

Hafnia Limited
Investor Presentation Q2 2024

Q2



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Q2

Q2 2024 Overview

Industry Review & Outlook

Financial Summary

ESG Overview

Q2 KEY HIGHLIGHTS

TCE Income¹

USD 417.4M

YTD 1H 2024 of USD 796.2M

Adjusted EBITDA¹

USD 317.1M

YTD 1H 2024 of USD 604.1M

Net Profit

USD 259.2M

YTD 1H 2024 of USD 478.8M

Dividend

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.

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

Highly reputable board of directors, constantly implementing initiatives on vessels that minimizes environmental impact

Hafnia's Q2 2024 in Numbers

1

Vessels Owned¹/
Time Chartered-in

117x/16x

LR2: 10x LR1: 31x/4x
MR²: 52x/12x Handy²: 24x

2

NAV³ at
Q2 2024

USD ~4.5b

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

3

Average
broker value⁴

USD ~4.8b

4

Vessels
average age⁵

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

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.

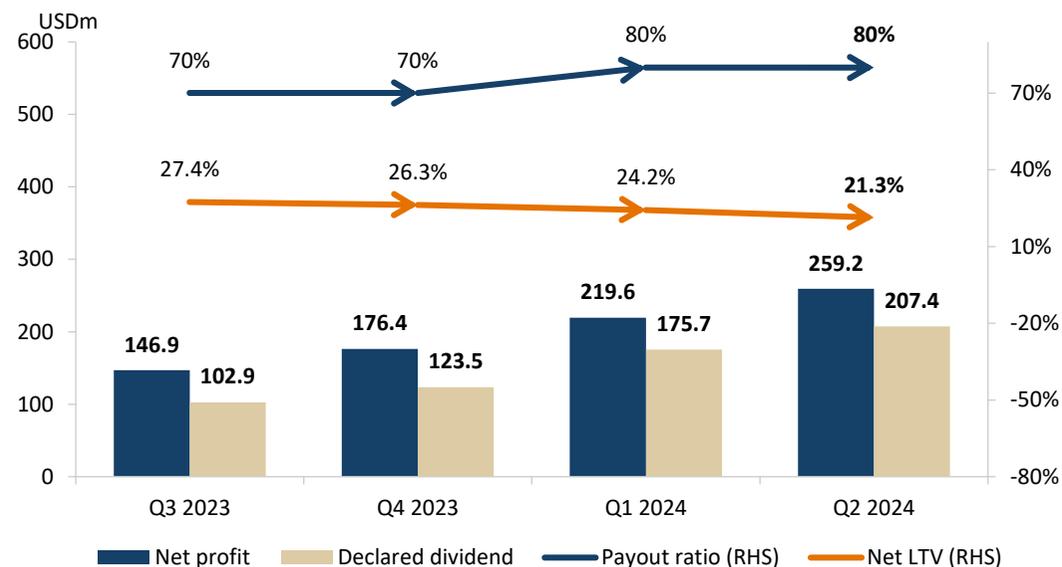
2022 Acquisition of 12 LR1s

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 the quarter, we will pay a dividend of **USD 0.4049** (~NOK 4.3745¹) 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 on 12 August 2024

Q2

Q2 2024 Overview

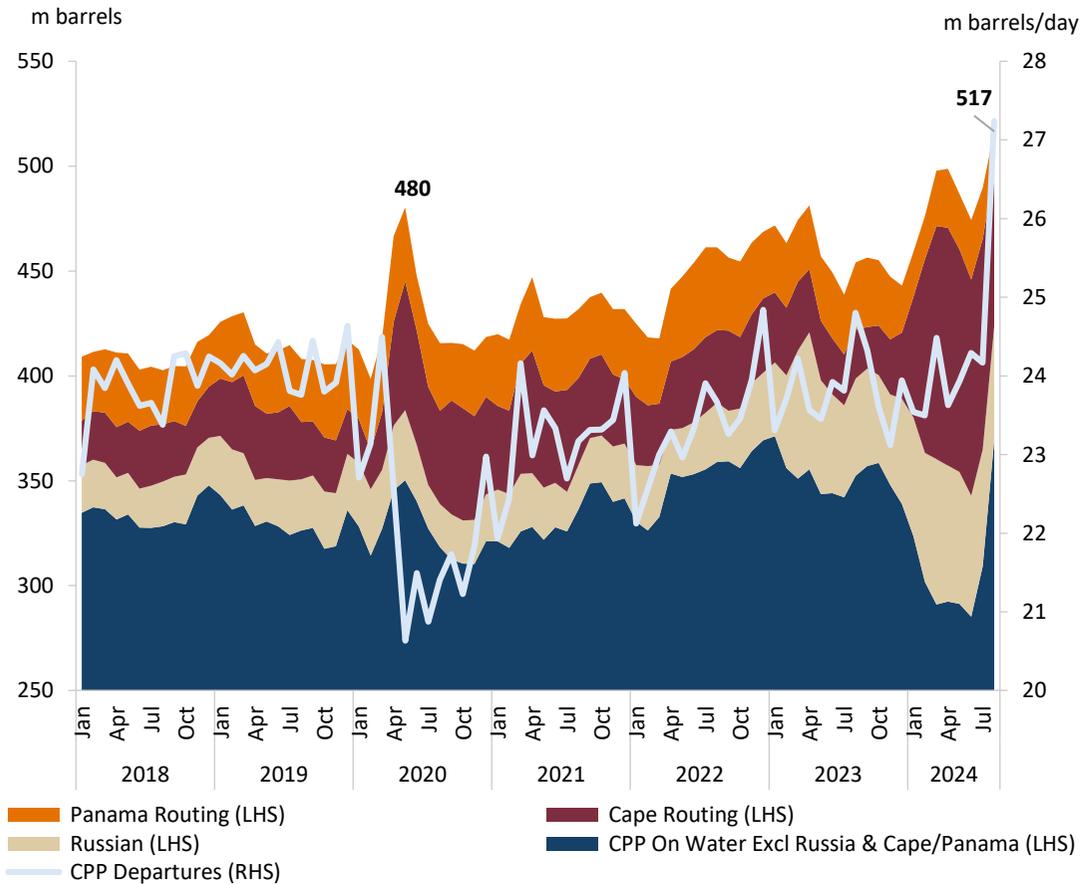
Industry Review & Outlook

Financial Summary

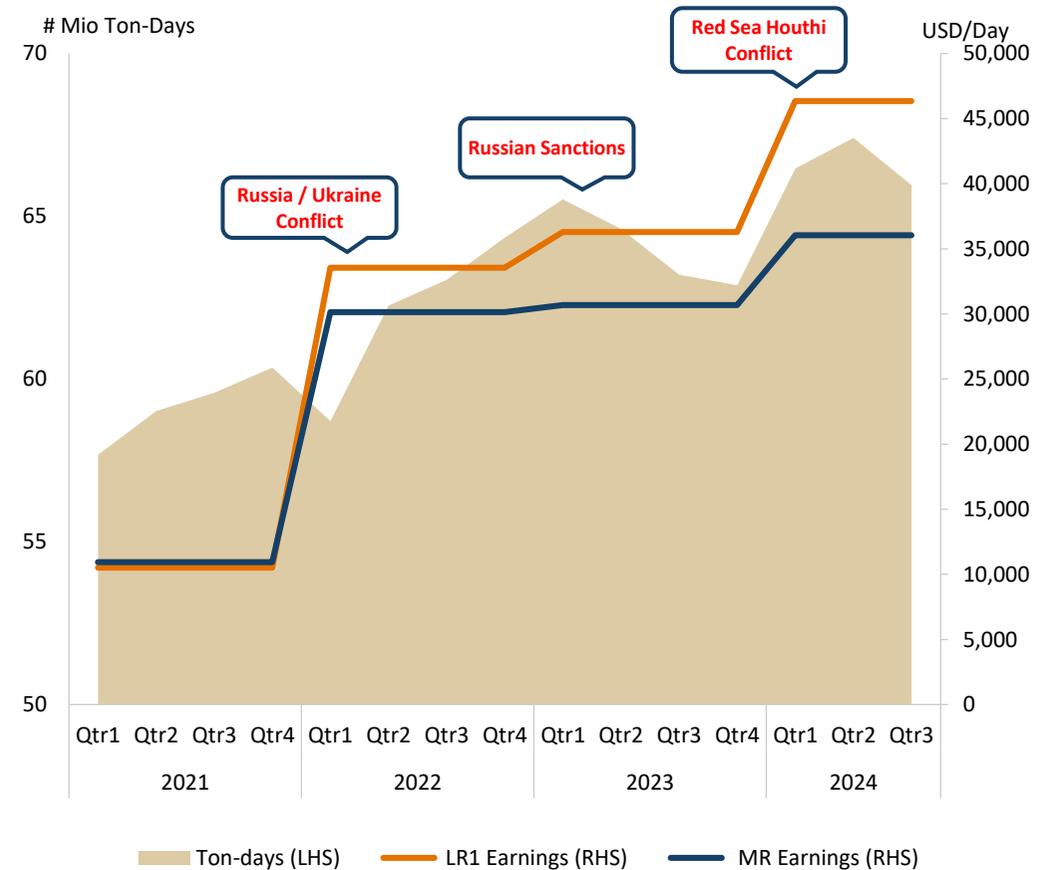
ESG Overview

STRONG MARKET FUNDAMENTALS FOR PRODUCT TRADE

Clean Petroleum Products On Water & Daily Departures



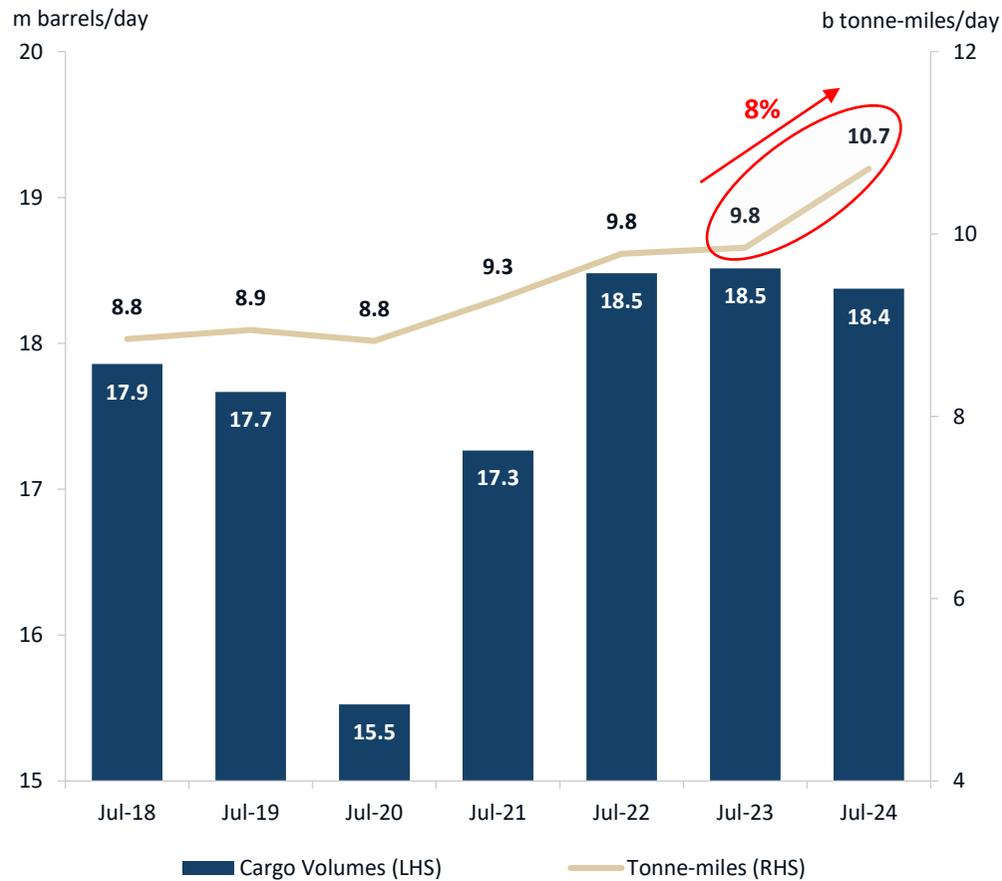
CPP Ton-Days versus MR and LR1 Earnings



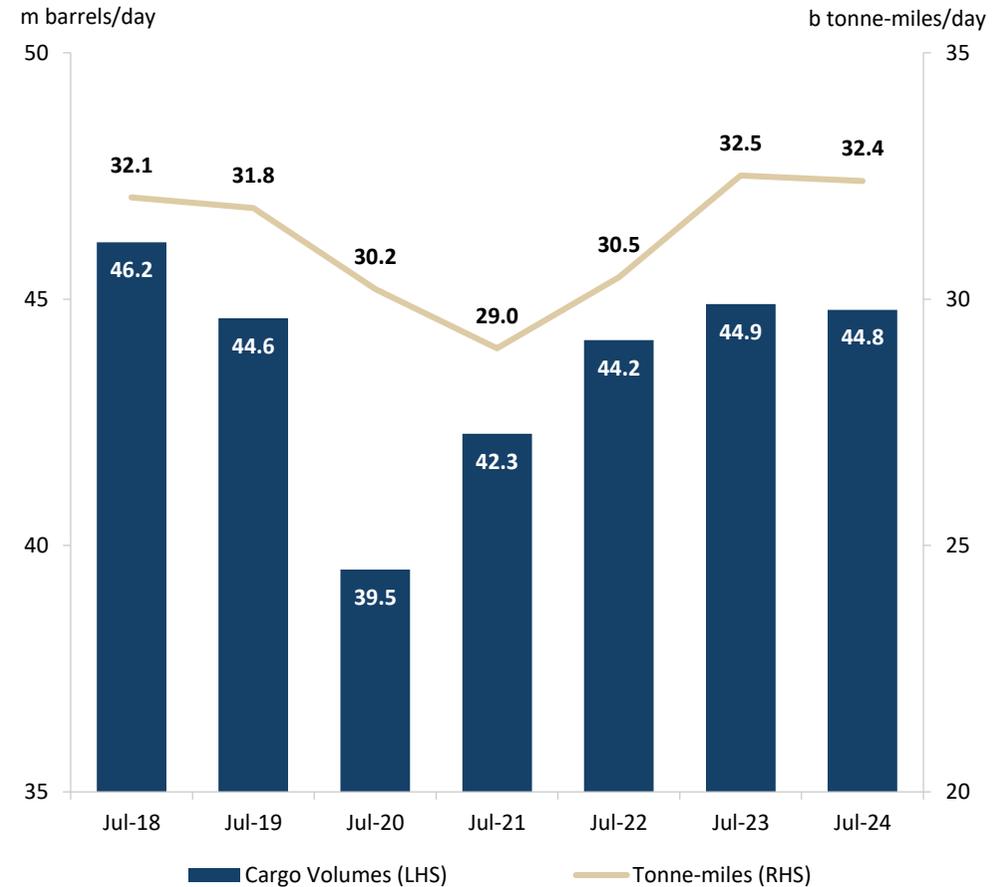
- Volumes of CPP and chemicals on water continue to steadily increase, driven by geopolitical unrest. Approximately 20% of these volumes are routed via the Cape of Good Hope, with Russian CPPs making up around 13%, double the pre-sanction average. We are experiencing historically high levels of CPPs on water, and we anticipate these elevated volumes will persist through the end of the year.
- This trend presents a positive outlook, as CPP on water often serves as a proxy for transportation demand. Historically, high levels of CPP on water and tonne-days have correlated with periods of strong earnings.

HIGHER CARGO VOLUMES AND TON-MILES

CPPs and Chemicals



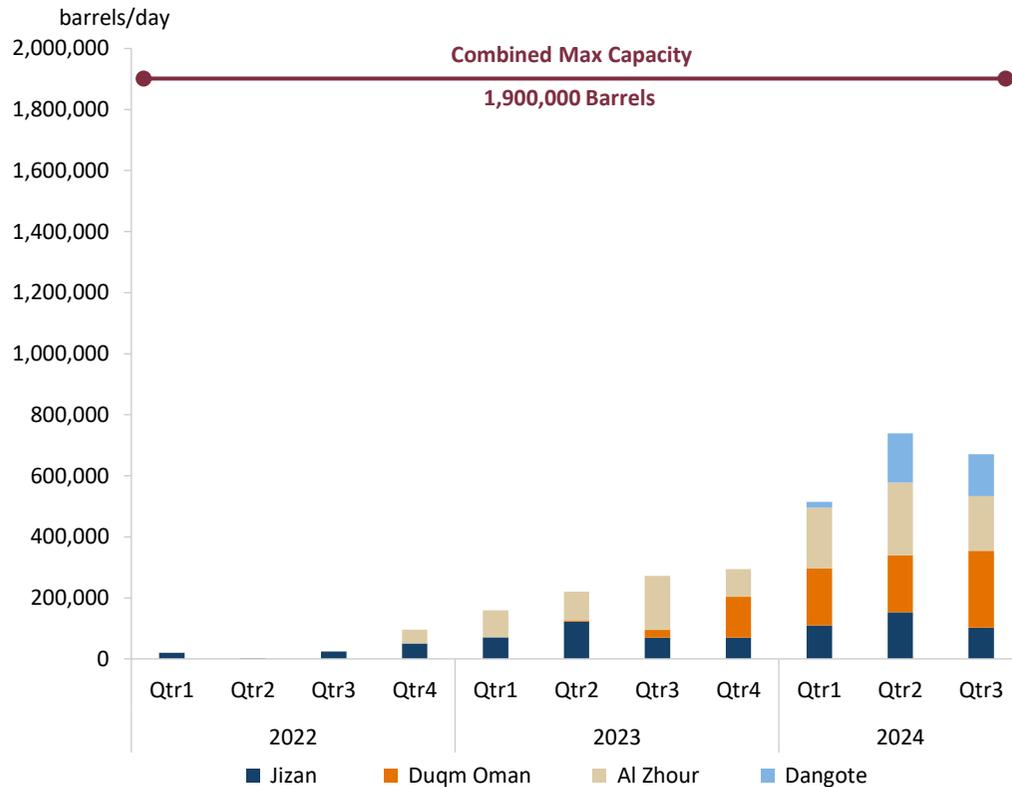
Dirty Petroleum Products



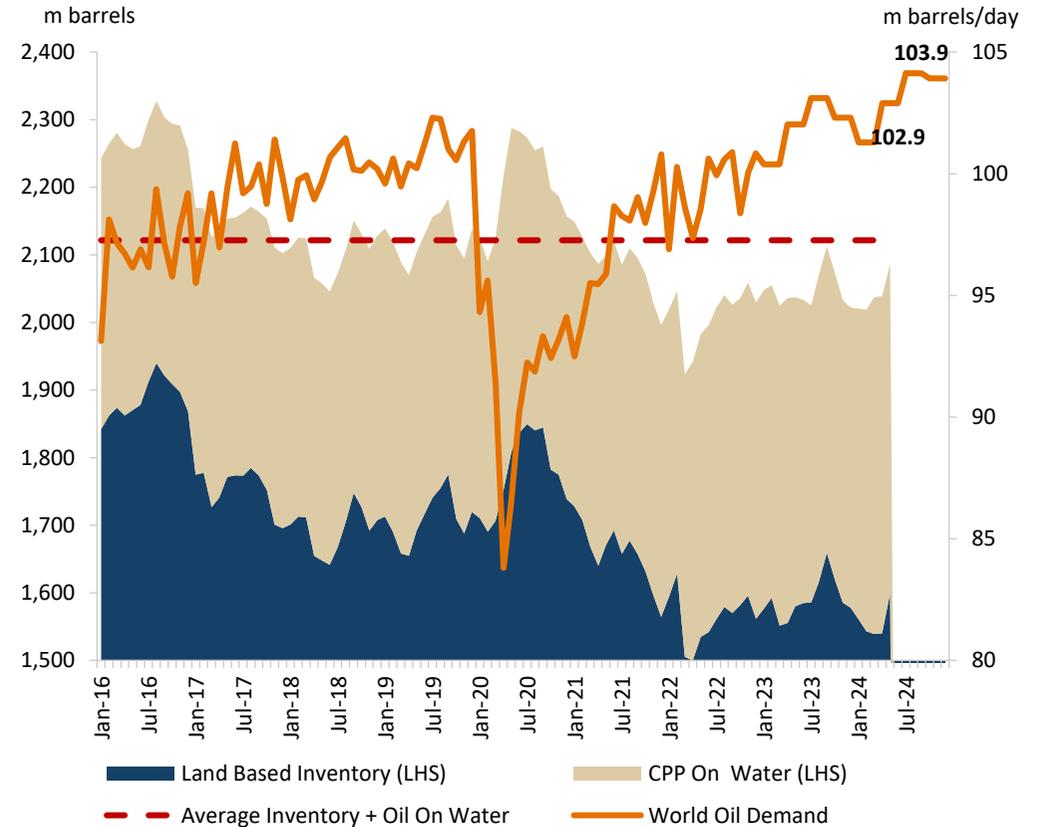
- Year-on-year, from July 2018 to 2024, cargo volumes and tonne-miles for CPPs and chemicals have steadily increased. On the other hand, DPP volumes and tonne-miles have dropped compared to previous years.
- Despite a slight decline in cargo volumes for CPPs from 2023, there is a disproportionate increase 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.

REFINERY LANDSCAPE AND INVENTORY LEVELS

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



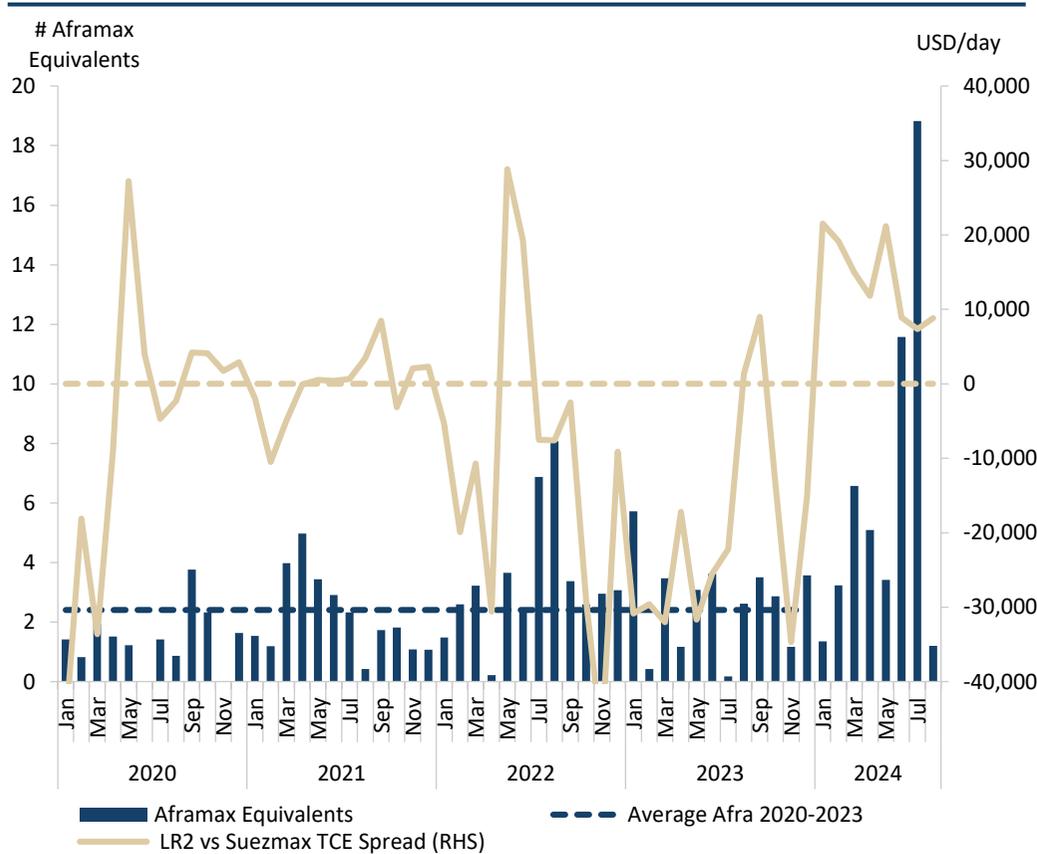
CPP Land based Inventory + Oil on Water vs World Oil Demand



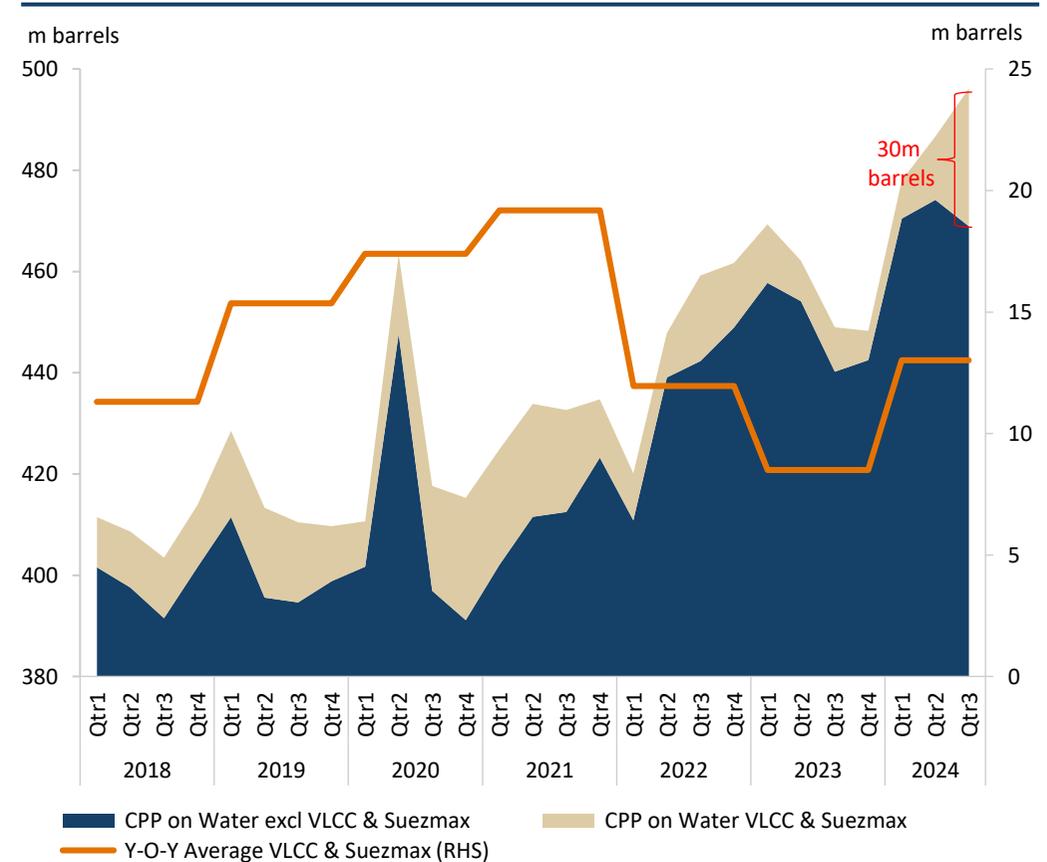
- In 2023, new refineries like Al Zour in Kuwait, Duqm in Oman have driven export volume gains. Nigerian Dangote Refinery has commenced exports in 2024. This refinery will be an export facility as product specs reach far beyond Nigerian regulatory demand. As these and other refineries in Africa and Asia 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.

CRUDE TANKERS CANNIBALIZATION

Crude Tankers Cannibalization of Clean Cargo



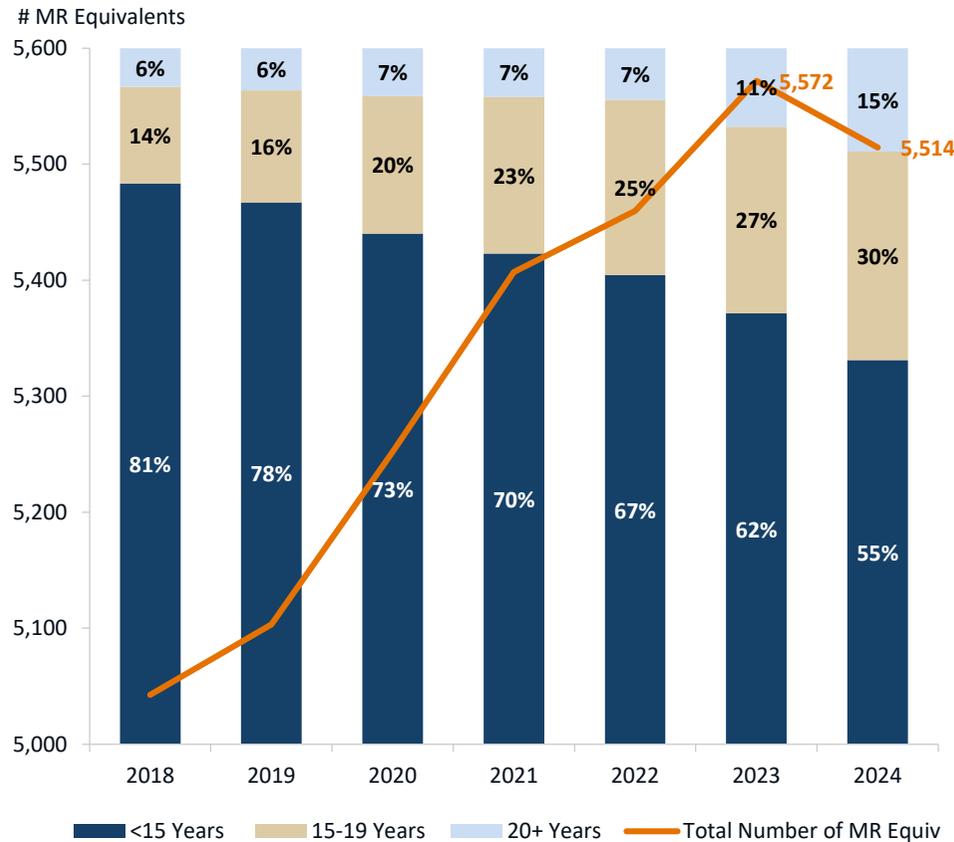
CPP On Water VLCC & Suezmax Cannibalization



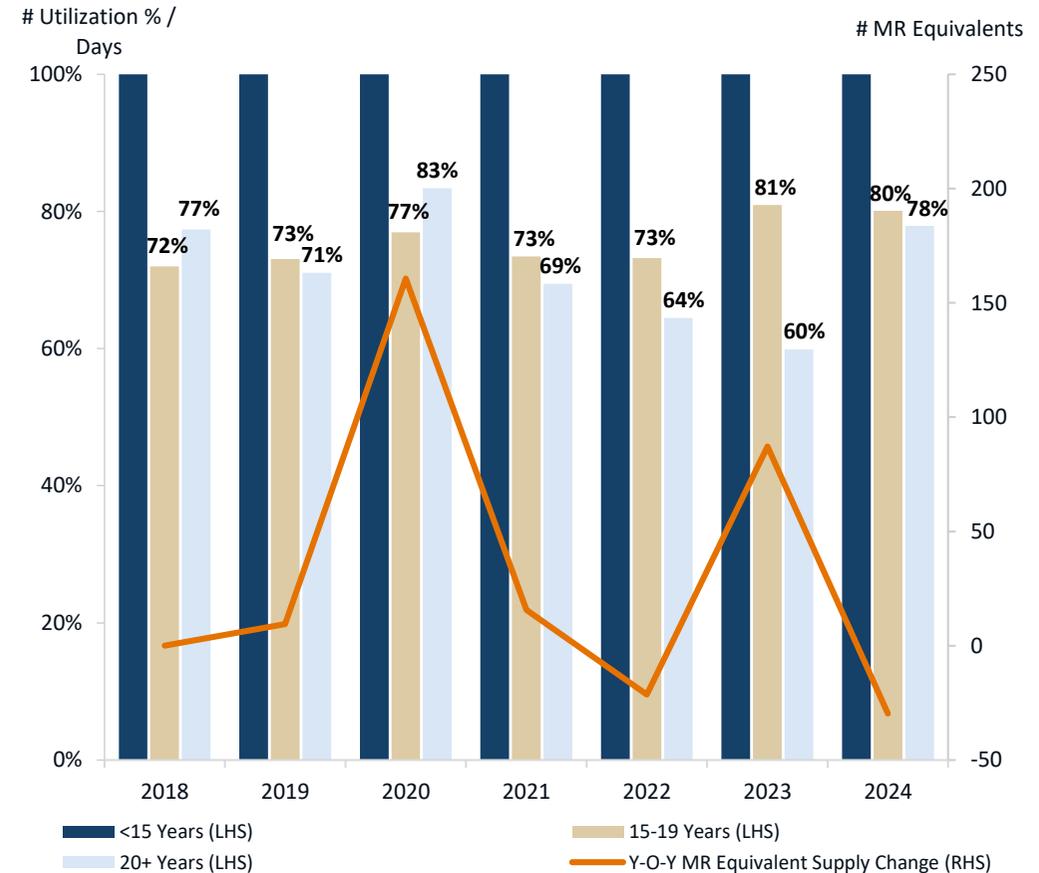
- We have been experiencing an increase in cannibalization from the crude sector, mainly due to the increase in differences in earnings between the two sectors. This has introduced more competition in the product market, especially in the LR2 segment where these VLCC and Suezmax now compete against.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

REDUCED UTILISATION OF AGEING FLEET (HANDY – AFRAMAX)

MR Equivalent Fleet Size and Age Distribution



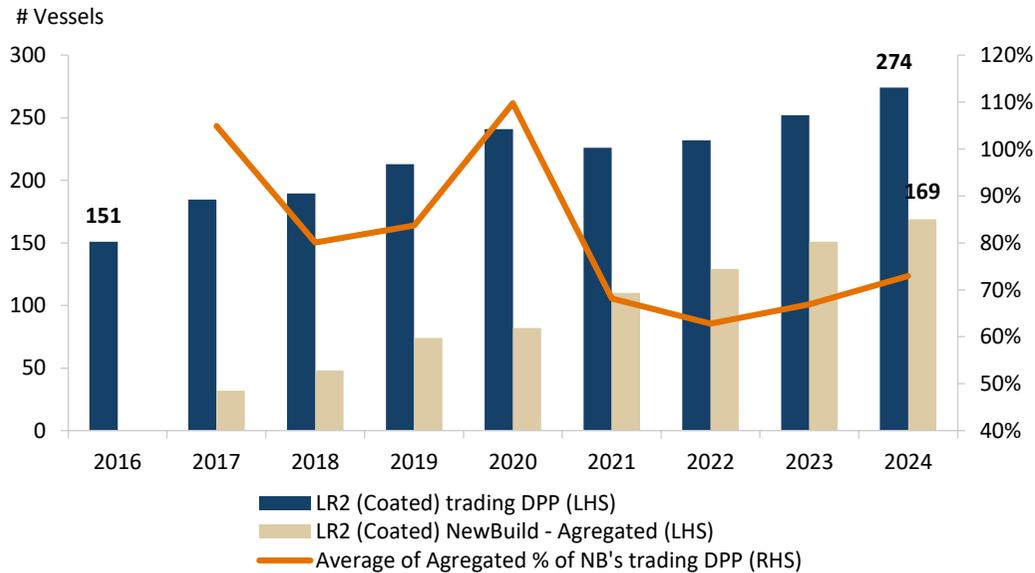
Reduced Utilization (Age Grouped)



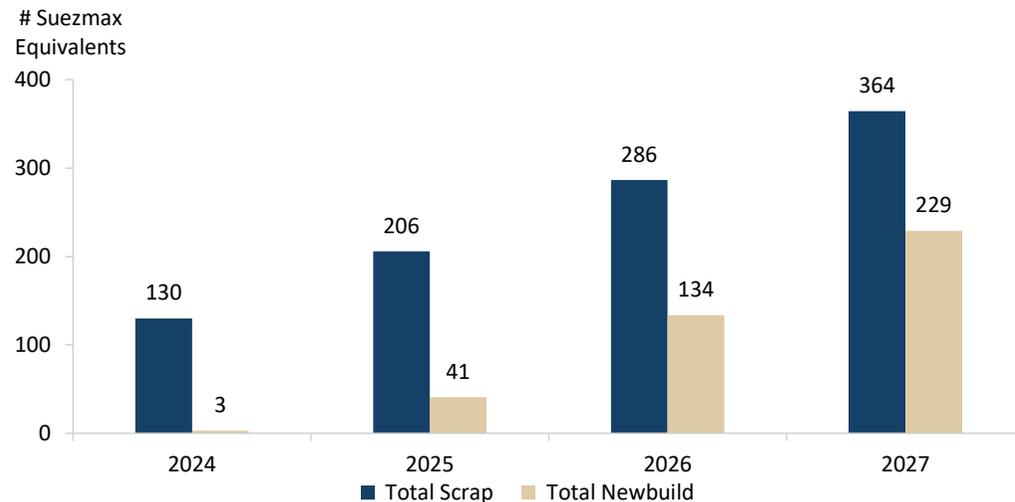
- We can see the the average age of the global product tanker fleet is increasing, as older vessels of above 20 years of age now making up a larger share of the global fleet.
- We are also observing de-facto scrapping, where vessels in the older age bracket are utilized substantially less than vessels 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.

PRODUCT TANKER OUTLOOK REMAINS VERY POSITIVE

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

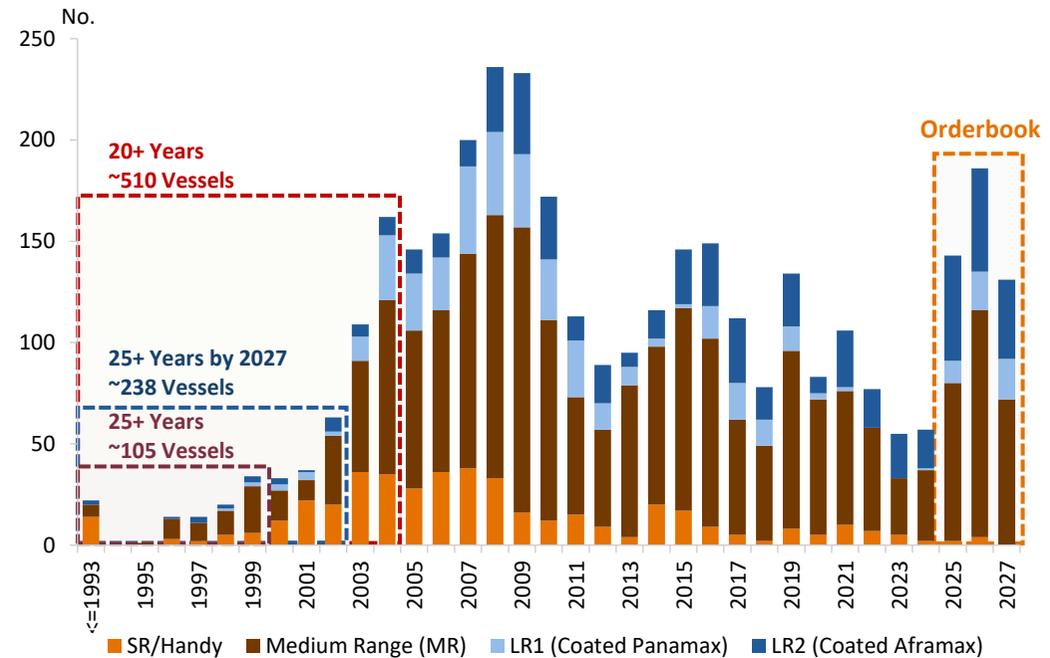


Suezmax & VLCC (Accumulated)



Source: Hafnia, Clarksons, Vortexa, Signal

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.

Q2

Q2 2024 Overview

Industry Review & Outlook

Financial Summary

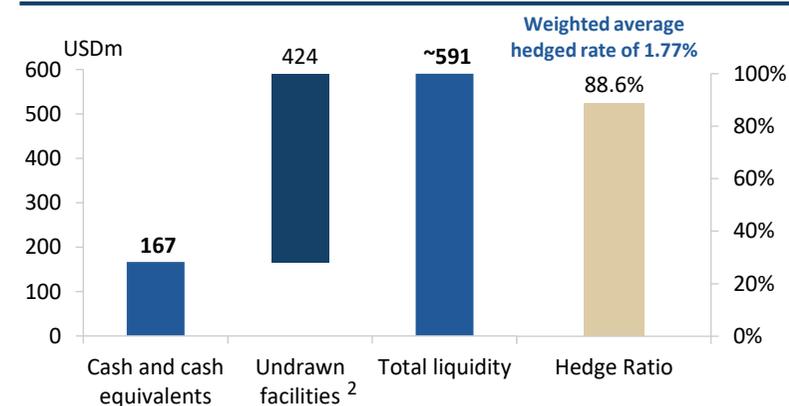
ESG Overview

Q2 & 1H 2024 FINANCIAL SUMMARY

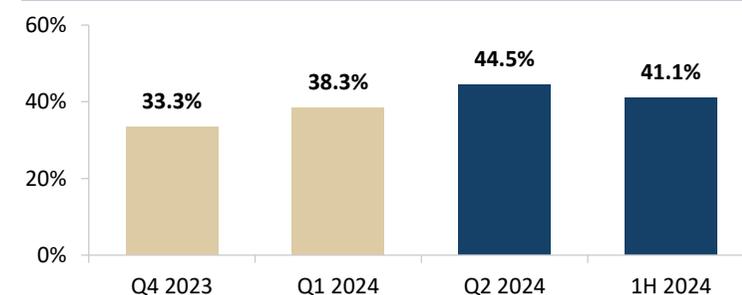
Income Statement USDm	Q2 2023	1H 2023	Q2 2024	1H 2024
TCE income¹	349.3	726.5	417.4	796.2
Other operating income	10.1	21.2	10.7	20.5
Vessel operating & technical management expenses	(71.3)	(141.9)	(76.7)	(152.0)
Charter hire expenses	(8.1)	(15.0)	(11.7)	(21.2)
Other expenses	(18.5)	(33.2)	(22.6)	(39.3)
Adjusted EBITDA¹	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

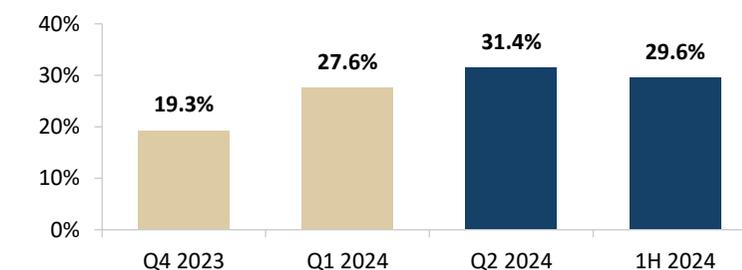
Total Liquidity & Hedge Ratio



Return on Equity (annualised)



Return on Invested Capital⁴ (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.

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

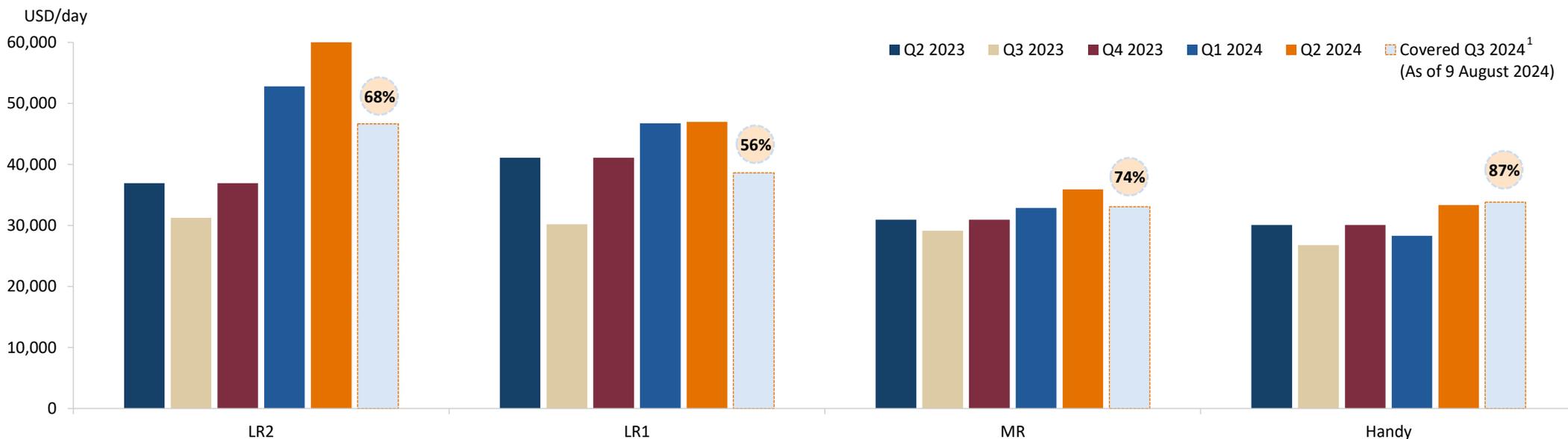
TCE Segment Breakdown

		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

Coverage¹ 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.

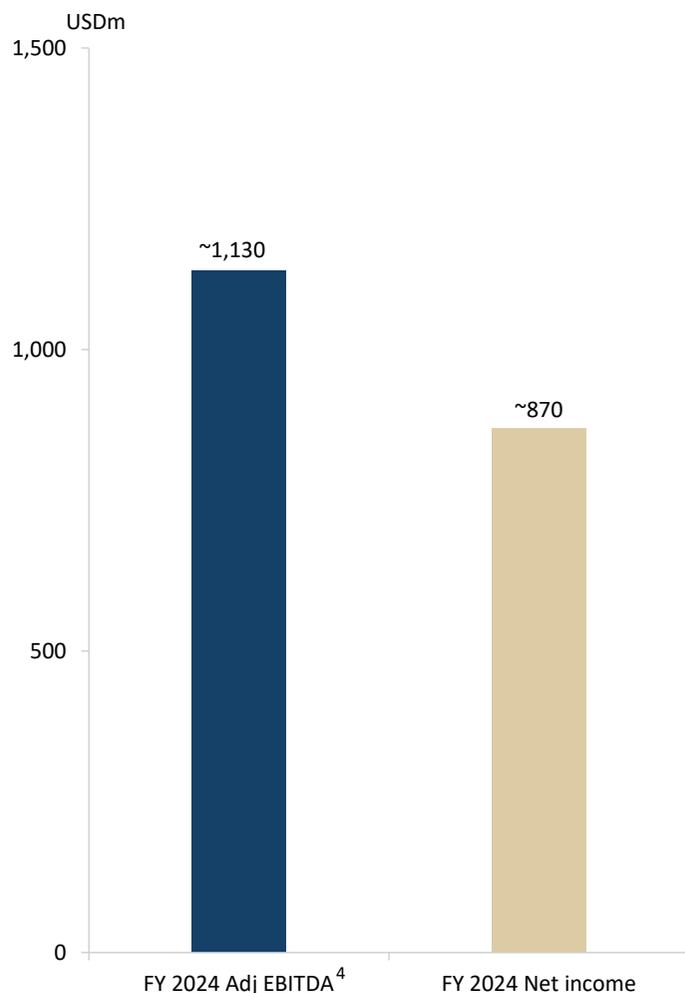
³ TCE represents gross TCE income after adding back pool commissions; refer to our quarterly report for more information on non-IFRS financial measures.

⁴ Inclusive of IMO II vessels.

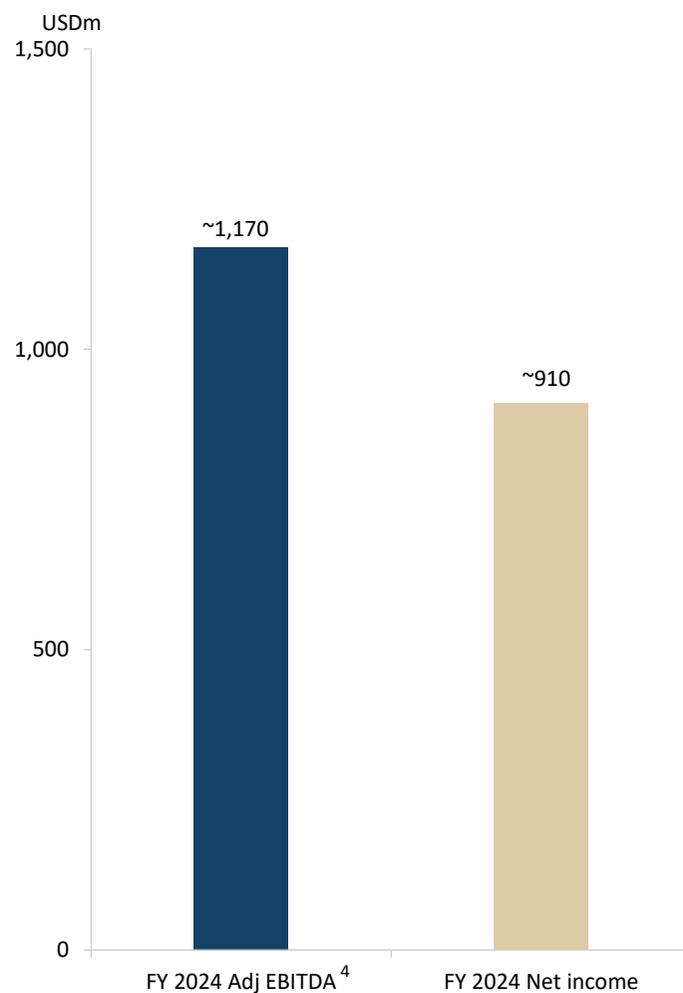
EARNINGS SCENARIOS FOR 2024

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

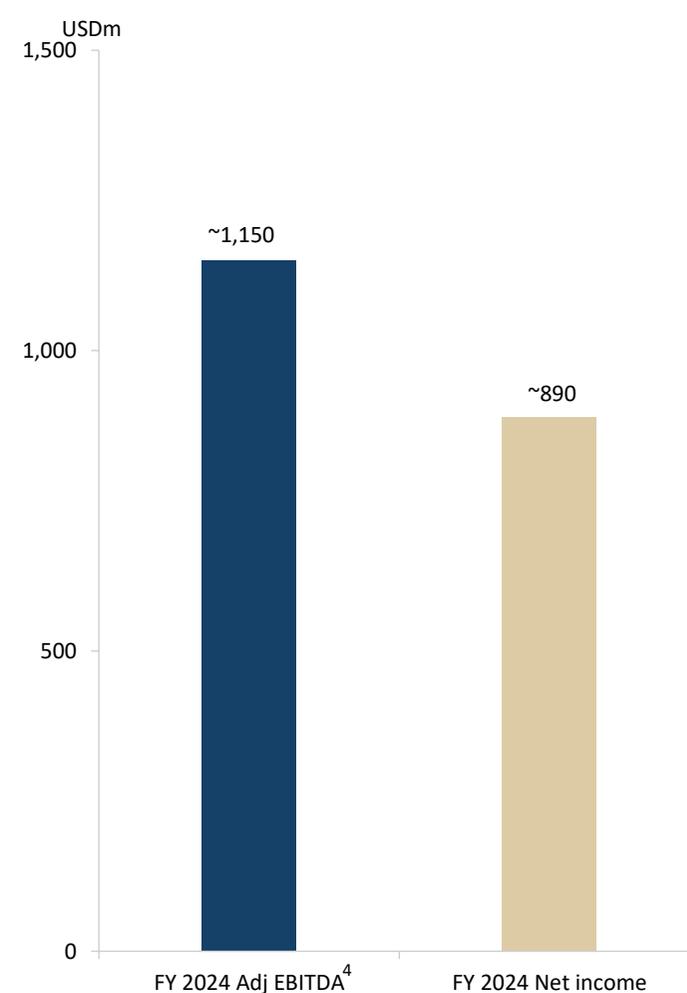
Analysts' Consensus¹



Q3 2024 Covered Rates²



Q3 and Q4 2024 Covered Rates³



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.

Q2

Q2 2024 Overview

Industry Review & Outlook

Financial Summary

ESG Overview

ESG TARGETS AND COMMITMENTS

(Environmental) E



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



10% plastic reduction
onboard over the next five years



Net zero emissions
For our Scope 1, Scope 2 and
Scope 3 emissions by 2050



Zero breaches
of any environmental legislation

Member of:



United Nations
Global Compact



MACN
Maritime Anti-Corruption Network



(Social) S

Zero harm across our operations

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



Implement human rights screening
throughout our supply chain in 2024

29% women
in our Executive Management Team by 2025

50% women crew
on four vessels by 2024

40% women
in our offices by 2030



(Governance) G

Zero compliance breaches

- ✓ No reported cases of misconduct
- ✓ No whistleblowing reports
- ✓ No fines incurred

All employees trained on compliance
and ethical issues annually:

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



Reporting under:



ESG PROJECT HIGHLIGHTS

Complexio

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

complexio

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



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.

BIG HILL



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

studio 30 | 50

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



OUR TEAM



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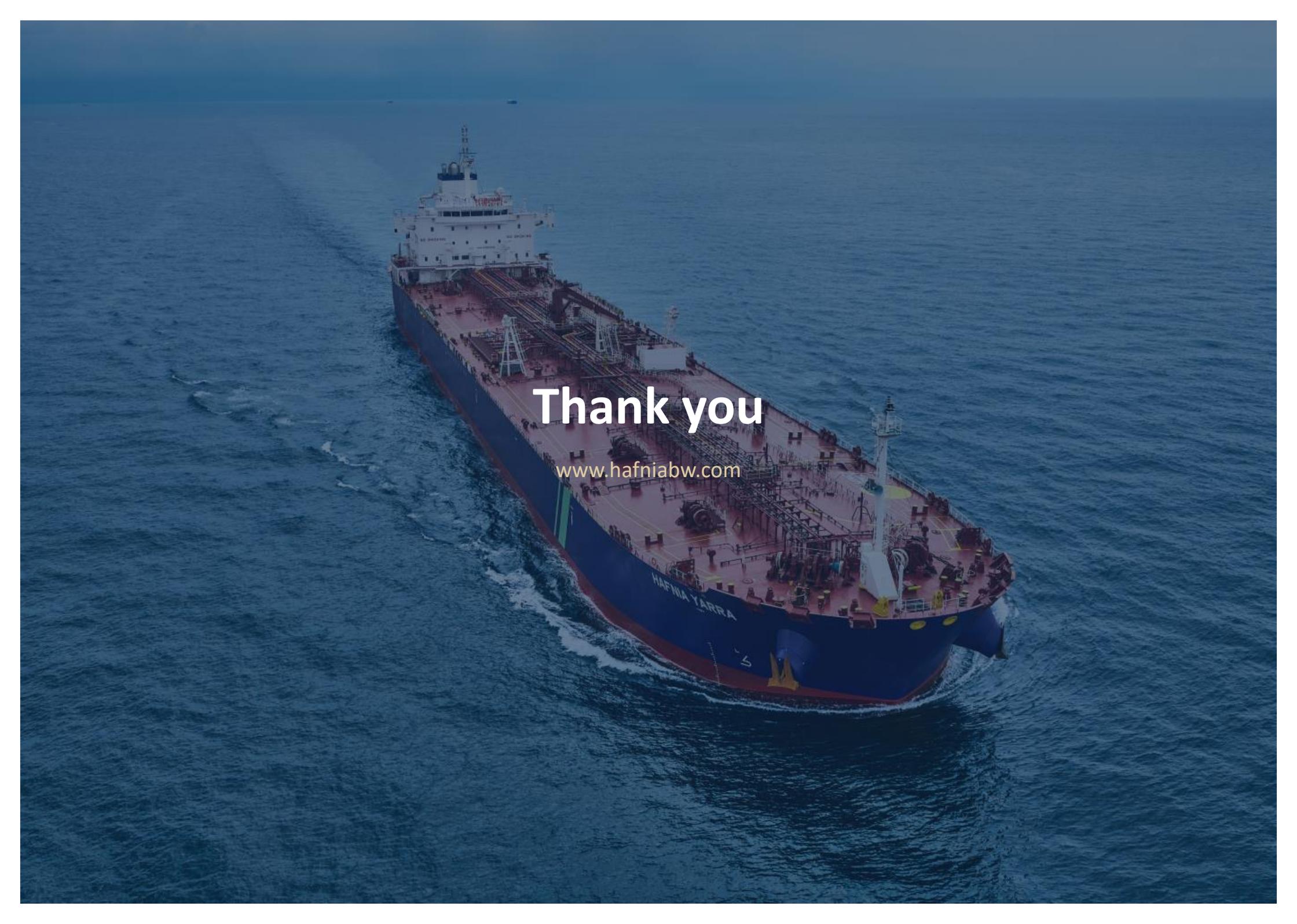
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An aerial photograph of the oil tanker ship HAFNA YARRA, sailing on the open ocean. The ship is dark blue with a red hull and a white superstructure. The deck is visible, showing various structures and equipment. The ship is moving from the top left towards the bottom right, leaving a white wake. The sky is a clear, pale blue.

Thank you

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