INTERIM RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2021

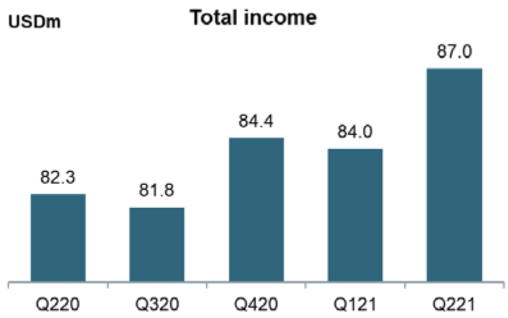
Highlights for the quarter ended 30 June 2021

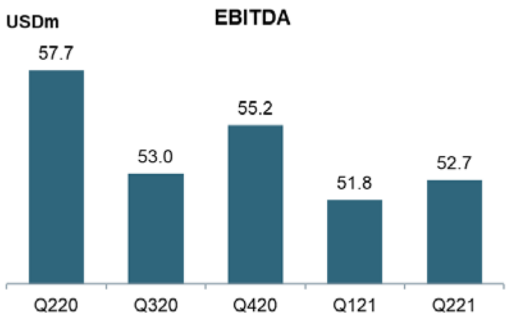
- EBITDA[1] of USD 52.7 million
- Net loss after taxes of USD 19.4 million
- Tax provision of USD 10.6 million for uncertain tax positions
- Amalgamation and de-listing of Höegh LNG Holdings Ltd.'s shares from Oslo Stock Exchange completed
- One-off financing costs impacting the second quarter with USD 9 million
- HLNG04 bond loan tap issuance completed in June

Subsequent events

- Höegh LNG Holdings Ltd.'s up to USD 80 million credit facility has been repaid and cancelled with proceeds from the HLNG04 bond tap issuance in June and a new bank facility
- Refinancing of Höegh Giant's debt facility completed in August
- The charterer under the lease and maintenance agreement for the PGN FSRU Lampung ("LOM") served a notice of arbitration ("NOA") on 2 August 2021 to declare the LOM null and void, and/or to terminate the LOM, and/or seek damages. PT Hoegh LNG Lampung ("PT HLNG") has served a reply refuting the claims as baseless and without legal merit and has also served a counterclaim against the charterer for multiple breaches of the LOM. PT HLNG will take all necessary steps and will vigorously defend against the charterer's claims in the legal process. Notwithstanding the NOA, both parties are continuing to perform their respective obligations under the LOM. However, the pending arbitration is causing issues with completing the arranged refinancing of this FSRU
- On 27 July 2021, Höegh LNG Partners LP announced a reduction in quarterly cash distributions to common units

Reported total income and EBITDA





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 87 million for the second quarter of 2021, compared with USD

[1] Please see the definition in Appendix 1.

[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 of first quarter of 2021.

84 million in the preceding quarter. This increase mainly reflects a compensation received from AGL following the termination of the FSRU project at Crib Point, reimbursement of environment tax expensed as opex during the quarter, and Höegh Giant having fewer idle days than in the first quarter in connection with the start-up of the contract with H-Energy in India. These factors were partly offset by Höegh Galleon operating a full quarter under the charter extension with Cheniere at a lower time charter rate and Arctic Princess being off-hire for approximately one month in connection with its scheduled dry-dock and class renewal.

Höegh LNG reported an EBITDA of USD 52.7 million for the second quarter, up from USD 51.8 million in the preceding three months. This increase reflects changes in income as described above, as Opex and SG&A were in line with the first quarter of 2021, save for the above-mentioned environmental tax which was reimbursed through the increased revenue.

Höegh LNG recorded a net loss after tax of USD 19.4 million for the second quarter of 2021, down from a loss of USD 2.4 million in the preceding quarter. This decrease mainly reflects certain one-off financing costs, including costs related to the refinancing of PGN FSRU Lampung which have been expensed in full due to the issues with completing the arranged refinancing, and a tax provision of USD 10.6 million which was recorded for a tax uncertainty following the conclusion by the Indonesian tax authority's 2019 tax audit of a subsidiary of the group. USD 2.7 million of the amount became payable in July 2021. The group disagrees with the conclusion of the tax audit and intends to contest the tax authority's position.

Operating cash flows rose in the second quarter by USD 21.4 million to USD 55 million. The net increase was driven mainly by changes in working capital, predominantly caused by temporary timing effects. Other sources of cash during the quarter comprised USD 39.6 million in proceeds from borrowings. Uses during the quarter mainly comprised USD 30.8 million in debt amortisations and lease payments, buy-back of bonds, dividends paid to non-controlling interests in Höegh LNG Partners (HMLP), payment of debt issuance costs and debt amendment costs, and interest payments. The net decrease in cash and cash equivalents during the second quarter was USD 5.4 million.

At 30 June 2021, Höegh LNG held USD 122.2 million in current unrestricted cash (USD 127.5 million). Net interest-bearing debt, including lease liabilities, decreased during the second quarter by USD 5.9 million to USD 1 524 million (USD 1 530 million). Total assets and book equity at 30 June 2021, after adjusting for the mark-to-market of interest rate swaps, were USD 2 495 million (USD 2 515 million) and USD 722 million (USD 752 million) respectively, equivalent to an adjusted book equity ratio of 29% (30%).

For the first half of 2021, Höegh LNG reported a total income of USD 171 million and EBITDA of USD 104.6 million, which compares with USD 169 million and USD 117.3 million respectively for the same period of 2020. The decrease in EBITDA primarily reflects class renewals and maintenance conducted in the first half of 2021 and vessels commencing new interim LNGC charter contracts at lower charter rates. Höegh LNG reported a net loss of USD 21.7 million for the first half of 2021, which compares with a USD 1.9 million profit for the same period of last year. The decrease is due to the above-mentioned tax provision and one-off financial costs expensed in Q2 2021.

Key financial figures

(In USD'000 unless otherwise indicated)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Income statement					
Total income	87 042	83 977	84 366	81 778	82 255
EBITDA	52 737	51 849	55 164	52 977	57 726
EBIT	24 495	22 859	27 090	24 898	29 631
Profit (loss) after tax for the period	(19 351)	(2 368)	782	(2 555)	2 945
Financial position					
Total assets	2 445 881	2 462 647	2 473 350	2 500 934	2 544 656
Total assets adjusted for hedging [1]	2 494 536	2 515 223	2 527 553	2 544 277	2 590 225
Equity adjusted for hedging reserves [1]	721 516	751 853	757 048	767 153	780 424
Adjusted equity ratio (%) [1]	29%	30%	30%	30%	30%
Net interest-bearing debt including lease liabilities	(1 524 400)	(1 530 250)	(1 536 288)	(1 536 975)	(1 560 465)
Cash flows					
Net cash flows from operating activities	55 043	33 602	54 393	51 211	59 610
Net cash flows from investing activities	(10 454)	(9 254)	(1 411)	(1 111)	(10 799)
Net cash flows from financing activities	(49 944)	(39 379)	(52 761)	(59 673)	(16 978)
Net increase (decrease) in cash and cash equivalents	(5 355)	(15 032)	221	(9 573)	31 833

[1] Equity ratio adjusted for hedging transactions is calculated in appendix 1 - alternative performance measures (APMs).

Business review

Covid-19

Höegh LNG is experiencing limited operational impacts from Covid-19 and no contractual effects. Ensuring the health and safety of its personnel continues to be the group's highest priority. Höegh LNG is truly grateful for the extraordinary effort displayed by its seafarers during these challenging times. Per 11 August 2021, the group has been able to vaccinate around 42% of the maritime personnel.

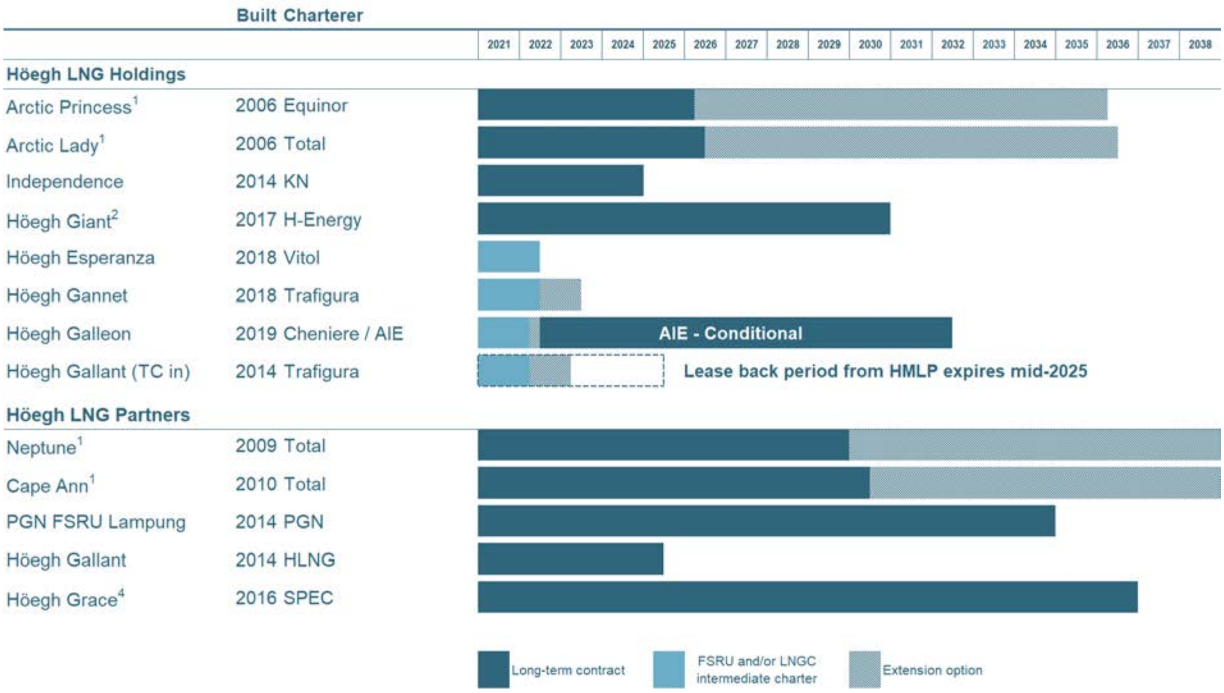
The Covid-19 situation is dynamic and could change quickly – in particular with regard to maritime personnel and vessel operational logistics, including repairs and maintenance. Although Höegh LNG's operations are not directly affected by the Covid-19 pandemic at present, the group has been taking and will continue to take necessary measures to mitigate risks to employees and its operations. The group is continuously monitoring the Covid-19 situation and undertaking scenario analysis and other evaluations to address any changes related to the health, safety and wellbeing of personnel, or to the LNG and FSRU markets, government restrictions, and other aspects potentially affecting operations and the business.

The main effect of the Covid-19 situation continues to be delays to scheduled crew changes, and Höegh LNG is working continuously to ensure the welfare of its maritime personnel by making these delays as short and as few in number as possible. While the group has been able to conduct full or partial crew changes on all the vessels in the fleet, the situation remains challenging for the maritime industry as a whole owing to travel restrictions and quarantine regulations. Nevertheless, all FSRUs and LNGCs are fully operational and crewed in accordance with relevant safety and regulatory requirements, all charter parties remain unchanged and in force, and revenues are being collected in accordance with contractual terms.

Fleet overview and contract coverage

The group's fleet consists of 10 modern FSRUs and two LNG carriers. Five of the FSRUs are in Höegh LNG Partners' fleet, and the remaining in Höegh LNG Holdings' fleet. One of Höegh LNG Partners' FSRUs is on an internal charter to Höegh LNG Holdings, which has sublet the FSRU to a third party.

The group has 100% contract coverage for 2021.



[1] *LNG Carriers*
[2] *Units are jointly owned*
[3] *The initial term of the charter is 10 years. The charterer has annual termination options after year five*
[4] *The initial term of the charter is 20 years. However, each party has an unconditional option to cancel the charter after 10 and 15 years without penalty. However, if SPEC waives its right to terminate in year 10 within a certain deadline, Höegh LNG Partners LP will not be able to exercise its right to terminate in year 10*

Operations

The fleet delivered a stable operating performance in the second quarter. As communicated in the interim report for the first quarter of 2021, Höegh Giant has commenced the contract with H-Energy in India. In the second quarter, Höegh Esperanza commenced its new LNGC contract and Arctic Princess was off-hire for approximately 1 month owing to drydocking to conduct its 15th anniversary class renewal.

Business development

Höegh LNG continues to develop its pipeline of FSRU projects, and several have achieved important milestones over the quarter.

The company continues to work with Australian Industrial Energy (AIE) on optimizing the TCP for its Port Kembla project where AIE has already started construction of the onshore infrastructure.

Höegh LNG is also working with utility customers to secure two further contracts.

Environment, social and governance (ESG)

Technical availability and LTI statistics

Safe and reliable operation of its fleet is a key focus for the group, especially in the current circumstances, and the results demonstrate a strong record of performance. Technical availability was 99.9% by the end of the second quarter, and there was one LTI recorded in May 2021.

Technical availability of fleet and safety performance

	2021 YTD	2020	2019	2018	2017
Technical availability	99.9%	99.7%	99.5%	99.8%	99.8%
Lost-time injury frequency (annualised)	0.30	0. 29	0.31	0.00	0.38

Corporate/other activities

Pending arbitration with the charterer of PGN FSRU Lampung

The charterer under the lease and maintenance agreement for the PGN FSRU Lampung (“LOM”) served a notice of arbitration (“NOA”) on 2 August 2021 to declare the LOM null and void, and/or to terminate the LOM, and/or seek damages. PT Höegh LNG Lampung (“PT HLNG”) has served a reply refuting the claims as baseless and without legal merit and has also served a counterclaim against the charterer for multiple breaches of the LOM. PT HLNG will take all necessary steps and will vigorously defend against the charterer’s claims in the legal process. Notwithstanding the NOA, both parties are continuing to perform their respective obligations under the LOM. No assurance can be given at this time as to the outcome of the dispute with the charterer of PGN FSRU Lampung.

Refinancing

Höegh LNG Holdings Ltd. completed a NOK 330 million bond loan tap issuance in June in the HLNG04 bond loan, paired with a buy-back of NOK 101 million in the HLNG03 bond loan. The tap issue was priced at 97% of par value.

HMLP is in the process of refinancing the debt facilities for its joint ventures which own Neptune and Cape Ann. These debt facilities, which are not part of the consolidated debt of the group, mature in November 2021 and June 2022, respectively.

HMLP is also on the process of refinancing the Lampung debt facility. The commercial tranche of the Lampung facility becomes due on 29 September 2021 and the export credit tranche can be called if the commercial tranche is not refinanced. The ongoing refinancing of the Lampung credit facility that had been scheduled to close by the end of the second quarter of 2021 is not yet completed due to the failure by the charterer to countersign certain customary documents related to the new credit facility. These circumstances have left HMLP exposed to having to arrange alternative refinancing, or rearrange the existing refinancing, in the short term in advance of the commercial tranche of the Lampung facility's maturity on 29 September 2021. HMLP has asked the existing lenders to approve a six-month extension to the maturity date to allow for more time to complete a refinancing and has commenced discussions with existing lenders and certain other potential lenders about this. HMLP expects that the terms of any alternative refinancing, if it is successful in finalizing such refinancing, are likely to be less favourable than the terms of the originally agreed refinancing. No assurance can be given at this time as to the outcome of the dispute with the charterer of

PGN FSRU Lampung, or of the aforementioned discussions with lenders. Höegh LNG Holdings Ltd. is the guarantor of the FSRU Lampung credit facility.

Subsequent to the balance sheet date the group has completed the refinancing of the Höegh Giant debt facility with a new 5-year facility. Höegh LNG Holdings Ltd. has also repaid the up to USD 80 million credit facility with proceeds from the HLNG04 bond tap issuance in June and a new bank facility.

Distribution from Höegh LNG Partners

Höegh LNG Partners declared a quarterly distribution of USD 0.01 per unit for the second quarter on 27 July 2021.

Market

Global LNG trade rose by 11% year-on-year in the second quarter 2021, reaching 94.7 million tonnes.

LNG carrier rates saw a seasonal decline in the first quarter of 2021. The seasonal decline was however shorter than usual this year as rates started to improve in April to relatively strong levels which have continued through the summer and into the third quarter.

One short-term FSRU contract was awarded in the quarter, a seasonal regasification contract in Bahia Blanca, Argentina.

During the second quarter, the FSRU Ertuglrul Gazi started FSU operations in Turkey. In addition, the FSRU Vasant 1 arrived in Ghana and the FSRU KARMOL LNGT Powership Africa arrived in Senegal.

Currently, 42 FSRUs are on the water (excluding four smaller barges), following the delivery of one unit in the second quarter of 2021. Of these, 31 are committed on FSRU contracts and 11 are available and/or trading as LNGCs. The orderbook comprises one FSRU newbuilding and three converted FSRUs, and the three conversions are all committed under firm contracts.

Outlook

Höegh LNG's main commercial focus is to conclude firm long-term FSRU employment for the four units currently trading on interim LNGC contracts. Even though Covid-19 has created uncertainty in energy markets, the LNG market is continuing to perform well, and business development activity was high in the second quarter. It is not possible to forecast the short- and long-term impacts of Covid-19 on Höegh LNG's business accurately, other than to say that, at the date of this report, its effect on employees, operations and revenues has been limited.

HMLP's main focus is to address the pending refinancing of its PGN FSRU Lampung debt facility and the dispute with the charterer of PGN FSRU Lampung. No assurance can be given at this time as to the outcome of the dispute or of the discussions with lenders.

The EBITDA for the third quarter of 2021 will be positively affected by Arctic Princess being fully operational after it completed its 15th anniversary class renewal in the second quarter and with Höegh Giant operating a full quarter under its new contract with H-Energy.

INTERIM CONSOLIDATED STATEMENT OF INCOME

USD'000	Note	Unaudited Q2 2021	Unaudited Q1 2021	Unaudited Q2 2020	Unaudited YTD 2021	Unaudited YTD 2020
Time charter revenues		77 612	78 273	75 622	155 885	158 219
Management and other income		4 766	559	1 128	5 325	2 488
Share of results from investments in associates and joint ventures		4 664	5 145	5 505	9 809	8 286
TOTAL INCOME		**87 042**	**83 977**	**82 255**	**171 019**	**168 992**
Bunker and other voyage related expenses		(614)	(349)	(1 218)	(963)	(1 760)
Operating expenses		(22 002)	(19 933)	(17 539)	(41 935)	(34 894)
Project administrative expenses		(4 923)	(3 978)	(1 753)	(8 901)	(5 300)
Group administrative expenses		(5 313)	(6 202)	(3 132)	(11 515)	(7 590)
Business development expenses		(1 454)	(1 666)	(887)	(3 120)	(2 154)
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)	4	**52 737**	**51 849**	**57 726**	**104 586**	**117 294**
Depreciation		(28 242)	(28 991)	(28 095)	(57 232)	(56 220)
OPERATING PROFIT		**24 495**	**22 859**	**29 631**	**47 353**	**61 074**
Interest income		148	251	256	399	860
Interest expenses		(30 939)	(22 923)	(25 641)	(53 862)	(51 620)
Income from other financial items		164	278	1 663	442	2 543
Expenses from other financial items		(2 316)	(1 215)	(1 777)	(3 531)	(8 741)
NET FINANCIAL ITEMS		**(32 943)**	**(23 609)**	**(25 499)**	**(56 552)**	**(56 958)**
ORDINARY PROFIT (LOSS) BEFORE TAX		**(8 448)**	**(750)**	**4 132**	**(9 199)**	**4 116**
Corporate income tax		(10 902)	(1 618)	(1 187)	(12 520)	(2 197)
PROFIT (LOSS) FOR THE PERIOD AFTER TAX		**(19 351)**	**(2 368)**	**2 945**	**(21 719)**	**1 919**
Profit (loss) for the period attributable to (from):						
Equity holders of the parent		(22 566)	(13 057)	(8 371)	(35 623)	(20 683)
Non-controlling interests		3 215	10 689	11 316	13 904	22 602
PROFIT (LOSS) FOR THE PERIOD AFTER TAX		**(19 351)**	**(2 368)**	**2 945**	**(21 719)**	**1 919**

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD'000	Note	Unaudited Q2 2021	Unaudited Q1 2021	Unaudited Q2 2020	Unaudited YTD 2021	Unaudited YTD 2020
Profit (loss) for the period		**(19 351)**	**(2 368)**	**2 945**	**(21 719)**	**1 919**
Items that will not be reclassified to profit or (loss)						
Net gain (loss) on other capital reserves		132	(167)	(35)	(35)	(35)
Items that may be subsequently reclassified to profit or (loss)						
Net gain (loss) on hedging reserves	8	(2 231)	26 465	649	24 234	(63 644)
Share of other comprehensive Income from joint ventures	8	26	11 125	2 498	11 151	(14 606)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD NET OF TAX		**(2 073)**	**37 423**	**3 112**	**35 350**	**(78 285)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		**(21 424)**	**35 055**	**6 057**	**13 631**	**(76 366)**
Total comprehensive income attributable to (from):						
Equity holders of the parent		(25 151)	16 707	(6 105)	(8 444)	(85 098)
Non-controlling interests		3 727	18 347	12 161	22 074	8 732
TOTAL		**(21 424)**	**35 055**	**6 057**	**13 631**	**(76 366)**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD'000	Note	Unaudited 2021 30-Jun	Unaudited 2021 31-Mar	Audited 2020 31-Dec	Unaudited 2020 30-Jun
Deferred tax assets		1 182	1 240	1 166	555
Vessels and depot spares	9	2 002 352	2 019 337	2 032 460	2 069 316
Right-of-use assets	9	145 557	153 236	160 573	177 699
Investments in associates and joint ventures		72 861	65 822	45 390	32 803
Other non-current financial assets	8	16 081	10 666	17 471	43 845
Other non-current assets		22 504	17 223	18 316	12 167
Shareholder loans		-	886	869	3 988
Non-current restricted cash		15 520	16 793	16 895	17 169
Total non-current assets		**2 276 056**	**2 285 204**	**2 293 140**	**2 357 542**
Bunkers and inventories		172	416	129	1 034
Shareholder loans		4 321	3 350	3 284	-
Trade and other receivables		33 648	38 641	26 755	28 036
Other current financial assets	8	710	373	273	87
Restricted cash		8 815	7 150	7 225	6 060
Cash and cash equivalents		122 158	127 513	142 545	151 897
Tota current assets		**169 825**	**177 444**	**180 211**	**187 115**
TOTAL ASSETS		**2 445 881**	**2 462 647**	**2 473 351**	**2 544 656**
EQUITY AND LIABILITIES					
Equity					
Share capital		12	773	773	773
Other paid-in capital and capital reserves		695 901	464 411	434 520	415 242
Retained earnings		(404 728)	(152 970)	(139 539)	(116 347)
Equity attributable to equity holders of the parent		**291 185**	**312 214**	**295 754**	**299 668**
Non-controlling interests		305 940	317 411	301 395	297 704
Total equity		**597 125**	**629 625**	**597 149**	**597 372**
Deferred tax liability		13 856	13 584	13 180	12 385
Non-current interest-bearing debt	7	873 097	1 129 941	1 351 051	1 447 513
Non-current lease liability	7	123 638	131 180	138 265	154 133
Investments in joint ventures		-	-	1 921	7 125
Other non-current financial liabilities	8	45 549	35 517	67 470	112 992
Deferred revenues		16 566	13 964	13 889	1 704
Total non-current liabilities		**1 072 706**	**1 324 187**	**1 585 777**	**1 735 853**
Current interest-bearing debt	7	643 964	390 650	184 066	105 168
Current lease liabilities	7	30 301	30 041	29 673	28 864
Income tax payable		14 171	3 973	3 605	3 483
Trade and other payables		23 686	18 522	19 205	16 242
Other current financial liabilities	8	39 188	40 162	34 077	37 551
Other current liabilities		24 740	25 487	19 799	20 122
Total current liabilities		**776 050**	**508 836**	**290 425**	**211 431**
TOTAL EQUITY AND LIABILITIES		**2 445 881**	**2 462 647**	**2 473 351**	**2 544 656**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
USD'000	**Q2 2021**	**Q1 2021**	**Q2 2020**	**YTD 2021**	**YTD 2020**
Cash flows from operating activities					
Profit (loss) before tax for the period	(8 448)	(750)	4 132	(9 199)	4 116
Adjustments to reconcile profit (loss) before tax to net cash flows					
Depreciation	28 242	28 991	28 095	57 232	56 220
Fair value adjustments on marketable securities	(2)	(4)	(11)	(6)	23
Interest income	(148)	(251)	(256)	(399)	(860)
Interest expenses	30 939	22 923	25 641	53 862	51 620
Net loss on interest rate hedges and other derivatives	695	535	270	1 230	360
Share-based payment and Board remuneration	582	204	378	786	633
Share of results from investments in associates and joint ventures	(4 664)	(5 145)	(5 505)	(9 809)	(8 286)
Working capital adjustments					
Change in inventories, receivables and payables	9 261	(12 610)	8 057	(3 349)	8 527
Payment of corporate income tax	(1 413)	(291)	(1 190)	(1 704)	(1 781)
I) NET CASH FLOWS FROM OPERATING ACTIVITIES	**55 043**	**33 602**	**59 610**	**88 644**	**110 573**
Cash flows from investing activities					
Investments in shares/marketable securities	-	(588)	-	(588)	-
Investment in FSRUs, assets under construction and class renewals	(7 505)	(1 781)	(1 630)	(9 286)	(2 474)
Investment in intangibles, equipment and other	(574)	(644)	(1 736)	(1 218)	(3 663)
Investments in associates	(2 375)	(6 250)	(7 500)	(8 625)	(7 500)
Interest received	-	9	67	9	413
II) NET CASH FLOWS FROM INVESTING ACTIVITIES	**(10 454)**	**(9 254)**	**(10 799)**	**(19 708)**	**(13 224)**
Cash flows from financing activities					
Net proceeds from equity issuance (HMLP)	-	9 136	-	9 136	2 125
Dividend paid to non-controlling interest (HMLP)	(11 843)	(11 843)	(11 601)	(23 686)	(23 202)
Dividend paid to shareholders of the parent	-	-	-	-	(1 905)
Proceeds from borrowings gross	39 592	10 000	105 000	49 592	177 515
Payment of debt issuance cost, bond discount and refinancing fees	(9 253)	(30)	(3 370)	(9 283)	(5 098)
Repayment and buy-back of bonds	(12 453)	-	(65 000)	(12 453)	(130 000)
Repayment of borrowings	(26 292)	(26 291)	(25 676)	(52 583)	(51 396)
Lease payments	(9 303)	(9 214)	(9 303)	(18 517)	(18 588)
Interest paid	(19 591)	(19 345)	(22 307)	(38 936)	(45 032)
(Increase) decrease in restricted cash and cash collateral	(801)	8 208	15 279	7 407	(36 848)
III) NET CASH FLOWS FROM FINANCING ACTIVITIES	**(49 944)**	**(39 379)**	**(16 978)**	**(89 323)**	**(132 429)**
Net increase (decrease) in cash and cash equivalents (I+II+III)	**(5 355)**	**(15 032)**	**31 833**	**(20 387)**	**(35 080)**
Current cash and cash equivalents at the beginning of the period	127 513	142 545	120 064	142 545	186 978
Current cash and cash equivalents at the end of the period	**122 158**	**127 513**	**151 897**	**122 158**	**151 897**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2021

USD'000	Share 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 Höegh LNG Holdings Ltd.									
At 1 January 2021	**773**	**447 716**	**(11)**	**108 639**	**(119 646)**	**(2 177)**	**(139 539)**	**295 756**	**301 396**	**597 151**
Profit (loss) for the period							(35 623)	(35 623)	13 904	(21 719)
Other comprehensive income (loss)					27 215	(35)	-	27 180	8 170	35 350
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**27 215**	**(35)**	**(35 623)**	**(8 443)**	**22 074**	**13 631**
Amalgamation effects	(761)	108 546	11	106 687			(232 548)	(18 065)	-	(18 065)
Shareholder contribution				18 066				18 066	-	18 066
HMLP dividend to non-controlling interests								-	(23 685)	(23 685)
Net proceeds from issuance of preferred units								-	8 318	8 318
Net proceeds from issuance of common units								-	818	818
Share-based payment cost				890				890	1	891
Capital contribution to HMLP							(171)	(171)	171	-
Transfer of assets from HMLP (Note 5)							3 153	3 153	(3 153)	-
Total other transactions recognised directly in equity	**(761)**	**108 546**	**11**	**125 643**	**-**	**-**	**(229 566)**	**3 873**	**(17 530)**	**(13 657)**
At 30 June 2021 (unaudited)	**12**	**556 262**	**-**	**234 282**	**(92 431)**	**(2 212)**	**(404 728)**	**291 185**	**305 940**	**597 125**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2020

USD'000	Share 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 Höegh LNG Holdings Ltd.									
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							(20 683)	(20 683)	22 602	1 919
Other comprehensive income (loss)					(64 380)	(35)		(64 415)	(13 870)	(78 285)
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(64 380)**	**(35)**	**(20 683)**	**(85 098)**	**8 732**	**(76 366)**
HMLP dividend to non-controlling interests								-	(23 202)	(23 202)
Shares granted to the board of HLNG		60						60	-	60
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				451				451	120	571
Capital contribution to HMLP							(4 658)	(4 658)	4 658	-
Transfer of assets to HMLP (Note 5)							(5 511)	(5 511)	5 511	-
Total other transactions recognised directly in equity	**-**	**60**	**-**	**451**	**-**	**-**	**(12 074)**	**(11 563)**	**(10 788)**	**(22 351)**
At 30 June 2020 (unaudited)	**773**	**447 716**	**(11)**	**108 850**	**(138 483)**	**(2 829)**	**(116 347)**	**299 668**	**297 705**	**597 372**

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 26 August 2021.

The number of issued and outstanding shares for the quarter ending 30 June 2021 was 1 200 000.

2. BASIS FOR PREPARATION AND ACCOUNTING POLICIES

The interim consolidated financial statements for the period ending 30 June 2021 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 2020 (the 2020 annual report).

The interim consolidated financial statements for the period ending 30 June 2021 have been prepared under the going concern assumption. As further explained in Note 7 in this report, HMLP's ongoing refinancing of the Lampung credit facility that had been scheduled to close by the end of the second quarter of 2021 is not yet completed due to the failure by the charterer to countersign certain customary documents related to the new credit facility. Should HMLP be unable to secure an extension to the maturity date of the Lampung facility, or to refinance this facility, or to obtain refinancing for the Neptune and Cape Ann facilities on a timely basis or at all, HMLP and the group may not have sufficient funds or other assets to satisfy all of its obligations, which would have a material adverse effect on the business, results of operations and financial condition and HMLP's ability to make distributions to its unitholders. Höegh LNG Holdings Ltd. is the guarantor of the FSRU Lampung credit facility. The agreements governing certain of the group's indebtedness contain cross default provisions. An event of default or declaration of acceleration of borrowings outstanding under the Lampung facility would also result in an event of default under other credit facilities, which would permit the lenders to, among other things, accelerate the repayment of borrowings outstanding. If some or all of the group's indebtedness is accelerated and becomes immediately due and payable, the group may not have sufficient funds available to repay such obligations or the ability to renegotiate or refinance such obligations, and the group's liquidity and financial position would be materially adversely affected. Furthermore, if we suspend payment of our debts, are unable to pay our debts or are otherwise insolvent or enter into bankruptcy or liquidation, our charterparties may terminate their charters. While we believe it is probable that we will be able to obtain and complete the refinancing processes, at the time of this report, we cannot be certain that refinancing arrangements will be executed in time or at all.

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

Accounting implication of the amalgamation

On 4 May 2021, the legal amalgamation of Larus Limited (a wholly owned subsidiary of Larus Holdings Limited) and Höegh LNG Holdings Ltd was completed. Larus Holdings Limited is a joint venture owned 50/50 by Leif Höegh & Co Ltd. and Funds managed by Morgan Stanley Infrastructure Partners. The amalgamation was accounted for using the pooling of interests' method on the basis that the amalgamation was a business combination outside the scope of IFRS 3. The consolidated financial statements are prepared on the basis of a continuation of the book values for all assets and liabilities of both Larus Limited and Höegh LNG Holdings Ltd group at the time of completion of the amalgamation.

Consolidation of Höegh LNG Partners LP

At 30 June 2021, the company held 45.72% 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 2020 annual report for a more detailed description.

Significant estimates and assumptions

Uncertain tax positions

Liabilities related to uncertain tax positions are recognised when it is determined "more likely than not" that the group will be required to settle a tax obligation in the future. 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.

In late June 2021, the tax audit for the group's Indonesian subsidiary's 2019 tax return was completed. The main finding was that an internal promissory note was reclassified from debt to equity such that 100% of the accrued interest was disallowed as a tax deduction. The Indonesian subsidiary has three months to file an objection. The group and its Indonesian subsidiary disagree with the conclusion of the tax audit and intend to contest the tax authority's position. Nevertheless, it may not be successful in its appeal, and has expensed the USD 2.7 million additional tax for 2019. Further, a USD 7.9 million provision has been made for a potential tax liability related to the open years that remain subject to a potential tax audit in Indonesia.

Impairment of vessels, newbuildings and equipment

The carrying amounts of vessels, newbuildings and equipment are tested for impairment whenever there are indications that the value may be impaired. Such impairment assessment calculations demand a high degree of estimation, where management must make complex assessments of expected future cash flows and of which discount rates to use. Reference is made to Note 9.

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.

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 2020 annual report for a more detailed description. In July 2020, a written reply was made to HMRC's letter of March 2020. In May 2021, another letter was received from HMRC asking for further documentation to be provided. In July 2021, a written reply was made to HMRC's letter of May 2021.

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 transfers 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 of 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 and, 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

USD million	HMLP		Operations		Business development & project execution		Corporate and other		Total	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020
Time charter revenues	36.6	36.3	41.0	39.3	-	-	-	-	77.6	75.6
Management and other income	-	-	2.8	1.1	2.0	0.0	-	(0.0)	4.8	1.1
Share of results from inv. in JVs and associates	3.1	4.1	1.5	1.4	-	-	-	-	4.7	5.5
TOTAL INCOME	**39.8**	**40.4**	**45.3**	**41.8**	**2.0**	**0.0**	**-**	**(0.0)**	**87.0**	**82.2**
Bunker and other voyage related expenses	-	(0.1)	(0.6)	(1.1)	-	-	-	-	(0.6)	(1.2)
Operating expenses	(6.2)	(5.7)	(15.8)	(11.8)	-	-	-	-	(22.0)	(17.5)
Project administrative expenses	(0.8)	(0.7)	(4.1)	(0.7)	-	(0.4)	-	-	(4.9)	(1.8)
Group administrative expenses	(2.0)	(1.3)	-	-	-		(3.3)	(1.8)	(5.3)	(3.1)
Business development expenses	-		-	-	(1.5)	(0.9)	-	-	(1.5)	(0.9)
Operating profit (loss) before depreciation and amortisation (EBITDA)	**30.8**	**32.5**	**24.8**	**28.3**	**0.5**	**(1.3)**	**(3.3)**	**(1.8)**	**52.7**	**57.7**

USD million	HMLP		Operations		Business development & project execution		Corporate and other		Total	
	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020
Time charter revenues	73.3	75.0	82.6	83.2	-	-	-	-	155.9	158.2
Management and other income	0.0	0.0	3.3	2.5	2.0	0.0	(0.0)	(0.0)	5.3	2.5
Share of results from inv. in JVs and associates	6.4	5.7	3.4	2.6	-	-	-	-	9.8	8.3
TOTAL INCOME	**79.7**	**80.7**	**89.3**	**88.3**	**2.0**	**0.0**	**(0.0)**	**(0.0)**	**171.0**	**169.0**
Bunker and other voyage related expenses	-	(0.1)	(1.0)	(1.6)	-	-	-	-	(1.0)	(1.7)
Operating expenses	(12.4)	(11.3)	(29.5)	(23.6)	-	(0.0)	-	-	(41.9)	(34.9)
Project administrative expenses	(1.5)	(1.3)	(6.5)	(3.0)	(0.9)	(1.0)	-	-	(8.9)	(5.3)
Group administrative expenses	(3.9)	(3.1)	-	-	-	-	(7.6)	(4.5)	(11.5)	(7.6)
Business development expenses	-	-	-	-	(3.1)	(2.2)	-	-	(3.1)	(2.2)
Operating profit (loss) before depreciation and amortisation (EBITDA)	**61.9**	**64.9**	**52.3**	**60.2**	**(2.0)**	**(3.2)**	**(7.6)**	**(4.5)**	**104.6**	**117.3**

ASSETS AND LIABILITIES ALLOCATED TO THE OPERATING SEGMENTS AS AT 30 JUNE

USD million	HMLP		Operations		Business development and project execution		Corporate and others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Tangible Assets										
Invest. in vessels, spare parts and RoU assets	742.5	766.6	1 396.1	1 473.2	9.3	7.2			2 147.9	2 247.0
Liabilities										
Interest-bearing debt incl. lease liability	393.4	435.8	934.8	1 021.2			342.8	278.6	1 671.0	1 735.7

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 0.5 million in the second quarter of 2021 (USD 0.5 million in the first quarter of 2021). For a more detailed description of recurring related-party transactions, see information disclosed in Note 31 in the 2020 annual report.

On 1 October 2015, the company sold Höegh Gallant to HMLP. 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 was declared by HMLP on 26 February 2020. A wholly owned subsidiary of the company has made a provision for the present value of the estimated net obligation to HMLP (net of estimated future time charter revenue). At 30 June 2021, the provision amounted to USD 63 million. Since the group consolidates HMLP and all intercompany transactions (including assets/liabilities) are eliminated, the provision and any changes to it will not impact profit and loss, nor the liabilities in the consolidated financial statements. However, as HMLP is only partly owned by the group, the provision has an effect on the portion of the group's equity being attributed to the non-controlling interests (NCI) in HMLP. At 30 June 2021, an aggregate amount of USD 34 million has been reflected as equity attributable to the NCI in relation to the provision, based on the NCI owning approximately 54% of HMLP's common units.

6. CAPITAL COMMITMENTS

At 30 June 2021, Höegh LNG have no remaining outstanding investment commitment in Avenir LNG Limited (Avenir). In April 2019, the group 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 102 million (plus change orders and interest charges) which the group would be liable for on a joint and several basis. The three main shareholders have entered into counter-indemnity agreements for the said guarantee obligations, so that the group'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 of instalments under shipbuilding contracts signed by Avenir.

As of 30 June 2021, there were no material contractual purchase commitments.

7. INTEREST-BEARING DEBT

The maturity profile for the group's interest-bearing debt 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 2020 annual report.

DEBT MATURITY PROFILE INCLUDING LEASE LIABILITIES AS AT 30 JUNE 2021

USD'000	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	15 248	15 248	60 248	76 212	182 204
PGN FSRU Lampung facility	88 428	-	-	-	-	88 428
Höegh Esperanza facility	12 500	62 500	12 500	12 500	59 375	159 375
Höegh Giant facility	139 773	-	-	-	-	139 773
Höegh Gannet facility	11 042	11 042	53 542	11 042	60 729	147 396
Höegh Galleon facility	9 012	9 012	9 012	9 012	128 428	164 477
USD 385 million facility	25 597	25 597	25 597	25 597	208 317	310 706
Bond debt	280 749	-	-	-	-	280 749
RCF USD 80 million	70 000	-	-	-	-	70 000
Interest-bearing debt outstanding	**652 350**	**123 399**	**115 899**	**118 399**	**533 061**	**1 543 110**
Debt issuance costs	(6 207)					(23 869)
Bonds issue discount	(2 179)					(2 179)
Total interest-bearing debt						**1 517 062**
Lease liabilities	30 301	31 560	33 059	34 490	24 529	153 939
Total interest-bearing debt including lease liabilities	**674 265**	**31 560**	**33 059**	**34 490**	**24 529**	**1 671 000**

<u>Maturity date of bond loans</u>

The HLNG03 and HLNG04 bond loans have maturity date in August 2023 and January 2025 respectively. However, both loans have been classified as current interest-bearing debt as of 30 June 2021 because the bondholders of each of the bond loans have a right to require that the Höegh LNG Holdings Ltd purchases all or some of the bonds held by a bondholder at a price equal to 101% of par if a Credit Event has not occurred by 1 April 2022. A Credit Event means that either:

i. an amount of at least USD 100,000,000 has been contributed to Höegh LNG Holdings Ltd as new equity or other fully subordinated and non-cash interest/non-amortising capital subsequent to 4 May 2021; or
ii. first ranking security is created over Höegh LNG Holdings Ltd.'s ownership of common units of Höegh LNG Partners LP

<u>Ongoing and planned refinancing activities</u>

HMLP is in the process of refinancing the debt facilities for its joint ventures which own Neptune and Cape Ann. These debt facilities, which are not part of the consolidated debt of the group, mature in November 2021 and June 2022, respectively.

HMLP is also on the process of refinancing the Lampung debt facility. The commercial tranche of the Lampung facility becomes due on 29 September 2021 and the export credit tranche can be called if the commercial tranche is not refinanced. The ongoing refinancing of the Lampung credit facility that had been scheduled to close by the end of the second quarter of 2021 is not yet completed due to the failure by the charterer to countersign certain customary documents related to the new credit facility. These circumstances have left HMLP exposed to having to arrange alternative refinancing, or rearrange the existing refinancing, in the short term in advance of the commercial tranche of the Lampung facility's maturity on 29 September 2021. HMLP has asked the existing lenders to approve a six-month extension to the maturity date to allow for more time to complete a refinancing and has commenced discussions with existing lenders and certain other potential lenders about this. HMLP expects that the terms of any alternative refinancing, if it is successful in finalizing such refinancing, are likely to be less favourable than the terms of the originally agreed refinancing. No assurance can be given at this time as to the outcome of the dispute with the charterer of PGN FSRU Lampung, or of the aforementioned discussions with lenders. Höegh LNG Holdings Ltd. is the guarantor of the FSRU Lampung credit facility.

Subsequent to the balance sheet date the group has completed the refinancing of the Höegh Giant debt facility with a new 5-year facility. Höegh LNG Holdings Ltd. has also repaid and cancelled the up to USD 80 million credit facility with net proceeds from the HLNG04 bond tap issuance in June and a new bank facility.

Should HMLP be unable secure an extension to the maturity date of the Lampung facility, or to refinance this facility or to obtain refinancing for the Neptune and Cape Ann facilities, HMLP and the group may not have sufficient funds or other assets to satisfy all of its obligations, which would have a material adverse effect on the business, results of operations, financial condition and HMLP's ability to make distributions to its unitholders.

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 2020 annual report. The group applies hedge accounting for all hedging instruments which qualify for this, as further described in Note 2.11 in the 2020 annual report.

Interest-rate risk

The group's interest-bearing debt is subject to floating interest rates, but exposure to interest-rate fluctuations has been hedged by entering into fixed interest-rate swap (IRS) agreements for nearly all loan agreements – including bonds (NOK-denominated bonds hedged by CCIRS) but excluding the two revolving credit facilities. On 30 June 2021, the net fair value of interest-rate and cross-currency swaps was negative at USD 68.7 million, representing an increase in net liabilities of USD 4.6 million during the quarter from a negative USD 64.1 million on 31 March 2021. The group's pro rata shares of the net fair value of interest swaps entered into by joint ventures amounted to a negative USD 53.7 million on 30 June 2021 in line with the amount recorded end first quarter 2021.

Effects on other comprehensive income and hedging reserves

In the second quarter of 2021, negative USD 2.2 million relating to the interest-rate swaps was recorded as other comprehensive income (OCI) compared with a positive USD 37.6 million in Q1 2021, and the total amount of interest rate swaps recognised in equity was negative by USD 124.4 million on 30 June 2021 (USD 122.2 million).

MTMs of cash flow hedges in the Financial Position	**30 Jun 2021**	**31 Mar 2021**	**31 Dec 2020**	**30 Sep 2020**	**30 Jun 2020**
Total MTMs of IRS presented as financial assets	5 044	1 149	134	-	-
Total MTMs of IRS and CCIRS presented as financial liabilities	(73 774)	(65 308)	(90 846)	(124 352)	(138 592)
Total MTMs of IRS in the joint ventures	(53 699)	(53 725)	(64 850)	(67 753)	(71 210)
Net MTMs of cash flow hedges	**(122 429)**	**(117 884)**	**(155 562)**	**(192 105)**	**(209 802)**
Net foreign exchange losses under cross currency swaps included in MTMs on bonds HLNG03 and HLNG04	(3 879)	(6 095)	(5 834)	22 715	28 840
Accumulated break cost paid	(4 285)	(4 285)	(4 285)	(4 285)	(4 285)
Accumulated loss on swaps recorded as loss	6 203	6 039	5 783	2 326	2 195
Interest rate swaps recorded against equity	**(124 390)**	**(122 225)**	**(159 897)**	**(171 349)**	**(183 052)**

9. VESSELS – IMPAIRMENT ASSESSMENT

To assess if an impairment is applicable, the group estimates the recoverable amounts for its investment in all vessels, including right-of-use assets. 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:

- The amalgamation with Larus Limited, which was completed on 4 May 2021 valued the shares at price/book <1.
- The market for FSRUs remains highly competitive. Although Höegh LNG secured a long-term FSRU contract with H-Energy in the fourth quarter of 2020, four FSRUs still remain on interim LNGC contracts at the date of this report, pending long-term FSRU contracts being secured.
- Rate levels obtainable for FSRUs trading on interim LNGC term charters declined and were low in the mid of 2020, before improving towards the end of 2020. Thereafter, rates saw a seasonal decline in the first quarter of 2021. The seasonal decline was however shorter than usual this year as rates started to improve in April to relatively strong levels which have continued through the summer and into Q3. Further, Covid-19 continues to create higher uncertainty related to the short-term market impact, which can impact the estimation of recoverable amounts.

The second quarter assessment included a review of all key assumptions and methodology and principles applied for the assessment. The assessment model has been updated and for FSRUs currently without long-term contracts, it continues to apply a combination of intermediate LNGC contracts followed by probability-weighted scenarios for assumed new FSRU contracts. As further explained in note 11 in the 2020 annual report, the recoverable amount for each vessel would be particularly sensitive to changes in the weighted average cost of capital (WACC), weighted average charter rates (FSRU and LNGC), and an extension of intermediate periods without FSRU contracts, particularly for vessels with the lowest headroom.

The impairment testing at 30 June 2021 did not identify any impairment requirement.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

- Höegh LNG Holdings Ltd.'s up to USD 80 million credit facility has been repaid and cancelled with proceeds from the HLNG04 bond tap issuance in June and a new bank facility
- Refinancing of Höegh Giant's debt facility completed in August
- The charterer under the lease and maintenance agreement for the PGN FSRU Lampung ("LOM") served a notice of arbitration ("NOA") on 2 August 2021 to declare the LOM null and void, and/or to terminate the LOM, and/or seek damages. PT Hoegh LNG Lampung ("PT HLNG") has served a reply refuting the claims as baseless and without legal merit and has also served a counterclaim against the charterer for multiple breaches of the LOM. PT HLNG will take all necessary steps and will vigorously defend against the charterer's claims in the legal process. Notwithstanding the NOA, both parties are continuing to perform their respective obligations under the LOM. However, the pending arbitration is causing issues with completing the arranged refinancing of this FSRU
- On 27 July 2021, Höegh LNG Partners LP announced a reduction in quarterly cash distributions to common units

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.

Important factors which could cause actual results to differ materially from those in the forward-looking statements inter alia include (but are not limited to): 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.

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 2021 has 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 that 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, 26 August 2021

The Board of Directors of Höegh LNG Holdings Ltd.

Morten W. Høegh
Chairman

Johan Pfeiffer
Deputy Chairman

Leif O. Høegh

Martine Vice Holter

Alberto A. Donzelli

John Kwaak

M. Tonesan Amissah

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 less 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 they will reduce equity. The mark-to-market value of interest-rate swaps in Höegh LNG's joint ventures is recorded as part of the 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. The latter 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.

USD'000

NET INTEREST-BEARING DEBT	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020
Interest-bearing debt, current and non-current	(1 671 000)	(1 681 812)	(1 703 055)	(1 710 049)	(1 735 679)
Restricted cash, non-current	15 520	16 793	16 895	17 010	17 169
Current cash and marketable securities	131 082	134 769	149 873	156 063	158 045
Net interest-bearing debt	**(1 524 398)**	**(1 530 249)**	**(1 536 287)**	**(1 536 976)**	**(1 560 465)**

EQUITY ADJUSTED FOR HEDGING TRANSACTIONS	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020
Equity	597 125	629 628	597 151	595 804	597 372
Hedge reserve including non-controlling interest share	124 390	122 225	159 897	171 349	183 052
Equity adjusted for hedging transactions	**721 515**	**751 853**	**757 048**	**767 153**	**780 424**

EQUITY RATIO ADJUSTED FOR HEDGING TRANSACTIONS	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020
Total assets	2 445 881	2 462 647	2 473 350	2 500 934	2 544 656
Hedge assets	48 655	52 576	54 203	43 343	45 569
Total assets adjusted for hedging transactions	**2 494 536**	**2 515 223**	**2 527 553**	**2 544 277**	**2 590 225**
Equity adjusted for hedging transactions	**721 515**	**751 853**	**757 048**	**767 153**	**780 424**
Equity ratio adjusted for hedging transactions	**29%**	**30%**	**30%**	**30%**	**30%**

APPENDIX 2 – ABBREVIATIONS

Abbreviation	Definition
ATM	At-the-market
CCIRS	Cross-currency interest rate swap
DFDE/TFDE	Dual/Tri fuel diesel electric propulsion
FID	Final investment decision
FSRU	Floating storage and regasification unit
FSU	Floating storage unit
GHG	Greenhouse gases
Höegh LNG or the group	Höegh LNG Holdings Ltd and subsidiaries
Höegh LNG Partners, HMLP or the partnership	Höegh LNG Partners LP
Höegh LNG Holdings or the company	Höegh LNG Holdings Ltd
IDR	Incentive distribution rights
IMO	International Maritime Organisation
IRS	Interest-rate swap
LNGC	LNG carrier
LTI	Lost-time injury
MLP	Master limited partnership
MTM	Mark-to-market
SG&A	Selling, general and administration
VPS	Norwegian Central Securities Depository