An aerial photograph of a large offshore supply vessel, likely a T-ESV, sailing on the ocean. The ship is white with a dark hull and features a prominent superstructure at the stern with a circular logo. The deck is equipped with various cranes and equipment. The ship is moving towards the right, leaving a white wake in the dark blue water.

Hafnia Limited

Condensed Consolidated Interim Financial Information Q2 and H1 2022



Following a solid summer period for product tankers, I am pleased to announce that Hafnia in Q2 has delivered the best quarterly result in our Company's history. We already now know that Q3 will prove significantly stronger.

In Q2, we achieved a net profit of USD 186.2 million, bringing our net profit in the first six months to USD 207.5 million. With that, I am also happy to announce a 50% dividend pay-out of USD 0.1862 per share or USD 93.1 million for this quarter, reinforcing our ability to produce strong shareholder returns.

The demand for clean petroleum products has continued to increase, paving the way for a rebound in product trade. The redrawing of global trading routes due to the war in Ukraine has also lent support to longer trading distances, boosting tanker ton-mile demand. Consequentially, Q2 experienced a significant increase in product tanker freight rates due to improving fundamentals. With product inventories below the long-term average and a historic low order book for deliveries of newbuilds and new trading routes leading to longer distances, we can expect the tanker market upturn to continue in the upcoming quarters. As of 23 August, we have for Q3 covered 72% of the earning days at an average of USD 36,504 per day.

Hafnia is additionally proud this quarter to announce the addition of two pillars to our successful pool management business. We have recently set up new pools in both the LR2 and chemical segments, filling the only gap in Hafnia's portfolio of product tanker pools and further incorporating the added capabilities of our new chemical fleet. We look forward to operating these new pools and believe the synergies with our existing business will further broaden our service offering and sector relations.

Finally, I would like to extend my gratitude to the entire team at Hafnia, and our trusted partners, without whom none of this would be possible. Looking ahead, we will continue to utilize our well-positioned modern fleet to take advantage of the continued upturn in the product tanker market and seek further opportunities to extend the level of services to all existing and new customers.

- Mikael Skov, CEO Hafnia

Summary

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Highlights – Q2 and H1 2022

Financial – Q2

Time Charter Equivalent (TCE) earnings for Hafnia Limited (the "Company" or "Hafnia", together with its subsidiaries, the "Group") were USD 348.3 million in Q2 2022 (Q2 2021: USD 101.6 million) resulting in an average TCE of USD 29,077 per day.

EBITDA was USD 257.5 million in Q2 2022 (Q2 2021: USD 37.9 million).

In Q2 2022, Hafnia recorded a net profit of USD 186.2 million equivalent to earnings per share¹ of USD 0.41 per share (Q2 2021: net loss of USD 11.2 million equivalent to a loss per share of USD 0.03 per share).

The commercially managed pool business generated an income of USD 8.5 million (Q2 2021: USD 5.4 million).

As of 23 August 2022, 72% of total earning days of the fleet were covered for Q3 at USD 36,504 per day.

Operating cash flow breakeven was USD 14,974 per day in the quarter.

Financial – H1

Time Charter Equivalent (TCE) earnings for Hafnia Limited (the "Company" or "Hafnia", together with its subsidiaries, the "Group") were USD 511.7 million in H1 2022 (H1 2021: 201.6 million). EBITDA was USD 345.0 million in H1 2022 (H1 2021: 75.0 million).

In H1 2022, Hafnia recorded a net profit of USD 207.5 million and earnings per share of USD 0.46 per share (H1 2021: net loss of 26.9 million and loss per share of USD 0.07 per share).

The commercially managed pool business generated an income of USD 14.5 million.

¹ Based on weighted average number of shares at 30 June 2022

Market

Due to increased global oil demand and rising ton-mile both for ballast and laden miles steamed, the product tanker market fundamentals improved in Q2, with rates across all vessel segments increasing significantly. The recent surge in European natural gas prices has led to a widening gas premium over oil products, causing fuel switching from natural gas to oil products for power generation in Europe. This situation is expected to persist and increase oil consumption further, reaching 99.7 mb/d in 2022 and 101.8 mb/d in 2023, according to IEA.

However, persistent high commodity prices, deceleration of economic activity with a looming recession and resurgence in covid outbreaks in China prompting renewed lockdowns, casts a cloud of uncertainty on future oil demand.

World oil supply has also been gathering pace, reaching a post-pandemic high of 100.5 mb/d in July, mainly attributed to higher output from the US, Canada and Kazakhstan. OPEC+ agreed at its August meeting to raise its supply target by 0.1 mb/d for September.

The US and European sanctions on Russia have also led to increased transportation demand as Asian buyers stepped in to take advantage of the cheap crude. Further, the EU embargo on Russian crude and product coming into effect in February 2023, will result in further transportation demand as export to non-EU markets is allowed.

For H2 2022, world oil production is forecasted to grow by 1 mb/d to reach 101.6 mb/d due to higher flows from the US, Libya, and Kazakhstan, more than offsetting the decrease from Russia.

Global oil inventories that have been drawn to below long-term averages are now expected to build up for the remainder of the year by approximately 0.9 mb/d, helping to alleviate market tightness and ease oil prices. Inventories for clean products remain on a declining trend into Q3. Dislocation between refining of clean products and end user demand is increasing with build ups in Middle and South East Asia in comparison with draws West of Suez. As described previously, world oil production will supersede demand for Q4 2022. However according to IEA data, a build in inventories is short lived as demand is set to catch up by early 2023.

With these improving fundamentals, the outlook for the product tanker market remains positive. Higher ton-mile demand for product tankers as a result of the new oil trading routes and growing demand for jet fuel will lend support for improved product tanker utilisation and earnings.

Fleet

At the end of the quarter, Hafnia had 129 owned vessels¹ and 13 chartered-in vessels. The total fleet of the Group comprises six LR2s, 42 LR1s¹ (including four bareboat-chartered in and four time-chartered in), 52 MRs (including nine time-chartered in), 10 Handy¹ vessels. The chemical tankers fleet includes six Chemical - MR vessels, 18 Chemical - Handy vessels and eight Chemical - Stainless vessels (classified as assets held for sale) which are bareboat-chartered in.

The average estimated broker value of the owned fleet was USD 3,526 million⁴, of which the LR2 vessels had a broker value of USD 356 million, the LR1 vessels had a broker value of USD 1,044 million², the MR vessels had a broker value of USD 1,211 million³, the Handy vessels had a broker value of USD 192 million, the Chemical - MR vessels had a broker value of USD 206 million and the Chemical - Handy vessels had a broker value of USD 517 million.

In Q2 2022, Hafnia sold two LR1 vessels for USD 23 million and one Handy vessel for USD 12 million in gross sale proceeds; while committing to the sale of one Handy vessel for USD 10 million and one LR1 vessel for USD 12 million in Q3 2022. As at Q2 2022, the average age of Hafnia's owned fleet is 7.7 years.

As at Q2 2022, the fleet chartered-in had a right-of-use asset book value of USD 91 million with a corresponding lease liability of USD 97 million.

In Q3 2022, Hafnia sold one LR1 vessel and three Handy vessels. The vessel sales in Q2 and Q3 2022 have led to a decrease in the average age of Hafnia's owned fleet by 0.6 years.

Dividend

Hafnia will pay a quarterly dividend of USD 0.1862 per share. Record date will be 2 September 2022 with ex. Dividend date of 1 September 2022 and payment on 12 September 2022. Please see separate announcement for dividend.

Conference call

Hafnia will host a conference call for investors and financial analysts at 8:30 pm SGT/2:30 pm CET/8:30 am EST.

The investor presentation will be available via live video webcast via the following link: [Click here](#)

Or call in (audio only): +45 32 72 66 19,,558597439# Copenhagen, Denmark

Contact Hafnia

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¹ Including bareboat chartered in vessels; six LR1s owned through 50% ownership in the Vista Joint Venture and two MRs owned through 50% ownership in the Andromeda Joint Venture; eight Chemical - Stainless vessels, one LR1 vessel and one Handy vessel which are classified as assets held for sale

² Including USD 127 million relating to Hafnia's 50% share of six LR1s owned through 50% ownership in the Vista Joint Venture

³ Including USD 42 million relating to Hafnia's 50% share of two MRs owned through 50% ownership in the Andromeda Joint Venture

⁴ Excluding eight Chemical - Stainless vessels, one LR1 vessel and one MR vessel which are classified as assets held for sale

Safe Harbour Statement

Disclaimer regarding forward-looking statements in the interim report

This interim report includes “Forward-looking Statements” that reflect Hafnia’s current views with respect to future events and financial and operational performance.

These Forward-looking Statements may be identified by the use of forward-looking terminology, such as the terms “anticipates”, “assumes”, “believes”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “should”, “projects”, “will”, “would” or, in each case, their negative, or other variations or comparable terminology. These Forward-looking Statements are, as a general matter, statements other than statements as to historic facts or present facts and circumstances. They include statements regarding Hafnia’s intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group’s future business development, financial performance and the industry in which the Group operates.

Prospective investors in Hafnia are cautioned that Forward-looking Statements are not guarantees of future performance and that the Group’s actual financial position, operating results and liquidity, and the development of the industry and potential market in which the Group may operate in the future, may differ materially from those made in, or suggested by, the Forward-looking Statements contained in this report. Hafnia cannot guarantee that the intentions, beliefs or current expectations upon which its Forward-looking Statements are based, will occur.

By their nature, Forward-looking Statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the Forward-looking Statements. These Forward-looking Statements speak only as at the date on which they are made. Hafnia undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral Forward-looking Statements attributable to Hafnia or to persons acting on Hafnia’s behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this report.

Key figures

USD million	Q1 2022	Q2 2022	H1 2022
Income Statement			
Operating revenue	267.3	467.8	735.1
TCE income	163.4	348.3	511.7
EBITDA	87.5	257.5	345.0
Operating profit (EBIT)	36.7	206.9	243.6
Financial items	(15.7)	(24.8)	(40.5)
Share of profit from associate and joint ventures	1.1	7.2	8.3
Profit before tax	22.0	189.4	211.4
Profit for the period	21.3	186.2	207.5
Balance Sheet			
Total assets	3,715.4	4,065.9	4,065.9
Total liabilities	2,331.8	2,391.7	2,391.7
Total equity	1,383.6	1,674.2	1,674.2
Cash and cash equivalents	74.0	87.5	87.5
Key financial figures			
Return on Equity (RoE) (p.a.) ¹	6.8%	53.5%	29.8%
Return on Invested Capital (p.a.) ^{1,3}	5.1%	27.6%	16.2%
Equity ratio	37.2%	41.2%	41.2%
Net loan-to-value (LTV) ratio ²	64.0%	55.7%	55.7%

¹ Annualised

² LTV ratio is calculated as borrowings on the vessels (net of cash) divided by vessel values.

³ ROIC is calculated using annualised EBIT less tax

For the 3 months ended 30 June 2022	LR2	LR1	Non-pool Panamax ⁵	MR	Handy	Chemical - Handy	Chemical - MR	Chemical - Stainless	Total
Vessels on water at the end of the period ¹	6	35	1	46	9	6	18	8	134
Total operating days ²	544	2,937	146	4,474	980	1,638	546	714	11,979
Total calendar days (excluding TC-in)	546	2,605	160	3,731	998	1,638	546	728	10,952
TCE (USD per operating day)	34,601	37,149	29,379	29,035	25,426	21,289	25,228	17,670	29,077
OPEX (USD per calendar day) ³	6,884	7,559	8,368	7,009	7,005	6,617	6,712	6,380	7,038
G&A (USD per operating day) ⁴									864

Vessels on balance sheet

As at 30 June 2022, total assets amounted to USD 4,065.9 million. USD 2,914.9 million representing the carrying value of the Group's vessels including dry docking but excluding right-of-use of assets, is as follows:

Balance Sheet USD million	LR2	LR1	MR	Handy	Chemical - Handy	Chemical - MR	Total
Vessels (including dry-dock)	270.4	773.6	1,059.4	172.5	459.6	179.4	2,914.9

¹ Excluding six LR1s owned through 50% ownership in the Vista Joint Venture and two MRs owned through 50% ownership in the Andromeda Joint Venture and including eight Chemical - Stainless vessels, one LR1 vessel and one Handy vessel which are classified as assets held for sale

² Total operating days include operating days for vessels that are time chartered-in.

³ OPEX includes vessel running costs and technical management fees.

⁴ G&A includes all expenses and is adjusted for cost incurred in managing external vessels.

⁵ Non-pool Panamax at the end of Q2 2022 consists of BW Lara

Cash and cash flows

Cash and cash equivalents amounted to USD 87.5 million as of 30 June 2022 (30 June 2021: USD 86.0 million).

Operating activities generated a net cash inflow of USD 126.4 million in Q2 2022 (Q2 2021: net cash inflow of USD 43.2 million).

Cash flows from operating activities were principally utilised for vessel drydocking costs and repayments of bank borrowings and interest.

Investing activities resulted in a net cash outflow of USD 192.6 million in Q2 2022 (Q2 2021: net cash inflow of USD 0.7 million).

Financing activities resulted in a net cash inflow of USD 79.7 million in Q2 2022 (Q2 2021: net cash outflow of USD 49.1 million).

In Q2 2022, Hafnia repaid an additional USD 95.4 million of debt arising from its revolving credit facilities.





Dividend

Hafnia targets a quarterly dividend based on a pay-out ratio of 50% of annual net profit, adjusted for extraordinary items. The final amount of dividend is to be decided by the Board of Directors. In addition to cash dividends, the Company may buy back shares as part of its total distribution to shareholders.

In deciding whether to declare a dividend and determining the dividend amount, the Board of Directors will take into account the Group's capital requirements, including capital expenditure commitments, financial condition, general business conditions, legal restrictions, and any restrictions under borrowing arrangements or other contractual arrangements in place at the time.

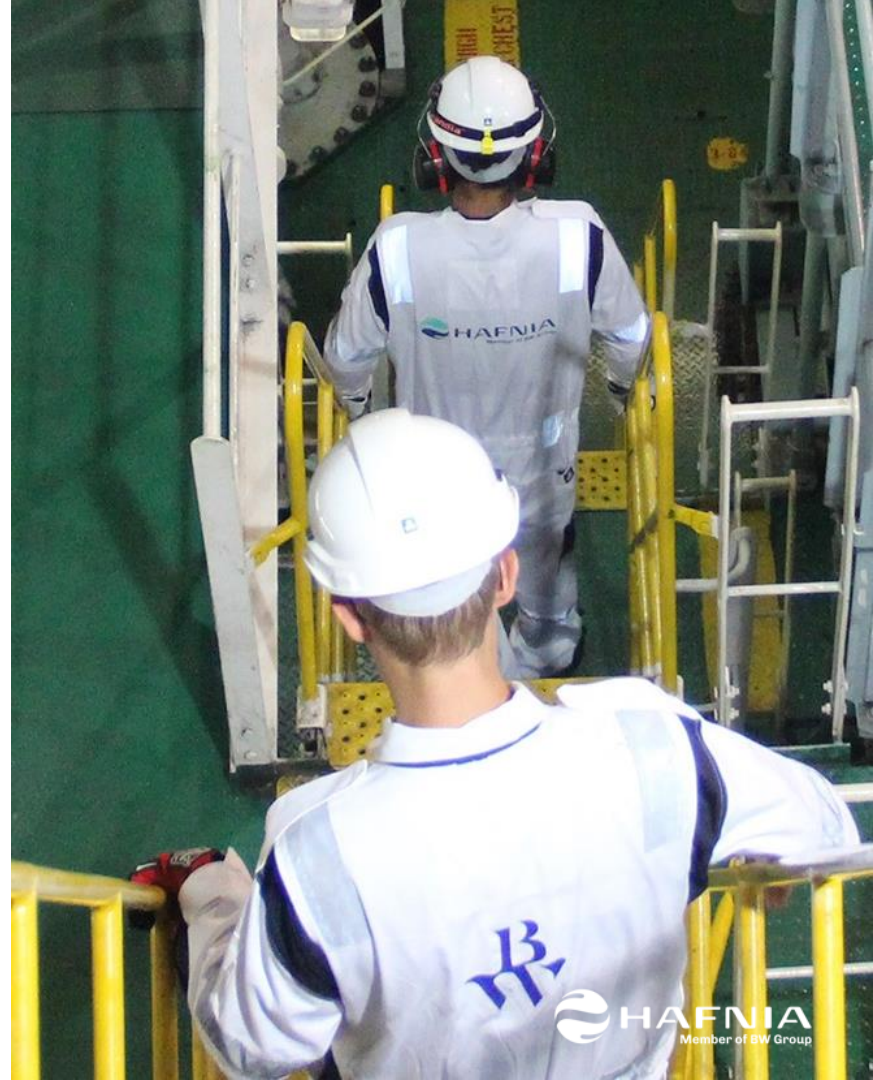
Dividend for Q2

The board has set the quarterly payout ratio at 50% for Q2.

As the payout ratio is an annual target, it may vary from quarter to quarter.

Coverage of earning days

As of 23 August 2022, 72% of the total earning days in Q3 2022 were covered at USD 36,504 per day. The table on the next page shows the figures for Q3 2022, Q3 to Q4 2022 and the full year of 2023.



Fleet overview	Q3 2022	Q3 to Q4 2022	2023
Owned ships, # of vessels			
LR2	6.0	6.0	6.0
LR1	14.2	14.1	14.0
MR	41.0	41.0	41.0
Handy	7.1	6.5	6.0
Chemical - MR	-	-	-
Chemical - Handy	-	-	-
Chemical - Stainless	-	-	-
Total	68.3	67.6	67.0
Charter-in and leaseback ships, # of vessels			
LR2	-	-	-
LR1	20.1	20.1	20.0
MR	9.0	9.0	8.5
Handy	-	-	-
Chemical - MR	6.0	6.0	6.0
Chemical - Handy	18.0	18.0	18.0
Chemical - Stainless	4.1	2.2	-
Total	57.2	55.3	52.5
Vista joint venture ships¹, # of vessels			
LR2	-	-	2.0
LR1	6.0	6.0	6.0
MR	2.0	2.0	2.0
Handy	-	-	-
Chemical - MR	-	-	-
Chemical - Handy	-	-	-
Chemical - Stainless	-	-	-
Total	8.0	8.0	10.0

Coverage of earning days is prepared as of 23 August 2022

¹ The figures are presented on a 100% basis. The JV vessels are owned through Hafnia's 50% participation in the Vista and Andromeda joint ventures

	Q3 2022	Q3 to Q4 2022	2023
Total ships, # of vessels			
LR2	6.0	6.0	8.0
LR1	40.3	40.2	40.0
MR	52.0	52.0	51.5
Handy	7.1	6.5	6.0
Chemical - MR	6.0	6.0	6.0
Chemical - Handy	18.0	18.0	18.0
Chemical - Stainless	4.1	2.2	-
Total	133.5	130.9	129.5
Covered, %			
LR2	84%	67%	24%
LR1	70%	37%	1%
MR	71%	42%	5%
Handy	68%	44%	11%
Chemical - MR	62%	31%	-
Chemical - Handy	77%	40%	-
Chemical - Stainless	83%	76%	-
Total	72%	42%	4%
Covered rates, USD per day			
LR2	33,446	29,117	21,836
LR1	45,769	44,247	17,415
MR	35,626	32,620	15,699
Handy	25,527	24,578	20,042
Chemical - MR	42,249	42,249	-
Chemical - Handy	27,908	27,959	-
Chemical - Stainless	17,680	17,680	-
Total	36,504	34,394	18,412

Coverage of earning days is prepared as of 23 August 2022

Tanker segment results

LR2	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Operating days (owned)	552	552	540	544
Operating days (TC - in)	-	-	-	-
TCE (USD per operating day) ¹	22,816	21,293	22,729	34,601
Calendar days (excluding TC - in)	552	552	540	546
OPEX (USD per calendar day)	6,631	7,285	6,568 ²	6,884

MR	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Operating days (owned)	3,693	3,693	3,653	3,656
Operating days (TC - in)	551	659	810	818
TCE (USD per operating day) ¹	9,955	12,942	16,152	29,035
Calendar days (excluding TC - in)	3,772	3,772	3,690	3,731
OPEX (USD per calendar day)	6,814	7,437	6,619 ²	7,009

LR1*	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Operating days (owned)	2,008	1,951	1,928	2,628
Operating days (TC - in)	338	414	538	455
TCE (USD per operating day) ¹	9,719	12,560	14,780	36,781
Calendar days (excluding TC - in)	2,030	2,024	2,102	2,765
OPEX (USD per calendar day)	6,958	7,119	6,822 ²	7,606

HANDY	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Operating days (owned)	1,195	1,194	1,020	980
Operating days (TC - in)	-	-	-	-
TCE (USD per operating day) ¹	9,275	12,402	16,049	25,426
Calendar days (excluding TC - in)	1,196	1,195	1,039	998
OPEX (USD per calendar day)	6,647	6,565	6,491 ²	7,005

¹ TCE represents gross TCE income after adding back pool commissions.

² OPEX is generally expected to be lower in the first quarter of the financial year.

* Including non-pool Panamax.

Tanker segment results

Chemical - MR	Q1 2022	Q2 2022
Operating days (owned)	345	546
Operating days (TC - in)	-	-
TCE (USD per operating day)	15,511	25,228
Calendar days (excluding TC - in)	354	546
OPEX (USD per calendar day)	6,630	6,712

Chemical - Stainless	Q1 2022	Q2 2022
Operating days (owned)	472	714
Operating days (TC - in)	-	-
TCE (USD per operating day)	17,228	17,670
Calendar days (excluding TC - in)	472	728
OPEX (USD per calendar day)	5,982	6,380

Chemical - Handy	Q1 2022	Q2 2022
Operating days (owned)	1,062	1,638
Operating days (TC - in)	-	-
TCE (USD per operating day)	12,003	21,289
Calendar days (excluding TC - in)	1,062	1,638
OPEX (USD per calendar day)	7,559	6,617

Risk factors

The Group's results are largely dependent on the worldwide market for transportation of refined oil products. Market conditions for shipping activities are typically volatile and, as a consequence, the results may vary considerably from year to year. The market in broad terms is dependent upon two factors: the supply of vessels and the demand for oil products. The supply of vessels depends on the number of newbuilds entering the market, the demolition of older tonnage and legislation that limits the use of older vessels or sets new standards for vessels used in specific trades. The demand side depends mainly on developments in global economic activity.

The Group is also exposed to risk in respect of increases in operating costs, such as fuel oil costs. Fuel oil prices are affected by the global political and economic environment. For voyage contracts, the current fuel costs are priced into the contracts. Other risks that Management takes into account are interest rate risk, credit risk, liquidity risk and capital risk. These risks, along with mitigation strategies, are further described in section 8 of the Annual Report 2021 and note 25 of the consolidated financial statements of the Group for the financial year ended 2021 and are principal risks for the remaining six months of 2022.



Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2022 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group’s assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that this interim report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Andreas Sohmen-Pao

John Ridgway

Peter Read

Ouma Sananikone

Erik Bartnes

Guillaume Philippe Gerry Bayol

27 August 2022

Consolidated interim statement of comprehensive income

	For the 3 months ended 30 June 2022 USD'000	For the 3 months ended 30 June 2021 USD'000	For the 6 months ended 30 June 2022 USD'000	For the 6 months ended 30 June 2021 USD'000
Revenue	467,764	197,986	735,095	377,327
Voyage expenses	(119,457)	(96,315)	(223,409)	(175,695)
TCE income¹	348,307	101,671	511,686	201,632
Other operating income	8,521	5,411	14,506	10,020
Vessel operating expenses	(70,971)	(49,119)	(128,360)	(94,731)
Technical management expenses	(6,058)	(4,252)	(10,905)	(8,006)
Charter hire expenses	(8,612)	(5,165)	(17,616)	(10,213)
General and administrative expenses	(13,729)	(10,645)	(24,314)	(23,737)
Operating profit before depreciation and amortisation	257,458	37,901	344,997	74,965
Depreciation and amortisation charges	(52,974)	(37,502)	(101,958)	(74,729)
Gain/(loss) on disposal of vessel	2,476	-	614	(420)
Write-down on reclassification to asset held for sale	(37)	(1,332)	(37)	(2,914)
Operating profit/(loss)	206,923	(933)	243,616	(3,098)
Interest income	1,042	340	1,942	628
Interest expense	(23,974)	(8,526)	(39,301)	(20,453)
Other finance expense	(1,843)	(822)	(3,116)	(1,913)
Finance expense – net	(24,775)	(9,008)	(40,475)	(21,738)
Share of profit/(loss) from associate and joint ventures	7,245	(630)	8,295	(891)
Profit/(loss) before income tax	189,393	(10,571)	211,436	(25,727)
Income tax expense	(3,190)	(635)	(3,922)	(1,132)
Profit/(loss) after tax	186,203	(11,206)	207,514	(26,859)

¹ TCE income" denotes "time charter equivalent income" which represents revenue from time charters and voyage charters less voyage expenses comprising primarily commission, fuel oil and port charges. TCE is a standard measure used in the shipping industry for reporting of income, providing improved comparability across different types of charters.

	Note	For the 3 months ended 30 June 2022 USD'000	For the 3 months ended 30 June 2021 USD'000	For the 6 months ended 30 June 2022 USD'000	For the 6 months ended 30 June 2021 USD'000
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss:					
Foreign operations - foreign currency translation differences		5	13	3	13
Cash flow hedges					
- Fair value gains		18,367	(1,913)	46,518	4,288
- Reclassification to profit or loss		938	1,325	2,477	4,010
Other comprehensive income/(loss), net of tax		19,310	(575)	48,998	8,311
Total comprehensive income/(loss) for the period		205,513	(11,781)	256,512	(18,548)
Earnings per share attributable to the equity holders of the Company					
Basic no. of shares ²		455,457,878	363,127,907	455,457,878	363,096,319
Basic earnings /(losses) in USD per share		0.41	(0.03)	0.46	(0.07)
Diluted no. of shares ²		465,758,764	372,329,059	465,758,764	370,092,186
Diluted earnings /(losses) in USD per share		0.40	(0.03)	0.45	(0.07)

² On 9 May 2022, Hafnia issued 37,600,000 new shares following a successful private placement. The number of shares presented here represent the weighed average number of shares. As at 30 June 2022, Hafnia has 499,957,016 outstanding shares. Refer to note 6 for more details on Hafnia's issued and fully paid share capital.

Consolidated balance sheet

	As at 30 June 2022 USD'000	As at 31 December 2021 USD'000
Vessels	2,821,753	1,909,534
Dry docking and scrubbers	93,205	63,414
Right-of-use assets	90,611	111,529
Other property, plant and equipment	865	266
Total property, plant and equipment	3,006,434	2,084,743
Restricted cash	4,780	-
Investment in associate and joint ventures	25,327	15,218
Other investment	3,779	3,501
Loans receivable from joint venture	69,558	60,229
Deferred tax assets	36	36
Derivative financial instruments	47,432	675
Intangible assets	3,002	3,572
Total other non-current assets	153,914	83,231
Total non-current assets	3,160,348	2,167,974
Loans receivable from pool participants	42,454	34,865
Assets held for sale	262,406	-
Inventories	11,624	6,661
Trade and other receivables	500,891	201,123
Derivative financial instruments	702	252
Cash and cash equivalents	87,485	100,075
Total current assets	905,562	342,976
Total assets	4,065,910	2,510,950

	As at 30 June 2022 USD'000	As at 31 December 2021 USD'000
Share capital	5,000	3,703
Share premium	1,008,515	704,834
Contributed surplus	537,112	537,112
Other reserves	52,528	5,150
Treasury shares	-	(12,832)
Retained earnings/(accumulated losses)	71,060	(125,955)
Total shareholders' equity	1,674,215	1,112,012
Borrowings	1,748,837	1,082,829
Derivative financial instruments	-	306
Total non-current liabilities	1,748,837	1,083,135
Liabilities associated with assets held for sale	167,016	-
Current income tax liabilities	2,355	2,018
Derivative financial instruments	2,528	21
Trade and other payables	161,437	65,390
Borrowings	309,522	248,374
Total current liabilities	642,858	315,803
Total liabilities	2,391,695	1,398,938
Total equity and liabilities	4,065,910	2,510,950

Consolidated interim statement of changes in equity

	Share Capital USD'000	Share Premium USD'000	Contributed Surplus USD'000	Translation reserve USD'000	Hedging reserve USD'000	Treasury shares USD'000	Share-based payment reserve USD'000	Retained earnings/ (accumulated losses) USD'000	Total USD'000
Balance at 1 January 2022	3,703	704,834	537,112	(35)	348	(12,832)	4,837	(125,955)	1,112,012
Issue of common shares (net of capitalised equity raise costs)	1,297	303,681	-	-	-	12,832	-	-	317,810
Equity-settled share-based payment	-	-	-	-	-	-	857	-	857
Dividends paid	-	-	-	-	-	-	-	(10,499)	(10,499)
Total comprehensive income									
Profit for the financial period	-	-	-	-	-	-	-	207,514	207,514
Other comprehensive income	-	-	-	3	46,518	-	-	-	46,521
Balance at 30 June 2022	5,000	1,008,515	537,112	(32)	46,866	-	5,694	71,060	1,674,215
Balance at 1 January 2021	3,703	704,834	537,112	(34)	(15,973)	(13,001)	1,859	(70,462)	1,148,038
Equity-settled share-based payment	-	-	-	-	-	169	2,978	-	3,147
Total comprehensive income									
Loss for the financial period	-	-	-	-	-	-	-	(55,493)	(55,493)
Other comprehensive income	-	-	-	(1)	16,321	-	-	-	16,320
Balance at 31 December 2021	3,703	704,834	537,112	(35)	348	(12,832)	4,837	(125,955)	1,112,012

Consolidated statement of cash flows

	For the 3 months ended 30 June 2022 USD'000	For the 3 months ended 30 June 2021 USD'000	For the 6 months ended 30 June 2022 USD'000	For the 6 months ended 30 June 2021 USD'000
Cash flows from operating activities				
Profit/(loss) for the financial period	186,203	(11,206)	207,514	(26,859)
Adjustments for:				
- depreciation and amortisation charges	52,974	37,502	101,958	74,729
- write-down on classification to asset held for sale	37	1,752	37	2,914
- (gain)/loss on disposal of vessel	(2,476)	-	(614)	420
- interest income	(1,042)	(340)	(1,942)	(628)
- interest expense	23,974	8,526	39,301	20,453
- other finance expense	1,843	822	3,116	1,913
- income tax expense	3,190	635	3,922	1,132
- share of (profit)/loss of equity accounted investees, net of tax	(7,245)	630	(8,295)	891
- equity-settled share based payment transactions	464	828	857	1,910
Operating cash flow before working capital changes	257,922	39,149	345,854	76,875
Changes in working capital:				
- inventories	324	(299)	(1,795)	(573)
- trade and other receivables	(200,575)	399	(261,896)	2,531
- trade and other payables	71,278	4,930	76,612	(4,310)
Cash generated from operations	128,949	44,179	158,775	74,523
Income tax paid	(2,575)	(943)	(3,585)	(1,247)
Net cash provided by operating activities	126,374	43,236	155,190	73,276
Cash flows from investing activities				
Loan to joint venture company	(8,550)	(500)	(8,550)	(2,000)
Acquisition of other investment	(10)	-	(278)	(3,000)
Purchase of property, plant and equipment	(213,767)	(9,655)	(433,316)	(18,857)

	For the 3 months ended 30 June 2022 USD'000	For the 3 months ended 30 June 2021 USD'000	For the 6 months ended 30 June 2022 USD'000	For the 6 months ended 30 June 2021 USD'000
Loan to pool participants	(5,244)	-	(7,377)	-
Purchase of intangible assets	(19)	(229)	(41)	(229)
Acquisition of subsidiaries, net of cash acquired	-	-	4,195	-
Equity investment in joint venture	-	-	(1,814)	-
Proceeds from disposal of vessel	34,434	-	43,344	-
Proceeds from disposal of assets held for sale	-	11,035	-	22,035
Interest income received	606	20	951	55
Net cash provided by/(used in) investing activities	(192,550)	671	(402,886)	(1,996)
Cash flows from financing activities				
Proceeds from borrowings from external financial institutions	212,782	7,955	440,257	372,035
Proceeds from borrowings from a related party	2,500	-	3,750	-
Proceeds from equity raise	97,780	-	97,780	-
Repayment of borrowings to external financial institutions	(123,528)	(39,128)	(150,180)	(416,994)
Repayment of borrowings to a related party	(10,000)	-	(10,000)	(195)
Repayment of borrowings to non-related parties	(21)	(5)	(174)	-
Repayment of finance lease liabilities	(37,217)	(3,077)	(55,631)	(4,901)
Repayment of other lease liabilities	(27,802)	(8,341)	(40,104)	(16,475)
Payment of equity raise costs	(180)	-	(1,118)	-
Payment of financing fees to external financing institutions	(761)	(5,605)	(2,046)	(3,753)
Interest paid to external financial institutions	(22,940)	(18)	(35,385)	(14,084)
Interest paid to third party	(3)	-	(10)	(18)
Other finance expense paid	(435)	(875)	(1,534)	(1,610)
Dividends paid	(10,499)	-	(10,499)	-
Net cash provided by/(used in) financing activities	79,676	(49,094)	235,106	(85,995)
Net increase/(decrease) in cash and cash equivalents	13,500	(5,187)	(12,590)	(14,715)
Cash and cash equivalents at beginning of the financial period	73,985	91,143	100,075	100,671
Cash and cash equivalents at end of the financial period	87,485	85,956	87,485	85,956

Restricted cash within cash and cash equivalents

Restricted cash within cash and cash equivalents at the end of the financial period includes USD 6.3 million (31 December 2021: USD Nil million) of cash equivalents held in futures trading and debt service reserve accounts that are not available for general use by the Group.

Notes to the condensed consolidated interim financial information

These notes form an integral part of and should be read in conjunction with the accompanying condensed consolidated interim financial statements.



General information

Hafnia Limited (the “Company”), formerly known as BW Tankers Limited, is incorporated and domiciled in Bermuda. The address of its registered office is Washington Mall Phase 2, 4th Floor, Suite 400, 22 Church Street, HM 1189, Hamilton HM EX, Bermuda.

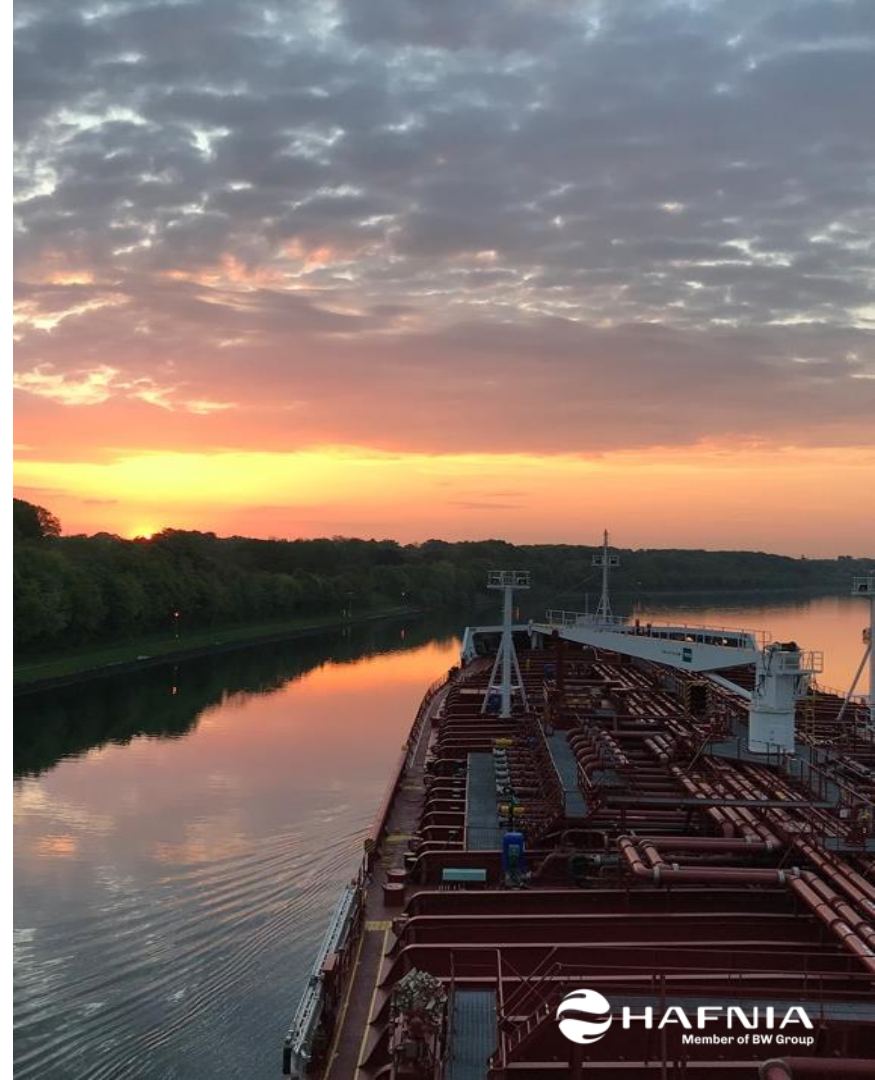
The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are shipowning and chartering.

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Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.



Changes in accounting policies

Amendments to published standards effective from 1 Jan 2022

- (a) Amendments:
- Annual Improvements to IFRS Standards 2018 – 2020 (effective 1 January 2022 or later)
 - Property, plant and equipment – Proceeds before Intended Use (Amendments to IAS 16) (effective 1 January 2022 or later)
 - Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) (effective 1 January 2022 or later)
 - Reference to the Conceptual Framework (Amendments to IFRS 3) (effective 1 January 2022 or later)

New standard and amendments to published standards, effective in 2022 and subsequent years

The following new standard and amendments, which are relevant to the Group's operations but have not been early adopted, have been published and are mandatory for accounting periods beginning on or after 1 January 2022 (or otherwise stated) or later periods:

- (a) Amendments:
- Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2) (effective 1 January 2023 or later)
 - Definition of Accounting Estimates (Amendments to IAS 8) (effective 1 January 2023 or later)
 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (amendments to IAS 12) (effective 1 January 2023 or later)

- (b) New standard:
- IFRS 17 Insurance Contracts (effective 1 January 2023 or later)

The adoption of these new standard and amendments in future periods is not expected to give rise to a material impact on the consolidated financial statements.



Significant accounting policies

The condensed consolidated interim financial information for the six-month period from 1 January 2022 to 30 June 2022 has been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2021 which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

In the preparation of this set of condensed consolidated interim financial information, the same accounting policies have been applied as those used in the preparation of the consolidated financial statements for the financial year ended 31 December 2021.

The condensed consolidated interim financial information for the six-month period from 1 January 2022 to 30 June 2022 has not been audited or reviewed by the Group’s auditors.

Critical accounting estimates and assumptions

The preparation of the condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

Property, plant and equipment

	Right-of-use assets USD'000	Vessels USD'000	Dry docking and scrubbers USD'000	Other property, plant and equipment USD'000	Total USD'000
<i>Cost</i>					
At 1 January 2022	188,983	2,874,159	116,673	380	3,180,195
Additions	1,895	1,078,079	34,213	257	1,114,444
Disposal of vessel	-	(13,072)	(677)	-	(13,749)
Reclassification to assets held for sale	-	(238,685)	(3,414)	-	(242,099)
Write-off on completion of dry docking cycle	-	-	(4,101)	-	(4,101)
At 31 March 2022/1 April 2022	190,878	3,700,481	142,694	637	4,034,690
Additions	-	198,261	14,825	367	213,453
Disposal of vessel	-	(88,040)	(6,050)	-	(94,090)
Reclassification to assets held for sale	-	(68,832)	(2,499)	-	(71,331)
Write-off on completion of dry docking cycle	-	-	(5,057)	-	(5,057)
At 30 June 2022	190,878	3,741,870	143,913	1,004	4,077,665
<i>Accumulated depreciation and impairment charge</i>					
At 1 January 2022	77,454	964,625	53,259	114	1,095,452
Depreciation charge	11,521	30,686	6,454	13	48,674
Disposal of vessel	-	(2,363)	(614)	-	(2,977)
Reclassification to assets held for sale	-	(1,839)	(120)	-	(1,959)
Write-off on completion of dry docking cycle	-	-	(4,101)	-	(4,101)
At 31 March 2022/1 April 2022	88,975	991,109	54,878	127	1,135,089

	Right-of-use assets USD'000	Vessels USD'000	Dry docking and scrubbers USD'000	Other property, plant and equipment USD'000	Total USD'000
<i>Accumulated depreciation and impairment charge</i>					
Depreciation charge	11,292	34,030	7,333	12	52,667
Disposal of vessel	-	(57,942)	(4,191)	-	(62,133)
Reclassification to assets held for sale	-	(47,080)	(2,255)	-	(49,335)
Write-off on completion of dry docking cycle	-	-	(5,057)	-	(5,057)
At 30 June 2022	100,267	920,117	50,708	139	1,071,231
<i>Net book value</i>					
At 30 June 2022	90,611	2,821,753	93,205	865	3,006,434

Assets held for sale

In Q1 2022, Hafnia entered into an agreement for the sale of eight Chemical - Stainless vessels from the newly acquired CTI fleet to an external party. In Q2 2022, Hafnia entered into agreements for the sale of BW Orinoco and Hafnia Green to external parties.

As at 30 June 2022, these vessels were classified as assets held for sale on the balance sheet, pending delivery to the buyers.

	Right-of-use assets USD'000	Vessels USD'000	Dry docking and scrubbers USD'000	Other property, plant and equipment USD'000	Total USD'000
<i>Cost</i>					
At 1 January 2021	152,757	2,950,354	110,007	103	3,213,221
Additions	-	3,936	5,266	-	9,202
Reclassification to assets held for sale	-	(43,002)	(602)	-	(43,604)
Write-off on completion of dry docking cycle	-	-	(2,250)	-	(2,250)
At 31 March 2021/1 April 2021	152,757	2,911,288	112,421	103	3,176,569
Additions	-	2,516	7,024	118	9,658
Reclassification to assets held for sale	-	(28,902)	(2,185)	-	(31,087)
Write-off on completion of dry docking cycle	-	-	(2,020)	-	(2,020)
At 30 June 2021/1 July 2021	152,757	2,884,902	115,240	221	3,153,120
Additions	-	1,035	2,963	23	4,021
Reclassification to assets held for sale	-	19	(4)	-	15
Write-off on completion of dry docking cycle	-	-	(1,712)	-	(1,712)
At 30 September 2021/1 October 2021	152,757	2,885,956	116,487	244	3,155,444
Additions	36,226	1,494	2,152	136	40,008
Reclassification of assets held for sale to disposal of vessel	-	71,885	2,791	-	74,676
Disposal of vessel	-	(85,176)	(3,467)	-	(88,643)
Write-off on completion of dry docking cycle	-	-	(1,290)	-	(1,290)
At 31 December 2021	188,983	2,874,159	116,673	380	3,180,195

	Right-of-use assets USD'000	Vessels USD'000	Dry docking and scrubbers USD'000	Other property, plant and equipment USD'000	Total USD'000
<i>Accumulated depreciation and impairment charge</i>					
At 1 January 2021	45,381	921,216	40,106	78	1,006,781
Depreciation charge	7,551	23,550	5,904	5	37,010
Reclassification to assets held for sale	-	(30,271)	(501)	-	(30,772)
Write-off on completion of dry docking cycle	-	-	(2,250)	-	(2,250)
At 31 March 2021/1 April 2021	52,932	914,495	43,259	83	1,010,769
Depreciation charge	7,613	23,622	5,862	9	37,106
Write-off on completion of dry docking cycle	-	-	(2,020)	-	(2,020)
Reclassification to assets held for sale	-	(18,678)	(2,019)	-	(20,697)
At 30 June 2021/1 July 2021	60,545	919,439	45,082	92	1,025,158
Depreciation charge	7,673	23,778	5,912	3	37,366
Write-off on completion of dry docking cycle	-	-	(1,712)	-	(1,712)
At 30 September 2021/1 October 2021	68,218	943,217	49,282	95	1,060,812
Depreciation charge	9,236	23,808	5,915	19	38,978
Reclassification of assets held for sale to disposal of vessel	-	30,271	501	-	30,772
Disposal of vessel	-	(32,671)	(1,149)	-	(33,820)
Write-off on completion of dry docking cycle	-	-	(1,290)	-	(1,290)
At 31 December 2021	77,454	964,625	53,259	114	1,095,452
<i>Net book value</i>					
At 31 December 2021	111,529	1,909,534	63,414	266	2,084,743

- a. The Group organises the commercial management of the fleet of product tanker vessels into three individual commercial pools: LR, MR and Handy. The newly acquired chemical tankers fleet will be commercially managed by separate Chemical – MR and Chemical – Handy pools. Each individual commercial pool constitutes a separate cash-generating unit (“CGU”). For vessels deployed on a time-charter basis outside the commercial pools, each of these vessels constitutes a separate CGU.

Management is required to assess whenever events or changes in circumstances indicate that the carrying value of these CGUs may not be recoverable. Management measures the recoverability of each CGU by comparing its carrying amount to its ‘recoverable value’, being the higher of its fair value less costs of disposal or value in use (“VIU”) based on future discounted cash flows that CGU is expected to generate over its remaining useful life.



As at 30 June 2022, the Group assessed whether these CGUs have indicators of impairment by reference to internal and external factors. The market valuation of the fleet of vessels, as appraised by independent shipbrokers, is one key test performed by the Group. The Group also computed the VIU of the CGUs and concluded that the recoverable value based on the higher of VIU or broker's valuation is higher than the carrying amount. The VIU computation has assumed volatility in freight rates of future periods and management believes that the VIU is still in excess of the carrying amount. Management will continue to monitor market developments and have the VIU revised at each reporting period, where needed, to reflect the changing market conditions. Based on this assessment, alongside with other industry factors, the Group concluded that there is no indication that any additional impairment loss or reversal of previously recognised impairment loss is needed for the six months ended 30 June 2022 (six months ended 30 June 2021: USD Nil).

- b. The Group has mortgaged vessels with a total carrying amount of USD 2,914.9 million as at 30 June 2022 (30 June 2021: USD 2,035.6 million) as security over the Group's bank borrowings.
- c. There were additions of USD 1.9 million to right-of-use assets (six months ended 30 June 2021: USD Nil).





Shareholders' equity

a. Authorised share capital

The total authorised number of shares is 600,000,000 common shares at par value of USD 0.01 per share.

b. Issued and fully paid share capital

	Numbers of shares	Share capital USD'000	Share premium USD'000	Total USD'000
At 1 January 2021, 31 December 2021 and 1 January 2022	370,244,325	3,703	704,834	708,537
At 30 June 2022	499,957,016	5,000	1,008,515	1,013,515

On 27 January 2022, the Company completed the acquisition of 100% of Chemical Tankers Inc (“CTI”) and its subsidiaries. Ordinary shares and the existing treasury shares of the Company were issued to CTI’s shareholders, and the fair value is deemed to be the fair value of the net assets of CTI that are acquired. This resulted in an increase in the Company’s share capital and share premium, while reducing its treasury shares.

On 9 May 2022, Hafnia issued 37,600,000 new shares with a par value of USD 0.01 per share in connection with a successful private placement.

As at 30 June 2022, the Company has 499,957,016 outstanding shares.

c. Other reserve

(i)	As at 30 June 2022 USD'000	As at 31 December 2021 USD'000
Composition:		
Translation reserve	(32)	(35)
Hedging reserve	46,866	348
Share based payment reserve	5,694	4,837
	52,528	5,150

(ii)	Movements of the reserves are as follows:	
	<u>Hedging reserve</u>	
At beginning of the financial period	348	(15,973)
Fair value gains on cash flow hedges	44,041	9,693
Reclassification to profit or loss	2,477	6,628
At end of the financial period	46,866	348

Borrowings

	As at 30 June 2022 USD'000	As at 31 December 2021 USD'000
Current		
Loan from non-related parties	390	390
Loan from related party	12,500	18,750
Bank borrowings	173,627	178,211
Finance lease liabilities	77,362	6,715
Other lease liabilities	45,643	44,308
Total current borrowings	309,522	248,374
Non-current		
Loan from non-related parties	3,884	4,001
Bank borrowings	816,967	934,701
Finance lease liabilities	876,523	70,977
Other lease liabilities	51,463	73,150
Total non-current borrowings	1,748,837	1,082,829
Total borrowings	2,058,359	1,331,203

As at 30 June 2022, bank borrowings consist of seven credit facilities from external financial institutions and a related party, namely USD 473 million, USD 374 million, USD 216 million, USD 106 million, USD 100 million, USD 84 million and USD 39 million respectively (31 December 2021: USD 473 million, USD 374 million, USD 216 million, USD 106 million, USD 100 million, USD 84 million and USD 39 million). These facilities are secured by the Group's fleet of vessels except for the USD 100 million facility, which is unsecured. The table below summarises key information of the bank borrowings:

Facility amount	Maturity date	Repayment profile USD'000	For the financial year ended 31 December 2022	For the financial year ended 31 December 2023
USD 473 million facility		USD 473 million facility	23,437	46,875
- USD 413 million term loan	2026	USD 374 million facility	25,168	50,336
- USD 60 million revolving credit facility	2026	USD 216 million facility	7,050	14,100
USD 374 million facility		USD 106 million facility	4,428	8,856
- USD 274 million term loan	2028	USD 100 million facility	50,000	-
- USD 100 million revolving credit facility	2028	USD 84 million facility	3,120	6,240
USD 216 million facility	2027	USD 39 million facility	1,669	3,338
USD 106 million facility	2025			
USD 100 million unsecured facility ¹				
- USD 50 million term loan	2022			
- USD 50 million revolving credit facility	2022			
USD 84 million facility				
- USD 68 million term loan	2026			
- USD 16 million revolving credit facility	2026			
USD 39 million facility				
- USD 30 million term loan	2025			
- USD 9 million revolving credit facility	2025			

¹BW Finance Limited, a related party of the Group, is a lender of this facility.

Interest rates

The weighted average effective interest rates per annum of total borrowings, excluding the effect of interest rate swaps, at the balance sheet date are as follows:

	As at 30 June 2022	As at 31 December 2021
Bank borrowings	3.43%	1.8%

Carrying amounts and fair values

The carrying values of the bank borrowings approximate their fair values as the bank borrowings are re-priceable at every 3-months interval.

The carrying value of loan from related corporation approximates its fair value since the contractual interest rate continues to approximate the market interest rate.

Commitments

Operating lease commitments - where the Group is a lessor

The Group leases vessels to third parties under non-cancellable operating lease agreements. The leases have varying terms.

The future minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

USD'000	As at 30 June 2022	As at 31 December 2021
Less than one year	25,613	39,597
One to two years	11,712	11,680
Two to five years	26,528	31,392
	63,853	82,669

Capital commitments - Joint ventures

The Group has equity interests in joint ventures and is obliged to provide its share of working capital for the joint ventures' newbuild programme through either equity contributions or shareholder's loans.

The future minimum capital contributions to be made at the reporting date but not yet recognised are as follows:

USD'000	As at 30 June 2022	As at 31 December 2021
Less than one year	50,800	25,057
One to two years	41,300	87,200
	92,100	112,257





Share-based payment arrangements

The Company operates equity-settled, share-based long term incentive plans (“LTIP”) in which the entity receives services from employees as consideration for equity instruments (share options) in the group; and grants restricted share units (“RSUs”) to employees in which the entity receives services from employees as consideration for equity instruments (share units) in the group.

On 15 March 2022, the Company granted a total of 891,256 share options to key management and senior employees under the LTIP 2022 option program. These share options will vest on 15 March 2025 at an exercise price of NOK 20.01.

On 15 March 2022, the Company granted a total of 221,819 RSUs to key management. These share units will be granted to key management when they vest on 15 March 2025.

All share options and share units are to be settled by physical delivery of shares and will become void if the employee rescinds their position before the vesting date.

Financial instruments

Carrying amount

	Mandatorily at FVTPL - others USD'000	Financial assets at amortised cost USD'000	Total USD'000
At 30 June 2022			
Financial assets measured at fair value			
Forward freight agreements	652	-	652
Interest rate swaps used for hedging	46,916	-	46,916
Interest rate caps	566	-	566
	48,134	-	48,134
Financial assets not measured at fair value			
Restricted cash	-	4,780	4,780
Loan receivable from joint venture	-	69,558	69,558
Loan receivable from pool participants	-	42,454	42,454
Trade and other receivables ¹	-	486,471	486,471
Cash and cash equivalents	-	87,485	87,485
	-	690,748	690,748

Fair value

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
At 30 June 2022				
Financial assets measured at fair value				
Forward freight agreements	-	652	-	652
Interest rate swaps used for hedging	-	46,916	-	46,916
Interest rate caps	-	566	-	566
	-	48,134	-	48,134
Financial assets not measured at fair value				
Restricted cash	-	-	-	-
Loan receivable from joint venture	-	-	-	-
Loan receivable from pool participants	-	-	-	-
Trade and other receivables ¹	-	-	-	-
Cash and cash equivalents	-	-	-	-
	-	-	-	-

¹ Excludes prepayments

Carrying amount			
	Fair value hedging instruments USD'000	Financial liabilities at amortised cost USD'000	Total USD'000
At 30 June 2022			
Financial liabilities measured at fair value			
Forward exchange contracts	(163)	-	(163)
Forward freight agreements	(2,365)	-	(2,365)
	(2,528)	-	(2,528)
Financial liabilities not measured at fair value			
Bank borrowings	-	(990,594)	(990,594)
Loan from a related party	-	(12,500)	(12,500)
Loan from non-related parties	-	(4,274)	(4,274)
Trade payables	-	(161,437)	(161,437)
	-	(1,168,805)	(1,168,805)

Fair value				
	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
	-	(163)	-	(163)
	-	(2,365)	-	(2,365)
	-	(2,528)	-	(2,528)
	-	(990,594)	-	(990,594)
	-	(12,500)	-	(12,500)
	-	(4,274)	-	(4,274)
	-	(161,437)	-	(161,437)
	-	(1,168,805)	-	(1,168,805)

Carrying amount				Fair value			
	Mandatorily at FVTPL- others USD'000	Financial assets at amortised cost USD'000	Total USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
At 31 December 2021							
Financial assets measured at fair value							
Forward exchange contracts	192	-	192	-	192	-	192
Forward freight agreements	60	-	60	-	60	-	60
Interest rate swaps used for hedging	654	-	654	-	654	-	654
Interest rate caps	21	-	21	-	21	-	21
	927	-	927	-	927	-	927
Financial assets not measured at fair value							
Loans receivable from joint venture	-	60,229	60,229	-	-	-	-
Loans receivable from pool participants	-	34,865	34,865	-	-	-	-
Trade and other receivables ¹	-	191,836	191,836	-	-	-	-
Cash and cash equivalents	-	100,075	100,075	-	-	-	-
	-	387,005	387,005	-	-	-	-

¹ Excludes prepayments

	Carrying amount		
	Fair value hedging instruments USD'000	Financial liabilities at amortised cost USD'000	Total USD'000
At 31 December 2021			
Financial liabilities measured at fair value			
Interest rate swaps used for hedging	(327)	-	(327)
	(327)	-	(327)
Financial liabilities not measured at fair value			
Bank borrowings	-	(1,112,912)	(1,112,912)
Loan from a related corporation	-	(18,750)	(18,750)
Loan from non-related parties	-	(4,391)	(4,391)
Trade payables	-	(65,390)	(65,390)
	-	(1,201,443)	(1,201,443)

	Fair value			
	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
At 31 December 2021				
Financial liabilities measured at fair value				
Interest rate swaps used for hedging	-	(327)	-	(327)
	-	(327)	-	(327)
Financial liabilities not measured at fair value				
Bank borrowings	-	(1,112,912)	-	(1,112,912)
Loan from a related corporation	-	(18,750)	-	(18,750)
Loan from non-related parties	-	(4,391)	-	(4,391)
Trade payables	-	-	-	-
	-	(1,136,053)	-	(1,136,053)

Significant related party transactions

In addition to the related party information disclosed elsewhere in the condensed consolidated interim financial information, the following transactions took place between the Group and related parties during the financial period on commercial terms agreed by the parties:

Sales and purchase of services	For the 3 months ended 30 June 2022 USD'000	For the 3 months ended 30 June 2021 USD'000	For the 6 months ended 30 June 2022 USD'000	For the 6 months ended 30 June 2021 USD'000
Support service fees paid/ payable to related corporation	1,442	1,240	2,717	2,409
Rental paid/ payable	210	220	281	441

Related parties refer to corporations controlled by Sohmen family interests.

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Segment Information

For the 3 months ended 30 June 2022	LR1 ¹ USD'000	LR1 ² USD'000	MR ³ USD'000	Handy ⁴ USD'000	Chemical – Handy ⁴ USD'000	Chemical – MR ³ USD'000	Chemical – Stainless USD'000	Total USD'000
Revenue	25,889	213,602	126,385	22,689	13,394	17,982	47,823	467,764
Voyage expenses	(7,056)	(100,194)	3,501	2,229	(778)	(4,207)	(12,952)	(119,457)
TCE income	18,833	113,408	129,886	24,918	12,616	13,775	34,871	348,307
Other operating income	24	1,062	2,909	908	121	438	24	5,486
Vessel operating expenses	(3,467)	(19,513)	(24,230)	(6,435)	(4,258)	(3,367)	(9,701)	(70,971)
Technical management expenses	(291)	(1,468)	(1,920)	(557)	(387)	(298)	(1,137)	(6,058)
Charter hire expenses	-	(3,625)	(4,987)	-	-	-	-	(8,612)
Operating EBITDA	15,099	89,864	101,658	18,834	8,092	10,548	24,057	268,152
Depreciation charge	(3,426)	(14,738)	(22,758)	(3,219)	-	(2,330)	(6,184)	(52,655)
								215,497
Unallocated								(26,104)
Profit before income tax								189,393

¹Vessels between 85,000 DWT and 124,999 DWT in size and provides transportation of clean petroleum oil products.

²Vessels between 55,000 DWT and 84,999 DWT in size and provides transportation of clean and dirty petroleum products.

³Vessels between 40,000 DWT and 54,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals.

⁴Vessels between 25,000 DWT and 39,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals.

For the 6 months ended 30 June 2022	LR2 ¹ USD'000	LR1 ² USD'000	MR ³ USD'000	Handy ⁴ USD'000	Chemical – Handy ⁴ USD'000	Chemical – MR ³ USD'000	Chemical – Stainless USD'000	Total USD'000
Revenue	40,826	289,767	252,037	46,657	21,638	23,389	60,781	735,095
Voyage expenses	(9,720)	(139,915)	(50,091)	(5,364)	(890)	(4,266)	(13,163)	(223,409)
TCE income	31,106	149,852	201,946	41,293	20,748	19,123	47,618	511,686
Other operating income	48	2,231	4,603	1,580	121	574	139	9,296
Vessel operating expenses	(6,738)	(32,776)	(46,841)	(12,593)	(6,831)	(5,518)	(17,063)	(128,360)
Technical management expenses	(567)	(2,528)	(3,733)	(1,142)	(638)	(494)	(1,803)	(10,905)
Charter hire expenses	-	(7,807)	(9,809)	-	-	-	-	(17,616)
Operating EBITDA	23,849	108,972	146,166	29,138	13,400	13,685	28,891	364,101
Depreciation charge	(6,839)	(26,247)	(45,323)	(6,498)	(1,959)	(3,955)	(10,495)	(101,316)
								262,785
Unallocated								(51,349)
Profit before income tax								211,436

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⁴Vessels between 25,000 DWT and 39,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals.

For the 3 months ended 30 June 2021	LR2 ¹ USD'000	LR1 ² USD'000	MR ³ USD'000	Handy ⁴ USD'000	Total USD'000
Revenue	11,875	63,948	87,368	34,795	197,986
Voyage expenses	45	(38,993)	(34,743)	(22,624)	(96,315)
TCE income	11,920	24,955	52,625	12,171	101,671
Other operating income	40	2,470	935	336	3,781
Vessel operating expenses	(3,580)	(14,229)	(24,254)	(7,056)	(49,119)
Technical management expenses	(277)	(1,185)	(2,048)	(742)	(4,252)
Charter hire expenses	-	(1,908)	(3,257)	-	(5,165)
Operating EBITDA	8,103	10,103	24,001	4,709	46,916
Depreciation charge	(3,290)	(9,804)	(20,269)	(3,734)	(37,097)
					9,819
Unallocated					(20,390)
Loss before income tax					(10,571)

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⁴Vessels between 25,000 DWT and 39,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals.

For the 6 months ended 30 June 2021	LR1 ¹ USD'000	LR1 ² USD'000	MR ³ USD'000	Handy ⁴ USD'000	Total USD'000
Revenue	26,780	108,635	189,005	52,907	377,327
Voyage expenses	78	(57,973)	(87,750)	(30,050)	(175,695)
TCE income	26,858	50,662	101,255	22,857	201,632
Other operating income	40	4,506	1,665	723	6,934
Vessel operating expenses	(6,608)	(27,903)	(46,198)	(14,022)	(94,731)
Technical management expenses	(559)	(2,338)	(3,838)	(1,271)	(8,006)
Charter hire expenses	-	(3,711)	(6,502)	-	(10,213)
Operating EBITDA	19,731	21,216	46,382	8,287	95,616
Depreciation charge	(6,838)	(19,732)	(40,106)	(7,426)	(74,102)
					21,514
Unallocated					(47,241)
Loss before income tax					(25,727)

¹Vessels between 85,000 DWT and 124,999 DWT in size and provides transportation of clean petroleum oil products.

²Vessels between 55,000 DWT and 84,999 DWT in size and provides transportation of clean and dirty petroleum products.

³Vessels between 40,000 DWT and 54,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals.

⁴Vessels between 25,000 DWT and 39,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals.

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Subsequent events

On 7 July 2022, the Group sold a LR1 vessel, BW Orinoco. This vessel was classified as an asset held for sale as at 30 June 2022.

On 8 July 2022, the Group sold a Handy vessel, Hafnia Green. This vessel was classified as an asset held for sale as at 30 June 2022.

On 12 July 2022, the Group sold a LR1 vessel, BW Lara.

On 18 July 2022, the board of directors of the Group proposed that the authorised share capital of Hafnia Limited be increased from USD 6.0 million to USD 7.5 million by the creation of an additional 150,000,000 common shares of par value USD 0.01, each ranking pari passu with the existing shares of Hafnia Limited.

On 19 July 2022, the Group exercised the purchase options for Hafnia Saiph and Hafnia Sceptum and took delivery of both vessels on 20 July 2022.

On 28 July 2022, the Group sold two Handy vessels, Hafnia Adamello and Hafnia Rainier.

On 4 August 2022, the Group sold a Handy vessel, Hafnia Robson.

On 8 August 2022, the Group sold a Chemical - Stainless vessel, Hafnia Sceptum.

On 12 August 2022, the Group sold a Chemical - Stainless vessel, Hafnia Spica.

On 15 August 2022, the authorised share capital of the Company was increased from USD 6.0 million to USD 7.5 million by the creation of an additional 150,000,000 common shares of par value of USD 0.01, each ranking pari-passu with the existing shares of the Company.

On 23 August 2022, the Group sold a Chemical - Stainless vessel, Hafnia Saiph.

Vessel	DWT	Year Built	Type
Hafnia Adamello	39,807	Aug-04	Handy
Hafnia Bering	39,067	Apr-15	Handy
Hafnia Green ³	39,808	Aug-07	Handy
Hafnia Magellan	39,067	May-15	Handy
Hafnia Malacca	39,067	Jul-15	Handy
Hafnia Rainier	39,817	Mar-04	Handy
Hafnia Robson	39,819	May-04	Handy
Hafnia Soya	38,700	Nov-15	Handy
Hafnia Sunda	39,067	Sep-15	Handy
Hafnia Torres	39,067	May-16	Handy
Hafnia Columbia	74,999	Jan-07	LR1
Hafnia Danube	74,999	Mar-07	LR1
Hafnia Hudson	76,574	Jun-07	LR1
Hafnia Kallang	74,000	Jan-17	LR1
Hafnia Kronborg	73,708	Mar-07	LR1
BW Lara	73,495	Aug-04	LR1
BW Nile	74,000	Aug-17	LR1
BW Orinoco ³	74,991	Nov-07	LR1
Hafnia Rhine	76,578	Mar-08	LR1
BW Seine	76,580	May-08	LR1
Hafnia Shinano	74,998	Oct-08	LR1
Hafnia Tagus	74,000	Mar-17	LR1
BW Thames	74,999	Aug-08	LR1
Hafnia Yangtze	74,996	Jan-09	LR1
BW Yarra	74,000	Jul-17	LR1
BW Zambesi	74,982	Jan-10	LR1
Hafnia Africa	74,539	May-10	LR1
Hafnia Arctic	74,910	Jan-10	LR1
Hafnia Asia	74,539	Jun-10	LR1

Vessel	DWT	Year Built	Type
Hafnia Australia	74,539	May-10	LR1
Hafnia Hong Kong ¹	75,000	Jan-19	LR1
Hafnia Shanghai ¹	75,000	Jan-19	LR1
Hafnia Guangzhou ¹	75,000	Jul-19	LR1
Hafnia Beijing ¹	75,000	Oct-19	LR1
Sunda ²	79,902	Jul-19	LR1
Karimata ²	79,885	Aug-19	LR1
Hafnia Shenzhen ¹	75,000	Aug-20	LR1
Hafnia Nanjing ¹	74,999	Jan-21	LR1
Kamome Victoria ²	69,998	May-11	LR1
Peace Victoria ²	77,378	Oct-19	LR1
Hafnia Excelsior	74,665	Jan-16	LR1
Hafnia Executive	74,431	May-16	LR1
Hafnia Prestige	74,997	Nov-16	LR1
Hafnia Providence	74,997	Aug-16	LR1
Hafnia Pride	74,997	Jul-16	LR1
Hafnia Excellence	74,613	May-16	LR1
Hafnia Exceed	74,665	Feb-16	LR1
Hafnia Expedite	74,634	Jan-16	LR1
Hafnia Express	74,663	May-16	LR1
Hafnia Excel	74,547	Nov-15	LR1
STI Precision	74,997	Oct-16	LR1
Hafnia Experience	74,670	Mar-16	LR1
Hafnia Despina	115,000	Jan-19	LR2
BW Galatea	115,000	Mar-19	LR2
BW Larissa	115,000	Apr-19	LR2
BW Neso	115,000	Jul-19	LR2
BW Thalassa	115,000	Sep-19	LR2
BW Triton	115,000	Oct-19	LR2

¹ 50% owned through the Vista Joint Venture

² Time chartered in vessel

³ Classified as asset held for sale

Vessel	DWT	Year Built	Type
Beagle ²	44,995	Mar-19	MR
Boxer ²	49,852	Jun-19	MR
Basset ²	49,875	Nov-19	MR
Bulldog ²	49,856	Feb-20	MR
BW Bobcat	49,999	Aug-14	MR
BW Cheetah	49,999	Feb-14	MR
BW Cougar	49,999	Jan-14	MR
BW Eagle	49,999	Jul-15	MR
BW Egret	49,999	Nov-14	MR
BW Falcon	49,999	Feb-15	MR
BW Hawk	49,999	Jun-15	MR
BW Jaguar	49,999	Mar-14	MR
BW Kestrel	49,999	Aug-15	MR
BW Leopard	49,999	Jan-14	MR
BW Lioness	49,999	Jan-14	MR
BW Lynx	49,999	Nov-13	MR
BW Merlin	49,999	Sep-15	MR
BW Myna	49,999	Oct-15	MR
BW Osprey	49,999	Oct-15	MR
BW Panther	49,999	Jun-14	MR
Hafnia Petrel	49,999	Jan-16	MR
Hafnia Puma	49,999	Nov-13	MR
Hafnia Raven	49,999	Nov-15	MR
BW Swift	49,999	Jan-16	MR
BW Tiger	49,999	Mar-14	MR
BW Wren	49,999	Mar-16	MR
Hafnia Andromeda	49,999	May-11	MR
Hafnia Ane	49,999	Nov-15	MR
Hafnia Crux	52,550	Feb-12	MR

Vessel	DWT	Year Built	Type
Hafnia Daisy	49,999	Aug-16	MR
Hafnia Henriette	49,999	Jun-16	MR
Hafnia Kirsten	49,999	Jan-17	MR
Hafnia Lene	49,999	Jul-15	MR
Hafnia Leo	52,340	Nov-13	MR
Hafnia Libra	52,384	May-13	MR
Hafnia Lise	49,999	Sep-16	MR
Hafnia Lotte	49,999	Jan-17	MR
Hafnia Lupus	52,550	Apr-12	MR
Hafnia Mikala	49,999	May-17	MR
Hafnia Nordica	49,994	Mar-10	MR
Hafnia Pegasus	50,326	Oct-10	MR
Hafnia Phoenix	52,340	Jul-13	MR
Hafnia Taurus	50,385	Jun-11	MR
Hafnia Andrea	49,999	Jun-15	MR
Hafnia Caterina	49,999	Aug-15	MR
Orient Challenge ²	49,972	Jun-17	MR
Orient Innovation ²	49,972	Jul-17	MR
Yellow Stars ³	49,999	Jul-21	MR
Clearocean Milano ²	50,485	Oct-21	MR
Clearocean Ginkgo ²	49,999	Aug-21	MR
Dee4 Larch ²	49,737	Aug-16	MR
PS Stars ³	49,999	Jan-22	MR

² Time chartered in vessel³ 50% owned through the Andromeda Joint Venture

Vessel	DWT	Year Built	Type
Hafnia Almandine	38,506	Feb-15	Chemical - Handy
Hafnia Amber	38,506	Feb-15	Chemical - Handy
Hafnia Amethyst	38,506	Mar-15	Chemical - Handy
Hafnia Ametrine	38,506	Apr-15	Chemical - Handy
Hafnia Aventurine	38,506	Apr-15	Chemical - Handy
Hafnia Andesine	38,506	May-15	Chemical - Handy
Hafnia Aronaldo	38,506	Jun-15	Chemical - Handy
Hafnia Aquamarine	38,506	Jun-15	Chemical - Handy
Hafnia Axinite	38,506	Jul-15	Chemical - Handy
Hafnia Amessi	38,506	Jul-15	Chemical - Handy
Hafnia Azotic	38,506	Sep-15	Chemical - Handy
Hafnia Amazonite	38,506	May-15	Chemical - Handy
Hafnia Ammolite	38,506	Aug-15	Chemical - Handy
Hafnia Adamite	38,506	Sep-15	Chemical - Handy
Hafnia Aragonite	38,506	Oct-15	Chemical - Handy
Hafnia Azurite	38,506	Aug-15	Chemical - Handy
Hafnia Alabaster	38,506	Nov-15	Chemical - Handy
Hafnia Achroite	38,506	Jan-16	Chemical - Handy
Hafnia Sirius ⁴	25,000	Jun-16	Chemical - Stainless
Hafnia Sky ⁴	25,000	Aug-16	Chemical - Stainless
Hafnia Spark ⁴	25,000	Oct-16	Chemical - Stainless
Hafnia Stellar ⁴	25,000	Oct-16	Chemical - Stainless
Hafnia Saiph ⁴	25,000	Jan-17	Chemical - Stainless
Hafnia Scepterum ⁴	25,000	May-17	Chemical - Stainless
Hafnia Spica ⁴	25,000	May-17	Chemical - Stainless
Hafnia Sol ⁴	25,000	Aug-17	Chemical - Stainless
Hafnia Turquoise	49,000	Apr-16	Chemical - MR
Hafnia Topaz	49,000	Jul-16	Chemical - MR

Vessel	DWT	Year Built	Type
Hafnia Tourmaline	49,000	Oct-16	Chemical - MR
Hafnia Tanzanite	49,000	Nov-16	Chemical - MR
Hafnia Viridian	49,000	Dec-15	Chemical - MR
Hafnia Violette	49,000	Mar-16	Chemical - MR

⁴ Classified as assets held for sale

Alternative performance measures



Alternative performance measures

An alternative performance measure (“APM”) is defined as a measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS).

It is the Company's view that APMs provide investors with relevant and specific operating figures which may enhance their understanding of the Group's performance. The Company uses the following APMs:

TCE income: Income from its time charters and spot voyages for owned vessels. TCE income is calculated as gross freight income net of broker commissions less voyage expenses.

Voyage expenses: Voyage expenses are expenses related to spot voyages, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls and agency fees.

TCE income per operating day: TCE income per vessel per operating day. TCE income per operating day is a measure of how well the Group manages the fleet commercially.

OPEX per calendar day: The Group defines OPEX per calendar day as vessel operating expenses and technical management fees per vessel per calendar day. Vessel operating expenses include insurance, repairs and maintenance, spares and consumable stores, lube oils and communication.



EBITDA: The Company defines EBITDA as earnings before financial income and expenses, depreciation, impairment, amortisation and taxes. The computation of EBITDA refers to financial income and expenses which the Company deems to be equivalent to "interest" for purposes of presenting EBITDA. Financial expenses consist of interest on bank loans, losses on foreign exchange transactions and bank charges. Financial income consists of interest income and gains on foreign exchange transactions.

EBITDA is used as a supplemental financial measure by management and external users of financial statements, such as lenders, to assess the Company's operating performance as well as compliance with the financial covenants and restrictions contained in the Company's financing agreements. The Company believes that EBITDA assists management and investors by increasing comparability of the Company's performance from period to period. This increased comparability is achieved by excluding the potentially disparate effects of interest, depreciation, impairment, amortisation and taxes. These are items that could be affected by various changing financing methods and capital structure which may significantly affect profit/(loss) between periods. Including EBITDA as a measure benefits investors in selecting between investment alternatives.

Technical off-hire: The Group defines technical off-hire as the time lost due to off-hire days associated with major repairs, drydocks or special or intermediate surveys. Technical off-hire per vessel is calculated as an average for owned, partly owned, bareboat and chartered-in vessels (not weighted by ownership share in each vessel).

Calendar days: The Group defines calendar days as the total number of days in a period during which each vessel that is owned, partly owned or chartered-in is in its possession, including technical off-hire days. Calendar days are an indicator of the size of the fleet over a period and affect both the amount of revenue and the amount of expense that the Group records during that period.

Voyage days: The Group defines voyage days 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 or chartered-in, net of technical off-hire days. The Company uses voyage days to measure the number of days in a period during which vessels actually generate or are capable of generating revenue.

Average number of owned vessels: The Group defines average number of vessels in a period as the number of vessels included in the consolidated accounts according to the accounting principles for such period. Vessels sold or purchased during the relevant period are weighted by the number of days owned.

