INTERIM RESULTS FOR THE QUARTER ENDED 31 MARCH 2020

Highlights for the quarter ended 31 March 2020

- EBITDA[1] of USD 59.6 million
- Net loss of USD 1 million
- Dividend of USD 0.025 per share paid in the first quarter of 2020
- Contract coverage increased to close to 100%
- Completed revolving credit facility for up to USD 80 million
- Completed new senior unsecured bond issue of NOK 650 million

Subsequent events

- Selected preferred bidder for two new FSRU projects in Latin America
- AIE received approval for increasing the import capacity through the Port Kembla Gas Terminal
- Completed the amendment, extension and USD 45 million upsizing of Independence's debt facility
- Höegh LNG and Total reached a final binding agreement to settle the boil-off dispute regarding Neptune and Cape Ann
- Suspension of dividends and cost savings plan implemented targeting USD 9-11 million in savings for 2020, owing to the uncertain business environment created by the Covid-19 pandemic

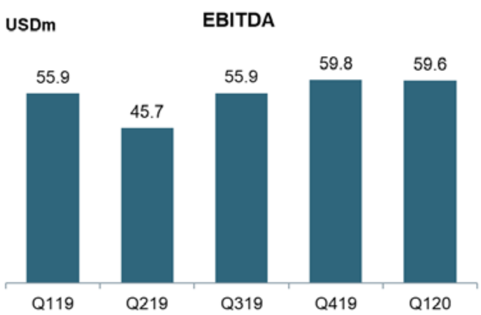
Managing through uncertain times

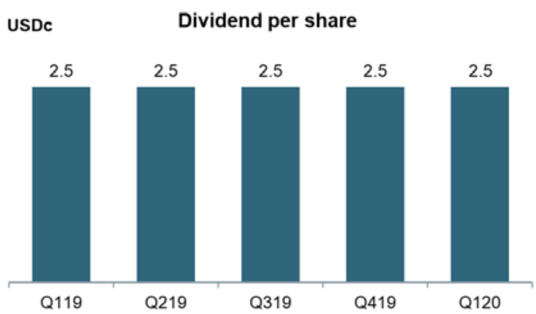
Höegh LNG's EBITDA for the first quarter of 2020 was in line with the preceding quarter. However, the net result declined compared with the preceding quarter, owing to idle time and scheduled off-hire for two vessels trading as LNGCs, and a net foreign exchange loss due to the weakening of the NOK against the USD. These factors were partly offset by lower Opex and reduced SG&A expenses.

The outbreak of the Covid-19 virus created significant uncertainty and volatility in both commodity and financial markets during the first quarter of 2020. Despite this, global LNG trade continued to grow in the quarter, but forecasts for near-term demand growth have been revised downwards.

At the date of this report, Höegh LNG has experienced no known cases of Covid-19 infection among any employees onshore or offshore and all employees have continued to deliver what is required in these new and unprecedented circumstances. All of the group's assets have operated in accordance with plans and contracts during the quarter. This proves the company's ability to adapt and deliver steady operations in a very challenging environment.

Reported EBITDA and declared dividend per share





[1] Please see the 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 86.7 million for the first quarter of 2020, compared with USD 94.2 million in the preceding quarter. This decrease mainly reflects a lower spot rate achieved for Höegh Giant in the first quarter, idle time for Höegh Gannet after redelivery in early March 2020 and off-hire incurred for Höegh Galleon during installation of SCR equipment.

Höegh LNG reported an EBITDA of USD 59.6 million for the first quarter of 2020, which is in line with the USD 59.8 million in the preceding quarter. The lower income described above is offset by reduced Opex, mainly owing to a tax expense of USD 3 million related to operations in Indonesia accrued as Opex in the fourth quarter of 2019, and a significant reduction in SG&A expenses of USD 3.9 million in the first quarter of 2020 compared with the preceding quarter.

Höegh LNG recorded a net loss after tax of USD 1 million for the first quarter of 2020, down from a profit of USD 4 million in the preceding quarter. The reduction is a result of the above-mentioned factors and in particular an unrealised foreign exchange loss of USD 4.3 million on currency instruments held to hedge the group's NOK-denominated SG&A expenses for 2020. This was caused by the significant weakening of the NOK against the USD in the period.

Operating cash flows declined in the first quarter by USD 26.8 million to USD 51 million. The net decrease was mainly driven by variations in working capital between the two quarters. Other sources of cash during the quarter comprised USD 72.5 million from issuance of new bonds and USD 2.1 million of proceeds to Höegh LNG Partners from issuance of preferred equity under its ATM program. Uses during the quarter mainly comprised USD 65 million in buy-back of bonds and USD 35 million in debt amortisations and lease payments, dividends paid and interest payments. Furthermore, the group had to post USD 55 million in cash collateral during the first quarter for certain hedging instruments held under credit support agreements with its swap banks, following a significant decrease in long-term interest rates and the weakening of the NOK against the USD (see note 8 for further information). The net decrease in cash and cash equivalents during the fourth quarter was USD 66.9 million.

At 31 March 2020, Höegh LNG held USD 125.9 million in current cash (USD 195.1 million). Net interest-bearing debt, including lease liabilities, increased during the first quarter by USD 4.3 million to USD 1 570 million (USD 1 566 million). Total assets and book equity at 31 March 2020, after adjusting for the mark-to-market of interest rate swaps, were USD 2 551 million (USD 2 636 million), and USD 789 million (USD 801 million) respectively, equivalent to an adjusted book equity ratio of 31% (30%).

Key financial figures

(In USD'000 unless otherwise indicated)	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Income statement					
Total income	86 737	94 189	82 166	75 491	84 290
EBITDA	59 569	59 832	55 875	45 676	55 883
Impairment	-	(1 551)	-	-	-
EBIT	31 444	30 208	29 178	19 248	29 740
Profit (loss) after tax for the period	(1 026)	3 992	3 164	(3 626)	4 517
Financial position					
Total assets	2 550 588	2 601 838	2 621 006	2 436 795	2 492 449
Total assets adjusted for hedging [1]	2 550 588	2 635 776	2 639 245	2 452 864	2 516 301
Equity adjusted for hedging reserves [1]	788 639	800 912	800 271	808 500	822 411
Adjusted equity ratio (%)[1]	31 %	30 %	30 %	33 %	33 %
Net interest-bearing debt including lease liabilities	(1 570 283)	(1 565 968)	(1 608 022)	(1 461 195)	(1 463 396)
Cash flow					
Net cash flow from operating activities	50 962	77 679	49 923	47 781	50 202
Net cash flow from investing activities	(2 425)	(2 580)	(170 840)	(6 304)	(3 486)
Net cash flow from financing activities	(115 451)	(58 326)	158 728	(67 479)	(46 274)
Net increase (decrease) in cash and cash equivalents	(66 914)	16 773	37 811	(26 002)	442

1) Equity ratio adjusted for hedging transactions is calculated in Appendix 1 - Alternative Performance Measures (APMs)

[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 fourth quarter of 2019.

Corporate/other activities

The Covid-19 situation

At the time this quarterly report is released, Höegh LNG is experiencing limited operational and contractual impact from Covid-19, but the situation is dynamic and could change quickly – in particular with regard to maritime personnel and vessel operations logistics. Although Höegh LNG's operations are not directly affected by the virus pandemic as of today, the company has been and will continue to take necessary measures to mitigate the risks to employees and its operations. It is continuously monitoring the Covid-19 situation at present, undertaking scenario analysis and other evaluations to ensure that Höegh LNG is prepared in the best way possible to address any changes with regards to the health, safety and wellbeing of personnel, the LNG and the FSRU markets, governmental restrictions and other areas affecting operations and business.

At the date of this report Höegh LNG has experienced no known cases of Covid-19 infection among any employees onshore or offshore. The only direct effect on the company's operations is delays in crew changes, which have limited financial impact, but the situation is improving and the company has been able to conduct crew changes on three of its vessels in recent weeks.

All FSRUs and LNGCs are fully operational and crewed in accordance with relevant safety requirements, such that technical availability has not been affected by the current pandemic. All charter parties remain unchanged and in force and revenues are being collected in accordance with contractual terms.

In light of the uncertain business and financial environment created by the Covid-19 situation the board of directors has decided to suspend future dividends by Höegh LNG Holdings Ltd until further notice. In addition, the company has implemented a cost savings plan targeting USD 9-11 million in savings for 2020 compared with its original plans and budgets for the year. The estimated effect includes the elimination of bonus for the executive management and onshore personnel and reductions in administrative costs, as well as deferring costs, scheduled maintenance and projects to subsequent periods. Approximately one third of the estimated effect of USD 9-11 million relates to items being postponed to 2021.

Executing interim LNGC time charters

On 26 March 2020 Höegh LNG announced that a subsidiary of the company had entered into an interim LNGC time charter with an Asian-based trading house for a period of around seven months from mid-2020. Höegh Gallant will be deployed for this contract. Furthermore, a subsidiary of the company has entered into an interim LNGC time charter with a European-based trading house for a period of around 12 months from May 2020. Höegh Gannet is deployed for this contract. These charters and other short-term charters entered into increase the group's contract coverage for 2020 to close to 100%.

Höegh Gallant leased back from Höegh LNG Partners to Höegh LNG Holdings

As stated in the Q4 2019 report Höegh LNG Partners has exercised the option to lease back Höegh Gallant to a subsidiary of Höegh LNG Holdings for a period of about five years. The intra-group charter commenced on 30 April 2020.

Refinancing activities

During January 2020, Höegh LNG raised NOK 650 million in a new unsecured bond loan (HLNG 04) with a five-year tenor and a margin of 600 basis points. In connection with the issuance of the new bond loan, USD 65 million of the HLNG 02 bond maturing in June 2020 was bought back during the first quarter. The new bond loan was listed on the Oslo Stock Exchange on 7 May 2020. In April 2020, the previously announced revolving credit facility for up to USD 80 million, secured by the company's common units and its shares in the general partner of Höegh LNG Partners, was executed and signed. USD 65 million of the facility is earmarked for repaying the HLNG 02 bond loan maturing in June 2020, of which USD 65 million was outstanding at 31 March 2020.

In addition, Höegh LNG received a commitment during March 2020 from five of the company's relationship banks for an amendment, an extension and a USD 45 million upsizing of the debt facility for the FSRU Independence. The additional USD 45 million will be available for general corporate use, with the final agreements executed and the additional USD 45 million was drawn down in April 2020.

Distribution from Höegh LNG Partners

Höegh LNG Partners declared a quarterly distribution of USD 0.44 per unit for the first quarter on 24 April 2020, corresponding to an annualised distribution of USD 1.76 per unit. On 14 May 2020, Höegh LNG Holdings accordingly received USD 6.7 million in distributions and USD 0.4 million in IDRs for the first quarter of 2020.

Dividend of USD 0.025 per share paid in Q1

Höegh LNG Holdings paid a cash dividend of USD 0.025 per share in the first quarter of 2020, equivalent to USD 1.9 million.

Business review

Business development activity

Höegh LNG's primary objective is to secure long-term FSRU contracts by the end of 2021 for all the units currently trading on short-term LNGC contracts. Despite Covid-19, good progress continues to be made towards this objective, with Höegh LNG selected as the preferred bidder for two new FSRU projects and shortlisted for one FSRU project since the last report, all in Latin America.

The two new projects in Latin America where Höegh LNG has been selected as preferred bidder are based on long-term contracts with start-up dates from 2021-2023. The company is currently in detailed negotiations to complete the FSRU charter parties for these projects, and this is expected to be completed by end 2020. The company plans to allocate FSRUs currently operating in the short-term LNGC market to these two projects. Further, for the previously reported formal tender process in the same region, Höegh LNG has progressed to the shortlist. This project is expected to confirm the FSRU supplier and reach FID during 2020.

In April 2020, Australia Industrial Energy (AIE) received approval for its application to modify the existing development consent for the Port Kembla Gas Terminal in New South Wales. The modification will allow increased volumes of gas to flow through the terminal, satisfying the market need for more gas during winter months. This will be achieved by increasing the maximum permitted output of the terminal, as well as by increasing the maximum number of LNG cargoes able to be received annually by the terminal.

For AGL Energy's (AGL) project in Crib Point Australia, the Environment Effects Statement (EES) process by the Victorian government is ongoing. Subject to and following the EES approval expected at the end of 2020, AGL expects to reach FID.

Additionally, Höegh LNG has exclusivity on a FSRU project in the Indian subcontinent and, as stated in previous quarterly reports, is also in a formal tender process for another FSRU project in the same region. Both projects are making progress with permits and securing gas sales agreements. They both identify high levels of demand, which Höegh Gannet with its one billion cubic feet per day (bcfd) of send-out capacity is uniquely qualified to service.

On 1 April 2020 Höegh LNG announced its application for a licence to install an LNG import terminal in Cyprus. The country needs to replace the consumption of heavy fuel oil with cleaner LNG as fuel for power output, in order to change its energy mix to comply with EU's emission regulations. The plan consists of using one of Höegh LNG's FSRUs and VTTI's existing terminal infrastructure as a fast-track solution for the required fuel switching, thereby reducing air emissions, cutting EU emission taxes, enabling savings on fuel costs and ultimately reducing the electricity price per KWh for local consumers. For this planned project, Höegh LNG has partnered with VTT Vasiliko Ltd ("VTTV" - a VTTI Group Company) and H4E GasFuel Ltd.

At the publication date of this report, Höegh LNG has received no notification of delays, postponements or cancellations of the above-mentioned projects owing to the Covid-19 virus outbreak.

In addition to those listed above, Höegh LNG has a healthy pipeline of additional projects at various stages of development.

Environment, Social and Governance (ESG)

Höegh LNG published the company's annual report for 2019 on 23 April 2020. This included the sustainability report for 2019. Höegh LNG reports on sustainability in accordance with the Global Reporting Initiative (GRI) Standards in its annual report and has also extended the company's reporting aligned with the recommendations from the Norwegian Shipowners' Association (NSA).

Following the materiality assessment conducted in early 2019, the company has revised its sustainability targets in line with stakeholders' preferences. These targets for 2020 can be found in annual report for 2019, and the progress will be reported on in the annual report for 2020.

Safe and reliable operation of the company's fleet is of key importance and is demonstrated by a very strong record of technical availability and few lost-time injuries (LTIs) onboard. The group's technical availability was 100%, while the lost-time injury frequency was zero for the quarter ending 31 March 2020.

Technical availability of fleet and safety performance

	2020	2019	2018	2017	2016
Technical availability	100.0 %	99.5 %	99.8 %	99.8 %	99.9%
Lost time injury frequency [1)]	0.00	0.31	0.00	0.38	0.00

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

Further information on ESG topics can be found in the sustainability report included in the annual report, which is available on the company's website www.hoeghlng.com.

Market

Since the Covid-19 situation is still developing across the globe, the full effects of the pandemic are unclear when this report is released. The high level of uncertainty in the LNG market remains and near-term demand growth forecasts have been revised downwards from the end of 2019. On the supply side several planned liquefaction projects have reported delays owing to Covid-19, and this situation, combined with lower oil prices and a worsening in economic conditions, will probably affect future capital spending for new LNG export projects. This could result in the growth of new LNG volumes coming to the market in the 2024-25 period being slower than previously assumed.

Despite the market turmoil, global LNG trade continued to grow in the first quarter of 2020, with LNG volumes traded reaching 100.4 million tonnes, up by 13% from the same period of 2019. Europe and Asia were the main demand drivers behind the volume growth.

In Asia, India and South Korea were the two countries driving demand in the first quarter of 2020. The price-sensitive Indian market took advantage of the falling spot price and increased LNG imports by 55% year-over-year in the first quarter. Since a national lockdown was implemented in late March and is continuing at least until mid-May, however, energy and gas consumption has been reduced since the end of the quarter. The 22% year-over-year increase in South Korean LNG import volumes was driven by the temporary shutdown of coal-fired power plants to improve air quality and a normal winter season this year, compared with mild weather in the first quarter of 2019.

China was the first market to experience a significant impact from the Covid-19, but LNG imports decreased by a mere 4% year-over-year in the first quarter of 2020.

Uncommitted LNG cargoes continued to be directed to Europe in the first quarter and LNG imports grew by 30% year-over-year in the first quarter of 2020 bringing total imports of LNG to 27.6 million tonnes. This growth was largely at the expense of pipeline gas. All main LNG import regions in Europe increased their imported volumes substantially during the quarter. Aggregate European storage levels reached a seasonal low of around 53-55% in March compared with the low-point of 40% the year before.

The LNG prices remain at very competitive levels. As the oil price has decreased oil-indexed LNG prices in Asia and Latin America have followed suit, making imported LNG more attractive in these markets. The low price of LNG may partly offset the expected decline in the LNG demand growth in the near future.

By the 31 March 2020, 35 FSRUs were on the water (excluding two smaller barges). Of these, 26 are committed on FSRU contracts and nine are available and/or trading as LNGCs. Six purpose-built and three converted FSRUs are on order, and of these three are without firm contracts.

As in 2019, the LNG freight market experienced declining rates during the first quarter which were driven by seasonal effects. The corona virus outbreak increasingly brought uncertainty to the market as it evolved. While overall demand for energy declined, it is clear that demand for gas is less affected than for oil owing to their differing applications. Oil products are mainly consumed for transportation purposes, while LNG is mainly used in the power and residential sector.

Outlook

Höegh LNG's main commercial focus is to secure long-term FSRU employment for the units currently working as LNGCs. Even though Covid-19 has created uncertainty in the energy markets the LNG market is functioning close to normal, and the demand for FSRUs does not appear to have been significantly affected by the situation, as can be seen by the awards to Höegh LNG as preferred bidder for two new projects in the quarter. It is not possible accurately to forecast the short- and long-term impacts of Covid-19 on Höegh LNG's business, other than to say that at the date of this report, its effect on its employees, operations and revenues has been limited.

Results for the second quarter will be affected by the change in charter rates for Höegh Gannet and Höegh Gallant after the expiry of time charters in March and April respectively. Since Höegh Giant is on an index-linked charter, the realised rate in the second quarter depends on spot market rates for LNGCs.

INTERIM CONSOLIDATED STATEMENT OF INCOME

USD'000	Note	Unaudited Q1 2020	Unaudited Q4 2019	Unaudited Q1 2019
Time charter revenues		82 597	87 740	79 504
Management and other income		1 360	2 880	1 111
Share of results from investments in associates and joint ventures		2 781	3 570	3 675
TOTAL INCOME		**86 737**	**94 189**	**84 291**
Bunker and other voyage related expenses		(542)	(12)	184
Operating expenses		(17 355)	(21 191)	(15 811)
Project administrative expenses		(3 547)	(5 511)	(4 677)
Group administrative expenses		(4 458)	(5 644)	(6 112)
Business development expenses		(1 267)	(1 999)	(1 993)
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)	4	**59 569**	**59 832**	**55 882**
Depreciation		(28 125)	(28 073)	(26 143)
Impairment		-	(1 551)	-
OPERATING PROFIT		**31 444**	**30 208**	**29 739**
Interest income		604	946	1 176
Interest expenses		(25 979)	(26 051)	(23 203)
Income from other financial items		880	497	(571)
Expenses from other financial items		(6 965)	(511)	(925)
NET FINANCIAL ITEMS		**(31 460)**	**(25 119)**	**(23 523)**
ORDINARY PROFIT (LOSS) BEFORE TAX		**(16)**	**5 090**	**6 216**
Corporate income tax		(1 010)	(1 098)	(1 699)
PROFIT (LOSS) FOR THE PERIOD AFTER TAX		**(1 026)**	**3 992**	**4 517**
Profit (loss) for the period attributable to (from):				
Equity holders of the parent		(12 312)	(5 973)	(5 127)
Non-controlling interests		11 286	9 965	9 644
TOTAL		**(1 026)**	**3 992**	**4 517**
Earnings per share attributable to equity holders of the parent during the period:				
Basic and diluted earnings per share		(0,16)	(0,08)	(0,07)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD'000	Note	Unaudited Q1 2020	Unaudited Q4 2019	Unaudited Q1 2019
Profit (loss) for the period		**(1 026)**	**3 992**	**4 517**
Items that will not be reclassified to profit or (loss)				
Net gain (loss) on other capital reserves		-	30	2
Items that may be subsequently reclassified to profit or (loss)				
Net gain (loss) on hedging reserves	8	(64 293)	9 243	(20 100)
Share of other comprehensive Income from joint ventures	8	(17 104)	6 180	(3 847)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD NET OF TAX		**(81 397)**	**15 452**	**(23 944)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		**(82 423)**	**19 444**	**(19 427)**
Total comprehensive income attributable to (from):				
Equity holders of the parent		(78 993)	5 264	(24 762)
Non-controlling interests		(3 429)	14 180	5 335
TOTAL		**(82 423)**	**19 444**	**(19 427)**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD'000	Note	Unaudited 2020 31 Mar	Audited 2019 31 Dec	Unaudited 2019 31 Mar
ASSETS				
Non-current assets				
Deferred tax assets		490	458	370
Vessels and depot spares	9	2 081 385	2 100 781	1 890 686
Assets under construction		6 442	6 108	91 465
Right-of-use assets	9	185 552	192 641	215 290
Investments in associates and joint ventures		22 581	29 574	25 198
Other non-current financial assets	8	59 295	5 141	7 197
Other non-current assets		11 554	9 962	11 059
Shareholder loans		3 909	3 831	3 606
Non-current restricted cash		17 315	17 428	17 835
Total non-current assets		**2 388 522**	**2 365 925**	**2 262 707**
Current assets				
Bunkers and inventories		1 910	582	722
Trade and other receivables		34 145	38 352	58 993
Other current financial assets	8	76	1 884	4 627
Restricted cash		5 871	8 117	7 004
Cash and cash equivalents		120 064	186 978	158 396
Total current assets		**162 066**	**235 913**	**229 743**
TOTAL ASSETS		**2 550 588**	**2 601 838**	**2 492 449**
EQUITY AND LIABILITIES				
Equity				
Share capital		773	773	773
Other paid-in capital		556 244	556 044	554 920
Capital reserves		(143 578)	(76 897)	(44 485)
Retained earnings		(104 900)	(83 590)	(37 615)
Equity attributable to equity holders of the parent		**308 539**	**396 330**	**473 593**
Non-controlling interests		294 003	299 760	281 140
Total equity		**602 540**	**696 088**	**754 733**
Non-current liabilities				
Deferred tax liability		11 835	12 098	10 707
Non-current interest-bearing debt	7	1 292 890	1 285 454	1 333 738
Non-current lease liability	7	160 979	162 170	180 847
Investments in joint ventures		12 544	5 215	8 964
Other non-current financial liabilities	8	134 437	45 681	20 320
Deferred revenues		1 746	2 164	1 573
Total non-current liabilities		**1 614 431**	**1 512 783**	**1 556 149**
Current liabilities				
Current interest-bearing debt	7	231 213	296 213	96 156
Current lease liabilities	7	28 527	34 764	35 890
Income tax payable		4 275	3 292	3 859
Trade and other payables		17 931	21 404	18 762
Other current financial liabilities	8	34 789	17 841	12 448
Other current liabilities		16 881	19 453	14 453
Total current liabilities		**333 617**	**392 967**	**181 567**
TOTAL EQUITY AND LIABILITIES		**2 550 588**	**2 601 838**	**2 492 450**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

USD'000	Unaudited Q1 2020	Unaudited Q4 2019	Unaudited Q1 2019
Cash flow from operating activities			
Profit (loss) before tax for the period	(16)	5 090	6 216
Adjustments to reconcile profit before tax to net cash flows			
Depreciation	28 125	28 073	26 143
Impairment	-	1 551	-
Fair value adjustments on marketable securities	34	(15)	-
Interest income	(604)	(946)	(1 176)
Interest expenses	25 979	26 051	23 203
Net loss (income) on interest rate hedges	90	(129)	571
Share-based payment cost and Board remuneration not paid-out	255	317	316
Share-based payment settled in cash	-	(573)	-
Share of results from investments in associates and joint ventures	(2 781)	(3 570)	(3 675)
Working capital adjustments			
Change in inventories, receivables and payables	470	21 068	(559)
Payment of corporate income tax	(591)	761	(835)
i) Net cash flow from operating activities	**50 962**	**77 679**	**50 202**
Cash flow from investing activities			
Investment in FSRUs, assets under construction and class renewals	(844)	(2 051)	(3 880)
Investment in intangibles, equipment and other	(1 927)	(679)	(278)
Investments in associates	-	(375)	-
Interest received	346	525	672
ii) Net cash flow from investing activities	**(2 425)**	**(2 580)**	**(3 486)**
Cash flow from financing activities			
Net proceeds from equity issuance (HMLP)	2 125	10 343	-
Dividend paid to non-controlling interest (HMLP)	(11 601)	(11 507)	(11 248)
Dividend paid to shareholders of the parent	(1 905)	(1 905)	(1 905)
Proceeds from borrowings	72 515	-	320 000
Payment of debt issuance costs	(1 728)	(716)	(5 796)
Buy-back of bonds (HLNG02)	(65 000)	-	-
Repayment of borrowings	(25 720)	(25 752)	(321 799)
Lease payments	(9 285)	(9 274)	(9 025)
Interest paid	(22 725)	(21 655)	(16 112)
(Increase) decrease in restricted cash and cash collateral	(52 127)	2 140	(391)
iii) Net cash flow from financing activities	**(115 451)**	**(58 326)**	**(46 274)**
Net increase/(decrease) in cash and cash equivalents (i+ii+iii)	**(66 914)**	**16 773**	**442**
Current cash and cash equivalents at the beginning of the period	186 978	170 205	157 954
Current cash and cash equivalents at the end of the period	120 064	186 978	158 396

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

USD'000	Issued capital	Share premium	Treasury shares	Other paid-in capital	Hedging reserves	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the parent									
	Paid-in capital				*Capital reserves*					
At 1 January 2020	**773**	**447 656**	**(11)**	**108 399**	**(74 103)**	**(2 794)**	**(83 590)**	**396 329**	**299 760**	**696 088**
Profit (loss) for the period							(12 312)	(12 312)	11 286	(1 026)
Other comprehensive income (loss)					(66 681)			(66 681)	(14 715)	(81 396)
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(66 681)**	**-**	**(12 312)**	**(78 993)**	**(3 429)**	**(82 422)**
HMLP dividend to non-controlling interests								-	(11 601)	(11 601)
Dividend to shareholders of the parent							(1 905)	(1 905)	-	(1 905)
Net proceeds from issuance preferred units								-	2 125	2 125
Share-based payment				200				200	55	255
Transfer of assets to HMLP (Note 5)							(7 093)	(7 093)	7 093	-
Total other transactions recognised directly in equity	**-**	**-**	**-**	**200**	**-**	**-**	**(8 998)**	**(8 798)**	**(2 328)**	**(11 126)**
At 31 March 2020 (unaudited)	**773**	**447 656**	**(11)**	**108 599**	**(140 784)**	**(2 794)**	**(104 900)**	**308 537**	**294 003**	**602 540**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

USD'000	Issued capital	Share premium	Treasury shares	Other paid-in capital	Hedging reserves	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the parent									
	Paid-in capital				*Capital reserves*					
At 1 January 2019	**773**	**447 035**	**(12)**	**107 637**	**(22 050)**	**(2 794)**	**(30 258)**	**500 330**	**286 667**	**786 997**
Profit (loss) for the period							(5 127)	(5 127)	9 644	4 517
Other comprehensive income (loss)					(19 640)			(19 640)	(4 304)	(23 944)
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(19 640)**	**-**	**(5 127)**	**(24 767)**	**5 340**	**(19 427)**
HMLP dividend to non-controlling interests									(11 248)	(11 248)
Dividend to shareholders of the parent							(1 905)	(1 905)	-	(1 905)
Share-based payment		531	1	(272)				260	56	316
Transfer of assets to HMLP							(325)	(325)	325	-
Total other transactions recognised directly in equity	**-**	**531**	**1**	**(272)**	**-**	**-**	**(2 230)**	**(1 970)**	**(10 867)**	**(12 837)**
At 31 March 2019 (unaudited)	**773**	**447 566**	**(11)**	**107 365**	**(41 690)**	**(2 794)**	**(37 615)**	**473 593**	**281 140**	**754 733**

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 company limited by shares 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 27 May 2020.

The number of issued shares for the quarter ended 31 March 2020 was 77 260 580, of which 1 056 553 were held in treasury. The number of outstanding shares at 31 March 2020 was 76 204 027.

2. BASIS FOR PREPARATION AND ACCOUNTING POLICIES

The interim consolidated financial statements for the period ending 31 March 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The interim financial 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 for the year ended 31 December 2019 (the 2019 annual report).

The consolidated interim financial statements are presented in USD and all values are rounded to the nearest USD 1 000 unless otherwise indicated. Because of rounding adjustments, amounts and percentages may not add up to the total.

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 31 March 2020, the company held 45.84% of the common units issued in Höegh LNG Partners LP. HMLP is consolidated on the basis of the company's assessment that Höegh LNG Holdings has de facto control of HMLP even though it has less than 50% of the voting rights. The company'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 associates, joint ventures and subsidiaries, in the 2019 annual report 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.

Joint ventures: claims and provisions

In February 2020, a commercial agreement was reached between Höegh LNG and Total, addressing all past and future claims related to boil-off with respect to Neptune and Cape Ann. The settlement amount, USD 23.7 million, is in line with the provision made by the joint ventures at 31 December 2019. See Note 32, Other contingent liabilities in the 2019 annual report for a more detailed description. The final binding agreement was signed 1 April 2020.

Höegh LNG Holdings will indemnify Höegh LNG Partners for its share of the cash effect of the settlement, the arbitration costs and any legal expenses, any necessary technical modifications of the vessels and any prospective boil-off claims or other direct impacts of the settlement agreements.

In 2002, two UK finance 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 Höegh (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. The latest exchange until recently was a letter to HMRC in 2017, providing factual information from Joint Gas Ltd. and Joint Gas Two Ltd. In March 2020, Joint Gas Two Ltd (Arctic Lady) received a copy of a letter from HMRC sent to the lessor, with HMRC's comments on the facts provided to HMRC in 2017. In this letter, HMRC summarises the facts presented in the matter and invites the parties involved to further dialogue on the matter. The recent letter from HMRC has not materially changed Joint Gas Two Ltd.'s assessment, and no provision has been made. See Note 19, Commitments and guarantees (Arctic Vessels), in the 2019 annual report for a more detailed description.

4. SEGMENT INFORMATION

The group's activities are divided into the following operating segments, HMLP, Operations, Business development and project execution, and Corporate and other. Höegh LNG's operating segments reflect how the group's chief operating decision maker assesses the financial performance of the group's business activities and allocates resources to these. Revenues, expenses, gains and losses arising from internal sales, internal transfer of businesses, group contributions and dividends within the group are not included in the income statements for the segments. 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 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 which have not been transferred to Höegh LNG Partners LP. It includes the five FSRUs Independence, Höegh Giant, Höegh Esperanza, Höegh Gannet, Höegh Galleon and the two LNGCs Arctic Princess and Arctic Lady. The segment comprises revenues and expenses related to FSRUs and LNGCs in operation 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.

Corporate and other

The segment includes corporate functions such as group management, group finance, legal and other administrative expense which are not allocated to the other operating segments.

OPERATING INCOME AND OPERATING EXPENSES BY SEGMENT

Segment information USDm	HMLP		Operations		BD and project execution		Corporate and other		Total	
Income statement	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
Time charter revenues	38,7	38,0	43,9	41,5	-	-	-	-	82,6	79,5
Management and other income	(0,0)	0,1	1,4	1,0	(0,0)	(0,0)	(0,0)	(0,0)	1,4	1,1
Share of results from inv. in JVs	1,6	2,8	1,2	0,9	-	-	-	-	2,8	3,7
TOTAL INCOME	**40,3**	**40,8**	**46,4**	**43,5**	**(0,0)**	**(0,0)**	**(0,0)**	**(0,0)**	**86,7**	**84,3**
Charterhire expenses	-	-	-	-	-	-	-	-	-	-
Bunker and other voyage related expenses	0,0	-	(0,5)	0,2	-	-	-	-	(0,5)	0,2
Operating expenses	(5,6)	(6,1)	(11,8)	(9,7)	(0,0)	(0,1)	-	-	(17,3)	(15,8)
Project administrative expenses	(0,6)	(0,7)	(2,3)	(2,6)	(0,6)	(1,4)	-	-	(3,5)	(4,7)
Group administrative expenses	(1,8)	(2,0)	-	-	-	-	(2,7)	(4,1)	(4,5)	(6,1)
Business development expenses	-	-	-	-	(1,3)	(2,0)	-	-	(1,3)	(2,0)
EBITDA	**32,4**	**32,0**	**31,8**	**31,4**	**(1,9)**	**(3,4)**	**(2,7)**	**(4,1)**	**59,6**	**55,9**

ASSETS AND LIABILITIES ALLOCATED TO THE OPERATING SEGMENTS AT 31 MARCH

USD million	HMLP		Operations		Business development and project execution		Corporate and other		Total	
	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
Tangible assets										
Invest. in vessels,depot spares and RoU assets	773,1	795,0	1 493,9	1 311,0			-	-	2 266,9	2 106,0
Assets under construction					6,4	91,5	-	-	6,4	91,5
Liabilities										
Interest-bearing debt incl. lease liability	446,5	440,4	999,7	903,2	-	-	267,5	302,0	1 713,6	1 645,6

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 0.7 million in the first quarter of 2020 (USD 1.4 million in the fourth quarter of 2019). For a more detailed description of recurring related-party transactions, see information disclosed in Note 31 in the 2019 annual report.

On 1 October 2015, the company sold Höegh Gallant to HMLP in a dropdown transaction. The sales contract granted HMLP an option to lease the vessel back to Höegh LNG Ltd from the date of termination or expiry of the lease and maintenance agreement (LMA) until 31 July 2025 (with no option to extend), at a rate equal to 90% of the daily LMA rate plus any incremental taxes or operating expenses as a result of such a charter. The option had to be exercised before expiry of the charter with Egas and was declared by HMLP on 26 February 2020. At 31 March 2020, the company updated the provision made in previous periods for the net present value of the obligation (net of estimated future time charter hire) as a long-term liability in the statutory accounts of Höegh LNG Ltd. Transfer of assets does not generally affect the allocation of profit between non-controlling interests and the equity holders of the company in the consolidated accounts.

6. CAPITAL COMMITMENTS

At 31 March, Höegh LNG had a remaining outstanding investment commitment in Avenir LNG Ltd (Avenir) of up to USD 18 million. USD 11.25 million is agreed to be paid during 2020 and the remaining amount of USD 6.75 million is expected to fall due in 2021. In April 2019, the company issued a guarantee of USD 11.7 million in connection with a shipbuilding contract signed by Avenir. In addition, the main shareholders in Avenir have issued guarantees/counter-guarantees related to shipbuilding contracts signed by Avenir. These guarantees are for an original total amount of approximately USD 120 million (plus change orders and interests), for which the company would be liable on a joint and several basis. The three main shareholders have entered into counter-indemnity agreements for the said guarantee obligations, so that the company's net liability for a claim would be equal to its pro rata shareholding in Avenir at the time of any claim being raised. Lastly, the main shareholders of Avenir have issued non-binding letters of comfort related to the final payment instalments under shipbuilding contracts signed by Avenir.

The group had contractual purchase commitments of about USD 8 million at 31 March 2020. These commitments relate primarily to certain regasification equipment and depot spares on order, and implementation of a new enterprise resource planning system.

7. INTEREST-BEARING DEBT

The group's interest-bearing debt maturity profile is shown in the table below. For a more detailed description of the group's interest-bearing debt, see information disclosed in Note 16 in the 2019 annual report.

DEBT MATURITY PROFILE INCLUDING LEASE LIABILITIES 31 MARCH 2020

	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[1]	76 293	15 248	15 248	15 248	34 227	156 265
PGN FSRU Lampung facility	19 062	32 478	14 886	14 886	30 943	112 256
Höegh Esperanza facility	12 500	12 500	12 500	62 500	75 000	175 000
Höegh Giant facility	12 707	12 707	130 243	-	-	155 657
Höegh Gannet facility	11 042	11 042	11 042	56 042	72 031	161 198
Bond debt	65 000	142 780	-	-	61 871	269 651
USD 385 million facility	25 597	25 597	25 597	25 597	240 314	342 703
Höegh Galleon facility	9 012	9 012	9 012	9 012	139 693	175 743
Interest-bearing debt outstanding	**231 213**	**261 364**	**218 529**	**183 286**	**654 080**	**1 548 472**
Debt issuance cost						(24 369)
Total interest-bearing debt	**231 213**	**261 364**	**218 529**	**183 286**	**654 080**	**1 524 102**
Lease liabilities	28 527	29 821	31 298	32 944	66 916	189 506
Total interest-bearing debt including lease liabilities	**259 740**	**291 185**	**249 827**	**216 230**	**720 996**	**1 713 608**

[1]) The refinancing of the Independence facility was finalised in April 2020 (see disclosure below). The effect on the table above is to reduce the equivalent of USD 61 million due in year 1 and to increase in the amount due in year 5 by USD 106 million. The additional USD 45 million will increase the total amount for this facility from USD 156.3 million to USD 201.3 million.

Financing activities in Q1 2020

In January 2020 Höegh LNG Holdings Ltd. issued a new NOK 650 million bond, HLNG04. The new bond has a five-year tenor and has been swapped from NOK to USD and from a floating NIBOR rate to a fixed LIBOR rate, resulting in a notional amount of USD 72 million and a fixed rate of 7.9%. During the first quarter of 2020, Höegh LNG Holdings Ltd bought back 50% (USD 65 million) of the HLNG02 bond, which matures in June 2020. In March 2020, Höegh LNG Holdings Ltd. entered into a revolving credit facility (RCF) of up to USD 80 million which was undrawn at 31 March 2020. The RCF will fall due in January 2022. USD 65 million of the facility is earmarked for repaying the company's HLNG02 bond (of which USD 65 million was outstanding at 31 March 2020). The remainder of the facility is for general corporate purposes. The facility is secured with a pledge of all the company's common units and its shares in the general partner of Höegh LNG Partners LP. As is customary for such facilities, its available amount is linked to the value of the pledged units. Owing to the nature of this facility, no interest rate swaps have been entered into and, based on the floating LIBOR at that time, the all-in rate is approximately 5.2%.

In March 2020, Höegh LNG received a commitment letter from five of the company's relationship banks for an amendment, extension and USD 45 million upsizing of the debt facility for the FSRU Independence. The amendment and extension cover the Independence debt facility's commercial tranche of USD 61 million maturing in May 2020. In the amendment and extension facility, the commercial tranche will be upsized by USD 45 million to USD 106 million with maturity in December 2024. The Independence debt facility also consists of two tranches guaranteed by export credit agencies which remain unchanged, save for a reduction of their respective funding margins. Consequently, the blended amortisation profile is stretched out and the funding cost has been significantly reduced, to an estimated blended average interest rate of about 4.0% for the full facility. The additional USD 45 million will be available for general corporate use. The final agreements were executed and the additional USD 45 million was drawn in April 2020.

8. INTEREST RATE AND CURRENCY HEDGES

To manage its interest rate and currency risks, the group has established hedging policies and entered into derivatives to reduce its exposures in accordance with these policies. For a more detailed description of the group's hedging policy and hedging instruments, see Note 13 in the 2019 annual report. The group applies hedge accounting for all hedging instruments which qualify for this as further described in Note 2.11 in the 2019 annual report.

During the first quarter of 2020, as a result of both the Covid-19 outbreak and the development in Opec+, commodity and financial markets have experienced a significate negative development which has led to the weakening of currencies (in particular for emerging markets), share prices, bond prices, commodity prices, freight rates, interest rate levels and more. These circumstances have had a significant negative effect on the market value of the derivatives held by the group to hedge currency and interest rate exposures. Some of these required significant cash collateral to be posted under relevant credit support agreements with the swap banks during the first quarter 2020. The group is exposed to liquidity risk related to the cross-currency interest swaps (CCIRS) for the two NOK bonds and to the interest rate swaps for the debt facility for Höegh Galleon. If the negative value exceeds predefined thresholds, the group is thereby required to post cash collateral for the difference. At 31 March 2020, the cash collateral posted under these agreements amounted to approximately USD 59 million, which is an increase of USD 55 million from 31 December 2019. In April 2020, the group agreed a temporary increase of thresholds with the banks related to the CCIRS to provide a certain buffer against further cash collateral postings if the market value of the CCIRS declines to even lower levels.

Currency risk

The group had outstanding forward rate agreements (FRAs) at 31 March 2020 totalling NOK 243 million (USD 330 million), to hedge budgeted administration expenses in NOK by buying NOK and selling USD throughout 2020. The fair value of these FRAs was negative with USD 3.7 million at 31 March 2020, down from a positive value of USD 1.1 million at 31 December 2019. Since this hedge does not qualify for hedge accounting, the entire change in market value during the quarter (USD 4.8 million) is recognised under other financial items as unrealised and realised loss on foreign exchange amounting to USD 4.3 million and USD 0.5 million, respectively.

Interest rate risk

The group's interest-bearing debt is subject to floating interest rates, but the exposure to interest rate fluctuations has been hedged by entering into fixed interest rate swap (IRS) agreements for all loan agreements, including bonds (NOK nominated bonds hedged by CCIRS), but excluding two revolving credit facilities. At 31 March 2020, the net fair value of the interest rate and cross-currency swaps was negative at USD 154.9 million, representing an increase in net liabilities of USD 103.0 million during the quarter from a negative USD 51.9 million at 31 December 2019. Part of the decline in fair value has been offset by an unrealised currency gain on the outstanding bonds, which increased from USD 6.1 million at 31 December 2019 to USD 44.8 million at 31 March 2020.

The group's pro rata shares of the net fair value of interest swaps entered into by joint ventures were negative at USD 73.8 million at 31 March 2020, compared with a negative USD 56.7 million at 31 December 2019.

Effects on other comprehensive income and hedging reserves

In the first quarter of 2020, USD 81.4 million relating to the interest rate swaps was recorded as a loss under other comprehensive income (OCI), compared with a positive OCI of USD 15.5 million recorded in the previous quarter. An unrealised loss on the cross-currency swap of the bonds is recorded as a loss in the income statement and is offset by an equivalent unrealised currency gain on the outstanding bonds denominated in NOK at the end of each reporting period. Adding to the mark-to-market, the losses recorded on the cross- currency swaps together with other items recorded as gains or losses recognised in the income statement as shown in the table below, a negative fair value for hedging instruments of USD 186.1 million net is recognised as hedge reserves in consolidated equity at 31 March 2020, representing an increase from a negative effect of USD 104.8 million on equity at 31 December 2019.

MTMs of cash flow hedges in the Financial Position	31 Mar 2020	31 Dec 2019	31 Mar 2019
Total MTMs of FRAs	(3 683)	1 110	-
Total MTMs of IRS presented as financial assets	-	1 032	9 673
Total MTMs of IRS and CCIRS presented as financial liabilities	(154 855)	(52 925)	(23 592)
Total MTMs of IRS in the joint ventures	(73 708)	(56 604)	(52 981)
Net MTMs of cash flow hedges	**(232 246)**	**(107 387)**	**(66 900)**
Net foreign exchange losses under cross currency swaps included in MTMs on bonds HLNG03 and HLNG04	44 824	6 123	2 485
Accumulated break cost paid	(4 285)	(4 285)	(4 285)
Accumulated loss on swaps recorded as loss	1 925	1 835	1 020
FX hedges (SG&A) denominated in NOK against USD recorded as unrealized loss (gain)	3 683	(1 110)	-
Interest rate swaps recorded against equity	**(186 099)**	**(104 824)**	**(67 680)**

9. VESSELS – IMPAIRMENT ASSESSMENT

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, being the higher of an asset's net selling price (if applicable) and its value-in-use. See Note 11 in the annual report for 2019 for further information.

A quarterly assessment of impairment indicators and estimated recoverable amounts has been carried out for the first quarter. The assessment was based on the following indicators:

- Book equity continues to be significantly higher than market capitalization (price/book <1).
- The market for FSRUs remains highly competitive, with no signing of new contracts during first quarter.
- Rate levels for LNG carriers experienced declining rates during the quarter.

To assess if an impairment was applicable, the group estimated the recoverable amounts for its investment in vessels, including right-of-use assets, using the same methodology and principles as for prior periods, updating the model to reflect lower charter hire rates for vessels currently on intermediate LNGC contracts. However, the long-term assumptions have remained unchanged, since improved markets for FSRUs are expected by the group in the longer term.

As further explained in the 2019 annual report, the recoverable amount for each vessel would be particularly sensitive to changes in weighted average cost of capital (WACC), weighted average charter rates (FSRU and LNGC), and an extension of intermediate periods without FRSU contracts, particularly for vessels with the lowest headroom.

The impairment testing as per 31 March 2020 did not identify any required impairment.

10. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- On 1 April 2020, Höegh LNG and Total reached a final binding agreement to settle the boil-off dispute regarding Neptune and Cape Ann. See Note 3 for further information.

- In April 2020, Höegh LNG completed the amendment, extension and USD 45 million upsizing of the debt facility for FSRU Independence. See Note 7 for further information.

- On 6 April 2020, the board of directors of Höegh LNG Holdings Ltd decided to take precautionary measures to address the Covid-19 situation, preserve liquidity and reduce costs owing to the highly uncertain business environment. The board therefore decided to:
  - suspend all future dividends of Höegh LNG Holdings Ltd until further notice.
  - suspend the bonus scheme for executive management and onshore personnel for 2020.
  - implement a cost-cutting plan with a special focus on overheads and vessel operating costs, targeting USD 9 -11 million in savings for 2020 compared with the company's original plans and budgets for 2020. The estimated effect includes the elimination of bonus and other costs, as well as deferring costs, scheduled maintenance and projects to subsequent periods. Approximately one third of the estimated effect relates to costs being postponed to 2021.

  In addition, chairman Morten W. Høegh and director Leif O. Høegh have waived their director's remuneration for 2019 payable in 2020. In the case of Morten W. Høegh, this also includes the director's remuneration payable by Höegh LNG Partners LP.

FORWARD-LOOKING STATEMENTS

This interim report contains forward-looking statements. These 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, Höegh LNG cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions because such assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control.

Among the important factors which could cause actual results to differ materially from those in the forward-looking statements are: changes in LNG transport, 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 as well as Höegh LNG's ability to operate and control its vessels; changes in the financial stability of clients or 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 for 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 regulations and laws. Unpredictable or unknown factors herein could also have material adverse effects on forward-looking statements.

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 the 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): operating profit plus depreciation, amortisation and impairments. EBITDA is defined as the line item operating profit before depreciation and amortisation 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 (hedging reserves). 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 adjusted for hedging reserves divided by total assets adjusted for hedging related assets. Hedging related assets represent an increase in investment in joint ventures when removing the negative impact of out of the money mark-to-market financial derivative swaps. See note 8 for further information.
- Adjusted basic and diluted earnings per share shows the value of EPS as if an allocation of profit had been made for transfer of assets (to) from HMLP.

USD'000

NET INTEREST-BEARING DEBT	31 Mar 2020	31 Dec 2019	31 Mar 2019
Interest-bearing debt, current and non-current	(1 713 609)	(1 778 601)	(1 646 631)
Restricted cash, non-current	17 315	17 428	17 835
Current cash and marketable securities	126 011	195 205	165 400
Net interest-bearing debt	**(1 570 283)**	**(1 565 968)**	**(1 463 396)**

EQUITY ADJUSTED FOR HEDGING TRANSACTIONS	31 Mar 2020	31 Dec 2019	31 Mar 2019
Equity	602 540	696 088	754 733
Hedge reserve including non-controlling interest share	186 099	104 824	67 680
Equity adjusted for hedging transactions	**788 639**	**800 912**	**822 413**

EQUITY RATIO ADJUSTED FOR HEDGING TRANSACTIONS	31 Mar 2020	31 Dec 2019	31 Mar 2019
Total assets	2 550 588	2 601 838	2 492 449
Hedge assets	-	33 938	23 852
Total assets adjusted for hedging transactions	**2 550 588**	**2 635 776**	**2 516 301**
Equity adjusted for hedging transactions	**788 639**	**800 912**	**822 413**
Equity ratio adjusted for hedging transactions	**31%**	**30%**	**33%**

EPS ADJUSTED FOR CAPITAL CONTRIBUTIONS (TO) FROM HMLP

USD'000	Q1 2020	Q4 2019	Q1 2019	2019	2018
Profit (loss) for the period attributable to (from):					
Equity holders of the parent	(12 312)	(5 973)	(5 127)	(29 651)	32 363
Basic and diluted earnings per share	(0,16)	(0,08)	(0,07)	(0,39)	0,43
Transfer of assets/capital contribution (to) from HMLP					
Capital contribution (to) from HMLP	-	-	-	34	352
Transfer of assets (to) HMLP	(7 093)	(642)	(325)	(16 096)	(18 213)
Total contributions/transfers (to) from HMLP	(7 093)	(642)	(325)	(16 062)	(17 861)
Adjusted profit for the period attributable to (from) equity holders of the parent	(19 405)	(6 615)	(5 452)	(45 714)	14 502
Adjusted basic and diluted earnings per share (USD'1)	**(0,25)**	**(0,09)**	**(0,07)**	**(0,60)**	**0,18**

APPENDIX 2 – ABBREVIATIONS

Abbreviation	**Definition**
ATM	At-the-market
DFDE	Dual Fuel Diesel Electric propulsion
Egas	Egyptian Natural Gas Holding Company
FID	Final investment decision
FSRU	Floating storage and regasification unit
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
Höegh LNG Holdings or the company	Höegh LNG Holdings Ltd.
SCR equipment	Selective Catalyst Reduction equipment
VPS	Norwegian Central Securities Depository