



HÖEGH LNG

# Interim results

for the quarter ended 31 March 2024



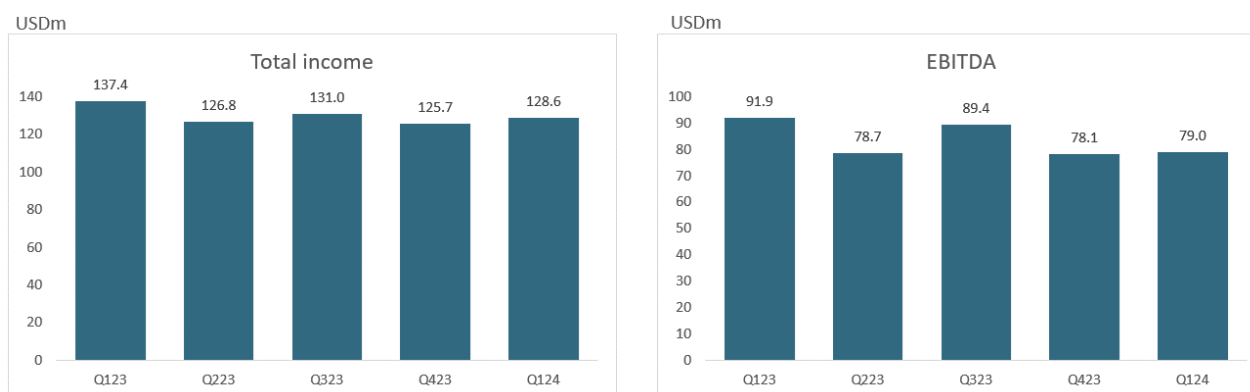
## Highlights for the quarter ended 31 March 2024

- EBITDA of USD 79 million
- Net profit after taxes of USD 19.7 million
- Successfully completed the refinancing of Hoegh Galleon
- Hoegh Giant arrived Santos, Brazil in late February and commenced its commissioning for FSRU operations

## Subsequent events

- Höegh LNG and AIE announced an interim FSRU deployment of Hoegh Galleon with EGAS in Egypt for a period of about 20 months
- Hoegh Galleon completed drydocking and its 5<sup>th</sup> anniversary class renewal in April
- Hoegh Giant completed its FSRU commissioning in Santos in late April

## Reported total income and EBITDA



## Group financial review<sup>1</sup>

In the first quarter of 2024, Höegh LNG Holdings Ltd. (Höegh LNG Holdings Ltd. or the company) and its subsidiaries (together Höegh LNG or the group) reported a total income of USD 128.6 million and an EBITDA of USD 79 million. This marks a slight increase from the preceding quarter's total income and EBITDA of USD 125.7 million and USD 78.1 million, respectively. The marginal rise in EBITDA can be attributed variation in administrative expenses and OPEX.

In the first quarter of 2024, the group's profit after tax was USD 19.7 million, reflecting a USD 3.9 million increase from the preceding quarter's USD 15.8 million.

Operating cash flows had a USD 33 million decrease in the first quarter, reaching USD 56.6 million. This decline was primarily due to variations in net working capital, which contributed negatively to the first quarter, while it had a positive contribution to the operating cash flows in the previous quarter. The net cash flows from investing activities amounted to a positive USD 5.1 million, largely driven by dividends received from joint ventures and interest received on bank deposits. Net cash outflows related to financing totalled USD 63.4 million during the quarter, primarily comprising regular amortisation of borrowings and lease payments (partly offset by proceeds from refinancing Hoegh Galleon), payment of dividends to non-controlling interests in Höegh LNG Partners (HMLP), and interest payments.

As of 31 March 2024, Höegh LNG held USD 216.9 million in unrestricted cash (compared to USD 218.5 million). Net interest-bearing debt, including lease liabilities, decreased by nearly USD 36 million to USD 1 344 million

<sup>1</sup> Unless otherwise stated, figures in this section are compared with figures for fourth quarter of 2023.

(compared to USD 1 380 million) in the first quarter. Additionally, total assets and book equity on 31 March 2024, after adjusting for the mark-to-market of interest rate swaps, were USD 2 584 million (compared to USD 2 597 million) and USD 797 million (compared to USD 781 million), respectively, resulting in an adjusted book equity ratio of 31% (compared to 30%).

## Key financial figures

(In USD'000 unless otherwise indicated)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
<b>INCOME STATEMENT</b>					
Total income	128 633	125 655	130 968	126 847	137 402
Operating profit before depreciation and amortisation (EBITDA)	78 994	78 133	89 405	78 746	91 903
Operating profit	49 154	48 238	59 490	48 840	63 841
Profit for the period	19 690	15 819	27 520	19 554	34 062
<b>FINANCIAL POSITION</b>					
Total assets	2 594 557	2 610 238	2 575 296	2 748 933	2 587 998
Total assets adjusted for hedging	2 583 838	2 597 746	2 529 443	2 718 508	2 576 427
Equity adjusted for hedging	797 127	780 609	768 634	745 204	729 175
Adjusted equity ratio (%) <sup>1</sup>	31%	30%	30%	27%	28%
Net interest-bearing debt	(1 344 323)	(1 380 186)	(1 440 196)	(1 444 628)	(1 479 166)
<b>CASH FLOWS</b>					
Net cash flows from operating activities	56 614	89 620	71 480	76 982	69 239
Net cash flows from investing activities	5 140	(5 441)	(5 663)	(11 823)	(183 378)
Net cash flows from financing activities	(63 381)	5 470	(249 315)	96 088	118 476
Net increase (decrease) in cash & cash equivalents	(1 627)	89 650	(183 498)	161 248	4 337

<sup>1</sup> Reconciliation of equity ratio adjusted for hedging is presented in appendix 1 - alternative performance measures (APMs).

## Business review

### Business development

Business development activities remain high with a balanced spread of activities between regions. There is a strong focus on developing the Zeeland Energy terminal in Vlissingen, Netherlands with our project partner VTTI. Hoegh LNG signed an Agreement on 2 May 2024 with Australian Industrial Energy and EGAS for FSRU deployment of Hoegh Galleon in Egypt for an interim period between June 2024 and February 2026, after which it is expected to be deployed to AIE's LNG terminal currently under construction at Port Kembla, Australia.

### Clean Energy

The business development activity remains high related to ammonia, H<sub>2</sub> and CCS developments in Europe. The developments are based on Höegh LNG's Hybrid FSRU concept, floating ammonia-to-H<sub>2</sub> terminals and floating CCS value chain. Import terminal opportunities are under development based on HLNG's floating concepts.

Höegh LNG is participating in a development project for an industrial-scale ammonia cracker. The equipment for the pilot plant is purchased and the construction of the plant is planned completed end 2024. The project aims to reduce cost related to cracking of ammonia to H<sub>2</sub> and is unique as it is the only concept under development that can be installed and operated onboard floating terminals.

Höegh LNG has a strategic partnership with Aker BP to develop a fully comprehensive carbon transport and storage offering for industrial CO<sub>2</sub> emitters in Northern Europe. The joint concept development and marketing activities for the value chain and sequestration of CO<sub>2</sub> in Aker BP's first CO<sub>2</sub> storage license on the NCS, Poseidon, is progressing according to plan.

### Operations

The fleet overall has delivered a stable operating performance in the first quarter. All vessels are on long term contracts, except Hoegh Gandria that trades on a LNGC time charter ending in August 2024. On 26 April 2024, Hoegh Giant completed commissioning in Santos, Brazil. Neptune is expected to be relocated from its current location in Lubmin, Germany to a new site in Mukran, Germany during the summer. Hoegh Galleon completed drydocking and its 5<sup>th</sup> anniversary class renewal in April 2024 and is now repositioning to Egypt to commence the above-mentioned interim FSRU deployment for EGAS.

## Fleet overview and contract coverage

The group's fleet comprises ten modern FSRUs and three LNG carriers. The entire fleet is operating under long-term contracts with strong counterparties, except the LNG carrier Hoegh Gandria which is currently employed on a 5 months LNGC charter ending in August 2024. The average<sup>2</sup> remaining contract length per vessel was 7.5 years at the end of March 2024.

Vessel	Built	Charterer	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038		
Arctic Princess <sup>1, 2</sup>	2006	Equinor	[Long-term contract]																
Arctic Lady <sup>1, 2</sup>	2006	TotalEnergies	[Long-term contract]																
Hoegh Gandria <sup>1</sup>	2013	LNGC trading	[FSRU and/or LNGC intermediate charter]	[Long-term contract]															
Independence	2014	Kiaipedos Nafta	KN has exercised its purchase option and will acquire the vessel in December 2024																
Hoegh Giant	2017	Compass	[Long-term contract]																
Höegh Esperanza	2018	Federal Republic of Germany <sup>3</sup>	[Long-term contract]																
Hoegh Gannet	2018	Federal Republic of Germany <sup>4</sup>	[Long-term contract]																
Hoegh Galleon	2019	AIE <sup>5</sup>	[Long-term contract]																
Neptune <sup>2</sup>	2009	TotalEnergies	[Long-term contract]																
Cape Ann <sup>2</sup>	2010	TotalEnergies	[Long-term contract]																
PGN FSRU Lampung <sup>2</sup>	2014	PGN LNG	[Long-term contract]																
Höegh Gallant	2014	New Fortress Energy	[Long-term contract]																
Höegh Grace	2016	SPEC <sup>6</sup>	[Long-term contract]																

[Dark Blue Box]	Long-term contract	[Green Box]	FSRU and/or LNGC intermediate charter	[Light Blue Box]	Extension option for Charterer
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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 10 years from end of 2023. Charterer has the right to terminate any time after year 5.75 by paying a termination fee
5. 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
6. The initial term of the charter is 20 years from late 2016. However, each party has an unconditional option to cancel the charter after 15 years without any termination fee

## Environment, Social and Governance (ESG)

Sustainability is a high priority for Höegh LNG. The company is deeply committed to guiding the energy transition responsibly, serving both as a trusted LNG infrastructure provider and a leading advocate for clean energy solutions. Furthermore, it acknowledges the responsibility to drive the social and governance agenda through the development of its operations and has ambitions to stay at the forefront of the industry. In 2023, Höegh LNG was for the second year running awarded 5 stars (with a 100/100 score) in the GRESB infrastructure assets benchmark report. This placed Höegh LNG first among participating energy resource processing companies.

Höegh LNG remains resolute in our commitment to reduce total CO2 emissions by 50% and have the first net zero-carbon FSRU in operation by 2030. Energy management, monitoring and optimization of our operations are some of the main drivers to reduce emissions in our current fleet.

A presentation of Höegh LNG's sustainability strategy is provided in the 2023 Sustainability Report published 19 April 2024, see <https://www.hoeghlng.com/Sustainability/default.aspx>.

## 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 only one LTI recorded during the annualised period up to 31 March 2024.

<sup>2</sup> As per 31 March 2024. Proportionate share for partly owned assets and assuming no termination rights are exercised. Charterers' extension option periods excluded.

	Q1 2024	2023	2022	2021	2020
Technical availability	99.8%	99.8%	99.7%	99.6%	99.7%
Lost-time injury frequency (annualised)	0.27	0.26	0.00	0.63	0.29

## Corporate/other activities

### Debt financing

In January 2024, the group successfully concluded the refinancing of Hoegh Galleon, which was previously structured under a sale-leaseback agreement. The refinancing encompasses a USD 190 million loan facility, inclusive of a USD 150 million term loan tranche and a currently undrawn revolving credit facility of USD 40 million. The entire outstanding balance of the prior loan facility has been fully settled. Additionally, in January the USD 100 million corporate credit facility was extended until January 2025 and is currently undrawn.

### Market

Global LNG demand reached a record high 110.4 million tonnes in Q1 2024, up by 3.5 percent year-on-year. This growth can be attributed to notably lower average LNG and gas prices compared to the same quarter of the last two years, despite the prevailing geopolitical tensions. Europe and Asia combined constituted 91.7 percent of the demand.

In Europe, the dependency on LNG has surged following the collapse of Russian pipeline gas imports in 2022. It remains high even as overall gas demand in the region remained relatively subdued. Throughout the quarter, Europe imported 28.5 million tonnes of LNG, a decrease from 31.7 million tonnes compared to the previous year. The mild winter led to reduced heating demand, but industrial consumption exhibited a moderate rebound due to lower prices.

Driven by lower prices and spearheaded by China, Asian demand for LNG maintained its robust trajectory from the end of 2023. During the quarter, the LNG import surged to 72.7 million tonnes, up from 67.4 million tonnes in the previous year.

While global LNG supply growth will be limited in the near-term, medium and longer-term market growth is supported by advancing upstream liquefaction projects due to increase in supply starting in 2025-2026, particularly in the US and Qatar.

In Q1 2024, LNG carrier spot rates maintained their downward trajectory, likely influenced by the rapid growth in the global LNG carrier fleet. However, tonne-mile demand found some support due to trade constraints in the Panama and Suez canals. Term rates for LNG carriers also fell during the quarter. Newbuilding prices for LNG carriers remained at record highs with lengthy lead times.

The FSRU market continues to be busy with several new projects in execution phase, while other projects are developing at earlier stages. Over the course of 2024, five FSRUs are expected to be installed in Europe and yet another three units elsewhere.

On 31 March 2024, the global fleet of FSRUs counted 47 units, excluding four barges with limited storage and/or send-out capacity. Following the recent surge in demand for FSRUs, only one existing unit remains available for prompt delivery in the market. There are two FSRU newbuilds on order, of which one is available with expected delivery in 2026.

### Outlook

The demand for FSRUs is expected to remain strong. While Höegh LNG has secured long-term contracts for its entire fleet of FSRUs, the business development team is in active dialogue with several potential new projects looking for FSRU capacity.

## Interim consolidated statement of income

USD'000	Unaudited Q1 2024	Unaudited Q4 2023	Unaudited Q1 2023
Time charter revenues	117 081	119 511	126 507
Management and other income	8 670	3 731	9 556
Share of results from investments in associates and joint ventures	2 882	2 413	1 340
<b>TOTAL INCOME</b>	<b>128 633</b>	<b>125 655</b>	<b>137 402</b>
Vessel operating expenses	(35 958)	(29 651)	(35 373)
Administrative expenses	(13 682)	(17 872)	(10 126)
<b>OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION (EBITDA)</b>	<b>78 994</b>	<b>78 133</b>	<b>91 903</b>
Depreciation	(29 840)	(29 894)	(28 063)
<b>OPERATING PROFIT (EBIT)</b>	<b>49 154</b>	<b>48 238</b>	<b>63 841</b>
Interest income	2 472	3 541	1 677
Interest expenses	(29 936)	(30 540)	(27 620)
Income from other financial items	525	1 446	909
Expenses from other financial items	(3 339)	(5 092)	(2 644)
<b>NET FINANCIAL ITEMS</b>	<b>(30 277)</b>	<b>(30 645)</b>	<b>(27 679)</b>
<b>ORDINARY PROFIT BEFORE TAX</b>	<b>18 877</b>	<b>17 593</b>	<b>36 162</b>
Income taxes	813	(1 774)	(2 099)
<b>PROFIT FOR THE PERIOD AFTER TAX</b>	<b>19 690</b>	<b>15 819</b>	<b>34 062</b>
<b>Profit for the period attributable to :</b>			
Equity holders of the parent	15 813	11 942	30 185
Non-controlling interests	3 877	3 877	3 877
<b>PROFIT FOR THE PERIOD AFTER TAX</b>	<b>19 690</b>	<b>15 819</b>	<b>34 062</b>

## Interim consolidated statement of comprehensive income

USD'000	Note	Unaudited Q1 2024	Unaudited Q4 2023	Unaudited Q1 2023
<b>Profit for the period</b>		19 690	15 819	34 062
<b>Items that will not be reclassified to profit or (loss)</b>				
Net gain (loss) on other capital reserves		(115)	273	(206)
<b>Items that may be subsequently reclassified to profit or (loss)</b>				
Net gain (loss) on hedging reserves	4	13 969	(40 631)	(21 826)
Share of other comprehensive income (loss) from joint ventures		2 684	(4 497)	(2 504)
<b>OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD NET OF TAX</b>		<b>16 538</b>	<b>(44 855)</b>	<b>(24 536)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD NET OF TAX</b>		<b>36 228</b>	<b>(29 036)</b>	<b>9 527</b>
<b>Total comprehensive income (loss) attributable to (from):</b>				
Equity holders of the parent		32 351	(32 913)	5 650
Non-controlling interests		3 877	3 877	3 877
<b>TOTAL</b>		<b>36 228</b>	<b>(29 036)</b>	<b>9 527</b>

## Interim consolidated statement of financial position

USD'000	Note	Unaudited	Audited	Unaudited
		2024 31 Mar	2023 31 Dec	2023 31 Mar
<b>ASSETS</b>				
<b>Non-current assets</b>				
Deferred tax assets		330	509	1 291
Vessels and depot spares		2 009 551	2 022 165	2 061 228
Right-of-use assets		61 335	69 183	91 697
Investments in associates and joint ventures		126 544	124 589	113 637
Other non-current financial assets	4	15 967	15 887	21 151
Other non-current assets		7 622	11 102	17 896
Shareholder loans		16 445	16 137	11 758
Non-current restricted cash		24 824	33 432	16 056
<b>Total non-current assets</b>		<b>2 262 618</b>	<b>2 293 004</b>	<b>2 334 712</b>
<b>Current assets</b>				
Bunker fuel and inventories		88	725	2 678
Trade and other receivables		62 965	53 590	63 557
Other current financial assets	4	17 556	21 176	19 438
Current restricted cash		34 468	23 255	16 525
Cash and cash equivalents		216 862	218 489	151 089
<b>Total current assets</b>		<b>331 939</b>	<b>317 234</b>	<b>253 286</b>
<b>TOTAL ASSETS</b>		<b>2 594 557</b>	<b>2 610 238</b>	<b>2 587 998</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		12	12	12
Other paid-in capital		907 903	907 083	907 083
Hedge and other capital reserves		12 795	(3 743)	(1 034)
Retained earnings		(283 255)	(299 068)	(350 329)
<b>Equity attributable to equity holders of the parent</b>		<b>637 455</b>	<b>604 284</b>	<b>555 731</b>
Non-controlling interests		176 078	176 078	176 078
<b>Total equity</b>		<b>813 533</b>	<b>780 362</b>	<b>731 809</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities		21 202	24 319	19 297
Non-current interest-bearing debt	3	1 168 426	1 186 996	1 266 792
Non-current lease liabilities	3	33 501	42 096	67 117
Other non-current financial liabilities	4	11 809	43 434	50 115
Deferred revenues		2 402	3 669	7 117
<b>Total non-current liabilities</b>		<b>1 237 340</b>	<b>1 300 513</b>	<b>1 410 438</b>
<b>Current liabilities</b>				
Current interest-bearing debt	3	384 643	392 497	296 352
Current lease liabilities	3	34 114	33 991	32 756
Income tax payable		7 622	6 641	7 700
Trade and other payables		32 860	25 205	23 411
Other current financial liabilities	4	33 807	9 845	36 428
Other current liabilities		50 637	61 185	49 104
<b>Total current liabilities</b>		<b>543 684</b>	<b>529 364</b>	<b>445 751</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2 594 557</b>	<b>2 610 238</b>	<b>2 587 998</b>

## Interim consolidated statement of cash flows

USD'000	Unaudited Q1 2024	Unaudited Q4 2023	Unaudited Q1 2023
<b>Cash flows from operating activities:</b>			
Profit before tax for the period	18 877	17 593	36 162
<i>Adjustments to reconcile profit before tax to net operating cash flows</i>			
Depreciation	29 840	29 894	28 063
Interest income	(2 472)	(3 541)	(1 677)
Interest expenses	29 936	30 540	27 620
Net loss (gain) on interest rate hedges and other derivatives	(525)	(229)	1 767
Loss (gain) on exchange and other non-cash adjustments	1 994	(1 387)	(747)
Share of results from investments in associates and joint ventures	(2 882)	(2 413)	(1 340)
<i>Working capital adjustments</i>			
Change in inventories, receivables and payables	(16 738)	19 537	(19 749)
Payment of corporate income taxes	(1 415)	(374)	(859)
<b>I) NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>56 614</b>	<b>89 620</b>	<b>69 239</b>
<b>Cash flows from investing activities:</b>			
Investment in FSRUs, assets under construction and class renewals	(514)	(9 751)	(185 672)
Investment in intangibles, equipment and other	(37)	(286)	(31)
Repayment of loans from joint ventures	-	-	2 301
Dividend received from joint ventures	3 500	-	-
Interest received	2 191	4 596	24
<b>II) NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>5 140</b>	<b>(5 441)</b>	<b>(183 378)</b>
<b>Cash flows from financing activities:</b>			
Dividend paid to non-controlling interest (HMLP)	(3 877)	(3 877)	(3 877)
Transaction cost paid	-	-	(8 593)
Proceeds from borrowings gross	155 000	319 228	355 000
Payment of financing and refinancing fees and debt issuance cost	(7 314)	(507)	(8 613)
Repayment of borrowings	(176 411)	(275 320)	(177 500)
Settlement of interest rate swaps	8 140	7 232	4 317
Interest paid on mortgage debt and bonds	(24 036)	(23 439)	(24 501)
Lease payments	(9 156)	(9 219)	(9 051)
Increase in restricted cash and cash collateral	(5 726)	(8 628)	(8 706)
<b>III) NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(63 381)</b>	<b>5 470</b>	<b>118 476</b>
<b>Net increase (decrease) in cash and cash equivalents (I+II+III)</b>	<b>(1 627)</b>	<b>89 650</b>	<b>4 337</b>
Current cash and cash equivalents at the beginning of the period	218 489	128 839	146 751
<b>Current cash and cash equivalents at the end of the period</b>	<b>216 862</b>	<b>218 489</b>	<b>151 089</b>



## Interim consolidated statement of changes in equity for the quarter ended 31 March 2024

USD'000	Attributable to equity holders of Höegh LNG Holdings Ltd.								Non-controlling interests	TOTAL EQUITY
	Share capital	Share premium	Contributed Surplus	Other paid-in capital	Hedging reserves	Other capital and reserves	Retained earnings	TOTAL		
<b>As at 1 January 2024</b>	12	556 262	350 821	(0)	(430)	(3 313)	(299 068)	604 284	176 078	780 362
Profit for the period	-	-	-	-	-	-	15 813	15 813	3 877	19 690
Other comprehensive income	-	-	-	-	16 653	(115)	-	16 538	-	16 538
<b>Total comprehensive income</b>	-	-	-	-	16 653	(115)	15 813	32 351	3 877	36 228
HMLP dividend to non-controlling interests	-	-	-	-	-	-	-	-	(3 877)	(3 877)
Other changes in equity	-	-	820	-	-	-	-	820	-	820
<b>Total other transactions recognised directly in equity</b>	-	-	-	-	-	-	-	820	(3 877)	(3 057)
<b>At 31 March 2024 (unaudited)</b>	12	556 262	351 641	(0)	16 223	(3 428)	(283 255)	637 455	176 078	813 533

## Interim consolidated statement of changes in equity for the quarter ended 31 March 2023

USD'000	Attributable to equity holders of Höegh LNG Holdings Ltd.								Non-controlling interests	TOTAL EQUITY
	Share capital	Share premium	Contributed Surplus	Other paid-in capital	Hedging reserves	Other capital and reserves	Retained earnings	TOTAL		
<b>As at 1 January 2023</b>	12	556 262	350 821	(0)	26 917	(3 416)	(380 515)	550 081	176 078	726 159
Profit for the period	-	-	-	-	-	-	30 185	30 185	3 877	34 062
Other comprehensive loss	-	-	-	-	(24 330)	(206)	-	(24 536)	-	(24 536)
<b>Total comprehensive income</b>	-	-	-	-	(24 330)	(206)	30 185	5 650	3 877	9 527
HMLP dividend to non-controlling interests	-	-	-	-	-	-	-	-	(3 877)	(3 877)
<b>Total other transactions recognised directly in equity</b>	-	-	-	-	-	-	-	-	(3 877)	(3 877)
<b>At 31 March 2023 (unaudited)</b>	12	556 262	350 821	(0)	2 587	(3 621)	(350 329)	555 731	176 078	731 809

# 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 May 2024.

The number of issued and outstanding shares for the quarter ending 31 March 2024 was 1 200 000.

## 2. Basis for preparation and accounting policies

The interim consolidated financial statements for the period ending 31 March 2024 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 2023 (the 2023 annual report).

The interim consolidated financial statements for the period ending 31 March 2024 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.

Preparation of interim financial statements in accordance with 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.

## 3. 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 6.3 in the 2023 annual report.

### Debt maturity profile including lease liabilities on 31 March 2024

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	140 272	-	-	-	-	140 272
PGN FSRU Lampung facility	23 413	-	-	-	-	23 413
Höegh Esperanza facility	24 910	26 112	27 372	28 693	218 381	325 469
Hoegh Giant facility	12 750	12 750	107 625	-	-	133 125
Hoegh Gannet facility	22 586	23 676	24 819	26 016	216 648	313 745
Hoegh Galleon facility	8 333	8 333	8 333	8 333	116 667	150 000
USD 385 million facility	25 597	219 966	9 500	-	-	255 064
Hoegh Gandria facility	9 039	12 052	89 488	-	-	110 580
Bond debt	120 406	-	-	-	-	120 406
<b>Interest-bearing debt outstanding</b>	<b>387 307</b>	<b>302 890</b>	<b>267 138</b>	<b>63 043</b>	<b>551 696</b>	<b>1 572 074</b>
<b>Lease liabilities</b>	<b>34 114</b>	<b>32 089</b>	<b>1 382</b>	<b>23</b>	<b>8</b>	<b>67 616</b>
<b>Total interest-bearing debt including lease liabilities</b>	<b>421 421</b>	<b>334 979</b>	<b>268 519</b>	<b>63 066</b>	<b>551 704</b>	<b>1 639 690</b>
Debt issuance costs	(2 664)	-	-	-	-	(19 005)
<b>Current and total interest-bearing debt including lease liabilities</b>	<b>418 758</b>					<b>1 620 685</b>

In January 2024, the group successfully concluded the refinancing of Hoegh Galleon, which was previously structured under a sale-leaseback agreement. The refinancing encompasses a USD 190 million loan facility, inclusive of a USD 150 million term loan tranche and a currently undrawn revolving credit facility of USD 40 million.

The entire outstanding balance of the prior loan facility has been fully settled. Additionally, in the USD 100 million corporate credit facility was extended until January 2025 and is currently undrawn.

#### 4. 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. The group applies hedge accounting to all eligible hedging instruments, with further details described in Note 3.2 of the 2023 annual report regarding the group's hedging policy and instruments.

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

The group's interest-bearing debt carries floating interest rates, but to mitigate exposure to interest-rate fluctuations, IRS agreements have been established for almost all loan agreements. Additionally, the bond loan, denominated in NOK, is predominantly hedged for both interest rate and currency risks through CCIRS agreements. As of 31 March 2024, the net fair value of interest-rate and cross-currency swaps amounted to a negative USD 6.7 million (negative USD 6.8 million). The group's proportional shares of the net fair value of interest swaps within joint ventures stood at a negative USD 11.7 million on the same date (negative USD 14.9 million).

##### Effects on other comprehensive income and hedging reserves

In terms of its impact on other comprehensive income and hedging reserves, during the first quarter of 2024, the interest rate swaps resulted in other comprehensive income of USD 16.7 million, a notable shift from the loss of USD 45.1 million in the fourth quarter of 2023. The overall balance of interest rate swaps reflected in equity was positive by USD 16.4 million as of 31 March 2023 (compared to a negative of USD 0.2 million).

<b>MTMs of cash flow hedges in the financial position</b>	<b>31 Mar 24</b>	<b>31 Dec 23</b>	<b>30 Sep 23</b>	<b>30 Jun 23</b>	<b>31 Mar 23</b>
Total MTMs of IRS presented as financial assets	22 402	27 371	56 654	44 582	30 561
Total MTMs of IRS and CCIRS presented as financial liabilities	(29 058)	(34 145)	(20 918)	(53 701)	(54 629)
Total MTMs of IRS in the joint ventures	(11 683)	(14 878)	(10 802)	(14 157)	(18 990)
<b>Net MTMs of cash flow hedges</b>	<b>(18 338)</b>	<b>(21 652)</b>	<b>24 935</b>	<b>(23 276)</b>	<b>(43 058)</b>
Net foreign exchange losses under cross currency swaps included in MTMs on bonds HLNG03 and HLNG04	25 871	19 635	24 526	53 329	46 970
Ineffectiveness and settlements	8 874	1 770	(4 811)	(4 348)	(1 278)
<b>Interest rate swaps recorded against equity</b>	<b>16 406</b>	<b>(247)</b>	<b>44 650</b>	<b>25 706</b>	<b>2 634</b>

#### 5. 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

The background for the potential tax liability is presented in Note 7.2 in the 2023 annual report. There has not been any significant development in the discussion with the tax authorities in the UK during the first quarter and no provision has been made.

#### 6. Events occurring after the reporting period

- Höegh LNG and AIE announced an interim FSRU deployment of Hoegh Galleon with EGAS in Egypt for a period of about 20 months
- Hoegh Galleon completed drydocking and its 5<sup>th</sup> anniversary class renewal in April
- Hoegh Giant completed its FSRU commissioning in Santos in late April

## 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 IFRS accounting standards® as adopted by the EU. 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, tax, 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 4 for further information.

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<b>NET INTEREST-BEARING DEBT</b>	<b>31 Mar 24</b>	<b>31 Dec 23</b>	<b>30 Sep 23</b>	<b>30 Jun 23</b>	<b>31 Mar 23</b>
Interest-bearing debt, current and non-current	(1 620 685)	(1 655 579)	(1 616 267)	(1 791 421)	(1 663 017)
Non-current restricted cash	24 824	33 432	28 088	17 079	16 056
Cash and cash equivalents incl. restricted cash and marketable securities	251 538	241 962	147 983	329 713	167 795
<b>Net interest-bearing debt</b>	<b>(1 344 323)</b>	<b>(1 380 186)</b>	<b>(1 440 196)</b>	<b>(1 444 628)</b>	<b>(1 479 166)</b>
<b>EQUITY ADJUSTED FOR HEDGING TRANSACTIONS</b>					
Total equity	813 533	780 362	813 284	770 909	731 809
Hedge reserve including non-controlling interest share	(16 406)	247	(44 649)	(25 705)	(2 634)
<b>Equity adjusted for hedging transactions</b>	<b>797 127</b>	<b>780 609</b>	<b>768 635</b>	<b>745 204</b>	<b>729 175</b>
<b>EQUITY RATIO ADJUSTED FOR HEDGING TRANSACTIONS</b>					
Total assets	2 594 557	2 610 238	2 575 296	2 748 933	2 587 998
Hedge assets	(10 720)	(12 492)	(45 853)	(30 425)	(11 571)
<b>Total assets adjusted for hedging transactions</b>	<b>2 583 838</b>	<b>2 597 746</b>	<b>2 529 443</b>	<b>2 718 508</b>	<b>2 576 427</b>
<b>Equity adjusted for hedging transactions</b>	<b>797 127</b>	<b>780 609</b>	<b>768 635</b>	<b>745 204</b>	<b>729 175</b>
<b>Equity ratio adjusted for hedging transactions</b>	<b>31%</b>	<b>30%</b>	<b>30%</b>	<b>27%</b>	<b>28%</b>

## Appendix 2 – Abbreviations

<b>Abbreviation</b>	<b>Definition</b>
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**