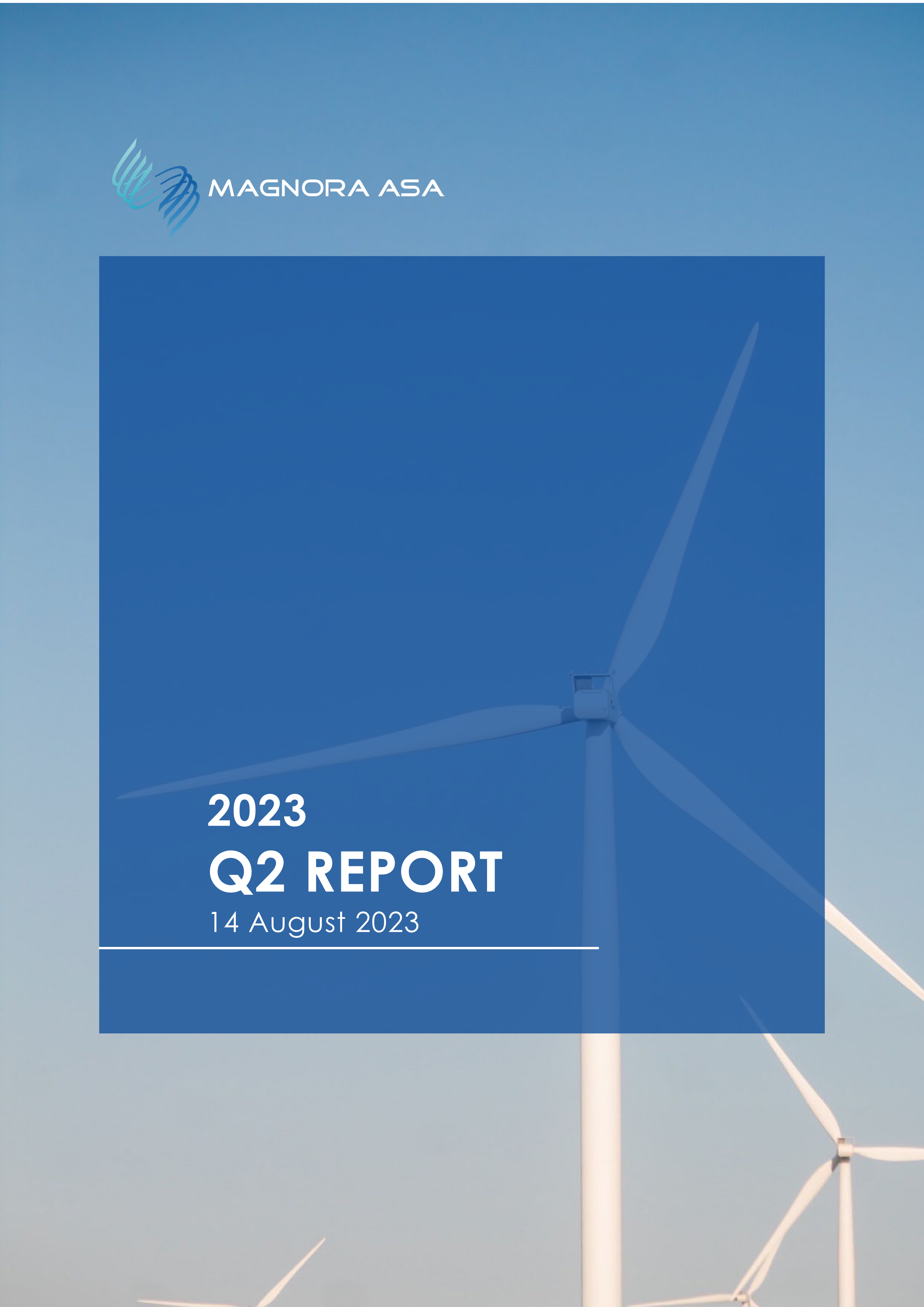
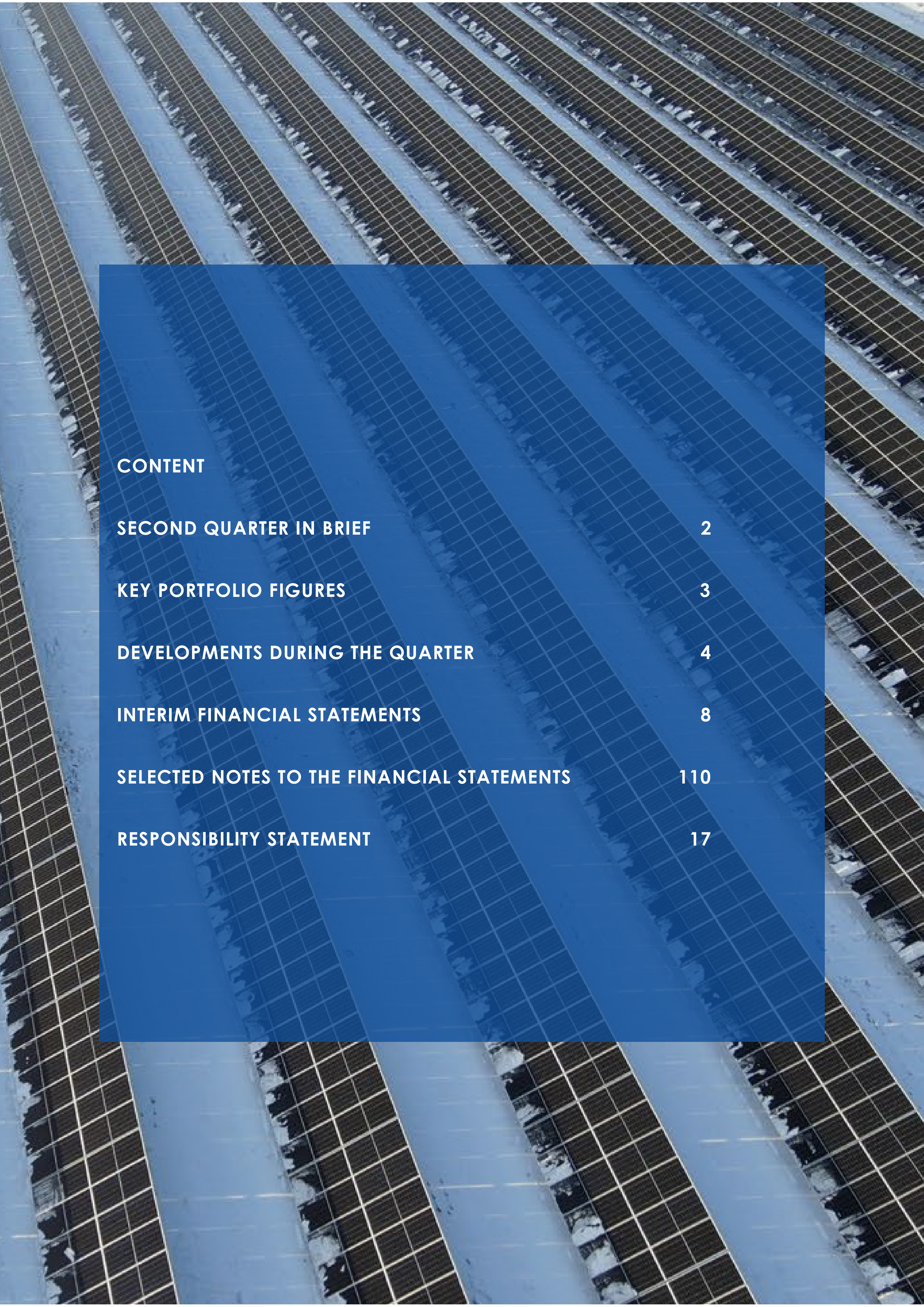


MAGNORA ASA

2023

Q2 REPORT

14 August 2023



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SECOND QUARTER

In Brief

KEY HIGHLIGHTS

- On 12 May 2023, Magnora sold all its holdings in Evolar to First Solar, Inc. for approximately USD 29 million (NOK 310 million) and additional milestone payments of up to USD 24 million (NOK 265 million).

- On 21 June 2023, the annual general meeting of Helios approved SEK 60 million (NOK 59.9 million) in dividends to the shareholders. Magnora holds 40 percent of the shares in Helios.

- On 25 April 2023, the annual general meeting of Magnora upheld the share buy-back program and a program to return capital (dividends) quarterly. The distribution is a repayment of paid-in capital in excess of the par value of the Magnora share, which can offer a tax advantage for some shareholders in certain jurisdictions. Magnora has commenced buyback and currently holds 1,010,854 of its own shares. The maximum consideration to be paid for shares acquired under the buyback program is NOK 45 per share and NOK 50 million in aggregate.

- Hafslund Magnora Sol signed further option agreements to lease land for large scale solar PV plants in Norway. About 400 hectares of land with a technical potential for about 330 MW of solar PV capacity has been signed as of end of the second quarter.

- Net profit for the second quarter was NOK 203.0 million, and the increase from the first quarter is mainly due to the divestment of Evolar AB.

- In Q2, cash and cash equivalents increased NOK 287.7 million to NOK 409.1 million as of 30 June as a result of the divestment of Evolar and dividend from Helios.

- Magnora UK PV is proceeding according to plan. Projects from the initial scope are on track for exit in the fourth quarter this year and first quarter next year. A new pipeline of six projects totaling 225 MW has been started with grid applications already submitted.

SUBSEQUENT EVENTS

- On 12 July 2023, Magnora sold its first project in South Africa to Globeleq, one of the leading IPPs in Africa owned by Norfund and British International Investment. The agreement provides for an upfront payment and additional payments subject to the project reaching certain commercial and technical milestones. The project is a 153 MW battery storage project with the potential to add solar PV to make it a hybrid project.

- On 26 July 2023, Helios divested seven projects with combined capacity of 252 MWp to Hafslund. This transaction is Helios' seventh and largest in terms of size and value to date, and the price per MW for the projects sold is in the high end of Magnora's price guiding. Hafslund is a leading European utility producing 21 TWh annually. Hafslund is also an owner in Magnora ASA.

- The Board approved a cash distribution of NOK 0.187 per share on 14 August 2023.

OUTLOOK

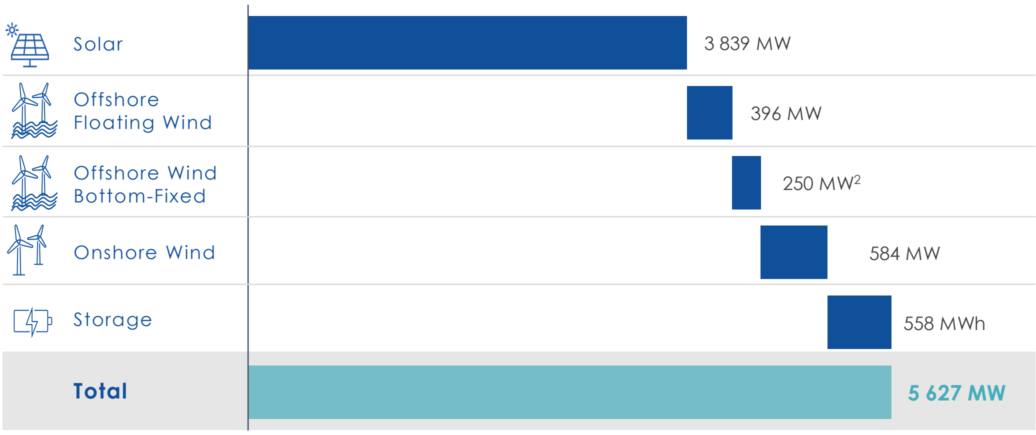
- Magnora has sold net 295 MW from the beginning of the year and up to the date of this report. In the near term we expect additional sales processes in South Africa, UK, and Sweden. Magnora also considers other farm-down opportunities.

KEY

Portfolio Figures

PORTFOLIO BY TECHNOLOGY

MW, net share of project capacity [1] for projects under development



MARKET PRESENCE

MW, net share of project capacity [1] for projects under development

Market	Net share of project capacity (MW)	Technology
Sweden	2 866 MW	
Scotland	396 MW	
England	188 MW	
Norway	158 MW	
South Africa	2 019 MW	

1) Total capacity in MW x Magnora ownership share = Net share
2) Economic interest, as of 30 June 2023 own 44% with option to increase to 50%

Market Cap*	Share Price*	Total Shares
MNOK 1 871	NOK 28.00	66 822 679

*As of market close 30 June 2023

DEVELOPMENTS DURING

The Quarter

INVESTMENT PORTFOLIO

Figures are unaudited.

The Group continues to grow its portfolio of renewable energy companies and projects and has expanded into solar PV, offshore wind, onshore wind and storage across the Nordics, UK and South Africa. Our focus is to shorten lead-time on our projects.

HELIOS (40% ownership)

Helios Nordic Energy AB continued to grow its portfolio, while negotiating sales transactions. Subsequent to the quarter, the company divested seven projects with combined capacity of 252 MWp to Hafslund. This transaction is Helios's seventh and largest in terms of size and value to date, and the price per MW for the projects sold is in the high end of Magnora's price guiding. As of Q2 2023, Helios has handed over a total of 147 MWp to customers. The hand-over is the last of 2-3 milestones defined in most of the project sales made by Helios. Additional project deliveries and sales are expected in the near term. Helios combines project development with Engineering, Procurement and Construction (EPC) services and several after-market services. Revenue from such services will be reflected in the statements of Helios upon delivery. With current electricity prices, there is an upside to developer margins.

EVOLAR (Sold 12 May 2023)

On 12 May 2023, Magnora sold all its holdings in Evolar to First Solar, Inc. for approximately USD 29 million (NOK 310 million) and additional milestone payments of up to USD 24 million (NOK 265 million). Evolar applies a thin layer of perovskite to solar PV. The process greatly enhances the efficiency of thin film cells and is becoming increasingly durable and easy to apply. The Evolar team now continue their work as the only R&D facility of First Solar, Inc. in Europe.

MAGNORA SOUTH AFRICA (100% ownership) *

Magnora South Africa continues to explore portfolio expansion and commercial opportunities. The first project sale has been closed after quarter end, a major milestone for the team and a proof of concept for the subsidiary. The team has been increased during the quarter with 2 employees, and now totals 10 employees. This is to be increased further over the next 6-12 months to support increasing the portfolio and commercial activity level. Additional projects may be ready for sale by the second half of 2023.

MAGNORA OFFSHORE WIND (80% ownership)

Magnora Offshore Wind has progressed project Talisk (Scotland) according to plan. 16 monthly bird and sea mammal aerial surveys have been completed since the surveys started in early 2022. The project team is actively working with UK grid authorities to ensure grid connection to the project. In addition, technical studies and planning of cable route and landfall is ongoing. The company is also working closely with the local community to investigate how a local supply chain can be developed.

KUSTVIND (44% ownership)

The Kustvind team is preparing for further dialogue with the local community and the authorities.

HAFSLUND MAGNORA SOL (48% ownership)

Hafslund Magnora Sol signed several new land lease option agreements and continued development activities for large scale solar PV plants in Norway. About 400 hectares of land with a technical potential for about 330 MW of solar PV capacity has been signed so far. Grid application processes are ongoing, and EIA has commenced for the first projects. Near term focus is consenting and grid agreements, in addition to further expansion of the pipeline. Magnora's net share of the portfolio is 48%.

NEPTUN TROMSØ (33.3% ownership)

Neptun Tromsø AS is working on design and procurement, consent application and off-take of ammonia while clarifying the conditions that can secure grid connection.

MAGNORA UK SOLAR PV (50% ownership)

Gamcap Magnora Development Company Ltd. is following up consent applications submitted for a 60MW solar PV project, 40MWh BESS (Battery Energy Storage System) project, and a 80MW/160MWh BESS project. These projects are on track for exit in the fourth quarter this year and first quarter next year. A new pipeline of six projects totaling 225 MW has also been started with grid applications already submitted.

**Ownership share in Projects division is 100% and economic interest in Development division is 92%*

FINANCIAL REVIEW

(Figures in brackets relate to first quarter 2023)

The figures are unaudited.

The Group operates with the two segments Corporate and Projects. Both segments engage in business activities with revenues and expenses which are followed up separately.

Magnora recognises its share of the financial results in its portfolio companies according to its 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 in these companies are expensed and not capitalised, as they are in early development phase.

CORPORATE

The corporate segment consists of the corporate staff and represents the cost base of the Group. All licensing revenues from legacy oil and gas contracts are managed and reported as part of the corporate segment.

Operating revenue for the corporate segment was NOK 8.6 million (NOK 1.7 million from license income, and NOK 6.9 million from services tendered to subsidiaries and associated companies), and the operating expense was NOK 9.3 million in the second quarter. EBITDA in the corporate segment in Q2 was negative NOK 0.6 million.

PROJECT

The project segment consists of the portfolio companies, projects, and all related activities. Development and M&A related expenses are assigned to the project segment. However, M&A related expenses for acquisitions that have not materialised, are assigned to the corporate segment.

In the second quarter this segment showed no operating revenue, but NOK 229.6 million in other income from the Evolar divestment. The operating expense was NOK 0.2 million from subsidiaries in the project segment in the second quarter and development and M&A expenses were NOK 24.5 million. EBITDA in the segment was NOK 204.9 million.

CONSOLIDATED

Operating revenue in the second quarter 2023 was NOK 2.3 million, NOK 14.1 million lower than the previous quarter. The operating revenue is mainly license revenue from the agreement with Dana, and revenue from providing services to subsidiaries and associate companies. The license income from Dana was NOK 1.4 million lower than the previous quarter due to lower offloading. Other income amounted to 229.6 MNOK in the second quarter and is related to the gain from the divestment of Evolar. EBITDA was NOK 204.3 million (negative NOK 8.9 million) mainly driven by the gain from divestment of Evolar. The main costs originated with operating and development costs in Evolar, Magnora Offshore Wind, and Magnora South Africa. EBITDA also included NOK 1.3 million of non-cash option expenses, see note 6 for further details.

In Q2, the operating expense was NOK 9.5 million. Development and M&A costs were NOK 18.2 million for second quarter 2023. Development and M&A costs include closing costs in the Evolar divestment, development of projects in South Africa, and development of the Talisk project in Magnora Offshore Wind.

Financial results from subsidiaries and associated companies continued to be negative, as the companies are in early phase of executing their business plans. Helios has over the last months progressed significantly ahead of its business plan and sold several projects, which will be fully reflected when the projects reach ready-to-build (RTB) status.

As Magnora is increasing its ownership share in the portfolio companies, it is also recognising an increasing share of the negative financial results for the reporting periods. Portfolio companies are classified as subsidiaries when the Group has more than 50 percent ownership and/or considers it has control of the entity as majority shareholder. For subsidiaries, the full net profit/loss is recognised and their balance sheet as these companies are consolidated into the Group's financial reports.

Financial results reflect the activity level and progress in the portfolio companies. Net profit for the quarter was NOK 203.0 million (NOK 10.7 million). This increase was mainly due to the divestment of Evolar. See note 12 for further details regarding the revenue recognition of the Evolar transaction.

CASH FLOW

As of 30 June 2023, cash and cash equivalents was NOK 409.1 (NOK 121.4 million). Net cash generated from operating activities was negative NOK 18 million for the Group driven by development costs in Evolar, Magnora South Africa, and Magnora Offshore Wind. Cash from operating activities is not affected by the Evolar divestment as this is reflected under cash generated from investment activities. Other than the Evolar divestment and the dividend from Helios, the cash flow in the quarter was mainly affected by development costs in Evolar, Magnora South Africa, and Magnora Offshore Wind.

FINANCIAL POSITION

The equity ratio was 93 percent as of 30 June 2023. The Group has loan facilities of NOK 150 million. As of 30 June 2023, there was no draw from the loan facility, leaving the full NOK 150 million loan facility available.

RISK AND UNCERTAINTY FACTORS

Magnora is exposed to market risk, electricity price risk, in-direct equipment price risk, customer risk, project risk, land lease risk, reservoir risk, credit risk, currency risk, renewable license risk, concession risk, interest rate risk, inflation risk, liquidity risk, climate risks, regulatory risks, and other risk factors. The Group's overall risk management programme focuses on the uncertainty of financial markets and seeks to minimize potential adverse effects on its financial performance.

The Company 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 may not be sufficient for an optimized wind park. 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 the global transportation constraints during the past months, and the war in Ukraine. 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 Magnora's investments. The price of electricity is influenced by government subsidies, supply and demand, availability of alternative energy sources (oil, coal, natural gas, nuclear plants, etc.), development cost and cost of equipment for power plants, and efficiency improvements within renewable energy plants (wind and solar for Magnora). One significant influencing factor in electricity prices is the political developments pushing for renewable energy to replace fossil fuels and nuclear plants.

Although Magnora's remaining legacy customers are two major companies with a strong financial basis, as with suppliers and customers in general, there is a risk that unforeseen financial difficulties on the counterparty's side may arise and cause material adverse effects on the financial condition, cash flows and/or prospects of Magnora.

The Group is also subject to currency, field development and reservoir risk in situations where the license fee is tied to the field development and production such as the Dana income and Shell Penguins license fee income paid in USD. The company also relies heavily on two customers, Dana Petroleum and Shell for most of its operating revenues over the next two years.

Competition is significant as companies in other industries are trying to benefit from the positive policy support from governments pushing for improvements in CO2 emissions. Several companies Magnora competes with are parts of larger groups, with better access to key personnel and funding.

The global climate appears to be changing, and the average temperature is predicted to rise globally, causing more extreme weather conditions, and impacting habitat. Governments are now focusing on reaching a net zero world, which is aligned with the Group's strategy of investing in renewable energy projects and companies developed in a sustainable way.

Regulatory risks can be changes in the regulatory environment that have a material adverse effect on Magnora's operations and financial performance. This 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.

The Group derives all its cash flow from financial investments, two legacy agreements and its subsidiaries and associated companies. Negative cash flow and lack of financial performance from those companies therefore affects the Group. The exposure is limited to the Group's invested amount in those companies and is closely linked to the companies' ability to execute its strategy and manage risk. Magnora is represented on all boards of its subsidiaries and associated companies and mitigates risks through normal governance processes.

Liquidity and access to capital is a risk now that the Group is investing in more capital-intensive projects. 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.

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

Sales of projects prior to the ready-to-build phase and final payments are typically closed when all permits, grid connections and/or equipment and long lead items are secured. The full payment of a project sale might be at risk depending on the exact contract terms. Lack of progress in a project can lead to a project sale being cancelled if we or a group company are unable to replace it with an alternative project.

THE MAGNORA SHARE

The board of directors launched a new share buyback programme based on authorization from the annual general meeting ("AGM") held on 21 May 2019 and renewed by the AGM held on 25 April 2023. The Group has repurchased its own shares during the quarter, and as of the date of this report, Magnora owns 1,010,854 of its own shares. After a period of halt in dividends, the Board has approved to start distribution of capital, which has been paused due to capital need for investments. The Board continues to see several organic growth opportunities in the short to mid-term in line with our original growth strategy.

Oslo, Norway, 14 August 2023
The Board of Directors of Magnora ASA

Torstein Sanness
Chairman

Hilde Ådland
Board Member

John Hamilton
Board Member

Erik Sneve
CEO

INTERIM FINANCIAL

Statements

Numbers are unaudited

CONDENSED CONSOLIDATED INCOME STATEMENT

NOK million	Note	Q2 2023	Q1 2023	YTD 2023	Q2 2022	YTD 2022	2022
Operations							
Operating revenue	5	2.3	16.4	18.7	5.9	9.6	91.7
Other income	12	229.6	0.0	229.6	0.0	0.0	0.0
Operating expense	2	-9.5	-7.9	-17.4	-8.0	-15.9	-31.8
Development and M&A expense	2	-18.2	-17.4	-35.6	-20.7	-30.5	-49.4
EBITDA		204.3	-8.9	195.4	-22.8	-36.7	10.5
Profit/loss from associated companies		-4.9	26.6	21.7	7.6	2.9	-3.9
Operating profit/(loss)		199.3	17.7	217.0	-15.1	-33.8	6.6
Financial income/(expense)		-1.4	-0.5	-1.9	0.3	0.9	-2.1
FX gain/(loss)		5.1	-6.5	-1.4	1.3	0.7	7.4
Net financial items		3.7	-7.0	-3.3	1.6	1.6	5.4
Profit/(loss) before tax		203.0	10.7	213.7	-13.5	-32.2	12.0
Tax income/(expense)		0.0	0.1	0.1	0.1	0.1	-8.1
Net profit/(loss)		203.0	10.8	213.8	-13.5	-32.1	3.9

Numbers are unaudited

STATEMENT OF COMPREHENSIVE INCOME

Net profit/(loss)	203.0	10.8	213.8	-13.5	-32.2	3.9
Foreign currency translation	-0.9	16.2	15.3	8.5	6.3	1.9
Total comprehensive income	202.1	27.0	229.1	-5.0	-25.9	5.8
Profit/(loss) attributable to:						
Equity holders of the company	206.5	14.8	221.2	-8.4	-26.5	12.5
Non-controlling interest	-3.5	-4.0	-7.5	-5.0	-5.6	-8.6
Total comprehensive income attributable to:						
Equity holders of the company	206.4	27.6	234.0	-1.2	-21.5	13.5
Non-controlling interest	-4.2	-0.7	-4.9	-3.8	-4.4	-7.7

Numbers are unaudited

EARNINGS PER SHARE

	Q2 2023	Q1 2023	Q2 2022	2022
Earnings per share for profit/(loss) attributable to the equity holders of the company during the year (NOK per share):				
- Basic	3.09	0.22	-0.15	0.21
- Diluted	3.08	0.22	-0.15	0.21
Weighted average number of shares outstanding	66,822,679	66,822,679	57,072,679	59 510 179
Weighted average number of shares outstanding (diluted)	67,120,488	67,024,873	57,072,679	59 695 017

Numbers are unaudited

CONDENSED STATEMENT OF FINANCIAL POSITION

NOK million	Note	30.06.23	31.03.23	31.12.22
Deferred tax assets		15.1	15.1	15.1
Intangible assets		142.1	193.7	170.9
Right-of-use assets		0.0	8.7	9.0
Fixed assets		0.3	19.8	15.3
Goodwill		10.4	35.7	34.1
Other non-current assets		2.0	0.0	0.0
Investment in associates		50.2	86.0	26.4
Total non-current assets		**220.0**	**359.1**	**270.9**
Trade and other receivables		23.7	19.7	97.7
Other current financial assets		25.8	22.2	23.7
Cash and cash equivalents		409.1	121.4	171.9
Total current assets		**458.5**	**163.4**	**293.3**
Total assets		**678.5**	**522.4**	**564.2**
Share capital		32.7	32.7	32.7
Treasury shares		-0.2	0.0	0.0
Other equity		578.2	382.6	353.3
Total shareholders' equity		**610.7**	**415.3**	**386.0**
Non-controlling interest		21.6	45.6	45.8
Total equity		**632.3**	**460.9**	**431.8**
Deferred tax liability		0.4	5.2	4.9
Non-current liabilities		0.0	5.9	5.2
Total non-current liabilities		**0.4**	**11.0**	**10.1**
Overdraft facility*		0.0	0.0	76.3
Current liabilities		45.8	50.5	46.0
Total current liabilities		**45.8**	**50.5**	**122.3**
Total liabilities		**46.3**	**61.5**	**132.4**
Total equity and liabilities		**678.5**	**522.4**	**564.2**

* As of 30 June 2023, there was no draw on the loan facility, leaving the full NOK 150 million loan facility available.

Numbers are unaudited

CONDENSED STATEMENT OF CHANGES IN EQUITY

NOK million	Share capital	Treasury Shares	Other equity	Currency transl. reserve	Non-controlling interest	Total equity
Equity as of 1 January 2023	32.8	-0.1	354.1	-1.2	46.3	431.8
Total comprehensive income for the period	0.0	0.0	221.2	12.8	-4.9	229.1
Acquired treasury shares*	-0.1	-0.1	-12.7	0.0	0.0	-12.9
Share based payments	0.0	0.0	3.5	0.0	0.0	3.5
Disposal of companies with non-controlling interests	0.0	0.0	0.0	0.0	-19.8	-19.8
Capital increase****	0.0	0.0	0.6	0.0	0.0	0.6
Equity as of 30 June 2023	**32.7**	**-0.2**	**566.6**	**11.6**	**21.6**	**632.3**
Equity as of 1 January 2022	**28.0**	**-0.1**	**146.2**	**-2.3**	**0.0**	**171.8**
Total comprehensive income for the period	0.0	0.0	12.5	1.0	-7.7	5.8
Acquired treasury shares*	0.0	0.0	0.0	0.0	0.0	0.0
Capital increase non-controlling interest***	0.0	0.0	0.0	0.0	54.0	54.0
Share based payments	0.0	0.0	5.8	0.0	0.0	5.8
Capital increase**	4.8	0.0	189.7	0.0	0.0	194.4
Equity as of 31 December 2022	**32.8**	**-0.1***	**354.1**	**-1.2**	**46.3**	**431.8**

** As of 30 June 2023, Magnora owned 412,167 shares or 0.62 percent of total shares outstanding through the share buyback programme*
***Capital increase due to board and management exercising options and share issue in September 2022.*
****Non-controlling interest Evolar and Magnora Offshore Wind.*
***** Capital increase due to board and management exercising options*

Numbers are unaudited

CONDENSED STATEMENT OF CASH FLOW

NOK million	Q2 2023	Q1 2023	YTD 2023	Q2 2022	YTD 2022	2022
Cash flow from operating activities						
Cash from operations	-18.0	42.0	24.0	-22.8	-32.9	-67.7
Taxes paid/repaid	0.0	0.0	0.0	0.0	0.0	0.0
Net cash generated from operating activities	**-18.0**	**42.0**	**24.0**	**-22.8**	**-32.9**	**-67.7**
Cash flow from investment activities						
Net purchase of marketable securities	0.0	0.0	0.0	1.3	1.3	0.0
Investment in fixed assets	-1.7	-3.7	-5.4	-3.9	-3.9	-8.7
Dividend received	24.1	0.0	24.1	0.0	0.0	6.1
Investment in subsidiary net of cash acquired	299.1	0.0	299.1	3.8	3.8	-6.7
Net purchase of associated companies	-10.0	-11.5	-21.5	0.0	-25.5	-21.4
ScotWind lease option fee	0.0	0.0	0.0	-94.6	-94.6	-118.3
Received loan related to ScotWind lease option	0.0	0.0	0.0	0.0	0.0	23.7
Net cash from investment activities	**311.4**	**-15.2**	**296.2**	**-93.4**	**-119.0**	**-125.3**
Cash flow from financing activities						
Purchase of own shares	-5.3	0.0	-5.3	0.0	0.0	0.0
Capital distribution/increase	0.0	0.0	0.0	3.3	3.3	194.4
Leasing payments	-0.4	-1.0	-1.4	0.0	0.0	-2.7
Overdraft facility drawn*	0.0	-76.3	-76.3	62.5	62.5	76.3
Net cash from financing activities	**-5.7**	**-77.3**	**-83.0**	**65.8**	**65.8**	**268.0**
Net cash flow from the period	**287.7**	**-50.4**	**237.3**	**-50.4**	**-86.1**	**75.0**
Cash balance at beginning of period	121.4	171.9	171.9	61.2	96.9	96.9
Cash balance at end of period	**409.1**	**121.4**	**409.1**	**10.8**	**10.8**	**171.9**

* As of 30 June 2023, there was no draw on the loan facility, leaving the full NOK 150 million loan facility available.

SELECTED NOTES TO THE

Financial Statements

1 GENERAL INFORMATION AND ACCOUNTING POLICIES

Magnora ASA'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.

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 subsidiaries and associated companies.

The Group prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by EU and these financial statements have been prepared in accordance with the International Accounting Standard for Interim Financial Reporting (IAS 34). As the interim financial statements do not include the full information and disclosures as required in the annual financial statements, it should be read in connection with the Annual Financial Statements for 2022.

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

EBITDA: EBITDA, as defined by Magnora, includes total operating revenue, and excludes profit/loss from associated companies, depreciation, amortization, and impairment loss.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Annual Financial Statements for the year ended 31 December 2022.

2 SEGMENT FINANCIALS

The Group has developed a portfolio of several projects and companies within renewable energy. As the Group has grown, it has implemented an operating model to manage its increasing portfolio of investments. As part of the operating model, corporate and project related activities and expenses are followed up and reported separately. This is reflected in the tables below.
Both the project and corporate segments engage in business activities where it earns revenues and incur expenses. The project segment has limited revenues as all projects are in early-phase development. All licensing revenues from legacy license agreements are managed and reported as part of the corporate segment, and the renewable activities and investments are reported in the project segment. M&A related expenses for projects and transactions that do not materialise, are reported as an expense in the corporate segment, which is shown separately to show the cost base of the Group. Operating results of the segments are regularly reviewed by the entity's chief operating decision maker, which is the Magnora board, to make decisions about resources allocated to the segment and assess its performance. Segment performance is evaluated based on EBITDA and operating profit/ loss.

SEGMENT FINANCIALS YTD 2023:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		30.2	0.0	-11.4	18.7
Other income		0.0	229.6	0.0	229.6
Operating expense		-16.6	-0.7	0.0	-17.3
Development and M&A expense		0.0	-47.1	5.1	-35.7
EBITDA		**13.5**	**181.9**	**0.0**	**195.4**
Profit/loss from associated companies		21.7	0.0	0.0	21.7
Operating profit/(loss)		**35.2**	**181.9**	**0.0**	**217.1**

SEGMENT FINANCIALS Q2 2023:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		8.6	0.0	-6.3	2.3
Other income		0.0	229.6	0.0	229.6
Operating expense		-9.3	-0.2	0.0	-9.5
Development and M&A expense		0.0	-24.5	6.3	-18.2
EBITDA		**-0.6**	**204.9**	**0.0**	**204.3**
Profit/loss from associated companies		-4.9	0.0	0.0	-4.9
Operating profit/(loss)		**-5.5**	**204.9**	**0.0**	**199.3**

SEGMENT FINANCIALS 2022:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		102.6	0.3	-11.2	91.7
Operating expense		-30.6	-1.2	0.0	-31.8
Development and M&A expense		0.0	-60.6	11.2	-49.4
EBITDA		**72.0**	**-61.5**	**0.0**	**10.5**
Profit/loss from associated companies		0.0	-3.9	0.0	-3.9
Operating profit/(loss)		**72.0**	**-65.4**	**0.0**	**6.6**

SEGMENT FINANCIALS Q2 2022:

NOK million	Note	Corporate	Projects	Elimination	Consolidated
Operations					
Operating revenue		9.1	1.6	-4.8	5.9
Operating expense		-7.9	-4.8	4.8	-7.9
Development and M&A expense		0.0	-20.7	0.0	-20.7
EBITDA		**1.2**	**-23.9**	**0.0**	**-22.7**
Profit/loss from associated companies		0.0	7.6	0.0	7.6
Operating profit/(loss)		**1.2**	**-16.3**	**0.0**	**-15.1**

3 ACCOUNTING ESTIMATES

Deferred tax assets are recognised for unused tax losses only to the extent that it is probable that 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 of over NOK 3.5 billion.

4 JUDGEMENTS

Consolidation of portfolio companies
The Group has a portfolio of companies it has 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 has 44 percent ownership as of 30 June 2023. Magnora further has the right to increase its ownership to 50% according to a budget and milestone plan. The option to increase ownership is currently not exercisable, as the increase in ownership must come from a capital call from the Kustvind board due to a capital need in the project. The three founders of Kustvind own equal shares of the remaining shares in the company. Magnora has three out of five board members, and the founders have the remaining two members of the board. The other shareholders have the right to elect its third board member at any time, and it is expected that they will do so shortly. Magnora is a minority owner with three other owners and has significant influence of the company. Hence its ownership is accounted for using the equity method as an associated company.

The Group invested in Helios AB in February 2021 through a share issue and owns 40 percent of the company at the balance sheet date. The remaining ownership of Helios is divided between the three founders of the company and other early investors. Magnora has one out of five board members, and the founders and other shareholders have the remaining four members of the board. Although Magnora is a majority owner, it exerts no strategic or operational influence on this company, as Helios operates in a segment Magnora has not explored prior to this investment. This company operates fully independent of Magnora. For up to two years after the First Investment from Magnora, significant resolutions (e.g., Annual budgets, amendments in the business plan, any merger/demerger and so on) must be approved by the Board and supported by the director appointed by Magnora. Magnora has significant influence in the company and its ownership is accounted for using the equity method as an associated company.

Evolar divestment
On 12 May 2023, Magnora sold all its holdings in Evolar to First Solar, Inc. for approximately USD 29 million (NOK 310 million) and additional milestone payments of up to USD 24 million (NOK 265 million). The profit and loss effects of the Evolar ownership is reflected in the Group's financial results up until 30 April 2023. The scope of the divestment transaction includes Evolar reaching certain milestones developing its perovskite solar cell technology. The gain of NOK 310 million from the sale of Evolar AB is netted against the initial investment and subsequent loans issued to fund Evolar, as well as any intercompany balances and other closing related costs that were covered by Magnora as part of the sales agreement with First Solar, Inc. The net gain of NOK 229.6 million is recognised as other income, of which NOK 4.9 million does not have a cash effect as it is subject to certain future contingent events and reflects a best estimate at the transaction date.

Option lease agreement
The ScotWind lease option signed by Magnora with The Crown Estate Scotland is considered to be an intangible asset in the statement of financial position. The agreement gives Magnora the exclusive right to perform environmental studies 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 amortizing when the lease commences and will be amortized over the duration of the land lease.

5 OPERATING REVENUE

NOK million	Q2 2023	Q1 2023	Q2 2022	2022
Operations				
License revenue	1.7	5.4	4.3	91.1
Other revenue	0.6	11.0	1.6	0.6
Operating revenue	2.3	16.4	5.9	91.7

Other revenue consists mostly of intercompany revenues from services provided to associated companies, as well as revenue from portfolio companies and project SPVs.

6 OPTIONS

Options have been awarded regularly since 2019 in accordance with the options programme approved by the AGM in 2019. Both members of the board and members of management have been granted options during this period, and the cost of the options is recorded over the first 36 months following the grant date.

The Chairman was granted 75,000 options and the CEO was granted 100,000 options during Q2 2023. NOK 1.3 million has been recognised for Q2 2023 in accordance with IFRS 2.

7 FINANCIAL ASSETS

The Group holds no marketable securities other than 412,167 of its own shares as of 30 June 2023.

The Group has a receivable of approximately NOK 19.2 million through its subsidiary Magnora Offshore Wind towards TechnipFMC for subscription contribution agreed to when Magnora Offshore Wind was established.

8 INVESTMENTS IN ASSOCIATES

The Group has 44 percent ownership in Kustvind AB and has the right to acquire up to 50 percent of the company. As of 30 June 2023, Magnora does not have a controlling share and does not exercise control in Kustvind, and the investment is accounted for using the equity method. The value is adjusted for the Group's share of Kustvind's operating results for the period.

The Group has 40 percent ownership in Helios. As of 30 June 2023, Magnora does not have a controlling share and does not exercise control in Helios, and the investment is accounted for using the equity method. The value is adjusted for the Group's share of Helios's operating results for the period.

9 INVESTMENT OVERVIEW

Subsidiaries/ associated companies	Registered Office	Shareholder interest	Ownership account method
Magnora Holding AS	Norway	100%	Consolidating
Magnora Offshore Wind AS	Norway	80%	Consolidating
Magnora South Africa Projects AS	Norway / South Africa	100%	Consolidating
Magnora South Africa Development AS (AGV)	Norway / South Africa	92%*	Consolidating
Evolar AB***	Sweden	63.5%	Consolidating
Hafslund Magnora Sol AS	Norway	48%**	Equity Method
Helios Nordic Energy AB	Sweden	40%	Equity Method
Kustvind AB	Sweden	44%	Equity Method
Neptun Tromsø AS	Norway	33.33%	Equity Method
Magnora UK PV Holding AS	Norway / UK	50%*	Equity Method
Arendal Brygge AS	Norway	50%	Equity Method

*Holding company in Norway is owned 100%
**Including indirect ownership through Helios Nordic Energy
***Sold 12 May 2023 to First Solar, Inc.

10 RELATED PARTY TRANSACTIONS

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 has both operating revenues and expenses from services provided between the companies that are considered to be related parties to Magnora. There was NOK 6.9 million in operating revenues from subsidiaries and associated companies in the second quarter. TechnipFMC UK Ltd. invoiced Magnora Offshore Wind NOK 1 million for services performed during the second quarter. TechnipFMC UK Ltd. also has a loan of approximately NOK 26 million to Magnora Offshore Wind to cover its 20% ownership share of the ScotWind license fee.

11 CAPITAL MANAGEMENT

The Group manages short-term liquidity through loan facilities established with top-tier banks. The existing loan facilities have a maturity of one to three years.

Long-term liquidity is managed through a combination of loan facilities and share issues. The Group performs share issues when there are specific investments requiring capital exceeding the loan facilities. As some projects are entering phases with increasing funding requirements, the Group will also consider syndicated loans that can be held until exit. The Group's current liquidity situation is considered solid given the transactions and funding to our portfolio companies we expect in the near term.

The currency risk related to the remaining USD 8.6 million revenues from the Shell Penguins contract has been hedged by selling USD and buying NOK. Note that the USD balance has resulted in most of the FX gains for the quarter, but some of the gains and losses during the quarter is due to changes in the SEK vs NOK and the GBP vs NOK. Some of these gains and losses are non-cash effects as the account balances will be zero once the currency revenues are received.

12 OTHER INCOME

On 12 May 2023, Magnora sold all its holdings in Evolar to First Solar, Inc. for approximately USD 29 million (NOK 310 million) and additional milestone payments of up to USD 24 million (NOK 265 million). The scope of the transaction includes Evolar reaching certain milestones developing its perovskite solar cell technology. The gain of NOK 310 million from the sale of Evolar AB is netted against the initial investment and subsequent loans issued to fund Evolar, as well as any intercompany balances and other closing related costs that were covered by Magnora as part of the sales agreement with First Solar, Inc. The net gain of NOK 229.6 million is recognised as other income, of which NOK 4.9 million does not have a cash effect as it is subject to certain future contingent events and reflects a best estimate at the transaction date.

13 SUBSEQUENT EVENTS

On 12 July 2023, Magnora sold its first project in South Africa to Globeleq, one of the leading IPPs in Africa owned by Norfund and British International Investment. The agreement provides for an upfront payment and additional payments subject to the project reaching certain commercial and technical milestones. The project is a 153 MW battery storage project with the potential to add solar PV to make it a hybrid project.

On 26 July 2023, Helios divested seven projects with combined capacity of 252 MWp to Hafslund. This transaction is Helios' seventh and largest in terms of size and value to date, and the price per MW for the projects sold is in the high end of Magnora's price guiding. Hafslund is a leading European utility producing 21 TWh annually. Hafslund is also an owner in Magnora ASA.

The Board approved a cash distribution of NOK 0.187 per share on 14 August 2023.

RESPONSIBILITY

Statement

We confirm, to the best of our knowledge, that the interim consolidated financial statements for the period 1 January to 30 June 2023 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, 14 August 2023

The Board of Directors of Magnora ASA

Torstein Sanness
Chairman

Hilde Ådland

Hilde Ådland
Board Member

John Hamilton
Board Member

Erik Sneve
CEO

MAGNORA ASA

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