



# Annual report 2021

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## Highlights

### Financial highlights in 2021

- Total revenues of USD 40.43m
  - Spot pool revenues of USD 7.44m
  - Time charter revenues of USD 29.72m
  - Gain on sale of assets of USD 2.57m
- Total operating expenses of USD 27.26m
  - Vessel opex incl. insurance of USD 9.78m
  - Voyage expenses and commissions of USD 1.92m
  - G&A expenses of USD 1.81m
    - USD 1.34m administrative expenses
    - USD 0.15m legal expenses
    - USD 0.32m non-cash expenses
- EBITDA of 26.92m
- Net profit of USD 3.78m
- Average daily earnings of USD 24,900
  - Avg. daily spot earnings of USD 27,800
  - Avg. daily time charter earnings of USD 17,500
- Opex incl. insurance of USD 6,300 per day
- 1,494 earnings days and 1,557 opex days
  - 424 spot days
  - 1,070 time charter days
- 2021 cash breakeven of USD 22,000

### Key events in 2021

- The sale of the Company's oldest vessel, Hunter Atla (2019) for USD 84.5m was concluded in April 2021, and the vessel was successfully delivered to her new owners. The sale resulted in a net gain of approx. USD 2.6m, a cash release of approx. and a investment ROI of approx. 46%.
- Extraordinary General Meeting on 1 February 2021, which approved a NOK 1.0 per share distribution
- The Company distributed a total of USD 98 million to its shareholders, or NOK 1.50 per share, as a reduction of the Company's share premium.
- Bought back a total of 3,551,702 of own shares at a dividend adjusted price of NOK 2.43 per share through a combination of open market purchases and an announced offer to buy back up to 50 million shares. Following the share buy-backs the Company currently holds 11,243,196 of it own shares
- The Annual General Meeting was held on 3 June 2021, and all resolutions were passed in accordance with the previously announced proposals, including, inter alia, authorizations to acquire own shares and issue new shares

### Subsequent events

- Entered into a 4+4 month time charter for Hunter Disen, which commenced on 27 January 2022. The first four month is for USD 18,000 per day, while the charterer has the option to extend for another four months as USD 25,000 per day.
- Entered into two 12-month index-based linked charters for Hunter Idun and Hunter Frigg. Hunter Idun commenced on this charter on January 26th, while Hunter Frigg will commence her charter following the end of her current TC.
- As of the date of this report, 93% of days in the first quarter of 2022 have been booked at an average est. dayrate of USD 20,200
  - 84% of spot days booked at an avg. est. dayrate of USD 15,400
  - Average Q1 TC dayrates of USD 23,900

## Corporate governance policy

Hunter Group ASA's Board of Directors approved this updated Corporate Governance Policy on 23<sup>th</sup> March 2022.

### 1. Introduction

Corporate Governance regulates the responsibilities of the executive personnel and the Board of Directors of Hunter Group ASA and its subsidiaries. The subsidiaries adopts the relevant governing documents.

Hunter Group ASA ("HUNT", "the Company" or "the Group") is a Norwegian public limited liability company which shares are listed on the Oslo Børs/Oslo Stock Exchange (Oslo Axess list) and it is therefore subject to the corporate governance requirements as set out in the Norwegian Code of Practice for Corporate Governance. HUNT works according to the Norwegian Code of Practice for Corporate Governance dated 17th October 2018 ([www.nues.no](http://www.nues.no)). Where HUNT does not fully comply with the recommendations, an explanation or comment is given.

Oslo Børs/Oslo Stock Exchange prescribes that companies listed on the Oslo Børs/Oslo Stock Exchange must publish a report in their annual report on the Company's corporate governance.

HUNT aims to have effective systems in place for communication, monitoring, accountability, and incentives that also enhance the market value, corporate profit, long-term strength, continuity and overall success of the business of HUNT. In addition to strengthen the confidence amongst its shareholders.

HUNT is a small company with limited resources available within the organization. The number of employees (including managers) were 4 at year-end 2021. This limits the ability to allocate resources to report and follow up on Corporate Governance and Corporate social responsibility (CSR). On the other hand, a limited organization in combination with external board and a transparency culture is a strength in the company's daily work with Corporate Governance and CSR. The principles, rules and regulations are outlined to meet both today's business model and complexity and future, more complex business environments. The board will monitor the need for increased capacity to fulfill external and internal rules and regulation as the business develops.

### 2. Reporting on Corporate Governance

Hunter Group ASA's Board of Directors review and approves this Corporate Governance Policy annually, which can also be found on its website ([www.huntergroup.no](http://www.huntergroup.no)) and is included in the annual report.

The Company's basic corporate values are incorporated in the Company's management system. The Board of Directors has implemented ethical guidelines and a corporate social responsibility policy, which are reviewed and re-issued annually.

### 3. Business

In the Article of Association HUNT's business is described as follows:

Hunter group is a publicly traded investment company focusing on shipping and oil service investments.

The main investment is Hunter Tankers AS, a wholly owned subsidiary shipping company. Hunter Tanker AS' fleet consisted of four identical VLCCs at year end 2021. All four VLCCs are built by DSME in Korea, and are equipped with Wärtsila scrubbers.

The Badger Explorer technology for exploring and mapping of hydrocarbon resources is organized in the subsidiary Indicator AS. It has no employees and there has been no activity in the company in 2021. The cash burn is down to a bare minimum and is close to zero.

The Company's objectives and principal strategies are described in the annual report.

### 4. Equity and Dividends

The development of the Group's equity up to 31 December 2021 is described in the "Statement of change in equity" in the financial statements of the annual report.

## Corporate governance policy

HUNT's dividend policy aims to yield a competitive return on invested capital to the shareholders through a combination of dividends, share buybacks and share price developments. In 2021, the Company distributed NOK 1.50 per share as a reduction in the Company's share premium.

At the Company's annual general meeting on 3 June 2021 the Board of Directors was granted a mandate to increase the Company's share capital by up to NOK 324,000,000 to fund investments and by up to NOK 35,000,000 to be used in connection with the Company's share incentive program. Furthermore, the Board of Directors were granted a mandate to acquire, on behalf of the Company, up to 57,535,000 of the Company's own shares.

The mandate granted by the Company's annual general meeting on 3 June 2021 are valid until 30 June 2022. The authorizations are in accordance with Norwegian Code of Practice for Corporate Governance.

### 5. Equal Treatment of Shareholders and Transactions with Close Associates

HUNT has one class of shares and is dedicated to applying equal treatment to all shareholders.

The decision to waive the existing shareholders' pre-emption rights in the event of an increase in the share capital must be justified. The Board of Directors will disclose such a justification in the stock exchange notification in connection with the increase in share capital.

If a transaction between the Company and a shareholder of the Company, a shareholder's parent company, a member of the Board of Directors or a member of executive personnel (or related parties to such persons) is considered to be material in accordance with the Norwegian Code of Practice for Corporate Governance, the Board will obtain a valuation from an independent third party. This will not apply if the GM's approval for such transactions is required according to the Norwegian Public Limited Companies Act §3-8.

Board members and the executive personnel shall notify the Board of any material direct or indirect interest in any transaction entered into by HUNT.

#### Deviation from the Norwegian Code of Practice for Corporate Governance:

The shareholders' pre-emptive rights are exempted because the Group wishes to be able to (i) use share issues for its employees, Directors and others important stakeholders with the Group as a part of the Group's share incentive scheme and (ii) issue shares towards certain specifically chosen institutional investors or others if required or desired in conjunction with the Group's expansion, development and/or strategic acquisitions.

### 6. Freely Negotiable Shares

All HUNT shares carry equal rights and are freely negotiable. Each share represents one vote at the GMs. The nominal value per share amounts to NOK 1.25. At the date of this annual report, there are no restrictions regarding transferability in the Group's Articles of Association or any other transfer restrictions related to HUNT's shares.

### 7. General Meetings ("GM")

The shareholders exercise the highest authority in HUNT through AGMs.

In 2022 the Annual General Meeting of HUNT will be held on 28 April. The Group's financial calendar has been published in a notice to the Oslo Stock Exchange and is available on HUNT's website. The GMs shall approve the annual accounts, the annual report, distribution of dividend, and otherwise make such resolutions as required under the Corporate Governance Policy and the applicable law.

The Board shall publish notices of GMs and any supporting material, such as the agenda, recommendations of the Nomination Committee, the information about the shareholder's right to propose resolutions in respect of matters to be dealt with by the General Meeting and other documents as set out in the bye-laws of the Group, no later than 21 days prior to the day of the GM, on the Group's website ([www.huntergroup.no](http://www.huntergroup.no)). The Board will also ensure that the distributed notice and all supporting material are sufficiently detailed. The Board will make reasonable efforts to enable as many shareholders as possible to attend.

## Corporate governance policy

The notice shall also include information on the procedure of representation through proxy, as well as a proxy that allows giving separate voting instructions for each matter to be considered by the General Meeting and for each candidate nominated for election. The Group will nominate a person who will be available to vote on the shareholder's behalf if the shareholder has not appointed a proxy.

The Board shall make such notices of General Meetings and the relevant supporting material available through the notification system of Oslo Børs/Oslo Stock Exchange and on the Group's website no later than 21 days prior to the day of the GM.

Every shareholder has the right to put matters on the agenda of a General Meeting along with a proposed resolution within the statutory timeframe.

The shareholders may be asked to notify their attendance prior to the GM. The deadline for the notification of attendance for the AGM will be as close to the meeting as possible. Shareholders who are unable to attend may vote by proxy. A proxy form shall be attached to the notice of the GM.

The GM's chairperson shall be independent. The Company's Board and the chairperson of the GM shall ensure that the shareholders vote separately for each candidate nominated for a corporate body.

HUNT will publish the minutes of GMs (alternatively only such resolutions that were not made in accordance with the proposals made in the notice to the GM) through the notification system of Oslo Børs/Oslo Stock Exchange and on its website no later than 15 days after a GM has been held and will maintain them available for inspection in the Company's offices. The Annual General Meeting in 2021 was held in Oslo on June 3<sup>rd</sup> where 30.45% of all shares were represented.

### Deviation from the Norwegian Code of Practice for Corporate Governance:

The Norwegian Code of Practice for Corporate Governance demands that the Board of Directors as a whole, the members of the Nomination Committee and the Auditor are present at the General Meetings. HUNT considers it sufficient that only the chairperson of the Board and the Auditor attend GMs.

## 8. Nomination Committee

HUNT's Nomination Committee consists of two to three members, elected by the Company's General Meeting. The majority of the members shall be independent of the Board of Directors and the Company's executive personnel. No more than one member of the Board of Directors shall be member of the Nomination Committee and should not offer himself for re-election to the Board. The members of the Nomination Committee are elected by the shareholders in a GM for a period of no longer than two years.

The Nomination Committee proposes to the GM candidates for election to the Board. The composition of the Board of Directors should reflect the provisions of the Group's Corporate Governance Policy, commitment to shareholder return, independence and experience in relevant sectors (technology and business development, financing and accounting, disclosure and regulatory, etc.). The Nomination Committee also proposes the remuneration to be paid to the members of the Board of Directors.

The Nomination Committee's recommendations shall include justification as to how the recommendations take into account the shareholder interests and the Group's requirements. The following information about the proposed candidates, in particular each person's age, education, business experience, term of appointment to the Board (if applicable), ownership interest in the Company, independence, any assignments (other than the proposed Directorship) for the Company and material appointments with other companies and organizations will be disclosed. In the event that the Nomination Committee recommends re-electing current Directors, the recommendation will include information on when the Directors were appointed the Board and their attendance records.

The Nomination Committee shall elect its own chairperson according to the Group's Articles of Association. Meetings of the Nomination Committee shall be convened when deemed necessary by any of its members to adequately fulfill its assigned duties. Notice of a meeting shall be issued by the chairperson of the Nomination Committee no later than one week prior to the meeting, unless all members approve a shorter notice period.

## Corporate governance policy

The Group will provide information on its website regarding the membership of the Committee and any deadlines for submitting proposals to the Nomination Committee.

The Nomination Committee consists of:

Jacob Iqbal (chairperson) - elected until AGM in 2023

Arne Fredly - elected until AGM in 2023

One member of the Nomination Committee is considered independent of the Board of Directors.

Deviation from the Norwegian Code of Practice for Corporate Governance:

The Group's Articles of Association regulate the election of the chairperson of the Nomination Committee. According to §6 of the Articles of Association of Hunter Group ASA the Nomination Committee elects its own chairperson.

The Norwegian Code of Practice for Corporate Governance requires guidelines regarding the Nomination Committee's duties to be set out by the General Meeting. At HUNT, the Committee itself sets out its duties in accordance with the duties presented in chapter 8 of the Group's Corporate Governance Policy.

### 9. Board of Directors: Composition and Independence

HUNT shall be headed by a Board with collective responsibility for the success of the Group.

The Board shall comprise between three and eight Directors according to §5 of HUNT's Articles of Association. Currently the Board consists of three Directors, who have all been elected by the shareholders and are not representatives of HUNT's executive personnel. The members of the Board of Directors are elected for a period of two years.

The members of the Board of Directors that were elected in the AGM 30 April 2020 are:

Henrik A. Christensen (Chairman) - elected until AGM in 2022

Kristin Hellebust - elected until AGM in 2022

Arne Fredly - elected until AGM in 2022

All members of the Company's Board of Directors are considered independent according to the Norwegian Code of Practice for Corporate Governance. Detailed information on the individual Board member can be found in the Group's website ([www.huntergroup.no](http://www.huntergroup.no)) and in the Annual Report.

Board members and close associates' ownership as of 31 December 2021:

Henrik A. Christensen owns 750 000 shares, through August AS, which represents 0,13%.

Kristin Hellebust owns zero shares.

Arne Fredly owns a total of 167,500,000 shares, through Apollo Asset Limited, which represents a total of 29,29%.

According to the Norwegian Public Limited Companies Act § 6-35 and the Norwegian Code of Practice for Corporate Governance a Group with more than 200 employees is required to elect a corporate assembly. The Group has less than 200 employees and has therefore not yet elected a corporate assembly.

### 10. The Work of the Board of Directors

The Board shall ensure that the Group is well organized and that operations are carried out in accordance with applicable laws and regulations, and in accordance with the objects of HUNT as specified in its Articles of Association and guidelines given by the shareholders through resolutions in GMs.

HUNT's Board of Directors has the ultimate responsibility for inter alia the Group's executive personnel, supervision of its activities and the Group's budgets and strategic planning. The Board of Directors produces an annual plan of its work.

## Corporate governance policy

To fulfill its duties and responsibilities, the Board has full access to the Group's relevant information. The Board shall also consider for example obtaining such advice, opinions and reports from third party advisors as it deems necessary to fulfill its responsibilities.

The "Rules of Procedure for the Board of Directors of HUNT and the Relation to CEO" were approved by the Board on 31st October 2017 and were implemented.

All of the board members are also members of the Audit Committee and Remuneration Committee.

The Board of Directors evaluates its own performance and expertise once a year.

The Board of Directors arranged 13 board meeting during the fiscal year 2021.

### Deviation from the Norwegian Code of Practice for Corporate Governance:

The Norwegian Code of Practice for Corporate Governance requires the Board of Directors to consider appointing a remuneration committee. At HUNT, the Board itself prepares all matters relating to compensation paid to the Group's executive management.

### **11. Risk Management and Internal Control**

HUNT has implemented internal control and risk management systems appropriate to the size and nature of the Group's activities. The Group's core values, ethical guidelines and the corporate social responsibility policy are incorporated in the internal control and risk management systems.

The Board of Directors carries out an annual review of the control and risk management systems and the Group's most significant exposures.

In the annual report, the Board of Directors describes the main features of the Group's internal control and risk management systems in relation to the Group's financial reporting.

### **12. Remuneration of the Board of Directors**

The remuneration of the members of the Board of Directors reflects the Board's responsibilities, expertise, the committed time and the complexity of the Group's activities.

The Board Members' remuneration (form and amount) will be reviewed annually by the Nomination Committee and is not linked to the Group's performance. It is the Nomination Committee's responsibility to prepare a proposal for the Annual General Meeting regarding the above-mentioned remuneration.

### **13. Remuneration of the Executive Personnel**

The Board of Directors establishes, as required by law, guidelines for the remuneration of the members of the executive personnel. The AGM will vote on these guidelines which help ensure convergence of the financial interest of the executive personnel and the shareholders.

The guidelines for remuneration of the executive personnel are published in the Annual report 2021 in note 23.

Performance related remuneration of the Group's executive personnel shall aim for value creation for HUNT's shareholders or the Group's earnings performance. Such arrangements shall encourage performance and be based on quantifiable factors which can be influenced by the employee. Performance related remuneration shall be subject to an absolute limit.

## Corporate governance policy

As of 31<sup>st</sup> December 2021, the executive personnel's holdings of shares are the following:

<b>Name</b>	<b>Shares</b>
Erik A.S. Frydendal	1,650,000
Sujoy K. Seal	125,000
Lars M. Brynildsrud	15,400
<b>Total</b>	<b>1,790,400</b>

### 14. Information and Communications

HUNT provides its shareholders, Oslo Børs/Oslo Stock Exchange and the financial markets generally (through Oslo Børs'/Oslo Stock Exchange's Distribution Network) with timely and accurate information. Such information takes the form of annual reports, quarterly interim reports, stock exchange notifications and investor presentations as applicable. HUNT communicates its long-term potential, including its strategy, value drivers and risk factors, maintains an open and proactive investor relations policy and a best-practice website, and gives presentations regularly in connection with annual and interim results in Oslo and Stavanger, Norway.

The Company's current financial calendar with dates of important events including the Annual General Meeting, publishing of quarterly reports and its presentations, etc. are accessible for all shareholders on <https://live.euronext.com/> and on the Company's website [www.huntergroup.no](http://www.huntergroup.no). Subscription to news about HUNT can be made on the Company's website [www.huntergroup.no](http://www.huntergroup.no).

Generally, HUNT, as a company listed on Oslo Børs/Oslo Stock Exchange, discloses all required information as defined by law. Certain resolutions and circumstances will in any event be disclosed, including but not limited to Board and GM resolutions regarding dividends, mergers/de-mergers or changes in share capital, issue of warrants, issue of convertible or other loans, any changes in the rights vested in the shares of the Company (or other financial instruments issued by HUNT) and all agreements of material importance that are entered into between the Company and a shareholder, member of the executive personnel, or related parties thereof, or any other company in the Hunter Group ASA.

An announcement regarding HUNT's share capital and number of votes related thereto shall be made by the end of each month during which changes to any of these have occurred.

HUNT will disclose all material information to all recipients equally in terms of timing and content.

### 15. Takeovers

The Group has not implemented any specific guidelines on how to act in the event of a takeover bid.

#### Deviation from the Norwegian Code of Practice for Corporate Governance:

The Group has not yet implemented guidelines in case of a takeover. Any bid will be dealt with by the Board of Directors in accordance with applicable laws and regulations, the Norwegian Code of Practice for Corporate Governance and based on their recommendation the shareholders' approval will be requested.

### 16. Auditor

Under Norwegian law the auditor of the Company (the "Auditor") is elected by the shareholders in a GM. The current Auditor serves until a new auditor has been elected.

The Auditor participates in meeting(s) of the Board that deal with the annual accounts as well as the General Meetings. At these meetings the Auditor reviews any variations in the accounting principles applied, comments on material accounting estimates and issues of special interest to the Auditor, including possible disagreements between the Auditor and the management.

## Corporate governance policy

At least once a year the Auditor and the Board of Directors meet without any members of the Group's executive personnel present.

The Auditor presents annually to the Audit Committee/Board of Directors the main features of its plan for the audit of the Group, as well as a review of the Group's internal control procedures.

The Board of Directors established guidelines in respect to the use of the auditor by the Group's executive personnel for services other than the audit.

The remuneration of the Auditor and all details regarding the fees of the audit work and other specific assignments are presented at the AGM.

The Company's auditor shall annually submit a written confirmation that the Auditor still continues to satisfy with the requirements for independence and a summary of all services in addition to audit work that has been undertaken for the Company.

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## Corporate social responsibility policy

### 1. General

The purpose of this policy is to provide information to all our stakeholders about Hunter Group ASA's ("HUNT", "the Company" or "the Group") approach to ethical and corporate social responsibility and how we as a Company propose to work towards achieving it. HUNT is committed to enhancing shareholder value in an ethical and socially responsible manner.

By implementing this policy, the Company aims to be responsible and an exemplar of good practice. Honesty, integrity and respect for people underpin everything we as employees do and are the foundation of the Company's business practice. We are judged by how we act, and the Company's reputation will be upheld if each one of us acts in accordance with the law and the Company's social responsibility and ethical standards set out herein. The Company's reputation and future success are critically dependent on compliance, not just with the law, but also with high ethical and social standards. A reputation for integrity is a priceless asset. This policy is a further commitment to integrity for all of us and will help to safeguard that asset.

This document applies to staff, Board members, temporary employees, consultants and any person or entity acting on behalf of Hunter Group ASA and its subsidiaries. We encourage our business partners to strive for similar performance.

We are committed to continuous improvement in our corporate social and ethical responsibility and the Board of Directors and the Company will therefore review this policy regularly.

This policy was approved by the Board of Directors on 23<sup>th</sup> March 2022 and shall apply until revised and re-approved.

### 2. Business practice

#### 2.1 Correct Information, Accounting and Reporting

HUNT's business information is disclosed accurately, timely and entirely. According to the applicable laws and regulations and stock exchange listing standards, HUNT provides complete and precise accounts in all its periodic financial reports, in its public communication and documents submitted to regulatory authorities and agencies.

No information shall be withheld from the external or internal auditor.

All employees who draw up such documents are expected to apply the utmost care, and caution and will use the applicable accounting standards.

#### 2.2 Fair Competition

HUNT performs its business in such a manner that customers, partners and suppliers can trust in the Group and competes in a fair and open way.

#### 2.3 Anti - Corruption

Corruption diminishes legitimate business activities, destroys reputations and distorts competition. The Group opposes all forms of corruption. Through Group procedures, tight internal control and this policy all employees have to comply with, HUNT acts to prevent corruption within the Group.

Bribery, trading in influence, facilitation payments and all forms of corruption are prohibited. HUNT promotes its policy on corruption amongst its business partners, contractors and suppliers.

- Bribery is defined as an attempt to influence individuals when performing their duties through offering improper advantages.
- Trading in influence exists when an improper advantage (cash, loans, travel, services or similar) is offered to an individual to influence the performance a third party's duties.
- A facilitation payment is small payment to a public official to enable or speed up a process, which is the official's job to arrange.

## Corporate social responsibility policy

HUNT complies with all applicable national and international laws and regulations (for example the OECD Guidelines for Multinational Enterprises and the International Chamber of Commerce Rules of Conduct to Combat Extortion and Bribery) with respect to improper payments to local and foreign officials.

### 2.4 Money laundering

Money laundering is when proceeds from criminal activity which appear to be legitimate sources is converted into assets.

HUNT employees shall ensure financial transactions and business activities involve funds from legitimate sources and are not used to launder money.

### 2.5 Business Communications

HUNT opposes inappropriate, inaccurate or careless communications as it can create serious liability and compliance risks for the Group. All employees are required to exercise due care when communicating both internally and externally and particularly when the communication is a written document (including email).

### 2.6 Political Activity

HUNT does not support any political party. An individual employee may become involved politically as a private person without referencing to their relationship with the Group.

## 3. Personal conduct

### 3.1 Human Rights

HUNT respects the principles of the UN's Universal Declaration of Human Rights and is guided by its provisions in the conduct of the Group's business. The Board of Directors adopted this policy to express the Group's requirements for business practice and personal conduct and to demonstrate the Group's commitment to maintaining a high standard of social responsibility, ethics and integrity.

Relations with employees are based on respect. HUNT is committed to a working environment with mutual trust and where everyone is accountable for their own actions and share responsibility for the performance and reputation of HUNT.

### 3.2 Equal Opportunity

HUNT does not tolerate any kind of discrimination of employees, customers and partners on account of religion, gender, sexual orientation, age, nationality, political views, disability or other circumstances. HUNT does not tolerate unlawful employment discrimination of any kind.

The Group expects all of its employees to treat others they come in contact with through work with respect and courtesy, and to refrain from harassment, discrimination and any other behavior that may be regarded threatening or degrading.

It is everyone's responsibility to create and contribute to a positive working environment for all employees.

### 3.3 Protection of HUNT's Property and Possessions

HUNT assets are of considerable value, whether financial or physical assets or intellectual property, and may therefore only be used to advance HUNT business purposes and goals. These assets must be secured and protected in order to preserve their value.

All employees are entrusted with Group assets in order to do their jobs and are personally responsible for safeguarding and using these appropriately. Such assets include buildings and sites, equipment, tools and supplies, communication facilities, funds, accounts, computer programs and data, information, technology, documents, and know-how, patents, trademarks, copyrights, time, and any other resources or property of HUNT.

Employees are responsible for protecting Group assets against waste, loss, damage, misuse, theft, misappropriation or infringement and for using those assets in responsible ways. Use of Group assets without direct relation to HUNT requires the prior authorization of the employee's supervisor.

## Corporate social responsibility policy

### 3.4 Confidentiality

To protect the Group's legitimate interests and the individual's privacy and integrity, every employee shall apply the utmost care to prevent disclosure of confidential information. The Group's property or information gained through the employee's position in HUNT may never be used for personal benefit.

The duty of confidentiality continues after the termination of the employment.

### 3.5 Conflict of Interest

Individuals acting on behalf of HUNT shall behave objectively and without any kind of favoritism. Companies, organizations or individuals the Group does business with shall not be given any improper advantages.

No employee may work on any matter or participate in any decision in which they, their spouse, partner, close relative or any other person with whom they have close relations has a material direct or indirect financial interest or where there are other circumstances that may undermine the trust in the employee's impartiality or the integrity of their work.

Closely related parties shall not have positions within the Group where one is the other's supervisor without the CEO's prior approval.

No employee may participate through employment, directorship or any other assignment in companies in the same line of business as HUNT without the prior written approval of the CEO or the Chairman of the Board. Members of the Company's Board shall inform the chairman of the Board of their involvement in other companies.

### 3.6 Gifts and Hospitality

No employee may, directly or indirectly, accept gifts from any of the Group's associates. This rule applies also to ongoing negotiations. If an employee is offered or may be offered such a gift, he/she shall immediately contact his/her supervisor, who will decide if the gift will affect the employee's independence should it be accepted.

Token gifts in connection with Christmas, anniversaries and the like may be exempted from this rule.

Social events, meals or entertainment may be acceptable if there is a clear business reason, and provided the cost is within reasonable limits.

## 4. Health, safety and environment (HSE)

HUNT is committed to achieving excellence in all business activities, including health, safety and environmental performance.

HUNT's overriding goal is to operate safely, in environmentally and socially responsible ways, and thereby:

- Do no harm to people
- Protect the environment
- Comply with all applicable HSE laws and regulations.

HUNT aims to provide a safe, secure and healthy working environment for all its employees, contractors and suppliers. We believe that accidents and occupational illnesses and injuries are preventable, and hence apply our efforts and resources to achieving the goals listed above.

HUNT requires its subsidiaries to implement HSE systems relevant to their industry in compliance with internationally recognized standards.

HUNT is paying for insurance for all sub-contracted workers involved with the production of ordered vessels at DSME.

HUNT has adopted the Norwegian "inkluderende arbeidsliv" (equal opportunity rights) scheme, incorporating procedures for an active follow-up on employees' sick leave and cooperating with the Group's health service. During 2021 absence due to sickness in HUNT was approximately 0%.

## Corporate social responsibility policy

HUNT aims to reduce the Company's carbon footprint and its impact on the environment through a commitment to continual improvement. It is the responsibility of the Company's management and subsidiaries to meet the Company's ambition and to comply with all applicable legislation and regulations.

No injuries or accidents have been reported in 2021.

### 5. Follow-up

#### 5.1 Personal Follow-Up

Everyone to whom this policy applies shall make themselves familiar with the same and carry out their duties accordingly.

#### 5.2 Handling Cases of Doubt and Breach

All employees shall without undue delay contact their supervisor, the CEO or the chairman of the Board in the event of ethical doubts, breaches of this policy or when discovering anything illegal or unethical.

#### 5.3 Manager's Responsibility

Managers shall ensure that this Group policy is communicated to their staff, and shall give advice on how they are to be interpreted. Operations within their department shall be conducted according to this policy.

#### 5.4 Outlook

HUNT will work with and assign more priority to corporate social responsibility in 2022. HUNT aims to keep absence due to sick leave low in 2022. With further emphasis on HSE, the Group works towards another accident and injury free year at HUNT.

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## Responsibility Statement

The Board of Directors and the CEO confirm that to the best of our knowledge the financial statements as of 31 December 2021, which have been prepared in accordance with IFRS as adopted by the European Union and generally accepted accounting practice in Norway, provides a true and fair view on the Group's consolidated assets, liabilities, financial position and result.

We also confirm, to the best of our knowledge that the Board of Directors' report includes a true and fair overview of the development, performance and financial position of the Group, together with a description of the principal risks and uncertainties they face.

Oslo, 23 March 2022

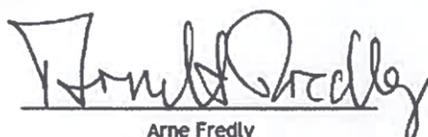
The board of directors and Chief Executive Director  
Hunter Group ASA



Henrik A. Christensen  
Chairman of the board



Kristin Hellebust  
Board member



Arne Fredly  
Board member



Erik A. S. Frydendal  
CEO

## Board of Directors' report 2021

### Operations and locations

HUNT is a public limited liability company pursuant to the Norwegian Public Limited Companies Act, incorporated under the laws of Norway. The legal and commercial name of the Company is Hunter Group ASA.

The Company was established on 20 June 2003 and is registered in the Norwegian Register of Business Enterprises under the organization number 985 955 107. The Company changed its name to Hunter Group ASA in April 2017 and also moved the Company's registered office to Oslo. The Company's registered business address now is Dronningen 1, N-0287 Oslo, Norway.

In April 2018 Hunter Group entered into a definitive VLCC contract transfer agreement with Apollo Asset Ltd. Subsequently, Hunter Tankers AS was established. In the May 2018 AGM, the shareholders of Hunter Group ASA approved taking over the four VLCC construction contracts and three options from Apollo Asset Ltd on a "back-to-back" basis as contracted with Daewoo Shipbuilding Marine Engineering Co., LTD whereby the Company will assume the obligations versus the Shipyard.

In May 2018 the board decided to exercise the options for construction of three additional vessels. Each of the option vessels had a price of USD 82.8m, plus USD 2.7m for each scrubber. In November 2018, Hunter Tankers AS signed a contract for one additional VLCC at DSME, with identical specifications. In October 2019, the Company sold one VLCC for USD 98 million, taking the fleet to a total of seven VLCCs.

Between August 2019 and August 2020, the Company successfully took delivery of its seven VLCCs. The vessels have since delivery been employed through a combination of spot and time charter contracts. The first three vessels were financed by a USD 180m sale and leaseback ("SLB") with SFL Corporation Ltd. The remaining four vessels were financed with bank debt, which was drawn on delivery of each vessel. During the second half of 2020, the SLB was refinanced with bank debt on similar terms. Two vessels were sold during the second half of 2020, and one was sold during the first quarter of 2021. All three were successfully delivered to their new owners. The Company owned four VLCCs as of year end 2021.

At present, there are no business activities in Indicator AS (containing the Badger-technology).

The Company's shares are listed on Oslo Euronext Expand, a regulated market operated by the Euronext Group under the ticker "HUNT".

### Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on the sound financial position and the Group's long term forecasts.

### Comments related to the financial statements

The Group's revenues decreased from USD 111.1 million in 2020 to USD 40.4 million in 2021. Net income from continuing operations in 2021 was USD 3.8 million compared to USD 63.1 million in 2020. The profit in 2021 is mainly due to successful employment and operation of the Company's VLCCs.

## Board of Directors' report 2021

Total cash flow from operating activities was USD 18.4 million in 2021 mainly driven by vessel chartering revenue and operational expenses.

Net cash flow from financing for 2021 was negative USD 168.1 million, mainly related to dividend payments and net change in loans from financing institutions. Net cash flow from investments were USD 84.3 million, mainly related to the sale of Hunter Atla.

Total consolidated adjusted cash position as per 31 December 2021 was USD 29.6 million.

Total assets at year-end 2021 amounted to USD 371.9 million, compared to USD 529.6 million last year. The equity ratio was 47.5% as of 31 December 2021, compared to 51.3 % the year before.

### Financial risk

#### Overall view on objectives and strategy

HUNT's main objective for the management of its capital structure is to maximize value creation for shareholders, while at the same time maintaining a sound financial position.

HUNT manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue equity, take up debt or a combination of the two. No changes were made in the objectives policies or processes during the financial year.

#### Market risk

The Group's business is operations of VLCCs, hence the tanker market greatly affects the Group's share price and its ability to issue equity or debt. The Group is positive on the future outlook of the tanker market.

The Group's exposure towards currency fluctuations is relatively low, since the majority both of revenues, operating expenses and capital expenditures are in USD.

#### Credit risk

The Company only trades with recognized, creditworthy third parties. It is the Group's policy that all customers that wish to trade on credit terms are subject to credit verification procedures. All cash in the Group is deposited in the Norwegian bank DNB. Credit risk is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk.

#### Liquidity risk

The Company monitors its liquidity on a regular basis and produces rolling liquidity forecasts on a monthly basis in order to identify liquidity requirements in future periods. The target for HUNT's management of liquidity risk is to minimum maintain a liquidity corresponding to its net liquidity requirements for 12 months. The interest-bearing debt is due in Q1 2023 and the Company has initiated refinancing discussions with its lenders, and expect to receive binding commitments during 2022. The cash position of Hunter Group at year end 2021 was USD 29.6 million, compared to USD 95.1 million in 2020.

The Company's financial and liquidity position remained robust throughout the year, despite challenging market conditions. The Company has a cash balance well above covenant requirements and have zero remaining capital expenditures commitments as of the end of 2021.

The management will continue to focus on efficient operations, good planning and close monitoring of the liquidity situation and maintaining a clear business development strategy.

## Board of Directors' report 2021

### The working environment, the employees and equal opportunities

The Company has not registered any critical incidents or leave of absence due to incidents. The percentage of days lost through illness was 0 % in 2021 and 2020.

Relations with employees are based on respect. The Company is committed to a working environment with mutual trust and where everyone is accountable for their own actions and share responsibility for the performance and reputation of the Company.

The Company had 4 employees by the end of 2021.

We kindly refer to our corporate governance and corporate social responsibility documents on page 4 to 14 for further information.

### Discrimination

The Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin color, language, religion and faith. The Company does not tolerate any kind of discrimination of employees, customers and partners on account of religion, gender, sexual orientation, age, nationality, political views, disability or other circumstances. The Company does not tolerate unlawful employment discrimination of any kind. The Group expects all of its employees to treat others they come in contact with through work with respect and courtesy, and to refrain from harassment, discrimination and any other behavior that may be regarded threatening or degrading.

### Environmental report

There have been no incidents reported related to emissions that has resulted in a breach of the pollution act or other pollution of significance.

### Research and development

All R&D activities in Indicator has been put on hold.

### Subsequent events

Entered into a 4+4 month time charter for Hunter Disen, which commenced on 27 January 2022. The first four month is for USD 18,000 per day, while the charterer has the option to extend for another four months as USD 25,000 per day.

Entered into a two 12-month index-based linked charters for Hunter Idun. Hunter Idun commenced on this charter on January 26th, immediately following the redelivery of the vessel from charterers to owners.

Entered into a 12-month index-based charter for Hunter Frigg. The charter will commence immediately upon completion of its current charter.

As of the date of this report, 93% of days in the first quarter of 2022 have been booked at an average est. dayrate of USD 20,200

- 84% of spot days booked at an avg. est. dayrate of USD 15,400

- Average Q1 TC dayrates of USD 23,900

The recent Ukraine-situation has affected the global economy. The Group is monitoring the development of the situation but is at the current not significantly exposed (receivables, the Pool, crew etc.). However, the indirect effects of the situation is difficult to estimate as of today.

## Board of Directors' report 2021

### Future challenges

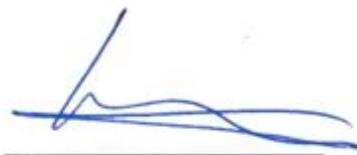
For the Group, the future challenges continues to be successful chartering and operation of the Company's VLCCs.

### Allocation of net income

The Board of Directors has proposed the net income of Hunter Group ASA to be attributed to:

Retained Earnings            USD 3.8 million

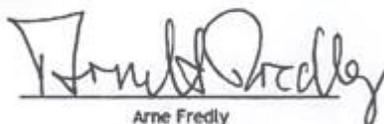
Oslo, 23 March 2022



Henrik A. Christensen  
Chairman of the board



Kristin Hellebust  
Board member



Arne Fredly  
Board member



Erik A. S. Frydendal  
CEO

## Consolidated statement of profit and loss 2021

<i>(Figures in USD 1 000)</i>	Note	For the year ended 31 December	
		2021	2020
<b>Revenues and other income</b>			
Pool revenues	15	7 438	48 567
Time charter revenues	15	29 722	60 037
Other income	15	704	0
Net gain on sale of assets	2, 15	2 567	2 492
<b>Total revenues and other income</b>		<b>40 431</b>	<b>111 096</b>
<b>Operating expenses</b>			
Vessel operating expenses	16	9 776	12 404
Voyage expenses and commissions		1 916	2 912
Depreciation and amortisation expense	4, 5	13 754	16 325
General and administrative expenses	14, 16, 20	1 815	1 649
<b>Total operating expenses</b>		<b>27 261</b>	<b>33 291</b>
<b>Operating profit (loss)</b>		<b>13 171</b>	<b>77 806</b>
<b>Net financial income (loss)</b>	17	<b>-9 394</b>	<b>-14 723</b>
<b>Profit (loss) before taxes</b>		<b>3 776</b>	<b>63 083</b>
Tax on ordinary result	18	0	0
<b>Net profit (loss)</b>		<b>3 776</b>	<b>63 083</b>
Earnings per share	19	0.01	0.11
Earnings per share diluted	19	0.01	0.11

<i>(Figures in USD 1 000)</i>	For the year ended 31 December	
	2021	2020
<b>Consolidated statement of comprehensive income</b>		
Profit (loss) for the year	3 776	63 083
<b>Other comprehensive income, items to be reclassified to profit &amp; loss</b>		
Translation differences	0	0
<b>Total comprehensive income</b>	<b>3 776</b>	<b>63 083</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the parent company	3 776	63 083
<b>Total comprehensive income continuing operations</b>	<b>3 776</b>	<b>63 083</b>

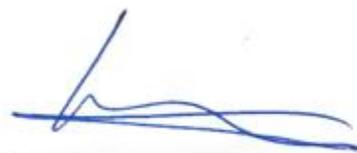
## Consolidated statement of financial position

<i>(Figures in USD 1 000)</i>	Note	As at 31 December	
		2021	2020
<b>NON-CURRENT ASSETS</b>			
VLCC vessels	4, 10	332 521	427 249
Other tangible assets	4, 5, 10	318	210
<b>Total tangible assets</b>		<b>332 839</b>	<b>427 459</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>332 839</b>	<b>427 459</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	6, 10, 13	5 513	5 416
Other short-term assets	7, 13	3 878	1 539
<b>Total current assets</b>		<b>9 391</b>	<b>6 956</b>
<b>Cash and cash equivalents</b>	8, 13	<b>29 639</b>	<b>95 146</b>
<b>TOTAL CURRENT ASSETS</b>		<b>39 030</b>	<b>102 101</b>
<b>TOTAL ASSETS</b>		<b>371 869</b>	<b>529 560</b>

## Consolidated statement of financial position

<i>(Figures in USD 1 000)</i>	Note	As at 31 December	
		2021	2020
<b>EQUITY</b>			
Share capital (575 362 013 shares)	21	82 625	82 625
Own shares	21	-1 660	-1 121
Share premium		15 034	113 364
Other equity		80 522	76 745
<b>TOTAL EQUITY</b>		<b>176 521</b>	<b>271 614</b>
<b>LIABILITIES</b>			
Interest-bearing debt	5, 9, 10	180 514	237 954
<b>Total non-current liabilities</b>		<b>180 514</b>	<b>237 954</b>
Trade payables	11, 13	195	2 124
Accrued public charges and indirect taxes	13	68	68
Current portion of interest-bearing debt	9, 10	13 500	16 605
Other current liabilities	12, 13	1 070	1 195
<b>Total current liabilities</b>		<b>14 833</b>	<b>19 992</b>
<b>TOTAL LIABILITIES</b>		<b>195 346</b>	<b>257 946</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>371 869</b>	<b>529 560</b>

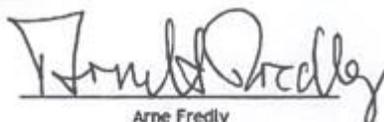
Oslo, 23 March 2022



Henrik A. Christensen  
Chairman of the board



Kristin Hellebust  
Board member



Arne Fredly  
Board member



Erik A. S. Frydendal  
CEO

## Consolidated statement of cash flows

<i>(Figures in USD 1 000)</i>	For the year ended 31 December		
	Note	2021	2020
Profit (loss) before tax		3 776	63 083
Depreciation		13 754	16 325
Gain on sale of VLCC	2	-2 567	-2 492
Financial income		-4	-270
Financial expenses		8 430	15 074
Change in accounts receivables and accounts payables		-2 026	981
Change in other receivables and payables and other		-2 948	-1 857
<b>Net cash flow from operating activities</b>		<b>18 415</b>	<b>90 844</b>
Investments in VLCC newbuilds and PP & E	4	-8	-273 805
Interest received	17	4	270
Sale of VLCC *)	4	83 575	168 400
<b>Net cash flow from investment activities</b>		<b>83 571</b>	<b>-105 135</b>
Interest paid	17	-6 441	-14 050
Proceeds from borrowings financial institution	4, 10	0	254 348
Installments other interest-bearing debt	9, 10	-61 802	-180 214
Installment leasing-debt (IFRS 16)	5	-94	-93
Purchase of own shares	Equity	-1 267	-3 010
Dividend paid	Equity	-97 888	0
<b>Net cash flow from financing activities</b>		<b>-167 492</b>	<b>56 981</b>
<b>Total change in cash and cash equivalents</b>		<b>-65 506</b>	<b>42 690</b>
Currency effect on cash		0	0
Cash and cash equivalents beginning of year		95 146	52 455
<b>Cash and cash equivalents end of year</b>	8	<b>29 639</b>	<b>95 146</b>

\*) Includes broker commission related to the sale of Hunter Atla of TUSD -925 in 2021.

## Consolidated statement of changes in equity

<i>(Figures in USD 1 000)</i>	Note	Share Capital	Own Shares	Share premium	Currency translation	Retained earnings	Total equity
<b>Equity as of 1 January 2020</b>		<b>82 625</b>	<b>0</b>	<b>114 914</b>	<b>-2 289</b>	<b>15 952</b>	<b>211 202</b>
Net profit 2020					0	63 083	63 083
Other comprehensive income					0	0	0
<b>Total comprehensive income 2020</b>					<b>0</b>	<b>63 083</b>	<b>63 083</b>
Purchase of own shares			-1 121	-1 889	0	0	-3 010
Share based payment				339	0	0	339
<b>Equity as of 31 December 2020</b>		<b>82 625</b>	<b>-1 121</b>	<b>113 364</b>	<b>-2 289</b>	<b>79 035</b>	<b>271 614</b>
Net profit 2021					0	3 776	3 776
Other comprehensive income					0	0	0
<b>Total comprehensive income 2021</b>					<b>0</b>	<b>3 776</b>	<b>3 776</b>
Purchase of own shares			-539	-728	0	0	-1 267
Share based payment				285	0	0	285
Dividend paid *)				-97 887	0	0	-97 887
<b>Equity as of 31 December 2021</b>		<b>82 625</b>	<b>-1 660</b>	<b>15 034</b>	<b>-2 289</b>	<b>82 811</b>	<b>176 521</b>

\*) Dividend paid per share is USD 0.17.

## Notes to the consolidated financial statements 2021

### Note 1 - Significant accounting principles

Hunter Group ASA (HUNT) is a public limited liability company, incorporated in Norway, headquartered in Oslo and listed on the Oslo Stock Exchange (Euronext Expand), address headquarter: Dronningen 1, 0287 Oslo, Norway.

The financial statements of Hunter Group ASA for the fiscal year 2021 were approved in the board meeting on 23 March 2022.

The Group's activities are described in the Board of Director's report.

#### 1.1 Basis of presentation of the accounts

HUNT's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and IFRS as adopted by the EU, and are mandatory for financial year beginning on or after 1 January 2021, and Norwegian disclosure requirements listed in the Norwegian Accounting Act as of 31 December 2021.

The historical cost basis have been used when preparing the financial statements, except for financial instruments measured at fair value. These policies have been applied consistently to all periods presented, and certain amounts in the comparable year have been reclassified to be consistent with current year presentation. Some totals may not equal the sum of the amounts shown due to rounding.

#### Consolidation

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full. A change in the ownership interest of a subsidiary, without a loss of control, will be accounted for as an equity transaction. The Group consist of the following companies as per 31 December 2021:

- Hunter Group ASA (parent company)
- Indicator AS (100% owned subsidiary)
- Hunter Tankers AS (100% owned subsidiary)

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

#### 1.2 Use of estimates when preparing the annual financial statements

Estimates and their underlying assumptions that affect the application of accounting principles and reported amounts of assets and liabilities, income and expenses are based on historic experience and other factors considered reasonable under the circumstances. The estimates constitute the basis for the assessment of the net book value of assets and liabilities when these values cannot be derived from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

## Notes to the consolidated financial statements 2021

### Note 1 - Significant accounting principles cont.

Estimation uncertainty could mainly affect;

- VLCC vessels (impairment)

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Please refer to 1.3, 1.12 and note 4 for further information about VLCC.

#### 1.3 Impairment of assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired.

An assessment of impairment losses on assets is made when there is an indication of a fall in value. If an asset's carrying amount is higher than the asset's recoverable amount, an impairment loss will be recognized in the statement of profit or loss. The recoverable amount is the higher of the fair value less costs to sell and the discounted cash flow from continued use. The fair value less costs to sell is the amount that can be obtained from a sale to an independent third party minus the sales costs. The recoverable amount is determined separately for all assets but, if this is impossible, it is determined together with the entity.

Impairment losses recognized in the statements of profit or loss of previous periods are reversed when there is information that the need for the impairment loss no longer exists or is not as great as it was. However, no reversal takes place if the reversal leads to the carrying amount exceeding what the carrying amount would have been if normal depreciation periods had been used.

The Group follows the development of the price of the Company's listed shares, the daily market rates for the VLCC operations, and monitors the development of the pricing of new ships when evaluating if there exist indicators of the Group's VLCCs. The recoverable amount was determined based on fair value less cost to sell. Management obtained an external valuation for similar newbuilds as evidence of fair value less cost to sell. Please refer to note 4 for further information.

#### 1.4 Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

#### 1.5 Statement of cash flows

The statement of cash flows is prepared in accordance with the indirect method.

#### 1.6 Functional currency and presentation currency

The main transactions for Hunter Group ASA and Hunter Tankers AS are in USD. Due to the functional currency for the two main companies in the Group are in USD, it is also considered to be beneficial to present the financial statements of the Group in USD.

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into USD using the exchange rate applicable on the balance sheet date.

## Notes to the consolidated financial statements 2021

### Note 1 - Significant accounting principles cont.

Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into USD using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates on monetary items are recognized in the income statement as they occur during the accounting period.

#### 1.7 Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss at amortized cost, as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The Group determines the classification of its financial assets at initial recognition. The Group's financial assets include cash and cash equivalents, trade and other receivables.

##### Subsequent measurement

Receivables are classified as financial assets measured at amortized costs.

The subsequent measurement of financial assets depends on their classification as described below:

##### *Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR (effective interest rate) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in other operating expenses for receivables.

This category includes accounts receivable and other receivables carried at amortized cost or at nominal amount less provision for bad debt where this can be regarded as a reasonable proxy for fair value.

Other financial assets are cash and cash equivalents and other financial investments, measured at balance sheet date rate for items in foreign currency.

#### 1.8 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or borrowings at amortized cost, as appropriate.

HUNT's financial liabilities include trade and other payables and IFRS 16 lease liabilities.

##### Subsequent measurement

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and borrowings.

##### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below (next page):

## Notes to the consolidated financial statements 2021

### Note 1 - Significant accounting principles cont.

#### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

#### *Financial liabilities at amortized cost (loans and borrowings)*

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings

#### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **1.9 Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. When fixed assets are sold or disposed of, the gross carrying amount and accumulated depreciation are derecognized, and any gain or loss on the sale or disposal is recognized in the statement of profit or loss.

The gross carrying amount of fixed assets is the purchased price, including duties/taxes and direct acquisition costs relating to making the asset ready for use. Subsequent costs, such as repair and maintenance costs, are recognized in profit or loss as incurred. When increased future economic benefits as a result of repair/maintenance work can be proven, such costs will be recognized in the statement of financial position as additional to fixed assets.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Plant and machinery:	3 - 5 years
VLCC vessels:	25 years
VLCC equipment:	3 - 5 years

The depreciation period, the depreciation method and the residual value of fixed assets are evaluated annually.

#### *Vessels and equipment*

The net cost of the VLCCs (less estimated residual value) is the basis for a straight-line depreciation over the estimated remaining economic useful lives (25 years). Other equipments (excluding vessel upgrades) are depreciated over its estimated remaining useful life (5 years). The estimated residual value for the VLCCs is calculated by multiplying the lightweight tonnage with the market price of scrap per tonne. The market price of scrap per tonne is based on price of scrap at delivery (USD 325/lwt) in Pakistan. Residual values are reviewed annually.

### **1.10 Contracts new builds**

Paid instalments for new builds of VLCCs are capitalized at cost as fixed assets as each payment take place. Investments regarding the new vessels that are not included in the contract, such as inspection costs and other related costs during construction are capitalized. Vessels under construction are not depreciated until the asset is available for use. Paid instalments, inspection costs and a minor portion of the construction contract are financed using own equity. Borrowing costs will be capitalized together with the vessel to the extent that they are directly related to the acquisition of the vessel. Construction in progress is stated at cost, net of accumulated impairment losses, if any.

## Notes to the consolidated financial statements 2021

### Note 1 - Significant accounting principles cont.

#### 1.11 Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are evaluated at the end of each month and adjusted to reflect the available information about the provision. When the information available is insufficient, the best estimate is used.

#### 1.12 Recognition of revenue

Revenue is recognized to reflect the transfer of promised goods or services to customers, and then at an amount that reflects the consideration the company expects to be entitled to in exchange for those goods or services.

The Group hires out its vessels to the Tankers International (TI) pool and receives, as compensation, a daily rate that varies from day to day, depending on the net result generated in TI. The company will thus recognize such income on an ongoing basis based on earned daily rate. The company's revenues from the pool are presented as Pool revenues in the income statement.

The time charter revenue is generated from fixed rate time charter contracts. Revenue from time charters are accounted for as lease in accordance with IFRS 16 and is classified as time charter revenue in the income statement. The Group's time charter contracts have a duration of 3-9 months and a significant portion of the risks and rewards of ownership are retained by the lessor (Hunter), hence the lease is classified as operating lease. Payments received under operating leases are recognized as revenue on a straight-line basis over the lease term.

Furthermore, the Group will also cover any surplus fuel after the ship arrives at the pool (without profit). In such cases, the Group will sell surplus fuel on board when the ship is delivered to TI. TI's surplus fuel coverage are recognized net.

#### 1.13 Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities.

Deferred tax assets are recognized when it is probable that the Group will have a sufficient profit for tax purposes in subsequent periods to utilize the tax asset. The Group recognize previously unrecognized deferred tax assets to the extent it has become probable that the Group can utilize the deferred tax asset. Similarly, the Group will reduce a deferred tax asset to the extent that the Group no longer regards it as probable that it can utilize the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax and deferred tax assets are recognized at their nominal value and classified as non-current assets (long-term liabilities) in the balance sheet.

## Notes to the consolidated financial statements 2021

### Note 1 - Significant accounting principles cont.

Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The subsidiary Hunter Tankers AS is part of the shipping tax rules in Norway, which in all material aspects results in the company being taxable only for part of the net financial result.

#### 1.14 Contingent liabilities and assets

Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are remote to be incurred.

Contingent assets are not recognized in the annual accounts but are disclosed if it is probable that a benefit will be added to the Group.

#### 1.15 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.

Borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

#### 1.16 Equity

##### *Cost of equity transactions*

Transaction costs directly related to an equity transaction are recognized directly in equity after deducting tax expenses.

#### 1.17 Events after the reporting period

New information on the Group's financial position at the end of the reporting period which becomes known after the reporting period is reflected in the annual accounts. Events after the reporting period that do not affect the Group's financial position at the end of the reporting period but which will affect the Group's financial position in the future are disclosed if significant.

#### 1.18 Segments

For management purposes, the Group is organized into one business unit based on its products and services, and has a reportable segment which first developed the VLCC construction contracts and options, and then operates these vessels. No operating segments have been aggregated to form the reportable operating segment.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

## Notes to the consolidated financial statements 2021

### Note 1 - Significant accounting principles cont.

#### 1.19 Share-based payment

Employees of HUNT receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in note 20. That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

#### 1.20 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the new and amended standards and interpretations to IFRS which have been implemented by the Group during the current financial year. Several other amendments and interpretations apply for the first time in 2021, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

*The following new and amended standards and interpretations have been implemented for the first time in 2021:*

#### **Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

## Notes to the consolidated financial statements 2021

### Note 1 - Significant accounting principles cont.

#### **Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16**

On 28 May 2020, the IASB issued *Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases*. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions but plans to apply the practical expedient if it becomes applicable within allowed period of application.

#### **Amendments to standards and interpretations with a future effective date**

##### **Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

##### **Reference to the Conceptual Framework - Amendments to IFRS 3**

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

## Notes to the consolidated financial statements 2021

### Note 1 - Significant accounting principles cont.

#### **Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37**

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities.

General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

## Notes to the consolidated financial statements 2021

### Note 2 - Significant acquisitions and disposals

Hunter Freya was delivered on 6 March 2020 and Hunter Disen was delivered on 5 June 2020. Furthermore, Hunter Idun was delivered on 3 July 2020 and Hunter Frigg was delivered on 21 August 2020. All VLCC were completed and delivered by end of 2020.

Hunter Saga and Hunter Laga were sold in 2020 for an en-bloc price of USD 168.4 million, with a gain of USD 2.5 million. Furthermore, Hunter Atla was sold in April 2021 for an en-bloc price of USD 84.5 million, with a gain of USD 2.6 million.

### Note 3 - Segment information

Based on the nature of the vessels, processes and type of customers it has been concluded that the Group has one segment and information on segment performance is found in the consolidated statements of income and financial position. As the financial statement is consistent with the internal financial reporting for the tanker vessel segment and thus is equal to the Income Statement, Statement of Financial Position and Cash flow statement, no further disaggregation is provided. The Group does not consider the domicile of its customers as a relevant decision-making guideline and hence does not consider it meaningful to allocate vessels and related income to specific geographical locations.

### Note 4 - Property, plant and equipment

(Figures in USD 1 000)

Per 31 December 2021	IFRS 16 Other tangible			Total
	PP&E	assets	VLCC vessels	
Cost price at 1 January	349	10	439 102	439 461
Additions	223	8	0	231
Sale	-101	0	-88 867	-88 968
Transfer to VLCC in operation	0	0	0	0
Cost price at 31 December	471	18	350 235	350 724
Accumulated depreciations at 31 December	-159	-14	-17 712	-17 886
<b>Book value at 31 December</b>	<b>312</b>	<b>3</b>	<b>332 523</b>	<b>332 839</b>
Depreciation (straight-line method)	93	8	13 653	13 754
Estimated useful life	3-5 years	3-10 years	25 years	

(Figures in USD 1 000)

Per 31 December 2020	IFRS 16 PP&E	Other tangible assets	VLCC under		Total
			construction	VLCC vessels	
Cost price at 1 January	259	10	79 664	256 098	336 030
Additions	152	0	270 919	2 909	273 980
Sale	-62	0	0	-170 486	-170 548
Transfer to VLCC in operation	0	0	-350 582	350 582	0
Cost price at 31 December	349	10	0	439 102	439 462
Accumulated depreciations at 31 December	-142	-6	0	-11 853	-12 002
<b>Book value at 31 December</b>	<b>207</b>	<b>3</b>	<b>0</b>	<b>427 249</b>	<b>427 459</b>
Depreciation (straight-line method)	94	3	0	16 227	16 325
Estimated useful life	3-5 years	3-10 years	N/A	25 years	

## Notes to the consolidated financial statements 2021

### Note 4 - Property, plant and equipment cont.

As 2021 saw a drop in the average daily rates for the Group's vessels, a valuation of the four vessels were performed at the end of 2021. Based on assumptions as average daily rates of TUSD 37 and WACC of 10 %, the net present value was significantly above book value as per 31.12.2021. The valuations are supported by independent broker estimates.

### Note 5 - Leases

<i>(figures in USD 1 000)</i>	<b>2021</b>	<b>2020</b>		
Right of use assets 1.1	207	211		
Additions	223	152		
Sale	-25	-62		
Depreciation	-93	-94		
<b>Right of use assets 31.12</b>	<b>313</b>	<b>207</b>		
Other interest-bearing debt 1.1	208	211		
Addition	223	152		
Sale	25	-62		
Installments	-94	-93		
<b>Other interest-bearing debt 31.12</b>	<b>362</b>	<b>208</b>		
<b>Interest</b>	<b>9</b>	<b>10</b>		
	<b>Less than</b>	<b>Between</b>	<b>More than</b>	
<b>Remaining rental-payments as per 31.12.21</b>	<b>1 year</b>	<b>2 - 5 years</b>	<b>5 years</b>	<b>Total</b>
Office rent, gas bottles (5 years), liferafts (5 years) and VSAT (3 years)	121	224	0	345

## Notes to the consolidated financial statements 2021

### Note 6 - Trade and other receivables

<i>(Figures in USD 1 000)</i>	31.12.2021	31.12.2020
Performed work earned, not invoiced (contract assets)	5 513	5 416
Other	0	0
<b>Total trade and other receivables</b>	<b>5 513</b>	<b>5 416</b>

#### Age distribution of trade receivables

As at 31 December, the ageing analysis of trade receivables is as follows:

	Neither		Past due but not impaired				
	Total	impaired	>30 days	30-60 days	60-90 days	90-120 days	>120 days
2021	5 513	5 513	0	0	0	0	0
2020	5 416	5 416	0	0	0	0	0

Trade receivables are non-interest bearing and the payment terms are generally net 30 days. Fair value of the receivables approximates the nominal values, less provision for doubtful receivables, which was NOK 0 million per 31 December 2020 and 31 December 2021. The largest customers has in 2021 been Tankers International (pool revenues), Trafigura Maritime Logistics Pte Ltd, ST Shipping and Transport Pte Ltd and Vitol.

### Note 7 - Other short-term assets

<i>(Figures in USD 1 000)</i>	31.12.2021	31.12.2020
Prepaid expenses	3 878	1 539
<b>Total other receivables</b>	<b>3 878</b>	<b>1 539</b>

### Note 8 - Cash and cash equivalents

<i>(Figures in USD 1 000)</i>	31.12.2021	31.12.2020
Cash at bank	29 639	95 146
<b>Total cash at bank</b>	<b>29 639</b>	<b>95 146</b>
Restricted bank deposits for employee withholding taxes	39	39

### Note 9 - Current interest-bearing loans and borrowings

<i>(Figures in USD 1 000)</i>	31.12.2021	31.12.2020
Current portion of interest-bearing debt	13 500	16 605
<b>Current portion of interest-bearing debt</b>	<b>13 500</b>	<b>16 605</b>

## Notes to the consolidated financial statements 2021

### Note 9 - Current interest-bearing loans and borrowings cont.

#### Reconciliation of liabilities arising from financing activities:

2021	31.12.2020	Cash flows	Non-cash changes			31.12.2021
			IFRS 16	FX movement	Fair value chng. & other	
Other interest-bearing debt (long-term)	237 954	-58 677	-114	0	1 350	180 514
Short-term liabilities	16 605	-3 125	20	0	0	13 500
<b>Total liabilities from financing activities</b>	<b>254 559</b>	<b>-61 802</b>	<b>-94</b>	<b>0</b>	<b>1 350</b>	<b>194 013</b>

2020	31.12.2019	Cash flows	Non-cash changes			31.12.2020
			IFRS 16	FX movement	Fair value chng. & other	
Other interest-bearing debt (long-term)	174 494	63 477	-17	0	0	237 954
Short-term liabilities	5 932	10 659	14	0	0	16 605
<b>Total liabilities from financing activities</b>	<b>180 426</b>	<b>74 136</b>	<b>-3</b>	<b>0</b>	<b>0</b>	<b>254 559</b>

### Note 10 - Other interest-bearing debt

(Figures in USD 1 000)

	31.12.2021	31.12.2020
Other interest-bearing debt (long-term)	180 514	237 954
<b>Other interest-bearing debt (long-term)</b>	<b>180 514</b>	<b>237 954</b>

Maturity of long-term and short-term interest-bearing debt	31.12.2021	31.12.2020
Maturity 0-1 year (classified as short-term debt)	13 770	16 937
Maturity 2-4 years	191 507	252 446
Maturity 5 years and after	0	0
<b>Total long-term and short-term interest-bearing debt</b>	<b>205 277</b>	<b>269 383</b>

Average interest rate on interest-bearing debt was 2.91 % in 2021. Book value of interest-bearing debt approximately equal fair value. Please see note 13 for the maturity analysis for short-term liabilities.

Book value of assets securing the interest-bearing debt	31.12.2021	31.12.2020
VLCC vessels	332 521	427 249
Trade and other receivables	5 513	5 416
<b>Total Book value of assets securing the interest-bearing debt</b>	<b>338 034</b>	<b>432 665</b>

No significant borrowing cost were capitalized as per 31 December 2021. The Group was in compliance with all debt covenants as per year-end 2021.

### Note 11 - Trade payables

Trade payables are generally non-interest bearing and the payment terms are net 30 days. Fair value of the payables equals the nominal value.

## Notes to the consolidated financial statements 2021

### Note 12 - Other current liabilities

(Figures in USD 1 000)

Other current liabilities	31.12.2021	31.12.2020
Unpaid vacation pay	74	56
Other accrued costs	248	115
Interest payable	748	1 024
<b>Total other current liabilities</b>	<b>1 070</b>	<b>1 195</b>

### Note 13 - Financial instruments risk management objectives and policies

HUNT is subject to market risks (foreign currency exchange risk and interest rate risk), credit risk and liquidity risk.

The Group's management oversees the management of these risks and assures that HUNT's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarized below.

#### Foreign currency risk

The Group's cash reserves of USD 29.6 million are deposited in the Norwegian bank DNB. A 10 per cent change in the NOK/USD currency rate would result in an agio effect in the profit before tax of +/- USD 0.2 million. The main transactions for the Group are in USD. As commercial operations are in a large scale, a foreign currency exchange risk policy has been introduced.

#### Interest rate risk

The Group's financial income and financial costs in the statement of profit or loss are influenced by changes in interest rates as the interest with DNB is on a floating basis. The Group had USD 8.4 million in interest expense and no interest income in 2021. A 100 basis points increase/decrease in the interest rate would result in a decrease/increase in the profit before tax of USD 1.9 million. The interest rate in the sale- & leaseback agreements for the three delivered VLCC vessels was fixed for the leasing period up until the refinancing in 2020.

#### Credit risk

HUNT only trades with recognized, creditworthy third parties. It is the Group's policy that all customers that wish to trade on credit terms are subject to credit verification procedures. All cash in the Group is deposited in the Norwegian bank DNB. Credit risk is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk.

#### Liquidity risk

HUNT monitors its liquidity on a regular basis and produces rolling liquidity forecasts on a monthly basis in order to identify liquidity requirements in future periods. The target for HUNT's management of liquidity risk is to minimum maintain a liquidity corresponding to its net liquidity requirements for 12 months. The interest-bearing debt is due in Q1 2023 and the Company has initiated refinancing discussions with its lenders, and expect to receive binding commitments during 2022. The cash position of Hunter Group at year end 2021 was USD 29.6 million, compared to USD 95.1 million in 2020.

The management will continue to focus on efficient operations, good planning and close monitoring of the liquidity situation and maintaining a clear business development strategy.

#### Climate risk

The Group assesses where climate risks could have a significant impact. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts. Compliance with climate regulations and other changes in laws, regulations and obligations relating to climate change could increase our costs related to acquiring new vessels, operating and maintaining our existing vessels and require us to install new emission controls, acquire allowances or pay taxes related to our greenhouse gas emissions or administer and manage a greenhouse gas emissions program.

## Notes to the consolidated financial statements 2021

### Note 13 - Financial instruments risk management objectives and policies cont.

The table below shows a maturity analysis for HUNT's total short-term liabilities:

<i>(Figures in USD 1 000)</i>	within	within	within
	3 months	3-9 months	9-12 months
<b>31.12.2021</b>			
Accounts payable	195	0	0
Public duties payables	68	0	0
Current portion of interest-bearing debt	3 375	6 750	3 375
Other short-term liabilities	892	178	0
	within	within	within
	3 months	3-9 months	9-12 months
<b>31.12.2020</b>			
Accounts payable	2 124	0	0
Public duties payables	68	0	0
Current portion of interest-bearing debt	4 151	8 302	4 151
Other short-term liabilities	1 139	56	0

Please see note 10 for the maturity analysis for long-term liabilities.

#### Capital management

HUNT's main objective for the management of its capital structure is to maximize value creation for shareholders, while at the same time maintaining a sound financial position and a good credit rating.

HUNT manages its capital structure and makes adjustments to it in light of changes in economic conditions.

<i>(Figures in USD 1 000)</i>	31.12.2021	31.12.2020
Long-term debt financial institutions	180 514	237 954
Short-term debt financial institutions	13 500	16 605
Trade and other payables	1 333	3 387
Bank deposits	-29 639	-95 146
<b>Net debt (asset)</b>	<b>165 708</b>	<b>162 800</b>
Equity	176 521	271 614
<b>Total capital</b>		
<b>Capital and net debt</b>	<b>342 229</b>	<b>434 414</b>
Gearing ratio	48,4 %	37,5 %
Equity ratio	47,5 %	51,3 %

As part of managing the capital structure, the Group monitors the covenant related to equity ratio of 30 %.

## Notes to the consolidated financial statements 2021

### Note 13 - Financial instruments risk management objectives and policies cont.

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments:

	Fair value measurement hierarchy	31.12.2021		31.12.2020	
		Carrying amount	Fair value	Carrying amount	Fair value
<i>(Figures in USD 1 000)</i>					
<b>Financial assets</b>					
Cash and cash equivalents	Level 1	29 639	29 639	95 146	95 146
Trade receivables	Level 3	5 513	5 513	5 416	5 416
Other short-term receivables	Level 3	3 878	3 878	1 539	1 539
<b>Financial liabilities</b>					
Other interest-bearing debt (long-term)	Level 3	180 514	180 514	237 954	237 954
Current interest-bearing loans and borrowings	Level 3	13 500	13 500	16 605	16 605
Trade payables	Level 3	195	195	2 124	2 124

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Group does not use hedge accounting. The sale- & leaseback debt entered into at the end of 2019 was refinanced in 2020. There has not occurred significant changes in the Group's credit rating or underlying interest rates after delivery of the vessels that indicates that the fair value deviates materially from the carrying value.

### Note 14 - Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties controlled by members of executive management of HUNT for the relevant financial year. The purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions.

Transactions with related parties <i>(figures in USD 1 000)</i>	2021	2020
Purchased services	76	91

The Group has used the services of the law firm Ro Sommernes DA for legal advice in 2020 and 2021. Ro Sommernes DA has invoiced the Company USD 38 thousand in 2020 and USD 14 in 2021. The Company's chairman Henrik Christensen is a partner in Ro Sommernes DA.

The Group renewed its renting of office space from Dronningen Eiendom AS in October 2021. The renewed rental agreement is for 36 months. One of the Company's shareholder is also a shareholder of Dronningen Eiendom AS.

In April 2021 Hunter Group entered into a sale & leaseback agreement for a handysize dry cargo vessel, which was sold to Apollo Asset Ltd. shortly thereafter with a gain of USD 0.1 million. Furthermore, Hunter Group has served as a manager for several other similar agreements where Apollo pays NOK 1,500 per hour and a fee of USD 5 thousand per transaction. Apollo Asset Ltd. is 100% owned by Mr. Arne Fredly, board member and largest shareholder of Hunter Group ASA.

## Notes to the consolidated financial statements 2021

### Note 15 - Revenue from contracts with customers

(Figures in USD 1 000)

Year	2021	2020
<b>Type of goods or services</b>		
Pool revenues	7 438	48 567
Time charter revenues	29 722	60 037
<b>Total revenues</b>	<b>37 160</b>	<b>108 605</b>

Pool revenues are day rates received from the pool Tankers International, and is considered earned per day. Time charter revenue is recognized straight-line over the lease term. The service component of time charter revenue, is recognized per day as the service is performed.

Future minimum lease payments in relation to non-cancellable operating leases of VLCCs where Hunter Tankers is a lessor relates to time charter revenue and amounts to USD 6.49 million within 2022.

Please see note 6 for contract assets as per 31.12.2020 and 31.12.2021.

### Note 16 - Specification of Vessel operating expenses and Other operating expenses

Vessel operating expenses primarily consists of crewing related costs, in addition to insurance costs and various spare parts.

#### Other operating expenses

(Figures in USD 1 000)

	2021	2020
Payroll expenses	1 151	962
IT and office-related expenses	75	15
Audit, audit-related services and accounting fees	301	222
Various legal fees	182	364
Insurance, car, travel, tonnage tax and other expenses	105	86
<b>Totalt</b>	<b>1 815</b>	<b>1 649</b>

## Notes to the consolidated financial statements 2021

### Note 17 - Finance income and finance expenses

This section provides additional information about individual line items of finance income and finance expense in the statement of profit or loss by type.

<i>Finance income (Figures in USD 1 000)</i>	2021	2020
Interest income related to cash, cash equivalents & other financial investments	4	270
Other financial income	105	0
Currency gain	0	235
<b>Total finance income</b>	<b>108</b>	<b>505</b>
<i>Finance expenses (Figures in USD 1 000)</i>	2021	2020
Interest expense related to debt to financial institutions	8 430	15 074
Other financial expenses	34	154
Currency losses	1 039	0
<b>Total finance expenses</b>	<b>9 503</b>	<b>15 228</b>
<b>Total finance income (loss)</b>	<b>-9 394</b>	<b>-14 723</b>

Interest income on cash & cash equivalents consist of earned interest on the Group's cash & cash equivalents placements.

### Note 18 - Income tax

<i>Income tax expense (Figures in USD 1 000)</i>	2021	2020
Payable tax	0	0
Changes in utilized tax asset	0	0
<b>Total tax expense</b>	<b>0</b>	<b>0</b>
<i>Calculation of basis for tax (Figures in USD 1 000)</i>	2021	2020
Earnings before tax	3 776	63 083
Permanent differences	-93	4
Currency adjustments due to NOK as tax basis	-10 341	-8
Adjustment related to shipping tax rules	6 830	-63 793
Changes in temporary differences	0	-4
Use of tax loss brought forward	-173	718
<b>Total basis for tax</b>	<b>0</b>	<b>0</b>
<i>Summary of temporary differences:</i>	2021	2020
Fixed assets	-23	-25
Loss carried forward	-38 186	-38 359
<b>Total</b>	<b>-38 209</b>	<b>-38 383</b>
<b>Calculated deferred tax asset (22 %)</b>	<b>-8 406</b>	<b>-8 444</b>

## Notes to the consolidated financial statements 2021

### Note 18 - Income tax cont.

#### Statement of financial position

Deferred tax asset (Figures in USD 1 000)	2021	2020
Loss carried forward	-8 401	-8 439
Fixed assets	-5	-5
<b>Total deferred tax asset</b>	<b>-8 406</b>	<b>-8 444</b>
Not recognized deferred tax asset	8 406	8 444
<b>Total deferred tax asset recognised in the statement of financial position</b>	<b>0</b>	<b>0</b>
<b>Loss carried forward as of 31 December</b>	<b>2021</b>	<b>2020</b>
Unlimited carrying forward	-38 186	-38 359
<b>Effective tax rate</b>	<b>2021</b>	<b>2020</b>
Profit / (loss) before tax	3 776	63 083
22% tax of earnings before tax	831	13 878
Permanent differences and other	-21	1
Currency effect due to NOK as tax basis	-2 275	-2
Adjustment related to shipping tax rules	1 503	-14 034
Changes in deferred tax asset not recognised in the statement of financial position and other	-38	157
<b>Calculated tax cost</b>	<b>0</b>	<b>0</b>
Effective tax rate	0 %	0 %

The tax loss brought forward is related to Norway, and there exist no restrictions of the possibility to bring forward these tax losses (no maturity date).

### Note 19 - Earnings per share

Earnings per share is calculated as net profit (loss) for the year attributable to equity holders of the Company divided by the weighted 'average number of shares outstanding over the year.

Diluted earnings per share is calculated as net profit (loss) for the year attributable to equity holders of the Company divided by the weighted average number of share outstanding over the year plus the weighted average number of dilutive potential shares. 1 750 000 options were awarded in 2020 and 2 000 000 were awarded in 2021.

(Amounts and shares in 1 000)	2021	2020
Net profit (loss)	3 776	63 083
Weighted average number of outstanding ordinary shares during the year	575 362	575 362
Treasury shares (held by the issuing entity itself)	-11 208	-7 691
Effect of dilution - warrants	560	0
Effect of dilution - share options	5	0
<b>Weighted average outstanding diluted shares</b>	<b>564 719</b>	<b>567 671</b>
<b>Earnings (loss) per share</b>	<b>2021</b>	<b>2020</b>
Earnings per share	0.01	0.11
Earnings per share diluted	0.01	0.11

## Notes to the consolidated financial statements 2021

### Note 20 - Payroll and related expenses

Payroll and related expenses (figures in USD 1 000)	2021	2020
Salaries and vacation pay	683	484
Social security tax	107	73
Pension expense ("OTP")	33	30
Employee share option program expense (incl. national insurance contributions)	285	339
Remuneration to the Board of Directors and the Nomination Committee	38	28
Other benefits	5	8
<b>Total payroll and related expenses</b>	<b>1 151</b>	<b>962</b>

	2021	2020
Average work years	3	3

#### Pension scheme

The Company has a defined contribution pension scheme that complies with the Norwegian occupational pension legislation (called "OTP"). The pension contributions range from 4 % 0 - 7.1 G to 7 % 7.1 -12 G of the employee's salary - maximized to a percentage of 12 G (NOK 1,276,788). The National Insurance scheme basic amount for 2021 is NOK 106,399. The retirement age for all employees, including the management, is 67 years.

The Group is obliged to have an occupational pension scheme pursuant to the Act on Occupational Pensions. The Group's pension plans meet the requirements of this Act.

	2021	2020
Contributions expensed during the year	33	30

#### Remuneration to management (amounts in USD)

The total remuneration for the members of the management was USD 364 thousand in 2021, compared to USD 310 thousand in 2020.

Total remuneration to management during the year ended 31 December	2021			2020		
	Salary	Other remuneration	Pension cost	Salary	Other remuneration	Pension cost
Erik Frydendal, (CEO)	209 528	166 311	10 952	188 449	244 849	6 750
Lars M. Brynildsrud (CFO)*	135 405	61 011	7 050	108 710	89 282	5 176

Executive management of HUNT consists of CEO and CFO.

## Notes to the consolidated financial statements 2021

### Note 20 - Payroll and related expenses cont.

Shares and options held directly or indirectly by the management group as of 31 December 2021 are as follows:

	Number of		Exercise price	
	shares	% shares	Options	(USD)
Lars M. Brynildsrud, CFO	15 400	0,00 %	1 250 000	0,35
Erik Frydendal, CEO	1 650 000	0,29 %	3 000 000	0,35
<b>Total</b>	<b>1 665 400</b>	<b>0</b>	<b>4 250 000</b>	<b>-</b>

Changes in share options held by the management group are as follows:

	Options of 1 January 2021	Options granted in the period	Options for- feited in the period	Options as of 31 December 2021
Lars M. Brynildsrud, CFO	750 000	500 000	0	1 250 000
Erik Frydendal, CEO	2 000 000	1 000 000	0	3 000 000
<b>Total</b>	<b>2 750 000</b>	<b>1 500 000</b>	<b>0</b>	<b>4 250 000</b>

In addition, it was granted 500 000 share options to Sujoy K. Seal in 2021. Sujoy K. Seal then holds 1 500 000 share options as per 31 December 2021.

See the section "Remuneration policy for members of executive management" for further information.

#### Remuneration to the Board of Directors and the Nomination Committee

The allocation of remuneration to the members of the Board and Nomination Committee is paid as follows in 2020 and 2021:

<i>(amounts in USD)</i>	2021	2020
Kristin Hellebust - Board member from April 2018	14 525	11 122
Henrik A. Christensen - Chairman of the Board from April 2018	21 788	16 682
<b>Total remuneration</b>	<b>36 313</b>	<b>27 804</b>

#### Employee share option program

The number of employees share options and average exercise prices for HUNT and development during the year:

	2021		2020	
	Share options	Weighted average exercise price	Share options	Weighted average exercise price
<b>Summary of outstanding options:</b>				
Balance at 1 January	3 750 000	-	2 000 000	-
Granted during the year	2 000 000	0,35	1 750 000	0,38
Cancelled during the year	0	-	0	-
Forfeited during the year	0	-	0	-
Balance at 31 December	5 750 000	-	3 750 000	-
Vested options	0	-	0	-
Weighted Average Fair Value of options granted during the period	5 750 000	-	3 750 000	-

## Notes to the consolidated financial statements 2021

### Note 20 - Payroll and related expenses cont.

Fair value of the options granted was measured using the Black-Scholes model. Measurement inputs included share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends, and the risk-free interest rate. At the end of 2021, the Company revised its estimates of the number of options that were expected to vest.

Mr. Fryndendal was through his controlled company Sagittarius Capital Ltd, granted 1,000,000 LTI Options, with a strike price per share equal to the closing price on 28 March 2019 (NOK 3.23). They have a 12 month vesting period on terms set out in the Company's LTI rules, as adopted by the Company's annual general meeting (AGM) as per 25 April 2019, with effect from the commencement date of employment. The expiration date is 25 April 2024, and has a volatility in the calculation of approximately 45 %.

Furthermore, Mr. Fryndendal was through his controlled company Sagittarius Capital Ltd, granted 1,000,000 LTI Options, with a strike price per share equal to the closing price on 30 April 2020 (NOK 3.95). They have a 12 month vesting period on terms set out in the Company's LTI rules, as adopted by the Company's annual general meeting (AGM) as per on 30 April 2020, with effect from 30 April 2020. The expiration date is 30 April 2026, and has a volatility in the calculation of approximately 44 %.

12 May 2021 Mr. Fryndendal was through his controlled company Sagittarius Capital Ltd, granted additional 1,000,000 LTI Options, with a strike price per share of NOK 3.00. They have a 12 month vesting period on terms set out in the Company's LTI rules. The expiration date is 12 May 2026, and has a volatility in the calculation of approximately 51 %.

Mr. Brynildsrud was 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. The expiration date is 12 August 2024, and has a volatility in the calculation of approximately 42 %.

Furthermore, Mr. Brynildsrud was granted 250,000 LTI Options, with a strike price per share equal to the closing price on 30 April 2020 (NOK 3.95), 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 30 April 2020, with effect from 30 April 2020. The expiration date is 30 April 2026, and has a volatility in the calculation of approximately 44 %.

12 May 2021 Mr. Brynildsrud was granted 500,000 LTI Options, with a strike price per share of NOK 3.00, and with a 12 month vesting period on terms set out in the Company's LTI rules. The expiration date is 12 May 2026, and has a volatility in the calculation of approximately 51 %.

#### **Implemented remuneration policy for members of executive management for 2021:**

The fixed salary for each member of the management shall be competitive and based on the individual's experience, responsibilities as well as the results achieved during the previous year. Salaries as well as other benefits shall be reviewed annually and adjusted as appropriate.

In addition to their base salary, the Company's management may be granted additional remuneration in the form of a bonus. The assessment criteria of such bonus will be based on both the Company's performance and the individual's performance. The targets to be reached by the CEO are to be determined by the Company's Board of Directors. The CEO will set relevant targets for the other members of the management, based on principles defined by HUNT's Board of Directors. No provision for bonus has been recognized for 2020 or 2021.

The Company's management will receive payment in kind such as cell phone expenses and payment of IT and telecommunication expenses.

The CEO and CFO have a 6-month notice period with salaries, where they retain options then granted.

## Notes to the consolidated financial statements 2021

### Note 20 - Payroll and related expenses cont.

#### Remuneration policy for members of executive management - Guidelines for 2022:

The main principle of the Company's remuneration policy for HUNT's management is to offer competitive terms in an overall perspective taking into account salary, payments in kind, bonuses, pension plans and other benefits, to retain key staff.

In addition to their base salary, the Company's management may be granted additional remuneration in the form of a bonus. The assessment criteria of such bonus will be based on both the Company's performance and the individual's performance. The targets to be reached by the CEO are to be determined by the Company's Board of Directors. The CEO will set relevant targets for the other members of the management, based on principles defined by HUNT's Board of Directors.

The Company's management will receive payment in kind such as cell phone expenses and payment of IT and telecommunication expenses.

#### Auditor's fee

The following table shows remuneration related to professional services rendered by the Company's principal auditor, Ernst & Young AS, for fiscal year 2021 and 2020. The amounts shown are exclusive of value added tax.

<i>(Amounts in USD 1 000)</i>	2021	2020
Audit fee	105	87
Assurance services	0	0
Other assistance	0	0
<b>Total</b>	<b>105</b>	<b>87</b>

### Note 21 - Share capital and shareholder information

Share capital as of 31 December 2021 was USD 82.6 million, being 575,362,013 ordinary shares at a nominal value of USD 0.144 each (NOK 1.25). All shares carry equal voting rights.

Number of ordinary shares	2021	2020
Ordinary shares issued at 1 January	575 362 013	575 362 013
Treasury shares (held by the issuing entity itself)	-11 208 404	-7 691 404
<b>Ordinary shares at 31 December</b>	<b>564 153 609</b>	<b>567 670 609</b>



obtain reasonable assurance that the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 23 March 2022  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Johan Lid Nordby  
State Authorised Public Accountant (Norway)

## Notes to the consolidated financial statements 2021

### Note 21 - Share capital and shareholder information cont.

The 20 largest shareholders held 60.7 % of the outstanding shares. As at 31 December 2021, the 20 largest shareholders were as follows:

Shareholders	Number of shares	% shares
1 Apollo Asset Limited	168 500 000	29,3 %
2 Sundt AS	40 310 829	7,0 %
3 Songa Capital AS	35 941 632	6,2 %
4 Swap Invest AS	15 613 718	2,7 %
5 BNP Paribas Securities Services	14 383 500	2,5 %
6 Hunter Group ASA	11 243 196	2,0 %
7 DnB Luxembourg S.A.	11 039 688	1,9 %
8 State Street Bank and Trust Comp	7 042 952	1,2 %
9 BNP Paribas	5 642 128	1,0 %
10 Nordnet Livsforsikring AS	4 930 543	0,9 %
11 Argentum Fondsinvesteringer AS	4 920 697	0,9 %
12 Stavanger Forvaltning AS	4 800 000	0,8 %
13 Surfside Holding AS	4 000 000	0,7 %
14 Cam AS	3 845 901	0,7 %
15 Caceis Bank Spain SA	3 376 479	0,6 %
16 Feen Marine AS	3 101 700	0,5 %
17 Barclays Capital Sec. Ltd firm	2 794 618	0,5 %
18 Nordnet Bank AB	2 715 519	0,5 %
19 Verdipapirfondet Storebrand Verdi	2 556 840	0,4 %
20 Ola Rustad AS	2 500 000	0,4 %
<b>Total shares for top 20 shareholders</b>	<b>349 259 940</b>	<b>60,70 %</b>
<b>Total shares for other shareholders</b>	<b>226 102 073</b>	<b>39,30 %</b>
<b>Total shares</b>	<b>575 362 013</b>	<b>100,0 %</b>

The following members of the Board of Directors and member of executive management held shares as of 31 December 2021:

	2021	2020
August AS (Henrik Christensen - Chairman)	750 000	400 000
Apollo Asset Ltd (Arne Fredly - Board member)	168 500 000	168 500 000
Lars Brynildsrud (CFO)	15 400	15 400
Sagittarius Capital Ltd (Erik Frydendal - CEO)	1 650 000	1 650 000
<b>Ordinary shares</b>	<b>170 915 400</b>	<b>170 565 400</b>
% of total shares	29,7 %	29,6 %

## Notes to the consolidated financial statements 2021

### Note 22 - Events after the reporting date

Entered into a 4+4 month time charter for Hunter Disen, which commenced on 27 January 2022. The first four month is for USD 18,000 per day, while the charterer has the option to extend for another four months as USD 25,000 per day.

Entered into a two 12-month index-based linked charters for Hunter Idun. Hunter Idun commenced on this charter on January 26th, immediately following the redelivery of the vessel from charterers to owners.

Entered into a 12-month index-based charter for Hunter Frigg. The charter will commence immediately upon completion of its current charter.

As of the date of this report, 93% of days in the first quarter of 2022 have been booked at an average estimated dayrate of USD 20,200.

- 84% of spot days booked at an avg. est. dayrate of USD 15,400
- Average Q1 TC dayrates of USD 23,900

The recent Ukraine-situation has affected the global economy. The Group is monitoring the development of the situation but is at the current not significantly exposed (receivables, the Pool, crew etc.). However, the indirect effects of the situation is difficult to estimate as of today.

## Statement of profit and loss - Hunter Group ASA

<i>(Figures in USD 1 000)</i>	Note	2021	2020
<b>Revenues</b>			
Revenues	10	945	1 494
<b>Total Revenues</b>		<b>945</b>	<b>1 494</b>
<b>Operating expenses</b>			
Depreciation and amortisation expense	2, 3	63	54
General and administrative expenses	11, 14	1 674	1 325
<b>Total operating expenses</b>		<b>1 737</b>	<b>1 379</b>
<b>Operating profit (loss)</b>		<b>-792</b>	<b>114</b>
<b>Net financial income (loss)</b>	12	<b>25</b>	<b>2 874</b>
<b>Profit (loss) before taxes</b>		<b>-767</b>	<b>2 989</b>
Tax on ordinary result	13	0	0
<b>Net profit (loss)</b>		<b>-767</b>	<b>2 989</b>

<i>(Figures in USD 1 000)</i>	2021	2020
<b>Total comprehensive income</b>		
Profit (loss) for the period	-767	2 989
Translation differences	0	0
<b>Comprehensive income for the period</b>	<b>-767</b>	<b>2 989</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the parent	-767	2 989
Non-controlling interest	0	0
<b>Total comprehensive income</b>	<b>-767</b>	<b>2 989</b>

## Statement of financial positions - Hunter Group ASA

<i>(Figures in USD 1 000)</i>	Note	31.12.2021	31.12.2020
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	2, 3	224	54
<b>Total tangible assets</b>		<b>224</b>	<b>54</b>
Investment in subsidiaries	2, 17	38 869	38 869
Long-term receivable subsidiaries	18	53 917	154 733
<b>Total financial long-term assets</b>		<b>92 785</b>	<b>193 601</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>93 009</b>	<b>193 655</b>
<b>CURRENT ASSETS</b>			
Other short-term receivables	4	29	63
<b>Total current receivables</b>		<b>29</b>	<b>63</b>
Cash and cash equivalents	5	6 934	5 663
<b>TOTAL CURRENT ASSETS</b>		<b>6 963</b>	<b>5 726</b>
<b>TOTAL ASSETS</b>		<b>99 972</b>	<b>199 381</b>
<b>(Figures in USD 1 000)</b>			
<b>EQUITY</b>			
Share capital	15	82 625	82 625
Own shares		-1 660	-1 121
Share premium		18 569	50 100
Other equity		0	1 039
<b>TOTAL EQUITY</b>		<b>99 534</b>	<b>132 644</b>
<b>LIABILITIES</b>			
Long-term liabilities (IFRS 16)	3	150	0
<b>Total non-current liabilities</b>		<b>150</b>	<b>0</b>
Trade creditors		59	34
Accrued public charges and indirect taxes		68	68
Short-term liabilities (IFRS 16)	3, 6	69	50
Other current liabilities	7, 19	93	66 585
<b>Total current liabilities</b>		<b>288</b>	<b>66 737</b>
<b>TOTAL LIABILITIES</b>		<b>439</b>	<b>66 737</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>99 972</b>	<b>199 381</b>

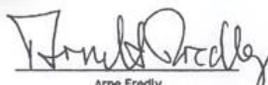
Oslo, 23 March 2022



Henrik A. Christensen  
Chairman of the board



Kristin Hellebust  
Board member



Arne Fredly  
Board member



Erik A. S. Frydendal  
CEO

## Statement of cash flows - Hunter Group ASA

<i>(Figures in USD 1 000)</i>	Note	2021	2020
Profit (loss) attributable to equity holders of the parent		-767	2 989
Depreciation		63	54
Financial income		-1 061	-2 689
Financial expenses		109	10
Change in accounts receivables and accounts payables		25	2
Change in other receivables and payables and other		345	404
<b>Net cash flow from operating activities</b>		<b>-1 287</b>	<b>771</b>
Change in long-term interest bearing receivable subsidiaries		100 816	2 722
<b>Net cash flow from investment activities</b>		<b>100 816</b>	<b>2 722</b>
Interest received	12	1 061	2 689
Interest paid	12	-109	-10
Installment leasing-debt (IFRS 16)	3	-57	-52
Purchase of own shares	Equity	-1 267	-3 010
Dividend paid	Equity	-97 888	0
<b>Net cash flow from financing activities</b>		<b>-98 259</b>	<b>-383</b>
<b>Total net changes in cash flow</b>		<b>1 270</b>	<b>3 109</b>
Currency effect on cash		0	0
Cash and cash equivalents beginning of period		5 663	2 554
<b>Cash and cash equivalents end of period</b>	5	<b>6 933</b>	<b>5 663</b>

## Statement of changes in equity - Hunter Group ASA

<i>(Figures in USD 1 000)</i>	Note	Share Capital	Own shares	Share premium	Currency transl. adj.	Retained earnings	Total equity
<b>Equity as of 01.01.2020</b>		82 625	0	118 519	-2 289	0	198 855
Net profit (loss)				0	0	2 989	2 989
Total comprehensive income 2020				<b>0</b>	<b>0</b>	<b>2 989</b>	<b>2 989</b>
Dividend payable (approved 1 February 2021)	19			-66 530	0	0	-66 530
Purchase of own shares			-1 121	-1 889	0	0	-3 010
Option plan payment				0	0	339	339
<b>Equity as of 31.12.2020</b>		<b>82 625</b>	<b>-1 121</b>	<b>50 100</b>	<b>-2 289</b>	<b>3 328</b>	<b>132 644</b>
Net profit (loss)				0	0	-767	-767
Total comprehensive income 2021				0	0	-767	<b>-767</b>
Dividends payable	19			-28 513	0	-2 845	-31 358
Purchase of own shares			-539	-728	0	0	-1 267
Option plan payment				0	0	285	285
<b>Equity as of 31.12.2021</b>		<b>82 625</b>	<b>-1 660</b>	<b>20 858</b>	<b>-2 289</b>	<b>0</b>	<b>99 534</b>

## Notes to the financial statements 2021 - Hunter Group ASA

### Note 1 - Accounting principles

Hunter Group ASA (HUNT) is the parent company of the Hunter Group, consisting of Hunter Group ASA and its subsidiaries Indicator AS and Hunter Tankers AS. Hunter Group ASA's main activities are shareholding in group companies and corporate functions.

The financial statements of Hunter Group ASA are prepared in accordance with simplified IFRS pursuant to the Norwegian Accounting Act § 3-9 and regulations regarding simplified application of IFRS issued by the Norwegian Ministry of Finance on 3 November 2014.

These parent company financial statements should be read in connection with the Consolidated financial statements of Hunter Group, published together with these financial statements. With the exceptions described below, Hunter Group ASA applies the accounting policies of the group, as described in Hunter Group's disclosure note 2 Significant Accounting Policies, and reference is made to the Hunter Group note for further details.

#### Subsidiaries

Shareholdings in subsidiaries are accounted for using the cost method. It is annually evaluated if there exist indicators for impairment.

#### Dividends and group contributions

Dividends will be reflected as Dividends payable within current liabilities. Group contributions to other entities within Hunter Group are reflected in the balance sheet as current liabilities within Liabilities to group companies. Under simplified IFRS the presentation of dividends payable and payable group contributions would differ from the presentation under full IFRS, as it would also include dividend and group contributions payable which at the date of the balance sheet would be subject to a future general assembly approval before distribution.

### Note 2 - Property, plant and equipment

The Company has recognized the following assets in the statement of financial position (including internal built-up assets such as development costs).

<i>(Figures in USD 1 000)</i>	Property, plant & equip. 2021	Property, plant & equip. 2020
Cost price at 1 January	10	10
Additions	10	0
Cost price at 31 December	21	10
Accumulated depreciations at 31 December	-14	-6
<b>Booked value at 31 December</b>	<b>5</b>	<b>3</b>
Depreciation	8	3
Impairment charges	0	0
Estimated useful life	3-5 years	3-5 years
Depreciation method	straight-line	straight-line

## Notes to the financial statements 2021 - Hunter Group ASA

### Note 3 - IFRS 16

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. The weighted average discount rate used to calculate the IFRS 16 opening balance lease liability was 5 %.

<i>(Figures in USD 1 000)</i>	2021	2020
Right of use assets 01.01	51	102
Additions	223	0
Depreciation	-55	-51
<b>Right of use assets 31.12</b>	<b>219</b>	<b>51</b>
Other interest-bearing debt 01.01	50	102
Additions	223	0
Installments	-55	-52
<b>Other interest-bearing debt 31.12</b>	<b>218</b>	<b>50</b>

Interest expense	4	5
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Remaining rental-payments as per 31.12	Less than 1 year	Between 2 - 5 years	More than 5 years	Total
Office rent 2021	80	0	0	80
Office rent 2020	53	0	0	53

### Note 4 - Other receivables

<i>(Figures in USD 1 000)</i>	2021	2020
Earned, not yet invoiced income	0	0
Prepaid expenses	29	63
<b>Total other receivables</b>	<b>29</b>	<b>63</b>

### Note 5 - Cash and cash equivalents

<i>(Figures in USD 1 000)</i>	2021	2020
Cash at bank	6 934	5 663
<b>Total cash at bank</b>	<b>6 934</b>	<b>5 663</b>
Restricted bank deposits for employee withholding taxes	39	39

## Notes to the financial statements 2021 - Hunter Group ASA

### Note 6 - Short-term liabilities

<i>(Figures in USD 1 000)</i>	2021	2020
Short-term liabilities (IFRS 16)	69	50
<b>Short-term liabilities (IFRS 16)</b>	<b>69</b>	<b>50</b>

### Note 7 - Other current liabilities

<i>(Figures in USD 1 000)</i>	2021	2020
Unpaid vacation pay	74	56
Dividend payable	0	66 530
Other accrued costs	19	0
<b>Total other short-term liabilities</b>	<b>93</b>	<b>66 585</b>

### Note 8 - Financial instruments risk management objectives and policies

HUNT is subject to market risks (foreign currency exchange risk and interest rate risk), credit risk and liquidity risk.

The Company's management oversees the management of these risks and assures that HUNT's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarized below.

#### Foreign currency risk

The Company's cash reserves of USD 6,934 thousand are deposited in the Norwegian bank DNB. The main transactions for the Company has been in USD. As commercial operations are in a large scale, a foreign currency exchange risk policy has been introduced.

#### Interest rate risk

The Company's financial income and financial costs in the statement of profit or loss are influenced by changes in interest rates as the interest on debit facility with DNB is on a floating basis. The Company had USD -109 thousand in interest expense and USD 1,061 thousand in interest income in 2021 whereof USD 3 thousand related to cash and cash equivalents and USD 1,058 thousand related to long-term interest-bearing receivable from subsidiaries.

#### Credit risk

HUNT only trades with recognized, creditworthy third parties. It is The Company's policy that all customers that wish to trade on credit terms are subject to credit verification procedures. All cash in the Company is deposited in the Norwegian bank DNB. Credit risk is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk.

#### Liquidity risk

HUNT monitors its liquidity on a regular basis, and produces rolling liquidity forecasts on a monthly basis in order to identify liquidity requirements in future periods. The target for HUNT's management of liquidity risk is to maintain a liquidity corresponding to its net liquidity requirements for 12 months. The cash position of HUNT at year end 2021 was USD 6,934 thousand, compared to USD 5,663 thousand in 2020.

## Notes to the financial statements 2021 - Hunter Group ASA

### Note 8 - Financial instruments risk management objectives and policies cont.

The management will continue to focus on efficient operations, good planning and close monitoring of the liquidity situation and maintaining a clear business development strategy.

The table below shows a maturity analysis for HUNT's total short-term liabilities:

	within 3 months	within 3-9 months	within 9-12 months
<b>2021 (figures in USD 1 000)</b>			
Accounts payable	59	0	0
Public duties payables	68	0	0
Other short-term liabilities (including dividend payable)	93	0	0
<b>2020 (figures in USD 1 000)</b>			
Accounts payable	34	0	0
Public duties payables	68	0	0
Other short-term liabilities (including dividend payable)	66 585	0	0

### Capital management

HUNT's main objective for the management of its capital structure is to maximize value creation for shareholders, while at the same time maintaining a sound financial position and a good credit rating.

HUNT manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares. No changes were made in the objectives policies or processes during the financial year.

Furthermore Hunter Group ASA has guaranteed for the continued operation of the wholly-owned subsidiary Indicator AS, which is an empty company with negligible debt to Hunter Group ASA. There is no external debt in Indicator AS as of 31 December 2021.

<i>(Figures in USD 1 000)</i>	2021	2020
Trade and other payables (including dividend payable)	220	66 687
Bank deposits	-6 934	-5 663
<b>Net debt</b>	<b>-6 714</b>	<b>61 024</b>
<b>Equity</b>	<b>99 534</b>	<b>132 644</b>
<b>Capital and net debt</b>	<b>92 820</b>	<b>193 668</b>
Gearing ratio	-7,2 %	31,5 %
Equity ratio	99,6 %	66,5 %

## Notes to the financial statements 2021 - Hunter Group ASA

### Note 8 - Financial instruments risk management objectives and policies cont.

	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets (figures in USD 1 000)</b>				
Cash and cash equivalents	6 934	6 934	5 663	5 663
Current receivables	29	29	63	63

	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities (figures in USD 1 000)</b>				
Long-term debt financial institutions	0	0	0	0
Short-term debt financial institutions	69	69	50	50
Trade and other payables	220	220	66 687	66 687

### Note 9 - Transactions with related parties

Please see note 18 below, and note 14 in the consolidated financial statements for further information. Interest income related to the interest-bearing loan to the subsidiary Hunter Tankers AS was USD 1,058 thousand in 2021 and USD 2,672 thousand in 2020. Furthermore Hunter Group ASA invoiced Hunter Tankers USD 470 thousand in 2020 for the follow-up of the VLCC shipbuilding contracts (no fees in 2021), and USD 665 thousand for management services in 2021 (1,024 in 2020).

### Note 10 - Revenue

<i>Type of goods or service (figures in USD 1 000)</i>	2021	2020
Follow-up VLCC contracts	0	470
Other income	945	1 024
<b>Total revenues</b>	<b>945</b>	<b>1 494</b>

<i>Geographical market (figures in USD 1 000)</i>	2021	2020
Sales in Norway	945	1 024
Sales abroad	0	470
<b>Total revenues</b>	<b>945</b>	<b>1 494</b>

<i>Timing of revenue recognition</i>	2021	2020
Goods transferred at a point in time	0	0
Services transferred over time	945	1 494
<b>Total revenues</b>	<b>945</b>	<b>1 494</b>

## Notes to the financial statements 2021 - Hunter Group ASA

### Note 11 - Other operating expenses

<i>(Figures in USD 1 000)</i>	2021	2020
Payroll expenses	1 151	962
IT and office-related expenses	75	8
Audit, audit-related services and accounting fees	158	158
Various legal fees	230	99
Insurance, car, travel and other expenses	60	98
<b>Total</b>	<b>1 674</b>	<b>1 325</b>

### Note 12 - Finance income and finance expenses

This section provides additional information about individual line items of finance income and finance expense in the statement of profit and loss by type.

<i>Finance income (figures in USD 1 000)</i>	2021	2020
Interest income	1 061	2 689
Other financial income	101	0
Currency gain	0	210
<b>Total finance income</b>	<b>1 163</b>	<b>2 898</b>

<i>Finance expenses (figures in USD 1 000)</i>	2021	2020
Interest expense related to debt to financial institutions	-109	-10
Other financial expenses	-29	-3
Currency losses	-1 001	-11
<b>Total finance expenses</b>	<b>-1 138</b>	<b>-24</b>
<b>Total finance income (loss)</b>	<b>25</b>	<b>2 874</b>

TUSD 1,057 of interest income in 2021 relates to an internal loan to Hunter Tankers AS.

### Note 13 - Income tax

<i>Income tax expense (figures in USD 1 000)</i>	2021	2020
Payable tax	0	0
Change in utilized tax asset	0	0
<b>Total tax expense</b>	<b>0</b>	<b>0</b>

## Notes to the financial statements 2021 - Hunter Group ASA

### Note 13 - Income tax cont.

Calculation of basis for tax	2021	2020
Earnings before tax	-767	2 989
Permanent differences	-93	4
Currency adjustments due to NOK as tax basis	-2 220	-144
Changes in temporary differences	0	-4
Use of tax loss brought forward	3 081	-2 845
<b>Total basis for tax</b>	<b>0</b>	<b>0</b>

Summary of temporary differences:	2021	2020
Fixed assets	-23	-25
Accruals	0	0
Loss carried forward	-33 131	-34 834
<b>Total</b>	<b>-33 154</b>	<b>-34 859</b>

Calculated deferred tax asset (22 %)	-7 294	-7 669
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#### Statement of financial position

Deferred tax asset (figures in USD 1 000)	2021	2020
Loss carried forward	-7 289	-7 663
Accruals	0	0
Fixed assets	-5	-5
<b>Total deferred tax asset</b>	<b>-7 294</b>	<b>-7 669</b>

Not recognized deferred tax asset	7 294	7 669
<b>Total deferred tax asset recognised in the statement of financial position</b>	<b>0</b>	<b>0</b>

The company has not recognized a deferred tax asset in the statement of financial position for 2021 and 2020 as the Company has limited taxable income stemming from intercompany interest from loans that will be reduced in connection with sale of VLCC vessel in Hunter Tankers AS..

Loss carried forward as of 31 December	2021	2020
Unlimited carrying forward	33 131	34 834

## Notes to the financial statements 2021 - Hunter Group ASA

### Note 13 - Income tax cont.

Effective tax rate	2021	2020
Profit / (loss) before tax	-767	2 989
22% tax of earnings before tax	-169	658
Permanent differences and other	-21	1
Changes in deferred tax asset not recognised in the statement of financial position	678	-627
Currency effect due to NOK as tax basis	-488	-32
Calculated tax cost	0	0
Effective tax rate	0 %	0 %

### Note 14 - Payroll and related expenses

Payroll and related expenses (figures in USD 1 000)	2021	2020
Salaries and vacation pay	683	484
Social security tax	107	73
Pension expense ("OTP")	33	30
Employee share option program expense (incl. national insurance contributions)	285	339
Other benefits	43	36
<b>Total payroll an related expenses</b>	<b>1 151</b>	<b>962</b>

	2021	2020
Number of employees (average work years)	3	3

### Pension scheme

The Company has a defined contribution pension scheme that complies with the Norwegian occupational pension legislation (called "OTP"). The pension contributions range from 4 % 0 - 7.1 G to 7 % 7.1 -12 G of the employee's salary - maximized to a percentage of 12 G (NOK 1,276,788). The National Insurance scheme basic amount for 2021 is NOK 106,399. The retirement age for all employees, including the management, is 67 years.

(Figures in USD 1 000)	2021	2020
Contributions expensed during the year	33	30

Please refer to note 20 in the consolidated financial statements for further information about remuneration and option program for the management and board of directors.

## Notes to the financial statements 2021 - Hunter Group ASA

### Auditor's fee

The following table shows remuneration related to professional services rendered by the Company's principal auditor, EY, for fiscal year 2021 and 2020. The amounts shown are exclusive of value added tax.

<i>(Figures in USD 1 000)</i>	2021	2020
Audit fee	101	84
Assurance services	0	0
Other assistance	0	0
<b>Total</b>	<b>101</b>	<b>84</b>

### Note 15 - Share capital and shareholder information

Please see note 21 in the consolidated financial statements.

### Note 16 - Provisions, commitments and contingent liabilities/assets

There do not exist any material provisions or contingent liabilities/assets for Hunter Group ASA.

### Note 17 - Investment in subsidiaries

<i>(Figures in USD 1000)</i>			Voting		Book value	Equity at	Net
Company	Location	Share	rights	Cost	31.12.2021	31.12.2021	income 2021
Indicator AS	Stavanger	100 %	100 %	91	0	-37	-2
Hunter Tankers AS	Oslo	100 %	100 %	38 869	38 869	131 587	-7 958

### Note 18 - Intercompany receivables/payables

<i>Receivables (figures in USD 1 000)</i>	2021	2020
Long-term receivable subsidiaries	53 917	154 733
Short-term receivable subsidiaries	0	0

<i>Payables (figures in USD 1 000)</i>	2021	2020
Other current liabilities subsidiaries	0	0

## Notes to the financial statements 2021 - Hunter Group ASA

### Note 19 - Events after the reporting date

Entered into a 4+4 month time charter for Hunter Disen, which commenced on 27 January 2022. The first four months is for USD 18,000 per day, while the charterer has the option to extend for another four months as USD 25,000 per day.

Entered into a two 12-month index-based linked charters for Hunter Idun. Hunter Idun commenced on this charter on January 26th, immediately following the redelivery of the vessel from charterers to owners.

Entered into a 12-month index-based charter for Hunter Frigg. The charter will commence immediately upon completion of its current charter.

As of the date of this report, 93% of days in the first quarter of 2022 have been booked at an average estimated dayrate of USD 20,200.

- 84% of spot days booked at an avg. est. dayrate of USD 15,400
- Average Q1 TC dayrates of USD 23,900

The recent Ukraine-situation has affected the global economy. The Group is monitoring the development of the situation but is at the current not significantly exposed (receivables, the Pool, crew etc.). However, the indirect effects of the situation is difficult to estimate as of today.

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Hunter Group ASA

# Report on the audit of the financial statements

## Opinion

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We have audited the financial statements of Hunter Group ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2021 and the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as at 31 December 2021, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

## Basis for opinion

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We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 19 years from incorporation on 20 June 2003 for the accounting year 2003.

## Key audit matters

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Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2021. These matters were addressed in the context of our audit of the

financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

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## Accounting estimates related to vessels

### *Basis for the key audit matter*

As per 31 December 2021, the Group owned 4 VLCC vessels. Spot market conditions are volatile and have been weak during 2021, and as a result, management identified impairment indicators related to the vessels and tested recoverable amounts for the vessels. The impairment evaluation of vessels is dependent on estimates and assumptions regarding future day rates, vessel utilization, operating expenses, capital expenditures, useful lives, risk of assets becoming stranded and discount rate. Considering the extent of estimates and assumptions applied in the impairment evaluation, and management's involvement and judgment in establishing them, we assess impairment of vessels as a key audit matter.

The Group recognized an impairment of nil in the 2021 consolidated financial statements.

### *Our audit response*

We performed an evaluation of revenue and utilization assumptions in the cash flows estimated by management through comparison towards the Company's historical data and data from independent market analyst's sector reports. We compared operating expenditures to approved budgets and historical data. Furthermore, we compared the risk premiums used in the weighted average cost of capital with external data and considered management's adjustments for company specific factors. We considered the accuracy of management's prior year assumptions and evaluated the level of consistency applied in the valuation methodology from previous years. We obtained broker estimates and compared those to carrying value of the vessels. We also tested the mathematical accuracy of the valuation model and performed sensitivity analysis of the assumptions.

We refer to the Group's disclosures included in note 1 Significant accounting principles and note 4 Property, plant and equipment in the consolidated financial statements about accounting estimates related to vessels.

## Other information

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Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or

that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

## **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirement

### Report on compliance with regulation on European Single Electronic Format (ESEF)

#### *Opinion*

As part of our audit of the financial statements of Hunter Group ASA we have performed an assurance engagement to obtain reasonable assurance whether the financial statements included in the annual report, with the file name 5967007LIEEXZXHLAW34-2021-12-31-en, has been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation given with legal basis in Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements included in the annual report have been prepared, in all material respects, in compliance with the ESEF Regulation.

#### *Management's responsibilities*

Management is responsible for the preparation of an annual report and iXBRL tagging of the consolidated financial statements that complies with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary to enable the preparation of an annual report and iXBRL tagging of the consolidated financial statements that is compliant with the ESEF Regulation.

#### *Auditor's responsibilities*

Our responsibility is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to



obtain reasonable assurance that the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 23 March 2022  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Johan Lid Nordby  
State Authorised Public Accountant (Norway)

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