

# Q1



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# Q1

## **Q1 2024 Overview**

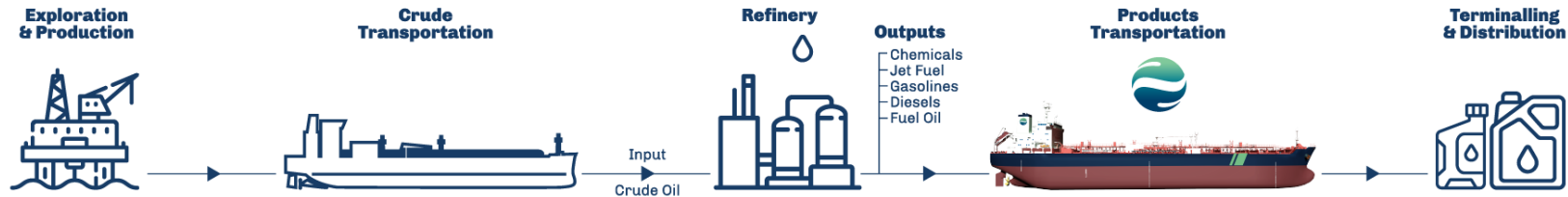
Financial Summary

Industry Review & Outlook

ESG Overview

# INTRODUCTION TO HAFNIA

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



## ACTIVE MANAGEMENT

Proactively reviewing market for opportunities that create stronger shareholder value



## UNPARALLELED SCALE

Commercially managing a fleet of over 200 vessels with pool platforms covering every product segment and chemical



## STRONG MARKET OUTLOOK

Strong market fundamentals on both demand and supply outlook, representing good earnings pathway



## Vessels Owned<sup>1</sup> / Time Chartered-in

- LR2: 10x
- LR1: 31x/4x
- MR<sup>2</sup>: 52x/10x
- Handy<sup>2</sup>: 24x
- Total: 117x/14x



## Net Asset Value<sup>3</sup> USD ~4.3b



Stock Exchange Ticker  
**OSE: "HAFNI"**  
**NYSE: "HAFN"**

## SHAREHOLDER VALUE

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



## DIVERSIFIED REVENUE STREAMS

Commercially managing third-party vessels in Pools and buying bunkers for over 1,400 pool and third-party vessels



## FOCUS ON ESG

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



<sup>1</sup> As of 31 March 2024, including bareboat chartered in vessels; 6 LR1s and 4 LR2s owned through 50% ownership in the Vista Joint Venture and 2 MRs owned through 50% ownership in the Andromeda Joint Venture

<sup>2</sup> Inclusive of IMO II vessels

<sup>3</sup> NAV is calculated using the fair value of Hafnia's owned vessels

# ACTIVE MANAGEMENT & STRONG SHAREHOLDER RETURNS

## Strategic Acquisitions and Joint Ventures

2018

### Vista 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

### Andromeda 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 were divested while remaining 24 are within Hafnia Pools.

2022

### Acquisition of 12 LR1s

Acquired 12 LR1 product tankers from Scorpio. These vessels were built in South Korea 2015-2016.

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 have been ordered, with expected delivery in 2025-2026.

## Transparent and Sustainable Dividend Policy

- In April 2024, Hafnia announced an increase to its dividend payout ratio. Hafnia now targets a quarterly payout ratio of net profit, adjusted for extraordinary items, of:

Net loan-to-value	Payout of net profit
Above 40 %	50 %
Above 30 % but equal to or below 40 %	60 %
Above 20 % but equal to or below 30 %	80 %
Equal to or below 20 %	90 %

- Decision stems from a commitment to deliver strong shareholder value while safeguarding financial stability.

## Asset Value Appreciation

- Within Hafnia's time chartered-in vessels, we hold 8 purchase options.
- With the current strong asset price environment, the value of the purchase options amounts to ~USD 120m at the end of the reporting period.

Vessel Segment	Average purchase option price (USDm)
LR1	40.8
MR	29.1

- This underscores our ability to renew our fleet below market value and capitalise on the value appreciation.

# Q1

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# STRONG FIRST QUARTER AND SHAREHOLDER RETURN

## Q1 2024 Financial Highlights

TCE Income<sup>1</sup>

**USD 378.8M**

Q1 2023 of USD 377.2M

Adjusted EBITDA<sup>1</sup>

**USD 287.1M**

Q1 2023 of USD 296.0M

Pool & Bunker Income

**USD 9.8M**

Q1 2023 of USD 11.1M

Net Profit

**USD 219.6M**

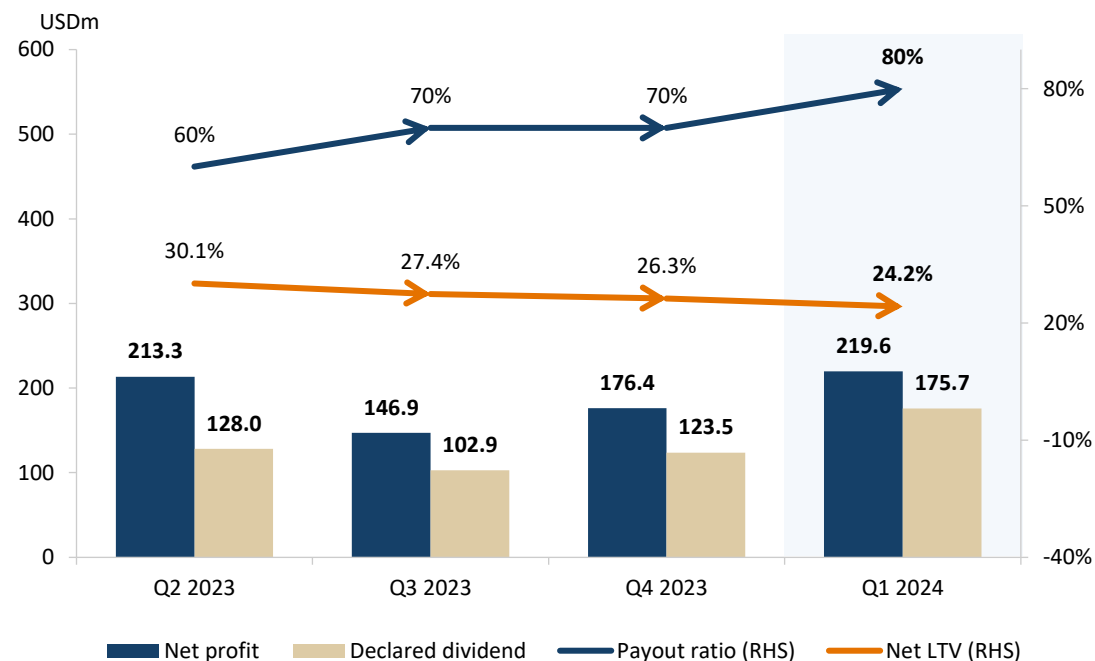
Q1 2023 of USD 256.6M

TCE / Day

**USD 36,230**

Q1 2023 of USD 36,312

## Strong Shareholder Returns



- Net LTV ratio at the end of Q1 2024 decreased to **24.2%**, adjusted downwards from Q4 2023 mainly due to reduction in debt.
- For the quarter, we will pay a dividend of **USD 0.3443** (~NOK 3.7965<sup>2</sup>) per share. This brings the total dividend amount for the quarter to USD **175.7m**, representing an **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.

<sup>1</sup> Refer to our quarterly report for more information on non-IFRS financial measures.

<sup>2</sup> Based on exchange rate of 11.0274 on 29 April 2024

# Q1 2024 FINANCIAL SUMMARY

Income Statement USDm	Q1 2023	Q1 2024
<b>TCE income<sup>2</sup></b>	<b>377.2</b>	<b>378.8</b>
Other operating income	11.1	9.8
Vessel operating & technical management expenses	(70.7)	(75.3)
Charter hire expenses	(6.9)	(9.5)
General and administrative expenses	(14.7)	(16.7)
<b>Adjusted EBITDA<sup>2</sup></b>	<b>296.0</b>	<b>287.1</b>
Depreciation and amortisation charges	(52.0)	(54.1)
Gain on disposal of assets	36.7	0.0
<b>EBIT</b>	<b>280.7</b>	<b>232.9</b>
Net financial expense	(28.0)	(18.9)
Share of profit from joint venture	5.8	7.3
<b>Profit before income tax</b>	<b>258.6</b>	<b>221.3</b>
Income tax expense	(1.9)	(1.7)
<b>Profit for the financial period</b>	<b>256.6</b>	<b>219.6</b>

Balance Sheet Items USDm	Q2 2023	Q3 2023	Q4 2023 <sup>1</sup>	Q1 2024
Total assets	4,087	3,822	3,914	<b>3,897</b>
Cash at bank and on hand	241.5	124.8	141.6	<b>128.9</b>
Total liabilities	1,911	1,623	1,686	<b>1,542</b>
Total equity	2,176	2,198	2,228	<b>2,355</b>
Gross debt	1,436	1,230	1,252	<b>1,167</b>
Net LTV <sup>4</sup> - %	30.1	27.4	26.3	<b>24.2</b>

<sup>1</sup> Q4 2023 figures onwards include IFRS 15 load to discharge adjustments; while previous quarters were not adjusted.

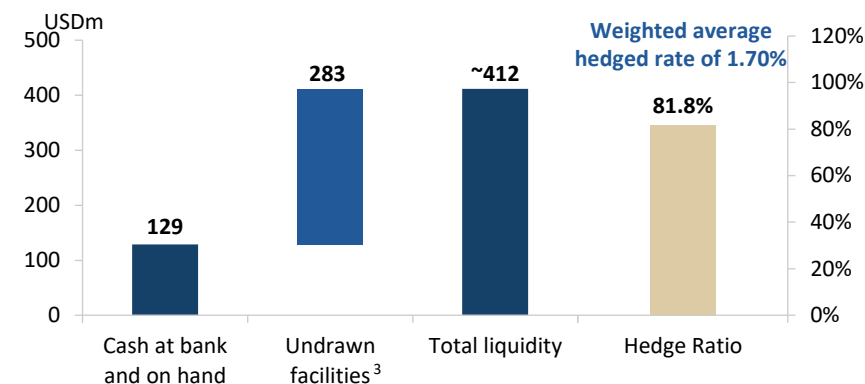
<sup>2</sup> Refer to our quarterly report for more information on non-IFRS financial measures.

<sup>3</sup> Excludes pool working capital facilities.

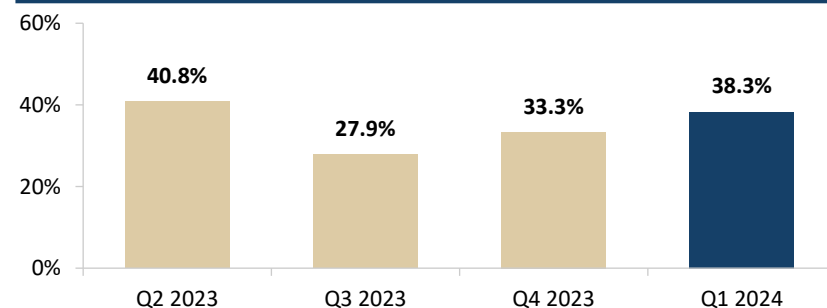
<sup>4</sup> Net loan-to-value is calculated as vessel bank and finance lease debt (excluding debt for vessels sold but pending legal completion), debt from the pool borrowing base facilities less cash at bank and on hand, divided by broker vessel values (100% owned vessels).

<sup>5</sup> ROIC is calculated using annualised EBIT less tax.

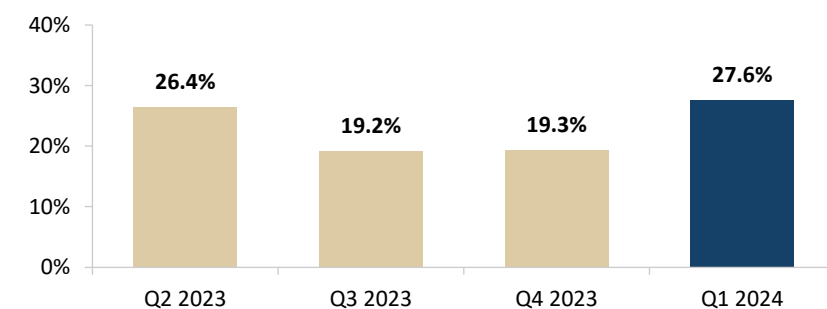
## Total Liquidity & Hedge Ratio



## Return on Equity (Annualised)



## Return on Invested Capital<sup>5</sup> (Annualised)



# OPERATING SUMMARY AND FLEET COVERAGE

Q1 2024 saw average TCE of USD 36,230 per day; 68% of fleet covered for Q2 2024 at USD 37,896 per day

## TCE Segment Breakdown

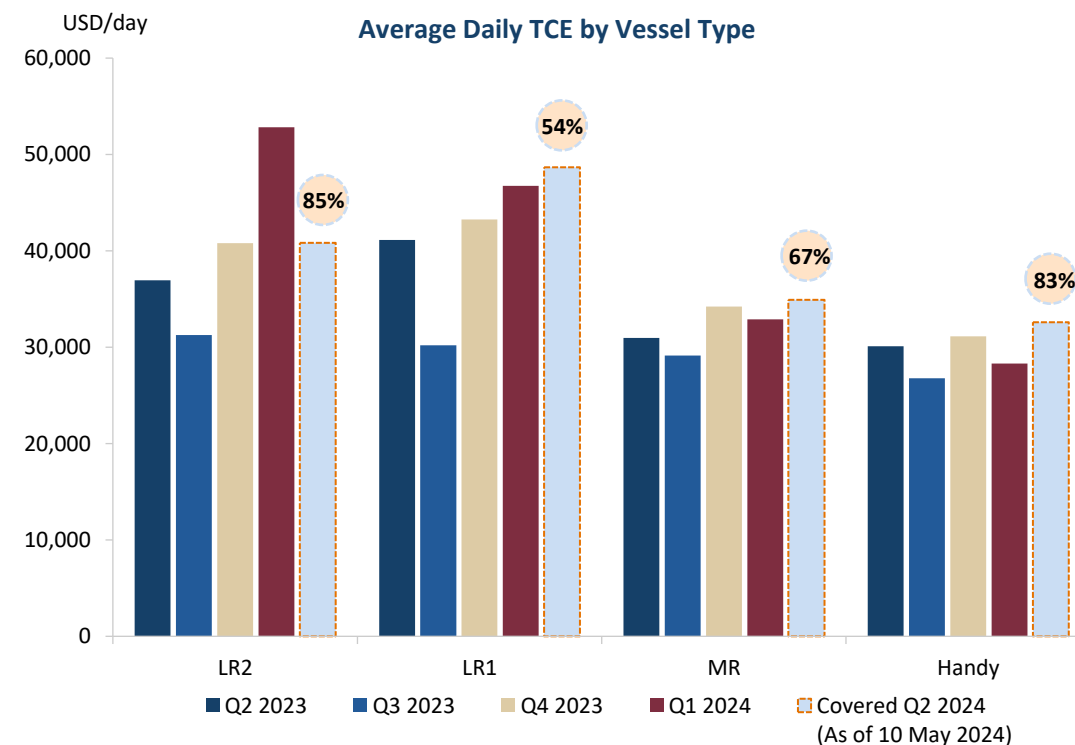
	Q1 2023		Q1 2024	
	Operating days <sup>1</sup>	TCE <sup>2</sup> (USD/day)	Operating days <sup>1</sup>	TCE <sup>2</sup> (USD/day)
LR2	540	40,791	483	52,813
LR1	2,746	43,268	2,545	46,749
MR <sup>3</sup>	5,004	34,223	5,243	32,888
Handy <sup>3</sup>	2,099	31,144	2,184	28,307
<b>Total</b>	<b>10,389</b>	<b>36,312</b>	<b>10,455</b>	<b>36,230</b>

## OPEX Segment Breakdown

	Q1 2023		Q1 2024	
	Calendar days	OPEX <sup>4</sup> (USD/day)	Calendar days	OPEX <sup>4</sup> (USD/day)
LR2	540	7,492	546	8,550
LR1	2,540	7,717	2,275	8,178
MR <sup>3</sup>	4,230	7,330	4,550	7,812
Handy <sup>3</sup>	2,160	7,418	2,184	7,569
<b>Total<sup>4</sup></b>	<b>9,470</b>	<b>7,468</b>	<b>9,555</b>	<b>7,886</b>

## Coverage as of 10 May 2024

	Q2 2024		Q2 – Q4 2024	
	Covered (%)	Covered rates (USD/day)	Covered (%)	Covered rates (USD/day)
LR2	85%	40,814	55%	33,483
LR1	54%	48,681	18%	48,621
MR <sup>3</sup>	67%	34,900	34%	30,785
Handy <sup>3</sup>	83%	32,602	37%	31,043
<b>Total</b>	<b>68%</b>	<b>37,896</b>	<b>32%</b>	<b>33,901</b>



<sup>1</sup> 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.

<sup>2</sup> Refer to our quarterly report for more information on non-IFRS financial measures.

<sup>3</sup> Inclusive of IMO II vessels

<sup>4</sup> OPEX includes vessel running costs and technical management fees

# POOL AND BUNKER ECONOMICS

Fee-generating adjacent revenue streams contributed USD 9.8m to our performance in Q1 2024

## Pool Commission Structure

### Commission Structure:

Fixed Fee (USD)	All excl Specialized and Chemical pools: <ul style="list-style-type: none"> <li>▪ USD 271.5 per calendar day</li> </ul>
	Specialized and Chemical pools: <ul style="list-style-type: none"> <li>▪ USD 296.5 per calendar day</li> </ul>
	Increased <b>USD 21.5 per calendar day</b> beginning 2024 for EU ETS management except for Panamax pool (not trading in EU)
Variable Commission (%)	All excl Specialized and Chemical pools: <ul style="list-style-type: none"> <li>▪ 2.25% of TCE rate/day</li> </ul>
	Specialized and Chemical pools: <ul style="list-style-type: none"> <li>▪ 2.75% of TCE rate/day</li> </ul>

### Calculation Example:

- Annual earnings per vessel is calculated based:
  - $(\# \text{ Calendar days} * \text{Fixed Fee}) + (\# \text{ On-hire days} * \text{TCE rate} * \text{Variable Commission})$
- E.g. in LR1 Pool where a vessel is on-hire for 330 days in a year and earns an average of USD 40,000, Hafnia will receive:
  - $(365 * 271.5) + (330 * 40,000 * 2.25\%)$
  - = ~USD 396,000 annually

### Hafnia's eight commercial pools:

LR2	LR1	MR	HANDY
CHEMICAL-MR	CHEMICAL-HANDY	SPECIALIZED	PANAMAX

## Bunker Commission Structure

### Commission Structure:

3rd party vessels in Hafnia pools	▪ USD 2.00 / metric ton
3rd party clients	▪ USD 3.00 / metric ton

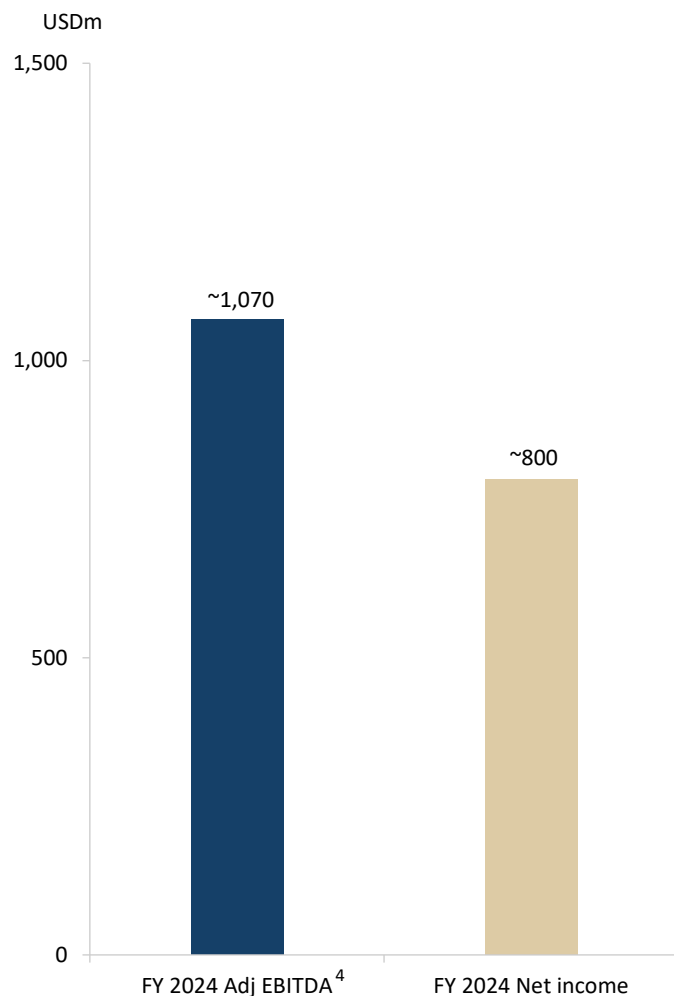
### Calculation Example:

- Bunker commission is calculated based:
  - $\text{Bunker quantity lifted (mts)} * \text{Agreed commission rate per mt}$
  - Quantity lifted is defined as quantity delivered to the vessel where Hafnia Bunker acted as broker.
- E.g. within a period where Hafnia bunker has delivered 500,000 mts for 3<sup>rd</sup> party vessels in Hafnia pools and 2,000,000 mts for 3<sup>rd</sup> party clients, Hafnia will receive:
  - $(500,000 * 2) + (2,000,000 * 3)$
  - = ~USD 7,000,000

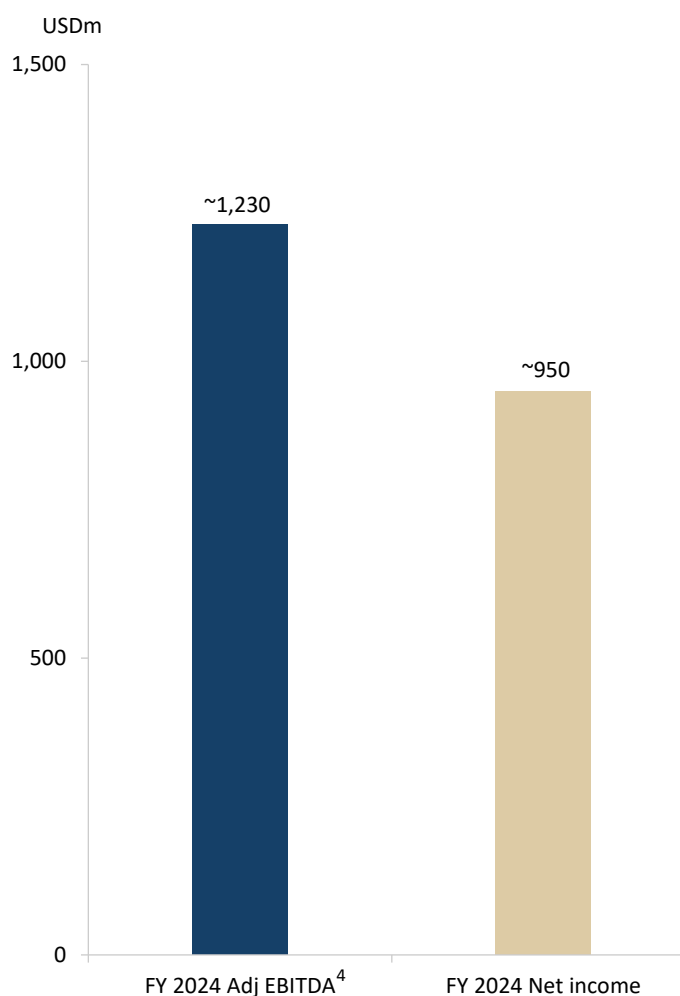
# EARNINGS SCENARIOS FOR 2024

Fundamentals remain steady and promising outlook for product tanker market in 2024

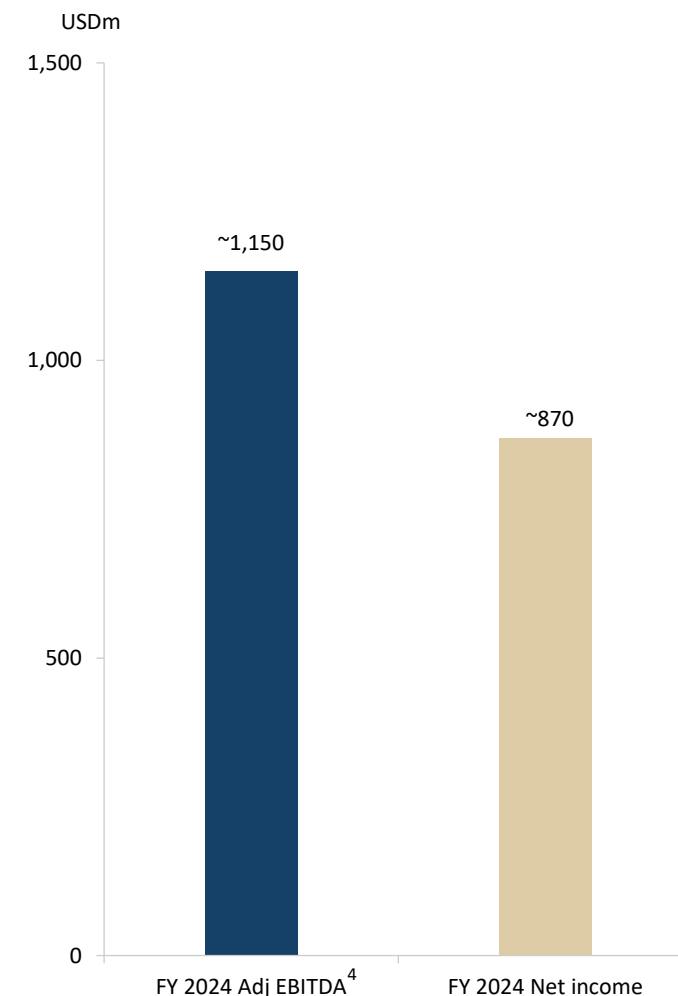
Analysts' Consensus<sup>1</sup>



Q2 2024 Covered Rates<sup>2</sup>



Q2 – Q4 2024 Covered Rates<sup>3</sup>



<sup>1</sup> Retrieved from Bloomberg

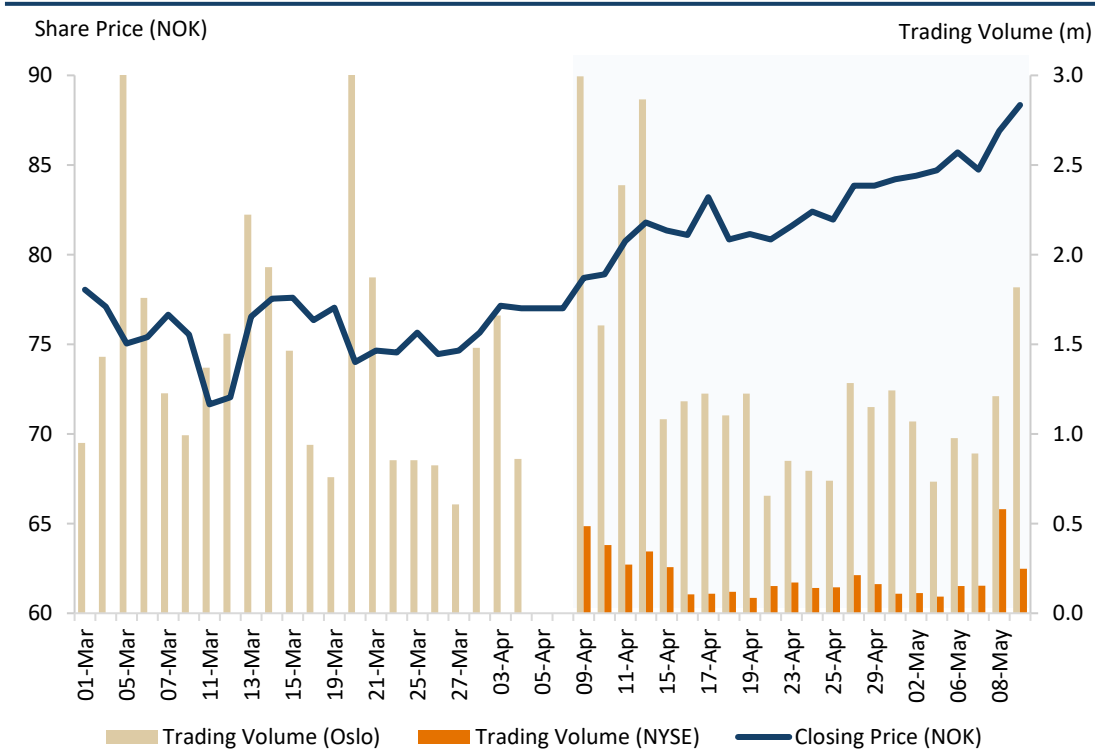
<sup>2</sup> Q2 2024 covered rates as of 10 May applied to projected earning days in 2024

<sup>3</sup> Q2-Q4 May 2024 covered rates as of 10 May applied to projected earning days in 2024

<sup>4</sup> Refer to our quarterly report for more information on non-IFRS financial measures.

# HAFNIA DUAL LISTING UPDATE

## Trading Volume Since Listing



- ✓ **Broaden investor base** – Allows potential new investors direct access to Hafnia’s strong commercial performance and proven shareholder returns
- ✓ **Improved trading liquidity** – Additional value for existing shareholders through improved liquidity. ~15% of daily trading volume now in the NYSE and is expected to further increase.
- ✓ **Trading in USD** – provides additional stability compared to just trading in NOK



# Q1

Q1 2024 Overview

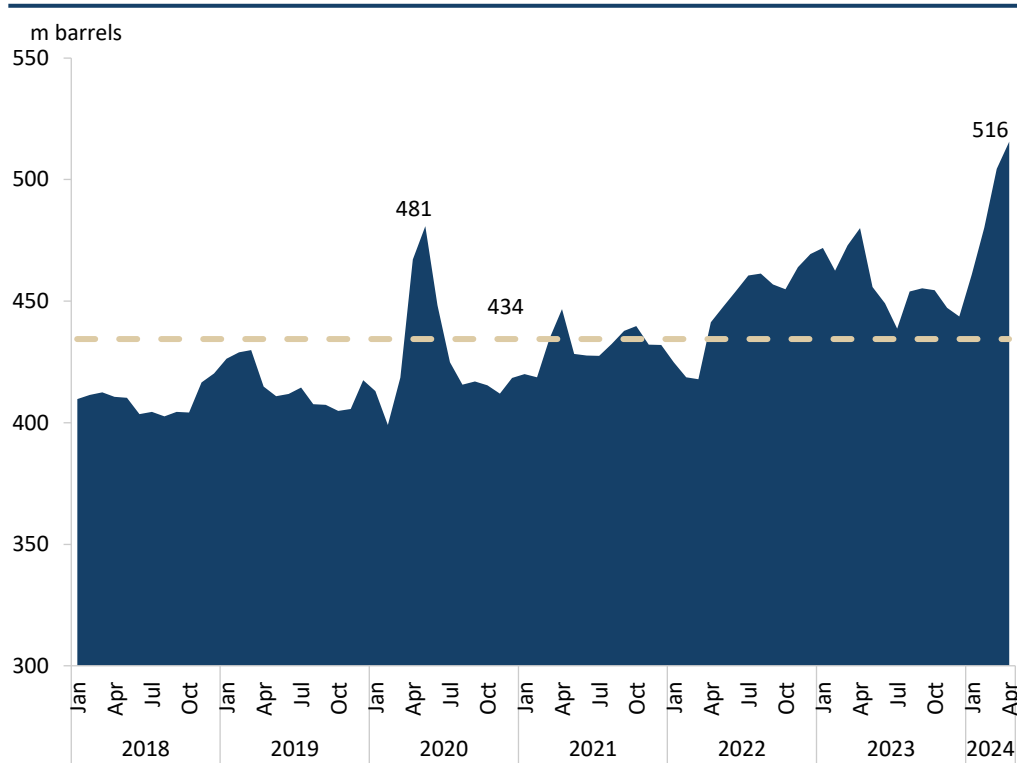
Financial Summary

**Industry Review & Outlook**

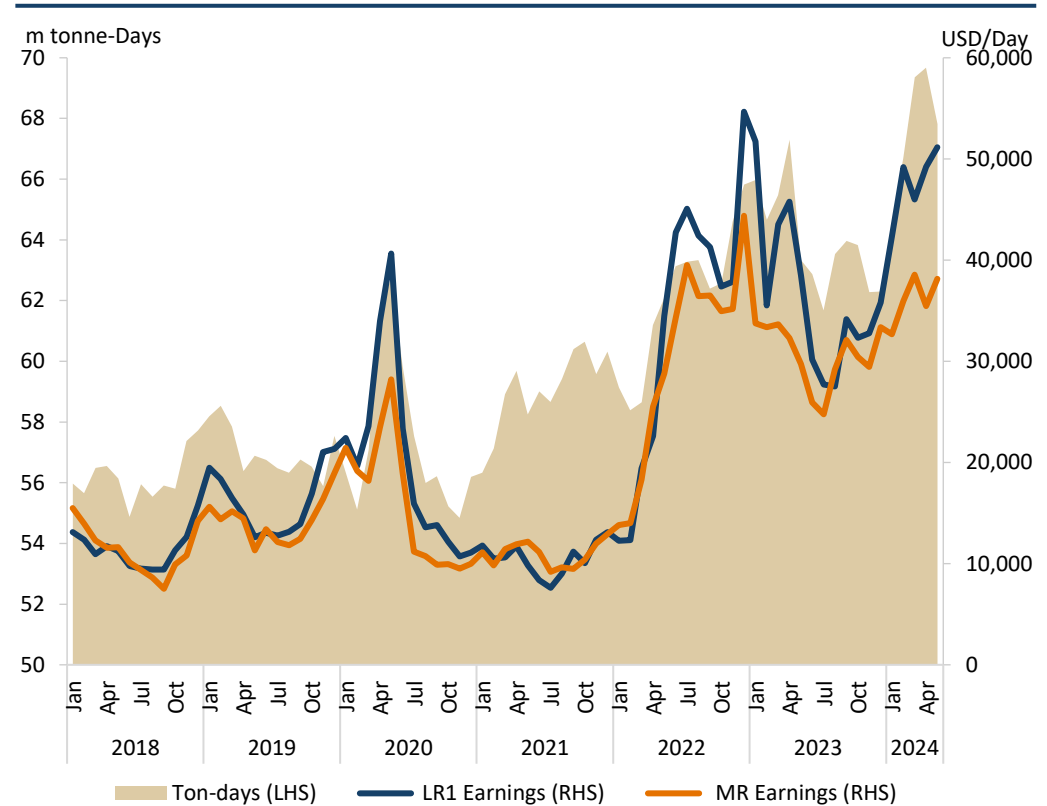
ESG Overview

# POSITIVE OUTLOOK FOR PRODUCT TRADE

## Clean Petroleum Products On Water



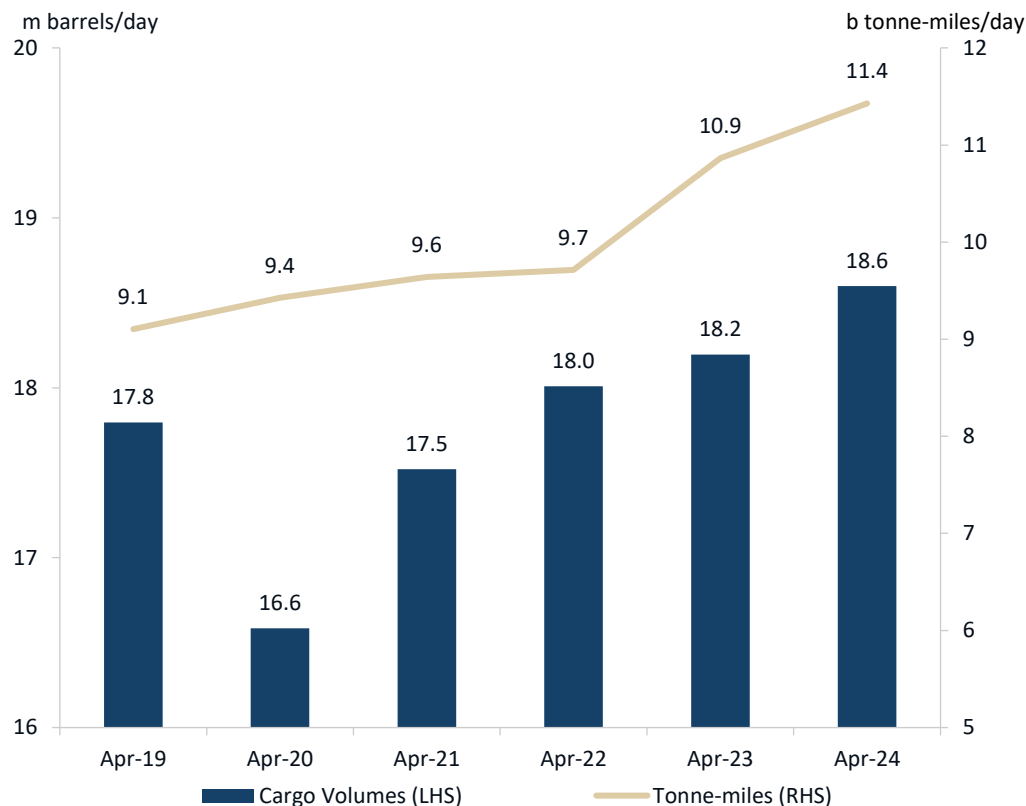
## CPP Ton-Days versus MR and LR1 Earnings



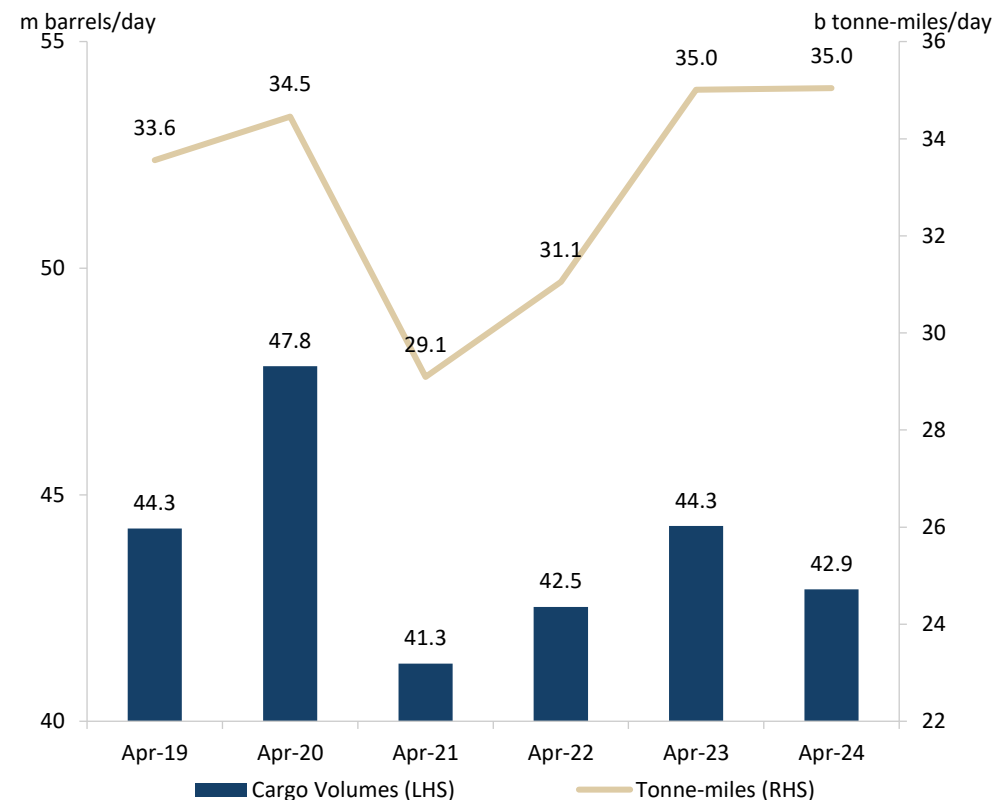
- CPP and chemicals on water continue to increase and have also reached an all time high, reflecting the effects of increased demand and longer voyages both from the Middle East to the West and across the Pacific from the Far East to the West Coast Americas.
- This represents a positive outlook as CPP on water is usually a proxy for transportation demand, and historically, high levels of CPP on water and tonne-days correspond to periods of strong earnings.

# HIGHER CARGO VOLUMES AND TON-MILES

## CPPs and Chemicals



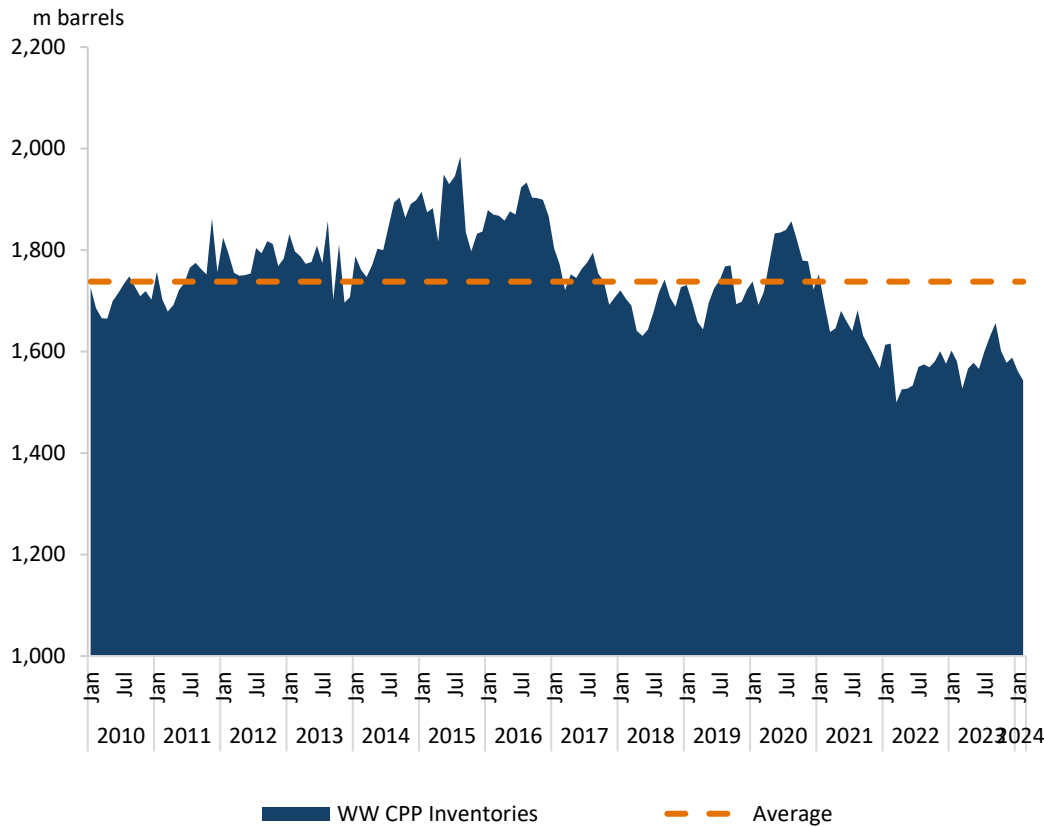
## Dirty Petroleum Products



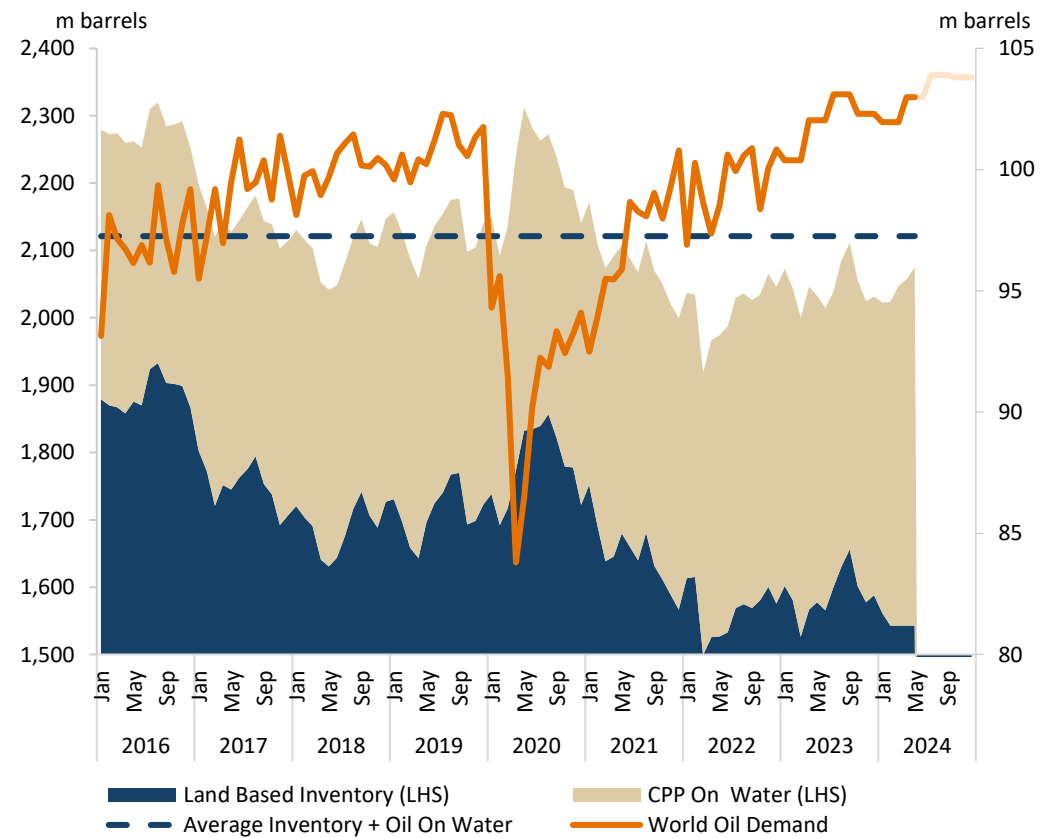
- Year-on-year, from April 2019 to Apr 2023, cargo volumes and ton-miles for CPPs and chemicals have increased and surpassed pre-pandemic levels. On the other hand, DPP volumes have dipped compared to a year ago and are below pre-pandemic 2019 levels.
- This was mainly attributed to market inefficiencies arising from Russia's invasion of Ukraine, and most recently, the situation in the Red Sea has led to a disproportionate increase in tonne-miles.

# INVENTORY LEVELS REMAIN BELOW AVERAGE

## Worldwide Product Inventories



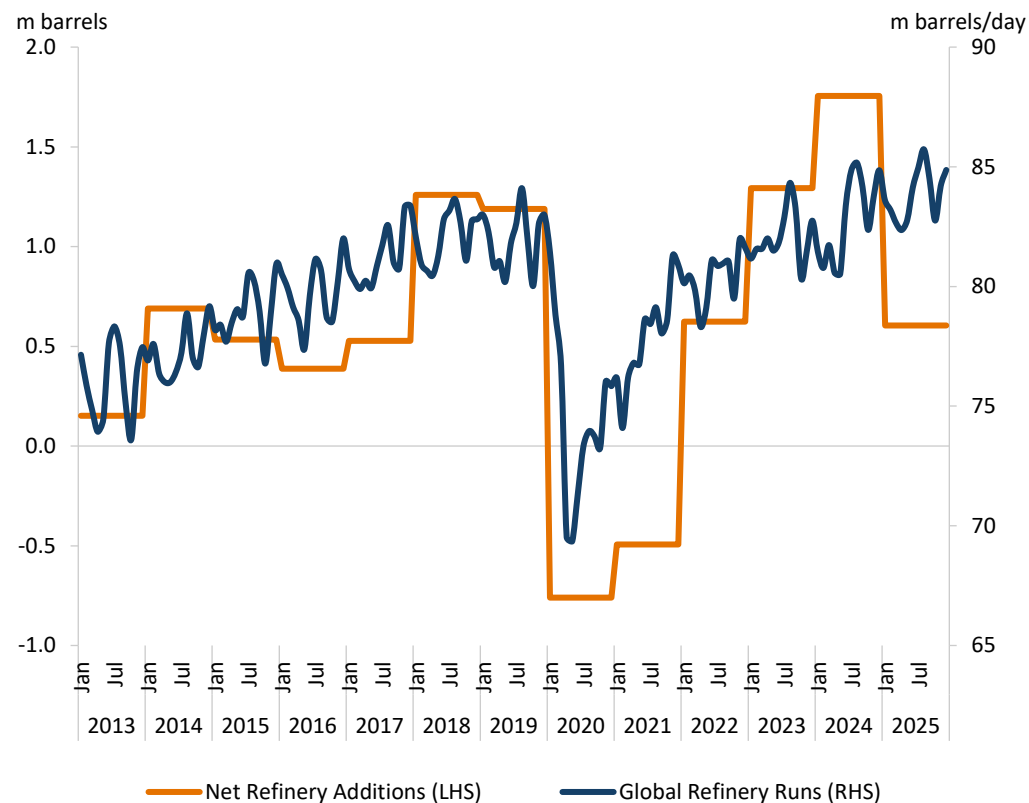
## CPP Land based Inventory + Oil on Water vs World Oil Demand



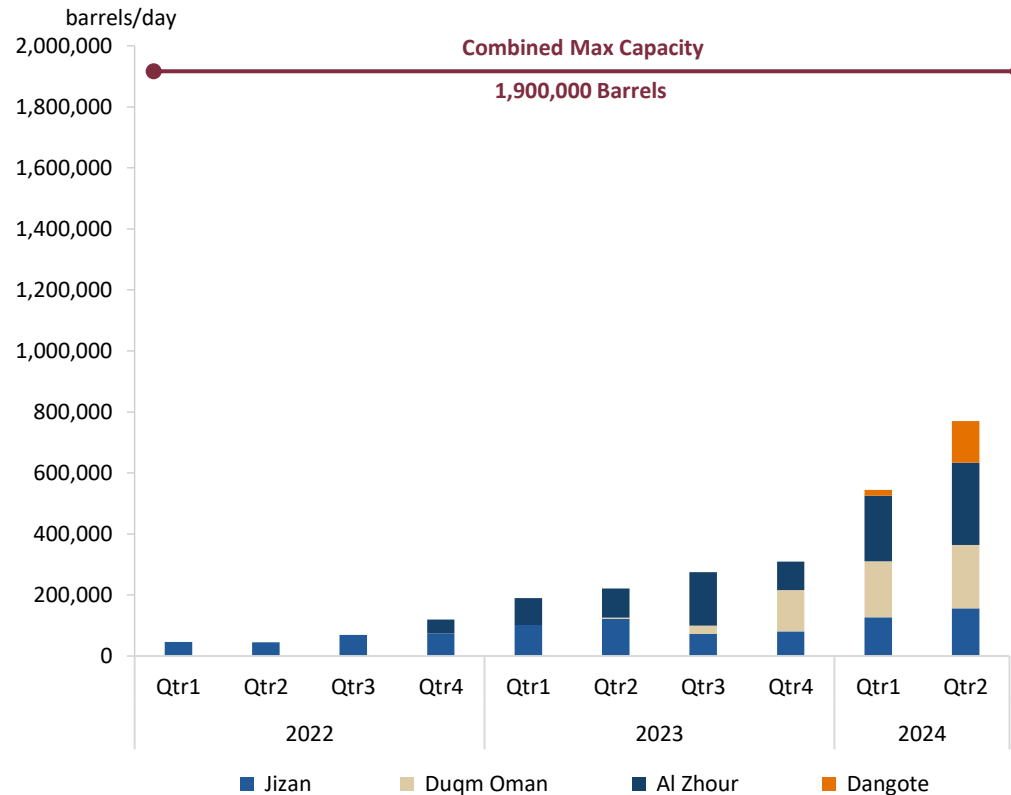
- Although the effects of sanctions on Russia's products have already come into full effect, this left an impact on inventories that is yet to be addressed.
- Worldwide product inventories remain below average, and there will be a need to replenish them.
- Expected growth in world oil demand and replenishment of oil inventories will be supportive for product tanker demand.

# REFINERY CAPACITY LANDSCAPE

## Net Refinery Additions & Global Refinery Runs



## New Refinery Exports – Jizan, Duqm, Al Zhour, Dangote

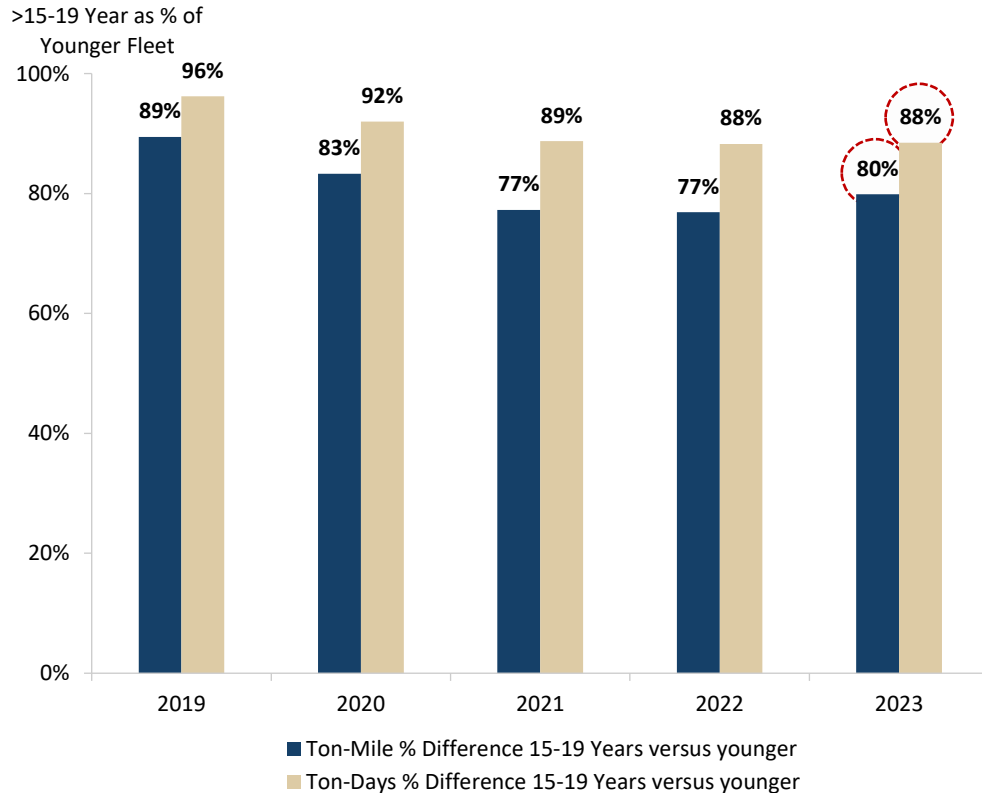


- Apart from firm oil demand and low inventory levels, the evolving refinery landscape is poised to bolster the product tanker market. In 2023, export-driven volume gains were largely driven by refinery start-ups in the Middle East, such as Al Zour in Kuwait and Duqm in Oman. Both refineries, amongst others coming online in Africa and Asia, are expected to continue ramping production this year.
- The four new refineries have commenced exports whereby Red Sea transit restrictions hamper Jizan exports due to safety concerns.
- Nigerian Dangote Refinery has also commenced exports. The common understanding is that this refinery will be an export facility as product specs reach far beyond Nigerian regulatory demand. We can expect an increase in global exports by 0.7-1.0 million barrels per day when all four refineries run at capacity.

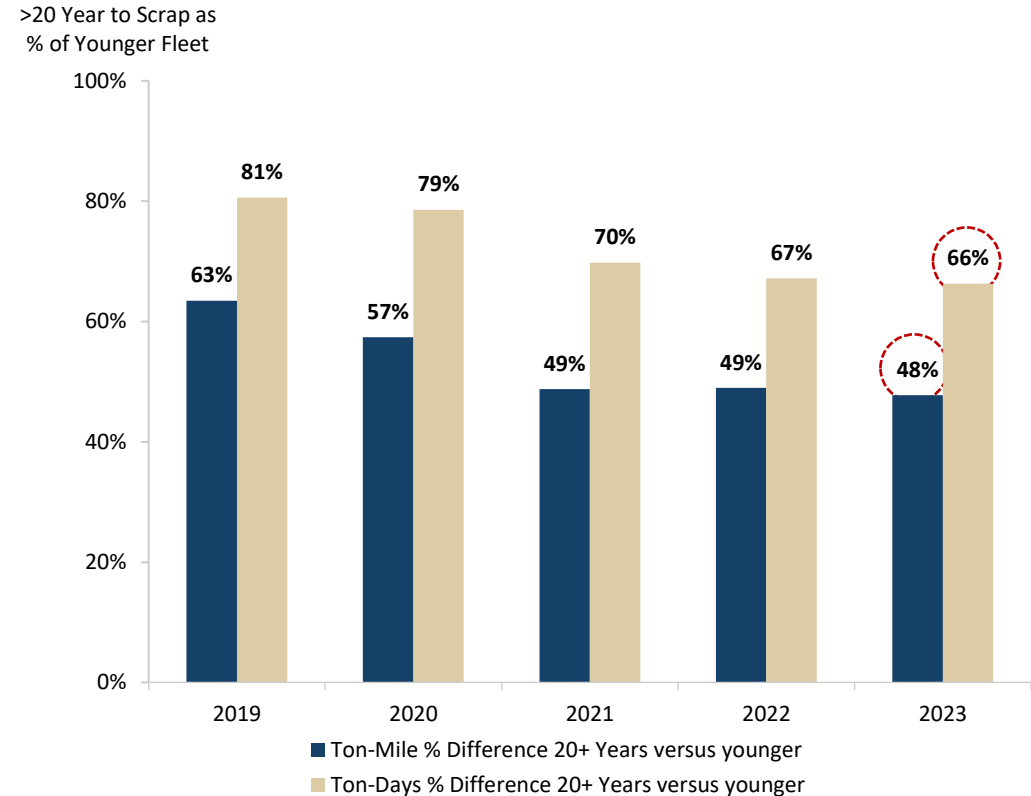
# REDUCED UTILISATION OF AGEING FLEET

Handy, MR, LR1/Panamax, LR2/Aframamax

## AGE 15 – 19 Versus Younger



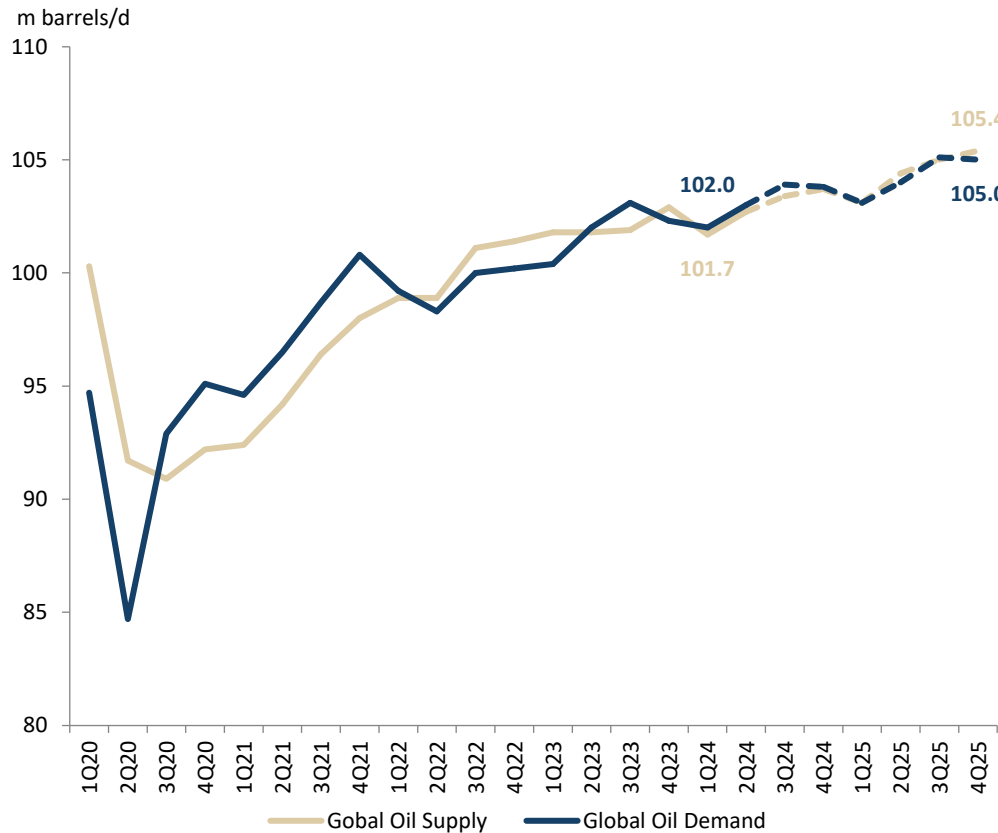
## AGE 20+ Versus Younger



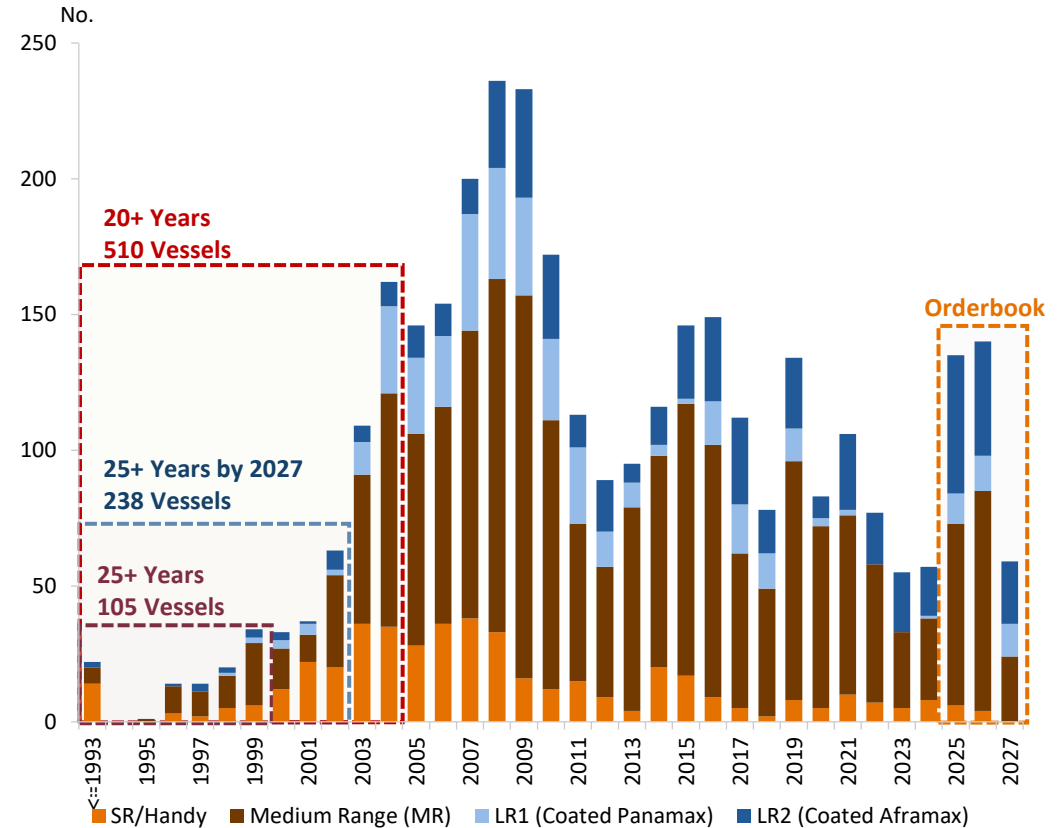
- Current ageing of the global fleet is leading to lower utilization, even though current earnings levels should reflect higher employment ratios.
- This is partly because Russian trading tonnage is ballasting longer for subsequent employment. At the same time, the older part of the fleet is getting older, resulting in increased downtime and longer commercial waiting periods between voyages, effectively removing capacity from the market.

# PRODUCT TANKER OUTLOOK REMAINS VERY POSITIVE

## Global Oil Demand and Supply



## Product Tanker Age Profile



- Market fundamentals remain strong for product tankers. Although global oil demand in 2024 began to lose momentum, decreasing by 0.3 million barrels in the first quarter compared to 102.0 million barrels per day in the fourth quarter, there is an anticipated increase of 1.2 million barrels per day in 2024.
- On the tanker supply side, the outlook also remains positive for 2024, with limited growth anticipated. However, this is expected to increase from 2025 onwards, mainly attributed to an uptick in LR2 orders in 2023.

# Q1

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# ESG TARGETS AND COMMITMENTS

## Environment

### 40% reduction

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



### Net zero emissions

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

### 10% plastic reduction

onboard over the next five years



### Zero breaches

of any environmental legislation



## Social

### Zero harm

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

### 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
- ✓ Sanctions awareness
- ✓ Anti-trust compliance
- ✓ Human Rights



### Member of:



United Nations  
Global Compact



MACN  
Maritime Anti-Corruption Network



### Reporting under:



# 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



## 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 CO<sub>2</sub>, methanol and SAF.



## Studio 30/50

- Jointly with Microsoft, Wilhelmesen, 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



## 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



## Complexio

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



## HAFNIA ESG PROJECTS

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An aerial photograph of a large offshore supply vessel, likely a supply ship, sailing on the open sea. The vessel is painted in dark blue and red, with a white superstructure at the stern. The deck is visible, showing various equipment and structures. The ship is moving towards the right, leaving a white wake behind it. The sky is a clear, pale blue.

**Thank you**

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