Hafnia Limited

Quarterly Financial Information Q4 and full year 2023

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2023 was a year marked by volatility and unprecedented disruptions in the supply chain. Complex geopolitical situations, like the conflicts in Ukraine and the Middle East, caused heightened market instability. These factors affected the availability of oil products, impacting both supply and demand.

Amidst the challenges of 2023, Hafnia delivered a record financial result, achieving a record net profit of USD 793.3 million. This marks Hafnia's highest full-year result for the second consecutive year.

In the fourth quarter, we achieved a net profit of USD 176.4 million and ended the quarter with a net LTV of 26.3%. In line with our dividend policy, I am pleased to announce a dividend payout ratio of 70%. For the quarter, we will distribute a total of USD 123.5 million or USD 0.2431 per share in dividends. This brings Hafnia’s full year dividends to over USD 500 million, representing a payout ratio of 64.1%. This quarter, we have taken the IFRS 15 load to discharge adjustment into our financials and this resulted in a negative TCE adjustment of USD 11.7 million. Additionally, we have recognized a portion of our interest rate hedges in our income statement, resulting in an uplift of USD 6.6 million in net financial expense.

In 2023, the product tanker sector remained robust due to high refinery throughput, changes in refinery capacity, and increased trade volumes from arbitrage trading. Additionally, at the start of 2024, vessels have been rerouted on longer voyages via the Cape of Good Hope to bypass disruptions in the Red Sea.

We recently announced the launch of a Panamax Pool in partnership with Mercuria to commercially manage Panamax tankers. As a forward-thinking tanker company, we now oversee the commercial management of over 200 vessels across eight pools. Our extensive bunker procurement desk serviced over 1,400 vessels in 2023. As a result, our adjacent fee-generating business segments have recorded full-year earnings of USD 37.6 million.

With a diversified and modern fleet of over 130 vessels and a steady increase in fleet values, the company has attained a net asset value (NAV) of approximately USD 3.9 billion at the end of 2023, representing a NAV per share of ~USD 7.7 (NOK 78.9). This demonstrates the significant growth of the company, with our NAV approximately quadrupling from USD 1.0 billion back in 2019 post-merger.

Looking ahead in 2024, the short-term forecast is heavily influenced by the recent attacks on vessels in the Red Sea, resulting in rerouted longer voyages. The duration of this disruption is currently uncertain. However, beyond this challenge, the outlook is promising, with anticipated growth in oil demand and the commencement of new refinery operations. Additionally, tonnage supply is expected to remain steady in the upcoming years, despite a slight increase in ordering observed in 2023.

As of 29 Feb 2024, we have for Q1 covered 80% of the earning days at an average of USD 37,668 per day and 30% covered at USD 33,419 per day for 2024.

Already well into 2024, on behalf of Hafnia I would like to thank our team and partners for the exceptional results achieved in 2023. None of this success would have been possible without the dedication of our team both onshore and at sea. Looking forward, despite the uncertainties in the macroeconomic and geopolitical landscape, I have full confidence in our team's ability to tackle challenges that arise and to continue driving the successful growth of Hafnia.

- Mikael Skov, CEO Hafnia

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Summary

Notes

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Market

In 2023, the product tanker market remained robust throughout, supported by strong refinery throughput, underlying shifts in refinery capacity and increased trade volumes from arbitrage trading. Tonne-mile effect has also showed strong growth, driven by the re-routing of Russian volumes.

According to Clarksons Research, seaborne product trade volumes increased by approximately 2.8% in 2023, driven largely by China's post-pandemic increased demand and refinery capacity expansion in key regions. Export-driven volume gains were largely driven by refinery start-ups in the Middle East and Asia. On the other hand, import growth was driven by Australasia following the recent refinery closures, including New Zealand's last remaining refinery in 2022.

Despite that, according to the International Energy Agency (IEA), global oil demand decreased by 0.8 million barrels per day in the fourth quarter, to 102.1 million per day compared to the third quarter. This decrease was mainly attributed to China's decreased demand for gasoline and jet fuel, as 2023's post-pandemic release of pent-up travel demand recedes and with a rise in electric vehicle sales. However, global oil demand is still expected to increase by 1.2 million barrels per day in 2024 to 103.0 million barrels, with an increasing dependence on petrochemical feedstocks LPG/ethane and naphtha in the products demand growth mix.

In terms of tonne-miles, Clarksons Research estimated an increase by approximately 10% for product tankers, reflecting the effect of new and longer Russian-related trade flows and the dislocation of refineries. We have already seen longer-haul routes, such as ISC-Europe/America, Middle East to Europe and Asia, North America-Europe, Russia to Africa, Latin America, and the Middle East Gulf, experiencing robust trade growth while some shorter routes have recorded lower volumes.

Tonnage supply growth was modest in 2023, expanding by just 2.1% in 2023. Deliveries in 2023 fell by 19% year-on-year, but scrapping activities were also muted amid strong market conditions and increased appetite in the secondhand market. Despite an uptick in ordering activities in 2023, the order book remains relatively moderate, with 13% of fleet capacity at the end of 2023.

Looking ahead to 2024, the short-term outlook shows promise due to disruptions in the Red Sea prompting vessels to reroute onto longer voyages. This boosts demand for product tankers and increases the distance they travel, effectively reducing tonnage supply availability. Despite this disruption, the longer-term outlook remains positive. Anticipated factors include growth in oil demand and increased tonne-miles, driven by refinery dislocations, heightened European imports, and the impact of Panama Canal transit restrictions. Additionally, the supply situation looks favorable, with a minimal number of orders scheduled for delivery in 2024. Most orders were placed in 2023 and are set to materialize in 2025.

Highlights – Q4 and full year 2023

Financial – Q4

Time Charter Equivalent (TCE) earnings for Hafnia Limited (the "Company" or "Hafnia", together with its subsidiaries, the "Group") were USD 329.8 million in Q4 2023 (Q4 2022: USD 427.4 million) resulting in an average TCE of USD 30,732 per day.

EBITDA was USD 234.5 million in Q4 2023 (Q4 2022: USD 335.9 million).

In Q4 2023, Hafnia recorded a net profit of USD 176.4 million equivalent to earnings per share[1] of USD 0.35 per share (Q4 2022: net profit of USD 263.8 million equivalent to a profit per share of USD 0.55 per share).

The commercially managed pool and bunker business generated an income of USD 8.8 million (Q4 2022: USD 13.9 million).

As of 29 February 2024, 80% of the total earning days in Q1 2024 were covered at USD 37,668 per day.

Financial – Full year

Time Charter Equivalent (TCE) earnings for Hafnia Limited (the "Company" or "Hafnia", together with its subsidiaries, the "Group") were USD 1,366.6 million in YTD 2023 (YTD 2022: 1,346.7 million). EBITDA was USD 1,012.9 million in YTD 2023 (YTD 2022: 1,006.9 million).

In YTD 2023, Hafnia recorded a net profit of USD 793.2 million and earnings per share[1] of USD 1.57 per share (YTD 2022: net profit of USD 751.6 million and profit per share of USD 1.57 per share).

The commercially managed pool and bunker business generated an income of USD 37.6 million[2] (YTD 2022: USD 40.5 million).

[1] Based on weighted average number of shares as at 31 December 2023
[2] Other operating income included a one-off item amounting to USD 7.4 million

Fleet

At the end of the quarter, Hafnia had 116 owned vessels[1] and 14 chartered-in vessels. The total fleet of the Group comprises 9 LR2s, 35 LR1s (including three bareboat-chartered in and four time-chartered in), 62 MRs of which nine are IMO II (including 10 time-chartered in and five bareboat chartered in) and 24 Handy vessels of which 18 are IMO II (including 10 bareboat-chartered in).

The average estimated broker value of the owned fleet was USD 4,900 million, of which the LR2 vessels had a broker value of USD 729 million, the LR1 fleet had a broker value of USD 1,369 million[2], the MR fleet had a broker value of USD 1,950 million[3] and the Handy vessels had a broker value of USD 851 million[4].

The fleet chartered-in had a right-of-use asset book value of USD 34.6 million with a corresponding lease liability of USD 40.4 million.

Hafnia will pay a quarterly dividend of USD 0.2431 per share. Record date will be 12 March 2024 with ex. Dividend date of 11 March 2024 and payment on 19 March 2024. Please see separate announcement for dividend.

The Quarterly Financial Information Q4 and full year 2023 has not been audited or reviewed by the Group's auditors.

Conference call

Hafnia will host a conference call for investors and financial analysts at 9:30 pm SGT/2:30 pm CET/8:30 am EST on 5 March 2024.

The investor presentation will be available via live video webcast via the following link: Click here

Or call in (audio only): +45 32 72 66 19,, 900147922# Denmark

Hafnia

Mikael Skov, CEO Hafnia: +65 8533 8900
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[1] Including bareboat chartered in vessels; six LR1s and three LR2s owned through 50% ownership in the Vista Joint Venture and two MRs owned through 50% ownership in the Andromeda Joint Venture
[2] Including USD 582 million relating to Hafnia's 50% share of six LR1s and three LR2s owned through 50% ownership in the Vista Joint Venture
[3] Including USD 101 million relating to Hafnia's 50% share of two MRs owned through 50% ownership in the Andromeda Joint Venture; and IMO II MR vessels
[4] Including IMO II Handy vessels

Safe Harbour Statement

Disclaimer regarding forward-looking statements in the interim report

This interim report includes “Forward-looking Statements” that reflect Hafnia’s current views with respect to future events and financial and operational performance.

These Forward-looking Statements may be identified by the use of forward-looking terminology, such as the terms “anticipates”, “assumes”, “believes”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “should”, “projects”, “will”, “would” or, in each case, their negative, or other variations or comparable terminology. These Forward-looking Statements are, as a general matter, statements other than statements as to historic facts or present facts and circumstances. They include statements regarding Hafnia’s intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group’s future business development, financial performance and the industry in which the Group operates.

Prospective investors in Hafnia are cautioned that Forward-looking Statements are not guarantees of future performance and that the Group’s actual financial position, operating results and liquidity, and the development of the industry and potential market in which the Group may operate in the future, may differ materially from those made in, or suggested by, the Forward-looking Statements contained in this report. Hafnia cannot guarantee that the intentions, beliefs or current expectations upon which its Forward-looking Statements are based, will occur.

By their nature, Forward-looking Statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the Forward-looking Statements. These Forward-looking Statements speak only as at the date on which they are made. Hafnia undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral Forward-looking Statements attributable to Hafnia or to persons acting on Hafnia’s behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this report.

Key figures

USD million	Q1 2023	Q2 2023	Q3 2023	Q4 2023[4]	Full year 2023[4]
Income Statement					
Operating revenue (Hafnia vessels and TC vessels)	597.1	482.0	427.8	472.0	1,915.5
TCE income	377.2	349.3	310.3	329.8	1,366.6
EBITDA	296.0	261.6	220.8	234.5	1,012.9
Operating profit (EBIT)	280.7	229.5	167.2	180.5	857.9
Financial items	(28.0)	(19.8)	(22.6)	(7.1)	(77.5)
Share of profit from joint ventures	5.8	5.1	3.3	4.9	19.1
Profit before tax	258.6	214.7	147.9	178.3	799.5
Profit for the period	256.6	213.3	146.9	176.4	793.3
Balance Sheet					
Total assets	3,931.5	4,086.7	3,821.6	3,913.9	3,913.9
Total liabilities	1,825.6	1,910.9	1,623.4	1,686.2	1,686.2
Total equity	2,105.9	2,175.8	2,198.2	2,227.7	2,227.7
Cash and cash equivalents [5]	268.3	241.5	124.8	141.6	141.6
Key financial figures					
Return on Equity (RoE) (p.a.) [1]	49.9%	40.8%	27.9%	33.3%	37.4%
Return on Invested Capital (p.a.) [2]	32.7%	26.4%	19.2%	19.3%	26.0%
Equity ratio	54.2%	53.9%	57.5%	56.9%	56.9%
Net loan-to-value (LTV) ratio [3]	31.4%	30.1%	27.4%	26.3%	26.3%

[1] Annualised
[2] ROIC is calculated using annualised EBIT less tax.
[3] Net loan-to-value is calculated as vessel bank and finance lease debt (excluding debt for vessels sold but pending legal completion), debt from the pool borrowing base facilities less cash and cash equivalents, divided by broker vessel values (100% owned vessels).
[4] Q4 2023 and full year 2023 figures include IFRS 15 load to discharge adjustments; while previous quarters were not adjusted. Operating revenue for Q4 2023 and the full year 2023 is adjusted for pool allocation while previous quarters were not adjusted.
[5] Excluding cash retained in the commercial pools.

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For the 3 months ended 31 December 2023	LR2	LR1	MR[5]	Handy[6]	Total
Vessels on water at the end of the period[1]	6	29	60	24	119
Total operating days[2]	550	2,613	5,362	2,207	10,732
Total calendar days (excluding TC-in)	552	2,300	4,541	2,208	9,601
TCE (USD per operating day)	38,884	32,184	31,355	25,459	30,732
OPEX (USD per calendar day)[3]	6,984	7,601	8,131	7,329	7,764
G&A (USD per operating day)[4]					1,357

Vessels on balance sheet

As at 31 December 2023, total assets amounted to USD 3,913.9 million, of which USD 2,742.1 million represents the carrying value of the Group's vessels including dry docking but excluding right-of-use of assets, is as follows:

Balance Sheet USD million	LR2	LR1	MR[5]	Handy[6]	Total
Vessels (including dry-dock)	250.3	661.5	1,269.3	561.0	2,742.1

[1] Excluding six LR1s and three LR2s owned through 50% ownership in the Vista Joint Venture and two MRs owned through 50% ownership in the Andromeda Joint Venture
[2] Total operating days include operating days for vessels that are time chartered-in.
[3] OPEX includes vessel running costs and technical management fees.
[4] G&A includes all expenses and is adjusted for cost incurred in managing external vessels.
[5] Inclusive of nine IMO II MR vessels.
[6] Inclusive of 18 IMO II Handy vessels.

Cash and cash flows

Cash and cash equivalents[1] amounted to USD 141.6 million as of 31 December 2023 (31 December 2022: USD 174.4 million).

Operating activities generated a net cash inflow of USD 198.9 million in Q4 2023 (Q4 2022: net cash inflow of USD 326.4 million).

Cash flows from operating activities were principally utilised for vessel drydocking costs, repayments of bank borrowings and interest, and payment of dividends.

Investing activities resulted in a net cash outflow of USD 92.3 million in Q4 2023 (Q4 2022: net cash inflow of USD 37.9 million).

Financing activities resulted in a net cash outflow of USD 114.8 million in Q4 2023 (Q4 2022: net cash outflow of USD 341.3 million).

[1] Excluding cash retained in the commercial pools.

Dividend policy

Hafnia will target a quarterly payout ratio of net profit, adjusted for extraordinary items, of:

- 50% payout of net profit if Net loan-to-value is above 40%,
- 60% payout of net profit if Net loan-to-value is above 30% but equal to or below 40%,
- 70% payout of net profit if Net loan-to-value is above 20% but equal to or below 30%, and
- 80% payout of net profit if Net loan-to-value is equal to or below 20%

Net loan-to-value is calculated as vessel bank and finance lease debt (excluding debt for vessels sold but pending legal completion), debt from the pool borrowing base facilities less cash retained in commercial pools, divided by broker vessel values (100% owned vessels).

The final amount of dividend is to be decided by the Board of Directors. In addition to cash dividends, the Company may buy back shares as part of its total distribution to shareholders.

In deciding whether to declare a dividend and determining the dividend amount, the Board of Directors will take into account the Group's capital requirements, including capital expenditure commitments, financial condition, general business conditions, legal restrictions, and any restrictions under borrowing arrangements or other contractual arrangements in place at the time.

Dividend for Q4

The board has set the quarterly payout ratio at 70% for Q4 2023.

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Coverage of earning days

As of 29 February 2024, 80% of the total earning days in Q1 2024 were covered at USD 37,668 per day. The table on the next page shows the figures for Q1 2024, the full year figures for 2024 and the full year of 2025.

Fleet overview	Q1 2024	2024	2025
Owned ships, # of vessels			
LR2	6.0	6.0	6.0
LR1	10.0	10.0	10.0
MR[2]	44.0	44.0	44.0
Handy[3]	6.0	6.0	6.0
Total	66.0	66.0	66.0
Charter-in and leaseback ships, # of vessels			
LR2	-	-	-
LR1	19.0	18.2	15.5
MR[2]	16.0	14.7	9.2
Handy[3]	18.0	18.0	18.0
Total	53.0	50.9	42.7
Vista joint venture ships[1], # of vessels			
LR2	3.4	3.8	4.0
LR1	6.0	6.0	6.0
MR[2]	2.0	2.0	3.0
Handy[3]	-	-	-
Total	11.4	11.8	13.0

Coverage of earning days is prepared as of 29 February 2024.

[1] The figures are presented on a 100% basis. The JV vessels are owned through Hafnia's 50% participation in the Vista and Andromeda joint ventures
[2] Inclusive of nine IMO II vessels
[3] Inclusive of 18 IMO II vessels

	Q1 2024	2024	2025
Total ships, # of vessels			
LR2	6.0	6.0	6.0
LR1	10.0	10.0	10.0
MR[1]	44.0	44.0	44.0
Handy[2]	6.0	6.0	6.0
Total	66.0	66.0	66.0
Covered, %			
LR2	87%	51%	40%
LR1	70%	18%	-
MR[1]	82%	33%	7%
Handy[2]	91%	32%	-
Total	80%	30%	6%
Covered rates, USD per day[1]			
LR2	43,361	33,088	25,764
LR1	51,464	51,279	-
MR[2]	33,587	29,463	19,386
Handy[3]	29,573	29,557	-
Total	37,668	33,419	22,755

Coverage of earning days is prepared as of 29 February 2024.

For the two weeks beginning 19 February and ending 29 February 2024, Hafnia's pool earnings[1] averaged:

- USD 50,460 per day for the LR2 vessels,
- USD 46,376 per day for the LR1 vessels,
- USD 37,080 per day for the MR vessels,
- USD 32,002 per day for the Handy vessels

[1] Covered rates and pool earnings do not include any IFRS 15 load to discharge adjustments
[2] Inclusive of nine IMO II vessels
[3] Inclusive of 18 IMO II vessels

Tanker segment results

LR2	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Operating days (owned)	540	546	552	550
Operating days (TC - in)	-	-	-	-
TCE (USD per operating day)[1]	40,791	36,926	31,272	38,884
Calendar days (excluding TC - in)	540	546	552	552
OPEX (USD per calendar day)	7,492	8,206	8,348	6,984

LR1	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Operating days (owned)	2,389	2,154	2,240	2,253
Operating days (TC - in)	357	363	350	360
TCE (USD per operating day)[1]	43,268	41,119	30,198	32,184
Calendar days (excluding TC - in)	2,540	2,248	2,298	2,300
OPEX (USD per calendar day)	7,717	7,731	8,628	7,601

MR[2]	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Operating days (owned)	4,206	4,312	4,416	4,442
Operating days (TC - in)	798	832	920	920
TCE (USD per operating day)[1]	34,223	30,954	29,141	31,355
Calendar days (excluding TC - in)	4,230	4,342	4,508	4,541
OPEX (USD per calendar day)	7,330	7,621	8,093	8,131

HANDY[3]	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Operating days (owned)	2,099	2,180	2,199	2,207
Operating days (TC - in)	-	-	-	-
TCE (USD per operating day)[1]	31,144	30,100	26,780	25,459
Calendar days (excluding TC - in)	2,160	2,184	2,208	2,208
OPEX (USD per calendar day)	7,418	7,846	7,753	7,329

[1] TCE represents gross TCE income after adding back pool commissions.
[2] Inclusive of IMO II MR vessels.
[3] Inclusive of IMO II Handy vessels.

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Specialized	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Operating days (owned)	-	-	-	-
Operating days (TC - in)	-	57	39	-
TCE (USD per operating day)[1]	-	15,994	10,068	-
Calendar days (excluding TC - in)	-	-	-	-
OPEX (USD per calendar day)	-	-	-	-

[1] TCE represents gross TCE income after adding back pool commissions.

Risk factors

The Group's results are largely dependent on the worldwide market for transportation of refined oil products. Market conditions for shipping activities are typically volatile and, as a consequence, the results may vary considerably from year to year. The market in broad terms is dependent upon two factors: the supply of vessels and the demand for oil products. The supply of vessels depends on the number of newbuilds entering the market, the demolition of older tonnage and legislation that limits the use of older vessels or sets new standards for vessels used in specific trades. The demand side depends mainly on developments in global economic activity.

The Group is also exposed to risk in respect of increases in operating costs, such as fuel oil costs. Fuel oil prices are affected by the global political and economic environment. For voyage contracts, the current fuel costs are priced into the contracts. Other risks that Management takes into account are interest rate risk, credit risk, liquidity risk and capital risk. These risks, along with mitigation strategies, are further described in section 3.3 of the Annual Report 2022 and note 25 of the consolidated financial statements of the Group for the financial year ended 2022 and are principal risks for the financial year 2023.

Condensed Consolidated
Interim Financial Information ("Interim Financial Information")
for the period from 1 January 2023 to 31 December 2023

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Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of consolidated interim financial information ('Interim Financial information') for the period from 1 January to 31 December 2023 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and income statement as a whole. We also confirm, to the best of our knowledge, that the Interim Financial information includes a fair review of important events that have occurred during the financial year ended 31 December 2023 and their impact on the Interim Financial Information, a description of the principal risks and uncertainties for the remaining three months of the financial year, and major related parties transactions.

Andreas Sohmen-Pao

John Ridgway

Peter Read

Su Yin Anand

Erik Bartnes

5 March 2024

Condensed consolidated interim statement of comprehensive income

	For the 3 months ended 31 December 2023 USD'000	For the 3 months ended 31 December 2022 USD'000 (restated)	**For the 12 months ended 31 December 2023 USD'000**	For the 12 months ended 31 December 2022 USD'000 (restated)
Revenue (Hafnia vessels and TC vessels)	**472,007**	593,564	**1,915,472**	1,926,551
Revenue (External vessels in disponent-owner pools)[1]	**231,432**	-	**756,234**	-
Voyage expenses (Hafnia vessels and TC vessels)	**(142,200)**	(166,142)	**(548,865)**	(579,855)
Voyage expenses (External vessels in disponent-owner pools) [1]	**(80,482)**	-	**(279,749)**	-
Pool distributions for external vessels in disponent-owner pools	**(150,950)**	-	**(476,485)**	-
TCE income[2]	**329,807**	427,422	**1,366,607**	1,346,696
Other operating income	**8,832**	13,861	**44,984**	40,461
Vessel operating expenses	**(67,704)**	(67,395)	**(268,869)**	(263,903)
Technical management expenses	**(6,837)**	(6,790)	**(25,692)**	(23,627)
Charter hire expenses	**(9,371)**	(7,408)	**(34,571)**	(33,154)
General and administrative expenses	**(20,196)**	(23,699)	**(69,571)**	(59,524)
Operating profit before depreciation and amortisation	**234,531**	335,991	**1,012,888**	1,006,949
Depreciation and amortisation charges	**(53,709)**	(53,647)	**(211,027)**	(209,219)
(Loss)/gain on disposal of assets	**(295)**	(895)	**56,087**	25,483
Operating profit	**180,527**	281,449	**857,948**	823,213
Interest income	**3,143**	3,371	**17,629**	6,977
Interest expense	**(9,494)**	(27,770)	**(77,385)**	(91,094)
Capitalised financing fees written off	**-**	-	**(5,894)**	(2,465)
Other finance expense	**(733)**	164	**(11,845)**	(2,516)
Finance expense – net	**(7,084)**	(24,235)	**(77,495)**	(89,098)
Share of profit from associate and joint ventures	**4,875**	7,976	**19,073**	24,152
Profit before income tax	**178,318**	265,190	**799,526**	758,267

[1] "External Vessels in Disponent-Owner Pools" means vessels that are commercially managed by the Group in the Disponent-Owner Pool arrangements that are not Hafnia Vessels or TC Vessels. See Note 4 for details on the accounting for pool arrangements.

[2] TCE income" denotes "time charter equivalent income" which represents revenue from time charters and voyage charters less voyage expenses comprising primarily commission, fuel oil and port charges. TCE is a standard measure used in the shipping industry for reporting of income, providing improved comparability across different types of charters.

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	Note	For the 3 months ended 31 December 2023 USD'000	For the 3 months ended 31 December 2022 USD'000 (restated)	For the 12 months ended 31 December 2023 USD'000	For the 12 months ended 31 December 2022 USD'000 (restated)
Income tax expense		(1,883)	(1,395)	(6,251)	(6,678)
Profit after tax		176,435	263,795	793,275	751,589
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss:					
Foreign operations - foreign currency translation differences		(36)	34	(92)	64
Cash flow hedges					
- Fair value (losses)/gains		(14,220)	2,531	13,378	73,516
- Reclassification to profit or loss		(17,082)	(5,638)	(42,524)	(5,406)
Other comprehensive (loss)/income, net of tax		(31,338)	(3,073)	(29,238)	68,174
Items that will not be subsequently reclassified to profit or loss:					
Equity investments at FVOCI – net change in fair value		9,720	-	9,720	-
Total comprehensive income for the period		154,817	260,722	773,757	819,763
Earnings per share attributable to the equity holders of the Company					
Basic no. of shares		505,143,718[1]	477,890,883	505,143,718[1]	477,890,883
Basic earnings in USD per share		0.35	0.55	1.57	1.57
Diluted no. of shares		508,687,935[1]	489,902,150	508,687,935[1]	489,902,150
Diluted earnings in USD per share		0.34	0.54	1.56	1.54

[1] The subsequent share issue to BW Group for borrowed shares took place only on 2 January 2024. Therefore, the total outstanding shares of the Company are lower by 3,431,577 shares as at 31 December 2023. Refer to Note 7 for details.

HAFNIA
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Condensed consolidated balance sheet

	As at 31 December 2023 USD'000	As at 31 December 2022 USD'000 (restated)	As at 31 December 2021 USD'000 (restated)
Vessels	2,673,938	2,728,319	1,909,534
Dry docking and scrubbers	68,159	79,210	63,414
Right-of-use assets	34,561	67,904	111,529
Other property, plant and equipment	964	1,130	266
Total property, plant and equipment	2,777,622	2,876,563	2,084,743
Investment in associate and joint ventures	60,172	39,359	15,218
Other investment	23,953	3,825	3,501
Restricted cash[4]	13,381	4,780	-
Loans receivable from joint venture	69,626	74,213	60,229
Deferred tax assets	36	36	36
Derivative financial instruments	35,023	69,184	675
Intangible assets	1,290	2,590	3,572
Total other non-current assets	203,481	193,987	83,231
Total non-current assets	2,981,103	3,070,550	2,167,974
Inventories	107,704	89,931	70,672
Trade and other receivables[1]	589,710	503,109	147,892
Derivative financial instruments	12,902	1,424	252
Cash and cash equivalents	141,621	174,440	100,075
Cash retained in the commercial pools[5]	80,900	105,885	53,626
Total current assets	932,837	874,789	372,517
Total assets	3,913,940	3,945,339	2,540,491

	As at 31 December 2023 USD'000	As at 31 December 2022 USD'000 (restated)	As at 31 December 2021 USD'000 (restated)
Share capital	5,069	5,035	3,703
Share premium	1,044,849	1,023,996	704,834
Contributed surplus	537,112	537,112	537,112
Other reserves	27,620	73,650	5,150
Treasury shares	(17,951)	(12,675)	(12,832)
Retained earnings	631,025	381,886	(125,955)
Total shareholders' equity	2,227,724	2,009,004	1,112,012
Borrowings	1,025,023	1,455,171	1,082,829
Derivative financial instruments	-	-	306
Total non-current liability	1,025,023	1,455,171	1,083,135
Current income tax liabilities	8,111	4,737	2,018
Derivative financial instruments	276	93	21
Trade and other payables[3]	385,478	156,218	94,931
Borrowings[2]	267,328	320,116	248,374
Total current liabilities	661,193	481,164	345,344
Total liabilities	1,686,216	1,936,335	1,428,479
Total equity and liabilities	3,913,940	3,945,339	2,540,491

[1] Trade and other receivables include USD 194.5 million of receivables representing pool assets arising from a change of Hafnia's LR1, LR2, MR and Handy commercial pool structures to a disponent owner model.
[2] Borrowings include USD 113.0 million of bank borrowings relating to pool financing, of which approximately USD 48.1 million is attributable to working capital advanced to external pool participants and has been adjusted in calculation of Net LTV.
[3] Trade and other payables include USD 265.0 million of payables representing pool liabilities arising from a change of Hafnia's LR1, LR2, MR and Handy commercial pool structures to a disponent owner model.
[4] Restricted cash includes cash placed in debt service reserve and FFA collateral accounts.
[5] The cash retained in the commercial pools represents cash in the pool bank accounts that are opened in the name of the Group's pool management company and can only be used for the operation of vessels within the commercial pools.

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Condensed consolidated interim statement of changes in equity

	Share Capital USD'000	Share Premium USD'000	Contributed Surplus USD'000	Translation reserve USD'000	Hedging reserve USD'000	Treasury shares USD'000	Capital reserves USD'000	Share-based payment reserve USD'000	Other reserve USD'000	Retained earnings USD'000	Total USD'000
Balance at 1 January 2023	5,035	1,023,996	537,112	29	68,458	(12,675)	(710)	5,873	-	381,886	2,009,004
Purchase of treasury shares	34	20,853	-	-	-	(44,339)	-	-	-	-	(23,452)
Equity-settled share-based payment	-	-	-	-	-	-	-	2,822	-	-	2,822
Share options exercised	-	-	-	-	-	39,063	(24,427)	(4,907)	-	-	9,729
Dividends paid	-	-	-	-	-	-	-	-	-	(544,136)	(544,136)
Total comprehensive income											
Profit for the financial period										793,275	793,275
Other comprehensive (loss)/income	-	-	-	(92)	(29,146)	-	-	-	9,720	-	(19,518)
Balance at 31 December 2023	5,069	1,044,849	537,112	(63)	39,312	(17,951)	(25,137)	3,788	9,720	631,025	2,227,724
Balance at 1 January 2022	3,703	704,834	537,112	(35)	348	(12,832)	-	4,837	-	(125,955)	1,112,012
Issue of common shares (net of capitalised equity raise costs)	376	97,170	-	-	-	-	-	-	-	-	97,546
Acquisition of assets	921	206,459	-	-	-	12,832	-	-	-	-	220,212
Purchase of treasury shares	35	15,533	-	-	-	(15,568)	-	-	-	-	-
Equity-settled share-based payment	-	-	-	-	-	-	-	1,760	-	-	1,760
Share options exercised	-	-	-	-	-	2,893	(710)	(724)	-	-	1,459
Dividends paid	-	-	-	-	-	-	-	-	-	(243,748)	(243,748)
Total comprehensive income											
Profit for the financial period										751,589	751,589
Other comprehensive income	-	-	-	64	68,110	-	-	-	-	-	68,174
Balance at 31 December 2022	5,035	1,023,996	537,112	29	68,458	(12,675)	(710)	5,873	-	381,886	2,009,004

Condensed consolidated statement of cash flows

	For the 3 months ended 31 December 2023 USD'000	For the 3 months ended 31 December 2022 USD'000 (restated)	For the 12 months ended 31 December 2023 USD'000	For the 12 months ended 31 December 2022 USD'000 (restated)
Cash flows from operating activities				
Profit for the financial period	176,435	263,795	793,275	751,589
Adjustments for:				
- depreciation and amortisation charges	53,709	53,647	211,027	209,219
- gain/(loss) on disposal of assets	295	895	(56,087)	(25,483)
- interest income	(3,143)	(3,371)	(17,629)	(6,977)
- finance expense	10,227	27,606	95,124	96,075
- income tax expense	1,883	1,395	6,251	6,678
- share of profit of equity accounted investees, net of tax	(4,875)	(7,976)	(19,073)	(24,152)
- equity-settled share-based payment transactions	680	450	2,822	1,760
Operating cash flow before working capital changes	235,211	336,441	1,015,710	1,008,709
Changes in working capital:				
- inventories	(18,827)	72,547	(17,773)	(16,091)
- trade and other receivables	(55,651)	(136,312)	(139,166)	(259,619)
- trade and other payables	37,389	7,736	205,663	42,874
Cash generated from operations	198,122	280,412	1,064,434	775,873
Income tax paid	819	(1,004)	(3,628)	(4,986)
Net cash provided by operating activities	198,941	279,408	1,060,806	770,887
Cash flows from investing activities				
Loan to joint venture company	-	-	(15,488)	(11,500)
Repayment of loan by pool partners	(45,654)	-	-	-
Repayment of loan by joint venture company	-	-	23,975	-
Dividend received from joint venture	-	-	500	-
Dividend received from associated company	-	1,825	-	1,825
Acquisition of other investment	-	-	(10,408)	(324)

	For the 3 months ended 31 December 2023 USD'000	For the 3 months ended 31 December 2022 USD'000 (restated)	**For the 12 months ended 31 December 2023 USD'000**	For the 12 months ended 31 December 2022 USD'000 (restated)
Purchase of property, plant and equipment	**(46,070)**	(3,194)	**(184,392)**	(447,128)
Purchase of intangible assets	**-**	(127)	**-**	(248)
Acquisition of subsidiaries, net of cash acquired	**-**	-	**-**	4,195
Equity investment in joint venture	**(2,183)**	843	**(2,240)**	(1,814)
Proceeds from disposal of vessels	**(328)**	19,245	**142,793**	255,809
Proceeds from disposal of assets	**-**	15,882	**-**	15,882
Interest income received	**1,932**	2,204	**13,583**	4,172
Net cash (used in)/provided by investing activities	(92,303)	36,678	(31,677)	(179,131)
Cash flows from financing activities				
Proceeds from borrowings from external financial institutions	**-**	-	**247,030**	440,257
Proceeds from borrowing from a related party	**-**	-	**-**	3,750
Proceeds from employee share option plan	**353**	1,350	**9,286**	1,459
Proceeds from equity raise	**-**	-	**-**	97,780
Payment of equity raise costs	**-**	(26)	**-**	(1,170)
Repayment of borrowings to external financial institutions	**(15,725)**	(105,443)	**(309,064)**	(415,901)
Repayment of borrowings to a related party	**-**	(12,500)	**-**	(22,500)
Repayment of borrowings to non-related parties	**-**	-	**(5,489)**	(558)
Repayment of finance lease liabilities	**67,518**	(53,263)	**(344,184)**	(231,086)
Repayment of other lease liabilities	**(45,969)**	-	**(45,969)**	-
Payment of financing fees to external financing institutions	**-**	56	**(3,997)**	(1,990)
Interest paid to external financial institutions	**(16,597.)**	(30,401)	**(73,634)**	(87,843)
Interest paid to third party	**(1)**	-	**(5,646)**	(24)
Other finance expense paid	**(1,521)**	(905)	**(11,130)**	(3,558)
Dividends paid	**(102,874)**	(140,149)	**(544,136)**	(243,748)
Net cash (used in)/**provided by** financing activities	(114,816)	(341,281)	(1,086,933)	(465,132)
Net (decrease)/increase in cash and cash equivalents	**(8,178)**	(25,195)	**(57,804)**	126,624
Cash and cash equivalents at beginning of the financial period	**230,699**	305,520	**280,325**	153,701
Cash and cash equivalents at end of the financial period	**222,521**	280,325	**222,521**	280,325

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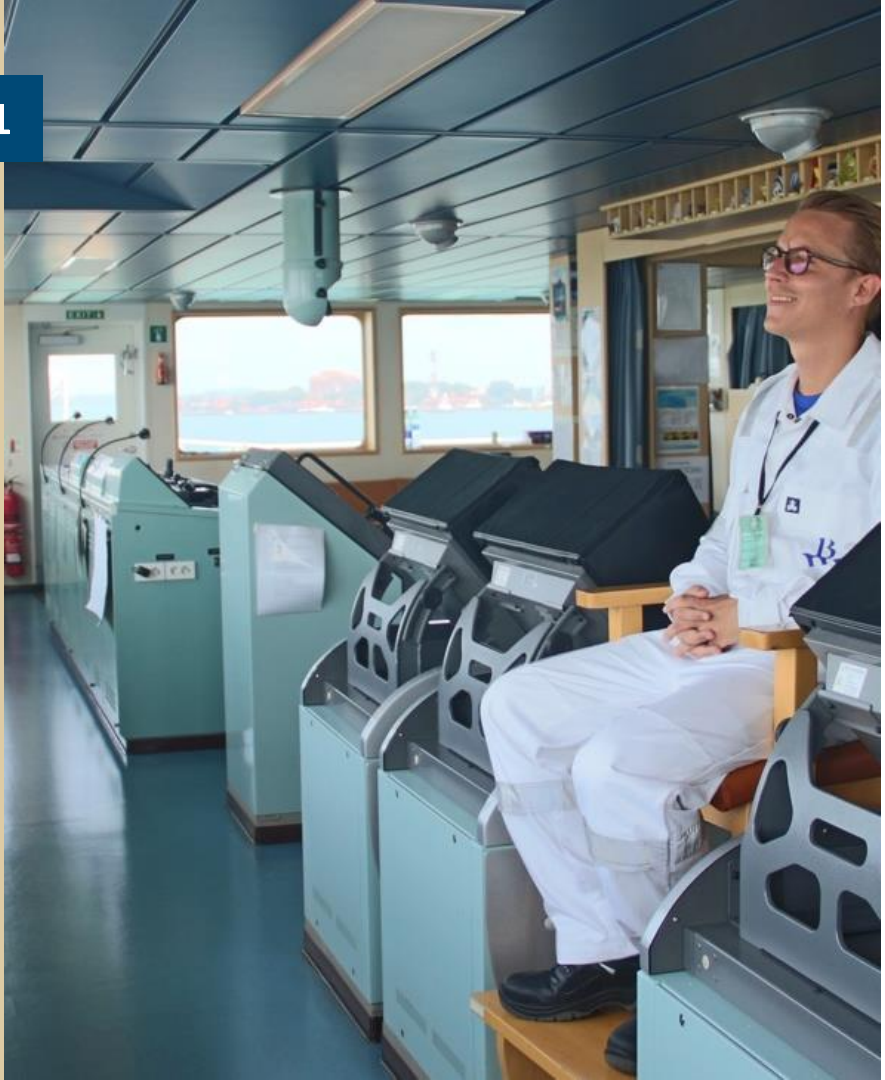
	For the 3 months ended 31 December 2023 USD'000	For the 3 months ended 31 December 2022 USD'000 (restated)	For the 12 months ended 31 December 2023 USD'000	For the 12 months ended 31 December 2022 USD'000 (restated)
Cash and cash equivalents at the end of the financial year consists of:				
Cash at bank and on hand	141,621	174,440	141,621	174,440
Cash retained in the commercial pools	80,900	105,885	80,900	105,885
Cash and cash equivalents at end of the financial period	222,521	280,325	222,521	280,325

Notes to the condensed consolidated interim financial information

These notes form an integral part of and should be read in conjunction with the accompanying condensed consolidated interim financial information.



General information

Hafnia Limited (the "Company"), is incorporated and domiciled in Bermuda. The address of its registered office is Washington Mall Phase 2, 4th Floor, Suite 400, 22 Church Street, HM 1189, Hamilton HM EX, Bermuda.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are shipowning and chartering.

2

Basis of preparation

Statement of compliance

The Interim Financial Information has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The Interim Financial Information should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

3 Changes in material accounting policies

New standard and amendments to published standards, effective in 2023 and subsequent years

The Group has applied the following IFRSs, amendments to and interpretations of IFRS for the first time for the annual period beginning on 1 January 2023:

(a) Amendments:

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Policies
- Amendments to IAS 12 Income Taxes:
  a. Deferred Tax related to Assets and Liabilities arising from a Single Transaction
  b. International Tax Reform – Pillar Two Model Rules
- Amendments to IAS 1 Presentation of Financial Statements:
  a. Classification of Liabilities as Current or Non-current
  b. Non-current Liabilities with Covenants
- Adoption of IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 Comparative Information
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

Global minimum top-up tax

Management has assessed that the amendments to IAS 12 Income Taxes (b) International Tax Reform – Pillar Two Model Rules are applicable to the Group as it is a large multinational enterprise that has consolidated revenues of more than US$ 750 million in at least two out of the last four years.

The application of these amendments to standards and interpretations does not have a material effect on the Interim Financial Information.

A number of new standards, interpretations, and amendments to standards will become effective for annual periods beginning on or after 1 January 2024, and early adoption is permitted. In preparing these consolidated financial statements, the Group has not early adopted any new or amended standards or interpretations. The Group intends to adopt these new and amended standards and interpretations, when they become effective.

Material accounting policies

The Interim Financial Information for the 3-month period from 1 October 2023 to 31 December 2023 and the 12-month period from 1 January 2023 to 31 December 2023 has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The Interim Financial Information should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Interim Financial Information does not include all the information required for a complete set of financial statements prepared in accordance with IFRS standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

In the preparation of this set of Interim Financial Information, the same accounting policies have been applied as those used in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2022. However, management has applied a strict IFRS application for the financial year ended 2022 and restated the financials after re-evaluating the accounting over its pool business (refer to Note 14) .

The condensed consolidated interim financial information for the 3-month period from 1 October 2023 to 31 December 2023 and the 12-month period from 1 January 2023 to 31 December 2023 has not been audited or reviewed by the Group's auditors.

Critical accounting judgements and estimates

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the Group's accounting policies and which have the most significant effect on the amounts recognised in the financial statements.

Accounting for pool arrangements

The Group is involved in three types of commercial pool arrangements: 1) pool arrangements that are managed by the Group under the "agent-to-owner" model, 2) pool arrangements that are managed by the Group under the "disponent-owner" model ("Disponent-Owner Pools") and 3) pool arrangements operated by third parties in which the Group's owned vessels are placed.

For pool arrangements that are managed by the Group, Hafnia operates as a pool manager for seven commercial pools:

(1) Long Range II ("LR2") Pool
(2) Long Range I ("LR1") Pool
(3) Medium Range ("MR") Pool
(4) Handy size ("Handy") Pool
(5) Chemical handy size ("Chemical-Handy") Pool
(6) Chemical medium range ("Chemical-MR") Pool
(7) Specialised Pool

The pools are managed by Hafnia through its pool management companies that are wholly owned subsidiaries, as the pool manager. There are separate pool agreements entered into between the pool manager and the relevant pool participants. The pool manager negotiates charters with customers primarily in the spot market, however it may also arrange short duration time charters.

The objective of the commercial pool set up is to facilitate the commercial operation, employment, and marketing of the pool's vessels. This is achieved via the optimal utilisation of the pool vessels due to improved scheduling to reduce ballast legs and bulk purchase of goods and services for voyage expenses, thus creating economies of scale, improved flexibility, efficiency and price competitiveness. Shipowners contribute their vessels to the pool and the pool is managed by the pool manager under the authority of the Pool Board.

For pool arrangements under the "agent-to-owner" model, management has performed a key assessment to determine who is the principal and agent in these pool arrangements. Indicators that the Group, as the pool manager, is an agent in a pool arrangement are:

- Based on the pool agreements under the "agent-to-owner" model, the decisions over the relevant activities of the pool that are determined to significantly affect the pool's returns are made by the respective Pool Boards, which are represented by pool participants;
- Although the pool manager makes decisions over the day-to-day operations of the pool, the pool manager only acts within the pre-defined mandates and authority limits set by the Pool Board, for which the Pool Board's approving rights are substantive;
- The decisions of the pool manager are not for the relevant activities of the pool and the pool manager has limited discretion over pricing as the prices are highly dependent on the market published price for charter contracts;
- The pool manager is only given authority to decide on the prices with the objective of efficient pool management; and
- The Pool Board's decisions have practical ability to prevent the pool manager from directing the pool's relevant activities and exercising power on its own behalf.

The Group has evaluated that it has limited control as the pool manager and is hence an agent in the respective commercial pool arrangements. In such arrangements, the Group as the pool manager does not consolidate the pools. Instead, the Group only recognises the pool management fees as other operating income. On the balance sheet, the Group recognises the pool's assets and liabilities over which the Group, as pool manager, has legal rights and obligations respectively. This includes all cash balances of the pool as the pool bank accounts are opened in the name of the pool manager; and trade payables (other than those relating to fuel oil) for which contracts are entered into in the name of the pool manager.

As the shipowner that places its own vessels in the pools, the Group recognises the gross revenue and voyage expenses earned pertaining to its vessels placed in the pools; and adjustments due to pool allocations recognised separately as "pool allocated gain/loss". These adjustments relate to revenue from time charters and voyage charters less voyage expenses comprising primarily brokers' commission, fuel oil and port charges. On the balance sheet, the Group recognises the assets and liabilities over which the Group, as shipowners, has legal rights and obligations respectively. This includes the trade receivables from end charterers for which the contracts are entered into in its own name as shipowners; and fuel oil as inventory and its corresponding payables, as the pool manager purchases fuel oil as an agent on behalf of shipowners based on the contractual terms of the Pool Agreements under the "agent-to-owner" model and the shipowner having the primary responsibility for the fuel oil obligations.

During the financial year ended 31 December 2023, the Group changed the Handy Pool, MR Pool, LR1 Pool and LR2 Pool from the "agent-to-owner" model to the "disponent-owner" model, as management believes that it would lead to an improvement in operating efficiency and access to working capital facilities.

For pool arrangements under the "disponent-owner" model ("Disponent-Owner Pools"), the key changes in the pool agreements from the "agent-to-owner" model are:

- Establishing a time-charter arrangement for the vessels in the Disponent-Owner Pools between the pool participants and the pool manager;
- The pool manager, as the "disponent-owner" of the vessels, has the right to obtain substantially all of the economic benefits from the use of the vessels in the Disponent-Owner Pools, as the pool manager is the contractual and legal entity who charters in vessels from the pool participants and subsequently charters out the vessels to the external charterers under its own name as the "disponent-owner";
- The pool manager, as the "disponent-owner" of the vessels, also has the right to direct the use of the vessels in the Disponent-Owner Pools, including having the right to direct how and for what purpose the vessels will be used;

The Group has evaluated that the time-charter arrangement constitutes a lease under IFRS 16 – Leases to the pool manager of the Disponent-Owner Pools. Correspondingly, management has assessed that the rights conferred from the pool agreements under the "disponent-owner" model provided the pool manager with the control of a right to a service to be performed using the vessels in the Disponent-Owner Pools for which it has control over, for the end charterers and hence allowing the pool manager to recognise the revenue as a principal in line with IFRS 15 - Revenue from Contracts with Customers.

In such arrangements, the Group as the pool manager recognises the gross revenue and voyage expenses earned pertaining to the vessels placed by the Group in the Disponent-Owner Pools as "Revenue (Hafnia Vessels and TC Vessels)" and "Voyage expenses (Hafnia Vessels and TC Vessels)" respectively, and adjustments due to pool allocations recognised separately as "pool allocated gain/loss"; the gross revenue and voyage expenses earned pertaining to the external vessels placed by pool participants other than the Group in the Disponent-Owner Pools as "Revenue (External Vessels in Disponent-Owner Pools)" and "Voyage expenses (External Vessels in Disponent-Owner Pools)" respectively; and expenses relating to pool distributions to external pool participants other than the Group in the Disponent-Owner Pools separately as "Pool distributions for External Vessels in Disponent-Owner Pools".

On the balance sheet, the Group recognises the pool's assets and liabilities over which the Group, as pool manager, has legal rights and obligations respectively. This includes all cash balances of the pool as the pool bank accounts are opened in the name of the pool manager; all trade receivables from end charterers for which contracts are entered into in the name of the pool manager as the "disponent-owner"; the trade payables for which contracts are entered into in the name of the pool manager; and fuel oil as inventory and its corresponding payables, as the pool manager purchases fuel oil as the "disponent owner" of the vessels based on the contractual terms of the Pool Agreements under the "disponent-owner" model.

For pool arrangements operated by third parties in which the Group's owned vessels are placed, management has performed an assessment to determine if the Group as a pool participant has control over the pools in such arrangements. Indicators that the Group, as a pool participant, does not have control in the pool arrangements are:

- Based on the pool agreements for these pool arrangements operated by the third party pool managers, the decisions over the relevant activities of the pool that are determined to significantly affect the pool's returns are made by the commercial pool managers. The pool managers of the respective pool arrangements hold the power to make all significant economic decisions that affect the pools;
- The Pool Board's power is limited to approval of total costs for each vessel in the respective pools, and approval of any additional working capital financing arrangements required from pool participants;
- The Pool Boards for these pool arrangements do not have the ability to prevent the pool manager from directing the pool's relevant activities and exercising power on its own behalf;
- The Group, as a pool participant in these pool arrangements, does not hold a majority of either the Pool Board of these pool arrangements or composition of the respective pools.

The Group has evaluated that it does not have control over the pools in the pool arrangements operated by third parties as a pool participant, and is hence not the principal of these pool arrangements. The Group recognises revenue from these pool arrangements as income based on its portion of the pool income reported by the relevant pool, which represents the net voyage revenue of the vessel after adjusting for pool earnings points, pool management fees and deducting voyage expenses.

Identification of cash-generating units

The Group organizes the commercial management of the fleet of vessels into seven individual commercial pools: LR1, LR2, MR, Handy, Chemical-MR, Chemical-Handy and Specialised. For the financial years ended 31 December 2023, there are no Hafnia Vessels or TC Vessels in the Specialised Pool. The Group has assessed that each individual commercial pool constitutes a separate cash-generating unit (“CGU”). This is due to 1) the vessels in each individual pool generating cashflows that are largely interdependent with each other, as the pool arrangements create operational dependencies between vessels in each segment as the pool manager is able to deploy all the vessels to gain efficiencies for the entire fleet of vessels in the pool; 2) the decisions of the pool manager are made solely for the benefit of the entire commercial pool and not for individual vessels; and 3) each individual pool is managed on a portfolio basis to optimise performance and for internal and external management reporting.

Time-chartered in vessels which are recognised as ROU assets by the Group and subsequently deployed in the commercial pools are included as part of the respective commercial pool CGUs based on the above assessment. For vessels outside the commercial pools and deployed on a time-charter basis, each of these vessels constitutes a separate CGU.

Impairment/reversals of impairment of non-financial assets

Property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired or a reversal of previously recognised impairment charge may be required. The recoverable amount of an asset, and where applicable, a cash-generating unit ("CGU"), is determined based on the higher of fair value less costs to sell and value-in-use calculations prepared on the basis of management's assumptions and estimates.

All impairment calculations demand a high degree of estimation, which include assessments of the expected cash flows arising from such assets under various modes of deployment, and the selection of discount rates. Changes to these estimates may significantly impact the impairment charges recognised, and future changes may lead to reversals of any previously recognised impairment charges. The Group views that the forecast of future freight rates, representing the main driver of recoverable amounts of the Group's vessels to be inherently difficult to estimate. This is further complicated by the volatility in oil prices caused by geopolitics and macroeconomic forces, together with the cyclical nature of freight rates prevailing in the tankers market.

Vessel life and residual value

The Group depreciates the vessels on a straight-line basis after deduction of residual values over the ship's estimated useful life of 25 years, from the date the ship was originally delivered from the shipyard. Dry docking costs are generally depreciated over 2.5 to 5 years depending on the age and serviceability of the vessels. Residual value is estimated as the lightweight tonnage of each vessel multiplied by the scrap value. The residual values of the vessels are reassessed by management at the end of each reporting period based on the prevailing and historical steel prices.

The useful life and residual value are critical accounting estimates as they directly impact the amount of depreciation expense to be presented in the financial statements. Due to the size of the Group's fleet of owned vessels, the impact could be material depending on the estimates adopted by Management.

5 Revenue

	For the 3 months ended 31 December 2023 USD'000	For the 3 months ended 31 December 2022 USD'000 (restated)	**For the 12 months ended 31 December 2023** USD'000	For the 12 months ended 31 December 2022 USD'000 (restated)
Hafnia Vessels and TC Vessels				
Revenue from voyage charter	**436,455**	576,069	**1,781,036**	1,852,727
Revenue from time charter	**35,552**	17,495	**134,436**	73,824
Total revenue	**472,007**	593,564	**1,915,472**	1,926,551

The Group's revenue is generated from the following main business segments: LR2 Product Tankers, LR1 Product Tankers, MR Product Tankers (inclusive of IMO II vessels), Handy Product Tankers (inclusive of IMO II vessels), Chemical-Stainless Product Tankers and Specialized Product Tankers. In 2022, the Group exited the Chemical-Stainless segment after disposing of its Chemical-Stainless vessels that were previously acquired through the acquisition of subsidiary, Chemical Tankers Inc ("CTI").

Consistent with global tanker market trends, the Group has seasonality of operations. Revenues generated by vessels have historically been stronger during winter months (December-February) and weaker during summer months (June-August).

Disaggregation of revenue by business segments is presented in Note 13.

6

Property, plant and equipment

	Right-of-use assets USD'000	Vessels USD'000	Dry docking and scrubbers USD'000	Other property, plant and equipment USD'000	Total USD'000
Cost					
At 1 January 2023	187,730	3,698,658	138,001	1,369	4,025,758
Additions	-	1,592	408	55	2,055
Disposal of vessels	-	(164,795)	(7,481)	-	**(172,276)**
Reclassification to assets held for sale	-	(60,321)	(1,729)	-	(62,050)
At 31 March 2023/1 April 2023	187,730	3,475,134	129,199	1,424	3,793,487
Additions	-	86,445	7,405	4	93,854
Disposal of vessels	-	(58,712)	(3,340)	-	(62,052)
Write-off on completion of dry docking cycle	-	-	(1,575)	-	(1,575)
At 30 June 2023/1 July 2023	187,730	3,502,867	131,689	1,428	3,823,714
Additions	-	33,966	8,400	51	42,417
Write-off on completion of dry docking cycle	-	-	(2,727)	-	(2,727)
At 30 September 2023/1 October 2023	187,730	3,536,833	137,362	1,479	3,863,404
Additions	11,852	36,432	9,618	16	57,918
Disposal of vessels	-	(60,321)	(1,696)	-	(62,017)
Write-off on completion of dry docking cycle	-	-	(3,638)	-	(3,638)
Reclassification of assets held for sale to disposal of vessel	-	60,321	1,729	-	62,050
At 31 December 2023	199,582	3,573,265	143,375	1,495	3,917,717

	Right-of-use assets USD'000	Vessels USD'000	Dry docking and scrubbers USD'000	Other property, plant and equipment USD'000	Total USD'000
Accumulated depreciation and impairment charge					
At 1 January 2023	119,826	970,339	58,791	239	1,149,195
Depreciation charge	11,232	33,153	7,204	72	51,661
Disposal of vessels	-	(111,179)	(2,072)	-	(113,251)
Reclassification to assets held for sale	-	(49,015)	(482)	-	(49,497)
At 31 March 2023/1 April 2023	131,058	843,298	63,441	311	1,038,108
Depreciation charge	11,292	33,250	6,935	68	51,545
Disposal of vessels	-	(46,287)	(1,852)	-	(48,139)
Write-off on completion of dry docking cycle	-	-	(1,575)	-	(1,575)
At 30 June 2023/1 July 2023	142,350	830,261	66,949	379	1,039,939
Depreciation charge	11,335	34,572	7,158	70	53,135
Write-off on completion of dry docking cycle	-	-	(2,727)	-	(2,727)
At 30 September 2023/1 October 2023	153,685	864,833	71,380	449	1,090,347
Depreciation charge	11,336	34,494	7,474	82	53,386
Write-off on completion of dry docking cycle	-	-	(3,638)	-	(3,638)
Disposal of vessels	-	(49,015)	(482)	-	(49,497)
Reclassification of assets held for sale to disposal of vessel	-	49,015	482	-	49,497
At 31 December 2023	165,021	899,327	75,216	531	1,140,095
Net book value					
At 31 December 2023	**34,561**	**2,673,938**	**68,159**	**964**	**2,777,622**

	Right-of-use assets USD'000	Vessels USD'000	Dry docking and scrubbers USD'000	Other property, plant and equipment USD'000	Total USD'000
Cost					
At 1 January 2022	188,983	2,874,159	116,673	380	3,180,195
Acquisition of subsidiaries	-	876,246	16,754	9	893,009
Additions	1,895	201,833	17,459	248	221,435
Disposal of vessel	-	(13,072)	(677)	-	(13,749)
Reclassification to assets held for sale	-	(238,685)	(3,414)	-	(242,099)
Write-off on completion of dry docking cycle	-	-	(4,101)	-	(4,101)
At 31 March 2022/1 April 2022	190,878	3,700,481	142,694	637	4,034,690
Additions	-	198,261	14,825	367	213,453
Disposal of vessel	-	(88,040)	(6,050)	-	(94,090)
Reclassification to assets held for sale	-	(68,832)	(2,499)	-	(71,331)
Write-off on completion of dry docking cycle	-	-	(5,057)	-	(5,057)
At 30 June 2022/1 July 2022	190,878	3,741,870	143,913	1,004	4,077,665
Additions	-	3,531	7,182	228	10,941
Disposal of vessel	-	(49,825)	(7,714)	-	(57,539)
Reclassification to assets held for sale	-	(121)	(1,772)	-	(1,893)
Write-off on completion of dry docking cycle	-	-	(1,500)	-	(1,500)
At 30 September 2022/1 October 2022	190,878	3,695,455	140,109	1,232	4,027,674
Reclassification of assets held for sale to disposal of vessel	-	307,638	7,685	-	315,323
Disposal of vessel	-	(307,638)	(7,685)	-	(315,323)
Additions	-	3,203	(146)	137	3,194
Write-off on completion of dry docking cycle	-	-	(1,962)	-	(1,962)
Write-off	(3,276)	-	-	-	(3,276)
At 31 December 2022	187,730	3,698,658	138,001	1,369	4,025,758

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PROPERTY, PLANT AND EQUIPMENT CONTINUED

	Right-of-use assets USD'000	Vessels USD'000	Dry docking and scrubbers USD'000	Other property, plant and equipment USD'000	Total USD'000
Accumulated depreciation and impairment charge					
At 1 January 2022	77,454	964,625	53,259	114	1,095,452
Depreciation charge	11,521	30,686	6,454	13	48,674
Disposal of vessel	-	(2,363)	(614)	-	(2,977)
Reclassification to assets held for sale	-	(1,839)	(120)	-	(1,959)
Write-off on completion of dry docking cycle	-	-	(4,101)	-	(4,101)
At 31 March 2022/1 April 2022	88,975	991,109	54,878	127	1,135,089
Depreciation charge	11,292	34,030	7,333	12	52,667
Disposal of vessel	-	(57,942)	(4,191)	-	(62,133)
Reclassification to assets held for sale	-	(47,080)	(2,255)	-	(49,335)
Write-off on completion of dry docking cycle	-	-	(5,057)	-	(5,057)
At 30 June 2022/1 July 2022	100,267	920,117	50,708	139	1,071,231
Depreciation charge	11,354	34,429	7,481	50	53,314
Disposal of vessel	-	(18,178)	(3,896)	-	(22,074)
Write-off on completion of dry docking cycle	-	-	(1,500)	-	(1,500)
At 30 September 2022/1 October 2022	111,621	936,368	52,793	189	1,100,971
Depreciation charge	11,353	33,971	7,960	50	53,334
Reclassification of assets held for sale to disposal of vessel	-	48,919	2,375	-	51,294
Disposal of vessel	-	(48,919)	(2,375)	-	(51,294)
Write-off on completion of dry docking cycle	-	-	(1,962)	-	(1,962)
Write-off	(3,148)	-	-	-	(3,148)
At 31 December 2022	119,826	970,339	58,791	239	1,149,195
Net book value					
At 31 December 2022	**67,904**	**2,728,319**	**79,210**	**1,130**	**2,876,563**

a. The Group organises the commercial management of the fleet of product tanker vessels into seven individual commercial pools: LR1, LR2, MR, Handy, Chemical-MR, Chemical-Handy and Specialised. Each individual commercial pool constitutes a separate cash-generating unit (“CGU”). For vessels deployed on a time-charter basis outside the commercial pools, each of these vessels constitutes a separate CGU.

   Management is required to assess whenever events or changes in circumstances indicate that the carrying value of these CGUs may not be recoverable. Management measures the recoverability of each CGU by comparing its carrying amount to its ‘recoverable value’, being the higher of its fair value less costs of disposal or value in use (“VIU”) based on future discounted cash flows that CGU is expected to generate over its remaining useful life.

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PROPERTY, PLANT AND EQUIPMENT CONTINUED

As at 31 December 2023, the Group assessed whether these CGUs have indicators of impairment by reference to internal and external factors. The market valuation of the fleet of vessels, as appraised by independent shipbrokers, is one key test performed by the Group.

Based on this assessment, alongside with other industry factors, the Group concluded that there is no indication that any impairment loss or reversal of previously recognised impairment loss is needed for the 12 months ended 31 December 2023 (12 months ended 31 December 2022: USD Nil).

b. The Group has mortgaged vessels with a total carrying amount of USD 2,491.8 million as at 31 December 2023 (31 December 2022: USD 2,807.5 million) as security over the Group's bank borrowings.

c. There were additions of USD 11.9 million to right-of-use assets as at 31 December 2023 (12 months ended 31 December 2022: USD 1.9 million).

Shareholders' equity

a. Authorised share capital

The total authorised number of shares is 750,000,000 (31 December 2022: 750,000,000) common shares at par value of USD 0.01 per share.

b. Issued and fully paid share capital

	Numbers of shares	Share capital USD'000	Share premium USD'000	Total USD'000
At 1 January 2022	**370,244,325**	**3,703**	**704,834**	**708,537**
Shares issued for acquisition of CTI assets	92,112,691	921	206,459	207,380
New shares issued	37,600,000	376	97,170	97,546
Purchase of treasury shares and issuance of shares	3,431,577	35	15,533	15,568
At 31 December 2022	**503,388,593**	**5,035**	**1,023,996**	**1,029,031**
At 1 January 2023	**503,388,593**	**5,035**	**1,023,996**	**1,029,031**
Purchase of treasury shares and issuance of shares	3,431,577	34	20,853	20,887
At 31 December 2023	**506,820,170**	**5,069**	**1,044,849**	**1,049,918**

On 28 February 2023, the Company entered into a share lending agreement with BW Group Limited ("BW Group"), whereby BW Group lent 3,431,577 shares of the Company. The borrowed shares were redelivered by way of the Company issuing new shares to BW Group at a subscription price of US$0.01 per share. Following this transaction, the Company had 3,431,577 newly issued shares and 3,431,577 treasury shares.

On 1 March 2023, the Company entered into a share lending agreement with BW Group, whereby BW Group lent 3,431,577 shares of the Company. The borrowed shares were redelivered by way of the Company issuing new shares to BW Group at a subscription price of US$0.01 per share. Following this transaction, the Company had 3,431,577 newly issued shares and 3,431,577 treasury shares.

On 20 December 2023, the Company entered into another share lending agreement with BW Group, whereby BW Group lent 3,431,577 shares of the Company. Following this transaction, the Company had 3,431,577 treasury shares. The borrowed shares were redelivered by way of the Company issuing new shares to BW Group at a subscription price of US$0.01 per share. The share issuance was only completed on 2 January 2024.

On 27 January 2022, the Company issued 92,112,691 new common shares in the Company, as part of the purchase consideration for the acquisition of CTI assets. Refer to Note 3.

On 9 May 2022, the Company issued 37,600,000 new common shares at a private placement at subscription price of NOK 25.0 per share, raising net proceeds of US$97.5 million.

On 26 August 2022, the Company entered into a share lending agreement with BW Group Limited, whereby BW Group lent 3,431,577 shares of the Company. The borrowed shares were redelivered by way of the Company issuing new shares to BW Group at a subscription price of US$0.01 per share. Following this transaction, the Company had 3,431,577 newly issued shares and 3,431,577 treasury shares. This allowed the Company to promptly deliver existing shares held in treasury to employees who exercise their vested options under the share options granted to management personnel in 2019 for Tranche 1, Tranche 2, Tranche 3 and Tranche 4.

All issued common shares are fully paid. The newly issued shares rank pari passu with the existing shares.

c. Other reserves

(i)		As at 31 December 2023 USD'000	As at 31 December 2022 USD'000
	Composition:		
	Translation reserve	(63)	29
	Hedging reserve	39,312	68,458
	Share based payment reserve	3,788	5,873
	Capital reserve	(25,137)	(710)
	Fair value reserve	9,720	-
		27,620	73,650

(ii)	Movements of the reserves are as follows:	For the 12 months ended 31 December 2023 USD'000	For the 12 months ended 31 December 2022 USD'000
	Hedging reserve		
	At beginning of the financial period	68,458	348
	Fair value gains on cash flow hedges	13,378	73,516
	Reclassification to profit or loss	(42,524)	(5,406)
	At end of the financial period	39,312	68,458

8 Borrowings

	As at 31 December 2023 USD'000	As at 31 December 2022 USD'000
Current		
Loans from non-related parties	-	673
Bank borrowings	174,004	103,807
Sales and leaseback-liabilities (accounted for as financing transaction)	57,305	170,731
Other lease liabilities	36,019	44,905
Total current borrowings	267,328	320,116
Non-current		
Loans from non-related parties	-	4,756
Bank borrowings	398,507	622,569
Sales and leaseback-liabilities (accounted for as financing transaction)	622,174	798,273
Other lease liabilities	4,342	29,573
Total non-current borrowings	1,025,023	1,455,171
Total borrowings	1,292,351	1,775,287

As at 31 December 2023, bank borrowings consist of ten credit facilities from external financial institutions, namely USD 473 million, USD 374 million, USD 216 million, USD 106 million, USD 84 million, USD 39 million, USD 40 million, USD 303 million and two borrowing base facilities respectively (31 December 2022: USD 473 million, USD 374 million, USD 216 million, USD 106 million, USD 100 million, USD 84 million and USD 39 million). These facilities are secured by the Group's fleet of vessels. The table below summarises key information of the bank borrowings:

Facility amount	Outstanding amount USD m	Maturity date
USD 473 million facility	114.9	
- USD 413 million term loan		2026
- USD 60 million revolving credit facility		2026
USD 374 million facility	-	
- USD 100 million revolving credit facility		2028
USD 216 million facility	143.6	2027
USD 106 million facility	90.8	2025
USD 84 million facility	55.7	
- USD 68 million term loan		2026
- USD 16 million revolving credit facility		2026
USD 39 million facility	18.8	
- USD 30 million term loan		2025
- USD 9 million revolving credit facility		2025
Up to USD 175 million borrowing base facility Up to USD 175 million borrowing base facility (with an accordion option of up to USD 75 million)	52.9 59.9	2024

Facility amount	Outstanding amount USD m	Maturity date
USD 40 million facility	38.5	2029
USD 303 million facility	-	
- USD 303 million revolving credit facility		2029

Repayment profile USD'000	For the financial year ended 31 December 2024	For the financial year ended 31 December 2025
USD 473 million facility	28,992	28,992
USD 216 million facility	12,600	12,600
USD 106 million facility	8,856	2,214
USD 84 million facility	6,240	6,240
USD 39 million facility	3,338	15,464
Up to USD 175 million borrowing base facility Up to USD 175 million borrowing base facility (with an accordion option of up to USD 75 million)	52,900 59,900	-
USD 40 million facility	2,873	2,873

As at 31 December 2023, the financing liabilities consist of various facilities provided by external leasing houses. The vessels under these facilities are legally owned by the leasing houses and leased back to Hafnia. The maturity dates of the facilities range from 2023 to 2033.

During the current period, the Group re-financed certain sales-and-leaseback financing arrangements for a number of chemical tankers under the terms as stated above. The Group also obtained short-term borrowing base facilities to finance its pool operations. The borrowing base facilities are secured with trade receivables of the Group and repayable with reduction in the balance of security.

The carrying amounts relating to the 12 LR1 vessels was USD 354.2 million (31 December 2022: USD 383.5 million), 15 CTI vessels was USD 277.2 million (31 December 2022: 26 vessels and USD 512.6 million), and other finance leases was USD 48.5 million (31 December 2022: USD 73.1 million).

Interest rates

The weighted average effective interest rates per annum of total borrowings, excluding the effect of interest rate swaps, at the balance sheet date are as follows:

	As at 31 December 2023	As at 31 December 2022
Bank borrowings	6.7%	4.2%
Sales and leaseback-liabilities (accounted for as financing transaction)	7.4%	6.1%

Carrying amounts and fair values

The carrying values of the bank borrowings and financing liabilities approximate their fair values as they are re-priceable at one to three months intervals.

9 Commitments

Operating lease commitments - where the Group is a lessor

The Group leases vessels to non-related parties under non-cancellable operating lease agreements. The Group classifies these leases as operating leases as the Group retains substantially all risks and rewards incidental to ownership of the leased assets.

The undiscounted lease payments under operating leases to be received after the reporting date are analysed as follows:

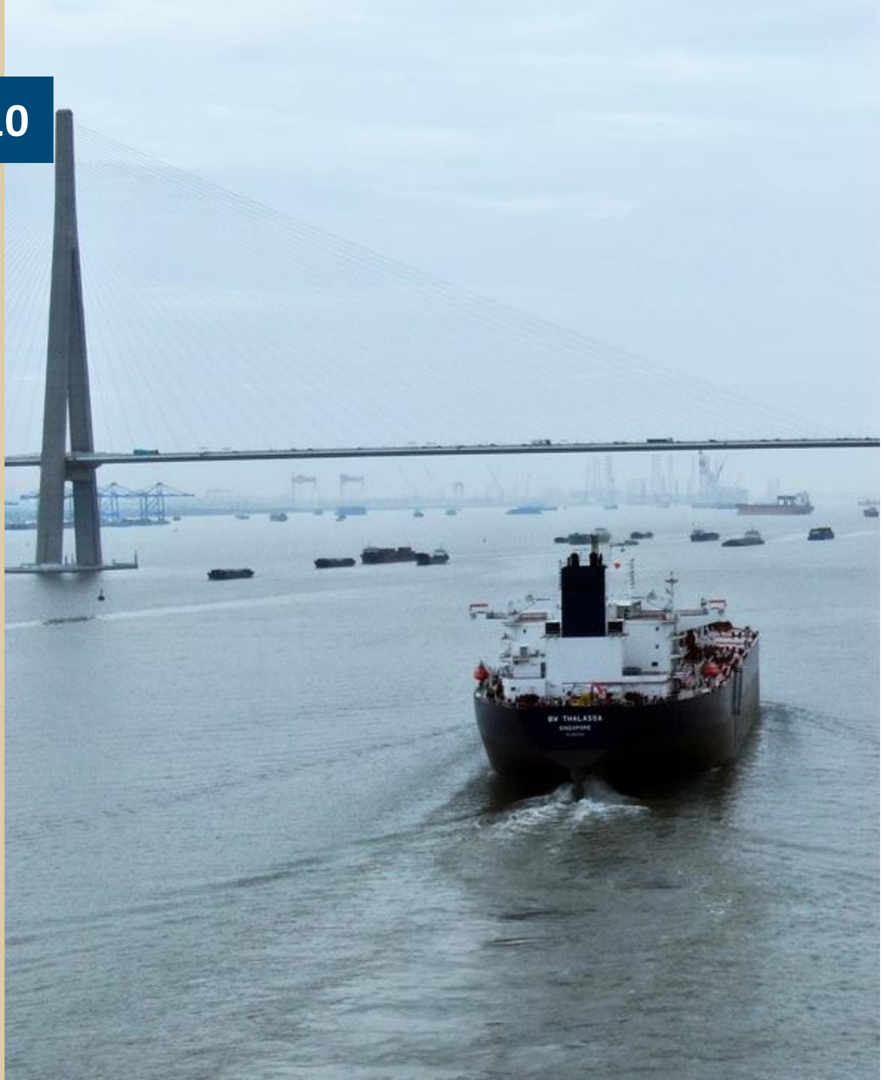
USD’000	As at 31 December 2023	As at 31 December 2022
Less than one year	**87,459**	65,878
One to two years	**25,830**	11,712
Two to five years	**8,960**	20,640
	122,249	98,230

Capital commitments - Joint ventures

The Group has equity interests in joint ventures and is obliged to provide its share of working capital for the joint ventures’ newbuild programme through either equity contributions or shareholder’s loans.

The future minimum capital contributions to be made at the reporting date but not yet recognised are as follows:

USD’000	As at 31 December 2023	As at 31 December 2022
Less than one year	**28,394**	83,450
One to two years	**58,079**	-
More than five years	**19,360**	-
	105,833	83,450



Share-based payment arrangements

The Company operates equity-settled, share-based long term incentive plans (“LTIP”) in which the entity receives services from employees as consideration for equity instruments (share options) in the group; and grants restricted share units (“RSUs”) to employees in which the entity receives services from employees as consideration for equity instruments (share units) in the group.

Share option programme (equity-settled)

On 28 February 2023, the Company granted a total of 1,849,428 share options to key management and senior employees under the LTIP 2023 share option program. These share options will vest on 28 February 2026 at an exercise price of NOK 74.62. The vesting condition of the granted options is 3 years’ service from grant date.

All share options and share units are to be settled by physical delivery of shares and will become void if the employee rescinds their position before the vesting date.

The fair value of services received in return for share options granted is based on fair value of share options granted, measured using the Black-Scholes model.

The following inputs were used in the measurement of the fair values at respective grant dates of the share options.

Measurement of grant date fair value of share options	LTIP 2023
Grant date	28 February 2023
Share price (NOK)	64.46
Exercise price (NOK)	74.62
Time to maturity (years)	4.5
Risk free rate	3.53%
Volatility	50.00%
Dividends	-
Annual tenure risk	7.50%
Share options granted	1,849,428
Fair value at grant date (USD)	3,716,961

Volatility has been estimated as a benchmark volatility by considering the historical average share price volatility of a comparable peer group of companies.

Restricted share units (equity-settled)

On 15 March 2022, the Group granted a total of 462,357 restricted share units (“RSU 2022”) to key management and senior employees. All restricted share units are to be settled by physical delivery of shares to the employees when they vest on 15 March 2025. The vesting condition of RSU 2022 is to fulfil a 3 year service period.

Measurement of grant date fair values of restricted share units

The fair value of restricted share units at grant date was measured at the market value of the Company’s stock on the date of the grant.

The following inputs were used in the measurement of the fair values at the grant dates of the restricted share units.

Measurement of grant date fair value of restricted share units	RSU 2022
Grant date	15 March 2022
Grant date fair value (NOK)	20.01
Grant date fair value (USD)	2.21
Annual tenure risk	7.50%
Restricted share units granted	462,357
Fair value at grant date (USD)	808,875

Financial information

	Carrying amount				Fair value			
	Fair value hedging instruments/ Mandatorily at FVTPL - others USD'000	Financial assets at amortised cost USD'000	FVOCI – equity instruments USD'000	Total USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
At 31 December 2023								
Financial assets measured at fair value								
Forward foreign exchange contracts	449	-	-	449	-	449	-	449
Forward freight agreements	1,512	-	-	1,512	-	1,512	-	1,512
Interest rate swaps used for hedging	45,964	-	-	45,964	-	45,964	-	45,964
Other investments	-	-	23,953	23,953	-	-	23,953	23,953
	47,925	-	23,953	71,878				

	Carrying amount				Fair value			
	Fair value hedging instruments/ Mandatorily at FVTPL - others USD'000	Financial assets at amortised cost USD'000	FVOCI – equity instruments USD'000	Total USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
At 31 December 2023								
Financial assets not measured at fair value								
Restricted cash	-	13,381	-	13,381				
Loans receivable from joint venture	-	69,626	-	69,626				
Trade and other receivables[1]	-	568,436	-	568,436				
Cash at bank and on hand	-	141,621	-	141,621				
Cash retained in the commercial pools	-	80,900	-	80,900				
	-	873,964	-	873,964				

[1] Excludes prepayments

	Carrying amount			Fair value			
	Fair value hedging instruments USD'000	Other financial liabilities USD'000	Total USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
At 31 December 2023							
Financial liabilities measured at fair value							
Forward freight agreements	(276)	-	(276)	-	(276)	-	(276)
Financial liabilities not measured at fair value							
Bank borrowings	-	(572,511)	(572,511)				
Sales and leaseback-liabilities (accounted for as financing transaction)	-	(679,479)	(679,479)				
Trade and other payables	-	(385,478)	(385,478)				
	-	(1,637,468)	(1,637,468)				

	Carrying amount				Fair value			
(restated)	Fair value hedging instruments/ Mandatorily at FVTPL - others USD'000	Financial assets at amortised cost USD'000	FVOCI – equity instruments USD'000	Total USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
At 31 December 2022								
Financial assets measured at fair value								
Forward foreign exchange contracts	438	-	-	438	-	438	-	438
Forward freight agreements	308	-	-	308	-	308	-	308
Interest rate swaps used for hedging	69,136	-	-	69,136	-	69,136	-	69,136
Interest rate caps	726	-	-	726	-	726	-	726
Other investments	-	-	3,825	3,825	-	-	3,825	3,825
	70,608	-	3,825	74,433				

	Carrying amount				Fair value			
(restated)	Fair value hedging instruments/ Mandatorily at FVTPL - others USD'000	Financial assets at amortised cost USD'000	FVOCI – equity instruments USD'000	Total USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
At 31 December 2022								
Financial assets not measured at fair value								
Loans receivable from joint venture	-	74,213	-	74,213				
Trade and other receivables[1]	-	481,507	-	481,507				
Restricted cash	-	4,780	-	4,780				
Cash at bank and on hand	-	174,440	-	174,440				
Cash retained in the commercial pools	-	105,885	-	105,885				
	-	840,825	-	840,825				

[1] Excludes prepayments

	Carrying amount			Fair value			
(restated)	Fair value hedging instruments USD'000	Other financial liabilities USD'000	Total USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
At 31 December 2022							
Financial liabilities measured at fair value							
Forward freight agreements	(93)	-	(93)	-	(93)	-	(93)
	(93)	-	(93)	-	(93)	-	(93)
Financial liabilities not measured at fair value							
Bank borrowings	-	(726,376)	(726,376)				
Sales and leaseback-liabilities (accounted for as financing transaction)	-	(969,004)	(969,004)				
Loans from non-related parties	-	(5,429)	(5,429)				
Trade and other payables	-	(156,218)	(156,218)				
	-	(1,857,027)	(1,857,027)				

The Group has no Level 1 financial assets or liabilities as at 31 December 2023.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. These financial instruments are included in Level 2, as all significant inputs required to fair value an instrument are observable. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The assessment of the fair value of investments in unquoted equity instruments is performed on a quarterly basis based on the latest available data that is reasonably available to the Group.

Level 3 fair values

The Group's investment in unquoted equity instruments measured at FVOCI using Level 3 fair value measurements were valued using market approach based on the Group's best estimate, which is determined by using information including but not limited to the pricing of recent rounds of financing of the investees and information generated from arm's-length market transactions involving identical or comparable assets or liabilities. The estimated fair value of the investments would either increase or decrease based on the latest available data that is reasonably available to the Group at each reporting date.

The following table shows a reconciliation from the opening balances to the closing balances of the Group's investment in unquoted equity instruments measured at FVOCI using Level 3 fair value measurements:

	2023 USD'000	2022 USD'000	2021 USD'000
Opening balance	**3,825**	3,501	-
Acquisition of equity investments at FVOCI	**10,408**	324	3,501
Equity investments at FVOCI – net change in fair value (unrealized)	**9,720**	-	-
Closing balance	**23,953**	3,825	3,501

Significant related party transactions

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SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the Interim Financial Information, the following significant transactions took place between the Group and related parties during the financial period on commercial terms agreed by the parties:

	For the 3 months ended 31 December 2023 USD'000	For the 3 months ended 31 December 2022 USD'000	**For the 12 months ended 31 December 2023 USD'000**	For the 12 months ended 31 December 2022 USD'000
Sale and purchase of services				
Support service fees paid/ payable to related parties	1,146	1,405	6,122	5,791
Interest paid/payable to related party	-	-	-	703
Rental paid/ payable to related party	217	210	872	699
Rendering of services				
Management fees received/receivable from related corporations	152	167	657	688
Transactions with joint venture				
Management fees received/receivable from joint venture	210	35	638	(1,063)
Interest income receivable from joint venture	923	1,129	4,936	2,516

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Related parties refer to companies controlled by Sohmen family interests. On 9 May 2022, BW Group Limited ceased to be the immediate holding company of the Group but remains as the single largest shareholder, owning an equity stake of 47.88% as at 31 December 2023. Prior to May 2022, BW Group was the controlling shareholder of the Group. BW Group is wholly-owned by Sohmen family interests.

13 Segment Information

For the 3 months ended 31 December 2023	LR2[1] USD'000	LR1[2] USD'000	MR[3] USD'000	Handy[4] USD'000	Chemical – Stainless USD'000	Specialized USD'000	Total USD'000
Revenue (Hafnia vessels and TC vessels)	32,304	122,353	229,702	87,629	17	2	472,007
Revenue (External vessels in disponent-owner pools)	18,717	79,116	98,276	35,323	-	-	231,432
Voyage expenses (Hafnia vessels and TC vessels)	(10,916)	(38,271)	(61,572)	(31,441)	-	-	(142,200)
Voyage expenses (External vessels in disponent-owner pools)	(5,527)	(27,031)	(37,494)	(10,430)	-	-	(80,482)
Pool distributions for external vessels in disponent-owner pools	(13,190)	(52,085)	(60,782)	(24,893)	-	-	(150,950)
TCE income	21,388	84,082	168,130	56,188	17	2	329,807

[1]Vessels between 85,000 DWT and 124,999 DWT in size and provides transportation of clean petroleum oil products.
[2]Vessels between 55,000 DWT and 84,999 DWT in size and provides transportation of clean and dirty petroleum products.
[3]Vessels between 40,000 DWT and 54,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals; inclusive of IMO II vessels
[4]Vessels between 25,000 DWT and 39,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals; inclusive of IMO II vessels

For the 3 months ended 31 December 2023	LR2[1] USD'000	LR1[2] USD'000	MR[3] USD'000	Handy[4] USD'000	Chemical – Stainless USD'000	Specialized USD'000	Total USD'000
Other operating income	485	1,694	2,274	1,576	-	927	6,956
Vessel operating expenses	(3,397)	(15,581)	(33,750)	(14,879)	(97)	-	(67,704)
Technical management expenses	(459)	(1,900)	(3,175)	(1,303)	-	-	(6,837)
Charter hire expenses	-	(2,040)	(7,331)	-	(5)	5	(9,371)
Operating EBITDA	18,018	66,253	126,148	41,582	(85)	934	252,850
Depreciation charge	(3,464)	(14,620)	(27,183)	(8,036)	-	-	(53,303)
							199,547
Unallocated							(21,229)
Profit before income tax							178,318

[1]Vessels between 85,000 DWT and 124,999 DWT in size and provides transportation of clean petroleum oil products.
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[3]Vessels between 40,000 DWT and 54,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals; inclusive of IMO II vessels
[4]Vessels between 25,000 DWT and 39,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals; inclusive of IMO II vessels

For the 12 months ended 31 December 2023	LR2[1] USD'000	LR1[2] USD'000	MR[3] USD'000	Handy[4] USD'000	Chemical – Stainless USD'000	Specialized USD'000	Total USD'000
Revenue (Hafnia vessels and TC vessels)	111,164	536,309	901,038	364,814	(226)	2,373	1,915,472
Revenue (External vessels in disponent-owner pools)	55,221	288,512	283,857	128,644	-	-	756,234
Voyage expenses (Hafnia vessels and TC vessels)	(30,339)	(151,725)	(246,919)	(118,772)	(36)	(1,074)	(548,865)
Voyage expenses (External vessels in disponent-owner pools)	(19,416)	(108,241)	(106,141)	(45,951)	-	-	(279,749)
Pool distributions for external vessels in disponent-owner pools	(35,805)	(180,271)	(177,716)	(82,693)	-	-	(476,485)
TCE income	80,825	384,584	654,119	246,042	(262)	1,299	1,366,607

[1]Vessels between 85,000 DWT and 124,999 DWT in size and provides transportation of clean petroleum oil products.
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[4]Vessels between 25,000 DWT and 39,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals; inclusive of IMO II vessels

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For the 12 months ended 31 December 2023	LR2[1] USD'000	LR1[2] USD'000	MR[3] USD'000	Handy[4] USD'000	Chemical – Stainless USD'000	Specialized USD'000	Total USD'000
Other operating income	1,781	8,865	9,258	7,188	(705)	3,747	30,134
Vessel operating expenses	(15,267)	(66,884)	(125,393)	(61,211)	(109)	(5)	(268,869)
Technical management expenses	(1,656)	(7,109)	(11,711)	(5,216)	-	-	(25,692)
Charter hire expenses	-	(9,234)	(24,034)	(1)	-	(1,302)	(34,571)
Operating EBITDA	65,684	310,221	502,239	186,802	(1,076)	3,739	1,067,609
Depreciation charge	(13,743)	(58,099)	(104,808)	(32,784)	-	-	(209,434)
							858,175
Unallocated							(58,649)
Profit before income tax							**799,526**

[1]Vessels between 85,000 DWT and 124,999 DWT in size and provides transportation of clean petroleum oil products.
[2]Vessels between 55,000 DWT and 84,999 DWT in size and provides transportation of clean and dirty petroleum products.
[3]Vessels between 40,000 DWT and 54,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals; inclusive of IMO II vessels
[4]Vessels between 25,000 DWT and 39,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals; inclusive of IMO II vessels

For the 3 months ended 31 December 2022	LR2[1] USD'000	LR1[2] USD'000	MR[3] USD'000	Handy[4] USD'000	Chemical – Stainless USD'000	Total USD'000
Revenue (Hafnia vessels and TC vessels)	29,648	187,805	278,525	96,404	1,182	593,564
Voyage expenses (Hafnia vessels and TC vessels)	(6,793)	(54,082)	(80,264)	(24,566)	(437)	(166,142)
TCE income	22,855	133,723	198,261	71,838	745	427,422
Other operating income	130	4,411	4,005	2,757	(58)	11,245
Vessel operating expenses	(4,149)	(19,226)	(29,290)	(14,382)	(347)	(67,394)
Technical management expenses	(414)	(2,044)	(2,932)	(1,383)	(17)	(6,790)
Charter hire expenses	-	(2,426)	(4,982)	-	-	(7,408)
Operating EBITDA	18,422	114,438	165,062	58,830	323	357,075
Depreciation charge	(3,464)	(15,899)	(25,931)	(7,990)	-	(53,284)
						303,791
Unallocated						(38,601)
Profit before income tax						265,190

[1]Vessels between 85,000 DWT and 124,999 DWT in size and provides transportation of clean petroleum oil products.
[2]Vessels between 55,000 DWT and 84,999 DWT in size and provides transportation of clean and dirty petroleum products.
[3]Vessels between 40,000 DWT and 54,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals; inclusive of IMO II vessels
[4]Vessels between 25,000 DWT and 39,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals; inclusive of IMO II vessels

For the 12 months ended 31 December 2022	LR2[1] USD'000	LR1[2] USD'000	MR[3] USD'000	Handy[4] USD'000	Chemical – Stainless USD'000	Total USD'000
Revenue (Hafnia vessels and TC vessels)	97,960	638,141	861,681	299,160	29,609	1,926,551
Voyage expenses (Hafnia vessels and TC vessels)	(24,526)	(216,890)	(259,479)	(77,722)	(1,238)	(579,855)
TCE income	73,434	421,251	602,202	221,438	28,371	1,346,696
Other operating income	516	9,815	13,250	5,357	516	29,454
Vessel operating expenses	(15,022)	(70,719)	(110,483)	(58,017)	(9,662)	(263,903)
Technical management expenses	(1,296)	(6,230)	(9,510)	(5,742)	(849)	(23,627)
Charter hire expenses	-	(13,605)	(19,549)	-	-	(33,154)
Operating EBITDA	57,632	340,512	475,910	163,036	18,376	1,055,466
Depreciation charge	(13,769)	(58,012)	(100,597)	(33,527)	(1,959)	(207,864)
						847,602
Unallocated						(89,336)
Profit before income tax						758,266

[1]Vessels between 85,000 DWT and 124,999 DWT in size and provides transportation of clean petroleum oil products.
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[3]Vessels between 40,000 DWT and 54,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals; inclusive of IMO II vessels
[4]Vessels between 25,000 DWT and 39,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals; inclusive of IMO II vessels

14 Restatement of financial statements

The Group re-evaluated the accounting over certain terms within pool agreements, contracts, factoring agreements and other pool business and restated the financial year ended 31 December 2022.

This was done as part of the process to prepare for a US dual listing and as a result, the Group took a strict IFRS application for the financial year ended 31 December 2022. The financial statements have been restated to reflect this change in accounting treatment to the previously reported items: revenue, voyage expenses, loans receivable from pool participants, trade and other receivables, cash retained in the commercial pools, inventories and trade and other payables. As a result, the Group amended certain note disclosures in the financial statements.

These corrections do not affect Hafnia’s TCE income, net profit, cash belonging to Hafnia, or equity for these years. The application of IFRS 15 and the Group’s related accounting policies as they relate to the pooling arrangements require significant judgement.

In the financial year ended 31 December 2023, there is a further change to accounting for pool arrangements, as Hafnia moved from the “agent-to-owner” model to the “disponent-owner” model for certain pools.

The details of these adjustments and its related impact to the financial statements are as follows:

Consolidated statement of comprehensive income

For the financial year ended 31 December 2022	**As previously stated** USD'000	**Current year adjustments** USD'000	**As restated** USD'000
Revenue (Hafnia Vessels and TC Vessels)	1,832,544	94,007	1,926,551
Voyage expenses (Hafnia Vessels and TC Vessels)	(485,848)	(94,007)	(579,855)
TCE income	1,346,696	-	1,346,696

Consolidated statement of financial position

As at 31 December 2022	**As previously stated** USD'000	**Current year adjustments** USD'000	**As restated** USD'000
As at 31 December 2022			
Loans receivable from pool participants	45,998	(45,998)	-
Trade and other receivables	616,348	(113,239)	503,109
Cash retained in the commercial pools [1]	-	105,885	105,885
Inventories	10,094	79,837	89,931
Others	3,246,414	-	3,246,414
Total assets	3,918,854	26,485	3,945,339
Trade and other payables	129,733	26,485	156,218
Others	1,780,117	-	1,780,117
Total liabilities	1,909,850	26,485	1,936,335

[1] The cash retained in the commercial pools represents cash in the pool bank accounts that are opened in the name of the Group's pool management company and can only be used for the operation of vessels within the commercial pools.

Consolidated statement of cash flows

For the financial year ended 31 December 2022	As previously stated USD'000	Current year adjustments USD'000	As restated USD'000
For the financial year ended 31 December 2022			
Cash flows from operating activities			
Changes in working capital:			
- inventories	(265)	(15,826)	(16,091)
- trade and other receivables	(319,944)	60,325	(259,619)
- trade and other payables	45,935	(3,061)	42,874
Net cash used in operating activities	(274,274)	41,438	(232,836)
Cash flows from investing activities			
Loan to pool participants	(10,812)	10,812	-
Net cash used in financing activities	(10,812)	10,812	-

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Subsequent events

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In January 2024, the Group announced the set up of a new LR1 Panamax Pool with Mercuria as a pool partner. The Group expects to commence operations of the Panamax Pool in Q1 2024.

On 2 January 2024, the Company settled borrowed shares from BW Group by way of issuing 3,431,577 new ordinary shares. Following the issuance of the new ordinary shares, there are 510,251,747 issued shares in the Company, each with a nominal value of US$ 0.01, all of which have been validly and legally issued and fully paid.

On 2 January 2024, the Group exercised the purchase options on two IMO II - MR vessels, Hafnia Viridian and Hafnia Violette under the sale and lease-back arrangements with Jiangsu financial leasing Co Limited. This transaction was accounted for as an extinguishment of existing sales and leaseback-liabilities (accounted for as financing transaction).

On 2 February 2024, the Group exercised the purchase option on an IMO II - Handy vessel, Hafnia Alabaster under the sale and lease-back arrangement with CSSC (Hong Kong) Shipping Company Limited. This transaction was accounted for as an extinguishment of an existing sale and leaseback-liability (accounted for as financing transaction).

On 21 February 2024, the Group exercised the purchase option on an IMO II - Handy vessel, Hafnia Aragonite under the sale and lease-back arrangement with CSSC (Hong Kong) Shipping Company Limited. This transaction was accounted for as an extinguishment of an existing sale and leaseback-liability (accounted for as financing transaction).

On 28 February 2024, Hafnia took delivery of an LR2 vessel, Hafnia Lillesand, through its Vista joint venture.

On 4 March 2024, the Group exercised the purchase option on an IMO II - Handy vessel, Hafnia Achroite under the sale and lease-back arrangement with CSSC (Hong Kong) Shipping Company Limited. This transaction was accounted for as an extinguishment of an existing sale and leaseback-liability (accounted for as financing transaction).

Vessel	DWT	Year Built	Type
Hafnia Bering	39,067	Apr-15	Handy
Hafnia Magellan	39,067	May-15	Handy
Hafnia Malacca	39,067	Jul-15	Handy
Hafnia Soya	38,700	Nov-15	Handy
Hafnia Sunda	39,067	Sep-15	Handy
Hafnia Torres	39,067	May-16	Handy
Hafnia Kallang	74,000	Jan-17	LR1
Hafnia Nile	74,000	Aug-17	LR1
Hafnia Seine	76,580	May-08	LR1
Hafnia Shinano	74,998	Oct-08	LR1
Hafnia Tagus	74,000	Mar-17	LR1
Hafnia Thames	74,999	Aug-08	LR1
Hafnia Yangtze	74,996	Jan-09	LR1
Hafnia Yarra	74,000	Jul-17	LR1
Hafnia Zambesi	74,982	Jan-10	LR1
Hafnia Africa	74,539	May-10	LR1
Hafnia Asia	74,539	Jun-10	LR1
Hafnia Australia	74,539	May-10	LR1
Hafnia Hong Kong[1]	75,000	Jan-19	LR1
Hafnia Shanghai[1]	75,000	Jan-19	LR1
Hafnia Guangzhou[1]	75,000	Jul-19	LR1
Hafnia Beijing[1]	75,000	Oct-19	LR1
Sunda[2]	79,902	Jul-19	LR1
Karimata[2]	79,885	Aug-19	LR1

Vessel	DWT	Year Built	Type
Hafnia Shenzhen[1]	75,000	Aug-20	LR1
Hafnia Nanjing[1]	74,999	Jan-21	LR1
Kamome Victoria[2]	69,998	May-11	LR1
Peace Victoria[2]	77,378	Oct-19	LR1
Hafnia Excelsior	74,665	Jan-16	LR1
Hafnia Executive	74,431	May-16	LR1
Hafnia Prestige	74,997	Nov-16	LR1
Hafnia Providence	74,997	Aug-16	LR1
Hafnia Pride	74,997	Jul-16	LR1
Hafnia Excellence	74,613	May-16	LR1
Hafnia Exceed	74,665	Feb-16	LR1
Hafnia Expedite	74,634	Jan-16	LR1
Hafnia Express	74,663	May-16	LR1
Hafnia Excel	74,547	Nov-15	LR1
Hafnia Precision	74,997	Oct-16	LR1
Hafnia Experience	74,670	Mar-16	LR1
Hafnia Pioneer	81,350	Jun-13	LR1
Hafnia Despina	115,000	Jan-19	LR2
Hafnia Galatea	115,000	Mar-19	LR2
Hafnia Larissa	115,000	Apr-19	LR2
BW Neso	115,000	Jul-19	LR2
BW Thalassa	115,000	Sep-19	LR2
Hafnia Triton	115,000	Oct-19	LR2
Hafnia Languedoc[1]	115,000	Mar-23	LR2
Hafnia Loire[1]	115,000	May-23	LR2
Hafnia Larvik[1]	109,999	Oct-23	LR2

[1] 50% owned through the Vista Joint Venture
[2] Time chartered in vessel

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Vessel	DWT	Year Built	Type
Beagle[2]	44,995	Mar-19	MR
Boxer[2]	49,852	Jun-19	MR
Basset[2]	49,875	Nov-19	MR
Bulldog[2]	49,856	Feb-20	MR
BW Bobcat	49,999	Aug-14	MR
Hafnia Cheetah	49,999	Feb-14	MR
Hafnia Cougar	49,999	Jan-14	MR
Hafnia Eagle	49,999	Jul-15	MR
BW Egret	49,999	Nov-14	MR
BW Falcon	49,999	Feb-15	MR
BW Hawk	49,999	Jun-15	MR
BW Jaguar	49,999	Mar-14	MR
BW Kestrel	49,999	Aug-15	MR
BW Leopard	49,999	Jan-14	MR
BW Lioness	49,999	Jan-14	MR
Hafnia Lynx	49,999	Nov-13	MR
BW Merlin	49,999	Sep-15	MR
Hafnia Myna	49,999	Oct-15	MR
BW Osprey	49,999	Oct-15	MR
Hafnia Panther	49,999	Jun-14	MR
Hafnia Petrel	49,999	Jan-16	MR
Hafnia Puma	49,999	Nov-13	MR
Hafnia Raven	49,999	Nov-15	MR
Hafnia Swift	49,999	Jan-16	MR
BW Tiger	49,999	Mar-14	MR
BW Wren	49,999	Mar-16	MR
Hafnia Andromeda	49,999	May-11	MR
Hafnia Ane	49,999	Nov-15	MR
Hafnia Crux	52,550	Feb-12	MR

Vessel	DWT	Year Built	Type
Hafnia Daisy	49,999	Aug-16	MR
Hafnia Henriette	49,999	Jun-16	MR
Hafnia Kirsten	49,999	Jan-17	MR
Hafnia Lene	49,999	Jul-15	MR
Hafnia Leo	52,340	Nov-13	MR
Hafnia Libra	52,384	May-13	MR
Hafnia Lise	49,999	Sep-16	MR
Hafnia Lotte	49,999	Jan-17	MR
Hafnia Lupus	52,550	Apr-12	MR
Hafnia Mikala	49,999	May-17	MR
Hafnia Nordica	49,994	Mar-10	MR
Hafnia Pegasus	50,326	Oct-10	MR
Hafnia Phoenix	52,340	Jul-13	MR
Hafnia Taurus	50,385	Jun-11	MR
Hafnia Andrea	49,999	Jun-15	MR
Hafnia Caterina	49,999	Aug-15	MR
Orient Challenge[2]	49,972	Jun-17	MR
Orient Innovation[2]	49,972	Jul-17	MR
Yellow Stars[3]	49,999	Jul-21	MR
Clearocean Milano[2]	50,485	Oct-21	MR
Clearocean Ginkgo[2]	49,999	Aug-21	MR
Dee4 Larch[2]	49,737	Aug-16	MR
PS Stars[3]	49,999	Jan-22	MR
Challenge Procyon[2]	4,596	Apr-11	MR

[2] Time chartered in vessel
[3] 50% owned through the Andromeda Joint Venture

VesselH	DWT	Year Built	Type
Hafnia Almandine	38,506	Feb-15	IMO II - Handy
Hafnia Amber	38,506	Feb-15	IMO II - Handy
Hafnia Amethyst	38,506	Mar-15	IMO II - Handy
Hafnia Ametrine	38,506	Apr-15	IMO II - Handy
Hafnia Aventurine	38,506	Apr-15	IMO II - Handy
Hafnia Andesine	38,506	May-15	IMO II - Handy
Hafnia Aronaldo	38,506	Jun-15	IMO II - Handy
Hafnia Aquamarine	38,506	Jun-15	IMO II - Handy
Hafnia Axinite	38,506	Jul-15	IMO II - Handy
Hafnia Amessi	38,506	Jul-15	IMO II - Handy
Hafnia Azotic	38,506	Sep-15	IMO II - Handy
Hafnia Amazonite	38,506	May-15	IMO II - Handy
Hafnia Ammolite	38,506	Aug-15	IMO II - Handy
Hafnia Adamite	38,506	Sep-15	IMO II - Handy
Hafnia Aragonite	38,506	Oct-15	IMO II - Handy
Hafnia Azurite	38,506	Aug-15	IMO II - Handy
Hafnia Alabaster	38,506	Nov-15	IMO II - Handy
Hafnia Achroite	38,506	Jan-16	IMO II - Handy
Hafnia Turquoise	49,000	Apr-16	IMO II - MR
Hafnia Topaz	49,000	Jul-16	IMO II - MR
Hafnia Tourmaline	49,000	Oct-16	IMO II - MR
Hafnia Tanzanite	49,000	Nov-16	IMO II - MR
Hafnia Viridian	49,000	Dec-15	IMO II - MR
Hafnia Violette	49,000	Mar-16	IMO II - MR
Hafnia Atlantic	49,614	Dec-17	IMO II - MR
Hafnia Pacific	49,868	Dec-17	IMO II - MR
Hafnia Valentino	49,126	May-15	IMO II - MR

Alternative performance measures

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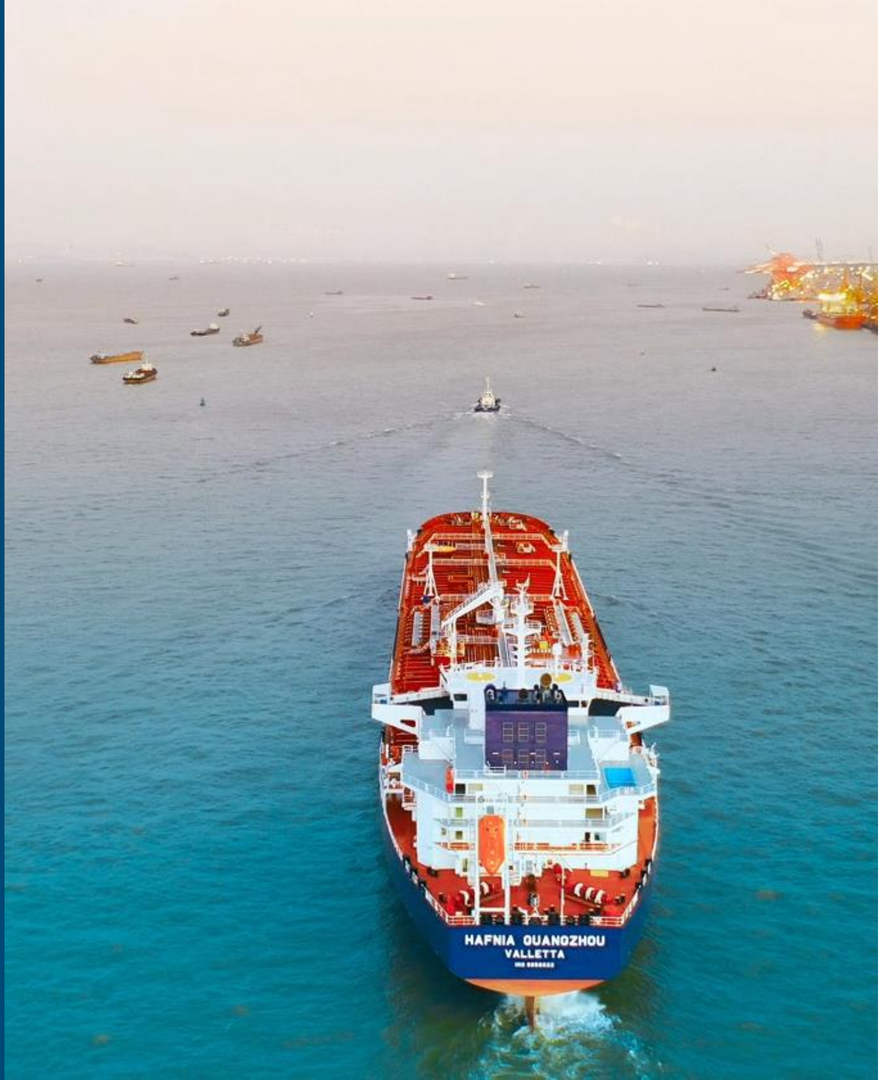

Alternative performance measures

An alternative performance measure ("APM") is defined as a measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS).

It is the Company's view that APMs provide investors with relevant and specific operating figures which may enhance their understanding of the Group's performance. The Company uses the following APMs:

TCE income: Income from its time charters and spot voyages for owned vessels. TCE income is calculated as gross freight income net of broker commissions less voyage expenses.

Voyage expenses: Voyage expenses are expenses related to spot voyages, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls and agency fees.

TCE income per operating day: TCE income per vessel per operating day. TCE income per operating day is a measure of how well the Group manages the fleet commercially.

OPEX per calendar day: The Group defines OPEX per calendar day as vessel operating expenses and technical management fees per vessel per calendar day. Vessel operating expenses include insurance, repairs and maintenance, spares and consumable stores, lube oils and communication.

EBITDA: The Company defines EBITDA as earnings before financial income and expenses, depreciation, impairment, amortisation and taxes. The computation of EBITDA refers to financial income and expenses which the Company deems to be equivalent to "interest" for purposes of presenting EBITDA. Financial expenses consist of interest on bank loans, losses on foreign exchange transactions and bank charges. Financial income consists of interest income and gains on foreign exchange transactions.

EBITDA is used as a supplemental financial measure by management and external users of financial statements, such as lenders, to assess the Company's operating performance as well as compliance with the financial covenants and restrictions contained in the Company's financing agreements. The Company believes that EBITDA assists management and investors by increasing comparability of the Company's performance from period to period. This increased comparability is achieved by excluding the potentially disparate effects of interest, depreciation, impairment, amortisation and taxes. These are items that could be affected by various changing financing methods and capital structure which may significantly affect profit/(loss) between periods. Including EBITDA as a measure benefits investors in selecting between investment alternatives.

Technical off-hire: The Group defines technical off-hire as the time lost due to off-hire days associated with major repairs, drydocks or special or intermediate surveys. Technical off-hire per vessel is calculated as an average for owned, partly owned, bareboat and chartered-in vessels (not weighted by ownership share in each vessel).

Calendar days: The Group defines calendar days as the total number of days in a period during which each vessel that is owned, partly owned or chartered-in is in its possession, including technical off-hire days. Calendar days are an indicator of the size of the fleet over a period and affect both the amount of revenue and the amount of expense that the Group records during that period.

Voyage days: The Group defines voyage days as the total number of days (including waiting time) in a period during which each vessel is owned, partly owned, operated under a bareboat arrangement or chartered-in, net of technical off-hire days. The Company uses voyage days to measure the number of days in a period during which vessels actually generate or are capable of generating revenue.

Average number of owned vessels: The Group defines average number of vessels in a period as the number of vessels included in the consolidated accounts according to the accounting principles for such period. Vessels sold or purchased during the relevant period are weighted by the number of days owned.