

# Investor Presentation

Private placement of up to 190,454,000 new common shares

*22 May 2019*

# Important information

This Presentation has been prepared by Hunter Group ASA (the “Company” or “HUNT”) and is made on 22 May 2019, solely for use in its dialogue with possible investors in a contemplated Private Placement of Offer Shares by the Company (the “Offer Shares”) to Norwegian investors, international institutional investors and professional investors and other investors in such other jurisdictions as are permitted or catered for by exemption rules under applicable securities laws (the “Private Placement”) and may not be reproduced or redistributed, in whole or in part, to any other person. This Presentation is for information purposes only and does not in itself constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein.

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This Presentation speaks as of 22 May 2019. Neither the delivery of this Presentation nor any further discussions by the Company or the Managers with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

This Presentation shall be governed by Norwegian law. Any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of the Norwegian courts with the Oslo City Court as legal venue.

# Transaction summary

<b>Private Placement:</b>	<ul style="list-style-type: none"> <li>Private Placement of up to 190,454,000 common shares (the "Offer Shares") equivalent to approximately USD 79.5 million based on the Offer Price NOK 3.65 and a NOK/USD exchange rate of 8.74.</li> </ul>
<b>Offer price:</b>	<ul style="list-style-type: none"> <li>Fixed price at NOK 3.65 per share</li> </ul>
<b>Share capital and Shares outstanding:</b>	<ul style="list-style-type: none"> <li>Company's current share capital is NOK 481,135,016.25 represented by 384,908,013 shares each with a par value of NOK 1.25.</li> </ul>
<b>Listing and ticker:</b>	<ul style="list-style-type: none"> <li>The Company's issued shares are listed on Oslo Axess with ticker HUNT with ISIN NO0010283211.</li> </ul>
<b>Use of proceeds:</b>	<ul style="list-style-type: none"> <li>The Company intends to use the net proceeds from the Private Placement to partly fund the remaining equity portion of the 8 VLCC newbuildings currently under construction at DSME.</li> </ul>
<b>Participation from main shareholders:</b>	<ul style="list-style-type: none"> <li>Apollo Asset Ltd as well as other certain key shareholders have committed to subscribe for the full deal amount and will be allocated at least their pro rata share of the Private Placement</li> </ul>
<b>Lockup:</b>	<ul style="list-style-type: none"> <li>The Board of Directors, Executive Management and Apollo Asset Ltd. have committed to a lock-up not to sell any of its own shares (including any shares potentially allocated in this Private Placement) for a period of 6 months from the completion of the Private Placement.</li> </ul>
<b>Application period:</b>	<ul style="list-style-type: none"> <li>Start application period: 22 May 2019 at 16:30 CET.</li> <li>End application period: 23 May 2019 at 08:00 CET.</li> <li>The Company may at its own discretion extend the application period at any time and for any reason on short notice.</li> </ul>
<b>Closing conditions:</b>	<ul style="list-style-type: none"> <li>Completion of the Offering is conditional upon execution of all required corporate resolutions by the Board of the Company</li> </ul>
<b>Minimum and maximum application</b>	<ul style="list-style-type: none"> <li>Minimum order equal to the NOK equivalent of EUR 100,000.</li> </ul>

<b>Allocation, settlement and trading:</b>	Allocation :	<ul style="list-style-type: none"> <li>On or about 23 May 2019</li> </ul>
	Settlement date:	<ul style="list-style-type: none"> <li>On or about 27 May 2019 (T+2)</li> </ul>
	First day of trading	<ul style="list-style-type: none"> <li>On or about 23 May 2019, after allocation</li> </ul>
<b>Settlement and share lending agreement</b>	<ul style="list-style-type: none"> <li>The Offer Shares will be settled with existing and unencumbered shares in the Company that are already listed on the Oslo Stock Exchange, pursuant to a share lending agreement between DNB Markets (on behalf of the Managers), the Company and Apollo Asset Ltd.</li> </ul>	
	<ul style="list-style-type: none"> <li>The Offer Shares allocated to Apollo Asset Ltd as well as certain other key shareholders will be placed on a separate ISIN pending publication of a listing prospectus approved by the Norwegian Financial Supervisory Authority, and will not be listed or tradable on Oslo Børs until the approved listing prospectus has been published by the Company, expected in June 2019 in connection with the Subsequent Offering.</li> </ul>	
	<ul style="list-style-type: none"> <li>The Offer Shares delivered to the subscribers will be tradable from allocation.</li> </ul>	
<b>Allocation criteria:</b>	<ul style="list-style-type: none"> <li>The allocation will be made at the sole discretion of the Company's Board. The Board will focus on criteria such as (but not limited to) existing ownership, timeliness of the order, relative order size, sector knowledge, investment history, perceived investor quality and investment horizon.</li> </ul>	
<b>Documentation:</b>	<ul style="list-style-type: none"> <li>This Investor Presentation, Application Agreement and Term Sheet, all dated 22 May 2019.</li> </ul>	
<b>Selling restrictions:</b>	<ul style="list-style-type: none"> <li>The Private Placement is directed towards investors subject to applicable exemptions from relevant prospectus requirements, (i) outside the United States in reliance on Regulation S under the US Securities Act of 1933 (the "US Securities Act"), (ii) in the United States to "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the US Securities Act as well as to major U.S. institutional investors under SEC Rule 15a-6 to the United States Exchange Act of 1934, and iii) in jurisdictions within EEA to professional investors.</li> </ul>	
<b>Subsequent Offering:</b>	<ul style="list-style-type: none"> <li>The Company may propose to carry out a subsequent share offering of new common shares in the Company (the "Subsequent Offering") directed at eligible shareholders in the Company as of 22 May 2019, as registered in the Norwegian Central Securities Depository (Nw. Verdipapirsentralen) (the "VPS") as of 24 May 2019, who were not allocated Offer Shares in the Private Placement. Eligible shareholders will receive non-tradable subscription rights which will make them eligible to participate in the Subsequent Offering.</li> </ul>	
<b>Managers:</b>	<ul style="list-style-type: none"> <li>ABG Sundal Collier, Arctic Securities, Clarksons Platou Securities, Danske Bank, DNB Markets, Fearnley Securities, Nordea, Pareto Securities, and SEB</li> </ul>	

Note: Please refer to the Application Agreement and Term Sheet dated 22 May 2018 for further details. In case of discrepancies the Application Agreement shall prevail.

# Recent positive developments further strengthen the investment case

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## Post-delivery bank financing in place

- USD 420m of bank financing secured from syndicate of leading international shipping banks
- 60% of construction cost with available draw at delivery of each vessel
- Key terms: 275 bps margin, 16 years repayment profile, 5 year tenor

## Negotiated earlier delivery of newbuilds

- The Company has negotiated earlier delivery dates of its newbuildings with DSME
- New delivery dates ensures 4 vessels on the water within year-end and that the Company will be well positioned when IMO 2020 comes into effect

## Technical manager in place

- After careful due diligence and vetting the Company has selected OSM Ship Management as the technical manager for all of the Company's newbuildings post delivery at attractive and competitive terms

## Sale of two newbuildings

- 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) and the Company is currently in advanced discussion in finalizing a sale

# Contemplated equity issue ensures a fully funded newbuilding program

Sources	USDm
Cash per Q1 2019	8.4
Draw on bank debt (60% of cost)	315.0
Est. proceeds from planned sale of two newbuildings	196.0
Est. proceeds from private placement <sup>(1)</sup>	79.5
<b>Total sources</b>	<b>598.9</b>

Uses	USDm
Remaining yard instalments per Q1 2019	576.9
Working capital & other	22.0
<b>Total uses</b>	<b>598.9</b>

Comments
<p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• Est. proceeds from equity raise of approx. USD 79.5m<sup>(1)</sup></li> <li>• Bank debt equal to 60% construction cost drawn at delivery of each vessel (assume 6 vessels delivery due to planned sale as per below)</li> <li>• Cash per Q1 2019 of USD 8.4m</li> <li>• 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) and the Company is currently in advanced discussion in finalizing a sale</li> <li>• In the event the planned vessel sale does not materialize the company expects to have unfunded capex of approx. USD 80-90m</li> </ul> <p><b>Uses:</b></p> <ul style="list-style-type: none"> <li>• Remaining yard instalments of USD 576.9m per Q1 2019</li> <li>• Remainder to be used for working capital, delivery costs, general corporate purposes and transaction costs</li> </ul>

***Post transaction and subsequent events the company expects that it will have a fully funded newbuilding program***

(1) Based on the Offer Price of NOK 3.65 and a NOK/USD exchange rate of 8.74

# Overview of newbuilding contracts, delivery dates and remaining capex

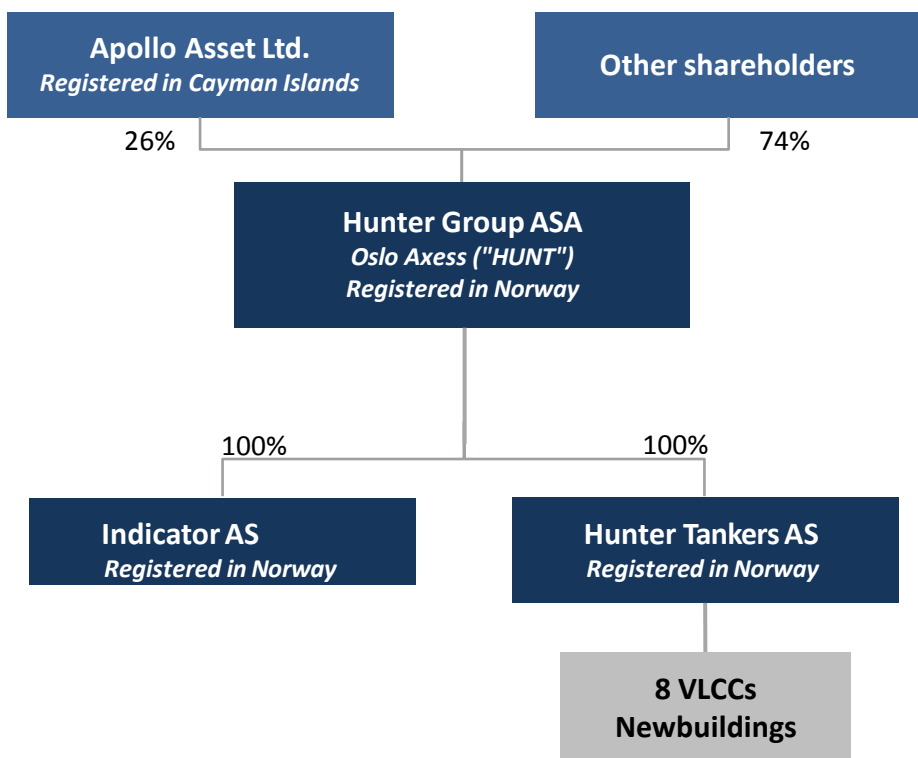
Hull #	Contract price (USDm)	Scrubber cost (USDm)	Total contract price (USDm)	Revised delivery date
5455	82.5	2.7	85.2	16/9/2019
5456	82.5	2.7	85.2	27/9/19
5457	82.5	2.7	85.2	31/10/2019
5460	82.8	2.7	85.5	31/10/2019
5465	82.8	2.7	85.5	24/3/2020
5466	82.8	2.7	85.5	31/5/2020
5467	82.8	2.7	85.5	21/7/2020
5470	89.3	2.7	92.0	31/7/2020
<b>Total</b>	<b>666.8</b>	<b>21.6</b>	<b>688.4</b>	

- Delivery dates for all vessels have been moved forward by 1-3 months
- 4 vessels will be on the water within year end 2019
- Remaining capex per Q1 2019 of USD 576.9m

***Total contracted capex of USD 688.4m of which USD 111.5m has been paid to date USD 576.9 million is remaining***

Source: Company Filings

# Hunter Group ASA – A publicly traded investment company



#	Name	Country	Type	Holding	%
1	APOLLO ASSET LIMITED	CYM	ORD.	103 500 000	26,89 %
2	SONGA TRADING INC	NOR	ORD.	29 980 501	7,79 %
3	SUNDT AS	NOR	ORD.	25 387 605	6,60 %
4	STATE STREET BANK AND TRUST COMP	US	NOM.	11 405 758	2,96 %
5	SWAP INVEST AS	NOR	NOM.	9 647 000	2,51 %
6	BNP PARIBAS SECURITIES SERVICES	LUX	NOM.	9 231 600	2,40 %
7	FONDSFINANS NORGE	NOR	ORD.	8 000 000	2,08 %
8	VERDIPAPIRFONDET DNB SMB	NOR	ORD.	7 329 239	1,90 %
9	HALVORSENS FABRIKK AS	NOR	ORD.	7 082 169	1,84 %
10	TITAN OPPORTUNITIES FUND IC SICAV	MLT	ORD.	6 900 000	1,79 %
11	INVESCO EUROPEAN SMALLER COMPAN FD	UK	ORD.	5 473 875	1,42 %
12	VERDIPAPIRFONDET NORDEA KAPITAL	NOR	ORD.	4 861 743	1,26 %
13	MIDDELBOG INVEST AS	NOR	ORD.	4 500 292	1,17 %
14	VERDIPAPIRFONDET DELPHI NORGE	NOR	ORD.	4 450 000	1,16 %
15	VERDIPAPIRFONDET FONDSFINANS NOR	NOR	ORD.	4 336 026	1,13 %
16	VERDIPAPIRFONDET NORDEA AVKASTNING	NOR	ORD.	4 137 200	1,07 %
17	DNB LUXEMBOURG S.A.	LUX	NOM.	3 532 613	0,92 %
18	DNB NAVIGATOR (II)	NOR	ORD.	3 461 791	0,90 %
19	ARGENTUM FONDSINVESTERINGER AS	NOR	ORD.	3 292 315	0,86 %
20	STAVANGER FORVALTNING AS	NOR	ORD.	3 046 800	0,79 %

# Hunter Group ASA – World Class, scrubber fitted, eco, SMART vessels

## Main particulars

Builder	DSME
LOA	336.0m
LBP	330.0m
Builder	60.0m
D	29.5m
Td	20.5m
Ts	21.6m
DWT at Td	279,850
DWT at TS	299,550
Service speed	14.8knots
Cruising range	~31,700Nmiles
Energy saving device	DSMEduct
Class	LR, +100A1, Double Hull Oil Tanker, CSR, ESP, ShipRight (ACS(B, C), CM), *IWS, LI, DSPM4, +LMC, IGS, UMS, NAV1, with the descriptive notes COW(LR), ShipRight (BWMP(T), VECS, SCM, IHM)
Flag	Marshall Islands
Crew	30 persons + 6 Suezcrew

## Tank capacity

Cargo tanks incl. slop tanks	~340,000m3
Water ballast tanks	~92,000m3
Heavy fuel oil tanks	~6,500m3
Diesel oil tanks	~700m3
Fresh water tanks	~600m3

## Main engine

Type	B&W 7G80ME-C9.5 x1 set (Derated)
MCR	24,510kW x 66.4 rpm
NCR	17,160kW x 59.0 rpm
DFOC	~62.9MT/day

## IMO Nox tier III application

Main engine	LPSCR
Diesel G.E	SCR

## Hull structure

Steel material	Normal strength steel and higher strength steel portion of ~62%
Design fatigue life	25 years for longitudinal stiffener's connections to transverse webs/bulkheads in cargo area

## Painting

W.B. tanks	2 x Epoxy anti corrosive, 320 mic. (IMO PSPC-WBT)
Cargo Tanks	2x Epoxy anti corrosive, 320 mic. (deckhead & tank bottom as per IMO PSPC-COT)
Underwater	Tin free self-polishing anti-fouling paint (Lifetime 60 months)

## Cargo and ballast system

Cargo pump	3 x 5,500 m3/h x 150 mTH
Cargo stripping pump	1 x 400 m3/h x 150 mTH
Cargo stripping eductor	2 x 750m3/h
Inert gas system	1 x Flue gassystem
Tank cleaning heater	None
Water ballast pump	2 x 3,000 m3/h x 40 mTH (1 x Elec. Motor driven, 1 x Steam turbine driven)
Tank cleaning heater	2 x 3,000 m3/h, Electrolysis

## Deck machinery

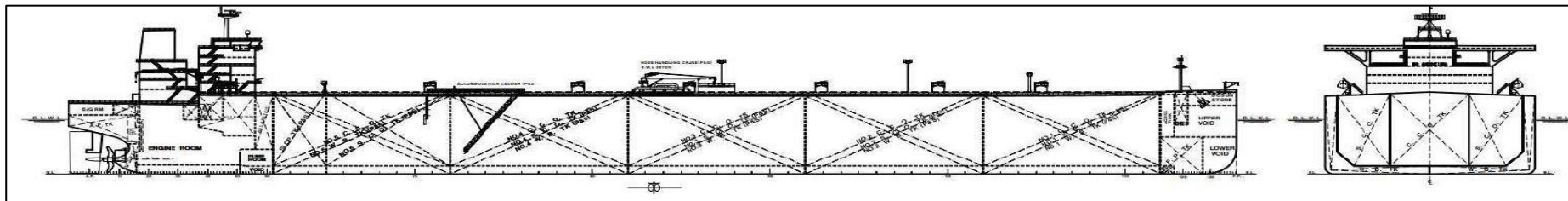
Steering	1 x El.-hyd., 2 ram-4 cyl. type
Deck machinery	El.-hyd. high pressure type
Provision crane	2 x El.-hyd., luffing jib type, 10.0 tons(SWL) for port side 3.0 tons (SWL) for stbd. side

## Steam generation

Aux. boiler	2 x 45,000 kg/h x 20 bar g.
Donkey boiler	1 x 3,000 kg/h x 6bar g.
Exh. gas economizer	1 x 1,400 kg/h x 6bar g.

## Electric power generation

Diesel generator	3 x 1,460kW, AC 450 V, 60 Hz
Em'cy generator	1 x 350 kW, AC 450 V, 60 Hz



Source: DSME



# Risk factors (1/3)

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Investing in the Company involves inherent risks. Prospective investors should consider, among other things, the risk factors set out below before making an investment decision. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations and adversely affect the price of the Company's shares and ability to service its debt. If any of the following risks actually occur, the Company's business, financial position and operating results could be materially and adversely affected. A prospective investor should consider carefully the factors set forth below, and elsewhere in the Presentation, and should consult his or her own expert advisors as to the suitability of an investment in the shares of the Company. An investment in the Offer Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.

## **RISKS RELATED TO THE COMPANY AND THE INDUSTRY IN WHICH IT OPERATES**

### ***The Company may not be able to successfully implement its business strategies***

- *The vision of the Company is to become a leading owner and operator of modern scrubber fitted VLCCs. However, no assurances can be made that the Company will successfully implement its strategies as contemplated or that the Company will grow as envisaged.*

### ***The Group may not be able to secure contracts for its newbuildings on favorable terms, or at all***

- *Although the Company expects to obtain profitable charter contracts, no assurance can be given that the Company will manage to obtain favorable charter contracts for its newbuildings once delivered. The VLCC market may not improve as the Company expects. Any periods of non-employment of the vessels or trading of the vessels in unfavorable spot market will negatively affect the Company's results of operation.*

### ***Key personnel and investment philosophy risk***

- *Investing in the Company, may be seen as an investment in the competences of its employees and the investment philosophy, investment process and risk management of the Company. There is therefore a risk that key personnel may leave the Company and / or that the board of directors determines that the Company shall change its investment philosophy, investment process and risk management procedures.*

### ***Economic developments***

- *The general development of and prospective future of the economy, and in particular the oil and offshore industry, may affect the profitability of the companies the Company has invested in. Negative economic developments may lead to a downturn in the future prospects of the companies and sectors the Company has invested in, and may also make it more difficult to raise equity or loan capital which may affect the operations of the Company. These risks may lead to a loss of whole or parts of the Company's investments in such companies.*

### ***Risks of delays or defaults by the shipyard in the construction, and risks related to development***

- *Vessel construction projects are generally subject to risks of delay that are inherent in any large construction project, and may be caused by numerous factors, including shortages of equipment, materials or skilled labor; unscheduled delays in the delivery of ordered materials and equipment or shipyard construction; failure of equipment to meet quality and/or performance standards; financial or operating difficulties experienced by suppliers or the builder; HSE accidents or other safety issues; disputes between the Group and the builder and/or suppliers; unanticipated actual or purported change orders; inability to obtain required permits or approvals from class, flag state or other regulatory authorities; design or engineering changes and work stoppages and other labor disputes, adverse weather conditions or any other events of force majeure. The deployment of new vessels and the repair and maintenance of the vessels are complex processes and involve risks similar to those encountered in other large and sophisticated construction, repair and maintenance projects.*

# Risk factors (2/3)

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## RISKS RELATED TO THE TANKER MARKET

### ***Downturn in crude tanker market***

- *The tanker market in which VLCC's operates is currently experiencing a downturn. If the downturn in the market continues, this will have a material adverse effect on VLCC's business, financial condition, results of operation and cash flow.*

### ***Fluctuating value of the fleet***

- *The value of the vessels may fluctuate with market conditions. Any downturn in the market could have a material adverse effect on VLCC's asset value. In such a case, sales of VLCC's assets could be forced at prices that may represent a potential loss of value.*

### ***Dependence on activity in the oil and gas industry***

- *The Company's business, financial condition, and ability to pay dividends depend on the level of activity in the tanker industry, which is significantly affected by, among other things, volatile oil prices.*

### ***VLCC may be unable to attract a sufficient number of customers***

- *VLCC's may in the future not be able to attract a sufficient number of customers to generate adequate revenues to cover its operating expenses and / or service its debts. Inability to attract a sufficient number of customers may have a material adverse effect on VLCC's business, results of operations, financial condition and prospects.*

## FINANCIAL RISK

### ***Interest rate and currency fluctuations***

- *The Company will be exposed to risks due to fluctuations in interest and currency exchange rates and may attempt to minimize these risks by implementing hedging arrangements as appropriate, but will not be able to avoid these risks. Financial reporting, including income and expenses, of the Company are primarily in NOK. Currency fluctuations may influence the value of the Company's shares.*

### ***The Company may not be able to finalize take-out financing for the new vessels or favorable financing to fund the Company's growth***

- *The Company's ability to obtain take-out financing for its newbuildings and financing for construction, working capital, capital expenditures, acquisitions, general corporate and other purposes may be limited, and no guarantees can be made that the Company will be able to raise new equity or arrange borrowing facilities at favorable terms, or at all. Uncertainty relating to market conditions affects the Company's ability to obtain financing. This could affect the Company's ability to secure financing for the final yard installments of the newbuildings.*

### ***Risks associated with the Company's future debt arrangements***

- *The Company's future debt arrangements may contain covenants and other restrictions that could limit the Company's business, such as restrictions on ability to incur additional indebtedness, merge with another entity or enter into transactions with other entities, dispose over its assets, restrictions on operations, make capital expenditures. As such, the Company's future debt arrangements could limit the Company's flexibility in pursuing other/attractive business opportunities. The Company's future loan agreements could also place restrictions on the Company's ability to declare dividends to its shareholders and thus affect the Company's ability to distribute dividends to its shareholders. Furthermore, the Company may not be able to generate sufficient cash to service all of its indebtedness which could trigger enforcement actions from its lenders*

### ***Tax risk***

- *The Group's tax liabilities could increase as a result of adverse tax audits, inquiries or settlements. The Group's tax liabilities could increase due to operations in different countries with changing tax laws.*

# Risk factors (3/3)

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## RISKS RELATED TO THE PRIVATE PLACEMENT AND THE COMPANY'S SHARES

### *The price of the Shares has fluctuated significantly in the past, and may continue to do so in the future*

- *The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control.*

### *Investors may not be able to exercise their voting rights for Shares registered in a nominee account*

- *Beneficial owners of Shares that are registered in a nominee account may not be able to vote for such Shares. The Company cannot guarantee that beneficial owners of Shares will receive the notice of a General Meeting of shareholders of the Company in time to instruct their nominees to vote for their Shares in the manner desired by such beneficial owners or at all.*

### *Future issuance of Shares or other securities may dilute the shareholders and could materially affect the price of the Shares*

- *It is possible that the Company may in the future offer additional Shares or other securities in order to secure financing of new projects or for other purposes, which could dilute its shareholders and materially affect the price of the Shares.*

### *Transfer of the Shares is subject to restrictions under the securities laws of the United States and other jurisdictions*

- *The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares, including the Private Placement Shares, may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws in other jurisdictions.*

### *No due diligence carried out*

- *No due diligence investigations have been conducted prior to the Private Placement and the Group may be subject to material losses or claims which neither the Company nor the Managers are aware of at the date of this Investor Presentation.*

### *The Company has a major shareholder with significant voting power and influence*

- *Apollo Asset Ltd. currently holds 26.89% of the votes in the Company, and may significantly influence the outcome of matters submitted for the vote of the Company's shareholders, including but not limited to; appointment of board members, approval of financial statements, dividends and capital increases. The interest of the majority shareholder may not necessarily correlate with the interest of the minority shareholders.*

### *There can be no assurance that shareholders residing or domiciled in the United States or other jurisdictions will be able to participate in future capital increases or rights offerings*

- *Issuance of Offer Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights in any future capital increases or rights offerings may require the Company to file a registration statement under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights could be sold on the shareholder's behalf by the Company. Similar restrictions could be applicable in other jurisdictions.*

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