



**Hunter Group ASA**  
Second-quarter results 2019

## Highlights

### Financial highlights

- Net profit from continuing operations came in at USD 1,101t in Q2 2019 compared to USD -443t in Q2 2018. The net profit in Q2 is mainly attributable to financial income.
- Total operating expenses from continuing operations was reduced from USD 709t in Q2 2018 to USD 133t in Q2 2019.

### Key events in Q2 2019

- Post-delivery bank financing came in place. USD 420m of bank financing secured from a syndicate of leading international shipping banks. The loan will finance approximately 60% of the construction cost with available draw at delivery of each vessel. Key terms: 275bps margin, 16 years repayment profile, 5-year tenor.
- Successfully completed private placement, raising gross proceeds of approximately NOK 695 million through the allocation of 190,454,000 shares at a subscription price of NOK 3.65 per share. As of the date of this report, the company has 575,362,013 shares outstanding.
- Negotiated earlier delivery of newbuilds. New delivery dates for the first four vessels are: H.No. 5455 16/9-2019, H.No 5456 27/9-2019, H.No. 5457 31/10-2019 and H.No. 5460 31/10-2019.
- OSM Ship Management selected as technical manager for all the Company's Newbuildings post-delivery.
- The Company has received a bid from a third-party buyer for two of its Newbuildings at an en-bloc sales price of USD 196m (USD 98m per vessel). As of 17 June 2019, the Company signed a Memorandum of Agreement with Far Eastern buyers to sell one of the Company's vessels at a price of USD 98m. As security for the correct fulfillment of the MoA the Buyers have agreed to pay a deposit equal to 20% of the purchase price. The vessel will be delivered to the Buyers on October 31st 2019 which will also be the closing date for the transaction. The sale of the vessel will generate a USD 37.6m positive cash flow effect. Furthermore, the Company is still in advanced discussions regarding the sale of a second vessel.

### Subsequent events

- Hunter Group assigned Mr. Lars M. Brynildsrud as CFO of the Company as from 12 August 2019. Mr. Brynildsrud has more than six years of investment banking experience and has been involved in a wide range of shipping and offshore related capital market transactions.
- Naming Ceremony completed on August 20<sup>th</sup> for Hunter Atla (H.No. 5455), Hunter Saga (H.No. 5456) and Hunter Laga (H.No. 5460).
- The Company has agreed to enter into a binding term sheet for a 5-year sale-and-leaseback agreement with a large leasing company at highly attractive terms. The Board is of the opinion that the agreement is beneficial to all shareholders as it retains maximum flexibility for the Company and eliminates the need for any additional equity in order for the company to take delivery of all vessels in the newbuilding program. Consequently, the Company has cancelled the senior secured term loan announced on May 22<sup>nd</sup>, 2019.

## Business review

### The Group

The Group's activities since the last quarter have consisted of final stage preparations for delivery of the company's vessels. The Company is now close to fully financed, having secured USD 420m of post-delivery bank financing as well as having successfully raised NOK 695m of additional equity. In Q2 '19, the company signed an MoA for the sale of one of its vessels, and is in advanced discussions regarding the sale of a second vessel. Should the sale of the second vessel materialize, the company will not require any additional capital.

The Group has selected OSM as technical manager for the Hunter Tanker vessels and expects to make an announcement regarding commercial management shortly.

In Q2, the yard completed steel cutting on H.No 5465, keel laying on Hunter Saga (H.No 5456), H.No 5457 and Hunter Laga (H.No 5460), as well as launch of Hunter Atla (H.No 5455). Hunter Atla is scheduled to be delivered on September 16<sup>th</sup>, 2019, and Hunter Saga is scheduled to be delivered on September 27<sup>th</sup>, 2019.

The construction process for all vessels is on budget and ahead of time, following agreement with the yard of earlier deliveries.

### Tanker Market Update

VLCC earnings averaged USD -14,700/day in Q2 '19, and USD -21,000/day for H1 2019, versus, USD -8,000/day and USD -9,000/day for Q2 and H1 '18, respectively. Several newbuildings originally scheduled for Q1, were delayed for deliveries in Q2, supporting Q1 relative to Q2 dayrates. In addition, the off-hire effect in connection with scrubber installations ahead of the upcoming IMO 2020 deadline has yet failed to materialize due to yard delays, effectively increasing supply relative to expectations. As of the date of this report, however, earnings have increased from their Q1 lows, primarily driven by decreasing vessel availability and charterers increasingly taking cover ahead of expected dayrate increases in H2 2019 and 2020.

## Financial key figures

### Financial key figures in Q2

- Net profit from continuing operations came in at USD 1,101t in Q2 2019 compared to USD -443t in Q2 2018.
- Other operating expenses from continuing operations was USD 22t in Q2 2019, down from USD 541t in Q2 2018.
- Total consolidated equity was USD 196.9m as of 30 June 2019, increased of USD 80m compared to end of Q1 2019, mainly due to the private placement of USD 79m as per 22 May 2019.
- Cash flow from operations was USD 1,114t in Q2 2019, mainly driven by a realized currency exchange gain on cash and cash equivalent in NOK.

### Financial key figures in H1

- Net profit from continuing operations came in at USD 1,432t in H1 2019 compared to USD -6,157t in H1 2018.
- Other operating expenses from continuing operations was USD 203t in H1 2019, down from USD 1,749t in H1 2018.
- Cash flow from operations was USD 1,598t in H1 2019, mainly driven by a realized currency exchange gain on cash and cash equivalent in NOK.

## Outlook

VLCC earnings averaged USD 14,700/day in Q2, a decrease of approximately 50 % compared to the USD 29,200/day average in Q1. The softness can be contributed to; several newbuilding deliveries being postponed from Q1 to Q2, fewer than expected scrubber installations due to delays, extended refinery maintenance and slower than expected MEG fixture activity.

However, dayrates for VLCCs have since been driven higher by increased fixture activity coupled with a lower vessel availability. Lately VLCC spot fixtures are reported above USD 40,000 per day and charterers are increasingly covering their needs early, on expectations of future rate hikes. Looking ahead, we are increasingly optimistic about H2 '19, as the IMO 2020 deadline is approaching. We expect to see an increase scrapping as vessels are coming up for SPS. Furthermore, we expect to a significant number of vessels going off-hire related to scrubber installations which should reduce vessel supply. Vessel demand should be buoyed by increased refinery runs as the maintenances season draws to a close, as well as by an increase in the demand for crude by refineries in order for them to meet the higher distillate demand ahead of IMO 2020. Illustratively, IEA forecasts global refinery runs increasing to an average 84 mbpd in Q3 '19 and 83.1 mbpd in Q4 '19, compared to 80-81 mbpd in Q2 '19. This comes on top of a rebound in oil demand growth from 0.55% in H1 '19 to 1.8% in H2 '19.

As the Group is taking delivery of its three first vessels in September and October 2019, we believe we are very well positioned to reap the benefits of a tightening market balance, which in turn will cause both vessel values and day rates to strengthen.

Mackerel skies and mare's tails...

## 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 2019 and the first half year of 2018, 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, 29 August 2019

The board of directors and Chief Executive Director  
Hunter Group ASA

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Henrik August Christensen  
Chairman of the board

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Arne Helge Fredly  
Board member

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Kristin Hellebust  
Board member

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Erik A. S. Frydendal  
CEO

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## Condensed consolidated financial statements for Q1 2019

### Consolidated income statement

<i>(Unaudited figures in USD 1 000)</i>	Quarters		Note	Year to date		Year
	Q2 2019	Q2 2018		30.06.2019	30.06.2018	31.12.2018
<i>Continuing operations</i>						
<b>Revenues</b>						
Revenues	150	0		213	0	52
<b>Total Revenues</b>	<b>150</b>	<b>0</b>		<b>213</b>	<b>0</b>	<b>52</b>
<b>Operating expenses</b>						
Payroll expenses	103	168		203	242	465
Depreciation and amortisation expense	8	0		16	0	0
Other operating expenses	22	541	4	203	1 749	2 352
<b>Total operating expenses</b>	<b>133</b>	<b>709</b>		<b>421</b>	<b>1 991</b>	<b>2 816</b>
<b>Operating profit (loss) continuing operations</b>	<b>17</b>	<b>-709</b>		<b>-209</b>	<b>-1 991</b>	<b>-2 765</b>
Interest income	51	175		87	175	874
Finance income	1 110	544		1 632	544	2 432
Other financial income	0	0		0	0	0
Other financial expenses	-5	0		-5	-26	-26
<b>Net financial income (loss)</b>	<b>1 155</b>	<b>719</b>		<b>1 711</b>	<b>693</b>	<b>3 280</b>
<b>Profit (loss) before taxes from continuing operations</b>	<b>1 171</b>	<b>10</b>		<b>1 502</b>	<b>-1 298</b>	<b>515</b>
Tax on ordinary result	-70	-449		-70	-449	-374
<b>Net profit (loss) from continuing operations</b>	<b>1 101</b>	<b>-440</b>		<b>1 432</b>	<b>-1 747</b>	<b>142</b>
<i>Discontinued operations</i>						
Net profit (loss) from discontinued operations	0	-3		0	-4 410	-4 410
<b>Net profit (loss)</b>	<b>1 101</b>	<b>-443</b>		<b>1 432</b>	<b>-6 157</b>	<b>-4 268</b>
Earning per share	0,00	0,00		0,00	-0,06	-0,05
Earnings per share diluted	0,00	0,00		0,00	-0,06	-0,05
Earnings per share continuing operations	0,00	0,00		0,00	-0,01	-0,01
Earnings per share diluted continuing operations	0,00	0,00		0,00	-0,01	-0,01
<i>(Unaudited figures in USD 1 000)</i>	<b>Q2 2019</b>	<b>Q2 2018</b>		<b>30.06.2019</b>	<b>30.06.2018</b>	<b>31.12.2018</b>
<b>Total comprehensive income</b>						
Net profit (loss)	1 101	-443		1 432	-6 157	-4 268
Translation differences	0	0		-1	4 821	-2 289
<b>Comprehensive income for the period continuing operations</b>	<b>1 101</b>	<b>-443</b>		<b>1 431</b>	<b>-1 336</b>	<b>-6 557</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the parent	1 101	-443		1 431	-1 336	-6 557
<b>Total comprehensive income continuing operations</b>	<b>1 101</b>	<b>-443</b>		<b>1 431</b>	<b>-1 336</b>	<b>-6 557</b>

## Consolidated balance sheet

### Assets

(Unaudited figures in USD 1 000)

	Note	30.06.2019	31.03.2019	30.06.2018	31.12.2018
<b>NON-CURRENT ASSETS</b>					
Property, plant, equipment & machineries	7	86	94	5	10
VLCC under construction	5	151 668	108 454	34 671	56 682
<b>Total tangible assets</b>		<b>151 754</b>	<b>108 548</b>	<b>34 676</b>	<b>56 692</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>151 754</b>	<b>108 548</b>	<b>34 676</b>	<b>56 692</b>
<b>CURRENT ASSETS</b>					
Trade receivables		0	0	0	83
Other short-term receivables		144	170	8	147
<b>Total current receivables</b>		<b>144</b>	<b>170</b>	<b>8</b>	<b>231</b>
Other financial investments		0	0	0	24 758
<b>Total other financial investments</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>24 758</b>
<b>Cash and cash equivalents</b>	<b>6</b>	<b>45 127</b>	<b>8 379</b>	<b>81 706</b>	<b>35 001</b>
<b>TOTAL CURRENT ASSETS</b>		<b>45 271</b>	<b>8 549</b>	<b>81 714</b>	<b>59 990</b>
<b>TOTAL ASSETS</b>		<b>197 026</b>	<b>117 096</b>	<b>116 390</b>	<b>116 681</b>

### Equity and Liabilities

<b>EQUITY</b>					
Share capital	2	82 625	55 376	53 038	55 376
Share premium	2	112 794	61 123	62 450	61 123
Other equity	2	1 432	331	0	0
<b>TOTAL EQUITY</b>		<b>196 851</b>	<b>116 830</b>	<b>115 488</b>	<b>116 499</b>
<b>LIABILITIES</b>					
Other interest-bearing debt	7	77	85	0	0
<b>Total non-current liabilities</b>		<b>77</b>	<b>85</b>	<b>0</b>	<b>0</b>
Trade creditors		61	127	168	132
Accrued public charges and indirect taxes		0	0	68	9
Other current liabilities		36	53	666	42
<b>Total current liabilities</b>		<b>97</b>	<b>181</b>	<b>902</b>	<b>182</b>
<b>TOTAL LIABILITIES</b>		<b>173</b>	<b>265</b>	<b>902</b>	<b>182</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>197 026</b>	<b>117 096</b>	<b>116 390</b>	<b>116 681</b>



## Consolidated cash flow statement

<i>(Unaudited figures in USD 1 000)</i>	Quarters		Note	Year to date		Year end
	Q2 2019	Q2 2018		30.06.2018	30.06.2018	31.12.2018
Contribution from operations before tax	1 172	-569		1 504	-2 497	-1 756
Change in accounts receivables and accounts payables	-67	-525		12	120	12
Change in inventory	0	557		0	-571	-571
Change in other receivables and payables and other	8	195		81	-171	-662
<b>Net cash flow from operating activities</b>	<b>1 114</b>	<b>-342</b>		<b>1 598</b>	<b>-3 119</b>	<b>-2 978</b>
Investments in VLCC newbuilds and PP & E	-43 207	-33 984		-95 063	-33 984	-59 672
Investments in other financial investments	0	0		0	0	-81 502
Sale of other financial investments	0	0		24 758	0	55 349
<b>Net cash flow from investment activities</b>	<b>-43 207</b>	<b>-33 984</b>		<b>-70 305</b>	<b>-33 984</b>	<b>-85 825</b>
Interest received	0	175		0	175	874
Interest paid	-1	-4		-2	-33	-33
Proceeds from borrowings financial institution	0	-1 331		0	-84	-84
Installment leasing-debt (IFRS 16)	-8	0		-16	0	0
Capital contribution	79 168	86 380	2	79 168	86 380	92 738
Transaction cost capital contribution	-318	-1 954	2	-318	-1 954	-1 625
<b>Net cash flow from financing activities</b>	<b>78 842</b>	<b>83 265</b>	<b>4</b>	<b>78 833</b>	<b>84 484</b>	<b>91 871</b>
<b>Total net changes in cash flow</b>	<b>36 748</b>	<b>48 939</b>		<b>10 125</b>	<b>47 381</b>	<b>3 068</b>
Currency effect on cash	0	-1 607		0	266	-2 125
Cash and cash equivalents beginning of period	8 379	34 373		35 001	34 059	34 059
<b>Cash and cash equivalents end of period</b>	<b>45 127</b>	<b>81 706</b>		<b>45 127</b>	<b>81 706</b>	<b>35 001</b>
Profit (loss) before tax from continuing operations	1 171	10		1 502	-1 298	142
Profit (loss) before tax discontinued operations	0	-3		0	-4 410	-4 410
Profit (loss) before tax	1 171	7		1 502	-5 708	-4 268
Employee options	0	0		0	0	0
Depreciation	0	617		0	1 126	1 126
Net write-down intangible assets and capitalized grants	0	-1 022		0	2 228	2 228
Financial income	0	-175		0	-175	-874
Financial expenses	1	4		2	33	33
<b>* Contribution from operations before tax</b>	<b>1 172</b>	<b>-569</b>		<b>1 504</b>	<b>-2 497</b>	<b>-1 756</b>

## Consolidated statement of changes in equity

<i>(Unaudited figures in USD 1 000)</i>	Note	Share Capital	Share premium	Other paid- in capital	Retained earnings	Total equity
<b>Equity as of 01.01.2018</b>		<b>18 869</b>	<b>31 726</b>	<b>0</b>	<b>0</b>	<b>50 595</b>
Net profit H1 2018			-6 158	0	0	-6 158
Foreign currency translation adjustment			4 821	0	0	4 821
Total comprehensive income H1 2018			-1 337	0	0	-1 337
Private placement 9 May 2018	2	10 790	9 064	0	0	19 854
Issuance of shares 14 June 2018	2	23 379	36 471	0	0	59 849
Transactions costs (after tax)			-1 388	0	0	-1 388
Warrants related to VLCC shipbuilding contracts			1 151	0	0	1 151
Distribution in kind, shares in Dwellop AS			-13 236	0	0	-13 236
<b>Equity as of 30.06.2018</b>		<b>53 038</b>	<b>62 450</b>	<b>0</b>	<b>0</b>	<b>115 488</b>
Net profit H2 2018			1 889	0	0	1 889
Foreign currency translation adjustment			-7 109	0	0	-7 109
Total comprehensive income H2 2018			-5 220	0	0	-5 220
Issuance of shares 19 July 2018	2	2 338	3 647	0	0	5 985
Transactions costs (after tax)			246	0	0	246
<b>Equity as of 31.12.2018</b>		<b>55 376</b>	<b>61 123</b>	<b>0</b>	<b>0</b>	<b>116 499</b>
Total comprehensive H1 2019			0	0	1 432	1 432
Private placement 22 May 2019	2	27 249	51 919	0	0	79 168
Transactions costs (after tax)			-248	0	0	-248
<b>Equity as of 30.06.2019</b>		<b>82 625</b>	<b>112 794</b>	<b>0</b>	<b>1 432</b>	<b>196 852</b>

## Notes to the Hunter Group condensed consolidated financial statements for Q1 2019

### 1. Accounting principles

These condensed interim financial statements of Hunter Group were authorized for issue by the Board of Directors on 29 August 2019.

The interim condensed consolidated financial statements for the three and six months ending 30 June 2019 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 2018.

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 2018.

#### *Construction in progress*

Construction in progress is stated at cost, net of accumulated impairment losses, if any.

#### *IFRS 16 Leases*

Effective from 1 January, 2019, IFRS 16 covers the recognition of leases and related disclosure in the financial statements, and replaces IAS 17 Leases. In the financial statement of lessees, the standard requires recognition of all contracts that qualify under its definition of a lease as right-of-use assets and lease liabilities in the balance sheet, while lease payments are to be reflected as interest expense and reduction of lease liabilities. The right-of-use assets are to be depreciated in accordance with IAS 16 Property, Plant and Equipment over the shorter of each contract's term and the assets' useful life. The standard consequently implies a significant change in lessees' accounting for leases currently defined as operating leases under IAS 17, both with regard to impact on the balance sheet and the statement of income. With regards to lessor accounting IASB has decided to substantially carry forward the lessor accounting model in IAS 17. The standard requires adoption either on a full retrospective basis, or retrospectively with the cumulative effect of initially recognizing the standard as an adjustment to retained earnings at the date of initial application.

The Company has reviewed its rental agreements for assessing if these will change category from operational to financial lease. The standard impacted the accounting of leasing of premises as the Company rent the buildings it operates its business from.

IFRS 16 was implemented using the modified retrospective method. The effect as per 31.12.18 was not significant. Hunter Group adopted IFRS 16 on 1 January, 2019.

## 2. Equity transactions

On 9 May 2018, the private placement consisting of 75,000,000 new ordinary shares for gross proceeds of NOK 172.5 million with a subscription price of NOK 2.30 was registered in The Register of Business Enterprises.

On 18 May 2018, issuance of subscription rights to all shareholders in the Company as of 16 May, who were not allocated Offer shares in the Private Placement (NOK 520M) and who are not resident in a jurisdiction where such offering would be unlawful or require a prospectus filing or similar. Subscription price NOK 3.2.

On 30 May 2018, distribution of all the Company's 206,158,013 shares in Dwellop AS as a PIK dividend to all shareholders on record per 18 May 2019.

On 14 June 2018, HUNT has issued 162,500,000 new ordinary shares for gross proceeds of NOK 520.0 million with a subscription price of NOK 3.20, and registered it in The Register of Business Enterprises.

On 19 July 2018, HUNT has issued 16,250,000 new ordinary shares for gross proceeds of NOK 52.0 million with a subscription price of NOK 3.20, and registered it in The Register of Business Enterprises.

On 22 May 2019, HUNT has issued 190,454,000 new ordinary shares for gross proceeds of NOK 695 million (USD 79m) with a subscription price of NOK 3.65, and registered it in The Register of Business Enterprises.

## 3. Segment information

As the Dwellop-segment was discontinued in 2018, and the Indicator-segment has not had any activity during the last couple of years, the management monitors the operating results in 1 segment which develops the VLCC construction contracts.

## 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 2019. All related party transactions have been entered into on an arm's length basis.

Transactions with related parties	30.06.2019	31.12.2018
Purchased services in USD 1 000	27	3 843

For the first six months of 2018, Middelborg AS has invoiced the Company 247t, mainly related to Mr. Vegard Urnes, Investment Manager of Middelborg AS, and former CEO of Hunter Group ASA. The contract was terminated in May 2018.

Gudbrandsneset is owned by the Company's former SVP Business Development (hired on 60% basis) Mr. Eirik Bergsvik. USD 69t were invoiced for consultancy services for the first part of 2018. The contract was terminated in May 2018.

The Group has used the services of the law firm Ro Sommernes DA for legal advice in 2018 and 2019. Ro Sommernes DA has invoiced the Company USD 348t in 2018 and USD 5t for Q1 2019. The Company's chairman Henrik Christensen is a partner in Ro Sommernes DA.

On 26 April 2018 Hunter Group entered into a definitive VLCC contract transfer agreement with Apollo Asset Ltd. Apollo Asset Ltd. Is 100% owned by Mr. Arne Fredly, board member and largest shareholder of Hunter Group ASA.

From 1 November 2018 the Company rents office space from Dronningen Eiendom AS. The rental agreement is for 36 months. One of the Company's shareholder is also a shareholder of Dronningen Eiendom AS.

As of the date of this report, there is no outstanding amount under the short-term USD 3 million revolving credit facility with Apollo Asset Ltd.

## 5. VLCC under construction

The Company has entered into eight shipbuilding contracts and four corresponding supplemental agreements for the construction and delivery of eight 300,000 DWT ECO Design Crude Oil Tankers, having Builder's hull Nos. 5455, 5456, 5457, 5460, 5465, 5466, 5467 and 5470 with identical specifications. As of 17 June 2019, the Company signed a Memorandum of Agreement with Far Eastern buyers to sell one of the Company's vessels at a price of USD 98m.

The Company received satisfactory refund guarantees for all the eight vessels. As per 31 December 2018, Hunter Tankers made the first instalment for the first seven vessels, totaling USD 60m. In the first half of 2019 Hunter Tankers made an additional installment of USD 94m.

## 6. Cash and cash equivalents

Of the USD 45.1m in cash and cash equivalents as per 30 June 2019, all where in NOK.

## 7. IFRS 16 implementation

The IFRS 16 standard regarding Leases was implemented on 1 January 2019. The new accounting standard replaces IAS 17 Leases. IFRS 16 requires that all leases, except for short-term and low-value leases are reflected in the balance sheet as a lease liability and a Right of Use (RoU) asset. Hunter Group has used the modified retrospective method as from 1 January 2019. The Consolidated balance sheet increased by adding lease liabilities and right of use assets with USD 0,1m. Hunter Group's equity has not been impacted from the implementation of IFRS 16. The following line items in the balance sheet have been impacted:

<i>(unaudited figures in USD 1 000)</i>	IFRS 16		
	31.12.2018	adjustments	01.01.2019
Property, plant, equipment & machineries	10	92	102
Other interest-bearing debt	0	92	92

## 8. Subsequent events

### Appointment of CFO:

Hunter Group assigned Mr. Lars M. Brynildsrud as CFO of the Company as from 12 August 2019. Mr. Brynildsrud has more than six years of investment banking experience and has been involved in a wide range of shipping and offshore related capital market transactions. Most recently Mr. Brynildsrud comes from the position of Vice President, Corporate Finance at Swedbank, a position he has held since 2018. Prior to joining Swedbank, Mr. Brynildsrud was a partner in Pareto Securities working both in Oslo and New York.

Mr. Brynildsrud holds a MSc in finance from the Norwegian School of Economics (NHH), and a BBA from BI Norwegian Business School (BI).

As part of his remuneration package Mr. Brynildsrud has been granted 500,000 LTI Options, with a strike price per share equal to the subscription price in the Private Placement completed on 23 May 2019, i.e. NOK 3.65 per share, and with a 12 month vesting period on terms set out in the Company's LTI rules, as adopted by the Company's AGM as per 25 April 2019, with effect from the commencement date of employment. Further, as per the date of this release, Mr. Brynildsrud also owns 15,400 shares in the Company.

### Sale-and-leaseback:

On August 29<sup>th</sup> Hunter Tankers AS agreed to enter into a binding term sheet for a 5-year sale-and-leaseback agreement with a large leasing company at highly attractive terms.

The Board is of the opinion that the agreement is beneficial to all shareholders as it retains maximum flexibility for the Company and eliminates the need for any additional equity in order for the company to take delivery of all vessels in the newbuilding program. Consequently, the Company has cancelled the senior secured term loan announced on May 22<sup>nd</sup>, 2019.

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