

# Q1

Q1 2020 REPORT



# CONTENTS

## FINANCIAL INFORMATION

Highlights >

Consolidated condensed statement of comprehensive income >

Consolidated condensed statement of financial position >

Consolidated condensed cash flow statement >

Consolidated condensed statement of changes in equity >

Notes to the financial statements >

# HIGHLIGHTS

## KEY FIGURES

NOK 1000	Jan-Mar 2020 (unaudited)	Jan-Mar 2019 (unaudited)	Jan-Dec 2019 (unaudited)
Operating revenues	5 188	28 197	77 779
Operating profit (-loss) before depreciation (EBITDA) (1)	-98 586	22 753	54 533
Operating profit/(-loss) (EBIT) (2)	-99 309	21 996	51 271
<b>Net profit/(-loss)</b>	<b>-99 615</b>	<b>21 767</b>	<b>50 326</b>
<b>Total comprehensive income</b>	<b>-99 615</b>	<b>21 767</b>	<b>50 326</b>
<b>Value adjusted equity per share (NOK) (3)</b>	<b>0,94</b>	<b>1,21</b>	<b>1,32</b>
<b>Basic and diluted earnings per share NOK</b>	<b>-0,38</b>	<b>0,08</b>	<b>0,18</b>
(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) Value adjusted equity has been calculated through application of market value for assets and liabilities traded in quoted markets, and book value for other assets and liabilities. As traded assets and liabilities are carried at fair value in the balance sheet, the VAE per share equals total equity excluding non-controlling interests per outstanding share.			

## RESULTS

Saga Tankers Group ("The Group") reports a net total comprehensive loss for the first quarter 2020 of NOK 99.6 million. (NOK 50.3 million for the twelve months of 2019).

EBITDA for the first quarter 2020 was NOK -99.6 million.

Earnings per share (EPS) for the first quarter were NOK -0.38

The Group had an income of NOK 5.2 million in the first quarter, all of which relates to lease and operation of real estate. The investment portfolios resulted in a net loss of NOK 98.7 million in the quarter.

The average number of outstanding shares in the quarter was 266,149,831.

The Group's condensed unaudited financial statements for the first quarter of 2020 are enclosed.

### Current Investments

The Group currently holds long-term investments classified as financial assets available for sale with a fair value

of NOK 130.8 million. The fair value of the investments by the end of first quarter is as follows:

SD Standard Dr. Plc	NOK 81 million
Vistin Pharma ASA	NOK 43 million
Other investments	NOK 7 million

Changes in market-value for these investments resulted in a unrealized loss of NOK 84.5 million for the first quarter.

The short-term investment portfolio classified as financial assets at fair value through profit and loss, generated a loss of 14.1 million during first quarter, of which 13.6 million is realized.

The Group has a cash holding of NOK 112.6 million at the end of first quarter, versus NOK 87.7 million per year-end 2019.

### Outlook

The first quarter was for the Group, as for a majority of businesses world wide, strongly affected by the COVID-19 pandemic. The pandemic was followed by a substantial decline in equity-values

worldwide. This had a material effect on the fair value of the Groups investment portfolios.

In addition, the Vallhall arena was temporarily shut down as a consequence of the governmental guidelines regarding social distancing. The shutdown affected the earnings in Vallhall in the first quarter, and it will most likely affect the earnings going forward, although it is too early to quantify the net effect of this.

However, the Group has a strong balance sheet, enabling the company to continue to pursue attractive investment opportunities. Measures has been taken in Vallhall in order to minimize the running expenses during the shutdown. Vallhall has sufficient liquidity to await a gradually reopening as soon as this can be done in a matter regarded as safe and in accordance with governmental guidelines.

### 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, 13 May 2020

The Board of Directors

# CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

<i>NOK 1000</i>	<b>Jan-Mar 2020</b>	<b>Jan-Mar 2019</b>	<b>Jan-Dec 2019</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Other Income	5 188	6 424	20 112
Net gain/(-loss) from available for sale assets	-	21 773	57 666
<b>Operating revenues</b>	<b>5 188</b>	<b>28 197</b>	<b>77 779</b>
General administrative expenses	5 127	5 443	23 249
Depreciation (note 4)	723	757	3 262
Net loss/(-gain) from available for sale assets	98 653	-	-
<b>Operating expenses</b>	<b>104 502</b>	<b>6 200</b>	<b>26 511</b>
<b>Operating profit/(-loss)</b>	<b>-99 314</b>	<b>21 997</b>	<b>51 268</b>
Interest income	259	269	1 265
Interest expense	-565	-499	-2 138
Other financial items	5	-0	4
<b>Net financial items</b>	<b>-301</b>	<b>-229</b>	<b>-869</b>
<b>Share of profit from associates</b>	<b>-</b>	<b>-</b>	<b>-</b>
Taxes	-	-	72
<b>Net profit/(-loss)</b>	<b>-99 615</b>	<b>21 767</b>	<b>50 326</b>
Exchange difference currency translations	-	-	-
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>-99 615</b>	<b>21 767</b>	<b>50 326</b>
Attributable to:			
Non-controlling interests	620	1 083	1 559
Shareholders' interests	-100 234	20 684	48 767
<b>Basic and diluted earnings per share NOK</b>	<b>-0,38</b>	<b>0,08</b>	<b>0,18</b>
Average number of shares in the period	266 149 831	266 149 831	266 149 831
Number of shares outstanding at period end	266 149 831	266 149 831	266 149 831

# CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION

<i>NOK 1000</i>	<b>31.03.2020</b>	<b>31.12.2019</b>
	<i>(unaudited)</i>	<i>(audited)</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Available-for-sale financial assets (note 3)	130 797	215 343
Fixed assets (note 4)	89 904	90 008
Receivables	340	340
<b>Total non-current assets</b>	<b>221 041</b>	<b>305 691</b>
<b>Current assets</b>		
Other current assets	1 309	1 333
Financial assets at fair value through profit and loss	1 648	42 859
Cash and equivalents	112 571	87 684
<b>Total current assets</b>	<b>115 529</b>	<b>131 876</b>
<b>TOTAL ASSETS</b>	<b>336 569</b>	<b>437 567</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	2 661	2 661
Other equity	819 655	819 655
<b>Total paid-in-capital</b>	<b>822 316</b>	<b>822 316</b>
Accumulated losses	-569 025	-468 791
Other components of equity	-2 648	-2 648
Non-controlling interests	20 775	20 156
<b>Total equity</b>	<b>271 418</b>	<b>371 032</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Long-term interest bearing debt	54 000	55 000
Deferred tax	278	278
<b>Total non-current liabilities</b>	<b>54 278</b>	<b>55 278</b>
<b>Current liabilities</b>		
Short-term interest bearing debt	4 000	4 000
Tax payable	10	55
Other current liabilities and accruals	6 863	7 201
<b>Total current liabilities</b>	<b>10 873</b>	<b>11 257</b>
<b>Total liabilities</b>	<b>65 151</b>	<b>66 535</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>336 569</b>	<b>437 567</b>

# CONSOLIDATED CONDENSED CASH FLOW STATEMENT

<i>NOK 1000</i>	<b>Jan-Mar 2020</b>	<b>Jan-Dec 2019</b>
	<i>(unaudited)</i>	<i>(audited)</i>
Profit before tax	-99 614	50 398
Profitshare from associates	-	-
Depreciation (note 5)	723	3 262
Net loss/(-gain) from AVA asset	98 652	-57 666
Foreign exchange losses/(gains)	-5	0
Interest paid	545	971
Interest received	-	-1 225
Income tax paid	-45	-90
Increase/decrease receivables and prepayments	23	-253
Increase/decrease payables and accruals	-338	175
<b>Net cash flow from operating activities</b>	<b>-59</b>	<b>-4 429</b>
Investment in AVA Financial assets	-	-5 292
Divestment in AVA Financial assets	-	-
Net divestment/(-investment) trading	27 106	-38 782
Interest received	-	1 225
Investment in fixed assets	-619	-1 449
<b>Net cash flow from investing activities</b>	<b>26 487</b>	<b>-44 638</b>
Repayments of long term borrowings	-1 000	-4 000
Interest paid	-545	-971
Net cash flow from financing activities	<b>-1 545</b>	<b>-6 553</b>
<b>Net change in cash and cash equivalents</b>	<b>24 883</b>	<b>-55 620</b>
<b>Cash and equivalents at beginning of period</b>	<b>87 684</b>	<b>143 304</b>
Net cash in merger at carryover basis	-	-
Net foreign exchange differences (unrealised)	5	-0
<b>Cash and equivalents at end of period</b>	<b>112 571</b>	<b>87 684</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Jan-Mar 2020 (Unaudited)						
<i>NOK 1000</i>	Issued capital	Other equity	Accumulated losses	Exchange difference currency translations	Non-controlling interests	Total
Equity as at 1 January 2020	2 661	819 655	-468 791	-2 648	20 156	371 032
Net profit/(-loss)	-	-	-100 234		620	-99 614
Total comprehensive income	-	-	-100 234	-	620	-99 614
Equity per ending balance 31 March 2020	2 661	819 655	-569 025	-2 648	20 775	271 418
Jan-Dec 2019 (Audited)						
<i>NOK 1000</i>	Issued capital	Other equity	Accumulated losses	Exchange difference currency translations	Non-controlling interests	Total
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 2019	2 661	819 655	-468 791	-2 648	20 156	371 032



# NOTES

## 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 first quarter is adopted by the Board of Directors on 13 May 2020.

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those presented in the Annual Report of 2019.

Foreign currency

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

## NOTE 2 – OPERATING SEGMENTS

The management monitors the net income from investments in financial assets and liabilities, and the revenues from lease and operation of property on a separate basis.

	Investment		Vallhall		Other		Total	
	Jan-Mar 2020	Jan-Dec 2019	Jan-Mar 2020	Jan-Dec 2019	Jan-Mar 2020	Jan-Dec 2019	Jan-Mar 2020	Jan-Dec 2019
<b>Segment information</b>								
<i>NOK 1000</i>								
<b>Income</b>								
Net gain/loss on investments	-98 652	57 666					-98 652	57 666
Rental income/sundry income			5 188	20 112			5 188	20 112
<b>Total income</b>	<b>-98 652</b>	<b>57 666</b>	<b>5 188</b>	<b>20 112</b>	-	-	<b>-93 464</b>	<b>77 779</b>
<b>Operating expenses - excluding loss on investments</b>								
	2 585	12 015	3 265	14 496			5 850	26 511
<b>Net operating profit/loss</b>	<b>-101 238</b>	<b>45 652</b>	<b>1 924</b>	<b>5 616</b>	-	-	<b>-99 314</b>	<b>51 268</b>
	<b>31 Mar 2020</b>	<b>31 Dec 2019</b>	<b>31 Mar 2020</b>	<b>31 Dec 2019</b>	<b>31 Mar 2020</b>	<b>31 Dec 2019</b>	<b>31 Mar 2020</b>	<b>31 Dec 2019</b>
Assets	233 155	335 276	103 414	102 291	-	-	336 569	437 567
Liabilities	3 465	4 610	61 686	61 925	-	-	65 151	66 535

### NOTE 3 – AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 Mar 2020	31 Dec 2019	
<i>NOK 1000</i>			
At 1 January	215 343	156 462	
Additions	-	5 292	
Assets received through merger and demerger	-	-	
Currency translations	-	-	
Impairment	-	-	
Unrealized gain/loss	-84 547	53 589	
Increase/(Decrease) in value recognized as other comprehensive income	-	-	
Reclassified as associates	-	-	
Reclassified from associates due to dilution and loss of significant influence	-	-	
Disposals	-	-	
<b>Total</b>	<b>130 797</b>	<b>215 343</b>	
Available-for-sale financial assets include the following:			
	Fair value hierarchy	31 Mar 2019	31 Dec 2019
Listed shares	Level 1	123 702	208 249
Non-listed shares	Level 2	7 094	7 094
<b>Total</b>		<b>130 797</b>	<b>215 343</b>

In addition to the Available-for-sale financial assets, the Group also had NOK 42.9 million in investments at fair value at the beginning of the quarter. These investments contributed with a loss of NOK 14.1 million in the first quarter, and were divested down to 1.6 million at end of quarter.

The entire change in available-for-sale financial assets during the quarter relates to financial instruments that fall within the level 1 category of the fair value hierarchy. The fair value hierarchy is described below.

#### Fair value hierarchy

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data, for example discounted cash flow technique.

The financial assets are denominated in NOK and are measured at fair value. Listed shares are valued at values quoted in active markets as of 31 March 2020.

NOTE 4 – FIXED ASSETS

	Buldings	Machinery & equipment	Capitalized costs - work in progress	Land	Total
<b>2020</b>					
<i>NOK 1000</i>					
<b>Acquisition cost, opening balance 01.01.20</b>	<b>100 568</b>	<b>4 827</b>	<b>38</b>	<b>199</b>	<b>105 632</b>
Acquisitions during the period	619	-	-	-	619
Disposals during the period	-	-	-	-	-
<b>Acquisition cost at 31.03.20</b>	<b>101 187</b>	<b>4 827</b>	<b>38</b>	<b>199</b>	<b>106 251</b>
<b>Accumulated depreciation, opening balance 01.01.20</b>					
	-14 015	-1 610	-	-	-15 625
Depreciation	-700	-23	-	-	-723
Accumulated depreciation disposed assets	-	-	-	-	-
<b>Accumulated depreciation at 31.03.20</b>	<b>-14 715</b>	<b>-1 633</b>	<b>-</b>	<b>-</b>	<b>-16 348</b>
<b>Net book value at 31.03.20</b>	<b>86 472</b>	<b>3 195</b>	<b>38</b>	<b>199</b>	<b>89 904</b>
<b>2019</b>					
<i>NOK 1000</i>					
<b>Acquisition cost, opening balance 01.01.19</b>	<b>99 141</b>	<b>4 806</b>	<b>38</b>	<b>199</b>	<b>104 184</b>
Acquisitions during the period	1 427	22	-	-	1 449
Disposals during the period	-	-	-	-	-
<b>Acquisition cost at 31.12.19</b>	<b>100 568</b>	<b>4 827</b>	<b>38</b>	<b>199</b>	<b>105 632</b>
<b>Accumulated depreciation, opening balance 01.01.19</b>					
	-10 853	-1 510	-	-	-12 363
Depreciation	-3 161	-100	-	-	-3 262
Accumulated depreciation disposed assets	-	-	-	-	-
<b>Accumulated depreciation at 31.12.19</b>	<b>-14 015</b>	<b>-1 610</b>	<b>-</b>	<b>-</b>	<b>-15 625</b>
<b>Net book value at 31.12.19</b>	<b>86 553</b>	<b>3 217</b>	<b>38</b>	<b>199</b>	<b>90 008</b>

The book-value of the Vallhall arena has been assessed in relation to the temporary shut down and the uncertainties regarding the COVID 19 going forward. Even though the financial year 2020 is expected to be challenging regarding the operation of the arena, it was concluded that the values are justifiable as normal operations are to be expected to be gradually reintroduced.

## NOTE 5 – 20 LARGEST INVESTORS

NAME	Shares	Of total shares
1 *ØYSTEIN STRAY SPETALEN	172 841 799	64,94 %
2 TORSTEIN INGVALD TVENGE	10 000 000	3,76 %
3 AF CAPITAL MANAGEMENT AS	9 300 000	3,49 %
4 AS TANJA	5 745 000	2,16 %
5 BORGEN INVESTMENT GROUP NORWAY AS	5 000 000	1,88 %
6 LEOVILLE AS	4 000 000	1,50 %
7 PORTIA AS	4 000 000	1,50 %
8 UTHALDEN AS	3 895 568	1,46 %
9 KRISTIAN HODNE AS	3 390 000	1,27 %
10 DNB Markets Aksjehandel/-analyse	2 865 470	1,08 %
11 FRØILAND INVEST AS	2 604 554	0,98 %
12 PARK LANE FAMILY OFFICE AS	2 576 840	0,97 %
13 HEGE BAKKEN	2 565 681	0,96 %
14 WIECO AS	2 545 733	0,96 %
15 JÆDEREN AS	2 531 644	0,95 %
16 BJØRN HÅVARD BRÆNDEN	1 887 738	0,71 %
17 State Street Bank and Trust Comp	1 764 597	0,66 %
18 BJØRN OLSEN	1 209 879	0,45 %
19 INJEKTOR AS	1 200 004	0,45 %
20 BHB CAPITAL MANAGEMENT AS	1 116 133	0,42 %
<b>Total</b>	<b>241 040 640</b>	<b>90,57 %</b>
<b>Total outstanding shares</b>	<b>266 149 831</b>	<b>100,00 %</b>

\* Board member.



SAGA TANKERS ASA  
Sjølyst Plass 2  
0278 Oslo

INVESTOR RELATIONS  
Phone: +47 92 43 14 17  
e-mail: [espen@fernclyff.no](mailto:espen@fernclyff.no)  
[www.sagatankers.com](http://www.sagatankers.com)