



**Hunter Group ASA**  
**Third quarter 2022 results**

24 November 2022

## Shipless in Oslo

Yesterday Hunter Freya was successfully delivered to her new owners in Singapore, after completing her final voyage for Hunter Tankers, marking the completion of the sale of our VLCC fleet. Initially, she was scheduled to be delivered to her new owners at the end of August, but due to some unexpected headwinds outside of Hunter's control, the buyer offered us the opportunity to do one final voyage. The final voyage can only be described as smooth sailing, generating profits of approx. USD 3m.

From the beginning of the VLCC investment project, we have strived to deliver our shareholders no nonsense, clear and concise communication, and to deliver on our promises. At this point, with no ships left in our fleet, it is thus prudent to give a tentative timeline for further cash distributions following the sale of the fleet. On November 3rd we distributed NOK 1.5 per share to our shareholders as a return of paid in capital. In order to make additional distributions, without any unnecessary delays, we are required by law to undergo an interim audit. This process is ongoing. Once the audit is completed, we will call an extraordinary general meeting where our shareholders will vote on further cash distributions. The interim audit is expected to be completed in December, and the extraordinary general meeting will be held approximately three weeks thereafter. We have previously stated that we expect to be able to return another approximately NOK 0.5 per share as a return of paid in capital, and that estimate remains the same. We should be able to return this amount to our shareholders in January, in addition to ordinary dividend distributions shortly thereafter. As we always say in shipping: "The above information is given in good faith, always without prejudice and basis current available information, which is always subject to change. Unforeseen circumstances may be expected."

So, what does the future hold for Hunter Group? Hunter Group is an investment company, and we are constantly looking for investment opportunities with one golden rule to guide us. Any investment decision must be made with the calculator, rather than emotions and "gut feelings." This golden rule has caused us to miss out on some opportunities, but more importantly, it has steered us away from the Kraken. We are currently looking at three potential investment cases, all within the maritime space. Depending on the outcome of calculations, valuations and negotiations we hope to be able to share more details about these projects shortly, so that our shareholders can decide whether we should move forward and, more importantly, if they would like to join us on a new investment voyage.

Fortis Fortuna Adiuvat

- Hunter Management

## Highlights

### Financial highlights

- Total revenues of USD 25.88m
  - Spot pool revenues of USD 2.66m
  - Time charter revenues of USD 0.95m
  - Net gain on sale of assets of USD 22.23m
- Total operating expenses of USD 4.11m
  - Vessel opex incl. insurance of USD 1.92m
  - Voyage exp. and commissions of USD 1.39m
  - G&A expenses of 0.35m
    - USD 0.33m administrative expenses
    - USD 0.19m legal expenses
- EBITDA of USD 22.86m
- Unrealized FX loss of USD 14.23m
  - USDNOK approx. 10.88 end of quarter
- Net profit of USD 5.78m
- Average daily earnings of USD 25,200
  - Avg. daily spot earnings of USD 28,900<sup>1</sup>
  - Avg. daily time charter earnings of USD 18,450
- Opex incl. insurance and delivery costs of USD 8,780 per day per vessel
- 143 available earnings days and 147 opex days
  - 92 pool spot days
  - 51 time charter days

### Key events in 3Q 2022

- Concluded the sale of Hunter Idun and Hunter Frigg and successfully delivered them to their new owners
- Extraordinary General Meeting held on 19 September 2022. All resolutions were passed, including a share capital reduction and subsequent dividend distribution of NOK 1.50 per share
- Entered into additional USDNOK currency swaps, taking the Company's total hedged position to approx. USD 195m at an average rate of 9.82 NOK per USD. As of the end of the quarter, USD 35m remained of the position at approx. 9.99 NOK per USD

### Subsequent events

- Concluded the sale of Hunter Freya, and successfully delivered her to her new owners. Following the delivery, the Company has zero vessels
- Apollo Asset Limited, a company owned by primary insider and board member Mr. Arne Fredly, exercised warrants for 15,000,000 shares in the Company which were delivered from the Company's treasury shares. Following the exercise, Apollo Asset Limited owns 183,500,000 shares in the Company and zero warrants. The Company owns 4,762,826 of its own shares
- 100% of 41 available spot days in the fourth quarter of 2022 were booked at an average est. dayrate of USD 61,500

### Upcoming events – approx. dates

- Interim audit – December 2022
- Extraordinary General Meeting – January 2023
- Repayment of available paid-in capital – January 2023
- Ordinary dividends – February 2023

1) Discharge to discharge basis

## Condensed consolidated financial statements for 3Q 2022

### Consolidated income statement

<i>(Unaudited figures in USD 1 000)</i>	Quarters			Year to date		Year
	3Q 2022	3Q 2021	Note	30.09.2022	30.09.2021	31.12.2021
<b>Revenues</b>						
Pool revenues	2 659	1 114		5 676	5 747	7 438
Time charter revenues	945	6 208		11 482	22 716	29 722
Other income	0	0		0	280	704
Net gain on sale of assets	22 277	0	5	37 474	2 567	2 567
<b>Total Revenues</b>	<b>25 880</b>	<b>7 322</b>		<b>54 632</b>	<b>31 310</b>	<b>40 431</b>
<b>Operating expenses</b>						
Vessel operating expenses	1 290	2 334		6 678	7 446	9 776
Voyage expenses and commissions	1 386	596	1	2 383	1 360	1 916
Depreciation and amortisation expense	1 089	3 246	5	7 490	10 506	13 754
General and administrative expenses	347	320	4	1 200	1 131	1 815
<b>Total operating expenses</b>	<b>4 112</b>	<b>6 495</b>		<b>17 751</b>	<b>20 442</b>	<b>27 261</b>
<b>Operating profit (loss)</b>	<b>21 768</b>	<b>827</b>		<b>36 882</b>	<b>10 868</b>	<b>13 171</b>
<b>Net financial income (loss)</b>	<b>-15 985</b>	<b>-2 539</b>		<b>-21 002</b>	<b>-7 611</b>	<b>-9 394</b>
<b>Profit (loss) before taxes</b>	<b>5 783</b>	<b>-1 712</b>		<b>15 879</b>	<b>3 257</b>	<b>3 776</b>
Tax on ordinary result	0	0		0	0	0
<b>Net profit (loss)</b>	<b>5 783</b>	<b>-1 712</b>		<b>15 879</b>	<b>3 257</b>	<b>3 776</b>
Earning per share	0,01	0,00		0,03	0,01	0,01
Earnings per share diluted	0,01	0,00		0,03	0,01	0,01
<b>Other comprehensive income, items to be reclassified to profit &amp; loss</b>						
Translation differences	0	0		0	0	0
<b>Comprehensive income for the period</b>	<b>5 783</b>	<b>-1 712</b>		<b>15 879</b>	<b>3 257</b>	<b>3 776</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the parent	5 783	-1 712		15 879	3 257	3 776
<b>Total comprehensive income</b>	<b>5 783</b>	<b>-1 712</b>		<b>15 879</b>	<b>3 257</b>	<b>3 776</b>

## Consolidated balance sheet

### Assets

(Unaudited figures in USD 1 000)

	Note	30.09.2022	30.06.2022	30.09.2021	31.12.2021
<b>NON-CURRENT ASSETS</b>					
VLCC vessels	5	78 608	245 987	335 741	332 521
Other tangible assets	5	202	246	343	318
<b>Total tangible assets</b>		<b>78 810</b>	<b>246 233</b>	<b>336 084</b>	<b>332 839</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>78 810</b>	<b>246 233</b>	<b>336 084</b>	<b>332 839</b>
<b>CURRENT ASSETS</b>					
Trade and other receivables		4 609	4 148	9 198	5 513
Other short-term assets		53	2 301	4 033	3 878
<b>Total current assets</b>		<b>4 663</b>	<b>6 448</b>	<b>13 232</b>	<b>9 391</b>
<b>Cash and cash equivalents</b>		<b>155 537</b>	<b>77 755</b>	<b>25 931</b>	<b>29 639</b>
<b>TOTAL CURRENT ASSETS</b>		<b>160 199</b>	<b>84 204</b>	<b>39 163</b>	<b>39 030</b>
<b>TOTAL ASSETS</b>		<b>239 010</b>	<b>330 436</b>	<b>375 247</b>	<b>371 869</b>

### Equity and Liabilities

#### EQUITY

Share capital (575 362 013 shares)	2	82 625	82 625	82 625	82 625
Own shares	2	-2 735	-2 735	-1 660	-1 660
Share premium	2	13 180	13 160	14 835	15 034
Other equity		96 401	90 618	80 002	80 522
<b>TOTAL EQUITY</b>		<b>189 471</b>	<b>183 669</b>	<b>175 802</b>	<b>176 521</b>

#### LIABILITIES

Interest-bearing debt	5	0	0	183 682	180 514
<b>Total non-current liabilities</b>		<b>0</b>	<b>0</b>	<b>183 682</b>	<b>180 514</b>
Trade payables		1 977	3 298	1 424	195
Accrued public charges and indirect taxes		60	63	57	68
Current portion of interest-bearing debt	5	46 612	141 107	13 436	13 500
Other current liabilities		890	2 299	844	1 070
<b>Total current liabilities</b>		<b>49 539</b>	<b>146 767</b>	<b>15 761</b>	<b>14 833</b>
<b>TOTAL LIABILITIES</b>		<b>49 539</b>	<b>146 767</b>	<b>199 444</b>	<b>195 346</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>239 010</b>	<b>330 436</b>	<b>375 247</b>	<b>371 868</b>

## Consolidated cash flow statement

<i>(Unaudited figures in USD 1 000)</i>	Quarters			Year to date		
	3Q 2022	3Q 2021	Note	30.09.2022	30.09.2021	2021
Profit (loss) before tax	5 782	-1 712		15 879	3 257	3 776
Depreciation	1 089	3 246	5	7 490	10 506	13 754
Gain on sale of VLCC	-22 277	0	5	-37 474	-2 567	-2 567
Financial income	-170	-3		-210	-105	-4
Financial expenses	591	1 756		4 398	6 668	8 430
Net foreign exchange differences	14 231	0		14 231	0	0
Change in working capital items	-3 817	3 251		2 895	-8 084	-4 974
<b>Net cash flow from operating activities</b>	<b>-4 570</b>	<b>6 538</b>		<b>7 209</b>	<b>9 675</b>	<b>18 415</b>
Investments in VLCC newbuilds and PP & E	0	-223		0	-230	-8
Interest received	170	3		210	105	4
Sale of VLCC	191 500	0	5	287 500	84 500	83 575
<b>Net cash flow to investment activities</b>	<b>191 670</b>	<b>-220</b>		<b>287 710</b>	<b>84 375</b>	<b>83 571</b>
Interest paid	-591	-1 756		-4 398	-6 668	-6 441
Installment interest-bearing debt	-94 473	-2 858		-147 328	-57 371	-61 802
Installment leasing-debt (IFRS 16)	-22	-22		-73	-69	-94
Purchase of own shares	-1	0	2	-2 992	-1 267	-1 267
Dividend paid	0	-31 889	2	0	-97 888	-97 887
<b>Net cash flow from financing activities</b>	<b>-95 087</b>	<b>-36 525</b>		<b>-154 791</b>	<b>-163 263</b>	<b>-167 491</b>
<b>Total net changes in cash flow</b>	<b>92 013</b>	<b>-30 207</b>		<b>140 128</b>	<b>-69 213</b>	<b>-65 505</b>
Currency effect on cash	-14 231	0		-14 231	0	0
Cash and cash equivalents beginning of period	77 755	56 138		29 639	95 146	95 146
<b>Cash and cash equivalents end of period</b>	<b>155 537</b>	<b>25 931</b>		<b>155 536</b>	<b>25 932</b>	<b>29 639</b>

## Consolidated statement of changes in equity

<i>(Unaudited figures in USD 1 000)</i>	Note	Share Capital	Own Shares	Share premium	Currency translation	Retained earnings	Total equity
<b>Equity as of 01.01.2021</b>		<b>82 625</b>	<b>-1 121</b>	<b>113 364</b>	<b>-2 289</b>	<b>79 035</b>	<b>271 614</b>
Net profit 3Q YTD 2021				0	0	3 257	3 257
Other comprehensive income				0	0	0	0
Total comprehensive income 3Q YTD 2021				0	0	3 257	3 257
Dividend paid				-97 888	0	0	-97 888
Share based payment				86	0	0	86
Purchase of own shares			-539	-728	0	0	-1 267
<b>Equity as of 30.09.2021</b>		<b>82 625</b>	<b>-1 660</b>	<b>14 834</b>	<b>-2 289</b>	<b>82 292</b>	<b>175 802</b>
Net profit 4Q 2021						519	519
Other comprehensive income						0	0
Total comprehensive 4Q 2021				0	0	519	519
Dividend paid				0	0	0	0
Share based payment				199	0	0	199
Purchase of own shares			0	0	0	0	0
<b>Equity as of 31.12.2021</b>		<b>82 625</b>	<b>-1 660</b>	<b>15 034</b>	<b>-2 289</b>	<b>82 811</b>	<b>176 521</b>
Net profit 3Q YTD 2022				0	0	15 879	15 879
Other comprehensive income				0	0	0	0
Total comprehensive income 3Q YTD 2022				0	0	15 879	15 879
Purchase of own shares			-1 075	-1 917	0	0	-2 992
Share based payment				63	0	0	63
<b>Equity as of 30.09.2022</b>		<b>82 625</b>	<b>-2 735</b>	<b>13 180</b>	<b>-2 289</b>	<b>98 690</b>	<b>189 471</b>

## Notes to the Hunter Group condensed consolidated financial statements for 3Q 2022

### 1. Accounting principles

These condensed interim financial statements of Hunter Group were authorized for issue by the Board of Directors on 23 November 2022.

The interim condensed consolidated financial statements for the three and nine months ending 30 September 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021.

#### *Vessels and equipment*

The net cost of the VLCCs (less estimated residual value) is the basis for a straight-line depreciation over the estimated remaining economic useful lives (25 years). Other equipment (excluding vessel upgrades) are depreciated over its estimated remaining useful life (5 years). The estimated residual value for the VLCCs is calculated by multiplying the lightweight tonnage with the market price of scrap per ton. Residual values are reviewed annually.

Voyage expenses relates to fuel and other costs incurred before the vessel joins the Tankers International pool.

### 2. Equity transactions

On 5 February 2021, the Company purchased 517,000 own shares in the market at an average price of NOK 2.5106 per share and on 12 May 2021, the Company purchased 3,034,702 of its own shares at NOK 2.9998 per share. On 24 June 2022, the Company purchased 6,757,859 own shares in the market at an average price of NOK 3.5 per share and on 29 June 2022, the Company purchased 1,761,771 of its own shares at NOK 3.42 per share. As of 30 September 2022, the Company own a total of 19,762,826 of its own shares.

The board of directors of Hunter Group ASA decided 12 July 2021 to distribute a dividend of NOK 0.50 per share (excluding treasury shares), based on authority granted by the general meeting held 3 June 2021. The distribution was conducted as a reduction of the Company's share premium.

The board of directors of Hunter Group ASA decided 22 August 2022 to distribute a dividend of NOK 1.50 per share (excluding treasury shares). The decision is based on authority granted by the general meeting held on 27 April 2022. The distribution will be conducted as a reduction of the Company's equity capital. It is the board's intention to distribute the remaining excess capital from the vessel sales as soon as possible after the final ship has been delivered to her new owners.

### 3. Segment information

The management monitors the operating results in 1 segment which develops and operates the VLCCs.



#### 4. Transactions with related parties

The following table provides the total amount of transactions with related parties controlled by the members of the executive management of Hunter Group for 2021. All related party transactions have been entered into on an arm's length basis.

Transactions with related parties	30.09.2022	31.12.2021
Purchased services in USD 1 000	57	76

The Group has used the services of the law firm Ro Sommernes DA for legal advice in 2022 and 2021; USD 57t as per 30.09.2021 and USD 76t in 2021. The Company's chairman Henrik Christensen is a partner in Ro Sommernes DA.

The Company rents office space from Dronningen Eiendom AS. The rental agreement is for 36 months, and the contract was renewed for an additional 36 months as from 1 November 2021. One of the Company's shareholder is also a shareholder of Dronningen Eiendom AS.

In April 2021 Hunter Group entered into a sale & leaseback agreement for a handysize dry cargo vessel, which was sold to Apollo Asset Ltd. shortly thereafter with a gain of USD 0.1 million. Furthermore, Hunter Group has served as a manager for several other similar agreements where Apollo pays NOK 1,500 per hour and a fee of USD 5 thousand per transaction. Apollo Asset Ltd. is 100% owned by Mr. Arne Fredly, board member and largest shareholder of Hunter Group ASA.

#### 5. VLCC under construction

All VLCC were completed and delivered by 2020, and the acquisition cost of the delivered VLCCs were transferred from VLCC under construction to VLCC vessels.

#### 6. Property, plant & equipment

(Unaudited figures in USD 1 000)

Per 30 September 2022	IFRS 16 PP&E	Other tangible assets	VLCC vessels	Total
Cost at 1 January 2021	471	18	350 235	439 462
Additions	0	0	0	0
Sales	-33	0	-246 306	-246 339
Cost at 30 September 2022	438	18	103 929	104 385
Accumulated depreciations at 30 September 2022	-236	-18	-25 321	-25 575
<b>Book value at 30 September 2022</b>	<b>202</b>	<b>0</b>	<b>78 608</b>	<b>78 810</b>

Hunter Atle was sold in 2Q 2021 for an en-bloc price of USD 96.0 million, with a gain of USD 2.6 million. On 30 April 2021, the Company concluded the sale of Hunter Disen for an en-bloc price of USD 96.0 million, with a gain of USD 15.1 million. On 22 July 2022, the Company concluded the sale of Hunter Idun for an en-bloc price of USD 95.5 million, with a gain of USD 13.9 million. On 2 August 2022, the Company concluded the sale of Hunter Frigg for an en-bloc price of USD 96.0 million, with a gain of USD 9.0 million.

The remaining of the Group's interest-bearing debt will be settled in relation to the sale of the Group's remaining VLCC, Hunter Freya, expected in November 2022, and the interest-bearing debt is as such classified as current liabilities.

**7. Subsequent events**

Apollo Asset Limited, a company owned by primary insider and board member Mr. Arne Fredly, exercised warrants for 15,000,000 shares in the Company which were delivered from the Company's treasury shares. Following the exercise, Apollo Asset Limited owns 183,500,000 shares in the Company and zero warrants. The Company owns 4,762,826 of its own shares

Concluded the sale of Hunter Freya, and successfully delivered her to her new owners. Following the delivery, the Company has zero vessels left under ownership

100% of 41 available spot days in the fourth quarter of 2022 have been booked at an average est. dayrate of USD 61,500

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**Hunter Group ASA**  
Org. nr. 985 955 107

Address: Dronningen 1, 0287 OSLO  
E-mail: Erik A. S. Frydendal CEO [ef@huntergroup.no](mailto:ef@huntergroup.no)  
Lars M. Brynildsrud CFO [lb@huntergroup.no](mailto:lb@huntergroup.no)

