



HÖEGH LNG

Interim results

for the quarter and half year ended 30 June 2023



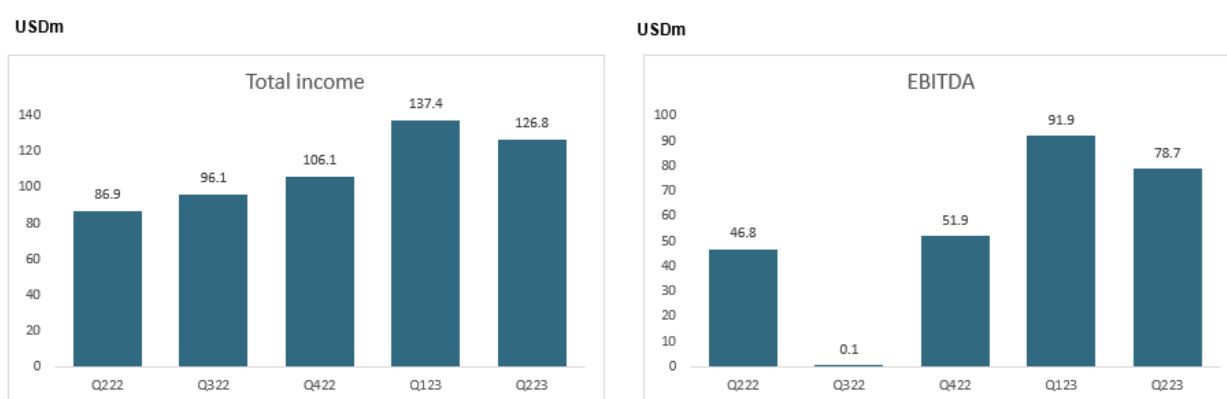
Highlights for the quarter ended 30 June 2023

- EBITDA of USD 78.7 million
- Net profit after taxes of USD 19.6 million
- The group completed a new loan agreement for Hoegh Gandria and a new corporate credit facility
- Höegh LNG, Wärtsilä and partners were granted EUR 5.9 million in project funding from Norwegian Government for major clean energy initiative related to converting ammonia to hydrogen

Subsequent events

- On 1 August the group repaid its HLNG03 bond loan (NOK 1.500 million)

Reported total income and EBITDA



Group financial review¹

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 126.8 million and an EBITDA of USD 78.7 million for the second quarter of 2023, compared to USD 137.4 million and USD 91.9 million for the preceding quarter. The decrease in EBITDA of USD 13.2 million was mainly a result of Hoegh Giant, which earned a very strong charter rate in the first quarter, being idle for most of second quarter, partially offset by Hoegh Gandria, which was acquired towards the end of the first quarter, commencing a one-year LNGC time charter from late April 2023.

The group recorded a profit after tax of USD 19.6 million for the second quarter of 2023, down USD 14.5 million from a profit after tax of USD 34.1 million in the preceding quarter. This decrease is mainly related to the aforementioned decrease in EBITDA and an increase in income taxes.

Operating cash flows increased in second quarter by USD 7.7 million to USD 77.0 million. The increase was mainly driven by changes in working capital which was partially offset by the decrease in EBITDA and higher payment of corporate income tax. Net cash outflows from investing activities of USD 11.8 million was mainly related to investment in new equipment for FSRUs. Net cash inflows from financing activities during the quarter totalled USD 96.1 million, primarily comprising net proceeds from new borrowings, offset by repayment of a corporate credit facility, regular instalments of borrowings and lease payments, dividends paid to non-controlling interests in Höegh LNG Partners (HMLP) and interest payments. The net increase in cash and cash equivalents during the second quarter was USD 161.2 million.

On 30 June 2023, Höegh LNG held USD 312.3 million in unrestricted cash (USD 151.1 million). Net interest-bearing debt, including lease liabilities, decreased during the second quarter by USD 34 million to USD 1 445 million (USD 1 479 million). Total assets and book equity on 30 June 2023, after adjusting for the mark-to-market of interest

¹ Unless otherwise stated, figures in this section are compared with figures for first quarter of 2023.

rate swaps, were USD 2 719 million (USD 2 576 million) and USD 745 million (USD 729 million) respectively, equivalent to an adjusted book equity ratio of 27% (28%).

For the first half of 2023, Höegh LNG reported a total income of USD 264.2 million and EBITDA of USD 170.6 million, which compares to USD 178.6 million and USD 101.3 million respectively for the same period of 2022. The increase in EBITDA of USD 69.4 million primarily reflects higher contribution from several vessels contracting higher charter rates and having less idle time and the acquisition of Hoegh Gandria in March 2023 (commencing operations in late April 2023). Moreover, administrative expenses were higher in first half of 2022 mainly due to costs related to the acquisition of HMLP's public common units. The group recorded a net profit after tax USD 53.6 million for the first half of 2023, which compares to a net loss of USD 5.5 million for the same period last year. The improvement is mainly due to the aforementioned increase in EBITDA, partly offset by an increase in net interest expenses.

Key financial figures

(In USD'000 unless otherwise indicated)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
INCOME STATEMENT					
Total income	126 847	137 402	106 064	96 098	86 850
Operating profit before depreciation and amortisation (EBITDA)	78 746	91 903	51 894	59	46 844
Operating profit (loss)	48 840	63 841	22 649	(30 065)	18 874
Profit (loss) for the period	19 554	34 062	(3 987)	(45 928)	(7 511)
FINANCIAL POSITION					
Total assets	2 748 933	2 587 998	2 431 225	2 452 576	2 423 331
Total assets adjusted for hedging	2 718 508	2 576 427	2 404 144	2 427 404	2 434 012
Equity adjusted for hedging	745 204	729 175	699 216	706 031	767 964
Adjusted equity ratio (%) ¹	27%	28%	29%	29%	32%
Net interest-bearing debt	(1 444 628)	(1 479 166)	(1 336 667)	(1 344 065)	(1 364 576)
CASH FLOWS					
Net cash flows from operating activities	76 982	69 239	69 600	32 731	38 093
Net cash flows from investing activities	(11 823)	(183 378)	(14 334)	(163 207)	(1 100)
Net cash flows from financing activities	96 088	118 476	(59 608)	146 813	923
Net increase (decrease) in cash & cash equivalents	161 248	4 337	(4 341)	16 337	37 915

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

Business review

Business development

Hoegh Giant finalised its interim LNG carrier time charter party by the end of the first quarter and was idle during most of second quarter. The FSRU commenced its long-term FSRU contract with TSRP/Compass in Brazil from beginning of the third quarter.

Hoegh Galleon is currently employed on a time charter contract in the LNG carrier market which is scheduled to end in September. The FSRU is expected to commence its long-term FSRU contract with AIE in Australia during the fourth quarter this year.

Hoegh Gandria commenced a one-year LNGC trading contract in late April 2023.

Höegh LNG's business development team is in active dialogue with several potential new projects looking for FSRU capacity.

Clean Energy

Höegh LNG is actively seeking areas where the company can contribute to the transition to a low-carbon world while growing its business in a commercially sustainable manner. Höegh LNG plans to leverage the extensive experience from floating terminals, liquid gas handling and marine gas transportation to expand the company's services into energy transition markets. Currently, this includes floating ammonia terminal solutions, ammonia to hydrogen, blue hydrogen production and carbon capture & storage solutions (CCS).

Among other initiatives, Höegh LNG is participating in a development project for an industrial-scale ammonia cracker to be placed on a floating terminal for the supply of hydrogen to end-consumers. Höegh LNG, Wärtsilä and partners have been granted approximately EUR 5.9 million in project funding from Norwegian Government

covering about 50% of the expected costs for developing the technical solution for large-scale conversion of ammonia to hydrogen. The project will seek to increase the viability of using hydrogen as a replacement for fossil fuels.

Operations

The fleet overall has delivered a stable operating performance in the second quarter, although Höegh Giant was idle for most of the quarter while being repositioned to start FSRU operations under its long-term contract in Brazil in the third quarter. Hoegh Gannet is currently performing its commissioning work in Germany before entering regular commercial regas operations. The vessel remains operational and earns hire from its charterer while this work is ongoing. Cape Ann, which is employed on a long-term charter with TotalEnergies has left the yard after completing modifications and class renewal and is currently being repositioned for FSRU operations in France later this year.

Fleet overview and contract coverage

The group's fleet comprises ten modern FSRUs and three LNG carriers. The entire fleet is either operating under or committed to long-term contracts with strong counterparties, except for the recently acquired Hoegh Gandria which is currently employed on a one-year LNGC trading contract. The average² remaining contract length per vessel was 8.2 years at the end of June 2023. The contract coverage for 2023 is close to 100%, with the exception of some expected idle time between contracts for Hoegh Galleon in fourth quarter of 2023.

Vessel	Built	Charterer	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Arctic Princess ^{1 2}	2006	Equinor																
Arctic Lady ^{1 2}	2006	TotalEnergies																
Hoegh Gandria	2013	LNGC trading																
Independence	2014	Klaipedos Nafta																
Hoegh Giant	2017	LNGC trading / Compass																
Höegh Esperanza	2018	Federal Republic of Germany ³																
Hoegh Gannet	2018	Federal Republic of Germany ³																
Hoegh Galleon	2019	LNGC trading / AIE ⁴																
Neptune ²	2009	TotalEnergies																
Cape Ann ²	2010	TotalEnergies																
PGN FSRU Lampung	2014	PGN LNG																
Höegh Gallant	2014	New Fortress Energy																
Höegh Grace	2016	SPEC ⁵																

KN has exercised its purchase option and will acquire the vessel in December 2024

Long-term contract
 FSRU and/or LNGC intermediate charter
 Extension option for Charterer

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

² As per 30 June 2023. Proportionate share for partly owned assets and assuming no termination rights are exercised. Charterers' extension option periods excluded.

Environment, Social and Governance (ESG)

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 and has ambitions to stay at the forefront of the industry.

Höegh LNG's overall climate ambition remains committed to reduce total CO2 emissions by 50% and have the first net zero-carbon FSRU in operation in 2030. Energy management, monitoring and optimization of our operations are one of the main drivers to reduce emissions in our current fleet.

Höegh LNG supports the UN Sustainable Development Goals (SDGs), a collection of 17 global goals set by the United Nations General Assembly in 2015. We have prioritised six SDGs where we believe we can have the most positive impact. We systematically work towards these SDGs throughout the organisation. In 2023, we will continue to monitor our selected SDGs to ensure that they are developing in line with our objectives.

A presentation of Höegh LNG's sustainability strategy is provided in the 2022 Sustainability Report published 13 April 2023, 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 no LTI's recorded during the annualised period up to 30 June 2023.

	Q2 2023	2022	2021	2020	2019
Technical availability	99.9%	99.7%	99.6%	99.7%	99.5%
Lost-time injury frequency (annualised)	0.0	0.0	0.63	0.29	0.31

Corporate/other activities

Debt financing

In February 2023, Höegh LNG signed a new loan facility agreement with a group of banks to refinance Höegh Esperanza and Hoegh 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 Hoegh Gannet is expected to be completed once the vessel has successfully completed its commissioning for regas operations in Germany and customary closing conditions have been fulfilled by the company.

In June 2023, Höegh LNG completed a new three-year term loan facility of USD 111 million financing a portion of the investment in the newly acquired Hoegh Gandria. At the same time, the company completed a new one-year corporate credit facility of USD 100 million, primarily serving as a bridge until the group completes the pending refinancing of Hoegh Gannet. Both facilities were fully drawn by 30 June 2023. USD 37 million of the proceeds were applied to repay and cancel another corporate credit facility in June.

On 1 August 2023 the group repaid its HLNG03 bond loan (NOK 1.500 million) on maturity date.

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 and gas markets have been calmer in the second quarter of 2023 relative to the situation seen in 2022, albeit at levels that remains elevated as compared to historical averages. Natural gas storages in Europe have been building, reaching milestone levels considerably earlier than required by EU, helped by relative muted downstream demand both in Europe and Asia. While this in itself has relaxed markets, it remains the case that Europe is now far more reliant on LNG imports than before imports of Russian pipeline gas collapsed. Future prices for natural gas and LNG indicate that global gas markets will tighten considerably towards the end of the year, reflecting the risk that next winter may turn out to be colder than the last one. Longer term market growth for LNG has gained further support as several upstream liquefaction projects are advancing, not least in the US, while Vietnam, the Philippines and Hong Kong are commissioning their first LNG import terminals (the latter two being FSRUs).

LNG carrier spot charter rates reached a seasonal bottom in the second quarter of 2023 before reversing the trend towards the end of the quarter. The reversal reflects the likelihood of a tighter market in the second half of the year. A scenario including full European storages towards the end of summer would mean increased likelihood of more floating storage and/or cross-basin trade, which in turn may support shipping rates also before heating season starts and the usual winter uptick in rates. Term rates receded somewhat through the quarter. This reflects the calmer gas markets but is likely also a result of the global fleet growing at a solid pace. Newbuilding prices for LNG carriers remain at record-high levels, with long lead times.

The FSRU market continues to be busy with several projects making progress. On 30 June 2023, there were 45 FSRUs on the water globally (excluding four barges with limited storage and/or send-out capacity). There is one open FSRU newbuild on order with expected delivery in 2026 and 2-3 ongoing conversions contracted to specific FSRU projects. One old conversion with relatively limited storage capacity in layup has been offered for sale during the quarter. 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. Five FSRUs were installed in Europe last year, and as many or more are likely to be installed during 2023.

Outlook

Höegh LNG's near-term focus is to ensure its FSRU projects commence operations as planned by its customers in Germany, France, and Brazil over the coming months. Furthermore, the company is 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, the business development team is in active dialogue with several potential new projects looking for FSRU capacity. The acquisition of the LNG carrier Hoegh Gandria earlier this year provides flexibility to pursue FSRU conversion opportunities.

The group expects that the EBITDA for the third quarter of 2023 will be somewhat higher than for the second quarter mainly due to Hoegh Giant and Hoegh Gandria being fully employed in the third quarter.

Interim consolidated statement of income

	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
USD'000	Q2 2023	Q1 2023	Q2 2022	YTD 2023	YTD 2022
Time charter revenues	113 936	126 507	81 715	240 443	165 820
Management and other income	10 168	9 556	2 222	19 724	5 626
Share of results from investments in associates and joint ventures	2 743	1 340	2 913	4 083	7 181
TOTAL INCOME	126 847	137 402	86 850	264 249	178 628
Vessel operating expenses	(37 667)	(35 373)	(24 808)	(73 041)	(47 888)
Administrative expenses	(10 434)	(10 126)	(15 199)	(20 559)	(29 461)
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION (EBITDA)	78 746	91 903	46 844	170 649	101 279
Depreciation	(29 906)	(28 063)	(27 970)	(57 969)	(55 907)
OPERATING PROFIT (EBIT)	48 840	63 841	18 874	112 680	45 371
Interest income	2 435	1 677	303	4 111	556
Interest expenses	(27 770)	(27 620)	(23 613)	(55 389)	(46 681)
Income from other financial items	2 781	909	619	3 690	2 030
Expenses from other financial items	(3 065)	(2 644)	(951)	(5 709)	(1 537)
NET FINANCIAL ITEMS	(25 618)	(27 679)	(23 641)	(53 297)	(45 632)
ORDINARY PROFIT (LOSS) BEFORE TAX	23 222	36 162	(4 768)	59 384	(261)
Income taxes	(3 668)	(2 099)	(2 744)	(5 768)	(5 233)
PROFIT (LOSS) FOR THE PERIOD AFTER TAX	19 554	34 062	(7 511)	53 616	(5 494)
Profit (loss) for the period attributable to (from):					
Equity holders of the parent	15 677	30 185	(16 098)	45 862	(24 639)
Non-controlling interests	3 877	3 877	8 587	7 754	19 145
PROFIT (LOSS) FOR THE PERIOD AFTER TAX	19 554	34 062	(7 511)	53 616	(5 494)

Interim consolidated statement of comprehensive income

		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
USD'000	Note	Q2 2023	Q1 2023	Q2 2022	YTD 2023	YTD 2022
Profit (loss) for the period		19 554	34 062	(7 511)	53 616	(5 494)
Items that will not be reclassified to profit or (loss)						
Net gain (loss) on other capital reserves		382	(206)	(729)	176	(1 190)
Items that may be subsequently reclassified to profit or (loss)						
Net gain (loss) on hedging reserves	5	18 777	(21 826)	16 265	(3 049)	66 949
Share of other comprehensive income from joint ventures		4 273	(2 504)	6 663	1 769	19 241
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD NET OF TAX		23 432	(24 536)	22 199	(1 103)	85 000
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		42 986	9 527	14 688	52 513	79 506
Total comprehensive income attributable to (from):						
Equity holders of the parent		39 109	5 650	1 716	44 759	45 830
Non-controlling interests		3 877	3 877	12 972	7 754	33 676
TOTAL		42 986	9 527	14 688	52 513	79 506

Interim consolidated statement of financial position

USD'000	Note	Unaudited	Unaudited	Audited	Unaudited
		2023	2023	2022	2022
		30 Jun	31 Mar	31 Dec	30 Jun
ASSETS					
Non-current assets					
Deferred tax assets		1 026	1 291	1 156	1 481
Vessels and depot spares		2 050 032	2 061 228	1 895 614	1 925 318
Right-of-use assets		84 229	91 697	99 245	114 653
Investments in associates and joint ventures		121 026	113 637	114 997	115 969
Other non-current financial assets	5	31 763	21 151	23 334	14 692
Other non-current assets		16 948	17 896	15 018	17 829
Shareholder loans		15 529	11 758	13 800	10 202
Non-current restricted cash		17 079	16 056	15 790	30 678
Total non-current assets		2 337 633	2 334 712	2 178 954	2 230 821
Current assets					
Bunkers and inventories		1 250	2 678	859	981
Shareholder loans		-	-	-	1 855
Trade and other receivables		52 589	63 557	65 623	42 599
Other current financial assets	5	27 968	19 438	23 774	5 799
Current restricted cash		17 156	16 525	15 264	6 519
Cash and cash equivalents		312 337	151 089	146 751	134 756
Total current assets		411 300	253 286	252 271	192 510
TOTAL ASSETS		2 748 933	2 587 998	2 431 225	2 423 331
EQUITY AND LIABILITIES					
Equity					
Share capital		12	12	12	12
Other paid-in capital		907 083	907 083	907 083	859 784
Hedge and other capital reserves		22 389	(1 034)	23 501	184
Retained earnings		(334 653)	(350 329)	(380 515)	(444 786)
Equity attributable to equity holders of the parent		594 832	555 731	550 081	415 193
Non-controlling interests		176 078	176 078	176 078	346 550
Total equity		770 909	731 809	726 159	761 744
Non-current liabilities					
Deferred tax liabilities		20 748	19 297	18 713	17 589
Non-current interest-bearing debt	4	1 208 830	1 266 792	1 069 323	1 244 417
Non-current lease liabilities	4	58 905	67 117	75 492	91 791
Other non-current financial liabilities	5	43 028	50 115	32 072	30 522
Deferred revenues		5 875	7 117	8 540	11 036
Total non-current liabilities		1 337 386	1 410 438	1 204 140	1 395 356
Current liabilities					
Current interest-bearing debt	4	490 547	296 352	337 611	168 966
Current lease liabilities	4	33 138	32 756	32 201	31 481
Income tax payable		7 491	7 700	7 500	12 498
Trade and other payables		19 700	23 411	22 975	12 595
Other current financial liabilities	5	38 134	36 428	28 420	11 111
Other current liabilities		51 626	49 104	72 219	29 581
Total current liabilities		640 637	445 751	500 926	266 232
TOTAL EQUITY AND LIABILITIES		2 748 933	2 587 998	2 431 225	2 423 331

Interim consolidated statement of cash flows

	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
USD'000	Q2 2023	Q1 2023	Q2 2022	YTD 2023	YTD 2022
Cash flows from operating activities:					
Profit (loss) before tax for the period	23 222	36 162	(4 768)	59 384	(261)
<i>Adjustments to reconcile profit or loss before tax to net operating cash flows</i>					
Depreciation	29 906	28 063	27 970	57 969	55 907
Interest income	(2 435)	(1 677)	(303)	(4 111)	(556)
Interest expenses	27 770	27 620	23 613	55 389	46 681
Net loss (gain) on interest rate hedges and other derivatives	(2 510)	1 767	(566)	(743)	(864)
Loss (gain) on exchange and other non-cash adjustments	(200)	(747)	(2)	(947)	(30)
Share of results from investments in associates and joint ventures	(2 743)	(1 340)	(2 913)	(4 083)	(7 181)
<i>Working capital adjustments</i>					
Change in inventories, receivables and payables	6 974	(19 749)	(2 807)	(12 775)	(30 353)
Payment of corporate income tax	(3 002)	(859)	(2 132)	(3 860)	(2 635)
I) NET CASH FLOWS FROM OPERATING ACTIVITIES	76 982	69 239	38 092	146 222	60 709
Cash flows from investing activities:					
Investment in FSRUs, assets under construction and class renewals	(10 108)	(185 672)	-	(195 780)	(1 168)
Investment in intangibles, equipment and other	(13)	(31)	(157)	(44)	(157)
Repayment (grants) of loans to joint ventures and associates	(3 500)	2 301	(1 175)	(1 199)	(2 336)
Interest received	1 798	24	232	1 822	264
II) NET CASH FLOWS FROM INVESTING ACTIVITIES	(11 823)	(183 378)	(1 100)	(195 201)	(3 397)
Cash flows from financing activities:					
Capital contribution from owners	-	-	39 800	-	39 800
Dividend paid to non-controlling interest (HMLP)	(3 877)	(3 877)	(4 058)	(7 754)	(8 116)
Transaction cost paid	-	(8 593)	-	(8 593)	-
Proceeds from borrowings gross	210 580	355 000	22 500	565 580	22 500
Payment of financing and refinancing fees and debt issuance cost	(2 730)	(8 613)	(1 188)	(11 343)	(1 188)
Repayment of borrowings	(66 343)	(177 500)	(26 916)	(243 843)	(59 640)
Settlement of interest rate swaps	-	4 317	-	4 317	-
Interest paid on mortgage debt and bonds	(25 611)	(24 501)	(18 950)	(50 112)	(38 779)
Lease payments	(9 149)	(9 051)	(9 161)	(18 200)	(18 232)
(Increase) decrease in restricted cash and cash collateral	(6 781)	(8 706)	(1 104)	(15 488)	7 058
III) NET CASH FLOWS FROM FINANCING ACTIVITIES	96 088	118 476	923	214 565	(56 597)
Net increase in cash and cash equivalents (I+II+III)	161 248	4 338	37 915	165 586	714
Current cash and cash equivalents at the beginning of the period	151 089	146 751	96 841	146 751	134 041
Current cash and cash equivalents at the end of the period	312 337	151 089	134 756	312 337	134 756

Interim consolidated statement of changes in equity for the half year ended 30 June 2023

USD'000	Attributable to equity holders of Höegh LNG Holdings Ltd.									
	Share capital	Share premium	Contributed Surplus	Other paid-in capital	Hedging reserves	Other capital and reserves	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
As of 1 January 2023	12	556 262	350 821	(0)	26 917	(3 416)	(380 515)	550 081	176 078	726 159
Profit for the period	-	-	-	-	-	-	45 862	45 862	7 754	53 616
Other comprehensive income (loss)	-	-	-	-	(1 279)	175	-	(1 104)	-	(1 104)
Total comprehensive income (loss)	-	-	-	-	(1 279)	175	45 862	44 758	7 754	52 512
HMLP dividend to non-controlling interests	-	-	-	-	-	-	-	-	(7 754)	(7 754)
Other changes in equity	-	-	-	-	-	(9)	-	(9)	-	(9)
Total other transactions recognised directly in equity	-	-	-	-	-	(9)	-	(9)	(7 754)	(7 763)
As of 30 June 2023 (unaudited)	12	556 262	350 821	(0)	25 638	(3 249)	(334 653)	594 830	176 078	770 908

Interim consolidated statement of changes in equity for the half year ended 30 June 2022

USD'000	Attributable to equity holders of Höegh LNG Holdings Ltd.									
	Share capital	Share premium	Contributed Surplus	Other paid-in capital	Hedging reserves	Other capital reserves	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
As of 1 January 2022	12	556 262	154 753	109 446	(67 622)	(2 663)	(422 833)	327 355	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)	-	-	-	-	71 659	(1 190)	(24 639)	45 830	33 675	79 506
Shareholder contribution	-	-	39 800	-	-	-	-	39 800	-	39 800
HMLP dividend to non-controlling interests	-	-	-	-	-	-	-	-	(8 116)	(8 116)
Transfer of assets from HMLP	-	-	-	-	-	-	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
As of 30 June 2022 (unaudited)	12	556 262	194 553	108 968	4 037	(3 853)	(444 786)	415 193	346 550	761 743

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 August 2023.

The number of issued and outstanding shares for the quarter ending 30 June 2023 was 1 200 000.

2. Basis for preparation and accounting policies

The interim consolidated financial statements for the period ending 30 June 2023 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 2022 (the 2022 annual report).

The interim consolidated financial statements for the period ending 30 June 2023 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 2022 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 30 June 2023 a tax provision of USD 5.8 million for the potential future tax obligation related to the open years that remain subject to a potential tax audit in Indonesia.

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 14 in the 2022 annual report.

Debt maturity profile including lease liabilities on 30 June 2023

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	136 460	-	-	-	151 708
PGN FSRU Lampung facility	18 150	18 150	5 979	-	-	42 280
Höegh Esperanza facility	24 045	25 205	26 422	27 697	240 028	343 396
Hoegh Giant facility	12 750	12 750	12 750	104 438	-	142 688
Hoegh Gannet facility	11 042	11 042	11 042	76 042	38 646	147 813
Hoegh Galleon facility	146 452	-	-	-	-	146 452
USD 385 million facility	25 597	25 597	215 234	7 833	-	274 262
Hoegh Gandria facility	-	-	110 580	-	-	110 580
Bond debt	140 579	120 693	-	-	-	261 272
Senior RCF	100 000	-	-	-	-	100 000
Interest-bearing debt outstanding	493 863	349 898	382 006	216 009	278 673	1 720 450
Lease liabilities	33 138	34 453	24 041	403	8	92 043
Total interest-bearing debt including lease liabilities	527 001	384 351	406 047	216 412	278 682	1 812 493
Debt issuance costs	(3 316)	-	-	-	-	(21 073)
Current and total interest-bearing debt including lease liabilities	523 686					1 791 421

In February 2023, Höegh LNG signed a new loan facility agreement with a group of banks to refinance Höegh Esperanza and Hoegh 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 Hoegh Gannet is expected to be completed once the vessel has successfully completed its commissioning for regas operations in Germany and customary closing conditions have been fulfilled by the company.

In June 2023, Höegh LNG completed a new three-year term loan facility of USD 111 million financing a portion of the investment in the newly acquired Hoegh Gandria. At the same time, the company completed a new one-year corporate credit facility of USD 100 million, primarily serving as a bridge until the group completes the pending refinancing of Hoegh Gannet. Both facilities were fully drawn by 30 June 2023. USD 37 million of the proceeds were applied to repay and cancel another corporate credit facility in June.

The group is in the process of refinancing Hoegh Galleon which is currently financed with under a sale-leaseback structure. The group expects this process to be completed towards the end of the year or early in 2024. To facilitate the process, the group have notice of early termination to the lessor in June and has consequently reclassified the debt from non-current to current in the balance sheet as of 30 June 2023.

On 1 August 2023 the group repaid its HLNG03 bond loan (NOK 1.500 million) on maturity date.

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 2022 annual report. The group applies hedge accounting for all hedging instruments which qualify for this, as further described in Note 2.10 in the 2022 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 (26% of HLNG03 bond is unhedged). On 30 June 2023, the net fair value of interest-rate and cross-currency swaps was negative USD 9.1 million (negative USD 24.1 million). The group's pro rata shares of the net fair value of interest swaps entered into by joint ventures amounted to a negative USD 14.2 million on 30 June 2023 (negative USD 19.0 million).

Effects on other comprehensive income and hedging reserves

In the second quarter of 2023, other comprehensive income (OCI) derived from the interest-rate swaps amounted to USD 23.1 million compared with negative USD 24.3 million in first quarter 2023. The total amount of interest rate swaps recognised in equity was positive by USD 25.7 million on 30 June 2023 (positive USD 2.6 million).

MTMs of cash flow hedges in the Financial Position	30 Jun 23	31 Mar 23	31 Dec 22	30 Sep 22	30 Jun 22
Total MTMs of IRS presented as financial assets	44 582	30 561	44 249	43 466	16 725
Total MTMs of IRS and CCIRS presented as financial liabilities	(53 701)	(54 629)	(23 960)	(48 894)	(30 381)
Total MTMs of IRS in the joint ventures	(14 157)	(18 990)	(17 168)	(18 294)	(27 406)
Net MTMs of cash flow hedges	(23 276)	(43 058)	3 121	(23 722)	(41 062)
Net foreign exchange losses (gains) under cross currency swaps included in MTMs on bonds HLNG03 and HLNG04	53 329	46 970	30 502	55 141	35 264
Ineffectiveness and settlements	(4 348)	(1 278)	(6 680)	(886)	(424)
Interest rate swaps recorded against equity	25 706	2 634	26 942	30 533	(6 222)

6. 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 26 in the 2022 annual report. There has not been any development in the discussion with HMRC during the second quarter 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.

7. Events occurring after the reporting period

- On 1 August 2023 the group repaid its HLNG03 bond loan (NOK 1.500 million)

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 2023 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.

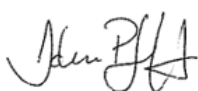
Hamilton, Bermuda, 22 August 2023

The Board of Directors of Höegh LNG Holdings Ltd.



Morten W. Høegh

Chairman



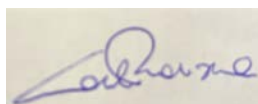
Johan Pfeiffer

Deputy Chairman



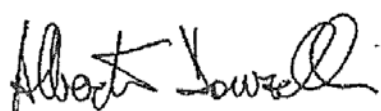
Eric den Besten

Director



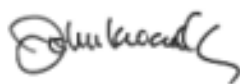
Carlo Ravizza

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 5 for further information.

USD'000

NET INTEREST-BEARING DEBT	30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2022
Interest-bearing debt, current and non-current	(1 791 421)	(1 663 017)	(1 514 628)	(1 520 404)	(1 536 656)
Non-current restricted cash	17 079	16 056	15 790	15 790	30 678
Cash and cash equivalents	329 713	167 795	162 171	160 549	141 402
Net interest-bearing debt	(1 444 628)	(1 479 166)	(1 336 667)	(1 344 065)	(1 364 576)
EQUITY ADJUSTED FOR HEDGING TRANSACTIONS	30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2022
Total equity	770 909	731 809	726 159	736 564	761 743
Hedge reserve including non-controlling interest share	(25 705)	(2 634)	(26 942)	(30 533)	6 221
Equity adjusted for hedging transactions	745 204	729 175	699 216	706 031	767 964
EQUITY RATIO ADJUSTED FOR HEDGING TRANSACTIONS	30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2022
Total assets	2 748 933	2 587 998	2 431 225	2 452 576	2 423 331
Hedge assets	(30 425)	(11 571)	(27 081)	(25 172)	10 681
Total assets adjusted for hedging transactions	2 718 508	2 576 427	2 404 144	2 427 404	2 434 012
Equity adjusted for hedging transactions	745 204	729 175	699 216	706 031	767 964
Equity ratio adjusted for hedging transactions	27 %	28 %	29 %	29 %	32 %

Appendix 2 – Abbreviations

Abbreviation

CCIRS

DFDE/TFDE

FID

FSRU

Höegh LNG or the group

Höegh LNG Partners, HMLP or the partnership

Höegh LNG Holdings or the company

IRS

LNGC

LTI

MLP

Definition

Cross-currency interest rate swap

Dual/Tri fuel diesel electric propulsion

Final investment decision

Floating storage and regasification unit

Höegh LNG Holdings Ltd and subsidiaries

Höegh LNG Partners LP

Höegh LNG Holdings Ltd.

Interest-rate swap

LNG carrier

Lost-time injury

Master limited partnership



HÖEGH LNG