



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - 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: 01.01.2020 - 31.12.2020

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: Tore Jacob Berg
Dato for fastsettelse av årsregnskapet: 26.05.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 29.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue			
Other operating income			
Net gain on financial assets		38 077 000	23 165 000
Sum inntekter		38 077 000	23 165 000
Kostnader			
Employee benefits expense	2	6 368 000	6 240 000
Depreciation	4	24 000	24 000
Other operating expenses	2	6 793 000	5 751 000
Sum kostnader		13 185 000	12 015 000
Driftsresultat		24 892 000	11 150 000
Finansinntekter og finanskostnader			
Income from subsidiaries			
Reversal of impairment/ impairment			
Other financial income			
Net foreign exchange gain/ (loss)		16 000	2 000
Sum finansinntekter		829 000	1 228 000
Other financial expenses			
Net foreign exchange loss/ (gain)			
Sum finanskostnader		2 000	2 000
Netto finans		827 000	1 226 000
Ordinært resultat før skattekostnad		25 719 000	12 376 000
Taxes	7		
Ordinært resultat etter skattekostnad		25 719 000	12 376 000
Årsresultat		25 719 000	12 376 000
Overføringer og disponeringer			
Udekket tap		25 719 000	12 376 000



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Sum overføringer og disponeringer		25 719 000	12 376 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Fixed assets	4	16 000	40 000
Sum varige driftsmidler		16 000	40 000
Finansielle anleggsmidler			
Investering i datterselskap	6	1 000	11 038 000
Lån til tilknyttet selskap og felles kontrollert virksomhet	11	30 003 000	
Shares and other financial assets	10	67 137 000	172 626 000
Sum finansielle anleggsmidler		97 141 000	183 664 000
Sum anleggsmidler		97 157 000	183 704 000
Omløpsmidler			
Varer			
Fordringer			
Other current assets		385 000	344 000
Receivables		0	340 000
Sum fordringer		385 000	684 000
Investeringer			
Markedsbaserte aksjer	12		42 859 000
Sum investeringer			42 859 000
Bankinnskudd, kontanter og lignende			
Cash and equivalents	3	391 113 000	76 350 000
Restricted cas		85 000 000	
Sum bankinnskudd, kontanter og lignende		476 113 000	76 350 000
Sum omløpsmidler		476 498 000	119 893 000
SUM EIENDELER		573 655 000	303 597 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	8	4 391 000	2 661 000
Annen innskutt egenkapital	8	1 062 197 000	819 655 000
Sum innskutt egenkapital		1 066 588 000	822 316 000
Opptjent egenkapital			
Udekket tap	8	497 611 000	523 329 000
Sum opptjent egenkapital		-497 611 000	-523 329 000
Sum egenkapital		568 977 000	298 987 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		229 000	493 000
Public duties payable		1 514 000	1 326 000
Other currents liabilities		2 933 000	2 791 000
Sum kortsiktig gjeld		4 676 000	4 610 000
Sum gjeld		4 676 000	4 610 000
SUM EGENKAPITAL OG GJELD		573 653 000	303 597 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Gain from financial investments	3	174 476 000	57 666 000
Sum inntekter		174 476 000	57 666 000
Kostnader			
Employee benefit expenses	5	12 512 000	6 240 000
Depreciation	10	24 000	24 000
Other operating expenses	5	6 793 000	5 751 000
Sum kostnader		19 329 000	12 015 000
Driftsresultat		155 147 000	45 651 000
Finansinntekter og finanskostnader			
Share profit from associates	4		0
Annen renteinntekt		813 000	1 225 000
Net foreign gain/ loss (-)		16 000	2 000
Other financial income/ expenses (-)		0	1 000
Sum finansinntekter		829 000	1 228 000
Annen rentekostnad		2 000	2 000
Sum finanskostnader		2 000	2 000
Netto finans		827 000	1 226 000
Ordinært resultat før skattekostnad		155 974 000	46 877 000
Taxes	11	0	0
Ordinært resultat etter skattekostnad		155 974 000	46 877 000
Profit (loss) from discontinuing operations	6	22 988 000	3 449 000
Årsresultat		178 962 000	50 326 000
Exchange difference currency translation		0	0
Totalresultat		178 962 000	50 326 000
Overføringer og disponeringer			



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
Allocated to equity		178 962 000	50 326 000
Sum overføringer og disponeringer		178 962 000	50 326 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Fixed assets	10	16 000	90 008 000
Sum varige driftsmidler		16 000	90 008 000
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	4	30 003 000	
Non-current financial investments	17, 19	276 447 000	215 343 000
Receivables			340 000
Sum finansielle anleggsmidler		306 450 000	215 683 000
Sum anleggsmidler		306 466 000	305 691 000
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	8		666 000
Other current assets	7	385 000	667 000
Sum fordringer		385 000	1 333 000
Investeringer			42 859 000
Andre markedsbaserte finansielle instrumenter			42 859 000
Sum investeringer			42 859 000
Bankinnskudd, kontanter og lignende			
Cash and equivalents	6, 17	391 113 000	87 684 000
Restricted cash	20	85 000 000	
Sum bankinnskudd, kontanter og lignende		476 113 000	87 684 000
Sum omløpsmidler		476 498 000	131 876 000
SUM EIENDELER		782 964 000	437 567 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	13	4 391 000	2 661 000
Annen innskutt egenkapital	13	1 059 771 000	819 655 000
Sum innskutt egenkapital		1 064 162 000	822 316 000
Opptjent egenkapital			
Other components of equity			-2 648 000
Udekket tap		291 798 000	468 791 000
Minoritetsinteresser			20 156 000
Sum opptjent egenkapital		-291 798 000	-451 283 000
Sum egenkapital		772 364 000	371 033 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	11		278 000
Sum avsetninger for forpliktelser			278 000
Annen langsiktig gjeld			
Long-term interest bearing debt	12, 17		55 000 000
Other non-current liabilities	21	5 922 000	
Sum annen langsiktig gjeld		5 922 000	55 000 000
Sum langsiktig gjeld		5 922 000	55 278 000
Kortsiktig gjeld			
Leverandørgjeld		229 000	2 072 000
Tax payable			55 000
Short-term interest bearing debt	12		4 000 000
Other current liabilities and accruals	9	4 447 000	5 129 000
Sum kortsiktig gjeld		4 676 000	11 256 000
Sum gjeld		10 598 000	66 534 000



Konsernets balanse

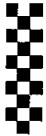
Beløp i: NOK	Note	2020	2019
SUM EGENKAPITAL OG GJELD		782 962 000	437 567 000



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KR. SAND LIKNINGSKONT

NR. 346 S. 1



Skattedirektoratet

Saksbehandler
Jøn HoelstadDeres dato
23.09.2010Vår dato
04.10.2010Telefon
22077325Deres referanse
Olav S. EgebreVår 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 måten 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 ressursbruker og 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 Sverres 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 ASA 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

2020





Annual Report 2020

Contents

2020 Annual Report

CEO LETTER.....	3
BOARD OF DIRECTORS' REPORT.....	5
CORPORATE GOVERNANCE.....	9
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	17
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	18
CONSOLIDATED CASH FLOW STATEMENT	20
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	21
NOTES TO CONSOLIDATED FINANCIAL STATEMENT	22
RESPONSIBILITY STATEMENT.....	44
PARENT COMPANY INCOME STATEMENT	46
PARENT COMPANY STATEMENT OF FINANCIAL POSITION	47
PARENT COMPANY CASH FLOW STATEMENT	48
NOTES TO THE PARENT COMPANY FINANCIAL STATEMENT	49
AUDITOR'S REPORT	58



Annual Report 2020

CEO LETTER

A big, fat green swan in disguise

If you're standing at the edge of a cliff, which way is progress?

The answers to what actions we should take are clearer the more near-term the consequences are - and standing at the edge of the cliff, the answer is obvious.

That the current global economic and industrial way of progress is not sustainable has been apparent to us for a number of years already. Strong policy measures combined with an increased consciousness around how continued growth needs to be coupled with sustainability, and also the potential long-term economical attractiveness of it, has led to strong tailwinds for green technologies over the past years.

The evolution of Saga Pure illustrates the above. Originally named Saga Tankers, the company founded back in 2010 was the proud owner of four super tankers that sailed across the oceans. In 2012, the company sold off the oil tanker business, and became a pure play investment company. Then in October 2020, Saga Tankers announced a new strategy purely focused on sustainability along with the new name Saga Pure, before I joined the company in December, after twelve years in the hydrogen sector - in what at best can be called unprecedented times.

Covid-19 is one of the biggest, black swans the world has ever seen. For some it probably felt like all of 2020 was a flock of angry, black swans. Or perhaps it was a big, fat green swan in disguise - more on that later. The pandemic is still wreaking havoc on a global scale and continues to cause pain and suffering for the ones directly and indirectly affected. The suffering has not only been related to health and losses of loved ones. Economically it has

more than just shaken things up. For certain sectors, the pandemic has been like a nuclear bomb, wiping out the livelihood of thousands, making fortunes shift hands overnight.

With close to all air traffic and several industries shutting down overnight, and staying that way for a long time, allowed for nature to take a deep breath, resulting in the air and rivers in and around our cities clearing up. Pictures of that transformation made almost as strong of an impression as pictures coming in from the hospitals around the world, igniting a long-needed glimmer of hope for nature. If we can travel around the world and manufacture our necessities without harmful emissions - we can have progress - as well as a thriving nature and a healthy environment.

As politicians and businesses around the world started planning for a post-pandemic society, green recovery became the name of the game to achieve the above, while getting the nations into gear again. A strong effort on green technologies is conducive to creating local jobs, future proofing businesses, increasing energy self-sufficiency, and helps maintain pure air and clear rivers. While many governments were already planning large programs to stimulate green growth, Covid-19 supercharged it, making green companies not only show resiliency in the markets, but turning into something that can be described as a green euphoria. Maybe Covid-19 was a big, fat green swan in disguise.



Annual Report 2020



The Sage Pure team has raised the topic of whether we are moving into a green correction - or perhaps even bubble. There are after all some similarities in what we have seen for green technologies with what we saw 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 is exactly the same way with green technologies, and while IT started out as more of a nice-to-have to becoming something that we are fully dependent on today, green solutions are starting out even stronger - as a need-to-have for creating a sustainable foundation for human growth along with equalizing the playing field energy wise. And with the global, political momentum and capital being directed into this area now, we are extremely optimistic about the long-term prospects for this sector.

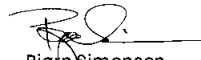
At time of writing in April, we know that we are certainly in a green correction, and capital is no longer being recklessly thrown after anything green that moves. As for Saga Pure, after having realized all the fossil and most of the non-core assets in the fall of 2020, and having been fortunate enough to put the money to good use in a number of other investments like Everfuel, Bergen Carbon Solutions and Horisont Energi, we took the necessary precautions when we saw where things were going, and we are now more financially robust than ever.

Since the strategic change of the company, the key focus besides seeking out and investing in companies that can

make the world greener and cleaner, along with creating value for our shareholders, has been to build a world-class organization. People is everything - both in the companies we invest in, and certainly in our own. I am proud of the team we have started building in the company, and since January we have been joined by additional leading industry experts. That will enable us to make better investment decisions, but also to actively follow up some of our key investments, helping the companies to succeed.

While it feels like everyone is going green these days, lots of work remains. We will continue on our mission to create pure growth in 2021, with our mantra in mind: seek and *undestroy*.

Wishing all of you a much better 21 than 20.


Bjørn Simonsen
CEO



Annual Report 2020

BOARD OF DIRECTORS' REPORT

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

2020 HIGHLIGHTS

October 2020 was a major turning point for the Group, when it announced its new investment strategy. From being a broadly focused investment group, it will now dedicate its resources towards investments in sustainability and renewable space, becoming a green investment group. To make this transition, the Group initiated several major exercises, whereas some were completed in 2020, while others continue into 2021.

The Group's 2020 highlights include:

- Changing the Group's name from Saga Tankers to Saga Pure
- Appointing Bjørn Simonsen as new CEO
- Initiating the recruitment of an investment team with extensive experience and knowledge of the sustainability-segment
- Disposing all its holdings in SD Standard Drilling, Vallhall, Northern PSV as well as the short-term investments
- Investing NOK 55 million in Everfuel A/S, partially realized in 2020 with a gain of NOK 37 million. The remaining holdings had a fair value of 225 million at the year-end whereof NOK 185 million was fair value adjustments in the fourth quarter
- Investing NOK 30 million for 21.4 % ownership in Bergen Carbon Solution AS and assumed a board position in the company. Saga has an option to invest a further NOK 30 million in the company
- Committing to invest NOK 35 million in a private placement in Horisont Energi AS, which was completed in beginning of 2021. The Group is also to assume a board position in the company
- Completing private placements of net NOK 297.5 million
- Initiating private placements and subsequent offerings of net 147 million that was completed in January 2021
- Expanding its shareholder base from 496 shareholders starting January 2020, to 6,401 shareholders at year-end 2020

In addition, the following main events occurred in 2020 prior to the change of strategy:

- Sold 4 million shares in Vistin Pharma at a gain of NOK 8 million compared to fair value per end 2019.
- Distributed dividends at 0.2 NOK per share, totalling NOK 53 million

A LOOK BACK ON 2020

Following the new strategy, the Group has revitalized the investment portfolio adherent to the strategy. At end of 2020, the substantial part of the Group's investments was within the sustainability space. The Vallhall subsidiaries were also disposed, as they were not regarded to be within the scope of the new strategy. The Vallhall business is classified as discontinued business in the financial statements of 2020.

The Board appointed Bjørn Simonsen as new CEO, to lead the Group. Mr. Simonsen has extensive experience within the sustainability segment, in particular hydrogen. The Group will further strengthen its organization with industry expertise.

Five private placements were completed in 2020, raising a net cash of NOK 297.5 million as capital base for further investments. Further, net NOK 147 million were raised in an additional private placement and subsequent offerings completed in January 2021.

THE NEW STRATEGY

The paramount event of 2020 was the new strategy, which transformed the business in terms of investments, operations, organization, and financials.

Saga has now arrived at its destination. From being a crude carrier, owning and operating four Very Large Crude Carriers (VLCC), to becoming an investment group with broad focus including among others property, platform supply vessels,



Annual Report 2020

and pharmaceuticals, to finally transitioning into a green investment group.

The Group strategy is to target its resources towards new prospects within a broad spectrum of industries, with sustainability as the common denominator.

Through active ownership, the Group aims to provide capital and enable business development for its investment targets, in order to create shareholder value.

Examples of technologies and businesses that the Group has been involved in post the strategy-change are:

- Conversion of CO₂ to valuable carbon nanofibers
- Chemical recycling of waste plastics
- Blue hydrogen- and ammonia-production and CO₂ storage solutions
- Hydrogen infrastructure for mobility
- Advanced sensor and IT technology for electrical grids
- Liquid hydrogen storage

The list of technologies and businesses on the Groups résumé is expected to grow going forward, and the Group will continue to recruit talented people with experience and knowledge relevant to the technologies in focus.

FINANCIAL RESULTS 2020 (GROUP)

The Group reports a total comprehensive income for 2020 of MNOK 179.0 (2019: MNOK 50.3).

The major items of the Group's net comprehensive income consist of net gain on non-current financial investments of MNOK 174.5, and profit from discontinued operations of MNOK 23.0. The gain on non-current financial investments is a result of a positive development of the value of the long-term investments during the year. The profit from discontinued operations is substantially gain on disposal of the Vallhall business.

Gross income for 2020 was MNOK 174.5 (2019: MNOK 57.7).

Total operating expenses for 2020 were MNOK 19.3 (2019: MNOK 12.0).

Net operating profit for 2020 was MNOK 155.1 (2019: MNOK 45.7).

Operating profit before interest, taxes, depreciation, and amortization (EBITDA) for 2020 was MNOK 155.2 (2019: MNOK 45.7). The EBITDA can be derived as described directly and unadjusted

from the statement of income. Net financial items for 2020 were NOK 0.8 million (2019: MNOK 1.2).

Basic Earnings per share for 2020 were NOK 0.62 (2019: NOK 0.18), based on the net profit to shareholders of MNOK 177.0 (2019: MNOK 48.8).

Diluted Earnings per share for 2020 were NOK 0.62 (2019: NOK 0.18), based on weighted average of 3.65 million potential dilutive options in 2020 (2019:0). Number of year end dilutive options are 18 million.

As of year-end, the Company had 6,401 shareholders and 439,149,831 shares outstanding. The average number of shares outstanding throughout the year was 281,727,913. The Company's 20 largest shareholders controlled about 64.4 % of the total number of shares outstanding at year-end.

LIQUIDITY AND CASH FLOW

The cash balance as of 31 December 2020 was MNOK 391.1, excluding MNOK 85 in restricted cash which was released in January 2021, (2019: MNOK 87.7). The change in cash over the year was MNOK +303.4 (2019: MNOK -55.6). Of the change in cash in 2020, MNOK +212.5 is from share issuance, while MNOK +154 is from the net investment and MNOK -53.2 as a result of dividends distributed.

FINANCIAL POSITION

As of 31 December 2020, the Group's total assets amounted to MNOK 783.0 (2019: MNOK 437.6). Total equity to shareholders of parent company was MNOK 772.4 (2019: MNOK 350.9).

It is the opinion of the Board of Directors that the Group is in a sound financial position with an equity ratio of about 98.6 % (2019: 84.8 %).

Please see further information described under the Going Concern section.

RISK FACTORS

The Group is exposed to a limited number of risk factors. The most significant risk factors are 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. 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.



Annual Report 2020

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.

Liquidity risk

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 17.

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 2020.

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 four 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 has been recognized during 2020 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 affected the Group directly through the operations in the discontinued operations of Vallhall. Through appropriate measures regarding infection prevention and

control, the business was able to facilitate for the annual summer exams in the premises.

The pandemic caused increased volatility in the financial markets of which the Group operates in.

For the administration of the Group, the use of home office and virtual meetings enabled the Group to operate as usual.

FINANCIAL RESULTS OF PARENT COMPANY

Saga Pure ASA (the Parent Company) reports a net profit for 2020 of MNOK 25.7 (2019: net profit MNOK 12.4).

Gross revenues for 2020 were MNOK 38.1 (2019: MNOK 23.2).

Total operating expenses for 2020 were MNOK 13.2 (2019: MNOK 12.0).

Operating profit before interest, taxes, depreciation and amortization (EBITDA) for 2020 was MNOK 24.9 (2019: MNOK 11.2).

Net financial items for 2020 were MNOK 0.8 (2019: MNOK 1.2).

The Board of Directors proposes that the net profit for 2020 of MNOK 25.7 is attributed to accumulated losses.

SUBSEQUENT EVENTS

At 29 December the Board initiated another private placement of 30 million new shares, raising a net equity of NOK 121 million. As the placement was not completed by 31 December, the placement is not reflected in the fourth quarter balance statement.

6 January the Group settled the announced NOK 35 million investment in Horisont Energi AS. Horisont Energi is a carbon tech company which is developing innovative solutions for blue hydrogen and ammonia production as well as cost effective CO₂ handling and storage.

25 January the Group committed to invest NOK 30 million as a cornerstone investor in CRC Holding B.V. ("Pryme"). Pryme has developed an effective solution for recycling of plastic materials in a potential carbon emission free process.

The Group completed three subsequent offerings as repairs for the last three placements, issuing 9,728,592 shares raising gross proceed of NOK 26 million.

24 February the listing of the Company was transferred from Euronext Expand, to Oslo Børs.



Annual Report 2020

22 March the Group agreed to subscribe for additional shares for the value of NOK 15 million in Bergen Carbon Solution. Saga has in addition an option to invest NOK 30 million in the company.

23 March the Group committed to invest through a private placement NOK 75 million in Heimdall Power AS. Heimdall is a technology company providing proprietary smart grid solutions for power grids. The Group will also be represented in the board of the company.

24 March the Group committed to subscribe for NOK 30 million in a private placement in IC Technologies AS (ICT). ICT has developed a novel storage solution for liquid hydrogen and LNG. Following the placement, the Group will hold 33 % of ICT, with an option to further invest NOK 30 million in ICT. The private placement is subject to the success of certain near-term company milestones. The Group will also assume a board position in the company.

The Company has further strengthened the organization by establishing an investment team with experience in a variety of segments within the sustainability space, as well as the capital markets. This far in 2021 the following has joined the Saga Pure team:

- Florian Melcher – Investment Manager
- Jørgen Festervoll – VP Renewable Opportunities
- Jørgen Kopperstad – VP Maritime Opportunities
- Rob Stevens – VP Ammonia Opportunities

References are made to note 23 – Subsequent events for further information.

INVESTMENT IN SHARES

The Group has during 2020 renewed its long-term portfolio adherent to the new strategy. At end of 2020, the investments with a fair value of MNOK 276.5 consist primarily of investments within the renewable space.


GOING CONCERN AND DIVIDEND

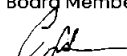
The Group is currently in a sound position with a net book equity ratio of 98.6 % and surplus liquidity available.

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.


Øystein Stray Spetalen
Board Member


Christine Spiten
Board Member

Oslo, 14 April 2021
The Board of Directors


Martin Nes
Chairman


Yvonne Litsheim Sandvold
Board Member


Bjørn Simonsen
CEO



Annual Report 2020

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 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.
- 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.

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 2020 amounted to NOK 772.4 million, and cash of NOK 391.1 million (in addition, the Company had a restricted cash position of NOK 85 million as of 31 December 2020 relating to a recently completed private placement). 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.



Annual Report 2020

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 authorization was approved by an extraordinary general meeting in February 2021 and is valid for two years following the date of that general meeting. The authorization does not provide a specific purpose for when the authorization may be used. As a result of this, the Company deviates from the Code of Practice as the authorization does not state a specific purpose for when it may be used and as the authorization is valid for a longer period than until the next annual general meeting.

Authorization to distribute dividends

The Board was granted an authorization to resolve dividend distributions in an extraordinary general meeting in June 2020. The authorization is valid until the annual general meeting in 2021. 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.
- 4.3. In the event of any not immaterial transactions between the Company and shareholders, a shareholder's parent company, members of the Board, executive personnel or close associates of any such parties, the Board should arrange for a valuation to be obtained from an independent third party. This will not apply if the transaction requires the approval of the general meeting pursuant to the requirements of the Public Companies Act. Independent valuations should also be arranged in respect of transactions between companies in the same group where any of the companies involved have minority shareholders.

Class of shares

Saga Pure has one class of shares only. The articles of association include no restrictions on voting rights.

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

10



Annual Report 2020

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 2020 and until the date of this Corporate Governance report.

Transactions with related parties

Members of the Board are obliged to report to the Board's secretary (the management) as to any material involvement (work or investments) they might have which might have relevance for their work on the Board.

As part of the Company's strategy change in the second half of 2020, the Company disposed its ownership interests in the Vallhall arena to Tycoon Industries AS. The transaction price was considered to be on arm's length principles, which was also supported by a fairness opinion provided by a reputable independent company, and subsequently approved by an extraordinary general meeting in the Company. For further information, please see Note 15 and 16 to the Company's 2020 annual accounts.

Saga Pure has an ongoing lease contract and a service agreement with companies affiliated to the Board member and shareholder Mr. Øystein Stray Spetalen. The transaction is described in annual report 2020. All contracts entered into with an affiliated company, has been completed on arm's length basis, but no independent valuation has been obtained for these agreements. Consequently, the Company deviates from the Code of Practice with regards to these agreements.

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. However, in the period since the annual general meeting in 2020 and until the date of this Corporate Governance report, only a limited number of Board members have participated in general meetings and independent chairmen have not been elected for the general meetings. This is partly due to the restrictions following from the ongoing Covid-19 pandemic.

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



Annual Report 2020

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. No more than one member of the nomination committee should be a member of the Board, and any such member should not offer himself for re-election to the Board. The nomination committee should not include the Company's chief executive or any other executive personnel.
- 7.5. The nomination committee's duties should be to propose candidates for election to the Board and nomination committee (and corporate assembly where appropriate) and to propose the fees to be paid to members of those bodies.
- 7.6. The nomination committee should justify why it is proposing each candidate separately.
- 7.7. 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. As a result of this, the Company has deviated 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. 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.



Annual Report 2020

- 9.3. 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.
- 9.4. 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.
- 9.5. 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.
- 9.6. The Board should provide details in the annual report of any Board committees appointed.
- 9.7. 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 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 fulfills 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. Internal control and the systems should also encompass the Company's guidelines etc. for how it integrates considerations related to stakeholders into its creation of value.
- 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.



Annual Report 2020

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 Board is required by law to establish guidelines for the remuneration of the members of the executive personnel. These guidelines are communicated to the annual general meeting. The Board's statement on the remuneration of executive personnel should be a separate appendix to the agenda for the general meeting. It should also be clear which aspects of the guidelines are advisory and which, if any, are binding. The general meeting should vote separately on each of these aspects of the guidelines.
- 12.2. The guidelines for the remuneration of the executive personnel should set out the main principles applied in determining the salary and other remuneration of the executive personnel. The guidelines should help to ensure convergence of the financial interests of the executive personnel and the shareholders.
- 12.3. Performance-related remuneration of the executive personnel in the form of share options, bonus programmes or the like should be linked to value creation for shareholders or the Company's earnings performance over time. Such arrangements, including share option arrangements, should incentivise performance and be based on quantifiable factors over which the employee in question can have influence. Performance-related remuneration should be subject to an absolute limit.

The remuneration of the executive personnel is explained in detail in the Company's annual report. The Board will prepare guidelines for remuneration of leading personnel pursuant to the Norwegian Public Limited Companies Act section 6-16a, and present such guidelines for approval by the annual general meeting in 2021.

The Board is authorized to issue share options for up to 20 million shares, pursuant to an authorization granted by an extraordinary general meeting held in February 2021.

Under a previous authorization, the Board has issued a total of 18 million share options to two leading employees. These share options hold a vesting period of 36 months from their date of grant. Both of the holders of share options also hold substantial amounts of shares in the Company.

Under the current authorization to issue share options, the Company has granted 3 million share options to an existing employee and six million share options in total will be granted to two employees when they commence their employment with the Company. Such share options hold a vesting period of 36 months from their date of grant.

Any shares acquired through exercise of the share options will not be subject to lock-up undertakings, and the Company deviates from the Code of Practice in this respect.

The Company has no other deviations 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.



Annual Report 2020

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. If the Board 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.

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 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 participate at Board meetings that deal with the annual accounts. 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 2020. 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. The Company has no other deviations from the Code of Practice with regards to this section of the Code of Practice.

15



SAGA

CONSOLIDATED FINANCIAL STATEMENTS
Group



Annual Report 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period 01.01.2020 – 31.12.2020

<i>NOK 1000</i>	Note	2020	2019
			Restated*
Operating income			
Gain from financial investments	3	174 476	57 666
Gross income		174 476	57 666
Operating expenses			
Employee benefit expenses	5	12 512	6 240
Other operating expenses	5	6 793	5 751
Depreciation	10	24	24
Total operating expenses		19 329	12 015
Net operating profit/loss (-)		155 147	45 652
Financial income/expenses (-)			
Interest income		813	1 225
Interest expense		-2	-2
Net foreign exchange gain/loss (-)		16	2
Other financial income/expenses (-)		-	1
Net financial income/expenses (-)		827	1 226
Share of profit from associates	4	-	-
Net profit before tax		155 974	46 878
Taxes	11	-	-
Net profit/loss from continuing operations (-)		155 974	46 878
Profit (loss) from discontinuing operations	6	22 988	3 449
Net profit/loss from total operations (-)		178 962	50 326
Net profit/loss for the year (-)		178 962	50 326
Attributable to:			
Non-controlling interests		1 969	1 559
Shareholders' interests		176 993	48 767
Items that may be subsequently reclassified to profit or loss			
Other comprehensive income		-	-
Total comprehensive income		178 962	50 326
Attributable to:			
Non-controlling interests		1 969	1 559
Shareholders' interests		176 993	48 767
Basic earnings per share total operations NOK		0,63	0,18
Diluted earnings per share total operations NOK		0,62	0,18
Basic earnings per share for continuing operations NOK		0,55	0,18
Diluted earnings per share for continuing operations NOK		0,55	0,18
Average number of shares in the period		281 727 913	266 149 831
Number of shares outstanding at period end		439 149 831	266 149 831

*Restated to reflect accounting impact and reclassification to discontinued operations related to the disposal of the Vallhall business, see note 16. The notes on pages 22 to 43 are an integral part of these consolidated financial statements.



Annual Report 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31.12.2020

<i>NOK 1000</i>	Note	31 Dec 2020	31 Dec 2019
			Restated*
ASSETS			
Non-current assets			
Associates	4	30 003	-
Non-current financial investments	17, 19	276 447	215 343
Fixed assets	10	16	90 008
Receivables		-	340
Total non-current assets		306 465	305 691
Current assets			
Trade receivables and other receivables	8	-	666
Other current assets	7	385	667
Current financial investments		-	42 859
Restricted cash	20	85 000	-
Cash and equivalents	6, 17	391 113	87 684
Total current assets		476 497	131 876
Total assets		782 963	437 567

*Restated to reflect accounting impact and reclassification to discontinued operations related to the disposal of the Vallhall business, see note 16.

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.



Annual Report 2020


CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31.12.2020

<i>NOK 1000</i>	Note	31 Dec 2020	31 Dec 2019 Restated*
EQUITY AND LIABILITIES			
Equity			
Share capital	13	4 391	2 661
Other paid in equity	13	1 059 771	819 655
Total paid-in-capital		1 064 163	822 316
Accumulated losses		-291 798	-468 791
Other reserves		-	-2 648
Non-controlling interests		-	20 156
Total equity		772 365	371 032
LIABILITIES			
Non-current liabilities			
Long-term interest bearing debt	12, 17	-	55 000
Other non-current liabilities	21	5 922	-
Deferred tax	11	-	278
Total non-current liabilities		5 922	55 278
Current liabilities			
Short-term interest bearing debt	12	-	4 000
Tax payable		-	55
Trade and other payables		229	2 072
Other current liabilities and accruals	9	4 447	5 129
Total current liabilities		4 676	11 257
Total liabilities		10 598	66 535
Total equity and liabilities		782 963	437 567

*Restated to reflect accounting impact and reclassification to discontinued operations related to the disposal of the Vallhall business, see note 16.

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.

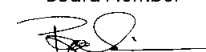

Øystein Stray Spetalen
Board Member


Christine Spiten
Board Member

Oslo, 14 April 2021
The Board of Directors

Martin Nes
Chairman


Yvonne Litsheim Sandvold
Board Member


Bjørn Simonsen
CEO



Annual Report 2020

CONSOLIDATED CASH FLOW STATEMENT

For the period 01.01.2020 – 31.12.2020

<i>NOK 1000</i>	Note	2020	2019
			Restated*
Net profit/loss from continuing operations (-)		155 974	46 878
Profit/loss from discounting operations (-)	16	22 988	3 449
Profit before tax total operations		178 962	50 326
Gain on disposal of discounted business		-19 389	-
Tax in discounted business		-	72
Options and share program		6 144	-
Profit share from associates		-	-
Depreciations	10	1 036	3 262
Net loss/gain from financial investments (-)		-172 888	-57 666
Net divestment/investment trading (-)		39 210	-38 782
Foreign exchange losses/gains (-)		-5	0
Interest paid		-	971
Interest received		-25	-1 225
Income tax paid		-55	-90
Increase/decrease receivables and prepayments (-)		-275	-253
Increase/decrease payables and accruals (-)		299	175
Net cash flow from operating activities		33 014	-43 211
Investment in associates		-30 003	-
Investment in non-current financial assets	19	-62 551	-5 292
Divestment in non-current financial assets		175 701	-
Dividends received		2 284	-
Net cash effect disposal of subsidiaries		28 783	-
Receivable		340	-340
Interest received		25	1 225
Investment in fixed assets		-	-1 449
Net cash flow from investing activities		114 579	-5 856
Share issue net of costs**		212 503	-
Repayments of long term borrowings	12	-1 000	-4 000
Payment of interest	12	-	-971
Dividends paid to non-controlling interests		-2 442	-1 583
Dividends and repayments to controlling interests		-53 230	-
Net cash flow from financing activities		155 831	-6 553
Net change in cash and cash equivalents		303 424	-55 620
Cash and equivalents at beginning of period		87 684	143 304
Net foreign exchange differences (unrealised)		5	-0
Cash and equivalents at end of period		391 113	87 684

*Restated to reflect accounting impact and reclassification to discontinued operations related to the disposal of the Vallhall business, see note 16

** Net of share issue costs of TNOK 5.597.

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.



Annual Report 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For year ended 31.12.2020

2020	Paid-in-capital		Other capital		Non-controlling interests	Total
	Share capital	Other paid in equity	Accumulated losses	Other reserves		
<i>NOK 1000</i>						
Equity as at 1 January 2020	2 661	819 655	-468 791	-2 648	20 156	371 032
Net profit/loss continuing operations (-)	-	-	155 974		-	155 974
Net profit/loss 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	-19 683	-19 683
Share issue	1 730	301 370				303 100
Share issue costs		-5 597				-5 597
Options and share program (note 21)		222				222
Equity per ending balance 31 December 2020	4 391	1 059 771	-291 798	-	-	772 365

2019	Paid-in-capital		Other capital		Non-controlling interests	Total
	Share capital	Other paid in equity	Accumulated losses	Other reserves		
<i>NOK 1000</i>						
Equity as at 1 January 2019	2 661	819 655	-517 559	-2 648	20 179	322 288
Net profit/loss (-)	-	-	48 767		1 559	50 326
Total comprehensive income	-	-	48 767	-	1 559	50 326
Dividends to non-controlling interests					-1 583	-1 583
Equity per ending balance 31 December 2020	2 661	819 655	-468 791	-2 648	20 156	371 032

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.



Annual Report 2020

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. 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 consolidated financial statements for the year ended 31 December 2020, were approved by the Board of Directors on 14 April 2021, and will be presented for approval at the Annual General Meeting on 26 May 2021.

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 2020 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 subsidiaries (the "Group") as of 31 December each year. As per 31.12.2020 Saga Pure does not constitute a group as the subsidiaries were disposed of during 2020, reference note 16. However, it has comprised as a group during the financial year of 2020, therefore a consolidation has been prepared.

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.

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



Annual Report 2020

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.

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.

Summary of significant accounting policies

Depreciation of fixed assets

Fixed assets are depreciated on a straight-line basis over their expected useful lives. Land is not depreciated.

Other income –where the Group act as a lessor

Until disposal of the Vallhall business, the Group earned revenue from Vallhall acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards. Rental income arising from leases is accounted for on a time basis or straight-line basis over the lease term for recurring rentals. Rental income is stated net of discounts, returns and value added tax.

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.



Annual Report 2020

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.

Impairment of non-financial assets

Fixed assets

Fixed assets are reviewed for indication of impairment at each reporting date, and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of an assets net selling price and its value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets if possible, or else for the cash-generating unit.



Annual Report 2020

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.



Annual Report 2020

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 2020 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.



Annual Report 2020

Note 3 – Operating Segments

The management monitored the net income from investments in financial assets, and the revenues from lease and operation of property on a separate basis. The Group can also generate other income such as among other fees for services rendered and guarantees.

Segments defined:

- Investments: Investments in financial assets of long and short term, operated through the Saga entity
- Vallhall: Rental and operation of the Vallhall facility, conducted through the Vallhall entities, disposed during the year, reference note 16.

In October 2020 the Group disposed of the lease and operation of property-segment, accordingly, as per year end the Group only have one active segment (Investment).

Investments are governed through continuous assessment of financial markets and investment strategy, supported with scrutiny of expenses.

Other is dependent on the availability of ad-hoc assignment for the staff, and the availability of the resources to fulfil these assignments.

Segment information NOK 1000	Investment		Vallhall (note 16)		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Income								
Net gain/loss on investments (-)	174 476	57 666					174 476	57 666
Total income	174 476	57 666	-	-	-	-	174 476	57 666
Operation expenses - excluding loss in investments								
	19 329	12 015					19 329	12 015
Net operating profit/loss from continuing operations (-)								
	155 147	45 652	-	-	-	-	155 147	45 652
Profit/loss from discounting operations (note 16) (-)			22 988	3 449			22 988	3 449
Assets	782 963	335 276	-	102 291			782 963	437 567
Liabilities	10 598	4 610	-	61 925			10 598	66 535

There has not been any transaction across the different segments.



Annual Report 2020

Note 4 – Investment in Associates

The Group participated in an equity offering and achieved 21.43% interest in the unlisted company Bergen Carbon Solutions AS on 18 December 2020.

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 has been allocated to the Group for the financial year of 2020, due to the late date of the acquisition.

The Group also has an option for subscription of additional shares within 9 months from the initial acquisition, which if exercised will increase the ownership to 34.24 %, at a 10 % increased subscription price compared to the terms in the initial acquisition. Since the transaction occurred ultimo December 2020, no fair value adjustment is made to the option. The table below reflect the book value of assets and liabilities in Bergen Carbon Solution AS as of 31 December 2020. The acquisition resulted in a surplus value of NOK 21.7 million which was allocated to development technology, and will subsequently be amortised over the expected useful life when it's ready for use.

2020	Bergen Carbon Solutions AS
NOK 1000	
Current assets	40 694
Non-current assets	3 003
Current liabilities	-3 350
Non-current liabilities	-1 500
Equity	38 847
Groups share of equity (21.3%)	8 324
Research and development	21 679
Carrying amount, 31 December 2020	30 003

Note 5 – Operating Expenses

NOK 1000	2020	2019
Employee benefit expenses		
Salaries	5 536	5 407
Social security costs	755	770
Pension expenses	43	49
Accrual option program	222	-
Reserves social security option program	5 922	-
Other personnel expenses	34	14
Total employee benefit expenses	12 512	6 240
Number of man-years	2	2
Other operating expenses		
Fees	4 682	4 441
Travel expenses and membership fees	17	55
Other expenses	2 094	1 256
Total administrative expenses	6 793	5 751



Annual Report 2020

Remuneration to the Board of Directors and executive management

2020

NOK 1000

Name	Position	Salary and bonus	Vesting option	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

2019

NOK 1000

Name	Position	Salary and bonus	Vesting option	Other benefit	Pension cost	Director's fee
Espen Lundaas	CEO	2 018	-	-	-	-
Tore Jakob Berg	CFO	1 148	-	-	-	-
Martin Nes	Chairman	-	-	-	-	140
Øystein Stray Spetalen	Board member	-	-	-	-	100
Kristin Hellebust	Board member	-	-	-	-	100
Yvonne Litsheim Sandvold	Board member	-	-	-	-	100
Total remuneration		3 167	-	-	-	440

*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.

The Group had no outstanding loans or guarantees in favour of any member of the Board of Directors or company management in 2020.

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 Group's compensation schemes include only a limited number of benefits in kind. These benefits are offered in line with common practice in international labour markets and typically include personal communication equipment, access to media, and car and parking arrangements. There is a mutual three month termination period for the employees, and there are no agreements for severance packages.

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

In October, an equity settled option and share program was initiated towards certain key employees. No stock options or right to stock options are held by members of the board of directors at 31 December 2020. Reference are made to note 21 for further information.

Audit Fees

NOK 1000

	2020	2019
Audit fees including VAT		
Audit services	366	490
Other attestation services	58	-
Tax services	-	-
Other non-audit services	19	-
Total	442	490



Annual Report 2020

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

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 2020	31 Dec 2019
US Dollars	134	34
Norwegian kroner	390 978	87 650
Total cash and cash equivalents	391 113	87 684
Restricted cash		
Employee tax accounts	1 135	1 100

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 17 for further information.

Deposits carries floating interest rates.

Note 7 – Other Current Assets

<i>NOK 1000</i>	31 Dec 2020	31 Dec 2019
Other receivables	-	3
Prepayments	385	455
Unbilled revenue	-	210
Total other current assets	385	667

Note 8 – Trade Receivables and Other Receivables

The outstanding amount of trade receivables at 31 December 2020 was TNOK 0 (31 December 2019 of TNOK 666). The trade receivables in 2019 were related to rental income for the Vallhall Arena and services rendered to the tenants.

Note 9 – Other Current Liabilities

<i>NOK 1000</i>	31 Dec 2020	31 Dec 2019
Public duties payable	1 502	1 472
Deferred revenue	-	-
Accrued interest	-	385
Other current liabilities	2 945	3 273
Total other current liabilities	4 447	5 129

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.



Annual Report 2020

Note 10 – Fixed Assets

2020

<i>NOK 1000</i>	Buildings	Machinery & equipment	Capitalized costs – work in progress	Land	Total
Acquisition cost, opening balance 01.01.20	100 568	4 827	38	199	105 632
Disposal as part of discounted business (note 16)	-100 568	-4 756	-38	-199	-105 561
Acquisitions during the period	-	-	-	-	-
Disposals during the period	-	-	-	-	-
Acquisition cost at 31.12.20	-	72	-	-	72
Accumulated depreciation, opening balance 01.01.20	-14 015	-1 610	-	-	-15 625
Disposal as part of discounted business (note 16)	14 015	1 578	-	-	15 593
Depreciation	-	-24	-	-	-24
Accumulated depreciation disposed assets	-	-	-	-	-
Accumulated depreciation at 31.12.20	-	-56	-	-	-56
Net book value at 31.12.20	-	16	-	-	16

2019

<i>NOK 1000</i>	Buildings	Machinery & equipment	Capitalized costs – work in progress	Land	Total
Acquisition cost, opening balance 01.01.20	99 141	4 806	38	199	104 184
Acquisitions during the period	1 427	22	-	-	1 449
Disposals during the period	-	-	-	-	-
Acquisition cost at 31.12.20	100 568	4 827	38	199	105 632
Accumulated depreciation, opening balance 01.01.20	-10 853	-1 510	-	-	-12 363
Depreciation	-3 161	-100	-	-	-3 262
Accumulated depreciation disposed assets	-	-	-	-	-
Accumulated depreciation at 31.12.20	-14 015	-1 610	-	-	-15 625
Net book value at 31.12.20	86 553	3 217	38	199	90 008

Depreciation

Assets have been depreciated on a straight-line basis over their expected useful lives as follows:

Buildings:	67 years
Machinery and equipment:	5-10 years
Capitalized cost - Work in progress:	No depreciation before utilization
Land:	No depreciation

The majority of the fixed assets of the Group was disposed through the sale of the Vallhall business. The implicit recovered amount of the disposed fixed assets, surpassed the book value at time of disposal (see note 16).



Annual Report 2020

Note 11 – Tax

<i>NOK 1000</i>	2020	2019
Current tax expense	-	55
Deferred tax expense	-	17
Tax expense	-	72
Reconciliation of tax expenses		
Net profit before tax	155 974	50 398
Tax expense based on nominal tax rate of 22%	34 314	11 088
Permanent differences*	-37 922	83 491
Change in other tax benefits receivables	-	-96 588
Change in not recognized deferred tax assets	3 607	2 082
Tax effect on deferred tax due to change of tax rate	-	-
Tax expense	-	72
Reconciliation of deferred tax (-)/deferred tax assets		
Fixed and other assets	2	23
Net tax loss carried forward	17 353	13 805
Share in partnership	-	-359
Deferred tax assets	17 355	13 469
Net deferred tax assets not recognized	17 355	13 747
Deferred tax (-)/deferred tax assets in the balance sheet	-	-278
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 12 – Interest Bearing Debt

<i>NOK 1000</i>	31 Dec 2020	31 Dec 2019
Long term interest bearing debt	-	55 000
Current portion of long-term debt	-	4 000
Accrued interest	-	385
Total interest bearing debt	-	59 385
NOK 1000		
Opening balance 1 December*	59 385	63 337
Accrued interest for the year	-	2 134
Instalments paid	-	-4 000
Disposal through discounted business	-59 385	-
Interest payments	-	-2 086
Ending balance 31 December	-	59 385

* Accrued interest of TNOK 385 is included "Other current liabilities" see note 9.

Material loan agreements

The interest-bearing debt was mortgage related to the Vallhall business which was disposed during the 4th quarter in 2020, see note 16.



Annual Report 2020

Note 13 – Issued Capital and Shareholders

Issued capital			
2020			
NOK 1000	Number of shares	Share capital	Other paid in 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	1 059 772
2019			
NOK 1000	Number of shares	Share capital	Other paid in capital
Opening balance 01.01.2019	266 149 831	2 661	819 655
Ending balance 31.12.2019	266 149 831	2 661	819 655

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 the Euronext Expand (former Oslo Exchange Axxess list), and the share capital is denominated in NOK.

As of 31 December 2020, the Company had 6.401 shareholders, see note 23 related to issuance of shares in the Company after 31 December. Per 31 December 2020, The Company's largest shareholders are;

Overview of the largest shareholders as per 31 December 2020

	Name	Shares	% of total shares
1	*ØYSTEIN STRAY SPETALEN	172 841 799	39.36 %
2	*TYCOON INDUSTRIER AS	25 550 000	5.82 %
3	**SIMONSEN INVEST AS	17 618 667	4.01 %
4	DALLAS ASSET MANAGEMENT AS	9 187 461	2.09 %
5	NORDNET LIVSFORSIKRING AS	6 595 429	1.50 %
6	PÅL KRISTIAN AASEN	5 866 000	1.34 %
7	AS TANJA	5 745 000	1.31 %
8	TORSTEIN INGVALD TVENGE	5 117 841	1.17 %
9	MELCHER HOLDING AS	4 000 000	0.91 %
10	SONGA CAPITAL AS	3 723 500	0.85 %
11	BORGEN INVESTMENT GROUP NORWAY AS	3 500 000	0.80 %
12	FRØILAND INVEST AS	3 454 554	0.79 %
13	Nordnet Bank AB	3 206 740	0.73 %
14	TIGERSTADEN AS	2 750 000	0.63 %
15	OLA STORMYR HOLDING AS	2 639 242	0.60 %
16	SPAR KAPITAL INVESTOR AS	2 515 016	0.57 %
17	HEGE BAKKEN	2 211 580	0.50 %
18	UTHALDEN AS	2 143 568	0.49 %
19	GIRONDE AS	2 113 000	0.48 %
20	***HANEKAMB INVEST AS	2 000 000	0.46 %
(shared)			
20	****EL INVESTMENT AS	2 000 000	0.46 %
(shared)			
	Total	282 779 397	64.85 %
	Total outstanding shares	439 149 831	100.00 %

* Controlled by Board member Øystein Stray Spetalen

** Controlled by CEO Bjørn Simonsen

*** Controlled by Chairman Martin Nes

**** Controlled by CFO Espen Lundaas



Annual Report 2020

Shareholders per country per 31 December 2020

	Shares	Owner's share %
Norway	428 245 661	97.517 %
Sweden	4 642 447	1.057 %
Luxembourg	1 984 402	0.452 %
Denmark	1 614 812	0.368 %
United Kingdom	1 026 407	0.234 %
Belgium	876 145	0.200 %
Ireland	174 250	0.040 %
Finland	173 630	0.040 %
United States	80 121	0.018 %
Switzerland	61 158	0.014 %
Singapore	60 600	0.014 %
Estonia	41 596	0.009 %
France	36 952	0.008 %
Germany	30 330	0.007 %
The Netherlands	20 110	0.005 %
Lithuania	19 300	0.004 %
Argentina	19 000	0.004 %
United Arab Emirates	17 500	0.004 %
Korea, Republic of	10 000	0.002 %
Brazil	7 500	0.002 %
Thailand	6 000	0.001 %
Spain	1 750	0.000 %
Colombia	160	0.000 %
Total	439 149 831	100.000 %

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 2020 authorization to issue up to 41,047,916 new shares, including 30,000,000 shares resulted by the board, not yet issued at 31. December. The authorization may be utilised on one or several occasions. References are made to note 23 regarding subsequent events.

Power of attorney to repurchase own shares

The Board held authorization to repurchase own shares as per 31 December 2020 limited to 26,614,983 shares. References are made to note 23 regarding subsequent events.

Authorization to raise convertible loans

The Board held no authorization to raise convertible bonds as per 31 December 2020.

Stock option arrangements

The Company had issued 18,000,000 stock options, with an authorization to the board to issue further 7,000,000 stock option as of 31 December 2020. References are made to note 23 regarding subsequent events.



Annual Report 2020

Shares owned by the Board, Management and their Related Parties

2020	# of Shares
Board of Directors	
Martin Nes* (Chairman)	2 000 000
Øystein Stray Spetalen**	198 391 799
Yvonne Litsheim Sandvold***	1 082 000
Group Management	
Bjørn Simonsen****, CEO from Dec 2020	17 618 667
Espen Lundaas*****, 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 %
2019	
Board of Directors	
Martin Nes* (Chairman)	1 000 000
Øystein Stray Spetalen	172 841 799
Yvonne Litsheim Sandvold	-
Kristin Hellebust	-
Group Management	
Espen Lundaas*****, CEO	1 000 000
Tore Jakob Berg, CFO	500 000
Total number of shares held by Board members, Group management and related parties	175 341 799
Total number of shares held by Board members, Group management and related parties in % of total outstanding shares	65.88 %

* Holdings through Hanekamb Invest AS

** Including holdings through Tycoon Industrier AS

*** Holdings through Yls Næringseiendom AS

**** Holdings through Simonsen Invest AS

***** Holdings through EI Investment AS.

Note 14 – 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 2020.

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 21.

Number of shares

NOK 1000	2020	2019
Net profit/(loss) attributable to the shareholders	176 993	48 767
Number of shares		
Weighted average number of ordinary shares outstanding	281 727 913	266 149 831
Weighted average number of shares outstanding, diluted	285 377 913	266 149 831
Number of shares outstanding at period end	439 149 831	266 149 831
NOK per share		
Basic diluted earnings per share	0.63	0.18
Diluted earnings per share	0.62	0.18



Annual Report 2020

Note 15 – 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.

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

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	-	-
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. See note 16 for additional information.

2019	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*	-	930	-	237
Ferncliff Holding AS*	-	3 000	-	250
Total	-	3 930	-	487



Annual Report 2020

Note 16 – Discontinued Operations

As part of the focused strategy towards the sustainability segment, the Group divested in 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, and reclassified accordingly in the restated financial statements of 2019.

The disposal resulted in a gain of NOK 19.4 million

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

NOK 1000	2020	2019
Other income	13 188	20 112
Operating revenues	13 188	20 112
General administrative expenses	5 863	11 258
Depreciation	2 375	3 238
Operating expenses	8 238	14 496
Operating profit/loss (-)	4 950	5 616
Interest income	-	40
Interest expense	-1 353	-2 136
Other financial items	2	0
Net financial items	-1 351	-2 096
Taxes	-	72
Profit at disposal 19 Oct. 2020	19 389	-
Net profit/loss from discounting operations (-)	22 988	3 449
Attributable to:		
Non-controlling interests	1 969	1 559
Shareholders' interests	21 019	1 889

Net cash from discontinuing operations:

NOK 1000	2020	2019
Operating	4 554	6 929
Investing	-	-1 449
Financing	-6 400	-7 500
Net cash (outflow)/inflow	-1 846	-2 019



Annual Report 2020

Note 17 – Financial Risk Management

The Covid-19 pandemic is a temporary incident, acting as an overall risk factor, affecting several of the Groups risk factors. The pandemic increases the volatility in the financial markets, creating both threats and opportunities for the Group. Although it is likely that the dominant 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.

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 276.4 million (2019: NOK 258.2 million).

At 31 December 2020, 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.

Increase of 5 %:

Index	Impact on post-tax profit	
	2020	2019
Oslo Stock Exchange	2 118	10 200
Euronext Growth	9 563	-
Total	11 680	10 200

Decrease of 5 %:

Index	Impact on post-tax profit	
	2020	2019
Oslo Stock Exchange	-2 118	-10 200
Euronext Growth	-9 563	-
Total	-11 680	-10 200

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 476.1 million are deposited at reputable banks and finance institution in Norway. Concentration of credit risk exists to the extent that at December 31, 2020 all cash and cash equivalents, and restricted cash, were held at one financial institution, with credit ratings according to Standard & Poor's of AA-:



Annual Report 2020

NOK 1000

Counterparty	Rating	Geographical segment	2020
Cash and cash equivalents			
DNB	AA-	Norway	391 113
Total			391 113
Restricted cash			
DNB*	AA-	Norway	85 000
Ending balance 31.12.2020			85 000

*Through client account

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, and a limited capital commitment of NOK 35 million (see note 19).

At the reporting date, the Group held cash and cash equivalents of TNOK 391,113 (2019: TNOK 87,684) and other liquid assets of TNOK 85,000 (2019: TNOK 666) that are expected to readily generate cash inflows for managing liquidity risk. The restricted cash of TNOK 85,000 were released to the Group at 4 January 2021.

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 +391. A decrease in the general interest level of one percentile would impact the profit and loss accounts with TNOK -391.

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.



Annual Report 2020

Note 18 – 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.

2020				
NOK 1000	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
2019				
NOK 1000	Carrying amount	Fair value	Fair value hierarchy	
Loans and receivables				
Cash and cash equivalents	87 684	87 684		1
Trade receivables	666	666		2
Investments				
Non-current financial investments	215 343	215 343		1 & 2
Other financial liabilities				
Long term interest bearing debt	55 000	55 000		2
Short term interest bearing debt	4 000	4 000		2
Trade payables	2 072	2 072		2
Other current liabilities	5 129	5 129		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 2020. The fair value of financial instruments does not significantly deviate from their carrying amount.

NOK 1000			
Non-current financial investments (equity securities) in NOK	2020	2019	
Listed shares (Level 1)	276 447	208 249	
Non-listed shares Level 2)	-	7 094	
Total	276 447	215 343	

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,



Annual Report 2020

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 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 19 – 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 2020	31 Dec 2019
At 1 January		215 343	156 462
Additions*		62 551	5 292
Unrealized gain/(loss)		205 539	53 589
Disposals		-206 987	-
At 31 December		276 447	215 343
Less non-current portion		-276 447	-215 343
Current portion		-	-

	Fair value hierarchy	31 Dec 2020	31 Dec 2019
Listed shares	Level 1	276 447	208 249
Non-listed shares	Level 2	-	7 094
Total		276 447	215 343

*The Groups investment through private placement in Horisont Energi, as announced 30 December 2020, is not reflected in the financial statement. 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.

Non-current financial investments include the following:

Equity securities	2020	2019
SD Standard Drilling Plc, market price	-	142 892
Northern Supply AS, fair value assessment from third parties	-	7 094
Vistin Pharma ASA, market price	39 861	65 357
Everfuel AS, market price	225 000	-
Other, market price	11 586	-

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



Annual Report 2020

Note 20 – 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 at 30 December 2020. The cash was released from the deposited account at 4 January 2021.

Note 21 – Option and Share Program

An equity settled option and share program has been initiated in 2020 towards certain key employees. Total cost for the option in 2020 was NOK 6.1 million, whereof 5.9 million in Social security reserves. The current vesting periods of the program is ending in the period between 19 April 2022 and 19 October 2023. 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	2019
Expenses arising from equity-settled share based payment transactions	222
Social security reserves for equity-settled share based payment transactions*	5 922
Total expense arising from share-based payment transactions	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.

Input parameters for Black-Scholes option pricing model as applied for options granted in 2020:

	Tranche 1	Tranche 2	Tranche 3
Number of options granted	6 000 000	6 000 000	6 000 000
Fair value at measurement date	0.17	0.13	0.13
Share price (spot) at grant date	0.90	0.90	0.90
Strike price	1.50	2.00	2.50
First exercise*	19 April 2022	19 October 2022	19 October 2023
Expiry	18 April 2024	18 October 2024	18 October 2025
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:

	2020 Number	2019 WAEP
Outstanding at 1 January	-	-
Granted during the year	18 000 000	2.00
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 December	18 000 000	2.00
Exercisable at 31 December	-	-

The weighted average remaining vesting period for the options outstanding at 31 December was 1.97 years.

The weighted average remaining contractual life for the options outstanding at 31 December was 3.97 years.

The range of exercise price for the options outstanding at 31 December was 1.50 to 2.50 with a weighted average of 2.00.



Annual Report 2020

Note 22 – Dividends Paid and Proposed

The group has distributed two dividends, each of NO 0.10 per share during the year, totalling dividends of MNOK 53.2. The board of Directors has decided not to distribute any dividends in 2021 based on the financial year of 2020.

Note 23 – Subsequent Events

At 8 January 2021 the 30,000,000 shares of the private placement as initiated on 29 December 2020, was registered in The Register of Business Enterprises (Brønnøysundregistrene). At NOK 4.10 per share this raised a gross equity of 123 million.

At 12 January 2021 the listing prospectus was approved by the Financial Supervisory Authority (Finanstilsynet), whereby 183,000,000 of the issued shares became tradable, bringing the total number of tradeable shares in Saga Pure up to 469,149,831.

At 28 January the three subsequent offerings where completed at share prices of NOK 2.10 NOK 2.90 and NOK 4.10. The subsequent offerings raising a gross equity of NOK 26 million, by issuing 9,728,592 new share. Total number of outstanding shares after the subsequent offers where 478,878,423.

19 February 2021 the Board was granted power of attorney to:

- Increase the share capital with up to NOK 2,394,932.11, corresponding to 239,493,211 shares
- Repurchase own shares with a par value of NOK 478,878.42, corresponding to 10 % of total shares issued (47,887,842 shares). The authorization also includes contract liens in the shares of the Company.
- Allocate options to employees and key persons in the company for up to 20,000,000 shares.

These authorizations are valid for two years, and replaces the former authorizations as described in note 13.

24 February the Company's listing was transferred from Euronext Expand to Oslo Børs.

15 March the investment I Vistin Pharma ASA was disposed.

22 March an agreement to subscribe for additional shares at NOK 15 million in Bergen Carbon Solutions AS.

23 March committed to invest NOK 75 million through a private placement in Heimdall AS.

24 March committed to invest NOK 30 million through a private placement in IC Technology AS.

Substantial parts of the Everfuel investment has also been disposed in 2021.



Annual Report 2020

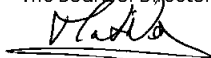
RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the financial statements for the period from 1 January 2020 to 31 December 2020 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.

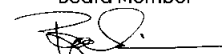

Øystein Stray Spetalen
Board Member


Christine Spiten
Board Member

Oslo, 14 April 2021
The Board of Directors


Martin Nes
Chairman


Yvonne Litsheim Sandvold
Board Member


Bjørn Simonsen
CEO



SAGA

CONSOLIDATED FINANCIAL STATEMENTS
Saga Pure ASA



Annual Report 2020

PARENT COMPANY INCOME STATEMENT

For the period 01.01.2020 – 31.12.2020

<i>NOK 1000</i>	Note	2020	2019
Operating income			
Net gain on financial assets		38 077	23 165
Total operating income		38 077	23 165
Operating expenses			
Employee benefit expenses	2	6 368	6 240
Other operating expenses	2	6 793	5 751
Depreciation	4	24	24
Total operating expenses		13 185	12 015
Net operating profit/loss (-)		24 891	11 150
Financial income/expenses (-)			
Interest income		813	1 225
Interest expense		-2	-2
Net foreign exchange gain/loss (-)		16	2
Other financial income/expenses (-)		-	1
Net financial income/expenses (-)		827	1 226
Net profit before tax		25 719	12 376
Taxes	7	-	-
Net profit/loss (-) for the year		25 719	12 376
Attributable to			
Accumulated losses		25 719	12 376



Annual Report 2020

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

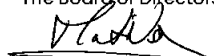
At 31.12.2020

<i>NOK 1000</i>	Note	31 Dec 2020	31 Dec 2019
ASSETS			
Non-current assets			
Fixed assets	4	16	40
Shares and other financial assets	10	67 138	172 626
Shares in subsidiaries	6	-	11 038
Associated companies	11	30 003	-
Total non-current assets		97 157	183 703
Current assets			
Receivables		-	340
Other current assets		385	344
Market shares		-	42 859
Restricted cash		85 000	-
Cash and equivalents	3	391 113	76 350
Total current assets		476 497	119 893
Total assets		573 654	303 596
EQUITY AND LIABILITIES			
Equity			
Share capital	8	4 391	2 661
Other paid in equity	8	1 062 197	819 655
Total paid-in-capital		1 066 589	822 316
Accumulated losses	8	-497 611	-523 329
Total equity		568 978	298 987
LIABILITIES			
Current liabilities			
Trade and other payables		229	493
Public duties payable		1 514	1 326
Other current liabilities		2 933	2 791
Total current liabilities		4 676	4 610
Total liabilities		4 676	4 610
Total equities and liabilities		573 654	303 596

Oslo, 14 April 2021
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 2020

PARENT COMPANY CASH FLOW STATEMENT

For the period 01.01.2020 – 31.12.2020

<i>NOK 1000</i>	Note	2020	2019
Profit before tax		25 719	12 376
Depreciation	4	24	24
Loss/gain on sale financial asset (-)		-38 077	-23 165
Income tax paid	7	-	-
Increase/decrease receivables and prepayments		-40	-260
Increase/decrease payables and accruals		67	-78
Net cash flow from operating activities		-12 307	-11 103
Investment in Financial assets non-current	10	-92 554	-5 292
Divestment in Financial assets non-current	10	175 701	-
Dividends from Financial assets non-current		2 285	-
Net divestment/investment trading (-)		40 797	-38 782
Dividends from subsidiaries		2 958	1 917
Divestment in subsidiaries		38 271	-
Cash from merged subsidiaries		-	1 080
Loan to investments		340	-340
Net cash flow from investing activities		167 798	-41 417
Share issue net of cost		212 502	-
Dividends and repayment of shareholders		-53 230	-
Net cash flow from financing activities		159 272	-
Net change in cash and cash equivalents		314 763	-52 520
Cash and equivalents at beginning of period		76 350	128 870
Net foreign exchange differences (unrealised)		-	-
Cash and equivalent at end of period		391 113	76 350



Annual Report 2020

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.



Annual Report 2020

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.

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>	2020	2019
Employee benefit expenses		
Salaries	5 156	4 967
Board fees	380	440
Social security costs	755	770
Pension expenses	43	49
Other personal expenses	34	14
Total employee benefit expenses	6 368	6 240
Number of employees	4	3
Other operating expenses		
Consultancy fees	3 648	4 441
Other operating expenses	3 146	1 311
Total other operating expenses	6 793	5 751



Annual Report 2020

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

NOK 1000	2020	2019
Audit fees including VAT		
Audit services	366	490
Other attestation services	58	-
Tax services	-	-
Other non-audit services	19	-
Total	443	490

Remuneration to the Board of Directors and executive management for the period 01.01.20 – 31.12.20

2020						
NOK 1000						
Name	Position	Salary and bonus	Vesting option	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
2019						
NOK 1000						
Name	Position	Salary and bonus	Vesting option	Other benefit	Pension cost	Director's fee
Espen Lundaas	CEO/CFO*	2 018	-	-	-	-
Tore Jakob Berg	CFO/CAO*	1 148	-	-	-	-
Martin Nes	Chairman	-	-	-	-	140
Øystein Stray Spetalen	Board member	-	-	-	-	100
Kristin Hellebust	Board member	-	-	-	-	100
Yvonne Litsheim Sandvold	Board member	-	-	-	-	100
Total remuneration		3 167	-	-	-	440

*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.

The Company had no outstanding loans or guarantees in favour of any member of the Board of Directors or company management in 2020.

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 CEO/CFO of Saga Pure ASA has no set bonus scheme. A bonus of TNOK 600 to the CEO/CFO, and TNOK 667 to the CFO/CAO has been granted for the year 2020. 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 18,000,000 stock options, with an authorization to the board to issue further 7,000,000 stock option as of 31 December 2020. References are made to note 13 regarding subsequent events.



Annual Report 2020

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 2020	31 Dec 2019
US Dollar	134	34
Norwegian kroner	390 978	76 316
Total cash and cash equivalents	391 113	76 350

Restricted cash		
Employee tax accounts	1 135	994

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

Note 4 – Fixed Assets

2020 <i>NOK 1000</i>	Machinery and equipment	Total
Acquisition cost, opening balance 01.01.20	72	72
Acquisition during the period	-	-
Disposal during the period	-	-
Acquisition cost at 31.12.20	72	72
Accumulated depreciation, opening balance 01.01.20	-32	-32
Depreciation	-24	-24
Accumulated depreciation disposed assets	-	-
Accumulated depreciation at 31.12.20	-56	-56
Net book value at 31.12.20	16	16

2019 <i>NOK 1000</i>	Machinery and equipment	Total
Acquisition cost, opening balance 01.01.19	29	29
Additions - merger subsidiary	42	42
Acquisition during the period	-	-
Disposal during the period	-	-
Acquisition cost at 31.12.20	72	72
Accumulated depreciation, opening balance 01.01.19	-4	-4
Depreciation	-24	-24
Accumulated depreciation disposed assets	-	-
Accumulated depreciation at 31.12.20	-32	-32
Net book value at 31.12.19	40	40

Note 5 – 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 2020 are limited to office rent including mutual costs, deliverance of strategic management services, and services rendered regarding support for financial reporting.

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. References are made to note 6.



Annual Report 2020

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

2020

NOK 1000

	Sales to related parties	Purchase to related parties	Amount owed by related parties	Amount owed to related parties
Tycoon Industrier AS	38 271	1 235	-	-
Fernclyff Holding AS	-	3 000	250	-
Fernclyff TIH AS	-	-	-	41
Total	38 271	4 235	250	41

2019

NOK 1000

	Sales to related parties	Purchase to related parties	Amount owed by related parties	Amount owed to related parties
Tycoon Industrier AS	-	930	-	237
Fernclyff Holding AS	-	3 000	-	250
Total	-	3 930	-	487

Note 6 - Investments in Subsidiaries

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

NOK 1000	Country of Incorporation	Ownership/ voting rights	Consolidated in the Group financial statement from	Consolidated in the Groups financial statement to	Share capital/ partner capital	Net book value 31 December 2020	Net book value 31 December 2019
	Norway	54.8%	2014	Sept. 2020	N/A	N/A	9 664
	Norway	54.8%	2014	Sept. 2020	N/A	N/A	2 864
	Norway	55.2%	2014	Sept. 2020	N/A	N/A	427
Total					-	-	12 995

All subsidiaries were disposed of in September 2020.



Annual Report 2020

Note 7 – Income Tax

<i>NOK 1000</i>	2020	2019
Current tax expense	-	-
Deferred tax expense	-	-
Tax effect of group contribution	-	-
Tax expense	-	-
Reconciliation of tax expense		
Net income before tax	25 719	12 376
Tax expense based on nominal tax rate 22%	5 658	2 723
Tax effect of permanent differences	-7 914	91 784
Net recognized deferred tax assets	2 256	-94 507
Tax expense	-	-
Reconciliation of deferred tax (-)/deferred tax assets		
Tangible assets	-2	1
Receivables	-	-
Net tax loss carried forward*	16 001	13 748
Net deferred tax assets	15 999	13 749
Net deferred tax assets not recognized	-15 999	-13 749
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 8 – 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 2019	266 149 829	266 149 829	2 661	819 655	-530 084	293 232
Net profit/loss (-) for the year 2019					12 376	12 376
Merger with subsidiaries					-5 622	-5 622
Equity per 1 January 2020	266 149 829	266 149 829	2 661	819 655	-523 329	293 987
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 31 December 2020	439 149 829	439 149 829	4 391	1 062 197	-497 611	568 978

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 the Euronext Expand list, and the share capital is denominated in NOK. References are made to note 13 regarding subsequent events.

Board authorizations

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

The Board held as per 31 December 2020 authorization to issue up to 41,047,916 new shares, including 30,000,000 shares resulted by the board, not yet issued at 31. December. The authorization may be utilised on one or several occasions. References are made to note 13 regarding subsequent events.



Annual Report 2020

Power of attorney to repurchase own shares

The Board held authorization to repurchase own shares as per 31 December 2020 limited to 26,614,983 shares. References are made to note 13 regarding subsequent events.

Authorization to raise convertible loans

The Board held no authorization to raise convertible bonds as per 31 December 2020.

Stock option arrangements

The Company had issued 18,000,000 stock options, with an authorization to the board to issue further 7,000,000 stock option as of 31 December 2020. References are made to note 13 regarding subsequent events.

As of 31 December 2020, the Company had 6,401 shareholders.

Overview of the largest shareholders as per 31 December 2020

	Name	Shares	% of total shares
1	*ØYSTEIN STRAY SPETALEN	172 841 799	39.36 %
2	*TYCOON INDUSTRIER AS	25 550 000	5.82 %
3	** SIMONSEN INVEST AS	17 618 667	4.01 %
4	DALLAS ASSET MANAGEMENT AS	9 187 461	2.09 %
5	NORDNET LIVSFORSIKRING AS	6 595 429	1.50 %
6	PÅL KRISTIAN AASEN	5 866 000	1.34 %
7	AS TANJA	5 745 000	1.31 %
8	TORSTEIN INGVALD TVENGE	5 117 841	1.17 %
9	MELCHER HOLDING AS	4 000 000	0.91 %
10	SONGA CAPITAL AS	3 723 500	0.85 %
11	BORGEN INVESTMENT GROUP NORWAY AS	3 500 000	0.80 %
12	FRØILAND INVEST AS	3 454 554	0.79 %
13	Nordnet Bank AB	3 206 740	0.73 %
14	TIGERSTADEN AS	2 750 000	0.63 %
15	OLA STORMYR HOLDING AS	2 639 242	0.60 %
16	SPAR KAPITAL INVESTOR AS	2 515 016	0.57 %
17	HEGE BAKKEN	2 211 580	0.50 %
18	UTHALDEN AS	2 143 568	0.49 %
19	GIRONDE AS	2 113 000	0.48 %
20	*HANEKAMB INVEST AS	2 000 000	0.46 %
(shared)	20 ** EL INVESTMENT AS	2 000 000	0.46 %
(shared)			
	Total	282 779 397	64.85 %
	Total outstanding shares	439 149 831	100.00 %

* Board members

** Management

Shares owned by the Board, Management and their Related Parties

2020	# of Shares
Board of Directors	
Martin Nes* (Chairman)	2 000 000
Øystein Stray Spetalen **	198 391 799
Yvonne Litsheim Sandvold****	1 082 000
Group Management	
Bjørn Simonsen****, CEO from Dec. 20	17 618 667
Espen Lundaas*****, CEO/CFO from Dec. 20	2 000 000
Tore Jakob Berg, CFO/CAO from Dec. 20	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%



Annual Report 2020

2019	# of Shares
Board of Directors	
Martin Nes* (Chairman)	1 000 000
Øystein Stray Spetalen	172 841 799
Yvonne Litsheum Sandvold	-
Kristin Hellebust	-
Group Management	
Espen Lundaas*****, CEO/CFO from Dec. 20	1 000 000
Tore Jakob Berg, CFO/CAO from Dec. 20	500 000
Total number of shares held by Board members, Group management and related parties	175 341 799
Total number of shares held by Board members, Group management and related parties in % of total outstanding shares	65.88 %

* Through Hanekamb Invest AS

** Including Tycoon Industrier AS

*** Through Yls Næringseiendom AS

**** Through Simonsen Invest AS

***** Through EI 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 3,000,000 stock option rights under vesting.

Note 9 –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 17 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.

Note 10 – Shares and Other Financial Assets

NOK 1000	2020	2019
At 1 January	172 626	107 096
Addition	62 551	5 292
Disposals	-168 039	-
Added through merger	-	41 149
Impairment/+ reversal of impairment	-	19 088
At 31 December	67 138	172 626

The Company investment through private placement in Horisont Energi, as announced 30 December 2020, is not reflected in the financial statement. 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.

Shares and other financial assets include the following

NOK 1000	2020	2019
Listed shares	67 138	165 531
Non-listed shares	-	7 094
Total	67 138	172 626

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



Annual Report 2020

Note 11 – Associates

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

<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 %

The Group also has an option for subscription of additional shares within 9 months from the initial acquisition, which if exercised will increase the ownership to 34.24 %, at a 10 % increased subscription price compared to the terms in the initial acquisition

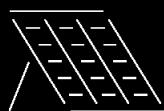
Note 12 – Subsequent Events

References are made to note 23 Subsequent Events in the Group financial statements, as the same events will apply here.



SAGA 

AUDITOR'S REPORT





Statsautoriserte revisorer
Ernst & Young AS

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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 comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the statement of financial position as at 31 December 2020, the income statement and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the statement of financial position as at 31 December 2020, the statements of comprehensive income, cash flows 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 are prepared in accordance with the law and regulations
- ▶ the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2020, and of its financial performance and its 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 present fairly, in all material respects the financial position of the Group as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

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 of the current period. We have determined that there are no key audit matters to communicate in our report.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are 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 other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If,



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based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, 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.

In preparing the financial statements, management is responsible for assessing the Company'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 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 law, regulations and generally accepted auditing principles in Norway, including 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 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 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 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 those charged with governance 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.

Independent auditor's report - Saga Pure ASA

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 those charged with governance, 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 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 requirements

Opinion on the Board of Directors' report and on the statement on corporate governance

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statement on corporate governance concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 14 April 2021
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The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

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SAGA

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