approved a share capital reduction and return of NOK 0.50 per share to shareholders. In addition, at the extraordinary general meeting held on July 06, 2018, shareholders approved a further share capital reduction and return of NOK 2 per share to shareholders. At the extraordinary general meeting held on October 12, 2018 Magnora also agreed to pay an interim dividend of NOK 6.0 per share. On November 13, 2018, following agreement with Teekay, the above distributions totalling NOK 447 159 492 or NOK 8.5 per share were paid to shareholders.
- On November 12, 2018, Erling Øverland, chairman of the board and Astrid Jørgenvåg, member of the board, announced that they will resign from the board of directors of the Company at the publication of the Company's Q3 results. The nomination committee has started its work and Magnora expects to call for an extraordinary general meeting in the near future. Torstein Sanness (acting chairman), Hilde Ådland and Kathryn Baker will comprise the board of directors until an extraordinary general meeting is held.
- Following the completion of the Teekay Offer, change in shareholder structure and subsequent election of a new board of directors, Magnora intends to make distributions to shareholders on a timely and regular basis to the extent legally and practically possible. Magnora will also actively seek to release the remaining value in the continued operations via a review of strategic options.

Key figures

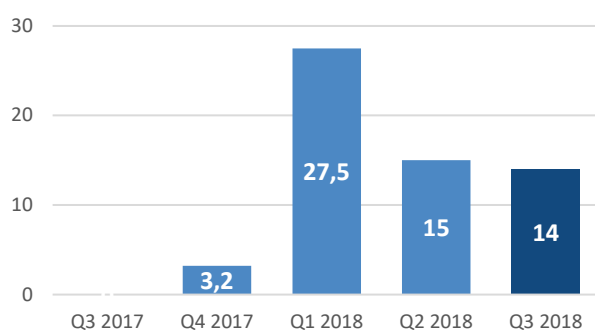
NOK million	Q3 18	Q2 18	YTD Q3 18	Q3 17	YTD Q3 17	2017
<i>Continued operation</i>						
Revenues	14.0	15.0	56.4	0.0	0.0	3.2
EBITDA	1.5	4.9	27.8	-18.8	-33.8	-35.1
Net Profit	1.8	5.4	29.7	-21.7	8.8	5.7
EPS (NOK)	0.0	0.10	0.56	-0.41	0.17	0.11
Operating cost, excluding one-off items *	-4.5	-3.6	-10.7	-1.7	-7.2	-9.5
Adjusted EBITDA *	9.6	11.4	45.8	-1.7	-7.2	-6.3
<i>Continued and discontinued operation **</i>						
Revenues	23.5	22.9	77.2	12.8	38.0	54.3
EBITDA	0.3	-1.3	11.2	-26.6	-56.1	-62.3
Net Profit	329.0	-1.3	340.5	-30.1	-15.3	-23.7
EPS (NOK)	6.3	-0.02	6.47	-0.57	-0.29	-0.45
Operating cost, excluding one-off items *	-15.1	-17.7	-48.0	-20.4	-65.5	-85.9
Adjusted EBITDA *	8.4	5.2	29.2	-7.6	-27.5	-31.6
Cash and cash eq. continued operation	528.8	205.7	528.8	161.1	161.1	195.9
Cash and cash eq. discontinued operation	0.0	0.2	0.0	0.5	0.5	1.6
Equity ratio (%)	94 %	85 %	94 %	87 %	87 %	83 %
Number of shares outstanding	52.6	52.6	52.6	52.6	52.6	52.6
Number of employees ***	3	27	3	32	32	32

* See definition of Alternative Performance Measures in Note 1.

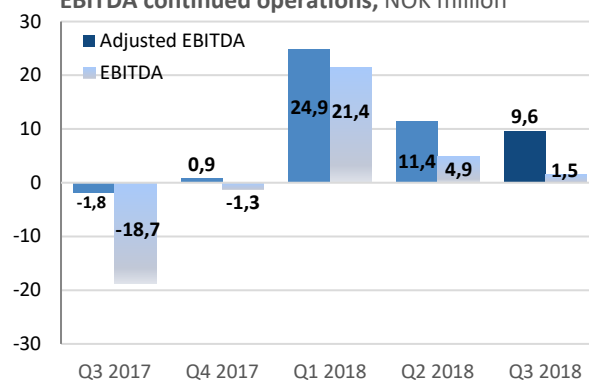
** Sale of KANFA AS is not included as discontinued operation in the 2017 comparable figures

*** All three employees are supporting SCM post the transaction with 50% of their cost covered by SCM

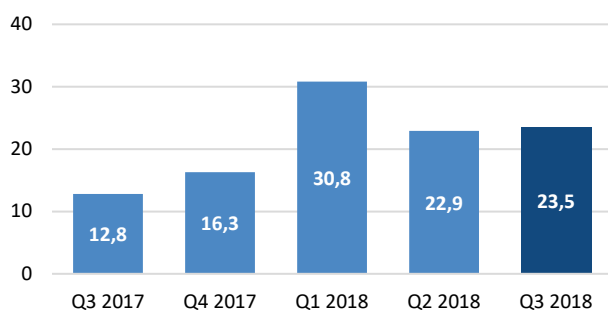
Revenue continued operations, NOK million



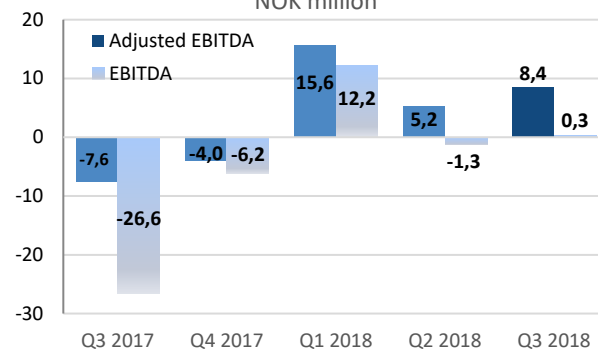
EBITDA continued operations, NOK million



Revenue continued & discontinued operations
NOK million



EBITDA continued & discontinued operations
NOK million



Operational review

Income

The final investment decision regarding the Shell Penguins Redevelopment project was taken in January 2018. Magnora received payment for the first milestone of USD 2.625 million (NOK 20.7 million) under the license agreement in Q1 2018. Further payments under the license agreement are subject to three milestones; completion of the unit, start-up and successful production. The total nominal value of the future milestones is USD 16 million over the coming 3 to 5 years. Post the transaction with SCM, the financial benefit of the Shell Penguins License Agreement remains with Magnora.

Magnora is entitled to a variable license fee of USD 0.50 per barrel produced and offloaded from the Dana Western Isles FPSO. The associated license income for the third quarter 2018 was NOK 13.8 million (NOK 15.0 million). Magnora retains the license agreement and associated future income post the SCM transaction.

In discontinued operations, engineering income of NOK 9.5 million for Q3 was improved from NOK 7.9 million in Q2. This was driven mainly by increased activity on the Shell Penguins project as well as work for Teekay Offshore Partners on existing units.

From completion of the SCM transaction on September 4, 2018, employees, offices and associated operating costs have been taken over by SCM.

Transaction costs, stock exchange costs, audit fees, as well as certain administration, management and board fees will remain with Magnora in continued operations.

Subsequent developments

On October 2, 2018, Magnora ASA purchased 15% of the shares in Arendal Brygge AS for NOK 300 000. Following this transaction, Magnora ASA owns 50% of the shares in Arendal Brygge AS. Sparebanken Sør owns the other 50% of the shares. Magnora ASA and Sparebanken Sør also agreed to each provide a NOK 150 000 shareholder loan (NOK 300 000) to Arendal Brygge to support the Arendal Brygge's liquidity needs going forward.

Financial review

Results for the quarter

Operating revenue for continued operations in the third quarter 2018 was NOK 14.0 million, down from NOK 15.0 million the previous quarter. EBITDA for continued operations was positive NOK 1.5 million (positive NOK 4.9 million) and net profit was NOK 1.8 million (profit of NOK 5.4 million). The decrease in profit was due to a reduction in royalty revenue from Dana of NOK 1.2 million, and an increase in operating cost of NOK 2.5 million. The increase in operating cost was due mainly to costs related to the termination of the Share Incentive Program of NOK 3.2 million, as well as costs related to the liquidation of Magnora's two Asia subsidiaries, Sevan Asia Pte Ltd and Sevan Shanghai Co Ltd. The cost increases were only partially compensated by a reduction in

one-off costs of NOK 1.7 million mainly related to SCM transaction costs incurred in Q2. Net profit was negatively impacted by currency exchange effects of NOK 0.4 million related to hedging of the USD license income from the Dana Western Isles project.

Operating revenue for discontinued operations in the third quarter 2018 was NOK 9.5 million, up from NOK 7.9 million the previous quarter. EBITDA for discontinued operations was negative NOK 1.2 million (negative NOK 6.3 million) and net profit was NOK 327.2 million (loss of NOK 6.7 million). The profit was due to a group accounting gain of NOK 328,6 million as a result of the SCM transaction.

Cash Flow

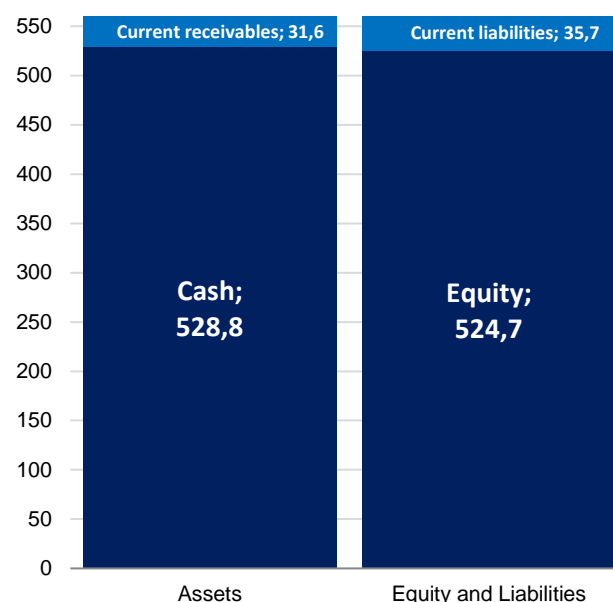
As of September 30, 2018, cash and cash equivalents amounted to NOK 528.8 million for continued operations (NOK 205.7 million). The positive cash flow in the quarter of NOK 323.1 million for the continued and discontinued operation was due to the cash consideration from the SCM transaction.

Operating cash flow from continued operation in the quarter was negative NOK 1.4 million. This was driven by working capital movements in the quarter in relation to Dana license income and the payment of one-off items related to the transaction.

Financial position

The equity ratio was 94 percent as of September 30, 2018.

Balance sheet composition 30 September 2018 (MNOK):



Logitel Offshore

Upon completion of the Teekay Offer, Magnora has withdrawn the lawsuit against Logitel Offshore Pte Ltd. and the parties have agreed not to bring or pursue any other claims against each other and their affiliates in relation to activities prior to July 06, 2018. This leads to a NOK 4.1 million non-cash gain in Q4 2018 as the accrual for payment of Logitel Offshore Pte Ltd.'s legal fees awarded by the Oslo District Court has been reversed.

Risk and uncertainty factors

Magnora is exposed to market risk, credit risk, currency risk and liquidity risk. The company's overall risk management program focuses on the uncertainty of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

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

The exposure to the oil and gas market also means that the company is subject to the market risk of declining work and price pressure. The company is also subject to field development and reservoir risk in situations where the license fee is tied to the field development and production such as the Dana Western Isles income and Shell Penguins license fee income.

Magnora was informed in May 2018 that the Norwegian authority for investigation and prosecution of economic and environmental crime ("ØKOKRIM") concluded its investigation. ØKOKRIM has dismissed the case into potential corruption involving contracts awarded to Magnora in Brazil in the period 2005 to 2008. Magnora has at no stage been charged and has fully cooperated with ØKOKRIM. Despite the dismissal by ØKOKRIM, there remains a risk of potential claims from involved parties and/or authorities in other jurisdictions.

Magnora ASA was informed during the third quarter 2017 that Sembmarine SSP Inc. and Jurong Shipyard Pte Ltd initiated patent infringement proceedings against Magnora ASA as well as Sevan Drilling Ltd and Sevan Drilling North America LLC in the Southern District Court of Texas in relation to the U.S. Patent No. 9,266,587. With the completion of the SCM transaction this lawsuit has been terminated.

Outlook

Following the SCM transaction, Magnora remains listed on the Oslo Stock Exchange.

Magnora will continue to follow-up on the remaining contracts, including the Dana and Shell Penguins license income, while seeking to optimize its cost structure to the level of activity in the business. Magnora intends in the future to make distributions to shareholders to the extent legally and practically possible.

Following the completion of the Teekay Offer, change in shareholder structure and subsequent the election of a new board of directors, Magnora will conduct a review of various strategic options with a view to releasing the remaining value in the continued operations.

Capital reduction and dividend

At the annual general meeting held on May 24, 2018, shareholders approved a share capital reduction and return of NOK 0.50 per share to shareholders. At the extraordinary general meeting held on July 06, 2018, shareholders approved a further share capital reduction and return of NOK 2 per share to shareholders. In addition, at the extraordinary general meeting held on October 12, 2018, the shareholders approved an extraordinary dividend of NOK 6.0 per share to shareholders. On November 13, 2018, the above distributions totalling NOK 447 159 492 or NOK 8.5 per share were paid to shareholders.

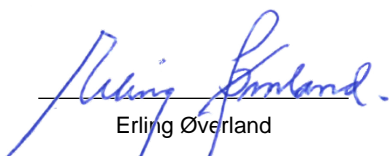
About Magnora

With the sale to SCM completed on September 04, 2018, Magnora has sold its intellectual property, shares in HiLoad LNG AS and certain other assets and obligations to SCM.

Magnora retain its net cash position, the Dana Western Isles license agreement and the financial benefit of the Shell Penguins license agreement.

Magnora's objective is to deliver products and services to the energy industry and activities related to this, as well as investing in other companies.

Oslo, November 26, 2018
The Board of Directors of Magnora ASA



Erling Øverland

Chairman



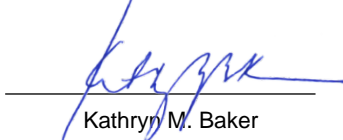
Torstein Sanness

Board Member



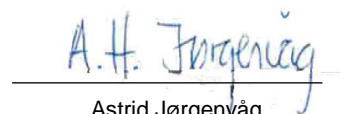
Hilde Ådland

Board Member



Kathryn M. Baker

Board Member



Astrid Jørgenvåg

Board Member



Reese McNeel

CEO

Interim financial statements (IFRS)

Condensed consolidated income statement

<i>NOK million</i>	Note	Q3 18	Q2 18	YTD Q3 18	Q3 17	YTD Q3 17	2017
Continued operations							
Operating revenue	4	14.0	15.0	56.4	0.0	0.0	3.2
Operating expense		-12.5	-10.1	-28.6	-18.8	-33.8	-38.3
EBITDA		1.5	4.9	27.8	-18.8	-33.8	-35.1
Depreciation, amortization and impairment		0.0	0.0	0.0	0.0	0.0	0.0
Operating profit/(loss)		1.5	4.9	27.8	-18.8	-33.8	-35.1
Financial income/(expense)		0.7	0.9	2.4	0.6	10.8	11.6
FX gain/(loss)	6	-0.4	-0.5	-0.5	-3.6	-7.4	-3.5
Net financial items		0.3	0.4	1.9	-3.0	3.3	8.1
Profit/(loss) before tax		1.8	5.4	29.7	-21.7	-30.5	-27.0
Tax income/(expense)		0.0	0.0	0.0	0.0	39.3	32.8
Net profit/(loss) continued operations		1.8	5.4	29.7	-21.7	8.8	5.7
Discontinued operations							
Disposed group classified as held for sale	5	327.2	-6.7	310.7	-8.4	-34.1	-39.6
Net profit/(loss) discontinued operations		327.2	-6.7	310.7	-8.4	-34.1	-39.6
Net profit/(loss)		329.0	-1.3	340.5	-30.1	-25.4	-33.8

Statement of comprehensive income

<i>NOK million</i>	Q3 18	Q2 18	YTD Q3 18	Q3 17	YTD Q3 17	2017
Net profit/(loss)	329.0	-1.3	340.5	-30.1	-25.4	-33.8
Foreign currency translation	0.2	0.5	0.0	0.0	0.0	-1.0
Other changes	0.0	0.0	-0.2	0.0	0.0	-0.1
Total comprehensive income	329.1	-0.8	340.2	-30.1	-25.4	-34.9

Condensed statement of financial position

<i>NOK million</i>	Note	30.09.18	30.06.18	30.09.17	31.12.17
Fixed assets		0.0	0.0	0.2	0.1
Intangible assets		0.0	0.0	4.7	4.3
Other non-current assets		0.0	0.0	3.5	3.2
Total non-current assets		0.0	0.0	8.4	7.6
Trade and other receivables	3	31.6	16.1	52.3	16.1
Cash and cash equivalents		528.8	205.7	161.6	197.5
Total current assets		560.4	221.8	214.0	213.6
Assets held for sale			7.6		
Total assets		560.4	229.4	222.4	221.2
Share capital	2	210.4	210.4	210.4	210.4
Other equity		314.3	-14.6	-17.1	-26.7
Total shareholders' equity		524.7	195.9	193.4	183.7
Non-controlling interest		0.0	0.2	0.2	0.3
Total equity		524.7	196.0	193.6	184.0
Other non-current liabilities		0.0	0.0	0.0	2.3
Total non current liabilities		0.0	0.0	0.0	2.3
Current liabilities		35.7	26.1	28.8	34.9
Total current liabilities		35.7	26.1	28.8	34.9
Total liabilities		35.7	26.1	28.8	37.1
Liabilities held for sale			7.3		
Total equity and liabilities		560.4	229.4	222.4	221.2

Condensed statement of changes in equity

<i>NOK million</i>	Share capital	Share premium	Other equity	Non-controlling interest	Total equity
Equity as of January 1, 2018	210.4	0.0	-26.7	0.3	184.0
Share-based payments			0.4		0.4
Total comprehensive income for the period			340.5	-0.3	340.2
Equity as of September 30, 2018	210.4	0.0	314.3	0.0	524.7

<i>NOK million</i>	Share capital	Share premium	Other equity	Non-controlling interest	Total equity
Equity as of January 1, 2017	210.4	122.9	-123.6	9.2	218.9
Reclassification share premium		-122.9	122.9		0.0
Total comprehensive income for the period			106.6	-9.0	-30.1
Equity as of September 30, 2017	210.4	0.0	-17.1	0.2	193.6

Condensed statement of cash flow

<i>NOK million</i>	Q3 18	Q2 18	YTD Q3 18	YTD Q3 17	2017
Cash flows from operating activities					
Cash from operations	-1.4	8.2	24.7	-57.9	-27.2
Taxes paid/repaid	0.0	0.0	0.0	31.7	31.7
Net cash generated from continued operating activities	-1.4	8.2	24.7	-26.2	4.5
Net cash generated from discontinued operating activities	-2.8	-11.1	-20.5	-2.5	2.6
Net cash generated from operating activities	-4.2	-2.9	4.2	-28.7	7.1
Cash flows from investment activities					
Sale of shares KANFA AS	0.0	0.0	0.0	0.9	0.9
Sale of business to Sembcorp	327.1	0.0	327.1	0.0	0.0
Net cash from continued investment activities	327.1	0.0	327.1	0.9	0.9
Net cash from discontinued investment activities *	0.0	0.0	0.0	-36.5	-36.4
Net cash from investment activities	327.1	0.0	327.1	-35.6	-35.5
Cash flows from financing activities					
Dividends paid	0.0	0.0	0.0	0.0	0.0
Net cash from continued financing activities	0.0	0.0	0.0	0.0	0.0
Net cash from discontinued financing activities	0.0	0.0	0.0	0.0	0.0
Net cash from financing activities	0.0	0.0	0.0	0.0	0.0
Net cash flow for the period - continued activities	325.7	8.2	351.8	-25.3	5.4
Net cash flow for the period - discontinued activities	-2.8	-11.1	-20.5	-39.0	-33.8
Cash balance at beginning of period	205.9	208.7	197.5	225.9	225.9
Cash balance at end of period	528.8	205.9	528.8	161.6	197.5

* Reflects the cash position in KANFA Group before deconsolidation.

Selected notes to the quarterly financial statements

1. General information and accounting policies

Magnora ASA's objective is to deliver products and services to the energy industry and activities related to this, as well as investing in other companies.

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

The company prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by EU and these financial statements have been prepared in accordance with the International Accounting Standard for Interim Financial Reporting (IAS 34). As the interim financial statements do not include the full information and disclosures as required in the annual financial statements, it should be read in connection with the Annual Financial Statements for 2017.

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:

Operating cost, excluding one-off items: Management believes that "Operating cost, excluding one-off items" which excludes cost or cost reductions that arise from circumstances other than operation is a useful measure because it provides an indication of the company's operating cost base for the period without regard to significant historical and non-operational events that are expected to occur less frequently.

Adjusted EBITDA: Management believes that "Adjusted EBITDA" which excludes "one-off items" is a useful measure because it provides an indication of the profitability of the company's operating activities for the period without regard to significant historical and non-operational events that are expected to occur less frequently.

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 December 31, 2017.

The Company has implemented IFRS 9 and 15 as of January 01, 2018. There have been no significant changes to the Company's financial statements as a result of these new accounting standards.

Assets and liabilities held for sale and discontinued operations

The Group classifies assets and liabilities as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or liability is available for immediate sale in its present condition.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 5. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

In June 2017 Magnora ASA sold the remaining shares in KANFA AS to Technip Norge AS. The KANFA AS Group was the remaining part of Magnora's Topside and Process Technology segment presented as discontinued operations. As Magnora is left with only one segment, Floating Production, the segment note is no longer part of the quarterly reporting.

On June 07, 2018 Magnora entered into an agreement to sell its intellectual property, employees, shares in HiLoad LNG AS and certain other assets and liabilities to SCM. On September 04, 2018 the transaction was completed. The associated income and costs are reported as discontinued operations. Magnora will retain its net cash position, the Dana Western Isles license agreement and the financial benefit of the Shell Penguins license agreement which is now reported as continued operations.

2. Shareholder structure

20 largest shareholder accounts November 23, 2018 (source: VPS)	No. of shares	%-share
DnB NOR Bank ASA EGENHANDELSKONTO DnB NOR Markets	8 008 365	15.22
F2 FUNDS AS	4 572 745	8.69
SKANDINAVISKA ENSKIL	3 307 516	6.29
MATHIAS HOLDING AS PER MATHIAS AARSKOG	3 187 561	6.06
HORTULAN AS	3 048 905	5.80
KING KONG INVEST AS v/ Trond Myhre	2 343 795	4.46
SUNDT AS	2 142 202	4.07
PREDATOR CAPITAL MAN	1 702 667	3.24
MP PENSJON PK	1 570 499	2.99
ANDENERGY AS	1 508 140	2.87
Patineer Management	1 406 277	2.67
INVESCO PERP EURAN S The Bank of New York	1 355 842	2.58
BEKKESTUA EIENDOM AS	1 050 019	2.00
ALTEA PROPERTY DEVEL	939 069	1.79
SIX SIS AG 25PCT ACCOUNT	868 959	1.65
DANSKE BANK AS	758 366	1.44
INVESCO FUNDS BNY MELLON SA/NV	742 025	1.41
BAKLIEN ÅSMUND	700 000	1.33
CARE HOLDING AS V/ BERNT ENDRERUD	587 998	1.12
BJELLAND MARIUS	525 010	1.00
Total, 20 largest shareholders	40 325 960	76.68
Other shareholder accounts	12 281 039	23.32
Total no of shares	52 606 999	100.00
Foreign ownership	6 476 740	12.31

3. Transactions with related parties

<i>NOK million</i>	Q3 18	Q2 18	YTD Q3 18	Q3 17	YTD Q3 17	2017
Sales to related parties						
Sales to Teekay	2.0	1.2	3.5	0.3	0.4	3.9
Purchase from related parties						
Purchase from Arendal Brygge	1.2	1.2	3.8	1.2	3.7	8.5
Receivable from related parties						
Receivable from Logitel Offshore	0.0	0.0	0.0	35.9	35.9	0.0
Receivable from Teekay	0.0	0.4	0.0	0.0	0.0	0.2
Receivable from Arendal Brygge	0.6	4.2	0.6	5.0	5.0	5.0

4. Operating revenue

<i>NOK million</i>	Q3 18	Q2 18	YTD Q3 18	Q3 17	YTD Q3 17	2017
Continued operations						
License revenue	13.8	15.0	56.2	0.0	0.0	3.2
Other revenue	0.2	0.0	0.2	0.0	0.0	0.0
Operating revenue continued operations	14.0	15.0	56.4	0.0	0.0	3.2

5. Discontinued operations

Disposed group classified as discontinued operations includes two transactions: the sale of Magnora's 51% stake in KANFA AS to Technip Norge AS which was completed in June 2017, and the SCM transaction which was completed on September 4, 2018.

On 8 June, 2018, Magnora announced the decision of its Board of Directors to enter into an agreement to divest a substantial part of its business to SCM. On 6 July 2018, the shareholders of Magnora approved the transaction, and on September 04, 2018, the transaction was completed. As of September 30, 2018 the part of the business sold is classified as discontinued operations.

The result for the disposed group classified as held for sale, can be divided between the two transactions as follows:

<i>NOK million</i>	Q3 18	Q2 18	YTD Q3 18	Q3 17	YTD Q3 17	2017
Sale of KANFA AS	0.0	0.0	0.0	0.0	-10.1	-10.1
Sale to SembCorp Marine	327.2	-6.7	310.7	-8.4	-24.0	-29.5
Net profit/(loss) discontinued operation	327.2	-6.7	310.7	-8.4	-34.1	-39.6

The results of the discontinued operation related to the sale to SembCorp Marine are presented below:

<i>NOK million</i>	Q3 18	Q2 18	YTD Q3 18	Q3 17	YTD Q3 17*	2017*
Operating revenue	9.5	7.9	20.8	12.8	38.0	51.1
Operating expense	-10.7	-14.2	-37.4	-20.7	-60.3	-78.3
EBITDA	-1.2	-6.3	-16.6	-7.8	-22.3	-27.2
Depreciation, amortization and impairment	-0.3	-0.4	-1.1	-0.5	-1.7	-2.2
Operating profit/(loss)	-1.4	-6.7	-17.7	-8.4	-24.1	-29.5
Financial income/(expense)	328.6	0.0	328.6	0.0	0.0	-0.1
FX gain/(loss)	0.0	0.0	-0.1	0.0	0.0	0.1
Net financial items	328.6	0.0	328.5	0.0	0.0	0.0
Profit/(loss) before tax	327.2	-6.7	310.7	-8.4	-24.0	-29.5
Tax income/(expense)	0.0	0.0	0.0	0.0	0.0	0.0
Net profit/(loss)	327.2	-6.7	310.7	-8.4	-24.0	-29.5

6. Hedging

The Dana Western Isles royalty income is received in USD. To reduce the currency risk, Magnora has hedged a portion of the expected royalty income through April 2019. In relation to the fourth quarter 2018, Magnora has hedged a total of USD 1.5 million at an average exchange rate of NOK/USD 7.83. For the period January 2019 to April 2019, USD 1.4 million is hedged at an average exchange rate of NOK/USD 7.90. The Market-to-Market value of the instruments recognized in the balance sheet at September 30, 2018 is NOK 0.8 million negative.

7. Subsequent events

On October 2, 2018, Magnora ASA purchased 15% of the shares in Arendal Brygge AS for NOK 300 000. Following this transaction, Magnora ASA owns 50% of the shares in Arendal Brygge AS. Sparebanken Sør owns the other 50% of the shares. Magnora ASA and Sparebanken Sør also agreed to each provide a NOK 150 000 shareholder loan (NOK 300 000) to Arendal Brygge to support the Arendal Brygge's liquidity needs going forward.

At the annual general meeting held on May 24, 2018, shareholders approved a share capital reduction and return of NOK 0.50 per share to shareholders. At the extraordinary general meeting held on July 06, 2018, shareholders approved a further share capital reduction and return of NOK 2 per share to shareholders. In addition, at the extraordinary general meeting held on October 12, 2018, the shareholders approved an extraordinary dividend of NOK 6.0 per share to shareholders. On November 13, 2018, the above distributions totalling NOK 447 159 492 or NOK 8.50 per share were paid to shareholders.

The Teekay Offer expired on November 9, 2018 and the Teekay Offer was completed on 12 November 2018. Settlement and delivery of the shares was completed on November 19, 2018.

Magnora has withdrawn the lawsuit against Logitel Offshore Pte Ltd. and the parties have agreed not to bring or pursue any other claims against each other and their affiliates in relation to activities prior to July 06, 2018. This leads to a NOK 4.1 million non-cash gain in Q4 2018 as the accrual for payment of Logitel Offshore Pte Ltd.'s legal fees award by the Oslo District Court has been reversed.

On November 12, 2018, Erling Øverland, chairman of the board and Astrid Jørgenvåg, member of the board, announced that they will resign from the board of directors of the Company at the publication of the Company's Q3 results. The nomination committee has started its work and Magnora expects to call for an extraordinary general meeting in the near future. Torstein Sanness (acting chairman), Hilde Ådland and Kathryn Baker will comprise the board of directors until an extraordinary general meeting is held.