INTERIM RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2018

Highlights for the quarter ended 30 June 2018

- EBITDA[1] of USD 40.3 million
- Net profit of USD 7.8 million
- Dividend of USD 0.025 per share paid in the second quarter of 2018
- Höegh Esperanza commenced three-year FSRU/LNGC contract with CNOOC

Subsequent events

- Dividend of USD 0.025 per share declared in the third quarter of 2018
- Secured commitments for a USD 177 million debt financing for FSRU #9

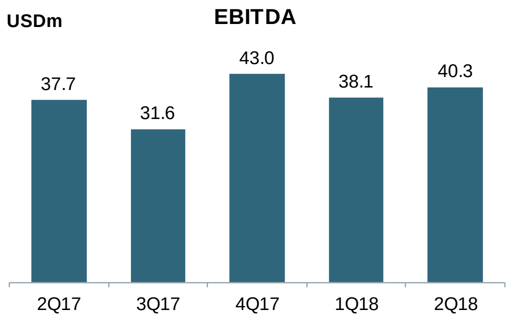
Reaching financial milestones

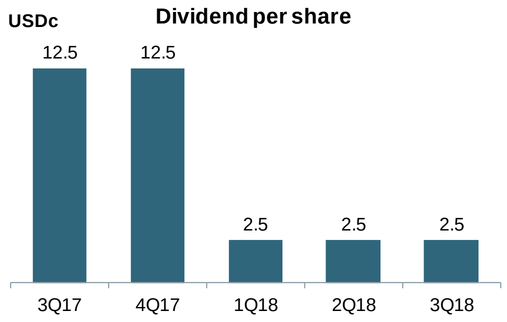
With the debt financing secured for FSRU #9, Höegh LNG has demonstrated continued strong support from relationship banks and achieved further diversification of funding sources by establishing lending relationship with one additional bank. Höegh LNG is further making good progress on the financing of FSRU #10 and will, once this financing is in place, be fully funded with both equity and debt.

Höegh LNG reported EBITDA of USD 40.3 million for the second quarter, up from the first quarter mainly because of higher earnings contribution from Höegh Giant and fewer off-hire days. Höegh LNG has further diversified its revenue streams during the quarter, with Höegh Esperanza starting commercial operations under the three-year time-charter with CNOOC in June. Meanwhile, technical availability remained at 100% and the lost-time injury frequency was unchanged at zero.

The LNG market continues to grow as the rapidly increasing supply of LNG is absorbed by growing demand from Asian buyers. Mirroring the solid momentum in overall LNG markets, the FSRU tendering market remains active and many projects are moving forward with their plans to import LNG through floating import terminals. Höegh LNG is involved in several FSRU tenders with start-up in the 2019 to 2020 timeframe and has been chosen as the FSRU provider for the AIE project in Port Kembla, Australia with a targeted start-up in the first quarter of 2020 pending receipt of all necessary governmental approvals and final investment decision for the project.

Reported EBITDA and declared dividend per share





[1] Please see definition in Appendix 1.

Group financial review[2]

Höegh LNG Holdings Ltd. (Höegh LNG Holdings or the company) and its subsidiaries (together Höegh LNG or the group) reported a total income of USD 75.8 million for the second quarter of 2018 compared with USD 72.3 million in the first quarter of the year. The increase is mainly a result of Höegh Esperanza commencing commercial operations under the time charter contract with CNOOC, higher revenue generated by Höegh Giant and fewer off-hire days.

Increased revenues were offset by operating and cool-down expenses for Höegh Esperanza following its delivery on 5 April 2018, resulting in EBITDA of USD 40.3 million for the period compared with USD 38.1 million for the previous quarter.

Depreciation and interest expenses increased in the second quarter following the delivery of Höegh Esperanza, resulting in a net profit of USD 7.8 million for the period, down from USD 13.2 million in the first quarter.

Operating cash flows were higher in the second quarter, increasing by USD 8.7 million to USD 41.2 million. Other sources during the second quarter comprised borrowings of USD 200 million under the Höegh Esperanza credit facility, as well as USD 11.8 million in net proceeds from Höegh LNG Partners LP's (Höegh LNG Partners or HMLP) ATM programme. Uses during the quarter mainly comprised capital expenditures of USD 234.8 million, as well as dividends and debt service. The net decrease in cash and cash equivalents was USD 35.4 million during the second quarter.

At 30 June 2018, Höegh LNG held USD 194.7 million in current cash and marketable securities (USD 226.7 million) and net interest-bearing debt amounted to USD 1,109 million (USD 908.5 million). Book equity at 30 June 2018, after adjusting for the mark-to-market of interest rate swaps, was USD 782.3 million (USD 773.8 million), equivalent to an adjusted book equity ratio of 37% (40%).

For the first half of 2018, Höegh LNG reported total income of USD 148.1 million and EBITDA of USD 78.4 million, which compares with USD 139.2 million and USD 74.3 million respectively for the same period of 2017. The improvement in EBITDA primarily reflects higher contribution from Höegh Giant's time charter with Naturgy (Gas Natural Fenosa), partly offset by operating expenses for Höegh Esperanza.

Höegh LNG reported a net profit of USD 21.1 million for the first half of 2018, which compares with USD 20.0 million for the same period of last year. The improvement is mainly a result of higher EBITDA, offset by depreciation and interest expenses for Höegh Giant and Höegh Esperanza, which were delivered from the shipyard in April 2017 and April 2018, respectively.

Key financial figures

(in USD'000 unless otherwise indicated)	2Q 2018	1Q 2018	4Q 2017	3Q 2017	2Q 2017
Income statement					
Total income	75 774	72 290	76 052	64 049	70 589
Operating profit (loss) before depreciation and impairment (EBITDA)	40 269	38 101	42 967	31 596	37 658
Operating profit (loss) after depreciation and impairment (EBIT)	26 692	26 798	31 693	20 357	26 704
Profit (loss) for the period	7 848	13 210	19 961	1 108	8 539
Balance sheet					
Total assets	2 146 533	1 970 437	1 959 035	1 991 983	2 001 957
Equity adjusted for hedging transactions	782 316	773 883	763 136	648 873	664 316
Adjusted equity ratio (%)	37	40	39	33	33
Net interest-bearing debt	(1 108 855)	(908 532)	(908 081)	(961 875)	(947 153)
Cash flow					
Net cash flow from operating activities	41 242	32 591	32 174	35 710	33 192
Net cash flow from investing activities	(234 371)	21 089	(76 494)	169 029	(216 343)
Net cash flow from financing activities	157 732	(33 216)	(51 292)	(51 959)	137 523
Net increase/(decrease) in cash and cash equivalents	(35 397)	20 464	(95 612)	152 780	(45 628)

[2] The interim consolidated financial statements for Höegh LNG include HMLP on a consolidated basis and, unless otherwise stated, figures in this section are compared with figures for the first quarter of 2018.

Corporate/other activities

Financing of FSRU #9

Höegh LNG has received commitment letters for a USD 177 million debt facility for FSRU #9, which is scheduled to be delivered in November 2018. The facility comprises a 12-year tranche of USD 132 million guaranteed by K-sure (a South Korean export credit agency) and a five-year non-amortising commercial bank tranche of USD 45 million. ABN Amro, Bank of America, Citi and DnB are participating in the facility, representing a combination of new and existing lending banks to Höegh LNG. The facility, which is subject to final documentation, is available to fund 65% of the delivered cost of the FSRU based on a 16-year blended amortisation profile.

Financing of FSRU #10 and refinancing of the USD 412 million debt facility

Höegh LNG is making good progress with the debt financing of FSRU #10, which is scheduled to be delivered from the shipyard in May 2019. Several alternatives are being evaluated, representing further diversification of debt financing sources for Höegh LNG.

The USD 412 million debt facility for Höegh Gallant and Höegh Grace matures with approximately half in 2019 and 2020, respectively. Höegh LNG has already started the process to refinance the facility in full and aims to raise new debt at improved terms and structure compared with the current facility.

Status of the Höegh LNG Partners LP ATM equity-raising programme

As of 30 June 2018, Höegh LNG Partners had raised USD 22.5 million in net proceeds under its ATM equity-raising programme, which was initiated on 26 January 2018. The ATM programme allows Höegh LNG Partners to issue new common units or 8.75% series A cumulative redeemable preferred units from time to time up to a limit of USD 120 million.

Distribution from Höegh LNG Partners

Höegh LNG Partners declared a quarterly distribution of USD 0.44 per unit for the second quarter on 19 July 2018, corresponding to an annualised distribution of USD 1.76 per unit. Höegh LNG Holdings accordingly received USD 6.7 million in distributions and USD 0.4 million in IDRs for the second quarter of 2018 on 14 August 2018.

Quarterly dividend of USD 0.025 per share

Höegh LNG Holdings paid a cash dividend of USD 0.025 per share in the second quarter of 2018, equivalent to USD 1.9 million. The board of directors has furthermore declared a dividend of USD 0.025 per share for the third quarter of 2018. The Höegh LNG shares will trade ex-dividend on 6 September 2018, and shareholders recorded in the VPS following the close of trading on Oslo Børs on 7 September 2018 will be entitled to the distribution, which will be payable on or around 21 September 2018.

Business review

Overall performance

All eight FSRUs and the two LNG carriers in Höegh LNG's fleet operated in accordance with contracts during the quarter, and the group's technical availability was 100%.

The lost-time injury frequency was zero in the quarter ending 30 June, with no lost-time injuries year-to-date.

Technical availability of fleet and safety performance

	YTD 2018	2017	2016	2015	2014
Technical availability	100.0 %	99.8 %	99.9 %	100.0 %	99.7 %
Lost time injury frequency [1)]	0.00	0.38	0.00	0.73	0.44

[1)] Calculated per million exposure hours for seagoing personnel only

Three-year time charter for Höegh Esperanza with CNOOC

Following the delivery of Höegh Esperanza on 5 April 2018, the unit commenced a three-year FSRU/LNGC contract with CNOOC Gas & Power Trading and Marketing Ltd. (CNOOC) on 7 June 2018. The time charter is for three years with a one-year extension option. Under the contract, Höegh Esperanza will be utilised in FSRU mode at the Tianjin LNG terminal in China for a minimum period each year, with the balance of the year in LNGC mode and/or FSRU mode. The rate structure of the contract corresponds to the mode of use, with FSRU employment guaranteed for periods during the winter months.

Penco LNG project

Höegh Esperanza, which was intended for the GNL Penco FSRU project in Chile, is on contract with CNOOC in China until 2021 and on firm offer in ongoing tender processes with start-up subsequent to the CNOOC contract. Höegh LNG has during the reporting period been made aware that the planned approval process for the GNL Penco FSRU project is likely to be further delayed, and therefore the parties have agreed to let the contract expire.

Employment options for FSRU #9

FSRU #9 is currently under construction at Hyundai Heavy Industries with delivery scheduled in the end of November 2018. The unit has high regasification capacity and is an attractive candidate for on-going long-term FSRU tenders with start-up in 2020 to 2021. To cover the period from November 2018 until start-up of FSRU projects, Höegh LNG has agreed terms with an energy major for a fixed LNGC time charter from delivery and for 15 months onwards. The agreement is subject to final approvals expected shortly.

Business development activity and newbuilding portfolio update

Höegh LNG's main commercial objective is to have all its FSRUs placed on long-term FSRU contracts, including FSRUs #9 and #10, which are due for delivery in November 2018 and May 2019 respectively.

Höegh LNG has been selected as the provider of the FSRU to Australian Industrial Energy's (AIE) LNG import project in Port Kembla, New South Wales, Australia. The project targets to commence commercial operations in the first quarter of 2020, and Höegh LNG underlines that the project is subject to receiving required regulatory approvals from government agencies, as well as the associated infrastructure being put in place.

Since the previous update, the group has been selected for the final bid round for 2 new FSRU projects, which both have scheduled start-up by 2021. In addition, Höegh LNG is involved in several tendering processes at various stages of development. Owing to political, commercial, technical, financial and/or other factors affecting FSRU tendering processes, it is difficult to provide firm guidance on the progress and outcome of ongoing tendering processes until they are completed.

Market

Global LNG trade reached 156 million tonnes in the first half of 2018, up by 7.4% from the first six months of 2017 on a combination of robust Asian demand and new supplies of LNG from Australia and the USA. The strong momentum in this trade has continued into the third quarter of 2018, with preliminary figures showing global LNG sales at 27.8 million tonnes in July 2018, a 7.6% increase over the same period of last year and the third highest volume in any month to date.

China is the biggest contributor to growth in LNG consumption. Its LNG imports increased by 50% in the first half of the year to 24.5 million tonnes through a combination of policies supporting a continued switch from coal-to-gas, limited incremental domestic production of natural gas and a strong government push to fill underground storage ahead of the coming winter. Elsewhere in Asia nuclear maintenance in South Korea, coal outages in India and increased import capacity in Pakistan also added to global demand for LNG. North African, Middle Eastern and European countries imported less LNG in the first six months of the year compared with the same period of 2017.

Strong Asian demand caused LNG prices to reach levels not seen during the summer months for several years. Mirroring the impressive trade figures, Asian spot prices averaged USD 9.6 per MMBtu in July, up by 77% from the same period of last year.

In the future, changes to policy and legislation such as the International Maritime Organisation's cap on sulphur in marine fuels and the related attention being paid to such alternatives as LNG, and South Korea's decision to abandon plans for developing new coal-fired power plants, are likely to add to global LNG demand.

LNG imports through FSRUs in the first half were down by 6.6% from the same period of 2017. While imports were significantly higher in China and Pakistan, growing indigenous production of natural gas caused Middle-East Gulf and Egyptian LNG imports to decrease in the second quarter on a year-on-year comparison.

Two new markets have started importing LNG so far in 2018. Bangladesh received its first cargo through an FSRU in April, while Panama received a commissioning cargo this summer. India will follow as an FSRU importer later this year, when the Total-chartered FSRU GDF Suez Cape Ann commences operations in the country.

The combination of further growth in LNG supply and a continued positive trend for demand is the main value driver for FSRUs. Many existing and potential LNG importers are contemplating the import of LNG through FSRUs, which have been established as the preferred tool for accessing global LNG markets quickly and cost-efficiently. Such examples may be found in Australia, where four separate developments are currently under way with the aim of installing FSRUs to import LNG in order to ease gas-supply constraints and upward pressure on gas prices in the southern parts of the country.

The FSRU fleet consisted of 29 units at 30 June 2018. One LNGC-to-FSRU conversion has reportedly been sanctioned since then, while one FSRU order has been converted to an LNGC order, resulting in an order book of 12 units. Four to five units in the existing fleet appear not to be committed to FSRU contracts, including a first-generation converted LNG carrier, while five to six of the FSRUs under construction are apparently uncommitted. Three of these are not due for delivery until 2020, or later.

Outlook

Höegh LNG continues to operate in a tendering market with solid demand for LNG and many business opportunities, especially in Asia. With a well-proven track record in building and operating FSRUs, as well as strong technological experience and capabilities, Höegh LNG continues to compete for the most attractive floating regasification projects.

Financial results in the third quarter of 2018 are likely to be positively affected by an increased number of revenue days for Höegh Esperanza.

INTERIM CONSOLIDATED STATEMENT OF INCOME

USD'000 (unaudited)	Note	2Q 2018	1Q 2018	2Q 2017	YTD 2018	YTD 2017
Time charter revenues	4	70 663	67 531	65 221	138 195	129 737
Management and other income	5	1 813	771	1 968	2 584	2 678
Share of results from investments in joint ventures		3 298	3 988	3 400	7 286	6 834
Total income		**75 774**	**72 290**	**70 589**	**148 065**	**139 249**
Charter hire expenses		(8 809)	(8 712)	(8 850)	(17 521)	(17 602)
Bunker and other voyage related expenses		(1 734)	(1 125)	(492)	(2 859)	(584)
Operating expenses		(13 997)	(13 122)	(13 038)	(27 120)	(24 782)
Project administrative expenses		(4 431)	(4 360)	(4 844)	(8 791)	(9 161)
Group administrative expenses		(4 924)	(5 275)	(3 940)	(10 199)	(9 093)
Business development expenses		(1 610)	(1 595)	(1 767)	(3 205)	(3 690)
Operating profit (loss) before depreciation and impairment	4	**40 269**	**38 101**	**37 658**	**78 370**	**74 337**
Depreciation		(13 577)	(11 303)	(10 574)	(24 880)	(19 848)
Impairment/reversal of impairment		-	-	(380)	-	(380)
Operating profit (loss) after depreciation and impairment		**26 692**	**26 798**	**26 704**	**53 490**	**54 109**
Interest income		556	472	754	1 029	1 120
Interest expenses		(16 235)	(12 510)	(16 310)	(28 745)	(30 121)
Income from other financial items		241	1 020	655	1 261	1 542
Expenses from other financial items		(1 979)	(501)	(1 636)	(2 480)	(3 121)
Net financial items		**(17 417)**	**(11 519)**	**(16 537)**	**(28 935)**	**(30 580)**
Ordinary profit or (loss) before tax		**9 275**	**15 279**	**10 167**	**24 555**	**23 529**
Income taxes		(1 427)	(2 069)	(1 628)	(3 496)	(3 545)
Profit (loss) for the period		**7 848**	**13 210**	**8 539**	**21 059**	**19 984**
Profit (loss) for the period attributable to (from):						
Equity holders of the parent		(1 948)	4 045	3 530	2 097	9 311
Non-controlling interests		9 797	9 165	5 009	18 962	10 673
Total		**7 848**	**13 210**	**8 539**	**21 059**	**19 984**
Earnings per share attributable to equity holders of the parent:						
Basic and diluted earnings per share		(0.03)	0.05	0.05	0.03	0.12

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD'000 (unaudited)	2Q 2018	1Q 2018	2Q 2017	YTD 2018	YTD 2017
Profit (loss) for the period	7 848	13 210	8 539	21 059	19 984
Items that will not be reclassified to profit or loss					
Net gain (loss) on other capital reserves	-	-	-	-	-
Items that may be subsequently reclassified to profit or loss					
Net gain (loss) on hedging reserves	3 736	17 731	(2 802)	21 467	(4 370)
Share of other comprehensive income from joint ventures	4 396	9 645	(1 066)	14 040	2 625
Other comprehensive income (loss) for the period net of tax	**8 132**	**27 376**	**(3 868)**	**35 507**	**(1 745)**
Total comprehensive income (loss)	**15 980**	**40 586**	**4 671**	**56 566**	**18 239**
Total comprehensive income attributable to (from):					
Equity holders of the parent	3,881	25,640	317	29,521	6 130
Non-controlling interests	12,099	14,946	4 354	27,045	12 109
Total comprehensive income (loss)	**15 980**	**40 586**	**4 671**	**56 566**	**18 239**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 Jun 2018 (unaudited)	31 Mar 2018 (unaudited)	31 Dec 2017 (audited)
ASSETS				
Non-current assets				
Deferred tax assets		452	522	528
Vessels and depot spares		1 670 622	1 375 382	1 386 132
Newbuildings under construction		166 583	241 232	232 998
Other non-current financial assets		36 319	43 014	25 795
Other non-current assets		19 529	22 710	22 871
Shareholder loans		3 397	3 334	3 263
Restricted cash		13 405	13 556	13 640
Total non-current assets		**1 910 307**	**1 699 750**	**1 685 227**
Current assets				
Bunkers and inventories		773	811	783
Trade and other receivables		34 529	36 062	37 697
Marketable securities		49 708	49 378	74 022
Other current financial assets		6 209	7 160	1 390
Restricted cash		7 001	3 873	6 976
Cash and cash equivalents		138 006	173 403	152 940
Total current assets		**236 226**	**270 687**	**273 808**
Total assets		**2 146 533**	**1 970 437**	**1 959 035**
EQUITY AND LIABILITIES				
Equity				
Share capital		772	772	772
Other paid-in capital		553,692	552,548	552 333
Capital reserves		(7 650)	(13 545)	(35 139)
Retained earnings		(40 190)	(35 011)	(38 486)
Equity attributable to equity holders of the parent		**506 624**	**504 764**	**479 480**
Non-controlling interests		253 472	238 768	225 758
Total equity		**760 096**	**743 532**	**705 238**
Non-current liabilities				
Deferred tax liability		10 322	9 608	8 301
Non-current interest-bearing debt	6	1 231 062	1 075 329	1 082 246
Investments in joint ventures		13 833	21 526	35 159
Other non-current financial liabilities		3 949	5 582	9 165
Deferred revenue		3 000	3 456	3 921
Total non-current liabilities		**1 262 166**	**1 115 501**	**1 138 792**
Current liabilities				
Current interest-bearing debt	6	85 913	73 413	73 413
Income tax payable		1 187	2 119	1 932
Trade and other payables		11 981	15 024	14 714
Other current financial liabilities		6 032	5 949	8 465
Other current liabilities		19 161	14 900	16 481
Total current liabilities		**124 274**	**111 405**	**115 005**
Total equity and liabilities		**2 146 533**	**1 970 437**	**1 959 035**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

USD'000 (unaudited)	**2Q 2018**	**1Q 2018**	**2Q 2017**	**YTD 2018**	**YTD 2017**
Cash flow from operating activities					
Profit (loss) before tax for the period	9 276	15 280	10 167	24 556	23 529
Adjustments to reconcile profit before tax to net cash flows					
Depreciation	13 577	11 303	10 574	24 880	19 848
Impairment (reversal of impairment)	-	-	380	-	380
Fair value adjustments on marketable securities	(330)	(356)	(995)	(685)	(1 855)
Interest income	(556)	(386)	(754)	(943)	(1 120)
Interest expenses	16 235	12 510	16 310	28 745	30 120
Net loss (income) on interest rate hedges	89	(664)	340	(575)	366
Share-based payment cost and Board remuneration not paid-out	747	242	789	988	1 286
Share of results from investments in joint ventures	(3 298)	(3 988)	(3 400)	(7 286)	(6 834)
Working capital adjustments	-				
Change in inventories, receivables and payables	6 906	(728)	297	6 179	(4 245)
Payment of income tax	(1 404)	(622)	(515)	(2 026)	(446)
i) Net cash flow from operating activities	**41 242**	**32 591**	**33 192**	**73 833**	**61 028**
Cash flow from investing activities					
Investment in marketable securities	-	-	(110)	-	(105 221)
Proceeds from sale of marketable securities	-	25 000	20 000	25 000	50 000
Investments in FSRUs, drydocking and newbuildings	(234 262)	(3 458)	(237 552)	(237 720)	(348 590)
Investment in intangibles, equipment and other	(517)	(768)	(405)	(1 285)	(789)
Interest received	408	386	326	795	728
Repayment of shareholder loans	-	(71)	1 398	(71)	2 596
ii) Net cash flow from investing activities	**(234 371)**	**21 089**	**(216 343)**	**(213 282)**	**(401 276)**
Financing activities					
Gross proceeds from equity issuance (HMLP)	12 016	10 895	-	22 911	-
Transaction costs on equity issuance (HMLP)	(231)	(181)	-	(412)	-
Purchase of own shares	-	-	(198)	-	(198)
Dividend paid to non-controlling interest (HMLP)	(10 627)	(11 347)	(7 585)	(21 974)	(14 861)
Dividend paid to shareholders of the parent	(1 901)	(1 901)	(9 503)	(3 802)	(19 006)
Proceeds from borrowings	200 000	-	190 600	200 000	367 560
Payment of debt issuance costs	-	-	(36)	-	(1 964)
Repayment of borrowings	(21 478)	(18 353)	(15 177)	(39 831)	(42 378)
Interest paid	(17 070)	(15 516)	(17 530)	(32 586)	(31 304)
Settlement of currency swaps	-	-	-	-	(8 403)
(Increase) decrease in restricted cash	(2 977)	3 187	(3 048)	210	230
iii) Net cash flow from financing activities	**157 732**	**(33 216)**	**137 523**	**124 516**	**249 675**
Net increase/(decrease) in cash and cash equivalents (i+ii+iii)	**(35 397)**	**20 464**	**(45 628)**	**(14 932)**	**(90 573)**
Current cash and cash equivalents at the beginning of the period	173 403	152 940	141 401	152 940	186 346
Current cash and cash equivalents at the end of the period	138 006	173 404	95 773	138 006	95 773

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018

	Attributable to equity holders of Höegh LNG Holdings Ltd.									
USD'000 (unaudited)	Issued capital	Share premium	Treasury shares	Other paid-in capital	Hedging reserve	Other capital reserves	Retained earnings	**Total**	Non-controlling interests	**Total equity**
At 1 January 2018	**772**	**446 945**	**(12)**	**105 400**	**(32 345)**	**(2 794)**	**(38 486)**	**479 480**	**225 758**	**705 238**
Profit (loss) for the period							2 097	2 097	18 962	21 059
Other comprehensive income					27 423			27 423	8 084	35 507
Total comprehensive income	**-**	**-**	**-**	**-**	**27 423**	**-**	**2,097**	**29 521**	**27 045**	**56 566**
HMLP dividend to non-controlling interests								**-**	(21 974)	**(21 974)**
Net proceeds from issuance of common units (HMLP)				592	61			**653**	2 431	**3 084**
Net proceeds from issuance of Series A Preferred Units (HMLP)								**-**	19 996	**19 996**
Units granted to the board of HMLP				27	5			**32**	128	**160**
Shares granted to the board of HLNG		90						**90**	-	**90**
Dividend to shareholders of the parent							(3 802)	**(3 802)**	-	**(3 802)**
Share-based payment costs				650				**650**	89	**739**
Other changes in equity							1 330	**1 330**	(1 330)	**-**
Total other transactions recognised directly in equity	-	90	-	1 269	66	-	(2 472)	**(1 047)**	**(661)**	**(1 708)**
At 30 June 2018	**772**	**447 035**	**(12)**	**106 669**	**(4 855)**	**(2 794)**	**(40 190)**	**506 625**	**253 472**	**760 096**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2017

	Attributable to equity holders of Höegh LNG Holdings Ltd.									
USD'000 (unaudited)	Issued capital	Share premium	Treasury shares	Other paid-in capital	Hedging reserve	Other capital reserves	Retained earnings	**Total**	Non-controlling interests	**Total equity**
At 1 January 2017	**769**	**445 078**	**(12)**	**105 593**	**(51 059)**	**(2 794)**	**(51 599)**	**445 976**	**150 087**	**596 063**
Profit (loss) for the period							9 311	**9 311**	10 673	**19 984**
Other comprehensive income					(3 181)			**(3 181)**	1 436	**(1 745)**
Total comprehensive income					**(3 181)**		**9 311**	**6 130**	**12 109**	**18 239**
Capital contribution to HMLP							(541)	**(541)**	541	**-**
HMLP dividend to non-controlling interests								**-**	(14 861)	**(14 861)**
Sale of subsidiaries to MLP					1 227		17 615	**18 842**	(18 842)	**-**
Net proceeds of equity issuance	3	2 065		(1 978)				**90**		**90**
Purchase of treasury shares		(198)						**(198)**		**(198)**
Units granted to the board of HMLP				51	5			**56**	133	**189**
Dividend to shareholders of the parent							(19 006)	**(19 006)**		**(19 006)**
Share-based payment cash settled				(15)				**(15)**		**(15)**
Share-based payment costs				859				**859**	163	**1 022**
Total other transactions recognised directly in equity	3	1 867	0	(1 083)	1 232	0	(1 932)	**87**	(32 866)	**(13 773)**
At 30 June 2017	**772**	**446 945**	**(12)**	**104 510**	**(53 008)**	**(2 974)**	**(44 220)**	**452 193**	**129 330**	**581 523**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The parent company, Höegh LNG Holdings Ltd. (Höegh LNG Holdings or the company) is an exempted limited company domiciled in and incorporated under the laws of Bermuda. The principal activities of the company and its subsidiaries (collectively Höegh LNG or the group) are described in Note 4 – Segment information. The interim financial statements were approved by the board of directors of Höegh LNG Holdings on 22 August 2018.

The number of issued shares for the quarter ending 30 June 2018 was 77 260 580 of which 1 211 738 were held in treasury. The number of outstanding shares was 76 048 842 on 30 June 2018.

2. BASIS FOR PREPARATION AND ACCOUNTING POLICIES

The interim consolidated financial statements for the period ending 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the group's annual financial statements at 31 December 2017. The consolidated financial statements are presented in USD and all values are rounded to the nearest USD 1 000 unless otherwise indicated. As a result of rounding adjustments, amounts and percentages may not add up to the total.

Höegh LNG implemented IFRS 15 at 1 January 2018. The new standard has been implemented using the modified retrospective approach. The cumulative effect of initially applying the standard recorded to equity was assessed to be nil. Consequently, the new standard only affected the note disclosures. IFRS 15 requires the group for each customer contract, to identify the performance obligations, determine the transaction price, allocate the transaction price to performance obligations to the extent that the contract covers more than one performance obligation, determine whether revenue should be recognised over time or at a point in time and recognise revenue when or as performance obligations are recognised. Höegh LNG's contracts typically qualify for recognition over time. The nature of the group's revenues from contracts with its customers is subdivided into the leasing element of the vessel and the service element related to the leased vessel. See Note 4 for further information.

IFRS 9 Financial Instruments became effective on 1 January 2018. The implementation of this standard has not lead to any significant changes in the timing of recognition or in the way assets or liabilities and related income and expenses have been measured. The documentation of the group's hedges is however affected by the new standard and will be updated accordingly.

The group has also made a preliminary assessment of the effect of the new IFRS 16 Leases standard, which takes effect from 1 January 2019. The impact is expected to be an increase in recognised tangible assets and debt with a corresponding shift of certain amounts from bareboat expenses, partly to depreciation and partly to interest expenses.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Preparation of interim financial statements in accordance with the IFRS implies the use of estimates, based on judgements and assumptions which affect the application of accounting principles and the reported amounts of assets, liabilities, revenues and expenses. Actual amounts might differ from such estimates.

Significant accounting judgements

At 30 June 2018, the company held 46.08% of the common and sub-ordinated units issued in Höegh LNG Partners LP. HMLP is consolidated based on management's assessment that Höegh LNG Holdings has de facto control of HMLP even though it has less than 50% of the voting rights. The management's assessment is based on a combination of several factors, with the current composition of the board of directors of HMLP as an important element in the overall conclusion. See Note 20, Investments in joint ventures and subsidiaries, in the annual consolidated financial statements for 2017 for a more detailed description.

Significant estimates and assumptions

Benefits from uncertain tax positions are recognised when it is probable that a tax position will be sustained by an examination based on the technical merits of the position.

Contingent liabilities

Höegh LNG is an international group which, through its ongoing business operations, will be exposed to litigation and claims from public authorities and contracting parties as well as assessments from public authorities in each country it operates in.

Under the Neptune and the GDF Suez Cape Ann time charters, the joint ventures undertake to ensure that the vessels meet specified performance standards at all times during the term of the time charters. The performance standards include the vessels not exceeding a maximum average daily boil-off of LNG, subject to certain contractual exclusions, as specified in the time charter. Pursuant to the charters, the hire rate is subject to deduction by the charterer of, among other things, sums due in respect of the joint ventures' failure to satisfy the specified performance standards during the period. The charters for the Neptune and GDF Suez Cape Ann commenced in 2009 and 2010, respectively. On 8 September 2017, the charterer notified the joint ventures that it was formally making a claim for compensation in accordance with the provisions of the charters for a stated quantity of LNG exceeding the maximum average daily boil-off since the commencement of the charters. The claim asserted a gross amount of compensation of USD 58 million for the excess boil-off volume but recognised that the calculations for the amount required adjustment for allowable exclusions under the charters. The charterer and the joint ventures have referred the claim to arbitration and the various procedural filings are in process for the arbitration. The charterer's revised claim, as submitted in the arbitration request, was a gross amount of USD 52 million, covering a shorter time for the first performance period as defined in the time charter, and interest and expenses. Depending on interpretations of the contractual provisions including exclusions to the performance standards and based on currently available information, it is estimated that Höegh LNG's 50% share of the excess boil-off claim could range from zero or negligible amounts to approximately USD 29 million based on their gross claim of USD 58 million. Provisions are recorded for loss contingencies or claims when it is probable that a liability will be incurred, and the amount of loss can be reasonably estimated. At 30 September 2017, the joint ventures determined that the liability associated with the boil-off claim was probable and could be reasonably estimated, resulting in a total provision of USD 23.7 million which was recorded as a reduction of time charter revenues in the third quarter of 2017. Höegh LNG's 50% share of the accrual was approximately USD 11.9 million. The provision was maintained unchanged at 30 June 2018. The claim may ultimately be settled through negotiation or arbitration. The joint ventures will continue to monitor this issue and adjust the provisions as might be required, based upon additional information and further developments. Höegh LNG and the other major owner guarantee the performance and payment obligations of the joint ventures under the time charters. The guarantees are joint and several for the performance obligations and several for the payment obligations. To the extent that an excess boil-off claim results in a settlement or arbitration award, Höegh LNG will indemnify HMLP for its share of the cash impact of any settlement.

In 2002, two UK tax lease agreements were entered into for Arctic Princess and Arctic Lady respectively between two UK lessors and the Joint Gas Ltd. and Joint Gas Two Ltd. joint venture companies as lessees (the Arctic Leases). The vessels were delivered in 2006 and the lease agreements are for 25 years from delivery. Her Majesty's Revenue and Customs (HMRC) has been challenging the use of similar lease structures and has been engaged in litigation in one case, which was decided in the autumn of 2015 in favour of HMRC. In the event of a formal challenge by HMRC regarding the lessors' right to claim capital allowances under the Arctic Leases, this would lead to higher rental payments to the UK vessel lessors, which would have a negative effect on the earnings of the lessee companies and consequently on Höegh LNG. Leif Hoegh (U.K.) Limited, as managing owner and operator of the vessels, has been in dialogue with HMRC on this matter since 2005 and has presented the factual background to and the business rationale for entering into the lease agreements back in 2002. See Note 20, Commitments and guarantees (Arctic Vessels), in the annual consolidated financial statements for 2017 for a more detailed description.

4. SEGMENT INFORMATION

Höegh LNG's current segment structure was implemented at 1 January 2017. The group's activities are focused on four operating segments, namely HMLP, Operations, Business development and project execution and Corporate and other. The segment structure is in line with the way the group's operations are managed and monitored internally. Assets and liabilities allocated to the individual segments include vessels, newbuildings and interest-bearing debt. Other assets and liabilities are followed up at a consolidated level.

Segment reporting is based on the same principles as the group's internal management reporting. Any internal revenues or expenses are presented net.

HMLP

The segment includes the activities in Höegh LNG Partners LP, which is a limited partnership listed on the New York Stock Exchange. The partnership has been formed to own, operate and acquire FSRUs, LNGCs and other LNG infrastructure assets under long-term charters, defined as five years or more. Höegh LNG Partners' fleet comprises ownership interests in five FSRUs, namely (i) a 50% interest in Neptune, (ii) a 50% interest in GDF Suez Cape Ann, (iii) a 100% interest in PGN FSRU Lampung, (iv) a 100% interest in Höegh Gallant and (v) a 100% interest in Höegh Grace.

Operations

The segment is responsible for the commercial and technical management of the group's operational FSRUs and LNGCs that have not been transferred to Höegh LNG Partners. It includes the FSRUs Independence, Höegh Giant and Höegh Esperanza as well as the LNGCs Arctic Princess and Arctic Lady. The segment comprises all revenues and expenses related to FSRUs and LNGCs in operation, bareboat hire for Arctic Princess and Arctic Lady and management income for commercial management services paid by joint ventures. FSRUs are included in the Operations segment on delivery from the yard.

Business development and project execution

The segment comprises all activities related to business development and project execution, including non-capital expenditure related to newbuildings.

Expenses related to new FSRU and LNGC contracts are included until delivery to the charterer and the pre-commencement phase of the commercial contracts. Capitalised costs in the segment relate to the FSRU newbuilding programme.

Corporate and other

The segment consists of the group's management, finance, legal and other corporate services. The figures include certain administrative expenses which are managed on a group basis and which have not been allocated to other segments.

OPERATING INCOME AND OPERATING EXPENSES PER SEGMENT

	HMLP		Operations		Business development and project execution		Corporate and other		Total	
(USD million)	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Time charter revenues	37.4	36.8	33.3	28.4	-	-	-	-	70.7	65.2
Management and other income	-	-	1.8	0.8	-	1.2	-	-	1.8	2.0
Share of results from investments in JVs	2.0	2.3	1.3	1.1	-	-	-	-	3.3	3.4
Total income	**39.4**	**39.1**	**36.4**	**30.3**	**0.0**	**1.2**	**0.0**	**0.0**	**75.8**	**70.6**
Charter hire expenses	-	-	(8.8)	(8.9)	-	-	-	-	(8.8)	(8.9)
Bunker and other voyage related expenses	-	-	(1.7)	(0.5)	-	-	-	-	(1.7)	(0.5)
Operating expenses	(5.5)	(5.9)	(8.1)	(6.9)	(0.3)	(0.2)	-	-	(14.0)	(13.0)
Project administrative expenses	(1.4)	(1.0)	(2.2)	(1.7)	(0.8)	(2.1)	-	-	(4.4)	(4.8)
Group administrative expenses	(1.2)	(1.4)	-	-	-	-	(3.7)	(2.5)	(4.9)	(3.9)
Business development expenses	-	-	-	-	(1.6)	(1.8)	-	-	(1.6)	(1.8)
EBITDA	**31.2**	**30.8**	**15.5**	**12.3**	**(2.8)**	**(2.9)**	**(3.7)**	**(2.5)**	**40.3**	**37.7**

	HMLP		Operations		Business development and project execution		Corporate and other		Total	
(USD million)	YTD 2018	YTD 2017	YTD 2018	YTD 2017	YTD 2018	YTD 2017	YTD 2018	YTD 2017	YTD 2018	YTD 2017
Time charter revenues	74.1	73.7	64.2	56.0	-	-	-	-	138.3	129.7
Management and other income	0.4	-	2.2	1.5	-	1.1	-	-	2.6	2.7
Share of results from investments in JVs	4.7	4.5	2.5	2.3	-	-	-	-	7.2	6.8
Total income	**79.2**	**78.2**	**68.9**	**59.8**	**0.0**	**1.1**	**0.0**	**-**	**148.1**	**139.2**
Charter hire expenses	-	-	(17.5)	(17.6)	-	-	-	-	(17.5)	(17.6)
Bunker and other voyage related expenses	(0.0)	(0.1)	(2.8)	(0.5)	-	-	-	-	(2.8)	(0.6)
Operating expenses	(11.2)	(12.1)	(15.2)	(12.2)	(0.6)	(0.6)	-	-	(27.1)	(24.8)
Project administrative expenses	(2.5)	(2.0)	(4.3)	(3.5)	(2.0)	(3.6)	-	-	(8.8)	(9.2)
Group administrative expenses	(3.2)	(3.0)	-	-	-	-	(7.0)	(6.0)	(10.2)	(9.0)
Business development expenses	-	-	-	-	(3.2)	(3.7)	-	-	(3.2)	(3.7)
EBITDA	**62.2**	**61.0**	**29.0**	**26.0**	**(5.9)**	**(6.8)**	**(7.0)**	**(6.0)**	**78.4**	**74.3**

ASSETS AND LIABILITIES ALLOCATED TO THE OPERATING SEGMENTS AT 30 JUNE

(USD million)	HMLP 2018	HMLP 2017	Operations 2018	Operations 2017	Business development and project execution 2018	Business development and project execution 2017	Corporate and other 2018	Corporate and other 2017	Total 2018	Total 2017
Tangible assets										
Vessels and newbuildings	814.0	839.2	856.6	568.0	166.6	196.6	-	-	1 837.2	1 603.8
Liabilities										
Interest-bearing debt	454.8	497.2	550.4	382.2	-	-	311.8	385.0	1 317.0	1 264.4

IFRS 15 Revenue from contracts with customers

Höegh LNG's time charter contracts contain a lease element and a performance obligation for the provision of time charter services. The lease of the vessel, representing the use of the vessel without any associated performance obligations or warranties, is accounted for in accordance with the provisions of IAS 17 Leases. Revenues for time charter services are recognised in accordance with IFRS 15. The group presents its revenue by segment, disaggregated by revenue recognised in accordance with the accounting standard on leasing and on revenue from contracts with customers for time charter services. In addition, material elements where the nature, amount, timing and uncertainty of revenue and cash flows differ from the monthly invoicing under time charter contracts are separately presented. The LNGCs' time charter contracts include provisions for the charterer to make upfront payments to compensate for variable drydocking costs. Such upfront payments are deferred and amortised over the shorter of the remaining charter period or the useful life of the additions. As a result, the timing of cash flows differs from monthly time charter invoicing.

DISAGGREGATION BY NATURE OF TIME CHARTER REVENUES BY SEGMENT FOR YTD 2018 AND 2Q 2018

(USD million)	HMLP YTD 2018	Operations YTD 2018	Total YTD 2018	HMLP 2Q 2018	Operations 2Q 2018	Total 2Q 2018
Lease revenues	46.4	51.1	97.5	23.8	21.9	45.7
Time charter service revenues,	27.6	12.2	39.8	13.6	11.0	24.5
Amortisation of deferred revenue for dry-docking	0.0	0.9	0.9	0.0	0.4	0.4
Total time charter revenues	**74.0**	**64.2**	**138.2**	**37.4**	**33.3**	**70.7**

The group's FSRUs and LNGCs operate on long-term contracts, where the charterer controls the choice of locations or routes to be served by the FSRUs/LNGCs, and the economic factors of a geographical region where the vessels are located would not impact revenues due under time charter contracts. Disaggregation of revenues by geographical region is therefore not meaningful. The group's risk and exposure related to uncertainty of revenues or cash flows related to its long-term time charter contracts relate primarily to the credit risk associated with the individual charterers. Payments are due under time charter contracts regardless of the demand for the charterers' gas output or utilisation of the vessel. For the second quarter and first half of 2017, the group did not present any disaggregated time charter revenues.

5. RELATED-PARTY TRANSACTIONS

Höegh LNG provides various management services to the group's joint venture companies and receives management income from external joint venture partners related to technical, commercial and administrative services. Total management income from related parties in Höegh LNG amounted to USD 1.8 million in the second quarter of 2018 (USD 0.8 million in the first quarter). For a more detailed description of recurring related-party transactions, see information disclosed in Note 31 of the 2017 annual report.

6. COMMITMENTS AND FINANCING

Höegh LNG has entered into FSRU shipbuilding contracts with Hyundai Heavy Industries Co for FSRU #9, with delivery in November 2018, and with Samsung Heavy Industries for FSRU #10 with delivery in May 2019. At 30 June 2018, total remaining capital expenditures relating to these commitments were between USD 380 to 400 million, including yard payments, project expenses, finance costs and contingencies. USD 210 to USD 220 million of this is payable by December 2018, with the remainder falling due by the second quarter of 2019.

Total available liquidity at 30 June 2018 was USD 195 million. In addition, Höegh LNG has since the end of the second quarter received commitment letters from K-SURE, ABN Amro, Bank of America, Citi and DnB for a USD 177 million debt financing of FSRU #9. Including these commitments, which are subject to documentation, the total liquidity as of 30 June 2018 would be USD 372 million. Furthermore, Höegh LNG is in the process of raising debt financing for FSRU #10, which is scheduled for delivery in May 2019. Finally, when conditions relating to long-term employment of Höegh Giant and Höegh Esperanza have been met, the available amount under the respective financing facilities may be increased by up to USD 29 million and USD 30 million, respectively.

INTEREST-BEARING DEBT 30 JUNE 2018

	HLNG, net of HMLP	HMLP	Total
Mortgage debt	557 717	462 973	1 020 690
Unsecured bond debt	313 850	-	313 850
Debt issuance costs	(9 359)	(8 206)	(17 565)
Interest-bearing debt	**862 209**	**454 767**	**1 316 975**
Cash and marketable securities	167 556	27 159	194 715
Long-term restricted cash	1	13 404	13 405
Net interest-bearing debt, equity method	**694 652**	**414 203**	**1 108 855**
Proportionate share of joint venture debt	112 589	221 732	334 321
Proportionate share of joint venture debt issuance costs	-	(225)	(225)
Proportionate share of joint venture interest-bearing debt	**112 589**	**221 507**	**334 096**
Proportionate share of joint venture cash and marketable securities	13 046	10 833	23 879
Proportionate share of joint venture long-term restricted cash	-	12 662	12 662
Proportionate share of joint venture net interest-bearing debt	**99 542**	**198 013**	**297 555**

DEBT MATURITY PROFILE 30 JUNE 2018

	Due in year 1	Due in year 2	Due in year 3	Due in year 4	Due in year 5 and later	Total
Independence facility	15 248	76 293	15 248	15 248	60 911	182 949
Höegh Grace facility	13 250	156 938	-	-	-	170 188
Höegh Gallant facility	13 146	134 024	-	-	-	147 170
PGN FSRU Lampung facility	19 062	19 062	19 062	27 713	60 716	145 615
Höegh Esperanza facility	12 500	12 500	12 500	12 500	146 875	196 875
Höegh Giant facility	12 707	12 707	12 707	139 773	-	177 893
Bond debt	-	130 000	-	183 851	-	313 851
Interest-bearing debt outstanding	**85 913**	**541 523**	**59 517**	**379 084**	**268 502**	**1 334 540**
Debt issuance costs						(17 565)
Total interest-bearing debt	**85 913**					**1 316 975**

7. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- Dividend of USD 0.025 per share declared in the third quarter of 2018
- Secured commitments for a USD 177 million debt financing for FSRU #9

8. FORWARD-LOOKING STATEMENTS

This interim report contains forward-looking statements. The statements are based on various assumptions, many of which are based in turn on further assumptions, including examination of historical operating trends made by the management of Höegh LNG. Although the group believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies difficult or impossible to predict and are beyond its control, Höegh LNG cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Among the important factors which could cause actual results to differ materially from those in the forward-looking statements are: Changes in LNG transportation, regasification and floating liquefaction market trends;

changes in supply and demand for LNG; changes in trading patterns; changes in applicable maintenance and regulatory standards; political events affecting production and consumption of LNG and Höegh LNG's ability to operate and control its vessels; changes in the financial stability of clients of the group's ability to win upcoming tenders and to secure employment for the FSRUs on order; changes in Höegh LNG's ability to complete and deliver projects awarded; increases in the group's cost base; changes in the availability of vessels to purchase; failure by yards to comply with delivery schedules; changes in vessels' useful lives; changes in the ability of Höegh LNG to obtain additional financing; the success in achieving commercial agreements for the projects being developed by the group; changes in applicable regulation and laws. Unpredictable or unknown factors herein could also have material adverse effects on forward-looking statements.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by EU, and additional requirements found in the Norwegian Securities Trading Act, and gives a true and fair view of the Höegh LNG Holdings Ltd.'s consolidated assets, liabilities, financial position and result for the period. We also confirm to the best of our knowledge that the financial review includes a fair review of important events which have occurred during the first six months of the financial year and their impact on the financial statements, any major related parties transactions, and a description of the principal risks and uncertainties.

Hamilton, Bermuda, 22 August 2018

The Board of Directors of Höegh LNG Holdings Ltd.

Morten W. Høegh Chairman	Leif O. Høegh Deputy Chairman
Ditlev Wedell-Wedellsborg	Andrew Jamieson
Christopher G. Finlayson	Jørgen Kildahl
Steven Rees Davies	

APPENDIX 1 – ALTERNATIVE PERFORMANCE MEASURES (APMS)

Höegh LNG's financial information is prepared in accordance with the International Financial Reporting Standards (IFRS). In addition, it is management's intent to provide additional performance measures when this is deemed relevant for the understanding of Höegh LNG's financial performance.

Alternative performance measures are used by Höegh LNG to provide supplemental information to the different users of its external financial reporting. Financial APMs are intended to enhance comparability of the results and to give supplemental information related to measures not within the applicable financial reporting framework, and it is Höegh LNG's experience that these measures are frequently used by equity- and debt investors, analysts and other stakeholders. Management uses these measures internally to drive performance in terms of target setting and as basis for measuring actual financial performance. These measures are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over the years and across the group.

Operational measures such as, but not limited to, volumes, technical availability of vessels/fleet and contract backlog are not defined as financial APMs. Financial APMs should not be considered as a substitute for measures of performance in accordance with the IFRS. The alternative performance measures presented may be determined or calculated differently by other companies.

Höegh LNG's APMs

- Earnings before interest, depreciation, amortisation and impairments (EBITDA): EBIT adding depreciation, amortisation and impairments. EBITDA is defined as the line item Operating profit before depreciation and impairment in the consolidated statement of income.
- Earnings before interest and tax (EBIT): EBIT is defined as line item Operating profit after depreciation and impairment in the consolidated statement of income.
- Net interest-bearing debt: Non-current and current interest-bearing debt deducted cash, marketable securities and restricted cash (current and non-current).
- Equity adjusted for hedging: Total book equity adjusted for mark-to-market value of financial derivative swaps recorded against equity. Financial derivative swaps consist of interest-rate and cross-currency interest-rate swaps. In the money mark-to-market financial derivative swaps will increase equity, while out of the money mark-to-market financial derivative swaps will reduce equity. Mark-to-market value of interest-rate swaps in Höegh LNG's joint ventures are recorded as part of line item Investment in joint ventures. The computation of equity adjusted for hedging is consistent with the definitions set out in the group's covenants in loan agreements.
- Equity ratio adjusted for hedging: Total book equity (see above) adjusted for hedging reserves divided by total assets adjusted for hedge assets.

NET INTEREST-BEARING DEBT

	30 Jun 2018	31 Mar 2018	31 Dec 2017
Interest-bearing debt, current and non-current	(1 316 975)	(1 148 742)	(1 155 659)
Restricted cash, non-current	13 405	13 556	13 640
Cash and marketable securities	194 715	226 654	233 938
Net interest-bearing debt	**(1 108 855)**	**(908 532)**	**(908 081)**

EQUITY ADJUSTED FOR HEDING TRANSACTIONS

	30 Jun 2018	31 Mar 2018	31 Dec 2017
Equity	760 096	743 531	705 238
Hedge reserve including non-controlling interest share	22 220	30 352	57 898
Equity adjusted for hedging transactions	**782 316**	**773 883**	**763 136**

EQUITY RATIO ADJUSTED FOR HEDGING TRANSACTIONS

	30 Jun 2018	31 Mar 2018	31 Dec 2017
Total assets	2 146 533	1 970 437	1 959 035
Hedge assets	29 911	26 706	12 560
Total assets adjusted for hedging transactions	**2 116 620**	**1 943 731**	**1 946 475**
Equity adjusted for hedging transactions	**782 316**	**773 883**	**763 136**
Equity ratio adjusted for hedging transactions	**37 %**	**40 %**	**39 %**

APPENDIX 2 – ABBREVIATIONS

Abbreviation	Definition
ATM	At-the-market
FSRU	Floating storage and regasification unit
FSRU #9	HHI HN2909
FSRU #10	SHI HN2220
HHI or Hyundai Heavy Industries	Hyundai Heavy Industries Co., Ltd.
HN	Hull number
HOA	Heads of agreement
Höegh LNG or the group	Höegh LNG Holdings Ltd. and subsidiaries
Höegh LNG Partners, HMLP or the partnership	Höegh LNG Partners LP
IDR	Incentive distribution rights
LNGC	LNG carrier
MLP	Master Limited Partnership
NB	Newbuilding
SHI or Samsung Heavy Industries	Samsung Heavy Industries Co., Ltd.
The company	Höegh LNG Holdings Ltd.
VPS	Norwegian Central Securities Depository
Naturgy	Naturgy Energy Group S.A., formerly Gas Natural Fenosa