



Aega ASA

Q4 REPORT 2021



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About Aega

Aega ASA is an investment company listed on Euronext Expand in Oslo. Aega's main focus is on the solar power market. We acquire and operate smaller existing Italian solar power plants, following strict investment criteria. In addition to being an industrial player we also consider financial investments in the solar and renewable sector.

The company's head offices are in Oslo (NO) and Trento (IT).

Quarterly report

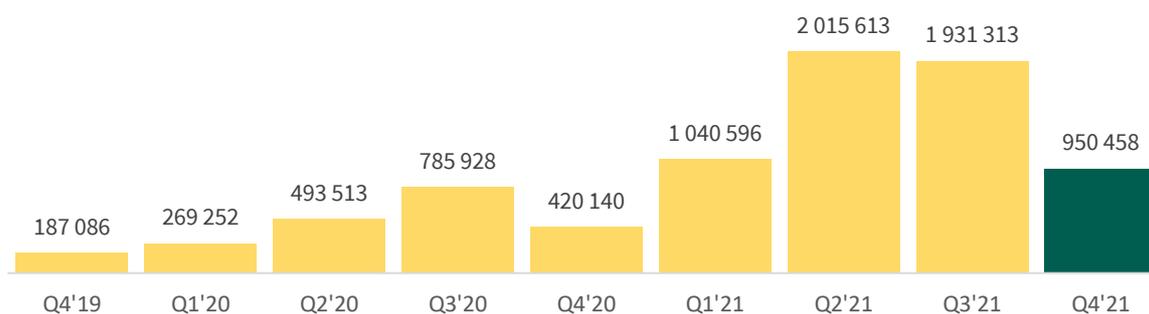
Highlights of the quarter

- Aega had five operating solar parks in the quarter, total production in Q4 was 950 458 kwh.
- Successfully executed right issue with warrants and secured the funds to continue to grow the portfolio of solar parks.
- Signed non-binding and binding offer for two solar plants with combined installed capacity of 1.4MWp.
- Site visits, technical, legal and financial due diligences initiated

Subsequent events

- Closed acquisition of Actasol 4 S.r.l. and Actasol 16 S.r.l. The two parks have a combined installed power of ca. 1.4 MWp. Both parks are located near each other, in the Marche region of Italy.

Figure 1: Power Generation (kWh)



Letter from the CEO

Dear shareholders,

As Q4 and 2021 as a whole came to an end, it is fair to say that Aega is in better shape than ever. In Q4 we had revenues of EURt 482 and EBITDA was positive with EURt 341.

Our operational assets performed as expected, and even though Q4 is not the best period for solar power production, due to lower solar irradiation, I am pleased with all our solar park operations through this quarter.

Aega has through 2021 become a “green company”, with moderate debt, well producing solar parks, efficient operations, cost-control, positive EBITDA and free cash flow. When we know that our business model still can increase revenues considerably without cost following at same speed, we have lots of reasons to be positive when it comes to the future.

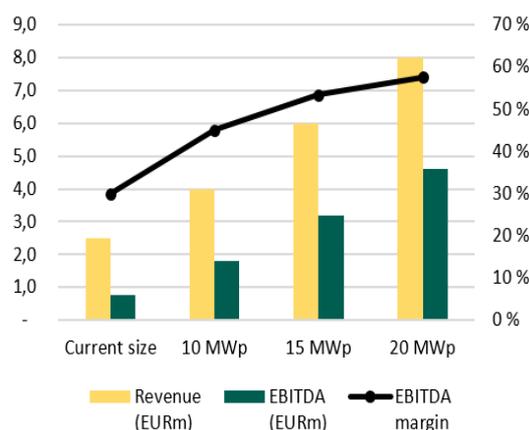
Economies of scale

The first and next step to support the growth strategy of Aega was secured in Q4 when we raised EURM 2.7 in new capital. As reported, these funds are to a large extent already put to work with the recent purchase of two solar parks in the Marche region in Italy. Worth mentioning is that these parks are running on spot price PPA’s. This means that the price for the energy sold from these parks will fluctuate more than from our other solar parks. Nevertheless, with a quite tight energy situation in Europe we are comfortable with this for a while, and it also contributes to a new dimension of diversification in our portfolio. Additionally, these new parks benefit from feed-in-tariff scheme 3 and 4. I expect a combined yearly revenue contribution from the two parks of around EURM 0.6.

Further, a larger portfolio will contribute to increased revenues and EBITDA for Aega as our

cost base will increase far less than revenues when we add an extra MW. This is true up to around 20MW given that the acquired solar parks have the same characteristics as the existing portfolio. Year over year numbers illustrated in the figure, where the current size (6.4MWp) gives EURM 2.5 in revenues and EURM 0.75 in EBITDA.

Estimated effect of increased scale



Capital structure and funding

Our intention is to continue to purchase parks that satisfy our demand for returns, and we have lined up a pipeline in the near term. When it comes to financing of these possible acquisition targets, the management have close dialogue with the board of directors to look for alternative solutions, *in the event that* the warrants that expire March 10th should be “out of the money”. Any such solution will strive to take all shareholders interests into account.

In this respect it is also important and relevant to mention that when we have reached a certain size – the outspoken goal is 10MWp – Aega will be in a situation where further capital should be raised on attractive terms. In clear language that means on share prices that reflect underlying values in an industrial portfolio of 10MW or more.

Our outspoken short-term goal of 10MW remains and will represent further possibilities both in terms of access to other sources of financing, re-financing and opportunities to do other, better or somewhat larger deals.

Pipeline

Going forward, and over the next year, we expect to be in an acquisition phase. Therefore, our focus is to work hard to close several of the deals we have in our pipeline. The access to potential acquisition targets is good, even though we are experiencing somewhat harder competition as focus on renewable energy is increasing also in our niche - the secondhand market.

Nevertheless, we will keep our threshold for acceptable returns (internal rate of return) at levels that are very competitive and are still able to find deals that are non-dilutional on portfolio level. Our willingness to do the groundwork and meet a variety of potential seller's and ability to close deals on relatively short timeframes are key advantages in the part of the market where Aega operates. I am confident that we will continue to hold and fight for this position.

Financial investments

Norsk Solar is our only financial investment of any mentionable size outside our industrial business. Aega holds approximately 5.3% of the outstanding shares in the company, and as Norsk Solar from Q2/21 is a listed company we book our holding at market value from that point. From my perspective this investment has a considerable potential as they operate in markets with strong growth, high level of activity and attention. Norsk Solar has a competent and forward leaning team with a strong platform and partners that should be attractive. We will continue to work with both Norsk Solar and the other major shareholders in the company to develop their business further.

Concluding remark

Concluding remark from me to our shareholders is that Aega is in good shape! We will continue our Italian acquisitions and at the same time develop both our portfolio and our pipeline to increase our production of renewable energy, increase our revenues and continue to strengthen our balance sheet.

Best regards,
Nils Petter Skaset
CEO



Operational development

Aega had five operating solar parks in the quarter, total production in Q4 was 950 458 kwh.

The level of production is in line with expected season variations and solar park business cases at the time of acquisition.

Financial development

At the end of the quarter Aega had 5 operating solar parks in Italy and a financial holding in Norsk Solar as main assets.

In Q4 total revenues was EURt 482 (Q4 2020: EURt 107), while EBITDA for the period ended at EURt 341 (Q4 2020: EURt -167).

Risks and uncertainties

No significant change has occurred in risk exposures or risks and uncertainties as described in the second quarter report, compared with those described in the annual report.

Forward-looking statement

This report contains statements regarding the future in connection with the company's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section "Outlook" contains forward-looking statements regarding the company's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual results and developments deviating substantially from what has been expressed or implied in such statements. These factors include the risk factors related to the company's activities as described in the above section "Risks and Uncertainties".

Outlook

The company is currently pursuing several investment opportunities in the Italian solar market. Aega has the team and infrastructure on the ground in Italy to find and operate a solar portfolio up to approximately 20MWp with today's infrastructure. Aega remain optimistic with regards to its deal flow.

Financial statements



Profit and loss

(EUR)	Note	Q4-2021	Q4-2020	FY 2021	FY 2020
Feed-In Tariff revenue		319 778	90 781	1 355 086	549 283
Sales of electricity		162 108	16 048	485 698	117 747
Revenues		481 886	106 829	1 840 784	667 030
Cost of operations		-39 635	-27 925	-268 358	-87 254
Personnel expenses		-67 183	-56 865	-415 070	-210 333
Other operating expenses		-34 396	-189 236	-803 850	-506 509
EBITDA		340 672	-167 197	353 506	-137 067
Depreciation and amortization		-195 065	-120 138	-912 316	-425 789
Operating profit		145 607	-287 335	-558 809	-562 856
Net finance		-217 691	-172 116	472 726	432 682
Profit before income tax		-72 084	-459 451	-86 083	-130 174
Income tax		-35 796	-3 269	-75 331	-56 428
Profit for the period		-107 879	-462 720	-161 413	-186 602
Other comprehensive income					
<i>Items that may be reclassified to P&L</i>					
Translation differences and other elements		28 963	398 457	295 603	-249 377
Total comprehensive income		-78 917	-64 263	134 190	-435 980
Profit for the period attributable to:					
Equity holders of the parent company		-78 917	-64 263	134 190	-435 980

Balance sheet

(EUR)	Note	31.12.2021	31.12.2020
ASSETS			
Property, plant and equipment		6 406 027	4 642 154
Right-to-use assets		3 698 258	539 106
Financial investments		2 894 992	1 910 154
Other long-term assets		300 336	331 235
Non-current assets		13 299 613	7 422 650
Receivables		992 229	693 187
Other current assets		1 239 891	136 170
Cash and short-term deposits		4 300 351	3 086 962
Current assets		6 532 471	3 916 319
TOTAL ASSETS		19 832 084	11 338 969
EQUITY AND LIABILITIES			
Share capital	2	6 996 859	5 162 293
Share premium		7 714 362	7 056 247
Paid in capital		14 711 221	12 218 540
Other equity		-4 378 953	-4 561 956
Other equity		-4 378 953	-4 561 956
Total equity		10 332 267	7 656 584
Long term loans		4 515 954	2 624 709
Leasing		3 522 606	479 117
Total non-current liabilities		8 038 559	3 103 826
Short term leasing		266 049	73 419
Trade payables and other payables		805 093	168 395
Short term financing		295 796	275 291
Current tax		94 320	61 453
Total current liabilities		1 461 257	578 558
Total liabilities		9 499 817	3 682 385
TOTAL EQUITY AND LIABILITIES		19 832 084	11 338 969

Cash flow

(EUR)	Note	FY 2021	FY 2020
Profit before tax		-86 083	-130 174
Paid income taxes		0	0
Depreciation		912 316	425 789
Changes in trade receivables and payable		337 655	-87 211
Changes in other accruals		-66 988	-90 291
Fair value adjustment financial assets		-836 401	0
Cash flow from operations		260 499	131 264
Acquisition net of cash acquired		-444 131	-1 573 768
Financial investments		-178 826	-1 910 154
Cash flow from investments		-622 958	-3 483 922
Dividends or shareholder distributions		0	-181 222
Share rights issue		2 541 494	0
Lease payments		-346 789	-38 300
Repayment of loans		-323 254	-395 498
Cash flow from financing		1 871 451	-615 020
Cash at beginning of period		3 086 962	7 304 018
Net currency translation effect		-295 603	-249 377
Net change in cash and cash equivalents		1 508 992	-3 967 678
Cash at end of period		4 300 351	3 086 962

Notes

Note 1: General information and summary of significant accounting policies

General information

Aega ASA is a public limited company, incorporated and domiciled in Norway. The registered office of Aega ASA is Thunes Vei 2, NO-0274 Oslo, Norway. The parent company was listed on Euronext Expand in 2011.

Basis for preparing the interim financial statements

The condensed interim consolidated financial statements have been prepared in accordance International Financing Reporting Standards (IFRS) as adopted by the European Union and interpretations issued by the International Accounting Standards Board (IASB) that are relevant to the Group. The condensed interim consolidated financial statements are unaudited.

The group's presentation currency is the euro (EUR) and the parent company's functional currency is the Norwegian krone (NOK). Balance sheet items in group companies with a functional currency other than the EUR are converted to EUR by applying the currency rate applicable on the balance sheet date. Currency translation differences are booked against other comprehensive income. Income statement items are converted by applying the average currency rate for the period. The interim financial report has been prepared on the assumption that the company is a going concern.

See annual report for a full overview of the accounting principles applied by the group.

Key risk factors

No significant change has occurred in risk exposures or risks and uncertainties, compared with those described in the annual report.

Note 2: Shares and shareholder information

General

As of 31 December 2021, Aega ASA had a share capital of NOK 66 375 949 comprising 66 375 949 shares with a par value of NOK 1. Aega ASA has only one share class. All shares have equal voting rights and rights to dividends from the Company. All shares are fully paid.

Largest 20 shareholders on 31 December 2021

Shareholders	Share	Percentage
ASBJØRN JOHN BUANES	2 086 470	3,14 %
RYBO NOR AS	1 738 735	2,62 %
ERIK WAHLSTRØM	1 651 164	2,49 %
MORO AS	1 622 777	2,44 %
NORDNET LIVSFORSIKRING AS	1 583 058	2,38 %
THORVALD MORRIS HARALDSEN	1 372 100	2,07 %
NORDNET BANK AB	1 234 740	1,86 %
JAN P HARTO AS	1 210 566	1,82 %
SPC INVEST AS	1 190 940	1,79 %
FIN SERCK-HANSSEN	1 160 741	1,75 %
ZAFER KARA	1 000 000	1,51 %
KÅRE REIDAR JOHANSEN	844 722	1,27 %
OLAV VESAAS	836 142	1,26 %
BREZZA AS	782 793	1,18 %
ROALD ARNOLD NYGÅRD	753 720	1,14 %
SANDBERG JH AS	750 994	1,13 %
VESOLDO AS	690 880	1,04 %
PENTHOUSE MIRADORES AS	666 666	1,00 %
JAN STEINAR NEREM	632 069	0,95 %
RACCOLTA AS	608 000	0,92 %
Total 20 largest shareholders	22 417 277	33,77 %
Aega ASA outstanding shares	66 375 949	100,00 %

Responsibility statement

We confirm to the best of our knowledge, that the condensed interim financial statement for the period 1 January 2021 to 31 December 2021 has been prepared in accordance with IFRS as adopted by EU, and that the information gives a true and fair view of the Group's assets, liabilities, financial position and result for the period.

We also confirm that and that the interim report includes a fair review of any significant events which arose during the period and their effect on the financial report and any significant related party transactions. The report includes, to the best of our knowledge, a description of the material risks which the board of directors deems at the time of this report might have a significant impact on the financial performance of the company.

Oslo, 25 February 2022

Halldor Christen Tjoflaat
Chairman

Jan Peter Harto
Board member

Kristine Malm Larneng
Board member

Nils Petter Skaset
CEO

Aega ASA

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