

# Q3



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# Q3

## **Q3 2024 Overview**

Industry Review & Outlook

Financial Summary

ESG Overview

# Q3 2024 KEY HIGHLIGHTS

## TCE Income<sup>1</sup>

**USD 361.6M**

Q3 2023: USD 310.3M

## Adjusted EBITDA<sup>1</sup>

**USD 257.0M**

Q3 2023: USD 220.8M

## Net Profit

**USD 215.6 M (USD 0.42 per share<sup>2</sup>)**

Q3 2023: USD 146.9M (USD 0.29 per share<sup>2</sup>)

## Dividend

**USD 194.1M**

(90% payout ratio)

USD 0.3790 per share

- TCE<sup>1</sup> for Q3 2024 was **USD 33,549** per operating day, with Spot TCE<sup>1</sup> at **USD 34,410** per operating day.
- The commercially managed pool and bunker procurement business generated an income of **USD 7.8 million** in Q3 2024.
- As of November 18, 2024, **71%** of total earning days of the fleet were covered for Q4 2024 at **USD 24,004** per day.
- Successfully completed the redomiciliation of Hafnia Limited from Bermuda to **Singapore** on October 1, 2024. As Hafnia Limited is a Singapore tax resident post-redomiciliation, **no Singapore withholding taxes** will be imposed on dividend distributions to all shareholders.
- On November 20, 2024, Hafnia sold the MR vessel, Hafnia Pegasus to an external party.

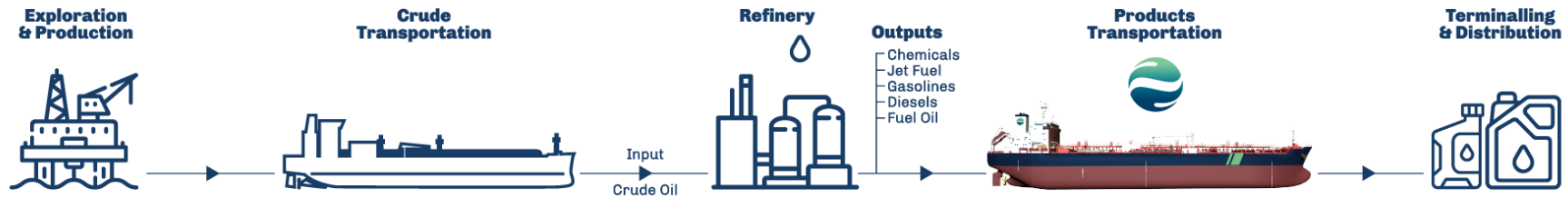


<sup>1</sup> Refer to our quarterly report for more information on non-IFRS financial measures.

<sup>2</sup> Based on weighted average number of shares as at 30 September 2024 and 2023 respectively

# UNPARALLELED INVESTMENT OPPORTUNITY

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 around 200 vessels with pool platforms covering every product segment and chemical



## STRONG MARKET OUTLOOK

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



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

- LR2: 10x
- LR1: 30x/4x
- MR<sup>2</sup>: 51x/11x
- Handy<sup>2</sup>: 24x
- Total: 115x/15x

## Owned Vessels<sup>1</sup> Average Age:

- 8.8 years



## Net Asset Value<sup>3</sup> USD ~4.6b

Equivalent to ~USD 9.07 / ~NOK 95.24 per share

## SHAREHOLDER VALUE

Consistent dividend payout since IPO. 90% payout ratio for Q3 2024



## DIVERSIFIED REVENUE STREAMS

Commercially managing third-party vessels in pools and buying bunkers for more than 1,400 pool and third-party vessels



## FOCUS ON ESG

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



<sup>1</sup> As of 30 September 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; and excluding Hafnia Pegasus classified as an asset held for sale

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

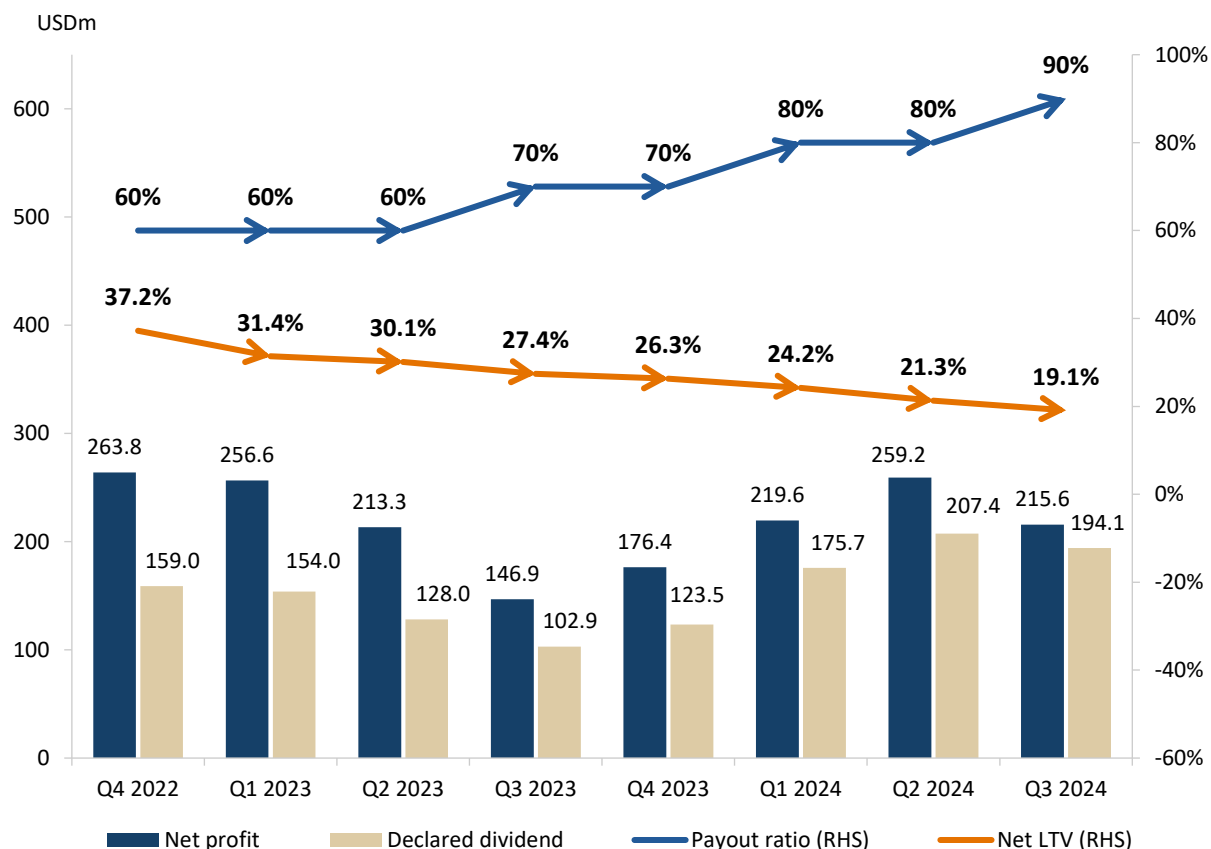
<sup>3</sup> NAV is calculated using the market value of Hafnia's owned vessels (including JV's)

# MAXIMIZING SHAREHOLDER RETURNS: RECORD 90% PAYOUT

Reaching new milestone in our commitment to shareholder returns

## Hafnia's Dividend Policy

Net loan-to-value <sup>1</sup>	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 %
<b>Equal to or below 20 %</b>	<b>90 %</b>



- Net LTV ratio at the end of Q3 2024 decreased to **19.1%**, down from 21.3% in Q2 2024.
- This allowed us to reach a new milestone in our dividend policy, enabling us to pay out **90%** of our net profit. For the quarter, we will pay a dividend of **USD 0.3790** (~NOK 4.1487<sup>2</sup>) per share, totaling **USD 194.1m**.
- This marks Hafnia's highest dividend payout ratio in our company's history.
- Hafnia's Board has authorized management to initiate a share buyback program of up to **USD 100 million**, from December 2, 2024, to January 27, 2025, subject to market conditions. Authorization will be reviewed on a quarterly basis. We will disclose the structure of the program and details of any buyback as it occurs.
- The amount utilized for this buyback program will be deducted before declaring dividends for Q4 2024. This ensures the combined total of dividends and share buybacks aligns to our payout ratio under our dividend policy, reflecting our dedication to shareholder value while also ensuring strategic flexibility.

<sup>1</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 and asset held for sale).

<sup>2</sup> Based on exchange rate of 10.9464 on 8 November 2024

# Q3

Q3 2024 Overview

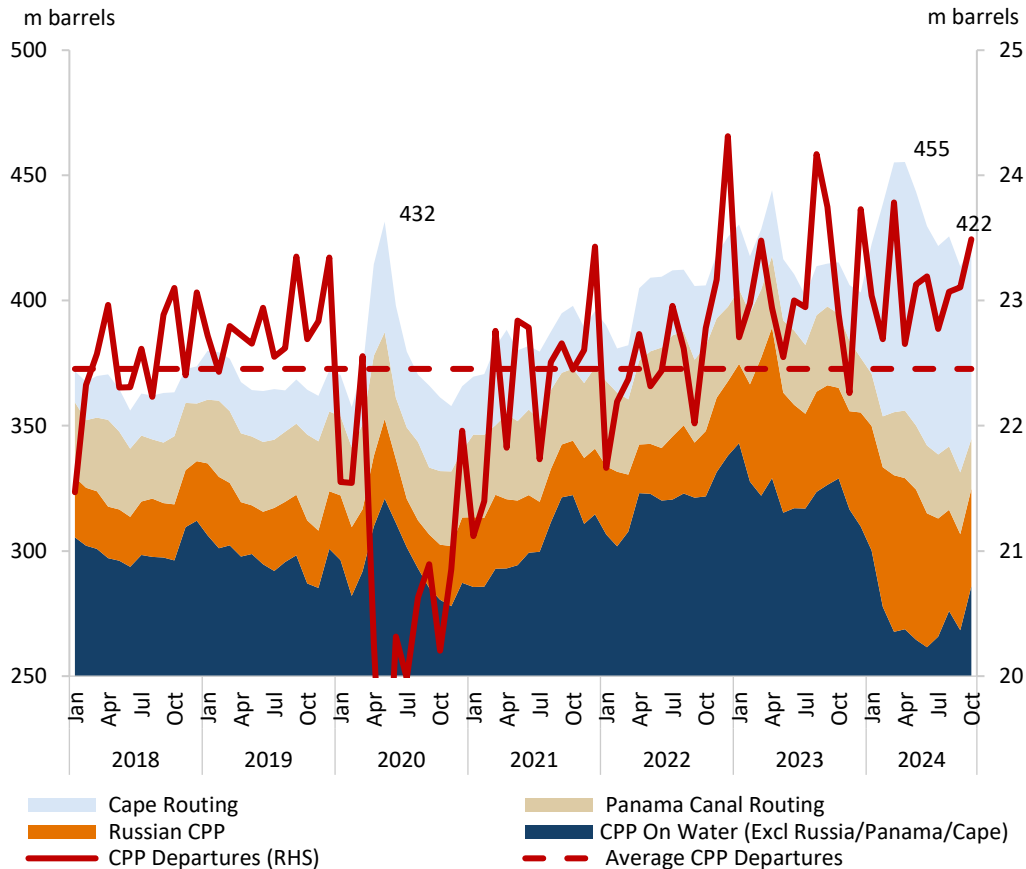
**Industry Review & Outlook**

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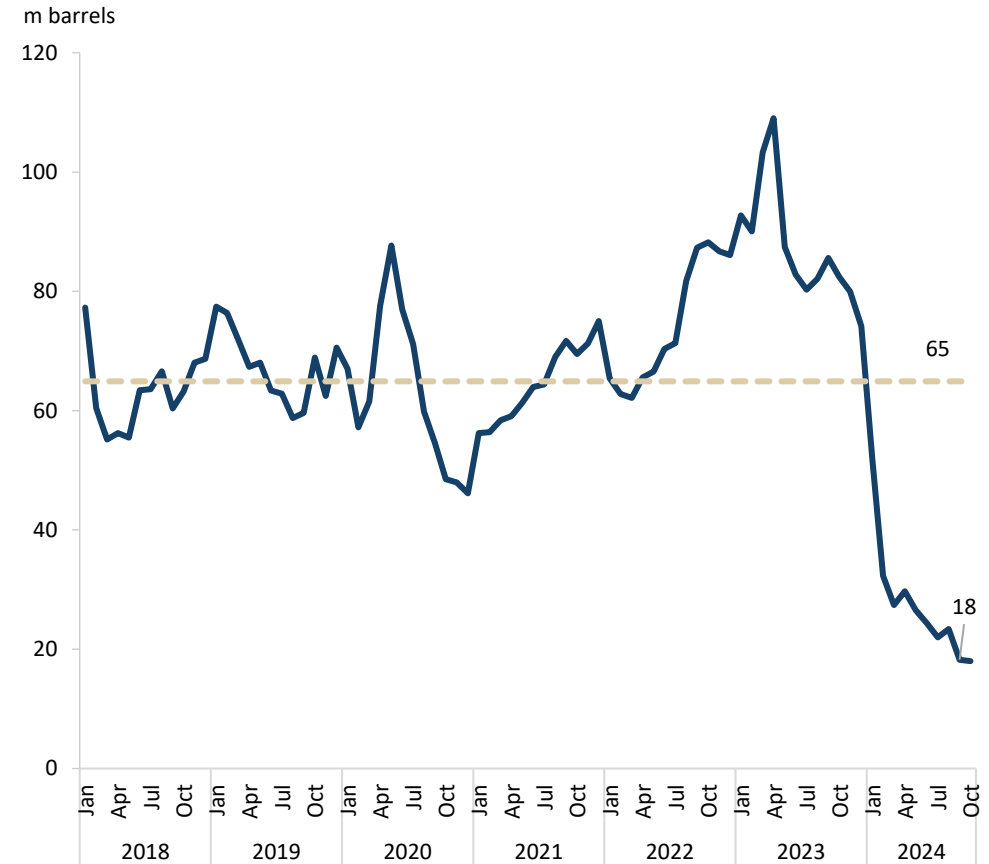
ESG Overview

# STRONG MARKET FUNDAMENTALS FOR PRODUCT TRADE

## Clean Petroleum Products On Water & Daily Departures



## CPP via Suez Transit

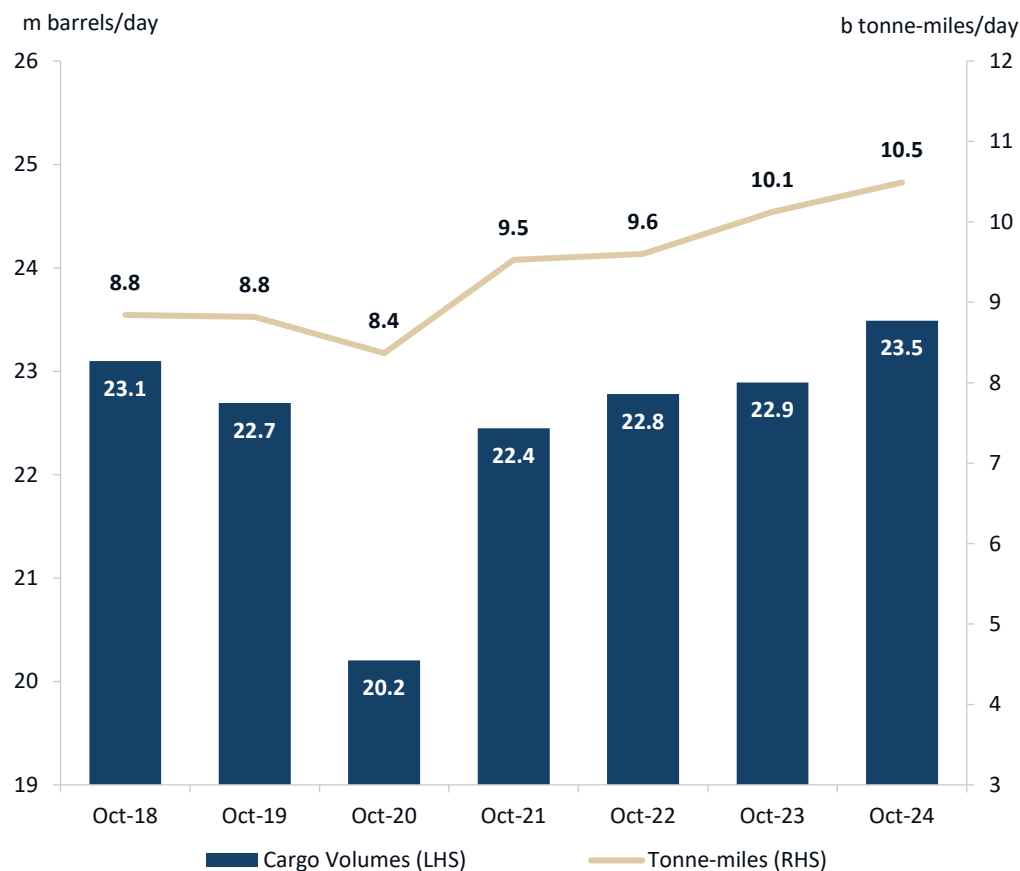


- We continue to see growth in volumes of CPP and chemicals on water, signaling strong transportation demand. We expect these elevated volumes to persist through year-end. However, volumes via Cape of Good Hope has been declining in the past couple of months.

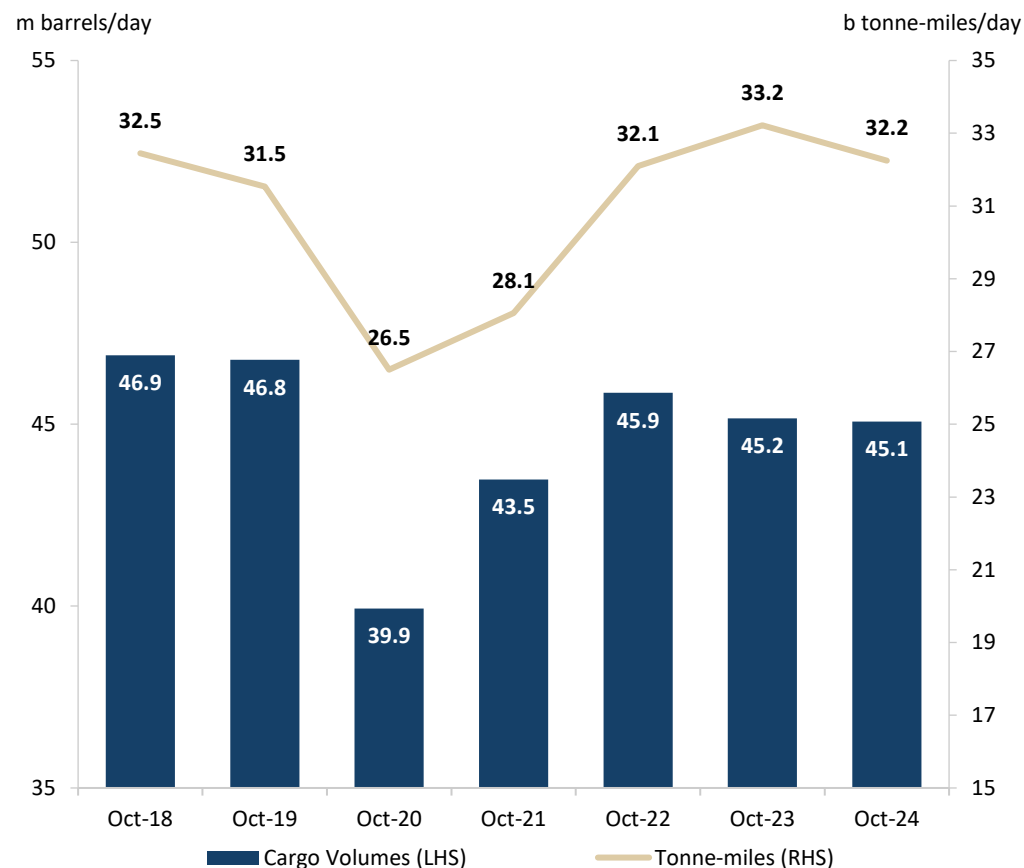


# HIGHER CARGO VOLUMES AND TONNE-MILES

## CPPs and Chemicals



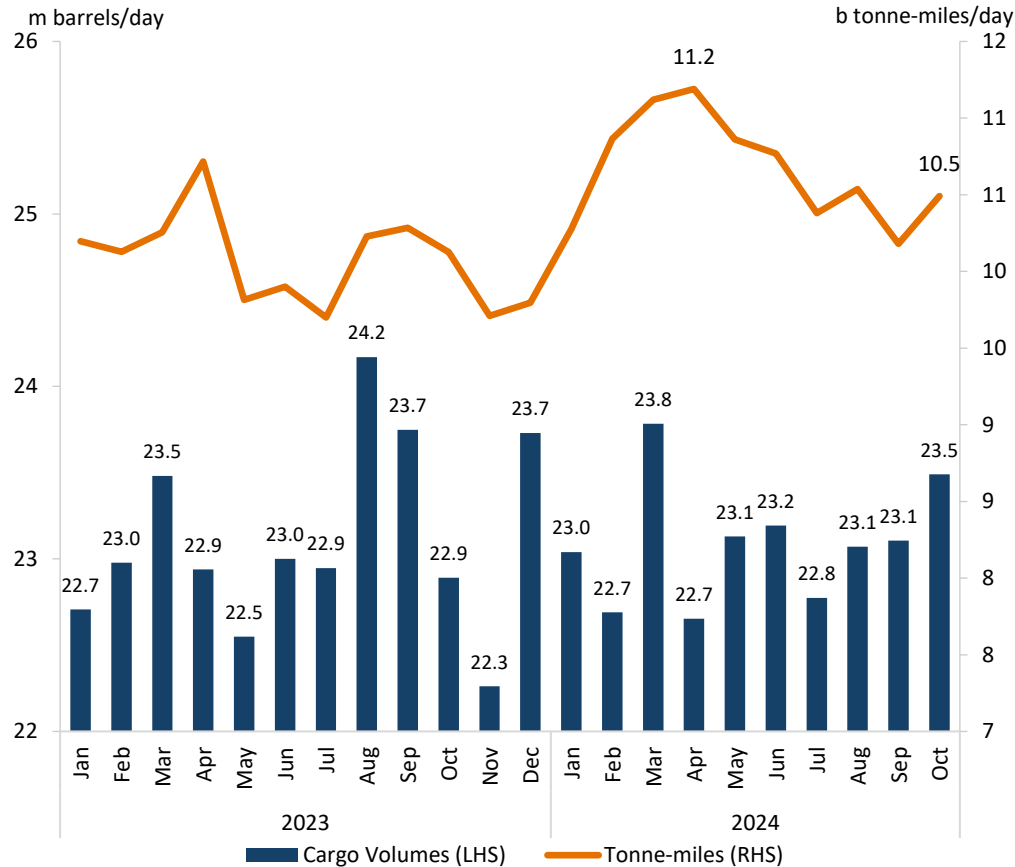
## Dirty Petroleum Products



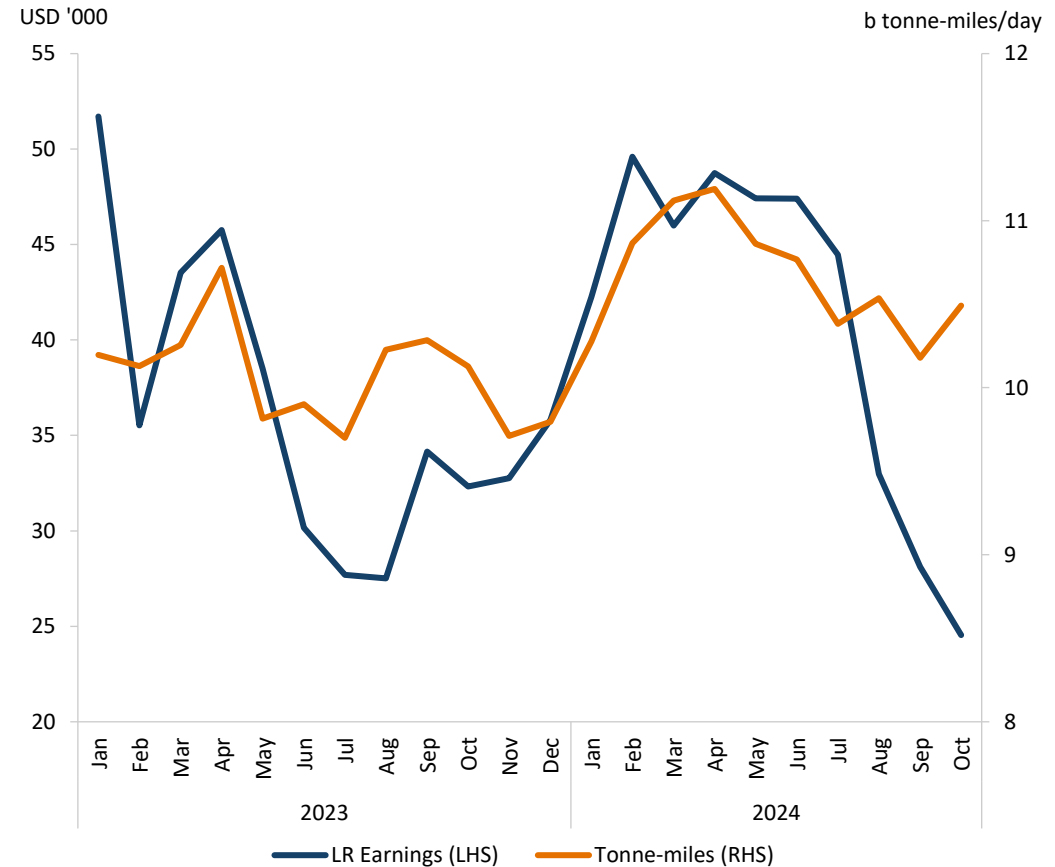
- Year-on-year, from October 2018 to 2024, cargo volumes and tonne-miles for CPPs and chemicals have steadily increased, reaching their highest level in six years.
- Conversely, DPP volumes and tonne-miles have dropped compared to previous years as they continue to struggle on the back of persistent OPEC+ crude production cuts.

# CPP TONNE-MILES AGAINST EARNINGS

## CPPs and Chemicals Ton-miles and Loaded Volumes



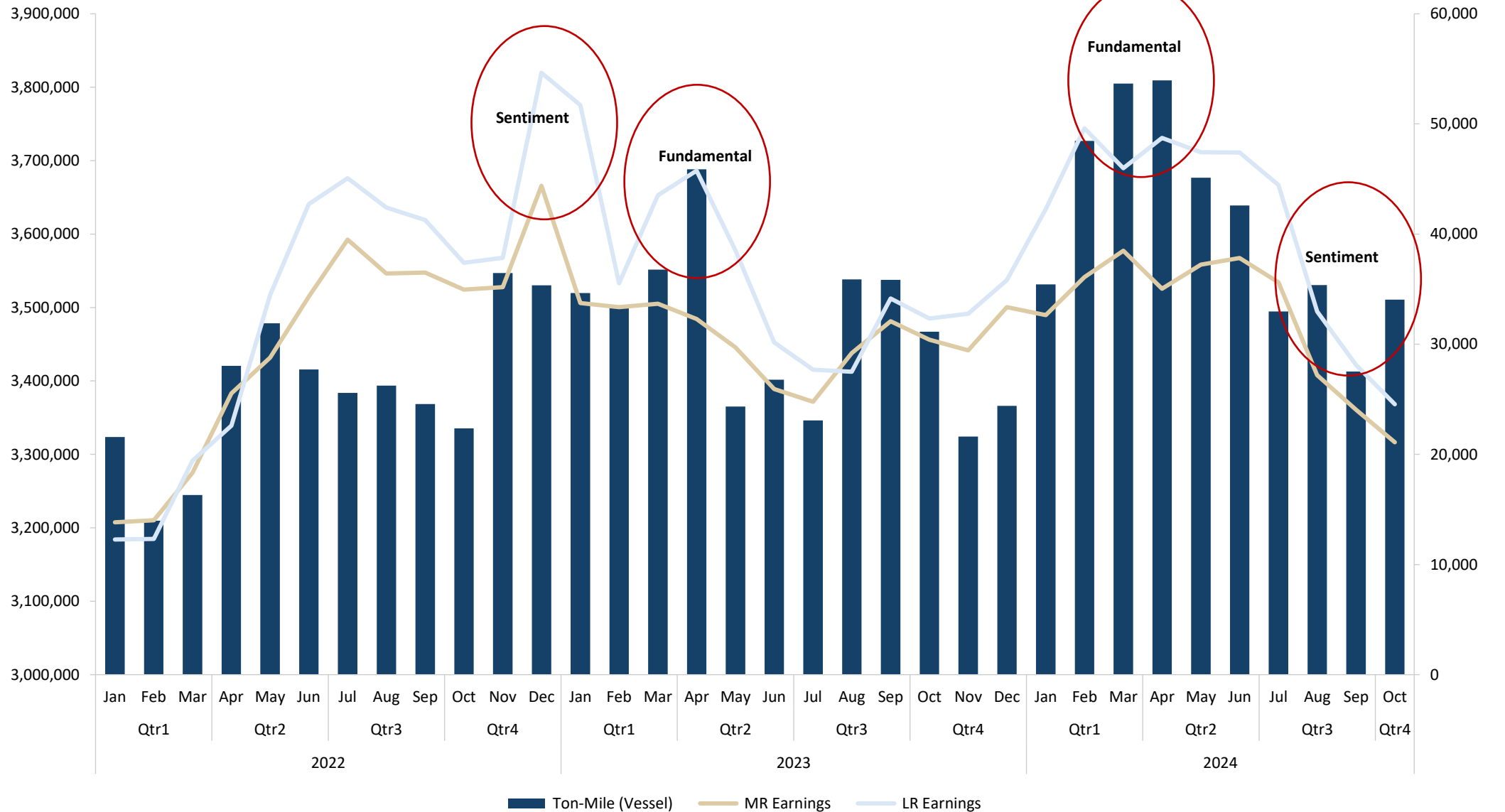
## Ton-Miles vs LR1 Earnings



- Historically, vessel segment earnings have shown a strong correlation with product tonne-miles, as longer transportation distances typically indicate greater demand for shipping capacity and, consequently, higher freight rates.
- However, in recent months, despite tonne-miles remaining stable, vessel earnings have disproportionately declined.

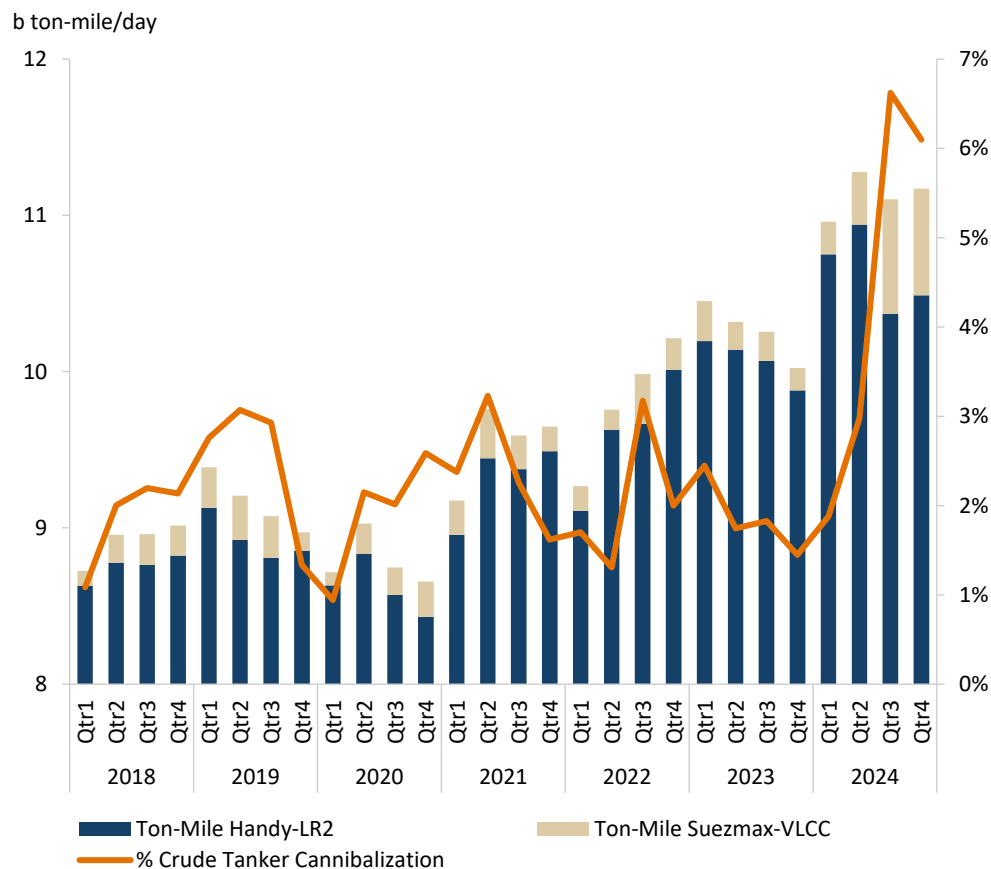
# CPP TONNE-MILES AGAINST EARNINGS CORRELATION

Daily Ton-Mile per Vessel

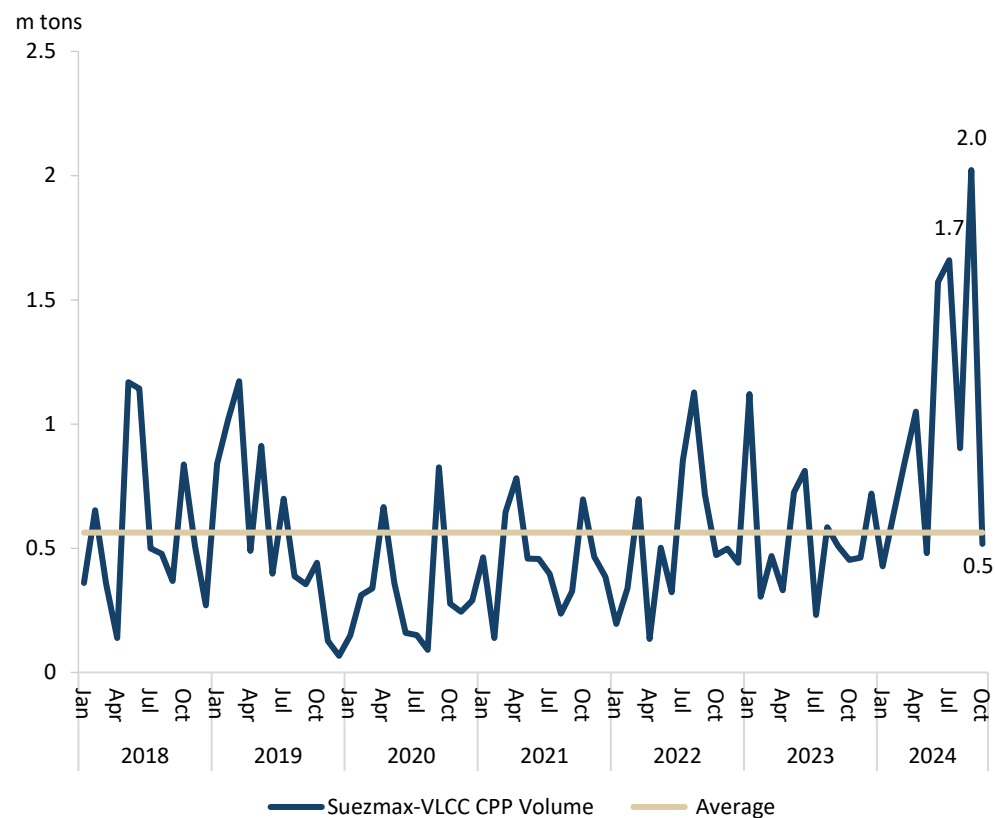


# CRUDE TANKERS CANNIBALIZATION

## Crude Tankers Cannibalization of Clean Cargo



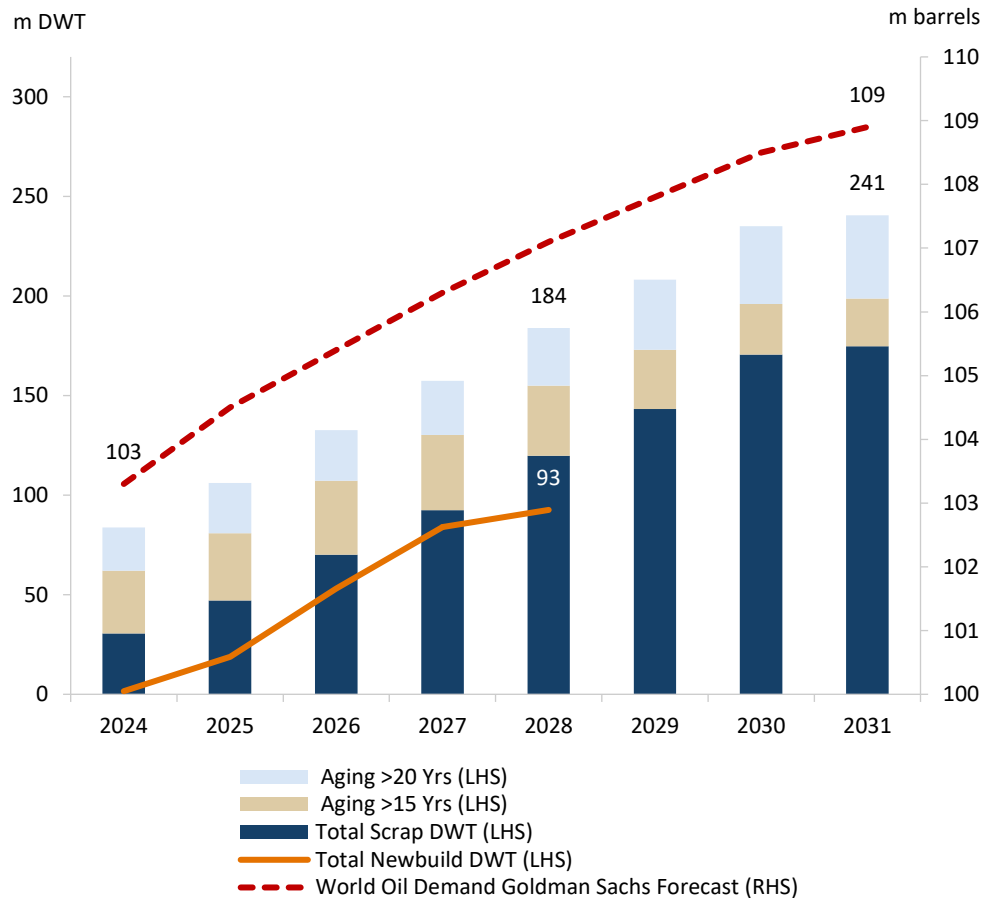
## Suezmax & VLCC Cannibalization – Ton per Month



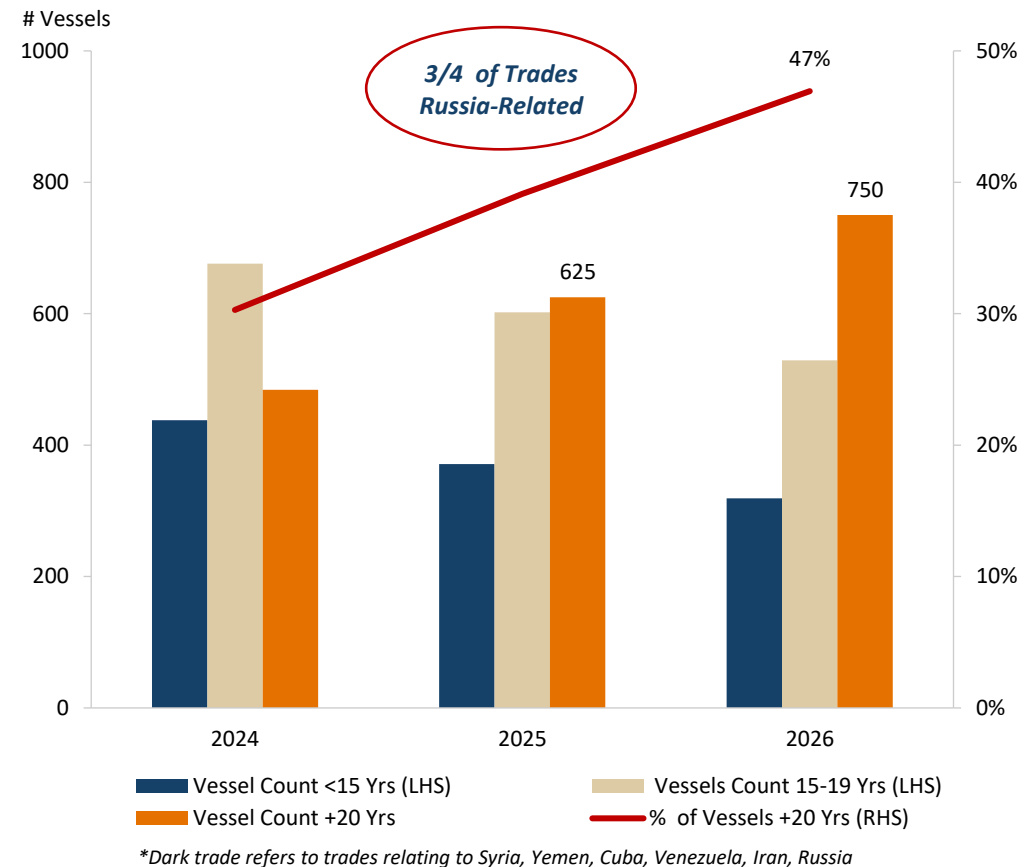
- In Q2 2024, the growing disparity between earnings in the clean and dirty markets led to tonnage migration between segments, balancing earnings across both markets and causing a sharp correction in the larger LR segments.

# TANKER FLEET OUTLOOK

## Scrap & Ageing versus Newbuild (Handy – VLCC)



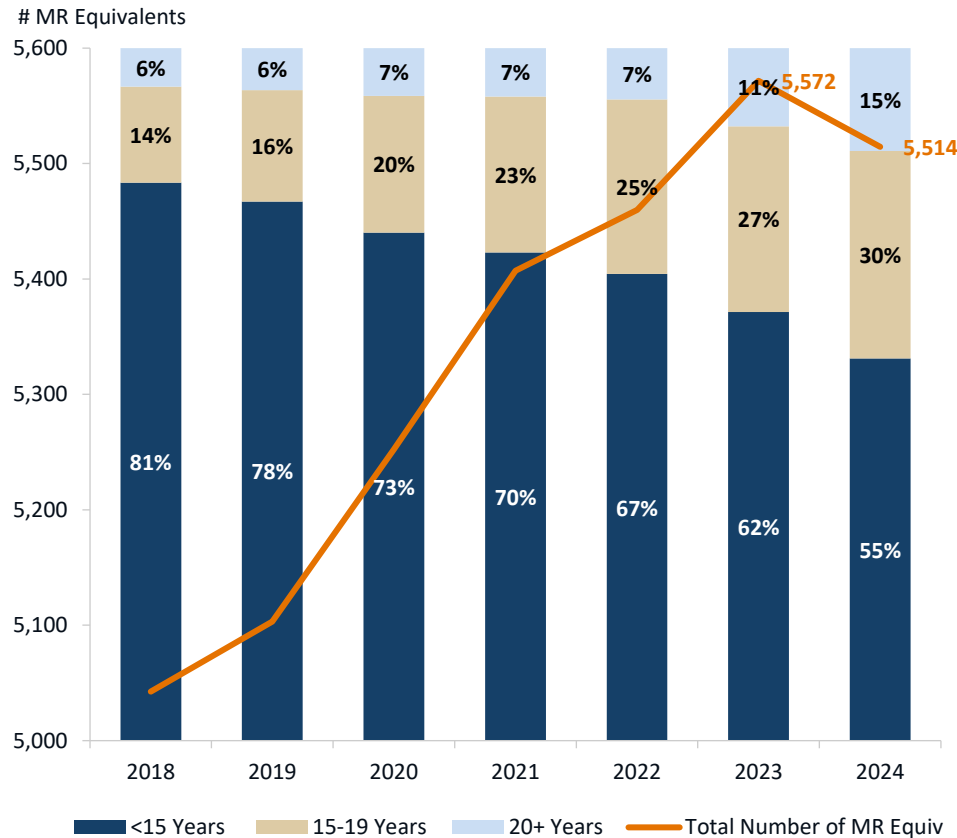
## Vessels Dark Trade\* Count (Handy – VLCC) as of Nov 2024



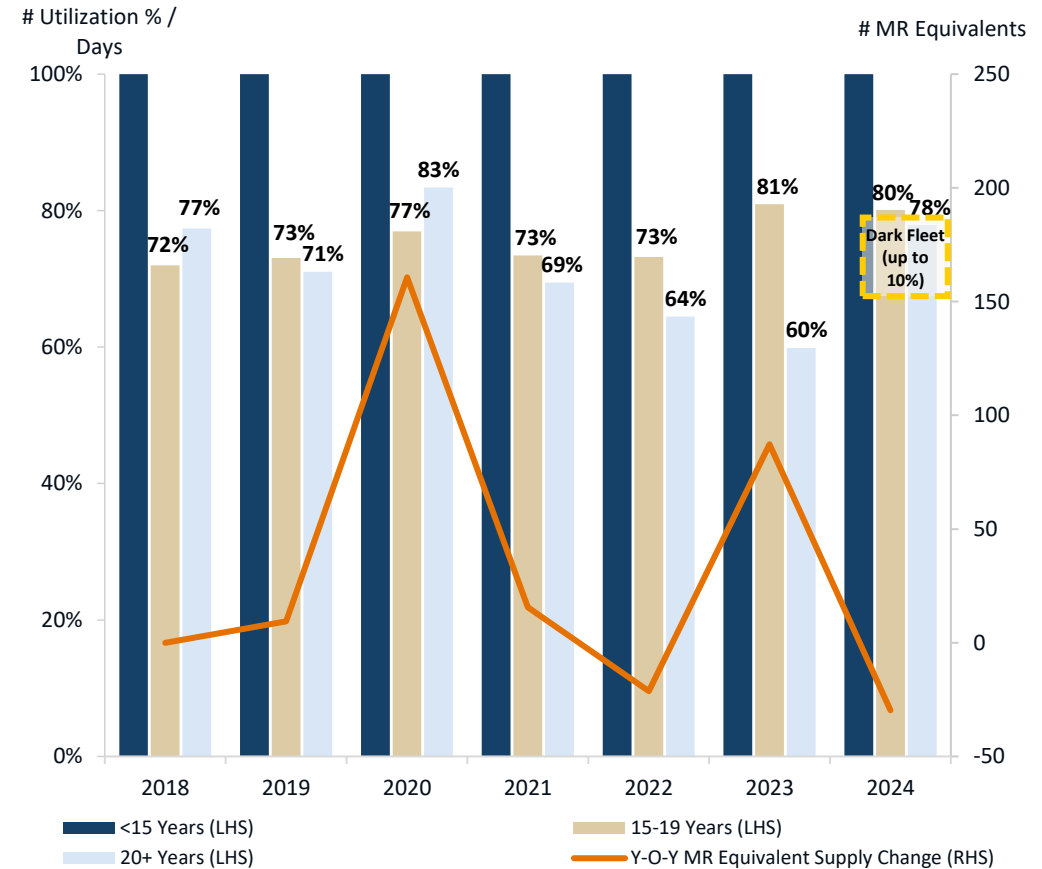
- On the fleet supply side, the outlook remains positive with an increasing number of scrap candidates and vessels approaching the older age bracket. As global oil demand continues to rise, this will boost tanker demand and increase fleet utilization.
- Furthermore, vessels over 20 years in age tend to engage more in dark trade, effectively removing tonnage supply.

# REDUCED UTILISATION OF AGEING FLEET (HANDY – AFRAMAX)

## MR Equivalent Fleet Size and Age Distribution



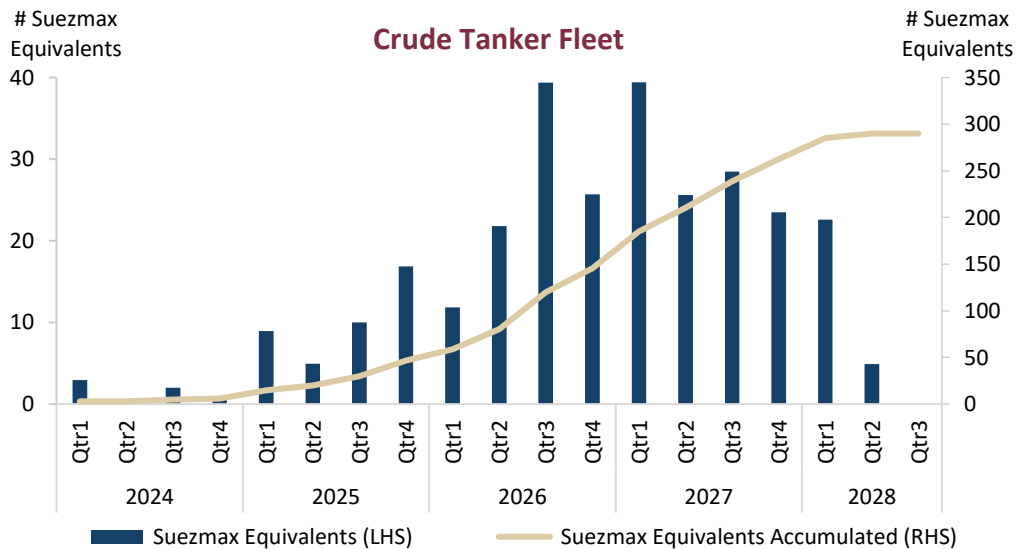
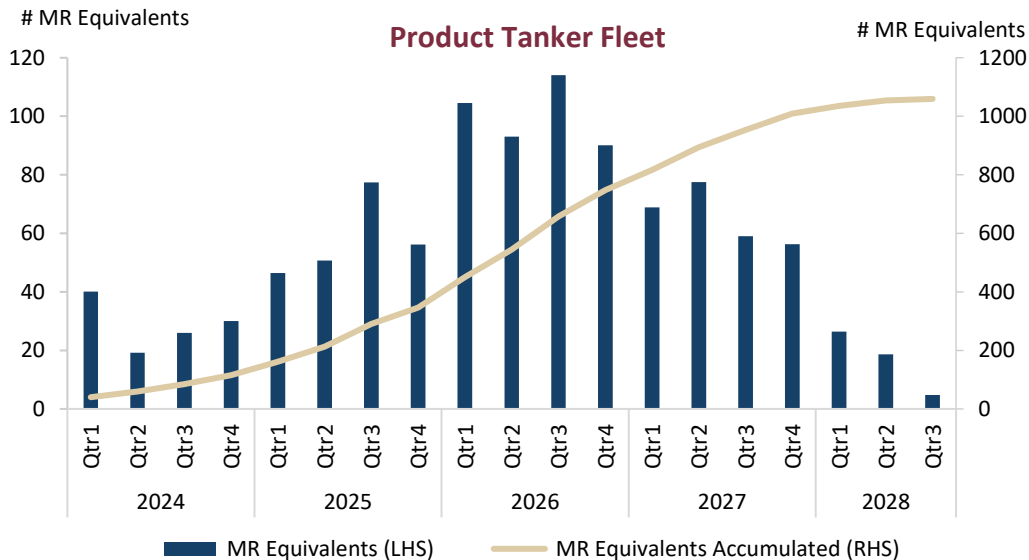
## Reduced Utilization (Age Grouped)



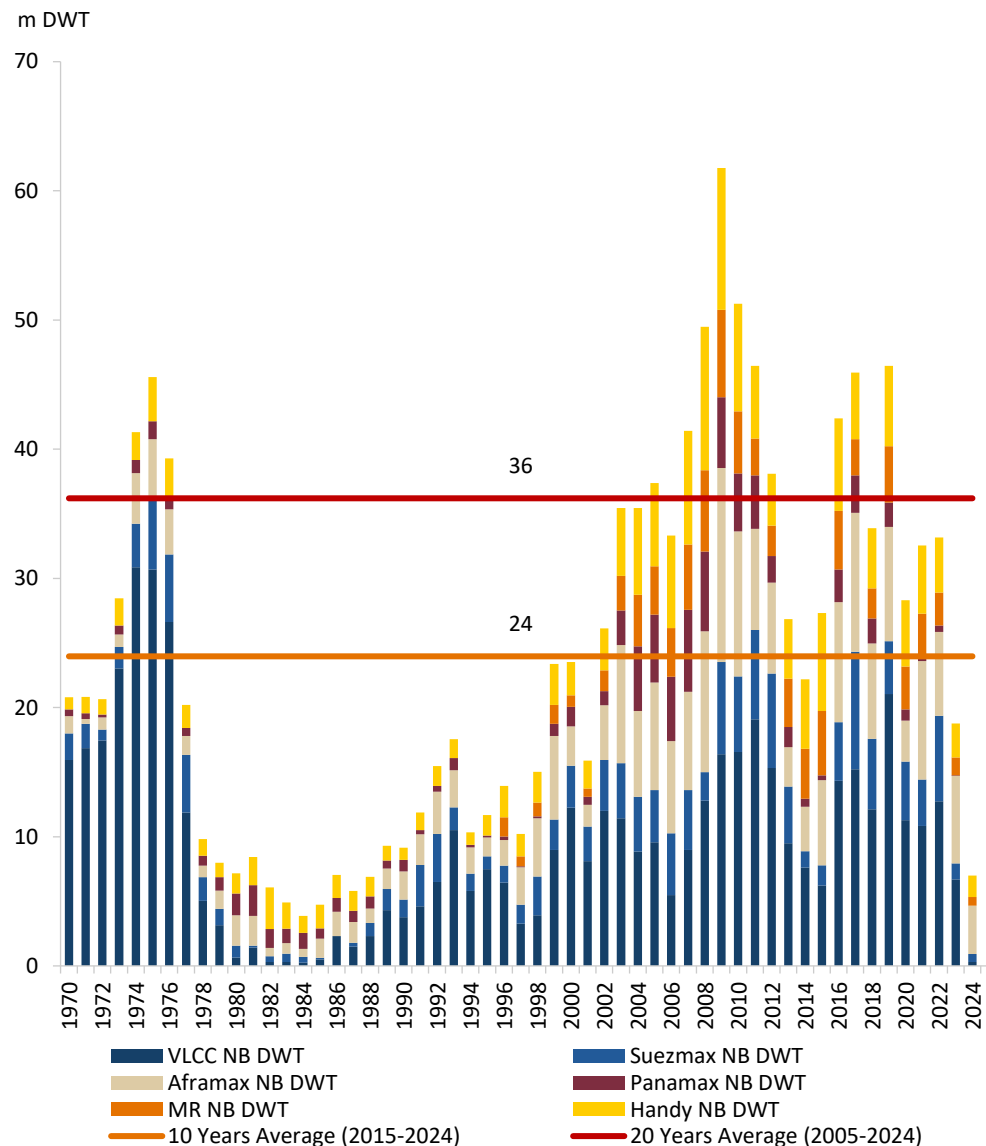
- Older vessels (>20 years) now comprise a larger share of the global product tanker fleet. However, the utilisation gap between newer and older vessels is significant.
- In 2024, this gap has narrowed due to a strong spot market and the rise of the dark fleet. However, this trend has been offset by an increase in aging vessels, keeping the supply-demand balance constant.

# TANKER DELIVERY LANDSCAPE

## Tanker Fleet Newbuild Delivery Timeline



## Historical Newbuilds Delivered (Handy – VLCC) by DWT



Source: Hafnia, Clarksons, Signal

# Q3

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# Q3 & YTD 9M 2024 FINANCIAL SUMMARY

Income Statement USDm	Q3 2023	YTD 2023	Q3 2024	YTD 2024
<b>TCE income<sup>1</sup></b>	<b>310.3</b>	<b>1,036.8</b>	<b>361.6</b>	<b>1,157.7</b>
Other operating income	14.9	36.2	7.8	28.3
Vessel operating & technical management expenses	(78.1)	(220.0)	(77.5)	(229.5)
Charter hire expenses	(10.2)	(25.2)	(15.5)	(36.7)
Other expenses	(16.1)	(49.4)	(19.4)	(58.7)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>220.8</b>	<b>778.4</b>	<b>257.0</b>	<b>861.1</b>
Depreciation and amortisation charges	(53.5)	(157.3)	(53.6)	(162.6)
(Loss)/Gain on disposal of assets	(0.1)	56.4	15.6	15.5
<b>EBIT</b>	<b>167.2</b>	<b>677.4</b>	<b>219.0</b>	<b>714.1</b>
Net financial expense	(22.6)	(70.4)	(6.3)	(35.1)
Share of profit from joint ventures	3.2	14.2	4.1	19.9
<b>Profit before income tax</b>	<b>147.9</b>	<b>621.2</b>	<b>216.8</b>	<b>698.9</b>
Income tax expense	(0.9)	(4.4)	(1.2)	(4.5)
<b>Profit after tax</b>	<b>146.9</b>	<b>616.8</b>	<b>215.6</b>	<b>694.4</b>

Balance Sheet Items USDm	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Total assets	3,914	3,897	3,923	<b>3,829</b>
Cash at bank and on hand <sup>2</sup>	141.6	128.9	166.7	<b>197.1</b>
Total liabilities	1,686	1,542	1,486	<b>1,409</b>
Total equity	2,228	2,355	2,437	<b>2,420</b>
Gross debt	1,252	1,167	1,107	<b>1,062</b>
Net LTV <sup>3</sup> - %	26.3	24.2	21.3	<b>19.1</b>

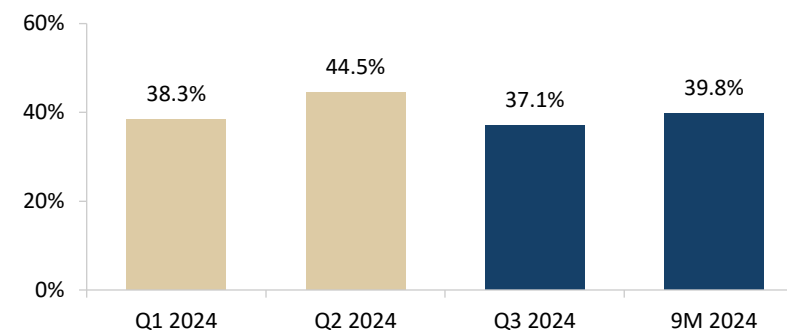
<sup>1</sup> Refer to our quarterly report for more information on non-IFRS financial measures.

<sup>2</sup> Excluding cash retained in the commercial pools.

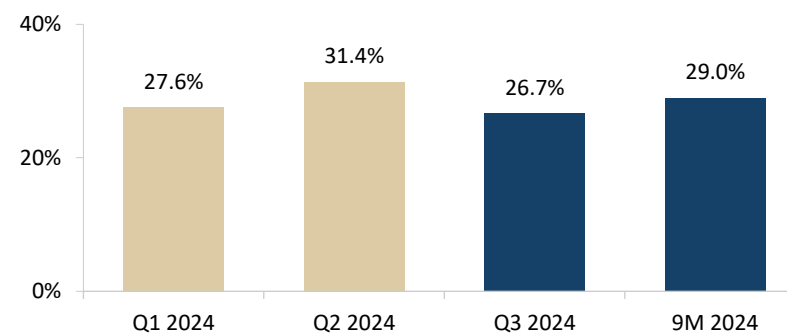
<sup>3</sup> Net loan-to-value is calculated as vessel bank and finance lease debt (excluding debt for vessels sold but pending legal completion), debt from the pool borrowing base facilities less cash at bank and on hand, divided by broker vessel values (100% owned vessels and asset held for sale).

<sup>4</sup> ROIC is calculated using annualised EBIT less tax.

## Return on Equity (annualised)



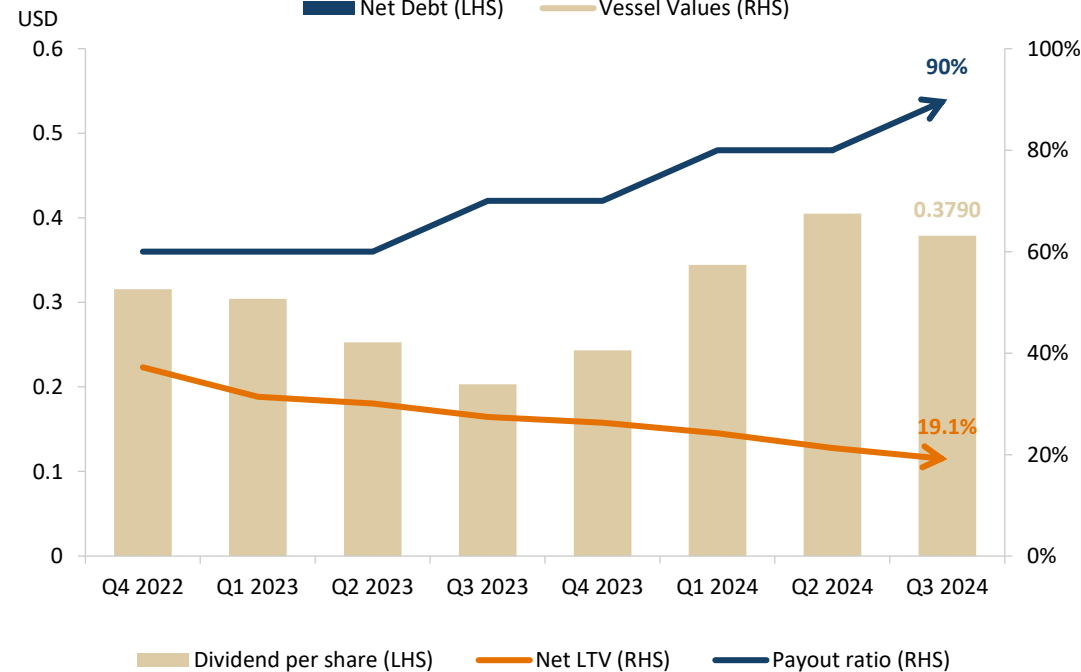
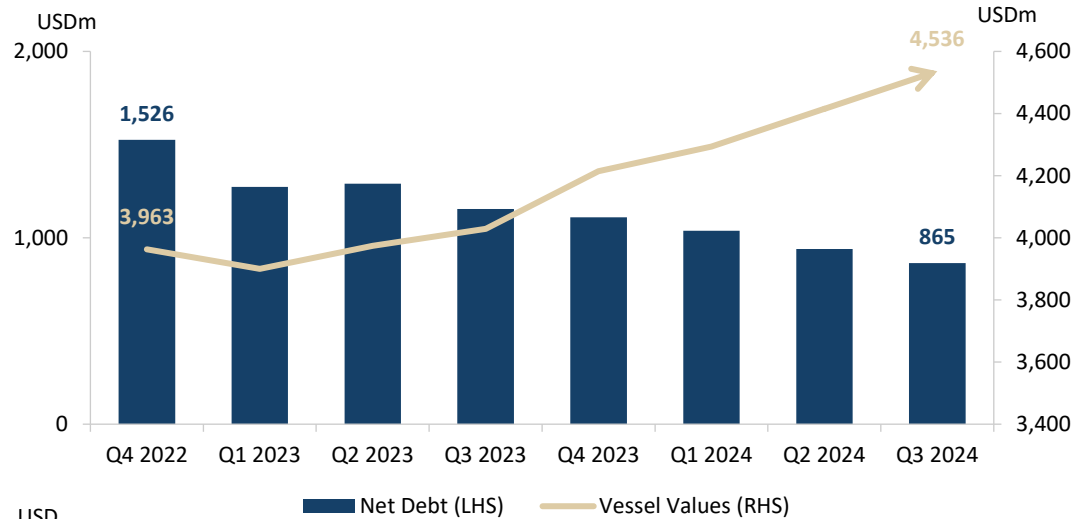
## Return on Invested Capital<sup>4</sup> (annualised)



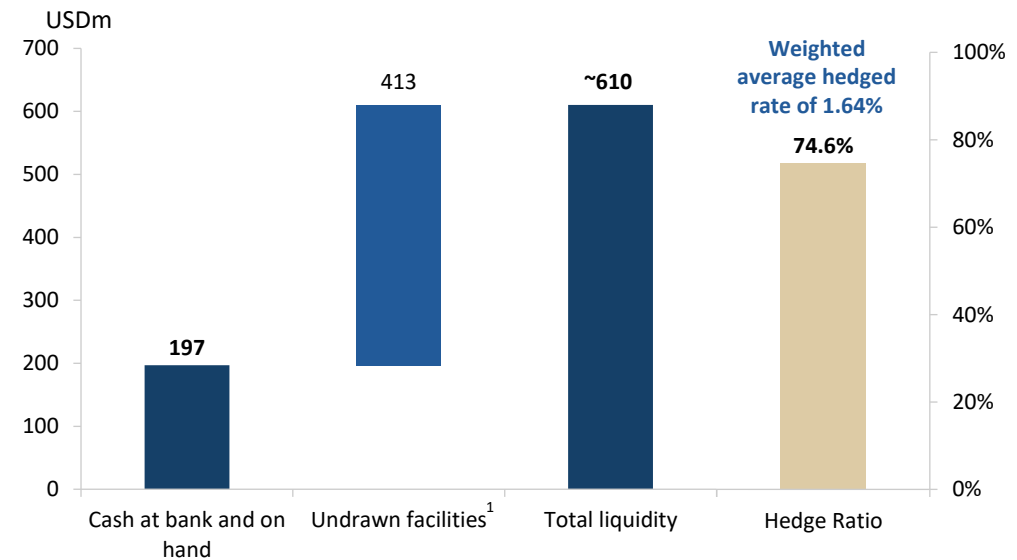
# ROBUST FINANCIAL STRENGTH

Strong balance sheet and liquidity driving record shareholder returns

## Deleveraging Journey



## Total Liquidity



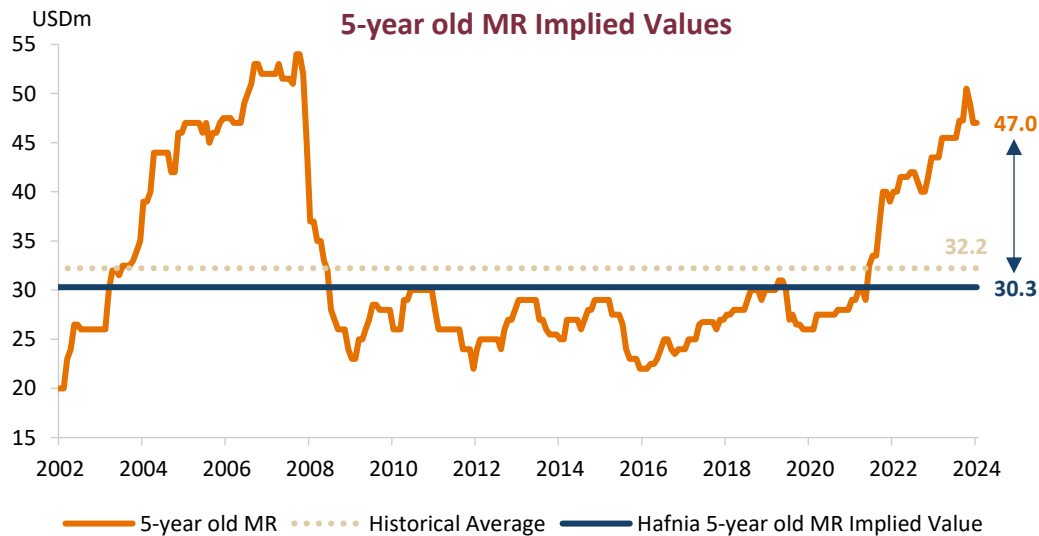
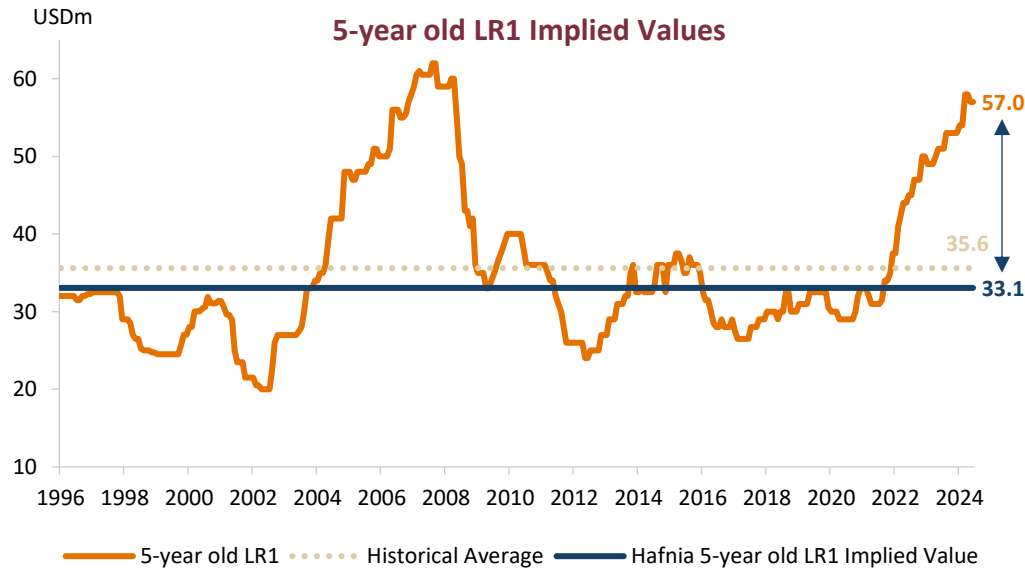
- Robust liquidity with **~USD 610m** of cash and undrawn facilities.
- More than **74.6%** of interest rate exposure hedged at a weighted average rate of **1.64%**.
- Net LTV reduced on the back of higher vessel values and lower net debt, allowing for an increase in the dividend payout ratio.
- Accumulated dividend per share over the past four quarters is **USD 1.37**, yielding **24%** based on a share price of **USD 5.81** as of October 31, 2024.

<sup>1</sup> Excludes pool working capital facilities.

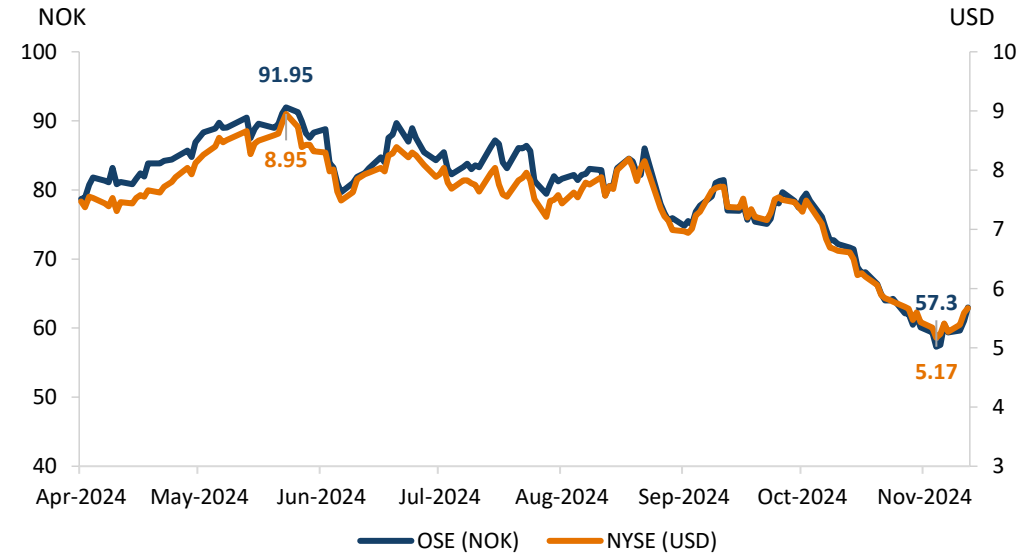
# SHARE BUYBACK CONSIDERATIONS

Capitalizing on undervalued equity – Trading low compared to NAV

### Implied Vessel Values



### Share Price Movement



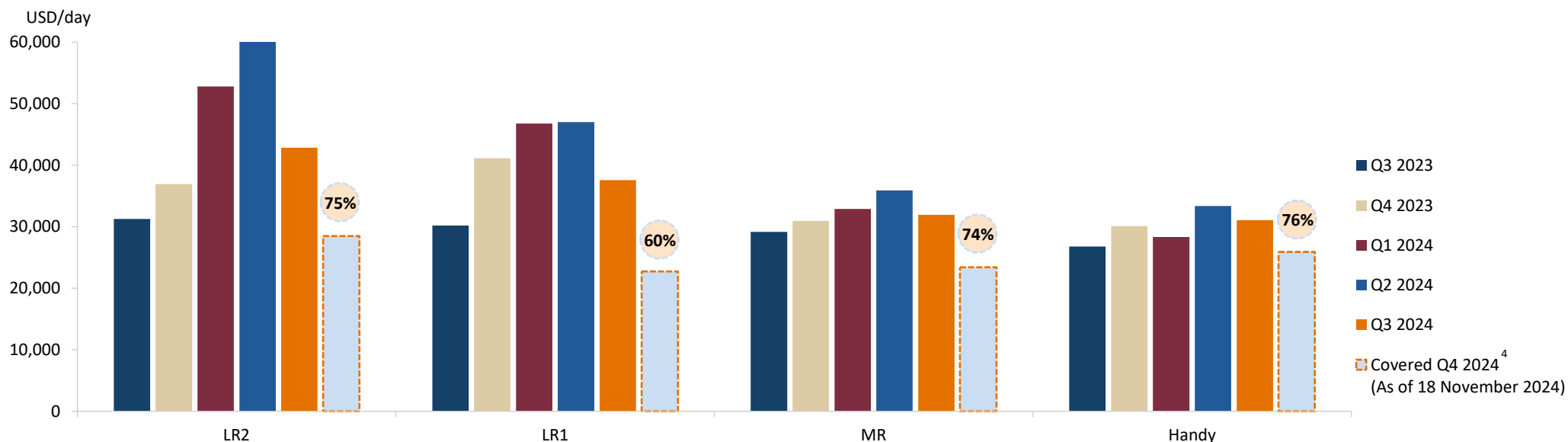
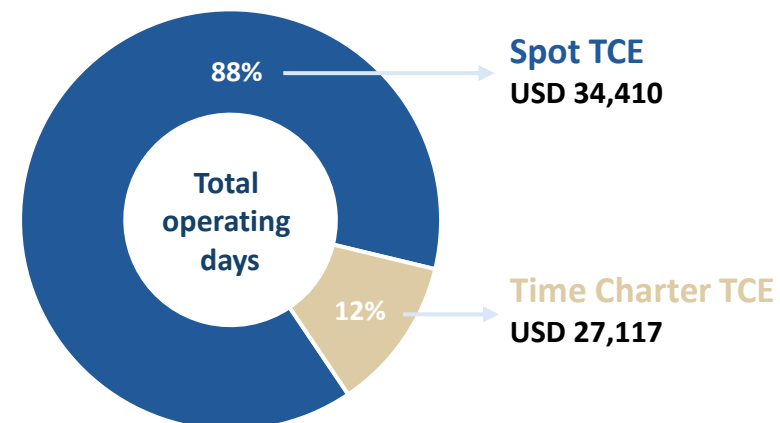
- As of November 25, 2024, Hafnia market capitalisation based on share price close of **USD 5.36** is approximately **USD 2.7 billion**.
- Our NAV based on fair value of the vessels at the end of Q3 2024 is estimated to be **USD 4.6 billion**. This means we are trading at approximately **40.9%** discount to NAV.
- This means the implied values of Hafnia vessels at end of Q3 are:
  - **~USD 33.1 million** for an 5-year-old LR1, compared to market value of **USD 57.0 million** as of November 2024.
  - **~USD 30.3 million** for an 5-year-old MR, compared to market value of **USD 47.0 million** as of November 2024.

# OPERATING SUMMARY

Q3 2024 saw average TCE of USD 33,549 per day; with average OPEX of USD 8,141 per day

## Q3 2024 Vessel Segment Breakdown

	Operating days <sup>1</sup>	Spot TCE <sup>2</sup> (USD/day)	TCE <sup>2</sup> (USD/day)	Calendar days (excluding TC-in)	OPEX (USD/day)
LR2	506	42,829	42,829	552	8,112
LR1	2,464	37,689	37,564	2,163	8,353
MR <sup>3</sup>	5,603	32,896	31,928	4,600	8,044
Handy <sup>3</sup>	2,203	31,722	31,047	2,208	8,142
<b>Total</b>	<b>10,776</b>	<b>34,410</b>	<b>33,549</b>	<b>9,523</b>	<b>8,141</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> TCE represents gross TCE income after adding back pool commissions; refer to our quarterly report for more information on non-IFRS financial measures.

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

<sup>4</sup> Excludes joint ventures vessels

# EARNINGS SCENARIOS AND FLEET COVERAGE

Product tanker fundamentals support positive 2024 earnings outlook

## Coverage<sup>1</sup> as of November 18, 2024

	Q4 2024		2025	
	Covered (%)	Covered rates (USD/day)	Covered (%)	Covered rates (USD/day)
LR2	75%	28,500	2%	24,248
LR1	60%	22,725	7%	28,239
MR <sup>5</sup>	74%	23,414	11%	22,577
Handy <sup>5</sup>	76%	25,909	10%	24,908
<b>Total</b>	<b>71%</b>	<b>24,004</b>	<b>9%</b>	<b>24,089</b>

The coverage figures include FFA positions which are mainly covering a triangulation route from Northwest Europe to the US Atlantic Coast (TC2), followed by a haul from the US Gulf back to the European Continent (TC14) for the MR fleet.

<sup>1</sup> Excludes joint ventures vessels

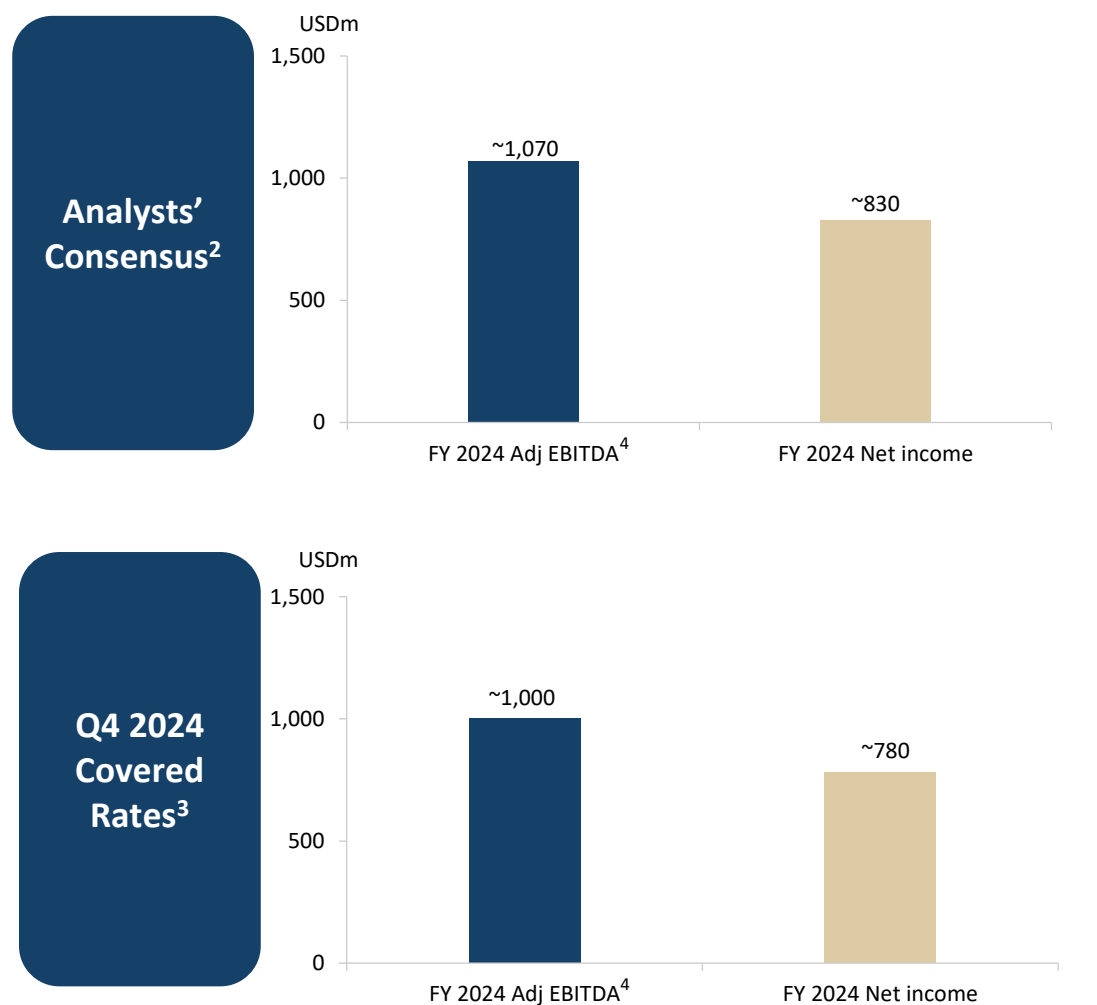
<sup>2</sup> Retrieved from Bloomberg

<sup>3</sup> Q4 2024 covered rates as of November 18 applied to projected earning days in Q4 2024

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

<sup>5</sup> Inclusive of IMO II vessels.

## Earnings Scenarios for Full Year 2024



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# ESG COMMITMENTS AND TARGETS

## Environmental

**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**

on 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 STRATEGIC 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.



## Complexio

- Co-founder of Complexio, a foundational AI, to advance data automation
- 'bottom-up' approach first ingests companies' unstructured and structured data and then, via its multi-modal framework - currently leveraging eight Large Language Models (LLMs) - maps this data into a comprehensive landscape.



## 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.



**STRATEGIC  
PARTNERSHIPS  
DRIVING  
SUSTAINABLE  
GROWTH**



# MARKET LEADER WITH UNPARALLELED SCALE



## MARKET LEADER OF PRODUCT AND CHEMICAL TANKERS

- Owned fleet of **115** vessels
- Commercially managing a fleet of **~200** vessels across **8** pools
- Industry-leading operational efficiency



## FINANCIAL STRENGTH

- Consistent dividend growth: **90%** payout ratio in 3Q24
- Strong balance sheet: **19.1%** Net LTV, lowest in company history
- Diversified revenue streams



## STRONG INDUSTRY RELATIONSHIPS

- Strategic joint ventures and partnerships
- Constant engagement with industry organizations
- Robust banking and financial partnerships

## FUTURE-PROOFED STRATEGY

- Next-generation fleet: 8 dual-fuel newbuilds (4 LNG-LR2s, 4 methanol-MRs)
- Strategic clean energy partnerships
- Strong focus on ESG

# EXPERIENCED MANAGEMENT TEAM

*Leveraging decades of maritime expertise to drive sustainable growth and enhance shareholder value*



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An aerial photograph of the oil tanker ship HAFNIA 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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