



Hunter Group ASA
First-quarter results 2019

Highlights

Financial highlights

- Net profit from continuing operations came in at USD 331t in Q1 2019 compared to USD -1,308t in Q1 2018. The net profit in Q1 is mainly attributable to a combination of financial income and advisory fees.
- Total operating expenses from continuing operations was reduced from USD 1,282t in Q1 2018 to USD 288t in Q1 2019.

Key events in Q1 2019

- On 1 January 2019 Hunter Group changed its presentation currency from Norwegian kroner (NOK) to US dollars (USD). The main transactions for the Group in 2017 and 2018 have been in NOK, but the main transactions going forward for Hunter Group ASA and Hunter Tankers AS will be in USD. As a consequence, these two companies have changed their functional currencies from NOK to USD from 1 January 2019. As such, the Group considers it beneficial to present the Group's financial statements in USD. also the comparable periods' amounts have been changed to USD.

Subsequent events

- Post-delivery bank financing 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: 275bms margin, 16 years repayment profile, 5-year tenor.
- 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 Newbuldings 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.
- 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.

Business review

The Group

Having secured post-delivery bank financing and successfully completed a NOK 695m equity issue, the company is very comfortable with its financial state. Hunter Group ASA has also received a bid from a third-party buyer for two of the Hunter Tankers' vessels. If the sale of two vessels materialize, Hunter Group ASA should not require any additional equity.

In Q1'19 the yard completed keel laying on vessel H.No.5455 and H.No. 5456, and the construction process for all vessels is on time and on budget. The vessels are being designed to meet the requirements of the major spot charterers. As far as the Group has been able to determine, the vessels will be the most compliant vessels as per the requirements of Exxon Mobil as per their Marine Environmental, Safety and Quality Assurance Criteria, 2017 (MESQAC, 2017) ever delivered from DSME.

Tanker Market Update

VLCC earnings averaged USD 29,000/day for Q1'19 an increase of close to USD 20,000/day versus Q1'18. High USG activity was the main contributor to the rate increase. However, the market pulled back towards the end of Q1 and has remained weak until the day of this report. Scrapping was slow in Q1 but is rumored to have picked up slightly from the end of Q1 until the day of this report.

Financial key figures

Financial key figures in Q1

- Net profit from continuing operations came in at USD 331t in Q1 2019 compared to USD -1,308t in Q1 2018.
 - Other operating expenses from continuing operations was USD 180t in in Q1 2019, down from USD 1,208t in Q1 2018.
 - Total consolidated equity was USD 116.8m, slightly increased compared to year-end 2018.
 - Cash flow from operations was USD 484t, mainly driven by a realized currency exchange gain on cash and cash equivalent in NOK.
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Outlook

The market was relatively strong in Q1, with VLCC earnings averaging USD 29,000/day an increase of close to USD 20,000/day versus Q1'18. High USG activity was the main contributor to the rate increase. However, rates have dropped significantly towards the end of Q1 due to amongst other things; continued OPEC+ production cuts, heavy refinery maintenance ahead of IMO 2020, and a high number of newbuildings being delivered. We believe this trend will continue through H1.

Although we expect the market to remain weak for the above-mentioned reasons until the end of H1, we believe the market will be strong in the second half of the year as refineries are expected to come back online again as maintenance is completed. We also expect a ramp up of distillates output ahead of IMO 2020, which should be good for crude oil demand. OPEC+ may also make a comeback to cover increased refinery demand and to make up for Non-OPEC shortfalls. Finally, we believe the supply demand balance will improve significantly in favor of owners as newbuilding deliveries are expected to slow significantly, while a substantial number of vessels will be taken out of trading to install scrubbers.

All in all, everything is shipshape and Bristol fashion.

Condensed consolidated financial statements for Q1 2019

Consolidated income statement

<i>(Unaudited figures in USD 1 000)</i>	Note	Quarters 31.03.2019	31.03.2018	Year 31.12.2018
<i>Continuing operations</i>				
Revenues				
Revenues		63	0	52
Total Revenues		63	0	52
Operating expenses				
Payroll expenses		100	74	465
Depreciation and amortisation expense		8	0	0
Other operating expenses	4	180	1 208	2 352
Total operating expenses		288	1 282	2 816
Operating profit (loss) continuing operations		-225	-1 282	-2 765
Interest income		36	0	874
Finance income		522	0	2 432
Other financial income		0	0	0
Other financial expenses		0	-26	-26
Net financial income (loss)		556	-26	3 280
Profit (loss) before taxes from continuing operations		331	-1 308	515
Tax on ordinary result		0	0	-374
Net profit (loss) from continuing operations		331	-1 308	142
<i>Discontinued operations</i>				
Net profit (loss) from discontinued operations		0	-4 407	-4 410
Net profit (loss)		331	-5 715	-4 268
Earning per share		0,00	-0,06	-0,05
Earnings per share diluted		0,00	-0,06	-0,05
Earnings per share continuing operations		0,00	-0,01	-0,01
Earnings per share diluted continuing operations		0,00	-0,01	-0,01
<i>(Unaudited figures in USD 1 000)</i>				
Total comprehensive income		330	-2 976	-6 557
Net profit (loss)		331	-5 715	-4 268
Translation differences		-1	2 740	-2 289
Comprehensive income for the period continuing operations		330	-2 976	-6 557
Total comprehensive income attributable to:				
Equity holders of the parent		330	-2 976	-6 557
Total comprehensive income continuing operations		330	-2 976	-6 557

Consolidated balance sheet

Assets

<i>(Unaudited figures in USD 1 000)</i>	Note	31.03.2019	31.03.2018	31.12.2018
NON-CURRENT ASSETS				
Research and development		0	2 109	0
Patents and customer relationships		0	2 256	0
Goodwill		0	4 267	0
Total intangible assets		0	8 631	0
Property, plant, equipment & machineries	7	94	3 433	10
VLCC under construction	5	108 454	0	56 682
Total tangible assets		108 548	3 433	56 692
TOTAL NON-CURRENT ASSETS		108 548	12 064	56 692
CURRENT ASSETS				
Inventories		0	3 755	0
Total inventories		0	3 755	0
Trade receivables		0	1 929	83
Other short-term receivables		170	758	147
Total current receivables		170	2 687	231
Other financial investments		0	0	24 758
Total other financial investments		0	0	24 758
Cash and cash equivalents	6	8 379	34 373	35 001
TOTAL CURRENT ASSETS		8 549	40 815	59 990
TOTAL ASSETS		117 096	52 879	116 681

Equity and Liabilities

<i>(Unaudited figures in USD 1 000)</i>	Note	31.03.2019	31.03.2018	31.12.2018
EQUITY				
Share capital	2	55 376	18 869	55 376
Share premium	2	61 123	28 750	61 123
Other equity	2	331	0	0
TOTAL EQUITY		116 830	47 620	116 499
LIABILITIES				
Other interest-bearing debt	7	85	0	0
Total non-current liabilities		85	0	0
Trade creditors		127	973	132
Accrued public charges and indirect taxes		0	277	9
Short-term derivatives		0	-2	0
Debt financial institutions		0	3 224	0
Other current liabilities		53	788	42
Total current liabilities		181	5 260	182
TOTAL LIABILITIES		265	5 260	182
TOTAL EQUITY AND LIABILITIES		117 096	52 879	116 681

Consolidated cash flow statement

<i>(Unaudited figures in USD 1 000)</i>	Note	Quarters		Year end
		Q1 2019	Q1 2018	31.12.2018
Contribution from operations before tax		332	-1 928	-1 756
Change in accounts receivables and accounts payables		79	645	12
Change in inventory		0	-1 128	-571
Change in other receivables and payables and other		73	-367	-662
Net cash flow from operating activities		484	-2 778	-2 978
Investments in PPE & intangible assets		-51 856	0	-59 672
Investments in other financial investments		0	0	-81 502
Sale of other financial investments		24 758	0	55 349
Acquisition of a subsidiary, net of cash acquired		0	0	0
Net cash flow from investment activities		-27 098	0	-85 825
Interest received		0	0	874
Interest paid		-1	-29	-33
Proceeds from borrowings financial institution		0	1 247	-84
Installment leasing-debt (IFRS 16)		-8	0	0
Capital contribution	2	0	0	92 738
Transaction cost capital contribution	2	0	0	-1 625
Net cash flow from financing activities		-9	1 219	91 871
Total net changes in cash flow		-26 623	-1 559	3 068
Currency effect on cash		0	1 873	-2 125
Cash and cash equivalents beginning of period		35 001	34 059	34 059
Cash and cash equivalents end of period		8 379	34 373	35 001
Profit (loss) before tax from continuing operations		331	-1 308	142
Profit (loss) before tax discontinued operations		0	-4 407	-4 410
Profit (loss) before tax		331	-5 715	-4 268
Employee options		0	0	0
Depreciation		0	509	1 126
Net write-down intangible assets and capitalized grants		0	3 250	2 228
Financial income		0	0	-874
Financial expenses		1	29	33
* Contribution from operations before tax		332	-1 928	-1 756

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
Equity as of 01.01.2018		18 869	31 726	0	0	50 595
Net profit Q1 2018			-5 715	0	0	-5 715
Foreign currency translation adjustment			2 740	0	0	2 740
Total comprehensive income Q1 2018			-2 976	0	0	-2 976
Equity as of 31.03.2018		18 869	28 750	0	0	47 620
Net profit Q2-Q4 2018			1 447	0	0	1 447
Foreign currency translation adjustment			-5 028	0	0	-5 028
Total comprehensive income Q2-Q4 2018			-3 581	0	0	-3 581
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)		0	-1 142	0	0	-1 142
Warrants related to VLCC shipbuilding contracts		0	1 151	0	0	1 151
Distribution in kind, shares in Dwellop AS		0	-13 236	0	0	-13 236
Issuance of shares 19 July 2018	2	2 338	3 647	0	0	5 985
Equity as of 31.12.2018		55 376	61 123	0	0	116 499
Total comprehensive Q1 2019		0	0	0	330	330
Equity as of 31.03.2019		55 376	61 123	0	330	116 830

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 31 May 2019.

The interim condensed consolidated financial statements for the three months ending 31 March 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 2019, 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 2019, 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 2019, 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 2019, 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 2019, 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.

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	31.03.2019	31.12.2018
Purchased services in USD 1 000	13	481

For January to March 2018, Middelborg AS has invoiced the Company USD 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 3t 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.

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.

The Company has received satisfactory refund guarantees for all the eight vessels. As per 31 December 2018, Hunter Tankers has made the first instalment for the first seven vessels, totaling USD 59.76m. In Q1 2018 Hunter Tankers made an additional installment of USD 52.99m.

6. Cash and cash equivalents

Of the USD 8.4m m in cash and cash equivalents as per 31 March 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. Change of presentation currency - re-presentation of comparative periods

On 1 January 2016 Hunter Group changed its presentation currency from Norwegian kroner (NOK) to US dollars (USD). The main transactions for the Group in 2017 and 2018 have been in NOK, but the main transactions going forward for Hunter Group ASA and Hunter Tankers AS will be in USD. As a consequence of this these two companies have changed their functional currencies from NOK to USD from 1 January 2019. As such, it is also considered to be more beneficial to present the financial statements of the Group in USD.

The change in presentation currency has been accounted for as a policy change, and comparative figures have been re-presented to USD, to reflect the change in presentation currency.

The re-presented Consolidated income statement (including comprehensive income), the Consolidated statement of financial position, the Consolidated cash flow statement and the Consolidated statement of changes in equity are presented in USD in this note disclosure for the periods ending 31 December 2017, 31 December 2018 and for the four quarters of 2018.

The different asset and liability items in USD correspond to the amounts published in NOK translated at the NOK/USD closing rate applicable at the end of each reporting period. The same relates to the equity as a whole. The profit and loss items correspond to the amounts published in NOK translated at the average rate applicable for the quarters or the years. As such, the change in presentation currency will not impact the valuation of assets, liabilities, equity or profit/loss.

Effect of changes in reported equity

<i>(Unaudited figures)</i>	NOK		Re-	USD
31 December 2017	thousand	USD thousand	presentation	thousand
Share capital	163 948	19 981	-1 112	18 869
Share premium	251 190	30 614	1 112	31 726
Other equity	0	0	0	0
TOTAL EQUITY	415 138	50 595	0	50 595

<i>(Unaudited figures)</i>	NOK		Re-	USD
31 December 2018	thousand	USD thousand	presentation	thousand
Share capital	481 135	55 376	0	55 376
Share premium	531 069	61 123	0	61 123
Other equity	0	0	0	0
TOTAL EQUITY	1 012 204	116 499	0	116 499

Equity at 31 December 2017 was translated at exchange rate NOK/USD 8.205, and at 31 December 2018 at 8.689.

8. Change of presentation currency - re-presentation of comparative periods cont.

Consolidated statement of profit and loss (including comprehensive income)

<i>(Unaudited figures in USD 1 000)</i>	Quarters 31.03.2018	Quarters 30.06.2018	Quarters 30.09.2018	Quarters 31.12.2018	Year 31.12.2017	Year 31.12.2018
<i>Continuing operations</i>						
Revenues						
Revenues	0	0	0	52	16	52
Total Revenues	0	0	0	52	16	52
Operating expenses						
Raw materials and consumables	0	0	0	0	-87	0
Payroll expenses	74	168	121	101	1 061	465
Depreciation and amortisation expense	0	0	0	0	3	0
Net write-down intangible assets and capitalizec	0	0	0	0	8 144	0
Other operating expenses	1 208	540	198	405	2 134	2 352
Capitalised development cost	0	0	0	0	-226	0
Total operating expenses	1 282	709	319	506	11 029	2 816
Operating profit (loss)	-1 282	-709	-319	-454	-11 013	-2 765
Interest income	0	175	386	314	316	874
Finance income	0	544	567	1 322	0	2 432
Interest expenses	0	0	0	0	-6	0
Other financial expenses	-26	0	0	-1	-9	-26
Net financial income (loss)	-26	719	953	1 635	301	3 280
Profit (loss) before taxes	-1 308	10	633	1 180	-10 712	515
Tax on ordinary result	0	-449	0	76	-509	-374
Net profit (loss)	-1 308	-440	633	1 256	-11 221	142
<i>Discontinued operations</i>						
Net profit (loss) from discontinued operations	-4 407	-3	0	0	-251	-4 410
Net profit (loss)	-5 715	-443	633	1 256	-11 472	-4 268
Earnings per share	-0,06	0,00	0,00	0,00	-0,01	-0,05
Earnings per share diluted	-0,06	0,00	0,00	0,00	-0,01	-0,05
Earnings per share continuing operations	-0,01	0,00	0,00	0,00	-0,01	-0,01
Earnings per share diluted continuing operations	-0,01	0,00	0,00	0,00	-0,01	-0,01
No impact on net profit/loss.						
Total comprehensive income						
Profit (loss) for the period	-5 715	-443	633	1 256	-11 472	-4 268
Translation differences	2 740	2 081	112	-7 221	3 147	-2 289
Comprehensive income for the period	-2 976	1 639	745	-5 965	-8 325	-6 557
Total comprehensive income attributable to:						
Equity holders of the parent	-5 715	1 639	745	-5 965	-8 325	-6 557
Non-controlling interest	0	0	0	0	0	0
Total comprehensive income	-5 715	1 639	745	-5 965	-8 325	-6 557

8. Change of presentation currency - re-presentation of comparative periods cont.

Consolidated statement of financial position

<i>(Unaudited figures in USD 1 000)</i>	31.03.2018	30.06.2018	30.09.2018	31.12.2018	31.12.2017	31.12.2016
NON-CURRENT ASSETS						
Research and development	2 109	0	0	0	2 173	17 359
Patents and customer relationships	2 256	0	0	0	2 305	45
Goodwill	4 267	0	0	0	7 149	0
Total intangible assets	8 631	0	0	0	11 627	17 404
Property, plant, equipment & machineries	3 433	5	10	10	3 398	3
VLCC under construction	0	34 671	34 591	56 682	0	0
Total tangible assets	3 433	34 676	34 601	56 692	3 398	3
TOTAL NON-CURRENT ASSETS	12 064	34 676	34 601	56 692	15 025	17 406

CURRENT ASSETS						
Inventories	3 755	0	0	0	2 482	0
Total inventories	3 755	0	0	0	2 482	0
Trade receivables	1 929	0	0	83	2 568	0
Other short-term receivables	758	8	280	147	594	70
Total current receivables	2 687	8	280	231	3 162	70
Other financial investments	0	0	50 329	24 758	0	0
Total other financial investments	0	0	50 329	24 758	0	0
Cash and cash equivalents	34 373	81 706	37 459	35 001	34 059	39
TOTAL CURRENT ASSETS	40 815	81 714	88 068	59 990	39 704	109
TOTAL ASSETS	52 879	116 390	122 670	116 681	54 729	17 515

<i>(Unaudited figures in USD 1 000)</i>	31.03.2018	30.06.2018	30.09.2018	31.12.2018	31.12.2017	31.12.2016
EQUITY						
Share capital	18 869	53 038	55 376	55 376	18 869	267
Share premium	28 750	62 450	66 842	61 123	31 726	6 568
Other equity	0	0	0	0	0	0
TOTAL EQUITY	47 620	115 488	122 218	116 499	50 595	6 835

LIABILITIES						
Capitalized grants	0	0	0	0	0	9 455
Other interest-bearing debt	0	0	0	0	1 426	0
Total non-current liabilities	0	0	0	0	1 426	9 455
Trade creditors	973	168	336	132	1 047	239
Accrued public charges and indirect taxes	277	68	17	9	385	33
Short-term derivatives	-2	0	0	0	3	0
Debt financial institutions	3 224	0	0	0	439	799
Other current liabilities	788	666	99	42	834	154
Total current liabilities	5 260	902	452	182	2 707	1 226
TOTAL LIABILITIES	5 260	902	452	182	4 133	10 680
TOTAL EQUITY AND LIABILITIES	52 879	116 390	122 670	116 681	54 729	17 515

8. Change of presentation currency - re-presentation of comparative periods cont.

Consolidated statement of changes in equity

<i>(Unaudited figures in USD 1 000)</i>	Share Capital	Share premium	Other paid- in capital	Retained earnings	Total equity
Equity as of 01.01.2017	267	6 568	0	0	6 835
Net profit 2017		-11 472	0	0	-11 472
Foreign currency translation adjustment		3 147	0	0	3 147
Total comprehensive income 2017		-8 326	0	0	-8 326
Private placement 16 January 2017	5 179	0	0	0	5 179
Private placement 28 February 2017	8 632	25 896	0	0	34 528
Private placement 7 March 2017	1 151	0	0	0	1 151
Private placement 31 March 2017	874	2 621	0	0	3 495
Issuance of shares 22 May 2017	2 767	6 529	0	0	9 296
Transactions costs (after tax) and reclassifications	0	-1 581	0	0	-1 581
Option plan payment and other	0	17	0	0	17
Equity as of 31.12.2017	18 869	31 726	0	0	50 596
Net profit 2018		-4 268	0	0	-4 268
Foreign currency translation adjustment		-2 289	0	0	-2 289
Total comprehensive income 2018		-6 557	0	0	-6 557
Private placement 9 May 2018	10 790	9 064	0	0	19 854
Issuance of shares 14 June 2018	23 379	36 471	0	0	59 849
Transactions costs (after tax)	0	-1 142	0	0	-1 142
Warrants related to VLCC shipbuilding contracts	0	1 151	0	0	1 151
Distribution in kind, shares in Dwellop AS	0	-13 236	0	0	-13 236
Issuance of shares 19 July 2018	2 338	3 647	0	0	5 985
Equity as of 31.12.2018	55 376	61 123	0	0	116 499

(Unaudited figures in USD 1 000)

Equity as of 01.01.2018	18 869	31 726	0	0	50 595
Net profit Q1 2018		-5 715	0	0	-5 715
Foreign currency translation adjustment		2 740	0	0	2 740
Total comprehensive income Q1 2018		-2 976	0	0	-2 976
Equity as of 31.03.2018	18 869	28 750	0	0	47 620
Net profit Q2 2018		-443	0	0	-443
Foreign currency translation adjustment		2 081	0	0	2 081
Total comprehensive income Q2 2018		1 639	0	0	1 639
Private placement 9 May 2018	10 790	9 064	0	0	19 854
Issuance of shares 14 June 2018	23 379	36 471	0	0	59 849
Transactions costs (after tax)	0	-1 388	0	0	-1 388
Warrants related to VLCC shipbuilding contracts	0	1 151	0	0	1 151
Distribution in kind, shares in Dwellop AS	0	-13 236	0	0	-13 236
Equity as of 30.06.2018	53 038	62 450	0	0	115 488
Net profit Q3 2018		633	0	0	633
Foreign currency translation adjustment		112	0	0	112
Total comprehensive income Q3 2018		745	0	0	745
Issuance of shares 19 July 2018	2 338	3 647	0	0	5 985
Equity as of 30.09.2018	55 376	66 842	0	0	122 218
Net profit Q4 2018		1 256	0	0	1 256
Foreign currency translation adjustment		-7 221	0	0	-7 221
Total comprehensive income Q4 2018		-5 965	0	0	-5 965
Transactions costs (after tax)		246			246
Equity as of 31.12.2018	55 376	61 123	0	0	116 499

8. Change of presentation currency - re-presentation of comparative periods cont.

Consolidated statement of cash flows

<i>(Unaudited figures in USD 1 000)</i>	Quarters 31.03.2018	Quarters 30.06.2018	Quarters 30.09.2018	Quarters 31.12.2018	Year 31.12.2017	Year 31.12.2018
Contribution from operations before tax	-1 928	-569	248	867	-3 798	-1 383
Change in accounts receivables and accounts payables	645	-525	167	-275	2 217	12
Change in inventory	-1 128	556	0	0	-1 481	-571
Change in other receivables and payables and other	-367	195	-883	17	-18	-1 037
Net cash flow from operating activities	-2 778	-342	-468	609	-3 080	-2 979
Capital expenditures	0	0	0	0	-226	0
Investments in VLCC newbuilds and PP & E	0	-33 984	-5	-25 683	-447	-59 672
Investments in other financial investments	0	0	-50 329	-31 172	0	-81 502
Sale of other financial investments	0	0	0	55 349	0	55 349
Acquisition of a subsidiary, net of cash acquired	0	0	0	0	-5 931	0
Net cash flow from investment activities	0	-33 984	-50 335	-1 507	-6 604	-85 825
Public grants	0	0	0	0	125	0
Interest received	0	175	386	314	321	874
Interest paid	-29	-4	0	0	-87	-33
Proceeds from borrowings financial institution	1 247	-1 331	0	0	-1 141	-84
Capital contribution	0	86 380	6 359	0	44 937	92 738
Transaction cost capital contribution	0	-1 954	0	329	-2 141	-1 625
Net cash flow from financing activities	1 219	83 265	6 745	643	42 013	91 871
Total net changes in cash flow	-1 559	48 939	-44 058	-255	32 329	3 067
Currency effect on cash	1 873	-1 607	-189	-2 202	1 690	-2 125
Cash and cash equivalents beginning of period	34 059	34 374	81 706	37 459	39	34 059
Cash and cash equivalents end of period	34 373	81 706	37 459	35 001	34 058	35 001
Profit (loss) before tax from continuing operations	-1 308	10	633	1 180	-10 712	515
Profit (loss) before tax discontinued operations	-4 407	-3	0	0	-2 361	-4 410
Profit (loss) before tax	-5 715	7	633	1 180	-13 073	-3 895
Employee options and other	0	0	0	0	17	0
Depreciation and amortization expense	509	617	0	0	1 348	1 126
Net write-down intangible assets and capitalized grants	3 250	-1 022	0	0	8 144	2 228
Financial income	0	-175	-386	-314	-321	-874
Financial expenses	29	4	0	0	87	33
* Contribution from operations before tax	-1 928	-569	248	867	-3 798	-1 383

9. Subsequent events

The annual general meeting in the Company held on 25 April 2019 approved the long term share options program. The LTI Options shall vest on the date falling 12 months following the date of grant, each with a strike price equal to the share price at the next equity offering following the AGM 2019, alternatively if there are no further equity issues by 30 June 2019, the strike price for the 1,500,000 LTI Options will be equal to the closing price on 28 March 2019 (NOK 3.23). The 1,500,000 LTI Options correspond to approx. 0.4% of the current number of outstanding shares in Hunter. The total number of LTI Options in the Company, under the terms of the current LTI rules, in force from time to time, shall in no event exceed 1 percent of the registered number of shares in the Company as per the date of adoption of new LTI Options.

LTI Options are granted to the following in the senior management:

Sagittarius Capital Ltd., company owned and controlled by Erik A. S. Frydendal, CEO/CFO of the Company (1,000,000 LTI Options). Erik A. S. Frydendal owns today 150,000 shares, and together with shares held by *Sagittarius Capital Ltd.*, Erik A. S. Frydendal will following the award of the LTO Options directly/indirectly control 1,650,000 shares and 1,000,000 LTI Options.

Sujoy Seal, COO of the Company (500,000 LTI Options). *Sujoy Seal* owns today 125,000 shares, and following the award of the LTO Options *Sujoy Seal* will control 125,000 shares and 500,000 LTI Options.

On 1 May 2019, Hunter Group ASAs subsidiary Hunter Tankers AS has signed a short-term USD 3.0 million revolving credit facility agreement with the company's largest shareholder, Apollo Asset Ltd., a company owned by board member Mr. Arne Fredly.

The USD 3.0 million facility carries a total interest rate of 5.00% p.a., all inclusive. The outstanding amount under the facility is secured by parent guarantee from Hunter Group ASA. The facility is available as from the date hereof, and any outstanding amount must be repaid at the latest on the date prior to the date for the first VLCC delivery. Apollo Asset Ltd. may cancel the facility at any time, whereupon any outstanding amount become due and payable, on the earliest of (i) the date falling one month after such demand, and (ii) the date prior to the date for the first VLCC delivery.

The facility does not include any financial covenants and may be used to partially finance the group's current newbuilding program and for general corporate purposes.

Hunter Group ASA announced 21 May 2019 that it is contemplating an equity share capital increase of up to 190,454,000 new common shares. The proceeds from the contemplated transaction will be used to partly fund the Company's newbuilding capex commitments. This is in line with the Company's previous communication regarding its ongoing funding requirements.

The Private Placement is directed towards investors subject to and in compliance with applicable exemptions from relevant prospectus or registration requirements.

Based on indications the Company has received so far from Apollo Asset Ltd. As well as other certain key shareholders, the book is fully covered for the full deal amount and will be allocated at least their pro rata share of the Private Placement. Existing shareholders will be given priority in allocations.

9. Subsequent events cont.

In connection with the Private Placement, the Company is pleased to announce the following positive developments that further strengthens the Company's business strategy and the investment case:

Bank financing:

The Company has received binding commitments for a 5-year USD 420 million senior secured term loan with Danske Bank, DNB Bank, Nordea Bank and Skandinaviska Enskilda Banken, at a margin of 275 bps and an amortization profile of 16 years. Under the terms of the agreement the Company can draw up to 60% of the construction cost for each Newbuilding at their respective delivery dates.

Earlier delivery of the Newbuildings:

The Company has negotiated earlier delivery of its Newbuildings with the shipyard by moving forward the delivery dates by 1-3 months. As a consequence, 4 of the Company's vessels will be on the water within year end 2019 (two in September and two in October), well positioned to benefit from the effects of the upcoming IMO 2020 regulations.

Selection of technical manager:

After a careful review and due diligence process, the Company has selected OSM Ship Management as the technical manager for all the Company's newbuildings at attractive and competitive terms.

Potential sale of vessels:

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 with the buyer in finalizing a sale.

If the vessel sales materialize, the Company expects to be have a fully funded newbuilding program post completion of the Private Placement.

Hunter Group ASA
Org. nr. 985 955 107

Address: Dronningen 1, 0287 OSLO
E-mail: Erik A. S. Frydendal, CEO/CFO, ef@huntergroup.no

