HAFNIA
Member of BW Group

Annual Report 2023

Content

01

Hafnia Introduction

1.1 Hafnia Overview

Hafnia is one of the world's largest owners and operators of product and chemical tankers.

We commercially operate more than **200** modern vessels as a fully integrated shipping platform that includes technical management, commercial and chartering services, pool management across eight segments, and a large-scale bunker procurement desk.

Hafnia: A Global Business

Who we Are:

As a forward-thinking tanker company, delivering on strong stakeholder and investor value is one of our foremost priorities.

As an organisation focusing on high performance, Hafnia follows an "active management" approach, continually reviewing market opportunities for strategic growth.

Being a responsible company is at the core of our daily operations, with focused efforts on reducing our impact to the environment and contributing positively to the society we operate in.

We consistently push the boundaries of innovation and technology to drive digital transformation and efficiency across our operating platforms to adapt to the needs of the maritime sector of the future.

Our "People-First" culture has laid its foundations since day one, recognising that a diversified, motivated, and empowered workforce is crucial to our success.

7	5,040	52	36 / 8	HAFNI	HAFNF
Global Offices	Total Workforce	Nationalities	(%) Female Workforce (Shore-based / Seafarers)	Oslo Stock Exchange Ticker	OTCQX Symbol

Full Year & Q4 Results 2023

TCE Income	EBITDA	Pool & Bunker Income	Net Profit	Dividends
Full Year 2023 **1,366.6M** USD	Full Year 2023 **1,012.9M** USD	Full Year 2023 **37.6M** USD	Full Year 2023 **793.3M** USD	Full Year 2023 **508.3M** USD
Q4 2023 **329.8M** USD	Q4 2023 **234.5M** USD	Q4 2023 **8.8M** USD	Q4 2023 **176.4M** USD	Q4 2023 **123.5M** USD

Key Numbers & Facts

Hafnia Fleet as of 31 Dec 2023

Type	Description (carrying capacity)	Owned	Sale & Leaseback	Time Chartered-in	Joint Venture	Newbuild	Hafnia Total	Commercial Management	Total
LR2	Vessels between **85,000** DWT and 1**24,999** DWT in size and provides transportation of clean petroleum oil products.	6	-	-	3[1]	1[1]	10	3	13
LR1	Vessels between **55,000** DWT and **84,999** DWT in size and provides transportation of clean petroleum oil products.	10	15	4	6[1]	-	35	14	49
MR	Vessels between **40,000** DWT and **54,999** DWT in size and provides transportation of clean petroleum oil products. includes IMO-II which can additionally transport easy chemicals.	47	3	10	2[2]	4[3]	66	27	93
Handy	Vessels between **30,000** DWT and **39,999** DWT in size and provides transportation of clean petroleum oil products. includes IMO-II which can additionally transport easy chemicals.	17	7	-	-	-	24	16	40
Specialized	Vessels below **25,000** DWT in size and provides transportation of clean petroleum oil products.	-	-	-	-	-	-	15	15
Total		**80**	**25**	**14**	**11**	**5**	**135**	**75**	**210**

[1] Owned through 50% ownership in the Vista Joint Venture [2] Owned through 50% ownership in the Andromeda Joint Venture [3] Owned through 50% ownership in the Ecomar Joint Venture

Our Vision & Purpose

Our Vision, Purpose and Values are at the core of everything we do.

We ensure every individual and business decision in our organisation lives up to these high expectations for our shared success and in creating shareholder value.

Our **"Best on Water"** vision emphasises our commitment to excellence and leadership in the maritime industry – where we strive to be a top performer in efficiency, safety, sustainability and innovation.

Our **People First** purpose is the continuous investment in our people at sea and on shore as valued individuals whose contributions are essential to our success.

Our **CARE** values are what unite us, fortifying a culture which makes Hafnia home to our employees, customers, and partners.

Vision

Best on Water

At Hafnia, our vision is to be the Best on Water. We apply craftmanship throughout all areas of our business.

We are never complacent, and we adapt in a constantly changing environment.

We put people first, and attract, nurture and retain talent. As a team, we are unified and strive towards common goals.

And we care. We prioritise sustainability across our operations and strive to set the industry standard in the maritime sector.

Purpose

We put people first to challenge the industry today to deliver the industry of tomorrow

Our purpose is as straightforward and transparent as we are.

We challenge the status quo and believe we can always be better, leaner, bolder and more proactive.

We challenge the way things are done
We change the industry for the better
We deliver unrivalled transportation of hydrocarbons to sustain the world.

Our CARE Values

We are **Collaborative**, and unified by our people-first approach

We are **Ambitious** and continually strive to do better

We are **Reliable** and go the extra mile for our customers, shareholders and colleagues

We are **Enduring** in what we do, delivering long-term solutions

Corporate Strategy

In 2023, Hafnia reframed our corporate strategy based on five key building blocks, formulated to map out Hafnia's growth journey.

Hafnia's Corporate Strategy focuses on:

- **Global Leadership**
- **Outstanding Performance**
- **Operational Growth**
- **Responsibility**
- **Digital & Innovation Operating Platforms**

Our Leadership

Hafnia's Leadership Group (LG) is a unique structure consisting of Hafnia's senior team members across strategic functions and teams.

The LG is also responsible for ideating initiatives that work to support the overall goals and objectives of Hafnia's corporate strategy.

The LG comes together at multiple points during the year to share information on key developments and as a whole represent the views and ideas from across the organisation.

1.2
2023 Snapshot

Hafnia's journey in 2023 is marked by growth, agility and strategic advancements.

Amidst a dynamic maritime landscape, Hafnia adeptly navigated challenges of 2023, culminating in robust full-year financial and operating results.

CEO 2023 Reflections

2023 has brought numerous achievements for Hafnia, and as always, I am incredibly proud of our dedicated team who have powered through in the "*Hafnia way*".

Navigating through our volatile markets has, however, not been without its fair share of challenges.

Whilst the markets we operate in currently remain strong, 2023 has been a year of unprecedented disruptions in the supply chain, including droughts and unexpected outbreaks of wider conflict in Gaza and Israel, amidst the on-going nature of Russia's war against Ukraine.

For the individuals directly affected, this has been devastating. I sincerely hope 2024 can bring more of the stability our world is seeking.

An Emphasis on Performance and Growth

Since Hafnia Tankers and BW Tankers merged in 2019, Hafnia's Net Asset Value in five years has approximately quadrupled from **USD 1.0 billion** to **USD 3.9 billion.** In addition, we have paid approximately **USD 1,009 million** in dividends.

2023 continued to have a strong focus on delivering high results across the board, from the performance of our vessels and their voyages, continued optimisation of TCE and the performance culture in our offices and aboard our vessels. In 2023, we closed the full year with a net profit of **USD 793.3 million -** Hafnia's best year to date.

With a strong focus on shareholder value and our updated dividend policy, in 2023, Hafnia has paid out **USD 508.3 million** in dividends, representing a payout ratio of **64.1%.**

This year we have been looking at areas of expansion and diversification as strategic areas for our future-proofing plans. One thing is very clear – that we need the best people to get there, and that it takes "Ambitious Leadership" both at sea and on shore.

Optimising our Fleet Synergies and Joint Venturing into the Alternative Fuel Landscape

Alternative forms of propulsion are high on the Hafnia transition agenda – with our dual-fuel LNG vessels marking the interim path in our efforts to act right now, ahead of the IMO's requirements.

The hard work of our partners at Guangzhou Shipyard International (GSI), and our onshore team and crew members has paid off, with us taking delivery of **all four** of our dual-fuel LNG newbuilds between 2023 and the beginning of 2024.

2023 officially marked us venturing into the methanol landscape. We concluded a joint venture with "Socatra of France" for the order of **four 49,800 DWT dual-fuel Methanol Chemical IMO-II Medium-Range (MR) newbuilds,** constructed at GSI in China.

In 2023, we divested **six** older vessels and acquired **four** second-hand modern vessels - allowing us to maintain a fleet of modern vessels, with an average age of **8.3 years.**

The Hafnia Bunkers Team are proactively positioning themselves as experts in the renewable fuel category. They are already actively sourcing biofuels in response to evolving customer needs and are engaging in dialogue with suppliers on the bunkering of future fuels.

Our collaboration with Ascension Clean Energy (ACE) continues (subject to the Final Investment Decision (FID) in the first half of 2025), with the objective of producing and transporting ammonia to Europe and Asia, to which we have announced our intention to construct **four to five Very Large Ammonia Carriers (VLAC's) by 2028,** coinciding with the start of ammonia production from the plant.

An Opportunistic Year for our Pool Partners

In 2023, our market experienced significant developments marked by varying levels of volatility arising from diverse market conditions.

This volatility has driven shipowners including us to seize opportunities during optimal market times and explore second-hand tonnage options, and to implement fleet renewal strategies.

Amidst this, our pool management offering continues to focus on our unique approach, acting as a strategic partner to our pool partners during these critical decision-making moments.

Honing in on Culture

Following our merger in 2019, I appreciate ever more the strong link between culture and a successful corporate strategy. I consider the exceptional workforce of Hafnia at sea and on land to be amongst the sharpest and brightest in the industry. 2023 has been a year of protecting this culture at all lengths – at a time where our sector is going through significant changes.

Our Ambitious Leadership programs are being rolled out at sea – a crucial training for our leaders on our vessels to refine their leadership skills.

In 2023, Hafnia ran culture workshops across our offices to further consolidate what the "*Hafnia way*" is. Beyond the focus on people and relationships, we also took the opportunity to remind teams on continuing to take intelligent risks and individual measures to stay on top of the performance curve.

The Link between Inclusion and Innovation

In a recent Diversity Study Group (DSG) survey across our offices, **92%** of our colleagues confirmed they felt they are in a safe and encouraging environment to share their ideas.

Whilst the connection might sound abstract, 2023 has firmly underlined how the diverse workforce at Hafnia has provided a dynamic mix of perspectives, skills, and experiences – paving the way for innovation.

In 2023, we launched several great initiatives.

Examples include us deploying the Starlink Satellite system and Project Hologram across all our vessels, enhancing connectivity at sea for the people on-board our vessels.

In collaboration with Microsoft, Wilhelmsen, IMC Ventures and DNV, we also launched a new digital "Studio 30 50" to help identify new solutions addressing a broad range of ESG topics, while also funding innovative start-up proposals seeking to improve efficiencies across the whole maritime supply chain.

Demonstrating our readiness for EU ETS and CII requirements, we together with DNV developed a tool capable of tracking vessels' emissions on a voyage basis, enabling accurate communication of data for regulatory environmental requirements.

Initiatives like these are only possible when we embrace the full talent pool – which is why we continuously place great emphasis on examining the talent pipeline, ensuring it accommodates and encompasses the best people.

I see great importance in initiatives like the Hafnia Maritime Culture Lab – where we are crewing **four** Hafnia ships with at least **50%** women to examine the opportunities, obstacles and culture of a great career at sea. I am very proud that Hafnia was granted a "Special Commendation" by the International Maritime Organisation (IMO) in this regard.

The Tide of Artificial Intelligence (AI)

An on-going AI theme has demonstrated the clear opportunity for artificial intelligence relating to repetitive tasks within our overall operations.

In 2023, we finalised an agreement with Simbolo to establish an AI start-up, aimed at promoting "**Q**". "Q" is a human-machine, teaming a 'super' brain and 'foundational AI'. Foundational AI is the core AI hub in a company's tech setup, driving analysis and decision-making across departments. It shifts AI from isolated apps to a unified system, boosting overall performance, strategy, and workforce. When combined with a natural interface, it revolutionises human-machine collaboration, reshaping data interaction and automating repetitive tasks.

As an investor, Hafnia is offering early investment opportunities in "Q" to its customers, and is helping to drive additional investments within the Tanker and Dry Bulk sectors.

A Look to 2024

We recently announced the launch of the "**HAFNIA PANAMAX POOL**" with our partner Mercuria. Now present in **eight** pools, the Hafnia Panamax Pool aims to capitalise on the combined expertise and resources of both companies for the efficient management and operations of Panamax vessels.

Hafnia is also pursuing a secondary listing in the USA with an aim to extend our investor base and enhance share liquidity to continue delivering on shareholder value.

In our best year to date, I want to thank our partners, investors and my team for their trust and commitment. We hope you will find the information in our Annual Report 2023 insightful.

Mikael Skov, CEO

Operating Highlights

Operating Highlights

135
Owned, Newbuilds and Chartered-in Vessels

210
Vessels under Commercial Management

8
Commercial Pools

8.3
Average Age of Hafnia Vessels

4,993
Hafnia Vessels Port Calls

7.9m
Hafnia Vessels Total Deadweight Tonnage

32,326
TCE/day for Hafnia Vessels

42,276
Hafnia Vessels Total Operating Days

Financial Highlights

USD
3,914m
Total Assets

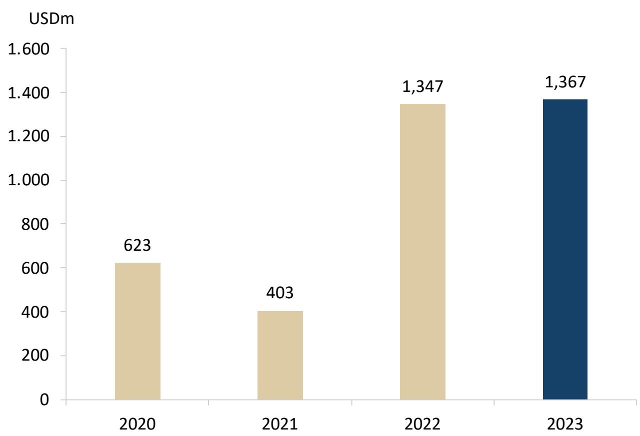
USD
2,228m
Total Equity

37.4%
Return on Equity

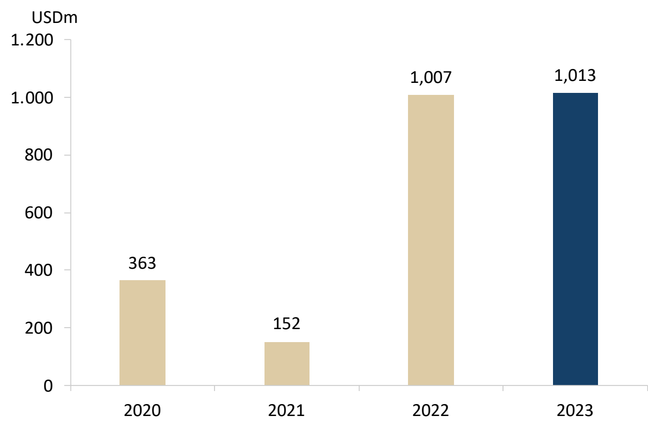
26.0%
Return on Invested Capital

Financial Highlights

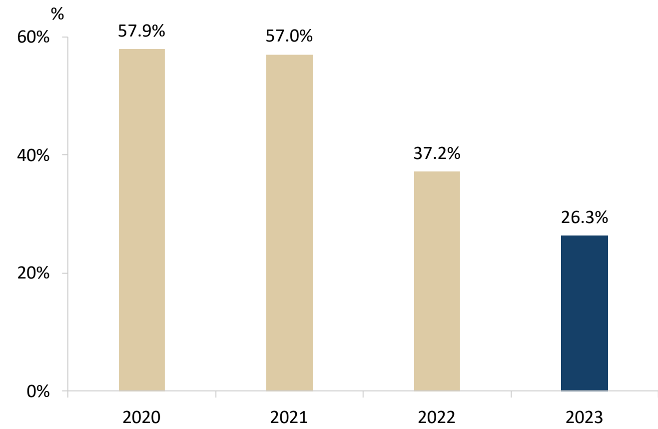
TCE Income



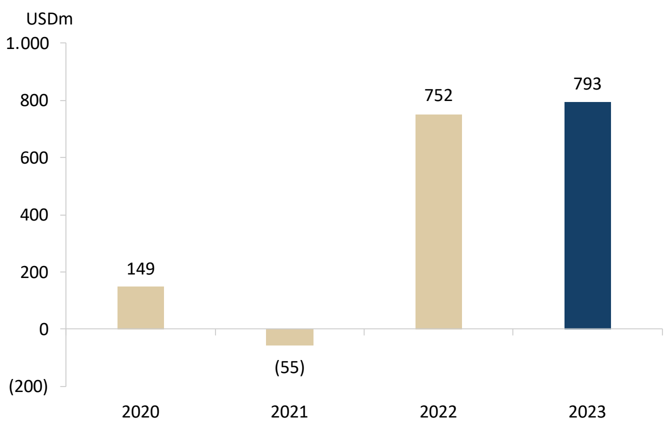
EBITDA



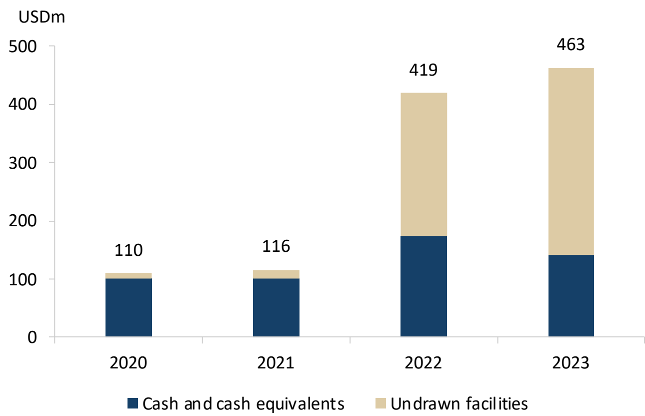
Net Loan to Value



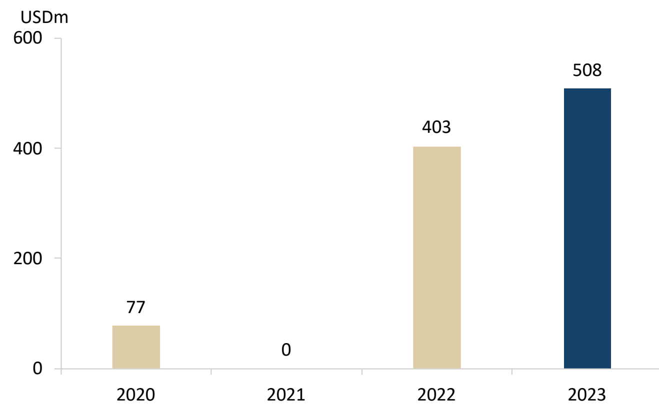
Net Profit/Loss



Total Liquidity



Dividends



2023 News

Welcoming the first of our Newbuilds

Hafnia welcomed the first of our four dual-fuel LR2 product tanker newbuilds, the **Hafnia Languedoc**, to the Hafnia fleet.

Constructed at Guangzhou Shipyard International (GSI), these newbuilds incorporate a design essential for future vessels.

The high-pressure dual-fuel LNG engines boast a flexible design that not only ensures minimal methane slip but also renders them adaptable to future zero-emission fuels like ammonia or methanol. In May, we subsequently welcomed the **Hafnia Loire**, and in November, the **Hafnia Larvik**.

Both the Hafnia Languedoc and the Hafnia Loire are currently on Time-Charter with our long-standing partner TOTAL Energies with the **Hafnia Larvik** and the **Hafnia Lillesand** (delivered in February 2024) time- chartered to Equinor.

Identifying Sustainable Venture Development

Hafnia, along with Microsoft, Wilhelmsen, IMC Ventures and DNV has announced the launch of "**Studio 30 50**".

The studio's objective is to identify new solutions which can address a broad range of ESG topics concerning the maritime industry, while also funding innovative proposals seeking to improve efficiencies across the whole maritime supply chain.

Currently in its second cohort, start-ups joining Studio 30 50 are set to gain a significant advantage through intimate exposure to leading maritime corporates and investors to support venture development from initial idea to commercial viability and scale.

Furthering Diversity

Hafnia officially announced the launch of the Hafnia Maritime Culture Lab – an initiative where **four** Hafnia vessels are crewed with at least a **50%** ratio of women seafarers.

Our aim is to discover insights that can help us and the industry improve making life at sea more attractive for women, and in getting ships and existing crews up to speed on areas which might experience any shortcomings or vulnerabilities. In 2023, we secured the talent pipeline for these vessels and are currently engaging with academic institutions and advisors in defining how this data will be consolidated for applied learning on-board.

We additionally announced a partnership with The Regional Maritime University in Ghana (RMU), aimed at strengthening our talent pipeline globally, with an additional objective of increasing diversity at sea.

2023 News

A Step into the Methanol Landscape

Together with Joint-Venture partner "Socatra of France", we concluded an order for **four** 49,800 dead-weight dual-fuel Methanol Chemical IMOII Medium-Range (MR) Newbuilds, constructed from Guangzhou Shipyard International (GSI), in China.

In line with Hafnia's sustainability values and ambitions in transitioning towards a greener future and maritime sector, this is Hafnia's first investment and step into the dual-fuel methanol landscape.

In 2023, we additionally engaged in partnerships with the intent to develop projects and vessels for Ammonia and CO2 transportation (subject to FID).

Enhancing Connectivity at Sea

We were thrilled to announce our roll-out of the Starlink Satellite System across the fleet by the end of 2023.

Starlink's innovative technology sets out to improve connectivity across various industries, including maritime for its lightning-fast internet connectivity (over 200 Mbps), – transforming the at sea experience for seafaring teams. Crew for the first time will be able to consistently connect with others via enhanced connectivity.

With the roll-out of Starlink, a pioneering initiative piloted with remarkable success – "Project Hologram" was simultaneously rolled out, an initiative aimed at improving connections between seafarers and their families.

Multiple Award Winner

In December, Hafnia was honoured to have received a special commendation from the IMO for its efforts of gender equality initiatives.

Following our nomination in **four** categories at the Mission to Seafarers Awards 2023, which included Seafarer of Year (Captain Hemant Suri), Cadet of the Year (Dwi Kartini), Innovation Initiative of the Year (Hafnia Maritime Culture Lab), and Shoreside Award (Maria Javellana and Joan Kwek).

Additionally, Hafnia was recognized by SAFETY4SEA's 8th Annual Awards in the "**Initiatives Award**" category for its enhanced maternity policy for seafarers – launched in 2022.

Safe Harbour Review

Disclaimer Regarding Forward-Looking Statements in Annual Report. This annual 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.

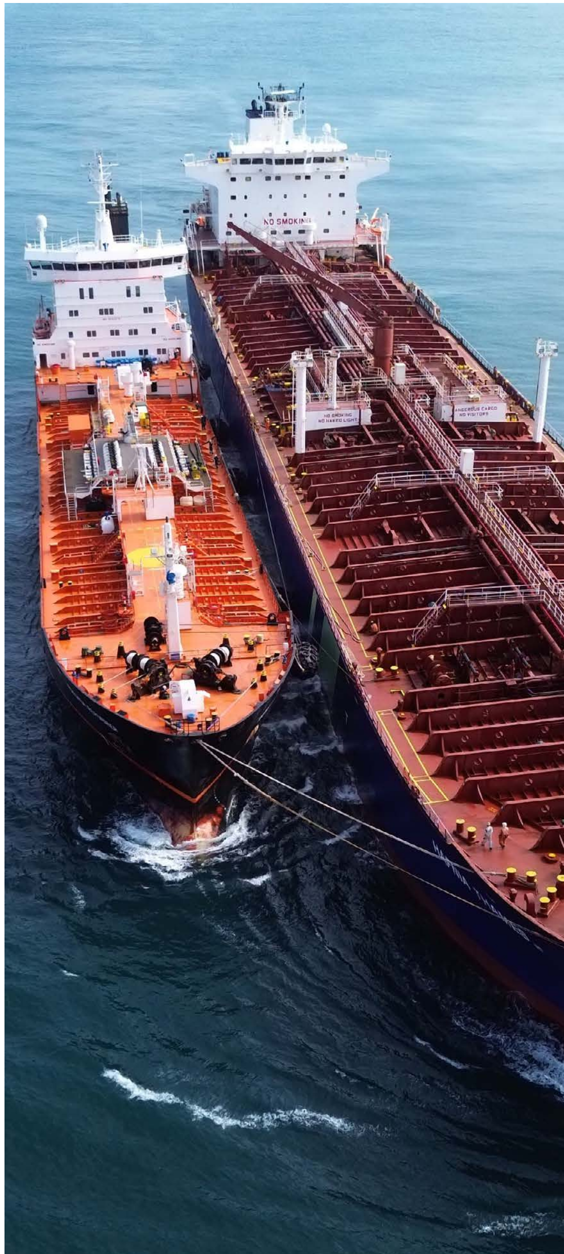
They include statements regarding Hafnia’s intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the 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.

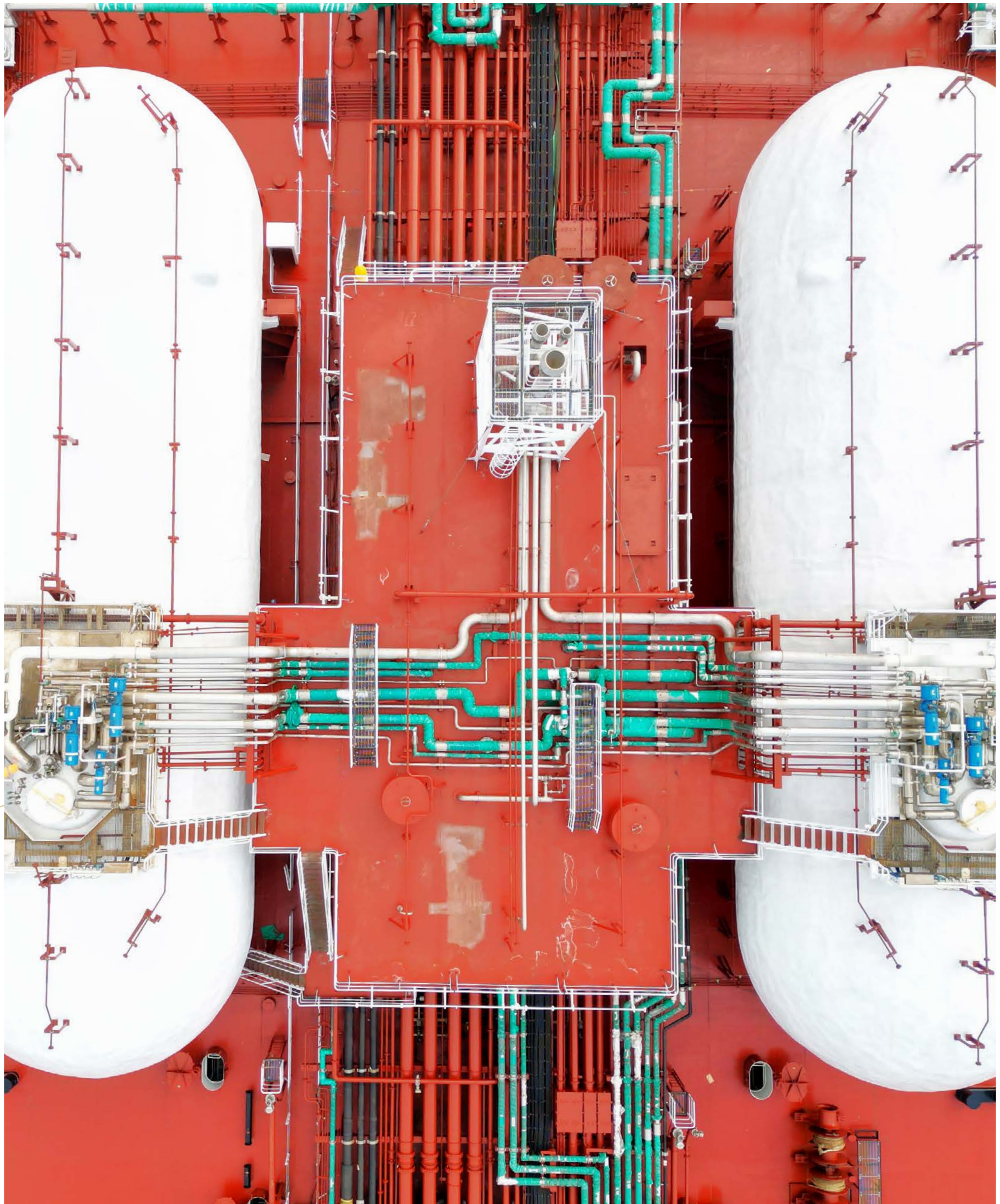
All subsequent written and oral Forward-looking Statements attributable to Hafnia or to persons acting on Hafnia’s behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this report.



1.3 The Product Tanker Market

In 2023, product tanker markets were supported by strong refinery throughput, underlying shifts in refinery capacity, shifts in products trade patterns due to impacts from the Russia-Ukraine conflict, as well as support to trade volumes from arbitrage trading.

Seaborne products trade volumes increased by an estimated 2.3% in 2023, compared to 2022, to reach 23.2 million barrels per day.



The Product Tanker Industry

Hafnia primarily operates in the worldwide transportation of refined oil products and chemicals, which is shown in the simplified tanker market overview above. The product tanker market is cyclical and volatile, and the charter rates and product tanker capacities depend on several factors:

- Number of newbuilds and the number of vessels being scrapped
- Oil demand and refinery throughput
- Price of oil
- Oil inventories
- Environmental regulations
- Geopolitics and sanctions
- Location of refineries

The charter market is also highly competitive and based primarily on the offered charter rate, vessel's location, technical specification, and the reputation of its manager.

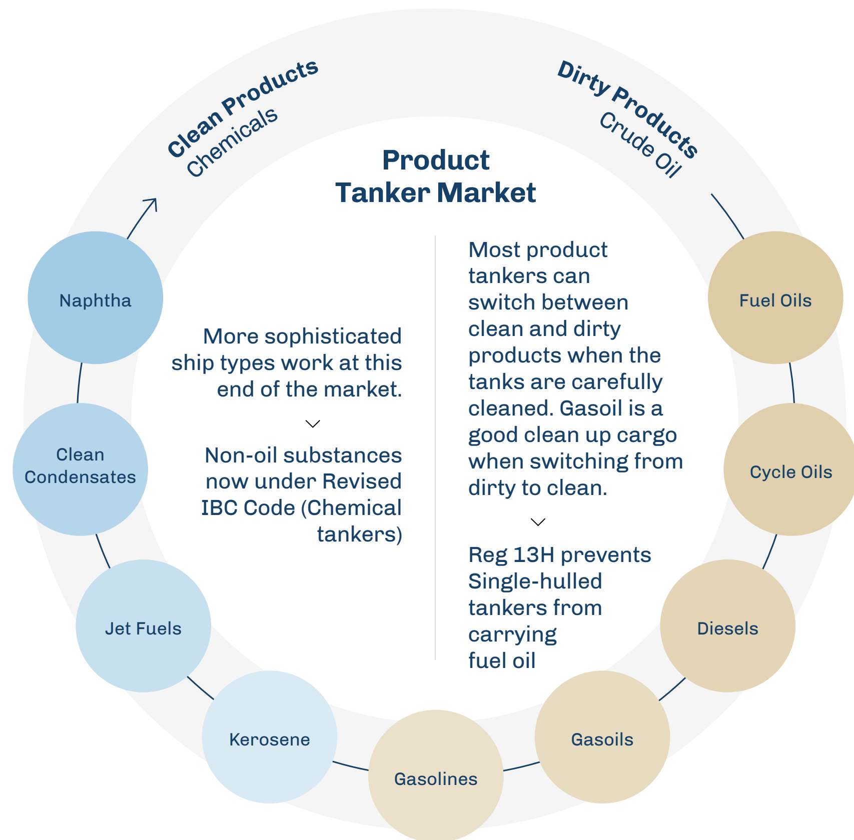
While crude tankers transport crude oil from points of production to oil refineries or storage locations, product tankers can carry both refined and unrefined petroleum products, including crude oil, "dirty products" (including fuel oil, vacuum gas oil and carbon black feedstock), and "clean products" (e.g. gas oil, gasoline, kerosene and naphtha).

Transportation of clean products typically requires a vessel with coated tanks. Product tankers have coated tanks, allowing vessels to transport various grades of refined petroleum products, vegetable oils and easy chemicals without degrading the vessel's steel or contaminating the cargo. Dirty products, however, are transported by a mixture of coated and uncoated tankers, as trading patterns and market requirements dictate.

"Dirty products", such as fuel oil, vacuum gas oil and carbon black feedstock require heating to lower the viscosity of the cargo during transport, but require minimal tank or line preparation as contamination of the cargo is not a crucial consideration. Product tankers make up 59% of the combined crude and product tanker fleet (above 10,000 dwt) in terms of vessel numbers and 29% in terms of dwt, and are a key part of the global tanker trade.

Although the product tanker market exhibits some independent behaviour from the crude tanker market, there is also correlation between the two sectors and changes in one market may influence the other.

Product Tanker Market



Overview

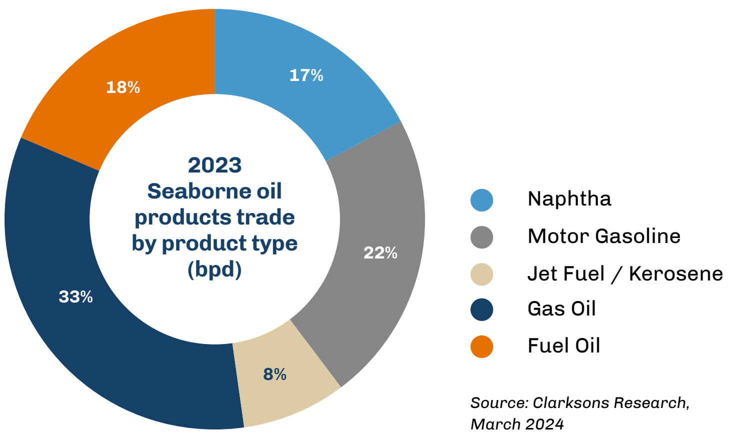
- The product tanker sector is experiencing an extended period of strong market conditions, with Medium Range (MR) spot earnings averaging USD 26,948/day in 2023, double the average since 2000. Product tanker markets saw further upside from the disruption in the Red Sea into early 2024, with vessels re-routing away from the region providing additional impetus.
- A strong demand for product tankers has developed, supported by continued longer-haul trade patterns for Russian exports and European imports due to the Russia-Ukraine conflict and some re-routing onto longer voyages via the Cape of Good Hope to avoid recent disruption in the Red Sea.
- The average distance of global seaborne products trade increased by an estimated 7% in 2023, supporting demand, with further growth of 5% projected in 2024.
- Refinery capacity start up trends also supporting underlying product tanker demand.
- Product tanker supply growth was very limited last year, expanding by just 2.1% during 2023. The supply backdrop is expected to remain supportive in the coming years, with fleet growth of 1.2% expected this year. Despite an up-tick in ordering in 2023, the newbuild order-book is a moderate 13% of fleet capacity.
- Emissions regulations and efforts to improve CII ratings could also potentially have a further moderating impact on active tanker supply through retrofit time as well as reduced speeds.

2023 Summary

The product tanker market has experienced an extended period of firm conditions since early 2022, after strengthening significantly following the onset of the Russia-Ukraine war. Clarksons Research's product tanker spot earnings series averaged USD 32,294/day in 2023, down 15% y-o-y though still 82% above the ten-year average. Product tanker markets were supported by strong refinery throughput, underlying shifts in refinery capacity, shifts in products trade patterns due to impacts from the Russia-Ukraine conflict, as well as support to trade volumes from arbitrage trading (e.g. Saudi Arabia imported more Russian products, while exporting more of its domestic output).

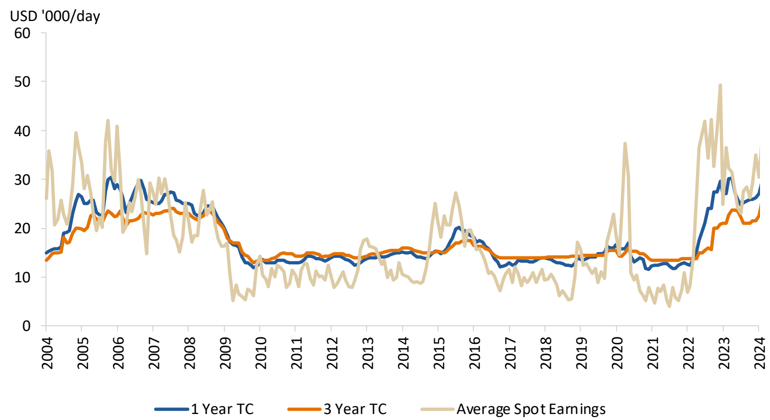
Clean MR spot earnings (basis a c.2010-built non scrubber-fitted ship) averaged USD 26,948/day in 2023, down 15% y-o-y, though 69% above the ten-year trend. Earnings premiums for 'eco' and scrubber-fitted tonnage remained healthy in 2023, though were narrower than in 2022 amid a generally softer bunker price environment; average earnings for a c.2015-built 'eco' ship averaged USD 31,489/day, and earnings for a scrubber-fitted 'eco' MR reached USD 33,549/day. Earnings in the LR sectors remained firm last year, though they eased back from the very strong levels seen in 2022. LR2 clean spot earnings on the benchmark Ras Tanura-Chiba route averaged USD 34,702/day in 2023 (basis a c. 2010-built non scrubber-fitted ship), down 7% y-o-y but 60% above the ten-year trend, while LR1 earnings on the same route averaged USD 28,155/day in 2023, down 15% y-o-y but 63% above the ten year average.

2023 Seaborne Oil Products Trade by Product Type (bpd)



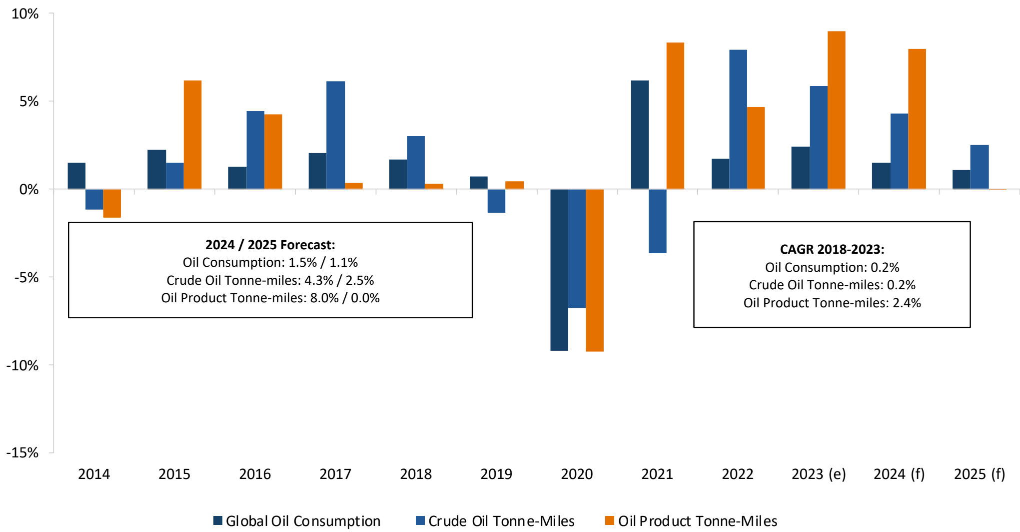
Source: Clarksons Research, March 2024

Historical Benchmark MR Tanker Timecharter Rates



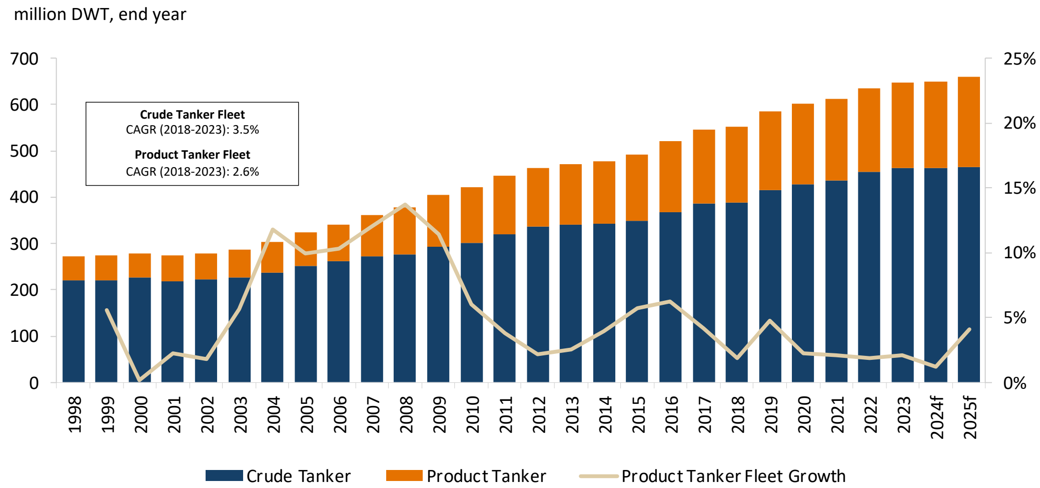
Source: Clarksons Research, March 2024

World Seaborne Oil and Total Consumption Growth



Source: Clarksons Research, IEA, March 2024

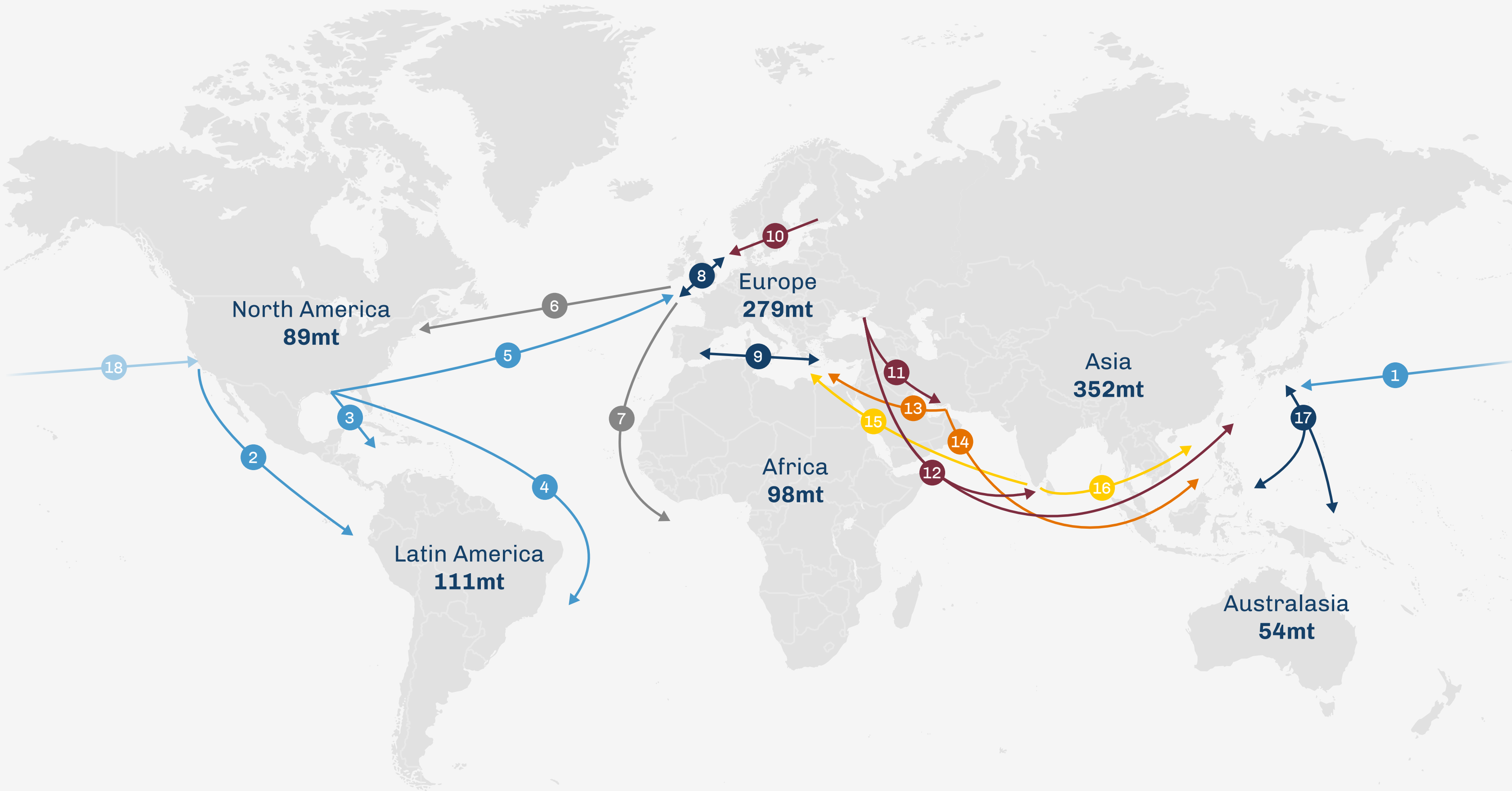
Crude & Product Tanker Fleet Development



Source: Clarksons Research, March 2024

Seaborne products trade volumes increased by an estimated 2.3% in 2023 to reach 23.3m barrels per day (bpd), with growth supported by underlying gains in global oil demand (notably with China's 'post covid' rebound) as well as refinery capacity expansions in some key regions. On the exporter side, volume gains were driven by refinery start-ups, with Middle Eastern exports rising by 6% in 2023 to 4.5m bpd, whilst exports from Asia rose by c.6% to 6.9m bpd. Imports were largely supported by firm growth in Asia (notably China) amid increasing oil demand, while import growth in Australasia continued following the recent refinery closures, including New Zealand's last remaining refinery in 2022. Trade growth in tonne-miles is estimated to have increased by a notably stronger c.9% in 2023, reflecting shifts in Russian-related trade flows and the global pattern of refinery start-ups/closures. In particular, trade grew firmly on some relatively longer-haul routes including ISC-Europe/America, Middle East to Europe & Asia, North America-Europe, Russia to Africa, Latin America and the MEG, whilst lower volumes were recorded on some shorter-haul routes, including Russia-Europe, Far East Russia to Japan/Korea (due to conflict-related policies) and US-Latin America.

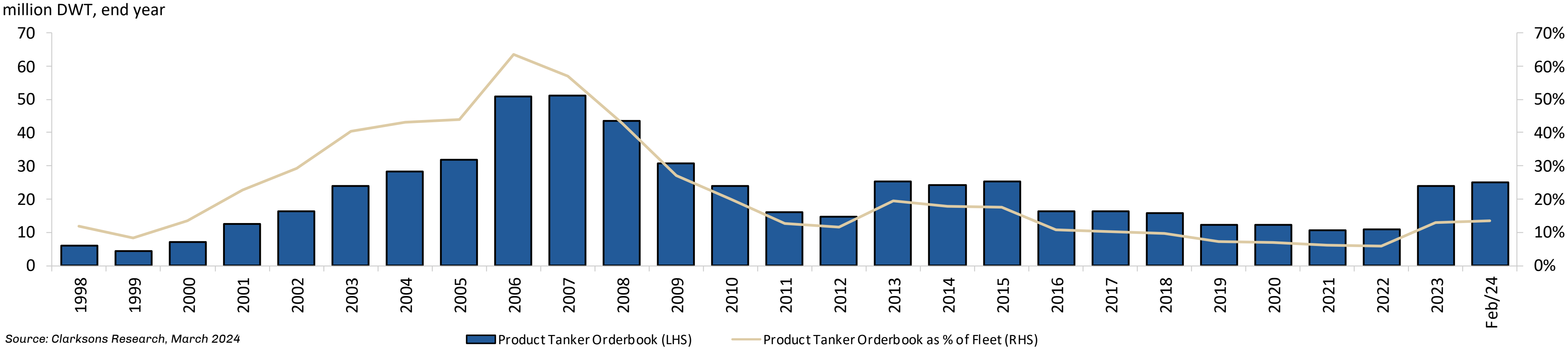
Major Seaborne Oil Products Trade Routes 2023



1 N. America - E/SE Asia **3mt**
2 N. America - WCSA **17mt**
3 N. America - Caribs **59mt**
4 N. America - ECSA **8mt**
5 N. America - UKC **11mt**
6 UKC - N. America **16mt**
7 UKC - WAF **19mt**
8 Intra - UKC **88mt**
9 Intra- Med **50mt**
10 Baltic - UKC **14mt**
11 Baltic Sea/Baltic - MEG **14mt**
12 Baltic Sea/Baltic - ISC/E. Asia **18mt**
13 MEG - UKC/Med **51mt**
14 MEG - E./S.E. Asia **66mt**
15 ISC - Med **14mt**
16 ISC - E./S.E. Asia **12mt**
17 Intra - Asia/Pacific **233mt**
18 E/SE Asia - N. America **9mt**

Source: Clarksons Research, March 2024

Product Tanker Orderbook Development



Source: Clarksons Research, March 2024

Product tanker fleet growth remained subdued in 2023, with capacity (basis ships 10k+ dwt) expanding by just **2.1%** during 2023 to reach **184.7m dwt.** Total product tanker deliveries fell by **20%** y-o-y to a limited **4.2m dwt,** also down **40%** on the ten-year average. Meanwhile, recycling was also extremely limited amid very strong market conditions and increased appetite on the second-hand market for older tonnage amid rising 'dark fleet' activity, with just 0.3m dwt sold for recycling in 2023, 81% below the ten-year trend and the lowest level for >25 years. Newbuild contracting picked up in 2023, with a robust 17.5m dwt of orders placed, the highest level since 2013 and more than double the ten-year average. However, the order-book still remains at a relatively moderate level, equivalent to 13% of fleet capacity at end 2023, though up from a low of 5.5% at end 2022.

In early 2024, product tanker markets saw further upside from vessels re-routing away from the Red Sea onto longer voyages (e.g. via the Cape of Good Hope) which has added additional impetus to an already tight supply-demand balance. Product tanker arrivals in the Gulf of Aden stepped downwards in mid-Jan after the further escalation of the Red Sea crisis, with recorded product tanker arrivals down by 52% in 2H-Feb vs. 1H-Dec (having been 33% down in early January). As a result of the increasing disruption average product tanker spot earnings rose to above USD 50,000/day in late-Jan. Clean MR spot earnings rose to close to USD 40,000/day in January, while LR2 earnings surged to over USD 100,000/day amid impacts from the disruption. However, while re-routing initially provided a clear market upside in some sectors, impacts on cost and arbitrage have also led to some trade flow shifts, and MR spot earnings eased back to a still historically firm USD 35,000/day in early March, whilst LR2 earnings on the MEG-UKC route eased back to below USD 50,000/day.

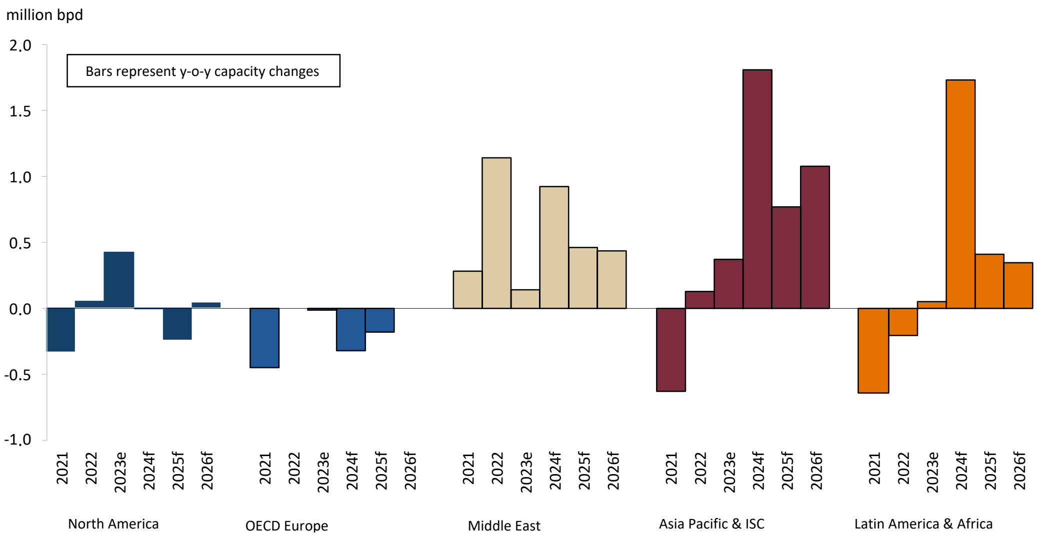
2024 Outlook

The product tanker market outlook appears positive in the short-term. Demand trends are supported by the disruption in the Red Sea (although the duration of the disruption is uncertain and there have been some shifts in trade flows as a result of the crisis, in some cases it appears towards shorter-haul routes), and continued longer-haul trade patterns for Russian/European products trade; and supply growth is expected to remain fairly limited in this period due to a moderate delivery schedule.

We currently estimate the resulting uplift to tonne-miles from the Red Sea disruption at ~**4**% for products trade; notable, but less significant than the demand uplift resulting from the Russia-Ukraine conflict (which added ~14% across 2022-23).

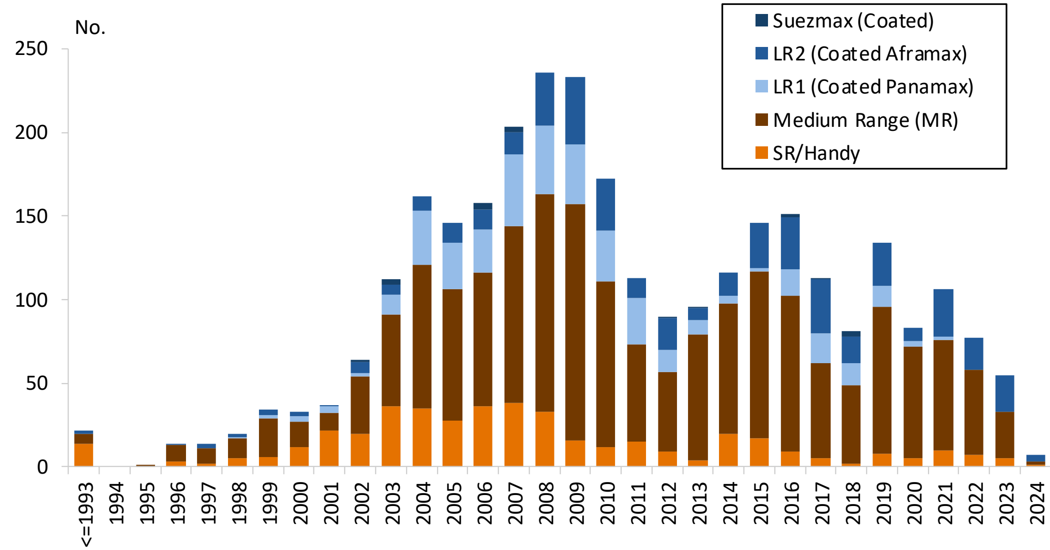
Red Sea impact aside, the product tanker demand outlook appears encouraging for 2024. Seaborne products trade is projected to grow by 3.0% to 23.9m bpd in 2024, driven by oil demand growth and new refinery start-ups. In the Middle East, further expansion in refinery capacity (and ramp-up of throughput at recent start-ups) is expected (e.g. in Iraq, Iran, Kuwait and the UAE). Asian export growth is expected to be driven by a range of countries, notably India, where refinery capacity is continuing to expand, and China amid robust export quotas for this year and new refinery capacity expansions. Meanwhile, products imports are expected to be supported by refinery closures in some regions (e.g. Japan, Europe and Australasia). In 2024, products imports are projected to rise by c.17% into Japan and by 6% in Europe, while Australasian imports are projected to reach c.1.2m bpd in 2024, some 50% above the 2019 level.

Regional Refinery Capacity Growth



Source: Clarksons Research, Industry Sources, March 2024

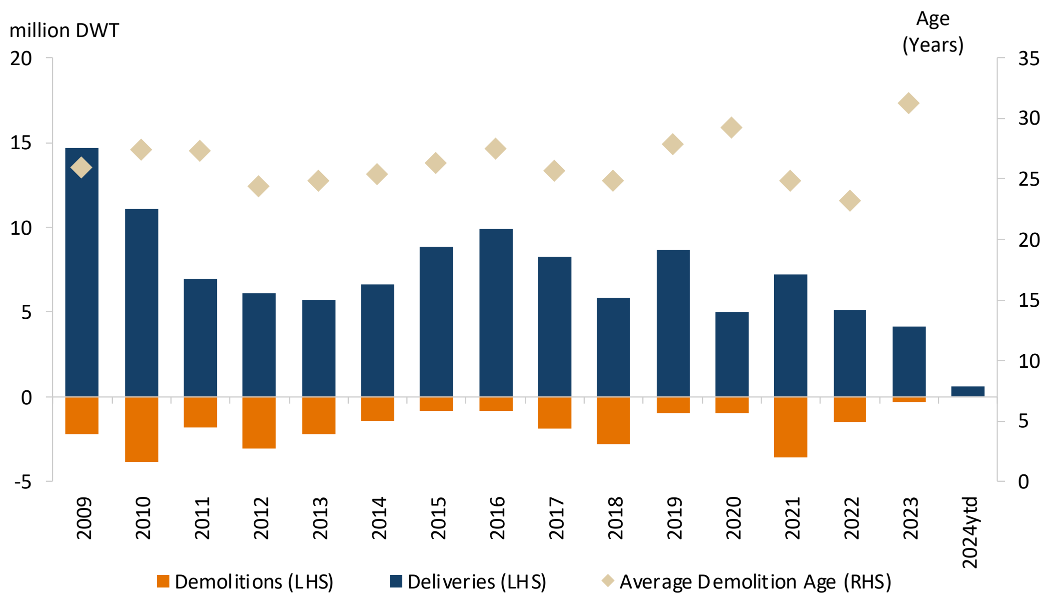
Product Tanker Fleet: Age Profile (25,000+ dwt)



Source: Clarksons Research, March 2024

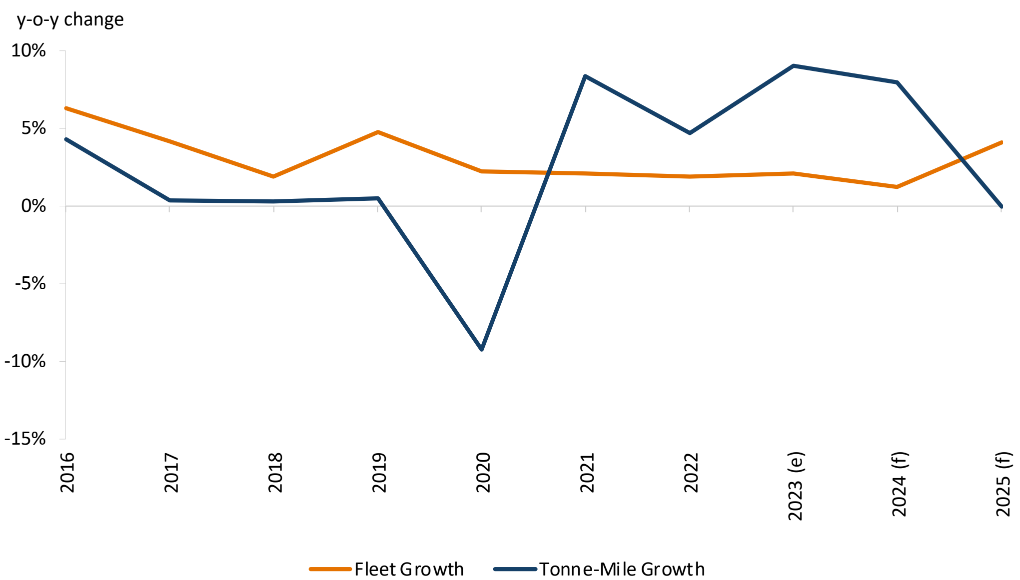
Overall, initial estimates suggest potential for tonne-mile trade to grow faster than volumes, with 8.0% growth projected in 2024. This reflects expectations for underlying support from regional refinery capacity shifts, y-o-y impacts on average haul from continued longer-haul trade patterns for Russian exports and European imports following shifts in these trade flows over the course of 2023, as well as some potential for positive impacts from Panama Canal transit restrictions (e.g. as some vessels reroute to longer distances). Support to tonne-mile trade is also expected from the Red Sea crisis, with initial projections on the basis of half a year's worth of significant impact, though the duration of disruption remains uncertain and some shifts in trade flows may reduce requirements for significant re-routing.

Product Tanker (10,000 DWT+) Fleet Changes



Source: Clarksons Research, March 2024

Product Tanker Supply and Demand



Source: Clarksons Research, March 2024

The product tanker supply backdrop also remains supportive amid a very limited order-book scheduled for delivery this year, with fleet growth of **1.2**% projected across 2024. Deliveries are projected to ease further from the 2023 level to less than 4m dwt. Emissions regulations and efforts to improve CII ratings could also potentially have a further moderating impact on active tanker supply through retrofit time as well as reduced speeds.

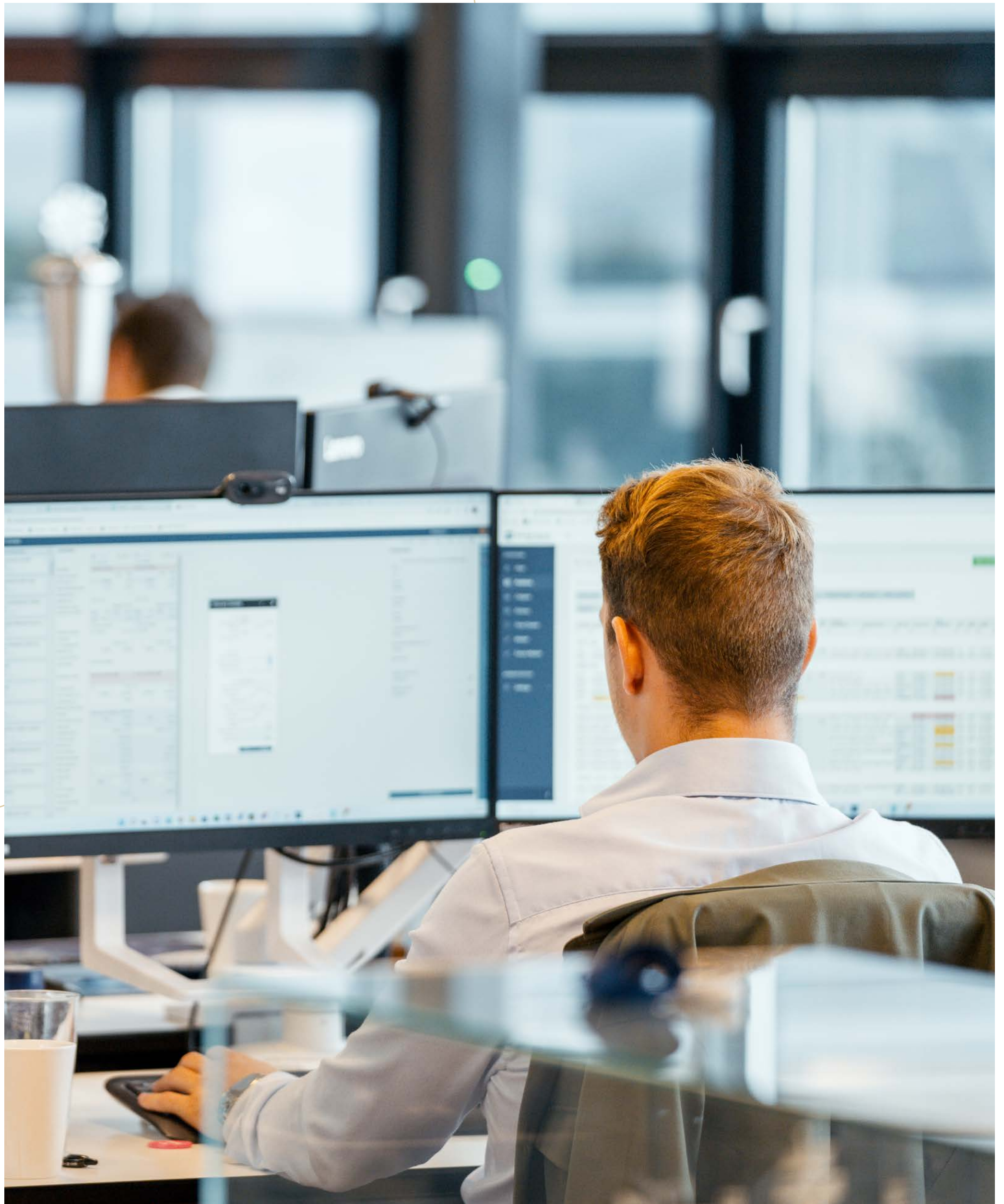
Overall, while there are still some geopolitical risks (e.g., recent attacks on Russian refineries by Ukraine) and uncertainties (e.g. the duration of Red Sea-related disruption), supportive supply-demand fundamentals suggest that product tanker markets are likely to remain tight through 2024.

While product tanker market conditions may ease next year, earnings are expected to remain at healthy levels overall, with utilisation expected to remain well above levels seen prior to the Russia-Ukraine conflict. Product tanker dwt demand is projected to grow by a further **1.0**% in 2025, with support provided by increasing global refinery capacity and oil demand, though this represents a slower rate of growth than in 2024 (with the limited growth largely reflecting the comparison to a disruption-impacted 2024 and as Russia-related trade flow shifts stabilise). Meanwhile, fleet growth is projected to pick up to 4.1% in 2025, following stronger ordering through 2023.

1.4 Investor Relations

Hafnia builds trust and confidence within its investor community through transparency and regular communication and is dedicated to delivering strong shareholder value.

This overview highlights our investor strategy, and provides key information relating to our shares.



Investor Strategy

Managing Investor Relationships

- Hafnia understands the importance of maintaining good relationship within the investor community.
- We have a designated Investor Relations (IR) team who lay out the strategy and processes that engages shareholders. This includes providing regular updates on the company's performance, strategy, and financial results through our dedicated IR website.
- Our IR team maintains frequent communication with analysts and investors through meetings, calls and email correspondence.
- Our Management also actively participates in local and international conferences where we engage in one-on-one meetings with investors, to obtain feedback on performance and actively convey our investment proposition.

Disclosure of Information

- Hafnia builds trust and confidence with its investor community by disclosing relevant information in an accurate, timely and transparent manner, whilst adhering to stock exchange rules, securities laws, and regulatory requirements.
- We achieve this through regularly communicating any significant developments through appropriate channels such as news releases, direct announcements, social media, investor presentations and annual reports.
- Prior any quarterly conference call, Hafnia will notify the investor community of the date of this release in advance. Financial results are reviewed and approved by the Board prior to external release.
- Following the quarterly release of financials, Hafnia holds an investor call where Management presents the results, an update on the market outlook and concludes with a Q&A session.

Strong Shareholder Returns

- Hafnia delivers strong shareholder value through improving share liquidity and strong dividend yields.
- In January 2023, Hafnia successfully completed a bloc sale of shares through a private placement to increase free float and share liquidity.
- In February 2023, Hafnia has qualified to trade its shares on the OTCQX Best Market, tapping into a wider range of US investors, resulting in higher trading volumes.
- Hafnia has consistently paid out dividends and had a total shareholder return of 51% in 2023. Hafnia paid a total of USD 508.3m in dividends from FY2023 results, resulting in a payout ratio of 64%.

Proactive Growth Measures

- Hafnia is an actively managed company which is focused on creating shareholder value. We are constantly seeking new opportunities to increase our service offering.
- Through active management, keen understanding of the market and strong industry relationships, Hafnia has concluded various material transactions which strengthens our foothold as one of the world's leading product and chemical tanker company:
  - » Vista Joint Venture
  - » Andromeda Joint Venture
  - » Acquisition of Chemical Tankers Inc.
  - » Acquisition of 12 LR1s
  - » Socatra Joint Venture

Futureproof through ESG

- Hafnia has a strong focus on ESG and is committed to minimizing our environmental footprint, advocating for diversity and inclusion and to uphold high standards of corporate governance.
- We constantly look out for vessel optimization initiatives that improves our vessel performance and projects in the clean energy sector.
- In 2023, we concluded a joint venture with Socatra for four dual-fuel methanol vessels, utilising cleaner marine fuel with a proven net-zero pathway.
- We partner with various industry peers, international organisations, and other key stakeholders to collaboratively address challenges our sector faces.

Investor Information

Share Information

Exchange	Oslo Stock Exchange
ISIN	BMG4233B1090
Ticker	HAFNI
Currency	NOK
Class of shares	1
OTCQX symbol	HAFNF
Total shares	510,251,747
Treasury shares	2,148,261

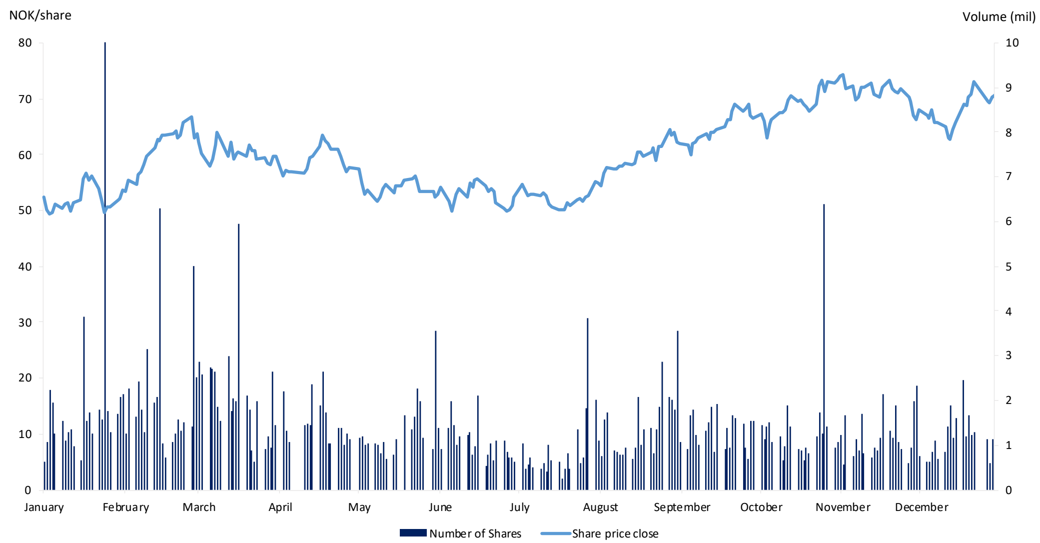
US Secondary Listing

- In November 2023, Hafnia announced the Board has granted authorisation for management to initiate efforts towards a potential secondary listing in the United States (US).
- The contemplated transaction is limited to a direct listing of existing Hafnia shares, with no plans to raise additional capital.
- In the event that Hafnia's shares are listed in the United States in the future, they will continue to be traded on the Oslo Stock Exchange (OSE).
- This decision stems from our intent to explore options for expanding investor base and enhancing share liquidity.

2023 Share Price Performance

At the end of 2023, Hafnia had a total of **506,820,170** shares, including **2,626,651** treasury shares. As of 31 January 2024, Hafnia had a total of 510,251,747 shares, including 2,148,261 treasury shares.

During the year of 2023, Hafnia share price has increased from **52.3 NOK** on Jan 2 to **70.2 NOK** on Dec 29, with a high of **74.3 NOK** and low of **49.4 NOK**. The average daily trading volume on Oslo Børs is approximately **1,528,135** shares.



Investor Information (Continued)

Dividend Policy

Hafnia will target a quarterly payout ratio of net profit, adjusted for extraordinary items, based on our quarter end net loan-to-value ratio.

The payout ratio will be determined as follows:

- **50% payout** of net profit if net loan-to-value is above 40%,
- **60% payout** of net profit if net loan-to-value is above 30% but equal to or below 40%,
- **70% payout** of net profit if net loan-to-value is above 20% but equal to or below 30%, and
- **80% payout** of net profit if net loan-to-value is equal to or below 20%.

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 and cash equivalents, divided by broker vessel values (100% owned vessels).

The final dividend amount 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. There can be no assurance that a dividend will be declared in any given year. If a dividend is declared, there can be no assurance that the dividend amount or yield will be as contemplated above.

Hafnia's Historical Dividends

Earnings Period	Dividend Amount (USDm)	Dividend per Share (USD)	Payout Ratio (%)
Q4 2019	21.2	0.0573	50
Q1 2020	38.6	0.1062	50
Q2 2020	38.6	0.1062	39
Q1 2022	10.5	0.0210	49
Q2 2022	93.1	0.1862	50
Q3 2022	140.1	0.2801	50
Q4 2022	159.0	0.3157	60
Q1 2023	154.0	0.3044	60
Q2 2023	128.0	0.2528	60
Q3 2023	102.9	0.2032	70
Q4 2023	123.5	0.2431	70
Total	**1,009.3**	**2.0762**	**57**

Hafnia Shareholder Composition

As of 31 January 2024, Hafnia had **6,562** registered shareholders.

To the right is a list of the 20 largest shareholders as of 31 January 2024:

#	Shareholder Name	No. of Shares	Percentage (%)
1	BW GROUP LIMITED	246,106,112	48.23
2	FOLKETRYGDFONDET	23,527,964	4.61
3	The Bank of New York Mellon	20,986,934	4.11
4	State Street Bank and Trust Comp	20,831,168	4.08
5	JPMorgan Chase Bank	12,389,615	2.43
6	SKANDINAVISKA ENSKILDA BANKEN AB	11,652,804	2.28
7	The Bank of New York Mellon SA/NV	10,807,020	2.12
8	Citibank	9,110,248	1.79
9	J.P. Morgan SE	6,791,351	1.33
10	Goldman Sachs International	6,178,288	1.21
11	The Northern Trust Comp	5,765,004	1.13
12	BNP Paribas	5,068,630	0.99
13	Euroclear Bank S.A./N.V.	3,899,602	0.76
14	CLEARSTREAM BANKING S.A.	3,596,264	0.70
15	SONGA CAPITAL AS	3,500,000	0.69
16	Interactive Brokers LLC	3,333,799	0.65
17	VERDIPAPIRFONDET STOREBRAND NORGE	3,285,428	0.64
18	Danske Bank A/S	2,839,577	0.56
19	VERDIPAPIRFONDET DNB NORGE	2,778,444	0.54
20	VPF DNB NORGE SELEKTIV	2,676,929	0.52
	Others	105,126,566	20.60
	Total	**510,251,747**	**100.00**

Analyst Coverage

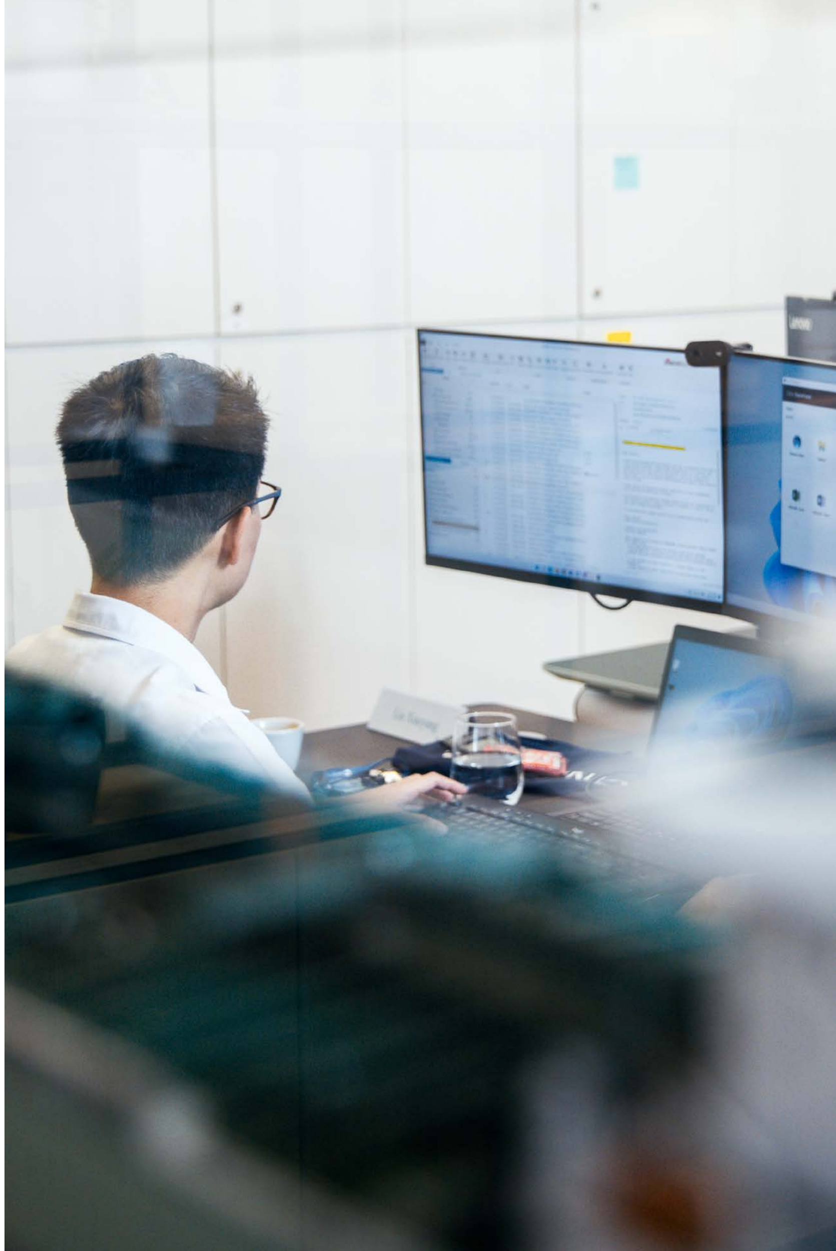
Company	Analyst	Email Address
ABG Sundal Collier	Petter Haugen	petter.haugen@abgsc.no
Arctic Securities	Kristoffer Barth Skeie	kristoffer.skeie@arctic.com
Clarksons Platou Securities AS	Frode Mørkedal	frode.morkedal@clarksons.com
Danske Bank	N/A (role transition)	N/A (role transition)
DNB	Jørgen Lian	jorgen.lian@dnb.no
Fearnley Securities	Øystein Vaagen	o.vaagen@fearnleys.com
Jefferies	Omar Noktar	onokta@jefferies.com
Nordea	Erik Hovi Jørgen Bruaset	erik.hovi@nordea.com jorgen.bruaset@nordea.com
Pareto Securities AS	Eirik Haavaldsen	eha@paretosec.com
Skandinaviska Enskilda Banken (SEB)	Frederik Ness	frederik.ness@seb.no

Financial Calendar

Financial Year 2024	
5 March 2024	Quarterly report – Q4 2023
27 March 2024	Annual report – 2023
14 May 2024	Annual general meeting
15 May 2024	Quarterly report – Q1 2024
28 August 2024	Half-yearly report – H1 2024
28 November 2024	Quarterly report – Q3 2024

Investor Relations Contact

THOMAS ANDERSEN, EVP
Head of Investor Relations
tha@hafniabw.com



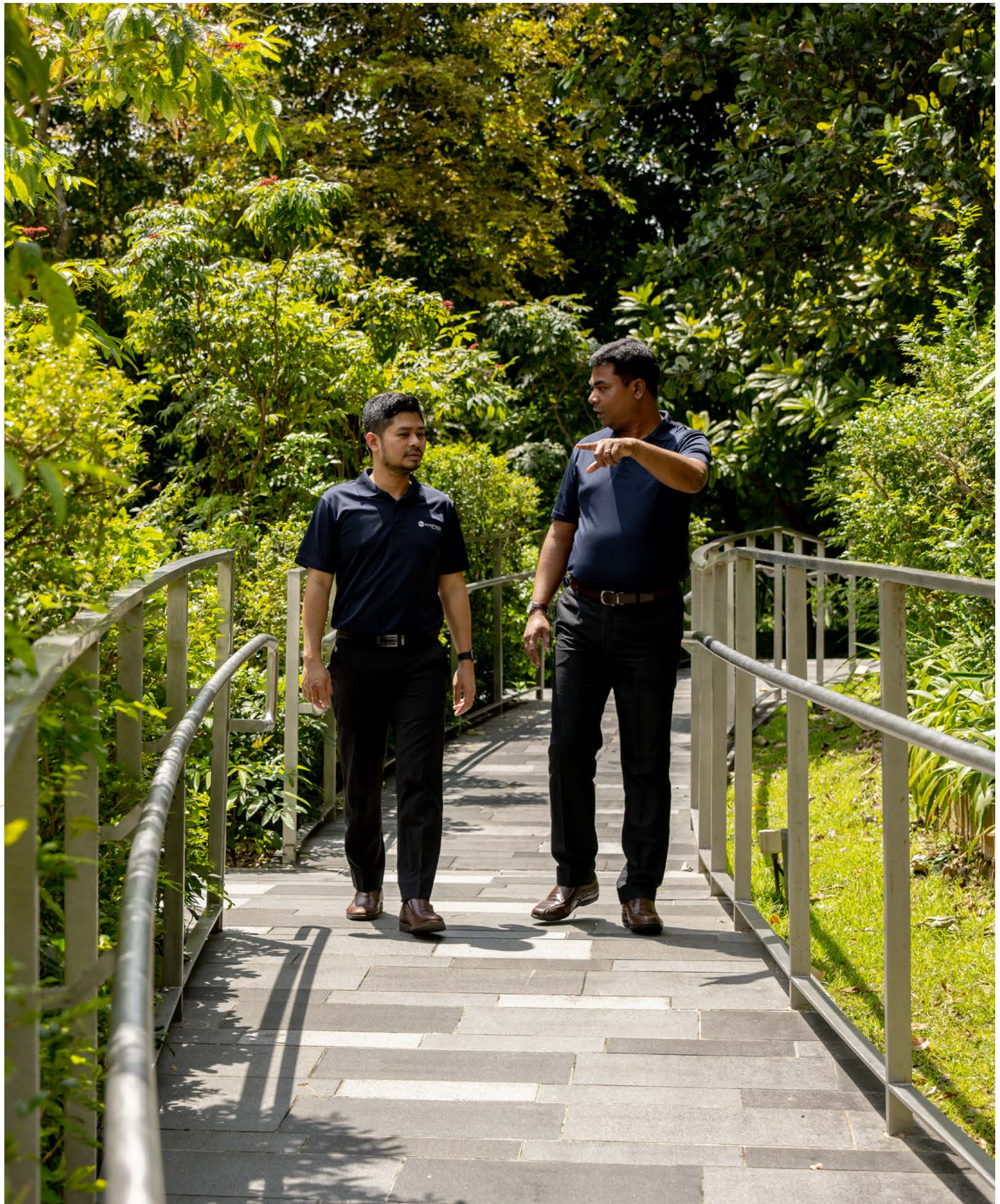
02

Taking Responsibility

2.1 ESG Approach

ESG remains a focal point on our agenda, with 2023 serving as an important year for consolidating and furthering our sustainability strategy.

Our commitment to leading change and establishing a comprehensive model for responsible business practices continues as we work towards our net-zero ambitions.



ESG Strategy & Management

About our ESG Report

Our 2023 annual ESG report provides an overview of Hafnia's ESG activities, in accordance with disclosure requirements set by the Global Reporting Initiative (**GRI**) 2021, Sustainability Account Standard Board (**SASB**), and Task Force on Climate-related Financial Disclosures (**TCFD**).

Adherence to the United Nations Sustainable Development Goals (**SDGs**) and the Green House Gas (**GHG**) Protocol additionally applies.

These frameworks were utilised to evaluate Hafnia's materiality topics, forming the foundation of this report.

In 2023, we prioritised our engagement with ESG rating agencies and, for the first time, responded to the Climate Disclosure Projects (**CDP**) "Climate Change Questionnaire" reflecting our commitment to providing transparent insights.

To improve the maturity of our reporting, Hafnia has begun disclosing information under the European Sustainability Reporting Standard (**ESRS**), including General Disclosures **ESRS 1** and **ESRS 2.** This positions Hafnia to align with the Corporate Sustainability Reporting Directive (**CSRD**) ahead of its enforcement, demonstrating our commitment to transparent sustainability reporting standards.

ESG Integrated into our Strategy

Hafnia aims to maintain global leadership and foster continued growth. Our strategic vision detailed in Chapter 1, centers on being a responsible business with a net-zero ambition by 2050 that prioritises people.

Hafnia's core strength lies in our dedication to investing in our people, recognising them as the key assets driving our strategic framework. We actively focus on minimising our environmental impact through initiatives to reduce our carbon footprint and uphold fair business practices. By setting ambitious targets, we strive for outstanding performance in all aspects of our operations.

How ESG Strategy is Governed

Hafnia maintains a strong governance structure for our ESG strategy and implementation prioritised from the top. The Board of Directors assumes accountability for ESG and business integrity, endorsing the overarching ESG Strategy and approving critical decisions.

Hafnia's Board of Directors regularly monitors the progress of our objectives and assess ESG-related risks during quarterly board meetings. Additionally, the Audit committee takes a proactive role in overseeing the ESG reporting process and development, staying updated on evolving regulatory landscapes through quarterly updates.

Hafnia's Leadership Group takes the lead on the decision-making process for prioritising actions within our ESG Strategy agenda and ensures its effective implementation. Hafnia's ESG Team plays a central role in defining trajectories, priorities, and action plans, and collaborates with various business units on project involvement.

"In 2023, we have achieved notable milestones, and implementing impactful long-term initiatives. This emphasises our commitment to social and environmental responsibilities for all stakeholders.

Our strategy is centred around responsible development, and we diligently monitor the execution of action plans through key performance indicators."

Raphaele Guenot,
Head of Executive Projects & ESG

Alignment with UN SDGs

17 PARTNERSHIPS FOR THE GOALS

Double Materiality & Stakeholder Engagement

Double Materiality Assessment

In accordance with the ESRS, Hafnia conducted a double materiality assessment in early 2024.

This assessment enabled us to pinpoint material topics that hold significance from both a sustainability and financial perspective.

Detailed information regarding our double materiality assessment process is available in Chapter 4.

The following table lists material issues that were identified and selected for action, that fall under our commitments to responsible development that give the structure to our Annual Report.

Every section outlines our targets and commitments, our key accomplishment and on-going action as well as our ambitions for the future and the policies we adhere to.

Commitment to Sustainable Development	Annual Report Sections	ESRS Section Covered	ESRS Sub-section Covered
Minimise Impact on Environment & Climate	Driving the Business towards Net Zero by 2050	E1: Climate Change	Climate Change mitigation Climate Change Adaptation
	Caring for the Environment	E2: Pollution	Pollution to Air
Cultivate People First	Health & Safety First	S1 & S2: Own workforce and workers in the value chain	Working conditions
	Promoting Education & Developing People Skills	S1 & S2: Own workforce and workers in the value chain	Equal treatment and opportunities for all
	Commitment to Diversity & Inclusion	S1 & S2: Own workforce and workers in the value chain	Equal treatment and opportunities for all
	Safeguarding Human Rights	S1 & S2: Own workforce and workers in the value chain	Other rights
Act for Fair Business Practices	Act Ethically & with Integrity	G1: Business conduct	Sustainable Procurement
	Sustainable Supply Chain	G1: Business conduct	Sustainable Procurement

Engaging with our Stakeholders

Hafnia's ESG Strategy is grounded in a collaborative approach.

Regular engagement with our stakeholders is essential for fostering transparent dialogue and advancing the industry towards greater responsibility in business practices and operations.

Stakeholder Group	Stakeholder Expectations	Engagement Channels
Shore-based Employees & Seafarers	• Safe and fair working environment • Opportunities for career development • Sense of belonging • Flexibility, whenever possible	• Regular dialogue with managers and colleagues • Engagement and inclusion surveys • Town hall and workshops to share company's culture and information
Customers	• Responsible business practices • Reduction of fuel consumption and emissions • Reliable and high-quality service in line with safety standards	• Regular business dialogue and sharing of information
Pool Partners	• Readiness towards new laws and regulations • Support to reduce fuel consumption and emissions	• Pool Board Meetings • Technical and Operational Committee Meetings twice a year • Monthly vessel performance reviews
Investors	• High financial performance • Strong risk management and corporate governance • High ESG ratings	• Regular meetings with investors and analysts • Investor roadshows and calls • Quarterly earnings presentations • Press releases
Lenders	• Emissions reduction strategy • Compliance with laws and regulation	• Regular dialogue
Authorities	• Compliance with regulation • Emissions reduction strategy	• Engagement trough industry associations and local and international authorities • Participation to collective action alliances

Partnerships

Global Maritime Forum (GMF): An international non-profit organisation committed to shaping the future of global seaborne trade, promoting sustainable long-term economic development, and enhancing people's well-being. Hafnia has been an active member of the GMF since 2022.

All Aboard Alliance (AAA): Led by the GMF, and co-chaired by our CEO Mikael Skov, this initiative strives to promote diversity, equity, and inclusion both at sea and onshore. The Alliance endeavours to drive the transformation of the maritime industry into a progressive and inclusive sector.

Getting to Zero Coalition: Spearheaded by the GMF, this coalition seeks to unite key stakeholders from maritime, energy, infrastructure, and finance sectors to achieve commercially viable zero-emission vessels on a scalable level by 2030, paving the way for complete decarbonisation by 2050.

Diversity Study Group (DSG): An organisation dedicated to cultivating a culture of Diversity, Inclusion, Belonging, and Equity (DIBE) in the workplace. Hafnia plays an active role contributing with valuable data and implementing best practices derived from collaborative efforts with the Group.

The Maritime Anti-Corruption Network (MACN): A worldwide business network dedicated to actualising a vision of a corruption-free maritime industry, promoting fair trade and nurturing a culture of integrity within the maritime community. Hafnia's Head of Operations and Claims has newly been appointed to MACN's Board in 2023.

DNV: We have together with DNV developed a tool capable of tracking vessels' emissions on a voyage basis, enabling accurate communication of data for regulatory environmental requirements.

Maritime Partners in Safety: An initiative aimed at sharing and implementing best practices to achieve a significant improvement in safety performance.

UN Global Compact: In early 2024, Hafnia joined the UN Global Compact, affirming our commitment to uphold the Compact's principles and in providing regular updates on how we are progressing on our ESG strategy. The UN Global Compact is a call to companies to align their operations and strategies with ten universal principles in the areas of human rights, labor, environment and anti-corruption, and to take action in support of UN goals.

2.2 Responsible Commitments

Minimise Impact on Environment & Climate by prioritising emission reduction across our operations.

Cultivate People First nurturing a strong corporate culture and firmly opposing human rights violations.

Act for Fair Business Practices by upholding the highest standards of integrity that places people at the core of our business.

Minimise Impact on Environment & Climate

Acknowledging our global reach and the resulting impact on emissions and marine ecosystems, Hafnia recognises our inherent responsibility across our operations.

In 2022, the international shipping industry accounted for approximately 2% of global energy-related CO2 emissions.

While the International Maritime Organization (IMO) has updated emissions reduction targets in line with the Paris Agreement, it is important to note that the responsibility for implementing these targets rests with organisations in both the private and public sectors.

Despite industry wide commitments, challenges to decarbonising shipping persist due to obstacles such as limited policy consensus, the lack of globally standardised regulations, and uncertainties surrounding technologies.

Driving the Business towards Net Zero 2050

Hafnia firmly supports addressing decarbonisation challenges directly, pushing for progress without hesitation. We are committed to creating long-term value and aim to play our part in the energy transition, aiming for net-zero emissions by 2050. We acknowledge that this transformation journey necessitates a global shift in energy production and consumption.

Caring for the Environment

We are fully committed to minimising our impact and in safeguarding the health of ecosystems. Our efforts include managing pollution, optimising waste management, improving resource usage efficiency, and responsibly managing end-of-life of our vessels.

Driving the Business towards Net Zero by 2050

Our Targets & Commitment

- 40% carbon intensity reduction by 2028 compared to a 2008 baseline according to 2030 IMO trajectory
- Targeting Net Zero on Scope 1 emissions by 2050 on all Hafnia's operations, aligned with the goals of the Paris Agreement

2023 Key Accomplishments

- On track to meet the IMO's target ahead of schedule in **2028** instead of 2030, foreseeing a **40%** reduction on carbon emissions compared to a 2008 baseline.
- Delivery of **three** LNG dual-fuel newbuild vessels having a proven **24%** reduction in Greenhouse Gas Emissions (GHG), utilising LNG (vs. regular Bunker fuel).
- Order of **four** dual-fuel Methanol Chemical IMO II (MR) newbuilds to be delivered in 2025-2026.
- Fully compliant with the Energy Efficiency Existing Ship Index (EEXI) regulation, with our entire fleet meeting or surpassing the minimum energy efficiency standards.
- All our vessels meet or exceed the required performance levels under the Carbon Intensity Regulation (CII), with **112** out of **116** vessels earning grades of A, B, or C.
- We measure and report both our **Scope 2** emissions (market-based approach) and **Scope 3** emissions.

Our Continuous Actions to Optimise our Vessel's Technical Performance

Modern and Dynamic Fleet: Hafnia prioritises optimising the design and propulsion of newly ordered ships while also maintaining a modern fleet through a renewal strategy.

State-of-the-Art and Optimised Vessels: Hafnia is committed to improving fleet performance by incorporating physical energy-reducing devices. Once the emissions savings from these initiatives are validated, enhancements are systematically extended to a substantial number of vessels. Solutions implemented in 2023 include various technologies like Mewis Duct, Boss Cap Fins, LED lighting, Variable Frequency Drives (VFD), and waste heat recovery systems. Our Technical team is also exploring and testing new solutions such as wind power, new types of propellers, fuel cells, and innovative hull designs as part of our ongoing commitment to innovation.

Optimising Ship Performance through Machine Learning (ML): Hafnia is utilising machine learning algorithms to analyse the impact of vessel idling on fuel performance. This project is anticipated for completion in 2024, offering the potential for fuel savings and valuable insights.

Our Continuous Actions to Optimise Operations

Operational Excellence: Hafnia utilises digital systems such as Coach and Smartship to optimise voyages. These technologies are essential for anticipating corrective actions, avoiding adverse weather conditions, optimising routes and speed efficiency, as well as enhancing the performance of under-performing vessels.

Enhancing Data Transparency:

- In collaboration with DNV, Hafnia has successfully obtained class-verified carbon emissions data on a voyage basis, as well as CII ratings, using the "Emissions Connect" tool.
- Hafnia strongly advocates for Mass Flow Metering (MFM) in bunker deliveries to accurately measure inventories, fuel consumption, and associated emissions, facilitating a more thorough assessment of vessel efficiency. Since 2021, despite industry resistance, Hafnia has consistently promoted this technology through various channels and has supported leading suppliers in implementing MFM.

Scope 1, 2 & 3 Emissions

Parameter	Unit	2023	2022	2021
Scope 1 - Own Operations	MT CO2e	1,940,403	1,869,715	1,461,858
Annual Efficiency Ratio (AER)	gms/DWT-NM	5.23	5.24	5.40
Scope 2 - Purchased electricity, heating & cooling (location-based)	MT CO2e	113.3	110.5	Not measured
Scope 2 - Purchased electricity, heating & cooling (market-based)	MT CO2e	108.5	Not measured	Not measured
Scope 3 - Value Chain	MT CO2e	733,970	Not measured	Not measured

Our Ambitions

- Provide our customers with comprehensive insights on their emissions when purchasing freight, empowering them to make informed decisions beyond price and date. Customers will also get a voyage statement with verified data for their carbon accounting needs and EU-ETS compliance.
- Implement an energy reduction plan for our offices, incorporating awareness and training initiatives aimed at fostering daily eco-friendly actions.
- Enhance the accuracy of Scope 3 emissions reporting by collecting suppliers' emissions data and working closely with industry experts to obtain reliable emissions factors.

Our Continuous Actions to Develop the Clean Solutions of Tomorrow and set our Net Zero Pathway

Hafnia is committed to achieving net-zero Scope 1 emissions in operations by 2050.

We aim to work towards this goal by considering transitioning to greener fuels, investing in dual-fuel vessels, exploring investments in technology, discussing supportive policies, and exploring collaboration across the value chain to promote low-emission vessels.

Preparing for Alternative Fuels Propulsion:

- **Biofuel Bunkering**: The Hafnia Bunkers Team are proactively positioning themselves as experts in the renewable fuel category. They are already actively sourcing biofuels in response to the evolving customers needs of the Hafnia Bunker Alliance, gaining expertise in this emerging fuel category.
- **Ammonia Bunkering**: Hafnia is working with DNV and Lloyds Register to assess the possibility of using ammonia as a bunkering fuel.

Investing in Ammonia Production and Transportation: Hafnia, ExxonMobil, and MOL have invested in Clean Hydrogen Works to support the development of Ascension Clean Energy (ACE), a large-scale clean hydrogen ammonia production and export project. Pending FID, the goal is to produce ammonia for export to Europe and Asia. Also subject to FID, Hafnia intends to construct four to five Very Large Ammonia Carriers (VLACs) by 2028, aligning with the start of ammonia production.

Alternative Energy Transportation Readiness:

- **CO2:** Hafnia has conceptualised designs for both Liquefied CO2 carriers (LCO2) and Very Large CO2 carriers (VLC02) intended for the medium and long-range transport of CO2.
- **Biofuel:** In 2023, Hafnia completed 11 voyages transporting biofuels and plan to expand this business practice.

Our Key Policies and References:

Climate Strategy
IMO Strategy on Reduction of GHG Emissions from Ships

Caring for the Environment

Our Targets & Commitment

- Zero oil spills
- Zero environmental violations
- Entire Hafnia fleet covered by ISO 14001 certification
- 10% plastic reduction onboard over the next 5 years starting from 2023

2023 Key Accomplishments

- Entire Hafnia fleet covered by **ISO 14001** certification.
- **Zero** oil spills and **zero** environmental regulations breaches as outlined in the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex I.
- Successful environmental performance of our internal fleet by meeting **19/20** of environmental KPIs defined in our Environmental Management Plan.
- For the first time, all of Hafnia's offices participated in the World Clean-up Day to support environmental preservation.

Our Continuous Actions

Environment Management System (EMS): Our EMS includes policies, fleet procedures, checklists, and manuals to ensure environmentally compliant operations. It aims to minimise environmental impacts through continuous assessment and improvement and is applicable to all employees and contractors.

Environmental Management Plan: Hafnia sets annual KPIs for environmental performance, forming the basis of our environmental plan. These KPIs are quarterly reviewed to identify areas that require additional attention.

Annual Environment Audits: Hafnia undergoes an annual audit conducted by Lloyd's Register, focusing on adherence to ISO 14001:2015 standards.

Air Pollution: Hafnia closely monitors our emissions of NOx, SOx, Black Carbon and Particulate Matters (PM10). We adhere to industry standards enforced by the IMO and strive to align with best practices.

Preventing Accidental Discharges at Sea: To minimise the risk of oil spills at sea, we regularly review our Shipboard Marine Pollution Emergency Plan (SMPEP). This outlines crew training, requirements, and the use of pollution prevention equipment during operations that pose a risk of an oil spill.

Reducing Waste Onboard: We closely monitor and minimise waste generation on board. This involves gradually reducing the use of single-use plastics, utilising ship digitalisation to reduce paper consumption and implementing measures to minimise electronic waste.

Promoting Ship Recycling: Hafnia has a ship recycling policy aimed at disposing of ships safely and in an environmentally conscious manner. This commitment is reflected in our Memorandum of Agreement when selling a vessel, which mandates responsible dismantling by the buyer. Hafnia has not scrapped any vessel to date.

Safeguarding Biodiversity:

- **Ballast Water Treatment Systems (BWTS):** The majority of our fleet has been outfitted with BWTS, with only three vessels remaining to be equipped in early 2024. This ensures the removal of aquatic organisms and pathogens before water is released into new locations, playing a crucial role in preventing the spread of invasive species and harmful pathogens.
- **Ultrasonic Anti-Fouling Hull Protection:** Initiation of a pilot program to evaluate the effects of this hull protection on ocean and aquatic species. This explores innovative methods for environmental conservation.
- **Operations in Marine Protected Areas (MPAs):** We limit our activities in MPAs, but if passage through these areas is necessary, we activate the environmental overlay and inform authorities upon entry and exit. The crew also receives instructions on reducing speed, implementing control measures, and refraining from discharges, following local environmental authorities and IMO guidelines.

Our Ambitions

- Strengthen efforts to reduce waste generation onboard while also promoting awareness programs to encourage environmentally responsible behavior.
- Further address nature protection by formulating a biodiversity policy and initiating internal discussions based on the principles outlined by the Task-force on Nature-related Financial Disclosure (TNFD).

Our Key Policies & References:

- Environmental Management System Policy
- Ship Recycling Policy
- ISO 14001:2015
- MARPOL
- Shipboard Marine Pollution Emergency Plan

Non-GHG Emissions (in mg/DWT-NM)

	2023 vs 2022	2023	2022	2021
NOx	+1.6%	226	222	283
SOx	-0.5%	14.15	14.23	17.80
Black Carbon	-0.2%	0.46	0.46	0.48
PM10	-0.3%	12.31	12.35	Not reported

Cultivate People First

At Hafnia, we prioritise our workforce and recognise their crucial role in our achievements.

Health & Safety First
We prioritise health and safety in our operations and consistently implement rigorous standards to minimise associated risks.

Promoting Education & Developing People Skills
We empower our employees to reach their full potential in their careers and personal growth. We constantly challenge ourselves to embody the values of Hafnia as proud ambassadors.

Commitment to Diversity & Inclusion
We cultivate a culture of Diversity, Inclusion, Belonging, and Equity (DIBE) that enhances our workplace, promoting fairness, safety, and ethical integrity.

Safeguarding Human Rights
As an industry leader, it's our responsibility to prevent violations in our operations and supply chain. This commitment reflects our pledge to maintain a fair and just workplace.

Engagement Survey
Each year, we conduct anonymous engagement surveys both onshore and at sea to understand workforce perspectives and address any concerns. In 2023, Hafnia achieved a response rate of **94%** onshore and **64%** at sea, with satisfactory scores indicating strengths and areas for improvement, as detailed in Chapter 4.

Our Workforce	2023	2022	2021
Number of Seafarers	4,769	4,849	3,753
Number of Shore-based Employees	271	246	197

Health & Safety First

Our Targets & Commitment

- Zero harm in our operations
- Lost Time Injury Frequency (LTIF) < 0.4
- Total Recordable Case Frequency (TRCF) < 1.0
- Port State Control (PSC) < 1.0

2023 Key Accomplishments

- Industry leading safety performance by continuously improving and fostering a culture that prioritises individual well-being.
- Reduction of on-board incidents.
- Successful campaigns focusing on eye safety and promoting hydration.
- Strengthening of our safety targets compared to those set in 2022.

Our Continuous Actions

Policies & Protocols: Regular review of our policies to ensure compliance with regulations. Policies are displayed on-board our ships and are accessible to both the crew and shore staff through our document management system.

Incident Management: Our incident handling approach is based on our safety incident and crisis management plans, which are continuously refined based on insights from drills. Each incident undergoes a thorough investigation, enabling us to learn from it, implement preventive measures, and enhance our processes for future events.

Training: We prioritise thorough understanding of Health & Safety policies, and all crew members must participate in the following training sessions:

- Shore training and medical care training before embarking.
- Every two months, Operational Efficiency and Safety, First Aid and Navigational and Engineering Safety courses.
- Every three months, Accident Investigation and Risk Management courses.

Security: We consistently follow best practice guidelines during transit, conducting thorough risk assessments at each stage with our Company Security Officer. Our security vigilance has increased, with heightened lookout for early risk detection, effective vessel hardening to deter boarding, and adherence to safe haven and safe mustering procedures. These measures are supported by improved crew awareness and regular briefings.

Well-being: We prioritise the overall well-being of our employees and seafarers, addressing both physical and mental health through:

- A 24/7 emotional assistance hotline for seafarers.
- On-board and office fitness classes.
- High-speed internet on-board vessels.
- Remote group gatherings for seafarers to virtually connect with loved ones.
- Our Whole Self program for wellness sessions for all employees and contractors.
- Flexible working arrangements for shore staff.
- Shorter tenures for our seafarers compared to industry benchmarks.

Our Ambitions

- Continuously enhance our programs and policies while sharing insights to maintain a safer and healthier work environment.

Our Key Policies & References:

- Health, Safety, Environment and Quality (HSEQ) Management Policy
- International Convention for the Safety of Life at Sea (SOLAS) 1974
- International Management Code for the Safe Operation of Ships and Pollution Prevention (ISM Code)
- ISO 45001 – Occupational Health and Safety
- Neptune Declaration on Seafarer Wellbeing and Crew Change

Health & Safety Performance Metrics

	2023	2022	2021
LTIF - Lost Time Injury Frequency	0.41	0.32	0.29
TRCF - Total Recordable Case Frequency	0.69	0.69	0.76
PSC - Port State Control Deficiencies	0.82	0.82	0.69
Fatalities (Employee, Crew, and Subcontractors)	0	1	0

Alignment with UN SDGs

Promoting Education & Developing People Skills

2023 Key Accomplishments

- All employees participate in a personal development discussion with their manager.
- Appointment of a Head of People Development to emphasise learning and personal growth.
- All employees attended a one-day Culture workshop focusing on organisational values, motivation, DIBE, and collaboration.
- Leadership Group underwent training on delivering effective feedback.

Our Continuous Actions

Tailored Development Opportunities: We conduct semi-annual reviews for both seafarers and office employees, fostering open discussion with managers on development and skill cultivation.

Digital Capabilities Development: Hafnia is committed to developing our workforces' digital capabilities, supporting our ongoing digital transformation. In 2023, we offered various education options, resulting in over **380** training hours for a group of **30** people.

Young Talent Development Onshore: Our trainees gain a comprehensive understanding of the business through rotation across diverse units. The 2021 cohort has seamlessly transitioned into permanent roles, solidifying our reputation as a preferred workplace for aspiring talent.

Young Talent Development at Sea: Continuing our partnership with the Regional Maritime University of Ghana (RMU), we welcomed **19** women cadets aboard our ships in 2023. This initiative advances our diversity goals, tapping into a new talent pipeline in Africa. Additionally, Hafnia sponsored Rating Training courses for three women at T.S. Rahaman in India, expected to be completed by January 2024.

Leadership Program: The Ambitious Leadership program aligns leadership intent with actions through personalized challenges. With over **77** enrolled leaders, participants benefit from personal assessments and annual sessions.

Knowledge Sharing: We promote transparent communication by encouraging teams to share information through various channels, including regular publications. Additionally, onshore staff receive a weekly email summarising all news and updates to the office intranet.

Our Ambitions

- Expand our Leadership program with "Ambitious Leadership@Sea".
- Equip our officers to manage new chemical vessels and dual-fuel engines.
- Update employee on-boarding with culture training for better team collaboration.
- Promote Hafnia at key universities to attract top talent.
- Support leaders in developing additional skills through People Development.

	Seafarers	Shore-based Employees
Total Training Hours	116,939	7,876
Average Training Hours per Person	24.52	29.06

Commitment to Diversity & Inclusion

Our Targets

- **40%** women in our offices by 2030
- **50%** ratio of women at sea in our five Maritime Culture Lab vessels by 2024
- **29%** female representation in the
- Executive Management Team by 2025

2023 Key Accomplishments

- Gender diversity increase both in offices and at sea and 51 nationalities represented.
- Over 50% female representation among seafarers on three ships in our "Hafnia Maritime Culture Lab".
- Policies revised to include inclusive, gender-neutral language.
- DIBE emphasised in our Culture Workshops.
- Pride Month celebrated with awareness sessions and reflections on acceptance during the monthly Town hall.
- Equal parenting leave implemented for mothers and non-birthing partners across all offices starting in 2024.

Our Continuous Actions

Raising Awareness: DIBE is ingrained in our culture, business strategy, and policies. We emphasise this commitment in forums like Town hall meetings and workshops, where individuals are encouraged to engage, explore, and discuss their preferences collaboratively.

Diversity Survey: We conduct an annual diversity survey with the Diversity Study Group to listen to our employees and foster open communication. Opportunities for improvement from the 2023 results led to the establishment of a Diversity Think Tank, bringing diverse teams together to enhance inclusion initiatives within Hafnia.

Gender Diversity at Sea: We enhance the experience aboard our vessels to attract more women to careers at sea. Women sail in pairs for increased confidence and have direct communication with designated shore staff representatives. In 2023, we introduced prototype two-piece boiler suits tailored to better meet women's physical needs. Female seafarers also benefit from an 18-week paid maternity leave policy.

All Aboard Alliance Membership: We join efforts to address challenges in attracting and retaining women in the maritime industry. Hafnia has dedicated "Hafnia Pride" to the Piloting Diversity@Sea initiative to test measures on-board to improve inclusivity and the attractiveness of seafaring careers for women.

Commitment to a Harassment Free Environment: We enforce a zero-tolerance policy against harassment and bullying through our Anti-Harassment Policy. We take all complaints seriously, fostering a culture where individuals feel empowered to report. Each incident undergoes a thorough investigation, and appropriate actions are taken. Insights from these cases, along with policy refreshers, are shared with the crew.

Our Ambitions

- Reduce harassment cases via additional educational programs.
- Enhance support for women's careers at sea by designing better physical spaces on-board new ships.
- Conduct a comprehensive study comparing cultural dynamics between traditionally crewed vessels and those in the "Hafnia Culture Lab".
- Increase gender remuneration benchmarking in the aim for compensation equality.

Our Key Policies:

- Anti-Harassment and Anti-Bullying Policy
- Diversity, Inclusion, Belonging and Equity (DIBE) Policy

> **"Diversity in the maritime industry isn't just a goal; it's a moral compass that is also guiding us towards innovation, resilience, and a multitude of opportunities."**

Mia Krogslund Jørgensen
Head of People, Culture & Strategy

Percentage of Women by Employee Category

Employee Category	2023	2022	2021
Board of Directors	20%	17%	14%
Onshore			
Leadership Group	20%	19%	18%
Team Leaders	20%	21%	21%
Commercial & Technical roles	26%	25%	25%
Total	**36%**	**35%**	**33%**

Safeguarding Human Rights

As a leading maritime company with an extensive supply chain, we are committed to upholding Human Rights to the best of our ability. We maintain a zero-tolerance policy towards any violations, striving to create a workplace free from modern slavery and other transgressions, as outlined by recognised guidelines and standards.

- OECD Guidelines for Multinational Enterprises
- United Nations Guiding Principles
- ILO Declaration on Fundamental Principles and Rights at Work

Our Targets

- 100% Hafnia onshore employees and seafarers trained on Human Rights
- Start screening and engaging our supply chain on Human Rights in 2024

2023 Key Accomplishments

- Establishment of a Human Rights Policy based on principles in our Code of Conduct, Suppliers Code of Conduct, and Anti-harassment and Anti-bullying policy.
- Human Rights information distributed at Crewing Conferences.
- High score **(5/5)** in a Self-Assessment Questionnaire on Crew Welfare for Shipowners by the Institute of Human Rights.

Risk Assessment: We regularly assess Human Rights risks in our value chain, including:

- Varying levels of Human Rights maturity among suppliers.
- Potential issues with working conditions for crew and employees.
- Recruitment costs, such as travel expenses and hiring fees passed on to seafarers.

Shipyard Audits: In collaboration with a major customer, Hafnia conducted its first Human Rights audit at an Asian shipyard. The outcome was positive, offering an opportunity to assess compliance and readiness for future inspections.

Crewing Agency Audits: Our dedication to seafarer welfare goes beyond compliance with the International Labour Organization's maritime Labour Convention (MLC) 2006. To mitigate the risk of unreported incidents and prevent unfair treatment during the hiring process, we conduct annual audits of our crewing agencies.

Bargaining Agreements: All seafarers benefit from a Collective Bargaining Agreement, ensuring their involvement in decisions about working conditions, pay, and safety.

Our Ambitions

- Provide targeted training on Human Rights principles for all employees and seafarers.
- Identify potential Human Rights breaches in the supply chain, focusing on high-risk areas.
- Enhance engagement with suppliers on Human Rights through due diligence measures, including questionnaires and on-site inspections.
- Participate in the UN Business & Human Rights Accelerator to improve Human Rights due diligence processes.
- Certify Hafnia's vessels under the Maritime Labour Convention through annual internal and external audits by recognised classification societies.

Our Key Policies & References:

- Anti-Harassment and Anti-Bullying Policy
- Code of Conduct
- Human Rights Policy
- Supplier Code of Conduct
- Delivering on Seafarers' Rights Code of Conduct
- Maritime Labour Convention (MLC) 2006
- Neptune Declaration on Seafarer Wellbeing

Act for Fair Business Practices

As a global leader in the tanker sector, Hafnia prioritises compliance and ethics across all our operations.

Act Ethically & with Integrity

At Hafnia, we promote fair international business practices, engaging stakeholders in our commitment to integrity. Our management cultivates a culture of exemplary behaviour, guided by policies shared through training and accessible to all staff.

Sustainable Supply Chain

Due to our global supply chain, Hafnia recognises increased risk exposure.

Our responsible procurement aligns with customer and third-party expectations outlined in our Supplier Code of Conduct.

Act Ethically & with Integrity

Our Targets

- Zero compliance breaches
- Annual compliance training for all employees

2023 Key Accomplishments

- **Zero** compliance breaches.
- Enhanced policies to adapt to market changes, including Sanctions, Anti-Trust, and Anti-Money Laundering.
- Automated screening solution enabling continuous monitoring of counterparties, heightening ability to mitigate risk.
- Targeted training on Sanctions and Anti-Trust for at-risk employees.
- Leadership training on compliance responsibilities.
- Integrity sessions by the Maritime Anti-Corruption Network in our Singapore and Copenhagen offices.

Our Continuous Actions

Compliance Program: Hafnia's compliance program aligns with changing laws and global markets, aiming to establish, promote, and enforce our compliance pillars. Reviewed annually by Executive Management, it is endorsed by the Board of Directors.

Code of Conduct: Our Code of Conduct embodies our CARE values, encouraging employees to speak up and take ownership in the workplace.

Employee Training on Ethical Issues: Hafnia employees are crucial in defending against business threats. Therefore, we provide annual training on:

- Anti-Trust Compliance
- Code of Conduct
- Preventing Bribery
- Cybersecurity
- Sanctions Awareness
- Preventing Corruption

Speak-up Culture & Whistleblowing: We encourage open communication and reporting unethical behaviour. Hafnia provides an anonymous hotline to protect stakeholders from reprisal or victimisation.

Corruption & Bribery: Hafnia has a zero-tolerance policy for facilitation payments or gifts, except under duress, and is committed to managing risks related to these threats. As a member of MACN, we partner with them to share best practices and tools, while also raising awareness.

Anti-Trust: We proactively assess our compliance with competition laws every two years, collaborating with external legal experts, to ensure fairness and competitiveness in our business operations.

Economic Sanctions: We exclusively work with reputable partners and continuously screen them to ensure compliance with sanctions laws. Additionally, we pre-screen every Ship-to-Ship cargo transfer using real-time data solutions to prevent any sanctioned cargo from being involved.

Cybersecurity: Hafnia has a strong system in place to prevent IT disruptions and cyberattacks, backed by a clear incident response plan. Oversight from the Board of Directors and Executive Management ensures effective handling of cybersecurity challenges. We prioritise employee awareness by regularly sharing updates on cyber threats and outlining the escalation process through Town halls and engaging gamification experiences.

Political Influence: Hafnia refrains from lobbying or making political contributions in any jurisdiction where we operate.

Tax Transparency: Hafnia complies with tax laws globally, ensuring timely payments in alignment with legal frameworks and international conventions, while rejecting tax evasion.

Our Ambitions

- Enhance counterparty risk management through additional KYC policies and advanced technologies to support our clearance and screening processes.
- Reinforce compliance training with a high focus on-boarding programs and refresher modules to address emerging risks effectively.

Indicator	Units	2023	2022	2021
Compliance Cases				
Cases & Inquiries reported to the Whistle Blowing Platform	number	0	0	0
Confirmed Corruption Cases	number	0	0	0
Compliance Training				
People completing Code of Conduct Sign-Off	% of Hafnia Shore-based employees	99.6	100	99.4
People completing Sanctions & Anti-Trust Training	% of Hafnia Shore-based employees	99.2	N/A	N/A
People completing GDPR Training	% of Hafnia Shore-based employees	99.6	99.6	99.4
People completing Anti-Bribery Training	% of Hafnia Shore-based employees	99.7	N/A	N/A

Sustainable Supply Chain

Our Targets

- Start screening and engaging our supply chain on ESG criteria in 2024
- Develop a responsible purchasing policy

Our Continuous Actions

Supplier Code of Conduct: Hafnia's extensive supply chain consists of over 6,000 suppliers, all mandated to adhere to our Supplier Code of Conduct. As part of the registration process, every supplier undergoes screening to ensure alignment with legislation, and are further subjected to vendor audits to verify compliance with our standards. This ensures that suppliers uphold our selective standards for employment practices, human rights, safety, environment, quality, and business conduct ethics.

Supply Chain Collaboration: We are collaborating with BW Group Affiliates through a Procurement Working Group to establish a unified procurement standard and leverage our collective scale.

Our Ambitions

- Introduce a responsible purchasing policy, incorporating a robust supplier qualification process, and advocating for the integration of ESG criteria in the selection process.
- Implement a Supplier engagement tool to screen suppliers and encompass ESG considerations.
- Invite key suppliers for corrective actions related to these criteria if deemed necessary.

Our Key Policies:

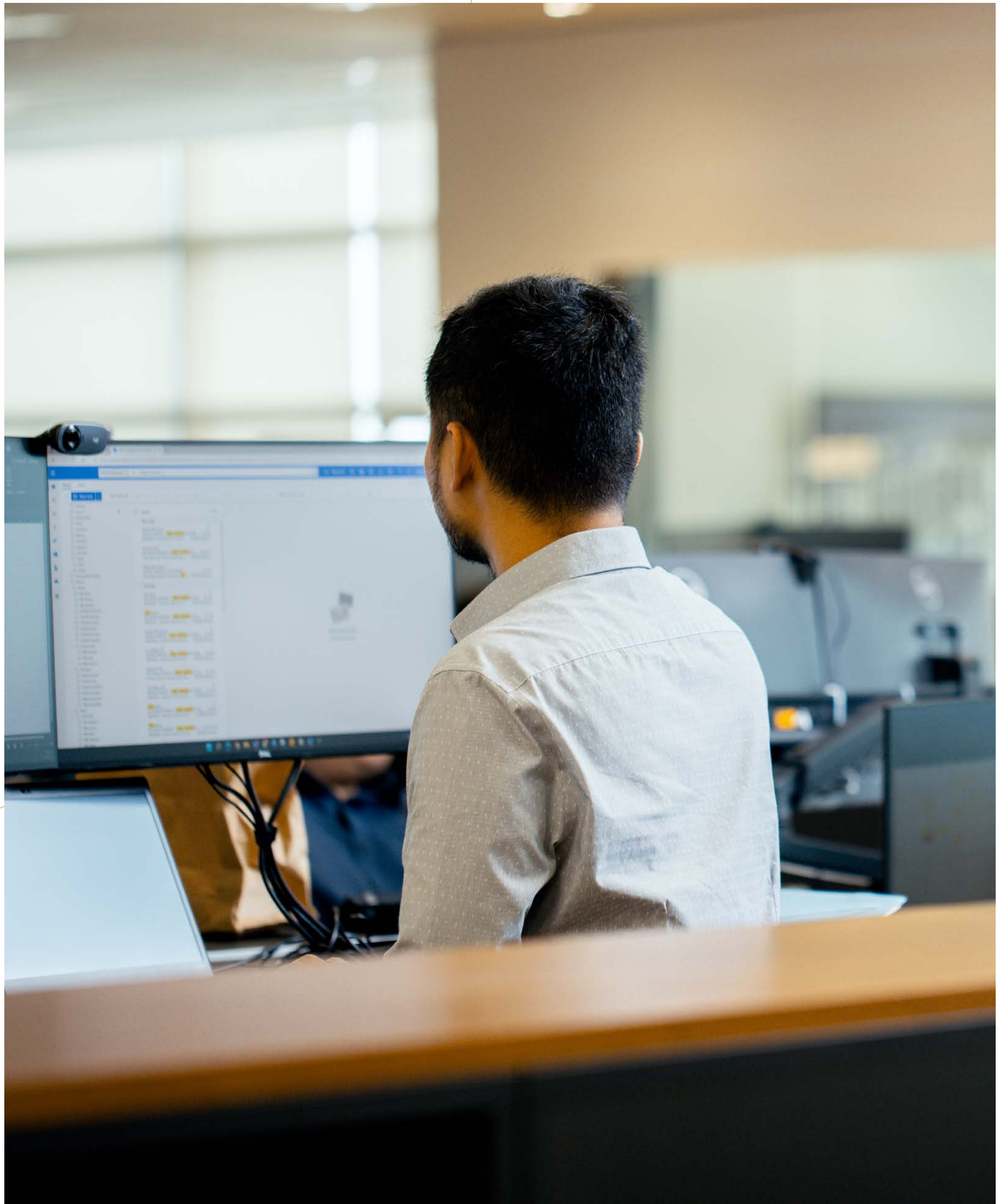
- Anti-Bribery and Anti-Corruption Policy
- Anti-Money Laundering Policy
- Anti-Trust (Competition) Policy
- Code of Conduct
- General Data Protection (GDPR) Policy
- Insider Trading Policy
- Sanctions Compliance Policy
- Supplier Code of Conduct

2.3
Strong Corporate Governance

Hafnia is committed to the highest governance standards, professionalism, and business transparency across all activities.

The governance policies and practices at Hafnia are designed to guarantee compliance with applicable laws and ethical standards while safeguarding the Company's long-term performance and financial robustness.

Hafnia's corporate policies are aligned with the Norwegian Code of Practice for Corporate Governance dated 14 October 2021, issued by the Norwegian Corporate Governance Board (the "Code"). This is available at www.nues.no.



Board of Directors

Hafnia's Board of Directors comprises seasoned executives with vast industry and financial expertise. They oversee the company's overall management and have the authority to exercise powers not reserved for shareholders by the bye-laws or Bermuda laws.

Andreas Sohmen-Pao
Chair

Andreas Sohmen-Pao has chaired Hafnia's Board since January 2019. He currently chairs BW Group and its listed affiliates: BW LPG, BW Epic Kosan, BW Offshore, BW Energy, and Cadeler. Additionally, he chairs the Global Centre for Maritime Decarbonisation and serves as a trustee of Lloyd's Register Foundation.

Previously, Andreas chaired the Singapore Maritime Foundation and was CEO of BW Group. He has also served as a non-executive director for The Hongkong and Shanghai Banking Corporation, Navigator Holdings, the Maritime and Port Authority of Singapore, The London P&I Club, among others.

Su Yin Anand
Director

Su Yin Anand joined the Hafnia Board in 2023, bringing 20 years of experience in legal and commercial roles across maritime and mining sectors. She previously served as a partner at Ince & Co in Hong Kong, Head of Shipping at South32, and most recently as Head of the Aluminum sales business at South32 until the end of 2023. Su Yin is the founder of the maritime innovation platform "The Captain's Table" and is a senior advisor to the Global Centre for Maritime Decarbonisation.

Su Yin previously co-chaired the All-Aboard Alliance, an initiative by the Global Maritime Forum. Su Yin is a qualified lawyer in Singapore and Hong Kong and holds an Executive MBA from Kellogg-HKUST.

Erik Bartnes
Director

Erik Bartnes co-founded Hafnia Tankers in 2010 and served as executive chair until the merger with BW Tankers in January 2019. Since then, he has been a director on Hafnia's Board.

Currently, Erik chairs Castel AS and Trobo AS, and serves as a board member of Pareto Asset Management AS and Premium Maritime Fund AS, among others. He co-founded Pareto AS and was its senior partner from 1988 to 2010, also serving as chair until April 2013. Additionally, Erik has chaired Christiania Shipping A/S, Svele AS, Astrup Fearnley Holding AS and its group of companies, Eclipse Drilling AS, Revier Invest AS, among others.

Peter Graham Read
Director

Peter Read joined Hafnia's Board in January 2019. During his 37-year career at KPMG, he served as a partner and chaired various sectors. He was Head of the UK Shipping Practice and later Head of the UK TMT (Telecoms, Media, and Technology) Practice. He subsequently chaired the UK TMT Practice and the Global Japanese Practice (EMA) until retiring from KPMG in 2013.

Since 2013, Peter has held non-executive roles in several companies, including chairing the Audit Committees of Quayle Munro, Welbeck Publishing, Quarto, and Napster Group.

Donald John Ridgway
Director

John Ridgway has been a member of Hafnia's Board since 2019. He is also the chair of Tindall Riley and a director of Tindall Riley (Britannia) Ltd.

From 2008 to 2015, John was the CEO of BP Shipping and has previously chaired The Oil Companies International Marine Forum and the Marine Preservation Association, and served as president of the API Marine Committee, and director of several other companies.

John Ridgway is a qualified Master Mariner, a Chartered Marine Technologist, and a Fellow of the Institute of Marine Engineering.

	Andreas Sohmen-Pao	Su Yin Anand	Erik Bartnes	Peter Graham Read	Donald John Ridgway
Served since	16 May 2014	6 November 2023	16 January 2019	16 January 2019	16 January 2019
Attendance 2023	4/4	1/4	4/4	4/4	4/4
Gender	Male	Female	Male	Male	Male
Residency	Resides in Singapore	Resides in Singapore	Resides in Switzerland	Resides in The United Kingdom	Resides in The United Kingdom
Independent	No	Yes	Yes	Yes	Yes
Age Group	Over 50	30-50	Over 50	Over 50	Over 50
Company Shares	246.106.112	-	1.564.615	-	-
Other Directorships	• BW Group and affiliates (Chair) • Global Centre for Maritime Decarbonisation (Chair) • Navigator Holdings (Director)	• Worldkart Pte Ltd (Director) • Young Professionals in Shipping (Hong Kong Ltd) (Director)	• Castel AS (Chair) • Trobo AS (Chair) • Pareto Asset Management AS (Board Member) • Premium Maritime Fund AS (Board Member)	• Quayle Munro (Chair Audit Committee) • Welbeck Publishing (Chair Audit Committee) • Quarto (Chair Audit Committee) • Napster (Chair Audit Committee)	• Tindall Riley & Co. Ltd (Chair, Audit Com, Nominations Com, Remuneration Com, Risk & Audit Com) • Tindall Riley (Britannia) (Chair, Risk & Audit Comm) • TR Europe SARL (Chair) • TR 2007 Ltd (Chair)
Financial Expertise (1)	Yes	-	Yes	Yes	Yes
Risk Management Expertise (2)	Yes		Yes	Yes	Yes
Industry Expertise (3)	Yes	Yes	Yes	Yes	Yes
ESG Expertise (4)	Yes	Yes	-	-	Yes

Notes:
Guillaume Philippe Gerry Bayol was a member of the Board of Directors from 27 January 2022 to 1 February 2023. Ouma Sananikone was a member of the Board of Directors from 8 November 2019 to 6 November 2023.
(1) Information accurate as of 31 January 2024.
(2) Experience in accounting, investing banking or hold certifications or advanced degrees in finance, accounting, or related fields. Covered the position of CFO or financial director in public firms or subsidiaries.
(3) Experience as risk consultant in an advisory firm, experience with financial risk/risk management duties or member of a risk committee.
(4) Experience as a part of the management of a shipping and/or oil & gas company.
(5) Experience in decarbonisation, economic development, diversity, and inclusion programs.

Our Management

Mikael Skov
Chief Executive Officer

Mikael Skov is Chief Executive Officer at Hafnia.

Mikael was the co-founder and CEO of Hafnia Tankers and has over 39 years of experience in the shipping industry.

Prior to establishing Hafnia Tankers, Mikael held various positions over his 25-year career at Torm, of which the last two years he served as its CEO.

Mikael is a Board Member of Clipper Group Ltd, BLS Invest and Alpha Ori (re-named to Zero-North A/S in 2024 post merger), additionally serving as co-chair of the All Aboard Alliance, an initiative of the Global Maritime Forum aimed at increasing diversity, equity, and inclusion in the maritime industry.

Perry van Echtelt
Chief Financial Officer

Perry van Echtelt is Chief Financial Officer at Hafnia.

Perry has more than 25 years of experience in investment banking and ship financing.

Prior to joining Hafnia, Perry was CFO of BW Tankers since 2017, following a role he took after leaving ABN AMRO Bank as Head of Transportation and Logistics Asia Pacific & Middle East. For 17 years, Perry held various positions in the corporate finance and capital markets group of ABN AMRO and its predecessors (MeesPierson and Fortis Bank).

Executive Remuneration

Compensation for the Executive Management is structured by a combination of fixed and incentive-based components, aligning with the objectives outlined in the Company's remuneration policy. Key performance indicators, encompassing sustainability objectives, undergo evaluation and are integrated into the variable remuneration structure for all employees including the Executive Management.

Standards, Policies & References:

Remuneration Policy

Key Performance Metrics

This table highlights the Key Performance Indicators (KPIs) for the company. KPIs may differ at an individual level and are subjected to changes.

Strategic Pillar	KPIs	Rationale
Outstanding Performance	TCE (USD/day) Vessel OPEX and G&A Total Shareholder Return	Hafnia aims to achieve outstanding performance while looking at shareholders' interests.
Opportunistic Growth & Development of the Business	Business Growth Business development	Hafnia actively assesses the market for opportunistic growth that develops and grows the business. We strive for an energy efficient fleet as we transition to the use of cleaner energy and prepare for our next-generation vessels.
Responsible Business working with a Zero-Emission Ambition	ESG Performance	Hafnia takes responsibility for creating meaningful value for the economy, environment and society.
Digital and Innovative Operating Platform	Digitalisation	Hafnia aims to push the boundaries of innovation and technology to drive digital transformation and efficiency improving our operating platforms.

CEO Remuneration

USD	2023	2022	2021
Fixed Amount[1]	867,000	867,000	850,000
Variable Performance-Related[2]	1,734,000	566,670	850,000
Retention Bonus	NA	NA	1,700,000
Pension	0	0	0
Total	**2,601,000**	**1,433,670**	**3,400,000**
LTIP			
Share Option[3]	595,374	731,688	1,357,632
RSU	0	182,922	0

[1] Salary and other allowances paid during the year. [2] Cash bonus paid during the year for performance related to previous year. [3] Number of share options.

Committees

Audit Committee

In line with the recommendations set out in the Corporate Governance Code, Hafnia has established an Audit Committee comprised of two members: Peter Graham Read (Chair) and Erik Bartnes (Committee Member). Neither of them were previous partners or directors of the company's external auditor, KPMG and its affiliates, within the last 12 months, or hold, or have held any financial interest in KPMG and its affiliates.

Hafnia has paid to the auditor of the Company and other firms affiliated with KPMG International Limited USD 2.7 million for financial statement audits and USD 0.1 million for non-audit services in the financial year ended 2023.

The members of the Audit Committee are independent of the Company. The Audit Committee have strong accounting and related financial management expertise and will keep the Board of Directors informed of relevant changes to accounting standards and matters aments.

Members of the Audit Committee shall serve while they remain in the Board of Directors, or until the members of the Board of Directors decide otherwise or wish to retire from their role as member of the Audit Committee.

The Audit Committee acts as a preparatory and advisory committee for the Board of Directors in overseeing compliance and integrity of financial statements, monitoring the Group's system of internal control of risk management and independence of external auditor. The Board of Directors retains the responsibility for implementing such recommendations.

Other functions under their responsibility are:

- All critical accounting policies and practices
- ESG reporting and regulations
- Quality, integrity and control of the Group's financial statements and reports
- Compliance with legal and regulatory requirements
- Qualifications and independence of the external auditors
- Performance of the internal audit function and external auditors

Internal Audit

The Internal Audit Department is composed of individuals with relevant qualification and experience. Their primary objective is to prepare and implement the audit plan, systematically evaluating the adequacy of Hafnia's governance, risk management and internal controls. This encompasses the operational, financial, compliance and information technology controls. When deemed necessary, the help of independent internal or external technical specialists is enlisted to complement the audit team.

While maintaining a non-managerial role, the Internal Audit team offers independent and objective assurance and consulting services designed to add value to Hafnia's overall functions, ensuring that control mechanisms operate effectively.

The terms of reference guiding internal audits as well as the effectiveness of the audit function, receive approval from the Audit Committee. The Audit function additionally assumes responsibility for implementing processes that guarantee timely resolution of recommendations outlined in internal audit reports, contributing to the ongoing improvement of Hafnia's operations.

Authorisation Manual

The Company has developed an authorisation manual that outlines all responsibilities related to its business finances.

Remuneration Committee

Hafnia's Remuneration Committee is comprised of two members of the Board of Directors, each bringing extensive management experience and a profound knowledge of remuneration issues: Andreas Sohmen-Pao serving as Chair and Erik Bartnes as Committee Member.

The tenure of Remuneration Committee members is contingent upon their presence on the Board of Directors or until a decision is made by the Board or members to step down from their roles as member of the Remuneration Committee. Any remuneration to be paid to the Remuneration Committee is to be decided at the annual general meeting.

The primary objective of the Remuneration Committee is to provide support to the Board of Directors in determining Management compensation. The Board of Directors however maintains the responsibility for approving such recommendations.

This includes, but is not limited to:

- Overseeing the governance of Hafnia's remuneration policy
- Overseeing the remuneration of the Management
- Reviewing management annual increments, variable bonuses, and incentives awards
- Approving framework of remuneration for the entire organisation, including increment and incentives

Nomination Committee

As provided for in its by-law, Hafnia has a Nomination Committee comprising of three members: Sophie Smith (Chair), Bjarte Bøe (Committee Member) and Elaine Yew Wen Suen (Committee Member).

The members of the Nomination Committee shall serve until the Annual General Meeting determines otherwise, or they wish to retire from their role as member of the Nomination Committee.

Their primary role is to identify and nominate candidates for the appointment, re-appointment, or termination of the role as members and Chair of the Board of Directors and make recommendations for these persons' remuneration.

The Nomination Committee ensures that only candidates with suitable attributes and expertise capable of contributing to the Company's success are appointed.

Shareholders / Stakeholders / Regulators

Board of Directors
(5 members)

Andreas Sohmen-Pao (Chair) · Su Yin Anand · Erik Bartnes · Peter Read · John Ridgway

Main Objective

- The Board of Directors is responsible for the overall management of the Company and may exercise all the powers of the Company not reserved to the Company's shareholders by its Bye-laws or under Bermuda law
- Accountable to shareholders - oversees overall conduct of the Company, working with the management to ensure long-term performance and financial soundness of the company

Nomination Committee
(3 members)

Bjarte Bøe · Sophie Smith (Chair) · Elaine Yew Wen Suen

Main Objective

- To make recommendations to the Board of Directors on matters relating to the review of succession plans for the Board

Remuneration Committee
(2 members)

Andreas Sohmen-Pao (Chair) · Erik Bartnes

Main Objective

- To report and make recommendations to the Board of Directors in matters relating to determining the Management's compensation

Audit Committee
(2 members)

Erik Bartnes · Peter Read (Chair)

Main Objective

- The members are independent of the Company who acts as a preparatory and advisory committee for the Board of Directors in monitoring the Group's internal control of the risk management and financial reporting

External Auditors

Executive Management - CEO & CFO

Employees

**Guillaume Philippe Bayol was a member of the Board of Directors from 27 January 2022 to 1 February 2023*
**Ouma Sananikone has stepped down from the Board of Directors on 6 November 2023 and Su Yin, Anand was appointed to the Board following the Special General Meeting held on 6 November 2023*

Risk Management Framework

Hafnia understands that managing risks is crucial for effective governance and management. We acknowledge that risks, whether opportunities or threats, are inherent in business operations. Implementing systematic risk management practices is essential for achieving our strategic goals, maintaining operational continuity, and adapting to a dynamic business environment.

Risk Management Framework

Every year, Hafnia goes through an Enterprise Risk Management (ERM) process to identify, assess, and discuss critical risks. These findings are then presented to the Executive Management and approved by the Board of Directors. This program focuses on uncertainties in the economic and financial landscape, aiming to reduce potential adverse effects on Hafnia's operations. This approach is key to creating lasting value for our customers, employees, shareholders, and the wider community we serve.

Risk Governance

Hafnia's Board of Directors holds the highest responsibility for overseeing risks. They define the Group's risk appetite and supervise the list of risks along with their corresponding mitigation actions.

Main Risk Exposure

Hafnia's operations rely on the global market for transporting refined oil products and chemicals, which exposes the company to various risks, including transitional, physical, and other corporate risks. Here, we provide an overview of Hafnia's key risks and the strategies we employ to mitigate them.

Climate-Related Risk Analysis and TCFD

We've embraced TCFD's recommendations for climate-related financial disclosures to bolster Hafnia's resilience to climate change. These disclosures are detailed in the TCFD index in Chapter 4.

In 2023, we conducted a thorough assessment of both physical and transitional risks, examining their short and long-term impacts and opportunities. Governance, strategy, risk management, and target points related to climate change considerations are seamlessly integrated into Hafnia's risk management approach, regularly evaluated by our Board of Directors and Executive Management.

For a detailed breakdown of key transitional and physical risks, along with mitigation strategies and identified opportunities, please consult the Risks and Opportunities Table in Chapter 4.

Corporate Governance Report

The following report provides an overview of Hafnia's key corporate governance practices regarding the Code (defined in 2.3).

For the year 2023, unless stated otherwise, Hafnia has complied with all material aspects laid out in the Code sections.

Section of the Code		Deviations
1	Implementation and reporting on corporate governance	None
2	Business	The Company's objectives are broader and more extensive than recommended in the Code
3	Equity and dividends	The Board has wider powers to issue any authorised but unissued shares and preference shares than what is recommended in the Code
4	Equal treatment of shareholders	None
5	Shares and negotiability	The Board may decline to register the transfer of any share in the Company if the transfer results in the Company being deemed a "Controlled Foreign Company" in Norway
6	General meetings	The Chair of the Board, or the president of the Company if there is one appointed, will chair the Company's general meetings. The Chair of the Board or president, as applicable, may appoint a person to act as chairman of the meeting. In the absence of the Chair of the Board, the president and a person appointed to act as chairman of the meeting by the Chair of the Board or the president of Company, a chairman of the meeting shall be appointed or elected by those present at the meeting and entitled to vote.
7	Nomination committee	None
8	Board of Directors: Composition and independence	None
9	The work of the Board of Directors	None
10	Risk management and internal control	None
11	Remuneration of the Board of Directors	None
12	Remuneration of executive personnel	Performance-related remuneration is not subject to an absolute limit
13	Information and communications	None
14	Take-overs	None
15	Auditor	None

Section 1 – Implementation and Reporting on Corporate Governance

Hafnia Limited (“Hafnia” or the “Company”) is a Bermuda limited liability company listed on Euronext Oslo Børs (the Oslo Stock Exchange).

The Board of Directors (the “Board”) oversees the overall conduct of Hafnia, ensuring that the Company is accountable to its stakeholders by ensuring implementation of business policies and practices which comply with applicable legislation, regulations, ethical and corporate governance guidelines.

These policies are also designed to be fair and in accordance with leading market practices on stakeholder relations, and the Company complies with the Norwegian Code of Practice for Corporate Governance dated 14 October 2021 issued by the Norwegian Corporate Governance Board (the “Code”). The Company assumes all dealings with customers, potential customers, and other third parties are in full public view and accommodates all stakeholders’ reasonable expectations.

Hafnia is primarily governed by the Bermuda Companies Act, its Memorandum of Association and its bye-laws. Certain aspects of Hafnia’s activities are governed by Norwegian law. The Norwegian Securities Trading Act, related regulations and the continued obligations for listed companies will generally apply. Hafnia’s business activities are also subject to the laws of the countries in which it at any time operates, as well as international law and conventions.

Each individual section of the Code is discussed in the following, and any deviations from the Code are set out and explained.

The Company does not deviate from Section 1 of the Code.

Section 2 – Business

The Company’s business and objectives are described in the Company’s Memorandum of Association. In accordance with common practice for Bermuda incorporated companies (including those listed on the Oslo Stock Exchange), the Company’s objectives set out are wider and more extensive than recommended in the Code.

This represents a deviation from Section 2 of the Code.

The Board sets the tone and direction for Hafnia by defining clear objectives, strategies, and risk profile, ensuring consistency with the Company’s long-term strategic goals in a sustainable manner taking into account financial, social and environmental considerations. For further information, reference is made to Chapter 2 of the Annual Report. The Board conducts an annual review of Hafnia’s business activities, objectives, strategies and risk profile, evaluating present and future opportunities, threats and risks in the external environment.

The Company’s Executive Management implements the Board’s decisions through managing and developing the business of Hafnia, ensuring that the policies and processes that are in place are compliant with the Board’s instructions. The strategy, objectives and corporate governance regime developed act as a foundation in the Company’s policy to integrate considerations into its business execution to deliver long-term value to the shareholders in a sustainable manner.

Stakeholders may read more about Hafnia’s strategy, objectives and risk profile in the respective section of the Annual Report.

Section 3 – Equity and Dividends

Given the Company’s business’s dynamic and cyclical nature, the Board regularly reviews and monitors the Company’s capital structure to ensure it is in line with the Company’s objective, strategy, and risk profile.

This ensures that the business’ activities and growth are funded sensibly and prudently by achieving a more efficient capital structure that seeks to reduce the Company’s overall cost of capital.

The Board has established a clear and predictable dividend policy. The Company will target a quarterly payout ratio of net profit, adjusted for extraordinary items, based on the quarter end net loan-to-value ratio, of:

- 50% payout of net profit if net loan-to-value is above 40%
- 60% payout of net profit if net loan-to-value is above 30% but equal to or below 40%
- 70% payout of net profit if net loan-to-value is above 20% but equal to or below 30%; and
- 80% payout of net profit if net loan-to-value is equal to or below 20%

In addition to cash dividends, the Company may also from time to time consider buying back shares as part of its total distribution of capital to shareholders.

Pursuant to Bermuda law and in accordance with common practice for Bermuda-incorporated companies, the Board has the authority to issue any authorised unissued shares in the Company on such terms and conditions as it may decide and may exercise all powers of the Company to purchase the Company’s own shares. The powers of the Board to issue and purchase shares are neither limited to specific purposes nor to a specified period as recommended in the Code.

This represents a deviation from Section 3 of the Code.

Section 4 - Equal Treatment of Shareholders

The Company has one class of shares, meaning all shares in the Company carry equal rights, including the right to participate and vote in general meetings. As such, all shareholders will be treated equally unless there is just cause for treating them differently.

As the Company is a Bermuda limited company, shareholders do not have the same preferential rights in a future offering of shares in Hafnia as shareholders in Norwegian limited liability companies normally have. This is common practice for Bermuda limited companies, including those listed on the Oslo Stock Exchange. However, any decision to issue shares without pre-emption rights for existing shareholders will be justified in the common interest of the company and the shareholders and the justification will be publicly disclosed in a stock exchange announcement issued in connection with the share issue.

Any transactions the Company carries out in its own shares will be carried out either through the Oslo Stock Exchange or with reference to prevailing stock exchange prices if carried out in another way.

The Company does not deviate from Section 4 of the Code.

Section 5 – Shares and Negotiability

The shares are generally freely negotiable. However, the Board may decline to register the transfer of any share, where such transfer would, in the opinion of the Board, likely result in 50% or more of the aggregate issued and outstanding share capital of the Company being held or owned directly (or indirectly) by individuals or legal persons resident for tax purposes in Norway, or alternatively, such shares being effectively connected to a Norwegian business activity, or the Company otherwise being deemed a "Controlled Foreign Company" as such term is defined pursuant to Norwegian tax legislation. The purpose of this provision is to avoid the Company being deemed a Controlled Foreign Company pursuant to Norwegian tax rules.

The Company's bye-laws also provide the Board the authority to decline the registration of the transfer of "Default Securities" (as defined in the Company's bye- laws), i.e. shares belonging to unidentified shareholders or any other person who, upon due notice from the Company, have failed to disclose his, her or its interest in company securities.

Both of the above restrictions are common practice for Bermuda limited companies listed on the Oslo Stock Exchange, but represent deviations from Section 5 of the Code.

Section 6 – General Meetings

The Company encourages all shareholders to participate in and to vote at general meetings. In order to facilitate shareholder participation, the Board will ensure that:

- The resolutions and supporting documentation, if any, will be sufficiently detailed, comprehensive and specific to allow shareholders to understand and form a view on matters that are to be considered at the general meeting
- The registration deadline, if any, for shareholders to participate at the general meeting will be set as closely to the date of the general meeting as practically possible and permissible under the provision in the Company's bye-laws
- The shareholders will have the opportunity to vote on each individual matter, including on each candidate nominated for election to the Company's Board and committees (if applicable); and
- The board members, the chairman of the Nomination Committee and the auditor (where attendance is regarded as essential) will be present at the general meeting

Shareholders who are not able to attend the general meeting will be given the opportunity to vote by proxy or to participate by using electronic means.

The Company will, in this respect:

- Provide information on the procedure for attending by proxy in the notice
- Nominate a person who will be available to vote on behalf of shareholders as their proxy; and
- Prepare a proxy form which will, insofar as this is possible, be formulated in such a manner that the shareholder may vote on each item that is to be addressed and vote for each of the candidates that are nominated for election

The Company secretaries will also prepare minutes from the general meetings. These minutes aim to capture the essence of the meeting, its comments and results from the resolutions.

Pursuant to common practice for Bermuda incorporated companies, the Chair of the Board, or the president of the Company if there is one appointed, will chair the Company's general meetings. The Chair of the Board or president, as applicable, may appoint a person to act as chairman of the meeting. In the absence of the Chair of the Board, the president and a person appointed to act as chairman of the meeting by the Chair of the Board or the president of Company, a chairman of the meeting shall be appointed or elected by those present at the meeting and entitled to vote.

This represents a deviation from Section 6 of the Code. However, there will be routines to ensure that an independent person is available to chair the general meeting or a particular agenda with regards to any matters related to the Chair.

Section 7 – Nomination Committee

As provided for in its bye-laws, Hafnia established a Nomination Committee.

The Nomination Committee's duties include proposing candidates for election to the Board and the Nomination Committee itself. As part of its work in proposing candidates for election to the Board, the Nomination Committee will provide reasoned recommendations for any candidate and seek to consult shareholders concerning proposals for candidates' appointment.

If there is a vacancy in the Board of Directors occurring as a result of the death, disability, disqualification or resignation of any Director or as a result of an increase in the size of the Board of Directors, the Board of Directors has the power to appoint a Director to fill the vacancy. The Nomination Committee is responsible for Board of Director succession. In the nomination and selection process, the candidate will undergo careful considerations, to ensure that they are independent. This will include review of Employment history, financial relationships, affiliations and business relationships, consulting legal and governance experts. Shareholder input will also be considered, where the appointment of a new Director will have to be done at a Shareholder Meeting.

See Chapter 2.3 of the Annual Report for further information regarding the Nomination Committee and its responsibilities.

The Company does not deviate from Section 7 of the Code.

Section 8 – Board of Directors: Composition and Independence

The Board of Directors is responsible for the overall management of the Company and may exercise all of the powers of the Company not reserved to the Company's shareholders by its Bye-laws or under Bermuda law.

The Board currently consists of five board members and may be increased upon the general meeting's decision.The Board is composed of a one-tier and all Board members are non-executive members.

The Board consist of two committees, the Audit Committee and Remuneration Committee.
The Company also has a Nomination Committee, which Chair and members are not within the Company's Board of Directors.

The Board members work together to exercise proper supervision of the Company's business, compliance, performance and work done by the Company's management. The Chair of the Board is elected by the shareholders.

The Company believes that the composition of the Board ensures that the Board has a good balance of knowledge, expertise and diversity appropriate to promote different perspectives and mitigate the risk of groupthink.

This helps the Board to attend to duties towards the Company and its stakeholders effectively. An introduction to the members of the Board of Directors and their expertise is included in Chapter 2.3 of the Annual Report.

Four out of five of the board members are independent of the Company's Executive personnel, its main shareholders and material business contacts, and the Company's executive management is not represented on the Board. The members of the Board serve for such term as the shareholders may determine at the general meeting or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated. The benefit of continuity in the Board's composition will be balanced against the potential benefits of renewal and independence. The members of the Board are encouraged to own shares in the Company.

The Company does not deviate from Section 8 of the Code.

Section 9 – The Work of the Board of Directors

The Board oversees the overall conduct of the Company's affairs and the day-to-day management of the Company.
The Board's duties and responsibilities are set out in detail in the Company's bye-laws. The Board emphasises clear allocation of responsibilities amongst members and between the Board and Executive Management for increased accountability. Various guidelines have been adopted for both the Board and Executive Management. During board meetings, directors consistently reserve time for discussion without the presence of Hafnia's Executive Management.

To ensure independence, directors, officers and executive personnel of the Company are required to notify the Board if they directly or indirectly have a material interest in any transaction carried out by the Company. Members of the Board and executive personnel are to recuse themselves from decisions that they have a special interest in so that such items can be considered unbiased. Another director will chair discussions on significant matters if the chairman of the Board has been actively involved outside of his role as Chair of the Board.

The Board has established an Audit Committee consisting of two of the board members and has adopted guidelines for the Audit Committee's work. See Chapter 2.3 of the Annual Report for further information regarding members of the Audit Committee and their responsibilities.

The Board has also established a Remuneration Committee to ensure due and independent preparation of matters relating to executive personnel compensation. See Section 2.3 of the Annual Report for further information regarding the members of the Remuneration Committee and their responsibilities.

The Board has established a Nomination Committee to ensure Board succession through identifying and nominating candidates for the appointment of members of the Board. See Section 2.3 of the Annual Report for further information regarding the members of the Nomination Committee and their responsibilities. The Board's internal assessment and performance evaluation was carried out in February 2024, to the overall satisfaction of the directors.

The Board aims to annually assess the effectiveness and performance as a whole and of its committees. This ensures that it fulfils its duties and responsibilities satisfactorily and uncovers key areas for improvement and requisite follow-up actions.

In cases of transactions between the Company and a shareholder, a shareholder's parent company, director, officer or executive personnel of the Company or persons closely related to any such parties, which are not immaterial for either the Company or the close associate involved, the Board will obtain a valuation from an independent third party. Agreements with related parties are given account for in the annual report.

The Company does not deviate from Section 9 of the Code.

Section 10 - Risk Management and Internal Control

The Board is responsible for overseeing risk management in the Company, ensuring appropriate control procedures and systems are in place to manage its exposure to risks that are inherent to the Company's business. The Company recognises the importance of balancing risks and rewards to pursue business opportunities within its risk appetite. Such procedures also support the quality of the Company's financial reporting and compliance with applicable laws and regulations.

In Section 4.2 of the Annual Report, the Company provides an overview of Hafnia's central risks and its business.

Management and internal reporting and control mechanisms are based on Company-wide policies and internal guidelines in areas such as Finance and Accounting, Health, Safety, Security, Environment & Quality (HSSEQ), Ship Operations and Project Management, in addition to implementation and the follow-up of a risk assessment process.

The Company's policies and guidelines are imperative to the Company's internal control and risk limitations and are designed to ensure that the Company's vision, policies, goals and procedures are known and adhered to. This also helps to discipline and reinforces the Company's risk culture regarding the nature and extent of risks that the Company is willing to accept.

The Company has implemented frequent management reporting sessions where both operational and financial matters are analysed and reported to relevant decision-makers, allowing them to respond quickly to changing conditions. This helps to provide reasonable assurance against foreseeable events that may adversely affect the Company's business objectives. The Company has established clear and safe communication channels between the employees and management to ensure effective reporting of any illegal or unethical activities in the Company, as such activities may be detrimental to the Company's reputation, financial well-being as well as to the Company's various stakeholders.

The Board carries out annual reviews of the Company's most important areas of exposure to risk and its internal control arrangements.

Upon effectiveness of the registration statement for the contemplated listing of the company's securities in the US, the Company will be subject to Section 404 of the Sarbanes-Oxley Act which requires that the Company includes a report from the management on the Company's internal control over financial reporting in its second annual report on Form 20-F. Thus, the Company will be subject to a more extensive and stricter compliance and reporting regime than the Company was prior to the effectiveness of the registration statement. In connection with the preparation of the registration statement, the Company and the auditor have identified three material weaknesses in the Company's internal control over financial reporting relating to (i) not having a sufficient number of personnel with an appropriate level of IFRS accounting skills, SEC reporting knowledge and experience and training in internal controls over financial reporting, (ii) not having sufficient information technology controls and documentation and (iii) the review process over assumptions and inputs used in several key accounting estimates.

The material weaknesses identified could result in inadequate resources to operate the period- end financial reporting controls as required under the U.S Securities and Exchange Commission (SEC) regime. The Company is of the view that it has sufficient internal control over financial reporting to satisfy applicable requirements under its current reporting regime and has satisfied its reporting obligations as a Oslo Stock Exchange listed Company.

The Company is committed to improving its financial organisation and IT control systems and to have effective internal control over financial reporting in accordance with the requirements under Section 404 of the Sarbanes-Oxley Act and the Company is in the process of implementing a number of measures to address the material weakness identified, including, among other things, (i) hiring additional accounting and reporting personnel with adequate knowledge, skills, experience and training; and (ii) formalising existing and implementing additional internal control procedures and policies to improve the information technology process and financial reporting process.

The Company does not deviate from Section 10 of the Code.

Section 11 – Remuneration of the Board of Directors

The Company seeks shareholders' approval at the annual general meeting regarding the remuneration of the Board. No director decides his or her own fees. The remuneration of the Board reflects its responsibility, expertise, time commitment and the complexity of the Company's activities.

To maintain the Board's independence, the Board's remuneration is not linked to the Company's performance, nor does the Company intend to grant share options, similar instruments or retirement benefits to board members as consideration for their work.

As a rule, the directors do not undertake special tasks for the Company in addition to their directorship. Fees for any such services rendered should be approved by the Board.

The Company does not deviate from Section 11 of the Code.

Section 12 – Remuneration of Executive Personnel

The Board has adopted guidelines and principles for determining the remuneration of Executive Management, which are reviewed annually. The guidelines are clear and understandable, and contribute to the Company's business strategy, long term interests and financial sustainability. Such guidelines are not a requirement under Bermuda law and will therefore not be subject to the annual general meeting's approval.

The Remuneration Committee administers all the performance-related elements of remuneration of executive management. The Remuneration Committee annually prepares recommendations to the Board, considering inter alia responsibility, expertise, time commitment and the complexity of the Company's activities.

The remuneration paid to Executive Management will aim to ensure a convergence of the financial interests of the shareholders and executive management. The Company has inter alia adopted a long-term share incentive program for Executive Management, and it is designed to be easily understood and, to align the interests of executive management with those of shareholders and link rewards to corporate and individual performance.

In connection with the contemplated dual listing of the company's securities in the US, the Board has adopted a policy concerning recovery of erroneously awarded compensation which will apply to certain members of the executive management team.

Performance-related remuneration is not subject to an absolute limit.

This represents a deviation from Section 12 of the Code.

Section 13 – Information and Communication

The Board has adopted guidelines for the Company's communication with shareholders and how the Company will make information available to shareholders outside of general meetings.

Hafnia values openness and transparency towards its shareholders and is committed to disclosing to shareholders as much relevant information as is possible in a timely and accurate manner.

All communications and announcements of information will take into account the requirement for equal treatment of the Company's shareholders. The Company publishes an updated financial calendar with dates for important events such as the annual general meeting, publishing of interim reports, public presentations and payment of dividends (if applicable) on the Company's website and on Newsweb.

The Company has also established guidelines for contact with shareholders. A conference call to present financial information and key business updates is held every quarter by the executive management. The contact details of executive management are also available on the corporate website, allowing share- holders to reach out to the Company easily.

The Company does not deviate from Section 13 of the Code.

Section 14 – Take-Overs

The Company has established key principles for how to act in the event of a take-over offer. In the event of a take-over process, the Board has a duty to ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The Board will also ensure that the shareholders have sufficient information and time to assess the offer.

In the event of a take-over process, the Board will abide by the principles of the Code and also ensure that the following take place:

- The Board will ensure that the offer is made to all shareholders, and on the same terms
- The Board shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company
- The Board should not enter into an agreement with any offeror that limits the Company's ability to entertain other offers for the Company's shares, unless it is obvious that such an agreement is in the common interest of the Company and its shareholders
- The Board shall strive to be completely open about the take-over situation. Agreements between the Company and the offeror which are of significance for the market's assessment of the offer shall be made known to the market no later than the time when the market is notified of the offer.
- The Board shall not institute measures which have the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and
- The Board acknowledges the particular duty the Board carries to ensure that the interests of the shareholders are safeguarded

The Board shall not attempt to prevent or impede the takeover bid unless this has been decided by the shareholders in a general meeting in accordance with applicable laws. The main underlying principles shall be that the Company's common shares shall be kept freely transferable and that the Company shall not establish any mechanisms which can prevent or deter take-over offers unless this has been decided by the shareholders in a general meeting in accordance with applicable law.

If an offer is made for a Company's common shares, the Board shall issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the Board finds itself unable to give a recommendation to the shareholders on whether or not to accept the offer, it will explain the reasons for this. The Board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case, it shall explain the reasons why specific members of the Board have excluded themselves from the statement.

The Board will consider arranging a valuation from an independent expert. An independent valuation will be arranged if any member of the Board, close associates of such member or anyone who has recently held a position but has ceased to hold such a position as a member of the Board, is either the bidder or has a particular personal interest in the bid. This will also apply if the bidder is a major shareholder of the Company. Any such valuation should either be enclosed with the Board's statement or reproduced or referred to in the statement.

The Company does not deviate from Section 14 of the Code.

Section 15 – Auditor

The Company's auditor is appointed by the Company's annual general meeting and is responsible for the audit of the Company's consolidated financial statements.

The auditor participates in the Audit Committee's review and discussion of the annual accounts and quarterly interim accounts. Annually, the auditor will submit an audit work-plan to the Board or the Audit Committee.

The auditor normally participates in Board meetings that deal with annual accounts and accounting principles. The auditor will also assess any important accounting estimates and matters of importance on which there has been disagreement between the auditor and the Company's executive management and/or the Audit Committee. At least once a year, the auditor shall present to the Board or the Audit Committee a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement. Further, the Board will normally hold a meeting with the auditor at least once a year at which no representative of the executive management is present.

The Board is responsible for determining whether executive management may engage the auditor for other purposes than auditing. The auditor is required to annually confirm his or her independence in writing to the Audit Committee. The Board will give the shareholders an account at the annual general meeting of the remuneration paid to the auditor, including details of the fee paid for audit work and any fees paid for other specific assignments.

The Company does not deviate from Section 15 of the Code.

03

Financial Statements

3.1
Board of Director's Report

Board of Director's Report

As a leading shipowner, Hafnia Limited (the "Company" or "Hafnia", together with its subsidiaries, the "Group") aims to uphold adaptable business management through integrated business units, fostering comprehensive market dynamics through experience-based knowledge and gaining insights into pertinent developments and trends in all aspects of the product and chemical tanker industry.

For further details about Hafnia, please refer to Chapter 1 in the 2023 Annual Report available on the Company's website www.hafniabw.com.

Business Highlights

In 2023, Hafnia concluded an order for four dual-fuel Methanol Chemical IMO-II MR Newbuilds through the Ecomar Joint Venture. This deal marks Hafnia's first step into the dual-fuel methanol landscape. In 2023, Hafnia also took delivery of three out of four LNG-fueled LR2 product tankers through the Vista Joint Venture in line with its sustainable goals and ambitions.

Hafnia's Board of Directors authorised Hafnia to commence working toward a potential dual listing in the US. This transaction is limited solely to a direct listing of outstanding Hafnia shares, without raising any additional capital. This decision is based on the desire to reach a wider base of investors and improving share liquidity. In preparation for the dual listing, we have engaged KPMG to conduct a comprehensive audit in accordance with Public Company Accounting Oversight Board (PCAOB) standards. As a result of taking a strict IFRS interpretation, our financial statements for 2022 have been restated to correct inconsistencies in the previously reported items: revenue, voyage expenses, loans receivable from pool participants, trade and other receivables, cash retained in the commercial pools, inventories and trade and other payables. These corrections do not affect 2022 TCE income, net profit, cash belonging to us, or equity for these years (refer to Note 31 of the Financial Statements for more details).

Financial Performance

Time Charter Equivalent (TCE) earnings for Hafnia in 2023 increased to **USD 1,366.6** million from USD 1,346.7 million in 2022. This TCE was based on 42,276 earning days and vessel utilisation of 98%, representing a net TCE of USD 32,326/day in 2023, as compared to 2022, where net TCE was USD 30,280/day based on 44,475 earning days and vessel utilisation of 98%.

By segment, Hafnia reported TCE earnings of USD **28,332/ day** for its Handy fleet, **USD 31,382/day** for its MR fleet, **USD 36,750/day** for its LR1 fleet and USD **36,945/ da**y for its LR2 fleet.

Hafnia reported a net profit after tax of **USD 793.3** million in 2023, compared to a net profit after tax of USD 751.6 million in 2022, representing a ROIC[1] of **26.0%** and ROE of **37.4%**.

In 2023, the product tanker remained robust due to high refinery throughput, changes in refinery capacity, and tonne-mile growth driven by the re-routing of Russian volumes. This also marks Hafnia's highest full year result to date.

Hafnia's balance sheet improved in 2023, with total assets of **USD 3,913.9 million**, total liabilities of **USD 1,686.2 million,** and total equity of **USD 2,227.7 million** equating to an equity ratio of **56.9%,** as compared to total assets of USD 3,945.3 million, total liabilities of USD 1,936.3 million and total equity of USD 2,009.0 million amounting to an equity ratio of 51.9% in 2022.

Hafnia's operating cash flows for the year mainly comprise of cash provided from Hafnia's operations of **USD 1,060.8 million**.

Net cash used in investing activities was **USD 31.7 million**, and net cash used in financing activities was **USD 1,086.9 million**.

The strong operating cash flow was primarily used for the acquisition of vessels, repayment of borrowings and interest, and payment of dividends to shareholders.

At the end of 2023, Hafnia had **116** owned vessels, **14** chartered-in vessels and five Newbuilds[2]. The total fleet of the Group comprises of **135** vessels, hereunder **10** LR2s[3], **24** Handy vessels, **35** LR1s[4] (including four time chartered-in) and **66** MRs[5] (including ten time chartered-in).

Parent Company Accounts

Hafnia Limited is a holding company. The company reported a net profit of **USD 385.3 million** for 2023, compared to a net profit of USD 384.3 million in 2022. Expenses of the company are mainly comprised of administrative expenses, and costs related to the operations of the investment holding company as a listed entity.

Total assets were **USD 1,526.2 million** as of 31 December 2023, compared to USD 1,672.0 million in 2022. The decrease was mainly due to the settlement of inter-company receivables with fellow subsidiaries. Total liabilities were **USD 25.8 million** as of 31 December 2023, compared to USD 1.8 million in 2022. The increase was mainly due to the Company owing shares to BW Group as a result of a share-lending agreement.

Total shareholders' equity in Hafnia Limited was **USD 1,500.4 million** as of 31 December 2023 as compared to USD 1,670.2 million as of 31 December 2022. The decrease was mainly due to an increase in dividends paid.

[1] ROIC is calculated using EBIT less tax. [2] Including one LR2 Newbuild owned through 50% ownership in the Vista Joint Venture and four IMO-II MR Newbuilds owned through 50% ownership in the Ecomar Joint Venture. [3] Including one LR2 Newbuild owned through 50% ownership in the Vista Joint Venture and three LR2s owned through 50% ownership in the Vista Joint Venture. [4] Including six LR1s owned through 50% ownership in the Vista Joint Venture. [5] Including four IMO-II MRs Newbuilds owned through 50% ownership in the Ecomar Joint Venture and two MRs owned through 50% ownership in the Andromeda Joint Venture

Business Responsibility

Hafnia is a committed and responsible industry leader, aligned with the rising expectations of stakeholders. ESG remains a focal point on Hafnia's agenda, as we strive to minimise our environmental footprint, advocating for diversity and inclusion and to uphold high standards of corporate governance.

Please refer to Chapter 2 of the 2023 Annual Report for an overview of Hafnia's ESG strategy.

Environmental

Hafnia proactively pursues initiatives to transform its operations and the maritime industry with a primary focus on enhancing environmental sustainability. This commitment extends towards limiting waste, mitigating pollution, and safeguarding marine biodiversity.

Hafnia is on track to meet IMO's emissions target **two years ahead** of schedule in 2028, representing a **40%** reduction in carbon emissions in respect to 2008 baseline.

Furthermore, Hafnia is steadfast in its commitment to achieving net-zero scope 1 emissions in operations by 2050. This commitment involves strategic investments and the modernization of our fleet. Building on our progress in the dual-fuel landscape with LNG, Hafnia has recently placed orders for four new dual-fuel methanol vessels in 2023. This move underscores our dedication to integrating a diverse range of low-carbon energy sources for vessel propulsion in the forthcoming decades.

Please refer to Chapter 2 of the 2023 Annual Report for an overview of environmental actions.

Social

Recognising the significance of social considerations in sustaining a business, Hafnia places utmost priority on the well-being of its on-board and at-sea personnel, positioning them as central to its business ethos. This approach fosters a safe working environment conducive to their overall welfare. Embracing a Diversity, Inclusion, Belonging, Equity (DIBE) culture, Hafnia enriches its workplace environment, ensuring fairness, safety, and ethical integrity are upheld at all times.

Hafnia encourages an ongoing communication with its employees through diverse platforms, promoting a robust culture of open dialogue and implementing procedures for reporting misconduct.

Moreover, Hafnia maintains a steadfast commitment to safety, striving for zero harm across its operations. Hafnia is consistently enhancing and refining protocols to address the challenges encountered by the maritime sector. The aim is to emphasize a safety culture rooted in human factors and to minimise incidents at sea. Hafnia also underscores the significance of training, advocating for the continual education and development of complementary skills among its workforce. Please refer to Chapter 2 of the 2023 Annual Report for an overview of Hafnia's social actions.

Governance

Hafnia has a strong focus on the implementation of best-in-class governance and effective risk management processes. Hafnia's business is conducted in an ethical and transparent way, reflecting the values and code of conduct of the Company.

Hafnia continuously maintains its stance against corruption and bribery in the maritime industry, with an internal Zero Tolerance policy.

Hafnia has adopted strong corporate governance throughout its organisation. Corporate Governance policies are based on the Norwegian Code of Practice for Corporate Governance (the "Code") dated 14 October 2021 issued by the Norwegian Corporate Governance Board. The Code is available at www.nues.no.

Please refer to Chapter 2 of the 2023 Annual Report for an overview of Hafnia's compliance with the Code.

Risk Management

Hafnia operates within an environment that exposes it to a range of commercial, operational, financial, and climate-related risks. Hafnia's operations also subject it to several financial risks, encompassing market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk and capital risk.

Managing these risks effectively is imperative for securing the long-term success of the company. Hafnia's overall risk management program focuses on the unpredictability of economic and financial landscape and aims to minimise potential adverse effects on Hafnia's operations.

Hafnia's Executive Management Team and Board of Directors are responsible for reviewing the top risks identified as having the potential to significantly impact Hafnia's business and operations at the enterprise level. By effectively managing market, regulatory, reputational, technology, and financial risks, Hafnia can create and deliver sustainable value for its customers, employees, shareholders, and society.

Please refer to Chapter 2 of the 2023 Annual Report for a summary of Hafnia's main risks. Hafnia has purchased and maintained a Directors and Officers Liability Insurance, issued by a specialized insurer with appropriate rating and reputation.

Going Concern

Given Hafnia's liquidity position, balance sheet strength, assets, employment, and continuing cash flow from operations, the Board confirms that the going concern assumption, upon which Hafnia's accounts are prepared, continue to apply.

3.2 Responsibility Statement

Responsibility Statement

We confirm that, to the best of our knowledge, the financial statements for the year **1 January to 31 December 2023** have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Company taken as a whole.

We also confirm that the Board of Directors' Report includes a true and fair view of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties facing the Group and the Company.

Andreas Sohmen-Pao Chair	Su Yin Anand Director	Erik Bartnes Director	Peter Read Director	John Ridgway Director

3.3
Financial Statements

Content

Consolidated Financial Statements

Independent Auditors' Report

To the Stockholders and Board of Directors of Hafnia Limited:

KPMG LLP

KPMG LLP
We have served as the Group's auditor since 2018.

Singapore
March 27th, 2024

Independent Auditors' Report

To Members of Hafnia Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hafnia Limited (the "Company") and its subsidiaries (the "Group"). The financial statements comprise:

- The balance sheet of the Company as at 31 December 2023, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information; and

- The consolidated balance sheet of the Group as at 31 December 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2023, and their financial performance; changes in equity and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants The International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and the Singapore Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements, the IESBA Code and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Comparative Information

We draw attention to Note 31 to the consolidated financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2022 has been restated. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	How the matter was addressed in our audit
Revenue recognition – assessment of principal versus agent in the Disponent-Owner Pools. As discussed in Note 4 to the consolidated financial statements, the Group reported revenues generated by external vessels in the pool arrangements that are managed by the Group under the "disponent-owner" model (Disponent-Owner Pools) of USD 756,234 thousand for the year ended 31 December 2023. As discussed in Notes 2.3(a) and 2.4(a), the Group determined that it, as the pool manager in the Disponent-Owner Pools, recognises the revenue as a principal in accordance with IFRS 15 - Revenue from Contracts with Customers. We identified the assessment of whether the Group as the pool manager acts as a principal or an agent in the Disponent-Owner Pools as a key audit matter. A higher degree of subjective auditor judgment was required to evaluate whether time-charter arrangements for the vessels in the Disponent-Owner Pools between the pool participants and the pool manager constitute a lease and the Group as the pool manager controls the promised service, as judgement was required to interpret the contractual terms in the Disponent-Owner Pools.	The following are the primary procedures we performed to address this key audit matter: • We obtained a selection of Disponent-Owner Pool and other relevant agreements and evaluated the terms and conditions. • We evaluated whether management's accounting position considered all relevant facts and terms included in the agreements. • We determined whether the Group's assessment of the contractual terms and conditions was in accordance with the relevant accounting standards.

Other Information

Management is responsible for the other information. Other information is defined as all information in the annual report, other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Hafnia Limited we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "5493001KCFT0SCGJ2647-2023-12-31-en" (the "ESEF file"), have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format ("ESEF Regulation") and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditors' Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conducted our work in compliance with the International Standard on Assurance Engagements (ISAE) 3000 – "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The engagement partner on the audit resulting in this independent auditors' report is Jonathan Yong Torng Chiang.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
March 27th, 2024

Consolidated Statement of Comprehensive Income

As at 31 December 2023	Note	2023 USD '000	2022 USD '000 (Restated)
Revenue (Hafnia Vessels and TC Vessels)[1]	4	**1,915,472**	1,926,551
Revenue (External Vessels in Disponent-Owner Pools)[2]	4	**756,234**	-
Voyage expenses (Hafnia Vessels and TC Vessels)[1]	5	**(548,865)**	(579,855)
Voyage expenses (External Vessels in Disponent-Owner Pools)[2]	5	**(279,749)**	-
Pool distributions for External Vessels in Disponent-Owner Pools[2]		**(476,485)**	-
		1,366,607	1,346,696
Other operating income		**44,984**	40,461
Vessel operating expenses	5	**(268,869)**	(263,903)
Technical management expenses		**(25,692)**	(23,627)
Charter hire expenses		**(34,571)**	(33,154)
Other expenses	5	**(69,571)**	(59,524)
		1,012,888	1,006,949
Gain on disposal of assets	9	**56,087**	25,483
Depreciation charge of property, plant and equipment	9	**(209,727)**	(207,989)
Amortisation charge of intangible assets	10	**(1,300)**	(1,230)
Operating profit		**857,948**	823,213
Interest income		**17,629**	6,977
Interest expense		**(77,385)**	(91,094)
Capitalised financing fees written off		**(5,894)**	(2,465)
Other finance expense		**(11,845)**	(2,516)
Finance expense – net		**(77,495)**	(89,098)

As at 31 December 2023	Note	2023 USD '000	2022 USD '000 (Restated)
Share of profit of equity-accounted investees, net of tax	14	**19,073**	24,152
Profit before income tax		**799,526**	758,267
Income tax expense	7	**(6,251)**	(6,678)
Profit for the financial year		**793,275**	751,589

1 The comparative information is restated. See Note 31. "TC Vessels" are vessels that have been time chartered-in to the Group (including ROU assets).
2 "External Vessels in Disponent-Owner Pools" means vessels that are commercially managed by the Group in the Disponent-Owner Pool arrangements that are not Hafnia Vessels or TC Vessels. See Note 2.3(a) for details on the accounting for pool arrangements.

	Note	2023 USD '000	2022 USD '000 (Restated)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Foreign operations – foreign currency translation differences		**(92)**	64
Fair value gains on cash flow hedges		**13,378**	73,516
Reclassification to profit or loss		**(42,524)**	(5,406)
		(29,238)	68,174
Item that will not be subsequently reclassified to profit or loss			
Equity investments at FVOCI – net change in fair value		**9,720**	-
Total other comprehensive income		**(19,518)**	68,174
Total comprehensive income for the year, net of tax		**773,757**	819,763
Earnings per share attributable to the equity holders of the Company			
(expressed in USD per share)			
Basic earnings per share	8	**1.57**	1.57
Diluted earnings per share	8	**1.56**	1.54

Consolidated Balance Sheet

As at 31 December 2023	Note	2023 USD '000	2022 USD '000 (Restated)	1 January 2022 USD'000 (Restated)
Vessels	9	**2,673,938**	2,728,319	1,909,534
Dry docking and scrubbers	9	**68,159**	79,210	63,414
Right-of-use assets - Vessels	9	**34,561**	67,904	111,529
Other property, plant and equipment	9	**964**	1,130	266
Total property, plant and equipment		**2,777,622**	2,876,563	2,084,743
Intangible assets	10	**1,290**	2,590	3,572
Total intangible assets		**1,290**	2,590	3,572
Other investments	11	**23,953**	3,825	3,501
Derivative financial instruments	12	**35,023**	69,184	675
Deferred tax assets		**36**	36	36
Restricted cash	17	**13,381**	4,780	-
Loans receivable from joint ventures	13	**69,626**	74,213	60,229
Associated companies and joint ventures	14	**60,172**	39,359	15,218
Total other non-current assets		**202,191**	191,397	79,659
Total non-current assets		**2,981,103**	3,070,550	2,167,974
Inventories[1]	15	**107,704**	89,931	70,672
Trade and other receivables[1]	16	**589,710**	503,109	147,892
Derivative financial instruments	12	**12,902**	1,424	252
Cash at bank and on hand	17	**141,621**	174,440	100,075
Cash retained in the commercial pools[1]	17	**80,900**	105,885	53,626
Total current assets		**932,837**	874,789	372,517
Total assets		**3,913,940**	3,945,339	2,540,491

As at 31 December 2023	Note	2023 USD '000	2022 USD '000 (Restated)	1 January 2022 USD'000 (Restated)
Share capital	18	**5,069**	5,035	3,703
Share premium	18	**1,044,849**	1,023,996	704,834
Contributed surplus	18	**537,112**	537,112	537,112
Other reserves	19	**27,620**	73,650	5,150
Treasury shares	18	**(17,951)**	(12,675)	(12,832)
Retained earnings/(accumulated losses)		**631,025**	381,886	(125,955)
Total shareholders' equity		**2,227,724**	2,009,004	1,112,012
Borrowings	21	**1,025,023**	1,455,171	1,082,829
Derivative financial instruments	12	**-**	-	306
Total non-current liabilities		**1,025,023**	1,455,171	1,083,135
Borrowings	21	**267,328**	320,116	248,374
Derivative financial instruments	12	**276**	93	21
Current income tax liabilities		**8,111**	4,737	2,018
Trade and other payables[1]	22	**385,478**	156,218	94,931
Total current liabilities		**661,193**	481,164	345,344
Total liabilities		**1,686,216**	1,936,335	1,428,479
Total shareholders' equity and liabilities		**3,913,940**	3,945,339	2,540,491

[1] *The comparative information is restated. See Note 31.*

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2023	Note	Share capital USD '000	Share premium USD '000	Con-tributed surplus USD '000	Trans-lation reserve USD '000	Hedging reserve USD '000	Treasury shares USD '000	Capital reserve USD '000	Share-based payment reserve USD '000	Fair value reserves USD '000	Retained earnings USD '000	Total USD '000
Balance at 1 January 2023		5,035	1,023,996	537,112	29	68,458	(12,675)	(710)	5,873	-	381,886	2,009,004
Transactions with owners												
Equity-settled share-based payment		-	-	-	-	-	-	-	2,822	-	-	2,822
Share options exercised		-	-	-	-	-	39,063	(24,427)	(4,907)	-	-	9,729
Purchase of treasury shares and issuance of shares	18	34	20,853	-	-	-	(44,339)	-	-	-	-	(23,452)
Dividends paid	30	-	-	-	-	-	-	-	-	-	(544,136)	(544,136)
Total comprehensive income												
Profit for the financial year		-	-	-	-	-	-	-	-	-	793,275	793,275
Other comprehensive (loss)/income		-	-	-	(92)	(29,146)	-	-	-	9,720	-	(19,518)
Balance at 31 December 2023		**5,069**	**1,044,849**	**537,112**	**(63)**	**39,312**	**(17,951)**	**(25,137)**	**3,788**	**9,720**	**631,025**	**2,227,724**

Consolidated Statement of Changes in Equity (continued)

For the financial year ended 31 December 2022	Note	Share capital USD '000	Share premium USD '000	Con-tributed surplus USD '000	Trans-lation reserve USD '000	Hedging reserve USD '000	Treasury shares USD '000	Capital reserve 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
Transactions with owners											
Issue of common shares (net of capitalised equity raise costs)	18	376	97,170	-	-	-	-	-	-	-	97,546
Acquisition of assets	3	921	206,459	-	-	-	12,832	-	-	-	220,212
Equity-settled share-based payment		-	-	-	-	-	-	-	1,760	-	1,760
Share options exercised		-	-	-	-	-	2,893	(710)	(724)	-	1,459
Purchase of treasury shares and issuance of shares	18	35	15,533	-	-	-	(15,568)	-	-	-	-
Dividends paid	30	-	-	-	-	-	-	-	-	(243,748)	(243,748)
Total comprehensive income											
Profit for the financial year		-	-	-	-	-	-	-	-	751,589	751,589
Other comprehensive income		-	-	-	64	68,110	-	-	-	-	68,174
Balance at 31 December 2022		**5,035**	**1,023,996**	**537,112**	**29**	**68,458**	**(12,675)**	**(710)**	**5,873**	**381,886**	**2,009,004**

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023	Note	2023 USD '000	2022 USD '000 (Restated)
Cash flows from operating activities			
Profit for the financial year		**793,275**	751,589
Adjustments for:			
- income tax expense		**6,251**	6,678
- depreciation and amortisation charges		**211,027**	209,219
- (gain)/loss on disposal of assets		**(56,087)**	(25,483)
- interest income		**(17,629)**	(6,977)
- finance expense		**95,124**	96,075
- share of profit of equity-accounted investees, net of tax		**(19,073)**	(24,152)
- equity-settled share-based payment transactions		**2,822**	1,760
Operating cash flow before working capital changes		**1,015,710**	1,008,709
Changes in working capital:			
- inventories		**(17,773)**	(16,091)
- trade and other receivables		**(139,166)**	(259,619)
- trade and other payables		**205,663**	42,874
Cash generated from operations		**1,064,434**	775,873
Income tax paid		**(3,628)**	(4,986)
Net cash provided by operating activities		**1,060,806**	770,887

For the financial year ended 31 December 2023	Note	2023 USD '000	2022 USD '000 (Restated)
Cash flows from investing activities			
Interest income received		**13,583**	4,172
Loan to joint ventures	13	**(15,488)**	(11,500)
Acquisition of assets, net of cash acquired	3	**-**	4,195
Acquisition of other investments	11	**(10,408)**	(324)
Equity investment in joint venture	14	**(2,240)**	(1,814)
Purchase of intangible assets	10	**-**	(248)
Proceeds from disposal of property, plant and equipment	9	**142,793**	255,809
Proceeds from disposal of assets	9	**-**	15,882
Repayment of loan by joint venture company	13	**23,975**	-
Dividend received from joint venture	14	**500**	-
Dividend received from associated company	14	**-**	1,825
Purchase of property, plant and equipment	9	**(184,392)**	(447,128)
Net cash provided by operating activities		**(31,667)**	(179,131)

Consolidated Statement of Cash Flows (continued)

For the financial year ended 31 December 2023	Note	2023 USD '000	2022 USD '000 (Restated)
Cash flows from financing activities			
Proceeds from borrowings from external financial institutions		**247,030**	440,257
Proceeds from borrowings from a related corporation		**-**	3,750
Repayment of borrowings to external financial institutions		**(309,064)**	(415,901)
Repayment of borrowings to a related corporation		**-**	(22,500)
Repayment of borrowings to non-related parties		**(5,429)**	(558)
Repayment of lease liabilities		**(390,153)**	(231,086)
Payment of financing fees		**(3,997)**	(1,990)
Interest paid to external financial institutions		**(73,634)**	(87,843)
Interest paid to a third party		**(5,707)**	(24)
Proceeds from exercise of employee share options		**9,286**	1,459
Proceeds from equity raise		**-**	97,780
Payment of equity raise costs		**-**	(1,170)
Dividends paid	30	**(544,136)**	(243,748)
Other finance expense paid		**(11,129)**	(3,558)
Net cash used in financing activities		**(1,086,933)**	(465,132)
Net (decrease)/increase in cash and cash equivalents		**(57,804)**	126,624
Cash and cash equivalents at beginning of the financial year		**280,325**	153,701
Cash and cash equivalents at end of the financial year	17	**222,521**	280,325
Cash and cash equivalents at end of the financial year comprises of:			
Cash at bank and on hand		**141,621**	174,440
Cash retained in the commercial pools		**80,900**	105,885
		222,521	280,325

Significant Non-Cash Transactions

On 27 January 2022, the Group acquired 32 vessels from Oaktree through acquiring the vessel owning companies Chemical Tankers Inc. and its subsidiaries ("CTI") by way of issuance of new shares of the Company together with the Company's existing treasury shares. The fair value of the net assets of CTI acquired amounted to USD 221.1 million. Refer to Note 3.

In the financial year ended 2022, two of the Chemical-Stainless vessels, Hafnia Spark and Hafnia Stellar, were deemed be sold (refer to Note 9) even though physical title over the vessels has not been transferred; as the Group has assessed that control over the vessels has been transferred to the buyers. These vessels were financed by sale-and-leaseback arrangements and the liabilities remained on the Group's balance sheet along with a corresponding receivable from the buyer that will be used to repay the liabilities. In the financial year ended 2023, physical title was transferred to the buyer and the liabilities were extinguished against the receivables in the Group's balance sheet. This is a non-cash transaction as the buyer paid the funds to extinguish the liabilities directly to the leasing house.

Reconciliation of Liabilities arising from Financing Activities

	1 January 2023 USD '000	Financial cash flows (i) USD '000	Non-cash changes - USD '000					31 December 2023 USD '000
			Extinguishment of finance lease liability against receivables	Additional leases capitalised during the financial year	Interest Expense	Fair value changes on cash flow hedges	Capitalised financing fees written off	
Bank borrowings	726,376	(201,957)	-	-	46,213	-	1,879	572,511
Loan from non-related parties	5,429	(11,136)	-	-	5,707	-	-	-
Finance and other lease liabilities	1,043,482	(362,310)	(44,600)	11,852	67,401	-	4,015	719,840
Derivative financial instruments	(69,136)	35,963	-	-	-	(12,791)	-	(45,964)

	1 January 2022 USD '000	Financial cash flows (i) USD '000	Non-cash changes - USD '000							31 December 2022 USD '000 (Restated)
			Additional leases capitalised during the financial year	Acquisition of assets	Disposal of assets	Interest expense	Other finance expense	Capitalised financing fees written off	Fair value changes on cash flow hedges	
Bank borrowings	1,112,912	(421,349)	-	-	-	34,813	-	-	-	726,376
Loan from a related corporation	18,750	(19,453)	-	-	-	703	-	-	-	-
Loan from non-related parties	4,391	(582)	-	-	-	1,620	-	-	-	5,429
Finance and other lease liabilities	195,150	128,789	1,895	702,423	(46,604)	56,940	2,424	2,465	-	1,043,482
Derivative financial instruments	(327)	4,707	-	-	-	-	-	-	(73,516)	(69,136)

(i) The cash flows make up the net amount of proceeds from borrowings, repayments of borrowings, interest expense and financing fees paid as reported in the statement of cash flows.

Notes to the Consolidated Financial Statements

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

1. General Information

Hafnia Limited (the "Company") is listed on the Oslo Stock Exchange and 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 (together with its subsidiaries, the "Group") relates to the provision of global maritime services in the product tankers market.

These financial statements were authorised for issue by the Board of Directors of Hafnia Limited on 27 March 2024.

2. Material Accounting Policies

2.1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS"), and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

2.2 Changes in Material Accounting Policies

New standard and amendments to published standards, effective in 2023 and subsequent financial years
The Group has applied the following IFRSs, amendments to and interpretations of IFRS for the first time for the annual period beginning on 1 January 2023:

Amendments:

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Policies
- Amendments to IAS 12 Income Taxes:
  a. Deferred Tax related to Assets and Liabilities arising from a Single Transaction
  b. International Tax Reform – Pillar Two Model Rules
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Adoption of IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 Comparative Information
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

Global Minimum Top-up Tax
Management has assessed that the amendments to IAS 12 Income Taxes (b) International Tax Reform – Pillar Two Model Rules are applicable to the Group as it is a large multinational enterprise that has consolidated revenues of more than USD 750 million in at least two out of the last four years. Further details related to Pillar Two Income Tax are disclosed in Note 7.

Except for the amendments listed as above, the application of these amendments to standards and interpretations did not have a material effect on the financial statements.

A number of new standards, interpretations, and amendments to standards will become effective for annual periods beginning on or after 1 January 2024, and early adoption is permitted. In preparing these consolidated financial statements, the Group has not early adopted any new or amended standards or interpretations.

The Group intends to adopt these new and amended standards and interpretations, when they become effective. At the date of authorization of the financial statements, the Group continues to assess and evaluate the impact to its financials on the initial adoption of these new accounting standards and interpretations and its related applicable period.

Material Accounting Policy Information
The Group adopted IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies for the for the first time in 2023. Although the amendments did not result in any changes to the accounting policies, they impacted the accounting policy information disclosed in the financial statements.

Management has reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies in certain instances, in line with the amendments.

2.3 Critical accounting judgements and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions discussed below. Certain amounts included in or affecting the consolidated financial statements and related disclosures are estimated, requiring the Group to make assumptions with respect to values or conditions which cannot be known with certainty at the time the consolidated financial statements are prepared. A critical accounting estimate or assumption is one which is both important to the portrayal of the Group's financial condition and results and requires management's most difficult, subjective or complex judgements, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Management evaluates such estimates on an ongoing basis, using historical results and experience, consideration of relevant trends, consultation with experts and other methods considered reasonable in the particular circumstances.

(a) Critical Judgements in Applying the Group's Accounting Policies

The following are the critical judgements, apart from those involving estimations (Note 2.3(b)), that management has made in the process of applying the Group's accounting policies and which have the most significant effect on the amounts recognised in the financial statements.

Accounting for Pool Arrangements
The Group is involved in three types of commercial pool arrangements: 1) pool arrangements that are managed by the Group under the "agent-to-owner" model, 2) pool arrangements that are managed by the Group under the "disponent-owner" model ("Disponent-Owner Pools") and 3) pool arrangements operated by third parties in which the Group's owned vessels are placed.

For pool arrangements that are managed by the Group, Hafnia operates as a pool manager for seven commercial pools:

- Long Range II ("LR2") Pool
- Long Range I ("LR1") Pool
- Medium range ("MR") Pool
- Handy size ("Handy") Pool
- Chemical handy size ("Chemical-Handy") Pool
- Chemical medium range ("Chemical-MR") Pool
- Specialized Pool

The pools are managed by Hafnia through its pool management companies that are wholly owned subsidiaries, as the pool manager. There are separate pool agreements entered into between the pool manager and the relevant pool participants. The pool manager negotiates charters with customers primarily in the spot market, however it may also arrange short duration time charters.

The objective of the commercial pool set up is to facilitate the commercial operation, employment, and marketing of the pool's vessels. This is achieved via the optimal utilisation of the pool vessels due to improved scheduling to reduce ballast legs and bulk purchase of goods and services for voyage expenses, thus creating economies of scale, improved flexibility, efficiency and price competitiveness. Shipowners contribute their vessels to the pool and the pool is managed by the pool manager under the authority of the Pool Board.
For pool arrangements under the "agent-to-owner" model, management has performed a key assessment to determine who is the principal and agent in these pool arrangements. Indicators that the Group, as the pool manager, is an agent in a pool arrangement are:

- Based on the Pool Agreements under the "agent-to-owner" model, the decisions over the relevant activities of the pool that are determined to significantly affect the pool's returns are made by the respective Pool Boards, which are represented by pool participants;
- Although the pool manager makes decisions over the day-to-day operations of the pool, the pool manager only acts within the pre-defined mandates and authority limits set by the Pool Board, for which the Pool Board's approving rights are substantive;
- The decisions of the pool manager are not for the relevant activities of the pool and the pool manager has limited discretion over pricing as the prices are highly dependent on the market published price for charter contracts;
- The pool manager is only given authority to decide on the prices with the objective of efficient pool management; and
- The Pool Board's decisions have practical ability to prevent the pool manager from directing the pool's relevant activities and exercising power on its own behalf.

The Group has evaluated that it has limited control as the pool manager and is hence an agent in the respective commercial pool arrangements. In such arrangements, the Group as the pool manager does not consolidate the pools. Instead, the Group only recognises the pool management fees as other operating income. On the balance sheet, the Group recognises the pool's assets and liabilities over which the Group, as pool manager, has legal rights and obligations respectively. This includes all cash balances of the pool as the pool bank accounts are opened in the name of the pool manager; and trade payables (other than those relating to fuel oil) for which contracts are entered into in the name of the pool manager.

As the shipowner that places its own vessels in the pools, the Group recognises the gross revenue and voyage expenses earned pertaining to its vessels placed in the pools; and adjustments due to pool allocations recognised separately as "pool allocation". These adjustments relate to revenue from voyage charters less voyage expenses comprising primarily brokers' commission, fuel oil and port charges. On the balance sheet, the Group recognises the assets and liabilities over which the Group, as shipowners, has legal rights and obligations respectively. This includes the trade receivables from end charterers for which the contracts are entered into in its own name as shipowners; and fuel oil as inventory and its corresponding payables, as the pool manager purchases fuel oil as an agent on behalf of shipowners based on the contractual terms of the pool agreements under the "agent-to-owner" model and the shipowner having the primary responsibility for the fuel oil obligations.

During the financial year ended 31 December 2023, the Group changed the Handy Pool, MR Pool, LR1 Pool and LR2 Pool from the "agent-to-owner" model to the "disponent-owner" model, with the agreement of all pool participants in the respective pool arrangements, as management and the pool participants believe that it would lead to an improvement in operating efficiency and access to working capital facilities.

For pool arrangements under the "disponent-owner" model ("Disponent-Owner Pools"), the key changes in the Pool Agreements from the "agent-to-owner" model are:

- Establishing a time-charter arrangement for the vessels in the Disponent-Owner Pools between the pool participants and the pool manager;
- The pool manager, as the "disponent-owner" of the vessels, has the right to obtain substantially all of the economic benefits from the use of the vessels in the Disponent-Owner Pools, as the pool manager is the contractual and legal entity who charters in vessels from the pool participants and subsequently charters out the vessels to the external charterers under its own name as the "disponent-owner";
- The pool manager, as the "disponent-owner" of the vessels, also has the right to direct the use of the vessels in the Disponent-Owner Pools, including having the right to direct how and for what purpose the vessels will be used;

The Group has evaluated that the time-charter arrangement constitutes a lease under IFRS 16 – Leases to the pool manager of the Disponent-Owner Pools. Management has assessed that the rights conferred from the pool agreements under the "disponent-owner" model provided the pool manager with the control of a right to a service to be performed using the vessels in the Disponent-Owner Pools for which it has control over, for the end charterers. Hence, management has assessed that this allows the pool manager to recognise the revenue as a principal in line with IFRS 15 - Revenue from Contracts with Customers.

In such arrangements, the Group as the pool manager recognises the gross revenue and voyage expenses earned pertaining to the vessels placed by the Group in the Disponent-Owner Pools as "Revenue (Hafnia Vessels and TC Vessels)" and "Voyage expenses (Hafnia Vessels and TC Vessels)" respectively, and adjustments due to pool allocations recognised separately as "pool allocation"; the gross revenue and voyage expenses earned pertaining to the external vessels placed by pool participants other than the Group as "Revenue (External Vessels in Disponent-Owner Pools)" and "Voyage expenses (External Vessels in Disponent-Owner Pools)" respectively; and expenses relating to pool distributions to external pool participants other than the Group separately as "Pool distributions for External Vessels in Disponent-Owner Pools".

On the balance sheet, the Group recognises the pool's assets and liabilities over which the Group, as pool manager, has legal rights and obligations respectively. This includes all cash balances of the pool as the pool bank accounts are opened in the name of the pool manager; all trade receivables from end charterers for which contracts are entered into in the name of the pool manager as the "disponent-owner"; the trade payables for which contracts are entered into in the name of the pool manager; and fuel oil as inventory and its corresponding payables, as the pool manager purchases fuel oil as the "disponent owner" of the vessels based on the contractual terms of the Pool Agreements under the "disponent-owner" model.

For pool arrangements operated by third parties in which the Group's owned vessels are placed, management has performed an assessment to determine if the Group as a pool participant has control over the pools in such arrangements. Indicators that the Group, as a pool participant, does not have control in the pool arrangements are:

- Based on the pool agreements for these pool arrangements operated by the third-party pool managers, the decisions over the relevant activities of the pool that are determined to significantly affect the pool's returns are made by the commercial pool managers. The pool managers of the respective pool arrangements hold the power to make all significant economic decisions that affect the pools;
- The Pool Board's power is limited to approval of total costs for each vessel in the respective pools, and approval of any additional working capital financing arrangements required from pool participants;
- The Pool Boards for these pool arrangements do not have the ability to prevent the pool manager from directing the pool's relevant activities and exercising power on its own behalf;
- The Group, as a pool participant in these pool arrangements, does not hold a majority of either the Pool Board of these pool arrangements or composition of the respective pools.

The Group has evaluated that it does not have control over the pools in the pool arrangements operated by third parties as a pool participant, and is hence not the principal of these pool arrangements. The Group recognises revenue from these pool arrangements as income based on its portion of the pool income reported by the relevant pool, which represents the net voyage revenue of the vessel after adjusting for pool earnings points, pool management fees and deducting voyage expenses.

The accounting policies relating to revenue recognition from the vessels placed in these pool arrangements that are managed by both the Group and third parties are further described in Note 2.4(a).

Identification of Cash-Generating Units
The Group organizes the commercial management of the fleet of vessels into seven individual commercial pools: LR1, LR2, MR, Handy, Chemical-MR, Chemical-Handy and Specialized. For the financial year ended 31 December 2023 and 2022, there are no Hafnia Vessels or TC Vessels in the Specialized Pool. The Group has assessed that each individual commercial pool constitutes a separate cash-generating unit ("CGU"). This is due

to 1) the vessels in each individual pool generating cashflows that are largely interdependent with each other, as the pool arrangements create operational dependencies between vessels in each segment as the pool manager is able to deploy all the vessels to gain efficiencies for the entire fleet of vessels in the pool; 2) the decisions of the pool manager are made solely for the benefit of the entire commercial pool and not for individual vessels; and 3) each individual pool is managed on a portfolio basis to optimise performance and for internal and external management reporting.

Time-chartered in vessels which are recognised as ROU assets by the Group and subsequently deployed in the commercial pools are included as part of the respective commercial pool CGUs based on the above assessment. For vessels outside the commercial pools and deployed on a time-charter basis, each of these vessels constitutes a separate CGU.

(b) Critical Accounting Estimates

The key assumptions concerning the future and other critical accounting estimates at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Impairment/ Reversals of impairment of non-financial assets

Property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired or a reversal of previously recognised impairment charge may be required. The recoverable amount of an asset, and where applicable, a cash-generating unit ("CGU"), is determined based on the higher of fair value less costs to sell and value-in-use calculations prepared on the basis of management's assumptions and estimates.
All impairment calculations demand a high degree of estimation, which include assessments of the expected cash flows arising from such assets under various modes of deployment, and the selection of discount rates. Changes to these estimates may significantly impact the impairment charges recognised, and future changes may lead to reversals of any previously recognised impairment charges. The Group views that the forecast of future freight rates, representing the main driver of recoverable amounts of the Group's vessels to be inherently difficult to estimate. This is further complicated by the volatility in oil prices caused by geopolitics and macroeconomic forces, together with the cyclical nature of freight rates prevailing in the tankers market.

Vessel life and residual value

The Group depreciates the vessels on a straight-line basis after deduction of residual values over the ship's estimated useful life of 25 years, from the date the ship was originally delivered from the shipyard. Dry docking costs are generally depreciated over 2.5 to 5 years depending on the age and serviceability of the vessels. Residual value is estimated as the lightweight tonnage of each vessel multiplied by the scrap value. The residual values of the vessels are reassessed by management at the end of each reporting period based on the prevailing and historical steel prices.

The useful life and residual value are critical accounting estimates as they directly impact the amount of depreciation expense to be presented in the financial statements. Due to the size of the Group's fleet of owned vessels, the impact could be material depending on the estimates adopted by Management.

2.4 Revenue and Income Recognition

Revenue comprises the fair value of consideration received or receivable for the rendering of services in the ordinary course of the Group's activities, net of rebates, discounts and off-hire charges, and after eliminating sales within the Group.

(a) Revenue

The Group's source of revenue is vessel revenue, comprising of time charter hire, voyage charter hire and demurrage revenue. Revenue is recognized when or as performance obligations are satisfied by transferring services to the customer, i.e. over time, provided that the stage of completion can be measured reliably. Revenue is measured as the consideration that the Group expects to be entitled to. Vessel revenue (including time charter hire, voyage charter hire and demurrage revenue) are recognised in the Consolidated Statement of Comprehensive Income according to the entered charter parties from the date of load to the date of delivery of the cargo (discharge). The recognition is determined using the load-to-discharge method based on the percentage of the estimated duration of the voyage completed at the reporting date because the customer receives the benefit during the voyage as it is provided.

Time charter hire - The Group earns time charter revenue as a lessor by placing its vessels on time charter arrangements with end charterers. Revenue generated from time charter hire is accounted for as revenue earned under operating leases and is therefore within the scope of IFRS 16 – Leases, as issued by the International Accounting Standards Board. IFRS 16 amended the definition of what constitutes a lease to be a contract that conveys the right to control the use of an identified asset if the lessee has both (i) the right to obtain substantially all of the economic benefits from the use of the identified asset, and (ii) the right to direct the use of the identified asset throughout the period of use. We have determined that our existing time charter arrangements meet the definition of leases under IFRS 16, with the Group as lessor, on the basis that the charterer manages the vessels in order to enter into transportation contracts with their customers, and thereby enjoys the economic benefits derived from such arrangements. Furthermore, the charterer can direct the use of a vessel (subject to certain limitations in the charter arrangement) throughout the period of use.

Moreover, under IFRS 16, we are also

required to identify the lease and non-lease components of revenue and account for each component in accordance with the applicable accounting standard. In the time charter arrangements, we have determined that the lease component is the vessel, and the non-lease component is the technical management services provided to operate the vessel. These components are accounted for as follows:

- All fixed lease revenue earned under these time charter arrangements is recognized on a straight-line basis over the term of the lease.
- The non-lease component is accounted for as services revenue under IFRS 15 - Revenue from Contracts with Customers. This revenue is recognized "over time" as the customer (i.e. the charterer) is simultaneously receiving and consuming the benefits of the service. The performance obligations in a time charter contract are satisfied over the term of the contract beginning when the vessel is delivered to the charterer until it is redelivered back to us.

Voyage charter hire - The Group earns voyage charter revenue primarily by commercially managing vessels in commercial pool arrangements and by trading them in the spot market. Revenue generated from voyage charter hires and pools is within the scope of IFRS 15 - Revenue from Contracts with Customers, as issued by the International Accounting Standards Board. IFRS 15 replaced the pre-existing accounting standards for revenue recognition and is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled when products or services are transferred to customers.

As mentioned above in Note 2.3(a), the Group is involved in three types of commercial pool arrangements: 1) pool arrangements that are managed by the Group under the "agent-to-owner" model, 2) pool arrangements that are managed by the Group under the "disponent-owner" model ("Disponent-Owner Pools") and 3) pool arrangements operated by third parties in which the Group's owned vessels are placed.

For 1) pool arrangements that are managed by the Group under the "agent-to-owner" model, management has assessed that it has limited rights as the pool manager as described in Note 2.3(a), and is hence an agent in the respective commercial pool arrangements. The Group as the pool manager recognises the pool management fees as other operating income over time based on the period of services provided; while as a shipowner, recognises the gross revenue and voyage expenses earned pertaining to its vessels placed in the pools, and the adjustments due to pool allocations (based on pool points and other trading criteria such as ice trading) separately as pool allocation.

For the 2) Disponent-Owner Pools that are managed by the Group, management has assessed that the time-charter arrangement for the vessels in these pool arrangements between the pool participants and the pool manager constitutes a lease under IFRS 16. Correspondingly, management has assessed that the rights conferred from the pool agreements under the "disponent-owner" model provided the pool manager with the control of a right to a service to be performed using the vessels in the Disponent-Owner Pools for the end charterers and hence allowing the pool manager to recognise the revenue as a principal in line with IFRS 15 - Revenue from Contracts with Customers.

The Group as the pool manager recognises the gross revenue and voyage expenses earned pertaining to the vessels placed by the Group in the Disponent-Owner Pools as "Revenue (Hafnia Vessels and TC Vessels)" and "Voyage expenses (Hafnia Vessels and TC Vessels)" respectively, and adjustments due to pool allocations recognised separately as "pool allocation"; the gross revenue and voyage expenses earned pertaining to the external vessels placed by pool participants other than the Group as "Revenue (External Vessels in Disponent-Owner Pools)" and "Voyage expenses (External Vessels in Disponent-Owner Pools)" respectively; and expenses relating to pool distributions to external pool participants other than the Group separately as "Pool distributions for External Vessels in Disponent-Owner Pools"; and continues to recognise the pool management fees as other operating income over time based on the period of services provided.

For 3) pool arrangements operated by third parties in which the Group's owned vessels are placed, management has assessed that it does not have control over the pools in such arrangements as a pool participant, as described in Note 2.3(a). The Group recognises revenue from these pool arrangements as income based on its portion of the pool income reported by the relevant pool, which represents the net voyage revenue of the vessel after adjusting for pool earnings points, pool management fees and deducting voyage expenses.

Demurrage revenue – Voyage charter contracts contain conditions regarding the amount of time available for loading and discharging of the vessel. If these conditions are breached, the Group is compensated for the additional time incurred in the form of demurrage revenue. Demurrage revenue is recognised in accordance with the terms and conditions of the charter parties. Upon completion of the voyage, the Group assesses the time spent in port, and a demurrage claim based on the relevant contractual conditions is submitted to the charterers. The claim will often be met by counterclaims due to differences in the interpretation of the agreement compared to the actual circumstances of the additional time used. Based on previous experience, 95% of the demurrage claim submitted is recognised as demurrage revenue upon initial recognition. Demurrage is not treated as a separate performance obligation as the promise under the voyage charter contract to the charterer remains the same and there are no distinct goods and services provided along with the demurrage charges. The additional time required to execute the charterer's orders does not provide a distinct service but it is part of the single performance obligation of making the vessel available to execute the charterer's orders. Therefore, demurrage revenue will be allocated entirely to the single performance obligation in the voyage charter contract and recognition will follow the revenue recognition pattern for voyage charter revenue on load-to-discharge basis.

The Group receives the demurrage payment upon reaching final agreement on the amount, which could be up to approximately 100 days after the original demurrage claim was submitted. Any adjustments to the final agreement are recognized as demurrage revenue. Revenue from chemical tankers freight voyage charter is recognised under the load to discharge method on individual contract basis.

(b) Non-Pool related Management Fees

Other income from the provision of management support services is recognised over time based on the period of services provided.

(c) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

2.5 Group Accounting

(a) Subsidiaries

(1) Consolidation

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.
In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been aligned where necessary to ensure consistency with the policies adopted by the Group.

(2) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date, and any gains or losses arising from such re-measurement are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.
The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the net identifiable assets acquired, is recorded as goodwill.

The excess of (i) fair value of the net identifiable assets acquired over the (ii) consideration transferred; the amount of any non-controlling interest in the acquiree; and the acquisition-date fair value of any previous equity interest in the acquiree; is recorded in profit or loss during the period when it occurs.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

In case the Group acquires an asset or a group of assets (including any liabilities assumed) that does not constitute a business, then the transaction is outside the scope of IFRS 3 because it cannot meet the definition of a business combination. Such transactions are accounted for as asset acquisitions in which the cost of acquisition is generally allocated between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Transactions for assets acquisition do not give rise to goodwill or a gain on a bargain purchase.

(3) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are de-recognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(b) Associated Companies and Joint Ventures

Associated companies are entities over which the Group has significant influence, but not control or joint control. Significant influence is presumed to exist when the Group holds 20% or more of the voting rights of another entity.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting (net of accumulated impairment losses).

The acquisition method of accounting is used to account for new and incremental acquisitions in associated companies and joint ventures.

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated companies and joint ventures over the Group's share of the fair value of the identifiable net assets of the associated companies or joint ventures and is included in the carrying amount of the investments.

Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised in profit or loss during the period when it occurs.

In applying the equity method of accounting, the Group's share of its associated companies' and joint ventures' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from associated companies and joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals or exceeds its interest in the associated company or joint venture including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has incurred obligations or has made payments on behalf of the associated company or joint venture.

Unrealised gains on transactions between the Group and its associated companies and joint ventures are eliminated to the extent of the Group's interest in the associated companies and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of associated companies and joint ventures to ensure consistency of accounting policies with those of the Group.

Investments in associated companies and joint ventures are derecognised when the Group loses significant influence or joint control. Any retained interest in the equity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence or joint control is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies and joint ventures in which significant influence or joint control is retained are recognised in profit or loss.

2.6 Property, Plant and Equipment

(a) Measurement

(1) Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(2) The cost of an item of property, plant and equipment initially recognised includes expenditure that is directly attributable to the acquisition of the item. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring the asset.

(3) The acquisition cost capitalised to a vessel under construction is the sum of the instalments paid plus other directly attributable costs incurred during the construction period including borrowing costs. Vessels under construction are not depreciated and reclassified as vessels until upon delivery from the yard.

(4) If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment.

(b) Depreciation

(1) Depreciation is calculated using a straight-line method to allocate the depreciable amounts of property, plant and equipment, after taking into account the residual values over their estimated useful lives. The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at least annually. The effects of any revision are recognised in profit or loss when the changes arise. The estimated useful lives are as follows:

<u>Vessels</u>
- Tankers 25 years
- Scrubbers 5 years
- Dry docking 2.5 to 5 years

<u>Others</u>
- Other PPE 5 years

A proportion of the price paid for new vessels is capitalised as dry docking. These costs are depreciated over the period to the next scheduled dry docking, which is generally 2.5 to 5 years. At the commencement of new dry docking, the remaining carrying amount of the previous dry docking will be written off to profit or loss.

(2) Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. The remaining carrying amount of the old component as a result of a replacement will be written off to profit or loss.

(c) Subsequent Expenditure

Subsequent expenditure relating to property, plant and equipment, including scrubbers and dry docking that has already been recognised, is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

2.7 Intangible Assets

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

IT infrastructure and customer contracts
IT infrastructure and customer contracts acquired through business combinations are initially recognised at fair value.

These intangibles are subsequently carried at amortised cost less accumulated impairment losses using the straight-line method over their individual estimated useful lives of 5 years.

2.8 Non-Derivative Financial Assets

(a) Recognition and Initial Measurement

Trade receivables are initially recognised when they are originated. Other financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss (FVTPL), which are recognised at fair value. Transaction costs for financial assets at FVTPL are recognised immediately as expenses.

(b) Classification

The Group classifies its non-derivative financial assets at amortised cost, at fair value through other comprehensive income ("FVOCI") and at FVTPL. The classification depends on the business model in which a financial asset is managed and its contractual cash flows characteristics. Management determines the classification of its non-derivative financial assets at initial recognition. Non-derivative financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected non-derivative financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Group holds the following classes of financial assets:

(1) Non-Derivative Financial Assets at Amortised cost
A non-derivative financial asset is classified as measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. They are presented as "trade and other receivables" (Note 16), "loans receivable from joint venture"(Note 13) and "cash at bank and on hand, cash retained in the commercial pools and restricted cash" (Note 17) in the consolidated balance sheet.

(2) Equity Investments at FVOCI
On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

The Group has presented its equity investments as non-current assets on the balance sheet which will be reclassified to current assets in the event management intends to dispose the assets within 12 months after the balance sheet date. All the equity investments have been irrevocably elected to be classified as FVOCI and are presented as other investments. Further details are described in Note 11.

(3) Non-Derivative Financial Assets at FVTPL
All non-derivative financial assets not classified as at amortised cost and OCI.

(c) Business Model Assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance

of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

(d) Subsequent Measurement

Financial assets at FVTPL and FVOCI are subsequently carried at fair value. Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at FVTPL including the effects of currency translation are recognised in profit or loss while changes in the fair values of financial assets at FVOCI are recognised in other comprehensive income.

(e) Derecognition of Financial Assets

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash-flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(f) Offsetting Financial Instruments

Financial assets and liabilities are offset, and the net amount reported in the consolidated balance sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(g) Impairment

For financial assets measured at amortised cost and contract assets, the Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for expected credit loss (ECL) at an amount equal to the lifetime expected credit loss if there has been a significant increase in credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group recognises an allowance for ECL at an amount equal to 12-month ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

For trade receivables and contract assets, the Group applied the simplified approach permitted by IFRS 9, which requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of Allowance for ECLs in the Balance Sheet

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience, informed credit assessment and other forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if the debtor is under significant financial difficulties, or when there is default or significant delay in payments. The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of ECL decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.9 Non-Derivative Liabilities

Non-derivative financial liabilities are classified and measured at amortised cost. Directly attributable transaction costs are recognised in profit or loss as incurred.

The Group de-recognises a financial liability when its contractual obligations are discharged, cancelled, or expired. The Group also de-recognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Interest Rate Benchmark Reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss was recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and:
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that was required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

2.10 Impairment of Non-Financial Assets

Property, plant and equipment are tested for impairment whenever there is objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment is then allocated to each single vessel on a pro-rata basis, based on the carrying amount of each vessel in the CGU with the limit of the higher of fair value less cost of disposal and value in use. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.
An impairment loss for an asset (or CGU) other than goodwill is reversed if, and only if, there has been a change in the estimate of the asset's (or CGU's) recoverable amount since the last impairment loss was recognised. The carrying amount of the asset (or CGU) is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation and depreciation) had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of impairment loss for an asset (or CGU) other than goodwill is recognised in profit or loss. The Group conducts an impairment review of its non-financial assets annually.

2.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

The Group de-recognises a borrowing when its contractual obligations are discharged, cancelled, or expired. The Group also de-recognises a borrowing when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de-recognition of a borrowing, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.12 Borrowing Costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction of vessels. This includes those costs on borrowings acquired specifically for the construction of vessels, as well as those in relation to general borrowings used to finance the construction of vessels.

Borrowing costs are capitalised in the cost of the vessel under construction. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to the construction expenditure that are financed by general borrowings.

2.13 Trade and other Payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, and are de-recognised when the Group's obligation has been discharged or cancelled or expired.

2.14 Derivative Financial Instruments and Hedging Activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The fair value of derivative financial instruments represents the amount estimated by management with input from the Group's banks or brokers that the Group will receive or pay to terminate the derivatives at the balance sheet date.

For derivative financial instruments that are not designated or do not qualify for hedge accounting, any fair value gains or losses are recognised in profit or loss as a finance item. In particular, gains and losses on currency derivatives are presented in profit or loss as 'foreign currency exchange gain/(loss) – net', whilst gains and losses on other derivatives are presented in profit or loss as 'derivative gain/(loss) – net', unless the gains and losses are material. The Group designates certain financial instruments in qualifying hedging relationships and documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedging transactions.

The Group also documents its assessment, both at hedge inception and on a periodic basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items prospectively.

In the financial year ended 31 December 2021, the Group has adopted the amendments to IFRS 9, IFRS 7 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 effective 1 January 2021. In accordance with the transition provisions, the amendments were applied retrospectively to hedging relationships and financial instruments. Comparative amounts have not been restated, and there was no impact on the prior period opening reserves amounts on adoption.

The Phase 2 amendments address issues arising during interest rate benchmark reform ("IBOR reform"), including specifying when hedge designations and documentation should be updated, and when amounts accumulated in cash flow hedge reserve should be recognised in profit or loss. Note 12 provides further information about the reliefs applied by the Group and the hedging relationships for which the Group has applied the reliefs. No changes were required to any of the amounts recognised in the current or prior period as a result of these amendments, except for hedge ineffectiveness which is disclosed in Note 12.

In the current financial year ended 31 December 2023, the Group has continued to apply the following hedge accounting reliefs provided by the "Phase 2" amendments to existing cash flow hedges that have transited to alternative benchmark rates required by IBOR reform:

- **Hedge designation:** When the "Phase 1" amendments ceased to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.
- **Amounts accumulated in the cash flow hedge reserve:** When the interest rate benchmark on which the hedged future cash flows were based is changed as required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item and no hedge ineffectiveness is deemed to exist. In circumstances when the terms of the hedged item do not match exactly the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness of hedging relationship.

Cash Flow Hedges – Interest Rate Derivatives

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates. For the purpose of hedge accounting, management designated a portion of the nominal value of loans to be hedged by the total notional value of the interest rate swaps. There is no imbalance that would create ineffectiveness and cause the relationship to be inconsistent with the purpose of hedge accounting.

The fair value changes on the effective portion of interest rate derivatives designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of these interest rate derivatives are recognised immediately in profit or loss.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interbank offered rates (IBOR) reform for the purpose of asserting that the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

The Group will no longer apply the amendments to its highly probable assessment of the hedged item when the uncertainty arising from interest rate benchmark reform with respect to the timing and amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued. To determine whether the designated forecast transaction is no longer expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

Hedges directly affected by interest rate benchmark reform
When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of IBOR reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by IBOR reform. For this purpose, the hedge designation is amended only to make one or more of the following changes:

- Designating an alternative benchmark rate as the hedged risk;
- Updating the description of the hedged item, including the description of the designated of portion of the cash flows or fair value being hedged; or
- Updating the description of the hedging instrument.

The Group also amends the description of the hedging instrument if the following conditions are met:

- It makes a change required by IBOR reform by using an approach other than changing the basis for determining the contractual cash flows of the hedging instrument;
- The chosen approach is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- The original hedging instrument is not recognised.

The Group amends the formal hedge documentation by end of the reporting period during which a change required by IBOR reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by IBOR reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in the discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by IBOR reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by IBOR reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on alternative benchmark rate on which the hedged future cash flows will be based.

2.15 Freight forward Agreements, Interest Rate Caps and Foreign Exchange Contracts

The Group has entered into freight forward agreements ("FFA"), interest rate caps and foreign exchange contracts to manage its exposure to freight rates cash flow interest rate risk and foreign exchange risk respectively.
The Group does not apply hedge accounting for the derivatives mentioned above. and therefore all changes in fair values of forward freight agreements, interest rate caps and foreign exchange contracts used for economic hedges are recognised in profit or loss under TCE income and other finance expense or income respectively.

Further details of the Group's other derivative financial instruments are disclosed in Note 12.

2.16 Fair Value Estimation of Financial Assets and Liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices and the quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques such as market approach. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used.

The fair value of forward freight derivatives are determined using quoted market prices for similar contracts on an exchange.

The fair value of interest rate derivatives is calculated as the present value of the estimated future cash flows, discounted at actively quoted interest rates. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

The carrying amounts of current financial assets and liabilities, measured at amortised cost, approximate their fair values, due to the short term nature of the balances. The carrying amounts of the non-current loans receivable approximate their fair values since the interest rates are re-priceable at three-month intervals. The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at current market interest rates, determined as those that are available to the Group at balance sheet date for similar financial instruments.

2.17 Leases

(a) When a Group Company is the Lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

For leases of vessels, the Group allocates the consideration in the contract to each non-lease component on the basis of its stand-alone price. The lease component is then allocated based on the residual amount of the lease consideration. However, for leases of property and other equipment, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the applicable incremental borrowing rate. Generally, the Group uses the incremental borrowing rates as the discount rates. The Group determines the incremental borrowing rates by obtaining interest rates from various external financing sources.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise price under a purchase option that the Group is reasonably certain to exercise;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- payment of penalties for early termination of a lease unless the Group is reasonably certain that it will not terminate early.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from a change in an index or rate;
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the Group's assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.
The Group presents right-of-use assets as a part of total property, plant and equipment and lease liabilities in 'borrowings' in the consolidated balance sheet.

Short-term and Low Value Leases
The Group has elected not to recognise right-of-use assets and lease liabilities for leases with lease terms that are less than 12 months and other low-value assets. Lease payments associated with these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(b) When a Group Company is the Lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease.

Finance Leases

Leases of assets in which the Group transfers (leases out) substantially all risks and rewards incidental to ownership of the leased asset to the lessees are classified as finance leases. The leased asset is de-recognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised on the consolidated balance sheet as finance lease receivables. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income, included as part of revenue, is recognised over the lease term using the net investment method, which reflects a constant periodic rate of return.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Operating Leases

Leases of assets in which the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Assets leased out under operating leases are included in property, plant and equipment. Rental income (net of any incentives given to lessee) is recognised on a straight-line basis over the lease term.

Intermediate Leases

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group applies the exemption described above, the sub-lease is then classified as an operating lease.

(c) Sale and Leaseback

A sale and leaseback transaction is where the Group transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor.

Where the buyer-lessor obtains control of the transferred asset, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained by the Group.

Where the buyer-lessor does not obtain control of the transferred asset, the Group continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The financial liability is recognised initially at fair value, net of transaction costs incurred. The financial liability is subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the financial liability using the effective interest method.

2.18 Inventories

Inventories comprise mainly fuel and lubricating oils which are used for operation of vessels.

The cost of inventories includes purchase costs, as well as any other costs incurred in bringing inventory on board the vessel. Inventories are accounted for on a first-in, first-out basis, and stated at lower of cost and net realisable value. Consumption of inventories is recognised as an expense in profit or loss when the usage occurs.

2.19 Income Taxes

The tax expense for the period comprises current and deferred taxes. Tax is recognised as income or expense in profit or loss, except to the extent that it relates to items recognised in other comprehensive income in which case the tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Positions taken in tax returns are evaluated periodically, with respect to situations in which applicable tax regulations are subject to interpretation, and provisions are established where appropriate, on the basis of amounts expected to be paid to the tax authorities. In relation to accounting for tax uncertainties, where it is more likely than not that the final tax outcome would be favourable to the Group, no tax provision is recognised until payment to the tax authorities is required, and upon which a tax asset, measured at the expected recoverable amount, is recognised.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is recognised on temporary differences arising on income earned from investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be classified as asset.

(a) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(c) Share-Based Payment

During the financial years ended 31 December 2022 and 2023, the Group introduced Long Term Incentive Plan (LTIP) 2022 and LTIP 2023 respectively. Under this scheme, the grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

2.21 Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in United States Dollars, which is the Company’s functional currency. All financial information presented in US dollars has been rounded to the nearest thousand, unless otherwise stated.

(b) Transactions and Balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date, are recognised in profit or loss.

2.22 Cash and Cash Equivalents, Cash Retained in the Commercial Pools, and Restricted Cash

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with financial institutions, which are subject to an insignificant risk of change in value, cash retained in the commercial pools and restricted cash. The restricted cash represents amounts placed in debt service reserve accounts for sale and leaseback financing.

2.23 Share Capital

Common shares are classified as equity.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

2.24 Dividends

Interim dividends are recognised in the financial year in which they are declared payable and final dividends are recognised when the dividends are approved for payment by the directors and shareholders respectively.

2.25 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation whereby as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the settlement amount can be made. When the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.
For leased-in assets, the Group recognises a provision for the estimated costs of reinstatement arising from the use of these assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

2.26 Financial Guarantee Contracts

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Group will be required to make a payment under the guarantee. A provision is recognised based on the Group’s estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

2.27 Assets held for Sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense in profit or loss. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

2.28 Segment Reporting

Operating segments are reported in a manner consistent with reporting provided to the Group's Chief Executive Officer ("CEO"), who is the Group's chief operating decision maker ("CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments; namely LR1, LR2, MR (including IMO II MR), Handy (including IMO II Handy) and Chemical - Stainless.

2.29 Earnings per Share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the financial year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held and the effects of all dilutive potential ordinary shares, which comprise share options and restricted share units granted to employees.

3. Acquisition of Assets

On 27 January 2022, the Group completed the acquisition of 32 vessels from Chemical Tankers Inc. and its subsidiaries ("CTI"), in exchange for the Company's equity instruments ("Acquisition of CTI fleet"). The acquisition was accounted for as an asset acquisition that did not constitute a business and which was satisfied by way of issuance of new shares of the Company together with the Company's existing treasury shares.

In exchange for all outstanding shares in CTI, CTI's shareholders received a total of 99,199,394 common shares in the Company, consisting of 92,112,691 newly issued shares and 7,086,703 of treasury shares. Since the consideration for the acquisition was satisfied by way of issuance of the Company's equity instruments, the accounting of the fair value of the consideration settled follows the guidance of IFRS 2 Share-based Payment. At the acquisition date, ordinary shares and the existing treasury shares of the Company were issued to CTI's shareholders, and the fair value of issued shares was deemed to be the fair value of the CTI's net assets acquired. The fair value of CTI's net assets acquired was assessed at USD 221.1 million. Equity settlement of the transaction resulted in an increase in share capital of USD 0.9 million and share premium of USD 207.4 million, while reducing balance of treasury shares by USD 12.8 million. The effects of CTI acquisition resulted in increases in the Group's assets, liabilities and equity by USD 943.0 million, USD 721.9 million and USD 221.1 million respectively.

(a) Assets Acquired and Liabilities Assumed

A summary of the acquired assets and liabilities of CTI is presented below.

	CTI balances acquired at fair values 2022 USD '000
Property, plant and equipment	893,009
Restricted cash	6,050
Cash and cash equivalents	4,195
Inventories	3,168
Trade and other receivables	36,584
Trade and other payables	(19,435)
Borrowings	(702,423)
Total net assets acquired	**221,148**

(b) Consideration Transferred

The following table summarises the acquisition date fair value of each class of consideration transferred.

	USD '000
Common shares issued	208,316
Treasury shares transferred	12,832
Less: Cost of issuing new common shares	(936)
Net consideration transferred in the form of issued common shares and treasury shares	**220,212**

(c) Measurement of Fair Values

The fair value of acquired vessels was estimated based on an independent third-party valuation report close to the acquisition date, which made reference to comparable transaction prices of similar vessels.

The carrying values of acquired borrowings approximate their fair values as the bank borrowings bear floating interest rates and were re-priceable at three-month intervals.

Other acquired items represent working capital items whose carrying values approximate fair values due to short period of maturity.

4. Revenue

	2023 USD '000	2022 USD '000 (Restated)
Hafnia Vessels and TC Vessels		
Revenue from time charter	**134,436**	73,824
Revenue from voyage charter	**1,781,036**	1,852,727
	1,915,472	1,926,551
External Vessels in Disponent-Owner Pools		
Revenue from voyage charter	**756,234**	-
Total revenue	**2,671,706**	1,926,551

IFRS 16 Lease Revenue

The following table summarizes the lease and non-lease components of revenue from time charters during the financial years ended 31 December 2023 and 2022. These figures are not readily quantifiable as the Group's contracts under time charter arrangements do not separate these components. Nevertheless, the Group has estimated these amounts by reference to an approximation of the fair market value of vessel operating expenses for the non-lease component.

	2023 USD '000	2022 USD '000
Lease component of revenue from time charter	**94,078**	48,322
Non-lease component of revenue from time charter	**40,358**	25,502
Total revenue	**134,436**	73,824

IFRS 15 Revenue from Contracts with Customers

For vessels employed in the commercial pool arrangements and traded in the spot market, we recognize revenue 'over time' as the customer (i.e. the charterer) is simultaneously receiving and consuming the benefits of the vessel. Under IFRS 15, the performance obligation has been identified as the transportation of cargo from one point to another. Therefore, in a spot market voyage charter under IFRS 15, revenue is recognized on a pro-rata basis commencing on the date that the cargo is loaded and concluding on the date of discharge. The Group also considers short-term time charters (with initial terms of less than one year) as spot market voyage charters. These voyages are accounted for under IFRS 16 – Leases (given the contractual nature of the agreements) but are disclosed as spot market voyages in the table above given their short term nature, and greater exposure to spot market volatility.

Payments for trade receivables generally are due immediately or within 7 days from the invoice date. Information about trade receivables from contracts with customers and contract assets is presented in Note 16

5. Expenses by Nature

	2023 USD '000	2022 USD '000 (Restated)
Hafnia Vessels and TC Vessels		
Fuel oil consumed	**349,081**	388,497
Port costs	**158,967**	122,331
Brokers' commission expenses	**26,451**	27,080
Other voyage expenses	**2,633**	10,096
Pool allocation	**11,733**	31,851
Voyage expenses	**548,865**	579,855
External Vessels in Disponent-Owner Pools		
Fuel oil consumed	**161,820**	-
Port costs	**62,691**	-
Brokers' commission expenses	**48,500**	-
Other voyage expenses	**14,532**	-
Pool allocation	**(7,794)**	-
Voyage expenses	**279,749**	-
External crew cost	**81,860**	88,357
Employee benefits (Note 6)	**81,602**	78,741
Maintenance and repair expenses	**76,994**	70,584
Insurance expenses	**12,234**	11,832
Other vessel operating expenses	**16,179**	14,389
Vessel operating expenses	**268,869**	**263,903**
Corporate support service fee	**5,090**	4,191
Employee benefits (Note 6)	**42,816**	37,766
Other operating expenses	**21,665**	17,567
Other expenses	**69,571**	59,524

6. Employee Benefits

	2023 USD '000	2022 USD '000
Seafaring crew	**81,602**	78,741
Shore-based staff	**42,816**	37,766
	124,418	116,507

7. Income Taxes

Based on the tax laws in the jurisdictions in which the Group and its subsidiaries operate, shipping profits are exempted from income tax. Non-shipping profits are taxed at the prevailing tax rate of each tax jurisdiction where the profit is earned.

Certain of the Group's vessels are subject to the tonnage tax regime in Denmark, whose effect is not significant.

Income Tax Expense	**2023 USD '000**	2022 USD '000
Tax expense attributable to profit is made up of:		
Current income tax	**6,540**	5,785
Changes in estimates related to prior years	**(289)**	893
	6,251	6,678

There is currently no income, withholding, capital gain or capital transfer taxes payable in Bermuda. Bermuda is looking to implement a corporate income tax system starting from 1 January 2025 for entities which are part of multinational enterprises which would fall within the purview of OECD's Pillar 2 rules under the BEPS 2.0 initiative. The rules of the proposed corporate income tax system are envisaged to mirror closely the tax outcomes of Pillar 2 rules. The Group's entities in Bermuda do not and are not expected to have income which would be taxable under the proposed Bermuda corporate income system or Pillar 2 rules. The income tax expense reconciliation of the Group is as follows:

Reconciliation of Effective Tax Rate	**2023 USD '000**	2022 USD '000
Profit before income tax	**799,526**	758,267
Tax calculated at a tax rate of 0% (2022: 0%)		
Effect of:		
- Tax on non-shipping income	**6,540**	5,785
- Changes in estimates related to prior years	**(289)**	893
Income tax expense	**6,251**	6,678

The majority of the Group's international shipping income accrues in Singapore, where the Group exercises strategic and commercial control over its international shipping activities. As such, the majority of the Group's tax bases is subject to Singapore tax legislation. The Group enjoys the Maritime Sector Incentive – Singapore Registry of Ships ("MSI-SRS"), and also has been awarded the Maritime Sector Incentive – Approved International Shipping Enterprise Award ("MSI-AIS") by the Maritime and Port Authority of Singapore. The MSI-SRS incentive is an ongoing applicable incentive while the MSI-AIS is effective till 30 April 2028, and subsequently; renewable subject to the Group satisfying conditions such as minimum business spending in Singapore. The Group has satisfied such conditions to date and will continue to do so.

Under the MSI-AIS Award, profits arising from international shipping activities are tax exempt in Singapore. Corporate income tax is levied on the Group's non-international shipping activities which mainly comprises of pool management activities conducted in Singapore and Denmark.

The Group operates in several countries which have enacted new legislations to implement the global minimum top-up tax (Pillar 2 of BEPS 2.0). However, since the newly enacted tax legislations in these countries are only effective from 1 January 2024, there is no current tax impact for the year ended 31 December 2023. The Group has applied the temporary mandatory relief from deferred tax accounting for the impact of global minimum top-up tax and will account for it as a current tax when it is incurred.

The Group's main sources of revenue are from international shipping. Under Pillar 2, international shipping income is specifically exempted from minimum top-up taxes. As such, the Group does not expect the implementation of global minimum top-up tax to have a significant impact on the Group's tax exposure.

The Group generates non-shipping income mainly from its pool and bunker management activities. However, the Group is incurring effective tax rate of more than 15% in the jurisdictions with such activities (e.g. Denmark). Hence, the Group does not expect to have material Pillar 2 exposures going forward but will continue to monitor the potential impact of top-up taxes as the legislations and tax rules worldwide for Pillar 2 develops.

8. Earnings per Share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of common shares outstanding during the financial year.

	2023 USD '000	2022 USD '000
Net profit attributable to equity holders of the Company	**793,275**	751,589

(a) Basic Earnings per Share

Issued common shares at 1 January	**503,388,593**	370,244,325
Effect of share options exercised satisfied from treasury shares	**5,308,923**	66,374
Effect of shares issued for acquisition of CTI	**-**	83,736,555
Effect of new shares issued	**2,876,884**	25,551,838
Effect of treasury shares purchased	**(6,430,681)**	(1,708,209)
Weighted-average number of ordinary shares at 31 December	**505,143,719**	477,890,883
Basic earnings per share (USD per share)	**1.57**	1.57

(b) Diluted Earnings per Share

Weighted-average number of ordinary shares (basic)	**505,143,719**	477,890,883
Effect of share options on issue	**3,544,217**	11,185,991
Weighted-average number of ordinary shares at 31 December	**508,687,936**	489,076,874
Diluted earnings per share (USD per share)	**1.56**	1.54

Diluted earnings per share is determined by adjusting profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, and the effects of all dilutive potential ordinary shares, which comprise share options and restricted share units granted to employees.

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

9. Property, Plant & Equipment

	Vessels USD '000	Dry Docking and Scrubbers USD '000	Right-of-use Assets USD '000	Others USD '000	Total USD '000
Cost					
At 1 January 2023	3,698,658	138,001	187,730	1,369	4,025,758
Additions (Note 9(a))	158,435	25,831	11,852	126	196,244
Disposal of vessels (Note 9(a))	(283,828)	(12,517)	-	-	(296,345)
Write off on completion of dry docking cycle	-	(7,940)	-	-	(7,940)
At 31 December 2023	3,573,265	143,375	199,582	1,495	3,917,717
Accumulated Depreciation and Impairment Charges					
At 1 January 2023	970,339	58,791	119,826	239	1,149,195
Depreciation charge	135,469	28,771	45,195	292	209,727
Disposal of vessels (Note 9(a))	(206,481)	(4,406)	-	-	(210,887)
Write off on completion of dry docking cycle	-	(7,940)	-	-	(7,940)
At 31 December 2023	899,327	75,216	165,021	531	1,140,095
Net book value 31 December 2023	**2,673,938**	**68,159**	**34,561**	**964**	**2,777,622**

Property, Plant & Equipment (continued)

	Vessels USD '000	Dry Docking and Scrubbers USD '000	Right-of-Use Assets USD '000	Others USD '000	Total USD '000
Cost					
At 1 January 2022	2,874,159	116,673	188,983	380	3,180,195
Acquisition of CTI's property, plant and equipment (Note 3(a))	876,246	16,754	-	9	893,009
Additions (Note 9(a))	406,828	39,320	2,023	980	449,151
Disposal of vessels (Note 9(a))	(400,805)	(20,870)	-	-	(421,675)
Disposal of CTI's vessel owning subsidiaries (Note 9(a))	(57,770)	(1,256)	-	-	(59,026)
Write off on completion of dry docking cycle	-	(12,620)	-	-	(12,620)
Write-off	-	-	(3,276)	-	(3,276)
At 31 December 2022	3,698,658	138,001	187,730	1,369	4,025,758
Accumulated Depreciation and Impairment Charges					
At 1 January 2022	964,625	53,259	77,454	114	1,095,452
Depreciation charge	133,116	29,228	45,520	125	207,989
Disposal of vessels (Note 9(a))	(126,945)	(11,032)	-	-	(137,977)
Disposal of CTI's vessel owning subsidiaries (Note 9(a))	(457)	(44)	-	-	(501)
Write off on completion of dry docking cycle	-	(12,620)	-	-	(12,620)
Write-off	-	-	(3,148)	-	(3,148)
At 31 December 2022	970,339	58,791	119,826	239	1,149,195
Net Book Value					
31 December 2022	**2,728,319**	**79,210**	**67,904**	**1,130**	**2,876,563**

(a) The sale and purchase of vessels in the Group over the financial years ended 2023 and 2022 is as follows:

For the Financial Year ended 2022:

Acquisition:

i. The Group acquired 12 LR1 vessels from Scorpio Tankers Inc. ("Scorpio") for cash consid-eration. Acquisition of the vessels was subsequently financed via a sale-and-leaseback facility arrangement entered with an external financial institution (see Note 21).

Disposal:

i. The Group disposed six Handy vessels, four LR1 vessels and eight of CTI's Chemical-Stain less vessels to external parties as a part of its asset renewal strategy.

ii. Out of the eight Chemical-Stainless vessels, two of the Chemical-Stainless vessels, Hafnia Spark and Hafnia Stellar, were deemed be sold even though physical title over the vessels has not been transferred, as control over the vessels was transferred to the buyers. These vessels were financed by sale-and-leaseback arrangements. As a result of this transac-tion, the Group recorded an aggregate net gain of USD 3.8 million. During the financial year ended 2023, the Group transferred the physical title over the vessels to the buyer.

iii. In October 2022, two Chemical-Stainless vessels, Hafnia Sirius and Hafnia Sky, which were acquired in the same year, were disposed via the disposal of the vessel owning subsidiaries. The effects of the disposal on the financial position of the Group as at 31 December 2022 are as follow:

	USD '000
Property, plant and equipment	(58,525)
Trade and other receivables	(1,869)
Borrowings	46,604
Net assets	(13,790)
Net consideration received, satisfied in cash	15,882
Net cash inflows	15,882
Gain on disposal of subsidiaries	2,092

For the Financial Year ended 2023:

Acquisition:

i. The Group acquired two IMO II Handy, one IMO II MR and one LR1 vessel from external parties. The newly acquired IMO II Handy vessels were financed under the USD 303 million revolving credit facility, for which there were no draw-downs in the financial year ended 31 December 2023. The remaining vessels are unencumbered.

Disposal:

i. The Group disposed of six LR1 vessels as part of its asset renewal strategy.

(b) The Group organises the commercial management of its fleet of vessels into seven individual commercial pools: LR1, LR2, MR, Handy, Chemical-Handy, Chemical-MR and Specialized. Each individual commercial pool constitutes a separate cash-generating unit ("CGU"). For vessels outside commercial pools and deployed on a time-charter basis, each of these vessels consti-tutes a separate CGU. Any time-chartered in vessels which are recognised as ROU assets by the Group and subsequently deployed in the commercial pools are included as part of the pool CGUs.

As at 31 December 2023 and 2022, the Group assessed whether these CGUs had indicators of impairment by reference to internal and external factors according to its stated policy set out in Note 2.3(b).

In 2023 and 2022, the Group obtained valuation reports from independent ship brokers to assess whether fair value of vessels as per valuation reports exceed their carrying values at the reporting date. As the fair market values of the Group's vessels exceed their respective carrying amounts, and together with other macroeconomic and geopolitical factors that fa-voured the product and chemical tanker businesses at the reporting date, the Group concluded that there were no indicators of impairment for the vessels held-owned and leased that were deployed in their respective CGUs.

(c) The Group has mortgaged vessels with a total carrying amount of USD 2,491.8 million (2022: USD 2,807.5 million) as security over the Group's borrowings.

10. Intangible Assets

	Customer contracts USD '000	IT infra-structure USD '000	Total USD '000
Cost			
At 1 January 2022	3,728	2,437	6,165
Additions	-	248	248
At 31 December 2022	3,728	2,685	6,413
Reclassification of balances	165	(165)	-
At 31 December 2023	3,893	2,520	6,413
Accumulated amortisation charge			
At 1 January 2022	1,911	682	2,593
Amortisation charge	752	478	1,230
At 31 December 2022	2,663	1,160	3,823
Amortisation charge	868	432	1,300
At 31 December 2023	3,531	1,592	5,123
Net book value			
31 December 2022	1,065	1,525	2,590
31 December 2023	**362**	**928**	**1,290**

11. Other Investments

The Group's investments in equity instruments are long term and strategic in nature and are not held for the purpose of trading. The Group has elected to designate these other investments at FVOCI. The fair value of the Group's investments in equity instruments are as follow:

	2023 USD '000	2022 USD '000
Investment in Alpha Ori Technology Holdings Pte. Ltd. ("Alpha Ori")	**3,428**	3,269
Investment in Diginex Solutions (HK) Limited ("Diginex")	**525**	501
Investment in Clean Hydrogen Works, LA-1, LLC ("CHW-LA1")	**20,000**	55
	23,953	3,825

These other investments are equity instruments without readily determinable fair values and over which the Group has neither significant influence nor control through investments in common stock or in-substance common stock.

In 2023, the Group acquired additional minority ordinary shares of CHW-LA1 with total consideration of USD 10 million. The Group's ownership interest in CHW-LA1 continued to be less than 20% of the investee's total equity. Therefore, it continues to be precluded from applying the equity method of accounting. A fair value gain of USD 9.9 million was also recognised in the other comprehensive income (Note 26 (f)) due to the observable price change, in relation to the ordinary shares of CHW-LA1 held by the Group prior to this additional investment during the financial year 2023.

In 2023, the Group injected additional working capital in Diginex, in the form of a convertible loan note of USD 0.25 million. The Group's ownership interest in Diginex continued to be less than 20% of the investee's total equity. Therefore, it continues to be precluded from applying the equity method of accounting. A fair value loss of USD 0.22 million was also recognised in the other comprehensive income (Note 26(f)) due to observable price change, in relation to the Group's investment in the ordinary shares of Diginex.

No other fair value changes were noted and no strategic investments were disposed of in 2023.

12. Derivative Financial Instruments

	2023 USD '000		2022 USD '000	
	Assets	**Liabilities**	Assets	Liabilities
Cash flow hedges				
- Interest rate swaps	**45,964**	**-**	69,136	-
Non-hedging instruments				
- Interest rate caps	**-**	**-**	726	-
- Forward freight agreements	**1,512**	**276**	308	93
- Forward foreign exchange contracts	**449**	**-**	438	-
	47,925	**276**	70,608	93
Analysed as:				
Non-current	**35,023**	**-**	69,184	-
Current	**12,902**	**276**	1,424	93
	47,925	**276**	70,608	93

Cash Flow Hedges

Interest Rate Derivatives
The Group has entered into interest rate swap contracts that qualify for hedge accounting. The Group pays interest at fixed rates varying from 0.46% to 3.10% (2022: 0.46% to 2.15%) per annum and receives interest at a floating rate based on compounded SOFR with a credit adjustment spread; after gradually transitioning throughout the financial year ended 31 December 2023 from the three-month USD LIBOR as a result of the IBOR reform.

The notional principal amount of these outstanding interest rate swaps as at 31 December 2023 amounted to USD 1,005.6 million (2022: USD 949.0 million). Of these, USD 347.9 million matures within one year, USD 432.6 million matures within two to five years, and USD 225.1 million matures after five years. The notional amount of the hedging instruments directly impacted by IBOR reform as at 31 December 2023 amounted to USD 1,005.6 million.

Non-Hedging Instruments

Interest Rate Derivatives
As at 31 December 2023, the Group has no existing interest rate caps as they have expired and were not part of any IBOR transition. At 31 December 2022, the Group had existing interest rate caps with a strike of 3.00% against the three-month USD LIBOR. As of 31 December 2022, the interest rate caps have a notional amount of USD 225.0 million with the last cap having expired in 2023. The changes in fair values of the interest rate caps are recognised in profit or loss.

Forward Foreign Exchange Contracts
The Group has entered into forward foreign exchange contracts to swap United States Dollars for Singapore Dollars with an external financial institution. The notional principal amounts of the outstanding forward foreign exchange contracts as at 31 December 2023 and 2022 comprise the following:

	2023 USD '000		2022 USD '000	
Currency	**Notional amounts in local currency**	**USD equivalent**	Notional amounts in local currency	USD equivalent
Singapore Dollars	**31,268**	**23,381**	22,580	16,404

As at 31 December 2023, these forward foreign exchange contracts will mature within 12 (2022: 9) months from the balance sheet date. No hedge accounting is adopted and the fair value changes of these forward exchange contracts are recorded in profit or loss.

Freight Forward Agreements
The Group has entered into a number of forward freight agreements in order to hedge its spot voyage exposure for its vessels trading in the pools. As at 31 December 2023, the Group has outstanding positions with a notional amount of USD 69.7 million (2022: USD 7.3 million), which will mature in the next one year. No hedge accounting is adopted and the fair value changes of these freight forward agreements are recorded in profit or loss.

13. Loans Receivable from Joint Ventures

The Group and CSSC (Hong Kong) Shipping Company Limited ("CSSC Shipping") are joint venture partners in Vista Shipping Pte. Ltd. (formerly known as Vista Shipping Limited), which builds and operates LR1 and LR2 product tanker vessels.

In the financial year ended 31 December 2023, the Group entered into an agreement with SOC-ATRA, to be joint venture partners in Ecomar Shipholding S.A.S ("Ecomar").

As part of financing for the newbuilds under the respective joint ventures, each joint venture partner provides to the joint venture a shareholder's loan to finance 50% of the initial payment instalments for the product tanker vessels.

In 2021, two orders (with two additional options which were subsequently declared) for LR2 vessels were made through the Vista joint venture. As part of financing for the LR2 newbuilds under the joint venture, each joint venture partner contributed a shareholder's loan to finance the pre-delivery instalments for the four LR2 newbuilds.

In 2023, four orders for IMO II MR vessels were made through the Ecomar joint venture. As part of financing for the MR newbuilds under the joint venture, each joint venture partner contributed a shareholder's loan to finance the pre-delivery instalments for the four IMO II MR newbuilds.

In 2023, the Group provided financing of USD 15.5 million (2022: USD 23.0 million) to the joint ventures.

The loans receivable from the joint ventures are unsecured, bear interest based on daily SOFR with a credit adjustment spread (previously USD three-month LIBOR plus 3% margin before IBOR transition) and have no fixed terms of repayment. As the Group does not expect the joint venture to settle the loans within the next 12 months, the loans receivable are classified as "non-current" receivables. In substance, the Group considers these loans receivable as an extension of the Group's investments in joint ventures. The carrying amounts of the loans receivable approximate their fair values since the interest rates are repriceable at three-month intervals.

	2023 USD '000	2022 USD '000
Loans receivable from joint venture	**69,626**	74,213

14. Associated Companies and Joint Ventures

	2023 USD '000	2022 USD '000
Interest in Joint Ventures	**60,172**	39,359

(a) Interest in Associates

The Group, through its wholly owned subsidiary Hafnia Tankers ApS, had a 40% interest in Hafnia Management A/S and its subsidiaries ("Hafnia Management"). Hafnia Management A/S was incorporated in Denmark.

In December 2022, Hafnia Management was dissolved following a voluntary liquidation and cash proceeds of USD 1.8 million were distributed back to the Group and deducted against investment cost. The deficit of USD 36,555 was recorded in profit or loss.

The following table summarises the profit for the financial year and other financial information according to Hafnia Management's own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Hafnia Management.

Hafnia Management A/S	2022 USD '000
Percentage ownership interest	40%
Current assets	-
Current liabilities	-
Net assets (100%)	-
Net assets (40%)	-
Other adjustments	-
Group's share of net assets (40%)	-
Other income	-
Expenses	(92)
Loss and total comprehensive loss (100%)	(92)
Loss and total comprehensive loss (40%)	(37)
Group's share of total comprehensive loss (40%)	(37)

(b) Interest in Joint Ventures

(1) Vista Shipping Pte. Ltd. (formerly known as Vista Shipping Limited) ("Vista Shipping") is a joint venture in which the Group has joint control and 50% ownership interest. Vista Shipping is domiciled in Singapore and structured as a separate vehicle in shipowning, with the Group having residual interest in its net assets. Accordingly, the Group has classified its interest in Vista Shipping as a joint venture. In accordance with the agreement under which Vista Shipping was established, the Group and the other investor in the joint venture have agreed to provide shareholders' loans in proportion to their interests to finance the newbuild programme as described in Note 13.

During the financial year ended 2023, Hafnia took delivery of three LR2 vessels through its Vista joint venture.

The following table summarises the financial information of Vista Shipping as included in its own consolidated financial statements. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in Vista Shipping.

	2023 USD '000	2022 USD '000
Percentage ownership interest	**50%**	50%
Non-current assets	**397,965**	275,964
Current assets	**54,092**	57,618
Non-current liabilities	**(336,598)**	(268,921)
Current liabilities	**(28,564)**	(13,667)
Net assets (100%)	**86,895**	50,994
Group's share of net assets (50%)	**43,448**	25,497
Revenue	**91,191**	78,275
Other income	**1,963**	617
Expenses	**(56,914)**	(34,690)
Profit and total comprehensive income (100%)	**36,240**	44,202
Profit and total comprehensive income (50%)	**18,120**	22,101
Prior year share of (loss)/profit not recognised	**(170)**	614
Group's share of total comprehensive income (50%)	**17,950**	22,715

(2) In July 2021, the Group and Andromeda Shipholdings Ltd ("Andromeda Shipholdings") entered into a joint venture, H&A Shipping Ltd ("H&A Shipping") in which the Group has joint control and 50% ownership interest. H&A Shipping is domiciled in the Republic of the Marshall Islands and structured as a separate vehicle in shipowning, with the Group having residual interest in its net assets. Accordingly, the Group has classified its interest in H&A Shipping Ltd as a joint venture. In accordance with the agreement under which H&A Shipping was established, the Group and the other investor in the joint venture have agreed to provide equity in proportion to their interests to finance the newbuild programme.

The following table summarises the financial information of H&A Shipping as included in its own consolidated financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in H&A Shipping.

	2023 USD '000	2022 USD '000
Percentage ownership interest	**50%**	50%
Non-current assets	**62,990**	66,091
Current assets	**5,308**	4,136
Non-current liabilities	**(52,038)**	(54,981)
Current liabilities	**(4,548)**	(4,573)
Net assets (100%)	**11,712**	10,673
Group's share of net assets (50%)	**5,856**	5,337
Shareholder's loans	**7,668**	7,667
Alignment of accounting policies	**1,006**	858
Carrying amount of interest in joint venture	**14,530**	13,862
Revenue	**11,438**	11,109
Other income	**1,458**	266
Expenses	**(10,857)**	(9,198)
Profit and total comprehensive income (100%)	**2,039**	2,177
Profit and total comprehensive income (50%)	**1,019**	1,089
Alignment of accounting policies	**147**	385
Group's share of total comprehensive income (50%)	**1,166**	1,474

(3) In June 2023, the Group and SOCATRA entered into a joint venture, Ecomar, in which the Group has joint control and 50% ownership interest. Ecomar is incorporated in France and structured as a separate vehicle in shipowning, with the Group having residual interest in its net assets. Accordingly, the Group has classified its interest in Ecomar as a joint venture. In accordance with the agreement under which Ecomar was established, the Group and the other investor in the joint venture have agreed to provide shareholders' loans in proportion to their interests to finance the newbuild programme.

The following table summarises the financial information of Ecomar as included in its own consolidated financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Ecomar.

	2023 USD '000	2022 USD '000
Percentage ownership interest	**50%**	-
Non-current assets	**31,873**	-
Non-current liabilities	**(31,849)**	-
Net assets (100%)	**24**	-
Group's share of net assets (50%)	**12**	-
Carrying amount of interest in joint venture	**12**	-
Other income	**1**	-
Expenses	**(87)**	-
Loss and total comprehensive loss (100%)	**(86)**	-
Loss and total comprehensive loss (50%)	**(43)**	-
Group's share of total comprehensive loss (50%)	**(43)**	-

(4) In March 2023, the Group and Simbolo Holdings Limited entered into a share purchase agreement where the Group purchased 50% of Class A shares (with voting rights) in Quintessential AI Limited ("Q-AI"). As a result of the transaction, the Group has joint control (with Simbolo Holdings having the remainder of Class A shares) of Q-AI; with a 25.5% ownership interest. Q-AI is incorporated in London and operates in the software development industry. Accordingly, the Group has classified its interest in Q-AI as a joint venture.

As of 31 December 2023, Q-AI has not commenced operations and the cost of investment as of 31 December 2023 was USD 2.2 million.

15. Inventories

	2023 USD '000	2022 USD '000 (Restated)
Fuel oil	**99,714**	81,308
Lubricating oils	**7,990**	8,623
	107,704	89,931

The cost of inventories recognised as expenses included in "voyage expenses (Hafnia Vessels and TC Vessels)" amounted to USD 349.1 million (2022: USD 388.5 million); and included in "voyage expenses (External Vessels in Disponent-Owner Pools)" amounted to USD 161.8 million (2022: USD Nil). There was no write down of inventory to net realisable values as at the respective financial years ending 2022 and 2023.

16. Trade and other Receivables

		2023 USD '000	2022 USD '000 (Restated)
Trade receivables			
- non-related parties		**389,384**	221,777
Contract assets			
- non-related parties		**118,460**	83,718
Less: Allowance made for trade receivables and contract assets			
- non-related parties	26(b)	**-**	-
Trade receivables – net		**507,844**	305,495
Prepayments		**21,274**	21,602
Other receivables			
- non-related parties		**60,592**	176,012
		589,710	**503,109**

The carrying amounts of trade and other receivables, principally denominated in United States Dollars, approximate their fair values due to the short period to maturity.

Included within trade and other receivables as at the financial years ended 2023 and 2022 are contract assets. These contract assets relate to the Group's rights to consideration for proportional performance from voyage charters in progress at the balance sheet date. These contract assets are transferred to trade receivables when the rights to such consideration become unconditional, typically when the Group has satisfied its performance obligations upon completion of the voyage. As voyage charters in progress have an expected duration of less than one year, the Group applies the practical expedient available under IFRS 15 and does not disclose information about remaining performance obligations as at balance sheet date. There were no impairment losses recognised on contract assets (2022: USD Nil).

During the financial year ended 2022, two of the Chemical-Stainless vessels, Hafnia Spark and Hafnia Stellar, were deemed to be sold even though physical title over the vessels have not been transferred, as control over the vessels have been transferred to the buyers. Included within other receivables are USD 49.9 million of receivables from the buyers to be used to repay the associated lease liabilities outstanding for Hafnia Spark and Hafnia Stellar up to and until legal completion of the sale of these vessels (see Note 9 and Note 21).

During the financial year ended 2023, the receivables and associated lease liabilities were de-recognised upon transfer of the physical title over the vessels to the buyer.

17. Cash and Cash Equivalents including Restricted Cash

	2023 USD '000	2022 USD '000 (Restated)
Cash at bank and on hand	**141,621**	174,440
Cash retained in the commercial pools	**80,900**	105,885
Restricted cash	**13,381**	4,780
	235,902	285,105
Less: Restricted cash	**(13,381)**	(4,780)
Cash and cash equivalents	**222,521**	280,325

Cash at bank and on hand includes fixed deposits placed in various financial institutions with varying periods to maturity.

The restricted cash represents amounts placed in debt service reserve accounts for sale and leaseback financing. For the financial year ended 2023, the restricted cash includes cash from FFA collateral accounts. This restricted cash is not available to finance the Group's day to day operations.

The cash retained in the commercial pools represents cash in the pool bank accounts that are opened in the name of the Group's pool management company and can only be used for the operation of vessels within the commercial pools.

18. Share Capital and Contributed Surplus

	Number of shares	Share capital USD '000	Share premium USD '000	Total USD '000
At 1 January 2023	503,388,593	5,035	1,023,996	1,029,031
Issuance of shares	3,431,577	34	20,853	20,887
At 31 December 2023	**506,820,170**	**5,069**	**1,044,849**	**1,049,918**

	Number of shares	Share capital USD '000	Share premium USD '000	Total USD '000
At 1 January 2022	370,244,325	3,703	704,834	708,537
Shares issued for acquisition of CTI assets	92,112,691	921	206,459	207,380
New shares issued	37,600,000	376	97,170	97,546
Purchase of treasury shares and issuance of shares	3,431,577	35	15,533	15,568
At 31 December 2022	503,388,593	5,035	1,023,996	1,029,031

(a) Authorised Share Capital

The total authorised number of shares is 750,000,000 (2022: 750,000,000) common shares at par value of USD 0.01 per share.

In August 2022, the total authorised number of shares was increased by 150,000,000 shares with a par value of USD 0.01 per share.

(b) Issued and Fully Paid Share Capital

On 28 February 2023, the Company entered into a share lending agreement with BW Group Limited ("BW Group"), whereby BW Group lent 3,431,577 shares of the Company. The borrowed shares were redelivered by way of the Company issuing new shares to BW Group at a subscription price of USD 0.01 per share. Following this transaction, the Company had 3,431,577 newly issued shares and 3,431,577 treasury shares.

On 1 March 2023, the Company settled these borrowed shares by way of issuing 3,431,577 new ordinary shares to BW Group. Following the issuance of the new ordinary shares, there are 506,820,170 issued shares in the Company, each with a nominal value of USD 0.01, all of which have been validly and legally issued and fully paid.

On 20 December 2023, the Company entered into another share lending agreement with BW Group, whereby BW Group lent 3,431,577 shares of the Company. Following this transaction, the Company had 3,431,577 treasury shares. The borrowed shares were redelivered by way of the Company issuing new shares to BW Group at a subscription price of USD 0.01 per share. The share issuance was only completed on 2 January 2024.

On 27 January 2022, the Company issued 92,112,691 new common shares in the Company, as part of the purchase consideration for the acquisition of CTI assets. Refer to Note 3.

On 9 May 2022, the Company issued 37,600,000 new common shares at a private placement at subscription price of NOK 25.0 per share, raising net proceeds of USD 97.5 million.

On 26 August 2022, the Company entered into a share lending agreement with BW Group Limited, whereby BW Group lent 3,431,577 shares of the Company. The borrowed shares were redelivered by way of the Company issuing new shares to BW Group at a subscription price of USD 0.01 per share. Following this transaction, the Company had 3,431,577 newly issued shares and 3,431,577 treasury shares. This allowed the Company to promptly deliver existing shares held in treasury to employees who exercise their vested options under the share options granted to management personnel in 2019 for Tranche 1, Tranche 2, Tranche 3 and Tranche 4.

All issued common shares are fully paid. The newly issued shares rank pari passu with the existing shares.

(c) Share Premium

The difference between the consideration for common shares issued and their par value is recognised as share premium.

USD 1.2 million of fees and expenses incurred for the issuance of new common shares were deducted against share premium in 2022.

(d) Contributed Surplus

Contributed surplus relates to the amount transferred from share capital account when the par value of each common share was reduced from USD 5 to USD 0.01 per share in 2015. Contributed surplus is distributable, subject to the fulfilment of the conditions as stipulated under the Bermudian Law.

(e) Treasury Shares

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Group. As at 31 December 2023, the Group held 2,626,651 of the Company's shares (2022: 2,793,797).

(f) Capital Reserve

The deficit refers to the reversal of the cost of the treasury shares acquired, recorded in the treasury shares account against the option price on those shares upon exercise of employees share options during the financial year.

(g) Translation Reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(h) Fair Value Reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments which were accounted as FVOCI.

19. Other Reserves

(a) Composition

	2023 USD '000	2022 USD '000
Share-based payment reserve	**3,788**	5,873
Hedging reserve	**39,312**	68,458
Capital reserve	**(25,137)**	(710)
Translation reserve	**(63)**	29
Fair value reserve	**9,720**	-
	27,620	73,650

(b) Movements of the reserves

Hedging reserve	**2023 USD '000**	2022 USD '000
At beginning of the financial year	**68,458**	348
Fair value gains on cash flow hedges	**13,378**	73,516
Reclassification to profit or loss	**(42,524)**	(5,406)
At end of the financial year	**39,312**	68,458

More information about derivatives used as hedges is disclosed in Note 12.

Capital reserve

The movement of the capital reserve is attributed to the exercise of share options awarded to employees under the Group's equity-settled, share-based compensation plan (Note 20).

20. Share-based Payment Arrangements

(a) Description of Share-based Payment Arrangements

(i) Share Option Programme (Equity-Settled)

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (share options) in the Company. On 16 January 2019, 1 March 2019, 1 June 2019, 1 August 2019 (collectively known as "LTIP 2019"), 25 February 2020, 8 March 2021, 15 March 2022 and 28 February 2023, the Group granted share options to key management and senior employees. All options are to be settled by physical delivery of shares. The terms and conditions of the share options granted are as follows.

Grant date	Number of instruments in thousands	Vesting conditions	Expiry of options
Option grant to key management personnel on 16 January 2019 ("Tranche 1")	1,834	3 years' service condition from grant date of Tranche 1	16 January 2025
Option Grant to key management personnel on 1 March 2019 ("Tranche 2")	207	3 years' service condition from grant date of Tranche 1	16 January 2025
Option Grant to key management personnel on 1 June 2019 ("Tranche 3")	1,183	3 years' service condition from grant date of Tranche 1	16 January 2025
Option grant to key management personnel on 1 August 2019 ("Tranche 4")	207	3 years' service condition from grant date of Tranche 1	16 January 2025
Option Grant to key management personnel on 25 February 2020 ("LTIP 2020")	3,432	3 years' service condition from grant date	25 February 2026
Option Grant to key management personnel on 8 March 2021 ("LTIP 2021")	3,432	3 years' service condition from grant date	8 March 2027
Option Grant to key management personnel on 15 March 2022 ("LTIP 2022")	1,849	3 years' service condition from grant date	15 March 2028
Option Grant to key management personnel on 28 February 2023 ("LTIP 2023")	1,849	3 years' service condition from grant date	28 February 2029

The share options become void if the employee rescinds job position before the vesting date.

The fair value of services received in return for share options granted is based on fair value of the share options granted, measured using the Black-Scholes model.

(ii) Restricted Share Units (Equity-Settled)

On 15 March 2022, the Group granted a total of 462,357 restricted share units (“RSU 2022”) to key management and senior employees. All restricted share units are to be settled by physical delivery of shares to the employees when they vest on 15 March 2025.

(b) Measurement of Grant Date Fair Values

(i) Measurement of Grant Date Fair Values of Share Options

The following inputs were used in the measurement of the fair values at respective grant dates of the share options.

Share Option Programme

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	LTIP 2020	LTIP 2021	LTIP 2022	LTIP 2023
Grant date	16 January 2019	1 March 2019	1 June 2019	1 August 2019	25 February 2020	8 March 2021	15 March 2022	28 February 2023
Share price (NOK)	24.03	24.17	24.47	24.67	20.57	16.55	20.01	64.46
Exercise price (NOK)	27.81	27.81	27.81	27.81	23.81	19.16	23.16	74.62
Time to maturity (years)	4.5	4.4	4.1	4.0	4.5	4.5	4.5	4.5
Risk free rate	2.54%	2.54%	1.93%	1.78%	1.24%	1.02%	2.24%	3.53%
Volatility	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Dividends	-	-	-	-	-	-	-	-
Annual tenure risk	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Share options granted	1,833,958	207,278	1,183,063	207,278	3,431,577	3,431,577	1,849,428	1,849,428
Fair value at grant date (USD)	1,610,382	182,009	976,425	169,317	2,249,146	2,036,068	1,263,630	3,716,961

Volatility has been estimated as a benchmark volatility by considering the historical average share price volatility of a comparable peer group of companies.

(ii) Measurement of Grant Date Fair Values of Restricted Share Units

The following inputs were used in the measurement of the fair values at the grant dates of the restricted share units.

	Restricted share units RSU 2022
Grant date	15 March 2022
Grant date fair value (NOK)	20.01
Grant date fair value (USD)	2.21
Annual tenure risk	7.50%
Restricted share units granted	462,357
Fair value at grant date (USD)	808,875

(c) Reconciliation of Outstanding Share Options

Movements in the number of unissued common shares under option are as follows:

	At the beginning of the financial year	Granted during the financial year	Exercised during the financial year	At the end of the financial year
2023				
LTIP 2019	2,586,519	-	(2,231,185)	355,334
LTIP 2020	3,431,577	-	(3,234,205)	197,372
LTIP 2021	3,431,577	-	(1,357,632)	2,073,945
LTIP 2022	1,849,428	-	-	1,849,428
LTIP 2023	-	1,849,428	-	1,849,428
Total	11,299,101	1,849,428	(6,823,022)	6,325,507
2022				
LTIP 2019	3,431,577	-	(845,058)	2,586,519
LTIP 2020	3,431,577	-	-	3,431,577
LTIP 2021	3,431,577	-	-	3,431,577
LTIP 2022	-	1,849,428	-	1,849,428
Total	10,294,731	1,849,428	(845,058)	11,299,101

The Company's remuneration committee has decided to grant accelerated vesting for the Company's CEO. The CEO's options under the LTIP 2021 vested on 20 December 2023 and were subsequently exercised by the CEO.

21. Borrowings

	2023 USD '000	2022 USD '000
Current		
Loans from non-related parties	-	673
Bank borrowings	**174,004**	103,807
Sales and leaseback-liabilities (accounted for as financing transaction)	**57,305**	170,731
Other lease liabilities	**36,019**	44,905
	267,328	320,116
Non-current		
Loans from non-related parties	-	4,756
Bank borrowings	**398,507**	622,569
Sales and leaseback-liabilities (accounted for as financing transaction)	**622,174**	798,273
Other lease liabilities	**4,342**	29,573
	1,025,023	1,455,171
Total borrowings	**1,292,351**	1,775,287

Bank Borrowings

As at 31 December 2023, bank borrowings consist of ten credit facilities from external financial institutions, amounting to USD 473 million, USD 374 million, USD 216 million, USD 106 million, USD 84 million, USD 39 million, USD 40 million, USD 303 million and two borrowing base facilities respectively (2022: USD 473 million, USD 374 million, USD 216 million, USD 106 million, USD 100 million, USD 84 million and USD 39 million). The table below summarises key information of the bank borrowings:

Facility amount	Outstanding amount USD '000	Maturity date
USD 473 million facility	116,089	
- USD 413 million term loan		2026
- USD 60 million revolving credit facility		2026
USD 374 million facility	-	
- USD 100 million revolving credit facility		2028
USD 216 million facility	143,850	2027
USD106 million facility	90,777	2025
USD 84 million facility	56,095	
- USD 68 million term loan		2026
- USD 16 million revolving credit facility		2026
USD 39 million facility	18,801	
- USD 30 million term loan		2025
- USD 9 million revolving credit facility		2025
Up to USD 175 million borrowing base facility	53,000	
Up to USD 175 million borrowing base facility (with an accordion option of up to USD 75 million)	60,000	2024
USD 40 million facility	38,754	2029
USD 303 million facility	-	
- USD 303 million revolving credit facility		2029

The Group's revolving credit facilities will be available for utilisation if there is no event of default or default which is continuing or would result from the proposed utilisation or under the existing utilisations; and relevant conditions are met. The Group pays commitment fees to have these revolving credit facilities which are between 35-40% of the facilities' margin.

On 14 November 2023, the Group cancelled its USD 70 million revolving credit facility, which was part of the upsized USD 216 million facility.

On 30 August 2023, the Group entered into a USD 303 million revolving credit facility.

On 18 July 2023, the Group entered into a USD 40 million senior secured term loan facility.

On 21 December 2022, the USD 50 million revolving credit facility under the USD 100 million facility was extended until June 2023.

On 18 March 2022, the Group closed the USD 70 million upsizing of its existing USD 216 million facility.

Sales and Leaseback-Liabilities (accounted for as Financing Transaction)
As at 31 December 2023, the sales and leaseback-liabilities (accounted for as financing transaction) consist of various facilities provided by external leasing houses under sale-and-leaseback contracts. Under these contracts, the vessels were legally sold to external leasing houses and leased back by Hafnia. The sale of vessels under these sales and leaseback arrangements did not meet the criteria for sale as prescribed by IFRS 15 Revenue with customers as the Group has assessed that there was no transfer of control of the vessels. The Group still has the present right to direct the use of the vessels and to obtain the remaining economic benefits from the vessels. The Group also has the option/obligation to repurchase the vessels from the leasing houses. As a result of the assessment performed, the vessels were not derecognised from the Group's balance sheet. These transactions were treated as financing arrangements since lease inception, with the proceeds received from the external leasing houses reflected as sales and leaseback-liabilities, which were accounted for as financing transactions.

During the financial year ended 2023, as a part of the Group's ongoing refinancing exercise to refinance the debt that was acquired as a part of the CTI acquisition into lower-priced financing facilities, the Group refinanced five IMO II Chemical Handy vessels via sale and leaseback financing with CMB Financial leasing. These transactions were accounted for as an extinguishment of existing sales and leaseback-liabilities (accounted for as financing transaction) and the recognition of new sales and leaseback-liabilities (accounted for as financing transaction) based on the new borrowing terms. The Group also exercised the purchase options on nine of its existing sales and leaseback financings with AVIC International Leasing, SPDB Financial Leasing, ICBC Financial Leasing and Ocean Yield Limited. These transactions were accounted for as an extinguishment of existing sales and leaseback-liabilities (accounted for as financing transaction).

On 28 February 2022, the Group entered into a USD 414 million sale-and-leaseback facility agreement with ICBC Leasing ("USD 414 million SLB facility") to finance the purchase of 12 LR1 vessels from Scorpio.

On 27 January 2022, the Group completed the acquisition of CTI's fleet of vessels which were entirely financed by sale-and-leaseback financing arrangements from eight external leasing houses (the "CTI vessels facilities"). Refer to Note 3.

During the financial year ended 2022, the Group disposed of eight Chemical-Stainless vessels which were financed by such sale-and-leaseback arrangements. The borrowings relating to two of these Chemical-Stainless vessels, Hafnia Spark and Hafnia Stellar, have not been de-recognised from the Group's balance sheet as the legal obligations towards the leasing houses still exist. The borrowings amounted to USD 49.3 million as at 31 December 2022. The borrowings were subsequently de-recognised in 2023 when physical title was transferred from the Group to the buyers.

Facility Amount	**Outstanding amount USD '000**	**Maturity date**
USD 414 million SLB facility	354,160	2032
CTI vessels facilities	276,861	2023 – 2031
Hafnia Tankers finance leases	48,456	2025 – 2030

Interest Rates

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

	2023	2022
Bank borrowings	**6.7%**	4.2%
Sales and leaseback-liabilities (accounted for as financing transaction)	**7.4%**	6.1%

The exposure of borrowings to interest rate risk is disclosed in Note 26.

Maturity of Borrowings

The non-current borrowings have the following maturity:

	2023 USD '000	2022 USD '000
Later than one year and not later than five years	**649,710**	974,953
Later than five years	**375,313**	480,218
	1,025,023	1,455,171

Carrying Amounts and Fair Values

The carrying values of the bank borrowings and sales and leaseback-liabilities (accounted for as financing transaction) approximate their fair values as they bear floating interest rates and are re-priceable at one-to-three-month intervals.

The loan from a related corporation bore floating interest at a nominal rate of USD three-month LIBOR plus margin of 2.80%. The carrying value approximates the fair values as interest rate is re-priceable at three-month intervals. The loan from a related corporation was fully repaid in 2022.

Financial and non-Financial Covenants

The Group has bank borrowings and sales and leaseback-liabilities (accounted for as financing transaction) that contain financial and non-financial covenants. Any breach of covenants will result in bank borrowings and sales and leaseback-liabilities becoming payable on demand. The Group was in compliance with financial and non-financial covenants as of 31 December 2023 and 31 December 2022.

22. Trade and other Payables

	2023 USD '000	2022 USD '000 (Restated)
Trade payables		
- non-related parties	**219,962**	41,508
Accrued operating expenses	**114,801**	101,759
Other payables		
- related corporations	**29,774**	6,675
- non-related parties	**20,941**	6,276
	385,478	156,218
Analysed as:		
Current	**385,478**	156,218
	385,478	156,218

The carrying amounts of trade and other payables, principally denominated in United States Dollars, approximate their fair values due to the short period to maturity.

The other payables due to related corporations are unsecured, interest-free and are repayable on demand.

Information about the Group's exposure to currency and liquidity risks is included in Note 26.

23. Leases – as Lessee

Leases as Lessee under IFRS 16

The Group leases vessels, office spaces, and other equipment from external parties under non-cancellable operating lease agreements. The leases have varying terms including options to extend and options to purchase.

Starting from 1 January 2019, the leased-in vessels are recognised as right-of-use assets and lease liabilities on the balance sheet under IFRS 16, except for leases of low value items relating to IT equipment and other assets with lease terms of less than 12 months.

Information about leases for which the Group is a lessee is presented below.

(1) Right-of-use Assets - Vessels

	USD '000
Cost	
At 1 January 2022	188,983
Additions	2,023
Write-off	(3,276)
At 31 December 2022	187,730
Additions	11,852
At 31 December 2023	199,582
Accumulated Depreciation	
At 1 January 2022	77,454
Depreciation charge	45,520
Write-off	(3,148)
At 31 December 2022	119,826
Depreciation charge	45,195
At 31 December 2023	165,021
Net book value	
At 31 December 2022	67,904
At 31 December 2023	**34,561**

(2) Amounts recognised in Profit or Loss

	2023 USD '000	2022 USD '000
Interest expense on lease liabilities	**2,178**	3,768
Expenses relating to short-term leases for vessels, included in charter hire expenses	**5,594**	1,040
Expenses relating to short-term leases for offices, included in rental expenses	**1,988**	1,613

(3) Amounts recognised in Statement of Cash Flows

	2023 USD '000	2022 USD '000
Total cash outflow for leases	**45,969**	48,643

(4) Extension Options

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. In the financial year ended 2023, the Group exercised options on certain leases to extend their charter period for a duration of one year and recognised additional lease liabilities with a corresponding increase in ROU assets.

The Group has estimated that the potential future lease payments, should it exercise the extension options, would result in an increase in lease liability of USD 120.5 million (2022: USD 139.6 million).

(5) Operating Lease Commitments under IFRS 16

The Group leases vessels and office space from non-related parties. These leases have varying terms including options to extend and options to purchase.

Future minimum lease payments under non-cancellable operating leases committed at the reporting date have been recognised as lease liabilities under IFRS 16.

24. Commitments

Operating lease commitments - where the Group is a lessor.

The Group leases vessels to non-related parties under non-cancellable operating lease agreements. The Group classifies these leases as operating leases as the Group retains substantially all risks and rewards incidental to ownership of the leased assets.

In 2023, the Group recognised estimated lease revenue of USD 94.1 million (2022: USD 48.3 million) and non-lease revenue of USD 40.4 million (2022: USD 25.5 million) as part of time charter revenue (Note 4).

The undiscounted lease payments under operating leases to be received after 31 December are analysed as follows:

	2023 USD '000	2022 USD '000
Less than one year	**87,459**	65,878
One to two years	**25,830**	11,712
Two to five years	**8,960**	20,640
	122,249	98,230

Newbuild Commitments

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 commitments may not be utilised by the joint ventures.

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

	2023 USD '000	2022 USD '000
Less than one year	28,394	83,450
One to two years	58,079	-
Two to five years	19,360	-
	105,833	83,450

25. Financial Guarantee Contracts

The Group's policy is to provide financial guarantees only to the wholly owned subsidiaries or joint ventures. At 31 December 2023, the Group has issued financial guarantees to certain banks in respect of credit facilities granted to subsidiaries (see Note 21). These bank borrowings amount to USD 572.5 million (2022: USD 726.4 million) at the balance sheet date.

The Group and CSSC Shipping have issued a joint financial guarantee to certain banks in respect of credit facilities granted to the joint venture, Vista Shipping. Bank borrowings provided to the joint venture amounts to USD 246.8 million (2022: USD 130.8 million) at the balance sheet date. Corporate guarantees given will become due and payable on demand if an event of default occurs.

The Group and Andromeda Shipholdings have issued a joint financial guarantee to certain banks in respect of credit facilities granted to joint venture, H&A Shipping. Bank borrowings provided to the joint venture amounts to USD 39.4 million (2022: USD 42.3 million) at the balance sheet date. Corporate guarantees given will become due and payable on demand if an event of default occurs.

In 2022, the Group issued a limited financial guarantee to a bank in respect of the receivables purchase agreement facility granted to the commercial pools. Any liability arising is limited to the recourse lenders have against the Group after considering the recourse waterfall mechanism in place in the facility agreement, where the Group is the final avenue of recourse. The facility was discontinued during the financial year ended 2023.

The Group has appraised such liabilities to be remote.

26. Financial Risk Management

Financial Risk Factors
The Group's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk); credit risk; liquidity risk and capital risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Financial risk management is handled by the Group as part of its operations. The management team identifies, evaluates and manages financial risks in close co-operation with all operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and use of derivative and non-derivative financial instruments.

(a) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group enters into derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Group. Generally, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

Price Risk
The shipping market can be subject to significant fluctuations. The Group's vessels are employed under a variety of chartering arrangements including time charters and voyage charters.

In 2023, approximately 5% (2022: 4%) of the Group's shipping revenue was derived from vessels under fixed income charters (comprising time charters).

The Group is exposed to the risk of variations in fuel oil costs, which are affected by the global political and economic environment. Historically, fuel expenses have been the most significant expense. Under a time charter, the charterer is responsible for fuel costs, therefore, fixed income charters also reduce exposure to fuel price fluctuations.

In 2023, fuel oil costs comprised 47% (2022: 46%) of the Group's operating expenses. If price of fuel oil has increased/decreased by USD 1 (2022: USD 1) per metric ton with all other variables including tax rate being held constant, the net results will be lower/higher by USD 801,249 (2022: USD 470,881) as a result of higher/lower fuel oil consumption expense.

In addition to securing cash flows through time charter contracts, the Group has entered into forward freight agreements to limit the risk involved in trading in the spot market. Details of the Group's outstanding forward freight agreements are disclosed in Note 12.

Currency Risk
The functional currency of most of the entities in the Group is United States Dollars ("USD"). The Group's operating revenue, and the majority of its interest-bearing debt and contractual obligations for vessels under construction are denominated in USD. The Group's vessels are also valued in USD when trading in the second-hand market.

The Group is exposed to foreign currency exchange risks for administrative expenses incurred by offices or agents globally, predominantly in Monaco, Denmark, United Arab Emirates and Singapore. Further, the Group is required to pay port charges in currencies other than USD. However, foreign currency exposure in port charges is minimal as any increase is usually compensated by a corresponding increase in freight, particularly in the tanker sector through industry-wide increases in Worldscale flat rates.

At the balance sheet date, the Group has cash and cash equivalents denominated in Singapore dollars ("SGD"), Danish Kroner ("DKK"), Euro ("EUR"), United Arab Emirates Dirham ("AED") and Norwegian Kroner ("NOK").

At 31 December 2023 and 2022, the Group has assessed that it has insignificant exposure to foreign currency risks. However, the Group has entered into foreign exchange contracts to hedge its general and administrative costs to avoid short term volatility.

Details of the Group's outstanding forward exchange contracts are disclosed in Note 12.

Interest Rate Risk
The Group adopts a policy of ensuring that between 40% and 75% of its interest rate risk exposure is at a fixed-rate or limited to a certain threshold. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk. For the secured interest rate swaps of the Group, management applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group has interest-bearing financial liabilities in the form of borrowings from external financial institutions at variable rates.

The Group manages its cash-flow interest rate risks by swapping a portion of its floating rate interest payments to fixed rate payments using interest rate swaps.

Cash Flow Sensitivity Analysis for Variable Rate Instruments
If the interest rates has increased/decreased by 50 basis points, with all other variables including tax rate being held constant, the net results will be lower/higher by approximately USD 1.8 million (2022: USD 1.5 million) as a result of higher/lower interest expense on the portion of the borrowings that is not covered by the interest rate swap instruments.

If the interest rates has increased/decreased by 50 basis points, with all other variables including tax rate being held constant, the net results will be lower/higher by approximately USD 5.8 million (2022: USD 4.9 million) as a result of higher/lower interest expense on borrowings; had no hedging been in place.

Total equity would have been higher/lower by USD 13.7 million (2022: USD 14.4 million) mainly as a result of fair value gain/loss from interest rate swaps assuming these swaps remain effective.

Cash Flow and Fair Value Interest Rate Risks
Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group entered into interest rate agreements to limit exposure to interest rate fluctuations. The details of these exposures are disclosed in Note 12. As at 31 December 2023, the notional principal amount of these interest rate swaps represents approximately 80% (2022: 55%) of the Group's borrowings on floating interest rates.

As at the reporting date, the interest rate profile of interest-bearing financial instruments, as reported to the management, was as follows:

	Nominal amount	
	2023 USD '000	2022 USD '000 (Restated)
Variable Rate Instruments		
Financial assets	**69,626**	74,213
Financial liabilities	**1,251,990**	1,716,589
Effect of interest rate swaps	**(1,005,586)**	(949,047)
	316,030	841,755

The Group is exposed mainly to the Secured Overnight Financing Rate ("SOFR"). The Group completed the three-month USD LIBOR transition to SOFR during the year.

Hedging Relationships for which 'Phase 2' Amendments Apply
In the current year, the Group has applied the following hedge accounting reliefs provided by the Phase 2 amendments for its hedging relationships that have already transitioned from LIBOR to SOFR.

Hedge Designation – When the Phase 1 amendments cease to apply, the Group has amended its hedge designation to reflect the following changes which are required by IBOR reform:
- Designating SOFR as a hedged risk;
- The contractual benchmark rate of the hedged USD borrowing has been amended from LIBOR to SOFR plus a credit adjustment spread; and
- The variable rate of the hedging interest rate swap has been amended from LIBOR to SOFR with a credit adjustment spread added to the fixed rate.

These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

Amounts accumulated in the Cash Flow Hedge Reserve – When the Group amended its hedge designation for changes to its borrowings that is required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserves was deemed to be based on SOFR. The amount is reclassified to profit or loss in the same periods during which the hedged SOFR cash flows affect profit or loss.

Hedge Effectiveness
Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. Hedge ineffectiveness have occurred due to changes in the critical terms of either the interest rate swaps or the borrowings.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

(1) the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates;

(2) differences in repricing dates between the swaps and the borrowings; and

(3) transitioning the hedged item and the hedging instrument to alternative benchmark rates at different times, which may result in temporary mismatch in benchmark interest rates or permanent difference in adjustment spreads;

Ineffectiveness of USD 6.56 million has been recognised in relation to the interest rate swaps in other gains or losses in profit or loss for 2023 (2022: nil).

(b) Credit Risk

The Group's credit risk is primarily attributable to trade and other receivables, cash and cash equivalents and loans receivable from joint ventures. The maximum exposure is represented by the carrying value of each financial asset on the balance sheet.

Financial assets that are neither past due or impaired.

The Group performs periodic credit evaluations of its charterers. The Group has implemented policies to ensure cash funds are deposited and derivatives are entered into with banks and internationally recognised financial institutions with a good credit rating and the vessels are chartered out to charterers with an appropriate credit rating who can provide sufficient guarantees.

There is no class of financial assets that is past due and/or impaired.

Trade Receivables and Contract Assets
The Group applies the simplified lifetime approach and uses a provision matrix to determine the ECLs of trade receivables and contract assets. It is based on the Group's historical observed default rates and is adjusted by a current and forward-looking estimate based on current economic conditions.

Credit risk is concentrated on several charterers. The Group adopts the policy of dealing only with customers with appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

The allowance for impairment made arose mainly from the provision of charter services to a customer which had met with significant financial difficulties during the financial year ended 31 December 2018. This allowance was subsequently written off in the financial year ended 2021 when the receivables were deemed irrecoverable by management.

The Group has determined that the ECL provision estimated based on an allowance matrix of 0.3% to 1% for trade receivables aged “Past due up to three months” and “Past due for more than six months”, respectively, as at 31 December 2023 and 2022 were insignificant. Accordingly, no ECL allowance was recorded by the Group.

The age analysis of trade receivables and contract assets is as follows:

	2023 USD '000	2022 USD '000 (Restated)
Current (not past due)	**312,744**	215,442
Past due 0 to 3 months	**86,920**	55,277
Past due for more than 3 months	**108,178**	34,776
Less: Allowance for impairment	**-**	-
	507,842	305,495

The movement in the allowance for impairment in respect of trade receivables and contract assets is as follows:

	2023 USD '000	2022 USD '000 (Restated)
Allowance for impairment as at 1 January	-	-
Write-off of allowance for impairment	-	-
Allowance for impairment as at 31 December	-	-

Loans receivable from Joint Ventures and other receivables due from Non-Related Parties
The Group has used a general 12-month approach in assessing the credit risk associated with other receivables and loans issued to the joint ventures.

The loans extended to the joint ventures form an extension of the Group's investment in product tankers via co-ownership with another strategic investor. As the vessels owned by the joint ventures generate positive cash flows and the outlook remains positive, management considers the credit risk of loans issued to the joint ventures as low. As a result of the qualitative assessment performed, no ECL provision has been recognised.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet operating and capital expenditure needs. To address the inherent unpredictability of short-term liquidity requirements, the Group maintains sufficient cash for its daily operations in short-term cash deposits with banks, has access to the non-utilised portions of revolving credit facilities. In the financial year ended 2022, the Group entered into a trade receivables factoring agreement (with limited recourse to the Group) with financial institutions. This factoring agreement was not utilised in the financial year ended 2023.

The maturity profile of the Group's financial liabilities based on contractual non-discounted cash flows is as follows:

	Less than 1 year USD '000	Between 1 and 2 years USD '000	Between 2 and 5 years USD '000	Over 5 years USD '000
At 31 December 2023				
Trade and other payables	385,478	-	-	-
Derivative financial instruments	276	-	-	-
Interest payments	60,437	50,567	78,168	31,528
Borrowings	175,900	148,090	228,992	24,386
Sale and leaseback liability (accounted for as financing transaction) and other lease liabilities	94,071	79,666	198,617	354,043
	716,162	**278,323**	**505,777**	**409,957**

(Restated)	Less than 1 year USD '000	Between 1 and 2 years USD '000	Between 2 and 5 years USD '000	Over 5 years USD '000
At 31 December 2022				
Trade and other payables	156,218	-	-	-
Derivative financial instruments	93	-	-	-
Interest payments	84,031	70,127	139,534	77,722
Borrowings	105,811	105,811	498,862	21,947
Sale and leaseback liability (accounted for as financing transaction) and other lease liabilities	217,654	97,635	288,012	455,326
	563,807	**273,573**	**926,408**	**554,995**

(d) Capital Risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividends paid, return capital to shareholders, obtain new borrowings or sell assets to reduce borrowings.

The Group is in compliance with all externally imposed capital requirements.

(e) Accounting Classifications and Fair Values

The following tables present assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(1) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(2) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and

(3) inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	Note	Carrying Amount: Fair value hedging instruments/ Mandatorily at FVTPL - others USD '000	Carrying Amount: Financial assets at amortised cost USD '000	Carrying Amount: FVOCI - equity instru-ments USD '000	Carrying Amount: Total USD '000	Fair Value: Level 1 USD '000	Fair Value: Level 2 USD '000	Fair Value: Level 3 USD '000	Fair Value: Total USD '000
At 31 December 2023									
Financial assets measured at fair value									
Forward foreign exchange contracts	12	449	-	-	449	-	449	-	449
Forward freight agreements	12	1,512	-	-	1,512	-	1,512	-	1,512
Interest rate swaps used for hedging	12	45,964	-	-	45,964	-	45,964	-	45,964
Interest rate caps	12	-	-	-	-	-	-	-	-
Other investments	11	-	-	23,953	23,953	-	-	23,953	23,953
		47,925	-	23,953	71,878				
Financial assets not measured at fair value									
Loans receivable from joint venture	13	-	69,626	-	69,626				
Trade and other receivables[1]	16	-	568,436	-	568,436				
Restricted cash		-	13,381	-	13,381				
Cash at bank and on hand	17	-	141,621	-	141,621				
Cash retained in the commercial pools	17	-	80,900	-	80,900				
		-	873,964	-	873,964				

[1] *Excluding prepayments*

	Note	Carrying Amount: Fair value-hedging instruments USD '000	Carrying Amount: Other financial liabilities USD '000	Carrying Amount: Total USD '000	Fair Value: Level 1 USD '000	Fair Value: Level 2 USD '000	Fair Value: Level 3 USD '000	Fair Value: Total USD '000
At 31 December 2023								
Financial liabilities measured at fair value								
Forward freight agreements	12	(276)	-	(276)	-	(276)	-	(276)
Financial liabilities not measured at fair value								
Bank borrowings	21	-	(572,511)	(572,511)				
Sale and leaseback liability (accounted for as financing transaction) and other lease liabilities	21	-	(679,479)	(679,479)				
Trade payables	22	-	(385,478)	(385,478)				
		-	(1,637,468)	(1,637,468)				

(Restated)	Note	Carrying Amount: Fair value hedging instruments/ Mandatorily at FVTPL - others USD '000	Carrying Amount: Financial assets at amortised cost USD '000	Carrying Amount: FVOCI-equity instrument USD '000	Carrying Amount: Total USD '000	Fair Value: Level 1 USD '000	Fair Value: Level 2 USD '000	Fair Value: Level 3 USD '000	Fair Value: Total USD '000
At 31 December 2022									
Financial assets measured at fair value									
Forward foreign exchange contracts	12	438	-	-	438	-	438	-	438
Forward freight agreements	12	308	-	-	308	-	308	-	308
Interest rate swaps used for hedging	12	69,136	-	-	69,136	-	69,136	-	69,136
Interest rate caps	12	726	-	-	726	-	726	-	726
Other investments	11	-	-	3,825	3,825	-	-	3,825	3,825
		70,608	-	3,825	74,433				
Financial assets not measured at fair value									
Loans receivable from joint ventures	13	-	74,213	-	74,213				
Trade and other receivables[1]	16	-	481,507	-	481,507				
Restricted cash	17	-	4,780	-	4,780				
Cash at bank and on hand	17	-	174,440	-	174,440				
Cash retained in the commercial pools	17	-	105,885	-	105,885				
		-	840,825	-	840,825				

[1] *Excluding prepayments*

(Restated)	Note	Carrying Amount Fair value hedging instruments USD '000	Other financial liabilities USD '000	Total USD '000	Fair Value Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
At 31 December 2022								
Financial liabilities measured at fair value								
Forward freight agreements	12	(93)	-	(93)	-	(93)	-	(93)
Financial liabilities not measured at fair value								
Bank borrowings	21	-	(726,376)	(726,376)				
Sale and leaseback liability (accounted for as financing transaction) and other lease liabilities	21	-	(969,004)	(969,004)				
Loan from non-related parties	21	-	(5,429)	(5,429)				
Trade payables	22	-	(156,218)	(156,218)				
		-	(1,857,027)	(1,857,027)				

The Group has no Level 1 financial assets or liabilities as at 31 December 2023 and 31 December 2022.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. These financial instruments are included in Level 2, as all significant inputs required to fair value an instrument are observable. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The assessment of the fair value of investments in unquoted equity instruments is performed on a quarterly basis based on the latest available data that is reasonably available to the Group.

(f) Measurement of Fair Values

Valuation Techniques and Inputs used in Level 3 Fair Value Measurements

The Group's investment in unquoted equity instruments measured at FVOCI using Level 3 fair value measurements were valued using market approach based on the Group's best estimate, which is determined by using information including but not limited to the pricing of recent rounds of financing of the investees and information generated from arm's-length market transactions involving identical or comparable assets or liabilities. The estimated fair value of the investments would either increase or decrease based on the latest available data that is reasonably available to the Group at each reporting date.

No sensitivity analysis is presented as the information used by the Group to determine the fair values of its investments are based on latest rounds of financing that have concluded and actual market transactions.

Level 3 Fair Values

The following table shows a reconciliation from the opening balances to the closing balances of the Group's investment in unquoted equity instruments measured at FVOCI using Level 3 fair value measurements:

	2023 USD '000	2022 USD '000
Opening balance	**3,825**	3,501
Acquisition of equity investments at FVOCI	**10,408**	324
Equity investments at FVOCI – net change in fair value (unrealised)	**9,720**	-
Closing balance	**23,953**	3,825

There were no transfers between Levels 2 and 3 during the year.

(g) Offsetting Financial Assets and Financial Liabilities

The Group's financial assets and liabilities are not subjected to enforceable master netting arrangements or similar arrangements. Financial derivatives, financial assets and financial liabilities are presented separately on the consolidated balance sheet, without netting off of balances.

27. Holding Corporations

In May 2022, following a series of equity shares placement to other shareholders, BW Group lost control over Hafnia Limited but remains the single largest shareholder of the Group. Since the loss of control, the Company does not have ultimate and immediate holding corporations. Previously, the Company's ultimate and immediate holding corporation was BW Group Limited, incorporated in Bermuda, which is wholly owned by Sohmen family interests.

28. Related Party Transactions

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

	2023 USD '000	2022 USD '000
Purchase of services		
Support service fees paid/payable to a related corporation	**6,122**	5,791
Interest paid/payable to a related corporation	**-**	703
Rental paid/payable to a related corporation	**872**	699
Rendering of services		
Management fees received/receivable from related corporations	**657**	688

Related corporations refer to corporations controlled by Sohmen family interests.

Key management personnel is defined as the Company's CEO, Chief Financial Officer ("CFO"), certain members of the senior management team and board of directors.

Key Management Personnel Compensation

	2023 USD '000	2022 USD '000
Fixed		
Salary (annual) including pension	**3,031**	2,784
Customary benefits	**289**	287
Variable		
Cash bonus (paid in the financial year)	**6,374**	1,365
Retention bonus	**-**	-
Share-based compensation	**2,822**	1,760
Director's fees	**377**	370

With reference to Note 20, for LTIP 2023, the CEO has received 595,374 options (2022: 731,688) and no RSUs (2022: 182,922). The CFO has received 129,645 options (2022: 159,588) and no RSUs (2022: 39,897). The CEO and CFO do not receive pension as part of the remuneration package. This is considered to be included in the fixed salary. Non-monetary benefits can include standard employment benefits such as newspaper, telephone, laptop and internet access.

29. Segment Information

Operating segments are determined based on the reports submitted to the CODM to make strategic decisions.

The CODM previously considered the business to be organised into seven main operating segments. However, the CODM reconsidered the business to be organised into six main operating segments during the financial year ending 31 December 2023, following the disposal of the Group's Chemical-Stainless vessels. As such, the segment information has been retrospectively revised to reflect these six main operating segments:

(a) Long Range II ('LR2')
(b) Long Range I ('LR1')
(c) Medium Range ('MR')
(d) Handy size ('Handy')
(e) Chemical Stainless ('Chemical-Stainless')
(f) Specialized ('Specialized')

The operating segments are organised and managed according to the size of the product tanker vessels.

The LR2 segment consists of vessels between 85,000 DWT and 124,999 DWT in size and provides transportation of clean petroleum oil products.

The LR1 segment consists of vessels between 55,000 DWT and 84,999 DWT in size and provides transportation of clean and dirty petroleum products.

The MR segment consists of vessels between 40,000 DWT and 54,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals; inclusive of IMO II vessels.

The Handy segment consists of vessels between 25,000 DWT and 39,999 DWT in size and provides transportation of clean and dirty oil products, vegetable oil and easy chemicals; inclusive of IMO II vessels.

The Specialized segment consists of vessels between 5,000 DWT 19,999 DWT in size.

The Group exited the Chemical-Stainless segment after disposing of its Chemical-Stainless vessels that were previously acquired through the acquisition of CTI.

Management assesses the performance of the operating segments based on operating profit before depreciation, impairment and gain on disposal of vessels ("Operating EBITDA"). This measurement basis excludes the effects of impairment charges and gain on disposal of vessels that are not expected to recur regularly in every financial period. Interest income and finance expenses, which result from the Group's capital and liquidity position that is centrally managed for the benefit of various activities, and general and administrative expenses are not allocated to segments.

During the financial year ended 31 December 2023, Hafnia changed the Handy Pool, MR Pool, LR1 Pool and LR2 Pool from the "agent-to-owner" model to the "disponent-owner" model as management believes it would lead to an increase in efficiency operationally and in accessing working capital facilities. Under the ''disponent-owner'' model, each pool participant enters into a time charter with the pool manager when entering their vessel into the pool; and the pool manager enters into contracts for the employment of the vessels in the pool arrangements in its own name.

Correspondingly, in these disponent-owner pool arrangements, the Group as the pool manager recognises the gross revenue and voyage expenses earned pertaining to its vessels placed in the pools as "Revenue (Hafnia Vessels and TC Vessels)" and "Voyage expenses (Hafnia Vessels and TC Vessels)" respectively; gross revenue and voyage expenses earned pertaining to the external vessels in the Disponent-Owner Pools recognised separately as "Revenue (External Vessels in Disponent-Owner Pools)" and "Voyage expenses (External Vessels in Disponent-Owner Pools)" respectively; and expenses relating to pool distributions to external pool participants in the Disponent-Owner Pools recognised separately as "pool distributions for External Vessels in Disponent-Owner Pools"; as reflected in the segment information for the financial year ended 31 December 2023.

	LR2 USD '000	LR1 USD '000	MR USD '000	Handy USD '000	Chemical-Stainless USD '000	Specialized USD '000	Total USD '000
2023							
Revenue (Hafnia Vessels and TC Vessels)	111,164	536,309	901,038	364,814	(226)	2,373	1,915,472
Revenue (External Vessels in Disponent-Owner Pools)[1]	55,221	288,512	283,857	128,644	-	-	756,234
Voyage expenses (Hafnia Vessels and TC Vessels)	(30,339)	(151,725)	(246,919)	(118,772)	(36)	(1,074)	(548,865)
Voyage expenses (External Vessels in Disponent-Owner Pools)[1]	(19,416)	(108,241)	(106,141)	(45,951)	-	-	(279,749)
Pool distributions for External Vessels in Disponent-Owner Pools [1]	(35,805)	(180,271)	(177,716)	(82,693)	-	-	(476,485)
TCE Income[#]	80,825	384,584	654,119	246,042	(262)	1,299	1,366,607
Other operating income [2]	1,781	8,865	9,258	7,188	(705)	3,747	30,134
Vessel operating expenses	(15,267)	(66,884)	(125,393)	(61,211)	(109)	(5)	(268,869)
Technical management expenses	(1,656)	(7,109)	(11,711)	(5,216)	-	-	(25,692)
Charter hire expenses	-	(9,234)	(24,034)	(1)	-	(1,302)	(34,571)
Operating EBITDA	65,683	310,222	502,239	186,802	(1,076)	3,739	1,067,609
Depreciation charge	(13,743)	(58,099)	(104,808)	(32,784)	-	-	(209,434)
							858,175
Unallocated [2]							(58,649)
Profit before income tax							799,526

[#] *"TCE income" denotes "time charter equivalent income" which represents revenue from time charters and voyage charters less voyage expenses comprising primarily brokers' 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.*

[1] *"External Vessels in Disponent-Owner Pools" means vessels that are commercially managed by the Group in the Disponent-Owner Pool arrangements that are not Hafnia Vessels or TC Vessels. See Note 2.3(a) for details on the accounting for pool arrangements*

[2] *The unallocated amount consists of interest income and finance expenses, general and administrative expenses; and other operating income such as insurance claims which are not allocated to segments.*

	LR2 USD '000 (Restated)	LR1 USD '000 (Restated)	MR USD '000 (Restated)	Handy USD '000 (Restated)	Chemical-Stainless USD '000 (Restated)	Total USD '000 (Restated)
2022						
Revenue (Hafnia Vessels and TC Vessels)[1]	97,960	638,141	861,681	299,160	29,609	1,926,551
Voyage expenses (Hafnia Vessels and TC Vessels)[1]	(24,526)	(216,890)	(259,479)	(77,722)	(1,238)	(579,855)
TCE Income[#]	73,434	421,251	602,202	221,438	28,371	1,346,696
Other operating income[2]	516	9,815	13,250	5,357	516	29,454
Vessel operating expenses	(15,022)	(70,719)	(110,483)	(58,017)	(9,662)	(263,903)
Technical management expenses	(1,296)	(6,230)	(9,510)	(5,742)	(849)	(23,627)
Charter hire expenses	-	(13,605)	(19,549)	-	-	(33,154)
Operating EBITDA	57,632	340,512	475,910	163,036	18,376	1,055,466
Depreciation charge	(13,769)	(58,012)	(100,597)	(33,527)	(1,959)	(207,864)
						847,602
Unallocated[2]						(89,335)
Profit before income tax						758,267

[#] *"TCE income" denotes "time charter equivalent income" which represents revenue from time charters and voyage charters less voyage expenses comprising primarily brokers' 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.*

[1] *The comparative information is restated. See Note 31.*

[2] *The unallocated amount consists of interest income and finance expenses, general and administrative expenses; and other operating income such as insurance claims which are not allocated to segments.*

Geographical Segments' Revenue

The Group's vessels operate on an international platform with individual vessels calling at various ports across the globe. The Group does not consider the domicile of its customers as a relevant decision-making guideline, and hence does not consider it meaningful to allocate vessels and revenue to specific geographical locations.

Major Customers

Revenues from the top five major customers (by grouping of legal entities known to the Group to be under common control) of the Group across all operating segments represents approximately USD 870.0 million (2022: USD 772.5 million) of the Group's total revenues. In the financial year ended 31 December 2022, revenues from the top five major customers of the Group were presented by legal entities, and represented approximately USD 432.1 million.

One of the Group's customers (by grouping of legal entities known to the Group to be under common control) represented 10% or more of the Group's revenues in each of the two years. Below is the segment information specific to that customer.

	LR2 USD '000	LR1 USD '000	MR USD '000	Handy USD '000	Total USD '000	Percentage %
2023	18,712	181,099	108,107	2,479	310,397	11.6%
2022	11,697	162,019	102,833	7,189	283,738	14.7%

The Group plans to present information on the Group's major customers by grouping legal entities known to the Group to be under common control going forward.

30. Dividends Paid

	2023 USD '000	2022 USD '000
Final dividend paid in respect of Q4 2022 of USD 0.3157 (Q4 2021: USD Nil) per share	**159,204**	-
Interim dividend paid in respect of Q1 2023 of USD 0.3044 (Q1 2022: USD 0.0210) per share	**154,078**	10,499
Interim dividend paid in respect of Q2 2023 of USD 0.2528 (Q2 2022: USD 0.1862) per share	**127,980**	93,100
Interim dividend paid in respect of Q3 2023 of USD 0.2032 (Q3 2022: USD 0.2801) per share	**102,874**	140,149
	544,136	243,748

The directors declared a final dividend of USD 0.2431 (2022: USD 0.3157) per share or USD 123.5 million (2022: USD 159.2 million) for the financial year ended 31 December 2023.

The total interim dividends paid in FY2023 amounted to USD 0.7595 (2022: USD 0.4869) per share or USD 384.9 million (2022: USD 243.7 million).

Under the Bermuda Companies Act, dividends cannot be paid if there are reasonable grounds for believing that (a) the Group is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realisable value of the Group's assets would thereby be less than its liabilities.

The Group has acted in accordance with the provisions of the Bermuda Companies Act when declaring dividends.

31. Restatement of Financial Statements

The Group re-evaluated the accounting over certain terms within pool agreements, contracts, factoring agreements and other pool business and restated the financial years ended 31 December 2022 and 2023. As a result of taking a strict IFRS application, applied for the financial years ended 31 December 2022 and 2021, these financial statements have been restated to correct an error in the previously reported items: revenue, voyage expenses, loans receivable from pool participants, trade and other receivables, cash retained in the commercial pools, inventories and trade and other payables. As a result, the Group amended certain note disclosures in the financial statements.

These corrections do not affect Hafnia's TCE income, net profit, cash belonging to Hafnia, or equity for these years. The application of IFRS 15 and the Group's related accounting policies as they relate to the pooling arrangements require significant judgement.

In the financial year ended 31 December 2023, there is a further change to accounting for pool arrangements, as Hafnia moved from the "agent-to-owner" model to the "disponent-owner" model for certain pools.

The details of these adjustments and its related impact to the financial statements are as follows:

Consolidated Statement of Comprehensive Income

	As previously reported USD '000	Prior year adjustments USD '000	As restated USD '000
For the financial year ended 31 December 2022			
Revenue (Hafnia Vessels and TC Vessels)	1,832,544	94,007	1,926,551
Voyage expenses (Hafnia Vessels and TC Vessels)	(485,848)	(94,007)	(579,855)

	As previously reported USD '000	Prior year adjustments USD '000	As restated USD '000
For the financial year ended 31 December 2021			
Revenue (Hafnia Vessels and TC Vessels)	811,217	(110,812)	700,405
Voyage expenses (Hafnia Vessels and TC Vessels)	(408,282)	110,812	(297,470)

Consolidated Statement of Financial Position

	As previously reported USD '000	Prior year adjustments USD '000	As restated USD '000
As at 31 December 2022			
Loans receivable from pool participants	45,998	(45,998)	-
Trade and other receivables	616,348	(113,239)	503,109
Cash retained in the commercial pools	-	105,885	105,885
Inventories	10,094	79,837	89,931
Others	3,246,414	-	3,246,414
Total assets	3,918,854	26,485	3,945,339
Trade and other payables	129,733	26,485	156,218
Others	1,780,117	-	1,780,117
Total liabilities	1,909,850	26,485	1,936,335

	As previously reported USD '000	Prior year adjustments USD '000	As restated USD '000
As at 31 December 2021			
Loans receivable from pool participants	34,865	(34,865)	-
Trade and other receivables	201,123	(53,231)	147,892
Cash retained in the commercial pools	-	53,626	53,626
Inventories	6,661	64,011	70,672
Others	2,268,301	-	2,268,301
Total assets	2,510,950	29,541	2,540,491
Trade and other payables	65,390	29,541	94,931
Others	1,333,548	-	1,333,548
Total liabilities	1,398,938	29,541	1,428,479

Consolidated Statement of Cash Flows

	As previously reported USD '000	Prior year adjustments USD '000	As restated USD '000
For the financial year ended 31 December 2022			
Cash flows from operating activities			
Changes in working capital:			
- inventories	(265)	(15,826)	(16,091)
- trade and other receivables	(319,944)	60,325	(259,619)
- trade and other payables	45,935	(3,061)	42,874
Net cash used in operating activities	(274,274)	41,438	(232,836)
Cash flows from investing activities			
Loan to pool participants	(10,812)	10,812	-
Net cash used in financing activities	(10,812)	10,812	-

	As previously reported USD '000	Prior year adjustments USD '000	As restated USD '000
For the financial year ended 31 December 2021			
Cash flows from operating activities			
Changes in working capital:			
- inventories	(1,433)	(33,538)	(34,971)
- trade and other receivables	(37,462)	16,541	(20,921)
- trade and other payables	(5,128)	5,591	463
Net cash used in operating activities	(44,023)	(11,406)	(55,429)
Cash flows from investing activities			
Loan to pool participants	(34,704)	34,704	-
Net cash used in financing activities	(34,704)	34,704	-

32. Events Occurring after Balance Sheet Date

In January 2024, the Group announced the set up of a new LR1 Panamax Pool with Mercuria as a pool partner. The Group expects to commence operations of the Panamax Pool in Q1 2024.

On 2 January 2024, the Company settled borrowed shares from BW Group by way of issuing 3,431,577 new ordinary shares. Following the issuance of the new ordinary shares, there are 510,251,747 issued shares in the Company, each with a nominal value of USD 0.01, all of which have been validly and legally issued and fully paid.

On 2 January 2024, the Group exercised the purchase options on two IMO II - MR vessels, Hafnia Viridian and Hafnia Violette under the sale and lease-back arrangements with Jiangsu financial leasing Co Limited. This transaction was accounted for as an extinguishment of existing sales and leaseback-liabilities (accounted for as financing transaction).

On 2 February 2024, the Group exercised the purchase option on an IMO II - Handy vessel, Hafnia Alabaster under the sale and lease-back arrangement with CSSC (Hong Kong) Shipping Company Limited. This transaction was accounted for as an extinguishment of an existing sale and lease-back-liability (accounted for as financing transaction).

On 21 February 2024, the Group exercised the purchase option on an IMO II - Handy vessel, Hafnia Aragonite under the sale and lease-back arrangement with CSSC (Hong Kong) Shipping Company Limited. This transaction was accounted for as an extinguishment of an existing sale and lease-back-liability (accounted for as financing transaction).

On 28 February 2024, the Group through its Vista joint venture, took delivery of an LR2 vessel, Hafnia Lillesand.

On 4 March 2024, the Group exercised the purchase option on an IMO II - Handy vessel, Hafnia Achroite under the sale and lease-back arrangement with CSSC (Hong Kong) Shipping Company Limited. This transaction was accounted for as an extinguishment of an existing sale and lease-back-liability (accounted for as financing transaction).

33. Listing of Companies in the Group

Name of Companies		Principal Activities	Place of Incorporation	Equity Holding 2023 (%)	Equity Holding 2022 (%)
BW Aldrich Pte. Ltd.		Shipowning	Singapore	100	100
BW Clearwater Pte. Ltd.		Shipowning	Singapore	100	100
BW Causeway Pte. Ltd.		Dormant	Singapore	100	100
BW Fleet Management Pte. Ltd.		Ship-management	Singapore	100	100
BW Stanley Pte. Ltd.		Shipowning	Singapore	100	100
Hafnia Pools Pte. Ltd.		Chartering	Singapore	100	100
Komplementaranpartsselskabet Straits Tankers		Investment	Denmark	100	100
K/S Straits Tankers		Investment	Denmark	100	100
Straits Tankers Pte. Ltd.	d	Dormant	Singapore	-	-
BW Silvermine Pte. Ltd.		Dormant	Singapore	100	100
BW Pacific Management Pte. Ltd.		Agency office	Singapore	100	100
Hafnia Pte. Ltd.		Management company	Singapore	100	100
Hafnia Tankers Marshall Islands LLC		Investment	Marshall Islands	100	100
Hafnia Tankers Singapore Holding Pte Ltd		Investment	Singapore	100	100
Hafnia Tankers Singapore Sub-Holding Pte Ltd		Shipowning	Singapore	100	100
Hafnia Tankers ApS		Corporate support	Denmark	100	100
Hafnia Tankers Shipholding Beta Pte. Ltd.		Dormant	Singapore	100	100
Hafnia Tankers Shipholding Alpha Pte Ltd		Shipowning	Singapore	100	100
Hafnia One Pte. Ltd.		Shipowning	Singapore	100	100
Hafnia Tankers Singapore Pte Ltd		Investment	Singapore	100	100
Hafnia Tankers Shipholding Singapore Pte. Ltd.		Shipowning	Singapore	100	100
Hafnia Tankers Shipholding 2 Singapore Pte. Ltd.		Shipowning	Singapore	100	100
Hafnia Tankers Chartering Singapore Pte. Ltd.		Chartering	Singapore	100	100

Name of Companies		Principal Activities	Place of Incorporation	Equity Holding 2023 (%)	Equity Holding 2022 (%)
Hafnia Tankers International Chartering Inc.		Chartering	Marshall Islands	100	100
Hafnia Tankers Services Singapore Pte. Ltd.		Ship-management	Singapore	100	100
Hafnia Management A/S	f	Ship-management	Denmark	-	-
Hafnia Bunkers ApS	f	Ship-management	Denmark	-	-
Hafnia Handy Pool Management ApS	f	Ship-management	Denmark	-	-
Hafnia MR Pool Management ApS	f	Ship-management	Denmark	-	-
Hafnia SARL		Corporate Support	Monaco	100	100
Hafnia Holding Limited	a	Investment	Bermuda	100	100
Hafnia Holding II Limited	a	Investment	Bermuda	100	100
Hafnia Middle East DMCC	b	Ship-management	UAE	100	100
Hafnia Chemical Tankers Pte. Ltd.	b	Shipowning	Singapore	100	100
Hafnia US, LLC		Investment	USA	100	-
Hafnia Tankers Singapore Gamma Pte Ltd		Dormant	Singapore	100	-
Hafnia Chem Shipholding Pte Ltd	g	Shipowning	Singapore	100	-
Vista Shipping Pte. Ltd.		Investment	Singapore	50	50
Vista Shipholding I Pte. Ltd.		Shipowning	Singapore	50	50
Vista Shipholding II Pte. Ltd.		Shipowning	Singapore	50	50
Vista Shipholding III Pte. Ltd.		Shipowning	Singapore	50	50
Vista Shipholding IV Pte. Ltd.		Shipowning	Singapore	50	50
Vista Shipholding V Pte. Ltd.		Shipowning	Singapore	50	50
Vista Shipholding VI Pte. Ltd.		Shipowning	Singapore	50	50
Vista Shipholding VII Pte. Ltd.		Shipowning	Singapore	50	50
Vista Shipholding VIII Pte. Ltd.		Shipowning	Singapore	50	50
Vista Shipholding IX Pte. Ltd.	a	Shipowning	Singapore	50	50
Vista Shipholding X Pte. Ltd.	a	Shipowning	Singapore	50	50

Name of Companies		Principal Activities	Place of Incorporation	Equity Holding 2023 (%)	Equity Holding 2022 (%)
Vista Shipping HK Limited		Investment	Hong Kong	50	50
Vista Shipping US, LLC		Investment	United States	50	50
H&A Shipping Ltd	c	Investment	Marshall Islands	50	50
Yellow Star Shipping Ltd	c	Shipowning	Liberia	50	50
Green Stars Shipping Ltd	c	Shipowning	Liberia	50	50
Chemical Tankers Inc	e	Investment	Marshall Islands	100	100
Chemical Tankers ApS	j	Corporate Support	Denmark	-	100
Chemical Tankers SubHoldCo Inc	e	Investment	Marshall Islands	100	100
Chemical Tankers (A-Ships) Inc	e	Investment	Marshall Islands	100	100
Chemical Tankers 1 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 2 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 3 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 4 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 5 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 6 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 7 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 8 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 9 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 10 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 11 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 12 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 13 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 14 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 15 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 16 Inc	e	Shipowning	Marshall Islands	100	100

Name of Companies		Principal Activities	Place of Incorporation	Equity Holding 2023 (%)	Equity Holding 2022 (%)
Chemical Tankers 17 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 18 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 19 Inc	e	Dormant	Marshall Islands	100	100
Chemical Tankers 20 Inc	e	Dormant	Marshall Islands	100	100
Chemical Tankers 21 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 22 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 23 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 24 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 25 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 26 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 27 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 28 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 29 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 30 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 31 Inc	e	Dormant	Marshall Islands	100	100
Chemical Tankers 32 Inc	e	Dormant	Marshall Islands	100	100
Chemical Tankers 35 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 36 Inc	e	Shipowning	Marshall Islands	100	100
Chemical Tankers 37 Inc	e	Dormant	Marshall Islands	100	100
Chemical Tankers 38 Inc	e	Dormant	Marshall Islands	100	100
Chemical Tankers 39 Inc	e	Dormant	Marshall Islands	100	100
Quintessential AI Limited	h	Software development	United Kingdom	26	-
Ecomar Shipholding S.A.S	i	Shipowning	France	50	-

(a) This company was registered in 2021.
(b) This company was registered in 2022.
(c) This company was incorporated as the result of the Group entering into a joint venture with Andromeda Shipping in 2021.
(d) This company was struck off on 27 January 2022.
(e) The acquisition of CTI was completed on 27 January 2022.
(f) This company has been dissolved after voluntary liquidation on 9 December 2022.
(g) This company was registered in 2023.
(h) This joint venture was formed on 17 March 2023.
(i) This company was incorporated as the result of the Group entering into a joint venture with SOCATRA on 17 June 2023.
(j) This company has been dissolved after voluntary liquidation on 20 June 2023.

HAFNIA LIMITED

(Incorporated in Bermuda)

COMPANY FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

Statement of Comprehensive Income

For the financial year ended 31 December 2023	Note	2023 USD '000	2022 USD '000
Dividend from a subsidiary		**390,087**	385,835
Other operating expenses	4	**(4,231)**	(1,626)
Operating profit		**385,856**	384,209
Interest income		**174**	166
Interest expense		**(30)**	(30)
Other finance expense		**(729)**	(43)
Finance (expense)/income – net		**(585)**	93
Profit before income tax		**385,271**	384,302
Income tax expense	5	**-**	-
Profit after tax, representing total comprehensive income for the financial year		**385,271**	384,302

Balance Sheet

As at 31 December 2023	Note	2023 USD '000	2022 USD '000
Subsidiaries	8	**1,491,148**	1,491,148
Loans receivable from subsidiary	7	**4,900**	4,900
Total non-current assets		**1,496,048**	1,496,048
Other receivables	6	**26,571**	165,588
Loans receivable from subsidiary	7	**3,019**	8,427
Cash and cash equivalents	9	**575**	1,940
Total current assets		**30,165**	175,955
Total assets		**1,526,213**	1,672,003
Share capital	10	**5,069**	5,035
Share premium	10	**1,044,849**	1,023,996
Contributed surplus	10	**537,112**	537,112
Merger reserve		**(76,657)**	(76,657)
Share-based payment reserve		**3,788**	5,873
Capital reserve	10	**(25,137)**	(710)
Treasury shares	10	**(17,951)**	(12,675)
Retained earnings		**29,361**	188,226
Total shareholders' equity		**1,500,434**	1,670,200
Other payables	12	**25,779**	1,803
Total liabilities		**25,779**	1,803
Total equity and liabilities		**1,526,213**	1,672,003

Statement of Changes in Equity

For the financial year ended 31 December 2023	Note	**Share capital USD '000**	**Share premium USD '000**	**Contributed surplus USD '000**	**Merger reserve USD '000**	**Treasury shares USD '000**	**Share-based payment reserve USD '000**	**Capital reserve USD '000**	**Retained earnings USD '000**	**Total USD '000**
Balance at 1 January 2023		5,035	1,023,996	537,112	(76,657)	(12,675)	5,873	(710)	188,226	1,670,200
<u>Transactions with owners</u>										
Equity-settled share-based payment		-	-	-	-	-	2,822	-	-	2,822
Share options exercised		-	-	-	-	39,063	(4,907)	(24,427)	-	9,729
Purchase of treasury shares and issuance of shares	10	34	20,853	-	-	(44,339)	-	-	-	(23,452)
Dividends paid	17	-	-	-	-	-	-	-	(544,136)	(544,136)
<u>Total comprehensive income</u>										
Profit after tax, representing total comprehensive income for the financial year		-	-	-	-	-	-	-	385,271	385,271
Balance at 31 December 2023		**5,069**	**1,044,849**	**537,112**	**(76,657)**	**(17,951)**	**3,788**	**(25,137)**	**29,361**	**1,500,434**

Statement of Changes in Equity (continued)

For the financial year ended 31 December 2022	Note	Share capital USD '000	Share premium USD '000	Contributed surplus USD '000	Merger reserve USD '000	Treasury shares USD '000	Share-based payment reserve USD '000	Capital reserve USD '000	Retained earnings USD '000	Total USD '000
Balance at 1 January 2022		3,703	704,834	537,112	(76,657)	(12,832)	4,837	-	47,672	1,208,669
Transactions with owners										
Issue of common shares (net of capitalised equity raise costs)	10	376	97,170	-	-	-	-	-	-	97,546
Acquisition of subsidiaries (net of capitalised costs)	3	921	206,459	-	-	12,832	-	-	-	220,212
Equity-settled share-based payment		-	-	-	-	-	1,760	-	-	1,760
Share options exercised		-	-	-	-	2,893	(724)	(710)	-	1,459
Purchase of treasury shares and issuance of shares	10	35	15,533	-	-	(15,568)	-	-	-	-
Dividend paid	17	-	-	-	-	-	-	-	(243,748)	(243,748)
Total comprehensive income										
Profit after tax, representing total comprehensive income for the financial year		-	-	-	-	-	-	-	384,302	384,302
Balance at 31 December 2022		**5,035**	**1,023,996**	**537,112**	**(76,657)**	**(12,675)**	**5,873**	**(710)**	**188,226**	**1,670,200**

Statement of Cash Flows

For the financial year ended 31 December 2023	**2023 USD '000**	2022 USD '000
Cash flows from operating activities		
Profit for the financial year	**385,271**	384,302
Adjustments for:		
- interest income	**(174)**	(166)
- interest expense	**30**	30
- dividend income	**(390,087)**	(385,835)
Operating cash flows before working capital changes	**(4,960)**	(1,669)
Changes in working capital:		
- other receivables	**3,604**	110,042
- other payables	**933**	(107,788)
Net cash (used in)/provided by operating activities	**(423)**	585
Cash flows from investing activities		
Interest received	**61**	**5**
Net cash provided by investing activities	**61**	**5**
Cash flows from financing activities		
Proceeds from exercise of employee share options	**8,687**	1,350
Dividends paid	**(9,690)**	-
Net cash (used in)/provided by financing activities	**(1,003)**	1,350
Net (decrease)/increase in cash and cash equivalents	**(1,365)**	1,940
Cash and cash equivalents at beginning of the financial year	**1,940**	*-
Cash and cash equivalents at end of the financial year	**575**	1,940

**Amount less than USD 1,000.*

Significant Non-Cash Transactions

During 2023, USD 534.4 million (2022: USD 243.7 million) of dividend payments to shareholders were settled by a subsidiary (2022: by subsidiaries) for and on behalf of the Company. These intercompany payables for dividends paid on behalf are then subsequently offset with intercompany receivables from dividend payments receivables from the subsidiary. Changes in working capital also included USD 23.0 million due to a related corporation because of a share lending agreement that the Company entered into (refer to Note 10).

On 27 January 2022, the Company acquired Chemical Tankers Inc. and its subsidiaries ("CTI") by way of issuance of new shares of the Company together with the Company's existing treasury shares. The fair value of the net assets of CTI acquired amounted to USD 221.1 million. Refer to Note 3. Immediately following that, a subsidiary, Hafnia Holding II Limited, purchased all of the shares of CTI from the Company at a consideration measured by fair value of the net assets of CTI acquired on the acquisition date. The liability of Hafnia Holding II Limited owing to the Company for CTI has not been settled as at 31 December 2023.

The net proceeds from the issuance of 37,600,000 new common shares on 9 May 2022 were received by a subsidiary on behalf of the Company.

On 26 September 2022, USD 600 million of receivables due from a subsidiary was settled in exchange for the subsidiary's issued share capital.

Notes to the Financial Statements

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

1. General Information

Hafnia Limited (the "Company"), 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.

These financial statements were authorised for issue by the Board of Directors of Hafnia Limited on 27 March 2024.

2. Material Accounting Policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS"), and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

2.2 Changes in Accounting Policies

New standard and amendments to published standards, effective in 2023 and subsequent financial years

The Company has applied the following IFRSs, amendments to and interpretations of IFRS for the first time for the annual period beginning on 1 January 2023:

Amendments:

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Policies
- Amendments to IAS 12 Income Taxes:
  a. Deferred Tax related to Assets and Liabilities arising from a Single Transaction
  b. International Tax Reform – Pillar Two Model Rules
- Amendments to IAS 1 Presentation of Financial Statements:
  a. Classification of Liabilities as Current or Non-current
  b. Non-current Liabilities with Covenants
- Adoption of IFRS 17 Insurance Contracts:
  Initial Application of IFRS 17 and IFRS 9 Comparative Information
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

The adoption of these new or amended standards did not result in substantial changes in the Company's accounting policies and had no material effect on the amounts reported in the financial statements for the current or prior financial years.

2.3 Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Estimates, assumptions and judgements are evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no estimates, assumptions and judgements which have a material effect on the financial statements.

2.4 Revenue and Income Recognition

Dividend Income

Dividend income is recognised when the right to receive payment is established.

Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

2.5 Investments in Subsidiaries

A subsidiary is an entity controlled by the Company. The Company controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.6 Non-Derivative Financial Assets

(a) Recognition and initial measurement

Other financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss (FVTPL), which are recognised at fair value. Transaction costs for financial assets at FVTPL are recognised immediately as expenses.

(b) Classification

The Company classifies its financial assets at amortised cost.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as “Other receivables“ (Note 6), “Loans receivable from subsidiary” (Note 7) and “Cash and cash equivalents” (Note 9) in the balance sheet.

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method.

(c) De-recognition of Financial Assets

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash-flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(d) Offsetting Financial Instruments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(e) Impairment

For financial assets measured at amortised cost, the Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for expected credit loss (ECL) at an amount equal to the lifetime expected credit loss if there has been a significant increase in credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company recognises an allowance for ECL at an amount equal to 12-month ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company applies the general approach to provide for ECLs for other receivables and all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired Financial Assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- *significant financial difficulty of the debtor;*
- *a breach of contract such as a default or being more than 90 days past due;*
- *the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;*
- *it is probable that the debtor will enter bankruptcy or other financial reorganisation; or*
- *the disappearance of an active market for a security because of financial difficulties.*

Presentation of allowance for ECLs in the Balance Sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience, informed credit assessment and other forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if the debtor is under significant financial difficulties, or when there is default or significant delay in payments. The Company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held). When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of ECL decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.7 Other Payables

Other payables are obligations to pay for services that have been acquired from suppliers and related parties in the ordinary course of business. Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, and are de-recognised when the Company's obligation has been discharged or cancelled or expired.

2.8 Impairment of Non-Financial Assets

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset (or CGU) other than goodwill is reversed if, and only if, there has been a change in the estimate of the asset's (or CGU's) recoverable amount since the last impairment loss was recognised. The carrying amount of the asset (or CGU) is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation and depreciation) had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of impairment loss for an asset (or CGU) other than goodwill is recognised in profit or loss. The Company conducts an impairment review of its non-financial assets annually.

2.9 Fair Value Estimation of Financial Assets and Liabilities

The carrying amounts of current financial assets and liabilities, measured at amortised cost, approximate their fair values, due to the short term nature of the balances. The carrying amounts of the non-current loans receivable approximate their fair values since the timing of repayment can be variable, and the sum in- volved is not material to the overall financial statements.

2.10 Share-based payments

During the financial years ended 31 December 2021, 2022, and 2023, the Company introduced Long Term Incentive Plan (LTIP) 2021, LTIP 2022, and LTIP 2023 respectively. Under this scheme, the grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The Company's LTIP schemes are for employees of its subsidiaries.

2.11 Foreign Currency Translation

(a) Functional and Presentation Currency

The financial statements are presented in United States Dollars, which is the Company's functional currency. All financial information presented in US dollars has been rounded to the nearest thousand, unless otherwise stated.

(b) Transactions and Balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date, are recognised in profit or loss.

2.12 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand short-term bank deposits, which are subject to an insignificant risk of change in value.

2.13 Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

2.14 Dividend to Company's Shareholders

Interim dividends are recognised in the financial year in which they are declared payable and final dividends are recognised when the dividends are approved for payment by the directors and shareholders respectively.

2.15 Financial Guarantee Contracts

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Company will be required to make a payment under the guarantee. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3. Acquisition of Subsidiaries

On 27 January 2022, the Company completed the acquisition of 100% of equity interest in Chemical Tankers Inc. and its subsidiaries ("CTI"), including CTI's fleet of 32 vessels in exchange for the Company's equity instruments ("Acquisition of CTI"). The acquisition was accounted for as an asset acquisition that did not constitute a business combination and which was satisfied by way of issuance of new shares of the Company together with the Company's existing treasury shares.

In exchange for all outstanding shares in CTI, CTI's shareholders received a total of 99,199,394 common shares in the Company, consisting of 92,112,691 newly issued shares and 7,086,703 of treasury shares. Since the consideration for the acquisition was satisfied by way of issuance of the Company's equity instruments, the accounting of the fair value of the consideration settled follows the guidance of IFRS 2 Share-based Payment. At the acquisition date, ordinary shares and the existing treasury shares of the Company were issued to CTI's shareholders, and the fair value of issued shares was deemed to be the fair value of the CTI's net assets acquired.

The fair value of CTI's net assets acquired was assessed at USD 221.1 million. Equity settlement of the transaction resulted in an increase in share capital of USD 0.9 million and share premium of USD 207.4 million, while reducing balance of treasury shares by USD 12.8 million.

Immediately following the acquisition, a subsidiary, Hafnia Holding II Limited, purchased all of the shares of CTI from the Company at a consideration measured at fair value of the net assets of CTI.

4. Other Operating Expenses

	2023 **USD '000**	2022 USD '000
Administrative expenses	**-**	692
Other expenses	**4,231**	934
Total other operating expenses	**4,231**	1,626

5. Income Taxes

No provision for tax has been made for the year ended 31 December 2023 and 2022 as the Company does not have any income that is subject to income tax based on the tax legislation applicable to the Company.

There is no income, withholding, capital gains or capital transfer taxes payable in Bermuda. Bermuda is looking to implement a corporate income tax system starting from 1 January 2025 for entities which are part of multinational enterprises which would fall within the purview of OECD's Pillar 2 rules under the BEPS 2.0 initiative. The rules of the proposed corporate income tax system are envisaged to mirror closely the tax outcomes of Pillar 2 rules. The Company is not expected to have income which would be taxable under the proposed Bermuda corporate income system or Pillar 2 rules.

6. Other Receivables

	2023 **USD '000**	2022 USD '000
Other receivables		
- subsidiary	**26,538**	165,580
- non-related parties	**33**	8
	26,571	165,588

Other receivables due from a subsidiary largely represent dividends receivable from a subsidiary.

The carrying amounts of other receivables approximate their fair values.

Information about the Company's exposure to credit risk is disclosed in Note 14.

7. Loans Receivable from Subsidiary

	2023 USD '000	2022 USD '000
Loans receivable from subsidiary	**7,919**	13,327
Analysed as:		
- Non-current	**4,900**	4,900
- Current	**3,019**	8,427
	7,919	13,327

The loans receivable from subsidiary refer to amounts provided to Hafnia Tankers Marshall islands LLC ("HTMI LLC") for on-lending to a joint venture company, Vista Shipping Pte. Ltd., for making payments for newbuild instalments and other vessel related expenses.

The non-current loan relates to a loan agreement offered to HTMI LLC and matures on 31 December 2025. It is unsecured, non-interest bearing and repayable on the earlier of (i) the maturity date or (ii) repayment from Vista Shipping Pte. Ltd. to HTMI LLC, whenever the subsidiary has surplus cash, and at the subsidiary's discretion to settle the loan outstanding.

The current loans relate to several intercompany loans offered to HTMI LLC. One of the loans is unsecured, bears interest at 6% per annum and is repayable on demand. It has been fully repaid during 2023 and the funds were received on behalf of a subsidiary. The remaining loans are unsecured, non-interest bearing and are repayable on demand.

8. Subsidiaries

	2023 USD '000	2022 USD '000
Equity investments at cost	**1,257,966**	1,257,966
Receivables from subsidiaries	**233,182**	233,182
	1,491,148	1,491,148

The receivables from subsidiaries originated from the re-organisation of entities in prior years. accordingly, these receivables are classified within "Subsidiaries" and are stated at amortised cost. These receivables are unsecured, interest-free, and settlement is at the absolute discretion of the subsidiaries. As the Company does not expect these receivables to be settled within the next 12 months, they have been classified as "non-current".

Details of the subsidiaries held directly by the Company are as follows:

Name of companies	Principal activities	Place of incorporation	Equity holding 2023	Equity holding 2022
Hafnia Pte. Ltd.	Management company	Singapore	**100%**	100%
Hafnia Tankers Marshall Islands LLC	Investment	Marshall Islands	**100%**	100%
Hafnia Holding Limited	Investment	Bermuda	**100%**	100%
Hafnia Holding II Limited	Investment	Bermuda	**100%**	100%

Impairment Assessment

The Company assesses whether there are any indicators of impairment of investments in subsidiaries at each reporting date.

Management has used the fair value less cost to sell approach to determine the recoverable amounts for its investment in subsidiaries. For this purpose, the net assets of the subsidiaries were used and where needed, adjusted to reflect their fair values, and this involves restating the carrying values of the vessels held by subsidiaries to their fair values based on independent third-party valuation reports. Other items within the net assets computation are primarily current monetary items, whose carrying values already approximate their fair values.

From the Company's assessment of the fair values of the subsidiaries, and together with the prevailing market conditions affecting the subsidiaries owning and operating the product and chemical tanker businesses, the Company concluded none of the subsidiaries faced any indication of impairment as at 31 December 2023 and 2022.

9. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and short-term bank deposits; amounting to USD 0.5 million (2022: USD 1.9 million).

Cash and cash equivalents are principally denominated in USD.

10. Share Capital and other Reserves

	Number of Shares	Share capital USD'000	Share premium USD'000	Total USD'000
At 1 January 2023	503,388,593	5,035	1,023,996	1,029,031
Issuance of shares	3,431,577	34	20,853	20,887
At 31 December 2023	**506,820,170**	**5,069**	**1,044,849**	**1,049,918**

	Number of Shares	Share capital USD'000	Share premium USD'000	Total USD'000
At 1 January 2022	370,244,325	3,703	704,834	708,537
Shares issued for acquisition of CTI	92,112,691	921	206,459	207,380
New shares issued	37,600,000	376	97,170	97,546
Purchase of treasury shares and issuance of shares	3,431,577	35	15,533	15,568
At 31 December 2022	**503,388,593**	**5,035**	**1,023,996**	**1,029,031**

(a) Authorised Share Capital

The total authorised number of shares is 750,000,000 (2022: 750,000,000) common shares at par value of USD 0.01 per share.

In August 2022, the total authorised number of shares was increased by 150,000,000 shares with a par value of USD 0.01 per share.

(b) Issued and fully paid Share Capital

On 28 February 2023, the Company entered into a share lending agreement with BW Group, whereby BW Group lent 3,431,577 shares of the Company. The borrowed shares were redelivered by way of the Company issuing new shares to BW Group at a subscription price of USD 0.01 per share. Following this transaction, the Company had 3,431,577 newly issued shares and 3,431,577 treasury shares.

On 1 March 2023, the Company settled these borrowed shares by way of issuing 3,431,577 new ordinary shares to BW Group. Following the issuance of the new ordinary shares, there are 506,820,170 issued shares in the Company, each with a nominal value of USD 0.01, all of which have been validly and legally issued and fully paid.

On 20 December 2023, the Company entered into another share lending agreement with BW Group Limited ("BW Group"), whereby BW Group lent 3,431,577 shares of the Company. Following this transaction, the Company had 3,431,577 treasury shares. The borrowed shares were redelivered by way of the Company issuing new shares to BW Group at a subscription price of USD 0.01 per share. The share issuance was only completed on 2 January 2024.

On 27 January 2022, the Company issued 92,112,691 new common shares in the Company, as part of the purchase consideration for the acquisition of CTI assets.

On 9 May 2022, the Company issued 37,600,000 new common shares at a subscription price of NOK 25 per share, raising net proceeds of USD 97.5 million.

On 26 August 2022, the Company entered into a share lending agreement with BW Group Limited ("BW Group"), whereby BW Group will lend 3,431,577 shares of the Company. The borrowed shares were redelivered by way of the Company issuing new shares to BW Group at a subscription price of USD 0.01 per share. Following this transaction, the Company had 3,431,577 newly issued shares and 3,431,577 treasury shares. This allowed the Company to be able to promptly deliver existing shares held in treasury to employees exercising their vested options under the share options granted to management personnel in 2019 for Tranche 1, Tranche 2, Tranche 3 and Tranche 4.

All issued common shares are fully paid. The newly issued shares rank pari passu with the existing shares.

(c) Share Premium

The difference between the consideration for common shares issued and their par value is recognised as share premium.

USD 1.2 million of fees and expenses incurred for the issuance of new common shares were capitalised against share premium in 2022.

(d) Contributed Surplus

Contributed surplus relates to the amount transferred from share capital account when the par value of each common share was reduced from USD 5 to USD 0.01 per share in 2015. Contributed surplus is distributable, subject to the fulfilment of the conditions as stipulated under the Bermudian Law.

(e) Treasury Shares

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Group. As at 31 December 2023, the Group held 2,626,651 of the Company's shares (2022: 2,793,797).

(f) Capital Reserve

The deficit refers to the reversal of the cost of the treasury shares acquired, recorded in the treasury shares account against the option price on those shares upon exercise of employees share options during the year.

11. Share-Based Payment Arrangements

(a) Description of Share-based Payment Arrangements

(i) Share Option Programme (Equity-Settled)

The Company operates an equity-settled, share-based compensation plan, under which the subsidiaries of the Company receive services from employees as consideration for equity instruments (share options) in the Company. On 16 January 2019, 1 March 2019, 1 June 2019, 1 August 2019 (collectively known as "LTIP 2019"), 25 February 2020, 8 March 2021, 15 March 2022 and 28 February 2023, the Company granted share options to key management and senior employees of the subsidiaries of the Company. All options are to be settled by physical delivery of shares. The terms and conditions of the share options granted are as follows.

Grant date	Number of instruments in thousands	Vesting conditions	Expiry of options
Option grant to key management personnel on 16 January 2019 ("Tranche 1")	1,834	3 years' service condition from grant date of Tranche 1	16 January 2025
Option Grant to key management personnel on 1 March 2019 ("Tranche 2")	207	3 years' service condition from grant date of Tranche 1	16 January 2025
Option Grant to key management personnel on 1 June 2019 ("Tranche 3")	1,183	3 years' service condition from grant date of Tranche 1	16 January 2025
Option grant to key management personnel on 1 August 2019 ("Tranche 4")	207	3 years' service condition from grant date of Tranche 1	16 January 2025
Option Grant to key management personnel on 25 February 2020 ("LTIP 2020")	3,432	3 years' service condition from grant date	25 February 2026
Option Grant to key management personnel on 8 March 2021 ("LTIP 2021")	3,432	3 years' service condition from grant date	8 March 2027
Option Grant to key management personnel on 15 March 2022 ("LTIP 2022")	1,849	3 years' service condition from grant date	15 March 2028
Option Grant to key management personnel on 28 February 2023 ("LTIP 2023")	1,849	3 years' service condition from grant date	28 February 2029

The share options become void if the employee rescinds the job position before the vesting date.

The fair value of services received in return for share options granted is based on the fair value of the share options granted, measured using the Black-Scholes model.

(ii) Restricted Share units (Equity-settled)

On 15 March 2022, the Group granted a total of 462,357 restricted share units ("RSU 2022") to key management. All restricted share units are to be settled by physical delivery of shares to the employees when they vest on 15 March 2025.

(b) Measurement of Grant Date Fair Values

(i) Measurement of Grant Date Fair Values of Share Options

The following inputs were used in the measurement of the fair values at grant date of the share options.

	Share option programme							
	Tranche 1	**Tranche 2**	**Tranche 3**	**Tranche 4**	**LTIP 2020**	**LTIP 2021**	**LTIP 2022**	**LTIP 2023**
Grant date	16 January 2019	1 March 2019	1 June 2019	1 August 2019	25 February 2020	8 March 2021	15 March 2022	28 February 2023
Share price (NOK)	24.03	24.17	24.47	24.67	20.57	16.55	20.01	64.46
Exercise price (NOK)	27.81	27.81	27.81	27.81	23.81	19.16	23.16	74.62
Time to maturity (years)	4.5	4.4	4.1	4.0	4.5	4.5	4.5	4.5
Risk free rate	2.54%	2.54%	1.93%	1.78%	1.24%	1.02%	2.24%	3.53%
Volatility	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Dividends	-	-	-	-	-	-	-	-
Annual tenure risk	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Share options granted	1,833,958	207,278	1,183,063	207,278	3,431,577	3,431,577	1,849,428	1,849,428
Fair value at grant date (USD)	1,610,382	182,009	976,425	169,317	2,249,146	2,036,068	1,263,630	3,716,961

Volatility has been estimated as a benchmark volatility by considering the historical average share price volatility of a comparable peer group of companies.

(ii) Measurement of Grant Date Fair Values of Restricted Share Units

The following inputs were used in the measurement of the fair values at respective grant dates of the share options.

	Restricted share units RSU 2022
Grant date	15 March 2022
Grant date fair value (NOK)	20.01
Grant date fair value (USD)	2.21
Annual tenure risk	7.50%
Restricted share units granted	462,357
Fair value at grant date (USD)	808,875

(c) Reconciliation of Outstanding Share Options

Movements in the number of unissued common shares under option are as follows:

	At the beginning of the year	**Granted during the year**	**Exercised during the year**	**At the end of the year**
2023				
LTIP 2019	2,586,519	-	(2,231,185)	355,334
LTIP 2020	3,431,577	-	(3,234,205)	197,372
LTIP 2021	3,431,577	-	(1,357,632)	2,073,945
LTIP 2022	1,849,428	-	-	1,849,428
LTIP 2023	-	1,849,428	-	1,849,428
Total	11,299,101	1,849,428	(6,823,022)	6,325,507
2022				
LTIP 2019	3,431,577	-	(845,058)	2,586,519
LTIP 2020	3,431,577	-	-	3,431,577
LTIP 2021	3,431,577	-	-	3,431,577
LTIP 2022	-	1,849,428	-	1,849,428
Total	10,294,731	1,849,428	(845,058)	11,299,101

The Company's remuneration committee has decided to grant accelerated vesting for the Company's CEO. The CEO's options under the LTIP 2021 vested on 20 December 2023 and were subsequently exercised by the CEO.

12. Other Payables

	2023 USD '000	2022 USD '000
Other payables		
- related corporations	**23,467**	10
- non-related parties	**-**	441
Loan payable to related corporation	**1,136**	1,106
Accrued operating expenses	**1,176**	246
	25,779	1,803

The carrying amounts of other payables, principally denominated in United States Dollars, approximate their fair values due to the short period to maturity.

The other payables to related corporations are unsecured, interest-free and are repayable on demand. The balances are largely due to a related corporation that the Company entered into a share lending agreement with (refer to Note 10).

The loan payable to a related corporation is unsecured, accrues interest at 3% and has no fixed terms of repayment.

Information about the Company's exposure to currency and liquidity risks is included in Note 14.

13. Financial Guarantee Contracts

The Company's policy is to provide financial guarantees only to the wholly-owned subsidiaries or joint ventures of the Group. At 31 December 2023, the Company has issued financial guarantees to certain banks in respect of credit facilities granted to subsidiaries. These bank borrowings amount to USD 572.5 million (2022: USD 726.4 million) at the balance sheet date.

The Company and CSSC (Hong Kong) Shipping Company Limited have issued a joint financial guarantee to certain banks in respect of credit facilities granted to a joint venture, Vista Shipping. Bank borrowings provided to the joint venture amounts to USD 246.8 million (2022: USD 130.8 million) at the balance sheet date. Corporate guarantees given will become due and payable on demand if an event of default occurs.

The Company and Andromeda Shipholdings Ltd have issued a joint financial guarantee to certain banks in respect of credit facilities granted to a joint venture, H&A Shipping. Bank borrowings provided to the joint venture amounts to USD 39.4 million (2022: USD 42.3 million) at the balance sheet date. Corporate guarantees given will become due and payable on demand if an event of default occurs.

In 2022, the Group issued a limited financial guarantee to a bank in respect of the receivables purchase agreement facility granted to the commercial pools. Any liability arising is limited to the recourse lenders have against the Group after considering the recourse waterfall mechanism in place in the facility agreement, where the Group is the final avenue of recourse. The facility was discontinued during the financial year ended 2023.

The Group has appraised such liabilities to be remote.

14. Financial Risk Management

Financial Risk Factors

The Company's activities expose it to a variety of financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company.

(a) Market risk – Currency Risk

The Company's business operations are not exposed to significant foreign exchange risk as it has no significant transactions denominated in foreign currencies.

(b) Credit Risk

The Company's credit risk is primarily attributable to other receivables, loans receivable from subsidiary and cash and cash equivalents. Other receivables are neither past due nor impaired. The maximum exposure is represented by the carrying value of each financial asset on the balance sheet.

The Company has used a general 12-month approach in assessing the credit risk associated with loans receivable from subsidiary.

The Company performs ongoing credit risk assessment of subsidiaries to make sure they have sufficient resources to make settlement of its liability to the Company. In this regard, the Company is of the opinion that the credit risk of default is low.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company maintains sufficient cash for its daily operations via short-term cash deposits at banks and funding from subsidiaries. Unless there is a liquidity need, the Company allows the vessel owning and operating subsidiaries to retain their surplus cash from operations.

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date on an undiscounted basis.

	Less than 1 year USD '000
At 31 December 2023	
Other payables	**25,779**
At 31 December 2022	
Other payables	1,803

(d) Capital Risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividends paid, return capital to shareholders, obtain new borrowings or sell assets to reduce borrowings.

The Company is not subject to any externally imposed capital requirements for the financial years ended 31 December 2023 and 2022.

(e) Accounting Classifications and Fair Values

The carrying amounts for current financial assets and liabilities with maturities of less than one year and which are measured at amortised cost; consisting of loans receivable from subsidiary, other receivables, cash and cash equivalents and other payables are considered to approximate their fair values due to their short-term maturity. For non-current financial assets which are measured at amortised cost; consisting of loans receivable from subsidiary, the Company has not disclosed the fair value since the timing of repayment can be variable, and the sum involved is not material to the overall financial statements.

(f) Offsetting Financial Assets and Financial Liabilities

The Company's financial assets and liabilities are not subjected to enforceable master netting arrangements or similar arrangements.

15. Holding Corporations

In May 2022, following a series of equity shares placement to other shareholders, BW Group lost control over Hafnia Limited but remains the single largest shareholder of the Group. Since the loss of control, the Company does not have ultimate and immediate holding corporations. Previously, the Company's ultimate and immediate holding corporation was BW Group Limited, incorporated in Bermuda, which is wholly owned by Sohmen family interests.

16. Related Party Transactions

Related party information has been disclosed elsewhere in the financial statements.

17. Dividends Paid

	2023 **USD '000**	2022 USD '000
Final dividend paid in respect of Q4 2022 of USD 0.3157 (Q4 2021: USD Nil) per share	**159,204**	-
Interim dividend paid in respect of Q1 2023 of USD 0.3044 (Q1 2022: USD 0.0210) per share	**154,078**	10,499
Interim dividend paid in respect of Q2 2023 of USD 0.2528 (Q2 2022: USD 0.1862) per share	**127,980**	93,100
Interim dividend paid in respect of Q3 2023 of USD 0.2032 (Q3 2022: USD 0.2801) per share	**102,874**	140,149
	544,136	243,748

The directors declared a final dividend of USD 0.2431 (2022: USD 0.3157) per share or USD 123.5 million (2022: USD 159.2 million) for the financial year ended 31 December 2023.

The total interim dividends paid in FY2023 amounted to USD 0.7595 (2022: USD 0.4869) per share or USD 384.9 million (2022: USD 243.7 million).

Under the Bermuda Companies Act, dividends cannot be paid if there are reasonable grounds for believing that (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realisable value of the Company's assets would thereby be less than its liabilities.

The Company has acted in accordance with the provisions of the Bermuda Companies Act when declaring dividends.

18. Events Occurring after Balance Sheet Date

On 2 January 2024, the Company settled borrowed shares from BW Group by way of issuing 3,431,577 new ordinary shares. Following the issuance of the new ordinary shares, there are 510,251,747 issued shares in the Company, each with a nominal value of USD 0.01, all of which have been validly and legally issued and fully paid.

04

ESG Report

4.1
ESG Accounting Policies

ESG Accounting Policies

Double Materiality Assessment

In 2024, Hafnia performed a light "double materiality assessment exercise" in accordance with the CSRD legislation, with the aim of identifying where to concentrate ESG material efforts and structure its Annual Report.

To gather a representative overview of Hafnia's risks and opportunities, Hafnia's management team streamlined the list of material topics provided in the ESRS. The ESG team then collaborated with representatives from various business units and engaged with key stakeholders via online interviews or questionnaires.

Every topic was evaluated on a scale from "high" to "none". Cross-mapping the results from the impact and financial materiality, we identified eight material topics that are described on page 37.

Reporting Boundaries

The ESG report includes consolidated data from the parent company, Hafnia Limited, and subsidiaries and joint ventures controlled by Hafnia.

Entities considered in financial reporting align with those in the sustainability report. The consolidation method used to run the emissions calculation is consistent with the GHG Protocol and is the equity share approach, for which we consolidate information from all entities owned at 100% and take 50% of the figures for our joint-ventures owned at 50%. Information from mergers, acquisitions and disposals of entities are accounted for from the time the changes are effective.

All the information, restatements and methodologies for the calculations are valid for the reporting year from 1 January to 31 December 2023.

ESG data follow the below boundaries unless otherwise specified:

- Owned, partially owned and leased vessels (excluding Time-Charter Out and third-party pool-managed vessels)
- Employees onshore
- Crew on-board vessels (both from the fleet managed internally and by external technical managers).
- All Hafnia's locations in Copenhagen, Singapore, Dubai, Houston, Monaco and Mumbai.

Changes in Accounting Methodology

Emission Reporting:
In 2023, Hafnia changed its consolidation approach for emissions from the operational control approach to the equity share approach.

This resulted in re-evaluated methods for emission recognition in the reporting period .

The main changes in respect to the previous year are reported below:

Scope 1 Emissions:
Reporting using the equity share approach ensures alignment with financial reports, income statement reporting principles and the IMO 2030 trajectory.

This ensures fewer reported emissions fluctuations, especially in relation to shorter TC-OUT contracts. Ships in TC-IN and Bareboat-IN agreement are not considered in the calculation. Ships under our joint ventures Andromeda and Vista account for 50% of their emissions.

Besides emissions from CO2 consumption, we included N2O, CH4 and F-gases (HFCs). Absolute emissions previously reported as CO2 emissions are now reported in CO2 equivalents (CO2e) 100-year global warming potential (GWP) values.

Scope 2 Emissions:
Corrections have been performed to the 2022 calculation that includes the use of more accurate emission factors and improved electricity data consumption. This resulted in a restatement of the Scope 2 location-based numbers for 2022.

Shore-based Employees:
Differently from last year, we have included students in the shore-based employee count. They were not previously accounted for in the calculation.

Environmental Performance

Greenhouse Gas Emissions

The use of the terms Scope 1, Scope 2, and Scope 3 adheres to the guidelines outlined in the GHG Protocol.

Scope 1, Scope 2, and Scope 3 are reported in metric tons of CO2 equivalent (CO2e), a measure used to compare the emissions from various types of greenhouse gas based on their global warming potential (GWP).

Scope 1: We are reporting emissions from fuel consumption from wholly and partially owned vessels and the ones we sold during the year until we handed them over. In 2023, we have considered 122 vessels including six vessels sold during the year. We report emissions from all six Kyoto gases: CO2, CH4, N2O, HFCs, PFCs and SF6 converted into CO2 equivalents. As of today, the only GHG emissions imputable to fuel consumption from Hafnia are from CO2, N20, CH4 and HFCs.

Data collected for Scope 1 emissions across the entire 2023 calendar year have been externally approved by DNV to comply with the IMO Data Collection System (DCS).

Scope 2: We account for GHG emissions emitted from purchased electricity, heating, and cooling in our offices in Singapore, Copenhagen, Dubai, Monaco and Houston. Scope 2 calculations have been performed according to the GHG Protocol using both the location- and market-based approach. The calculation for the location-based consumed electricity has been performed considering district heating and cooling bought from third parties multiplied by location-based regional or national emission factors. The coefficients used come from EPA (regional factors) for the USA and IEA (national factors) for the rest of the world.

Market-based emission calculation has been performed using coefficients declared by the electricity providers (when available) or the coefficients used for the location-based approach when the former were unavailable.

Scope 3: This is defined as indirect upstream and downstream emissions from third-party activities and operational management services. GHG included in Scope 3 calculations are CO2, CH4 and N2O.

Of the 15 Scope 3 categories in the GHG protocol, eight categories have been determined as relevant to Hafnia's business model and activities.

The excluded emissions categories are:

- Downstream transportation and distribution (GHG #9)
- Processing of sold products (GHG #10)
- Use of sold products (GHG #11)
- End-of-life treatment of sold products (GHG #12)
- Downstream leased assets (GHG #13)
- Franchises (GHG #14)
- Investments (GHG #15)

Following our materiality analysis, Hafnia has incorporated the following categories in our Scope 3 calculation.

- Purchased goods and services (GHG #1): Operating expenses costs converted into emissions based on U.S. EPA Supply Chain Greenhouse Gas Emission factors for the U.S.
- Capital Goods (GHG #2): Includes Capital expenditures (CapEx) such as investments in vessel newbuilds, projects/upgrades or dry docking of vessels. For shipbuilding, the emissions are calculated based on CO2 emissions from the production of steel needed to build ships, which is itself measured based on the weight of the steel in the ships (emission factor from the World Steel Association). We consider the ships that have been delivered during the year and emissions from partially owned vessels which are prorated by the ownership percentage. Projects/upgrades, and drydocking CAPEX, are converted into emissions based on costs using the U.S. EPA emissions factors for Ship Building and Repairing.
- Fuel and energy-related activities (GHG #3): Upstream emissions from bunker consumption for our owned vessels using the Well-To-Tank CO2 equivalent emissions factors from Fuel EU Directive based on fuel types.
- Upstream transportation and distribution (GHG #4): Upstream transportation emissions on our purchased goods and services. Since upstream transportation and distribution are part of the emission factors applied in GHG #1, GHG #4 is included and reported as part of GHG #1 - Purchased goods and services in the reported figures.
- Waste generation in operations (GHG #5): The volume of waste generated by our owned ships is converted into emissions based on treatment and waste types using EPA GHG Emissions Factors.
- Business travel (GHG #6): Air travel from shore-based employees reported based on emissions data provided by our travel agents.
- Employee Commuting (GHG #7): Includes both seafarers' air travel to reach their place of work and as shore-based employees' commuting. Seafarers' air travel emissions are reported based on data provided by our travel agents. Shore-based employees commuting emissions are reported based on employee headcount per location, estimated commuting distance, and transportation modes using national commuting emissions factors.
- Upstream leased assets (GHG #8): Emissions from the vessels that are chartered-in for more than three months to Hafnia during the reporting year and that are not included in Scope 1 as we are using an equity share approach.

- **AER:** The annual efficiency ratio is quantified in grams of CO2 emissions per actual capacity-distance (deadweight tonnage-nautical miles sailed). The calculation exclusively considers CO2 as the sole GHG by the specifications mandated by the IMO.

Emission Intensity:
Emission intensity measures the metric tonnes of GHG emissions equivalent emitted per net revenue (USD).

	Units	2023
GHG Emission Intensity (Scope 1 & Scope 2)	**MTCO2e/ USD '000**	**1.01**
GHG Emission Intensity (Scope 3)	**MTCO2e/ USD '000**	**0.38**

Energy Consumption

Energy consumed by Fuel Type: Values are broken down by fuel type on page 163.

Non-GHG Emissions

Non-GHG emissions have been calculated to ensure consistency with Scope 1 emissions calculations and thus use the equity share approach.

The emission factors used for the NOx, SOX, Black Carbon and PM10 emissions are as indicated by the 4th IMO GHG study.

Spill and Releases: Oil spills have been reported following the definition provided in MARPOL Annex I. We report on spills for both external and internal fleets.

Waste

Waste Landed Ashore: Waste generated by vessels and disposed onshore. Data include both internally and externally managed vessels.

Plastic Waste: Plastic generated on-board vessels and disposed ashore. Data include both internally and externally managed vessels. The rise in plastic waste can be attributed to the expanding fleet.

Scope 3 Emissions with Categories Details

Scope 3 Category	GHG Scope 3 Categories	Units	2023
Purchase goods and services	GHG 1	MT CO2e	26,037
Capital goods	GHG 2	MT CO2e	159,745
Fuel and energy -related activities	GHG 3	MT CO2e	315,584
Upstream transportation and distribution	GHG 4	MT CO2e	Included in Category GHG 1
Waste generated in operations	GHG 5	MT CO2e	1,206
Business travel	GHG 6	MT CO2e	2,040
Employee commuting	GHG 7	MT CO2e	9,690
Upstream leased assets	GHG 8	MT CO2e	219,668

Fleet Fuel Consumption

Fuel Type	Units	2023 vs 2202	2023	2022	2021
Fuel Consumption from Non-Renewable Sources					
HSHFO	MT	35.6%	86,796	64,001	20,058
VLSFO	MT	-4.7%	415,706	436,361	356,294
LSMGO	MT	4.7%	100,303	95,803	86,312
LNG	MT	N/A	1,302	0	0

Total Energy Consumption

Parameter	Units	2023 vs 2202	2023	2022	2021
Fuel Consumption from Non-Renewable Sources					
HSHFO	GJ	35.6%	3,489,199	2,572,840	806,332
VLSFO	GJ	-4.7%	16,711,381	17,541,712	14,323,019
LSMGO	GJ	4,7%	4,282,983	4,090,788	3,685,522
LNG	GJ	N/A	62,496	0	0
Fuel Consumption from Renewable Sources					
Any Renewable Sources	GJ	N/A	Not reported	Not reported	Not reported
Others					
Electricity	GJ	N/A	682	984	Not Reported
Heating	GJ	N/A	614	136	Not reported
Cooling	GJ	N/A	263	21	Not Reported
TOTAL	GJ	+1.41%	24,547,574	24,206,482	18,814,873

Non-GHG Emissions

	Unit	2023 vs 2202	2023	2022	2021
Number of Vessels included in the Calculation for the Year	Number	N/A	122	123	88
Distance Sailed	nm	4.0%	6,186,830	5,948,844	4,711,326
NOx	MT	3.6%	81,974	79,162	76,528
SOx	MT	1.3%	5,145	5,078	4,819
PM10	MT	1.5%	4,473	4,405	Not reported
Black Carbon	MT	1.7%	168	165	129

Hafnia registered one oil spill in the last five years.
Spill and Releases to the Environment

	Unit	2023 - Entire Fleet	2022 - Entire Fleet	2021 - Entire Fleet
Number of Spills & Releases to the Environment	Number	0	1	0
Aggregate Volume of Spills & Releases to the Environment	m^3	0	7.9	0

Waste Landed Ashore

	Unit	2023 vs 2022	2023	2022	2021
Total Waste	m^3	N/A	36,308	Not reported	Not reported
Plastics	m^3	5.0%	1,911	1,820	Not reported

Social Performance

Numbers have been calculated based on the year-end headcount on 31st December 2023.

People Statistics

Employees are defined as employees, interns, trainees, or contractors onshore with at least six-month contracts and consultants located in India on fixed terms and hired directly under Hafnia.
Non-employee workers: seafarers and contractors hired directly under a contract with Hafnia or through a contract with a third-party technical manager.
Turnover rate: Number of leavers (all leavers) during the reporting period over the number of employees at the beginning of the reporting period.
New hire rate: Number of hires at the end of the reporting period divided by the number of employees at the beginning of the reporting period.

Total Number of Shore-based Employees by Employment Contract and Gender (2023)

	Female	Male	Total
Number of Employees	98	173	271
Number of Permanent Employees	92	166	258
Number of Temporary Employees	6	7	13
Number of Non-Guaranteed Hours Employees	0	0	0
Number of Full-Time Employees	87	171	258
Number of Part-Time Employees	11	2	13

Total Number of Employees by Employment Contract and Region (2023)

	Copenhagen	Singapore	Houston	Dubai	Monaco	Mumbai
Number of employees	97	134	15	12	3	10
Number of permanent employees	90	129	15	12	3	9
Number of temporary employees	7	5	0	0	0	1
Number of non-guaranteed hours employees	0	0	0	0	0	0
Number of full-time employees	86	133	14	12	3	10
Number of part-time employees	11	1	1	0	0	0

New Employee Hire and Employee Turnover (2023)

Statistics by Gender

	Female	Male	Total
New hire number	18	19	37
New hire rate	7%	8%	15%
Leavers	9	8	17
Turnover rate	4%	3%	7%

Statistics by Age Group

	<30	30-50	>50
New hire number	16	19	2
New hire rate	6%	8%	1%
Leavers	8	6	3
Turnover rate	3%	2%	1%

Statistics by Location

	Copenhagen	Singapore	Houston	Dubai	Monaco	Mumbai
New hires number	10	22	1	1	0	3
New hire rate	4%	9%	0%	0%	0%	1%
Leavers	6	9	1	0	0	1
Turnover rate	2%	4%	0%	0%	0%	0%

Health and Safety Performance

Figures exclusively concern non-employee workers, representing the most vulnerable category to health issues. There are no cases to report regarding employees. All the data relative to non-employees workers include Hafnia's internally and externally managed fleet.

Internal Crew: This refers to the crew who hold direct employment relationships with Hafnia using a signed Seafarers Employment Agreement (SEA). Hafnia provides them and their family medical/hospitalisation insurance throughout the year.
External Crew: This refers to crew hired by external technical management to run Hafnia's vessels. They have employment relationships with the external technical manager but must follow the Service Level Agreement (SLA) with Hafnia.
Lost Time Injury Frequency (LTIF) per million working hours*: Number of injuries that have caused at least one workday of absence after the day of the injury per one million working hours.
Total Recordable Case Frequency (TRCF) per million working hours:* Number of injuries reported in the safety management system per one million working hours.
*The calculations have been conducted by summing the events in the category, multiplied by one million, and then dividing by the total exposure working hours over a 12-month period.
Port State Control (PSC) deficiencies and detentions: Total deficiencies and detentions with respect to international maritime rules and standards over inspections done by authorities from the port state.
Work-related injury: As per the definition provided in GRI 403.
High-consequence work-related injury: As per the definition provided in GRI 403.
Recordable work-related injury: As per the definition provided in GRI 403.
Work-related ill-health: As per the definition provided in GRI 403.

Work-Related Injuries (2023)

	Number	Rate
Number of fatalities as a result of work-related injury	0	0
Number of high-consequence work-related injuries (excluding fatalities)	9	0.41
Number of recordable work-related injuries	15	0.69

Diversity Performance

Board of Directors: Members of the Board of Directors elected by the Annual General Meeting.
Leadership Group: Refer to page 11.
Team Leaders: All people in managerial positions.
Commercial and Technical Roles: All people working in operations, claims, chartering, sales & purchases, pool management, bunker, technical management, fleet, HSEQ, marine, crewing, technical projects and drydock.

Diversity by Age Group (2023)

Employee Category	<30	30-50	>50
Board of Directors	0%	20%	80%
Onshore			
Leadership Group	0%	35%	65%
Team Leaders	2%	64%	34%
Commercial and Technical Roles	15%	56%	29%
Total	18%	55%	27%
At Sea			
Seafarers	29%	60%	11%

Training and Education

Percentage of workers receiving regular performance and career development reviews (2023)

	Employees ashore	Seafarers
Workers receiving regular performance and career development reviews	100%	100%

Annual Engagement Survey

Onshore

With an overall response rate of 94%, Hafnia's Employee Engagement Survey achieved a positive engagement rate of 92% - where employees responded favourably across 10 topics, indicating confidence in the survey as a tool for organizational improvements.

Highlighted Strengths:
- Active involvement in Hafnia's strategy
- Positive collaboration among departments
- Reasonable workload, underlining flexible working arrangements

Improvement Areas:
- Encouragement of employees to feel safe, speak up and bring their whole selves to work
- Establishing more career support
- Enhancing managers' skills in communicating feedback and managing conflicts

At Sea

Hafnia registered a response rate of 64%, marking an increased interest in communicating company strengths and areas for improvement from at sea personnel. The questionnaire considers six material topics including relationship with manager, safety and working conditions and job satisfaction.

Highlighted Strengths:
- Strong safety culture and crew welfare
- Commendable support from onshore teams

Improvement Areas:
- Stronger measures for crew repatriation to their home airport
- Compensation measures
- Streamlined paperwork administration

4.2
Reporting Framework Alignment

GRI Framework

GRI 2: General Disclosures

Disclosure Number	Disclosure Title	Disclosure
The Organisation and Reporting Practices		
2-1	Organisational details	Hafnia Limited organisational details are described on page 68.
2-2	Entities included in the organisation's sustainability report	All Hafnia subsidiaries and joint ventures are included in the sustainability report. Reporting boundaries are described on page 161.
2-3	Reporting period, frequency and contact point	Hafnia reports annually. The report covers activities from the 1st of January until 31st of December 2023 as per description on page 161.
2-4	Restatements of information	Refer to Accounting Policies on page 161.
2-5	External assurance	Contact person for Hafnia's Annual Report and Sustainability Report is Thomas Andersen at tha@hafniabw.com.
Activities and Workers		
2-6	Activities, value chain and other business relationships	Hafnia primarily operates in the worldwide transportation of refined oil products and chemicals with tankers. We offer a fully integrated shipping platform, including technical management, commercial and chartering services, pool management, and a large-scale bunker desk. Refer to page 4-7 for more information.
2-7	Employees	Refer to page 44 & 164-165. The significant fluctuations are due to changes in the definition of employees, where we now include student assistants and interns as part of employee headcount.
2-8	Workers who are not employed	The most common types of workers are seafarers hired directly under a contract with Hafnia or through a contract with our third-party technical managers. Refer to page 44 for the total number of seafarers. Note to the table: Numbers are based on the year-end headcount on 31st December 2023.
Governance		
2-9	Governance structure and composition	Governance Structure and Composition are described on page 62-63 (Section 8), 36 & 52-54. All members of the board are non-executive, and information about composition of the highest governance body and its committees is covered on page 57-58.
2-10	Nomination and selection of the highest governance body	The Nomination Committee believes that the interests of the Company are best served by having a diverse board, concurring experience, nationality, age, and competence. The appointment of any director onto the Board goes through shareholder approval, either during an Annual General Meeting or Special General Meeting. The nomination committee further takes in the views of shareholders by reaching out to the top shareholders of Hafnia to understand their views and focus on our strategy or board focus. Refer to page 57-58 & 62-63 (Section 7 & 8).
2-11	Chair of the highest governance body	The Chairman of Hafnia's Board of Directors is not a senior executive in the company.

Disclosure Number	Disclosure Title	Disclosure
2-12	Role of the highest governance body in overseeing the management of impacts	The Board of Directors plays a crucial role in approving and overseeing the development of the Company's strategies, policies, and goals related to sustainable development. Every material decision relating to the Company must seek approval from the Board through scheduled and ad-hoc Board meetings. The process to identify Hafnia's impact on the economy, environment and people is driven by the Executive Management. Results and feedback of this process are shared with the Board of Directors on an annual basis. The Board keeps track of the progress made on these impacts on a quarterly basis during Board meetings, when updates are shared.
2-13	Delegation of responsibility for managing impacts	Information about the governance of the management of impacts on the economy, environment, and people is included on page 36. The company reports on the effects on a quarterly basis, at scheduled Board meetings, and the Board approves the annual ESG report.
2-14	Role of the highest governance body in sustainability reporting	The Board of Directors holds the highest authority in making decisions related to ESG, which is a topic of discussion during their quarterly board meetings. Upon receiving the final draft of the annual report, the Board verifies the accuracy and precision of all the reported information and provides feedback and comments to the team. The Board of Directors approves the final version of the ESG report.
2-15	Conflicts of interest	Hafnia's processes to manage conflicts of interest are described on our Code of Conduct and page 63 (Section 9).

Disclosure Number	Disclosure Title	Disclosure
2-16	Communication of critical concerns	Critical concerns are reported through our Whistle Blowing Platform directly to the Head of People or Head of Technical respectively as per our Whistle Blowing Policy. Any critical concerns reported via different channels as per our Code of Conduct or our On-Board Complaints Procedure for seafarers are escalated to the Board of Directors via email, Monthly Board Report or during the quarterly Board meeting. In 2023, no critical concerns were reported to the Board of Directors.
2-17	Collective knowledge of the highest governance body	ESG is a recurrent topic on the Board's agenda. Every quarter, during the Board Meeting, the Board is informed of the updates on the Company's ESG strategy, targets and performance and briefed on the upcoming regulations that will impact the company in the medium and long term. Board of Directors members possess extensive expertise in sustainable development, acquired through their diverse roles within the industry. Skills and knowledge are maintained through positions held in various boards and committees and through attending relevant events and forums. Refer to page 53-54 for more details about their skill-set.
2-18	Evaluation of the performance of the highest governance body	The Board of Directors performs a non-independent self-evaluation annually. No actions have been taken in 2023 in response to the evaluations.
2-19	Remuneration policies	Hafnia's Guidelines on Executive Remuneration are available on the company website: Guidelines on Executive Remuneration. The link between their objectives and performance in relation to sustainability is described on page 56.
2-20	Process to determine remuneration	Hafnia's process for designing its remuneration policies is described in Company's Executive Remuneration Policy and described on page 56.
2-21	Annual total compensation ratio	Not reported.

Disclosure Number	Disclosure Title	Disclosure
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	Statements on sustainable strategy are available on page 13-14, 67-69 & 36 as well as all over the ESG report.
2-23	Policy commitments	Hafnia's policy statements are described in the 'Code of Conduct' and 'Supplier Code of Conduct' and in a dedicated section on our website. Our commitments to human rights are described in our Human Rights Policy. Our policies adhere to industry standards and international laws and regulations. The specific legislation upon which each policy is based is explicitly stated in the policy texts accessible on our website. All policies are available to all employees and seafarers on the Company's intranet and Quality Management System. Policies are introduced to all new shore-based employees and seafarers during their on-boarding period, and refreshers are provided during town halls and e-learning courses. The CEO approves policy commitments. More specific information on policies can be found on page 185-186, 48 & 49-51.
2-24	Embedding policy commitments	Hafnia has a robust Compliance Program, which is set up to establish, promote and enforce each of Hafnia's compliance pillars and policy commitments. The program integrates the commitment expressed in the policies into the organisational strategy and operational procedures and provides frequent training to all employees and seafarers on policy implementation. Suppliers doing business with Hafnia must comply with the Suppliers' Code of Conduct. More information can be found on page 49-51 & 185-186. Our compliance program is established by our Executive Projects team and is approved annually by the Executive Management. Once approved, the program is shared and endorsed by the Board of Directors. Progress made on the Compliance Program is shared monthly with the CEO and CFO.

Disclosure Number	Disclosure Title	Disclosure
2-25	Processes to remediate negative impacts	Commitment to remediate negative impacts and the process in place to report concerns is described on page 50 and in our Code of Conduct. The Hafnia Whistle Blowing Platform is available to all employees and suppliers and is managed by a third-party provider to ensure anonymity. More information about the process and the platform can be found on our Whistle Blowing Policy. Feedback from employees and non-employee workers is considered in the development and enhancement of the aforementioned mechanism.
2-26	Mechanisms for seeking advice and raising concerns	Seafarers can seek advice on the implementation of policies and procedures from the Senior Management on-board and request any change in the policy or procedures in the DocMap software. Employees are regularly reminded of means to access compliance advice through the company's intranet, town halls and other communications. They can address any question to the Compliance Program responsible or Compliance owner for the respective policies. Mechanisms for raising concerns are described in our Code of Conduct and our Whistle Blowing Policy.
2-27	Compliance with laws and regulations	The company has not been involved in any significant instances of non-compliance that resulted in administrative or judicial sanctions or fines during 2023.
Stakeholder Engagement		
2-28	Membership associations	Memberships associations are described on page 38.
2-29	Approach to stakeholder engagement	Hafnia's approach to stakeholder engagement is described on page 38.
2-30	Collective bargaining agreements	All our seafarers are covered by collective bargaining agreements as described on page 48.

GRI 3: Material Topics Disclosures

Disclosure Number	Disclosure Title	Disclosure
3-1	Process to determine material topics	The process to determine ESG material topics is described on page 37 & 161.
3-2	List of material topics	The material topics for Hafnia are listed on page 37 & 161.
3-3	Management of material topics	Management of material topics is expressed in the specific sections of the ESG report and on page 37 & 161.

Minimise our Impacts on Environment & Climate

Disclosure Number	Disclosure Title	Disclosure
GRI 302: Energy		
302-1	Energy consumption within the organization	Hafnia reports on energy consumption, emission factors and methodologies used for the calculation on page 160-163. Hafnia doesn't sell electricity, heating or cooling.
302-2	Energy consumption outside the organisation	Not reported.
302-3	Energy intensity	Hafnia's energy intensity ratio is 12.81 and has been calculated by dividing energy consumption (GJ) by the revenues (USD '000). The calculation includes only fuel-related energy consumption, excluding electricity, heating, and cooling, as their contribution is not relevant compared to the fuel's one. The ratio uses energy consumption coming from within the organisation.
302-4	Reductions of energy consumption	Not reported.
302-5	Reductions in energy requirements of products and services	Not applicable.

Disclosure Number	Disclosure Title	Disclosure
GRI 304: Biodiversity		
304-1	Operational sites, owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable.
304-2	Significant impacts of activities, products and services on biodiversity	The activities of Hafnia have a substantial impact on the environment, specifically the marine ecosystem, presenting a threat to marine wildlife and a potential risk of introducing invasive species and pathogens through ballast water systems. Hafnia's strategy to reduce its impact on biodiversity is expressed on page 43.
304-3	Habitats protected or restored	Not applicable.

Disclosure Number	Disclosure Title	Disclosure
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	Hafnia's Scope 1 is reported on page 41. Methodologies and boundaries to perform the calculation are described on page 161. Biogenic CO2 emissions are not applicable to Hafnia.
305-2	Energy indirect (Scope 2) GHG emissions	Hafnia's Scope 2 location-based and market-based data are reported on page 41. Methodologies and boundaries to perform the calculation are reported on page 160-162.
305-3	Other indirect (Scope 3) GHG emissions	Hafnia's total Scope 3 is reported on page 41. Methodologies, assumptions and the breakdown into the different Scope 3 categories are reported on page 161-163. Hafnia doesn't report on biogenic CO2 emissions from the supply chain.
305-4	GHG emissions intensity	Hafnia's GHG emission intensity is provided on page 162.
305-5	Reduction of GHG emissions	Data regarding GHG emissions over the last three years are reported on page 41, and gases included in the calculation are reported on page 161-162. Hafnia obtained a reduction of -0.17% with respect to its Annual Efficiency Ratio (AER). We have not set a baseline year for fleet emissions reduction as this loses significance with the fleet changing in size.
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Hafnia reports emissions of NOx, SOx, Black Carbon, PM10 and their emission factors and methodology on page 162 & 164.

Disclosure Number	Disclosure Title	Disclosure
GRI 306: Waste		
306-1	Waste generation and significant waste-related impacts	The waste included into the disclosures refers to the waste generated in both internally and externally managed ships for which targets for waste reduction have been set. Waste generated in the value chain and waste generated in the office is not considered as of today.
306-2	Management of significant waste-related impacts	To minimise waste generation, we have established targets for reducing plastic usage on ships (refer to page 43). Additionally, we are intensifying our endeavours to transition from paper-based processes to digital solutions and curbing the supply of single-use plastic. Furthermore, we have formulated a Ship recycling policy with the objective of responsibly dismantling vessels at the conclusion of their life-cycle. More information can be found on page 43 (Care for the environment).
306-3	Waste generated	Refer to page 164.
306-4	Waste diverted from disposal	Not reported.
306-5	Waste directed to disposal	Not reported.
GRI 308: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	Hafnia plans to introduce environmental criteria for suppliers' screening in 2024. Refer to page 51 for more information.
308-2	Negative environmental impacts in the supply chain and actions taken	Information not available for 2023. Hafnia plans to commence the process of mapping its supply chain in 2024.

Cultivate People First

Disclosure Number	Disclosure Title	Disclosure
GRI 401: Employment		
401-1	New employees hires and employee turnover	Refer to page 165.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Life insurance, Health Care, Disability and invalidity Coverage, Parental Leave and Retirement Provision are benefits which are considered standard for full-time employees in all locations of operations, beside Retirement Provision which is not offered in Dubai according to national legislation. These benefits are not provided to temporary or part-time employees. For significant locations of operation, Hafnia means all those locations where it has an office or at least 10 employees.
401-3	Parental leave	14 Hafnia's employees (seven men and seven women) were entitled to parental leave in 2023. All these 14 employees took their parental leave. Seven of them returned to work in the same position while seven of them are still presently on parental leave. Data on return-to-work rate for the year 2023 are: • Return to work rate for female = 100% • Return to work for male = 100% Data on retention rate after 12 months after their return to work have been calculated consulting record from 2022 and are: • Retention rate for female = 100% • Retention rate for male = 87.5%
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	Hafnia has a safety management system (SMS) collecting all the policies and procedures for carrying out operations and including risk reduction measures on occupational health. The SMS has been developed to adhere to International Safety Management (ISM) Code, International Ship and Port Facility Security (ISPS) Code and Maritime Labour Convention (MLC) Code requirements. The system has been implemented based on a risk management approach. All activities and seafarers onboard the ships are covered by the SMS. The SMS is also further described on page 45.
403-2	Hazard identification, risk assessment, and incident investigation	A Risk Assessment must be conducted prior to carrying out any job (Planned, Unplanned or Non-routine) to evaluate the harm to a Person, the Environment, Property (vessel and cargo) or Reputation. Every individual on board a vessel has the authority and the responsibility to stop working when an unsafe condition or act could result in an undesirable event or health and safety are at risk. The Stop Work process should involve a Stop, Notify, Correct, and Resume approach to address and rectify situations posing potential danger. The risk assessment must be revised before the work can commence again and learnings are reported as unsafe acts or unsafe conditions in the specific software for safety management. The company conducts an annual management review, incorporating input from ship staff to enhance its Safety Management System. More information on page 45.
403-3	Occupational health services	Hafnia appointed competent individuals as safety ambassadors to facilitate measurements implementation, built trust and confidence in the leadership. This is reinforced through practices such as reiterating the Lock out, tag out (LOTO) process, ensuring correct use of PPE and periodic trainings and campaigns. All policies on health and safety are accessible any time to all seafarers in the SMS. Refer to page 45 for more information.
403-4	Worker participation, consultation, and communication on occupational health and safety	Workers' participation and consultation on health and safety are achieved through weekly management meetings, a Pre-Work Safety Briefing and an On-site Toolbox Briefing which cover work planning, safety requirements, and PPE matrix.
403-5	Worker training on occupational health and safety	All seafarers receive a mandatory induction programme during working hours, which includes an introduction to the Safety Management System, Operational Integrity processes and Health, Safety, Security & Environment (HSSE) Policies. Health, Safety and Environment (HSE) induction training is mandatory for all personnel visiting Hafnia's vessels. Training and refreshers are provided regularly as described on page 45.

Disclosure Number	Disclosure Title	Disclosure
403-6	Promotion of worker health	All employees are covered by medical insurance with different non-occupational healthcare services included according to the location of operation, same is provided to seafarers in accordance with their Collective Bargaining Agreement.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Hafnia actively prevents and mitigates substantial adverse occupational health and safety impacts directly associated with its operations and business relationships. This commitment is upheld by adhering to the utmost safety standards outlined on page 45. Additionally, Hafnia requires its suppliers to comply with elevated safety standards outlined in its Supplier Code of Conduct before initiating any business activities.
403-8	Workers covered by an occupational health and safety management system	All workers are covered by the occupational health and safety management system. Hafnia has implemented a safety management system based on the highest legal requirements and recognised standards as described on page 45 and disclosure 403-4.
403-9	Work-related injuries	Hafnia's Health and Safety statistics are described in the graph on page 45 & 166. The primary categories of work-related injuries for seafarers include injuries to the body, hands, and fingers, incidents involving foreign bodies in the eyes, and cases of dehydration. Hafnia has carried out safety campaigns on these topics to bring down injuries. Work-related hazards are managed by controlling work systems, which require risk assessment, control of hazards and authorisation to work. Actions taken to eliminate work-related hazards are based on a hierarchy of controls. The first priority is to eliminate the hazard, the second option is to substitute the hazard, and the third option is to introduce engineering controls to prevent injuries. Injuries are recorded in a software system to compute injury statistics. A Business Intelligence dashboard has been created to leverage this data and provide updated indicators, such as LTIF and TRCF. Read more on page 45.
403-10	Work-related ill health	Work-related ill health statistics are described on page 166. In 2023, Hafnia recorded zero cases of ill health among all workers at its premises. Health risks, including noise, asbestos, naturally occurring radioactive material (NORM), hand/arm vibration syndrome, potable water and other relevant factors, are regularly assessed and effectively managed through the established health risk assessment process and management system.
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	Average training hours are reported on page 46. Hafnia did not report on average hours of training per gender or employee category for the reporting year 2023. Hafnia's employees regularly undertake training in Hafnia's e-learning portal, participate in in-house courses, workshops and take individual training to develop a specific skill-set in accordance with their managers. Seafarers have mandatory courses that they must perform on a regular basis, more information on page 45.
404-2	Programs for upgrading employee skills and transition assistance programs	Programs to uphold employees' skills are described on page 46. Hafnia evaluates assistance programs for employees on a case-by-case basis to facilitate continued employability or management career ending for retirement reasons or termination of employment.
404-3	Percentage of employees receiving regular performance and career development reviews	Refer to page 46 & 167 for the figures. The quantity of performance reviews is unrelated to the gender or category of employees; instead, it is contingent on the necessity and leadership style of the manager.
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Refer to page 47 & 166.

Disclosure Number	Disclosure Title	Disclosure
405-2	Ratio of basic salary and remuneration of women to men	Not reported.
GRI 406: Non-Discrimination		
406-1	Incidents of discrimination and corrective actions taken	No incident of discrimination has been raised through our Whistle Blowing System in 2023.
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	All our seafarers are covered by a Collective Bargaining Agreement. Risks may arise along the supply chain and in the recruitment process. Consequently, crewing agencies undergo annual audits conducted by entities such as Port State Control, the International Transport Workers Federation, and the Maritime Labour Convention. These audits and inspections aim to ensure compliance with Collective Bargaining Agreements. More information is on page 48.
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Hafnia's contract service provider for armed guards has incorporated Human Rights into the Company's Standard Operating Procedures (SOP's). All personnel are trained and contracted to operate with in compliance with the Company's SOPs.
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Hafnia plans to introduce social criteria for suppliers' screening in 2024. Refer to page 51 for more information.
414-2	Negative social impacts in the supply chain and actions taken	Hafnia plans to commence mapping its supply chain in 2024, followed by conducting a due diligence specifically in areas where a heightened risk of human rights breaches are identified.

Act for Fair Business Practices and Economic Topics

Disclosure Number	Disclosure Title	Disclosure
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	Our direct economic value generated and distributed is described on page 78-84.
201-2	Financial implications and other risks and opportunities due to climate change	Risks and opportunities are described according to the TCFD recommendations and can be found on page 59 & 181-184.
201-3	Defined benefit plan obligations and other retirement plans	Hafnia offers different benefit plan obligations and retirement plans to its employees in accordance with national legislation in their respective office locations: Copenhagen: Hafnia adheres to national legislation and, in addition, extends a 10% pension contribution paid by the company to all permanent employees, atop their gross salary. Singapore, Dubai, and Monaco: Work obligations and retirement plans align with the applicable national legislation. Houston: Local employees receive up to 3% employer matching contributions, and Hafnia supplements this with a 3% safe harbor non-elective contribution for all employees.
201-4	Financial assistance received from government	Not applicable.
GRI 202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not reported.
202-2	Proportion of senior management hired from the local community	As of 31st December 2023, 55% of the Leadership Group members' nationality represents the same one as the country they work in.

Disclosure Number	Disclosure Title	Disclosure
GRI 205: Anti-Corruption		
205-1	Operations assessed for risks related to corruption	All of Hafnia's operations at sea can be assessed for being at risk of corruption. Our business involves frequent interactions with government officials, whether related to business development, licenses to operate or movements of goods. We operate in countries perceived to be at high risk for corruption. Through a risk assessment, we have identified the following risks related to corruption: ambiguous local requirements, rigid enforcement of local requirements, unattainable local requirements, untrustworthy local partners, false infraction claims, manufactured non-compliance, limited availability of officials, delays in clearance, delays in loading and/or unloading, officials refusing to work.
205-2	Communication and training about anti-corruption policies and procedures	All employees and non-employee workers receive communications and training related to anti-corruption. This takes place on Hafnia's e-learning platforms, official channels, publications, and Town halls. Suppliers are required to adhere to anti-corruption laws when initiating a business relationship with Hafnia. This commitment is formalised by acknowledging the Supplier Code of Conduct. For more information, refer to page 49-50.
205-3	Confirmed incidents of corruption and actions taken	In 2023, Hafnia did not record any confirmed cases of corruption, nor were there any cases where employees were dismissed or disciplined due to corruption. No confirmed incidents occurred in 2023 where contracts with business partners were terminated or not renewed due to violations. No public legal cases regarding corruption were brought against the company or its employees during the reporting period.

Disclosure Number	Disclosure Title	Disclosure
GRI 206: Anti-Competitive Behaviour		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	In 2023, Hafnia did not record any cases of anti-competitive behaviour, anti-trust and monopoly practices.

SASB Framework

Topic	Code	Disclosure title	Unit	Disclosure
Greenhouse Gas Emissions	TR-MT-110a.1	Gross global Scope 1 emissions	Metric tons (t) CO2e	Refer to page 41
	TR-MT-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	NA	Refer to page 40-42
	TR-MT-110a.3	Total energy consumed	Terajoules (TJ)	24,552
	TR-MT-110a.3	Of which percentage coming from heavy fuel oil	Percentage (%)	82%
	TR-MT-110a.3	Of which percentage coming from renewable	Percentage (%)	0%
	TR-MT-110a.4	Average Energy Efficiency Design Index (EEDI) for new ships	CO2 per capacity-nm	2.64
Air Quality	TR-MT-120a.1	Air emission of NOx (excluding N2O)	Metric tons (t)	Refer to page 164
	TR-MT-120a.1	Air emission of SOx	Metric tons (t)	Refer to page 164
	TR-MT-120a.1	Air emissions of PM10	Metric tons (t)	Refer to page 164
Ecological Impact	TR-MT-160.a.1	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	Not reported
	TR-MT-160.a.2	Percentage of fleet implementing ballast water exchange	Percentage (%)	5
	TR-MT-160.a.2	Percentage of fleet implementing ballast water treatment	Percentage (%)	96
	TR-MT-160.a.3	Number of spills and releases to the environment	Number	Refer to 164
	TR-MT-160.a.3	Aggregate volume of spills and releases to the environment	Cubic meters	Refer to 164
Employee Health & Safety	TR-MT-320.a.1	Lost time incident rate (LTIR)	Rate	Refer to page 45

Accidents & Safety Management	TR-MT-540.a.1	Number of marine casualties	Number	1
	TR-MT-540.a.1	Percentage classified as very serious (very serious = the total loss of the ship, death, or severe damage to the environment)	Percentage (%)	0
	TR-MT-540.a.2	Number of Conditions of Class or Recommendations	Number	30
	TR-MT-540.a.3	Number of port state control deficiencies	Number	179
	TR-MT-540.a.3	Number of port state control detentions	Number	1
Business Ethics	TR-MT-510.a.1	Number of calls at ports in countries that have the 20 lowest rankings in Transparency Internationals Corruption Perception Index	Number	44
	TR-MT-510.a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	USD	0
Activity Metric	TR-MT-000.A	Number of shipboard employees	Number	Refer to page 44
	TR-MT-000.B	Total distance travelled by vessels	Nautical miles (nm)	Refer to page 164
	TR-MT-000.C	Operating days	Days	Refer to page 15
	TR-MT-000.D	Deadweight tonnage	Thousand DWT	Refer to page 15
	TR-MT-000.E	Number of vessels in total shipping fleet	Number	Refer to page 164
	TR-MT-000.F	Number of vessel port calls	Number	Refer to page 15

ESRS 2 General Disclosures

Topic	ESRS 2	Disclosure	Page in the Report/Disclosure
Basis for Preparation	ESRS 2 BP-1	General basis for preparation of the sustainability statements	Page 161
Governance	ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	Page 36
	ESRS 2 GOV-2	Information provided and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Page 36
	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Page 56
	ESRS 2 GOV-4	Statement on sustainability due diligence	Page 36
	ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	Page 59 & 181-184
Strategy	ESRS 2 SBM-1	Market position, strategy, business models and value chain	Page 50
	ESRS 2 SBM-2	Interests and views of stakeholders	Page 37 & 161
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business models	Page 37 & 161
Impact, Risk and Opportunity Management	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Page 59 & 181-184
	IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	Page 36
	Policies DC-P	Policies adopted to manage material sustainability matters	Refer to page 185-186
	Actions DC-A	Actions and resources in relation to material sustainability matters	Refer to page 34-65
Metrics and Targets	Targets DC-T	Tracking effectiveness of policies and actions through targets	Refer to page 34-65

TCFD Framework

Governance		
a)	Describe the board's oversight of climate-related risks and opportunities.	The Board of Directors oversees climate-related risks and opportunities through its responsibility for Hafnia's Enterprise Risk Management (ERM). The Board discusses and includes sustainability considerations in our corporate strategy, governance, risk profile and decision making. The ESG performance and related risks are discussed during the Board Meetings every quarter. The Audit Committee oversees our ESG disclosures, processes, controls and external assurance. More information is available on page 36 & 59.
b)	Describe management's role in assessing and managing risks and opportunities.	Management reviews climate-related risks and opportunities on an ongoing basis, as part of its responsibilities for the ERM. Risks and opportunities identified are integrated into the ERM and evaluated over time, considering the possible impacts on our business in the short and long term.
Strategy		
a)	Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.	Climate-related risks and opportunities have been identified for short-, medium-, and long-term and the results have been synthesised in the Risks and Opportunities table described on page 183-184.
b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	The impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning are described on page 59 & 183-184.
c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Following the recommendations of TCFD, Hafnia considered two climate risk scenarios, a 1.5 degree Celsius and a 3.0-degree Celsius scenario. Hafnia is investing in climate reduction pathways required to achieve the targets including the IMO's and Paris Agreement's current 2030 and 2050 reduction goals. The strategy will continuously evolve and adapt to ensure the resilience of our business both in the short and long term.

Risk Management		
a)	Describe the organisation's processes for identifying and assessing climate-related risks.	Our company assessed the transitional and physical risks within each scenario and identified the impacts, opportunities, and mitigation strategies within each of the major risk category. A formal Climate Risk Review had been conducted in early 2023, including management workshops, led by an external advisory. The outcomes have been then updated regularly as part of the ERM process.
b)	Describe the organisation's processes for managing climate-related risks.	Various management approaches are used to address climate-related risks. This includes measurement, mitigation and adaptation strategies. Climate-related risks are also integrated into our ERM system to further assess which initiatives can tangibly and effectively manage them.
c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Climate-related risks are fully integrated into Hafnia's risk management approach and are assessed by the Board and Management on an ongoing basis.
Metrics & Targets		
a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics used by Hafnia to measure and manage climate-related risks and opportunities are described on page 40-43 & 161-164.
b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Scope 1, Scope 2, and Scope 3 GHG emissions are disclosed on page 41.
c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Targets used by Hafnia to manage climate- related risks and opportunities are described on top of each chapter on page 40-43.

Risk & Opportunities Table

Type of Risk	TCFD Risk Category	Risk Description	Potential Impact	Our Response	Opportunities
Industry & Business Risk	Transitional	• Shift in consumer demand towards renewable fuels over fossil fuels.	• Decrease of vessel demand and charter rates. • Idle vessels mean no earnings yet ongoing expenses.	• Diversify portfolio and retrofit ships to transport low carbon fuels. • Stay updated on new opportunities. • Reduce residual value risk when feasible.	• Expand our adjacent businesses to cultivate diversified revenue streams.
	Others	• Highly volatile product tanker industry, linked to global oil supply/demand with shifting factors beyond our control (e.g. global economics and politics). • Excess tanker capacity.	• High dependance on cash flow generated from vessels' employment.	• Secure long-term fixed-income contracts for part of our fleet. • Monitor markets closely, leveraging in-house expertise and market research for decisions. • Maintain a modern fleet to have lower operating costs.	• Enhance market leadership via strategic acquisitions. • Attain competitive edge through informed vessel deployment. • Continuously renew fleet to reduce operating costs.
Compliance	Transitional (for envi-ronmental regulation related)	• Implementation of new and unexpected international regulations. • Failure to comply with evolving compliance regulations.	• Mandates for slower speeds or alternative fuels, impacting operating costs, breakeven levels, and vessel scrapping. • Compliance breaches which could lead to fines and/or jail terms and therefore poten-tial termination of the business.	• Minimise potential environmental impact by continually seeking optimisation measures for vessel performance. • Closely monitor regulatory landscape and collaborate with international maritime bodies on new regulations. • Focus on our culture and values to instill a good mindset to reduce bad behavior.	• Enhance competitiveness through ethical and integrity-driven actions. • Forge strategic partnerships to accelerate our decarbonisation journey initiatives. • Support Pool Partners in complying with new regulations.
Reputational	Transitional	• Fossil fuels transportation seen as a sunset industry by investors.	• Industry confidence decline negatively affecting our share liquidity, and our access lending and financing.	• Improve investor engagement with frequent market and strategy updates demonstrating our commitment to decarbonisation. • Be ahead of ESG reporting regulations to uphold leadership in maritime operations management. • Contribute to industry research on new engine propulsion and renewable fuels.	• Attract diverse investors by showing progress towards net zero goals. • Retain and attract customers by investing in decarbonisation.
	Others	• Increasing customer prioritisation on stringent quality and compliance standards.	• Quality decline or compliance breaches on our vessels leading to partial bans from cus-tomers and impacting financial performance.	• Provide a fully integrated shipping platform focused on quality and vetting standards. • Regular ensure standards have been met with customers to spot any early warning signs.	• Retain and attract customers with our high-quality standards.

Type of Risk	TCFD Risk Category	Risk Description	Potential Impact	Our Response	Opportunities
Financial	Transitional	• Increased pressure on the financial sector to cut CO2-financed emissions.	• Shipping capital costs raise result in increased financing costs and break-even levels for our vessels.	• Implement solid financial planning to anticipate higher capital costs and proactively manage liquidity risks. • Showcase a clear decarbonisation pathway and explore sustainable/climate-linked bonds and loans.	• Build confidence among finance stakeholders by establishing ourselves as a market leader in ESG practices.
	Others	• Adverse changes in base interest rates, primarily due to interest-bearing financial liabilities in the form of bank borrowings with variable interest rates.	• Break-even levels increase for a portion of our fleet. • Introduction of short-term liquidity risks.	• Monitor interest rate fluctuations and utilise financial instruments to hedge exposures. • Maintain adequate cash reserves through short-term deposits and access to unutilised portions of revolving facilities.	• Actively pursue refinancing opportunities to strengthen our capital structure. • Cultivate strong relationships with financiers to secure industry-leading debt financing and streamline capital raising.
Technology	Transitional	• Disruptions arising from new vessel propulsion or renewable fuel technologies.	• Decreased value of our existing vessels that are incompatible with improved innovations.	• Stay abreast on new propulsion technologies and fuels and invest in employee skills to effectively manage these innovations. • Equip our new builds with dual-fuel engines to accommodate carbon-neutral fuels.	• Make informed decision by leveraging research and data. • Offer customers sustainable freight solu-tions and collaborate with energy-efficient suppliers.
	Others	• IT systems breakdowns resulting from cyberattacks, disruptions, or security breaches.	• Business operations interruptions due to our high dependency on IT Systems.	• Enhance cyber defense by addressing vulnerabilities in our people and processes and providing employee training to boost awareness.	• Optimise our performance by adapting to the rise in automation and big data and enhancing our ability to collect and analyse data.
Operational	Physical acute	• Physical damage to vessels, marine infrastructure, and threat to the safety of our seafarers due to extreme weather conditions.	• Vessel in-operability reducing revenues and increasing insurance premiums and repair expenses.	• Maintain robust maintenance and navigational processes. • Provide specialised training and equipment to seafarers and plan for extended periods at sea.	• Improve forecasting decisions for vessel deployment and utilising technological advancements such as Artificial Intelligence (AI).
	Physical chronic	• Vessel adaptation required due to megatrends like rising temperatures and sea levels.	• Changes in vessels trading routes affecting access to end customers.	• Incorporate assessments of chronic risks into business opportunities. • Strategically plan investments in infrastructure adaptation.	• Enhance competitiveness and resilience by proactively anticipating shifts in global behaviour from underlying megatrends.
	Others	• Assets, cargo collision and grounding • Environmental disasters, piracy, and other attacks.	• Reputation damage. • Additional costs or third-party claims for damage or loss. • Harm to vessels and crew.	• Maintain robust maintenance and navigational processes. • Ensure skilled talent to handle complex machinery and navigate high-risk areas. • Preserve adequate insurance coverage. • Update the fleet with best practices from authorities.	• Continuously assess, evaluate, and address risks, reviewing regularly for operational, regulatory, or external changes.

Policy Overview

Name of the Policy	General Objective	Applicable to						Policy Owner(s) and Responsible to Implement it
		Employees	Directors	Seafarers	Contractors	Suppliers	Stakeholders who work with Hafnia	
Anti-Bribery and Anti-Corruption Policy	Drive awareness of and prevent bribery across our operations.	X		X	X	X	X	Head of People, Culture & Strategy Head of Technical Head of Operations
Anti-Harassment and Anti-Bullying Policy	Ensure exemplary conduct and maintain a work environment of dignity, decency, and respect.	X		X	X	X	X	Head of People, Culture & Strategy Head of Technical
Anti-Money Laundering Policy	Prevent the receipt, concealing and transfer of property that represents the benefit of criminal conduct.	X	X	X	X	X	X	CFO
Anti-Trust (Competition) Policy	Commit to fair and competitive business practices and ensure compliance with anti-trust laws and regulations.	X	X	X	X		X	Head of Commercial
Code of Conduct	Ensure employees respect minimum standards on work ethics.	X		X	X			Head of People, Culture & Strategy Head of Technical
Diversity, Inclusion, Belonging and Equity Policy	Express Hafnia's commitment to cultivate and preserve a culture of diversity, inclusion, belonging and equity.	X		X	X	X	X	Head of People, Culture & Strategy Head of Technical
Drug and Alcohol Policy	Ensure personnel working onboard our vessels are not impaired or under the influence when performing any scheduled tasks.	X		X	X	X	X	Master and Head of Department
Environmental Management System Policy	Identify sources of marine and atmospheric pollution and minimise the adverse impact on the environment.	X		X				Head of Technical Head of ESG

Name of the Policy	General Objective	Applicable to						Policy Owner(s) and Responsible to Implement it
		Employees	Directors	Seafarers	Contractors	Suppliers	Stakeholders who work with Hafnia	
General Data Protection (GDPR) Policy	Inform stakeholders on the processing of personal data and personal rights under the regulation.	X		X	X			Head of IT
Health, Safety, Environment & Quality Management Policy	Ensure Hafnia continues to deliver cargo and services to our customers with our Zero Harm principles.	X		X	X	X	X	Head of People, Culture & Strategy Head of Technical
Human Rights Policy	Ensure Hafnia continues to operate adhering to the highest standards on Human Rights.	X	X	X	X	X	X	Head of People, Culture & Strategy Head of Technical
Insider Trading Policy	Comply with trading obligations and prevent acts or omissions which may expose Hafnia to sanctions.	X	X					CFO
Sanctions Policy	Commit to conduct business following applicable sanctions, laws and regulations.	X	X	X				Head of Commercial
Ship Recycling Policy	Commit to responsible ship recycling.	X		X	X	X	X	Head of Technical
Supplier Code of Conduct	Ensure that suppliers respect minimum standards on work ethics.				X	X	X	CFO Head of Technical Head of Bunkers
Vision, Purpose, Values Policy	Ensure individuals and business decision in our organisation live up to high expectations for Hafnia's success.	X	X	X	X	X	X	Head of People, Culture & Strategy Head of Technical
Whistle Blowing Policy	Outlines procedures for employees to report unethical, illegal, or improper conduct.	X	X	X	X	X	X	Head of People, Culture & Strategy Head of Technical

05

Annexes

5.1
Glossary

Glossary

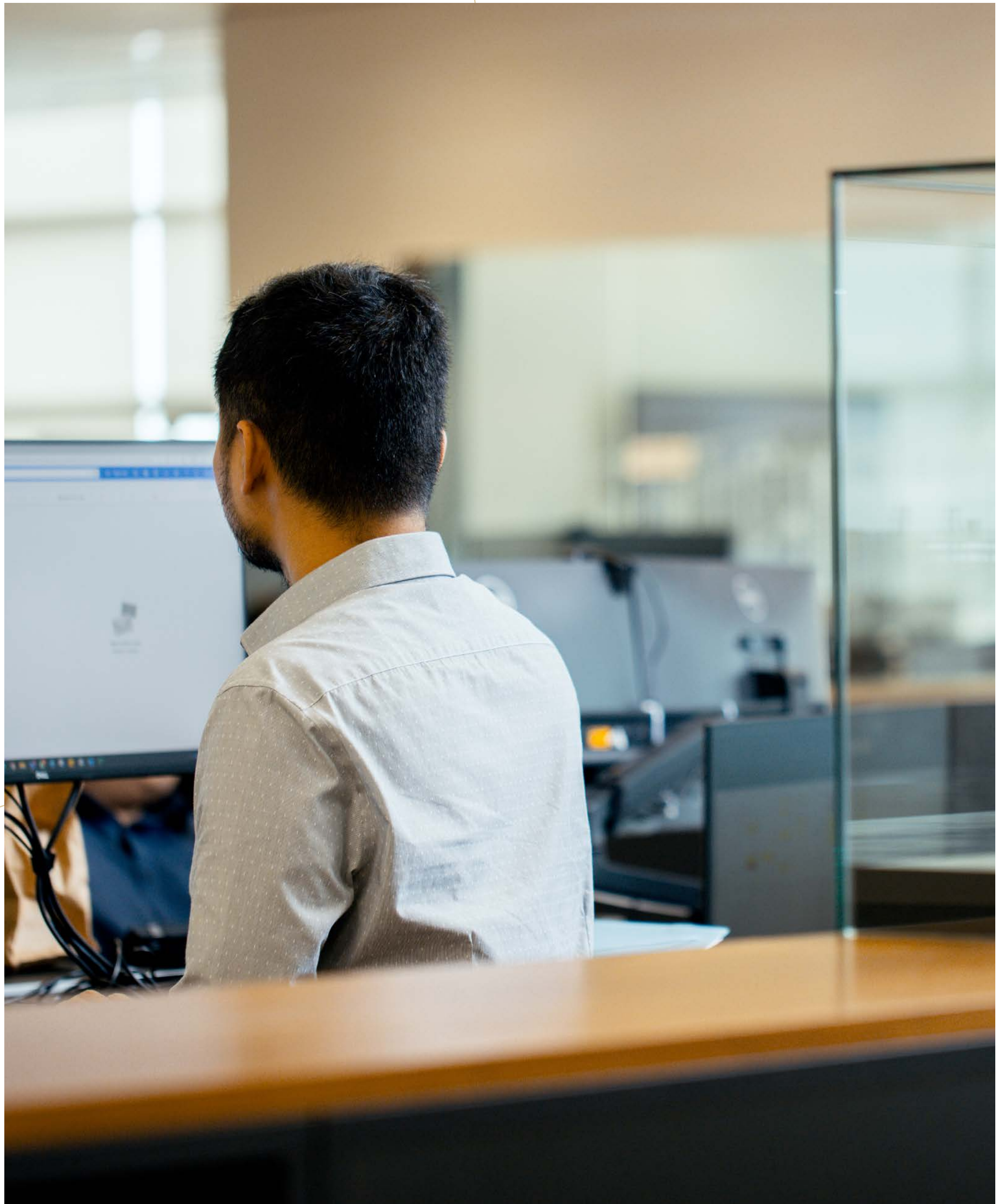
Term	Definition
ABS	American Bureau of Shipping
AER	Annual Efficiency Ratio
Bareboat Charter	An arrangement where the charterer has possession and control of the vessel, including the right to appoint the crew
Bermuda Companies Act	The Companies Act 1981, as amended, of Bermuda
Bunkers	Fuel used on vessels to run its engines
BWTS	Ballast Water Treatment System
Chemical Tanker	Vessel suitable for carrying clean petroleum products and a wide range of chemicals
Chemical-Handy	Chemical handy size, class of chemical tankers with cargo carrying capacity between 25,000 dwt and 39,999 dwt
Chemical-Handy Pool	The Chemical-Handy pool for Chemical-Handy vessels (one of eight commercial tanker pools the Group operates as a pool manager for)
Chemical-MR	Chemical medium range, class of chemical tankers with cargo carrying capacity between 40,000 dwt and 54,999 dwt
Chemical-MR Pool	The Chemical-MR pool for Chemical-MR vessels (one of seven commercial tanker pools the Group operates as a pool manager for)
CII	Carbon Intensity Indicator, metric used to measure how efficiently a ship is operated.
Coating	Coatings applied to product tanker tanks, allowing the vessel to load refined oil products
Commercial Management	An arrangement to manage a vessel's commercial operation on behalf of the shipowner
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance last updated 14 October 2021
CTI	Chemical Tankers, Inc.
DEI	Diversity, Equity and Inclusion
Demurrage	A charge payable to the shipowner by the charterer of a vessel upon failure in discharging the vessel within the time agreed
DIBE	Diversity, Equity and Belonging
DIBE	Diversity Inclusion Belonging and Equity
DNV	International classification society
DSG	Diversity Study Group

Term	Definition
Dwt	Deadweight ton, a measure of the carrying capacity of a vessel
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EEXI	Energy Efficiency Existing Ship Index, measures the CO2 emissions per transport giving the ship's design parameters
EMS	Environmental Management System
EMT	Executive Management Team
ESG	Environmental, Social and Governance
EU ETS	European Emission Trading System
EUR	The lawful currency of the participating member states in the European Union
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GSI	Guangzhou Shipyard International Co., Ltd
Hafnia	Hafnia Limited
Handy	Handy size, class of product tankers with cargo carrying capacity between 25,000 dwt and 39,999 dwt
Handy Pool	Handy pool for Handy vessels (one of eight commercial tanker pools the Group operates as a pool manager for)
HMD	Hyundai Mipo Dockyard
HSEQ	Health, Safety, Environment and Quality
IASB	International Accounting Standards Board
IBIA	International Bunker Industry Association
IFRS	IFRS Accounting Standards as issued by the International Accounting Standards Board
IMO	International Maritime Organisation
ISM Code	International Safety Management Code

Term	Definition
ISPS	International Ship and Port Facility Security
JMU	Japan Marine United
KPI	Key Performance Indicator, a performance measure that evaluates an organisation's progress towards its long-term goals
KPMG	KPMG Singapore LLP
LG	Leadership Group
LNG	Liquefied Natural Gas
LOTO	Lockout Tagout - Lock out, tag out (LOTO) is a safety procedure used to ensure that dangerous equipment shut off and not able to be started up again prior to the completion of maintenance or repair work
LPG	Liquefied Petroleum Gas
LR	Lloyd's Register is a classification, training and advisory services company
LR1	Long Range I, class of product tankers with cargo carrying capacity between 55,000 dwt and 84,999 dwt
LR1 Pool	The LR1 pool for LR1 vessels (one of eight commercial tanker pools the Group operates as a pool manager for)
LR2	Long Range II, class of product tankers with cargo carrying capacity between 85,000 dwt and 124,999 dwt
LR2 Pool	The LR2 pool for LR2 vessels (one of eight commercial tanker pools the Group operates as a pool manager for)
LTIF	Lost Time Incident Frequency
LTIP	The long-term incentive plan established by the Board of Directors
MACN	Maritime Anti-Corruption Network
MIF	Maritime Industry Framework
MLC	Maritime Labour Convention
MPAs	Marine Protected Areas
MR	Medium range, class of product tankers with cargo carrying capacity between 40,000 dwt and 54,999 dwt
MR Pool	MR pool for MR vessels (one of eight commercial tanker pools the Group operates as a pool manager for)
MT	Metric ton
NAV	Net Asset Value, which factors in fair value of vessels
Net Loan-to-value (LTV)	A leverage ratio, measured by vessel bank and finance lease debt (excluding debt for vessels sold but pending legal completion), debt from the pool borrowing base facilities less cash and cash equivalents, divided by broker vessel values (100% owned vessels).

Term	Definition
NOK	Norwegian kroner, the lawful currency of Norway
OPEC	Organisation of the Petroleum Exporting Countries
Oslo Stock Exchange	Oslo Børs, a stock exchange operated by a Norwegian stock exchange being part of Euronext and operated by Oslo Børs ASA
Panamax Pool	Panamax pool for vessels suitable for transiting the Panama Canal (one of eight commercial tanker pools the Group operates as a pool manager for)
P&I Club	Protection & Indemnity club
Pool or Pools	Specialized Pool, Handy Pool, MR Pool, LR1 Pool, LR2 Pool, Chemical-Handy Pool, Chemical-MR Pool, Panamax Pool collectively
PPE	Personal Protection Equipment
Product Tanker	Vessel suitable for carrying clean petroleum products, edible oils and very light chemical cargo grades
PSC	Port State Control
SASB	Sustainability Accounting Standards Board
Scorpio	Scorpio Tankers Inc
SGD	Singapore Dollar, the lawful currency of Singapore
SMA	Singapore Maritime Academy
Specialized	Specialized, class of product tankers with cargo carrying capacity below 20,000 dwt
Specialized Pool	Specialized pool for specialized vessels (one of eight commercial tanker pools the Group operates as a pool manager for)
Spot Market	Market exposed to short term fluctuations in charter rates where vessels are contracted for a single voyage
SPP	SPP Shipbuilding
STX	STX Offshore & Shipbuilding Co., Ltd
TCE	Time Charter Equivalent, a standard income reporting measure used in the shipping industry, representing voyage income less voyage expenses
TCFD	Taskforce on Climate-related Financial Disclosure
Technical Management	To manage a vessel's technical operations and crew on behalf of the shipowner
Time Charter	An arrangement where charterer undertakes to hiring of a vessel for a stated period of time but the shipowner is responsible for crewing the vessel
Tonne-mile	A measure of one tonne of freight moved over a distance of one mile
TRCF	Total Recordable Case Frequency
USD	The lawful currency of the United States

5.2
Alternative Performance Measures



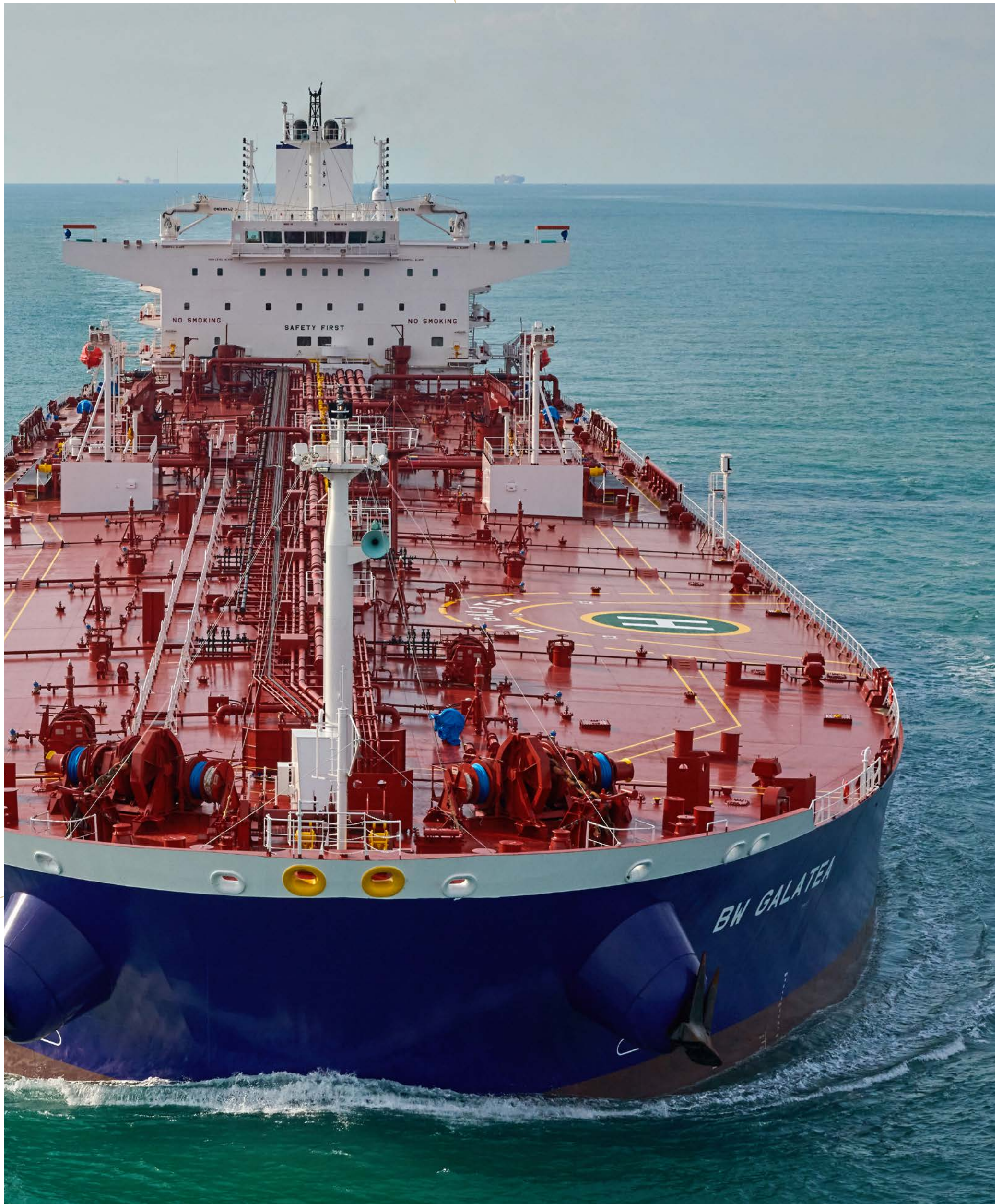
Alternative Performance Measures

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

Term	Definition
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 Group 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.

5.3
Fleet-List



Fleet-List

Hafnia Fleet as of 31 Dec 2023	135
Handy (including IMO-II vessels)	24
MR (including IMO-II vessels)	62
LR1	35
LR2	09
Newbuilds	05

Handy 24

Name	Capacity (Dwt)	Month/Year Built	Shipyard	Flag	Ownership
Hafnia Achroite	38.506	Jan/16	HMD	Marshall Islands	Owned
Hafnia Adamite	38.506	Sep/15	HMD	Marshall Islands	Owned
Hafnia Alabaster	38.506	Nov/15	HMD	Marshall Islands	Owned
Hafnia Almandine	38.506	Feb/15	HMD	Marshall Islands	Owned
Hafnia Amazonite	38.506	May/15	HMD	Marshall Islands	Owned
Hafnia Amber	38.506	Feb/15	HMD	Marshall Islands	Owned
Hafnia Amessi	38.506	Jul/15	HMD	Singapore	Owned
Hafnia Amethyst	38.506	Mar/15	HMD	Marshall Islands	Owned
Hafnia Ametrine	38.506	Apr/15	HMD	Marshall Islands	Owned
Hafnia Ammolite	38.506	Aug/15	HMD	Singapore	Owned
Hafnia Andesine	38.506	May/15	HMD	Marshall Islands	Owned
Hafnia Aquamarine	38.506	Jun/15	HMD	Singapore	Owned
Hafnia Aragonite	38.506	Oct/15	HMD	Marshall Islands	Owned
Hafnia Aronaldo	38.506	Jun/15	HMD	Marshall Islands	Owned
Hafnia Aventurine	38.506	Apr/15	HMD	Marshall Islands	Owned
Hafnia Axinite	38.506	Jul/15	HMD	Singapore	Owned
Hafnia Azotic	38.506	Sep/15	HMD	Marshall Islands	Owned
Hafnia Azurite	38.506	Aug/15	HMD	Singapore	Owned
Hafnia Bering	39.067	Apr/15	HMD	Singapore	Owned
Hafnia Magellan	39.067	May/15	HMD	Singapore	Owned
Hafnia Malacca	39.067	Jul/15	HMD	Singapore	Owned
Hafnia Soya	39.067	Nov/15	HMD	Singapore	Owned
Hafnia Sunda	39.067	Sep/15	HMD	Singapore	Owned
Hafnia Torres	39.067	May/16	HMD	Singapore	Owned

MR 62

Name	Capacity (Dwt)	Month/Year Built	Shipyard	Flag	Ownership
Basset	49.875	Nov/19	JMU	Singapore	TC-in[1]
Beagle	49.850	Mar/19	JMU	Panama	TC-in[1]
Boxer	49.852	Jun/19	JMU	Singapore	TC-in[1]
Bulldog	49.856	Feb/20	JMU	Singapore	TC-in[1]
BW Bobcat	49.999	Aug/14	SPP	Singapore	Owned
BW Egret	49.999	Nov/14	SPP	Singapore	Owned
BW Falcon	34.999	Feb/15	SPP	Singapore	Owned
BW Jaguar	49.999	Mar/14	SPP	Singapore	Owned
BW Kestrel	49.999	Aug/15	SPP	Singapore	Owned
BW Merlin	49.999	Sep/15	SPP	Singapore	Owned
BW Osprey	49.999	Oct/15	SPP	Singapore	Owned
BW Tiger	49.999	Mar/14	SPP	Singapore	Owned
BW Wren	49.999	Mar/16	SPP	Singapore	Owned
Challenge Procyon	45.996	Apr/11	SKDY	Singapore	TC-in[1]
Clearocean Ginkgo	44.999	Aug/21	HMD	Singapore	TC-in[1]
Clearocean Milano	50.485	Oct/21	HMD	Philippines	TC-in[1]
Dee4 Larch	49.737	Aug/16	HVS	Denmark	TC-in[1]
Hafnia Andrea	49.999	Jun/15	HMD	Singapore	Owned
Hafnia Andromeda	50.386	May/11	GSI	Malta	Owned
Hafnia Ane	49.999	Nov/15	GSI	Malta	Owned
Hafnia Atlantic	49.614	Dec/17	GSI	Singapore	Owned
Hafnia Caterina	49.999	Aug/15	HMD	Singapore	Owned
Hafnia Cheetah	49.999	Feb/14	SPP	Singapore	Owned
Hafnia Cougar	49.999	Jan/14	SPP	Singapore	Owned
Hafnia Crux	52.550	Feb/12	GSI	Denmark	Owned
Hafnia Daisy	49.899	Aug/16	GSI	Malta	Owned
Hafnia Eagle	49.999	Jul/15	SPP	Singapore	Owned
Hafnia Hawk	49.999	Jun/15	SPP	Singapore	Owned
Hafnia Henriette	49.999	Jun/16	GSI	Malta	Owned
Hafnia Kirsten	49.999	Jan/17	GSI	Malta	Owned
Hafnia Lene	49.999	Jul/15	GSI	Malta	Owned
Hafnia Leo	52.318	Nov/13	GSI	Malta	Owned
Hafnia Leopard	49.999	Jan/14	SPP	Singapore	Owned
Hafnia Libra	52.385	May/13	GSI	Denmark	Owned
Hafnia Lioness	49.999	Jan/14	SPP	Singapore	Owned
Hafnia Lise	49.875	Sep/16	GSI	Malta	Owned
Hafnia Lotte	49.999	Jan/17	GSI	Malta	Owned
Hafnia Lupus	52.550	Apr/12	GSI	Denmark	Owned
Hafnia Lynx	49.999	Nov/13	SPP	Singapore	Owned
Hafnia Mikala	49.999	May/17	GSI	Malta	Owned
Hafnia Myna	49.999	Oct/15	SPP	Singapore	Owned
Hafnia Nordica	53.520	Mar/10	SKDY	Malta	Owned
Hafnia Pacific	49.686	Dec/17	GSI	Singapore	Owned
Hafnia Panther	49.999	Jun/14	SPP	Singapore	Owned
Hafnia Pegasus	49.999	Oct/10	GSI	Denmark	Owned
Hafnia Petrel	49.999	Jan/16	SPP	Singapore	Owned

Name	Capacity (Dwt)	Month/Year Built	Shipyard	Flag	Ownership
Hafnia Phoenix	49.999	Jul/13	GSI	Denmark	Owned
Hafnia Puma	49.999	Nov/13	SPP	Singapore	Owned
Hafnia Raven	49.999	Nov/15	SPP	Singapore	Owned
Hafnia Swift	49.999	Jan/16	SPP	Singapore	Owned
Hafnia Tanzanite	49.478	Nov/16	STX	Marshall Islands	Owned
Hafnia Taurus	49.999	Jun/11	GSI	Malta	Owned
Hafnia Topaz	44.999	Jul/16	STX	Marshall Islands	Owned
Hafnia Tourmaline	49.513	Oct/16	STX	Marshall Islands	Owned
Hafnia Turquoise	49.516	Apr/16	STX	Marshall Islands	Owned
Hafnia Valentino	49.126	May/15	HVS	Singapore	Owned
Hafnia Violette	49.126	Mar/15	HVS	Marshall Islands	Owned
Hafnia Viridian	49.126	Jan/15	HVS	Marshall Islands	Owned
Orient Challenge	49.972	Jun/17	HVS	Singapore	TC-in[1]
Orient Innovation	49.997	Jul/17	HVS	Singapore	TC-in[1]
PS Stars	49.999	Jan/22	HMD	Marshall Islands	50%[3]
Yellow Stars	49.999	Jul/21	HMD	Marshall Islands	50%[3]

LR1 35

Name	Capacity (Dwt)	Month/Year Built	Shipyard	Flag	Ownership
Hafnia Africa	74.539	May/10	STX	Singapore	Owned
Hafnia Asia	74.490	Jun/10	STX	Malta	Owned
Hafnia Australia	74.539	May/10	STX	Singapore	Owned
Hafnia Beijing	74.999	Oct/19	GSI	Malta	50%[2]
Hafnia Exceed	74.665	Feb/16	STX	Singapore	Owned
Hafnia Excel	74.547	Nov/15	STX	Singapore	Owned
Hafnia Excellence	74.613	May/16	STX	Singapore	Owned
Hafnia Excelsior	74.665	Jan/16	STX	Singapore	Owned
Hafnia Executive	74.431	May/16	STX	Singapore	Owned
Hafnia Expedite	74.634	Jan/16	STX	Singapore	Owned
Hafnia Experience	74.669	Mar/16	STX	Singapore	Owned
Hafnia Express	74.663	May/16	STX	Singapore	Owned
Hafnia Guangzhou	74.999	Jul/19	GSI	Malta	50%[2]
Hafnia Hong Kong	74.999	Jan/19	GSI	Malta	50%[2]
Hafnia Kallang	74.189	Jan/17	STX	Singapore	Owned
Hafnia Nanjing	74.999	Jan/21	GSI	Singapore	50%[2]
Hafnia Nile	74.189	Aug/17	STX	Singapore	Owned
Hafnia Pioneer	81.305	Jun/13	DMSE	Singapore	Owned
Hafnia Precision	74.997	Oct/16	SPP	Singapore	Owned
Hafnia Prestige	74.997	Nov/16	SPP	Singapore	Owned
Hafnia Pride	74.997	Jul/16	SPP	Singapore	Owned
Hafnia Providence	74.997	Aug/16	SPP	Singapore	Owned
Hafnia Seine	74.998	May/08	Dalian	Singapore	Owned
Hafnia Shanghai	74.999	Jan/19	GSI	Malta	50%[2]
Hafnia Shenzhen	74.999	Aug/20	GSI	Singapore	50%[2]
Hafnia Shinano	76.594	Oct/08	Dalian	Singapore	Owned

Name	Capacity (Dwt)	Month/Year Built	Shipyard	Flag	Ownership
Hafnia Tagus	74.151	Mar/17	STX	Singapore	Owned
Hafnia Thames	76.586	Aug/08	Dalian	Singapore	Owned
Hafnia Yangtze	74.996	Jan/09	Dalian	Singapore	Owned
Hafnia Yarra	74.189	Jul/17	STX	Singapore	Owned
Hafnia Zambesi	74.995	Jan/10	Dalian	Singapore	Owned
Kamome Victoria	74.908	May/11	MNSB	Panama	TC-in[1]
Karimata	79.885	Aug/19	Onomichi	Panama	TC-in[1]
Peace Victoria	77.378	Oct/19	Tsuneishi	Liberia	TC-in[1]
Sunda	79.902	Jul/19	Onomichi	Panama	TC-in[1]

LR2 9

Name	Capacity (Dwt)	Month/Year Built	Shipyard	Flag	Ownership
BW Neso	109.990	Jul/19	Daehan	Singapore	Owned
BW Thalassa	109.990	Sep/19	Daehan	Singapore	Owned
Hafnia Despina	109.990	Jan/19	Daehan	Singapore	Owned
Hafnia Galatea	109.990	Mar/19	Daehan	Singapore	Owned
Hafnia Languedoc	109.999	Mar/23	GSI	Singapore	50%[2]
Hafnia Larissa	109.990	Apr/19	Daehan	Singapore	Owned
Hafnia Larvik	109.999	Oct/23	GSI	Singapore	50%[2]
Hafnia Loire	109.999	May/23	GSI	Singapore	50%[2]
Hafnia Triton	109.990	Oct/19	Daehan	Singapore	Owned

Newbuilds 5

Name	Capacity (Dwt)	Month/Year Built	Shipyard	Flag	Ownership
Hafnia Lillesand	109.999	Mar/24	GSI	Singapore	50%[2]
Hull 21110074	49.800	Apr/25	GSI	TBD	50%[4]
Hull 21110075	49.800	Sep/25	GSI	TBD	50%[4]
Hull 23110004	49.800	Nov/25	GSI	TBD	50%[4]
Hull 23110005	49.800	Jul/26	GSI	TBD	50%[4]

[1] Time Chartered-in
[2] Owned through the Vista Joint Venture
[3] Owned through the Andromeda Joint Venture
[4] Owned through the Ecomar Joint Venture

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