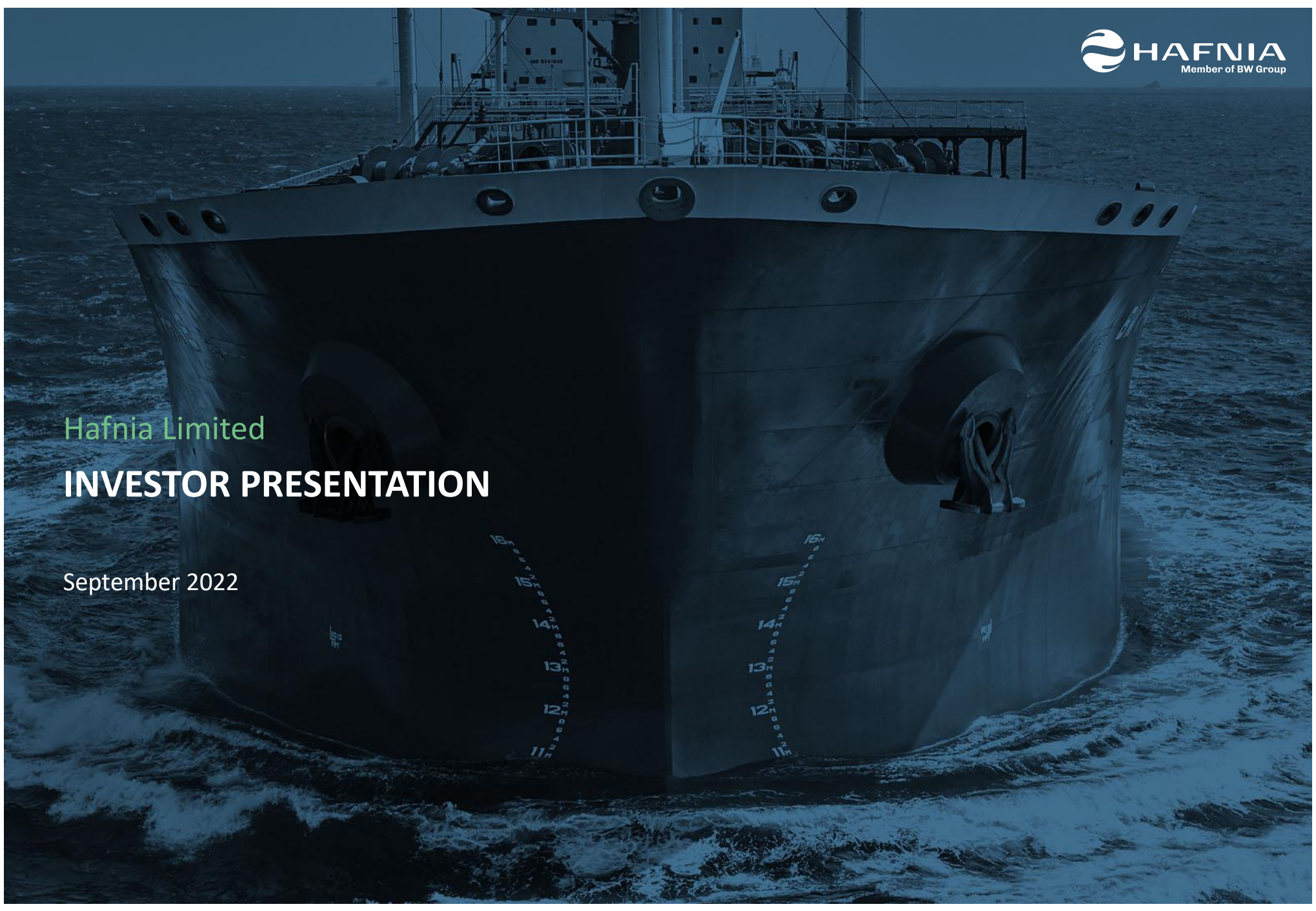


Hafnia Limited

# INVESTOR PRESENTATION

September 2022



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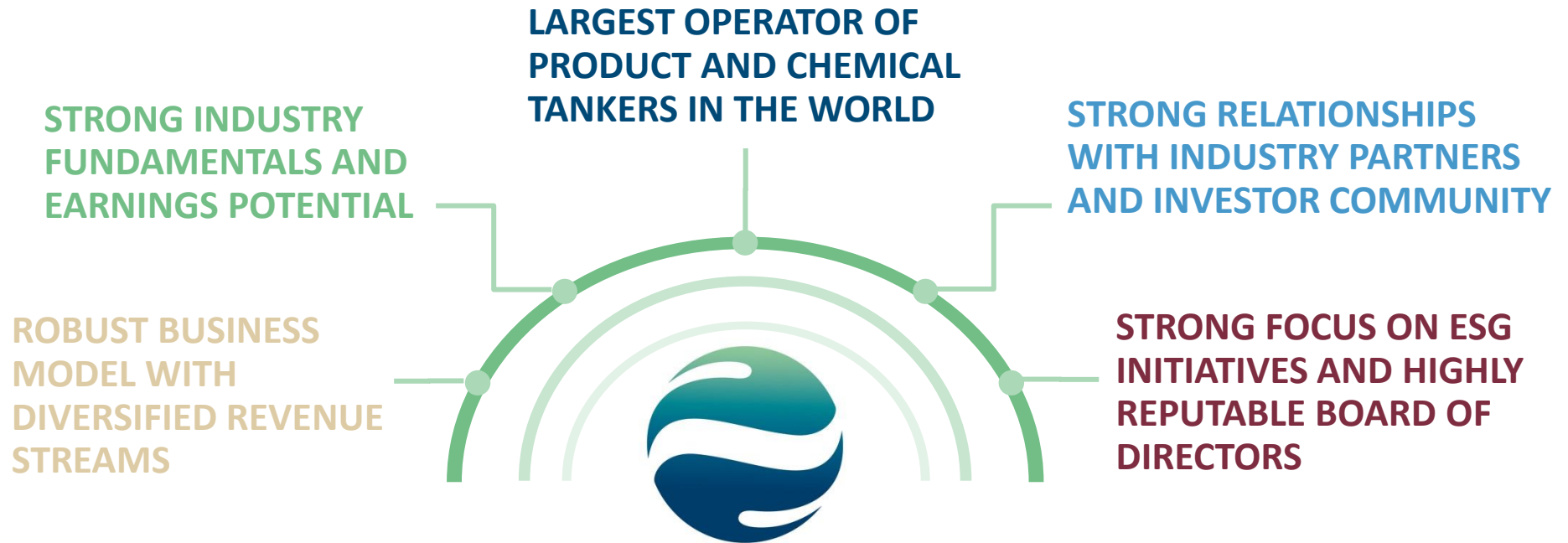
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# INTRODUCTION TO HAFNIA

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



## Hafnia's Q2 2022 in Numbers

# Vessels Owned<sup>1</sup>  
**133x**

NAV at Q2 2022  
**USD ~2.2b**  
*(equivalent to ~NOK43/share)*

Average broker value<sup>2</sup>  
**USD ~3.4b**

Vessels average age<sup>3</sup>  
**7.2 years**

Stock exchange  
**NOK 43.80**  
*(as of 13 September 2022)*

**(HAFNI:Oslo)**

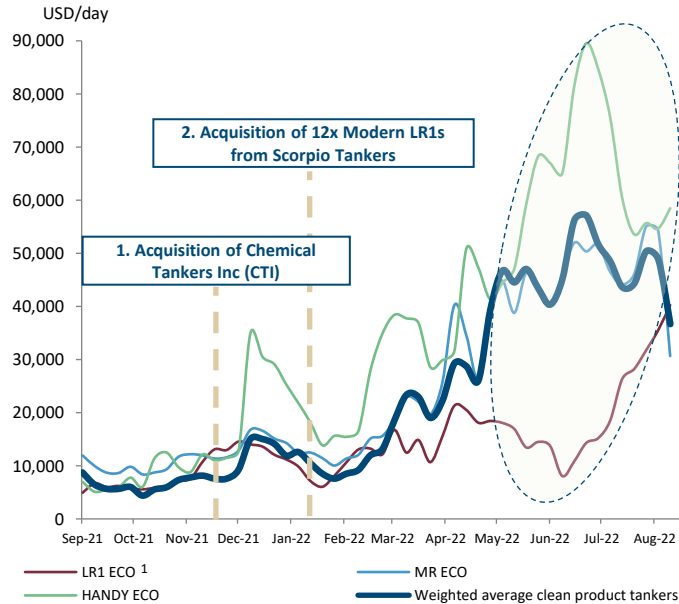
<sup>1</sup> As of 30 Aug 2022, Including chartered-in fleet, six LR1s owned through 50% ownership in Vista Joint Venture, two MRs owned through 50% ownership in the Andromeda Joint Venture and five Chemical - Stainless vessels which are classified as assets held for sale

<sup>2</sup> Including six LR1s owned through 50% ownership in Vista Joint Venture, two MRs owned through 50% ownership in the Andromeda Joint Venture but excluding five Chemical - Stainless vessels, one LR1 vessel and one MR vessel which are classified as assets held for sale

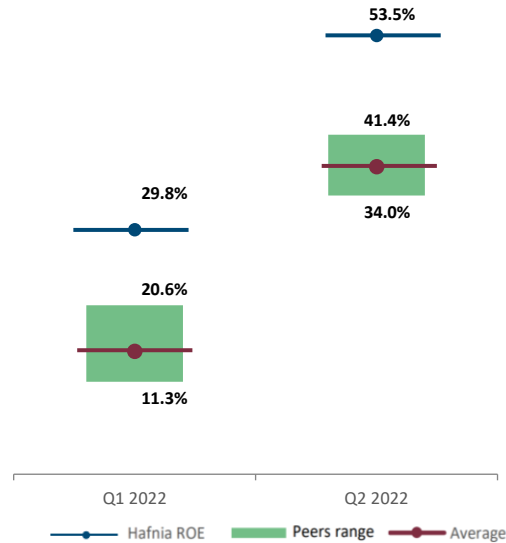
<sup>3</sup> Hafnia's owned vessels as of 30 Aug 2022, excluding chartered-in fleet and eight Chemical - Stainless vessels, one LR1 vessel and one MR vessel which are classified as assets held for sale

# WORLD'S LEADING PRODUCT AND CHEMICAL TANKER COMPANY

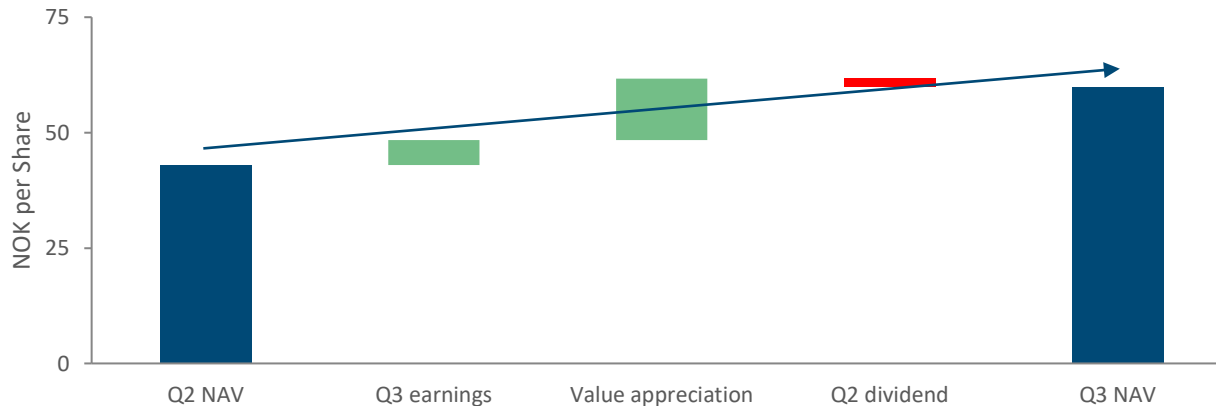
## Increase in Freight Rates Post Acquisitions



## Outperformance in ROE Against Peers



## NAV bridge



### CONSISTENT DIVIDEND PAYOUT

- Consistently paid out 50% of net profit
- Total shareholder return<sup>2</sup> of 192% since start of 2021 (160% since start of 2022)

### M&A

- Acquisition of CTI
- Acquisition of 12 LR1s from Scorpio

### FLEET GROWTH

- Commercially managed fleet has grown 43% since start of 2020
- Annualised pool & bunker income of ~USD 38m from Q2 2022

### INCREASED SYNERGIES

- Growth in scale enabled unlocking of operational synergies and new trading opportunities

### OPTIMISED CAPITAL STRUCTURE

- Retained earnings, capital raise and refinancing helped optimise debt structure
- Continued focus on reducing cash flow break even and balance sheet strength

Sources: Hafnia, Clarksons Shipping Intelligence  
 Rates: Clarksons Shipping Intelligence long term average sector earnings  
<sup>1</sup> Panamax Dirty ECO time series (due to data availability)  
<sup>2</sup> Based on share price close on 2 September 2022

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# Q2 & 1H 2022 FINANCIAL HIGHLIGHTS

## TCE Income

1H 2022

USD 511.7M

Q2 2022

USD 348.3M

## EBITDA

1H 2022

USD 345.0M

Q2 2022

USD 257.5M

## Pool and Bunker Income

1H 2022

USD 15.4M

Q2 2022

USD 9.4M

## Net Income

1H 2022

USD 207.5M

Q2 2022

USD 186.2M

## Dividends

1H 2022

USD 103.6M

Q2 2022

USD 93.1M

## Return on Equity

1H 2022

ROE 29.8%

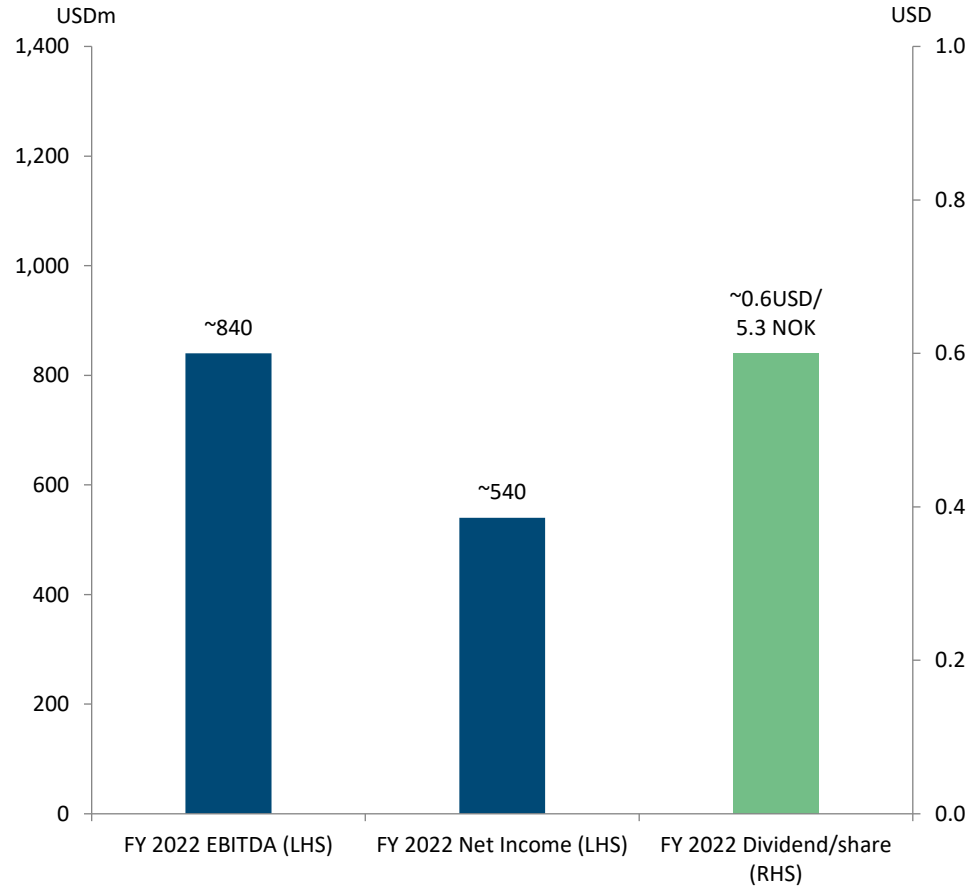
Q2 2022

ROE 53.5%

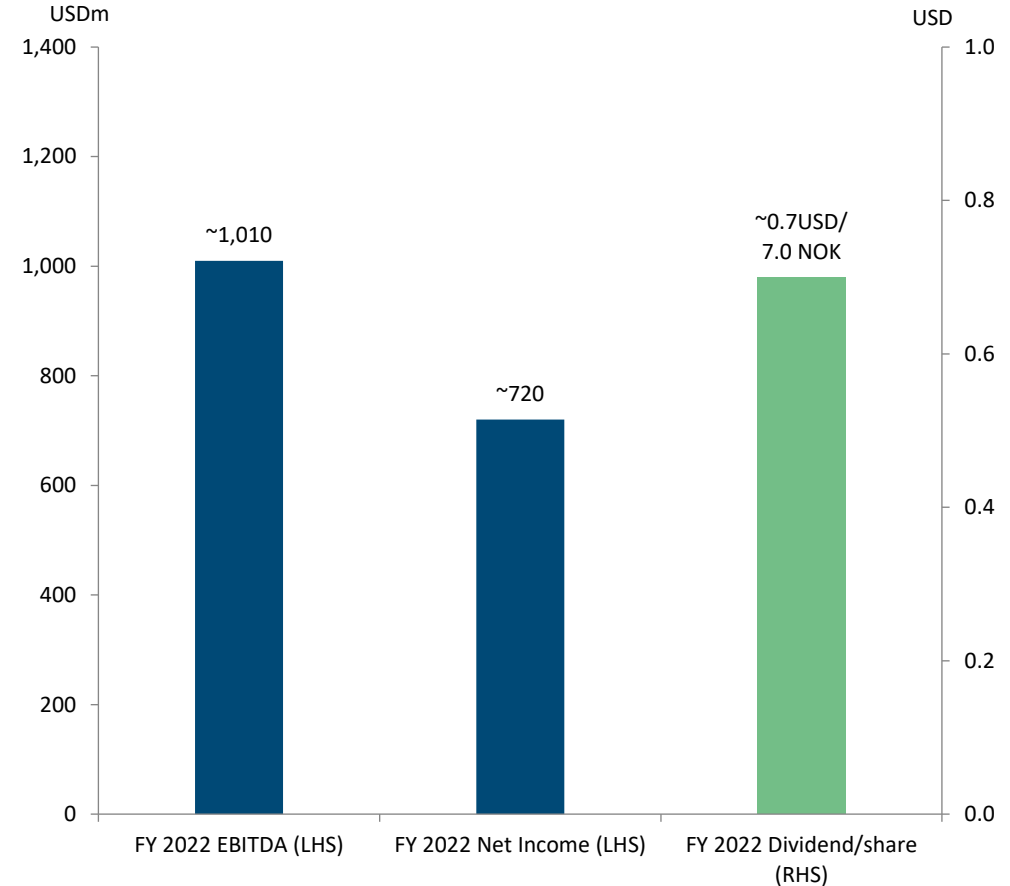
# SIGNIFICANT EARNINGS POTENTIAL

Recent upturn in product tanker market signify strong earnings potential for 2022

Analysts' consensus rates<sup>1</sup>



Rates earned in the week beginning 29 August<sup>2</sup>



<sup>1</sup> Average Q2 2022 analysts' consensus rates from (1) Fearnleys, (2) Danske Bank, (3) SEB, (4) Pareto Securities, (5) Arctic Securities and (6) Evercore ISI research reports, applied to unfixed days from 1 Aug 22 onwards. Chemical rates estimated based on delta against YTD July 22 product rates.

<sup>2</sup> Q3 22 covered rates applied to unfixed days from 1 Aug 22 onwards

<sup>3</sup> Annual dividend, based on 50% of net income and number of outstanding shares as of end of Q2 22. USD/NOK rate of 9.6773



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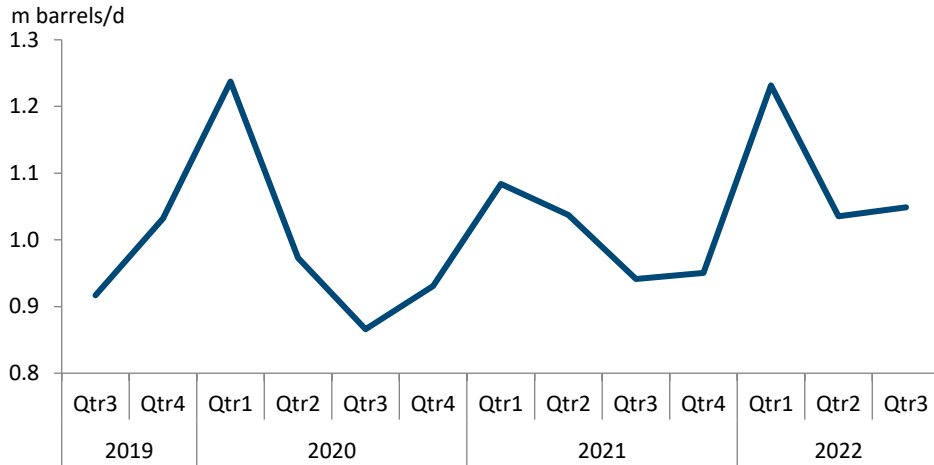
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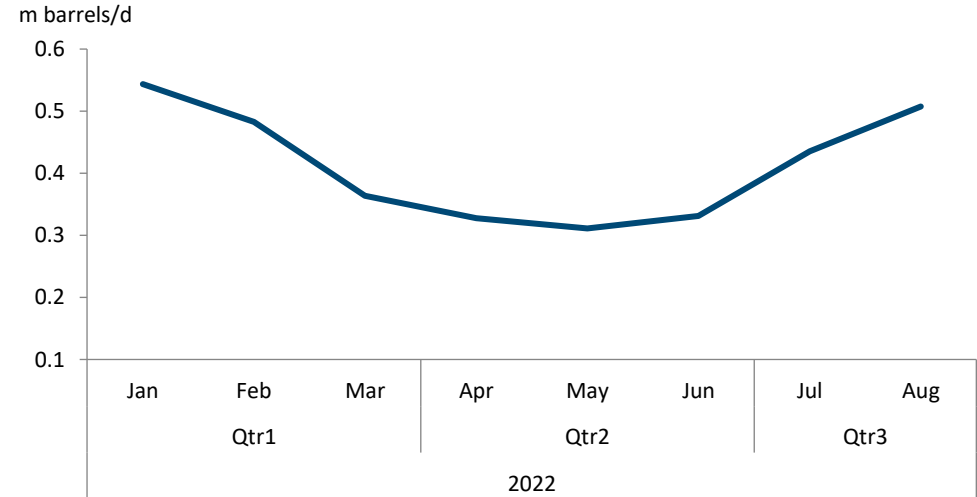


# REDRAWING OF OIL TRADE ROUTES

## Russia to EU CPP Daily Loadings



## Russia to Non-EU CPP Daily Loadings



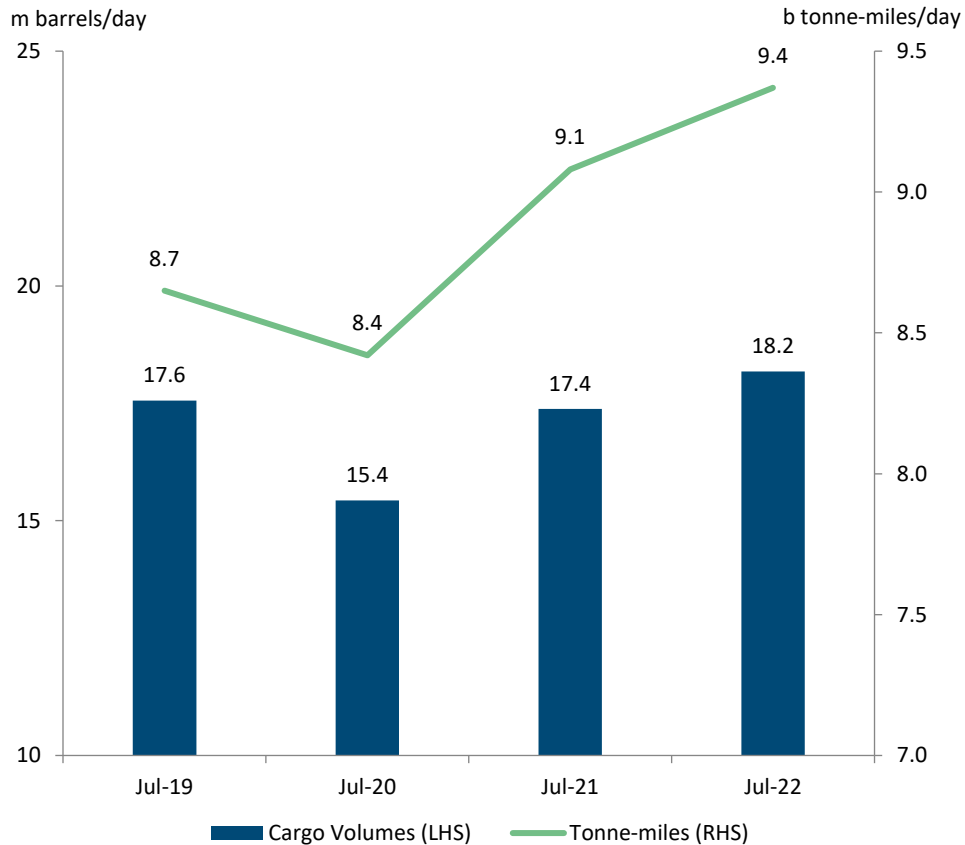
## World & Russia CPP Daily Loadings



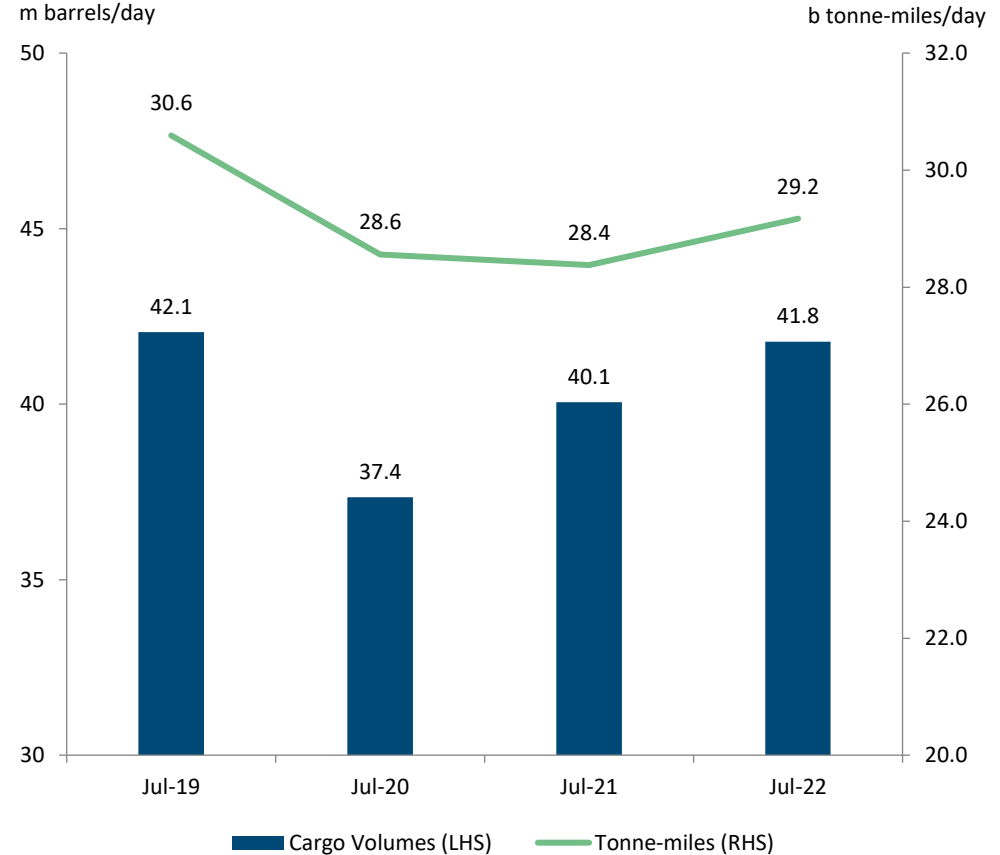
- Russian Exports of CPPs followed a normal seasonality pattern from pre-war Q1 to Q2 2022 but has increased during Q3 2022 where daily average loadings on vessels average about 1.5 million barrels per day.
- The EU remains the largest receiver of Russian seaborne CPP exports with daily volumes exceeding 1 million barrels per day, but a significant trade volume which will be replaced by 1 February 2023 when the EU embargo on Russian crude and products come into full effect.
- Russian seaborne CPP exports to non-EU countries is increasing already now and will increase by another 1 million barrels per day by 1 February 2023, significantly increasing tonne-mile demand for tankers.

# CARGO VOLUMES AND TONNE-MILES

## CPPs and Chemicals



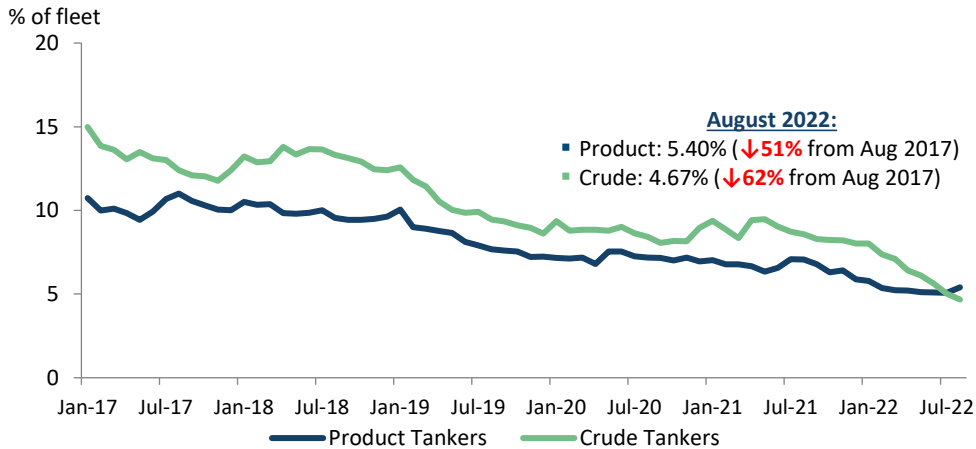
## Crude



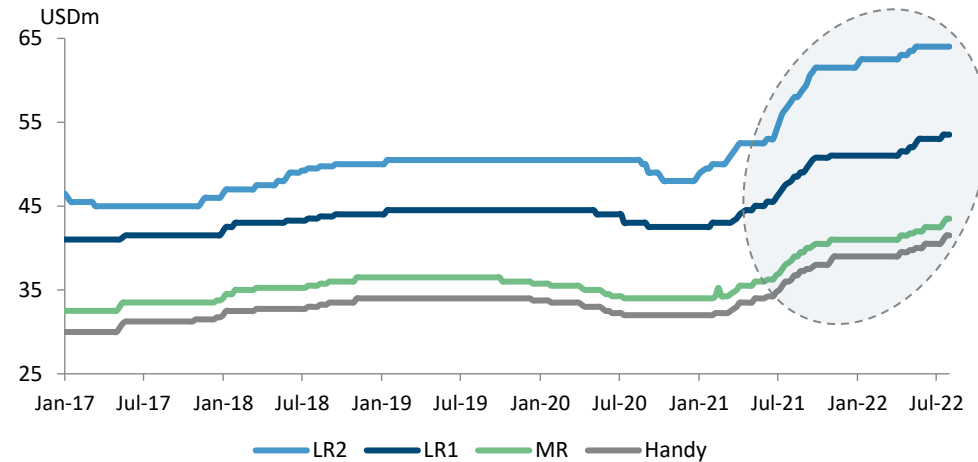
- Cargo volumes and tonne-miles for CPP and chemicals have recovered strongly from pre-pandemic levels compared to crude counterparts.
- Refinery dislocation and the redrawing of oil trading patterns following the situation in Ukraine is leading to longer voyages, mainly from the East into the Atlantic.

# GLOBAL PRODUCT TANKER FLEET

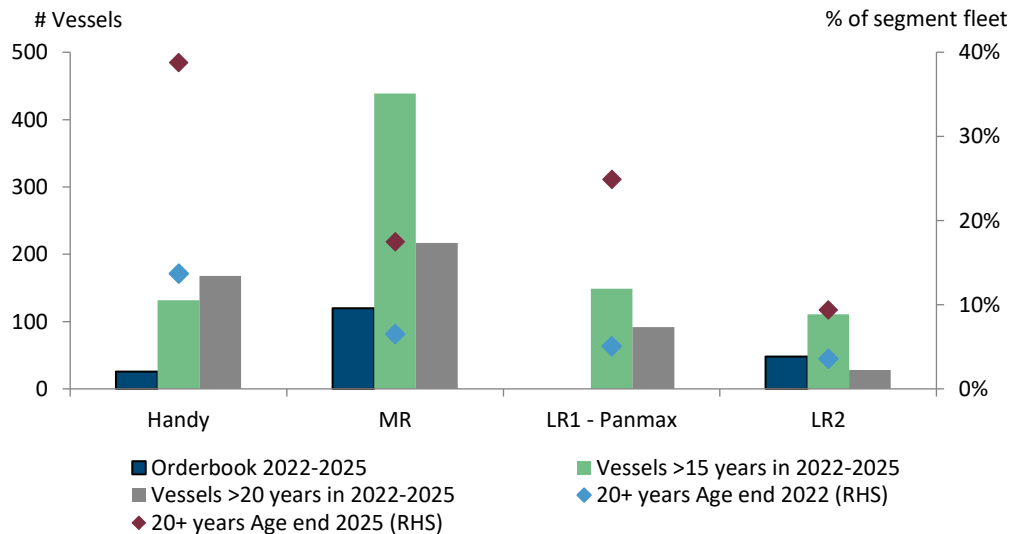
## Tanker Orderbook % Fleet (DWT)



## Increasing Newbuild Prices



## Tankers Newbuild vs Ageing



- Capacity side will not see much changes as yards are fully booked till 2024, giving high visibility on supply of tankers with little risk of additional orders.
- Orderbook of tankers are at low levels and we can expect this number to further drop due to increasing newbuild prices and ambiguity around energy and regulatory environment.
- Additionally, scrapping levels has been running at increased levels due to the ageing profile of product tankers.

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# HAFNIA'S ESG STRATEGY

## Environment



### Reduce our environmental impact



- ✓ Zero oil/ chemical spill
- ✓ -2% reduction of plastic over year
- ✓ **2030:** 40% reduction of our fleet carbon intensity compared to 2008
- ✓ **2050:** 50% reduction of our total GHG emissions compared to 2008

#### Key initiatives

- Vessels optimisation resulting in fuel savings and overall vessel efficiency
- Low emission vessels- e.g. using LNG as propulsion
- Minimisation of waste and pollution
- Ship recycling policy to ensure responsible ship recycling

## Social



### Ensure a fair, safe and inclusive work environment, where everyone is encouraged to achieve their full potential



- ✓ Zero harm to people
- ✓ **2025:** > **35%** of women in the organization on shore
- ✓ **2030:** > **40%** of women in the organization on shore
- ✓ **2025:** > **29%** of Executive Management Team consists of females

#### Key initiatives

- Signed the “Neptune Declaration” to resolve current and future crewing challenge
- Member of Diversity Study Group
- Co-creation of Seacode, a program to solve challenge faced by women in shipping
- Strong health & safety procedures and mental health and well-being initiatives

## Governance



### Uphold the highest corporate governance standards, professionalism and business integrity across all activities



- ✓ **2022:** 100% of employees trained in the Hafnia Code of Conduct and key compliance pillars (sanctions, GDPR, anti-competition and anti-corruption and anti-bribery)

#### Key initiatives

- Member of Maritime Anti-Corruption Network (MACN)
- Dedicated compliance program
- Implementation of effective risk management processes to ensure long-term sustainable performance

## Partnerships & Open innovation



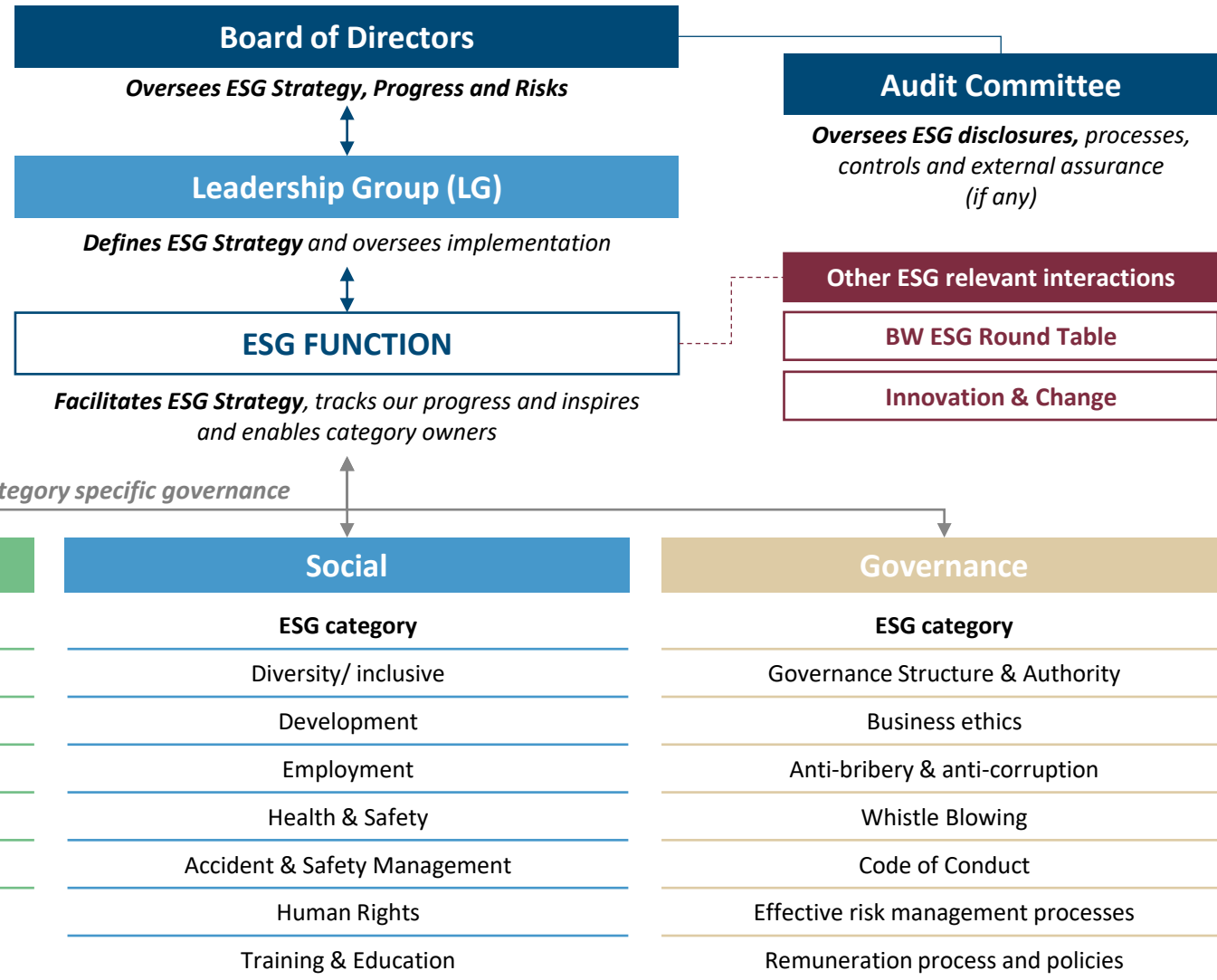
- ✓ Hafnia is partnering with Diginex Solutions, a world-leading sustainability-focused Impact Tech company, to bolster the digital collection, management, and reporting of our Environmental, Social, and Governmental (ESG) data.



- ✓ Hafnia, Anglo American, RightShip, Rio Tinto, Thome Group, and Wilhelmsen have joined forces to launch the Maritime Diversity, Equity & Inclusion (DEI) Innovation Lab 2022. The aim of the innovation lab is to uncover powerful ideas through crowdsourcing and applying rapid and agile methodology from ideation through to product development.

# GOVERNANCE OF ESG IN HAFNIA

- Governance of ESG strategy is anchored with the Board of Directors and the Leadership Group.
- Ownership and responsibility to drive actions across the 19 materiality issues is anchored with the business leads to ensure alignment with business priorities and a long-term focus on ESG.
- An ESG function to ensure effective execution, coordination and communication of our ESG efforts.



**THANK YOU**

[www.hafniabw.com](http://www.hafniabw.com)

BW GALATEA

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