

Hafnia Limited

October 2024

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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.

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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.

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AGENDA

Introduction & Overview

Industry Review & Outlook

Q2 2024 Financial Summary

ESG Overview



UNPARALLELED INVESTMENT OPPORTUNITY

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

Investment Highlights



ACTIVE MANAGEMENT

Proactively reviewing market for opportunities that create stronger shareholder value



UNPARALLELED SCALE

Commercially managing a fleet of around 200 vessels, pool platforms covering every product segment and chemical

SHAREHOLDER VALUE

Consistent dividend payout since IPO. Recently updated dividend policy, with up to 90% payout ratio



EARNINGS PATHWAY

Diversified revenue streams, modern fleet, strong market fundamentals, buying bunkers for over 1,400 pool and third-party vessels



FOCUS ON ESG

Committed to upholding highest corporate governance standards, constantly implementing initiatives on vessels that minimizes environmental impact

Hafnia's Q2 2024 in Numbers

1

 # Vessels Owned[1]/ Time Chartered-in

117x/16x

LR2: 10x | LR1: 31x/4x

MR[2]: 52x/12x | Handy[2]: 24x

2

NAV[3] at Q2 2024

USD ~4.5b

(equivalent to ~USD 8.77 / ~NOK 93.31 per share)

3

Average broker value[4]

USD ~4.8b

4

Vessels average age[5]

8.8 years

5

Stock exchange ticker

OSE: "HAFNI"

NYSE: "HAFN"

[1] As of 30 June 2024, including bareboat chartered in vessels; six LR1s and four LR2s owned through 50% ownership in the Vista Shipping Joint Venture and two MRs owned through 50% ownership in the H&A Shipping Joint Venture

[2] Inclusive of IMO II vessels

[3] NAV is calculated using the fair value of Hafnia's owned vessels

[4] Including Hafnia's 50% share relating to six LR1s and four LR2s owned through 50% ownership in Vista Shipping Joint Venture and two MRs owned through 50% ownership in the H&A Shipping Joint Venture

[5] Hafnia's owned vessels as of 30 June 2024, excluding time chartered-in fleet

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Q2 KEY HIGHLIGHTS

TCE Income[1]	Adjusted EBITDA[1]
USD 417.4M YTD 1H 2024 of USD 796.2M	**USD 317.1M** YTD 1H 2024 of USD 604.1M
Net Profit	**Dividend**
USD 259.2M YTD 1H 2024 of USD 478.8M	**USD 207.4M** USD 0.4049 per share

- The commercially managed pool and bunker procurement business generated an income of **USD 10.7 million** in Q2 2024 and **USD 20.5 million** in 1H 2024.
- As of 9 August 2024, **72%** of total earning days of the fleet were covered for Q3 2024 at **USD 34,934** per day.
- On 16 July, Hafnia sold the LR1 vessel, Hafnia Thames to an external party. On 20 August, Hafnia sold the MR vessel, Hafnia Pegasus to an external party.

[1] *Refer to our quarterly report for more information on non-IFRS financial measures.*

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ACTIVE MANAGEMENT WITH STRONG SHAREHOLDER FOCUS

Hafnia Strategic Acquisitions and Joint Ventures

2018 – Vista Shipping Joint Venture

Joint venture with CSSC (Hong Kong) Shipping Company Limited with joint control of 50% ownership interest each. Vista entity comprises of 6 LR1 vessels and 4 dual-fuel LNG LR2 vessels.

2021 – H&A Shipping Joint Venture

Joint venture with Andromeda Shipholdings Ltd with joint control of 50% ownership interest each. Andromeda entity comprises of 2 MR vessels.

2022 – Acquisition of Chemical Tankers Inc

Acquired 32 modern chemical and product tankers through the acquisition of Chemical Tankers Inc and its subsidiaries. 8 vessels had been divested while remaining 24 are within Hafnia Pools.

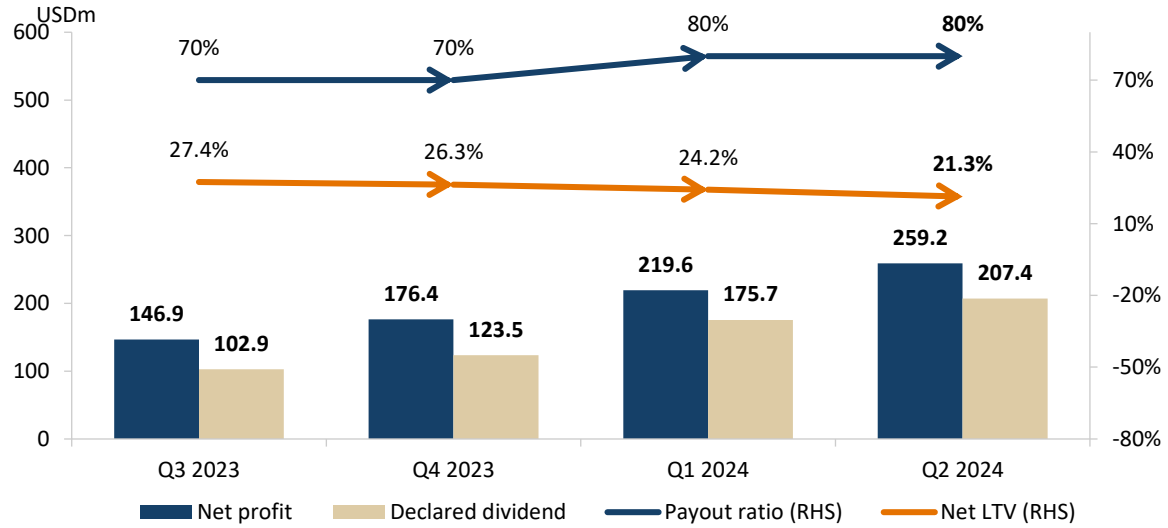
2022 – Acquisition of 12 LR1s

Acquired 12 LR1 product tankers that were built 2015-2016 in South Korea.

2023 – Ecomar Joint Venture

Joint venture with Socatra in Ecomar Shipholding SAS with joint control of 50% ownership interest each. 4 dual-fuel methanol MR newbuilds had been ordered, with expected delivery in 2025-2026.

Strong Shareholder Returns



- Net LTV ratio at the end of Q2 2024 decreased to **21.3%**, adjusted downwards from Q1 2024, mainly due to higher vessel valuations and cash generated from operations.
- For Q2 2024, we have paid a dividend of **USD 0.4049** (~NOK 4.3745[1]) per share. This brings the total dividend amount for the quarter to **USD 207.4m,** representing a **80%** payout ratio.
- This is Hafnia's highest dividend payout to date, and we continue to have potential for further upside as we strengthen our balance sheet in this strong freight environment.

[1] *Based on exchange rate of 10.8026*

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Industry Review & Outlook

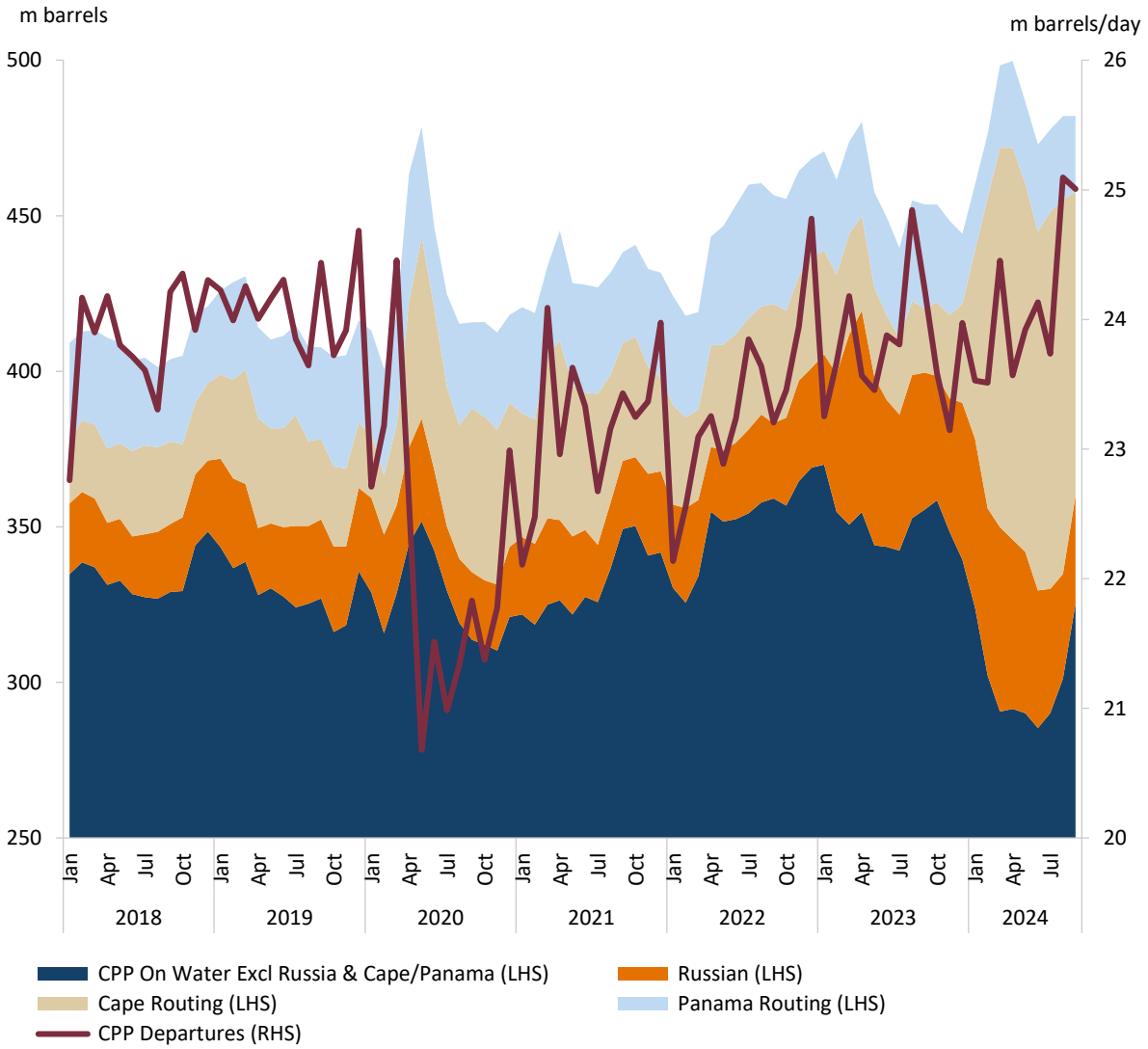
Q2 2024 Financial Summary

ESG Overview



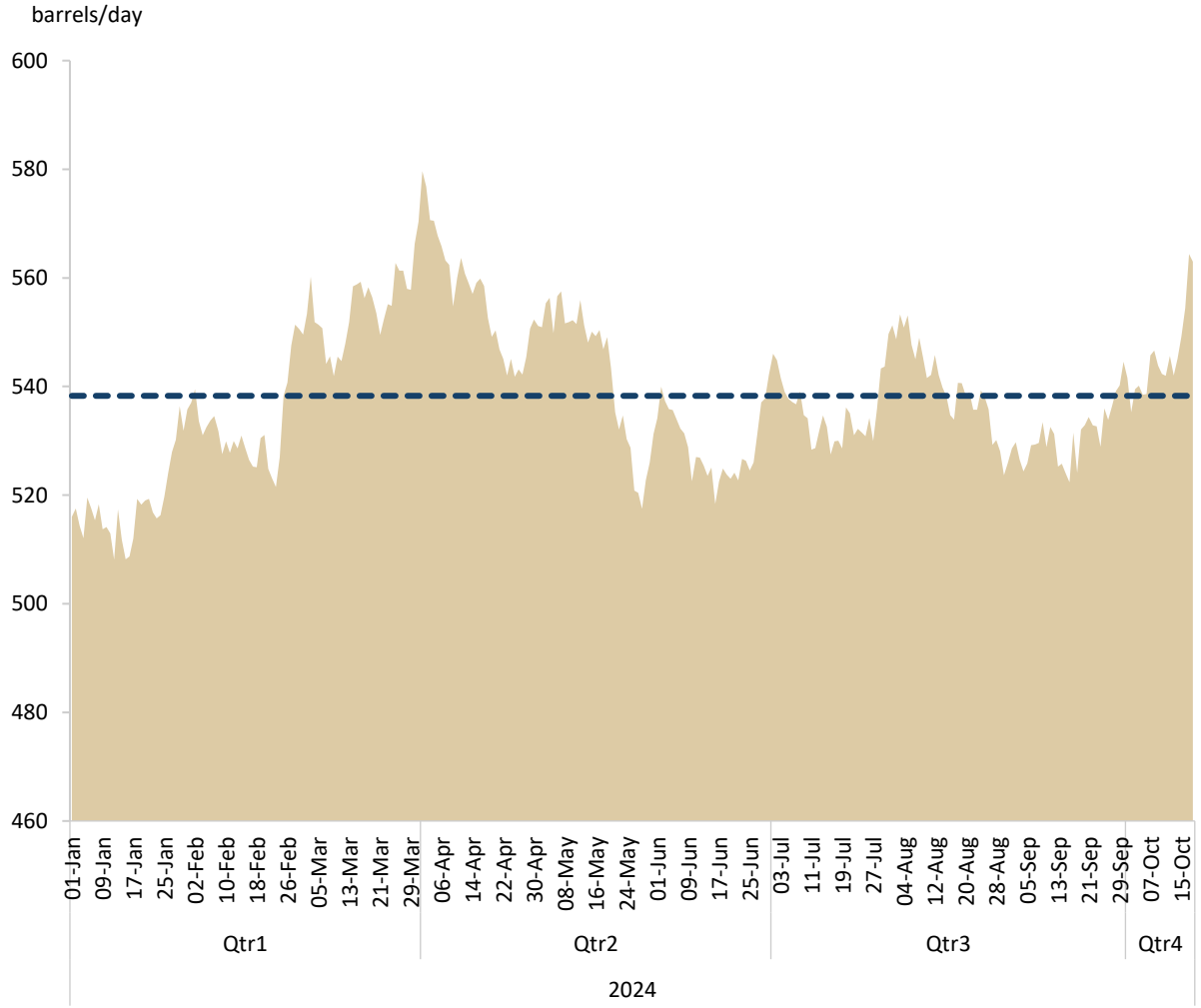
STRONG MARKET FUNDAMENTALS FOR PRODUCT TRADE

Clean Petroleum Products On Water & Daily Departures



Source: Hafnia, Vortexa, EA

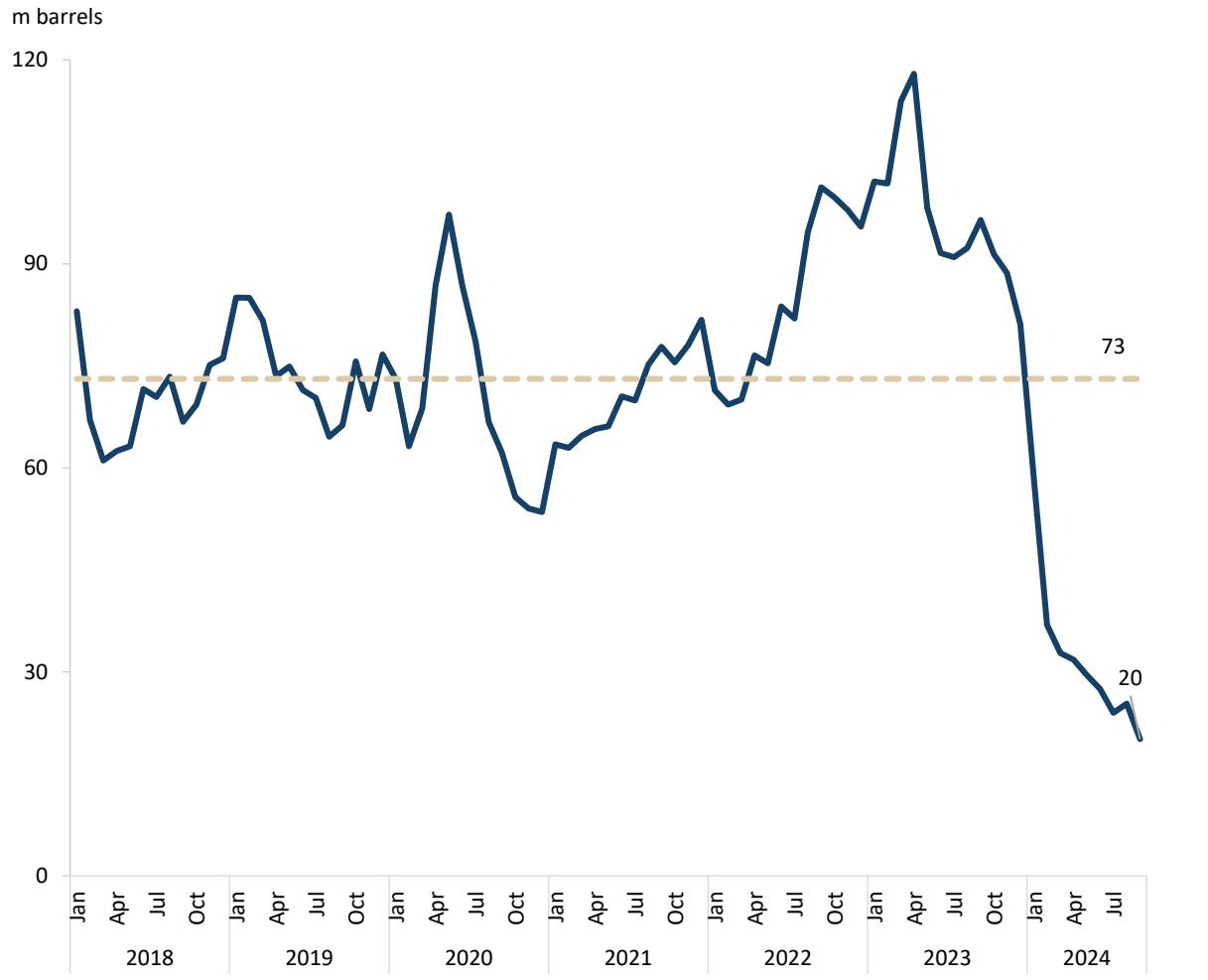
CPP on Water



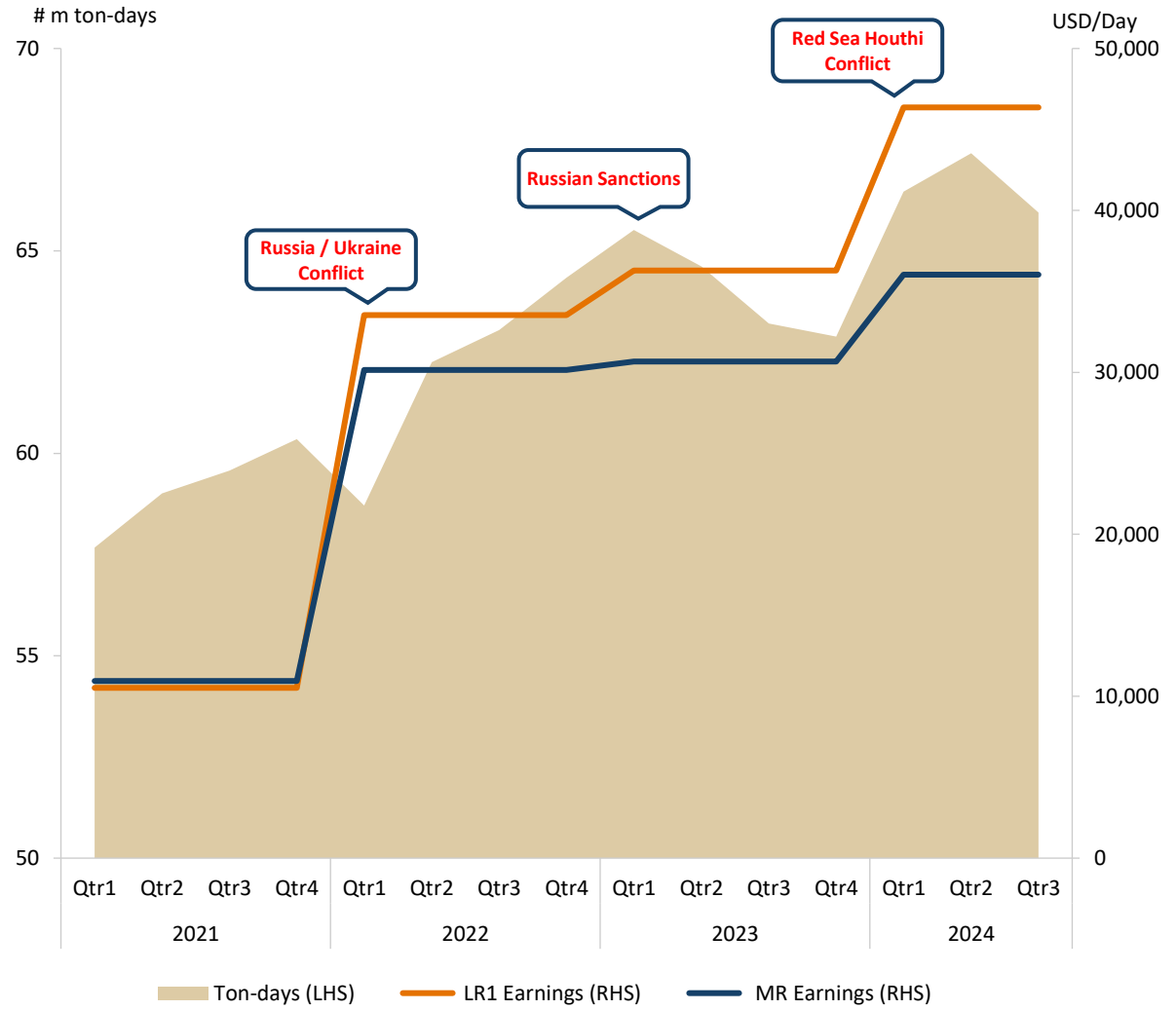
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HIGHER TON-MILES AND STRONGER EARNINGS

CPP Suez Transit



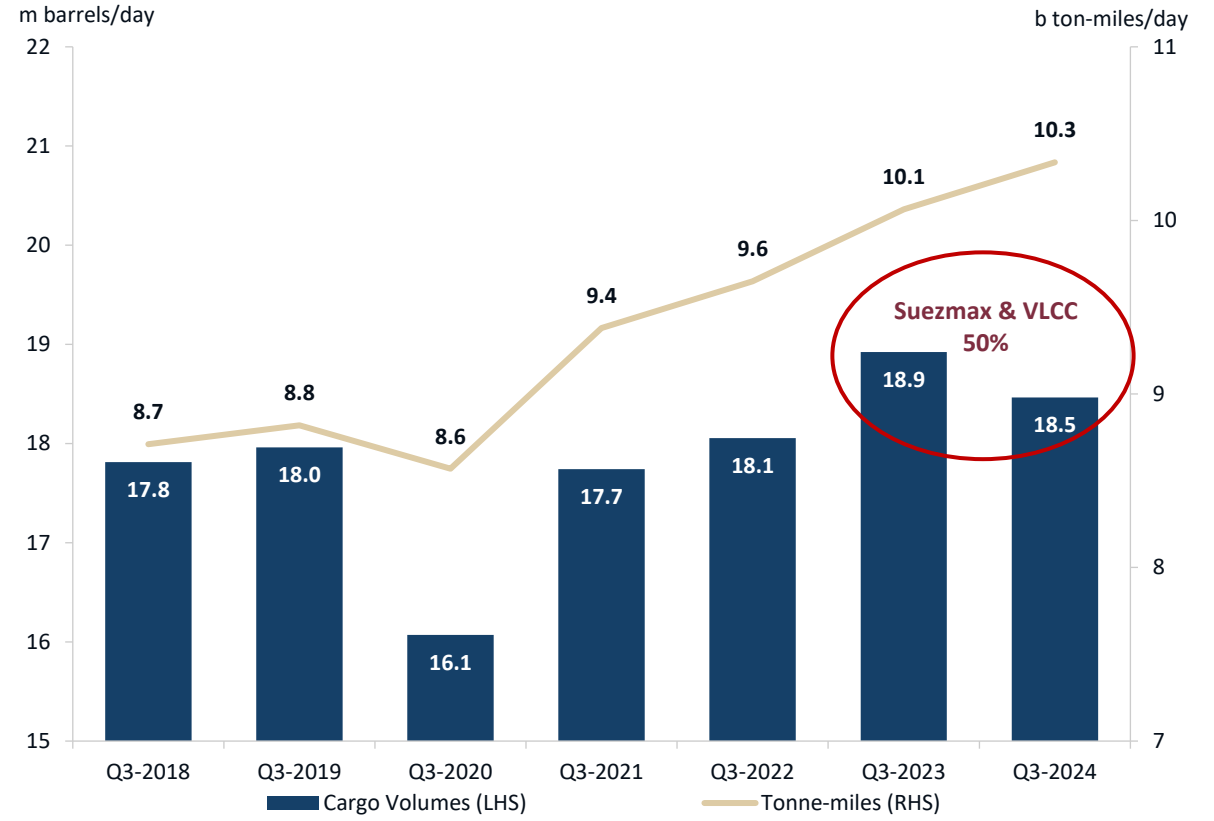
CPP Ton-Days versus MR and LR1 Earnings



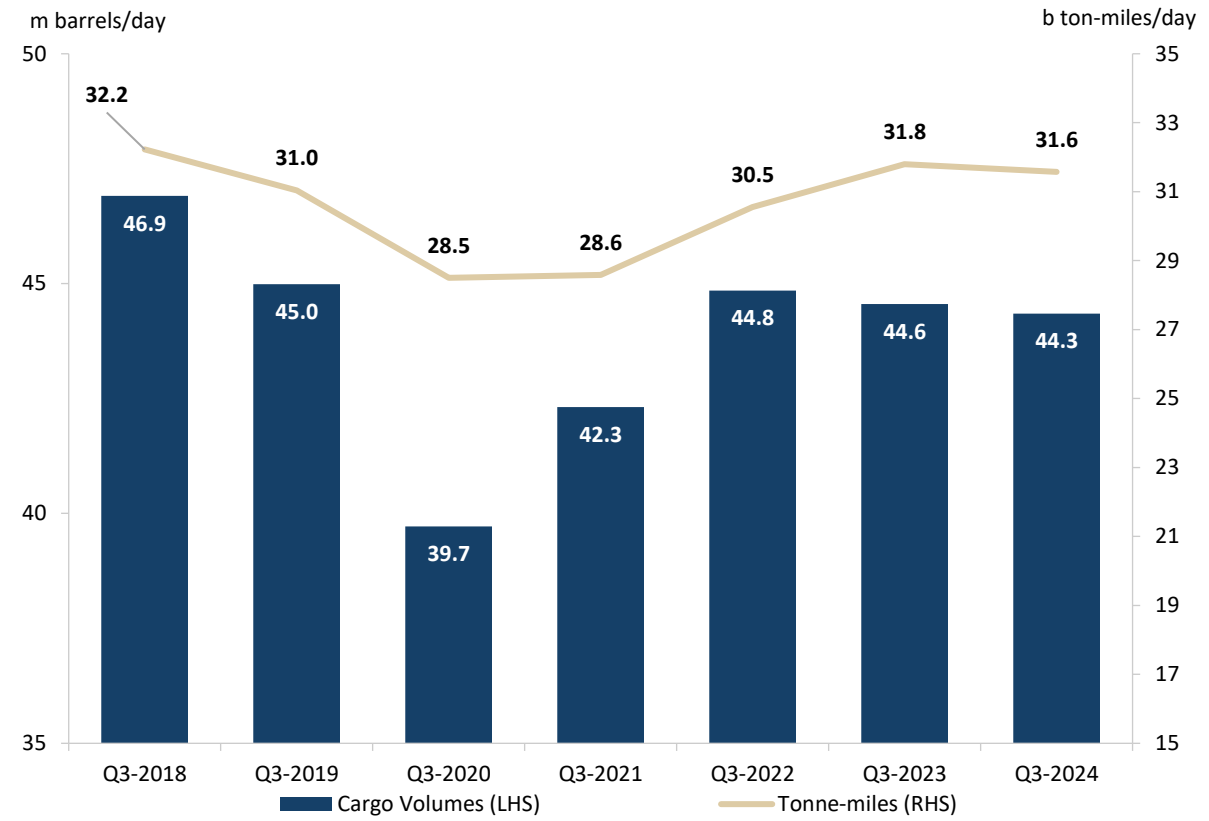
Source: Hafnia, Vortexa

HIGHER CARGO VOLUMES AND TON-MILES

CPPs and Chemicals Daily Loadings



Dirty Petroleum Products Daily Loadings

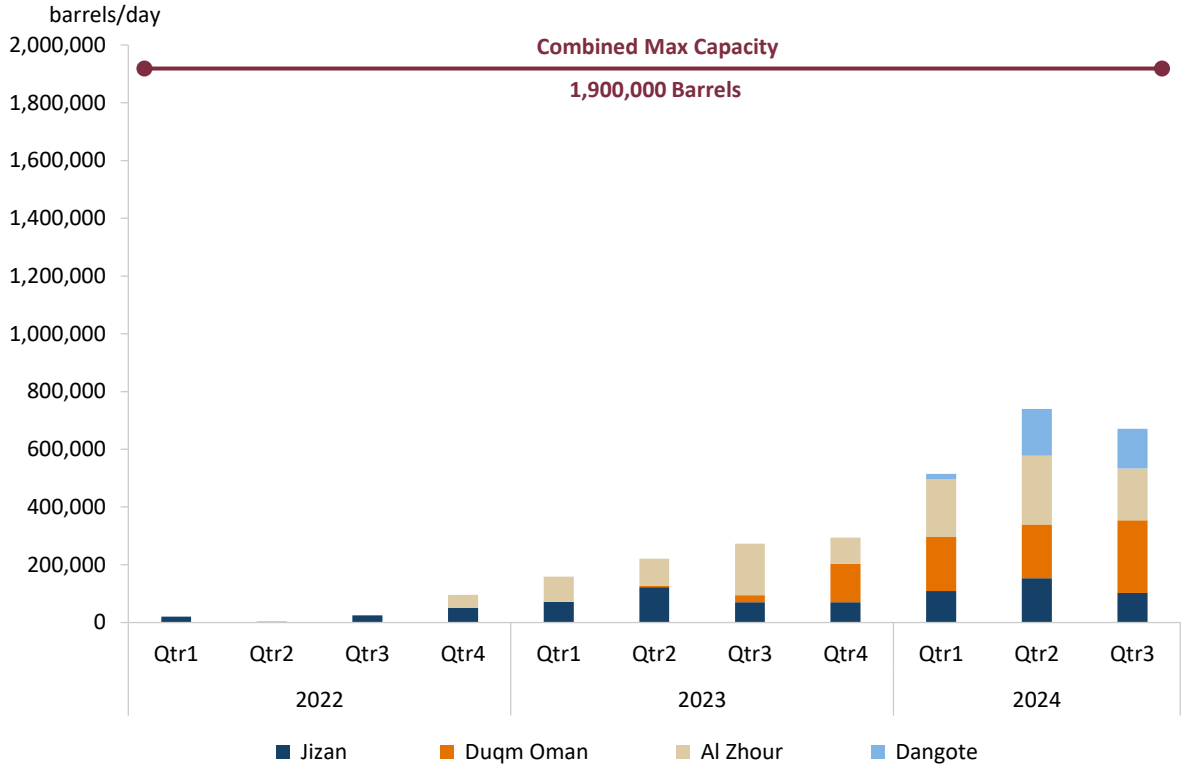


- Year-on-year, from Q3 2018 to 2024, cargo volumes and tonne-miles for CPPs and chemicals have steadily increased. On the other hand, DPP volumes and tonne-miles have dropped compared to previous years.
- Despite a slight decline in cargo volumes for CPPs from 2023, there is a disproportionate increase in the tonne-miles. This is largely attributed to increased inefficiencies in the markets arising from geo-political unrest and Eastern refineries supplying many Atlantic consumers.

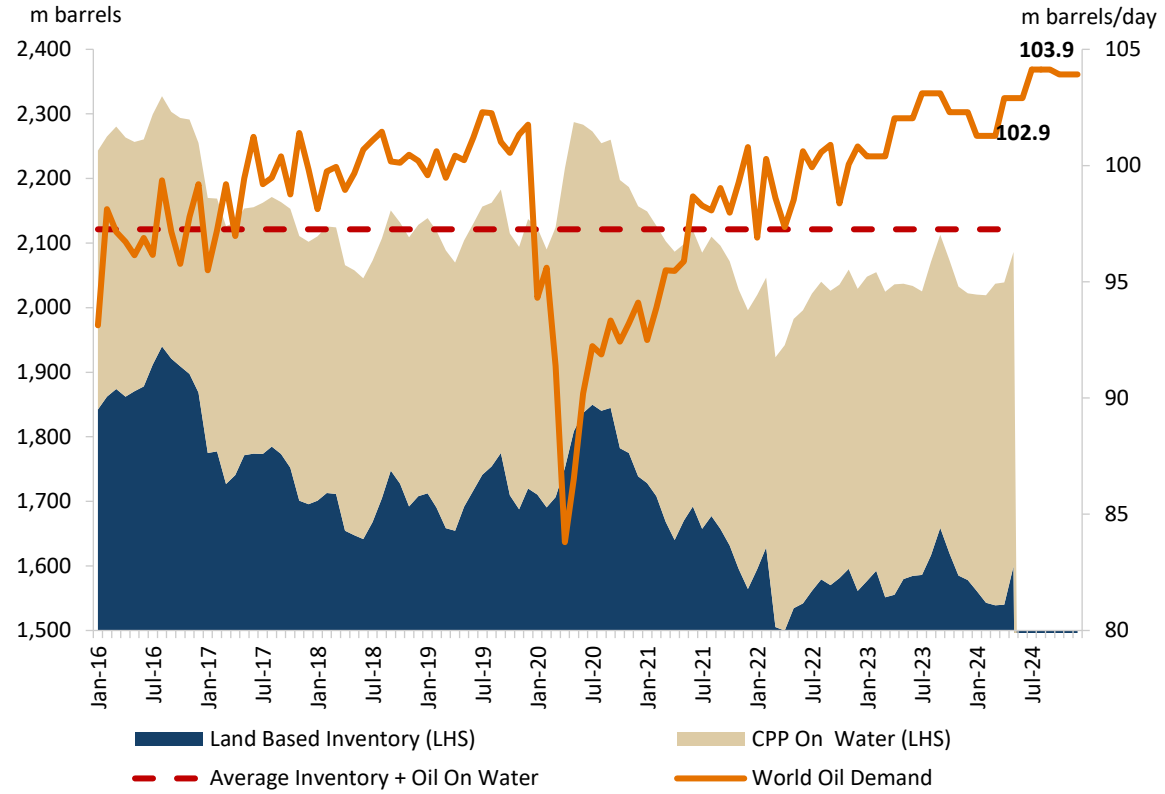
Source: Hafnia, Vortexa

REFINERY LANDSCAPE AND INVENTORY LEVELS

New Refinery Exports – Jizan, Dqum, Al Zhour, Dangote



CPP Land based Inventory + Oil on Water vs World Oil Demand

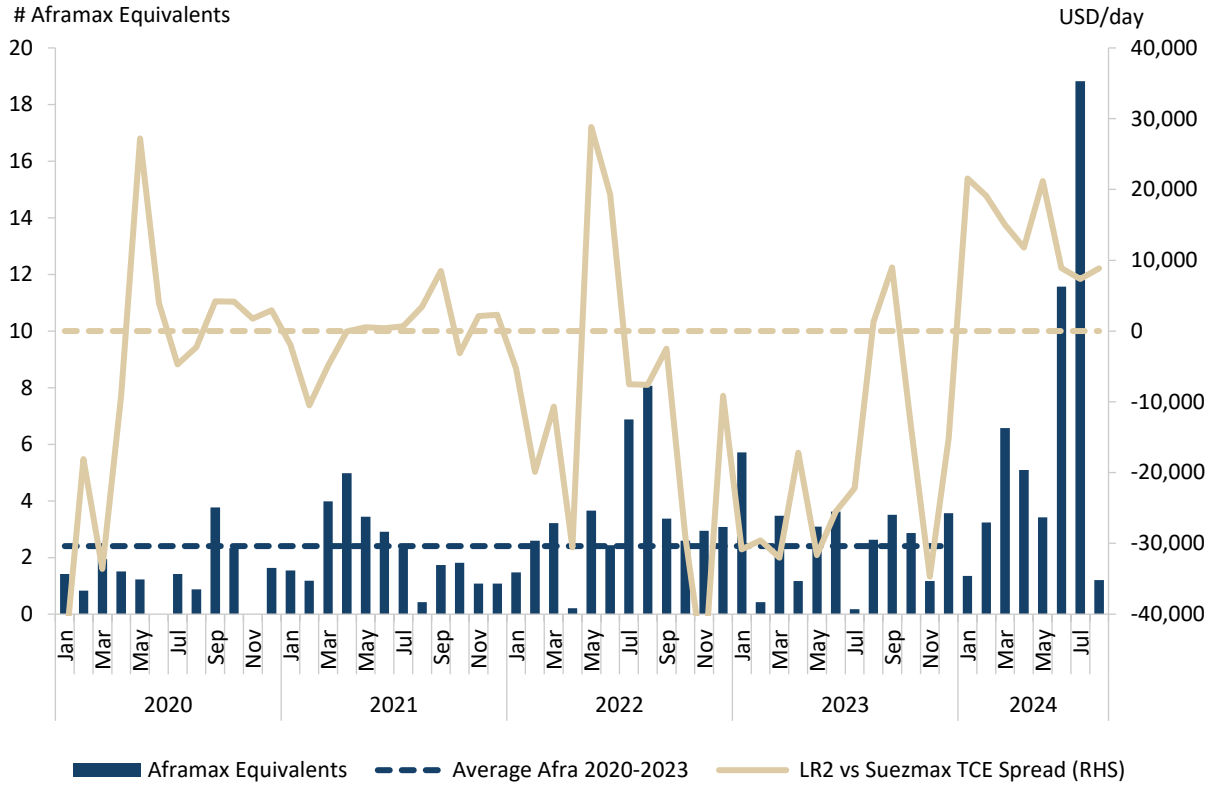


- In 2023, new refineries like Al Zour in Kuwait, Duqm in Oman have driven export volume gains. Nigerian Dangote Refinery has commenced exports in 2024. This refinery will be an export facility as product specs reach far beyond Nigerian regulatory demand. As these and other refineries in Africa and Asia ramp up production, global exports could increase by 0.7-1.0 million barrels per day when they reach full capacity, reflecting approximately 100 MRs equivalent of additional transport demand.
- Although the effects of sanctions on Russia's products have already come into full effect, this left an impact on inventories that is yet to be addressed. Expected growth in world oil demand and replenishment of oil inventories, which remain below average, will be supportive for product tanker demand.

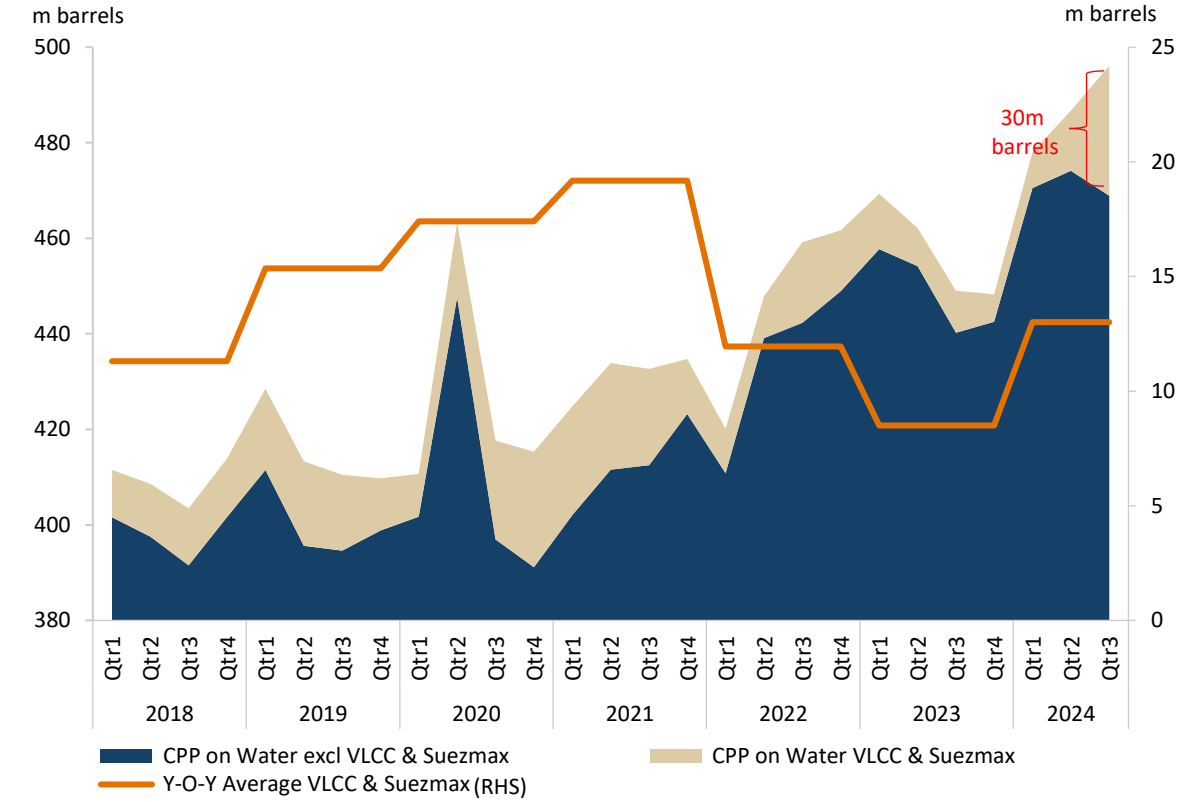
Source: Hafnia, Vortexa, IEA, EA

CRUDE TANKERS CANNIBALIZATION

Crude Tankers Cannibalization of Clean Cargo



CPP On Water VLCC & Suezmax Cannibalization

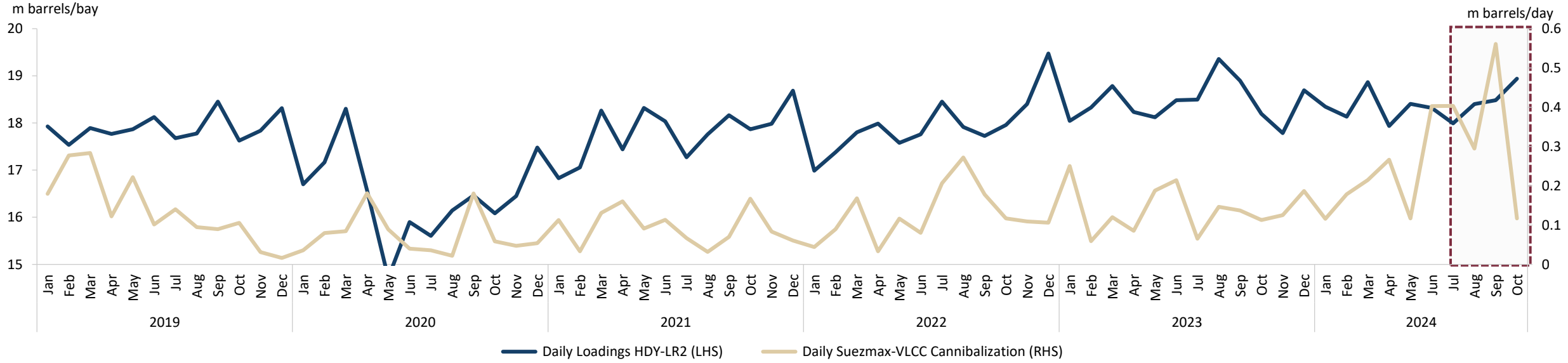


- We have been experiencing an increase in cannibalization from the crude sector, mainly due to the increase in differences in earnings between the two sectors. This has introduced more competition in the product market, especially in the LR2 segment where these VLCC and Suezmax now compete against.
- However, we expect a seasonal uptick in crude tanker demand soon, coupled with higher OPEC exports, pulling these vessels back into dirty trade.

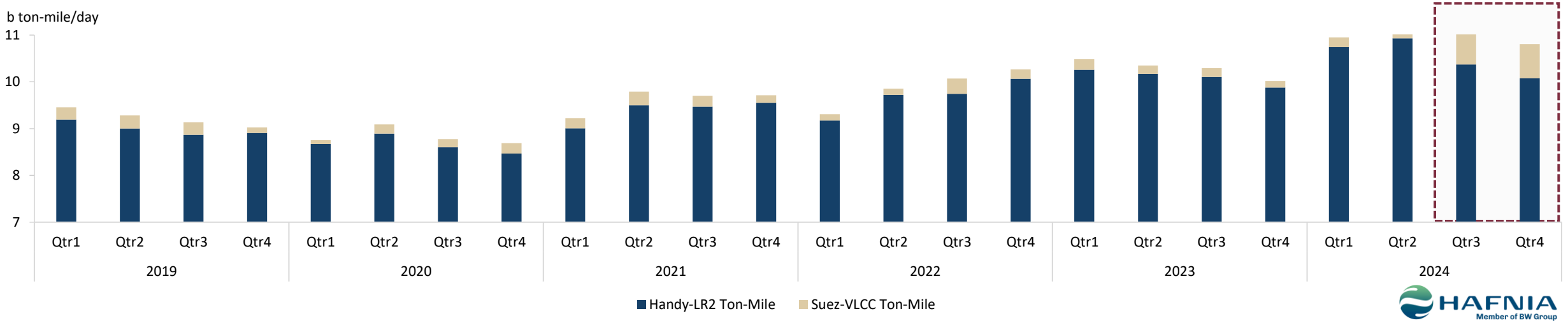
Source: Hafnia, Vortexa, IEA, EA

CRUDE TANKERS CANNIBALIZATION

Daily Loadings



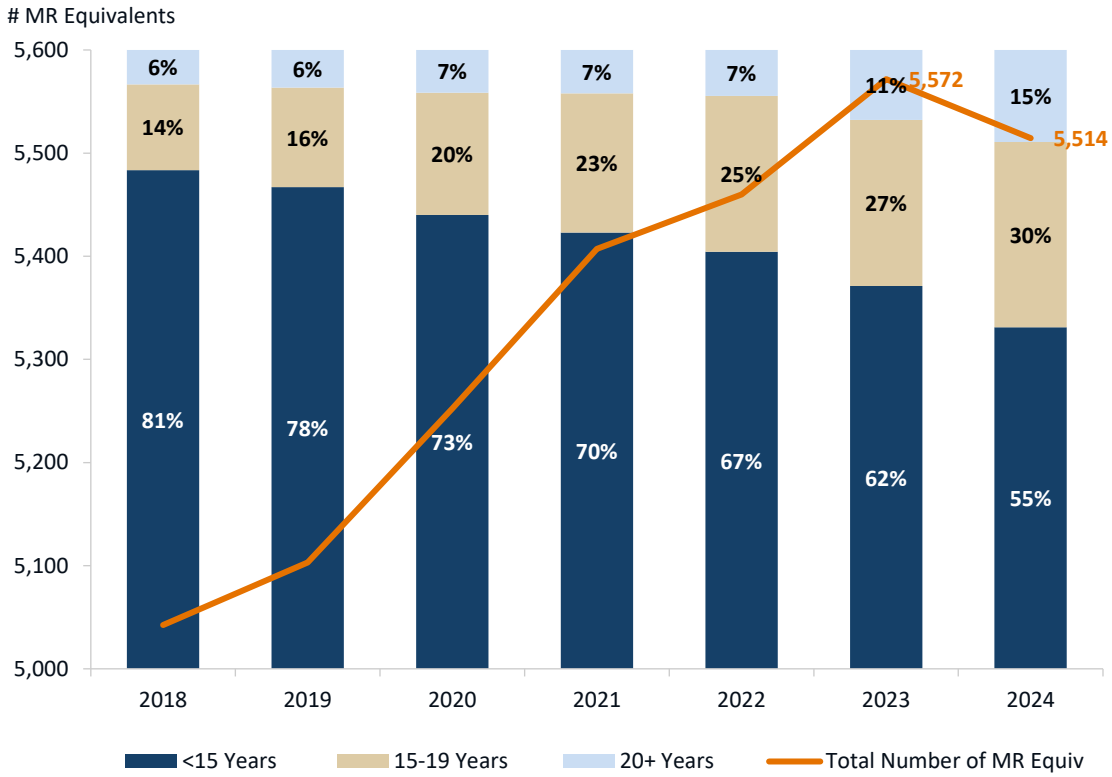
Ton-Miles



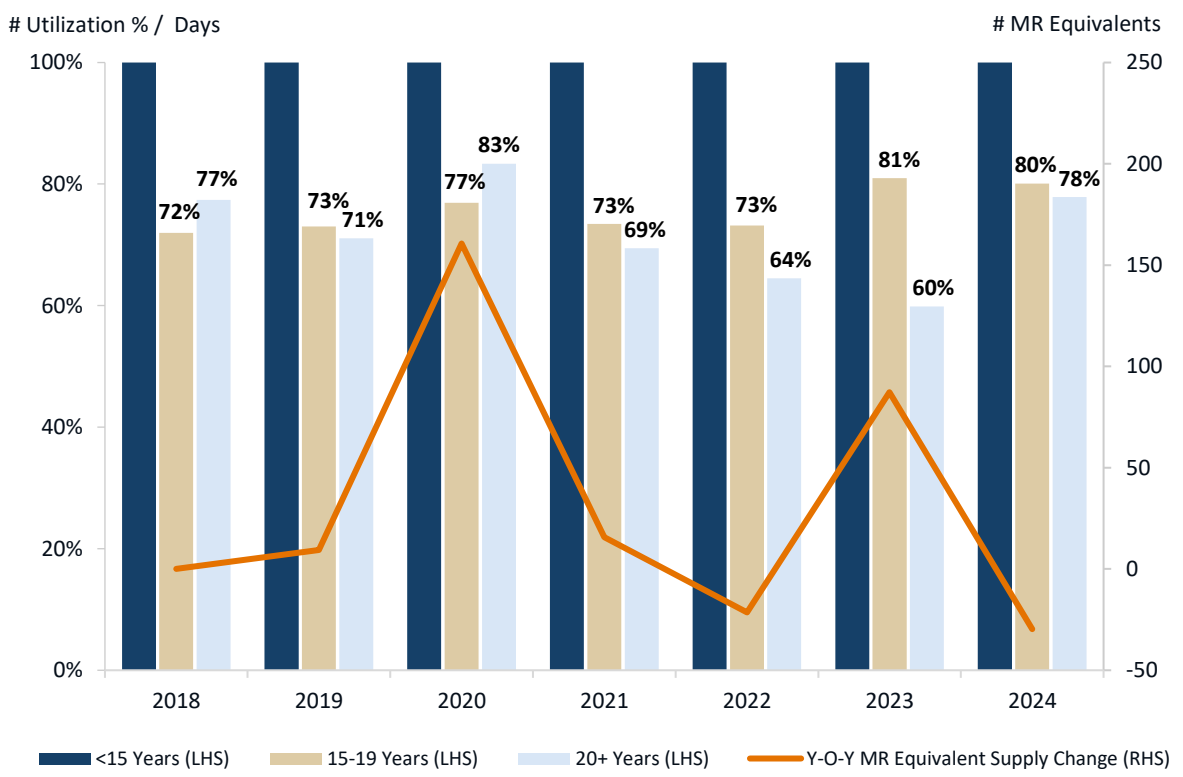
Source: Hafnia, Vortexa,

REDUCED UTILISATION OF AGEING FLEET (HANDY – AFRAMAX)

MR Equivalent Fleet Size and Age Distribution



Reduced Utilization (Age Grouped)

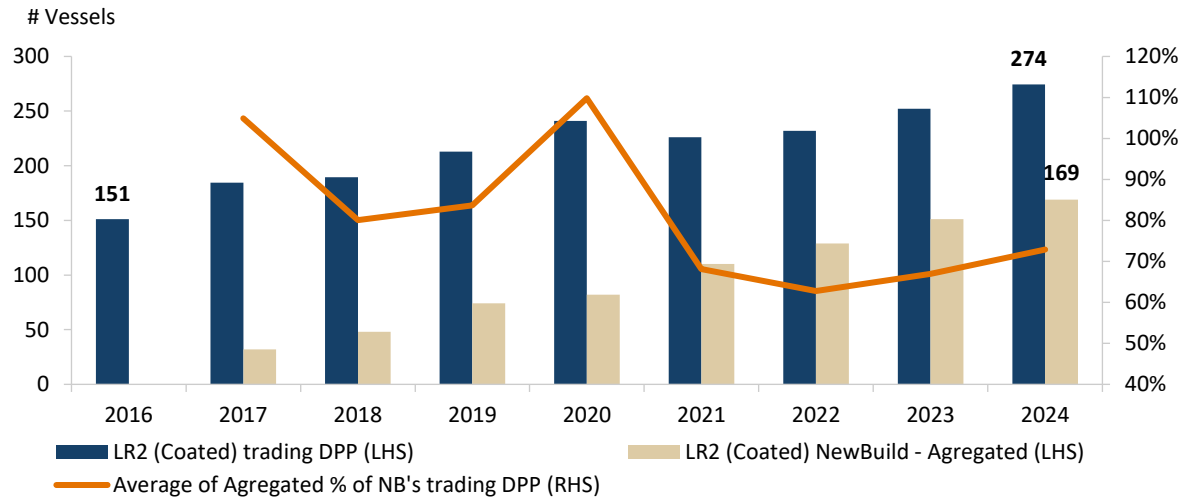


- We can see the the average age of the global product tanker fleet is increasing, as older vessels of above 20 years of age now making up a larger share of the global fleet.
- We are also observing de-facto scrapping, where vessels in the older age bracket are utilized substantially less than vessels below 15 years.
- Although this disparity has narrowed in 2024, leading to expectations of higher tonnage supply, the increase in the absolute number of aging vessels is offset by the rise in utilization rates, keeping the supply-demand balance constant.

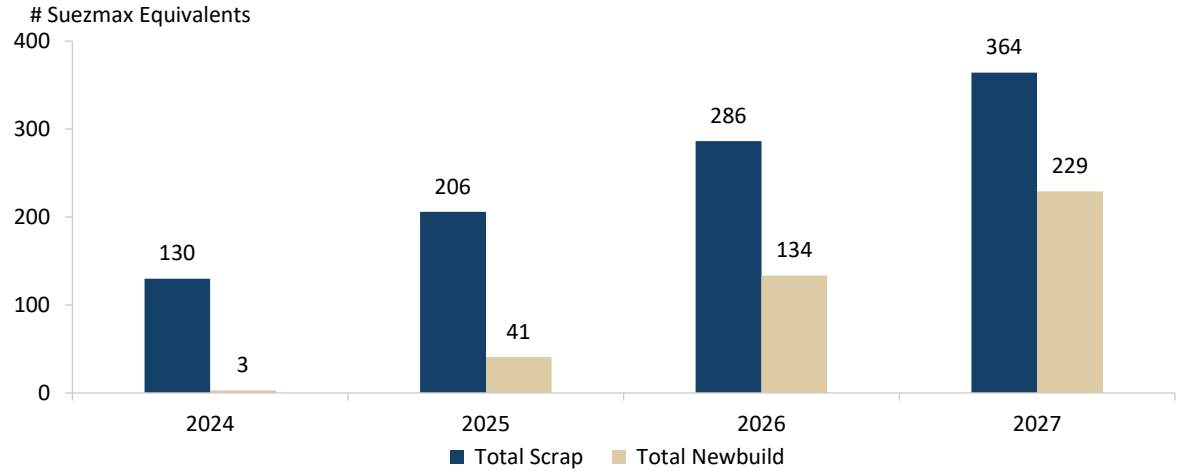
Source: Vortexa, Hafnia

PRODUCT TANKER OUTLOOK REMAINS VERY POSITIVE

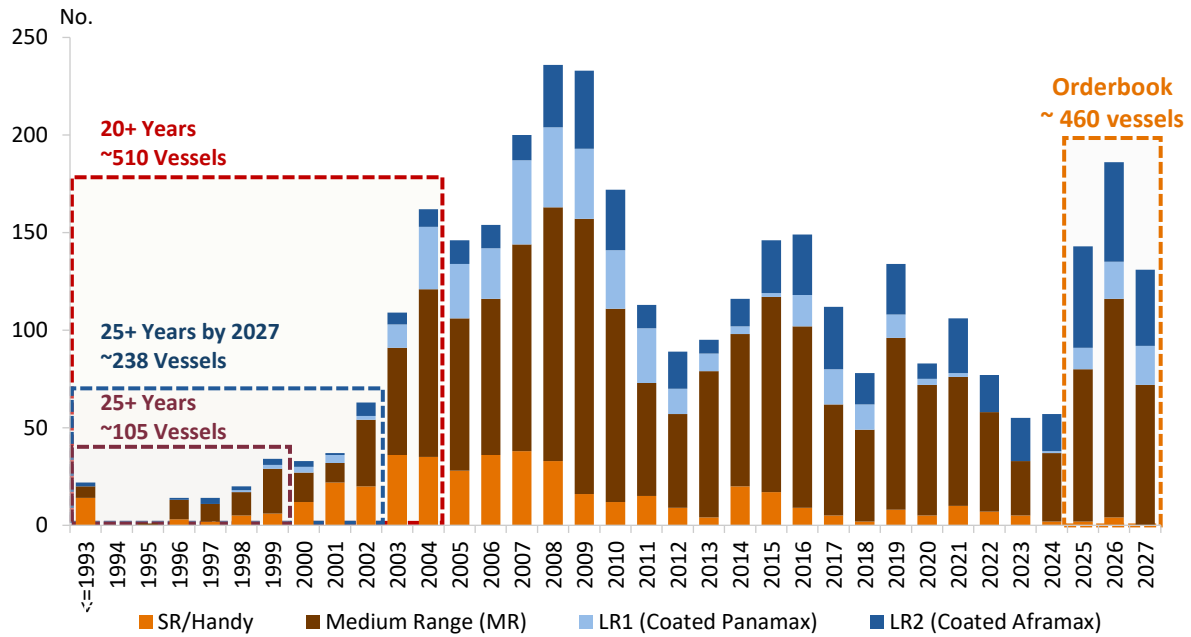
LR2 (Coated) Trading DPP versus LR2 (Coated) Newbuilds



Suezmax & VLCC (Accumulated)



Product Tanker Age Profile



- The orderbook-to-fleet ratio reaching approximately 20%, for deliveries until 2028. LR2s account for over 50% of the tonnage to be delivered in the next few years. However, historically, approximately 70% of the LR2 capacity delivered has been absorbed into dirty petroleum products trade.
- Additionally, the crude sector is getting increasingly old, and their orderbook to fleet ratio remains relatively low at only 9%. We anticipate scrapping levels to exceed deliveries over the next 4 years, effectively removing tonnage supply and pushing more LR2 capacity into the DPP trade.

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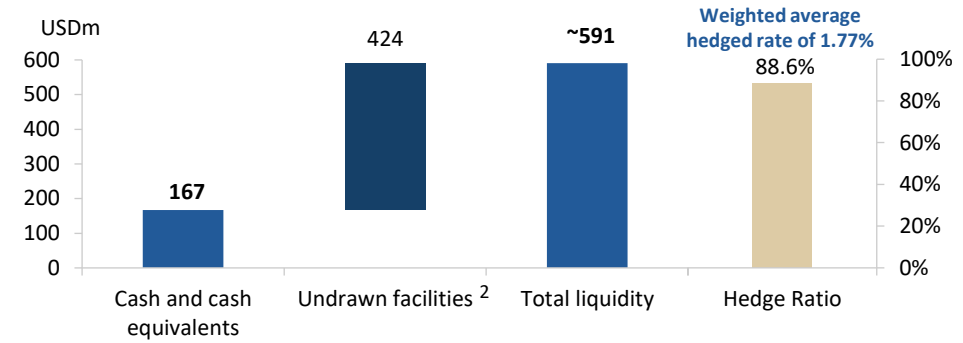


Q2 & 1H 2024 FINANCIAL SUMMARY

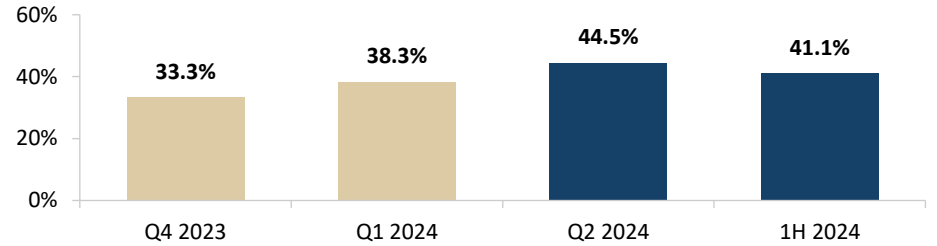
Income Statement USDm	Q2 2023	1H 2023	Q2 2024	1H 2024
TCE income[1]	**349.3**	**726.5**	**417.4**	**796.2**
Other operating income	10.1	21.2	**10.7**	**20.5**
Vessel operating & technical management expenses	(71.3)	(141.9)	**(76.7)**	**(152.0)**
Charter hire expenses	(8.1)	(15.0)	**(11.7)**	**(21.2)**
Other expenses	(18.5)	(33.2)	**(22.6)**	**(39.3)**
Adjusted EBITDA[1]	**261.6**	**557.6**	**317.1**	**604.1**
Depreciation and amortisation charges	(51.9)	(103.9)	(54.8)	(109.0)
Gain/(loss) on disposal of assets	19.8	56.5	(0.1)	(0.1)
EBIT	**229.5**	**510.2**	**262.1**	**495.1**
Net financial expense	(19.9)	(47.8)	(9.9)	(28.8)
Share of profit from associate and joint venture	5.1	11.0	8.5	15.8
Profit before income tax	**214.8**	**473.3**	**260.8**	**482.1**
Income tax expense	(1.5)	(3.4)	(1.6)	(3.3)
Profit after tax	**213.3**	**469.9**	**259.2**	**478.8**

Balance Sheet Items USDm	Q4 2023	Q1 2024	Q2 2024
Total assets	3,914	3,897	**3,923**
Cash at bank and on hand	141.6	128.9	**166.7**
Total liabilities	1,686	1,542	**1,486**
Total equity	2,228	2,355	**2,437**
Gross debt	1,252	1,167	**1,107**
Net LTV[3] - %	26.3	24.2	**21.3**

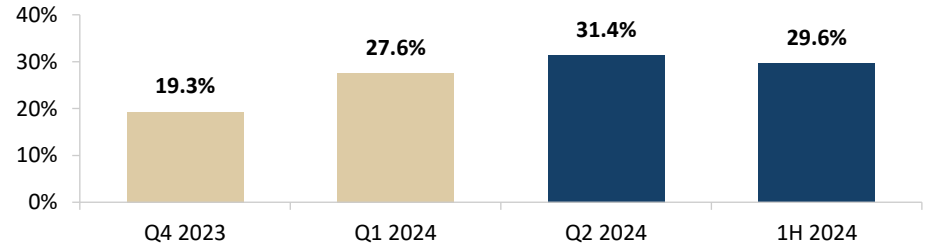
Total Liquidity & Hedge Ratio



Return on Equity (annualised)



Return on Invested Capital[4] (annualised)



[1] *Refer to our quarterly report for more information on non-IFRS financial measures.*
[2] *Excludes pool working capital facilities.*
[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 at bank and on hand, divided by broker vessel values (100% owned vessels).*
[4] *ROIC is calculated using annualised EBIT less tax.*

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OPERATING SUMMARY AND FLEET COVERAGE

Q2 2024 saw average TCE of USD 39,244 per day; 72% of fleet covered for Q3 2024 at USD 34,934 per day

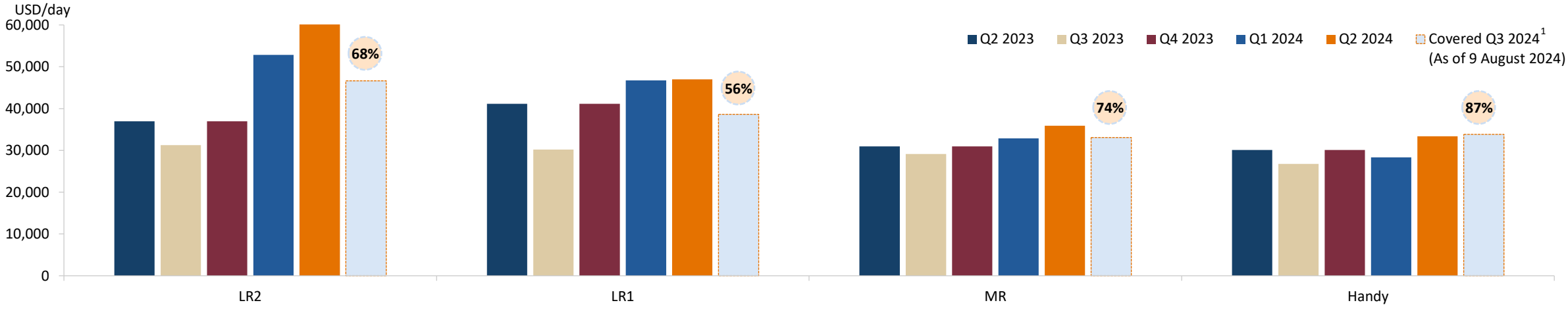
TCE Segment Breakdown

	Q2 2024		
	Operating days[2]	Spot TCE[3] (USD/day)	TCE[3] (USD/day)
LR2	544	60,116	60,116
LR1	2,514	46,986	46,986
MR[4]	5,394	38,077	35,913
Handy[4]	2,183	34,474	33,358
Total	10,635	40,995	39,244

Coverage[1] as of 9 August 2024

	Q3 2024		Q3 and Q4 2024	
	Covered (%)	Covered rates (USD/day)	Covered (%)	Covered rates (USD/day)
LR2	68%	46,647	34%	46,647
LR1	56%	38,613	29%	38,258
MR[4]	74%	33,093	50%	31,751
Handy[4]	87%	33,842	55%	32,737
Total	72%	34,934	45%	33,534

Average Daily TCE by Vessel Type



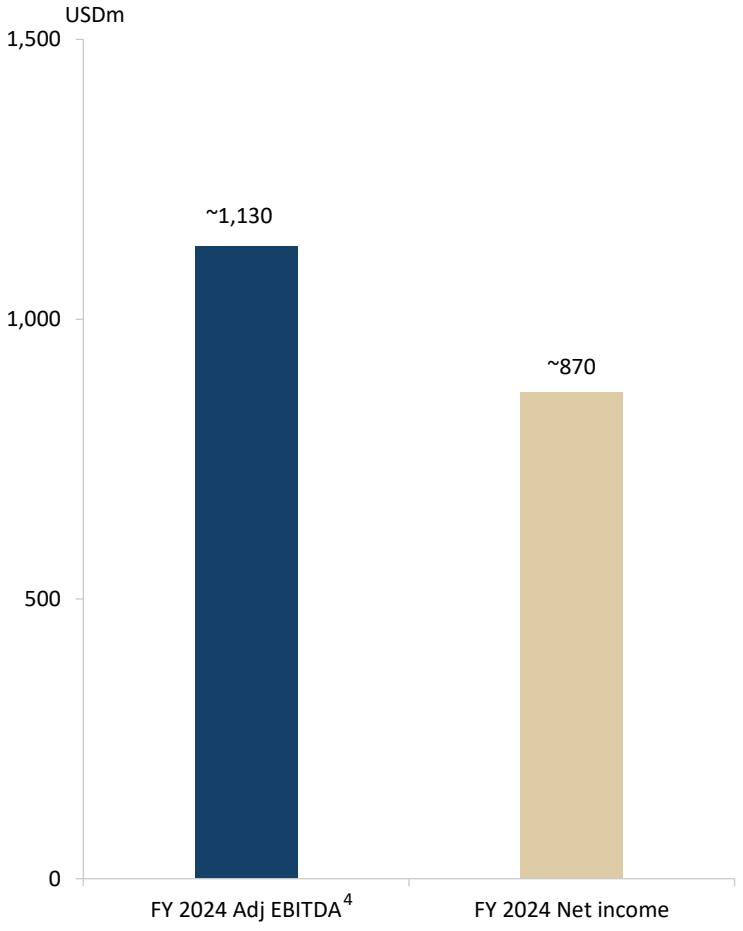
[1] *Excludes joint ventures vessels.*
[2] *Total operating days include operating days for vessels that are time chartered-in. Operating days are defined as the total number of days (including waiting time) in a period during which each vessel is owned, partly owned, operated under a bareboat arrangement (including sale and lease-back) or time chartered-in, net of technical off-hire days. Total operating days stated in the quarterly financial information include operating days for TC Vessels.*
[3] TCE represents gross TCE income after adding back pool commissions; refer to our quarterly report for more information on non-IFRS financial measures.
[4] *Inclusive of IMO II vessels.*

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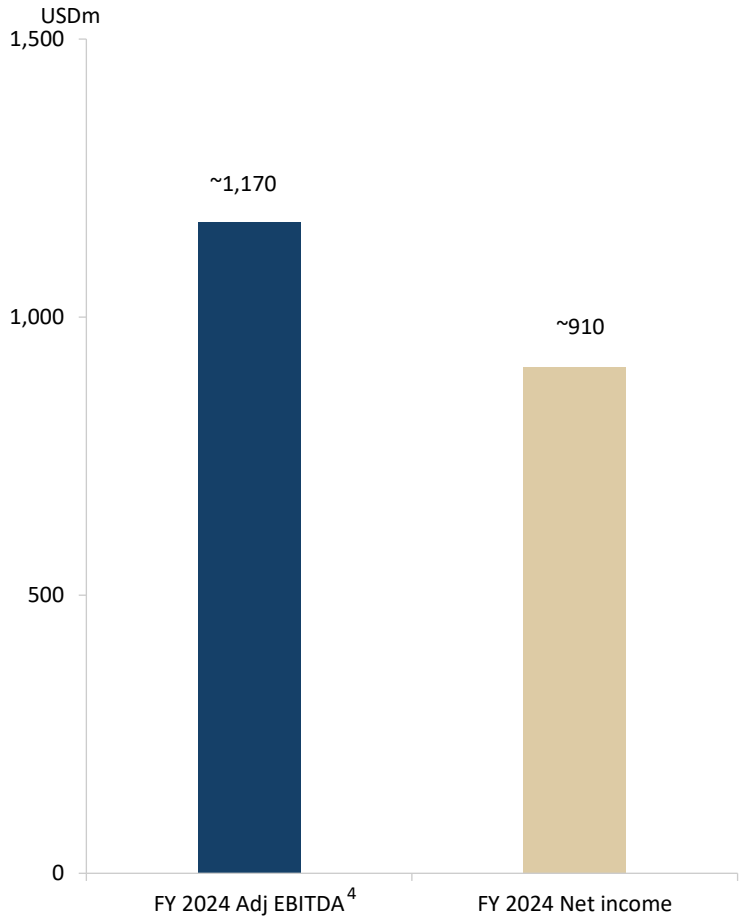
EARNINGS SCENARIOS FOR 2024

Fundamentals remain steady and fundamentals for the product tanker market remain positive in 2024

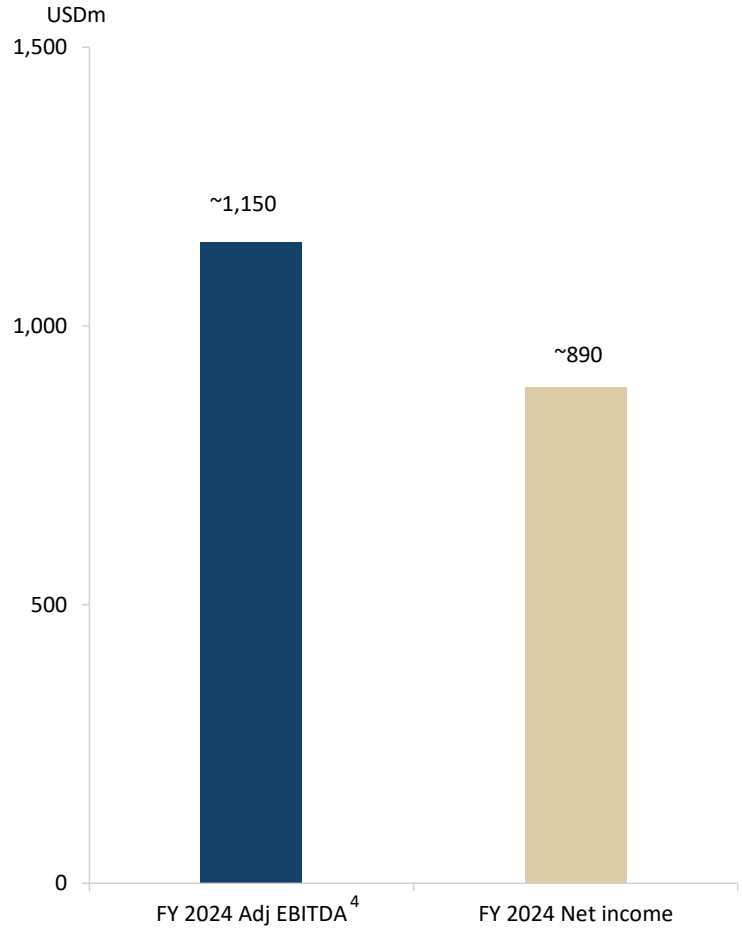
Analysts' Consensus[1]



Q3 2024 Covered Rates[2]



Q3 and Q4 2024 Covered Rates[3]



[1] *Retrieved from Bloomberg*
[2] *Q3 2024 covered rates as of 9 August applied to projected earning days in H2 2024*
[3] *Q3 and Q4 2024 covered rates as of 9 August applied to projected earning days in H2 2024*
[4] Refer to our quarterly report for more information on non-IFRS financial measures.

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ESG COMMITMENTS AND TARGETS

Environment

40% reduction
of our fleet's carbon intensity by 2028 (compared to 2008 levels)

Net zero emissions
on all scope 1 emissions by 2050

10% plastic reduction
onboard over the next five years

Zero breaches
of any environmental legislation

Social

Zero harm across our operations

- ✓ Lost Time Incident Frequency < 0.4 observation
- ✓ Total Recordable Case Frequency < 1.0 observation
- ✓ Port State Control < 1.0 observation

29% women
in our Executive Management Team by 2025

50% women crew
on four vessels by 2024

40% women
in our offices by 2030

Implement human rights screening
throughout our supply chain in 2024

Governance

Zero compliance breaches

All employees trained
on compliance and ethical issues annually:

- ✓ General Data Protection Regulation (GDPR)
- ✓ Preventing bribery and corruption
- ✓ Anti-trust compliance
- ✓ Sanctions awareness
- ✓ Human Rights

HAFNIA Member of BW Group

HAFNIA RENEWABLE PROJECT HIGHLIGHTS



Dual Fuel Vessels

- Invested in several dual-fuel Newbuilds
- As part of Vista joint venture, invested in four LR2 LNG dual-fueled vessels
- As part of Socatra joint venture, invested in four Chemical IMO-II MR Methanol dual-fueled vessels



Studio 30/50

- Jointly with Microsoft, Wilhelmsen, IMC Venture and DNV, announced digital venture studio 30/50
- Aims to solve both short- and long-term goals of the maritime industry through funding innovative proposal

Complexio

- Co-founder of Complexio, a foundational AI trained on whole company data for task automation and value extraction

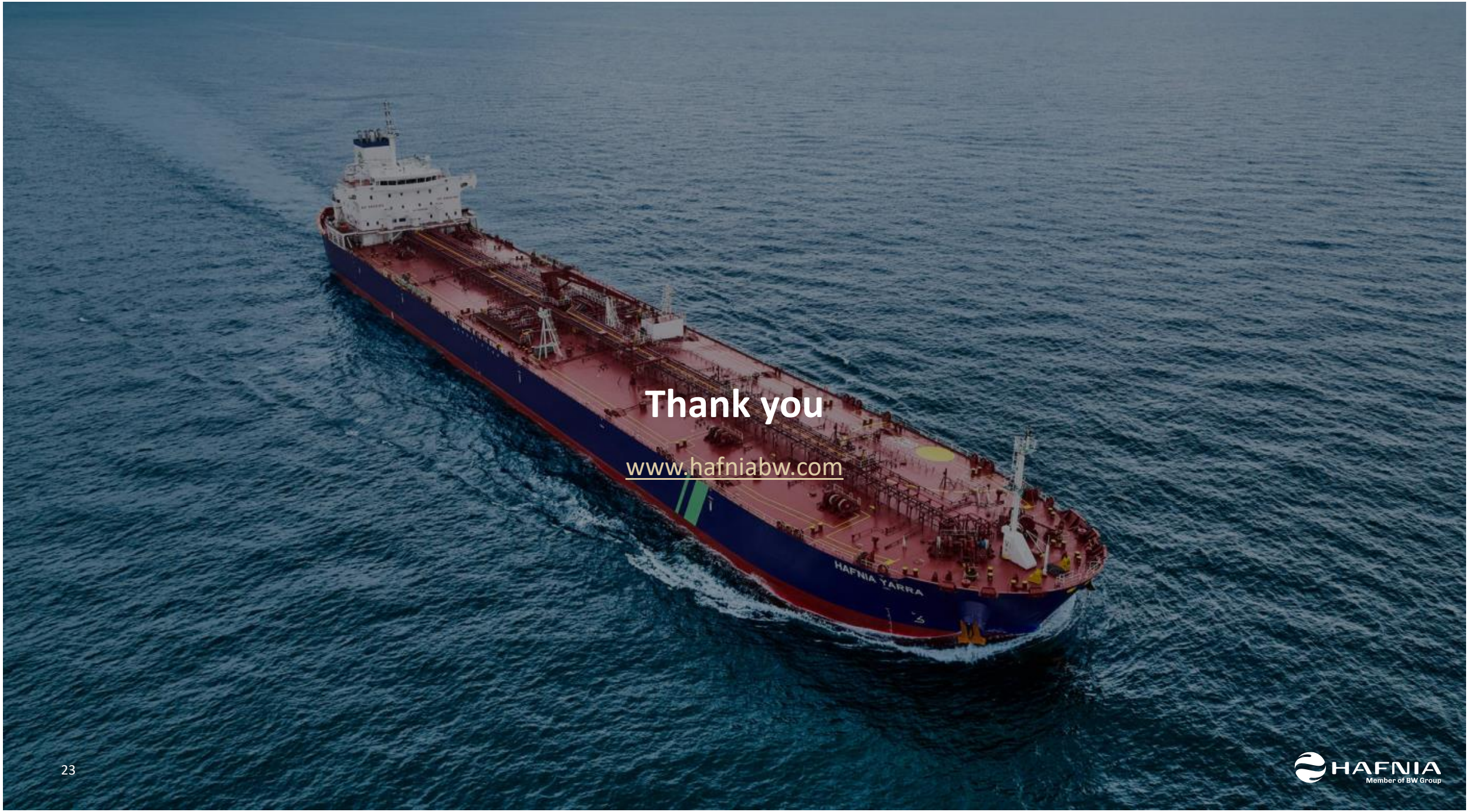
Synthetic Hydrocarbon Fuels

- Joint venture with Big Hill on the development of a sustainable hydrocarbon fuels plant (subject to FID) to produce low CI blue methanol and at a later stage sustainable aviation fuel (SAF).
- This project will develop new sustainable shipping opportunities within CO2, methanol and SAF.

Ascension Clean Energy

- Collaboration with Clean Hydrogen Works on the development of a clean hydrogen ammonia production and export project
- Project aims to capture up to 98% of carbon dioxide emissions from its processes, providing a scalable pathway to supply carbon-free energy

HAFNIA RENEWABLE PROJECTS



Thank you

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