



HAFNIA LIMITED  
INVESTOR PRESENTATION  
Q2 2022

26 August 2022

## DISCLAIMER – Safe Harbor Message

IMPORTANT: YOU MUST READ THE FOLLOWING BEFORE CONTINUING. THE FOLLOWING APPLIES TO THIS DOCUMENT, THE ORAL PRESENTATION OF THE INFORMATION IN THIS DOCUMENT BY HAFNIA LIMITED (THE "COMPANY") OR ANY PERSON ON BEHALF OF THE COMPANY, AND ANY QUESTION-AND-ANSWER SESSION THAT FOLLOWS THE ORAL PRESENTATION (COLLECTIVELY, THE "INFORMATION"). IN ACCESSING THE INFORMATION, YOU AGREE TO BE BOUND BY THE FOLLOWING TERMS AND CONDITIONS.

THIS DOCUMENT HAS BEEN PRODUCED SOLELY FOR INFORMATION PURPOSES. THE INFORMATION DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS AN OFFER OR THE SOLICITATION OF AN OFFER TO SUBSCRIBE FOR OR PURCHASE SECURITIES OF THE COMPANY, AND NOTHING CONTAINED THEREIN SHALL FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER, NOR DOES IT CONSTITUTE A RECOMMENDATION REGARDING SUCH SECURITIES. ANY SECURITIES OF THE COMPANY MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE SUCH A REGISTRATION WOULD BE REQUIRED UNLESS SO REGISTERED, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR OTHER APPLICABLE LAWS AND REGULATIONS IS AVAILABLE. THE INFORMATION IS NOT DIRECTED TO, OR INTENDED FOR DISTRIBUTION TO OR USE BY, ANY PERSON OR ENTITY THAT IS A CITIZEN OR RESIDENT OF, OR LOCATED IN, ANY LOCALITY, STATE, COUNTRY OR OTHER JURISDICTION WHERE SUCH DISTRIBUTION OR USE WOULD BE CONTRARY TO LAW OR REGULATION OR WHICH WOULD REQUIRE ANY REGISTRATION OR LICENSING WITHIN SUCH JURISDICTION. THE INFORMATION IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION IN ANY JURISDICTION IN WHICH OFFERS OR SALES WOULD BE PROHIBITED BY APPLICABLE LAW.

THE INFORMATION CONTAINS FORWARD-LOOKING STATEMENTS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS INCLUDED IN THE INFORMATION ARE FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS GIVE THE COMPANY'S CURRENT BELIEFS, INTENTIONS, EXPECTATIONS AND PROJECTIONS RELATING TO ITS FINANCIAL CONDITION, RESULTS OF OPERATIONS, LIQUIDITY, PROSPECTS, GROWTH, PLANS AND STRATEGIES. THESE STATEMENTS MAY INCLUDE, WITHOUT LIMITATION, ANY STATEMENTS PRECEDED BY, FOLLOWED BY OR INCLUDING WORDS SUCH AS "TARGETS", "BELIEVES", "CONTINUES", "EXPECTS", "AIMS", "INTENDS", "MAY", "ANTICIPATES", "ESTIMATES", "PLANS", "PROJECTS", "WILL", "CAN HAVE", "LIKELY", "GOING FORWARD", "SHOULD", "WOULD", "COULD" AND OTHER WORDS AND TERMS OF SIMILAR MEANING OR THE NEGATIVE THEREOF. THE FORWARD-LOOKING STATEMENTS ARE BASED UPON VARIOUS ASSUMPTIONS, MANY OF WHICH ARE BASED, IN TURN, UPON FURTHER ASSUMPTIONS, INCLUDING WITHOUT LIMITATION, MANAGEMENT'S EXAMINATION OF HISTORICAL OPERATING TRENDS, DATA CONTAINED IN THE COMPANY'S RECORDS AND DATA AVAILABLE FROM THIRD PARTIES. ALTHOUGH THE COMPANY BELIEVES THAT THESE ASSUMPTIONS WERE REASONABLE WHEN MADE, THESE ASSUMPTIONS ARE INHERENTLY SUBJECT TO SIGNIFICANT KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, CONTINGENCIES AND OTHER IMPORTANT FACTORS WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT AND ARE BEYOND ITS CONTROL AND THAT COULD CAUSE THE COMPANY'S ACTUAL FINANCIAL CONDITION, RESULTS OF OPERATIONS, LIQUIDITY, PROSPECTS, GROWTH, PLANS AND STRATEGIES TO BE MATERIALLY DIFFERENT FROM THE FINANCIAL CONDITION, RESULTS OF OPERATIONS, LIQUIDITY, PROSPECTS, GROWTH, PLANS AND STRATEGIES EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS.

NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AS TO, AND NO RELIANCE SHOULD BE PLACED ON, THE FAIRNESS, ACCURACY, COMPLETENESS OR CORRECTNESS OF THE INFORMATION OR THE OPINIONS CONTAINED THEREIN. NEITHER THE COMPANY NOR ANY OF ITS AFFILIATES OR REPRESENTATIVES SHALL HAVE ANY RESPONSIBILITY OR LIABILITY WHATSOEVER (FOR NEGLIGENCE OR OTHERWISE) FOR ANY LOSS WHATSOEVER AND HOWSOEVER ARISING FROM ANY USE OF THE INFORMATION. THE INFORMATION HAS NOT BEEN INDEPENDENTLY VERIFIED AND WILL NOT BE UPDATED. THE INFORMATION, INCLUDING BUT NOT LIMITED TO FORWARD-LOOKING STATEMENTS, APPLIES ONLY AS OF THE DATE OF THIS DOCUMENT AND IS NOT INTENDED TO GIVE ANY ASSURANCES AS TO FUTURE RESULTS OR ACHIEVEMENTS. THE COMPANY EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO DISSEMINATE ANY UPDATES OR REVISIONS TO THE INFORMATION, INCLUDING ANY FINANCIAL DATA OR FORWARD-LOOKING STATEMENTS, AND WILL NOT PUBLICLY RELEASE ANY REVISIONS IT MAY MAKE TO THE INFORMATION THAT MAY RESULT FROM ANY CHANGE IN THE COMPANY'S EXPECTATIONS, ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH THESE FORWARD-LOOKING STATEMENTS ARE BASED, OR OTHER EVENTS OR CIRCUMSTANCES ARISING AFTER THE DATE OF THIS DOCUMENT.

THE INFORMATION IS NOT TO BE CONSTRUED AS LEGAL, BUSINESS, INVESTMENT OR TAX ADVICE. EACH RECIPIENT SHOULD CONSULT ITS OWN LEGAL, BUSINESS, INVESTMENT OR TAX ADVISER AS TO LEGAL, BUSINESS, INVESTMENT OR TAX ADVICE. BY ACCESSING THE INFORMATION YOU ACKNOWLEDGE THAT YOU WILL BE SOLELY RESPONSIBLE FOR YOUR OWN ASSESSMENT OF THE MARKET AND THE MARKET POSITION OF THE COMPANY AND THAT YOU WILL CONDUCT YOUR OWN ANALYSIS AND BE SOLELY RESPONSIBLE FOR FORMING YOUR OWN VIEW ON THE POTENTIAL FUTURE PERFORMANCE OF THE COMPANY.

THIS DOCUMENT CONTAINS STATISTICS, DATA, STATEMENTS AND OTHER INFORMATION RELATING TO THE GROUP'S MARKETS AND THE INDUSTRY IN WHICH IT OPERATES. WHERE SUCH INFORMATION HAS BEEN DERIVED FROM THIRD-PARTY SOURCES, SUCH SOURCES HAVE BEEN IDENTIFIED HEREIN. IN ADDITION, THE COMPANY HAS BEEN NAMED AS A SOURCE FOR CERTAIN MARKET AND INDUSTRY STATEMENTS INCLUDED IN THIS DOCUMENT. SUCH "COMPANY INFORMATION" REFLECTS THE COMPANY'S VIEWS BASED ON ONE OR MORE SOURCES AVAILABLE TO IT (SOME OF WHICH ARE NOT PUBLICLY AVAILABLE, BUT CAN BE OBTAINED AGAINST PAYMENT), INCLUDING DATA COMPILED BY PROFESSIONAL ORGANISATIONS, CONSULTANTS AND ANALYSTS AND INFORMATION OTHERWISE OBTAINED FROM OTHER THIRD PARTY SOURCES.

# AGENDA

Q2 2022 Overview

Financial Summary

Industry Review & Outlook

Conclusion



# INTRODUCTION TO HAFNIA

*Fully integrated shipping platform with 100% alignment of interests and no fee leakage*



## Hafnia's Q2 2022 in Numbers

# Vessels  
Owned<sup>1</sup>  
**142x**

NAV  
**USD ~2.2b**  
*(equivalent to ~NOK43/share)*

Average broker  
value<sup>2</sup>  
**USD ~3.5b**

Vessels average  
age<sup>3</sup>  
**7.7 years**

Stock exchange  
**NOK 43.85**  
*(as of 19 August 2022)*  
**(HAFNI:Oslo)**

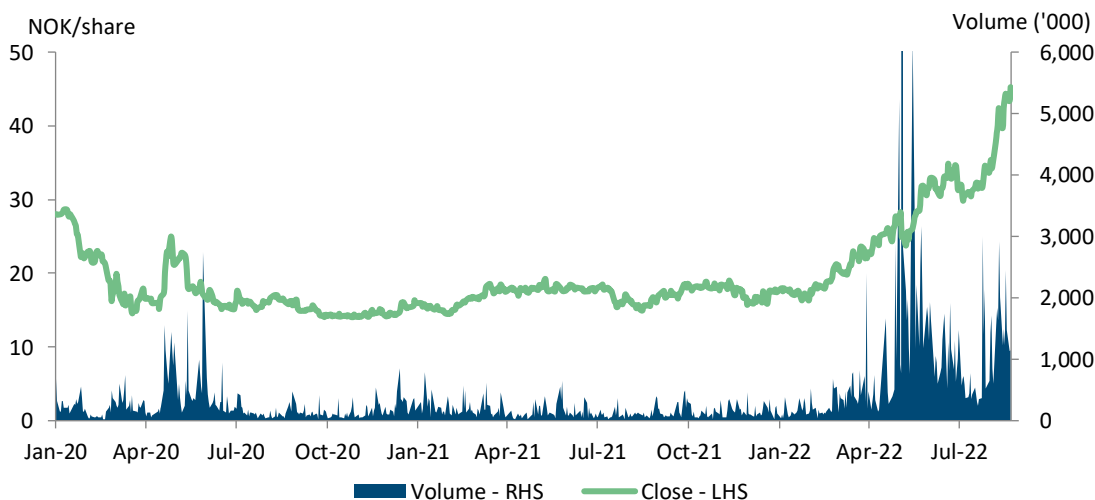
<sup>1</sup>As of 30 June 2022, Including chartered-in fleet, six LR1s owned through 50% ownership in Vista Joint Venture, two MRs owned through 50% ownership in the Andromeda Joint Venture and eight Chemical - Stainless vessels which are classified as assets held for sale

<sup>2</sup>Including six LR1s owned through 50% ownership in Vista Joint Venture, two MRs owned through 50% ownership in the Andromeda Joint Venture but excluding eight Chemical - Stainless vessels, one LR1 vessel and one MR vessel which are classified as assets held for sale

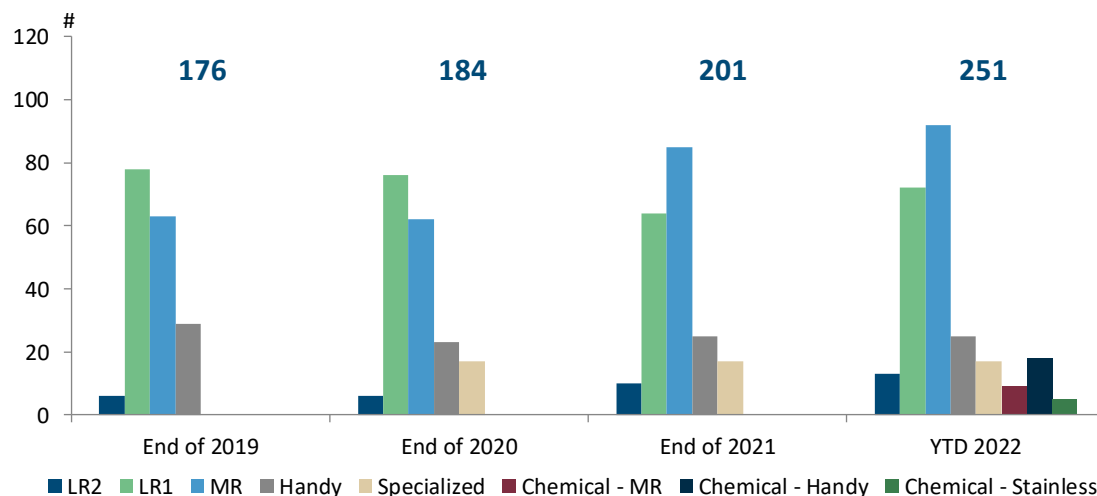
<sup>3</sup>Hafnia's owned vessels as of 30 June 2022, excluding chartered-in fleet and eight Chemical - Stainless vessels, one LR1 vessel and one MR vessel which are classified as assets held for sale

# WORLD'S LEADING PRODUCT AND CHEMICAL TANKER COMPANY

## Share Price Performance



## Commercially Managed Vessels



## M&A AND JOINT VENTURES

- Vista joint venture
- Andromeda joint venture
- Acquisition of CTI
- Acquisition of 12 LR1s from Scorpio



## FLEET GROWTH

- Commercially managed fleet has grown 43% since start of 2020
- Annualised pool & bunker income of ~USD 38m from Q2 2022



## INCREASED SYNERGIES

- Growth in scale enabled unlocking of operational synergies and new trading opportunities



## LOWERED FINANCING COST

- Acquisitions have greatly increased Hafnia's overall leverage
- Constant refinancing and capital raise has helped optimise debt structure and de-lever the balance sheet



## CONSISTENT DIVIDEND PAYOUT

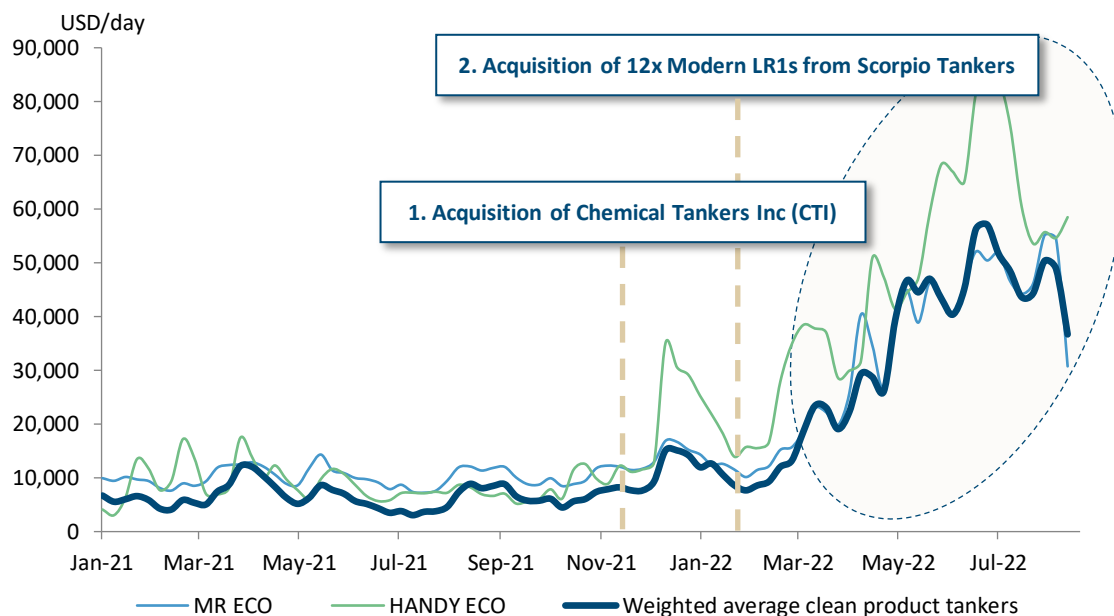
- Consistently paid out 50% of net profit
- Total shareholder return<sup>1</sup> of 177% since start of 2021 (146% since start of 2022)

<sup>1</sup> Based on share price close on 19 August 2022

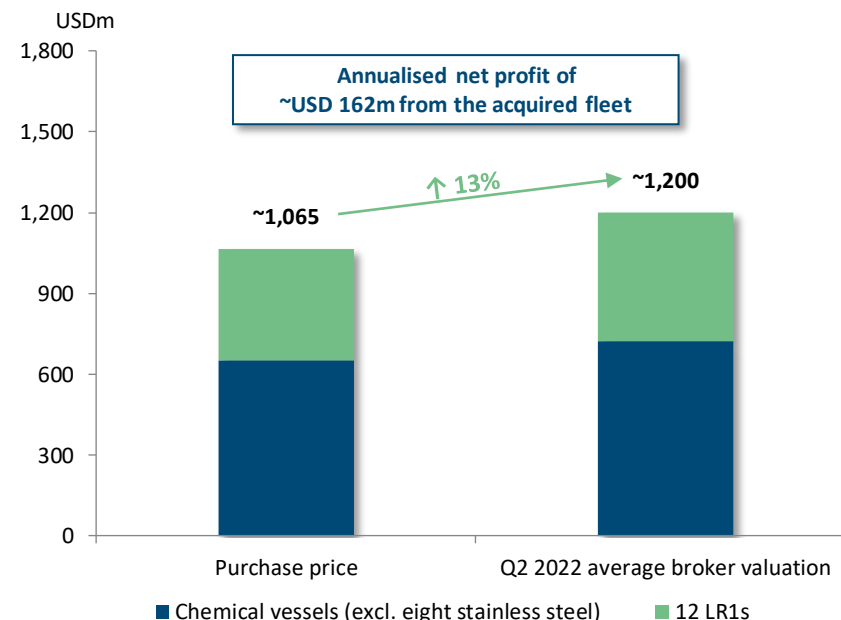
# IMPECCABLE TIMING OF ACQUISITIONS

*Subdued market environment in 2021 created strategic opportunities to future-proof business*

## Increase in Freight Rates Post Acquisitions



## Increase in Acquired Vessels Value



- In 2021, Hafnia has taken advantage of the subdued market environment to future-proof the business robustly through two strategic acquisitions, adding **44 vessels<sup>1</sup>** and **~13,000 trading days** to the fleet for 2022.
- Since the acquisitions, increased oil demand and dislocation of supply has led to a great increase in freight rates across all segments. The chemical fleet has close to 90% spot market exposure and benefits significantly from Hafnia's ability to trade CPP. Hafnia is hence able to take full advantage of this increased rates and continued upturn in the product tanker market, signalling strong earnings potential for upcoming periods.
- Net profit from the acquired chemical tankers for Q2 2022 amounted to **USD 19.4m** while net profit from the 12 LR1s amounted to **USD 21.3m**.
- Fleet values of the acquired fleet have also increased **13%** since the acquisition, based on average estimated broker values at the end of Q2 2022. The chemical fleet, excluding the eight chemical-stainless vessels, have increased by **~USD 72m** while the 12 LR1s have increased by **~USD 64m**.

Sources: Hafnia, Clarksons Shipping Intelligence

Rates: Clarksons Shipping Intelligence long term average sector earnings

<sup>1</sup> Including eight Chemical - Stainless vessels which have been sold and classified as assets held for sale

# AGENDA

Q2 2022 Overview

Financial Summary

Industry Review & Outlook

Conclusion



# Q2 & 1H 2022 FINANCIAL HIGHLIGHTS

## TCE Income

1H 2022

**USD 511.7M**

↑ **154%** from USD 201.6M (1H 2021)

Q2 2022

**USD 348.3M**

↑ **243%** from USD 101.7M (Q2 2021)

## EBITDA

1H 2022

**USD 345.0M**

↑ **360%** from USD 75.0M (1H 2021)

Q2 2022

**USD 257.5M**

↑ **579%** from USD 37.9M (Q2 2021)

## Pool and Bunker Income

1H 2022

**USD 15.4M**

↑ **66%** from USD 9.3M (1H 2021)

Q2 2022

**USD 9.4M**

↑ **97%** from USD 4.8M (Q2 2021)

## Net Income

1H 2022

**USD 207.5M**

↑ from USD -26.9M (1H 2021)

Q2 2022

**USD 186.2M**

↑ from USD -11.2M (Q2 2021)

## Basic Earnings per Share

1H 2022

**USD 0.46**

↑ from USD -0.07 (1H 2021)

Q2 2022

**USD 0.41**

↑ from USD -0.03 (Q2 2021)

## Return on Equity

1H 2022

**ROE 29.8%**

↑ from -4.7% (1H 2021)

Q2 2022

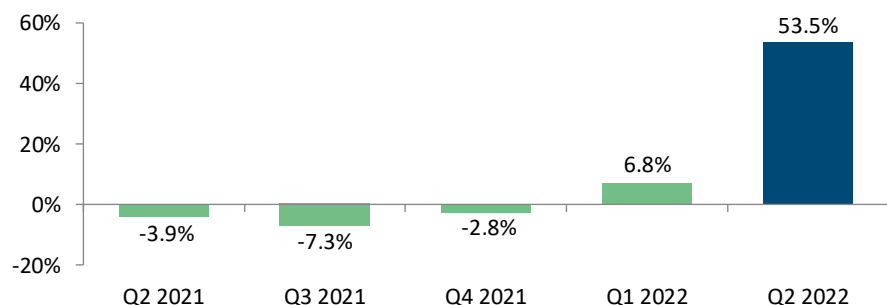
**ROE 53.5%**

↑ from -3.9% (Q2 2021)

# Q2 & 1H 2022 FINANCIAL SUMMARY

| Income Statement<br>USDm                                | Q2 2021       | 1H 2021       | Q2 2022      | 1H 2022      |
|---------------------------------------------------------|---------------|---------------|--------------|--------------|
| <b>TCE income</b>                                       | <b>101.7</b>  | <b>201.6</b>  | <b>348.3</b> | <b>511.7</b> |
| Other operating income                                  | 5.4           | 10.0          | 8.5          | 14.5         |
| Vessel operating expenses                               | (53.4)        | (102.7)       | (77.0)       | (139.3)      |
| Charter hire expenses                                   | (5.2)         | (10.2)        | (8.6)        | (17.6)       |
| General and administrative expenses                     | (10.6)        | (23.7)        | (13.7)       | (24.3)       |
| <b>EBITDA</b>                                           | <b>37.9</b>   | <b>75.0</b>   | <b>257.5</b> | <b>345.0</b> |
| Depreciation and amortisation charges                   | (38.8)        | (77.6)        | (53.0)       | (102.0)      |
| Gain/(loss) on disposal of vessel                       | -             | (0.4)         | 2.5          | 0.6          |
| <b>EBIT</b>                                             | <b>(0.9)</b>  | <b>(3.1)</b>  | <b>206.9</b> | <b>243.6</b> |
| Net financial expense                                   | (9.0)         | (21.7)        | (24.8)       | (40.5)       |
| Share of profit/(loss) from associate and joint venture | (0.6)         | (0.9)         | 7.2          | 8.3          |
| <b>Profit/(loss) before income tax</b>                  | <b>(10.6)</b> | <b>(25.7)</b> | <b>189.4</b> | <b>211.4</b> |
| Income tax                                              | (0.6)         | (1.1)         | (3.2)        | (3.9)        |
| <b>Profit/(loss) after income tax</b>                   | <b>(11.2)</b> | <b>(26.9)</b> | <b>186.2</b> | <b>207.5</b> |

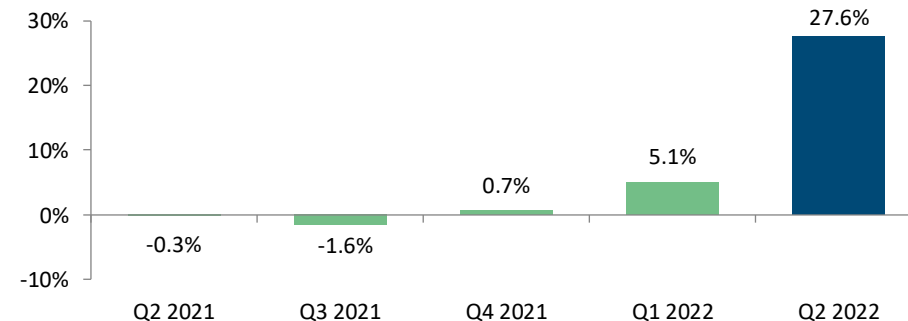
Return on equity (annualised)



| Dividend overview                  | Q1 2022          | Q2 2022           |
|------------------------------------|------------------|-------------------|
| Net profit                         | USD 21.3m        | USD 186.2m        |
| Payout ratio - %                   | 49.3%            | 50.0%             |
| Total dividend                     | USD 10.5m        | USD 93.1m         |
| <b>Dividend per ordinary share</b> | <b>USD 0.021</b> | <b>USD 0.1862</b> |

| Balance Sheet Items<br>USDm | Q4 2021 | Q1 2022 | Q2 2022 |
|-----------------------------|---------|---------|---------|
| Total assets                | 2,511   | 3,715   | 4,066   |
| Cash and cash equivalents   | 100.1   | 74.0    | 87.5    |
| Total liabilities           | 1,399   | 2,332   | 2,392   |
| Total equity                | 1,112   | 1,384   | 1,674   |
| Gross debt                  | 1,331   | 2,011   | 2,058   |
| Net LTV <sup>1</sup> - %    | 57.0    | 64.0    | 55.7    |

Return on invested capital<sup>2</sup> (annualised)



<sup>1</sup> LTV ratio is calculated as borrowings on the vessels (net of cash) divided by Q2 2022 average broker vessel values.

<sup>2</sup> ROIC is calculated using annualised EBIT less tax

# Q2 & 1H 2022 FINANCIAL SUMMARY

Q2 2022 saw an average TCE of USD 29,077 per day

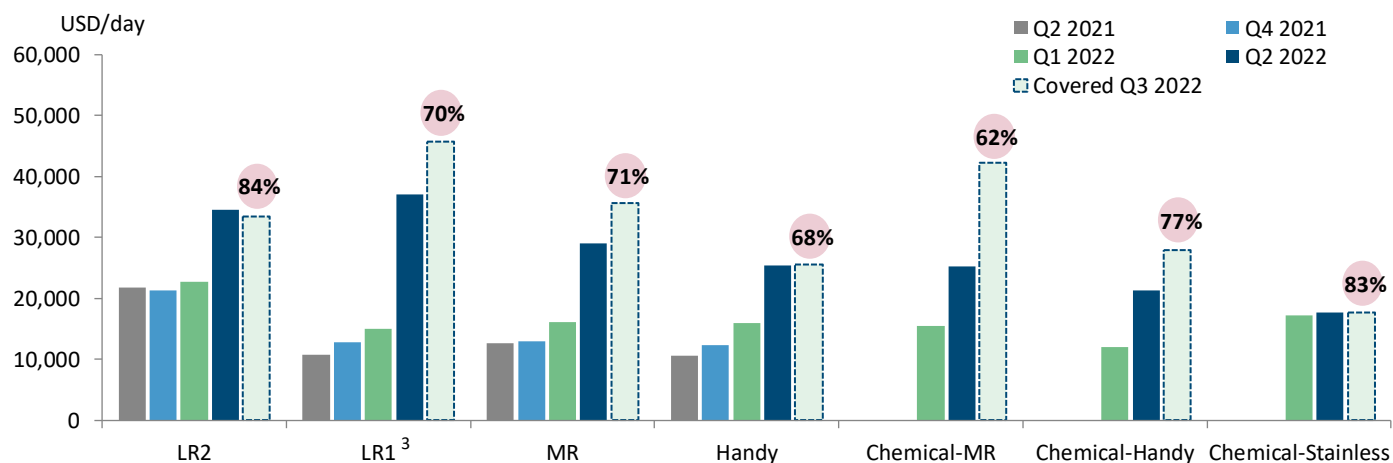
## TCE Segment Breakdown

|                    | Q2 2021                     |               | Q2 2022                     |               |
|--------------------|-----------------------------|---------------|-----------------------------|---------------|
|                    | Operating days <sup>1</sup> | TCE (USD/day) | Operating days <sup>1</sup> | TCE (USD/day) |
| LR2                | 546                         | 21,832        | 544                         | 34,601        |
| LR1 <sup>2</sup>   | 2,168                       | 10,825        | 2,937                       | 37,149        |
| MR                 | 4,150                       | 12,680        | 4,474                       | 29,035        |
| Handy              | 1,154                       | 10,549        | 980                         | 25,426        |
| Chemical-MR        | -                           | -             | 546                         | 25,228        |
| Chemical-Handy     | -                           | -             | 1,638                       | 21,289        |
| Chemical-Stainless | -                           | -             | 714                         | 17,670        |
| <b>Total</b>       | <b>8,200</b>                | <b>12,400</b> | <b>11,979</b>               | <b>29,077</b> |

## Coverage as of 22 August 2022

|                    | Q3 2022     |                         | Q3 – Q4 2022 |               |                         |
|--------------------|-------------|-------------------------|--------------|---------------|-------------------------|
|                    | Covered (%) | Covered rates (USD/day) | Covered (%)  | Total days    | Covered rates (USD/day) |
| LR2                | 84%         | 33,446                  | 67%          | 1,104         | 29,117                  |
| LR1                | 70%         | 45,769                  | 37%          | 7,391         | 44,247                  |
| MR                 | 71%         | 35,626                  | 42%          | 9,568         | 32,620                  |
| Handy              | 68%         | 25,527                  | 44%          | 1,203         | 24,578                  |
| Chemical-MR        | 62%         | 42,249                  | 31%          | 1,104         | 42,249                  |
| Chemical-Handy     | 77%         | 27,908                  | 40%          | 3,312         | 27,959                  |
| Chemical-Stainless | 83%         | 17,680                  | 76%          | 407           | 17,680                  |
| <b>Total</b>       | <b>72%</b>  | <b>36,504</b>           | <b>42%</b>   | <b>24,089</b> | <b>34,394</b>           |

## Steady Improvement in Rates



• For the week starting Monday 15 August 2022, Hafnia's pool earnings averaged:

- **USD 60,370** per day for the LR2 vessels,
- **USD 46,731** per day for the LR1 vessels,
- **USD 30,994** per day for the MR vessels,
- **USD 28,413** per day for the Handy vessels,
- **USD 45,792** per day for the Chemical-MR vessels,
- **USD 33,125** per day for the Chemical-Handy vessels.

<sup>1</sup> Total operating days include operating days for vessels that are time chartered-in

<sup>2</sup> Excludes non-pool Panamax, which at the end of Q2 2022 consists of BW Lara

<sup>3</sup> LR1 rates for Q3 2022 includes non-pool panamax but prior quarters do not

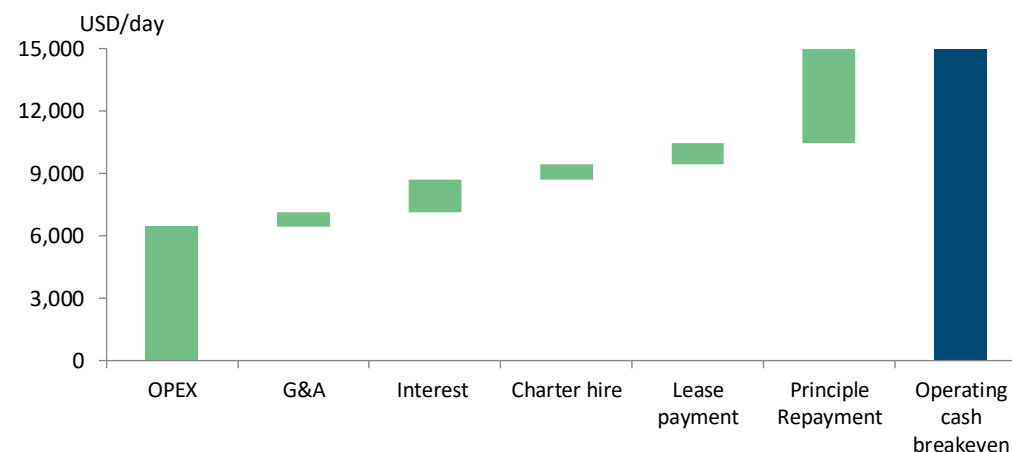
# Q2 & 1H 2022 FINANCIAL SUMMARY

Q2 2022 saw an average OPEX of USD 7,038 per day

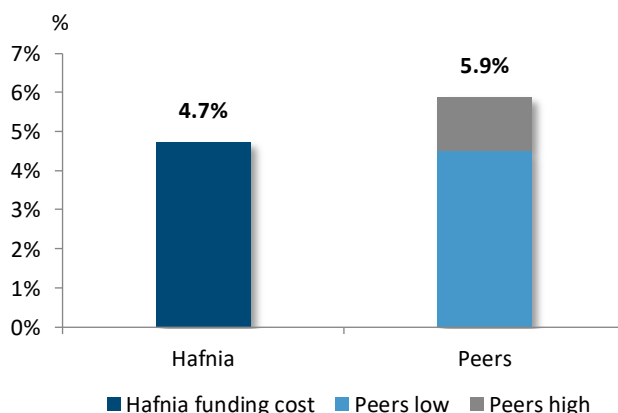
## OPEX Segment Breakdown

|                    | Q2 2021       |                                | Q2 2022       |                                |
|--------------------|---------------|--------------------------------|---------------|--------------------------------|
|                    | Calendar days | OPEX <sup>1</sup><br>(USD/day) | Calendar days | OPEX <sup>1</sup><br>(USD/day) |
| LR2                | 546           | 7,063                          | 546           | 6,884                          |
| LR1 <sup>2</sup>   | 1,924         | 7,354                          | 2,605         | 7,559                          |
| MR                 | 3,731         | 7,049                          | 3,731         | 7,009                          |
| Handy              | 1,183         | 6,592                          | 998           | 7,005                          |
| Chemical-MR        | -             | -                              | 546           | 6,712                          |
| Chemical-Handy     | -             | -                              | 1,638         | 6,617                          |
| Chemical-Stainless | -             | -                              | 728           | 6,380                          |
| <b>Total</b>       | <b>7,566</b>  | <b>7,054</b>                   | <b>10,952</b> | <b>7,038</b>                   |

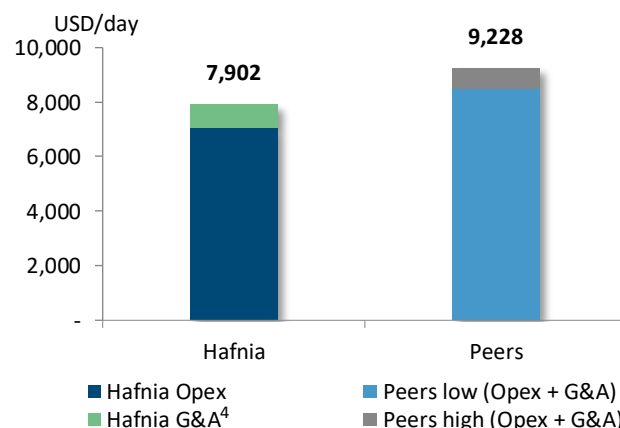
## Q2 2022 Operating Cash Flow Breakeven (Full Fleet)



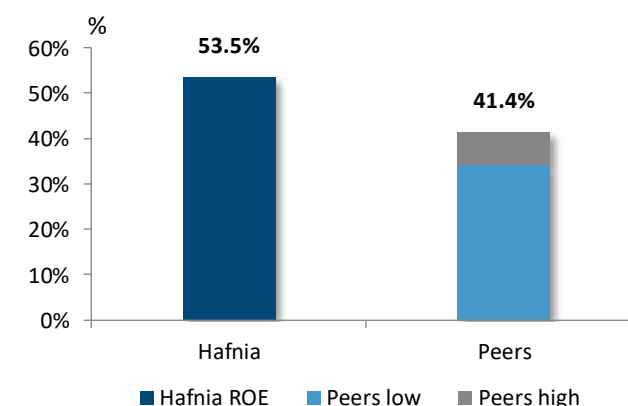
## Q2 2022 Funding Cost<sup>3</sup>



## Q2 2022 OPEX and SG&A



## Q2 2022 Return on Equity



<sup>1</sup> OPEX includes vessel running costs and technical management fees

<sup>2</sup> Excludes non-pool Panamax, which at the end of Q2 2022 consists of BW Lara

<sup>3</sup> Includes cost for vessels chartered-in

<sup>4</sup> G&A includes all expenses and is adjusted for cost incurred in managing external vessels

Peers: Torm, Scorpio, Ardmore

# SIGNIFICANT EARNINGS POTENTIAL

Recent upturn in product tanker market signify strong earnings potential for 2022



<sup>1</sup> Average Q2 2022 analysts' consensus rates from (1) Fearnleys, (2) Danske Bank, (3) SEB, (4) Pareto Securities, (5) Arctic Securities and (6) Evercore ISI research reports, applied to unfixed days from 1 Aug 22 onwards. Chemical rates estimated based on delta against YTD July 22 product rates.

<sup>2</sup> YTD July 22 covered rates applied to unfixed days from 1 Aug 22 onwards

<sup>3</sup> Q3 22 Covered rates applied to unfixed days from 1 Aug 22 onwards

<sup>4</sup> Annual dividend, based on number of outstanding shares as of end of Q2 22. USD/NOK rate of 9.6773

# AGENDA

Q2 2022 Overview

Financial Summary

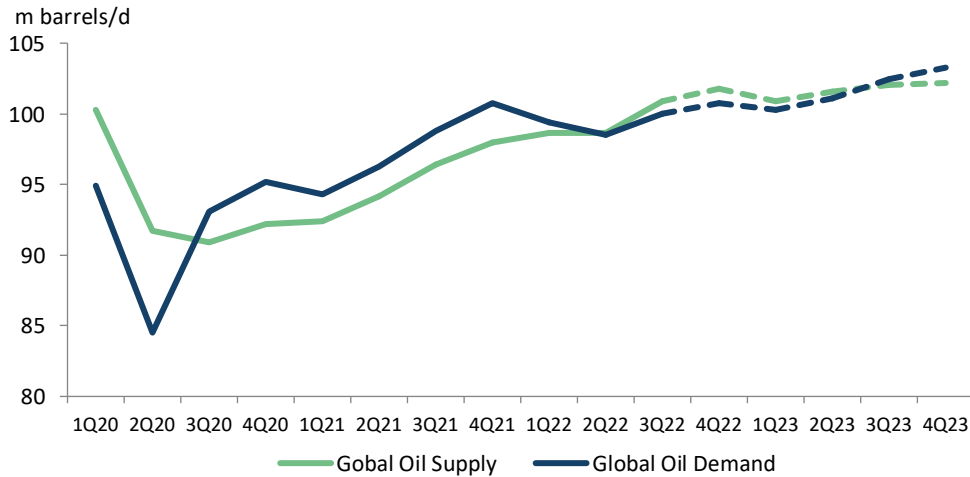
Industry Review & Outlook

Conclusion

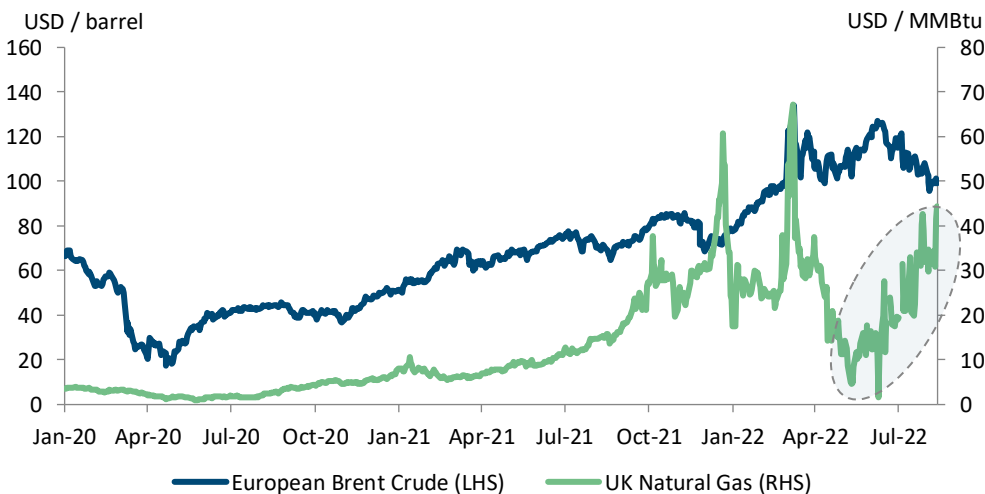


# CONTINUED GROWTH IN OIL DEMAND AND SUPPLY

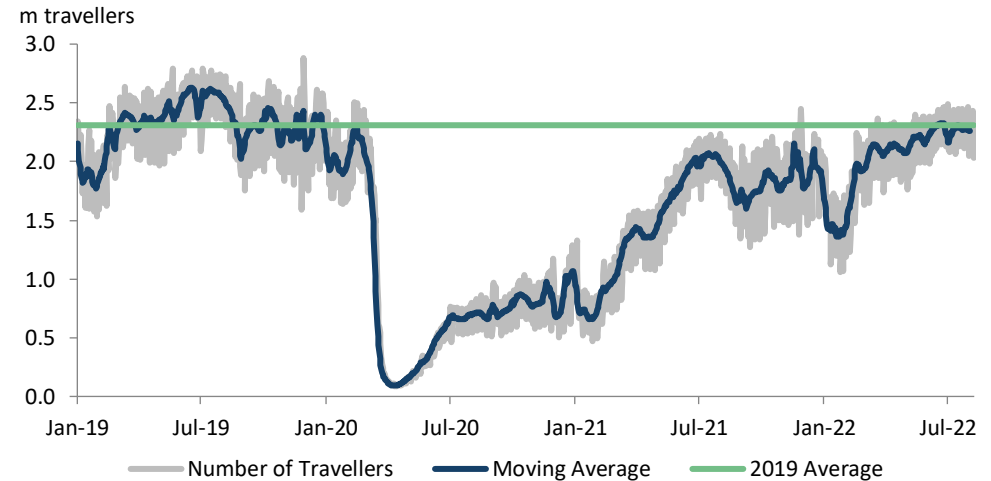
## Supply and Demand of Global Oil



## Volatile Prices of Oil and Gas



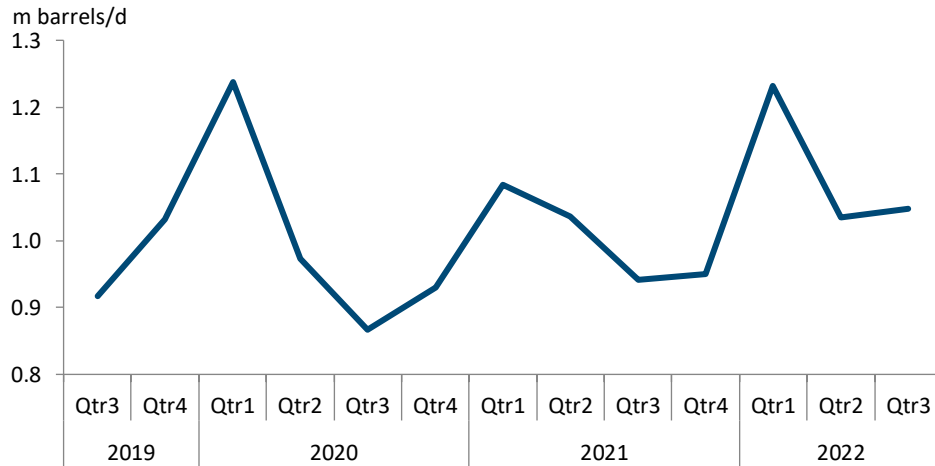
## TSA Travellers Throughput in US 2019-2022



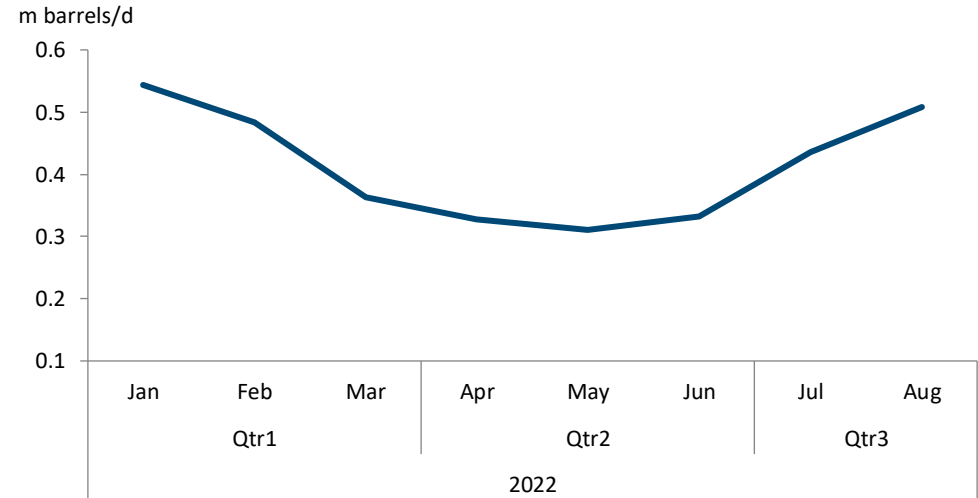
- Recent surging gas prices leading to a widening gas price premium over oil products has led to soaring gas-to-oil switching for power generation. Mobility indicators have also increased in the past months with rebound in air traffic. Oil demand is expected to increase by 2.1 mb/d in 2022 to 99.7 mb/d.
- Despite that, persistent high commodity prices, deceleration of economic and resurgence of covid outbreaks in China prompting renewed lockdowns casts a cloud of uncertainty on future oil demand.
- World oil supply has been gathering pace and reached a post-pandemic high of 100.5 mb/d in July, mainly due to higher flows from US, Canada and Kazakhstan's return from maintenance. OPEC+ has also agreed at its August meeting to raise its supply target by 0.1 mb/d for September.
- For 2H 2022, world oil production is forecasted to grow by 1 mb/d to reach 101.6 mb/d, due to higher flows from US, Libya, and Kazakhstan, more than offsetting the decrease from Russia.

# REDRAWING OF OIL TRADE ROUTES

## Russia to EU CPP Daily Loadings



## Russia to Non-EU CPP Daily Loadings



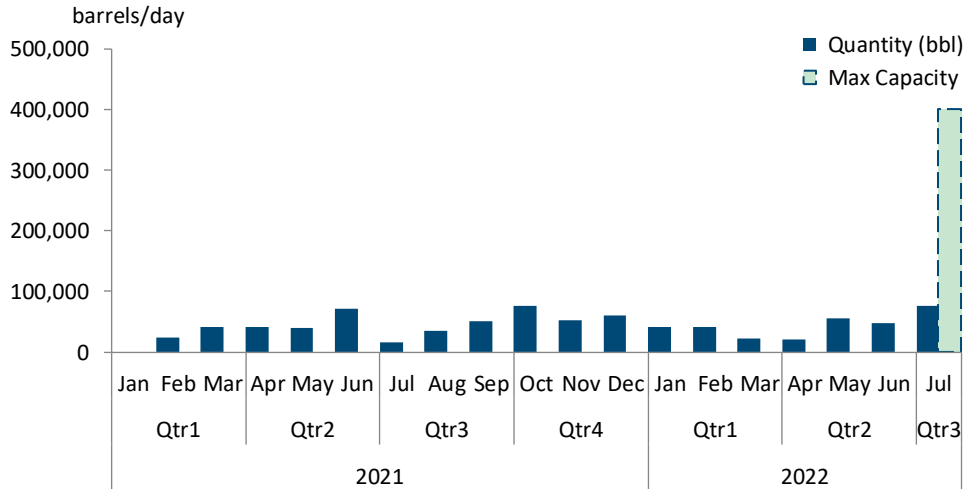
## World & Russia CPP Daily Loadings



- Russian Exports of CPPs followed a normal seasonality pattern from pre-war Q1 to Q2 2022 but has increased during Q3 2022 where daily average loadings on vessels average about 1.5 million barrels per day.
- The EU remains the largest receiver of Russian seaborne CPP exports with daily volumes exceeding 1 million barrels per day, but a significant trade volume which will be replaced by 1 February 2023 when the EU embargo on Russian crude and products come into full effect.
- Russian seaborne CPP exports to non-EU countries is increasing already now and will increase by another 1 million barrels per day by 1 February 2023, significantly increasing tonne-mile demand for tankers.

# EXPECTED GROWTH IN REFINERY OUTPUT

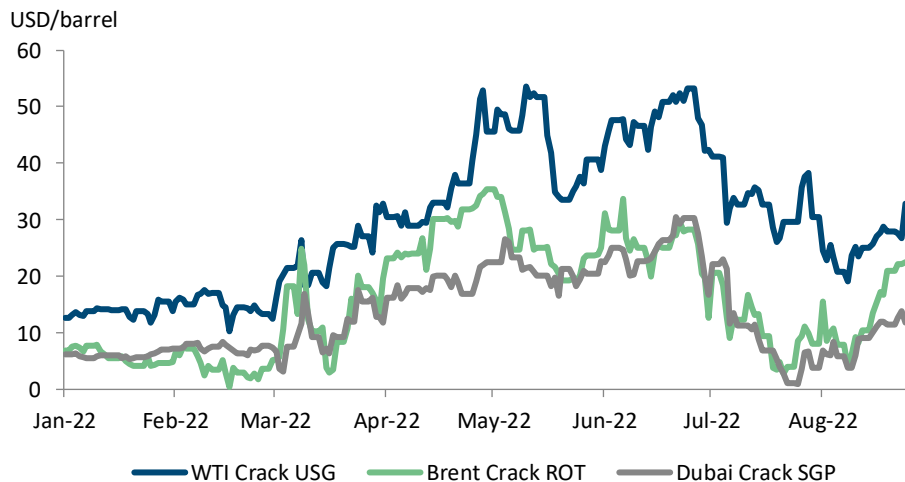
## Jizan CPP Refinery Output



## Kuwait Exports



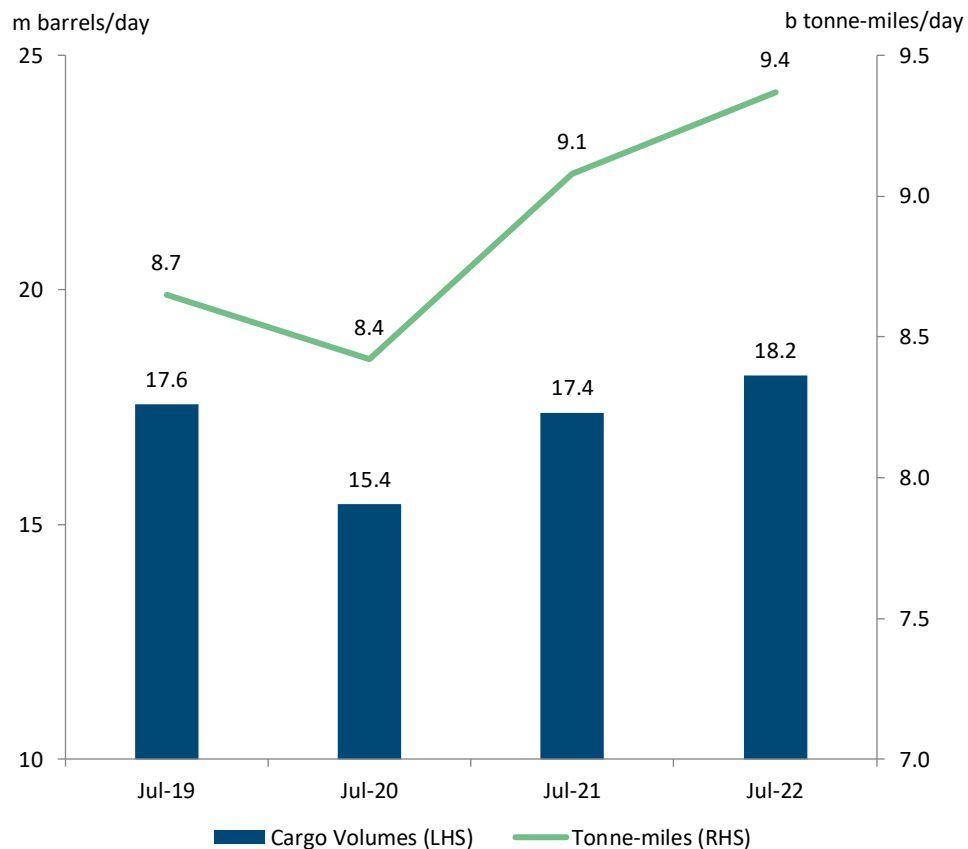
## Refinery Margins



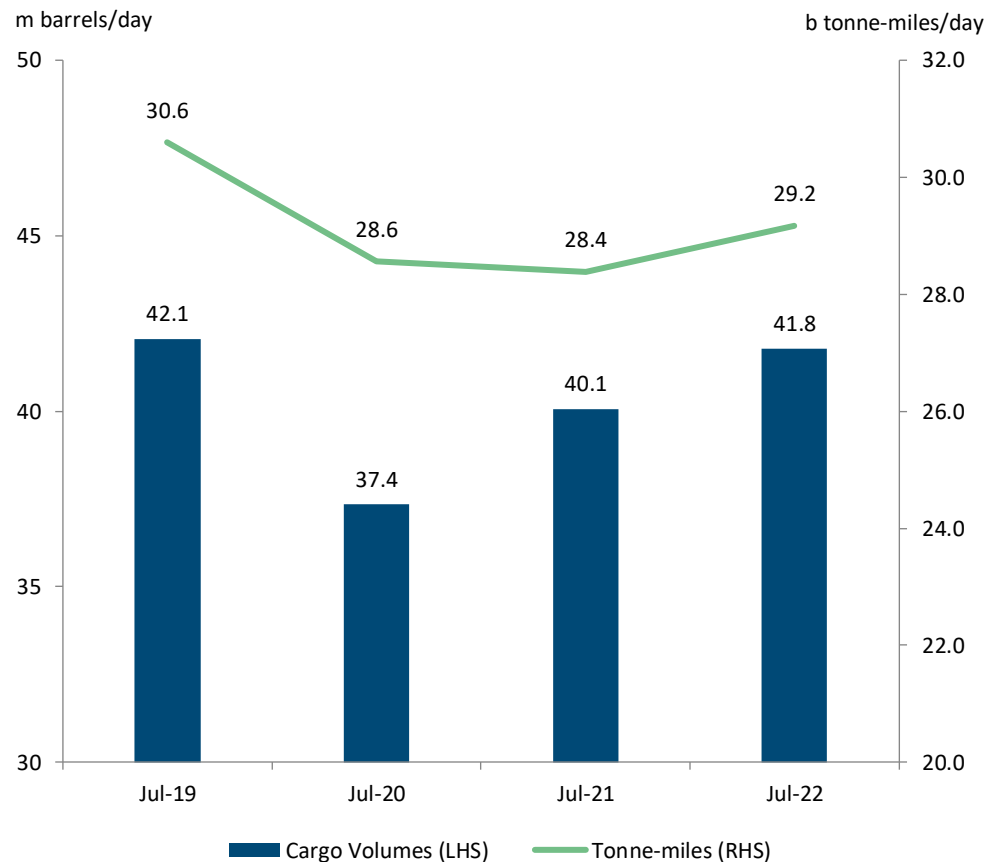
- According to IEA, global refinery runs have been ramping up seasonally over the past quarter and expected to reach 82 mb/d in August, highest level since January 2020. Despite that, continued robust oil demand growth and seasonal maintenance may lead to drawing down of inventories in Q4 2022.
- Looking at July exports, Saudi Aramco's Jizan refinery has reached ~78 kb/d, reflecting 17.5% of capacity and it is Aramco's goal to reach full capacity of 0.4 mb/d in Q4 2022.
- Meanwhile, Kuwait has seen higher exports in past months due to higher utilization of existing refineries. KPC Al-Zhour has yet to export the first barrel but received first stems to cleanse the refinery and we can expect full capacity of 0.6 mb/d in Q4 2022.
- Both refineries are built to ultra low sulfur specs and are intended to service the western hemisphere with 1 mb/d of clean products.

# CARGO VOLUMES AND TONNE-MILES

## CPPs and Chemicals



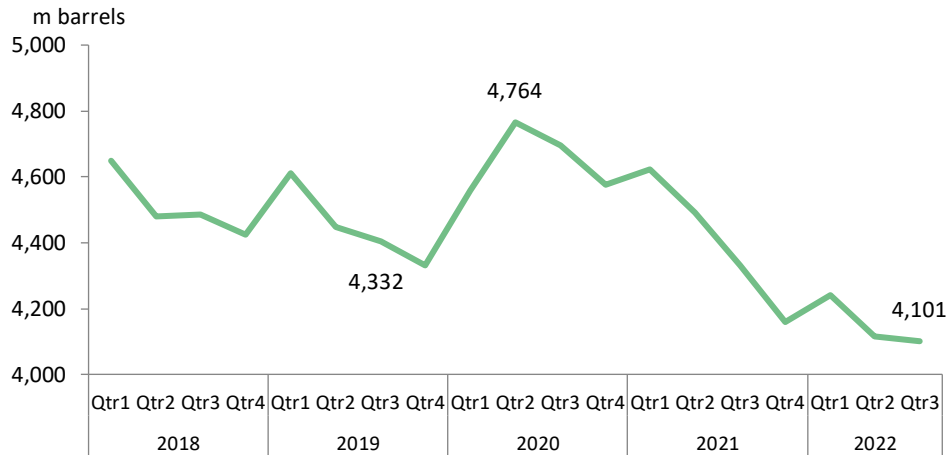
## Dirty Petroleum Products



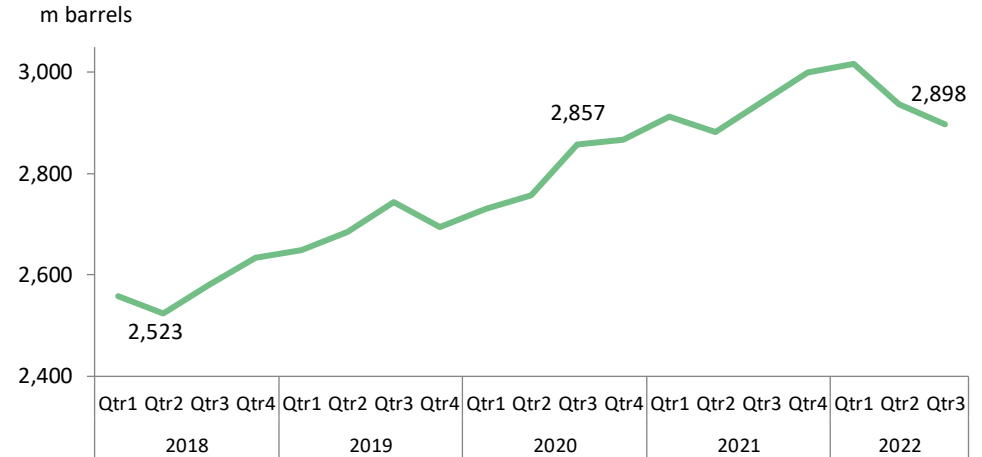
- Cargo volumes and tonne-miles for CPP and chemicals have recovered strongly from pre-pandemic levels compared to crude counterparts.
- Refinery dislocation and the redrawing of oil trading patterns following the situation in Ukraine is leading to longer voyages, mainly from the East into the Atlantic.

# DISLOCATION OF INVENTORY LEVELS

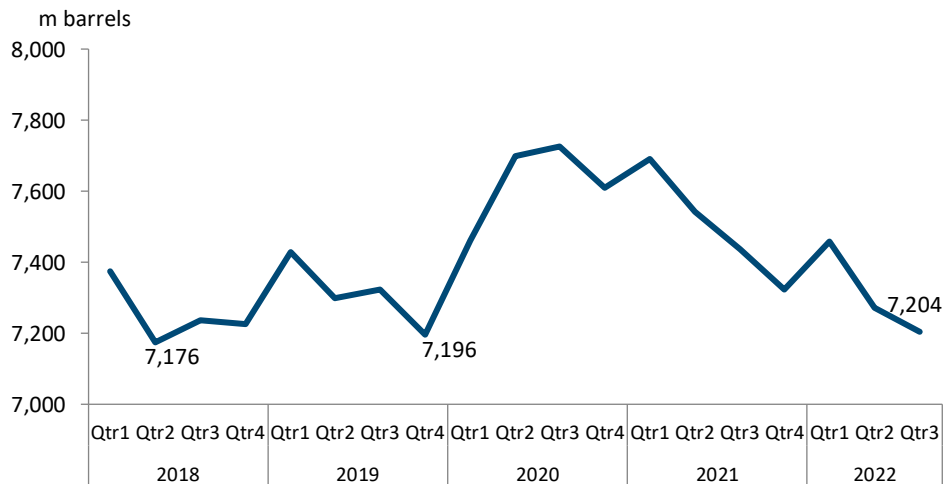
## West of Suez – CPP Inventory



## East of Suez – CPP Inventory



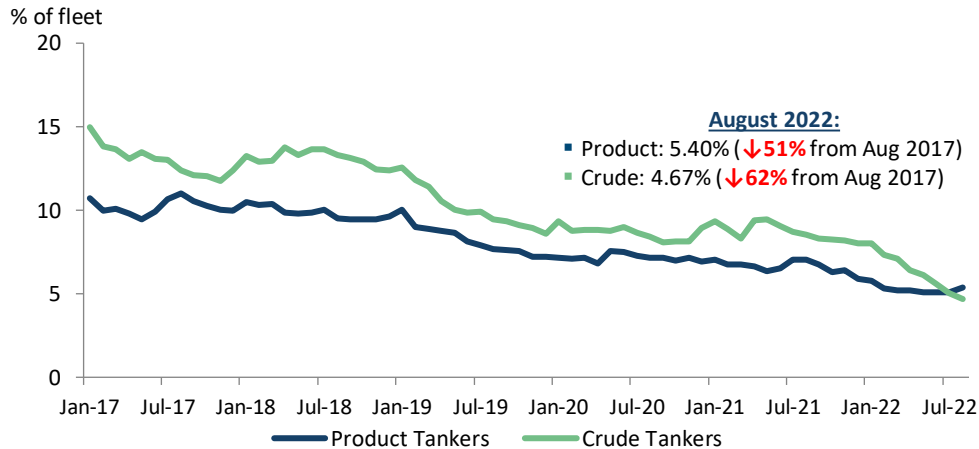
## World CPP Inventories



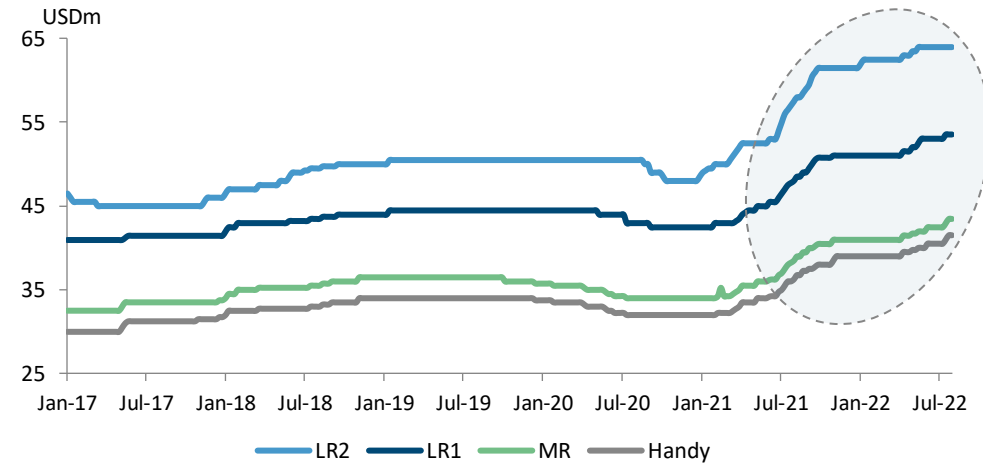
- Inventories for clean products remain on a declining trend into Q3 2022, but this decrease is not proportionate across the regions.
- Dislocation between refining of clean products and end user demand is increasing with build ups in Middle East and South-East Asia in comparison with draws West of Suez. CPP Inventories has fallen by 14% since the highs of 2020s in West of Suez but increased in the East of Suez.
- As a result, we can expect CPP tonne-miles trade and product tanker demand to increase following the start-up of significant volumes of new refinery capacity in the Middle East and moving from East to West of Suez to replenish the drop in inventories.

# GLOBAL PRODUCT TANKER FLEET

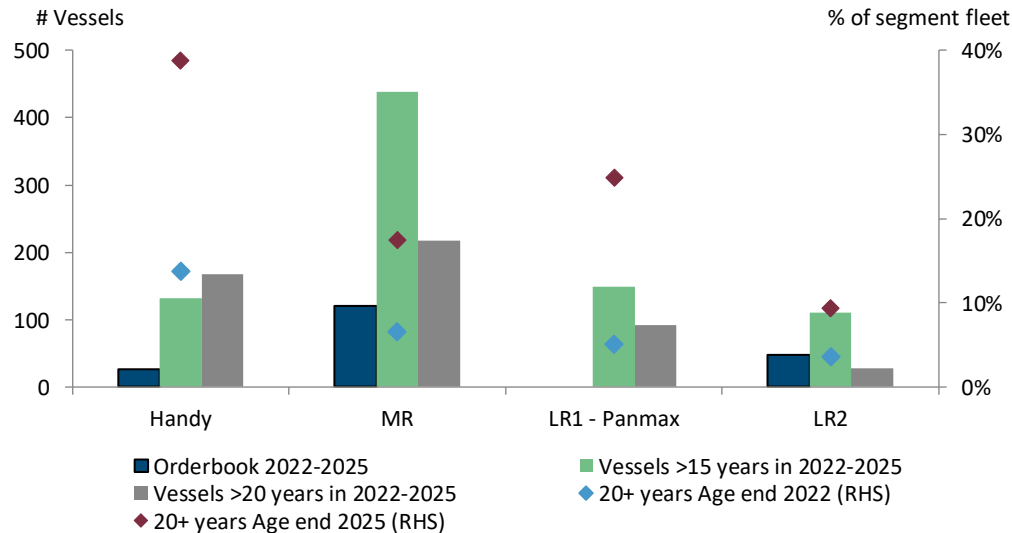
## Tanker Orderbook % Fleet (DWT)



## Increasing Newbuild Prices



## Tankers Newbuild vs Ageing



- Capacity side will not see much changes as yards are fully booked till 2024, giving high visibility on supply of tankers with little risk of additional orders.
- Orderbook of tankers are at low levels and we can expect this number to further drop due to increasing newbuild prices and ambiguity around energy and regulatory environment.
- Additionally, scrapping levels has been running at increased levels due to the ageing profile of product tankers.

# AGENDA

Q2 2022 Overview

Financial Summary

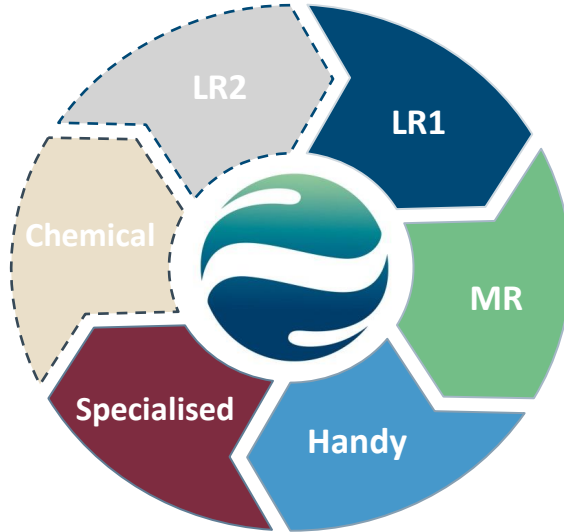
Industry Review & Outlook

Conclusion



# LAUNCH OF NEW POOL PLATFORMS AND MOBILE APP

*Filling the gap in the portfolio of product tanker pools*



- In June 2022, Hafnia has set up two additional pool platforms in the **LR2** and **Chemical** segments.
- This will expand and fill the only gap in Hafnia's portfolio of product tanker pools, as well as incorporate the added capabilities of the chemical fleet from the CTI acquisition.
- The LR2 pool, named "The Hafnia LR2 Pool by Reederei Nord, Chartworld & Hafnia", is launched in collaboration with Reederei Nord and Chartworld.
- Hafnia's newly established Chemical Pool has also welcomed TRF as its first partner.



**CHARTWORLD**  
SHIPPING CORPORATION



**TRF**  
Ship Management

- In July 2022, Hafnia has successfully launched its Pool **Participant Mobile App**, aimed to heighten value to our pool members by providing enhanced communication and information.
- The application provides easy access to crucial data and answers questions in a consolidated manner, collectively addressing frequently asked questions.

Core features include:



**Vessel performance analytics**



**Pool points**



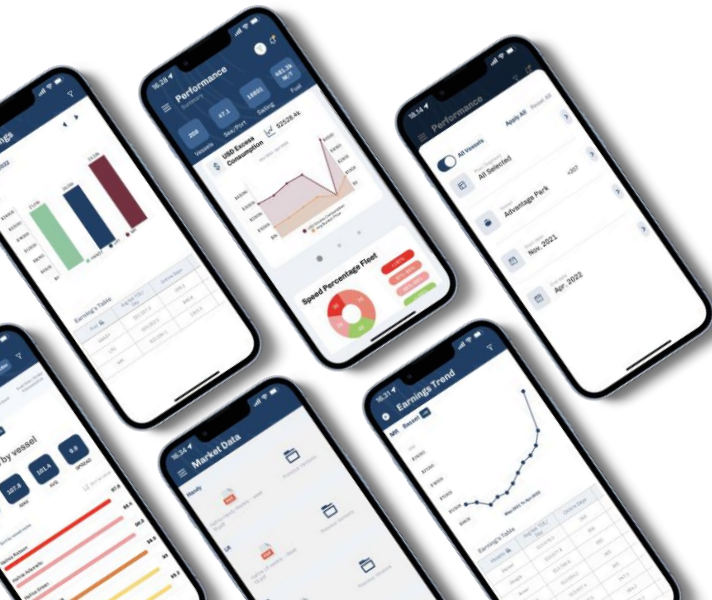
**Monthly pool earnings**



**Market data**



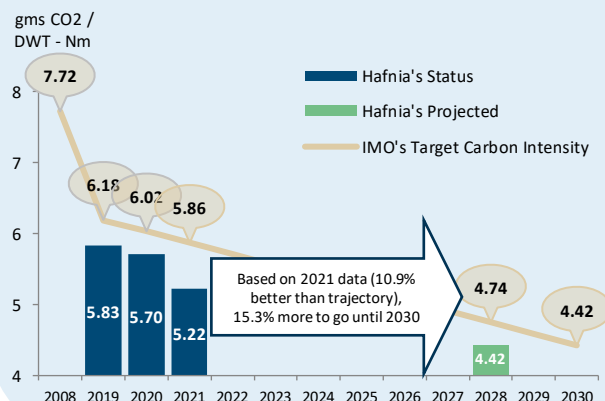
**Pool contracts**



## Focus Areas & Strategic Priorities

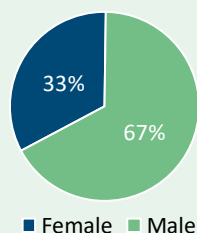
### Environment

- Hafnia's sustainability journey starts with decarbonisation and focuses on numerous energy saving initiatives which results in overall fuel savings and improved vessel efficiency.
- Hafnia is also committed to IMO's Carbon Intensity Targets, including its regulations on sulphur emissions and 2030 goals.
- In 2021, across Hafnia's owned fleet, our carbon intensity of 5.22 grams/ton nautical mile (T-NM) was 10.9% below the present IMO baseline.
- This is in line with our goal of reaching IMO 2030's target of 4.42 gms/T NM by 2028.



### Social

- The Covid-19 pandemic has put Hafnia's seafarers in precarious situations and Hafnia is committed to fostering an environment where all employees feel safe and valued.
- Hafnia became a member of Diversity Study Group which offers a confidential interactive web-based business intelligence platform for equality, diversity and inclusion assessments.
- Hafnia has also signed the 'Neptune Declaration' in order to work with other ship owners, the IMO and international labour organizations to resolve current and future crewing challenges.
- Hafnia believes a diverse workforce results in engaged and motivated colleagues and aspires that women will account for at least 40% of the organization on shore by 2024.



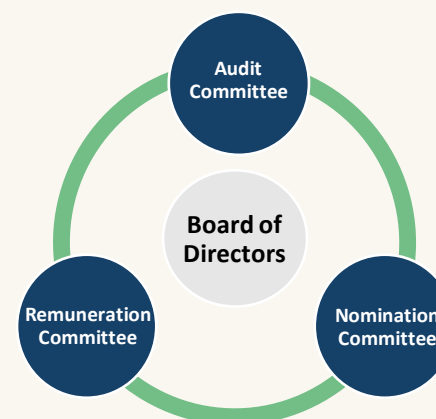
19

At 2021, Hafnia on-shore employees represents 19 nationalities, and 33% of our on-shore employees are female



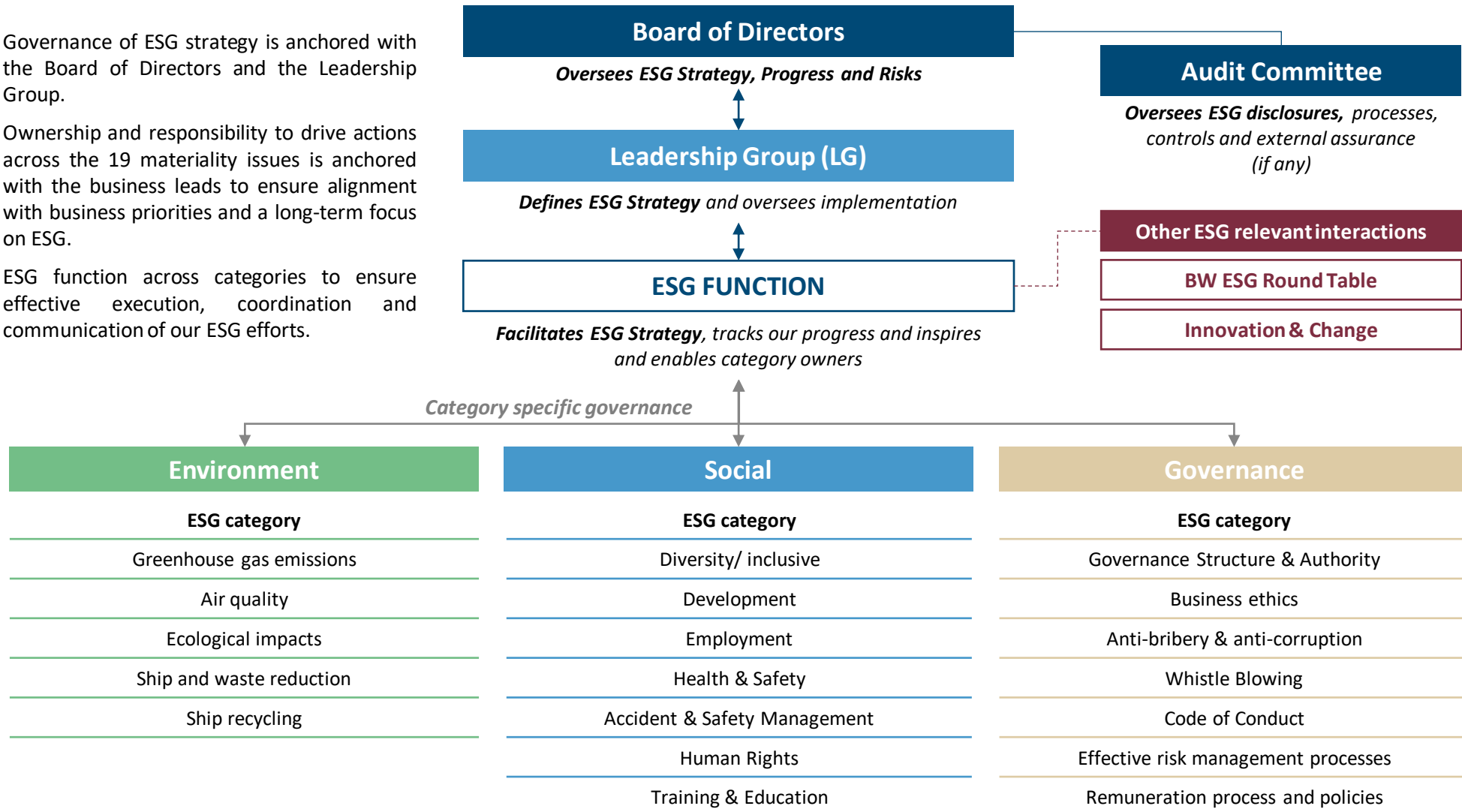
### Governance

- Hafnia is committed to upholding the highest corporate governance standards, professionalism and business integrity across all activities.
- Hafnia stands against corruption and bribery in the maritime industry with a policy of zero tolerance for maritime corruption and bribery.
- Our focus is on the implementation of good governance and effective risk management processes, to ensure long-term sustainable performance of the Company.



# GOVERNANCE OF ESG IN HAFNIA

- Governance of ESG strategy is anchored with the Board of Directors and the Leadership Group.
- Ownership and responsibility to drive actions across the 19 materiality issues is anchored with the business leads to ensure alignment with business priorities and a long-term focus on ESG.
- ESG function across categories to ensure effective execution, coordination and communication of our ESG efforts.



## CONTACTS



CEO

**MIKAEL SKOV**

Email: [ms@hafniabw.com](mailto:ms@hafniabw.com)



CFO

**PERRY VAN ECHELDT**

Email: [pve@hafniabw.com](mailto:pve@hafniabw.com)



EVP  
Commercial

**JENS CHRISTOPHERSEN**

Email: [jch@hafniabw.com](mailto:jch@hafniabw.com)



EVP, IR, Research and  
Performance Management

**THOMAS ANDERSEN**

Email: [tha@hafniabw.com](mailto:tha@hafniabw.com)

**THANK YOU**

[www.hafniabw.com](http://www.hafniabw.com)

BW GALATEA