

SAGA PURE

Saga Pure Q2 2023 report

Q2

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Highlights

<i>NOK 1000</i>	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Operating revenues	-	147 486	106	165 130
Operating profit (-loss) before depreciation (EBITDA) (1)	-9 127	136 892	-91 197	189 751
Operating profit/(-loss) (EBIT) (2)	-9 127	136 892	-91 197	189 751
Net profit/(-loss)	-5 728	137 860	-87 433	191 484
Total comprehensive income/(-loss)	-5 728	137 860	-87 433	191 484
Basic earnings per share NOK (3)	-0.01	0.29	-0.17	0.40
Diluted earnings per share NOK (3)	-0.01	0.27	-0.17	0.38

(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. Loss is not allocated to dilutive shares.

Financial results

Saga Pure Group ("The Group") reports a total comprehensive loss for the second quarter 2023 of NOK 5.7 million. (NOK 87.4 million in loss for the first half year of 2023).

EBITDA for the second quarter 2023 was NOK -9.1 million. (NOK -91.2 million for the first half year of 2023).

The Group had a loss from financial investments of NOK 3 million in the second quarter. (NOK 75 million in loss for the first half year of 2023).

The average number of outstanding shares in the quarter was 481,142,159. Total number of outstanding shares quarter end was 484,878,423.

The Group had a cash holding of NOK 675.8 million at the end of second quarter, versus NOK 736.2 million at end of first quarter. The change in cash holdings is mainly attributed to net investment in current financial investment in the quarter.

The Group issued 5 million shares in the quarter, as settlement for called shares options from the employee share option program.

The Group's condensed unaudited financial statements for the second quarter and half year of 2023 are enclosed.

Company development and investments

During the quarter, the Group finalised its disposal of the investment in Horisont Energi. As per end of the quarter, the Group had no non-current financial investments. The group invested net NOK 76 million in current financial investments. The net investments thereby increased by NOK 60 million in the quarter.

Outlook

The Group will continue to be prudent and selective when allocating its investment capital. With no interest-bearing debt, and substantial cash holdings, the Group is well positioned for pursuing new investment opportunities.

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

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our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

Oslo, 28 August 2023

The Board of Directors

Responsibility Statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January 2023 to 30 June 2023 have been prepared in accordance with IAS 34 Interim financial reporting, as adopted by the EU, and give a true and fair view of the Group and the Company's consolidated assets, liabilities, financial position and results of operations. Furthermore, we confirm that the Report of the Board provides a true and fair view of the development and performance of the business and the position of the Group and the Company, together with a description of the key risks and uncertainty factors that the Company is facing.

Oslo, 28 August 2023

The Board of Directors



Martin Nes
Chairman



Yvonne Litsheim Sandvold
Board member



Øystein Stray Spetålen
Board member

Consolidated condensed statement of comprehensive income

<i>NOK 1000</i>	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net gain from financial investments	-	146 999	-	164 026
Other income	-	488	106	1 104
Operating revenues	-	147 486	106	165 130
General administrative expense	3 504	5 906	10 338	16 278
Depreciation	-	-	-	-
Net loss from financial investments	2 899	-	75 294	-
Operating expenses	6 402	5 906	85 632	16 278
Profit/(-loss) from associates	-2 724	-4 688	-5 670	40 899
Operating profit/(-loss)	-9 127	136 892	-91 197	189 751
Interest income	6 560	1 018	11 129	1 804
Interest expense	-876	-44	-1 613	-49
Other financial items	-2 285	-5	-5 751	-21
Net financial items	3 399	969	3 764	1 733
Taxes	-	-	-	-
Net profit/(-loss)	-5 728	137 860	-87 433	191 484
Other comprehensive income	-	-	-	-
Total comprehensive income/(-loss)	-5 728	137 860	-87 433	191 484
Basic earnings per share NOK	-0,01	0,29	-0,17	0,40
Diluted earnings per share NOK	-0,01	0,27	-0,17	0,38
Average number of shares in the period	481 142 159	479 274 027	480 517 312	479 078 423
Number of shares outstanding at period end	484 878 423	478 878 423	484 878 423	478 878 423

Consolidated condensed statement of financial position

<i>NOK 1000</i>	30.06.2023	31.12.2022
	(unaudited)	(audited)
ASSETS		
Non-current assets		
Associates	110 372	116 042
Non-current financial investments	-	101 940
Total non-current assets	110 372	217 982
Current assets		
Other current assets	169	1 462
Current financial investments	136 327	545
Cash and equivalents	675 871	787 082
Total current assets	812 368	789 089
TOTAL ASSETS	922 740	1 007 071
EQUITY AND LIABILITIES		
Equity		
Share capital	4 849	4 799
Other equity	1 079 616	1 073 498
Total paid-in-capital	1 084 465	1 078 297
Retained earnings/-accumulated losses	-169 272	-81 840
Total equity	915 193	996 457
LIABILITIES		
Non-current liabilities		
Other non-current liabilities (note 3)	-	368
Total non-current liabilities	-	368
Current liabilities		
Other current liabilities and accruals	7 547	10 246
Total current liabilities	7 547	10 246
Total liabilities	7 547	10 614
TOTAL EQUITY AND LIABILITIES	922 740	1 007 071

Consolidated condensed cash flow statement

	Apr-Jun 2023	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
	(unaudited)	(unaudited)	(unaudited)	(audited)
Net profit/(-loss)	-5 728	-87 433	191 484	-23 716
Options and share program	-353	-200	3 200	4 902
Result from associates	2 724	5 670	-40 899	-12 840
Depreciation	-	-	-	-
Net loss/(-gain) from financial investments	2 899	75 294	-163 970	3 161
Net divestment/(-investment) trading	-77 569	-130 833	15 285	26 516
Changes in other accrued income and expenditure	-461	-5 032	414	4 456
Net cash flow from operating activities	-78 488	-142 534	5 515	2 480
Investment in associates	-	-	-25 000	-42 717
Divestment in associates	-	-	-	-
Investment in non-current financial investments	-	-	-38 998	-38 998
Divestment in non-current financial investments	12 112	25 322	2 591	184 073
Investment in fixed assets	-	-	-20	-
Net cash flow from investing activities	12 112	25 322	-61 426	102 358
Share issue gross	6 000	6 000	1 300	1 300
Share issue costs	-	-	-1 287	-1 287
Distributions to controlling interests	-	-	-47 888	-95 876
Net cash flow from financing activities	6 000	6 000	-47 875	-95 863
Net change in cash and cash equivalents	-60 377	-111 211	-103 787	8 975
Cash and equivalents at beginning of period	736 248	787 082	778 108	778 108
Cash and equivalents at end of period	675 871	675 871	674 321	787 082

Consolidated condensed statement of changes in equity

Jan-Jun 2023 (Unaudited) <i>NOK 1000</i>	Issued capital	Other equity	Accumulated losses	Total
Equity as of 1 January 2023	4 799	1 073 498	-81 840	996 457
Net profit/(-loss)	-	-	-87 433	-87 433
Total comprehensive income	-	-	-87 433	-87 433
Share issue	50	5 950	-	6 000
Share issue costs	-	-	-	-
Options and share program (note 3)	-	168	-	168
Equity per ending balance 30 June 2023	4 849	1 079 616	-169 272	915 193

Jan-Jun 2022 (Unaudited) <i>NOK 1000</i>	Issued capital	Other equity	Accumulated losses	Total
Equity as of 1 January 2022	4 789	1 161 258	-58 123	1 107 924
Net profit/(-loss)	-	-	191 484	191 484
Total comprehensive income	-	-	191 484	191 484
Dividends	-	-47 888	-	-47 888
Share issue	10	1 290	-	1 300
Share issue costs	-	-1 287	-	-1 287
Options and share program (note 3)	-	5 814	-	5 814
Equity per ending balance 30 June 2022	4 799	1 119 187	133 361	1 247 347

Jan-Dec 2022 (Audited) <i>NOK 1000</i>	Issued capital	Other equity	Accumulated losses	Total
Equity as of 1 January 2022	4 789	1 161 258	-58 123	1 107 924
Net profit/(-loss)	-	-	-23 716	-23 716
Total comprehensive income	-	-	-23 716	-23 716
Dividends to controlling interests	-	-95 876	-	-95 876
Share issue	10	1 290	-	1 300
Share issue costs	-	-1 287	-	-1 287
Options and share program (note 3)	-	8 113	-	8 113
Equity per ending balance 31 December 2022	4 799	1 073 498	-81 840	996 457

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 second quarter is approved by the Board of Directors on 28 August 2023.

The accounting policies applied in the preparation of the condensed interim financial statements are consistent with those presented in the Annual Report of 2022.

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. The reporting structure of the business post the disposal is still in development as the operations are evolving. Currently investments are reported as one segment, while the "Other" segment currently consist of consulting services from internal industry specialists, are monitored separately. Further segmentation might be applied as the business evolves.

Segment information <i>NOK 1000</i>	Investment			Other			Total		
	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022	Jan-Jun 2022	Jan-Jun 2022	Jan-Dec 2022	Jan-Jun 2022	Jan-Jun 2022	Jan-Dec 2022
Income									
Net gain/loss on investments	-75 294	164 026	-3 161	-	-	-	-75 294	164 026	-3 161
Other income	-	-	-	106	1 104	1 819	106	1 104	1 819
Total income	-75 294	164 026	-3 161	106	1 104	1 819	-75 188	165 130	-1 342
Operating expenses - excluding loss in investments	10 338	16 278	38 716	-	-	-	10 338	16 278	38 716
Net operating profit	-91 197	188 647	-29 038	1 184	1 184	1 819	-91 197	189 751	-27 219
	30 Jun 2023	30 Jun 2022	31 Dec 2022	30 Jun 2023	30 Jun 2022	31 Dec 2022	30 Jun 2023	30 Jun 2022	31 Dec 2022
Assets	922 740	1 264 243	1 007 071	-	-	-	922 740	1 264 243	1 007 071
Liabilities	7 547	6 896	10 614	-	-	-	7 547	6 896	10 614

Note 3 – Options and share program

The equity-settled option and share program had 18,500,000 issued options in the beginning of the quarter, all of which were fully vested. During the second quarter 5,000,000 options were called and shares were issued, whilst 5,000,000 options expired. Per second quarter, no reserves are made for social security for the remaining options, as none of them are currently "in the money".

Note 4 – 20 largest investors

Name	Shares	Of total shares
1 *Øystein Stray Spetalen	172 841 799	35,65 %

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2	*Tycoon Industrier As	28 550 000	5,89 %
3	Clearstream Banking S.A.	14 754 957	3,04 %
4	Simonsen Invest As	12 000 000	2,47 %
5	Atle Sandvik Pedersen	6 400 000	1,32 %
6	Nordnet Livsforsikring As	5 691 573	1,17 %
7	Ola Stormyr Holding As	5 510 413	1,14 %
8	Melcher Holding As	5 200 000	1,07 %
9	Injektør As	5 165 000	1,07 %
10	Active Pro As	5 150 000	1,06 %
11	Bjørn Simonsen	5 000 000	1,03 %
12	Frøiland Invest As	3 454 554	0,71 %
13	Dallas Asset Management As	3 411 502	0,70 %
14	Kvantia As	3 045 000	0,63 %
15	Løren Holding As	3 000 000	0,62 %
16	Tonor Holding As	2 930 000	0,60 %
17	Nordnet Bank Ab	2 649 396	0,55 %
18	**Hanekamb Invest As	2 300 000	0,47 %
18	***El Investment As	2 300 000	0,47 %
20	Hege Bakken	2 211 580	0,46 %
Total		291 565 774	60,13 %
Total outstanding shares		484 878 423	100,00 %

* Board member/controlled by Board member Øystein Stray Spetalen

**Controlled by Martin Nes, Chairman of the Board

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

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