HÖEGH LNG

INTERIM RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2022

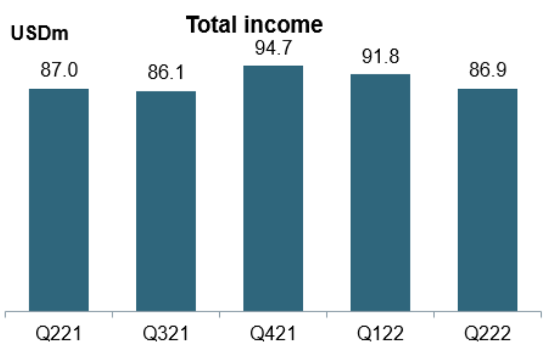
Highlights for the quarter ended 30 June 2022

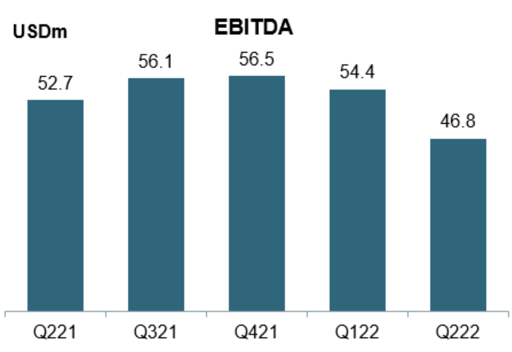
- EBITDA[1] of USD 46.8 million
- Net loss after taxes of USD 7.5 million
- Signed binding implementation agreements to charter out two FSRUs for operations in Germany for 10 years
- AIE lifted its final subjects for the FSRU contract which was signed by Höegh LNG and AIE in 2021
- Höegh LNG Holdings Ltd. announced an agreement to acquire publicly held common units of Höegh LNG Partners LP
- Höegh LNG terminated Höegh Giant's FSRU contract in India
- The group completed the refinancing of the commercial tranche of the debt facility for Höegh Gannet and the debt facility for Cape Ann
- Höegh LNG Holdings Ltd. raised USD 39.8 million in new equity from its shareholder

Subsequent events

- In July and August, Höegh LNG Holdings Ltd. sold its NOK 396 million of HLNG03 bonds held in treasury at an average price of 99.85% of par value
- Höegh Giant left India in July, after an agreement was reached with the previous charterer which had disputed Höegh LNG's termination of the contract

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 86.9 million and an EBITDA of USD 46.8 million for the second

[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 for first quarter of 2022.

quarter of 2022, compared to USD 91.8 million and USD 54.4 million for the preceding quarter. Decrease in EBITDA mainly reflects that Höegh Giant was idle from late April when the FSRU contract in India was terminated, higher OPEX and administrative expenses related to several new projects and lower share of results from associates and joint ventures, offset by higher revenues for Höegh Esperanza from April when it commenced a new interim LNGC charter with a higher rate.

The group recorded a net loss after tax of USD 7.5 million for the second quarter of 2022, down from a net profit of USD 2.0 million in the preceding quarter. This decrease is mainly related to reduction in EBITDA and an increase in net financial expenses compared to first quarter.

Operating cash flows increased in the second quarter by USD 15.5 million to USD 38.0 million. The net increase was mainly driven by changes in working capital, predominantly caused by temporary timing effects in the first quarter. Net cash flows from financing activities of USD 0.9 million during the quarter mainly comprised of USD 36.1 million in repayment of borrowings and lease payments, dividends paid to non-controlling interests in Höegh LNG Partners (HMLP) and interest payments, offset by USD 39.8 million in new equity and USD 22.5 million in new debt raised in connection with the refinancing of the debt facility for Höegh Gannet. The net increase in cash and cash equivalents during the second quarter was USD 37.9 million.

On 30 June March 2022, Höegh LNG held USD 134.8 million in unrestricted cash (USD 96.8 million). Net interest-bearing debt, including lease liabilities, decreased during the second quarter by USD 83 million to USD 1 365 million (USD 1 448 million). Total assets and book equity on 30 June 2022, after adjusting for the mark-to-market of interest rate swaps, were USD 2 434 million (USD 2 424 million) and USD 768 million (USD 741 million) respectively, equivalent to an adjusted book equity ratio of 32% (31%).

For the first half of 2022, Höegh LNG reported a total income of USD 178.6 million and EBITDA of USD 101.3 million, which compares to USD 171 million and USD 104.6 million respectively for the same period of 2021. The decrease in EBITDA primarily reflects higher group administrative expenses and lower share of results from associates and joint ventures for first half 2022, offset by net higher contribution from the group’s fleet of vessels from contracting higher charter rates and having less idle time for class renewals and modification works. The group recorded a net loss of USD 5.5 million for the first half of 2022, which compares to a net loss of USD 21.7 million for the same period of last year. The improvement is mainly due to one-off financial costs and provisions for tax uncertainty in Indonesia in first half 2021.

Key financial figures

(In USD'000 unless otherwise indicated)	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Income statement					
Total income	86 850	91 778	94 663	86 151	87 042
EBITDA	46 844	54 435	56 516	56 091	52 737
EBIT	18 874	26 498	28 663	27 771	24 495
Profit (loss) after tax for the period	(7 511)	2 017	3 575	(3 141)	(19 351)
Financial position					
Total assets	2 423 331	2 407 742	2 429 209	2 418 662	2 445 881
Total assets adjusted for hedging [1]	2 434 012	2 424 178	2 473 104	2 465 538	2 494 536
Equity adjusted for hedging reserves [1]	767 964	741 003	743 505	714 105	721 515
Adjusted equity ratio (%) [1]	32%	31%	30%	29%	29%
Net interest-bearing debt including lease liabilities	(1 364 576)	(1 448 043)	(1 440 524)	(1 502 347)	(1 524 399)
Cash flows					
Net cash flows from operating activities	38 093	22 616	60 840	47 027	55 043
Net cash flows from investing activities	(1 100)	(2 297)	(6 162)	(655)	(10 454)
Net cash flows from financing activities	923	(57 520)	(30 642)	(58 525)	(49 944)
Net increase (decrease) in cash and cash equivalents	37 915	(37 201)	24 036	(12 153)	(5 355)

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

Business review

Business development

In May 2022, Höegh LNG Holdings Ltd. announced that it had signed implementation agreements with the German Federal Ministry for Economic Affairs and Climate Action to charter out two FSRUs from its fleet for operations in Germany for 10 years. The detailed FSRU contracts are scheduled to be completed and become fully binding by September/October, and FSRU operations are expected to commence by the end this year.

In June, Höegh LNG Holdings Ltd. announced that Australian Industrial Energy (AIE) had lifted its final subjects for the FSRU contract signed by both parties in 2021. The FSRU contract has a term of 15 years with early termination options for AIE after year 5 and 10. AIE is entitled to time the start-up of the contract between 2023 and 2025, depending on AIE's requirements.

Following Höegh LNG's termination of Höegh Giant's FSRU contract in India in April, Höegh LNG reached an agreement with the previous charterer in July dropping all claims and counterclaims against a settlement amount to be paid by Höegh LNG and Höegh Giant thereafter left India. Höegh LNG aims to employ Höegh Giant in the LNG carrier market for a short interim period before the vessel will be allocated to one of the group's new FSRU contracts.

Operations

The fleet delivered a stable operating performance in the second quarter. However, Höegh Giant was idle for about two months of the quarter following the termination of its FSRU contract, while Höegh Galleon was off hire for about 1.5 months in the second quarter as the vessel was at a yard for certain modifications.

Russia's invasion of Ukraine

The situation in Ukraine continues to impact the market for LNG as well as for LNG carriers and FSRUs, in particular since Russia is a major global exporter of crude oil and natural gas. This has led to a surge in demand for LNG, LNG carriers and FSRUs, which has caused LNG prices and FSRU charter rates to increase. While near-terms business opportunities have materialised for the company in Europe, the potential effects on the group's business and operations of the conflict in Ukraine are complex to project and therefore highly uncertain. For example, the situation may lead to further regional and international conflicts or armed action. It is possible that such conflict could disrupt supply chains and cause instability in the global economy. Additionally, the ongoing conflict could result in the imposition of further economic sanctions by the United States, the European Union and other countries against Russia. While much uncertainty remains regarding the global impact of the invasion, it is possible that such tensions could adversely affect our business, financial condition, results of operation and cash flows. Furthermore, it is possible that third parties with whom we have charter contracts may be impacted by events in Russia and Ukraine, which could adversely affect our operations.

Covid-19

Höegh LNG is experiencing limited operational impacts from Covid-19. Ensuring the health and safety of its personnel continues to be the group's highest priority. The board of directors recognises the challenges for all employees and in particular for the seafarers during these challenging times and is grateful for the extraordinary efforts.

The Covid-19 situation is dynamic and could change quickly – in particular with regards to maritime personnel and vessel operational logistics, including repairs and maintenance. Although Höegh LNG's operations are not materially and 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, the LNG and FSRU markets, government restrictions, and other aspects potentially affecting operations and the business.

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 close to 100% by the end of the second quarter, and there was only one LTI recorded during the annualised period up to 30 June 2022.

Technical availability of fleet and safety performance

	Q2 2022	Q1 2022	2021	2020	2019	2018
Technical availability	100%	100%	99.6%	99.7%	99.5%	99.8%
Lost-time injury frequency (annualised)	0.30	0.61	0.63	0.29	0.31	0.0

Corporate/other activities

New equity

During the quarter, Höegh LNG Holdings Ltd. raised USD 39.8 million in new equity from its shareholder.

Refinancing

- In June 2022, Höegh LNG Holdings Ltd completed the refinancing of the commercial tranche of the Höegh Gannet debt facility, resulting in a top-up of the tranche of USD 22.5 million (to USD 65 million) and an extension of the existing maturity until June 2027.
- Also in June, Höegh LNG Partners completed the refinancing of the Cape Ann debt facility with an initial amount of USD 154.1 million, which is scheduled to be fully amortised with quarterly debt service over a period of 8 years based on an annuity repayment profile. The new facility was used to repay the existing balloon amount of USD 169 million, with the difference being mainly financed by cash held by the vessel owning entity and subordinated loans from the shareholders (of which USD 1.2 million from HMLP). The interest rate swaps entered under the previous debt facility have a remaining tenor of 8 years and have been novated from the previous group of swap providers to the new lenders and restructured to match the new facility's loan amount and amortisation plan.

Höegh LNG Holdings Ltd. announced agreement to acquire publicly held common units of Höegh LNG Partners LP

On 25 May 2022, Höegh LNG Holdings Ltd. ("Höegh LNG") announced that it has entered into an agreement and plan of merger (the "Merger Agreement") with Höegh LNG Partners LP (the "Partnership"). Pursuant to the Merger Agreement and consistent with Höegh LNG's desire to retain its ownership interests in the Partnership and its general partner, Höegh LNG will acquire by merger (the "Merger") all of the outstanding common units representing limited partner interests of the Partnership not already owned by Höegh LNG in exchange for USD 9.25 in cash per common unit. Pursuant to the terms of the Merger Agreement, the Partnership's outstanding preferred units will be unchanged and remain outstanding by virtue of the Merger.

The Merger is expected to close in the second half of 2022 and is subject to approval of the Merger Agreement and the transactions contemplated thereby by a majority of the outstanding common units of the Partnership and certain regulatory filings and customary closing conditions. Upon the closing of the Merger, the common units will cease to be publicly traded.

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. On 13 June 2022, the charterer filed a statement of claim with a request for a primary relief and three alternative reliefs. The charterer's claim of restitution if the LOM is declared null and void is USD 416 million, increasing to USD 472 million by June 2023 plus interest and costs. PT Hoegh LNG Lampung has previously 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 and a claim against the parent company of the charterer for the fulfilment of the charterer's obligations under the LOM as stated in a guarantee provided by the parent company, with a claim for damages. On 13 June 2022, PT Hoegh LNG Lampung filed its statement of claim. PT Hoegh LNG Lampung will take all necessary steps and will vigorously contest the charterer's claims in the legal process. No assurance can be given at this time as to the outcome of the dispute with the charterer of the PGN FSRU Lampung. Notwithstanding the arbitration process, both parties have continued to perform their respective obligations under the LOM. In the event the outcome of the dispute is unfavourable to PT Hoegh LNG Lampung, it could have a material adverse impact on HMLP's business, financial condition, results of operations and ability to make distributions to unitholders

Market

Global LNG trade for the second quarter of 2022 was 98 million tonnes, which represents an 4.5% growth compared to the second quarter of 2021.

LNG carrier spot rates were at record high levels by the end of 2021. During the first half of the year the spot rates have come down significantly and seem to follow the usual seasonal pattern as the high winter market comes to an end and was also impacted by stocks in Asia adequate to cover the winter period and shorter shipping distances to Europe. Furthermore, the spot market has also been negatively impacted by less LNG volumes available from US following a fire at an export facility in June. The newbuilding market for LNG carriers was very active during the first half of the year and newbuilding prices have continued to increase.

The demand for FSRUs increased significantly during the first half of this year and remains high. The turnaround was driven by European countries looking to ensure security of energy supply with import of LNG to substitute pipeline gas from Russia. Currently, 44 FSRUs are on the water (excluding three specialised vessels with significantly lower send-out and three small-scale barges). There are no FSRU newbuildings on order. Following the recent surge in demand for FSRUs, most of the world's fleet of FSRUs is now either employed on existing long-term contracts or committed to FSRU contracts with near-term commencement.

Outlook

With the latest commercial developments, the group's fleet of FSRUs is expected to be fully employed and commenced operations on long-term FSRU contracts over the next 6-12 months, except for the potential later start of the contract in Australia. Currently, Höegh LNG's main operational focus is to prepare the FSRUs for start-up of the new contracts and ensure the projects are delivered on time to our customers.

Looking further ahead, the company will start considering potential growth opportunities including expansions of its FSRU fleet with newbuilds or conversion of LNG carriers to FSRUs, maintaining its position as the leading FSRU provider.

The group expects that the results for the second half of 2022 will be impacted by three FSRUs planned to be out of service for modifications and preparations for new FSRU projects commencing later this year and next year. The three FSRUs will be without revenue for a period, and costs involved with the modifications may be party expensed as OPEX and partly capitalized as investments depending on the nature of the costs incurred. Furthermore, an additional FSRU will be out of service for class renewal in the third quarter. The second half results will also be negatively impacted by the settlement agreed in July with the previous charterer of Höegh Giant.

INTERIM CONSOLIDATED STATEMENT OF INCOME

		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
USD'000	Note	**Q2 2022**	**Q1 2022**	**Q2 2021**	**YTD 2022**	**YTD 2021**
Time charter revenues		81 715	84 105	77 612	165 820	155 885
Management and other income		2 222	3 404	4 766	5 626	5 325
Share of results from investments in associates and joint ventures		2 913	4 269	4 664	7 181	9 809
TOTAL INCOME		**86 850**	**91 778**	**87 042**	**178 628**	**171 019**
Bunker and other voyage related expenses		(952)	(178)	(614)	(1 130)	(963)
Operating expenses		(23 855)	(22 903)	(22 002)	(46 758)	(41 935)
Project administrative expenses		(3 928)	(3 919)	(4 923)	(7 847)	(8 901)
Group administrative expenses		(7 920)	(7 475)	(5 313)	(15 395)	(11 515)
Business development expenses		(3 351)	(2 868)	(1 454)	(6 219)	(3 120)
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION (EBITDA)	4	**46 844**	**54 435**	**52 736**	**101 279**	**104 586**
Depreciation		(27 970)	(27 937)	(28 242)	(55 907)	(57 232)
OPERATING PROFIT (EBIT)		**18 874**	**26 498**	**24 494**	**45 371**	**47 353**
Interest income		303	252	148	556	399
Interest expenses		(23 613)	(23 068)	(30 939)	(46 681)	(53 862)
Income from other financial items		619	1 411	164	2 030	442
Expenses from other financial items		(951)	(586)	(2 316)	(1 537)	(3 531)
NET FINANCIAL ITEMS		**(23 641)**	**(21 991)**	**(32 943)**	**(45 632)**	**(56 552)**
ORDINARY PROFIT (LOSS) BEFORE TAX		**(4 768)**	**4 507**	**(8 449)**	**(261)**	**(9 199)**
Corporate income tax		(2 744)	(2 490)	(10 902)	(5 233)	(12 520)
PROFIT (LOSS) FOR THE PERIOD AFTER TAX		**(7 511)**	**2 017**	**(19 351)**	**(5 494)**	**(21 719)**
Profit (loss) for the period attributable to (from):						
Equity holders of the parent		(16 098)	(8 541)	(22 566)	(24 639)	(35 623)
Non-controlling interests		8 587	10 558	3 215	19 145	13 904
PROFIT (LOSS) FOR THE PERIOD AFTER TAX		**(7 511)**	**2 017**	**(19 351)**	**(5 494)**	**(21 719)**

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
USD'000	Note	**Q2 2022**	**Q1 2022**	**Q2 2021**	**YTD 2022**	**YTD 2021**
Profit (loss) for the period		(7 511)	2 017	(19 351)	(5 494)	(21 719)
Items that will not be reclassified to profit or (loss)						
Net gain (loss) on other capital reserves		(729)	(461)	132	(1 190)	(35)
Items that may be subsequently reclassified to profit or (loss)						
Net gain (loss) on hedging reserves	7	16 265	50 684	(2 231)	66 949	24 234
Share of other comprehensive income from Joint ventures		6 663	12 578	26	19 241	11 151
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD NET OF TAX		**22 199**	**62 801**	**(2 073)**	**85 000**	**35 350**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		**14 688**	**64 818**	**(21 424)**	**79 506**	**13 631**
Total comprehensive income attributable to (from):						
Equity holders of the parent		1 716	44 114	(25 151)	45 830	(8 444)
Non-controlling interests		12 972	20 704	3 727	33 676	22 074
TOTAL		**14 688**	**64 818**	**(21 424)**	**79 506**	**13 631**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD'000	Note	Unaudited 2022 30 June	Unaudited 2022 31 Mar	Audited 2021 31 Dec	Unaudited 2021 30 June
Deferred tax assets		1 481	1 613	1 274	1 182
Vessels and depot spares	8	1 925 318	1 945 196	1 963 980	2 002 352
Right-of-use assets	8	114 653	122 180	129 916	145 557
Investments in associates and joint ventures		115 969	107 607	91 198	72 861
Other non-current financial assets	7	14 692	19 593	11 654	16 081
Other non-current assets		17 829	19 268	21 146	22 504
Shareholder loans		10 202	8 836	7 511	-
Non-current restricted cash		30 678	30 659	30 662	15 520
Total non-current assets		**2 230 821**	**2 254 953**	**2 257 342**	**2 276 056**
Bunkers and inventories		981	600	76	172
Shareholder loans		1 855	1 816	1 777	4 321
Trade and other receivables		42 599	46 738	27 442	33 648
Other current financial assets	7	5 799	1 192	111	710
Restricted cash		6 519	5 603	8 419	8 815
Cash and cash equivalents		134 756	96 841	134 041	122 158
Tota current assets		**192 510**	**152 789**	**171 866**	**169 825**
TOTAL ASSETS		**2 423 331**	**2 407 742**	**2 429 209**	**2 445 881**
EQUITY AND LIABILITIES					
Equity					
Share capital		12	12	12	12
Other paid-in capital		859 967	802 865	750 176	695 901
Retained earnings		(444 786)	(429 348)	(422 833)	(404 728)
Equity attributable to equity holders of the parent		**415 193**	**373 529**	**327 355**	**291 185**
Non-controlling interests		346 550	338 296	323 676	305 940
Total equity		**761 743**	**711 825**	**651 031**	**597 125**
Deferred tax liabilities		17 589	17 004	16 134	13 856
Non-current interest-bearing debt	6	1 244 417	1 338 459	1 101 756	873 097
Non-current lease liabilities	6	91 791	100 035	107 790	123 638
Other non-current financial liabilities	7	30 522	8 081	34 097	45 549
Deferred revenues		11 036	12 510	14 989	16 566
Total non-current liabilities		**1 395 356**	**1 476 088**	**1 274 766**	**1 072 706**
Current interest-bearing debt	6	168 966	111 633	373 385	643 964
Current lease liabilities	6	31 481	31 144	30 814	30 301
Income tax payable		12 498	11 999	11 141	14 171
Trade and other payables		12 595	26 056	19 329	23 686
Other current financial liabilities	7	11 111	16 511	34 598	39 188
Other current liabilities		29 581	22 485	34 146	24 740
Total current liabilities		**266 232**	**219 829**	**503 412**	**776 050**
TOTAL EQUITY AND LIABILITIES		**2 423 331**	**2 407 742**	**2 429 209**	**2 445 881**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

USD'000	Unaudited Q2 2022	Unaudited Q1 2022	Unaudited Q2 2021	Unaudited YTD 2022	Unaudited YTD 2021
Cash flows from operating activities					
Profit (loss) before tax for the period	(4 768)	4 507	(8 448)	(261)	(9 199)
Adjustments to reconcile profit before tax to net cash flows					
Depreciation	27 970	27 937	28 242	55 907	57 232
Fair value adjustments on marketable securities	(2)	(28)	(2)	(30)	(6)
Interest income	(303)	(252)	(148)	(556)	(399)
Interest expenses	23 613	23 068	30 939	46 681	53 862
Net loss on interest rate hedges and other derivatives	(566)	(298)	695	(864)	1 230
Share-based payment and Board remuneration	-	-	582	-	786
Share of results from investments in associates and joint ventures	(2 913)	(4 269)	(4 664)	(7 181)	(9 809)
Working capital adjustments					
Change in inventories, receivables and payables	(2 807)	(27 546)	9 261	(30 353)	(3 349)
Payment of corporate income tax	(2 132)	(503)	(1 413)	(2 635)	(1 704)
I) NET CASH FLOWS FROM OPERATING ACTIVITIES	**38 093**	**22 616**	**55 043**	**60 709**	**88 644**
Cash flows from investing activities					
Investments in shares/marketable securities	-	-	-	-	(588)
Investment in FSRUs, assets under construction and class renewals	-	(1 168)	(7 505)	(1 168)	(9 286)
Investment in intangibles, equipment and other	(157)	-	(574)	(157)	(1 218)
Loans granted to joint ventures and assoicates	(1 175)	(1 161)	-	(2 336)	-
Investments in associates	-	-	(2 375)	-	(8 625)
Interest received	232	32	-	264	9
II) NET CASH FLOWS FROM INVESTING ACTIVITIES	**(1 100)**	**(2 297)**	**(10 454)**	**(3 397)**	**(19 708)**
Cash flows from financing activities					
Net proceeds from equity issuance (HMLP)	-	-	-	-	9 136
Capital contribution from owners	39 800	-	-	39 800	-
Dividend paid to non-controlling interest (HMLP)	(4 058)	(4 058)	(11 843)	(8 116)	(23 686)
Proceeds from borrowings gross	22 500	-	39 592	22 500	49 592
Payment of debt issuance cost and bond discount	(1 188)	-	(9 253)	(1 188)	(9 283)
Repayment and buy-back of bonds	-	-	(12 453)	-	(12 453)
Repayment of borrowings	(26 916)	(32 724)	(26 292)	(59 640)	(52 583)
Interrest paid on mortgage debt and bonds	(18 950)	(19 829)	(19 591)	(38 779)	(38 936)
Lease payments	(9 161)	(9 071)	(9 303)	(18 232)	(18 517)
(Increase) decrease in restricted cash and cash collateral	(1 104)	8 162	(801)	7 058	7 407
III) NET CASH FLOWS FROM FINANCING ACTIVITIES	**923**	**(57 520)**	**(49 944)**	**(56 597)**	**(89 323)**
Net increase/(decrease) in cash and cash equivalents (i+ii+iii)	**37 915**	**(37 201)**	**(5 355)**	**714**	**(20 387)**
Current cash and cash equivalents at the beginning of the period	96 841	134 041	127 513	134 041	142 545
Current cash and cash equivalents at the end of the period	**134 756**	**96 841**	**122 158**	**134 756**	**122 158**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2022

USD'000	Share capital	Share premium	Contributed Surplus	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.									
As at 1 January 2022	**12**	**556 262**	**154 753**	**109 446**	**(67 622)**	**(2 663)**	**(422 833)**	**327 356**	**323 677**	**651 033**
Profit (loss) for the period	-	-	-	-	-	-	(24 639)	(24 639)	19 145	(5 494)
Other comprehensive income (loss)	-	-	-	-	71 659	(1 190)	-	70 469	14 531	85 000
Total comprehensive income (loss)	**12**	**556 262**	**154 753**	**109 446**	**4 037**	**(3 853)**	**(447 472)**	**373 186**	**357 352**	**730 538**
Shareholder contribution			39 800	-	-	-		39 800	-	39 800
HMLP dividend to non-controlling interests	-	-	-	-	-	-	-	-	(8 116)	(8 116)
Transfer of assets from HMLP (Note 5)	-	-	-	-	-	-	4 114	4 114	(4 114)	-
Capital contribution to HMLP	-	-	-	-	-	-	(1 428)	(1 428)	1 428	-
Other changes in equity	-	-	-	(479)	-	-	-	(479)	-	(479)
Total other transactions recognised directly in equity	**-**	**-**	**39 800**	**(479)**	**-**	**-**	**2 686**	**42 007**	**(10 802)**	**31 205**
At 30 June 2022 (unaudited)	**12**	**556 262**	**194 553**	**108 967**	**4 037**	**(3 853)**	**(444 786)**	**415 193**	**346 550**	**761 743**

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

USD'000	Share capital	Share premium	Treasury shares	Contributed Surplus	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**	**124 753**	**890**	**-**	**-**	**(229 566)**	**3 873**	**(17 530)**	**(13 657)**
At 30 June 2021 (unaudited)	**12**	**556 262**	**-**	**124 753**	**109 529**	**(92 431)**	**(2 212)**	**(404 728)**	**291 185**	**305 940**	**597 125**

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 23 August 2022.

The number of issued and outstanding shares for the quarter ending 30 June 2022 was 1 200 000.

2. BASIS FOR PREPARATION AND ACCOUNTING POLICIES

The interim consolidated financial statements for the period ending 30 June 2022 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 2021 (the 2021 annual report).

The interim consolidated financial statements for the period ending 30 June 2022 have been prepared under the going concern assumption.

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

Consolidation of Höegh LNG Partners LP

On 30 June 2022, the company held 45.7% 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 2021 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 group and its Indonesian subsidiary disagree with the conclusion of the tax audit and have filed an Objection Request with the Central Jakarta Regional Tax Office. Nevertheless, the Indonesian subsidiary may not be successful in its appeal and has expensed the additional tax for 2019. The subsidiary has as of 30 June 2022 a tax provision of USD 10 million for the potential future tax obligation 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 8.

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 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% economic 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 and Project execution		Corporate and other		Total	
	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022
Time charter revenues	39.0	37.3	42.7	46.8	-	-	-	-	81.7	84.1
Management and other income	-	-	2.2	3.4	-	-	-	-	2.2	3.4
Share of results from inv. in JVs and associates	2.2	3.4	0.7	0.9	-	-	-	-	2.9	4.3
TOTAL INCOME	**41.2**	**40.7**	**45.6**	**51.1**	**-**	**-**	**-**	**-**	**86.9**	**91.8**
Bunker and other voyage related expenses	-	-	(1.0)	(0.2)	-	-	-	-	(1.0)	(0.2)
Operating expenses	(7.6)	(6.3)	(16.2)	(16.6)	-	-	-	-	(23.9)	(22.9)
Project administrative expenses	(1.5)	(0.6)	(2.8)	(3.4)	0.4	0.1	-	-	(3.9)	(3.9)
Group administrative expenses	(5.0)	(3.5)	-	-	-	-	(2.9)	(4.0)	(7.9)	(7.5)
Business development expenses	-	-	-	-	(3.4)	(2.9)	0.0	-	(3.4)	(2.9)
Operating profit (loss) before depreciation and amortisation (EBITDA)	**27.1**	**30.3**	**25.6**	**30.9**	**(3.0)**	**(2.8)**	**(2.9)**	**(4.0)**	**46.8**	**54.4**

ASSETS AND LIABILITIES ALLOCATED TO THE OPERATING SEGMENTS

USD million	HMLP		Operations		Business development and Project execution		Corporate and other		Total	
	30.06.2022	31.03.2022	30.06.2022	31.03.2022	30.06.2022	31.03.2022	30.06.2022	31.03.2022	30.06.2022	31.03.2022
Tangible Assets										
Invest. in vessels, spare parts and RoU assets	718.4	724.8	1 311.4	1 332.3	10.1	10.3	-	-	2 040.0	2 067.4
Liabilities										
Interest-bearing debt incl. lease liability	361.0	372.3	895.0	895.5	-	-	280.6	313.4	1 536.7	1 581.3

5. RELATED-PARTY TRANSACTIONS

Höegh LNG provides various management services to the group's joint venture companies and receives management income from external joint venture partners related to technical, commercial and administrative services. Total management income from related parties in Höegh LNG amounted to USD 1.1 million in the second quarter of 2022 (USD 0.7 million in the first quarter of 2022). For a more detailed description of recurring related-party transactions, see information disclosed in Note 30 in the 2021 annual report.

The company's subsidiary Höegh LNG Ltd has made a provision for an onerous contract with HMLP related to the lease back of the vessel. On 30 June 2022, the provision amounted to USD 54 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. On 30 June 2022, an aggregate amount of USD 29 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. 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 2021 annual report.

DEBT MATURITY PROFILE INCLUDING LEASE LIABILITIES AS AT 30 JUNE 2022

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	121 293	15 167	-	166 956
PGN FSRU Lampung facility	18 150	18 150	18 150	11 411	-	65 862
Höegh Esperanza facility	62 500	12 500	12 500	12 500	46 875	146 875
Höegh Giant facility	12 750	12 750	12 750	12 750	104 438	155 438
Höegh Gannet facility	11 042	11 042	11 042	11 042	114 688	158 854
Höegh Galleon facility	9 012	9 012	9 012	9 012	119 415	155 465
USD 385 million facility	25 597	25 597	25 597	215 234	7 833	299 859
Bond debt	-	110 792	130 462	-	-	241 254
Corporate bank facility	14 667	29 333	-	-	-	44 000
Interest-bearing debt outstanding	**168 966**	**244 425**	**340 806**	**287 116**	**393 248**	**1 434 562**
Lease liabilities	**31 481**	**32 968**	**34 407**	**24 030**	**386**	**123 272**
Total interest-bearing debt including lease liabilities	**200 448**	**277 393**	**375 214**	**311 146**	**393 634**	**1 557 835**
Debt issuance costs	-					(19 549)
Bonds issue discount	-					(1 630)
Current and total interest-bearing debt including lease liabilities	**200 448**					**1 536 656**

7. 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 2021 annual report. The group applies hedge accounting for all hedging instruments which qualify for this, as further described in Note 2.10 in the 2021 annual report.

Interest-rate risk and currency risk inherent in NOK-denominated bond loans

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. The group's two bond loans are denominated in NOK and have been hedged both for interest rate risk and currency risk with CCIRS. On 30 June 2022, the net fair value of interest-rate and cross-currency swaps was negative of USD 13.7 million (positive USD 3.3 million). This represents an increase in net liabilities of USD 17 million during the quarter. The group's pro rata shares of the net fair value of interest swaps entered into by joint ventures amounted to a negative USD 27.4 million on 30 June 2022 (negative USD 33.6 million).

Effects on other comprehensive income and hedging reserves

In the second quarter of 2022, other comprehensive income (OCI) derived from the interest-rate swaps amounted to USD 22.9 million compared with USD 63.3 million in first quarter 2022. The total amount of interest rate swaps recognised in equity was negative by USD 6.2 million on 30 June 2022 (negative USD 29.2 million). Total OCI from hedges for first half 2022 was USD 86.2 million compared with USD 35.4 million reported for the six months ending June in 2021.

MTMs of cash flow hedges in the Financial Position	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021
Total MTMs of IRS and CCIRS presented as financial assets	16 725	17 147	2 780	3 351	5 044
Total MTMs of IRS and CCIRS presented as financial liabilities	(30 381)	(13 862)	(57 588)	(71 433)	(73 774)
Total MTMs of IRS in the joint ventures	(27 406)	(33 582)	(46 675)	(50 227)	(53 699)
Net MTMs of cash flow hedges	**(41 062)**	**(30 298)**	**(101 483)**	**(118 309)**	**(122 429)**
Net foreign exchange losses (gains) under cross currency swaps included in MTMs on bonds HLNG03 and HLNG04	35 264	1 729	5 225	3 809	(3 879)
Ineffectiveness and settlements	(424)	(609)	3 783	2 146	1 918
Interest rate swaps recorded against equity	**(6 222)**	**(29 178)**	**(92 474)**	**(112 353)**	**(124 390)**

8. VESSELS – IMPAIRMENT ASSESSMENT

An assessment of impairment indicators and estimated recoverable amounts has been carried out for the second quarter.

The assessment was based on the following indicator:

- The market value of Höegh LNG Partners LP's common units on 30 June 2022 valued the common units at price/book < 1.

The second quarter assessment included a review of all key assumptions and methodology and principles applied for the assessment. As further explained in note 11 in the 2021 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 and an extension of intermediate periods without FSRU contracts, particularly for vessels with the lowest headroom.

The impairment testing as of 30 June 2022 did not identify any impairment requirement.

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.

Potential tax liability for UK finance leases

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. See Note 19, commitments and guarantees (Arctic Vessels), in the 2021 annual report for a more detailed description.

Leif Höegh (U.K) Limited, as managing owner and operator of the vessels, has been in dialogue with HMRC 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 of letter with HMRC in September 2021 has not materially changed Joint Gas Two Ltd.'s assessment and no provision has been made.

Colombian Municipal Industry and Commerce Tax

On 8 April 2022, the group's Colombian subsidiary received a notification from the Tax Administration of Cartagena assessing a penalty of approximately USD 1.8 million for failure to file the 2016 to 2018 municipal Industry and Commerce Tax ("ICT") returns. ICT is imposed on gross receipts on customer invoices and is similar to a sales tax. The municipal tax authorities have alleged that the subsidiary's customer invoices are for industrial activities performed within the municipal jurisdiction. However, all of the subsidiary's activities take place offshore which is outside of the municipality's borders. According to Colombian law, municipalities do not have jurisdiction over maritime waters or low-tide areas. Management intends to deny the allegations and has filed an appeal to vigorously defend the Colombian subsidiary's position. Accruals for loss contingencies are recorded when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Management, with advice of its outside legal advisors, has assessed the status of this matter and has concluded that an adverse judgment after concluding an appeals process is not probable. As a result, no provision has been made in the consolidated financial statements. In the unlikely event that the company becomes liable for a penalty, management estimates the range of possible loss, including accrued interest, to be approximately USD 1.3 million to USD 2.9 million as of 30 June 2022, plus additional accrued interest thereon until final disposition of the ICT allegation.

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. On 13 June 2022, the charterer filed a statement of claim with a request for a primary relief and three alternative reliefs. The charterer's claim of restitution if the LOM is declared null and void is USD 416 million, increasing to USD 472 million by June 2023 plus interest and costs. PT Hoegh LNG Lampung has previously 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 and a claim against the parent company of the charterer for the fulfilment of the charterer's obligations under the LOM as stated in a guarantee provided by the parent company, with a claim for damages. On 13 June 2022, PT Hoegh LNG Lampung filed its statement of claim. PT Hoegh LNG Lampung will take all necessary steps and will vigorously contest the charterer's claims in the legal process. No assurance can be given at this time as to the outcome of the dispute with the charterer of the PGN FSRU Lampung. Notwithstanding the arbitration process, both parties have continued to perform their respective obligations under the LOM. In the event the outcome of the dispute is unfavourable to PT Hoegh LNG Lampung, it could have a material adverse impact on HMLP's business, financial condition, results of operations and ability to make distributions to unitholders.

10. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- In July and August, Höegh LNG Holdings Ltd. sold its NOK 396 million of HLNG03 bonds held in treasury at an average price of 99.85% of par value
- Höegh Giant left India in July, after an agreement was reached with the previous charterer which had disputed Höegh LNG's termination of the contract

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 2022 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, 23 August 2022

The Board of Directors of Höegh LNG Holdings Ltd.

Morten W. Høegh

Chairman

Johan Pfeiffer

Deputy Chairman

Leif O. Høegh

Director

Martine Vice Holter

Director

Alberto Donzelli

Director

John Kwaak

Director

Timothy C. Faries

Director

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 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	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021
Interest-bearing debt, current and non-current	(1 536 656)	(1 581 271)	(1 613 745)	(1 647 642)	(1 671 001)
Non-current restricted cash	30 678	30 659	30 662	28 962	15 520
Cash and cash equivalents	141 402	102 569	142 559	116 333	131 082
Net interest-bearing debt	**(1 364 576)**	**(1 448 043)**	**(1 440 524)**	**(1 502 347)**	**(1 524 399)**

EQUITY ADJUSTED FOR HEDGING TRANSACTIONS	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021
Total equity	761 743	711 825	651 031	601 751	597 125
Hedge reserve including non-controlling interest share	6 221	29 178	92 474	112 354	124 390
Equity adjusted for hedging transactions	**767 964**	**741 003**	**743 505**	**714 105**	**721 515**

EQUITY RATIO ADJUSTED FOR HEDGING TRANSACTIONS	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021
Total assets	2 423 331	2 407 742	2 429 209	2 418 662	2 445 881
Hedge assets	10 681	16 436	43 895	43 895	43 895
Total assets adjusted for hedging transactions	**2 434 012**	**2 424 178**	**2 473 104**	**2 462 557**	**2 489 776**
Equity adjusted for hedging transactions	**767 964**	**741 003**	**743 505**	**714 105**	**721 515**
Equity ratio adjusted for hedging transactions	**32%**	**31%**	**30%**	**29%**	**29%**

APPENDIX 2 – ABBREVIATIONS

Abbreviation	Definition
CCIRS	Cross-currency interest rate swap
DFDE/TFDE	Dual/Tri fuel diesel electric propulsion
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
Höegh LNG Holdings or the company	Höegh LNG Holdings Ltd.
IRS	Interest-rate swap
LNGC	LNG carrier
LTI	Lost-time injury
MLP	Master limited partnership
SG&A	Selling, general and administration