



Hunter Group ASA
Fourth quarter and 2022 results

26 January 2023

Highlights

Financial highlights

- Total revenues of USD 19.22m
 - Spot pool revenues of USD 1.22m
 - Net gain on sale of USD 18.00m
- Total operating expenses of USD 1.56m
 - Vessel opex incl. insurance of USD 0.81m
 - Voyage exp. and commissions of USD 0.14m
 - G&A expenses of 0.80m
- EBITDA of USD 18.20m
- Net financial income of USD 12.52m
- Net profit of USD 30.18m

Key events in 4Q 2022

- Hunter Freya sold for USD 95.5m, and successfully delivered to her new owner
- The Company repurchased 3,450,000 of its own shares, for an average price of NOK 2.169 per share. Following the repurchase, the Company owns 8,212,826 of its own shares

Subsequent events

- Extraordinary General Meeting held on 19 January 2023. All resolutions were passed, including two dividend distributions of a combined NOK 2.31 per share. NOK 0.51 per share paid as reduction of the Company's share premium, and NOK 1.80 paid as an extraordinary dividend. The former dividend will be paid to shareholders as of 24 January 2023, while the latter dividend will be paid to shareholders as of 27 January 2023
- The board of directors of the Company proposed an additional extraordinary dividend of NOK 0.04 per share, which will be decided by an extraordinary general meeting to be held on February 16 2023.

Management update

- From the beginning of this venture, we have communicated that we would act in the best interest of the shareholders, and that the shareholders would get their money back. Having paid out and proposed dividends of NOK 5.35/share in total, we believe that we have delivered on our promises.
- Stay tuned for future updates...

Condensed consolidated financial statements for 4Q 2022

Consolidated income statement

<i>(Unaudited figures in USD 1 000)</i>	Quarters			Year to date	
	4Q 2022	4Q 2021	Note	31.12.2022	31.12.2021
Revenues and other income					
Pool revenues	1 223	1 692		6 899	7 438
Time charter revenues	0	7 006		11 482	29 722
Other income	0	424		0	704
Net gain on sale of assets	17 998	0	5	55 472	2 567
Total revenues and other income	19 221	9 121		73 853	40 431
Operating expenses					
Vessel operating expenses	81	2 330		6 759	9 776
Voyage expenses and commissions	138	557	1	2 521	1 916
Depreciation and amortisation expense	543	3 248	5	8 033	13 754
General and administrative expenses	803	684	4	2 003	1 815
Total operating expenses	1 565	6 818		19 316	27 261
Operating profit (loss)	17 656	2 303		54 537	13 171
Net financial income (loss)	12 523	-1 784		-8 480	-9 394
Profit (loss) before taxes	30 178	519		46 058	3 776
Tax on ordinary result	0	0		0	0
Net profit (loss)	30 178	519		46 058	3 776
Earning per share	0,05	0,00		0,08	0,01
Earnings per share diluted	0,05	0,00		0,08	0,01
Other comprehensive income, items to be reclassified to profit & loss					
Translation differences	0	0		0	0
Total comprehensive income	30 178	519		46 058	3 776
Total comprehensive income attributable to:					
Equity holders of the parent company	30 178	519		46 058	3 776
Total comprehensive income	30 178	519		46 058	3 776

Consolidated statement of financial position

Assets

(Unaudited figures in USD 1 000)

	Note	31.12.2022	30.09.2022	31.12.2021
NON-CURRENT ASSETS				
VLCC vessels	5	0	78 608	332 521
Other tangible assets	5	148	202	318
Total tangible assets		148	78 810	332 839
TOTAL NON-CURRENT ASSETS		148	78 810	332 839
CURRENT ASSETS				
Trade and other receivables		2 160	4 609	5 513
Other short-term assets		55	53	3 878
Total current assets		2 214	4 663	9 391
Cash and cash equivalents		136 866	155 537	29 639
TOTAL CURRENT ASSETS		139 080	160 199	39 030
TOTAL ASSETS		139 228	239 010	371 869

Equity and Liabilities

EQUITY

Share capital (575 362 013 shares)	2	126	82 625	82 625
Own shares	2	-2	-2 735	-1 660
Share premium	2	0	13 180	15 034
Other equity		136 930	96 401	80 522
TOTAL EQUITY		137 055	189 471	176 521

LIABILITIES

Interest-bearing debt	5	81	0	180 514
Total non-current liabilities		81	0	180 514
Trade payables		1 398	1 977	195
Accrued public charges and indirect taxes		55	60	68
Current portion of interest-bearing debt	5	70	46 612	13 500
Other current liabilities		569	890	1 070
Total current liabilities		2 092	49 539	14 833
TOTAL LIABILITIES		2 173	49 539	195 346
TOTAL EQUITY AND LIABILITIES		139 228	239 010	371 868

Consolidated cash flow statement

<i>(Unaudited figures in USD 1 000)</i>	Quarters			Year to date	
	4Q 2022	4Q 2021	Note	31.12.2022	31.12.2021
Profit (loss) before tax	30 178	519		46 058	3 776
Depreciation	543	3 248	5	8 033	13 754
Gain on sale of VLCC	-17 998	0	5	-55 472	-2 567
Financial income	-1 404	101		-1 614	-4
Financial expenses	-12	1 762		4 386	8 430
Net foreign exchange differences	-7 290	0		6 941	0
Change in working capital items	2 182	3 046		5 077	-4 974
Net cash flow from operating activities	6 200	8 676		13 409	18 415
Investments in PP & E	0	0		0	-8
Interest received	1 404	0		1 614	4
Sale of VLCC	95 500	0	5	383 000	83 575
Net cash flow from (to) investment activities	96 904	0		384 614	83 571
Interest paid	12	-1 863		-4 386	-6 441
Installments other interest-bearing debt	-46 441	-3 081		-193 769	-61 802
Installment leasing-debt (IFRS 16)	-19	-25		-92	-94
Purchase of own shares	-1 319	0	2	-4 311	-1 267
Dividend paid	-81 296	0	2	-81 296	-97 887
Net cash flow from (to) financing activities	-129 065	-4 969		-283 855	-167 491
Total net changes in cash flow	-25 961	3 707		114 167	-65 505
Currency effect on cash	7 290	0		-6 941	0
Cash and cash equivalents beginning of the year	155 536	25 931		29 639	95 146
Cash and cash equivalents end of the year	136 866	29 638		136 866	29 639

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 01.01.2021		82 625	-1 121	113 364	-2 289	79 035	271 614
Net profit 2021				0	0	3 776	3 776
Other comprehensive income				0	0	0	0
Total comprehensive income 2021				0	0	3 776	3 776
Dividend paid				-97 887	0	0	-97 887
Share based payment				285	0	0	285
Purchase of own shares			-539	-728	0	0	-1 267
Equity as of 31.12.2021		82 625	-1 660	15 034	-2 289	82 811	176 521
Net profit 2022				0	0	46 058	46 058
Other comprehensive income				0	0	0	0
Total comprehensive income 2022				0	0	46 058	46 058
Dividend paid		-82 499	0	-12 794	0	13 997	-81 296
Reduction of capital			1 319	0	0	-1 319	0
Purchase of own shares			-2 071	-2 240	0	0	-4 311
Awarded of own shares			2 411	0	0	-2 411	0
Share based payment				0	0	84	84
Equity as of 31.12.2022		126	-2	0	-2 289	139 220	137 055

Notes to the Hunter Group condensed consolidated financial statements for 4Q 2022

1. Accounting principles

These condensed interim financial statements of Hunter Group were authorized for issue by the Board of Directors on 25 January 2023.

The interim condensed consolidated financial statements for the three- and twelve-months ending 31 December 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 of 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.

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. On 24 November 2022, the Company has purchased 3,450,000 of its own shares at an average price of NOK 2.169 per share. The Company owns a total of 8,212,826 of its own shares as of 19 December 2022.

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.

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

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	31.12.2022	31.12.2021
Purchased services in USD 1 000	94	76

The Group has used the services of the law firm Ro Sommernes DA for legal advice in 2022 and 2021; USD 20t in 2022 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 31 December 2022	IFRS 16 PP&E	Other tan- gible assets	VLCC vessels	Total
Cost at 1 January 2021	471	18	350 235	439 462
Additions	0	0	0	0
Sales	-68	0	-324 391	-324 459
Cost at 31 December 2022	403	18	25 844	26 265
Accumulated depreciations at 31 December 2022	-257	-18	-25 844	-26 119
Book value at 31 December 2022	148	0	0	148
This year's depreciation	97	6	7 930	8 033

Hunter Atla was sold in 2Q 2021 for an en-bloc price of USD 84.5 million, with a gain of USD 2.6 million. 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

7. Subsequent events

Extraordinary General Meeting held on 19 January 2023. All resolutions were passed, including two dividend distributions of a combined NOK 2.31 per share. NOK 0.51 per share paid as reduction of the Company's share premium, and NOK 1.80 paid as an extraordinary dividend. The former dividend will be paid to shareholders as of 24 January 2023, while the latter dividend will be paid to shareholders as of 27 January 2023

The board of directors of the Company proposed an additional extraordinary dividend of NOK 0.04 per share, which will be decided by an extraordinary general meeting to be held on February 16 2023.

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