



## **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. [Back to black!](#)

### 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

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

## Consolidated statement of financial position

<i>(Unaudited figures in USD 1 000)</i>	Note	30.09.2023	30.06.2023	30.09.2022	31.12.2022
<b>NON-CURRENT ASSETS</b>					
VLCC vessels	5	0	0	78 608	0
Other tangible assets	5	95	111	202	148
<b>Total tangible assets</b>		<b>95</b>	<b>111</b>	<b>78 810</b>	<b>148</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>95</b>	<b>111</b>	<b>78 810</b>	<b>148</b>
<b>CURRENT ASSETS</b>					
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
<b>Total current assets</b>		<b>406</b>	<b>643</b>	<b>4 663</b>	<b>2 214</b>
<b>Cash and cash equivalents</b>		<b>3 855</b>	<b>3 599</b>	<b>155 537</b>	<b>136 866</b>
<b>TOTAL CURRENT ASSETS</b>		<b>4 262</b>	<b>4 242</b>	<b>160 199</b>	<b>139 080</b>
<b>TOTAL ASSETS</b>		<b>4 357</b>	<b>4 353</b>	<b>239 010</b>	<b>139 228</b>

## Equity and Liabilities

<b>EQUITY</b>					
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
<b>TOTAL EQUITY</b>		<b>4 180</b>	<b>3 801</b>	<b>189 471</b>	<b>138 438</b>
<b>LIABILITIES</b>					
Interest-bearing debt		30	48	0	0
<b>Total non-current liabilities</b>		<b>30</b>	<b>48</b>	<b>0</b>	<b>0</b>
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
<b>Total current liabilities</b>		<b>147</b>	<b>504</b>	<b>49 539</b>	<b>790</b>
<b>TOTAL LIABILITIES</b>		<b>177</b>	<b>553</b>	<b>49 539</b>	<b>790</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4 357</b>	<b>4 353</b>	<b>239 010</b>	<b>139 228</b>

## Consolidated cash flow statement

(Unaudited figures in USD 1 000)	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	1 671	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	-372	-37 474	-56 418
Financial income	86	-170		-21	-210	-1 614
Financial expenses	1	14 822		5	18 629	4 386
Change in working capital items	-1 411	-3 817		7	2 895	11 427
<b>Net cash flow from operating activities</b>	<b>364</b>	<b>-4 570</b>		<b>-1 090</b>	<b>7 209</b>	<b>13 190</b>
Investments in PP & E	-3	0	5	-3	0	0
Interest received	-86	170		21	210	1 614
Sale of VLCC	0	191 500		372	287 500	383 000
Investments in other financial investments	0	0		-8	0	0
<b>Net cash flow to investment activities</b>	<b>-88</b>	<b>191 670</b>		<b>383</b>	<b>287 710</b>	<b>384 614</b>
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
<b>Net cash flow from financing activities</b>	<b>-19</b>	<b>-95 087</b>		<b>-132 303</b>	<b>-154 791</b>	<b>-283 636</b>
<b>Total net changes in cash flow</b>	<b>257</b>	<b>92 013</b>		<b>-133 011</b>	<b>140 128</b>	<b>114 168</b>
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
<b>Cash and cash equivalents end of period</b>	<b>3 856</b>	<b>155 537</b>		<b>3 855</b>	<b>155 537</b>	<b>136 866</b>

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
<b>Equity as of 01.01.2022</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>
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
<b>Equity as of 31.12.2022</b>		<b>126</b>	<b>-2</b>	<b>0</b>	<b>-2 289</b>	<b>140 603</b>	<b>138 438</b>
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
<b>Equity as of 30.09.2023</b>		<b>126</b>	<b>-2</b>	<b>0</b>	<b>-2 289</b>	<b>6 345</b>	<b>4 180</b>

## 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
<b>Book value at 30 September 2022</b>	<b>92</b>	<b>3</b>	<b>0</b>	<b>95</b>
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
<b>Operating profit (loss) from discontinued operations</b>	<b>844</b>	<b>21 768</b>	<b>976</b>	<b>36 881</b>	<b>55 483</b>
Net financial income (loss)	-43	-15 985	-91	-21 002	-8 108
<b>Profit (loss) before taxes from discontinued operations</b>	<b>800</b>	<b>5 783</b>	<b>884</b>	<b>15 879</b>	<b>47 375</b>
Tax on ordinary result	0	0	0	0	0
<b>Profit (loss) from discontinued operations</b>	<b>800</b>	<b>5 783</b>	<b>884</b>	<b>15 879</b>	<b>47 375</b>
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
<b>Net cash flow for the year from discontinued operations</b>	<b>800</b>	<b>92 013</b>	<b>884</b>	<b>140 128</b>	<b>114 168</b>

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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