



Hunter Group ASA
Third quarter 2023 results

23 November 2023

Highlights

Financial highlights

Financial highlights (ex. discontinued operations)	Q2 2023	YTD 2023
Total revenues	-	-
Total operating expenses	USD 0.35m	USD 0.94m
Operating profit (loss)	(USD 0.42m)	(USD 0.99)
Net profit (loss)	USD (0.42m)	USD (1.65m)*

Company update

- During the past quarters, the Company has, in close collaboration with DNV and Vedam Design, made significant progress on the development of a low-pressure mid-stream shipping solution for Carbon Capture, Transportation and Storage ("CCTS"), involving 40k cbm deep sea liquefied CO2 carriers ("LCO2"), 12k cbm LCO2 feeder vessels and 2k cbm LCO2 barges for riverine/port support. The solution is technically innovative and should lead to significant cost savings compared with existing LCO2 ship designs. As the project is progressing towards commercialization, we are now entering a new phase which will involve adapting the solution to the latest IMO and EU regulations. We have been contacted by several interested parties, but given the recent headwinds in the CCTS value chain, and the high price of new buildings, firm long-term contracts will be needed before any vessel orders can be placed. We remain firm believers in CCTS' role in the fight against climate change, and will continue to diligently develop and promote our CCTS solution to ensure that we are ready when the market for maritime LCO2 transportation gains traction
- The market for one of the other projects we are working on is developing favorably and we expect to be able to share more information shortly

Key events in 3Q 2023

- Registration of 20:1 reverse share split

Subsequent events

- As of today, the Company has cash and receivables of approx. NOK 43m (NOK ~1.5 per share), which equates to a liquidity runway of around 3.5 years

Condensed consolidated financial statements for 3Q 2023

Consolidated income statement

<i>(Unaudited figures in USD 1 000)</i>	Quarters			Year to date		Year
	3Q 2023	3Q 2022	Note	30.09.2023	30.09.2022	31.12.2022
Revenues						
Other income	0	0		0	0	0
Total revenues	0	0		0	0	0
Operating expenses						
Depreciation and amortisation expense	19	0	5	56	0	0
General and administrative expenses	334	0	1, 4	939	0	0
Total operating expenses	353	0		995	0	0
Operating profit (loss) from continuing operations	-353	0		-995	0	0
Net financial income (loss)	-67	0		-653	0	0
Profit (loss) before taxes from continuing operations	-420	0		-1 648	0	0
Tax on ordinary result	0	0		0	0	0
Net profit (loss) from continuing operations	-420	0		-1 648	0	0
Discontinued operations						
Net profit (loss) from discontinued operations	800	5 783	6	884	15 879	47 376
Net profit (loss)	380	5 783		-764	15 879	47 376
Earning per share	0,01	0,01		-0,03	0,03	1,67
Earnings per share diluted	0,01	0,01		-0,03	0,03	1,65
Earning per share continuing operations	-0,01	0,00		-0,06	0,00	0,00
Earnings per share diluted continuing operations	-0,01	0,00		-0,06	0,00	0,00
Other comprehensive income, items to be reclassified to profit & loss						
Translation differences	0	0		0	0	0
Comprehensive income for the period from continuing operations	-420	0		-1 648	0	0
Total comprehensive income attributable to:						
Equity holders of the parent	-420	0		-1 648	0	0
Total comprehensive income from continuing operations	-420	0		-1 648	0	0

Consolidated statement of financial position

(Unaudited figures in USD 1 000)

	Note	30.09.2023	30.06.2023	30.09.2022	31.12.2022
NON-CURRENT ASSETS					
VLCC vessels	5	0	0	78 608	0
Other tangible assets	5	95	111	202	148
Total tangible assets		95	111	78 810	148
TOTAL NON-CURRENT ASSETS		95	111	78 810	148
CURRENT ASSETS					
Trade and other receivables		0	360	4 609	2 160
Other short-term financial assets		8	8	0	0
Other short-term assets		398	276	53	55
Total current assets		406	643	4 663	2 214
Cash and cash equivalents		3 855	3 599	155 537	136 866
TOTAL CURRENT ASSETS		4 262	4 242	160 199	139 080
TOTAL ASSETS		4 357	4 353	239 010	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	13 180	0
Other equity		4 056	3 677	96 401	138 314
TOTAL EQUITY		4 180	3 801	189 471	138 438

LIABILITIES

Interest-bearing debt		30	48	0	0
Total non-current liabilities		30	48	0	0
Trade payables		55	45	1 977	71
Accrued public charges and indirect taxes		3	45	60	44
Current portion of interest-bearing debt		67	67	46 612	152
Other current liabilities		22	347	890	523
Total current liabilities		147	504	49 539	790
TOTAL LIABILITIES		177	553	49 539	790
TOTAL EQUITY AND LIABILITIES		4 357	4 353	239 010	139 228

Consolidated cash flow statement

<i>(Unaudited figures in USD 1 000)</i>	Quarters		Note	Year to date		Year
	3Q 2023	3Q 2022		30.09.2023	30.09.2022	2022
Profit (loss) before taxes continuing operations	-420	0		-1 648	0	0
Net profit (loss) before tax discontinued operations	800	5 783	6	884	15 879	47 376
Profit (loss) before tax	380	5 783		-764	15 879	47 376
Depreciation	19	1 089	5	56	7 490	8 033
Gain on sale of VLCC	0	-22 277	5	0	-37 474	-56 418
Financial income	-2	-170		-21	-210	-1 614
Financial expenses	1	14 822		5	18 629	4 386
Change in working capital items	-121	-3 817		7	2 895	11 427
Net cash flow from operating activities	276	-4 570		-718	7 209	13 190
Investments in PP & E	-3	0	5	-3	0	0
Interest received	2	170		21	210	1 614
Sale of VLCC	0	191 500		0	287 500	383 000
Investments in other financial investments	0	0		-8	0	0
Net cash flow to investment activities	-1	191 670		11	287 710	384 614
Interest paid	-1	-591		-5	-4 398	-4 168
Installment interest-bearing debt	0	-94 473		0	-147 328	-193 769
Installment leasing-debt (IFRS 16)	-19	-22		-55	-73	-92
Purchase of own shares	0	-1	2	0	-2 992	-4 311
Dividend paid	0	0	2	-132 243	0	-81 296
Net cash flow from financing activities	-19	-95 087		-132 303	-154 791	-283 636
Total net changes in cash flow	256	92 013		-133 011	140 128	114 168
Currency effect on cash	0	-14 231		0	-14 231	-6 941
Cash and cash equivalents beginning of period	3 599	77 755		136 866	29 639	29 639
Cash and cash equivalents end of period	3 855	155 537		3 855	155 537	136 866

Changes in the various cash flow items are reflecting the change in the VLCC operations up until the discontinuing of the shipping business at the end of 2022.

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 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
Equity as of 30.09.2022		82 625	-2 735	13 180	-2 289	98 690	189 471
Net profit 4Q 2022						31 497	31 497
Other comprehensive income						0	0
Total comprehensive 4Q 2022				0	0	31 497	31 497
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				-63	0	149	86
Purchase of own shares			-996	-323	0	0	-1 319
Equity as of 31.12.2022		126	-2	0	-2 289	140 603	138 438
Net profit 3Q YTD 2023				0	0	-764	-764
Other comprehensive income				0	0	0	0
Total comprehensive income 3Q YTD 2023				0	0	-764	-764
Dividend paid				0	0	-132 243	-132 243
Share based payment	1			0	0	-1 251	-1 251
Equity as of 30.09.2023		126	-2	0	-2 289	6 345	4 180

Notes to the Hunter Group condensed consolidated financial statements for 3Q 2023

1. Accounting principles

These condensed interim financial statements of Hunter Group were authorized for issue by the Board of Directors on 22 November 2023.

The interim condensed consolidated financial statements for the three and nine months ending 30 September 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.

Following the sale of the last remaining tanker vessel in late November 2022, the group has discontinued its tanker shipping business. The Group has had no other material activity in 2022 and also general overhead expenses has in its entirety been allocated to the discontinued tanker business. The amounts for 2022 relates in all material aspects to the VLCC business. Overhead expenses have been allocated to continued operations as from 2023. For 1Q and 2Q 2023 the Group did not present the amounts related to the VLCC business as discontinued operations but starting from 3Q 2023 the Group corrected its presentation and has presented all amounts related to the VLCC business as discontinued operations in the Consolidated statements of profit and loss for all periods presented.

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.

On 4 July 2023 a reverse share split of 20:1 ratio was registered with the Norwegian Register of Business Enterprises according to the General Assembly decision. 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).

The exercising of the options for the primary insiders in February 2023 resulted in an equity effect of NOK 1.25 million. The reclassification from General and administrative expenses to equity was performed in 3Q with effect from February 2023.

3. Segment information

The management monitored the operating results in 1 segment which developed and operated the VLCCs up until 2022. As from 2023 the Group's operates 1 segment that focuses on the development of a low-pressure mid-stream shipping solution for Carbon Capture and Storage through a joint cooperation agreement with DNV.

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	30.09.2023	31.12.2022
Purchased services in USD 1 000	73	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 19t in 3Q YTD 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 shareholder is also a shareholder of Dronningen Eiendom AS.

5. Property, plant & equipment

(Unaudited figures in USD 1 000)

Per 30 September 2023	IFRS 16 PP&E	Other tangible assets	VLCC vessels	Total
Cost at 1 January 2023	403	18	0	421
Additions	0	3	0	3
Sales	0	0	0	0
Cost at 30 September 2023	403	21	0	424
Accumulated depreciations at 30 September 2023	-311	-18	0	-329
Book value at 30 September 2022	92	3	0	95
This period's depreciation	56	0	0	56

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. Please see note 6 of further information about the discontinued VLCC business.

6. Accounting effects of the discontinuing of the VLCC operations - unaudited figures in NOK 1 000

The table below sets out the unaudited income statements, the statements of financial position and the cash flow statements for the part related to the VLCC operations (discontinued operations) for the periods presented.

(Figures in NOK 1 000)

Results related to the VLCC operations	Quarters		Year to date		Year
	3Q 2023	3Q 2022	30.09.2023	30.09.2022	31.12.2022
Revenues	485	3 603	485	17 158	18 381
Gain on sale of VLCC	357	22 277	728	37 474	56 418
Total operating expenses	-1	4 112	238	17 751	19 316
Operating profit (loss) from discontinued operations	844	21 768	976	36 881	55 483
Net financial income (loss)	-43	-15 985	-91	-21 002	-8 108
Profit (loss) before taxes from discontinued operations	800	5 783	884	15 879	47 375
Tax on ordinary result	0	0	0	0	0
Profit (loss) from discontinued operations	800	5 783	884	15 879	47 375
Earnings per share	0,03	0,01	0,03	0,03	1,67
Earnings per share diluted	0,03	0,01	0,03	0,03	1,65

Cash flow related to the VLCC operations	Quarters		Year to date		Year
	3Q 2023	3Q 2022	30.09.2023	30.09.2022	31.12.2022
Net cash (to)/from operating activities	443	-4 570	156	7 209	13 190
Net cash (to)/from investing activities	357	191 670	728	287 710	384 614
Net cash (to)/from financing activities	0	-95 087	0	-154 791	-283 636
Net cash flow for the year from discontinued operations	800	92 013	884	140 128	114 168

Revenues relates to Pool revenues and Time charter revenues. The revenues and gain on sale of VLCC in 2023 relates to changes in estimates on final voyages of the VLCC performed prior to sale in 2022 as well as adjustments to the gain calculation on the 2022 sale.

7. Subsequent events

As of today, the Company has cash and receivables of approx. NOK 43m (NOK -1.5 per share), which equates to a liquidity runway of around 3.5 years

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