

HC Andersen Capital Investor Seminar

# Hafnia Limited

September 2024



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# AGENDA

Introduction & Overview

Q2 2024 Financial Summary

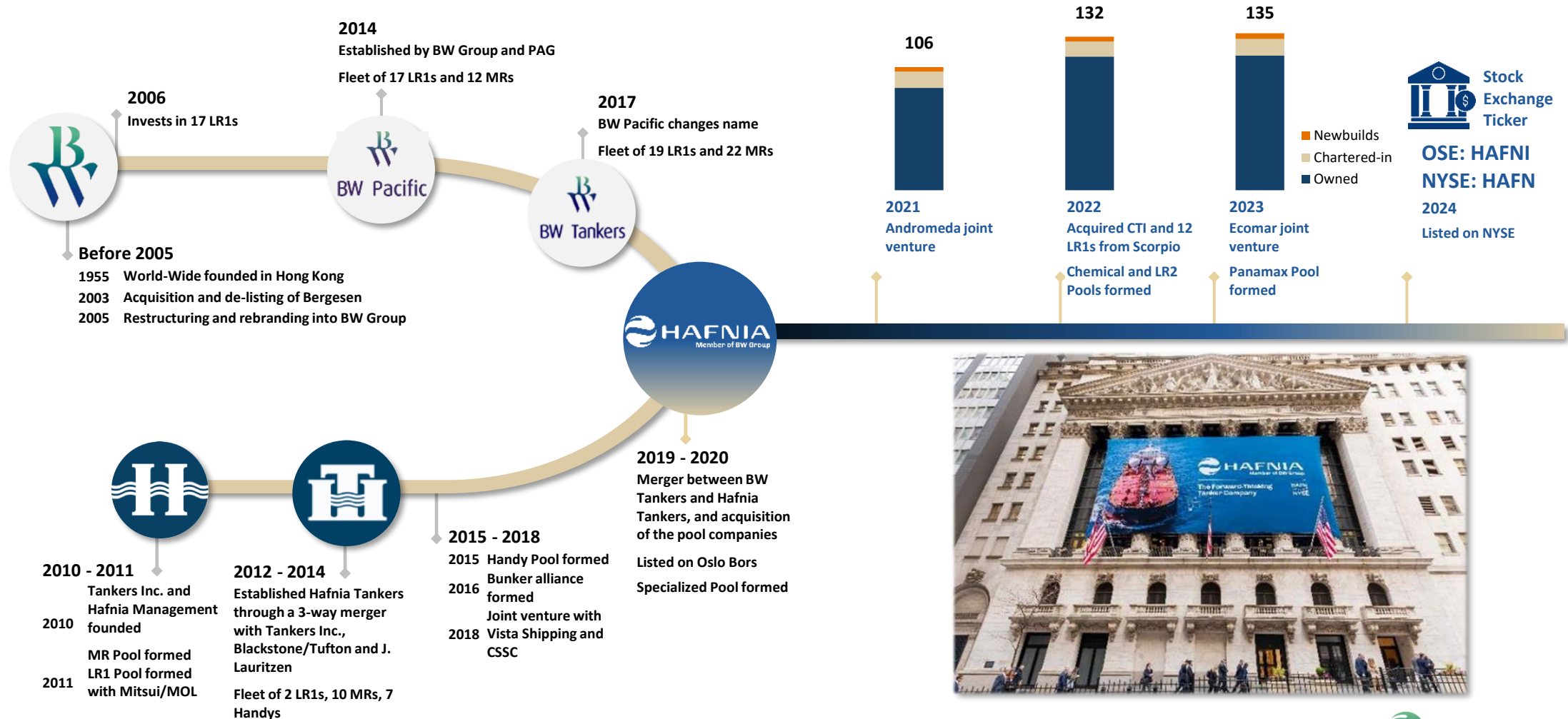
Industry Review

ESG Overview



# HAFNIA – World’s Leading Product Tanker Company

*Our beginnings*



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

117x/16x

LR2: 10x      LR1: 31x/4x  
MR<sup>2</sup>: 52x/12x      Handy<sup>2</sup>: 24x

2

### NAV<sup>3</sup> at Q2 2024

USD ~4.5b

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

3

### Average broker value<sup>4</sup>

USD ~4.8b

4

### Vessels average age<sup>5</sup>

8.8 years

5

### Stock exchange ticker

OSE: "HAFNI"  
NYSE: "HAFN"

<sup>1</sup> 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

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

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

<sup>4</sup> 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

<sup>5</sup> 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.

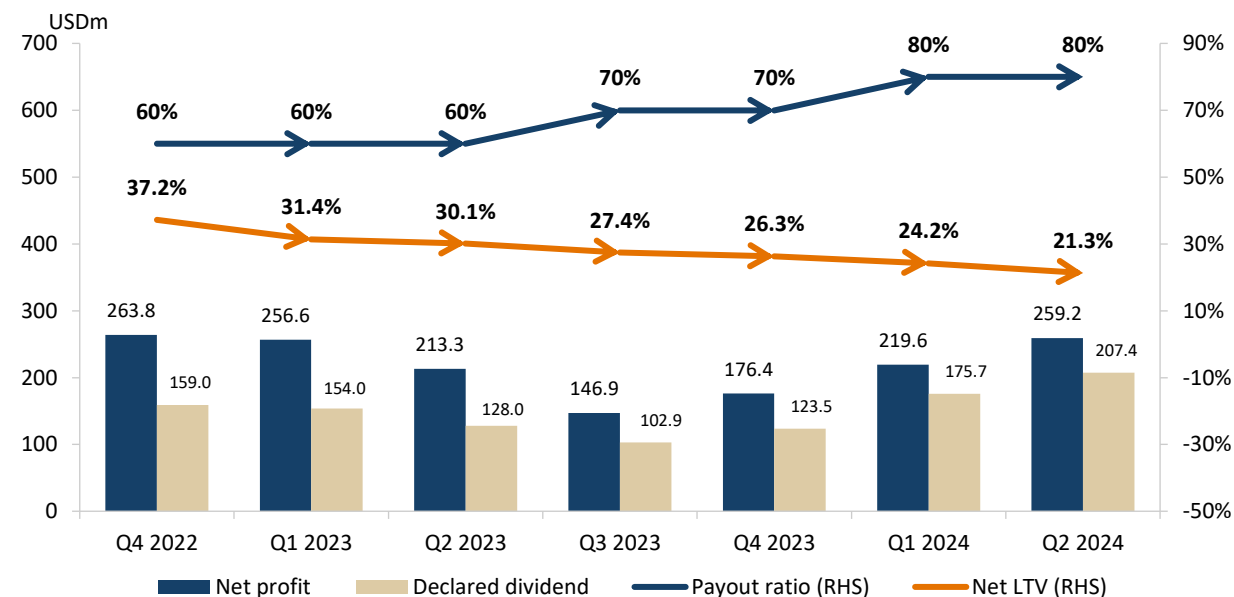
### 2023 Ecomar Joint Venture

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

### Hafnia's Dividend Policy

Net loan-to-value <sup>1</sup>	Payout of net profit <sup>2</sup>
Above 40 %	50 %
Above 30 % but equal to or below 40 %	60 %
Above 20 % but equal to or below 30 %	80 % (↑10%)
Equal to or below 20 %	90 % (↑10%)



- Hafnia updated its dividend policy in November 2022 to better align with its overall financial performance. We announced a further increase to the payout ration in April 2024.

<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).

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**Q2 2024 Financial Summary**

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# Q2 & 1H 2024 FINANCIAL SUMMARY

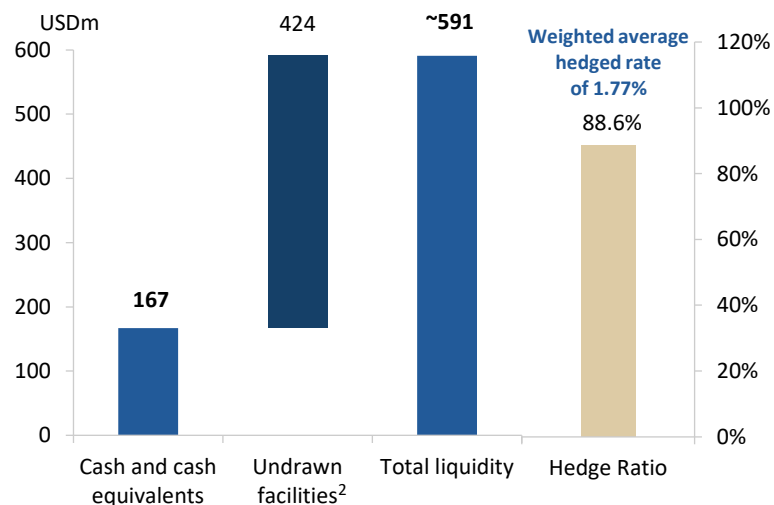
TCE Income <sup>1</sup>	
USD 417.4M Q2 2024	USD 796.2M YTD 1H 2024

Adjusted EBITDA <sup>1</sup>	
USD 317.1M Q2 2024	USD 604.1M YTD 1H 2024

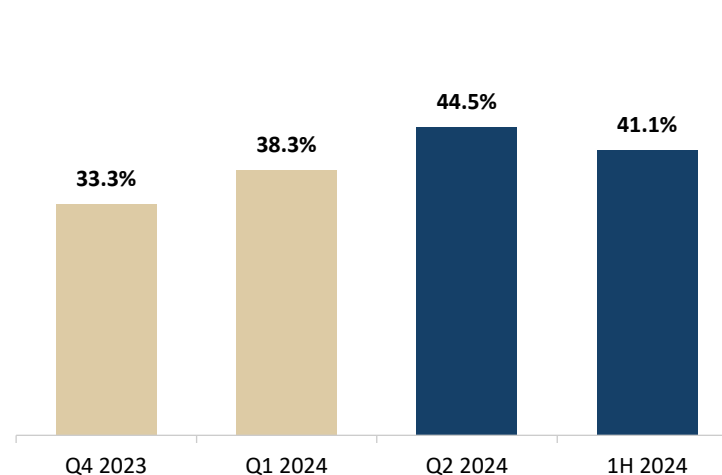
Commercial Pool and Bunker Procurement	
USD 10.7M Q2 2024	USD 20.5M YTD 1H 2024

Net Profit	
USD 259.2M Q2 2024	USD 478.8M YTD 1H 2024

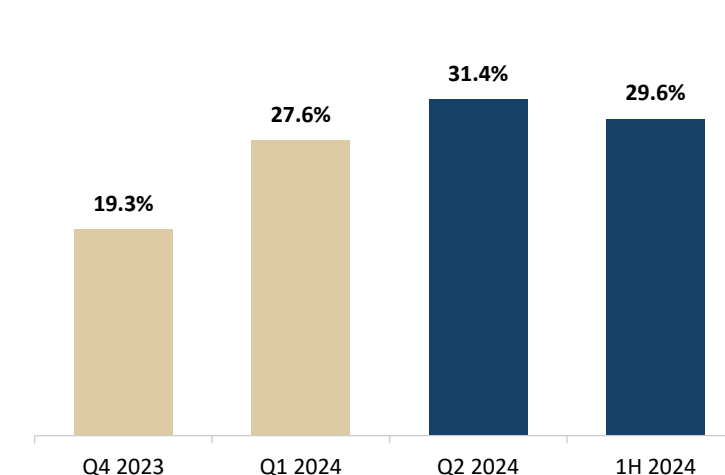
### Total Liquidity & Hedge Ratio



### Return on Equity (annualised)



### Return on Invested Capital<sup>3</sup> (annualised)



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

<sup>2</sup> Excludes pool working capital facilities.

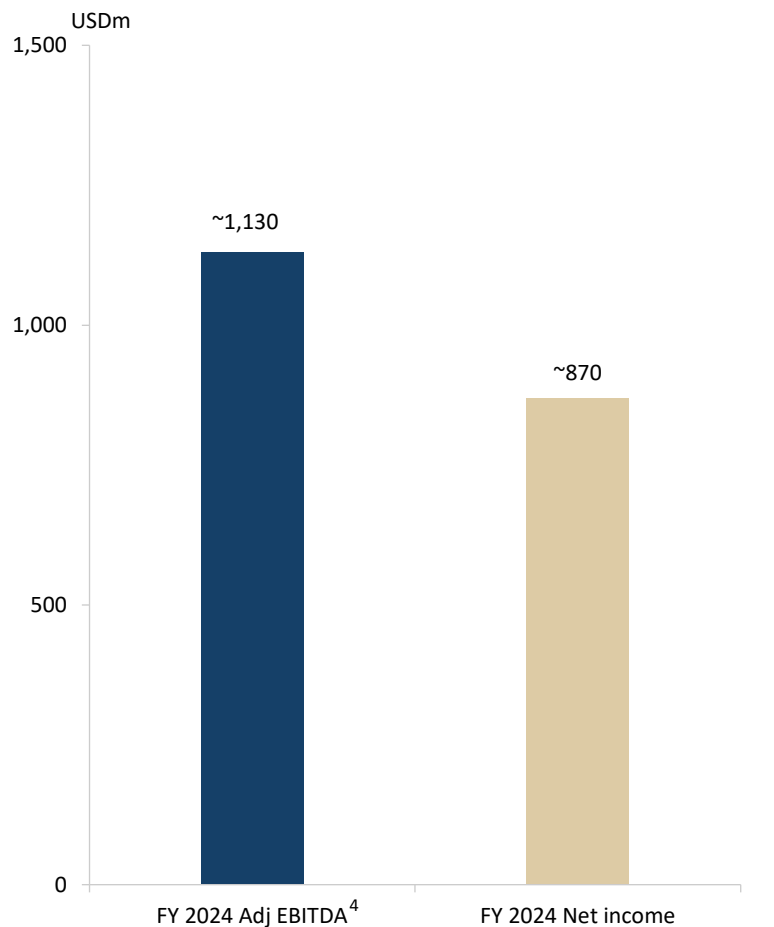
<sup>3</sup> ROIC is calculated using annualised EBIT less tax.



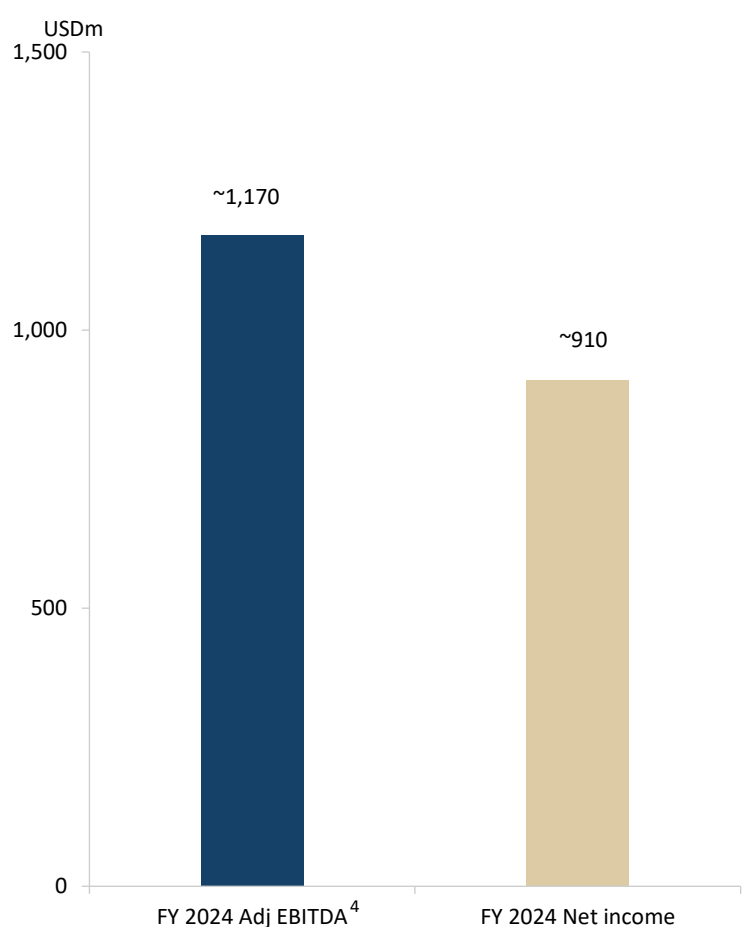
# EARNINGS SCENARIOS FOR 2024

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

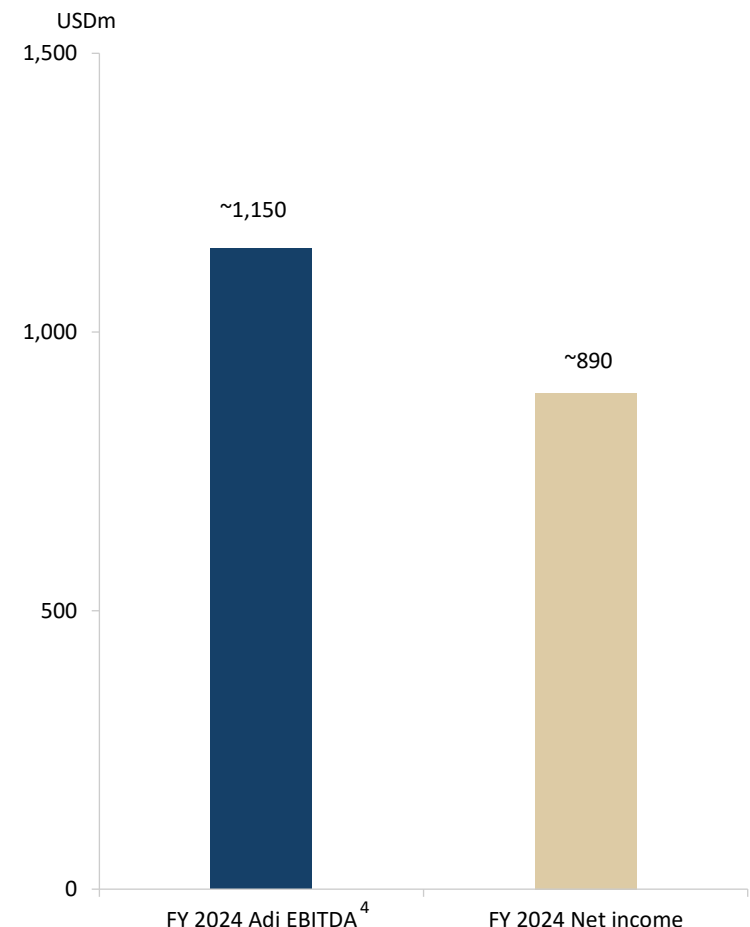
### Analysts' Consensus<sup>1</sup>



### Q3 2024 Covered Rates<sup>2</sup>



### Q3 and Q4 2024 Covered Rates<sup>3</sup>



<sup>1</sup> Retrieved from Bloomberg

<sup>2</sup> Q3 2024 covered rates as of 9 August applied to projected earning days in H2 2024

<sup>3</sup> Q3 and Q4 2024 covered rates as of 9 August applied to projected earning days in H2 2024

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

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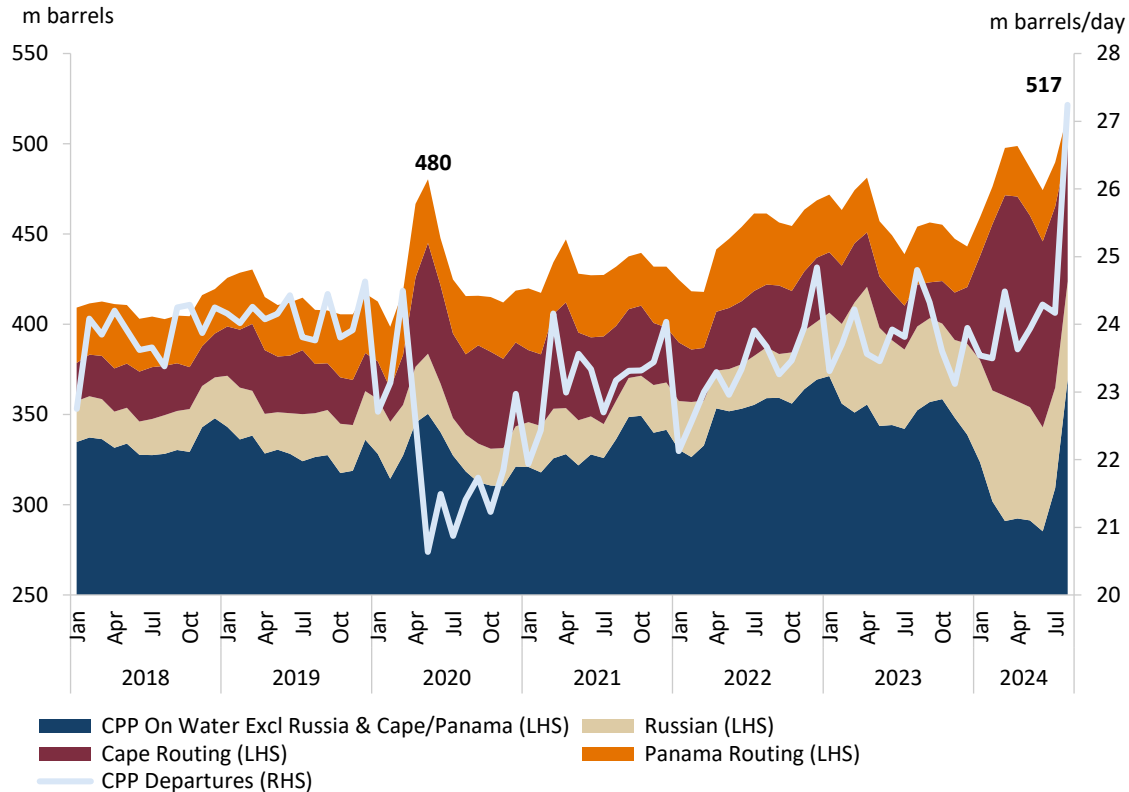
**Industry Review**

ESG Overview

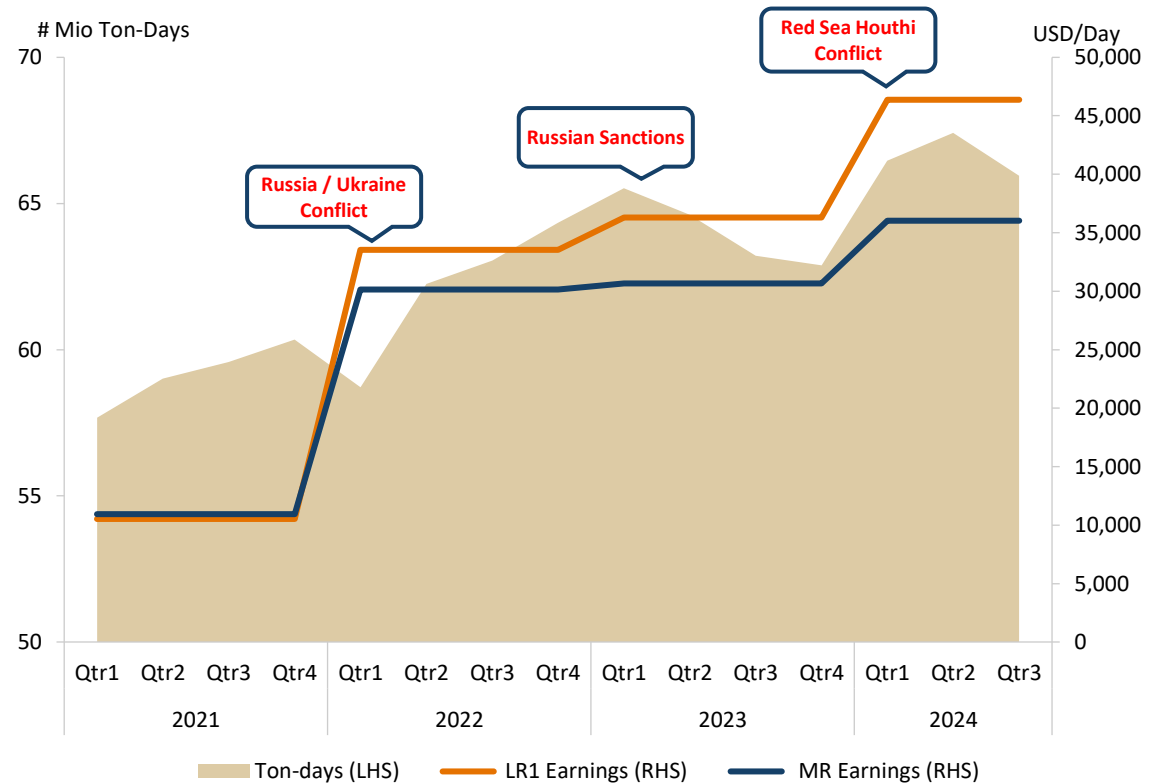


# STRONG MARKET FUNDAMENTALS FOR PRODUCT TRADE

## Clean Petroleum Products On Water & Daily Departures



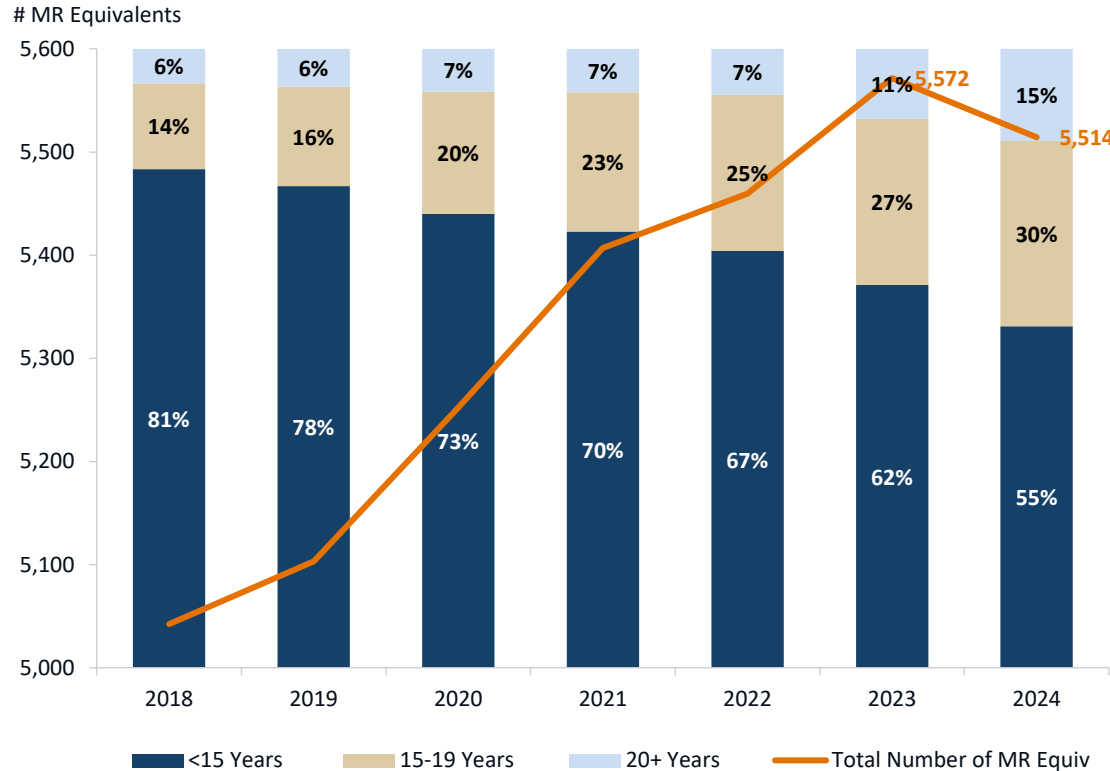
## CPP Ton-Days versus MR and LR1 Earnings



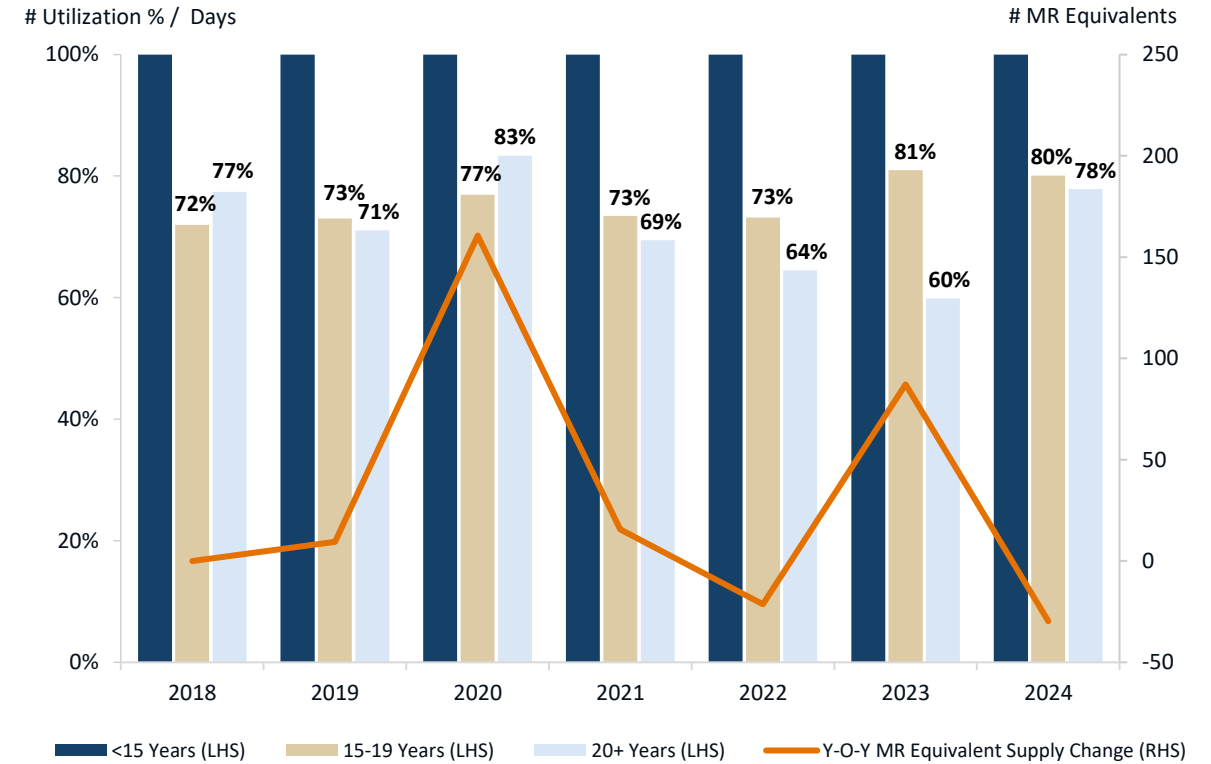
- Volumes of CPP and chemicals on water continue to steadily increase, driven by geopolitical unrest. Approximately 20% of these volumes are routed via the Cape of Good Hope, with Russian CPPs making up around 13%, double the pre-sanction average. We are experiencing historically high levels of CPPs 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.

# REDUCED UTILISATION OF AGEING FLEET (HANDY – AFRAMAX)

## MR Equivalent Fleet Size and Age Distribution



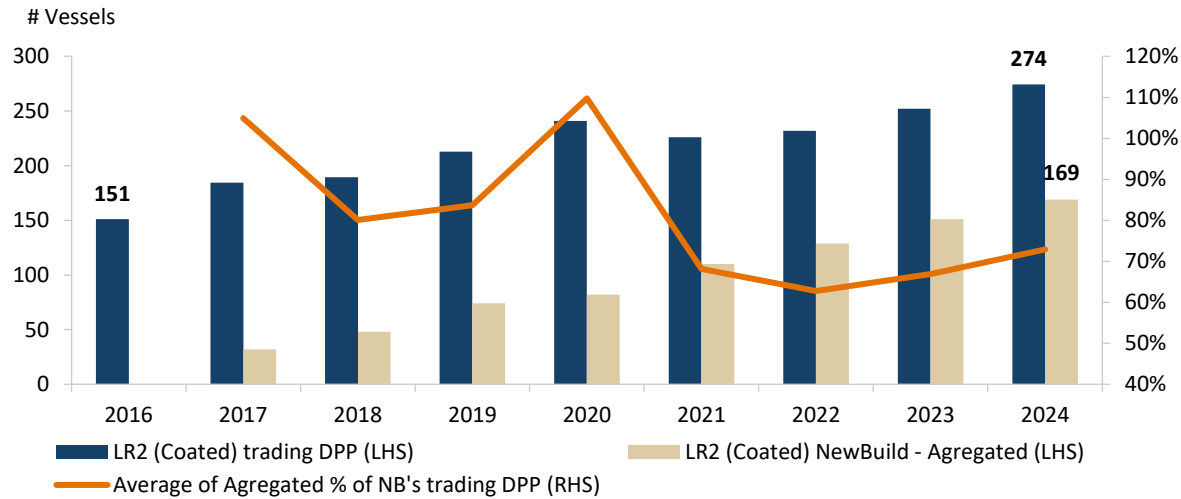
## Reduced Utilization (Age Grouped)



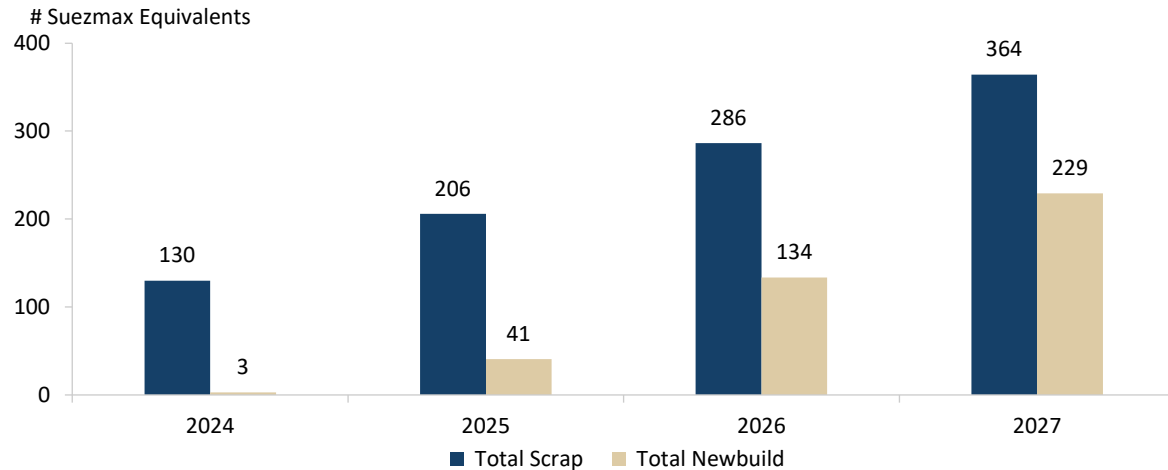
- We can see the average age of the global product tanker fleet is increasing, as older vessels of above 20 years of age now making up a larger share of the global fleet.
- We are also observing de-facto scrapping, where vessels in the older age bracket are utilized substantially less than vessels below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

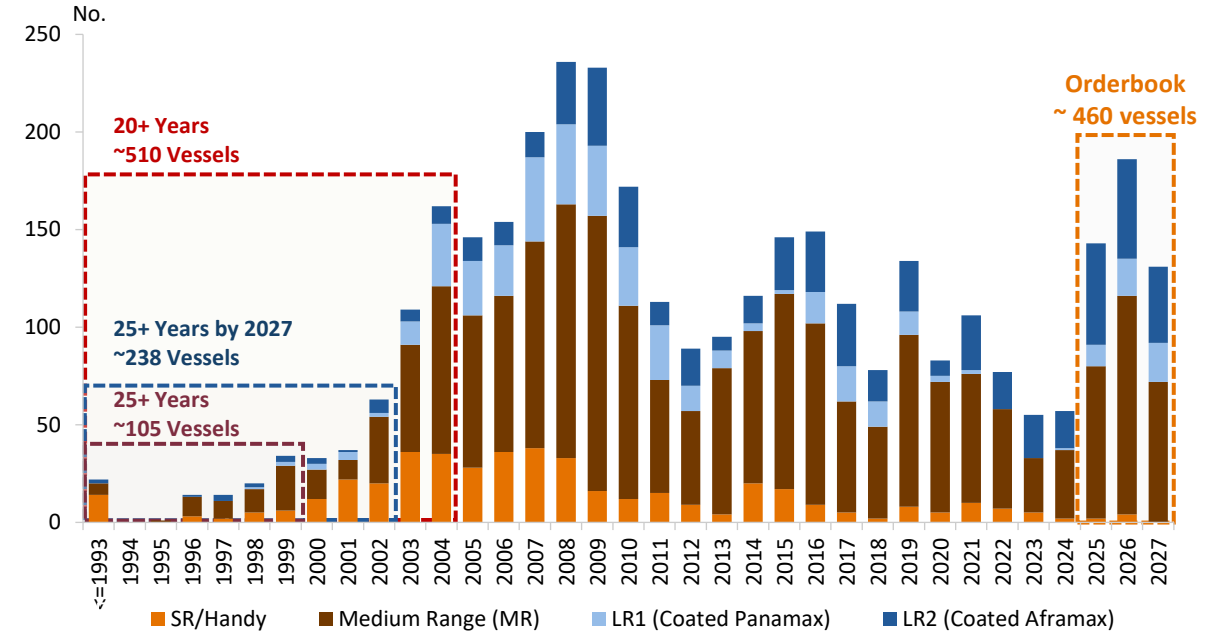
## LR2 (Coated) Trading DPP versus LR2 (Coated) Newbuilds



## Suezmax & VLCC (Accumulated)



## 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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**ESG Overview**



# 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 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



## 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.



## 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



## 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

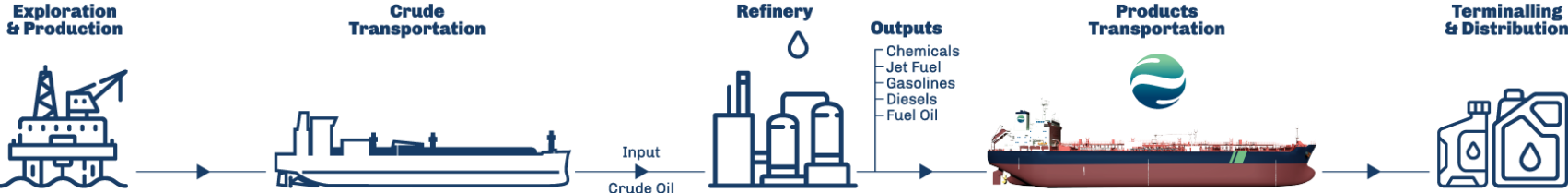
- Co-founder of Complexio, a foundational AI trained on whole company data for task automation and value extraction



## HAFNIA RENEWABLE PROJECTS



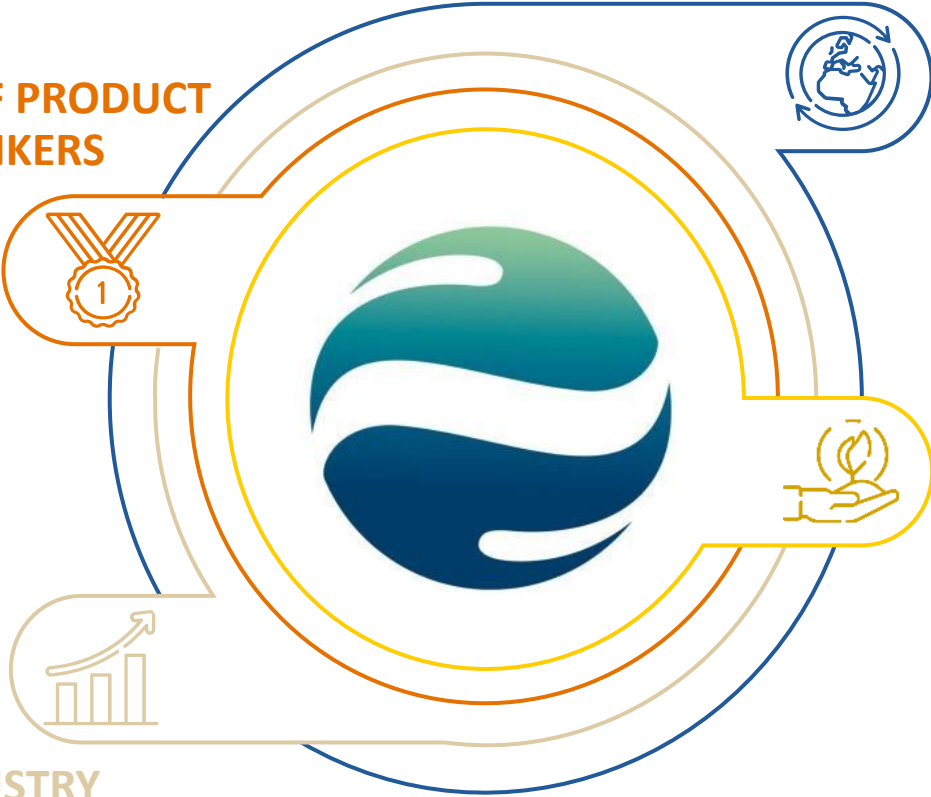
# MARKET LEADING PLAYER WITH UNPARALLELED SCALE



**LEADING PLAYER OF PRODUCT AND CHEMICAL TANKERS**



**STRONG RELATIONSHIPS WITH INDUSTRY PARTNERS AND INVESTOR COMMUNITY**



**STRONG MARKET OUTLOOK AND FUNDAMENTALS**



**STRONG FOCUS ON ESG**





Thank you

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