SAGA PURE

Q2

Saga Pure Q2 2024 report

Contents

Financial information

Highlights

NOK 1000	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Operating revenues	2 498	-	16 742	106
Operating profit (-loss) before depreciation (EBITDA) (1)	1 480	-9 127	10 923	-91 197
Operating profit/(-loss) (EBIT) (2)	1 480	-9 127	10 923	-91 197
Net profit/(-loss)	**10 610**	**-5 728**	**28 361**	**-87 433**
Total comprehensive income/(-loss)	**10 610**	**-5 728**	**28 361**	**-87 433**
Basic earnings per share NOK (3)	**0.02**	**-0.01**	**0.06**	**-0.17**
Diluted earnings per share NOK (3)	**0.02**	**-0.01**	**0.06**	**-0.17**

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

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

(3) Basic earnings per shares is calculated by dividing shareholders earnings for the period by the average number of outstanding shares in the period. Diluted earnings per shares is calculated by adding potential shares with dilutive effect, in this case average issued in-the money equity options, to the average number of outstanding shares. Loss is not allocated to dilutive shares.

Financial results

Saga Pure Group ("The Group") reports a total comprehensive income for the second quarter 2024 of NOK 10.6 million, and 28.4 million in comprehensive income for the first half year of 2024.

The Group had an EBITDA of NOK 1.5 million for the second quarter 2024, and 10.9 million in EBITDA for the first half year of 2024.

The Group had a net gain on financial assets of NOK 2.5 million in the second quarter, and 16.7 million in gain for the first half year.

Both the average number of outstanding shares in the quarter, and number of outstanding shares at the end of the quarter, were 484,878,423.

The Group had a cash holding of NOK 490.1 million at the end of second quarter, versus NOK 635.5 million at the end of first quarter.

The reduction in cash during the quarter is a result of increased short-term investments.

The Group's condensed unaudited financial statements for the second quarter and half year of 2024 are enclosed.

Company development and investments

During the quarter, the Group increased its current investments from a total fair value of NOK 167.5 million as per end of first quarter, to a fair value of NOK 304.3 million as per end of second quarter. The Groups investment in Heimdall Power AS, was reclassified from associate to Assets held for Sale. Further references are made to Subsequent events.

Subsequent events

In July, Saga Pure and Heimdall Power AS completed a transaction whereas Heimdall purchased its own shares as owned by Saga. The shares were sold at share price NOK 7, the total sales value was therefore NOK 35.2 million.

Outlook

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

Forward-looking statements

Matters discussed in this report may constitute forward-looking statements. The forward-looking statements in this report are based on various assumptions, many of which are based upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties.

Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies, which are difficult to predict and beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

Oslo, 28 August 2024

The Board of Directors

Responsibility Statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January 2024 to 30 June 2024 have been prepared in accordance with IAS 34 Interim financial reporting, as adopted by the EU, and give a true and fair view of the Group and the Company's consolidated assets, liabilities, financial position and results of operations. Furthermore, we confirm that the Report of the Board provides a true and fair view of the development and performance of the business and the position of the Group and the Company, together with a description of the key risks and uncertainty factors that the Company is facing.

Oslo, 28 August 2024

The Board of Directors

Martin Nes
Chairman

Kristin Hellebust
Board member

Øystein Stray Spetalen
Board member

Consolidated condensed statement of comprehensive income

NOK 1000	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net gain from financial investments	2 498	-	16 742	-
Other income	-	-	-	106
Operating revenues	**2 498**	**-**	**16 742**	**106**
General administrative expense	3 292	3 504	5 819	10 338
Net loss from financial investments	-	2 899	-	75 294
Operating expenses	**3 292**	**6 402**	**5 819**	**85 632**
Profit/(-loss) from associates	**2 273**	**-2 724**	**-**	**-5 670**
Operating profit/(-loss)	**1 480**	**-9 127**	**10 923**	**-91 197**
Interest income	9 529	6 560	19 134	11 129
Interest expense	-2 670	-876	-3 146	-1 613
Other financial items	2 270	-2 285	1 450	-5 751
Net financial items	**9 130**	**3 399**	**17 437**	**3 764**
Taxes	-	-	-	-
Net profit/(-loss)	**10 610**	**-5 728**	**28 361**	**-87 433**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income/(-loss)	**10 610**	**-5 728**	**28 361**	**-87 433**
Basic earnings per share NOK	**0,02**	**-0,01**	**0,06**	**-0,17**
Diluted earnings per share NOK	**0,02**	**-0,01**	**0,06**	**-0,17**
Average number of shares in the period	484 878 423	481 142 159	484 878 423	480 517 312
Number of shares outstanding at period end	484 878 423	484 878 423	484 878 423	484 878 423

Consolidated condensed statement of financial position

NOK 1000	**30.06.2024**	**31.12.2023**
	(unaudited)	(audited)
ASSETS		
Non-current assets		
Associates	-	35 215
Total non-current assets	**-**	**35 215**
Current assets		
Other current assets	68 127	46 782
Current financial investments	304 261	93 354
Assets held for sale	35 215	-
Cash and equivalents	490 120	696 041
Total current assets	**897 723**	**836 178**
TOTAL ASSETS	**897 723**	**871 394**
EQUITY AND LIABILITIES		
Equity		
Share capital	4 849	4 849
Other equity	1 079 616	1 079 616
Total paid-in-capital	**1 084 465**	**1 084 465**
Retained earnings/-accumulated losses	-190 399	-218 759
Total equity	**894 066**	**865 706**
LIABILITIES		
Current liabilities		
Other current liabilities and accruals	3 657	5 688
Total current liabilities	**3 657**	**5 688**
Total liabilities	**3 657**	**5 688**
TOTAL EQUITY AND LIABILITIES	**897 723**	**871 394**

Consolidated condensed cash flow statement

	Apr-Jun 2024	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
	(unaudited)	(unaudited)	(unaudited)	(audited)
Net profit/(-loss)	**10 610**	**28 361**	**-87 433**	**-136 920**
Options and share program	-	-	-200	-200
Result from associates	- 2 273	-	5 670	80 827
Net loss/(-gain) from financial investments	-2 498	-16 742	75 294	55 590
Net divestment/(-investment) trading	-150 363	-211 031	-130 833	-74 350
Changes in other accrued income and expenditure	296	-1 978	-5 032	-4 742
Short-term loan	-	-	-	-43 086
Interest received	-491	-1 279	-	-2 375
Net cash flow from operating activities	**-144 720**	**-202 670**	**-142 534**	**-125 256**
Divestment in non-current financial investments	-	-	25 322	25 322
Net cash flow from investing activities	**-**	**-**	**25 322**	**25 322**
Share issue gross	-	-	6 000	6 000
Net cash flow from financing activities	**-**	**-**	**6 000**	**6 000**
Net change in cash and cash equivalents	**-144 720**	**-202 670**	**-111 211**	**-93 933**
Cash and equivalents at beginning of period	**635 526**	**696 041**	**787 082**	**778 082**
Net foreign exchange differences (unrealised)	**-686**	**-3 252**		**2 892**
Cash and equivalents at end of period	**490 120**	**490 120**	**675 871**	**696 041**

Consolidated condensed statement of changes in equity

Jan-Jun 2024 (Unaudited) *NOK 1000*	**Issued capital**	**Other equity**	**Accumulated losses**	**Total**
Equity as of 1 January 2024	**4 849**	**1 079 616**	**-218 759**	**865 706**
Net profit/(-loss)	-	-	28 361	**28 361**
Total comprehensive income	**-**	**-**	**28 361**	**28 361**
Equity per ending balance 30 June 2024	**4 849**	**1 079 616**	**-190 399**	**894 066**

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

Jan-Dec 2023 (Audited) *NOK 1000*	**Issued capital**	**Other equity**	**Accumulated losses**	**Total**
Equity as of 1 January 2023	**4 799**	**1 073 498**	**-81 840**	**996 457**
Net profit/(-loss)	-	-	-136 920	**-136 920**
Total comprehensive income	**-**	**-**	**-136 920**	**-136 920**
Share issue	50	5 950	-	**6 000**
Options and share program (note 3)	-	168	-	**168**
Equity per ending balance 31 December 2023	**4 849**	**1 079 616**	**-218 759**	**865 706**

Notes to the financial statements

Note 1 – Basis for preparation

The Company's condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as approved by the EU and requirements in the Norwegian Securities Trading Act. This condensed interim financial statement for the second quarter is approved by the Board of Directors on 28 August 2024.

The accounting policies applied in the preparation of the condensed interim financial statements are consistent with those presented in the Annual Report of 2023.

Foreign currency

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

Note 2 – Operating Segments

Investments are reported as one segment, while the "Other" segment in 2023 consisted of consulting services from internal industry specialists, that were monitored separately. Further segmentation might be applied as the business evolves.

	Investment			Other			Total		
Segment information *NOK 1000*	**Jan-Jun 2024**	**Jan-Jun 2023**	**Jan-Dec 2023**	**Jan-Jun 2024**	**Jan-Jun 2023**	**Jan-Dec 2023**	**Jan-Jun 2024**	**Jan-Jun 2023**	**Jan-Dec 2023**
Income									
Net gain/loss on investments	16 742	-75 294	-55 590	-	-	-	16 742	-75 294	-55 590
Other income	-	-	-	-	106	106	-	106	106
Total income	**16 742**	**-75 294**	**-55 590**	**-**	**106**	**106**	**16 742**	**-75 188**	**-55 484**
Operating expenses - excluding loss in investments	**5 819**	**10 338**	**20 792**	**-**	**-**	**-**	**5 819**	**10 338**	**20 792**
Net operating profit	**10 923**	**-91 197**	**-157 209**	**-**	**1 184**	**106**	**10 923**	**-91 197**	**-157 103**
	30 Jun 2024	**30 Jun 2023**	**31 Dec 2023**	**30 Jun 2024**	**30 Jun 2023**	**31 Dec 2023**	**30 Jun 2024**	**30 Jun 2023**	**31 Dec 2023**
Assets	897 723	922 740	871 394	-	-	-	897 723	922 740	871 394
Liabilities	3 657	7 547	5 688	-	-	-	3 657	7 547	5 688

Note 3 – Options and share program

During the quarter, the Group had 3.5 million outstanding options towards former employees, of which 1.5 million expired at end of second quarter. All options are fully vested, and none of them are currently "in the money".

Note 4 – 20 largest investors

	Name	Shares	Of total shares
1	*Øystein Stray Spetalen	172 841 799	35,65 %
2	*Tycoon Industrier AS	28 550 000	5,89 %
3	Clearstream Banking S.A.	13 167 247	2,72 %
4	Simonsen Invest AS	12 515 768	2,58 %
5	Steinar Grønland	11 000 000	2,27 %
6	Atle Sandvik Pedersen	8 295 673	1,71 %
7	Skandinaviska Enskilda Banken AB	7 400 000	1,53 %
8	Injektor AS	6 500 000	1,34 %
9	Active Pro AS	5 900 000	1,22 %
10	Nordnet Livsforsikring AS	5 207 063	1,07 %
11	Ola Stormyr Holding AS	5 000 000	1,03 %
12	Melcher Holding AS	4 746 493	0,98 %
13	Bjørn Simonsen	4 000 000	0,82 %
14	Frøiland Invest AS	3 454 554	0,71 %
15	Tonor Holding AS	3 000 000	0,62 %
15	Løren Holding AS	3 000 000	0,62 %
17	**Hanekamb Invest AS	2 300 000	0,47 %
17	***El Investment AS	2 300 000	0,47 %
19	Hege Bakken	2 211 580	0,46 %
20	U-Turn Ventures AS	2 094 556	0,43 %
	Total	**303 484 733**	**62,59 %**
	Total outstanding shares	**484 878 423**	**100,00 %**

* Board member/controlled by Board member Øystein Stray Spetalen
**Controlled by Martin Nes, Chairman of the Board
*** Controlled by Espen Lundaas, CEO of Saga Pure

Note 5 – Subsequent events

In July, Saga Pure and Heimdall Power AS completed a transaction whereas Heimdall purchased its own shares as owned by Saga. The shares were sold at share price NOK 7, the total sales value was therefore NOK 35.2 million.

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info@sagapure.com

Sjølyst Plass 2,
0278 Oslo, Norway

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