

SAGA PURE

Q1

Saga Pure Q1 2021 report



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Financial information

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Highlights

| <i>NOK 1000</i> | Jan-Mar 2021 | Jan-Mar 2020 | Jan-Dec 2020 |
|---|---------------------|---------------------|---------------------|
| | (unaudited) | restated | (audited) |
| Operating revenues | 152 614 | - | 174 476 |
| Operating profit (-loss) before depreciation (EBITDA) (1) | 147 126 | -101 229 | 155 187 |
| Operating profit/(-loss) (EBIT) (2) | 147 120 | -101 235 | 155 163 |
| Net profit/(-loss) from continuing operations | 147 795 | -100 977 | 155 974 |
| Profit (loss) from discontinuing operations | - | 1 362 | 22 988 |
| Total comprehensive income total operations | 147 795 | -99 615 | 178 962 |
| Basic earnings per share NOK (3) | 0,31 | -0,38 | 0,63 |
| Diluted earnings per share NOK (3) | 0,30 | -0,38 | 0,62 |

(1) EBITDA can be calculated from the statement of income by deducting interest income, interest expenses and depreciation from the profit/(loss) before taxes.

(2) EBIT can be calculated from the statement of income by deducting interest income and interest expenses from the profit/(loss) before taxes.

(3) Basic earnings per shares is calculated by dividing shareholders earnings for the period by the average number of outstanding shares in the period. Diluted earnings per shares is calculated by adding potential shares with dilutive effect, in this case average issued equity options, to the average number of outstanding shares.

Financial results

Saga Pure Group ("The Group") reports a net total comprehensive income for the first quarter 2021 of NOK 147.8 million.

EBITDA for the first quarter 2021 was NOK 147.1 million.

The Group had a gain on non-current financial assets of NOK 152.6 million in the first quarter.

The average number of outstanding shares in the quarter was 472,146,472. Total number of outstanding shares quarter end was 478,878,423.

The Group had a cash holding of NOK 832.9 million at the end of first quarter, versus NOK 391.1 million per year-end 2020.

The Group completed one private placement, and three subsequent offerings during first quarter, raising net cash of NOK 146.3 million by issuing a total of 39.7 million shares. In addition NOK 85.0 million in restricted cash from the last private placement in 2020 was released.

Other major items in the cash flow, is net cash from investments of 216.4 million.

The Group's condensed unaudited financial statements for the first quarter of 2021 are enclosed.

Company development and investments

The Group strengthened its team by hiring three industry specialist during the first quarter, of which one has commenced his position during the quarter, and the other two is expected to commence in the second quarter.

The Group held investments classified as non-current financial assets with a fair value of NOK 235.7 million. The fair value of the investments by the end of first quarter was as follows:

| | |
|--------------------------|-----------------|
| Horisont Energi AS | NOK 120 million |
| Heimdall Power AS | NOK 75 million |
| CRC Holding B.V. (Pryme) | NOK 40 million |
| Other investments | NOK 1 million |

Changes in market-value for these investments resulted in a gain of NOK 95 million for the first quarter, while changes in fair value of shares disposed during the quarter resulted in a net profit of NOK 57 million.

The Group also held current financial investments with a fair value of 22 million at the end of the quarter. The current investment portfolio has been built up during the quarter in line with the new investment strategy, and contributed with a net gain of 0.5 million in the first quarter.

The Group has during the quarter invested in the associated entity IC Technology ("ICT"). ICT is developing technology for storage of liquid hydrogen and LNG. The Group have also increased its investments in the associated entity Bergen Carbon Solutions AS. At end of the quarter the total carrying value of associated amounts to 58.9 million.

As of 1 March, the Group listing was transferred from Euronext Expand, former "Oslo Axess" to Oslo Børs, former "Hovedlisten".

Subsequent events

The associated company Bergen Carbon Solution AS was listed on Euronext Growth in April.

Outlook

Focus on renewable energy and the transition towards a more sustainable future is gaining momentum, supported by ever-stronger policy measures from governments around the world. Alongside evaluating a number of investment opportunities Saga Pure is focused on building a team of strong and broad industrial competence in accordance with the new investment strategy. With no interest bearing debt, and substantial cash following the disposal of the former investments and recent private placements, the Group is well positioned for pursuing new possibilities within the new strategy.

Covid-19 will continue to affect the Group both through the equity-marked and through operations. The extent of impact and duration of the effects of the pandemic, is difficult to predict. However, the Group will take appropriate measures both regarding health and safety issues regarding the pandemic effects, as well as for the protection of its investments. The concrete measures will be dependent on the development as it unfolds going forward.

Forward-looking statements

Matters discussed in this report may constitute forward-looking statements. The forward-looking statements in this report are based on various assumptions, many of which are based upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies, which are difficult to predict and beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

Oslo, 9 May 2021

The Board of Directors

Consolidated condensed statement of comprehensive income

| <i>NOK 1000</i> | Jan-Mar 2021 | Jan-Mar 2020 | Jan-Dec 2020 |
|--|---------------------|---------------------|---------------------|
| | (unaudited) | Restated* | (audited) |
| Net gain from financial investments | 152 614 | - | 174 476 |
| Operating revenues | 152 614 | - | 174 476 |
| General administrative expense and net result from associates (Note 3) | 5 482 | 2 579 | 19 305 |
| Depreciation | 6 | 6 | 24 |
| Net loss from financial investments | - | 98 653 | - |
| Operating expenses | 5 488 | 101 238 | 19 329 |
| Operating profit/(-loss) | 147 127 | -101 238 | 155 147 |
| Interest income | 679 | 259 | 813 |
| Interest expense | -5 | -2 | -2 |
| Other financial items | -6 | 3 | 16 |
| Net financial items | 668 | 261 | 827 |
| Taxes | - | - | - |
| Net profit/(-loss) from continuing operations | 147 795 | -100 977 | 155 974 |
| Profit (loss) from discontinuing operations | - | 1 362 | 22 988 |
| Net profit/(-loss) from total operations | 147 795 | -99 615 | 178 962 |
| Other comprehensive income | - | - | - |
| Total comprehensive income | 147 795 | -99 615 | 178 962 |
| Attributable to: | | | |
| Non-controlling interests | - | 620 | 1 969 |
| Shareholders' interests | 147 795 | -100 234 | 176 993 |
| Basic earnings per share NOK | 0,31 | -0,38 | 0,63 |
| Diluted earnings per share NOK | 0,30 | -0,38 | 0,62 |
| Average number of shares in the period | 472 146 472 | 266 149 831 | 281 727 913 |
| Number of shares outstanding at period end | 478 878 423 | 266 149 831 | 439 149 831 |

* Restated to reflect accounting impact the disposal of Vallhall in Q4 20

Consolidated condensed statement of financial position

| <i>NOK 1000</i> | 31.03.2021 | 31.12.2020 |
|--|-------------------|-------------------|
| | (unaudited) | (audited) |
| ASSETS | | |
| Non-current assets | | |
| Non-current assets | 294 589 | 306 465 |
| Total non-current assets | 294 589 | 306 465 |
| Current assets | | |
| Other current assets | 639 | 385 |
| Current financial investments | 21 980 | - |
| Restricted cash (Note 4) | - | 85 000 |
| Cash and equivalents | 832 876 | 391 113 |
| Total current assets | 855 495 | 476 497 |
| TOTAL ASSETS | 1 150 085 | 782 963 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 4 789 | 4 391 |
| Other equity | 1 206 195 | 1 059 771 |
| Total paid-in-capital | 1 210 983 | 1 064 163 |
| Accumulated losses | -144 003 | -291 798 |
| Total equity | 1 066 980 | 772 365 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Other non-current liabilities (note 3) | 3 046 | 5 922 |
| Total non-current liabilities | 3 046 | 5 922 |
| Current liabilities | | |
| Other current liabilities and accruals | 80 059 | 4 676 |
| Total current liabilities | 80 059 | 4 676 |
| Total liabilities | 83 105 | 10 598 |
| TOTAL EQUITY AND LIABILITIES | 1 150 085 | 782 963 |

Consolidated condensed cash flow statement

| <i>NOK 1000</i> | Jan-Mar 2021 | Jan-Mar 2020 | Jan-Dec 2020 |
|---|---------------------|---------------------|---------------------|
| | (unaudited) | (unaudited) | (audited) |
| Net profit/(-loss) from continuing operations | 147 795 | -100 977 | 155 974 |
| Profit (loss) from discontinuing operations | - | 1 362 | 22 988 |
| Profit before tax total operations | 147 795 | -99 615 | 178 962 |
| Gain on disposal of discontinued business | - | - | -19 389 |
| Options and share program | -2 372 | - | 6 144 |
| Depreciation | 6 | 723 | 1 036 |
| Net loss/(-gain) from financial investments | -152 614 | 98 652 | -172 888 |
| Foreign exchange losses/(gains) | - | -5 | -5 |
| Interest received | - | - | -25 |
| Interest paid | - | 545 | - |
| Income tax paid | - | -45 | -55 |
| Changes in other accrued income and expenditure | 1 278 | -315 | 24 |
| Net cash flow from operating activities | -5 908 | -59 | -6 196 |
| Investment in non-current financial assets and associates | -95 431 | - | -92 554 |
| Divestment in non-current financial assets and associates | 333 186 | - | 175 701 |
| Net divestment/(-investment) trading | -21 399 | 27 106 | 39 210 |
| Dividends received | - | - | 2 284 |
| Net cash effect disposal of subsidiaries | - | - | 28 783 |
| Receivable | - | - | 340 |
| Interest received | - | - | 25 |
| Investment in fixed assets | - | -619 | - |
| Net cash flow from investing activities | 216 356 | 26 487 | 153 789 |
| Share issue net of costs* | 231 316 | - | 212 503 |
| Repayments of long term borrowings | - | -1 000 | -1 000 |
| Dividends paid to non-controlling interests | - | - | -2 442 |
| Distributions to controlling interests | - | - | -53 230 |
| Interest paid | - | -545 | -53 230 |
| Net cash flow from financing activities | 231 316 | -1 545 | 155 831 |
| Net change in cash and cash equivalents | 441 764 | 24 883 | 303 424 |
| Cash and equivalents at beginning of period | 391 113 | 87 684 | 87 684 |
| Net foreign exchange differences (unrealised) | - | 5 | 5 |
| Cash and equivalents at end of period | 832 876 | 112 571 | 391 113 |

* Share issue of net MNOK 85, as completed 29 December 2020, classified as restricted cash in 2020, cash effect in 2021.

Consolidated condensed statement of changes in equity

| Jan-Mar 2021 (Unaudited) NOK 1000 | Issued capital | Other equity | Accumulated losses | Total |
|--|----------------|------------------|--------------------|------------------|
| Equity as at 1 January 2021 | 4 391 | 1 059 771 | -291 798 | 772 365 |
| Net profit/(-loss) | - | - | 147 795 | 147 795 |
| Total comprehensive income | - | - | 147 795 | 147 795 |
| Share issue | 397 | 148 610 | - | 149 007 |
| Share issue costs | - | -2 691 | - | -2 691 |
| Options and share program (note 3) | - | 505 | - | 505 |
| Equity per ending balance 31 March 2021 | 4 789 | 1 206 195 | -144 003 | 1 066 980 |

| Jan-Mar 2020 (Unaudited) NOK 1000 | Issued capital | Other equity | Accumulated losses | Other reserves | Non-controlling interests | Total |
|--|----------------|----------------|--------------------|----------------|---------------------------|----------------|
| Equity as at 1 January 2020 | 2 661 | 819 655 | -468 791 | -2 648 | 20 156 | 371 032 |
| Net profit/(-loss) continuing operations | - | - | -100 977 | - | - | -100 977 |
| Net profit/(-loss) discontinuing operations | - | - | 742 | - | 620 | 1 362 |
| Equity per ending balance 31 March 2020 | 2 661 | 819 655 | -569 025 | -2 648 | 20 775 | 271 418 |

| Jan-Dec 2020 (Audited) <i>NOK 1000</i> | Issued capital | Other equity | Accumulated losses | Other reserves | Non-controlling interests | Total |
|---|-----------------------|---------------------|---------------------------|-----------------------|----------------------------------|----------------|
| Equity as at 1 January 2020 | 2 661 | 819 655 | -468 791 | -2 648 | 20 156 | 371 032 |
| Net profit/(-loss) continuing operations | - | - | 155 974 | - | - | 155 974 |
| Net profit/(-loss) discontinuing operations | - | - | 21 019 | - | 1 969 | 22 988 |
| Total comprehensive income | - | - | 176 993 | - | 1 969 | 178 962 |
| Dividends to controlling interests | - | -53 230 | - | - | - | -53 230 |
| Dividends to non-controlling interests | - | - | - | - | -2 442 | -2 442 |
| Disposal of minorities | - | -2 648 | - | 2 648 | -19 683 | -19 683 |
| Share issue | 1 730 | 301 370 | - | - | - | 303 100 |
| Share issue costs | - | -5 597 | - | - | - | -5 597 |
| Options and share program (note 7) | - | 222 | - | - | - | 222 |
| Equity per ending balance 31 December 2020 | 4 391 | 1 059 771 | -291 798 | - | - | 772 365 |

Notes to the financial statements

Note 1 – Basis for preparation

The Company's condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as approved by the EU and requirements in the Norwegian Securities Trading Act. This condensed interim financial statement for the first quarter is approved by the Board of Directors on 9 May 2021.

The accounting policies applied in the preparation of the condensed interim financial statements are consistent with those presented in the Annual Report of 2020.

Foreign currency

The financial statements are presented in NOK. NOK is also the functional currency for the Company.

Note 2 – Operating Segments

In October 2020 the Group disposed of the lease and operation of property-segment, accordingly the Group have currently only one active segment (Investments)

| Segment information <i>NOK 1000</i> | Investment | | | Vallhall | | | Other | | | Total | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|------------------------|------------------------|----------------------------|------------------------|------------------------|------------------------|
| | Jan-Mar 2021 | Jan- Mar 2020 | Jan- Dec 2020 | Jan- Mar 2021 | Jan- Mar 2020 | Jan- Dec 2020 | Jan- Mar 2021 | Jan- Mar 2020 | Jan- Dec 2020 | Jan- Mar 2021 | Jan- Mar 2020 | Jan- Dec 2020 |
| Income | | | | | | | | | | | | |
| Net gain/loss on investments | 152 614 | -98 652 | 174 476 | - | - | - | - | - | - | 152 614 | -98 652 | 174 476 |
| Total income | 152 614 | -98 652 | 174 476 | - | - | - | - | - | - | 152 614 | -98 562 | 174 476 |
| Operating expenses - excluding loss in investments | 5 488 | 2 585 | 19 329 | - | - | - | - | - | - | 5 488 | 2 585 | 19 329 |
| Net operating profit/loss from continuing operations | 213 071 | 155 147 | 155 974 | - | - | - | - | - | - | 147 795 | -100 977 | 155 974 |
| Profit (loss) from discontinuing operations | - | - | - | - | 1 362 | 22 988 | - | - | - | 19 389 | 1 362 | 22 988 |
| | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
| Assets | 1 150 085 | 233 155 | 782 963 | - | 103 414 | - | - | - | - | 1 150 085 | 336 569 | 782 963 |
| Liabilities | 10 598 | 3 465 | 10 598 | - | 61 686 | - | - | - | - | 83 105 | 65 151 | 10 598 |

Note 3 – Options and share program

In the equity-settled option and share program, additional 9,000,000 options has been issued to new employees in first quarter, bringing the total of issued options to 27,000,000. The current vesting periods of the program is ending in the period between 19 April 2022 and 24 February 2024. The cost of the options in the first quarter amounts to 0.7 million as straight line initial fair value costs, and 3.0 million as cost reduction caused by net reversal of social security costs following the share price development through the quarter. Total social security reserves was reduced from NOK 5.9 million to 3.0 million booked as non-current liabilities.

Note 4 – Restricted cash

The Group had 85 million as short-term restricted cash as per end of 2020. The cash related to the net cash of the private placement of 30 million shares at 2.9 NOK per shares, as registered at 30 December 2020. The cash was released from the deposited account at 4 January 2021.

Note 5 – 20 largest investors

| | Name | Shares | Of total shares |
|----|---------------------------------|--------------------|-----------------|
| 1 | *ØYSTEIN STRAY SPETALEN | 172 841 799 | 36,09 % |
| 2 | *TYCOON INDUSTRIER AS | 28 550 000 | 5,96 % |
| 3 | **SIMONSEN INVEST AS | 18 858 667 | 3,94 % |
| 4 | CLEARSTREAM BANKING S.A. | 17 034 048 | 3,56 % |
| 5 | DALLAS ASSET MANAGEMENT AS | 9 187 461 | 1,92 % |
| 6 | NORDNET LIVSFORSIKRING AS | 7 508 433 | 1,57 % |
| 7 | OLA STORMYR HOLDING AS | 6 055 513 | 1,26 % |
| 8 | Nordnet Bank AB | 4 448 378 | 0,93 % |
| 9 | MELCHER HOLDING AS | 4 200 000 | 0,88 % |
| 10 | FRØILAND INVEST AS | 3 454 554 | 0,72 % |
| 11 | AS TANJA | 3 045 000 | 0,64 % |
| 12 | SPAR KAPITAL INVESTOR AS | 2 515 016 | 0,53 % |
| 13 | STORM & CO AS | 2 500 000 | 0,52 % |
| 14 | ***HANEKAMB INVEST AS | 2 300 000 | 0,48 % |
| 15 | ****EL INVESTMENT AS | 2 300 000 | 0,48 % |
| 16 | ESPELAND HOLDING AS | 2 300 000 | 0,48 % |
| 17 | HEGE BAKKEN | 2 211 580 | 0,46 % |
| 18 | BJØRN HÅVARD BRÆNDEN | 1 908 438 | 0,40 % |
| 19 | ROGER HERTZENBERG | 1 675 000 | 0,35 % |
| 20 | ROY HAGEN | 1 640 000 | 0,34 % |
| | Total | 294 553 887 | 61,50 % |
| | Total outstanding shares | 478 878 423 | 100,00 % |

* Board member/controlled by Board member Øystein Stray Spetalen

** Controlled by Bjørn Simonsen, CEO of Saga Pure

*** Controlled by Martin Nes, Chairman of the Board

**** Controlled by Espen Lundaas, CFO of Saga Pure

Note 6 – Subsequent events

The settlement for the investment in Heimdall AS of NOK 75 million, classified as short term debt as per end of first quarter, was cleared primo April.

The associated company Bergen Carbon Solutions AS was in April listed for trading at Euronext Growth.

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