



Hunter Group ASA - Company Presentation

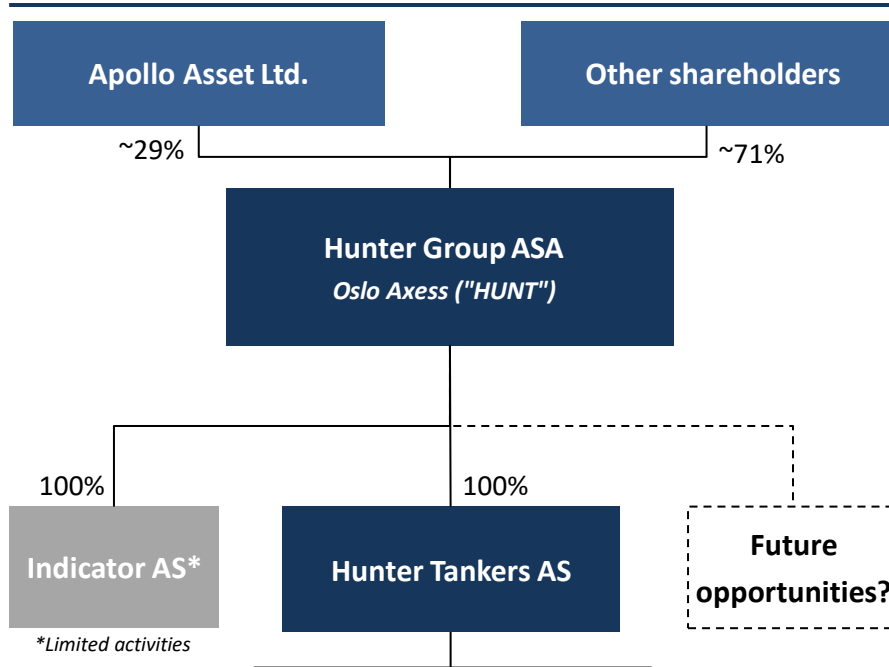
9 September 2020

[Save a tree](#) – presentation can be found at www.huntergroup.no

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Company overview



7x VLCCs delivered 2019 - 2020



Top 10 shareholders (as of 8 September 2020)

| Investor | Shares (m) | Ownership |
|---------------------------------|------------|-------------|
| Apollo Asset Limited | 169 | 29% |
| Sundt AS | 46 | 8% |
| Songa | 40 | 7% |
| Swap Invest | 16 | 3% |
| BNP Paribas Securities | 15 | 3% |
| Nordnet Livsforsikring | 10 | 2% |
| DB London | 8 | 1% |
| DNB Luxembourg | 6 | 1% |
| Halvorsens Fabrikk | 6 | 1% |
| Verdipapirfondet Nordea Kapital | 5 | 1% |
| Sum top 10 | 319 | 56% |
| Total | 575 | 100% |

- Nimble and agile fleet of 7x SMART VLCCs built at DSME and fitted with Wärtsilä scrubbers
 - Avg. all-in price of USD ~86m
- Superior access to cargo flow provided by Tankers International, the world's largest VLCC pool
- Quality and bespoke technical management services provided by OSM in Arendal
- Objective is to return all surplus cash to shareholders, either through dividends, buybacks or deleveraging

Key events past twelve months

Q3 2019

- Delivery of Hunter Atla
- Financed first three vessels with USD 180m sale and leasebacks to avoid equity issuance and shareholder dilution

Q4 2019

- Delivery of Hunter Saga and Hunter Laga
- Completed sale of one vessel for USD 98m

Q1 2020

- Delivery of Hunter Freya
- Secured USD 377.5m bank financing
 - USD 220 million takeout loan for four latest vessels
 - USD 157.5m bank loan to refinance the sale and leaseback

Q2 2020

- Delivery of Hunter Disen
- Booked 4 of 7 vessels on 6-8 month TCs at height of market

Q3 2020

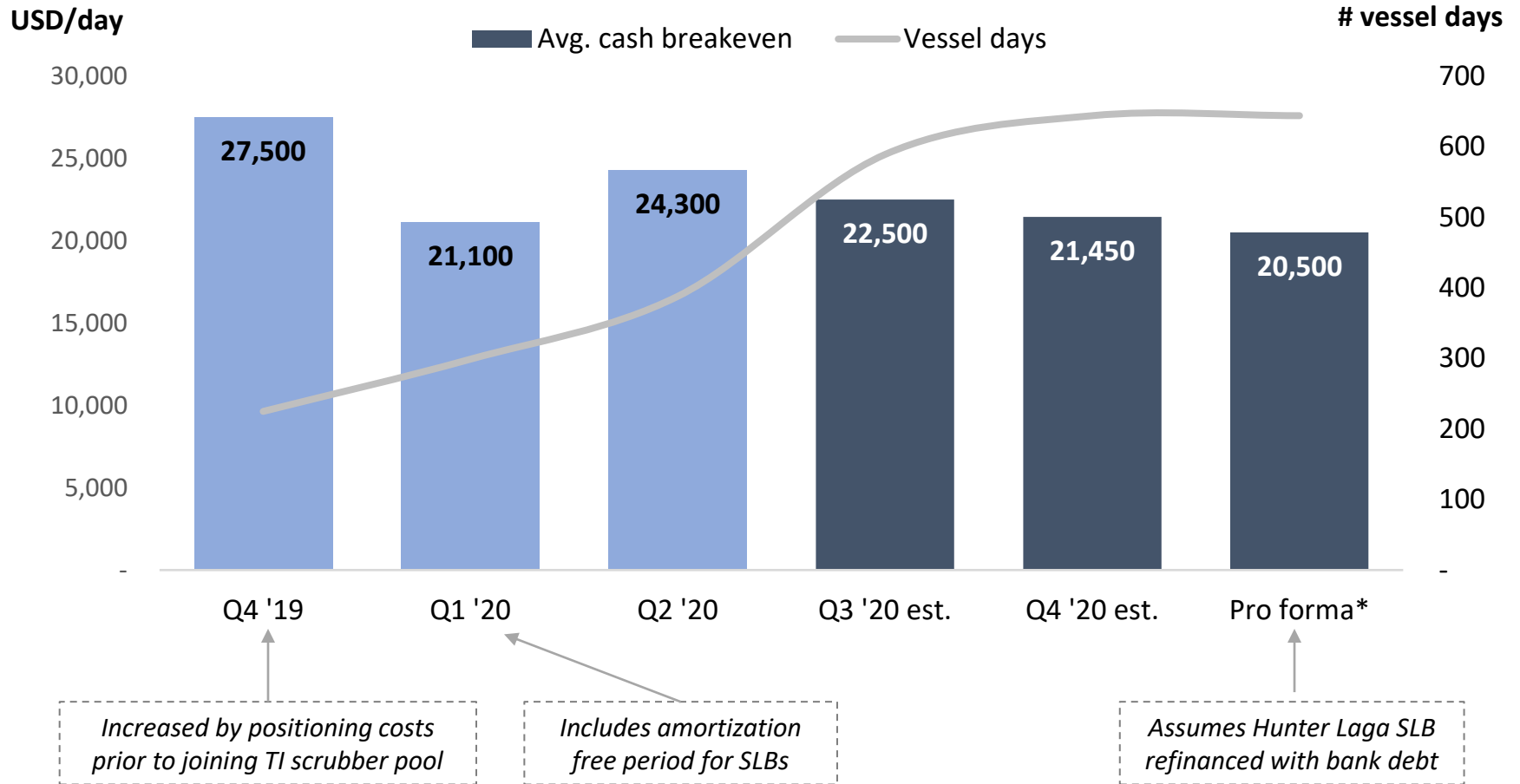
- Hunter Idun and Hunter Frigg delivered
- Booked Hunter Frigg on 6-8 month TC at USD 40,000/day
- Refinanced Hunter Atla and Hunter Saga with USD 100.4m bank debt

Q4 '19 – Q2 '20 financial highlights

| | <u>Q4'19</u> | <u>Q1 '20</u> | <u>Q2 '20</u> |
|-------------------------------|--------------|---------------|---------------|
| Pool days | 181 | 277 | 197 |
| TC days | - | 12 | 191 |
| Offhire/startup days | 44 | 10 | - |
| Total sailing days | 225 | 299 | 388 |
| Revenue | 24.4 | 20.8 | 29.6 |
| Pool revenue | 12.0 | 19.9 | 14.5 |
| TC revenue | | 0.9 | 14.8 |
| Other revenue | 12.4 | - | - |
| Operating expenses | 3.4 | 5.3 | 6.4 |
| Opex. & insurance | 1.4 | 1.9 | 2.5 |
| Cash based G&A | 0.2 | 0.3 | 0.3 |
| Voyage expenses & commissions | 1.9 | 0.6 | 0.3 |
| Net income | 16.1 | 11.8 | 18.8 |
| Yard instalments | 120 | 77 | 87 |
| Remaining capex | 269 | 192 | 106 |
| Cash balance | 52.5 | 35.2 | 17.1 |
| Interest-bearing debt | 180.0 | 233.1 | 283.2 |
| Avg. achieved TCE | \$66,600 | \$72,030 | \$76,340 |
| Avg. cash breakeven per day | \$27,500 | \$21,100 | \$24,300 |

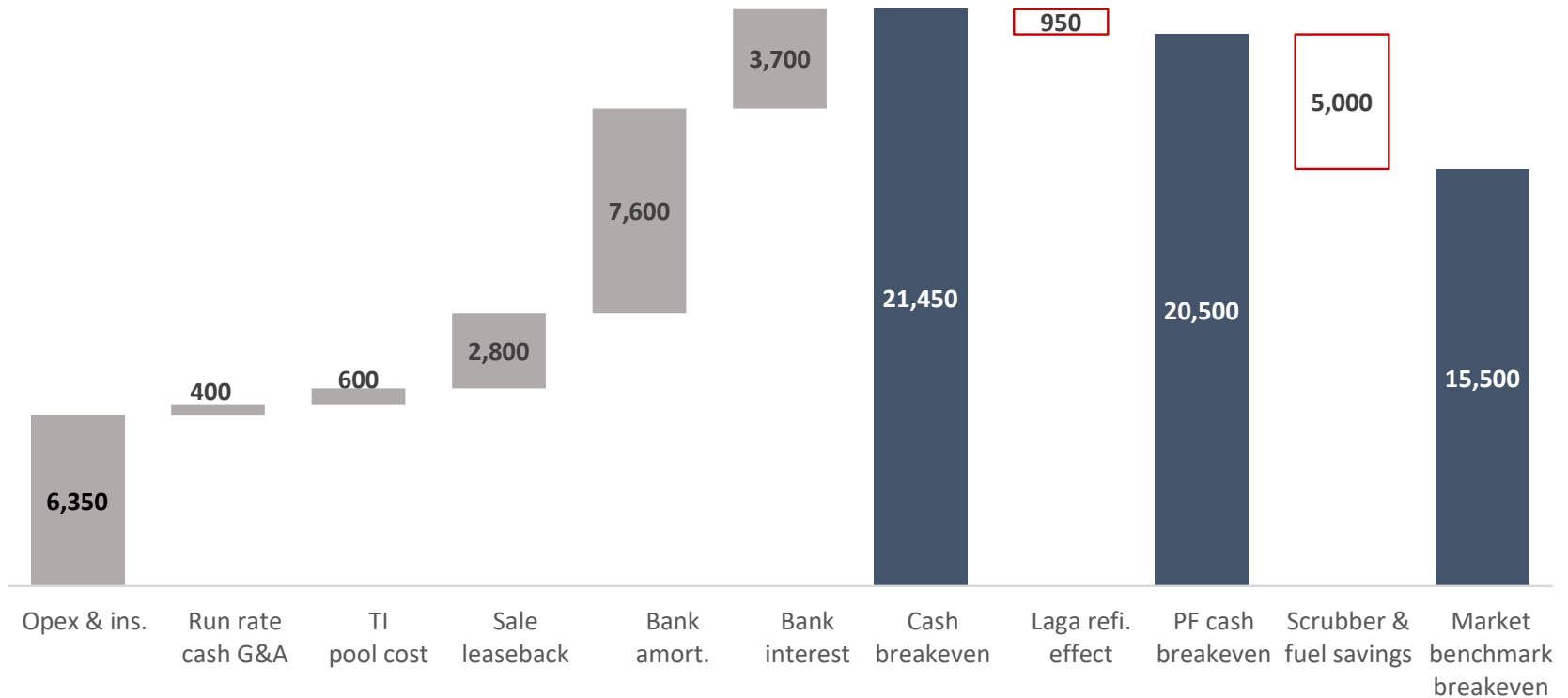
Approaching industry leading cash breakeven levels

Historical and expected cash breakeven levels



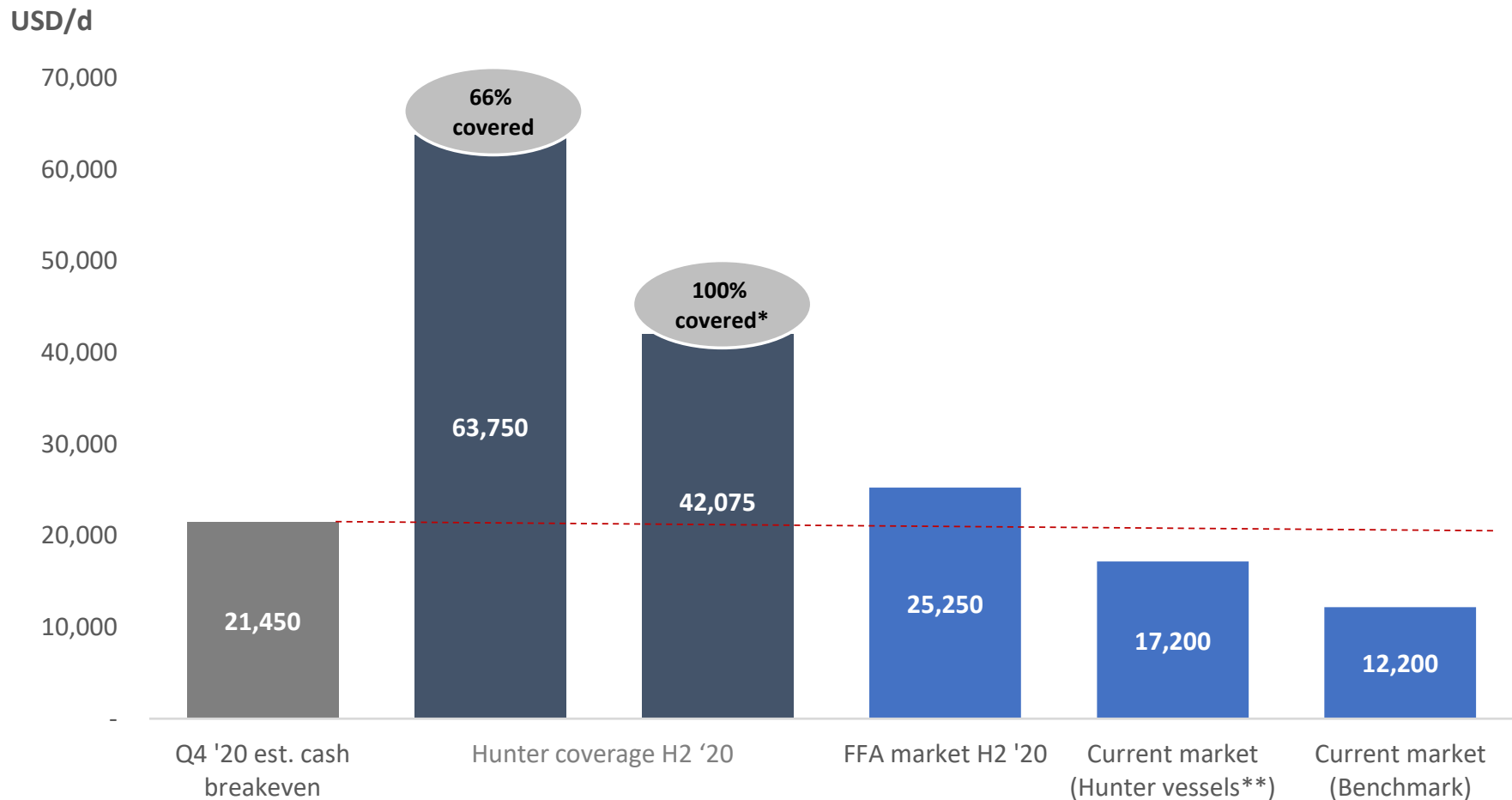
Remember the fuel savings...

Cash breakeven breakdown (USD/day)



Benchmark spot rates of around USD 15,500 per day means USD ~20,500 for Hunter vessels

Robust rate coverage through current market weakness



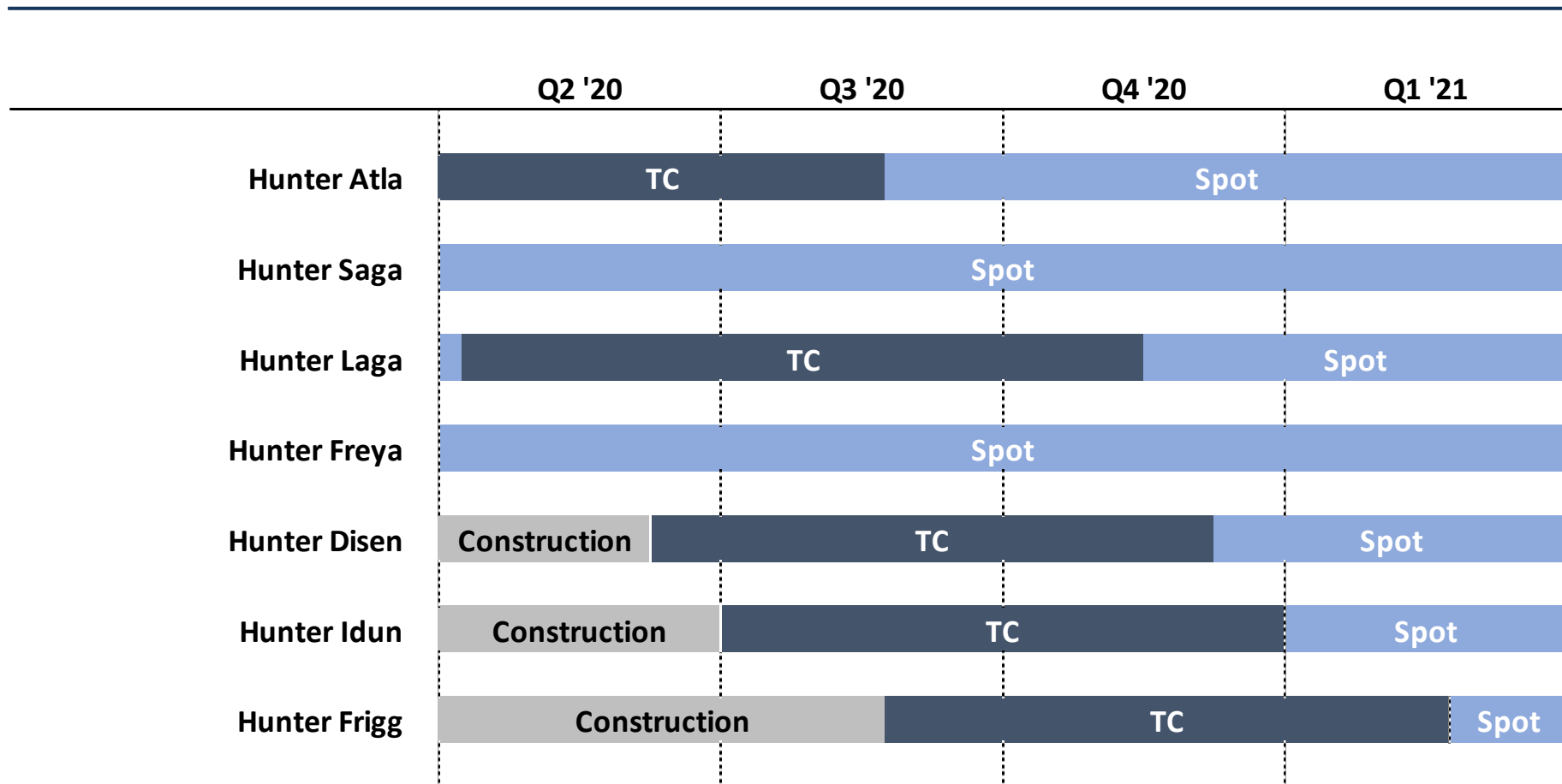
Second half 2020: 66% covered at USD 63,750 per day

100% covered at USD 42,075* per day

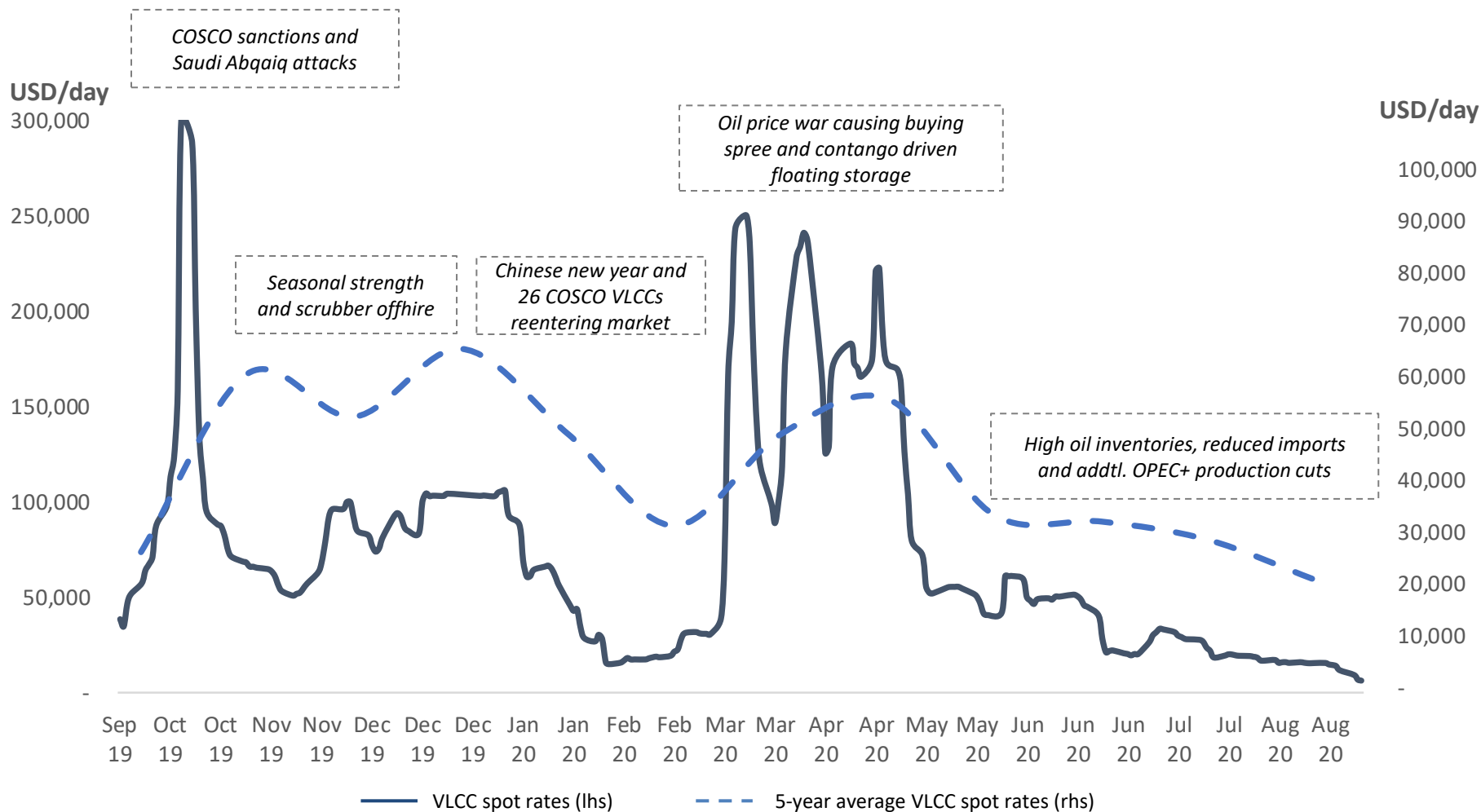
*Assumes zero earnings for 34% of H2 '20 **Includes current scrubber and fuel savings of USD 5,000

High degree of flexibility with nimble fleet size

Current charter coverage

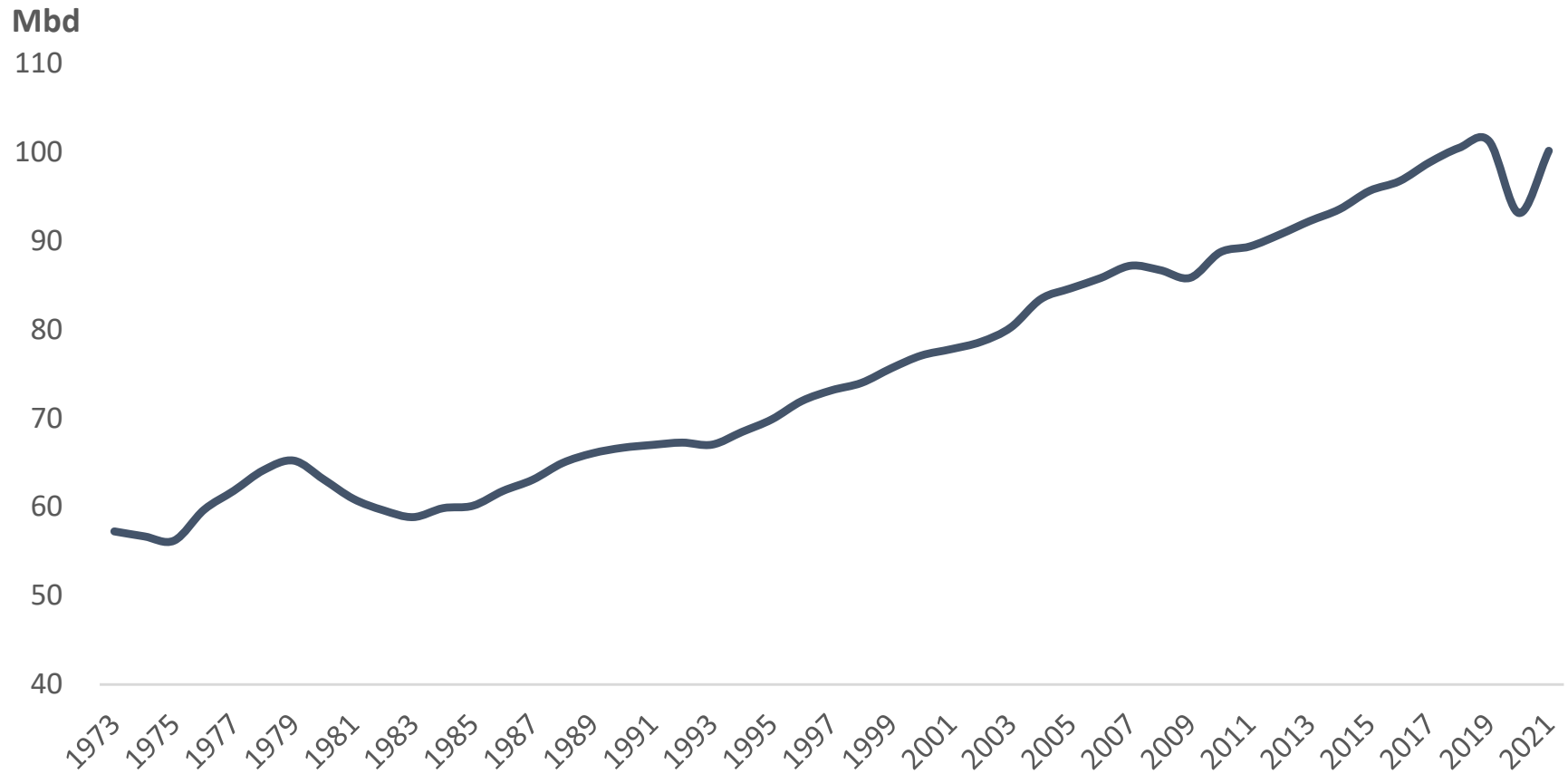


Benchmark VLCC spot rates: TD3C MEG - China

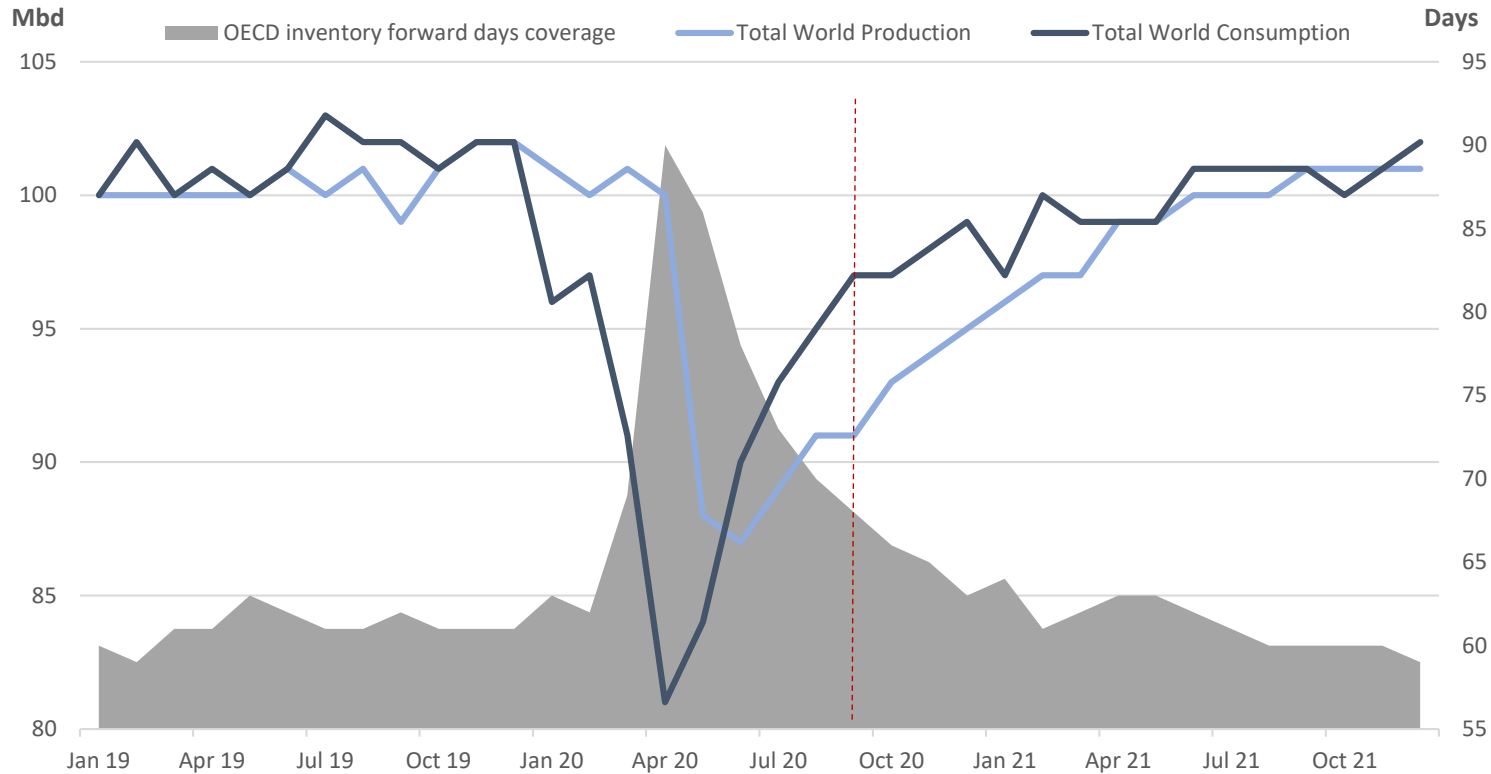


The world will still need increasing amounts of oil

World oil consumption



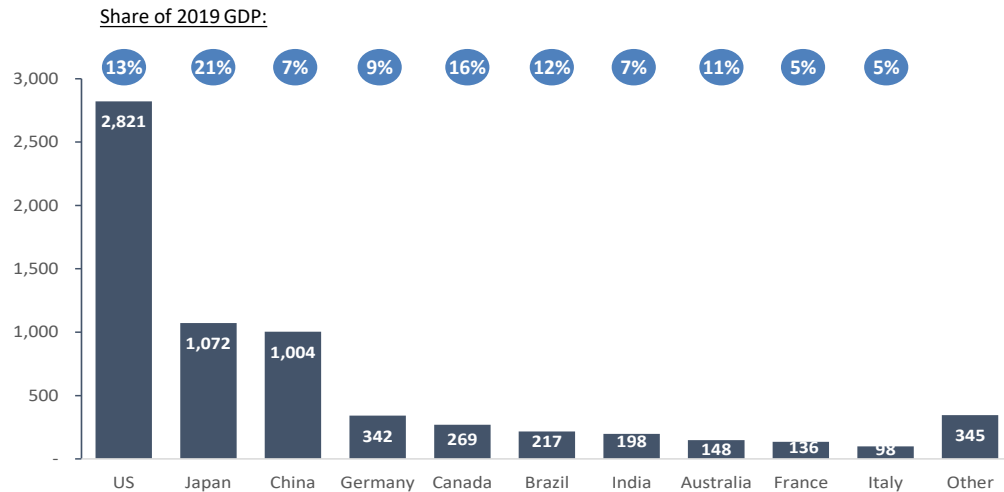
Oil market balance normalizing sooner than expected



- Trough monthly avg. demand of 82mbd in April, causing OECD inventory to peak at 90 days forward coverage
- June demand reported at 90mbd -> December demand expected at 99mbd
- OECD inventories forward day coverage expected back to normal early 2021

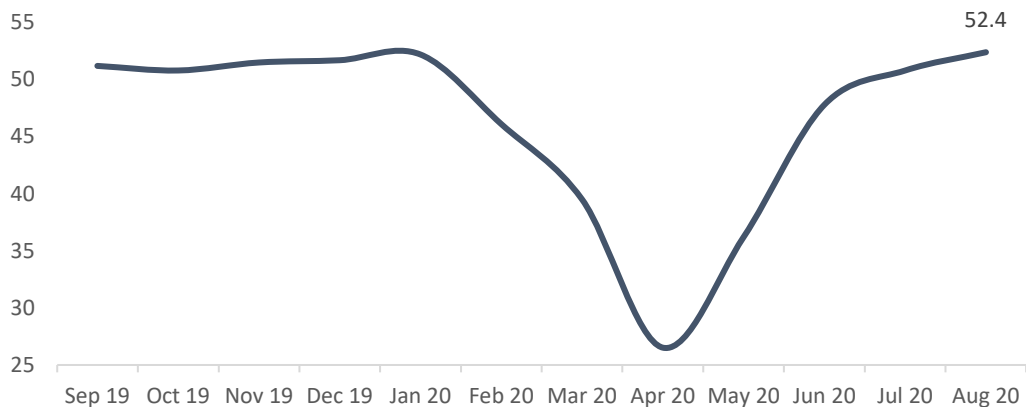
Record fiscal stimulus and rebounding global PMIs

Top ten COVID-19 fiscal stimulus responses (USDbn)



- Combined US, Japan and China stimulus close to USD 5 trillion or ~12% of GDP
- Close to USD 7 trillion of fiscal stimulus pledged globally in response to COVID-19

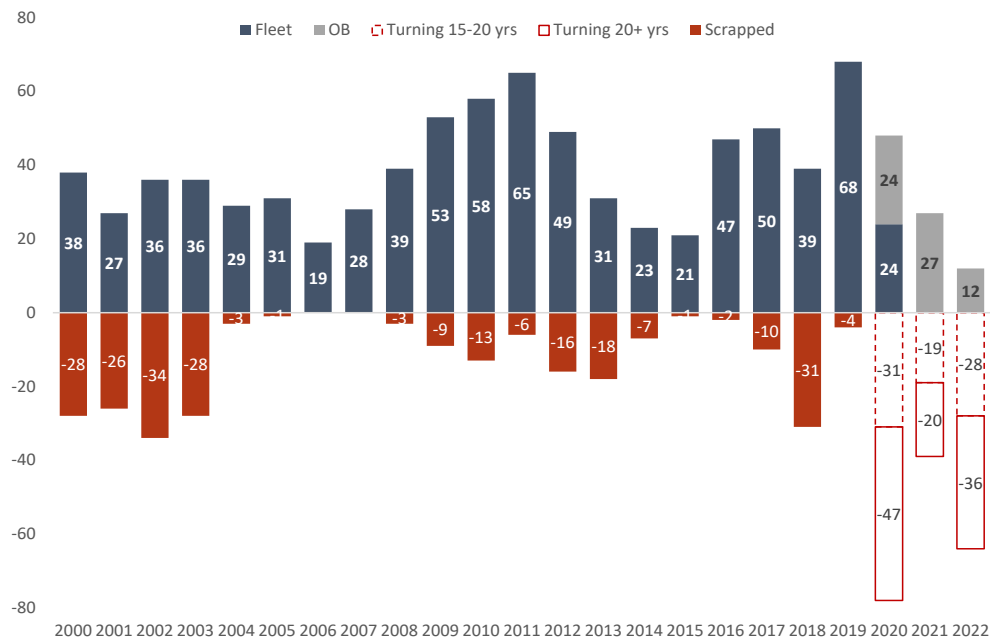
JPMorgan Global Composite PMI



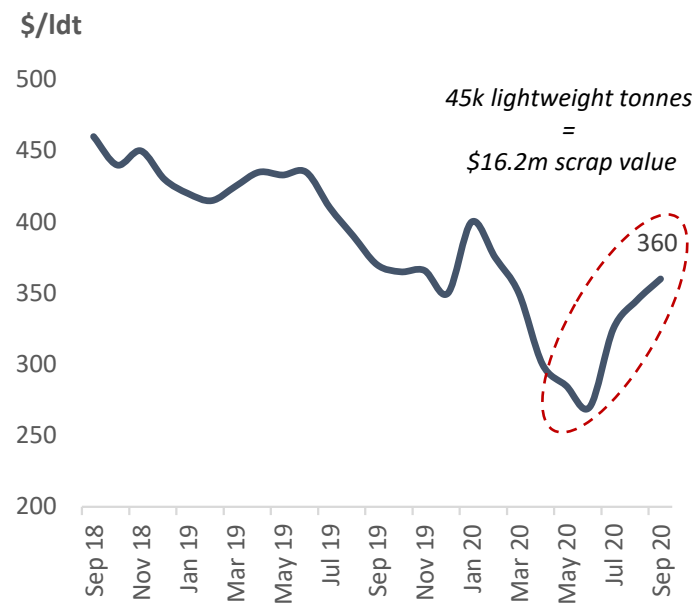
- Global PMIs have rebounded since April low, with August reading of 52.3
 - Above/below 50 means expanding/contracting economy

VLCC fleet structure limiting prolonged downturn

VLCC orderbook and scrap candidates

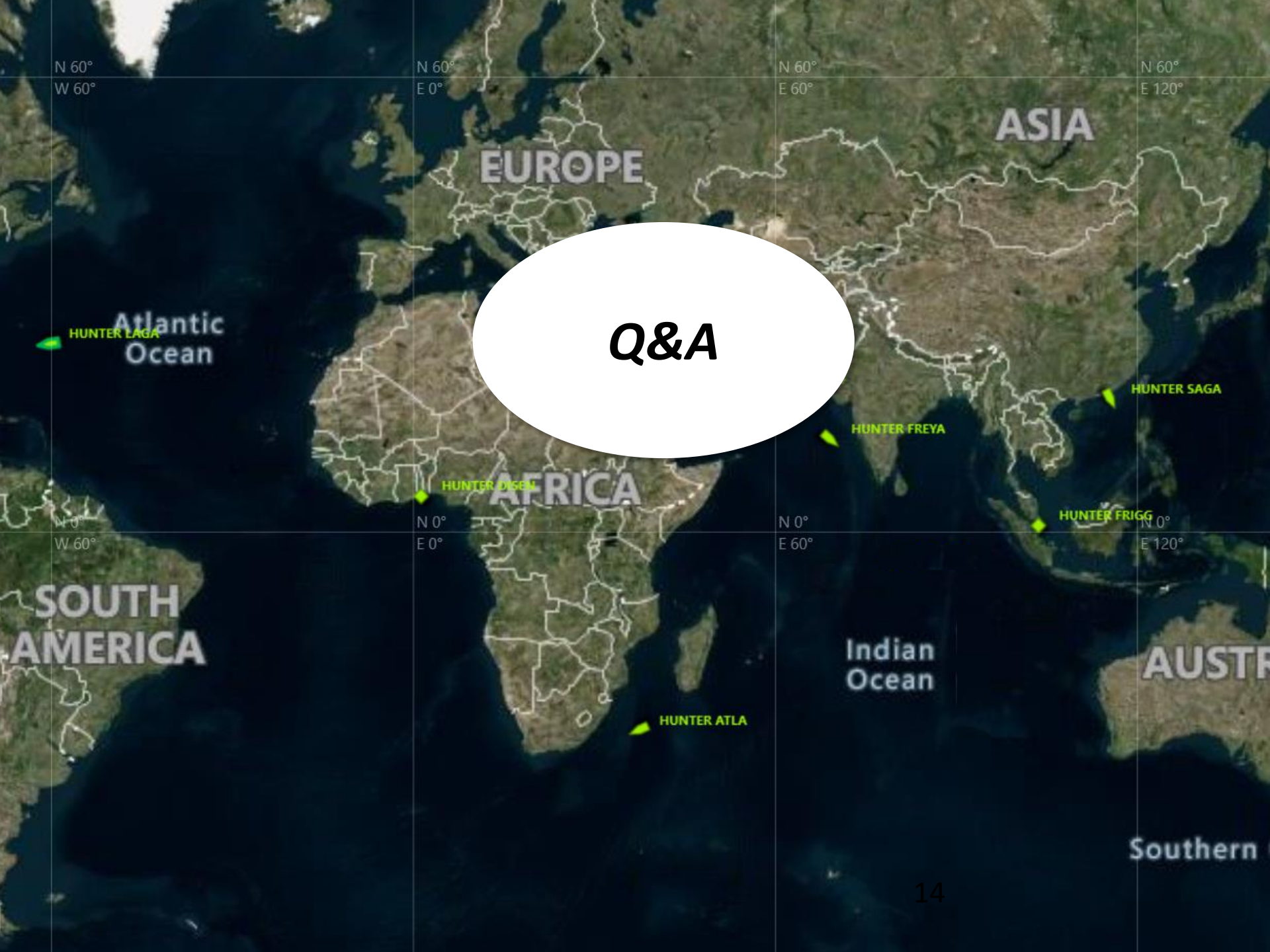


Scrap prices* have rebounded



- 826 VLCCs currently on the water
- All time low orderbook of ~7%
- 181 VLCCs turning 15 years or more by 2022, equal to ~22% of current fleet
 - 78 VLCCs turning 20 years
 - 103 VLCCs turning 15 years
- Limited new orders due to uncertainty around decarbonization requirements
 - LNG dual fuel VLCCs currently priced with \$15-20m premium

- Scrap prices have rebounded recently, increasing scrapping incentives for owners of older tonnage
- Typical 20-year special survey costs USD 3.5m
 - BWTS USD ~1.5m
 - USD ~2m survey costs
 - Steel renewal, machinery overhaul etc.
 - 20 – 25 days total offhire



Q&A

HUNTER LAGA

Atlantic Ocean

HUNTER ATLA

AFRICA

HUNTER FREYA

HUNTER SAGA

HUNTER FRIGG

Indian Ocean

AUSTRALIA

Southern

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