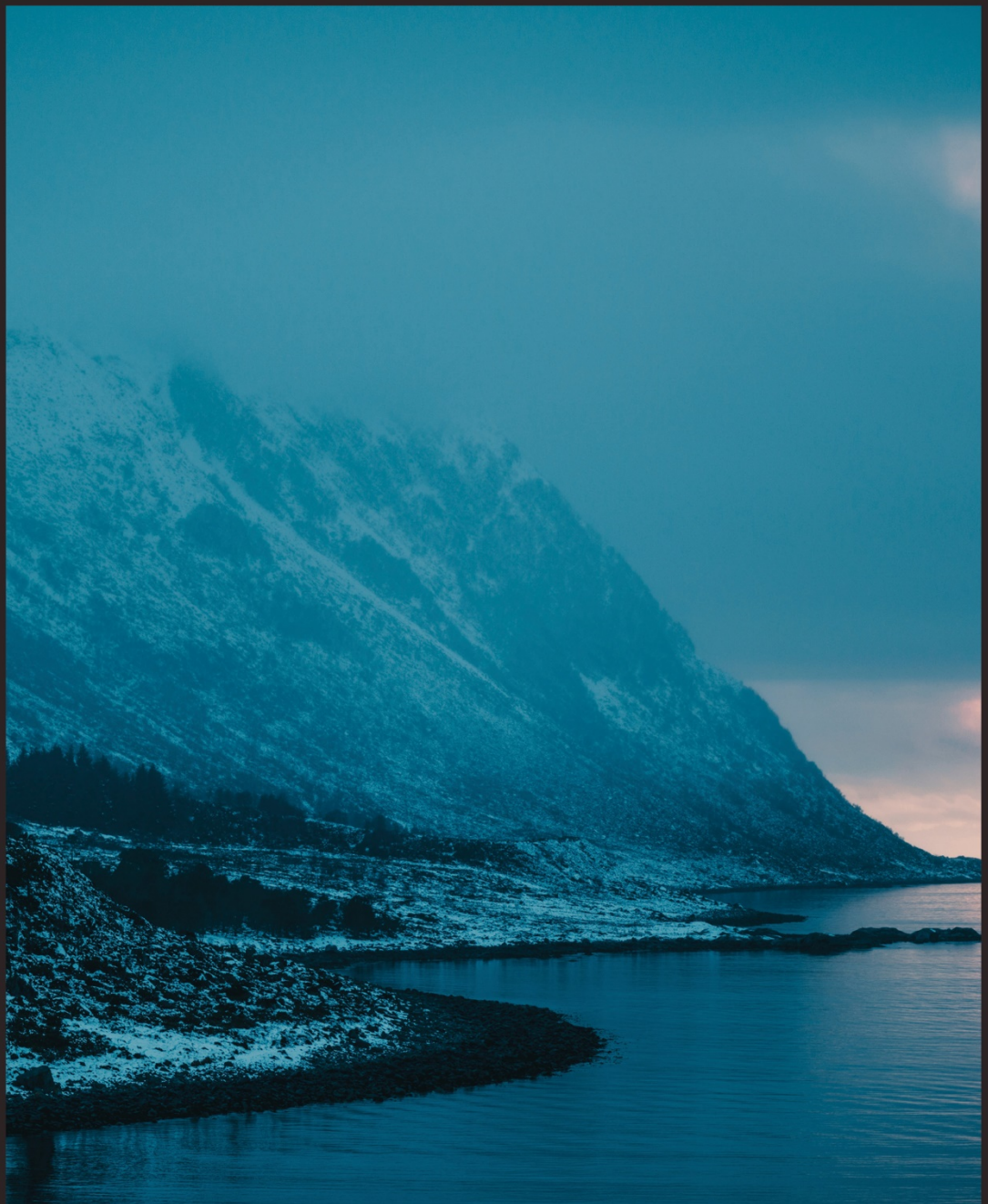


SAGA PURE

Q3

Saga Pure Q3 2021 report



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# Highlights

NOK 1000	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020
	(unaudited)	Restated*	(unaudited)	Restated*
Operating revenues	-	-	106 414	-
Operating profit (-loss) before depreciation (EBITDA) (1)	-10 914	-3 529	139 081	-57 875
Operating profit/(-loss) (EBIT) (2)	-10 918	-3 535	139 066	-57 893
<b>Net profit/(-loss) from continuing operations</b>	<b>-10 254</b>	<b>-3 434</b>	<b>141 066</b>	<b>-53 682</b>
Profit (loss) from discontinuing operations	-	286	-	3 599
<b>Total comprehensive income total operations</b>	<b>-10 254</b>	<b>-3 148</b>	<b>141 066</b>	<b>-53 682</b>
<b>Basic earnings per share NOK (3)</b>	<b>-0.02</b>	<b>-0.01</b>	<b>0.30</b>	<b>-0.21</b>
<b>Diluted earnings per share NOK (3)</b>	<b>-0.02</b>	<b>-0.01</b>	<b>0.28</b>	<b>-0.21</b>

(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..

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

## Financial results

Saga Pure Group ("The Group") reports a net total comprehensive income for the third quarter 2021 of NOK -10.3 million. (NOK 141.1 million for the first nine months of 2021).

EBITDA for the third quarter 2021 was NOK -10.9 million. (NOK 139.1 million for the first nine months of 2021).

The Group had a loss from financial investments of NOK 1.2 million in the third quarter. (NOK 106.4 million in gain for the first nine months of 2021).

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

The Group had a cash holding of NOK 704.0 million at the end of third quarter, versus NOK 795.6 million per end of second quarter.

In the third quarter the Group distributed dividends of 0.1 per share, total NOK 47.9 million. NOK 30.0 million was invested in Bergen Carbon Solution, and net NOK 11.5 million was invested in non-current investment. The Group also invested 9.6 million in Heimdall Power AS, which was not settled by the end of the quarter, and therefore is not reflected in the cash movements.

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

## Company development and investments

The Group exercised its option for a private placement of 4,978,000 shares in Bergen Carbon Solution AS ("BCS") at a total consideration of NOK 30 million. The fair value of this placement alone, based on the quoted share price per end of third quarter, was NOK 162.3 million.

The Groups holds 28.0 % ownership of the company at the end of the quarter. The total fair value of the BCS investment was MNOK 340.8, based on the quoted share price per end of the quarter. The fair value is not reflected in the Groups accounts as the investment is classified as an associate accounted by the equity-method.

At end of the quarter the total carrying value of all associates amounts to NOK 92.8 million.

The Group held investments classified as non-current financial assets with a fair value of NOK 201.1 million. The fair value of the investments by the end of third quarter was as follows:

Horisont Energi AS	NOK 90 million
Heimdall Power AS	NOK 95 million
CRC Holding B.V. (Pryme)	NOK 16 million

Changes in market-value for these investments resulted in a gain of NOK 1.5 million for the third quarter. No disposals were made during the quarter, but an additional investment of NOK 9.6 million was made in Heimdall Power AS.

The Group also held current financial investments with a fair value of 33 million at the end of the quarter. The current investment portfolio contributed with a net loss of of 2.7 million in the third quarter.

## 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 may affect the Group both through the equity-market 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 November 2021

The Board of Directors

# Consolidated condensed statement of comprehensive income

NOK 1000	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020
	(unaudited)	Restated*	(unaudited)	Restated*
Net gain from financial investments	-	-	106 414	-
<b>Operating revenues</b>	<b>-</b>	<b>-</b>	<b>106 414</b>	<b>-</b>
General administrative expense	6 949	2 602	16 984	7 406
Depreciation	4	6	16	18
Net loss from financial investments	1 219	915	-	50 500
<b>Operating expenses</b>	<b>8 172</b>	<b>3 523</b>	<b>17 000</b>	<b>57 925</b>
<b>Profit/(-loss) from associates</b>	<b>-2 692</b>	<b>-</b>	<b>49 792</b>	<b>-</b>
<b>Operating profit/(-loss)</b>	<b>- 10 864</b>	<b>-3 523</b>	<b>139 205</b>	<b>-57 925</b>
Interest income	664	100	2 007	614
Interest expense	-0	0	-7	-2
Other financial items	-55	-12	-140	31
<b>Net financial items</b>	<b>609</b>	<b>89</b>	<b>1 860</b>	<b>643</b>
Taxes	-	-	-	-
<b>Net profit/(-loss) from continuing operations</b>	<b>-10 254</b>	<b>-3 434</b>	<b>141 066</b>	<b>-57 281</b>
Profit (loss) from discontinuing operations	-	286	-	3 599
<b>Net profit/(-loss) from total operations</b>	<b>-10 254</b>	<b>-3 148</b>	<b>141 066</b>	<b>-53 682</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>-10 254</b>	<b>-3 148</b>	<b>141 066</b>	<b>-53 682</b>
Attributable to:				
Non-controlling interests	-	131	-	1 969
Shareholders' interests	-10 254	-3 279	141 066	-55 651
<b>Basic earnings per share NOK</b>	<b>-0,02</b>	<b>-0,01</b>	<b>0,30</b>	<b>-0,21</b>
<b>Diluted earnings per share NOK</b>	<b>-0,02</b>	<b>-0,01</b>	<b>0,28</b>	<b>-0,21</b>
Average number of shares in the period	478 878 423	266 149 831	476 675 689	266 149 831
Number of shares outstanding at period end	478 878 423	266 149 831	478 878 423	266 149 831

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

# Consolidated condensed statement of financial position

NOK 1000	30.09.2021	31.12.2020
	(unaudited)	(audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Associates	92 811	30 003
Non-current financial assets	201 090	276 447
Fixed Assets	-	16
<b>Total non-current assets</b>	<b>293 900</b>	<b>306 465</b>
<b>Current assets</b>		
Other current assets	339	385
Current financial investments	32 609	-
Restricted cash (Note 4)	-	85 000
Cash and equivalents	704 044	391 113
<b>Total current assets</b>	<b>736 992</b>	<b>476 497</b>
<b>TOTAL ASSETS</b>	<b>1 030 892</b>	<b>782 963</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	4 789	4 391
Other equity	1 160 143	1 059 771
<b>Total paid-in-capital</b>	<b>1 164 932</b>	<b>1 064 163</b>
Accumulated losses	-150 732	-291 798
<b>Total equity</b>	<b>1 014 200</b>	<b>772 365</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Other non-current liabilities (note 3)	2 462	5 922
<b>Total non-current liabilities</b>	<b>2 462</b>	<b>5 922</b>
<b>Current liabilities</b>		
Other current liabilities and accruals	14 231	4 676
<b>Total current liabilities</b>	<b>14 231</b>	<b>4 676</b>
<b>Total liabilities</b>	<b>16 693</b>	<b>10 598</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 030 892</b>	<b>782 963</b>

# Consolidated condensed cash flow statement

NOK 1000	Jul-Sep 2021	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
	(unaudited)	(unaudited)	(unaudited)	(audited)
<b>Net profit/(-loss) from continuing operations</b>	-10 254	141 066	-57 281	155 974
Profit (loss) from discontinuing operations	-	-	3 599	22 988
<b>Profit before tax total operations</b>	<b>-10 254</b>	<b>141 066</b>	<b>-53 682</b>	<b>178 962</b>
Gain on disposal of discontinued business	-	-	-3 599	-19 389
Options and share program	1 093	-1 119	-	6 144
Result from associates	2 692	-49 792	-	-
Depreciation	4	16	18	1 036
Net loss/(-gain) from financial investments	1 219	-106 414	50 500	-172 888
Foreign exchange losses/(gains)	-	-	-5	-5
Interest received	-	-	-25	-25
Income tax paid	-	-	-	-55
Changes in other accrued income and expenditure	3 029	1	-1 516	24
<b>Net cash flow from operating activities</b>	<b>-2 218</b>	<b>-16 242</b>	<b>-8 309</b>	<b>-6 196</b>
Cash reclassified as held for sale/discontinued business	-	-	-11 334	-
Investment in non-current financial assets and associates	-29 997	-216 001	-	-92 554
Divestment in non-current financial assets and associates	-	395 739	51 534	175 701
Net divestment/(-investment) trading	-11 468	-33 993	21 120	39 210
Dividends received	-	-	2 958	2 284
Net cash effect disposal of subsidiaries	-	-	-	28 783
Receivable	-	-	340	340
Interest received	-	-	25	25
<b>Net cash flow from investing activities</b>	<b>-41 466</b>	<b>145 746</b>	<b>64 644</b>	<b>153 789</b>
Share issue net of costs*	-	231 316	-	212 503
Repayments of long term borrowings	-	-	-	-1 000
Dividends paid to non-controlling interests	-	-	-	-2 442
Distributions to controlling interests	-47 888	-47 888	-53 230	-53 230
<b>Net cash flow from financing activities</b>	<b>-47 888</b>	<b>183 428</b>	<b>-53 230</b>	<b>155 831</b>
<b>Net change in cash and cash equivalents</b>	<b>-91 572</b>	<b>312 931</b>	<b>3 105</b>	<b>303 424</b>
<b>Cash and equivalents at beginning of period</b>	<b>795 616</b>	<b>391 113</b>	<b>87 684</b>	<b>87 684</b>
<b>Net foreign exchange differences (unrealised)</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>5</b>
<b>Cash and equivalents at end of period</b>	<b>704 044</b>	<b>704 044</b>	<b>90 794</b>	<b>391 113</b>

\* 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-Sep 2021 (Unaudited) NOK 1000	Issued capital	Other equity	Accumulated losses	Total
Equity as of 1 January 2021	4 391	1 059 771	-291 798	772 365
Net profit/(-loss)	-	-	141 066	141 066
<b>Total comprehensive income</b>	-	-	141 066	141 066
Dividends to controlling interests	-	-47 888	-	-47 888
Share issue	397	148 610	-	149 007
Share issue costs	-	-2 691	-	-2 691
Options and share program (note 3)	-	2 341	-	2 341
<b>Equity per ending balance 30 September 2021</b>	<b>4 789</b>	<b>1 160 143</b>	<b>-150 732</b>	<b>1 014 200</b>

Jan-Sep 2020 (Unaudited) NOK 1000	Issued capital	Other equity	Accumulated losses	Other reserves	Non-controlling interests	Total
Equity as of 1 January 2020	2 661	819 655	-468 791	-2 648	20 156	371 032
Net profit/(-loss) continuing operations	-	-	-57 281	-	-	-57 281
Net profit/(-loss) discontinuing operations	-	-	1 630	-	1 969	3 599
<b>Total comprehensive income</b>	-	-	-55 651	-	1 969	-53 682
Dividends to controlling interests	-	-53 230	-	-	-	-53 230
Dividends to non-controlling interests	-	-	-	-	-2 442	-2 442
<b>Equity per ending balance 30 September 2020</b>	<b>2 661</b>	<b>766 425</b>	<b>-524 442</b>	<b>-2 648</b>	<b>19 683</b>	<b>261 679</b>



<b>Jan-Dec 2020 (Audited)</b> <i>NOK 1000</i>	<b>Issued capital</b>	<b>Other equity</b>	<b>Accumulated losses</b>	<b>Other reserves</b>	<b>Non-controlling interests</b>	<b>Total</b>
<b>Equity as of 1 January 2020</b>	<b>2 661</b>	<b>819 655</b>	<b>-468 791</b>	<b>-2 648</b>	<b>20 156</b>	<b>371 032</b>
Net profit/(-loss) continuing operations	-	-	155 974	-	-	155 974
Net profit/(-loss) discontinuing operations	-	-	21 019	-	1 969	22 988
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>176 993</b>	<b>-</b>	<b>1 969</b>	<b>178 962</b>
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
<b>Equity per ending balance 31 December 2020</b>	<b>4 391</b>	<b>1 059 771</b>	<b>-291 798</b>	<b>-</b>	<b>-</b>	<b>772 365</b>

# 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 third quarter is approved by the Board of Directors on 9 November 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)

	Investment			Vallhall			Other			Total		
Segment information <i>NOK 1000</i>	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
<b>Income</b>												
Net gain/loss on investments	106 414	-50 500	174 476	-	-	-	-	-	-	106 414	-50 500	174 476
<b>Total income</b>	<b>106 414</b>	<b>-50 500</b>	<b>174 476</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106 414</b>	<b>-50 500</b>	<b>174 476</b>
<b>Operating expenses - excluding loss in investments</b>	<b>17 000</b>	<b>7 424</b>	<b>19 329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 000</b>	<b>7 424</b>	<b>19 329</b>
<b>Net operating profit/loss from continuing operations</b>	<b>141 066</b>	<b>-57 281</b>	<b>155 974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141 066</b>	<b>-57 281</b>	<b>155 974</b>
Profit (loss) from discontinuing operations	-	-	-	-	3 599	22 988	-	-	-	-	3 599	22 988
	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>	<b>31 Dec 2020</b>	<b>30 Jun 2021</b>	<b>30 Sep 2020</b>	<b>31 Dec 2020</b>	<b>30 Jun 2021</b>	<b>30 Jun 2020</b>	<b>31 Dec 2020</b>	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>	<b>31 Dec 2020</b>
Assets	1 030 892	226 323	782 963	-	99 667	-	-	-	-	1 030 892	325 990	782 963
Liabilities	16 693	3 209	10 598	-	61 103	-	-	-	-	16 693	64 312	10 598

## Note 3 – Options and share program

In the equity-settled option and share program, additional 9,000,000 options was issued to new employees in first quarter, bringing the total of issued options to 27,000,000. No additional options were issued during second and third quarter. The current vesting periods of the program is ending in the period between 19 April 2022 and 11 June 2024. The cost of the options in the third quarter amounts to 1.1 million as straight line initial fair value costs. No additional reserves was made for social security costs, as the share price, adjusted for dividend was unchanged in the third quarter. Total reserves of 2.5 million is made for social security, 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	20 000 000	4,18 %
4	CLEARSTREAM BANKING S.A.	19 275 879	4,03 %
5	DALLAS ASSET MANAGEMENT AS	9 187 461	1,92 %
6	OLA STORMYR HOLDING AS	5 820 413	1,22 %
7	NORDNET LIVSFORSIKRING AS	4 675 079	0,98 %
8	MELCHER HOLDING AS	4 400 000	0,92 %
9	FRØILAND INVEST AS	3 454 554	0,72 %
10	Nordnet Bank AB	3 389 083	0,71 %
11	ATLE SANDVIK PEDERSEN	3 050 000	0,64 %
12	KVANTIA AS	3 045 000	0,64 %
13	SPAR KAPITAL INVESTOR AS	2 515 016	0,53 %
14	***HANEKAMB INVEST AS	2 300 000	0,48 %
15	****EL INVESTMENT AS	2 300 000	0,48 %
16	HEGE BAKKEN	2 211 580	0,46 %
17	NORDA ASA	2 185 611	0,46 %
18	BJØRN HÅVARD BRÆNDEN	2 005 988	0,42 %
19	ROY HAGEN	2 000 000	0,42 %
20	TORSTEIN INGVALD TVENGE	2 000 000	0,42 %
<b>Total</b>		<b>295 207 463</b>	<b>61,65 %</b>
<b>Total outstanding shares</b>		<b>478 878 423</b>	<b>100,00 %</b>

\* 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

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