



Hunter Group ASA
Second quarter 2023 results

24 August 2023

Highlights

Financial highlights

Financial highlights	Q2 2023	YTD 2023
Total revenues	USD 0.4m	USD 0.37m
Total operating expenses	USD 0.4m	USD 2.2m
Operating profit (loss)	-	USD (1.8m)
Net profit (loss)	USD (0.1m)*	USD (2.4m)

Company update

- Following the reverse share split, which was approved in this year’s annual general meeting, the planned reorganization of the Company is considered complete. In parallel with the reorganization, we have continued to make considerable design advancements for the next generation of liquefied CO2 carriers. This process is progressing as planned. However, while we remain strong believers in CCTS’ (Carbon Capture, Transportation and Storage) ability to play a key role in the fight against climate change, we also recognize that the CCTS market is developing slower than expected. This is primarily due to lower than expected technological efficiency and cost challenges. Any significant ship requirements are likely to materialize in the latter part of this decade.
- On a more positive note, we have made significant progress with another exciting project, which also is a strong potential climate change fighter, and we are currently in advanced negotiations with key counterparties and suppliers. We expect these negotiations to be concluded by the end of September. But, as always; nothing is agreed until everything is agreed.

Key events in 2Q 2023

- Annual general meeting (“AGM”) was held on 30 June. All resolutions were passed in accordance with the proposals set out in the notice for the AGM, including the 20:1 reverse share split. The minutes of the Annual General Meeting are attached to this announcement and are also available on the Company’s website

Subsequent events

- Completed the 20:1 reverse share split, reducing outstanding shares from 575,362,020 to 28,768,101 shares as of 3 July 2023.
- As of the date of this report, the Company has a remaining liquidity runway of approx. 3.5 years

* Driven by unrealized currency loss

Responsibility Statement

The Board of Directors and the CEO confirm that to the best of our knowledge the condensed set of financial statements (unaudited) as of 30 June 2023 and the first half year of 2023, which have been prepared in accordance with IAS 34 - Interim Financial Reporting, gives a true and fair view on the Group's consolidated assets, liabilities, financial position and results of the operation for the period, and that the interim management report includes a fair review of the information required under the requirements in the Norwegian Securities Trading Act.

Oslo, 23 August 2023

The board of directors and Chief Executive Director
Hunter Group ASA

Morten Eivindssøn Astrup
Chairman of the board

Lars Magnus Brynildsrud
Board member

Kristin Hellebust
Board member

Erik A. S. Frydendal
CEO

Condensed consolidated financial statements for 2Q 2023

Consolidated income statement

<i>(Unaudited figures in USD 1 000)</i>	Quarters			Half-year		Year to date
	2Q 2023	2Q 2022	Note	30.06.2023	30.06.2022	31.12.2022
Revenues						
Pool revenues	0	1 692		0	3 017	6 899
Time charter revenues	0	4 099		0	10 537	11 482
Net gain on sale of assets	372	15 198	5	372	15 198	56 418
Total Revenues	372	20 989		372	28 752	74 799
Operating expenses						
Vessel operating expenses	21	2 876		75	5 387	6 763
Voyage expenses and commissions	27	515	1	29	997	2 526
Depreciation and amortisation expense	19	3 201	5	37	6 401	8 033
General and administrative expenses	301	325	4	2 031	853	1 993
Total operating expenses	368	6 917		2 172	13 638	19 316
Operating profit (loss)	4	14 072		-1 801	15 114	55 484
Net financial income (loss)	-100	-3 272		-634	-5 017	-8 108
Profit (loss) before taxes	-96	10 799		-2 435	10 097	47 376
Tax on ordinary result	0	0		0	0	0
Net profit (loss)	-96	10 799		-2 435	10 097	47 376
Earning per share	0,00	0,38		-0,09	0,36	1,67
Earnings per share diluted	0,00	0,38		-0,08	0,35	1,65
Other comprehensive income, items to be reclassified to profit & loss						
Translation differences	0	0		0	0	0
Comprehensive income for the period	-96	10 799		-2 435	10 097	47 376
Total comprehensive income attributable to:						
Equity holders of the parent	-96	10 799		-2 435	10 097	47 376
Total comprehensive income	-96	10 799		-2 435	10 097	47 376

Consolidated statement of financial position

Assets

(Unaudited figures in USD 1 000)

	Note	30.06.2023	31.03.2023	30.06.2022	31.12.2022
NON-CURRENT ASSETS					
VLCC vessels	5	0	0	245 987	0
Other tangible assets	5	111	130	246	148
Total tangible assets		111	130	246 233	148
TOTAL NON-CURRENT ASSETS		111	130	246 233	148
CURRENT ASSETS					
Trade and other receivables		360	360	4 148	2 160
Other short-term financial assets		8	8	0	0
Other short-term assets		276	174	2 301	55
Total current assets		643	542	6 448	2 214
Cash and cash equivalents		3 599	3 845	77 755	136 866
TOTAL CURRENT ASSETS		4 242	4 386	84 204	139 080
TOTAL ASSETS		4 353	4 516	330 436	139 228

Equity and Liabilities

EQUITY

Share capital (28 768 101 shares)	2	126	126	82 625	126
Own shares	2	-2	-2	-2 735	-2
Share premium	2	0	0	13 160	0
Other equity		3 677	3 757	90 618	138 314
TOTAL EQUITY		3 801	3 881	183 669	138 438

LIABILITIES

Interest-bearing debt		48	67	0	0
Total non-current liabilities		48	67	0	0
Trade payables		45	48	3 298	71
Accrued public charges and indirect taxes		45	58	63	44
Current portion of interest-bearing debt		67	67	141 107	152
Other current liabilities		347	396	2 299	523
Total current liabilities		504	568	146 767	790
TOTAL LIABILITIES		553	635	146 767	790
TOTAL EQUITY AND LIABILITIES		4 353	4 516	330 436	139 228

Consolidated cash flow statement

<i>(Unaudited figures in USD 1 000)</i>	Quarters			Year to date		
	2Q 2023	2Q 2022	Note	30.06.2023	30.06.2022	2022
Profit (loss) before tax	-96	10 799		-2 435	10 097	47 376
Depreciation	19	3 201	5	37	6 401	8 033
Gain on sale of VLCC	-372	-15 198	5	-372	-15 198	-56 418
Financial income	-3	-39		-107	-40	-1 614
Financial expenses	2	2 056		4	3 807	4 386
Change in working capital items	-189	6 589		1 371	6 712	11 427
Net cash flow from operating activities	-639	7 408		-1 502	11 780	13 190
Interest received	3	39		107	40	1 614
Sale of VLCC	372	96 000		372	96 000	383 000
Net cash flow to investment activities	374	96 039		479	96 040	384 614
Interest paid	-2	-2 056		-4	-3 807	-4 168
Installment interest-bearing debt	0	-49 774		0	-52 855	-193 769
Installment leasing-debt (IFRS 16)	-18	-25		-37	-51	-92
Purchase of own shares	0	-2 991	2	0	-2 991	-4 311
Dividend paid	0	0	2	-132 243	0	-81 296
Net cash flow from financing activities	-20	-54 846		-132 284	-59 704	-283 636
Total net changes in cash flow	-285	48 601		-133 306	48 116	114 168
Currency effect on cash	0	0		0	0	-6 941
Cash and cash equivalents beginning of period	3 845	29 154		136 866	29 639	29 639
Cash and cash equivalents end of period	3 559	77 755		3 559	77 755	136 864

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
Equity as of 01.01.2022		82 625	-1 660	15 034	-2 289	82 811	176 521
Net profit H1 2022				0	0	10 097	10 097
Other comprehensive income				0	0	0	0
Total comprehensive income H1 2022				0	0	10 097	10 097
Purchase of own shares			-1 075	-1 916	0	0	-2 991
Share based payment				42	0	0	42
Equity as of 30.06.2022		82 625	-2 735	13 160	-2 289	92 908	183 669
Net profit H2 2022						37 279	37 279
Other comprehensive income						0	0
Total comprehensive H2 2022				0	0	37 279	37 279
Repayment of capital		-82 499	1 319	-12 794	0	12 677	-81 297
Awarded of own shares			2 410	0	0	-2 410	0
Share based payment				-42	0	149	107
Purchase of own shares			-996	-324	0	0	-1 320
Equity as of 31.12.2022		126	-2	0	-2 289	140 603	138 438
Net profit H1 2023				0	0	-2 435	-2 435
Other comprehensive income				0	0	0	0
Total comprehensive income H1 2023				0	0	-2 435	-2 435
Dividend paid				0	0	-132 243	-132 243
Share based payment				0	0	40	40
Equity as of 30.06.2023		126	-2	0	-2 289	5 965	3 800

Notes to the Hunter Group condensed consolidated financial statements for 2Q 2023

1. Accounting principles

These condensed interim financial statements of Hunter Group were authorized for issue by the Board of Directors on 23 August 2023.

The interim condensed consolidated financial statements for the three and six months ending 30 June 2023 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 of 31 December 2022.

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 2022.

2. Equity transactions

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 was conducted as a reduction of the Company's equity capital.

On 19 January 2023, the General Assembly approved the proposal from the Board of Directors of 29 December 2022 to distribute a total dividend NOK 2.31 per share of which NOK 0.51 was conducted as a reduction of the Company's equity capital, while the NOK 1.80 per share dividend was distributed as earned capital.

On February 14, 2023, leading employees of the Company exercised all of their options for 7,850,000 shares in the Company.

In connection with Company's notice to the annual general meeting of 2023, the board has proposed a reverse share split in the ratio 20:1. To have the total number of shares in the Company divisible by 20 in the Reverse Share Split, the board has resolved under a proxy from the general meeting, as a preparatory step, that the share capital is increased by the issuance of a number of shares that results in the total number of shares in the Company being divisible by 20, i.e., by issuance of seven new shares. Lama Global AS, a company controlled by CFO Lars M. Brynildsrud, subscribed for the New Shares. The Company's new registered share capital is NOK 1,100,000.0134 divided into 575,362,020 shares, each with a nominal value of NOK 0.001911839807 (rounded). On 4 July 2023 the reverse share split was registered with the Norwegian Register of Business Enterprises. Following the registration, the share capital of the Company is NOK 1,100,000 (rounded) divided into 28,768,101 shares, each with a nominal value of NOK 0.038 (rounded).

3. Segment information

The management monitors the operating results in 1 segment which developed and operated the VLCCs until 2022.

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 2023. All related party transactions have been entered into on an arm's length basis.

Transactions with related parties	30.06.2023	31.12.2022
Purchased services in USD 1 000	44	94

The Group has used the services of the law firm Ro Sommernes DA for legal advice in 2023 and 2022; USD 20t in 2022 and USD 8t in H1 2023. The Company's former 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 previous shareholders is also a shareholder of Dronningen Eiendom AS.

5. Property, plant & equipment

(Unaudited figures in USD 1 000)

Per 30 June 2023	IFRS 16 PP&E	Other tan- gible assets	VLCC vessels	Total
Cost at 1 January 2023	403	18	0	421
Additions	0	0	0	0
Sales	0	0	0	0
Cost at 30 June 2023	403	18	0	421
Accumulated depreciations at 30 June 2023	-292	-18	0	-311
Book value at 30 June 2022	111	0	0	111
This period's depreciation	37	0	0	37

On 30 June 2022, 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. On 23 November 2022, the Company concluded the sale of Hunter Freya for an en-bloc price of USD 95.5 million, with a gain of USD 18.0 million.

6. Subsequent events

Completed the 20:1 reverse share split, reducing outstanding shares from 575,362,020 to 28,768,101 shares as of 3 July 2023.

As of the date of this report, the Company has a remaining liquidity runway of approx. 3.5 years.

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