



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 995 359 774
Organisasjonsform: Allmennaksjeselskap
Foretaksnavn: SAGA PURE ASA
Forretningsadresse: c/o Ferncliff TIH AS
Sjølyst plass 2
0278 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Eldar Paulsrud
Dato for fastsettelse av årsregnskapet: 21.04.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 09.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Net gain on financial assets		388 602 000	38 077 000
Other income		687 000	
Sum inntekter		389 289 000	38 077 000
Kostnader			
Lønnskostnad Employee benefits expense	2	22 179 000	6 368 000
Depreciation	4	16 000	24 000
Other operating expenses	2	13 725 000	6 793 000
Sum kostnader		35 920 000	13 185 000
Driftsresultat		353 369 000	24 892 000
Finansinntekter og finanskostnader			
Annen renteinntekt		2 620 000	813 000
Net foreign exchange gain/ (loss)		-522 000	16 000
Sum finansinntekter		2 098 000	829 000
Annen rentekostnad		7 000	2 000
Sum finanskostnader		7 000	2 000
Netto finans		2 091 000	827 000
Ordinært resultat før skattekostnad		355 460 000	25 719 000
Taxes	6		
Ordinært resultat etter skattekostnad		355 460 000	25 719 000
Årsresultat		355 460 000	25 719 000
Overføringer og disponeringer			
Udekket tap		355 461 000	25 719 000
Sum overføringer og disponeringer		355 461 000	25 719 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Fixed assets	4		16 000
Sum varige driftsmidler			16 000
Finansielle anleggsmidler			
Investering i datterselskap	5	40 000	1 000
Lån til tilknyttet selskap og felles kontrollert virksomhet	10	90 359 000	30 003 000
Shares and other financial assets	9	129 033 000	67 138 000
Sum finansielle anleggsmidler		219 432 000	97 142 000
Sum anleggsmidler		219 432 000	97 158 000
Omløpsmidler			
Varer			
Fordringer			
Intercompany receivables		1 000	
Other current assets		2 726 000	385 000
Trade receivables		30 000	
Sum fordringer		2 757 000	385 000
Investeringer			
Markedsbaserte aksjer		36 931 000	
Sum investeringer		36 931 000	
Bankinnskudd, kontanter og lignende			
Cash and equivalents	3	778 085 000	391 113 000
Restricted cas			85 000 000
Sum bankinnskudd, kontanter og lignende		778 085 000	476 113 000
Sum omløpsmidler		817 773 000	476 498 000



Balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		1 037 205 000	573 656 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	7	4 789 000	4 391 000
Annen innskutt egenkapital	7	1 163 906 000	1 062 197 000
Sum innskutt egenkapital		1 168 695 000	1 066 588 000
Opptjent egenkapital			
Udekket tap	7	142 149 000	497 611 000
Sum opptjent egenkapital		-142 149 000	-497 611 000
Sum egenkapital		1 026 546 000	568 977 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other non-current liabilities		3 579 000	
Sum annen langsiktig gjeld		3 579 000	
Sum langsiktig gjeld		3 579 000	0
Kortsiktig gjeld			
Leverandørgjeld		1 022 000	229 000
Public duties payable		2 010 000	1 514 000
Other currents liabilities		4 049 000	2 933 000
Sum kortsiktig gjeld		7 081 000	4 676 000
Sum gjeld		10 660 000	4 676 000
SUM EGENKAPITAL OG GJELD		1 037 206 000	573 653 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Gain from financial investments	3	136 190 000	174 476 000
Other income	3	687 000	
Sum inntekter		136 877 000	174 476 000
Kostnader			
Employee benefit expenses	5	16 035 000	12 512 000
Depreciation		16 000	24 000
Other operating expenses	5	13 745 000	6 793 000
Sum kostnader		29 796 000	19 329 000
Driftsresultat		107 081 000	155 147 000
Finansinntekter og finanskostnader			
Share of profit from associates		124 501 000	
Annen renteinntekt		2 620 000	813 000
Net foreign gain/ loss (-)		-522 000	16 000
Sum finansinntekter		126 599 000	829 000
Annen rentekostnad		7 000	2 000
Sum finanskostnader		7 000	2 000
Netto finans		126 592 000	827 000
Ordinært resultat før skattekostnad		233 673 000	155 974 000
Taxes	10		
Ordinært resultat etter skattekostnad		233 673 000	155 974 000
Profit (loss) from discontinuing oper	14		22 988 000
Årsresultat		233 673 000	178 962 000
Overføringer og disponeringer			
Allocated to equity		233 673 000	178 962 000
Sum overføringer og disponeringer		233 673 000	178 962 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Fixed assets			16 000
Sum varige driftsmidler			16 000
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	4	82 475 000	30 003 000
Non-current financial investments	17,19	218 316 000	276 447 000
Sum finansielle anleggsmidler		300 791 000	306 450 000
Sum anleggsmidler		300 791 000	306 466 000
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	8	30 000	
Other current assets	7	2 726 000	385 000
Sum fordringer		2 756 000	385 000
Investeringer			
Current financial investments		36 931 000	
Sum investeringer		36 931 000	
Bankinnskudd, kontanter og lignende			
Cash and equivalents	6,16	778 108 000	391 113 000
Restricted cash	18		85 000 000
Sum bankinnskudd, kontanter og lignende		778 108 000	476 113 000
Sum omløpsmidler		817 795 000	476 498 000
SUM EIENDELER		1 118 586 000	782 964 000



Konsernets balanse

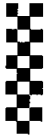
Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	11	4 789 000	4 391 000
Annen innskutt egenkapital	11	1 161 258 000	1 059 771 000
Sum innskutt egenkapital		1 166 047 000	1 064 162 000
Opptjent egenkapital			
Udekket tap		58 123 000	291 798 000
Sum opptjent egenkapital		-58 123 000	-291 798 000
Sum egenkapital		1 107 924 000	772 364 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other non-current liabilities	19	3 579 000	5 922 000
Sum annen langsiktig gjeld		3 579 000	5 922 000
Sum langsiktig gjeld		3 579 000	5 922 000
Kortsiktig gjeld			
Leverandørgjeld		947 000	229 000
Other current liabilities and accruals 9	9	6 137 000	4 447 000
Sum kortsiktig gjeld		7 084 000	4 676 000
Sum gjeld		10 663 000	10 598 000
SUM EGENKAPITAL OG GJELD		1 118 587 000	782 962 000



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Skattedirektoratet

Saksbehandler
Jøn HoelstadDeres dato
23.09.2010Vår dato
04.10.2010Telefon
22077325Deres referanse
Olav S. EgenreVår referanse
2010/988354ERNST & YOUNG AS
Oslo Atrium, Postboks 20
0051 OSLO**Søknad om tillatelse til å unnlate å utarbeide årsregnskap og årsberetning på norsk språk for Saga Tankers ASA, org. nr: 995 359 774**

Det vises til Deres søknad av 23. september 2010 hvor De søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Saga Tankers ASA.

Bakgrunn:

Selskapene er et internasjonalt shippingsselskap med hovedkontor i Oslo. Selskapet eier oljetankskip (VLCC'er) som frakter olje i det internasjonale markedet. Alle forretningspartene i bransjen benytter engelsk som språk. Engelsk benyttes også internt som arbeidsspråk. Selskapet er notert på Oslo Børs, og har fått dispensasjon fra vphl § 5-13 vedrørende norsk språk på børsinformasjon. Selskapets største aksjonærer er profesjonelle investorer/fond, og for tiden utgjør utenlandske aksjonærer 62 %.

Da det er en engelsk versjon av årsregnskapet og -beretningen som vil bli benyttet for alle praktiske formål, og den norske kun utarbeides for å tilfredsstille regnskapslovens krav, anses regnskapet i forhold til kostnaden ved å utarbeide et norsk årsregnskap og -beretning som liten. Det søkes derfor om dispensasjon.

Skattedirektoratets vurdering og konklusjon

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, jf. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdømmelse på aksjer er en forutsetning for at ressursbrukerens samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedspartakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som et verktøy i sin kontrollvirksomhet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av en dispensasjon fra kravet til

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Postboks 9200 Grønland
0134 Oslo
skattedirektoratet@skatteetaten.noBesøksadresse
Fridtjof Nermans vei 4
Oslo
Telefon: 9 4761076Sentralbord
800 80 000
Telefaks
22 17 08 60



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å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mange brukere av regnskapsinformasjon som blir negativt berørt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Det framgår av søknaden at selskapet opererer innen en bransje med sterk internasjonal karakter og arbeidsspråket er engelsk. Alle sentrale aktører innenfor bransjer selskapene driver, antas å måtte beherske og benytte engelsk språk. Selskapets aksjonærer mottar alt i dag all informasjon på engelsk.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering Saga Tankers A.S.A. dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-1 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelse, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Stolstad



SAGA

Saga Pure
Annual Report

2021



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CEO LETTER

Black swans on a string

Much can be said about the year that we have now laid behind us, but if I'm to sum it up in one word it's "turbulence".

Navigating 2021 as an investor, especially one focusing on green technologies, has been like sailing through a rocky strait in stormy weather with alluring sirens calling from all directions. There has certainly not been a lack of green solutions to invest in, each backed up by skillfully made investor presentations, one shinier than the other. The safest and quickest way to lose our money would have been to spread them evenly on all 150 companies that came our way.

We set our course late 2020, when we saw where the market was headed, and have stuck with the course during 2021, maintaining an extremely conservative investment approach, spending more time working actively with the investments we made, instead of chasing the next shiny object. This took a healthy portion of discipline. Now, knowing how it all went, we're happy we stayed the course.

Saga Pure has evolved over the year, and grown from a start-up company with only a few employees to a young, green investment company with a team of highly skilled and extremely motivated individuals. It has been a privilege and lots of fun to work with the growing team; with vastly different backgrounds and personalities, there are no guarantees for harmony, certainly not peak performance – but we have managed to achieve just that.

It's impossible to look back at 2021 without a few words about the Covid-19 pandemic. It lasted longer than everyone expected, and although it took its toll both in number of lives and shaking up the economy, throughout the year the world started to see the light at the end of the tunnel as vaccines were produced in record numbers, along with the virus mutating into less harmful variants.

If Covid-19 is the biggest black swan we have seen since the last world war, the change it brought to environmental consciousness and momentum left many, including myself, to ponder if it was a big, fat green swan in disguise. But swans are fickle. Although they are beautiful as far as birds are concerned, and move gracefully around on the water, they have a temperament which is extremely difficult to predict, and certainly unpleasant to be exposed to.

The green boom and bust we have seen over the last two years has many similarities to what happened in the IT sector 20 years ago. Although the IT sector went through a bubble, it didn't mean that IT was a bad idea. It's exactly the same way with green technologies, and while IT was more of a nice-to-have, green solutions are a need-to-have. With the capital being directed into this area now, we are confident that we'll see the recovery for this sector earlier and stronger than what we saw for IT.

On the policy side of things, we saw many important steps being made over the course of 2021. Early in the year, EU launched "Fit for 55"; EU's latest ambition with regards to emission reductions, going for 55% reduction by 2040 instead of the earlier stated goal of 40%.

The IPCC also released their sixth assessment report, stating that we might surpass 1.5°C already before 2030, one decade earlier than predicted in 2018, and to make the message crystal clear, the UN

Secretary-General António Guterres summed up the findings as "a code red for humanity".

The climate disaster we are steadily headed straight towards with eyes wide open reminds me of the following quote from the historian and philosopher Thomas Carlyle:

"By nature man hates change;
seldom will he quit his old home
till it has actually fallen around his ears."

The movie "Don't Look Up" released toward the end of 2021 illustrates the above in its fullest, darkest extent. Let's more than just hope that the world will prove both Carlyle and the disaster movies wrong.

With the world gradually returning to a new normal over the course of 2021, we have seen emissions rise again. While the pandemic certainly accelerated the development towards renewable energy, transformation of our energy systems takes time. The inherent inertia of a vast and complex system built-up over centuries makes change more difficult than if we were just building the energy system from scratch. However, with an increasing number of low and zero emission ways of traveling manufacturing our necessities, it's more about having the right incentives to make the change happen rather sooner than later – to ensure progress along with a thriving nature and a healthy environment.

One of the tools which is helping nudge the world in the right direction is the EU emission trading system (EU ETS), where a cap is set on CO₂-emissions, and allowances issued to various industries, and an opening for trading of those CO₂ allowances. Until recently the CO₂-prices have been too low for this to have a meaningful effect.

During 2021 however, we saw the CO₂-prices increase significantly, reaching levels where the system truly has an effect. In making all fossil economic activities more expensive, that also meant making our still heavily fossil-dependent electricity more expensive.



Combined with a less windy summer, and natural gas prices rising to previous unseen levels for a number of reasons, electricity prices rose to a level not seen for several decades. We know this transition will cost, but we didn't plan for all the buttons to be pushed simultaneously. Policies to combat climate change that actually work, should shake things up a little.

It's a known fact that it's difficult to do many things simultaneously and succeed with all of them. And with the experience the world went through in 2021, dust has been blown off nuclear energy, which is getting renewed attention both for reaching net zero without economies being solely dependent on the weather, but also as a means of energy security.

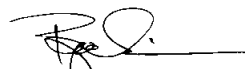
What so far seems to become the pitch-black swan of 2022 is Russia's invasion of Ukraine. Over the course of February, Russian troops were gathering in increasing numbers along the borders of Ukraine, and as the month drew to a close, invaded the entire country. While triggering condemnation and economic sanctions from all around the world, it also super-charged Europe's move toward renewable energy and energy self-sufficiency. As the war

eventually comes to a conclusion, the accelerated move towards renewables will likely remain.

Added to that the continued effects of the pandemic as well as inflation, which is happening globally, and with other black swans certainly lurking around the corner, it seems that turbulence will continue to be the name of the game as the new year unfolds.

From the perspective of Saga Pure, we have over the course of the first full year of operation managed to build a team of world-class industry competence, succeeded with a number of our investments, and are financially more robust than ever – a good place to be for an investment company.

Knowing very well that past successes are no guarantees for future ones, we're constantly looking for ways not only to ensure pure growth, but also to sustain it.



Bjørn Simonsen
CEO



BOARD OF DIRECTORS' REPORT

Saga Pure is an investment Group focusing on opportunities within renewable energy, hydrogen, circular economy, and reduction of CO₂ emissions.

2021 HIGHLIGHTS

After the initiation of the new investment strategy in late 2020, 2021 was the year for full implementation of the strategy. Main focus, for the year has been recruitment of industry specialist in order to build a team with complementary proficiencies within the relevant segments, and thereby source and evaluate potential investment-opportunities. There-next, the focus has been to utilise the team, both for evaluation of potential investments, and for actively supporting the investments in their business development.

The Group's 2021 highlights include:

- Completing the last of six private placements, and three subsequent offerings. Gross cash consideration of NOK 149 million.
- Disposed of the remaining investment in Everfuel A/S with a 2021 gain of NOK 39.6 million, in addition to the fair value adjustment of NOK 185.4 million on the shares in 2020.
- Invested NOK 35 million in a private placement in Horisont Energi AS at NOK 19 per share. The Group also holds a board position in the company
- The recruitment of an investment team with extensive experience and knowledge of the sustainability-segment
- Invested NOK 45 million in the associated company Bergen Carbon Solutions, in addition to the NOK 30 million initial investment
- Disposal of shares in Bergen Carbon Solutions for a total consideration of NOK 147.6 million resulting in a Group gain of NOK 133.5 million. Net ownership in Bergen Carbon Solutions has nevertheless increased during the year.
- Investing NOK 30 million for 32.6 % ownership in IC Technology AS and assumed a board position in the company. Saga has an option to invest a further NOK 30 million in the company.
- Investing NOK 85 million in Heimdall Power AS and assumed a board position in the company.
- Acquired 28.67 % of the shares in Hyon AS.

A LOOK BACK ON 2021

The team have analysed several hundred prospect investments, of which only a handful met the Groups requirements and resulted in investments. The Group has no rush to allocate its available capital and will continue to seek high quality projects that meets the Groups demanding criteria's. This strategy has served the company well in 2021,

a year where the investments have significantly outperformed the development in the total market segment.

During the year, the team has increased its activities within supporting its investments, through board positions and/or through an advisor role. It is expected that these activities will increase going forward, as investments move from the initial entry phase to the development phase. The Group will utilise its different industry expertise, as well as its extensive capital market knowledge in order to develop the business of the investment objects.

THE NEW STRATEGY

As stated and described in the 2020 Annual report, the Group implemented a new strategy end of 2020. 2021 was the year to fully implement the new direction with becoming an investment Group within the sustainable sector.

The Group is now purely invested within this sector, and will going forward continue to consider to build up in-house expertise for additional sub-sectors within in the sustainability-space, in order to broaden its horizon within the strategy.

FINANCIAL RESULTS 2021 (GROUP)

The Group reports a profit before tax for 2021 of MNOK 233.7 (2020: MNOK 156.0), and a total comprehensive income for 2021 of MNOK 233.7 (2020: MNOK 179.0).

The major items of the Group's total comprehensive income consist of net gain on financial investments of MNOK 136.2, and profit from associates of MNOK 124.5. The gain on financial investments is a result of a positive development of the value of the long-term investments during the year. The profit from associates is substantially gain on disposal of part of the investment in Bergen Carbon Solution.

The Group had a gross income for 2021 of MNOK 136.9 (2020: MNOK 174.5).

Total operating expenses for 2021 were MNOK 29.8 (2020: MNOK 19.3).

Net operating profit for 2021 was MNOK 231.6 (2020: MNOK 155.1).

Operating profit before interest, taxes, depreciation, and amortization (EBITDA) for 2021 was MNOK 231.6 (2020:



MNOK 155.1). The EBITDA can be derived as described directly and unadjusted from the statement of income. Net financial items for 2021 were NOK 2.1 million (2020: MNOK 0.8).

Basic Earnings per share for 2021 were NOK 0.49 (2020: NOK 0.63), based on the net profit to shareholders of MNOK 233.7 (2020: MNOK 177.0).

Diluted Earnings per share for 2021 were NOK 0.47 (2020: NOK 0.62).

As of year-end, the Company had 9,520 shareholders and 478,878,423 shares outstanding. The average number of shares outstanding throughout the year was 477,232,424. The Company's 20 largest shareholders controlled about 61.96 % of the total number of shares outstanding at year-end.

LIQUIDITY AND CASH FLOW

The cash balance as of 31 December 2021 was MNOK 778.1, (2020: MNOK 391.1 excluding MNOK 85 in restricted cash which was released in January 2021). The change in cash over the year was MNOK +387.0 (2020: MNOK +303.4). Of the change in cash in 2021, MNOK +236.0 was from share issuance, while MNOK +269.8 was from the net investment and MNOK -47.9 as a result of dividends distributed.

FINANCIAL POSITION

As of 31 December 2021, the Group's total assets amounted to MNOK 1,118.6 (2020: MNOK 783.0). Total equity to shareholders of parent company was MNOK 1,107.9 (2020: MNOK 772.4).

It is the opinion of the Board of Directors that the Group is in a sound financial position with an equity ratio of about 99.0 % (2020: 98.6 %).

Please see further information described under the Going Concern section.

RISK FACTORS

The Group is exposed to various risk factors, and the most significant risk factors are considered to be related to market risk, legal risk, credit risk and liquidity risk.

Market risk

The Group's investments in shares and other financial instruments expose the Group to market risk in terms of equity price risk, whereby changes in the market prices of the financial instruments that the Group has invested in will impact net income or the value of the financial instruments. The Group moderates this risk through careful selection of securities for investments.

Legal risk

The Group is exposed to legal risk within what would be expected for a listed company. This will include, but not limited to, regulatory, compliance and contractual risk. The Group is not aware of any anomalies within this area.

Credit risk

The Group is exposed to credit risk, inherent in the risk that the counterparty will be unable to pay outstanding amounts

in full when due. The Group has normally insignificant amounts of outstanding receivables. However, this risk is also applicable to bank deposits. The risk is limited through the use of financial institutions with solid credit ratings for bank deposits and settlement of transactions.

Credit risk associated with investments is considered to be limited since investments are mainly made in liquid securities with a good creditworthiness.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to fulfill its financial obligations as they fall due. The Group continuously monitors the liquidity requirements in order to ensure sufficient cash for meeting the operational needs.

Saga Pure manages these risk factors through internal reporting and control procedures as well as consulting with external advisors. The Group's risk factors are described more detailed in note 16.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

A good and safe working environment has been given a high priority in Saga Pure. The Group's goal is to ensure that it operates in such a way that no detrimental effects are made on either people or the environment in which we operate. The Group's objective is to ensure safe and secure operations. The business operates in compliance with national and international requirements and regulations. There have been no work-related accidents resulting in sick leave during 2021.

Saga Pure aims to have a workplace free from discrimination on the basis of gender, sex and race in matters of salary, promotion and recruitment. At year end the Group had seven employees, of which two were part time employees. The Group had no registered sick leave during the year.

The Group is through associates involved in research or development projects. However, no such costs have been recognized during 2021 in the parent company.

CORPORATE SOCIAL RESPONSIBILITY

The Group has no formalized guidelines regarding corporate responsibility. However, The Group is constantly focused on conducting its business through a sound Code of Ethics.

COVID-19

The Covid 19 pandemic has not had any significant impact for the Groups operations through the year. The pandemic has although had an indirect effect through increased volatility in the financial markets.



Annual Report 2021

Saga Pure ASA

FINANCIAL RESULTS OF PARENT COMPANY

Saga Pure ASA (the Parent Company) reports a net profit for 2021 of MNOK 355.5 (2020: net profit MNOK 25.7).

Gross revenues for 2021 were MNOK 389.3 (2020 MNOK 38.1).

Total operating expenses for 2021 were MNOK 35.9 (2020: MNOK 13.2).

Operating profit before interest, taxes, depreciation, and amortization (EBITDA) for 2021 was MNOK 353.4 (2020: MNOK 24.9).

Net financial items for 2021 were MNOK 2.1 (2020: MNOK 0.8).

The Board of Directors proposes that the net profit for 2021 of MNOK 355.5, is attributed to accumulated losses.

SUBSEQUENT EVENTS

9 January, the Board of directors granted 3,000,000 share options to an employee. The vesting period for the options range from 6 months to 24 months. 1,500,000 of these options has later been cancelled, while 1,500,000 has been prematurely fully vested – as the recipient was needed for a key-position in Hyon AS. The Board of directors also amended strike and vesting period for 9,000,000 options previously granted.

9 February, the associated company Bergen Carbon Solution (BCS) successfully completed a private placement of 4,629,629 shares at a share price of NOK 54.00. Saga was allocated 462,962 shares, bringing its total ownership to 9,416,962 shares corresponding to 22.44 %, pending subsequent offerings in BCS.

14 February, the associated company Hyon AS was listed on Euronext Growth.

Based on the financial performance of second half of 2021, the Board of Directors passed a resolution on the 15 February to distribute dividend of NOK 0.10 per share, total NOK 47.9 million. The resolution was based on the Board of

Directors authorization to resolute dividend as granted by the Annual General Meeting and will be distributed to the shareholders without unnecessary delay. Total dividends over the last 12 months are thereby NOK 0.20 per share.

Towards the end of February, the Ukraine-conflict escalated into a full-scale armed conflict. The Group have no direct exposure towards Russia and or Ukraine. However, the conflict and the related sanctions, will affect the financial markets in which the Group operates.

References are made to note 21 – Subsequent events for further information.

INVESTMENT IN SHARES

The non-current financial investment with fair value of NOK 218,3 million and current financial investment with fair value of 36,9 million, are made within the renewable space, in adherence to the Group strategy.

GOING CONCERN AND DIVIDEND

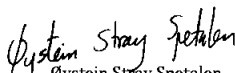
The Group is currently in a sound position with a net book equity ratio of 99,0 % and surplus liquidity available.

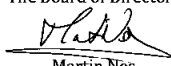
The Board of Directors and the management has substantial experience and competence within the renewable and sustainability segment, as well as proficiency within general business and financial tasks such as M&A, transactions, business development, and IPOs.


It is expected that the shareholders will receive return on more attractive terms if proceeds are managed by the Group. Hence, no suggestions on dividend are currently made by the Board of Directors.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by EU, while the financial statements for the parent company have been prepared in accordance with the Norwegian Generally Accepted Accounting Principles (NGAAP). The Board of Directors confirms that these annual accounts are based on the going concern assumptions.

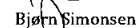
Oslo, 21 April 2022
The Board of Directors


Øystein Stray Spetalen
Board Member


Martin Nes
Chairman


Yvonne Litsheim Sandvold
Board Member


Christine Spiten
Board Member


Bjørn Simonsen
CEO



CORPORATE GOVERNANCE

1. Implementation and reporting on corporate governance

- 1.1. The board of directors (the "Board") must ensure that the Company implements sound corporate governance.
- 1.2. The Board must provide a report on the Company's corporate governance in the director's report or in a document that is referred to in the directors' report. The report on the Company's corporate governance must cover every section of the Code of Practice.
- 1.3. If the Company does not fully comply with the Code of Practice, the Company must provide an explanation of the reason for the deviation and what solution it has selected.

Saga Pure ASA ("Saga Pure" or the "Company", and together with its consolidated subsidiaries, the "Group") has chosen to include the Board's report on corporate governance in the annual accounts.

The Board has decided that Saga Pure shall follow the Norwegian Code of Practice for Corporate Governance (the "Code of Practice"). The Board annually reviews and discuss the Code of Practice and the Company's implementation of corporate governance.

The Company has no deviations from the Code of Practice with regards to this section of the Code of Practice.

2. Business

- 2.1. The Company's articles of association should clearly describe the business that the Company shall operate.
- 2.2. The Board should define clear objectives, strategies and risk profiles for the Company's business activities such that the Company creates value for shareholders in a sustainable manner. When carrying out this work, the Board should therefore take into account financial, social and environmental considerations.
- 2.3. The Company should have guidelines for how it integrates considerations related to its stakeholders into its value creation.
- 2.4. The Board should evaluate these objectives, strategies and risk profiles at least yearly.

The business activities clause from the articles of association is investment, management, operation, consultancy and other services within industry, energy and similar business activities, including through ownership and investments in other businesses.

The Company's core objectives and strategies are clearly stated in the Company's annual report. Sustainability is one of the Company's core values and is continuously taken into account in our business activities and investments. Saga Pure seeks out companies who can make a big contribution to a sustainable journey and help them on their journey.

The Company has no deviations from the Code of Practice with regards to this section of the Code of Practice.

3. Equity and dividends

- 3.1. The Board should ensure that the Company has a capital structure that is appropriate to the Company's objective, strategy and risk profile.
- 3.2. The Board should establish and disclose a clear and predictable dividend policy.
- 3.3. The background to any proposal for the Board to be given a mandate to approve the distribution of dividends should be explained.
- 3.4. Mandates granted to the Board to increase the Company's share capital or to purchase own shares should be intended for a defined purpose. Such mandates should be limited in time to no later than the date of the next annual general meeting.

Equity

Saga Pure shall have equity suitable for the character of its operations. The Group's consolidated equity as of 31 December 2021 amounted to NOK 1,107.9 million, and cash of NOK 778.1 million. The Board deems this to be adequate for the Group's strategy and risk profile.

Dividend policy

Saga Pure's goal is to give shareholders a competitive return on invested capital over time. This return will be achieved primarily through increase in share price and dividends.

Authorization to increase the Company's share capital

The Board is authorized to increase the share capital with a total par value of up to NOK 2,394,392.11, corresponding to 239,439,211 shares which represents 50% of the Company's share capital, each share with a par value of NOK 0.01. The shareholders preferential right to the new shares, cf. the Norwegian Public Limited Liability Companies Act section 10-14, may be deviated from. The



authorization was approved by an extraordinary general meeting in February 2021 and is valid for two years following the date of that general meeting. As a result, the Company deviates from the Code of Practice in this respect as the authorization is valid for a longer period than until the next annual general meeting.

The authorization may be used to provide the Company with financial flexibility, including but not limited to, through issuance of shares in connection with investments, mergers and acquisitions. As the purpose of the authorization is very broad, the Company deviates from the Code of Practice in this respect.

Authorization to repurchase own shares

The Board is authorized to purchase own shares with a par value of up to NOK 478,878.42, corresponding to 10% of the current share capital. The Company has no deviations from the Code of Practice with regards to this authorization.

Authorization to distribute dividends

The Board was granted an authorization to resolve dividend distributions at the annual general meeting in May 2021. The authorization is valid until the annual general meeting in 2022. The authorization is general in scope, and does not provide an explanation of how the authorization is based on the Company's dividend policy. As such, the Company deviates from the Code of Practice in respect of the lacking explanation for the authorization.

Authorization to raise convertible loans

The Company does not hold any authorization to raise convertible loans.

The Company has no other deviations from the Code of Practice with regards to this section of the Code of Practice.

4. Equal treatment of shareholders and transactions with close associates

- 4.1. Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital must be justified. Where the Board resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders on the basis of a mandate granted to the Board, the justification should be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.
- 4.2. Any transactions the Company carries out in its own shares should be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. If there is limited liquidity in the Company's shares, the Company should consider other ways to ensure equal treatment of all shareholders.

Waiver of pre-emption rights

The Company has issued new shares on several occasions during the period from the annual general meeting in 2020 and until the date of this Corporate Governance report, and the pre-emptive rights of the shareholders was deviated from in all instances. The background for such deviations was to complete private placements towards a limited number of investors, and to complete subsequent offerings of shares to limit the dilution for existing shareholders who were not invited to participate in the private placements. The justifications for such deviation from the pre-emption rights have been publicly disclosed.

Transactions in own shares

The Company's shares are liquid. In the event of transactions in own shares the Board aims to comply with the Code of Practice. The Company has not carried out any transactions in its own shares in the period since the annual general meeting in 2021 and until the date of this Corporate Governance report.

The Company has no other deviations from the Code of Practice with regards to this section of the Code of Practice.

5. Shares and negotiability

- 5.1. The Company should not limit any party's ability to own, trade or vote for shares in the Company.
- 5.2. The Company should provide an account of any restrictions on owning, trading or voting for shares in the company.

The Company has no deviations from the Code of Practice with regards to this section of the Code of Practice.

6. General meetings

- 6.1. The Board should ensure that the Company's shareholders can participate in the general meeting.
- 6.2. The Board should ensure that:
 - 6.2.1.1. the resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting
 - 6.2.1.2. any deadline for shareholders to give notice of their intention to attend the meeting is set as close to the date of the meeting as possible
 - 6.2.1.3. the members of the Board and the chairman of the nomination committee are present at the general meeting
 - 6.2.1.4. the general meeting is able to elect an independent chairman for the general meeting



- 6.3. Shareholders should be able to vote on each individual matter, including on each individual candidate nominated for election. Shareholders who cannot attend the general meeting in person should be given the opportunity to vote. The Company should design the form for the appointment of a proxy to make voting on each individual matter possible and should nominate a person who can act as a proxy for shareholders.

Saga Pure follows the guidelines under clause 6 to the best of their ability. In the period since the annual general meeting in 2021 and until the date of this Corporate Governance Report, no general meetings in the Company has been held.

The Company has no deviations from the Code of Practice with regards to this section of the Code of Practice.

7. Nomination committee

- 7.1. The Company should have a nomination committee, and the nomination committee should be laid down in the Company's articles of association.
- 7.2. The general meeting should stipulate guidelines for the duties of the nomination committee, elect the chairperson and members of the nomination committee and determine the committee's remuneration.
- 7.3. The nomination committee should have contact with shareholders, the Board and the Company's executive personnel as part of its work on proposing candidates for election to the Board.
- 7.4. The members of the nomination committee should be selected to take into account the interests of shareholders in general. The majority of the committee should be independent of the Board and the executive personnel. The nomination committee should not include any executive personnel member of the company's board of directors.
- 7.5. The nomination committee should justify why it is proposing each candidate separately.
- 7.6. The Company should provide information on the membership of the committee and any deadlines for proposing candidates.

The Company's shareholders elected to dissolve the Nomination Committee at an extraordinary general meeting in 2012 as it was not considered expedient for the Company to have a Nomination Committee. A Nomination Committee was reinstated in 2021, therefore the company does not longer deviate from the Code of Practice in this regard.

8. Board of directors: composition and independence

- 8.1. The composition of the Board should ensure that the Board can attend to the common interests of all shareholders and meets the Company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the Board can function effectively as a collegiate body.
- 8.2. The composition of the Board should ensure that it can operate independently of any special interests. The majority of the shareholder-elected members of the Board should be independent of the Company's executive personnel and material business contacts. At least two of the Board members elected by shareholders should be independent of the Company's main shareholder(s).
- 8.3. The Board should not include executive personnel. If the Board does include members of the executive personnel, the Company should provide an explanation for this and implement consequential adjustments to the organisation of the work of the Board, including the use of Board committees to help ensure more independent preparation of matters for discussion by the Board, cf. Section 9.
- 8.4. The general meeting (or the corporate assembly where appropriate) should elect the chairman of the Board.
- 8.5. The term of office for members of the Board should not be longer than two years at a time.
- 8.6. The annual report should provide information to illustrate the expertise of the members of the Board, and information on their record of attendance at Board meetings. In addition, the annual report should identify which members are considered to be independent.
- 8.7. Members of the Board should be encouraged to own shares in the Company.

Members of the Board are presented in the Company's annual report, and all of the Board members are shareholder-elected. The members of the Board are not elected for more than 2 years, and are hence in line with the Code of Practice. The record of attendance can be found in the Company's annual report.

All of the members of the Board are independent of the Company's executive personnel and material business contacts. Two of the members of the Board are independent of the Company's main shareholders.

The Company has no deviations from the Code of Practice with regards to this section of the Code of Practice.

9. The work of the board of directors

- 9.1. The Board should issue instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties.
- 9.2. These instructions should state how the Board and executive management shall handle agreements with related parties, including whether an independent valuation must be obtained. The Board should also present any such agreements in the annual report.



- 9.3.
- 9.4. The Board should ensure that Board members and executive personnel make the Company aware of any material interests that they may have in items to be considered by the Board.
- 9.5. In order to ensure a more independent consideration of matters of a material character in which the chairman of the Board is, or has been, personally involved, the Board's consideration of such matters should be chaired by some other member of the Board.
- 9.6. The Public Companies Act stipulates that large companies must have an audit committee. The entire Board should not act as the Company's audit committee. Smaller companies should give consideration to establishing an audit committee. In addition to the legal requirements on the composition of the audit committee etc., the majority of the members of the committee should be independent.
- 9.7. The Board should also consider appointing a remuneration committee in order to help ensure thorough and independent preparation of matters relating to compensation paid to the executive personnel. Membership of such a committee should be restricted to Board members who are independent of the Company's executive personnel.
- 9.8. The Board should provide details in the annual report of any Board committees appointed.
- 9.9. The Board should evaluate its performance and expertise annually.

The procedures for the Board have been in effect since 14 May 2010. The instructions comprise the following items: members of the Board, the Board's duties and obligations, responsibilities and authority, Board meetings, the group CEO's duties and objectives, participation in Board meetings, procedures in meetings and minutes.

The chairman of the Board is responsible for the Board's work being carried out in an effective and proper manner in accordance with the duties of the Board. The Group's CEO is responsible for the Company's executive personnel. The Board has drawn up special instructions for the Group's CEO.

The Board present information on agreements with related parties in a note to the annual accounts of the Group.

The Board shows particular diligence in connection with cases related to financial reporting and fees for the executive personnel. In addition, parts of the Board are constituted as ad hoc working groups. In cases where Board committees are used, the purpose is case preparation where final decisions are to be made by the Board.

The Board has assessed the need for a remuneration committee, and decided that it is not currently necessary to establish a remuneration committee. The Board fulfils the obligations and responsibilities applicable to audit committees, cf. section 6-41 (2) of the Norwegian Public Limited Liability Companies Act.

The Company has no deviations from the Code of Practice with regards to this section of the Code of Practice.

10. Risk management and internal control

- 10.1. The Board must ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities
- 10.2. The Board should carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

The Board has through the year regular thorough reviews of the most important risks of the Company with an emphasis on financial risks.

The Board will present an annual review of the risk factors considered most material to the Company in the annual report.

The Company has no deviations from the Code of Practice with regards to this section of the Code of Practice.

11. Remuneration of the board of directors

- 11.1. The remuneration of the Board should reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.
- 11.2. The remuneration of the Board should not be linked to the Company's performance. The Company should not grant share options to members of its Board.
- 11.3. Members of the Board and/or companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the Board. If they do nonetheless take on such assignments, this should be disclosed to the full Board. The remuneration for such additional duties should be approved by the Board.
- 11.4. Any remuneration in addition to the normal directors' fees should be specifically identified in the annual report.

The Board members have not been granted any share options.

The Company has no deviations from the Code of Practice with regards to this section of the Code of Practice.



12. Remuneration of the executive personnel

- 12.1. The guidelines on the salary and other remuneration for executive personnel must be clear and easily understandable, and they must contribute to the Company's commercial strategy, long-term interests and financial viability
- 12.2. The Company's arrangements in respect of salary and other remuneration should help ensure the executive personnel and shareholders have convergent interests, and should be simple.
- 12.3. Performance-related remuneration should be subject to an absolute limit.

The annual general meeting approved guidelines for remuneration of leading personnel in 2021. The Company has no deviation from the Code of Practice with regards to this section of the Code of Practice.

13. Information and communications

- 13.1. The Board should establish guidelines for the Company's reporting of financial and other information based on openness and taking into account the requirement for equal treatment of all participants in the securities market.
- 13.2. The Board should establish guidelines for the Company's contact with shareholders other than through general meetings.

Saga Pure emphasizes to have an open dialogue with the equity market. Relevant information is presented in the form of press releases, in compliance with applicable law and stock exchange regulations.

The Company's financial calendar can be found on the Company's website.

The Company has no deviations from the Code of Practice with regards to this section of the Code of Practice.

14. Take-overs

- 14.1. The Board should establish guiding principles for how it will act in the event of a take-over bid.
- 14.2. In a bid situation, the Company's Board and management have an independent responsibility to help ensure that shareholders are treated equally, and that the Company's business activities are not disrupted unnecessarily. The Board has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view of offer.
- 14.3. The Board should not hinder or obstruct take-over bids for the Company's activities or shares.
- 14.4. Any agreement with the bidder that acts to limit the Company's ability to arrange other bids for the Company's shares should only be entered into where it is self-evident that such an agreement is in the common interest of the Company and its shareholders. This provision shall also apply to any agreement on the payment of financial compensation to the bidder if the bid does not proceed. Any financial compensation should be limited to the costs the bidder has incurred in making the bid.
- 14.5. Agreements entered into between the Company and the bidder that are material to the market's evaluation of the bid should be publicly disclosed no later than at the same time as the announcement that the bid will be made is published.
- 14.6. In the event of a take-over bid for the Company's shares, the Company's Board should not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid.
- 14.7. If an offer is made for the Company's shares, the Company's Board should issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board's statement on the offer should make it clear whether the view expressed are unanimous, and if this is not the case it should explain the basis on which specific member of the Board have excluded themselves from the Board's statement. The Board should arrange a valuation from an independent expert. The valuation should include an explanation, and should be made public no later than at the time of the public disclosure of the Board's statement.
- 14.8. Any transaction that is in effect a disposal of the Company's activities should be decided by a general meeting (or the corporate assembly where relevant).

The Company has set forth the corporate governance policy of the Company, which include certain provisions related to take-over offers. No take-over offers has been presented for the shares of the Company for the period from the annual general meeting in 2021 and until the date of this Corporate Governance Report.

The Company has no deviations from the Code of Practice with regards to this section of the Code of Practice.

15. Auditor

- 15.1. The Board should ensure that the auditor submits the main features of the plan for the audit of the Company to the audit committee annually.
- 15.2. The Board should invite the auditor to meetings that deal with the annual accounts. At these meetings the auditor should report on any material changes in the Company's accounting principles and key aspects of the audit, comment on any



Annual Report 2021

Saga Pure ASA

material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the Company.

15.3. The Board should at least once a year review the Company's internal control procedures, including weaknesses identified by the auditor and proposals for improvement.

15.4. The Board should establish guidelines in respect of the use of the auditor by the Company's executive management for services other than the audit.

The Board seeks to have close and open communication with the Company's auditor. The Board obtains annual confirmation that the auditor satisfies the independence and objectivity requirements pursuant to the Auditors Act. The main features of the auditor's planned work are presented to the Board once a year.

The auditors have and will continue to present its audit plan during the autumn, as well as being present in selected quarterly Board meeting and being present in the Board meeting that approve the annual report.

The Board will have meetings with the auditors without the management present to review the auditor's report on their view on the Company's accounting principles, risk areas and internal control procedures.

The Board plans to advise the annual general meeting about the remuneration of the auditors, and the auditor's fee is divided between auditing and other services as explained in the relevant notes in the annual report.

Auditors work beyond auditing is explained in the Company's procedures and the annual report for 2021.

The Board has currently not deemed it expedient to establish guidelines in respect of the use of the auditor by the Company's executive management for services other than the audit, and deviates from the Code of Practice in this respect. However, formal procedures for pre-approval of non-audit services are implemented. The Company has no other deviations from the Code of Practice with regards to this section of the Code of Practice.

16. Diversity and equal opportunities

The Company has not yet established any guidelines for equality and diversity, as the Company has been in a start-up phase and has a relatively small number of employees. The Company is considerate of the value of increased diversity when working with existing investments and in identifying new potential investments, and will, going forward, assess when it is appropriate to formalize guidelines for equality and diversity.



SAGA

Consolidated Financial Statements
Group



Annual Report 2021

Saga Pure ASA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period 01.01.2021 – 31.12.2021

<i>NOK 1000</i>	<i>Note</i>	2021	2020
Operating income			
Gain from financial investments	3	136 190	174 476
Other income	3	687	-
Gross income		136 878	174 476
Operating expenses			
Employee benefit expenses	5	16 035	12 512
Other operating expenses	5	13 745	6 793
Depreciation		16	24
Total operating expenses		29 796	19 329
Share of profit from associates	4	124 501	-
Net operating profit/loss (-)		231 584	155 147
Financial income/expenses (-)			
Interest income		2 620	813
Interest expense		-7	-2
Net foreign exchange gain/loss (-)		-522	16
Other financial income/expenses (-)		-	-
Net financial income/expenses (-)		2 091	827
Net profit before tax		233 675	155 974
Taxes	10	-	-
Net profit/loss from continuing operations (-)		233 675	155 974
Profit (loss) from discontinuing operations	14	-	22 988
Net profit/loss from total operations (-)		233 675	178 962
Net profit/loss for the year (-)		233 675	178 962
Attributable to:			
Non-controlling interests		-	1 969
Shareholders' interests		233 675	176 993
Items that may be subsequently reclassified to profit or loss			
Other comprehensive income		-	-
Total comprehensive income		233 675	178 962
Attributable to:			
Non-controlling interests		-	1 969
Shareholders' interests		233 675	176 993
Basic earnings per share total operations NOK		0.49	0.63
Diluted earnings per share total operations NOK		0.47	0.62
Basic earnings per share for continuing operations NOK		0.49	0.55
Diluted earnings per share for continuing operations NOK		0.47	0.55
Average number of shares in the period		477 232 424	281 727 913
Number of shares outstanding at period end		478 878 423	439 149 831



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Saga Pure ASA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31.12.2021

<i>NOK 1000</i>	<i>Note</i>	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Associates	4	82 475	30 003
Non-current financial investments	15, 17	218 316	276 447
Fixed assets		-	16
Total non-current assets		300 791	306 465
Current assets			
Trade receivables and other receivables	8	30	-
Other current assets	7	2 726	385
Current financial investments		36 931	-
Restricted cash	18	-	85 000
Cash and equivalents	6, 16	778 108	391 113
Total current assets		817 795	476 497
Total assets		1 118 586	782 963

The notes on pages 20 to 41 are an integral part of these consolidated financial statements.



Annual Report 2021

Saga Pure ASA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31.12.2021

NOK 1000	Note	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	11	4 789	4 391
Other paid in equity	11	1 161 258	1 059 771
Total paid-in-capital		1 166 047	1 064 163
Accumulated losses		-58 123	-291 798
Total equity		1 107 924	772 365
LIABILITIES			
Non-current liabilities			
Other non-current liabilities	19	3 579	5 922
Total non-current liabilities		3 579	5 922
Current liabilities			
Tax payable		-	-
Trade and other payables		947	229
Other current liabilities and accruals	9	6 137	4 447
Total current liabilities		7 084	4 676
Total liabilities		10 662	10 598
Total equity and liabilities		1 118 586	782 963

The notes on pages 20 to 41 are an integral part of these consolidated financial statements.

Oslo, 21 April 2022
The Board of Directors


Øystein Stray Spetalen
Board Member


Christine Spiten
Board Member


Martin Nes
Chairman


Yvonne Litsheim Sandvold
Board Member


Bjørn Simonsen
CEO



Annual Report 2021

Saga Pure ASA

CONSOLIDATED CASH FLOW STATEMENT

For the period 01.01.2021 – 31.12.2021

<i>NOK 1000</i>	Note	2021	2020
Net profit/loss from continuing operations (-)		233 675	155 974
Profit/loss from discontinuing operations (-)	14	-	22 988
Profit before tax total operations		233 675	178 962
Gain on disposal of discontinued business		-	-19 389
Options and share program		1 113	6 144
Profit share from associates		-124 501	-
Depreciations		16	1 036
Net loss /gain from financial investments (-)		-136 190	-172 888
Net divestment/investment trading (-)		-40 412	39 210
Foreign exchange losses/gains (-)		-	-5
Interest received		-	-25
Income tax paid		-	-55
Increase/decrease receivables and prepayments (-)		-2 371	-275
Increase/decrease payables and accruals (-)		2 408	299
Net cash flow from operating activities		-66 264	33 014
Investment in associates	4	-75 569	-30 003
Divestment in associates	4	147 598	-
Investment in non-current financial assets	17	-155 031	-62 551
Divestment in non-current financial assets	17	352 833	175 701
Dividends received		-	2 284
Net cash effect disposal of subsidiaries		-	28 783
Receivable		-	340
Interest received		-	25
Net cash flow from investing activities		269 831	114 579
Share issue – gross		236 007	216 100
Share issue - costs		-4 691	-3 597
Repayments of long term borrowings		-	-1 000
Dividends paid to non-controlling interests		-	-2 442
Dividends and repayments to controlling interests		-47 888	-53 230
Net cash flow from financing activities		183 428	155 831
Net change in cash and cash equivalents		386 995	303 424
Cash and equivalents at beginning of period		391 113	87 684
Net foreign exchange differences (unrealised)		-	5
Cash and equivalents at end of period		778 108	391 113

The notes on pages 20 to 41 are an integral part of these consolidated financial statements.



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For year ended 31.12.2021

2021 <i>NOK 1000</i>	Paid-in-capital		Other capital		Non-controlling interests	Total
	Share capital	Other paid in equity	Accumulated losses	Other reserves		
Equity as of 1 January 2021	4 391	1 059 771	-291 798	-	-	772 365
Net profit/loss	-	-	233 675	-	-	233 675
Total comprehensive income	-	-	233 675	-	-	233 675
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 19)	-	3 456	-	-	-	3 456
Equity per ending balance						
31 December 2021	4 789	1 161 258	-58 123	-	-	1 107 924

2020 <i>NOK 1000</i>	Paid-in-capital		Other capital		Non-controlling interests	Total
	Share capital	Other paid in equity	Accumulated losses	Other reserves		
Equity as of 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 discounting 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 non-controlling interests	-	-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 19)	-	222	-	-	-	222
Equity per ending balance						
31 December 2020	4 391	1 059 771	-291 798	-	-	772 365

The notes on pages 20 to 41 are an integral part of these consolidated financial statements.



NOTES TO CONSOLIDATED FINANCIAL STATEMENT

Note 1 – Corporate Information

Saga Pure ASA (former "Saga Tankers ASA") ("the Company") is a public limited liability company incorporated and domiciled in Norway. The address of the head office is Sjølyst Plass 2, 0278 Oslo, Norway. The Company was incorporated on 24 March 2010 and was listed on the Oslo Stock Exchange "Euronext Expand" (former "Oslo Axess") -list on 18 June 2010. The listing was transferred to Oslo Børs (the main list).

The consolidated financial statements for the year ended 31 December 2021, were approved by the Board of Directors on 21 April 2022, and will be presented for approval at the Annual General Meeting on 26 May 2022.

The business activity of the Group is investment and management related to industry, energy, real estate, including ownership and investment in other businesses.

Note 2 – Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements for Saga Pure for the financial year 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The IFRS principles have been applied consistently since incorporation. Below is a summary of the Group's accounting policies to be applied in the consolidated financial statements.

The consolidated financial statements are presented in NOK and all numbers are rounded to the nearest thousands, except where otherwise indicated.

The statement of comprehensive income is presented on a mixed basis (a blend of expenses by nature and function), as this is assessed to be the most relevant and reliable presentation.

Going concern

The financial statements have been prepared on the going concern assumption. For additional information see Board of Director's report.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Saga Pure ASA and its subsidiary (the "Group") as of 31 December each year.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date the control ceases.

All inter-company transactions and balances are eliminated in the consolidated financial statements.

Revenue recognition

Other income is related to services provided, and are recognized on an ongoing basis based on hours delivered to the customer.

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case when the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.



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If the ownership interest in an associate is reduced, but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to share of profit/(loss) of associates in the income statement.

Dilution gains and losses arising in investments in associates are recognized in the income statement.

Pensions

The company is obligated to have an occupational pension plan. The company meets the requirements for an occupational pension plan in accordance with the Norwegian law on required occupational pensions.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that may affect assets, liabilities, revenues, expenses and information in notes to the financial statement. Estimates are management's best knowledge based on information available at the date the financial statements are authorized for issue. Actual results may differ from these estimates. Such changes will be recognized when new estimates can be determined with certainty.

Non-current financial investments

Non-current financial investments are valued at fair value. In cases where the fair value is not available through market values in quoted prices, the marked value is estimated through benchmarking, estimates from independent values and other sources. References are made to note 16 for further information regarding fair value estimation.

Summary of significant accounting policies

Share-based payments

The Group has an equity-settled share-based remuneration program towards certain employees. The cost of this program is determined by the fair value at the grant date, as calculated by the Black-Scholes model. The cost is recognised as employee benefit expenses, together with a corresponding increase in other equity, over the vesting period. As this is equity settled, no subsequent fair value measurements are made post grant date.

Social security Share-based payments

The potential social security related to the share-based program, will be payable at expiration, based on the end value – if any – of the options. Reserves for social security are made, based in the current value of the option, as if it was at its expiration, hence, a full undiscounted reserve. The calculation is based on the difference between the strike price of the option, and the current stock price. If the option at the time of measurement is "out of the money" – no reserves is made.

Dividend Income

Dividend income is recognised when the right to receive payment is established. The company classifies such income as 'Other Income' on the face of Consolidated Statement of Comprehensive Income.



Investment and trading of financial instruments/assets at fair value through profit or loss

Financial instruments/assets are classified at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or at fair value through profit or loss, whereas the latter acquired principally for the purpose of generating a profit from fluctuation in prices is the most crucial for the Group. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The group indulges in investment and trading of financial instruments as part of its core business. The group's non-current financial investments are characterised in addition to the Groups intention of sale, that this sale could typically be expected to occur within a three year time frame. The non-current financial investments are therefore treated at fair value through profit or loss.

All such instruments are classified as non-current financial investments, unless the Group exercises significant influence of the investment, in which case the investment will be classified as associate.

Current investments are considered part of a held for trading portfolio if they are acquired for the purpose of selling or repurchasing in the near term. The trading portfolio is considered a subordinated business compared to the long-term investments. These investments is subsequently measured at fair value in the statement of financial position with net changes in fair value recognized in the statement of profit and loss.

Investments subsequently measured at fair value over profit and loss in accordance with the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Net unrealised and realized gain/losses on the portfolio of investments is classified as operating income, while net unrealized and realized losses is classified as operating expenses.

In cases where as an investment changes classification between associate and non-current financial investment either way, the investment is derecognized and recognized in its new classification based on its fair value as of time of derecognition/recognition. The highest level achievable according to the IFRS fair-value hierarchy will be applied.

Trade receivables and other receivables

Current trade receivables and other receivables are initially recorded at their fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Trade payables and other payables

Current trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Foreign currency

The financial statements are presented in NOK, which is also the functional currency for all the companies in the Group.

Transactions in foreign currencies are recorded at the exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate at the financial position date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.



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Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash, cash equivalents and cash flow statement

Cash represents cash on hand and deposits with bank that is callable on demand.

Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

The cash flow statement is prepared using the indirect method.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as financial expense.

Equity

Transaction costs related to an equity transaction are recognized directly in equity after deduction of tax.

Ordinary taxation

At year end, all subsidiaries within the Group are subject to the ordinary Norwegian taxation regime. Current income taxes are measured at the amount expected to be paid to (recover from) authorities, deferred tax assets/liabilities are calculated based on temporary differences at the reporting date. Deferred tax assets are recognized to the extent that it is probable that they can be utilized in the future. Dividends and capital gains are taxed according to the Norwegian exemption model.

Financial position classification

Current assets and current liabilities include items due less than one year from the financial position date, and items tied to the operating cycle. The current portion of long-term debt is included as current liabilities.

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence.



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Contingent liabilities

Contingent liabilities are defined as possible obligations that arises from past events whose existence depends on one or more future events not wholly within the control of the entity, or present obligations that are not recognized because it is not probable that they will lead to an outflow or resources.

Contingent liabilities are not recognized on the balance sheet unless arising from assuming assets and liabilities in a business combination. Significant contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefit is a remote one.

Contingent assets are not accounted for unless virtually certain.

Events after financial position date

New information regarding the Group's situation on the financial position date is taken into account in the financial statements. Events occurring after the financial position date, that do not affect the Group on the financial position date but will affect the Group's situation in the future, are disclosed if significant.

New and amended standards adopted by the group in the reporting period

There are no new standards in 2021 with significant impact for the Group.

Standards and Interpretations in issue but not yet adopted

There are no new standards or amendments which have been issued, but are not yet effective, that are considered to have an impact on the Group.



Note 3 – Operating Segments

In October 2020 the Group disposed of the lease and operation of property-segment (Vallhall). 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 separatly. Further segmentation might be applied as the business evolves.

Segment information NOK 1000	Investment		Vallhall (note 14)		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Income								
Net gain/loss on investments (-)	136 190	174 476	-	-	-	-	136 190	174 476
Other income	-	-	-	-	687	-	687	-
Total income	136 190	174 476	-	-	687	-	136 877	174 476
Operation expenses - excluding loss in investments	29 796	19 329	-	-	-	-	29 796	19 329
Net operating profit/loss from continuing operations (-)	230 897	155 147	-	-	687	-	231 584	155 147
Profit/loss from discounting operations (note 14) (-)	-	-	-	22 988	-	-	-	22 988
Assets	1 118 586	782 963	-	-	-	-	1 118 586	782 963
Liabilities	10 622	10 598	-	-	-	-	10 622	10 598

There has not been any transaction across the different segments.



Note 4 – Investment in Associates

Total associates

The Group entered the year with Bergen Carbon Solution as its only associated company. During the year IC Technology and Hyon came to as associated companies.

<i>NOK 1000</i>	Profit 2021	Profit 2020	Carrying value 2021	Carrying value 2020
Total associates				
Bergen Carbon Solution	126 491	-	53 893	30 003
IC Technology	-1 417	-	28 583	-
Hyon	-572	-	-	-
Total	124 501	-	82 475	30 003

Bergen Carbon Solutions

The Group participated in an equity offering and achieved 21.43% interest in the then unlisted company Bergen Carbon Solutions AS on 18 December 2020. During 2021 the Group increased its investment through participation in equity-offerings and the execution of its share option. In order to balance its investment, the Group also completed three sales tranches during the year. During the year the ownership was between 28.00 % and 16.92 %. Year-end ownership was 23.98 %. The investment was classified as an associate throughout the year, as the Group's ownership never was below 20 % taken into account in-the-money option. At year-end, the Group has no undeclared options in Bergen Carbon Solutions

Bergen Carbon Solutions is using carbon dioxide to produce carbon nanofibers, hence a CO₂ negative production of nanofibers. This is a new technology, and the main operations are relating to the development of the equipment and technology for this type of production, and the up-scaling of the equipment. The main asset of the company is therefore related to the technology, know-how and prototype, hence, intangible assets. The Company is represented in the Board of Director's in Bergen Carbon Solution. Since the Company is still in a development phase, and development expenses are capitalized, no share of the profit and loss of the company was allocated to the Group for the financial year of 2020, due to the late date of the acquisition.

The acquisitions resulted in a pre-tax surplus value of NOK 32.7 million (2020 NOK 26.5 million) which was allocated to development technology, and will subsequently be amortised over the expected useful life when it's ready for use and commercialised.

Bergen Carbon Solutions AS is listed on Euronext Growth. The quoted market price for the investment was as per 31 December was NOK 601.2 million.

<i>NOK 1000</i>	31 Dec 2021	At acquisition 18 dec 2020
Carrying value	23.98 %	21.43 %
Current Assets	108 246	41 091
Non-current assets	14 301	7 453
Current liabilities	-4 269	-3 553
Non-current liabilities	-	-1 500
Equity	118 278	43 491
Groups share of equity	28 362	9 320
Technology-based intangible	32 731	26 517
Deferred tax	-7 201	-5 834
Group's carrying amount of investment	53 893	30 003

<i>NOK 1000</i>	2021	2020
Net profit from associates		
Revenues	874	-
Operating expenses	-31 687	-
Net finance income/(cost)	81	-
Profit before tax	-30 732	-
Income tax expenses	-	-
Profit for the year	-30 732	-
Group's share of profit for the year (16.92 % - 28.00 %)	-6 986	-
Net profit from the Group's realization of shares	133 477	-
Net profit from investment in associate	126 491	-



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IC Technology AS

In March 2021 the Group participated in an equity offering and achieved 32.61% interest in the unlisted company IC Technology AS. The company is developing new storage and distribution solutions for cryogenic gases, such as LNG and liquid hydrogen.

One of the crucial elements in the hydrogen value chain is storage, distribution and transportation. Liquid hydrogen is the most energy dense form of hydrogen, but current storage solutions for liquid hydrogen are not ideal, as the hydrogen gradually evaporates over time. IC Technology has developed and patented a new storage solution which involves active cooling, potentially eliminating these losses as well as enabling a more flexible tank design.

The acquisitions resulted in a pre-tax surplus value of NOK 24.8 million, which was allocated to development technology, and will subsequently be amortised over the expected useful life when it's ready for use and commercialised.

NOK 1000	31 Dec 2021	At acquisition 31 Mar 2021
Carrying value	32.61 %	32.61 %
Current Assets	26 362	17 106
Non-current assets	3 555	1 134
Current liabilities	-1 639	-614
Non-current liabilities	-	-
Equity	28 279	32 625
Groups share of equity	9 221	10 639
Technology-based intangible	24 822	24 822
Deferred tax	-5 461	-5 461
Group's carrying amount of investment	28 583	30 000

NOK 1000	2021	2020
Net profit from associates		
Revenues	840	-
Operating expenses	-5 190	-
Net finance income/(cost)	3	-
Profit before tax	-4 347	-
Income tax expenses	-	-
Profit for the year	-4 347	-
Group's share of profit for the year (32.61 %)	-1 417	-

Hyon AS

The Group acquired the company together with two partners and two key employees of Hyon AS in June 2021. The company has since 2017 been working within hydrogen energy solutions within the maritime sector. Going forward the company will focus on developing hydrogen and bunkering solutions for harbours.

The company had as per year end a negative equity of NOK 1.9 million, and the Group had issued a bridge financing of NOK 2.0 million to the company, pending its planned equity-issue.

Due to the negative equity, the value of the investment was set to nil as per year end, as there was no agreement related to the share itself, creating further commitment. There were neither made any impairment to the issued short-term loan, as the value of the company is considered to be significantly higher than the equity. Subsequent events regarding the capitalisation of the company, supports this view. References are made to note 21 regarding these subsequent events.

NOK 1000	31 Dec 2021	At acquisition 30 Jun 2021
Carrying value	28.67 %	28.67 %
Current Assets	1 642	2 743
Non-current assets	20	35
Current liabilities	-3 574	-653
Non-current liabilities	-	-
Equity	-1 912	2 124
Groups share of equity	-548	609
Negative goodwill	-	-37
Share of negative goodwill excluded	548	-
Group's carrying amount of investment	-	572



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<i>NOK 1000</i>	2021	2020
Net profit from associates		
Revenues	-	-
Operating expenses	-4 022	-
Net finance income/(cost)	15	-
Profit before tax	-4 036	-
Income tax expenses	-	-
Profit for the year	-4 036	-
Group's share of profit for the year (28.67 %)	-1 157	-
Negative goodwill taken as income	37	-
Share of negative equity excluded	548	-
Net profit from investment in associate	-572	-

A substantial part of the Group's other income is based on services provided to associated companies. These services recognised in accordance with the Group's policy for revenue recognition as described in note 2.

Note 5 – Operating Expenses

<i>NOK 1000</i>	2021	2020
Employee benefit expenses		
Salaries	12 867	5 536
Social security costs	1 868	755
Pension expenses	155	43
Accrual option program	3 456	222
Reserves social security option program	-2 343	5 922
Other personnel expenses	32	34
Total employee benefit expenses	16 035	12 512
Number of man-years	6	2
Other operating expenses		
Consultancy fees	6 938	4 682
Travel expenses and membership fees	289	17
Other expenses	6 518	2 094
Total administrative expenses	13 745	6 793



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Remuneration to the Board of Directors and executive management

2021

NOK 1000

Name	Position	Salary and bonus	Vesting options	Other benefit	Pension cost	Director's fee
Bjørn Simonsen	CEO	2 029	1 111	13	28	-
Espen Lundaas	CFO	2 518	-	9	-	-
Martin Nes	Chairman	-	-	-	-	205
Øystein Stray Spetalen	Board member	-	-	-	-	159
Yvonne Litsheim Sandvold	Board member	-	-	-	-	159
Christine Spiten	Board member***	-	-	-	-	145
Total remuneration		4 548	1 111	22	28	668

2020

NOK 1000

Name	Position	Salary and bonus	Vesting options	Other benefit	Pension cost	Director's fee
Bjørn Simonsen	CEO*	181	222	-	-	-
Espen Lundaas	CEO/CFO*	2 118	-	-	-	-
Tore Jakob Berg	CFO/CAO*	1 274	-	-	-	-
Martin Nes	Chairman	-	-	-	-	140
Øystein Stray Spetalen	Board member	-	-	-	-	100
Kristin Hellebust	Board member**	-	-	-	-	40
Yvonne Litsheim Sandvold	Board member	-	-	-	-	100
Total remuneration		3 574	222	-	-	380

*In December 2020, Bjørn Simonsen was hired as CEO. As of that date Espen Lundaas altered from CEO to CFO, while Tore Jakob Berg altered from CFO to Chief Accounting Officer (CAO).

** Kristin Hellebust left the Board in May 2020.

*** Christine Spiten joined the Board in February 2021

The Group had no outstanding loans or guarantees in favour of any member of the Board of Directors or company management in 2021.

Stock options program to Board members and Company employees

No stock options or right to stock options are held by members of the board of directors on 31 December 2021. Reference is made to note 19 for further information regarding the equity settled option and share program towards certain key employees.

Audit Fees

NOK 1000	2021	2020
Audit fees including VAT		
Audit services	632	366
Other attestation services	78	58
Tax services	-	-
Other non-audit services	88	19
Total	798	442

Fees to the Group's auditors are included in administrative expenses.



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Note 6 – Cash and Cash Equivalents

The Group's cash and cash equivalents are denominated in the following currencies:

<i>NOK 1000</i>	31 Dec 2021	31 Dec 2020
US Dollars*	-18 857	134
GB Pounds	479	-
Euro	546	-
Norwegian kroner	795 941	390 978
Total cash and cash equivalents	778 108	391 113

*The USD account is part of a multi-currency arrangement with a net deposit.

Restricted cash

Employee tax accounts	1 505	1 135
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All cash deposits are held in financial institutions with a long-term credit ratings of minimum A+ according to Standard & Poor's. Reference are made to note 15 for further information.

Deposits carries floating interest rates.

Note 7 – Other Current Assets

<i>NOK 1000</i>	31 Dec 2021	31 Dec 2020
Other receivables	2 014	-
Prepayments	54	385
Unbilled revenue	657	-
Total other current assets	2 726	385

Note 8 – Trade Receivables and Other Receivables

The outstanding amount of trade receivables on 31 December 2021 was TNOK 30 (31 December 2020 of TNOK 0).

Note 9 – Other Current Liabilities

<i>NOK 1000</i>	31 Dec 2021	31 Dec 2020
Public duties payable	2 010	1 502
Deferred revenue	-	-
Accrued interest	-	-
Other current liabilities	4 126	2 945
Total other current liabilities	6 137	4 447

Other current liabilities are non-interest bearing. Other current liabilities are normally settled on 30 to 60-day terms. Deferred revenues are revenues invoiced, but not earned per 31 December.



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Note 10 – Tax

<i>NOK 1000</i>	2021	2020
Current tax expense	-	-
Deferred tax expense	-	-
Tax expense	-	-
Reconciliation of tax expenses		
Net profit before tax	233 675	155 974
Tax expense based on nominal tax rate of 22%	51 408	34 314
Permanent differences*	-61 247	-37 922
Change in not recognized deferred tax assets	9 839	3 607
Tax expense	-	-
Reconciliation of deferred tax (-)/deferred tax assets		
Fixed and other assets	-	2
Payables	-788	-1 303
Net tax loss carried forward	26 357	17 353
Share in partnership	-	-
Deferred tax assets	25 570	16 003
Net deferred tax assets not recognized	25 570	16 003
Deferred tax (-)/deferred tax assets in the balance sheet	-	-
Tax on other comprehensive income		
Other comprehensive income	-	-
Income tax related to other comprehensive income	-	-

* Permanent differences are to great extent related to the tax exemption for gain on certain financial assets.

Note 11 – Issued Capital and Shareholders

Issued capital			Other paid in capital
2021			
<i>NOK 1000</i>	Number of shares	Share capital	
Opening balance 01.01.2021	439 149 831	4 391	1 059 771
Dividends			-47 888
Option and share program			3 456
Share issue	39 728 592	397	145 918
Ending balance 31.12.2021	478 878 423	4 789	1 161 258
2020			Other paid in capital
<i>NOK 1000</i>	Number of shares	Share capital	
Opening balance 01.01.2020	266 149 831	2 661	819 655
Dividends			-53 230
Disposal of minorities			-2 648
Option and share program			222
Share issue	173 000 000	1 730	295 773
Ending balance 31.12.2020	439 149 831	4 391	1 059 771

All issued shares have a nominal value of NOK 0.01 and are of equal rights. Saga Pure ASA is incorporated in Norway, listed on Oslo Børs (transferred from Euronext Expand in February 2021), and the share capital is denominated in NOK.

As of 31 December 2021, the Company had 9,520 shareholders. Per 31 December 2021, The Company's largest shareholders are:



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Overview of the largest shareholders as per 31 December 2021

	Name	Shares	Of total shares
1	ØYSTEIN STRAY SPETALEN ⁽¹⁾	172 841 799	36,09 %
2	TYCOON INDUSTRIER AS ⁽¹⁾	28 550 000	5,96 %
3	SIMONSEN INVEST AS ⁽²⁾	20 000 000	4,18 %
4	CLEARSTREAM BANKING S.A.	17 499 512	3,65 %
5	DALLAS ASSET MANAGEMENT AS	9 187 461	1,92 %
6	NORDNET LIVSFORSIKRING AS	5 807 390	1,21 %
7	OLA STORMYR HOLDING AS	5 760 413	1,20 %
8	ATLE SANDVIK PEDERSEN	5 100 000	1,06 %
9	MELCHER HOLDING AS ⁽³⁾	4 400 000	0,92 %
10	Nordnet Bank AB	3 880 584	0,81 %
11	FRØILAND INVEST AS ⁽⁵⁾	3 454 554	0,72 %
12	KVANTIA AS	3 045 000	0,64 %
13	SPAR KAPITAL INVESTOR AS	2 515 016	0,53 %
14	HANEKAMB INVEST AS ⁽³⁾	2 300 000	0,48 %
15	EL INVESTMENT AS ⁽⁴⁾	2 300 000	0,48 %
16	HEGE BAKKEN	2 211 580	0,46 %
17	SVEIN ERIK LARSEN AS	2 058 283	0,43 %
18	BJØRN HÅVARD BRÆNDEN	2 005 988	0,42 %
19	ROY HAGEN	2 000 000	0,42 %
20	TONOR HOLDING AS	1 805 000	0,38 %
	Total	296 722 580	61,96 %
	Total outstanding shares	478 878 423	100,00 %

⁽¹⁾ Board member/controlled by Board member Øystein Stray Spetalen

⁽²⁾ Controlled by Bjørn Simonsen, CEO of Saga Pure

⁽³⁾ Controlled by Martin Nes, Chairman of the Board

⁽⁴⁾ Controlled by Espen Lundaas, CFO of Saga Pure

⁽⁵⁾ Controlled by other employees

Total paid in capital

Please see table above.

Shareholders rights

There are currently no limitations in voting rights or trade limitations related to the Saga Pure share.

Power of attorney to increase the share capital through issuance of new shares

The Board held as per 31 December 2021 authorization to issue up to 239,439,211 new shares. The authorization may be utilised on one or several occasions.

Power of attorney to repurchase own shares

The Board held authorization to repurchase own shares as per 31 December 2021 limited to 47,887,842 shares.

Authorization to raise convertible loans

The Board held no authorization to raise convertible bonds as per 31 December 2021.

Stock option arrangements

The Company have issued 27,000,000 stock options, with an authorization to the board to issue further 20,000,000 stock option as of 31 December 2021. References are made to note 21 regarding subsequent events.

Shares owned by the Board, Management and their Related Parties

2021	# of Shares
Board of Directors	



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Martin Nes ⁽¹⁾ (Chairman)	2 300 000
Øystein Stray Spetalen ⁽²⁾	201 391 799
Yvonne Litsheim Sandvold ⁽³⁾	1 082 000
Group Management	
Bjørn Simonsen ⁽⁴⁾ , CEO	20 000 000
Espen Lundaas ⁽⁵⁾ , CFO	2 300 000
Total number of shares held by Board members, Group management and related parties	227 073 799
Total number of shares held by Board members, Group management and related parties in % of total outstanding shares	47.54 %
2020	# of Shares
Board of Directors	
Martin Nes ⁽¹⁾ (Chairman)	2 000 000
Øystein Stray Spetalen ⁽²⁾	198 391 799
Yvonne Litsheim Sandvold ⁽³⁾	1 082 000
Group Management	
Bjørn Simonsen ⁽⁴⁾ , CEO from Dec 2020	17 618 667
Espen Lundaas ⁽⁵⁾ , CEO/CFO from Dec 2020	2 000 000
Tore Jakob Berg, CFO/CAO from Dec 2020	500 000
Total number of shares held by Board members, Group management and related parties	221 592 466
Total number of shares held by Board members, Group management and related parties in % of total outstanding shares	50.46 %

⁽¹⁾ Holdings through Hanekamb Invest AS

⁽²⁾ Including holdings through Tycoon Industrier AS

⁽³⁾ Holdings through Yls Næringseiendom AS

⁽⁴⁾ Holdings through Simonsen Invest AS

⁽⁵⁾ Holdings through El Investment AS.

Note 12 – Earnings Per Share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares purchased by the company and held as treasury shares. The company held no such treasury shares as of 31 December 2021.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares to ordinary shares. Dilutive shares related to option program for certain employees, see note 20.

Number of shares

NOK 1000	2021	2020
Net profit/(loss) attributable to the shareholders	233 675	176 993
Number of shares		
Weighted average number of ordinary shares outstanding	477 232 424	281 727 913
Weighted average number of shares outstanding, diluted	502 938 468	285 377 913
Number of shares outstanding at period end	478 878 423	439 149 831
NOK per share		
Basic diluted earnings per share	0.49	0.63
Diluted earnings per share	0.47	0.62

Note 13 – Related Parties

Transactions with related parties within the ordinary course of business relates limited to office rent including mutual costs, deliverance of strategic management services and services rendered regarding support for financial reporting.



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All transactions with related parties have been made on an arm's length basis and are settled on a regular basis. Goods and/or services purchased from related parties have been priced at industry standard rates. Transactions with related parties are specified below:

Related Party Transactions

2021	Sales to related parties	Purchase from related parties	Amounts owed by related parties	Amounts owed to related parties
<i>NOK 1000</i>				
Tycoon Industrier AS*	-	2 936	-	710
Fernclyff Holding AS*	-	3 250	-	-
Total	-	6 186	-	710

* Entities directly or indirectly controlled by the Company's largest shareholder Øystein Stray Spetalen, which also is represented in the Board of Director's.

2020	Sales to related parties	Purchase from related parties	Amounts owed by related parties	Amounts owed to related parties
<i>NOK 1000</i>				
Tycoon Industrier AS*	38 271	1 235	-	-
Fernclyff Holding AS*	-	3 000	250	-
Fernclyff TIH AS*	-	-	-	41
Total	38 271	4 235	250	41

As part of the Company's strategy change in the second half of 2020, the Company disposed of the Vallhall business to Tycoon Industries AS for an amount of NOK 38 million. The transaction price was considered to be on arms lengths principles, which also was supported by a fairness opinion provided by a reputable independent company, and subsequently approved by an extraordinary general meeting in the Company.



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Note 14 – Discontinued Operations

As part of the focused strategy towards the sustainability segment, the Group divested in 2020 its assets no longer considered to be core investment. The 55% ownership in the indoor arena Vallhall ("Vallhall") was thereby sold to Tycoon Industrier AS at an enterprise value of NOK 120 million, corresponding to net cash settlement of NOK 38 million for the 55 % share after adjustments for debt and other assets included.

Subsidiaries	Country of incorporation	Ownership share prior to disposal
Vallhall Fotballhall KS	Norway	54.8 %
Vallhall Fotballhall AS	Norway	54.8 %
Vallhall Fotballhall Drift AS	Norway	55.2 %

As Saga Pure ASA disposed of its shares in Vallhall in October 2020, the net financial statements of Vallhall has been classified as discontinued operations for the financial statements of 2020.

The disposal resulted in a gain of NOK 19.4 million

Specification of Net profit/loss (-) from discontinuing operations:

NOK 1000	2020
Other income	13 188
Operating revenues	13 188
General administrative expenses	5 863
Depreciation	2 375
Operating expenses	8 238
Operating profit/loss (-)	4 950
Interest income	-
Interest expense	-1 353
Other financial items	2
Net financial items	-1 351
Taxes	-
Profit at disposal 19 Oct. 2020	19 389
Net profit/loss from discounting operations (-)	22 988
Attributable to:	
Non-controlling interests	1 969
Shareholders' interests	21 019
Net cash from discontinuing operations:	
NOK 1000	2020
Operating	4 554
Investing	-
Financing	-6 400
Net cash (outflow)/inflow	-1 846



Note 15 – Financial Risk Management

The Covid-19 pandemic, which has been a dominating overall risk factor the past two years, seems to be diminishing out throughout the world. The current trend is gradually easing of restrictions, and reinstating pre Covid conditions. Although it is likely that the effect of the pandemic will ease out in the foreseeable future, it is important to be aware that similar incidents can occur in the future. Therefore the pandemic risk will always be present actively or dormant.

The Ukraine conflict has seemingly replaced the Covid 19 as the global governing risk factor. As with Covid, the extent and duration is impossible to predict. It seems clear however that the European energy-market will be heavily affected. As to green energy, it can be argued that this disruption will create new opportunities in order to meet the supply shortage.

Through its activities the Group is exposed to a variety of financial risks: market risk including currency risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. To reduce and manage these risks, management periodically assesses the Group's financial market risk in general.

Equity price risk

The Group invests in both marketable securities on different stock exchanges as well unlisted securities in order to take advantage of market movements in the equity markets.

All marketable securities present a risk of loss of capital. The Group moderates this risk through a careful selection of securities. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Group's overall market positions are monitored on a quarterly basis. The Group's maximum exposure to risk at the balance sheet date is NOK 255.2 million (2020: NOK 276.4 million).

On 31 December 2021, the impact of increases/decreases of the Oslo Stock Exchange on the group's post-tax profit for the year and on equity would have been as shown below. The analysis is based on the assumption that the equity indexes had increased/decreased by 5% with all other variables held constant and all the group's equity instruments moved according to the historical correlation with the index. For instruments with insufficient historical data of correlation, a beta of 1.00 is assumed. The analysis does not include investments classified as current assets.

Increase of 5 %:

NOK 1000 Index	Impact on post-tax profit	
	2021	2020
Oslo Stock Exchange	-	2 118
Euronext Growth	6 091	9 563
Total	6 091	11 680

Decrease of 5 %:

NOK 1000 Index	Impact on post-tax profit	
	2021	2020
Oslo Stock Exchange	-	-2 118
Euronext Growth	-6 091	-9 563
Total	-6 091	-11 680

Currency Risk

The Group is currently not exposed directly by currency risk, investments are in NOK nominated companies, and all substantial bank deposits are in NOK. The Group have only immaterial transactions in foreign currency.

Tax risk

Saga Pure is subject to taxation by Norwegian authorities. Any change in taxation regime may affect the payable taxes of Saga Pure. Currently the Group's investments are tax exempted («fritaksmetoden»), if the Norwegian tax regime changes and gains/losses on investment become taxable this could have significant impact on the Group's tax position.

Credit Risk

The Group have limited credit risk, inherent in the risk that a counterparty will be unable to pay amounts in full when due. As of the balance sheet date the Company did not have any trade receivables, and bank deposits amounting to NOK 778.1 million are deposited at reputable banks and finance institution in Norway.



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Concentration of credit risk exists to the extent that at December 31, 2021 all cash and cash equivalents, and restricted cash, were held at one financial institution, with credit ratings according to Standard & Poor's of AA-:

NOK 1000

Counterparty	Rating	Geographical segment	2021
Cash and cash equivalents			
DNB	AA-	Norway	778 108
Total			778 108

Liquidity risk

The group monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs. The group had no outstanding interest bearing debt.

At the reporting date, the Group held cash and cash equivalents of TNOK 778,108 (2020: TNOK 391,113) and other liquid assets of TNOK 0 (2020: TNOK 85,000) that are expected to readily generate cash inflows for managing liquidity risk.

Interest rate risk

Based on the financial status at balance sheet date, an increase of the general interest level of one percentile would impact the profit and loss accounts with TNOK +7,781. A decrease in the general interest level of one percentile would impact the profit and loss accounts with TNOK - 7,781.

Capital Management

Capital as defined for capital management for the Group includes all equity reserves attributable to the equity holders of the parent company. As an investment group, the primary objective of Group's capital management is to maximize the value for its shareholders.

In order to achieve this objective, the Group aim to maintain an optimal capital structure by assessing its projected future capital needs for investing and or divesting, towards its capital management tools such as dividends or issuance of new shares.

The Group currently has no interest-bearing debt. If the Group were to incur interest-bearing debt, the policy would be to maintain the overall leverage at levels in which financial covenants of such debt does not interfere with autonomy of the Groups investment decisions.

Note 16 – Financial Instruments

Set out below is a comparison by category for carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements.

2021			
<i>NOK 1000</i>	Carrying amount	Fair value	Fair value hierarchy
Loans and receivables			
Cash and cash equivalents	778 108	778 108	1
Investments			
Non-current financial investments	218 316	218 316	1 & 2
Current financial investments	36 931	36 931	1
Other financial assets			
Trade receivables	30	30	2
Other financial liabilities			
Other non-current liabilities	3 579	3 579	2
Trade payables	947	947	2
Other current liabilities	6 137	6 137	2
2020			
<i>NOK 1000</i>	Carrying amount	Fair value	Fair value hierarchy
Loans and receivables			
Cash and cash equivalents	391 113	391 113	1
Restricted cash	85 000	85 000	1
Investments			
Non-current financial investments	276 447	276 447	1
Other financial liabilities			
Other non-current liabilities	5 922	5 922	2
Trade payables	229	229	2
Other current liabilities	4 447	4 447	2

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The estimated fair value has been determined by the Group using appropriate market information and valuation methodologies. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the group's financial assets and liabilities that are measured at fair value at 31 December 2021. The fair value of financial instruments does not significantly deviate from their carrying amount.

<i>NOK 1000</i>	2021	2020
Non-current financial investments (equity securities) in NOK		
Listed shares (Level 1)	118 246	276 447
Non-listed shares (Level 2)	100 070	-
Total	218 316	276 447

There were no transfers between the levels during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market



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price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily OSE, Euronext Expand, Euronext Growth, DAX and FTSE 100 equity investments classified as trading securities or available for sale.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Note 17 – Non-Current Financial Investments

As at year end the Group held the following non-current financial instruments carried at fair value in the statement of financial position:

<i>NOK 1000</i>	31 Dec 2021	31 Dec 2020
At 1 January	276 447	215 343
Additions*	155 031	62 551
Unrealized gain/(loss)	89 184	205 539
Disposals	-302 346	-206 987
At 31 December	218 316	276 447
Less non-current portion	-218 316	-276 447
Current portion	-	-

	Fair value hierarchy	31 Dec 2021	31 Dec 2020
Listed shares	Level 1	118 246	276 447
Non-listed shares	Level 2**	100 070	-
Total		218 316	276 447

*The Groups investment through private placement in Horisont Energi, as announced 30 December 2020, is reflected in the financial statement of 2021. Although the allocation was disclosed in 2020, the placement was not completed until January 2021. Horisont Energi is a carbon tech company engaged in blue hydrogen and ammonia, as well as CO₂ handling.

** Level 2 includes recent equity-offerings.

Non-current financial investments include the following:

Equity securities	2021	2020
Horisont Energi AS, market price	115 309	-
Heimdall Power AS, transactions between independent parties	95 070	-
Vistin Pharma ASA, market price	-	39 861
Everfuel AS, market price	-	225 000
Other, market price/ transactions between independent parties	7 937	11 586

All the non-current financial investments shown above are denominated in NOK and are measured at fair value as of year-end.



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Note 18 – Restricted Cash

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

Note 19 – Option and Share Program

An equity settled option and share program was initiated in 2020 towards certain key employees. During 2021, new employees were included in the program. Total cost for the option in 2021 was NOK 1.1 million, whereof 2.3 million in income from reduction of social security reserves. The current vesting periods of the program is ending in the period between 19 April 2022 and 11 June 2024. At initial recognition, the fair value of the options, as estimated by the Black-Scholes model, are straight-lined through the vesting period as General administrative expenses with corresponding entry against other paid in equity. Since the options are equity settled, no subsequent measurement is required under IFRS.

Expenses recognised for employee service received during the year:

NOK 1000	2021	2020
Expenses arising from equity-settled share-based payment transactions	3 456	222
Social security reserves for equity-settled share-based payment transactions*	-2 343	5 922
Total expense arising from share-based payment transactions	1 113	6 144

*Social security expenses are accrued for if the options are in the money, and the accrual for social security expenses will be updated quarterly, based on development in the share price. An increase in share price, will increase the value of the options, hence increase the social security expenses, whereas a decrease in share price will reduce the reserves, creating an income.

Input parameters for Black-Scholes option pricing model as applied for options granted in 2021:

	19.02.21	01.06.21	12.06.21
Number of options granted (thousands)	1,000/1,000/1,000	1,000/1,000/1,000	1,000/1,000/1,000
Fair value at measurement date	0.93/0.73/0.65	0.72/0.56/0.51	0.72/0.56/0.51
Share price (spot) at grant date	3.52	3.12	3.12
Strike price (initial – ex dividends)	5.50/7.50/10.00	5.50/7.50/10.00	5.50/7.50/10.00
First exercise (months)*	18/24/36	18/24/36	18/24/36
Expiry (months)	54/60/72	42/48/60	42/48/60
Expected annualized volatility (weighted average of peer group)	47 %	47 %	47 %
Asset drift (risk free interest rate)	1.0 %	1.0 %	1.0 %
Expected dividends	Not applicable	Not applicable	Not applicable

*The right to exercise the stock options is subject to that the employment agreement have not been terminated at time of exercise.

Movements during the year:

	2021 Number	2021 WAEP	2020 Number	2020 WAEP
Outstanding on 1 January	18 000 000	1.90*	-	-
Granted during the year	9 000 000	7.57*	18 000 000	2.00
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding on 31 December	27 000 000	3.79*	18 000 000	2.00
Exercisable on 31 December	-	-	-	-

*After adjustment of NOK 0.10 for distributed dividends in 2021.

The weighted average remaining vesting period for the options outstanding on 31 December was 1.14 years.
The weighted average remaining contractual life for the options outstanding on 31 December was 3.48 years.
The range of exercise price for the options outstanding on 31 December was 1.40 to 9.90 with a weighted average of 3.79.

In January 2022, adjustments were made to options granted in 2021, regarding both strike price and distribution of shares in the different vesting spans. References are made to note 21 for additional information.



Note 20 – Dividends Paid and Proposed

The group has during 2021 distributed dividend of NOK 0.10 per share during the year, totalling 47.9. The board of Directors has decided not to distribute any dividends in 2022 based on the financial year of 2021. However, dividends of NOK 0.10 per share, totalling MNOK 47.9 has been distributed in 2022, in accordance with the authorization as granted by the Annual General Meeting. See note 21 for further information.

Note 21 – Subsequent Events

9 January, the Board of directors granted 3,000,000 share options to an employee. The vesting period for the options range from 6 months to 24 months. The options are distributed as follows:

Options	Vesting from 01.01.22	Strike NOK
1 500 000	6 months	4.00
750 000	24 months	5.00
750 000	36 months	6.00

Subsequent to this allocation, the employee was reassigned to a key position in a related company. The first 1,500,000 options is kept by the employee, and are considered fully vested in first quarter of 2022, and will lapse in June 2024. The residual 1,500,000 options are cancelled.

Further, the Board of directors amended the strike and vesting-period for 9,000,000 of the previous granted share options. The amendments were as follows:

Initial distribution of options	New distribution of options	Vesting (from initial grant)	Initial strike NOK	Amended strike NOK
3 000 000	4 500 000	18 months	5.50	4.00
3 000 000	2 250 000	24 months	7.50	5.00
3 000 000	2 250 000	36 months	10.00	6.00

21 January, the associated company Hyon AS, announced the successful private placement of NOK 50 million, and the intention to apply for listing at Euronext Growth. The Group did not participate in the placement, and the ownership was thereby diluted from 28.7 % to 17.6 %.

9 February, the associated company Bergen Carbon Solution (BCS) successfully completed a private placement of 4,629,629 shares at a share price of NOK 54.00. Saga was allocated 462,962 shares, bringing its total ownership to 9,416,962 shares corresponding to 22.44 %, pending subsequent offerings in BCS.

14 February, the associated company Hyon AS was listed on Euronext Growth.

Based on the financial performance of second half of 2021, the Board of Directors passed a resolution on the 15 February to distribute dividend of NOK 0.10 per share, total NOK 47.9 million. The resolution was based on the Board of Directors authorization to resolute dividend as granted by the Annual General Meeting and will be distributed to the shareholders without unnecessary delay. Total dividends over the last 12 months are thereby NOK 0.20 per share.

The Ukraine-conflict escalated in February and March 2022. Although this has no direct to the Group, the increased uncertainty and volatility in the global economy will have an indirect impact. The magnitude and duration of this, is not possible to predict.



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RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the financial statements for the period from 1 January 2021 to 31 December 2021 have been prepared in accordance with the applicable accounting standards 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 Group is facing.

Oslo, 21 April 2022
The Board of Directors



Øystein Stray Spetalen
Board Member



Christine Spiten
Board Member



Martin Nes
Chairman



Yvonne Litsheim Sandvold
Board Member



Bjørn Simonsen
CEO



SAGA

Consolidated Financial Statements
Saga Pure ASA



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PARENT COMPANY INCOME STATEMENT

For the period 01.01.2021 – 31.12.2021

<i>NOK 1000</i>	Note	2021	2020
Operating income			
Net gain on financial assets		388 602	38 077
Other income		687	
Total operating income		389 289	38 077
Operating expenses			
Employee benefit expenses	2	22 179	6 368
Other operating expenses	2	13 725	6 793
Depreciation		16	24
Total operating expenses		35 919	13 185
Net operating profit/loss (-)		353 370	24 891
Financial income/expenses (-)			
Interest income		2 620	813
Interest expense		-7	-2
Net foreign exchange gain/loss (-)		-522	16
Other financial income/expenses (-)		-	-
Net financial income/expenses (-)		2 091	827
Net profit before tax		355 461	25 719
Taxes	6	-	-
Net profit/loss (-) for the year		355 461	25 719
Attributable to			
Accumulated losses		355 461	25 719



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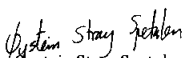
Saga Pure ASA

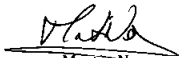
PARENT COMPANY STATEMENT OF FINANCIAL POSITION

At 31.12.2021

NOK 1000	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Fixed assets	4	-	16
Shares and other financial assets	9	129 033	67 138
Shares in subsidiaries	5	40	-
Associated companies	10	90 359	30 003
Total non-current assets		219 433	97 157
Current assets			
Intercompany receivables		1	-
Other current assets		2 726	385
Trade receivables		30	-
Market shares		36 931	-
Restricted cash		-	85 000
Cash and equivalents	3	778 085	391 113
Total current assets		817 773	476 497
Total assets		1 037 206	573 654
EQUITY AND LIABILITIES			
Equity			
Share capital	7	4 789	4 391
Other paid in equity	7	1 163 906	1 062 197
Total paid-in-capital		1 168 695	1 066 589
Accumulated losses	7	-142 149	-497 611
Total equity		1 026 546	568 978
LIABILITIES			
Non-current liabilities			
Other non-current liabilities		3 579	-
Total non-current liabilities		3 579	-
Current liabilities			
Trade and other payables		1 022	229
Public duties payable		2 010	1 514
Other current liabilities		4 049	2 933
Total current liabilities		7 082	4 676
Total liabilities		10 660	4 676
Total equities and liabilities		1 037 206	573 654

Oslo, 21 April 2022
The Board of Directors


Gystein Stray Spetalan
Board Member


Martin Nes
Chairman


Yvonne Litsheim Sandvold
Board Member


Bjørn Simonsen
CEO



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PARENT COMPANY CASH FLOW STATEMENT

For the period 01.01.2021 – 31.12.2021

<i>NOK 1000</i>	Note	2021	2020
Profit before tax		355 461	25 719
Depreciation		16	24
Option and share program		7 257	-
Loss/gain on sale financial asset (-)		-388 601	-38 077
Income tax paid	6	-	-
Increase/decrease receivables and prepayments		-373	-40
Increase/decrease payables and accruals		2 405	67
Net cash flow from operating activities		-23 835	-12 307
Investment in Financial assets non-current	9	-155 031	-62 551
Divestment in Financial assets non-current	9	352 833	175 701
Dividends from Financial assets non-current		-	2 285
Net divestment/investment trading (-)		-40 412	40 797
Investment in associates		-75 569	-30 003
Divestment in associates		147 598	-
Dividends from subsidiaries		-	2 958
Divestment in subsidiaries		-	38 271
Investment in subsidiaries		-40	-
Loan to investments		-2 000	340
Net cash flow from investing activities		227 379	167 798
Share issue net of cost		231 316	212 502
Dividends and repayment of shareholders		-47 888	-53 230
Net cash flow from financing activities		183 428	159 272
Net change in cash and cash equivalents		386 972	314 763
Cash and equivalents at beginning of period		391 113	76 350
Net foreign exchange differences (unrealised)		-	-
Cash and equivalent at end of period		778 085	391 113



NOTES TO THE PARENT COMPANY FINANCIAL STATEMENT

Note 1 – Accounting Policies

General

The financial statements are presented in accordance with the Norwegian Accounting Act and Norwegian general accepted accounting principles in Norway (NGAAP). The accompanying notes are an integral part of the financial statements. The parent company accounts are presented in NOK which also is the functional currency for the parent company.

Estimates

The management has used estimates and assumptions that may have effect on revenues, costs and the valuation of assets and liabilities in the reporting of the annual financial statements. These assumptions are in accordance with generally accepted accounting policies in Norway.

Currency

Transactions in foreign currencies are recorded at the exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate at the financial position date. Realized currency exchange gains or losses are recorded at the time of payment and recognised as financial income/expense. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Measurement of revenues and costs

Revenues are recognized as they are earned. Cost is recognized in the same reporting period as the corresponding revenues.

Classification and evaluation of balance sheet items

Current assets and short-term liabilities consist of items due for payment within a year after establishment. Other items are recognized as long-term assets or liabilities. Current assets are valued at the lowest of acquisition value or fair value. Short-term liabilities are recorded at the nominal value at the time of establishment. Non-current assets are valued to the value at the time of acquisition less accumulated depreciation. Long-term loans are valued at nominal value at the time of establishment.

Receivables

Receivables are recorded in the balance sheet at nominal value less provision for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables.

Taxes

The income tax in the profit and loss statement consists of taxes payable and changes in deferred taxes. Deferred tax and deferred tax benefit is calculated based on temporary differences between tax bases of assets and liabilities and their carrying amount for financial reporting purposes, and is based on nominal values. Net deferred tax benefit is recorded in the balance sheet only in the event that it is probable that it can be utilized in the foreseeable future. Taxes payable and deferred taxes are recorded directly in equity in the event that the tax items are related to equity transactions.

Shares in subsidiaries

Investments in shares in subsidiaries are accounted for using the cost-method in the statutory accounts. An impairment loss is recognized if the fair value is lower than book value and this is viewed as non-temporary. The impairment loss is reversed to the degree that the fair value improve, and that the improvement is not assumed to be of a short-term nature.

Dividends, Group contribution and other distributions are recognized in the same year as they are recognized in the subsidiary's financial statement. If dividends / Group contribution exceeds withheld profits after acquisition, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recognized value of the acquisition in the balance sheet for the parent company.



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Investments in associates

Investments in shares in associates are accounted for using the cost-method in the statutory accounts. An impairment loss is recognized if the fair value is lower than book value and this is viewed as non-temporary. The impairment loss is reversed to the degree that the fair value improve, and that the improvement is not assumed to be of a short-term nature.

Investments in other non-current shares

Investments in other shares non-current are accounted for using the cost-method in the statutory accounts an impairment loss is recognized if the fair value is lower than book value and this is viewed as non-temporary. The impairment loss is reversed to the degree that the fair value improve, and that the improvement is not assumed to be of a short-term nature.

Investments in other current shares

Investments in other current shares, that are part of the trading portfolio and considered to be adequate marketable, are valued at fair value through profit and loss.

Pensions

The company is obligated to have an occupational pension plan. The company meets the requirements for an occupational pension plan in accordance with the Norwegian law on required occupational pensions.

Share-based compensation plans

The Company initiated a share-based compensation plan in 2020 towards certain key employees. The share-based compensation plan is equity-settled; hence no reserves has been made in the statutory accounts, except for reserves for social securities.

Cash, cash-equivalents and cash flow statement

Cash and cash-equivalents include cash, bank deposits and other short deposits that are repayable on demand. The cash flow statement is prepared using the indirect method. Restricted bank deposits related to the operations are included in cash equivalents.

Note 2 – Specification of Expenses

The expenses for the financial years are specified below:

<i>NOK 1000</i>	2021	2020
Employee benefit expenses		
Salaries	12 148	5 156
Options	7 257	-
Board fees	751	380
Social security costs	1 777	755
Pension expenses	155	43
Other personal expenses	90	34
Total employee benefit expenses	22 179	6 368
Number of employees	7	4
Other operating expenses		
Consultancy fees	4 860	3 648
Other operating expenses	8 865	3 146
Total other operating expenses	13 725	6 793



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Fees to the Group's auditors are included in administration expenses.

<i>NOK 1000</i>	2021	2020
Audit fees including VAT		
Audit services	632	366
Other attestation services	78	58
Tax services	-	-
Other non-audit services	88	19
Total	798	443

Remuneration to the Board of Directors and executive management for the period 01.01.21 - 31.12.21

2021

NOK 1000

Name	Position	Salary and					Director's fee
		bonus	Vesting options	Other benefit	Pension cost		
Bjørn Simonsen	CEO	2 029	1 111	13	28	-	
Espen Lundaas	CFO	2 518	-	9	-	-	
Martin Nes	Chairman	-	-	-	-	205	
Øystein Stray Spetalen	Board member	-	-	-	-	159	
Yvonne Litsheim Sandvold	Board member	-	-	-	-	159	
Christine Spiten	Board member***	-	-	-	-	145	
Total remuneration		4 547	1 111	30	42	668	

2020

NOK 1000

Name	Position	Salary and					Director's fee
		bonus	Vesting options	Other benefit	Pension cost		
Bjørn Simonsen	CEO*	181	222	-	-	-	
Espen Lundaas	CEO/CFO*	2 118	-	-	-	-	
Tore Jakob Berg	CFO/CAO*	1 274	-	-	-	-	
Martin Nes	Chairman	-	-	-	-	140	
Øystein Stray Spetalen	Board member	-	-	-	-	100	
Kristin Hellebust	Board member**	-	-	-	-	40	
Yvonne Litsheim Sandvold	Board member	-	-	-	-	100	
Total remuneration		3 574	222	-	-	380	

*In December 2020, Bjørn Simonsen was hired as CEO. As of that date Espen Lundaas altered from CEO to CFO, while Tore Jakob Berg altered from CFO to Chief Accounting Officer (CAO).

** Kristin Hellebust left the Board in May 2020.

*** Christine Spiten joined the Board in February 2021

The Company had no outstanding loans or guarantees in favour of any member of the Board of Directors or company management in 2021.

Guidelines for determining salaries and other compensation for company management

In accordance with the regulations in paragraph 6-16a in the Norwegian Public Limited Companies Act, the Board of Directors has established a statement regarding remuneration. The focus of the company is to hire qualified managers and to pay according to the market. Salary and remuneration of the CEO and CFO is determined by the Board of Directors, and payments to other employees are determined by the CEO according to guidelines from the Board of Directors.

Saga Pure's compensation schemes include only a limited number of benefits in kind. These benefits are offered in line with what is common practice in international labour markets and typically include personal communication equipment, access to media, and car and parking arrangements.

The CFO of Saga Pure ASA has no set bonus scheme. A bonus of TNOK 1,000 to the CFO has been granted for the year 2021. The senior executive has a mutual three months termination period, and no contractual agreements for severance compensation in case of termination of employment except for salary through the termination period. The "Statement on the determination salary and other remuneration for senior executives" will be presented at the annual general meeting and made available on the Company's webpage.

Stock options program to Board members and Company employees

The Company had issued 28,000,000 stock options, with an authorization to the board to issue further 20,000,000 stock option as of 31 December 2021. References are made to note 12 regarding subsequent events.



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Note 3 – Cash and Cash Equivalents

The Company's cash and cash equivalents are denominated in the following currencies:

<i>NOK 1000</i>	31 Dec 2021	31 Dec 2020
US Dollars*	-18 857	134
GB Pounds	479	-
Euro	546	-
Norwegian kroner	795 917	390 978
Total cash and cash equivalents	778 085	391 113
Restricted cash		
Employee tax accounts	1 505	1 135

*The USD account is part of a multi-currency arrangement with a net deposit.

Interest income is earned at floating interest rates. Restricted cash consists of salary related tax.



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Note 4 – Related Parties

Remuneration to executives is disclosed in note 2.

Company is sharing office locations for its head office with Ferncliff Holding AS, the holding company of a board member, and the Company's largest shareholder. Transactions with related parties during 2021 are limited to office rent including mutual costs, deliverance of strategic management services, and services rendered regarding support for financial reporting.

All transactions with related parties have been made on an arm's length basis and are settled on a regular basis. Goods and/or services purchased from related parties have been priced at industry standard rates. Transactions with related parties are specified below:

Related Party Transactions

2021		Sales to related parties	Purchase from related parties	Amounts owed by related parties	Amounts owed to related parties
<i>NOK 1000</i>					
Tycoon Industrier AS*		-	2 936	-	710
Ferncliff Holding AS*		-	3 250	-	-
Total		-	6 186	-	710

2020		Sales to related parties	Purchase to related parties	Amount owed by related parties	Amount owed to related parties
<i>NOK 1000</i>					
Tycoon Industrier AS*		38 271	1 235	-	-
Ferncliff Holding AS*		-	3 000	250	-
Ferncliff TIH AS*		-	-	-	41
Total		38 271	4 235	250	41

* Entities directly or indirectly controlled by the Company's largest shareholder Øystein Stray Spetalen, which also is represented in the Board of Director's.

As part of the Company's strategy change in the second half of 2020, the Company disposed of the Vallhall business to Tycoon Industries AS for an amount of NOK 38 million. The transaction price was considered to be on arms lengths principles, which also was supported by a fairness opinion provided by a reputable independent company, and subsequently approved by an extraordinary general meeting in the Company.

Note 5 - Investments in Subsidiaries

The consolidated financial statements include the financial statements of Saga Pure ASA and its subsidiaries listed in the table below:

<i>NOK 1000</i>	Country of incorporation	Ownership/ voting rights	Consolidated in the Group financial statement from	Share capital/ partner capital	Net book value 31 December 2021	Net book value 31 December 2020
Saga Opportunities AS	Norway	100.0%	2021	30	40	N/A
Total				30	40	-

All other subsidiaries were disposed of in September 2020.



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Note 6 – Income Tax

<i>NOK 1000</i>	2021	2020
Current tax expense	-	-
Deferred tax expense	-	-
Tax effect of group contribution	-	-
Tax expense	-	-
Reconciliation of tax expense		
Net income before tax	355 461	25 719
Tax expense based on nominal tax rate 22%	78 201	5 658
Tax effect of permanent differences	-83 338	-7 914
Net recognized deferred tax assets	11 137	2 256
Tax expense	-	-
Reconciliation of deferred tax (-)/deferred tax assets		
Tangible assets	-	-2
Payables	-787	-
Net tax loss carried forward*	26 353	16 001
Net deferred tax assets	25 565	15 999
Net deferred tax assets not recognized	-25 545	-15 999
Deferred tax (-)/deferred tax assets in the balance sheet	-	-
Tax payable		
Current tax expense	-	-
Deferred tax expense	-	-
Tax payable	-	-

* Net tax loss carried forward is available indefinitely for offset against future taxable profits.

Permanent differences are to great extent related to the tax exemption for gain on certain financial assets.

Note 7 – Issued Capital and Shareholders

Issued capital

<i>NOK 1000</i>	Number of shares issues	Number of outstanding shares	Share capital	Other equity	Accumulated losses	Total
Equity per 1 January 2020	266 149 831	266 149 831	2 661	819 655	-523 329	298 987
Net profit/loss (-) for the year 2020			-	-	25 719	25 719
Dividends			-	-53 230	-	-53 230
Share issue	173 000 000	173 000 000	1 730	301 370	-	303 100
Share issue costs			-	-5 597	-	-5 597
Equity per 1 January 2021	439 149 831	439 149 831	4 391	1 062 197	-497 611	568 978
Net profit/loss (-) for the year 2021			-	-	355 461	355 461
Share option program			-	3 678	-	3 678
Dividends			-	-47 888	-	-47 888
Share issue	39 728 592	39 728 592	397	148 610	-	149 007
Share issue costs			-	-2 691	-	-2 691
Equity per 31 December 2021	478 878 423	478 878 423	4 789	1 163 906	-142 149	1 026 546

All issued shares have a nominal value of NOK 0.01 and are of equal rights. Saga Pure ASA is incorporated in Norway, listed on Euronext Oslo (Oslo Børs), and the share capital is denominated in NOK.

Board authorizations

Power of attorney to increase the share capital through issuance of new shares

The Board held as per 31 December 2021 authorization to issue up to 239,439,211 new shares, The authorization may be utilised on one or several occasions.



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Power of attorney to repurchase own shares

The Board held authorization to repurchase own shares as per 31 December 2021 limited to 47,887,842 shares.

Authorization to raise convertible loans

The Board held no authorization to raise convertible bonds as per 31 December 2021.

Stock option arrangements

The Company had issued 27,000,000 stock options, with an authorization to the board to issue further 20,000,000 stock option as of 31 December 2021. References are made to note 11 regarding subsequent events.

As of 31 December 2021, the Company had 9,520 shareholders.

Overview of the largest shareholders as per 31 December 2021

	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.	17 499 512	3,65 %
5	DALLAS ASSET MANAGEMENT AS	9 187 461	1,92 %
6	NORDNET LIVSFORSIKRING AS	5 807 390	1,21 %
7	OLA STORMYR HOLDING AS	5 760 413	1,20 %
8	ATLE SANDVIK PEDERSEN	5 100 000	1,06 %
9	MELCHER HOLDING AS	4 400 000	0,92 %
10	Nordnet Bank AB	3 880 584	0,81 %
11	FRØILAND INVEST AS	3 454 554	0,72 %
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	SVEIN ERIK LARSEN AS	2 058 283	0,43 %
18	BJØRN HÅVARD BRÆNDEN	2 005 988	0,42 %
19	ROY HAGEN	2 000 000	0,42 %
20	TONOR HOLDING AS	1 805 000	0,38 %
	Total	296 722 580	61,96 %
	Total outstanding shares	478 878 423	100,00 %

* Board members

** Management



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Shares owned by the Board, Management and their Related Parties

2021	# of Shares
Board of Directors	
Martin Nes ⁽¹⁾ (Chairman)	2 300 000
Øystein Stray Spetalen ⁽²⁾	201 391 799
Yvonne Litsheim Sandvold ⁽³⁾	1 082 000
Group Management	
Bjørn Simonsen ⁽⁴⁾ , CEO	20 000 000
Espen Lundaas ⁽⁵⁾ , CFO	2 300 000
<hr/>	
Total number of shares held by Board members, Group management and related parties	227 073 799
Total number of shares held by Board members, Group management and related parties in % of total outstanding shares	47.42 %
<hr/>	
2020	# of Shares
Board of Directors	
Martin Nes ⁽¹⁾ (Chairman)	2 000 000
Øystein Stray Spetalen ⁽²⁾	198 391 799
Yvonne Litsheim Sandvold ⁽³⁾	1 082 000
Group Management	
Bjørn Simonsen ⁽⁴⁾ , CEO from Dec 2020	17 618 667
Espen Lundaas ⁽⁵⁾ , CEO/CFO from Dec 2020	2 000 000
Tore Jakob Berg, CFO/CAO from Dec 2020	500 000
<hr/>	
Total number of shares held by Board members, Group management and related parties	221 592 466
Total number of shares held by Board members, Group management and related parties in % of total outstanding shares	50.46 %
<hr/>	
⁽¹⁾ Holdings through Hanekamb Invest AS	
⁽²⁾ Including holdings through Tycoon Industrier AS	
⁽³⁾ Holdings through Yls Næringseiendom AS	
⁽⁴⁾ Holdings through Simonsen Invest AS	
⁽⁵⁾ Holdings through El Investment AS.	

Shares and stock options by Board members and Group management

The CEO holds 15,000,000 stock options rights under vesting. Other non-managerial employees holds 12,000,000 stock option rights under vesting. References are made to note 11 regarding subsequent events.

Note 8 – Risks

The risk exposure of Saga Pure ASA is considered to be similar as the risks described for the Saga Pure Group. References are made to note 15 in the Saga Pure Group consolidated accounts. The sensitivity analysis for the equity instruments in the consolidated accounts will not be applicable to the Company's accounts, due to differences in accounting principles.



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Note 9 – Shares and Other Financial Assets

<i>NOK 1000</i>	2021	2020
On 1 January	67 138	172 626
Addition	154 598	62 551
Disposals	-92 702	-168 039
On 31 December	129 033	67 138

Shares and other financial assets include the following

<i>NOK 1000</i>	2021	2020
Listed shares	39 433	67 138
Non-listed shares	89 600	-
Total	129 033	67 138

The financial assets are denominated in NOK and are measured at cost.

Note 10 – Associates

<i>NOK 1000</i>	Bergen Carbon Solutions AS	IC Technology AS	Hyon AS	TOTAL
2021				
On 1 January 2021	30 003	-	-	30 003
Acquisitions in 2021	44 997	30 000	572	75 569
Disposals in 2021	-15 213	-	-	-15 213
On 31 December 2021	59 787	30 000	572	90 359

<i>NOK 1000</i>	Bergen Carbon Solutions AS
2020	
On 1 January 2020	-
Acquisition 21,43% December 2020	30 003
On 31 December 2020	30 003

<i>NOK 1000</i>							31 December 2021
Name	Country of incorporation	Assets	Liabilities	Revenues*	Profit*	% of interest held	
Bergen Carbon Solution AS	Norway	122 547	4 269	874	-30 732	23.98 %	
IC Technology AS	Norway	29 917	1 639	840	-4 347	32.61%	
Hyon AS	Norway	1 662	3 574	-	-4 036	28.67%	

<i>NOK 1000</i>							31 December 2020
Name	Country of incorporation	Assets	Liabilities	Revenues*	Profit*	% of interest held	
Bergen Carbon Solution AS	Norway	43 697	4 850	-	-	21.43 %	

* Revenues and profit are measured as from time of acquisition. Bergen Carbon Solution AS as of 31.12.20. IC Technology AS as of 31.03.21 and Hyon AS as of 30.06.21

Note 11 – Subsequent Events

References are made to note 21 Subsequent Events in the Group financial statements, as the same events will apply here.



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Saga Pure ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Saga Pure ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2021 and the income statement and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, cash flow and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the board of directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 5 years from the election by the extraordinary general meeting of the shareholders on 21 December 2017 for the accounting year 2017.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Classification of investments in associates

Basis for the key audit matter

As of December 2021, the Group has recorded investments in associates of NOK 82.5 million in the consolidated statement of financial position. The classification and measurement of the Group's investments are, among other, dependent on the evaluation of whether the Group has significant influence.

We identified the classification of investments in associates as a key audit matter because auditing the assessment of significant influence includes a higher degree of judgment. The judgment was due to the Group's ownership in certain associated companies being close to 20% throughout 2021. Further, an inappropriate classification can have a material effect on the financial statements.

Our audit response

Our audit procedures included, among others, evaluating management's assessment of significant influence in the associated companies against the requirements within IAS 28, including economic ownership, purchase option agreement, shareholder structure and the composition of the board. We verified the Group's ownership by reconciling any share purchases or disposals to underlying documentation. Furthermore, we evaluated the initial and subsequent accounting treatment in accordance with the equity method. We assessed the adequacy of the Group's disclosures around investments in associates.

Refer to note 4 in the consolidated financial statements.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the chief executive officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report - Saga Pure ASA 2021

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In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public independent auditor's report - Saga Pure ASA 2021

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disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of our audit of the financial statements of Saga Pure ASA we have performed an assurance engagement to obtain reasonable assurance whether the financial statements included in the annual report, with the file name 5967007LIEEXZXG0Z404-2021-12-31-en, has been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation given with legal basis in Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements included in the annual report have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of an annual report and iXBRL tagging of the consolidated financial statements that complies with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary to enable the preparation of an annual report and iXBRL tagging of the consolidated financial statements that is compliant with the ESEF Regulation.

Auditor's responsibilities

Our responsibility is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 21 April 2022
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The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

Independent auditor's report - Saga Pure ASA 2021

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