

Q4

Q4 2019 REPORT



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HIGHLIGHTS

KEY FIGURES

NOK 1000	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Operating revenues	51 094	5 206	77 779	21 187
Operating profit (-loss) before depreciation (EBITDA) (1)	42 754	-78 698	54 533	-61 697
Operating profit/(-loss) (EBIT) (2)	41 759	-79 540	51 271	-64 739
Net profit/(-loss)	41 484	-79 708	50 326	-66 314
Total comprehensive income	41 484	-79 708	50 326	-66 721
Value adjusted equity per share (NOK) (3)	1,32	1,14	1,32	1,14
Basic and diluted earnings per share NOK	0,16	-0,30	0,18	-0,26
(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 income for the fourth quarter 2019 of NOK 41.5 million. (NOK 50.3 million for the twelve months of 2019).

EBITDA for the fourth quarter 2019 was NOK 42.8 million. (NOK 54.5 million for the twelve months of 2019).

Earnings per share (EPS) for the fourth quarter were NOK 0.16. (NOK 0.18 for the twelve months of 2019).

The Group had an income of NOK 5.1 million in the fourth quarter, all of which relates to lease and operation of real estate. The investment portfolio (assets available for sale) resulted in a net unrealized gain of NOK 46.0 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 fourth quarter of 2019 are enclosed.

Current Investments

The Group currently holds investments classified as financial assets available for sale with a fair value of NOK 215.3 million. The fair value of the investments by the end of third quarter is as follows:

SD Standard Dr. Plc	NOK 143 million
Vistin Pharma ASA	NOK 65 million
Other investments	NOK 7 million

Changes in market-value for these investments resulted in a gain of NOK 41.3 million for the fourth quarter.

The short-term investment portfolio classified as financial assets at fair value through profit and loss, generated a profit of 4.6 million during fourth quarter.

The Group has a cash holding of NOK 87.7 million at the end of fourth

quarter, versus NOK 143.3 million per year-end 2018.

Outlook

The Group has a solid investment portfolio and a strong balance sheet, enabling the company to continue to pursue attractive investment opportunities within the framework of industries it operates.

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, 12 February 2020

The Board of Directors



CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

<i>NOK 1000</i>	Oct-Des 2019	Oct-Des 2018	Jan-Dec 2019	Jan-Dec 2018
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Other Income	5 137	5 206	20 112	21 187
Net gain/(-loss) from available for sale assets	45 956	-	57 666	-
Other gains/(-losses)	-	-	-	-
Operating revenues	51 094	5 206	77 779	21 187
General administrative expenses	8 339	7 333	23 249	20 640
Depreciation (note 4)	995	842	3 262	3 042
Net loss/(-gain) from available for sale assets	-	76 573	-	85 222
Operating expenses	9 334	84 748	26 511	108 904
Operating profit/(-loss)	41 760	-79 542	51 268	-87 717
Interest income	369	430	1 265	539
Interest expense	-572	-487	-2 138	-2 003
Other financial items	-1	1	4	409
Net financial items	-204	-55	-869	-1 056
Share of profit from associates	-	-	-	22 570
Taxes	72	111	72	111
Net profit/(-loss)	41 484	-79 708	50 326	-66 314
Change in available-for-sale assets	-	-	-	-
Exchange difference currency translations	-	-	-	-407
Other comprehensive income	-	-	-	-407
Total comprehensive income	41 484	-79 708	50 326	-66 721
Attributable to:				
Non-controlling interests	-48	255	1 559	2 100
Shareholders' interests	41 532	-79 963	48 767	-68 821
Basic and diluted earnings per share NOK	0,16	-0,30	0,18	-0,26
Average number of shares in the period	266 149 831	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	266 149 831

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION

<i>NOK 1000</i>	31.12.2019	31.12.2018
	<i>(unaudited)</i>	<i>(unaudited)</i>
ASSETS		
Non-current assets		
Available-for-sale financial assets (note 3)	215 343	156 462
Fixed assets (note 4)	90 008	91 821
Receivables	340	-
Total non-current assets	305 691	248 282
Current assets		
Other current assets	1 333	1 080
Financial assets at fair value through profit and loss	42 859	-
Cash and equivalents	87 684	143 304
Total current assets	131 876	144 384
TOTAL ASSETS	437 567	392 667
EQUITY AND LIABILITIES		
Equity		
Share capital	2 661	2 661
Other equity	819 655	819 655
Total paid-in-capital	822 316	822 316
Accumulated losses	-468 791	-517 558
Other components of equity	-2 648	-2 648
Non-controlling interests	20 156	20 179
Total equity	371 032	322 288
LIABILITIES		
Non-current liabilities		
Long-term interest bearing debt	55 000	59 000
Deferred tax	278	262
Total non-current liabilities	55 278	59 262
Current liabilities		
Short-term interest bearing debt	4 000	4 000
Tax payable	55	90
Other current liabilities and accruals	7 201	7 026
Total current liabilities	11 257	11 116
Total liabilities	66 535	70 378
TOTAL EQUITY AND LIABILITIES	437 567	392 667

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

<i>NOK 1000</i>	Jan-Dec 2019	Jan-Dec 2018
	<i>(unaudited)</i>	<i>audited</i>
Profit before tax	50 398	-66 203
Profitshare from associates	-	-22 570
Depreciation (note 5)	3 262	3 042
Net loss/(-gain) from AVA asset	-57 666	85 222
Other losses/(-gains)	-	-
Foreign exchange losses/(gains)	0	-401
Interest paid	971	1 865
Interest received	-1 225	-513
Income tax paid	-90	-36
Increase/decrease receivables and prepayments	-253	1 431
Increase/decrease payables and accruals	175	-1 306
Net cash flow from operating activities	-4 429	531
Investment in AVA Financial assets	-5 292	-46 425
Divestment in AVA Financial assets	-	188 567
Net divestment/(-investment) trading	-38 782	135
Dividends received	-	8 084
Loan to related party	-340	-
Interest received	1 225	513
Investment in fixed assets	-1 449	-2 252
Net cash flow from investing activities	-44 638	148 621
Repayments of long term borrowings	-4 000	-7 000
Drawdown long term borrowings	-	24 000
Drawdown short term borrowings		
Interest paid	-971	-1 865
Dividends paid to non-controlling interests	-1 583	-8 139
Acquisition of own shares	-	-
Distributions to controlling interests	-	-39 922
Net cash flow from financing activities	-6 553	-32 926
Net change in cash and cash equivalents	-55 620	116 226
Cash and equivalents at beginning of period	143 304	27 084
Net cash in merger at carryover basis	-	-
Net foreign exchange differences (unrealised)	-0	-6
Cash and equivalents at end of period	87 684	143 304

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Jan-Dec 2019 (Unaudited)						
<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
Jan-Dec 2018 (Audited)						
<i>NOK 1000</i>	Issued capital	Other equity	Accumulated losses	Exchange difference currency translations	Non-controlling interests	Total
Equity as at 1 January 2018	2 661	859 577	-449 144	-2 241	26 218	437 071
Net profit/(-loss)	-	-	-68 414		2 100	-66 314
Other comprehensive income	-	-		-407		-407
Total comprehensive income	-	-	-68 414	-407	2 100	-66 721
Dividends to controlling interests		-39 922				-39 922
Dividends to non-controlling interests					-8 139	-8 139
Equity per ending balance 31 December 2018	2 661	819 655	-517 559	-2 648	20 179	322 288

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 fourth quarter is adopted by the Board of Directors on 12 February 2020.

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those presented in the Annual Report of 2018.

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.

	Jan-Dec 2019	Jan-Dec 2018
<i>NOK 1000</i>		
Net income financial assets	57 666	-85 222
Revenues from lease and operation of property	20 112	20 687
Other income	-	500

NOTE 3 – AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 Dec 2019	31 Dec 2018	
<i>NOK 1000</i>			
At 1 January	156 462	230 152	
Additions	5 292	46 425	
Assets received through merger and demerger	-	-	
Currency translations	-	-	
Impairment	-	-	
Unrealized gain/loss	53 589	-82 433	
Increase/(Decrease) in value recognized as other comprehensive income	-	-	
Reclassified as associates	-	-	
Reclassified from associates due to dilution and loss of significant influence	-	161 893	
Disposals	-	-199 576	
Total	215 343	156 462	
Available-for-sale financial assets include the following:			
	Fair value hierarchy		
		31 Dec 2019	31 Dec 2018
Listed shares	Level 1	208 249	149 959
Non-listed shares	Level 2	7 094	6 503
Total		215 343	156 462

In addition to the Available-for-sale financial assets, the Group also has NOK 42.9 million in investments at fair value. These investments contributed with a gain of NOK 4.6 million in the fourth 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 December 2019.

NOTE 4 – FIXED ASSETS


	Buildings	Machinery & equipment	Capitalized costs - work in progress	Land	Total
2019					
<i>NOK 1000</i>					
Acquisition cost, opening balance 01.01.19	99 141	4 806	38	199	104 184
Acquisitions during the period	1 427	22	-	-	1 449
Disposals during the period	-	-	-	-	-
Acquisition cost at 31.12.19	100 568	4 827	38	199	105 632
Accumulated depreciation, opening balance 01.01.19	-10 853	-1 510	-	-	-12 363
Depreciation	-3 161	-100	-	-	-3 262
Accumulated depreciation disposed assets	-	-	-	-	-
Accumulated depreciation at 31.12.19	-14 015	-1 610	-	-	-15 625
Net book value at 31.12.19	86 553	3 217	38	199	90 008

	Buildings	Machinery & equipment	Capitalized costs - work in progress	Land	Total
2018					
<i>NOK 1000</i>					
Acquisition cost, opening balance 01.01.18	97 259	4 436	38	199	101 931
Acquisitions during the period	1 882	370	-	-	2 252
Disposals during the period	-	-	-	-	-
Acquisition cost at 31.12.18	99 141	4 806	38	199	104 184
Accumulated depreciation, opening balance 01.01.18	-7 961	-1 360	-	-	-9 321
Depreciation	-2 893	-149	-	-	-3 042
Accumulated depreciation disposed assets	-	-	-	-	-
Accumulated depreciation at 31.12.18	-10 853	-1 510	-	-	-12 363
Net book value at 31.12.18	88 288	3 296	38	199	91 821

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 BORGES INVESTMENT GROUP NORWAY AS	5 000 000	1,88 %
6 PORTIA AS	4 000 000	1,50 %
7 UTHALDEN AS	3 895 568	1,46 %
8 LEOVILLE AS	3 850 464	1,45 %
9 DNB Markets Aksjehandel/-analyse	3 354 227	1,26 %
10 KRISTIAN HODNE AS	3 200 000	1,20 %
11 PARK LANE FAMILY OFFICE AS	3 000 000	1,13 %
12 FRØILAND INVEST AS	2 604 554	0,98 %
13 HEGE BAKKEN	2 590 681	0,97 %
14 WIECO AS	2 545 733	0,96 %
15 JÆDEREN AS	2 431 027	0,91 %
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 BHB CAPITAL MANAGEMENT AS	1 116 133	0,42 %
20 SPAR KAPITAL INVESTOR AS	1 066 655	0,40 %
Total	241 404 055	90,70 %
Total outstanding shares	266 149 831	100 %

* Board member.



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