HÖEGH LNG

Interim results

for the quarter and year ended 31 December 2022

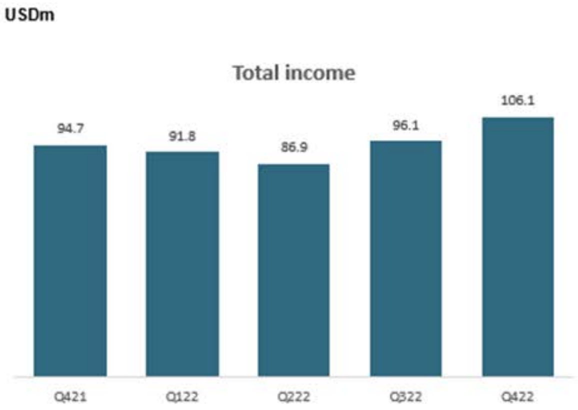
Highlights for the quarter ended 31 December 2022

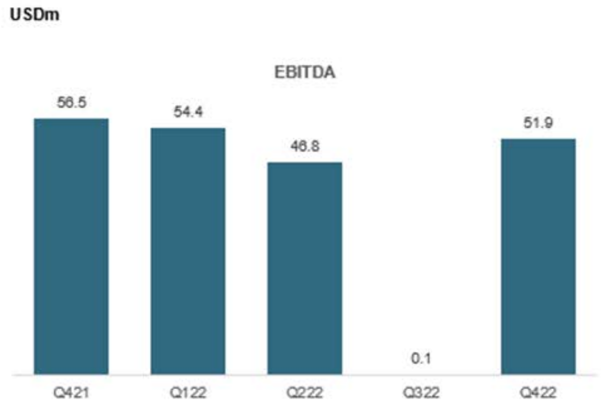
- EBITDA of USD 51.9 million
- Net loss after taxes of USD 4.0 million
- Execution of binding time charter contract for Höegh Esperanza with the Federal Government of Germany
- Höegh LNG Partners announced voluntary delisting of its 8.75% Series A cumulative redeemable preferred units

Subsequent events

- Execution of binding time charter contract for Höegh Gannet with the Federal Government of Germany
- Loan agreement signed for refinancing of Höegh Esperanza and Höegh Gannet
- Acquisition of LNG carrier

Reported total income and EBITDA





Group financial review[1]

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 106.1 million and an EBITDA of USD 51.9 million for the fourth quarter of 2022, compared to USD 96.1 million and USD 0.1 million for the preceding quarter. The increase in EBITDA was mainly a result of higher revenues from Höegh Giant being redeployed after having been idle since April and reimbursement of certain costs incurred when modifying the two vessels allocated to the contracts in Germany. This increase was partly offset by lower revenues due to idle time and higher vessel operating expenses for three vessels which were in yard to complete class renewals and modifications. The share of result from joint ventures declined quarter-on-quarter due to impairment provisions made for the two Arctic vessels. Furthermore, the EBITDA also increased because of non-recurring administrative expenses incurred in the third quarter not being repeated.

The group recorded a net loss after tax of USD 4.0 million for the fourth quarter of 2022, up from a net loss after tax of USD 45.9 million in the preceding quarter. This increase is mainly related to the above-mentioned increase in EBITDA, partly offset by reversal of the unrealised foreign exchange gains on the unhedged portion of the NOK-denominated bonds. Additionally, the third quarter result included a reduction of provision for potential tax liabilities related to the group's operations in Indonesia which was not repeated in the fourth quarter.

Operating cash flows increased in the fourth quarter by USD 36.9 million to USD 69.6 million. The increase was mainly driven by higher EBITDA which was partly offset by a lower positive effect from changes in working capital than in the previous quarter. Net cash outflows from investing activities of USD 14.3 million was mainly related to class renewals and modifications to ready three vessels for FSRU operations. Net cash outflows from financing activities of USD 59.6 million during the quarter mainly comprised of regular amortisation of borrowings and lease payments, dividends paid to non-controlling interests in Höegh LNG Partners (HMLP) and interest payments. The net decrease in cash and cash equivalents during the fourth quarter was USD 4.3 million.

On 31 December 2022, Höegh LNG held USD 146.8 million in unrestricted cash (USD 151.1 million). Net interest-bearing debt, including lease liabilities, decreased during the fourth quarter by USD 7 million to USD 1 337 million (USD 1 344 million). Total assets and book equity on 31 December 2022, after adjusting for the mark-to-market of interest rate swaps,

1 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 third quarter of 2022.

were USD 2 404 million (USD 2 427 million) and USD 699 million (USD 706 million) respectively, equivalent to an adjusted book equity ratio of 29% (29%).

For the full year ended 31 December 2022, Höegh LNG reported a total income of USD 380.8 million and an EBITDA of USD 153.2 million, which compares with USD 351.8 million and USD 217.2 million for the previous year. Although revenues increased, the group also incurred higher expenses in 2022, through increased vessel operating expense primarily related to repositioning of three vessels to make them ready for FSRU operations and increased administrative expenses. Höegh LNG reported a net loss of USD 55.4 million for 2022, which compares with a net loss of USD 21.3 million for 2021. The decrease is primarily due to the decrease in EBITDA, partly offset by reversing parts of a tax provision recorded for uncertain tax position in Indonesia in 2021.

Key financial figures

(In USD'000 unless otherwise indicated)	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
INCOME STATEMENT					
Total Income	106 064	96 098	86 850	91 778	94 663
Operating profit before depreciation and amortisation (EBITDA)	51 894	59	46 844	54 435	56 516
Operating profit (loss)	22 649	(30 065)	18 874	26 498	28 663
Profit (loss) for the period	(3 987)	(45 928)	(7 511)	2 017	3 575
FINANCIAL POSITION					
Total assets	2 431 225	2 452 576	2 423 331	2 407 742	2 429 209
Total assets adjusted for hedging	2 404 144	2 427 404	2 434 012	2 424 177	2 473 104
Equity adjusted for hedging transactions	699 216	706 031	767 964	741 003	743 505
Adjusted equity ratio (%) [1]	29 %	29 %	32 %	31 %	30 %
Net interest-bearing debt	(1 336 667)	(1 344 065)	(1 364 576)	(1 448 043)	(1 440 524)
CASH FLOWS					
I) Net cash flows from operating activities	69 600	32 731	38 093	22 616	60 840
II) Net cashflows from investing activities	(14 334)	(163 207)	(1 100)	(2 297)	(6 162)
III) Net cashflows from financing activities	(59 608)	146 813	923	(57 520)	(30 642)
Net increase (decrease) in cash & cash equivalents	(4 341)	16 337	37 915	(37 201)	24 036

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

Business review

Business development

Fourth quarter was a busy quarter for Höegh LNG, preparing three vessels for FSRU operations in Germany and Brazil. All three vessels completed the preparations at the yard during the quarter, and the two 10-year time charter contracts with the Federal Government of Germany were signed in December and January respectively. Höegh Esperanza and Höegh Gannet are allocated to these two contracts and are already in place in Germany, located in Wilhelmshaven and Brunsbüttel. The third vessel, Höegh Giant, left the yard in November, and is now operating in the LNG carrier market on an interim charter before it is scheduled to go to Brazil in the second quarter of 2023 and commence operations under Höegh LNG's 10-year time charter contract with TSRP/Compass.

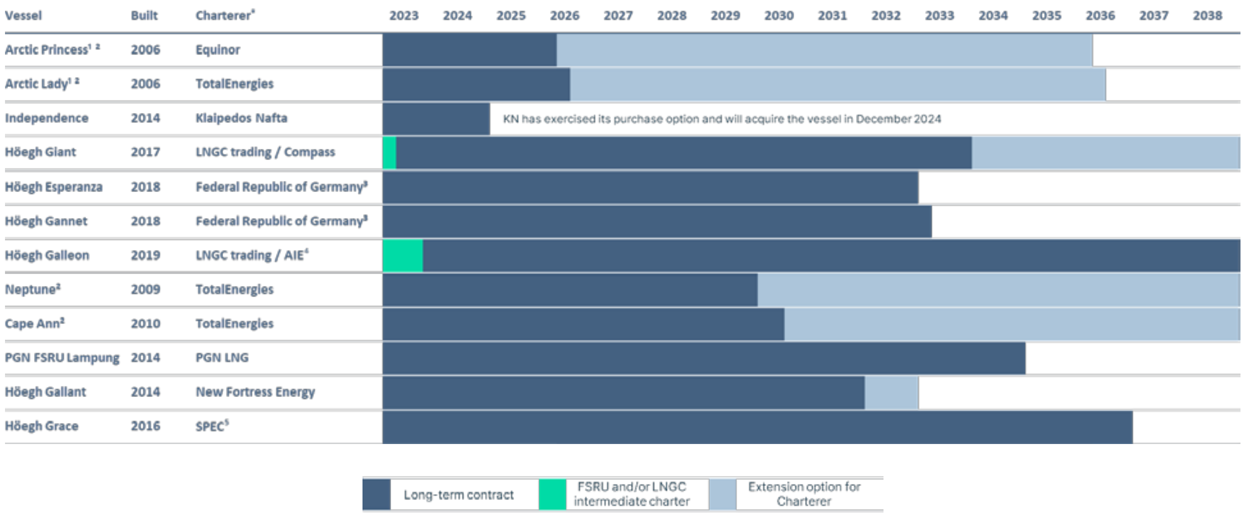
The business development team is in active dialogue with several potential new projects looking for FSRU capacity which could provide growth opportunities for the group in the future.

Operations

The fleet delivered a stable operating performance in the fourth quarter. However, each of Höegh Esperanza, Höegh Gannet, and Höegh Giant were idle for a period of about 35 days on average, while finalising the class renewals and modifications to be carried out to prepare the vessels for FSRU operations. Höegh Esperanza successfully commenced regas operations in Wilhelmshaven in late December 2022 and is on hire under its new contract. Höegh Gannet arrived in Brunsbüttel in January 2023 when hire started to accrue under its new contract. The FSRU is expected to complete its commissioning and commence regas operations in March/April 2023. Neptune, which is employed on a long-term charter with TotalEnergies, successfully commenced regas operations for Deutche ReGas in Lubmin, Germany, during January/February 2023.

Fleet overview and contract coverage

The group's fleet consists of ten modern FSRUs and two LNG carriers. The entire fleet is either operating under or committed to long-term contracts with strong counterparties. The average remaining contract length per vessel[2] was 9.3 years at the end of 2022. The contract coverage for 2023 is close to 100%, with the exception of some expected idle time between contracts for Höegh Giant and Höegh Galleon in 2023.



1. *LNG Carriers*
2. *Units are jointly owned*
3. *The initial term of the charter is 10 years from beginning of 2023. Charterer has the right to terminate any time after year 5.75 by paying a termination fee*
4. *The initial term of the charter is 15 years from late 2023. Charterer has the right to terminate after year 5 and year 10 by paying a termination fee*
5. *The initial term of the charter is 20 years from late 2016. However, each party has an unconditional option to cancel the charter after 10 and 15 years without any termination fee. However, if SPEC waives its right to terminate in year 10 within a certain deadline, Höegh LNG will not be able to exercise its right to terminate in year 10*

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 compared to the period prior to the conflict in Ukraine. 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.

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%, and there was no LTI's recorded during the annualised period up to 31 December 2022.

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

[2] As per 31 December 2022. Proportionate share for partly owned assets and assuming no termination rights are exercised. Charterers' extension option periods excluded.

ESG rating

Sustainability is a high priority for Höegh LNG. The company acknowledges the responsibility to drive the environmental, social and governance agenda through the development of its operations. In October 2022, Höegh LNG was awarded 5 stars with 97/100 score and 1st in Peer Comparison in the GRESB Infrastructure Asset Benchmark Report. With the high score of 97, Höegh LNG outranked the average peers' score of 81. GRESB is an index that compares companies across a spectre of ESG-criteria, and a global standard for ESG reporting. Höegh LNG has an ambition to stay in the forefront of our industry. A full presentation of Höegh LNG's sustainability strategy, is presented in the 2021 Sustainability Report published on https://www.hoeghlng.com/Sustainability/default.aspx

Corporate/other activities

Acquisition of LNG carrier

On 20 February 2023, Höegh LNG announced an agreement to acquire the 2013-built LNG carrier Golar Seal with 160,000 cbm cargo capacity. Höegh LNG expects to take delivery of the vessel in late March or April 2023 and subsequently employ the vessel in the carrier market on a term time charter. The transaction underpins our growth ambitions. The vessel will be an excellent addition to our fleet and provide flexibility to pursue FSRU conversion opportunities.

Refinancing

In February 2023, Höegh LNG signed a new loan facility agreement with a group of banks to refinance Höegh Esperanza and Höegh Gannet, both employed on long-term contracts in Germany. The new loan facility agreement is for a total amount of USD 685 million and has a tenor of 10 years. The loan amount will be applied to repay the existing loan facilities for the two vessels and general corporate use and will reduce Höegh LNG's average cost of debt. The facility is split in two tranches, one per vessel. The refinancing of Höegh Esperanza has been completed and the loan tranche was drawn on 21 February 2023. The refinancing of Höegh Gannet is expected to be completed March/April 2023, depending on having successfully completed its commissioning for regas operations in Germany and customary closing conditions.

Höegh LNG Partners LP - voluntary delisting of its preferred units

On 5 December 2022, HMLP announced that the board had approved the delisting of the partnership's 8.75% Series A cumulative redeemable preferred units and the plans to give notice to NYSE of its intent to delist the preferred units and to withdraw the registration of its preferred units with SEC. The delisting was effective 2 January 2023.

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, and a statement of defence was filed in September. 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 the group's business, financial condition and results of operations.

Market

Global LNG trade for the fourth quarter of 2022 was 105 million tonnes, which represents a 6% growth compared to the fourth quarter of 2021. LNG carrier spot rates surged to record high levels during the first half of the quarter as Europe raced to secure gas supply for the winter market. As the winter turned out to be mild and the congestion of LNG carriers waiting to discharge started to dissolve, spot rates trended downwards during the second half of the quarter and further into the first quarter of 2023. On the other hand, term rates remained relatively firm and continue to hold up as charterers prefer to stay long in tonnage in case the scenario from last fall and winter is repeated in 2023.

The newbuilding market for LNG carriers was very active during 2022, and yards are fully booked with first possible delivery in 2027. Newbuilding prices are firm at high levels.

The demand for FSRUs remains high. The turnaround in 2022 was driven by European countries looking to ensure security of energy supply with import of LNG to substitute pipeline gas from Russia. Currently, 45 FSRUs are on the water (excluding four barges with limited storage and/or send-out). There is one open FSRU newbuilding on order with expected delivery in 2026 and 2-3 ongoing conversions contracted to specific FSRU projects. Two older conversions with relatively limited storage capacity are in layup. 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

Höegh LNG's near-term focus is to ensure our new FSRU projects commence operations as planned by our customers in Germany and Brazil over the coming months. Furthermore, we are planning for commencement of the contract with AIE in Australia with expected start towards the end of this year.

The demand for FSRUs is expected to remain strong. While Höegh LNG has secured long-term contracts for its entire fleet of FSRUs, our business development team is in active dialogue with several potential new projects looking for FSRU capacity. The acquisition of the LNG carrier Golar Seal provides flexibility to pursue FSRU conversion opportunities.

The group expects that the EBITDA for the first quarter of 2023 will improve compared to the fourth quarter of 2022 with the commencement of the new contracts.

Interim consolidated statement of income

USD'000	Note	Unaudited Q4 2022	Unaudited Q3 2022	Unaudited Q4 2021	Unaudited 2022	Audited 2021
Time charter revenues		103 105	92 255	85 227	361 181	322 224
Management and other income		15 882	1 249	3 844	22 755	10 114
Share of results from investments in associates and joint ventures	6	(12 924)	2 594	5 592	(3 149)	19 496
TOTAL INCOME		**106 064**	**96 098**	**94 663**	**380 788**	**351 834**
Vessel operating expenses		(39 463)	(25 818)	(26 527)	(113 168)	(88 096)
Administrative expenses		(14 707)	(70 221)	(11 620)	(114 389)	(46 545)
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION (EBITDA)		**51 894**	**59**	**56 516**	**153 231**	**217 193**
Depreciation		(29 245)	(30 124)	(27 853)	(115 276)	(113 405)
OPERATING PROFIT (LOSS) (EBIT)		**22 649**	**(30 065)**	**28 663**	**37 955**	**103 788**
Interest income		1 470	720	192	2 746	733
Interest expenses		(25 716)	(24 424)	(23 276)	(96 821)	(103 207)
Income from other financial items		5 336	4 903	118	12 269	722
Expenses from other financial items		(6 418)	(1 099)	(1 550)	(9 053)	(7 431)
NET FINANCIAL ITEMS		**(25 328)**	**(19 900)**	**(24 516)**	**(90 859)**	**(109 183)**
ORDINARY PROFIT (LOSS) BEFORE TAX		**(2 678)**	**(49 965)**	**4 148**	**(52 904)**	**(5 395)**
Corporate income tax		(1 309)	4 037	(572)	(2 505)	(15 889)
PROFIT (LOSS) FOR THE PERIOD AFTER TAX		**(3 987)**	**(45 928)**	**3 575**	**(55 409)**	**(21 284)**
Profit (loss) for the period attributable to (from):						
Equity holders of the parent		(7 864)	(56 800)	(5 895)	(89 303)	(54 479)
Non-controlling interests		3 877	10 872	9 470	33 894	33 195
PROFIT (LOSS) FOR THE PERIOD AFTER TAX		**(3 987)**	**(45 928)**	**3 575**	**(55 409)**	**(21 284)**

Interim consolidated statement of comprehensive income

USD'000	Note	Unaudited Q4 2022	Unaudited Q3 2022	Unaudited Q4 2021	Unaudited 2022	Audited 2021
Profit (loss) for the period		(3 987)	(45 928)	3 575	(55 409)	(21 284)
Items that will not be reclassified to profit or (loss)						
Net gain (loss) on other capital reserves		1 029	(638)	(65)	(797)	(487)
Items that may be subsequently reclassified to profit or (loss)						
Net gain (loss) on hedging reserves	5	(4 185)	28 253	15 345	91 018	47 058
Share of other comprehensive income from Joint ventures		570	8 474	4 575	28 285	20 245
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD NET OF TAX		**(2 586)**	**36 089**	**19 855**	**118 506**	**66 816**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		**(6 573)**	**(9 839)**	**23 430**	**63 097**	**45 532**
Total comprehensive income attributable to (from):						
Equity holders of the parent		(10 450)	(27 503)	9 766	7 877	(2 942)
Non-controlling interests		3 877	17 664	13 663	55 218	48 473
TOTAL		**(6 573)**	**(9 839)**	**23 430**	**63 097**	**45 532**

Interim consolidated statement of financial position

USD'000	Note	Unaudited 2022 31 Dec	Unaudited 2022 30 Sep	Audited 2021 31 Dec
Deferred tax assets		1 156	1 379	1 274
Vessels and depot spares		1 895 614	1 903 182	1 963 980
Right-of-use assets		99 245	106 978	129 916
Investments in associates and joint ventures	6	114 997	126 409	91 198
Other non-current financial assets	5	23 334	40 678	11 654
Other non-current assets		15 018	16 249	21 146
Shareholder loans		13 800	10 411	7 511
Non-current restricted cash		15 790	15 790	30 662
Total non-current assets		**2 178 953**	**2 221 077**	**2 257 342**
Bunkers and inventories		859	2 280	76
Shareholder loans		-	1 895	1 777
Trade and other receivables		65 623	51 528	27 442
Other current financial assets	5	23 774	15 380	111
Restricted cash		15 264	9 324	8 419
Cash and cash equivalents		146 751	151 093	134 041
Tota current assets		**252 271**	**231 499**	**171 866**
TOTAL ASSETS		**2 431 225**	**2 452 576**	**2 429 209**
EQUITY AND LIABILITIES				
Equity				
Share capital		12	12	12
Other paid-in capital		930 584	933 124	750 176
Retained earnings		(380 515)	(372 651)	(422 833)
Equity attributable to equity holders of the parent		**550 081**	**560 485**	**327 355**
Non-controlling interests		176 078	176 078	323 676
Total equity		**726 159**	**736 564**	**651 031**
Deferred tax liabilities		18 713	18 132	16 134
Non-current interest-bearing debt	4	1 069 323	1 090 665	1 101 756
Non-current lease liabilities	4	75 492	83 482	107 790
Other non-current financial liabilities	5	32 072	49 653	34 097
Deferred revenues		8 540	9 914	14 989
Total non-current liabilities		**1 204 141**	**1 251 847**	**1 274 766**
Current interest-bearing debt	4	337 611	314 476	373 385
Current lease liabilities	4	32 201	31 780	30 814
Income tax payable		7 500	8 185	11 141
Trade and other payables		22 975	15 685	19 329
Other current financial liabilities	5	28 420	38 882	34 598
Other current liabilities		72 218	55 157	34 146
Total current liabilities		**500 925**	**464 165**	**503 412**
TOTAL EQUITY AND LIABILITIES		**2 431 225**	**2 452 576**	**2 429 209**

Interim consolidated statement of cash flows

	Unaudited	Unaudited	Unaudited	Unaudited	Audited
USD'000	**Q4 2022**	**Q3 2022**	**Q4 2021**	**2022**	**2021**
Cash flows from operating activities					
Loss before tax for the period	(2 678)	(49 965)	4 148	(52 904)	(5 395)
Adjustments to reconcile (gain) loss before tax to net cash flows					
Depreciation and amortisation	29 382	30 531	27 853	115 820	113 405
Interest income	(1 470)	(720)	(192)	(2 746)	(733)
Interest expenses	25 716	24 424	23 276	96 821	103 207
Net loss (gain) on interest rate hedges and other derivatives	(5 238)	176	725	(5 926)	2 503
Loss (gain) on exchange and other non-cash adjustments	4 783	(5 421)	(4)	(668)	849
Share of results from investments in associates and joint ventures	12 924	(2 594)	(5 592)	3 149	(19 496)
Working capital adjustments					
Change in inventories, receivables and payables	6 357	34 485	10 908	10 489	7 372
Net receipts (payments) of corporate income tax	(174)	1 814	(281)	(995)	(5 199)
I) NET CASH FLOWS FROM OPERATING ACTIVITIES	**69 600**	**32 731**	**60 840**	**163 040**	**196 513**
Cash flows from investing activities					
Acquisition of public common units in Höegh LNG Partners LP	-	(163 489)	-	(163 489)	-
Investments in shares/marketable securities	-	-	-	-	(588)
Investment in FSRUs, assets under construction and class renewals	(13 104)	-	(1 329)	(14 272)	(11 277)
Investment in intangibles, equipment and other	-	(5)	(103)	(162)	(1 325)
Loans granted to joint ventures and assoicates	(1 250)	-	(4 733)	(3 586)	(4 733)
Investments in associates	-	-	-	-	(8 625)
Interest received	20	287	3	571	21
II) NET CASH FLOWS FROM INVESTING ACTIVITIES	**(14 334)**	**(163 207)**	**(6 162)**	**(180 938)**	**(26 527)**
Cash flows from financing activities					
Net proceeds from equity issuance (HMLP)	-	-	-	-	9 136
Capital contribution from owners	-	163 489	30 000	203 289	30 000
Dividend paid to non-controlling interest (HMLP)	(3 877)	(4 058)	(4 058)	(16 051)	(31 802)
Proceeds from borrowings gross	-	-	-	22 500	273 342
Payment of debt issuance cost and bond discount	(35)	(55)	(480)	(1 278)	(12 816)
Proceeds from sale of own bonds (buy back)	-	40 555	-	40 555	(12 453)
Repayment of borrowings	(28 908)	(26 960)	(26 463)	(115 508)	(311 935)
Interrest paid on mortgage debt and bonds	(21 348)	(20 129)	(19 096)	(80 256)	(79 427)
Lease payments	(9 212)	(9 250)	(9 401)	(36 694)	(37 307)
(Increase) decrease in restricted cash and cash collateral	3 772	3 221	(1 144)	14 051	(5 228)
III) NET CASH FLOWS FROM FINANCING ACTIVITIES	**(59 608)**	**146 813**	**(30 642)**	**30 608**	**(178 490)**
Net increase/(decrease) in cash and cash equivalents (i+ii+iii)	**(4 341)**	**16 337**	**24 036**	**12 710**	**(8 504)**
Current cash and cash equivalents at the beginning of the period	151 093	134 756	110 005	134 041	142 545
Current cash and cash equivalents at the end of the period	**146 751**	**151 093**	**134 041**	**146 751**	**134 041**

Interim consolidated statement of changes in equity for the year ended 31 December 2022

USD'000	Share capital	Share premium	Contributed Surplus	Other paid-in capital	Hedging reserves	Other capital and reserves	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
	Attributable to equity holders of Höegh LNG Holdings Ltd.									
At 1 January 2022	**12**	**556 262**	**154 753**	**109 446**	**(67 622)**	**(2 663)**	**(422 833)**	**327 355**	**323 677**	**651 031**
Profit (loss) for the period	-	-	-	-	-	-	(89 303)	(89 303)	33 894	(55 409)
Other comprehensive income	-	-	-	-	97 977	(797)	-	97 180	21 323	118 503
Total comprehensive income (loss) for the year			**-**	**-**	**97 977**	**(797)**	**(89 303)**	**7 877**	**55 217**	**63 094**
Shareholder contribution	-	-	207 368	-	-	-	-	207 368	-	207 368
Acquisition of public common units in HMLP incl. internal capital changes	-	-	-	(109 446)	(3 440)	462	131 621	19 197	(186 765)	(167 568)
Transaction cost	-	-	(11 300)	-	-	-	-	(11 300)	-	(11 300)
HMLP dividend to non-controlling interests		-	-	-	-	-	-	-	(16 051)	(16 051)
Other changes in equity	-	-	-	-	-	(416)	-	(416)	-	(416)
Total other transactions recognised directly in equity	**-**	**-**	**196 068**	**(109 446)**	**(3 440)**	**46**	**131 621**	**214 849**	**(202 816)**	**12 033**
At 31 December 2022 (unaudited)	**12**	**556 262**	**350 821**	**(0)**	**26 915**	**(3 414)**	**(380 515)**	**550 081**	**176 078**	**726 159**

On 23 September 2022, pursuant to a merger agreement, Höegh LNG completed the acquisition of all the outstanding common units of Höegh LNG Partner's not already owned. As a result of MLP being a de-facto-controlled subsidiary, the merger has been accounted for as an acquisition of minority interest with a corresponding transfer from non-controlling interest to controlling interest.

Interim consolidated statement of changes in equity for the year ended 31 December 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)**	**295 755**	**301 396**	**597 151**
Profit (loss) for the period	-	-	-	-	-	-	-	(54 479)	(54 479)	33 195	(21 284)
Other comprehensive income (loss)	-	-	-	-	-	52 024	(486)	-	51 538	15 278	66 816
Total comprehensive income (loss) for the year			**-**	**-**	**-**	**52 024**	**(486)**	**(54 479)**	**(2 941)**	**48 473**	**45 532**
Amalgamation effects	(761)	108 546	11	106 687	-	-	-	(232 548)	(18 065)	-	(18 065)
Shareholder contribution	-	-	-	48 066	-	-	-	-	48 066	-	48 066
HMLP dividend to non-controlling interests		-	-	-	-	-	-	-	-	(31 801)	(31 801)
Units granted to the board of HMLP	-	-	-	-	-	-	-	-	-	211	211
Net proceeds from issuance of preferred units		-	-	-	-	-	-	-	-	8 318	8 318
Net proceeds from issuance of common units		-	-	-	-	-	-	-	-	818	818
Share-based payment cost	-	-	-	-	807	-	-	-	807	1	808
Capital contribution to HMLP	-	-	-	-	-	-	-	(388)	(388)	388	-
Transfer of assets from HMLP (Note 5)		-	-	-	-	-	-	4 128	4 128	(4 128)	-
Other changes in equity	-	-	-	-	-	-	-	(7)	(7)	-	(7)
Total other transactions recognised directly in equity	**(761)**	**108 546**	**11**	**154 753**	**807**	**-**	**-**	**(228 815)**	**34 542**	**(26 192)**	**8 349**
At 31 December 2021 (audited)	**12**	**556 262**	**-**	**154 753**	**109 446**	**(67 622)**	**(2 663)**	**(422 833)**	**327 355**	**323 677**	**651 031**

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 interim financial statements were approved by the board of directors of Höegh LNG Holdings on 22 February 2023.

The number of issued and outstanding shares for the quarter ending 31 December 2022 was 1 200 000.

2. Basis for preparation and accounting policies

The interim consolidated financial statements for the period ending 31 December 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 31 December 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 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.

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.

A tax audit for the group's Indonesian subsidiary's 2019 tax return was completed in 2021. 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 disagreed with the conclusion of the tax audit and filed an objection request. Nevertheless, due to the uncertainties related to the tax position, the Indonesian subsidiary expensed the additional tax for 2019 and made additional provision for potential tax liabilities for other tax years that was subject to potential audit.

During the third quarter the Indonesian tax authorities changed their position, resulting in a refund of some of the additional taxes paid for 2019, and a reassessment by the group of its uncertain tax liability. Based on the revised assumptions, the subsidiary has as of 31 December 2022 a tax provision of USD 5.2 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 and equipment
The carrying amounts of vessels 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.

4. 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 on 31 December 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	144 084	-	-	-	159 332
PGN FSRU Lampung facility	18 150	18 150	16 630	138	-	53 069
Höegh Esperanza facility	62 500	12 500	12 500	12 500	40 625	140 625
Höegh Giant facility	12 750	12 750	12 750	110 813	-	149 063
Höegh Gannet facility	11 042	11 042	11 042	11 042	109 167	153 333
Höegh Galleon facility	9 012	9 012	9 012	9 012	114 909	150 959
USD 385 million facility	25 597	25 597	25 597	210 268	-	287 060
Bond debt	153 978	-	133 037	-	-	287 016
Corporate bank facility	29 333	14 667	-	-	-	44 000
Interest-bearing debt outstanding	**337 611**	**247 803**	**220 569**	**353 773**	**264 701**	**1 424 457**
Lease liabilities	**32 201**	**33 758**	**35 249**	**6 473**	**11**	**107 693**
Total interest-bearing debt including lease liabilities	**369 812**	**281 561**	**255 818**	**360 246**	**264 712**	**1 532 149**
Debt issuance costs	-					(17 522)
Current and total interest-bearing debt including lease liabilities	**369 812**					**1 514 628**

In February 2023, Höegh LNG signed a new loan facility agreement with a group of banks to refinance Höegh Esperanza and Höegh Gannet, both employed on long-term contracts in Germany. The new loan facility agreement is for a total amount of USD 685 million and has a tenor of 10 years. The loan amount will be applied to repay the existing loan facilities for the two vessels and general corporate use and will reduce Höegh LNG's average cost of debt. The facility is split in two tranches, one per vessel. The refinancing of Höegh Esperanza has been completed and the loan tranche was drawn on 21 February 2023. The refinancing of Höegh Gannet is expected to be completed March/April 2023, depending on having successfully completed its commissioning for regas operations in Germany and customary closing conditions.

5. 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 mainly been hedged both for interest rate risk and currency risk with CCIRS (approximately 27% of HLNG03 bond is unhedged). On 31 December 2022, the net fair value of interest-rate and cross-currency swaps was positive of USD 20.3 million (negative USD 5.4 million). This represents an increase in net assets of USD 25.7 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 17.2 million on 31 December 2022 (negative USD 18.3 million).

Effects on other comprehensive income and hedging reserves

In the fourth quarter of 2022, other comprehensive income (OCI) derived from the interest-rate swaps amounted to negative USD 3.6 million compared with positive USD 36.7 million in third quarter 2022. The total amount of interest rate swaps recognised in equity was positive by USD 26.9 million on 31 December 2022 (positive USD 30.5 million). Total OCI from hedges for 2022 was USD 119.4 million compared with USD 67.4 million reported for 2021.

MTMs of cash flow hedges in the Financial Position	31 Dec 22	30 Sep 22	30 Jun 22	31 Mar 22	31 Dec 21
Total MTMs of IRS presented as financial assets	44 249	43 466	16 725	17 147	2 780
Total MTMs of IRS and CCIRS presented as financial liabilities	(23 960)	(48 894)	(30 381)	(13 862)	(57 588)
Total MTMs of IRS in the joint ventures	(17 168)	(18 294)	(27 406)	(33 582)	(46 675)
Net MTMs of cash flow hedges	**3 121**	**(23 722)**	**(41 062)**	**(30 298)**	**(101 483)**
Net foreign exchange losses (gains) under cross currency swaps included in MTMs on bonds HLNG03 and HLNG04	30 502	55 141	35 264	1 729	5 225
Ineffectiveness and settlements	(6 680)	(886)	(424)	(609)	3 783
Interest rate swaps recorded against equity	**26 942**	**30 533**	**(6 222)**	**(29 178)**	**(92 474)**

6. Investments in associates and joint ventures - impairment

HLNG owns 34 percent of Joint Gas Ltd. and 50 percent of Joint Gas Two Ltd., which have made a provision for impairment per 31 December 2022 related to the vessels Arctic Princess and Arctic Lady. The group has recognised an impairment of USD 16 million through its share of result from investments in associates and joint ventures.

7. 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.

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, and a statement of defence was filed in September. 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 the group's business, financial condition and results of operations.

8. Events occurring after the reporting period

- Execution of binding time charter contract for Höegh Gannet with the Federal Government of Germany
- Loan agreement signed for refinancing of Höegh Esperanza and Höegh Gannet
- Acquisition of LNG carrier

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.

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 5 for further information.

USD'000

NET INTEREST-BEARING DEBT	31.12.2022	30.09.2022	30.06.2022	31.03.2022	31.12.2021
Interest-bearing debt, current and non-current	(1 514 628)	(1 520 404)	(1 536 656)	(1 581 271)	(1 613 745)
Non-current restricted cash	15 790	15 790	30 678	30 659	30 662
Cash and cash equivalents	162 171	160 549	141 402	102 569	142 559
Net interest-bearing debt	**(1 336 667)**	**(1 344 065)**	**(1 364 576)**	**(1 448 043)**	**(1 440 524)**

EQUITY ADJUSTED FOR HEDGING TRANSACTIONS	31.12.2022	30.09.2022	30.06.2022	31.03.2022	31.12.2021
Total equity	726 159	736 564	761 743	711 825	651 031
Hedge reserve including non-controlling interest share	(26 942)	(30 533)	6 221	29 178	92 474
Equity adjusted for hedging transactions	**699 216**	**706 031**	**767 964**	**741 003**	**743 505**

EQUITY RATIO ADJUSTED FOR HEDGING TRANSACTIONS	31.12.2022	30.09.2022	30.06.2022	31.03.2022	31.12.2021
Total assets	2 431 225	2 452 576	2 423 331	2 407 742	2 429 209
Hedge assets	(27 081)	(25 172)	10 681	16 436	43 895
Total assets adjusted for hedging transactions	**2 404 144**	**2 427 404**	**2 434 012**	**2 424 178**	**2 473 104**
Equity adjusted for hedging transactions	**699 216**	**706 031**	**767 964**	**741 003**	**743 505**
Equity ratio adjusted for hedging transactions	**29 %**	**29 %**	**32 %**	**31 %**	**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

HÖEGH LNG